COMMERCE

(Established 1910)

VOL. CII. No. 2596 BOMBAY, 7th JANUARY 1961 PRICE Rs. 2

UNDER SECRETARY TO GOVERNMENT
JAN 1961
PUBLIC DEPARTMENT

PUBLISHED BY
COMPANY

Makers of World-renowned

"ADELPHI" Electrocardiograph

Also Makers of Surgical Lint Raising Machines, Rolling and Calendering Machines, Bandage Rolling Machines, etc.

STONE-WALL WORK LTD

32, Victoria Street, London, S.W.1

ENGLAND

Well-known Manufacturers of

P. I. V. Gears, Metal Alloy Pirns, etc.

REFER ENQUIRIES TO SOLE SELLING AGENTS

ALTEX PRIVATE LTD.

P. O. Box 1076

147, Esplanade Road, Fort, BOMBAY

Telephons: 251082 Telegrams: "BETEX"

ASEA

Vasteras, Sweden

•

Manufacturers of

all types and ratings of
Heavy Electrical Machinery
such as
Motors and Generators
Transformers and Rectifiers
H. V. and L. V. Switchgear
Relays and Regulators
Melting Furnaces
Capacitors

•

SOLE AGENTS FOR INDIA

ASEA ELECTRIC INDIA,
PRIVATE LIMITED
BOMBAY CALCUTTA MADRAS

for

ERSKINE HEAP

AND

•

KILBURN & CO. PRIVATE LTD.

Gresham Assurance House
Pherozeshah Mehta Road
BOMBAY 1

Tel: 251908 P.O. Box 565

THE NEW GREAT INSURANCE COMPANY
OF INDIA LIMITED
45-47 APOLLO STREET, FORT, BOMBAY-1

Authorised Capital - - - - - -	Rs. 2,00,00,000
Issued and Subscribed Capital - - - -	Rs. 1,00,00,000
Paid-up Capital - - - - - -	Rs. 20,00,000
Total Assets as on 31-12-1959 over - - -	Rs. 1,74,00,000

BOARD OF DIRECTORS:

Shri TULSIDAS KILACHAND (Chairman)

Shri GULABCHAND HIRACHAND
Shri JEHANGIR PESTONJI PATEL, M.A. (Cantab.)
Shri AMBALAL KILACHAND
Shri LALITKUMAR M. KHATAU
Shri A. M. M. ARUNACHALAM
Shri PRATAP BHOGILAL
Shri ANANDLAL H. SHETH
Shri VRAJLAL CHHOTALAL
Shri MOHANLAL L. SHAH
Shri RAMESH C. PATEL

General Manager: Shri M. G. MODY

Registered Office: BANK BUILDING, MANDVI, BARODA

OTHER OFFICES AT:

Agra, Ahmedabad, Akola, Amraoti, Amreli, Amritsar, Bangalore, Bhavnagar, Bareilly, Bhilwara, Calcutta, Calicut, Chittagong, Cochin, Coimbatore, Colombo, Davangere, Gauhati, Guntur, Hyderabad (A.P.), Hubli, Indore, Jalgaon, Jalna, Jharia, Jaipur, Jodhpur, Karachi, Kanpur, Lucknow, Ludhiana, Madras, Madurai, Mangalore, Masulipatam, Muzaffarpur, Nagpur, New Delhi, Nairobi, Patna, Patan, Poona, Raipur, Sangli, Silchar, Siliguri, Surat, Sriganganagar.

REPRESENTATIVES AT:

ALEXANDRIA, AMSTERDAM, BRUSSELS, COLOMBO, DAR-ES-SALAAM, KAMPALA, MOMBASA, MWANZA, RANGOON, ROTTERDAM, SEYCHELLES

Business Transacted:— FIRE — MARINE — ACCIDENT

9 JAN 1961
PUBLIC DEPARTMENT

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2596 BOMBAY, 7th JANUARY 1961 PRICE Rs. 2

NEED FOR FRESH THINKING ON BONUS

THE New Year does not seem to have begun well for the Union Labour Ministry. In its attempt to steer clear of one problem, this Ministry has unwittingly sailed into another. It appears to have abandoned its original idea of a Bonus Commission composed of representatives of workers and employers with an independent Chairman in favour of one consisting of all independent members, presumably because it found it difficult to reconcile the rival claims of the central organisations of trade unions for representation. What is still worse, it has given the chairmanship to a person who has all along been arbitrating on disputes pertaining to bonuses. By making this departure from its earlier assurance, the Ministry has brought unhappiness at least to one of the two parties directly concerned with the issue, namely, employers. Although the composition of the Commission has not yet been officially announced, Mr. G. L. Nanda, Union Minister for Labour, is reported to have named the members of the Commission as Mr. M. R. Meher, President of the Industrial Court of Maharashtra (Chairman), Prof. B. N. Ganguli of the Delhi University and Mr. Govinda Reddy, a Member of Parliament. Employers are greatly perturbed over this news and their reaction to it is as sharp as it is prompt. They are not happy with the choice of the Chairman, because they feel that the President of an Industrial Court, which has had to deal with a number of bonus disputes, is not a suitable person to head the Commission. Their objection is understandable, for such a person, howsoever competent and independent he might be, cannot normally be expected to approach the question with an open mind. He is bound to be obsessed by the various decisions given by him and his colleagues in the Industrial Court. The employers may have no right to question the Government's privilege to appoint whomsoever it pleases to the chairmanship or membership of the Commission. But they are well within their right to contend that only a truly independent Commission can be expected to take an objective and unbiased view of the complex and controversial issues which will come up for its decision. Surely, Mr. Gulzarilal Nanda, with his expert knowledge of labour problems, ought to be able to appreciate this point better than anyone else. It is, therefore, a painful surprise to find from today's papers that he has defended the choice of Mr. Meher for this key post. Mr. Meher has undoubtedly rich experience of industrial problems. But the important point to be realised here is that he is now being asked to head a Commission recommended by the Supreme Court which had posed several issues in regard to bonus and had set aside some of the awards given by Mr. Meher. This amounts to giving an opportunity to Mr. Meher to comment on the Supreme Court's observations, especially those on his own awards. It must, indeed, be an embarrassing position for Mr. Meher himself.

It was unwise on the part of the Government to have gone back on its earlier decision to give representation on the Commission to both employers and workers. As the experience of Wage Boards for cement, cotton textiles and sugar industries has amply demonstrated, the association of representatives of employers and workers with the Commission, apart from giving it added prestige and authority, would make both the parties morally obliged to abide by its recommendations. There is considerable force in the contention that the Government, having thrown overboard the tripartite principle, should at least ensure that the Commission is composed of independent persons acceptable to both employers and workers. The Government would do well to bear in mind that, if it decides to ignore this modest suggestion, it would be inviting more trouble. For, if the party which does not have confidence in the Commission refuses to implement its recommendations, the Government will be left with only one of two alternatives, either to bring forward legislation to enforce the recommendations or to shelve the issue, both of which will be equally undesirable.

Since employers have already expressed their disapproval of the proposed chairman, the Government stands to lose nothing by reconsidering whether a person acceptable to both the parties could be found. An ideal choice would be a retired judge of the Supreme Court. Since the main objection to the appointment of Mr. Meher is his close association with the adjudication of disputes regarding bonus, care should be taken to see that the choice falls on one who does not suffer from any such disadvantages. A person who has served on the bench of the highest court in the land can be expected to take a strictly impartial view and be fully conversant with judicial processes. Neither of the parties should have any reason to object to such a person. Adequate consideration of the technical and economic aspects of bonus could be ensured by the appointment of an economist (as has already been announced) and an accountant as members of the Commission.

Unfortunate though these developments are, they only go to show the baneful consequences of the bonus system. Bonus is one of the many undesirable legacies of war-time, when, thanks to the soaring costs of living, some arrangement to bridge the gap between the actual wage and the living wage was found necessary. The continued inflationary pressures have helped the perpetuation of this practice to an extent that even companies which are incurring losses, as well as those which, being new, have not yet reached profit-earning stage, have to pay a bonus to their staff and workers. Recurring bonus disputes have been a source of constant friction between employers and employees. Neither from the point of view of equity nor of efficient production, outright payment of bonus, unrelated to any test of efficiency, is a desirable way of compensating the workers for their contribution. The wide disparity in the quantum of bonus paid to workers in the same area, or even in concerns under the same management, has been a source of great dissatisfaction and discontent among workers. Since, by and large, the quantum of bonus payable is determined by the profit level, which itself fluctuates from year to year, bonus continues to be an uncertain element in the cost calculations of industry. The sooner this expediency is replaced by a scientific system of payment, which, while assuring workers a fair minimum wage, links the extra remuneration more directly to the efforts put in by the workers, the better it would be for industrial peace in this country. Accordingly, the Bonus Commission should be entrusted with the task of examining the ways and means of replacing the present pernicious system with something which will be more conducive to increased efficiency all round, rather than of laying down norms for determining and paying bonus. The need for establishing contentment among the workers is certainly not denied here. Only, it should be fulfilled in a manner that will yield satisfaction to all—consumers, investors, Government and workers. There are numerous examples elsewhere in the free world where the problem has been solved in an economic way. There is thus a clear need for fresh thinking on the subject. There is no harm in taking the assistance of some competent foreign experts, perhaps under the auspices of the I.L.O., if the experts in this country are unable to hit upon a healthy solution to the problem.

Contents

		Page
LEADING ARTICLES—		
Need for Fresh Thinking on Bonus	...	1
Wanted—Economic Statesmanship	...	1
Export of Engineering Goods	...	2
MARKET GOSSIP		3
THIS WEEK'S SURVEY		6-7
SPECIAL FEATURES—		
Madras Stock Exchange in 1960	...	4 5
London Letter		5
On the Arena		8
Economic Trends in United States	...	10
Licensing of Industrial Units	...	18
Study of State-owned Oil Companies	...	24
TEXTILES		12-13
JUTE		14
INSURANCE		16
ENGINEERING		26
COMMERCE AND INDUSTRY		32-33
COMPANY MATTERS		34-36
MARKET REPORTS		39-41
MISCELLANEOUS STATISTICAL INFORMATION ...		42-43
WEEK'S STOCK EXCHANGE TREND		43
ROUND THE EXCHANGES		44

WANTED—ECONOMIC STATESMANSHIP

THERE can be no two opinions on the background of ideas and facts against which Mr. H. M. L. Williams, President, Associated Chambers of Commerce of India, has approached the theme, "Industry, its development and its problems at the beginning of the third Plan," in his address at the recent annual general meeting of the Chambers at Calcutta. Some ideas which are widely and generally accepted form part of this background. There are in his speech, to be sure, certain generalities, as, for instance, that the people of this country should redouble their efforts to conserve and develop indigenous resources, to provide more domestic investment and to intensify productive effort all round; that the third Plan, though bigger than the second, is not large enough to meet the country's need for a higher standard of living; that there is need for flexibility in execution of Plans; and that planning, which is as necessary for good company management as for the economy as a whole, has to be continuous. As generalities—not vague but pregnant—these are hardly open to dispute. Nor, indeed, can it be disputed that the continuing foreign exchange crisis, by restraining the inflow of capital goods, technical know-how and industrial raw materials, threatens to slow down the pace of development. The quantum of rise in industrial production and its diversification over the last decade have no doubt been very impressive. But there are also the disconcerting facts that low levels of productivity are still too common over much of industry; there are critical shortages in transport facilities, coal and power supplies and technical and managerial skills; and, above all, production of food and agricultural raw materials has lagged far behind industrial production. These, too, are some incontrovertible facts which appropriately form part of the background against which Mr. Williams has presented some points of view and advanced some suggestions. These views and suggestions which find dignified and restrained expression in his presidential address are so realistic, balanced and constructive that they carry with them the attribute of "economic statesmanship of the highest order," to borrow a phrase the esteemed speaker used in another context.

If only Government policies and procedures are informed by such economic statesmanship, even the present problems and difficulties may turn out to be a blessing in disguise, in the sense that they will have enabled readjustment and consolidation. The measures appropriate to this phase of consolidation, which is not to be confused here with any pause for breath, shou'd be quite capable of application. Two related sug-

gestions advanced by Mr. Williams in this connection are that existing capital resources should be employed to capacity and that installed productive capacity be kept going even if it is at the expense of some new schemes. Since the bottlenecks to full utilisation of industrial capacities are to be found in insufficient technical manpower, inefficient supervision, bad management and inadequate import of industrial raw materials and spares, existing idle capacities should receive first priority as far as the removal of such bottlenecks is concerned. The problem of creating new managerial and technical skills in a country like India where so much of industry is new and large numbers of new recruits are flocking to industry from a non-industrial background has been rightly spotlighted by Mr. Williams as one of very large dimensions.

While the Finance Minister, Mr. Morarji Desai, in his speech at the meeting of the Chambers, recognised in a general way the need to employ existing capital resources to their full capacity, it is strange that he whittled down the force of this recognition by not facing squarely the problem of maintenance imports, that is, imports of raw materials and components, for maintaining the highest possible level of production in existing industries. Mr. Desai's argument that external credits and aid funds could be used mostly for new development, tied as they were to particular projects, and not for import of industrial raw materials and components was, of course, theoretically correct. But it concealed the fact that the Government had not presented a forthright and cogent case to the "Aid-India Club" for assistance covering maintenance imports also. The Government's current view, to which the Finance Minister referred, would seem to be that each industry must cover as much of its own foreign exchange needs as possible by making a "conscious" effort to increase its exports, so that its reliance on the common pool of foreign exchange was reduced to the minimum. It would appear that this was a tall order which not only evaded the issue but ignored the potentialities of traditional exporting industries for earning much more foreign exchange than they are doing now. While diversification of export trade is undoubtedly a desirable proposition, it must be recognised that finding markets for new products all on a sudden is by no means easy. Industries established in the first instance for catering to the domestic market cannot possibly be expected to develop overnight products of the kind suitable for export.

Indeed, the repeated stress on diversification of exports seems to be encouraging a fatalistic attitude that there is no more room for the traditional foreign exchange earners—an attitude which leads to adoption of policies and practices that actually tend to restrict the export markets over a period of time. It is also leading to the application of export incentive schemes in an injudicious manner which, if persisted in for some more time, might threaten the external value of the rupee itself. Why should not the powers-that-be recognise that more foreign exchange can be saved or earned in other easier and more economic ways? For instance, substantial savings of foreign exchange can be effected in such possible ways as enabling private enterprise to refine more Assam crude oil and thereby to reduce the import bill on account of petroleum products and growing more raw cotton and raw jute to reduce or eliminate their imports. Again, substantial earnings of foreign exchange can be effected by reducing the financial impositions on tea, textile and jute industries so as to restore their competitive capacity in export trade, by growing more oilseeds for export and by eliminating superfluous cattle by stages and exporting more raw hides and skins. Apart from trying to get more 'free' aid, as distinct from 'tied loans', the powers-that-be would need to exercise their thoughts much more on the above lines. Exhortation of the kind addressed by Mr. Desai to new industries to export would surely not do the trick. The export incentives given or promised to such industries could be more usefully provided to traditional exporting industries. And the newer industries could be left free for a good many years to cater to the domestic market. This, however, does not mean that they need not participate, wherever possible as in the case of engineering goods, in export promotion.

It is here that the role of the State Trading Corporation would have to be clearly defined. There is much wisdom in the view expressed by Mr. Williams that maintenance imports should be actually handled by existing channels wherever they have proved themselves capable of rendering reliable service. But it is surprising that he adopted an approach of compromise where he stated that exports through the S.T.C. could be confined to nation-to-nation trading in raw materials and semi-processed commodities. It is all the more surprising because Mr. Williams himself admitted that well-established export interests were in constant personal contact with their customers throughout world markets. The idea that Communist countries like to deal only with State-operated agencies for their export or import purposes is, perhaps, not wholly true to reality. The U.K., West Germany and a number of other European countries, for instance, are doing a growing volume of trade with Russia without the assistance of State Trading Corporations. Nor is it possible to assert dogmatically that private business interests in India or elsewhere will somehow reconcile themselves to the continued prospect of having to deal with a State trading agency for their export or import purposes. A more forthright approach to this question of State trading in the foreign trade sector is certainly called for.

Two other directions in which economic statesmanship could conceivably be displayed were also touched upon by Mr. Williams. One of these related to the establishment of secondary and necessary complementary processing and consumer goods industries by using the basic raw materials and semis and the capital goods produced by the expanded heavy industries. If private enterprise is to play its full part in establishing these industries, it must have such conditions as would enable it to pay good wages, to provide a reasonable return to shareholders and to build up the reserves necessary for continuous modernisation and expansion. The telling point made by Mr. Williams that, if even in North America the plough-back required in industrial enterprise for self-regeneration represents 14 per cent. of gross income, it should be more in a country like India engaged in rapid industrialisation, deserves full consideration by the Tariff Commission in determining fair ex-works prices and fair returns on capital employed.

Related to the above approach is the one pleading for a few fiscal concessions which Mr. Williams listed as necessary for giving a fillip to new industrialisation. The desirability of applying the provisions of Section 56A of the Income-tax Act to all the industries specified in the first schedule to the Industries Development and Regulation Act is one of them. The need for removing the taxation of capitalisation from reserves and from share premium accounts is another. A third desirable concession could be the commencement of five-year relief period afforded by Section 15C of the Income-tax Act only after a new industrial undertaking has reached a profit-earning stage. This concession, however, must be so provided as to see that it will also act as an incentive to expedite the attainment of that stage. And, lastly, any possible reduction in the high level of personal taxation will generate more personal savings for investment in new industries. While it was hardly to be expected that the Finance Minister would commit himself so far in advance of the Budget to any of these suggestions made by the President of the Associated Chambers of Commerce of India, their patently reasonable character could not have failed to impress Mr. Morarji Desai. It is to be hoped that the Budget for 1961-62, covering the first year of the third Plan, will bear out this inference.

EXPORT OF ENGINEERING GOODS

IN its memorandum to the Planning Commission on the Draft Outline of the third Plan, the Engineering Association of India, it may be recalled, had expressed the view that no spectacular rise in exports of engineering goods could be expected in the absence of a plan for a good deal of diversification in products. But a plan of this kind would succeed only if there were enough resources in technical know-how, product design and skilled manpower. It is not surprising, therefore, that, at the present time, more than 50 per cent. of the export trade in engineering goods is confined only to about 16 items and to about 30 firms. While exports of such goods in value terms have increased by 45 per cent. in 1960 as compared with 1959, in absolute terms they are not very substantial; being only Rs. 8.9 crores in the former year, as against Rs. 6.1 crores in the latter. In highlighting these facts, Mr. R. S. Agarwal, Chairman of the Engineering Export Promotion Council (Calcutta), has also appropriately outlined, in his address at the Council's fifth annual general meeting, a plan for a vigorous export promotion drive. Such a drive could conceivably have a target for 1965 of as much as Rs. 50 crores worth of exports of engineering goods (as against the Council's present target of Rs. 30 crores for 1965, Rs. 25 crores for 1964, Rs. 20 crores for 1963, Rs. 16 crores for 1962 and Rs. 12 crores for 1961), if some inhibiting factors are removed and positive incentives given.

The present factors standing in the way of export promotion are: First, production even in those engineering units which could be relied upon for exports is only around 50 per cent. of their installed capacity on account of shortage in the supply of steel and pig iron; and, secondly, there is a wide gap, ranging from 15 to 40 per cent., between net ex-factory realisation on sales of engineering goods in India and net realisation on sales abroad—a gap rendering export an uneconomic proposition. As for the first factor, namely, physical shortage of raw materials, present trends point to a distinct improvement in the supply of steel in 1961, as its production is currently about 250,000 tons per month, as against 160,000 tons per month in the beginning of 1960. But the position in respect of foundry pig iron may not be that easy until the Bokaro plant is set up and the proposed five or six medium (or small?) scale pig iron plants, each up to a capacity of 100,000 tons a year, are established in the private sector. Whatever be the expected course of pig iron production in the country, it should not be difficult for the powers-that-be to make some priority allotment of this raw material to the engineering industries for the purpose of export promotion.

This factor of raw material supplies has also another aspect, namely, that of prices. The higher production costs of Indian engineering goods would have to be brought down, as Mr. B. S. Agarwal has pertinently emphasised, by reductions in the prices of steel, pig iron and tinplate. Mr. Agarwal's observation that "the Steel Prices Committee has already submitted its report to the Government and we hope that they would accept their recommendations and give relief to the export promotion industries," gives rise to the hope that something will be done in this regard. It is high time this was done, because the present steel prices paid by the consumer include the surcharge of Rs. 115 per ton—a surcharge for which there is less justification now in the context of smaller steel imports. Similarly, the present pig iron prices paid by the consumer also include the surcharge of Rs. 62 per ton. Whether or not the Government accepts the Engineering Association's advice that it "should not try to find finance for general purposes except through accepted taxation channels," it ought to do something to cheapen raw material costs in the interests of export promotion of engineering goods.

But any reduction in raw material costs may only partly cover the gap between net ex-factory realisation on sales of engineering goods in India and net realisation on sales abroad. The gap would need to be covered fully by other positive incentive measures, for, as Mr. Agarwal has so happily put it, "sentiments and exhortations (to export) alone do not work in business" and "export to be a success must be made a worthwhile proposition." Such incentive measures could conceivably include (i) income-tax rebate and building up of tax-free reserves as has been the practice in Japan and West Germany, (ii) credit facilities at concessional rates of interest, and (iii) retention of foreign exchange earned for utilising in import of raw materials and stores for sale in the market. Of these measures, only the third one is already being applied to the special export promotion schemes, but, according to the Chairman of the Engineering Export Promotion Council, some modifications are necessary here too. At the same time, there is a case for lower shipping freights for engineering goods by placing them in a separate classification instead of continuing to keep them in the miscellaneous group for which highest freight rates are charged; and there is also a case for concessions in railway freight on account of all engineering goods moving from inland centres to ports or from one port to another. These requisite concessions and reliefs hardly call for comment. Since opportunities are opening out for the supply of engineering goods, including parts and components, even to highly industrialised countries like the United Kingdom, West Germany and the United States—in 1960 we exported Rs. 1.5 crores worth of engineering goods to North America and Rs. 1.2 crores worth to Europe as against Rs. 1.1 crores and Rs. 0.3 crore respectively in 1959—the time has verily come for providing all possible incentives in this regard.

MARKET GOSSIP

THE birth of a new year in the Christian Era rarely generates any bullish enthusiasm among the stock exchange fraternity in India. It is so, because the end of February is Budget day for this country and, usually, speculation about the budget is predominantly bearish. A.D. 1961 has been no exception to this general trend. With the third Plan bigger than the second, envisaging an additional tax burden of Rs. 1,650 crores for the five-year period and with Defence expenditure showing no prospect of diminishing, the desire to play for safety is strong among speculators and investors alike. There is, of course, subdued confidence that the Government will not resort to any new direct taxes or enhance the existing ones with the object of winning the votes of the masses in the next General Elections. It is this confidence that is restraining the bears to exploit the situation. Nevertheless, none is inclined to go long.

In the short-term money market, the Reserve Bank's policy of dear money is proving effective. The inter-bank call money rate has gone up to the unprecedented level of 5½ per cent. and several banks are said to be borrowing from the Reserve Bank against Government securities at the maximum penal Bank rate of 6 per cent. Some of the Exchange banks, we hear, have even found it necessary to bring funds from abroad. There is no change in the Reserve Bank's open market policy so far as the Gilt-edged securities are concerned. It has commenced buying outright, instead of against a switch, the Central loans maturing in 1962, but this is being done with a view to facilitating their re-payment rather than for easing the pressure on the short-term money market. The banks are hopefully awaiting the return of the balance of special deposits lying with the Reserve Bank. Even if this hope were to materialise, the resulting relief would not go very far. And, with deposits not expanding fast enough, they will do well to reconcile themselves to the prospect of the effective Bank rate continuing at 6 per cent. throughout the current busy season and the inter-bank call money at 5 to 5½ per cent.

Madras Aluminium—A New Growth Issue

The first largest capital issue of 1961 is provided by the Madras Aluminium Company Ltd. A detailed summary of the prospectus appears on pages 20 and 21. A careful study of it suggests that the project is a sound one and that it should be an early success. Aluminium has established itself as a useful industrial and building material. Constant research in its uses has proved that it is a good and gainful substitute for steel, as well as for some of the other non-ferrous metals. Its special features as a metal are lightness combined with strength, good conductibility, high corrosion resistance, easy adaptability for a variety of uses, and lower maintenance cost. Its indispensability for the manufacture of aircraft is well known. Not so well known, perhaps, is the fact that it is being increasingly used in automobile industry. The present world demand for aluminium is about 4 million tons. Nine years ago, it was no more than 1.8 million tons.

As industrialisation grows in India, the demand for aluminium also will expand rapidly. Even as it is, production is very much less than demand. For India, which is not well endowed with copper and other non-ferrous metals, aluminium is more important than even steel, because it can be substituted for other non ferrous metals, too, as in the case of A.C.S.R. cables and utensils. It was no doubt this realisation that impelled our planners to set a target of 75,000 tons of production and 82,500 tons of capacity for aluminium against the present production of a little over 17,000 tons per annum and a capacity of 17,500 tons. In terms of potential demand during the next five years, this target is undoubtedly modest and India may even find it necessary to import aluminium ingots.

In order to achieve the aforesaid target, the Government of India has allowed three new entrants into the field and one of them is the Madras Aluminium Company Ltd. The initial capacity sanctioned is 10,000 tons, but the project is so designed that it can be expanded by stages to 40,000 tons to take care of the country's future requirements. The special features of this Company may be highlighted here, as all the essential details are given in the announcement:

(1) Availability of adequate power at a reasonably low price is an important prerequisite for the economic working of an aluminium manufacturer. Even an increase of one naya paisa will mean a rise of Rs. 220 per ton in the cost of production of aluminium, because some 22,000 kw.h. of electric power is required to produce one ton of ingot. The Company has been assured of adequate supply of power by the Madras State Electricity Board at the rate of Rs. 55 per kw.h. for the alumina section for five years and Rs. 120 per kw.h. for the smelter (aluminium section) for ten years. These are the lowest rates which any manufacturer of aluminium has so far been able to get in India.

(2) The bauxite deposits found in the Shevaroy Hills are of a superior grade, in that the ore is soft and easily amenable to smelting.

(3) The mining of bauxite deposits in the Shevaroys is relatively cheaper, as the deposits are found on top of the hills, requiring only surface mining.

(4) The project enjoys the best locational advantages. The distance between the bauxite mines and the factory site is only 42 miles. Plenty of water and power are also available on the site. There will thus be a great saving in freight. Even the markets for the finished product are easily accessible. The demand for aluminium for electrical uses in the Madras State alone is said to be 10,000 tons per annum.

(5) The manufacturing programme is so drawn up as to enable production to begin by stages. In less than 18 months from now, the Company expects to start production of alumina which can either be sold within the country or exported abroad until the aluminium section is in a position to convert it into ingots. The mining of bauxite is already in full swing and the ore is being stockpiled. In fine, the Company should be able to attain the stage of profit-making and yielding a return on capital well within four years.

(6) Technical collaboration of a high order has been obtained. The Montecatini Group in Italy is internationally well known for its success in the chemical and metallurgical industries. The collaborators have a big stake in the Company and also a big say in its affairs.

(7) The Madras Government, too, has a large financial stake and can be depended upon to take paternal interest in the progress and performance of the Company.

(8) The foreign exchange side has been well taken care of and the project belongs to those industries which will not be materially affected by difficulties in India's balance of payments position. In fact, if it is allowed to export alumina, as is planned, it should be able to earn Rs. 1.50 crore by way of foreign exchange.

(9) Only a sum of Rs. 25 per share is payable now and the balance of Rs. 75 in three calls at convenient intervals.

In fine, the project of the Madras Aluminium Company Ltd. stands favourable comparison with others in respect of raw materials, power, location and markets. Incidentally, the location of the plant, adjacent to the Mettur Chemical Factory would enable the pumping of chemicals by pipelines, thereby saving time and transport costs in regard to this essential raw material also. With such advantages, it is rather surprising that the promoters should have gone in for underwriting their issue on a vast scale and on terms which appear to be generous. Apparently, they did not want to take any chances with the vagaries of the capital market. Be that as it may, the issue belongs to the variety of "growth scrips" and should prove sufficiently attractive to those who are in no hurry for an immediate reward and look for handsome capital appreciation in due course.

1960 ANNUAL NUMBER

Owing to unforeseen circumstances there has been some delay in the publication of our Golden Jubilee-cum-1960 Annual Number. The Number will be ready for distribution to subscribers on 10th January 1961. In view of its bulk, its despatch through post has to be spread over two days, namely, 10th and 11th January 1961. This slight delay, which has been unavoidable, is regretted.—Ed.

British Paints: A Promising New Issue

The British Paints (India) Limited has offered for public subscription 216,346 equity shares of Rs. 10 each at a premium of Rs. 5 per share. Consent of the Central Government, as well as of the existing shareholders of the Company, has been obtained for this public issue. Of this issue, a small percentage, representing 20,000 shares, is reserved for Directors, their friends and the employees of the Company. The subscription list will open on 16th January 1961 and close on 18th January or later, at the discretion of the Directors. Applications must be made for a minimum of 100 shares or in multiples thereof and the issue is open only to those who are residents in India. The whole amount is payable with the application.

The Company under reference was originally incorporated as Hadfields (India) Limited on 17th December 1923 in West Bengal. The present name was acquired by the Company in December 1947, when the British Paints Ltd. of the U.K. secured a controlling interest in the Company. The authorised capital is Rs. 1 crore and the present issued and paid-up capital Rs. 28,36,540, all in ordinary shares of Rs. 10 each; this is now sought to be raised to Rs. 50 lakhs.

Since the acquisition of controlling interest by the British Paints Ltd. of the U.K., the Company has made rapid progress. The net sales, for instance, increased from Rs. 31.75 lakhs in 1947 to Rs. 166.91 lakhs in 1959. The Company's net profit after taxation has almost doubled during the five years beginning from 1955. Its management has been sound and proof of it lies in the fact that the Company's reserves and surplus, as at 31st December 1959, amounted to Rs. 26.57 lakhs, as against a paid up capital of Rs. 28.36 lakhs. On the basis of this factor alone, it can be stated that the premium of Rs. 5 per share is not unduly high. When the present issue is fully taken up, as it is bound to be, the reserves and surplus will go up to Rs. 35.38 lakhs, a level which will be equal to 71 per cent. of the increased paid-up capital (of Rs. 50 lakhs).

The principal business of the Company is manufacture and sale of paints, enamels, varnishes, synthetic resins, and allied products, for all of which there is an expanding market in this country. Being a subsidiary of the British Paints of the U.K., the Company also enjoys the benefit of research and the vast technical experience and knowledge of the network of the subsidiaries situated in the U.S.A., Canada, Australia, New Zealand, Trinidad and Great Britain. The Directors anticipated the sales to increase further in the near future. They are quite optimistic particularly with regard to synthetic resins, because of the present restrictions on their import which have created a large unsatisfied demand. Further, the Company intends to manufacture a special type of protective coating, which is currently not being manufactured in India but is imported in large quantities. For this purpose, the Company has entered into negotiations with a foreign concern. If the negotiations are successful and the Central Government gives its sanction, it is proposed to form a separate company for this purpose in collaboration with the foreign manufacturer. In this new company, the British Paints (India) Ltd. will have a majority of 51 per cent. of the issued share capital.

On the basis of the past performance and the growth prospects, the Directors feel that the Company would be in a position to pay a taxable dividend at the rate of 12½ per cent. per annum. This would give a tax-free yield of 5.83 per cent. per annum. As the growth prospects are good, this is by no means a poor yield. The Directors of the Company are all thoroughly experienced persons and they could be expected to employ the additional capital fruitfully so as to benefit the shareholders.

The shares now being offered rank as regards dividends and in all other respects pari passu with the existing equity shares of the Company. Only, they will not be entitled to any dividend that may be declared for the year ended 31st December 1960. There are no special rights or restrictions attached to the present issue.

Travancore Electro-Chemical Industries

Ten thousand new ordinary shares of Rs. 100 each have been offered for public subscription by the Travancore Electro-Chemical Industries Ltd. The subscription list opened on the 4th inst. and is scheduled to close on 11th January 1961. The applicants have to pay Rs. 25 per share on application and Rs. 25 per share on allotment and the balance in two equal instalments.

The Company was incorporated on 4th April 1945 under the Travancore Companies Act and started its operations in 1952, owing to delay in securing electrical equipment. For some years past, the Company has been passing through its developmental stage. But it has many creditable features to its record. It has proved, by its own working, the advantages of using sea-shells for manufacturing quicklime. The high purity of the calcium carbide produced by the Company has been certified by the Ministry of Defence, Government of India. In its report of 1956, the Tariff Commission has specifically stated that the existing plant of the Company enjoyed certain marked locational facilities for procurement of raw materials and electrical energy at economic rates and that expansion at the same spot should seem to afford the Company a reasonable assurance of success.

With the new capital now being raised and the financial assistance proposed to be provided by the Government of Kerala, the Company intends to raise the productive capacity of the calcium carbide plant to 10,000 tons per year. As the Government of Kerala has agreed to supply electric power at favourable rates, the Company hopes to produce calcium carbide at economic cost. The other locational advantages are plentiful supply of labour and good transport facilities by both rail and water for the movement of raw materials and finished products.

The Company is very optimistic about the prospective demand for calcium carbide. As is well known, calcium carbide is widely used in the manufacture of such important chemicals as acetylene gas, polyvynil chloride, calcium cynamide, and a variety of commercial solvents and intermediates, synthetic rubbers and resins. The demand for this product is continuously increasing as a result of rapid industrialisation, especially due to the growth of chemical industry. The outlook for future profits would, therefore, appear to be fairly bright.

The Company has secured the collaboration of a German firm and the latter has agreed to supply a complete carbide plant of 30 tons daily capacity as well as technical personnel. The German firm has also agreed to give credit terms for 75 per cent. of the total purchase price of the plant and to charge interest at only 3 per cent. per annum on the outstanding balance.

Coffee Situation

The concern lately expressed by coffee growers over the trend of supplies and prices is not unfounded. A huge stock of nearly three million metric tons of coffee is reported to be currently hanging on the world market and prices are naturally depressed. Uganda Robusta grade is now fetching in London no more than £6 13s. 6d. per cwt., as against £8 8s. 6d. a year ago and £15 2s. in the latter half of May 1958; actually, sometime early in 1960, it was quoted at as high as £10 10s. The continued low level of prices has adversely affected the prospects for coffee exports from India. Nor is the trend of internal offtake encouraging, especially when production has gone up quite markedly, from 46,520 tons in 1958-59 to 49,248 tons in 1959-60 and 52,290 tons in 1960-61 (estimate). It is stated that the unsold stocks of coffee with growers are quite large, prices are falling and the return to growers is beginning to prove to be uneconomic. How disquieting is the position was vividly described by Mr. C. I. Machia, Chairman of the Consolidated Coffee Estates, when he addressed the recent annual meeting of the Company. Here is what he said:

"... Growers are faced with an adverse export market. We are now faced with the position of suffering a loss, as coffee is to be exported on the basis of any price which it could fetch. There is no doubt that, until now, the grower has subsidised the (domestic) consumer. It is extremely

(continued on page 44)

INVESTORS' ELATION YIELDS PLACE TO ANXIOUS CONCERN

TREND OF MADRAS STOCK EXCHANGE IN 1960

By Messrs. Maconochie & Co.

MADRAS, 30th December

THE most outstanding feature of 1960 was the emergence of a vigorous capital market. In few years since independence, did we witness such rousing response for new issues as we had this year. In fact, the enthusiasm was carried to such a pitch as to attract the wrath of Government who stepped in after the self-imposed curbs of the Stock Exchange authorities had proved ineffective. The four-pronged drive initiated by the Reserve Bank in its directive of 11th March, by which (a) 25 per cent. of the excess bank deposits were impounded, (b) a minimum of 50 per cent. margin for advances against equities was made obligatory, (c) banks were prohibited from engaging in budla business and (d) the restrictions on bank advances were further tightened, proved comparatively ineffective. Hence, the deposit impounding scheme was further tightened in May when banks were obliged to hold 50 per cent. of the excess deposits, with the Reserve Bank. The climax of this novel scheme of credit control was seen on 1st October when the Reserve Bank introduced the three-tier Bank rate system according to which Scheduled banks could borrow up to a prescribed quota from the Reserve Bank at the Bank rate beyond that quota upto double of it at 1 per cent. above the Bank rate, and over double the quota at 2 per cent. above the Bank rate. Further, banks were advised to put up their lending rates, in consequence of which borrowing against shares became costlier by ½ to 1 per cent. By now, the speculative fervour for new issues had subsided and therefore the October directive dealt a severe blow to share prices which hurtled down so steeply as to almost wipe off the gains made since the commencement of the year. The Reserve Bank's index number of variable Dividend Securities (base 1952-53=100) which stood at 160 at the beginning of the year soared to 182 at the end of July, when the downtrend started and by mid-October, it was down to 165.1. From then on, there has been a hesitant recovery to 169.4 for the week ended 12th November.

Subdued Optimism

The elation of the investor over the continuous rise in the value of his holdings, during the first seven months of the year, has now given place to anxious concern about the immediate future outlook, especially in the context of the 1961 budget which would herald the third Five-year Plan. At the close of the year, however, market sentiment showed subdued optimism, perhaps on account of the fact that the agricultural and industrial outlook for 1961 promises to be better than during 1960, thanks to the exceptionally, favourable monsoon all over the country. Industrial production in the first five-months of 1960 recorded a 13 per cent. increase over the corresponding period of 1959. Anxiety about foreign aid has also abated considerably, since the victory of Mr. Kennedy in the U.S. Presidential election, because he is known to be an ardent advocate of aid to India. There is optimism that the price line will be held, thanks to the credit control measures of the Reserve Bank of India and the modest provision for deficit financing in the third Plan of Rs. 550 crores out of a total outlay of Rs. 7,000 crores, as compared with Rs. 1,200 crores in the second Plan, out of Rs. 4,800 crores outlay. The stability of the rupee seems better guaranteed and investors would naturally welcome this development, even though the inflationary impact of Plan spending will continue to be felt as long as the Five-year Plans form the basis of Governmental spending.

The year 1960 has proved a dismal one for the Gilt-edged market, preference shares and other fixed interest securities. The credit control measures of the Reserve Bank had a direct impact on the price and marketability of Government securities. The measures introduced in March and May had little or no effect, but the October directive had a drastic effect coming as it did so close after the States had completed their borrowing programme. The Reserve Bank's indication of a change in its open market operations by which it would consider offers of loans maturing only within the next 12 months for outright purchases, resulted in several institutions being obliged to dispose of their securities on an unwilling market. For almost two months Government securities were practically unsaleable and State loans were the worst sufferers, so much so the Reserve Bank had to relax the curbs which was done by reducing the additional reserve requirements, from 50 per cent. to 25 per cent. as and from the 11th of November. This led to some revival in the Gilt-edged market, though there has not been any appreciable improvement in prices.

Holders of preference shares were again left high and dry, as the Finance Minister left it to the companies concerned to decide whether the tax-free preference dividends should be grossed up or not. He, however, gave a broad hint about Government's intention in the matter. Thanks, however, to influential representation by the Life Insurance Corporation of India and the other investment corporations, some relief has been secured. According to the Bill recently passed by the Lok Sabha, it is obligatory to increase the dividend by 30 per cent. in respect of tax-free preference shares and by 11 per cent. in respect of taxable preference shares. Even so, the net return in the hands of preference shareholders continues to be less than what it was before. Hence preference shares have gone out of favour and the emphasis has shifted to investment in growth equities.

Banks

1960 may be considered the year of crisis and consolidation as far as the banking industry is concerned. The unfavourable development in the latter half of the year and the failure of a bank in the South threatened to engulf even the larger ones. But, fortunately, such a calamity has been thwarted by the timely assistance of the Reserve Bank and the encouraging statement issued by the Finance Minister. The Banking Companies Act has been specially amended to make provision for a moratorium and many of the smaller banks have found it necessary to have recourse to this procedure. The present trend is towards amalgamation of the smaller units, especially those having their head offices in the same region and taking over of certain others by the larger banks. Bank shares attracted very little attention and transactions were largely of an investment nature confined to a few scrips. The Travancore Bank became a subsidiary of the State Bank from 1st January 1960 and the compensation payable to shareholders was determined to be Rs. 34.15 per share of Rs. 25. The Bank of Mysore became a subsidiary to the State Bank from 1st March 1960 and the compensation payable to the shareholders was fixed to be Rs. 360 per share of Rs. 100 which was considerably below market expectations.

Sugars

Sugar shares attracted considerable attention and several notable gains were recorded. The industry has had a good time with favourable seasonal conditions and good internal offtake. The progress has been so satisfactory that Government is seriously considering the removal of controls. Andhra Sugars gained Rs. 4. Cauvery Sugars rose from Rs. 122 to Rs. 154 and closed at Rs. 147. Deccans were the most active counter in the sugar section. Opening at Rs. 13.41, the shares declined to Rs. 12.60. The peak was touched in July when the shares soared to Rs. 17, and since then the price has declined steadily, the closing being Rs. 15.15. The Company has paid a dividend of 25% per cent. thus maintaining the 18 per cent. T.F. dividend. E.I.Ds were avidly taken. To implement the composite fertiliser project, the Company issued equity shares of £1 each at Rs. 20 in the ratio of 11 new shares for 15 ordinary or preference share held. From the opening level of Rs. 46.25, the shares touched a low of Rs. 43.50. The right issue expectation in July pushed up the price to Rs. 61.75 cum-div. which is equal to Rs. 43.70 ex-div. ex-right. Owing to forced selling by holders who wanted to finance their rights, the shares fell to Rs. 38 from which level they again rose to Rs. 44.50—the highest for the year. The closing was quiet at Rs. 41. Mysore Sugars repeated the 30 per cent. dividend, and the shares rose from Rs. 56.50 to Rs. 60.50. Travancores maintained the 10 per cent. dividend but were not much in favour.

Plantings

Planting shares, despite their investment attractions, were not much fancied during the year, on account of markets' craze for growth equities and capital appreciation. In their very nature, few planting companies have growth prospects, in view of the limited scope for expansion and diversification of interests. Some of them have actually launched upon industrial projects, but it is the intention of the Government to prohibit, in future, such diversification, as is not in accordance with the Company's principal objective. Should this come about, the development of planting companies would be sealed and they will not be able to step up their dividends in the years to come. Rubber growers have had a raw deal at the hands of Government, their legitimate demand for an increase in price having been again unceremoniously turned down. Rubber companies are now caught in the pincer of mounting estate costs and a static price structure. The plight of coffee growers is, perhaps, a little worse. Thanks to an appreciable increase in world production and the consequent slump in world coffee prices, growers have been fetching progressively lower prices at the export auctions. Nor is the level of internal price sufficient to compensate this loss. To make matters worse, several estates in Coorg and Mysore have been afflicted by an unknown disease termed "die-back," the deleterious effects of which are yet to be accurately assessed. It is some mercy that tea has been on a better wicket, particularly common and low-medium grades. These have fetched steadily higher prices and currently are at their peak while the high-grown varieties have continued to fetch the same remunerative prices as in the past year.

Rubbers

For the year ended February, 1960, Cochin Malabars stepped up the dividend from 15 to 17½ per cent. Opening at Rs. 7.17, the shares touched a high of Rs. 8.70 to close at Rs. 6.95. Kailas stepped up the dividend from 20 per cent. to 22½ per cent. and the shares were well absorbed. Malankaras dropped the dividend by one per cent. but the shares closed almost unchanged at Rs. 18. Midlands were actively traded, the Company having raised the dividend by 2½ per cent. to 12½ per cent. The 5 per cent. dividend declared by Pullangodes being below market expectations, the shares fell from par to Rs. 1.85 but were well absorbed. Rajagiris have maintained the 20 per cent. dividend and the shares, after rising to over Rs. 23, fell to Rs. 20.25 cum-div. Teckoys passed over the dividend and the shares declined from Rs. 8 to Rs. 6.10. Thirumbadis pruned the dividend from 10 to 7 per cent. and the shares lost 50 nP to close at Rs. 1.51. There was interested buying in T.R. & Teas which pushed up the price to Rs. 9.80. The Company has declared a 7½ per cent. dividend for 1959 and an interim of 4 per cent. for 1960. Vaikundams closed at Rs. 31, recording a rise of over Rs. 3.

Coffees

A major shock was provided by the dividend announcements of Coffee Lands and Consolidated Coffees. The former pruned the dividend from 25 to 6 per cent. and the latter from 25 to 20 per cent. Coffee Lands have earned about Rs. 2 lakhs, as compared with Rs. 8.71 lakhs last year, while the profit of Consolidated Coffees shrunk from Rs. 26.6 lakhs to Rs. 13 lakhs. The former opened at Rs. 24.50 and, after gaining a rupee, slumped to Rs. 18.50 cum-div. on the announcement of the dividend. The latter opened at Rs. 23.20 and, after rising to Rs. 28.75, fell sharply to Rs. 22.70 cum-div. at the close. Cowcoadys declined from the opening level of Rs. 6.37 cum-div. to Rs. 4.81 ex-div. Kumergodes lost over a rupee at the closing quotation of Rs. 5, while Ossoors rose to about Rs. 4, but closed lower at Rs. 3.28. The opening quotation of Rs. 6.08 for Ouchterlonys has turned out to be its peak and the shares, despite consistent absorption declined to Rs. 4.63. Shevaroys stepped up the dividend from 6¼ to 9 per cent.; nonetheless, the shares were comparatively quiet.

Teas

Chembras have announced the issue of bonus shares in the ratio of 1 : 2 and have stepped up the dividend from 15 to 20 per cent. Starting at Rs. 4.40, the shares touched a high of Rs. 5.65 and closed a shade lower at Rs. 5.40 cum-right. Coonoors were scarce and put on Rs. 2. Devasholas maintained the 25 per cent. dividend but the shares lost Re. 1.50 over the year. Haileyburias pruned the dividend from 20 per cent. to 12½ per cent. while Highlands maintained the 15 per cent. Kil Kotagiris stepped up the dividend by as much as 20 per cent. Starting at Rs. 4.98 the shares touched a high of Rs. 6.50 cum-div. but finished lower at Rs. 5.30. Lucky Valleys rose by almost Rs. 2 to close at Rs. 14. Neelamalais remained dull at about Rs. 4.90 cum-div. Nelliampathys stepped up the dividend from 10 to 13 per cent., and Nilgiri Teas from 5 to 8 per cent. Nonsuch were well absorbed and the Company maintained the 20 per cent. dividend. Opening at Rs. 25.40, the shares closed a rupee higher. Parksides, besides maintaining the 27½ per cent. dividend issued 1 bonus share for every 10 shares held. From the opening level of Rs. 24.65, the shares rose to Rs. 30.75 cum-div. cum-right and closed at Rs. 26.68 ex-div. ex-right. Peermades stepped up the dividend from 16¼ to 22½ per cent. and the shares gained over Rs. 2 at the closing quotation of Rs. 22.50. Periakaramalais put up the dividend by one per cent. to 13½ per cent. and the shares were actively traded. However, the price declined from Rs. 3.85 to Rs. 3.40. Twyfords reduced the dividend from 15 to 10 per cent. and the shares declined to Rs. 12. U.N. Teas were keenly taken. The Company stepped up the dividend from 19½ to 21 per cent. Opening at Rs. 21.37, the shares gained Rs. 2 at the close. Blue Mountains and Waterfalls, besides maintaining the 12½ per cent. dividend, issued right shares at par in the ratio of 1:5 and 1:2, respectively.

Textiles

Despite uncertainties over the Wage Board award which happily has since been compromised, and the occasional difficulty in securing cotton supplies, the textile industry in the South has had a reasonably good year. Textile scrips, however, barring a select few, did not evoke that much attention as in the past. A noteworthy feature was the improvement in the prospects of coarse and medium count spinners. The steps taken by Government to ensure adequate cotton supplies to the mills in return for which the industry has agreed to a further voluntary cut effective from 1st January 1961, as also the 10 per cent. cut in August 1960, made little or no impression on share values. Bangalores and Burkinghams were well absorbed though the closing was a shade lower than the opening quotations. Cannanores stepped up the dividend from 15 per cent. to 17 per cent. and the shares closed practically unchanged at Rs. 155. Cauvery Spinnings paid 4 per cent. more at 13 per cent. and even here there was no appreciable change in price. Coimbatore Pioneers paid 25 per cent. against 20 per cent. last year and the shares were rather scarce. Dhanalakshmis were well absorbed. This Company has increased the dividend from 10 per cent. to 17½ per cent. Kothuris resumed dividend payment with a 10 per cent. for 1959 and the shares closed at Rs. 11.80, showing a decline of about a rupee from the highest level. Lakshmis sprung a pleasant surprise by stepping up the dividend by as much as 8 per cent., paying 20 per cent. against 12 per cent. last year. The Rs. 50 paid shares rose to Rs. 172 cum-div. but closed quieter at Rs. 149. Loyals attracted speculative attention rising by Rs. 6. The payment of a 12½ per cent. dividend for Maduras for 1959 against nil for 1958 was most welcome news and the shares resumed their popularity during the year. Opening at Rs. 30.50, they gained about Rs. 5, closing a shade lower at Rs. 34.99. Metturs stepped up the dividend from 25 per cent. to 30 per cent. but the price declined from the opening level of Rs. 410 to Rs. 369 at the close. Radhakrishnas were well absorbed and closed at Rs. 29.45, as also Rajalakshmis which rose from Rs. 67 to Rs. 74.50. Both the rayon shares of our market were quite active. South India Viscose, the new entrant, shot into popularity, recording a high of about Rs. 175, but fell to Rs. 145 at the close. Movement in Travancore Rayons was influenced by its counterparts in Bombay and Calcutta. Opening at Rs. 28.43, the shares soared to over Rs. 40, to react gradually to the closing quotation of Rs. 33. The setback in rayon scrips was brought about mainly by apprehensions of raw material shortage and of further increase in excise duty.

Miscellaneous

Buoyant conditions were witnessed during the first seven months of the year, the industrial equities of this section attracting maximum attention. The speculative fervour of the other two markets was reflected mainly in the sharp rise recorded by a few scrips like Aluminium Industries, Ashok Leylands, Mysore Papers, Rallis, Tube Investments and Western India Plywoods. Aluminium Industries made a right issue at par in the ratio of one for four shares. The Company paid 18 per cent. taxable on the original capital thus maintaining the 12½ per cent. tax-free dividend. Opening at Rs. 122.40, the shares rose to over Rs 29 cum-div. cum-right but lost ground gradually, closing at Rs. 22. Ashok Leylands were actively traded. The Company is issuing new shares at par in the proportion of one for every five shares held. Opening at Rs. 7.20 the shares gained Rs. 2.50 but the closing was lower at Rs. 8.12 ex-right (equal to Rs. 8.75 cum-right). F.A.C.Ts went out of favour and the shares declined to below par. Amongst cement shares, Daimias and India Cements accounted for maximum absorption, especially the latter which rose to Rs. 7.30 cum-div cum-right. The Company has announced the issue of right shares at par in the ratio of one for every two shares held. However, the right issue has brought about liquidation for financing the rights, which has caused the price to drop to Rs. 5.88 cum-div. ex-right. Mettur Chemicals stepped up the dividend from 8 8 to 12½ per cent. and the shares were very well absorbed. The closing at Rs. 12.20 was over a rupee below the best. During the year, the Company made a right issue at par in the ratio of 1 : 4. Mysore Chemical Fertilisers doubled the dividend to 10 per cent. Mysore Electrical Industries increased the dividend from 15 per cent. tax-free to 24 per cent. taxable and the shares were scarce, the price rising to Rs. 200. In September, the Company issued fresh capital as per to the tune of Rs. 5.95 lakhs. Mysore Lamps were scarce. The Company paid 20 per cent. taxable against 16 per cent. tax-free last year. Mysore Papers paid 15 per cent. taxable against 12½ per cent. tax-free last year. The Company has a vast expansion programme to finance which it has proposed the issue of fresh capital at par in the ratio of four new shares for every share held. In view of the heaviness of the issue, the price slumped from a high of about Rs. 36 to the closing quotation of Rs. 24.75. In July, Parry Confectioneries issued bonus shares in the ratio of one for three shares held. The Company also stepped up the dividend to 30 per cent. taxable. The shares were extremely scarce and closed high at Rs. 5.30. Rallis attracted considerable speculative attention, owing to favourable working reports and, at one time, the shares rose to Rs. 155 from the opening quotation of about Rs. 155 from the opening quotation of Rs. 83. The price has since fallen to Rs. 120. Spencers paid 18 per cent. taxable, against 15 per cent. last year and the closing quotation of Rs. 32.65 was almost the highest. Standard Motors rose from Rs. 13 to Rs. 17 and T. Stanes from Rs. 24.10 to Rs. 35. Tube Investments maintained the 10 per cent. dividend and, after rising to about Rs. 375, the shares closed lower at Rs. 350. Western India Plywoods also repeated the dividend of 10 per cent. The shares rose from Rs. 112 to Rs. 166 but fell to Rs. 161 at the close.

U.K. BALANCE OF PAYMENTS 1960

(From Our Own Correspondent)

LONDON, 31st December

LONDON LETTER

THE British Treasury has just published its analysis of the U.K. balance of payments for the third quarter of this year, which shows a deterioration in the external monetary position of £75 million. This deterioration has been more than concealed by an inflow of foreign funds which increased the overseas sterling holdings of this country (on behalf of non-sterling countries) by £226 million. Against this, the sterling liabilities in this country to United Nations and International organisations fell by £57 million and liabilities to the sterling countries fell by £97 million. The net result was a rise in the country's sterling balances of £72 million. To this must be added funds held by private persons and organisations, representing part of the general inflow due to the flight from the dollar, of another £80 million, thus giving a total gross increase in liabilities of £152 million.

During this third quarter the gold stock of the Bank of England increased by £77 million, that is to the extent of about half only of the increase in the country's external liabilities. The difference between the two figures of £152 million increased sterling liabilities and £77 million of gold inflow represents the deterioration in the country's position. Indeed, the position on current account was a great deal worse, for the net deficit between imports and exports (f.o.b. was £133 million reduced, as a result of invisible income, to just over £100 million, and only the inflow of long-term capital improved this to the figure of £75 million mentioned above. These figures put the U.K.'s current gold inflow in proper perspective. The gold inflow in the third quarter was only half the net increase in liabilities and was only made possible by the vast inflow of foreign funds. If all these foreign funds had not come in then, there would have been a substantial gold outflow to pay for the deficit on current account.

We are now able to assess the payments position for the first nine months of the year, and by taking account of the export-import figures for October and November, to arrive at a fairly close view of the balance of payments figure for the whole of 1960. Over these nine months, there was a visible trade deficit of £160 million. But to this must be added Government external spending (mainly for defence) of £239 million and, even after offsetting a very healthy invisible income of £303 million, there remains a deficit on current account for the nine months of £66 million. But regardless of the external trade position, this country, as a traditional overseas lender, made long-term capital investments of a net £47 million. It also permitted the holders of the sterling balances to draw their balances down by £127 million and reduced its obligation to international organisations by £101 million. Thus, the country incurred total liabilities on trade and capital account of no less than £341 million and gold would have flowed out to this extent had it not been that the inflow of foreign funds from the non-sterling area which, either in the hands of the British banking system or foreign holders in this country, brought in no less than £474 million. As a result, gold flowed in to bridge the gap to the extent of £133 million.

Danger Still

For the months of October and November, there is a deficit on current trade (f.o.b. basis) of some £80 million. In other words, a greater deficit for these two months than for the previous nine months together. Assuming that Government spending and other invisibles will balance out as they did in the fourth quarter last year, and making also the large assumption that trade will not deteriorate excessively in

(Continued on page 7)

LLOYDS BANK LIMITED

and

NATIONAL AND GRINDLAYS BANK LIMITED

It is announced that, as from the 1st January 1961, the business of the branches of Lloyds Bank Limited in India, Pakistan and Burma has been merged with and is being carried on by National and Grindlays Bank Limited.

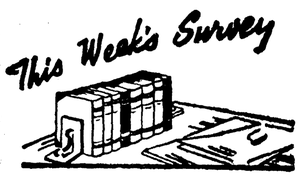
The interest of Lloyds Bank Limited in the banking business of the territories concerned is being continued through a substantial shareholding in National and Grindlays Bank Limited and by representation on their Board of Directors.

National and Grindlays Bank Limited

(amalgamating National Bank of India Limited, Grindlays Bank Limited, and the Eastern Branches of Lloyds Bank Limited)

Registered in London under the Companies Act of 1862 on the 23rd March, 1866. The liability of members is limited.

Head Office: 26 Bishopsgate, London, E.C. 2



STEEL INDUSTRY

SARDAR Swaran Singh, Union Minister, for Steel, Mines and Fuel, told the recent meeting of the Iron and Steel Advisory Council that steel production had just reached the level of 250,000 tons a month (as against 160,000 tons in the beginning of 1960) and that this higher rate of output would make possible a substantial reduction in steel imports in 1961. While the picture drawn by the Minister may be deemed hopeful as far as the current calendar year is concerned, it cannot conceal the fact that there will be a shortfall of 0.4 to 0.5 million tons in the achievement of the second Plan's end-year (April 1960-March 1961) target of 2.6 million tons. For, with an estimated total production of 1.9 to 2.0 million tons of finished steel in the calendar year 1960, the most that can be hoped for in the Plan year 1960-61 is 2.1 to 2.2 million tons. While this shortfall can be explained by a reference to the critical shortages throughout 1960 in raw materials of appropriate quality—coking coal and limestone in particular—any such explanation in the current year will not constitute a justification for a possible lower rate of production than 300,000 tons a month.

If Sardar Swaran Singh thinks that a total production of 3 million tons or so in 1961 will fully meet the internal demand—the idea of exporting some surplus categories of steel and of using the foreign exchange earned thereby in the import of some other categories of steel needed in the country means, in effect, that there will not be any large unsatisfied hunger for steel—he is probably erring on the side of underestimation. Since the entire quantity of about a million tons of steel imported in 1960 is not going to be replaced by indigenous production in 1961, the total demand (which may be broadly estimated at about 4 million tons in the current year) will mean that as much as 3.5 million tons must be produced by the country's old and new steel plants. Otherwise, the demand for steel by engineering industries which are now working very much below their capacity for want of raw materials—steel and pig iron—may still not be fully satisfied at a time of heavy construction activity connected with projects, old as well as new. Although in a note on engineering export promotion in this issue, it is stated that there may come about a distinct improvement in the supply of steel to the engineering industries in 1961, it is by no means clear that their demand therefore will be fully met if the rate of steel production turns out to be no more than 250,000 tons a month. It is here that the need for a higher rate of production should become apparent. But, then, according to the Minister's own admission, the continuing shortage in limestone supplies to the steel plants causes concern. Even the stated improvement in coal supplies is, perhaps, not very significant, for new coal washeries are yet to be established for ensuring more adequate supplies of coking coal to the steel plants. If improvement in the coal position refers to better movement by rail, it will probably not mean much, for larger quantities of inferior coals will still not mean a substantially higher rate of steel production. It would thus appear that Sardar Swaran Singh's optimism is rather excessive so long as a higher priority is not assigned to the construction of new washeries. It would be interesting to know how the high level standing committee on raw materials for the steel industry is concerting measures for overcoming the raw material bottlenecks.

If Sardar Swaran Singh did not throw more light on this problem at the Iron and Steel Advisory Council's meeting, he at least gave the cheerful news that five or six pig iron plants, each of upto 100,000 tons capacity, were being, or would be, licensed in the private sector. Already one such unit had been licensed for Maharashtra and a licence had also been granted to a unit in Orissa for substantial expansion upto 100,000 tons of pig iron per annum. Although saleable pig iron supplies had increased to about one million tons in 1960 as compared with 800,000 tons in 1959, the demand from engineering industries could not be satisfied in full. Hence the move to license pig iron units in the private sector is welcome. An equally welcome move by the Government, as the Minister disclosed, is to license a number of units in the private sector to manufacture steel wires with the object of increasing the total wire-drawing capacity upto 500,000 tons a year. This, of course, would demand greater supplies of steel—an additional reason why steel production should not be allowed to fall below a possible level of 300,000 tons a month in the current year.

U.S. AID FOR FERTILISER PLANT

One more agreement, providing for a substantial amount of U.S. aid to India, was signed at Washington last week between the Governments of the two countries. The aid, amounting to Rs. 27.61 crores ($58 million), will finance the entire cost of the fertiliser plant proposed to be set up at Trombay in Bombay by the Hindustan Chemicals and Fertilisers Ltd., a Government of India concern. A little over half the aid—Rs. 14.28 crores or $30 million—will represent the foreign exchange component of the project, to be given as a loan from the U.S. Development Loan Fund. The balance of Rs. 13.33 crores ($28 million) will represent the Indian currency cost, to be met by a loan of rupees derived from the sale of U.S. agricultural commodities to India.

The significance of the loan cannot be described better than in the words of Mr. M. C. Chagla, India's Ambassador in the U.S., who said on the occasion of the signing of the agreement that it lay not in the amount of dollars advanced but in the cause for which it was advanced, that is, establishment of fertiliser plant. How important is this project will be evident from the woefully inadequate supply of fertilisers which continues to hamper progress on the agricultural front. The Draft Outline of the third Five-year Plan envisages an increase of 30 to 33 per cent. in the production of foodgrains and other agricultural commodities. And such an increase can be accomplished only through greater and wider use of fertilisers. Appropriately enough, the Plan contemplates a three-fold expansion of nitrogenous fertiliser output and six- or seven-fold rise in the production of phosphatic fertilisers, the total target fixed to be achieved by 1965-66 being one million tons. Surely, the Trombay plant, as Mr. Hart Perry, Acting Managing Director of the D.L.F., aptly put, will be a major step towards the fulfilment of this objective. To quote Mr. Perry: "Our loan is also significant because of its meaning for the future. During the negotiations of this loan, the Indian Government gave us an assurance that U.S. private enterprise will have an opportunity to participate in the establishment of other fertiliser plants." Incidentally, Mr. Perry expressed the willingness of the Fund to give sympathetic consideration to any application in this field, and said: .... negotiations are under way looking forward to the establishment of at least two more fertiliser plants, in addition to the Trombay plant."

A welcome feature of the agreement is that the loan is repayable in rupees. This means that there will not be any drain on the foreign exchange resources the position in respect of which will continue to be tight for many years to come.

SOVIET INDUSTRIAL PRODUCTION

An increase of 8.8 per cent. in industrial production and 9 per cent. in national income is envisaged by the 1961 plan for the development of the Soviet economy adopted by the Supreme Soviet towards the close of 1960. Employment is expected to go up by 3.2 million and real income per employed person by 5 per cent. The increase in capital goods output is expected to be 9.5 per cent. and that in consumer goods production 6.9 per cent. The rise in overall industrial production during 1961, estimated at 8.8 per cent., will bring the mean annual rate of industrial growth during the first three years of the Seven-year Plan (1959-65) to 10 per cent., as compared with only 8.3 per cent. envisaged in the Plan. This is in conformity with the observed pattern of totalitarian planning under which actual performance almost always tends to exceed targets unlike planning in a democratic framework where the reverse is found to be the case.

Presenting the plan for the consideration of the Supreme Soviet, Mr. Vladimir Novikov, Vice-Chairman of the Council of Ministers and Chairman of the State Planning Committee of the U.S.S.R., stated that, in 1960, Soviet steel output increased by five million tons, oil production by 18 million tons and power generation by 30,000 million kilowatt hours. It is said that the growth of industrial production has been at the rate of 10 per cent. per annum during the period 1958-60 or 30 per cent. in three years. This means that the balance between the Soviet and U.S. economies (the rate of growth of industrial production in the U.S. during the period 1958-60 was only 8 per cent. or 2.66 per cent. per annum) has been tipped further in favour of the U.S.S.R.

A notable feature of the plan for the current year is the heavy investment proposed in light and consumer industries which is one and a half times that in 1960. Production of television sets, radios, washing machines, refrigerators and such other durable consumer goods will be higher than in 1960. Production of washing machines and refrigerators, for instance, is scheduled to increase by as much as 150 per cent. in 1961, as compared with 1960. Nevertheless, heavy industries are still accorded high priority in the Soviet Plan. Engineering and chemical industries occupy the pride of place. Thus, the Plan envisages a 42 per cent. increase in investment in chemical industry and a 40 per cent. rise in investment in engineering industry. Output by the chemical industry is planned to increase by 14½ per cent. Production of plastics will go up by 32 per cent., of synthetic rubber by 30 per cent. and synthetic fibres by 20 per cent. Production of oil is scheduled to rise by 11 per cent. and natural gas by 34 per cent. It is anticipated that these two will account for 42 per cent. of the total fuel consumption by the end of 1961. Planned production targets for metallurgical industries are—steel: 70 million tons, pig-iron: 50 million tons, rolled metal: 55 million tons, steel tubing: 6.3 million tons and electricity 327,000 kilowatt hours. In keeping with the planned rise in production, Soviet foreign trade too is expected to record an overall increase of 6.5 per cent. Most of the increase, it is said, will occur in the trade with newly independent nations, the percentage rise being as much as 22.

Science and scientific research have all along received top priority in Soviet planning. Expenditure planned on these for 1961 is 15 per cent. more than in 1960 which, in turn, was 15 per cent. higher than the provision made in 1959. It is claimed that the U.S.S.R. would turn out three times as many engineers in 1961 as the U.S. did in 1959.

Soviet statistics on agricultural production have never been satisfactory. They seldom give comparative data or even absolute figures. Increases or decreases are often expressed in percentages. This time, too, the Soviet authorities have decided to maintain this studied ambiguity. Apart from the statement that in 1961 it is planned to raise grain production considerably, there is no mention of actual production last year or the target fixed for the current year. It is, however, stated that cultivated area would be increased by 3 million hectares (about 7.5 million acres) to 205.8 million hectares.

CAUSTIC SODA INDUSTRY

Despite many handicaps, the caustic soda industry has made phenomenal headway during the last decade or so. The major handicap has been the inadequacy of raw materials of good quality particularly industrial salt, and power required for the electrolysis of brine water. Nevertheless, the development of several industries, such as textiles, rayon, soap, vegetable oil refining, aluminium, petroleum, dyes, insecticides and miscellaneous chemicals, has considerably stimulated the expansion of the industry. Tariff protection and severe import restrictions have also helped the growth of this industry. The production of caustic soda increased tenfold in the decade immediately after independence, that is, from 5,800 tons in 1948 to 57,000 tons in 1958. Subsequently, the output almost doubled within two years, such having touched the 100,000-tons-mark in 1960. The production target for caustic soda in the third Plan is laid down at 400,000 tons. This means that there would have to be a fourfold increase in production in the next five years. It would appear that the domestic demand may even exceed this limit by the end of the third Plan. No less a person than Mr. Manubhai Shah, Union Minister for Industry, recently expressed the view that the extent of development envisaged for other industries which use caustic soda as a raw material would certainly require an upward revision of this target by the middle of the third Plan period. He made this observation while inaugurating the seminar on "caustic soda industry" held under the auspices of the Development Council for Alkalies and Allied Industries in Bombay in the last week of December.

There are at present 18 units producing caustic soda. Besides, 12 more units are expected to come into existence in the next five years. The unit size of production now varies from 2 tons to 80 tons per day. Drawing particular attention to the need for expanding the existing uneconomic units, Mr. Shah pointed out that the minimum unit size should increase to at least 30 tons per day for captive units and 100 tons for other units, "as otherwise it will not be possible to produce caustic soda at competitive prices in this country."

The expansion of the industry, however, will call for much greater imports of machinery. A unit to produce 50 tons per day will require about Rs. 1.5 crores for machinery, of which about Rs. 1 crore to Rs. 1.20 crores is the foreign exchange component. Mr. Shah called upon the industrialists to impose a "voluntary ban" on the purchase of complete package units from abroad. He wanted them to find out indigenous sources of machinery for caustic soda factories, and thereby reduce the dependence on imports. It is, however, not known to what extent this will be possible, for two issues are involved here, even assuming that there are plant manufacturers in this country who can meet this demand. One, the quality of the plant will have to be of a high order and, two, the price of the plant should at least be equal to that of imported variety. If these conditions are not fulfilled, the Indian-made caustic soda will not be competitive in terms of quality and price alike. And, if a basic chemical like caustic soda were to suffer from this defect, the competitive ability of products in the manufacture of which it is used and, consequently, their export performance would also suffer. National self-sufficiency in such plant and machinery is, therefore, a highly complicated problem and should be sought only where the balance of advantage is clearly in favour of this country.

The prospects for the development of caustic soda industry depend also on the availability of cheap raw materials, particularly salt of industrial grade and power. The demand for salt from the Alkali industry (caustic soda, as also soda ash) alone is expected to reach 2.25 million tons by 1965, that is, nearly 40 per cent. of the anticipated total production and equal to consumption for edible purposes. Mr. Shah emphasised, in this connection, the need for stepping up the manufacture of salt by modernising and mechanising salt farming techniques. There is no doubt that this can be achieved, but only by encouraging large-scale salt producers and not by giving all kinds of encouragement to uneconomic units, as the Government does now, for political considerations. Besides, the cess levied on salt is also enhancing its cost to the alkali manufacturer. The Government will certainly be helping the industry if it removes the cess at least in respect of industrial salt. Such a gesture will serve to bring down the cost of production of this industry.

The cost of power is also relatively high in India. Further, while the demand for power is rapidly expanding, the generation of power is not keeping pace with it. Mr. Shah's suggestion, in this connection, is that the industry should minimise the use of power by adopting new techniques in brine purification, electrolysis, fusion, and liquidation of chlorine.

LONDON LETTER

(Concluded from page 5)

December, it seems that there is still the danger of adding to the deficit of the first nine months another £100 million or so, making a total deficit on current and capital accounts combined for the whole year (allowing for the drawing down of sterling balances) of £450 million or more. Nevertheless, gold has continued to flow in, indicating that the deficit on current account for October and November is still being more than met by the net inflow of foreign funds. By the end of the year, these are likely to have reached a figure of some £600 million. Does this immense figure represent in its entirety a threat to the gold reserves?

Fundamentally the threat is more theoretic than real. It is theoretic in the sense that this country will, in the whole of 1960, have incurred a net indebtedness overseas to the tune of £600 million, little more than a quarter of which will have been covered by gold. Moreover, a large part of this indebtedness is to international organisation, and it is the intention in the dealings between the Bank of England and the I.M.F. that, in the event of a drain on sterling, that indebtedness be reversed. That is, the I.M.F. would acquire sterling to meet the outflow of foreign funds. On balance, the figures suggest that the U.K. has hanging over its head a weight in the form of withdrawable foreign funds of perhaps some £300 million. This is the *net* amount of "hot money" involved. Low British interest rates, relative to others, a lack of confidence in sterling, and in a few weeks the £300 million could melt away in the form of a gold outflow.

Nevertheless, the British gold stock could stand that strain, even if it did not receive additional assistance from the I.M.F. to mitigate the psychological effect of such gold movements. The real cause for concern is, therefore, not to be found so much in this weight of "hot money" as in the deterioration in the current balance of payments which looks like producing a deficit on current account at the end of the year of £150 million.—*All Rights Reserved.*

BRITAIN HELPS U.S. FURTHER

With the payment of £16.9 million ($47.4 million) in dollars which Britain made to the International Monetary Fund on 30th December 1960, that country's gold and dollar subscriptions to the Fund have been raised to the normal level of 25 per cent. of its quota. The primary objective of the payment is, it is said, to help ease the strain on the U.S. gold stocks. The dollars will be transferred to the U.S. Treasury (against non-interest bearing notes) and Britain will receive an equivalent sum in sterling. It is explained that the significance of the payment lies in reducing the dollar-holdings of the Bank of England by $47.4 million and, since these dollars would have been converted into gold at the U.S. Treasury any time in accordance with the usual practice, the transaction represents, in effect, a reduction of $47.4 million in the demands likely to be made on the U.S. gold stock. So far as Britain is concerned, no sacrifice is, of course, involved, because its drawing rights at the I.M.F. has been automatically raised by an equivalent amount.

Since 1935 Simon-Carves have received orders for and put into service, one hundred and thirty two Simon-Carves-Monsanto sulphuric acid plants of which 21 have been installed in India. With an aggregate rated capacity of nearly 3¼ million long tons of 100% sulphuric acid per annum, these plants have been built in twenty three countries throughout the world. Their individual rated capacities range from 10 to over 400 tons of 100% acid per day. Designed to use any sulphur bearing material including raw sulphur, pyrites, sludge acid, refinery waste gases, anhydrite etc, their output is used in oil refining, steelmaking, uranium processing, the production of fertilisers, explosives, rayon, dyestuffs, pigments and many other industries.

CONTACT SULPHURIC ACID PLANTS BY

Simon-Carves Ltd

Incorporated in England. The liability of the members is limited.

STANDARD BUILDINGS, 32, DALHOUSIE SQUARE SOUTH, CALCUTTA-1

cc-21

ON THE ARENA

By The Archer

An Incentive of Dubious Value

THE Union Government has decided to introduce annual awards by the President to encourage industrial enterprises of the Central Government to exceed their production targets and achieve outstanding all-round performance. The awards will consist of shields in copper and silver, but there will be certificates of merit and certificates of honour also. The shields will be awarded to five undertakings for outstanding performance in financial working, cordial labour relations, and special contribution made to the country's economy through research, discovery of new processes, design of machinery or equipment *etcetera*. (I presume the *etceteras* will cover spectacular illuminations and buntings on Republic Day, glamorous receptions to visiting dignitaries, chaste and telling advertisements and propaganda literature, not on the pattern of "Foolishly yours.") The certificates will be awarded to undertakings whose performance is adjudged to be satisfactory (the Also Rans, I take it). On the whole, the scheme will be one of all prizes and no blanks, much on the lines on which sports events were conducted in the good old days in lower secondary schools managed by Taluk Boards, when every child was made to compete and was awarded at least a slate pencil or a piece of coloured chalk.

The idea seems to be that, if economic prosperity cannot be brought about by generating a struggle for survival which will eventually eliminate the unfit and leave only the fittest—and this could be adopted only for the private sector, not for the public sector—the next best thing is to institute a system of varying decorations. But why, one may ask, should there be a decoration even for the enterprise which is just 'satisfactory'? And one may likewise ask, should there not be some punishments for the unsatisfactory enterprises, some booby prizes perhaps, in the form of discs moulded in cast iron each with a clown's face in the centre? If the honorific recognitions are to be taken as impersonal, there can be no danger of the booby prizes being construed as slander on the management, or will they be? But, of course, there is one factor to be remembered, namely, that, while the technique in private sector enterprises is to apply hot mustard paste on the tails of managements to spur them to fruitful activity, their public sector counterparts will not submit to such treatment, but may, perhaps, respond to a bunch of carrots dangled in front. Yes, there is all the difference in the accepted technique and any change therein will be wholly abhorrent to the tenets of the Civil Service.

The awards to which I have referred above will be applicable only to "Central Government Industrial enterprises which are in production." State Government enterprises will be considered out of bounds and may well feel left out. I therefore suggest that there be a "Gymkhana Race" for them also, with shields made of brass and tin while copper and silver may be reserved for the thoroughbreds.

• • • •

Economics of Postal Operation

When a monopolistic public utility concern like the Postal Department starts regulating its diverse operations strictly on the basis of what each operation costs, it can become so blatantly mercenary as to undermine Government's prestige. And, on top of it, if its services are inefficiently performed, the very inefficiency may tend to increase its earnings as more and more people will be forced to avail themselves of the costlier methods of postal transmission. These economic facts are indeed exasperating, but entirely true, as one may see from a quick examination.

We are informed by the Minister for Transport and Communications that the Express Delivery System may be abolished, if, after an examination by the Post and Telegraph Board which is now on, it is found that its economics discloses adverse results. The brain behind such a move can be only that of a Cost Accountant with a one-track mind. For no one with a sense of social purpose or commercial concept will consider it proper to restrict the performance of postal services only to those whose earnings can be justified strictly on the basis of costs, and drop the rest, especially when all will agree that the diversified services require to be maintained in order to achieve an integrated common purpose. On such reasoning the Indian Post Office may well consider a *uniform* postage rate throughout the country as uneconomic, although the system has existed in the United Kingdom since 1840 and has been adopted all over the world. It might interest the P. & T. Board to know (and I presume they do not) that the Postmaster General's Department in Australia has been making a loss on the working of the Postal and Telegraph Departments, and a profit only on the working of the Telephone Department, and that the figures for 1956-57 were: Postal £1,526,000 (loss), Telegraph £638,000 (loss), Telephone £5,281,000 (profit)—(Ref. *Year Book of the Commonwealth of Australia*, 1958). I assume that Australia still carries on with the Postal and Telegraph services.

In any business undertaking which manufactures a variety of types in one product, pricing is done according to market conventions and practice, the differentials being arrived at on the basis of what the consumer of each type can bear and not strictly on the basis of costs. Inevitably, therefore, certain types are priced to subsidise certain others. Under no circumstances will a manufacturer drop the production of any type as long as there is a sizable demand for it. The Cost Accountant produces the basic data relating to costs, but pricing is the prerogative of the sales executive who knows the market, and is fully alive to the need for maintaining the prestige of the concern and satisfying the consumers with comprehensive service. There are many industries in which profit-margins on the several types vary (small in certain cases, high in others and even none in a few), but production continues uninterrupted while pricing is regulated on the basis of market conventions, although in all of them there is usually a basic bread-and-butter line. Similar considerations should also weigh with public utility services such as road transport organisations, public carriers of goods, travel agents, hoteliers and others. And, if the Indian Post Office calls itself a trading concern (as the British Post Office does), it should follow wholesome business practices, with, if possible, a heavier accent on public service.

The British Post Offices' services have been developed to match the needs of the traffic. In addition to the numerous motor mail vans serving many districts, and postal sorting carriages on the railways, there are special mail trains on certain routes as also the ingenious apparatus by which mail bags are collected and delivered by trains running at express speed. Within Central London, the Post Office operates an automatically controlled underground railway that runs for 6½ miles connecting Paddington in the west with Whitechapel in the east, and serving seven intermediate stations. It has mechanised its services considerably and has a partly electronic letter sorting machine and a parcel sorting machine. The main post offices are being equipped with machines for issuing parcel post labels printed with appropriate value and the date and name of the office, thus avoiding the use of stamps and eliminating the operation of cancelling the stamps. Above all, postal articles and telegrams are delivered with the utmost speed, while during periods like Christmas week, when the post offices are inundated with mails, special staff is recruited to expedite the work; and the safety of articles consigned through post is never doubted which is more than any one of us can say of our postal system. Speaking for myself, every time I consign to the post anything of importance or value, I start saying prayers and continue to repeat them many times a day until I receive an acknowledgment.

We value the Express Delivery system for the same reason that we undertake a journey by a motor bus instead of in a bullock cart, or travel by an express train instead of by a slow passenger shuttle. Personally, I have another reason. I feel that there is less chance of an Express letter dropping out of a telegraph peon's pocket than of an ordinary letter falling out of a post peon's bundle, which contains envelopes, packets and cards of all odd sizes loosely tied with a string; nowadays, our postmen do not carry the commodious leather bags which they used to in the past. However, it is the tardiness of the postal delivery system that forces us to pay extra for Express Delivery, the extra of thirteen naye paise, which reminds me of the fact that, when the surcharge was changed from two annas to 13 nP, I felt that the unlucky number presaged bad luck both to the post office and the public.

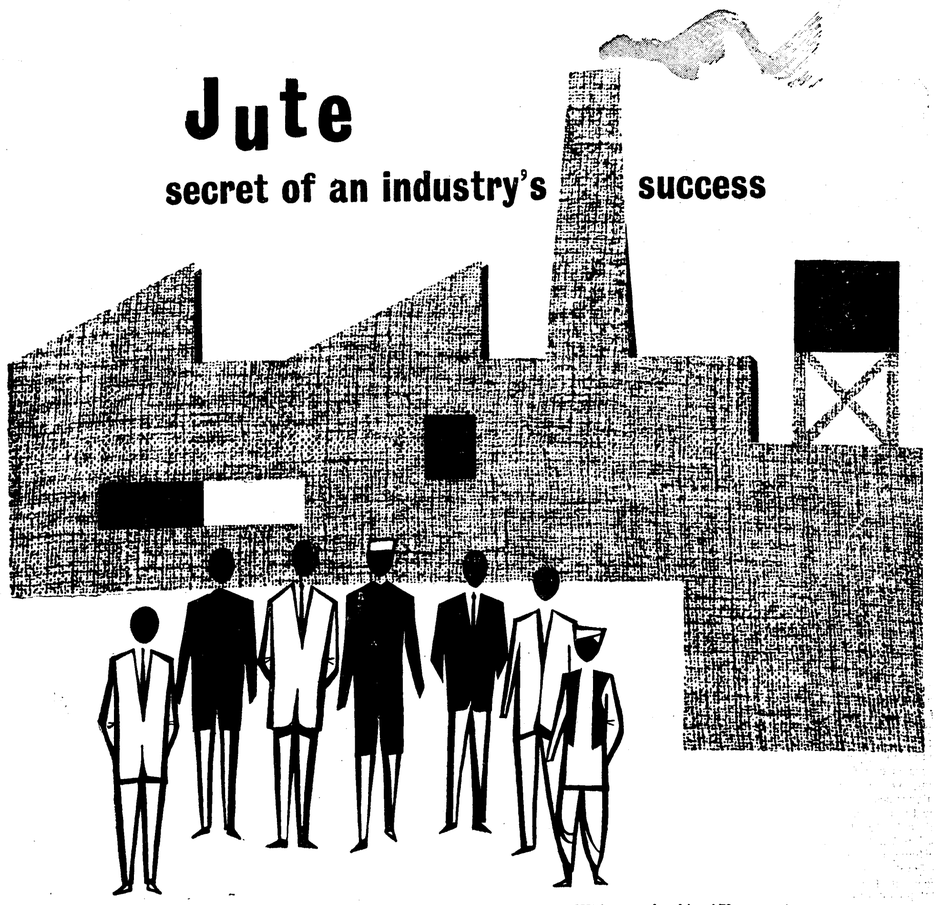
I can cite many more examples of the way in which postal earnings increase through postal inefficiency. Most of us send letters through registered post only to make sure of their comparatively safe delivery. The number of registrations will greatly decrease, if public confidence increases in safe postal transmission as in the U.K.; so, in its own enlightened (?) self-interest, the Postal Administration should maintain existing conditions! When we send an article "acknowledgment due" and paid for, the attached postal slip invariably becomes a runaway. So we write a special letter to the consignee and beg for an acknowledgment, or, as most banks and business houses do, enclose a stamped and addressed post card inside the envelope. All this adds up to more business for the post office. Sometimes, the postal slip comes back with the signature of some strange person in a remote locality (due to a mix up of slips at the registration counter, a very common occurrence) and the consignor gets alarmed and sends a frantic telegram to the consignee. Quite often the telegram is delayed in transmission, and so the trunk telephone is resorted to. In this manner, a chain of exciting communications ensues, each costlier than the previous one and each adding a little to postal revenues, establishing the apparently paradoxical fact that, in a monopolistic public utility undertaking, inefficiency brings in more money.

I have just seen a letter in a daily newspaper in which the writer complains that a folded reply post card sent by him did not reach the consignee but came back, blank, with the stamp cancelled. On complaining to the postmaster, he was informed that the quality of cards was so poor that they give way at the fold during sorting. Poor quality stationery can also attract more revenue, as this instance would indicate. All of us have experienced loss of magazines and journals in postal transit, and there must be many like me who have stopped paying annual subscriptions (at concessional rates) and have resorted to buying each number in a news stall; it is worth paying a little more and securing a copy rather than getting nothing for advance payment. As for calendars and diaries, the less said about their fates, the better. The latest casualties in postal transmission, according to another complaint in a newspaper, are foreign postage stamps of philatelic value which are removed before the letters are delivered. The complainant is, of course, a philatelist, but I have no sympathy for him. If he is an Indian, he is opening his mouth too wide; he should be thankful that the letter was delivered with the contents intact and not ask for more. There are hundreds of people who have suffered worse.

I do hope that the cost consciousness of the Post and Telegraph Administration will not be copied by the Railway Administration. There must be several unremunerative projects which are being maintained by the latter on grounds of social and economic security and the infectious obsession to ensure profits for each project may perhaps result in some of them being given up. The private sector has often been ridiculed for its emphasis on securing profits and its inability to appreciate the philosophy of socialism. By and large, it can score a point over the public sector, in that it knows its job regarding pricing and selling. As for its lack of the philosophic outlook, it will eventually learn, in the only way that businessmen will ever learn, when it faces competition and fights for survival. A monopolistic public sector undertaking will not go through that experience, hence its philosophy will remain at textbook maxim level.

A quotation from Alfred Buehler's treatise on Public Finance will, I feel, be appropriate at this stage. After emphasising that postal systems are service rather than strict business undertakings, he concludes: "If the national government cannot operate efficiently the relatively simple postal system, with its lack of heavy investment and highly technical processes, how could it manage such industries as the railroads, the telephone and telegraph and other utilities? The fundamental question of the relative efficiency of Government enterprise is thus raised by an enquiry into postal management."

Jute
secret of an industry's success



With a membership of 70 companies, comprising 100 manufacturing units, the IJMA represents almost 95% of the total jute loomage in India.

Providing employment to millions of farmers, traders and mill-workers ... earning about Rs. 115 crores annually in foreign exchange ... contributing large sums in taxes to the State and Central Exchequers — the Indian jute industry occupies a prominent place in the nation's economy.

Guarding the interests of this nationally important industry and guiding its destiny, is the Indian Jute Mills Association. Founded in 1884, the IJMA — representing almost 95% of India's total jute loomage — protects, forwards and defends the trade of its members. The Association carries on research ... to improve the quality of jute products and to develop new uses of this already versatile material. In the field of export promotion the Association has been active for well over a decade, undertaking publicity and promotional work which has helped make jute goods India's largest dollar-earner. Its labour welfare activities have set standards throughout industry.

The Indian Jute Mills Association looks forward to serving the Indian jute industry in ever-increasing measure in the years to come.

Issued by the **Indian Jute Mills Association**
Royal Exchange, Calcutta.

IWT IJM 42

AMERICAN LETTER

ECONOMIC TRENDS IN UNITED STATES

POPULATION RISING—WAGES AND COSTS INCREASING—OUTLOOK FAVOURABLE

(By Our Special Correspondent)

NEW YORK, 16*th December*

THE changeover from Republican President Eisenhower to Democratic President Kennedy should present no problem to either the the United States or the outside world. Mr. Kennedy's appointments to important posts, with few exceptions, have been very good, indeed. He has been quite cautious, since, at the latest count, he only won the Presidency by a majority of a little better than 110,000 votes. Even the staid old National Association of Manufacturers, at its 65th Congress of American Industry last month, said that United States business had little to fear from the incoming Kennedy Administration. This feeling was accentuated by the cordial meetings of President Eisenhower and Senator Kennedy before he took office.

The objectives of the business community will remain unchanged. They will include three major phases—tax reform which has been badly lagging in this country in the face of changing economic conditions, a drive for increased Government efficiency and a stepped-up assault against union monopoly. This is not directed against union members, but rather against some trade union leaders who have been able to coerce their members into economically destructive strikes and other practices which are against the best interests of the U.S. and the world as a whole. For much depends on U.S. productive capacity to keep the wheels of Western industry turning and increase the standard of living which is an antidote to Communism.

The Soft Spots

As the second year of the new decade begins, conditions are quite different from what they were 12 months ago, when nearly **every**one spoke of the "glorious 1960s." For some reason or other, there is a mania here at the present time to point out the soft spots in the economy. These centre primarily around steel and automobiles. Steel output reached a new low in terms of capacity, but, in terms of tons, it is still close to 100 million, or three basic points higher than the average of the previous three years. Steel spokesmen suggest that the 1961 showing will be better.

Automobile inventories by factories and dealers are quite high at the present time. It is somewhat nebulous how this situation can be resolved. The urban centres are so congested, traffic-wise, that they discourage, rather than encourage, ownership of a motor car. This, in turn, has finally led U.S. manufacturers to imitate the foreign small "compact" auto. They have created a lot of excitement and interest and the prospects are they will continue to do so throughout 1961. Current predictions are that passenger car sales this year should be between 6.5 and 7 million units. This would be the best record for that industry since 1955.

Platitudes Many

Hopes are high in many fields, but, as usual, there are many platitudes in many announcements. The best description which I have seen appeared in the *Monthly Review* of the Federal Reserve Bank of New York which described the U.S. economy as being presently in a "high level of stagnation." This does not mean that 1961 prospects are non-existent.

In addition to steel and automobiles, building and construction contribute a good deal to the well-being of the U.S. economy. Present estimates are that public housing, which accounts for one-third of all construction, will rise by about 5 per cent. this year. At the same time, a decline in residential building is anticipated. The big question mark revolves around industrial building and construction activity in outlays for plant and equipment.

If confidence in the future is accepted, spending for such purposes is liberal and extensive. It may be of interest to note that, at the present time, some estimates are that industry spending may be off anywhere from 15 to 20 per cent. in 1961, against 1960. It should give readers in India a fair idea of the sentiment prevailing in the U.S.

Yet, there is a lot of optimism in counterbalance. There is a general expectation now that, as 1961 progresses, there will be a gradual upturn in business. This applies even to the railroad industry which has been in the doldrums for a long time.

What the solution for the railroad industry will be in 1961 and thereafter cannot be predicted. With few exceptions, U.S. railroads have failed miserably on many counts. They have been losing money on passenger traffic, despite continually higher rates. Their only two other major sources of income are from freight and real estate holdings. There is now a quasi-form of Federal subsidy which keeps them alive.

The outlook for the oil industry, despite setbacks in 1960, is regarded as reasonably good for 1961. Thus, an increase in earnings is projected for 1961. This assumes a normally cold winter—and it has been quite severe so far—it also assumes no drastic Governmental acts in any areas and no worsening of the supply-demand ratio.

There seems to be little chance that general living costs, including food prices, will increase materially in the near future, unless there is a radical change in monetary policy and an increase in the price of gold, for example.

Payments Position

The foreign payments position of the U.S. has been a matter of private and official concern recently. In my opinion, Secretary of the Treasury Anderson compromised himself and the U.S. by going to West Germany, looking for financial assistance and being turned down. The U.S. still has gold stocks of about $18,000 million, as compared with Russia's alleged holdings of $9,000 million and West Germany's $6,000 million which are larger than those of Great Britain. There was not too much to worry about so far as Washington is concerned and there was no point, diplomatically, in revealing the psychological weakness which has resulted here as a result of the continual outflow of gold.

There are quite a few factors contributing to the financial inferiority complex at Washington. The U.S. has been in "the drivers' seat" for many years. Leaders could not conceive that other nations could equal or catch up with the U.S., socially or economically. The fact is that other nations have caught up. Continually rising wages and costs in U.S. have made American products uncompetitive here and abroad. Markets have been lost. In the past decade, it was easy to outsell the rest of the world. This condition does not prevail any longer. West Germany has outbid the U.S. in countries like Brazil for factories and there are more Japanese transistor radios sold here than American-made ones, to mention just two examples. There is little indication that this trend will be reversed in 1961.

Labour Force

Future business conditions in the U.S. in 1961 and beyond will also be influenced greatly by a growing labour force. Like in India, it will continue to be a problem, owing to the increase in population. The question is: Will business come up with enough opportunities to absorb all employables? The latter word, of course, is a loose term.

While there were nearly 71 million people gainfully employed in the U.S., at the latest count, out of a total population of more than 181 million—and this includes the armed forces—unemployment reached 6.4 per cent. of the total in October, the highest since 1958. It is a matter of concern here.

Another matter which is bothering U.S. economists is the downward rate of corporate profits which will continue into 1961 until drastic changes in tax laws are made. Income-tax revenues have been falling. It all depends on the business climate in 1961 what the showing will be. In 1960, profit margins have been declining, quarter by quarter.

Earnings, after taxes, may approach in 1960 the 1959 level of $23,800 million. This is about equal to the previous decade and experts consider this figure inadequate, in view of the growth of population and the economy, as well as inflation. Unless the new Adminis ration injects a new stimulus, which is an unknown factor at this time, there is no reason to assume that the picture will change materially in 1961.

There are some hopeful signs for the U.S., economically. Several major countries have reduced their interest rates which will make it less interesting for so-called "hot money" from here to flow overseas. It should stem the speculative monetary transactions which have no relation to foreign trade at all. In fact, the foreign trade position of the U.S. has been improving and should do so throughout 1961.

In a recent statement, the International Monetary Fund noticed an encouraging shift in favour of the U.S. dollar. The Fund stated that it considered the U.S. dollar still "the most important reserve currency in the world."

Foreign Aid

The question of foreign aid will be of outstanding importance in 1961. Proposals to raise the sights to $5,000 million a year are under discussion at Washington at this time. The Eisenhower Administration asked for $4,200 million this year and the Congress appropriated $3,800 million. According to high level projections, loans and grants by the Western world to developing countries may reach $30,000 million by 1980. There is very good reason to believe, on my part, that the Kennedy Administration will not deviate materially from the previously established pattern. In fact, it cannot afford to do so, in view of Russian aggressiveness in this field. If anything, foreign aid, it seems to me, should be higher on the calendar in a Democratic, rather than in a Republican, Administration. This should benefit India which is now held in high respect in this country.

With all respect to human frailities, and in comparison with other countries, it is recognised here that India made the smoothest transition from colonialism to independence than any other country in the world. While not everybody agrees with the viewpoints of Prime Minister Nehru altogether, nearly everybody in the United States and in the United Nations to which I am accredited as a correspondent, agrees on the importance of the increasing role that India, as a country, plays as a balance in world affairs. This state of affairs should well continue throughout 1961.

In addition to its problems with Asia, the U.S., at this writing, is concerned quite seriously with the question for an international balance of payment equilibrium. It is likely to be of continuing concern throughout 1961.

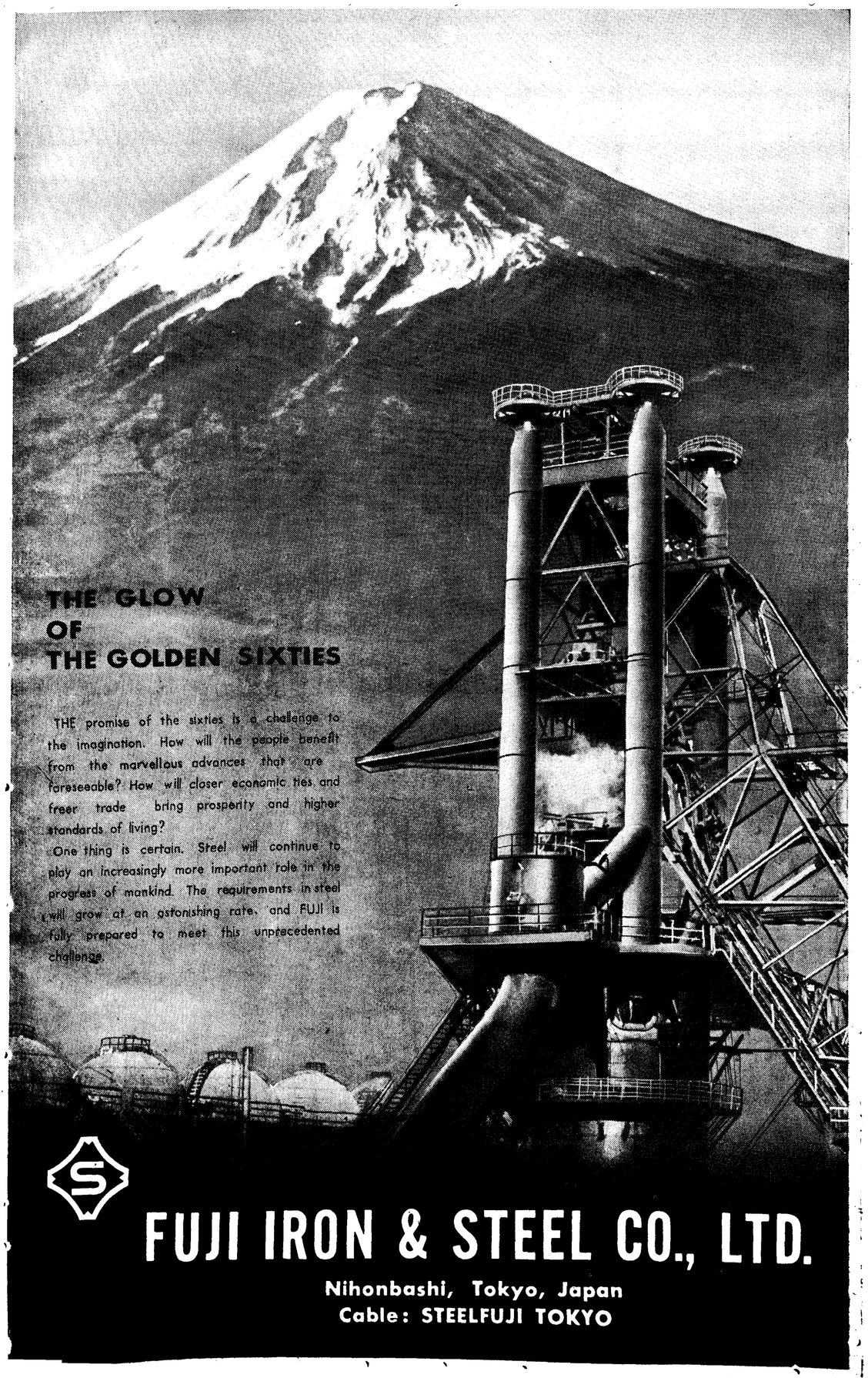
The chief culprit, in the eyes of Washington, is West Germany. This prompted the ill-fated visit of Treasury Secretary Anderson to Bonn. The Germans have been plagued by a huge and persistent external surplus. In order to stem it, they lowered tariffs substantially, they reduced the Bank rate to 2½ per cent., the lowest in the history of German central banking, among other measures.

The cut in the British Bank rate to 5 per cent. is also apt to help the American monetary authorities somewhat. It is expected to ease pressure on the dollar in the immediate future. The French central bank has also made a token cut in its rate.

Outside of these difficulties, there is very little wrong with the U.S. economy. People in the U.S. on wages, salaries or depending on income from investments had a combined annual income of about $410,000 million. This compared with $409,000 million a month previously and with 384,000 million a year ago. There is no substantial change expected.

In the meantime, the American public is in a spending mood. Dollar-wise, this would have been the biggest holiday season ever. After all the tallies are counted, total retail sales may have reached $18,500 million which would be 5 per cent. larger than in 1959.

To sum up, the change of Administration this January is likely to have little effect on domestic or foreign policies of Washington. Perhaps, the attitude of the Kennedy Administration will be a little more liberal than that of the Eisenhower group, but, essentially, it should be regarded as the *status quo*. Business, industry and trade will go on, as before. The final decisions will rest with the Congress, anyway, and the composition of that body of lawmakers, politically, has not changed too much. The general outlook remains for a favourable business climate in the U.S. in 1961.—*All Rights Reserved.*



NETHERLANDS TRADING SOCIETY
BANKERS
(Nederlandsche Handel-Maatschappij, N.V.)
Established in 1824 by Royal Charter.
Incorporated in the Netherlands.
The liability of Shareholders is Limited.

Paid-up Capital - Nf63,030,000 (£5,924,000)
Reserve Funds - Nf63,030,000 (£5,924,000)

Head Office:
32, Vijzelstraat, Amsterdam-C, Netherlands.

128 branches in the Netherlands as well as agencies in New Guinea, Japan, Hongkong, Singapore, Malaya, Burma, India, Pakistan, Kenya, Tanganyika, Uganda, Saudi Arabia and Lebanon.

Affiliated Bank in London:
B. W. Blydenstein & Co.
54, 55 and 56, Threadneedle Street, E.C. 2.

New York Agency:
62, William Street, N.Y. 5.

The Bank transacts banking business of every description throughout the world.

Agency Bombay: 14, Veer Nariman Road, Bombay-1.
Agency Calcutta: 18A Brabourne Road, Calcutta-1.

GUIDE TO COMPANY MANAGEMENT
By
Messrs. JOHN & ROW

An indispensable Guide to all persons concerned with Company Management, including Managing Agents, Directors, Secretaries, Auditors.

Price Rs. 5

EXPRESS PUBLISHERS (PRIVATE) LIMITED
33, BROADWAY, MADRAS-1

For Service and Security
PANDYAN BANK LTD.
Central Office: MADURAI

THE BANK THAT SERVICE BUILT

Bombay Office: 'Pandyan House' Frere Road, opp. Fort Market

To know Pandyan Bank is to know South India
Safe Deposit Lockers are available at Bombay

83 Offices Serve the Public

S. N. K. SUNDARAM.
Managing Director.

STEEL manufacture at MUKAND

In 1940, Mukand employed 694 men; in June 1960—2,187. Over the past seven years, production figures have soared—18,234 tons in 1952/53; 49,787 tons in 1959/60. This increase is a reflection of a good management of finances:—

	1957/58	1958/59	1959/60
	(Rs. in lacs)		
Capital	51	51	71
Depreciation provided up to date	32	36	41
Profits retained in business to date	25	35	45
Profit for the year	19	30	32
Dividend for the year	5	5	8

Mukand manufacture high-grade steel products—bars, rods and castings. Presently an expansion programme is under way. It will cope with the growing influx of big orders—like the one placed by the Railways with Mukand on 16th July 1960 for 4,035 sets of Centre Buffer Couplers valued at 84 lacs.

Mukand provides India's new and growing industries with the quality steel components they must have.

MUKAND | STEEL STRENGTHENS THE NATION

COTTON TEXTILE MACHINERY INDUSTRY

PROTECTION FOR THREE MORE YEARS GRANTED

PROTECTION to cotton textile machinery industry in respect of complete ring frames, spindles, spinning rings, fluted rollers and automatic looms has been extended by the Government of India for three more years—that is, upto the end of December 1963—at the existing rate of protective duty, namely, 10 per cent. *ad valorem*. This is in accordance with the recommendation made by the Tariff Commission. The continuance of protection is fully justified, considering that the manufacture of textile machinery is a high precision and heavy industry which requires to be sheltered against foreign competition until it acquires a firm foothold in the domestic market. This aspect must be specially borne in mind because of two considerations. One, the industry, as the Tariff Commission has pointed out, is today at a considerable disadvantage on account of shortage and high cost of raw materials, as well as enhanced prices of bought-out components which have inflated their costs during the last two years. Two, the industry needs every encouragement to take up as many new lines as it can, so as to achieve self-sufficiency in supplies in the years to come. The Commission has expressed the hope that the country's requirements of textile machinery will be met to the extent of 75 per cent. by indigenous producers by the end of the third Plan period (1965-66).

The cotton textile machinery industry, it will be recalled, has already enjoyed tariff protection for nearly eleven years; it was in 1950 that protection was first granted for a period of three years ended March 1953. This was extended first upto 31st December 1953 and subsequently upto the end of 1954. The fourth enquiry was undertaken by the Commission in 1954 and, on its recommendation, protection to all items of textile machinery with the exception of tin rollers was extended upto 31st December 1957. The last enquiry was held in 1957 and, as suggested by the Commission, the Central Government continued protection for all items except plain looms upto the end of December 1960. The latest enquiry was undertaken in the first half of 1960.

Prices Compared

The fair selling prices of spinning ring frames, fluted rollers and automatic looms are compared with the landed cost without duty of items imported from Japan in the following table:

	Spinning ring frames	Fluted rollers	Automatic looms
	Rs.	Rs.	Rs.
Imported from Japan:			
C.i.f. prices	28,750.80	350.00	3,421.91
Clearing charges	287.51	15.00	34.22
Landed cost ex-duty ..	29,038.31	365.00	3,456.13
Produced within the country:			
Fair selling price ..	38,041.00	258.70	4,376.32
Difference between fair selling price and landed cost ex-duty	9,002.69	—106.30	920.19
Percentage difference ..	31.31	—30.37	26.89

Note.—The estimated fair selling prices of spinning rings and spindles have not been compared with the c.i.f. prices of foreign products, since the f.o.b. prices could not be obtained.

It will be seen from the above table that the indigenous industry has a price disadvantage to the extent of 31.31 per cent. in regard to spinning ring frames and 26.89 per cent. in respect of automatic looms. Since the import of spinning ring frames is at present banned and as there is no likelihood of any relaxation of import policy in the near future, the Tariff Commission did not consider it necessary to step up the rate of import duty from the existing level of 10 per cent. *ad valorem*. Although fluted rollers enjoy a price advantage to the tune of 30.37 per cent. of the c.i.f. price of imported rollers, the Commission felt that it would not be proper to withdraw protection, because fluted rollers, along with spindles and spinning rings, are vital components of spinning ring frames. The Government of India has accepted these views.

It must, indeed, be said to the credit of the cotton textile machinery industry that it is endeavouring its best to fulfil the obligations of a protected industry. There has been a distinct expansion in the capacity of the industry in recent years and plans are afoot to augment the capacity further. The table below indicates the progress made by the industry. The progress would have been more marked but for the setback received by the industry as a result of a fall in demand for major items like spinning ring frames and automatic looms in 1958-59.

At present, thirteen units are engaged in the manufacture of the protected items of textile machinery and three units in producing plain looms which were deprotected from 1st January 1958. The main producers of spinning ring frames and automatic looms have diversified their production and are developing new lines of manufacture like doubling, draw, speed and fly frames, carding engines, high-speed warping and winding machines, and calender bowls. These are all important items which are much in demand for modernisation of textile mills. It is gratifying to be told that some of the producers have endeavoured to keep abreast of technological developments in other countries and sought to incorporate such improvements in their designs and processes of manufacture as are suited to Indian conditions. The industry seems to be now in a position to meet adequately the domestic demand for protected items in so far as the spinning equipment is concerned. The same, however, cannot yet be said of automatic looms, though, lately, the Central India Machinery Manufacturing Company, Ltd. (a Birla group concern), the sole producer of automatic looms in the country, has entered into technical collaboration with a Japanese firm and expects to start production of automatic looms under the name Cimmco-Sakamoto from March this year.

Besides the organised sector, there are 417 small units located in different regions producing parts and components of cotton textile machinery. These are generally sold in the replacement market.

Alongside efforts to expand capacity and production, the cotton textile machinery industry is also endeavouring to improve the quality of the products. The Textile Commissioner has stated that the quality of spinning ring frames has improved considerably since 1957 and that the manufacturers are making further efforts to bring their products in line with those of foreign producers. The quality of spinning ring frames is also considered to be satisfactory and there has been no complaint from the mill industry. Similarly, it is said that the quality and performance of spinning rings, spindles and fluted rollers are satisfactory. In regard to automatic looms, the Textile Commissioner has expressed the view that the mill industry has been rather slow in implementing the scheme of installation of automatic looms allotted to them either for export incentive or for purposes of replacement due to reasons connected with the quality and performance of indigenous looms. We are, however, told that, lately, the Central India Machinery Manufacturing Company has taken effective steps to rectify the deficiencies of automatic looms.

Items of cotton textile machinery	Rated capacity (single-shift)		Additional capacity licensed	Actual production			
	1957	At present		1960 (Jan.-Sept.)	1959	1958	1957
Spinning ring frames	804	1,020	300	1,800	1,134	875	1,359
Ring spindles	784,400	942,000	N.A.	228,032‡	832,923	799,621	1,188,169
Spinning rings	572,400	1,200,000	N.A.	228,484‡	1,038,739	1,121,136	1,248,871
Fluted rollers (lines*)	10,224	13,896†	N.A.	3,709‡	14,603	12,114	10,236
Looms—automatic	1,560	1,560	5,100	260	356	36	316
„ —plain	4,980	5,520	N.A.	3,625	3,870	3,151	2,583

N.A.—Not available. * 25 per line. † On multiple-shift basis. ‡ Relate to January-March 1960.

"Ashok Leyland COMETS carry in 5 trips what others would need 7 to clear"

says The Engineering Construction Corporation Private Limited, Madras

"FOR THE Madras Harbour Job we shall need upto 500 tons of blue metal a day. All this has to be moved from our Quarries at Pallavaram to the Madras Harbour 15 miles away. Since a lorry can make only a limited number of trips a day, the larger the load it can carry, the more economical it will be for us. That is why we are happy to have Ashok Leyland Comets in our fleet. They carry in 5 trips what others would need 7 to clear. We save on fuel, maintenance and overheads too. Breakdowns? No...None so far!"

Testimonials like this show why LEYLANDS are the most wanted vehicles in over 50 countries in the world. Every vehicle is built to exacting standards of precision and craftsmanship

The Forward-Controlled Leyland Comet Chassis is designed specially to combine large body space with easy handling. The quick starting, long life Leyland Diesel engine, with its high torque output combines pulling power with remarkably low fuel consumption. *The Ashok Leyland Comet is the only 7½ ton payload chassis made in India.*

ASHOK LEYLAND COMET · precision built to give lasting service

ASHOK LEYLAND LIMITED, Madras, Madras

Defects Still There

In spite of all the claimed improvements in quality, there are complaints from several mills about specific defects in the spinning equipment as well as automatic looms. Besides, there is also the general complaint of delay in delivery of spinning ring frames and their components. The cotton mills have rightly stressed that they, being obliged to use indigenous machinery, should not be deprived of the benefit of technical developments that are rapidly taking place among their competitors abroad. Appreciating this point of view, the Tariff Commission observes:

"In serving the requirements of one of the largest industries in the country, namely, Indian cotton textile industry, the textile machinery manufacturers should keep abreast of the technical developments in other countries and produce machines which are comparable in quality and performance with the machines which their competitors are using in other countries. The industry has a special responsibility to maintain the high standard of quality of its products, because, on the one hand, as a result of the import restrictions, the textile industry is obliged to use indigenous machinery and, on the other, it has to maintain high efficiency standards in textile production to face keen foreign competition in export markets. We, therefore, attach great importance to the aspect of improving quality of indigenous textile machinery.

"We are firmly of the view that the only way in which the prejudice against the indigenous textile machinery can be eliminated is by insisting upon the highest standards of quality and performance of the domestic products and by convincing the Indian mills that the textile machinery and components produced in the country were as good as the imported ones. The industry is embarking on expansion and is taking up new lines of manufacture. We consider that the need for an objective and impartial technical agency is, indeed, great for assessing the requirements of the textile industry and assisting the textile machinery manufacturers to meet them."

Although the Commission suggested more than three years ago the setting up of an Inspectorate in the Textile Commissioner's Office with adequate staff to ensure that the quality of textile machinery is upto the requirements of textile mills, the Government of India has still not taken any decision. It is said that the matter is still under consideration. The Commission has, therefore, found it necessary to reiterate the suggestion. The Government will do well to give effect to it without any further delay.

Imports

Imports of spinning ring frames, spindles and fluted rollers have been completely banned since April 1958 and those of spinning rings from the subsequent licensing period. The only protected item of cotton textile machinery for which imports are licensed on an *ad hoc* basis is automatic looms. The domestic producer had pleaded for banning the import of this item also. But the Commission has rightly turned down the plea. As the Commission itself has pointed out, there is a marked reluctance on the part of mills to buy indigenous automatic looms, because they are not convinced that these looms will work as efficiently as the imported ones to which they have been accustomed so far and, further, they will not be able to produce quality cloth for export at competitive prices. Viewed thus, a complete ban on imports at the present juncture will not be in the interests of the national economy.

As already stated, it is expected that, at least 75 per cent. of the country's requirements of cotton textile machinery will be met by indigenous producers by the end of the third Plan period. The current and future demand for the more important items for expansion, replacement and modernisation as assessed by the Tariff Commission are indicated below:

	1960-61	1961-62	1962-63
Spinning ring frames—			
Expansion	375	850	850
Replacement	950	950	950
Total	1,325	1,800	1,800
Spindles	700,000	850,000	850,000
Spinning rings	1,000,000	1,000,000	1,000,000
Fluted rollers (lines) ..	8,000	12,000	12,000
Automatic looms	6,000	6,000	6,000

Raw Materials

The cotton textile machinery industry seems to be faced with the problem of getting adequate and regular supplies of some of the raw materials. One such raw material is pig iron. The Tariff Commission has asked the industry to take up the matter with the steel plants concerned. It is to be hoped that the managements of steel plants will exercise due care and vigilance in making correct despatches, so that the manufacturers of textile machinery receive the pig iron of grades indented by them. Another important raw material is mild steel. The Commission has supported the industry's plea for extension of the period of licence for the import of such items as cold-rolled close-annealed steel sheets from six months to one year. The Industry depends entirely on imports of free cutting alloy steel and hard drawn bright flats, rods, bars, etc. The position regarding the supply of coke, as well as tinplates, is fairly satisfactory. The manufacturers of spinning machinery have complained about the supplies of some bought-out components, especially spindle inserts. Delivery periods are said to be long and prices high. The Commission has recommended licensing of additional capacity for the manufacture of spindle inserts, particularly the preferred types which are at present not produced in the country. The position in respect of drafting material and Tecalmit lubricating equipment supplies is expected to improve in future.

If the long and uncertain deliveries of textile machinery equipment to cotton mills are to be avoided, it is imperative that bottlenecks in production, especially of spinning ring frames and other components, are removed. The authorities should take steps to ensure regular and adequate supplies of essential raw materials to the industry.

CLOTH AND YARN PRICES

The Indian Cotton Mills' Federation has enforced a new schedule of cloth and yarn prices, with effect from the 1st inst. The additional percentages over August 1959 contract prices of cloth that the mills are asked to charge have been lowered as compared with those announced early in September 1960. The total output of cloth is divided into two types, namely, popular and others, the former comprising 25 per cent. of the production for internal consumption. The popular varieties cover not only coarse and lower medium goods but also higher medium, fine and superfine fabrics. The reduced percentage of increases over the August 1959 prices are given below:

	Popular varieties	*Others*
Coarse	17	20
Lower medium	14	17
Higher medium	10	13
Fine	6	8
Superfine	4	6

The previous schedule, it will be recalled, made no such distinction between two varieties but had stipulated percentage increases for the varieties taken as a whole, namely, 25 for coarse cloth, 22 for lower medium counts, 18 for higher medium varieties, 11½ for fine categories and 9 for superfine goods. All contracts entered into by mills with merchants prior to 21st December 1960 for delivery upto the end of December or earlier are to be fulfilled at old prices. All unstamped baled cloth lying with the mills will be stamped with new prices after the 1st inst.

The prices of yarn have also been revised downward as follows, the figures in brackets relating to the prices prevailing up to the end of December 1960:

(In rupees per bundle of 10 lbs.)

6s manufactured from cotton waste 13.03 (13.57); 6s manufactured from cotton mixing containing not more than 25 per cent. cotton waste 15.12 (15.75); 10s 17.04 (17.75); 12s 17.76 (18.50); 14s 18.72 (19.50); 16s 20.30 (21.15); 18s 20.54 (21.40); 20s 20.75 (21.60); 21s 21.02 (21.90); 22s 21.31 (22.20); 24s 22.47 (23.05); 26s 23.70 (24.18); 28s 24.28 (24.78); 30s 24.80 (25.32); 32s 25.58 (26.10); 36s 27.25 (27.75); 40s 28.25 (28.75).

These are ex-mill rates for a bundle of 10 lbs. single hank yarn made from Indian cotton only. The differentials for use of foreign cotton for supply of yarn cones and for double yarn, which were already fixed, will continue unchanged. Mills will be stamping prices of yarn on this basis from 1st January 1961. It has also been decided that, against all contracts entered into prior to 21st December 1960 for December or earlier delivery, the delivery will be at contract prices provided the yarn in question is already stamped at old prices and is marked and ready for delivery before 31st December 1960. Bales containing yarn bundles which bear no stamping of prices will have to be opened and stamped with new prices.

The revised prices of cloth and yarn are in accordance with the understanding reached between the spokesmen of the Federation and the Union Commerce and Industry Ministry officials at New Delhi in the third week of December 1960. They represent a reduction of 5 per cent. in the prices of coarse, lower medium and higher medium categories of cloth and of 3 per cent. in respect of fine and superfine counts as compared with the prices fixed in September 1960.

At the same time, the margin allowed to the trade over the ex-mill prices has been increased from 15 to 18 per cent. Making a statement on the question of cloth and yarn prices in the Lok Sabha on 21st December 1960, Mr. Lal Bahadur Shastri said:

"The problem of prices can be solved on a continuing basis only by increased production and augmented supply. In the short run, an increase in the supply can be brought about only by utilising the existing productive capacity to the maximum extent. The Indian Cotton Mills' Federation have agreed to request all mills to work three

(*Continued on page 41*)

For top grade Industrial Chemicals

'SEE MONSANTO' FIRST...

Monsanto works constantly to develop new, better chemicals – and to improve those chemicals you already use. In every industry, whether it be agriculture – automotive – aviation – ceramics – chemical processing – cosmetics – electrical – foods – insecticides – mining – oil – paint – paper – rubber – soaps and detergents, there is a Monsanto chemical that will help to improve production and quality.

Monsanto Regd.

Monsanto Chemicals Limited, London • Monsanto Chemical Company, St. Louis, U.S.A. Dependable service from Monsanto companies in London, Melbourne, Montreal, Paris, Bombay, Tokyo, Mexico, D.F., Buenos Aires and from sales representatives in all principal cities of the world.

MONSANTO CHEMICALS OF INDIA PRIVATE LTD.
Wakefield House, Sprott Road, Ballard Estate, Bombay 1.
Also at: Calcutta, Delhi and Madras.

ACUTE RAW JUTE SHORTAGE PERSISTS

MILLS TO CUT WORKING TIME FURTHER

IT is a misfortune that the jute industry, one of the three principal earners of foreign exchange for the country, has to struggle against the heavy odd of raw jute shortage from time to time. The magnitude of the problem currently facing the industry is already well known. The Government spokesmen, however, have held the view for some months now that the shortage of raw material is not as acute as has been made out by the trade and industry, that there was sufficient jute but that it was being withheld by growers and middlemen, and that more than half the trouble was due to rank speculation that was being indulged in by the operators in futures. Whatever the accuracy of these claims, the fact remains that the mills are not having sufficient jute and that there is no wanton exaggeration of the prevailing scarcity by them, for no manufacturer will go to the extent of curtailing his production just to prove the correctness of his reading of the situation. Just a few days ago—on 29th December—the Committee of the Indian Jute Mills' Association (I.J.M.A.) asked the member-mills in West Bengal having more than 220 looms, temporarily to reduce, with effect from the 30th of this month, the working hours from 45 to 42½ per week, keeping the level of looms sealed at 12 per cent. The move, though it will have a disquieting effect on labour and on overseas buyers of Indian jute goods and inflate the industry's production costs, is nevertheless contemplated because the situation cannot be managed in any other way. Regretting the move, the I.J.M.A. Committee says:

"This decision . . . has been taken in consultation with both the Central Government and the Government of West Bengal and is a further—and it is hoped the last—step in implementing the Association's policy of adjusting the industry's production to the availability of raw jute so as to ensure that supplies will last until the arrival of the new jute crop and that the output of manufactured goods will be maintained at a constant level. From the industry's point of view, a reduction in the weekly working hours is much less economic than an increase in the percentage of sealed looms as a means of curtailing production, and this method has been adopted solely in the interests of the labour force, in order to minimise the effect of the restriction of output on the employment situation in the jute industry in West Bengal.

"By bringing the industry's consumption of raw jute into line with the supplies likely to be available, this further curtailment of production is designed to prevent a squeeze developing in raw jute later in the year. As a further means of avoiding undue pressure on the jute market, the Association has also for some time been regulating the purchases of jute by the mills on a quota basis, so as to level out stocks and prevent competitive buying between individual mills."

Lower Crop Feared

Even when the current jute season (July 1960-June 1961) began, it was clear that the output of jute and mesta would suffer a setback for the second year in succession, in view of the decline in the area sown. The all-India first estimates of jute and mesta crops for the season place the total area at 1,605,000 acres (649,500 hectares) and 489,000 acres (197,900 hectares), respectively, as against the corresponding adjusted estimates of 1,752,000 acres (709,000 hectares) and 512,000 acres (207,200 hectares) in the 1959-60 season. It is, therefore, feared that the crops harvested will be much smaller than in 1959-60 (4,548,000 bales of jute and 1,098,000 bales of mesta) and 1958-59 (5,158,000 bales of jute and 1,488,000 bales of mesta). With a view to regulating consumption of jute so as to ensure that available supplies were adequate to maintain production of jute goods at stable levels, the I.J.M.A. decided, in September 1960, to extend its scheme of voluntary sealing of looms under which 12 to 14 per cent. of the member-mills' looms had been sealed from June 1960. This level of sealing which was voluntary was later replaced by a compulsory sealing of 17 per cent. of looms. In order to minimise the displacement of labour, the sealing of 17 per cent. was subsequently reduced to 12 per cent., but the working week was cut down from 48 hours to 45 hours. As a result of the latest decision, there will be a further reduction of 2½ hours after 30th January 1961, in accordance with the latest decision of the I.J.M.A.

Effect on Jute Goods Supplies

With the proposed economy in jute consumption and taking into account the imports authorised from Pakistan as well as non-traditional sources, jute goods production is expected to be maintained at a stable level till the middle of new crop jute makes it possible to restore the full working time. There will, of course, be a fall in the output of standard goods, but such, according to the Jute Commissioner, Mr. Ajit Mazoomdar, is not likely to lead to any shortage for export or for internal consumption. For internal demand for jute goods, we are told, will be substantially reduced by the permission recently given to the cement industry to pack cement in used bags. And, with the industry's present stock of ready goods at over 80,000 tons, there will be an adequate buffer to absorb for several months any excess of demand over current production from February 1961. Explaining this position in the course of his talk to Press men at Calcutta the other day, Mr. Mazoomdar said:

"In the first half of every year—January to June—the demand for jute goods is usually low due to seasonal factors. The foreign demand for jute goods had to some extent already been curtailed due to the high prices prevailing especially since October. The demand for burlap from the U.S.A. in 1961 is also likely to be adversely affected by the current business recession in that country, which may also affect Canadian and European demand to some extent. It should be clear, therefore, that there is nothing in the present situation to warrant any further rise in raw jute and jute goods prices beyond the uneconomic levels to which these have been pushed already mainly by the unrestrained speculation of early October. The demand for jute is being reduced by adjusting the rate of mill production to its availability."

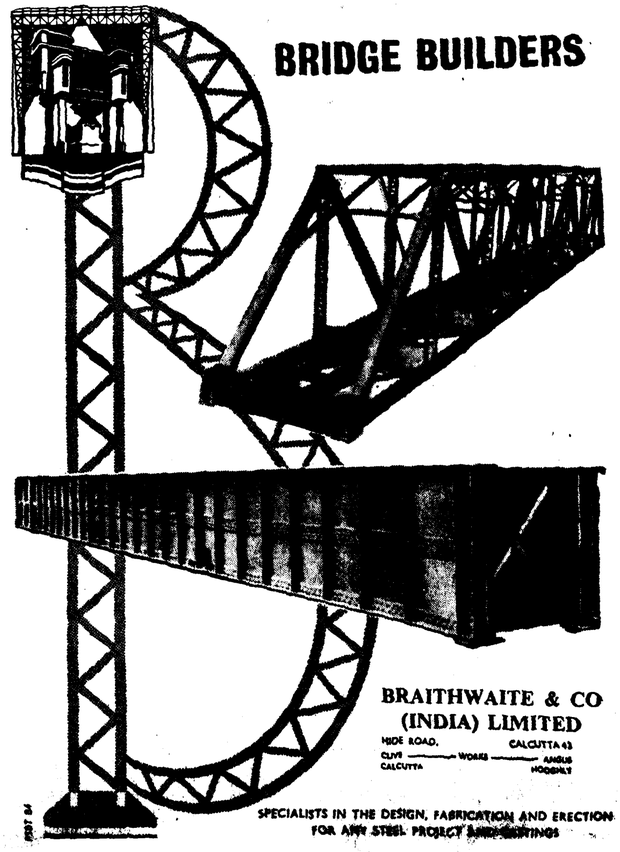
If, in spite of all this, jute goods prices were to firm up, the authorities would not hesitate to take appropriate steps to bring the situation under control. In fact, a clear warning to this effect was given by Mr. Mazoomdar. He revealed that the Union Government had decided to vest the Jute Commissioner, under the Essential Commodities Act, with statutory powers to requisition stocks of raw jute and jute goods and to obtain all necessary information for the purpose. Replying to a question, he said: "Jute goods stocks are held in mills' godowns at Calcutta, but, so far as raw jute is concerned, it is spread over a large area. It is not the Government's intention at present to requisition stocks from growers." The following are the other points made by Mr. Mazoomdar:

"Members of the Indian Jute Mills' Association will continue to purchase jute only against the Association's quotas. Purchases by other mills are also being regulated through the special margin deposits on forward contracts. The recent measures of the Forward Markets Commission have been designed to maintain free flow of raw jute to the mills and of jute goods to genuine shippers, by penalising speculative purchases and hoarding by other parties. The administration of these measures is being tightened up. The powers of the Commission to enforce these measures have been greatly enhanced by the recent amendments to the Forward Contracts (Control) Act. Meanwhile, the Reserve Bank has directed the banking system to reduce the volume of credit against jute goods, and to raise the margins for advances against both raw jute and jute goods. This directive should reduce the volume of credit by about Rs. 5 crores and so reduce the extent of hoarding and speculative purchases.

"The Government does not intend to tolerate the continuance of harmful speculative activity which will aggravate the present situation by manipulating prices and which will threaten the future of India's export trade in jute goods. Unfortunately, certain mills have also sought to exploit the present abnormal situation by trying to pre-empt and hoard an unduly large part of the limited jute supply by refraining from normal forward sales of their own goods and by making unusually large purchases of goods from the market. These activities must be deemed to be undesirable speculative activity as much as any transactions by pure speculators. It is proposed to investigate all speculative dealings fully."

The current season's jute crop, as already stated, is expected to suffer a sharp setback. One estimate places the output at no more than 5.2 million bales (of 400 lbs. each), as against 5.7 million bales harvested last season (1959-60). Mr. Mazoomdar, however, characterised this as being wholly without foundation and said: "The fact is that the final fore-

(Continued on page 35)



BRIDGE BUILDERS

BRAITHWAITE & CO (INDIA) LIMITED

HIDE ROAD, CALCUTTA 43
CLIVE WORKS ANGUS
CALCUTTA HOOGHLY

SPECIALISTS IN THE DESIGN, FABRICATION AND ERECTION FOR ANY STEEL PROJECT

UNDER SECRETARY TO GOVERNMENT 5 JAN 1961 PUBLIC DEPARTMENT

THE BIG RUBBER LINK-UP

Madras Rubber Factory—India's largest manufacturers of tread rubber compound—announce with pleasure their technical collaboration with the Mansfield Tyre and Rubber Company, Ohio— one of the oldest, and sixth largest manufacturer of tyres, in terms of units produced, in the United States—for the manufacture of MANSFIELD truck and car tyres and tubes in India.

When in full production, early in 1962, the new factory will be producing over 3,00,000 tyres and tubes per annum.

Part of this production will be exported overseas, to earn valuable foreign exchange.

MRF AN M.R.F. ENTERPRISE

MADRAS RUBBER FACTORY PRIVATE LTD.

Dhun Buildings,
175/1 Mount Road, Madras 2

BRANCHES:
Bangalore, Bombay, Calcutta, Calicut, Coimbatore, Delhi, Jullundur, Kanpur, Kottayam, Mangalore, Nagpur, Trichur and Vijayawada

BANKING SERVICE OF EVERY— DESCRIPTION

THE BANK THAT WORKS FOR YOU

These words are an expression of the way the bank feels about its responsibility to provide the most effective banking facilities for its customers.

We offer banking service of every description for trade, industry and personal requirements.

THE INDIAN BANK LTD
Head Office: FIRST LINE BEACH, MADRAS-1
G. S. SUNDARAM SECRETARY

ATLAS
ASSURANCE CO., LTD.
The liability of Members of the Company is limited
Incorporated in England

A.D. 1808

Bombay Agents:
N. SIRUR & CO. PRIVATE LTD.
TULSIDAS KHIMJI.
MACKINNON MACKENZIE & CO. PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALLJI THAKERSEY & CO.

Branch Offices:
Dongali Road, Ballard Estate, Bombay.
Indra Palace, Connaught Place, Delhi.
2-L, Mahatma Gandhi Road, Bangalore.
Vijaya Bank Building, Mangalore.
7, Armenian Street, Madras.
4, Clive Row, Calcutta.

FIRE — MARINE — ACCIDENT

REINSURANCE AND "INDIAN GUARANTEE"

INSURANCE COMPANIES' MEMORANDUM

THE thirteen-page memorandum submitted by the Indian Insurance Companies' Association, Bombay, to the Ministry of Finance, Government of India, makes out a very strong case against the voluntary cession, by Indian and foreign insurers operating in India, of an agreed percentage of their Indian reinsurance business to the Indian Guarantee and General Insurance Company Ltd., a subsidiary of the Life Insurance Corporation of India, which, as readers are aware, was converted into a purely reinsurance company with effect from 1st January 1960. The latter had approached some Indian insurers and the Overseas General Insurance Association for a voluntary, marketwise agreement by which a fixed share of their Indian business will be ceded to "Indian Guarantee" on the same basis as they are giving to the India Reinsurance Corporation. The object of the Indian Guarantee's move is stated to be twofold: (1) to broad-base the reinsurance market in India and (2) to stop the foreign exchange drain caused by placing reinsurances abroad. At the specific request of the Overseas General Insurance Association and some Indian insurers, the Committee of the Indian Insurance Companies' Association, Bombay, has made a study of the whole question and its views are embodied in a memorandum addressed to Mr. B. K. Kaul, Joint Secretary, Department of Economic Affairs, Ministry of Finance, Government of India.

The Committee claims to have approached the question without any bias or preconceived notions and taken an entirely objective view, keeping in view only what it thinks to be in the best interest of the insurance market and the country. The Committee does not have any quarrel with the objective of the proposed move. It agrees that the reinsurance market in the country needs to be broad-based and that the foreign exchange drain arising from reinsurances should be minimised. But it does not see eye to eye with the Indian Guarantee as to how this could best be done. And it firmly believes that the cession, voluntary or compulsory, of an agreed percentage of the reinsurance business of Indian insurers to the Indian Guarantee will neither help to strengthen and broad-base the market nor stop the foreign exchange drain.

The Committee deals with these two aspects separately. It points out that the object of broad-basing of the reinsurance market could be achieved through agencies other than professional reinsurers. This, according to it, is borne out by British experience. The British market, with its large volume of business and international operations, has only four active professional reinsurance companies. The market writes a non-life net premium income of over £1,200 million, of which the share of all the four professional reinsurers is less than £24 million, or 2 per cent. In spite of this, the British market is one of the most broad-based reinsurance markets in the world. Similar is the case, it is said, with other leading markets. Following the British pattern, every Indian company actively engages itself in reinsurance business commensurate with its resources. The reinsurance market can be broad-based, the Committee argues, not only through professional reinsurers but also, and largely, by direct-writing companies.

Formation of "India Re"

In spite of this, however, the insurers agreed, after careful consideration, to the formation of the India Reinsurance Corporation in 1955, as a co-operative enterprise of the trade as a whole with the blessings of the Government. It was felt imperative for the promotion of the "India Re" to provide it with a premium base of about Rs. 2 crores so that it could be built up into an actively operating Indian professional reinsurer. Accordingly, insurers in India agreed, albeit reluctantly, and at some sacrifice to themselves, to give 10 per cent. of their business to this company. The argument that, if the companies could give a 10 per cent. voluntary cession to "India Re" to provide it with a base, why should they not give a similar voluntary cession to Indian Guarantee, is, the Committee points out, untenable. For the Indian Guarantee, according to the Committee, already enjoys a strong base for its reinsurance activities. It receives all the reinsurances of Government-controlled companies and also the bulk of the business of the Indian Insurance Companies' Association Pool and the Aviation Pool. Its current portfolio from these sources, the Committee estimates, may be over Rs. 3 crores. Indian Guarantee thus already possesses a larger base than "India Re" on the strength of which it is in a position to play as leading a role in reinsurance business as the "India Re" or other direct-writing companies. There is, therefore, no justification, the Committee avers, for calling upon insurers to make yet another sacrifice through fixed cession to the Indian Guarantee. It contends that, if the proposal were enforced, it would have the following consequences: (1) Indian companies weakened by the Government-owned companies taking over 75 per cent. of the Pool business will be further weakened by voluntary or compulsory cessions. (2) The position of the "India Re", which is fast getting into strides, will be adversely affected. (3) In the field of reinsurance, there is always a time-lag for building up reciprocity. There is no ground for the Indian Guarantee to suppose that it would be able to build up reciprocity for its own portfolios sooner than even the best private companies for whom it took years to get suitable reciprocity. If the cession is made compulsory, the Government, in the opinion of the Committee, will be taking away from insurers, for the benefit of Indian Guarantee, a part of their business for which they are on the whole securing more favourable terms than what the Indian Guarantee can hope to achieve.

Ideal Steps

The Committee is, therefore, of the firm opinion that the proposal will not, in any way, help the broad-basing of the Indian reinsurance market. On the other hand, it will only weaken the position of Indian insurers and adversely affect their overseas operations. The steps which the Committee considers ideal for broad-basing the market are the following:

(*a*) The direct-writing companies and the two reinsurers should be encouraged to cultivate, on a competitive basis, as much reinsurance business as possible both inside and outside India.

(*b*) The Indian Guarantee, with its large premium base, should become an active unit of the market and put its best efforts to strengthen and broad-base the market.

(*c*) Non-Indian insurers should be encouraged to trade more actively in this country.

(*d*) As much marine hull and aviation business as possible should be placed locally both for absorption and for trading.

As for the second reason advanced by the Indian Guarantee, namely, that the drain on foreign exchange on the score of reinsurance can be reduced, the Committee argues that it is based on the assumption that the Indian Guarantee will secure better trading terms than those obtained by the various units over a number of years. Although the Committee does not subscribe to this view, it has examined the foreign exchange drain caused by reinsurance business of Indian and non-Indian insurers separately and portfolio-wise over the six years, 1953 to 1958. It has found that some portfolios like fire and marine hull business, did cause a drain, while others such as marine cargo and miscellaneous business (other than aviation business) did not result in any drain.

Foreign Exchange Drain

In fire business, the drain is only in respect of profit which is of the order of Rs. 43.1 lakhs or 4.9 per cent. of the average total gross direct premium. On the other hand, there has been an average annual premium gain of Rs. 59 lakhs.

The profit drain is attributed to the fact that two very good years of Indian companies have coincided with two very bad years of British companies with whom the bulk of the reinsurance exchange of Indian insurers is carried on. The British insurance market is taking corrective measures to restore its business to normal profitability. At the same time, Indian insurers have been improving the quantum and quality of their reciprocal business and have also obtained increased premium and profit commission on their outgoing business. With the reduction in fire rates already effected early in 1960, the profitability of Indian business will be further reduced. The Committee is, therefore, of the view that it will not be long before the drain on account of fire business is completely eliminated.

Marine business, principally marine hull business, has caused a premium drain of Rs. 1.61 crores per annum while the profit drain has been considerably less at Rs. 18 lakhs. This drain is being progressively reduced. Some drain is, however, said to be unavoidable because of the limited retentive capacity of the Indian market, the need for reinsurance cover abroad and the time-lag in obtaining suitable reciprocity. Fixed cession to the Indian Guarantee will not, therefore, according to the Committee, meet or correct the problem of drain of foreign exchange.

Aviation business does cause a drain and the net loss arising from this is likely to increase in future. But, as the aviation reinsurances are now being handled almost entirely by the Indian Guarantee, the question of fixed cessions by insurers does not arise.

Foreign Insurers

As regards non-Indian insurers, their operations in India have resulted in a drain. Percentage-wise, however, the share of non-Indian insurers in the business of the country has been progressively declining. At the same time, their retentions within the country are on the increase. Non-Indian insurers are alive to the problem of drain of foreign exchange, and it is expected that increased retentions, supported by more active trading within the country, will result in substantially diminishing the drain caused by their reinsurances. Moreover, this drain, it is pointed out, is the result of the policy of freedom of trade adopted by the Government. The Committee is of the opinion that, in the larger interests of Indian insurance which is steadily expanding its activity in foreign markets, India should continue to follow this policy and that, in the meantime, the insurance market should make an all-out attempt to eliminate the consequential drain. The Committee pleads that non-Indian insurers should be encouraged to reduce substantially the drain by helping the Indian insurance market through local reinsurances and that Indian insurers should do their best to make up the balance of the drain by doing more active business abroad. The foreign business of Indian insurers, it is pointed out, is expanding rapidly and their overseas direct premium should, in the near future, exceed the premium written by non-Indian insurers in India. This expansion in business, supported by their reinsurance activities, would, in due course, make good the foreign exchange drain that the country suffers on account of the reinsurance placed abroad by non-Indian insurers.

The Committee's conclusion is that the proposal for fixed cessions to the Indian Guarantee will not stop the foreign exchange drain. On the contrary, it will, if enforced, accentuate the drain and its total effect will be detrimental to the interest of both the insurers and the country.

Main Objection

It will be seen from the foregoing account that one of the main objections of the Association to the cession of business to the Indian Guarantee is that, apart from reducing the business of individual units, the move is designed to build up the Indian Guarantee, a public sector enterprise, at the expense of the "India Re", a private sector enterprise. This is, in fact, a form of back-door nationalisation. As long as this fear persists, the companies naturally cannot be expected to be a willing party to an agreement which will weaken an institution jointly owned by them. If, therefore, the Government's case is to carry conviction to them, it must be based only on the larger national consideration of reducing the drain of foreign exchange. The Association does not believe that this could be achieved by ceding a percentage of the business to the Government-owned company. On the contrary, it has endeavoured to show that the objective could be easily served without restricting the scope for insurers in the private sector. The Indian Guarantee has, therefore, got to show how, and to what extent, its proposal is a better and more effective remedy for the foreign exchange problem.

Most of the insurance business relating to policies covering aircraft hulls and passenger third-party risks in the Australian aviation industry has in the past been arranged with insurance companies in London. Local companies have now formed a pool to cater for this business locally, and a strongly-financed group of 16 companies will engage in the underwriting. They have formed the *New Australian Aviation Underwriting Pool Pty., Ltd.*, which will operate in all states. It will be operated by the Victoria Insurance Company as the official agent for the group. The move follows recent announcements of several new companies and expansion plans by existing underwriters. Another group project just announced, is the move of United Holdings, Ltd., to seek listing on the stock exchanges of Sydney and Melbourne.

Australia, New Zealand, and Fiji offer opportunities to exporters and importers and the International Division of the Bank of New South Wales can help those interested.

The Bank's complete banking service includes such specialized facilities as trade and industrial enquiries, economic and trade information, and a complete travel service. The Bank, through more than 1,000 branches and agencies, is closely and constantly in touch with industry, business, and agriculture in the areas it serves.

Enquiries may be made through your own bankers or direct to

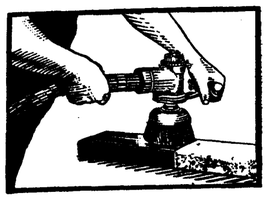
BANK OF NEW SOUTH WALES
INTERNATIONAL DIVISION
John W. McEwen, Chief Manager
HEAD OFFICE: SYDNEY, AUSTRALIA

First and largest commercial bank operating in Australia, New Zealand, Fiji, Papua and New Guinea, with three branches in London.

P6001b

FOR
SAMPLING • ANALYSIS • TESTING
Ores, Minerals, Metals, Alloys and Residues; Oils, Oilseeds and Cakes; Foods, Drugs, Pharmaceuticals and Biological Specialities; Chemicals, Waters, Paints and Varnishes, Fertilisers, Manures and Insecticides, Industrial and Commercial Commodities, etc.
Contact:
THERAPEUTICS CHEMICAL RESEARCH CORPORATION
95, Morland Road, Byculla, Bombay 8
Grams: THERASERCH Phone: 74631
Managing Director: Dr. RAMAN C. AMIN, M.S., Ph.D. (U.S.A.), Sigma Xi, F.A.A.A.S. (U.S.A.)
Branch Laboratories:
● Morey Bhuvan, Mount Road Extn., NAGPUR 1 Phone: 3405 & 4552
● Rustam Mahal, 2nd Line Beach, MADRAS 1 Phone: 55678
● 9/5, Kumarpark West Extension, BANGALORE 20 Phone: 70823
● 11B/54, Main Road, VISAKHAPATNAM Phone: 50
BRANCH OFFICES AT ALL PORTS OF INDIA

"SCCO"



For removing heavy scale from large metal surfaces, such as rust, old paint, and incrustations giving the metal renewed surface for painting, etc. These cup brushes are used on high speed flexible shafts electric or pneumatic tools and can be driven at higher speeds being of sturdier construction than the lighter crimped wire types. A good friend for Foundry man.

India Brushware
72, CANNING STREET,
CALCUTTA-1.
Phone: 34-1985

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories

For over 35 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cotton Mills and other Industries in the country.
Phone: 22-5952
22-3101
Gram "BANCO"
The BEHAR FIREBRICKS & POTTERIES LTD
2, STRAND ROAD, CALCUTTA-1.

RAMTIRTH
HINDI MONTHLY

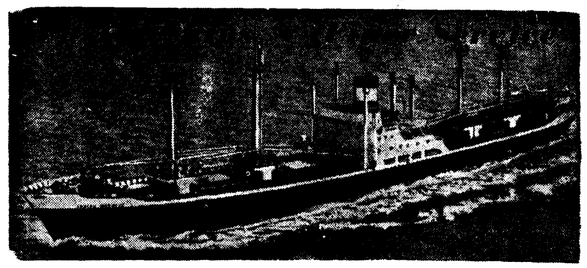
Editor: YOGIRAJ SHRI UMESHCHANDRAJI
Published by:
SHRI RAMTIRTH YOGASHRAM, Bombay
* MORE THAN 130 PAGES PER ISSUE *
The main idea behind this magazine is to develop the physical, mental and moral aspect of the common man. Detailed information about the cure of diseases by naturopathy and yogic treatment is discussed also.
Annual Subscription Rs. 4/- only. Single Copy 40 nP only.
Agents shall place their orders and requirements by 15th of each preceding month.

RAMTIRTH BRAHMI OIL
Special No. 1 Registered.
An invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cools brain, improves system, and brings sound sleep. Most ideal for body massage. It is useful to every one in all seasons. Prices: Rs. 4/- for big bottle and Rs. 2/- for small. Available everywhere.

YOGASANA CHART
A Chart printed on Artglazed Paper and fully illustrated with attractive pictures is also available here. You can perform the Asanas shown therein at your home, which will keep you fit and healthy. Price: Rs. 2.50 including Postage, to be sent by M.O. only.

YOGIC CLASSES are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Special classes for Ladies are also conducted. Lady teachers instruct Ladies.

SHREE RAMTIRTH YOGASHRAM
Dadar, Central Railway, Bombay-14
Telephone: 62899 Gram: 'PRANAYAM', Dadar, Bombay



Our fleet of twenty modern freighters offers fast, regular and dependable service between
INDIA—U. K. & THE CONTINENT • INDIA/EAST PAKISTAN—SOUTH AMERICA
INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS
INDIA—POLAND. Also around the INDIAN COAST
INDIA STEAMSHIP CO., LTD.
"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1
Managing Agents: — LIONEL EDWARDS (PRIVATE) LTD.

BALL BEARING THE LIFE BLOOD OF INDUSTRY
Dealers in BALL, ROLLER, THRUST and TAPERED ROLLER BEARINGS.

FOR ALL TYPES OF ANTIFRICTION BEARINGS
TEXTILE INDUSTRY MACHINERY
AGRICULTURAL MACHINERY • AIRCRAFT, RAILWAY • MARINE AND TRAM APPLICATIONS, AUTOMOBILES • MACHINE TOOLS, ETC.
CONTACT
STEELMAN'S CORPORATION
(Pro: F. G. PATEL)
Phone: 254397, 254719
32, APOLLO STREET, BOMBAY-1
Grams: "RIGHTWHEEL"

LICENSING OF INDUSTRIAL UNITS

PRESENT PRACTICE LEAVES MUCH TO BE DESIRED

By A Special Correspondent

WHEN Government undertakes economic planning, with control over location of industrial enterprises, capital issues, allocation of foreign exchange, terms of technical collaboration, terms of deferred payments, licensing of manfacturing capacity, procurement of plant and machinery, approval of phased programmes, and a whole series of cognate arrangements, the public has a right to assume that the grant of Government approval to a project carries with it the implied assurance that no difficulties will arise, as a result of Government policies themselves in the way of its successful implementation. Licences issued by Government may contain the qualifying clause that the grant of a licence should not be taken as guarantee or assurance of the success of a venture but this is a protective clause necessitated by our legal system; Government's moral obligation does not vanish. It follows, therefore, that, for planned economic development, every project has to be examined for viability, not only under existing conditions, but also with due regard to possible variations in those conditions arising out of our progressive march towards a socialist pattern of society. Whether the establishment of new capacity will fulfil the social purpose of increasing production to meet the growing needs of the community at a price which the consumer could bear, whether it will ensure fair and healthy competition (both for price and quality) among existing units, and, in the context of our growing needs, whether it will be able, eventually, to compete with products of other countries in foreign markets, are considerations which should call for the exercise of eternal vigilance in planning. We are, indeed, struggling with our scarce resources for the attainment of self-sufficiency in every conceivable direction, but cannot afford to forget that there is a perpetual emphasis on export promotion. It is, therefore, imperative that the course of trends in other advanced countries, where the establishment of giant capacities in units and the achievement of high outputs have been seen to be the only way of securing economies in operation and absorbing the spiralling increases in capital costs and labour charges, is kept as a standing guide to our approach to planned development.

Defects

Viewed from this angle, the seemingly heart-warming announcements of licences being granted to new units in several sectors fail to sustain our enthusiasm on close scrutiny. There is evidence of a certain submission to pressure, regional, and therefore, perhaps political, and recognition of considerations which are more ideological than economic, and thus irrelevant to economic judgment. Up to a point, it may be necessary to recognise the force of regional aspirations to achieve uniform development in this vast country, but the current agitation for steel plants, aluminium plants, heavy machinery and electricity plants, heavy chemical and fertiliser plants, rubber tyre plants and so on by all the States without their undertaking introspective analyses of their natural, financial and human resources, has perhaps resulted in a measure of capitulation here and there, with resultant lowering of basic standards and the assumption of empirical ones.

Only by way of illustration I would refer to the sanctioning of capacities for establishing manufacture of rubber tyres for automobiles. We have two large companies in operation, viz., Dunlop and Firestone, and four more in the offing, in various stages of establishment. The individual capacities of the four units are stated to range from 100,000 tyres to 240,000 tyres, with schemes for later expansion in stages. The combined manufacturing capacity of Dunlop and Firestone was one million in 1955 and considerable expansion is stated to have taken place since, as also the erection of an additional Dunlop factory in Madras. It is obvious, therefore, that the operating costs of these two large established companies, which observe a common pricing policy, will be very much less than those of the new companies, for, in addition to high output, they have the advantage of greatly written down values of plant and machinery and accumulations of reserves. The new companies will, no doubt, add to production, but it is very doubtful if they will be able to withstand competition in prices. Would it not have been better to insist on the establishment of new plants each capable of much higher individual output even from the start? And, in granting licences to four units, each with its own foreign collaborator, has due cognisance been taken of the added cost to the country by the quadruplication of technical know-how?

Foreign Collaboration

Considerable emphasis is being laid on the need for establishing indigenous manufacture of machinery needed for the production of paper, sugar, cement, dairy products, etc., but no steps have been taken for starting pilot plants to acquire technological competence in the manufacture of products like rubber tyres, heavy electrical equipment, etc., although sizable sums of money are being paid away to foreign companies in the form of royalties. One is inclined to the view that this aspect of securing self-sufficiency in technical know-how has not been given sufficient attention by the Planning Commission as is evidenced by the case of a new cement manufacturing company which has secured U.S. collaboration for the purpose. (A wag who drew pointed attention to this case thinks that it may not be long before we seek foreign technical collaboration for making *samoosas*. His sarcasm seems fully justified. We have been manufacturing cement in India for over forty years and the process is in no way esoteric such as to call for foreign assistance.) This unit has been licensed for an output of 100,000 tons per annum, which, as even a tyro would admit, is an uneconomic limit. Best operating results are achieved with kilns having large capacities of 600 to 750 tons a day, and lasting economies in overheads are best achieved when optimum planned capacity (with all ancillary services) is established even at the start of the venture.

When sanction is accorded for the establishment of factories with small capacities, the danger is that the units may not be able to compete with the larger ones in price if there is a free market, and may ask for special treatment if the price is fixed by Government and kept under control. In the former case, the economic law of survival of the fittest will operate, while, in the latter, the cost of production of the marginal units might influence the fixation of a uniform controlled price, with corresponding detriment to consumers' interests. Above all, these units will be unable to participate in export promotion and will suffer from a perpetual handicap. Their position may become economically untenable to such an extent that merger with bigger units will be the only possible alternative to closure. These are factors which have to be taken into account by the planners, if they wish to avoid misdirection of scarce resources at this critical time of our planned development.

Price Fixation

Anyone who is conversant with the operation of simple economic laws will agree that no social purpose is served by fixing ex-factory prices of commodities, unless they can be enforced at the consumers' end, for

(*Continued on page 44*)

Bewitching Teenage Complexion!

It can be yours with regular use of Mysore Sandal Soap. Its pure Mysore Govt. Sandal Oil ingredient keeps your skin healthy and gives youthful lustre to your complexion. You will love its lingering Sandal fragrance.

Distinctive toilet Soap for the discriminating.

GOVERNMENT SOAP FACTORY, BANGALORE.

Apex Bank of
Co-operative Movement in
MAHARASHTRA
(Excluding Vidarbha)

THE MAHARASHTRA STATE CO-OPERATIVE BANK, LTD.

This Bank is always ready to help you to build business contacts in Maharashtra

Ask your bankers about it!

Chairman:
SHRI D. R. GADGIL

Head Office:
9, BAKEHOUSE LANE, FORT BOMBAY 1

Tel.: 255474-75 ESTD. 1911 Grams: FARMERBANK

Branches and Affiliates all over MAHARASHTRA

C. D. DATEY,
Managing Director.

A Policy Issued By The

Bombay Fire & General Insurance Company, Ltd.
(Incorporated in India)

Your Symbol of Security in the Event of

FIRE, ACCIDENT OR A MARINE PERIL

Head Office:
Henley House, Graham Road Ballard Estate, BOMBAY 1

Represented In
INDIA, BURMA & PAKISTAN

OBTAIN **FREE BROCHURE** ON **PATENTS & TRADE MARKS**

Contact:
PURUSHOTTAMDAS GOKULDAS
Patent Attorneys
39D, People's Building, Ground Floor, Sir Pherozshah Mehta Road, Bombay-1.
Telephone: 265014—255172.

Hastings Belting

BIRAMYRE BROTHERS LIMITED
P. O. BOX 14, CALCUTTA

A tale of Twenty-two Cities

From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them—in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to 1889 and closely associated with the rapid development taking place today.

India; Aden; Dubai; Sharjah and Abu Dhabi, Muscat; Qatar; Bahrain; Kuwait; Saudi Arabia; Jordan; Iraq; The United Arab Republic (Syrian Region); Lebanon; Libya, and Tunisia: these are territories where The British Bank of the Middle East operates. It has intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

THE BRITISH BANK OF THE MIDDLE EAST

Incorporated in England by Royal Charter 1889 *with Limited Liability.*
HEAD OFFICE: 7 King William Street, London E.C. 4.
BOMBAY OFFICE: 314 Dr. Dadabhai Navroji Road, Fort, Bombay.
Tel. Add.: BACTRIA. Telephone: 25-2267
Capital and published reserves £4,473,000
ASSOCIATED WITH
THE BANK OF IRAN AND THE MIDDLE EAST
Capital Rials 250,000,000
HEAD OFFICE: TEHERAN, IRAN (PERSIA). (P.O. BOX 1680)

NEPAL BANK LIMITED
(*Incorporated under Nepal Bank Act of 1994 (Sambat)*)
Central Office: KATHMANDU, NEPAL

Authorised Capital	..N.C. Rs. 1 crore
Paid-up Capital	..N.C. Rs. 25 lacs
Reserves and Exchange Fluctuation Fund	..N.C. Rs. 44 lacs

(N.C. Rs. 160=I.C. Rs. 100)

16 Branches and Sub-Offices in Nepal

Enquiries are invited from Banks, Commercial Concerns and Tourists for information regarding Prospects, Procedure and Regulations in Nepal.

OPENING SHORTLY!

Our 74th Branch at 18-A, Hamam Street, Fort, BOMBAY 1

WE TRANSACT IN ALL TYPES OF BANKING BUSINESS INCLUDING FOREIGN EXCHANGE

THE ANDHRA BANK LIMITED
Head Office: MASULIPATNAM

T. R. BHAGAVAT
General Manager.

THIS IS ONLY AN ANNOUNCEMENT—NOT A PROSPECTUS.

Consent of the Central Government has been obtained to this issue.

A licence has been obtained from the Central Government for the establishment of this new Industrial Undertaking.

A copy of the Prospectus, together with the documents specified therein, has been delivered for registration to the Registrar of Companies, Madras.

An application will be made in due course to the Bombay and Madras Stock Exchanges for a quotation for the shares of the Company and permission to deal in them.

The Subscription List will open at 10 a.m. on 9th January 1961 and will close at 2 p.m. on 16th January 1961 or earlier as soon as subscriptions approximating to the amount issued hereunder to the public have been received, but not earlier than 2 p.m. on 12th January 1961.

THE MADRAS ALUMINIUM COMPANY, LIMITED

(INCORPORATED UNDER THE COMPANIES ACT, 1956)

AUTHORISED CAPITAL:

2,50,000 Cumulative Preference Shares of Rs. 100 each.	Rs. 2,50,00,000
7,50,000 Equity Shares of Rs. 100 each	Rs. 7,50,00,000
	Rs. 10,00,00,000

ISSUED CAPITAL:

1,50,000 Redeemable Cumulative Preference Shares of Rs. 100 each	Rs. 1,50,00,000
4,50,000 Equity Shares of Rs. 100 each	Rs. 4,50,00,000
	Rs. 6,00,00,000

RIGHTS OF PREFERENCE SHAREHOLDERS

The preference shareholders will be entitled to a fixed cumulative dividend of 9.3% per annum (free of Company's Income-tax but subject to deduction of taxes at the prescribed rates), payable in priority to the ordinary shares. This means the shareholders will get a dividend of 9.3% less a deduction of tax under Section 18-3 (D) of the Indian Income-tax Act, which at present is 30%.

In the event of winding up, the preference shareholders will be entitled in priority to equity shareholders to repayment of the capital paid-up at par, plus all accrued dividends, whether earned or declared or not declared, and also declared but not paid.

The preference shares will all be redeemed at par, on 1st January 1975, on giving three calendar months' notice, with the option to the Company to redeem the whole or part of the preference capital outstanding at any time, at par, after 1st January 1972, on giving six calendar months' notice. The proposed method of redemption, whether from profits or by fresh issue of capital will be decided by the Directors at the time of giving the notice, taking the then circumstances of the Company into consideration.

The voting rights of the preference shareholders will be as per Section 87 of the Companies Act, 1956.

The issued capital is payable as follows :

(1) Along with application at Rs. 25 per share, whether Equity or Preference.

(2) The balance of Rs. 75 per share, whether Equity or Preference will be called up in three calls of Rs. 25 each, with an interval of at least one month between each call, and the first of such calls will not be earlier than three months from the date of allotment of the respective shares.

PREFERENTIAL ALLOTMENTS AND RESERVATION

(1) The signatories to the Memorandum of Association have subscribed for 1,200 equity shares. The promoters, directors, and their friends, have subscribed for a total of 48,800 equity shares of Rs. 100 each.

(2) The Government of Madras have agreed to the Madras Industrial Investment Corporation Ltd., Madras, underwriting and subscribing for 70,000 preference shares of Rs. 100 each and 80,000 equity shares of Rs. 100 each.

(3) The Life Insurance Corporation of India, Bombay, have agreed to underwrite and apply for 10,000 equity shares of Rs. 100 each and 20 000 preference shares of Rs. 100 each and these will be allotted in full.

(4) There is a specific arrangement with Messrs. Dalal & Co., Madras, for their tendering applications for 35,000 equity shares of Rs. 100 each and these will be allotted in full.

(5) As per the agreement entered into with Messrs. Montecatini of Italy, 1,20,000 equity shares of Rs. 100 each will be reserved for allotment to them

(6) In accordance with the provisions in the underwriting agreement with the Underwriters and Brokers, 28,500 equity shares of Rs. 100 each have been reserved for firm allotment in respect of applications procured and marked for " firm allotment " by them.

PRESENT ISSUE

The balance that is now unconditionally offered for public subscription is as follows :—

60,000 Preference Shares of Rs. 100 each.

1,26,500 Equity Shares of Rs. 100 each.

THE ENTIRE ISSUE OF 60,000 PREFERENCE SHARES AND 1,26,500 EQUITY SHARES HAVE BEEN UNDERWRITTEN BY THE INDUSTRIAL FINANCE CORPORATION OF INDIA, NEW DELHI, AND BY THE VARIOUS PARTIES, AS PER DETAILS HEREIN GIVEN.

DIRECTORS

(1) SRI R. VENKATASWAMY NAIDU, B.Sc. (Madras), B.Sc. (Tech.) Manchester, Industrialist, 984, Peelamedu, Coimbatore-4.

(2) SRI V. RAMAKRISHNA, I.C.S. (Retd.), Industrialist, 38, Mount Road, Madras-2.

(3) SRI T. A. VARGHESE, I.C.S., Secretary to the Government of Madras, 65, IV Main Road, Gandhinagar, Madras-20.

(4) SRI T. K. PALANIAPPAN, I.A.S., Secretary to the Government of Madras, Department of Industries, Labour & Co-operation, Fort St. George, Madras.

(5) SRI G. K. DEVARAJULU, Industrialist, 2/239, Avanashi Road, Coimbatore.

(6) SRI T. S. NARAYANASWAMI, Industrialist, "Dhun Buildings," 175/1, Mount Road, Madras-2.

(7) SRI D. C. KOTHARI, Businessman, "Oriental Buildings," Armenian Street, Madras-1.

(8) SRI P. R. RAMAKRISHNAN, M.Sc. (M.I.T.), M.P., Engineer, "Jyothi," 6/36, Race Course Road, Coimbatore.

(9) SRI M. N. M. VEERABADRA CHETTIAR, Merchant, Bungalow Road, Near Avanashi Road, Tirupur.

10) SRI R. K. KANDASWAMY, B.A., B.Sc. (Tech.), A.M.C.T. (Manch.), "Brindavan," Trichy Road, Coimbatore.

11) SRI V. N. RAMACHANDRAN, Industrialist, "Asoka," 22, Pantheon Road, Egmore, Madras-8.

12) SRI V. RAMASWAMI, NAIDU, Landlord, 131, Uppilipalayam, Singanallur, Coimbatore.

MANAGING AGENTS

MESSRS. SALCOE & COMPANY, "Kamala Nilayam," Peelamedu, Coimbatore.

BANKERS

STATE BANK OF INDIA, Coimbatore and Madras.

THE CENTRAL BANK OF INDIA LTD., Coimbatore and Madras.

THE PUNJAB NATIONAL BANK LTD., Coimbatore and Madras.

BANK OF BARODA LTD., Coimbatore and Madras.

THE INDIAN BANK LTD., Coimbatore and Madras.

THE CANARA BANK LTD., Coimbatore and Madras.

UNDERWRITERS

THE MADRAS INDUSTRIAL INVESTMENT CORPORATION LTD., Madras.

THE INDUSTRIAL FINANCE CORPORATION OF INDIA, New Delhi.

LIFE INSURANCE CORPORATION OF INDIA, Bombay.

THE INVESTMENT TRUST OF INDIA LTD., Madras.

UNDERWRITERS AND BROKERS

Madras :

MESSRS. DALAL & CO., Post Box No. 149, National Insurance Building, Madras-1.

MESSRS. KOTHARI & SONS, Post Box No. 267, "Oriental Buildings," Armenian Street, Madras-1.

MESSRS. MACONOCHIE & CO. Post Box No. 291, "Mercantile Bank Buildings," 16, First Line Beach, Madras-1.

MESSRS. SOMAYAJALU & CO. Post Box No. 1263, "Andhra Insurance Buildings," 337, Thambu Chetty Street, Madras-1.

MESSRS. SWASTIK & CO. Post Box No. 43, 7, Second Line Beach, Madras-1.

Calcutta :

MESSRS. G. M. PYNE, "Allahabad Bank Buildings," 14 E. Indian Exchange Place, Calcutta-1.

Bombay :

MESSRS. DEVKARAN NANJEE & CO. 17, Horniman Circle, Fort, Bombay-1.

MESSRS. JAMNADAS MORARJEE & CO. 8-10, Dalal Street, Fort, Bombay-1.

MESSRS. MERWANJEE BOMANJEE DALAL, Allahabad Buildings, Fort. Bombay-1.

MESSRS. RAMANBHAI LALBHAI SHETH, No. 5, Stock Exchange Building, Apollo Street, Bombay-1.

MESSRS. P. R. SUBRAMANYAM, 70-A, Stock Exchange Building, Apollo Street, Bombay-1.

MESSRS. HARISH CHANDRA GUTT & CO. 45-47, Apollo Street, Fort, Bombay-1.

MESSRS. A. B. PANDIT & CO., 32, Apollo Street, Bombay-1.

Bangalore :

MESSRS. M. NANJAPPAIAH JAHGIRDAR, 181, Cavalry Road, P.B. No. 71, Bangalore-1.

BROKERS

MESSRS. LEWIS & JONES, "Bank of Baroda Buildings," Apollo St., Bombay-1.

MESSRS. NARANDAS & SONS, "Union Bank Buildings," Apollo Street, Fort, Bombay-1.

SRI NARENDRABHAI LALBHAI SHETH, B.A., LL.B., Stock and Share Broker, Manek Chowk, Ahmedabad.

MESSRS. DESH BANDHU GUPTA & CO., 45, Stock Exchange Building, Asaf Ali Road, New Delhi-1.

LEGAL ADVISERS

MESSRS. SUBBARAYA AIYAR, SETHURAMAN AND PADMANABHAN, Advocates, Pelathope, Mylapore, Madras-4.

AUDITORS

(1) MESSRS. M. S. KRISHNASWAMY AND JAGANNATHAN, Chartered Accountants, R.S. Puram, Coimbatore.

(2) MESSRS. SURI & CO., Chartered Accountants, 1/29, Mount Road, Madras-2.

REGISTERED OFFICE

"KAMALA NILAYAM," PEELAMEDU COIMBATORE-4.

OBJECTS

The Company was incorporated on 31st August 1960 for the several purposes set forth in the Memorandum of Association, and in particular to undertake the manufacture of aluminium ingots and alloys, from the bauxite reserves in the Sheveroy Hills. The plant capacity will be 10,000 tons, of which 7,000 tons will be ingots and 3,000 tons alloys, as per the Licence No. L/1B(1)/N-7/60, dated 6th May 1960, granted to this Company by the Government of India.

The Company has also applied to the Government of India for a licence to erect a Rolling Mill, as an adjunct to the proposed factory for the manufacture of A.C.S.R., and A.A.C. Cables, extrusion, rods, foils, etc., and the licence is awaited.

The rapid progress made by the aluminium industry can be gauged from the fact that world production of aluminium, which was a little over 7,00,000 tons in 1939, has increased to over 3 million tons at the present time.

The development of a large-scale aluminium industry is of particular importance to our industrial economy. Aluminium is the only non-ferrous metal for the manufacture of which, on a scale commensurate with our increasing requirements, adequate natural resources are available in the country. And as indicated above, it is a non-ferrous metal with properties which permit its use as a substitute for several purposes for other non-ferrous metals like copper, lead, zinc, and tin, the indigenous production of which cannot be developed to the required extent because of the very limited resources of the necessary raw materials as far as is known at present. It is in this context that the development of aluminium industry assumes a special significance in our plans for industrial progress.

According to the draft outlines of the third Five-year Plan, the estimated capacity of the Aluminium Industry in 1960-61 has been placed at 17,500 tons and production at 17,000 tons, against the production of 7,300 tons in 1955-56. The 1965-66 targets are estimated at a capacity of 82 500 tons and production of 75,000 tons.

The *per capita* consumption of aluminium in India is very low at about 0.12 lb. compared to 19 lbs. in U.S.A., 12 lbs. in Canada and 10 lbs. in the United Kingdom. With the growing use of aluminium for industrial purposes, the demand for aluminium is bound to far exceed production for several years to come.

RAW MATERIALS

Bauxite is the basic raw material for the production of alumina, while electric power is also as vital a necessity as bauxite. Bauxite deposits of Sheveroy Hills are considered to be very suitable for the manufacture of aluminium, because it is so soft and easily soluble in caustic soda in the process for the manufacture of alumina. The deposits in Sheveroy Hills are estimated at about 7 million tons.

In view of the advantages of nearness of bauxite, power, water, transport facilities etc., the factory will be located at Mettur on a plot of about 400 acres, reserved for this Company by the Government of Madras. The Madras State Electricity Board have assured adequate power supply at the rate of Rs. 155 KW./y for the Alumina section and Rs. 120 KW./y for the Smelter section.

TECHNICAL COLLABORATION

The Company has been fortunate in having secured the technical collaboration with Messrs. Montecatini of Italy, who are associated with the Neyveli Project of the Government of India, and who are one of the world known names in the manufacture of aluminium products, designing, erection and successful working of aluminium plants. Under the terms of the collaboration, Messrs. Montecatini are to supply technical know-how, designs and specifications, procure the required machinery for the Indian Company, attend to erection, to supply required technical personnel and also train Indian technical personnel in their factory. The Government of India have approved the technical collaboration terms under which Messrs. Montecatini are to be paid Rs. 45 lakhs for technical know-how, Rs. 40 lakhs for engineering fees, drawings, assistance in purchase of plant and other allied services, and Rs. 35 lakhs for cost of foreign experts, contractors and agencies for the construction, supervision and other services, charges etc., and these payments are to be satisfied by the issue of 1,20,000 equity shares of Rs. 100 each. No further technical know-how fees are payable either for expansion of the plant capacity upto 20,000 tons or more of the Smelting Section.

COST OF THE PROJECT

The cost of the project, as estimated by Messrs. Montecatini, for a plant capacity of 10,000 tons of aluminium, of which 7,000 tons will be ingots and 3,000 tons alloys, is approximately as follows :—

	Rs.	Rs.
Foreign Side :		
Plant and Machinery (to be imported)	.. 3,40,00,000	
Technical Know-how	45,00,000	
Fees for designing, specifications, etc.	40,00,000	
For Technical Services	35,00,000	
		4,60,00,000
Indian Side :		
Land and Buildings ..	.. 1,70,00,000	
Fabrication of Machinery	.. 1,00,00,000	
Customs Duty, Freight and Insurance	75,00,000	
Erection and implementation expenses	40,00,000	
Pre-operating expenses (plant trial expenses including raw materials)	13,00,000	
Bank guarantee commission for 3 years for deferred payment .	15,00,000	
Preliminary expenses, Underwriting Commission, Brokerage and Share Issue expenditure	18,00,000	
Working Capital ..	50,00,000	
Contingencies	19,00,000	
		5,00,00,000
	Total ..	9,60,00,000

The estimated foreign loan requirements (less Montecatini's share participation) of about 5,000 million Italian lire, equivalent to about Rs. 3.80 crores would be financed by a long-term loan under deferred payment arrangements, by "Mediobanca" of Italy, for repayment in nine years commencing from 1st January 1965 in which direction preliminary negotiations have been completed.

The Industrial Finance Corporation of India have agreed to give guarantee for the foreign loan plus interest on the terms and conditions specified by them, one of which is mortgaging all present and future fixed assets in favour of the said Corporation for the duration of guarantee commitment.

ESTIMATE OF PROFITS

Aluminium ingots are now imported to meet the needs of the Rolling Mills in India. Secondly, rolled metal fetches good prices. The Company intends to install up-to-date machinery and equipment and utilise the latest methods in the manufacturing processes. Based on current market conditions, the Directors anticipate that the operation of the factory will yield a satisfactory return on the capital invested.

COMMENCEMENT OF BUSINESS

After incorporation of the Company on 31st August 1960, in order to facilitate carrying of all the arrangements and entering into early contracts for going ahead with the project, the Company obtained the certificate of Commencement of Business on 26th December 1960 from the Registrar of Companies, Madras, after filing the Statement in lieu of Prospectus.

MANAGING AGENTS

Messrs. Salcoe & Co., a partnership firm consisting of Sri R. Venkataswamy Naidu, Sri P. R Ramakrishnan, Sri T. S. Narayanaswamy, and Sri V. Radhakrishnan as partners, are proposed to be appointed as the Managing Agents of the Company for a period of ten years, as per the terms and conditions laid down in the draft agreement, with such modifications as may be suggested by the Central Government, and approved by the Board at their meeting held on 20th September 1960, based on which an application has been made to the Central Government for approval of the appointment of the said Messrs. Salcoe & Co., as the Managing Agents of the Company.

The Managing Agents will be entitled to a remuneration in accordance with the prescribed graded scale of commission on the Company's annual profits to be computed and determined as provided by Sections 349, 350 and 351 of the Companies Act, 1956, subject to a minimum of Rs. 50,000 per annum in the event of absence or inadequacy of profit in any year.

DIRECTORS

The number of Directors shall neither be less than four nor more than twenty-one.

The qualification of a Director, other than the Ex-officio Directors, Italian Directors, if and when appointed by virtue of clause 135 of the Articles of Association, Corporation Director, Government Director, Debenture-holders' Director and Alternate Director shall be the holding of at least fifty Equity Shares of Rs. 100 each in the Company, of the total nominal value of Rs. 5,000.

PAYMENT TO PROMOTERS

No amount of benefit has been paid or given or is intended to be given to any Promoter or Director of the Company, apart from the sitting fees for the Directors and the Managing Agency commission to the three Directors, Sri R. Venkataswamy Naidu, Sri T. S. Narayanaswami and Sri P. R. Ramakrishnan, as partners of the proposed Managing Agents, Messrs. Salcoe & Co.

UNDERWRITERS

The Industrial Finance Corporation by their Letter No. U.C.12/60—20657 dated 24th December 1960 have agreed to underwrite 60 000 equity shares of Rs. 100 each, and 60,000 redeemable cumulative preference shares of Rs. 100 each, and these 60,000 equity shares and 60,000 cumulative preference shares are offered unconditionally for public subscription.

In addition to the specific underwriting arrangements with the Madras Industrial Investment Corporation Ltd., Life Insurance Corporation of India and Messrs. Dalal and Co., set out in the paragraph under "Preferential Allotments and Reservation," the Company, has entered into underwriting agreements with the following parties, who have agreed to underwrite the number of equity shares set out against each of their names. The number of shares for which they will be tendering applications for full allotment (marked for "firm allotment") has also been shown as a deduction from the number of shares underwritten, in order to give clearly the number of shares offered unconditionally for subscription by the public.

	Number of shares underwritten	*Less firm allotment promised*	*Balance offered unconditionally for public subscription*
1. Messrs. Dalal & Co., MADRAS	12,500	3,750	8,750
2. Messrs. Kothari & Sons, MADRAS	5,000	1,500	3,500
3. Messrs. Maconochie & Co., MADRAS	5,000	1,500	3,500
4. Messrs. Somayajulu & Co., MADRAS	3,000	900	2,100
5. Messrs. Swastik & Co., MADRAS	3,000	900	2,100
6. The Investment Trust of India Ltd., MADRAS	5,000	1,500	3,500
7. Messrs. Devkaran Nanjee & Co., BOMBAY	10,000	3,000	7,000
8. Messrs. Jamnadas Morarjee & Co., BOMBAY	10,000	3,000	7,000
9. Messrs. Merwanjee Bomanjee Dalal, BOMBAY	5,000	1,500	3,500
10. Messrs. Harish Chandra Gutt & Co., BOMBAY	10,000	3,000	7,000
11. Messrs. Ramanbhai Lalbhai Sheth, BOMBAY	10,000	3,000	7,000
12. Messrs. P. R. Subramanyam, BOMBAY	5,000	1,500	3,500
13. Messrs. A. B. Pandit & Co., BOMBAY	5,000	1,500	3,500
14. Messrs. G. M. Pyne, CALCUTTA	3,500	1,050	2,450
15. Messrs. M. Nanjappaiah Jahgirdar, BANGALORE	3,000	900	2,100
Total ..	95,000	28,500	66,500

The Directors are of the opinion that the resources of the Underwriters are sufficient to discharge their respective underwriting obligations.

All the Underwriters will be paid an underwriting commission of 2½ per cent. of the nominal value of shares underwritten by each of them.

BROKERAGE

Brokerage at the rate of 1 per cent. will be paid on all allotments made in respect of applications bearing the Stamp of any Bank or recognised Broker.

Brokerage on the same basis is payable to the Underwriters, in addition to the underwriting commission, as mentioned in the preceding paragraph, on allotments in respect of shares allotted on applications made or procured by them and bearing their stamps.

APPLICATION FOR SHARES

Copies of the Prospectus and application forms can be had from the Registered Office of the Company, or from the Underwriters or Brokers or from the Bankers of the Company, or from the Branches of such Bankers, at Madras, Bombay, Calcutta, Delhi, Bangalore, Coimbatore or Ahmedabad.

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

A formal Prospectus dated the 28th December, 1960, has been delivered to the Registrar of Companies, West Bengal, for registration and copies thereof, along with Application Forms, are obtainable from the Bank and Brokers named below.

Consent of the Central Government has been obtained to this Issue, and a Licence has been obtained from the Central Government for a substantial expansion to this Industrial undertaking. It must be distinctly understood that in giving this Consent and the Licence, the Government of India do not take any responsibility for the financial soundness of any scheme or the correctness of any statement made or opinion expressed with regard to them. Consent of the Shareholders of the Company has also been obtained for this Public Issue.

The Subscription List will open at the commencement of the Banking hours on the 16th January 1961 and will remain open until the close of Banking hours on the 18th January 1961 or later, at the discretion of the Directors.

Applications must be made for 100 Shares or multiples thereof and Applicants must be Residents in India.

BRITISH PAINTS (INDIA) LIMITED

(INCORPORATED UNDER THE INDIAN COMPANIES ACT VII OF 1913, AS HADFIELDS (INDIA) LIMITED WHICH NAME WAS CHANGED TO BRITISH PAINTS (INDIA) LIMITED ON THE 12TH DAY OF DECEMBER, 1947)

AUTHORISED CAPITAL

	Rs.
10,00,000 Ordinary (or Equity) Shares of Rs. 10 each	1,00,00,000

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	Rs.
2,83,654 Ordinary (or Equity) Shares of Rs. 10 each	28,36,540

PRESENT ISSUE

	Rs.
2,16,346 Equity Shares of Rs. 10 each at a premium of Rs. 5 per share	21,63,460

OUT OF THE ABOVE ISSUE

20,000 Equity Shares of Rs. 10 each are reserved in the first instance for the Directors and their friends and the employees of the Company ; to the extent to which these shares are not taken up by them, these will also be available for meeting the applications from the public	2,00,000

NOW AVAILABLE FOR PUBLIC SUBSCRIPTION

1,96,346 Equity Shares of Rs. 10 each	19,63,460
	Rs. 21,63,460

The whole of this Issue of 2,16,346 Equity Shares of Rs. 10 each will be available in the manner stated above, AT A PREMIUM OF Rs. 5 PER SHARE, on the opening of the Subscription List and the amount payable in respect of each share, including the premium of Rs. 5 per share is PAYABLE IN FULL ON APPLICATION.

The Shares now to be issued will rank as regards dividends and in all other respects *pari passu* with the existing Ordinary (or Equity) Shares of the Company save that the Shares now to be issued will not rank for any dividend that may be declared in respect of the Company's financial year ending 31st December, 1960.

All the Shares now to be issued are Equity Shares within the meaning of Section 85(2) of the Companies Act, 1956.

DIRECTORS

DAVID PLATT DUNDERDALE, Sandersons & Morgans, 5 & 7, Netaji Subhas Road, Calcutta. *Solicitor and Notary.*

ALEXANDER VERNON NIBLETT, 32, Chowringhee Road, Calcutta. *Managing Director.*

FRAMJEE CURSETJEE HEERJEEBHOY RUSTOMJEE, Sandersons & Morgans, 5 & 7, Netaji Subhas Road, Calcutta. *Solicitor and Notary.*

REGISTERED OFFICE

32, CHOWRINGHEE ROAD, CALCUTTA 16.

SECRETARY

SUBODH RANJAN ROY, 32, Chowringhee Road, Calcutta, 16.

BANKERS TO THIS ISSUE

THE CHARTERED BANK, Netaji Subhas Road, Calcutta, 1.

SOLICITORS

SANDERSONS & MORGANS, 5 & 7, Netaji Subhas Road, Calcutta, 1.

REGISTRARS

ANDREW YULE & CO., LIMITED, 8, Clive Row, Calcutta, 1.

AUDITORS

LOVELOCK & LEWES, Chartered Accountants, 4, Lyons Range, Calcutta, 1.

MANAGING BROKERS

PLACE, SIDDONS & GOUGH (PRIVATE) LIMITED, Post Box No. 592, 6, Lyons Range, Calcutta, 1.

BROKERS

HARBANS SINGH MEHTA & COMPANY, 33, Regal Buildings, Parliament Street, P.O. Box No. 300, NEW DELHI.

LEWIS & JONES, Bank of Baroda Buildings, Apollo Street, Fort, BOMBAY, 1.

PATERSON & COMPANY, 22, Errabalu Chetty Street, P.O. Box 48, MADRAS, 1.

The Consents in writing of the above mentioned Brokers, Solicitors, Auditors, Registrars and Bankers to act in those respective capacities have been obtained and delivered to the Registrar of Companies, West Bengal, along with the Prospectus and have not been withdrawn.

HISTORY AND BUSINESS

This Company was incorporated on the 17th December 1923, in West Bengal. A controlling interest in the Company was acquired by British Paints (Holdings) Limited, Newcastle-upon-Tyne, England, in 1947, and accordingly its name was changed from "HADFIELDS (INDIA) LIMITED" to "BRITISH PAINTS (INDIA) LIMITED" on the 12th December 1947. Since this changeover there has been a rapid progress in the business of the Company; the net sales have increased from Rs. 31,75,150 in 1947 to Rs. 166,90,983 in 1959.

PAST PROFITS, PAID-UP CAPITAL AND DIVIDENDS FOR THE LAST FIVE YEARS HAVE BEEN AS FOLLOWS:

For the Year ended 31st Dec.	*Nett Profit before Taxation*	*Nett Profit after Taxation*	*Paid-up Capital*	*Rate of Dividend*
	Rs.	Rs.	Rs.	
1955 ..	6,95,103	3,90,443	2,59,940	25%
1956 ..	9,08,245	3,80,935	2,59,940	25%
1957 ..	11,48,303	4,83,885	2,59,940	40%
1958 ..	9,18,133	3,46,980	28,36,540	10%
1959 ..	13,33,765	6,76,765	28,36,540	10%

OBJECTS OF THE COMPANY

The main objects of the Company are contained in the Company's Memorandum of Association, and have been set out in the "Prospectus." The principal business is manufacture and sale of Paints, Enamels, Varnishes and Synthetic Resins and allied products.

FOREIGN ASSISTANCE

The Company is a subsidiary of British Paints (Holdings) Limited of Newcastle-upon-Tyne, England, who hold a controlling interest in other subsidiary Companies in Great Britain, the U.S.A., Canada, Australia, New Zealand and Trinidad. The Company has been granted the right to use the Trade Marks owned in India by British Paints Limited of Newcastle-upon-Tyne, England, in accordance with British Paints Limited's specifications and on the basis of technical assistance granted by that Company; thus this Company enjoys the benefit of the vast technical experience and knowledge of

the network of the subsidiary Companies of British Paints (Holdings) Limited, England.

FUTURE PROSPECTS AND DIVIDENDS

The Company's paint sales have been on the increase and it may reasonably be anticipated that the rate of increase will be maintained. With regard to Synthetic Resins, for which there is large internal demand due to restrictions imposed by the Government on the importation thereof, the Company is now in a position to manufacture, in its newly-established resin factory different types of synthetic resins for sale to consumers in reasonable quantities.

Furthermore, negotiations with a Foreign Company for a collaboration arrangement in regard to the manufacture in India of a special type of Protective Coating which is currently not manufactured in India but is imported in large quantities, have satisfactorily progressed; should these negotiations fructify and the sanction of the Central Government be granted, then it is proposed to form a new Company in conjunction with the foreign collaborators in which this Company will hold 51 per cent. of the issued share capital.

On the basis of the past working results of the Company, and considering the growth prospects outlined above, the Directors have every reason to hope that, with the additional finance now to be made available by the present issue and with the Company's development plan and extension projects gradually materialising, and provided no unforeseen circumstances arise which have the effect of hampering or curtailing the Company's operations, the profits of the Company will be sufficient to enable it to pay a dividend rate of 12½ per cent. (taxable).

The relationship of the Paid-up Capital of the Company with its Reserves and Surplus is shown below:—

	Rs.	Rs.
The Reserves and Surplus of the Company as at 31st December, 1959 amounted to ..		26,56,775
Add: Share Premium to be received from this Issue, on the assumption that it will be fully subscribed	10,81,730	
Deduct: Estimated cost of this Issue	2,00,000	8,81,730
Total ..		Rs. 35,38,505

This total Reserves and Surplus will represent roughly 71 per cent. of the Increased Paid-up Capital of Rs. 50 lacs, if this Issue is fully subscribed.

MINIMUM SUBSCRIPTION

The minimum amount, which in the opinion of the Directors, is required to be provided is Rs. 20,00,000 to be utilised for Purchase price of Property, meeting the expenses of this Issue and for additional working capital.

MANAGEMENT

The management of the Company is vested in its Board of Directors and the Company has no Managing Agents nor Secretaries or Treasurers.

DIRECTORS

The Chairman of the Board of Directors receives a fee of Rs. 600 per annum and other Directors, excepting the Managing Director, a fee of Rs. 400 per annum for attending the meetings of the Board. Mr. A. V. Niblett is the Managing Director and receives remuneration for his services; Mr. D. P. Dunderdale and Mr. F. C. H. Rustomjee are Partners in the firm of Messrs. Sandersons and Morgans, the Solicitors of the Company, and are to that extent interested in the fees payable to that firm. Save as above, no Director has any financial or other interest in the property acquired by the Company within the two years preceding the date hereof or proposed to be acquired by it.

EXPENSES OF THE ISSUE

It is estimated that the expenses of the Issue which will be paid by the Company will not exceed Rs. 2,00,000.

UNDERWRITING

The Shares now intended to be issued have not been underwritten.

RESTRICTIONS ON THE RIGHT TO TRANSFER SHARES, ATTEND MEETINGS AND VOTE

The holders of fully paid shares are not restricted either in respect of attendance, speaking and voting at Shareholders' Meetings or in respect of the transfer thereof. It is only in respect of Shares not fully paid up or upon which the Company has a lien that there are restrictions, namely, that no member of such shares shall be entitled to be present or vote on any question either personally or otherwise or in the capacity of Attorney or proxy at any General Meeting or upon a poll to be reckoned upon in a quorum whilst any call or any money shall be due and presently payable to the Company in respect of the Share of such member.

VOTING RIGHTS

The Articles of Association provide that on show of hands every member present in person or by proxy shall have one vote and on a poll every member present in person or by proxy shall have one vote for every Ordinary (or Equity) Share held by him. There are no special rights or restrictions attaching to the present Equity Share Capital of the Company.

PAYMENT TO PROMOTERS

No amount of benefit was paid or given within the two years preceding the date of the "Prospectus" or is intended to be paid or given to a Promoter or to any Officer of the Company apart from normal remuneration and reimbursement paid to such officers.

COMMISSION

No sums have been paid within the two years preceding the date of the "Prospectus" or are payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or Debentures of the Company or as discount in respect of shares issued.

OPTION TO SUBSCRIBE

The Company has not entered into any contract or arrangement and does not at present propose to enter into any contract or arrangement whereby any option or preferential right of any kind has been or is proposed to be given to any person to subscribe for any shares in or Debentures of the Company.

APPLICATIONS AND ALLOTMENTS

Applications for shares will only be considered if made by residents in India and must be for a minimum of 100 shares or multiples of 100 shares (except in the case of employees of the Company where applications for 25 shares or multiples of 25 shares will be entertained) AND MUST BE MADE OUT IN ONE NAME ONLY ON THE OFFICIAL FORM AND WILL BE REFUSED IF NOT SO MADE. The Application Form together with the remittance for the full amount payable on application must be sent to a Branch in India of the Chartered Bank.

The Chartered Bank maintain Offices at the following places in India:—

At Calcutta ...	(a) Netaji Subhas Road, Calcutta 1.
	(b) 31, Chowringhee Road, Calcutta 16.
At Bombay ...	Mahatma Gandhi Road, Bombay.
At Madras	Netaji Subhas Chandra Bose Road, Madras 1.
At New Delhi ...	Connaught Circus, New Delhi.
At Delhi	Chandni Chowk, Delhi.
At Kanpur	Mahatma Gandhi Road, Kanpur.
At Amritsar ...	Hall Bazar, Amritsar.
At Cochin	Vi/37, Calvetty Road, Fort, Cochin.
At Calicut ...	Copra Bazar, Calicut.

Payment should be made in cash or by Bankers draft or cheque. If payment is made by cheque or draft, the cheque or draft must be drawn on a bank which is situated in the town at which the application form is submitted. All cheques and drafts drawn on banks in towns other than those mentioned above will not be accepted. Cheques or drafts should be drawn in favour of "The Chartered Bank, A/c British Paints (India) Limited," and should, for the applicant's protection, be crossed "A/c Payee only." A separate cheque or draft must accompany each application form. Applications carefully completed together with the cash, cheques or drafts for the full amount payable on application must be lodged before the close of the Subscription List with any of the branches of The Chartered Bank referred to above. Application forms and cash, cheques or drafts *MUST NOT* be sent to the Registered Office of BRITISH PAINTS (INDIA) LIMITED.

Allotment will be notified by the despatch of an Allotment Letter but the Directors reserve the full uncontrolled right of accepting or rejecting any application in whole or in part. Where an application is rejected or not accepted in full, the whole or any balance of the application money received will be refunded to the applicant within two months of the closing of the Subscription List, in which event bank's commission, if any, will be payable by the applicant.

BROKERAGE

Brokerage at the rate of 18 nP per share will be paid by the Company on allotments made in respect of applications bearing the stamp of a recognised Stock Broker.

A commission will be paid by the Company to the Managing Brokers referred to in the Prospectus at the rate of 7 nP per Share on all Equity Shares offered and actually allotted to the public.

PROSPECTUS AND FORMS OF APPLICATION

Copies of the Prospectus on the terms of which alone applications will be considered, and Forms of Applications may be obtained from the abovenamed Bankers and Brokers at the places stated above.

STUDY OF STATE-OWNED OIL COMPANIES

EXPERIENCE OF LATIN AMERICA AND ITS LESSON FOR INDIA

By V. S. Swaminathan, M.A., M.Sc. (London)

THE list of Government concerns engaged in oil operations is long and growing. In the New World, we have Mexico, Brazil, Argentina, Bolivia, Colombia, Chile, Uruguay and Peru to which should soon be added Venezuela. In the Eastern Hemisphere, we have Italy, Austria, Finland, Turkey, U.A.R., Iraq, Iran and India. But every State oil company is unlike any other, and, in some cases, it is virtually impossible to draw a line between what and what is not a Government undertaking.

At one extreme, there is Pemex in Mexico, which is the only company with a complete monopoly on all aspects of Mexican oil and natural gas industry. At the other end, there is the British Petroleum Company 55 per cent. of which is owned by the U.K. Government and which appoints two members of the Board of Directors of the B.P. In practice, the State keeps its hands off, and the B.P. operates strictly as a private enterprise. Other State-owned oil companies fall somewhere in between these two extremes. The C.F.P. is popularly considered the French Government's appendage, but, technically, it is not, since private stockholders control a majority interest.

What makes Governments enter the oil business? There are three possible reasons. There are regimes wedded to socialism which believe in the nationalisation of key industries, including oil. There are others who have no room for foreign capital, since they apprehend that the latter might meddle in their internal affairs. Finally, there is much to be said for strategic and economic considerations.

The main drawbacks from which the majority of State-owned companies labour are two, that is, lack of enough capital and paucity of technically trained personnel. National oil companies have not enough capital to generate adequate income to promote self-sustaining growth. This is because the funds at the disposal of the State are limited and there are far too many compelling calls on them. Again, although there are many able executives and technologists in the ranks of such companies, there just are not enough to go round.

Another recent trend is for the oil producing countries to get together and present a united front against "foreign oil monopolies." A case in point is the formation of the Organisation of Petroleum Exporting Countries (O.P.E.C.) in the Middle East. Across the Atlantic, a mutual assistance programme is under discussion by Latin American producers led by Mexico and Argentina. These two countries recently decided to invest in each other's petroleum industry. This is to be the first step towards forging an international agreement involving also Bolivia, Brazil, Peru and Venezuela. Eventually, by mutual investments and joint operations these six Latin American countries will constitute a bloc to defend a common market. It is to be an international consortium to "protect free Latin America from foreign oil monopolies." The financial implications of this move are still to be worked out. In the meanwhile, it is of interest to review the activities of the State-owned Latin American oil companies.

Mexico

Pemex (Petroless Mexicanes) is the most famous and thorough-going of all Government-operated oil companies. Since 1938, it has had a virtual monopoly of all primary spheres of petroleum operations from prospecting to oil and natural gas production, refining and marketing as well as importing and exporting. Its current output of 270,000 barrels a day of crude oil represents half the volume produced in 1921, the peak year of private operation. When the Mexican oil workers took over the industry lock, stock and barrel, production was on the wane, exploration at a standstill and the refineries were obsolete. Two years later (in 1940), a law was passed which assigned 60 per cent. of the net income of the oil industry to the Government. This was in addition to royalty payments ranging from 10 to 35 per cent. Another 20 per cent. of the net income was earmarked for labour and the balance went into the reserve fund. Pemex might not be considered a commercial success, but then Mexico deems this secondary to keeping the nation's fuel costs down.

Pemex is now in the throes of a radical reorganisation programme. It is trying to break away from the traditional pattern by floating substantial loans from the United States and European banks. Although the manufacture of all oil or gas-derived "basic" chemicals is exclusively reserved to this State undertaking, there are provisions for permitting private firms to make either independently, or in co-operation with Pemex or its petrochemical subsidiaries, chemical and products from base materials or intermediates placed at their disposal. Also, this State monopoly does not preclude private enterprise from supplying the technical equipment and process technology for putting the plants to work. Indeed, Pemex vitally depends on the extensive co-operation of foreign firms in this respect, and has already enlisted the services of ten major petrochemical engineering concerns in the United States, Canada, Britain, France and Italy.

Argentina

Turning to Argentine, when Dr. Frondizi's Government assumed office in May 1958, gold and foreign exchange reserves were barely $250 million, and it became obvious that the choice lay between drastically curtailing oil consumption with resulting economic stagnation, or expanding domestic oil and natural gas production. For over two decades nationalist sentiment in the country prevented successive Governments, including that of Peron, from enlisting foreign and private capital in the development of the local petroleum industry. All this when the State oil company, Y.P.F. (Yacimientos Petroliferos Fiscales), and the country itself were not in a position to provide the finance for carrying out the necessary exploration and development of the national oil resources.

In July 1958, Dr. Frondizi announced the first of a series of contracts designed to permit private and foreign capital to contribute to the development of the country's petroleum resources. These contracts fall into two groups: (i) exploration and development contracts, the contractor to receive payment on the basis of the quantity of oil delivered to Y.P.F.; and (ii) drilling contracts, payment depending on the number of wells or metres drilled. A new works and service contract was recently signed between Y.P.F., and S.A.I.P.E.M., a subsidiary of the state-owned E.N.I. Corporation of Italy, for a programme of drillings in the Comodaro Rivadavia area. It provides for the drilling, equipment and operation of 600 wells (including 300 covered by a previous contract) and for the refinancing of Y.P.F's payment obligations under the earlier agreement.

STEARIC ACID
(Double Distilled)
Manufactured by:
THE MODI VANASPATI MFG. CO.
Bombay State Distributors:
RAMJILAL LAKHMICHAND
Head Office: 333, Kalbadevi Road, Bombay-2 Phone: 39361
Branch: 695, Reid Road, Ahmedabad Phone: 2665
Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

THE
UNITED COMMERCIAL BANK
LIMITED
Head Office: CALCUTTA

Authorised Capital	..	Rs. 8,00,00,000
Subscribed Capital	..	Rs. 4,00,00,000
Paid-up Capital	..	Rs. 2,00,00,000
Reserve Fund	..	Rs. 1,75,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.
Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.
AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.
G. D. BIRLA, Chairman. S. T. SADASIVAN, General Manager.

To cut a long story short, sharply diminishing oil imports, despite rising consumption, and a prospective surplus of crude petroleum for export are the results of Dr. Frondizi's break with the past, and his acceptance of foreign help for developing the country's oil resources. The output of natural gas is now also rising rapidly. Pipelines and refining capacity are being expanded, and plans are under way to develop the nascent petrochemical industry. The improved balance of payments position has been reflected in the stability of the peso, thus encouraging the reconstruction of the economy in other fields.

Brazil

Petrobras (Petroleo Brasileiro S.A.) has a monopoly on oil exploration and production, as well as refinery construction, in Brazil. Its best successes to date have been in getting over 75,000 barrels a day of production from the Bahia field, discovered by an earlier State-owned company, and in refinery building. Its poorest showing is in finding new oilfields. The financial resources of Petrobras are too limited to explore adequately the vast Amazon basin, a sedimentary area covering over a million square miles. The Federal State and Municipal Governments hold stock in this State-owned company. Its income is derived from a partition of tax revenues on oil products and vehicle imports; a 5 per cent. share of foreign exchange earned from all types of exports, and 80 per cent. of foreign exchange saved from refinery operations. Private companies handle all oil marketing in Brazil and operate refineries built before 1952.

Bolivia

Under a law enacted in 1955, Y.P.F.B. (Yacimientos Petroliferos Fiscales Bolivianos) can conclude contracts with private companies in one zone of Bolivia providing it retains 50 per cent. interest. Other zones are open to foreign capital on a concession basis. At present Y.P.F.B. is producing about 8,400 barrels of oil a day, and it monopolises refining and marketing. Peru's E.P.F. (Empresa Petrolera Fiscal) acts as the nation's concessionaire with authority to make agreements with foreign firms. It has also a small crude oil production of its own (2,500 barrels daily), and certain exploration areas are reserved for E.P.F.

Venezuela

Venezuela is the world's second largest producer of petroleum and the leading exporter of the commodity. Its new national oil company (Corporacion Venezolano de Petroleos), reputedly modelled on Italy's E.N.I., is scheduled to start operations soon. It will engage in all sectors of the oil industry in competition with private concerns. It will have no special privileges, except that it has received gratis concessions where commercial production is considered secure. The Venezuelan national oil company will start drilling offset wells along the edges of private concessions. Reservoirs may be developed as units with private operators possibly called upon to market the Government's production. Eventually, this company has plans to branch out into other operations, including marketing and export.

Even with its long-established dominant position in the international oil trade, and its favourable geographical location in relation to major markets, Venezuela's economy is passing through a critical period. The virtual stagnation of its oil production this year contrasts with a 6 per cent. increase in 1959, and reflects the imposition of U.S. import restrictions and lower export demand due to rising output in consuming countries and to lessened competitiveness of Venezuelan oil. The Soviet capture of the Cuban market represents a loss of 4 million tons in exports to Venezuela. For some months past, Maracaibo oil has been offered by three major companies at a discount of $1 per barrel, when the Middle East crude petroleum was available at discounts ranging from 30 to 50 cents a barrel. Financial strains and stresses and the collapse of the real estate boom pose formidable problems to the Venezuelan Government launching its Four-Year Plan of Development with borrowed capital. Worst of all, oil production is not now expanding, as has been hoped, since oil revenues account for over 80 per cent. of the country's income.

Conclusions

Two broad conclusions emerge from this survey of the oil industry of the leading Latin American countries. The most successful of the State oil corporations are those which operate most nearly like private companies. Where private capital and/or technical skill was solicited as in Argentina, Mexico and elsewhere, under terms that satisfied national aspirations, there has been a marked improvement in the outlook for the oil industry.—*All Rights Reserved.*

This is only an announcement for information and not a Prospectus and applications are invited on the basis of the Prospectus copies whereof are available from the Company's Bankers and Brokers mentioned herein.

An application will be made to the Stock Exchange of Madras and Bombay for permission to deal in the shares now being offered and in due course for an official quotation.

PROSPECTUS OF

THE TRAVANCORE ELECTRO-CHEMICAL INDUSTRIES LTD.

(Incorporated on 4th April 1945 under the Travancore Companies Act IX of 1114)

AUTHORISED CAPITAL:

1,00,000 Equity Shares of Rs. 100 each	Rs.	1,00,00,000

PAID-UP CAPITAL:

13,288 Equity Shares Fully Paid-up at Rs. 100 per Share	Rs.	13,28,800
1,912 Equity Shares previously forfeited but subsequently re-allotted at Rs. 100 per Share and now partly paid at Rs. 25 per Share	Rs.	47,800
	Rs.	13,76,600

CAPITAL NOW ISSUED FOR PUBLIC SUBSCRIPTION:

10,000 Equity Shares of Rs. 100 each	Rs.	10,00,000

AMOUNT PAYABLE IN RESPECT OF SHARES

The amount payable in respect of Equity Shares is as follows:

Rs. 25 per Share on application.

Rs. 25 per Share on allotment.

and the balance in two equal instalments provided that there shall be an interval of not less than three months each between calls and between the allotment and the first call. Each application must be for a minimum of 5 Shares or in multiples thereof.

Where no allotment is made, the Deposit will be returned in full and where a partial allotment is made, the unutilised balance will be adjusted against amount due on allotment.

The Share Certificates will be issued within six months of the date of allotment.

Note: By a Resolution passed on the 7th of December 1960 the Deferred Shareholders of the Company have given their consent to the conversion of the Deferred Shares issued by the Company into Equity Shares of the Company in the ratio of five Deferred Shares to one Ordinary Share ranking *pari passu* with the existing Equity Shares.

DIRECTORS

Shri MURARJI JADAVJI VAIDYA, Industrialist, Chairman, Bombay.

Shri S. CHATTANATHA KARAYALAR, M.P., Advocate, Trivandrum.

Shri V. P. VARDE, Stock-broker, Bombay.

Shri J. L. MEHTA, Businessman, Bombay.

Shri RUSSI JAL TARAPOREVALA, Businessman, Bombay.

Shri K. P. VISHWANATHAN NAIR, I.A.S. (Nominated by Government of Kerala), Director of Industries, Trivandrum.

Shri T. V. KRISHNANKUTTY WARRIER (Nominated by Government of Kerala), Trivandrum.

Shri LIMJEE K. PANDAY, Stock-broker, Bombay.

Shri P. E. RAMAN MENON, Landlord, Parur, Kerala.

Shri M. S. BHANDARKAR, Engineer, Bombay.

BANKERS

THE STATE BANK OF TRAVANCORE LTD., Trivandrum.

UNITED BANK OF INDIA LTD., Bombay.

THE INDIAN OVERSEAS BANK LTD., Bombay.

THE BANK OF INDIA LTD., Bombay.

THE CENTRAL BANK OF INDIA LTD., Bombay.

AUDITORS

Messrs. SURI & CO., Chartered Accountants, Trivandrum, Kerala State.

MANAGING BROKERS

Messrs. LEWIS & JONES, Bank of Baroda Building, Apollo St., Fort, Bombay 1.

BROKERS TO THE ISSUE

R. R. NABAR & CO., 35, Dalal Street, Fort, Bombay 1.

A. B. PANDIT & CO., 32, Apollo Street, Bombay 1.

G. M. PYNE, Allahabad Bank Building, 14, *India* Exchange Place, Calcutta.

KOTHARI & SONS, Oriental Buildings, Armenian Street, Madras.

PATERSON & CO., 42, Errabalu Chetty Street, Madras.

M. NANJAPPAIAH JAHGIRDAR, 18 Cavalry Road, Bangalore.

HARBANSINGH MEHTA & CO., 33, Regal Building, Parliament Street, New Delhi.

SOLICITORS

Messrs. MATUBHAI JAMIETRAM & MADAN, Lentin Chambers, Dalal Street, Fort, Bombay 1.

REGISTERED OFFICE

P.O. CHINGAVANAM. KOTTAYAM, KERALA STATE

OBJECTS OF THE COMPANY

The Company was established to manufacture and deal in Calcium Carbide, Carbon and Graphite in various forms, all types of Electro-chemical, Electro-thermal and High Temperature Furnace products like Carbides, Abrasives, Metal Alloys and Refractories, and Derivatives and by-products of the above.

HISTORY OF THE COMPANY

Although the Company was registered in 1945 it started operating as late as in 1952 owing to late delivery of the electrical equipment. The Company's activities were then on a developmental or experimental stage as it had put up a pilot furnace with a capacity of Calcium Carbide upto 1,000 tons per year only. The Company in its developmental stage, therefore, made small losses, particularly as the cost of production of Calcium Carbide in a small capacity furnace was high. The Company's experimental activities are of great importance inasmuch as it proved the advantages of using sea-shells for manufacturing Quick-lime—an important raw material, at very cheap rates and of prescribed purity. The Company in its development stage also proved that it could produce Calcium Carbide of high purity meeting the requirement of the British Standard Specifications, as borne out by the Certificate in this respect of the Technical Development Establishment (M.E.)—Kirkee (Ministry of Defence). The purity of the Company's products has also been confirmed by the *Tariff Commission Report of 1956.*

PROSPECTS OF THE COMPANY

Thanks to the developmental activities of the Company in the past, it is only now that the possibility of commercial production of Calcium Carbide appears to have come.

In 1956 the Company planned to expand its capacity to 10,000 tons per year. The Company since then have secured the necessary Industrial and Import Licences from the Central Government for raising the production capacity to 10,000 tons per year. The Tariff Commission Report of 1956 commented on the proposed expansion project of the Company thus:—"The existing plant enjoys certain marked locational facilities for procurement of raw materials and electrical energy at economic rates, and expansion at the same spot should seem to afford them a reasonable assurance of success."

ASSISTANCE FROM KERALA GOVERNMENT

The Kerala Government has given the Company co-operation and assistance in this proposed expansion of the capacity of Calcium Carbide plant to 10,000 tons per year. The Government of Kerala have also invested Rs. 5 lacs recently in the equity shares of the Company.

ELECTRIC POWER

The cost of Electric Power determines to a substantial extent the cost of production of Calcium Carbide. The Company has the advantage of having Electric Power at cheap rates and on favourable terms from the Kerala Government.

TRANSPORT FACILITIES

The Company is located favourably so as to enjoy good transport facilities by rail as well as by water for the movement of its raw materials and finished products.

SCOPE AND PROSPECTS

Calcium Carbide is a basic chemical which is used in the manufacture of many other important chemicals and materials such as—Acetylene, Polyvynil Chloride, Calcium Cynamide, a variety of commercial solvents and intermediates, synthetic rubbers and resins. Calcium Carbide is also used for the manufacture of certain types of explosive in which area the Defence Ministry of the Government of India may find considerable use of this product. Already Calcium Carbide is very widely used in India for generating Acetylene Gas in welding and cutting steel and for lighting purposes.

The demand of Calcium Carbide is continuously increasing in India as a result of rapid industrialisation and especially with the growth of Chemical Industry. With the development of Organic Chemical Industries the demand for Calcium Carbide in the coming years is expected to grow at a rapid pace as estimated above.

For the years 1957, 1958 and 1959, local production of Calcium Carbide has been 3,600, 3,804 and 4,074 long tons respectively. For the same years imports of Calcium Carbide have been 8,595, 9,588 and 8,430 long tons respectively. The latter figures show that there have been substantial imports of Calcium Carbide in India. In the recently published Outline of the Third *Five-year Plan, looking* to the rapid rise in demand for Calcium Carbide in India, the local production of Calcium Carbide *in 1960-61* and in *1965-66* are estimated at 20,000 and 60,000 tons respectively. It is, therefore, *expected that the Company's* entire production of 10,000 tons will find a ready market within the *Country.*

ESTIMATE OF PROFITS

The Company will be in a position to produce Calcium Carbide at a cheap price in view of the cheapness of labour, and electric power and the availability of raw materials of good quality. The cost of production of Calcium Carbide of the Company is estimated by the Tariff Commission at Rs. 462 per ton. Even assuming that this estimate of cost of production goes up in future to some extent, the Company appears assured of a substantial margin of profits considering the ex-factory selling price of Calcium Carbide fixed by the Tariff Commission, 1958, at Rs. 865 per ton for corresponding grade of this product.

SUPPLY OF MACHINERY AND TECHNICAL KNOW-HOW

The Company has secured collaboration from Messrs. Deutscher Innen-Und Aussenhandel Invest Export, of the German Democratic Republic. The Company has entered into two agreements with the abovenamed firm, one for supply of a complete Carbide Plant of 30 tons daily capacity and the other for supply of technical personnel and of project-true supervision of erection, function tests, trial run and putting into commercial operation the plant. The total purchase price of the plant inclusive of the necessary basic and execution projects, constructional documents etc. amounts to about Rs. 17 lacs. The machinery suppliers have further agreed to charge an interest of only 3% on the outstanding balances. The payment is to be made in Indian Currency. The Company has secured the necessary import licence and permission from the Reserve Bank of India to make the payments.

BROKERAGE

Brokerage at the rate of 1% on the nominal value of each Equity Share will be paid to registered Brokers on recognised Stock Exchanges and Banks on allotment being made in respect of applications bearing the stamp of such Brokers or Banks.

Messrs. Lewis and Jones have been appointed the Managing Brokers to this Issue. They will in addition be entitled to a brokerage of ½% on the face value of the shares subscribed by the public and a further sum of Rs. 5,000 as incidental charges.

Subscription List will open at the commencement of Banking hours on 4th January, 1961 and will close at the close of the Banking hours on 11th January, 1961.

SERIOUS SHORTAGE OF POWER SUPPLY FEARED

ADVANCE WARNING TO PLANNERS

THE power-hunger of economic development, in general, and of industrialisation, in particular, is such that the demand for energy at any point of time seems to be outstripping the supply. To the continuing shortage of good quality coal is now added the shortage of electricity. This latter shortage has manifested itself in the shape of power cuts, rationing of electricity supplies and inability to give power to new consumers. The World Bank Mission, it may be recalled in this connection, has found evidence of power shortage in all the main industrial centres in India and given the finding that this shortage will become intensified in the future. Apprehending the seriousness of the situation which is stated to be a major factor inhibiting the proper growth of industrial enterprises in most areas of the country, the Associated Chambers of Commerce of India, Calcutta, adopted a resolution on the subject at its latest annual meeting. This resolution urges the need for a comprehensive review of the requirements of electric power and the initiation of measures necessary to fulfil them and for assigning a high priority to the allocation of foreign exchange for the import of the necessary generating and other plant and equipment. The resolution also calls for the consideration of measures whereby the electric supply industry can be enabled to expand its existing resources, particularly by a re-appraisal of the restrictions imposed by the Electricity (Supply) Act to enable that strengthening of company finance which expansion requires. The Associated Chambers has thus done well to focus the attention of the powers-that-be on this basic industry of electricity generation just on the eve of inauguration of the third Plan.

An Instance

The debate on the resolution at the 1960 annual meeting of the Chamber has brought to light a number of facts bearing on the critical power shortage in some parts of the country. In Madras State, for instance, according to Mr. R. M. King of the Madras Chamber of Commerce, it is estimated that, by the end of the second Plan, 571 MW. of installed capacity will be available, of which only 344 MW. will be "firm" power (that is not subject to seasonal fluctuations), whereas the demand will be 727 MW., leaving a deficit of 383 MW. It is further estimated that by the end of the third Plan, the total demand in that State will be 1,448 MW. whereas the total installed capacity will amount to 1,441 MW., of which only 910 MW. will be "firm" power; this will mean a shortage of 37 per cent. even if all the sanctioned projects are completed and they work to their full capacity by the end of the third Plan period. The total demand of 1,448 MW. by the end of the third Plan seems to be an underestimate, for only licences already issued for industries and industries proposed in the Techno-Economic Survey Report of the National Council of Applied Economic Research have been taken into consideration in this connection. Since new industries for which licences may be issued in the future have not been taken into account, the eventual total demand for power by the end of the third Plan may well turn out to be greater still in Madras, even after allowing for some saving on account of existing licences which may not fully utilise their quota of supply. But, at the same time, all available hydro-electric supplies in that State will have been fully exploited by then. The expected gap between demand and supply will, therefore, have to be covered by sources other than hydro-power.

The position in other States might be as bad as, or even worse than, in Madras which is reputed for its progressivism in the matter of generation of electricity and its utilisation as much for rural and agricultural purposes as for industrial. Since, however, a complete State-wise or regionwise picture of current demand for, and supply of, electric power is not readily available, the most that can be done here is to present the all-India position. The second Plan, it may be recalled here, provided for an increase of 3½ million kw., at a cost of Rs. 450 crores during the five-year period so as to reach a total generation target of 7 million kw. It is now admitted that actual power supply in the end-year (1960-61) of the current Plan will be only 6 million kw., as against the year's total demand estimated at over 10 million kw. Thus, there is currently a gap of about 4 million kw. between the demand for and the supply of electric power.

It looks as though this gap will be widened, not narrowed, by the end of the third Plan, unless a different approach to this problem is adopted right from now. The total generation target for this Plan is laid down as 13 million kw. on the assumption that the increase of 6 million kw. over the second Plan target could be secured in the following ways: 3.50 million kw. from thermal stations, 2.25 million kw. from hydro-electric stations and 0.25 million kw. from a nuclear station. If the second Plan's shortfall of one million kw. is taken into account, it would mean a total increase of 7 million kw. under the third Plan. Here, again, there is the risk of a shortfall—probably to the tune of 2 million kw.—on account of the likely delays in the execution of hydro-electric and nuclear schemes. On this basis, the total power supply in the end-year of the third Plan may only be about 11 million kw. But the demand then may well be of the order of 20 million kw. if all the other industrial and agricultural projects are executed according to schedule.

No Exaggeration

It is feared that, if a power shortage of this magnitude were to develop, industrial development would be gravely retarded and probably no more than 60 per cent. of the industrial output estimated for the end-year of the third Plan would be actually realised. This is not an alarmist forecast, for already industrial loads account for two-thirds of all electricity consumption in the country. The pattern of electricity utilisation in 1959-59, for instance, shows that industrial loads accounted for 67 per cent., domestic and commercial 17.8 per cent., irrigation 6 per cent., railway track electrification 4.1 per cent., water supply and drainage 3.6 per cent. and street lighting 1.5 per cent. Even an expert in the Central Water and Power Commission has recognised that, in a country like India which has entered a phase of what may be termed a modest industrial revolution, the demand for electric power is bound to be at a very much faster rate than in the past.

When a power crisis is thus foreseen, it would be prudent to think of some practical alternatives for generating more electricity. The suggestion, canvassed at the meeting of the Associated Chambers of Commerce of India by Mr. F. C. Badhwar of the Punjab and Delhi Chamber of Commerce, for a 25 per cent. cut in the third Plan allotment for heavy industries and for a corresponding increase in the allocations for power and, incidentally, transport does not seem to be a desirable proposition, even though it has been justified on the ground that there would then be a greater probability of at least 75 per cent. of the third Plan's industrial targets being achieved. It is not desirable because any drastic cut in the proposed public investment in heavy industries may also have the effect of retarding industrial production in general. An upward revision of the targets for power generation is the only way out of the problem. Since, however, the public sector will not be in a position to invest adequately in both power and heavy industry projects, the powers-that-be must recognise betimes the realities of the situation and impart further flexibility to the Industrial Policy Resolution of 1956.

Under this resolution, generation and distribution of electricity is treated as a Schedule 'A' industry, that is, an industry "the future development of which will be the exclusive responsibility of the State." While all new units in this industry, "save where their establishment in the private sector has already been approved, will be set up only by the State," the same resolution states that "this does not preclude the expansion of the existing privately-owned units, or the possibility of the State securing the co-operation of private enterprise in the establishment of new units where the national interests so require." The current and future power shortage is such that a rigid interpretation of the Industrial Policy Resolution would not be in the best interests of the national economy. The national interests require that private enterprise be permitted not only to expand its existing electricity undertakings but also to launch new ones.

The need for liberal permission for expansion of existing private undertakings is immediate, because the projected supplies from the public sector stations have not come forth according to schedule. It would be revealing to recall in this context that the Calcutta Electric Supply Corporation Ltd. was persuaded by the West Bengal Government in 1955 to abandon its plan, then in an advanced stage, for the construction of yet another generating station on the ground that a bulk supply could be made available to the Company from the Damodar Valley Corporation. What has actually happened in this case is that the D.V.C. has thus far not been able to supply the Company with all the power it has required; if the Company has been able to meet all demands made on it without load shedding, it is because of the fact that it has been keeping certain of its older and less economic plants in commission. What is true of the Calcutta Electric Supply Corporation is quite true, albeit in varying degree, of other private electricity undertakings also. The Ahmedabad Electricity Company Ltd., for instance, has scope to expand further its generating capacity, but there is the risk that, like the Calcutta Electric Supply Corporation, it may be asked to import power (which may or may not be forthcoming) from the Gujarat Electricity Board. In any case, this Company, like any other existing electricity undertaking, does not seem to be sure of raising, under present conditions, the requisite financial resources for expansion, even if such expansion is liberally permitted.

Incentives

If the existing private electricity undertakings are permitted to expand and new units in the private sector are also licensed, certain concomitant incentives and facilities would also be called for. In the first place, the factors which adversely affect investment in the electricity supply industry would need to be removed, for the electricity shares have continued to slump since the application of the financial provisions contained in the Electricity (Supply) Act. Remedial measures should take the form of (i) shifting of the tax burden on to the consumer and (ii) increasing the standard rate of profit by one per cent. on the old capital block and 2 per cent. in respect of new finance. There is thus an urgent need for offering adequate incentive to new capital as well as for restoring values in existing equities. It will be obvious to anyone who knows about the ways in which the capital market functions that halting the disinvestment in the electricity industry, already evident in the loss in share values, is as important as providing incentives for attracting new capital. The present low standard rate does not permit the industry to make profits sufficient to enable it either to attract new capital or to build up its own resources. That is clear enough. But, what is worse, it does not permit the taking of loans or the issue of debentures, for the formula regarding permissible profits does not allow for their repayment as an item of expenditure. The recent changes regarding tax on dividends and profits have also had the effect of further reducing the amount available for appropriation without conferring on electricity companies the compensating tax advantages available to other industries.

If these disincentives to expansion of existing undertakings are removed and if, at the same time, new units are licensed in the private sector by a flexible interpretation of the Industrial Policy Resolution, it may be that, as Mr. H. M. L. Williams observed in his recent presidential address to the Associated Chambers of Commerce of India, the progress so far made in the utilisation of low quality coal for thermal generation could be availed of in thermal stations of far bigger capacity. After all, there is no dearth of low quality coal and of coal dust; the existing shortage is in respect of only coking and high-grade coals and that, too, not because of lack of adequate proved coal reserves but because of the failure of the Government to create favourable conditions for the exploitation of the available reserves by the private sector. There is no conceivable reason why some thermal stations of upto 500 MW. capacity should not be constructed as in other parts of the world, if the private sector in India is enabled to come forward to undertake the responsibility. The pragmatic arguments favouring greater coal production in the private sector at a time when the public sector is not in a position to deliver the goods apply, with equal force, to power generation which would need to be stepped up somehow.

MYSORE KIRLOSKAR LIMITED

SPEECH OF DR. MAHADEVAN AT ANNUAL GENERAL MEETING

CALL FOR LIBERAL IMPORTS OF CAPITAL GOODS FOR MACHINE TOOL INDUSTRY

AN indication to the effect that the targets for the production of machine tools envisaged in the third Plan might not be fulfilled, unless the Government permitted the industry to import capital goods "urgently required" for its expansion programme, was given by Dr. M. N. Mahadevan, Director and Chairman of the Mysore Kirloskar Ltd., in the course of his address to the Nineteenth Annual General Meeting of the Company held at Yantrapur P.O., Harihar, on 26th December 1960. No less significant was his plea to the Government of India for the renewal of facilities of initial depreciation and additional depreciation in respect of industries like machine tools, "where the requirement of fixed capital is heavier than in other industries."

The following is the full text of Dr. Mahadevan's speech:

"LADIES AND GENTLEMEN,

"It is my proud privilege and pleasure to extend to you all the most hearty and cordial welcome to this nineteenth annual general meeting of your Company today.

"The balance-sheet of the Company as at 30th June 1960 and the profit and loss account for the year ended 30th June 1960 as also the Directors' report and the Auditor's report are already in your hands and according to the usual practice and with your permission I take the same as read.

"At the time of the last general meeting held on 28th December 1959, I had informed you that the paid-up capital of your Company was then Rs. 32.49 lakhs. The last call was made since and the paid-up capital of your Company is now Rs. 40 lakhs. Your Company has large expansion programmes and requires still further capital and your Directors have proposed to issue a further capital of Rs. 40 lakhs made up of Rs. 15 lakhs equity capital and Rs. 25 lakhs preference capital. Further steps in issuing this capital will be taken in due course. I hope, in view of the very good prospects, you will extend your substantial co-operation in this matter.

Repayment of Loan

"As regards the loan of Rs. 25 lakhs taken by your Company from the Industrial Finance Corporation of India, New Delhi, the repayment of the said loan by instalments will begin from this year and the first instalment to be so repaid, amounting to Rs. 1 lakh, falls due on 28th December 1960.

"Last time I had informed you that additional land measuring about 37 acres and 7 guntas was still to be purchased and that the matter was pending acquisition proceedings. The acquisition proceedings are now almost at a final stage and we would be receiving the possession of this land in the course of the next month or so.

"From the published accounts you must have seen that the Company has added to its block capital assets during the year of the value of Rs. 16.43 lakhs.

"The Company has submitted its applications for the import of capital goods of the order of about Rs. 1 crore and the matter is still pending with the Government of India. In view of the foreign loans recently negotiated by the Government, your Company may stand to get some relief in this regard and if all the applications for import licences are granted by the Government, the Company would be in a position to make rapid progress in its expansion programmes.

"The Company has, however, already received sanction from the Central Government for its proposed expansion programmes, namely, doubling the production of centre lathes and also for the substantial increase in the manufacture of capstans and turrets.

"The Company has already received the manufacturing licence for the manufacture of grinding machines and also for automatic lathes.

"At the time of the last annual general meeting, I had also informed you that it was proposed to put up a separate building for the manufacture of capstans and turrets and I am now glad to inform you that the said building is almost nearing completion and may be available by the end of March 1961.

"From the published accounts and in particular from the trading and profit and loss account for the year ended 30th June 1960, you will have noticed that the net sales amounted to about Rs. 141 lakhs, as against Rs. 105 lakhs during the preceding year. There has thus been a rise of about Rs. 36 lakhs in sales during the year under report. This is certainly a substantial achievement during the year and all those who contributed for achieving this deserve your warm appreciation.

Allocation of Factors of Production

"The percentage allocation of the various factors of production as also the provision for taxation and the balanace of profit during the two years ended 30th June 1960 and 30th June 1959 has been as under:

"Raw materials and stores consumed, including works-in-process and transport charges, accounted for 42 per cent., as against 35 per cent. last year. Wages were 24 per cent., as against 29 per cent. last year. Indirect working expenses came to 10 per cent. this year, as against 12 per cent. Fuel and power stood at 2 per cent., as against 3 per cent. Statutory depreciation, including the development rebate, worked out at 6 per cent. this year, as against 8 per cent. Taxation liabilities were of the order of 7 per cent. and this percentage was the same as that of the last year. The balance of profits stood at 9 per cent., as against 6 per cent. last year. This percentage allocation of the various factors of production would enable you to appreciate that there has been some progress in the efficient working of the factory.

"As shareholders, you may be aware of the recent amendments to the Companies Act 1956. The Company Law Amendment Act is already passed by Parliament and would be soon applicable to all the companies including this Company.

"The management has been already following certain conventions and precedents in tune with the changing concepts of company management and it is for this reason that I feel that the new amendments to the Company Law may not affect materially the working of your Company. So far as this Company is concerned, an equitable consideration has been given to the various interests concerned all these years and I need hardly add therefore that the management will be in a position to show the same equitable consideration in future also.

Third Plan Targets

"We are in the last year of the second Five-year Plan and we will step in soon to the first year of the third Plan. The Planning Commission had recently called a meeting of the machine tool manufacturers to assess the production target for the third Five-year Plan. The position of your Company was placed before the Planning Commission. The difficulties experienced by the Company were also brought to the notice of the Planning Commission. The Planning Commission has tentatively assessed the total requirement of machine tools of all descriptions in the country which would be of the order of Rs. 60 crores per annum by 1965-66. The contribution from the private sector in respect of this target is estimated at Rs. 17 crores per annum. This will give you an idea of the tremendous scope for further expansion in the machine tool line. It was impressed on the authorities of the Government that the speedy expansion programme would necessarily depend upon the extent to which the Government would help the industry in allowing the import of capital goods urgently required for their expansion programme.

"At the time of the last annual general meeting, I had referred to the facilities of initial depreciation and additional depreciation which were discontinued by the Government and I had then urged that these facilities should be renewed and continued. But so far nothing has been done in this regard by the Government and I take this opportunity of requesting the authorities again to reconsider this matter and extend these facilities again at least to industries like the machine tool industry where the requirement of fixed capital is heavier than in other industries. After all, these facilities by way of initial depreciation and additional depreciation amount only to temporary financial accommodation and in the total result over a period the Government is not going to lose anything. I hope the authorities concerned would give their earnest consideration to this.

Labour Relations Satisfactory

"The labour relations in your factory have been generally satisfactory, though however, the disputes in relation to bonus for the past five years are still pending adjudication at various levels.

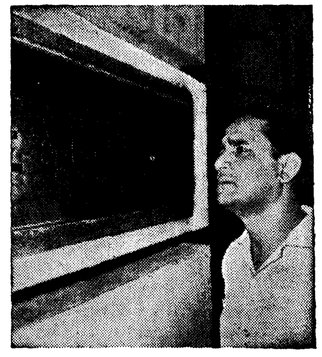
"Ladies and gentlemen, during the year under report, the management and the members of the organisation, including the workmen and the staff, have done their best in raising the production substantially and I take this opportunity of sincerely thanking them and congratulating them not only on my behalf but also on behalf of you all.

"Ladies and gentlemen, I also thank you for the very patient hearing that you have given me.

"I now propose that the balance-sheet and the profit and loss account and the Directors' report be adopted."

N.B.—*This is not a report of the proceedings at the above annual general meeting.*

TURNING AWAY A PROSPECTIVE CLIENT?



That tarnished name plate outside your office may spoil a good chance.

Keep it shining with Brasso. A regular rub with Brasso will keep all your brass articles and fittings gleaming like new. It's so easy and economical.

polish your brassware with

BRASSO

once a week, every week

TBR 4236 ATLANTIC (EAST) LIMITED (Incorporated in England)

NATIONAL NEWSPRINT AND PAPER MILLS LIMITED

CHAIRMAN, DR. A. RAMASWAMI MUDALIAR, REVIEWS PROGRESS OF NEWSPRINT PRODUCTION

CHLORINE CAUSTIC PLANT TO BE ESTABLISHED

IN his speech at the Thirteenth Annual General Meeting of the shareholders of the National Newsprint and Paper Mills Ltd., held at Nepanagar (Madhya Pradesh) on 27th December 1960, the Chairman, Dr. A. Ramaswami Mudaliar, touched upon a matter of general importance to all public sector projects. He observed that, unless conditions regarding maximum salaries payable for the staff were made less rigid and the Directors were given more freedom in the matter, public sector projects would be severely handicapped. Strict financial regulations in this regard, according to Dr. Ramaswami, were already having its effect on staffing, especially appointment of higher technical personnel. The Chairman disclosed that, in view of the difficulty of getting adequate supplies of chlorine and caustic soda, the Directors were considering the question of setting up a chlorine caustic plant.

The following is the full text of Dr. Ramaswami's speech:

"GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to the thirteenth Annual General Meeting of the shareholders of the National Newsprint and Paper Mills Limited.

"The Directors' report, the balance-sheet and the audited accounts for the year ended 31st March 1960 have been in your hands for some time and with your permission I shall take them as read.

"The progress for the year ended 31st March 1960 can be considered satisfactory and we have completed another year in which we have been able to show good working results. During the year, 22,411 tons of newsprint was manufactured, registering an increase of 573 tons over that of the previous year. The production consisted of bleached variety 19,203 tons and unbleached variety 3,208 tons. The working showed a net profit of Rs. 37,76,278.97 after providing for depreciation and development rebate reserve. The profit has been utilised to reduce the debit balance of the profit and loss account of Rs. 1,36,38,131.85 at the beginning of the year leaving a debit balance of Rs. 98,61,852.88 on 31st March 1960. I have to bring to your special notice that this is the second year in succession in which the Company has made a clear profit and I will repeat what I said during my last year's speech that we have definitely turned the corner and we shall continue to improve our position year by year and hope that in the near future the financial position of the Company will be such that it may be possible to declare a dividend.

Loan Repayment

"As on 31st March 1959, the loans outstanding to the Madhya Pradesh and Union Governments stood at about Rs. 95 lakhs and Rs. 32.73 lakhs. During the year under review, the entire interest-bearing loan to the Government of Madhya Pradesh was repaid in full and Rs. 7.73 lakhs loan from the Union Government was also repaid. I am glad to say that since then, due to the improvement of the ways and means position, we have been able to pay the entire interest-bearing loan due to the Union Government as well. We have also been able to pay the second instalment of Rs. 11 lakhs due before the end of this month towards the interest-free loan payable to Madhya Pradesh Government. The balance of interest-free loan to be paid to Madhya Pradesh Government is Rs. 88 lakhs. This is now the only outstanding loan still payable in eight instalments.

Increase in Output

"Last year, I referred to the additions to the Chemical Mill. Some of the equipment ordered from abroad were received and were put into commission and during the year we have been able to commission the third Digester, the Mordon Refiners, the Uni-Clarifier and the Rechipper. The work on the Calcium Hypochlorite Plant is in progress. With the addition of some of the equipment it has been possible to increase the output and also the quality. In fact, on three occasions recently we have been able to manufacture more than 100 tons a day, the target capacity of the mill.

"There has been very little improvement in the position of supply of electrical power and steam as offered by the Chandni power station. The Madhya Pradesh Electricity Board have a programme to expand the power house to meet our requirements for a production of 100 tons per day through extensions to the existing installations. Two Lancashire boilers have been installed by them recently but the additional power and steam supply is not such as to maintain a sustained production of 100 tons per day. In addition, from 1st April 1960 the Madhya Pradesh Electricity Board have revised the tariffs very steeply. This will result in payment of about 25 per cent. additional charges for the supply of power and steam. This is being paid under protest. Your Directors are examining the revised tariffs.

Improvement in Quality

"The quality of our newsprint has also been improved to a certain extent. A certain degree of improvement has been achieved by mixing a small proportion of imported chemical and mechanical pulps which has added not only to the strength but also improved its appearance and colour. Further investigations are still proceeding on the lines which I mentioned in my speech last year.

"We have had difficulties in procurement of chlorine supplies. At present we are getting supplies from Delhi, Bombay and Ahmedabad. There have been several occasions when the supplies failed on account of breakdown in the suppliers' plant or transport difficulties. On account of the long distances heavy freight charges have to be incurred. Your Directors, therefore, are examining a proposal to have our own chlorine caustic plant to meet our requirements of chlorine and caustic soda. This scheme is being progressed and, if adopted, will not only ensure steady supplies but also ensure considerable saving. We have also drawn up plans for doubling the capacity of the plant stepping up the production to 200 tons per day during the third Five-year Plan. The scheme has been accepted and included in the draft third Five-year Plan and is progressing.

Ceiling on Salaries

"During the ten years that I have been the Chairman of this Company, the ownership and the constitution of the shareholders has radically changed. When the Company was purely a shareholders company, although a good proportion of the shares were held by the Madhya Pradesh Government, there was a certain latitude granted to the Board of Directors to choose technical personnel at levels of salary which would attract the most competent and efficient staff. As you are aware, we had foreign personnel who received very high salaries and even the Indian personnel were granted salaries according to existing demands for such personnel. Today the Company is a public company, not merely under the definition of the Companies Act, but also according to rules and regulations issued by the Government. The strict financial regulations in the matter of the level of salaries which could be granted are having their effect on the staffing of higher technical personnel. I would like to state, as my personal opinion, that public projects generally would be seriously handicapped if, in appropriate cases, according to the nature of the technique required of the personnel, less rigid conditions regarding maximum salaries are not established. The matter is of general importance to all public sector projects and needs serious and early consideration at the hands of the Government.

Newsprint Supply

"The demand for newsprint has been increasing and the quantity supplied to the newspapers has been stepped up. During the year, about 9,400 tons have been supplied to the newspapers. Next to the newspapers, priority is given to the printers and publishers of textbooks and the books of general interest. The quantity supplied to printers and publishers came to 3,662.35 tons during the year 1959-60. The balance of the production was distributed to Governments and dealers as duty-paid goods through our various agents and distributors.

Staff Welfare

"The welfare of staff continued to be given attention by the Directors. This was the first year in which an incentive award, equal to a month's pay and allowances, was paid to the employees getting a basic pay of Rs. 500, subject to a maximum of Rs. 325. The construction of 100 more F-type quarters and 10 C-2 type quarters have been taken in hand as the accommodation was found to be insufficient to house the employees. These are in progress. In addition a welfare centre, a new maternity and child welfare centre and a recreation hall have been constructed for the benefit of the workers in the third and fourth stage residential areas. These have been completed and brought into use. A bachelors' hostel to accommodate about 25 persons is under construction. Sports and recreational facilities continued to be attended to. The contribution to the provident fund has been increased from 6¼ per cent to 8¼ per cent. of the total emoluments, that is, basic salary and dearness allowance. The workers have also shown a spirit of co-operation in stepping up the production.

"I have to specifically mention on this occasion the resignation of Mr. S. R. Krishnaswamy who worked as the Works Manager of this mill for nearly five years. He has contributed, in no small measure, to bringing up the production in this mill to the present level with his knowledge and experience. I would like to pay a special tribute to his work during his stay in the Nepamills.

"I would like to convey my thanks to all the workmen and the staff who have worked with zeal and enthusiasm in spite of difficulties and grievances. They have given their best to produce these excellent results and I hope will continue to give their hearty co-operation and improve the results even more.

"Finally, I wish to thank all shareholders and all our agents and customers who have encouraged us by using our paper and without whose patronage it would not have been possible to make the progress that we have achieved during the last year."

THE
BRITISH INDIA CORPORATION LTD.
KANPUR

BRANCHES DIVISION
Cawnpore Woollen Mills Branch
New Egerton Woollen Mills Branch
Cooper Allen Branch
North West Tannery Branch
London Office

BEGG SUTHERLAND DIVISION
Secretaries and Treasurers:
The Elgin Mills Company, Limited
Cawnpore Textiles Limited
Brushware Limited
Cawnpore Sugar Works Limited
Champaran Sugar Company, Limited
Saran Engineering Company, Limited

Secretaries for:
Beta Picker & Co. Private Ltd.

Agents for:
Royal Exchange Assurance

ALUMINIUM CORPORATION OF INDIA LIMITED

TWENTY-SECOND ANNUAL MEETING

MR. LAKSHMIPAT SINGHANIA OPTIMISTIC ABOUT THE OUTLOOK FOR ALUMINIUM

ALUMINIUM may be in a position to help the country to make good, to a great extent, India's deficiency in other non-ferrous metals which are likely to be required in the context of our expanding industrial economy. This view was expressed by Mr. Lakshmipat Singhania, Chairman of the Aluminium Corporation of India Ltd., in his speech at the Twenty-second Annual General Meeting of the Company held at Calcutta on Tuesday, 27th December 1960. Mr. Lakshmipat felt very happy that this aspect had been realised and that there was planning and thinking for higher production of the metal. He no doubt considered it possible that there might be a time lag between consumption and production when all the new plants came into production and that such temporary phase might be disheartening for the industry. But he was confident that, ultimately, consumption of aluminium was going to be higher than production.

The following is the full text of Mr. Lakshmipat Singhania's speech:

"GENTLEMEN,

"I have great pleasure in welcoming you to the twenty-second annual general meeting of the Corporation. You will be no doubt gratified to observe from the audited accounts and Directors' report which have already been circulated to you, that, in spite of higher expenses, the Corporation has been able to maintain the level of profits. You will notice from the Directors' report and accounts that adequate appropriations have been made towards depreciation and allocation towards general reserve has also been maintained. The appropriation towards taxation has been reduced by Rs. 2 lakhs and this advantage has been passed on to the shareholders. As explained in the Directors' report, the dividend on preference shares will be paid after deducting tax but now the Preference Shares (Regulation of Dividends) Bill, 1960, has been passed by the Legislature and, as proposed, immediately the full details are available, whatever further dividend, if any, is due to the holders of the preference shares will be paid in due course.

"During the year, the cost of production has gone up further due to increased cost of labour, stores, spares and raw materials, etc., and also due to heavy expenses for replacement and renovation which have been incurred for the maintenance of the Corporation's plant in up-to-date working condition, as the plant is in continuous operation now for more than 17 years. Besides, there have been fresh impositions by the Government in various spheres, including higher railway freight and other charges. In the expanding economy of the country, I do not expect that there will be a downward tendency of these costs. Therefore, future should be viewed with cautious optimism.

Future of Aluminium Industry in India

"As you are all aware, momentous changes are taking place in the country for the development of aluminium industry. I have pointed out before from time to time that aluminium is the only non-ferrous metal which can be produced not only to meet the country's requirements but even beyond due to the availability of sufficient physical raw material, that is, bauxite which is available in abundance in the country. However, power being still the basic raw material for production of this metal, by its anticipated rapid development as envisaged in the third Five-year Plan, the production of aluminium metal is expected to rise to a level which was not possible to comprehend before and which is still difficult to judge, in view of the scarcity of raw materials in developing other non-ferrous metals. There are high hopes that this metal may be in a position to help the country in filling the gap of requirements of other non-ferrous metals to a great extent which are likely to be required in this expanding industrial economy. I am very glad that this fact has been realised and there is planning and thinking for higher production of the metal in the country. Although I may be repeating myself, your Corporation has played an important role by first producing this important metal from Indian bauxite in 1944 with Indian capital, Indian management, Indian labour and on top of that Indian technical 'know-how' and personnel and without any foreign collaboration or help whatsoever in earlier stages. I feel that the services rendered by your Corporation in developing this industry, in the country, would be really realised by the historians at a later date.

"In my last year's statement before you, I estimated the expected consumption due to factors available then, but, due to accelerated industrial advancement, it seems that the earlier thinking regarding pattern of consumption in this country is changing and the consumption probably is going to be much higher than anticipated earlier. For the time being, the Planning Commission has accepted a target of 82,500 tons of metal production as included in the third Five-year Plan. But the Hon'ble Minister for Industries, Mr. Manubhai Shah, declared in the Lok Sabha on 7th September 1960, that the estimated requirements of the country in 1965-66 would be 150,000 tons of metal per annum. In my opinion, there should be no doubt that this consumption can be achieved in this country and as such, production should follow this pattern of requirements. It is, however, possible that there may be a time lag between the consumption and production when all the new plants come into production and such temporary phase may be disheartening for this industry, but ultimately, I am convinced that the consumption is going to be higher than production.

Heavy Excise Duty

"At this stage, I would like to draw your attention to the imposition of heavy excise duty on aluminium metal and its products announced by the Hon'ble Finance Minister in his budget proposals for 1960-61. This step is rather unfortunate, as it will make this metal less competitive in comparison to other non-ferrous metals and may lead to hindrance in increasing the consumption of this metal which is being built up by the Indian producers at a very great sacrifice. The Indian producers have maintained their prices at a lower level without taking full advantage of the tariff protection. My humble opinion is that the consumption of this metal will rise more if it is left alone to find its own market, at reasonable prices by development in future years. However, I am happy that we have an assurance from the Hon'ble Finance Minister that the position will be watched carefully and, if necessary, suitable steps will be taken.

"During the year, the Tariff Commission has again examined the case of this industry and the recent announcement in the Lok Sabha shows that the Government of India has accepted to continue protection till 31st December 1964. At present, there is surplus capacity in several parts of the world for this metal, while there is scarcity in certain parts where the industry has not developed. This is in addition to the fact that some type of protection to this metal is given in particular in every part of the world and in every country. The protection question here has to be judged and watched with great caution in future.

"Since the production of aluminium industry is increasing in this country, it is necessary to examine very carefully the availability of other raw materials such as petroleum coke for electrodes and cryolite for electrolysis which are to be imported. Though small quantity in comparison to the cost of the metal itself, these play a very important part in the production of the metal. It is necessary that our oil refineries should produce the country's requirement of petroleum coke which is needed not only for aluminium industry but many other industries also. This, in my opinion, can be done without much difficulty. The production of synthetic cryolite should also be given higher priority for investigation and production from indigenous raw materials.

"Labour is a very important link indeed in any industrial development. There is a disquieting trend of the trade union movement becoming more and more political, specially in this State. At the moment, I am more concerned with the area wherein your Corporation's factory is situated. Unfortunately in this State and particularly in the area around Asansol where industrial development is rather quite rapid, there have been certain disturbances rather regularly, specially in the collieries, mainly due to political factions between trade unions. The maintenance of the employer-employee relation is becoming more and more difficult and efforts to create a better understanding through Code of Conduct and direct negotiations have no meaning unless and until full co-operation is shown from both sides. I want to mention another danger to employer-employee relations which has taken shape recently. I think I will do better in quoting the recent description by Sir Biren Mookerjee in his own words as follows:

"'There has been for some time an agitation sponsored by some trade unions and several of the State Governments to insist on the restriction of jobs to those popularly described as 'sons of the soil.' If this principle is carried to its logical conclusion, it will amount virtually to the negation of the right of the citizen as a member of the Union to seek employment in any part of the Union territory, a right which has been virtually guaranteed to him by the Constitution. Also, it is bound to result in retaliation by some States who may be affected by the principle rigidly applied against them by any other State. The mobility of industrial labour, which is of benefit both to the workers and their employers, will be seriously impaired and cause no small embarrassment to the management of industrial establishments all over the country.'"

Employment Opportunities

"Such slogans popularly described as job for 'sons of the soil' or 'children of the State' are rather difficult to understand and, in my opinion, such a thing is neither in the interests of the State nor in the interests of the nation. Dr. B. C. Roy, Chief Minister, has correctly defined at a recent meeting of the Legislature that the 'sons of soil' are sons of this country. This State of West Bengal, at one time a pioneer in industrialisation, is now getting behind in sharing the industrial progress of the country and employment figures do not reflect a happy position as compared with the position of the employment figures of other States during the last 10 years. More industrial development means more employment in the area where the development takes place, but let me be honest, jobs are not charities. These cannot be distributed. The jobs are the right of the people who can make themselves capable for them and the slogan should be that people should make themselves capable of acquiring the jobs and not accepting charity. If this attitude is not adopted, I am sorry to say that there will be more loss to the State where already a condition is created that the people are afraid of putting up new industries and also the existing offices are being transferred. There was a time when Calcutta was considered the principal financial city of the country, whereas now it has been noticed that even the main financial offices are away from the city and there is a tendency of more offices being shifted. There must be some reason behind this and I must emphatically urge the people of this State to examine the position very carefully and, for the sake of this State and creation of employment in the State, they should bring about conditions and atmosphere where more employment opportunities are available to the *sons of the soil* or *children of the State*. It is my appeal to all parties that this should be adopted for the interest of the State. I would like to emphasise that the first interest of every employer in any State is to see that the people available locally must be employed and all opportunities be offered to those who are living in the vicinity, otherwise there is no object of establishing an industry in that area. As far as the Corporation is concerned, the employment opportunities are open without any restriction of any kind to everyone of those who are suitable for the job.

Expansion

"As indicated last year as well as clarified in your Directors' report, the Corporation has undertaken the expansion programme for trebling the production of the existing plant. After

(*Continued on page 44*)

MYSORE TOBACCO COMPANY LIMITED

CHAIRMAN, MR. M. MALLARAJ URS, HIGHLIGHTS PROBLEMS OF TOBACCO MANUFACTURE

UNHEALTHY COMPETITION DEPLORED

ADDRESSING the Twenty-third Annual General Meeting of the Mysore Tobacco Company Ltd., held at Bangalore on 17th December 1960, Mr. M. Mallaraj Urs, Chairman of the Company, observed that unfavourable seasonal conditions, intense and unhealthy competition among manufacturers to secure tobacco, and the all-round rise in costs of production had adversely affected the Company's results. He, however, said that this situation was only a passing phase and that the Company was considering diversification of its activities so as to stabilise earnings. The following is the full text of Mr. Mallaraj Urs's speech:

"LADIES AND GENTLEMEN,

"*It gives me great* pleasure to welcome you and to place before you for adoption, the twenty-third annual report of the Directors and the statement of accounts for the year ended 31st March 1960. These reports have already been circulated and have been in your hands for some time and, with your permission, I shall take them as read.

"You will remember that, in the extraordinary general meeting of the shareholders held on 25th June 1960, we amended Section 113 of our Articles of Association, with a view to bifurcate the functions of the Chairman and Managing Director. I am glad to inform you that our Government have accordingly appointed Mr. B. P. Balakrishna as a Government Director and also the Managing Director of your Company. I take this opportunity to welcome him on your behalf.

"You would have read in the report that a sum of Rs. 75,422 has been arrived at, as the net profit, which includes a sum of Rs. 43,858 representing the excess provision made towards sales tax in previous years. You will naturally consider this return as very small. It is necessary that you should be informed of the reasons for the reduced profit during the current year and the steps that are being taken to improve the earnings of the Company in future.

Failure of Crop

"During the year under review the seasonal conditions continued to be unfavourable for the second successive time. You would have known that the unfavourable weather conditions for tobacco crop not only prevailed in Mysore, but also in the Andhra State where the crop produced a large quantity of low grades. In Mysore the quantity and quality were both reduced although the quality of the crop was slightly better than last year. In the Gowribidnur area, the production of tobacco in Company's and private sector diminished and in the Mandya area the appearance of spot disease continued to lower the quality of the leaf. The successive failure of the crop has discouraged the growers, who are showing interest in other commercial and food crops, particularly sugarcane and paddy, whose prices ruled high. Your Directors have taken note of this to arrest the declining interest in tobacco cultivation.

"Your Company was acquiring a large quantity of leaf from private curers who produced flue-cured tobacco; but with the gradual reduction in the production of tobacco in this sector, there has been, however, an intense competition to purchase the available tobacco by the other competing companies. Their interest in Mysore tobacco appears to have increased and they are continuing to buy all grades of tobacco. This severe competition has adversely affected the acquisition of tobacco from this sector. What has been considered more harmful to the business of tobacco is the acceptance of lower standard of grading from the ryots and imperfect grading. This has naturally confused the grower in the marketing of tobacco, as he finds that our system of grading and payment on quality, in contrast, as unprofitable to him. It is also unnecessary for me to add the unfair methods of competition. These methods have been resorted to, in a desperate attempt to secure tobacco at any cost, and I am sure everyone realises that such lowering of standards is unhealthy to organised business of tobacco marketing. Under these circumstances, we have been obliged to enhance the prices of graded tobacco to retain our permanent suppliers. It is to be hoped that, with large expansion of tobacco production, proper standards will be insisted in buying tobacco.

Rising Costs

"I wish to refer, to the most important and the third factor which has affected our earnings. It is needless to say that the leaf industry is faced with rising cost on all sides. The cost of green leaf, the cured leaf, the operational expenses of curing, grading and transport have all increased our cost of production. You will no doubt agree that these increases are inevitable. The value of raw material and salaries on personnel account for nearly 62 per cent. of total cost. Both these costs are rising costs and have to be met with, however much reduction and economy is aimed at. The increase in the rate of green leaf has been paid to retain the growers' interest in tobacco cultivation, particularly during the rising prices of other crops. It is also necessary to make them feel that the Company can always be relied upon to 'stand-by' even in unfavourable years. All this has to be done from a long-range point of view, although the high cost of green leaf has not yielded corresponding high quality in cured leaf. The operational expenses of fuel has gone up due to higher rates paid for fuel and larger quantity of coal consumed. Fuel, on which we depend so much for our operation, is becoming scarcer. The cost of repairs and renewals and transport have all shown increases which have affected our nett return. You will, therefore, see that successive unfavourable weather conditions, the reduced output of tobacco in both Company's and private sector, added to it, increased value of raw material, salaries and wages have diminished our returns.

Expansion

"The intensive cultivation in the existing areas of production and large expansion in Company's centres and private production in new areas are practical steps at improving the working of the Company and I need hardly add how anxious your Directors are in examining proposals for the expansion of the Company. The development of new areas under Company's and private sector is naturally slow and involves large investment of capital. A beginning has been made and it will take some more years to derive the benefit of increased production. We are, however, doing our best to improve in the existing areas. The introduction of new varieties known to give higher percentage of brighter grades and application of balanced fertilisers have already been demonstrated. The control of spot by early removal of basal leaves and spraying is also being carried out.

Critical Period

"I wish to inform you that we are passing through a critical period of rapidly rising cost, on one side, and decreasing quantity of production of tobacco with low outturn of quality, due to high incidence of diseases and successive unfavourable conditions, on the other. It is not unusual for intense fluctuations, as tobacco, of all agricultural crops, is valued more for its quality which is, more often than not, dependent on favourable weather conditions. The demand for our tobacco has not fallen down. The quality is rated very high and there is keen demand for this type of tobacco. Our buyers, Messrs. Indian Leaf Tobacco Development Company, are actually assisting us, in improving the quality of the tobacco, by sending their experts and, therefore, I consider that there is no cause for undue anxiety about the future. But it is inevitable that anxious periods have to be passed, in the hope of better conditions favourable for tobacco cultivation. During the year under report, your Company increased the quantity of tobacco export to foreign countries. A quantity of 3,15,020 pounds of tobacco was exported, as against 2,64,218 pounds in the previous year. Your Company is well established and is expanding its activities. Your Directors are seriously considering other proposals which will ensure a stable return, despite seasonal conditions, by undertaking other kinds of work. During this year, we continued to process tobacco of outside agencies and it is hoped to secure increased quantities of the same. It is the desire of your Directors that this Company, in addition to encouraging cigarette tobacco cultivation also includes other types of tobacco grown in other parts of the State and thus expand the activities of the Company.

Storage

"Your Directors are examining the proposal to build a large cool stores for tobacco at Whitefield, which will undoubtedly place the Company in a more secure position. As this question is pending sanction of additional power supply, negotiations are being made with our Government for grant of electricity. The flue-curing of tobacco by several growers in various parts of the State is carried on as a small-scale industry and your Company is supporting a network of these, through material and technical aid and organised marketing, and is also the mainstay of several small growers. It is, therefore, imperative that facilities are granted for expansion of the industry. This will indirectly help in the development of agricultural industry in rural areas.

"Your Company has continued to maintain cordial relations with all the growers.

"We are most grateful to our buyers, the Indian Leaf Tobacco Development Company Ltd., Calcutta, for their continued co-operation and assistance in several fields of our activity.

"In conclusion, I wish to acknowledge with gratitude the continued assistance and encouragement given to your Company by the Government of Mysore. I also acknowledge, with thanks, the valuable advice, guidance and co-operation received from my esteemed colleagues on the Board. The employees and the officers of the Company have put in very hard work and they deserve particular mention for their loyal services.

"I now move that the Directors' report and the audited accounts for the year ended 31st March 1960 with the auditors' report thereon be adopted."

Note:—This does not purport to be a report of the proceedings of the general meeting.

ANNOUNCEMENT

THE GREAT EASTERN SHIPPING CO. LTD.

60, Mahatma Gandhi Road, Bombay 1

INSTEAD OF SPEAKING AT THE ANNUAL GENERAL MEETING HELD ON 29TH DECEMBER 1960, THE CHAIRMAN ISSUED A STATEMENT IN ADVANCE TO THE SHAREHOLDERS. A COPY OF THE CHAIRMAN'S STATEMENT CAN BE OBTAINED FROM THE SECRETARY OF THE COMPANY BY REQUEST.

MYSORE CHEMICALS AND FERTILISERS LTD.

CHAIRMAN, MR. T. SHAMANNA, ON TRENDS IN FERTILISER INDUSTRY

KEEN COMPETITION IN PRODUCTION AND DISTRIBUTION ENVISAGED

ADDRESSING the Twenty-fourth Annual General Meeting of the shareholders of the Mysore Chemicals and Fertilisers Ltd., Mysore, held at Mysore City on 14th December, the Chairman of the Company, Mr. T. Shamanna, I.A.S., observed that, in spite of the growing market for fertilisers, the rapid expansion in productive capacity, now under way, was sure to spark of keen competition among the producers of fertilisers. In order to withstand this competition, it was necessary, according to him, to hold the cost of production under check and keep a constant watch over the needs and trends of the market. He said that small-scale plants and operations had become uneconomic and it was necessary, in the interest of efficiency, to think in terms of bigger units and expanded operations.

The following is the full text of Mr. Shamanna's speech:

"GENTLEMEN,

"It gives me great pleasure to welcome you all to the twenty-fourth annual general meeting of your Company. The Directors' report and the audited statement of accounts for the year ending 31st March 1960 have been with you for some time now and I trust you will permit me to take them as read.

Higher Dividend

"A clear picture of the working of the Company during the year under review has been briefly given in the Directors' report. I hope you will be satisfied to see that the production and sales for this year have been higher than that at any time in the past which enabled a fair margin of profit being secured by the Company. This has been achieved in spite of the very heavy electric charges that we have been made to pay. Although your Directors, with their usual prudence, thought of appropriating a good proportion of this profit towards reserves and maintain the same rate of dividend as before, it was thought finally that the shareholders should be made to participate in the increased profits and, therefore, a higher rate of dividend has been proposed for this year.

"I expect that the production and sales for the current year will be higher than last year's. We are trying our best to maintain the same level of profits although our costs of operation are higher and selling prices of some of our products lower.

"You will recall that at the last general meeting I had indicated your Directors' intentions to expand the production of sulphuric acid and superphosphate. I am glad to inform you that definite steps have since been taken to carry out these intentions. We have placed orders for a sulphuric acid plant of 50 tons capacity at a cost of approximately Rs. 10 lakhs. We are expecting that the plant will be ready for operation within about 18 months. A decision has also been taken to install a mechanised unit of about 60,000 tons annual capacity for manufacture of superphosphate. We have made an application to the Government of India to secure a licence under the Industries (Development and Regulation) Act, 1951 and we are hoping that the Government will consider our application favourably at an early date. The outlay on the superphosphate plant, including the cost of the plant, buildings, etc., is expected to be of the order of Rs. 20 lakhs.

"Altogether, our expansion plans are estimated to cost about Rs. 35 lakhs, including some provision for working capital and the question of financing them has been engaging our very careful attention. The approval of the general body was obtained to increase the authorised capital of the Company to Rs. 50 lakhs. While this is so, your Directors have been seriously thinking that it might be possible to meet the cost of our expansion programme from the existing resources of the Company supplemented by borrowings to the extent required and therefore issue of fresh capital may not be necessary. It is indeed a healthy feature that the Company is in a position to find its requirements of such large sums of money in this way.

Keen Competition

"While shape is being given to our expansion plans in this manner, you must be aware that the development of the fertiliser industry in the country is being taken up seriously by the Government of India and large-scale units are being planned all over the country. One such large unit is proposed to be established in the Mysore State. It is, however, not yet decided whether it should be in the public or private sector. It is likely that other smaller units will be set up in the private sector. With such development of the industry in our own State, there is no doubt that we will have to face in the years to come severe competition and it is, therefore, necessary that we should think of catering to the market in a proper manner by supplying quality products at as cheap a rate as possible. The indications are that we have a growing market for superphosphate and the severity of competition may be minimised, to some extent, if our agriculturists begin to use more and more phosphatic fertilisers. But, we have to be vigilant and keep a constant eye on our production costs and the market. The Ministry of Agriculture, Government of India, have selected Mandhya District as one of the few centres in India for their intensive agricultural programme known as the 'package programme.' This means that there will be a sizable increase in the demand for our fertilisers in our home market. While this is so, it is necessary for us to explore new markets and establish a growing demand for our products in other parts of the State and the country.

Expansion and Diversification

"The industrial pattern in the country is changing so fast and so radically that perhaps, in the next five years, all our ideas of manufacture, management and marketing will have to undergo a considerable change. It is therefore necessary that we should continuously think of expanding and, if possible, diversifying our production. Our dependence on cheap electricity, which has acted as a great handicap, must be reduced. In fact, our present plans have been formulated with this object in view.

"No industry can afford to remain stagnant. It can do so only at the cost of its very existence. I, therefore, venture to suggest that the present expansion schemes should be considered as a prelude to further plans that we should think of right from now.

"Due to force of circumstances, we in Mysore have been thinking in terms of small-scale plants and small-scale operations all these years. Such operations have now become uneconomic with the result that we are not in a position to face competition from more modern and large-scale plants. People in charge of industrial concerns in Mysore have to change their thinking radically to suit the new trend in the country. Almost all the industries that were set up in the State about 15 to 20 years ago were great pioneering efforts and were characterised by boldness and vision which put Mysore in the van of industrial progress in the country, but they are small considered from the present-day standards. Unless we change the pattern of our thinking and develop our industrial units in line with the present pattern in the country, we will be left far behind. It is a happy augury that most of the industries in the State have such expansion plans and I have no doubt that the pioneering efforts made by Mysore in various directions will be stabilised in a manner fitting into the present context.

"On behalf of the Company, I wish to express our grateful thanks to the Central and State Governments for their sustained interest in the progress of the Company and their assistance in the implementation of our expansion plans.

"I am grateful to my colleagues on the Board for their wholehearted co-operation and valuable guidance.

"Our thanks are due to all the employees of the Company for their willing work and co-operation and for continuing the cordial relationship between the management and labour.

"Gentlemen, with these observations, I hereby move that the Directors' report, the audited balance-sheet, and profit and loss account for the year ending 31st March 1960 be approved and adopted."

N.B.—*This does not purport to be a record of the proceedings of the annual general meeting.*

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES
* DEMAND DRAFTS * LEDGERS
* PAY-IN SLIP BOOKS * PASS BOOKS
* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CARTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

DOG SPIKES

for railway sleepers

Dog Spikes and Round Spikes for the Railways manufactured to I.R., I.S.D. & B.S. Specifications, will keep tracks safe and properly tied.

BOLTS

for railway carriages and machine joints

Manufactured to I.R., I.S.D. & B.S. Specifications, our Bolts for Railway carriages and machine joints will stand up well to the extremes of operating conditions.

Manufacturers of all types of Bolts, Nuts, Rivets and Spikes. Made to any required specifications.

STEEL MOULDERS

18A, Rupchand Roy Street, Calcutta-7

PROTECTION FOR BICYCLES TO STAY

SHORTAGE OF RAW MATERIALS HAMPERS INDUSTRY'S GROWTH

THE indigenous bicycle industry, though of comparatively recent origin, has made substantial headway. Nevertheless, much leeway remains to be made up before the industry could be in a position to compete effectively with foreign products on equal terms, particularly in respect of price and quality. It is, therefore, gratifying to hear that the period of tariff protection to the industry, which was to expire at the end of 1960, has now been extended for a further period of three years, with effect from the 1st inst. The Government recently announced its agreement with the recommendation of the Tariff Commission to this effect.

Many vital considerations weighed with the Commission in recommending continuance of protection. In the first place, the industry is still dependent on imports for certain essential raw materials, including steel. Not only is the cost of imported steel comparatively high to Indian producers, but they are also finding it difficult to get adequate supplies of suitable quality. Secondly, there is need for considerable improvement in quality, particularly in the case of small units. Thirdly, the structure of the industry requires gradual readjustment to bring down costs. Some of the large-scale units produce a much larger number of components themselves than their counterparts elsewhere. "This deprives the domestic industry of the benefits of lower costs by the large-scale production of components, which foreign manufacturers derive." Besides, the Commission has noticed that there is a genuine apprehension in the minds of small-scale producers that unfair competition may develop between units with foreign collaboration and the rest, once protection is withdrawn. In view of all these factors, the Commission feels that the industry requires close watch till it is in a position to compete with imports without high rates of protective duty.

Rate of Duty

The industry has been enjoying tariff protection for the last 14 years. As in the previous three years, the preferential rate of duty on bicycles has been fixed at 65 per cent. *ad valorem* or Rs. 80 per cycle, whichever is higher, and that on parts and accessories of bicycles 65 per cent. *ad valorem*, the standard rates of duty being 10 per cent. higher in both cases. The present scheme of protection covers complete bicycles and parts and accessories thereof. The Tariff items relating to them are 75(5), 75(6), 75(7), 75(7A) and 75 (8). The first mentioned item covers cycles (other than motor cycles) imported in sections, or otherwise, but excludes saddles, tyres and tubes and certain accessories. The next three items cover frames, handlebars, and roller chains of certain sizes whether imported, cut to length or in rolls. Item 75(8) covers all other parts and accessories of bicycles, not otherwise specified.

Under the shelter of protection, the industry has made great strides. There are at present 21 units engaged in the industry, as against 17 units in 1957, no more than six in 1953 and only two in 1949. Among the existing units, three have an annual installed capacity of 200,000 bicycles each and another has 100,000 bicycles. The rest are of medium size. Only three of these units (of which two are large ones) have entered into technical collaboration with foreign firms. The annual licensed capacity of all these 21 units aggregate 1,415,000 bicycles and the installed capacity 1,296,000 bicycles. The number of bicycles manufactured in India rose from a mere 114,275 in 1951 to 264,169 in 1953, 796,549 in 1957 and 990,982 in 1959. In the first half of 1960, production increased further to 509,627 bicycles, or an annual rate of over one million bicycles. The table at the bottom of this page shows the trend of progress in respect of installed capacity and production of bicycles in India since 1957.

Small Units

Apart from these large- and medium-scale units, there are numerous small units engaged in the manufacture of bicycles and components. In the beginning of 1960, for instance, there were as many as 130 small units manufacturing complete bicycles, most of them situated in the Punjab and West Bengal, with a total capacity of 750,000 bicycles a year. This compares with only 49 small units, with an annual installed capacity of 219,000 bicycles in 1957. The volume of production has also gone up substantially. The production of bicycles in the small-scale sector is as follows:

1956	...	...	...	45,000 bicycles
1957	...	...	...	111,000 "
1958	...	...	...	171,000 "
1959	...	...	...	197,000 "

The existence of such numerous small producers in an item like the bicycle which, as the poor man's vehicle, deserves to be mass-produced in order to keep its cost down, is a serious weakness in the structure of this industry. What is more, like the big units, the small ones also are said to be making too many components at the same time. Consequently, they are not able to pay sufficient attention to the development and production of a standard product of specified quality. The Governments, Central and States alike, are making a grave mistake in permitting them to grow as they have done and it is high time something effective was done to correct it. In this context, the Commission's remark that "it would be better to encourage them, in the initial stages, to specialise in the production of a few component parts each" is pertinent and deserves the attention of the authorities.

The total number of bicycles produced in the large, medium and small sectors aggregated 1,188,000 in 1959, as compared with 1,084,000 in 1958, 908,000 in 1957 and 691,000 in 1956.

Components

In respect of components, besides large-scale bicycle manufacturers, some of which have surplus capacity over and above their own requirements, there are other units both in the large-scale and small-scale sectors, which manufacture components alone. Licences have been issued to bicycle manufacturers and ancillary units for the expansion of existing units and addition of new ones. When these go into production, the volume of components manufactured in India will go up substantially. The following table shows the current, and prospective capacity for major components on the basis of licences given to the large-scale manufacturers and ancillary units, as also production in 1959, as compared with 1957:

(In millions)

	Present capacity	Capacity licensed	Production	
			1959	1957
Saddles (Nos.) ..	1.14	1.74	0.56	0.24
Hubs (Nos.) ..	1.64	1.79	1.66	0.98
Rims (Nos.) ..	2.81	3.05	2.96	2.27
Chains (Nos.) ..	1.07	4.15	0.96	0.45
Spokes (gross) ..	1.13	1.49	0.85	0.71
Free-wheels (Nos.).	1.33	3.69	0.62	0.19

In addition, there are over 612 units in the small-scale sector (as in 1958, the latest year for which data are available), manufacturing bicycle components, as against 501 units in 1957. The production of these units is available only in terms of value. It is estimated to have gone up from Rs. 175 lakhs in 1955 to Rs. 294 lakhs in 1956, Rs. 277 lakhs in 1957 and Rs. 316 lakhs in 1958.

Demand

The demand for bicycles for 1960 is estimated by the Commission at 1.25 million and is expected to go up by 200,000 bicycles annually, that is, to 1.45 million in 1961, 1.65 million in 1962 and 1.85 million in 1963. In arriving at these figures, the Commission has taken into account the likely growth of industrial townships, development of roads in the rural and urban areas, improvement in the standard of living, etc. It may be noted here that the annual capacity already licensed in the organised sector is 1.42 million bicycles, on a single-shift basis. The approved capacity in the small-scale sector is 750,000 cycles. Thus, both the sectors taken together have sufficient capacity to meet domestic requirements. Much, however, will depend upon the availability of raw materials for these units. In its report, the Commission has also given an idea of the trend in growth of demand for components. The demand for these components, according to it, is expected to go up sizably *pari passu* with that of bicycles.

The principal raw materials required by the industry are steel items, such as tubes (used for frame, pedal, handle bar, seat pillar, fork column, brake, etc.), strips (used for rims, mudguards, chain wheel, B.B. fittings, hubs, fork crown, chain, etc.), bars, wires and sheets. Tubes, sheets and black bars are available indigenously. The requirements of strips, free cutting bars and wires are largely met by imports. Besides steel items, the other raw materials required are brass for brazing, brass wires for nipples, and copper, nickel and chromium anodes. Brass wires and anodes are imported and brass for brazing is available indigenously. The industry also requires a number of consumable stores, including chemicals for polishing, brazing, electroplating and heat treatment. The bulk of these items is imported.

Steel Tubes

The most important raw material for bicycles is steel tubes. Indigenous availability of this item has considerably improved since the last inquiry and at present both the major producers, namely, Indian Tube Company Ltd. and Tube Investments of India Ltd., along with two previous suppliers of tubes, namely, Premier Automobiles and Godrej and Boyce Company Private Ltd., are able to meet the bulk of demand for steel tubes by the bicycle industry. One of the bicycle manufacturers has, however, complained about the following technical defects in indigenous steel tubes: (1) Excessive ribbed surface, (2) pit marks on the surface, (3) heavy corrosion inside the tubes, and (4) under annealing, resulting in "orange pooling" of the surface. While we are told that such defects are not eliminated even in imported tubes, tube manufacturers, according to the Commission, have already taken note of these defects which were noticed in the initial stages of production and steps are being taken to remedy them. The Commission says that such complaints in themselves will not justify import of tubes. The tube manufacturers, in turn, have also complained that they do not get full quota for imports of cold rolled steel strips and that the quality of indigenous steel strips is not as good as that of the imported ones and that they are not also available in requisite quantity.

Referring to the difficulties experienced by the industry in the way of securing steel items from indigenous sources, the Commission has suggested that the Iron and Steel Controller, in consultation with the Development Wing and the Development Commissioner, Small Scale Industries, should examine the possibility of reducing the delays in the procurement of steel items. In respect of imported items, too, the industry has complained about shortage in supply and procedural delays. In particular, the industry has pleaded for increasing the initial validity period of import licences for special steel items for the industry to one year, while formulating import policy in future.

Quality

The Commission's report reveals that many of the producers in the organised sector have taken various steps to improve the quality of their products by the introduction of new designs, improvement in manufacturing and finishing processes, usage of improved tools, tightening of inspection and testing procedure, introduction of quality control, employment of trained and experienced technical experts and provision of training facilities to staff. It would appear that the large-scale manufacturers, particularly those with foreign collaboration, have not received any complaints with regard to their products. Complaints received by other manufacturers pertained "to wear and tear, and improper adjustments and lack of finish." Manufacturers have informed the Commission that these defects are being rectified as and when pointed out. In this connection, the Commission regrets that no unit has so far availed of the facility of the "certification mark" scheme of the Indian Standard Institution, in spite of its recommendation to do so in its last report (1957). The Commission feels that particularly in the case of producers of components, some of whom have complained about keen competition with indigenous products bearing foreign brand names, the "certification marks" scheme will really prove of some advantage. It has suggested, in this connection, that the I.S.I. should look into the complaints of the manufacturers against the "excessive" fees charged by the I.S.I. for certification marks and remove any basis for genuine grievances, so that popularity of the certification marks scheme which may prove of advantage to the small-scale sector and the ancillary industry, may be furthered.

Fair Ex-works Prices

For the purpose of computing fair ex-works prices, the Commission has examined the costs of three units, namely, Hind Cycles, T.I. Cycles and Pearl Cycles. The estimated fair ex-works prices of the bicycles produced by these three manufacturers are given below:

	Unit A Rs.	*Unit B* Rs.	*Unit C* Rs.
Raw materials and finished parts (inclusive of tyres and tubes) including excise duty.	85.30	65.70	97.82
Labour and establishment and indirect labour	11.44	20.58	19.01
Other direct charges less recoveries	9.16	15.33	10.49
Depreciation and other overheads	6.07	6.93	5.82
Return at 10 per cent. on capital employed	7.59	5.49	6.42
Total ..	119.56	123.03	139.56

The landed cost (without duty) of an imported Japanese bicycle is estimated at Rs. 79.20. It will thus be seen that the difference between this and the fair ex-works price of indigenous products from the units A, B and C is Rs. 40.36 (51.47 per cent.), Rs. 55.89 (55.89 per cent.) and Rs. 60.36 (76.97 per cent.) respectively. The Commission has also worked out the difference between the fair ex-works price of the indigenous and imported components as well. In view of the wide disparity in prices, the Commission is justified in recommending continuance of protection to the industry. The industry should, however, spare no efforts to bring down its cost of production, for protection entails a great burden on consumers. It is only reasonable to assume that there is considerable potential demand for bicycles, which will be realised only when prices are brought down sizably. At the same time, it is necessary to concede that the industry's ability to bring down prices is related to ready availability of raw materials at reasonable prices. In view of the plans for expansion of steel production envisaged at present, there is reason for optimism that a solution to this problem is not far off.

Capacity and Production of Bicycles in India

Names of companies (with the year of their commencement of production in brackets)	Installed capacity (single-shift)		Production	
	Current	1957	1959	1957
Hind Cycles, Bombay .. .. (1941)	100,000	100,000	150,890	156,094
T. I. Cycles, Madras .. .. (1951)	300,000	200,000	200,667	188,276
Atlas Cycles, Sonepat .. .. (1952)	200,000	200,000	200,112	144,715
Sen-Raleigh, Calcutta .. .. (1952)	200,000	100,000	169,413	97,909
Hindustan Vehicles, Patna .. .. (1942)	30,000	30,000	29,617	15,146
India Cycle, Calcutta .. .. (1949)	30,000	30,000	17,520	22,983
Avon Cycles, Ludhiana .. .. (1954)	12,000	12,000	22,562	15,002
Bhalla and Sons, Delhi .. .. (1955)	30,000	60,000	15,199	19,107
Wearwell Co., Faridabad .. .. (1955)	50,000	50,000	35,701	20,654
Pearl Cycle, New Delhi .. .. (1955)	55,000	24,000	57,257	50,632
Popular Cycle, Agra .. .. (1955)	15,000	15,000	3,096	5,333
Hero Cycle, Ludhiana .. .. (1956)	25,000	7,500	13,355	7,471
Metal Goods Manufacturing, Banaras .. .. (1956)	15,000	15,000	8,068	6,767
Gopal Metal Works, Lucknow .. .. (1956)	40,000	40,000	9,935	22,947
Roadmaster Industries, Rajpura .. .. (1956)	25,000	25,500	16,252	12,897
Rampur Engineering Co., U.P. .. .. (1956)	20,000	20,000	5,333	500
Zenith Cycle, Delhi .. .. (1957)	24,000	..	15,025	9,000
Steelsons, Modinagar .. .. (1958)	20,000	..	9,700	..
Prakash Engineering, Lucknow .. .. (1958)	15,000	..	11,280	..
Indian Malleable Castings, Calcutta .. .. (1960)	30,000	..	..	..
Everest Ind. Corporation, Gauhati .. .. (1960)	60,000	..	..	..
*Nundy and Co., Calcutta .. .. (1955)	..	25,000	..	1,116
Total ..	1,296,000	954,000	990,982	796,549

* This unit discontinued manufacture of complete bicycles in 1958.

CENSUS 1961

10 February—5 March

A million persons are working together to take the most comprehensive census ever taken in our country.

They are being thoroughly instructed, each in his appointed task. Above all, they will have elaborate and intensive practical training.

They will come to every one, for each one of us is equally important for the census.

Let us help them as best as we can.

All information given to them will be strictly confidential and fully protected.

ISSUED BY GOVERNMENT OF INDIA DA-60/565

You Can Now Share The Profits OF

THE MOST FLOURISHING SUGAR INDUSTRY OF U.P.

TEXTILE TRADERS SYNDICATE LTD.

(Incorporated in 1946 as a PUBLIC COMPANY)

STARTS

New Saraswati Sugar Mills

In Saraswati Nagar, Dist. Bulandshahr.

A Few Miles From Delhi, The Capital of India,

Under Bulletin No. 5, Ministry of Food and Agriculture, Government of India, New Delhi.

40,000 Shares of Rs. 10/- Each, Issued at par to be Subscribed by General Public

1. At present only half the amount of the shares to be purchased (Rs. 5/- per share), should be sent, only in the name of Textile Traders Syndicate Ltd., Bulandshahr, U. P., through Bank Draft or Money Orders. Cheques will not be accepted.
2. These shares can be purchased in the name of Government servants, ladies and minors also.
3. Full name, father's name and complete address should be sent with the share money.
4. More than 100 shares will not be allotted in one name.
5. No consideration will be possible on requests received after full number of shares are subscribed and the money will be returned to the sender.
6. Correspondence to be made in English, as far as possible.

COMMERCE

India's Premier Financial, Commercial and Industrial Journal

Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.

BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY

Telephone No. 253505

A.C.C. IS PASSING THROUGH HARD DAYS

RETENTION PRICE POLICY OF GOVERNMENT MOST UNREASONABLE

IT looks as though investors in cement companies will soon share the fate of electricity undertakings, unless the Government of India is at least reasonable in fixing the retention prices payable to producers. At present, the Government is less than reasonable. Indeed, it is very unfair, especially to the larger cement-producing companies. Its present policy of parsimony in this matter is ruinous, as it will not permit rapid expansion in the production of cement, a basic construction material without which there can be no economic progress. Evidence of this shortsighted policy is provided by the report of the Associated Cement Companies Ltd. (Managing Agents: Cement [Agencies] Private Ltd., Bombay) for the year ended 31st July 1960. This shows only a modest improvement in profit over the previous year, despite a substantial rise in production and sales. The result is that the Directors have recommended only a slightly higher dividend. At 12 per cent. per annum taxable, the proposed dividend is equivalent to a tax-free dividend of 8.4 per cent., which represents only a slight advance over the tax-free dividend of 7.7 per cent. for the previous accounting year. Even for paying the small dividend of 8.4 per cent., the Company's distributable profit, amounting to Rs. 1.46 crores, is not adequate, as the dividend requires Rs. 2.29 crores. The Directors have, therefore, withdrawn Rs. 84.50 lakhs from the general reserve. Since they have set aside a sum of Rs. 70.04 lakhs from the net profit to the development rebate reserve and another sum of Rs. 1.77 lakhs to the amortisation reserve, the actual net depletion of reserves this year is of the order of Rs. 12.69 lakhs.

This clearly indicates that Government's policy of fixing low retention prices for the cement industry combined with the heavy incidence of the statutory provision requiring a company to set aside 75 per cent. of the development rebate allowable on new plant and machinery installed after 1st January 1958, is compelling the Company to draw down its general reserves year after year, in order to maintain only a modest return on the shareholders' capital. It is no wonder then that the shares of even this first class company should be quoted perceptibly lower than a year ago, that is, at Rs. 146.50 *cum-div.*, as against Rs. 152.50 a year ago. At this rate, the yield on the scrip is as high as 6 per cent. per annum, free of tax. Such a high yield reflects the investor's lack of confidence in the growth prospects for the Company, in particular, and the industry, in general. Even the fact that the Directors have decided on an increase of 0.70 per cent. in the net dividend (the quantum of increase would be much more in the case of investors who are entitled to a full or even a partial refund of the tax deducted at source) has only prevented the scrip from going down further in market value.

Sales Improve

In the previous accounting year, the Company was confronted with a sudden drop in the demand for cement, particularly for Government requirements, with the result that the despatches had failed to keep pace with the increase in production. The aggregate sales in 1958-59, therefore, had gone up only slightly from Rs. 24.34 crores to Rs. 25.55 crores. In the year under review, however, there was an improvement in the offtake of cement and sale proceeds increased to Rs. 27.09 crores. The gross profit also registered an advance but only by Rs. 52.36 lakhs over the previous year's level of Rs. 550.23 lakhs. What is more, a large part of this increase has been absorbed by the provisions for depreciation and taxation. The addition to depreciation account has increased from Rs. 2.13 crores to Rs. 2.40 crores, while taxation has taken up Rs. 1.11 crores, as against only Rs. 1 crore last year. The net profit, after providing for these essential set-offs, has fractionally increased from Rs. 2.00 crores to Rs. 2.13 crores. Of this, a sum of Rs. 70.04 lakhs, or about 33 per cent., has been credited to development rebate reserve, as compared with Rs. 74.16 lakhs transferred to this reserve a year ago.

The following comparative table shows at a glance the trend of the Company's financial results for the past four years:

(Value in lakhs of rupees)

	For the year ended 31st July			
	1960	1959	1958	1957
Sale proceeds of cement	27,08.68	25,55.37	24,34.48	22,02.79
Other income	82.22	78.48	80.27	53.92
Closing stocks	1,17.68	1,29.60	1,01.80	92.00
Expenses	21,76.30	21,11.51	19,73.65	18,55.07
Gross profit	6,02.59	5,50.23	5,50.90	4,87.41
Managing agency commission	38.96	37.14	41.02	36.06
Provision for—				
Depreciation	2,39.60	2,12.74	1,80.24	1,56.04
Taxation	1,10.93	1,00.35	1,17.57	1,17.45
Net profit	2,13.10	2,00.00	1,82.07	1,77.86
Excess provision written back	2.60	3.92	20.13	12.30
Withdrawal from reserves	84.50	79.00		
Transfer to reserves	70.04	74.16	55.00	55.00
Transfer to amortisation reserve	1.77			
Dividend	2,28.89 (12%)* 0.42	2,09.82 (11%)* 0.92	1,47.80 (8¼%)† 1.98	1,35.51 (9%)† 2.59
Carry forward				

* Subject to deduction of tax at 30 per cent.
† Free of tax.

It will be noted from the table that the margin of gross profit (that is, the ratio of gross profit to sales) has registered only a slight advance, increasing from 21.6 per cent. in 1958-59 to 22.2 per cent. in the current year. In the year 1956-57, the ratio stood at as high as 24.7 per cent. Several factors have been responsible for the declining trend of the profit-margin of the Company in recent years. In spite of effecting technical improvements, designed to increase efficiency and higher production, costs have continued to rise steadily due to the enhanced railway freights and the higher burden of wages and dearness allowances. In computing the retention prices for cement, the Tariff Commission has not given sufficient allowance to cover the increase in labour costs per ton of cement, because it has adopted as the basis the installed "rated" capacity, instead of the actual level of production, which has been much below the capacity in recent years. And from what the Directors say in their latest report, there does not appear to be any hope of the Company securing redress against the rise in costs at least till 1st July 1961, when a new retention price may become operative. None knows whether the Company's claim will be admitted by the Tariff Commission and the Government and, if so, to what extent. The Directors have rightly deprecated the unsympathetic attitude of the Government towards a major controlled industry like cement. They are undoubtedly very mild in their criticism when they describe the present position as "frustrating."

Besides the Government's unhelpful policy of price fixation based on false assumptions, the Company has also been suffering from shortage of coal and general inadequacy of transport. Consequently, neither production nor despatches could attain the level of installed capacity.

In spite of the gloomy situation currently confronting the Company, the Directors have decided to continue their ceaseless efforts at expanding the capacity of their workshops and factories, but, for various reasons, the implementation of the expansion programme and the full realisation of the fruits of expansion, wherever completed, are somewhat obstructed, as will be evident from the following extracts from the Directors' report:

"The extension of the Shahabad Works which raised its capacity from 4.00 lakh tons to 5.65 lakh tons per annum, was completed in June 1960. The full benefit of the extended capacity is not, however, likely to be reaped for some time as the Mysore State Electricity Board has not yet been able to meet the requirement of additional power. The first stage of the modernisation and extension of the Kymore Works was completed early this year with the removal of certain initial difficulties experienced since April 1959, when the first of the two 500-tons-per-day kilns went into production. The second phase of the extension has now been completed with the lighting up of the second 500-tons-per-day kiln in September 1960. As a result of this extension, the capacity of the factory has risen from 3.60 lakh tons to 5.73 lakh tons per annum. At Chaibasa, the flotation plant installed for the beneficiation of limestone was commissioned in July 1960. This has enabled the use of low quality limestone which would otherwise have been rejected, and will therefore prolong the life of the factory for many years to come. The installation of the coal washing plant at the Nowrozabad Colliery was completed at the end of 1959 and, after initial trials, the washery was put into operation from the beginning of February 1960.

"The second dry-process kiln at Mancherial was originally scheduled to commence production in March 1960. However, due to prolonged labour unrest at the factory, it was not possible to complete erection work as programmed. Although the labour situation is gradually returning to normal and erection work has been almost completed, it is feared that the operation of the plant may be further delayed on account of the inability of the Andhra Electricity Board to supply the full requirement of additional power. Work on the slag cement project at Chaibasa and the slag granulation plant at Jamshedpur has almost been completed, but there has been delay on the part of the railways in approving extensions to the railway siding within the works at Chaibasa. Regular production of slag cement, which will raise the annual capacity of this factory from 3.10 lakh tons to 4.80 lakh tons, is expected to commence by about the middle of 1961. Work has been started on the extension of the Katni Factory for the manufacture of refractories to enhance the present capacity of 17,640 tons to 30,000 tons per annum."

It will be seen from the foregoing extracts that it is the failures of the public sector that are chiefly responsible for the slow growth of expansion in cement production. Shortage of power due to the inability of States' electricity boards to complete their programmes in time is proving to be a serious handicap to progress on the production front.

During the year under review, the Company made a capital investment of Rs. 2.34 crores on top of the capital expenditure of Rs. 4.69 crores incurred in the previous year. The total gross value of the fixed assets now stand at Rs. 42.05 crores. The depreciation provided so far is Rs. 16.71 crores, so that the book value of the block account is Rs. 25.35 crores. Unallocated capital expenditure and machinery in transit amount to Rs. 95.66 lakhs and other current assets Rs. 18.01 crores. As against these, the current liabilities (including secured loans) and various provisions aggregate Rs. 14.45 crores. The net assets over liabilities work out to Rs. 29.86 crores, represented by a paid-up capital of Rs. 19.07 crores and reserves and surplus of Rs. 10.79 crores.

A perusal of the Company's dividend record clearly confirms our remark at the outset of this review. The net dividend of Rs. 8.40 for 1959-60 is less than that for 1957-58, namely, Rs. 8.50 per share. In fact, it is the lowest since 1948-49 (barring 1958-59), for which year a tax-free dividend of 7 per cent. was paid. Between 1950-51, the first year of the first Plan and 1959-60, the penultimate year of the second Plan, the Company's sales rose from about Rs. 12.50 crores to a little over Rs. 27 crores, but its net profit to sales realisation followed the reverse trend, coming down from 12 per cent. to about 5.25 per cent. and the dividend from 9.5 per cent. to 8.40 per cent. per annum. This is the result of the pseudo-socialism which is being relentlessly pursued by the powers-that-be, a result which runs contrary to another of their declared policy, namely, financing of industrial expansion through retention of profit by the corporate sector. Here is a striking example of an economy which suffers from adherence to dogmatic socialism.

STATE BANK OF INDIA'S

RUPEE TRAVELLERS

CHEQUES FOR

CARE-FREE TRAVEL

You can travel anywhere in India and outside without having to carry a large amount of cash, without being in fear of theft or of running short of money.

The State Bank's travellers cheques, issued in denominations of Rs. 100/- and Rs. 50/-, represent the ideal travel funds. They are as safe as a bank draft and are encashable anywhere, anytime.

This is one more of the services the Bank has provided from January 1958. For complete information, please ask for a copy of our illustrated booklet from the branch nearest to you, or consult your travel agent.

SISTA'S-58-15

JUTE

(*Concluded from page 14*)

cast of the Directorate of Economics and Statistics, Ministry of Food and Agriculture, of the jute crop for 1960-61 has been delayed by late harvesting; the second preliminary estimate of the acreage under mesta is also incomplete due to lack of reports from some States. The available information indicates, however, that the total jute and mesta crop this year will be approximately of the same size as last year's."

If this is the position, one would like to know as to where the crop is being held. If the usual data have been delayed, how and from where did the Jute Commissioner get enough information to assert that the current season's crop will not be less than that of the previous season? Surely, the observations of Mr. Mazoomdar are by no means convincing.

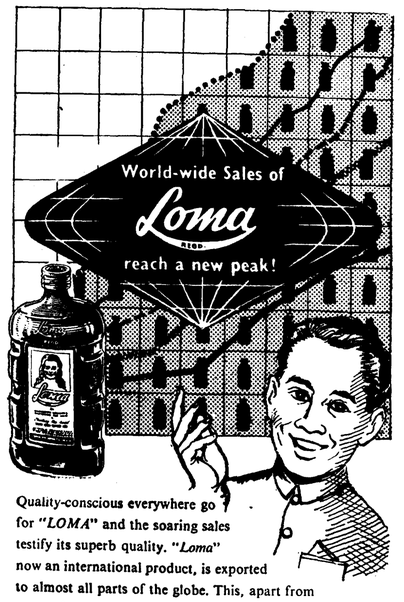
The recurrent raw jute shortage hampering production of jute goods must be avoided at all cost. Mr. S. K. Patil, Union Minister for Food and Agriculture, merely repeated the oft-declared pronouncement of the Government when he declared, at a meeting of the Indian Central Jute Committee at Calcutta last week, that the goal must be self-sufficiency in this vital raw material for this vital industry. The fact, however, remains that self-sufficiency in jute is still very much a gamble on the monsoon and the authorities have failed in reducing this dependency as well as in raising the yield per acre. The Government, Mr. Patil stated, was particularly anxious to secure an extension of the area and cultivation of mesta to increase its yield as a safeguard against shortage of jute. But this is a poor solution even as a short-term remedy. If successful, it will result in a fall in the quality of Indian jute goods, the impact of which on their traditional export markets will be rather serious. The aim should be to grow more and more of only superior varieties of jute.

SURVEY OF JUTE PRODUCTION COST

The Economic Research Wing of the Indian Central Jute Committee has been asked to prepare a scheme for a comprehensive survey of the cost of jute production based on adequate and representative samples. The scheme is to be submitted by the end of this month for scrutiny by the Expert Committee which went into the cost studies of the I.C.J.C. earlier last year and indicated the lines that the investigation should follow. In making this recommendation, the Economic Research and Publicity Sub-Committee of the I.C.J.C., which met at Calcutta on 24th December 1960 under the chairmanship of Mr. V. Shankar, Special Secretary, Union Ministry of Food and Agriculture, considered the utility of a large mass of data collected over the last 10 years by way of a multipurpose approach to the jute grower's economy. It was felt that these data could be profitably analysed for a study of trends and relationships. Pending the operation of the proposed survey, the Sub-Committee recommended suitable reorientation of the existing cost study scheme with more bias to such variable factors as wages, prices, labour, seeds, manures, etc., and enlargement of the study base by utilising data available from other agencies along with those collected from the Committee's selected centres. It also directed a new publicity approach in concert with the State Governments to publicise through Press hints to the farmers with a view to helping them to deal with their daily or seasonal problems.

The Technological Research Sub-Committee reviewed the achievements of the jute laboratories during the second Plan period and suggested some modification of their programme of work keeping possibilities of extension of applied research in view. It was announced at the meeting that the prospect of utilising jute and mesta sticks, some three million tons of which were being annually burnt up as fuel, as a source of pulp for paper making on a commercial scale had improved with the yield of pulp having now gone up to 70 per cent. through the mechano-chemical process recently introduced at the laboratories. This investigation assumes significance, in view of the known deficiency in the country of standard raw materials for paper making and the fast increasing rate of literacy among the population.

A proposal for the establishment of a Central sisal research station at Bamra in Orissa was adopted by the Agricultural Research Sub-Committee. It also accepted in principle a scheme for quick multiplication of improved jute seeds with the help of registered growers. The details of the scheme are to be worked out with a view to early implementation in the States which offer to work it. It was also felt that a clear division of research fields between the States and Central agencies such as I.C.J.C. was called for to avoid wastage, duplication or development on parallel lines. The main emphasis of research in or through Central agencies should be on fundamental or basic research or research of importance to more than one State or co-ordinated development of research in common fields. It was realised that the utilisation of research resources, talents and potentialities in the States should be fully taken into account in planning Central research programmes. Following this line the sub-committee decided to reorganise research sub-stations and extension schemes.



Quality-conscious everywhere go for "*LOMA*" and the soaring sales testify its superb quality. "*Loma*" now an international product, is exported to almost all parts of the globe. This, apart from conserving valuable foreign exchange, through exports, has set an example for Indian-quality in the international market. Millions of bottles of "*Loma*" in use everywhere testify the confidnece millions have in "*Loma*" - the ideal hair oil-cum-hair darkener.

Sole Agents
M. M. KHAMBHATWALA,
Ahmedabad 1
Agents
C. NAROTAM & CO.
Bombay 2

Loma

Universally acclaimed Hair Oil-cum-Hair Darkener.

SYNOPSES OF COMPANY REPORTS

National Iron and Steel Co., Ltd.

THE directors of the above Company (Calcutta) present the audited accounts of the Company for the year ended 31st March 1960.

The net loss for the year amounts to Rs. 4,49,138 (Profit of Rs. 4,01,806) after providing Rs. 6,08,644 (Rs. 6,48,230) for depreciation. As the working of the Company during the year has resulted in a loss, no provision for development rebate reserve which amounts to Rs. 99,505 (Rs. 38,500 provided) as required under Clause (b) of Proviso to Explanation 2 of Section 10(2) (vib) of the Indian Income-tax Act, 1922, has been made but the same is carried forward to the following year.

The balance to the debit of the profit and loss account, after adjusting previous years' expenses and liabilities, and this year's loss, is Rs. 3,57,973 (credit of Rs. 12,72,208) which, when set off against the net balance of the general reserve account, leaves a debit balance of Rs. 1,08,083 (credit of Rs. 1,33,508 after paying dividend at 75 nP per share absorbing Rs. 3,74,700; transferring Rs. 5,00,000 to dividend equalisation reserve; Rs. 1,34,000 to general reserve and placing Rs. 1,30,000 to investment depreciation reserve) and the same is carried forward to the next year.

The Government of India in a Resolution dated the 24th September, 1960, has finally revised the conversion charges for Bars and Rods and fair retention price for Electric Furnace Billets produced by the Re-Rollers from the 1st January, 1957, to 31st December, 1960. A copy of the resolution has been forwarded to the Company by the Iron and Steel Controller recently. On the basis of the said revision adjustments on the sales and closing stocks of the above materials pertaining to the equalisation fund would be required during the aforesaid period. In the opinion of the directors, the provision made in respect of the equalisation fund upto the year ended 31st March, 1959, is sufficient to cover the liability pertaining to that fund upto the year ended 31st March, 1960, and accordingly no provision on the sales and closing stocks in respect of the equalisation fund has been made in this year's accounts. Communications in this respect are being made with the Iron and Steel Controller and the final accounts are being worked out. It is expected that the same would require some further time before the actual position is known.

The working of the year has been very adverse due to a number of reasons, prominent amongst them being increase in the cost of production due to higher cost of power, fuel, labour charges and consumable stores. Shortage of raw materials mainly 1st grade melting scrap continued and is still continuing. Due to accidental burning of a transformer and a high horse power motor one-ton electric furnace and the Rolling Mill No. 3 producing certain special types of bars are out of commission. Strenuous efforts are being made to make them ready for work at the earliest possible time.

The directors, however, take pleasure to inform that a Polish Expert Team visited the Factory during the year under review and their report on certain development schemes has since been received and is under consideration.

The 4 per cent. mortgage debentures issued in 1946 were fully redeemed during the year under review and a new series of 7 per cent. taxable mortgage debentures were issued in April, 1960.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	49,96,000	Gross block	1,37,17,076
Reserves ...	13,28,439	Less—Depreciation ...	81,10,264
Provision for taxation ...	4,83,657		
Liabilities ...	78,71,076	Net block ...	56,06,812
		Stock-in-trade	40,90,751
		Stores ...	18,82,605
		Book debts ...	25,65,505
		Investments	3,05,806
		Cash ...	1,19,610
		Profit and loss account (deficit) ...	1,08,083
Rs.	1,46,79,172	Rs.	1,46,79,172

Consolidated Coffee Estates (1943) Ltd.

The directors of the above Company (Managing Director: Mr. C. I. Machia, Pollibetta, Mysore) present the audited accounts of the Company for the year ended 30th June 1960.

The net profit for the year is Rs. 13,08,089 (Rs. 25,60,562). After adding to this the refund of agricultural income-tax for the year ending 30th June 1956 of Rs. 4,67,268 (nil) and the balance as per last directors' report of Rs. 79,917 (Rs. 75,345) there is a total of Rs. 18,55,294 (Rs. 26,35,907). From this is deducted the dividend on preference shares, at 6 per cent. subject to deduction of tax under Section 18 (3) (D) of the Indian Income-tax Act, absorbing Rs. 1,12,500 (Rs. 1,12,500), transfer to development rebate reserve of Rs. 1,074 (Rs. 6,528) and transfer to general reserve of Rs. 2,50,000 (Rs. 6,00,000), leaving a balance of Rs. 14,91,720 (Rs. 18,68,667 after providing Rs. 48 212 for income-tax). Out of this amount the directors recommend the payment of a dividend of 20 (25) per cent. subject to deduction of tax, on the ordinary shares, absorbing Rs. 14,31,000 (Rs. 17,88,750) leaving a balance of Rs. 60,720 (Rs. 79,917) to be carried forward.

Crops—1959-60

	Estimated Metric Tonnes	Actual Metric Tonnes
Coffee—Arabica ...	1,829	[illegible]
Robusta ...	1,016	[illegible]
Total coffee ...	[illegible]	[illegible]
Pepper ...	[illegible]	[illegible]
Cardamoms ...	[illegible]	[illegible]

The crop has been valued on the basis of Rs. 2-20 a point. The difference of 378 Metric Tonnes between the estimated Arabica crop and the actual Arabica crop harvested may be attributed to a new malady in coffee which has recently been under study by a team of scientists appointed by the Coffee Board. Their report is awaited.

Season 1960-61—Crop estimates are as follows:—Coffee—Arabica 1,880 Metric tonnes and Coffee—Robusta 1,219 Metric tonnes. Pepper 61 Metric tonnes and cardamom 4 Metric tonnes.

Kushalnagar Works:—During the year under review, the Works cured 3,709 Metric Tonnes compared to 2,240 Metric Tonnes the previous year.

During the year, the Company's capital expenditure amounted to Rs. 7,74,902 of which labour and staff quarters cost Rs. 3,71,720.

No provision has been made for any additional dividend that may be payable in the event of The Preference Share (Regulation of Dividend) Bill, 1960 being passed into law. Any such additional dividend will be very small as in the relevant assessment years the Company's income is mainly agricultural. Full provision for taxation is made in the accounts for Mysore Agricultural Income-tax and Indian Income-tax.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	90,30,000	Gross block	1,58,60,009
Reserves ...	66,04,294	Less—Depreciation ...	40,89,751
Provision for taxation ...	25,57,675		
Liabilities ...	34,06,655	Net block ...	1,17,70,258
Profit and loss account surplus ...	60,720	Coffee sales amount receivable ...	33,35,124
		Other stock	5,47,681
		Stores, etc. ...	8,72,091
		Book debts ...	41,62,638
		Investments	5,99,153
		Cash ...	3,72,399
Rs.	2,16,59,344	Rs.	2,16,59,344

Cherra-Chhatak Ropeway Co., Ltd.

The directors of the above Company (Calcutta) present the audited accounts of the Company for the year ended 31st March 1960.

The result of the year's working shows a profit of Rs. 97,509 (loss of Rs. 21,416). From this is deducted the debit balance brought forward from last year of Rs. 18,821 (credit of Rs. 2,595) leaving a balance of Rs. 78,687 (debit of Rs. 18,821). The directors recommend to dispose of this amount as follows:—

To provide for income-tax Rs. 32,263 (nil) and to pay a dividend to the shareholders at 45 nP (nil) per share, subject to deduction of income-tax absorbing Rs. 42,750 (nil) leaving a balance to be carried forward to the next year of Rs. 3,675 (debit of Rs. 18,821).

The raisings and deliveries of coal for last three years are as follows:—

Year ended		Raising Tons	Deliveries Tons
31st March 1958	... ...	24,690	21,575
31st March 1959	... ...	23,900	23,051
31st March 1960	... ...	26,754	27,157

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	4,75,000	Gross block ...	12,02,416
Reserves ...	4,73,368	Less—Depreciation ...	10,62,954
Provision for taxation ...	44,000		
Liabilities ...	2,93,529	Net block ...	1,39,462
Profit and loss account surplus ...	3,675	Stock of coal	69,295
		Stores ...	89,224
		Book debts ...	8,64,097
		Investments	11,572
		Cash ...	1,15,922
Rs.	12,89,572	Rs.	12,89,572

Textool Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Balasundaram and Co., Coimbatore) present the audited accounts of the Company for the year ended 30th April 1960.

After deducting all working expenses, and interest and providing Rs. 3,97,115 (Rs. 3,53,813) for depreciation, the Company has made a net profit of Rs. 8,35,143 (Rs. 8,24,616). Out of this amount the directors have paid as bonus in respect of the year ending 30th April 1959 Rs. 1,67,431 (Rs. 2,68,878), provided for payment of bonus for the same period to persons not in service Rs. 10,000 (nil), and have paid as donations and charity Rs. 5,397 (Rs. 4,316) leaving a balance of Rs. 6,52,314 (Rs. 5,51,422). Adding to this Rs. 932 (Rs. 30,338) balance of profit brought forward from previous year a sum of Rs. 6,53,246 (Rs. 7,61,760 including Rs. 1,80,000 transferred from dividend equalisation fund) is available for distribution. The directors recommend the same be appropriated as follows:

To reserve for development rebate Rs. 60,000 (Rs. 2,57,000), provision for taxes Rs. 2,60,000 (Rs. 2,05,000) and to proposed dividend at 15 (13½) per cent. subject to tax, absorbing Rs. 3,28,681 (Rs. 2,98,828) leaving a balance to be carried forward to next year of Rs. 4,566 (Rs. 932).

There is an increase in turnover of nearly 30 lakhs over that of last year. This forms part of execution of high draft conversion orders executed mostly out of purchased components.

Though there was some slackness in the sale of textile machinery in the beginning of the year under review, the directors are glad to inform that they were able to book considerable number of orders especially from Ahmedabad and Calcutta areas, as a result of which the textile machinery section is again busy from the coming year.

The salient feature in the turnover, in this year under review is the increase of orders for reconditioning of old textile machinery such as conversion of drafting system, change of lift etc. With the slowing down of the erection of new mills, this work though not as profitable as manufacture of machinery is on the increase in the textile industry and consequently changing the Company's pattern of programme of manufacture.

With the State departments all over the country showing greater interest in agriculture and well irrigation there is very great demand for the Company's diesel engines for use with pumping sets and the directors are doing their utmost to increase the manufacturing facilities quickly to meet at least a part of the demand in the country and also to meet a part of the demand that exists for export.

Besides the activities in Iron, Special Steel and Machine Tool Sections, the Company has concluded a collaboration agreement with Nippon Signel Company Ltd., Japan, for the manufacture of all kinds of Railway signal equipment. The directors are expecting good manufacturing as well as trading activity in this as the requirement of the railways are large and the Japanese Collaborators are already well established in this line of business in this country.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	33,22,450	Gross block	69,49,005
Reserves ...	14,67,750	Less—Depreciation ...	26,20,281
Provision for taxation ...	3,84,973		
Liabilities ...	1,40,05,838	Net block ...	43,28,724
Profit and loss account surplus ...	4,566	Stock-in-trade	41,31,954
		Stores, etc. ...	20,79,957
		Book debts ...	85,40,859
		Investments	16,250
		Cash ...	87,833
Rs.	1,91,85,577	Rs.	1,91,85,577

Cottanad Plantations, Ltd.

The directors of the above Company (Managing Agents: The Associated Planters Private Ltd., Calicut) present the audited accounts of the Company for the year ended 31st March 1960.

The result of the Company's working for the period under review after providing for depreciation, contribution to provident fund and managing agency commission shows a profit of Rs. 57,396 (Rs. 79,942). Adding the balance brought forward of Rs. 3,461 (Rs. 8,519) and the amount transferred from general reserve of Rs. 35,000 (Rs. 20,000) the total amount available for disposal is Rs. 95,857 (Rs. 1,08,461). Out of this amount the directors propose to appropriate towards provision for taxation a sum of Rs. 25,000 (Rs. 33,000) leaving a balance of Rs. 70,857 (Rs. 75,461). The directors recommend the payment of the following dividends:—7½ (12) per cent. on preference shares [gross] absorbing Rs. 9,375 (Rs. 12,000) and at 10 (15 per cent. tax-free) per cent. taxable on equity shares absorbing Rs. 60,000 (Rs. 60 000) leaving a balance of Rs. 1,482 (Rs. 3,461) which the directors recommend to be carried forward. Note: Both the grossed preference dividends and the equity dividends are subject to deduction of tax at 30 per cent. The dividend on ordinary shares for the year ended 31st March 1960 is on the increased capital of Rs. 6,00,000 while the dividend for the previous year was on an equity capital of Rs. 4,00,000.

Against an estimate of 150,000 pounds the actual tea crop harvested amounted to 149,8[illegible] pounds. Rubber crop was 43,132 pounds against an estimate of 55,000 pounds. 1,253¾ cwts. of coffee was produced. Cashew crop amounted 208 candys. Cardamom crop raised was 155 pounds. Pepper crop was 4,882 pounds. The average sale price for tea was 168.9 nP; for rubber 151.2 nP and for coffee Rs. 127.6 per cwt. cashew sale price was Rs. 221 per candy. Price realised for cardamom was Rs. 9 per pound and for pepper Re. 1.90 per pound.

Estimates for 1960-61 are as follows:—Tea—160,000 pounds at a cost of 108 nP per pound; Rubber—50,000 pounds at 76 nP per pound and Coffee—2,100 cwts at Rs. 77 per cwt.

In spite of the comparatively lower net profits for the year ended 31st March 1960, the directors feel that the working of the company during the year has been satisfactory. The cost of production of tea has come down sharply while the average price realised has been well above last year's level. But the substantially lower rubber crop and absence of profit from timber have adversely affected the net results.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	7,00,250	Gross block ...	13,[illegible],760
Reserves ...	5,32,423	Less—Depreciation ...	74,628
Provision for taxation ...	37,870		
Liabilities ...	3,91,230	Net block ...	12,94,132
Profit and loss account surplus ...	1,482	Stock-in-trade	2,28,800
		Stores and tools ...	34,4[illegible]
		Book debts ...	78,7[illegible]
		Investments ...	[illegible]
		Cash	26,[illegible]
Rs.	16,63,255	Rs.	16,63,25[illegible]

N.B.—Figures within brackets relate to the corresponding period of the previous year.

SOME OUTSTANDING PUBLICATIONS

	Rs. nP
* Evolution of Central Banking in India—Sir B. Rama Rau	4.00
* The Capital Market of India—S. L. N. Simha	17.50
* The Monetary and Fiscal Policy of India—K. C. Chacko	15.00
* Agricultural Marketing in India and Abroad—R. S. Srivastava	12.50
* Agricultural Economic Theory and Indian Economy—Dr. J. R. Bellerby and N. A. Mujumdar	7.00
* Social Insurance and the Indian Working Class—M. A. Chansarkar	12.00
* Our Economic Problem—P. A. Wadia and K. T. Merchant	10.00
* Salesmanship, Sales Management and Advertising—(2nd Ed.) M. Satyanarayana	10.00
* Business Organisation and Management—M. Satyanarayana and others	14.00
* The New Economy of China—Dr. Gyanchand	16.00
* Insurance, Principles and Practice—R. S. Sharma	10.00

VORA & CO. PUBLISHERS PVT. LTD.
3, Round Building, Bombay—2.

STATE BANK OF TRAVANCORE
(Subsidiary of the State Bank of India)

Now offers, with the co-operation of the State Bank of India, complete Banking services in connection with the trade and commerce of the industrially fast developing State of Kerala.

CURRENT ACCOUNTS AND SAVINGS BANK ACCOUNTS opened and FIXED DEPOSITS AND SHORT-TERM DEPOSITS received on attractive terms.

THREE-YEAR AND FIVE-YEAR CASH CERTIFICATES are issued at 4% and 4½% compound interest respectively.

All types of Internal and International Banking Business transacted.

For further particulars, please apply to nearest Branch or Head Office.

Branches at Bombay and all important commercial centres in South India.

Now Available

Reprint of a Classic on Indian Economic History

ECONOMIC HISTORY OF INDIA

Vol. I & II
(1757-1900)
by ROMESH DUTT
(With a critical introduction by Prof. D. R. Gadgil)

Price Rs. 7.50 per volume
Postage „ 0.70 „ „
(Registration charges extra)

THE PUBLICATIONS DIVISION
OLD SECRETARIAT, DELHI-6

DA-60/600

For Your Requirements of
WIRE NETTING
Crimp and Chain Link (Inter Link)

Please contact:
Bombay Woven Wire Netting Works
Manufacturers of
Superior Quality Wire Netting of all Types
243, Iron Market, Carnac Bunder, Bombay-9
Grams: "WIRENET" Phone: 22733

you have just opened

A METAL BOX TUBE!

Your favourite toothpaste comes to you in a Collapsible Tube, a speciality of The Metal Box Company of India Ltd. Wherever necessary, this tube is given an inner coating of a specially devised, chemically inert lacquer that keeps the toothpaste from reacting with the metal of the tube itself. The tube collapses with reducing contents, thereby protecting the toothpaste from oxidation and dehydration. The Metal Box Collapsible Tube is therefore a functional as well as a convenient package. It is scientifically designed to ensure that the toothpaste remains fresh for months.

Backed by their knowledge and experience drawn from India and abroad, Metal Box are manufacturing a wide range of scientifically designed packages for the consumer goods you use.

Over 1000 manufacturers in India are being supplied by Metal Box with scientifically designed containers and closures that go to pack Rs 100 crores worth of consumer goods every year.

OPEN TOP CANS for processed fruit, vegetables, fish and dairy products
GENERAL LINE CONTAINERS for confectionery, tea, biscuits, baby foods, edible oils, paints, insecticides, powders, etc.
COMPOSITE CONTAINERS of cardboard & metal
COLLAPSIBLE AND RIGID TUBES for toothpaste, ointments, adhesives and pills
CROWN CORKS for carbonated drinks
R. S. PILFER-PROOF AND OTHER CLOSURES for bottled products
COMPONENTS for radio, automobile and electrical industries
PUBLICITY MATERIAL including advertising tablets and calendars
PLASTIC PRODUCTS including Diothene bags, foil laminate pockets and injection mouldings
HARDWARE including trays and table mats
MACHINERY Can Closing and Reforming and Bottle Sealing Equipment

METAL BOX

The Metal Box Company of India Ltd
Barlow House, 59C Chowringhee, Calcutta
Factories and Sales Offices
Calcutta Bombay Madras Delhi Mangalore

MB 3915 R

A Complete Banking Service

* All the usual banking facilities within convenient reach
* Foreign exchange business of all types, including remittances
* Special Thrift Deposit Plan
* 3-Year and 5-Year Cash Certificates in different denominations at attractive interest rates
* Safe Deposit lockers in many branches

SBH

STATE BANK OF HYDERABAD

H. O.: Hyderabad-Dn. (A.P.)

serving you through more than 50 branches in Andhra Pradesh, Bombay City & State, Mysore State and Madras City

Notices

THE PHALTAN SUGAR WORKS LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-ninth Annual General Meeting of the Phaltan Sugar Works Ltd., will be held on Friday, the 3rd day of February 1961 at 4 p.m. (S.T.), at the Registered Office of the Company, Sangli Bank Building, 296, Bazargate Street, Fort, Bombay 1, to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 30th September 1960.
2. To declare a Dividend.
3. To appoint a Director in place of Shri R. B. Apte, who retires by rotation, but being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri Natverlal Bhikhabhai who retires by rotation, but being eligible, offers himself for re-election.
5. To appoint a Director in place of Shri L. V. Apte who was appointed as additional Director under Article 138 of the Articles of Association, and who ceases to hold the office of Director under Section 260 of the Companies Act 1956, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director.
6. To appoint a Director in place of Shri Kantilal Nahalchand, who was appointed as additional Director under Article 138 of the Articles of Association and who ceases to hold the office of Director under Section 260 of the Companies' Act 1956 and in respect of whom the Company has received a notice in writing from a member, proposing his candidature for the office of Director.
7. To appoint Auditors for the current year and fix their remuneration.
8. To consider and if thought fit, to pass the following as a Special Resolution.

"Resolved that the Articles of Association of the Company be altered by deleting Article 204."

By Order of the Board of Directors,

A. Y. JOSHI,
Secretary.

BOMBAY, 21*st December* 1960.

Notes:—(1) A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself. A Proxy need not be a member of the Company.

(2) The Transfer Books of the Company are closed from the 19th day of December 1960 to the 17th day of January 1961, both days inclusive.

(3) Dividend when declared, will be payable through the United Commercial Bank Ltd., Fort, Bombay, on and after the 10th day of February 1961, to those shareholders whose names stand on the Register of Members on the 19th day of December 1960, to whom Dividend Warrants will be posted.

(4) The Explanatory Statement as required under Section 173 of the Companies' Act 1956, has been posted to each member along with the notice of the meeting.

THE CHAMPDANY JUTE CO., LTD.

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the members of the abovenamed Company will be held on the 24th day of January 1961 at 11-45 a.m. at the Registered Office of the Company. No. 2, Netaji Subhas Road, Calcutta 1, to consider and if thought fit pass the following Special Resolution:—

"That Mr. J. H. H. Ross be and is hereby appointed a Director of the Company."

By Order of the Board,

JAMES FINLAY & CO., LIMITED,
Managing Agents.

2, NETAJI SUBHAS ROAD,
CALCUTTA, 29*th December*, 1960.

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and, on a poll, to vote in his stead. Such proxy need not be a member of the Company.

EXPLANATORY STATEMENT

Mr. J. H. Jamieson who was appointed a Director of the Company by Special Resolution of the Shareholders passed at the Annual General Meeting of the Company held on 14th November 1958 has resigned from the Board with effect from 31st December 1960 as a result of his retirement from India. Special notice dated 24th December 1960 of the intention to propose the above resolution as a Special Resolution has been received by the Company. Special notice has been given in order to satisfy the requirements of Sections 190 and 261(1)(*f*), (2) and (3) of the Companies Act, 1956, as Mr. J. H. H. Ross is an officer in the employment of the Managing Agents.

Interest of Directors and Managing Agents.—The Directors and Managing Agents of the Company are interested to the extent of their shareholdings in the Company as set out below:—

Mr. A. I. Murison	...	...	10 shares
„ B. Gill	...	...	10 „
„ K. P. Goenka	...	...	100 „
„ R. G. Edwards	...	...	10 „
„ J. H. Jamieson	...	...	10 „
James Finlay & Co., Ltd.		...	27,315 „

THE BRITANNIA BISCUIT CO., LTD.

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend of 6 per cent. on Ordinary Shares subject to deduction of Income-tax, and 4 per cent. on Preference Shares subject to deduction of Income-tax has been declared by the Directors for the year ending 31st March 1961. The Dividend will be payable to those shareholders whose names appear on the Register of Members on the 18th January 1961. Warrants will be posted on or after that date to the addresses or in accordance with the instructions recorded in the Company's books.

The Register of Members of the Company will remain closed from the 11th January 1961 to the 18th January 1961, both days inclusive.

By Order of the Board,

A. P. CHANDA,
Secretary.

15, TARATOLA ROAD,
CALCUTTA-27, 23*rd December*, 1960.

THE BOMBAY BURMAH TRADING CORPORATION LTD.

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT IN pursuance of the powers granted to them by a resolution passed at the Extraordinary General Meeting held on 29th May 1958, the Directors have extended the final date fixed for the receipt of applications for consolidation of fractional certificates into whole shares of Rs. 125 each, from 31st December 1960 to 31st May 1961.

By Order of the Board,

WALLACE & CO.,
Secretaries and Treasurers.

BOMBAY, 27*th December* 1960.

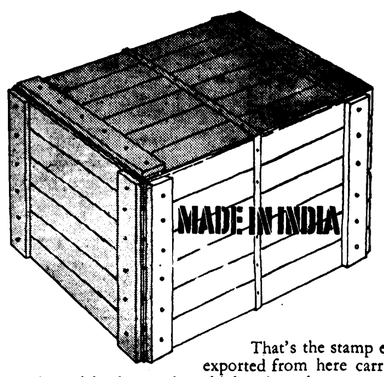
ORIENT PAPER MILLS LIMITED

NOTICE IS HEREBY GIVEN TO ALL concerned that in exercise of the option vested in the Company, the period of repayment of debentures of Rs. 1 crore issued by the Company in the year 1951 on the terms and conditions as mentioned in an indenture dated the 1st May 1951, has been extended by another 10 years, i.e., upto the 31st March 1971, subject to the approval of the Central Government.

By Order of the Board,

B. K. VYAS,
Secretary.

8, INDIA EXCHANGE PLACE,
CALCUTTA, 24*th December*, 1960.



That's the stamp each article exported from here carries. With it the article also carries a high stake—the country's prestige. If the article is below standard quality—if it does not conform to specifications or supplies are not according to approved sample, down goes India's prestige.

Let's give no occasion for the door to be slammed by others on further exports. One manufacturer's fault may spoil other's market as well and all goods "Made in India" get the blame.

Keep the country's reputation high—preserve the confidence which goods made in India have gained. Help the country to earn the much needed foreign exchange. Let your transactions be clean in letter and spirit and your manufactured articles maintain the highest standard. Strict quality control and adoption of modern techniques will enable your goods to compete in world markets.

Deliveries on schedule and arrangement for Service after Sale will ensure repeat orders.

Issued by :

ENGINEERING EXPORT PROMOTION COUNCIL

INDIA EXCHANGE (7th FLOOR) CALCUTTA-1

INTER-BANK CALL MONEY AT 5 PER CENT.

(*From Our Own Correspondent*)

BOMBAY, 4*th January*

Acute stringency is the state of the short-term money market. Almost all banks are borrowers, with hardly any lenders. As only a small part of the requirements can be met from the inter-bank section, the Reserve Bank has been the principal provider of funds. As anticipated by this journal in some of its earlier issues, the inter-bank call money rate has gone up from 4½ per cent. in mid-December to 5 per cent. per annum. Some small banks are said to be paying as much as 5½ per cent. At best, this rate may go up to 5½ per cent. for big banks and 5¾ per cent. for small banks, for a rate higher than these limits will make the banks go to the Reserve Bank for their entire requirements rather than depend upon inter-bank credit which may be called back overnight. As readers are aware, the maximum rate of interest payable by banks on their borrowings from the Reserve Bank is 6 per cent. per annum.

It will be interesting to recall here that, a year ago, the inter-bank call money rate was 3½ per cent. And, two years ago, it was even less at 3¼ per cent. This comparison goes to show that, despite the marked growth in money supply, the demand for money has expanded so enormously, due mainly to the growth in industrial production and partly to the rise in price levels, that it is much more than the capacity of the money market to accommodate it. Accordingly, the intensity of seasonal pressure of demand for bank credit is more sharply felt than a year or two ago.

While the inter-bank call money rate is 5 to 5½ per cent., the rates for short-term deposits are unchanged at the ceilings under the inter-bank rate agreement. These are: 2 per cent. for house money repayable on notice of 3 to 21 days, 3 per cent. for house money repayable on notice of over 21 days, 3½ per cent. for deposits of 31 days and over but up to 60 days, 3¾ per cent. for over two months to 12 months and 3¾ per cent. for one year.

The Treasury Bill rate has gone up from 2.548 per cent. in the week ended 17th December to 2.556 per cent. in the week under review. As against an invitation for Rs. 2 crores of 91-days' Bills, the amount offered this week was Rs. 2.40 crores. The offer of 91-days' intermediate bills was not availed of, but is nevertheless being continued.

According to the Reserve Bank's statement, the week ended 30th December 1960 saw an expansion of Rs. 10.43 crores in notes in circulation, taking the total upto Rs. 1,869 crores. The total notes issued was up by Rs. 9.88 crores, as a result of a slight contraction in notes held in the Bankihg Department. Rupee securities held by the Issue Department were raised by Rs. 10 crores to cover the growth in note issue. Foreign securities remained unchanged at Rs. 128.00 crores, but, as balances held abroad suffered a contraction of Rs. 3.86 crores, the total of foreign assets has come down to stand at Rs. 151.73 crores.

The latest available Scheduled banks' weekly statement is for the week ended 23rd December 1960. This reveals a rise of Rs. 4.89 crores in demand deposits, accompanied by a fall of Rs. 1.41 crores in time deposits. The small net increase of Rs. 3.48 crores in total deposits is solely due to a rise of Rs. 6.97 crores in the deposits of the State Bank of India. In other words, the deposits of other banks must have actually gone down. Borrowings from the Reserve Bank have shot up by Rs. 11.45 crores, while those from the State Bank are up by only a modest sum of Rs. 1.15 crores. Advances and bills (bank credit) have staged a rise of Rs. 11.57 crores, while investments show only a fractional fall of Rs. 96 lakhs. The changes in the corresponding portfolios of the State Bank of India are a plus of Rs. 2.13 crores and plus of Rs. 0.37 crore, respectively. The total cash is higher by Rs. 7.38 crores (the share of the State Bank being Rs. 3.45 crores). Money at call and short notice is down by Rs. 2.65 crores, of which the share of the State Bank is Rs. 73 lakhs.

The Gilt-edged market is dull, with very little turnover. During the past three weeks, the Central Government loans show a fractional fall of 5 to 10 nP in a couple of medium-dateds and a rise of 10 nP in 3½ per cent. 1974. Among State loans, some enquiry for investment of provident funds has imparted a rise of 15 to 25 nP in the 4 per cent. and 4½ per cent. issues.

There is hardly any change in the rupee-dollar exchange rate since our last report. In the New York market, sterling, however, is a shade lower, with spot being quoted at 280.560-280.600 cents per £ and three months' forward at 279.840-279.880 cents per £. On 15th December 1960, the corresponding rates were: 280.760-280.790 cents per £ for spot and 280.060-280.090 cents for three months' forward.

KIPS WEAK

(*From Our Own Correspondent*)

MADRAS, 2nd *January*

The kip market ruled weak during the second half of December 1960, due to poor U.K. export trading and importers resistance to prices quoted at origin. Some demand was in evidence for light weight cow calf which was in short supply. Arrivals of buffalo hides were readily taken up by exporters to the U.S. and for local trade. Inland demand for low grade cow hides was small.

There was good call for all selections in medium weight goat skins of top marks and lower ends in light weights. Inquiries for prime sheep were good and for mediums not encouraging.

RECOVERY IN BULLION

(*From Our Own Correspondent*)

BOMBAY, 4*th January*

The bullion market moved rather indecisively during the two weeks that followed our last report dated 14th December 1960 but depicted a firm trend on Saturday this week which persisted till the close yesterday. The market was closed today, owing to the death of a member. The earlier indecisiveness was due to absence of any fresh encouraging news. Offtake of both gold and silver was at a low ebb. Business put through was, therefore, small and values fluctuated narrowly, the general tendency being downward. On Saturday, 31st December 1960, the market picked up strength following better demand from upcountry centres. There was also support from spot houses on hopes of a large improvement in offtake in the coming weeks. Consequently, the two precious metals registered a recovery. This gathered further momentum in the subsequent two sessions, thanks chiefly to seizure of 29,260 tolas of contraband gold worth Rs. 38 lakhs in Bombay on the 1st inst.; this is believed to have come from the Persian Gulf. Bullish advices from Calcutta and buying by option dealers also imparted strength. The closing rates today were higher than those three weeks ago.

Reports indicating the possible closure of the Kolar gold mines have been discounted by the Chief Minister of Mysore. In fact, it is stated that an expansion project has been taken on hand. According to the Chief Minister, the Nundydrug and Champion Reef Mines set up all-time records by milling 24,759 ounces of gold in August 1960 and 19,380 ounces in September 1960.

The average daily arrivals of gold and silver in the past week were 7,000 tolas and 11 bars, respectively, while the average offtake was of the order of 4,200 tolas and 7 bars. The floating stocks of gold are reported to be around 80,000 tolas and those of silver are estimated at 700 bars.

The *Poush* (January) settlement in gold eased from Rs. 114.90 on 14th December to Rs. 113.85 on 30th December but recovered subsequently and went off the board at Rs. 115.05 on Monday the 2nd inst. Business in *Maha* (February) settlement commenced at Rs. 116.25 on 19th December. After declining gradually to Rs. 114.90 on Friday this week, it moved up to Rs. 116 yesterday before finishing at Rs. 115.90. The rate for transferring commitments from the *Poush* to *Maha* settlement continued to be against bulls throughout. The actual rate increased from 20 nP on 24th December to Re. 1 on Saturday this week, but declined to 70 nP on Monday the 2nd inst.

In the silver section, *Poush* settlement ran out at Rs. 195.30 yesterday, as against Rs. 114.90 three weeks ago, the highest and lowest levels touched being Rs. 196.70 and Rs. 193.10, respectively. The *Maha* settlement, business in which commenced at Rs. 197.75 on 19th December, receded to Rs. 194.45 on the following day, but recovered to touch Rs. 197.05 yesterday. The closing rate was lower at Rs. 196.85. The rate for transferring commitments from the *Poush* to *Maha* settlement was against bulls. It stood at Re. 1.55 yesterday, as against Re. 1.20. Since it was more than a rupee on several days, the bears were required to pay margin.

The feature of trading in the ready section during the major part of the three weeks under review was that both gold and silver continued to be quoted at a discount under the forward positions (*Maha* settlement). The actual discount yesterday was 70 nP in gold and Re. 1.55 in silver. The closing rates were Rs. 115.20 and Rs. 195.30 respectively, as against Rs. 114.20 and Rs. 194.15 three weeks ago.

The world price for gold in the London bullion market now stands at $35.61, as against $35.64 on 13th December 1960. Ready gold in London, after declining from 354*s.* on 13th December to 253*s.* on 16th December, moved up to 254*s.* 1*d.* on 29th December, but eased again to 253*s.* 9*d.* yesterday. Ready silver softened by ¼*d.* to 79¾*d.*, while forward silver continued unchanged at 79¾*d.* Ready silver in New York was firm at 91.375 cents.

The American gold stocks fell by 88 million dollars during the week ended 28th December, according to the New York Federal Reserve Bank. This brought the total outflow of gold from the United States during 1960 to 1,619 million dollars. The total loss of gold during 1959 was 1,078 million dollars. On 28th December, the American gold holdings amounted to 17,837 million dollars.

The following table shows the trend of the market during the three-week period under review:

	3-1-1961 (closing)	High	Low	14-12-60 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	115.20	115.40	113.60	114.20
Forward:				
Poush	115.05‡‡	115.45	113.85	114.90
*Maha**	115.90	116.25	114.90	116.00‡
Sovereign	90.25	90.50	90.00	90.00
SILVER				
Ready (.999 fine)	195.30	195.80	192.30	194.15
Forward:				
Poush	195.30	196.70	193.10	195.05
Maha†	196.85	197.80	194.45	197.40‡
London				13-12-60
Silver Ready	79¾d.	79¾d.	79¾d.	79¾d.
Silver Forward	79¾d.	—	—	79¾d.
Gold	253*s.* 9*d.*	254*s.* 1*d.*	253*s.*	254*s.*
New York				
Silver	91.875 cents	—	—	91.875 cents

* 31st January settlement. † 1st February settlement.
‡ As on 19th December 1960. ‡‡ As on 2nd January 1961.
¥ N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (35.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES RECEDE

(*From Our Own Correspondent*)

BOMBAY, 4*th January*

The most important development affecting the raw cotton market since our last issue was the agreement reached between the Indian Cotton Mills Federation and the Union Minister for Commerce and Industry according to which the former agreed to a fresh cut in cloth prices with effect from 1st January 1961. The cut, which, on an average, works out to 5.45 per cent., is the second reduction in four months. This, coupled with the constant fear of Government intervention and requisitioning, was responsible for the absence of any flare up in cotton prices during the three-week period under review. In fact, but for the presence of these two restraining influences, cotton futures would have risen to higher levels, especially because the crop is now estimated at only 4.85 million bales, as compared with 5 million bales at the beginning of the season. Further, the cold weather and heavy dew fall in parts of Gujerat, especially in Vijay tracts will, it is feared, adversely affect the crop. The Jarilla April contract, which was quoted at Rs. 609 on 14th December, after a brief spell of firmness when it rose to Rs. 614, is currently ruling round Rs. 605. The Contract's future course will depend upon the size of the crop and the volume of foreign cotton imports. Barring any adverse developments on the crop front, no sharp rise in futures is generally anticipated, although, depending upon the pace of arrivals of new crop, some fluctuations in futures prices are expected.

There was excellent mill demand for cotton in the spot market. Popular varieties such as Jarilla, CO2, 197/3, 0394, etc. were in constant enquiry. Prices were maintained at and near the ceiling. Vijay, Digvijay and Kalyan were also well favoured. The grade and staple of these varieties are reported to be satisfactory, except those from certain parts of Vijay and Kalyan tracts where, due to adverse weather, early pickings were found to be of unsatisfactory quality. Meanwhile, the plea of growers for the upward revision of the ceiling price of Kalyan and Vijay B cotton grown in Ahmedabad and Sabarkantha districts has been opposed by the cotton textiles industry. The latter is reported to have represented to the Textile Commissioner that the raising of the ceiling was not warranted, in view of the cut in cloth prices agreed to by the industry. It is also pointed out that revision of prices in the middle of a season is a bad precedent.

As the ceiling in respect of the export quota for 50,000 bales released on 8th December 1960 was reached as early as 17th December, export interest in Bengal *Deshi* was subdued. But some export business was put through on a subject-to-licence basis in anticipation of a fresh quota. The currently ruling price for Bengal *Deshi* is Rs. 564 (per three quintals).

Demand for foreign cotton was confined to East African growths. But turnover was small, thanks to the high prices of East African cotton and the absence of offers at lower rates. Current quotations—in rupees per candy of 784 lbs.—for some East African varieties are:

B.P. 52, 1,360; Jinja 1,245; Busoga 1,350; Egyptian and U.S. growths were comparatively neglected.

In spite of the reduction in crop estimate and the absence of any substantial competition from India, cotton futures in the Karachi market declined during the three-week period (13th December 1959 to 3rd January 1961) under review. The N.T.R.G. January contract, which was quoting at Rs. 72-2 on 13th December declined to Rs. 71-8 on 30th December. The March position receded from Rs. 73-4 to Rs. 72-4 during the same period. The market was closed on 31st December, 1st and 2nd January. The easiness of the market was due mainly to the increased volume of new crop arrival and lack of export interest in Pakistan cotton. However, this is considered to be only a passing phase, what with the progressive reduction in crop estimate. It is now almost certain that Pakistan's exportable surplus this season will not exceed last year's 475,000 bales. Since India is not in a position to release substantial quantities for export Pakistan will have no difficulty in disposing of its cotton, especially Deshi variety.

Cotton futures in Alexandria market showed a declining trend during the period under review. Both the long-staple Karnak and medium-staple Ashmouni Contracts receded, thanks to pressure of new crop arrivals and the relative scarcity of buyers who preferred to keep off a falling market. Foreign demand too was slack. Bulk purchases were few and far between. The discount on new crop remained unchanged at 6 per cent. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being the closing rates on 13th December.

Karnak: January 69.55 (71.30); March 72.67 (72.95); May 73.75 (73.60).

Ashmouni: February 62.50 (62.62); April 63.01 (63.20).

Liverpool cotton futures market, after having ruled subdued during the most part of the period under review, firmed up when the market reopened after the Christmas and New Year holidays on the 2nd inst. Buying in fulfilment of accumulated orders and replenishment on home account led to a smart rally in futures prices. The near deliveries of both the American and American type contracts, however, were a shade easy. Sudan contracts too receded, thanks to lower Khartoum advices. The latest available quotations—in pence per lb. from Liverpool are as follows—the figures in brackets being the closing quotations on 13th December 1960.

American cotton one inch staple contract: March 23.00 (23.20); May 23.55 (23.30); July 23.90 (23.60).

American cotton mixed growth contract: March 23.20 (23.30); May 24.15 (23.60); July 24.25 (24.20).

Sudan: January, March, May 35.00 (35.25).

New York cotton futures market witnessed dull and featureless trading. The Christmas and New

Year holidays and the consequent reduced mill demand were responsible for the small turnover. Export demand was well maintained but actual business done was considerably less, as compared with a few weeks ago.

The following are the latest available quotations from New York, as compared with those three weeks and a month ago:

(In cents per lb.)

	3-1-61	13-12-60	5-12-60
Spot	32.25	32.25	32.30
December	32.25	—	31.62
March	32.70	32.40	32.32
May	33.07	32.85	32.72

ART SILK YARNS RALLY

(From Our Own Correspondent)

BOMBAY, 4th *January*

The past three weeks witnessed a sharp rise in the prices of art silk yarns. The rise followed hectic purchases by bulls on fears that an acute shortage of supplies would be felt in the coming weeks. The fears stemmed from reports that a large quantity of foreign yarn worth Rs. 30 lakhs, due to arrive in Bombay by the *s.s. Indian Navigator* had been damaged by fire on the high seas. Traders noted the reported plea of the Silk and Art Silk Mills' Association for additional art silk yarn import quota but were inclined to feel that the authorities might not concede the plea, in view of the continued tight foreign exchange position. Staple fibre yarns, however, lacked support, in view of the hand-to-mouth buying by consuming interests. Cotton yarns ruled irregular. Operators preferred to study the implications of the latest cut in yarn prices and the enchancement of the profit margin of traders from 15 to 18 per cent. before entering into large fresh commitments. Details regarding the reduction in yarn prices are given elsewhere in this issue (*vide* page 12).

Over the three-week period from 14th December to 4th January, Cupressa Bemberg yarn (60 x 1) February contract climbed up from Rs. 2,246 to Rs. 2,366. Spot Cupressa advanced from Rs. 2,217.81 to Rs. 2,341. Among imported art silk yarns, 150 Italy picked up Rs. 40 to Rs. 1,570. 120 Italy hardened by Rs. 41.50 to Rs. 1,254. 120 Japan spurted from Rs. 1,294.12 to Rs. 1,310 and 150 Japan from Rs. 1,543.25 to Rs. 1,653.

Staple fibre yarn (40 x 2) February contract encountered selling and declined from Rs. 792 to Rs. 775. Spot Kohinoors shed 4 nP to Rs. 9.42. Centurys were quiet at Rs. 9.42.

In the cotton yarn section, ten counts Podars were neglected at Rs. 18.12. Forty counts Maduras eased by 38 nP to Rs. 31.62, but Minaxis gathered 25 nP to Rs. 31.25. Sixty counts Finlays were unchanged at Rs. 59.59. Eighty counts Moderns lost 50 nP to Rs. 69.50. Mahendras dropped a rupee to Rs. 68.68. Finlays were unaltered at Rs. 79.79.

The following table gives prices of rayon, staple fibre and cotton yarns quoted today, as compared with those three weeks ago.

	4-1-1961	14-12-1960
	Rs.	Rs.
Art silk yarns—		
60/1 Cupressa Bemberg (100 kg.) February	2,366.00	2,245.00
60/1 Cupressa Bemberg spot	2,341.00	2,217.81
120 Japan (per 100 kg.)	1,310.00	1,294.12
150 Japan (per 100 kg.)	1,653.00	1,543.25
120 Italy (per 100 kg.)	1,254.00	1,212.50
150 Italy (per 100 kg.)	1,570.00	1,530.00
Staple fibre yarn—		
40 x 2 February (per 50.78 kg.)	775.00	792.00
60 x 2 Century (per kg.)	9.42	9.42
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.12	18.12
20s New Great	22.12	22.37
40s Minaxis	31.62	32.00
60s Finlay	59.59	59.59
80s Modern	69.50	70.00

OILSEEDS TOUCH NEW PEAKS

(From Our Own Correspondent)

BOMBAY, 4th *January*

A fresh bout of buying in both oilseeds and oils was noted during the three-week period, following our last review dated 14th December 1960. Groundnut, castorseed, linseed and cottonseed touched new peaks for the season. In view of the sharp rally in prices and in order to curb any further rise, the Forward Markets Commission took some important steps to discourage speculation. These included fixation of ceiling prices for groundnut futures, stiffer margin regulations in castorseed futures and introduction of special margins in linseed.

Before trading in the oilseeds market commenced on 16th December, the Bombay Oilseeds and Oils Exchange announced the imposition of a ceiling of Rs. 220 per 250 kgs. in respect of groundnut February contract and Rs. 44 per 50 kgs. in the case of transferable specific delivery contracts. Late in the evening on the same day, the F.M.C. issued a Press note revising the margin rules and rates of special margins on castorseed May 1961 delivery to Rs. 20 and Rs. 40 per 250 kgs., whenever prices ruled above Rs. 177 and Rs. 187, respectively. The previous rates of special margin (imposed in the middle of November last) was Rs. 20 per 250 kgs. above the price level of Rs. 187. Even before the F.M.C.'s Press note was released, a few operators liquidated sizable stocks and, consequently, castorseed May contract slumped by Rs. 5. Some in oilseeds trade feel that these operators had advance information about the F.M.C's move. A fortnight later, that is, on 31st December, a special margin of Rs. 4 per 50 kgs. on May 1961 contract and February-March 1961 transferable specific delivery contract in linseed, whenever the price exceeds the marginal line of Rs. 35.60 nP per 50 kgs., was imposed.

The Forward Markets Commission has convened a meeting of oilseeds traders from Bombay, Madras, Adoni and Saurashtra to be held in Bombay City from the 7th to 9th inst. The meeting is expected to review the position regarding the supply and demand for oilseeds and oils, as well as to consider measures necessary to check unbridled speculation in these commodities.

The firmness of groundnuts was engendered by fears regarding an acute scarcity of spot supplies. Arrivals from Andhra and Karnataka, the usually surplus areas, were quite limited. At the same time, *vanaspati* manufacturers and crushers were keen buyers. Reports of good offtake of H.P.S. groundnuts by some Communist countries imparted further strength. Even rumours that the Government was contemplating to requisition supplies of groundnuts and impose restrictions on distribution had no effect. February 1961 contract moved up from Rs. 212.12 on 14th December to Rs. 218.50 today, just Re. 1.50 below the ceiling. Nizam bold improved by Rs. 3.37 to Rs. 46.12. Groundnut ex-mill rose by 90 nP to Rs. 19.70.

Despite protracted absense of export business in castor oil with the U.S., the castorseed section put on a distinctly cheerful appearance, in the beginning of the period under review. This was mainly on account of sustained speculative support, induced by hopes of better export prospects. Subsequently, however, the increasing pressure of Brazilian supplies in world markets led to a fall in values. May 1961 contract receded from Rs. 181.50 to Rs. 175.37 towards the end of December, but recovered to Rs. 178.37 today. Ready Madras rose from Rs. 35 to Rs. 35.12 before closing at Rs. 34.87. Oil commercial fell by 45 nP to Rs. 14.16, after touching Rs. 14.53 earlier.

Linseed ruled buoyant, notwithstanding the imposition of special margins. This was due to scarcity of supplies and good offtake by various parties, presumably for mixing this cheap oil with groundnut and sesame oils. Linseed May 1961 contract forged ahead from Rs. 34.31 to Rs. 35.66, after fluctuating between Rs. 34.84 and Rs. 36. Bold ready spurted by as much as Rs. 4.50 over the period, today's closing rate being Rs. 38.75; it was higher still at Rs. 39.50 earlier. Linseed oil closed firm at Rs. 17.20 today, as against Rs. 15.05 on 14th December.

In sympathy with other major oilseeds, cottonseed attracted good attention. Akola and Gujerat operators extended good speculative support. February 1961 contract rose by Rs. 2.50 to Rs. 95.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	4-1-1961	28-12-1960	14-12-1960
	Rs.	Rs.	Rs.
Groundnut			
February 1961	218 50	216.00	212 12
Nizam bold	46 12	43.75	42.75
Coromandel ready	46.75	44.75	42.75
Khandesh quality	46.75	45.00	43.50
Oil ex-mill ready*	19.70	19.00	18.80
Railway receipts*	19.60	18.81	18.65
Castorseed			
May 1961	178.37	175.75	181.50
Ready Madras	34.87	34.25	35.00
Ready Kanpur	33.87	33.00	33.87
Oil H.R.S.†	15.10	14.87	15.50
Oil commercial†	14.15	14.10	14.60
Linseed			
May 1961	35.66	35.34	34.31
Bold ready	38.75	36.87	34.25
Oil ready†	17.20	16.20	15.05
Cottonseed			
February 1961	95.50	94.25	93 00
Niger seed	36.50	37.50	35.75
Karsi seed	34.50	34.50	34.00

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

PEPPER ADVANCES

(Messrs. Parekh and Co.)

BOMBAY, 4th *January*

After fluctuating narrowly, Malabar black pepper prices improved during the period between Christmas and New Year. The improvement gathered further momentum during the week ending 4th January 1961 in sympathy with New York and Singapore.

New York rallied from $0.43½ to $0.50 under pressure of buying by grinders and owing to reserved attitude of stockists who were selling sparingly as they were not able to replace from primary markets like Singapore, Indonesia and India. Prices at these centres were ruling higher owing to reserved attitude of growers, exporters and dealers. While India was offering at $0.40 to $0.42, Singapore dealers, though sellers, did not reduce their price below $0.43 as they were not able to replace from Indonesia where the check price for Singapore was reported to be higher. The deterioration in the political situation at Laos was a supporting factor.

Despite fair-sized arrivals at Alleppey, Cochin and Calicut, values did not go below Rs. 345 per quintal as exporters and Commission Houses continued to lend support.

In a declining market New York dealers remained selective buyers. In some cases, they were reported to have done some re-selling to Singapore with a view to bringing down prices still lower. But, when Singapore and Indian sellers saw improved inquiries from New York, they raised their prices at every next sale. Sizable business by India, Singapore and Indonesia was reported at $0.43 to $0.47.

Singapore improved from Str.$235 to Str.$247½ for white and from Str.$142½ to Str.$152½ for black.

Ungarbled at Alleppey and Cochin rose from Rs. 364 to Rs. 427 per quintal and garbled from Rs. 380 to Rs. 435 per quintal. January delivery advanced from Rs. 394 to Rs. 443 and February delivery from Rs. 402 to Rs. 436 per quintal. Growers were, however, reserved sellers. Bulls began to collect contracts in futures at every rise. This contributed to the present improvement in the market.

The future of the market depends upon the buying attitude of New York but the present rise being too rapid, some reaction is expected, particularly in view of the fact that all principal markets like Indonesia, India and Singapore are sellers at every rise. In Bombay, ready pepper is nominally quoted at Rs. 215 per 50 kilos.

TEA EASY

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, 20th *December* 1960

Sale No. 49:—Approximately 700,000 kilograms were offered in Sale No. 49 held on Tuesday, 20th December 1960. Quality in general showed a seasonal decline. However, a few later Nilgiri invoices offered had improved liquors. There was a fair demand but at lower rates. Highgrowns met with limited enquiry and the majority were difficult of sale. Those that sold realised considerably lower rates. Medium and low medium sorts sold at a drop of 10-20 nP. Good mediums met less support and registered declines of up to 20 nP per kilo. Colourv good mediums and clean black fannings received useful support at around last rates. Plainest descriptions followed the downward trend of the market. C.T.C. and legg-cut types also tended easier. Whole leaf grades came in for less support and were easier.

	1960	1959
	Rs.	Rs.
Low medium	4.60-4.75	4.63-4.85
Medium	4.75-4.95	4.85-5.18
Good medium	4.95-5.20	4.96-5.29
Quality	5.20-7.75	5.51-9.37

The average price realised in sale No. 49 was Rs. 4.88 per kilo, as against Rs. 5 in the previous sale and Rs. 5.12 in the corresponding sale last year.

Dust Sale 'UU':—Sale 'UU' held on 22nd December 1960 amounted to 256,000 kgs. The market met a good general demand but prices were barely steady for most descriptions. Plain and medium sorts declined by 5 nP to 10 nP. Mediums with useful colour, however, met better support and sold at firm rates. There was useful enquiry for highgrowns at slightly easier rates than last. C.T.C. and legg-cut types sold at around last week's prices.

The average price realised in sale 'UU' was Rs. 4.86 per kilo, as compared with Rs. 4.84 in the previous sale and Rs. 4.29 in the corresponding sale last year.

Export Quota:—There are sellers at ¼ nP per kilo.

Colombo:—Just over 7 million pounds were offered and there was a good demand for highgrowns at prices which were 10-15 cents dearer but medium and lowgrown descriptions declined 5-10 cents.

London: North Indian and other growths:—In Monday's auction there was a good demand at firm rates particularly for plain teas which were the strongest feature. Plain broken pekoe remains at 3-9d.

Ceylon and South Indians:—Tuesday's sale totalled 21,239 packages. Of these 5,416 packages were from South India. There was good demand throughout the sale and prices were generally fully firm on last week's rates.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire as follows:

"*Sale No.* 1:—749,000 kilograms. Good demand at easier rates. Low medium and medium 10 nP to 15 nP easier. Good mediums declined irregularly 15 nP. Highgrowns limited enquiry at lower rates. Whole leaf barely steady."

GOOD DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, 3rd *January*

The last export sale was held on 19th December and the internal sale on the following day. On both days, there was good demand and prices rose. In the two weeks following our last report, tea bookings to the U.K. were good and maintained the improvement noticeable for the past few weeks. However, in the last week tea bookings were insignificant, as there were no auctions due to Xmas holidays. Now that tea production in North-East India in 1960 is lower than in 1959, it is more than likely that prices would be steady in the auctions to come, depending, of course, on quality. Market has taken note of New Delhi's offer to Pakistan to permit exports of 5 million lbs. of tea in order to relieve the prevailing scarcity there.

Presiding over the annual meeting of the Calcutta Tea Traders' Association, its President, Mr. R. G. Hales, suggested some important measures to enable the industry to earn more foreign exchange for the country. He said that if India should maintain its position in market abroad, output must be increased and more attention should be paid to export promotion and export incentives. He called upon the authorities to see if the taxes could not be collected on fewer points. Mr. Hales declared that the total burden of the existing taxes was already heavy, and hoped that this burden would not be increased in future.

Export offerings at the auctions held on 19th December amounted to 73,760 packages. The general demand was good for most teas excepting medium Assam B.O.Ps which were very weak. The poorest and more fibrous teas in C.T.Cs were sold at higher prices, although the better medium C.T.Cs eased by 20 nP and the very best C.T.C. teas by 20 nP to 40 nP. Legg-cut teas were firm. Prices of medium Assam O.Fs gave way by 10 nP to 20 nP. Similar fannings also eased, but the poorer descriptions recorded a small gain. Teas for price, fannings and plain brokens were steady, and fannings hardened. Leaf grades met with steady support. Tippy teas eased, while brighter Darjeelings were firm. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. fannings Rs. 5.70 to Rs. 6.20, clean black pekoe fannings Rs. 5.30 to Rs. 5.45, best Assam C.T.C. B.P. Rs. 5.40 to Rs. 5.80, medium fannings Rs. 4.85 to Rs. 5.15, plain fannings Rs. 4.80 to Rs. 4.95, plain B.P. Rs. 4.50 to Rs. 4.65, and medium B.P. Rs. 4.70 to Rs. 4.90.

In the internal sale held on 22nd December dusts on offer amounted to 23,232 packages, prices of which, on good demand, rose. Keen competition was offered for medium C.T.Cs and as a result, prices of these gained by 15 nP. The best lots of this category met with good support, and the smaller liquoring kinds added smart gains. Orthodox teas received keen attention. The thick liquoring Assams were bid at high rates. Legg-cut Dooars were fully steady. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. dust Rs. 6.20 to Rs. 6.40, medium Assam C.T.C. dust Rs. 5.50 to Rs. 5.75, medium Assam dust Rs. 4.85 to Rs. 5.25, and medium Dooars dust Rs. 4.75 to Rs. 4.95.

Leaf offerings amounting to 534 packages met with good support, but prices were irregular.

JUTE GOODS FIRM UP

(From Our Own Correspondent)

CALCUTTA, 3rd *January*

Although earlier in the period under review—this review covers the period from 13th December to 3rd January—quiet conditions prevailed in both raw jute and jute goods markets and prices registered small declines, attractive gains were a feature on 19th December. At high levels, profit-taking set in and prices moved down in the next two or three days. Since then, the uptrend had been maintained and closing levels as on 30th December were much higher on balance and were not much lower than the highest levels for the year. This was not a little due to the announcement last week-end of the decision by the Indian Jute Mill's Association to recommend to mills having more than 220 looms to reduce their working hours, from 45 to 42½ a week, with effect from the week 30th January. There would be no change in the percentage of looms remaining sealed, that is, 12 per cent.

During the period under review, export business in goods was not striking, as shippers showed interest for small quantities only. However, there was good covering business done against expected orders from overseas buyers. Indeed, Russia showed moderate interest and internal buyers were active. Government of India's call for tenders for B. twills, once postponed but subsequently announced for partial quantity, also added to tone up sentiment.

Meanwhile, market circles noted the proposal made by Mr. S. K. Patil, Union Food and Agriculture Minister, to increase mesta production as a safeguard against raw jute shortage. However, it was a surprise why the Minister, who was addressing the annual meeting of the Indian Central Jute Committee in Calcutta last week-end, should not think of increasing the quality of raw jute.

It was noted that, in its report recently made, the Pakistan Jute Commission has recommended measures for increased cultivation of jute and adequate marketing facilities. In the absence of details regarding the measures recommended, market comment should remain reserved. Fibre prices in Pakistan tended to decline very slowly during the period, but reports indicated that the uptrend has been arrested. For overseas buyers are showing interest for small quantities only. Details of export in November indicated that China was a prominent buyer of fibre from Pakistan. Of the total sales for export in that month, amounting to 218,746 bales, sales to China alone accounted for as much as 30,000 bales. Other countries that bought included Poland, France and the United States.

A factor that contributed to the earlier decline in prices was the directive of the Reserve Bank asking scheduled banks to reduce advances given against security documents on raw jute and jute goods. It was stated that bank's advances against goods. It was stated that bank's advances against jute textiles had risen to Rs. 24 crores from Rs. 20 crores in August and those in fibre to Rs. 14 crores from Rs. 11 crores in October. The rise in the former is 66 per cent. above the level a year ago and that in raw jute is 22 per cent. above the level a year ago. The directive recommended that advances to mills should not be higher than 75 per cent. and those to parties other than mills not more than 60 per cent. Since raw jute sellers finance most of their business from Bank advances against documents through brokers, and brokers keep a margin of 10 per cent., the actual advance to fibre sellers would amount to only 50 per cent.

Quiet conditions were in evidence in the goods market on 13th December when ready B. twills were quoted at Rs. 173.50 and ready hessian 40" 10 oz. at Rs. 54.25. These prices were maintained on the following day, but, on 15th December, with B. twills at Rs. 174 and hessian 40" 10 oz. at Rs. 54.50, a small rise was recorded, following invited tenders for 5,250 bales of B. twills against short-covering in hessian and further purchases of woolpacks by Australia. The Government of India assumption of burlap in the U.S. also led to sentiment. On 16th December, B. twills fell to Rs. 171.50 and hessian 40" 10 oz to Rs. 53.90 in the absence of incentives. On the next day, prices were unchanged. After the week-end, the market re-opened on 19th December and conditions became steadier, following the announcement of Government tenders for 10,000 bales of B. twills for December and 12,000 bales for January. B. twills scored to Rs. 180 and, in sympathy, hessian 40" 10 oz. hardened to Rs. 55.15. However, on 21st December, B. twills moved down to Rs. 178, following rumours that the above tenders had been postponed. However, hessian 40" 10 oz. hardened to Rs. 55.75. At this stage, some covering business was done in ready and near delivery hessian and, for this reason, on 22nd December, hessian 40" 10 oz. remained unchanged at Rs. 55.75, while B. twills were a shade lower at Rs. 177. Conditions were about firm on 23rd December and B. twills were offered at Rs. 178.50, hessian 40" 10 oz. remaining unchanged at Rs. 55.75. Soon reports that Soviet Russia would enter the market circulated, and whether actual business was done or not these rumours were sufficient to raise hessian 40" 10 oz. to Rs. 56.25 and B. twills to Rs. 179. After the X'mas holidays, the market re-opened on 27th December when covering business against Russia was done to raise B. twills to Rs. 181 and hessian 40" 10 oz. to Rs. 57.25. On the next day, the announcement of a Government tender for 4,000 bales of B. twils pushed up B. twills to Rs. 183.50. In sympathy hessian 40" 10 oz. rose to Rs. 58.30. Prices spurted on 27th December, following the decision of mills to reduce working hours from the end of January. B. twills scored to Rs. 186 and hessian 40" 10 oz. to Rs. 59.75. On 30th December, conditions remained fully steady and B. twills closed for the year at Rs. 186 and hessian 40" 10 oz. at Rs. 59. The market has remained closed since then, in view of New Year holidays.

In line with the trend in goods, fibre prices also rose. Mills gave support to fulfil their quotas. Arrivals were limited, but the earlier decline in prices was abated by sellers' refusal to operate until prices rose again. The low arrivals in November caused concern, since, although they were higher than in October, they were the lowest for November since November 1953. The total arrivals this season upto November were lower than the estimated consumption for this period by 478,000 bales. It should be noted that, every year at this time, arrivals would surpass consumption, thus aiding mills to build-up stocks for the bad time of the season. Building-up of stocks for the worse period of the season remains a problem. Assam bottoms opened at Rs. 128.50 per 100 kgs. (Rs. 48 per maund), against December-January delivery and the closing for the week ended 17th December was Rs. 131.25 (Rs. 49). In the following week, the price rose to as high as Rs. 136.75 (Rs. 51). Subsequently, the trend was fully buoyant to take the rate upto Rs. 142 (Rs. 53) by 30th December.

TIN AND ZINC RISE

(From Our Own Correspondent)

CALCUTTA, 3rd *January*

The feature of trading in the metal market during the three-week period under review was the upward trend of tin and zinc prices, following good support. There was no change in copper scrap prices—Rs. 212 a cwt. for "berry" quality and Rs. 200 a cwt. for utensil scrap. This was so because virgin copper was available in plenty against permits. More scrap was also on offer. There was shortage of coal in consuming centres and so copper scrap met with poor demand.

On 12th December, copper on the London Metal Exchange was quoted at £234½ a ton. On bull liquidation, it weakened and touched a low of £226 eight days later. At lower level, consumer demand improved and the Continent also showed interest. The quotation as on 30th December was £227½.

Earlier here, electrolytic zinc attracted keen interest and rose from Rs. 163 to Rs. 166 a cwt. However, demand soon abated, in view of the coal situation and the price, after falling to Rs. 163.50, regained to Rs. 166, before closing at Rs. 164. In London, however, the price recorded a progressive decline in the absence of adequate outside demand. The closing level was £76½ a ton, as against £84½ on 12th December. Tin was in scarce supply here and arrivals were limited. The price opened at Rs. 578 a cwt. and, after falling to Rs. 570, closed at Rs. 575. In London, tin opened at £796 a ton and, after being higher at £798½, eased to £786½. This was due to lower advices from Singapore. Lead here was unchanged throughout the period at Rs. 63.00 a cwt. Demand was moderate, but the supply position was comfortable. In London, the price closed at £62½ a ton, as against £65½ on 12th December.

SUGAR PRODUCTION IN FULL SWING

(From Our Own Correspondent)

HAPUR, 2nd *January*

Sugar recorded a quietly easy trend during the week under review, thanks to easy supply position. The latest available price is Rs. 110.50 per bag wholesale and Rs. 1.06 per seer retail in the open market. Production of sugar continues with vigour all over U.P., as cane supplies to factories are reported to be adequate. It is hoped that the production would touch a new high this year. With a carry-over of about 600,000 tons and good production prospects, the Union Government is naturally anxious to export the commodity. Out of the quota of 50,000 tons announced on 17th September last, it is gathered that 31,000 tons have been exported so far to Ceylon, Malaya and Middle East countries and the time limit for export has been extended up to the end of March 1961.

Trading in sugar was dull in Muzaffarnagar market during the week. Prices continued unchanged at Rs. 110 per bag and retail at Rs. 1.06 per *seer*. The stocks allotted in the last two months were not fully lifted and trade circles were hopeful of early decontrol of sugar. Some transactions were reported to have been finalised in Kanpur and Calcutta for specific deliveries below the present control prices.

Khandsari drifted lower, as demand was poor and new production stocks were increasing. Some demand was reported from the Punjab and Rajasthan. Arrivas of new *khandsari* averaged 4,000 maunds daily in the Muzaffarnagar market where latest prices were: inferior Rs. 25 to Rs. 29.50; superior Rs. 30 to Rs. 33; old Rs. 22 to Rs. 29; crystal Rs. 31 to Rs. 36 a maund.

New *gur* continued to rule depressed, as loading during the major part of the last fortnight continued to be restricted. Daily arrivals here were about 4,000 maunds, but these dropped considerably towards the week-end, due to rainy conditions. It is reported that about 50 per cent. of the produce has already reached the markets. The latest prevailing prices were: *pansera* Rs. 13.25; *balti* Rs. 13.75; *shakker* Rs. 15.25 a maund.

Gur also eased considerably in Muzaffarnagar, due to loading restrictions during the week. Total arrivals of *gur* and *shakker* in the market during the current season was estimated at 575,000 maunds and latest prevailing prices were: *pansera* Rs. 13 to Rs. 13.50; *khurpapar* Rs. 14.25; *laddo* Rs. 14; *danaminja* Rs. 11 to Rs. 13 per maund.

Future *gur* also ruled bearish in line with ready. *Fagun* opened at Rs. 14.07 last Monday and, after declining in successive sessions to Rs. 13.83, was quoted today at Rs. 13.87.

Preparation of land for next cane sowings has already begun. Actual sowings, however, will commence by the end of the month.

"RABI" CROP PROSPECTS GOOD

(From Our Own Correspondent)

HAPUR, 4th *January*

After ruling steady to firm in the past two weeks due to good demand in the face of falling stocks and absence of winter rains, foodgrains ruled quiet towards the week-end, thanks to fairly good rains all over Northern India which had very much brightened *rabi* crop prospects. Wheat here touched the highest level of the year to be quoted at Rs. 17.50 a maund for average quality and upto Rs. 18.50 for better farm produce. Daily arrivals of wheat from producing areas were almost nominal and most of the consumers requirements were met from sales through fair-price shops in the form of wheat flour. The latest rains in last two days have done immense good to all *rabi* crops and a fairly heavy crop now can be safely predicted.

Rice also recorded modest gains in the last fortnight, in line with other cereals, although the supply position was reported to be satisfactory as new crop grain was still reaching the markets. The week-end prevailing prices, in the local market were: *rice mainpuri* Rs. 20.75; *sela basmati* Rs. 27 to Rs. 29; *ramajwayan* Rs. 23; *raimunia* Rs. 24; and *gadda* Rs. 18.50 a maund.

Gram also touched new high levels to be quoted at Rs. 17 a maund, as stocks left with the trade were small and advices from the Punjab recorded a steady trend. Prospects of gram crop have improved considerably, due to latest rains and prices are now likely to register a downward trend. Barley was quoted at Rs. 12.75 and *bejhar* inferior quality at Rs. 12.75 and *moongia* variety at Rs. 13 a maund. Maize, too, recorded gains in the last fortnight in the absence of winter rains and active consumer support. Maize stocks here were fairly good at about 30,000 maunds. *Bajra* recorded a hardening trend in the last two weeks, as arrivals were meagre in the face of good seasonal demand. The quotations are: maize Rs. 13 to Rs. 13.75; *bajra* Rs. 15 to Rs. 15.50; *juwar* continued to be quoted at Rs. 13 and *guwar* white at Rs. 13.25 to Rs. 13.50 a maund.

In pulses, peas and *arhar* advanced fractionally on good demand from Madras side in the form of *dal*. The local stocks were small. Peas and *arhar* crops have been very much benefited from the recent rains. Other pulses were almost stationary and latest prevailing prices on Monday were: peas *dara* Rs. 13.50; superior white Rs. 15; peas *dal* Rs. 15; *arhar* Rs. 13.50; *arhar dal* Rs. 18 to Rs. 18.75; new *urd* Rs. 19; *moong* Rs. 18.50 to Rs. 19.50; *massor* Rs. 15 to Rs. 17 a maund.

TEXTILES

(Concluded from page 13)

shifts, so as to increase the production of cloth by at least 10 per cent. The third shift is already operative in some mills and it will now become operative in the rest. It is expected that all the steps necessary in this connection would be completed within four to six weeks. Government have no doubt that the increased quantity of cotton required for this purpose would be available to the mills. The Textile Commissioner will be keeping a continuous watch on the position of stocks of cloth with the mills, so as to make sure that the supply of cloth is keeping pace with the demand and the pipelines are not interrupted."

While the anxiety of the powers-that-be to ensure plentiful supplies of cloth to the consumers at reasonable prices is understandable, there is no denying that the latest revision of prices will adversely affect the marginal units of the industry producing coarse and medium cloth. Nevertheless, the industry has agreed to the revision in the larger interest of the nation. It is to be hoped that the industry will now be allowed to function undisturbed for a reasonably long period so that it might, to quote the Federation, "concentrate on achieving higher production which offers the only solution to the problem of cloth and yarn prices."

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 30th Dec., 1960

BANKING DEPARTMENT

LIABILITIES	Rs
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	70,02,8[illegible]
(2) Other Governments	9,87,06,[illegible]
(b) Banks	11[illegible],67,73,000
(c) Others	94,17,0[illegible]
Bills Payable	29,09,06,[illegible]
Other Liabilities	31,34,67,000
Rupees	480,78,47,000

ASSETS	Rs.
Notes	16,20,60,000
Rupee Coin	2,81,000
Subsidiary Coin	7,86,000
Bills Purchased and Discounted—	
(a) Internal	..
(b) External	..
(c) Government Treasury Bills	36,87,80,000
Balances held abroad*	23,72,45,000
Loans and Advances to Governments†	41,25,22,000
Other Loans and Advances	159,91,09,000
Investments	185,40,59,000
Other Assets	17,30,05,000
Rupees	480,78,47,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 13,79,50,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	16,20,60,000	
Notes in circulation	1868,97,97,000	
Total Notes issued	....	1885,18,57,000
Total Liabilities	....	1885,18,57,000

ASSETS	Rs.	Rs
A Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	128,00,89,000	
Total of A		245,76,92,000
B. Rupee Coin		127,36,08,000
Government of India Rupee Securities		1512,05,57,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1885,18,57,000

State Bank of India

Statement of Affairs for the week ended 30th Dec., 1960

CAPITAL AND LIABILITIES	Rs	Rs
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,[illegible]
Deposits and Other Accounts		[illegible]*
Borrowings from Other Banking Companies, Agents, etc.		[illegible]
Bills Payable		[illegible]
Bills for Collection being Bills receivable as per contra		1,91,63,000
Acceptances, Endorsements and Other Obligations per contra		1,55,79,000
Other Liabilities (including Inter-Office Adjustments)		16,66,63,000
Total .. Rs.		624,49,17,000

PROPERTY AND ASSETS	Rs	Rs
Cash in hand and with Reserve Bank		16,66,10,000
Balances with other Banks		2,71,37,000
Money at Call and Short Notice		1,20,00,000
INVESTMENTS:		
Government and other Trustee Securities	291,8[illegible]	
Other Authorised Investments	10,21,35,000	
		30[illegible],57,000
ADVANCES:		
Loans, Cash Credits, Overdrafts etc.	216,15,73,000	
Bills Discounted and Purchased	15,96,71,000	
		232,12,47,000
Bills Receivable being Bills for Collection as per contra		1,91,63,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,55,79,000
Premises less Depreciation		1,75,72,000
Furniture and Fixtures less Depreciation		1,29,81,000
Other Assets (including Inter-Office Adjustments)		33,16,71,000
Total .. Rs.		624,49,17,000

* This includes Rs. 228,32,00,000 of U.S. Funds.

Scheduled Banks*

Statement of Affairs for the week ended 23rd Dec., 1960

	Rs. (Thousands)
(i) Demand Liabilities in India :	
(a) Demand Deposits—	
(1) From banks	42,68,89
(2) From others	687,61,87
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	18,08,20
(c) Other demand liabilities	45,96,93
(ii) Time Liabilities in India :	
(a) Time Deposits—	
(1) From banks	17,02,86
(2) From others	1069,55,51
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	14,81,13
(c) Other time liabilities	20,12,81
(iii) Borrowings in India from the State Bank of India and/or notified banks :	
(a) Demand liabilities	9,67,71
(b) Time liabilities	1,54,08
(iv) Borrowings in India from the Reserve Bank of India (A)	12,80,44 (8,36,00)
(v) Cash in India	43,93,21
(vi) Balances with the Reserve Bank in India	88,09,47
(vii) Balances with Other Banks in Current Account in India	16,90,25
(viii) Money at call and short notice in India	27,29,59
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	658,54,57
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	992,08,43
(b) Due from Banks in India	10,16,43
(xi) Inland Bills purchased and discounted in India.	107,07,07
(xii) Foreign Bills purchased and discounted in India.	46,92,99
(xiii) Total of items (x), (xi) and (xii)	1156,24,92

Notes :—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 23rd Dec., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	[illegible]
(b) Provincial Governments	[illegible]
(c) Banks	[illegible]
(d) Others	105,[illegible]
Bills Payable	[illegible]
Other Liabilities	13,[illegible]
Rupees	161,83,18,000

ASSETS	Rs
Notes	8,46,0[illegible]
Rupee Coin	41,000
Subsidiary Coin	73,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	..
Balances held outside Pakistan*	36,10,10,000
Loans and Advances to Governments	11,53,00,000
Provincial Governments' Debtor Balances	[illegible]
Other Loans and Advances	32,10,71,000
Investments	58,46,11,000
Other Assets	[illegible]
Rupees	161,83,18,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,46,05,000	
Notes in circulation	38[illegible]	
Total Notes issued	....	[illegible],71,000
Total Liabilities	....	[illegible],71,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	73,93,80,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		141,62,23,000
B. Rupee Coin	3,52,47,000	
Government of Pakistan Securities	238,40,95,000	
Internal bills of exchange and other commercial paper	....	
		241,93,42,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	389,45,71,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued : 37 80 per cent.

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	23rd Dec., 1960	16th Dec., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1858.55	1861.11	1810.97	1730.11
Notes held in Banking Department	35.05	16.75	13.82	22.65	11.01
Foreign Securities	59.50	128.01	128.01	123.01	163.01
Rupee Securities	37.89	1502.06	1502.06	1462.06	1327.43
Banking Department					
Deposits of:					
Government of India	14.39	68.83	50.87	67.35	58.87
Other Governments	..	15.34	28.40	10.32	24.65
Balances held abroad	10.06	27.58	27.10	16.96	50.13
SCHEDULED BANKS					
Demand Liabilities	134.36	776.28 (45.97)†	771.40 (45.48)†	797.09 (26.61)†	739.15 (22.28)†
Time Liabilities	102.24	1106.71 (20.13)†	1108.12 (20.52)†	1142.12 (18.13)†	1,135.58 (25.36)†
Borrowings from Reserve Bank	..	42.80 (8.36)‡	31.35 (7.57)‡	12.29 (4.27)‡	11.83 (0.12)‡
Borrowings from State Bank	..	11.22	10.07	8.71	8.70
Cash in India	6.70	43.93	44.64	45.62	44.52
Balances with Reserve Bank	25.17	88.09	80.00	90.63	69.53
Balances with other banks in current account in India	..	16.90	15.15	16.48	15.38
Money at call and short notice in India	..	27.30	29.95	39.61	29.20
Investments (at book value)	..	658.55	659.40	684.86	787.52
Advances and bills	105.9	1156.25	1145.10	1104.65	964.49
STATE BANK					
Deposits	87.76	575.27	568.29	571.76	579.23
Investments	51.99	323.57	323.20	343.66	400.15
Advances	30.35	225.92	223.79	207.99	162.15
Cash	14.69	28.31	24.86	31.55	27.21

† Borrowings from Banks excluding the Reserve Bank and the State Bank. R—Revised Figures.

‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1959	5	6
Burma	Feb., 1948	..	3
Canada †	..	2.45	2.73
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July., 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1959	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec. 1960	5.50	5
U.S.S.R.	1st July, 1936	8	4
U.S.A.	11th Aug. 1960	3.50	3
West Germany	11th Nov., 1960	5	4

Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

EXCHANGE RATES

		4th January 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5[illegible]	1-5[illegible]
Sellers T. T. D.D. upto six months	s.	1-5[illegible]	1-5[illegible]
Buyers T.T. spot to nine months	s.	1-6[illegible]	1-6[illegible]
Buyers T.T. 10 to 12 months	s.	1-6[illegible]	1-6[illegible]
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477.00	477.00
Buyers T.T.	Rs.	473.50	473.75
London on New York	s.	2.8056-2.8060	2.8052-2.8055
London on Paris	Fcs.	13.75[illegible]-13.75[illegible]	13.75[illegible]-13.75[illegible]
London on Berne	Sw. Fcs.	12.11[illegible]-12.11[illegible]	12.11[illegible]-12.11[illegible]
New York on London	s.	280.560-280.600	280.520-280.550

CLEARING HOUSE RETURNS

Centre	Week ended 30th Dec., 1960		Week ended 23rd Dec., 1960	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,95,281	94,07,37,000	4,02,066	91,13,66,000
Calcutta	1,87,000	76,24,00,000	1,92,000	90,37,00,000
Madras	89,475	12,86,16,632	95,695	12,42,43,246
All Centres—				
1957-58	41,672,000	89,54,80,00,000	..	..
1958-59	45,172,000	97,67,12,00,000	..	..
1959-60	50,064,000	109,88,05,00,000	..	..
July 1960	4,210,000	952,59,00,000	..	..
Aug. "	4,377,000	996,31,00,000	..	..
Sept. "	4,818,000	971,59,00,000	..	..
Oct. "	4,707,000	1042,18,00,000	..	..

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	17th Dec., 1960	10th Dec., 1960	19th Dec., 1959	Nov., 1960	Nov., 1959	Percentage of Increase (+) or Decrease (—) in Nov., 1960 as compared with Nov., 1959	Financial Year Average 1959-60	Financial Year Average 1958-59
Food Articles	504	117.0	117.5 R	117.3	120.2	121.4	— 1.0	119.0	116.2
Cereals	192	100.4	100.7 R	100.2	103.5	106.2	— 2.5	104.1	105.3
Pulses	43	93.7	93.5	92.1	94.2	94.2	—	93.6	102.5
Fruits and Vegetables	23	106.6	105.5	118.9	111.2	124.1	—10.4	127.5	117.0R
Milk and Ghee	84	109.5	112.4	104.1	113.0	111.7	+ 1.2	113.3	107.9
Edible Oils	47	152.7	152.9	127.8	153.1	127.5	+20.1	130.4	134.3
Fish, Eggs and Meat	17	126.2	125.5	115.8	124.3	111.4	+11.6	112.0	106.4R
Sugar and Gur	48	127.8	127.7	148.4	135.6	160.5	—15.5	147.0	107.2
Others	50	170.6	170.7	180.3	175.3	178.0	— 1.5	167.9	151.3
Liquor and Tobacco	21	112.3	112.3	103.1	116.8	104.6	+11.7	99.5	95.4
Tobacco	—	111.0	111.0	101.7	115.8	103.4	+12.0	97.9	93.3
Fuel, Power, Light and Lubricants	30	120.3	120.3	117.0	120.1	117.4	+ 2.3	116.5	115.4
Industrial Raw Materials	155	147.7	146.6 R	127.3	148.0	122.5	+20.8	123.7	115.6
Fibres	61	152.7	156.0	124.2	159.1	111.7	+42.4	112.3	106.9
Oilseeds	60	152.8	151.8 R	130.5	149.3	130.7	+14.2	134.6	127.0
Minerals	2	98.2*	98.2	95.2	98.1	95.2	+ 3.0	97.8	[illegible]
Others	32	131.6	131.6*	129.5	127.7	129.6	— 1.5	121.6	106.3
Manufacture	290	125.4	125.9	113.9	125.6	111.7	+12.4	111.6	106.4R
Intermediate Products	41	131.9	132.0	118.0	131.6	116.1	+13.4	113.8	110.3
Finished Products	249	124.3	124.9 R	113.2	124.7	111.0	+12.3	111.3	106.1R
Textiles	147	128.1	129.1	110.7	128.8	106.9	+20.5	107.3	103.3R
Cotton	—	129.2*	129.5*	119.8*	129.1	116.1	+11.2	116.9*	117.6R
Jute	—	139.1	142.2	93.9	141.7	90.2	+57.1	90.6	84.5
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	104.2	106.6
Silk and Rayon	—	101.0*	101.0*	99.1	101.8	93.1	+ 9.3	96.4	98.2
Metal Products	12	146.8	146.8	144.7	146.8	144.7	+ 1.5	144.4	143.1
Chemicals	20	103.7	104.0 R	106.8	104.3	106.5	— 2.1	106.9	106.8
Oil Cakes	10	146.2*	145.2*	144.5	142.5	148.0	— 3.7	143.8	136.0
Machinery and Transport Equipment	31	111.9	111.9	106.4	112.1	106.4	+ 5.4	106.2	102.0R
Others	30	116.4	116.4 R	114.1	116.5	113.8	+ 2.4	113.4	113.7
All Commodities	1,100	124.2	124.7 R	117.5	126.0	118.3	+ 6.5	117.1	112.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. *Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Contd.*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949 = 100)	Bombay Base June (1934 = 100)	Ahmedabad Base 1949 = (100)	Sholapur Base January (1928 = 100)	Kanpur Base (1949 = 100)	Nagpur Base (1949 = 100)	Calcutta Base August (1939 = 100)	Madras City Base (1949 = 100)	Delhi Base (1949 = 100)	Ajmer Base (1949 = 100)	Gauhati Base (1949 = 100)	Jamshedpur Base (1949 = 100)	Jabalpur Base (1949 = 100)	Bangalore Base (1949 = 100)
1952 Average	103	337	104	310	92	101	351	102	108	108	111	112	99	115
1953 ,, ...	106	363	111	323	95	103	349	109	106	104	102	112	100	114
1954 ,, ...	101	359	98	294	85	99	327	106	105	91	85	102	98	106
1955 ,, ...	96	338	87	246	78	96	321	99	99	83	87	98	88	103
1956 ,, ...	105	353	98	316	89	105	347	111	109	95	96	106	100	114
1957 ,, ...	111	369	104	339	94	112	364	116	114	99	103	115	107	126
1958 ,, ...	116	395	110	313	98	120	384	124	113	103	103	123	109	131
1959 ,, ...	121	412	125	340	98	132	384	133	120	106	98	125	108	146
August 1959	125	420	125	348	98	134	406	134	118	105	102	129	109	142
Sept. ,,	124	422	129	349	97	135	399	134	118	105	102	130	107	143
Oct. ,,	126	427	131	368	98	135	406	137	120	108	101	130	111	143
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February ,,	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March ,,	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April ,,	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May ,,	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June ,,	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July ,,	126	423	122	362	101	137	406	145	121	109	108	119	109†	146
August ,,	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept. ,,	125	418	122	364	101†	138	..	146	122	108	102	122	108	..
Oct. ,,	125†	421	..	365	..	..	..	..	122	..	105	119	108	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Outstandings	Cumulative Time Deposits 10-Year J Outstandings	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	10-Year Treasury Savings Deposit Certificates 4% C Receipts	10-Year Treasury Savings Deposit Certificates 4% C Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings H
1956-57 ..	..	..	3,00	6,01	163,68	..	..	176,97	196,56	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58 ..	..	..	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958-59 ..	..	..	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	635	11,68	67	2,41	286,28	590,08
1959-60 ..	..	..	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,36
July 1959	12	7	1,63	3,56	112,40	6,17	172,83	17,23	235,30	20,53	—40,88	42,25	53	13,66	8	2,62	24,06	604,97
August ,,	15	9	1,65	3,51	110,64	6,04	178,11	15,12	237,06	20,44	—40,94	42,19	87	14,19	3	2,64	22,11	610,67
Sept. ,,	19	11	1,63	3,46	109,01	6,37	183,58	15,23	238,86	20,36	—41,01	42,10	1,06	15,16	5	2,67	22,77	617,13
Oct. ,,	..	..	1,61	3,40	107,53	5,66	188,36	14,31	239,21	20,28	—41,07	42,04	1,09	16,15	5	2 71	21,17	621 65
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19 96	—41,27	41,84	1,13	19,77	5	2,81	23,59	630,20
February ,,	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,27	41,75	1,05	20,79	6	2,86	25,71	636,66
March ,,	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41,29	41,68	96	21,76	6	2,90	43,47	667,36
April ,,	57	34	1,51	3,11	97,35	6,47	226,14	17,87	253,58	19,68	—41,35	41,58	1,63	23,16	9	2,98	26,16	76,000
May ,,	64	38	1,50	3,07	95,55	6,45	231,20	17,00	251,94	19,55	—41,41	41,50	1,06	24,19	5	3,01	24,67	67,253
June ,,	73	42	1,48	3,02	93,84	5,76	235,58	17,35	253,22	19,50	—44 46	41,41	84	25,05	5	3,04	24,13	677,33
July ,,	81	47	1,45	2,98	92,30	5,83	240,30	15,25	255,92	19,44	—41 49	41,32	1,11	26,09	4	3,07	22,36	684,15
August ,,	89	52	1,43	2,91	90,90	6,78	245,82	19,75	261,00	19,38	—41,54	41,21	1,17	27,23	9	3,14	27,92	694,43
Sept. ,,	98	57	1,41	2,84	89,45	7,16	251,77	18,76	265,34	19,28	—41,60	41,14	1,52	28,71	6	3,18	27.64	704,67
October	..	..	..	..	..	..	..	..	..	..	..	41,09	1,42	30,27	5	3,22	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of August 1960 amount to 9.53 lakhs of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1963-65	97.55
3 % Loan	1950	30,33,10,000	1964	97.55
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	95.30
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	89.85
2½% Loan	1946	57,00,69,000	1961	99.00
2½% Loan	1946	14,77,48,000	1976	83.56
2½% Loan	1947	75,86,72,000	1962	97.85
3½% N. P. Bonds	1953	75,29,00,000	1961	100.00
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.35
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.25
3½% Loan	1956	1,07,27,36,000	1962	99.65
3½% N. P. Bonds	1956	93,81,83,000	1967	98.85
3½% Loan	1956	86,63,53,000	1974	99.15
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.75
4 % Loan	1957	49,17,27,000	1972	100.45
3½% Loan	1958	58,05,92,000	1963	99.80
3½% Loan	1958	70,00,00,000	1968	98.85
3½% Loan N.P.B.	1958	34,33,90,000	1968	100.60
4 % Loan	1958	49,51,44,000	1973	100.40
3½% Loan	1959	1,37,90,93,000	1969	98.70
4 % Loan	1959	81,06,38,000	1979	99.90
4 % Loan	1960	97,64,00,000	1980	99.90
3½% Bonds	1960	82,66,00,000	1966	99.80
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	73.00
3 % Loan	1946	2,48,91,33,000	K.	74.25
STATE LOANS				
4 % Andhra	1955	5,90,16,000	1st Sept. 1967	97.20
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.15
4½% Andhra	1958	5,48,81,000	15th July 1970	100.15
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	96.90
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	97.10
3 % Bombay	1949	5,29,97,000	1st Aug. 1962	97.55
3½% Bombay	1951	2,82,97,000	17th Sept. 1962	99.60
4 % Bombay	1953	5,10,80,000	15th July 1963	99.75
4 % Bombay	1952	3,40,34,000	1st Aug. 1964	99.60
4 % Bombay	1955	9,56,29,000	1st Sept. 1967	99.00
4 % Bombay	1956	7,82,20,000	3rd Sept. 1970	98.60
4½% Bombay	1957	6,57,23,000	16th Sept. 1969	100.25
4½% Bombay	1958	6,58,21,000	15th July 1970	100.25
4½% Bombay	1958	4,55,25,000	15th July 1971	100.25
4 % Bombay	1959	6,58,13,000	19th Aug. 1971	98.25
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97.15
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97.15
4½% Bihar	1958	2,76,71,000	18th Oct. 1970	100.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	97.00
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	98.45
3½% Howrah (New)	1936-37	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.00
3 % Madras	1946	3,81,77,000	1st Sept. 1961	98.60
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.75
4 % Madras	1953	10,33,71,000	15th July 1963	99.50
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.40
4 % Madras	1955	10,47,17,000	1st Sept. 1967	97.45
4 % Madras	1956	13,33,56,000	3rd Sept. 1968	97.40
4½% Madras	1958	5,55,57,000	15th July 1970	100.25
4 % Madras	1959	5,72,72,000	19th Aug. 1971	97.10
4 % Madras	1960	12,00,00,000	29th Aug. 1969	97.15
4 % Maharashtra	1960	10,00,00,000	29th Aug. 1969	98.85
4 % Mysore (f)	1933	2,95,35,200	1st Dec. 1953-63	101.40
3 % Mysore (f)	1936	5,99,73,000	30th Apr. 1956-61	99.80
4 % Mysore	1953	3,33,47,000	15th July 1963	99.50
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97.20
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.15
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	100.25
4½% Mysore	1958	5,51,61,000	15th July 1970	100.25
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.15
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	97.15
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.00
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98.50
4 % M.P.	1953	1,10,18,000	15th July 1963	99.00
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.20
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97.15
4½% M.P.	1958	2,21,30,000	15th July 1970	100.00
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	97.00
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	98.75
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	98.75
4 % Kerala	1953	3,25,61,000	15th July 1963	99.00
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	97.00
4½% Kerala	1958	3,27,10,000	15th July, 1970	100.00
4 % Kerala	1959	4,47,05 000	19th Aug., 1971	97.00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.00
2½% U.P.Z.A.	1952	44,93,89,000	..	48.75Z
3 % U.P.	1936	1,55,31,000	15th Sept. 1961-66	92.25
2¾% U.P.	1946	2,12,62,000	1st Sept. 1961	97.50
3½% U.P.	1951	1,86,22,000	17th Sept. 1962	99.10
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.40
4 % U.P.	1953	5,58,25,000	15th July 1963	99.50
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	97.20
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97.20

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1966	97.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,376	4	1913*	1960	D
80,00,000	4	1913	1974	97.00
88,25,000	4	1914	1975	97.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
50,00,000C	3††	1921	1981	82.00
68,02,300C	6†	1921	1961	144.00N
60,00,000	4½	1931	1991	98.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	98.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2¾	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	99.25
1,00,00,000	4	1960	1970	99.25
STERLING LOANS				
£892,600	5	1923	1953-83	£61.75
£901,000	5	1924	1954-84	£61.75
£855,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,86,000f	3	1947	1977	A
8,00,000f	3	1949	1979	
45,00,000f	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
		STERLING LOANS		
£566,600		1909	1968	£95.50
£338,000		1910	1970	£95.50N
Rs		**CALCUTTA**		Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	91.75
50,00,000	3	1937	1962	96.00
20,00,000	3	1938	1963-68	91.75
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1988	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
26,00,000	4	1913-18	1974	97.00
10,00,000	5	1920	1960	118.00N
8,25,00,000	3½	1947	1977	86.50
2,13,14,500	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,34,000	3½	1951	1966	98.00
1,30,00,000	4	1953	1963	99.00
92,19,00,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.00
1,57,50,000	4	1956	1968	99.00
1,74,00,000	4½	1957	1969	99.25
4,75,00,000	4½	1958	1970	99.25
3,30,00,000	4	1959	1971	97.00
Rs.		**CALCUTTA**		Rs.
10,00,000	5½	1932	1962	100.00
33,91,000	3½	1925	1965	95.00
60,00,000	3	1936	1966	91.00
47,50,000	3	1938	1968	91.00
21,10,000	3½	1942	1972	92.00
16,33,000	3½	1951	1961	99.25
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	—
73,86,000	4½	1956	1968	100.50
1,67,32,000	4½	1958	1970	—
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	100.25
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.10
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	97.15
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	97.20
4½% Rajasthan	1958	2,79,88,000	15th July 1970	100.00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	97.15
4 % Rajasthan	1960	5,00,00,000	29th Aug. 1969	97.15
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	97.15
4½% Orissa	1958	3,28,58,000	15th July 1970	100.00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	96.25
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	96.90
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.25
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.40
4 % W. Bengal	1953	3,60,23,000	15th July 1963	99.60
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	98.50
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.75
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.25
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.00
4 % W. Bengal	1960	7,00,00,000	29th Aug. 1969	98.30
4 % Assam	1959	2,76,40,000	19th Aug. 1971	97.00
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. †† Rate of interest reduced from 4 to 3 per cent. [illegible] from 1st April 1950.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 5th January, 1961.

	Closing quotations 23-12-1960	High	Low	Closing quotation 5-1-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	171.25	171.25	168.00	168.00
Apollo (2) ..	1.30	1.32	1.28	1.30
Baroda Rayon (100) ..	124.00	125.50	119.00	122.00
Bombay Dyeing (25) ..	60.50	60.60	59.50	59.90
Bradbury (50) ..	117.50	—	—	117.50
Central India (100) ..	101.00	100.00	98.00	99.50
Century Mills (100) ..	455.00	454.50	446.00	451.50
Coorla Sp. (100) ..	131.25	—	—	131.25
Dawn (50) ..	112.00	112.00	111.00	112.00
Edward Textile (200) ..	262.50	—	—	262.50
Elphinstone (50) ..	57.00	57.00	55.00	55.50
Finlay (100) ..	320.00	320.00	316.00	318.00
Gokak (100) ..	170.50	169.50	165.00	166.00
Gold Mohur (100) ..	250.00	—	—	245.00
Gwalior Rayon (10) ..	40.00	40.00	39.00	39.25
Ind. Untd. Defd. (1) ..	1.50	1.50	1.44	1.50
Ind. Untd. Ord. (10) ..	13.00	13.12	12.68	13.08
Indian Rayon (50) ..	55.00	55.50	52.50	53.50
Indore Malwa (100) ..	125.00	130.00	120.00	128.00
Khatau (100) ..	451.25	445.00	431.25	432.50
Kohinoor (100) ..	267.50	266.00	261.00	264.00
Lakshmi (250) ..	497.50	—	—	497.50
Mafatlal (100) ..	720.00	720.00	715.00	715.00
Minerva Mills (100) ..	64.00	—	—	64.00
Model Nagpur (250) ..	80.00	—	—	80.00
Morarji (100) ..	313.00	314.00	309.00	314.00
Mysore (50) ..	63.00	—	—	63.00
National Rayons (100)	481.00	480.00	468.00	475.00
New City (100) ..	144.00	—	—	144.00
New Great (100) ..	190.00	194.00	189.00	192.00
Phoenix (100) ..	127.00	131.00	126.50	129.00
Podar Mills (100) ..	130.00	130.00	128.00	130.00
Raymond Woollen (100) ..	102.00	103.50	102.00	103.50
Sassoon Silk (10) ..	15.48	15.48	14.48	15.00
Sassoon Spg. (10) ..	45.00	—	—	45.00
Shrinivas (100) ..	228.00	228.00	225.00	228.00
Simplex (50) ..	160.00	160.00	158.00	160.00
Standard (100) ..	1,025.00	1,035.00	972.00	983.00
Svadeshi (100) ..	224.50	224.00	218.50	222.50
Swan (100) ..	475.00	480.00	475.00	480.00
Tata Mill (25) ..	39.25	39.50	38.50	39.25
Vishnu (100) ..	95.00	—	—	95.00
Western India (1 000)	4,075.00	—	—	4,075.00
BANKS				
Bank of India (50) ..	106.00	107.50	106.00	107.00
Do. (New) (50) ..	111.00	—	—	111.00
Bank of Baroda (50) ..	82.00	82.00	81.50	82.00
Central (25) ..	53.00	53.30	52.50	53.30
Central 'A' (25) ..	56.00	56.30	55.50	56.30
Dena Bank (50) ..	52.00	52.50	52.00	52.50
Punjab National (10) ..	19.28	—	—	19.28
Union Bank (5) ..	6.00	6.04	5.96	6.04
United Com. (50) ..	84.00	—	—	84.00
ELECTRIC COS.				
Ahmedabad (100) ..	84.80	85.00	83.50	84.00
Amalgamated (10) ..	10.04	—	—	10.00
Andhra Valley (1,000)	1,000.00	1,002.50	976.25	980.00xd
Bom. Sub. El. (100) ..	85.30	—	—	85.30
Surat (100) ..	85.00	—	—	85.00
Tata Hydro (100) ..	103.00	103.00	99.50	101.00xd
Tata Power (1,000) ..	1,035.00	1,031.25	1,010.00	1,012.50xd
INSURANCE COS.				
British India (10) ..	12.00	—	—	12.00
Empire of India (100) ..	268.75	—	—	268.75
Ind. Mercantile (20) ..	42.50	—	—	42.50
Jupiter (15) ..	7.28	—	—	7.28
New India (15) ..	53.20	53.80	53.20	53.20
Vulcan (10) ..	16.48	—	—	16.48
STEEL COS.				
Ind. Iron (10) ..	23.12	23.20	23.00	23.04
Mukand Iron (10) ..	21.00	23.48	29.24	22.76
Tata Steel Ord. (75) ..	140.00	140.50	138.50	139.75
SUGAR COS.				
Belapur (50) ..	339.50	335.00	326.00	329.00
Bhopal (10) ..	29.00	—	—	29.00
Changdeo (12.50) ..	32.75	—	—	32.75
Phaltan (50) ..	162.00	165.00	159.50	154.00
Walchand Ind. (100) ..	255.00	267.00	257.50	265.00
CEMENT COS.				
Associated Cts. (100) ..	148.50	149.25	146.50	148.00
Digvijay (100) ..	146.00	146.00	145.00	145.00
Orissa (10) ..	15.08	15.20	15.00	15.20
MISCELLANEOUS				
Acock Ashdown (100)	245.00	243.00	234.00	238.00
Bom. Burmah (125) ..	557.50	558.00	547.00	551.00
Do. (New) (50) ..	190.00	191.25	188.75	191.25
Br. B. Petrol (4 sh.) ..	2.12	2.14	2.08	2.10
Br. I. Corpn. (5) ..	6.96	6.96	6.80	6.84
Cooper Eng. (100) ..	156.50	156.50	155.75	156.50
Colour Chem. (100) ..	302.50	305.00	300.00	300.00
Hind Cycle (100) ..	85.00	—	—	85.00
Hindustan Lever (10) ..	42.25	42.50	41.50	41.50
Hindusthan Motors (10)	19.56	19.40	18.96	19.12
I. C. & Invest. Corporation (100) ..	71.00	—	—	71.00
Indian Dyestuff (100) ..	436.25	435.00	145.00	426.25
Indian Copper (2 sh.) ..	4.48	4.54	4.44	4.56
Ind. Inv. Tr. (100) ..	79.50	—	—	79.50
Killicks (100) ..	100.50	100.50	100.00	100.00
Larsen & Toubro (10) ..	35.75	35.75	34.00	34.25
Mahindra & Mahindra (10) ..	19.88	20.00	19.56	19.60
New Central Jute (10)	21.24	21.36	20.76	20.76
Polson (100) ..	151.50	152.00	151.50	152.00
Pre. Automobiles (100)	163.50	165.00	160.00	164.00
Premier Con. (80) ..	288.50	288.50	279.00	283.50
Scindia (20) ..	15.40	15.20	14.48	14.68
G. B. Shipping (10) ..	15.88	15.88	15.28	15.28
Shivrajpur (10) ..	71.50	72.00	70.50	71.00
Sirpur Paper (10) ..	16.76	16.84	16.28	16.36
Tata Chemicals (10) ..	17.16	17.20	16.56	16.88
Tata Locomotive (100)	295.00	295.00	287.25	291.00
Tata Oil (25) ..	74.00	74.20	72.50	73.50
Texmaco (10) ..	22.88	22.88	22.48	22.60
Voltas (100) ..	264.00	264.00	259.75	262.50
W. I. Match (100) ..	261.00	262.00	257.00	260.00
W. Coast Paper (100) ..	183.00	186.00	183.50	184.60

GOVERNMENT SECURITIES	23-12-1960 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	5-1-1961 Rs
2½% 1961	99.05	—	4.17	99.05
2½% 1962	97.85	—	3.85	97.90
2½% 1976	83.50	—	4.17	83.50
3 % 1964	97.65	—	3.72	97.65
3 % 1963-65 ..	97.55	4.12	3.63	97.55
3 % 1966-68 ..	95.25	3.94	3.70	95.30
3 % 1970-75 1st Dev.	89.75	4.33	3.96	89.75
3 % 1986 Con. Loan..	74.15	—	4.04*	74.40
3½% 1961 N.P. Bonds.	100.00	—	3.50	100.00
3½% 1964 N.P. Loan..	99.40	—	3.40	99.35
3½% 1965 N.P. Bonds.	99.30	—	3.67	99.30
3½% 1962 ..	99.65	—	3.48	99.65
3½% 1967 N.P. Bonds.	98.90	—	3.70	98.90
3½% 1974 ..	99.00	—	3.64	99.00
3½% 1967 N.P. Bonds.	100.75	—	3.63	100.75
3½% 1969 Loan ..	98.80	—	3.67	98.80
3½% 1968 ..	98.90	—	3.68	98.90
3½% 1963 N.P. Bonds.	99.80	—	3.60	99.80
3½% 1968 N.P. Bonds.	100.65	—	3.66	100.65
4 % 1972 Loan ..	100.50	—	3.95	100.50
4 % 1973 Loan ..	100.40	—	3.95	100.40
4 % 1979 Loans ..	99.80	—	4.01	99.80
3½% 1966 Bonds ..	99.30	—	3.64	99.30
4 % 1980 Loan ..	99.90	—	4.01	99.90

* Current Income. xd—Ex-dividend. X.R.—Ex Right.

SHARE MARKET QUIET

SUGARS SUFFER SETBACK

(From Our Own Correspondents)

BOMBAY, *5th January*

A QUIET trend was in evidence in the share market during the last working week of 1960 and the first four days of the New Year. The market was officially closed from 24th December to 1st January. Investment support was at a low ebb, thanks to uncertain international political situation, tight money conditions and the Union Finance Minister's statement at the Associated Chambers' meeting at Calcutta that there would be no relief in company taxation. There was also scattered professional selling in some counters, so that values tended to move down.

Despite the rise in the output of steel during the month of December, steel shares lacked support. Tata Steels receded from Rs. 140.25 on 15th December to Rs. 138.50 on Tuesday this week (3rd January 1961). After recovering to Rs. 140.25 today, they finished lower at Rs. 139.75. Indian Irons declined from Rs. 23.36 to Rs. 23.04. Mukand Irons, however, were well fancied, the quotation rising by Rs. 2.76 to Rs. 22.76.

Textiles encountered selling. Operators were inclined to feel that the latest reduction in prices of cloth and yarn would adversely affect the mills, particularly the units producing coarse and medium varieties of cloth. Khataus fell (as compared with our last review) by Rs. 15 to Rs. 432.50. Swans dropped Rs. 9 to Rs. 480. Standards eased by a like amount to Rs. 983. Finlays declined by Rs. 5 to Rs. 318. Ahmedabad Advances receded by Rs. 3.50 to Rs. 168, notwithstanding the declaration of a higher dividend of Rs. 10 (subject to tax) for the year ended June 1960, as against Rs. 7 distributed in the previous year. Gokaks lost Rs. 3 to Rs. 166, Kohinoors Rs. 2.50 to Rs. 264, Bombay Dyeings Re. 1.20 to Rs. 59.90 and Podars Re. 1 to Rs. 130. Simplex were unchanged at Rs. 160, as also Morarjis at Rs. 314 and India Uniteds at Rs. 13.08. Sreeniwas, however, evoked special enquiries and improved by Rs. 6 to Rs. 228. Similarly, Indores hardened by Rs. 5 to Rs. 128, New Greats by Rs. 2 to Rs. 192 and Centurys by Re. 1.50 to Rs. 451.50.

Sugar shares were subjected to heavy selling pressure induced by apprehensions regarding the possible effects of the proposed land ceiling legislation of Maharashtra Government. Belapurs slumped by Rs. 41 to Rs. 329. Maharashtra Sugars suffered a loss of Rs. 22.50, today's closing rate being Rs. 212. Phaltans climbed down from Rs. 178 to Rs. 164. Operators were disappointed at the reduction in net dividend to Rs. 8.40 (gross of Rs. 9.45) for the year ended September 1960, as against Rs. 12 (gross of Rs. 14.50) in the previous year. Walchandnagars declined by Rs. 15.50 to Rs. 265. Bhopals were neglected at Rs. 29. The Directors of the Company have declared a lower dividend of Rs. 2.25 (subject to tax) for the year 1959-60, as against Rs. 2.50 in 1958-59.

Cement shares were dull, in view of the steadily rising cost of production and uneconomic prices for cement. Associated Cements retreated from Rs. 149 on 15th December to Rs. 146.50 on the 3rd inst., but recovered to Rs. 148 today. Jaipur Udyogs shed 62 nP to Rs. 11.20. Dalmias 12 nP to Rs. 11.36 and Sone Valleys 8 nP to Rs. 4.80. But Orissas picked up 24 nP to Rs. 15.20. Ashokas were better by 33 nP at Rs. 9.12 *ex-div.*

Among shippings, Scindias improved by 52 nP to Rs. 14.68. Great Easterns gained 8 nP to Rs. 15.28. Operators took note of the Chairman's statement that he was not very optimistic about the prospects for the current year. In the automobiles group, Premier Automobiles eased by Re. 1.50 to Rs. 164. Hindustan Motors shed 52 nP to Rs. 19.12.

Engineering shares were generally subdued. Premier Constructions declined by Rs. 2 to Rs. 283.50. Larsen and Toubros were done 75 nP lower at Rs. 34.25. Telcos lost 50 nP to Rs. 291. But Alcock Ashdowns moved up on special support from Rs. 227 to Rs. 238. Cooper Engineerings strengthened by Rs. 2 to Rs. 156.50.

In the miscellaneous section, Wimcos declined by Rs. 3 to Rs. 260. Hindustan Levers and Alembic Chemicals receded by Rs. 2.50 each to Rs. 41.50 and Rs. 227.50, respectively. Greaves Cottons lost a rupee to Rs. 155. Asian Cables shed 50 nP to Rs. 110.50. Tata Oils were neglected at Rs. 73.50. Some dye and chemical shares attracted good attention of operators. Indian Dyestuffs spurted by Rs. 23.75 to Rs. 426.25. Amar Dyes advanced by Rs. 17.50 to Rs. 367.50. Colour Chems rose by a like amount to Rs. 300. Polychems put on Rs. 7.50 to Rs. 207.50. Among other industrials, Ceat Tyres hardened by Rs. 27.50 to Rs. 217.50. Khandelwals by Rs. 11 to Rs. 86, Premier Tyres by Rs. 2.50 to Rs. 75.50 and National Rayons by Re. 1 to Rs. 475. Voltas gathered 50 nP to Rs. 262.50.

• • • •

Madras Stock Exchange

MADRAS, *4th January*

The Stock Exchange began the New Year on Monday the 2nd inst. on a subdued note which persisted till the close today. Since most traders were still in a holiday mood, the turnover was very low with values moving narrowly. Coffee shares were neglected in view of apprehensions regarding export prospects, huge world surplus and low prices. Rubbers also ruled dull. With the exception of a few selective scrips, tea shares too lacked support on reports from auction centres that demand was forthcoming only at reduced prices. In the absence of any investment buying textile scrips drifted lower. Operators preferred to study the full implications of the recent cut in textile prices before extending their commitments. Sugars and miscellaneous industrials moved in sympathy with the general trend, prices generally showing a decline.

ALUMINIUM CORPORATION OF INDIA

(Concluded from page 29)

personal examination of the most modern plants in different parts of the world and in consultation with our technical collaborators, Messrs. Aluminium-Industrie-Aktien-Gesellschaft, Zurich, Switzerland, we have adopted the latest trends in the designs of our plant. We believe that, when the plant starts production, it will be one of the most modern technically and will be setting up a new example in the country. The building design of the cell house again represents the most modern thoughts at present existing in the aluminium world and this design, according to the studies made by various experts and universities, is likely to be most suitable for tropical conditions as existing in our country. I do hope that your Corporation will continue to play the important role of most economic production of the metal in this country as it has done in the past. According to present indications, we hope that the first production from this expansion would start by end of 1961.

"As mentioned in the Directors' report, we will very shortly be coming to you to raise a small amount of capital by way of equity shares to the extent of Rs. 31.25 lakhs out of the requirement of about Rs. 4.5 crores for this expansion programme by offering one equity share at par to the holders of every two existing ordinary shares. The rest of the finance has already been arranged through loans and deferred payments.

"The coming years will make a new history in the Corporation's existence. Government was good enough to renew the managing agency agreement for the next 10 years. The Corporation has indeed grown from a very humble start under the able guidance of the Managing Agents and through co-operation and efforts of the humblest worker in the factory to the team of technicians and Directors, and I am sure, they will continue to render services in the same spirit of dedication as before. The Corporation is no doubt proud of the team of technical personnel whom it has trained."

LICENSING OF INDUSTRIAL UNITS

(Concluded from page 18)

which, of course, the State should maintain an unlimited force of policemen. It, therefore, follows, that the well accepted canon that no administration should attempt the impossible, lest it should be brought into contempt of the public, is not respected by the Government when it seeks to control the prices of commodities which do not pass directly from manufacturers to consumers and are handled by traders whose activities cannot be regulated except by massive police action. Textiles, sugar, paper, rubber tyres, chemicals like soda ash and caustic soda and bleaching powder, are all products brought under infructuous price control. This being so, one has to turn one's attention to a field where Government could take effective action, and achieve a purpose. Such a field is, indeed, available and covers the manufacture of machinery for sugar plants, paper plants, cement plants, cotton textile machinery, and also heavy electrical equipment such as transformers, motors, conductors, switchgear, insulators and the like. I understand that quotations for certain types of indigenous sugar plant equipment are more than for those of foreign origin by about forty to fifty per cent., and even the installation charges are on the high side. This has resulted in considerable increases in the estimates of capital costs for some new units, much beyond anticipated levels, and may well be repeated in the case of paper plants cement plants, etc., where Government has been stipulating procurement from indigenous sources. While I do not suggest that prices have been deliberately boosted or likely to be, I still feel that it will be satisfactory all round, if they are subjected to careful scrutiny, so that no one may allege that the situation arising from scarcity of foreign exchange and resultant insistence on procurement of indigenous equipment has been exploited by machinery manufacturers for their own benefit. Here, at any rate, is one field where statutory price control will be effective and, therefore purposeful.

MARKET GOSSIP

(Concluded from page 3)

doubtful if it could be expected that the consumer is now to subsidise the grower ... the trend of internal offtake of coffee is not in consonance with that of production. On the contrary, the internal consumption during the eleven months of 1960 was slightly lower at 27,321 metric tons than in the corresponding period of 1959 ... with the increased production in 1961 (some place the estimate at 55,000 tons), we may well find ourselves at the end of the year with a stock of 10,000-12,000 tons, if not more, waiting to be marketed. We are now obliged to sell coffee at whatever the price that is offered."

It is against the background of increasing production and the very large stocks of coffee held by producing countries that Mr. Machia urged a proper revision of the Coffee Board's marketing policy. Indeed, he declared that, if the coffee industry were to exist, the system of marketing must be completely overhauled and some bold decisions taken. And Mr. Machia commended for the most earnest consideration of the authorities a ten-point programme of action, the details of which are as follows:

(a) The appointment of a well-known Coffee Taster with his headquarters at Bangalore, say, for a period of three years during which he will also train a number of assistants.

(b) All Arabica coffee produced in India to be liquor tested and the best coffees earmarked for export.

(c) The coffees offered for export should be from estates which have earned premium points.

(d) Such coffees should not be bulked with other coffees.

(e) Samples will be true to the particular outturn.

(f) The coffee offered should be in the name of the estate or by a distinguishing mark.

(g) Coffees offered in subsequent years will continue to bear the same distinguishing marks.

(h) The coffees should be sold in public auction and not by sealed tender.

(i) Auctions should be held at weekly intervals to enable importers to cover their requirements quickly if they fail to do so in a previous auction.

(j) The interval between sale and shipping of the coffee should be reduced.

These suggestions are certainly very pertinent ones which deserve to be implemented earnestly. That the marketing policy of the Coffee Board is by no means the right one in the present context of deteriorating coffee situation was forcefully pointed out by the Nilgiri Wynaad Planters' Association in the course of a resolution passed by it recently. The resolution said:

"Growers have to wait more than one year for final payments for their coffee which they have to deliver to the pool. Many producers have to finance the running of estates on an overdraft, thereby incurring extra expenditure. The Board also makes payments to growers mainly on overdraft, the permitted maximum of which is Rs. 5 crores. The Board charges growers for marketing their coffee, thus adding still more to their expenditure. Even then, should the Board fail to sell the unsold surplus from last season, as well as this season's record crop, the unsold coffee will be lost due to deterioration. This, in turn, will reduce still further the return to the grower. With this year's record crop, the return to the grower is only just sufficient to balance expenditure. Next season, many growers will harvest a smaller crop. If prices are also lower, as they certainly will be if the present policy is continued, many units will be involved in enormous losses, and the industry will be ruined within the next two or three years. Some of the best coffees in the world are produced in India. These coffees, if the expertise of the trade is made use of, would sell at prices which would be remunerative to the grower. As it is, with only two dealers participating in export auctions, they are being sold at less than the internal price, and very much less than their value in European markets. The internal market in turn is flooded, partly with coffee of export standard. It is likely that much of this will have to be sold at prices which will not cover the growers' expenses. The coffee market should be made free, and should be run on the same lines as the tea market."

The authorities, however, do not seem to feel that the coffee industry is passing through a period of crisis. Addressing the fifty-first meeting of the Indian Coffee Board at Bangalore on Tuesday this week, Mr. H. Sitarama Reddy, Chairman of the Board, sought to stress that there was no question of huge surplus stocks of coffee lying with the Board which was anxious to sell, since the carry-over stocks as on the 1st inst. aggregated about 9,200 tons, as against 9,637 tons a year before and 8,307 tons two years before. The carry-over, he added, was designed to be a little larger than in former years, with a view to meeting the internal demands for the old crop in the early months of the year, so that as much of the freshly cured coffee of new crop as possible could be made available for export during that period when there would be good demand with better prices in foreign markets. Mr. Reddy admitted that prices in export sales had been dwindling and that internal market was sluggish, but laid emphasis on the need for improving quality of coffee and called upon the pool agents to improve the existing storage system.

Whatever be the explanation given by the Coffee Board Chairman, the fact remains that the marketing policy is out of date. In particular, those who grow high quality coffee should be enabled to receive a sufficiently attractive return. It is regrettable that the Government continues to keep in cold storage the report of the Expert Committee on Coffee submitted as far back as eighteen months ago. The Government will do well to take any early decision on the report and reorganise the Coffee Board in such a way as to make it a dynamic organisation which can anticipate market developments and adapt the marketing policy to changing circumstances.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2597 BOMBAY, 14th JANUARY 1961 PRICE Rs. 2

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

Contents

	PAGE
LEADING ARTICLES—	
Congress Election Manifesto	45
Maharashtra Acts on Nagpur Resolution	46
MARKET GOSSIP	47
ROUND THE EXCHANGES	48
NEWS IN BRIEF	49
PERSONAL	49
THIS WEEK'S SURVEY	50-51
SPECIAL FEATURES—	
American Letter	52
London Letter	52
On The Arena	53
Construction of Oil India Pipeline ...	55-56
Manchester Letter	57
India's Air Transport	69
Monetary Stability and Life Insurance	70-71
Maharashtra Land Ceilings Bill	77
Economic Conditions in Canada	82
CHAIRMAN'S SPEECH—	
Sundatta Foods and Fibres Ltd. ...	76
MONEY AND BANKING	54
COTTON	58
SUGAR	60
JUTE	62
ENGINEERING	64
NEW PRODUCTS AND PROCESSES	65
LABOUR	68
COMMERCE AND INDUSTRY	72
COMPANY MATTERS	78-81
MARKET REPORTS	83-85
MISCELLANEOUS STATISTICAL INFORMATION	86-88
STOCK AND SHARE QUOTATIONS	89-95
WEEK'S STOCK EXCHANGE TREND	95

Comments on the working of companies are based on such facts and figures as are available in the published reports and accounts of the companies concerned. We do not accept responsibility in respect of conclusions drawn from such sources, if the information supplied should prove to have been inadequate.

No responsibility for the safety of articles, etc., can be accepted, but, if accompanied by stamped and addressed envelopes, every effort will be made to return the unsuitable MSS.

The Editor does not necessarily agree with, or hold himself responsible for, the views expressed by contributors.

SUBSCRIPTION

India		Abroad	
Yearly rate ... Rs.	65	Yearly rate ... Rs.	70
Half-yearly rate „	35	Half-yearly rate „	40

Including Postage

Single Copies, Rs. 2, obtainable from all bookstalls, or from the Publishers.

Back numbers, if available, from Rs. 4 onwards.

ADVERTISEMENT

Contract and other terms on application to the Advertisement Manager.

Advertisements intended for publication in the current issue cannot be accepted after midday on Monday.

Company and Public Notices cannot be accepted after midday on Wednesday in each week.

A representative will be pleased to call upon intending advertisers, on request.

All remittances, cheques, money orders, etc., should be made payable to:—

"COMMERCE" (1935) LTD.
Brady House
Veer Nariman Road, Fort, BOMBAY

Calcutta Representative: Mrs. S. P. CHATTERJEE, 6A, Netaji Subhas Road, 3rd Floor, Room No. 30, Calcutta-1

Madras Representative: Mr. P. N. SRINIVASAN, 15 V. S. Mudali Street, Saidapet, Madras-15.

CONGRESS ELECTION MANIFESTO

THE Indian National Congress has begun bracing itself for countrywide participation in the General Elections to be held early in 1962. Already, at its Bhavnagar session over the week-end, the Party has taken the first step of laying down the basic principles of its election manifesto which is to be spelt out in greater detail by the All-India Congress Committee in the next few months. Whether it will turn out to be a prosaic and colourless document, it is not possible to say, for much will depend on the quality of draftmanship. Nor is it possible to predict whether it will turn out to be a "treasure-house," as Mr. Nehru would have it, "from which Congressmen could draw inspiration." Whatever be the final shape that the manifesto takes, its substance is already contained in the 22-point resolution passed by the Bhavnagar session. This resolution has the current importance of being the election manifesto in its embryo form.

In this embryonic stage, however, the manifesto has one great advantage and one serious disadvantage. The advantage is that it is only a "broad" outline of the direction in which the Congress wishes to go or to take the country; it hardly admits of any serious controversy so far as Congressmen are concerned, for they can continue to be "broadly" agreed on many things without any conscientious difficulty. But the disadvantage is that Congressmen who have voted for this resolution, as for any other, in overwhelming majority may not have sincere faith in them; this is not our inference, for the Congress President, Mr. Sanjiva Reddy, himself had some such thing to say in his address at the Bhavnagar session. It is this habit, on the part of Congressmen, of voting for resolutions even while having serious mental reservations that has caused complications in respect of such questions as land ceiling, co-operative farming and State trading and may yet complicate matters in so far as the role of the public sector and the proposed reduction of income disparities are concerned. It is high time that Congressmen learned from their own experience of according "broad" and uncritical approval to policies which are later shown up as impractical, and of thereby vitiating the political and economic climate for greater enterprise and production in the private sector which has, whether socialists like it or not, a dominant role to perform in our mixed economy.

That leads on to one of the most controversial points in the manifesto, namely, the role visualised for the public sector. The relevant passage in the manifesto reads as follows:

"The industrial policy resolution of 1956 lays down in clear terms the policy to be pursued in the programme of industrialisation of the country. In view of our policy of socialisation, the public sector will increasingly expand and play a dominant role. Public and private sectors should function in unison as parts of a single mechanism. There should be no conflict between the two sectors, and it should be emphasised that only through the successful and efficient functioning of these two sectors that the industrial programme can be successfully implemented."

What is manifestly controversial in the above passage is the second sentence which contains two disquieting words, namely, "socialisation" and "dominant." The use of the first word is unfortunate, because the industrial policy resolution of 1956, to be sure, has not laid down the kind of socialisation policy which should logically involve nationalisation of existing private enterprises. It has merely reserved to the public sector some industries for future development; even here, it does not preclude the possibility of the State securing the co-operation of private enterprise in the establishment of new units in the relevant industries where the national interests so require. There is, therefore, no question of the public sector playing a "dominant" role either in the sense of nationalising existing private undertakings in the industries reserved to the public sector or in the sense of not allowing private enterprise to set up new units in those fields at any time, or of both. That the "dominant" role visualised by the Congress for the public sector is impossible of achievement is proved by some recent developments, namely, the Government's decision, late in November last, to permit private collieries to work new or non-contiguous areas and its more recent decisions to license in the private sector pig-iron plants for an aggregate capacity of 500,000 tons, two projects for the utilisation of the Nahorkatiya natural gas and four fertiliser factories (two in Andhra and one each in Madhya Pradesh and Rajasthan). Sooner or later, similar concessions will have to be extended to such other industries as petroleum, generation of electricity and some mining and heavy industries. If these concessions to the private sector—both which have already been made and which may be in prospect—are deemed necessary in the interests of higher production, they must also be deemed to be indicative of the limitations to the capacity of the public sector in the field of industrialisation. It would be more realistic and appropriate, therefore, to redefine the role of the public sector as something "complementary" to the private sector. Any suggestion of a "dominant" role for the public sector could only keep alive an unseemly conflict between it and the private sector—a conflict which, as it is recognised in a way in the last sentence of the passage quoted above, would do the nation no good. The self-contradictory character of the relevant passage in the manifesto would, therefore, require to be removed, so that neither the Congressman nor the general voter may be left in doubt as to what is deemed feasible and desirable in national interest.

Where the manifesto itself recognises the need for a greater productive effort in view of the pressure of a fast growing population and the planners themselves are slowly but surely recognising the potentialities of the private sector for achieving greater production, it is strange that another point in the manifesto lays down that "taxation should be so devised as to aim at lessening disparities of income and increase the resources available for development." Surely, it is not as if the present system of integrated taxation lacks the egalitarian bias. If any further egalitarian twist is given to that system, it will only reduce further the resources available for development in the private sector which cannot be denied the major role belonging to it in the fields of agriculture, industry and transport. Whether or not a particular egalitarian tax measure brings in more revenue to the exchequer and lessens income disparities, it has at least one certain effect of vitiating the climate for enterprise and investment and, thereby, of lessening the chances of greater production. Even where the redistributive aspect of taxation is emphasised, greater revenue would depend only on greater production. There is, happily, the recognition elsewhere in the manifesto that the attainment of social aims (through social services) is dependent on economic progress (in terms of greater production). Where, from any point of view, the accent has to be on greater production (both agricultural and industrial), such frightening references to egalitarian taxation and the like would seem to be out of place in the current context which demands, in the

words of the manifesto itself, a rapid rate of economic growth.

There are also some other points in the manifesto which, though less frightening, call for comment. There is, for instance, the reference to State trading which is to be undertaken "wherever found necessary." Why this reference to State trading should have been made in the manifesto, after having omitted it from the resolution on the third Plan passed at the same Bhavnagar session, passes one's comprehension. Surely it cannot be that the voter will be enthused by the prospect of State trading, especially in foodgrains, of which he may not have very pleasant memories. But some amount of State trading has always been there and can continue to be there, provided the general body of consumers is not subjected to any hardship and the normal channels of distribution are not supplanted. But there is no need to lay this down as an article of faith in the manifesto. It may, however, be that this reference to State trading is more a matter of habit than of steadfast principle like the other reference to co-operative farming which, the manifesto says, should be organised on a voluntary basis "wherever found possible." Since the Congress Party cannot be expected to discard completely such planks as State trading, co-operative farming and prohibition, without loss of some prestige, critics could more usefully examine how these policies are actually implemented to know whether there is any fanatical attachment on its part to them. When so examined, it will be found that they are least likely to assume, in actual practice, any formidable proportions in the near future. For instance, only a few thousands of pilot co-operative farming societies are going to be formed in the next five years—just a trickle in a country of 600,000 villages. Again, in so far as prohibition is concerned, there is no likelihood of its being rapidly extended, for the States can hardly afford to lose the present excise revenue of about Rs. 50 crores per annum during the third Plan period. Nor is there any likelihood of any State trading being undertaken on a massive scale, for the financial commitments which it will involve will be far too heavy for the Central and State Governments—commitments which cannot be lightly undertaken without any reference to the ways and means position. Although, thus, these planks have no frightening potentialities, their reiteration in the manifesto is nevertheless inappropriate, because the voters' general support to them might be later taken to justify possible measures of dubious value to implement them, albeit in limited forms, as is now sought to be done by the Maharashtra Government in regard to imposing a ceiling on land.

While thus far some undesirable points in the Congress manifesto have been criticised at some length, some commendable ones would also need to be mentioned. The twin point, namely, that the fast growing population of India is raising new problems and will make it increasingly difficult to raise adequately the living standards of the people and to provide employment opportunities for all and that birth control and family planning, therefore, have assumed great importance, represents a wholesome recognition of realities. It is to be hoped that the final manifesto will spell out in greater detail the measures that will be required to bring down the birth rate in the next five or ten years and seek the voters' specific support for them. If the country-wide election campaign is not availed of for this purpose, the Congress will have lost a unique opportunity for educating the public on the relationship between population, food, employment and standard of living.

Another noteworthy point in the manifesto is "that production of luxury and non-essential articles should not be encouraged." This is followed by the general statement that consumption has to be controlled for increasing the rate of saving for investment. If the first point is to prevail, there will be no justification, for instance, for manufacturing a small car which will be a costly luxury for the lower middle class. If the second point is interpreted to justify any curbs on the production of mill cloth or sugar, it will be a case of enforcing austerity in respect of necessities of universal consumption. That no such austerity is meant but that consumption of only luxury and non-essential articles will be curtailed may have to be more clearly stated. Restraint on necessary consumption either through excessive taxation or through inflation cannot possibly be thought of in this context, if experience during the second Plan is any guide.

Above all, the point made in the manifesto that "any marked progress towards the achievement of a socialist society is inseparably bound up with a rapid rate of economic growth," read along with the statement that "the new social order must preserve the worth and dignity of the individual" and it should be evolved through "democratic peaceful means," gives rise to the hope that the Congress Party will attach greater importance to pragmatism and gradualism in its social and economic policies.

MAHARASHTRA ACTS ON NAGPUR RESOLUTION

THERE is neither social nor economic justification for placing a ceiling on the quantum of agricultural land that a farmer can hold. No equitable distribution of land can be ensured through this measure, because the surplus land that can be had is so small that it is insufficient to vest even a fraction of landless labour with economic holdings. The hunger in this country is not for land. It is for food, clothing and housing; in short, it is for an opportunity to make a decent living. Ceiling on land-holdings is no answer to the problem. There is even less justification for imposing an upper limit on land-holdings from the point of view of securing an increase in production. Indeed, from this point of view, the proposal is a retrograde step, for it will lead to a break up of lands that are being scientifically and economicaly cultivated. Accordingly, to describe this measure as a part of land reform is to misuse the word "reform." It is simply an act of expropriation, designed to keep the Congress Party in power. The compensation proposed to be given is only a pittance and bears no relation to the market value of land or the price paid by the landholder. India is predominantly a country of have-nots, with all adults enjoying franchise. Land ceilings are meant to exploit the natural feelings of this class against the haves and to create among them the impression that the Congress Party is for the masses and is with the masses. The worst sufferers of this piece of expediency for winning votes are not millionaires but the middle class in rural areas which is the backbone of any free society. It is also an act of gross discrimination, because no such limitation is proposed to be placed on holders of any other property. Nor are the principles followed in fixing compensation for surplus land the same as those followed when an industry or a commercial service is taken over by the Government.

Much has been said and written about the injustice involved in the land ceiling legislation. But all that has fallen on deaf ears, because whatever political opposition there is to it is ineffective. Excepting a few independents and the Swatantra Party, all the other political parties are in favour of land ceiling. Indeed, the socialists and communists are for more drastic proposals than those put forward by the Congress Party. Their extreme attitude only helps the Congress to implement its programme, which seeks to water down the property rights of individuals. The victims quietly submit to the pressure of the Congress Party as the lesser of the two evils. Almost every State has come forward with proposals for placing a ceiling on land-holdings and, with General Elections only a year ahead, the necessary legislation will be rushed through where it has not already been initiated. The latest to join this race is Maharashtra. The Government of this State has just published the relevant Bill, known as the Maharashtra Agricultural Lands (Ceiling on Holdings) Bill, 1961.

In fundamentals, the Bill differs from the corresponding legislation in other States. In a few respects, the departure is pleasant and in other respects most unpleasant. To the credit of the Maharashtra Government, it must be said that it has adopted a wider classification of land than most other States and fixed the ceilings on a somewhat liberal scale. It has divided the State into as many as 74 local areas to make allowance for the varying types of land and climatic conditions. The ceiling for dry crop land varies from 84 to 156 acres, depending on the productivity of land. The irrigated lands have been divided into three types, though the same ceiling area has been fixed for the whole State. The ceiling is: 16 acres in the case of perennially irrigated land; 24 acres in the case of double-crop seasonally irrigated land; and 48 acres single-crop seasonally irrigated land. This ceiling is for families consisting of members not exceeding five. For larger families, extra land is allowed to the extent of one-sixth of the ceiling area for each member in excess of five, subject to a maximum of two ceiling areas. A member of family means father, mother, spouse, brother, son, grandson, or dependent sister or daughter and, in each case of Hindu undivided family, a member of such family. It is, therefore, possible that many families will be able to get a ceiling which will cover a substantial acreage. But the defect here is the handsome bonus given to persons who did not practise austerity in their marital life. There could be no greater disincentive to the adoption of family planning methods by people in rural areas where the birth rate is already high. Another defect in the Bill is the provision which says that, as soon as a farmer brings his dry land under irrigation or converts a single-crop irrigated land into a double-crop, he will be subjected to the ceilings applicable to the improved types of land and the surplus land taken away from him. This provision, too, runs counter to the national objective of securing an increase in agricultural production, for a farmer will not be easily inclined to take to irrigation if he has to give away a part of his land.

Since the administration of the land ceiling law will be in the hands of District Collectors, who are already overburdened with innumerable functions, there will be a further serious fall in the standard of government in the interior. The enforcement of law and order will suffer, making way for anarchy. Besides, the powers sought to be vested in the Collectors are so enormous that they are liable to become quite authoritarian in their verdicts. There may also be scope for endless litigation, providing a golden opportunity for lawyers in the mofussils, a development which will by no means add to rural prosperity.

In the matter of compensation, the Maharashtra Government's proposals are unfair and virtually expropriatory, as the price offered bears no comparison to market values, such being related only to the revenue ("assessment") payable to the Government which has remained unchanged for decades. Not only is the rate of compensation niggardly, but the mode of payment proposed is also unsatisfactory. Thus, compensation will be paid in transferable bonds carrying interest at 3 per cent. and repayable in 20 years either in a lump sum at the end of the period or in equated annual instalments. As the rate of interest is appreciably below the prevailing interest rates for State Government loans, a 3 per cent. 20-year issue will straight-away depreciate by 25 per cent. Even a 4 per cent. loan of the Bombay Government repayable ten years hence is now quoted at a discount of 1.75 per cent. If, therefore, the compensation bonds are not to go down in value, they should carry interest at the minimum rate of 4.5 per cent. and be repayable in 15 years.

The most undesirable feature of the Bill is its application to all economically and scientifically managed farms, including sugarcane plantations. When there were strong reports about this move early last month, one could not believe them, for it was incomprehensible that an enlightened Government like the one in Maharashtra, which is fully acquainted with the history of the development of sugar industry in the State and well aware of its notable achievements, would bring forward a proposal that would deal a heavy blow to that industry and, what is more, endanger the whole economy of the State. It is a very painful experience to find that these reports have proved to be quite true; actually, the terms of compensation indicated in the Bill that has now been published are more unfavourable than those mentioned in the first draft. The Maharashtra Government's move, as mentioned in an earlier issue of this journal, runs counter to the Planning Commission's decision to exempt from land ceilings "tea, coffee and rubber plantations, orchards constituting reasonably compact areas, specialised farms engaged in cattle breeding and dairy farming, sugarcane farms owned and operated by factories and efficiently managed compact farms with heavy investments and permanent structures." This is the policy laid down in the second Plan which was approved by Mr. Yeshwantrao Chavan himself as the Chief Minister of the erstwhile Bombay State and as a member of the National Development Council, the highest policy-making body in the country. Further, it was only in October last that this policy was reiterated by the Land Ceiling Sub-Committee of the Planning Commission. Again, it was under the strength of this policy that the Kerala Land Reform Bill, sponsored by the Communist Party when it was ruling the State, was modified by the President of India.

It is true that, in its Land Ceiling Bill, the Madras Government has not specifically exempted sugarcane plantations, but it has at least made a provision for exempting them if a high-powered Commission which would be appointed for this purpose were to recommend such exemptions. There is no such saving clause in the Maharashtra Land Ceiling Bill. In any case, what the Madras Government has done is itself not the right thing. If State Governments are not prepared to follow policies laid down by the Planning Commission and accepted by them, what is the use of planning? And what reliance can the public place on the observations of Ministers? There is no wonder that investors in the Deccan sugar companies have got scared and are trying to cash their holdings even at depressed prices. Is this the way to promote confidence among investors without which there can be no industrialisation under the auspices of the private sector and which the Maharashtra State badly needs for its economic progress? What certainty is there that the tactics adopted for undermining the strength of sugar industry and for going back upon contracts entered into with sugar factories will not be repeated tomorrow in the case of other industries in the name of equitable distribution of wealth, economic power and opportunities?

In the Maharashtra Land Ceiling Bill, there is a close similarity to what Dr. Fiedel Castro has done in Cuba to break up the sugarcane farms in that country. There is no exaggeration whatever in this statement. The object of the Maharashtra Government in applying the land ceiling to sugarcane plantations would appear to be to introduce joint co-operative farming. Here is a ready-made outfit, built up by joint-stock companies through years of hard, pioneering work, which is now proposed to be taken away from them for a song and handed over to joint-farming societies consisting of small landowners, landless workers and technicians working on the plantations. Those who join the societies will be under compulsion to do as directed by the Government and sell the sugarcane to specified factories at prices fixed by the Government. These societies will not have even the virtue of having been formed voluntarily by the farmers themselves. They will be voluntary only on paper, but, in actual practice, they will be the product of expropriation and coercion. There is little reason to think that they will function more efficiently than the joint-stock companies. On the contrary, there is every prospect of (*a*) a fall in the productivity of land that is now sought to be taken over from the companies, (*b*) a severe setback to the growth of sugar industry in Maharashtra, and (*c*) a heavy drain on the financial resources of the State Government which will have to find funds not only for paying compensation to those from whom land is being taken over but also for providing the working capital that will be required by the existing sugarcane farms and for expanding sugarcane cultivation, for all of which money is now being provided by investors in the private sector.

It is wrong to treat joint-stock companies in the same footing as individuals. A joint-stock company is owned by a number of individuals. It is computed that the 12 joint-stock sugar companies in the Maharashtra State have well over 21,000 shareholders and, as these factories have a holding of 99,000 acres, the average holding per shareholder is about 4.67 acres only. A joint-stock company has all the merits of a co-operative society *plus* a high degree of efficiency. It is as democratic an organisation as a co-operative. Further, in some of the sugar companies, the Life Insurance Corporation, a public sector enterprise, is a large shareholder. The workers employed in the sugarcane farms of joint-stock companies enjoy a higher standard of living than their confreres working in private farms in their respective regions. Whichever way one looks at the issue, there is no justifiable case for bringing in the sugar plantations within the mischief of the Land Ceiling Bill. If the Maharashtra Government is unwise enough not to exempt these plantations, it will be, besides earning the kudos for implementing the Nagpur Resolution with a vengeance, opening the floodgates for new demands which it will find difficult to resist. The conferment of ownership of land on landless workers now employed in sugarcane plantations may, for instance, induce the workers engaged in making sugar to ask for a share in the ownership of sugar factories. And this demand can easily spread to other industries and commercial establishments all over India. If the Maharashtra Government fails to understand the implications of mass jealousy which it is unleashing on the society, the other States and the Centre will, it is to be hoped, prevail upon it not to exceed the limits set in the second Plan.

MARKET GOSSIP

Special Deposits Suspended

THE operation of varying reserve ratio, or the special deposit system has been completely suspended by the Reserve Bank of India with effect from the 13th inst. Accordingly, the 25 per cent. of additional deposits over those prevailing as on 11th March 1960 which the banks had to keep with the Reserve Bank will be returned to them. The revocation of additional reserve requirement has been done, with a view to assisting banks further to meet the demand for funds during the current busy season and is in conformity with the Reserve Bank's assurance that it would use this weapon of credit control in a flexible manner and without detriment to production. The exact amount that will be released to banks as a result of this step is not known, but it is estimated to be of the order of Rs. 15 crores. The banks will first use this amount to reduce their borrowings from the Reserve Bank on which most of them are believed to be paying the maximum Bank rate of 6 per cent. The inter-bank call money rate which is now well over 5 per cent. should quickly come down to near 4 per cent., but this will only be a passing phase, unless, of course, the Reserve Bank reverses its present policy of open market operations and starts buying Government securities on an outright basis.

The total withdrawal of this credit restraint has come not a day too soon. Some banks are of the view that it should have come much earlier, as a state of acute stringency had come to prevail after the year-end was over. In fact, one of the big banks is reported to have paid this week as much as 5½ per cent. for inter-bank money repayable in seven days. Evidently, this bank did not prefer to borrow further from the Reserve Bank, as it wished to keep the remainder of its gilt-edged investments free for other purposes.

The banks will now have some relief for a few days, perhaps up to the end of this month. But they will soon have to go to the Reserve Bank, as the peak of the current busy season is yet to be seen. As a next step in the relaxation of credit controls, the banks will naturally look forward to a downward readjustment of the three-tier system of Bank rate. Will the Reserve Bank oblige them as accommodatingly as it has done in regard to special deposits?

Banks' Profits

As in the past, the Devkaran Nanjee Banking Company Ltd. was the first to announce its results for 1960, too. These, as had been expected, show a substantial improvement in profit. Its gross profit has jumped up, from Rs. 15.30 lakhs for 1959 to Rs. 26.20 lakhs. The bulk of this increase has been used to meet the tax liability, the provision for this purpose being as much as Rs. 9 lakhs, as against *nil* last year. The balance has been utilised to strengthen the owned resources of the Bank. The reserves have been augmented by Rs. 8 lakhs, as against Rs. 6 lakhs and the undistributed surplus is kept at a higher level, namely, Rs. 7.86 lakhs, as compared with Rs. 5.69 lakhs a year ago. The Bank has only maintained the dividend at the modest level of 8.78 per cent. gross, or a little over 6 per cent. net.

The Bank of Maharashtra was the next. Its profit also discloses an improvement from Rs. 7.72 lakhs for 1959 to Rs. 9.50 lakhs for 1960 which marks its silver jubilee. A slightly larger sum of Rs. 3.50 lakhs, as against Rs. 3.40 lakhs, has been set aside for taxation and the transfer to general reserve has been raised from Rs. 1.60 lakhs to Rs. 2 lakhs. While maintaining the dividend proper at 9 per cent. (gross), the Directors have proposed a jubilee bonus of 2 per cent. (gross).

The Indian Bank Ltd., Madras, has also reported a higher profit, as will be seen from the details published elsewhere in this issue. This leading bank of South India has only maintained the return to shareholders at 15 per cent. subject to tax.

As we go to press comes the Bank of India's preliminary statement of profit for 1960 and its appropriation. This shows a handsome growth in profit, after a setback for two consecutive years. The profit before taxation is reported at Rs. 103.37 lakhs, an increase of Rs. 20.68 lakhs over that for 1959 which is in refreshing contrast to a fall of Rs. 3.09 lakhs and Rs. 7.70 lakhs in the previous two years. The Directors have raised the dividend by a fourth, from 16 per cent. (gross) to 20 per cent. (gross), including the interim of 7.5 per cent. The net dividend works out at 14 per cent., but this is still less than the 16 per cent. per annum paid for 1958 and 1957. One need not, therefore, rush to the conclusion that the Directors of the Bank of India have been unduly generous to their shareholders. The provision for taxation has gone up from Rs. 18 lakhs to Rs. 25 lakhs. Nothing has been provided for reserves. The amount carried forward is, of course, a shade higher at Rs. 30.85 lakhs, as against Rs. 29.48 lakhs brought in, but it is subject to payment of bonus to the staff.

From the trend of bank profits announced so far, it will be seen that, despite the credit restraints imposed by the Reserve Bank, the banks have done better in 1960 than in the previous year. This is due partly to the intensive utilisation of their resources at slightly higher rates of interest on advances and bills and partly to lower cost of deposits, thanks to the inter-bank agreement.

A Snippet

Who gained by the competition in kerosene started by the Indian Oil Company—a public sector corporation, with the full backing of the Defence Department? Not the consumer, of course, the contrary, he had to pay through his nose for three days or go without it, as this surreptitious competition led to a strike by the bullock-cart drivers who deliver the oil from the storage tanks to retail shops. When one of the private sector oil companies competed with the I.O.C. in the marketing of diesel oil, it was the consumer, mainly a public sector transport corporation, that benefited. In its anxiety to find customers for kerosene, the supply of which is by no means plentiful, what with shortage of foreign exchange, the I.O.C. started giving rebates to middlemen. That brought about the whole trouble and has compelled the private sector oil companies also to follow suit. The I.O.C. is setting a fine example indeed! At this rate, how will it earn enough profit and contribute to the revenues of the Exchequer?

Shareholding in India

One of the remarkable features of the trend in property ownership in the advanced countries in recent years has been the wider diffusion of shareownership. The economic prosperity in these countries, coupled with a desire to protect the real value of savings in an inflationary era, has enabled even people of modest means to join the ranks of investors. The spread of investment habit has also been facilitated by devising new and ingenious methods for attracting the savings of small investors to equities.

In India, however, the investment habit is confined to a very small percentage of the population belonging to the upper income group. But the habit is gradually growing. This inference is confirmed by an interesting analysis of dividend income and its distribution published in the latest (December 1960) issue of the *Reserve Bank of India Bulletin*. The study is based on the data contained in the All-India Income-tax Revenue Statistics published by the Central Board of Revenue and relates to the five-year period 1955-56 to 1958-59.

The analysis shows that both the number of shareholders and the dividend income earned by them increased during the period 1955-56 to 1958-59, the former by 25.5 per cent. and the latter by 48.5 per cent. The total number of shareholders (all classes) was 141,189 in 1958-59, as against 112,471 in 1955-56. Total dividend income aggregated Rs. 75 crores, as against Rs. 50.50 crores in 1955-56. The rise in dividend income does not provide an accurate measure of the spread of investment habit, because the rise may be due to more companies declaring dividends and/or the existing ones declaring higher dividends. The increase in the number of shareholders, other than companies, is, therefore, a better index of wider shareownership. Even this index, however, provides only a rough picture, for there are numerous individual investors who do not send in their tax returns for some reason or other. Further, when data pertaining to 1959-60 and 1960-61 are collected, they will show a marked increase in the number of investors, for it is only since the second quarter of 1959 that individual investors, especially those belonging to the middle class, began to take keen interest in stocks and shares.

The total number of shareholders (exclusive of companies and other concerns assessable at company rate) was 26 per cent. higher at 139,077 in 1958-59, as compared with 110,605 in 1955-56. Individual shareholders, whose number increased by 25 per cent. from 99,948 in 1955-56 to 125,099 in 1958-59, accounted for 89 per cent. of the total. The increase has been higher in respect of salary earners (39 per cent.) than non-salary earners (21 per cent.), indicating that persons with fixed income are displaying increasing interest in stock exchange investments. The following table gives the different categories of shareholders and their relative shares in dividend income in 1958-59, as compared with 1955-56 and the percentage change over the four-year period.

(Dividend income in crores of rupees)

Category of shareholders	1958-59		1955-56		Percentage change	
	No. of shareholders	Dividend income	No. of shareholders	Dividend income	No. of shareholders	Dividend income
Individuals	125,099 (88.6)	39.72 (53.0)	99,948 (88.9)	29.57 (58.6)	25.2	34.3
(*a*) Salary earners	32,802 (22.9)	11.15 (14.9)	23,274 (20.7)	7.64 (15.1)	38.8	45.9
(*b*) Non-salary earners	92,797 (65.7)	28.57 (38.1)	76,674 (68.2)	21.93 (43.5)	21.0	30.3
Hindu undivided families	10,595 (7.5)	4.51 (6.0)	8,598 (7.6)	3.55 (7.0)	23.2	27.0
Unregistered firms and other associations of persons	2,726 (1.9)	3.22 (4.3)	2,059 (1.8)	2.19 (4.3)	32.4	47.0
Registered firms	857 (0.6)	0.94 (1.2)	..	..	..	..
Companies and other concerns assessable at company rates	2,112 (1.5)	26.61 (35.5)	1,866 (1.7)	15.19 (30.1)	13.2	75.2
Total	141,189 (100)	75.00 (100)	112,471 (100)	50.50 (100)	25.5	48.5

Note.—Figures in brackets are percentages to totals.

Income-wise, the percentage increase in the number of individual shareholders in 1958-59, as compared with 1955-56, was the highest (40 per cent.) in the income range Rs. 25,000 to Rs. 1,00,000 while that in the income group of over one lakh of rupees was the lowest, 11.7. This shows that more and more people of modest means are beginning to appreciate the value of placing their savings in shares. A further analysis of data shows

(*Continued on page 95*)

HESITANT TREND IN SHARES

TEXTILES, HOWEVER, IMPROVE TO SOME EXTENT

(From Our Own Correspondents)

BOMBAY, 12*th January*

THE share market was in a vacillating mood practically the whole of this week. Operators were not inclined to extend their commitments either way. They apparently thought it wiser to wait till the outcome of the forthcoming meeting of the National Development Council scheduled to meet at New Delhi next week to finalise the draft third Five-year Plan. They were particularly curious to know the measures that the Council would suggest to fill the larger gap in resources, in view of the proposed expansion of outlay. Fresh investment support was conspicuous by its absence, except in a few select counters, thanks to the concern over the persistently rising trend of production cost in several industries and unrealistic price control policies. The flow of funds into equities was also thin, as a result of many new issues coupled with the acute stringency in the money market and the continued restrictions on bank advances against shares. Business put through was, as a consequence, small, with values generally tending to move down.

Steel shares were irregular. Tata Steels began the week at Rs. 140.50, as against the previous close of Rs. 139.75, and receded to Rs. 138 on Saturday. At lower levels, there was some support and the scrip recovered to Rs. 139.75 today. Indian Irons fluctuated between Rs. 23.40 and Rs. 23 before winding up the week at Rs. 23.12, as against Rs. 23.04 on Thursday the 5th inst. Mukand Irons, after rising from Rs. 22.76 to Rs. 23.24, declined thereafter and touched Rs. 21.24 on the 7th inst. It recovered to Rs. 22.24 on Tuesday but declined again to Rs. 21.52 today before finishing at Rs. 21.76.

Textiles which had suffered losses last week staged a handsome recovery this week. This was due to some buying support induced by the Cotton Textile Consultative Board's recommendation to extend the Export Incentive Scheme upto the end of June next and the Textile Commissioner's notification regarding the allocation of cotton to mills to raise cloth production by 10 per cent. by working extra shifts. Gokaks and Standards advanced by Rs. 7 each to Rs. 173 and Rs. 990, respectively. Centurys picked up Rs. 5 to Rs. 456.50. Svadeshis hardened by Rs. 4.50 to Rs. 227 and Kohinoors by Rs. 4 to Rs. 268. Simplex gathered Rs. 2 to Rs. 162. Tatas rose by 75 nP to Rs. 40, India Uniteds by 56 nP to Rs. 13.64 and Apollos by 8 nP to Re. 1.36. Bombay Dyeings improved from Rs. 59.90 to Rs. 60.40 today. Podars were firm at Rs. 130. Central Indias, however, receded by Rs. 2.50 to Rs. 97, reflecting the disappointment of operators over the working results of the Company for the year 1959-60 which show a loss. Khataus lost a like amount to Rs. 430. New Greats declined by Rs. 2 to Rs. 190. Morarjees shed a rupee to Rs. 313.

Sugar shares continued their downward march on renewed selling pressure due to fears about the disquieting impact of the Maharashtra Government's Land Ceiling Bill. The market took serious note of the Deccan Sugar Factories Association President's statement that the Bill in its present form would throw the sugar industry out of gear. Walchandnagars fell by Rs. 27.50 to Rs. 237.50. Belapurs dropped Rs. 13 to Rs. 316. At one time, they had touched a low of Rs. 285, the subsequent recovery, which had taken up the rate to Rs. 325, being due to short-covering and some speculative buying. Phaltans retreated from Rs. 164 to Rs. 154.50. Operators were disappointed at the cut in dividend to Rs. 12 (subject to tax) for the year ended September 1960, as against Rs. 13.50 for the previous year, following the reduction in the gross profit of the Company from Rs. 32.09 lakhs in 1958-59 to Rs. 24.10 lakhs in 1959-60. Maharashtra Sugars were marked down by Rs. 19 to Rs. 193. Bhopals continued to be neglected at Rs. 29. Changdeos were subdued at Rs. 32.75.

Cement shares came in for some selling and moved down. Thus, Associated Cements declined by Re. 1.25 to Rs. 146.75. Orissas softened by Re. 1.75 to Rs. 13.64. Ashokas shed 12 nP to Rs. 9, Jaipur Udyogs 8 nP to Rs. 11.12 and Dalmias 4 nP to Rs. 11.32. Sone Valleys were quiet at Rs. 4.80. There were good buying enquiries for bank shares, due to hopes of encouraging working results for 1960. Central Banks firmed up by Rs. 2.20 to Rs. 55.50, 'A' shares spurting by Rs. 3.20 to Rs. 59.50 on expectations of higher dividend and rumours of bonus issue. There seems to be no basis for these rumours. Bank of Indias put on Re. 1.75 to Rs. 108.75. Denas rose by a rupee to Rs. 53.50, following its excellent results for 1960. Unions gathered 12 nP to Rs. 6.16. Barodas were fully maintained at Rs. 82, as also United Commercials at Rs. 84.

Among electrics, Andhra Valleys were well fancied, the quotation rising by Rs. 13.75 to Rs. 93.75. Tata Powers gained Rs. 2.50 to Rs. 1,015, while Hydros eased by 75 nP to Rs. 100.25. Ahmedabad Electrics were quiet at Rs. 84. Bombay Suburbans were better by 10 nP at Rs. 83.75 *ex-div.*

Automobile shares tended to look down, notwithstanding the news of higher production in 1960 as compared with 1959. Premiers dropped Rs. 5 to Rs. 159. The Directors of the Company have maintained the dividend for the year ended June 1960 at the previous year's level of 9 per cent. (subject to tax). Hindustan Motors lost 8 nP to Rs. 19.04; at one time today, they were lower still at Rs. 18.76. In the shipping group, Great Easterns declined by 40 nP to Rs. 14.88. Scindias softened by 20 nP to Rs. 14.48.

Engineering shares lacked support. Telcos receded by Rs. 5.50 to Rs. 285.50. Premier Constructions fell by Rs. 4 to Rs. 279.50. Asian Cables lost 50 nP to Rs. 119. Larsen and Toubros shed 25 nP to Rs. 34. Kamanis eased by 12 nP to Rs. 15.12. Alcocks were subdued at Rs. 238. Cooper Engineerings at Rs. 156.50 and Texmacos at Rs. 22.60.

Quite a number of popular miscellaneous industrials suffered a setback this week. Anil Hardboards were hammered down by Rs. 60 to Rs. 292.50. Indian Dyestuffs fell by Rs. 18.75 to Rs. 407.50, Colour Chems by Rs. 12.50 to Rs. 287.50, Adarsh Chemicals by Rs. 11 to Rs. 54, Chemo Pharmas by Rs. 3.25 to Rs. 26.50, Synthetics and Chemicals by Rs. 3 to Rs. 108, and Dhrangadhra Chemicals by Re. 1 to Rs. 112.50. But Poly Chems recorded a rise of Rs. 11.25, today's closing rate being Rs. 218.75. Voltas retreated from Rs. 262.50 to Rs. 254. Wimcos dropped Rs. 6 to Rs. 254. Bombay Burmahs eased by Rs. 550 to Rs. 545.50. Premier Tyres slipped down by Rs. 5 to Rs. 70.50 and Ceat Tyres by Rs. 6.25 to Rs. 211.25. Greaves Cottons receded from Rs. 155 to Rs. 150. National Rayons, however, evoked good support and advanced by Rs. 7 to Rs. 482.

* * * *

Calcutta Stock Exchange

CALCUTTA, 11*th January*

Lack of incentives and fresh support contributed to listless conditions on the Stock Exchange during the week under review. The new issues, which are quite a few in number, have siphoned off funds, and that can be the only rational explanation why, despite the fact that the Congress resolution on planning has not made further inroads in developing and explaining the Congress concept of socialism, activity in the market was at a low ebb. Uncertainty about the forthcoming budget was, of course, writ large on the faces of operators. For it is widely known that the Finance Minister does not think the present tax burden too heavy and it is not yet forgotten that it was at the beginning of the second Plan that Mr. Morarji Desai's predecessor imposed additional burdens to yield Rs. 100 crores per year. The third Plan is about to be launched, and the fact that there is a wide gap between resources and ambition made operators cautious. They were reluctant to enter into commitments. Further, with the hardening price trend throughout the country, it was thought that dividends had not risen proportionately. There were rumours during the week that the deposit impounding scheme was being abolished. Notwithstanding these rumours, it was felt that, with the onset of the busy season and a number of new issues still to come, bank credit would remain tight. The worsening of the international situation was a point of anxiety.

Sectionwise, coal shares were firm on hopes that the World Bank would provide the foreign exchange required for purchase of machinery and equipment in order that production might increase. Jutes were quiet, but a late recovery in a few counters followed the news of a fall in goods in stock with mills. This fall in stocks was taken as an indication that high prices had not distracted buyers. The higher production figures for Indian Iron and Steel Company, Ltd., for December (pig iron 111,516 tons, as against 106,499 tons in November, steel ingots 86,424 tons, as against 76,619 tons, and saleable steel 61,395 tons, as against 59,380 tons) pleased the market, and some replacement buying in Indian Irons was in evidence. The decision of Indian Oxygen Ltd. to issue rights shares in the proportion of two new shares for every five existing shares did not elicit delight, because the issue had been anticipated for long now and, therefore, discounted and also because the premium of Rs. 8 was a great dsappointment. There were several bright spots in the mscellaneous industrials section on interested buying.

As the week closed, coals met with greater attention, as the lower levels were considered attractive against the background of the proposals made by the industry to achieve greater production. While Bengals remained unchanged at Rs. 317, Burrakurs hardened to Rs. 18.81 from Rs. 18.62 to close at Rs. 18.75. Equitables at Rs. 28.12 put on a fractional gain, Dhemo Mains rising from Rs. 7 to Rs. 7.87. Churulias were bought at Rs. 3.37, as against Rs. 3.25 previously to close at Rs. 3.28.

Textiles were dull. Jayshrees moving back to Rs. 13.87 regained to Rs. 14, but Muir Mills sagged to Rs. 58 from Rs. 58.50. Profit-taking saw J.K. Rayons touch Rs. 13.93 from Rs. 14.56 to close at Rs 14.12. Kesorams were fractionally lower at Rs. 26.44, while Dunbars were fractionally higher at Rs. 22.56.

Jutes were listless, and the volume of transactions declined markedly. Howrahs moved down from Rs. 20.12 to Rs. 20, while Ballys remained unchanged at Rs. 185 and New Centrals were quiet at Rs. 20.94. At Rs. 61, Naihattis accounted for a loss of Rs. 3, while, later in the week, Megnas recovered from Rs. 10.34 to Rs. 11.19 and Aucklands from Rs. 153 to Rs. 154. Baranagores eased from Rs. 121.50 to Rs. 119.50 and Ganges were unchanged at Rs. 10.25.

Engineering shares were about firm. Indian Irons opened at Rs. 22.92 and hardened to Rs. 23.40, but closed at Rs. 23.08. On balance, Texmacos at Rs. 22.70 were higher by 30 nP, while Guest Keen Williams declined to Rs. 36.12 from Rs. 36.87 and Jessop & Cos. to Rs. 19.37 from Rs. 19.75. Britannia Engineerings were firm at Rs. 13.12. Jay Engineerings were a shade higher at Rs. 32, as the prospects were thought to have improved.

Some features were recorded in the miscellaneous industrials section. National Pipes and Tubes continued to meet with buyers at the higher rate of Rs. 21.12. Rallis, after being higher at Rs. 134.50, eased to Rs. 132.75. Indian Cables closed fractionally higher at Rs. 31.81, and Indian Oxygens were firm at Rs. 39.62. General Tyres were admitted for transactions and changed hands at Rs. 5.28, as against the paid-up value of Rs. 5. Orient Papers gained to Rs. 40.20 from Rs. 39.30. Union Carbides were in keen demand on hopes of further expansion, and the rate gained to Rs. 47.62 from Rs. 46.12.

* * * *

Madras Stock Exchange

MADRAS, 11*th January*

Distinctly easy conditions prevailed on the Stock Exchange during the week under review. Fresh support from both investors and professional operators was lacking, with the result that the volume of transactions actually put through was moderate in the cleared as well as cash section. Market circles seemed to be awaiting the trend of the outcome of the forthcoming meeting of the National Development Council, scheduled to be held at New Delhi next week, to finalise the outlay and resources position of the third Plan. Teas were subdued on reports of growing competition in world markets. Coffees were also subdued on apprehensions regarding disposal of heavy coffee surplus. Rubbers encountered some selling. Textiles suffered a setback in the absence of any new encouraging news regarding offtake for domestic consumption and export. Sugars were listless on fears of a possible downward trend of sugar prices, as a result of the surfeit of supplies. Miscellaneous industrials too were dull.

In the tea section, Nonsuchs declined by 25 nP to Rs. 26.25. Blue Mountains lost 9 nP to Rs. 3.94. Periakaramalais shed 3 nP to Rs. 3.38. Devasholas were quiet at Rs. 30.50, as also Haleyburies at Rs. 14 and Kil Kotagiris at Rs. 5.30. Coorgs were quoted at Rs. 5.43. An extraordinary general meeting of the Company will be held on 1st February next to consider the proposal to sell the coffee area now owned by the Company to a wholly-owned subsidiary, Titmaty Coffee Company.

Among coffees, Coffee Lands suffered a loss of 60 nP to Rs. 18.90. Ouchterlony Valleys dropped 2 nP to Rs. 4.55. Mysore Coffees changed hands at Rs. 5.34, Amalgamateds at Rs. 13.25 and Rajendras at Rs. 14. Consolidated Coffees fell from Rs. 22.50 to Rs. 22.35, but recovered to close at Rs. 22.55.

Rubbers tended to move down. Rajagiris and Travancores receded by 50 nP each, the former to Rs. 19.75 and the latter to Rs. 10.40. Thirumbadis eased by 2 nP to Rs. 1.49. Cochin Malabars, after rising from Rs. 6.95 to Rs. 7, fell to Rs. 6.95. Malankaras and Midlands were neglected at Rs. 18 and Rs. 11.40, respectively.

In the textile section, Dhanalakshmis were marked down by Rs. 7 to Rs. 223. Pankajas gave way from Rs. 69 to Rs. 63. Coimbatore Pioneers slipped down by Rs. 3 at Rs. 344 and Coimbatore Cottons by Rs. 2.50 at Rs. 158.50. Buckinghams retreated from Rs. 198 to Rs. 196.50. Lakshmis eased by a rupee to Rs. 148. Bangalore Woollens lost 75 nP to Rs. 196.75. Travancore Rayons lost a like amount to Rs. 32.25. Radhakrishnas dropped 33 nP to Rs. 29.45. Cannanores were quiet at Rs. 148.70, Metturs at Rs. 369, Premiers at Rs. 225 and South Indias at Rs. 147. But Maduras were better by 15 nP at Rs. 35 on hopes of better dividend. Kotharis picked up 5 nP to Rs. 11.80.

Bank shares were easy. Indian Overseas drifted lower by Re. 1.50 to Rs. 177.50. Indians too receded by a rupee to Rs. 169. Andhras were neglected at Rs. 100, Canaras at Rs. 83.50 and Pandyans at Rs. 33. Indians A, however, rose by 50 nP to Rs. 170.50.

Among electrics, South Madras were unaltered at Rs. 9.90. The Company's 5½ per cent., taxable debentures for Rs. 2 lakhs will be redeemed at par on 1st April 1961, after which they will cease to carry interest. Vellores were unchanged at Rs. 12.90, Cochins at Rs. 10.20, West Coasts at Rs. 13.10, and Salem Erodes at Rs. 11.66.

Among sugar shares, Cauverys fell by Rs. 6 to Rs. 140.50. East India Distilleries lost Re. 1.50 to Rs. 41 and Travancores 12 nP to Rs. 10.50. Deccans declined by 10 nP to Rs. 14.45. Mysores were done at Rs. 60.50, same as last week. K.C.Ps were fancied at Rs. 26. The Company proposes to issue to shareholders on the list on 31st January 1961, 100,000 equity shares of Rs. 10 each at par, at the rate of 17 shares for every 100 shares held. United Breweries, however, spurted by Rs. 10.50 to Rs. 114.50 on special support. Indias scored a gain of 20 nP to Rs. 12.50.

In the miscellaneous section, Textools fell by Rs. 5.50 to Rs. 186. Western India Plywoods moved down by Rs. 3 to Rs. 241. Among chemicals, Mysore Fertilisers receded by 70 nP to Rs. 11.15 and F.A.C.Ts by 17 nP to Rs. 9.28. Mysore Chemicals and Travancores were dull at Rs. 26.10 and Rs. 15.50, respectively. Among cements, Indias shed 2 nP to Rs. 5.83. Orissas were unaltered at Rs. 14.90, so also Andhras at Rs. 9.90. Among others, Aluminium Industries declined by 8 nP to Rs. 21.88. Ashok Leylands were unchanged at Rs. 7.90.

NEWS IN BRIEF

ASHOK Leylands Ltd. of Madras has just introduced a suggestion scheme modelled on the lines of that at the parent British company of Leyland Motors Ltd. Cash awards will be made monthly by a special committee, under the scheme.

An agreement, covering a loan of $50 million for the purchase of capital equipment for India's third Plan from the U.S., has been signed between the Governments of the two countries. The loan will be channelled through the U.S. Export-Import Bank.

The Government of India has decided to take over the Kolar gold mining undertaking in Mysore from the State Government. The mine was nationalised in 1956. Meanwhile, plans are afoot to undertake intensive exploitation of the mines.

Oil has been struck in a new well at Rudrasagar in Assam at a depth of two miles below the surface, according to Mr. K. D. Malaviya, Union Minister for Oil and Mines. No estimate of the quantity of oil that can be produced from the new well can be made, without further exploratory drilling.

The foundation-stone of the first watch factory of India to be built at Bangalore in the public sector as an adjunct to the Hindustan Machine Tools Factory, will be laid by Mr. Manubhai Shah, Union Minister for Industry, on the 28th inst. The Citizen Watch Company of Japan is collaborating in the project.

The cotton textile mills' production in November 1960 is provisionally placed at 148 million lbs. of cotton yarn and 427 million yards of cotton cloth. At the end of November 1960, the composite mills of the cotton textile industry carried an estimated total stock of 381,000 bales of cloth (1 bale =1,500 yards), comprising 190,000 bales of unsold cloth and 191,000 bales of cloth sold but not lifted.

An expert committee has been set up by the Union Ministry of Works, Housing and Supply to suggest measures for more effective eradication of malpractices and corruption prevailng in the Central Public Works Department. The terms of the Committee include an assessment of the adequacy of the measures that are being taken for the elimination of corruption and steps to be taken for their further improvement.

The existing *ad hoc* price agreement between the Government of India and the oil companies, which is due to expire at the end of March next, has now been extended by three more months. The extension is made because the Oil Prices Committee (Chairman: Mr. R. K. Damle) is likely to take a longer time to prescribe an alternative long-term formula for fixing the prices of petroleum products.

The Life Insurance Corporation of India has extended the scheme for the grant of loans on mortgage of property to include Ahmedabad, Kanpur and Bangalore also. The minimum amount of loan given to one borrower will be Rs. 25,000 and the maximum is fixed at Rs. 5,00,000. The scheme, which was introduced last year, now covers only the cities of Bombay, Calcutta, Madras and Hyderabad.

Exports from India during the month of November 1960 were higher at Rs. 62 crores, as against Rs. 56 crores in the previous month and Rs. 61 crores in the corresponding month of 1959, while imports were lower at Rs. 69 crores, as compared with Rs. 73 crores and Rs. 78 crores, respectively. Consequently, the adverse balance of trade was to the extent of only Rs. 6.71 crores, as against Rs. 17 crores each in October 1960 and November 1959.

The inter-State movement of inorganic fertilisers, except that made in accordance with a permit issued by the Central Department of Agriculture, has been banned by the Government of India. The fertilisers covered by the order include sulphate of ammonia, urea, ammonium sulphate nitrate, calcium ammonium nitrate, and ammonium nitrate. Another order permits the regulation of inter-district movement, if a State so desires, but, in such cases, the prior permission of the Centre will have to be obtained.

The 74-mile Akola-Amalkhurd section of the Central Railway was opened to passenger traffic last week by Mr. Jagjivan Ram, Union Minister for Railways. The new rail-link provides for the first time an alternative metre-gauge channel for the movement of traffic between the north and southern parts of India. Besides, it opens up new areas of Vidarbha which have not been hitherto served by rail and provides an all-metre-gauge link between Madhya Pradesh, Vidarbha, Marathwada and Andhra Pradesh.

The Employees' Provident Funds (Amendment) Act, 1960 came into force on 31st December 1960. The amended Act provides, among other things, for the extension of the benefit of compulsory provident fund to establishments employing 20 or more persons. Hitherto, this benefit was confined to establishments with 50 or more persons. Provision has also been made to ensure that the establishments once covered under the Act do not go out of the purview of the Act because of a reduction in their employment strength, except where the strength is reduced to less than 15 and remains so for a period of one year continuously.

The Kerala Government has finalised arrangements for the issue of long-term loans to small-scale rubber holdings of not less than ten acres. This facility will be made available to private individuals who own lands suitable for rubber cultivation and also to those who come into possession of forest land auctioned by Government. The loan will be limited to Rs. 750 per acre and disbursed in six instalments. It is estimated that 14,000 acres of private land and 6,000 acres of auctioned reserve forest land will be brought under rubber annually for the next five years under this scheme. 100,000 acres of land is expected to be brought under cultivation of rubber by the end of the third Plan.

The Planning Commission has approved of a proposal to enable the public to hold minority shares in the public sector industrial ventures. The proposal was put forward by a panel appointed by the Commission. It is said that the shares of industries in the public sector, now exclusively held by the Government, will be offered to the public upto 20 to 25 per cent. On an experimental basis, the scheme will be introduced in public undertakings which are making profit now, such as Hindustan Machine Tools at Bangalore and Antibiotics Factory at Pimpri. If the proposal is endorsed by the Government, the public sector industrial ventures, which are now private limited companies, will be converted into public limited companies. Such shares are likely to be included in the lists of important stock exchanges.

With the output of cars, commercial vehicles and jeeps at 5,073 in December 1960, the whole year's production reached the peak level of 52,115, as against 36,923 in 1959 and 32,138 in the first year of the second Plan (1956). A break-down of the 1960 production shows that the second Plan production target in respect of jeeps has been exceeded and in the case of passenger cars, the target has been virtually reached. The output of motor cycles, scooters and auto-rickshaws was 17,375 in 1960 which was more than double that of the previous year. In 1956, production of such vehicles in the country was only about 6,300. The rise in production in 1960 was achieved within the same allocation of foreign exchange as in 1959. The automobile ancillary industry also made considerable progress in production, which in 1960 was of the order of Rs. 10 crores, as against only Rs. 50 lakhs in 1951.

As a measure of export promotion, the Government of India has decided to allow drawback of customs and Central excise duty paid on raw materials used in the manufacture of electrical accessories, cigarettes, pipe or cigarette tobacco, fluorescent lamps, matches, articles made from aluminium circles and sheets, petrol pumps, gas plants, fabrics containing noil yarn and silk yarn, air compressors, flashlight cases, coir products, micanite or built-up mica, r.s. pilfer proof closures, flat files fitted with clips and oiled coir ropes. Besides, changes have been made in the rates of drawback for steel products, plastic goods, fabrics, etc., made of artificial silk, mixed total fatty acid obtained from coconut oil, tea chests and jute manufactures. Alterations have also been effected in the items relating to mixed fabrics containing terylene, glassware, coffee, electrical accessories and artificial teeth. Further, the item of "crown corks" has been transferred from first schedule to the second schedule (Brand Rates) of the General Drawback Rules.

The Railway Board proposes to make available to foreign tourists visiting India in the current year a first-class "travel-as-you-please" ticket for Rs. 495, as part of the Government of India's drive to popularise tourism during the "Visit the Orient—Year 1961" programme, sponsored by the United Nations Economic Commission for Asia and the Far East (E.C.A.F.E.). Under the scheme, a foreign tourist, after the production of a valid certificate from any of the tourist offices run by the Government of India, can purchase a "travel-as-you-please" ticket for air-conditioned and first class travel valid for a period of 30 days for a lump-sum payment of Rs. 495. Children above three but under 12 are entitled to half concession. Besides this, the foreign tourists have also been allowed to travel by air-conditioned class on payment of fare at 25 per cent. below the basic fare. It may be noted that the number of foreigners who visited India in 1959 was 109,464, as against 92,202 in 1958. The total foreign exchange earned from tourists during 1959 amounted to Rs. 20 crores.

* * * *

From Abroad

The U.S. outflow of gold in 1960 aggregated $1,619 million, as against only $1,078 million in 1959. At the end of December last, the total gold holdings of the U.S. stood at $17,837 million.

The merchant shipping fleets of communist countries are growing rapidly. This is disclosed by the Royal Netherlands Shipowners Association in its latest annual review. The Russian fleet, which stood at 3.4 million registered tons in mid-1960, is expected to reach as high as 5.6 million tons by 1965. The increase in Soviet tonnage since 1939 comes to 160 per cent., as against only about 50 per cent. (to 66 million tons) attained by the tonnage of non-communist countries. In the same period, the fleet of underdeveloped countries in Africa, the Middle East and the Far East rose by only half-a-million tons to 4 million tons.

The U.S. Development Loan Fund has approved of a credit of $130 million, the single largest credit ever made by the Fund, to Turkey. The loan will be used for financing the establishment of a $240-million iron and steel works at Eregeli in collaboration with U.S. companies, including Koppers, Inc., Westinghouse, Blaw Knox and International Combustion. They will provide $12 million. Some French and Italian interests are expected to contribute $20 million, the balance being met by the Turkish Government and local industrialists. The plant, which is expected to be completed by the middle of 1964, will have an initial capacity of 268,000 tons of rolled products, including 50,000 tons of tinplate and also 110,000 tons of imports for use at the only other existing iron and steel works at Karabuk. The final annual capacity will be one million tons.

The total number of telephones in use throughout the world rose to 133.6 million in 1959, a gain of nearly nine million over the previous year, according to the 1960 edition of *The World's Telephones*, released by the American Telephone and Telegraph Company (Bell system). More than half of these phones are in the U.S. The U.S. had 70.82 million phones, or 39.5 per 100 persons at the end of 1959. Since 1950, the number of telephones in the world has almost doubled. Phones in the U.S. increased by 74 per cent. during that period, while in Asia, the number of phones more than tripled. In Europe and South America the number doubled.

Total expenditure on scientific research in Great Britain during 1958-59 was £478 million, about 40 per cent. more than was spent in the three previous years. This represented about 2.3 per cent. of the gross national product, comparing with about 2.7 per cent. in the U.S. Excluding research for defence purposes, the U.K. expenditure doubled in the three years to £243 million, about 1.25 per cent. of the gross national product, or roughly the same as the U.S. figure. About two-thirds of the research was paid for out of public funds, but more than half of it was carried out by private industry working partly under Government contract. Government research had risen more sharply than that of industry, though there had been a 6 per cent. increase, to 29 per cent., in the amount of finance coming from private sources. Research for manufacturing industries had cost £265 million with science-based industries, such as aircraft construction and chemicals spending a far higher proportion than the traditional industries.

The world rice situation in all its major aspects is scheduled to be reviewed at the fifth session of the F.A.O. Consultative Sub-Committee on the Economic Aspects of Rice, to be held at New Delhi from the 13th to 20th inst. The Sub-Committee of the Committee on Commodity Problems will also take stock of the crop estimates for 1960-61 and trade outlook for 1961. It will study trends in supply and demand for rice, analyse the fluctuations in international trade and prices and discuss methods of reducing instability in them. National marketing policies, marketing problems of rice and its by-products and improvements in statistical and economic information regarding rice and its utilisation will be examined at the meeting. An international exhibition of different grades of milled-rice will be a feature of the conference. About 50 delegates from 20 countries are expected to participate.

The gross national product of West Germany rose by 11 per cent. to DM 274,200 million (at current prices) in 1960, as compared with the previous year. During the year, German development aid, both private and Government, amounted to DM 1,306 million, of which DM 744 million were given bilaterally and the rest to international institutions. The total includes both grants and credits. The Federal budget reached an all-time high of DM 41,900 million for the year, as also Federal taxes which were DM 36,036 million. Another all-time high was social security expenditure, amounting to DM 35,600 million, a rise of 10.2 per cent. over 1959. Of this, nearly 50 per cent. was paid for old-age, disablement and survivors' pensions. Foreign long-term investments in the country amounted to DM 1,137.6 million in the first six months of 1960, a level which is higher than that for the whole of 1959 (DM 924.7 million). West German long-term investments abroad rose to DM 1,900.7 million in the first half of the year. This amount is DM 280 million more than the average for the same period in 1959. The *per capita* income of the working population rose by 8.8 per cent. over the previous year and personal savings by 10 per cent. and reached 897 marks per head, while the cost of living index rose by only 2.5 per cent. to 123 (1950=100). Foreign trade continued to expand, with imports rising faster than exports. Imports were higher by 23 per cent. at DM 42,339 million and exports by 17 per cent. at DM 47,179 million. Industrial production increased by 11 per cent.

PERSONAL

MR. N. M. Wagle, Managing Director of Greaves Cotton and Co., Ltd., has been elected President of the Bombay Chamber of Commerce and Industry for the year 1961-62.

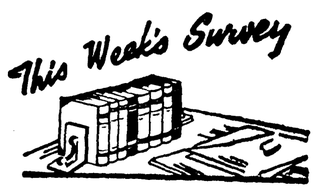
Mr. S. P. Chambers, Chairman of the Imperial Chemical Industries Ltd., London, will be arriving at Calcutta at the end of this month on a two-week tour of India.

Mr. D. N. Shroff and Mr. S. M. Mehta have been elected Chairman and Vice-Chairman, respectively, of the Silk and Art Silk Mills' Association Ltd., Bombay, for the current year.

Mr. H. L. Khanna, Deputy Managing Director of the British India Corporation Ltd., Kanpur, has been elected President of the Upper India Chamber of Commerce, Kanpur.

Mr. Nawab Ali Yavar Jung, Ambassador of India to Yugoslavia, has been appointed Ambassador of India to France. He is expected to take charge of the new assignment next month.

Mr. B. F. H. B. Tyabji, until recently Ambassador to West Germany, has taken over charge as Special Cabinet Secretary, *vice* Mr. Y. D. Gundevia who has become the Commonwealth Secretary. Mr. M. J. Desai, the previous Commonwealth Secretary, has been appointed Foreign Secretary. He succeeds Mr. S. Dutt who has been appointed Ambassador to Moscow *vice* Mr. K. P. S. Menon, who is due to retire shortly.



PROFESSION AND PRACTICE

SAYS the Chief Minister of Andhra to industrialists intending to start ventures in that State:

> Reduction in sales tax on locally manufactured industrial products and lowering of power rates are two of the steps under consideration for attracting new enterprises to the State.

One company which was in distress about two years ago in Andhra Pradesh was Sirsilk Ltd. (whose management had been taken over by Birla Brothers Ltd. in 1953) in which the State had a substantial financial interest. The Tariff Commission was asked by the Government of India to fix fair prices for acetate yarn produced by Sirsilk, and the Commission's report published in June 1959 provides interesting material to indicate that, while much of the malaise from which the Company was suffering was due to its peculiar capital structure and indebtedness to the State Government, both inherited from inception, part, at least, was due to increase in the cost of power alcohol used as raw material and a heavy excise duty on the same product needed for manufacture of acetic acid, and that it was within the competence of the Andhra Government to afford relief to the Company on both counts. The Tariff Commission recommended that the Andhra Government should reduce the price of power alcohol to 87 nP per gallon (in accordance with the recommendation of the Alcohol Committee appointed by the Government of India in 1955), as against a calculated rate of Rs. 1.63 per gallon (inclusive of gallonage fee and excise charges) which the Company was under notice to pay. The Commission also recommended that a threatened excise duty of Rs. 70 per gallon on alcohol used for acetic acid manufacture should be withdrawn to enable the Company to employ its plant to full capacity, as, otherwise, the acid was unsaleable. The Government of India accepted the recommendations; it was for the Andhra State Government to implement them in due course, and it is not known if they did. This case is of relevance in the context of the anxiety of the State Government to create favourable conditions for industries to be established in the State and illustrates the need for Governments' fiscal policies to be integrated with their solicitude for industrial development. There should be no divergence between profession and practice at all levels of a State administration. The best incentive for new entrants into States will be the happy experiences of old units already established, and any case of avoidable distress to the latter will be a sure deterrent to the enthusiasm of the former.

HINDUSTAN SHIPYARD

The Hindustan Shipyard has, as of 1959-60, an issued and paid-up capital of Rs. 5.60 crores, of which shares of the value of Rs. 4.55 crores are held by the Government of India and the balance of the shares of the value of Rs. 1.04 crores by the Scindia Steam Navigation Company, Ltd. It is seen from the speech of Mr. G. L. Mehta, Chairman, at the eighth annual general meeting of the Hindustan Shipyard Ltd., that "the question of releasing the capital invested by Scindias in the shipyard is now engaging the attention of Government." This information should not be startling in the context of the continuing poor financial performance of the Shipyard and Scindias' own pressing need for finance for developing its shipping service. In 1957-58 and 1958-59, it may be recalled, this enterprise incurred net losses of Rs. 4.8 lakhs and Rs. 4,764 respectively. It is only in the year under review that its working has resulted in a small net profit of about Rs. 69,000. Even this small profit is stated to be due to the profit made on the construction of certain items of small craft. But for the subsidy, provided by the Government of India to cover a part of the cost of ships built in the yard, the results would have been, and will continue to be, far worse. The production costs of Hindustan ships continue to be high, while the world prices of ships continue to be much lower. Although the prospects for a fall in the cost of production of ships in the Vizag shipyard are somewhat encouraging, as evidenced by some improvement (in 1959-60) in productive efficiency in terms of the number of man-hours spent in processing a ton of steel weight on hull construction and in terms of the number of man-hours required in processing a unit of materials other than steel on the outfit, it is extremely doubtful if the need for cost subsidy will be eliminated in the near future or whether the Shipyard will make such profit as will provide a reasonable return on share capital.

Mr. Mehta's speech is notable for bringing out the unsatisfactory character of the present procedure for fixing the price of Hindustan ships. It is unsatisfactory, because "experience has shown that the correct ascertainment of the U.K. parity price and its adaptation for fixing the price to be paid by the Indian shipowners has been a complex matter." Nor will a different procedure such as the one suggested by Indian shipowners, namely, that pricing of Hindustan ships be done at the lowest world price, be any less unsatisfactory, for the Shipyard would be in no position to ascertain the world parity price when it has found it difficult to ascertain correctly even the U.K. parity price. Mr. Mehta's suggestion is that the price payable for vessels should represent a certain percentage of the cost. But the difficulty here, as he himself has visualised, is that the shipowners would like to know the precise financial implications of a percentage formula when placing an order. This would involve a prior assessment, by the Shipyard, of the estimated cost of its ships. Mr. Mehta's view that the solution suggested by him is a more practicable one is not quite convincing, for the shipowners intending to place orders can still bring into the picture what, according to their ascertainment, is the world parity price. So long as the cost of Hindustan ships continues to be much more than the price of ships in world markets, some kind of reference to the latter will be unavoidable. Ultimately, it can only be in the nature of a process of higgling and bargaining between the Shipyard and the shipowner, the excess of the estimated cost over the price settled between the two parties being covered by the Government subsidy as hitherto—a subsidy which, incidentally, has come to as much as Rs. 1.14 crores on the construction of the four vessels which were completed and delivered during 1959-60 alone.

The expectation of Hindustan Shipyard that shipowners should be generous enough to pay something more than the cheapest world price has no reasonable chance of being fulfilled at a time when there is lack of orders and when the shipping companies themselves are passing through hard days on account of low freight rates. The fear that the yard would receive a setback, if firm orders for at least two ships were not secured immediately, is, therefore, real. It is recognised by the Board of Directors of the Shipyard that the inclination of Indian shipowners to place orders abroad for their ships at cheaper prices and with quicker deliveries is understandable. Still it has made an appeal, in the name of long-term national interest, to shipowners to take a broader view of this matter and co-operate with the Shipyard. This is, indeed, a pathetic appeal, for the shipowners themselves are frantically appealing to the Government for more and still more assistance to keep themselves alive. If this is the state of affairs relating to the only shipyard which has been working for quite a number of years now, the likely fortunes of a second shipyard proposed to be built at Cochin during the third Plan period may be readily imagined.

ELECTRIC FANS

Electric fans have the distinction of being one of the few young industries in India which have made a determined break through in the highly competitive world markets. It is, indeed, no small achievement that, fighting against heavy odds, the industry has exported its products to no less than 53 countries, including the U.K., which till recently was the principal supplier of electric fans to India. Most of the countries that bought Indian fans, however, belong to Asia, the Middle East and Africa. But, even in these countries, there was serious competition from the highly developed European countries, such as the U.K., West Germany, and also Japan. During the ten months ended October 1960, exports of fans amounted to Rs. 67.29 lakhs, which was higher by almost 114 per cent., as compared with the corresponding period in 1959. Mr. Mohanlal Kathotia, Chairman of the Fan Makers Association, in his address at the annual meeting of the Association held at New Delhi this week, expressed the view that there was scope for further promotion of exports, "provided a more determined and purposeful effort is made." He, however, made no bones about the fact that Indian publicity abroad is poor and personal contacts, so very essential in export trade, are not as they should be. Given good publicity and experienced selling agents who can organise satisfactory after-sale service, Mr. Kathotia observed, Indian fan makers could secure a substantial part of the foreign market. Organised efforts by the industry are essential to solve these difficulties. The Association itself will do well to see how best it can enlist the co-operation of its members for promoting collective action in respect of overseas propaganda and provision of appropriate after-sale service, which are essential for popularising Indian engineering goods abroad. It can very conveniently take a leaf from the Japanese book.

The industry has registered steady expansion during the past few years not only by increasing the output but also by devoting much time and resources for technical improvements. During the first seven months of 1960, the total number of fans produced in India was higher at 556,000, as compared with 409,500 in January-July 1959. This means that the current production is running at an annual rate of about 960,000 fans, as against the actual output of only about 290,000 fans in 1955-56. Although this performance is quite impressive, Mr. Kathotia sounded a note of warning which should serve to alert the *entrepreneurs* in this field against any sense of complacency. He drew attention to the fact that engineering technology is fast changing and the domestic industry has, therefore, to keep abreast of the new developments and adapt itself accordingly. He urged the manufacturers to improve further the standard and efficiency of fans, particularly table and miscellaneous fans, by using modern methods. This will help reduce the cost of production and thereby raise not only the competitive capacity of the industry in world markets but also tend to create a substantially larger domestic market. The domestic demand is bound to go up, in view of the development of power generation, improvement in standard of living, increased industrial activity, etc. The domestic demand is exected to go up to 2.5 million by the end of the third Plan, the whole of which is expected to be met from indigenous production.

The future development of the industry, however, will be conditioned by the availability of adequate raw materials of good quality. The supply position of such raw materials as electrical steel sheets, copper, nickel and chromium, has been far from satisfactory. The shortage of ball bearings, an essential component, has also adversely affected the production programmes of several units. Mr. Kathotia, therefore, called upon the Government to arrange for the establishment of at least one more large-scale unit for manufacturing ball bearings. For the time being, however, he has suggested that the Government should allow imports of ball bearings in adequate quantities. Another point made by Mr. Kathotia was that the imposition of excise duty on aluminium sheets and ingots had led to an increase in the cost of production of fans and thereby reduced the competitive capacity of the industry, especially in foreign markets. There is no sufficient reason why the Government should not exempt the fan manufacturers from the payment of excise duty on their requirements of aluminium, for there is already an excise duty on the finished product. All talk about export promotion will be meaningless unless adequate incentives are given at least to those industries which have proved their capacity to earn the much-needed foreign exchange for the country.

WORLD WHEAT

A welcome recommendation of the International Wheat Council which has received comparatively little notice in this country is that the excess supplies of wheat be distributed as food assistance to developing nations. Such distribution will undoubtedly help several countries which are today faced with a critical food shortage and which cannot afford to utilise the limited foreign exchange resources for importing foodgrains, because of the pressing need to secure many other essentials required for economic development. From the point of view of the producing countries also, the suggestion is a very sensible one, in that it will go a long way towards not only reducing the huge surplus stocks of wheat but also avoiding a more severe imbalance in the world wheat situation in coming years as a result of the persistently rising trend of production.

As it is, the aggregate world supply of wheat in excess of effective demand amounts to as much as 60.0 million tons, or about 60 per cent. more than one year's total world consumption. This would have been much more but for the Government-assisted exports to the less developed areas which, in 1960, amounted to over 10 million tons, same as in 1959. The supply is expected to be higher still at the end of the current year, following the marked rise anticipated in output. The 1960-61 world wheat crop (excluding mainland China) will be the second largest on record, with total production at 221.0 million tons, as against 215.0 million tons harvested in 1959-60, according to the latest forecast made by the Wheat Council. This quantity, together with the carry-forward stocks of 52.9 million tons from the 1959-60 crop, gives a total available supply of 273.9 million tons, which represents an increase of 5.4 million tons as compared with the previous season supply of 268.5 million tons (production of 215.0 million tons plus carry-forward stock of 53.5 million tons). When there is such an abundance of supplies, it is, indeed, curious that world wheat prices continue to rule pretty high. The latest available quotation for Canadian wheat (March shipment) at Chicago is 212¼ cents per bushel, as against 204⅞ cents a year ago. The Canadian Wheat Board's export price (in store Fort William or Port Arthur) of No. 1 Northern Manitoba now stands at 168¼ cents per bushel, as against 166 cents this time last year.

The major wheat producing countries, especially Canada, Australia and the U.S., can certainly afford to step up Government-assisted exports to the less developed areas as well as to lower the prices of wheat sold on commercial basis. The Government-assisted exports will be advantageous to the producing countries themselves, inasmuch as they will, as the Wheat Council has aptly stated, lead to an expansion of imports by the developing countries on a purely commercial basis sooner or later. Simultaneously with the adoption of the aforesaid measures, the wheat producing countries must examine the feasibility of reducing the high level of support prices. Such a reduction is, of course, likely to cause some economic dislocation inside the producing countries, but it cannot be avoided. If, however, a reduction in price is absolutely not possible, the more highly developed countries and the less economically producing nations must at least agree to overall cuts in acreages sown to wheat and help the more backward parts of the world to produce more wheat by supplying them with fertilisers, tractors and other means for raising the productivity of agriculture. This they can easily do, as they will have a surplus of these when they curtail their wheat production.

CO-ORDINATION OF AID

Reports from London indicate that official thinking in Britain is crystallising in favour of the creation of a new Government Department to co-ordinate economic and technical assistance provided by the U.K. to underdeveloped countries, especially those with which Britain has special relationships. Although it cannot be said that the idea has been accepted in principle, the Government is said to be favourably disposed towards it.

Those who favour a new department consider that the sooner it is established the better, in view of the probable reappraisal of the development aid by the new Administration in the U.S. They argue that, if a new department could be established in time in the U.K., the chances of channelling American money behind British efforts in the technical assistance field would be substantially higher. It is also felt that, as Britain's capacity to give aid is limited, the field in which Britain can make its greatest contribution to the development of underdeveloped countries is technical assistance. It has the men, the experience and the expertise. If American and West German money could be harnessed behind British skills that, it is argued, would be an ideal arrangement.

Since technical assistance is as much needed by underdeveloped countries as capital equipment, the emphasis on it is welcome. But this argument proceeds on the assumption that Britain has a surplus of technical man-power which it can freely spare for export to the needy countries. This assumption, however, is not fully supported by the facts of the situation. That apart, the stress on technical assistance should not lead to the playing down of the importance of capital exports by Britain. It is true that Britain has been doing its best, in spite of its own difficulties, to aid underdeveloped countries. For instance, the annual rate of overseas aid, which was £80 million in 1957-58, was raised to about £130 million in 1959-60. In addition to this, there is private investment abroad estimated at about £100 million a year, which is a major factor in assisting the less-developed countries. But measured against the needs of the underdeveloped countries and its own national income, these sums, though substantial in themselves, are far too small. It is to be hoped that neither the emergence of new industrial countries with a surplus of capital nor its own insatiable desire for more and more prosperity will prompt Britain to cut the quantum of aid it now provides. Britain and also other developed countries, which have attained the goal of affluent society, that is, a Welfare State with full employment and high living standards, should pause for a while and divert a part of their savings to investment in underdeveloped countries, so that the gap between the have and have-not nations in the free world can be narrowed, at least to some extent, and the scope for spread of Communism minimised.

TECHNICAL EDUCATION IN BRITAIN

A scheme for a thorough overhaul of technical education in Britain has been blueprinted in a White Paper on the subject published by the British Government on the 5th inst. It envisages a major reorganisation of technical education to match the industry's growing needs for technicians, craftsmen and operatives. The scheme seeks to correct the two main defects in the present system, namely, the difficulties of transition from school to technical college and the wide gap between the training of the highly trained technologists and the technical assistant. In fact, for many industries, the lack of properly trained technicians is said to be a major handicap.

Under the existing system of technical education in Britain the largest group of students attending technical colleges are young employees and apprentices who are released by their employers for study usually on one day a week. This is often supplemented by attendence at evening classes. A wide variety of craft courses is available for young workers in various trades and occupations leading to appropriate qualifications at the end of a course lasting three to five years. Courses of a more professional character, which are suitable for technicians or for those who aim ultimately at a membership of a professional institution, are also provided, leading to the National Certificates approved by joint committees consisting of representatives of education departments and the appropriate professional body. Full-time courses are taken by a large number of young students who leave school to enter secretarial or clerical work and also as an introduction to apprenticeship. One form of advanced course, which is rapidly growing popular, is the "sandwich" course which lasts from three to five years and consists of periods spent alternately in studying full-time in a technical college and in gaining practical experience in industry. The majority of diplomas in technology courses are "sandwich" courses.

The new scheme enables students to enter technical colleges direct from school without having to take up evening courses. Preliminary evening courses will be abolished. The ordinary National Certificates course will last two instead of three years. But the standards for entry will be raised. There will also be new courses of four to five years' duration for technicians, with standards suited to their needs and abilities. More time would be provided under day-release schemes. No student will have to rely wholly on evening study. Sandwich courses—especially for technicians—will be increasingly developed. Sir David Eccles, Minister for Education, claims that the courses under the new system will be broader and of higher educational value than the old ones and will better suit an age of

(Continued on page 53)

AN important feature of the educational facilities at Jamshedpur is the leisure-time training of employees. Instruction provided, after hours, helps steelmen like J. P. Pathak to acquire wider knowledge and new skills.

Pathak, who started his career in Tata Steel as an office boy in 1929, passed his matriculation examination from the Company night school in 1944. Pathak next took up an evening course in basic mechanical drawing at the Jamshedpur Technical Institute. In 1957, he was selected for overseas training, and went to Canada, the U.S.A., West Germany and Holland, to learn techniques of operating a sinter plant. Today, Pathak is operator-in-charge of the sinter plant added under the two million ton expansion programme.

Notwithstanding initial handicaps, enterprising men like Pathak have the opportunity to better their prospects through further education and training at Jamshedpur, where industry is not merely a source of livelihood but a way of life.

JAMSHEDPUR

THE STEEL CITY

JWTTN 4660

The Tata Iron and Steel Company Limited

AMERICAN LETTER

UNEASY FEELING PERSISTS

U.N. EXPERT FOR SURVEYING OYSTER BEDS IN INDIA

By Our Special Correspondent

NEW YORK, 1st *January*

THERE is a strange feeling of uneasiness in the United States. It concerns the future of the economy. This is quite difficult to rationalise, particularly in view of the high level of activity in nearly all branches of business. Just the same, it is somewhat frightening to encounter such pessimism.

Part of the reason for this, of course, the change of Administration. Some of the latest appointments of President-elect John Kennedy have not been received with much enthusiasm. There is also apprehension that Mr. Kennedy's father, Joseph Kennedy, might interfere in national and international affairs. The father is a former U.S. Ambassador to Great Britain, and for numerous reasons his solidity in policy matters are questioned by a good part of the business and industrial community.

In order to counter this feeling, reports have been allowed to "leak out" that son John and father Joseph do not get along too well and father Joseph issued a statement that he will not interfere, which does not prove anything yet. The President's-elect press secretary is Pierre Salinger, a former editor of the *San Francisco Chronicle*. Two other things which have been criticised widely are the appointment of Mr. John Kennedy's brother, Robert, as Attorney General, and the naming of a New England university professor as economic adviser who is known to be just a little bit too liberal.

The general business pessimism, while there was a year-end surge, was reflected in a sharp drop in the stock market. The averages, for the year as a whole, declined 68.56 points. Sales fell more than 6 per cent. below the 1959 volume.

Other, but political, reasons affecting business thus displayed, included disappointment that most of the predictions of the "glorious sixties" in the first year of the decade came to naught. This was emphasised by the extremely poor production, in terms of capacity, in the steel industry. However, this is quite relative.

It is quite possible that steel capacity has been overbuilt, since more than 100 million tons of steel were produced last year, anyway. It must also be recognised that steel, one of the biggest industries here and one of the bellwethers of the U.S., is rather unwieldy in management. The latest steel strike, for lack of management imagination, was so extended that foreign competition now has a firm foothold. It could have been foreseen, but it was not. As compared with former days, decisions are made no longer by men of vision. Rather, matters are referred to committees which are making surveys. And most of them are meaningless by the time they are completed. In the meantime, the industry moves along by the momentum of sheer bigness.

A good deal of that also applies to the U.S. automobile industry. Lack of vision and imagination, as well as poor design in body and engine operation, opened the way for foreign competition, such as Volkswagen.

United Nations News

Much interest was aroused here that attempts are being made to revive the pearl oyster trade in India. As outlined here, surveys of oyster beds are being conducted in the Gulf of Manaar in the South of India.

People at the U.N. are very much pleased that the New Delhi Government has invited Dr. Francesco Baschieri-Salvadori for his second exploratory mission. The doctor's background is rather interesting. He attained a degree in law but finally chose under-water exploration as a career.

The contention here is that the former adage that cultured pearls have driven natural pearls out of business is true no longer. The trend seems to be that natural pearls are becoming increasingly popular.

The reason is that they are preferred more for their colour and natural irregularity, rather than the size and uniformity of shape of the cultured variety.

If all works out well, it is felt at the U.N., it could be a profitable industry for India, as it was about 100 years ago.

The appointment of Adlai Stevenson as Ambassador to the U.N. by President-elect Kennedy got a lukewarm reception here. He was defeated twice running for President of the U.S. He is a Chicago attorney, with a great command of the English language. I like him personally, but many people distrust him for his glibness. The post of U.S. Ambassador to the U.N. carries with it a $30,000-a-year apartment at the Waldorf.—*All Rights Reserved.*

EMPLOYEE BENEFITS IN U.S.

United States industry paid an estimated $18,000 million in 1960 to provide employee pension, welfare and unemployment benefits. The National Industrial Conference Board reports in its weekly "Road Maps of Industry" chart that the 1960 total represents an increase of $2,100 million over the amount employers paid for employee security in the previous year.

Last year—the 25th anniversary of the U.S. Social Security Act—employers contributed $5,200 million for old age, survivor and disability insurance and $2,900 million for unemployment insurance. These two social security components accounted for 45 per cent. of employer payments for employee security. Another 47 per cent. was accounted for by private pension and welfare funds, to which employers contributed $8,500 million in 1960. The remainder consisted of compensation for injuries.

During the decade of the fifties, total wages and salaries of employees in private industry increased 81 per cent., while employer payments for employee security rose 179 per cent. As a result, these fringe benefits climbed from 4.9 per cent. of aggregate compensation in 1950 to 7.4 per cent. in 1960.

THE BANK OF MAHARASHTRA LIMITED

JUBILEE YEAR RESULTS

Net Profit (subject to audit) for the year ended 31st December, 1960, after meeting all expenses and after payment of a special Silver Jubilee Bonus (equal to 1/12th of pay earned during the year) to the Staff, after making a further provision for payment of Bonus to Staff for the year 1960 of Rs. 1,65,000 (as against Rs. 1,05,000 last year), making contribution of Rs. 1,00,000 to Staff Gratuity Fund and making other usual and necessary provisions .. .. Rs. 9,50,000 (7,72,000)

Add: Balance of profit brought forward from the previous year		43,000
		(39,000)
Total		9,93,000
		(8,11,000)
Appropriations proposed:		
Provision for Taxation		3,50,000
		(3,40,000)
Transfer to Reserve Fund		2,00,000
		(1,80,000)
*Industrial Development Fund ..		40,000*
		(Nil)
*Staff Benefit Fund		10,000*
		(Nil)
(*Started this year)		
Dividend at 9 per cent. per annum taxable *pro-rata* on the increased capital of Rs. 31,85,000 as against Rs. 31,68,000 last year—(Approximate)		2,88,000
		2,69,000
Special Silver Jubilee Bonus at 2 per cent. per annum taxable *pro-rata* on the paid-up Capital of Rs. 31,85,000..		64,000
		(Nil)
To be carried forward to next year's account		41,000
		43,000

(Amounts are rounded to nearest thousand. Figures in brackets relate to corresponding item of the last year, i.e., 1959.)

Deposits	1960	..	Rs. 15,11,00,000
	1959	..	,, 13,26,00,000
Advances	1960	..	,, 6,78,00,000
	1959	..	,, 5,06,00,000
Investments	1960	..	,, 6,63,00,000
	1959	..	,, 6,52,00,000
Working Capital ..	1960	..	over Rs. 17 crores
	1959	..	over Rs. 15 crores

(Amounts rounded to lacs.)

IS THE GOLD TIDE RECEDING?

(From Our Own Correspondent)

LONDON, 6th *January*

LONDON LETTER

OVER the whole of 1960, the British gold and currency reserves rose by £177 million to a total of £1,154 million. But, and indeed there are two buts, £131 million of this is accounted for by the special payment received in the month of December from the Ford Motor Company of America in consideration of their purchase of the formerly British held shares. The second "but" is that, in December, for the first time in the year, the gold reserves *fell* by £22 million on ordinary commercial account.

Thus, without the special Ford deal, the gold reserves would have risen by only £45 million over a year, in the last six months of which refugee and profit-seeking gold was flowing in. We have yet to assess accurately the loss on the ordinary balance of payments for the last six months.

A good deal of publicity was given this week to the apparent rise of £23 million in the reserves, but what is important to realise is that this rise disguises a commercial deficit. Taken by itself a commercial deficit in December, when heavy payments for imports are being made, is quite a normal thing, but we have become accustomed to having such a commercial deficit covered by private short-term capital inflows—hot money—and it is pertinent to ask what has happened to this. The answer is probably somewhat complicated: on the one hand, the inflow of hot money may have dried up as a result of the new Wall Street stock boomlet and the feeling of optimism towards the incoming Administration; and, on the other hand, at the end of the year, gold which may have been left on deposit in London by Continental, particularly Swiss, banks, moves home to window-dress balance-sheets, and is just as likely to flow back again in January.

The December gold transactions were in themselves also complicated. On the one hand, there was the gold inflow from America of £131 million—the Ford affair—and, on the other, there was the annual payment of tribute to the United States and Canada on post-war loans of £67 million (only £28 million of this is capital repayment and the rest is interest). Furthermore, the Bank of England brought up its share of gold and dollars in the International Monetary Fund to 25 per cent. of its total subscription, involving the purchase of £17 million sterling against the sale of gold. Finally, Britain made its opening subscription to the International Development Authority of £2 million.

Special transactions thus ended up with a surplus of £45 million to offset the £22 million of the commercial deficit, leaving a net inflow of £23 million.

A Misinterpretation

Oddly enough, a lot of publicity was given to the payment by the Bank to the I.M.F. of £17 million and this was represented as a gesture, but, after all, it did no more than bring the U.K.'s share of its subscription in gold to the customary level and, secondly, the amount is trivial in relation to American gold movements. It is trivial, indeed, even in relation to the £131 million of gold coming in for the Ford shares and, if the Treasury had been so solicitous for American welfare, they would have done much more good by telling Ford that they could not have the shares at present.

The query which now hangs over gold movements is what is likely to happen, if the British balance of payments continues in poor shape, while, at the same time, the American business cycle continues on the upswing, with an active stock market and a reversal of the flow of hot money. The £17 million contribution to the I.M.F. might then appear to be a little ill-timed and the Bank, which attracted so much publicity by this small gold contribution, might find unwanted publicity when it arranged a suitable line of credit with the I.M.F. to counteract the gold outflow.—*All Rights Reserved.*

ON THE ARENA

By The Archer

The Painful Fortnight in January

FOR a sensitive person, the first fortnight, after the ushering in of the new year, is usually boring, colourless and, therefore, somewhat painful. No doubt, the financial journals come out with bumper annuals, but one does not feel like reading through them at a stretch and they lie piled up on a side table for leisurely perusal. The newspapers are highly excited and almost hysterical but not exciting to readers. Politics, by which name they describe the activities, deliberations, pronouncements and policy decisions of the big shots in the Congress, fill pages of printed matter, and there is little in them to paint the clouds with sunshine. It is the usual sordid catalogue of our national weaknesses, our parochial jealousies and rivalries, our fissiparous deeds and misdeeds, our disunity, discord, disorderliness, disloyalties, disintegration and all our other disgusting mistakes and failings, flung at us as though each of us is a culprit, while, in fact, the people assembled at the Congress pavilion are the real delinquents, the spanner throwers, flame throwers and what not. The whole *tamasha* conforms to a pattern which has been going on for a decade and will, perhaps, go on for a century.

Once in a way, one reads of a bright idea emanating from a leading personality, flashed in the papers in headlines, something that makes one sit up and think, but, after an hour's thought, one has to recline and then go to sleep, for the idea turns out to be impracticable, hence entirely purposeless. Take, for instance, the suggestion of the Congress President that Congressmen who had been in office for ten years should voluntarily relinquish and make available their experience to the organisation, so that there may be an equitable distribution of talents in Government and in the organisation. In the first place, this is a negation of the theory of indispensability which is imbedded in the pile-driven concrete in the social and political life of the country and the idea of trying out fresh talent becomes a sacrilege when it is mooted, something irreverent, obnoxious, revolutionary and, therefore, positively dangerous. Secondly, the stress on *voluntary* relinquishment lets the cat out of the bag; it envisages in the exit of every office-holder a spectacular demonstration of teeming millions tearfully beseeching the quitter to stay and not desert the arena, whereas, more often than not, the anguished cry that is invariably stifled and rarely heard beyond a whimper, is "must you stay, won't you go?" Very few, especially among politicians, know when to go, namely, when the going is good. At the same time, it is generally believed that no one but a freak or imbecile would quit an important position of his own accord, so that even a genuine case of voluntary retirement is believed to be the result of a push from behind or extrication from an impossible or unsavoury situation. Tradition, based on decades of human conduct, has corrupted popular assessment to such a vicious extent that, if a man is not considered as indispensable, he is regarded as being extinguished.

It is all very well for Mr. Sanjiva Reddi to suggest graceful voluntary relinquishment, but it is not every one that can jump into the Presidentship of the Congress from the Chief Ministership of a State. To the extent that, in his loud thinking, Mr. Reddi is many steps ahead of most policy-making people in the country, his presidential address will be considered lacking in pragmatic content. It would almost seem that he has attempted to suggest a way of life on the basis of his own personal experience. That way of life can appeal only when opportunities to people are unlimited, unrestricted and uninhibited; and such is not the case in our country. Can one, for instance, ever hope to find in the Government of this country such a variegated collection of individuals as will shortly function in the U.S.A—a head of the Rockefeller Foundation (Dean Rusk) as Secretary of State, an Arizona Lawyer (Stewart Udall) as Secretary of the Interior, the Ford Motor Company's President (Robert McNamara) as Secretary of Defence, a Professor of Economics at the University of Minnesota (Walter Heller) as Chairman of the Council of Economic Advisers, an Under Secretary of State for Economic Affairs in the previous administration (Douglas Dillon) as Secretary of the Treasury and a Harvard University Professor of Economics (J. K. Galbraith) as Ambassador in India? To all these men, the acceptance of public office is a call to duty involving financial sacrifice, although the implied recognition of their talents can be a satisfying experience. To them, therefore, voluntary relinquishment would be easy at any time, almost a welcome change over to another, perhaps equally colourful, environment. But to most office-holders in India, political as well as official, it will be a painful prospect, a removal from a glamorous environment, *sans* power, *sans* prestige, *sans* everything that contributes to a satisfying way of life. Mr. Sanjiva Reddi's suggestion is, of course, bright, but will be, I am afraid, stillborn. It might, perhaps, be accepted in principle, but I doubt if it will ever be implemented in any sector in the country.

* * * *

Seats in the Guard's Van

The Planning Commission has accepted a proposal that the public may be allowed to hold minority shares in industrial ventures in the public sector, limited to about 20 per cent. or 25 per cent.; the experiment will be tried in certain select industries, that is, those which are already making a profit. The public should be as happy with this proposal as if they had been offered accommodation in a corner of the guard's van in a goods train on payment of mail train fares. The privilege of securing safe and slow travel in the carriage of a dignitary like the guard should be deemed valuable.

The smug and superior complacency in the announcement leaves one astounded. The scheme is called an 'experiment' and it will be 'tried' in select industries which are already making profits. I would like to have a look at the mug who is prepared to buy shares in a concern, even Government-owned, which is not making a profit. At the same time, I am not aware of the existence of a long queue waiting to seize the opportunity of investing in Government undertakings, especially after what has appeared in the papers about Government's pronounced views on the subject of investment for capital appreciation, the criticisms in Parliament of Government's failure to implement the Menon Committee's recommendations regarding the administration of public sector undertakings, Professor J. K. Galbraith's forthright views on the "Rationale of Indian Economic Organisation" with special reference to State-owned enterprises, and the Finance Minister's reported indication to Parliament's informal consultative committee on finance that Government would insist on shares of new companies being issued at a premium. All these, cumulatively, have made the public feel that the Government of India is not only lackadaisical in its handling of business enterprises, but is also very envious of the success of the private sector in attracting investment. The condescending manner in which Government proposes to permit the public to buy shares in State undertakings is, perhaps, an effort to syphon off surplus funds in the hands of the public, an anti-inflationary move, but, if it is expected that the thousands of opportunists who subscribed to new issues last year with hopes of quick and spectacular capital appreciation will now respond with similar alacrity to Government's prosaic offer, it will find itself seriously mistaken. The motive force behind the share market boom of 1959-60 was something entirely different from what is now required to lap up the Government's intended offer.

* * * *

The New U.S. Ambassador to India

A *Reuter's* message from Washington states that the appointment of Professor Galbraith as U.S. Ambassador to India has been 'reliably' mentioned. To the fanatical adherents of a particular ideology in this country who must have squirmed on reading his trenchant criticisms it will be a new experience to meet him in flesh and blood, for he is stated to be six feet eight inches tall, and will literally look down on them. He is a very hard hitting but well meaning critic of India's efforts to achieve economic prosperity but, perhaps, as ambassador, he may not come out so much in the open as he has, as a consultant and adviser. That particular phrase of his—"Post Office Socialism"—which, in his words, indicates public ownership which contents itself with avoidance of loss or a modest profit which it returns to the Treasury, is likely to be mentioned in India throughout his stay, and I do hope that the stagnancy of economic organisation, of which he was ruthlessly critical, will show some improvement.

* * * *

President-elect John Fitzgerald Kennedy

has wished that newspapers would stop referring to him as 'Jack' and would just call him Kennedy or refer to him by his initials J. F. K. He felt that it was not in keeping with the dignity of the office of the Presidency to call him 'Jack'.

There is always something very adhesive about nicknames and they are hard to peel off. Mr. Kennedy must have enjoyed shouts of "Welcome Jack" and "We want Jack" when he was at the peak of his electioneering campaign. After that was over and he was trying to assume the dignity of "Mr. President", a shout like "Hello Jack" could have an extremely disconcerting and deflating effect, and, at any rate, a little too familiar. It is unpleasant enough to hear one's nickname shouted at a mass gathering, but it is worse to read it in cold print. I am thus full of sympathy for Mr. Kennedy and hope that U.S. newspapers will refrain from exhibiting an excess of familiarity when referring to J. F. K.

In this matter we, in India, have inherited a tradition for appending to every name a honorific which is incorporated in every one of our regional languages. This absolves us of any charge of familiarity. Panditji, Pantji, Rajaji, Shastriji, and Nandaji, for instance, are all considered to be quite respectful; and, where we find the *Ji* is already integrated with the name, we take the safe course of adding a *Bhai* as in Morarjibhai. There are, likewise, other appendages such as *Babu, Garu, Avargal* which help to preserve the niceties of expression both in writing and speaking, as also the aristocracy of age or position or status as the case may be.

The occasions when a few more alphabets in a name cause worry are when newspapers wish to flash an item of news in a four-column or five-column headline. The type-setter attempts to achieve technical perfection even at the sacrifice of appropriate respectability by contracting a name. "Kennedy announces massive assistance" thus gets changed to "Jack announces massive assistance" when it is found that the latter fits into four columns with a particular large type, while the former, with the extra four alphabets in the name, does not. So it is that the practice starts and, once it starts, it never dies but gets established. The funniest thing about all this is that the type-setter is always dead set on the size of the type which, in his view, will just satisfy the needs of the headline, and will not care two hoots about how the use of the contraction in the name or use of the nickname will affect the observance of proprieties.

SURVEY

(*Concluded from page 51*)

changing technology which calls for a flexible system of education.

Programming for courses under the new scheme has already started. Those wishing to qualify in mechanical and electrical engineering could begin in September next. Courses to suit the needs of metallurgical industries, mining, textiles and science-based industries such as chemicals, paints and plastics are being framed. Local educational authorities are being asked to co-operate to the fullest possible extent in the preparation of new courses and the revision of old ones to suit the new specifications.

The role of industry in the new scheme will be to specify the jobs to be done by technicians and to provide appropriate industrial training. It is up to the colleges to provide educational courses to match the training in industry. This reform of technical education in Britain has a moral for India, not so much in its details as in the principle underlying it, namely, having an educational system attuned to the needs of a world of fast changing technology.

A Working Group has been set up in the Union Ministry of Food and Agriculture, with Mr. V. Shankar, Special Secretary to the Ministry, as Chairman, to supervise and guide the implementation of the intensive agricultural programme, known as "package programme," proposed to be implemented in various districts shortly. The Group includes representatives of the Ministries of Food and Agriculture, as well as Community Development and Co-operation, the Planning Commission and the Reserve Bank of India.

LONDON BECOMES WORLD'S MOST ACTIVE GOLD MARKET

SCARCITY OF SILVER EXPECTED TO BECOME MORE ACUTE

THE year 1960 saw London consolidate its position as the most active and best-supplied gold market in the world, says the annual circular of Mocatta and Goldsmid, bullion brokers and dealers in the City of London since 1684, and now a subsidiary of Hambros Bank Ltd. The structure of the market, says the circular, was found to be proof against the exceptionally violent strains to which it was subjected. Dealing with the sudden activity in gold and the sharp increase in price during October, Mocatta and Goldsmid conclude that all gold sold in London since 19th October has gone into hoard, since central banks are precluded by the rules of the International Monetary Fund from buying at more than $35.35. The demand for small bars has been large enough to strain the capacity of London refiners and there has been a considerable increase in the demand for sovereigns. At the beginning of the year, sovereigns commanded a price of $9.30 apiece and in May they could be bought for $9.05. Stimulated by Belgian demands for Queen Elizabeth sovereigns due to troubles in the Congo, the price gradually climbed back to $9.30 before it was virtually suspended by the violent fluctuations of bar gold. In November, dealings were resumed at $9.45 and by mid-December the price had risen to $9.70.

Reviewing the events of the year, Mocatta and Goldsmid observe that, from the last week in June onwards, the market could smell thunder in the air. The failure of the Summit Conference, followed by troubles in the Congo, gave rise to considerable demands which, despite continuing Russian sales, pushed the price of gold up to $35.14. In August, some strong buying by Continental central banks was piled on top of a persistent private demand from Belgium. Russian sales were easily absorbed and, with a greatly increased turnover, the dollar price of gold, at $35.16, stood higher than at any time since the market was reopened in 1954.

Central banks evidently preferred to buy in London at around 250s. rather than in New York at $35.08⅜. In September, with the dollar price as high as $35.25½ on the 27th and 28th, it would actually have paid them to buy in New York and ship to Europe at their own expense, but they still did not do so.

In the meantime, a bomb explosion at Amman and some anxiety about Laos in the Far East had further disturbed a nervous market, which was not wholly convinced by the denial, during the annual meeting of the International Monetary Fund in Washington at the end of September, that an increase in the price of gold was contemplated. The dollar price did decline to $35.22 on 1st October and still further to $35.20½ on 5th October, but Russian sales had ceased and the improving prospects of a victory for the Democrats in the U.S. Presidential Election were held to justify a bullish view of gold. Too many people not usually interested in the price were saying that, sooner or later, it was bound to go up.

In mid-October, the market began to move more jerkily, with advances on the 18th of three cents at the fixing and ten more later in the day. Between morning and evening on the 19th, there was a further rise from $35.39 to $35.60, and, on the 20th, the price ranged from $36.60 to more than $40. These, says the firm, were not nominal but effective prices, at which substantial business was done. Canada was prominent, no doubt partly for account of U.S. residents. In the following week, the sterling price rose to 270s., the highest official price of the year in London, equivalent to $38. But an Executive Director of the Bank of England was already then paying an unobtrusive visit to Washington and, by the end of the month, not only had the dollar price relapsed to $36, but the market had somehow recovered its poise. In November, demand began to fall away even before the result of the U.S. Presidential Election was known and, in apparent contradiction to previous anticipations, it went on falling afterwards. A balance was reached somewhere between $35.60 and $35.80, and in December the price still drifted downwards, with occasional but only moderate reactions.

Mocatta and Goldsmid, who have been silver brokers to the Bank of England ever since its establishment in 1694, say that the silver market has had a dull year. But, although the market remains very quiet, there is a steady undertone, which indicates that those who take a longer view are inclined to foresee a deficiency of silver which will make itself increasingly felt in the quotations of the London market. Demand has again exceeded the current supply of newly-mined silver, with the result that the free stocks held by the U.S. Treasury fell to a level at which they would seem to be no more than sufficient for about three years to come. Under the existing law, the U.S. Treasury might even cease to sell silver to American industry without waiting for its free stocks to be exhausted.

In the last days of December, forward silver was quoted at ¼d. premium over spot. This was the first time since the war that forward was able to establish a premium over spot. Throughout the year it was noticeable that much more forward silver was being bought for domestic consumers, and, in the second half of the year, there was forward buying which could be interpreted as a currency hedge.

At slightly over sixteen million ounces, the domestic turnover was a little smaller than in 1959 as a result of some slowing down of British industry in the second half of the year; but it was still substantially greater than in 1958.

The demand for coinage has been sustained, chiefly by the French Mint but also by Vienna, Rome and Lisbon. The supply from recoinage in the United Kingdom might have amounted to some five million ounces, if the greater part had not been retained by the Royal Mint to meet foreign orders. But, in the last few months of the year, small amounts were made available to the market. Imports from the Western Hemisphere, at over eight million ounces (or more than twice those of 1959) reflected this deficiency in official supplies.

ACTIVITIES OF I.F.C. IN 1960

Investments of the International Finance Corporation (I.F.C.) during 1960 continued at the high level reached in the previous calendar year; 13 investments were made, aggregating the equivalent of $18.6 million, some $8.4 million above last year's record. The Corporation has now made 36 investments totalling $45 million in 17 member countries.

Of the projects in which I.F.C. invested during 1960, eight are owned and managed by residents of the country where the project is located, four are joint enterprises of local and foreign ownership and management; and one is a subsidiary of a foreign firm. The sizes of enterprises helped by I.F.C. during the year ranged from the equivalent of about $600,000 to $22 million, with I.F.C.'s own investments ranging from $156,000 to over $3 million.

Seven of the year's investments—in Tanganyika, Argentina, Venezuela, Finland and Italy—were made in countries where I.F.C. had not previously invested. The purposes for which I.F.C. investments were made show the usual concentration on industrial enterprises. Thus, in Tanganyika, I.F.C. invested in a new company to grow and mill sugarcane and to produce refined sugar for the Tanganyikan market. In Argentina, two investments were made—one for a wide range of steel products; and the second for pulp and paper. In Australia, a private enterprise producing rubber products received a supplemental investment to increase its output capacity and add a new product line. In Chile, additional funds were used to defray extra costs incurred by the company in building a new cement plant. In Colombia, I.F.C. is assisting a company in the construction of a plant to manufacture metal cans for food packing and for general use. In Mexico, a jointly-owned manufacturing company used I.F.C. funds to finance production of high speed twist drills. In Venezuela, two companies, one producing steel and steel products, and the other, food products, also received funds from the Corporation. In Italy, a locally-owned company is using an I.F.C. investment to construct a plant near Naples for the manufacture of low and medium voltage circuit-breakers. In Finland, two locally-owned companies, one producing textiles and the other pulp, lumber, machinery and shipbuilding, were able to expand operations with the help of investment funds from I.F.C.

In India, an I.F.C. investment will assist a company in producing refractory bricks.

Participations by private investors in I.F.C. investments, which in December 1959 totalled $3,175,000, increased during the year to $5,839,000.

During the year, Spain and the Sudan joined the Corporation; at the same time, Cuba and the Dominican Republic withdrew from membership in the World Bank, thus automatically ceasing to be members of I.F.C. Total membership numbers 58 countries, with a subscribed capital of $96.2 million.

I.D.A.

Thirty-seven countries have now joined the International Development Association (I.D.A.), the new World Bank affiliate, as original members, and the funds subscribed to it amount to the equivalent of $852 million, mostly payable in convertible currencies. The members are Australia, Canada, Chile, China, Denmark, Finland, France, Germany, Ghana, Honduras, India, Iran, Iraq, Ireland, Israel, Italy, Japan, Jordan, Malaya, Morocco, Nicaragua, Norway, Pakistan, Philippines, Saudi Arabia, Spain, Sudan, Sweden, Thailand, Tunisia, Turkey, Union of South Africa, United Arab Republic, United Kingdom, United States, Viet-Nam and Yugoslavia. The I.D.A. came into existence on 24th September 1960 and was organised for business on 8th November, when its Executive Directors held their first meeting. The purpose of this body is to promote economic development, and so raise living standards in its member-countries, by loans that will bear less heavily on the balance of payments than do conventional loans. The I.D.A. may make loans, for instance, with very low interest charges and payable over very long periods of time. It may also lend for a wide range of projects, including not only power, transportation and other directly productive schemes such as are financed by the World Bank but also projects of a social character. It will have the same management and staff as the World Bank, and will apply the same careful standards as the Bank with respect to the planning and administration of the projects it assists.

INDIAN BANK LTD.

The net profit of the Indian Bank Ltd., Madras, for the year 1960 after providing for contingencies and meeting all expenses, together with the sum carried forward from the previous year's account, amounts to Rs. 41,03,696, as against Rs. 37,45,143 for 1959. An *ad-interim* dividend at the rate of 5 per cent. and a bonus of 2½ per cent. (subject to tax) had been paid. The Directors now propose to recommend a final dividend of 5 per cent. and a bonus of 2½ per cent. (subject to tax) for the year 1960, thereby making the total dividend and bonus for the year amount to 15 per cent. (subject to tax). This is the same as that for 1959.

U.K.'S NATIONAL SAVINGS

Britain's national savings receipts in 1960 exceeded repayments by £252 million, so that, with accrued interest, the year's net savings amounted to £343 million. Commenting on the year's result, Lord Mackintosh of Halifax, Chairman of the National Savings Committee, says: "Nineteen sixty was a sterling year for the small saver. It will rank second, in the 45 years' history of the savings movement, only to 1959, when net receipts, with interest, amounted to £398,000,000. Despite the measures in 1960 to restrict credit, the result means that nearly £1,000,000 a day was invested in national savings throughout the year." During the year, savings certificates gave a net yield of £58,500,000, defence bonds £116,336,000 and premium savings bonds £47,470,000.

Notice

THE SURAT ELECTRICITY COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN interim dividend for the half-year ended 30th September, 1960 at the rate of 8.45 per cent. (being 6½ per cent. plus 30 per cent. thereof in accordance with the Preference Shares (Regulation of Dividends) Act, 1960) per annum on preference shares subject to deduction of tax under Section 18 of the Indian Income Tax Act and at the rate of Rs. 2.50 nP per share on Ordinary (Equity) shares, subject to deduction of tax under Section 18 of the Indian Income Tax Act has been declared and made payable at the Chartered Bank, Bombay, on and after 8th February, 1961, to those shareholders whose names stand on the Register on Tuesday the 7th February, 1961, to whom Dividend Warrants will be posted.

Intimation of any change of address and Tax exemption certificate, if any, should be sent so as to reach the Share Department of the Company on or before 1st February, 1961.

The Transfer Books of the Company will be closed from Monday, 23rd January, 1961 to Tuesday, 7th February, 1961, both days inclusive.

By Order of the Board,
For THE SURAT ELECTRICITY COMPANY, LIMITED,
KILLICK INDUSTRIES LIMITED,
A. N. HAKSAR,
Managing Director,
Managing Agents.

KILLICK HOUSE,
HOME STREET, FORT,
BOMBAY-1, 11th *January*, 1961.

CONSTRUCTION OF OIL INDIA PIPELINE

A CHALLENGING TASK BEING SUCCESSFULLY TACKLED

[With three spreads working simultaneously in three different districts of Assam, India has embarked on construction of the largest oil pipeline system in the country, according to Mr. M. J. Condon, Chairman of the Oil India Private Ltd. The 720-mile pipeline project will connect the Upper Assam Oilfields of Oil India Private Limited, which is a participatory scheme and essentially a joint venture between the Government of India and The Burmah Oil Company Ltd., with the two Government refineries at Nunmati (Assam) and Barauni (Bihar). The pipeline will be constructed in two stages, the first stage of 270 miles as far as Nunmati being scheduled for completion by November 1961, and the second of 450 miles to Barauni in Bihar in the second half of 1962.

As far as Nunmati, the pipeline will have a diameter of 16" and from Nunmati to Barauni a diameter of 14". The pipeline was originally intended to convey 2.75 million tons per annum of crude oil from Nahorkatiya to Nunmati and to convey 2 million tons per annum from Nunmati to Barauni. It has, however, been designed so as to make possible, as and when required, an economic expansion of throughput of 4 million tons per annum. The construction agency appointed by Oil India is The Burmah Oil Company (Pipelines) Ltd. and the main construction contractors are Messrs. Mannesmann and Saipem.

The 16" pipes for the first stage have been imported from the U.K., and was manufactured by Stewarts and Lloyds. The 14" pipe for the second stage is being supplied by Hindustan Steel from its Rourkela plant. World tenders have been invited for all major items, but indigenous suppliers, where their bids have been competitive, have been given preference.

Besides the variable terrain through which the pipeline passes, for example, paddy fields, tea gardens, forests, hills and swamps, its most interesting feature is the large number of river crossings with which it has to contend. Throughout its length, it has to cross 78 rivers including the Brahmaputra. The Brahmaputra crossing alone will cost about Rs. 1 crore.

Pumping stations will be erected at intervals of approximately 90 miles along the line to maintain the flow of oil. Repeater stations will also be installed along the line to maintain radio communications throughout its length. The radio system will carry signals which will indicate to pipeline headquarters at Gauhati conditions at every pumping station and also enables operation of pumping stations by remote control. In the event of an emergency, the whole pumping system can be shut down from the central headquarters control or individual valves can be closed to isolate particular sections. Construction of pumping stations between Nahorkatiya and Nunmati is now in progress. In this context, the article below will be found interesting. It clearly shows what a serious challenge the whole project is to those responsible.]

PETROLEUM refineries may not generally be located near the oilfield. Quite often, oil wells from which crude oil is pumped out are situated far away from the refineries where the oil is broken down into kerosene and other products. The main link between them is the pipeline and the tanker. In the need to move oil from where it is found to where it is wanted, the pipeline takes precedence over all other means of transport on land. Pipelines are the lifelines of every full-scale petroleum industry. Day and night, they carry the oil from the wells to the refineries and finally to the places of consumption.

Even in ancient days pipelines were used for centuries as a mode of transport. The Chinese are believed to have used bamboo pipes 7,000 years ago for conducting water. The early Mediterranean civilisations used pipes made of clay or hollowed out of the rock, and when the King of Persia invaded Egypt some 1,500 years ago, his army was supplied by a trans-desert of pipeline made of ox-hides sewn together. Outside the gate of Jerusalem, there is still in existence a tube of stone which was used for channelling water into the pool of Siloam. In the excavation of the city of Pompeii, lead water-pipes were found.

But the transportation of oil has always presented a complex problem. Because crude oil is a volatile liquid, as compared to water, elaborate precautions must be taken to minimise the enormous loss by evaporation. Another problem arises because of its being inflammable. The means of transport must not be capable of producing the heat or the spark which could ignite an inflammable cargo. The transport problem varies widely with conditions and the means of communication available.

In Ancient Days

In the 1860's when producing fields were in remote spots, horse-drawn wagons hauled petroleum in barrels to nearby refineries or to railroads or waterways for a longer journey. Drake's contemporaries built large wooden storage tanks near their wells, and pumped oil from them into wooden barrels for transportation to refineries. At one time 6,000 two-horse teams and wagons were used in the oil city, Pennsylvania, district alone, creating a traffic jam worse than those encountered in city traffic today. Flat boats carrying oil down Oil Creek in north-western Pennsylvania often capsized, losing their precious cargoes. Even if the barrels arrived safely at their destinations, some of their contents had usually leaked out or evaporated.

As more oil was discovered, it became physically impossible to haul it in barrels, and different conditions and problems spurred imaginative oilmen to develop more efficient methods of transportation.

When it comes to moving petroleum, pipelines rank first over water, rail or highway carriers. Only a few years after Colonel Drake made the first discovery of oil in the U.S.A. 1859, American engineers constructed a cast-iron surface line of two-inch diameter, delivering 70,000 gallons of crude daily over a distance of about six miles. This was probably the first successful "long-distance" oil pipeline. After that more pipelines were built, even though the teamsters protested and occasionally fought pitched battles with pipeliners in attempts to wreck the lines.

The first really long-distance pipeline was built in Pennsylvania, from Corvallis to Williamsport, in 1879, and regarded as an engineering marvel of the age. It was a six-inch buried line of 125 miles in length, whose extension eight years later included a five-mile under-water section across the sea bed of Newark Bay.

By 1910, some 20,000 miles of pipelines were already in operation in North and South America, Russia, Rumania, Borneo and Persia. Today, in the United States alone, there are over 100,000 miles of trunk pipelines, excluding subsidiary lines and those used for carrying gas. Many of the modern pipelines are covering distances of well over a thousand miles and there are plans for still more pipelines in various parts of the world.

As the crude oil is produced, it is carried through the flow lines into field storage tanks. The gathering lines pick up the oil from these tanks and move it to trunk lines. The trunk lines, in turn, move the oil to refineries or to shipping points from which it is transported by tanker, rail or other means to its destination.

Pipelines range from two inches in diameter for gathering lines up to the "big-inch" trunk line. "Big-inch" is the pipeliner's term for any pipe over 12-inches in diameter.

Before the war, there were very few pipelines more than 12 inches in diameter. The big-inch line of 24-inch diameter from Texas to New England covering about 1,234 miles was the giant of its day. But, since then, there have been a number of 32-inch lines in operation, not forgetting the 500-mile, 34-inch natural gas line from Arizona to California. In Russia and elsewhere, 40-inch lines are reported to be under construction.

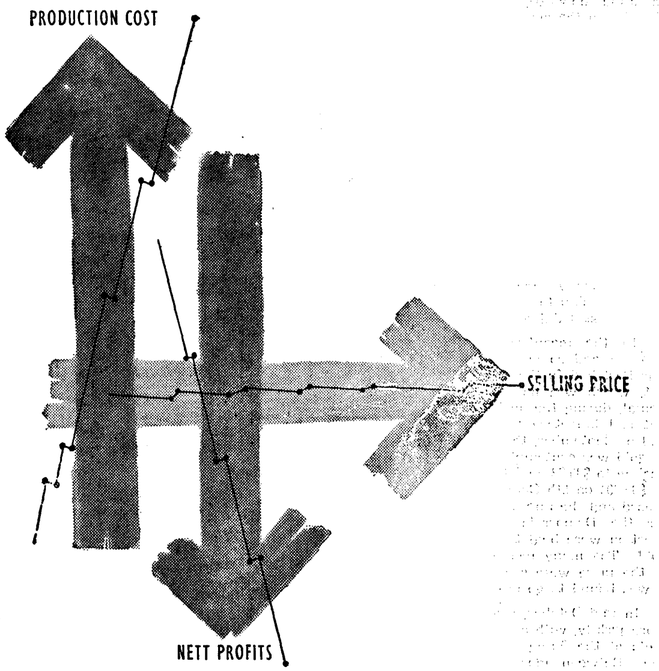
The Preliminaries

Laying a pipeline is a masterpiece of teamwork, skill, patience, endurance and ingenuity, all backed by careful planning and organisation. In planning a larger trunk pipeline, the engineering aspects have to be considered first and they are bound to vary widely with the kind of territory to be traversed. It obviously makes all the difference both for the laying and the operation of a line whether it runs across desert or jungle, over mountains, or through stretches of water or sea or uninhabited country, through rocky or soft grounds, etc. A single long-distance line project may encounter any combination of greatly diverse physical conditions, which, though not intractable technically, may impair its economic feasibility.

Because of the static nature and physical inflexibility of a pipeline, the capital costs of a large trunk line are inherently high. To justify the investments, the line must be built for long life and assured of continuous service at or near capacity for at least 20 years. Thus, before embarking on a major project, its economics must be assessed carefully in comparison with the alternative means of batch transportation, which for the carriage of oil comprise rail and road tank cars, and sea-going and coastal tankers and barges.

Laying the Line

The first step in building a pipeline is to plan its route. This is done by study of maps and by aerial and ground surveys. Once the line's path is decided upon, the acquisition of a right of way may involve many legal problems. Many property owners are to be contacted for securing permission to lay the line across the land. Then surveyors,



Ease out of that profit squeeze...

Decentralisation and lower profit margins make the profit-and-loss statement the real measure of each plant's efficiency. That's why it is increasingly important for management to study methods to ease out of the profit squeeze. Planned Lubrication gives management such an opportunity for savings.

Machinery shutdown means loss in production, time and money. Correct lubrication is therefore essential to ensure the protection and efficient operation of costly machinery. Planned lubrication is vital for increased production at lower costs.

The service is yours for the asking—call in your Caltex Lubrication Engineer—arrange for a correct lubrication programme for your plant. Let us help you in conserving parts and money.

Company executives can obtain a free copy of this booklet by writing on their official letterhead to their nearest Caltex office.

PLANNED LUBRICATION—A VITAL FACTOR IN COST CONTROL

CALTEX (INDIA) LIMITED Bombay • New Delhi • Calcutta • Madras

CAL/10-61-B

bulldozer crews and other construction men move on the job—marking, clearing and grading the route.

Now the ditchers work on the line, digging out a trench of the correct depth and width and dredging a channel in the beds of rivers. Trailers haul the pipe from the nearest rail head, and when the sections are strung out along the ditch, welding crews move along the line to join them together.

Before the pipe is lowered into the ditch, a mechanical wrapper bandages the pipe from end to end with protective bitumen, glass fibre and felt to protect it from corrosion. A dry pipeline will not corrode. Protective coatings on lines are designed to keep the lines dry. This is impossible of complete achievement, but relatively reliable protection is afforded by proper external coating. The type of coating varies in accordance with soil conditions, terrain and other factors.

When this is done, tractors swing the line into the ditch. Bulldozers shovel the earth back into the ditch, and, in a short time, the whole line becomes invisible and buried.

Modern pipelines are almost invariably constructed of steel. Among the constructional problems which the pipeline engineers have to overcome is the expansion and contraction of the steel pipe with temperature changes. To prevent the pipeline pulling apart when the temperature drops, a considerable amount of slack is left which serves to take up the contraction. Although slack loops have been used since the beginning of pipelines there are many engineers now who insist that temperature changes underground are too slight to result in appreciable expansion and contraction of the line and slack loops, therefore, unnecessary. Others say that contractions have pulled lines apart. Research on this subject is under way currently.

Pumping Stations

Oil is kept moving through pipelines by pumping stations. These stations, which move the oil at a speed of two to three miles an hour, may be as many as 60 miles or more apart, depending on the terrain or the type of oil to be moved. At intervals along the way, the pipe emerges from ground and enters a station where the oil is given a thrust by powerful pumps before it dips again into the earth. Where the oil has to be pushed over hills or mountains, the pumping stations are closer together.

Diesel engines are generally used to pump the oil along the line to the next pump station. In recent years, more and more stations are electrically powered. At the newer stations, a separate control building houses a flow control panel. This panel provides a diagram of the valves and piping of the entire station, with lights indicating the open and closed positions of each valve. Gauges indicate the tank-manifold, suction, and discharge pressures for each pump, as well as volume of liquid contained in each tank. The panel also provides push-button control for all pump motors and motor-operated valves.

Years of study and experiment have gone into design of modern pipelines and pumping systems, and their construction calls for technical skill of the highest order. The recently completed pipeline which links the oilfields of Saudi Arabia to the Mediterranean cost Rs. 100 crores to build. No port existed at which the pipe and all the machinery for laying it could be unloaded and an artificial island had to be constructed and connected to the mainland by an aerial cable.

The Economics

The cost of pipeline transport drops sharply with increased line capacity, as, with the enlargement of the pipe diameter, capacity goes up much more rapidly than do the costs of construction and operation. With the exception of fuel for driving the pumps, most of the costs of line operation such as labour and maintenance, etc., are independent of the amount of oil transported. Thus, optimum operating economy can be obtained only at continuous day-and-night operation of the line at full capacity, below which the unit cost will rise steeply.

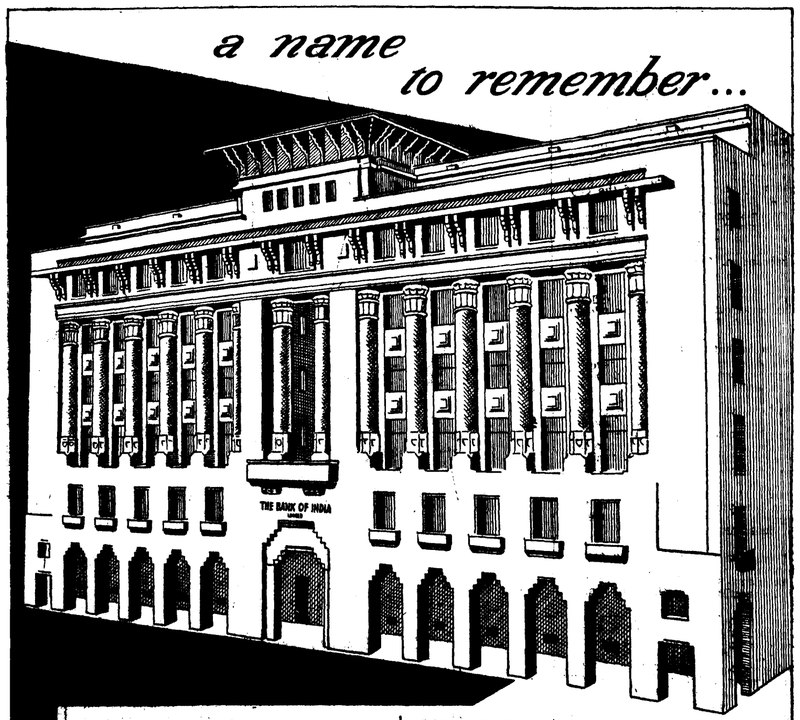
The pumping of a given amount of oil over a given distance may be achieved by larger diameter lines with smaller pressure-drop, involving higher capital costs but lower running costs, or by smaller lines with greater drop with smaller capital costs but higher running costs.

The pressure loss in a pipeline system depends very largely on the viscosity of the product to be pumped and sometimes it is necessary to reduce the viscosity of an oil by heating to make economic pumping possible. If the line is long, reheating is necessary at regular intervals and such lines are generally buried to insulate them.

While the economic capacity of crude oil lines of between 6 and 8-inch diameter may range from 400,000 to 1,300,000 tons throughput a year, and the usual pump station spacing from 30 to 80 miles, the respective figures for lines between 10 and 16-inch are 1.3 to 8 million tons and 40 to 100 miles; for a 24-inch line the useful capacity is between 12 and 18 million tons per annum, and for a 30-inch line between 20 and 40 million tons, the pump station spacing in the last two instances being 60 to 200 miles.

There are, however, several limitations in having long pipelines. The heavy capital cost of a long pipeline, which necessitates continuous 24-hour operation of the line to make it pay and to keep it in order, and also its inflexibility—for once laid its direction cannot be changed and the maximum capacity is virtually fixed—are no less important factors to consider before the planning of a project. The planning of product pipelines poses problems quite different from those of crude lines.

An essential prerequisite for the progress of marine pipelining is the growing mastery of the techniques of corrosion prevention, among which cathodic protection is today of outstanding importance for land and sea pipelines alike. Since corrosion is due to the action of minute electrical cells on metal surfaces wherever these are in immediate contact with the atmosphere, soil, water, steam or acids, an effective way of suppressing corrosion is to create artificially an electric flow counteracting the electric current flowing from the metal to the surrounding medium. For instance, in a buried pipeline, the flow from an exposed metal surface to the soil will be stopped by supplying current to a piece of metal (anode) buried in the soil at some distance from the pipeline, where it passes through the soil to any weak points in the line insulation. Thanks to sufficient experience now being available for determining the suitable size, spacing and distance of these anodes in accordance with existing soil conditions, full protection and long life can now be assured for adequately coated pipes at a relatively small cost.



Capital Authorised	...	Rs. 5,50,00,000
Capital Issued & Subscribed	...	Rs. 5,50,00,000
Capital Paid-up	...	Rs. 3,00,00,000
Reserve Fund	...	Rs. 3,10,00,000

THE BANK OF INDIA LTD. with its many branches in India and overseas, and a net-work of over 500 correspondents practically throughout the world, offers a COMPLETE RANGE OF BANKING SERVICES including every type of FOREIGN EXCHANGE BUSINESS.

THE BANK OF INDIA LIMITED

RESULTS OF TEXTILE FIRMS BETTER

BIG RISE IN CLOTH IMPORTS INTO U.K.

From Our Special Correspondent

MANCHESTER, *3rd January*

FINANCIAL returns issued by companies predominantly working in the cotton industry during 1959 were adversely affected by the narrow margins obtainable in spite of the very substantial orders booked in the second half of that year. Twelve months ago when commenting on the situation, the following forecast was made: "Company news which comes to hand after, perhaps, the first three months of 1960 should create a far truer picture of the phenomenal demand which has lately been experienced."

MANCHESTER LETTER

The results now under review fully justify this assertion, which was made in the knowledge that only some totally unexpected development could cut down the earnings of cotton companies in 1960 from reaching much higher levels.

Combines Make Money

The aggregate net earnings of the 14 combines and their subsidiaries announced during 1960 amounted to £5,255,949 against £1,694,085 in 1959. Their average profit was £375,425 against £121,006. The dividend distributed averaged 12.48 per cent. against 9.73 per cent.

Continuing their policy of keeping credit balances and liquid assets reasonably large, many millowners have arranged for substantial sums of money to be carried forward on profit and loss account. Aggregate credits retained by these 14 groups totalled £8,637,364 against £8,741,234 in the previous year, an average of £616,955 against £624,374.

Profits announced by the 40 single-unit spinning firms whose results were obtainable in 1959 were the lowest on average for any year since the beginning of the last war. It was, however, inevitable that the subsequent buying wave would bring a pronounced change in the situation. From a low point the survivors of the redundancy plan have rebounded triumphantly to an average which has only been bettered during the highly prosperous 1950-51 phase.

The average profit announced by the 24 spinning firms concerned during 1960 was £31,146 against £13,425 for the same firms in 1959, while the 40 companies included in last year's summary averaged only £5,987. The average dividend paid by 24 spinning mills last year was 17 per cent. against 14.97 per cent. for the same units in 1959.

The average profit of 17 concerns which combine spinning and weaving was £112,844 per company in 1960 compared with £73,562 for the same companies in the previous year. The average dividend paid by these firms was 14.17 per cent. against 11.39 per cent. For the weaver combination, the average profit was £65,021 last year against £38,360 for the same firms in 1959. The dividend averaged 15.83 per cent. against 13.48 per cent.

Aggregate credit balances accumulated by the 41 firms now total £6,523,557, an average of £159,111. A year ago 60 companies had credit balances totalling £9,366,110, an average of £156,102.

Weaving has frequently come under the "give-a-dog-a-bad-name" stricture and there have been plenty of occasions in the past when manufacturing units have found great difficulty in maintaining profitability in the face of competing influences both at spinning and merchanting level. If recent results are the forerunner of future developments, however, this form of discrimination may not continue much longer.

Our analysis indicates that net earnings have more than doubled compared with 1959. The 20 firms concerned announced aggregate profits of £949,838 in 1960, whereas the same companies reported earnings of £400,690 in the previous twelve months. The average profit was £47,492 last year against £20,035 in 1959. Dividends averaged 9.66 per cent. against 7.42 per cent. Credit balances amounted on average to £148,596 per company against £131,092.

Some Still Waiting

The weaving section has had the unenviable record of producing the largest number of firms to withhold their dividend to shareholder in the recent past. Out of the 20 now under review, four remain in this category, but the figure a year ago was nine out of 22 and in the twelve months before that 12 firms passed their ordinary payment.

At this point it is legitimate to observe that a proportion of all the results included in this analysis were, as usual, recorded in the early months of last year and therefore covered a trading period which stretched back into 1959 when remunerative contracts were hard to get. As the year just ended progressed, so the general level of financial results released by cotton firms improved. The pressure for supplies which continued well into the autumn of 1960, culminating in another short but intense buying spurt, has still to be reflected in reports yet to come.

In 1960 capital reductions were made by six spinning firms, the aggregate original capital being reduced from £3,529,077 to £2,020,946; five spinner-weavers cut their capital from £10,230,000 to £7,467,334 and seven weaving concerns were involved in capital reductions from £1,099,000 to £538,324.

Four of the big combines figured in scrip bonuses and between them accounted for a large proportion of the £7,449,547 involved in the issues. In the previous twelve months only four cases of this kind were reported, the total sums involved being £1,018,550, while in 1958 scrip issues totalled only £242,488.

Hours Decision At Last

The reason for the delay in reaching a settlement over the hours issue in spinning and weaving is now apparent. Long order books, a blessing in one way to producers and a curse in others, were again the culprits. The employers, knowing that a straight reduction in hours would mean that currently-held contracts would take even longer to complete, wanted to find some means of getting their affairs into better shape while still conceding the principle of the shorter working week.

As almost invariably happens in such negotiations, a compromise was arranged. The operatives are to have their cut in hours—from 45 to 42½ weekly—a similar system to that adopted in several other textile trades, to which the woollen industry must now be added. This is to operate from the middle of January, but for more than four months the employers may require their workpeople to continue the 54-hour week in order to meet their delivery commitments.

There is to be no loss of earnings under the new arrangements and in those firms where the extra 2½ hours are worked—and they will comprise a majority of the trade—payment will be at the rate of time-and-a-half. This seems a very sensible way of getting round an awkward problem and the negotiators should be congratulated on their shrewdness.

Shift-work Variations

More complications arise when shift-work is involved, as there are already different hours being operated in different areas and sections. Under the settlement the normal working week on double-day shifts will vary between 37½ and 38¾ hours, a ballot being held when more than the minimum hours are proposed. The pay rates are to yield for 37½ hours the same level of earnings as for the normal 42½-hour week. There is to be no change in hours or rates of pay for those operatives at present engaged on a 37½-hour treble or double shift.

November Imports Peak

Once again the rate of foreign cloth arrivals made the headlines so far as overseas trade in November was concerned. More goods were received than in any other single month so far recorded, the total reaching 68,142,000 square yards against the previous peak of 65,139,000 square yards in March. For the first time the cost of imports of grey and finished fabric exceeded £6 million, bringing the eleven-month total to £54,350,000 against £35,541,000 in the same period of 1959.

Comparable exports from the United Kingdom to the end of November just failed to top the 300 million yard mark, earnings being valued at £40,170,000. This represented a fall of about 14 million square yards on the 1959 level and a drop of nearly £1,000,000 in earnings.

No major change occurred in the trend which had persisted throughout 1960, with imports consistently higher than the level of shipments abroad. Cotton yarn arrivals reached 35,513,000 lbs. at a cost of £6,900,000, whereas in the same period of 1959 the figures were 19,130,000 lbs., valued at £3,477,000. Imports of man-made fibre yarns showed an even bigger increase at 8,210,000 lbs. against 3,330,000 lbs.

Mills Step Up Output

The first official assessment of the effect on output of the £30 million reorganisation scheme in the Lancashire cotton industry was given in Manchester by the Cotton Board, which reported "an encouraging improvement" in output per head since the scheme was completed in the spinning and weaving sections.

"The general picture is of the level of production being held back only by a shortage of labour," the Board said in its quarterly statistical review.

An exception was the doubling section, where some short time was being worked. Heavy imports of doubled yarn were a major depressing factor. In the first four weeks of November, doubled yarn output in terms of weight was running about nine per cent. below the May level.

But the report showed an upward trend in the figures in the spinning and weaving sections. Taking June 1959 as the best pre-organisation period for purposes of comparison, output per head in spinning has gone up by over ten per cent. In the case of weaving, said the report, output per head in Lancashire had increased by nearly seven per cent.

There has almost certainly been a considerable rebuilding of stocks of many types of cloth in the pipeline, says the Board. On the other hand, any reduction in the standard working week would certainly reduce the level of production, at least temporarily.—*All Rights Reserved.*

MERCANTILE BANK LIMITED

(INCORPORATED IN ENGLAND)
(Liability of Shareholders Limited)

Authorised Capital -	- £4,000,000
Issued and Fully Paid Capital - -	- £2,940,000
Reserve Fund - -	- £2,200,000

Head Office:
15, GRACECHURCH ST., LONDON, E.C. 3
West End Office:
123, PALL MALL, LONDON, S.W. 1
Agents in New York: **BANK OF MONTREAL AND THE CHASE MANHATTAN BANK**
Branches and Agencies:
INDIA, PAKISTAN, CEYLON, BURMA, MAURITIUS, SINGAPORE, MALAYAN FEDERATION, HONGKONG, THAILAND AND JAPAN

The Bank transacts banking business of every description.
Current Accounts are opened and Fixed Deposits are received on terms which may be ascertained on application.
Trusteeships and Executorships accepted.
Safe Deposit Lockers available.

J. B. STEWART, *Manager.*

82/60, Mahatma Gandhi Road, Bombay.

INTERNATIONAL WOOL SECRETARIAT

Fundamental changes in the constitution of the International Wool Secretariat in London have been announced by the Chairman of the Secretariat's controlling body, Dr. J. G. van der Wath of South Africa. The changes were recommended to the three partner wool boards of Australia, New Zealand and South Africa after recent meetings in London and were approved by all three boards. The new constitution recognises the part which Australia, as the largest contributor, will have to play in future operations. The control of the Secretariat will in future be vested in a board consisting of seven members nominated by Australia, three by New Zealand and three by South Africa. The board will normally meet once a year in Australia. All decisions will be by majority vote except any which concern the proportionate contribution by the three boards to the funds of the Secretariat. For the wool promotion and research operations of the Secretariat, the world will be divided into three zones—the United Kingdom and Europe, Asia, and America. Each Zone will be controlled by a regional director who will be responsible to a managing director based at Secretariat headquarters in London. Immediate steps will be taken to appoint the managing director who will have far-reaching responsibility under the board of the International Wool Secretariat. The three wool boards have agreed that substantially greater funds will be necessary for research, product development and promotion throughout the world.

The International Wool Secretariat was set up 23 years ago by woolgrowers of Australia, New Zealand and South Africa to promote the greater use of wool throughout the world. It operates in 14 countries. The total capital investment of the 175,000 Commonwealth wool-growers approaches Rs. 7,000 crores and raw wool sales now amount to more than Rs. 600 crores a year.

RECORD WORLD COTTON CROP PREDICTED

DISAPPEARANCE WILL STILL EXCEED PRODUCTION

A RECORD world cotton crop has been predicted by the International Cotton Advisory Committee, Washington, for the 1960-61 season which commenced on 1st August 1960 and is now almost half-way through. The Committee estimated, in its latest monthly review of the world cotton situation, that world production in 1960-61, including output in the Communist bloc, would be round 47.30 million bales (of 478 lbs. each) which is 300,000 bales more than the output during 1959-60. In spite of this record production, supply during the season would not only not be higher than in 1959-60 but would probably decline. This is because of the reduced carryover stock on 1st August 1960 which, at 20.30 million bales, is about one million bales below a year back. Moreover, according to the Committee, despite a possible record crop, the chances are that, for the fifth year in succession, disappearance would exceed production and there would be a further reduction in the end-season carryover stocks though not by as much as during 1959-60.

The following table gives a preliminary indication of the world cotton supply during 1960-61, as compared with that in the previous three seasons:

(In million bales)

	1957-58	1958-59	1959-60	1960-61
United States:				
Stocks	11.4	8.7	8.9	7.4
Production	11.0	11.5	14.5	14.3
Total ..	22.4	20.2	23.4	21.7
Elsewhere:				
Stocks:				
(1) In net exporting countries	3.0	3.9	3.5	2.7
(2) In net importing countries	6.2	6.1	5.3	6.3
Production	16.9	17.6	16.5	18.0
Total ..	26.1	27.6	25.3	27.0
Grand total ..	48.5	47.8	48.7	48.7
Communist bloc:				
Stocks	2.7	3.2	3.4	3.9
Production	13.8	15.7	16.0	15.0
Total ..	16.5	18.9	19.4	18.9
Total world ..	65.0	66.7	68.1	67.6

In the U.S., with a much lower carryover (7.40 million bales, as against 8.90 million bales in the previous season) and a slightly smaller crop (14.30 million bales, as compared with 14.50 million bales in 1959-60), the supply is expected to be lower at 21.70 million bales during 1960-61, as compared with 23.40 million bales in 1959-60. Disappearance this season is estimated by the Department of Agriculture at 15 million bales which is about one million bales less than in 1959-60 but still about three-fourths of a million bales more than production. On this basis, stocks in the U.S. are expected to decline to below 7 million bales, the lowest since 1953.

Production in other free world countries is expected to be around 18 million bales, as against 16.50 million bales during last season. This, however, should not be construed, warns the Committee, as anything but a nominal estimate, because, though actual estimates are available for a number of countries, it is too early to frame estimates in respect of a number of other countries.

Export Availability

At first sight, therefore, it might appear that considerably more cotton would be available for export in countries outside the U.S. this season, but such, in the Committee's opinion, is not the case. In the first place, carryover stocks in the net exporting countries at the beginning of the season were lower by half a million bales and had been drawn down to a minimum in many instances. Second, over half of the expected increase in production outside the U.S. will be in India which, because of the continuing tight supply conditions, would not be reflected in increased exports. Indeed, a larger crop than the one now being harvested is needed by India to sustain the present level of domestic consumption and to replenish depleted stocks. Exports are not, therefore, likely to be affected. On the other hand, in spite of the larger crop, imports into this country are expected to be as large as in the previous season. Taking all these factors into consideration, the Committee estimates total export availabilities outside the U.S. in 1960-61 at 8.5 million bales or roughly the same as in 1959-60. This represents the maximum volume of cotton that could be exported under the most favourable circumstances. Stocks in the net importing countries are, of course, at their highest level for many years, but this factor must be considered in relation to a record level of consumption. Nevertheless, exports from outside the U.S. are likely to decline, unless the importing countries decide to increase their stocks further. An influencing factor would, however, be the demand from the Communist countries, which is likely to be higher this season, owing to the setback to production, unless, of course, it is offset by drawing down stocks.

In spite of these unfavourable factors, the Committee is of the firm opinion that exports during the season from the free world countries taken as a whole would continue to be at a relatively high level, though probably below the last season's export of 15.2 million bales. Present estimates are that exports would aggregate 14.5 million bales. At this level, shipment of an estimated 6.5 million bales from the U.S. would leave a market for about 8 million bales for other free world exporters. This will be sufficient to absorb the major portion of the export availability which, as noted above, would not exceed 8.5 million bales.

These estimates are based on the assumptions that the present level of consumption in the net importing countries will be maintained, that there would not be any change in their overall stock position, that increased imports by India will continue and that net exports to Communist countries would be maintained at the previous year's high level. If actual trends deviate from these assumptions, the estimates would also vary to that extent.

U.S. EXTRA LONG-STAPLE COTTON

With a view to reducing Commodity Credit Corporation's stocks of extra long-staple cotton acquired under price support operations and stimulating consumption of U.S. extra long-staple cotton abroad, the U.S. Department of Agriculture announced recently a new sales programme. Under this programme, extra long-staple cotton would be sold to U.S. exporters on a competitive bid basis. Sales would be made by the Department's New Orleans office periodically in the same way as upland cotton was sold in the 1958-59 marketing year.

U.S. exporters would receive the current subsidy of six per cent. per lb. on all cotton sold abroad. The programme would permit sales of cotton for local currencies as laid down under Public Law 480, barter transactions and sales under the credit programme of the Commodity Credit Corporation.

C.C.C. stocks of extra long-staple cotton aggregated 61,000 bales on 18th November 1960. Supplies of this type of cotton were estimated by the Department of Agriculture at 300,000 bales which the Department of Agriculture considers as "twice the quantity of this type of cotton necessary to fill the demand at the current rate of disappearance." Carrying charges alone on the stocks of long-staple cotton aggregated one million dollars a year. However, stocks of long-staple cotton released to the Agriculture Department in 1957 from the U.S. national stockpile of strategic materials, would not be included in this sales programme."

The Department gave the assurance that sales would be made in an orderly manner at such prices and quantites determined by the Commodity Credit Corporation as would not disrupt world market prices and impair the competitive position of friendly countries.

COTTON MISSION TO EGYPT

At the invitation of the Egyptian Cotton promotion Committee of the Ministry of Economy in the United Arab Republic (Egyptian Province), a mission of the International Federation of Cotton and Allied Textile Industries is to visit Egypt from the 16th to the 21st inst. The mission will be composed of cotton merchants, spinners and manufacturers from Austria, Belgium, the Federal Republic of Germany, France, Italy, Japan, the Netherlands, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States of America. Mr. Alfredo Sedó from Barcelona, Spain, Senior Vice-President of the International Cotton Federation, will be the leader of the mission.

The purpose of the mission is to study the progress made in the improvement of existing and development of new Egyptian cotton varieties and to examine modern harvesting and breeding techniques and current raw cotton varieties. The members of the mission will have discussions with high Government officials of the Ministries of Economy and Agriculture in Cairo.

PAKISTAN COTTON CROP

Despite a decrease of 2.9 per cent. in area, the cotton crop in Pakistan during the season 1960-61 is estimated higher at 1,715,000 bales of 400 lbs. each as compared with 1,657,000 bales in the previous year, showing a rise of 3.5 per cent. according to the Food and Agriculture Ministry. While the production of the American variety of cotton is expected to increase from 1,446,000 bales in 1959-60 to 1,539,000 bales in the season under review, that of the *deshi* variety is expected to decrease from 211,000 bales to 176,000 bales.

BAN ON MOVEMENT OF BENGAL DESHI LIFTED

The ban on the movement of Bengal *Deshi* cotton from the Punjab, U.P. Rajasthan to any other part of the country, imposed with effect from 28th November 1960, has been lifted. Announcing this, a Press note issued by the Textile Commissioner on the 5th inst. stated that, since the ban was imposed, 6,000 bales of Bengal *Deshi* cotton had been requisitioned for the industry.

On the 9th December 1960, the export policy for Bengal *Deshi* was announced which required every exporter to deliver to local mills a quantity equal to that proposed to be exported. Since this stipulation would ensure that a quantity equal to that exported would be delivered to mills, the ban on the movement of this variety of cotton had been found necessary.

With a view to making sure that the mills, which have submitted bank guarantees undertaking to import American cotton 1" and below and 1-1/16" and above but below 13/16" under P.L. 480 before 31st December 1960, against the sub-authorisations issued to them in terms of the Trade Notice No. 110/60, have imported the cotton before the target date, the importers and/or the mills are required to produce documentary evidence such as bills of entry, bills of lading invoices, etc., showing the actual import of American cotton in India against the sub-authorisations issued, says a Government Press Note issued on the 6th inst. The importers and/or mills need not wait till the last date but should produce evidence as and when the cotton is imported.

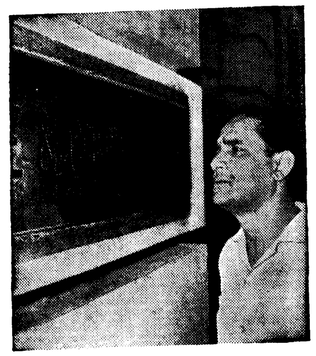
US* MAKE COLD CASH...

India today is caught up in the feverish activity of industrial advancement. Projects are planned...dams are being built...all through the night we hear the ceaseless hum of men and machines at work. In the world of today, the economic development of a nation is gauged by her machines...and the STEEL consumed by them. In dams and bridges. In the railway and automobile industry, in the manufacture of the thousands of consumer goods, STEEL is necessary—absolutely necessary! And so steel has come to be indicative of the economic development of a country... indicative of what a country is worth in cold hard cash.

THE UNITED STEEL COMPANIES LTD

UNITED STEEL COMPANIES (INDIA) PRIVATE LTD.
Bombay • Calcutta • Madras

TURNING AWAY A PROSPECTIVE CLIENT?



That tarnished name plate outside your office may spoil a good chance.

Keep it shining with Brasso. A regular rub with Brasso will keep all your brass articles and fittings gleaming like new. It's so easy and economical.

polish your brassware with

BRASSO
once a week, every week

TBR 4236 ATLANTIS (EAST) LIMITED (Incorporated in England)

This is the hallmark of

QUALITY

This is the certification mark of the Indian Standards Institution. It is given to many consumer and industrial articles manufactured or processed according to relevant Indian standards.

The ISI mark has many advantages. To the manufacturer it means increased demand through customer satisfaction, and protection from unfair competition. To the consumer it offers an assurance of quality of goods and services purchased, and better value for the money spent. The granting of the licence to use the ISI mark is a trust placed with the manufacturer. ISI maintains a constant vigil to see that it is not misused in any way, for the interest of the consumer has to be safeguarded.

INDIAN STANDARDS INSTITUTION
NEW DELHI • BOMBAY • CALCUTTA • MADRAS

ATLAS
ASSURANCE CO., LTD.
The liability of Members of the Company is limited
Incorporated in England

A.D. 1808

Bombay Agents:
N. SIRUR & CO. PRIVATE LTD.
TULSIDAS KHIMJI.
MACKINNON MACKENZIE & CO. PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALLJI THAKERSEY & CO.

Branch Offices:
Dougall Road, Ballard Estate, Bombay.
Indra Palace, Connaught Place, Delhi.
2-L, Mahatma Gandhi Road, Bangalore.
Vijaya Bank Building, Mangalore.
7, Armenian Street, Madras.
4, Clive Row, Calcutta.

FIRE — MARINE — ACCIDENT

You Can Now Share The Profits Of
THE MOST FLOURISHING SUGAR INDUSTRY OF U.P.
TEXTILE TRADERS SYNDICATE LTD.
(Incorporated in 1946 as a PUBLIC COMPANY)
STARTS
New Saraswati Sugar Mills
In Saraswati Nagar, Dist. Bulandshahr.
A Few Miles From Delhi, The Capital of India,
Under Bulletin No. 5, Ministry of Food and Agriculture, Government of India, New Delhi.

40,000 Shares of Rs. 10/- Each, Issued at par to be Subscribed by General Public

1. At present only half the amount of the shares to be purchased (Rs. 5/- per share), should be sent, only in the name of Textile Traders Syndicate Ltd., Bulandshahr, U. P., through Bank Draft or Money Orders. Cheques will not be accepted.
2. These shares can be purchased in the name of Government servants, ladies and minors also.
3. Full name, father's name and complete address should be sent with the share money.
4. More than 100 shares will not be allotted in one name.
5. No consideration will be possible on requests received after full number of shares are subscribed and the money will be returned to the sender.
6. Correspondence to be made in English, as far as possible.

NO CHANGE IN SUGAR PRICES AT PRESENT

FURTHER EXPORT QUOTA OF 50,000 TONS RELEASED

TWO important decisions pertaining to sugar have been announced by the Government of India since the New Year began, one concerning prices and the other exports. Until further orders, the same ex-factory prices for sugar produced in the current season (1960-61) by the mills in Uttar Pradesh, North Bihar, South Bihar and the Punjab as those fixed for the sugar produced in 1959-60 under the notification dated 15th September 1960 will continue. The prices are Rs. 37.85 per maund of sugar (I.S.S. D-29 grade) in respect of factories in Uttar Pradesh and North Bihar and Rs. 38.35 per maund in South Bihar and the Punjab, with prescribed price differentials for other grades. The prices for sugar produced in the rest of India will remain unchanged as hitherto. A further quantity of 50,000 tons has been released for export. This quantity and the 50,000 tons released on 17th September 1960 are expected to be exported before the end of March next.

The Government's decision not to effect any change in the price structure of sugar is understandable, considering that the whole question of sugar price is now engaging the attention of the Tariff Commission. The Commission, it will be recalled, has been asked (*a*) to examine the issue in all its effects and suggest modification with a view to improving it or recommend a revised all-India formula or regional formulæ in the light of cost schedule given by it earlier, (*b*) to consider the sugar industry's claim for rehabilitation allowance in the matter of sugar price division, (c) to indicate whether the formula should apply to regions where ex-factory prices are fixed and, in case the formula is not applied, how the advantage of special incentives given to factories in years of control should be shared between mills and growers, and (*d*) to assess the effect of the price linking formula on the establishment of new sugar factories with heavy capital outlay and see whether any concession is to be allowed to them. Since the Government has specially requested the Commission to submit its report "as early as possible"—the reference of the question to the Commission was made early in October last—it has not considered it desirable to make any alterations in the existing ex-factory prices of sugar. This also explains why the Government has stated that prices will remain unchanged until further orders.

Export

The Government's decision to release a further export quota of 50,000 tons of sugar has evidently been prompted by the comfortable supply position and the pressing need for earning foreign exchange. The current sugar season commenced with fairly large carry-forward stocks with mills amounting to 542,000 tons (excluding 41,000 tons out of the 1960-61 season's output before November 1960). This quantity, together with the estimated output of 2,600,000 tons, will give a total available supply of as much as 3,142,000 tons, as against 2,580,000 tons available in 1959-60 and 2,249,000 tons in 1958-59.

While it is true that a further sugar export quota of 50,000 tons will not cut into the supply available for domestic consumption and that the export of this quantity earns for the country a foreign exchange of over three crores of rupees, one will have to consider the huge loss involved in exports as a result of the wide disparity between Indian and world prices. On the basis of the currently prevailing world market prices, it is calculated that the total loss on 50,000 tons sold abroad will be as much as Rs. 3.70 crores, of which the loss of rupee resources arising from the full remission of excise duty and cane cess comes to Rs. 1.71 crore.

Nearly four months have elapsed since the Government of India released the last sugar export quota of 50,000 tons. It is not known how much of this quantity has actually been sold and shipped, what is the price realised on such sales and which are the countries that have bought the sugar. A recent Press report only avers that the sale of about 39,000 tons has already been contracted. It is unfortunate that the Indian Sugar Mills Association, through which exports are being effected, does not care to release any statement to the Press indicating the progress made in exports. The Association will do well to keep the public informed of the position through Press notes issued periodically.

The question of selling Indian sugar to the U.S. is still being negotiated. The prospects of the U.S. buying large quantities of sugar from India every year would appear to be quite good. In the course of a statement issued to the Press recently after a six-week visit to the U.S., Mr. S. S. Kanoria, Chairman of the I.S.M.A.'s Export Agency Division, for instance, has expressed optimism about the ultimate result regarding the U.S. quota for Indian sugar, though he feels that further efforts from both the Government of India and the sugar industry would be required at the highest level for achieving definite success. Mr. Kanoria says:

"The U.S. annual requirements are about 96 lakh tons of sugar, out of which it imports about 45 lakh tons annually from different countries. . . . During my talks with the State Department and Agriculture Department officials in Washington, I found considerable sympathy and interest for India. But I feel that a lot of public relations work is necessary to educate the Americans about the Indian sugar industry and to mobilise the American public opinion in our favour."

Referring to the chances of India getting an export quota in the U.S. market, Mr. Kanoria gave the following particulars:

India's allocation can come only after the Congress reassembles in February 1961 and the first shipment could start not before April 1961. Several countries such as the Philippines, Peru, San Domingo, Mexico and Formosa from amongst the present quota-holders and Brazil, Argentine, Australia, South Africa, British East Indies and French West Indies among the new entrants are seeking a quota from the United States. Although Indian sugar has to be carried over a long distance, which may normally go against it, there is a distinct advantage in so far as it would enable American food ships arriving in India at the rate of one per day to carry sugar on their return voyage. Another point in India's favour is that this is a step in the direction pointed out by the World Bank and other financial institutions that India should develop her export trade instead of relying solely on aid and loans for financing the third Five-year Plan. Only about 12 per cent. of the world sugar production is traded in the free world market which is, in fact, a low-priced dumped market utilised by different countries to export their surplus production after supplying to the preferential markets. If there are no preferential markets, prices in the world market will not remain at the present low levels which are much below the actual cost of production of sugar in the exporting countries. But, in the present circumstances, it is understandable that every country should try to get a U.S. quota so as to divert its supplies from the world market to the preferential market, as far as possible, in order to get higher prices.

Mr. Kanoria made special mention of the fact that the U.S. is interested in importing only raw sugar to keep the refineries in that country working and that its quota for "direct consumption" sugar is just 12½ per cent. of the total imports. Naturally, some difficulties will be encountered even in asking the U.S. to accept the Indian white sugar as raw sugar. Mr. Kanoria, therefore, suggests that, in order to sell sugar to the U.S. and also to sell competitively to other countries, India will have to manufacture some quantities of raw sugar. This is a suggestion that deserves to be examined carefully. By and large, however, one wonders whether any large-scale export of the magnitude of half a million tons of sugar to the U.S. is possible without any compensation by way of a higher internal price.

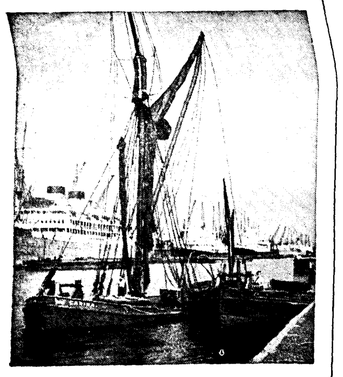
Sugar production during the month of November 1960 was 233,000 tons, as against 180,000 tons in the corresponding month last season. This excludes 52,000 tons produced by some factories for the season 1960-61 prior to November, as against 32,000 tons last season by this date. The offtake of sugar from factories during the month was 150,000 tons, as against 131,000 tons. The total closing stocks of sugar with factories as on 30th November 1960 was 676,000 tons, as against 222,000 tons on the same date last season.

It can be yours with regular use of Mysore Sandal Soap. Its pure Mysore Govt. Sandal Oil ingredient keeps your skin healthy and gives youthful lustre to your complexion. You will love its lingering Sandal fragrance.

MYSORE Sandal SOAP

Distinctive toilet soap for the discriminating

GOVERNMENT SOAP FACTORY, BANGALORE.



Ship via London

BRITAIN'S PREMIER PORT

EQUIPPED FOR ALL TYPES OF SHIPS AND CARGOES

The PORT OF LONDON AUTHORITY

A Self-governing Public Trust for Public Service

For full particulars apply
The General Manager
PORT OF LONDON AUTHORITY, LONDON, E.C.3

G.A.O

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India

(Established 1934)

FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office:

Jehangir Building

133, Mahatma Gandhi Road

Fort, BOMBAY

THE UNITED COMMERCIAL BANK LIMITED

Head Office: CALCUTTA

Authorised Capital	..	Rs. 8,00,00,000
Subscribed Capital	..	Rs. 4,00,00,000
Paid-up Capital	..	Rs. 2,00,00,000
Reserve Fund	..	Rs. 1,75,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.

Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.

AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, *Chairman.* S. T. SADASIVAN, *General Manager.*

YOUR OPPORTUNITY TO INVEST IN STERLING

Make your money, earn more money in the Security and Strength of Lombard Banking.

Open a Bank Deposit Account at

5%

Interest per annum, paid half-yearly, without deduction of United Kingdom Income Tax.

Write to-day to the General Manager for your copy of "Bank Deposit Account" Booklet No. A.O. 91

LOMBARD BANKING LIMITED
BANKERS
Head Office:
LOMBARD HOUSE
CURZON STREET, PARK LANE, LONDON, W.1
GRO 4111 (30 lines)

A World-Wide Banking and Finance Organization

Just Published ! ! ! *Just Published ! ! !*

BANKING ALMANAC 1960-61

A Handy Reference Book for Banks, Industrialists, Insurance Companies, Importers, Exporters, Stock and Share Brokers and in fact for every concern having dealings with banks.

PRINCIPAL CONTENTS

* Complete Particulars of Banks operating in the Indian Union. Directorate, Management, Capital, Branches and Summary of Balance Sheets for the last two years.
* Complete particulars of the Leading International Banks of the whole world.
* Alphabetical list, Town-wise and Bank-wise, of Bank Branches in India and the principal countries of the world.
* Banking Companies Act and Rules, Reserve Bank of India Act, Negotiable Instruments Act, etc.
* The General Information section contains a mineful of useful information.

Cloth Bound Rs. 25 (Packings and Postage Rs. 3.50 nP.)

INDIAN BUSINESS PUBLICATIONS
G. P. O. 548, NEW DELHI

OUTLOOK FOR JUTE GOODS EXPORT

FINDINGS OF I.J.M.A. DELEGATION

OUT of every Rs. 100 earned by goods and commodities exported from India, jute manufacturers alone account for as much as Rs. 24. The value of jute goods actually shipped during the first six months of the current financial year amounted to Rs. 69.52 crores, representing about 24 per cent. of the aggregate exports of Rs. 292.88 crores. The importance of jute manufactures as a precious foreign exchange earner will be all the greater in the next few years, what with the prospect of a tight balance of payments position that will confront the country. In view of this and considering the growing competition from Pakistan, with its expanding loomage, not to speak of the increasing resort to bulk handling and use of paper and plastics bags as packaging materials, every effort will have to be made to put the jute goods export trade on a firm and secure footing. Viewed thus, it is, indeed, gratifying that the Indian Jute Mills Association is sparing no pains to assess the prospects for the export trade in the overseas markets. Towards the end of 1959, the Association sent a delegation to North America which made a comprehensive survey of the market conditions there. This was followed by another delegation (consisting of Messrs. D. C. B. Pilkington, D. P. Goenka and T. R. Crook) which undertook a tour of Argentina, the U.S. Canada and the U.K. during the period from 14th October to 10th November 1960.

That the delegation did much useful work is borne out by the interesting report submitted by it. It will be seen from this report that the delegation sought to foster personal contacts with importers and consumers of jute manufactures in the countries visited and to explain the conditions in which the prices of jute and jute goods had risen during 1960. On the basis of the trend of discussions, the delegation has assessed the effect of higher prices on the demand for Indian jute goods and on the future market prospects from both short- and long-term points of view. In particular, the delegation has done well to warn against an undue rise in prices of jute goods. It says: "In a market such as North America, where jute fabrics have to face strong competition from paper, plastics and bulk handling as a packaging medium and from paper, cotton and other substitutes in the industrial sphere, it is obvious that a rise in the price of burlap must weaken its competitive position and adversely affect its sales."

Argentina

The findings of the I.J.M.A. delegation reveal that, given price stability at an economic level, the market for jute goods in Argentina will be maintained at its present size, namely, about 40,000 tons annually. This view is based on the following grounds:

Since the programme of monetary stabilisation and economic rehabilitation was introduced at the end of 1958, Argentina has made appreciable progress towards economic recovery, and there is a feeling among businessmen that, given political stability, there will be something in the nature of a boom by 1962.

Argentina is still unavoidably dependent on jute bags for the packing of most of its crops and, although the surcharge of 40 per cent. on hessian imports greatly accentuates any rise in their landed cost, the demand for hessian in Argentina is less sensitive to the price factor than it is in India's other large export markets.

There is a certain amount of bulk handling in Argentina, mainly for the movement of maize, but this affects less than one-fifth of the total agricultural production and labour costs are not so high as to constitute a strong inducement to the introduction of bulk handling methods. Moreover, any substantial expansion of bulk transport is at present ruled out by the inadequacy of the roads, and, although a large-scale road building programme has recently been drawn up, its implementation will take some time. For the present, therefore, there will be no serious threat to jute bags from this direction.

Looking somewhat further ahead, apart from retarding the development of industrial uses for jute fabrics, the recent high prices will not seriously damage the market for hessian in Argentina, provided they do not continue too long. The lower offtake in 1960 has meant drawing on stocks, which will ultimately have to be made good; and, if we cannot hold out any hope of a significant expansion of demand, in the forseeable future, any losses to bulk handling will be offset by the expected increase in agricultural production.

Nevertheless, the I.J.M.A. delegation emphasises that the demand for Indian burlap in Argentina is inevitably influenced by the Argentine Government's policy in regard to import surcharge, which, it is felt, places it at a disadvantage with indigenous methods of transport such as bulk handling. It considers that an early reduction in the rate of surcharge is a matter of importance to the Indian jute industry.

U.S. and Canada

Reviewing the trend of the U.S. and Canadian markets for burlap, the I.J.M.A. delegation stresses that the essential prerequisites for the maintenance of burlap sales in the fiercely competitive market of the U.S. are regular supplies and reasonably stable level of prices. "To this end," to quote it, "shortages of raw materials must be avoided and we cannot emphasise too strongly the need for prompt and vigorous action on the part of all concerned to improve the yield of the jute crop and ensure that India achieves early and lasting self-sufficiency in raw jute." The outlook for Indian burlap exports to the U.S., as assessed by the delegation, is as follows:

The volume of agricultural produce requiring transport is expanding considerably and this means an increase in the potential market for burlap as a packaging medium. The competition that Indian jute manufacturers now face in North America will come not so much from foreign jute industries as from substitutes, and any loss that may result from the present high prices will constitute almost a permanent inroad into the market for burlap, for it will not be easy to retain the lost market. The total burlap consumption in the U.S. in 1959 was 895.1 million yards—674.0 million yards for bags and 221.1 million yards for industrial use. The total consumption in the first nine months of 1960 was 644.5 million yards. Notwithstanding the rise in prices, the industrial consumption of burlap, at 180.8 million yards, was up during the first nine months of 1960 by 22.3 million yards, or 14 per cent. over the corresponding period of 1959. On the other hand, the cut-up for bags showed a decline of 44.3 million yards to 463.7 million yards, or 8.7 per cent. and overall, the total consumption was down by 22 million yards or 3.1 per cent. at 644.5 million yards. While the decline in burlap consumption for bags undoubtedly reflects consumer resistance to higher prices—the low consumption figure in July, for example, reflects resistance to the very high prices of forward bag sales in May, when Calcutta prices were at a peak—it does not necessarily mean a corresponding fall in the demand for burlap.

Besides urging all possible steps to ensure stability in prices, the I.J.M.A. delegation has drawn pointed attention to the need for (*a*) manufacturing hessian with a lower oil content than the average for the movement of foodstuffs in the U.S.; (*b*) reducing the cost of canal lining, as, for example, through a downward revision in freight for shipment of cloth from Calcutta and rot-proofing of hessian cloth in India before shipment; (*c*) development of new uses for burlap as an industrial packaging medium; (*d*) maintenance of a high standard of quality at all times; (*e*) strict adherence to specifications; (*f*) ensuring continuity in the supply of specialty goods; (*g*) elimination of manufacturing faults by effective supervision in the mills; and (*h*) proper promotion and publicity work.

United Kingdom

The United Kingdom differs from other countries, in that it has a sizable jute industry of its own. In assessing the likely effects of the recent rise in prices on the demand for Indian jute manufactures in the U.K., the I.J.M.A. delegation has taken note of the operation in that country of the Jute Control, particularly the system whereby the prices at which imported hessians are sold by the Control are marked up by fixed percentages of their landed cost. It observes:

"The remedy for this state of affairs is, of course, a return to the more stable and competitive prices prevailing a year ago; but the current high prices are basically due to the world shortage of jute and cannot be expected to fall substantially until jute is again in adequate supply. In the meantime, however, the position in the U.K. is greatly aggravated by the mark up which, though originally designed to protect the jute industry in Dundee, is now seen to operate as a direct encouragement of the use of substitute materials and bulk handling methods to the general detriment of the market for jute manufactures as a whole, whether imported or locally produced. ... The paper industry in Britain is now bringing out a 70-lb. bag to replace the 140 lb. hessian bag for the packing of cubes and has already produced a 56-lb. bag for general packaging purposes. Members of the jute goods trade in the U.K. were of the opinion that there would be a considerable market for smaller hessian bags in these sizes, if lighter weight fabrics between 7½-oz. and 9 oz. and narrower widths around 30" were available at prices proportionately comparable with that of 10 oz. cloth. That these lighter weight fabrics cost proportionately more is due partly to the premium on narrow width cloth and partly to the higher rate of mark-up on such constructions."

In the considered opinion of the delegation, there is manifestly a strong case not only for a further reduction in the quantum of the mark-up—on the higher prices prevailing today, the 20 per cent. rate in terms of cash is now greater than the 30 per cent. rate a year ago—but also for an extension of the reduced rate to a wide range of fabrics. It is encouraging to hear from the delegation that the U.K. Board of Trade officials have appreciated the position and promised to give the matter their full consideration. No change is, however, expected in the present application of the mark-up, until the results of the enquiry into the jute goods trade under the provisions of the Restrictive Practices Act, due to take place in April next, are known. The delegation has invited the attention of the Indian jute mills to one or two specific complaints made by the U.K. buyers and called upon them to take proper measures to rectify them. One of the complaints is that the packsheet used by some mills does not give adequate protection to the contents of the bale and results in the cloth being stained during shipment. Instances are also reported of cloth having been cut by the baling hoops used in the packing of the bale. Further, both the U.K. Jute Controller and one of the larger consumers have complained about faults in the sewing of bags. It is reported, too, that bales of 40"×10 oz. hessian have sometimes been found to contain less than the full 2,000 yards of cloth and as many as four or even five short lengths.

All these irregularities are certainly disquieting, as they will damage India's credit abroad. The buyers should have no cause for dissatisfaction with the quality of jute goods, especially when prices are high. The mills should, as the delegation has rightly pointed out, not relax their efforts to maintain the highest possible standard of quality. The delegation has agreed to join a joint publicity campaign in the U.K. as proposed by the British Jute Trade Federal Council. The suggestion is that, if the Council contributes £5,000 annually for three years, the I.J.M.A. should contribute a like amount and the U.K. Jute Goods Association a lump sum of £7,000, so that a total fund of £37,000 would be available over the three-year period, apart from the contribution that the Pakistan Jute Mills Association may agree to make. The proposals, we are told, are now being examined in detail by the interests concerned, and a decision in regard to the joint advertising programme is expected to be reached in good time before the Federal Council's current campaign expires in August next.

Going Abroad?

Just tell us where you want to go and when, and we shall draw up your itinerary with a choice of routes and stop-overs to suit your requirements.

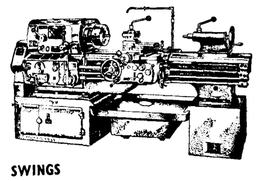
INDIAN AIRLINES

★ IAC CAN BOOK YOU ON ANY AIRLINE

Kirloskar

Machine Tools for Precision plus Production

IMPROVED MODEL 'RL' LATHES



SWINGS OVER BED DIA 375 mm to 570 mm

These versatile Lathes possess the qualities of ruggedness and outstanding performance which distinguish all Mysore Kirloskar products.

The all-geared headstock of these heavy duty, sliding, surfacing and screw cutting Lathes transmits maximum power throughout the spindle speeds. All the gears are made of specially selected alloy steel, hardened and ground to give long service.

These high speed, precision Lathes have several other special features described in an illustrated literature. Please send for it today.

MANUFACTURERS: THE MYSORE KIRLOSKAR LTD., YANTRAPUR P.O., (MYSORE STATE).

SUB AGENTS: BATLIBOI & CO

(PROPRIETORS: BHOGILAL LEHERCHAND PRIVATE LTD.)

AHMEDABAD, BOMBAY, CALCUTTA, COIMBATORE, DELHI, KANPUR, MADRAS, SECUNDERABAD, VIJAYAWADA, ASSOCIATE BANGALORE.

BATLIBOI mk 460 HP

GUIDE TO COMPANY MANAGEMENT

By

Messrs. JOHN & ROW

An Indispensable Guide to all persons concerned with Company Management, including Managing Agents, Directors, Secretaries, Auditors.

Price Rs. 5

EXPRESS PUBLISHERS (PRIVATE) LIMITED

33, BROADWAY, MADRAS-1

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories

For over 15 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cotton Mills and other industries in the country.

Phone: 22-5952, 22-3101

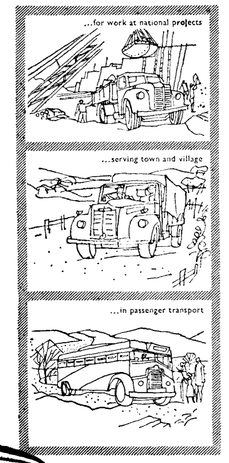
Gram: "BANCO"

THE BEHAR FIREBRICKS & POTTERIES LTD

STRAND ROAD, CALCUTTA-1

FARGO DIESELS in national service

Fargo diesel trucks are doing more than their fair share of work at projects because of their rugged construction and ability to carry more loads at less cost per trip. No matter what the load and however tough the going, they are first-class for service, performance and economy



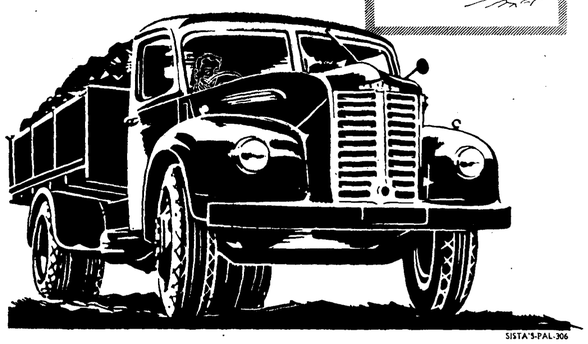
FARGO DIESEL TRUCKS

Now available with new, more powerful and economical engines

PROGRESSIVELY MANUFACTURED BY

THE PREMIER AUTOMOBILES LTD.

BOMBAY



SISTA'S-PAL-306

CONTACT YOUR NEAREST DEALERS

Special No 1 A Nourishing Tonic For HAIR, BRAIN & BLOOD

RAMTIRTH BRAHMI OIL (AYURVEDIC MEDICINE)

New Bottle WITH Un Breakable Seal

Useful for Eyes, Memory and Sound Sleep. Ramtirth Brahmi Oil is being prepared scientifically with various precious ingredients. Useful to everybody in all seasons.

Available everywhere.

Price: Big Bottle Rs. 4/-. Small Rs. 2/-.

YOGIC ASANA CHART is also available from here on payment of Rs. 2/50 nP including Postage to be sent by M. O. only.

SHRI RAMTIRTH YOGASHRAM, DADAR, BOMBAY 14

COMMERCE

India's Premier Financial, Commercial and Industrial Journal

Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.

BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY

Telephone No. 253505

PROTECTION TO ALUMINIUM TO CONTINUE

TARIFF COMMISSION'S PROPOSAL FOR LOWER DUTY, HOWEVER, NOT ACCEPTED

THE latest enquiry by the Tariff Commission into the circumstances of the aluminium industry has led to the finding that the industry is still in a developmental stage inasmuch as various schemes for expansion of existing units and establishment of new ones have just been taken in hand. Since, in its estimation, these schemes will take anything from three to five years for completion, the Commission has recommended the continuance of protection to aluminium ingots, bars, etc., for a further period of four years, that is, till the end of 1964. It has also recommended that the rate of protective duty be fixed at 25 per cent. *ad valorem* for developmental considerations although, according to its finding, a duty of no more than 18 per cent. would be required to equate the domestic ex-works price of ingots with the landed cost ex-duty of the imported product. In making this recommendation, the Commission has taken note of the present excise duty on domestic ingots and the countervailing duty on imported ingots as well as the need to keep the prices of a basic raw material like aluminium as low as possible. As for aluminium manufactures like sheets, circles, etc., they do not, in theory, need any protective duty, because there are no unfavourable differences between their domestic ex-works prices and the landed cost ex-duty of the imported products. But they would need compensatory protection so long as the raw materials, namely, ingots, bars, etc., are in the protected category. The Commission has, therefore, recommended that protection to these aluminium manufactures, namely, sheets, circles, etc., be also continued till the end of 1964 at the same rate of duty as that recommended for ingots, that is, 25 per cent. *ad valorem* (as against the existing effective rate of duty of 35 per cent. *ad valorem*).

The Government, however, has not accepted the Commission's recommendation for a reduction in the rate of duty from 35 per cent. to 25 per cent., though it has accepted the other recommendation for the continuance of protection for a further period of four years. Apparently, the Government thinks that the needs of the developmental phase would justify the maintenance of the protective duty at the existing level of 35 per cent. *ad valorem*. At the same time, it has not ruled out the possibility of a reduction in the duty if a further study shows that consumers of aluminium require some relief or incentive and that such reduction will secure the developmental objective. For the present, the Government's decision to continue to maintain the existing duty of 35 per cent. *ad valorem* is as realistic as it is understandable for more than one reason.

Demand

The first reason is that the needs of development are going to be very exacting. While the present (1960) installed capacity is only 17,800 tons of ingots (made up of 5,600 tons in the Alupuram plant and 10,000 tons in the Hirakud plant of the Indian Aluminium Company, Ltd., and 2,200 tons in the plant of the Aluminium Corporation of India at Jaykaynagar, Asansol) and production during that year has reached an estimated level of 18,500 tons, further development has to take place to the point of installing a total additional capacity of about 65,000 tons by the end of 1963 or so and of producing an additional 56,500 tons per annum by the end of the third Plan. The Commission's estimate of demand for aluminium at 74,000 tons in 1963 (as against 45,000 tons in 1960) may also be usefully given here in its details:

	Tons
Utensils	16,000
A.C.S.R. and A.A.C.	27,000
Transportation and aluminium alloys	11,500
Building and construction	5,000
Food and farming	2,500
Canning and packaging	6,000
Miscellaneous	6,000
Total ...	74,000

Even in the present pattern of demand for aluminium, indigenous production of ingots now accounts for more than 45 per cent. of actual availability, of which imports of ingots, sheets, etc. in 1960 were of the order of about 22,000 tons. Imports have been strictly controlled in recent years, and established importers have not been granted any licences since the licensing period October 1958-March 1959. Only actual users of ingots, bars, sheets, circles, etc. have been given limited import allocations. It looks as though even these limited imports will continue to be substantial in the next two years, for the growth in indigenous production will not be commensurate with the growth in demand. If it is assumed, for instance, that imports in 1961 may not be less than 20,000 tons, the actual users will be paying by way of import duty alone (at the rate of 35 per cent. *ad valorem*) as much as Rs. 1.75 crores on that much quantity.

Development Plans

The development plans relating to existing and new units call for brief mention in this connection. The existing unit, namely, the Aluminium Corporation of India, which belongs to the J. K. group, expects to install, in technical collaboration with a Swiss firm, an additional ingot capacity of 5,300 tons per annum by 1962-63. The other existing unit, namely, the Indian Aluminium Company, Ltd., which is a Canadian enterprise in collaboration with Indian investors, expects to install, in technical collaboration with the Aluminium Laboratories Ltd. of Canada, an additional ingot capacity of 10,000 tons at its Hirakud plant. As for the new projects, there are three of them. The first of these is the Hindustan Aluminium Corporation of which Birla Gwalior Ltd. are managing agents; this company, which is erecting its plant of 20,000 tons ingot capacity at Rihand (U.P.) in technical collaboration with Kaiser Aluminium and Chemical Corporation of U.S.A., is expected to commence production by June 1962. The second new unit, namely, the Tendulkar Industries (Private) Ltd. has been granted a licence to erect an aluminium plant with an ingot capacity of 20,000 tons near Chiplun in Maharashtra State; this company is engaged in negotiations for securing the technical and industrial collaboration of the Aluminium Company of U.S.A. And the third new unit, namely, Madras Aluminium Ltd., which has just entered the capital market with a large issue of preference and equity shares, proposes to erect a plant of 10,000 tons ingot capacity at Salem in the Madras State in technical and financial collaboration with the Italian firm of Messrs. Montacatini; this unit is expected to go into production by the end of 1962. It would be seen from this brief survey that the aluminium industry has a big development programme for the next three or four years—a programme calling not only for continuance of protection but for maintenance of protective duty at the existing level.

Another reason for the Government's decision to maintain the present quantum of protection is probably explained—though this is by no means clear—by the Tariff Commission's not-so-confident estimate of fair ex-works prices. This estimate, based on the weighted average cost of the Alupuram and Hirakud plants of the Indian Aluminium Company Ltd., is as follows:

(Rs. per ingot ton)	
Cost without depreciation	1,962.39
Depreciation	343.27
Margin for contingency (at 5 per cent. on works cost without depreciation)	98.12
Return (at 12 per cent. on employed capital)	559.23
Total ...	2,963.01

In this estimate, the Commission has worked out depreciation at normal income-tax rates on the written-down values, even though it has recognised, in theory, the need for providing depreciation on the straight line basis to maintain stable prices over a period in a capital-intensive industry like aluminium. Although actually the Company is providing depreciation at different rates on different assets on straight line basis, the Commission has not accepted this basis on the ground that, at the moment, the difference in the total cost will not be significant even if depreciation is provided on straight line basis. The Commission has, however, suggested that new units coming into production in this industry should, from the very start, maintain plant registers in sufficient detail to work out depreciation on straight line method. It looks as though the provision for depreciation may have to be increased when the new units go into production. In any case, the estimated fair ex-works price of Rs. 2,963.01 for ingots, as the Commission itself has stated, is for the purpose of arriving at the quantum of protection and does not include selling and distribution expenses. That it is only a rough estimate with a substantial margin of error could be inferred from the fact that the recommended quantum of protection represented by a duty of 25 per cent. *ad valorem* would cover a possible difference of Rs. 622.25 per ingot ton (as against Rs. 449.12 worked out by the Commission in the following table) between fair ex-works price and landed cost ex-duty and thus mean a possible fair ex-works price of Rs. 3,136.14 per ingot ton:

(Rs. per ton)

	Ingots	Manufactures	
		Sheets	Circles
C.I.F. price	2,489.00	4,928.00	5,219.20
Clearing charges at 1% ..	24.89	49.28	52.19
Landed cost ex-duty ..	2,513.89	4,977.28	5,271.39
Fair ex-works price ..	2,963.01	4,647.03	4,448.31
Difference between fair ex-works price and landed cost ex-duty	449.12	—330.25	—823.08
Difference as a percentage on c.i.f.	18.24	— 6.70	— 15.77

It will be seen from the above table that no duty is required to protect indigenous sheets and circles. But, actually, they will be covered by the compensatory scheme of protection, as their raw material, namely, ingot aluminium, is in the protected category. Incidentally, it may be noted here that the two existing major aluminium units themselves have together an installed capacity of 11,100 tons a year for sheets and circles, manufacturing them at a monthly rate of about 1,000 tons as of 1960. There are also nine other units with an aggregate capacity of 7,900 tons a year for sheets and circles, manufacturing them at a monthly rate of under 300 tons only as of 1960.

Apart from the two major recommendations made by the Tariff Commission regarding aluminium ingots and aluminium manufactures, there is another, namely, that the existing concessional rates of duty of 20 per cent. *ad valorem*, standard, and 10 per cent. *ad valorem*, preferential, on imports of alumina by the aluminium manufacturers be continued upto 31st December 1964. This latter recommendation has been accepted by Government. Two other recommendations, namely, that the Railway Board should consider the possibility of classifying alumina consigned to smelters in the same category as other beneficiated or crude ore for charging freight, and that rates for supply of electric power to the aluminium industry be kept stable for a fairly long period and adequate quantities of it be supplied at reasonable rates have also been taken note of by Government.

In conclusion, it may be noted that the present enquiry by the Tariff Commission has been confined to an investigation into the protection granted to the aluminium industry. The Commission has specifically stated that the fair ex-works price computed by it is for the purpose of arriving at the quantum of protection and that it cannot be taken as the fair price at which the product should be available to the consumer. There is no suggestion in the report that its computation could form the basis for purposes of price control. At present, both the existing units fix their own selling prices, taking into consideration their cost of manufacture, distribution, etc. It is worthy of note that these selling prices have not been changed during the last three years. While the consumers have represented to the Tariff Commission that prices of the domestic products are high, they have also generally conceded that prices could be brought down only by effecting economies in production costs.

U.K.'S DUNGENESS NUCLEAR POWER STATION

The Nuclear Power Group, formed on 1st January 1960, as a partnership between the Nuclear Power Plant Company Ltd. and the Associated Electrical Industries-John Thompson Nuclear Energy Company Ltd., has won the contract to build the Dungeness nuclear power station on the Kent coast of England. This will be the fourth nuclear power station to be built by the Nuclear Power Group, the other three stations that are being built by the Group being at Berkeley (Gloucestershire), Bradwell (Essex) and Latina in Italy. When completed in 1964, the Dungeness station, the sixth commercial nuclear power station to be built in Britain, will begin supplying electric power to the national grid. This station is designed for a net electrical output of 550 MW. and will have two identical reactor units of approximately 840 MW. thermal output. That this huge station may be completed to schedule can be predicted with a measure of certainty since the Nuclear Power Group commands large design, manufacturing and construction resources.

NEW PRODUCTS AND PROCESSES

Flow Indicator

THE problem of observing the flow of an opaque liquid through a pipe line has been a subject of study by a U.K. engineering firm and has resulted in the production of a range of flow indicators. The instruments, which can be used with liquids of almost any viscosity—such as thick oils—are equally suitable for indicating flow either horizontally or vertically upwards. As the fluid travels through the chamber of the indicator it moves a hinged metal flap which incorporates a set-in magnet to operate a pointer against a scale. As there are no springs or other moving parts, the risk of mechanical breakdown or jamming is eliminated, and the pointer and scale are in a separate chamber so that the fluid cannot obscure the window. Internal parts of the instrument are readily accessible for cleaning while the body is still in the line, and can be turned through 90 degrees if required to change the direction of flow. A particular feature is that the indicator can be easily adapted for extremely low flow rates, and has a sensitivity of an order that the smallest change in relative flow is shown against the scale. It will also accept a wide range of capacities when full flow is shown on the scale. In situations where the liquid may contain ferrous materials which might adhere to the magnet a special screened type of indication has been provided, in which the magnet is fully enclosed in an intermediate chamber. A switch type is also available so that when flow stops completely or falls below a certain rate, a switch is automatically operated to give a reinforcing audible indication of an emergency.

Steel Alloy

A new steel alloy containing from 29 to 31 per cent. of aluminium has been developed by the National Research Institute for Materials and Technology in Prague. It has been given the name Pyroferal and is protected by patent in five countries, including Britain. The matrix is a solid aluminium-iron solution and aluminium carbide. Its mechanical characteristics are comparable to those of grey cast iron although bending strength may be increased by the addition of titanium. Pyroferal is very hard and resistant to abrasive wear. It does not get brittle during long-term service at high temperatures. Owing to the formation of a protective layer of aluminium oxide, it remains resistant to heat almost up to its melting point. It withstands attacks by sulphur oxides.

Grinding Machine for Laboratories

Small automatic grinding machines for laboratories are now being offered for export by a West German firm. The machines, which are electrically-powered, are fitted with timing devices so that after being filled with the material to be pulverised they can be left to work on their own. Each machine has a pestle and mortar incorporated in it, pressure on the pestle being variable up to a maximum of 20 lbs. The maker says that all kinds of material—including samples of metallic powders, pigments, glass, ceramics, cement and pharmaceutical products—can be ground up by the machine to "analytical fineness." The pestle and mortar and operating mechanism are completely enclosed in a dust-proof housing, but there is a "window" which enables the laboratory technician to watch the pulverising process.

Novel Aid for Fire Brigades

A novel aid to American fire brigades is a device to reduce the oxygen in the air, choking the fire but leaving enough oxygen for the firemen to breathe. The inventor, a combustion engineer, says that if the oxygen is reduced from its normal 20 per cent. to between 10 and 15 per cent. it will not support flame. He claims, however, that firemen are able to work on this proportion of oxygen which is roughly equivalent to the amount left in the air at an altitude of 5,000 feet. The device, which obviously can be used only on enclosed fires, consists of a combustion chamber about the size of an office desk, transported on a fire trailer. Measured fuel oil is burned in the chamber to reduce the oxygen to the desired amount. The resulting thin air is then cooled by water sprays and led to the fire in a big, flexible hose.

Solidifying Soil

A chemical grout for sealing underground curtain walls in and around dams or dykes, for solidifying weak granular soil masses during tunnelling or the sinking of caissons, and for other similar uses in civil engineering projects has been developed by Cyanamid International. It is the AM-9 Chemical Grout, a mixture of water-soluble organic chemicals applied as an aqueous solution after the addition of a catalyst. In a time controllable by the choice and amount of catalyst, the solution, which penetrates any formation in which water flows, sets to a stiff gel. This both binds the particles together and makes the mass impenetrable to water. The grout is quickly applied and is useful for oilwell drillholes, basements, tunnels, mine shafts, coffer dams, sewer-pipe joints and open excavations.

Novel Foundation for Buildings

Multi-storeyed buildings can be built on permafrost on ferro-concrete piles instead of conventional foundations. This new method has been developed by a group of Krasnoyarsk engineers. With the new technique several score, ferro-concrete piles are hammered into the ground under each building into holes drilled by means of special rigs. This obviates the need for digging foundation pits which presents great difficulties in permafrost areas. As a result houses can be built more quickly and considerably more cheaply. Dwellings with a total of 3,000 flats have already been built on piles in Norilsk beyond the Arctic circle.

The Flying Sherpa

AIR-INDIA's own cargo service, The Flying Sherpa, between India and U.K. via the Middle East and Europe.

The Flying Sherpa is a specially designed Super Constellation freighter aircraft with a total capacity of 12 tons. It has double doors and reinforced flooring for the uplift of heavy and bulk cargo.

Pressurized and heated cabin for livestock, with trained attendants on board.

Ideal for imports of heavy machinery and spare parts at attractive charter rates. Please apply.

BOMBAY · CALCUTTA · DELHI · BEIRUT · ROME · FRANKFURT · LONDON

AIR-INDIA

IN ASSOCIATION WITH B.O.A.C. AND QANTAS

AI/7 AII. 1552

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS and applications are invited on the basis of the Prospectus, copies of which are available from the Company's Registered Office, the Bankers to this issue and Brokers mentioned hereunder.

A copy of the Prospectus has been filed with the Registrar of Companies, Bihar, Patna, for the purposes of registration together with the documents mentioned therein as required by Section 60 of the Companies Act, 1956.

Consent of the Central Government has been obtained for this issue by an order, a complete copy whereof is open to public inspection at the Registered Office of the Company at Samastipur, Bihar. It must be distinctly understood that in giving this consent the Government of India do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

Licence has been obtained from the Central Government for the establishment of this new Industrial undertaking of which a copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting this licence, the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

Applications have been made to the Stock Exchanges at Calcutta, Bombay, Delhi and Madras for permission to deal in and for official quotation for the Equity Shares now being offered.

The Subscription List will open at the commencement of the Banking hours on the 13th January 1961 and will close on 23rd January 1961 at the close of the Banking hours, or earlier, at the discretion of the Directors but not before the Banking hours on 16th January 1961.

THAKUR PAPER MILLS LIMITED

(INCORPORATED UNDER THE INDIAN COMPANIES ACT, 1913)

1. AUTHORISED CAPITAL:

10,00,000 Equity Shares of Rs. 10 each	Rs.	1,00,00,000

2. ISSUED, SUBSCRIBED AND PAID-UP:

30,000 Equity Shares of Rs. 10 each fully called and paid up in cash	Rs.	3,00,000

3. PRESENT ISSUE:

3,70,000 Equity Shares of Rs. 10 each	Rs.	37,00,000

No call will be made earlier than three months from the date of allotment. Subject to this the calls will be made as may be determined by the Directors in accordance with the provisions of the Companies Act, 1956. At least 30 days' notice shall be given in respect of each call and there shall be minimum interval of one month between any two calls.

UNDERWRITING AND GUARANTEE

1. The Central Bank of India Ltd. has underwritten 50,000 Equity Shares of Rs. 10 each	Rs.	5,00,000
2. The State Government of Bihar, has guaranteed 2,00,000 Equity Shares of Rs. 10 each	Rs.	20,00,000
	Rs.	25,00,000

4. OUT OF THE PRESENT ISSUE:

(i) ALREADY SUBSCRIBED:		
70,000 Equity Shares of Rs. 10 each of the aggregate nominal value of Rs. 7,00,000 have already been subscribed by the Directors, Managing Agents, present Shareholders, their friends and associates	Rs.	7,00,000
(ii) AGREED TO BE SUBSCRIBED:		
50,000 Equity Shares of Rs. 10 each of the aggregate nominal value of Rs. 5,00,000 have been agreed to be further subscribed by the Directors, the Managing Agents, their friends and associates	Rs.	5,00,000
(iii) BALANCE OFFERED FOR PUBLIC SUBSCRIPTION:		
2,50,000 Equity Shares of Rs. 10 each are now offered at par	Rs.	25,00,000
	Rs.	37,00,000

PAYABLE AS FOLLOWS:—

On Application	Rs. 2.50
On Allotment	Rs. 2.50
On First Call	Rs. 2.50
Second and Final Call	Rs. 2.50

BOARD OF DIRECTORS

1. SRI C. C. DESAI, I.C.S. (Retd.), (*Chairman*), Industrialist, 44, Friends Colony, New Delhi. *Director*:—1. Life Insurance Corporation of India. 2. Industrial Finance Corporation of India, etc.
2. SRI B. N. SINHA, I.A.S. Secretary to the Government of Bihar Department of Industries and Co-operation, Patna, Bihar. *Director*:—1. Sindri Fertilisers and Chemicals Ltd. 2. Heavy Engineering Corporation Ltd., etc.
3. SRI M. M. SHARMA, Industrialist and Businessman, 11-B, Noble Chambers, Ghogha Street, Bombay. *Director*:—The Champaran Sugar Co. Ltd.
4. SRI R. B. SHARMA, Businessman and Landlord, Canal Boring Road, Patna. *Director*:—Birendra and Birendra Pvt. Ltd.
5. SRI BACHU NARAYAN SINHA, Businessman and Landlord, Samastipur, Bihar.
6. SRI P. P. SINHA, Industrialist and Businessman, Samastipur, Bihar. *Director*:—1. Indian Mettallurgical Industries Ltd. 2. Assam Silliminite Ltd.
7. SRI M. L. PYNE, Share and Stock Broker, 14, India Exchange Place, Calcutta-1. *Director*:—1. Arya Tea Co. Ltd. 2. Asian Refractories Ltd., etc.

MANAGING AGENTS

MESSRS. RAM BAHADUR THAKUR & CO.
Registered Office:—Samastipur, Bihar.
Calcutta Office:—135, Canning Street.
Branches:—Bombay, Delhi, Madras, Nagpur, etc.

BANKERS

1. THE STATE BANK OF INDIA.
2. THE CENTRAL BANK OF INDIA LTD.
3. THE BANK OF BARODA LTD.

BROKERS

Calcutta

(i) M/s. G. M. PYNE, Allahabad Bank Building, 14, India Exchange Place.
(ii) M/s. SOHANLALL PACHISIA & COMPANY, 9, India Exchange Place.
(iii) M/s. ABDULLA GANGJEE & SONS, 7, Lyons Range.
(iv) M/s. BAGLA & CO., 8, Lyons Range.
(v) M/s. PODDAR SONS, 135, Canning Street.

Bombay

(i) M/s. NAVAL CHAND T. SHAH & COMPANY, Union Bank Building, Dalal Street, Fort.
(ii) M/s. CHIMANLAL J. DALAL & COMPANY, 107, Stock Exchange New Building, Dalal Street, Fort.
(iii) M/s. KANTILAL PURTAPSHI, 97, Stock Exchange Buildings, Apollo Street, Fort.
(iv) M/s. P. R. SUBRAMANYAM, 70-A, Stock Exchange Building.
(v) M/s. KHIMJI POONJA & CO., 19/21, Dalal Street, Fort.
(vi) M/s. L. G. BHOLE, 76, Stock Exchange New Building, Apollo Street, Fort.
(vii) M/s. A. B. PANDIT & CO., 32, Apollo Street, Fort.
(viii) M/s. JASWANTLAL V. BHAGAT, 5, Hamam Street, Fort.
(ix) M/s. NARANDAS & SONS, Union Bank Building, Dalal Street, Fort.

Madras

(i) M/s. MACONOCHIE & CO., Mercantile Bank Buildings, 1st Line Beach.
(ii) M/s. RAMSHANKAR & CO., 9/10, Second Line Beach.
(iii) M/s. KOTHARI & SONS, Armenian Street.

New Delhi

(i) M/s. HARBANS SINGH MEHTA & COMPANY, 33, Regal Buildings, Parliament Street.
(ii) M/s. BHARAT BHUSHAN & CO., H-45, Connaught Place.
(iii) M/s. RAJPAUL CHADDA & CO., Delite Cinema Building, Asaf Ali Road.

Bangalore

(i) M/s. M. NANJAPPAIH JAHGIRDAR, 181, Cavalry Road.

Ahmedabad

(i) M/s. NARENDRABHAI LALBHAI SHETH, Manek Chowk.
(ii) M/s. CHINUBHAI CHIMANLAL DALAL, Manek Chowk.
(iii) M/s. AMRATLAL DALSUKHBHAI HAJI.

SOLICITOR

SHRI B. M. BAGARIA, 6, Old Post Office Street, Calcutta-1.

AUDITORS

MESSRS. THAKUR & CO., Chartered Accountants, 2, India Exchange Place, Calcutta-1.

REGISTERED OFFICE

SAMASTIPUR, BIHAR

CONSENTS

Consents in writing of the abovenamed Bankers, Brokers, Solicitors and Auditors to act in their respective capacities have been obtained and filed with the Registrar of Companies, Bihar, Patna, along with the Prospectus, and have not been withdrawn.

OBJECTS

The Company was formed generally for carrying on all or any of the objects mentioned in its Memorandum of Association. The immediate object is to set up a plant for the manufacture of Writing and Printing Paper with a production capacity of 3,000 tons per annum.

PROSPECTS

In view of the Industrial advancement of the Country, the demand for writing and printing paper has considerably increased. At the present level of production there is a large gap between production and demand. There is therefore further scope for establishment of new units. The advancement made in recent years has enabled paper to be manufactured not only from the traditional bamboo pulp but also from other materials like Rice and Wheat straw and Sugarcane Bagasse. The Company proposes to manufacture writing and printing paper from the above materials mixed with long fibre pulp like that of rags, etc. Plants upto 10/15 tons per day production capacity can be worked not only efficiently but also economically. Some special equipments are being imported for better recovery of pulp and of good quality paper. Application has been made for permission for expansion of the production capacity by 2,700 tons per annum for manufacture of special quality paper.

CAPITAL OUTLAY

The Capital required to reach the stage of production based upon the feasibility report is estimated as follows:

	Rs.
Cost of Land, Building and other miscellaneous expenses	19,00,000
Cost of Machinery, imported or indigenous, including Freight, Insurance, Transport, Custom Duty, Erection and other engineering acquisition (including Brokerage, underwriting/guarantee commission preliminary expenses and other contingencies)	44,00,000
WORKING Capital (excluding such further sums of money as may be required from time to time which will be financed by borrowing from Banks against hypothecations of running stock)	7,00,000
Rs.	70,00,000

This is proposed to be met by:—	Rs.
SHARE Capital	40,00,000
Borrowings from the Industrial Finance Corporation of India	20,00,000
Borrowings from the Bihar State Financial Corporation	10,00,000
Rs.	70,00,000

The Industrial Finance Corporation of India and Bihar State Financial Corporation have sanctioned long terms loans of Rs. 20 lakhs and Rs. 10 lakhs respectively. Both the loans are against equitable mortgage of fixed and other capital assets on usual terms ranking *pari passu* charges. The loan of Bihar State Financial Corporation will carry interest at 6½ per cent. subject to rebate at ½ per cent. on prompt payment of interest and is repayable in 12 yearly instalments first of which is payable on 1st January, 1965. The Managing Agents have agreed to furnish personal guarantees for the aforesaid two loans.

MINIMUM SUBSCRIPTION

The minimum subscription in respect of the present issue upon which the Directors will proceed to allot shares is 2,00,000 Equity Shares of the face value of Rs. 20,00,000 payable in cash.

MANAGING AGENTS

The Company is under the Management of Messrs. Ram Bahadur Thakur & Co., a partnership firm, whose appointment and terms have been approved by the Government of India. The remuneration payable to the Managing Agents is 10 per cent. of the net profits of the Company subject to the limit of sliding scales over Rs. 10 lakhs of net profits as determined by the Government of India. The Managing Agents shall not be paid for the present any minimum remuneration in the event of absence or inadequacy of profits.

SITE

It has been decided to locate the factory at Samastipur by the side of the river Burhi Gandak in the State of Bihar. The selection of the site has been approved by by Messrs. Kinsho Trading Co., Ltd., Tokyo, Japan, the suppliers of the machinery for the project.

LAND AND BUILDINGS

Land measuring about 36 acres has already been acquired near the proposed site for the mill as well as staff and labour quarters.

PLANT AND MACHINERY

Orders for import of Machinery have been placed with Messrs. Kinsho Trading Co., Ltd., Tokyo, Japan, supply whereof is expected to be completed by March 1961.

COMMENCEMENT OF PRODUCTION OF THE MILL

The mill is expected to go into production by October, 1961.

RAW MATERIALS

Sufficient quantity of raw materials like Rice and Wheat Straw, Wastepaper, Rags, Sugarcane Bagasse are available around the proposed site, which can be procured without any difficulty at economical rates.

WATER

The site is on the Bank of River Burhi Gandak which has a perennial flow of water.

COAL AND POWER

Coal will be available from South Bihar for which there is good arrangement of Rail Transport over the Mokameh Bridge on the Ganges. Electric power will be required at the first stage to the extent of 1,200 K.V.A., which will be available from the Government Power House located at Samastipur. The State Government of Bihar has agreed to supply adequate electric power as and when required.

APPLICATION FOR SHARES

Copies of the Prospectus and application forms for Shares will be available from the Brokers, Bankers to this issue and Registered Office of the Company. Applications for Equity Shares must be made for a minimum of 25 Shares or multiple of 25 Shares on the application forms accompanied by the full amount payable on applications, and to be lodged with any branches of the bankers to this issue.

Apex Bank of
Co-operative Movement in
MAHARASHTRA
(Excluding Vidarbha)

THE MAHARASHTRA STATE CO-OPERATIVE BANK, LTD.

This Bank is always ready to help you to build business contacts in Maharashtra

Ask your bankers about it!

Chairman:
SHRI D. R. GADGIL

Head Office:
9, BAKEHOUSE LANE, FORT
BOMBAY 1

Tel.: 255474-75 ESTD. 1911 Grams: FARMERBANK

Branches and Affiliates all over
MAHARASHTRA

C. D. DATEY,
Managing Director.

THE MADRAS ALUMINIUM COMPANY LIMITED

Registered Office: "KAMALA NILAYAM," PEELAMEDU, COIMBATORE 4

AUTHORISED CAPITAL:

2,50,000 Cumulative Preference Shares of Rs. 100 each	Rs.	2,50,00,000
7,50,000 Equity Shares of Rs. 100 each	,,	7,50,00,000
	Rs.	10,00,00,000

ISSUED CAPITAL:

1,50,000 Redeemable Cumulative Preference Shares of Rs. 100 each	Rs.	1,50,00,000
4,50,000 Equity Shares of Rs. 100 each	,,	4,50,00,000

The Subscription List will open at 10 a.m. on 9th January, 1961 and will close at 2 p.m. on 16th January, 1961 or earlier as soon as subscriptions approximating to the amount issued to the public have been received, but not earlier than 2 p.m. on 12th January, 1961.

With reference to the last paragraph under the heading TECHNICAL COLLABORATION (Page 11 of the Prospectus) of the announcement published on 7th January 1961, about the approval of the Government of India of the terms of the Collaboration agreement with Messrs. Montecatini of Italy, we have to clarify that the Government of India have approved the said collaboration on the following terms:

I. (1) Allotment of 45,000 shares of Rs. 100 each in the equity share capital of the Madras Aluminium Company Ltd., Coimbatore, to Messrs. Montecatini of Italy in consideration of the transfer of the collaborators' technical know-how in the field of the mining of bauxite ores and production of alumina, aluminium ingots and aluminium alloys. It is noted that the collaborator would be agreeable not to charge any additional fees for the supply of technical know-how either in regard to further expansion upto 20,000 tons of aluminium smelter or in regard to manufacture of aluminium fabrications.

(2) Payment to Messrs. Montecatini of Italy of a sum not exceeding Rs. 40 lakhs in Italian lire towards engineering fees, drawings, assistance in purchase of plant and other allied services.

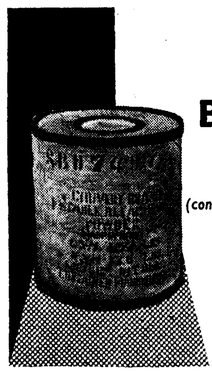
(3) Payment to Messrs. Montecatini of Italy of a sum not exceeding Rs. 35 lakhs in Italian lire for the cost of foreign experts, contractors and agencies for the construction, supervision and other services, charges, etc. This amount of Rs. 35 lakhs represents the payments in foreign exchange to the technical personnel of Montecatini in India. The rupee expenditure on such personnel, it is understood, is estimated at Rs. 15 lakhs.

II. It is noted that Messrs. Montecatini will, apart from the equity shares to the extent of Rs. 45 lakhs issued to them for the know-how, would also invest a sum of Rs. 75 lakhs in equity capital of the company as and when this sum that is being paid to the Italian collaborator for engineering fees and personnel become due.

The reservation of 1,20,000 shares for allotment to Montecatini in page 2 of the Prospectus is to meet the commitments stated above as and when they fall due.

(Sd.) R. VENKATASWAMY,
Director.

Dated 5th January 1961.



CAUVERY BRAND
STABLE BLEACHING POWDER
(containing 33/37% available chlorine)
for
textile bleaching,
water purification,
and environmental
sanitation.

THE METTUR CHEMICAL & INDUSTRIAL CORPORATION LTD.,
Mettur Dam R. S., Salem Dt.,
Managing Agents: Seshasayee Bros. Private Ltd.

MC-826

CONDITIONS FOR ACHIEVING HIGHER PRODUCTIVITY

GOOD LABOUR–MANAGEMENT RELATIONS A DESIDERATUM

A POINT that is often overlooked or not sufficiently emphasised in discussions on productivity is that higher levels of productivity cannot be attained, unless the basic conditions of production, let alone productivity, are created. Any manufacturer will testify that shortage of raw materials and essential machinery and spare parts that have to be imported is the chief obstacle in the way of higher production and productivity. This is no doubt due to the restrictive import policy which the country has been forced to follow because of the difficult foreign exchange situation. If the drive for higher production and productivity is to bear fruit, the import policy should give top priority to raw materials, machinery and spare parts.

The need for relating import policy to the productivity drive was underlined by Mr. H. C. Mahindra in his speech, while moving the resolution on higher productivity and efficiency, at the recent annual meeting of the Associated Chambers of Commerce, Calcutta. At present, he pointed out, production was seriously interfered with by shortage of raw materials or spare parts. These were not available precisely when they were required most. The restrictive import policy, which was responsible for this situation, was understandable, but that did not mean, said Mr. Mahindra, that efforts should not be made to minimise the serious effects the present policy had on production. Attempts now being made by the Government to facilitate imports of essential items, though welcome, were not sufficient to ease the situation. Mr. Mahindra had no doubt that the removal of this bottleneck would constitute a major contribution to the productivity drive.

Encourage Expansion

An issue closely related to this subject is that of encouraging existing industries to produce more which they can do at marginal cost provided they are permitted to do so and given the necessary facilities. Drawing attention to this, Mr. J. M. Lall of the Bengal Chamber of Commerce, pointed out, that a number of industries were being asked to limit their production, or not to make extensions to their existing units, in order to enable uneconomic units to be installed. He suggested that, instead of restricting existing industrial units from producing more than their licensed capacity, Government should encourage them to do so, by giving some form of income-tax relief on additional production.

Mr. Mahindra, of course, did not underrate the importance of creating a climate conducive to productivity improvement. He conceded that, of late, productivity had received much attention both in Governmental and business circles. But the practical effects of this were still depressingly 'meagre' and the country was still not productivity-conscious in the sense that there was no general awareness of the need for higher productivity and the benefits that flow from it. There was, therefore, need for intensifying the efforts of the National Productivity Council to promote productivity consciousness.

Mr. Mahindra then went on to say that educational efforts must, to a large extent, aim at fostering a new attitude to productivity among workers. At present, the attempts made by employeers to improve efficiency was viewed with suspicion by workers. This was due to lack of confidence in the employers' intentions and bona fides and a fear that new methods aimed at increasing productivity would result in contraction of employment and increased workloads.

Role of Trade Unions

The task of educating the workers and readjusting their mental attitude to productivity-oriented change and experiment is one in which trade unions can play a leading role. Mr. Mahindra did well to stress their role in the matter. Trade unions, according to him, had hitherto shown hardly any awareness of the problem. He felt that it was in their own, as well as in the national, interest to inculcate in workers a belief in the need for higher productivity. Mr. Mahindra conceded that in such matters as these the responsibilities were mutual. He defined employers' role as follows:

"It is their duty to see that the workers receive a fair share of the benefits arising from improved output and higher productivity. When increased productivity is the result of greater effort and improved skill on the part of the workers, they must be rewarded with an appropriate share of the value of the increment in output. Generally, however, such gains are not entirely due to greater effort on the workers' part. They are usually, at least partly, due to expenditure on the creation of better working conditions and investment in new equipment and techniques of production; and, where such factors are involved in increased production, each must receive due weight in the sharing of the gains."

While a change in the attitude of employers and workers was necessary, that alone, according to Mr. Mahindra, was not sufficient. The attitude of labour courts and tribunals also needed to be productivity-oriented. In spite of the recommendation of the Fair Wages Committee (1949) that productivity should be one of the factors to be taken into consideration in assessing fair wages, in practice, labour courts and tribunals continued to take cognisance of only the arguments with which wage claims are commonly supported by the unions, namely, the vague concept of social justice and the inflationary course of the cost of living index. This attitude, he pointed out, must give place to the recognition of the dependence of real wages on productivity. More and more importance should be attached to the introduction of incentive schemes and linking increases in wages to productivity. Incentive schemes should be based on standards of performance evolved from scientific work studies and work measurement.

Labour Laws

Neither a change in the attitude of workers and management nor plentiful supply of raw materials, stores, spares and machinery can result in higher production, if labour laws, which regulate industrial relations, are defective. In fact, defective laws, or the absence of suitable legislation can do more harm to labour-management relations and the smooth flow of production than is generally recognised. Quite a few instances of interruptions to production caused by defective labour laws were cited by Mr. E. F. G. Hunter, in the course of his speech at the aforesaid meeting of the Associated Chambers of Commerce of India, moving the resolution on labour relations.

Mr. Hunter said that, in industrially advanced countries, labour relations were founded on the premise that wage and conditions of work should, wherever possible, be determined by voluntary agreements between trade unions and employers' organisations. Employers in India had accepted this essential principle of collective bargaining in a realistic manner. But they had good reasons to be concerned over the attempts of minority unions to frustrate or break agreements between the management and the majority unions. This problem, Mr. Hunter averred, was aggravated by the Supreme Court's interpretations of the provisions of the Industrial Disputes Act (in the case of the Associated Cement Companies *vs.* its workmen) to the effect that a minority union in an industry or an establishment can terminate an award which meant that it could also terminate a settlement entered into with a majority, and therefore, representative, union.

Recognition of Unions

Attempts made by irresponsible trade unions to keep workers in a state of perpetual unrest can best be met, according to Mr. Hunter, by strong action by the Government against the leaders of the unions concerned. Apart from penal action, the Government should pass legislation to the effect that only one union could be recognised for an industry in a local area—a principle which is incorporated in the second Plan—and that agreements between employers and such trade unions could not be terminated by other trade unions or groups of workers. It should also be laid down, Mr. Hunter suggested, that no union other than the recognised one might raise an industrial dispute in any industry in a local area.

There is considerable force in the contention of Mr. Hunter that, if a minority union were allowed to have its way, irrespective of the agreement or understanding reached between the management and the majority union, industrial peace cannot be expected. The position is worse when, as is usually the case, the minority and majority unions are controlled by rival political parties. For then political rivalries between them will invariably be reflected in the relations between the unions. The remedy suggested by Mr Hunter, namely, making agreements reached by management and the majority union binding on minority unions, however, involves the fundamental issue of the right of a worker, or group of workers, to raise a dispute on his or their own without joining or identifying himself with a union. This problem has now acquired new dimensions because of the application of the Industrial Disputes Act to a variety of employees, including the middle class (as, for example, working journalists) which does not wish its cause to be championed by political leaders who dominate trade unions but which, at the same time, needs some protection against exploitation by unscrupulous or die-hard employers. This aspect of the question needs to be considered carefully before a final decision is taken along the lines suggested by Mr. Hunter.

EMPLOYEES' PROVIDENT FUND

The Employees' Provident Funds Scheme, framed under the Act of the same name, applied to 39 industries at the end of March 1960, as compared with six initially, according to the annual report on the working of the scheme during 1959-60. The number of subscribers to the Fund increased to 2.7 million during 1959-60 from 2.54 million in the previous year. The total contributions to the Fund amounted to Rs. 16.36 crores, as compared with Rs. 14.59 crores in 1958-59.

The scope of the scheme was widened during the year to bring certain classes of workers within its ambit: (a) employees working outside the precincts of a covered establishment in connection with its work; and (b) employees, with emoluments exceeding Rs. 500 per month, if they apply for membership of the Fund with the consent of their employers.

The condition regarding the qualifying period for membership of the Fund was also liberalised so that an employee, who actually worked for not less than 240 days, during a period of 12 months or less, became eligible for membership of the Fund. Previously, the qualifying period was one year's continuous service or actual work for not less than 240 days, during a period of 12 months. As a result of the amendment, a regular worker could become a member of the Fund without having to complete 12 months.

During the year, contributions to the Fund continued to be invested exclusively in Central Government Securities through the Reserve Bank of India, but the pattern of investment was slightly altered in order to fetch a better yield. By the end of March 1960, a sum of Rs. 73.40 crores had been invested, and the yield from these investments during 1959-60 was Rs. 2.09 crores, as compared with Rs. 1.58 crores in the previous year.

The number of establishments covered under the Employees' Provident Funds Act, on a voluntary basis, increased during the year from 53 to 95, an index of the growing popularity of the scheme among the employers also.

Further efforts were made during the year under review for recovery of outstanding amounts. Against recovery cases filed during the year and the overdues of the preceding year, a sum of about Rs. 2.09 crores was realised; this was more than twice the recovery during 1958-59, which stood at Rs. 98.76 lakhs. At the close of 1959-60, 1,747 revenue recovery cases were pending involving a sum of about Rs. 2 crores.

During the year, a special reserve fund, with Rs. 20 lakhs transferred from the reserve and forfeiture account of the Employees' Provident Fund, was set up to assist outgoing members of the Fund or their nominees or heirs, in cases where their employers had not paid in full the provident fund contributions.

HUMAN IMPLICATIONS OF WORK STUDY

Observation of the effects of work study on human relationships and day-to-day organisation is reported in a case study published by the U.K.'s Department of Scientific and Industrial Research. It deals with the impact of work study at all levels in an industrial organisation and describes what happened during, and after, the introduction of work study by consultants into a medium-sized firm in the English Midlands. It is a study of change and people's reaction to it.

The D.S.I.R. say that the application of work study was not wholly successful, but subsequent analysis of the difficulties encountered revealed that their real cause was neither obvious nor technical—they were due to different expectations and basic assumption of the various groups concerned. For example, the same words and phrases held quite different meanings for different people. Analysis showed that the changes which were introduced involved a closer control of people's activities and they felt under constraint and pressure. Management and the consultants did not anticipate this closer control nor did they recognise it when it happened. While making it clear that it is impossible to draw up a series of "do's" and "don'ts" for the introduction of work study, the report contains a number of useful recommendations and is issued as a work valuable both to industry and for teaching purposes in management courses.

INDIA'S AIR TRANSPORT

SOME SUGGESTIONS FOR DEVELOPING IT ALONG THE MOST FRUITFUL LINES

By WING COMMANDER R. VAUGHAN-FOWLER, R.A.F. (Retd.)

AIR Transport is an essential part of a country's communications, its national importance increases in direct proportion to the size of a country. India being a large country, air transport becomes a vital factor in the industrial, domestic and political life of the whole nation.

Under the existing laws governing air transport in this country, the major scheduled air services are operated by two Government-owned corporations. The Indian Airlines Corporation is responsible for all domestic air services and connecting links to neighbouring countries and the Air-India International operates all India's international air services; these now stretch across Europe and the North Atlantic to New York, north-east to Tokyo and southwards to Sydney.

Within the framework of our national air power, a few non-scheduled operators are permitted to maintain certain air services, also special charter flights, including a variety of airlift functions under special short-term licences. This is the greatest weakness in our air transport system, as, due to the restrictions imposed on these "non-skeds," as they are known, they are not financially healthy.

No Merger Please

There are two distinct classes of scheduled air transport, international and domestic. Each has its own particular problems and these are resolved by operations of an entirely different kind. The types of aircraft employed are entirely different. Even the functions as well as the aircrews' daily life routine is different. These factors and many others have to be taken into account when proposals are made to merge the two national airline Corporations. Those who are not conversant with airline management and operation are often deceived into the belief that there are many advantages to be gained by having all air services operated by one giant corporation. In practice, this would prove unwieldy as well as being technically unsound. The economic gains are only problematical, as, in practice, savings would be unlikely to be more than petty.

Our domestic air services are quite extensive, approximately 100 aircraft are engaged with 327 pilots, the total number of employees being 9,553. The I.A.C. is not a small undertaking and its traffic is increasing. It is estimated that, in five years' time, the number of passengers carried and tons of cargo moved will more than double. No increase in technical or traffic staff to carry the extra work-load should be necessary for some considerable time, as the present revenue ton-miles flown per employee are exceptionally low as compared with other operators handling the same class of air traffic.

Obviously, to plan and develop air services on such a scale as the country really requires calls for the full time attention of the executives—they have more than enough to handle without complicating operations by mixing in international operations, with all the additional complications involved in crossing frontiers.

Air-India International is heavily engaged in a perpetual struggle for existence amongst a horde of competitors many of whom are gigantic organisations. Competition does exist, although not in air fares as these are fixed under international agreements rigged by the International Air Transport Association and approved by Governments. It is much to the credit of Air-India International that its sales staff procure a very good share of the traffic offering in all the countries the Corporation serves.

Our international airline Corporation would soon find itself in complications, if it mixed in domestic air transport services. These are particularly complicated in India, because each of the States has certain autonomous rights which, incidentally, permit the operation of air services within the State boundaries by independent operators, in particular the Flying Clubs. No advantage has been taken of this right, although it could be a very lucrative activity for the more advanced Flying Clubs.

Jungle Air Services

It is important to realise that the air transport policy in India requires different treatment to that which may have been adopted in other countries. There is no logical reason why an experienced Flying Club employing qualified staff should not engage in short haul internal State air services, using single-engine and small twin-engine aircraft, which are perfectly safe and adequate and which are similarly employed in many parts of the world. For some unexplained reason, no Flying Club has displayed enterprise in this direction, with, perhaps, the exception of one, the Hind Flying Club. It is significant that, many years ago, long before the last world war, the Delhi Flying Club operated a regular service for the carriage of mails between Delhi—Jodhpur—Karachi. This successful operation has at least proved that, with good management, activities of this kind can be undertaken by the Flying Clubs.

In both Australia and Canada, there are excellent examples of this class of air transport in the "bush" and "back-woods" services which are frequently operated by individuals who are working in these out-of-the-way parts of the country. For example, in Australia, many doctors fly the "flying-doctor" services which seem to go everywhere and land anywhere. In addition to transportation, many of the farmers use aircraft for agricultural purposes. In India, very little interest has been taken in developing these sides of our national air transport system.

Bearing in mind the vast areas ill-served with surface transport, and the difficulties of bringing medical service to the villages, also administration, and fast communications for the majority of the population, one wonders why there has not been some move to develop "Jungle Air Services" operated by the Flying Clubs, each working within the limits of its own State boundaries.

It will be a mistake to regard such services as unimportant. Not only would they benefit the State Governments even if they did have to pay a few hundred thousand rupees per annum in subsidy, but such services would automatically create entirely new traffic for the nationalised domestic scheduled air services. Many people would become accustomed to aircraft operating with regularity, confidence in the use of air transport would be created throughout the countryside and not only in a few of the larger cities. Many would at least try a ride to the nearest city, and, finding that a pleasurable experience, they might well be persuaded to venture further afield; then, they would become passengers for I.A.C.

Any suggestion that I.A.C. should indulge in this class of air service should be strongly opposed. The Corporation already has more than enough to do developing both the secondary and the major scheduled air services. Policywise, it would be just as bad for I.A.C. to become a jungle operator as it would be to merge the two nationalised airline Corporations into one giant organisation.

For some unexplained reason, many M.Ps. seem to have fixed ideas in regard to commercial air transport. They hold the view that only the two nationalised airline Corporations should be allowed to engage in air transport. To create giant monopolies is economically unsound and, if all competition is eliminated by law—and many want it this way—our airline Corporations in the years ahead will become indifferent to public demand. The air services will deteriorate and will not meet the needs of a country with expanding industry. What have the Corporations got to fear? There is more business than they can conveniently handle and some classes of air traffic requires the elastic treatment that the non-sked operator specialises in. Flying off the beaten track is not part of the business of scheduled airline operators. The two do not go together.

One vital aspect must not be overlooked. The country needs a large reserve pool of pilots. Also, small communication aircraft are required in large number in the event of war or immediate danger of war. There could be no better way of experiencing hundreds of pilots in real jungle flying. Getting on with the job on their own, without all the aids common to air route flying. The Government grants liberal subsidies to the Flying Clubs, but they do little more than teach pilots to fly round the houses. By developing jungle air services, many pilots would find employment and they would become a valuable asset to the country. Defence should not disregard this possibility, and, in reason, Defence might help financially to get the jungle air services going.

Interline Co-operation

The possibility of I.A.C. and Air-India International co-operating closely in respect of certain common requirements is well worth review. There are two considerable activities in which both Corporations engage which are actually somewhat outside the field of aviation. Surface transport is one, and the other is catering. Both are specialist forms of business, requiring expert handling. There are many users of both these services in addition to the two Corporations, many foreign operators call at our major airports and have need of catering facilities as well as surface transport.

It is a matter of opinion if individual operators should handle these services themselves. There are very good reasons clearly indicating that the logical answer is for all surface transport to and from the airport to be common to all airlines. It should be operated by an entirely independent organisation which would charge for the carriage of passengers and other than hand luggage. Coach services would have to be operated so as to ensure the air passengers city centre or airport departures within reasonable waiting time. At a busy period of the day when air services are coming and going frequently, the coaches to and from the city would require to operate at least every fifteen minutes. During the slack periods, a less frequent service would be adequate. The services would operate to meet the public demand.

A public service of this nature would relieve the airline operators of the heavy cost of maintaining their public transport, also their aircrew transport which could be under contract with the coach operator. If this system could be applied internationally, it is believed that it would lead to a reduction in air fares.

Catering is one of those headaches which the airline operators have brought upon themselves. International operators use their meal service and the specialities they can offer as direct inducements to passengers. Putting it another way, meal service in the airliners has become a form of competition between operators. Their fares are regulated by international agreement, fixed by the International Air Transport Association and confirmed by individual Governments. Competition can only take the form of something better, such as a more comfortable seat, or a more luxurious meal. Good personal service plays an important part, also a friendly atmosphere in booking and transit offices undoubtedly does much to create passenger goodwill. Air-India International is particularly adept at creating the right atmosphere. Even allowing that each particular operator requires some special menu, it should still be practical at the major airports to establish central catering establishments to serve all airlines. Presumably, it should be possible to achieve as good results as the individual operators now manage, but a universal caterer could surely produce at a lower cost.

These aspects of air transport may appear unimportant. Actually, they are not. For air transport to achieve the maximum service to the public, air fares have got to come down and anything that helps to reduce the actual cost of operation must be regarded as important.

Airport Administration

Airport maintenance costs are an indirect charge that has got to be met. If the returns from aircraft landing charges, housing, and airport building rentals fail to cover the total cost of maintaining the airport, then somebody has to make good the loss.

(*Continued on page 79*)

MONETARY STABILITY AND LIFE INSURANCE

RESPONSIBILITY OF INDUSTRIAL COUNTRIES

By Per Jacobsson

MANAGING DIRECTOR, INTERNATIONAL MONETARY FUND

LIFE insurance companies all over the United States are entrusted with the care of much of the savings of the citizens of their country. By and large, these savings come from people with quite moderate incomes, giving them security over the years ahead. It is a terrible thing if, by a wild inflation or because of unwise management, their efforts to provide for safety and security would come to nought, and such calamities have occurred in more than one country during my lifetime. The consequences have not been confined only to the economic field, and, particularly in Europe, have had political effects not very pleasant to recall.

It is, as a rule, those who have a sense of foresight and responsibility that take out life insurance—people who are in many respects the backbone of their country. If these people lose what they have painfully saved, political power may get into less responsible hands. This is probably the more dangerous nowadays when Governments have a greater capacity to direct, and even suppress, the lives of the inhabitants, but it was bad enough even in the past. Some of the world's greatest writers, among them Goethe and Voltaire, have written memorable words about the nature of inflation. Voltaire, after the crash caused by the inflationary policies pursued by John Law, the Comptroller-General in France early in the eighteenth century, remarked: "Paper money has returned to its intrinsic value."

In all these circumstances, it is natural that those responsible for life insurance funds should concern themselves not only with the problems of safe and suitable investments from an accounting point of view, but also with the general trend of prices in order to determine whether or not there is likely to be any substantial change in the value of money.

Fiscal and Credit Policies

If we examine those countries in Europe which have passed through periods of almost limitless inflation since the last war—for instance, Germany and Italy—we find that, for a number of years, saving was unpopular and people almost ceased to take out life insurance policies, for they had no confidence in their national currencies. To restore monetary confidence, the authorities in these two countries decided to carry out very cautious fiscal and credit policies, designed to build up substantial reserves. I need hardly tell you that they succeeded in restoring confidence in the mark and the lira. There has been a revival in the business of the life insurance companies, which has been greatly beneficial from both an economic and social point of view. I might add that the cautious fiscal and credit policies which these countries have pursued have not impeded economic growth. On the contrary, economic expansion in Germany and Italy has been at a higher rate than in almost any other country. We have here very telling evidence that the objectives of monetary stability and economic expansion are in no way incompatible.

There are a number of other countries which have been spared the ordeal of galloping inflation, but which nevertheless have had to submit to a fair dose of inflation, both during and since the war. For instance, in the United States, prices are now fully twice as high as they were in the 1930's. But this has not really impaired confidence in the currency, and therefore has not curtailed the business of life insurance companies. Fortunately, the price increases were, on the whole, gradual. In the minds of the public, a dollar has remained a dollar—even if the statisticians do tell us that today the dollar is worth only fifty cents. But for the ordinary man who is busy earning his living, this statistical calculation has not been an impelling reality in his daily life.

I think that the ordinary citizen also took into account, perhaps subsconsciously, that the world war was such a great calamity, such a vast and fearful undertaking, that it had to be accepted that there would be certain price increases. And while shortages existed after the war, the people in the United States also accepted, I think, with a certain equanimity, the continued rise in prices. As the years passed, however, and supplies became more plentiful under conditions of fully restored production, the public began to expect the authorities to arrest inflation and restore the benefits of stable money. In the U.S., fortunately, price increases have become much less marked in recent years. Over the last two or three years, wholesale prices have been practically stable, and the cost of living has risen by little more than one per cent. a year. This stability has already had beneficial results, and I think it came in the nick of time, for there were certain signs of uneasiness in the minds of the public.

Long-term Interest Rates

The stability of world prices has been helped by the increase in the output of goods of all kinds, which now far exceeds the pre-war production. There are plentiful supplies of fuel (both coal and oil), and of the whole range of raw materials and foodstuffs. More and more consumer goods are available, and there is an increasing output of all kinds of tools and machinery. Transport facilities have been expanding, and freight rates are still low. At the same time, there is a greater willingness by the authorities to pursue cautious fiscal and credit policies. Inflationary financing of budget deficits is looked upon with disfavour, and, in any case, long-term interest rates are no longer pegged at any artificially low levels.

As far as the supply of goods is concerned, there is no reason to believe that production will not continue to increase as a result of the large investments which have been made in practically all fields. Nor are there any reasons to expect any irresponsible reversal of financial policies, or such a "pushing up" of costs that prices must inevitably be raised. I would like in this connection to make three observations:

First, the very fact that we have not one country in the world, but a number of countries with their own fiscal and monetary policies, constitutes a certain safeguard against inflation. For given present ideas and the mood of people, it is most unlikely that any number of countries would adopt inflationary policies at the same time. If one or two countries were to do so on their own, they would soon experience a deterioration in their balance of payments, resulting in a reduction in their gold and foreign exchange reserves, and the likelihood is that these warning signs would be heeded and that the proper corrective measures would be taken.

Secondly, although a large country can have a greater influence on world prices than a smaller country, I think, that for a number of reasons, the United States alone can no longer determine the trend of prices on world markets. Indeed, I would go so far as to say that I believe that these trends are today largely determined by forces outside the United States. Western Europe imports about three times as much raw materials and foodstuffs as the United States, and most of the international commodity markets are situated outside the U.S. The United States is so largely self-sufficient that its influence on world prices is not in proportion to its economic capacity and output. It is, therefore, not surprising that, in the last few years, the United States has felt more strongly the impact of competition from other countries, and market conditions abroad have had an effect on prices here.

Thirdly, in the past, great wars have been the cause of inflation, but in between those wars there have often been long periods of considerable stability; that was the case not only in the nineteenth century between the Napoleonic wars and the First World War, but also in earlier times. If it is true that the very frightfulness of a nuclear attack will prevent a third world war, the chances for a period of monetary stability would seem to have been greatly enhanced.

No Recession

You will no doubt recall the state of mind which prevailed in the U.S. a year ago, when we heard so much optimistic discussion about continued and growing prosperity in the "roaring sixties." There were, however, a few who did not share this exuberant optimism, but held the view that the U.S. economy would have to pass through a period of somewhat difficult readjustment. After years of predominantly inflationary climate, the economy had to be adjusted to conditions of more stable prices: in other words, it was necessary for people to learn how to live without inflation. Much of the readjustment which was necessary has already been carried out and, I am glad to say, under conditions of quite good business. As was to be expected, it was accompanied by a certain relaxation in activity. There has been some discussion whether or not this relaxation should be called a recession. This is really a question of terminology.

I do not think that the recent relaxation can be compared with a cyclical decline in business activity. So many of the typical signs of a cyclical decline have been absent; the total awards of heavy construction contracts have, for instance, this year been some 12 per cent. larger than last year; and, internationally, boom conditions have continued—especially in Europe. The relaxation here has been the direct result of the "deflation of inflationary tendencies," to employ an expression of Mr. William McChesney Martin, the Chairman of the Federal Reserve Board in Washington. It was indeed fortunate for this country that the change in psychology came at the time when there was no cylical decline, for it might have had disastrous effects if it had coincided with a real recession.

Boom Gone

Recently, however, there have been some signs of a moderation of the boom in Europe, and also of some intensification of the relaxation in the U.S. Even so, I believe that, in certain respects, business conditions in the United States are today somewhat healthier than they were a year ago. In the first place, a considerable readjustment has already taken place. For many products, domestic and export prices have been adjusted to what the market can carry. Inventories have not risen. Stock exchange prices are more realistic now that there is little or no hedging against inflation.

And this is true not only of the stock exchange. Businessmen's expectations generally are more realistic. There may still be those who dream about the possibility of raising prices without any adverse effect on sales, but they are getting fewer and fewer. This change in expectations has had an influence on the attitude towards costs. In brief, there is today a stronger resistance against cost increases than there has been at any time since the war.

U.S. Balance of Payments

As far as the balance of payments is concerned, it is common knowledge now that there has been an impressive increase in U.S. exports, which may amount to $3½ billion for the year, and that imports have remained at very much the same level as before. Although the increase in exports has been facilitated by the boom in Europe, it proves, I think, that American industry can still compete in many export markets. There has thus been a basic improvement in the U.S. balance of payments, and the trade surplus will probably amount to $4½ billion. With net income from investments and services, making $6½ billion, this should be more than sufficient to cover all Government expenditure abroad, including expenditure for military purposes and official foreign assistance of all kinds.

The improvements which I have just mentioned have taken place in what the Europeans call "the current account of the balance of payments." For the United States, this account is now fully in equilibrium, and this has already contributed to a less pessimistic evaluation of the U.S. balance of payments' problem and to a calmer attitude in recent weeks on the foreign exchange and gold markets.

But the U.S. balance of payments is also affected by movements on capital account—private long-term investments abroad and movements of short-term funds. With a strong boom in Europe, interest rates there have been higher than in this country, and so, for some time, it has been possible to invest funds more profitably in Europe. But, when such investments are made, the United States acquires valuable assets as a counterpart. The outflow of funds has, however, been considerable, and, for 1960, the overall deficit in the balance of payments will probably reach $3½ billion, and thus be of about the same magnitude as in 1958 and 1959. Such a large deficit can obviously not be allowed to continue for ever, and neither will the boom in Europe last for ever. Official discount rates have recently been reduced in France, Germany, and Great Britain, and it is likely that these reductions will have some influence on the movement of short-term funds.

Europe

As far as more permanent investment abroad is concerned, I am inclined to think that, before very long, some alleviation will also set in. For I believe that there will in years to come be more capital available in Europe for use abroad. It is expected that the population there will grow at a slower rate than in the United States; the experts tell us that, in the next forty years, the annual increase in population in Western Europe will be about 0.7 per cent., while, in the United States, it will be something like 1.4 per cent., and in the rest of the world nearly 2 per cent. Much of the demand for capital comes, of course, from the needs of a growing population, not only for houses, hospitals, schools, and services, but also for tools and equipment. It is interesting to remember that, before 1914, France, with a relatively small rate of growth of population, was the main centre for the issue of foreign loans. If, therefore, more capital is available after meeting Europe's own needs, it will very likely flow to other Continents, including the United States. It will presumably take many forms: the financing of international trade, repurchase of assets now owned by Americans in Europe, purchase of stock exchange securities, as well as direct investment by Europeans in the United States.

Do not let me give the impression, however, that there will be any immediate relief for the U.S. balance of payments. That country will still have to continue with cautious fiscal and credit policies, and watch the trends of costs. A few weeks ago Professor Galbraith, in a statement on the U.S. balance of payments' problems, put the avoidance of cost increases as the No. 1 desideratum of the policies to be pursued to reduce the overall deficit. I agree with him that this should certainly have the very highest priority. Money wages are high in the United States, and so is productivity, but the relation is not so comfortable that costs can be allowed to increase without giving rise to a danger that U.S. industries might price themselves out of export markets, with further adverse effects on the balance of payments.

An Illusion

Some people clearly recognise this danger, but think that attention to costs is required only for balance of payments reasons, and believe that, if it were not for the balance of payments, the U.S. economy would enjoy much greater freedom of action. As far as I can see, this is an illusion; there is an equally great danger that American industries might price themselves out of the domestic market as well. One of the main objectives of policy in the coming year will be to overcome the slackening in activity and reduce unemployment. Whether one listens to Keynes or his predecessors, an essential condition for success is that costs should not be allowed to increase. I think that, in the present state of activity, the authorities can well permit the continuation of fairly easy money and also take steps to stimulate activity, especially in the depressed areas, provided the measures taken do not lead to cost increases or hamper the essential adjustments of the free market. The experience of many countries shows that a combination of cost adjustments with credit expansion is the most effective way of achieving a recovery in business activity. Costs can, of course, be reduced in many ways, even without reducing money wages. Indeed, cost adjustment through rationalisation is the policy most likely to improve real wages over a period of time under conditions of rising employment.

Easy Money—Dear Money

When I said that a fairly easy money policy may be pursued, I would like to underline that this will basically reflect the continuing high level of savings in this country. While business has passed through the transition from an inflationary psychology to the expectations of more stable prices, there has been a certain tendency to hold back a little in making investments in stocks and bonds, and also in plant and equipment. Those who have funds at their disposal have often preferred to keep a large part liquid. As a consequence, there has been an accumulation of funds awaiting investment. This is generally "good" money—money earned and saved—most of which is likely to seek in the end more permanent employment, and which will thus exert a steadying influence on capital values. I believe we have seen signs of such an influence in recent months on the stock and bond markets—and this has had a steadying influence on confidence.

For the future, easier money conditions in the short-term market and subsiding fears of inflation will naturally tend to bring interest rates down in the long-term market as well. But only if business fails to pick up again would long-term rates decline substantially. When recovery sets in after the present period of relaxation, there should once again be a strong demand for capital, which would bring to a halt any further decline in long-term rates. *The experience of the last seventy years shows that there has been a concurrence of rapid economic growth and rising interest rates. In those conditions, rising rates do not impede growth, they are rather a reflection of growth. Instead of being looked at askance, rising interest rates should then be considered as a sign of favourable developments—something to be welcomed* (Italics ours—ED.)

Now these considerations will have some consequences for debt management policies. The limitation of a rate of interest of 4¼ per cent. on the issue of Government securities with a maturity of more than five years poses rather less difficulties today than it did a year or so ago. But it may well happen that, with more business activity, this limitation may once again prove to be a serious disadvantage and I think it would be proper to consider a relaxation of this limitation well in advance of any change in market conditions. May I add that, for anyone familiar with the capital markets in Europe, it seems strange, indeed, that such an inflexible limitation is maintained in this country. I do not want to imply that the U.S. should feel it necessary to follow what is done in Europe, but I do believe that, in the future, this limitation may be a handicap not only internally but also in U.S. financial relations with the other side of the Atlantic.

U.S. Monetary Reserve

In a recent speech, Mr. Henry C. Alexander, Chairman of the Board of the Morgan Guaranty Trust Company of New York, also suggested that the Federal Reserve System's obligation to maintain 25 per cent. gold backing against notes and deposits should be abolished, so that all the U.S. gold would be fully available as cover against external liabilities. In a Staff Study on International Liquidity, which was published by the International Monetary Fund in 1958, it was noted that a great number of countries have seen fit to abolish cover requirements in terms of gold, because gold is mostly no longer needed for internal purposes, but only for the settlement of international obligations. For my part, I think it would be all to the good if the maintenance of the 25 per cent. gold cover rule, as well as the 4¼ per cent. interest rate limitation, could be removed simultaneously. I am sure that opinion abroad would regard the simultaneous removal of these two limitations with approval, and that such steps would thus contribute to a strengthening of confidence in the dollar.

Looking back at the relations between the financial forces here and in Europe over the last forty years, two things stand out. The first was a failure: the failure to establish close relations between the European and American financial authorities in the period between the two world wars. The result was the derangement of the world's financial affairs throughout the 1930's, when the world was split up into separate currency areas—the dollar area, the sterling area, for a time the gold bloc, and Dr. Schacht's regime in Germany and Eastern Europe. The punishment was a complete stagnation of world trade, with massive unemployment in many countries.

The second event of outstanding importance was the pre-eminence of the United States in financial affairs after the Second World War. I think it must be said that the United States used this pre-eminence with a magnanimity and generosity which, even though it may have been in its own enlightened self-interest, will stand out in history as an almost unparalleled act of statesmanship.

Underdeveloped Countries

But events have moved on and we are now in a new situation. The European countries have recovered from the ravages of war, and can again play their part in the world's economic and financial affairs. Today, Western Europe has an influence on the trend of world prices at least as great as that of the United States, and it will probably be able to provide, as I have already mentioned, increasing amounts of capital for investment in other parts of the world. The Western European countries should then be able to share more fully in assistance to the less developed areas. Co-operation between Europe and the United States in the formation of economic and financial policies will indeed be essential. I think this is becoming more generally appreciated. One of the purposes of the International Monetary Fund, as set out in its Articles of Agreement, is to promote international monetary co-operation and to provide machinery for consultation and collaboration on international monetary problems. The Fund can play, and has already played, a very useful role in this respect. The transformation of the Organisation for European Economic Co-operation, in which the United States and Canada are associate partners, into the Organisation for Economic Co-operation and Development, in which the United States and Canada will be full members, is also an event of great significance.

Fortunately today, the leading industrial countries have nearly all accumulated sufficient—or almost sufficient—reserves, taking into account the secondary reserves available to them through access to the International Monetary Fund. In these circumstances, the industrial countries can together exert a very great influence on the world's monetary affairs. I should like to finish with a plea for support for an increasingly close economic and financial collaboration between Europe and the United States. This is, of course, largely a matter for the authorities, but the support and example of influential private institutions—and not least those which manage so great a portion of the public's savings, as the life insurance companies—can be of real help in achieving this objective.

Note.—This article has been adapted from the speech of Mr. Jacobsson at a luncheon following the annual meeting of the Institute of Life Insurance in New York on 13th December, 1960.

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES
* DEMAND DRAFTS * LEDGERS
* PAY-IN SLIP BOOKS * PASS BOOKS
* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

CONSERVATION OF FOREST WEALTH

SHORTAGE OF TIMBER FEARED

THE immense potentialities of forests in promoting the tempo of industrial development have not yet been adequately appreciated in this country. For centuries together, there has been a persistent destruction of forests for a variety of reasons. It is said that over 75 per cent. of India's forests have been cleared so far for agricultural purposes alone. Besides, forests have been relentlessly exploited for purposes of fuel. What is unfortunate, however, is that the exploitation of forests was not accompanied by any scientific measures for afforestation. Consequently, there has been decadence of forest wealth. It is only now that the immense damage inflicted on India through thoughtless and unplanned destruction of forests has come to be realised. The inception of planning in the last decade and the development of industries, particularly saw-milling, paper, plywood and rayon, as also the growth of building construction, mining activities and communications, has brought to light the grave deficiency of forest resources, especially timber, in Indian economy. The havoc played by floods in many parts of India has also been a grim reminder of the need for re-establishing forests. A recent pilot survey jointly held by the F.A.O. and the E.C.A.F.E., with a view to assessing the timber trends in this region, has drawn pointed attention to the fact that India is likely to suffer from "serious shortage of wood products in the next few years." The Draft Outline of the third Five-year Plan also concedes that "supplies of all kinds of timber are likely to fall appreciably short of demand over the next 15 years, unless appropriate remedial measures are adopted." This is a pitiable situation, in that the shortage of forest products, resulting mainly from human indifference and lethargy on the part of our agricultural ministers, will virtually put a break on the growth of certain industries which are vital to the onward march of India.

Small Forest Area

At present, only about 20 per cent. of the total geographical area in India is covered by forests, which compares unfavourably with the world average of about 33 per cent., or one-third of the total land surface. The *per capita* forest area in India is as low as about 0.5 acre, as against 9 acres in Russia and 4.5 acres in the U.S. Not only is the percentage acreage too low, but the productivity of Indian forests, or the yield per acre, is substantially below those in industrially advanced countries. Productivity per acre per annum is placed at 3 c.ft., as compared with as much as 57 c.ft. in France, 37 c.ft. in Japan and 18 c.ft. in the U.S. Further, forests are unevenly distributed, with the proportion of forest land varying from 11 per cent. in the north-west to about 44 per cent. in the central region. Explaining this, the Planning Commission says, in the second Plan, as follows: "Forests are most scarce in areas where they are most needed as, for example, in the densely populated and intensively cultivated gangetic basin. Over most of the country, the forests are of a tropical character, being naturally somewhat open in the drier region and being everywhere composed of a large variety of species of which only a few have an economic value. Thus, an acre of forest land even in the valuable mixed moist deciduous forest yields less utilisable timber than an acre of forest in the purer European forests. Some improvement in this matter can be effected (and indeed has been effected) by finding uses for secondary timbers through research and by avoiding waste in extraction." It is against this background that the National Forest Policy Resolution of 1952 sought to raise the area under forests to 33 per cent. of the total area, the proportion to be aimed at being 60 per cent. in hilly regions and 20 per cent. in the plains.

In spite of this policy of extending the area under forests, the figures published by the Government show that the acreage under forests has actually declined. Thus, the area under forests fell from 277,232 sq. miles in 1950-51 to 263,701 sq. miles in 1955-56, the latest year for which data are available. Area under coniferous forests, in particular, suffered a distinct setback, such having fallen by about 30 per cent., that is, from 14,107 sq. miles to 9,736 sq. miles. The table in column 1 shows the classification of the area under forests from the point of view of composition, out-turn and legal status.

The output of forest products in general has shown steady increase in recent years. It may be noted that, in terms of quantity, firewood is the most important item among major forest products, accounting as it does for about 60 per cent. of the total. This is, of course, the case with the other underdeveloped regions as well. It is estimated that, in Asia, Africa and Latin America, about four-fifths of fellings are used as fuel locally, whereas in the developed countries the proportion is lower: 15 per cent. in North America, 34 per cent. in Europe and 37 per cent. in Russia. In fact, the underdeveloped regions, which account for 60 per cent. of the world's forests, produce much less commercial timber (as distinguished from fuel wood) than Europe which has only 3.5 per cent. of the world's forest area.

(Area in sq. miles)

Classification of area	1955-56*	1950-51
By composition :		
(a) Coniferous soft wood)	9,736	14,107
(b) Broad leaved (hardwood) :		
(1) Sal	40,448	40,747
(2) Teak	22,415	18,794
(3) Miscellaneous	196,071	205,584
Total	268,701	277,232
From out-turn point of view :		
(a) Merchantable	215,139	225,714
(b) Inaccessible	53,562	51,518
Total	268,701	277,232
By legal status :		
(a) Reserved	138,791	192,795
(b) Protected	64,911	45,582
(c) Unclassed	64,999	38,725
Total	268,701	277,232

* Provisional.

Production

Apart from providing the raw materials for paper, matchwood and plywood industries, forests in India are also the source of minor forest produce, such as bamboos, gums, resins, tanning materials and medicinal herbs, which are either essential raw materials for industries or serve as valuable articles of export. The following table shows the production of timber and firewood, as also minor forest produce, in 1955-56, as compared with 1950-51:

	Quantity ('000 cubic ft.)		Value (Rs. lakhs)	
	1955-56*	1950-51	1955-56*	1950-51
(a) *Major produce :*				
Timber	119,867	105,676	1,632	1,301
Round wood	25,437	29,549	206	105
Pulp and matchwood	1,451	475	33	1
Firewood	326,057	394,319	555	892
Charcoal wood	55,661	27,569	20	11
Total	528,503	557,588	2,446	1,900
(b) *Minor produce :*				
Bamboos and canes	..	..	137	152
Gum and resins	..	..	101	42
Others	..	..	564	498
Total	..	..	802	692

* Provisional.

Forests are also a good source of revenue for the Government. The total net contribution of forests towards revenue amounted to Rs. 26.96 crores (including Rs. 3.05 crores to the Central exchequer) in 1959-60 and is expected to go up to Rs. 28.34 crores (including Rs. 31.5 crores for Central Government) in 1960-61. It may be noted here that forests are now owned mainly by the Government. With the abolition of *zamindari* system, private ownership of forests has declined to a negligible proportion. The Government of India constituted, in 1950, a Central Board of Forestry, to co-ordinate the forest policy pursued by the different States, to adopt conservation measures and to integrate research on forests conducted by various institutions.

Forestry Board's Work

During the last ten years, the Central Board of Forestry has met six times; the latest meeting was held at Bhubaneswar on 29th December last and was addressed by both Mr. S. K. Patil, Union Minister for Food and Agriculture and Dr. Punjabrao Deshmukh, Minister for Agriculture. Dr. Deshmukh claimed many achievements to the credit of the Board. These are: greater consciousness about the important role played by forests in the economy of the country; procurement of sleepers, timbers, wood poles, etc.—the railways' entire requirements of sleepers now being met from indigenous resources, as against a good deal of imports a few years ago; inauguration of soil conservation measures and arresting of the spread of desert conditions; and introduction of important and efficient logging methods.

Although the *vanamahostava* campaign (inaugurated by Mr. K. M. Munshi, when he was the Union Minister for Agriculture) sought to highlight the importance of afforestation, it has not led to any notable improvement in the situation. The general policy of the Government of India has been to secure long-range development of forest resources and also to increase output through better techniques for timber extraction, development of forest communications and increased use of preservative and seasoning process of timber. The two Five-year Plans made special provision for forestry; but they have touched only a fringe of the problem. In the first Plan, a sum of Rs. 9.6 crores was earmarked for development of forests. We are told that State Governments carried out a number of schemes relating to afforestation, development of forest communications, strengthening of forest administration and formation of village and small-scale plantations. On an area of about 75,000 acres, the vegetative cover was restored by afforestation or planting, apart from constructing or improving over 3,000 miles of roads, during the first Plan period. The second Plan set apart Rs. 47 crores. It is expected that the original target of establishing plantations over 50,000 acres with suitable wood for the match industry and about 200,000 acres with industrial timber, will be fulfilled by the end of the Plan period. But it remains to be seen whether this will actually be achieved. We are told that about 400,000 acres of denuded forests have also been taken up for rehabilitation. Surveys and demarcation of 21,000 square miles have also been in progress. Besides, over 5,000 miles of forest roads will have been constructed by the end of the second Plan. It is also said that, in order to avoid wastage resulting from the traditional methods, improved techniques of logging are being introduced in the Punjab, Himachal Pradesh and Jammu and Kashmir. The Union Government has secured from Switzerland 20 sets of improved tools and implements for 400 pairs of loggers for use in Indian forests.

Forests in Third Plan

In respect of the projects for the development of forests during the third Plan period, the Draft Outline points out as follows:

"With the object of meeting a part of the shortage of firewood, it is proposed to create village forests comprising quick growing species during the third Plan over an area of about 2 million acres. This programme will be taken up in village common lands with community participation. The State will provide technical advice and also supply plants and seedlings. By supplying alternative fuel to the villagers, the programme will help conserve cowdung for use as manure.

"Other development programmes envisaged for the third Plan are the raising of sal and coniferous plantations on 50,000 acres in U.P., the Punjab, Jammu and Kashmir, Himachal Pradesh and West Bengal, teak plantations on 200,000 acres in Madhya Pradesh, Assam, Kerala, Mysore, Andhra Pradesh and Bihar and miscellaneous plantations, especially fast growing species, on another 450,000 acres in the Punjab, U.P., Rajasthan, Madras, Kerala and some other States. Programmes for raising plantations along canals, roads and rail-tracks will be continued. About a million acres of degraded forests will be rehabilitated. In addition, consolidation work will be undertaken over 33,000 square miles of forest area."

Among the other schemes, mention may be made of the proposals for constructing 15,000 miles of forest roads, establishing six seasoning and preservation plants, and making arrangements for the local manufacture of tools and implements for logging to be done on scientific and modern lines.

These schemes for the development of forests will be as much helpful to development of agriculture as they are to non-agricultural activities. For forestry serves to promote soil conservation. In many parts of the country, cultivation has become impracticable on account of soil erosion, floods, silting up of streams, extension of ravines and spread of arid regions. These defects can be remedied only by systematic and organised afforestation in the affected areas. No wonder then that Mr. S. K. Patil, Union Minister for Food and Agriculture, stressed, in his address to the aforesaid meeting of the Central Board of Forestry that there was "no field where nation-wide co-ordination is as necessary and desirable as in the case of forests, the enormous utility of which is as yet not properly understood." It is to be hoped that the various State Governments will appreciate the spirit in which Mr. Patil called for a better deal for forests, and follow it up with concerted efforts aimed at preservation and expansion of India's forest wealth. They must remember that forests have to be looked after, especially if the best and sustained results are to be got out of them.

raw materials
FOR PAINTS, PRINTING INKS AND PLASTICS

SOLVENTS
Amyl Acetate
Butyl Acetate
"Cellosolve"* Solvent
Diacetone Alcohol
Ethyl Acetate
Methyl Amyl Acetate
Methyl Isobutyl Ketone

PLASTICISERS
Dibutyl Phthalate
Dioctyl Phthalate
Tricresyl Phosphate

DILUENTS
Solvent Naphtha
Benzol
Toluol
Xylol

RETARDERS
Butyl "Carbitol"*
Butyl "Cellosolve"*
"Cellosolve"* Acetate

COUPLERS
Butyl Alcohol
Methyl Amyl Alcohol

RESINS
"Union Carbide"* Vinyl resins
"Synres" resins
"Union Carbide"* silicone resins

ALSO AVAILABLE
Carbon Blacks
Formaldehyde
Maleic Anhydride
Pentaerythritol
Phenol
Phthalic Anhydride
Titanium Dioxide

INDUSTRIAL PRODUCTS SALES DIVISION
UNION CARBIDE INDIA LIMITED
Formerly NATIONAL CARBON COMPANY (INDIA) LTD.
Bombay • Calcutta • Delhi • Madras
*Trade marks of Union Carbide Corporation U.S.A.
INCC 3[94]N

CONSULT ★ FOR INTERNATIONAL AND DOMESTIC BANKING SERVICE

THE
BANK OF TOKYO
LIMITED
(incorporated in Japan under the special law)

32 Overseas branches and representative offices
and
1 Associate Bank
1 Affiliate Bank 1 Trust Company

All information concerning foreign trade available

All the latest information in respect of the Japanese pattern of industry and business and the names of all the principal industrial manufacturers and manufactured commodities available for your ready reference.

K. Hashimoto
Manager
Bombay Office

★

Bombay Office:
"Jeevan Prakash", Sir Phirozshah Mehta Road
P.O. Box 1762, Bombay-1 Tel: 253857/58 & 253848
Office at Calcutta Representative at Delhi

DENA BANK

OUR PROGRESS

In the prosperity of our people lies our progress. Our task is to help our countrymen to save and invest wisely. In the past year, through our increasing number of branches, we furthered our old services and sponsored new to encourage savings and to contribute to better living.

AUTHORISED CAPITAL	Rs. One Crore
SUBSCRIBED & PAID-UP	Rs. 50 Lakhs
RESERVE FUNDS	Rs. 60 Lakhs
DEPOSITS (31/12/60) EXCEED	Rs. 35 Crores
WORKING FUNDS EXCEED	Rs. 42 Crores
NO. OF ACCOUNTS EXCEED	2,00,000

SOME OF OUR SERVICES

SAVINGS SCHEME 2½% interest
MINOR'S SAVINGS SCHEME 2½% ,,
5-YEAR CASH CERTIFICATES 4½% ,,
GIFT CHEQUES
SMALL SILVER BARS
solve your gift problem
PERSONAL LOAN SCHEME
helps you buy things for your home or business

DEVKARAN NANJEE BANKING CO. LTD.
96 BRANCHES & 23 SAFE DEPOSIT VAULTS
Head Office: Horniman Circle, Fort, Bombay 1.
General Banking & Foreign Exchange Business Transacted
PRAVINCHANDRA V. GANDHI, Mg.Director
DB-E-01

Quality-conscious everywhere go for "*LOMA*" and the soaring sales testify its superb quality. "*Loma*" now an international product, is exported to almost all parts of the globe. This, apart from conserving valuable foreign exchange, through exports, has set an example for Indian-quality in the international market. Millions of bottles of "*Loma*" in use everywhere testify the confidnece millions have in "*Loma*" - the ideal hair oil-cum-hair darkener.

Sole Agents
M. M. KHAMBHATWALA, Ahmedabad 1
Agents
C. NAROTAM & CO. Bombay 2
Loma
Universally acclaimed Hair Oil-cum-Hair Darkener.

Notices

THE CENTRAL INDIA SPINNING, WEAVING AND MANUFACTURING COMPANY, LIMITED

NOTICE

THE EIGHTY-SIXTH ANNUAL GENERAL MEETING of THE CENTRAL INDIA SPINNING, WEAVING AND MANUFACTURING COMPANY, LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Tuesday, the 14th February, 1961, at 4-30 p.m., to transact the following business:—

1. To adopt the Directors' Report and the audited Profit and Loss Account of the Company for the year ended 30th June 1960, and the audited Balance Sheet as at 30th June 1960.
2. To appoint a Director in the place of Mr. K. M. D. Thackersey who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in the place of Mr. D. R. D. Tata who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. J. D. Choksi, who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.
5. To appoint a Director in the place of Mr. Jal H. Mehta, who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.
6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"RESOLVED that the Articles of Association of the Company be altered in the manner following:—

(i) For Article 27(*a*) substitute the following Article:—

"27(*a*) The certificates of title to shares shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and (ii) the Secretary or some other person appointed by the Board for the purpose. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography.

Provided always that, notwithstanding anything contained in this Article, the certificates of title to shares may be executed and issued in accordance with such other the provisions of the Act or the Rules made thereunder, as may be in force for the time being and from time to time."

(ii) In Article 48 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(iii) In Article 88 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(iv) Delete Article 131.

(v) Delete Article 132.

(vi) In Article 135 delete the words and figure "Article 137 and" and the figure "261".

(vii) In Article 136 delete the words and figure "Article 137 and" and the figure "261".

(viii) Delete Article 137.

(ix) In Article 139 delete the words "Director ex-officio, a Special Director and".

(x) In Article 156 delete the words "provisions of Section 261 and other".

(xi) In Article 166 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xii) After Article 168 insert the following additional Article as Article 169A:—

"169(A). The Directors may elect one of their number to be the Chairman of the Board of Directors and determine the period for which he is to hold office and unless otherwise determined the Chairman shall be elected annually." Existing Article 169 shall be re-numbered "169(B)".

(xiii) In Article 170 delete the words "Ex-officio".

(xiv) In the proviso to sub-clause (1) of Article 180 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xv) In Article 181 in sub-clause XIX for the words "Managing Agents" wherever they occur, substitute the words "Secretaries and Treasurers".

(xvi) In Article 182, in sub-clause (1), for the words "Managing Agents" and "a Managing Agent" wherever they occur, substitute the words "Secretaries and Treasurers".

(xvii) In Article 184 for the words "Managing Agents" where they occur at the first two places the words "Secretaries and Treasurers" shall be substituted, and for the existing proviso the following proviso shall be substituted:—

"Provided nevertheless that certificates of debentures may be signed by one Director only or by an Attorney of the Company duly authorised in this behalf and countersigned by the Secretaries and Treasurers and certificates of shares shall be signed as provided in Article 27(*a*)."

(xviii) The heading "Managing Agents" occurring over Article 186 shall be substituted by the heading "Secretaries and Treasurers."

(xix) In Article 186 for clause (1) the following clause shall be substituted:—

"(1) Subject to the provisions of the Act, Tata Industries Private Ltd., their successors in business and assigns shall be the Secretaries and Treasurers of the Company from the 16th day of August 1960 for the period and upon the terms provisions and conditions set out in the Secretaries and Treasurership Agreement dated the 29th day of December 1960 and which were approved by the Company at the Extraordinary General Meeting of the Company held on the 31st day of March 1960 and by the Central Government with certain modifications agreed to by the Board. The said Agreement may (subject to the provisions of the Act) be further modified from time to time in such manner as may be mutually agreed upon between the Company and the Secretaries and Treasurers."

In clause 2 for the words "a Managing Agent" and "Managing Agents", the words "Secretaries and Treasurers" shall be substituted.

(xx) In the marginal notes to Article 186 for the words "Managing Agents" and "a Managing Agent" the words "Secretaries and Treasurers" shall be substituted.

(xxi) In Article 187 for clause (1) the following clause shall be substituted:—

"(1) The Secretaries and Treasurers, subject to the provisions of the Act and these Articles, shall be entitled to the management of the whole of the affairs of the Company and they shall exercise their powers as such Secretaries and Treasurers including the powers conferred on them by the Secretaries and Treasurership Agreement dated the 29th day of December 1960, subject to the superintendence, control and direction of the Board of Directors of the Company and subject also to the restrictions contained in Schedule VII of the Act and Article 189."

(xxii) In Article 187 in sub-clause (2) for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxiii) In the marginal note to Article 187 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxiv) In Article 188 for the words "Managing Agents" substitute the words "Secretaries and Treasurers"

(xxv) In the marginal note to Article 188 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxvi) In Article 189 in clause (*e*) for the words and figures "Section 2(3)" the words and figures "Section 2(4)" shall be substituted.

(xxvii) In Article 189 for the words "Managing Agents" wherever they occur, substitute the words "Secretaries and Treasurers", and after sub-clause (*f*) insert the following sub-clauses as sub-clauses (*g*) and (*h*):—

"(*g*) Power to sell any goods or articles manufactured or produced by the Company, except to the extent to which they are authorised by the Board or permitted by the Act;

(*h*) Power to purchase, obtain or acquire machinery, stores, goods or materials for the purposes of the Company or to sell the same when no longer required for those purposes except to the extent to which they are authorised by the Board or permitted by the Act."

(xxviii) In Article 190 for the words "Managing Agents" wherever they occur substitute the words "Secretaries and Treasurers".

(xxix) In the marginal note to Article 190 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxx) At the end of Article 191 the following proviso shall be added:—

"Provided always that any capital paid up on a share during the period in respect of which a dividend is declared shall, unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid up during such period on such share."

(xxxi) In Article 210 in sub-clause (1) for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxxii) In Article 227 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxxiii) In Article 229 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxxiv) In Article 230 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxxv) In Article 234 for the words "Managing Agents" substitute the words "Secretaries and Treasurers"

7. To appoint Auditors for the current year and to fix their remuneration.

Notes—(*a*) The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of special business under items 4 to 6 set out above, are being posted to all shareholders.

(*b*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(*c*) The Transfer Books of the Company remain closed from Friday, the 30th December 1960 to Thursday, the 12th January 1961, both days inclusive.

By Order of the Board of Directors,

TATA INDUSTRIES PRIVATE LIMITED,
Secretaries & Treasurers,

N. H. TATA,
Director.

BOMBAY, 6*th January*, 1961.

THE AHMEDABAD ADVANCE MILLS, LIMITED

NOTICE

THE FIFTY-EIGHTH ANNUAL GENERAL MEETING of THE AHMEDABAD ADVANCE MILLS LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Wednesday, the 8th February, 1961, at 4-30 p.m., to transact the following business:—

1. To adopt the Directors' Report and the audited Profit and Loss Account of the Company for the year ended 30th June 1960, and the audited Balance Sheet as at 30th June 1960.
2. To declare dividends on Preference and Ordinary Shares.
3. To appoint a Director in place of Mr. Gautam Sarabhai who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. Pratapsinh Mathuradas who retires by rotation and is eligible for reappointment.
5. To consider and, if thought fit, to pass the following resolution of which special notice, as required under Section 281 of the Companies Act, 1956, has been received by the Company:—

"RESOLVED, pursuant to the provisions of Sections 280 and 281 and other applicable provisions (if any) of the Companies Act, 1956, that Sir Fazal Rahimtoola, Kt., C.I.E., a Director of the Company who has attained the age of 65 years and who ceases to be a Director of the Company at the conclusion of this Meeting, be and is hereby reappointed a Director of the Company and it is hereby specifically declared that the age limit prescribed by Section 280 of the said Act shall not apply to him."

6. To appoint a Director in place of Mr. N. H. Tata who was appointed an additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.
7. To appoint a Director in place of Mr. D. R. D. Tata who was appointed an additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.
8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"RESOLVED that the Articles of Association of the Company be altered in the following manner:—

(i) For Article 27(*a*) substitute the following Article:—

"27(*a*). The certificates of title to shares shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and (ii) the Secretary or some other person appointed by the Board for the purpose. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography.

Provided always that, notwithstanding anything contained in this Article, the certificates of title to shares may be executed and issued in accordance with such other the provisions of the Act or the Ru'es made thereunder, as may be in force for the time being and from time to time."

(ii) In Article 48 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(iii) In Article 88 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(iv) Delete Article 131.

(v) Delete Article 132.

(vi) In Article 135 delete the words and figure "Article 137 and" and the figure "261".

(vii) In Article 136 delete the words and figure "Article 137 and" and the figure "261".

(viii) Delete Article 137.

(ix) In Article 139 delete the words "Director ex-officio Special Director and".

(x) In Article 156 delete the words "provisions of Section 261 and other".

(xi) In Article 166 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xii) After Article 168 insert the following additional Article as Article 169A:—

"169(A). The Directors may elect one of their number to be the Chairman of the Board of Directors and determine the period for which he is to hold office and unless otherwise determined the Chairman shall be elected annually".

Existing Article 169 shall be re-numbered "169(B)".

(xiii) In Article 170 delete the words "Ex-officio."

(xiv) In the proviso to sub-clause (1) of Article 180 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xv) In Article 181 in sub-clause XIX for the words "Managing Agents" wherever they occur, substitute the words "Secretaries and Treasurers".

(xvi) In Article 182, in sub-clause (1), for the words "Managing Agents" and "a Managing Agent" wherever they occur, substitute the words "Secretaries and Treasurers".

(xvii) In Article 184 for the words "Managing Agents" where they occur at the first two places the words "Secretaries and Treasurers" shall be substituted, and for the existing proviso the following proviso shall be substituted:—

"Provided nevertheless that certificates of debentures may be signed by one Director only or by an Attorney of the Company duly authorised in this behalf and countersigned by the Secretaries and Treasurers and certificates of shares shall be signed as provided in Article 27(*a*)."

(xviii) The heading "Managing Agents" occurring over Article 186 shall be substituted by the heading "Secretaries and Treasurers".

(xix) In Article 186 for clause (1) the following clause shall be substituted:—

"(1) Subject to the provisions of the Act, Tata Industries Private Ltd., their successors in business and assigns shall be the Secretaries and Treasurers of the Company from the 16th day of August 1960 for the period and upon the terms provisions and conditions set out in the Secretaries and Treasurership Agreement dated the 14th day of December 1960 and which were approved by the Company at the Extraordinary General Meeting of the Company held on the 31st day of March 1960 and by the Central Government with certain modifications agreed to by the Board. The said Agreement may (subject to the provisions of the Act) be further modified from time to time in such manner as may be mutually agreed upon between the Company and the Secretaries and Treasurers."

In clause (2) for the words "a Managing Agent" and "Managing Agents", the words "Secretaries and Treasurers" shall be substituted.

(xx) In the marginal notes to Article 186 for the words "Managing Agents" and "a Managing Agent" the words "Secretaries and Treasurers" shall be substituted.

(xxi) In Article 187 for clause (1) the following clause shall be substituted:—

"(1) The Secretaries and Treasurers, subject to the provisions of the Act and these Articles, shall be entitled to the management of the whole of the affairs of the Company and they shall exercise their powers as such Secretaries and Treasurers including the powers conferred on them by the Secretaries and Treasurership Agreement dated the 14th day of December 1960, subject to the superintendence, control and direction of the Board of Directors of the Company and subject also to the restrictions contained in Schedule VII of the Act and Article 189."

(xxii) In Article 187 in sub-clause (2) for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxiii) In the marginal note to Article 187 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxiv) In Article 188 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxv) In the marginal note to Article 188 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxvi) In Article 189 in clause (*e*) for the words and figures "Section 2(3)" the words and figures "Section 2(4)" shall be substituted.

(xxvii) In Article 189 for the words "Managing Agents" wherever they occur, substitute the words "Secretaries and Treasurers", and after sub-clause (*f*) insert the following sub-clauses as sub-clauses (*g*) and (*h*):—

"(*g*) Power to sell any goods or articles manufactured or produced by the Company, except to the extent to which they are authorised by the Board or permitted by the Act;

(*h*) Power to purchase, obtain or acquire machinery, stores, goods or materials for the purposes of the Company or to sell the same when no longer required for those purposes except to the extent to which they are authorised by the Board or permitted by the Act."

(xxviii) In Article 190 for the words "Managing Agents" wherever they occur substitute the words "Secretaries and Treasurers".

(xxix) In the marginal note to Article 190 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxx) At the end of Article 191 the following proviso shall be added:—

"Provided always that any capital paid up on a share during the period in respect of which a dividend is declared shall, unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid up during such period on such share."

(xxxi) In Article 210 in sub-clause (1) for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxxii) In Article 227 for the words "Managing Agents" substitute the words, "Secretaries and Treasurers".

(xxxiii) In Article 229 for the words "Managing Agents" substitute the words "Secretaries and Treasurers"

(xxxiv) In Article 230 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

(xxxv) In Article 234 for the words "Managing Agents" substitute the words "Secretaries and Treasurers".

9. To appoint Auditors and to fix their remuneration.

Notes:—(*a*) The relative Explanatory Statements, pursuant to Section 173 of the Companies

(*Continued on next page, col. 3*)

SUNDATTA FOODS AND FIBRES LIMITED

CHAIRMAN'S STATEMENT

THE plans of the Sundatta Foods and Fibres Limited to expand production and diversify activities were outlined by its Chairman, Mr. N. D. Sirur, in his statement to the shareholders of the Company at the Eighth Annual General Meeting of the Company held on Saturday, 31st December 1960. Mr. Sirur stated that the Company was steadily increasing the production of fully refined and packaged non-saturated vegetable oil (from crude oils) and vitaminised compound cattle feed cubes (from residual oilcakes and other nutrients). He also stated that the Company proposed to set up a distilled fatty acid plant to reclaim the refinery wastes, to increase the production of such key items as cotton linters, and to manufacture linter pulp and cellulose acetate flake.

The following is the full text of Mr. Sirur's statement:

"While it is not the customary practice in our group of companies to present a statement or speech at the annual general meetings, it is felt that, considering the somewhat erratic fluctuation in the market price of the equity shares of your Company during the year now about to end, it would be in the interests of the Company to place matters in their proper perspective. It is with this object that I am issuing this statement on the plans of your Company.

"As you well realise, the present activities of your Company at Hubli in Mysore State, based as they are on the large-scale processing of agricultural commodities such as cottonseed and groundnut, are subject to ups and downs depending on the size of the crop each year and other factors which are sometimes unpredictable. Our constant endeavour has been to diversify our end products so as to offset the variable nature of the business of processing agricultural commodities. We have thus been steadily increasing our production of fully refined and packaged non-saturated vegetable oil (SUNFOOD) from crude oils, vitaminised compound cattle feed cubes (SUNFEED) from the residual oilcakes and other nutrients, and are shortly proposing to set up a distilled fatty acid plant to profitably reclaim our refinery wastes.

Cotton Linters

"We have also endeavoured to increase the production of such key items as cotton linters which are a valuable by-product of cottonseed processing. In this respect, we have fully succeeded in spite of the vicissitudes through which the cottonseed processing industry has had to pass in its formative years. Quite candidly, had it not been for the fact that your Company has become a major producer of chemical grade cotton linters, which domestically are a critical raw material for the cellulose industry, I doubt whether the Government of India would have encouraged the efforts of your Company to promote a cellulose-based chemical industry in Mysore State. You will, however, appreciate that a Company of your size and resources is in no position by itself to undertake very large projects, but, fortunately, it is part of a textile group whose combined strength is quite formidable. It is in this context that we have approached the question of building up a cellulose-based industry with a pronounced textile bias so as to remain within the ambit of the textile industry, by and large.

Rayon Project

"The largest and most prosperous textile company in the group, the Modern Mills Ltd. (approximately 40 per cent. of whose present equity capital is held by the original parent Company, The Mysore Spinning and Manufacturing Company Ltd.) holds about 10 per cent. of the present equity capital of your own Company. The Directors of Modern Mills had indicated their willingness to take up the project for manufacture of 5 million lbs. of bleached rayon-grade linter pulp per annum based on your Company's production of cotton linters, and manufacture from the pulp 5 million lbs. per year (or 6¼ tons per day on 60 denier basis) of cuprammonium rayon yarn for which your Company had secured an industrial licence early this year, and which licence has since been transferred to the Modern Mills.

"In our view, this is the finest rayon project under Indian conditions today, considering the excellent demand in India for cuprammonium yarn which during 1960 is understood to have constituted over 25 per cent. of the total man-made fibre imports into India. A detailed Project Study and Report for the cuprammonium plant has already been completed, at considerable cost to Modern Mills, by a well-known American firm of consulting engineers, who are currently setting up a high-tenacity viscose rayon tyre cord plant for a Bombay rayon manufacturer, and who have thus gained sufficient experience of Indian conditions. The aforesaid American firm has expressed complete confidence in the successful establishment of a cuprammonium rayon project in India by Modern Mills, based on the 'know-how,' design, engineering and procurement of machinery, as well as initial technical management, which the American firm is in a position to supply. This rayon project of Modern Mills is now in a fairly advanced stage, since the foreign exchange question has already been cleared in so far as the Government of India is concerned.

Linter Pulp

"In the meanwhile, your Company received another licence from the Government of India to produce an additional 10 tons per day of linter pulp at Harihar in North Mysore on the banks of the Tungabhadra river. This application had been made by your Company as far back as 1958, and it was rather a pleasant surprise to receive this additional licence. It consequently occurred to us that, instead of Modern Mills producing just the quantity of linter pulp required for their cuprammonium yarn, it might be worthwhile for your Company itself to consider undertaking the manufacture of linter pulp by combining the total quantity of pulp licensed under your Company's own licence and the Modern Mills' licence, making a total effective capacity of 16 tons of linter pulp per day. In other words, it was felt that, instead of the Modern Mills spending nearly Rs. 50 lakhs on a linter pulp plant just to feed their cuprammonium plant, they could as well invest a portion of this sum, within the limits prescribed by the Companies' Act, in the equity shares of your Company which could undertake the manufacture of linter pulp on a larger scale than was contemplated under the Modern Mills' licence.

"Accordingly, the authorised capital of your Company was recently raised to Rs. 1 crore to permit an appropriate issue of capital in the second half of 1961 for financing the setting up of a separate unit of your Company at Harihar for the manufacture of linter pulp. First-class American technical collaboration for this linter pulp project of your Company has been assured, and an import licence for the requisite machinery is shortly being applied for.

"It may be mentioned here, in passing, that rayon-grade wood-pulp from bamboo, which is proposed to be made by other manufacturers on a large scale in the country, can at best be used for the manufacture of the cheapest type of rayon, namely, standard viscose, which is currently the bulk of the Indian production of rayon. Therefore, in the context of India achieving complete self-sufficiency, linter pulp, with its high alpha cellulose content, is eminently suited for the better types of rayon such as cuprammonium and high-tenacity viscose whose production is under way, as well as for the manufacture of various cellulose derivatives.

"We were accordingly advised by prospective foreign collaborators that the manufacture of linter pulp could be advantageously undertaken by your Company with a view to manufacturing some cellulose derivative as well. We weighed the relative advantages of a number of cellulose derivatives and came to the conclusion that the manufacture of cellulose acetate flake is the most promising under Indian conditions, since it has a multiplicity of end uses in textiles, plastics and film. Moreover, industrial alcohol, which is the other main raw material required, is available in the area in sufficient quantities.

"Your Company, therefore, recently applied for a licence to manufacture 7½ tons of cellulose acetate flake per day, in addition to 16 tons per day of linter pulp. We have just this month received the industrial licence from the Central Government for this manufacture, and are currently in serious negotiation for foreign collaboration in this project. Simultaneously with our application, Modern Mills had applied for a licence to spin some of your Company's contemplated cellulose acetate flake production into acetate yarn and staple fibre, so that their rayon project could become more versatile. This licence for acetate spinning has also been granted to the Modern Mills by the Central Government.

"To sum up, it is now decided that your Company should make the linter pulp and sell a little over one-third of its pulp production to Modern Mills for manufacture of cuprammonium rayon yarn. Moreover, a further one-third of your Company's pulp production is proposed to be converted into cellulose acetate flake by your Company, of which a portion would be sold to Modern Mills for manufacture of acetate yarn and staple fibre, and the remainder would become available for plastics manufacture. The surplus pulp production of your Company would also become available for sale to other high-grade rayon manufacturers as well as to manufacturers of nitro-cellulose and specialty paper.

"The relative economics of the linter pulp and cellulose acetate flake project of your Company, as compared to the rayon project of Modern Mills, indicate that both projects in terms of yield on invested capital, appear to be equally sound and profitable. However, it will be quite necessary to phase the overall programme in such a manner as to complete it during the course of the third Five-year Plan. We are now in touch with prospective foreign collaborators and our American consulting engineers to decide on an order of priority. Suffice it to say for the present that we have received full encouragement in our overall plans from the Central Government and the Government of Mysore, for which we are deeply grateful."

(Concluded from previous page)

Act, 1956, in respect of the special business under items Nos. 5, 6, 7 and 8 set out above, are being posted to all shareholders.

(b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(c) The Transfer Books of the Company were closed from Monday, the 28th November, 1960, to Tuesday, the 20th December, 1960, both days inclusive.

(d) If dividends on shares, as recommended by the Directors, are passed at the meeting, payment will be made on and after Thursday, the 9th February, 1961, to those members whose names were on the Register of the Company on the 20th December, 1960.

By Order of the Board of Directors,

TATA INDUSTRIES PRIVATE LIMITED,
Secretaries and Treasurers.

T. V. BADDELEY,
Director.

BOMBAY, *29th December*, 1960.

THE PEERMADE TEA COMPANY LIMITED

NOTICE OF LOSS OF SHARE CERTIFICATES

NOTICE IS HEREBY GIVEN THAT SHARE Certificate No. 2188 covering 50 Ordinary Shares Nos. 120890/120939 of the face value of Rs. 10 in favour of Miss J. F. N. Banaji & Mr. S. F. Banaji having been reported lost, the Directors propose to proceed to issue duplicate of the Certificate, unless objection thereto is lodged with the Company within 15 days from date of this notice.

By Order of the Board,

THE PEERMADE TEA COMPANY LIMITED,

ASPINWALL & CO. (TRAVANCORE) LTD.,
Secretaries.

ALLEPPEY, *5th January*, 1961.

IMPLICATIONS OF MAHARASHTRA LAND CEILINGS BILL TO SUGAR COMPANIES

"A VERY RISKY AND DANGEROUS MOVE," SAYS MR. EDWARDS

THE implications of the Land Ceilings Bill of the Maharashtra Government to the joint-stock sugar companies in the State were impressively brought out by Mr. F. Edwards, President of the Deccan Sugar Factories Association, in the course of his talk to Pressmen in Bombay on Tuesday this week. Mr. Edwards characterised the Bill as a very risky and dangerous move. Indeed, he warned that the effect of the Bill, if enacted in its present form, would be detrimental to the progress of the sugar industry and, therefore, urged the exclusion of the sugarcane farms attached to factories from the provisions of the Bill. In view of the importance of the proposed measure we give below the full text of Mr. Edwards' statement:

"The proposed Land Ceilings Bill of the Government of Maharashtra is a very risky and dangerous move! No right-thinking businessman or industrialist could possibly support such a retrograde step. The very basis of the success of the sugar industry in Maharashtra is being undermined, and the benefit, experience and efficiency built up over a period of 40 years is being thrown to the winds. Maharashtra is the most successful sugar producing area in India and this success is only due to the pioneering work and perseverance put in by the old-established joint-stock companies. Their experience has proved that only by having the growth of its sugarcane under its own complete control can a factory produce quality sugar at low prices. The profits made by such factories are not due to high selling prices, or profiteering, because the selling rates are fixed by the State Government! They are due solely to lower costs of growing cane and manufacturing. Looking to the yields of cane per acre and quantity of sugar produced per acre of cane, it is completely beyond all comprehension why there should be State Government interference, when the Central Government are urging higher production at lower costs, to enable the country to participate in world trading and earn valuable foreign exchange.

"Maharashtra produces results equal to the averages in other well-known sugar producing countries of the world. Take Java, for example, and study the following figures:

	Yield of cane per acre	*Average recovery of sugar from cane*
	(Tons)	(Per cent.)
Java	56.20	11.49
Maharashtra ..	53.25	11.80
All-India	14.70	9.84

"Compare Maharashtra's results with the averages throughout India, and ask yourselves the question: Why should the State Government attempt to disturb such progress in Maharashtra, when the rest of the country's sugar industry is obviously so sick and ailing? The answer cannot possibly be that it is in the interests of the nation or even in the interests of the State. There are abundant facts to prove that. It is, therefore, astounding that the Central Government should allow such legislation to be brought forward. The only obvious answer to the question is that the move is entirely political and is an effort to attain some ideological goal at any and all costs. The intention to apply ceilings to sugarcane farms is all the more astonishing when one recalls the utterances of Ministers and the Planning Commission in recent times and the steps that have been taken in other States to exclude industrial undertakings from their Land Ceiling Bills. Surely, it cannot be that the Governments of Andhra, Kerala, Madras, etc., are more enlightened than that of Maharashtra! In the Madras Bill, provision is made for the setting up of a Sugarcane Board with a High Court Judge as Chairman to determine whether sugarcane farms shall continue to be run by the factories which have been cultivating them hitherto. This is fair enough, as it is expected that the decisions will depend on facts and merit, but the Maharashtra Government has set itself up as the sole judge as to what it should do with the surplus lands which become vested in it. And if any difficulties should arise in administering the Bill when it is enacted, the Government has taken the power to make such adjustments or take such decisions as it may consider necessary to meet the case. This is a bad feature of the Bill and should be opposed vigorously. Another possibility is that some of the sugar factories in the country may find themselves deprived of their farms, while others will not, and this discriminatory treatment should not be allowed by the Central Government.

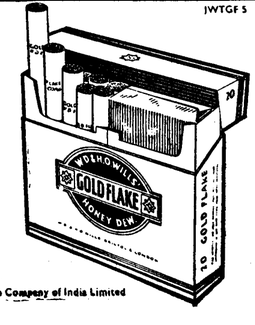
"The whole Bill is another example of unnecessary political interference in industry and commerce and the effect, if the Bill is enacted in its present form, must inevitably be detrimental to the progress of the sugar industry in the Deccan. It is to be hoped that the Government, even at this late stage, will indulge in some re-thinking and come to the right conclusion that it would be infinitely wiser to exclude well-run sugarcane farms attached to factories from the provisions of the Bill."

Soviet specialists have prepared for Nepal designs for a sugar mill and a cigarette factory. The Soviet Union is rendering free economic and technical assistance to Nepal under an agreement signed between the two countries in the spring of last year. The cost of the work which will be carried with the Soviet Union's participation is estimated at three million roubles (at the new 10 to 1 price scale). The designed capacity of the sugar mill which will be built in Birganj will be 10,000-11,000 tons a year. The cigarette factory in the area of Jenakpur will produce 2,000 million cigarettes a year which is more than what Nepal imports now. The construction of both factories, which will be the first industrial plants in the country, will start in 1961. Soviet specialists will also help Nepal to extend its sugarcane and tobacco plantations and to improve the quality of these crops.

JWTGF 5

Having fun—wish you were here

Puri. Sea's warm, wonderfully refreshing. Lazy hours on superb beach, perfectly peaceful. Acquiring antiques—also smattering of temple architecture. Prolonging week-end by week. (No trouble getting Wills' Gold Flake—really fresh—wherever you go they're good.)



Issued by The Imperial Tobacco Company of India Limited

MYSORE KIRLOSKAR SHOWS ENCOURAGING RESULTS

PAID-UP CAPITAL TO BE DOUBLED

EXCELLENT progress is disclosed by the accounts of the Mysore Kirloskar Ltd. (Managing Agents: Messrs. Kirloskar Associates, Yantrapur P.O., Mysore State) for the year ended 30th June 1960. The net sales of the Company have recorded a substantial increase of Rs. 35.38 lakhs in the year under review, on top of an increase of Rs. 18.75 lakhs achieved in the previous year. This shows that the Company's machine tools are in good demand and are popular with the consuming industries. In the previous year, the improvement in sales was accompanied by a sizable increase in the cost of raw materials and stores consumed as well as in the wage bill. During the year under review, however, the Company was fortunate in reducing the ratio of wage cost to aggregate expenses from 29 per cent. to 24 per cent., the items under other working expenses and fuel and power, expressed as a percentage of total manufacturing expenses, also showed some welcome decline. These economies in working expenses are reflected in the substantial rise in gross profit, which has increased from Rs. 25.05 lakhs in 1958-59 to Rs. 35.41 lakhs in 1959-60. This means that, for the fourth year in succession, the gross earnings of the Mysore Kirloskar have maintained their upward trend at an accelerated rate, trebling themselves in the last four years.

The net profit, too, has staged an impressive rise from Rs. 9.12 lakhs to Rs. 15.08 lakhs. For 1957-58, it was no more than Rs. 6.36 lakhs. This improvement is noteworthy, considering that the provision for taxation was stepped up from Rs. 7.50 lakhs to Rs. 10.50 lakhs. The transfer to depreciation account has been fully maintained at Rs. 6.80 lakhs.

After making these provisions, the Directors have maintained the dividend at 12 per cent. taxable (8.40 per cent. tax-free) but on a higher paid-up capital of Rs. 40 lakhs, as against Rs. 32.50 lakhs a year before. Even then, the amount absorbed by this dividend is only Rs. 4.24 lakhs, or 28 per cent. of the net profit. The whole of the balance has been conserved, which is undoubtedly a commendable feature and reflects the management's preference for a conservative and farsighted appropriation policy.

The following comparative table shows the Company's working results for the past four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sales proceeds	1,40.75	1,05.37	86.62	54.43
Other income	7.52	5.15	2.30	1.08
Closing stocks	32.64	34.06	18.67	21.20
Expenses	1,11.44	1,00.86	68.69	45.09
Gross profit	35.41	25.05	17.70	12.21
Managing Agents' remuneration	3.08	2.08	1.39	0.66
Provision for—				
Depreciation	6.80	6.34	6.38	6.01
Taxation	10.50	7.50	3.61	3.15
Net profit	15.08	9.13	6.36	2.39
Provisions written back	..	0.06	0.02	..
Adjustment relating to previous year	0.16	..	0.14	..
To development rebate reserve	2.44	2.88	..	..
other reserves	8.54	3.37	4.70	0.90
Dividend	4.24	3.45	1.87	1.42
	(12%)*	(12%)*	(7½%)†	(6%)†
Carry forward	0.07	0.04	0.08	0.07

* Subject to tax at 30 per cent. † Tax-free.

The Company, as already noted, had raised the paid-up capital to Rs. 40 lakhs. As it has a large expansion programme on hand, the Directors propose to raise, during the current year, a further capital of Rs. 40 lakhs, made up of Rs. 15 lakhs of equity capital and Rs. 25 lakhs of preference capital. Thus, for the first time, the Company is going to have preference shares. As the authorised capital is only Rs. 50 lakhs now, the Company will have to get it raised to an appropriate level first. Since the Company has been following a cautious dividend policy and ploughing back substantial parts of profits, it should not be difficult for it to maintain the dividend on the capital now proposed to be raised, until the expansion schemes pay their way, whereafter one could even expect an increase in the dividend level.

The acquisition proceedings for additional land measuring about 37 acres have entered a final stage and the Company expects to receive the land in the near future. It has submitted its application for permission to import capital goods of the value of Rs. 1 crore and, if the Government expedites the issue of necessary licences, the Company would be in a position to make rapid progress in expanding its production capacity. For the production of centre lathes and for increasing the output of capstans and turrets, the Company has already received Government sanction. The separate building for the manufacture of capstans and turrets which was under construction is nearing completion.

Much of the progress of the Company would, of course, depend on Government's policy regarding the import of capital goods and the granting of facilities for renewing initial depreciation and additional depreciation allowances. In his presidential address on the occasion of the annual general meeting held on 26th December 1960, Dr. M. N. Mahadevan, Chairman of the Company, urged the Government, once again, to grant the benefit of accelerated depreciation for a few years more, because the machine tool industry by its very nature required very heavy capital outlay.

During the year under review, the Company made a capital expenditure of Rs. 16.43 lakhs; this was on top of Rs. 12.55 lakhs spent during the previous year. The gross block now stands at Rs. 106.26 lakhs and the depreciation so far provided amounts to Rs. 51.59 lakhs. The current assets aggregate Rs. 106.86 lakhs and exceed by a comfortable margin the current liabilities (including bank borrowings and the loan of Rs. 24.38 lakhs from the I.F.C. of India) and provisions at Rs. 80.71 lakhs. The paid-up capital of Rs. 40 lakhs is supplemented by reserves and surplus amounting to Rs. 40.83 lakhs, that is, the reserves and surplus are equal to more than 100 per cent. of the capital. This is, indeed, a significant achievement for a company engaged in capital goods industry.

The Company's shares are currently quoted at Rs. 142, *cum-div.*, as against Rs. 125 a year ago. On an *ex-div.* basis and at the current rate of dividend, the yield on the share works out to 6.28 per cent. per annum, free of income-tax. This is quite attractive, considering the sound financial position of the Company and the promising outlook for the machine tool industry.

SOUTHERN INDUSTRIAL CORPORATION LTD., MADRAS

The Southern Industrial Corporation Ltd., Madras, was established as a private limited company on 10th May 1955 and was converted into a public limited company on 29th July 1960. The Company has been manufacturing woodscrews, gate hooks and eyes, ship chains, tinmen's rivets and machine screws. On the paid-up capital of Rs. 5,00,000 for the last several years, the Company has done well and has paid a dividend of 6 per cent. tax-free in 1956, 15 per cent. in 1959 and 15 per cent. interim in 1960. Recently, the Government gave permission to capitalise reserves to the extent of Rs. 70,000 and issue bonus shares to the existing shareholders. The present paid-up capital is, therefore, Rs. 5,70,000. The Company has now obtained an industrial licence to manufacture flexible shaft machines in collaboration with Messrs. Otto Suhner Ltd. of Brugg, Switzerland. Machinery has been ordered and the Engineer-in-charge was in Switzerland and has been trained in the manufacture of flexible shafts, speedmeter cables, etc., and has returned to India after making arrangements to ship the machinery. The machinery is expected in India next month and erection will be completed by March next and the concern is expected to start production a month later.

The expansion of the present capacity of the woodscrew section from 50,000 gross per month to 70,000 gross has been licensed under the Industries (Development) Act and import application for additional machinery is pending with the Government. Machinery has already been installed for the production of Dowell screws and Phillips recessed head screws and for electro-plating. Application has also been made to permit expansion of the flexible shaft section by installing machines required for the various types of remote control cables such as automobile choke and brake cables.

In order to meet the cost of the expansion programme, the Company is issuing Rs. 9,30,000 of equity capital and the proceeds will be utilised as follows:

	Rs.
Plant and machinery	7,00,000
Buildings	1,75,000
Working capital	55,000

Additional working capital will be met by borrowings from the banks.

The Company proposes to issue next month 93,000 equity shares of Rs. 10 each. The Directors and staff have agreed to take 3,000 shares and the balance of 90,000 shares to be offered to the public is entirely underwritten.

COMPANY MEETINGS AND DIVIDENDS

CHERRA-CHHATAK ROPEWAY CO., LTD. Annual General Meeting, Calcutta, 16th January 1961. Dividend: Re. 0.45 per share, subject to deduction of tax. Transfer books remain closed from 5th to 16th January 1961, both days inclusive.

NEW CENTRAL JUTE MILLS CO., LTD. Annual General Meeting, Cacutta, 18th January 1961. Dividend: Re. 1.50 per share, subject to deduction of tax. Transfer books remain closed from 4th to 18th January 1961, both days inclusive.

GHUSICK AND MUSLIA COLLIERIES LTD. Annual General Meeting, Calcutta, 25th January 1961. Dividend: *Nil*. Transfer books will remain closed from 16th to 26th January 1961, both days inclusive.

NELLIAMPATHY TEA PRODUCE CO., LTD. Annual General Meeting, Alleppey, Kerala, 31st January 1961. Dividend: 13 per cent. or Re. 0.26 per ordinary share, subject to deduction of tax, for the year ended 30th June 1960. Transfer books will remain closed from 17th to 31st January 1961, both days inclusive.

PHALTAN SUGAR WORKS LTD. Annual General Meeting, Bombay, 3rd February 1961. Dividend: Rs. 12.00 per share, taxable. Transfer books remain closed from 19th December 1960 to 17th January 1961, both days inclusive.

INDIAN OXYGEN LTD. Annual General Meeting, Calcutta, 14th February 1961. Transfer books will remain closed from 28th January to 14th February 1961, both days inclusive.

INDIA PAPER PULP CO., LTD. Taxable interim dividend of Re. 0.50 per share, for the year ending 31st March 1961. Transfer books remain closed from 11th to 20th January 1961, both days inclusive.

BRITANNIA BISCUIT CO., LTD. Taxable interim dividend of 6 per cent. or Re. 0.60 per share, for the year ending 31st March 1961. Transfer books remain closed from 11th to 18th January 1961, both days inclusive.

BOMBAY POTTERIES AND TILES LTD. Dividend of Rs. 12.86 per share, subject to deduction of tax, for the year ended 30th September 1960. Transfer books will remain closed from 13th March to 11th April 1961, both days inclusive.

KHODYAR POTTERY WORKS LTD. Dividend of Rs. 10.00 per share, subject to deduction of tax, for the year ended 31st July 1960.

DECCAN SUGAR AND ABKARI CO., LTD. Final dividend of 18¾ per cent. (making a total of 25¾ per cent. for the year), for the year ended 31st May 1960.

NATIONAL ELECTRICAL INDUSTRIES LTD. Dividend of 12 per cent. or Rs. 6.00 per ordinary share, subject to deduction of tax, for the year ended 31st March 1960.

INDIAN VEGETABLE PRODUCTS LTD. Net dividend of Rs. 11.90 per share, for the year ended 30th September 1960, payable on 23rd January 1961.

BOMBAY SAFE DEPOSIT CO., LTD. Net dividend of Rs. 21.00 per share, for the year ended 30th September 1960.

BHOPAL SUGAR INDUSTRIES LTD. Dividend of Rs. 2.25 per ordinary share, subject to deduction of tax, for the year ended 30th September 1960.

AHMEDABAD ADVANCE MILLS LTD. Dividend of Rs. 10.00 per ordinary share, subject to deduction of tax, for the year ended 30th June 1960.

CAUVERY SUGARS AND CHEMICALS LTD. Dividend of 6 per cent. or Re. 6.00 per ordinary share, subject to deduction of tax, for the year ended 30th June 1960.

CHANDRAMALAI ESTATES LTD. Dividend of 10 per cent. or Re. 0.20 per ordinary share, subject to deduction of tax, for the year ended 30th June 1960. Transfer books will remain closed from 24th to 30th January 1961, both days inclusive.

KAILAS RUBBER CO., LTD. Interim dividend of 10 per cent. or Re. 0.20 per share, for the year ending 28th February 1961. Transfer books remain closed from 5th to 15th January 1961, both days inclusive.

NEELAMALAI TEA AND COFFEE ESTATES LTD. Taxable dividend of 7½ per cent. or Re. 0.375 per ordinary share, for the year ended 30th June 1960.

PANCHURA ESTATES LTD. Taxable dividend of 40 per cent. or Re. 0.40 per share, for the year ended 30th June 1960. Transfer books remain closed from 9th to 16th February 1961, both days inclusive.

SHEVEROY ESTATES LTD. Taxable dividend of 9 per cent. or Re. 0.18 per share, for the year ended 30th June 1960. Transfer books will remain closed from 7th to 13th February 1961, both days inclusive.

TRAVANCORE RUBBER AND TEA CO., LTD. Taxable interim dividend of 4 per cent. or Re. 0.40 per share, for the year ended 31st December 1960.

MYSORE KIRLOSKAR LTD. Dividend of 12 per cent. or Rs. 12.00 per ordinary share, subject to deduction of tax, for the year ended 30th June 1960.

CENTRAL INDIA SPG., WVG. AND MFG. CO., LTD.

The persistently disquieting conditions obtaining in the cotton mill industry are clearly reflected in the working results of the Central India Spinning, Weaving and Manufacturing Company Ltd., for the year ended June 1960. Thus, despite the substantial increase of Rs. 126.68 lakhs in sales to Rs. 427.42 lakhs during 1959-60 as compared with the previous year, the Company incurred a loss of Rs. 8,93,325 and that without making any provision for depreciation. The loss is, of course, very much less than that suffered in 1958-59, namely, Rs. 52,69,282. Thanks to the loss, the Directors of the Company have decided not to recommend any dividend on ordinary and preference shares for the fifth year in succession. The Rs. 100 paid-up ordinary share of the Company is currently quoted at Rs. 99. The annual meeting of the Company will be held on 14th February 1961.

AIR-INDIA'S FINANCIAL RESULTS

ANOTHER YEAR OF LOW PROFIT

THE financial results of Air-India International Corporation (a Government of India enterprise, with Mr. J. R. D. Tata as Chairman of its Board of Members) for the year ended 31st March 1960, are encouraging in some respects and disappointing in others. They are encouraging because the operational revenue has increased from Rs. 11.56 crores in the year ended 31st March 1959, to Rs. 12.59 crores in the year under review. But they are disappointing because the total operating expenses have also increased—from Rs. 11.40 crores in 1958-59 to Rs. 12.40 crores in 1959-60—with the result that, for the second year in succession, the operating profit has turned out to be very low, being Rs. 18.3 lakhs as against Rs. 15.9 lakhs in the previous year. Even after adding the non-operating surplus of Rs. 8.7 lakhs in 1959-60 and Rs. 2.4 lakhs in 1958-59, it is found that the figures of total profit in the respective years are only Rs. 27.0 lakhs and Rs. 18.3 lakhs, working out to just 1.5 per cent. and 1.9 per cent., respectively, of the net (depreciated) block and to 1.2 per cent. and 1.3 per cent., respectively, of the gross block in the two years concerned.

The following table shows at a glance the Company's progress during the year under review against the background of the results for the previous three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Operating revenue—				
Traffic	11,99.61	11,10.12	10,47.59	9,35.66
Other sources	58.87	45.65	34.11	29.21
Non-operating revenue ..	8.72	8.27	1,20.60	1.19
Operating expenses* ..	10,97.83	10,00.52	9,81.49	7,57.59
Depreciation and obsolescence..	1,52.40	1,39.40	1,23.54	1,19.39
Non-operating expenses ..	..	8.85	8.92	9.25
Operating profit ..	18.26	15.85	71.67	87.90
Non-operating surplus (+) or deficit (—)	+8.72 26.98	+2.42 18.27	+1,11.68 1,33.35	—8.06 79.84
Total profit ..	..	18.25	57.25	41.42
Provision for deferred taxation..	..	..	51.16	37.56
To reserves and funds ..	..	..	6.00	..
Development expenditure written off	13.20	..	69.23	..
Additional depreciation ..	..	..	0.92	1.21
Carry forward	15.03	0.05	..	..

* Other than depreciation and obsolescence.

It is clear, therefore, that the profit-making capacity of the Corporation has gone down substantially in the last two years. There have, of course, been some extenuating causes for this state of affairs. The annual report under review has listed the adverse circumstances as severe competition from more up-to-date equipment operated by other international airlines, the severe restrictions imposed by the Government on the issue of foreign exchange, the pilots' strike, and the rising costs of material and services. Of these causes, worldwide competition is the most acute one. It is stated that this is likely to intensify in the current year (1960-61), as large fleets of new jet aircraft are brought into operation by other international airlines. But, at the same time, the Corporation claims that its competitive capacity has been augmented in the current year by the three Boeing 707 International Jet planes introduced after the close of the year under review (1959-60) on the India-U.K. route and on the new service across the North Atlantic to the U.S.A. The Corporation's ability to withstand competition has been further strengthened recently by the tripartite revenue pooling arrangement entered into with B.O.A.C. and Qantas Empire Airways in respect of its services to the U.S.A., Australia and Japan. It may thus be hoped that performance in the current immediately ahead would be distinctly better. But no such hope is held forth by the latest annual report which contains such ominous observations as the following:

"The period ahead, and particularly the next two or three years may, however, well prove to be difficult ones. Half the capacity of the Corporation's fleet is still provided by piston-engined aircraft which, though operationally entirely sound, are no longer competitive. . . .

"Although the trend throughout the world towards mergers, consortiums or revenue pools will, to some extent, relieve competitive pressures, the fact remains that, backed by their respective Governments, the world's airlines, by and large, provide a total capacity on most routes far in excess of the demand. . . . The addition of large fleets of high capacity jet transport planes will aggravate the situation.

". . . . In this context, the fact must be faced that both, commercially and operationally, the jet is a less flexible instrument of air transport than its propeller-driven predecessor was. While its costs of operation per revenue ton-kilometre or passenger ton-kilometre are low at high load factors, they are extremely high when operated with light loads, particularly if combined with low utilisation. . . ."

In spite of these uncertainties connected with the introduction of jets, the Corporation has gone ahead with its Boeing Project. Under this project, it has already drawn the entire loan of about Rs. 8.0 crores negotiated with the World Bank and the Commercial Banks in the U.S.A. to meet the dollar content of three Boeing 707 jets; and it has also placed an order during the year under review for an additional Boeing Jet at an estimated total cost of Rs. 4.0 crores.

The high cost of jets has already meant a far higher capital outlay, with the result that the Corporation's gross block has increased steeply from Rs. 14.21 crores in 1958-59 to Rs. 23.42 crores in 1959-60. And the net (depreciated) block (Rs. 18.02 crores) in the year under review has nearly doubled as compared with the previous year (Rs. 9.72 crores).

Since the year under review may be said to have brought to a close the first chapter of Air-India International's history, the following comparative table showing the Company's growth since the airline was founded will be read with interest:

		1949	1959-60
Fixed assets at cost	(Rs. in lakhs)	143.57	1,801.75
Average number of passenger aircraft ..	..	3.2	9.3
Unduplicated route mileage (year-end)	..	5,188	24,671
Number of foreign stations served ..	..	8	21
Revenue passengers carried	..	7,781	89,385
Mails carried	(lbs. in million)	0.222	1.931
Cargo including excess baggage carried	(lbs. in million)	0.408	6.176
Total available ton miles* ..	(million)	6.669	59.518
Revenue ton miles† performed ..	(million)	4.626	34.618
Total operating revenues earned..	(Rs. in lakhs)	148.37	1,258.48

* Product obtained by multiplying the capacity in tons available for passengers, mail and cargo by the distance in miles flown by the aircraft.

† Revenue earning load of passengers, mail and cargo in tons multiplied by the distance flown in miles.

If, as the present annual report says, the Corporation must inevitably "go jet" (and that, too, completely) if it is to remain in the long-range international air transport business at all, the change-over will involve a further enormous capital outlay. Already the Corporation has received, upto 31st March 1960, equity capital from the Government to the tune of Rs. 8.27 crores and loan capital at 4½ per cent. per annum from the same source to the tune of Rs. 8.27 crores, on which interest has been waived upto 1st October 1966. With the guarantee of the Government of India, the Corporation has also taken a loan of Rs. 2.67 crores from the World Bank and another of Rs. 5.33 crores from U.S. commercial banks. It looks as though the Corporation will be in the run in the next two or three years for much more loan capital both from the Government of India and the foreign financing institutions for financing the complete change-over to jets, for there is indication in the report that the second stage of the Corporation's re-equipment programme involving the retirement of the present nine Super Constellations from all or most passenger services and their replacement by Boeing Jets must be undertaken in the next two years or so.

This indication in the annual report has been followed by the news given by Mr. J. R. D. Tata, Chairman, on 3rd January 1961, that Air-India is planning to acquire two more Boeing 707 jets by March 1962. The matter is now under the Government's consideration. If this proposal is approved by the Government, it will mean a further capital expenditure of about Rs. 8 crores. With the possible addition of these two jets, Air-India will have a fleet of six giant Boeings which will enable it to operate daily flights to London and New York, two flights a week to Tokyo and Nairobi each and one flight each to Moscow and Sydney.

INDIA'S AIR TRANSPORT

(*Concluded from page 69*)

First, a well run airport, with a proper business management at the head, could perfectly well undertake all the surface transport services and the catering. Both should produce a comfortable profit without making excessive charges. This would immediately bring the airport a steady income. At the same time, it would make it possible to create a public centre of entertainment, with restaurant services classified to meet the public requirement in respect of expenditure. All the public enclosures at the airports should be run without interfering with the air service operators or the air travellers.

The jungle air services would also contribute to the airport income, landing charges would be small but numerically many, so the total would be a worthwhile contribution to airport income at no extra cost to the airport authorities. More people and passengers would pass through the airport because of these jungle air services. More money would flow into the public services offered, surface transport and catering, also the stall-holders' shops, all would benefit.

In these ways and several others, airports can earn more money. As they become self-supporting, they can reduce landing charges, which will contribute towards lowering air fares. This is the all-important factor in air transport today, lower the air fares and up goes the traffic.

But an airport under Government departmental administration is not run as a business. Airports serving big cities should be owned by the city and should be administered as a City Trust, with a business management team in charge under an Airport Commandant. There are airports run on these lines; Schiphol, the airport of Amsterdam, is an outstanding example. As operated at present in many countries, the airports are a heavy burden on the taxpayer which is unjustified. This is an important feature of an air transport system.

The Non-Skeds

However brief this review of air transport may be, it could not serve a useful purpose if it did not take into account the non-scheduled operators. Whatever may be said against this class of independent aircraft operator—and it is admitted that a great deal can be charged against them and their activities—it is contended that had they been treated in a more liberal manner, and not been harassed with peculiar restrictions which are like 'will-o'-the-wisp' in that you can never put your finger on a concrete case, the non-skeds would have grown up in a healthy manner instead of being driven to behave like a bunch of urchins picking a living as best they can, and not being too particular as to how they achieve a gain.

Having studied the activities of these operators as well as the efforts that have been made to deprive them of their legitimate business, it is only possible to come to the conclusion that the time has come for Government to enforce its announced policy. It has been officially stated many times and confirmed in writing that the non-scheduled operators are welcome and will be encouraged. The bare statement of policy without implementation is worthless. That is the position today.

There are those who say that all air transport should be nationalised and brought under the direct control of the two airline Corporations. These individuals doubtless hold this view in all good faith, but they display ignorance of the facts. The non-scheduled operator compares with the merchant shipping company that sends its vessels "tramping" round the world, picking up cargo at one port and carrying it to another, and then discovering another load in that port and so on. Much of the world's cargo moves in tramp steamers being handled by these real cargo carriers, who also carry passengers. They could be classified as independent ship operators, they do not concern themselves with scheduled sea services but their ships operate with regularity between many ports. The flow of traffic dictates their activities.

In time of war or emergency, it is many times more important to maintain scheduled air services. In fact, with trouble on hand, these services are crowded to capacity and have to be increased to meet the national demands. Therefore, how can Air-India International and Indian Airlines Corporation divert their aircraft fleets to the urgent military airlift that will immediately be required in times of war? Without the non-scheduled operators in a healthy condition in this country, there can never be a real air transport reserve. In Defence circles, this matter requires serious consideration. Also every member of the public should give it attention.

SYNOPSES OF COMPANY REPORTS

East Indian Coal Co., Ltd.

THE directors of the above Company (Managing Agents and Secretaries: Messrs. Jardine Henderson Ltd., Calcutta) present the audited accounts of the Company for the year ended 30th April 1960.

After providing for depreciation and taxation on investment income, the year's working has resulted in a net loss of £3,196 (profit of £20,631). The amount at the credit of profit and loss account at 30th April 1959 was £9,562 (£19,431) and there has been transferred from the reserve for equalisation of dividends the sum of £20,000 (*nil*) leaving a credit balance of £26,366 (£40,228 including £166 being profit on sale of investments, etc.) Out of this balance there has been transferred to development rebate reserve account the sum of £1,360 (£8,000) leaving a balance available for disposal of £25,006 (£32,062 after writing off loss on sale of investments £166). The directors now recommend the payment of a first and final dividend for the year at the rate of Re. 1.00 (Re. 1.25) per share on the 240,000 shares subject to deduction of Indian income-tax and super-tax at the prescribed rates, absorbing £18,000 (£22,500) leaving a balance at the credit of profit and loss account of £7,006 (9,562) to be carried forward to the next account.

Raisings for the year amounted to 583,111 tons while 519,824 tons were despatched. These figures compare with raisings of 574,849 tons and despatches of 591,599 tons during the previous year. As foreshadowed in the last report, the Company failed to achieve the maximum permitted output for 1959 but it is anticipated that output during the current year will exceed the target of 758,000 tons fixed by the Coal Board, in spite of continued difficult underground working conditions.

The result of the year's working was a net loss of £3,196, after providing for depreciation and taxation on investment income. While no improvement over the previous year's working results had been anticipated, it has to be recorded that working conditions proved to be even more difficult than had been expected so that the failure to expand output substantially resulted in a further increase in working costs, with a consequential fall in profits. It is, however, gratifying to record that a sizable increase in output during recent months has resulted in some reduction in costs and the directors are accordingly of the opinion that prospects for the current year are more favourable.

Contrary it is believed to the experience of the industry as a whole, throughout the second half of the financial year covered by the accompanying accounts the transport position at neither of the Company's collieries was satisfactory and stocks at the pit-head increased over the period. In the early part of the current year the position worsened and accumulated stocks caused considerable inconvenience, as well as adding to costs, until the railway authorities were able to arrange increased wagon allotments. The position as at the date of this report is, however, greatly improved.

Reference was made in the report of the directors for the previous year to the fire which had broken out in the old workings of No. 14 seam in Khoira section and to the fact that some equipment had been lost in the sealing off of Nos. 2 and 3 pits at Kendwadih which had been ordered by the Mines Department. An attempt was made in May 1960 to reopen the area as tests indicated that heating was extinct. Within a few hours of the reopening, however, there were definite signs that heating was becoming active and it was accordingly decided to close the main seals again. A further attempt will be made early in 1961 to reopen this area.

By a notification in the *Gazette of India* dated 6th August 1960 the Government of India gave notice of its intention to prospect the area comprising the Company's Sutikdih Colliery which has not been worked since 1928 but which contains large reserves of selected coal. It had been the Company's intention to reopen Sutikdih on completion of the reorganisation and expansion programmes at Bararee and South Bulliari Collieries and accordingly a suit has been filed in the Supreme Court of India whereby it is sought to restrain Government from taking any action under the notification referred to.

Accounts in brief are as under:—

Liabilities	£	Assets	£
Capital ...	240.000	Gross block	1,124,710
Reserves ...	352,069	*Less*—Depreciation ...	812,966
Provision for taxation ...	5,904		
Liabilities ...	569,834	Net block ...	311,744
Profit and loss account (surplus) ...	7,006	Work-in-progress ...	259,831
		Stock of coal	64,693
		Stores ...	131,365
		Book debts ...	244.753
		Investments	154,283
		Cash ...	8,144
	£1,174,813		£1,174,813

Rajendra Coffees Ltd.

The directors of the above Company (Managing Agents: The Associated Planters Private Ltd., Mysore) present the audited accounts of the Company for the year ended 31st March 1960.

The coffee crop for season 1959/60 was estimated at 147 tons of robusta and 1 ton of arabica and the actual realisation was only 53 tons of robusta and half a ton of arabica cherry. After the blossom estimates were taken there was unprecedented erratic rain fall and the coffee berries did not develop properly and also there was very heavy droppings after the berries developed. Even though all possible steps were taken to reduce the damages to the coffee crop it was not possible to pick more than the actual collection. The directors are glad that for the 1960-61 season the estimate of the coffee crop is placed at 125 tons robusta and 1½ tons of arabica.

In view of the sound financial position and the large amount of reserve available the directors have transferred Rs. 53,963 from the general reserves of the Company to dividend equalisation fund and also have transferred Rs. 51,000 from dividend equalisation fund to profit and loss appropriation account.

The result of the Company's working for the period under review is a loss of Rs. 16,498 (profit of Rs. 1,76,231) to which is added depreciation written off on buildings, machinery, etc., of Rs. 8.399 (Rs. 9,179) and Company's contribution to staff provident fund of Rs. 1,853 (Rs. 2,011) leaving a net loss of Rs. 26,750 (a net profit of Rs. 1,64,791 after deducting loss on investments Rs. 250). After deducting the amount brought forward from last year of Rs. 41,924 (Rs. 34,633) there is a credit balance of Rs. 15,174 (Rs. 1,99,424). The directors have transferred from dividend equalisation fund Rs. 51,000 (*nil*) making a total amount available for appropriation of Rs. 66.174 (Rs. 1,53,424). The directors recommend to make the following appropriations:—

To payment of a dividend at 6 per cent. agricultural income-tax and Central income-tax-free on 10,000 cumulative preference shares and income-tax thereon, absorbing Rs. 8,000 (Rs. 6,000), to payment of a dividend at 5½ per cent. agricultural income-tax and Central income-tax-free on 10,000 redeemable cumulative preference shares and income-tax thereon, absorbing Rs. 7,400 (Rs. 5,500) and to payment of a dividend at 25 per cent. (50 per cent. agricultural income-tax-free) agricultural income-tax-free on 40,000 ordinary shares subject to Central income-tax, absorbing Rs. 50,000 (Rs. 1,00 000) leaving a balance of Rs. 774 (Rs. 41,924) to be carried forward.

The directors feel that the working results for the year ended 31st March 1960 has not been satisfactory. Even though the staff and officers of the Company did their best the damage to the coffee crop by unfavourable weather conditions could not be prevented, hence the crop realised for the year under review was 54 tons as against the estimated crop of 148 tons. The coffee crop estimate for 1960-61 is 125 tons robusta and 1½ tons arabica.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00.000	Gross block	3,70,345
Reserves ...	1,14,963	*Less*—Depreciation ...	43,569
Provision for taxation ...	87.253		
Liabilities ...	2,03,578	Net block ...	3,26.776
Profit and loss account (surplus) ...	774	Stock of coffee	1.15.575
		Stores, etc. ...	31,723
		Book debts ...	98.762
		Investments	1,00.000
		Cash ...	1,33.732
Rs.	8,06,568	Rs.	8,06,568

Central Provinces Railways Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Killick Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September 1960.

The following table shows the statistics of traffic for the past three years:—

	1957-58	1958-59	1959-60*
Number of passengers ...	21,83,836	21,66,034	23,13,628
Gross earnings (in rupees) ...	9,81,196	9,81,273	10,13,008
Merchandise (in tons) ...	1,33,054	1,40,151	1,36,648]
Gross earnings (in rupees) ...	6,08,372	5,54,845	5,16,457

* The figures for 1959-60 in respect of the number of passengers and tonnage carried during September, 1960, will require adjustment as the audited figures have not been received.

Coaching Traffic:—There has been an increase of about 1,47,000 in the number of passengers carried and of over Rs. 32,000 in coaching receipts.

Goods Traffic:—The tonnage of merchandise carried shows a decline of about 3,500 tons resulting in a reduction of over Rs. 38,000 in earnings.

After payment of Government's share of surplus profits amounting to Rs. 1,58,260 as against Rs. 1,94,745 in 1959, and providing Rs. 2.67,456 (Rs. 2,85,110) for taxation, the net profit for the year is Rs. 3,27,063 (Rs. 3,49.572). To this has to be added the balance brought forward from the previous year of Rs. 6,607 (Rs. 1,46,056) and amount overprovided for final dividend in the previous year of Rs. 471 (Rs. 9) making a total of Rs. 3,34,141 (Rs. 4,95,637). Out of this amount, there has been paid an interim dividend at the rate of Rs. 1.50 (Rs. 2.00) per share, subject to deduction of tax, for the half year ended 31st March 1960, absorbing Rs. 1,41,000 (Rs. 1,88,000). The directors recommend a final dividend for the year ended 30th September 1960, at the rate of Rs. 2.00 (Rs. 2.125) per share, [making Rs. 3.50 (Rs. 4.125) for the year], subject to deduction of tax, which will absorb Rs. 1,88,000 (Rs. 1,99,750) leaving a balance to be carried forward to next year of Rs. 5,141 (Rs. 6,607) after providing Rs. 1,01.280 for wealth tax for the years 1956; 1957 and 1958.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	94,00.000	Block ...	95,61.236
Reserves ...	55,000	Book debts ...	3,91,969
Provision for taxation ...	1.83.452	Investments	500
Liabilities ...	3,28,515	Cash ...	18,403
Profit and loss account (surplus) ...	5,141		
Rs.	99.72.108	Rs.	99,72,108

Coffee Lands and Industries (Mysore) Ltd.

The directors of the above Company (Secretaries and Treasurers: The Consolidated Coffee Estates (1943) Ltd., Pollibetta, Mysore State) submit the audited accounts of the Company for the year ended 30th June 1960.

The net profit for the year is Rs. 2,03.662 (Rs. 8,71,249) to which is added the balance brought forward of Rs. 1,28,049 (Rs. 1,52,288) making a total of Rs. 3.31,711 (Rs. 10.23,537). The dividend on preference shares at 5 per cent. subject to deduction of tax, under Section 18(3)(D) of the Indian Income-tax Act, absorbed Rs. 52,030 (Rs. 52,030). The directors have transferred to development rebate reserve Rs. 2,302 (Rs. 8.661) and to general reserve Rs. 50.000 (Rs. 2,50.000) leaving a balance of Rs. 2,27,379 (Rs. 6,90,549 after paying Rs. 22,297 as income-tax). Out of this amount, the directors recommend the payment of a dividend of 6 (25) per cent. subject to deduction of tax, on the ordinary shares, absorbing Rs. 1,35.000 (Rs. 5,62.500) leaving a balance of Rs. 92,379 (Rs. 1,28,049) to be carried forward.

Crop—1959-60

	Estimated Metric tonnes	*Actual* Metric tonnes
Arabica coffee ...	726	603
Robusta coffee ...	66	74
Total ...	792	677
Cardamoms ...		Maunds 20

The difference of 123 metric tonnes between the estimated Arabica crop and the actual Arabica crop harvested may be attributed to a new malady in coffee which has recently been under study by a team of scientists appointed by the Coffee Board. Their report is awaited. The crop has been valued on the basis of the minimum release price of Rs. 2.20 a point.

Season 1960-61—*Crop Estimate*:—Arabica coffee 711 metric tonnes and robusta coffee 147 metric tonnes.

Hunsur Works:—3,526 metric tonnes of coffee was cured during the season, compared to 3,849 tonnes in the previous season.

During the year the Company's capital expenditure amounted to Rs. 3,88.940 of which labour and staff quarters cost Rs. 2,23,373.

Preference Dividend:—No provision has been made for any additional dividend that may be payable in the event of The Preference Shares (Regulation of Dividends) Bill, 1960 being passed into law. Any such additional dividend will be very small as in the relevant assessment years the Company's income is mainly agricultural.

Taxation:—Full provision is made in the accounts for taxation.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	32.90.600	Gross block	53,64,399
Reserves ...	31,10,963	*Less*—Depreciation ...	13,19.304
Provision for taxation ...	6,70.310		
Liabilities ...	11,03.409	Net block ...	40,45.095
Profit and loss account (surplus) ...	92.379	Coffee sales receivable ...	10,02.995
		Stores, etc. ...	4,68,331
		Stock of minor produce, etc. ...	3.20.706
		Book debts ...	17.29.184
		Investments	1.18.055
		Cash ...	5.83.295
Rs.	82.67.661	Rs.	82.67.661

Madhya Pradesh Industries Ltd.

The directors of the above Company (Managing Agents: Messrs. J. K. Agents Private Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st March 1960.

The profit and loss account for the year shows a profit of Rs. 5,10.464 (Rs. 9.88,075). Out of this provision has been made for depreciation Rs. 1,17,700 (Rs. 1,15.849) for development rebate reserve Rs. 2.095 (*nil*) and for taxation Rs. 2.50.000 (Rs. 5,60,000) leaving a sum of Rs. 1,40,669 (Rs. 3,12.226). With the balance brought forward from the last year's account of Rs. 56,593 (Rs. 74,367) there is a total amount available for disposal of Rs. 1,97,262 (Rs. 3,86,593). The directors recommend payment of dividend for the year ended 31st March 1960, as under subject to deduction of tax.

On 5.000 6 per cent. tax-free cumulative preference shares at (6 per cent.) tax-free per annum payable forthwith plus such further dividend as may be payable on enactment of the Preference Shares (Regulation of Dividends) Bill, absorbing Rs. 30,000* (Rs. 30,000) and on 1,50,000 ordinary shares at 10 per cent. (20 per cent.) free of tax i.e., Re. 1 (Rs. 2) per share absorbing Rs. 1.50,000 (Rs. 3,00,000) leaving a balance to be carried forward to next year of Rs. 17,262* (Rs. 56,593).

The Company has been charging depreciation on mining leases since the beginning. The Income-tax Department disallowed this depreciation and the Company contested it. However, the Bombay High Court has upheld the decision of the Income-tax Department on this issue and therefore it is necessary to provide additional amount for taxation. The directors have transferred a sum of Rs. 2 5 lakhs from general reserve to this account. In view of the fact that the value of the mining leases is of wasting nature, the directors have thought fit to continue providing depreciation on mining leases.

During the year under review, the working of the several mines of the Company as well as the production of manganese ore was satisfactory.

*Subject to payment of further dividend on preference shares as aforesaid which will be paid to those shareholders whose names are on the register of members as on the 29th December 1960.

The rate of royalty that was raised to 12½ per cent. on high grade manganese ore under the Mines and Minerals (Regulation and Development) Act, 1957 continued to be so till February 1960, when it was reduced to 7½ per cent.

Railway freight on manganese ore that was raised in October 1958, by more thas 40 per cent. continued during the year. Certain rebates that were announced in September 1959, on low and medium grade manganese ore did not result in any gain to the Company because the Company produces mostly high grade ore.

The price of manganese ore further deteriorated during the year. The *F.O.B.* price of 46/48 per cent. manganese ore came down approximately from Rs. 145 per ton in the beginning of the year to approximately Rs. 130 per ton at the close of the year under review. Although the Company produces mostly high grade ore with low impurities and the production was satisfactory, the profits were lower on account of fall in prices. The movement and export of manganese ore continued to remain under quota system, the State Trading Corporation of India Ltd., holding 50 per cent. of the available quota. Although the total quantity of ore exported from India during 1959 i.e., 9.65 lakh tons was practically the same as during 1958 i.e., 9.53 lakh tons, the value of export dropped by about 20 per cent., i.e., from Rs. 15.34 crores in 1968 to Rs. 12.62 crores in 1959. India has not been able to regain the markets which it has lost, specially of the main ore importing countries like U.S.A., France, U.K. and West Germany.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00.000	Gross block	18,79,279
Reserves ...	12,02.095	*Less*—Depreciation ...	13,27,977
Provision for taxation ...	27,49.602		
Liabilities ...	15,76,214	Net block ...	5.51,302
Profit and loss account (surplus) ...	17,262	Stock-in-trade	6.01,646
		Book debts ...	34,20,290
		Investments	26,68,088
		Other assets	1.05.070
		Cash ...	1,98,777
Rs.	75,45,173	Rs.	75,45,173

Nelliampathy Tea and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey) present the audited accounts of the Company for the year ended 30th June 1960.

	Pounds	*Cost per lb.*
Tea crop harvested	10,18,200 (7,46,000)	Rs. 1.20 (Rs. 1.32)
Estimate	9,00,000 (9,00,000)	Rs. 1.17 (Rs. 1.11)
	Cwts.	
Coffee crop harvested	748.74 (729.63) (cured wt.)	
Estimate	540 (400)	

The cardamon crop for the year was 9,941 (24,162) pounds against an estimate of 15.000 (30,000) pounds. Tea seed crop harvested amounted to 6 (15) maunds against an estimate of 20 (40) maunds.

After providing for income-tax and Agricultural income-tax amounting to Rs. 1,80,000 (Rs. 80,000), and payment of Rs. 27,000 (Rs. 27,000) towards 6 per cent. preference dividend and Rs. 800 (*nil*) towards reserve for development rebate, the net profit including the previous year's carry forward of Rs. 150 (Rs. 33,440) amounts to Rs. 1,61,656 (Rs. 1,20,150 including Rs. 16,000 transferred from dividend equalisation fund). The directors recommend that this amount be disposed of as under:

By payment of a dividend on equity shares for 1959-60 at 13 (10) per cent. subject to deduction of tax, absorbing Rs. 1,56,000 (Rs. 1,20,000) leaving a balance to be carried forward of Rs. 5,656 (Rs. 150).

Estimates for 1960-61

	Crop lbs.	*Cost of Production* per lb.
Tea ...	9,00,000	Rs. 1.22
Cardamom ...	15,000	Rs. 6.20
	cwts.	per cwt.
Coffee ...	1,100	Rs. 151.85
	Mds.	per Md.
Tea Seed ...	15	Rs. 262.53

Tea Crop: The production has been substantially in excess of the estimate as well as the previous year's yield and the teas produced by the Company have also secured satisfactory prices in local auctions as well as in London to which market steady shipments have been made during the year. The average sale price for the year was Rs. 1.93 per lb. against Rs. 1.80 per lb. last year.

Cardamom: The short-fall has been due to adverse weather conditions and incidence of pests during the year. Special attention has been paid to this factor during the current season and the directors are able to report that the conditions are now satisfactory and for the current year the crop is expected to be over 200 per cent. of the estimate.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,50.000	Gross block	27,51,637
Reserves ...	6,37,638	*Less*—Depreciation ...	5,74,549
Provision for taxation ...	2,72,816		
Liabilities ...	4,99,839	Net block ...	21,77,088
Profit and loss account (surplus) ...	5,656	Stock-in-trade	3,67,969
		Stores, etc. ...	1,50,766
		Book debts ...	3,14.633
		Investments	32,505
		Cash ...	22,988
Rs.	30,65,949	Rs.	30,65,949

N.B.—Figures within brackets relate to the corresponding period of the previous year.

Cadbury-Fry in India

Finest quality walnuts in Cadbury's rich milk chocolate.

A delightful blend of selected raisins, nuts and Cadbury's milk chocolate.

An essential food for young and old. Tastes so delicious.

Delicious Roasted Hazels or Almonds in rich Milk Chocolate...each variety in attractive ½ lb. boxes.

Cadbury's PLAIN covering chocolate for a special flavour to your cakes and puddings ...MILK covering chocolate for creamy richness....in blocks of 1 lb. each and 20 lb. bulk tins.

CADBURY HOUSE, BOMBAY

CADBURY MEANS QUALITY

NEPAL BANK LIMITED

(Incorporated under Nepal Bank Act of 1994 (Sambat))

Central Office: KATHMANDU, NEPAL

Authorised Capital .. .. ..N.C. Rs. 1 crore
Paid-up Capital .. .. ..N.C. Rs. 25 lacs
Reserves and Exchange Fluctuation Fund .. .. ..N.C. Rs. 44 lacs

(N.C. Rs. 160=I.C. Rs. 100)

16 Branches and Sub-Offices in Nepal

Enquiries are invited from Banks, Commercial Concerns and Tourists for information regarding Prospects, Procedure and Regulations in Nepal.

ECONOMIC CONDITIONS IN CANADA

INCOME AND EMPLOYMENT RISE FURTHER

By Hon. George Hees

CANADA'S MINISTER OF TRADE AND COMMERCE

CANADA comes to the end of another good year. The gross national product has established a new record, which is between two and three per cent. above the level for the previous year. Although prices, on the average, are up slightly, the total output of Canada's economy is higher than ever before. Personal incomes, in total, have risen by three per cent. On a *per capita* basis, real earnings have maintained the unprecedented level achieved in 1959. Employment has continued upward, having increased on an average of 100,000 persons, or 1.7 per cent. between 1959 and 1960.

While the year now ended has been one of notable achievement, there are no grounds for complacency. Canada has moved ahead, but so have other countries. Conditions of ample supply and intensified competition throughout the trading world have had a retarding effect upon the absorption of new productive resources. Although employment has increased, ways to achieve further expansion in job opportunities must be evolved. This is the challenge now before Canadians. The achievements of the past provide a firm base from which to move forward. Yet, move forward we must with intensified vigour.

Foreign Trade

In the first eleven months of 1960, merchandise exports were 6.4 per cent. higher than in the same period last year. This increase is due to larger sales in overseas countries, exports to which are up about one-sixth. Substantial increases have been achieved in Canadian sales to the three largest overseas market areas, namely, the United Kingdom, Western Europe and Japan. Most of this rise represents larger shipments of forest and mineral products, including pulp and paper, lumber, base metals, iron and steel, asbestos and chemicals. In addition, widespread increases have been achieved for various types of processed and manufactured goods. Despite continuing world surpluses, Canada's sales of wheat in commercial markets have held up well. Meanwhile, Canadian products have maintained their position in the United States import market, even though the actual level of shipments is a little lower than that for the preceding year.

Imports into Canada so far this year have remained at the 1959 level, and are now lower than four years ago. Though still facing intensified competition from imports, Canadian manufacturers, as a group, have about held their own in the domestic market.

Higher exports, together with an unchanged level of imports, have brought a substantial reduction in Canada's deficit on merchandise trade. This deficit amounts to $116 million in the first eleven months of the year, as compared with $410 million in the same period last year and $730 million in 1956.

A notable feature of Canada's trade this year and for several years past has been its growing geographic diversification. This has involved a lessening concentration of trade with the United States and a growing relative importance in our trade with the United Kingdom, West Germany and Japan. The steadily improving competitive position of overseas industrialised countries has enhanced their importance as sources of supply for the Canadian market. At the same time, strong internal growth rates within these areas has produced sharply-expanded markets for Canada's products.

Reflecting these broad influences, the proportion of Canada's exports to the United States has declined from 59 to 57 per cent. during the past four years, which means that 43 per cent. of Canada's total exports now go to overseas markets. During the same period, the United States' share of Canada's import market has declined from 73 per cent. to less than 68 per cent., while the share of overseas countries has risen correspondingly.

Additional Demand Stimulus

Internally, additional demand stimulus has come from the continuing rise in public and institutional investment, and further growth in consumer purchases. Expansion of business plant and equipment, while not placing additional demands upon the productive resources of the economy, has been proceeding on a major scale. Continued modernisation, diversification and expansion throughout all sectors of industry is a reflection of the strong forward momentum that underlies Canada's economic development. Meanwhile, less house-building and a diminishing rate of inventory accumulation in the business community at large have been important influences limiting the growth in overall demand within the Canadian economy.

Following a period of hesitancy earlier in the year, comprehensive measures of general activity now show a firm trend. A number of strong sustaining forces underlie demands within the Canadian economy. The recent upturn in housing starts foreshadows a firmer trend in house building activity. Public and institutional building is continuing to expand. Information now available on investment plans indicates that capital spending by the business community in 1961 will hold close to the previous year's level. The sustained upward movement in personal income should give continuing support to the consumer market. The liquidation of inventories now taking place in a number of industries will provide the basis for a strengthening in new orders in due course.

These sustaining forces are being reinforced by the special programme to stimulate Canadian development, now before Parliament. New provisions under the National Housing Act directed toward residential development, along with the improved availability of mortgage funds, have already had a stimulative effect upon house-building. New supports for urban re-development and low-cost loans for sewage construction will contribute to a rounded programme of local improvement. Additional impetus, given this year to the "Winter Works Programme," is helping municipalities get ahead with needed facilities and at the same time is providing a major stimulus to off-season employment.

Legislation providing for guaranteed bank loans to small business for improvement and additions to equipment and premises will give new support to small enterprises, and will add to activity in construction trades and other capital goods industries. Through the establishment of a National Productivity Council and in other ways, particular attention is being given to the competitive position of Canadian producers and to other measures that will increase participation of Canadian industry in both domestic and foreign markets. Taxation proposals recently announced will encourage new enterprise and increase production. These and other measures will stimulate Canadian development and add to employment opportunities.

Prospects in Foreign Markets

Prospects in foreign markets are now somewhat clouded by an easing in the tempo of business activity in the United States and by signs of hesitancy in the United Kingdom and some other overseas economies. Industrial activity in these countries has an important bearing on the demand for many of Canada's major exports. Despite the possibility of temporary fluctuation in international commodity markets, however, Canada's position in world trade remains basically strong. Rising income and consumption levels in overseas countries, together with the widespread reduction in import restrictions, has opened up new opportunities for the sale of Canadian goods. Vigorous action is being taken to see that these new market prospects are exploited in a practical way. For instance, new credit facilities are being made available to heavy goods exporters to enable them to compete on better terms with foreign competitors.

It became apparent to me, when I took over as Minister of Trade and Commerce, one of the things needed was to call in our Trade Commissioners from forty-nine countries throughout the world, and to bring them together with our primary and secondary producers.

During the Export Trade Promotion Conference, in Ottawa, Government and management were united in their efforts to explore all avenues leading to the procurement of a larger proportion of the world's markets for Canadian merchandise. Representatives of 1,268 Canadian firms held an aggregate of approximately 11,000 interviews with 110 trade commissioners. Businessmen sought their views on the sales potential for a wide range of products in their respective territories, and left the department with the impression that every effort will be made to display and sell their wares in foreign fields.

Many products, now manufactured in Canada, have never before been exported. One in five of the firms seeking interviews had never previously considered the export field as a possible outlet for their products. Many businessmen expressed the opinion they consider prospects favourable, following discussions with Trade Commissioners from ten or more countries. A number of these visitors to Canada's capital learned for the first time that a wealth of information and special services are obtainable from the Department of Trade and Commerce, both at home and abroad.

Quality of Goods

The reputation of Canada as a progressive, peace-loving country stands high, both in the larger and smaller nations of the world. But, the products we have to offer are not as widely known as they should be. This is, primarily, the task of individual producers in a free-enterprise economy such as ours. Canadian Trade Commissioners will provide the necessary introductions and will work alongside exporters and their agents abroad, provided both are genuinely interested in pushing sales for their goods.

We know that many countries, which until recently were markets for Canadian merchandise, are now our competitors and that the products they offer for sale are of high quality and reasonably priced. In order that Canada may maintain her present standard of living and provide for full employment in her many industries, it is essential that management and labour should reach an understanding that will enable us to produce the goods that are competitive in world markets. Not only must we preserve the quality of our goods but the price must be right. I am confident that many of the businessmen who talked with our Trade Commissioners carried home to their respective plants a message that will encourage all concerned, and that a great unifying force will be created to move forward on our objective.

Efforts which were considered good in the past will simply not do today. Ours must be the kind of effort which we produced in two world wars to defeat an enemy on the military front. Today, we need the same kind of effort on the economic front to protect the jobs of our people, just as we protected the lives of our people in wartime. I know I can count on management and labour in Canada to produce the goods that are competitive in both quality and price, and to maintain and expand our markets. Working together, we can produce a team effort that will be unbeatable.

U.S. EXPORT SURPLUS RISES IN 1960

The U.S. export surplus, which narrowed to about $1,000 million in 1959, will probably approach $5,000 million in 1960. This resulted from a rise in exports, while imports held were maintained at the 1959 level, according to the 1950 year-end review of U.S. foreign trade by Mr. Bradley Fisk, Assistant Secretary of Commerce for International Trade. The data for the first eleven months of 1960 indicate that non-military exports in the whole year will probably exceed $19,500 million, as compared with $16,300 million in 1959. Enlarged foreign demand, stemming chiefly from the business booms in Western Europe and Japan, was primarily responsible for the sharp rise in U.S. sales abroad in 1960. Another factor was liberalisation of import restrictions in many countries that facilitated expanding sales of dollar goods. The U.S. share of the total export market abroad will probably reach 20 per cent. of a greatly expanded total for 1960. This percentage represents improvement over the 19 per cent. share in 1959, but remains below the 21-22 per cent. range prevailing in several earlier years of the 1950's.

PHILANTHROPY BY AMERICANS

More than $8,000 million were given to philanthropy by Americans in 1960, the American Association of Fund-Raising Counsel has estimated. Among major beneficiaries were religious organisations which received about 6 per cent. more than in 1959. Construction of buildings for religious purposes exceeded the 1,000-million mark, ten per cent. higher than a year ago. Donations in the religious category account for about 50 per cent. of the total annual philanthropy in the U.S. Modest increases were reported in 1960 for health, welfare and recreation, expected to total over $468 million, or 2 per cent. higher than in 1959. Higher education was expected to show the greatest percentage increase of any category, rising markedly above the $939 million given in 1959.

MONEY QUITE DEAR

(From Our Own Correspondent)

BOMBAY, 11*th January*

There has been no improvement in the supply of funds in the short-term money market, but the demand has been gathering momentum. The hope that the Reserve Bank will release the remaining 25 per cent. of special deposits in order to relieve acute scarcity of money has not yet materialised. Banks are, therefore, meeting the demand for accommodation from the trade and industry by borrowing from the Reserve Bank. The major portion of these borrowings are believed to be at the maximum rate of 6 per cent.

There are very few lenders in the inter-bank section, even though the rate for day-to-day money is as high as 5¼ per cent. There have been a few borrowers at as high as 5¾ per cent. for one week inter-bank money.

There is no change in the rates of interest for short-term deposits. These are: 2 per cent. for house money repayable on notice of 3 to 21 days, 3 per cent. for house money repayable on notice of over 21 days, 3½ per cent. for deposits of 31 days and over but up to 60 days, 3¾ per cent. for over two months to 12 months and 3¾ per cent. for one year.

There has also not been any increase in the lending rates of banks, which vary from 6½ to 7 per cent. per annum. It would, however, appear that, in most cases, new borrowers have to pay ¼ to ½ per cent. more, if they require any sizable accommodation.

There is no move as yet to amend the inter-bank agreement on deposit rates which are, however, considered to be on the low side, having regard to the prevailing stringency in the money market.

The 91-day Treasury Bill results are in keeping with the trend of the market. Although the total amount offered (as against an invitation for Rs. 2 crores) was Rs. 20 lakhs more at Rs. 2.60 crores, the average rate of accepted tenders was higher at 2.576 per cent., as against 2.556 per cent. in the previous week. There were no sales of intermediate Treasury Bills, but they are being continued and so also the sale of Bills through tenders. Whatever support there is for Treasury Bills is mostly from "special quarters" and that, too, against maturities.

A sharp increase of Rs. 32.27 crores in notes in circulation, taking the total to Rs. 1,901 crores, is disclosed by the Reserve Bank of India's statement for the week ended 6th January 1961 as compared with that for the previous week, when there was an increase of Rs. 10.43 crores in this item. Since there has been a small increase of Rs. 18.42 lakhs in notes held in the Banking Department, the total notes issued have gone up by Rs. 32.45 crores. This has been balanced on the assets side by an addition of Rs. 35 crores in rupee securities and a fall of Rs. 2.5 crores in rupee coins. Since this fall reflects the issue of one-rupee notes to the public, the net addition to the currency in circulation during the week under review works out to nearly as much as Rs. 35 crores.

It may be interesting to note, in this connection, that, in the first week of 1960 also, there was almost an identical increase in currency in circulation. The only difference is that, a year ago, notes in circulation were lower by some Rs. 126 crores at Rs. 1,775 crores.

Foreign securities held by the Issue Department remain unchanged at Rs. 108 crores. But, as balances held abroad by the Banking Department have contracted by Rs. 4.12 crores, the total foreign assets are down by that amount to stand at Rs. 147.62 crores.

Reflecting the keen demand for money, deposits of banks with the Reserve Bank have slumped by Rs. 31.01 crores to stand at Rs. 84.67 crores. There has, however, been a fall of Rs. 8.45 crores in other loans and advances given by the Reserve Bank which include borrowings by the scheduled banks also. But it is not clear whether this fall is due to a reduction in the accommodation provided by the Bank to member-banks. There is actually a small increase of Rs. 3 lakhs in the advances against usance bills which now amount to Rs. 13.82 crores. The other variations in the Banking Department of the Reserve Bank are not of much consequence to the money market.

The latest available scheduled banks' statement is that pertaining to the week ended 30th December 1960 which, as compared with that for the previous week, shows a rise of Rs. 4.83 crores in demand deposits and of Rs. 4.08 crores in time deposits. But borrowings from banks of both demand and time nature have gone down by Rs. 5.58 crores in the aggregate. Borrowings from the Reserve Bank show a sharp increase of Rs. 18.67 crores, of which Rs. 5.35 crores are against usance bills. Borrowings from the State Bank, however, are lower by Rs. 1 crore. A marked rise of Rs. 24.57 crores is noted in advances and bills taking their total to well over Rs. 1,180 crores. A year ago, these stood at no more than Rs. 977.46 crores. There has been a sharp fall of Rs. 24.79 crores under investment, while cash balances are up by Rs. 30.02 crores. Balances with other banks in current account are better by Rs. 4.92 crores. But money at call and short notice is lower by Rs. 3.89 crores. The increase in deposits and the striking rise in cash balances largely reflect the usual year-end window dressing.

The statement of the State Bank of India for the week ended 30th December 1960 shows only a small fall of about Rs. 2 crores in deposits accompanied by an expansion of Rs. 6.20 crores in advances. There has been a fall of Rs. 46 lakhs in money at call and short notice. The total cash position reveals an improvement of as much as Rs. 21.06 crores, which has been brought about by a reduction of an almost corresponding amount in investments. These variations clearly show that the bulk of the changes noted in the position of scheduled banks as a whole has been on account of the State Bank.

There is nothing worthwhile to be said about the Gilt-edged market. The State loans show no variation whatever over the week. Among Central loans, there has been a rise of 55 nP in 3½ per cent. 1974 probably due to buying by tax-voucher hunters. The same explanation holds good for the rise of 10 nP in 4 per cent. 1979. Conversion loan has spurted by 20 nP and 3 per cent. 1970-75 by 5 nP.

In the foreign exchange section, there is no change in the rupee-dollar rate, the banks' selling and buying rates for ready T.T. being Rs. 477 and Rs. 473.50, respectively, per 100 dollars. This is due to the steadiness of sterling in terms of dollar. The latest available rate is 280.630-280.660 cents per £ for spot and 279.910-279.940 cents per £ for three months' forward. As compared with the corresponding rates a week ago, these show a fractional improvement of 0.07 cent.

SILVER TOUCHES NEW PEAK

(From Our Own Correspondent)

BOMBAY, 11*th January*

Ready silver in the bullion market touched today a new peak of Rs. 200.95 per kilogram (85.7 tolas), as against the previous highest level of Rs. 198.18 touched on 5th May last year; the closing rate on Tuesday last week was Rs. 195.30. The spurt followed hectic buying by bulls on hopes of considerably enlarged demand for the metal in the next few weeks, in view of the rise in agricultural production and inflationary psychology. Some Calcutta operators were reported to have made sizable purchases. Arrivals during the week were no doubt very large, the daily average rate being 23 bars (as against only 11 bars last week), but they were well absorbed. The average offtake of silver was 9 bars per day (7 bars last week). The floating stocks of silver in the city were believed to have declined from 700 bars last week to 500 bars this week.

Gold also registered a handsome rise in prices, thanks to reports of a marked rise in offtake in upcountry centres. The rate at one time today stood at Rs. 117.53 per 10 grams (0.85 tola) for ready delivery, which is just 36 nP less than the all-time peak of Rs. 117.89 reached on 5th May 1960. Last week's closing rate for the metal was Rs. 115.20. The average daily arrivals and offtake of gold during the week were 6,800 tolas and 3,600 tolas, those in the previous week being 7,000 tolas and 4,200 tolas, respectively. The floating stocks of gold are reported to be around 80,000 tolas.

Despite the rise in prices, both silver and gold continued to be quoted at a discount under the forward positions (*Maha* settlement) throughout the week. The actual discount, of course, declined from Re. 1.55 to 35 nP in the case of silver and from 70 nP to 50 nP in respect of gold. This shows that the bulk of the appreciation in value was due to speculative buying.

Forward prices in the bullion market moved up swiftly. The *Maha* (February) settlement in silver advanced from Rs. 196.85 on Tuesday the 3rd inst., to as high as Rs. 201.30 today before finishing at Rs. 201.10. Gold *Maha* settlement rose from Rs. 115.90 to Rs. 117.70. The closing was a shade lower at Rs. 117.65.

The world price for gold in the London bullion market improved from $35.61 to $35.65-$35.75 per fine ounce during the week under review, following sustained and widespread demand, especially from Canada, attributed to American buyers. The chief factors which influenced the market were international situation, continued heavy U.S. gold losses, apparent absence of fundamental remedies for the U.S. deficit, fears that the new Kennedy Administration might have to adopt inflationary measures to revive economic activity and growth, and inflationary tinge of many American comments. In sympathy with this trend and as a result of the easiness of the pound sterling *vis-a-vis* the dollar, ready gold firmed up from 253*s.* 9*d.* to 254*s.* 5*d.* Ready and forward silver, however, were unchanged, the former at 79¾*d.* and the latter at 79¾*d.* Ready silver in New York was also unaltered at 91.375 cents.

The following table shows the trend of the market during the week under review:

	11-1-61 (closing)	High	Low	3-1-1961 (closing)
GOLD				
Ready (.99 fine)	Rs. 117.15	Rs. 117.53	Rs. 114.95	Rs. 115.20
Forward:				
*Maha**	117 65	117.70	115 80	115 90
Sovereign	90 25	90.25	90 00	90.25
SILVER				
Ready (.996 fine)	200.75	200.95	196.50	195.30
Forward:				
Maha†	201 10	201.30	197.40	196.85
London	10-1-61			
Silver Ready	79¾*d.*	—	—	79¾*d.*
Silver Forward	79¾*d.*	79¾*d.*	79¾*d.*	79¾*d.*
Gold	254*s.* 5*d.*	254*s.* 4*d.*	253*s.* 9*d.*	253*s.* 9*d.*
New York				
Silver	91 375 cents	—	—	91 375 cents

* 31st January settlement. † 1st February settlement.

N.B.—The quotation for gold is per 10 grams (about 0 85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES ERRATIC

(From Our Own Correspondent)

BOMBAY, 11*th January*

Cotton futures moved irregularly during the week under review. Prices rose and fell on a moderate scale on alternate bouts of buying and selling. No definite trend was evident during most part of the week. The doubt whether, in the face of opposition from the mill industry, the second export quota for Bengal *Deshi* and the upward revision of the ceiling prices of Kalyan and Vijay cotton would materialise induced operators to be cautious. The case for and against export quota and the revision of ceiling prices for the said varieties was presented by the respective interests at the meeting of the Cotton Textile Consultative Board, held in the City yesterday. It is quite likely that a final decision on these questions will be taken only after the Cotton Advisory Board's meeting scheduled to be held towards the end of the month.

While these uncertainties deterred operators from entering into large-scale, firm commitments, reports of bulk arrival of new crop and quality deterioration in Vijay and Digvijay crops exerted a downward pressure on prices. It should, however, be noted that the decline in price was neither steady nor consistent. And so was the rise. In fact, losses were interspersed with gains. But the former outweighed the latter, so that, over the week, futures recorded a net fall of Rs. 10.25.

I.C.C. Moglai Jarilla April 1961 contract opened the week at Rs. 604 (per three quintals) and, after declining to Rs. 592 the next day, improved to Rs. 594 on Saturday. It again came under selling pressure and receded to Rs. 590 yesterday. Opening at Rs. 591 today, the Contract rallied on short-covering to Rs. 594.75 at which rate it closed.

In the spot section, mills continued to evince interest in popular varieties like Vijay, Khandesh, Berar, Moglai, L. 147, etc. Choice qualities of these varieties were in good demand. Prices were maintained at ceiling levels. The recent keen interest in Vijay and Digvijay, however, tended to fall off, as the quality of early pickings was found to be not up to the mark. Consequently, spinners were showing increased interest in substitutes such as L. 147 and CO2.

Following the lifting of the ban on the movement of Bengal *Deshi* from the Punjab, Rajasthan and Uttar Pradesh to other parts of the country, exporters showed interest in Bengal *Deshi*. But, in the absence of quota, much firm business could not be done. The ceiling in respect of the first quota of 50,000 bales released on 8th December was reached in just over a week. But out of this, only 40,000 bales were passed for shipment. About 7,500 bales had been detained because these were not passed as "superfine and above" by the *Ad Hoc* Committee appointed by the Textile Commissioner to make these eligible for export. Yellow pickings also attracted attention from Japan and some Continental countries.

There was moderate mill demand for foreign cotton. Apart from the usual interest in the U.S. cotton, East African, Sudan and Egyptian growths also attracted attention. Sudan XG4L was done at Rs. 1,570 per candy and X04S at Rs. 1,770 per candy. B.P.52 found buyers at Rs. 1.360 for February-April shipment and Busoga at Rs. 1.335.

The procedure for allocation of cotton to mills to raise cloth production by 10 per cent. by working extra shifts was notified by the Textile Commissioner yesterday. The notification reads:

"Mills desiring to work their spindles on extra shifts are requested to fill in the necessary particulars in the proforma prescribed and send it to this office promptly. On receipt of the same, necessary cotton quotas will be issued. Mills which have applied to this office before for extra allocation on account of working third shift or increased spindles are being granted additional quotas even at present.

"Cotton is allotted only for extra shift working of the spindles. If a mill does not wish to produce more yarn but wishes to work only the looms on extra shift, no additional quotas of cotton will be granted.

"The foreign cotton stapling 1" and below, which has been already made available, will be taken into account for this purpose, but if it falls short of the requirements after due examination, Indian cotton will be issued for such extra shift working till such time as a further quantity of foreign cotton stapling 1" and below becomes available for distribution."

In contrast to the easy trend noted during the past few weeks, Karachi cotton futures ruled firm during the week under review. The January contract, after its fall in the previous three weeks, rallied, thanks to short-covering and fresh buying. The March contract rose in sympathy early in the week but later came under selling prompted by the prospect of a higher crop. The 1960-61 crop is currently estimated at 1.79 million bales, as compared with 1.66 million bales during the last season. The increase in production despite a fall in the area under cotton by 2.9 per cent. is attributed to favourable weather conditions in West Pakistan and the successful control of pests.

Cotton futures in Alexandria declined during the week under review, thanks to paucity of export demand. Foreign buyers are waiting for a further fall in Egyptian cotton prices as soon as the commencement of Sudan cotton auctions. Favourable crop news, indicating an excellent harvest, was another bearish influence. Under pressure of selling both the Karnak and Ashmouni contracts receded.

The U.A.R. Government has reiterated that there would not be any change in the cotton export policy during the present season. The following are the latest available quotations—in tallaris per

lb.—from Alexandria, the figures in brackets being last week's closing quotations:

Karnak: January 69.10 (69.55); March 70.90 (72.67); May 71.51 (73.75).

Ashmouni: February 61.90 (62.50); April 61.72 (63.01); June 62.05 (64.15).

Cotton futures in Liverpool suffered a setback during the week under review. The post-holiday buying spree, witnessed last week, dried up and the market developed signs of easiness. Lower advices from New York imparted further weakness to the market. Both the American and American type contracts receded. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: March 22.95; May 23.30; July 23.60; October 23.95.

American cotton mixed growth contract: March 23.25; May 23.60; July 24.20; October 24.30.

Sudan: January, March, May 35.00.

In spite of the likelihood of higher support prices, cotton futures in the New York market declined during the week. This was due to the continued quiet conditions in the piecegoods market and slackness of domestic mill demand. The uncertainties about Washington developments on farm problems affected the volume of turnover.

The following are the latest available quotations from New York, as compared with those a week and a month ago:

(In cents per lb.)

	10-1-61	3-1-61	13-12-60
Spot	32.25	32.25	32.25
December	—	32.25	—
March	32.05	32.70	32.40
May	32.53	33.07	32.85
July	32.96	—	—

YARNS EASY

(From Our Own Correspondent)

BOMBAY, 11*th January*

Barring Cupressa Bemberg yarns (60 x 1) which tended to move up on good buying support, the yarn market depicted a distinctly easy trend during the week under review. Imported art silk yarns encountered selling induced by fears of reduced demand from the weaving units as a result of the latest official decision pertaining to allocation of indigenous yarn for the current quarter announced on the 7th inst. Staple fibre yarns also ruled easy, due to conflicting rumours regarding stamping of prices on staple fibre yarn bales. Cotton yarns changed hands at lower prices, in view of the latest cut in prices announced by the Indian Cotton Mills Federation.

According to the latest Press note issued by the Textile Commissioner, indigenous art silk yarn will be allocated to the powerloom weaving units for January-March 1961 period on the basis of the number of loom shifts worked during July-September 1960. For units submitting monthly returns in the prescribed form regularly to the office of the Textile Commissioner, the rate of allocation will be 0.65 kg. per loom per shift, whereas, in case of units which are not submitting such returns, the allocation will be at the rate of 0.4 kg. per loom per shift, provided they submit the returns in the prescribed WAS-1 Form along with their applications. The allocation will be made only to such units as are holding valid installation permit and/or registration certificate from the Textile Commissioner's office, to work powerlooms on artsilk-staple fibre yarn. Those card holders for the January-March 1961 period who are unable to procure supplies directly from indigenous manufacturers are required to approach the Distribution Committee, c/o the Association of Man-Made Fibre Industry, Ewart House, Bruce Street, Fort, Bombay, for supply of yarn against the allocation cards issued to them. The said Committee will endeavour to supply art silk yarn to the extent such card holders are entitled to through the common pool created by the members of the Association. The powerloom units whose cards against October-December 1960 period have been endorsed after 30th November 1960 can secure their balance requirement from indigenous yarn manufacturers in the ensuing period along with the allotment against January-March 1961 period.

It is reported that the Textile Commissioner has deferred for consideration the plea of the Cotton Mills Federation for stamping of prices on staple fibre yarn bales as in the case of baled cotton yarn. Traders has opposed the move for stamping prices on the ground that it will lead to malpractices and ultimately hamper free trade in this yarn. In the course of a communication addressed to the Textile Commissioner, the Bombay Yarn Merchants Association and Exchange observes:

"The recent rise to some extent in the prices of staple fibre yarn is mainly due to export of staple fibre fabrics under the Export Promotion Scheme, which, we believe, is only a temporary phase. If you will look to the trend of prices for the whole year, you will find that there was never the tendency of inflation in prices of staple fibre yarn. In fact, the prices of staple fibre yarn have generally remained subdued and a lower trend has prevailed. As it is only due to the incentive scheme in the export of staple fibre fabrics, envisaged recently by the Government, the prices have slightly risen temporarily, and we are sure that they are bound to recede and reach the normal level very shortly. In view of the above, we have to request you to watch the trend of the market at least for six months before taking decision to stamp the prices of staple fibre yarn."

Imports of art silk yarn into Bombay port during the month of December 1960 amounted to 782,458 kg., as against 1,376,528 kg. in November 1960. Imports of staple fibre yarn were 16,428 kg. In the same month, 105,995 kg. of synthetic yarn and 20,076 kg. of cotton yarn were imported. The corresponding figures for the previous month were 64,075 kg. and 8,523 kg., respectively. Exports of cotton yarn from Bombay port during December were 334,812 kg., as against 362,579 kg. in the previous month, and cotton sewing thread 31,315 kgs., as against 23,990 kgs.

The following table gives prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week ago:

	11-1-1960	4-1-1961
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.) February	2,392.00	2,366.00
60/1 Cupressa Bemberg spot	2,383.00	2,341.00
120 Japan (per 100 kg.)	1,301.00	1,310.00
150 Japan (per 100 kg.)	1,140.00	1,053.00
120 Italy (per 100 kg.)	1,239.00	1,254.00
150 Italy (per 100 kg.)	1,598.00	1,570.00
Staple fibre yarn—		
40 x 2 February (per 90.72 kg.)	776.00	775.00
40 x 2 Century (per kg.)	9.35	9.42
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	17.75	18.12
20s New Great	22.25	22.12
40s Madura	31.50	31.62
60s Finlay	60.60	59.59
80s Finlay	79.79	79.79

OILSEEDS SUBDUED

(From Our Own Correspondent)

BOMBAY, 11*th January*

The oilseeds market was somewhat subdued during the week under review. Arrivals were large, while overseas enquiries for oils were not quite encouraging and offtake by domestic consumers was low. Consequently, prices of oilseeds and oils generally tended to look down. Traders were not inclined to enter into large fresh commitments either way pending the emergence of a clear picture regarding supply position of oilseeds and demand prospects.

A notable development of import to the market was the meeting of the Presidents of recognised associations at Bombay, Rajkot, Adoni, Hyderabad and Sangli held in Bombay this week under the auspices of the Forward Markets Commission. The main object of the meeting was to devise measures for eradicating illegal trading in non-transferable specific delivery contracts in groundnut and groundnut oil. After the meeting, the Commission issued a Press note in which it declared that, in the light of the discussion at the meeting, it would now take steps to eradicate illegal trading in non-transferable specific delivery contracts in groundnut and groundnut oil. Another notable development of the week was the commencement of trading in new hedge contracts in groundnuts and cottonseeds on Friday the 6th inst.

Oilseeds traders are rather perturbed over the reported move of the authorities to link exports of groundnut oil to imports of copra. In a telegram sent to the Union Ministry of Commerce and Industry, the Board of the Bombay Oilseeds and Oil Exchange has urged the Ministry to refrain from such a move. The Board considers it inadvisable for the Government to allow exports of groundnut oil and H.P.S. groundnuts, in view of the tight supply position and prevailing high prices. It has warned that, if an additional quota is announced, prices will rise further. If, however, the Government is still very keen on export promotion, the Board has suggested that a further quota of H.P.S. groundnuts may be permitted, since the ceiling of previous quota has already been reached. In respect of groundnut oil, the Board has suggested that incentives by way of import of copra should be given to established exporters of groundnut oil, instead of asking the millers of copra to export oil.

In the groundnut section, there was a strident rally in the earlier part of the week, induced mainly by good demand from exporters. The spot section, too, was distinctly firm, in view of the relatively smaller arrivals. But the sentiment turned easy subsequently, owing to low level of support from crushers and *vanaspathi* manufacturers. The closing prices today were lower than those in the beginning of the week. Despite the decline, the ready price per 250 kg. was still higher at about Rs. 230, as compared with the ceiling prices of Rs. 220 for forward contracts. Groundnut May 1961 contract, business in which commenced on Friday at Rs. 216.25, gradually declined to close today at Rs. 215.75. February 1961 contract improved initially from Rs. 218.50 to Rs. 219 (just a rupee below the ceiling), but fell to Rs. 217.50 yesterday. It, however, recovered to Rs. 218.75 today. Nizam bold fell from Rs. 46.12 to Rs. 44.75, before closing at Rs. 46. Khandesh quality lost 25 nP to Rs. 46.50. Oil ex-mill dropped 20 nP to Rs. 19.50.

The castorseed section ruled easy mainly on account of new crop arrivals. It was felt that the reports of increases in the pressure from Brazilian castor oil supplies and India's disadvantage in respect of price parity had reduced the scope for any sizable exports in the immediate future. These factors dampened the enthusiasm of bulls, resulting in heavy unloading. Castor May 1961 contract gave way from Rs. 178.37 to Rs. 175.87 yesterday. Although it rose to Rs. 176.25, it was still lower by Rs. 2.12, as compared with the opening rate for the week. Ready Madras eased by 25 nP to Rs. 34.62. Oil Commercial shed 15 nP to Rs. 14.05.

With the Indian prices of linseed oil continuing to rule higher than those in world markets, there was hardly any activity in this section. May 1961 contract was lower by 44 nP at Rs. 35.22. Bold ready dropped Re. 1.50 to Rs. 37.25. Oil lost 40 nP to Rs. 16.80.

There was a distinct setback to prices in the cottonseed section, in sympathy with the trend of the raw cotton market. February contract was marked down by Rs. 4 to Rs. 91.50. The new contract May 1961 was hammered down from Rs. 93 to Rs. 91.50. Both non-whites and berars eased by 45 nP to Rs. 19.30. Whites, however, picked up 30 nP to Rs. 20.05.

Among other seeds, sesame ruled steady on reports of reduced crop. Sesame bold was maintained at Rs. 340. Nigerseed closed today at last week's level of Rs. 36.50, after touching Rs. 38.25 early in the week. Kardi seeds hardened by 50 nP to Rs. 25.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	11-1-1961	4-1-1961	28-12-1960
	Rs.	Rs.	Rs.
Groundnut			
February 1961	218.50	218.50	216.00
May 1961	215.75	—	—
Nizam bold	46.00	46.12	43.75
Coromandel ready	46.50	46.75	44.75
Khandesh quality	46.50	46.75	45.00
Oil ex-mill ready*	19.50	19.70	19.00
Railway receipts*	19.25	19.50	18.81
Castorseed			
May 1961	176.25	178.37	175.75
Ready Madras	34.62	34.87	34.25
Ready Kanpur	33.50	33.87	33.00
Oil B.S.S.†	15.00	15.10	14.87
Oil commercial†	14.05	14.15	14.10
Linseed			
May 1961	35.22	35.66	35.34
Bold ready	37.25	38.75	36.87
Oil ready†	16.80	17.20	16.20
Cottonseed			
February 1961	91.50	95.50	94.25
May 1961	91.50	—	—
Niger seed	36.50	36.50	37.50
Kardi seed	25.00	24.50	24.50

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 60 kilograms and oil per 10 kilograms.

BLACK PEPPER INDECISIVE

(Messrs. Parekh and Co.)

BOMBAY, 11*th January*

After a temporary spurt engendered by disturbing news from Laos, Malabar black pepper drifted lower during the week, with undertone indecisive, in sympathy with New York and Singapore where markets turned weak for want of followings. New York, after touching $0.50, came down to $0.46½, with buyers awaiting new developments in Indonesia for the reduction in check prices in line with the realistic rates ruling in other exporting as well as consuming countries. The check prices so far fixed by Indonesia were based upon the quotations supplied by the news agencies which did not disclosed the real prices asked by sellers and offered by buyers.

Ungarbled at Cochin, after touching the highest at Rs. 430 per quintal, came down to Rs. 400, with buyers withholding in the hope of further reduction, in view of increased arrivals during the coming weeks. Garbled slipped down from Rs. 438 to Rs. 410. January delivery, after surging to Rs. 446, receded to Rs. 414 and February from Rs. 456 to Rs. 426. Calicut, after going up to Rs. 450, came down to Rs. 410. Singapore was down from Str. $152½ to Str. $150 for black and from Str. $250 to Str. $240 for white, with turnover disappointing.

One of the market analysts has reviewed the present situation in Malabar black pepper in primary markets as under:—

The growers and small assemblers in the villages are dreaming of high prices, as the present prices look to them cheaper when compared with those available last year at this time of the season. As such, on the appearance of demand, however little, either for the interior or for export, they put up the prices. If the present poor overseas' inquiries persist, this may lead to accumulation of stock either on the terminal markets or in the jungle which, sooner or later, is likely to affect adversely, as there are other competitive sellers like Indonesia and Singapore who are equally anxious to liquidate their stock before the advent of the new season in Sarawak and Sumatra. There is likelihood of a surplus of about 14,000 tons of pepper in these areas as on 1st August 1961 after fulfilling the usual export from Singapore and other ports.

	Tons
Stock in Singapore as on 1-1-1961 ...	6,000
Stock of Lampong in Indonesia ...	16,000
Stock of Muntok in Indonesia ...	5,000
Stock in Sarawak	3,000
	30,000
Estimated average export from Singapore from January to July 1961	14,000
Estimated average export from other Ports from January to July 1961	2,000
Surplus available as on 1st August 1961	16,000
	14,000

The future of the market appears to be uncertain, in view of the ample supply in producing countries against the hand-to-mouth buying policy of the consuming countries. The market is likely to go down, though slowly, barring any unforeseen circumstances.

In Bombay, ready pepper is nominally quoted at Rs. 223 per 50 kilos.

TEA EASIER

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 3*rd January*

Sale No. 1: Approximately 750,000 kilograms were offered in the first sale of the year held today. Quality teas offered in this sale were irregular with mediums and low mediums showing a decline. The market met with good demand, but prices were generally easier, with fannings grades receiving better support than broken grades. There was good demand for low mediums and medium descriptions which were irregularly easier by 10 to 15 nP. Although good mediums elicited useful support, they also declined irregularly by 15 nP. Highgrowns were in limited demand and sold at lower rates following quality. Among whole leaf grades, flowery pekoes and pekoes were quoted barely steady, whilst orange pekoes met with better support and sold at around last week's levels. C.T.C. and legg-cut types also shared in the downward trend of the market and were sometimes easier by up to 20 nP. A small selection of tippy teas were well supported.

	1961	1960
	Rs.	Rs.
Low medium	4.55-4.70	4.63-4.85
Medium	4.70-4.85	4.85-5.18
Good medium	4.85-5.20	4.96-5.40
Quality	5.20-8.10	5.29-9.04

The average price realised in Sale No. 1 was Rs. 4.89 per kilo, as against Rs. 4.88 in the previous sale and Rs. 4.98 in the corresponding sale last year.

Dust Sale 'A': 335,000 kilograms were offered in Sale 'A' held on Thursday, 5th January. There was good general demand. Highgrowns came in for better support at irregular but slightly dearer rates. Medium descriptions were readily absorbed and were fully firm with buyers' emphasis on the powdery sorts. Residuals were keenly competed for and were quoted 10 to 20 nP dearer. C.T.C. and legg-cut types sold well and were dearer.

The average price realised in Sale 'A' was Rs. 4.80 per kilo as compared with Rs. 4.86 in the corresponding sale last week, and Rs. 4.29 in the corresponding sale last year.

Export Quota: The market remains unchanged with large sellers at ½ nP per kilo with no buyers.

Colombo: Approximately 7,000,000 lbs. were offered and met with a strong demand following generally improved quality. Best Dimbulas were easier but Dickoyas and Uvas were dearer following quality. Mediums came to a firm market whilst Persian Gulf types advanced 5-10 cents.

London.—North Indian and other growths: In Monday's auction there was a good general demand with prices mainly firm but any changes were in buyers' favour. Plain BP continues to remain at 3s. 9d.

Ceylon and South Indians: The sale on Tuesday comprised 22,525 packages of which 7,334 packages were teas from South India. There was a good demand and prices were generally unchanged on last week's rates.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire as follows:

"*Sale* 2: 914,000 kilograms. Good demand, particularly for plain and low medium which are steady. Medium and good medium firm to dearer, with quality best liquoring Nilgiris restricted demand at lower rates. Black leaf fannings dearer. Whole leaf fully firm."

QUALITY TEAS RISE

(From Our Own Correspondent)

CALCUTTA, 11*th January*

Quality tea met with good demand during export sales held yesterday, while inferior quality teas fell in last week's internal sales. After the Xmas and New Year holidays, shipping of tea has shown a steady improvement, and bookings to the U.K. during the week were indeed heavy. Latest figures indicate that in both South India and Ceylon production of tea in 1960 has been substantially higher. November 1960 output in Ceylon amounted to 45.5 million lbs. against 39.3 million lbs. in November 1959, bringing production so far to 401.1 million lbs. or representing an increase of 23.2 million lbs. In South India, production up to and including November 1960 totalled 157.9 million lbs. against 143.9 million lbs. in the corresponding period of 1959, thus recording a rise of 14 million lbs. On the other hand, production in North East India has disclosed a shortfall of about 35 million lbs. compared to 1959, output up to and including November 1960 totalling 548 million lbs. against 413 million lbs. in the corresponding period of 1959.

Dusts on offer in the internal sales held last week amounted to 23,621 packages. There was a good general demand although prices declined following quality. Medium C.T.Cs eased by 10 nP to 15 nP, but the best teas of this type met with good demand and the smaller thick liquoring teas were fully steady. In an irregular trend, orthodox tea registered a decline. The few bright liquoring Assams were firm, as were legg-cut Dooars. The quotations per 1 kg. inclusive of excise duty were: good Assam C.T.C. dust Rs. 5.90 to Rs. 6.40, medium Assam C.T.C. dust Rs. 5.45 to Rs. 5.65, medium Assam C.T.C. dust Rs. 5.25 to Rs. 5.35, medium Assam legg-cut dust Rs. 5.25 to Rs. 5.25, and plain orthodox dust Rs. 5.05 to Rs. 5.25. Leaf on offer amounting to 1,289 chests met with good general demand at irregular rates.

Offerings during yesterday's export sale totalled 71,290 packages. Following a good and strong general demand, prices of quality teas rose. Choicest teas met with keen attention, and those with autumnal liquors hardened. Tippy teas, though small on offer, were an irregular feature. Well-made leaf grades were about steady, while the poorer stalky teas gave way. Among C.T.Cs, the best ones on keener attention rose, while the medium C.T.Cs eased and the secondary grades were irregular. Medium brokens and fannings were firm at previous rates. The cleaner and better liquoring teas were often sold at higher rates. Plain brokens and fannings were firm. Among legg-cut teas, those possessing bright liquors were in good demand at higher rates. Medium Assam B.O.Ps met with keener attention, and the brighter liquoring teas hardened. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. fannings Rs. 5.80 to Rs. 6.30, plain Assam C.T.C. B.P. Rs. 5.50 to Rs. 5.90, clean best Assam C.T.C. dust Rs. 5.25 to Rs. 5.50, medium fannings Rs. 4.85 to Rs. 5.10, medium B.P. 4.70 to Rs. 4.90, plain fannings Rs. 4.85 to Rs. 5.05, and plain B.P. Rs. 4.50 to Rs. 4.65.

JUTE GOODS STEADIER

(From Our Own Correspondent)

CALCUTTA, 10*th January*

Steadier conditions were in evidence in the jute markets during the week under review. The feature of trading was the mid-week rise in prices of goods, following inquiries for hessian from Argentina and covering business in B. twills. The improvement was not, however, maintained as a result of selling pressure and the closing rates were almost similar to opening levels. The fresh arrivals of fibre being poor, sellers were reserved and prices tended to move up. It was estimated that the proposed cut in working hours by mills from the end of this month would reduce production by 5,000 tons per month. Reduced production would mean a cut in profits of mills and, though the proposed step would be the last of a series of measures in order to cope with the existing fibre shortage, fibre prices had not yet reacted to the move. Market circles, however, hoped that, in view of the existing high prices, probably a high acreage would be sown in the coming season and that supplies would be sufficient to meet demand. Until then, they felt, the present high prices would continue.

In the course of a statement issued to the Press, the President of the Indian Chamber of Commerce, Mr. Russi Mody, declares that the problem of high prices of raw jute and jute goods can be tackled only if production is raised. He points out that fibre prices in Pakistan are higher than in India, deploring the Government of India's restrictive measures to keep prices at an artificial level. Market circles are prepared to agree with Mr. Modi, as they feel that prices all over the world have risen and India is paying for imports more than original estimates.

After the New Year holidays, the goods market reopened on the 3rd inst. Mills were sellers in ready and January-March delivery goods and, in the local dealers' market, there was selling pressure. Ready B. twills were quiet at Rs. 181.50, as also ready hessian 40" 10 oz. at Rs. 58.15. At this stage, fair covering business was done in hessian and, on the following day, 40" 10 oz. hardened to Rs. 58.75. However, there was no follow-up interest and B. twills lost to Rs. 180.00. On Thursday, prices gained in several points in heavy goods and one point in hessian. Ready and near delivery goods were bought by local operators. Inquiries from Argentina for January-March hessian were thought to be imminent. There were some purchases of B. twills against a Government tender. The cumulative result of all these was that B. twills rose to Rs. 184.50 and hessian 40" 10 oz. to Rs. 59.75. Holders turned sellers and, as a result, there was a sharp decline in prices on Friday. B. twills sagged to Rs. 182 and hessian 40" 10 oz. to Rs. 58.75. Over the week-end, conditions were quiet, and prices were Rs. 181.50 and Rs. 58.75, respectively. Yesterday, prices rose, following the announcement that stocks of goods with mills at the end of December had fallen by 1,900 tons. B. twills rose to Rs. 184 and hessian 40" 10 oz. to Rs. 59.25.

Fibre prices declined, but mills showed only limited interest. Sellers continued to be reserved. Agencies reported a marked fall in imports. Assam bottoms opened at Rs. 140.50 or Rs. 52.50 a maund on Tuesday last and, after falling to Rs. 139.35 (Rs. 52), regained to Rs. 140.50 (Rs. 52.50).

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 9*th January*

Quietly depressed conditions prevailed in the foodgrains market during the week, although at the fag end of the season, arrivals of *rabi* grains declined further. The Union Food Minister, Mr. S. K. Patil, stated the other day that the long-term 17-million-ton Indo-U.S. food deal had contributed a great deal to create "a climate of confidence" in the country. Another factor leading to an improvement in the food situation, he added, was the linking up of surplus States with deficit ones. The Union Government's decision to allow the Punjab and Madhya Pradesh Governments to export surplus wheat to other States was widely welcomed by the trade, as it would ease the supply position in deficit areas.

Wheat at Hapur recorded a modest fall towards the week-end to be quoted at Rs. 17.25 a maund for average quality and Rs. 18.50 for farm produce. Daily arrivals of wheat improved, as holders of stocks were sellers, in view of good *rabi* crop prospects, following the recent timely winter rains. Arrivals averaged 150 to 200 maunds daily and, besides, the State Government was selling heavy quantities of wheat and wheat flour through fair-price shops.

Rice ruled steady, though the supply position was reported to be satisfactory, as the new crop was still reaching the markets. The prevailing prices on Monday were:—*mainpuri* Rs. 21; *gudda* Rs. 19; *sela basmati* Rs. 27 to Rs. 28; *ramajwayan* Rs. 23; *ratnunia* Rs. 24 a maund.

Gram recorded modest gains in the week-end, as fairly good rains over a wide area were considered to have improved gram and coarse grain crops. Gram was quoted at Rs. 16.75 and barley was quiet at Rs. 12.75 a maund. Inferior quality *bejhar* was done at Rs. 12.75 and *moongia* variety at Rs. 13 a maund. Maize continued to attract demand, but, as local stocks were better at 30,000 maunds, prices ruled quiet at Rs. 12.75 to Rs. 13.50 a maund. *Bajra* was also in request for seasonal requirements and prices drifted lower to Rs. 14.87 to Rs. 15.25 a maund. *Jowar* was stationary at Rs. 13 and *guwar* white at Rs. 13.25 a maund.

Among pulses, peas improved fractionally to Rs. 13.62 a maund for *dara* quality, while farm white produce was quoted at Rs. 15.12 and Peas *dal* at Rs. 15.25 a maund. Stocks left with trade were small at 6 *khatties*. Demand was mostly from Madras side for *dal*. *Arhar*, however, was depressed in the absence of new urges, with local stocks remaining stationary at 8 *khatties*. Standing crop prospects of peas and *arhar* were fairly good, thanks to timely winter rains. Other pulses were also quietly depressed, *urd* being quoted at Rs. 18.87, *moong* at Rs. 18.50 to Rs. 20 and *massoor* at Rs. 15 to Rs. 17 a maund.

SUGAR RECEDES

(From Our Own Correspondent)

HAPUR, 9*th January*

Sugar drifted lower, following the release of a further quantity of 200,000 tons. The reported decision of the U.P. Government to release 50 per cent. of its sugar quota of 25,000 tons per month for free sale also contributed to the fall in prices. The Development Council for Sugar was reported to have urged sugar decontrol in view of large production in 1959-60 and expectations of a further sizable increase in output in the current season. Even after allowing 200,000 tons for export, the sugar position in the country was considered to be quite easy. Another release of 50,000 tons was announced for export this week.

Sugar production in west U.P. is going on vigorously, thanks to increase in producing capacity and adequate cane supplies. The week-end prevailing prices here were: Rs. 109.50 per bag wholesale and Re. 1.06 per seer in the open market.

Sugar continued to rule depressed in the Muzaffarnagar market. The release of further 50,000 tons for export failed to cheer the market. The week-end prevailing price in the open market was Rs. 109.50 to Rs. 110 per bag for spot delivery.

Despite good demand from the Punjab and Rajasthan, new *khandsari* continued to rule quiet as stocks were fairly good. Production, however, was hampered, due to rains last week. Sugarcane was available in sufficient quantity for *khandsari* manufacture at Re. 1.12 to Re. 1.25 per maund. Old stocks were still lying flat and week-end prevailing prices of *khandsari* in the Muzaffarnagar market were: Dry inferior Rs. 25 to Rs. 29; superior Rs. 31 to Rs. 33; crystal Rs. 33 to Rs. 36; old Rs. 25 to Rs. 29; *boora* Rs. 32 to Rs. 35.

Gur continued depressed, as demand from the main consuming areas of Gujarat and Saurashtra was restricted even at present levels. Loading facilities, which were fairly good earlier, were again stopped in the week-end. *Pansera* recovered modestly to be quoted at par with *balti* quality, following deterioration in the quality of the latter, as *balti* quality was reported to be reaching the market mixed with rusket. Daily arrivals during the week were small, following rains. The latest prices on Monday were: *Pansera* Rs. 13.50; *balti* Rs. 13.56; *shakker* Rs. 15 a maund.

Following better demand, *gur* improved slightly in the Muzaffarnagar market during the week. Daily arrivals were small at an average of 5,000 maunds, following cloudy weather. The latest prevailing prices were: *Chaku* Rs. 14 to Rs. 14.75; *khurpapar* Rs. 14; *laddo* Rs. 14.25; *shakker* Rs. 14 to Rs. 15.25 per maund.

Gur fagun moved both ways during the week in active bouts of buying and selling. It opened at Rs. 13.88 last Monday and is presently quoted at Rs. 13.82, having touched the highest and lowest in mid-session at Rs. 13.92 and Rs. 13.62, respectively.

Sowing preparations for cane for the next season have begun. Actual sowings will commence by the end of this month.

ZINC AND TIN RALLY

(From Our Own Correspondent)

CALCUTTA, 11*th January*

The feature of trading in the metal market during the week under review was the impressive rise in prices recorded by electrolytic zinc and tin, as demand was keen while stocks were very low. That this increase in prices was merely due to local considerations was evident, inasmuch as prices in both London and New York registered a decline. In the Far Eastern markets, however, tin recorded a small addition to price.

The news of the week was the reported official view that, in an attempt to use more and more aluminium in place of copper, the copper quota of conductor manufacturers would be reduced. Copper scrap met with little demand and copper scrap berry and utensil scrap were unchanged at Rs. 212 and Rs. 200 a cwt., respectively. Coal shortage continued to hamper the plan of manufacturers. On the London Metal Exchange, electrolytic copper opened at £226¼ a ton and declined to £223, following the news of the threatened strike at El Teniente not having taken place. The closure for the week was at £224.

Electrolytic zinc here opened at Rs. 165 and closed fully firm at Rs. 169.50. A further rise was apprehended, in view of the poor stocks of this metal. In London, earlier in the week, electrolytic zinc was quoting at £81¼ a ton but closed lower at £80¾.

Tin at one time was as high as Rs. 581, against the opening of Rs. 578. The closure was at Rs. 579. The rise was due to poor stocks. In London, the price closed at £788, against opening of £789¼ and the mid-week rise to £790¼ a ton.

Virgin lead continued to be quiet at Rs. 62

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 6th Jan., 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	59,70 61,000
(2) Other Governments	6 99 57,000
(b) Banks	84 66 62,000
(c) Others	92 66 14,000
Bills Payable	26 46 17,000
Other Liabilities	33 81 40,000
Rupees	434,30,51,000
ASSETS	Rs.
Notes	16 39 02,000
Rupee Coin	2 16,000
Subsidiary Coin	5,76,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	45 98 17,000
Balances held abroad*	19 60 77,000
Loans and Advances to Governments†	42 99 63,000
Other Loans and Advances	151 45 53,000
Investments	140,36,00,000
Other Assets	17,43,47,000
Rupees	434,30,51,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item Other Loans and Advances' includes Rs. 13,82,50,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16 39 02,000	
Notes in circulation	1901,24 99 000	
Total Notes issued		1917,64 01,000
Total Liabilities	....	1917,64 01,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76 03,000	
(b) Held outside India		
Foreign Securities	128,00,89,000	
Total of A		245,76,92,000
B. Rupee Coin		124,81,53,000
Government of India Rupee Securities		1547,05,56,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1917,64,01 000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	30th Dec., 1960	23rd Dec., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173 87	1868 98	1858 55	1823.11	1742 63
Notes held in Banking Department	35.05	16 21	16 75	23 09	8 01
Foreign Securities	59 50	128 01	128 01	123 01	163.01
Rupee Securities	37.89	1512 06	1502 06	1452 06	1337.43
Banking Department					
Deposits of:					
Government of India	14.39	70 03	68 83	60 71	55.56
Other Governments	..	9 87	15 34	11 71	20 76
Balances held abroad	10.06	23 72	27 58	28.75	49.62
SCHEDULED BANKS					
Demand Liabilities	134.36	781 11 (47 80)†	776 28 (45 97)†	816 49 (24 89)†	755 50 (15 84)†
Time Liabilities	102.24	1110 79 (20 57)‡	1106 71 (20 13)†	1136 56 (17 33)†	1131 98 (24 75)†
Borrowings from Reserve Bank	..	61 47 (13.71)‡	42 80 (8.30)‡	20 08 (4 06)‡	32 22 (1 42)‡
Borrowings from State Bank	..	10 26	11 22	8 94	9 06
Cash in India	6.70	49 90	43 93	44.76	52.13
Balances with Reserve Bank	25.17	112 15	88.00	85.80	102.33
Balances with other banks in current account in India	..	21 83	16.90	15.70	20.71
Money at call and short notice in India	..	23 40	27.30	37.32	25.50
Investments (at book value)	..	633 76	658 55	686 10	762 03
Advances and bills	105.9	1180 73	1156.25	1120 98	977.47
STATE BANK					
Deposits	87 76	573 28	575 27	571.86	580 84
Investments	51 99	302 07	323 57	345.64	378 06
Advances	30 35	232 12	225 92	213 96	166 76
Cash	14 69	49.37	28.31	23.83	52 15

† Borrowings from Banks excluding the Reserve Bank and the State Bank. R=Revised Figures.

‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.50	3.50
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6 935
Mexico	4th June, 1942	4	4 50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2 50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9 50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6 25	5.75
Sweden	15th Jan., 1960	4 50	5
Switzerland	26th Feb. 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4 50	6
United Kingdom	8th Dec. 1960	5.50	5
U.S.S.R.	1st July 1936	3	4
U.S.A.	11th Aug. 1960	3.50	3
West Germany	11th Nov., 1960	5	4

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 6th Jan., 1961

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50 000
Reserve Fund and Other Reserves		7 20 00 000
Deposits and Other Accounts		572 07.95,000
Borrowings from Other Banking Companies, Agents, etc.		2 17,50,000
Bills Payable		7 33,67,000
Bills for Collection being Bills receivable as per contra		2,03,57,000
Acceptances, Endorsements and Other Obligations per contra		1,53 14,000
Other Liabilities (including Inter-Office Adjustments)		9,90,36,000
Total .. Rs.		607 88 69,000
PROPERTY AND ASSETS		Rs.
Cash in hand and with Reserve Bank		19 10,55,000
Balances with other Banks		3 19 77,000
Money at Call and Short Notice		1,06,67,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	302 04,78,000	
Other Authorised Investments	10,18,84,000	312,23,62,000
ADVANCES:		
Loans, Cash Credits, Overdrafts etc.	222,63,09,000	
Bills Discounted and Purchased	17 17,26,000	239,80 35,000
Bills Receivable being Bills for Collection as per contra		2 03.57,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1.53 14,000
Premises less Depreciation		1 75 72 000
Furniture and Fixtures less Depreciation		1 28 86 000
Other Assets (including Inter-Office Adjustments)		25,86,44 000
Total .. Rs.		607 88,69 000

Scheduled Banks*

Statement of Affairs for the week ended 30th Dec., 1960

	Rs. (Thousands)
(I) Demand Liabilities in India:	
(a) Demand Deposits—	
(1) From banks	46,60,45
(2) From others	686,71,26
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	13,53,78
(c) Other demand liabilities	47,79,57
(II) Time Liabilities in India:	
(a) Time Deposits—	
(1) From banks	16 83,18
(2) From others	1073,39,04
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	13,76,80
(c) Other time liabilities	20,56,06
(III) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	8,67,38
(b) Time liabilities	1,59,00
(IV) Borrowings in India from the Reserve Bank of India (A)	61,47,49 (13,71,50)
(V) Cash in India	49,89,60
(VI) Balances with the Reserve Bank in India	112,14,94
(VII) Balances with Other Banks in Current Account in India	21,82,67
(VIII) Money at call and short notice in India	23,39,94
(IX) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	633,75,68
(X) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1007,84,75
(b) Due from Banks in India	10,07,06
(XI) Inland Bills purchased and discounted in India.	114,21 18
(XII) Foreign Bills purchased and discounted in India.	48 59,66
(XIII) Total of items (x), (xi) and (xii)	1180,72,65

Notes:—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 30th Dec., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3 00 00 000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	10 93 75 000
(b) Provincial Governments	33 91 000
(c) Banks	18 87 44 000
(d) Others	109 56 04 000
Bills Payable	28 63 000
Other Liabilities	11 77,48 000
Rupees	159 92 25,000
ASSETS	Rs
Notes	6,81 92 000
Rupee Coin	52 000
Subsidiary Coin	75,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	
Balances held outside Pakistan*	37 09,53,000
Loans and Advances to Governments	12,41 00 000
Provincial Governments' Debtor Balances	67,75,000
Other Loans and Advances	45 71 22 000
Investments	46 97 61 000
Other Assets	9,61 95 000
Rupees	159.02 25 000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6 81 92 000	
Notes in circulation	394 16 45,000	
Total Notes issued	....	400 98 37,000
Total Liabilities	....	400,98 37,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion		
Foreign Securities	74 25,30,000	
India Notes representing assets receivable from the Reserve Bank of India	43 01,64,000	141,93,73,000
B. Rupee Coin	3,05,13,000	
Government of Pakistan Securities	250,09,45,000	
Internal bills of exchange and other commercial paper	....	253,14,58,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02 000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	400,98,37.000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 36 80 per cent.

EXCHANGE RATES

		10th January 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 29/32	1-5 29/32
Sellers T. T. D.D. upto six months	s.	1-5 29/32	1-5 29/32
Buyers T.T. spot to nine months	s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	s.	1-6 1/8	1-6 1/8
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477 00	477 00
Buyers T.T.	Rs.	473 50	473 50
London on New York	s.	2 8069-2 8071	2 8056 2 8060
London on Paris	Fcs.	13 75¼ 13 75½	13 75¼ 13 75½
London on Berne	Sw. Fcs.	12 0830 12 0850	12 11½ 12 11¾
New York on London	s.	280 030 280 060	280.500-280.000

CLEARING HOUSE RETURNS

Centre	Week ended 6th Jan., 1961 Number of Cheques	Amount Rs.	Week ended 30th Dec., 1960 Number of Cheques	Amount Rs.
Bombay	3,67,305	87 16,00,000	3 95,281	94,07,37,000
Calcutta	1,90,000	90 69,00,000	1,92,000	90 37,00,000
Madras	95 627	12 46,43,967	89,475	12 36 16,032
All Centres—				
1957-58	..	..	41 672,000	89,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50 064,000	109,88,05,00,000
Sept. 1960	..	..	4,313,000	971,59,00,000
Oct.	..	..	4,707,000	1012 18,00,000
Nov.	..	..	4,695,000	1078 30,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952 53=100)

Particulars	Weight	24th Dec., 1960	17th Dec., 1960	23th Dec., 1959	Nov., 1960	Nov., 1950	Percentage of Increase (+) or Decrease (—) in Nov., 1960 as compared with Nov., 1959	Financial Year Average 1959-60	Financial Year Average 1958-59
Food Articles	504	116 9	117 0	116 7	120 2	121 4	— 1 0	119.0	115.2
Cereals	192	99 7	100 4	99 2	102 5	106 2	— 2 5	104 1	106.8
Pulses	43	92 9	93 7	91 8	94 2	94 2	—	93 6	103 9
Fruits and Vegetables	23	104 7	106 6	111 1	111 2	124 1	—10 4	127 8	117 0R
Milk and Ghee	84	109 1	109 5	105 4	113 0	111 7	+ 1 2	113 3	107 3
Edible Oils	47	155 9	152 7	128 0	153 1	127 5	+20 1	130 4	124 3
Fish, Eggs and Meat	17	122 0	126 2	114 4	124 3	111 4	+11 6	112 0	108 4R
Sugar and *Gur*	48	127 4	127 8	147 0	135 6	100 5	—15 5	147.0	127.3
Others	50	173 1	170 6	186 8	175 3	178 0	— 1 5	167.9	151 3
Liquor and Tobacco	21	111 7	112 3	102 5	116 8	104 6	+11 7	99 5	96 4
Tobacco	—	110 3	111 0	101 1	115 8	103 4	+12 0	97 9	93 8
Fuel, Power, Light and Lubricants	30	120 3	120 3	117 0	120 1	117 4	+ 2 3	116 5	115 4
Industrial Raw Materials	155	150 6	148 1R	129 2	148 0	122 5	+20 8	123 7	116 6
Fibres	61	157 4	153 7	128 0	159 1	111 7	+42 4	113 3	108 0
Oilseeds	60	156 0	152 0R	131 8	140 3	130 7	+14 2	134 6	127 0
Minerals	2	98 2*	98 2*	95 2	98 1	95 2	+ 3 0	97 8	100 0
Others	32	130 9*	131 6	128 0	127 7	129 6	— 1 5	121 6	109 2
Manufacture	290	125 8	125 5R	114 5	125 6	111 7	+12 4	111 6	108 4R
Intermediate Products	41	132 5	131 9	119 0	131 6	119 1	+13 4	113 8	110 3
Finished Products	249	124 8	124 5R	113 8	124 7	111 0	+12 3	111 3	108 1R
Textiles	147	128 7	128 3R	111 8	128 8	106 9	+20 5	107 8	103 3R
Cotton	—	129 2*	129 2*	120.1*	120 1	116 1	+11 2	116 9*	117 8R
Jute	—	140 7	139 1	97 3	141 7	90 2	+57 1	90 6	86 5
Woollen	—	110 1*	116 1*	104 2*	110 1	104 2	+ 5.7	101 2	105 6
Silk and Rayon	—	102 4*	102 4*R	99 1	101 8	93 1	+ 9 3	96 4	93 2
Metal Products	12	146 8	146 8	141 7	146 8	144 7	+ 1 5	144 4	113 1
Chemicals	20	103 8	103 7	107 0	104 3	106 5	— 2 1	106 9	106 8
Oil Cakes	10	148 3	147 2R	144 6*	142 5	148 0	— 3 7	143 8	130 0
Machinery and Transport Equipment	31	111 0	111 0	106 4	112 1	106 4	+ 5 4	106 2	103 9R
Others	30	116 6	116 4	114.0	116 5	113 8	+ 2 4	113.4	113.7
All Commodities	1,100	124.7	124 3R	117.7	126.0	118.3	+ 6.6	117.1	112.0

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. *Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	1958-59	(In thousand tons) 1959-60	1958-59
Cereals—					
Rice	final	81,343	81,437	29,338	30,354
Wheat	final	31,508	31,141	9,731	9 772
Jowar	final	41,602	42,584	7,866	8,714
Bajra	final	26,699	27,999	3,484	3,789
Barley	final	8,220	8 243	2,605	2 672
Maize	final	10,457	10,457	3,615	3,381
Ragi	final	6,211	6,192	1,860	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,380	220,470	60,514	62,631
Pulses—					
Gram	final	25 046	24,865	5,390	6,881
Tur	final	5,843	5,931	1,589	1,671
Other Kharif pulses§	final	16,075	15,597	1,567	1,559
Rabi pulses‡	final	12,788	12,992	2,690	2,761
Total pulses	final	59,752	59,385	11,236	12,872
Total foodgrains		278,132	279,855	71,750	75,503
Oilseeds—					
Groundnut	final	15 305	14,575	4,390	4,812
Castorseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	final	3,921	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6 907
Fibres—					
Cotton*	final	19,252	19,926	3,835	4,686
Jute A.	final	1,707	1 811	4,548	5,158
Mesta A.	final	706	825	1,098	1,488
Sannhemp	final	813	807	80	81
Other crops—					
Potato	first	706	642	....	2,319†
Sugarcane	final	5,178	4,903	75,038	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	232	230	25	26
Chillies (Dry)	final	1,499	1,471	339	326
Tobacco	final	934	897	281	261

Source: Ministry of Food and Agriculture. § Excluding Tur
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur
A.—In thousand bales of 400 lbs. each. R.—Revised
†Final estimate of 1958-59.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	Jan. to Dec. 1959	Nine months ended Sept., 1959	Nine months ended Sept., 1960
Exports	570,56	615,78	429,26	442.12
Re-exports	8,40	6,96	4,39	9,55
Total Exports	578,96	622,74	433 65	451 67
Imports	864,18	887,38	663,90	724.88
Overall Balance of Trade	—285,22	—264,64	—230 25	—273,21
Exports—				
Tea	136,54	126,39	70,64	69,89
Jute yarns and manufactures	103,82	110,75	81,14	103,39
Cotton yarns and manufactures	52,63	66,14	43,41	48,22
Metallic ores and metal scrap	30,35	34,42	25,83	30.30
Cotton, raw and waste	21,20	10,37	13,46	7.66
Oils—vegetable, mineral and animal	12,35	17,96	10,62	13,00
Fruits and vegetables	21,16	21,08	16 16	18,42
Tobacco	16,29	13,91	12,81	14,39
Mica	9,34	10,31	7,67	7 38
Wool and other animal hair	9,35	12,22	8,36	6,74
Gums, resins and lac	7,16	7,95	5,95	6,45
Spices	8,83	10 17	6,03	13 15
Hides and skins, raw	7,35	10,95	7,77	8,10
Imports—				
Machinery of all kinds	188 92	196,21	142,62	168,70
Iron and Steel	97,80	84,01	63,70	79,42
Oils—vegetable, mineral and animal	80,23	82,62	52,72	60,18
Chemicals, drugs and medicines	65,28	85,20	65,92	63,47
Electrical goods and apparatus	49,04	50,01	37,64	38,35
Vehicles (excluding aircraft, ships and boats)	52,53	60,10	49,87	39,08
Cotton, raw and waste	30,66	34,76	28,23	64,01
Fruits and vegetables	17 43	16,52	8,91	11,10
Paper, pasteboard, etc.	8 26	9,67	7 07	8,68
Dyes and colours	8,76	9,54	7,10	8 96
Spices	2,84	2,52	2 11	1,70
Woollen and worsted fabrics	30	23	14	19
Cotton fabrics	1 05	1,19	98	61
Rice	44 02	9,12	6 99	9 45
Wheat	102,65	109 86	90.29	53,60

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During October 1960	84.5
	Corresponding month, 1959	87.9
	Four months ended Oct. 1960	354.9
	Corresponding period, 1959	357.0
Stocks	At the end of October 1960	78.5
	Corresponding month, 1959	72.0
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1958-1959	854 9
	July-June, 1959-1960	833 5
	Sept 1959	81 1
	Aug. 1960	79.9
	Sept 1960	74 4
For Internal Consumption	July-June, 1958-1959	220 0
	July-June, 1959-1960	248 3
	Sept., 1959	13 4
	Aug., 1960	18 1
	Sept., 1960	19.3
	RAW JUTE	(In 000 bales)
Consumption by Mills	October 1960	490
	Corresponding month, 1959	510
	Four months ended Oct. 1960	2 045
	Corresponding period, 1959	2,064
	1957-58	6,134
	1958-59	6,014
	1959-60	6,282

R=Revised

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units Generated†	Total Units Sold
1955-56	715	8,866.8	7,184.8
1956-57	760	9,877.8	8 108.1
1957-58	834	11,176.9	9,011 1
1958-59	818	12 837 0	10,860.7
1959-60	850	15,029.2	12,130.8
1959			
July	813	1,251 0	909 2
August	813	1,243 7	904.9
September	813	1 237 2	906.2
January 1960	815	1,297 4	1,055 5
February	850	1,252 1	1 022 5
March	850	1,324 4	1,071 0
April	850	1,325 3	1,081 7
May	850	1,387 9	1.119 4
June	850	1,379.8	1.113.0
July	850	1 360.5	1,106 0
August	1,012	1,401 2	1,140 9
September	1,012	1,380 7	1,120 5

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. † Including purchases from non-electric utilities. § At the end of period. *Source*:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	118
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	30	389	52	150
1957-58	14,314	2,389	1,229	214	105	52	219	25	213	503	39	476	47	194
1958-59	14,366	2,655	1,296	206	92	36	221	23	184	483	36	514	45	113
1959-60	15,292	2,628	1,343	199	84	34	223	24	185	579	81	522	49	131
1959														
July	4,935	842	500	72	37	11	58	8	65	186	16	165	12	48
August	6,127	1,070	603	84	42	14	72	9	78	231	28	209	19	59
September	7,280	1,296	694	95	45	18	94	11	94	274	36	250	27	67
October	8,462	1,520	792	109	49	21	118	13	111	320	43	290	31	76
January 1960	12,477	2,184	1,111	165	70	30	195	20	155	473	62	427	47	108
February	13,847	2,399	1,226	182	77	32	208	22	169	522	72	471	48	119
March	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	131
April	1,350	226	122	22	7	3	12	2	15	51	10	42	1	11
May	2,640	443	254	39	14	5	22	3	31	105	19	87	3	23
June	3,875	667	373	54	22	8	27	5	49	154	27	130	6	33
July	5,011	858	495	67	27	10	37	6	63	196	32	165	12	46
August	6 258	1,102	600	78	32	12	40	7	79	245	40	215	17	60
September	7,490	1,348	698	89	34	15	58	8	94	291	48	261	27	71
October	8,804	1 618	796	99	38	17	80	10	107	344	56	309	28	82

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.=2 M. G.) and incorporate revision in respect of earlier months. *Source*:—Ministry of Railways.

INDUSTRIAL PRODUCTION

Industries	Unit	1958	1959	January to September 1959	January to September 1960	July* 1960	August* 1960	September* 1960	September* 1959
Major Industries—									
Coal	million tons	45 34	47 03	35 33	38.10	4.04	4.19	4.20	8.93
Steel (Ingots and Metal for castings)	thousand tons	1,813	2,433	1,543†	2,023†	243	271	—	195
Yarn	million lbs.	1,685	1,723	1,379	1,285	148	150	146	148
Cloth	million yds.	4,927	4,925	3,686	3,761	432	435	425	412
Cement	million tons	6 07	6 82	4 98	5 68	0.61	0.62	0 59	0.55
Jute	thousand tons	1,060	1,051	782	819 K	88 K	96 K	91 K	93
Paper and paper boards	thousand tons	253	294	183†	228 K†	28 K	29K	—	26
Matches§	thousand cases	626	648	480	493	54	56	55	58
Sugar	thousand tons	1,957	2,083	944†	1,283†	5	16	—	10
Engineering and Electrical Industries—									
Machine tools	Value in lakhs of Rs.	376	438	286†	346†	38	35	—	34
Electric lamps	millions	30 47	34 84	3 25†	26 44†	3 10	3.46	—	2 91
Dry cells	millions	168.24	187 3	136 04	148.07	16 25	16 89	17.45	16 28
Power transformers	k.v.a.	1,126,800	1,016 400	662 00†	737,900†	89,000	99,400	—	96,800
Electric Motors	H.P.	624,000	576,000	399 600†	434 800†	71 400	62,000	—	43,800
Electric fans	Nos.	636,000	727,200	473,900†	637,900†	76,500	87,600	—	63,200
Radio receivers	Nos.	198,108	213,864	136,951†	160,615†	21,310	23,080	—	18,383
Storage batteries	Nos.	355,200	442,200	294,900†	345,100†	45 200	45,000	—	36,900
Copper conductors	tons	7,488	6,708	4,516†	6,246 K†	893 K	842 K	—	593
Winding wires	tons	2,076	2,832	1,980†	2,743 K†	337	339	—	203
Rubber and plastic Ins. cables and flexibles	million yds.	128 76	166 08	108 67†	1,318J†	178 0J	180 1J	—	149 2
Insulators—H.T.	Nos.	751,200	982,800	738,000†	—	1091.T.	122 I.T.	—	93,500
Insulators—L.T.	million Nos.	5 07	5 25	3		3081.T.	310 I.T.	—	0 50
Diesel engines—Vehicular	Nos.	4,260	8 712	6.22	7,549	809	758	858	775
Diesel engines—Stationary	Nos.	25,764	30,336	22,744	29,810	3,587	3,739	3,636	2,011
Chemical Industries—									
Salt	million mds.	112 55	85 14	80 41	80.61	12 86	3.56	3 39	2 79
Caustic soda	tons	57,192	69,876 K	47,324 K	72,236 K	8,037 K	8,200 K	7,850K	6 090 K
Soda ash	tons	89,436	95,328 K	72,102 K	104 919 K	10,602 K	12,715K	13,252K	7,550 K
Chlorine liquid	tons	20,064	24,780 K	14,904 K†	20,847 K†	2,635 K	2,591 K	—	2,388 K
Bleaching powder	tons	6,504	5,184 K	4 119 K	4,352 K	323 K	458 K	430K	389 K
Bichromates	tons	3,444	4,332	2,698†	3,476K†	358	400	—	402
Sulphuric acid	tons	226,584	292,164	183,671†	239,180†	29,000	30,000	—	26,002
Superphosphate	tons	166,848	247,680	155,765†	229,826†	26,040	29,000	—	21,892
Non-ferrous Metals—									
Aluminium	tons	8,182	17,249	11,126†	12,275K†	1,650 K	1,586 K	—	1,536
Antimony	tons	527	664	429	605	45	92 K	71K	85
Copper (virgin metal)	tons	7,841	7,642	5,853	5,294	772	757 K	747K	701
Lead (virgin metal)	tons	3,335	3,835	2,980	2,683	225	350 K	279K	314
Gold	ozs.	170,112	165,312	122,070ozs.	3,695Kgs.	391Kgs.	409Kgs.	428Kgs.	13,980 ozs.
Miscellaneous (Minor) Industries—									
Sewing Machines	Nos.	205,212	252,612	166,730†	194,235†	23 370	24,615	—	21,151
Bicycles	Nos.	912,600	990 744	630,653†	685,811†	83,300	89,990	—	88,419
Automobiles	Nos.	26,796	36,468	25,694	37,597	4,293	4,647	4,181	3,075
Cycle tyres and tubes	million Nos.	16 11	19 57	15 06	17 45	2 06	2 13	1.82	1.69
Motor tyres and tubes	million Nos.	1 95	2 26	1 68	1 94	0.23	0 23	0.21	0 21
Cigarettes	million Nos.	29,840	32,166	20 966†	25,293†	2 887	3,113	—	2,723
Plywood—Tea chests	million sq. ft.	87 50	98 67	70 17†	6 589 S†	614S	511S	—	6 86
Plywood—Commercial	million sq. ft.	37 68	54 06	37 30†	3,373 S†	149S	242S	—	4 36
Sheet glass	million sq. ft.	73 86	80 57	58 44†	50 07†	5 49	0 58	—	4 31
§Woollen manufactures—Worsted Fabrics	million yds.	19 38	15 04	9 45†	9 93†	1 34	1.42	—	1.37
§Woollen manufactures—Worsted Yarn	million lbs.	28 60	29 59	19 50†	18 56†	2 67	2 87	—	2.80
Footwear—Western type (Leather)	million pairs	4 28	4 14	3.16	4 03	0 41	0 43	0 45	0 27
Footwear—Indigenous type (Leather)	million pairs	3 29	4 10	3 04	2 80	0 27	0 32	0 33	0 33
Alcohol—Industrial	million Bulk galls.	0 88	12 72	7 97†	41 02T†	5 29T	5.17T	—	0.84
Alcohol—Power Absolute	million Bulk galls.	8 82	8 07	5 69T†	39 22T†	3 84T	4 73T	297T	0 58
Railway Wagons	Nos.	13,512	10,044	6 910	4,365†	574	569	—	950
General Index—(Base 1951=100 Revised)		139 7	151 9	148.4	166.7‡	162 1	172.1	—	156.3

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.
K—Figures in Metric Tons Kgs=Kilograms J=In lakh metres. S=In thousand square metres. T=In million litres.
† Upto August only. I.T. Figures in tons for Insulators H.T. and L.T. ‡ Average for the first 8 months only.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	118	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
August 1959	113	96	120	130	72	185	115	121	164	97	102†	118†	129	150	134	90	113†	145
Sept.	111	98	120	117	70	188	113	121	164	99	102	119	135	153	136	89	114	145
October	112	100	123	125	75	192	124	121	181	101†	100†	119†	130	161	136	90	115†	145
November	108	98	121	126	73	194	111	127	180	105	102	123	120	167	136	90	116	146
December	101	96	120	121	70	210	110	127	164	104	111†	140†	122	172	136	94	118†	146
January 1960	102	97	119	125	72	207	107	127	154	100	115	144†	131	168	135	96	123†	140
February	105	98	121	128	80	196	113	127	156	94†	114	134	139	140	135	96	125†	146
March	106	94	117	123	74	180	111	127	149	94†	113	141	141	132	135	98	125†	148
April	108	91	121	122	76	184	119	127	147	102	113	154	144	130	140	103	125	148
May	113	87	123	126	78	194†	123	127	145	108	113	198	139	129	140	117	125	148
June	114	87	127	128	80	187	125	127	144	111	112*	187	146	128	140	113	126†	148
July	115	92	130	132	89	207	126	127	148	111	112	155	150	130	140	107	129	148
August	1 5	90	127	129	86	212	121	127	148	107	112	166	140	130	140	115	131	148
Sept.	114	90	129	132	90	215	127	127	146	104	112	181	140	130	141	116	132	147
October	111	90	125	137	91	216	117	127	142	116	114	225†	142	129	141	136	130	147
November	106	90	120	135	92	218	111	127	141	120	111	232	139	130	141	142	129	147

† Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	In Quintals of 100 kilograms
Bombay Island— Cotton Receipts	Week ended 5th Jan., 1961	61,083(J)
	Corresponding week, 1960	42,397(J)
	1st Sept. to 5th Jan., 1961	1,119,208*
	Corresponding period, 1960	612,907*
Cotton Exports	Week ended 5th Jan., 1961	39,540
	Corresponding week, 1960	21 966§
	1st Sept., to 5th Jan., 1961	96,665
	Corresponding period, 1960	159,037
Mill Consumption (Estimated)	1st Sept. to 5th Jan., 1961	760.193
	Corresponding period, 1960	794.323
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 5th Jan., 1961	776,246
	Corresponding date, 1960	639,625
		In Bales of 392 lbs. nett.
Consumption of Cotton— Indian	August 1960	332,900
Foreign	August 1960	100,464
Indian	Twelve months ended August 1959-60	4,419,307
Foreign	Twelve months ended August 1959-60	685,778
Indian	Same Period 1958-59	4,616,328
Foreign	Same Period 1958-59	455,406
Stocks (Mills and Elsewhere)— Indian	As on 31st August 1960	961,547
Foreign	As on 31st August 1960	403,923
Indian	As on 31st August 1959	1,279,335
Foreign	As on 31st August 1959	160,242

Particulars	From 1st Sept. to 2nd Jan. 1960-61 In quintals of 100 kilograms	From 1st Sept. to 2nd Jan. 1959-60 In quintals of 100 kilograms
From Bombay Cotton Shipments to—		
United Kingdom	180	2,132
Continent	726	6 546
Hongkong	5,487	4,115
China	—	—
Japan	74,002	91,150
U.S.A.	—	3,906
Other countries	—	1,898
Total to all foreign countries	44,666	109,747
Coastal Ports	3,938 (a)	49,290(b)
Total	48,604	159,037

Particulars	Period	(Bales of 392 lbs.)
Cotton Exports from Bombay (by sea)	During Sept. 1960	2 053
	During Sept., 1959	15 925
	1st Sept., to 30th Aug. 1959-60	177 528
	1st Sept., to 30th Aug. 1958-59	325,165
Cotton Pressed in India † (In running bales)	Week ended 16th Dec. 1960	1,079
	Corresponding week 1959	110,771
	1st Sept., to 16th Dec., 1960	154,753
	Corresponding period, 1959	570,144
Karachi (Pakistan)— Receipts	1st Sept. to 15th Dec., 1960	352,790
	Corresponding period 1959	406,045
Exports	1st Sept. to 15th Dec., 1960	142 101
	Corresponding period, 1959	136,203

(J) By Railway, Sea. R—Revised. † Incomplete. * By Rail, Sea and Road. (b) From 1st to 31st Dec., 1959.
—Not Received. A—Adjusted. (a) From 1st Sept. to 31st Oct., 1960. § In bales of 180 kgms.

MISCELLANEOUS STATISTICAL INFORMATION—Contd.

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 31st Dec., 1960§	24th Dec., 1960	3rd Dec., 1960	2nd Jan., 1960§
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.7	100.7	100.6	101.5
2. Government of India	100.6	100.6	100.6	101.4
3. State Government	101.3	101.3	101.5	102.8
4. Municipal, Port Trust, etc.	99.8	99.8	99.7	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.6	100.7	100.7	101.8
PREFERENCE SHARES—ALL INDIA.				
6. Total	85.5	85.5	85.8	91.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	165.4	165.7	169.0	160.5
8. *Agriculture and Allied Activities; Total**	161.1	161.5	164.7	172.1
9. Tea Plantations	154.0	154.7	157.4	167.1
10. Coffee Plantations	192.1	192.1	194.6	212.7
11. Rubber Plantations	171.1	171.1	173.5	168.6
12. *Mining and Quarrying: Total*	153.7	153.6	152.0	146.6
13. Coal	117.4	116.9	112.6	104.9
14. Other Mining	178.6	178.8	179.1	175.3
15. *Processing and Manufacturing: Total*	176.6	176.9	181.2	168.0
16 *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	176.7	177.0	181.6	163.4
17. Sugar	181.3	181.0	192.4	185.2
18. Cotton Textiles	143.1	143.4	146.5	142.3
19. Jute Textiles	84.7	84.9	84.5	94.9
20. Silk and Woollen	989.9	989.9	1040.0	743.6
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	186.3	186.7	191.3	184.7
22. Iron and Steel	150.5	150.4	153.3	157.5
23. Transport Equipment	380.3	385.2	395.8	331.9
24. Electrical Machinery	135.4	135.1	139.4	130.0
25. Machinery other than Transport and Electrical	200.5	200.5	207.2	206.8
26. Basic Industrial Chemicals	206.4	206.4	211.3	190.1
27. *Processing and Mfg. (Others): Total**	158.2	158.2	161.3	151.0
28. Cement	139.8	139.7	142.0	131.6
29. Paper	215.2	215.1	219.9	212.6
30. *Other Industries: Total**	107.6	108.2	109.4	113.8
31. Electricity Generation and Supply	80.2	80.3	82.1	88.0
32. Trading	115.2	116.6	119.2	112.1
33. Shipping and Other Transport	105.4	105.6	104.8	122.0
34. Construction	277.6	281.7	288.8	309.3
35. *Financial: Total*	177.6	177.5	178.8	172.0
36. Banks	198.9	198.8	200.2	188.9
37. Insurance	133.8	134.3	137.0	139.6
38. Investment Trusts	91.7	91.2	89.3	99.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	—	168.7	173.6	—
40. Calcutta	154.1	154.7	156.4	150.9
41. Madras	—	185.1	187.7	—
42. Delhi	219.1	220.7	222.2	200.2

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

§ Bombay and Madras Stock Exchanges remained closed during the week.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957*	1,630	889,371	6,429,319
1958*	1,524	928,566	7,797,585
1959*	1,523	692,514	5,605,079
May 1959	181	53,755(127)	354,517(127)
June „	154	77,758(149)	788,798(149)
July „	146	61,098(144)	741,781(144)
Aug., „	141	63,716(130)	396,789(130)
May 1960	127	37,675(115)	414,789(115)
June „	154	65,783(138)	390,425(138)
July „	125	68,407(100)	748,651(100)
Aug., „	50	16,993(46)	69,951(47)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevant information is available.

* Figures relate to all States and centrally administered areas as after reorganisation.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income In millions)	In terms of rupee (Crores)	Per capita Income (Rs.)
India†	'59-'60	403.64	..	11,750	291.2
Pakistan	'58-'59	86.80	..	2,064	240
Burma	1958	20.02	Kyats 4,844	486	216
Ceylon	1959	9.6	..	537	559
Japan	1957	90.90	Y. 8,252,000	10,915	1,200
Philippines	1959	24.7	Ps. 9,768	2,337	946
New Zealand	1959	2.33	£ (N.Z.) 1,045	1,392	5 974
Australia	1959	10.00	£ (A.) 4,950	5,380	5,386
U.K.	1959	51.09	£ 18,930	25,240	4,863
U.S.A.	1959	177.1	$ 403,900	193,064	10,901
Canada	1959	17.04	$ 26,800	18,078	7,516
France	1958	44.05	F. Fr. 17,910,000	17,470	3,926
W. Germany	1958	52.1	Dm. 176,400	20,050	3,848
Italy	1958	48.07	Lr. 13,126,000	10,120	2,078
Norway	1958	3.05	Kr. 22,490	1,499	4,282
Sweden	1958	7.40	Kr. 54,910	5,084	6,870
Netherlands	1959	11.08	Grs. 31,860	4,083	3,569
Denmark	1958	4.50	Kr. 28,250	1,960	4,355
Switzerland	1958	5.10	Sw. Fr. 28,300	3,130	6,137

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.

Source: *International Financial Statistics*, November, 1960.

† Provisional—Based on "quick" estimates (at 1948-49 prices); prepared by the Central Statistical Organisation.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
18th Oct.	2.00	2.40	2.00	2.560	99.360
25th Oct.	2.00	2.00	2.00	2.565	99.355
1st Nov.	2.00	2.35	2.00	2.565	99.360
2nd to 5th Nov.*	0.27	—	0.27	—	99.376
8th Nov.	2.00	2.20	2.00	2.565	99.360
9th to 12th Nov.*	0.31	—	0.31	—	99.376
15th Nov.	2.00	2.24	2.00	2.565	99.360
16th to 19th Nov.*	0.80	—	0.80	—	99.376
22nd Nov.	2.00	2.49	2.00	2.564	99.360
23rd to 26th Nov.*	0.03	—	0.03	—	99.376
29th Nov.	2.00	2.40	2.00	2.564	99.365
30th Nov. to 3rd Dec.*	0.70	—	0.70	—	99.381
6th Dec.	2.00	2.40	2.00	2.540	99.365
13th Dec.	2.00	2.25	2.00	2.548	99.360
14th to 17th Dec.*	0.09	—	0.09	—	99.381
20th Dec.	2.00	2.00	2.00	2.550	99.360
1961					
3rd January	2.00	2.40	[illegible]	[illegible]	[illegible]
10th Jan.	2.00	[illegible]	[illegible]	[illegible]	[illegible]

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base 1949=(100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	104	310	92	101	351	102	108	108	111	112	99	115
1953 „	106	363	111	323	95	108	349	109	106	104	102	112	100	114
1954 „	101	359	98	294	85	99	327	106	105	91	95	102	98	106
1955 „	96	338	87	246	78	96	321	99	99	83	87	98	88	106
1956 „	105	353	98	316	89	105	347	111	109	95	96	106	106	114
1957 „	111	369	104	339	94	112	364	116	114	98	103	115	107	126
1958 „	116	395	110	313	96	120	384	124	113	108	103	123	109	131
1959 „	121	412	125	340	98	132	384	133	120	106	98	125	108	140
Oct. 1959	126	427	131	368	98	135	406	137	120	108	101	130	111	143
Nov., „	126	424	130	362	99	136	399	139	120	109	100	128	111	144
Dec., „	122	420	125	362	96	136	389	137	119	107	99	127	108	144
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February „	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March „	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April „	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May „	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June „	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July „	126	423	122	362	101	137	406	145	121	109	108	119	109†	146
August „	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept. „	125	418	122	364	101†	138	403	146	122	108	102	122	108	147
Oct. „	125†	421	123	365	102	137	396	148	122	108†	105	119	108	147
Nov., „	..	423	..	367	..	..	..	..	..	..	..	..	..	..

† Provisional

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% G Receipts	4% G Outstandings	15-Year Annuity Certificates G Receipts	Outstandings	Total Receipts	Outstandings H
1956-57	..	..	3,00	6,01	163,68	..	..	176.97	196,56	25,38	—38,82	44,28			43	1,32	225,88	440,17
1957-58	..	..	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958-59	..	..	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	635	11,68	67	2,41	286,28	590,08
1959-60	..	..	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,38
Sept. 1959	19	11	1,63	3,46	109,01	6,87	183,58	15,23	238,86	20,36	—41,01	42,10	1,06	15,16	5	2,67	22,77	13
Oct. „	23	13	1,61	3,40	107,53	5,66	188,36	14,31	239,21	20,28	—41,07	42,04	1,09	16,15	5	2,71	21,17	621,65
Nov. „	27	16	1,60	3,35	105,96	6,19	193,66	1,454	24,007	2,017	—41,14	41,96	1,09	17,35	3	2,73	21,92	627,28
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19,96	—41,27	41,84	1,13	19,77	5	2,81	23,59	630,20
February „	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,27	41,75	1,05	20,79	6	2,86	25,71	636,66
March „	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41,29	41,68	96	21,76	6	2,90	48,47	667,36
April „	57	34	1,51	3,11	97,35	6,47	226,14	17,87	258,58	19,68	—41,35	41,68	1,63	23,16	9	2,98	26,16	676,06
May „	64	38	1,50	3,07	95,55	6,45	231,20	17,00	251,94	19,55	—41,41	41,50	1,06	24,19	9	3,01	24,67	67,252
June „	73	42	1,48	3,02	93,84	5,76	235,58	17,85	253,22	19,50	—44 46	41,41	84	25,05	5	3,04	24,13	677,33
July „	81	47	1,45	2,98	92,30	5,83	240,30	15,25	255,92	19,44	—41,49	41,32	1,11	26,09	4	3,07	22,36	684,15
August „	89	52	1,43	2,91	90,90	6,78	245,82	19 75	261,00	19,38	—41,54	41,21	1,17	27,23	9	3,14	27,92	694,42
Sept. „	98	57	1,41	2,84	89,45	7,16	251,77	18,76	265,34	19 28	—41,60	41,14	1,52	28,71	6	3,18	27.64	704,67
October „	107	62	1.39	2,79	88,02	7,05	257,63	16,90	267,22	19,20	—41,64	41,09	1,42	30,27	5	3,22	25.56	712,52
Nov., „	..	..	..	..	..	..	..	..	..	..		41.02	1.49	31,73	5	3,25	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include these from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of September 1960 amount to 9.53 lakhs of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1939-30	116,17,46,000	1963-65	97.55
3 % Loan	1950	30,35,10,000	1964	97.55
3 % Fg. Loan	1948	1,10,11,78,000	1966-68	95 80
3 % Dev. Loan	1945	1,15,05,85,000	1970-75	89 90
2¾% Loan	1946	57,00,69,000	1961	99.10
2¾% Loan	1946	14,77,48,000	1976	83 50
2¾% Loan	1947	75,36,72,000	1962	97 85
3½% N. P. Bonds	1953	75,29,00,000	1961	100 00
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.35
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99 25
3½% Loan	1956	1,07,27,36,000	1962	99.65
3½% N. P. Bonds	1956	93,81,83,000	1967	98.85
3½% Loan	1956	86,63,53,000	1974	99.70
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.75
4 % Loan	1957	49,17,27,000	1972	100 45
3½% Loan	1958	58,05,92,000	1963	99.80
3¾% Loan	1958	70,00,00,000	1968	98.85
3½% Loan N.P.B.	1958	84,33,90,000	1968	100 60
4 % Loan	1958	49,51,44,000	1973	100 40
3½% Loan	1959	1,37,90,93,000	1969	98.70
4 % Loan	1959	81,06,38,000	1979	100.00
4 % Loan	1960	97,64,00,000	1980	99.90
3½% Bonds	1960	82,66,00,000	1966	99 30
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	73.00
3 % Loan	1946	2,48,91,33,000	K.	74.45
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97 20
4 % Andhra	1956	6,54,15,000	3rd Sept. 1968	97 15
4½% Andhra	1958	5,45,81,000	15th July 1970	100.15
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	96.90
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	97.10
3 % Bombay	1949	5,29,97,000	1st Aug. 1962	97 55
3½% Bombay	1951	2,82,97,000	17th Sept. 1962	99.60
4 % Bombay	1953	5,10,80,000	15th July 1963	99.75
4 % Bombay	1952	3,40,34,000	1st Aug. 1964	99.60
4 % Bombay	1955	9,56,29,000	1st Sept. 1967	99.00
4 % Bombay	1956	7,82,20,000	3rd Sept. 1970	98.60
4½% Bombay	1957	6,57,23,000	16th Sept. 1969	100.25
4 % Bombay	1958	6,58,21,000	15th July 1970	100.25
4½% Bombay	1958	4,35,25,000	15th July 1971	100.25
4 % Bombay	1959	6,58,13,000	19th Aug. 1971	98.25
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97 15
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97.15
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	100.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	97.00
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	98.45
3½% Howrah Bridge (New)	1956-57	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98 00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.00
2¾% Madras	1946	3,81,77,000	1st Sept. 1961	98.60
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99 75
4 % Madras	1953	10,88,71,000	15th July 1963	99.50
4 % Madras	1952	5,24,81,900	1st Aug. 1964	99.40
4 % Madras	1955	10,47,17,000	1st Sept. 1967	97.45
4 % Madras	1956	13,88,56,000	3rd Sept. 1968	97.40
4½% Madras	1958	5,55,57,000	15th July 1970	100.25
4 % Madras	1959	5,72,72,000	19th Aug. 1971	97.10
4 % Madras	1960	12,00,00,000	29th Aug. 1969	97.15
4% Maharashtra	1960	10,00,00,000	29th Aug. 1969	98.85
4 % Mysore(f)	1953	2,95,85,300	1st Dec. 1958-63	101.40
3 % Mysore(f)	1956	5,09,73,000	30th Apr. 1956-61	99.80
4 % Mysore	1953	3,33,47,000	15th July 1963	99.50
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97 20
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.15
4½% Mysore	1957	3,34,30,000	16th Sept. 1969	100.25
4½% Mysore	1958	5,51,61,000	15th July 1970	100.25
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.15
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	97.15
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.00
3½% M.P.	1951	1,02,15,100	17th Sept. 1962	98.50
4 % M.P.	1953	1,10,18,000	15th July 1963	99.00
4 % M.P.	1955	1,68,12,000	1st Sept. 1967	97 20
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97.15
4½% M.P.	1958	2,21,30,000	15th July 1970	100.00
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	97.00
4 % Saurashtra	1955	2,50,81,000	1st Sept. 1967	98.75
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	98.75
4 % Kerala	1953	3,25,61,000	15th July 1963	99.00
4 % Kerala	1956	2,22,06,000	3rd Sept. 1968	97.00
4½% Kerala	1958	3,27,10,000	15th July, 1970	100.00
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.00
2½% U.P.Z.A.	1952	44,98,89,000	..	48.75Z
3 % U.P.	1936	1,55,31,000	15th Sept. 1961-66	92.25
2¾% U.P.	1946	2,12,62,000	1st Sept. 1961	97.50
3½% U.P.	1951	1,86,22,000	17th Sept. 1962	99.10
4 % U.P.	1952	5,80,14,000	1st Aug. 1964	99.40
4 % U.P.	1953	5,58,25,000	15th July 1963	99.50
4 % U.P.	1955	9,16,71,000	1st Sept. 1967	97.20
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97.20

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	100.25
4 % U.P.	1959	8,88,36,000	19th Aug. 1971	97.10
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	97.15
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	97.20
4½% Rajasthan	1958	2,79,88,000	15th July 1970	100.00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	97.15
4 % Rajasthan	1960	5,00,00,000	29th Aug. 1969	97.15
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	97.15
4½% Orissa	1958	3,28,58,000	15th July 1970	100.00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	96.95
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	96.90
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.60
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.25
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.40
4 % W. Bengal	1953	3,60,23,000	15th July 1963	99.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	98.50
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.75
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.25
4 % W. Bengal	1959	7,60,62,000	19th Aug. 1971	[illegible]
4 % W. Bengal	1960	7,00,00,000	[illegible]	[illegible]
4 % Assam	1959	[illegible]	[illegible]	[illegible]
4 % Punjab	1959	[illegible]	[illegible]	[illegible]

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	97.00
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1966	
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	97.00
88,25,000	4	1914	1975	97.00
10,00,000	4	1915*	1960	D
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
13,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,55,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
99,24,300	4	1914	1974	99.00
76,90,100	4	1915	1975	99 00
50,00,000C	3††	1921	1961	82.00
68,02,800C	6†	1921	1961	144.00N
60,00,000	4½	1931	1991	98.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1958	1968	100.00
50,00,000	4	1958	1968	97.50
90,00,000	4	1955	1965	97.25
77,00,000	4	1956	1966	97.25
78,00,000C	4	1956	1966	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1969	99.00
1,00,00,000	4	1960	1970	99.25
1,00,00,000	4	1960	1970	99.25
STERLING LOANS				
£892,600	5	1923	1953-83	£61.75
£901,000	5	1924	1954-84	£61.75
£835,100	5½	1962	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
9,98,000†f	3	1947	1977	
3,00,000†f	3	1949	1979	
45,00,000†f	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1901	1961	97.75 N
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	97.50 N
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-86	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-79	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£338,600		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	91.75
50,00,000	3	1937	1962	96.00
20,00,000	3	1938	1963-68	91.75
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1968	101.60
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1920	1980	113.00N
8,25,00,000	3½	1947	1977	86.50
2,13,14,500	3½	1949	1979	86.50
4,90,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1966	99.00
2,00,34,000	3½	1951	1966	98.00
1,30,09,000	4	1953	1963	99.00
92,19,00,000†	4	1953	1964	99.00
36,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.00
1,57,50,000	4	1956	1966	99.00
1,74,00,000	4½	1957	1969	99.25
4,75,00,000	4½	1958	1970	99.25
3,30,00,000	4	1959	1971	97.00
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1922	1962	100.00
38,91,000	3½	1925	1965	95.00
60,00,000	3	1936	1966	91.00
47,50,000	3	1938	1968	91.00
21,10,000	3½	1942	1972	92.00
16,35,000	3½	1951	1961	99.25
66,35,000	3½	1951	1966	98.50
87,35,000	4	1952	1962	99.75
72,50,000	4½	1954	1970	100.00
2,22,72,000	4	1955	1985	—
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. I.—Interim Dividend. f—Dividend for first half of the year.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
					BOMBAY CITY AND ISLAND											
17,33,200	9,11,732	38,69,225	22,51,323	3,251	Maganlal Bhagwandas & Co.	..	..	Ambika Silk Mills Co., Ltd.	152.00	100	15.00	12.00	12.00		12	Y.
50,00,000	..	1,14,24,372	44,03,340	—46,65,476	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.36	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,99,481	1,18,20,968	77,24,952	—13,00,519	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. B. Cotton Mills	26 00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	3,40,77,968	9,34,84,561	4,90,54,873	36,929	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Z	60.00	25	2.50	2.50	3.50		12	Y.
10,00,000	30,76,210	86,14,262	52,94,709	64,016	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	117.50	50	15 00	7.50	5.00	5.00	3	Y.P.
1,22,95,200	3,37,07,587	9,42,76,189	3,75,31,119	1,22,111	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	453.50	100	22.00	22.00	31.50		12	Y.P.
26,00,000	29,15,005	1,21,99,369	78,24,358	75,815	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Cooria Spg. & Wvg.	131.25	100	12.50*	12.50*	7.50	11.00	3	Y.
28,00,000	26,12,714	97,68,522	63,63,559	3,64,674	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	112.50	50	7.50F	5.00	10.00	15.00	3	Y.
34,00,000	20,44,712	87,46,739	65,30,990	—14,81,027	Puranmal Bubna Sons	47,356	928	Edward Textiles	262.50	200	15.00	15.00(c)	18.00		12	Y.P.
29,98,050	27,57,616	1,51,25,544	80,85,174	23,591	B. L. Jalan, Esq. (Chairman)	46,620	886	Elphinstone Spg. & Wvg.	58.50	50	*Nil*	*Nil*	7.00		12	Y.
50,00,000	65,75,469	1,96,09,118	1,09,41,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	318 00	100	20.00	16.00	23.00		12	Y.
50,00,000	52,35,257	1,02,35,144	68,62,387	10,233	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	245.00	100	15.00	15.00	21.50		12	Y.
11,84,000 16,000	1,19,31,192	2,16,82,316	1,42,90,523	....	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	4,950 00 992.50	1,000 250	350.00* 87.50*	350 00 87.50	350.00(c) 87.50(c)	500.00 125.00	3	Y.P.
O. 2,00,00,000 D. 50,00,000	3,38,578	5,10,28,798	3,68,18,422	—19,79,270	Agarwal & Co.	2,47,092	5,984	India United Mills	13.44 1.56	0 10O. 0 1D.	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		12	Y.
17,30,000 D. 70,000	91,23,291	1,84,94,644	1,39,55,204	10,633	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	2,270 00 1,050.00N	1,000 500	325.00* 162.50*	325 00 162.50	200.00(c) 100 00(c)	292.00 116.00	3	Y.P.
59,85,000	82,79,165	3,76,13,105	2,63,91,560	33,751	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	425 00	100	10.00(c)	10.00	16.00	32.00	6	Y.P.
1,00,00,000	1,00,60,096	3,81,90,145	2,95,67,372	27,939	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	264 50	100	18.00	10.00	9.50		12	Y.
46,47,350	38,85,220	1,43,57,502	70,49,840	23,932	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	68.50	50	5.00'C'	3.00	5.00		10	Y.
51,75,000	50,69,550	3,02,81,993	2,16,93,596	42,652	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Gokuldas Spg. & Wvg.	310 00	100	14.00(c)	15.00	21.50	21.50	6	Y.P.
1,41,12,100	1,72,11,640	11,70,25,574	5,26,37,085	1,66,270	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	473 50 —	100 100	14.00 ..	14.00 11.20	22.00 21.27		12	Y.P.T.
24,00,000	11,16,837	83,71,883	43,70,077	—11,93,634	W. H. Brady & Co., Ltd.	45,944	480	New City of Bombay Mfg.	144.00	100	5.00	*Nil*	*Nil*		12	Y.
30,00,000	77,589	1,10,42,353	63,37,035	—10,72,122	Sahu S. P. Jain, Esq. (Chairman)	49,012	963	New Great Spg. & Wvg.	190 00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
48,00,000	54,85,829	1,81,28,534	1,22,58,132	2,82,604	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	126.00	100	12.50F	10 00	10.00	15.00	3	Y.
45,00,000	42,97,637	80,65,529	31,95,108	16,195	Podar Sons Private Ltd.	32,600	930	Podar Mills	130.00	100	10.00	18 00*(c)	12.00*		12	Y.P.
75,00,000	19,70,090	1,69,61,794	81,75,030	57,378	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	103.00	100	..	8.00	11 50		12	Y.P.
10,00,000	..	29,94,216	16,74,307	—1,52,005	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.88	10	0 25	*Nil*	*Nil*		12	Y.
87,70,100	1,21,80,082	2,81,69,010	1,64,24,301	215	M. G. Investment Corp. Private Ltd.	98,488	2,127	Sassoon Spg. & Wvg.	45.00	10	2.00	2 00	2.50		12	Y.
80,00,000	51,53,455	1,74,11,163	73,49,872	41,931	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	226.00	100	8.00	10.00	15.00		12	Y.P.
50,40,000	15,53,956	2,27,78,338	1,00,36,574	—3,49,633	M.	40,340	1,114	Simplex Mills	160.00	50	8.50	8 50	5.00(c)	7.50	3	Y.T.
1,09,75,000	2,51,54,908	3,87,61,421	2,23,24,758	91,523	Mafatlal Gagalbhai & Sons	97,533	2,409	Standard Mills	976 00	100	22.50*	20 00	29 00*		12	Y.P.
1,00,00,000	96,94,067	3,16,61,974	1,74,64,096	1,596	Tata Industries Private Ltd.	75,036	2,000	Swadeshi Mills	224.25	100	9.00	10 00	14.00		12	Y.P.
86,00,000	76,44,279	1,98,34,474	1,09,47,326	26,032	James Finlay & Co., Ltd.	40,323	550	Swan Mills	480.00	100	25.00	25 00	36.00		12	Y.
65,57,375	50,22,987	2,58,77,176	1,04,22,689	17,925	Tata Industries Private Ltd.	61,572	1,775	Tata Mills	39.00	25	2.00	1.50	2.50		12	Y.T.
16,00,000	64,52,368	1,05,96,173	64,34,479	76,369	Manzaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	297.50	100	23.00*	20.00*	20.00		12	Y.P.
12,00,000	1,02,12,489	1,79,02,964	1,20,93,754	—17,05,232	Mr. K. M. D. Thackersey (Chairman)	54,634	1,262	Western India Spg. & Mfg.	4,075.00	1,000	325.00	325.00	325.00(c)	70.00(c)	12	Y.P.
					AHMEDABAD											
40,00,000	25,61,894	1,94,97,024	79,03,199	11,155	Tata Industries Private Ltd.	49,168	1,016	Ahmedabad Advance Mills	166.50	100	5.00	5.00	4.90(c)		6	Y.P.T.
20,00,000	97,23,117	1,52,08,567	87,79,332	....	Hutheesing Sons & Co.	44,220	920	Aruna Mills	425 00	100	25 00	25.00	25.00'C'		12	Y.P.
60,00,000	2,95,20,296	2,85,00,200	1,40,42,300	1,58,312	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,047 00	100	35.00*	28.00'C'	40.00		12	Y.P.
26,40,000	45,04,840	1,24,95,613	83,06,442	58,595	Manzaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	510.00N	200	*Nil*	25.00'C'			12	Y.P.
20,00,000	1,27,06,477	1,51,11,023	73,11,050	....	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	550 00	100	30 00	20 00'C'	25 00		12	Y.P.
2,06,25,000	2,91,51,534	7,72,08,320	3,30,53,666	21,88,804	Karamchand Premchand Pvt. Ltd.	1,39,120	2,380	Calico	881.00	125	30 00	25.00	22.00	31.00	3	Y.P.
68,00,000	27,76,707	1,57,37,865	1,12,77,222	6,366	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	530 00	250	25.00*	27 00*	36.00		12	Y.P.
52,00,000	1,42,42,743	1,92,98,548	1,22,21,300	1,63,425	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,396.00	125	30 00	35.00*	55.00*		12	Y.
15,00,000	63,45,614	83,34,671	44,35,941	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	380 00	100	20 00	20.00	25.00		12	Y.P.
30,00,000	96,88,684	1,29,66,793	76,85,644	....	Lalbhai Dalpatbhai & Co.	32,828	640	Raipur Mfg.	622.50	100	25 00*	25.00'C'	35.00		12	Y.P.
48,75,000	23,78,557	1,49,91,313	85,09,730	14,294	Rohitbhai Chinubhai, Esq. (Chairman)	33,156	648	Rohit Mills	202 50	100	8.00*	8.00*	10.00		12	Y.P.
63,75,900	2,95,76,027	2,43,70,561	1,45,91,824	59,271	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,034.00	100	25.00	30.00*	45.00		12	Y.P.
29,25,000	82,40,408	1,24,24,481	83,25,307	23,321	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,828	720	Shorrock Spg. & Mfg.	755.00	100	20.00	22.00*	30.00*		12	Y.
85,00,000	89,42,859	1,84,94,632	92,66,120	25,810	Haridas Ashratlal & Co., Ltd.	41,056	780	Vijaya Mills	592.50	500	40.00*	40.00*			12	Y.P.
					WEST BENGAL											
15,00,000	2,39,480	40,13,953	26,20,603	....	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	8.22	10	0.60	0.50	*Nil*		12	Y.P.T.
7,11,280 1,30,620 1,70,000	2,44,733	89,51,451	62,49,897	—3,26,098	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	25.00N	40	4.00	*Nil*	*Nil*	*Nil*	3	Y.P.
24,00,000	5,14,800	1,26,22,986	56,02,346	60,410	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	181.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
28,50,000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	22 56	10	*Nil*	*Nil*	1.00		12	Y.T.
50,08,000	8,02,433	88,00,719	43,00,719	34,072	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	14 00	10	0.50	0.65	0.80		12	Y.T.
1,60,00,000	2,07,51,444	4,18,09,599	1,42,09,599	76,764	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	26.69	10	0.75	0.25	0.25		3	Y.P.
O. 19,47,750 D. 5,00,000	78,492	50,99,822	32,33,579	—5,21,450	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	10.12N 2.37N	10 1D	1.00 0.15	0.50 *Nil*	*Nil* *Nil*		6	Y.
					SOUTH INDIA AND OTHER CENTRES											
30,00,000	5,43,855	73,05,065	7,21,196	31,634	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	9.85	10	*Nil*	*Nil*	*Nil*		12	Y.
36,00,000	2,25,000	85,28,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	114.00	100	6.00	6.00	11.00		12	Y.P.
11,98,600	4,50,000	49,07,709	26,15,654	3,044	Setna & Co.	25,984	..	Asher Textiles Ltd.	204.05	100	12.50	6.00	6.00	12.50	6	Y.
72,00,000	16,98,790	1,92,55,835	68,19 240	2,681	The Industries (I.F.) Department, Government of Andhra Pradesh	36,136	725	Azam Jahi Mills	70.50	100	3.50	*Nil*	4.00		9	Y.
1,21,50,000	1,58,99,679	3,79,67,112	3,06,18,958	2,69,251	Binny & Co. (Madras), Ltd.	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	196.50	100	10.00'C'	10.00	10.00		12	Y.P.
3,50,00,000	....	....	....	....	..	..	..	Baroda Rayon Corporation	120.00	100	..	..	..	..	12	Y.
35,00,000	78,10,478	1,66,23,840	1,20,16,290	83,509	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	17.50N	10	1.50	0.75	*Nil*	1.00	3	Y.
1,78,47,800	8,24,73,971	8,05,80,469	4,78,98,275	2,31,371	Binny & Co. (Madras), Ltd.	1,20,288	2,758	Buckingham & Carnatic	196 50	100	10.00	10.00	10.00		12	Y.P.T.
20,00,000	18,500	51,23,580	26,05,678	—2,79,050	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	9.90	10	0.50(c)	*Nil*	*Nil*		12	Y.P.
15,00,000	5,29,316	53,92,782	33,76,104	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	155.00cd	100	20.00	12.50	15.00	17.00	3	Y.
30,00,000	81,64,314	81,45,632	66,08,685	—3,29,080	Begg, Sutherland & Co. Private Ltd.	27,624	589	Cawnpore Textiles	5.94	5	0.25	*Nil*	*Nil*		12	Y.
9,36,560	6,61,000	68,26,050	33,32,807	15,034	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	13.15	10	0.90	0.90	0.90	1.30	3	Y.P.
35,99,600	28,90,147	1,11,51,577	41,62,473	....	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	158.50	100	9.00'C'	6.00	6.00		12	Y.
17,65,300	4,06,710	49,14,501	26,55,487	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	104.00	100	7.50	*Nil*	7.50		12	Y.P.
20,00,000	22,23,665	97,89,504	54,27,110	1,28,493	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills	344.00	100	20.00	20.00	25.00		12	Y.P.
20,76,900	5,070	1,37,50,700	86,79,844	—15,77,632	R. G. S. Naidu & Co.	70,268	307	Coimbatore Spg. & Wvg.	42 00	50	*Nil*	*Nil*			12	Y.
46,87,500	10,87,622	4,53,59,203	1,50,69,402	—81,23,525	Tata Industries Private Ltd.	1,15,188	2 032	Central India	97.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.
39,66,711	28,72,302	1,21,27,978	57,71,091	9,000	R. Hanumanthappa & Son	40,032	300	Davangere Cotton Mills	116.50	100	9.00	9.00	9.00	12.00	3	Y.
4,38,36,225 1,00,563	4,64,48,622	14,46,03,946	8,37,58,780	2,72,401	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	35.37	25 2½	2.00 0.16	2.00 0.16	2.50† 0.25†	2.50 0.30	6	Y.P.T.
48,60,000	29,65,006	1,31,45,544	61,00,929	1,006	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	216.00	100	10.00'C'	10.00	17.50		12	Y.
63,00,000	1,21,34,814	1,74,64,808	1,53,07,559	95,889	Begg, Sutherland & Co. Private Ltd.	48,452	1,194	Elgin Mills	18.56	10	1.00	0.75	1.25		9	Y.P.
48,81,000	28,48,948	1,87,08,402	91,62,727	1,321	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	170.00	100	8.00	8.00	8.00		12	Y.
40,00,000	56,44,510	1,28,49,778	85,83,203	24,751	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	220.00	100	10.00	10.00	16.00		12	Y.
2,50,00,000	2,39,47,000	6,42,53,523	4,12,24,000	20,81,106	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	38.25	10	*Nil*	*Nil*	1.00	2.00	3	Y.P.
78,86,687	....	....	....	....	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	51.00	50	..	..	..	..	3	Y.P.
50,00,000	1,96,680	1,64,52,347	1,21,05,123	....	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	128.00	100	6.00	5.00(c)	7.00		12	Y.
3,90,000	6,16,770	36,26,185	22,28,141	—5,61,231	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	58.00	50	3.00	*Nil*	*Nil*		12	Y.
15,54,000	10,82,160	63,95,105	33,88,095	—7,02,807	Mr. Bhairuratan Damani (Managing Director)	21,148	512	Jam Shri Ranjitsinghji	1,500.00	1,000	40.00	*Nil*	*Nil*		9	Y.
63,00,000	80,48,856	4,87,56,355	1,21,12,213	52,757	Padampat Singhania, Esq.	45,000	1,000	J. K. Cotton Spg. & Wvg.	14 00	10	..	..	0.90		12	Y.P.
16,86,170	13,17,947	82,44,540	41,48,200	1,507	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	12 10	5	1.25	0.75	0.75		12	Y.
4,63,65,800	3,07,35,097	4,65,60,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	15.60	10	0.35	0.35	0.07		3	Y.P.
67,20,000	25,71,768	1,69,79,996	49,33,767	55,806	Kothari & Sons	67,192	300	Kothari Textiles	11.85	10	1.00	*Nil*	1.00		12	Y.P.
32,00,000	54,31,394	1,96,63,685	1,48,17,868	26,609	M.	51,908	1,243	Lakshmi Cotton Mfg.	500 00	250	15.00	15.00	25.00		12	Y.P.
71,00,000 A. 35,50,000	83,80,960	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	148.00 72.00	50 25	10.00 5 00	6.00 3.00	6.00 3.00	10.00 5.00	3	Y
58,00,000	1,42,22,327	2,18,43,643	1,46,79,309	6,549	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	702.50	100	15.00	18.00	29.00*		12	Y.P.
1,75,02,480	4,06,37,833	6,25,73,138	4,25,73,138	2,04,614	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	35 00	15	2.25	*Nil*	1.875		12	Y.
60,00,000	29,59,000	68,45,576	51,49,267	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	369 00	100	20 00	20.00	25.00	30.00	3	Y.
29,80,884	5,71,940	1,05,10,931	50,74,411	....	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	72.00XR	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
94,91,850	21,56,148	1,71,94,769	78,81,523	1,85,008	M.	52,408	952	Model Mills (Nagpur)	80 00	250					6	Y.
29,78,100	44,97,618	1,17,73,699	69,34,817	24,962	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	63.00XR	50	9.00*	5.00	5.00	7.00	3	Y.P.
31,50,000	48,76,391	66,34,980	44,19,186	1,368	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	216 25	100	12.00	12 00	12.00		12	Y.P.
48,00,100	....	2,37,94,145	1,20,34,420	—37,45,965	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9 30	10	*Nil*	*Nil*	*Nil*		3	Y.P.
37,33,800	19,78,217	1,77,24,075	67,40,513	....	Bansilal Bissesardas Pvt. Ltd.	37,788	902	Osmanshahi Mills	41 00	100	*Nil*	*Nil*	*Nil*		9	Y.
A. 4,00,000 B. 3,00,000	16,56,928	78,14,710	36,35,788	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	250.00 300.00	50A 75B	9.00 13.50	10.00 15.00	15.00 22.50		12	Y.P
15,00,000		37,30,105	19,70,043	—21,28,862	..	27,980	..	Pankaja Mills Ltd.	63.00	100	*Nil*	*Nil*			12	Y.
65,10,600	18,67,447	1,10,86,808	66,04,305	2,661	A. G. Gurusamy Naidu & Co.	60,704	301	Radhakrishna Mills	29 45	25.00	3.00	1.50	2.25		12	Y.
28,21,000	22,65,286	1,22,00,423	53,26 619	1,286	Mukundlal Bansilal & Sons	25,420	567	Raja Bahadur Motilal Mills	92 00	100	*Nil*	*Nil*	*Nil*		12	Y.
30,00,000	28,53,800	92,98,175	42,76,744	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	72 00	50	4.50	3.00'C'	3.75		12	Y.P.
16,14,300	17,87,061	63,86,578	27,79,402	....	Ramco Agencies Private Ltd.	36,036	..	Rajapalayam Mills	127.00	100	12.00	8.00	6.00(c)	9.00	3	Y.
15,36,890	2,69,111	83,59,281	50,04,126	....	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	224.00	100	16.00	10.00	16.00	23.00	3	Y.
22,32,300	11,20,038	56,78,526	28,55,667	958	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	120 00	100	10 00	10.00	10.00		12	Y.
10,00,000	6,93,527	54,79,563	33,71,779	3,264	S. R. P. Ponnuswamy Chetty & Sons.	25,088	..	Sivanandha Mills Ltd.	28 25	10	1.20	1.50	2.20		12	Y.
1,72,06,400	....	....	....	....	M.	..	..	South India Viscose Ltd.	148.00	100					12	Y.
13,17,124	6,47,786	45,36,078	12,34,344	....	K. Ramachandran, Esq. (Mg. Director)	16,516	..	Sri Kannapiran Mills Ltd.	7.65	10	1.00	0.60	1.00	..	12	Y.
36,60,700	23,00,037	1,01,95,864	72,23,021	30,822	D. B. Viswambhariah, Esq. (Mg. Director)	42,924	340	Sri Krishnarajendra Mills	68.00	50	7.00	4.50	4.00	5.50	3	Y.
16,02,500	9,69,325	58,07,042	29,96,235	18,376	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning, Spg. & Wvg. Mills Ltd.	40.00	50	2.00	*Nil*	2.50	..	12	Y.
15,00,000	3,99,30,629	1,17,10,444	91,93,176	3,97,888	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	90.00	10	6 00	6.00	6.00	8.57	3	Y.
O. 17,50,000 PO 1,57,50,000	2,42,28,071	6,42,05,504	1,96,78,129	9,04,312	M.	1,12,216	2,090	Swadeshi Cotton (Kanpur)	9 00 8 19	10O. 10P.O.	0.75 1.15	*Nil* 0.40	*Nil* 0.571		12	Y.P.
12,78,210	1,20,000	46,55,675	7,75,459	22,842	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	10 50	10	..	*Nil*	*Nil*	0.80	3	Y.P.
1,96,00,000	70,91,584	4,47,94,206	2,70,17,829	2,29,084	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	32 50	10	1.00	1.25	2.00		12	Y.P.T.
13,98,730	8,64,000	20,41,565	15,00,441	681	Mooiji Ramjee & Sons	18,000	..	Trichinopoly Mills	11 95	10	0.90	0 75	1.25		12	Y.
21,00,000	38,41,000	91,30,605	57,96,375	17,798	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	236.00	100	12.00	12.00	16.00		12	Y.P.
15,10,340	3,98,626	24,95,648	13,64,648	—2,74,043	Thiagaraja Chetty & Sons Private Ltd.	..	200	Virudhunagar Textile Mills Ltd.	49.50	50	2 25	3.00	5.00	..	12	Y.P.
36,00,000	12,58,816	1,94,82,373	1,33,00,940	—11,21,254	The Bombay Co. (Private) Ltd.	49,880	1,369	Vishnu Cotton	97.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1959.

Z—Bombay Dyeing & Mfg. Co., shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. T.B.—All dividends paid since 31st March 1959 are shown as taxable. 'C'—On increased Capital. ‡ On Old Capital.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	64,31,970	1,47,43,249	50,81,902	36,065	B. N. Elias & Co. Private Ltd.	879	Agarpara	11.19	10	0.25	0.25	0.50	1.00	3	Y.P.T.
6,00,000	13,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	140.00	100	10.00	10.00	15.00		12	Y.P.T.
80,00,000	2,79,200	1,26,70,290	99,41,083	—1,88,265	McLeod & Co., Ltd.	1,264	Alliance	92.00	100	*Nil*	*Nil*	*Nil*	6.001	5	Y.P.
49,20,700	85,41,000	2,63,90,624	1,74,73,587	2,26,168	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	174.00	100	7.00	10.00	12.50	20.00	3	Y.P.
40,00,000	21,83,168	1,36,05,736	76,49,894	34,111	Bird & Co. Private Ltd.	810	Auckland	151.00	100	*Nil*	5.00	20.00	27.00	3	Y.P.T.
20,00,000	84,53,528	1,46,13,222	77,61,622	28,486	Birla Brothers Private Ltd.	959	Bally	185.00	100	2.00	6.00	10.00	25.00	3	Y.P.
£275,000	£803,923	£1,601,226	£1,065,825	—£92,399	Sir John H. Burder (Chairman)	1,889	Barnagore	119.50	£5	*Nil*	*Nil*	10sh.	£1.10sh	3	Y.P.
28,00,000	30,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	141.00	100	2.50	7.50	13.50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	8.00	10	*Nil*	0.50			6	Y.P.T.
91,26,000	2,82,25,130	7,34,86,439	2,26,35,926	93,079	Birla Brothers Private Ltd.	1,373	Birla	28.00	10	1.00	1.00	1.00	1.50	3	Y.P.
36,00,000	23,36,695	1,19,81,167	72,84,779	62,431	Andrew Yule & Co., Ltd.	991	Budge-Budge	125.00	100	*Nil*	5.00	15.00		10	Y.P.
7,47,380	4,000	45,18,657	34,32,120	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	*Nil*	*Nil*			12	Y.P.T.
18,00,000	27,51,530	84,60,059	49,11,673	30,163	M.	616	Caledonian	125.00	100	*Nil*	15.00	12.00		11	Y.P.
59,16,400	81,81,976	2,17,74,524	1,17,03,511	1,68,730	James Finlay & Co., Ltd.	600	Champdany	104.00	100	*Nil*	*Nil*	7.00	10.00	3	Y.
15,95,000	23,19,096	86,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	14.25	10	*Nil*	5.00	12.50‡		11	Y.P.
30,15,000	88,42,800	1,09,82,980	59,87,035	2,33,594	McLeod & Co., Ltd.	500	Chitavalsah	12.62	10	1.10	1.25	1.50		7	Y.P.T.
24,00,000	9,00,000	81,89,934	67,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	11.12	10	*Nil*	*Nil*			8	Y.P.
31,49,200	13,05,418	1,06,95,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	107.50	100	*Nil*	*Nil*	*Nil*	1.00	3	Y.P.T.
23,00,000	41,39,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	142.00	100	*Nil*	6.00	14.00		11	Y.P.
15,00,000	37,20,000	1,07,39,530	70,08,837	93,729	McLeod & Co., Ltd.	500	Empire	15.00	10	0.75	1.00	1.25		7	Y.P.T.
21,00,000 21,00,000	83,65,324	3,41,69,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	310.00 275.00	100 Old 50 New	10.00 ..	20.00 ..	20.00 10.00	25.00 12.50		Y.P.T.
21,00,000	19,81,948	1,32,23,393	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	22.12	10	1.50	1.50	1.50	2.25	3	Y.P.T.
84,32,100	5,16,898	2,24,66,716	1,48,00,382	56,359	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	10.25	10	*Nil*	*Nil*	*Nil*	1.00	3	Y.P.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd.	41.00	10	2.00	2.00	4.00		12	Y.T.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	322.00	100	2.50	20.00	25.00	30.00	3	Y.P.
40,00,000	81,69,633	1,33,64,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	119.00N	100	5.00	5.00	6.00	6.00	3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,713	49,754	Baijnath Bajoria	720	Hooghly	14.50	10	*Nill*	*Nil*	0.60		3	Y.P.
65,62,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	20.00	10	*Nil*	*Nil*	1.00	1.25	3	Y.P.T.
52,50,000	38,25,000	3,18,43,014	1,77,68,014	1,63,175	Ramdutt Ramkissendas	2,272	Hukumchand	19.87	7.50	1.50	1.50	1.50	2.15	3	Y.P.
87,30,000	21,78,965	1,74,80,629	1,00,24,542	4,94,235	M.	790	India	14.81	12.50	9.37	15.62‡	1.24	1.75	3	Y.
24,00,000 'B'19,20,000	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarharry	140.00 138.00	100 'B' 100	*Nil* *Nil*	5.00 5.00	20.00 20.00		12	Y.P.T.
30,00,000 'B'24,00,000	10,09,817	1,76,28,517	1,12,70,060	—13,68,526	Jardine Henderson Ltd.	1,527	Kanknarrah	73.00 72.00	100 'B' 100	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		12	Y.P.T.
28,00,000	49,10,000	1,43,71,155	98,71,113	1,63,584	McLeod & Co., Ltd.	703	Kelvin	137.00	100	9.00	12.50	14.00'C'		5	Y.P.
54,00,000	23,62,520	2,16,94,951	1,32,38,732	74,405	Anderson Wright Ltd.	1,530	Khardah	17.50	10	0.80	0.80	2.00	2.00	3	Y.P.
59,80,150	42,30,583	1,99,43,494	1,24,97,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	150.00	100	*Nil*	5.00	10.00	20.00	3	Y.P.T.
24,48,000	10,76,201	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	100.00	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	11,08,592	69,04,728	41,03,722	10,530	Bird & Co. Private Ltd.	840	Lawrence	120.00	100	*Nil*	*Nil*	2.00	15.00	3	Y.P.
81,65,200	34,63,931	2,70,91,429	1,55,68,005	56,999	M.	1,294	Megna	11.25	10	0.50	1.75	1.00	1.20	3	Y.
29,98,900	34,36,392	1,64,53,185	94,33,205	—11,60,635	M.	315	Naihati	61.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	13,14,376	36,84,253	24,27,490	4,929	Howrah Trg. Co. Private Ltd.	425	Naskarpara	9.00	10	0.25	0.25			10	Y.T.
35,00,000	89,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	22.25N	10	0.75	0.75			10	Y.P.
26,25,000	31,71,872	59,70,247	26,86,043	1,38,623	McLeod & Co., Ltd.	316	Nellimarla Jute	11.87	10	0.90	1.00	1.40		7	Y.P.T.
1,28,24,350	1,98,88,995	8,59,25,980	1,28,63,717	1,415	Sahu Jain Ltd.	1,765	New Central	25.50	10	..	1.50	1.50'C'		3	Y.P.
16,79,880	38,39,763	1,21,83,607	71,21,536	27,631	Bird & Co. Private Ltd.	567	Northbrook	21.31	10	*Nil*	*Nil*	1.25	3.00	3	Y.P.T.
66,79,500	88,53,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	45.75	50	*Nil*	2.50	3.00	4.00	8	Y.
25,00,000	10,23,000	99,89,888	72,61,540	68,437	McLeod & Co., Ltd.	400	Presidency	4.87	5	0.30	0.37½	0.50		7	Y.T.
20,00,000	42,629	33,96,467	12,06,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	8.50	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
49,50,000	14,07,546	1,24,96,816	66,97,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	6.12	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
£600,000	£488,130	£1,484,376	£840,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	9.50N	£1	*Nil*	5%†	10%†		12	Y.P.
30,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	24.12	10	0.50	0.50	0.60		3	Y.P.
14,00,000	12,59,725	72,57,128	52,50,728	63,633	Hindustan Investment Corpn. Ltd.	401	Soorah	17.25	10	1.50	1.50	2.50		12	Y.P.
£600,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.50N	£1	*Nil*	3%†	10%†		12	Y.P.
35,98,600	37,29,990	89,38,439	50,59,464	35,993	Bird & Co. Private Ltd.	1,326	Union	159.00	100	*Nil*	15.00	20.00	25.00	3	Y.P.T.
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9.50N	£1	3%†	5%†	10%†		12	Y.P.
2,50,000	6,20,000	82,90,805	44,48,712	1,03,603	McLeod & Co., Ltd.	447	Waverley	2.81	1	*Nil*	*Nil*	0.25		5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Culti-vation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					TEA COMPANIES										
10,98,900	4,16,126	17,25,120	8,38,737	2,842	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	16.70	10	1.75*	1.75	1.50	1.50	3	Y.P.
52,50,000	29,41,207	79,01,776	13,65,987	2,83,908	Kothari & Sons (Ags.) Pvt. Ltd.	1,329	Blue Mountain	3.94	2	0.25	0.25	0.25	0.25	6	Y.
5,50,000	5,57,420	15,15,332	3,03,764	109	K. Anantarman, Esq. (Mg. Director)	350	Chandramalai Estates Ltd.	3.00	2	0.30	0.24			6	Y.P.
9,33,400	15,86,598	26,32,979	8,15,911	1,38,960	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	5.50	2	0.40	0.20	0.30	0.40	3	Y.
5,65,920	12,80,970	21,63,320	1,64,704	29,120	Matheson Bosanquet & Co. Pvt. Ltd	392	Coonoor Tea	27.25	10	2.00	2.00	1.001		9	Y.P.
4,80,000	4,76,798	12,48,672	2,12,224	2,580	Srinivas Agencies	441	Coorg Tea	5.43	2	0.40	0.40	0.40	0.40	3	Y.P.
6,00,000	4,82,155	12,25,902	3,38,531	1,259	R. A. Jenkins, Esq. (Mg. Director)	344	Devashola (Nilgiri) Tea	30.50	10	1.75	2.50	2.50		12	Y.
6,74,630	3,25,933	10,81,247	2,29,577	4,312	Young India Agencies Private Ltd.	465	Devon Tea	14.37	10	1.75	1.75	1.50	1.50	3	Y.P.
3,50,000	1,26,500	4,04,217	65,265	2,027	Parkins Private Ltd.	198	Emerald Valley Estates	5.70	5	0.30	0.30	0.40		12	Y.
25,00,000	17,77,500	47,06,209	9,26,271	1,765	Parkins Private Ltd.	1,495	Halleyburia	13.85	10	1.50'C'	2.00	1.25'C'		12	Y.P.T.
6,00,000	7,65,696	14,87,744	8,33,844	48,233	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	4.60	2	0.30	0.25	0.30		3	Y.T.
16,39,438	18,94,704	32,75,491	4,84,787	28,103	Peirce, Leslie & Co., Ltd.	781	Kil Kotagiri Tea	5.30	2	0.80	0.30	0.70		10	Y.P.
3,45,000	5,10,000	11,44,396	98,799	306	Ipe Oommen & Co. Pvt. Ltd.	800	Kurchermala Plant. Ltd.	8.20CR	10	0.75	0.625	0.80	*Nil*	3	Y.P.
5,00,000	70,556	9,28,291	61,372	35,812	Matheson Bosanquet & Co. Pvt. Ltd.	267	Lucky Valley	13.85	10	1.00	1.00	1.00		12	Y.
3,50,000	26,500	3,21,318	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.65	2	0.18	0.24	0.10		3	Y.
3,00,000	6,23,100	12,48,190	2,88,717	1,418	Eapon Thomas, Esq. (Mg. Director)	524	Mlamallay	39.38	25	4.50	3.75	5.00		3	Y.P.
36,00,000	21,32,879	79,94,364	13,08,936	5,482	A. V. Thomas & Co. (India) Ltd.	1,659	Neelamalai	4.90	5	0.87	0.87			3	Y.P.
12,00,000	6,36,837	26,24,009	5,35,572	150	A. V. Thomas & Co., Ltd.	679	Nelliampathy	2.70	2	0.40	0.30	0.20		6	Y.P.
14,06,250	6,95,346	38,09,977	5,17,286	20,656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	7.90	10	0.75	0.60			3	Y.P.T.
23,10,000	9,22,309	32,15,349	3,63,585	35,375	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	26.25	10	2.00	3.50	2.00		6	Y.
13,53,600	17,53,325	32,40,997	5,53,242	47,411	Mr. P. S. M. Molyneux (Chairman).	579	Parkside	26.75	10	1.75	2.50	2.75	2.75	6	Y.
6,00,000	3,06,284	8,47,698	63,188	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninsular Plantations Ltd.	21.35	10	2.50	1.50	2.00		2	Y.
57,00,000	10,41,753	41,24,957	14,46,521	44,631	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	22.50	10	2.50	1.62½	2.25		12	Y.P.
17,94,880	28,17,245	1,10,00,168	34,84,598	80,253	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	8.38	2	0.70	0.20'C'	0.25		3	Y.P.
13,50,000	2,82,500	11,13,472	1,04,534	1,431	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.90	2	0.15	0.15	0.125		6	Y.
9,00,000	12,06,478	27,35,093	7,62,652	3,656	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	15.62	10	1.40V	0.80	0.60		6	Y.T.
1,25,000	15,000	1,98,241	7,968	4,239	M.	216	Swinton Estates	3.12xd	2	..	0.15	0.15	0.25	3	Y.
12,50,000	10,87,328	36,51,137	3,53,187	997	Srinivas Agencies	1,787	Talayar Tea	1.70	2	0.20	0.12	0.10	0.16	3	Y.P.
15,75,000	16,00,500	27,37,319	3,29,820	565	Parkins Private Ltd.	1,214	Twyford	12.00	10	1.50'C'	1.50	1.00'C'		12	Y.
21,93,280	12,29,630	44,14,672	15,67,621	1,02,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	23.25	10	1.77	1.60	1.95		3	Y.
31,50,000	32,96,030	63,68,910	8,97,362	1,94,353	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	3.41	2	0.25	0.25	0.25	0.25	6	Y.P.
1,00,000	53,087	3,26,355	84,299	2,528	Goodall & Co.	93	Woodcote Estates Ltd.	1.65		0.09	0.06	*Nil*		6	Y.P.T.
					RUBBER AND OTHERS					**1957**	**1958**	**1959**	**1960**		
6,00,000	5,52,435	16,68,612	4,21,741	8,855	Ramani & Co., Pvt. Ltd.	878	Alageswar Estates Ltd.	2.38	2	0.20	0.20	0.15	0.15z	3	Y.
6,75,000	1,60,527	19,03,351	2,97,284	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	13.25	10	0.40	0.60	0.75	1.00	3	Y.P.T.
2,50,000	5,78,753	13,39,783	1,24,737	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14.37	10	1.50	1.00	1.50	..	12	Y.P.
12,07,838	2,28,040	19,28,285	1,92,147	27,812	Associated Planters Private Ltd.	1,264	Anaparai Estates Ltd.	4.70	2	0.80	0.70	0.60	..	6	Y.T.
4,25,000	4,00,000	8,56,375	92,884	25,796	Young India Agencies Pvt. Ltd.	554	Badra Coffee Estates Ltd.	3.84	2	0.85	0.85	0.85	..	5	Y.P.
4,00,000	2,55,748	7,16,760	98,936	8,216	A. V. Thomas & Co. (Mysore)	550	Bababudin Coffee & Produce	9.00	5	1.25	1.25	0.625		6	Y.P.
3,00,000	2,35,000	4,24,393	50,457	583	Planting Agencies (Private) Ltd.	819	Balmadies Plantations	2.36	2	0.25	0.25	0.15	0.15	5	Y.P.
8,66,115	3,36,253	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)	1,135	Be Be Rubber Estates Ltd.	3.06	5	0.25	0.25	0.25		3	Y.P.
26,91,279	18,00,000	52,49,279	8,16,788	21,669	Peirce, Leslie & Co., Ltd.	7,093	Cochin Malabar	6.95	3	0.45	0.30'C'	0.45	0.525	2	Y.P.
22,50,000	31,10,963	53,64,309	13,19,304	92,379	Cons. Coffee Estates (Secretaries).	2,799	Coffee Lands and Industries	18.90	10	4.00	2.00	2.50	0.60	6	Y.P.
71,55,000	66,04,294	1,58,60,009	40,89,751	60,720	C. I. Machia, Esq. (Mg. Director)	8,160	Consolidated Coffee	22.55	10	4.00	2.00	2.50	2.00	6	Y.P.
6,00,000	5,32,423	13,68,760	74,628	1,482	Associated Planters Private Ltd.	1,439	Cottanad Plantations	11.25	10	1.75	1.50	1.50	1.00	3	Y.P.
4,08,560	2,00,000	8,12,568	76,968	27,670	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffees).	4.00	2	1.00	1.30	0.50	0.50	6	Y.
18,00,000	9,86,402	31,48,370	6,93,094	24,694	A. V. Thomas & Co., Ltd.	886	Highland Produce	14.45	10	0.75	1.50	1.50		12	Y.P.
1,20,000	49,000	1,64,450	5,148	2,033	Young India Agencies Pvt. Ltd.	220	Kadur Coffee Estates Ltd.	2.74	2	0.15	0.15	0.15	0.15	5	Y.P.
11,85,700	10,77,705	30,90,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,520	Kallas Rubber, Co., Ltd.	5.19	2	0.60	0.50	0.50	0.40	2	Y.
8,00,000	8,36,553	17,97,748	3,49,814	1,330	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	12.50	10	2.00	1.00'C'	1.25	1.25	4	Y.P.
4,00,000	3,00,000	9,04,554	1,45,547	12,518	Peirce, Leslie & Co., Ltd.	610	Kumergode Estates Ltd.	5.00	2	0.50	0.40'C'	0.40		10	Y.T.
13,50,000	4,85,241	25,39,476	4,08,190	9,942	K. T. Thomas Kathanar, Esq.	1,663	Malankara Rubber	18.00	10	2.25	1.70'C'	1.60	1.50	8	Y.
3,25,000	2,50,000	7,61,984	10,586	11,686	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.75	5	0.75	1.00	1.00	..	6	Y.P.
40,50,000	14,21,444	90,79,614	11,84,844	66,364	A. V. Thomas & Co., Ltd.	4,683	Midland Rubber	11.40	10	2.00	1.00'C'	1.00	1.25	3	Y.P.
3,35,000	4,13,450	16,31,926	2,76,266	46,475	A. V. George & Co., Ltd.	1,229	Nenmeny Rubber	20.65	10	0.75	1.50	1.50		12	Y.P.
2,00,000	4,79,548	7,96,900	55,892	3,026	Associated Planters Private Ltd.	906	Nilambur Rubber Co.	16.95	10	1.50	2.00	1.50		12	Y.P.T.
19,45,980	22,83,423	48,92,125	16,66,950	3,088	Peirce, Leslie & Co., Ltd.	4,395	Ouchterlony Valley Estates	4.55	2	0.60	0.20	0.30		10	Y.P.T.
6,50,000	5,71,464	7,75,530	67,539	42,437	Peirce, Leslie & Co., Ltd.	546	Ossoor Estates Ltd.	8.28	2	0.30	0.26	0.30	0.30	3	Y.
16,50,000	2,29,315	21,56,112	5,52,520	72,398	Aspinwall & Co., Ltd.	1,607	Pullangode Rubber	1.85	2	0.10	0.08	0.10		3	Y.P.
13,50,000	8,37,644	48,91,065	4,79,542	19,045	A. V. Thomas & Co., Ltd.	2,988	Rajagiri Rubber	19.75	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,900	1,14,963	3,70,345	43,569	774	Associated Planters Private Ltd.	422	Rajendra Coffees Ltd.	14.00cd	5	1.25	2.00	2.50	1.25	3	Y.P.
5,50,170	3,00,000	8,87,753	1,22,319	12,609	Peirce, Leslie & Co., Ltd.	492	Savamalai Estates Ltd.	3.55	2	0.30	0.25'C'	0.30		11	Y.
12,00,000	1,85,000	18,80,245	1,09,554	10,753	Patco Agencies	1,162	Sangameshwar Coffee Estates	2.25	2	..	0.18	0.18	0.12	3	Y.P.T.
10,00,000	2,48,373	22,50,508	1,79,424	13,959	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	6.10	10	0.60	0.60	0.60		3	Y.P.T.
2,50,000	2,75,000	6,13,713	47,038	28,430	A. V. George & Co., Ltd.	467	Thamarapally Rubber	28.00	10	3.00	3.00	3.00		12	Y.P.
9,15,300	5,75,000	23,57,605	1,88,208	7,572	Peirce, Leslie & Co., Ltd.	2,235	Thirumbadi Rubber Co., Ltd	1.49	1	0.05	0.10	0.07		9	Y.T.
6,00,000	66,742	11,54,891	5,03,490	2,248	Espen Thomas, Esq. (Mg. Director)	1,203	Travancore Rubber	10.40	10	1.50	1.00	1.00		12	Y.
41,00,000	15,07,458	86,12,006	18,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.	4,671	Travancore Rubber & Tea	9.45xd	10	0.40	0.50	0.75		12	Y.P.
20,00,000	1,36,000	22,16,659	8,67,958	11,924	P. T. Thomas, Esq. (Mg. Director)	2,359	Tropical Plantations Co.	18.25	25	1.00	1.50	2.00		12	Y.
6,00,000	4,96,000	17,68,416	1,27,428	10,663	P. I. J. Joseph, Esq. (Chairman)	1,360	Vellmalai Rubber & Co.	5.35	5	0.62½	0.50	0.50	0.60	2	Y.P.T.
2,20,000	4,29,600	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd.	458	Udayagiri Rubber Co., Ltd.	17.00	10	0.60	0.75	1.50		12	Y.P.
8,80,010	2,91,970	9,65,557	88,718	585	M.	738	Valkundam Rubber Co., Ltd.	81.00	10	3.50J	3.00	2.50	1.501	12	Y.
12,00,000	11,90,982	15,34,580	1,19,640	1,15,433	Peirce, Leslie & Co., Ltd.	1,027	Wartyhully Estates Ltd.	3.16	2	0.15	0.30	0.30	0.30	3	Y.
6,95,000	6,33,233	13,55,991	91,382	2,962	M.	844	Woodland Estates	7.65	10	1.00	0.50	0.50	1.00	3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital. V— Includes 60 nP for 30-6-1954. 'C'—On increased Capital. Z.—Dividend for nine months ended 31st March 1960. ‡—On old capital.
• Includes bonus. M.—Managed by Board of Directors. † Less income-tax. N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	Accounts Closed	Reference
					ASSAM										
4,45,700	13,84,978	22,94,476	8,53,312	....	McLeod & Co., Ltd.	325	Amluckie	24.00	10	5.00	1.00	1.50	1.50	12	Y.P.
2,76,500	3,01,500	12,10,619	4,33,800	2,091	M.	456	Ananda (Assam) Tea	19.25	10	2.00	1.00	2.00		12	Y.
7,03,250	7,55,753	16,41,189	5,01,215	54,204	Gillanders Arbuthnot & Co., Ltd.	481	Ananda Bag	26.50	10	1.25	0.50	1.00	1.75	12	Y.
5,50,000	14,38,941	26,06,181	10,04,021	19,953	McLeod & Co., Ltd.	573	Baghmari	17.00	10	2.50	1.50	1.50	1.50	12	Y.
5,10,000	11,57,780	18,49,824	6,86,011	43,644	Andrew Yule & Co., Ltd.	377	Basmatia	27.00	10	2.00	1.75	2.00	3.00	12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Bateli	21.25	5	3.00	1.50	1.50		12	Y.
6,40,000	10,74,426	15,66,305	5,60,306	37,706	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	23.56	10	2.50	1.50	1.50	2.50	12	Y.
33,00,000	18,32,500	73,96,221	31,20,921	3,83,877	Williamson Magor & Co., Ltd.	3,425	Bishnauth	20.25	10	2.00	1.00	*Nil*	1.30	12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	14.00	10	0.50	*Nil*	0.50		12	Y.
7,50,000	9,06,475	14,41,597	4,34,307	70,351	McLeod & Co., Ltd.	450	Bormah Jan Tea	15.25	10	1.50	*Nil*	0.75	1.25	12	Y.P.
35,00,000	17,26,071	94,38,743	34,17,209	2,53,984	M	2,834	Brooke Bond B.	15.75	10	1.25	1.75	1.00	1.25	6	Y.
1,20,000	8,09,581	11,64,943	3,93,553	35,405	McLeod & Co., Ltd.	282	Dejoo Valley	51.00	10	3.00	2.00	3.00	4.00	12	Y.
8,40,000	5,49,948	33,10,828	20,05,150	—2,40,732	Jardine Henderson Ltd.	1,332	Dessal & Parbuttia	127.00	100	10.00	*Nil*	*Nil*	*Nil*	12	Y.
17,53,440	10,53,350	31,54,422	92,50,98	17,329	James Warren & Co., Ltd.	770	Dhelakhat	21.94	10	2.50	2.50	2.50	2.00	12	Y.P.
4,68,970	5,58,500	14,13,838	5,13,205	8,827	H. P. Dhanuka, Esq. (Chairman)	656	Dhunseri	16.69	10	1.25	2.00	2.00		12	Y.
4,50,000	12,09,644	18,71,655	3,98,875	68,960	McLeod & Co., Ltd.	458	Dibrugarh	27.12	10	3.00	2.50	3.00	3.00	12	Y.P.
4,73,400	7,15,000	17,03,184	7,61,684	1,56,884	Williamson Magor & Co., Ltd.	632	Dimakusi	25.00	10	3.00	3.00	2.50	3.00	12	Y.P.
7,00,620	11,66,000	27,54,322	14,69,122	3,83,571	Williamson Magor & Co., Ltd.	635	Dufflaghur	34.25	10	4.00	3.00	4.50	3.50	12	Y.
10,00,000	9,57,600	33,05,749	12,68,049	1,31,213	Williamson Magor & Co., Ltd.	1,166	East India Tea	17.37	10	1.00	0.50	0.50	1.00	12	Y.
5,03,760	6,42,879	17,74,219	6,37,020	8,855	M.	465	Gillapukri	25.50xd	10	3.00	2.50	2.50	2.50	12	Y.
6,76,000	4,90,000	22,56,199	10,31,899	1,31,256	Williamson Magor & Co., Ltd.	552	Gohpur	14.62	10	2.50	2.00	0.50	1.00	12	Y.
23,29,085	36,34,739	67,36,725	20,38,780	61,970	Octavius Steel & Co., Ltd.	2,494	Grob	11.75	5	1.62	1.25	1.50	0.70	12	Y.
5,00,000	6,86,998	11,97,176	4,67,668	14,369	M.	488	Hoograjuli	24.00	10	1.50	1.00	0.50i	2.50	12	Y.
8,70,000	13,90,841	32,83,007	14,80,249	75,669	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	177.00	100	15.00	12.50	17.50	20.00	12	Y.
58,56,900	62,00,087	1,90,58,048	67,58,048	45,698	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	16.25	10	1.00	1.00	1.00	1.40	12	Y.P.
9,00,000	8,62,200	20,23,965	5,82,195	51,110	Gillanders Arbuthnot & Co., Ltd.	876	Jutlibari	22.75	10	1.00	1.75	1.00	1.00	12	Y.
3,60,000	13,02,500	16,52,939	7,79,490	91,530	M.	1,166	Kingsley-Golaghat (Assam)	227.50xd	100	25.00	25.00	25.00		12	Y.P.
1,80,000	7,000	20,18,041	3,18,798	—2,30,952	Duncan Bros. & Co., Ltd.	1,201	Kotamullai Tea	10.62	5	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
6,50,000	6,53,734	14,09,076	4,30,863	22,109	Duncan Bros. & Co., Ltd.	634	Ledo	16.37	10	0.75	*Nil*	*Nil*	*Nil*	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	17.75	10	2.00	1.50	1.001		12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	12.31	10	*Nil*	*Nil*	*Nil*		12	Y.P.
1,50,000	13,65,825	1,16,088	10,450	30,504	Kettlewell Bullen & Co., Ltd.	410	Mothola	482.00	100	60.00	40.00	40.00	25.00	12	Y.
1,75,000 P.O. 2,00,000	8,36,947	16,59,105	6,59,981	37,858	Andrew Yule & Co., Ltd.	373	Murphulani	23.00 23.50	O. 10 P.O. 10	2.00 2.50	1.75 2.25	2.00 2.50	2.00 2.50	12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	12.87	10	1.50	1.50	*Nil*		12	Y.
5,00,000	20,000	7,66,315	3,69,599	35,282	Duncan Bros. & Co., Ltd.	728	New Cinnatollilah	80.50	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
2,00,000	8,46,039	13,39,252	5,27,546	45,190	Andrew Yule & Co., Ltd.	390	Rajgarh	40.50	10	4.00	2.50	2.50	3.50	12	Y.
9,00,000	2,56,006	32,81,411	13,29,355	20,383	M.	958	Sapoi	21.50	10	2.50	1.50	1.50	2.00	12	Y.
2,49,000	4,30,000	12,83,249	6,96,549	91,288	Williamson Magor & Co., Ltd.	501	Seajuli	27.00	10	1.50	2.25	2.25	1.75	12	Y.
5,98,000	13,64,556	19,34,492	6,32,207	7,126	McLeod & Co., Ltd.	495	Teloijan	24.00	10	3.50	3.00	2.50	2.50	12	Y.
8,00,000	5,97,055	14,42,247	5,27,787	64,646	Gillanders Arbuthnot & Co., Ltd.	521	Tengpani	38.00N	10	1.00	1.50	1.50	1.75	12	Y.P.T.
19,82,880	15,86,078	51,14,115	22,83,115	53,844	Shaw Wallace & Co., Ltd.	2,347	Tezpore	14.50	10	1.25	*Nil*	1.25	2.00	12	Y.
5,20,000	25,00,315	50,60,323	16,66,525	1,05,020	McLeod & Co., Ltd.	1,050	Tyroon	30.50	10	4.50	3.00	1.50	3.00	12	Y.P.
					CACHAR										
3,00,000	....	5,16,444	1,88,505	—2,43,041	M.	362	Arcuttipore	7.00	10	*Nil*	*Nil*	*Nil*		12	Y.
7,00,000	....	7,66,139	1,03,460	—3,49,181	M.	649	Eastern Cachar	3.00	10	*Nil*	*Nil*	*Nil*		12	Y.
12,60,000	13,00,000	31,05,555	13,86,347	60,217	Octavius Steel & Co., Ltd.	2,208	Hattikhira	10.50	10	0.50	*Nil*	0.50	0.50	12	Y.
3,60,000	1,10,000	6,48,924	2,68,020	3,889	Duncan Bros. & Co. Ltd.	629	Kunchunpore	7.75	10	*Nil*	*Nil*	*Nil*		12	Y.
7,00,000	8,73,960	21,37,538	3,98,015	1,37,903	Assam Trading Co.	2,205	North-Western Cachar	155.00	100	15.00	15.00	20.00	30.00	12	Y.
2,60,000	3,32,179	12,84,475	3,70,957	—76,413	McLeod & Co., Ltd.	638	Roopacherra	12.75	10	0.50	*Nil*	*Nil*	*Nil*	12	Y.
5,25,000	10,97,014	14,64,650	4,63,459	41,094	Duncan Bros. & Co., Ltd.	720	Rungamattee	54.00	50	10.00	3.75	1.25	3.75	12	Y.
4,00,000	3,36,980	10,68,284	3,68,708	1,199	M.	662	Sonai River	8.00	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
					DARJEELING										
2,79,900	1,05,000	4,30,792	92,592	18,735	Williamson Magor & Co., Ltd.	408	Chamong	9.25	10	0.75	*Nil*	*Nil*	*Nil*	12	Y.
2,00,000	1,68,526	3,89,734	1,69,880	—803	M.	433	Dilaram	95.00xdN	100	5.00	*Nil*	7.50		12	Y.
2,00,000	2,18,765	8,67,216	3,43,216	—82,998	Davenport & Co., Ltd.	507	Gielle	9.06	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
1,59,000	3,51,372	5,41,385	2,25,788	12,425	Andrew Yule & Co., Ltd.	463	Mim	205.00	100	10.00	*Nil*	*Nil*	10.00	12	Y.
2,99,900	4,43,000	7,30,361	2,14,761	1,29,955	Willamson Magor & Co., Ltd.	690	Nagari Farm	23.00	10	3.50	2.50	3.00	2.00	12	Y.
1,00,000	1,11,500	4,70,736	2,49,237	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	500.00	100	*Nil*	*Nil*	32.50	32.501	12	Y.P.
3,00,000	3,500	6,09,868	2,51,814	—86,025	Duncan Bros. & Co., Ltd.	478	Poobong	6.00	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	8.50	10	*Nil*	*Nil*	*Nil*		12	Y.P.
1,40,000	5,02,500	4,63,373	2,11,663	30,085	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	335.00	100	35.00	25.00	30.00	10.00	12	Y.
3,00,000	3,27,462	5,50,875	1,96,085	3,514	M.	389	Seeyok	10.50	10	*Nil*	1.00	1.50		12	Y.
9,00,000	65,000	11,65,737	2,38,715	7,369	Goenka & Co.	583	Singtom	5.75	10	0.50	0.50	0.501		12	Y.P.
3,00,000	4,45,000	7,56,966	3,49,206	1,75,207	Williamson Magor & Co., Ltd.	554	Soom	33.00	10	4.00	4.00	5.00	3.00	12	Y.
6,25,000	9,54,667	17,84,113	5,20,111	58,721	McLeod & Co., Ltd.	745	Sungma	12.00	10	1.50	0.75	1.50	1.00	12	Y.
3,20,000	7,28,815	14,29,114	3,98,614	—80,294	Davenport & Co., Ltd.	718	Teesta Valley	12.87	10	2.50	1.00	*Nil*	*Nil*	12	Y.
9,01,350	2,61,033	16,07,038	3,76,038	—2,94,248	Willamson Magor & Co. Ltd.	1,666	Tukvar	7.50	10	*Nil*	*Nil*	*Nil*		12	Y
					DOOARS										
27,00,000	29,62,946	63,67,156	26,80,596	93,115	Andrew Yule & Co., Ltd.	2,540	Banarhat	315.00	100	40.00	20.00	20.00	32.50	12	Y.P.
12,00,000	18,39,305	47,37,495	20,67,822	68,917	Jardine Henderson Ltd.	948	Baradighi	25.25	10	2.00	1.50	1.50	2.50	12	Y.
9,00,000	17,95,074	27,34,742	13,24,580	6,018	McLeod & Co., Ltd.	1,112	Bhatkawa	16.62	10	3.00	1.50	*Nil*	1.00	12	Y.
9,00,000	17,47,500	28,48,801	9,90,295	40,081	Duncan Bros. & Co., Ltd.	1,348	Birpara	168.00	100	25.00	7.50	12.50	22.50	12	Y.P.
6,00,000	8,36,000	14,66,180	5,09,072	21,500	Duncan Bros. & Co., Ltd.	602	Carron	160.00	100	10.00	5.00	*Nil*	15.00	12	Y.
9,00,000	13,87,345	25,34,091	10,16,841	98,628	Andrew Yule & Co., Ltd.	903	Choonabhutti	280.00	100	35.00	20.00	22.50	30.00	12	Y.P.
8,00,000	4,36,000	9,76,473	4,70,943	22,233	Duncan Bros. & Co., Ltd.	478	Ellenbarrie	155.00	100	5.00	*Nil*	*Nil*	5.00	12	Y.
1,20,000	2,04,475	4,99,213	2,85,581	—59,525	Andrew Yule & Co., Ltd.	265	Engo	196.00	100	*Nil*	*Nil*	*Nil*		12	Y.
4,90,000	61,299	10,37,477	3,14,730	—35,008	M.	447	Ethelbarrie	9.87	10	1.00	0.75	*Nil*	*Nil*	12	Y.
7,50,000	6,75,164	18,93,292	11,88,007	39,367	Gillanders Arbuthnot & Co., Ltd.	1,129	Gairkhata	152.00	100	10.00	*Nil*	*Nil*	12.50	12	Y.
36,00,000	38,35,750	71,46,533	23,70,874	80,081	Duncan Bros. & Co., Ltd.	2,528	Hantapara	140.00	100	7.50	*Nil*	*Nil*	12.50	12	Y.P.
32,00,000	60,61,255	1,15,51,655	58,85,226	2,60,071	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	21.75	10	2.25	0.75	0.75	1.25	12	Y.P.
8,25,000	21,63,678	29,07,639	12,14,639	86,987	Davenport & Co., Ltd	1,452	Huldibari	22.00	10	2.50	1.25	1.50	2.25	12	Y.
7,00,000	5,12,873	11,09,391	5,33,855	16,262	Andrew Yule & Co., Ltd.	607	Jaybirpara (Dooars)	13.31	10	0.60	*Nil*	*Nil*	0.50	12	Y.
9,00,000	18,16,000	24,52,378	7,53,905	42,315	Duncan Bros. & Co., Ltd.	937	Killcott	17.62	10	2.00	1.50	0.75	1.75	12	Y.
2,00,000	5,72,564	10,14,554	3,56,190	3,318	M.	578	Manabarrie	59.00N	10	2.00	1.50	0.50	0.50	12	Y.
9,60,000	10,87,000	26,78,567	9,58,041	28,611	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	160.00	100	15.00	7.50	5.00	17.50	12	Y.
14,00,000	20,80,530	34,00,520	12,34,687	52,126	Andrew Yule & Co., Ltd.	1,163	New Dooars	277.00	100	35.00	20.00	25.00	32.05	12	Y.P.
2,50,000	3,80,000	5,69,906	2,08,922	10,819	Duncan Bros. & Co., Ltd.	348	Phaskowa	127.00	100	7.50	*Nil*	*Nil*	*Nil*	12	Y.
6,00,000	9,10,472	16,36,533	7,19,903	—1,96,926	McLeod & Co., Ltd.	764	Rajabhat	15.00	10	1.25	*Nil*	*Nil*	*Nil*	12	Y.
7,65,000	15,51,570	30,13,553	15,15,626	43,739	McLeod & Co., Ltd.	1,035	Ranicherra	17.00	10	2.00	0.50	0.75	1.00	12	Y.
14,92,800	29,39,216	61,42,087	35,18,973	42,452	Jardine Henderson Ltd.	1,763	Rydak	31.00	10	3.00	2.00	2.50	3.00	12	Y.
					SYLHET										
8,00,000	17,95,000	10,31,473	3,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	25.00	10	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	11,04,551	9,86,429	2,61,464	45,770	Duncan Bros. & Co., Ltd.	610	Dauracherra	8.12	10	1.50	0.75	0.50	1.50	12	Y.
4,00,000	12,06,200	13,68,395	7,18,394	2,77,118	Shaw Wallace & Co., Ltd.	985	New Samanbag	25.50	10	2.00	3.00	*Nil*	*Nil*	12	Y.P.
36,00,000	66,24,901	65,50,842	27,50,049	2,25,758	Duncan Bros. & Co., Ltd.	4,151	Patrakola P.	162.00	100	10.00	10.00	20.00	40.00	12	Y.P.
9,00,000	22,94,827	21,07,338	7,06,843	31,974	Duncan Bros. & Co., Ltd.	1,190	Teliapara	113.00	100	15.00	6.00	12.50	17.50	12	Y.
					TERAI										
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	8.31xd	10	0.50	0.50	0.25		12	Y.P.T.
2,50,000	4,15,000	4,13,655	2,24,210	35,493	National Tea Corporation	522	Belgachi	24.00	10	4.00	2.00	2.50		12	Y.
13,44,000	22,46,000	27,80,130	11,43,606	29,724	Duncan Bros. & Co., Ltd.	1,611	Gungaram	138.50	100	10.00	7.50	*Nil*	15.00	12	Y.
5,00,000	11,12,294	14,91,443	5,03,408	18,957	Duncan Bros. & Co., Ltd.	530	Hansqua	16.50	10	1.00	1.00	*Nil*	1.75	12	Y.
8,00,000	8,07,700	10,27,925	4,27,249	62,299	Davenport & Co., Ltd	514	New Chumta	35.50	10	2.50	1.25	1.00	1.50	12	Y.
2,20,000	3,75,250	13,61,474	5,52,735	33,691	McLeod & Co. Ltd.	549	Tirrihannah	46.50	10	2.50	3.00	4.001		12	Y.P.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					CEMENT									
71,39,880	6,89,303	1,60,52,590	69,38,639	22,879	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	9.90	B. 10	1.00	0.75	1.00		12	Y.P.
59,90,093	6,05,000	1,74,94,366	13,63,509	4,434	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	9.12	10	*Nil*	*Nil*	0.45	0.70	3	Y.T.
43,14,600 4,70,976D.	12,14,532	1,51,44,736	81,04,633	....	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.37 0.87	O. 10 D. 1	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*	.. ..	3	Y.T.
19,06,27,783	10,78,46,227	42,05,40,586	16,70,69,557	42,021	Cement Agencies (Private) Ltd.	Associated Cement Companies	146.75	100	9.00	8.50'C'	11.00	12.00	7	Y.T.
84,54,023	66,000	2,26,19,399	31,88,694	1,652	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	7.76	10	0.60	0.70	0.80		12	Y.
1,66,00,000 5,00,000	57,31,922	2,63,50,468	60,48,714	25,287	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	11.36 2.43	O. 10 D. 1	1.20 0.12	1.00 0.10	1.20 0.12		12	Y.P.T.
1,49,79,135	59,98,450	4,42,25,287	1,03,39,730	79,496	Essen Private Ltd.	India Cements Ltd.	5.83	5	0.41	0.45	0.45	0.55	3	Y.P.
2,00,00,000	49,62,184	7,98,62,040	1,92,20,939	1,44,304	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.12	10	1.25	1.25	*Nil*	0.60	3	Y.P.T.
2,25,00,000	63,61,275	5,39,55,507	1,86,50,770	8,77,321	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.68	10	1.50	1.50	1.10		12	Y.P.
1,34,51,675	54,91,876	4,15,40,234	1,68,22,549	48,939	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	144.00	100	9.00	9.00	9.00		12	Y.P.
75,00,000	18,30,000	2,25,10,113	1,58,76,362	62,048	M.	Sone Valley Portland Cement	4.84	5	0.30	0.30	*Nil*		12	Y.
50,00,000	11,77,360	1,37,88,664	57,99,082	29,086	Essel (Private) Ltd.	Travancore Cements Ltd.	8.60	10	0.60	0.60	0.60		12	Y.

• Includes bonus. M—Managed by the Board of Directors. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. cr—Cum-Right.
"P"—Patrakola Tea—Dividends for 1958 and 1959 are payable only when funds are available from Pakistan.
N.B.—Dividends paid since 31st March, 1959 are shown as taxable.
B.—Brooke Bond Estates—Dividend for the year ended 30th June 1960 is Re. 1.50 per share taxable.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
30,00,000	....	31,38,138	13,22,835	83,215	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	11.50	10	Nil	Nil	Nil	0.60i	3	Y.
18,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.52	10	1.50	3.50	2.00		9	Y.P.
55,23,146	15,49,326	1,57,35,785	51,99,681	14,572	Bharat Ram Bhagat & Co.	Bengal Potteries	7.00	2½	0.25	0.25	0.356		12	Y.
10,00,000	86,69,030	77,31,751	41,17,891	35,599	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	40.00	10	1.75	1.75	1.87	3.00	3	Y.
14,17,800	4,29,295	27,18,993	13,28,638	4,764	Motichand G. Shaw, Esq. (Chairman)	Bombay Potteries and Tiles Ltd.	188.00	100	9.00	10.00	..		9	Y.P.
40,00,000	13,76,524	1,16,02,155	10,26,719	23,88,499	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	195.00	100	Nil	Nil	..		12	Y.P.
£1,371,300	£1,705,275	£3,271,480	£1,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.46	Sh. 2	0.24	0.24	0.36		12	Y.
O.15,00,000 / F.5,00,000	25,89,686	44,79,153	13,16,190	2,61,727	Bird & Co. Private Ltd.	Karanpura Development	20.25	10	Nil / Nil	Nil / Nil	1.50 / 0.50		12	Y.
50,00,000	....	14,32,400	....	—12,618	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	85.50	50	..	Nil	Nil		12	Y.P.
30,00,000	33,05,445	1,10,40,017	59,85,195	89,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26.00N	10	1.25	1.25	1.80		12	Y.P.T.
50,00,000	10,01,024	1,16,80,530	59,85,620	—19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd.	9.50	10	Nil	Nil	Nil		3	Y.P.T.
6,00,000	5,26,433	13,40,693	7,63,285	7,276	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	14.62	10	1.00	1.00*	1.00*	1.428	3	Y.
20,00,000	54,00,644	64,43,150	31,99,595	88,340	Bird & Co. Private Ltd.	Orissa Minerals	40.00	10	2.00	2.50	3.60	1.501	6	Y.
10,46,370	65,42,410	1,02,15,679	38,53,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate	70.00	10	8.00*	8.00*	5.00		11	Y.
CHEMICAL														
12,00,000	....	....	....	....	....	Adarsh Chemicals	53.00	50	..	..	..		12	Y.P.
85,00,000	51,27,800	1,87,07,072	65,76,431	9,770	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	220.00	100	12.00	12.00	16.00		12	Y.P.
62,00,000O / 47,97,000A	96,87,608	5,74,40,416	92,27,839	1,39,901	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	33.50	10	0.80	0.80	0.95		9	Y.P.
60,00,000	30,78,579	86,90,417	21,21,588	35,088	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	373.75	100	Nil	Nil	12.00		12	Y.P.
29,89,400	24,94,426	1,18,63,272	49,89,005	47,108	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	775.00	100	20.00*	20.00*	28.00*		12	Y.P.
2,00,00,000	89,06,362	3,56,03,722	1,05,40,064	72,946	Lalbhai Sons & Co.	Atul Products Ltd.	456.50	100	8.00	10.00	12.00		12	Y.
50,92,900	52,95,445	1,47,57,610	71,89,268	13,89,611	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	109.00	100	6.00	6.00	7.00	7.00	3	Y.P.T.
1,00,00,000	6,00,000	1,07,91,843	4,82,147	—42,985	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	200.00	100	..	Nil	Nil	Nil	3	Y.
13,69,150	26,99,000	77,57,031	36,10,218	44,349	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	231.25	50	5.00	6.00	10.00		12	Y.
64,49,082	56,78,075	1,69,27,890	67,30,529	-1,11,025	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	112.50XB	100	7.50	6.00	4.00(c)		3	Y.P.
3,46,06,075	14,62,000	5,13,68,593	2,80,28,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	9.28	10	Nil	0.40	0.60		12	Y.
1,50,00,000	23,35,000	51,41,000	15,22,000	10,072	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	412.50	100	Nil	Nil	Nil		3	Y.P.
12,00,000	6,37,883	27,43,796	14,20,459	47,412	Jal H. Mehta	Kemp & Co.	840.00	200	15.00	15.00	20.00	25.00	3	Y.
60,00,000	22,36,430	1,43,65,801	73,81,045	12,716	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12.25	10	0.75	0.87½	0.88	1.25'C'	3	Y.P.T.
24,81,220	10,04,156	55,64,434	40,80,625	11,452	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	11.85	10	0.50	0.50	0.50	1.00	3	Y.
8,00,000	4,52,189	11,19,269	5,96,880	85,186	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	26.10xd	10	2.00	2.00	2.00	2.00'C'	3	Y.P.
40,00,000	20,96,379	58,16,750	11,07,185	27,844	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	212.50	50	..	Nil	3.00	5.50	3	Y.P.
15,00,000	14,69,737	24,40,260	15,05,655	98,591	C. A. Buxton	Smith Stanistreet & Co.	13.00	5	1.00	0.80'C'	1.25	1.25	6	Y.P.
1,39,95,990 / 1,11,91,270	42,17,119	5,89,52,538	2,06,73,886	14,509	Tata Industries Private Ltd.	Tata Chemicals	16.92 / 15.76	100Old / 10New	0.80 / ..	0.75 / 0.03	0.525 / 0.618	0.60 / 0.60	6	Y.P.T.
10,00,000	1,07,599	18,05,082	6,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director).	Travancore Chemical Mfg. Co., Ltd.	15.50	10	0.60	0.70	1.00	1.50	3	Y.P.
ELECTRIC (Bombay State)														
,74,78,395	1,17,08,657	15,23,94,046	4,04,47,092	638	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	84.00	100	3.25	6.50	6.75	7.00	3	Y.T.
81,28,750	21,63,886	2,36,72,375	59,65,971	15,69,279	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.04	10	0.42	0.85	0.90	1.00*	3	Y.P.
3,02,76,250	96,81,201	9,66,03,356	2,69,10,919	22,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	993.75xd	1,000	56.00	80.00*	80.00*	85.00*	3	Y.P.T.
1,75,00,000	78,52,280	4,06,37,564	98,99,329	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply	85.30	100	7.00	7.00	7.50	8.00	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6.00	10	Nil	0.50	0.60	0.66	3	Y.T.
45,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	108.50	100	2.50	7.50	8.00	9.50	3	Y.P.T.
60,62,500	23,52,407	1,43,50,560	46,79,945	5,210	Killick Industries Ltd.	Surat Electricity	85.00	100	8.75	7.00	7.00		3	Y.P.
2,39,99,575	1,01,57,424	7,01,96,885	1,89,09,836	25,281	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	100.75xd	100	5.52	8.00*	8.00*	8.50*	3	Y.P.
5,15,35,750	2,60,85,771	17,16,28,967	3,93,66,464	33,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,012.50xd	1,000	56.25	80.00*	80.00*	85.00*	3	Y.P.
West Bengal and Other Centres														
,99,600	51,38,028	13,39,99,790	89,25,042	47,389	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	117.00	100	10.00	10.00	10.00	11.00	3	Y.T.
3,00,000	15,23,375	63,42,780	22,28,800	23,612	Martin Burn Ltd.	Bareilly Electric Supply	11.87	10	1.25	1.00	1.00	1.10	3	Y.T.
17,00,000	47,66,354	1,71,05,214	47,49,307	45,563	Martin Burn Ltd.	Benaras Electric Light & Power Co.	13.00	10	1.25	1.00	1.00	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	7.12	8	0.62	0.40	0.40	0.64	3	Y.
£4,262,646	£10,126,978	£33,604,377	£13,302,118	£108,138	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	15.12	£1	8¼%	7%	7%	7¼%	3	Y.P.T.
6,60,090	6,73,784	31,45,751	10,61,553	76,838	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8.00	10	1.00Z	0.65	0.65	0.75	3	Y.
43,20,000	24,38,968	1,02,37,174	38,05,104	4,38,960	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	93.00	100	6.50	7.00	7.50	10.00	3	Y.T.
5,34,640	1,24,635	34,43,088	14,37,084	2,947	Moonna Lall & Sons	Jhansi Electric Supply	6.75N	10	0.86Z	0.62½	0.62	0.70	3	Y.T.
22,49,550	27,02,877	1,07,31,716	40,42,273	30,296	Martin Burn Ltd.	Jubbulpore Electric Supply	12.00	10	0.92	0.92	0.93	1.00	3	Y.
4,95,060	2,21,874	12,36,011	6,02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	7.50N	9	1.22Z	0.72			3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	8.69	10	1.25Z	1.00	1.00	1.25	3	Y.
6,99,850	1,83,973	17,84,092	7,83,164	22,521	G. D. Bhagat, Esq.	Muttra Electric Supply	10.50	10	0.80	0.80			3	Y.
35,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.00	10	1.25Z	0.75	0.75		3	Y.
9,10,000	2,37,616	12,60,524	5,84,092	5,200	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6.44xd	10	Nil	0.50	0.50	0.625	3	Y.T.
16,80,000	13,87,254	78,27,858	44,96,906	2,037	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	10.00xd	10	0.94	0.68	0.75	1.00	3	Y.
69,99,630	13,06,142	2,06,37,818	67,68,084	3,028	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn	9.50xd	10	1.28	0.87	0.90	0.90'C'	3	Y.T.
5,00,000	11,62,458	52,32,335	12,25,684	86,698	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	16.25	10	1.25	1.25	1.25	1.35	3	Y.P.T.
56,01,185	78,57,136	4,08,85,812	1,45,66,727	85,399	Martin Burn Ltd.	U. P. Electric Supply Co.	115.00	100	10.00	10.00	10.00	11.00	3	Y.
4,00,000	9,34,990	40,87,637	11,42,884	2,88,269	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	12.90	10	1.00	1.00	1.00	1.50	3	Y.T.
ENGINEERING (Bombay)														
33,42,200	49,44,187	75,65,494	60,70,287	28,009	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	237.00	100	12.50	12.50	17.00		12	Y.
19,96,360	2,81,926	20,32,188	7,13,262	2,819	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	81.00	80	3.00	3.00	4.00		12	Y.
45,19,800	25,03,443	93,35,767	46,96,997	75,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	156.50	100	7.00	10.00*	13.00*	13.00*'C'	6	Y.
40,00,000	4,14,207	62,24,434	21,98,624	57,885	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	107.00	100	6.00	7.00	10.00		4	Y.P.
59,99,900	84,82,780	2,25,73,362	1,37,51,802	70,946	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	155.00xd	100	9.00	9.00	13.00	13.00'C'	6	Y.P.T.
6,00,000	4,15,000	1,58,191	1,20,812	3,288	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	76.00	50	5.00	5.00	5.00	4.00	3	Y.
44,96,250	4,05,653	62,45,798	27,13,547	2,467	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	15.24	10	Nil	0.50	0.775		9	Y.P.
30,00,000	27,05,928	78,01,690	28,52,816	56,253	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	34.25	10	1.00	1.25	1.25	1.80'C'	3	Y.P.
1,32,00,000	42,63,182	1,34,87,855	31,17,630	1,18,237	M.	Mahindra & Mahindra Ltd.	19.44	10	1.75	2.20	1.25		10	Y.P.
11,00,000	3,45,914	40,22,575	24,15,196	1,016	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	130.00	100	Nil	Nil	Nil		7	Y.P.
60,15,060	45,30,000	1,21,27,185	40,92,378	3,253	Jeewan Private Ltd.	Mukand Iron & Steel	21.88	10	1.00	1.20	1.00*	1.20	3	Y.P.
22,27,700 / 13,86,150	5,38,616	47,79,336	14,99,037	92,426	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	108.00 / 148.00	100 / (75 New)	.. / ..	.. / ..	9.00 / ..	12.00 / 0.50	3	Y.P.
22,50,000	1,34,42,446	8,81,298	1,40,739	1,36,103	Walchand & Co. Private Ltd.	Premier Construction	277.00	30	10.00	12.00	18.00		12	Y.P.
25,00,000	36,23,031	93,40,964	37,60,929	14,898	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	235.00	100	18.00	18.00	17.00		6	Y.P.
27,58,21,325	27,01,22,014	1,67,40,64,801	54,97,16,236	8,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	139.25	75 Old	9.50	8.25	6.80	9.72'C'	3	Y.P.
7,99,99,200	1,71,91,786	21,41,33,116	9,39,94,684	2,24,171	Tata Industries Private Ltd.	Tata Locomotive	283.25	100	8.00	9.00	9.00	12.50	3	Y.P.T.
2,55,00,000	42,26,696	82,34,736	18,74,468	2,26,895	S. K. Handoo, Esq.	Voltas Ltd.	250.50	100	9.00	9.00	13.00†		3	Y.
West Bengal and Other Centres														
6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co. Ltd.	Arthur Butler & Co.	12.00	10	Nil				10	Y.P.T.
50,00,000	39,49,221	1,55,21,495	89,56,973	3,60,479	M.	Bhartia Electric Steel	11.12	10	1.25	1.25	1.50		12	Y.
56,59,790	70,94,966	77,83,705	12,79,388	2,27,080	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	32.06	10	3.00	1.25	2.25		12	Y.
12,00,000	32,12,634	79,76,063	44,83,942	1,72,548	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	55.12	10	2.00	2.00'B'	3.00		12	Y.T.
19,88,676	7,04,341	39,97,530	14,03,685	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	5.50	10	0.50	0.50	0.60		3	Y.P.
40,00,000	41,48,365	98,27,511	48,02,704	1,82,481	McLeod & Co., Ltd.	Britannia Engineering	13.00	10	0.60	0.60	1.00		12	Y.P.T.
5,00,000	7,72,971	24,63,921	14,48,244	74,498	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	40.50	10	2.00	2.00	2.50		12	Y.
34,00,000	2,33,60,602	4,96,65,264	3,04,73,871	1,24,616	Martin Burn Ltd.	Burn & Co.	440.00	100	20.00	20.00	28.50	28.50	4	Y.T.
50,00,000	....	85,75,759	95,682	1,03,035	M.	Calcutta Steel Co., Ltd.	15.19	10	..	..	..	0.50	3	Y.
1,00,00,000	12,33,028	1,89,66,744	10,15,000	3,17,174	B. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	Nil	Nil	Nil	Nil	3	Y.P.T.
40,00,000	25,000	1,05,86,590	9,91,658	—3,47,543	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.24	10	Nil	Nil	Nil		9	Y.
2,00,00,000	2,54,07,647	6,74,59,338	2,15,47,390	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	86.12	10	2.00	2.00	2.40		12	Y.T.
12,50,000	28,60,000	60,91,575	40,46,109	7,047	Martin Burn Ltd.	Hooghly Docking	107.00	50	5.00	5.00	6.00		12	Y.P.
36,94,590	....	5,76,360	3,01,442	—1,24,516	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	20.25	10	Nil	Nil	Nil		12	Y.P.
12,44,08,990	21,14,27,025	71,57,58,772	14,60,01,060	11,49,767	Martin Burn Ltd.	Indian Iron and Steel	23.08	10	1.00	1.00'C'	1.00	1.50	3	Y.P.
38,98,500	61,38,742	1,23,74,955	72,85,332	48,708	Martin Burn Ltd.	Indian Standard Wagon	84.00	25	7.50*	5.00	5.00	7.125	3	Y.P.
96,00,000 / 79,749	2,50,89,519	2,18,88,229	1,45,63,174	12,96,128	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	89.25 / 17.87	O.10 / O. 1	4.00 / 0.40	4.00 / 0.40	1.62½ / 0.16¼		3	Y.
91,12,500	75,99,806	3,71,15,564	1,40,36,750	6,322	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	81.25	10	1.50	1.20	1.20	1.715	3	Y.P.T.
20,00,000	28,52,818	76,16,494	17,47,998	75,109	J. K. Industries Private Ltd.	J. K. Steel Ltd.	17.19	10	1.25	1.25	1.25		6	Y.P.
1,01,99,000	1,02,40,815	2,77,47,845	84,30,378	63,747	B. P. Singh Roy, Esq. (Chairman)	Jessop & Co.	19.19	10	Nil	0.60	0.858		10	Y.P.
34,23,187	10,05,500	48,80,671	20,66,530	17,860	Kirloskar Sons & Co. (Kirloskarwadi).	Kirloskar Oil Engines, Ltd.	20.24	10	0.90	1.00			3	Y.
27,64,800	46,74,688	90,13,956	33,28,450	81,238	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	6.09	8	0.45	0.80	0.30'C'		11	Y.P.T.
10,50,000	1,90,990	18,32,345	14,72,111	8,513	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	4.62	2	0.40	0.40	0.20		6	Y.
25,00,000 / 7,50,000	29,74,007	92,74,177	47,37,764	4,444	Kirloskar Associates	Mysore Kirloskar Ltd.	142.00 / 185.00	100 / 100	6.00 / ..	7.50 / ..	12.00 / 6.00		6	Y.
49,96,000	13,28,439	1,37,17,076	81,10,264	—1,08,083	M.	National Iron and Steel Co., Ltd.	7.75	10	0.62	0.62	0.75	Nil	3	Y.P.T.
40,00,000	30,56,944	50,38,480	13,59,471	9,638	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.44N	10					6	Y.P.
6,00,000	11,05,251	31,29,091	21,37,426	17,915	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	6.94	4	0.40	0.40	0.25	0.35	3	Y.
1,50,00,000	55,23,079	4,19,73,529	1,96,95,885	37,204	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	22.70	10	1.50	1.50	2.00		12	Y.P.T.
19,92,200	13,07,750	64,82,089	22,23,166	332	Balasundaram & Co.	Textool Co., Ltd.	174.50xd	100	20.00	12.00	15.00		4	Y.
INSURANCE (x)														
13,50,000	46,52,425	1,45,73,387	....	23,040	N. M. Cole, Esq. (Mg. Director)	Concord of India	10.50	5	1.00	1.00	1.00		12	Y.
10,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	31.00	50	3.00	3.00			12	Y.
5,15,000	1,84,95,246	12,38,65,607	....	....	R. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	268.75	100					12	Y.
24,00,000	71,01,264	1,40,68,520	....	3,62,182	R. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	23.12	10	2.00	2.00	2.00		12	Y.
16,92,240	36,38,254	86,70,140	....	7,71,928†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	42.50	40	3.50	3.75			12	Y.
18,74,940	3,30,83,259	4,29,34,168	....	6,54,184†	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	7.28	15	Nil				12	Y.
20,00,000	63,51,546	1,74,97,763	....	45,112	M. G. Mody, Esq. (General Manager)	New Great Insurance	20.28	20	2.00	2.00	2.50		12	Y.
1,66,81,590	3,27,40,502	14,89,78,776	....	44,28,397	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	53.50 / 54.30	15New	3.00 / ..	4.00 / 4.00	5.70* / 5.70*		12	Y.
32,00,000	92,52,493	1,29,48,849	....	8,214	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	7.81	8	0.62	0.62	0.80		12	Y.
5,75,000	67,12,678	1,13,08,489	....	1,88,129	J. D. K. Brown, Esq.	Triton Insurance	144.00	25	11.25	11.25	11.25		12	Y.
15,99,270	39,15,382	1,02,06,244	....	10,014	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	16.48	10	1.50	1.50	2.00		12	Y.

* Includes bonus. † Subject to taxation. "C"—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right.
N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors. Z.—Dividend is for fifteen months ended 31st March 1959.
x—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
OIL														
£562,500	£212,932	£745,697§§	....	£1,003	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	2.08	Sh. 3	Nil	2%	Nil	8%	3	Y.
35,00,000	86,35,342	89,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0.60	Nil	0.60		12	Y.P.
1,00,00,000	1,59,93,684	1,00,77,425	52,21,479	4,47,887	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	22.75	10	2.00	2.00	2.50	1.001	12	Y.P.
70,07,475	49,40,586	2,47,94,315	1,56,79,926	46,303	Tata Industries Private Ltd.	Tata Oil Mills	72.80	25	2.50	2.50	3.25	5.75	3	Y.P.T.
6,00,000	9,39,137	2,55,770	1,73,025	82,687	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	17.12	10	1.25	1.50	2.20	0.701	0	Y.
PAPER														
57,43,031	13,87,920	2,66,44,147	2,03,51,666	2,53,280	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	70.00	25	Nil	Nil	2.50		6	Y.P.
45,00,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	93.50	25	3.12	5.50	8.00		12	Y.P.T
88,20,000	80,25,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	18.87	10	1.40	1.00	1.00	1.50'C'	2	Y.
69,78,917	....	1,04,58,852	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	9.64	10	....	....	....	....	6	Y.P.
25,00,000	37,42,800	1,54,01,003	1,03,95,960	51,968	M. D. Siavananjappa, Esq. (Chairman)	Mysore Paper Mills	24.75	10	1.00*	1.00	1.25*	1.50	3	Y.
1,46,62,500	3,21,50,238	10,01,40,260	3,07,78,182	4,22,620	Birla Brothers Private Ltd.	Orient Paper	40.20	10	1.50	1.50	1.50	2.25	3	Y.P.T.
1,25,51,420	1,09,54,433	3,40,18,914	1,26,74,532	1,36,712	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	27.50	10	1.25	1.25	1.78		12	Y.P.T.
50,00,000 / A'10,00,000	8,39,123	77,35,854	43,04,384	6,122	Bajoria & Co.	Star Paper Mills	13.06 / 13.03	O. 10 / A. 10	0.60 / 0.60	0.60 / 0.60	0.30 / 0.30		9	Y.P.
2,18,55,240	56,23,786	5,27,98,634	1,40,50,912	72,313	Birla Brothers Private Ltd.	Sirpur Paper Mills	16.12	10	0.50	0.65	0.65		6	Y.P.
A.56,00,000 / B.56,04,800 / P.O.4,37,500	3,51,39,745	8,81,10,708	4,28,97,712	2,48,612	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	35.87 / 35.87 / 3.87	A. 10 / B. 10 / P.O. 2½	2.38* / 2.38* / 0.24	2.38* / 2.38* / 0.24	2.50* / 2.50* / 0.25*	2.50 / 2.50 / 0.295	3	Y.P.T.
99,98,875	4,70,475	5,11,72,599	35,807	....	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	180.00	100	Nil	Nil	Nil		6	Y.P.
SAW MILLS AND TIMBER														
13,99,998	22,88,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	2.75		Nil				9	Y.
89,25,090 / 42,00,000	3,46,95,097	5,74,47,341	2,67,52,541	1,47,502	Wallace & Co.	Bombay-Burmah Trading Corpn.	545.00 / 191.25	Old125 / New50	47.50K / 19.00K	22.50 / 9.00	28.75 / 9.50	37.50 / 15.00	5	Y.
20,00,000	20,50,362	21,44,636	16,69,639	1,05,936	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	26.00xd	10	1.75	2.50	2.50	1.001	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	17,22,056	45,74,076	33,32,851	45,327	P. L. Saraogi, Esq. (Chairman)	Balrampur Sugar	3.00	2½	0.25	0.25	0.40‡		6	Y.
12,00,000A. / 3,00,000B.	34,01,264	62,73,828	39,92,829	10,49,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	125.00N / 11.60N	A.100 / B. 10	10.00 / 1.00	10.00 / 1.00			4	Y.T.
19,49,050	10,53,726	43,95,189	27,45,553	41,303	Bangur Bros., Ltd.	Belsund Sugar	14.56	7½	1.00	1.00	1.40		9	Y.
15,00,000	14,05,508	23,44,258	14,90,916	5,149	Cotton Agents Private Ltd.	Bharat Sugar	16.06	10	1.50	1.00	1.50		6	Y.P.
32,00,000	30,06,740	1,52,64,278	1,95,44,575	14,180	Gladstone Lyall & Co., Ltd.	Carew & Co.	10.62	10	Nil	0.25	Nil		6	Y.P.T.
30,00,000	65,53,414	1,66,89,434	1,04,13,264	—16,86,179	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	13.12	10	Nil	Nil	Nil		10	Y.P.
18,00,000	45,46,234	84,73,277	64,52,904	27,968	British India Corporation, Ltd.	Champarun Sugar	19.25	10	Nil	1.00	1.50	1.50	6	Y.
9,58,252	2,98,564	28,55,378	13,68,828	—34,928	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.00	10	Nil	0.50			8	Y.T.
26,00,000	32,58,160	71,38,945	44,96,828	3,29,729	M.	Durbhanga Sugar Co., Ltd.	17.37	10	2.00	1.50	2.00		8	Y.
60,00,000	70,17,000	2,22,85,620	1,03,51,288	39,855	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	341.25	100	15.00	15.00	15.00		6	Y.P.
18,00,000	14,41,216	88,56,210	54,42,213	9,576	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	232.50	40	7.00	4.00	4.20		7	Y.P.
7,89,100	28,58,620	52,91,471	30,83,160	6,246	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	2.50	2.50	3.65		6	Y.P.
11,00,000	4,58,234	49,29,289	29,86,570	10,502	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.25	0.37		5	Y.
13,28,200 / 36,175	48,26,185	78,03,274	29,12,884	24,741	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	350.00 / 59.00N	100 / 25	20.00 / 5.00	20.00 / 5.00			6	Y.
77,52,960	76,35,199	2,61,13,706	1,41,64,041	16,455	Cotton Agents Private Ltd.	Oudh Sugar	184.00	100	12.50	12.50	13.25		7	Y.P.
12,00,000	13,65,815	37,56,180	22,83,412	1,62,250	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00N	100	Nil	6.00	15.00		10	Y.
8,00,000	23,02,870	51,19,941	35,72,585	4,006	M.	Partabpore Co.	12.50	10	Nil	Nil	Nil		10	Y.P.
20,00,000	2,92,000	25,30,109	14,67,024	2,192	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.00N	10	0.30	0.30	0.30	0.40	3	Y.
65,00,000	20,22,090	88,23,036	36,83,281	3,91,544	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar	13.75	10	1.50	1.25	1.20		10	Y.
8,00,000	6,30,752	29,26,300	23,93,295	1,403	M.	Ryam Sugar	13.75	10	1.50	1.50			6	Y.P.
11,99,000	16,90,877	48,13,634	26,03,230	20,614	M.	Samastipur Central Sugar	12.75	10	Nil	0.25			6	Y.
39,09,000	23,94,873	1,36,84,427	80,62,270	41,428	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13.06	10	1.00	1.00	1.50		7	Y.P.T.
10,02,115	24,660	34,19,315	15,98,051	1,196	H. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.25	10	Nil	Nil	Nil		6	Y.
15,89,000	13,52,481	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	12.00	10	0.50				3	Y.
7,00,035	10,42,692	28,89,883	15,99,355	19,286	M.	Tulsipur Sugar	5.31	5	....	....	....	0.62	6	Y.
8,00,000	43,66,902	1,83,27,976	97,43,200	44,430	Cotton Agents Private Ltd.	Upper Ganges Sugar	68.00N	10	5.00	5.00	7.25		6	Y.P.
16,00,000	14,52,294	38,53,170	28,80,100	1,08,870	M.	United Provinces Sugar	17.50	10	0.75	1.00	1.50		9	Y.
Other Centres														
30,00,000	46,55,000	91,38,886	26,74,622	22,956	Rangarao & Co.	Andhra Sugars Ltd.	28.00	10	1.25	1.50	2.00		9	Y.
39,84,500	6,25,000	91,67,389	4,84,457	21,247	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	145.50	100	100	Nil	Nil		6	Y.P.
70,49,650	1,52,02,875	1,63,95,390	1,10,68,264	82,936	W. H. Brady & Co., Ltd.	Belapur Company	315.00	50	18.00	20.00*	21.00	29.00	9	Y.
17,50,000	15,17,192	44,93,634	27,37,736	5,189	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	29.00	10	2.00	2.00	2.50		9	Y.P.
37,50,000	16,97,191	83,92,712	57,50,845	2,07,295	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	32.75	12.50	2.25	2.25	2.90		9	Y.
39,84,000	36,55,500	1,36,56,345	71,19,655	66,641	Parry & Co., Ltd.	Deccan Sugar & Abkhari	15.80	5	0.72½'C'	0.90	0.90		5	Y.P.
£800,000	£1,575,453	£1,950,379	£1,101,544	£82,298	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	42.00	£1	Sh. 3	Sh. 4	Sh. 4		9	Y.P.T.
15,93,900	25,45,860	48,37,889	29,79,997	30,235	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	10.00	10.00	10.00		6	Y.P.
63,97,650	9,79,348	81,86,670	27,89,256	5,62,866	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.25	10	1.00	1.00	1.25		9	Y.P.
27,04,654	17,21,416	1,36,50,912	16,14,409	156	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.00	10	0.60	0.60			6	Y.P.
58,68,360	97,90,290	3,52,12,096	64,84,323	91,745	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	26.00	10	0.75	0.75	1.50		6	Y.P.
12,00,000	10,65,215	74,23,052	30,91,993	—10,90,954	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	78.00	100	Nil	Nil	Nil		6	Y.P.T.
67,50,000	49,93,558	1,46,05,021	66,20,929	1,61,904	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	250.00	50	100.00*	17.00*	21.00		9	Y.P.
21,79,280	99,00,189	1,62,19,219	1,01,73,932	45,172	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	60.50	10	2.00	3.00*	3.00		6	Y.
1,10,02,130	89,38,252	3,02,63,580	1,85,42,024	2,521	Industries (I.F.) Dept., Govt. of Andhra Pradesh	Nizam Sugar Factory Ltd.	66.00	25	4.50	4.50	5.40		6	Y.P.
50,00,000	54,93,178	1,29,64,898	73,75,195	63,804	Mafatlal Apte and Kantilal Pvt. Ltd	Phaltan Sugar	155.00	50	12.00*	10.00	13.50		9	Y.
16,59,820	41,08,386	78,05,159	39,38,780	59,442	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	25.56	10	1.50	1.50	2.14		8	Y.P.T.
C-20,00,000 / D-4,00,000	43,67,914	1,37,22,721	65,29,942	79,364	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	106.00 / 30.00	O. 50 / D. 50	12.00 / 3.75	12.00 / 3.75	8.50 / 3.75		9	Y.P.T.
30,00,000	21,96,500	69,10,952	33,56,498	1,46,735	Parry & Co. Ltd.	Travancore Sugars	10.70	10	1.00	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,34,16,022	3,47,34,595	1,29,06,496	1,77,732	Walchand & Co. Private Ltd.	Walchandnagar Industries	237.50	100	21.00	21.00	20.00		9	Y.P.T.
TRANSPORT														
20,00,000	96,44,320	1,16,88,916	29,83,063	26,410	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	95.00	100	5.00	6.00	3.00		10	Y.P.
1,00,00,000	94,04,072	3,99,21,508	2,05,16,725	—7,10,923	Dinshaw (Private) Ltd.	Bharat Line	7.74	10	1.20*	1.20*	Nil		12	Y.
60,00,000 / 30,00,000	2,04,75,067	8,76,20,428	1,74,30,547	3,34,489	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	14.68 / 8.60	10 / 5(New)	1.50 / ..	1.80 / 0.90	1.50 / 0.525		6	Y.P.
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	66.00	£10	Nil				12	Y.P.
2,47,50,000	2,89,74,088	22,68,81,851	4,96,14,634	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	9.12	10	1.00	1.00	1.00	1.00	3	Y.
11,35,57,258	9,29,69,987	32,02,26,725	8,35,84,307	3,59,994	M.	Scindia Steam Navigation Co.	14.48	20	1.25	1.25	1.30		6	Y.T.
3,40,800 / 2,10,200P.O.	21,45,788	13,10,577	9,03,867	1,67,197	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.25 / 2.25	O. 1 / P.O. 1	0.14 / 0.12	0.14 / 0.12	0.20 / 0.15		12	Y.
UNCLASSIFIED (Bombay)														
30,00,000	16,33,754	80,65,990	12,43,589	966	Jolly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	292.50xd	100	..	Nil	Nil	6.00§	3	Y.P.
7,50,000	2,60,060	22,10,441	9,31,437	3,466	The Associated Agencies (Pvt.) Ltd.	Associated Rubber Industries Ltd.	105.00	100	7.00	7.00	10.00		12	Y.P.T.
14,98,840	5,27,709	37,56,956	23,15,699	17,694	Choonilal Manilal Private Ltd.	Estrela Batteries	57.50	50	3.50*	3.00	3.50*	4.50	3	Y.P.
16,00,000	9,40,683	10,20,495	4,90,761	31,694	Aero-Auto Private Ltd.	Bombay Cycle & Motor	21.48	20	1.75	1.00	2.00	2.50	3	Y.
1,14,90,000	13,000	1,08,24,000	15,000	27,205	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	210.00	100	..	..	Nil	..	12	Y.
1,35,00,000	50,12,115	21,25,643	7,05,848	44,119	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	150.00	100	7.50	10.00	7.50	11.00	3	Y.P.
31,07,000	9,13,024	1,17,36,431	72,51,407	—4,82,050	Birla Brothers Private Ltd.	Hind Cycles	85.00	100	12.50F	7.00	Nil		3	Y.P.T.
15,00,000	....	3,17,049	....	....	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	7.60	7.50	..	..	..		12	Y.
5,67,00,000	1,46,48,754	5,77,10,152	40,19,200	2,09,69,272	S. H. Turner, Esq. (Chairman)	Hindustan Lever	41.50	10	1.40	1.50	2.46		12	Y.
2,11,75,000	6,20,466	27,24,142	20,65,316	3,497	Forbes Forbes Campbell & Co., Pvt. Ltd.	Indian Vegetable Products Ltd.	135.00	100	10.00	10.00	15.00		9	Y.
5,00,00,000	38,93,823	5,94,58,227‖	....	99,763	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	71.00	100	4.00	4.00	5.00		12	Y.
99,99,250	20,22,470	1,31,66,987	....	58,613	Premchand Roychand & Sons	Industrial Investment Trust	80.00	100	5.50	6.00	6.00		12	Y.
19,55,900	8,40,945	48,67,187	19,20,438	7,498	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	5.00	6.00	8.50		12	Y.P.T.
20,00,000	1,30,912	83,42,718	49,35,398	5,912	Kamani Brothers Private Ltd.	Kamani Metals & Alloys Ltd.	10.00N	10	..	0.50	0.75		6	Y.P.T.
1,00,00,000 / 24,82,500	33,17,365	48,22,945	16,84,812	6,237	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	100.00	100	11.00	13.00	9.00		11	Y.
11,25,100	30,000	13,42,154	4,06,142	2,85,198	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	90.00	100	3.00	7.00	6.00	10.00	3	Y.P.
27,60,000	40,51,233	82,24,133	43,83,594	1,37,051	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	401.25	100	15.00	18.00	25.00		12	Y.
26,99,200	24,59,766	65,97,395	18,34,590	30,136	Polson Agencies Private Ltd.	Polson Ltd.	152.00	10	10.00	10.00	15.00		12	Y.P.
2,27,65,475	84,40,713	4,77,85,451	2,21,25,834	2,71,968	Aero-Auto Private Ltd.	Premier Automobiles	158.00	100	6.00	4.00	9.00		6	Y.T.
70,00,000	....	....	....	....	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	72.00	50	..	..	..		12	Y.
37,50,000	11,80,411	63,36,636	30,74,854	8,223	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	169.00	100	8.00	8.00	14.00'C'		6	Y.
13,06,500	1,97,040	24,69,860	3,09,912	1,939	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	60.00	50	..	..	Nil		3	Y.P.
6,22,100	2,73,159	8,45,582	2,39,183	2,859	Modi & Co.	Supreme Industries Ltd.	165.00	100	6.00	7.50	9.00	13.00	3	Y.P.
2,75,00,000	1,77,59,354	4,62,08,135	1,92,16,142	4,20,613	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co. Ltd.	254.00	100	11.00*	11.00*	16.00*		12	Y.
17,00,000	2,36,719	29,42,802	15,42,187	20,699	Hasham Premji	Western India Vegetable Products Ltd.	122.50	100	7.00	8.00	8.00		3	Y.
45,00,000	66,42,890	11,56,665	5,47,970	1,56,267	Jehangir P. Patel, Esq. (Chairman)	W. H. Brady & Co., Ltd.	300.00	150	25.00	25.00	35.00		12	Y.

M.—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. K.—Includes an additional dividend of Rs. 7.00 per old share and Rs. 3.00 per new share.
Q.—Maharashtra Sugar Mills subdivided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250. § Exempt from tax. ‖ Investments at cost.

MISCELLANEOUS COMPANIES—*Continued.*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
62,50,000	2,03,52,405	3,95,14,452	1,19,45,880	1,13,745	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd. ..	16 81	O. 10	0 90	0 90	1 00	1 20	3	Y.P.T.
80,00,000	39,93,750	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd. ..	21 25	10	1 25	1 25	1 25	1 50	3	Y.
80,00,000	36,44,175	86,06,360	25,56,851	2,24,865	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd. ..	21 81	10	1 80*	1 50	2 00	..	2	Y.
2,46,78,690	26,65,610	2,20,70,296	66,70,913	20,078	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd. ..	7 35	5	0 30	0 30	0 40	..	12	Y.
80,00,000	20,24,770	40,26,498	21,84,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd. ..	19 00	10	1 25*	1 25*	1 80	..	12	Y.
1,10,00,000	..	..	..	..	H. M. Cox	Associated Battery	35 50	10	1 50	2 40	4 00	1 50	8	Y.
80,00,000	85,34,000	1,05,71,381	42,22,343	1,54,774	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	6 75N	10	0 60	0 60	..	..	3	Y.P.T.
80,01,400	83,06,830	77,68,003	41,34,215	5,14,649	A. T. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd. ..	223 00	100	12 50	20 00	25 00	7 00‡	12	Y.
12,00,000	22,70,218	35,44,373	30,14,278	2,19,995	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	42 37	10	2 50	2 50	4 50	1 50‡	12	Y.
50,00,000	1,77,808	89,08,167	96,073	—4,55,649	H. R. Sucla, Esq. (Mg. Director)	Bharat Commerce & Industries Ltd. ..	17 75	10	Nil	Nil	Nil	..	12	Y.P.
20,00,000	7,79,721	64,19,086‖	..	55,032	Lovelock & Lewis	Birds Investment Ltd. ..	13 25	10	0 50	0 70	1 10	..	9	Y.P.
48,97,020	55,50,348	1,22,49,277	53,89,733	2,13,538	K. Julius Scott, Esq. (Mg. Director)	Britannia Biscuits	36 41	10	1 00	1 20	1 40	2 50	3	Y.P.T.
2,25,00,000	1,58,58,664	1,08,09,000	2,65,54,909	74,442	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd. ..	6 50	5	Nil	Nil	Nil	..	12	Y.P.
1,58,80,000	14,44,223	1,90,82,924‖	..	2,16,378	Andrew Yule & Co., Ltd. ..	Clive Row Investment ..	9 25	10	0 75	0 75	0.83‖	0 75	12	Y.
5,60,000	10,00,000	39,64,879	26,56,156	3,266	M.	Delhi Flour Mills, Co., Ltd. ..	15 00N	10	1 00	1 00	..	..	12	Y.P.T.
3,00,00,000	5,12,37,609	9,62,33,768	3,45,33,370	24,03,447	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd. ..	40 00	10	1 62	1 62	2 15	..	12	Y.P.T.
19,91,610	81,24,269	50,59,116	20,91,994	7,929	Mr. K. G. Khanna	Dyer Meakin Breweries ..	27 00	5	0 60	0 75	..	..	3	Y.
51,26,000	57,17,047	1,60,56,711‖	..	3,62,287	Bird & Co. Private Ltd. ..	Eastern Investment Ltd. ..	136 50	100	9 00	9 00	14 00	..	12	Y.P.
14,99,000	3,52,844	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd	15 50	10	Nil	Nil	0 50	..	12	Y.P.
48,90,187	77,72,810	95,29,776	52,36,250	4,07,338	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd. ..	16 66	12 50	1 50	1 50	1 60	..	9	Y.P.
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co. Ltd. ..	216 00	100	12 00	15 00	17 00	17 50	3	Y.
7,50,000	4,20,000	1,21,085	43,631	8,851	Gany & Co.	General Papers Ltd. ..	11 35	10	0 80	1 25	1 25	..	3	Y.
68,00,000	36,24,200	30,57,755	15,01,667	1,71,222	F. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd. ..	12 25	10	1 00	1 00	1 00	1 00	12	Y.P.
40,00,000	4,73,500	70,95,493	41,39,847	10,40,721	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd. ..	24 75N	10	1 50	2 00	2 60	..	12	Y.P.
30,00,000	15,67,354	84,64,988	38,51,718	59,181	B. P. R. Syndicate	Great Eastern Hotel	235 00	250	5 00	..	..	..	3	Y.
4,96,13,275	49,51,450	7,36,68,187	3,25,48,254	3,63,217	Birla Brothers Private Ltd. ..	Hindustan Motors	18 92	10	Nil	Nil	0 50	0 90	3	Y.P.
80,00,000	2,02,99,048	2,95,48,178	1,37,19,570	1,81,125	Lalubhai Law & Co. Private Ltd.	Hindustan Pilkington Glass ..	31 81	10	1 50*	1 50*	2 25	2 25	12	Y.P.
15,16,60,000	9 64,76,893	11,31,66,117	2,88,76,995	24,77,765	Mr. F. A. Collett (Chairman) ..	Imperial Tobacco Co. of India Ltd. ..	11 25	10	0 70	0 70	0 60	0 80	3	Y.
2,97,67,760	2,01,79,740	9,72,58,273	3,00,11,554	58,42,051	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd. ..	30 00	10	0 60	0 70	1 20	..	12	Y.P.T.
2,86,77,760	2,02,99,048	2,95,48,178	1,37,19,570	45,64,364	B. J. Woodley, Esq. (Mg. Director)	Indian Tube Co.	31 81	10	1 50*	1 50*	2 25	2 25	12	Y.P.
1,00,00,000	99,92,076	5,26,27,893	2,14,74,994	9,72,583	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	39 62	10	1 00	1 00	1 50	..	9	Y.
29,88,250	70,550	51,92,992	17,57,026	33,618	M.	Indian Plastics Ltd.	9 87	10	0 37	Nil	Nil	Nil	3	Y.
8,27,970	6,14,570	17,46,166	10,03,558	97,031	M.	Indian Rubber Manufacturers ..	18 00	10	0 62	..	..	..	3	Y.P.
2,50,00,000	73,10,723	42,66,244	15,92,103	5,21,494	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	71 00	100	2 50	2 50	5 00	7 00	3	Y.P.
15,00,000	14,50,000	18,54,004	12,14,166	56,593	J. K. Agents Private Ltd. ..	Madhya Pradesh Industries Ltd. ..	11 75xd	10	2 00	3 50	2 00	..	3	Y.P.
1,48,82,750	1,13,19,046	69,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26 75	10	2 12*	2 12*	2 75	..	9	Y.P.
40,00,000O. } 5,00,000D. }	74,10,730	31,01,156	12,70,257	2,42,718	M.	McLeod & Co., ...	{212 00 —	O. 100 D.O.10	12 50 0 75	12 50 0 75	15 00} 1 00	..	} 12	Y.P.
1,60,00,000	1,64,75,151	3,56,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd. ..	43 62	10	1 75	1 75	1 75	2.50°C	3	Y.P.
9,05,000	3,88,888	12,14,622	5,16,629	4,812	N. G. Ayyangar Esq. (Mg. Director)	Mysore Electrical Industries Ltd. ..	200 00	100	8 00	11 00	15 00	..	9	Y.
6,56,250	6,92,500	11,19,680	5,97,362	3,849	Mr. J. L. D'Sa (Chairman) ..	Mysore Lamp Works	24 85	10	1 25	1 50	1 60	..	3	Y.
10,00,000	3,16,884	17,88,367	10,32,038	622	M. Mallaraj Urs. (Mg. Director)	Mysore Tobacco	12 75xd	10	1 50	1 25	1 25	1 00	3	Y.
90,00,000	1,37,56,692	1,31,19,135	51,35,368	86,389	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co. ..	28 76	10	2 00	2 00	2 00	2.50°C	3	Y.P.
80,00,000	17,70,000	49,56,249	25,37,459	97,684	Do.	National Pipes & Tubes Co., Ltd. ..	21 12	10	2 00	1 25	1 50	..	9	Y.P.
40,00,000	30,19,000	88,22,477	35,76,949	1,31,135	Do.	National Rolling & Steel Ropes ..	18 62	10	0 60	1 00	1 00	1.30	6	Y.
49,97,064	9,16,876	88,55,383	38,67,659	14,623	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd. ..	14 75	10	1 00	0.60°C	0 85	..	12	Y.
79,97,000	1,02,10,381	1,36,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	22 12	10	0 80	1 10	1 60	..	3	Y.P.T.
28,32,100	11,02,391	40,65,244‖	..	45,497	Ramdutt Ramkissendas ..	New India Investment Corpn. Ltd. ..	48 00	75	2 50	3 75	6 50	..	12	Y.
10,00,000	5,52,000	12,55,063	6,00,215	1,51,607	Parry & Co., Ltd.	Parrys Confectionery Ltd.	30 50	1	0 20	0 20	0 30	0.80	3	Y.
2,20,00,000	50,68,956	1,48,74,355	48,82,803	47,214	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	21 37	10	0 84	0 85	1 20	..	12	Y.
82,50,000	..	..	..	..	Duncan Brothers & Co., Ltd. ..	Phillips Carbon	15 00	5	..	..	..	..	12	Y.
15,00,000	1,09,451	8,39,781	2,90,184	2,553	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	4 15	5	0 45	0 375	..	..	12	Y.
24,89,344	2,28,127	33,81,124	18,21,778	42,739	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd. ..	19 85xd	10	1 80	1 80	1 60	..	3	Y.
25,00,000 } 6,25,000 }	1,50,000	17,32,985	5,64,037	6,664	Jamnalal Sons Private Ltd. ..	Rajaj Electricals.	{115 00 57 00	100 50 New	7 50 1 18	9 00 2 06	10 00 —	8.10 2.70	} 3	Y.P.
2,25,00,000	40,500	66,75,349	30,89,526	2,54,744	M. P. A. Pasapati, Esq. (Mg. Director)	Ralls India Ltd.	132 00	100	Nil	Nil	Nil	..	3	Y.P.
2,50,80,000	2,49,55,000	14,76,38,674	6,18,95,237	1,93,085	Sahu Jain Ltd.	Rohtas Industries	20 12	10	..	2 00	1 50	2.00	3	Y.P.T.
4,73,200 } 5,18,400 }	99,259	31,10,322	9,26,551	28,722	Sathe Food Inds, (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd. ..	{100 00N 50 00N	100 100	6 00 3 00	6 00 3 00	6 00 3 00	..	} 3	Y.P.
68,97,060	88,78,198	2,58,69,675	52,19,131	1,60,686	M.	San-Raleigh Industries	25 37	10	0 60	0 60	0 80	..	9	Y.P.
80,00,000	45,78,890	1,17,50,526	25,07,280	5,14,701	S. M. Smith, Esq. (Chairman) ..	Shaw Wallace & Co., Ltd.	23 50	10	1 00	1 00	1 50	..	12	Y.P.
40,00,000	96,89,810	1,32,79,069	76,16,929	5,41,274	C. W. Stephenson, Esq. ..	Spencer & Co., Ltd.	22 05	10	1 50	1 50	1 50	0.601	9	Y.P.
87,00,180	20,85,000	1,17,02,179	30,48,561	3,869	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	17 00	10	0 75	0 75	0 90	..	12	Y.
15,00,000	95,24,802	1,18,49,116	28,52,132	53,481	J. K. Agents Private Ltd. ..	Straw Products Ltd. 5	12 32N	10	1 25	1 25	1 50	..	12	Y.
32,80,370	16,32,008	14,78,453	8,03,694	14,18,847	M.N. Dalal, Esq. (Chairman) ..	Tractors (India) Ltd.	33 50	10	2 00	2 25	3 00	8.00	6	Y.
9,98,980	24,035	14,75,093	6,66,618	12,418	Ogale Bros. (Private) Ltd. ..	Travancore Ogale Glass	7 50	10	Nil	0 40	0 60	..	12	Y.
11,56,800	14,70,783	13,75,077	6,76,190	41,782	T. S. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	32 55	10	2 00	2 00	2 75	..	9	Y.P.
2,49,99,900	1,10,58,485	2,57,49,568	46,49,251	41,074	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd. ..	291 00	100	10 00	10 00	10 00	7	9	Y.
28,58,950	29,886	66,68,988	17,68,888	54,308	The Cotton Agents Private Ltd. ..	Tungabhadra Industries Ltd. ..	9 75	10	Nil	Nil	Nil	..	9	Y.T.
2,00,00,000	1,15,35,505	2,85,11,892	98,31,873	48,68,429	J. R. Galloway, Esq (Mg. Director)	Union Carbide India Ltd.	48 00	10	1 40	1 40	1 80	0.751	12	Y.
5,00,000	12,00,000	36,58,750	29,58,716	27,881	Vital Mallya, Esq. (Chairman) ..	United Breweries	114 50xd	10	20 00	60 00	65.00(e)	..	3	Y.
5,00,000	6,80,581	6,82,858	5,02,017	9,780	Shaw Wallace & Co., Ltd. ..	United Flour Mills Ltd.	24 00N	10	4 00	2 75	6 25	..	11	Y.
21,29,500	23,80,264	96,31,836	29,54,518	5,401	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	244 00	100	10 00	10 00	10 00	10.00°C	3	Y.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	35,44,700	1,29,77,423	80,99,858	11,999	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	21.31	10	1.25	1.25	1.50	1.00	3	Y.
12,06,000	2,96,358	38,08,529	34,12,829	—5,55,532	Jardine Henderson Ltd. ..	Barraree Coke	10 25	10	0.37	0.50	Nil	0	3	Y.
4,49,850	88,000	9,25,102	5,66,536	1,817	Kaiyasji Mavji & Co. ..	Bengal-Bhatdee	9 00	10	0 90	0 90	Nil	..	3	Y.
1,00,00,000	1,04,79,081	6,96,58,086	4,08,54,445	10,20,411	Andrew Yule & Co., Ltd. ..	Bengal Coal	317 00	100	17 50	17.50	25.00	10.001	12	Y.
2,25,000	4,90,671	29,57,608	21,46,467	—24,902	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	22 00	10	Nil	Nil	Nil	..	12	Y.
40,00,000	61,200	1,47,68,411	80,25,554	2,25,971	Sahu Jain Ltd.	Bharat Collieries	4.62	10	0 80	0 80	Nil	..	3	Y.P.
68,00,000	36,24,200	30,57,755	15,01,667	—6,06,033	M.	Bhulanbararee	6 50N	10	Nil	Nil	Nil	..	12	Y.
40,00,000	4,73,500	70,95,493	41,39,847	10,40,721	F. W. Heilgers & Co. (Private) Ltd.	Borrea	20 62	10	0 75	0 75	1 00	..	12	Y.P.
90,93,480	1,77,68,288	4,58,82,484	2,17,98,561	1,10,788	Bird & Co. Private Ltd. ..	Burrakur	18 81	10	0 75	0 875	1 80	0.501	6	Y.P.
49,97,000	4,63,729	74,82,076	25,32,605	27,542	Hindustan Investment Corpn. Ltd.	Central Kurkend	11 56	10	0 50	0 50	0 50	0.80	3	Y.
3,00,000	15,90,590	49,56,445	33,71,853	28,220	M.	Charlia	7 00N	10	0 70	0 50	..	..	12	Y.
6,00,000	1,54,873	6,36,341(k)	..	941	F.W. Heilgers & Co. (Private) Ltd.	Dhemo Main	3.28	4	0 20	0 20	0.12	..	12	Y.
16,00,000	..	97,45,962	25,76,326	—28,095	Macneill & Barry Ltd.	Eastern Coalfields	7 37	10	Nil	Nil	..	..	12	Y.
£240,000	£3,59,069	£1,12,4710	£812,966	£7,006	Jardine Henderson Ltd. ..	East Indian	31 37	£1	1 50	1 00	1 25	1.00	4	Y.
20,63,750	1,97,01,492	4,76,99,617	3,33,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	28 12	10	1 50	1 50	0.75	..	12	Y.P.T.
10,00,000	1,40,469	14,24,422	4,88,296	45,369	Bhatter's Ateney Ltd.	Ghusick and Muslia	18 50N	10	Nil	Nil	..	..	12	Y.
12,00,000	1,27,984	48,44,376	27,68,441	—1,87,129	Hilton Industries Ltd.	Hmarir-Rampur	22 00	50	Nil	Nil	Nil	Nil	3	Y.
3,00,000	2,50,000	24,37,868	19,66,774	163	Macneill & Barry Ltd.	Hurtiladih	11 00	10	Nil	Nil	..	..	12	Y.
20,00,000	5,37,841	40,32,488	10,76,764	11,141	Bird & Co. Private Ltd. ..	Karanpura Collieries	205 00xd	100	Nil	5.00	5.00	7.50	3	Y.
5,60,000	21,66,090	56,77,096	40,80,864	1,81,658	Andrew Yule & Co., Ltd. ..	Katras Jherriah	41 50xd	10	6 50	6 50	6.50	9.50	3	Y.
11,00,240	88,858	10,86,997	10,04,463	7,560	H. V. Low & Co. (Private) Ltd.	Kuardi	7 50	10	Nil	Nil	..	..	6	Y.
90,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	14.00N	10	0 75	1 00	1 00	..	12	Y.
7,48,240	2,50,000	13,56,878	10,13,353	17,140	Tantia Brothers Private Ltd.	Nazira	7 50	10	0 75	0 75	1.00	..	12	Y.
17,76,230	3,80,225	1,25,05,776	1,01,25,915	81,185	Andrew Yule & Co., Ltd. ..	New Beerbhoom	24 00	10	0 75	1 00	1 50	0.601	12	Y.
6,00,000	2,88,645	28,54,261	19,79,084	56,603	Octavius Steel & Co., Ltd. ..	New Manbhoom	16 00	10	0 50	0 50	0.50	0.75	3	Y.
1,15,000 } 1,57,500 }	3,84,525	12,96,398	9,60,464	23,053	Andrew Yule & Co., Ltd. ..	North West	{23 50xdN 119 00xdN	10 10	1.50 7.50	1.50 1.12	1.50 1.12	2.00 1.50	} 3	Y.
7,50,000	16,65,465	2,62,538	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman)	Ondal	11 00	10	0 50	0 50	0.70	..	12	Y.
8,34,000	1,39,915	29,18,119	11,33,398	3,885	Deepchand Kishenlall ..	Parasea	17.50N	10	0 50	0 50	..	..	12	Y.P.
15,75,000	22,88,200	76,91,776	47,81,408	14,547	Shaw Wallace & Co., Ltd. ..	Pench Valley	19 50	10	2 00	2 00	1.00	1.00	3	Y.
23,98,500	34,89,262	1,62,74,203	1,01,28,171	8,664	Do.	Ramagunda	19 50	10	0 75	1 00	1.00	1.50	3	Y.
13,50,000	6,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd. ..	Rewa	22 00	10	1 00	1 00	1.00	0.751	12	Y.
97,50,000	36,62,940	1,08,14,676	34,23,229	—6,560	M.	Samla Collieries	8.31	10	0 90	0 50	0.70	..	12	Y.
18,00,000	2,83,000	22,73,954	7,51,457	2,909	S. D. Sethia & Co. Private Ltd.	Selected Saltgram Collieries.	121.00	100	9.25	12.50	16.00	..	12	Y.
2,50,000	10,53,529	30,26,230	20,57,054	45,862	M.	Searsole	1 00	2.50	0.12	Nil	..	..	12	Y.
2,80,000	4,54,665	11,89,809(k)	..	5,451	Andrew Yule & Co., Ltd. ..	Seebpore	32.00	7	1.75	1.75	3.00	1.001	12	Y.
8,00,000	1,24,58,755	7,11,54,167	3,10,11,631	90,558	F. W. Heilgers & Co. (Private) Ltd.	Sendra	9.25	10	0.25	Nil	0.35	..	12	Y.
68,21,480	8,47,303	41,74,967	19,33,899	19,788	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	9 75	10	1.50	0 75	0.75	..	12	Y.P.
17,50,000	15,46,229	24,85,676(k)	..	24,861	Bird & Co., Private Ltd. ..	South Karanpara	11.56	10	0.75	0 75	0 90	..	3	Y.
5,00,000	2,81,000	20,49,970	15,40,057	28,484	F. W. Heilgers & Co. (Private) Ltd.	Standard	12.75	10	1 00	1 25	1.50	..	12	Y.
3,50,000	3,56,533	86,93,251	82,75,682	7,982	B. M. Varma, Esq. (Mg. Director).	Union	12 00	10	0 37	0 25	Nil	..	3	Y.
49,98,000	....	59,74,151	29,16,909	12,586	Hindustan Investment Corpn. Ltd.	Western Bengal	7.75	10	0 50	0 40	0.40	0.60	12	Y.
7,00,000	....	....	....	....	Macneill & Barry Ltd.	West Jamuria	8.00	10	Nil	Nil	..	..	3	Y.

§.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955. ¶ Investment at cost.
M.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1958 and 37 nP for the year ended 31st March 1956. * Includes bonus.
(e) United Breweries Ltd.—The dividend for 1959 consists of an interim dividend of Rs. 7.50 per share and a final dividend of Rs. 57.50 per share of which the shareholders will receive Rs. 2.50 in cash and Rs. 50.00 per share by the allotment of five newly created shares of Rs. 10 each. *N.B.*—Dividends paid since 31st March 1956 are shown as taxable.
M.—Managed by the Board of Directors. (k) Investments. "C"—On increased Capital.

MARKET GOSSIP

(*Concluded from page 47*)

that the expansion in the Rs. 0—25,000 income bracket, at 23.7 per cent., was smaller than the overall rise, but, in this bracket, the number of salary earners, deriving income from dividend, increased by 41 per cent., as against the increase of 19 per cent. in the case of non-salary earners. In the income range Rs. 25,000-Rs. 1,00,000, however, the increase in the case of non-salary earners was much higher (48 per cent.) than in the case of salary earners (23 per cent.). All these figures clearly show that the investment habit is spreading.

U. K. Shipping Wants More Protection

It is well known that the British shipping industry, like shipping in many other parts of the world, is facing bad weather. The relative size of the British merchant fleet has steadily fallen from 45 per cent. in the period before the first World War to less than 17 per cent. at present. Consequently, the contribution of this industry to the invisible earnings of Britain has also sharply declined in recent years. Also foreign ships have been increasing their share of Britain's trade; and, since 1950, the proportion of foreign flags among ships entering British ports has increased from one-third to one-half. Even the perceptible improvement in the fortunes of this industry in 1960 has not brought about any appreciable gain in freights, even though new launchings in Britain amounted to 8.5 million gross tons and the idle tonnage registered a sizable fall.

In the face of these circumstances, the representatives of British shipping could not be expected to follow a policy of masterly inactivity. It is not surprising, therefore, to find the General Council of British Shipping presenting a closely reasoned case for financial and other assistance to the industry. Analysing the basic causes which are affecting the competitive strength of the British shipping industry, the survey vividly narrates how the nationalistic policies of flag discrimination, subsidies and tax-free flags of convenience followed by several foreign Governments are sapping the British industry. It categorically declares that there is no simple answer to these problems and states that action by foreign Governments cannot be met by the industry alone through mere commercial practices. In order to meet the threat of the growing international competition to British shipping, the General Council wants the British Government to take every opportunity to reach an identity of interests with the U.S.A. in combating flag discrimination. How far, however, such an identity of interests could be realised in practice is difficult to say. Because it is known that some of the measures pursued by the U.S. to support its merchant marine are equally discriminatory and the newly developing countries are rightly following the American policy for encouraging their own respective merchant marines.

If protests and persuasion are not adequate, the spokesmen of British shipping would like the Government to adopt counter-measures ranging from trade sanctions to measures aimed directly at the ships of discriminating countries. The survey states that the trade sanctions could be in the form of general embargo on imports or penal tariff rates. While the counter-measures are elaborated to include the denial of the use of ports to ships of discriminating countries or the banning of these ships from carrying of British exports. It also suggests that commercial treaties and trade agreements negotiated by the British Government should contain strong discriminatory clauses. Of particular interest to underdeveloped countries like India receiving aid from the U.K. is the suggestion of the Council that the British Government should make it a condition before giving aid that the recipient country should not discriminate against British shipping in favour of its national shipping.

British shipping is not suffering from external factors alone. The growing competition from air transport artificially maintained by subsidies from Government in one form or another and the effects on the coasting trade of competition from the railways facilitated by substantial Government assistance to the British Transport Commission are also adversely affecting British shipping. The General Council has, therefore, asked the Government to reduce the disparity between shipping and air transport so far as public expenditure on research and development is concerned.

Discussing the question of financial aid to British shipping, the survey states that such aid would be justified on the national interests where a particular shipping service or a particular section of the industry is likely to be abandoned or substantially reduced by unfair competition. Recalling the timely assistance provided to the Cunard Line, the Survey urges the U.K. Government to grant similar aid when similar circumstances develop. Another important form of aid suggested by the Council is an increase in the investment allowance from the existing level of 40 per cent.

As compared with these heavy demands for more protection and sustenance made by the doyen of world shipping on its Government, the plea for financial and other assistance from the State put forward by Indian shipping, one of the youngest mercantile marines in the world, pales into insignificance. The point to be noted here is that the assistance so far provided by the Government of India to our national shipping is negligible, as compared with the massive support given by the British Government to its shipping, or for that matter, by any Western Government to its shipping.

THAKUR PAPER MILLS LTD.

Considering the continuously expanding demand for paper arising from the rise in population, industrial development and spread of literacy, the annual production target of 700,000 tons fixed to be achieved by 1965-66, as against the anticipated actual output of 320,000 tons in 1960-61, is, indeed, a realistic one. The target is proposed to be fulfilled partly by setting up new factories and partly through expansion of the existing units. Out of the net addition of 380,000 tons of paper that is expected to occur during the next five years, the Thakur Paper Mills Limited, a new Company formed to establish a factory in Samastipur in North Bihar, will contribute 6,600 tons annually —the present licensed capacity of 3,600 tons and a further capacity of 3,000 tons (consisting of cheque paper and other specialised kinds of paper) for which official permission has been sought.

The authorised capital of the Company is Rs. 1 crore, of which equity shares of the value of Rs. 40 lakhs have now been issued. Excluding the Rs. 15 lakhs contributed by the Directors, prom

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar. Sept.	100.00	100
BREWERIES AND SUGAR						
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec. ..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April ..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar. Sep.	83.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-24	8.00	Feb. Aug.	113.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7.00	July Apr.	6.33	5
East India Distilleries T.F.C. ..	£200,000	1897	7.00	Jan. July	16.80	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec. ..	62 00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec. ..	62.00	100
Partabpore Co. C.	6,00,000	1922	10.00	Oct. ..	12.00	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug. ..	78.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct. Apr.	62.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct. ..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec. ..	8.40	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec. ..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec. ..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April May	120.50	100
COAL						
Borrea T.F.C.	14,00,000	1896-97	6.50	Oct. Apr.	79.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-19	7.00	Apr. Oct.	93.00	100
Do. (2nd) C.	4,50,000	1946	6.00	.. ..	7.19xd	10
Equitable T.F.	4,00,000	1895	6.00	Mar. Sept.	75.00	100½
Karanpura Collieries C.	9,89 500	1946	5.50	.. ..	57.00	75p.
††Khas Kajora C.	1 93,000	1931	5.00	Mar. Sept.	7.50	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan. July	11.00	10
Ondal T.F.C.	2,00,000	1898-99	6.90	Apr. Oct.	80.00	100
COTTON						
Ahmedabad Advance T.F.C. ..	10,00,000	1939	5.00	Apr. Oct.	78 00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan. July	115.00	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov. ..	8.50	10
Bowreah 'A' T.F.	6.00.000	1900	8.00	Feb. Aug.	160.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb. Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June Dec.	53.50	50
Buckingham & Carnatic C.T.F. ..	21,30,200	1920	7.50	Jan. July	125 00	100
Cambodia C.T.F.	1,00,000	1928	7.00	Apr. ..	108 00	100
Central India T.F.	50,00,000	1912	5.00	Apr. Oct.	375.00	495
Century Spg. & Mfg. Co. T. F. R. C.	1,25,00,000	1958	6.00	Dec. ..	109.50	100
Coimbatore Pioneer C.T.F. ..	1,00,000	1935	6.50	June ..	78.75	100
Elgin T.F.C.	11,00,000	1912	8.00	May ..	112.00cd	100
Elgin 'B' T.F.C.	4,20,000	1948	5.00	July ..	7.00cd	10
Elphinstone C.	25,00,000	1919	7.00	May Nov.	59.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June Dec.	103.00xd	100
Khatau Makanji (2nd) T.F. ..	29,92,500	1947	4.00	Nov. ..	70.50	10
Kothari C.T.F.	18,00,000	1937	6.00	Dec. ..	9.30	5
Kothari 'B' (Pref.) T.F.C. ..	6,00,000	..	6.00	.. ..	10.00N	250
Lakshmi Cotton (Bombay) C. ..	16,00,000	1896	5.00	.. ..	150.00	100
Morarjee Goculdas Spg. & Wvg.T.F.C.	17,25,000	1947	4.50	Jan. ..	67 00	100
Mysore Spg. C.	7,45,050	1944	4.50	.. ..	23.52	50
National Rayon C.	1,74,64,700	1947	5.00	.. ..	70.00	100
New Great	3,00,000	1913	5.50	Mar. ..	105.00	200
Podar Mills T.F.C.	10,00,000	1943	4.00	Feb. ..	65.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr ..	47.73	50
Shree Niwas Cotton T.F.C.R. ..	4,80,000	1944	4.00	.. ..	66.00	100
Sholapoor T.F.C.R.	32,00,000	1943	3.00	.. ..	78.25	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr. Oct.	84.50	100
Swadeshi (Kanpur) T.F.C. ..	35,00,000	1927	6.00	June ..	70.50	100
Travancore Rayon C.T.F. ..	50,00,000	....	5.00	May ..	7.80	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr. Oct.	96.75	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	.. ..	99.00	100
Vishnu C.	15,66,500	1906	7.00	Apr. ..	422.50	500
ELECTRICS						
Andhra Valley Power Supply C. ..	49,34,000	1917	7.00	May Nov.	1,040.00	1,000
Amalgamated Electric T.F.C. ..	24,15,000	..	5.50	.. ..	77.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June Dec.	9.19	£1
Poona Electric C.	4,00,000	1935	7.00	June Dec.	101.00	100
South Madras (1st) C.T.F. ..	22,00,000	1940	5.50 }	Sept. Dec.	{ 8.55cd	100
Do. (2nd) C.T.F. ..	8,00,000	1940	5.50 }		{ 8.75cd	10
Surat Electric Co. C.T.F. ..	5,00,000	1939	6.50	Apr. ..	108.50	100
Tata Hydro Electric Power C. ..	89,28,000	1907	7.00	May Nov.	101.00xd	100
Tata Power T.C.	86,97,000	1918	7.50	May Nov.	1,095.00	1,000
Vellore C	1,25,000	1928	6.00	Dec. ..	6.75cd	10
ENGINEERING						
Arthur Butler (Muzafferpore) T.F.C. ..	1,30,000	1919	7.00	Mar. ..	11.00	10
Burn & Co. Ltd. (1st) T.F.C. ..	18,00,000	1895-9*	7.00	Feb. Aug.	116.00	100
Do. (2nd) T.F.C. ..	15,00,000	1902	6.00	Feb. Aug.	107 00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec. ..	89.50	100
Indian Standard Wagon T.F.C. ..	19,66,500	1918	7.00	June ..	112.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May Nov.	83.50xd	100
Kamani Engineering C.R. ..	15,00,000	1945	5.00	July ..	56.00	100
†††Kumardhubi Engineering T.F.C. ..	12,00,000	1915	4.00	June Dec.	83.00N	100
Larsen and Toubro Ltd. T.F.R. ..	18,00,000	1946-47-51	5.00	.. ..	93.00	100
Mahindra & Mahindra T.F.R.C. ..	25,00,000	1945	6.00	May ..	97.00	100
McKenzies (1st) T.F.C. ..	5,50,000	1907	5.50	.. ..	86.00	100
Premier-Construction (1st) C. ..	10,00,000	..	6.25	.. ..	76.00	100
Do. do. (2nd) C. ..	15,00,000	1936	6.25	.. ..	72.50	100
Do. do. (3rd) C. ..	56,25,000	1947	4.50	.. ..	5.16	10
Tata Iron and Steel (1st) C. ..	75,00,000	1906	6.00	Nov. ..	134.00	150
Do. do. (2nd) C. ..	6,93,81,900	1908	7.50	May ..	108.00	100
JUTE						
Agarpara T.F.C.	10,00,000	1927	7.00	Jan. July	90.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb. Aug.	85.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar. Sept.	64.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May Nov.	87.00xd	100
Auckland C.	10,00,000	1909	5.50	May Nov.	70.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June Dec.	60.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr. Oct.	94.00	100
Barnagore C.	£200,000	1896	5.00	May Nov.	36 00	£5
Belvedere T.F.C.	7,00,000	1906	7.00	Jan. July	89 00	100
Birla C.	23,64,200	1919	7.50	June Dec.	87.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May Nov.	89.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan. July	44.50	100
Caledonian T.F.C.	10,00,000	1915	7.00	June Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June Dec.	87.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar. Sept.	87.00	100
Clive (1st Pref.) T.F.C. ..	8,00,000	1900	6.00	May Nov.	70 00	100
Do. (A) (2nd Pref.) T.F.C. ..	8,00,000	1905	7.00	May Nov.	80.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May Nov.	88.00	100
Delta T.F.C.	5,00,000	1897	5.00	June Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb. Aug.	88.00	100
Fort Gloster T.F.C.	14,00,000	1890-98	7.00	May Nov.	110.00	100
Do. (2nd Pref.) T.F.C. ..	7,00,000	1948	5.00	.. ..	75.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May Nov.	110.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June Dec.	100.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May Nov.	77.50	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar. Sept.	82.00	100
Hooghly T.F.	11,76,000	1913	10.00	May Nov.	9.50	10
Howrah T.F.C.	8,75,000	1890	7.00	May Nov.	94.00	100
Do. T.F.C. (f)	17,50,000	1903-6	7.00	May Nov.	92.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June Dec.	84.50	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb. Aug.	74.00	100
Kankinarrah T.F.C.	10,00,000	1900	6.00	Feb. Aug.	88.00	100
JUTE—*Continued*						
Kelvin T.F.C.	10,00,000	1907	7.00	Mar. Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May Nov.	76.00xd	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May Nov.	88.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May Nov.	89.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May Nov.	87.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec. ..	60.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May Nov.	99.00	100
Do. (2nd) (j) T.F.C.R. ..	10,00,000	1945	4.50	June Dec.	67.00	100
National T.F.C.	5,00,000	1917	7.00	May Nov.	88.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr. Oct.	80.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan. July	92.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May Nov.	71.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May Nov.	81.00	100
Samnuggur C.	£150,000	1901	6.00	Feb. Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb. Aug.	98.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar. Sept.	93.00	100
Titaghur C.	£150,000	1897	6.00	Feb. Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May Nov.	88.00	100
Victoria C.	£150,000	1898	6.00	Feb. Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	5.00	Mar. Sept.	37.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov. ..	52.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr. Oct.	8.00	£1
Great Eastern Shipping T.F.R.C. ..	25,00,000	1948	5.50	Dec. ..	91.00	100
Indian General Nav. & Rly. C. ..	£244,030	1899	6.00	Mar. Nov.	78.00	£10
India Steamship (w) T.F.C.R. ..	25,00,000	1928	5.00	.. ..	80.00	100
TEA						
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May Nov.	32.50	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan. July	100.00	100
Birpara T.F.C.	1,00,000	1900-03	8.00	Jan. ..	108.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan. July	100.00	100
Gielle C.	2,00,000	1894	6.00	Sept. ..	75.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan. ..	103.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar. ..	100.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec. ..	85.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May Nov.	9.37	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan. July	105.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov. ..	91.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec. ..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan. ..	90.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May ..	98.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan. ..	10.50	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May Nov.	14.00	100
PLANTING						
Be Be Rubber C.	1,43,005	1944	6.25	.. ..	2.70	5
Do. R.C.	2,85,570	1944	6.25	.. ..	6.02	10
Cochin Malabar C.T.F.	1,13,400	1932	7.00	June ..	50.75	50
Coffee Lands C.T.F.	10,40,600	..	5.00	.. ..	75.00	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr. ..	89.65	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov. ..	10.80cd	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July ..	95.00	100
Highland Produce C.T.F. ..	3,00,000	..	6.00	July Jan.	8.08	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan. July	7.17	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July ..	3.77	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar. ..	8.05	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar. Sept.	7.20xd	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June Dec.	9.15	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov. ..	9.25cd	10
MISCELLANEOUS						
Alembic Chemicals (1st)	5,00,000	..	6.25	June ..	91.20	100
Do. do. (2nd) T.F.R.C.	5,00,000	..	5.00	June ..	86.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr. ..	99.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	.. ..	92.00xd	100
Andhra Cement C.T.F.	2,48,800	1937	6.00	Feb. June	101.80	100
Associated Hotels of India C. ..	21,67,000	1916	7.00	Mar. Sept.	52.00	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug. ..	12.50	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar. Sept.	51.00	50
Do. "A" T.F.C. ..	4,00,000	1923	7.00	Mar. Sept.	104.00	100
Do. "B" T.R.C. ..	20,00,000	1948	6.00	.. ..	65.00	100
Bengal Timber Trading T.F.C. ..	3,00,000	1896	8.00	Aug. ..	7.75N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb. Aug.	15.00	10
British Ceylon Corporation C. ..	17,50,000	1913	6.00	Feb. Aug.	8.00N	5
British India Corporation T.F.C. ..	81,00,000	1920	8.00	Feb. ..	118.00	100
Dalmia Cement (Bharat) C.T.F. ..	61,58,210	1937	6.00(f)	Sept. ..	8.00	10
Dhrangadhra Chemicals T.F.C.E. ..	31,91,900	1956	6.00	.. ..	89.00	100
Shree Digvijay Cement T.F.R.C. ..	79,93,875	1944	5.00	Dec. ..	79.50	100
Dunlop Rubber Co. (1st) T.F.C. ..	30,00,000	1926	6.00§	June Dec.	111.50	100
Dunlop Rubber Co. (2nd) C. ..	40,00,000	1936	6.00	Apr. ..	84.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb. Aug.	59.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb. Aug.	50.00	100
Gillanders Arbuthnot(f) R.C. ..	25,00,000	..	5.00	Apr. Oct.	54.00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6.00	Mar. ..	173.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	.. ..	6.50	10
India Cement C.	29,85,000	1946	7.50	Oct. ..	88.50cd	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June ..	67.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan. July	87.00	33
Indian Cable (m) C.	12,87,750	1923	6.00	June Dec.	30.00	10
India Rubber Mfrs. (n) T.F.C.R. ..	8,28,000	..	5.00	Apr. ..	62.00xd	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec. ..	57.00	100
Kettewell and Bullen (1st) C. ..	20,00,000	..	5.50	May ..	57.00	100
Do. do. (2nd) T.F.C. ..	10,00,000	..	4.00	May ..	54.00	100
Kumardhubi Fireclay & Silica C.R. ..	2,00,000	1915	7.00	June Dec.	63 00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr. Oct.	86.00xd	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July Jan.	50.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July Jan.	62.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	.. ..	85.00	100
Mettur Chemicals (Old) C.T.F. ..	20,00,000	1903-18	6.00	Feb. Sept.	98.75	100
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6.00	June ..	8.40cd	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug. ..	6.30cd	10
National Tobacco (Old) (p) T.F.C.R. ..	25,00,000	..	5.00	Mar. Sept.	70.00	100
Do. do. (New) (q) T.F.C.R. ..	19,98,000	..	4.50	Mar. Sept.	62.00	100
Orient Paper T.F.C.R.	20,00,000	1936	5.50	Jan. ..	80.00xd	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr. Oct.	61.00xd	100
Rohtas Industries (Old) T.F.C. ..	20,00,000	1936	7.00-9.00	Apr. ..	115.00	100
Do. do. (New) T.F.C. ..	85,04,700	..	4.25	Apr. ..	55.50	100
†Smith Stanistreet & Co. T.F. ..	5,00,000	1920	10.00	Feb. Aug.	70.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan. July	8.60	10
Do. "B" C.	30,80,000	1922	8.50	Jan. July	10.44	10
Standard-Vacuum C.	75,00,000	1955	6.00	June Dec.	89.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar. Sept.	74.00	100
Tata Chemicals T.F.C.	59,97,000	..	5.00	June ..	82.00	100
Tata Oil Mills C.	29,88,800	1946	4.50	July ..	57.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan. June	115.00	100
Do. do. (2nd) T.F.C. ..	15,00,000	1934	4.50	Jan. July	79.00	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranted by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Remeedable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. pp—Partly paid.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2598 BOMBAY, 21st JANUARY 1961 PRICE Rs. 2

THE FINAL DRAFT OF THIRD PLAN

THE Draft Outline of the Third Plan, as revised first by the Planning Commission and now by the National Development Council, has just emerged as the final (or nearly final?) draft. It only remains to incorporate in the final draft the details of the revised physical targets which, in terms of the latest N.D.C. resolution, might entail a total outlay of the order of Rs. 8,000 crores in the public sector covering the Central and State Governments. What schemes and projects, corresponding to a financial ceiling of Rs. 7,500 crores in terms of the N.D.C.'s current assessment of the resources in sight for the public sector, are to be executed as a matter of higher priority may also be possibly indicated in the final draft, perhaps in the same manner as the second Plan was cut up at a later stage into Part 'A' and Part 'B'. The final draft will then be ready for presentation to Parliament sometime in March next for its formal approval before the Plan is officially launched as on 1st April 1961. Between now and the date of possible debate in Parliament, the Planning Commission will be coming to grips with the problem of processing the Centre's Plan (accounting for an outlay of Rs. 3,775 crores in the total financial ceiling of Rs. 7,500 crores) in consultation with the various Union Ministries. The Commission which has pruned, relatively more easily, the State Plans may well find that the Union Ministries are harder nuts to crack. The process of determining two sets of priorities in the case of the Central Plan would be even otherwise difficult, for the difference (Rs. 378 crores) between its total size (Rs. 4,153 crores) and its financial limit (Rs. 3,775 crores) is much larger than the difference (Rs. 122 crores) between the State Plans' total size (Rs. 3,847 crores) and their financial limit (Rs. 3,725 crores). But, then, the Planning Commission is by now so well used to this kind of pruning and processing on paper that it should not find the present exercise unduly difficult. When the time comes, the Commission may also do its familiar exercise in reappraisal of resources without any very great difficulty.

There is, however, no need to labour these points here, for the aggregates fixed by the National Development Council can be taken, for the nonce, to be final and examined as such. The first aggregate, that is, Rs. 8,000 crores, representing an increase of Rs. 750 crores on the Draft Outline's provision of Rs. 7,250 crores (composed of an investment outlay of Rs. 6,200 crores and current development outlay of Rs. 1,050 crores), has been determined on the basis of some revised requirements. In the first place, there is an increase of Rs. 197 crores over the Draft Outline's provision of Rs. 3,650 crores for State Plans. Secondly, there is an increase of Rs. 385 crores over the Draft Outline's provision of Rs. 1,470 crores in the Central Plan for "industries and minerals." This increase of Rs. 385 crores is accounted for as follows:

Rs. 100 crores to make up for the Draft Outline's underestimation in the aggregate cost of spill-over projects from the second Plan, new projects for which external credits are already assured and new projects for which foreign credits have not yet been arranged; Rs. 100 crores to make up for the upward revision of estimates in respect of new schemes, allowance for some rise in costs over the Plan period, enlargement of projects in a few cases and higher township costs; and Rs. 185 crores for the cost of projects on which preparatory work should continue and projects of a contingent nature like the Gujarat refinery (now a priority scheme).

Thirdly, there is an increase of Rs. 100 crores over the Draft Outline's provision of Rs. 1,225 crores in the Central Plan for "transport and communications"; of this increase Rs. 30 crores are accounted for by the railways' additional demands. And, fourthly, the newly proposed 150,000 kilowatt thermal or atomic power station in the Delhi-Punjab area, the additional demands of the Union Ministries of Agriculture, Community Development, etc., probably account for an increase of Rs. 68 crores.

In all, therefore, the total increase is of the order of Rs. 750 crores over the Draft Outline's provision for the public sector. But the additional resources in sight have been definitely estimated at only Rs. 200-250 crores which include Rs. 60 crores by way of further additional taxation by the States. Incidentally, how the States are going to raise Rs. 610 crores in all by way of additional tax revenue is itself a moot question, considering that only a few months ago they took the stand that they might not be able to raise anything more than Rs. 350-400 crores. It can, however, be assumed here that, if there is any shortfall in the States' own resources, the Centre will have come to their rescue by providing greater assistance than what is now contemplated, namely, Rs. 2,430 crores.

The gap, thus estimated, of about Rs. 500 crores in financial resources, according to one optimistic view in official circles, may come to be covered by "unforeseen additional resources" that may be generated by some development schemes, by possible greater public participation and local community effort and by flexible phasing of major projects. Since there will be uncertainty on these counts, the financial limit has been fixed at Rs. 7,500 crores for the public sector's outlay. This is where the planners seem to have been unduly cautious and timid. They could as well have fixed the financial limit at the desired level of Rs. 8,000 crores and proceeded on that basis to negotiate for the appropriate foreign aid component. Or, in the alternative, they could have more realistically kept down the public sector outlays on "industries and minerals" at about Rs. 1,500 crores and released a number of industrial and mineral projects for execution by the private sector. It is amazing that the National Development Council concerned itself, at its latest meeting, only with the public sector and virtually ignored the requirements of the private sector, the share of which was left unchanged at Rs. 4,000 crores. If a bigger plan of the size of Rs. 12,000 crores was deemed desirable and necessary, surely it should have been possible to raise the share of the private sector at least to Rs. 4,500 crores, if not more, while keeping the financial ceiling for the public sector at Rs. 7,500 crores or less.

If a reallocation of this kind is made, the private sector's share for "industries and minerals" alone can go up to Rs. 1,500 crores (as against the Draft Outline's provision of Rs. 1,000 crores). The foreign exchange problem will, of course, be there, but it is something common to both the sectors. In the case of the private sector, its additional requirements of foreign exchange could conceivably be met by an inflow of more foreign private capital into joint projects. But this cannot possibly happen in the absence of greater flexibility in the operation of the Industrial Policy Resolution of 1956. Given such flexibility, joint industrial projects in the private sector with foreign collaboration would seem to be not only feasible but most likely. The Bokaro steel project, for instance, could be assigned to the private sector for execution in collaboration with foreign private capital, and the Government of India could content itself with, say, a 25 per cent. participation in its capital. The Government's gesture in licensing five or six pig-iron plants, each with a capacity of up to 100,000 tons, is no doubt laudable, but it is not quite realistic, because, in the iron and steel industry, plants of that size are relatively uneconomic.

In the same way, the private sector could be allotted greater refining capacity in terms of crude petroleum not only because the public sector may not find it easy to install a total capacity of 2.7 million tons in terms of crude oil but because the requirements will be more than what can be met by the present private sector capacity of 5.3 million tons (which cannot be increased if there is no change in the Government's oil policy) *plus* the proposed public sector capacity of 2.7 million tons. In the case of coal industry, the scope for a bigger target of production for the private sector has yet to be recognised. All the alloy and special steel projects could also be transferred to the private sector and so also the manufacture of diesel locomotives. Expansion of existing units and construction of new ones in the field of power generation could be licensed in the private sector, for, as the Prime Minister himself told the N.D.C. meeting, "even after going as fast as possible, we might be short of power." More fertiliser plants than the four so far licensed in the private sector would have to be allotted to that sector, because the country is now producing only about one lakh tons in terms of nitrogen per annum, as against the second Plan target of 3.8 lakh tons and the third Plan target of 10 lakh tons. The manufacture of intermediates required by the dyes and chemical industries could also be left to the private sector.

In all the industries mentioned so far, the private sector deserves to be assigned a bigger role in the interest of expeditious execution, because the public sector's capacity to perform the tasks which it has reserved for itself has been proved, in actual practice, to be extremely limited. There is no convincing reason to believe that it will improve to any marked extent in the next five years. Indeed, it remains to be seen whether it will be able to manage successfully the new heavy industries which are now going up under its auspices and which must be worked to their full capacity if the resources expected from them for the third Plan are to be found without a shortfall. It is

Contents

LEADING ARTICLES— PAGE
- The Final Draft of Third Plan ... 97
- More on Land Ceiling 98
- The Eisenhower Era 98

MARKET GOSSIP 99
ROUND THE EXCHANGES 100
NEWS IN BRIEF 101
PERSONAL 101
THIS WEEK'S SURVEY 102-103

SPECIAL FEATURES—
- On The Arena 104
- London Letter 104
- American Letter 108
- Manchester Letter 112
- A Case for an Extended Third Plan ... 118-119
- Economic Trends in Britain 120

CHAIRMEN'S SPEECHES—
- Consolidated Coffee Estates (1943) Ltd. 128-130
- Coffee Lands and Industries (Mysore) Ltd. 131-132
- Indian Oxygen Ltd. 133-134

MONEY AND BANKING 106
TEXTILES 110
SUGAR 114
ENGINEERING 116
NEW PRODUCTS AND PROCESSES 117
INSURANCE 122
COMMERCE AND INDUSTRY 124
COMPANY MATTERS 126, 127, 135
MARKET REPORTS 136-138
MISCELLANEOUS STATISTICAL INFORMATION 139
WEEK'S STOCK EXCHANGE TREND ... 139

here that the "dog-in-the-manger" policy of the Government in not allowing private enterprise (with or without foreign collaboration) to do what the State itself is unable to do would need to be given up. A more careful scrutiny of the public sector projects under "industry and minerals" is thus called for from the point of view of transferring quite a few of them to the private sector. It is still not too late to make the necessary changes.

MORE ON LAND CEILING

THE Socialists and Communists in Maharashtra are doing their best to gain mass support for the Land Ceiling Bill introduced by Mr. Chavan's Ministry. They are particularly happy that Mr. Chavan has brought the sugarcane farms owned by the sugar factories within the provisions of the Bill and have deplored the factories' plea for exempting the farms on the ground that it is quite reactionary. Apparently, their agitation is designed to ensure that the Maharashtra Government does not go back on the stand already taken by it on this issue. As was feared in these columns last week, these leftists have begun to avail themselves of the opportunity presented by Mr. Chavan to re-emphasise their demand for a ceiling on incomes in urban areas as well. It is true that, on several occasions in the past, the Congress leaders who occupy seats of power had emphatically stated that the imposition of a ceiling on incomes is neither feasible nor desirable. But this observation has not deterred the Socialists and Communists, nay, even some Congressmen, from raising the issue again. Why should it? Has not the Maharashtra Government ignored the understanding reached at the highest level to the effect that sugarcane plantations should be exempted from land ceiling legislation? As partners of the Samyukta Maharashtra Samiti, the Socialists and Communists have learned from experience that creation of mass hysteria compels the Congress Party to go their way sooner or later. The break-up of the fine bilingual State of Bombay into two unilingual States is an impressive example of the success of this technique and they are bound to adopt it for winning their other goals by preaching to the have-nots the desirability of imposing a ceiling on non-agricultural investments also.

Even purely from the point of view of sugar economics, the course chosen by the Maharashtra Government is retrograde in the fullest sense of that word. The sugar industry in Maharashtra is a model of the economic and efficient manner in which sugar should be made in this country. As this journal has pointed out on many occasions in the past, sugar is primarily made in the ground. It is on the sucrose content of the cane crushed by a factory that the cost of sugar depends. The higher the sugar content of the cane and larger the quantity of such cane raised per acre, the lower will be the cost of sugar and bigger will be the return to workers, Governments and investors. By practising good husbandry, the sugar mill-owners of Maharashtra have been able to produce more sugar per acre and at a lower cost per ton than anywhere else in India. Their impressive achievements in growing sugarcane on large-scale modern plantation system would not have been possible if they did not have complete control over the land as they have now. Instead of being proud of this possession, a tribute to the foresight of the then Bombay Government under the British regime, the present Maharashtra Government is out to destroy it for no other reason than winning political popularity.

As production of sugar expands, it will be necessary to bring down the price of sugar so that consumption may keep pace with it. This journal does not think that India can count upon sugar as a regular foreign exchange earner. In times of boom in world markets, it may be possible for India to export some sugar on a profitable basis. In times of acute shortage of foreign exchange as is the case now, it may be necessary for India to sell sugar in world markets even at a heavy loss as is being done at present. But this country cannot afford to export sugar on this basis year in and year out. How long can a country go on selling goods at well below the cost of production? Even an efficiently managed sugar company in Maharashtra with all the advantages of growing sugarcane on modern lines finds that it cannot sell sugar for export except at less than its production cost. The position of factories elsewhere in India, which have to buy the sugarcane raised by small growers with a per-acre yield equal to only one-fourth or one-third of that obtained by the Deccan factories, can be easily imagined. India is too poor a country to indulge in the luxury of subsidising exports of sugar—an article of food—at the expense of domestic consumers. Nor is such necessary, for there is scope for building up India's exports by gainful means. Accordingly, the domestic market is the mainstay of sugar industry and, as a matter of policy, the Government and industry must aim at a reduction in the price of sugar. And the best way of realising this aim would be to take such positive measures as would cause a fall in cost of production. High in the list of these measures must be formation of large-scale sugarcane farms on the model now obtaining in the Deccan. A second best alternative would be to introduce co-operative farming in zones where sugar factories have been established, so that the best varieties of cane may be grown on modern plantation lines. The proposal of the Maharashtra Government is to convert the best means of raising sugarcane which this State now has into second best. Could there be a more striking example of foolishness? As compared with this attempt, even the follies of Muhammad Bin Tughlak pale into insignificance. That such a thing should happen in a planned economy is no credit to our planners and policy-makers.

India is not blessed with a surplus of cultivable land or of irrigation. The essence of planning should, therefore, be economy in the use of both land and water. If the yield of sugar per acre in the rest of India could be raised to levels nearer to those obtaining in Maharashtra, a sizable amount of land, labour, water and other resources that are now devoted to sugarcane can be diverted to other agricultural crops which will go a long way towards strengthening India's balance of payments position. When viewed against this context, the folly of Maharashtra Government in wanting to switch over from what is best in the management of land to something that is inferior becomes quite apparent. Of all the States in India, Maharashtra has less irrigated or irrigable land. It should, therefore, be more careful than the rest in introducing land reforms which are of dubious value from the point of view of production. On the contrary, it is now attempting to throw away even the benefits which it has through an accident of history.

Apart from the fact that a loss to Maharashtra is a loss to the whole country, by subjecting the sugarcane farms to land ceiling, the Government of Maharashtra is setting a bad example for others. If its proposal were approved by the Union Government, the other State Governments, which have been sensible enough to exempt plantations, orchards, well-managed farms, etc., would be hard put to resist the demand for a similar measure from the left-wingers. Consequently, the Maharashtra Land Ceiling Bill is not a subject that concerns Maharashtra only but the whole of India. The Centre must, therefore, intervene in this matter before it is too late. For the same reason, the Deccan Sugar Factories Association would be well advised to request the Federation of Indian Chambers of Commerce and Industry to prevail upon the Planning Commission to withdraw its alleged consent to this Land Ceiling Bill.

It is obvious from all that has been said so far on this subject in these columns that, to most of the sugar factories, sugarcane cultivation on plantation scale has been highly profitable, notwithstanding the high cost of labour and irrigation. It is undoubtedly these profits that have attracted the envious eyes of politicians. There was a strong case for imposing the system of agricultural income-tax on these plantations even years ago. Other State Governments have been wielding this fiscal weapon for quite sometime now, thereby taking away a substantial slice of the profits of planters. It is a mystery to us as to why the Bombay Government refrained from resorting to this weapon. In fact, operators in sugar shares on the Bombay Stock Exchange used to expect this levy on the eve of every Bombay Budget only to find that they were wrong. If the Maharashtra Government were to drop the Land Ceiling Bill, or at least exempt the sugarcane plantations and, instead, introduce agricultural income-tax on a reasonable basis, it would be doing a wise thing; it must, of course, take care to see that it does not copy the regressive features that are found in the agricultural income-tax legislations of Madras, Mysore and Kerala. We have no doubt that this alternative solution will prove to be a more agreeable and healthy drink for quenching its thirst for socialism.

THE EISENHOWER ERA

PRESIDENT Eisenhower has just relinquished the U.S. Administration to Mr. John F. Kennedy, who was elected to this high office in November last in a neck-to-neck race with the Republican candidate. An era has thus ended, bringing to a close eight years of Republican rule which had the singular good fortune of ensuring peace in the world, at least in the negative sense of avoiding war, and prosperity at home. The achievements of the Eisenhower Era were of no mean proportions, for otherwise the very nearly 50 per cent. popular vote for the defeated Republican candidate, Mr. Richard M. Nixon, would defy explanation. Some at least of these achievements were due to the bipartisan approach of the United States in the realm of foreign policy. In his final "State of the Union Message" to Congress on 12th January, Mr. Eisenhower rightly referred to the "co-operative achievement" of the American people and those in the Congress of both Parties who were united in their determination to keep their nation "strong and free" and to utilise their vast resources "for the advancement of all mankind." This "co-operative achievement," in the sense of general peace and mutual security, was hardly in doubt at any time during the Eisenhower Era, for the world recognised "the catastrophic nature of nuclear war" and yet it saw "the wondrous potential of nuclear peace."

On the home front, too, the eight years of Republican rule from 1953 to 1960 were marked by a high level of economic prosperity. Economic expansion was so great that, by the end of 1960, the nation's output of goods and services was 25 per cent. higher than in 1952 and the real income (in terms of 1952 prices) of an average American family had also gone up by 15 per cent. There was, during this period, a remarkable improvement in general industrial peace through strengthened processes of free collective bargaining, as evidenced by the fact that the time lost since 1952 through strikes was half that lost in the eight years prior to that date. The economic security of workers was strengthened by an extension of unemployment insurance coverage to 2.5 million ex-servicemen, 2.4 million federal employees and 1.2 million employees of small businesses. The period also saw a vigorous enforcement of anti-trust laws —a factor which promoted economic growth by strengthening the competitive enterprise system. The creation of the Small Business Administration in 1953 to assist existing small businesses and encourage new ones was another unique achievement of the Eisenhower Administration. This agency has provided over one billion dollars in loans to small businesses and helped them secure $3.5 billion worth of Government contracts. The Eisenhower Era also saw the fulfilment of a great dream—the St. Lawrence Seaway opening the heart-land of America to ocean commerce. Twenty-five per cent. of the largest public construction programme in American history—the 41,000-mile national system of inter-State and defence highways—was also opened to traffic during the period. In the sector of agriculture, production went up by leaps and bounds and provided large surpluses of food and fibre to feed and clothe the needy abroad at an annual rate ranging from $2.8 billion in 1953 to $4.5 billion in 1960. Low-income farm families were enabled for the first time to increase their incomes through the rural development programme and farmers and their families were also made eligible for social security benefits. Reclamation and irrigation projects were executed on a vast scale, with the result that the storage capacity increased by 50 per cent. over that in mid-1953. In the realm of social services, the coverage of the Social Security Act had been broadened since 1953 to make 11 million additional people eligible for retirement, disability or survivor benefits for themselves or their dependents. And, above all, more houses were built during the eight years 1953-60—over nine million—than during any previous eight years in history.

This, then, was the record of the Eisenhower Administration which brought about and maintained greater economic prosperity and social welfare without provoking fiscal irresponsibility or resorting to recurrent deficit financing. Throughout the period, it held fast to the wholesome stand that "resort to deficit financing in prosperous times could easily erode international confidence in the dollar and contribute to inflation at home." This had its effect in terms of a virtually stable dollar, and there was no inflation of the kind which had led to a rise of 36 per cent. in the cost of living between 1939 and 1952. And all this happened in spite of the fact that, in 1954, the United States had the largest tax cut in its history, amounting to $7.4 billion annually (of which, incidentally, over 62 per cent. went to individuals mostly in the small income brackets). The Eisenhower Administration's policy of discontinuance or curtailment of public sector commercial enterprises, numbering nearly 2,500 in all, had also reduced Government competition with private enterprise and promoted further growth in the latter sector. On all these grounds, therefore, it may be truly said that the American people have never had it so good. But it is also true that there are problems left behind for the Democratic Administration to tackle—continuing unemployment in some depressed areas, deficit in balance of payments, continuing surplus production of agricultural commodities and deficiency in health and educational programmes. That the Eisenhower Administration has laid a stable foundation for further progress which could solve these problems is beyond dispute. By all accounts, the Eisenhower Era has brought the biggest "capitalist" country in the world much nearer the goals long cherished by socialist thinkers.

MARKET GOSSIP

THE share markets are now somewhat more optimistic than they were at the beginning of the New Year. New Delhi despatches aver that at the meeting of the National Development Council last week-end, the Union Finance Minister discounted the prospect of any significant increase in taxation, especially direct taxation, for financing the third Plan. These are probably responsible for infusing a certain amount of confidence among speculators. Some of the bulls who had held on to their commitments for a long time are, however, reported to have liquidated a part of them. This had an unsettling effect for a while, but, on Thursday, the buying fervour gently reappeared.

Taking an overall view of the market, one finds that it is still a narrow one. The turnover is small. Neither the bulls nor the bears are aggressive. Investment is confined to bargain-hunting. The demand for capital issues of new companies is definitely slackening, though the new issues of existing companies are being avidly taken up. Even the much-boosted Bombay Oxygen Corporation has not proved such a rage as it was expected to be. It used to be said that it would prove to be another Colour-Chem or Baroda Rayon. That has not happened. This is equally true of the Madras Aluminium also. In the case of quite a few of less advertised new issues, allotment has been said to be of the order of 50 to 60 per cent. This trend is no reflection on the promoters or the projects. It only suggests that the craze for shares of new companies is dying down and that investors have tended to become a little more choosy.

The most important factor responsible for this development is the shrinkage in the heavy premium which some of the new issues had commanded a few months ago. Among other factors, mention may be made of (1) marked decline in the value of existing equities, (2) increase in the number of offers, (3) their appearance in quick succession, and (4) calls on shares offered earlier. In fine, the capital market is gradually getting saturated and, if the Budget for 1961-62 turns out to be adverse to investors, the response to new issues will become perceptibly poor and many new ventures will find it hard to raise the capital they want. It is but natural that an investor would not like to add to his risk by taking up more and more equities if he finds that the capital profit he was counting on paper has either melted away or is only a fraction of what it was during the recent boom. In a way, it is a good thing that the boom in share markets has now petered out and the operators are in a more chastened mood. Otherwise, it would have provided an excuse for the Government to enhance, in the forthcoming Budget, the tax burden and to lay further stress on the distributive aspect of their fiscal policy.

No Change in Money

The refund of the balance of special deposits by the Reserve Bank to Scheduled banks has failed to make any impression on the state of the short-term money market. The expectation that the inter-bank day-to-day money rate would come down to 4-4½ per cent and stay at that level, at least for a few days, has not fructified at all. Last Saturday, the rate was fractionally lower at 5 per cent but that too only for a while. From Monday onwards, it has been again 5½ per cent, with some banks willing to pay even 5¾ per cent. It would appear that banks had used almost all the special deposits released last week to reduce their borrowings from the Reserve Bank, with the result that none was left for raising the supply of funds in the inter-bank section. The keen demand for accommodation, in the face of static, if not falling, deposits, is inducing banks to convert a part of their medium-term advances into cash by discounting them with the Refinance Corporation. The resort to usance bills, especially by the Exchange banks, is also steadily increasing and is bound to gather momentum in the coming weeks, as borrowings against Government securities have already gone up substantially.

Bonus Commission's Terms of Reference

Reports appearing in a section of the daily Press about the terms of reference of the Bonus Commission are likely to give the erroneous impression that, in spite of protests made by employers, the Government is going ahead with the Bonus Commission. But the fact is that, even before the personnel of the Commission was "unofficially" made public by the Union Labour Minister, Mr. Gulzarilal Nanda, the Ministry of Labour had circulated a draft terms of reference for consideration and comment by the representative organisations of employers and workers. This, no doubt, was contrary to the earlier decision taken at the eighteenth session of the Standing Labour Committee, held at New Delhi in April 1960, namely, that the terms of reference should be decided by a small, tripartite sub-committee set up for that purpose. The explanation given by the Ministry for not complying with this decision and, instead, itself preparing a draft terms of reference, was that it was to expedite the appointment of the Commission and commencement of its work. The draft terms are:

1. To consider the question of payment of *bonus in all* its aspects in relation to industrial employments in private and public sectors.

2. To determine the extent to which bonus payments should be influenced by the wage level in an industry.

3. To determine the conditions under which bonus payments should be based (i) industry-*cum*-region-wise and (ii) industry-wise, and the method for determination of prior charges in each case.

4. To consider whether the bonus due to workers should be paid, beyond a specified amount, in the form of National Savings Certificates or in any other form.

5. To suggest the appropriate machinery for settlement of bonus claims.

6. To make such recommendations regarding the question of bonus as the Commission deems suitable.

It is learnt that employers have not so far submitted their views on the terms of reference which they were required to do by 10th January. Presumably, they consider that the personnel of the Commission is no less important and that unless they are satisfied with it, there is little point in being particular about the questions it is called upon to decide. Their stand on the whole issue is expected to be finalised by the end of this month.

Comment on the draft terms must concern itself not with what the draft includes but with what it has omitted. The six terms cover between them almost all aspects of the question of bonus, except, and this is most important, the rationale of bonus—whether it is a system worthy of being perpetuated and, if not, how it could be abolished and replaced by a more satisfactory form of rewarding efforts by workers. Of course, in that case, the Commission should be called by some other name.

Overstaffing—A Virtue!

Overstaffing, which modern management practices everywhere condemn as a vice, can be a virtue in India, according to Mr. Morris J. Solomon, a T.C.M. expert attached to the Indian Statistical Institute, Calcutta. Most industrial managers would surely raise their eyebrows at this apparently fantastic suggestion. But Mr. Solomon, who is a specialist in operational research, production scheduling and allied subjects, and has worked on a variety of assignments for the U.S. Bureau of Census, Departments of Agriculture and Labour and the U.S. Air Force, maintains that, in the conditions of low productivity and shortage of capital equipment and machinery existing in India, it is possible to derive advantages, in terms of output and profit, by controlled overstaffing. This is one of the three suggestions he made in a paper presented at the seminar on plant utilisation held at Calcutta this week under the auspices of the Institution of Production Engineers. Mr. Solomon argues that overstaffing will reduce the time the machine lay idle due to such factors as the machine waiting for feed, for allocation of a job, for an operator, tool, inspection, repair, etc. In an Indian machine shop, according to him, the time a machine lies idle for such reasons works out to 60 per cent. of the time it actually worked. It is possible, he feels, to achieve a 50 per cent. increase in productivity by means of a 50 per cent. increase in staff. Thus more jobs and higher output would result.

The second suggestion of this distinguished adviser from the U.S. is introduction of multi-shifts and seven-day weeks. This, Mr. Solomon concedes, will impose greater burden on managements and require excellent co-ordination. Intensification of machine utilisation in each shift is the third suggestion made by him. This, according to him, is even more important than increasing the number of shifts. But it calls for a reduction in the waiting time of machines. He emphasises that both controlled overstaffing and fuller use of machines require understanding between workers and the management. Sub-contracting, which would obviate needless duplication of costly machines, can help to ensure a more intensive utilisation of machines. For achieving this, however, geographical groupings, fast transportation, quality control and greater procedural flexibility are essential.

According to the T.C.M. expert, for the application of such methods to increase output and profit, a special approach is required. Certain strong inertial factors, such as the tendency to treat technical personnel in the public sector as different from that in the private sector, have to be removed. It is wiser, he points out, to err on the side of generosity in the matter of remuneration for trained personnel in the public sector. Otherwise, there is the risk of a serious erosion of effective capacity, especially in the public sector, which today has to depend on what few men it could train and retain.

Mr. Solomon's suggestions, though novel and challenging, may not find favour with industrialists, unless their practical work, in terms of output and profit, is proved on the shop floor. It is desirable to try out these suggestions in a few selected units in the public and private sectors. Once their practical value is established, a large number of industrial managements may be willing to adopt them.

"Factoring"

"Factoring" is one of the many products of American ingenuity which are fast becoming popular abroad. In the U.S., factoring service is already a million-dollar business. The idea behind this unique service is that one organisation should be able to supply businessmen with a whole range of service such as credit insurance, finance, debt collection and assistance in obtaining sales representatives overseas. This sort of multipurpose service is considered to be particularly helpful to small business firms, with little contacts abroad, to enter the export market or stay strong therein. The factoring firm will render all services normally required in export business at a reasonable charge.

The establishment of a new company, called International Factors, in London marks the entry of factoring services into Britain in a big way. The Company has been jointly launched by the First National Bank of Boston, through its subsidiary, M. Samuel and Company, merchant bankers, and Tozer Kemsley and Millbourn (Holdings), a well-known confirming house in the U.K.

The promoters of the new Company hope to transact an annual business of £5 million to start with which, it is hoped, will rise to £10 million before long. Finance will be provided to exporters on short-term basis with three months as the customary period. Apart from rendering services other than providing credit, the Company will also assume credit risks involved in export transactions and thus obviate the need for Export Credit Guarantee Department's cover.

To start with, the Company will confine its business to Anglo-U.S. trade, imports into both the U.K. and the U.S. from third countries and domestic British trade. The range of coverage will be extended in due course to include trade with more countries. Here is a new line of business which banks in India can take up and thereby help India's export drive, as well as assist the flow of foreign private capital into this country.

Whither Gold And Dollar?

Another step to stem the continued outflow of gold from the U.S. was announced by the American Administration on Saturday the 14th inst., which, incidentally, is the last important official decision taken under President Eisenhower's regime. This pertains to the order (a) forbidding U.S. citizens and enterprises overseas to purchase gold forthwith and (b) requiring them to sell whatever holdings they have before 1st June next. Hitherto, it will be recalled, the U.S. citizens had been prohibited from hoarding gold only within the U.S., in accordance with the legislation enforced as far back as 1933, but there was no ban on their buying gold outside the U.S. and keeping it abroad. Justifying that the action has been taken to help the U.S. balance of payments position, the White House announcement says:

"It is not believed that a large amount of gold is being held abroad by citizens and corporations. However, since individuals and enterprises subject to the jurisdiction of the United States are not permitted to hold gold in the United States, it is reasonable to prohibit such holdings abroad where purchases generally represent an outflow in the U.S. balance of payments. The prohibition of such holdings also underlines the fact that gold today represents principally a means of settling international payments between individual foreign countries."

Before analysing the significance of the latest measure, a brief reference may be made to the extent of the gold loss suffered by the U.S. The gold reserves of the U.S., which stood as high as $22,860 million towards the end of January 1958, started declining in the following month of that year and the downward trend has persisted till today. The total of the reserves as on the 11th of this month was no more than $17,615 million. The total gold loss over the past three years comes to $5,245 million, or an average monthly loss of more than $145 million. Such a heavy drain has followed the persistently large purchases of gold made by several central banks and foreign exchange banks, especially in Europe, following rumours of a possible upward revision in the International Monetary Fund's $35 per ounce parity, as well as fears regarding the devaluation of the U.S. dollar in terms of other leading currencies. These factors have also been responsible, to some extent, for the conversion of dollars into gold by Americans themselves. It may be recalled, in this connection, that, early in 1959, a commercial bank in Canada provided facilities for hoarding in gold by non-residents and transactions in gold were allowed on the Toronto Stock Exchange. Later, such facilities were broadened by issue of gold certificates by a British bullion house in collaboration with a Canadian bank. These facilities, which were gradually extended, enabled citizens in the U.S. and other countries to convert part of their savings in gold. It is, perhaps, with

(Continued on page 140)

EQUITIES EDGE FORWARD

ALL-ROUND RISE IN VALUES

(From Our Own Correspondents)

BOMBAY, *19th January*

EQUITIES on the Stock Exchange which were somewhat hesitant last week edged forward during the week under review. The slight advance followed a revival of buying support induced by hopes of better outlook for industries. The suspension of the special deposits system by the Reserve Bank with effect from the 13th inst. was widely welcomed by operators who thought that it would raise the quantum of bank finance made available to industrial firms. The sentiment of operators was also influenced favourably by the news that the National Development Council had not recommended any increase in the taxes to be raised by the Central Government for the Plan from the original level of Rs. 1,100 crores, though the investment outlay of the third Plan had been raised from Rs. 7,250 crores to Rs. 7,500 crores. Note was, of course, taken of the offer of States to increase their additional tax effort by Rs. 60 crores to Rs. 610 crores. Firm advices from Calcutta, rumours of higher retention prices for steel and reports indicating good offtake of cloth, too, imparted strength. Enquiries, therefore, broadened on a wide front and values registered an all-round, albeit modest, improvement. The trend, of course, was not uniformly upward throughout the week. There was sizable profit-taking on Wednesday in particular and prices came down appreciably. But, on Thursday, a part of the fall was made good and the market showed resistance at lower levels.

In the steel section, Tata Steels elicited good support and advanced by Rs. 4.25 to Rs. 144; at one time today, they were quoted still higher at Rs. 144.50, as against a low of Rs. 139 early in the week. Indian Irons improved by 76 nP to Rs. 23.88 on better Calcutta advices. Mukand Irons rose from Rs. 21.76 to Rs. 23 on Tuesday, but declined thereafter and closed at Rs. 22.12 today. The net gain over the week was 36 nP.

Among textiles, Standards picked up Rs. 15 to Rs. 1,005. Finlays hardened by Rs. 12 to Rs. 330. Khataus spurted by Rs. 8.75 to Rs. 438.75. Centurys and Svadeshis put on Rs. 7.50 each to Rs. 464 and Rs. 234.50, respectively. Shree Niwas strengthened by Rs. 6.50 to Rs. 234, Gokaks by Rs. 5 to Rs. 178 and Podars by Rs. 4 to Rs. 134. Simplex gathered Rs. 3 to Rs. 165. Indores gained a like amount to Rs. 130. Morarjees improved by Rs. 2 to Rs. 315. Central Indias and Kohinoors rose by a rupee each, the former to Rs. 98 and the latter to Rs. 269. Elphinstones gathered 50 nP to Rs. 57. India Uniteds were firm at Re. 1.58, Swans at Rs. 480 and Tata Mills at Rs. 40. Mysores, however, declined by Rs. 3.50 to Rs. 59.50. Bombay Dyeings rallied from Rs. 60.40 to Rs. 61.30 on Tuesday, but eased subsequently to Rs. 60.10 today.

Sugars were irregular. Maharashtra Sugars rallied from Rs. 193 to Rs. 200. Walchandnagars recorded a rise of Rs. 6 over the week, today's closing rate being Rs 243.50. Phaltans were higher by Rs. 2 at Rs. 156.50. But Changdeos encountered selling and dropped Rs. 3.25 to Rs. 29.50. Belapurs began the week quiet at Rs. 316 and, after receding to Rs. 309 on Saturday, recovered to Rs. 316 yesterday. They, however, declined again to Rs. 312 today before finishing at Rs. 313. The net loss over the week was Rs. 3. Bhopals were unaltered at Rs. 29.

Induced by good buying enquiries, cement shares moved up. Associated Cements spurted by Rs. 4 to Rs. 150.75. Digvijays rose by Rs. 5 to Rs. 149. Bagalkots gained 24 nP to Rs. 8, Jaipur Udyogs 16 nP to Rs. 11.28 and Orissas 8 nP to Rs. 13.72. Ashokas, however, softened by 20 nP to Rs. 8.80 and Sone Valleys by 4 nP to Rs. 4.76.

Bank shares met with renewed support, induced by the publication of encouraging working results by a number of banks. Bank of Indias advanced by Rs. 5.25 to Rs. 114, 'A' shares improving by Rs. 6.50 to Rs. 117.50. Barodas firmed up by Rs. 4 to Rs. 86. Centrals hardened by Re. 1.50 to Rs. 57; 'A' shares gained a like amount to Rs. 61. United Commercials increased by Re. 1 to Rs. 85, Denas by 80 nP to Rs. 54.30, Punjab Nationals by 40 nP to Rs. 19.68 and Unions by 16 nP to Rs. 6.32.

Among automobiles, Premiers gained Re. 1.75 to Rs. 160.75. The U.S. Government has approved of a Rs. 3.43 crore D.L.F. loan to the Company to finance the expansion and modernisation plan. Hindustan Motors rose by 56 nP to Rs. 19.60. In the shipping group, Great Easterns were better by 12 nP at Rs. 15 and Scindias by 4 nP at Rs. 14.52. India Steamships rose from Rs. 9.12 to Rs. 9.40.

Engineering shares were well supported at higher levels. Alcock Ashdowns spurted by Rs. 15 to Rs. 253. New Standards rallied from Rs. 147 to Rs. 164. Telcos advanced from Rs. 285.50 to Rs. 296.50 on Tuesday the 17th inst. on reports that the Company will soon receive official permission for manufacturing 24,000 trucks annually. The improvement would have been more sizable but for fears regarding special making-up prices. Coopers rose by Rs. 3 to Rs. 159.50. Kamani Engineerings gained 44 nP to Rs. 15.56. Texmacos 32 nP to Rs. 22.92 and Larsen and Toubros 25 nP to Rs. 34.25. Premier Constructions, however, eased by Re. 1.50 to Rs. 278.

The shares of chemical and dyes manufacturing companies attracted good attention. Indian Dyestuffs climbed up by Rs. 26.25 to Rs. 433.75. Synthetics and Chemicals recorded a rise of Rs. 25.50 to Rs. 133.50. Colour Chems advanced by Rs. 20 to Rs. 307.50. Dhrangadhras hardened by Rs. 8.50 to Rs. 121. Alembics put on Rs. 2.50 to Rs. 222.50. Poly Chems gathered Re. 1.25 to Rs. 220. Amar Dyes, however, declined by Rs. 2.50 to Rs. 377.50. Among other miscellaneous industrials, Bombay Burmahs improved by Rs. 5 to Rs. 550.50, after being higher still at Rs. 556 on the 17th inst. Wimcos picked up Rs. 3 to Rs. 257. Indian Hume Pipes were quoted higher at Rs. 160.50, as against Rs. 155 last week. Hindustan Levers gained Re. 1.75 to Rs. 43.25 and Premier Tyres Rs. 2.50 to Rs. 73. Tata Chemicals gathered 44 nP to Rs. 17.40. National Rayons rallied from Rs. 482 to Rs. 495 on Tuesday but declined thereafter on fears of special making-up prices and touched Rs. 480.50 today. The closing was slightly higher at Rs. 482. After improving from Rs. 38.50 to Rs. 42.50, Gwalior Rayons finished at Rs. 41.50. Ceat Tyres encountered selling and eased by Rs. 8.75 to Rs. 220.

* * * *

Calcutta Stock Exchange

CALCUTTA, *18th January*

Treading initially on a dull path but subsequently inviting investor attention at lower levels with speculative stocks, the Stock Exchange wound up the week under review on a cheerful note. Many counters closed higher on balance, though, at a time during the week, gains were erased. New issues such as the British Paints attracted and absorbed a good portion of the funds from the market. There was also support induced by greater industrial prospects as was evident from the reports covering the proceedings of the National Development Council's meeting. Further, despite several budget rumours, the line of reasoning common in market circles was that, since New Delhi had on occasions indicated that tax burdens would not hamper industrial progress—it would be remembered that this was termed by the Finance Minister as the pragmatic approach—any increase in the level of direct taxation was not anticipated. If changes there should be in order that resources might be brought more in line with ambition, they would be in the sphere of indirect taxation. Mr. Morarjee Desai's oft-repeated feeling that the tax burden on industry was not heavy was yet alive in the minds of operators, and, therefore, caution and avoidance of long-term commitments as far as possible prevented a broadening of activity during the week. Nevertheless, the withdrawal of the deposit impounding scheme on the eve of opening of subscriptions to several new issues aided sentiment. Expectations of financial assistance from abroad for expansion in the coal industry lent steadiness in the shares of those companies the expansion plans of which are likely to be approved by New Delhi as conforming to the revised coal policy.

Among coals, Bengals were better at Rs. 318, while Burrakurs were quiet at Rs. 18.75. New Beerbhooms were wanted, but offers could not be found, following the proposals for issue of ordinary rights in the proportion of four for every five held now at a premium of Rs. 4 per share. Raneegunges were fractionally better at Rs. 15.56. Western Bengals being unchanged at Rs. 7.72. At Rs. 8.75, Samlas gained 25 nP, with Pench Valleys moving up from Rs. 19.62 to Rs. 19.69.

Textiles were firm. At Rs. 18 Bharat Commerce were better by a few naye paise. J. K. Rayons regained to Rs. 15.19 from Rs. 14.12. Kesorams hardened from Rs. 26.87 to Rs. 28.75. On the other hand, Elgin Mills were lower at Rs. 18.31 and Bowreahs changed hands at Rs. 154, as against Rs. 181 previously.

The number of transactions in jute recorded a visible shrinkage, as it was now apparent that the crisis facing the jute industry would not be nearer a solution until next season's crop gave a higher yield. Judging, however, from the high level of prices of jute goods, the current accounting period of mills was not expected to be worse than previously. Such a reason would only explain this week's gains following replacement buying. Howrahs were lifted up to Rs. 20.75 from Rs. 20. At Rs. 126, Budge Budges gained by Rs. 3, while New Centrals were pushed down from Rs. 20 to Rs. 19.50. At Rs. 135, Kelvins disclosed a loss of Rs. 2, Baranagores giving way from Rs. 119 to Rs. 117 and Champdanies from Rs. 104 to Rs. 102. Birlas were better at Rs. 27.87.

Engineering shares were steady. A feature was the rise in Indian Oxygens to Rs. 41.25 from Rs. 39.50 earlier. Indian Irons closed firm at Rs. 23.54, as against Rs. 23.06 earlier. Jays were bought at Rs. 32, as against Rs. 31.44 earlier. Texmacos at Rs. 22.75 closed a few naye paise higher on balance, while Braithwaites sagged from Rs. 31.75 to Rs. 19.25. Jessop & Cos. returned to Rs. 19.25, after being higher at Rs. 19.31. At Rs. 37.50, Guest Keen Williams struck a small gain.

Among minings, Metal Corporations, on improved prospects, hardened from Rs. 9.62 to Rs. 10.19. Indian Coppers were shown greater attention and gathered strength to Rs. 4.64 from Rs. 4.44. Karanpura Developments were firm at Rs. 20.37. Assam Silliminites were firm at Rs. 11.25, following the issue of ordinary rights in the proportion of seven for every six held at present.

Miscellaneous industrials, were not improved, were firm. Following higher dividend, Alkali and Chemicals were better at Rs. 34. Associated Batteries, on anticipations of enhanced dividend, were difficult to be located and subsequently changed hands at the higher rate of Rs. 35.75. National Pipes and Tubes, on similar expectations, reached a high of Rs. 22.44, as against Rs. 21.12 earlier in the week. At Rs. 30.00, National Cables recorded a small gain. Issac Holdens met with persistent support and were fully firm at Rs. 8.12. Angelo Bros. were better at Rs. 22.12. Gillanders Arbuthnots hardened to Rs. 12.59 from Rs. 12.25. On reports of expansion, Union Carbides scored from Rs. 46.87 to Rs. 48.75. At Rs. 40.87, Dunlop Rubbers were fractionally better.

Reports relating to the possibility of an imminent rights issue caused by an early rise in Orient Papers to Rs. 40.30 but profit-taking soon took the scrip down to Rs. 40.20. Ballarpores returned to Rs. 69.69 from Rs. 70.50, but India Pulps at Rs. 19.31 recorded a small gain.

Teas were quiet. Methonis moved down from Rs. 18 to Rs. 17.50 and Brooke Bonds from Rs. 15.75 to Rs. 15.50. But Hasimaras were fully firm at Rs. 21.62 and Naga Hills at Rs. 42.25 were a shade higher.

* * * *

Madras Stock Exchange

MADRAS, *18th January*

After remaining subdued in the initial sessions, the share market picked up strength as the week progressed. The earlier easiness was due to the apathy of operators to enter into fresh commitments without getting a clear picture of the National Development Council's final decision on the question of outlay and resources for the third Plan. Later, although the N.D.C. favoured the upward revision of Plan outlay, traders held the view that there was hardly any possibility of further increase in direct taxation. There was also revival of investment buying in some shares which had touched lower levels. Another helpful factor was the suspension of the special deposit system by the Reserve Bank. Textiles were firm, though buying enquiries were selected. Teas were steady, notwithstanding the deterioration of labour relations in certain plantations in Kerala. Coffees were also steady. Operators were awaiting the outcome of the forthcoming meeting of the Coffee Board to be held on 2nd February. Rubbers, however, ruled easy on selling pressure. Business put through in electricals, sugars and other miscellaneous industrials was restricted. Bank shares attracted support induced by reports of satisfactory working results of many banks.

In the textile section, Premiers elicited good support and rose by Rs. 2 to Rs. 225. Travancore Rayons improved by 95 nP to Rs. 33.20. Maduras were higher by 62 nP at Rs. 35.62. Coimbatore Spinnings put on 50 nP to Rs. 42.50. Lakshmis were fully maintained at Rs. 148, as also Buckinghams at Rs. 196.50, Metturs at Rs. 369 and Coimbatore Cottons at Rs. 158.50. Coimbatore Pioneers, however, suffered a setback of Rs. 9 to Rs. 335.

Among teas, Parksides improved by 25 nP to Rs. 27. Chembras put on 2 nP to Rs. 5.50. Periakaramalais fell initially from Rs. 3.36 to Rs. 3.35, but recovered later to Rs. 3.37. Twyfords, however, eased by 10 nP to Rs. 11.90. Nelliampathys shed 3 nP to Rs. 2.73. Chandramalais lost a like amount to Rs. 2.90. Devasholas changed hands at Rs. 30.50, Halleyburias at Rs. 14, Kil Kotagiris at Rs. 5.30 and Nonsuchs at Rs. 26.25.

Among coffees, Coffee Lands were fully steady at Rs. 18.30, Cowcoodys at Rs. 4.90 and Mysore Coffees at Rs. 5.34. But Consolidated Coffees were marked down by 73 nP to Rs. 21.62. Ouchterlonys fell by 5 nP to Rs. 4.50, before closing at the last week's level of Rs. 4.55.

In the rubber section, Rajagiris declined by 55 nP to Rs. 19.05. Midlands softened by 10 nP to Rs. 11.30. Thirumbadis were a shade easy at Rs. 1.48. But Cochin Malabars strengthened by 3 nP to Rs. 6.98, after declining to Rs. 6.88 earlier.

Among bank shares, Indian Overseas made headway by Rs. 3 to Rs. 180. Indians (PP) moved up by Rs. 2 to Rs. 145. Andhras (PP) put on 50 nP to Rs. 86. Canaras were maintained at Rs. 83.50, as also Pandyans at Rs. 33 and Punjab Nationals at Rs. 19.15.

In the sugar section, Cauverys encountered selling and declined by Re. 1.50 to Rs. 139. Travancores lost 10 nP to Rs. 10.40. E.I.Ds were subdued at Rs. 39.50 and Indias at Rs. 12.65. But United Breweries elicited special support and forged ahead from Rs. 125 to Rs. 132. Deccans hardened by 25 nP to Rs. 14.95.

Among miscellaneous industrials, Western India Plywoods suffered a loss of Rs. 2 to Rs. 239. Textools gave way from Rs. 174.50 to Rs. 173. Spencers lost 25 nP to Rs. 22.40. The Company has announced a final dividend of 12 per cent., taxable, making a total of 18 per cent, taxable for the year ended June 1960, same as last year. Among cements, Dalmias lost 15 nP to Rs. 11.20. Andhras were neglected at Rs. 9.90, Travancores at Rs. 8.60 and Madras at Rs. 100. But India Cements scored a gain of 14 nP to Rs. 5.97. Chemicals fared better. Metturs hardened by 50 nP to Rs. 12.75, following the announcement of an interim dividend of 6¼ per cent., taxable, for the year ending March 1961. F.A.C.Ts gained 2 nP to Rs. 9.30. Mysore Fertilisers and Mysore Chemicals were steady, the former at Rs. 11.25 and the latter at Rs. 26.10. Among others, Ashok Leylands rose by 30 nP to Rs. 8.20 and Aluminium Industries by 8 nP to Rs. 21.95. Indian Steel Rollings were maintained at Rs. 10.17. The Company proposes to raise fresh capital by issuing new 250,000 equity shares of the value of Rs. 25 lakhs. The capital will be used for the expansion of the Company's production capacity for wires and wire products from 3,600 tons to 7,200 tons.

The cotton textile mills' production in Decem- | of the treaty and promote co-operation between | year's record crop of

NEWS IN BRIEF

THE Planning Commission is considering a proposal to allot Rs. 25 crores for the establishment of a steel plant in the South which is expected to be located at Neyveli.

The Wage Board for jute industry is understood to have submitted an interim report to the Government in which it has recommended an increase of Rs. 5 in workers' monthly wages as an interim relief.

A coal tar distillation plant will be installed at Durgapur by the Government of West Bengal at a cost of Rs. 1.8 crores. The State Government has also decided to take over the D.V.C. spun pipe factory at Durgapur, which will produce pipes (used mainly for channelling water) worth Rs. 5 lakhs annually.

The Government of India has set up the Fertiliser Corporation of India, with Mr. K. R. Damle, Secretary to the Union Ministry of Food and Agriculture, as Chairman. The new body is formed by the amalgamation of the Sindri Fertilisers Corporation and the Hindustan Chemicals and Fertilisers at Nangal.

Extraction of lignite from the Neyveli project in Madras is expected to commence in July-August next. Lignite mining operation is at present proceeding in one quarter of the open pit area, and a depth of 140 ft. has already been reached. Lignite will be located by excavating another 40 ft.

An Italian economic mission is expected to arrive in India early next month for a two-month tour of the country. The mission, headed by Senator Emilio Battista, comprises 20 experts, representing different sectors of Italian industry and trade. The visit has been sponsored by the Italian Government as part of its drive for export promotion.

The Gujerat State Co-operative Marketing Society has been given the agency for distributing imported Russian oil and petroleum products throughout the State. The distribution work will begin first in six districts, namely, Ahmedabad, Kaira, Baroda, Panchmahals, Surat and Broach, where initially kerosene and diesel oil will be put on the market. Arrangements are also expected to be made for storage at Ahmedabad, Surat and Baroda.

The cotton textile mills' production in December 1960 is provisionally placed at 159 million lbs. of cotton yarn and 447 million yards of cotton cloth. At the end of December 1960, the composite mills of the cotton textile industry held an estimated total stock of 411,000 bales (of 1,500 yards each) of cloth, comprising 206,000 bales of cloth unsold and 205,000 bales of cloth sold but not lifted.

An official Bill, providing for the introduction of compulsory in-plant training for apprentices, will be introduced during the budget session of Parliament. Under the proposed legislation, it will be obligatory on the part of private factory owners to admit persons nominated by State Governments for training in their establishments. The move is designed to expand technical training facilities and improve the position of trained personnel.

The Government of India has revised the Merchandise Marks Regulations which require the goods to bear an indication of the country or place where they are produced. The main object in amending the regulations was to avoid any deception being practised by unscrupulous members of the trade. The regulations specify that the origin of goods should be indicated in large and conspicuous letters and further prescribe a minimum size of the lettering for such indication.

A pilot plant for the manufacture of firebricks was inaugurated this week at Churk in Uttar Pradesh by Mr. C. B. Gupta, the State's Chief Minister. The pilot plant, put up as a subsidiary of the Government cement factory, has at present an annual capacity of 1,500 tons of refractories, which will be expanded to 30,000 tons during the third Plan period. The plant, it is said, will be capable of meeting the entire demand for refractories in the State.

The number of passengers carried on Indian railways during the year ended March 1960 was 1,515 million, as against 1,275 million in 1955-56, the last year of the first Plan. This represents an increase of 19 per cent., which is 4 per cent. more than what was anticipated while formulating the second Plan. The heaviest traffic was on Western Railway which carried 369 million passengers in 1959-60. Northern Railway was the only zonal section showing a drop, the number of passengers being lower by one million, as compared with 1955-56.

The services of Mr. S. Barraclough, steel expert from the U.K., have been made available to the Indian Standards Institution for a three-month period under the Colombo Plan programme for Technical Co-operation in South and South-East Asia. During his stay in India, Mr. Barraclough will work on the I.S.I. Project on rationalisation of carbon, alloy and tool steel specifications, now nearing completion. Under this project, six schedules covering various types of steels are being prepared. When finalised and implemented, these specifications will help reduce the number of steels manufactured in India and help to conserve some of the most important alloying elements for steel, such as nickel and molybdenum, which are scarce in the country.

The Government of India has established six [illegible] research-cum-training centres for promot[illegible]search in the use of local [illegible] and improvement of construction techniques for village houses. These centres will also train technical personnel employed in the planning and implementation of projects under the village housing projects scheme. They have been set up in the form of a separate wing attached to six engineering institutions located at Bangalore, Anand (Gujarat State), Sibpur (Howrah), Roorkee, New Delhi, and Chandigarh. They will serve under the guidance of the National Buildings Organisation (N.B.O.) of the Union Ministry of Works, Housing and Supply. Appropriate arrangements will also be made by the N.B.O. for co-ordinating their activities so as to avoid any duplication of work at the centres.

The Government of India has appointed a committee under the chairmanship of Mr. M. R. Sachdev, Secretary, Union Ministry of Irrigation and Power, for detailed examination of the utilisation of raw coal and middlings from the existing washeries, and those proposed during the third Plan period. The committee will assess the advocacy of protection envisaged against the requirements of raw coal and middlings for the power generation programme during the third Plan period, and ensure that such middlings would be consumed in thermal power stations at or near the coal washeries. The Committee will also draw up a time schedule for the establishment of raw coal washeries. The report of the Committee will be submitted to the Government by the end of this month. It is estimated that about 20 million tons of inferior and low-grade coal will be required for power production by 1965. During the third Plan period, 17 thermal power stations schemes will be continued from the second Plan. In addition, 26 new schemes for thermal power stations are proposed for inclusion in the third Plan.

India and Pakistan exchanged instruments of ratification for the Indus Waters Treaty 1960 at New Delhi on the 12th inst. Mr. N. D. Gulhati, Additional Secretary to the Union Ministry of Irrigation and Power, and leader of the Indian delegation to the talks on Indo-Pakistan canal waters, represented India. Pakistan was represented by Mr. G. Mueenuddin, Secretary to the Ministry of Fuel, Power and Natural Resources, and leader of the Pakistan delegation to the talks on Indo-Pakistan canal waters. In accordance with Article VIII of the Treaty, the Government of India has appointed Mr. Hari Chand Kalra as its Commissioner for Indus Waters. Mr. Kalra, together with his counterpart to be appointed by the Government of Pakistan, will form the Permanent Indus Commission, which will establish and maintain co-operative arrangements for implementation of the treaty and promote co-operation between the two countries in the development of the waters of the Indus system of rivers. Mr. Kalra will also be Ex-officio Joint Secretary to the Government of India in the Ministry of Irrigation and Power.

The Board of Directors of the Central Warehousing Corporation, which met at Madras on the 16th inst., approved the programme of activities and the budget estimates of the Madras, Andhra and West Bengal State Warehousing Corporations for the next financial year (1961-62). The Union Food Secretary, Mr. B. B. Ghosh, who is Chairman of the Central Corporation, presided over the meeting. The Madras State Warehousing Corporation has so far opened 14 warehouses in hired accommodation. One more warehouse at Rajapalayam is expected to be set up by the end of the current financial year. The Corporation expects to set up five more warehouses during the next financial year. Side by side with this, the State Corporation has also gone ahead with schemes for building its own warehouses to replace the hired accommodation. Acquisition proceedings for land are now in progress at ten centres. Construction of warehouse buildings is expected to be completed at two centres by the end of the current financial year. The Andhra State Corporation will have 19 warehouses by the end of March 1961. Four more warehouses are to be set up next year at Tandoor, Chittoor, Anakapalle and Vizianagaram with a total storage capacity of 20,000 tons. The Corporation has acquired sites at seven centres and purchased godowns at four places with a view to shifting warehouses to its own buildings. The construction programme is to be further speeded up during the next financial year.

From Abroad

A transatlantic cargo carrier, Seaboard and the Western Airlines, proposes to reduce general cargo freight rates that would reduce ocean shipping costs by 70 per cent.

The foreign trade of France was almost balanced in 1960, for the first time in 23 years. Exports and imports touched record figures of N.Frs. 23,750 million and N.Frs. 24,000 million, respectively.

World production of cocoa in the current season (1960-61) is expected to reach 1.11 million long tons, an increase of 9.5 per cent., as compared with the previous year. Ghana alone is expected to produce 400,000 tons, representing a rise of 26 per cent.

The Shell-Mex and B.P. in Britain has raised its price of motor lubricating oils by 1d. to 1½d. a pint. This increase is ascribed to higher cost of raw materials, packaging and distribution charges, and improvements in the quality of oil.

The British National Union of Bank Employees has asked for pay rises, ranging from 7½-10 per cent., for the 120,000 bank employees. The Union points out that, while the bank salaries exceeded average earnings of other workers by 42 per cent. in 1949, this difference fell to just 14 per cent. last year.

PERSONAL

MR. N. S. Worah has been elected Chairman of the Western India Minerals Association for the year 1960-61.

Mr. Pratap Bhogilal, Director-in-charge of Shree Ram Mills Ltd., has been elected Chairman of the Millowners' Association, Bombay, for the current year.

Mr. Vallabhadas V. Mariwala and Mr. Pravinchandra V. Gandhi, have been elected President and Vice-President, respectively, of the Indian Merchants' Chamber, Bombay, for the year 1961.

Unemployment in the U.S. rose by half-a-million in December to 4.54 million—the highest level for the month in 20 years. The unemployed persons in December represented 6.8 per cent. of the labour force, as against 6.3 per cent. in the previous month. As compared with November, the number of persons employed fell by 1.17 million to about 66 million.

One of the leading British caterers, Messrs Fortes Company, proposes to invest several million pounds in constructing a chain of luxury motels (hotels with facilities for parking lodgers' cars) all over the country. Each motel costing about £25,000 will have a restaurant with seating arrangements for upto 200 persons and a bar.

The U.K. and U.S. Governments have protested to the Ceylon Government against certain proposals in the Petroleum Corporation Bill, which seeks to set up a State organisation to import and distribute petroleum products. The protest is related particularly on the proposal to empower the Corporation to acquire by compulsion the plant, equipment and property of the oil companies now operating in Ceylon, and to fix minimum and maximum prices. The U.S. and the U.K. have also taken objection to the proposal to buy Russian oil.

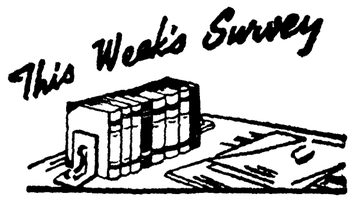
In view of the comfortable world supply position of coffee, the Government of Uganda proposes to reorganise coffee production and marketing. The new proposals seek to remove present controls on African-grown coffee and bring both African and non-African coffee on a similar marketing basis. Producers will have the option either to sell their coffee or to export abroad directly by them, subject to specified quality and grading standards. Uganda is expected to grow in the current year more *robusta* coffee than the last year's record crop of 110,000 tons.

The Government of Pakistan has accepted the project report on steel plant in West Pakistan, submitted by the British consultants, Messrs. John Miles and Partners. This covers a variety of schemes costing over £12.5 million. The Government will accept foreign participation upto 40 per cent. of the total cost, the balance being met by local interests through the Pakistan Industrial Development Corporation. The plant will initially process imported ore (from Goa) and pig iron but expects later to secure ore from indigenous sources. No mining operations, however, have so far been started. Meanwhile, another steel factory with an annual capacity of 1,000 tons is proposed to be built at Chittagong in East Pakistan. Some Japanese firms have already expressed their readiness to collaborate in this project.

U.S. consumers spent about $76,000 million for food in 1960, as compared with $73,000 million in 1959, and the figure is expected to reach $78,000 million in 1961. In order to keep pace with its continuing growth, the industry will continue to increase its plant and equipment investments, according to Mr. Paul S. Willis, President of the Grocery Manufacturers of America. This year's capital expenditures by U.S. food firms in this country and abroad are expected to exceed $100 million touched in 1960. In 1959, the figure was $76 million. The industry invested over $100 million in basic and applied research during 1960. Consumers fared well pricewise during the year, according to Willis. Retail prices for food averaged 2 per cent. below the level of 1958.

Photography is a $1,000-million business in the United States, with over 50 million people taking more than 27,000 million pictures a year. A survey published by the *Journal of the Society of Motion Picture and Television Engineers* reports that about one-fifth of the expenditure is made by business and industry. Another $50 million are spent on educational, religious, civic and medical groups and individuals, while another $50 million are spent by Government at national, State and local levels. The photographic market is considered in the trade to consist of five groups, the home movie and amateur snapshot field with 36 per cent. of sales, commerce and industry with 28 per cent., Hollywood-type periodicals and books 14 per cent., and medical-dental 11 per cent.

A new form of international assistance which will enable developing countries to "import" top-level civil servants in the fields of education, science and culture has been approved by the Administrative Commission of the eleventh session of the U.N.E.S.C.O. General Conference which met at Paris last month. The Commission adopted a resolution which authorises the U.N.E.S.C.O. to supply to governments, upon their request, the temporary services of teachers, professors, heads of institutions and other technical personnel. While on duty, these "operational or executive personal," as they are termed in the resolution, will be servants of the governments which have requested them. They will be paid salaries by these governments similar to those offered to national civil servants at the same level, with the U.N.E.S.C.O. making up the difference required to attract outstanding personnel on an international basis.



SOME COAL AND STEEL PROBLEMS

THE Government of India did well last year to invite two expert teams from the United States—one for advising how best India's coal production could be stepped up and the other for appraising, in particular, the personnel requirements of the three public sector steel plants. It is noteworthy that both these teams have carefully studied the problems of the respective industries and made some practical recommendations. The coal team has recommended that suitable incentives be offered to private collieries to expand production. Such incentives should include credit facilities for modernising their equipment, a depletion allowance and liberalisation and simplification of the procedure governing import licences for coal machinery. More transport facilities for quick movement of coal from the mines to the consuming end and more washeries to improve the quality of coal are two other noteworthy recommendations. Particularly in regard to washeries, the team's recommendation is to the effect that the cost of installing such washeries should be offset by raising the price of washed coal which the consumers might not grudge paying in view of their buying less in quantity with improvement in quality.

Since the shortage of washed coal for steel plant continues to be acute, the price incentive recommended by the team and certain other favourable terms could well be provided to the private sector so that it may also set up some washeries. If more coal production has to be secured from the private sector, it must also be logically enabled to supply as much washed coal as possible. This problem of washing coal and the problem of equipping deep mines with modern machinery would need to be energetically tackled by the Government through provision of price and other incentives. Special permission to private collieries for working new or non-contiguous areas alone would not do in the absence of other necessary incentives. It is high time the Government formulated a more comprehensive policy governing coal production in the private sector, so that the possibilities of American technical and financial aid in this regard might be fully availed of. It may be that American aid could be secured particularly for mechanising deep and large mines. If that happens, it will have the additional advantage of facilitating replacement and availability of spare parts from the same manufacturing source. It is to be hoped that the practical advice of experts from a country which has been, and will continue to be, providing massive economic aid will not be ignored by the powers-that-be.

No less practical is the advice given by the other expert American team on the personnel problem of the steel industry. This team's critical approach to the problem may be initially resented by the authorities in charge of the public sector steel plants for two reasons. In the first place, the team has given the finding that the Board of Directors of the Hindustan Steel lacks authority to the extent that effective action to develop and implement organisational plans, particularly in the area of personnel training, are always subject to repeated review by the Ministry of Steel. Secondly, the team does not think that the need for training 600 additional engineers and senior supervisory personnel in the United States by 1963-64 has been solidly established by the Hindustan Steel. This latter finding has led to the recommendation that the Hindustan Steel's request to the American Iron and Steel Institute (on whose behalf the expert team came to India) for providing training facilities for 600 more Indians (besides the 600 trainees under the current programme due to be completed by July 1961) be deferred until fuller clarification of the Company's requirements is obtained. It may be that the Hindustan Steel did not have the Bokaro project in mind when it made the request to the American Iron and Steel Institute, for the programme of training 2,000 engineers in foreign countries for the three steel plants at Rourkela, Bhilai and Durgapur had not progressed satisfactorily as of 1959-60. Till the end of that year only 1,080 Indians had been sent out for training as engineers—387 to the U.S.A., 328 to the U.S.S.R., 200 to the U.K., 119 to West Germany, 45 to Australia and one to Canada. Probably firm arrangements had been made for training only about 1,500 engineers, including those who were to be sent to the United States under the joint auspices of the Ford Foundation and the U.S. Technical Co-operation Mission.

Whatever be the present actual position in regard to the training of 2,000 engineers, there is a patent need for increasing that number if the requirements of the Bokaro plant are also to be met by advance training before 1963-64. Since the American team has not entirely ruled out the possibility of training more technical hands in the United States, the Ministry of Steel would do well to accept its advice and decentralise its power to the extent of enabling the Hindustan Steel to have organisational and administrative autonomy. Such autonomy is needed to prepare and implement an effective training plan which, as recommended by the team, should be carried out in three phases—namely, (i) work, emphasising manual skills, for at least six months to a year in India at the plant where the trainee will ultimately become supervisor; (ii) nine-month technical training in the U.S.A. in the trainee's field of speciality; and (iii) provision of opportunity in India to the trainees to apply their technical knowledge in actual operations under qualified supervisors. As the team must have fully taken into account the practical implications of this training plan in three phases, its advice in the matter of administrative and organisational procedures deserves to be carefully considered.

SUGAR INDUSTRY

It is surprising that the Development Council for Sugar Industry has not released to the Press any information pertaining to the deliberations of its eleventh meeting held at Shakkarnagar in Andhra Pradesh last week or the decisions taken thereat. All that has been made available is a brief summary of the speech delivered by the Council's Chairman, Mr. L. G. Rajwade, I.C.S. If the public is to judge the work done by the Council, it must be kept adequately informed through publicity in the Press, at least whenever the Council holds important meetings. Be that as it may, it is gathered that the Council had before it an agenda which contained a number of interesting subjects, including implications of decontrol of sugar (based on the resolution moved by a member), review of the progress in the grant of licences for new sugar factories during the third Five-year Plan and the report on cane cess utilisation submitted by the Joint Committee of the Council and the Indian Central Sugarcane Committee.

In his opening speech at the meeting, Mr. Rajwade indicated that the pace of development of sugar industry would be greatly accelerated in the next five years. The production capacity of white sugar, we are told, is being stepped up from 2.5 million tons in 1960-61 to 3.5 million tons by the end of the third Plan (1965-66). Issue of licences has already been approved of for nearly 500,000 tons of capacity through the establishment of 20 new factories (including 14 co-operatives) and expansion of 49 existing units. In view of the sizable increase in capacity contemplated, it is but natural that due attention must be paid to ensure plentiful supplies of sugarcane. It is gratifying to hear from Mr. Rajwade that a large sum of Rs. 12.00 crores has been provided for cane development in the third Plan (of this, expenditure in the first year, that is, 1961-62, alone is expected to be Rs. 2.35 crores), as against the second Plan allocation of Rs. 8.00 crores and the actual estimated expenditure of Rs. 7.10 crores. The development schemes would be mainly directed towards increasing the acre-yield, though a small expansion in acreage may also occur, mostly in the newly irrigated areas.

The proposed move to intensify sugarcane development in the third Plan is to be welcomed, as it may well lead to an improvement in the quantity of cane raised in any given area of land. But from the point of view of the quality of cane grown, the progress achieved may not be much, unless efforts are made to replace the present defective method of paying for cane only on the basis of weight by one which takes into account both weight and sucrose-content. Unless this is done, the yield of sugar per acre will continue to be low. It is unfortunate that, although the authorities fully appreciate the need for linking cane prices to quality, they fight shy of the issue.

The progress of licensing in sugar industry as reviewed by Mr. Rajwade reveals that, as against the second Plan target of 2.5 million tons (installed capacity), licences had been issued for the setting up of 53 new mills (38 co-operatives) and expansion of 71 existing factories, covering an additional annual capacity of 1,016,000 tons. Of the 53 new units, 31 (24 co-operatives) had gone into production upto the 1959-60 season and three more commenced operation in the current season. Expansion has also been completed in 34 factories and a few others have carried out the programme in part. In all, a little over 600,000 tons of new capacity has been established so far. At the commencement of the first Plan, the installed capacity of the sugar industry was about 1,500,000 tons, of which nearly 78 per cent was in Northern India and the remaining 22 per cent in Maharashtra, Gujarat and other States in the South. As a result of licensing establishment of more capacity in the latter States during the first and second Plans, the ratio has changed to 63 per cent in the North and 37 per cent in the South. This shows that the industry is now dispersed over a wider area and there may, according to Mr. Rajwade, be a further dispersal along these lines during the third Plan.

Referring to the sugar supply position, the Development Council Chairman merely stated that the country seemed to have turned the corner with sugar output in 1959-60 touching the peak level of 2.422 million tons. He did not say anything about the question of decontrol, perhaps because he thought that it would be better to leave the question to be discussed by the Council itself. During the discussion, the representatives of sugar trade urged the immediate removal of controls on sugar. The spokesmen of sugar millowners are reported to have raised no objection to the plea, but they stressed that ways and means must be devised to prevent a fall in prices which, it was pointed out, would adversely affect production and the interests of cane growers. It is, however, not known whether the plea for decontrol of sugar was accepted or rejected by the Council.

COLOMBO PLAN: TECHNICAL CO-OPERATION

The Technical Co-operation Scheme is an integral part of the Colombo Plan. It provides a framework for exchange of technical assistance between the participating countries. The Council for Technical Co-operation not only acts as a clearing house where requests and offers of assistance are received and met but also co-ordinates the programmes under the scheme. Like the Consultative Committee, the Council also submits annual reports on technical assistance surveying the yearly progress of the technical co-operation scheme.

The annual report of the Council for 1959-60, just published, shows that technical co-operation during the year was on a more extended scale than in the previous twelve-month period. Technical assistance under the Plan continues to come mostly from member-countries outside the Plan area, but countries in the region themselves are providing assistance to each other in an increasing measure. Technical co-operation involves the provision of training facilities, the supply of experts and furnishing of equipment. The total number of new training places offered and accepted during the year ended June 1960 was 4,268, as compared with 3,962 in 1958-59, bringing the total since the inception of the Plan to 15,116. Of this, India accounted for 1,279. New training places awarded by Canada (277) and the U.K. (613) in 1959-60 were greater than in any previous year. Similarly, the number awarded by the U.S. increased from 2,245 in 1958-59 to 2,511 in 1959-60. The total number of places provided by Governments within the region, however, dropped from 321 to 309.

The distribution of training places among the recipient countries remained much the same as in the previous year. India was the largest recipient (1,045), followed by Thailand (570), Indonesia (457) and Viet Nam (403). The fields of training showed some significant changes. Education, general as well as technical, food, agriculture and forestry, industry and trade, and transport and communications were the categories in which major proportional increases had occurred. The smallest increases were recorded in such fields as statistics, fisheries and co-operation.

The total number of experts supplied during the year aggregated 535, as compared with 192 in 1958-59, bringing the total number of experts supplied since 1950-52 to 1,729. Of the 535 experts supplied last year, 324 were from the U.S., 62 from Japan, 50 from Australia, 46 from the U.K., 34 from Canada, 14 from New Zealand, four from India and one from Indonesia. In the earlier years of the Plan, medical and health experts predominated, but a decline came to be noted in the last few years in these categories which gave way to engineering experts. The demand for both these categories was displaced in 1959-60 by a request for experts in agriculture, food and forestry, and education. This is, perhaps, an indication of the growing realisation of the need for strengthening agriculture as a safe foundation for the industrial super-structure which all countries of the region propose to build up.

Supply of equipment is an essential part of technical co-operation. Provision of equipments is very important. When this facility accompanies an expert, it makes his assignment more effective. It also enables trainees to put their training to good use on their return home; it may directly assist the supply of skilled manpower by encouraging research, demonstration and training. In 1959-60, equipments worth £2.96 million were supplied by 12 countries, including India. The total value of equipment supplied since 1950 is £9.51 million.

Are these extended assistance programme sufficient to meet the demand? Certainly not; not because the supply is not increasing but because the demand is rising progressively and continually. Larger numbers than ever before are receiving training under the Plan now and more equipment is being supplied to train people to solve the problems of low productivity. But the demand is as great now as ever before. It is this fact, as well as the realisation that technical co-operation, as it exists now, is making a major contribution to the economic development of the region that has prompted the member-nations to extend the terminal date of the Plan from 1961 to 1966.

FOOD SITUATION

An encouraging feature of Indian economy as the second Plan draws to a close is the emergence of a slightly easier food situation. From the mid-1960, that is, the commencement of the new crop year, prices of foodgrains have tended to drift lower. The wholesale price index of cereals (base=1952-53) has declined, from 110 in July 1960 to about 99.7 by the third week of December, which compares with 99 a year ago. The index number of pulses has also fallen from 96 to 92.29 (as against 92 in December 1959). Towards the close of December, however, foodgrain prices showed a tendency to look up, thanks to reports of insufficiency of winter rains in the unirrigated areas in North India growing *rabi* crops. But this has proved to be a short-lived phenomenon. The revival of beneficial rains subsequently has brightened the prospects for *rabi* crops. Arrivals at terminal centres have also improved. The new year has thus opened on a note of relief. The latest available quotations from Hapur show that wheat of average quality and farm produce are ruling at Rs. 17.25 and Rs. 18.50 per maund, respectively, which compares favourably with Rs. 18 and Rs. 19.25 a year ago. *Basmati* rice is quoted at Rs. 27 to Rs. 28, as against Rs. 30 to Rs. 34 in the beginning of last year.

The following table shows the movement of wholesale price index of foodgrains since July 1960, the beginning of the current crop season:

1960	Rice	Wheat	Cereals total	Pulses
July	115	92	110	96
August	115	90	108	93
September	114	90	108	94
October	111	90	105	95
November	106	90	104	94
Week ended 24th December	N.A.	N.A.	99.7	92.29

N.A.—Not available.

There is nothing to suggest that this declining trend will be reversed in the immediate future. The long-term agreement with the U.S. for the import of 17 million tons of foodgrains, involving arrivals of about 300,000 tons every month, has virtually dampened the enthusiasm of hoarders. This deal has created a climate of confidence about the outlook for food, as Mr. S. K. Patil, Union Minister for Food and Agriculture, put it last week in the course of a broadcast talk from Bombay. Further, creation of food zones, linking the deficit States of Maharashtra and Gujarat with the surplus State of Madhya Pradesh, as also West Bengal (deficit State) with Orissa (surplus State), has prevented, in time, the possibility of any undue spurt in food prices in the deficit areas and prevented a slump in the surplus regions. Early this week, the Punjab Government lifted the ban on direct purchase of wheat in the open market by roller mills, except in the case of three flour mills, one each at Chandigarh, Jullundur and Gurdaspur. It has also removed the restrictions on the extraction of *maida*, *suji* and *rawa*. The mills will also be permitted to export these to Rajasthan, besides the States in the same food zone. With the easing of restrictions on the movement of foodgrains thus in the various parts of the country, it is reasonable to assume that the improvement in crops during the current season would serve to step up the flow of marketable surplus to urban areas.

Lest the present situation should generate complacency, it is necessary to remind that the "climate of confidence" that is now apparent is not so much the direct result of the Plan efforts but is the outcome of an extraneous factor, not thought of in the beginning of the second Plan, namely, the P.L. 480 agreement. This is in distinct contrast to the situation that prevailed at the end of the first Plan, when food production had exceeded the targets, enabling a substantial reduction in imports. The output of foodgrains in the 1960-61 crop year, which is well under way, will be, according to the Union Ministry of Food and Agriculture, about 75 million tons. This total is 5.5 million tons lower than the revised second Plan target. The current rate of increase (3 per cent. per year) in production is scheduled to be doubled in the third Plan. If this is to be fulfilled and the confidence of consumers retained, substantially bigger and more concerted efforts than has been the case so far are called for. Will the administration in the States and the Centre alike, on the one hand, and the farmers, on the other, rise to the occasion?

THE LAST EISENHOWER BUDGET

President Eisenhower's last Budget, that for the fiscal year July 1961-June 1962, was submitted to U.S. Congress on 16th January—four days before Mr. John F. Kennedy was installed President. Since the new Administration will be free to ask Congress to alter the Budget estimates of expenditure or of revenue in the light of its own policies and programmes, it would seem that comment here is rather premature. This may be so only in so far as the domestic economic and fiscal policies of the Democratic Administration are concerned. Already, Mr. Douglas Dillon, who will be the new Secretary of the Treasury, has told the Senate Finance Committee that the surplus of about $1,500 million estimated in the Eisenhower Budget is likely to turn into a deficit in view of the decline in corporate profits. While the outgoing President laid emphasis on balancing the budget and avoiding deficit financing so as to maintain international confidence in the dollar and prevent inflation at home, Mr. Dillon has just expressed himself against over-rigidity in trying to achieve a balance every year, though he has also conceded that it is important to achieve a balanced budget "over a period of years." There is also a report to the effect that President Kennedy's economic advisers have just made out a powerful case for raising civilian and defence expenditures through deficit budgeting so as to stimulate the economy towards a faster rate of growth. At the same time, it is not inconceivable that such stimulation may also be brought about by temporary tax cuts which, however, are not deemed currently advisable by Mr. Dillon. Obviously, the new Administration will take some time before it calls for changes in the Eisenhower Budget which has estimated receipts at $82,300 million and expenditure at $80,900 million. The budgeted expenditure includes $43,000 million for defence, representing an increase of about $1,500 million as compared with 1960-61, and $4,000 million for the total Mutual Security Programme, of which $1,800 million is for military, as distinct from economic, aid. The aggregates in the Budget, probably barring the one pertaining to foreign economic aid, may come in for revision and do not, therefore, call for comment here. It is the provision for economic aid—a provision which is least likely to be disturbed by the new Administration—that has a more immediate relevance, meriting fuller examination.

The Mutual Security Programme, under which the U.S. Government has been giving economic aid to a number of less-developed countries round the world, is allotted $1,875 million in the Eisenhower Budget—an amount substantially higher than the provision of $1,700 million in 1960-61. The present provision covers $425 million (representing an increase of $150 million over 1960-61 mainly because of earlier commitments) for the Development Loan Fund, $921 million for the economic cost of defence forces and for special economic assistance and $529 million for technical co-operation and other assistance. The increased allocation is explained by some new factors. The D.L.F. and the Export-Import Bank have now to meet larger requests for a variety of productive projects in such fields as electric power, transportation and industry. It is also recognised that some countries like India and Pakistan need loans on a broader basis than individual projects to ensure the success of their development plans. While the D.L.F. requires a supplemental appropriation of $150 million for 1960-61 and a budget provision of $425 million for 1961-62 (with new obligational authority of $700 million), the Export-Import Bank plans to finance its operations—without incurring new budget expenditures in 1961-62—by encouraging private lenders in the U.S. to participate in its loan programme, by using funds obtained through repayments and interest on prior loans and by selling notes from its large portfolio. An increase of $66 million, as compared with 1960-61, in special assistance funds asked for is due principally to the growing need for aid to Africa. The increased provision for technical co-operation and other assistance is explained by larger contributions to the U.N. Special Fund and the U.N. Technical Assistance Programme.

Over and above all these items (which, together, account for the total provision of $1,875 million under the head "economic aid"), there is an allotment of $369 million for economic and financial assistance to national and international agencies. This includes, besides contributions for inter-American co-operation and development purposes, a payment of $62 million to the International Development Association and $151 million earmarked for commodity grants for emergency relief and development abroad under U.S. Public Law 480.

It is thus noteworthy that the Eisenhower Budget has proposed substantially larger allocations for both bilateral and multilateral economic aid. This pattern of aid and its magnitude are least likely to be disturbed by the Democratic Administration under Mr. Kennedy. If anything, some improvement may conceivably be recommended to Congress now that Mr. Douglas Dillon (who created the Development Loan Fund) has been appointed Secretary of the Treasury in the Kennedy Administration and Mr. George W. Ball (who headed the group which recommended doubling foreign economic aid over a four-year period and financing the D.L.F. by borrowings from the Treasury) has become Under-Secretary of State for Economic Affairs—a post which is described as the most influential where foreign aid and trade policy are concerned. Incidentally, it may be significantly recalled that the task force headed by Mr. Ball also recommended a five-year extension of the Reciprocal Trade Act from 1962, giving the President authority to cut tariffs upto 50 per cent. If, under the Democratic Administration, development aid on a possibly larger scale comes to be coupled with freer trade, it will be a very salutary trend indeed for international economic progress.

Notice

THE ALKALI AND CHEMICAL CORPORATION OF INDIA LTD.

NOTICE

THE PREFERENCE SHARE REGISTERS OF the Company will be closed from the 25th January 1961 to the 3rd February 1961, both days inclusive.

By Order of the Board,
IMPERIAL CHEMICAL INDUSTRIES (INDIA) PRIVATE LTD.,
Secretaries.

CALCUTTA, 9th *January*, 1961.

ON THE ARENA

By The Archer

Sell All That You Can; Buy Nothing

THIS is the slogan nowadays. If you like to have it in more direct language, you will find it in "Export or perish." The Minister for Commerce and Industry, being a good-natured and mild person, has not said so, not exactly, but, even when performing the act of laying the foundation-stone of a new industrial enterprise, he declared that, at least, 25 per cent of the product of each industry should be reserved for export. There was a further sting in the tail of his speech when he mentioned that, at one stage, the Government intended to introduce legislation in this respect but later gave up the idea and decided to enlist the co-operation of industries to achieve this objective.

Was it necessary to mention this at all? I ask, because it serves no purpose to tell any section of the public about the unexecuted intentions of Government, unless it be to administer a warning that they may be executed if it does not behave properly, a warning, so to say, of the shape of things to come. People who read ministerial utterances are shrewd enough to realise that the threat of a statutory directive to export a fixed percentage of industrial output is as impossible of enforcement as, for instance, a directive that a specified number of unmarried women in a particular locality should get married during a particular year. The willingness to get married is, perhaps, as much of a primordial urge for most girls (if only they spot the marriageable young men of their choice) as the willingness to sell goods in the export market for producers (if only they secure orders and the price of their choice) and, in both cases, the imponderable factors are so many and so varied that the parties make only feeble efforts, depending for the success of such efforts mainly on Divine Grace.

One interesting fact that has emerged from the Minister's speech is that, while commentators have labelled it as a tall order, they have also started demanding "suitable fiscal and monetary policies for creating the proper climate for export promotion." It always happens that, when the State assumes an extreme stand, the community replies by asking for a variety of safeguards and incentives; that is why wisdom demands that threats should not be used in a democracy where adults are concerned; the case of children is different. In this particular context what should have been insisted on is (a) superior quality of manufacture, (b) maximisation of production, and (c) achievement of as low a cost of production as possible. If these three requisites are secured, and the internal demand is reasonably satisfied, export follows almost as a natural corollary. One may try very hard to export, but will not succeed unless one's competitive position in a foreign market is secured by achievement of competitive quality and competitive price. As the main purpose of establishing indigenous industries is to satisfy internal demand, maximisation of production, that is, achievement of the highest output possible, should be insisted upon, so that an exportable surplus is available. And so it happens that the correct slogan which would stand the test of pragmatism should be "Achieve quality, increase production and reduce costs," and not "Export or perish."

There is another feature of this tricky business of exports which needs to be carefully studied in connection with export promotion. It relates to the type of products which will satisfy foreign tastes for which a continuing study of foreign markets is essential. Our textile interests seem to have realised this to some extent, but not fully, and there are several other industries which are still lacking in that kind of positive effort which goes to make successful salesmanship. There is an old Chinese tale which illustrates the kind of effort I am referring to. A leading manufacturer of coloured tiles had a visitor who looked a very desirable customer. It turned out that he was a millionaire and had conceived the idea of building a mausoleum for his dead wife, and it had to be magnificent, with all the colours of the rainbow, the most beautiful in all China. The visitor looked at the samples of the tiles, saw them in compartments neatly arranged and stacked, but could not make up his mind about their suitability for the design that he had conceived which was more riotous than orderly. The tile manufacturer was disappointed that he could not book the large order which was calculated to run into millions, but was still hopeful of satisfying the customer, if he was given time. A date was fixed some weeks later for another visit to the works when something new would be shown. The manufacturer then employed an army of workmen to break and reduce the tiles to fine powder and created a beautiful mountain of variegated colours—yellow, purple, blue, violet, red, green and orange, all of which flashed from a distance in blended brilliance. The customer came again on the appointed date and was fascinated; he bought the entire heap paying for the cost of the tiles, the charges for smashing and powdering and an extra for conception of the idea. The tile maker's good salesmanship consisted in catering to a taste which was not only expensive but also eccentric.

* * * *

Land Ceiling Reform in Maharashtra

The sugar industry in the State of Maharashtra has developed high blood pressure. The immediate cause, according to the President of the Deccan Sugar Factories Association, is the proposed Land Ceilings Bill, which, it is feared, will undermine the success of sugar industry in the State, and efface the experience and efficiency which it has built up over a period of four decades. It is stated that the yield of sugarcane in Maharashtra is 53.25 tons per acre, as against 56.20 tons in Java and a meagre 14.70 tons in all India; similarly, the average percentage of sugar recovery is 11.80 in Maharashtra, 11.49 in Java and 9.84 in all India. These spectacular achievements are due to scientific farming methods adopted by the Deccan factories in extensive farm holdings wherein they have succeeded in cultivating high quality cane in abundance.

The sugar industry contends that, even conceding the ideological argument that land ceiling legislation could be justified on the ground that concentration of land wealth should be eventually eradicated, the statistics of proprietory and leasehold ownership of sugarcane land in Maharashtra go to show that the existing pattern discloses nothing sinister. The land that the factories own constitutes only 0.06 per cent of the total cultivable land in the State. The land owned and cultivated by some eleven factories totals 33,000 acres, and the land held on lease is 76,000 acres. There are over 21,000 shareholders in the companies who may be considered as holding the total of 109,000 acres of land. The average per shareholder works out only to 5.19 acres. The factories claim to give good wages for agricultural labour and are reported to maintain agreeable working conditions. From all accounts, they are credited with maintaining model farms and efficient laboratories and with having established improved agricultural practices in the rural areas. In spite of all these praiseworthy endeavours, should they be subjected to disintegration? It is apprehended that disintegration will result in setting back the clock of progress if the lands are turned over to less efficient agencies such as Government farms, co-operative societies and individual farmers as contemplated in the legislation. Pro-legislation spokesmen, however, seem to feel that they have effective counter-arguments. They say that the rent paid by the sugar companies to the farmers was Rs. 50 per acre while the profits earned on the lands amounted to Rs. 800 per acre. They also believe that the farmers living in the vicinities of factories have now acquired sufficient technical competence to continue the good work of the farms, and will be compelled, by legislation, to sell cane to the factories at fair prices. And so, in their view, the time is ripe for implementing the ideological concept of imposing a ceiling on land holdings, which implies the taking away of land from those having large holdings on payment of compensation, and the transfer of surplus land to farmers having uneconomic holdings or to landless persons.

The argument that the companies have fixed low rentals for leasing the farm lands and that they do not bear fair relation to the large profits made by them reminds me of a story that dates its origin to the days of Tenali

(*Continued on page 140*)

LONDON LETTER

A MOTTLED SKY FOR 1961

(From Our Own Correspondent)

LONDON, 13*th January*

SOON after Prime Minister Macmillan had given one of his usual cheerful summaries of the prospects for the nation, the Chancellor of the Exchequer made a speech in Liverpool in the heart of the cotton country this week, where only very realistic sentiments get much attention. Naturally enough, he saw *behind* the nation a number of encouraging signs of progress—he pointed out that, in the third quarter of last year, the latest quarter for which statistics are available, steel output was one-fifth up on the previous year, machine tool output one quarter up, commercial vehicle output one-tenth up and general chemical output one-seventh up. But he admitted that, for most of last year, the production curve in industry generally had levelled off. However, because capital expenditure by manufacturing industry was nearly one-third up in the third quarter on the previous year, he judged that business, generally, was not thinking in terms of a stagnating economy.

And then, as regards distribution, he pointed out that nearly one half of the wage earners in industry had had substantial increases in income last year which spread over the whole of the labour force represented a 5 per cent increase in *real wages*. Moreover, the profits of companies reporting last year showed an increase of 14 per cent.

The growth in productive activity and in national income had increased the nation's import bill at the annual rate of £635 million over 1959. More than two-thirds of this increase was in materials for industry, both raw materials and semi-manufactures. Another quarter of the increase was in respect of finished manufactures, the greater part of which were machinery, vehicles, ships and aircraft.

Thus, the growing import bill was not significantly due to commercial spending. It was the result of industrial development. And this, thought the Chancellor, was an excellent thing, provided the imports could be paid for. In assessing the trend of these imports, he thought the peak had been reached and therefore the country's concern should be to meet the import bill at the present level—but, on this occasion, Mr. Selwyn Lloyd did not propose to deliver an exhortation on imports.

Danger of Inflation

What he did was to give a lecture upon the general danger of inflation growing once again, and that, in the Government's view, was still the weak spot in the economy. And to the Chancellor inflation, as a result of rising costs, raised the old bogey of pricing ourselves out of our export markets and reducing the value of wages and small fixed incomes. But he also made it clear that the Government did not propose to do very much about this. The Government would stick to its monetary controls and beyond that it was up to industry to observe restraint in wages and profits. As for the various measures of credit restriction, the Chancellor said, "I will relax these measures as and when I can in the interests of the economy as a whole."

Unfortunately, he then took a look at Government expenditure, and pointed out that the spring estimates were going to be a good deal higher largely as a result of pay increases to Government servants and increases in educational facilities. He left his listeners with a sorry picture of the prospects of reduced taxation.

For the rest, he put the onus on "our people" whom he exhorted to

(1) Modernise industrial practices;

(2) Develop the will to work;

(3) Develop the will to export;

(4) Develop the will to forgo present consumption in the interest of investment;

(5) Realise that there is a limit to what can be provided from the public purse, and

(6) "Have a clear view of where we want to go as a nation."

So it looks like short commons for 1961, with not even the Chancellor providing a clear view of where we should go as a nation!

All Rights Reserved.

OFFICE SECRETARY TO GOVERNMENT
23 JAN 1961
PUBLIC DEPARTMENT

Sardesai

Golden Jubilee Year 1961

SARDESAI BROTHERS LIMITED

(ESTD. 1911)

Post: Sardesai Factory, Bilimora (W. Rly.)

Pioneers in the manufacturing of

TEXTILE AUXILIARIES & PENTA CHLORO PHENOLS

Complete 50 years of National Service to the Industry

This auspicious year also marks the

launching of a NEW PROJECT of manufacturing

CARBOXY METHYL CELLULOSE

The Inauguration

of their plant at Bilimora (W. Rly.)

will be performed by

The Hon'ble Shri Manubhai Shah

Union Minister for Industries

On Sunday, January 22nd, 1961

FUTURE OF INDIGENOUS BANKERS

REVIVAL OF DEMAND FOR DIRECT LINK WITH RESERVE BANK UNWISE

THE unique position held by shroffs, or indigenous bankers as they are called, in the credit system of India, namely, their pivotal role in financing agriculture, trade, commerce and small-scale industries, and the revival of the old demand for linking the shroffs with the Reserve Bank of India formed the highlights of the deliberations at the Golden Jubilee celebrations of the Bombay Shroffs Association. It is well known that, for the last fifty years, this association has set before itself the ideal of promoting unity and solidarity among the shroffs in the city of Bombay, as well as of bringing together in a common association the shroffs spread all over the country. The Association has also endeavoured to eliminate the disputes between its members *inter se* and brought about some common rules and regulations pertaining to the *hundi* business. It was also on the initiative of the Bombay Shroffs Association that the first all-India Shroffs Conference was organised a decade ago. It was this conference, it may be recalled, which requested the Reserve Bank authorities to renew the efforts to unite the shroffs with the organised banking system, so that they could be eligible for the special facilities provided by the central banking institution to member-banks.

In his presidential speech, Mr. B. M. Chinai very appropriately referred to the valuable services rendered by the shroffs to the important sectors of the national economy, such as agriculture, trade, commerce and small-scale industries. The development of organised joint-stock and co-operative banking, Mr. Chinai maintained, was still inadequate for financing the total credit requirements of the country and the indigenous bankers, with their traditional practices, were still providing the bulk of the finance required for internal trade. Citing the authority of the Committee on Finance for the private sector, better remembered as Shroff Committee, Mr. Chinai stated that 75 to 90 per cent of the total internal trade of the country was being financed by the shroffs. Despite the predominant role thus played by them, the shroffs remained outside the pale of organised banking and he regretted that their links with the latter were still rudimentary and nebulous. Mr. B. M. Chinai revived the age-old demand for directly linking the indigenous bankers with the central banking institution and appealed to the monetary authorities, as well as to the shroffs, to renew their mutual efforts of integrating indigenous banking with the general credit structure.

A Surprising Demand

It is well known that, in spite of the comprehensive treatment accorded by a number of committees of enquiry to the question of unifying the two sectors of the money market—the bazaar and modern banking—and the repeated attempts made by the Reserve Bank itself to provide a direct link with the indigenous bankers, the goal remains as distant as it was before the birth of the Reserve Bank. In fact, one had almost forgotten the existence of this problem. One thought that the goal had been given up as unattainable and, with the new policy that emanated from the report of the All-India Rural Credit Survey Committee in favour of co-operatives, there was no possibility of the issue coming to the fore. It is, therefore, surprising that Mr. Chinai should have resurrected it.

It was as early as in 1931 that the Central Banking Enquiry Committee recommended the need for linking the indigenous bankers with the Reserve Bank of India, when the latter was formed. The Committee specifically suggested that appropriate steps should be taken for the development of a modern bill market in which the indigenous bankers dealing in *hundi*, that is, their traditional bill of exchange, could actively figure. These suggestions, however, never materialised. The Bill Market scheme introduced by the Reserve Bank of India in 1952 has a different objective and has nothing to do with the problem of utilising the shroffs for developing a bill market, as is understood in the U.K. or elsewhere in the Western world. There are many reasons for the failure of efforts to unify indigenous banking with the general credit system of the country, even though there are quite a few indirect links that bind the shroffs with the organised money market and the credit policies pursued by the monetary authorities do, therefore, influence the interest-structure and the volume of business of indigenous bankers. First, the *hundi* is different in several respects from the bill of exchange that is negotiated in modern money markets. While a bill usually represents a particular trade transaction, the *hundi* may be used for raising or remitting funds without reference to any specific trade transaction. The *hundi* has also a restricted negotiability as against the universal acceptability of the bill of exchange. Discounting of *hundis* is generally a clean advance made on personal credit and standing of the particular borrower. The ambiguous nature of the *hundi* stems from the fact that it is not generally backed by documentary evidence, so that it is not possible to know whether it represents a trade transaction or it is simply an accommodation paper. Apart from the differences in the character of a *hundi* and a bill, it is also known that indigenous bankers who handle *hundi*-finance, often have trading business of their own and that they raise funds for their own purposes by drawing *hundis* on their bankers, customers and business firms.

Changed Conditions

The hopes of the Central Banking Enquiry Committee that *hundi* would eventually evolve into the modern bill and form the staple of the money market have not been fulfilled because the Reserve Bank of India had, for very good reasons, put several conditions for extending direct discounting facilities to the shroffs and the latter found these conditions rather too stringent to be complied with. The Reserve Bank expected the shroffs first to segregate their non-banking business and, in course of time, to abandon it completely. They were also asked to modernise their system of book-keeping, so that the monetary authorities could check on their credit standing. The Reserve Bank also desired that the ambiguous character of the *hundi* should cease and that it should become a negotiable instrument always representing a genuine trade transaction. Further, it wished the shroffs to play the role of the discount houses in the Western countries. The shroffs, with their age-old traditions of independence, declined to accept these restrictions as well as the compensating benefits of securing accommodation from the Reserve Bank of India on favourable terms. This was probably one of the reasons why the Bank thought of the second best alternative and introduced the Bill Market Scheme to relieve the stringency of money market during busy seasons. This facility is intended to enable banks themselves to convert a part of their overdrafts into bills of three months' duration, by special arrangement with their customers and rediscount these bills with the Reserve Bank, thereby putting themselves into funds which they could relend for financing the seasonal requirements of trade and industry. But the *hundi* has remained outside the scope of this scheme.

The shroffs have now clearly missed the bus. Their uncompromising attitude in the past is solely responsible for it. With the powers-that-be thinking, speaking and acting in terms of co-operative finance for rural areas and small industries, and with the conversion of the Imperial Bank of India into the State Bank of India specifically for the purpose of extending institutional credit facilities to the rural and semi-urban areas, the Reserve Bank authorities do not seem to be attaching great importance to reforming the *hundi*-finance. Nor does it appear to be contemplating to treat the indigenous bankers on the same footing as institutional banks. It appears to be veering round to the view that there is no great superiority in the form of credit provided by the shroffs and the lack of a traditional bill market need not be deemed as a serious shortcoming of the Indian money market. Accordingly, the creation of bill market, by integrating the indigenous bankers within the Reserve Bank's fold as recommended by the Central Banking Enquiry Committee thirty years ago, is not a very important aspect of the Bank's policy-objective now.

Besides the reasons mentioned earlier for the indifference of the Reserve Bank to shroffs, there is also the fact that, in recent years, there has been a universal trend against bills as a means of raising finance owing to the general preference for cash credits and overdrafts. The latter forms of credit have the advantage that repayment can be made more smoothly and interest is payable only on the amount used. The banks, too, can withdraw the credit on demand, in the event of any unforeseen deterioration in the borrower's financial position, so that there is greater flexibility from the lenders' point of view also. The *hundi*-finance is important only in times, or in areas, of inadequate banking and/or other financing institutions. In recent years, the official emphasis in credit policy is on building specialised institutions which would serve the credit requirements of different types of borrowers. It is with this objective that the State Financial Corporations have been formed. The extension of the branches of the State Bank of India with its pilot scheme for providing assistance to small industrial establishments has also the same goal. In respect of rural credit, too, the Gorwala Committee report on all-India rural credit survey has, as already stated, categorically ruled out indigenous bankers as an appropriate instrument for provision of rural credit.

Still Holding Their Own

In the face of these circumstances, the role and functions of indigenous bankers have to be judged from the important question of overall banking and monetary policy. That shroffs are still holding their own is clear from the available statistics of their operations. The Bombay Shroffs Association itself has estimated the annual turnover of its members alone at around Rs. 100 crores; about 80 per cent. of this is reported to be on account of sight *hundi* transactions and the rest for commercial purposes. It is also known that the Shikarpuri shroffs, with their headquarters in Bombay, have their businesses spread over 400 places in the country and that their outstandings are about Rs. 20 crores at any given time. In several parts of the country, however, the indigenous banking seems to be deteriorating and moneylenders as a class are fast disappearing from the scene. This is particularly true of South India.

But, in saying all this, we do not suggest that Mr. B. M. Chinai was wrong in remarking that "the indigenous bankers serve as an indispensable link between the Indian money market and the vast trading community." Funds are sought from them by borrowers of small means —traders, manufacturers, artisans, commission agents, etc.—who cannot fulfil the test of creditworthiness usually adopted, or supposed to be adopted, by the modern banks. These borrowers have no worthwhile collateral to offer and yet are in a position to put to profitable use all the funds they can borrow. As no other avenues of credit are open to them, these borrowers do not mind the peculiar methods of the shroffs or the comparatively high rates of interests charged by them. Thus, the indigenous banker in India is performing a specialised function of providing risk-finance in small amounts on a clean basis to those who would have felt thwarted in their business or vocation by the absence of short-term finance.

There is Still Good Scope

Notwithstanding the establishment of different types of credit institutions and the attempts that are being made to extend banking facilities in the rural areas with the help of co-operatives, there need be no fear that the specialised field of *hundi*-finance would narrow down in the near future. In cities like Bombay, Calcutta, Madras, Kanpur, Delhi, to name only a few, the indigenous bankers will continue to find profitable scope for their business. The risks they take cannot be easily assumed by banks. The failure of one shroff does not bring about a crisis of confidence as the failure of a bank will. Even in the U.S.A., about one half of the outstanding loans are unsecured. There are also serious complaints about specialised financial institutions. It is said, for instance, that these organised credit institutions are extremely rigid in their requirements of security and insist on margins which are too high for the majority of small borrowers. Many small-scale units do not possess sufficient fixed assets to secure the loans required by them. All this clearly indicates the vast scope that exists for the activities of indigenous bankers in supplying finance on a clean basis to a vast multitude of small borrowers.

Is it Worthwhile?

In appraising the future role of indigenous bankers in the general credit structure of the country, the vital question is whether the monetary authorities should subject these bankers to its restraints and regulations, such as modernising their accounting system, periodical audit

(Continued on page 140)

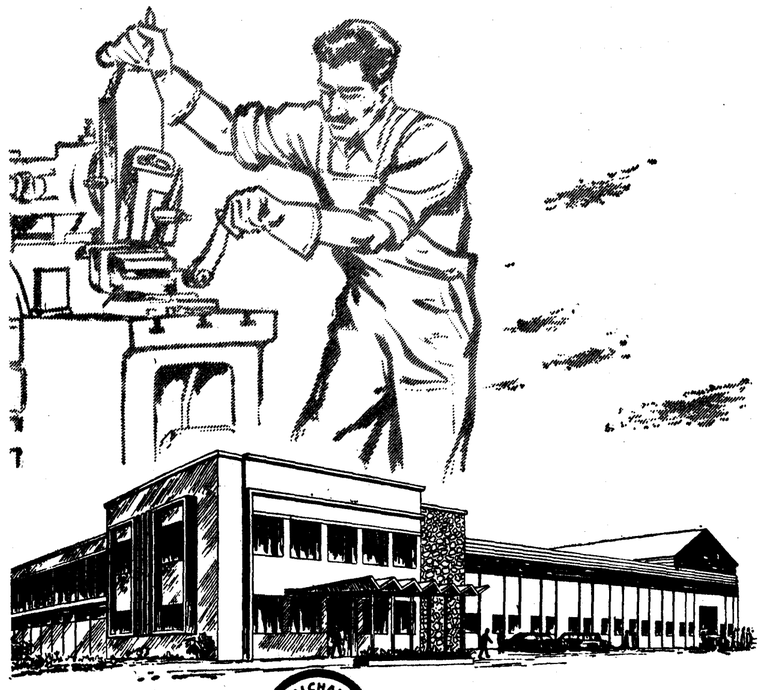
SHAPING INDUSTRIAL PROGRESS

Cooper Engineering Limited has been making machine tools for over 20 years, keeping abreast of the rising need for more Machine Tools—Shaping, Slotting and Planing machines. Cooper has set up a complete new Division to devote itself to develop the manufacture of machine tools.

More and more machines through machines to shape India's industrial growth...

MACHINE TOOL DIVISION
at Chinchwad will be inaugurated by His Excellency Shri Sri Prakasa, Governor of Maharashtra, on Saturday, the 21st January 1961.

On this auspicious occasion the Governor will bless Cooper's first Planing Machine completed this very day.



WALCHAND COOPER GROUP

MACHINE TOOL DIVISION,
COOPER ENGINEERING LIMITED,
CHINCHWAD, MAHARASHTRA

mss.CE.243 A

AMERICAN LETTER

DECLINE IN CAPITAL EXPENDITURE LIKELY TO CONTINUE

RURAL ELECTRIFICATION SHOWS SPECTACULAR PROGRESS

From Our Special Correspondent

NEW YORK, 13*th January*

THERE has been no visible change in the United States economy. Some call it stagnation in relative terms, but nearly all forecasts are now suggesting a pick-up in the second half of 1961.

A change for the better, or worse, is quite possible, because by that time the direction of the John Kennedy Administration will have been established. Meanwhile, there is uncertainty. Caution has been displayed by business and industry. Spending for plant and equipment has been falling.

While total outlays for these purposes will probably have been about 10 per cent higher in 1960 than in 1959, they fell far short of the 13 per cent gain anticipated at the beginning of last year.

The chances are that the decline in capital expenditures will continue for a while. It is one of the major props of the U.S. economy and, therefore, significant. Estimates are that the 1960 figure probably has approached the $36,000 million mark, while spending in the first quarter in 1961 is expected to drop to an annual rate of $35,000 million, or below.

The drop in capital expenditures has been accompanied by a decline in consumer spending intentions of durable goods, according to certain unofficial economic surveys, which, however, are not always accurate. The surveys are made at great expense and, in my opinion, they are meaningless. But surveys relieve managements of big business to think for themselves. They produce figures on which decisions are based, rightly, or wrongly.

At any rate, recent surveys have shown that consumers intend to buy substantially fewer automobiles and appliances than previously. All these factors have not resulted in any sharp declines, but they have not helped to generate an air of optimism. But the obvious decline in durable goods was offset by a gain in soft, or non-durables.

President's Message

President Eisenhower in a parting gesture delivered his "state of the union message" to Congress. He spoke of the progress which had been made in his eight years of Administration, but he also pointed out there was little room for complacency.

There were many dangers at home and abroad, he said, and he cited the continuing Communist menace. In his foreign programme, suggestions and warnings to the incoming Administration, foreign affairs played a considerable part.

He pointed to the threat to the freedom of Berlin, to the explosive situation in Laos, to the Communist penetration of Cuba and to the many problems connected with the nationalist movement in Africa, notably the Congo. President Eisenhower was very gracious in extending good wishes to the incoming U.S. President Kennedy with expressions of hope that he could cope successfully with the many unsolved problems. It was a statesmanlike performance with which no future historian can find fault.

President Eisenhower's apprehensions about foreign affairs are shared at United Nations' headquarters here. Delegates and correspondents from all over the world consider the situations in Cuba and in Africa particularly explosive. But nobody seems to have an answer how to cope with them.

At this point, the U.N. is a high class debating society. It is far superior to the old League of Nations at Geneva, Switzerland, in organisation, information and scope. Although you hear every language in the world spoken here, and translated instantaneously, the two official tongues describing the proceedings are just in English and French. There is a strong feeling at the U.N.—which I share—that the foreign situation will decide much of the new President's economic policy.

Washington policy has been shifting gradually. The U.S. Government's interest in increasing private U.S. investments is centered almost entirely now on countries of Asia, Latin America, the Middle East and Africa. Very little effort is being made now here in extending help to the industrialised countries of the world which have outbid the U.S. in the international markets.

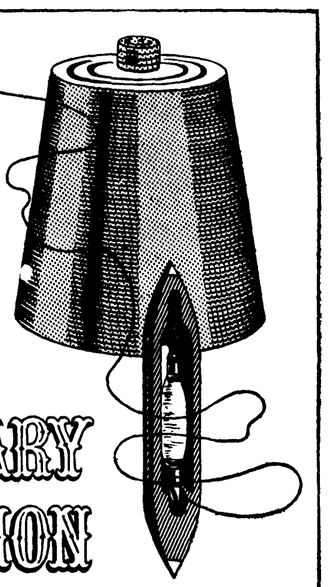
This policy is likely to continue under the Kennedy Administration. Also, a close liaison between Messrs. Eisenhower and Kennedy probably will continue. The basis of the philosophy is that, while public funds will have to be spent in some areas, the soundest way to assure economic development is through private *entrepreneurs* who have a facility to combine capital and skill for the purpose of developing profitable undertakings. In the broadest context, U.S. foreign economic policy is aimed at the creation of a climate satisfactory for business operations by investors. A cornerstone of this programme is the investment guarantee of the U.S. International Co-operation Administration whereby Washington protects investors against some of the political risks, such as expropriation, which are inherent in foreign private investment.

Rural Electrification

It may be of interest to readers in India that the Rural Electrification Administration and its services are now 25 years old. Some of the private utilities have fought, but it has been a boon to many farmers. Through the services of private industry and the R.E.A., the percentage of electrified farms climbed from a scant 11 per cent in 1935 to about 97 per cent of the 4.64 million farms now in existence in the U.S. The R.E.A. has been responsible, to a very large extent, for extending light as well as power for farm work into the remotest areas of the U.S.

During the past quarter of a century, some 1,500 rural electric systems have been financed with funds borrowed from R.E.A. As a result, more than half of the electrified are receiving service from R.E.A.-financed utilities. Earlier in this century, U.S. farmers had little experience with power-driven machinery. All this has been changed gradually.

In conclusion, it may be said there is nothing wrong with the U.S. economy. But President Kennedy's moves and those of his Cabinet will be watched closely. My own feeling is, as I said in previous despatches, that the transition from one President to another will be peaceful and harmonious. Mr. Kennedy will still have to prove himself. He has a very charming, young and attractive wife who is quite accomplished in her own right.—*All Rights Reserved.*



The Ahmedabad Textile Industry

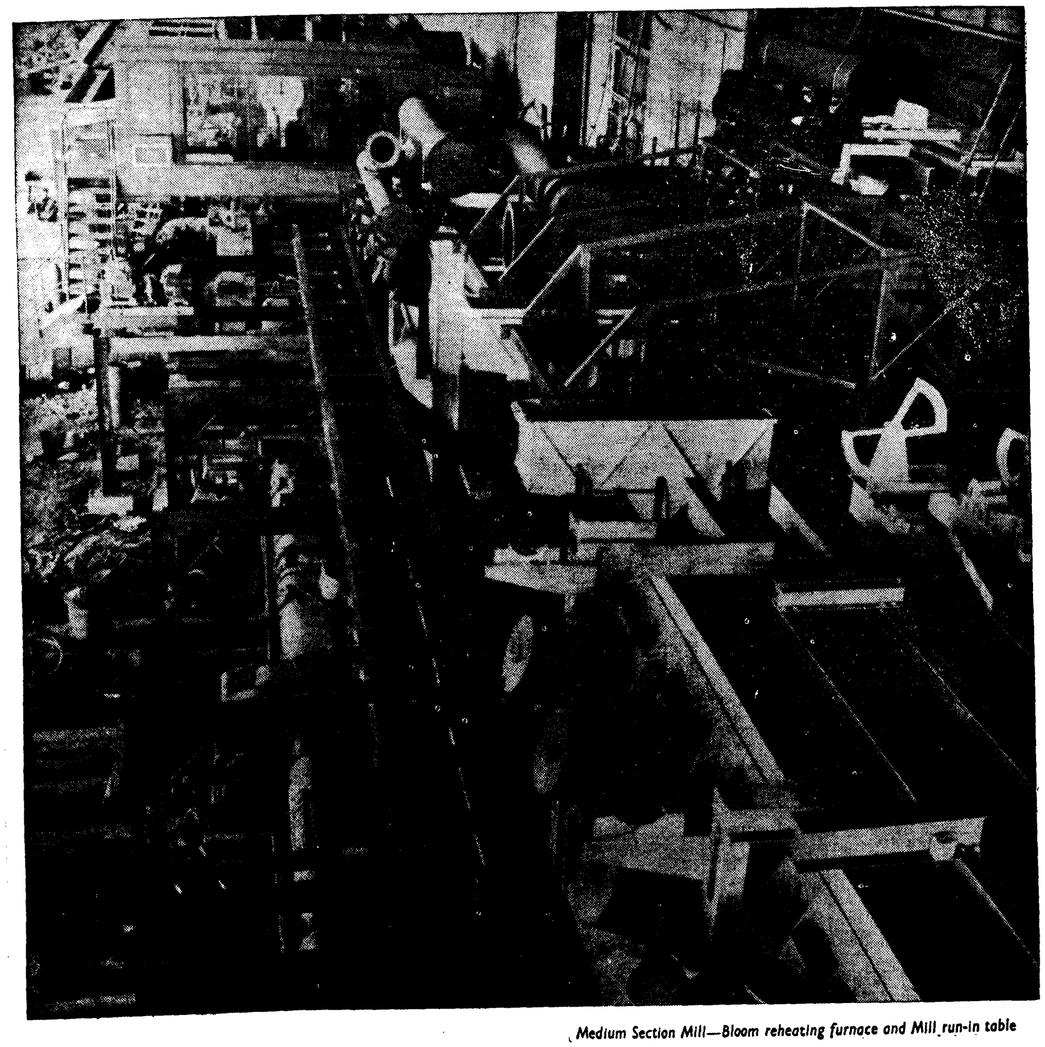
CENTENARY EXHIBITION

Organised by the Ahmedabad Millowners' Association as a part of Centenary Celebrations of Ahmedabad Textile Industry

MARCH 1961

Unique opportunity for all connected with the Textile Industry as well as other Industries and Trade to exhibit their products. For booking space, please contact:

Secretary,
Ahmedabad Textile Industry Centenary Exhibition,
Navrangpura, Ahmedabad-9.



Medium Section Mill—Bloom reheating furnace and Mill run-in table

Construction and operation proceed side by side at Durgapur Steelworks ISCON's Medium Section and Merchant Mills—the final unit of the Rolling Mills Plant—are now well on the way towards completion. Three Mills were commissioned earlier this year and are in operation. The two new Mills will make a considerable addition to Durgapur's productive range.

ISCON

INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Davy and United Engineering Company Limited. Head Wrightson & Company Ltd. Simon-Carves Ltd. The Wellman Smith Owen Eng. Corp. Ltd. The Cementation Company Ltd. Associated Electrical Industries (Rugby) Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Associated Electrical Industries (Manchester) Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. Iscon Cable Group (Siemens Edison Swan Ltd. and Pirelli General Cable Works Ltd.)

BRITISH COMPANIES WORKING FOR INDIA

PSIC 21

WHY ARE CLOTH PRICES HIGH?

MR. NAVAL TATA EXPLAINS REASONS AND OFFERS SOLUTION

THE enforcement of a revised schedule of cloth and yarn prices with effect from the 1st of this month has set at rest an unfortunate controversy that had raged for some months, thanks largely to the failure of authorities to appreciate the cotton textile industry's point of view. This is no doubt to be welcomed, but has anyone paused to reflect on the possible consequences of the revision of prices? It is widely feared that the marginal units of the industry producing coarse and medium cloth will be the worst sufferers. Nevertheless, there are many in official circles and outside who continue to point an accusing finger against the mill sector, alleging that extortionate profits alone are responsible for the soaring prices of cloth. That this allegation is unjustified is vividly brought out by Mr. Naval H. Tata in his latest annual statements to the shareholders of the Ahmedabad Advance Mills Ltd. and the Central India Spinning, Weaving and Manufacturing Company, Ltd.

In these statements, Mr. Naval Tata has sought not merely to make an objective study of cost in an endeavour to assess to what extent the mill industry is guilty of profiteering but also to offer a solution to the problem of rising trend of textile production cost and prices. The following break-up of the consumer price per yard of cloth produced by the Ahmedabad Advance Mills in 1959-60 as given by Mr. Tata speaks for itself:

	nP
Cost of cotton	31.00
Manufacturing cotton	53.00
Total cost of cloth	84.00
Provision for gratuity, bonus, depreciation, development reserve and managing agency commission	7.75
Dividends	1.50
Net surplus carried to general reserve ...	2.25
Realisation (ex-mill rate)	95.50
Excise duty	17.75
Distribution charges	17.25
Approximate cost to the consumer	130.50

A Challenge to Government

It will be seen from the figures quoted above that the price paid by the consumer during 1959-60 was 37 per cent. more than the ex-mill rate. Out of this difference, one-half was paid to Government as excise duty, the other half representing distribution cost. Further, of the ex-mill price, as much as 88 per cent. was accounted for by items beyond the control of the industry, such as raw cotton, salaries and wages, bonus and stores. The remaining 12 per cent., which Mr. Tata calls "ostensible profit," included provisions for tax, dividends, depreciation and reserves for future rehabilitation. When the profit margin of a large mill such as Ahmedabad Advance is so small, one can well imagine the position in respect of quite a number of marginal units. Mr. Tata says: "I would like the Government to collect similar figures for other textile units and different industries to determine and compare the profitability of the cotton textile industry with industries manufacturing consumers' goods before the cotton textile industry is condemned as habitual profiteers." This is a challenge to the Central Government. Will it accept it and prove that its critics are wrong?

Mr. Naval Tata is wholly in the right where he says that no lasting solution to high cloth and yarn prices can be effected by an arbitrary directive to reduce prices; it can only be achieved by a 'judicious' increase in production. And no impartial observer of the trends in the Indian textile industry can dispute his contention that the organised mill sector alone can fully shoulder the responsibility of producing cloth to meet the demand of India's fast growing population. To quote him:

"It is, therefore, the primary duty of the State to do everything possible to assist the existing units to acquire all essential new and balancing equipment in as short a time as possible. Also, during the intervening period, the State should afford every opportunity to the mill industry to make the fullest possible use of the installed capacity. In the ultimate analysis, higher production is the surest cure for inflation. Any attempt on the part of Government to force a reduction in prices, directly or indirectly, without making an all-out effort to increase production is bound to upset the stability of the industry, as well as the economy of the country as a whole.

"Unless it is intended that our industry, which is the third largest foreign exchange earner, should remain for ever obsolete and antiquated compared to its international rivals, some consideration requires to be shown towards diverting a part of its profits towards the modernisation of plant and machinery. This cannot be achieved, unless the concept of profits in relation to prices takes into account the dire need for earning sufficient profit in order to build up enormous resources for rehabilitation. It is obvious that, with such low profits as dictated by Government, the industry cannot raise from its own resources the huge financial outlay required for renovation and modernisation of its outdated and inefficient plant and machinery. At the same time, the industry is unable to attract capital from the investment market, as capital flows in the direction where the yield is the highest. Thus, the industry is caught in a vicious circle. It cannot attract new capital due to its low profitability, nor can it improve its profitability unless it secures necessary funds for much needed modernisation and rehabilitation. This unfortunate position, under which the industry is likely to remain stagnant, can only be set right by a constructive and imaginative outlook on the part of the Government."

Not Asking Too Much

Mr. Naval Tata has certainly not asked for too much from the Government. He just wants the Government to do what its confreres in other countries have done to enable the cotton textile industry to maintain a high level of production, improve quality and ensure a reasonable level of prices. A notable example is provided by the U.K. Government which has acted boldly to salvage the textile industry from rack and ruin by timely financial assistance to enable the industry to modernise and rationalise its operations on an extensive scale. How can an industry which consists of a large number of units with plant and machinery that are obsolete and inefficient by modern production standards withstand the weather of keen competition in world textile markets? The industry's resources are too inadequate to meet the vast requirements of funds for renovation and modernisation.

In spite of official ineptitude, it is, indeed, gratifying to learn from Mr. Tata that the managements of the Ahmedabad Advance and Central India Mills are endeavouring to improve working conditions and produce better quality cloth at lower costs. The Ahmedabad Advance has put into commission new plant and machinery. The water softening plant will supply treated water with minimum hardness to the processing departments, resulting in more economical and improved processing of cloth. The combing equipment will permit production of finer quality fabrics. The high speed sizing machine will enable the production of improved warp yarn which will ultimately improve the quality of cloth. The drying range will help to increase the volume of processed goods which fetch much better prices than the sale of cloth in grey state. The Company holds an import licence for a Sanforiser but it is unable to import it, as Messrs. Cluett and Peabody, Inc., New York, who are the licensors of the patent and trade mark, are not willing to accept the new terms and conditions laid down by the Government of India regarding the registration in India of the trade mark 'Sanforised' and the payment of royalties for the use of this mark. This has been a great disappointment to the Company, as sanforising of fabrics is a matter of compelling necessity for the pattern of production the Company has now adopted and for operating its unit more profitably. The Company has now been granted the necessary essentiality certificate by the Textile Commissioner for the import of 96 automatic looms from Japan on deferred payment terms. Given adequate response from the trade union, the introduction of automatic weaving may well usher in a period of higher output of quality fabrics at a lower cost and at the same time give the workers an opportunity to earn higher wages. The Central India has completed the first phase of its renovation programme. It has yet to carry out extensive renovation, particularly in Mill No. 3, and attention is also required to improve processing and finishing capacity located in Mill No. 4. As soon as times permit, the management will, it is said, embark upon a programme of gradual renovation and replacement wherever necessary.

THE BANK OF BEHAR LTD.

Head Office: PATNA

ESTD. 1911

●

BRANCHES AT:

Arrah, Beharsharif, Buxar, Chapra, Calcutta, Daltonganj, Gaya, Jaunpur, Jharia, Kanpur, Katrasgarh, Laheriasarai, Motihari, Muzaffarpur, Monghyr, Patna, Patna City, Ranchi, Siwan and Varanasi.

A. C. BHAT,
General Manager.

REVISION IN FLOOR AND CEILING PRICES

The uncertainty regarding the revision in the floor and ceiling prices of certain varieties of cotton has happily ended. The Textile Commissioner notified, on the 12th inst., that, in view of numerous representations from growers and traders, the Government has decided to raise the floor and ceiling prices for Kalyan 25/32" and Westerns 26/32". Prices before and after the revision are as under:

(In rupees per quintal)

	Floor		Ceiling	
	From	To	From	To
Kalyan 25/32" ..	135 (480)	139 (495)	236 (840)	241 (855)
Westerns 26/32" ..	145 (515)	151 (535)	239 (850)	245 (870)

Note.—Figures in brackets are prices per candy of 784 lbs.

As regards Vijay 'B' cotton, the Government feels, adds the Press note, that there is no justification for making any change in the floor and ceiling prices, particularly, as the floor and ceiling prices for Vijay 'A' variety, which constitutes the bulk of the Vijay crop, were substantially raised earlier. In order, however, to safeguard the position of Vijay 'A' qualities which are grown in Vijay 'B' tracts, it has, however, been decided that these qualities, if recognised as such, would be entitled to the floor and ceiling prices prescribed for Vijay 'A'.

It has also been decided to make no change in the floor and ceiling prices for Ankleshwar cotton.

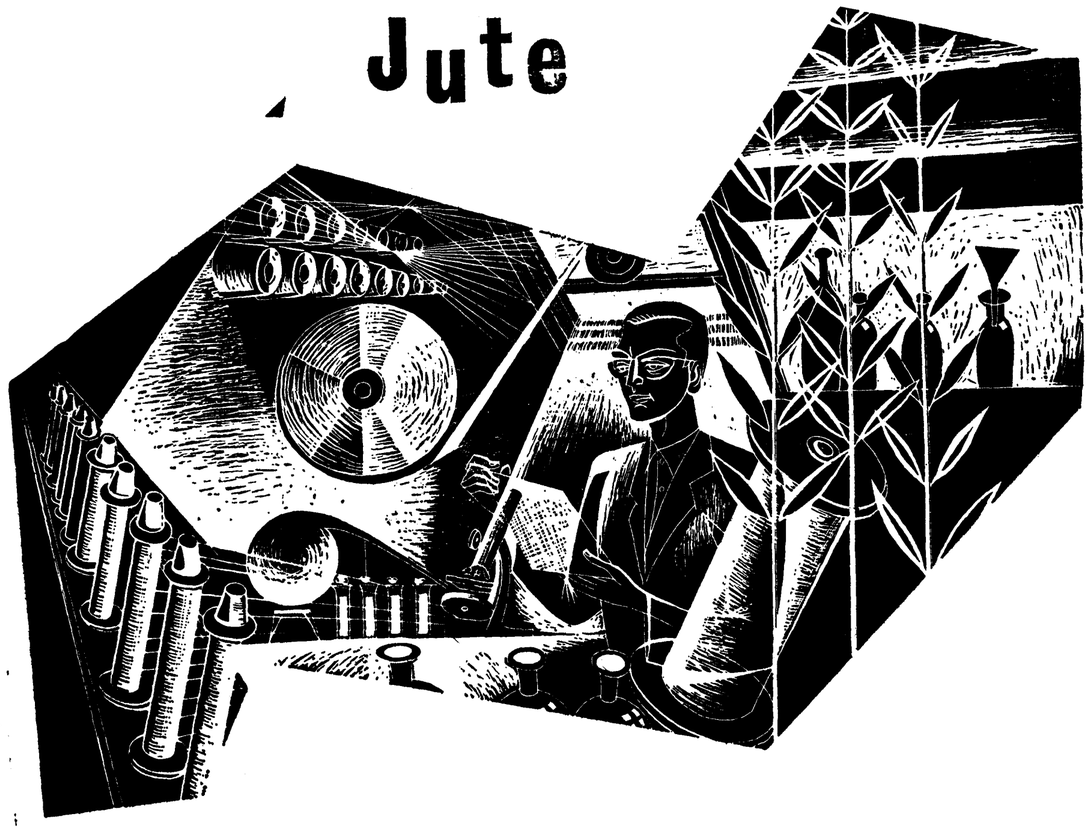
It may be noted in this connection, that, on the eve of the commencement of the present season, the Government had announced that, except for a few changes, the floor and ceiling prices for the 1960-61 season would, by and large, be the same as in the previous season. The changes made included a reduction in the price of Kalyan and Western varieties. It is now felt that the cut in the price of these varieties was too large to be effected in a single year. Hence the cut has been partially restored now. The Government has also made it clear that, in view of the importance of maintaining the floor and ceiling prices of all varieties unchanged during the season, no further representations for any alteration in prices would be entertained. The question of appropriate differentials for the different varieties of cotton for the next year will be considered at a meeting of the officials of the States Departments of Agriculture and representatives of trade and industry to be held under the auspices of the Indian Central Cotton Committee on 21st February 1961. The views of this meeting, as well as representations from the different interests concerned, would be considered by the Government before the floor and ceiling prices for the next season are fixed.

The increase in floor and ceiling prices of Kalyan and Westerns has, however, disappointed growers and the trade which consider it too small to bring the prices of these varieties to parity with those of others. Spinners of these varieties, on the other hand, have regarded the rise as unwarranted. Apart from the unhealthy precedent created by the revision of floors and ceilings in the middle of the season, it will also have, mill interests point out, the undesirable effect of enhancing the raw material costs of the industry, however small the rise might be, at a time when the industry has effected a voluntary cut in the price of cloth. But it must be said in fairness to the Government that, in deciding to revise the floor and ceiling prices, as it has done, it has maintained a reasonable balance between the conflicting interests of the producer and the consumer, inasmuch as the increase is only very modest.

A NEW PROCESS OF DYEING WOOLLEN CLOTH

The first major break-through in colour and design technique for woven woollen cloth for at least half a century has been claimed by a Scottish firm. By means of a new dyeing process, as many as 30 to 40 different colours can be incorporated in a single fabric. Hitherto, each thread of yarn has been of one colour, thus limiting to seven or eight the number of colours which can be used in a single pattern. Using the new technique, each thread of yarn can be dyed in five or six colours according for several years.

ing Director and designer, Mr. Bernat Klein, who founded the firm nine years ago in part of a disused Galashiels mill. Before coming to Galashiels, he studied textiles abroad and at Leeds University number of colours employed can be multiplied many times, if desired. Research was carried out for more than a year before the technique was perfected: application for patent rights has been made. Originator of the idea is the company's Manag- to the designer's requirements, so that the total



Jute

— an industry on the march

Long regarded as the cheapest heavy-duty packaging material, jute is today claiming attention as a fabric with greater possibilities and wider applications.

Laminated with paper or plastic, jute fabrics provide moisture-proof containers for fine or high-grade products. Treated with chemicals, they offer protection against rot, mildew, corrosion and attack by rodents and insects. Scientific experiments have resulted in the production of a hessian membrane for water-proof roofing... hessian in combination with asphalt is finding increasing favour as a material for canal-lining and a moisture barrier.

These and other discoveries which have dramatically widened the scope of jute usage, stem from the fundamental and applied research carried out at the Indian Jute Mills Association's Research Institute in Calcutta. Side by side, the Institute of Jute Technology—financed by the IJMA—provides facilities for training young men for important supervisory positions in jute mills.

Founded in 1884, the Indian Jute Mills Association seeks to serve India's vital jute industry in ever-increasing measure.

Issued by the **Indian Jute Mills Association**
Royal Exchange, Calcutta.

IWTIJM 429

FUTURE OF COTTON TEXTILE INDUSTRY

COMMERCE CHAMBER STRESSES NEED FOR AVOIDING UNCERTAINTIES

From Our Special Correspondent

MANCHESTER, 10*th January*

THROUGH the medium of its sectional annual reports, the Manchester Chamber of Commerce is frequently in the news at this time of the year. These documents provide a useful commentary on the events of the past twelve months, as seen through the eyes of industrialists in a variety of trades, not necessarily on the basis of textiles only. In its final *Monthly Record* of 1960, however, the Chamber dealt with the cotton trade situation, arising from the reorganisation scheme and the ever-present threat of imports from abroad. It pointed out that the future long-term position of the Lancashire industry must soon be established so far as units, plant and equipment are concerned. When the finishing trade's scheme is complete, a total view of the position will be possible and estimates can then be put forward as to the likely extent of productivity and processing.

MANCHESTER LETTER

Very shortly, therefore, it may be possible to assess what targets should be set up and measures taken to provide sufficient confidence in the industry to encourage workers to make careers for themselves in textiles. As the Chamber says: "This latter aspect is most vital and care must be taken to avoid action and decisions which will create uncertainty."

Throughout the frequently chequered history of the Lancashire cotton and allied trades, the establishment of confidence has been of paramount importance. Producers and customers alike can be so easily swayed from their intentions by uncertain prospects that any attempt to achieve stability deserves commendation. "The whole success of the gigantic plan, which has been engaging so many, for so long, and at considerable cost, could be undermined by reasoning which did not take every factor into acount," is the Chamber's summing up of the situation.

Earnings Over the Decade

In dealing with the analysis of trading results announced by cotton textile companies in 1960, it is impossible to ignore the sharp decline in the number of public companies in the spinning section in the past 20 years due to a variety of causes. For this reason, strict comparisons are impossible and the table of profits and dividends covering this department alone has lost some of its original purpose. On the other hand, the growth of the large groups and the spinner-weaver combinations enable a more realistic comparison to be drawn between the earning power of such companies, at least in recent years. A similar situation exists in the weaving branch, but it must be clearly stated that the score of public concerns in this section represents a very small proportion numerically of the manufacturing units in the trade, although they constitute a major sector of the capital involved.

The following tables set out the experience of over 50 of the largest concerns in the producing sections of the trade during the past ten years:

	Companies	Average profit per company	Yearly average dividend
Combines		£	Per cent.
1951	11	761,526	19.00
1952	13	534,004	17.42
1953	12	264,180	11.94
1954	12	431,928	13.58
1955	14	333,213	14.99
1956	14	224,904	13.23
1957	14	354,919	12.72
1958	14	235,716	10.79
1959	14	120,254	9.73
1960	14	375,425	12.48
Spinner-Weavers			
1951	17	194,423	23.03
1952	17	177,045	19.98
1953	21	74,047	17.06
1954	17	82,200	16.32
1955	20	60,701	13.96
1956	18	50,233	12.53
1957	18	69,197	10.89
1958	19	71,504	10.74
1959	20	57,736	10.18
1960	17	112,844	14.17
Weavers			
1951	21	120,494	31.79
1952	21	79,837	24.99
1953	28	49,821	21.21
1954	28	38,120	15.98
1955	27	42,285	13.80
1956	24	28,090	9.61
1957	24	24,320	6.27
1958	23	25,015	5.07
1959	22	19,073	6.64
1960	20	47,492	9.66

Variations are inevitable even within the individual sections, but the general trend, particularly of dividend payments, is quite marked. In 1951, the industry was at the peak of its post-war prosperity and the level of earnings and dividends tended to decline until the past year's results.

Uncertainty still hangs about the industry, despite the busy hum of machinery in the mills and there are numerous factors which can adversely influence the position, even before the current year is out. At the same time, most boards of directors are quietly confident about being able to maintain their recent profitability, provided there are no unforeseen developments. The chief problem to be faced centres on whether the "open door" policy on imports will be reinstated.

U.S. Protection Attacked

Unless the United States Government can be persuaded to put into practice a real policy of trade liberalisation, attempts to secure greater penetration of the United States market by British exporters of cotton textiles will fail, according to the United States Section of the Manchester Chamber of Commerce. In its annual report, the section said that textiles were particularly affected by the protective measures adopted by the United States. Exports of cotton cloth in the first nine months last year were reduced from the already low figure of 5.8 million square yards in 1959 to 4.5 million square yards.

The Government should be urged by the industry to pursue the matter with more force and urgency than had so far been apparent. Sectional reports for many years had criticised the protection afforded to American manufacturers, but some hope of a change had been raised by the result of the Presidential Election.

Lancashire's traditional trade in typewriter ribbon cloths with the United States was being severely handicapped as a result of changes in tariff rates. The American domestic industry had claimed that it was suffering serious injury from imports and, after a Tariff Commission hearing, the President had increased the duty on typewriter ribbon fabric to the rate originally established in 1930.

Smaller Cotton Exchange

Lancashire millmen—salesmen, merchants and buyers—are unlikely to mourn the announcement that about half of the great trading floor of the Manchester Royal Exchange is to disappear in a scheme to build two five-storey office blocks rising from Exchange level. Generations of cotton men have operated there. At one time, it was the largest floor in the world, covering 4,400 square yards. It is now about half that size, but, when Princess Margaret reopened the war-damaged building in 1953, 6,000 people on the great floor watched the ceremony in comfort. Once, at peak trading hours, about 8,000 cotton men met to buy and sell yarn and cloth and negotiate on prices. Now it is a busy day when 1,200 people assemble on 'Change.

When the industry was at its busiest, there were between 10,000 and 11,000 members. The numbers are now down to about 2,000, the decline having been accelerated by the recent reorganisation scheme in the cotton industry.—*All Rights Reserved.*

HEAT RESISTANT FABRIC

A flame and heat resistant fabric made by the Minnesota Mining and Manufacturing Company Ltd., and introduced at the recent Public Works and Municipal Services Exhibition at Olympia, represents an important advance in the manufacture of protective clothing. At present, manufacturers of heat resistant clothing have to choose between light comfortable material which does not give efficient protection and heavy material which is bulky and stiff and which therefore restricts movement. Scotchshield, the new fabric, consists of woven rayon or asbestos covered with a coating of aluminium six-millionths of an inch thick. Material treated in this way is porous, light, supple, and efficiently heat resistant. The reflective properties of the aluminium produce a 90 per cent. throw-back of radiant heat. In experiments carried out in the United States, men have been submitted to furnace heats in excess of 1,500°F., without discomfort. A test of the product's resistance to molten metal splashing has shown that the fabric, which did not scorch, is superior to asbestos and heavy wool materials. It does not crack or ignite, and has a long span of life before the danger of fatigue need be considered.

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES
* DEMAND DRAFTS * LEDGERS
* PAY-IN SLIP BOOKS * PASS BOOKS
* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

GUIDE TO COMPANY MANAGEMENT

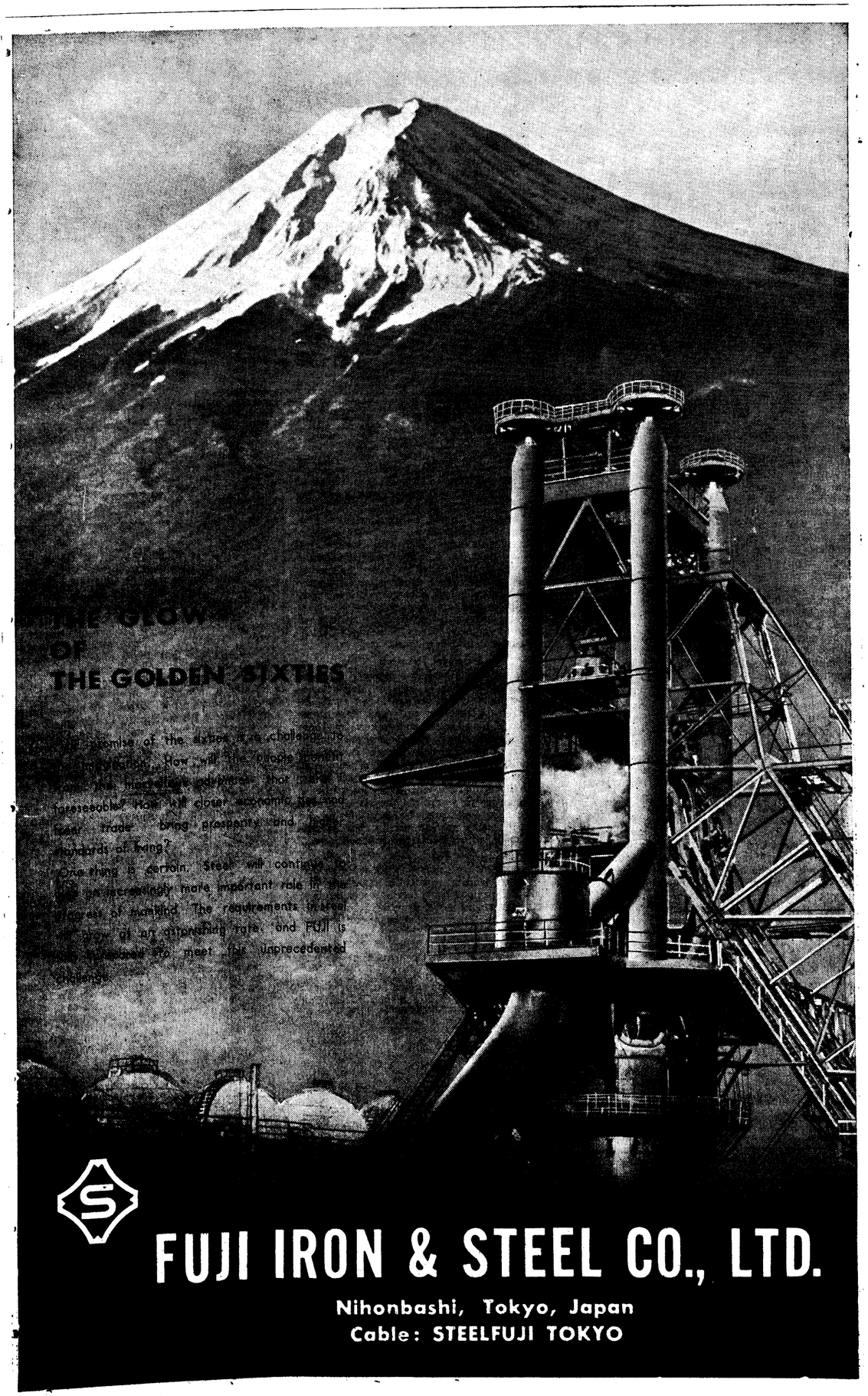
Messrs. JOHN & ROW

An Indispensable Guide to all persons concerned with Company Management, including Managing Agents, Directors, Secretaries, Auditors.

Price Rs. 5

EXPRESS PUBLISHERS (PRIVATE) LIMITED

33, BROADWAY, MADRAS-1



MAHARASHTRA LAND CEILINGS BILL

INCLUSION OF CANE FARMS ATTACHED TO SUGAR MILLS HIGHLY UNJUSTIFIED

BY criticising the Maharashtra Government's move to include the cane farms attached to sugar mills under the purview of the Land Ceilings Bill and warning against its dangerous consequences, the spokesmen of the twelve joint-stock sugar mills in the Deccan have certainly not cried "wolf." They have just stated the facts. And in doing so, they have been prompted by the anxiety to safeguard the interests of not merely the sugar millowners, or the workers employed in mills and persons engaged in cane farms, or, for that matter, the 21,000 and odd shareholders of sugar companies, but of the community as a whole. Considering the immense contribution made by the joint-stock sugar mills to the present prosperous conditions in the economy of the Deccan region and the fine example they have set for the rest of the country of the way in which sugar should be produced, the representatives of the mills have earned a right to ask for a fair deal at the hands of the Government.

The aforesaid aspect would be appreciated fully if one were to have a look at the history of the sugar industry in the Deccan right since its inception more than three decades ago. In the early twenties, it will be recalled, the then Government of Bombay undertook, as a famine relief measure, extensive construction works in the Ahmednagar district. Forming part of the programme was the new famous Nira canal system. But soon after the implementation of the whole programme, the Government was faced with a big problem, because, since the land cultivation in the areas served by the Deccan irrigation canals was poor, the return on the investment to the exchequer was very low. In fact, even land revenue could not be collected by the Government. The latter had to attach some lands and auction them publicly for recovering arrears of land revenues. A special committee was appointed to suggest ways and means of improving the financial aspect of the irrigation works.

A Heavy Blow

In the light of the recommendations of this Committee and with a view to taking advantage of tariff protection accorded by the Central Government to sugar industry, the Bombay Government extended help and co-operation to *entrepreneurs* for acquisition and leasing of lands for growing cane to start sugar factories. It also gave an assurance of canal water supply on guaranteed basis for 30 years at concessional rates. It marked out appropriate areas as sugar factory areas. These concessions attracted enterprising industrialists and induced them to set up sugar mills. Many agriculturists leased out their lands to the mills at several times the land cess and also took employment in the cane farms. They were assured of employment throughout the year and also some returns on lands which were a burden to them because of poor returns. In addition to long-term leases, some sugar companies also purchased from time to time large areas of land from peasant owners who wanted ready capital in search of more remunerative ways of living. The total area of land sown to sugarcane partly owned by sugar mills and partly taken on lease is today no more than 125,000 acres, which represents a bare ¼ per cent of the total cultivable area of 46 million acres in the whole State. This is not going to help the State Government very much in achieving its objective of distributing enough land to each of the landless worker or farmer with uneconomic holdings. But it will deal a heavy blow to the economy of Maharashtra in general and the sugar industry in particular.

Thanks to the enterprising spirit of joint-stock companies and the enormous effort and pains taken by them, a vast area of land, which was once either barren land or a jungle of thorny bushes, today blooms with smiling sugarcane farms. How remarkable has been the progress made in cane-growing will be evident from the fact that the average yield of cane per acre in Maharashtra is more than four times the average for the whole of India and is higher than the yield obtained not only in other States but also in several other leading sugar-producing countries in the world. Similarly, the quality of cane grown is superior. The relevant details are given in the table appearing in column one.

The highest sugar recovery per cent in India was achieved by the Kolhapur Sugar Mills Ltd. in 1958-59, hitting a percentage of 13.04. This is only slightly lower than the world's highest of 14.33 per cent in Australia. Sugarcane farms in the Deccan are part of a composite unit and as such constitute an integral part of the sugar industry in Maharashtra. There is an intimate link between the factories and their farms. They are very efficiently managed on the most modern and scientific lines, so that they have become model farms to be emulated and are, in fact, being emulated by private cultivators in the vicinity of company-owned factories. They have made permanent structural improvements.

Extensive Research

It is only at the farms attached to sugar factories that extensive research laboratories and experimental stations have been established. Purity and recovery tests and other items of research have been undertaken by these laboratories for the general improvement of sugarcane. Factory estates work as consolidated units, utilising both light and heavy soil, which the small cultivators cannot afford to do. Individual cultivators will have to utilise a larger quantity of water for the same acreage than sugar factory farms. Large estates ensure supplies to the factory of quality cane at reasonable price, which is not the case with small cultivators.

Company-owned sugar factories provided its workers healthy residential quarters, free medical aid, free primary and even secondary education in many cases, provident fund benefits, bonus and recreational activity. Among agricultural workers, it is only the workers engaged in the sugarcane farms of the factories who are able to enjoy the benefits of the Industrial Disputes Act.

The joint-stock sugar companies have spared neither labour nor skill nor money in pursuing research and introducing the most advanced methods of crop raising and soil conditioning. This has gone on year after year. The experiments carried on in the mills' own laboratories and on the land, the results of research work undertaken by Government and semi-official institutions, and the experience gained by cane cultivators abroad have all been, and are being, constantly pressed into service by a trained and expert farm staff to increase the yield and improve the quality, thereby reducing the cost of sugar production. When the sugar companies have done all this for the community and brought all prosperity to the land, it is absurd that the Government of Maharashtra should want to quarrel with the system purely out of devotion to some vague ideology and desire for attaining short-term political gains.

The Case for Exemption

The case made out by the sugar industry for exemption of cane farms attached to mills from the purview of the Ceiling Bill can be summed up as follows:

For the economic development of the available land resources for growing sugarcane, it is advisable to have compact and large units as countenanced even by the Planning Commission.

Large industrial concerns would be more beneficial for exploiting maximum resources of the land by proper utilisation of finance and other resources and particularly managing the compact units on modern scientific lines.

The existence of compact and large agricultural units attached to a vital industry like sugar are necessary for carrying out proper research experiments and utilisation of the research for higher cane yield as well as sucrose percentage, thus putting the whole industry on a sound economic basis so as to be able to compete in the world market in the export trade.

For mechanical cultivation and for modern and scientific utilisation of methods, large compact units under industrial concerns are more adviseable than fragmented pieces of land brought under agricultural co-operatives lacking in enlightened and selfless leadership.

Labour welfare can be better secured by recourse to the application of welfare laws through industrial concerns or by making the owners of small holdings and putting them under co-operatives.

Presence of large size industrial concerns, with compact and large agricultural units serve also as educational value for small-scale agriculturists as well as their economic role in the rural economy of the country.

If, in spite of all that has been stated above, the Maharashtra Government were to reject the plea for exempting the farms attached to sugar mills from the provision of ceiling, the consequences are bound to be quite unfavourable to the Indian economy as a whole. It will mean undoing what has been done over a number of years. There is no exaggeration whatever in the statement that the move will adversely affect the productivity of cane farms and the technical efficiency of sugar mills, besides leading to a slowing down in the growth of sugar industry in Maharashtra which is blessed by Nature with favourable conditions for establishing more sugar units. The Bill clearly seeks to penalise heavily those who have displayed efficiency and enterprise, the two qualities which are essential for the economic progress of the country.

	Average yield of cane per acre (Tons)	Recovery of cane (Per cent.)
Maharashtra	58.86	11.46
Other States in India		
Andhra Pradesh	27.88	9.53
Madras	25.65	9.07
Mysore	24.11	10.35
U.P.	12.12	9.60
Bihar	4.87	9.78
All-India average	14.49	9.84
Other sugar-producing countries in the world		
Hawaii	62.5	12.22
Peru	41.14	12.33
Java	56.20	11.49
Egypt	30.42	9.97
Japan, Formosa	28.07	12.93

Note.—The average recovery of sugar in Maharashtra during 1959-60 was higher still at 11.70 per cent. The sugarcane farms attached to the Walchandnagar Industries is claimed to have obtained sometime ago 122.4 tons of cane, or 14 tons of sugar per acre, which is slightly below the world record of 129 tons in Hawaii.

SUGAR EXPORTS

According to Mr. S. S. Kanoria, Chairman of the Export Agency Division of the Indian Sugar Mills Association, the foreign sales of the 50 000 tons of sugar released by the Government of India for export in September last have already been completed. Sales are now being made out of the recent second release of 50,000 tons and sales of this additional quantity may be made more briskly. As India was out of touch with the international sugar market for over a year until the sales were resumed in September last, much of the spade-work originally done to establish Indian sugar in our natural markets had to be done again and Mr. Kanoria now feels that the sales are gathering momentum satisfactorily.

The geographical distribution of the sales made include the Malayan Federation, Singapore, Aden, Persian Gulf Ports, Saudi Arabia, etc. Particular mention is made of a shipment of 3.000 tons to Colombo at very short notice, which elicited thanks from the Ceylon authorities for this assistance rendered to them. Another matter for satisfaction is that about 20.000 tons out of these sales have been shipped already to all these destinations, the remaining 30 000 tons will be shipped before the end of February. Special care has been taken to ensure quality control at every stage and this has not only produced appreciation from the foreign buyers but also has tended to obtain better prices for Indian sugar. There is a better buying interest from abroad. The estimated foreign exchange earning will be £1.6 million.

J. K. COTTON SPINNING AND WEAVING MILLS COMPANY LTD.

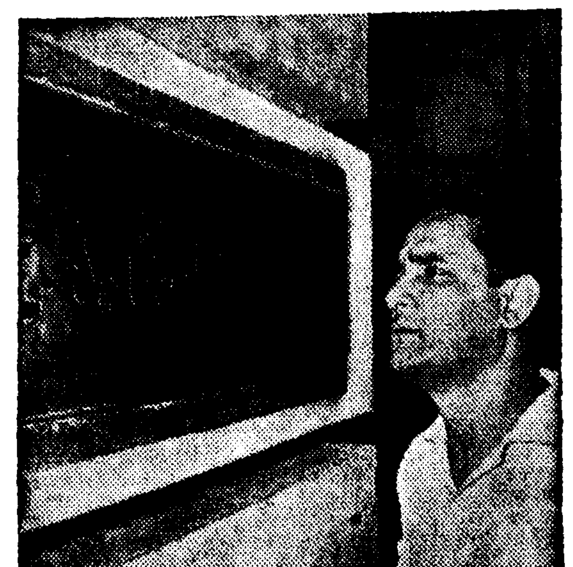
KAMLA TOWER, KANPUR

It is hereby notified for general information that the Scrips for the new 6½ per cent. Tax-Free Cumulative Redeemable Preference Shares and Equity Shares issued by the Company (*vide* Prospectus dated 14th April, 1960) and allotted on 3rd June, 1960 are lying ready and are being exchanged for Letters of Allotment duly discharged. This information has already been posted to all the allottees. It is hereby requested that those who have not yet sent their Letters of Allotment duly discharged, should send them to the Company for being exchanged for respective Certificates.

KANPUR,
12th January, 1961.

R. N. GUPTA,
Secretary.

TURNING AWAY A PROSPECTIVE CLIENT?



That tarnished name plate outside your office may spoil a good chance.

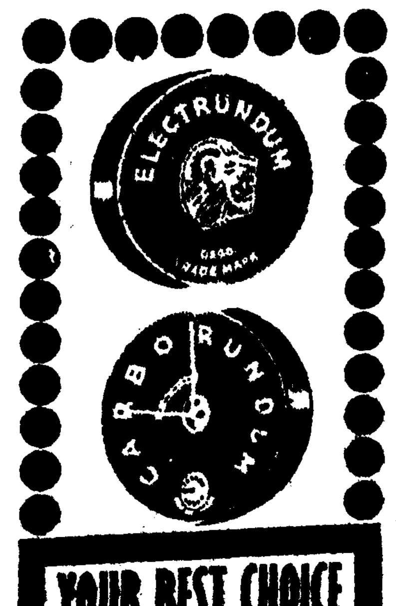
Keep it shining with Brasso. A regular rub with Brasso will keep all your brass articles and fittings gleaming like new. It's so easy and economical.

polish your brassware with

BRASSO

once a week, every week

TBR 4236 ATLANTIS (EAST) LIMITED (Incorporated in England)



YOUR BEST CHOICE IN GRINDING WHEELS

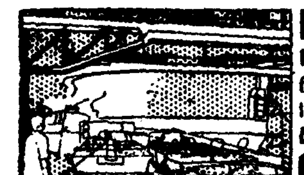
GRINDWELL ABRASIVES LTD.
Army & Navy Bldg., Bombay-1

ONLY B·O·A·C OFFERS COMET

BOMBAY to COLOMBO KUALA LUMPUR SINGAPORE HONG KONG TOKYO

and on by ROLLS ROYCE 707 to HONOLULU SAN FRANCISCO NEW YORK LONDON

BRITISH OVERSEAS AIRWAYS CORPORATION
IN ASSOCIATION WITH AIR-INDIA AND QANTAS



FERRO-MANGANESE *Vital alloy for steel*

FACOR manufactures high carbon standard grade ferro-manganese, enough to feed every plant and foundry in India...and for export that will earn vital foreign exchange
Local and export enquiries solicited

FACOR *laboratory ensures quality*

FERRO ALLOYS CORPORATION LTD. Shreeram Bhavan, TUMSAR (Bombay State), India. Tel: FACOR Phone: 3[illegible]

BRITISH STEEL INDUSTRY'S RECORD IN 1960

FURTHER EXPANSION PLANS UNDER WAY

BRITAIN'S steel industry increased its capacity last year to the level of 25.7 million ingot tons. Production also went up to the record level of 24 million tons, representing as much as 93.5 per cent. of capacity. All sections of the industry have shared in the increase in output which took place in 1960—heavy sections and bars being 26 per cent. above the previous year, light sections and bars close behind with a 24 per cent increase and plate running them close with a 23 per cent increase, and alloy steel having gone up by 22 per cent, sheet and tinplate by 14 per cent and tubes by 12 per cent.

According to the British Iron and Steel Federation, the three great development programmes since the war, on which £900 million has been spent, have raised Britain's steel-making capacity, by stages, to just under 26 million ingot tons in 1960. In that year alone, one-sixth of all the money (£780 million) spent by manufacturing industry on capital investment in Britain has been absorbed by the steel industry. By 1965, the industry will have spent another £450 million on development, of which over £150 million is expected to be spent in 1961. The expansion that will be under way will raise Britain's steel-making capacity between 1960 and 1962 by 17½ per cent, as compared with 10¼ per cent in France, 9½ per cent in Italy and 6¼ per cent in Germany. It is expected that capacity in 1962 will reach the level of 30 million tons—equivalent to the level of demand anticipated in 1965.

Steel consumption in the U.K., however, may show a net increase of only 2 to 3 per cent in 1961, as compared with 1960. This will be so because, while the requirements of the capital goods industries will continue to grow, orders from the motor vehicle and consumer durable industries will probably not recover until the second half of 1961. Stocks of steel, which rose by over one million tons (to 5.8 million tons) in 1960, are unlikely to rise by more than ½ million tons in the current year. Although the immediate prospect for overseas demand for steel is not encouraging, the British Iron and Steel Federation thinks that it may be possible for exports to exceed the record level of 4.2 million tons achieved in 1960. On present evidence, it is assumed that demand (both domestic and overseas) will support an output of about 24.5 million tons—equivalent to just over 90 per cent. of the estimated effective capacity in 1961.

Exports

Some interesting facts about Britain's steel exports may also be mentioned here. It is noteworthy that besides the enormous amount of steel which Britain exported last year in the form of manufactured goods, the steel industry's own direct exports of steel were over four million ingot tons, valued at about £230 million—a post-war record. According to latest figures, more than a third of this went to Commonwealth countries; exports to the Commonwealth were 20 per cent. up on 1959 in tonnage. Tonnage of exports to Western Europe showed a similar upsurge. Exports to the Soviet bloc including China, though small by comparison with total exports, also showed an increase.

Currently, the role played by Britain's steel industry in providing employment is something immense. As many as 300,000 people are directly concerned with making steel. There are another 2½ million people engaged in turning that steel into various useful things from cars to cookers. In Scotland, where there are 72,000 jobless, the industry is bringing hope of an industrial renaissance. Here, Colvilles, one of the leading steel producers, are going ahead with their plans to raise their steel-making capacity from 2.3 million to 3.3 million tons a year. They are planning to produce 500,000 tons of steel sheet and 175,000 tons of light plates a year. This project for making sheet steel, it is hoped, will attract manufacturers of cars, car accessories, refrigerators, washing machines, cookers and office furniture. A canning industry could also follow. It is stated that Rootes and the British Motor Corporation have already decided to go to Scotland. These motor car firms would not have elected to go there but for the strip mill projected by Colvilles. They are expected to give a fillip to a number of ancillary trades in Scotland.

It is the employment potential of the steel industry and of the steel-using industries that has justified the British Government's decision to lend Colvilles £50 million for their hot strip mill project. This loan, incidentally, caused a controversy in Parliament where the spokesmen of the Labour Party said it was wrong to use public money for the benefit of shareholders and the Conservative backbenchers attacked it as "bastard socialism." It is, indeed, strange how easily ideological considerations can blind critics—whether of the Left or of the Right—to the practical aspects of State assistance wherever, without it, no development is possible.

USE OF DIAMOND COMPOUNDS FOR GRINDING AND POLISHING

Since the days of Leonardo da Vinci (1485) diamond dust—usually suspended in olive oil—has been used for polishing precious or semi-precious stones; but only recently have methods of accurate sizing, followed by even distribution and permanent suspension in suitable carriers, been discovered.

High speed aircraft and guided missiles, demanding very great accuracy of form and surface smoothness to reduce skin friction, as well as precision in the instruments used for control and computation, provide a special impetus for continuing research. Accurate surface finishes on pump seals for the chemical and petroleum industries, and seals for use in underwater breathing apparatus are other modern requirements which only diamond polishing can meet.

Methods of crushing, sieving, separating and sizing the basic material are constantly under review. If diamond is crushed too violently it breaks up into needles and slivers, which will not resist the lapping pressures they may be called upon to withstand. Very fine particles adhere together in clots, which must be separated by means of a wetting or dispersing agent. A plasticising medium must also be added to give the correct consistency to the finished paste.

In all precision finishing compounds, uniform size and even distribution of the particles are vital factors. So are compressive strength and hardness, on which the clean action and effective life of the compounds depend. Diamond particles are found to be four times more resistant to fracture or deformities under pressure than other abrasives, such as the carbides of silicon and boron.

Today about 18 million carats of diamond are mined annually to meet a total world demand for more than 25 million carats. A high proportion of industrial quality diamond comes from the Congo, and other parts of Africa where labour or political difficulties may well lead to a falling off in output. Yet the demand for diamond compounds is steadily growing and with it the need to avoid any waste by haphazard application of these substances.

At the Maidstone Works of Engis Limited in Kent, new methods have been devised by which uniform distribution and permanent suspension at all temperatures can be guaranteed. This company has also devised a new micrometer-controlled syringe, known as the Hyplicator, for the accurate metering of their "Hyprez" grinding and lapping compounds. These compounds, which may cost up to £120 per ounce (£20 per 5 c.c.) are made from diamond particles between 1/10 micron (0.0001 mm.) and 90 microns (0.09 mm.) in size, sub-divided into 12 separate grades and permanently suspended in a variety of special pastes. Between them they cover the whole range of cutting and finishing processes on soft, hard and very hard materials.

Minute quantities are needed for each operation, and great economies can be made if these are accurately dispensed. They are used in preparing metallurgical specimens for the microscope, where the cleaner cutting action of diamonds over other abrasives prevents surface constituents in the metal from being disturbed. They are equally important in the manufacture of precision instruments, radar and gyro mechanisms, the precision fitting of turbine blades or the polishing of paper glazing rolls and engravers' plates for the printing industry. Steel moulds for making pills or plastics must be diamond-lapped to a high finish, so must the ceramic nose cones of rockets and tungsten carbide dies used in wire drawing.

Surfaces brought to a high finish in this way are naturally resistant to atmospheric corrosion since they contain no pores or crevices in which moisture could lodge. They might, however, be damaged by some of the products of corrosion—notably crystalline copper sulphate or verdigris—which could result from the use of a metal applicator gun. For this reason the body of the Hyplicator is made of moulded nylon, with a threaded nylon shaft which engages with a knurled micrometer screw (also made of nylon) in the top of the barrel. The shaft is connected to a neoprene plunger, whose base has been given a greater radius of curvature than the nozzle cup into which it descends. This ensures that every vestige of compound is forced into the centre of the cup and down the nozzle as the syringe empties. The whole nozzle fitting can then be removed and attached to a freshly loaded syringe, so that none of the compound is wasted.

Diamond compounds are also used at nuclear research establishments for grinding and finishing titanium, zirconium, tantalum and other rare metals including beryllium, whose highly toxic dust makes it necessary to machine the material by remote control in a totally enclosed cabinet. Under these conditions Hyprez compounds can be metered on to the work by means of an electric motor with a rubber driving wheel which bears on the knurled screw in the top of the Hyplicator.

INTRODUCING . . . . . .

NON-DESTRUCTIVE ULTRASONIC FLAW DETECTOR

EX: M/S. DR. LEHFELDT & CO., G.m.b.H. GERMANY

ECHOSKOP

could be used during works inspection, during working and manufacture, during research and development.

For further particulars write to:

SOLE AGENTS:

TOSHNIWAL BROTHERS (PRIVATE) LIMITED

198, Jamshedji Tata Road, Bombay-1

Branches: AJMER, CALCUTTA, DELHI, MADRAS.

HINDUSTAN MACHINE TOOLS ABOUT TO MAKE HIGH PRODUCTION TURRET LATHES

The State-owned Hindustan Machine Tools will shortly begin producing High Production Turret Lathes for the Indian market. This new machine, which has been completely designed and built by H.M.T's engineers, is to be one of the new series of turning machines built for the first time in India without any technical collaboration from abroad. It took about a year's research and development work for the Designs Department of the factory to build this machine.

Modern in its design technique, the machine is in line with the latest machines designed and developed in Europe. Its production also marks the first step towards the factory's attempt at attaining self-sufficiency in design and development. It is easy to maintain, is generously proportioned and indexed with extreme accuracy on account of its jig-bored index holes. The standard speed range of both the pre-selection and mechanical head stock is from 32 to 1,400 r.p.m., while alternative speed ranges of 23 to 1,000 or 45 to 2,000 r.p.m. could be provided if desired by a customer. The spindle runs in a precision double row, cylindrical roller bearing at the front end, and has an A1-6" standard spindle nose with metric 80 taper bore. Further, it is designed to take power-operated chucks if required. The machine will be available in three sizes with centre heights of 200, 225, and 250 mm. giving swings over the bed of 400, 450 and 500 mm. respectively.

Production of this machine on a large scale, it is estimated, will enable India to effect a saving in foreign exchange of about Rs. 2 crores. India absorbs about 300 machines of this type per year. It is expected that the machine built by H.M.T. will be priced 15 per cent. below the price of imported equivalent. The price of an imported machine of this type is around Rs. 60,000 now.

SCAMMELL REORGANISATION

The first stage of a large-scale reorganisation and production development scheme is now nearing completion at the factories of Scammell Lorries Ltd. Within the last few months £120,000 has been spent on the scheme, which includes new plant and extensions totalling 70,000 sq. ft. Car parking areas have been resited to make room for a new factory building that will be put in hand as soon as planning permission has been obtained.

The immediate object behind the scheme is to make fuller use of the existing overall factory area and labour force to boost production to meet the greater demand for Scammell vehicles and trailers. This demand is said to have increased overseas since the Scammell Company had the advantage of the Leyland Group Export Sales network, and very large quantities of four wheel and six wheel drive special oilfield type trucks and tractors are now operating in the major oilfields of the Middle East and other parts of the world.

These factors, coupled with the recent introduction of extremely attractive designs such as the 10-wheeled articulated Trunker and the Siberga dumper, as well as the heavier type trailers, have resulted in a record number of orders this year. In fact, orders in hand at the Scammell factories are at peak level. At the moment they are over 150 per cent higher than at the financial year ending 1959, and over three times higher than at the 1958 financial year end.

NEW PRODUCTS AND PROCESSES

New Sizing Machines for Textile Yarns

A DUTCH engineering firm has developed and started producing a new multi-cylinder sizing machine for cotton, linen, jute and synthetic yarns. This machine has a productive capacity of up to 600 kg. (1,320 lbs.) of dry yarn per hour and speeds of up to 110 m. (360')/minute at a power consumption of only 15 h.p. Steam consumption is very low. The yarn is conveyed to the size-box via a yarn feeding mechanism which has a variable speed. This is an important feature with synthetic yarns as well as with cotton yarns because they can be shrunk as soon as they become wet. The automatically controlled size temperature, size level and squeezing-out pressure ensure extremely uniform absorption of the size. The stainless steel drying cylinders, the first of which are coated with teflon to prevent adhesion of the yarn to the cylinders, are driven elastically, thereby enabling very low tensions to be used in the drying section resulting in a very low yarn stretch.

A compensating roller immediately behind the drying cylinders automatically adjusts the speed at which the yarn is fed to the rate of stretch. A drawing roller fitted between the compensating roller and the subsequent splitting reeds prevents the higher yarn tension required for splitting from being transmitted back to the size-box. The front part of the machine is driven by means of special variators or electric motors. The speed can be controlled by manual push-button operation or by means of an automatic hygrometer. The machine is equipped with an electro-magnetic staining device and a pneumatic pressing table. The machine is also provided with instruments for measuring the speed, yarn tensions, temperature of the size-box, steam pressure and air pressure. Both the yarn tension in the drying section and the winding tension for the loom beam can be accurately adjusted in kilogrammes from the control panel.

Creep Testing Machine

The research and development department of The United Steel Companies Ltd. has designed a compact creep testing machine which is now being built and marketed by Distington Engineering Company Ltd. The machine is expected to have many applications in industries concerned with the design and manufacture of steel parts for service conditions in steam boilers and turbines, gas turbines and certain chemical plant. Known as the Unisteel multi-specimen creep testing machine, it is designed to take either four high-sensitivity tests or 12 stress-to-fracture tests on the one machine, with one furnace and one temperature controller. The machine includes four loading systems, each of which provides for one high-sensitivity test or three tress-to-fracture tests in series. It can be used for the application of loads up to three tons on a specimen. A feature of the new machine is the concentration of a number of testing stations within a comparatively small space. It occupies a floor space of only slightly more than 1 sq. yd. and can be installed in rows at 4-ft. centres. The complete unit comprises, besides the machine itself, a furnace consisting of a fused silica tube wire wound in three zones for resistance heating, encased in a polished stainless steel cylinder; a control panel which includes an electronic temperature controller; and two auxiliaries —a ratchet spanner and lifting jack—which can be used with a number of machines.

Malted Milk Products

With a view to minimising some of the drawbacks of the existing methods of malted milk products, Central Food Technological Research Institute, Mysore, has developed a process which consists in mixing concentrated malt extract with milk powder, fats and carbohydrates and drying in vacuum drier. The product is powdered and packed in suitable containers. The salient features of the process are the use of milk powder in place of liquid milk and concentrated malt extract in place of mash liquor prepared from green or kilned malt, which reduces amount of water to be removed. The process has been tried on a bench scale unit where batches of 50 lbs. have been successfully prepared. The product has been subjected to limited consumer trials at the Institute and is reported to compare favourably with similar products of foreign origin both in taste and flavour. The shelf life of the product is about one year at 37°C.

Raw materials required for the process, namely, milk, rag jowar, barley and wheat are all available in the country. Total capital outlay for a plant having a capacity of 300 tons per annum is estimated at about Rs. 6.05 lakhs. Major equipments required are vacuum shelf driers, powder filling unit, mixers, seamers and granulator.

New Synthetics

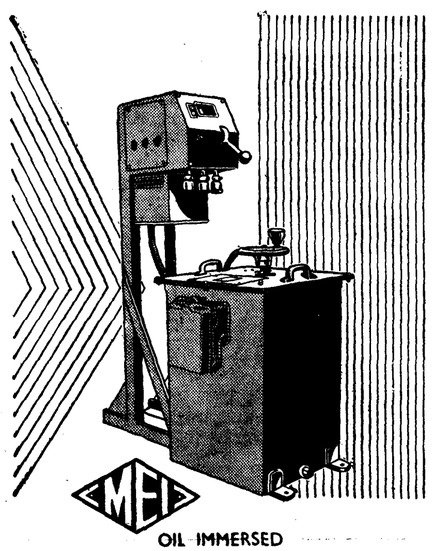
Staff members of the Institute of Chemical Physics of the U.S.S.R. Academy of Sciences claim to have discovered a new class of synthetic substances. The substances, polythercrylates, belong in to a class between the monomers and the polymers. They are viscous liquids capable of forming glass-like or elastic polymer materials under normal temperature and pressure. These polymers are very tough, resistant to temperature fluctuations, oils and solvents, and are excellent electric insulators. Using polyethercrylates of different types it is possible to obtain polymer materials with desired properties. The discovery of a new class of synthetic substances has made it possible to overcome a number of serious technical difficulties in the processing and moulding of polymer products. Polyethercrylates are suitable for the manufacture of super-strong glass plastics, electric insulating materials, glue, and protective coatings which are widely employed in various branches of industry.

Quality-conscious everywhere go for "*LOMA*" and the soaring sales testify its superb quality. "*Loma*" now an international product, is exported to almost all parts of the globe. This, apart from conserving valuable foreign exchange, through exports, has set an example for Indian-quality in the international market. Millions of bottles of "*Loma*" in use everywhere testify the confidnece millions have in "*Loma*" - the ideal hair oil-cum-hair darkener.

Sole Agents:
M. M. KHAMBHATWALA,
Ahmedabad 1
Agents.
C. NAROTAM & CO.
Bombay 1

Loma REGD.

Universally acclaimed Hair Oil-cum-Hair Darkener.



MEI

OIL IMMERSED

STATOR AND ROTOR STARTERS

TYPE 'OSR' For Slipring Motors upto 200 H.P.

Sales & Service: **AEC** (BOMBAY) PRIVATE LTD.
43, Forbes Street, Bombay 1.

Branch 'K' Block, Chowdhary Bldg., Connaught Circus, New Delhi

Associated Offices at: CALCUTTA · MADRAS · BANGALORE · HYDERABAD

6014-60

A CASE FOR AN EXTENDED THIRD PLAN

By R. M. Khatau and N. Dandeker

INDIA'S second Five-year Plan is now in its last few months, and, with the publication of the Draft Outline of the Third Five-year Plan, there has been considerable discussion in the Press regarding the size and scope of the third Plan and of the targets and priorities included in it. But, if the third Plan is to be realistically conceived and successfully executed, then a quick stocktaking of the second Plan—what we hoped to achieve and what we are likely to achieve—is plainly necessary.

The financial outlay in the public sector for the second Plan was revised to Rs. 4,500 crores. The actual expenditure in the first four years of the Plan was as follows:

Expenditure in 1956-57 to 1959-60

(In crores of rupees)

Item of expenditure	Centre	States	Total
Agriculture and community development	42.0	377.3	419.3
Irrigation and power	65.8	600.5	666.3
Industry and mining	770.8	77.7	848.5
Transport and communications	928.3	134.3	1,062.6
Social services	225.6	343.0	568.6
Miscellaneous	33.2	45.0	78.2
Total	2,065.7	1,577.8	3,643.5

An estimate of the current year's expenditure indicates that the target of 4,500 crores (*in money terms*) may well be reached, the shortfall, if any, not exceeding Rs. 100 crores. This shortfall is likely to be more than counter-balanced by a total net investment of Rs. 2,600 crores in the private sector, against the target of Rs. 2,400 crores.

Thus, judged purely in *money terms*, the targets of the Plan can be said to have been attained. However, to judge whether the targets have been attained in *physical terms*, that is, in real values, it is necessary to have a look at the behaviour of prices during the Plan period. This can be done by consulting Table I at the bottom of this page.

It is clear that there has been a continuous, progressive and persistent increase in prices of all commodities since 1956, the slight drop in prices of industrial raw materials in 1958 having been more than offset by their sharp rise subsequently.

In the first half of 1960-61, the rise in prices not only continued but became more pronounced, as will be seen from the following table:

Wholesale Prices

(Weekly average. Base : 1952-53 = 100)

Unit	1960					
	April	May	June	July	Aug.	Sept.
General index	120.5	122.7	122.9	124.7	125.0	125.3
Food articles	118.6	120.0	120.3	124.0	123.9	123.9
Industrial raw materials	134.2	140.1	139.7	137.1	137.0	138.8
Manufactured articles	117.8	119.8	119.9	121.0	122.3	122.7

II

Rising prices are not, of course, the only factor which has interfered with the achievement of the physical targets envisaged under the Plan. The foreign exchange crisis has been another important factor. The third is the technical, administrative and other limits inherent in all plans for rapid expansion and the innumerable, inevitable and unforeseen bottlenecks which one knows from practical experience are invariably encountered by all such projects. The effect of all these factors, including the steadily rising level of prices and costs, on the fulfilment of physical targets of the Plan must be assessed.

In the agricultural sector, the picture is as follows:

Item of agriculture	Unit	Original target*	Revised target†	Production 1958-59	Production 1960-61 (estimated) ‡
Foodgrains	Million tons	75.0	80.5	73.5	75.0
Cotton	Lakh bales	55.0	65.0	47.1	51.0
Sugarcane (in terms of raw *gur*)	Lakh tons	71.0	78.0	72.0	72.0
Oilseeds	Lakh tons	70.0	76.0	69.2	72.0
Jute	Lakh bales	50.0	55.0	51.8	55.0
Tea	Million lbs.	700.0	700.0	662.0	725.0
Tobacco	Thousand tons	250.0	298.0	263.0	300.0

* Embodied in second Five-year Plan.
† Second Five-year Plan Progress Report, 1958-59 (issued in April 1960).
‡ As estimated in third Five-year Plan, except for cotton which is latest trade estimate.

It will be seen that the estimated production in 1960-61 has, except in the case of cotton, exceeded the original targets. The latter have been revised upwards to correct a lacuna in the planning on agriculture. In the case of foodgrains, cotton and sugarcane, the 1960-61 estimates of production fall considerably short of the revised target. The shortfall in some items of agriculture and in particular foodgrains is of serious import, for, with both population and money increasing, it is of the utmost importance that the agricultural production should also have rapidly increased.

Equally serious is the shortfall in the achievement of the area under irrigation. The heavy capital-consuming medium and major irrigation projects create a potential for bringing in extra acreage under irrigation which, if not properly utilised, is a waste of national resources. The area brought under irrigation is as follows:

(In million acres)

	1950-51	1955-56		1960-61	
		Target	Achievement	Target	Achievement
Major and medium* irrigation.	22.0		24.9		31.0
Minor irrigation and other sources	29.5		31.3		39.0
Area irrigated (net total)	51.5	67.0	56.2	88.0	70.0

* Irrigation projects costing more than Rs. 5 crores are classed as major schemes and those costing between Rs. 10 lakhs and Rs. 5 crores as medium schemes.

The expected achievement of 70.0 million acres under irrigation falls substantially short of the target of 88.0 million acres.

The production of fertilisers, which can substantially increase agricultural productivity, has also fallen seriously short of expectations as follows:

(In thousand tons)

	Original target	Revised target	Production in 1959	Production achieved as % of revised Plan targets
Superphosphates (P_2O_5)	120.0	120.0	About 50.0	42
Ammonium sulphate (N_3)	290.0	290.0	About 75.0	26

Even allowing for a further period of 15 months in which actual production may rise, it is quite unlikely that it will approach the revised targets.

To sum up, shortfalls of considerable magnitude exist in the agricultural sector in the production of foodgrains, fertilisers, and in bringing acreage under irrigation which constitute a serious imbalance in the economy. A strong and stable agricultural sector is a prior "must" on which a large industrial base can be built in the third Plan.

Turning to transport, in recent months, the movement of coal, industrial raw materials and finished products has been considerably handicapped by the inadequacy of the railways to provide the wagons or power units or both, with the result that the goods traffic actually carried in 1958-59 was only 134.8 million tons. The Plan forecast a total goods traffic demand of 181 million tons in 1960-61, of which it was proposed to meet 162 million tons; but the heavy import of foodgrains from abroad was not envisaged in this estimate of traffic demand on the railways. A position has, therefore, been reached when industrial production may have to be slowed down due to the inadequacy of the railways to move both raw materials and finished products. This obstacle has largely been reached in some basic industries, notably coal, steel and cement.

The production of locomotives (in the private sector) and railway wagons, so necessary to create carrying capacity, has been as follows:

	Unit	Original target	Revised target	Production in 1959	Production achieved as percentage of revised Plan target
Locomotives (private sector)	Nos.	100	100	102	102
Railway wagons	Th. Nos.	25	25	8.46	34
Automobiles (all sorts)	Nos.	57,000	57,000	34,075	60

While the production of locomotives has been most satisfactory, the shortfalls in the production of wagons and automobiles, particularly trucks, have been a contributory factor to the present transport bottleneck.

Furthermore, the attainment of the target productions in the industrial sector will almost certainly be handicapped not only due to the inability of the railways as shown above, but also due to the insufficiency of available power. The power position, according to informed estimates, is as follows:

Original target Installed capacity under second Five-year Plan		Revised target installed capacity laid under second Five-year Plan	Installed capacity likely to be achieved by March 1961
Capacity at end of first Plan	3.4 million kw.		
Add. capacity under second Plan	4.8 million kw.		Not likely to exceed 5.8 million kw. on the basis of present progress.
Total	8.2 million kw.	6.4 million kw.	

The electrical industry's production in respect of some of the major items has reached the following levels:

	Unit	Original target		Revised target (Installed capacity)	Production in 1959	Production achieved as percentage of revised Plan target
		Capacity	Production			
Power transformers	Th. kVa	..	..	2,200	1,095.65	50
Electric motors	Th. H.P.	600	600	1,200	582.53	49
A.C.S.R. cables	Tons	20,400	18,000	30,000	14,612	49
V.I.R. and plastic coated wires	Lakh yds.	..	..	5,000	1,670.60	33

The electrical production in 1960-61 may fall short of the targets by a sizable margin, even when allowance is made for increase in production over 1959 figures.

In the basic industries which constitute the "hard core" of the Plan, the current levels of production are as follows:

	Units	Original target, Installed capacity	Revised target	Production in 1959	Production achieved as percentage of revised Plan target
Coal	Th. tons	..	60,000	47,032	78
Finished steel	Th. tons	4,700	4,300	1,673.40	39
Cement	Million tons	16	16	6.83	43

With the exception of cement, where the installed capacity expected by March 1961 seems adequate, the production of coal and finished steel lags woefully behind targets as well as immediate needs.

In the remaining industries a mixed picture emerges. In the following industries the target has already been exceeded by the end of 1959:

Industry	Unit	Revised target	Production in 1959	Production achieved as percentage of revised Plan target
Sugar machinery	Rs. lakhs	250.00	283.15	113
Locomotives (private sector)	Nos.	100	102	102
Bicycles	Th. Nos.	895	990.48	111

The target is likely to be achieved in the cotton textile industry. As against a target of 5,350 million yards, production in 1959 was 4,925.56 million yards and in 1960 it was of the order of 5,000 million yards.

In the other industries, the current rate of activity is as follows:

Industry	Unit	Original target		Revised target	Production in 1959	Production achieved as percentage of revised Plan target
		Capacity	Production			
Aluminium	Tons	30,000	25,000	30,000	17,242.53	57
Ferro-manganese	Tons	171,800	160,000	170,000	61,700	36
Sulphuric acid	Th. tons	500	470	500	283.51	57
Soda ash	Th. tons	253	230	253	93.82	37
Caustic soda	Th. tons	150	135	150	68.68	46
Industrial explosives	Tons	..	..	5,000	3,475.70	70
Plastic, synthetic moulding powders—						
P.F. moulding powder	Tons	..	..	12,810	1,764.00	42
U.F. moulding powder	Tons	..	..		317.50	
Polystyrene moulding powder	Tons	..	..		2,314.40	
					5,395.90	
Refractories	Th. tons	1,000,000	800,000	1,250	496.84	40
Rubber manufactures (automobile tyres)	Th. tons	..	..	1,450	1,138.64	79
Dyestuffs and intermediaries—finished dyes	Th. lbs.	..	..	27,000	10,109.69	37
Dyestuffs	Th. Nos.	..	..	300	214.92	72
Radio receivers	Th. tons	..	..	2,500	2,085.05	83
Sugar	Tons	60,000	..	60,000	19,679	33
Newsprint	Th. tons	450	350	450	290.91	65
Paper and paper board	Th. tons	..	..	65	53.99	83
Paints and varnishes	Th. tons	..	..	445	316.78	71
Vanaspati						

It will be seen from the above that there is considerable leeway to be made in the above industries before the targets of the Plan can be reached. Considering that a time interval of only 15 months remained after the period to which the foregoing figures relate, and that some of the industries may nevertheless attain the desired level of production, the clear picture is that the majority of industries, particularly food, fuel, steel, transport and power, i.e., the basic industries constituting the 'core' of the Plan, will require a greater period of time in which to reach the desired level of production. The target production levels will be attained in many industries only after the industries constituting the 'core' of the Plan have reached the desired levels. The time interval for some of the other industries to reach the targeted productions may be as much as a year *after* the basic industries have fulfilled their targets. Moreover, the extent of shortfalls in transport, power and basic industries are such that an additional year or two, i.e., upto March 1963, may be required to enable them to achieve the desired levels of activity. The groundwork from which the third Plan will start is thus unlikely to be completed before the end of 1962, and the third Plan itself will then stretch till the end of 1967. Or, looked at differently, the third Plan may be a seven-year Plan commencing with the actual levels prevailing in March 1961.

III

It is of the utmost importance that the period required for the consolidation of the 'core' of the second Plan, and which would constitute the base of the third Plan, that is to say, a period of eighteen to twenty-four months should be allowed for to enable the physical targets of the former to be achieved and to bring down the prices to levels more in keeping with those prevailing at the beginning of the second Plan. Unless this is done, the planning and achievement of the third Five-year Plan will fall even further short of targets in real terms, than in the current Plan. Together with allowing the additional period mentioned above for consolidation of the second Plan, the following fiscal and monetary restraints should also be observed to stamp out inflation:

(*a*) During the past four years, large dosages of deficit finance has been injected into the economy as follows:

Deficit Financing (Central and States)

Year	Rs. crores
1956-57	—253
1957-58	—503
1958-59	—136
1959-60	—228*
	—1,120

* Provisional.

Source: *Report on Currency and Finance—by the Reserve Bank of India.*

During the suggested period of consolidation of the second Plan, the deficit finance must not exceed what is budgeted in the present Budget; in other words, there should be no deficit financing at all during 1961-62 and 1962-63. Only so will it be possible for production and national income to catch up with the vastly expanded money supplies.

(*b*) The Union Government should refrain from borrowing directly or indirectly from the large 'rupee counterpart' funds arising out of transactions under P.L. 480, which in fact ought to be frozen. These funds should be utilised only when (and to the extent that) agreements are concluded between the U.S. Government and the Indian Government for their specific utilisation. Government borrowing of or against 'rupee counterpart' funds from the State Bank of India can only lead to inflationary finance.

(*c*) Advantage should be taken of the period of consolidation to reduce the drain on sterling balances and, if possible, to build them up.

(*d*) Government administrative expenditure has tended to increase from year to year—the combined non-development revenue expenditure has risen from Rs. 529.75 crores in 1950-51 to Rs. 600.56 crores in 1955-56 and to about Rs. 780 crores in 1958-59. This rising trend in Government expenditure has steadily reduced the net capital formation by Governments out of their current savings, as will be seen from the following table:

(In crores of rupees)

Year	Net capital formation by Centre and States	Governments' savings
1951-52	212.4	177.5
1952-53	210.3	70.2
1953-54	256.2	29.9
1954-55	340.6	43.5
1955-56	482.3	29.2
1956-57 (R.E.)	586.8	91.5
1957-58 (likely actuals)	717.6	38.1
1958-59 (B.E.)	860.5	—25.9

It is plain that what is needed is, first, a flat ban on any further increase in the strength of Government establishments and secondly the drastic pruning down of the man-power strengths in Government departments to at least the 1955-56 levels.

(*e*) In the monetary field, the Reserve Bank should persist with its "dear money" and "tight money" policies and should consider also:

(i) Raising the Bank rate and exercising more rigid "selective control" over commercial banks' credit expansion.

(ii) Attracting more money into the banking system by raising (not lowering) the "call money rates" and "term money rates" which may be offered by commercial banks.

(iii) Advising the Union Government to raise its long-term and medium-term borrowing rates to, say, 4½ per cent. and 4 per cent., respectively.

(*f*) The Reserve Bank's role in facilitating Government borrowings on new issues needs re-examination. The arguments advanced in defence of the Bank's present policy in this respect (*Reserve Bank Bulletin*, February 1960) are defective in two respects: (i) It involves anticipatory *inflationary lending* by the Bank to Government on a very large scale against possible subsequent purchases of new issues by the State Bank of India and/or the commercial banks and the public. This encourages boundless extravagance in Government spending. It would be better, instead, to make new issues available "on tap" for some time after they are floated and until the next busy season. And (ii) even then, the "tap" ought *not* to be turned on for the above purposes until these later demands have first absorbed the securities taken up by the Reserve Bank itself in conversion of Ways and Means Advances and/or Treasury Bills held in the Banking Department.—*All Rights Reserved.*

TABLE I

Index Nos. of Wholesale Prices

(1952-53 = 100)

For the year ended March	All commodities	Food articles				Industrial raw materials				Manufactures		
		Total	Cereals	Pulses	Sugar and *gur*	Total	Raw cotton	Raw jute	Oilseeds	Total	Cotton manufactures	Jute manufactures
1955-56	92.5	86.6	76	62	89	99.0	96.9	117.1	85	99.7	105.5	96.1
1956-57	105.2	102.2	96	81	96	116.0	110.6	125.6	120	105.2	116.1	95.1
1957-58	106.4	106.4	101	82	109	118.5	106.1	132.7	120	108.1	116.2	95.2
1958-59	113.9	115.2	107	104	127	115.6	98.6	117.7	127	108.4	111.8	86.6
1959-60	117.1	119.0	104	94	142	123.7	105.7	116.1	135	111.6	116.7	90.8

N.B.—Figures are monthly averages for April-March each year.

ECONOMIC TRENDS IN BRITAIN

GROWTH OF WAGE DEMANDS THREATENS PERIOD OF PRICE STABILITY

By W. T. C. King
EDITOR, "THE BANKER," LONDON

THE *spotlights of interest in the financial* centres of the world (in December 1960) have concentrated an even fiercer glare upon the problems of the United States of America's balance of payments and its implications to world trade. One reason for this, of course, is the uncertainty that is inseparable from the impending change at the White House—though the particular spasm of fear for the dollar that mounted so sharply when a Democratic victory first seemed probable had abated well before that expectation was confirmed at the polls.

Paradoxically, the latest phase of the uneasiness about the dollar seems to have been related less to the uncertainties about the policies of the new administration than to the efforts of the outgoing administration to tackle the underlying problems.

Pressure on the Dollar

The decision to reduce the cost of United States forces overseas by recalling dependants has advertised the seriousness with which the issue is now regarded in Washington while offering by itself only a moderate contribution to the filling of the payments gap. In the circumstances, the foreign exchange markets were bound to be sensitive to the reports that the visiting U.S. ministers had returned empty-handed from their talks in Bonn about defence costs. Then came the news that the U.S. gold stock had dipped, for the first time for 20 years, below 18,000 million dollars—a level that had acquired exaggerated psychological significance in some financial circles in the United States.

In spite of the sensationalising of these influences, the resultant pressures on the dollar have not shown any sign of developing the sort of cumulative force that seemed to be threatening in October. This better resistance in face of a good deal of irresponsible rumour and speculative discussion unquestionably owes much to the new equilibrium that has been reached in the gold market. Contrary to many expectations before the election, there has been no recrudescence of the excitement in gold dealings that was witnessed a few weeks ago. The demand for gold on the London market did, it is true, expand substantially again at around the time of the U.S. elections (though it never reached the extraordinary proportions encountered during the October flurry) and the sterling price at the daily fixing rose at one point to 256 shillings and sixpence (compared with October's peak of 270 shillings), with the dollar quotation at around 36-36¼ dollars.

Thereafter, however, there was a steady decline, and for the past few weeks the extreme range of the London fixing prices has been 252 shillings and ninepence—253 shillings and tenpence, with the dollar quotation unchanged for several days at 35.55-75 dollars and then easing to 35.40-55 dollars. This, it will be observed, is still significantly above the former limiting point of about 35.20-25 dollars—the point at which the price is roughly equivalent to the cost to central banks of buying gold in New York and shipping it across the Atlantic. It is also just above the highest price that central banks of countries that are members of the International Monetary Fund can pay for gold consistently with the I.M.F. rules: their buying price must not exceed the (gold) dollar parity of their currencies by more than one per cent. (that is 35.35 dollars).

Demand for Gold in London

In market circles it is assumed that central bank demand for gold in London, which at present is non-existent, would probably quickly revive if the London price dropped below the latter figure, and would almost certainly do so if it fell back within the limits current before the recent scare.

For this reason, it is thought that the premium over the dollar parity is unlikely to contract much further in the present circumstances. On the other hand, the risks of an abrupt widening have been much diminished. It is now well understood that the calming down of the excitement has been largely due to two official influences—to the technical management of the market by the Bank of England, and to a clear recognition by the United States authorities that the avoidance of any undue premium is an important objective in the long-term interests of the dollar.

The peculiarity of this market, amply demonstrated by the October experience, is that a rise in price beyond the accustomed limits encourages demand. In order to induce the gradual reduction of the price from the peak, it was obviously necessary to release to speculators a larger volume of gold than was flowing to the market from new production, and part at least of this additional supply has been indirectly provided from the official gold stock of the United States. But in the absence of this policy of meeting the market demand, the eventual strain on the U.S. reserves would almost certainly have been larger still, because of the resultant intensification of pressure on the dollar in the exchange markets.

As it is, the dollar has been saved from that source of stress, and the speculative demand for gold has been brought more or less into line with new gold output; in the past few days, indeed, the further easing of the market appears to have induced some re-sales of private holdings.

Market's Mood of Gloom

The international implications of the dollar problem have, however, combined with domestic influences to cast a mood of gloom over the London stock markets. In the second half of November, the easier trend of industrial equities was sharply accentuated, culminating in a drop of nearly eight and a half points in the London *Financial Times* industrial share index on a single day—28th November—when the index touched 295.2, a new low point for the year, though only a shade below the low of early May. Less than three months ago, however, the index had stood at more than 340, only a little under the all-time peak of 342.9 reached in the first few days of the year.

The immediate cause of the latest weakness was new evidence of the repercussions of the credit squeeze; but a more fundamental source of uneasiness was the feeling that the domestic and the external factors in economic policy are pulling in different directions.

Two consequences of the squeeze have attracted wide publicity in the past month. Short-time working in the motor-car industry, which had been introduced into some plants several months ago, has now become almost general, embracing not only the main groups but also many of the producers of components. There have also been some outright dismissals of workers, but the numbers involved have been small by contrast to the numbers put on short-time.

In spite of the fact that the net growth in hire-purchase debt for all purposes was kept down to only £13,000,000 (to £962,000,000) in the first five months after the reimposition of terms control at end-April last (in contrast with an increase of £142,000,000 in the corresponding months of 1959), this has not been the only major influence in bringing about the marked slackening in car output from the peak rates attained in the first half of this year.

Contraction of Car Exports

Another and possibly even more important influence has been the severe contraction of the North American market for imported cars—not only, of course, because of the easing of American business activity, but chiefly through the introduction of the American "compact" car. The effects of the hire-purchase restraints have lately been highlighted, however, in public discussion here by the fact that news of further short-time schemes coincided with a spate of rumours about the impact of these restraints upon the hire-purchase finance companies themselves. Some considerable losses have been admitted by several finance-houses—in the course of statements calculated to allay concern shown in stock markets—and there is little doubt that most of them have experienced some rise in their loss ratio.

It may be questioned how far this experience ought to be attributed to the squeeze, and how far to lax standards in credit-granting induced by the sheer pace of the expansion and the scramble for new business during the phase of decontrol. But, in the public mind, the troubles of finance houses have been joined to the short-time in the motor industry, the depression in certain consumer durable trades, and the acumulation of stocks by retailers of these products as providing a case for early relaxation of the credit restraints.

More sophisticated observers are well aware, however, that though these measures have had a sharp impact upon these industries, they have not yet had the ultimate result that had been expected of them. Though the atmosphere in the economy is no longer one of boom, the nip in the air has not been enough to prevent the growth of wage demands on a scale that threatens to end the long phase of price stability. Nor has the check to consumer demand in these spheres yet been accompanied either by any marked slackening in the rise in Britain's total imports or by a recovery in British exports. The balance of visible trade, so far from improving, as had been hoped earlier in the year, has deteriorated further—mainly, no doubt, as a consequence of the pause in world trade, the easing of commodity prices and the recession in the United States.

An Unenviable Dilemma

In these circumstances, the British authorities face an unenviable dilemma. Should they relax the restraints lest productive resources "run to waste," on the argument that the strain on the balance of payments is due to international influences (and for the time being, in any case, is being accommodated by the inflow of mobile international funds to London)? Should they, indeed, heed the more subtle argument that has been urged by the National Institute of Economic and Social Research—that aggregate industrial production has been stable on a plateau for these past six months, during which stocks appear to have been rising sharply, and that production is therefore liable to turn sharply downwards when the stock-building slows down, or goes into reverse. On this argument, demand needs to be stimulated now. But can the authorities risk giving any sort of "green light" when critical wage negotiations are pending, when no solution of the underlying balance of payments problem is in sight, and when the course of the American economy and of the external economic policy of the United States is more than usually uncertain?

Personalised

SERVICE

With specialised knowledge acquired through long experience, the Punjab National Bank is in a unique position to-day to be of positive help in providing PERSONALISED SERVICE.

EVERY DESCRIPTION OF BANKING BUSINESS IS UNDERTAKEN.

THE PUNJAB NATIONAL BANK LTD.

Established 1895
Head Office : New Delhi.

BRITISH SHIPPING LINES LOOK AHEAD

British passenger shipping lines are looking to the future in order to maintain a high standard of comfort and efficiency. New vessels are being built and older ones modernised. On Tuesday, the 17th inst., the longest passenger liner since the *Queen Elizabeth* was launched from the yards of John Brown & Co. (Clydebank) Ltd., Scotland. She is the 33,000 tons gross and 756 ft-long *Transvaal Castle*, built for the Union-Castle Line. The ship, with accommodation for 740 passengers, will be powered with a turbine installation capable of developing 44,000 s.h.p. The normal service power will be 40,000 s.h.p., giving a cruising speed of 23 knots. The Cunard Line is to have three more of its vessels—the *Saxonia*, *Ivernia*, and *Carinthia*—fitted with escort marine radar following the success of this equipment in the *Queen Elizabeth* and the *Queen Mary*. Installation will take place during the forthcoming winter refits. The P. and O.-Orient liner *Iberia* (20,614 tons gross) is to have a complete air-conditioning plant; over 100 new showers and toilets are also to be installed.

STATE BANK OF TRAVANCORE
(Subsidiary of the State Bank of India)

INVEST IN
our THREE YEARS and FIVE YEARS CASH CERTIFICATES and earn compound interest at 4% and 4½% p.a. respectively.

Our THRIFT DEPOSIT SCHEME enables those with limited income to save systematically.

SAFE DEPOSIT LOCKERS
in different sizes are available at our Trivandrum Branch.

All types of Internal and International Banking Business transacted.

Branches at Bombay and all important centres in South India.

FORWARD MARKETS BULLETIN
(Monthly)
Published by Forward Markets Commission
Government of India, Bombay

REGULAR FEATURES
- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription: In India .. Rs. 24.00; Abroad .. Rs. 40.00
Single copy: In India .. Rs. 2.50; Abroad .. Rs. 4.00

For further particulars please apply to:
The Secretary, Forward Markets Commission
"Everest," 100, Marine Drive, Bombay-2

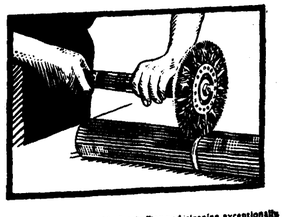
THE UNITED COMMERCIAL BANK LIMITED
Head Office: CALCUTTA

Authorised Capital	..	Rs. 8,00,00,000
Subscribed Capital	..	Rs. 4,00,00,000
Paid-up Capital	..	Rs. 2,00,00,000
Reserve Fund	..	Rs. 1,75,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.
Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.
AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, *Chairman.* S. T. SADASIVAN, *General Manager.*

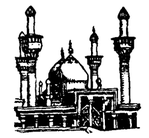
"SCCO"



These brushes are invaluable for buffing and cleaning exceptionally severe scaling or rust from structural work, also specially adapted for weld cleaning, and other tough scaling propositions and rough Castings. "TWISTKNOTS" may be operated at considerably higher speeds than ordinary wire wheels and a comparatively light pressure increases both the efficiency and life of the brush in addition to lightening the work of the operator.

India Brushware
72, CANNING STREET,
CALCUTTA-1.
Phone : 34-1985

A tale of Twenty-two Cities



From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them—in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to 1889 and closely associated with the rapid development taking place today.

India; Aden; Dubai; Sharjah and Abu Dhabi, Muscat; Qatar; Bahrain; Kuwait; Saudi Arabia; Jordan; Iraq; The United Arab Republic (Syrian Region); Lebanon; Libya, and Tunisia: these are territories where The British Bank of the Middle East operates. It has intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

THE BRITISH BANK OF THE MIDDLE EAST

Incorporated in England by Royal Charter 1889 *with Limited Liability.*
HEAD OFFICE: 7 King William Street, London E.C. 4.
BOMBAY OFFICE: 314 Dr. Dadabhai Navroji Road, Fort, Bombay.
Tel. Add.: BACTRIA. Telephone: 25-2267
Capital and published reserves £4,473,000
ASSOCIATED WITH
THE BANK OF IRAN AND THE MIDDLE EAST
Capital Rials 250,000,000
HEAD OFFICE: TEHERAN, IRAN (PERSIA). (P.O. BOX 1680)

READY FOR SALE

THE MADRAS STOCK EXCHANGE OFFICIAL YEAR BOOK

1959-60

(Eighth Year of Publication)

Revised and Brought up-to-date. Balance Sheets and other particulars received upto 30th November, 1960 incorporated. Details of more important Companies listed on Bombay, Calcutta and other recognised Stock Exchanges in India included

Over 1100 Pages

Price Rs. 10-00 Packing & Postage Rs. 2-50

COMPILED BY:

MADRAS STOCK EXCHANGE LTD.
322/323, LINGHI CHETTY STREET, MADRAS-1.

MERGERS AMONG INSURANCE COMPANIES

DEVELOPMENTS IN BRITAIN OFFER FOOD FOR THOUGHT

IN Britain, the move for establishing giant corporations is gathering momentum. This is not confined to industrial concerns only but covers service undertakings also, including insurance. The year 1960, for instance, closed with the largest merger proposal in the history of British insurance.

The Royal Insurance Company Ltd. (Chairman: Mr. T. H. Naylor), Britain's largest composite insurance office, has made a share exchange offer worth £50.6 million to the London and Lancashire Insurance Company Ltd. (Chairman: Mr. R. M. Preston). If this offer goes through, it would result in the establishment of an insurance group having total assets exceeding £408 million. Of this, Royal's assets would be £337.4 million and London and Lancashire's £71.3 million. The previous largest insurance merger in the U.K. was in April 1959 when the Commercial Union Assurance Company Ltd. made a £37 million share exchange offer for North British and Mercantile Insurance Company Ltd., creating a group with total assets exceeding £300 million at that time.

The terms of the offer are as under:

Two Royal Insurance 5-shilling shares for every five of London and Lancashire's 5-shilling shares. The latter has £4.37 million of stock in issue. Royal's offer values the London and Lancashire shares at 57s. 11d., as against their closing rate on the 29th December 1960—the date of offer—of 48 shillings and the highest for the year of 51s. 6d. Royal's 5s. shares closed on the same day at 144s. 9d. The acceptance of the offer in full will require the issue by Royal of 6,987,474 units which will raise its present capital of £5,599,930 to £7,346,798.

Announcing the offer, the Board of the Royal said: "The whole purpose of the proposed arrangement is expansive and not restrictive. The Directors believe that the resources of the two groups can be developed more effectively and fruitfully in association than separately and are therefore satisfied that opportunities and scope will be increased and broadened." The Board also gave an assurance to the staffs of both companies that existing rights and privileges would be fully preserved.

The following table gives the breakdown by classes and territories of the premium written by Royal and London and Lancashire in 1959:

	Royal (£m)	%	London and Lancashire (£m)	%	Total	%
Class						
Fire ..	56.5	41	13.3	37	69.8	40
Accident ..	74.4	54	17.2	49	91.6	53
Marine ..	6.4	5	4.8	14	11.2	7
Total ..	137.3	100	35.3	100	172.6	100
Territory						
U.S. ..	83.2	61	12.8	36	96.0	55
Elsewhere ..	54.1	39	22.5	64	76.6	45
Total ..	137.3	100	35.3	100	172.6	100

The merger will make little change in the composition of the Royal's business, except to raise its stake in marine business and reduce the proportion of its premium income from the U.S. from 61 per cent. to 55 per cent.

The underwriting record of the two companies shows opposite trends. In 1959, Royal made an underwriting profit of over £1 million while London and Lancashire made an underwriting loss of £571,000. Over the five years ended 1959, Royal made an underwriting profit of £2.4 million while London and Lancashire made a loss of £664,000 during the same period.

The Royal simultaneously announced that it intended to pay a further dividend of 2s. 6d. per 5s. unit for 1960 which will bring total distribution to shareholders during the year of 100 per cent.

Some Reflections

The aforesaid development has stimulated the following thoughts in the minds of a correspondent who is interested in the growth of insurance in India on sound lines:

The recent news from London of the Royal Group of insurance companies taking over the London and Lancashire Insurance Company shows that the process of mergers is still going on and it will be years before all the full effects of integration are realised so far as the structures of the various companies are concerned. Companies in the London market also happen to be the biggest non-Indian groups in the Indian insurance market and so the events in London have their repercussions even in India. The process of mergers is equally strong among banks and other financial institutions.

One paradoxical feature of this situation is the fact that the immediate reasons for these mergers in the U.K. are slightly different from those operating in India. In the U.K., two strong and big units often merge to achieve an outstanding economy of scale or the necessary financial strength for operating in a highly competitive market like the U.S.A. If a smaller unit is bought over cheap, it is because it has enormous hidden resources and the market value of its shares has no relation to its real capital value. In India, however, an uneconomic unit tends to carry on almost till it has to close down. It is only then that it is forced into a merger. As is clear from the mergers forced on weaker and unsound banks recently by the Reserve Bank of India, the normal pattern is the merger of a small and weak unit with a bigger unit. The idea is to increase the security to the staff and the clients of the smaller unit by getting it reorganised into another administrative system which is vigorous and which has stood the test of time.

There is no pressure yet by the Controller of Insurance in India on any of the weak economic units to merge with stronger units and it is doubtful if he has such wide powers. The only pressure is the economic pressure on units of less than optimum size. But the processes of economic growth depend on some non-economic considerations also and bankrupt companies carry on for years before they close down or convert themselves into reinsurance companies or investment companies. The directors and managers go on getting their fees and commissions and salaries—sometimes not accounted as such—and these vested interests constitute the biggest hurdle in the way of any conclusion which might otherwise be reached on the basis of pure economic forces.

The Solution

The first step towards an improvement of the present unsatisfactory situation would be for a competent accountant to be employed in the office of the Controller of Insurance, which should have a section in Bombay and Calcutta which are the respective centres of Indian and British insurance interests in India. A competent accountant would be able to analyse the balance-sheets and returns of both Indian and foreign companies and classify them into groups of varying soundness. These classifications should be widely publicised, so as to build up a public opinion in favour of economic integration of the weaker units. As stressed by Prof. W. W. Boston in his essays on the processes of economic growth, propensity to develop fundamental sciences and to apply science to economic ends or propensity to accept innovations is as important as the propensity to seek material advance. Wide publicity of the reports of the Government-appointed auditors on the working of various insurance companies would also bring into prominence the fact that material advance of the promoters of insurance companies does not often coincide with any material advance on the part of the insurance companies, shareholders, employees or policyholders. Once this categorisation of insurance companies is made, it should be easier for sound companies to purchase weaker companies at as low a price as 40 per cent. of the paid-up capital in quite a few cases. This is the result of losses which eat into capital in the absence of accumulation of reserves. This would appear to be a better way of competing for a limited amount of business rather than trying to outbid each other in buying business.

Basis of Growth

Growth of the strength of an insurance company is only possible if sound underwriting results in considerable reserves to withstand adverse years and to pay a constant dividend from the income on invested reserves. This can be rapidly achieved if some of the Indian companies work in close collaboration with foreign insurance companies which are operating or may operate in India at a future date. It is quite possible for an Indian company to collaborate with a Japanese, German or Australian company, so that each supports the other's operations in its own country and, at the same time, broadbase their reinsurance portfolios. This is nothing but a normal corollary of foreign collaboration in the fields of industry, trade and banking. It will also assist India's invisible exports.

The final picture of economic units in India would be about twenty insurance groups operating on a premium base of between one and two crores each. This will obviate the duplication of uneconomic services all over the country for a total and almost constant premium of about twenty-five crores of rupees. At the same time it would retain the flexibility of the administrative machinery and the retention of the personal and non-bureaucratic relationship between the insurer and the insured. Such growth in the size of the various operating units will automatically raise the retentive capacity of the market and lessen the drain of foreign exchange. It is in this respect that some sort of liaison between the Reserve Bank and the Controller of Insurance would appear desirable.

INSURING RISK OF DAMAGE BY AIRCRAFT

More traffic in the international skyways of late has naturally resulted in an increase in the incidence of aircraft accidents. Loss of lives and damage and destruction to the aircraft are not the only hazards of accidents in the air. Property on the ground is also exposed to damage from falling aircraft. An article on the risk of damage caused by falling aircraft by the Insurance Correspondent of the *Financial Times*, London, throws some interesting light on the implications of this risk and the facilities available in Britain for covering it. We publish below an extract from it:

"Fire insurers freely grant cover against these risks (risks of falling aircraft) at a nominal rate of premium. In addition, where the material damage insurance is so extended, they are willing to include the aircraft peril also in the loss of profits insurance. This means that, if a firm's permises or its contents suffers aircraft damage, both the physical loss involved and the consequential losses which flow from the physical damage will be covered by insurance.

"In this country at least the operators or owners of an aircraft which causes damage on the ground are compelled by law to compensate for the physical loss which results to the owners of the property. With regard to property located overseas, in many countries the same position would obtain, although a thorough check on local laws would be necessary to establish this. There is a good deal of obscurity, however, surrounding the responsibility for consequential losses, which in any event cannot always be so clearly defined.

"Damage from aircraft is caused in two ways. Either the aircraft crashes and the impact damages property on the ground, or some part of the aircraft or its cargo falls on to property. The damage which may occur in the latter way can be much more extensive than might be supposed.

"When any damage occurs redress has to be sought against the owners or operators of the offending aircraft, always assuming that the particular craft can be identified. Identification may be difficult when damage is caused by some article dropped from the air.

"Whatever may be the nature of the cause of damage, the fact that the owners or operators of an aircraft may be domiciled other than in the U.K. or Commonwealth may make recovery or compensation much more difficult to obtain. There is always the possibility also that the resources of the operators may not be sufficient to meet the amount of any claim which can be established.

"As with several of the perils which can be added to the fire and profits policies, at the rate charged insurance against aircraft damage must be considered to be desirable. In return for a modest premium all the doubtful elements in the potential situation are removed and placed squarely on the shoulders of the insurers.

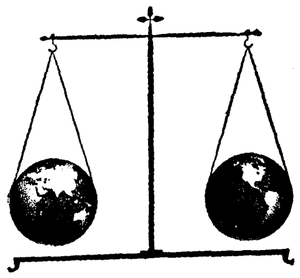
"The prior liability for damage, and for consequential losses as covered by the profits policy, are passed to the insurers. The firm which is the victim of damage can look to its insurers to make good its losses, and it becomes the ultimate responsibility of the insurers to seek redress wherever it may be obtainable. This is done through the medium of the subrogation condition in the insurance policies, and the insured firm is compelled to co-operate in the seeking of compensation. The cost of doing so, and the work involved, falls upon the insurers.

"Aircraft operators normally effect insurance against liability risks. In addition to insuring the hull and equipment in the aircraft itself policies are effected to meet claims from third parties for personal injury and damage to property for which the insurers or operators of the aircraft may be held responsible. This cover is similar to the third-party aspect of motor insurance, but the protection afforded by insurance is limited to the amount of cover agreed and for which premium has been paid.

"When a really bad accident happens it may arise that the amount of liability insurance carried by the airline operators is insufficient to meet all claims. This is another factor in favour of insuring property and profits against the aircraft risk.

"It is not inconceivable that the surplus resources of an airline may be insufficient to meet all claims made upon it after an accident, even

(Continued on page 126)



In both hemispheres . . .

. . . there are businessmen, *and in both hemispheres there are banks.* This is all very well as far as it goes, but contact between east and west is a different matter, and one of great and growing importance. That is where The Hongkong and Shanghai Banking Corporation comes in. Providing a complete banking service throughout south and east Asia, we also enable the businessman in that half of the world to contact his opposite number in the other. In both hemispheres you will receive excellent service from the biggest bank established by the Far East for the Far East.

THE
HONGKONG AND SHANGHAI
BANKING CORPORATION

HEAD OFFICE: HONG KONG
BRANCHES IN INDIA
BOMBAY CALCUTTA
Offices in Europe and the United States and throughout the Far East.

ATLAS
ASSURANCE CO., LTD.
The liability of Members of the Company is limited
Incorporated in England

A.D. 1808

Bombay Agents:
N. SIBUR & CO. PRIVATE LTD.
TULSIDAS KHIMJI.
MACKINNON MACKENZIE & CO. PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALLJI THAKERSEY & CO.

Branch Offices:
Dougall Road, Ballard Estate, Bombay.
Indra Palace, Connaught Place, Delhi.
2-L, Mahatma Gandhi Road, Bangalore.
Vijaya Bank Building, Mangalore.
7, Armenian Street, Madras.
4, Clive Row, Calcutta.

FIRE — MARINE — ACCIDENT

OBTAIN FREE BROCHURE ON PATENTS & TRADE MARKS
Contact:
PURUSHOTTAMDAS GOKULDAS
Patent Attorneys
39D, People's Building, Ground Floor, Sir Pherozshah Mehta Road, Bombay-1.
Telephone: 248814—231172.

STEARIC ACID
(Double Distilled)
Manufactured by:
THE MODI VANASPATI MFG. CO.
Bombay State Distributors:
RAMJILAL LAKHMICHAND
Head Office: 332, Kalbadevi Road, Bombay-2 Phone: 30361
Branch: 696, Reid Road, Ahmedabad Phone: 2665
Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

STEEL PRODUCTION SOARS BY 173% AT MUKAND

In 1940, Mukand employed 694 men; in June 1960—2,187. Over the past seven years, production figures have soared—18,234 tons in 1952/53; 49,787 tons in 1959/60. This increase is a reflection of a good management of finances:—

	1957/58 (Rs. in lacs)	1958/59	1959/60
Capital	51	51	71
Depreciation provided up to date	32	36	41
Profits retained in business to date	25	35	45
Profit for the year	19	30	32
Dividend for the year	5	5	8

Mukand manufacture high-grade steel products—bars, rods and castings. Presently an expansion programme is under way. It will cope with the growing influx of big orders—like the one placed by the Railways with Mukand on 16th July 1960 for 4,035 sets of Centre Buffer Couplers valued at 84 lacs.

Mukand provides India's new and growing industries with the quality steel components they must have.

MUKAND STEEL STRENGTHENS THE NATION

BANKING SERVICE OF EVERY— — DESCRIPTION

THE BANK THAT WORKS FOR YOU

These words are an expression of the way the bank feels about its responsibility to provide the most effective banking facilities for its customers.

We offer banking service of every description for trade, industry and personal requirements.

THE INDIAN BANK LTD
Head Office: FIRST LINE BEACH, MADRAS-1.
G. S. SUNDARAM SECRETARY

PROTECTION TO ALUMINIUM CONDUCTORS EXTENDED

COPPER CONDUCTORS, HOWEVER, DEPROTECTED

ON the recommendation of the Tariff Commission, the Government of India has extended the period of protection granted to the aluminium conductors industry (aluminium conductors steel reinforced and all aluminium conductors) which was due to expire at the end of 1960, by another three years, that is, till 31st December 1963. Copper conductors (including bare copper conductors and electrolytic copper rods) have, however, been removed from the protected list, since, according to the Commission, this industry has "acquired technical know-how, overcome prejudice against its products and may be deemed to be established on firm grounds." The price of indigenous copper conductors has also been quite competitive. So far, the Government has not announced the rate of revenue duty fixed for this product.

On the contrary, the aluminium conductors industry has still some way to go before it becomes self-reliant. For the purpose of measuring the quantum of disadvantage suffered by the indigenous industry, the Commission has taken the simple average of the fair ex-works prices of Aluminium Industries Ltd., Kundara, and Electrical Manufacturing Company, Ltd., Calcutta, in respect of their common items of manufacture. It will be noticed from the following figures that the quantum of disadvantage varies between 0.66 per cent in the case of the item "dog" and 12.53 per cent in the case of the item "mink":

(Price is quoted per mile of cable)

		"Dog" Rs.	"Mink" Rs.
1.	C.I.F. price	2,251.01	1,280.40
2.	Landing and clearing charges	56.28	32.01
3.	Landed cost ex-duty ...	2,307.29	1,312.41
4.	Fair ex-works price ...	2,322.17	1,472.82
5.	Difference between 4 and 3	14.88	160.41
6.	Difference as percentage	0.66	12.53

Price Disadvantage

If the A.C.S.R. is manufactured entirely from imported aluminium rods by paying a duty of 17½ per cent *ad valorem* plus Rs. 300 per metric ton, then the corresponding quantum of disadvantage will be higher, ranging between 4.90 per cent to 13.76 per cent. As regards A.A.C. whose cost of production has been worked out on the basis of imported metal price plus customs duty of 25 per cent *ad valorem* plus Rs. 300 per metric ton, the quantum of disadvantage varies from 21.03 per cent to 32.33 per cent for the various items in this category. Although, thus, the absolute price disadvantage suffered by the industry (covering both A.C.S.R. and A.A.C.) can be compensated by a lower rate of duty than that in the previous period (35 per cent *ad valorem*), the Commission has favoured the retention of the previous duty. For it considers that a lower rate of duty will act as a disincentive to further flow of capital into this industry. This is understandable in view of the fact that considerable amount of work remains to be done by the industry to promote the use of A.C.S.R. in electric traction, trunk telephone communication, etc., by undertaking research and field trials for developing suitable bimetallic joints and for overcoming some of the disadvantages the A.C.S.R. suffers at present *vis-a-vis* copper conductors.

In order to bring down the cost of production of aluminium conductors, the Commission has suggested that import duty on such raw materials for the aluminium conductors industry as aluminium ingots, bars and rods should be reduced to 15 per cent *ad valorem*, exclusive of such countervailing excise duty as may be imposed from time to time. The Commission had made the same recommendation in its previous report in 1957. Surprisingly enough, the Government has not acted upon it so far. The continuance of a higher rate of customs duty on raw materials apparently acted as a disincentive to the manufacture of A.A.C. The Indian Cable Company, the National Insulated Cable Company, and Electrical Manufacturing Company, have practically discontinued production of A.A.C., presumably on account of the higher cost of raw materials. In view of this situation, there is a clear case for granting a reduction in the customs duty on raw materials of the industry until indigenous production of conductor grade aluminium ingots, bars and rods catches up with the domestic demand.

There were nine units registered with the Development Wing for the manufacture of copper and/or aluminium conductors at the time of the last inquiry in 1957. They were the Indian Cable Company, Ltd., Calcutta, the National Insulated Cable Company of India Ltd., Calcutta, the Aluminium Industries Ltd., Kundara, the Electrical Manufacturing Company, Ltd., Calcutta, the Hindustan Electric Company, Ltd., Faridabad, the Jayant Metal Manufacturing Company, Bombay, the Jaipur Metals and Electricals Ltd., Jaipur, the National Screw and Wire Products Ltd., Calcutta, and the Devidayal Cable Industries (Private) Ltd., Bombay. Two out of these nine, namely, Indian Cable Company, Ltd., and National Insulated Cable Company were engaged in the manufacture of both copper and aluminium conductors, and of the remaining seven, four units, namely, the Jayant Metals, the Jaipur Metals, the National Screw and Wire Products and the Devidayal Cables were manufacturing only copper conductors, and three units, namely, Aluminium Industries, Electrical Manufacturing Company and Hindustan Electric were producing only aluminium conductors. All these nine units have maintained more or less the same pattern of production. Indian Cable Company commenced production of cadmium copper conductors on a commercial scale in 1959. National Insulated Cable Company has installed machinery for the production of grooved copper conductors for railway traction and has also set up additional drawing and stranding machines exclusively for the manufacture of A.C.S.R. and A.A.C. Electrical Manufacturing Company, Ltd. has installed a separate extrusion press for the production of electrolytic aluminium rods. The press was commissioned in June 1959 and its annual capacity on double shift is 6,000 tons of rods. Apart from the aforesaid units, two new units, one at Ulhasnagar, Kalyan (of the Hindustan Electric Company, Faridabad) and the other at Hirakud (of the Aluminium Industries, Kundara) commenced production of aluminium conductors in August 1958 and January 1959, respectively.

Production

The production of aluminium conductors has improved in recent years, while that of copper conductors has declined owing to "severe restriction of import of copper." The output of bare copper conductors was running at the annual rate of about 8,000 tons in 1960, which compares unfavourably with the actual production of over 9,000 tons in 1957. The following table shows the trend in the production of copper conductors in the whole year of 1959, as compared with the previous two years:

(In tons)

	Present capacity*	Production 1959	1958	1957
Indian Cables, Calcutta ..	5,000	1,927	2,667	2,550
National Insulated Cables, Calcutta	5,000	1,357	951	2,177
Jayant Metal Mfg., Bombay ..	2,400	400	601	733
Jaipur Metals and Electric ..	6,000	1,943	1,907	2,135
Devidayal Cable, Bombay ..	1,800	682	862	829
National Screw and Wire Products, Bombay	8,600	840	1,289	1,022
Total ..	29,800	7,158	8,337	9,446

* Capacity has remained unchanged since 1957.

The trend of production in respect of aluminium conductors is given in the following table:

(In tons)

	Capacity (double-shift) 1959	1957	Production 1959	1957
Indian Cables, Calcutta ..	1,500	1,820	560	705
National Insulated Cables, Calcutta ..	2,400	1,200	495	410
Aluminium Industries, Kundara	4,000	4,000	6,415	7,530
Aluminium Industries Hirakud	2,400	..	937	..
Electrical Mfg. Co., Calcutta ..	2,700	2,700	2,653	4,061
Hindustan Electric, Faridabad..	3,000	3,000	2,850	2,114
Power Cables, Kalyan ..	3,300	..	2,736	..
Total ..	19,300	12,720	16,446	15,366

Five other units for the manufacture of aluminium conductors had been licensed as early as in 1957. Although they have not commenced production so far, three units among them, namely, the National Screw and Wire Products, Anam Electrical Manufacturing Company, Ltd. and Indian Aluminium Cables are expected to go into production shortly. The Aluminium Corporation of India is also expected to produce conductors in 1962. The position regarding the establishment of a new unit by Devidayals remains uncertain as "it has not yet received necessary import licence for its machinery." Besides these five units, the Development Wing is considering the question of granting licences to a few more units. As regards expansion, Electrical Manufacturing Company has received a licence to increase its annual capacity to 5,000 tons (on double shift). If these schemes are implemented, the total capacity of the aluminium conductors will rise to 28,000 tons in 1961 and further to 31,200 tons by 1962. In the case of copper conductors, there is no prospect of expansion in the immediate future.

Demand

The Commission has estimated the demand for bare copper conductors at 10,000 tons and aluminium conductors at 20,000 tons for 1960. The following table shows the recent trend in consumption of conductors:

(In tons)

	1960 (Jan.-June)	1959	1958	1957
Bare copper conductors—				
Sales	4,626	7,352	9,251	11,230
Imports	24	90	128	115
Total ..	4,650	7,442	9,379	11,345
Aluminium conductors—				
Sales	8,486	12,956	14,494	14,565
Imports	1,220	4,511	1,902	5,837
Total ..	9,706	17,467	16,396	20,402

The decline in consumption in 1958 and 1959 is attributed to pruning of some of the power projects and slow rate of rural and urban electrification in 1957-58, 1958-59 and 1959-60. The decline in supply of aluminium conductors has also been attributed to the shortage of high tensile galvanised steel wire during 1958 and 1959, necessitating higher imports of aluminium conductors in 1959. It is also said that, had there been adequate supplies of steel wire, the consumption of aluminium conductors would have been maintained at the 1957 level. The future demand will depend on the tempo of development of power, as also the growth of communications. The Commission feels that demand for copper conductors will rise to about 12,500 tons and for aluminium conductors to 30,000 tons by 1963.

Raw Materials

The principal raw materials used in the manufacture of electrolytic copper rods, bare copper conductors, cadmium copper conductors, A.C.S.R. and A.A.C., are electrolytic copper wire bars, cadmium metal ingots, conductor grade aluminium ingots/bare or rods and high tensile galvanised steel wires. The consumable stores required are tungsten carbide dies and diamond dies, carbide abrasive grit, diamond powder, dungary and emery cloth and greases, lubricating oils, rapeseed oil, mutton tallow, suet, soft soap, etc.

There is no indigenous production of electrolytic copper wire bars, cadmium or high tensile galvanised steel wire. The entire requirements of the industry for these materials are met by imports. The Indian Copper Corporation has been given a licence to set up a unit to produce electrolytic copper bars, with an annual capacity of 8,400 tons. The unit is expected to go into production by 1962. Cadmium is also expected to be produced at Zawar (Rajasthan) by the Metal Corporation of India Ltd. The conductor grade aluminium ingots is also in short supply. The Indian Aluminium Company, Ltd. is supplying only a small quantity.

The Commission's report reveals that all consumers are satisfied with the quality of indigenous copper and aluminium conductors. Most of the units have availed themselves of the certification marks for copper and aluminium conductors. Despite the certification marks, the Director General of Supplies and Disposals and other consumers are said to have insisted on their own inspection. The Commission has rightly pointed out that the Union Ministry for Commerce and Industry and others concerned should devise means to avoid this unnecessary duplication of work, which entails the industry much inconvenience and useless expense.

THE BUSINESSMAN BEMOANED HIS TROUBLESOME PILES UNTIL HE STARTED USING HADENSA

Only genuine with this mark

HADENSA promptly cures Piles, Haemorrhoids and Fissures; relieves pain and itching and is an excellent lubricant.

HADENSA contains no narcotics and is non-staining.

Z 69 A

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories

For over 35 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Fertilizer Industries, Sugar and Cotton Mills and other Industries in the country.

Phone: 22-5952, 22-3101
Gram: "BANCO"

The BEHAR FIREBRICKS & POTTERIES LTD
22, STRAND ROAD, CALCUTTA-1.

A PASSENGER FROM DELHI WRITES.....

... . the staff there is always very helpful and very obliging. It is a real pleasure to deal with them ..... I congratulate you on the excellence of your office organisation and the smoothness of the KLM fights .....

This extract is from an unsolicited letter: a photocopy can be obtained from KLM, Calcutta.

For that extra personalised service, there's nothing like flying KLM. Next time you

visit **NEW YORK**
go **KLM** ***DC-8 Jet***
(Via AMSTERDAM)

Leaving Calcutta Thursday 17.25 hrs.
Arriving New York Friday 16.35 hrs.
Leaving New Delhi Saturday 22.35 hrs.
Arriving New York Friday 16.35 hrs.

Also a choice of 4 KLM flights a week ex Karachi by DC-8 Jets

Sincerely yours

KLC-40

OPENING SHORTLY!

Our 74th Branch at 18-A, Hamam Street, Fort, BOMBAY 1

WE TRANSACT IN ALL TYPES OF BANKING BUSINESS INCLUDING FOREIGN EXCHANGE

THE ANDHRA BANK LIMITED

Head Office: MASULIPATNAM

T. R. BHAGAVAT
General Manager.

COMMERCE

India's Premier Financial, Commercial and Industrial Journal

Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.

BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY

Telephone No. 253505

NEW CENTRAL JUTE'S PROFIT AT RECORD LEVEL

ISSUE OF ADDITIONAL CAPITAL PROPOSED

THE accounts of the New Central Jute Mills Company Ltd. (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) for the year ended 31st March 1960 disclose a distinctly encouraging picture. On a superficial perusal of the profit and loss account for the year 1959-60, one is likely to wonder how the gross earnings was shot up from Rs. 38.91 lakhs in 1958-59 to a record high of Rs. 78.48 lakhs in the year under review, when sales proceeds fell by Rs. 52.43 lakhs to Rs. 663.63 lakhs. The explanation for this somewhat paradoxical situation is not difficult to find. The Company combines trading as well as manufacturing operations under its management and its total turnover depends on two independent variables, namely, the output of jute goods manufactured in its mills and operations in the gunny market. During 1959-60 the gunny purchases amounted to only Rs. 121.66 lakhs, as against Rs. 271.62 lakhs in the previous year. The production of jute goods manufactured by the Company, however, increased substantially. This is borne out, to a considerable extent, by the figures pertaining to consumption of raw materials, which increased from Rs. 238.75 lakhs in 1958-59 to Rs. 251.74 lakhs in 1959-60. Other factors which contributed to the improvement in earnings are the programme of modernisation undertaken by the Company in 1955-56 and the following years and the brisk demand for the products of the mill, especially for the wide-loom varieties.

The net profit of the Company stands at Rs. 66.36 lakhs, as against Rs. 18.06 lakhs for 1958-59 and Rs. 12.38 lakhs for the fifteen months ended on 31st March 1958. This is largely due to the marked growth in gross profit but it is also due, to some extent, to savings in essential provisions. The transfer to depreciation has been reduced from Rs. 9.32 lakhs to Rs. 8.99 lakhs while there is no provision at all for taxation as against Rs. 9 lakhs in 1958-59. The Company's profits for the year under review are not liable to tax due to heavy capital expenditure during the year under review. Consequently, the dividend will have "the same tax incidence in the shareholders' assessment." This does not mean that the sum available for distribution is huge enough to declare large dividends. For the claim of statutory development rebate reserve is large. In fact, the entire amount of net profit, namely, Rs. 66.36 lakhs, has had to be set aside to this reserve and, in order just to maintain the dividends (7 per cent. on preference shares, subject to deduction of tax under Section 18(3D) of the Income-tax Act and 15 per cent. subject to tax on ordinary shares), a sum of Rs. 28.65 lakhs has been withdrawn from the reserves built up in the past. In effect, all this means that the net addition to the Company's resources from the current surplus is of the order of Rs. 37.71 lakhs.

The following table shows at a glance the Company's performance during the year under review:

(In lakhs of rupees)

	Year ended 31-3-60	Year ended 31-3-59	15 mths ended 31-3-58	Year ended 31-12-56
Sales proceeds	663.63	716.06	15,96.33	7,21.39
Closing stocks	69.29	57.52	60.67	67.70
Gunny purchases	1,21.66	2,71.62	9,87.01	3,05.47
Raw materials consumed	2,51.74	2,38.75	3,75.29	2,58.50
Other expenses	2,28.53	1,56.92	2,11.53	1,45.06
Gross profit	78.48	38.91	31.37	41.45
Managing Agents' remuneration	3.13	2.53	1.85	3.17
Provision for—				
Depreciation	8.99	9.32	13.30	10.25
Taxation		9.00	4.25	5.25
Net profit	66.36	18.06	12.38	24.78
Transfer from reserves	28.65	7.00	16.71	
Transfer to reserves	66.36	2.83	16.71	15.00
Dividends—				
7 per cent. preference	2.00	2.31	2.89	2.31
Ordinary	26.65 (15%)*	19.24 (15%)*	12.82 (12%)†	12.82 (15%)†
Carry forward	Nil	0.01	0.66	2.26

* Subject to tax. † Tax-free.

It will be seen from the table that, though the rate of dividend on equity capital has not been raised, the amount required for it is higher by well over Rs. 6 lakhs. This is due to the increase in the size of ordinary capital from Rs. 128.24 lakhs to Rs. 170.83 lakhs during the year under review. The Company had issued 427,500 ordinary shares of Rs. 10 each at par. This was on top of a similar number of shares that had been offered in the latter half of 1958-59.

The Directors say that they are considering issue of further equity shares in the ratio of one new share for every two existing ordinary shares for which the Government's sanction has been received. Unlike in the past two years, the proposed new issue will be at a premium of Rs. 3.25 per ordinary share, or 32.50 per cent. This is quite a stiff price to pay, having regard to the fact that the bulk of the Company's capital expenditure is on a new and difficult industry. If a separate company had been floated for implementing this project, the Government would not have been able to insist on such a high premium.

As the Company now has 1,708,346 ordinary shares, the aforesaid proposal will mean issue of 854.173 fresh shares and this will bring in Rs. 85,41,730 by way of capital and Rs. 27,76,062 by way of premium, or a total of Rs. 113.18 lakhs. With this issue, the Company will have raised Rs. 198,67,792 by way of capital funds in three consecutive years. While a part of this capital has been for financing modernisation of its jute mills, the bulk of it is towards the big heavy chemical and fertiliser project in U.P., known as the Sahu Chemicals which has been completed and begun production. It will be recalled that the Uttar Pradesh Government has given a large secured loan to the Company for financing this project; as at the end of 31st March 1960, the outstanding amount of this loan was Rs. 157.82 lakhs.

On the jute mills side, in addition to 30 looms installed in the wide-loom plant last year, the Company proposes to add a further 21 wide-looms and 14 new sliver spinning frames.

The paid-up capital of the Company as at 31st March 1960 stands at Rs. 203.99 lakhs, of which Rs. 33 lakhs are in 7 per cent. cumulative preference shares. The reserves and surplus aggregate Rs. 227.33 lakhs. Secured loans amount to Rs. 504.97 lakhs, of which Rs. 157.82 lakhs represent the borrowings from the U.P. Government for financing the Sahu Chemical project. Unsecured loans amount to Rs. 33.64 lakhs and current liabilities and provisions to Rs. 163.34 lakhs. The gross value of the fixed assets stands at Rs. 930.93 lakhs, of which Rs. 526.71 lakhs represent the value of Sahu Chemicals. The net book value of the block account is Rs. 794.39 lakhs, as against Rs. 730.62 lakhs a year ago.

It will be noted from the aforesaid summary of the balance-sheet that the Company is undercapitalised in relation to its net block. Even the proposed issue of new shares will rectify this disequilibrium only partly, though to a substantial extent.

The Directors' observations on the working of jute mills in the current year (1960-61) do not make encouraging reading. Apart from the prospect of an increase in the wage bill—the Wage Board for jute industry has already commenced its work—the various steps taken by the Government and the I.J.M.A. for placing the jute industry on a profitable working have not yet yielded satisfactory results. In their report for 1958-59 the Directors confidently stated that "the installation of Sahu Chemicals plant has been completed," "trials and initial adjustments are going on," "production is picking up and a steady pace is expected within a short time" and "profits of this unit will be reflected in the next year's working results." In their latest report, they observe a little less confidently as follows:

"As is usual with chemical plants, the Company's chemical and fertiliser unit has been facing teething troubles, particularly as the process is new and a pioneer one for the industry. During the current year, modification of certain sections of the plant has been carried out in the light of experience and on the suggestions on the spot of foreign technical experts. There is distinct improvement in consumption of materials and efficiency in production is gradually improving. The working of this unit would not, however, be able to contribute to the current year's profit."

It is thus clear that the progress of the chemical and fertiliser factory has been slower than anticipated and that the immediate outlook for the jute industry is not very promising. The future profits of the Company will largely depend upon the efficient working of the Sahu Chemical plant which accounts for nearly three-fifths of the block account. The outlook for this chemical industry is, however, good and, if the management succeeds in working this plant ably and to its capacity, the Company should be able to report handsome profits.

The current market value of the Rs. 10 fully paid-up ordinary shares is a little under Rs. 20 *cum-div.* and the yield works out to 5.43 per cent., free of tax. It may be interesting to note here that the ruling market price is less than the net worth of the scrip which roughly works out to Rs. 23.5 per share. As the current price includes the value of the proposed right, the *ex-right* value is about Rs. 17. Assuming that the Company will be able to maintain the dividend on the increased capital, the yield will be 6 per cent., free of tax. This is not low for the shares of a company which has a promising chemical project and has fully modernised its jute mills.

HOLDING OF ANNUAL MEETINGS

The Department of Company Law Administration has clarified that companies would now be granted extension of time upto three months for holding their annual general meetings and presenting the accounts relating to a financial year ended prior to 28th December 1960, when the Companies (Amendment) Act came into force.

This step has been taken to avoid any undue hardship that may be caused to companies by a strict enforcement of the provision in the Amendment Act that the accounts to be laid in any annual general meeting, held after 28th December 1960, should relate to a period, not earlier than six months. Companies, which find difficulty in complying with the amended provision in this respect, may apply to the Registrar of Companies for extension of time.

The Department has also notified that the balance-sheets and the profit and loss accounts of companies for financial years ended on a date prior to 28th December 1960, may be drawn up in the old form. In respect of financial years ending on or after 28th December 1960, the accounts must, however, be in accordance with the amended schedule.

Under the Amendment Act, private companies are required, in future, to file their profit and loss accounts, along with their balance-sheets. The annual accounts filed by a private company after 28th December 1960 must accordingly include its audited profit and loss account. In order to ensure that only the balance-sheet of a private company and, not the profit and loss accounts is accessible to members of the public for inspection, private companies are required to file the profit and loss accounts separately from the balance-sheets.

It has also been decided that companies, which had failed to file their documents with the Registrar of Companies within the prescribed period may now request the Registrar to accept these documents. The Registrars are being advised about the additional fee that would have to be paid for such late filing of documents.

INSURANCE

(Concluded from page 122)

with the assistance of such insurance as is carried.

"For private house property, both buildings and their contents, the aircraft peril is included in comprehensive policies. This is one of the many advantages of insuring house property and household goods comprehensively, and not merely against fire and other specified perils.

"Although the rate of premium charged for aircraft risks generally is nominal only it is not unusual for particularly vulnerable property to carry a higher rate. Obviously, houses or premises located on or near an airfield are exposed to greater risks, but even so the higher rates charged are modest in amount. Needless to say, property which is situated within a few miles of an airport is exposed to a greater degree of risk than more distant property."

BOOM IN LIFE INSURANCE IN U.K.

In contrast to the trend in other forms of personal savings, 1960 was a year of unprecedented growth for life insurance in Britain. Preliminary figures published by the Life Offices' Association, the Associated Scottish Life Offices and the Industrial Life Offices' Association show that the rate of increase in life insurance business last year was higher than in any comparable periods in the past. Total new premiums reached a record of £172 million, as compared with £143 million in 1959.

The share of the industrial (home service) branch of life business in the total premium income was £25.9 million, only £1.1 million higher than that in the previous year. This indicates that the growth in life insurance business occurred mainly in respect of policies with annual and single premiums and of annuities. Total new benefits secured on life policies aggregated £2,687 million, as compared with £2,303 million in 1959.

The boom in life insurance last year is attributed to the higher bonuses declared by the companies as well as to special factors such as the increase in mortgage insurance. The upward trend is expected to gather further momentum this year, as the uncertainty about the occupational pension schemes, which had adversely affected business last year, is expected to be removed.

RESULTS OF INDIAN OXYGEN IMPRESSIVE

NOTABLE RISE IN PROFIT—RESERVES ENHANCED

THE shareholders of the Indian Oxygen Ltd. (Managing Director: Mr. Amiya Kumar Sen, Calcutta) have every reason to feel gratified at the results of the Company for the year ended 30th September 1960, although the Directors have not proposed any enhancement of dividend which is maintained at the previous year's level of 15 per cent. subject to deduction of tax (or 10.5 per cent tax-free). For the Company's progress has been impressive. A further substantial rise in income from sales, a sizable improvement in net profit, a marked increase in the amounts ploughed back, thereby leading to a further strengthening of the Company's financial position, and renewed efforts of management to expand and diversify production with a view to meeting the continuously increasing demand for industrial gases and electrodes, which are the Company's main products, and other items of manufacture—these are the pleasant features of the Company's latest annual report. The management deserves to be complimented on publishing the Company's accounts and arranging to hold the annual meeting within 4½ months of the end of accounting year.

The gross profit of the Company for 1959-60, as compared with that for the previous year, is higher by Rs. 19.56 lakhs at Rs. 138.95 lakhs, but the net profit shows a modest rise of only Rs. 9.91 lakhs to Rs. 62.98 lakhs. This is due to larger provisions for depreciation and taxation, amounting to Rs. 37.11 lakhs and Rs. 38.86 lakhs, respectively, as against Rs. 31.69 lakhs and Rs. 34.63 lakhs provided for in 1958-59. Nevertheless, the net profit of Rs. 62.98 lakhs is not an unsatisfactory performance. This, together with the surplus of the previous year (Rs. 9.73 lakhs) and the refund of tax on profit for 1957 (Rs. 4.23 lakhs), brings the total available for distribution to Rs. 76.94 lakhs, as against Rs. 59.25 lakhs in 1958-59, or a rise of Rs. 17.69 lakhs. Despite such a notable improvement, the Directors of the Company have not stepped up the dividend. This only shows how anxious they are to plough back a large part of the profit and to maintain a steady dividend. Here is what Sir J. D. K. Brown, Chairman of the Company, has to say on this subject. In his annual statement to shareholders, he observes:

"Our is .... a capital-intensive industry and past experience has demonstrated the necessity continuously to plough back profits to provide for replacements at increased cost and for expansion which, as an industry serving other industries, we must always be prepared to carryout in anticipation of demand. .... So long as can be foreseen, there will always be the necessity to plough back substantial sums of money each year and, it is, in these circumstances, that your Directors have felt it appropriate, notwithstanding the increase in profits, to recommend the same rate of dividend as was paid in respect of the previous year."

The notable rise of Rs. 19.56 lakhs to Rs. 138.95 lakhs in the gross profit of the Company for 1959-60 has been due to the appreciable increase of Rs. 91.34 lakhs in sale proceeds which aggregated Rs. 645.52 lakhs and partly also to the rise of Rs. 1.52 lakh to Rs. 2.13 lakhs in income from other sources. A large part of the increase in sales has, of course, been offset by the rise (of Rs. 26.60 lakhs to Rs. 217.36 lakhs) in the cost of materials consumed and (of Rs. 46.70 lakhs to Rs. 291.33 lakhs) in other expenses. The following comparative table shows at a glance the results of the Company for the past four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1960	1959	1958	1957
Sale proceeds	6,45.52	5,54.18	4,85.91	4,17.74
Income from other sources	2.13	0.61	0.69	0.21
Materials consumed	2,17.99	1,90.79	1,89.74	1,87.30
Other expenses	2,91.33	2,44.63	2,03.66	1,40.98
Gross profit	1,38.95	1,19.39	93.19	80.73
Provision for—				
Depreciation	37.11	31.69	24.92	21.86
Taxation	38.86	34.63	30.30	44.02
Transfer from reserves	62.98	53.07	37.97	15.84
To reserves				10.00
Net profit	33.16	19.53	18.20	10.50
Goodwill written off				1.50
Dividend	20.00 (15%)*	20.00 (15%)*	20.00 (10%)	18.90 (10%)
Carry forward	18.78†	9.73	6.18	1.41

* Subject to deduction of tax at 30 per cent.
† Includes Rs. 4.23 lakhs representing refund of tax on profits for 1957.

Including the sum of Rs. 33.16 lakhs allocated out of the profit for 1959-60 to reserves, the total reserves of the Company stand strengthened at Rs. 142.60 lakhs (as at 30th September 1960). At this level, they represent over 70 per cent. of the paid-up capital of Rs. 200 lakhs. The total net assets of the Company thus come to Rs. 342.60 lakhs. The current assets (including investment, amount to Rs. 359.22 lakhs, while the current liabilities and provisions (including loans) are of the order of Rs. 395.87 lakhs. The gross value of the fixed assets is Rs. 599.69 lakhs (inclusive of the capital expenditure of Rs. 78.74 lakhs incurred during the year under review). After taking into account the depreciation provision of Rs. 248.66 lakhs so far made, the book value of fixed assets comes to Rs. 351.03 lakhs.

The Company has almost completed the replacement and expansion programme taken up in 1957. During 1959-60, the Company, according to the Chairman, succeeded in raising oxygen production at Ahmedabad and Madras by transferring plants from Bombay to Madras and leaves the oxygen plants at Bombay to be augmented and it is hoped that necessary licence will be obtained to import a plant with adequate capacity against foreign exchange procured by the Company. The other details of expansion are as follows:

An additional 400 M³ oxygen plant was installed in each of the Calcutta and Jamshedpur Works during the year.

At Burnpur, argon purification and high purity nitrogen production facilities were successfully commissioned.

The toxite cartridge manufacturing plant, established at Burnpur in May 1959, is producing, the additional cartridges required to match developing sales.

The level of production at the new factory in Khardah (Calcutta) improved during the year and new types of special electrodes were developed and introduced into the market.

The equipment factory at Calcutta, which two years ago undertook a phased programme of indigenous manufacture of gas-user equipment, is now on 100 per cent. local manufacture of the components required. Here again, plans are afoot to raise the level of production in the near future.

At Bangalore, construction of a new oxygen and dissolved acetylene factory is progressing on schedule and operations are expected to commence within the current financial year. When complete, this will afford increased production of dissolved acetylene in that growing industrial area.

At Gauhati, the Company has installed an oxygen plant within the premises of Indian Refineries Ltd.

Nitrous oxide, which is an anæsthetic widely used by the medical profession in India and which is also exported, is now produced in the Calcutta factory. A licence for setting up a second producing plant for nitrous oxide at Bombay has recently been obtained.

With regard to welding rods, miscellaneous gas-user and medical equipment and electric welding plant, the Company has encouraged their manufacture through feeder industries, thus reducing reliance on imports not only through the orders placed with them but with the technical help the Company has rendered to them by drawing on collaboration arrangements with The British Oxygen Company Limited.

The total capital expenditure on the expansion projects of the Company in the three years ending 30th September 1963 is estimated at Rs. 385 lakhs. In view of the steadily increasing investment in fixed assets, the Directors of the Company have decided to meet a part of the funds required for expansion by raising the ordinary share capital through the issue of 600,000 new shares of Rs. 10 each at a premium of Rs. 8 per share or 80 per cent. Of this issue, the British Oxygen Company of the U.K. will take up 60 per cent, that is, 360,000 shares, though it is entitled to 70 per cent., the balance of 240,000 shares being allotted to Indian shareholders. These will be issued in the ratio of two shares for every five shares now held and will rank *pari passu* with the existing shares for the dividend year 1960-61 and onwards.

The Rs. 10 fully paid-up shares of the Company are currently quoted at Rs. 40 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 2.69 per cent. tax-free. But, if the proposed right issue also is taken into account, the yield works out to a little over 3.18 per cent tax-free. This low yield reflects the investors' confidence in the Company's growth prospects. This yield has been arrived at on the assumption that the dividend for 1960-61 will be maintained at 10.50 per cent net, not an unreasonable assumption, considering that the additional amount required for this purpose is only Rs. 9 lakhs.

COMPANY MEETINGS AND DIVIDENDS

GHUSICK AND MUSLIA COLLIERIES LTD. Annual General Meeting, Calcutta, 25th January 1961. Dividend: *Nil.* Transfer books remain closed from 16th to 26th January 1961, both days inclusive.

BASTI SUGAR MILLS CO., LTD. Annual General Meeting, Delhi, 27th January 1961. Dividend: Rs. 15.00 per share, subject to deduction of tax.

NELLIAMPATHY TEA PRODUCE CO., LTD. Annual General Meeting, Alleppey, Kerala, 31st January 1961. Dividend: 13 per cent. or Re. 0.26 per ordinary share, subject to deduction of tax, for the year ended 30th June 1960. Transfer books remain closed from 17th to 31st January 1961, both days inclusive.

SOUTH ARCOT ELECTRICITY DISTRIBUTION CO., LTD. Annual General Meeting, Madras, 31st January 1961. Transfer books remain closed from 16th to 31st January 1961, both days inclusive.

PHALTAN SUGAR WORKS LTD. Annual General Meeting, Bombay, 3rd February 1961. Dividend: Rs. 12.00 per share, taxable. Transfer books were closed from 19th December 1960 to 17th January 1961, both days inclusive.

WOODCOTE ESTATES LTD. Annual General Meeting, Coonoor, 4th February 1961. Dividend: *Nil.* Transfer books will remain closed from 28th January to 4th February 1961, both days inclusive.

AHMEDABAD ADVANCE MILLS LTD. Annual General Meeting, Bombay, 8th February 1961. Dividend: Rs. 10.00 per ordinary share, subject to deduction of tax, payable on and after 9th February 1961. Transfer books were closed, from 28th November to 20th December 1960, both days inclusive.

PUNJAB MINERALS CO., LTD. Annual General Meeting, Calcutta, 10th February 1961. Dividend: *Nil.* Transfer books will remain closed from 28th January to 10th February 1961, both days inclusive.

CENTRAL INDIA SPINNING, WEAVING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 14th February 1961. Dividend: *Nil.* Transfer books were closed from 30th December 1960 to 12th January 1961, both days inclusive.

INDIAN OXYGEN LTD. Annual General Meeting, Calcutta, 14th February 1961. Dividend: 15 per cent subject to deduction of tax. Transfer books will remain closed from 28th January to 14th February 1961, both days inclusive.

HENLEY CABLES INDIA LTD. First Annual General Meeting, Bombay, 20th February 1961. Transfer books will remain closed from 6th to 20th February 1961, both days inclusive.

SURAT ELECTRICITY CO., LTD. Interim dividend of Rs. 2.50 per ordinary share, subject to deduction of tax, for the half-year ended 30th September 1960, payable on and after 8th February 1961. Transfer books will remain closed from 23rd January to 7th February 1961, both days inclusive.

OUDH SUGAR MILLS LTD. Taxable dividend of Rs. 20.00 per share, for the year ended 31st July 1960.

NEW INDIA SUGAR MILLS LTD. Taxable dividend of Rs. 3.65 per share, for the year ended 30th June 1960.

BHARAT SUGAR MILLS LTD. Taxable dividend of Re. 1.50 per share, for the year ended 30th June 1960.

CAUVERY SUGARS AND CHEMICALS LTD. Dividend of 6 per cent. or Re. 6.00 per ordinary share, subject to deduction of tax, for the year ended 30th June 1960. Transfer books will remain closed from 3rd to 17th February 1961, both days inclusive.

BHOPAL SUGAR INDUSTRIES LTD. Dividend of Rs. 2.25 per ordinary share, subject to deduction of tax, for the year ended 30th September 1960, payable on 1st April 1961. Transfer books will remain closed from 23rd January to 11th February 1961, both days inclusive.

CALCUTTA ELECTRIC SUPPLY CORPORATION LTD. Interim dividend on ordinary stock at the rate of 3½ per cent. net (tax applicable at 7s. 9d. in the £) for the year ending 31st March 1961, payable on 15th February 1961.

KIRLOSKAR ELECTRIC CO., LTD. Taxable dividend of 9 per cent. or Re. 0.90 per ordinary share, for the year ended 30th June 1960.

KIRLOSKAR BROTHERS LTD. Net dividend of Re. 1.75 per share, for the year ended 31st July 1960.

JAM SHRI RANJITSINGHJI MILLS LTD. Net dividend of Rs. 42.00 per share, for the year ended 30th June 1960, payable on 15th March 1961. Transfer books will remain closed from 16th to 23rd February 1961, both days inclusive.

METAL BOX CO., OF INDIA LTD. Taxable interim dividend of Re. 0.90 for the year ending 31st March 1961.

INDIA PAPER PULP CO., LTD. Taxable interim dividend of Re. 0.50 per share, for the year ending 31st March 1961. Transfer books were closed from 11th to 20th January 1961, both days inclusive.

BRITANNIA BISCUIT CO., LTD. Taxable interim dividend of 6 per cent. or Re. 0.60 per share, for the year ending 31st March 1961. Transfer books were closed from 11th to 18th January 1961, both days inclusive.

BOMBAY POTTERIES AND TILES LTD. Dividend of Rs. 12.86 per share, subject to deduction of tax, for the year ended 30th September 1960. Transfer books will remain closed from 13th March to 11th April 1961, both days inclusive.

KHODYAR POTTERY WORKS LTD. Dividend of Rs. 10.00 per share, subject to deduction of tax, for the year ended 31st July 1960.

DECCAN SUGAR AND ABKARI CO., LTD. Final dividend of 18¾ per cent. (making a total of 25% per cent. for the year), for the year ended 31st May 1960. Transfer books will remain closed from 3rd to 17th February 1961, both days inclusive.

NATIONAL ELECTRICAL INDUSTRIES LTD. Dividend of 12 per cent. or Rs. 6.00 per ordinary share, subject to deduction of tax, for the year ended 31st March 1960.

CONSOLIDATED COFFEE ESTATES (1943) LIMITED

CHAIRMAN, MR. C. I. MACHIA'S SPEECH AT ANNUAL MEETING

REVISION OF COFFEE MARKETING POLICY URGED

A STRONG plea for modifying the system of marketing coffee in India was put forward by Mr. C. I. Machia, Chairman of the Consolidated Coffee Estates (1943) Ltd., in his speech at the Seventeenth Annual General Meeting of the Company held at Pollibetta (Mysore State) on 30th December 1960. Mr. Machia drew pointed attention to the heavy stock accumulations and the downward trend of prices and stressed the importance of a realistic approach to the whole problem of coffee marketing. In particular, he urged the Coffee Board to pursue a more practical propaganda policy and adopt Kenya's method of selling coffee according to liquor tests. Making it clear that Indian coffee can stay in the export market only on grounds of quality, he commended for acceptance a series of measures which, he declared, was "the only way of earning a little more in what is quite obviously a buyer's market."

The following is the full text of Mr. Machia's statement at the annual meeting:

"LADIES AND GENTLEMEN,

"It is with great pleasure that I welcome you here today on the occasion of the seventeenth annual general meeting of our Company. The Directors' report and the audited accounts for the year ended 30th June 1960 have been in your hands and, with your permission, I propose to take them as read.

"There has been a sharp decline in the income of the Company and the revenue from coffee at Rs. 71,99,953 is lower than that of last year by Rs. 18,49,420. The coffee crop harvested amounted to 1,451 tonnes of Arabica and 998 tonnes of Robusta, or a total of 2,449 tonnes. as against 1,793 tonnes of Arabica and 1,009 tonnes of Robusta, or a total of 2,802 tonnes in the previous year. Though the crop for the year is the fourth highest in the history of the Company, the Arabica crop in comparison to the previous year was less by 342 tonnes, the difference in Robusta being negligible. The points awarded in respect of Arabica for the year under review was consequently some 5,45,000 less than the previous year, which, with a valuation at Rs. 2.20 per point, lead to a decline in coffee income by Rs. 18,49,420 referred to earlier.

"The crop of 1958-59 was valued in the accounts at Rs. 2.37 per point, as against Rs. 2.20 per point for this season. At the same valuation, this year's crop would have been worth Rs. 77,56,313 or about Rs. 6,00,000 higher than the valuation now made in the profit and loss account.

Surplus Receipts Negligible

"Your Directors considered it wise to value this year's crop at only Rs. 2.20 per point, in view of the sharp decline in export prices for Arabica and Robusta, those for the latter being considerably lower than the basic minimum return to the grower fixed by the Board. The valuation at Rs. 2.20 per point is the highest that could be made with safety and it is feared that surplus receipts over the present valuation of Rs. 2.20 may well prove negligible.

"The income over valuation for 1958-59 received into this year's accounts is Rs. 3,67,344, as against Rs. 9,45,863 received in 1958-59 from the crop of 1957-58. An excess of only 8 nP per point making up to a total of Rs. 2.45 per point was received.

"It will be of interest to compare the valuation and final value per point for each of the last five years:

	Valuation in accounts	Final value per point	Amount received from previous year
	Rs.	Rs.	Rs.
1954-55 ...	2.12	2.37	6,88,290
1955-56 ...	2.37	2.55	7,27,779
1956-57 ...	2.50	2.81	13,43,214
1957-58 ...	2.25	2.51	15,40,484
1958-59 ...	2.37	2.45	9,45,863

"It will be seen that the income of Rs. 3,67,344 from the previous year's coffee crop received during the year is the lowest since 1954.

"The profit for the year under review after taxation was Rs. 13,08,089 and is the lowest since 1949. The fall in profit is accounted for by the lower crop, lower valuation and lower realisations resulting in a very much lower income from previous year's coffee.

Coffee Crop Position

"This makes somewhat dismal reading, but a brief comment on the state of the crop itself is necessary. The Arabica crop averaged 6.16 cwts. per acre and Robusta 7.51 cwts. per acre. Apart from the year 1956-57, a phenomenal year when the production per acre of Arabica was 11.32 cwts., the present production of 6.16 cwts. per acre is the fourth highest on record. The production of Robusta at 7.51 cwts. per acre is the third highest since the formation of the Company.

"It is necessary to offer an explanation for the very marked divergence between our revised estimates of crop and actual crop harvested. The revised estimate in September 1959 of Arabica was 1,829 tonnes, whereas the actual crop harvested was 1,451 tonnes, a reduction of 378 tonnes. Robusta was lower than estimate by 18 tonnes. The Company has had a fair record of estimating the crop and, barring 1947, this is the only instance where there has been such a large fall in actual yield.

"Mr. Paterson, in his speech last year, indicated that the unusual rains during November and December 1959 might lead to the estimates for Arabica not being realised. This fall in actual realisation may not, I fear, be attributed solely to the untimely rains but may well have been due to the appearance of a malady, particularly in Arabica coffee, further reference to which will be made later on.

Subsidiary Crops

"I will now refer briefly to our subsidiary crops.

"*Pepper*: Pepper produced during the year was 59 tons, as against 95 tons in the previous year. About 20 tons have been sold at an average price of Rs. 310 per cwt., whereas the highest price secured the previous year was Rs. 120 per cwt. We still hold about 38 tons of pepper which we have not been able to dispose of due to a sudden decline in prices Pepper is a highly speculative commodity, but we hope it will be possible to obtain the conservative valuation made in the accounts.

"*Cardamom*: The income from cardamoms at Rs. 82,468 is the second highest since the inception of the Company and is due to the higher prices obtained. The area under cardamoms is 158 acres and particular attention is paid to better cultivation and improved methods of preparing the cardamom for the market.

"*Oranges*: The income of Rs. 1,23,469 from oranges is also a record. The bulk of our oranges are marketed through the Coorg Orange Growers' Co-operative Society and prices realised have been good. Oranges in Coorg have generally been on the decline, but proper attention under the guidance and advice of the Research Station maintained by the Indian Council of Agricultural Research appears to be producing better results. This station has also improved on techniques of grafting and improved plant material, and it is proposed to take advantage of these for extending our areas under citrus crops.

"*Paddy and Straw*: Ruling high prices, coupled with the highest crop on record, have enabled us to earn an income of Rs. 2,12,490, as compared to Rs. 1,86,613 in the previous year. Our income under this head would be higher but for the fact that the larger portion of our paddy is issued to our labour on a 'no-profit-no-loss' basis from September to December each year to counter prevailing high market rates during that period. Our acreage under this crop is 625 acres and it should be possible to increase our yield further.

More Attention Wanted

"It will be noticed from the accounts before you that our income from subsidiary crops such as pepper, paddy, cardamoms, oranges and minor produce amounted to Rs. 7,01,474 or very nearly 7.2 per cent. of our total income. The income from these crops is not insubstantial and more attention will be paid to these subsidiary crops. They should prove a valuable stand-by in the highly fluctuating coffee market.

"'Haarer,' in his *Modern Coffee Production*, warned coffee producers that prices had reached their peak at the time of his writing (1955-56), and advised them strongly to prepare for falling prices and even for a slump. He recommended various measures to be taken in time to stave off disaster, for example, international agreements, improvement of quality, proper grading, increasing the demand by propaganda and producing instant coffee. He also suggested mixed planting. Most of the steps suggested by him have not been adopted and it seems that progress in that direction will be too slow, if not late, to be immediately effective as a remedy against what he foresaw.

"Coffee production will, of course, remain our main occupation, but more attention will be paid to pepper, cardamom, oranges and arecanut and for their extension wherever possible. These are undoubtedly long-term measures, but I fully believe that these will play a very substantial part in the coming years in the economy of your Company. The possibility of growing other crops such as nutmeg, cloves and cocoa is under study and will be taken up only on expert advice being favourable.

Coffee Planting Extension

"In the context of encouraging a mixed economy, it will not be out of place to comment briefly on the contemplated extension of coffee planting in Andhra, Assam and Orissa States. The Coffee Board is finding it difficult to market the existing production and it would appear to be wiser to encourage the cultivation of other crops in those areas.

"There is considerable overproduction in the world and, notwithstanding international agreements, the position is bound to deteriorate. We appear to be following countries like Costa Rica, Haiti, Ecuador and French Africa, which, despite the threat of overproduction, encouraged coffee growing by subsidies, loans and other forms of financial assistance, whereas it would be preferable and wiser to follow Brazil which is reported to be the only country with a scheme to assist farmers to move out of coffee growing.

"*Timber*: The income from timber this year is Rs. 2,98,537, as against Rs. 6,15,904 last year. This is not a regular source of income and sales will be made only as and when necessary.

"The Kushalnagar works has cured 3,709 tonnes which is the highest quantity cured since the start of the works. The trading results have been better than in previous years.

"It has not been possible to effect savings in the rate of expenditure except for the corresponding lower crop charges due to a smaller crop. These savings are limited to cost of gathering, pulping, transport to works and curing. The question of effecting economies is under serious consideration, but it must be remembered that our expenditure has so far been geared to a high rate of production and a corresponding high return for our coffee.

Capital Expenditure

"Our capital expenditure during the year amounted to Rs. 7,74,902, out of which Rs. 1,23,247 were spent for extending drying ground space and Rs. 1,09,125 for estate machinery. The balance accounts for new clearings, buildings, etc. We have so far built 2,199 new quarters for labour and we still have to build about 200 houses. These will be built on a phased programme and will eventually cost at present rates some Rs. 3 lakhs.

"It is necessary here to bring to your attention the fact that depreciation allowances under the Mysore Agricultural Income-tax Act are less than that allowed under the Central Act, particularly in the case of tractors, motor vehicles, machinery, spraying hose, etc. Under the old Coorg Act, over and above the normal depreciation allowance a special allowance of 20 per cent. was allowed for a period of five years which allowed for the writing off of all buildings and machinery in a period of four to five years.

"The fact that added to lower rates of depreciation no allowance is made for the capital value of an estate results in the agricultural income-tax working out at a rate higher than that of Central income-tax.

"Expenses incurred in new planting and replanting up to the yielding stage are treated as capital for which an allowance of only 10 per cent. is granted. In the case of replanting which is undertaken to replace a non-yielding or old and useless area, no allowance is made for the loss of capital invested.

Liberal Depreciation

"There is a very strong case for liberalisation in the matter of depreciation allowances and a memorandum on this subject first submitted when the Mysore Act came into force has not yet received consideration.

"The dividend of 20 per cent. recommended by your Board is as liberal as possible in view of our lower earnings, coupled with the necessity to allocate adequate funds to our reserve. It was only possible to pay this dividend because of the refund of agricultural income-tax, amounting to Rs. 4,67,288 received by the Company in respect of the tax paid for the year ended 30th June 1956. Tax had been demanded and paid on the basis of the Mysore agricultural income-tax in respect of the year 1955-56, even though Coorg at that time was a separate State. A further appeal is pending in respect of the agricultural income-tax paid for the four months ended 31st October 1956—merger of Coorg into Mysore having taken place as from 1st November 1956. In the event of the appeal being successful, a refund of about Rs. 2 lakhs may be expected.

"The Preference Share Regulation of Dividend Bill has been passed by Parliament and the question of how it affects an agricultural company as yours is to be considered. It is only fair to say that the portion of our profit subject to Indian income-tax is negligible and only that portion will require to be grossed up. The resulting extra payment will be very small indeed, but even without this, the preference shareholders will not be losing, as they will still have the benefit of Section 49B of the Indian Income-tax Act.

A New Disease

"The coffee crop that is now being harvested may be higher than our estimate of 3,099 tonnes, specially in Robusta. Some of our Arabica estates have been particularly affected by the new disease and it is apprehended that this may affect the outturns and quality of the coffee. In the year under review, it was found in some Arabica estates that the percentage of 'A' sized beans was substantially lower than the average and that there was a similar remarkable increase in Peaberry and the 'B' size. This naturally has an adverse effect on the quality of the coffee and results in a lower number of points being awarded. I hope that I am not being unnecessarily alarmist and will only be too glad if proved to be unduly pessimistic.

"I am afraid it is rather early in the season to venture any opinion on the prospects of the 1961-62 crop and this should as usual wait until we have had our blossom showers.

"I referred earlier to the prevalence of a new disease on coffee. This condition was first reported in 1957 but did not receive any attention, as the condition reported appeared to be not unlike 'Die Back' normally occurring in coffee. The disease appears to have spread since then and the condition of the coffee, especially from January 1960 onwards, has given cause for alarm.

"A Scientific Committee which was appointed by the Coffee Board to investigate the malady has submitted its report and has indicated that, while there is no cause for alarm, there is equally no room for any complacency. They go on to state that the problem is urgent and important and that the subject should be treated as a special project and studied in greater detail on a long-term basis. They have made suggestions for setting up a special project to undertake certain studies and it is hoped that these will be given effect to as early as possible.

"As the earliest diagnosis of this condition appears to be of the greatest importance, one wonders whether it would not be in our best interest to invite a scientific officer from Kenya or other coffee growing areas to undertake a short tour. It may be that, if such a condition has been noticed before that, he would be in a position to identify it and much valuable time to be spent in diagnosis would be saved.

"Due to this condition on coffee, it is considered that it would be better not to open any new clearings in 1961. We have 727 acres of immature coffee and it would be wiser for our estate managers to be allowed to look after and bring up the immature areas, instead of diverting their attention to opening new areas.

"Our relations with labour have been generally cordial. A wage agreement with the unions was entered into effective from 1st August 1960 under which the existing rates of wages were increased from Re. 1.50 and Re. 1.12 to Re. 1.62 and Re. 1.23, respectively, for men and women labourers and correspondingly for adolescents and children. This represents an increase of 8 to 9 per cent. on the existing wage bill. This increase inclusive of provident fund and leave wages will cost the Company about Rs. 2½ lakhs extra for 1960-61.

"The last increase in labour wages was in 1957. The present agreement lasts for two years, or until the Wage Board, which is to be appointed by the Central Government, makes its award, whether earlier or later. The increase in wages on plantations is inevitable and in an expanding economy essential.

"One serious effect of the increase in wages is that absenteeism appears to increase in proportion. The absenteeism in your Company varies between 16 and 26 per cent., and added to the poor output of work, really imposes on us the burden of having to maintain a large number of unproductive labourers and to incur the corresponding increase in capital outlay for providing labour quarters.

"In the present state of falling prices and a return which is beginning to prove to be uneconomic, labour must play its part in improving their output of work. Coffee plantations cannot be expected to face a situation where labour wages may be eventually doubled or trebled and still be expected to maintain the present rate of employment.

"The production of coffee is a purely agricultural occupation, and there are generally very few agricultural activities which can be paid for on the basis of a fixed task. Unless there are incentives to work and earn more, it will be impossible to obtain a full day's work from a labourer. Incentives at present are possible only in the picking and estate curing of coffee. It is essential that a special study of this subject as applied to coffee plantations is undertaken, and we propose to take up this matter with our Planting Association. It is surely the duty of labour unions to advise their members to do a full day's useful work.

Coffee Prices Recede

"I must now refer to a thought uppermost in the minds of all those interested in coffee. For the first time since 1948, that which we feared for many years has happened. The world price of coffee has come down below the minimum release price fixed for release in the internal market. In 1948, the Government of India withdrew the price control imposed on coffee. For almost 12 years thereafter, world prices were very high and the Indian producer was not allowed to get the full benefit of these high prices. Exports were restricted and, even where allowed, a very heavy export tax of as large as Rs. 70 per cwt. was imposed. In fact, at one stage, some 5,000 tonnes of coffee fit for export were not permitted to be exported, though this could have been done easily without affecting the stock position in India. The selling price of coffee in India itself was kept low on the ground that the profits made on exports was to subsidise the internal market prices.

"Recently, there has been a greater pressure to increase the exports of coffee and it is curious that this should come at a time when growers are faced with an adverse export market. We are now faced with the position of suffering a loss as coffee is to be exported on the basis of any price which it could fetch. There is no doubt that, until now, the grower has subsidised the consumer. It is extremely doubtful if it could be expected that the consumer is now to subsidise the grower.

"The world production of coffee in 1959-60 amounted to 4.5 million metric tonnes, representing an increase of over 1 million metric tonnes. The increase in world imports from 2.2 million metric tonnes to 2.5 million metric tonnes was not commensurate with the rise in output. The stocks with producing countries enlarged from 1.6 million metric tonnes to nearly 3 million metric tonnes, which is equal to one year's world consumption.

"In India itself, the estimate for 1960-61 when realised will be a record. The estimate amounts to 52,290 metric tonnes, made up of 30,885 metric tonnes of Arabica and 21,405 metric tonnes of Robusta, and it is possible that the Robusta crop may be substantially higher.

Internal Offtake

"The trend of internal offtake of coffee is not in consonance with that of production. On the contrary, the internal consumption during the 11 months of 1960 is slightly lower at 27,321 metric tonnes than in the corresponding period of 1959. As on 1st January 1961, the stock of old crop still to be marketed inclusive of carry-forward will be about 7,200 tonnes.

"The Food and Agricultural Organisation states as follows:—

"'Although world imports and domestic consumption of coffee will rise in coming years, it is unlikely that the annual increase will exceed 5 per cent., even at present reduced prices. The proposal has been advanced to extend the International Coffee Agreement for another year and consider, in the meantime, the conclusion of an export agreement for five years, to provide time for producing countries to enact and carry out measures of production control, at present still at the planning stage. Unless such measures are taken, stocks will continue to accumulate in producing countries and could reach twice their present size three to four years from now.'

Marketing Policy

"We have to consider our marketing policies against the background of what is stated above, namely, increasing production and the very large stocks of coffee held by producing countries. The system of marketing of coffee in India for internal consumption is multi-channelled. Coffee is sold by Pool auctions for whatever price it may fetch above the basic minimum release prices; coffee is sold at local auctions thereby reducing the demand on Pool auction buyers; and coffee is allotted to co-operative Societies at the basic minimum release price. In addition, in the name of propaganda, coffee is being issued to consumers again at basic minimum release prices. The return to the grower is thereby kept very nearly at the minimum. This system no doubt was a good system when stocks were short. The system was introduced in 1948 immediately after the removal of price control and when the production of coffee during that year was as low as under 14,000 tonnes. Prices were indeed very high and all these methods were devised by the Indian Coffee Board to keep prices down. With the doubling or even trebling of production as considered in relation to 1948 there seems little justification to continue, what were after all, expedients suited to a particular situation. Added to this is the fact that export prices have fallen to uneconomic levels. I make a strong plea that the entire marketing policy is overhauled and a more realistic one adopted.

"The first requirement is that the Board adopts a more practical propaganda policy. There are, I know, mixed opinions as to the utility of what were known as India Coffee Houses, but there is no doubt that India Coffee Houses were largely instrumental in increasing the coffee drinking habit and that the internal consumption of coffee rose from some 8,000 tons to over 20,000 tons. For various reasons, the Coffee Houses were closed down and the few that are running now are more in the nature of prestige houses and cater to a limited and favoured clientele. Propaganda is very necessary, particularly for Robusta coffee, if we are to sell our increasing production. The prices for Robusta on the world market are very much lower than our cost of production, and I am convinced that the best market for our Robusta is in India, as at its price it provides a cheaper drink to many of our people.

Export Marketing

"In particular, I refer now to export marketing. We are in no position, of course, to hold back the huge stocks being received into the Pool. With the increased production in 1961, we may well find ourselves at the end of that year with a stock of 10,000-12,000 tonnes, if not a little more, waiting to be marketed. We are now obliged to sell coffee at whatever price that is offered. In these circumstances, it is more than ever necessary to examine the export marketing activities of the Coffee Board in some detail. I would like to say at the very beginning that this is not an attempt to find fault with the Coffee Board's marketing policies. If the coffee industry is to exist, there seems to be little doubt that the system of marketing should be completely overhauled and some bold decisions taken.

"The method of marketing is briefly that of offering coffees for export and inviting bids by means of sealed tender. Inevitably this system has led to the concentration of the export business in the hands of only two or three large exporters, a position in which Jamaica found herself for the same reason. It is also

UNDP 23 JAN 1961 PUBLIC DEPARTMENT

significant that India at present is the only country which sells its coffee by this system.

"In making up lots for sale, coffees of the same type and grade of equivalent quality are bulked together and offered as separate district growths. There is, however, no guarantee that, each year, any lot of a particular district offered is comprised of the coffee from the same two or three estates of the district. In any case, the importer in foreign countries knows only that he is being offered the bulk of a particular district growth and is, therefore, not in a position to enter the market or interest himself on grounds of selective buying.

"Before the advent of the Coffee Board, all coffees were sold on the basis of estate marks. The quality of coffee of each estate was well known in London, and these estates always obtained premium prices for their coffees. With the method of marketing adopted by the Coffee Board and, in fairness, it must be said that, at that time, there was no alternative, estate marks disappeared from the London market. Recently, the Coffee Board sent some coffees of about half a dozen well-known estates without disclosing the names of these estates, and it was a pleasant surprise to see that these coffees did fetch very good prices, evidently on grounds of quality.

Coffee in Kenya

"It is relevant to consider the manner in which Kenya sells its coffee. Here they are sold strictly according to liquor tests, and the buyer knows that the coffee he purchases is the type that he requires for his own particular purposes. He also knows, and this is most important, that, in the following year, the same quality of coffee identifiable by him as similar to that bought by him previously will again be offered. This method ensures that an importer takes sustained interest in each type and grade of coffee and this should be our object also.

"There has been a decline in world prices, but it is, interesting to note the comparative prices fetched by Kenya coffee and our coffee. Tabulated below are comparative prices for Kenya and Indian coffee per cwt:

	Kenya Rs.	*Indian* Rs.
January	266 to 393	260
February	246 „ 380	250
March	213 „ 364	245
August	210 „ 333	201
September	200 „ 372	192
October	202 „ 400	184
November	200 „ 353	175

"If we are to stay in the export market, there is no doubt that we can do so only on grounds of quality. There is no question of our driving Kenya coffee out of the market, for I fully believe that there is room for both our coffees considering the volume of production of these extremely popular coffees. At best India can export only 15,000 tons of first class plantation and, in a quality-conscious market, there is plenty of room for our coffees sharing in some of the rewards paid to high class coffees.

Common Market and Coffee

"In respect of the effect that the European Economic Community market will have on our coffees, I quote from *The Commonwealth and Europe*, a study prepared by the *Economist* Intelligence Unit:

"'Coffee has an infinite variety of flavours and established blends have a following faithful, despite price changes. Kenya coffee, for example, is exceptionally popular in West Germany where importers willingly pay a premium to secure it; Jamaica's Blue Mountain coffee holds an enviable and almost unique position in many markets as do, though to a lesser extent, the high grade coffees of Southern India.'

"Consumption is also rising in the United Kingdom, and the same book goes on to state as follows:

"'So long as the small tariff preference is maintained in the U.K., or indeed even without it, Commonwealth producers can expect to take their full share of the growing British market, Kenya, India and Jamaica catering to the better end of the trade, other producers to the double coffee market.'

Measures for Improvement

"The above quotations offer an authoritative reply to those who may doubt that Indian coffees cannot compare in quality or compete on that basis. I would, therefore, propose for the most earnest consideration of the authorities concerned the following measures:

"(a) The appointment of a well-known coffee taster with his headquarters at Bangalore, say, for a period of three years during which he will also train a number of assistants.

"(b) All Arabica coffees produced in India to be liquor tested and the best coffees earmarked for export.

"(c) The coffees offered for export should be from estates which have earned premium points.

"(d) Such coffees should not be bulked with other coffees.

"(e) Samples will be true to the particular outturn.

"(f) The coffee offered should be in the name of the estate or by a distinguishing mark.

"(g) Coffees offered in subsequent years will continue to bear the same distinguishing marks.

"(h) The coffees should be sold in public auction and not by sealed tender.

"(i) Auctions should be held at weekly intervals to enable importers to cover their requirements quickly if they fail to do so in a previous auction.

"(j) The interval between sale and shipping of the coffee should be reduced.

"Without going into detail, I am convinced that the methods I have advocated will be the only way of earning a little more in what is quite obviously a buyer's market. All this requires a bold decision and courage to sell coffee in a way different to ours, but which is common throughout all other exporting countries. If an early decision is taken, it should be possible for us to start selling our coffee this year itself on basis of quality. Even if we sold 1,000 tons this year on this basis, we would be entering the export market on proper lines and we could expand this activity in coming years.

"One further suggestion I would make is that the Coffee Board should open a prestige Coffee House in London and one in Hamburg. All our coffees should be displayed and sufficient publicity undertaken to revive an interest in Indian coffee. This will be expensive, but it should be money well spent.

"Eventually the sale of coffee on the basis of cup tasting should also apply to internal sales and will ensure discriminative buying.

Bold Decisions Urgent

"I have touched on a few controversial matters but I trust these will receive earnest and sympathetic consideration. Bold and urgent decisions are necessary. Coffee producers have an unhappy feeling that their fate is decided by a body not truly representative and not close to them or to their problems and it is only by the adoption of realistic attitudes that satisfaction can be given. It is regretted that no decisions have yet been taken on the Expert Committee's report, though this was submitted some 18 months ago. Coffee producers and Associations feel that their problems are not dealt with with any sense of urgency or realism and the failure on the part of the authorities to release the report to associations confirms the feeling that the fate of producers is being decided without taking them into confidence.

"I must refer here to the excellent services rendered to your Company by my predecessor in office, Mr. R. C. Paterson. Your Company showed much progress during his term of office and I trust that his policies will continue to bear fruit in the coming years.

"I must express my thanks to all our managers and members of our staff both at head office and on the estates and at the Kushalnagar works for another year of hard and efficient work. They have a challenge to face in the coming years, occasioned by falling prices and overproduction and every effort will have to be made by them to run the estates as economically as possible.

"I would refer in particular to Mr. E. R. W. Walker, your Field Manager and a fellow-Director for the devoted service of some 30 years he has given to your Company and its predecessors. He will be going into well-earned retirement from the end of June 1961 and I would, on your behalf, like to thank him for all he has done for the Company. His devotion to duty and capacity for unsparing hard work is worthy of emulation by all of us and he will be seriously missed.

"Finally I must thank my fellow-Directors for their wise guidance and help."

RAMTIRTH

HINDI MONTHLY

Editor: YOGIRAJ SHRI UMESHCHANDRAJI

Published by:

SHRI RAMTIRTH YOGASHRAM, Bombay

• MORE THAN 130 PAGES PER ISSUE •

The main idea behind this magazine is to develop the physical, mental and moral aspect of the common man. Detailed information about the cure of diseases by naturopathy and yogic treatment is discussed also.

Annual Subscription Rs. 4/- only. Single Copy 40 nP only.

Agents shall place their orders and requirements by 15th of each preceding month.

RAMTIRTH BRAHMI OIL

Special No. 1 Registered.

An invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cools brain, improves system, and brings sound sleep. Most ideal for body massage. It is useful to every one in all seasons. Prices : Rs. 4/- for big bottle and Rs. 2/- for small. Available everywhere.

YOGASANA CHART

A Chart printed on Artglazed Paper and fully illustrated with attractive pictures is also available here. You can perform the Asanas shown therein at your home, which will keep you fit and healthy. Price: Rs. 2.50 including Postage, to be sent by M.O. only.

YOGIC CLASSES are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Special classes for Ladies are also conducted. Lady teachers instruct Ladies.

SHREE RAMTIRTH YOGASHRAM

Dadar, Central Railway, Bombay-14

Telephone : 62899 Gram: 'PRANAYAM', Dadar, Bombay

COFFEE LANDS AND INDUSTRIES (MYSORE) LTD.

FOURTEENTH ANNUAL MEETING

CHAIRMAN'S PLEA FOR PROTECTING INTERESTS OF COFFEE PRODUCERS

ADDRESSING the Fourteenth Annual General Meeting of the Coffee Lands and Industries (Mysore) Ltd., held at Pollibetta (Mysore State), on 30th December 1960, Mr. C. I. Machia, Chairman of the Company, highlighted the difficulties confronting the coffee industry, as a result of the Coffee Board's marketing policy. He criticised the Board for its attitude of helplessness in times of falling prices and stated that the producer of coffee was entitled to as much protection as the consumer. Mr. Machia wanted a revision of the marketing policy and reorganisation of the Board. In his opinion, sales for export must be by open auction and on the basis of quality. He also pleaded for release of coffee in internal market only through Pool auctions, instead of through local auctions and co-operative societies, intensive propaganda and abolition of excise duty on Robusta coffee.

The full text of the Chairman's speech is reproduced below:

"LADIES AND GENTLEMEN,

"It gives me great pleasure to welcome you on the occasion of the fourteenth annual general meeting of your Company. The Directors' report and the audited accounts for the year ended 30th June 1960 have been with you for the statutory period and, with your permission, I shall take them as read.

"There has been a sharp decline in profit before taxation from Rs. 14,21,249 in 1958-59 to Rs. 3,62,662 during the current year. The fall in profit is due to the harvesting of a lower crop of 677 tonnes, as against 902 tonnes in the previous year, combined with the valuation of the crop at only Rs. 2.20 per point, whereas the previous crop was valued at Rs. 2.37 per point. This has resulted in our earnings being reduced by Rs. 8,89,056. The final payment for 1958-59 crop realised only Rs. 2.45 per point or 8 nP over the valuation. This resulted in our receiving an income from previous season's crop of Rs. 1,48,410, as compared to Rs. 3,62,655 received in the previous year. The total reduction in profit has consequently amounted to Rs. 11,03,301.

Crop Harvested Lower

"The crop harvested was 225 tons lower than the previous year and production averaged 4.80 cwts. per acre, as against 6.97 cwts. in the previous year. The expenditure is about Rs. 856 per acre, while the earnings at Rs. 2.20 per point works out to Rs. 165 per cwt. or Rs. 792 per acre, resulting in a loss of about Rs. 1,76,000 on an area of 2,752 acres, exclusive of 25 acres of new clearing. This loss was partly covered by the carry-forward of Rs. 1,48,410 from the previous year and receipts from Ilehole estate. It will, therefore, be obvious that, just to break even at a valuation of Rs. 2.20 per point, the production should average a minimum of 5.15 cwts. per acre.

"Our expenditure has remained more or less the same as the previous year and steps for economies are under active consideration subject, however, to the fact that no step should be taken which will have the effect of reducing the production per acre.

Hunsur Works

"The profit from Hunsur works, inclusive of estate supplies, was Rs. 1,62,317 after tax and is the second highest on record. The earnings from the works has contributed the major share of the year's distributable surplus. The works cured 3,526 tonnes of coffee, and it is anticipated that a higher tonnage of coffee will be cured during the current year.

"The dividend at 6 per cent. recommended is in keeping with the profit which on the year's working amounted to only Rs. 2,03,662 and with the necessity to allocate some amount at least to reserve.

"As unfortunately the estates made a loss this year, there will be no profit assessable to agricultural income-tax and consequently shareholders will not be entitled to the benefit of relief under Section 49(B). The Preference Share (Regulation of Dividends) Bill is now passed into law and steps will be taken to implement its provisions.

"Our Arabica crop for the year under report was lower than the revised estimate by 123 tonnes as shown in the Directors' report. It is apprehended that the fall in crop may be mainly due to the prevalence of a condition in Arabica coffee which is possibly attributable to a disease. This has recently been the subject of a study by a team of scientists appointed by the Coffee Board and their report recommending the setting up of a project is pending implementation.

Low Valuation

"Our revised estimate in respect of the crop that is now being picked of 711 tonnes of Arabica and 147 tonnes of Robusta which will give an overall average of 6.1 cwts. per acre is likely to be realised. The crop is, therefore, expected to be about 180 tonnes more than that of the present year, but this increase must be considered with reference to the present low valuation at Rs. 2.20 a point. It is too early to say anything about the crop for 1961-62, as so much depends on the blossom showers.

"This year, our estates have sustained a loss and this is more noticeable, as we are entirely dependant on coffee for our income. Our income from subsidiary or minor crops was only Rs. 9,133 and it is essential for us to increase our plantings and acreages of subsidiary crops such as cardamom, pepper and arecanut. The prospects of doing so are under consideration and, though these may be long-term measures, they should eventually prove useful in the context of falling prices for coffee.

Higher Wages for Labour

"Our relations with labour have been generally cordial. A wage agreement was entered into by the Mysore State Planters' Association with the unions resulting in an increase of wages effective from 1st August 1960 from Re. 1.40 to Re. 1.62 for men and Re. 1.06 to Re. 1.23 for women and correspondingly for adolescents and children. According to the agreement, the wages for plantation labour will be the same for both Mysore and the erstwhile district of Coorg. This agreement will result in an increase in expenditure of about Rs. 1,15,000 per annum. The agreement is effective for two years or until the award of a Wage Board whether earlier or later.

"The wages were last raised by agreement from 1st April 1957 from Re. 1 to Re. 1.40 for men and 13 annas to Re. 1.06 for women, representing an increase of 40 per cent. and the present agreement enhances those wages by 16 per cent. The trend of increasing wages is there to see and we must be prepared to face the possibility of further increases as a result of agreements or Wage Board awards. The wage bill on a plantation, inclusive of amenities to be provided under the Plantation Labour Act, is the largest single item of expenditure being at present as high as 44 per cent. of the total expenditure.

"It will clearly be impossible to continue to employ labour at the present rate per acre. If a labourer will only do a full day's work, a lesser number can be employed and such reduced numbers would be in a position to earn a very much higher wage.

"I referred earlier to the fact that our expenditure is about Rs. 856 per acre. Labour accounts for Rs. 355, spraying for Rs. 100 and manuring for Rs. 128, representing 44 per cent., 11 per cent., 16 per cent. of the total cost. The balance of 29 per cent. accounts for depreciation, curing charges, transport to works, management and staff salaries, etc.

"The average production per acre in India is 3.5 cwts. per acre, our own production being 4.80 cwts. per acre for the year under review.

Price Policy Unrealistic

"It is significant that, despite the higher yield, we have experienced a loss. This can only be due to the continuance of a price policy which, in the context of increased production and rising costs, is unrealistic. The policy of subsidising internal prices by the higher prices obtained in export can no longer be followed due to unremunerative export prices.

"It is obvious that it is only the producer that suffers by these policies. At a time when export prices were very high, we were not allowed to receive their full benefit. Producers willingly shared the prosperity with the consumer, despite the fact that the higher earnings were curtailed by policies such as a refusal to export a clear surplus and the imposition at that time of an export duty.

"The final value of the point has been steadily going down each year. In respect of the current year's crop, which has been valued at Rs. 2.20 a point, it is expected that the final value may be, at the best, about 4 nP more. In spite of this, the policy is that the price to the consumer is not to be affected. It is only the producer who is to bear the adversity.

"An uneconomic return can only be countered by increased production per acre which is difficult to achieve due to falling prices, and it is more than likely that the problem may solve itself by a depression in production caused by the abandonment of unremunerative areas and less care being taken of plantations—in fact, a repetition of the state of affairs of the thirties.

Unremunerative Return

"A reference has already been made to the fall in export prices, leading to an unremunerative return to the grower. The prices for Robusta in the export market have fallen from Rs. 125.55 in February 1960 to Rs. 85.46 in November this year per cwt. The return to the Robusta grower based on Rs. 2.20 per point is Rs. 116.60 per cwt. and the minimum release price, inclusive of Central excise duty and Coffee Board's charges, is Rs. 150. The average price obtained for Robusta in the internal market is Rs. 152.65 in November. This means that Robusta in the internal market earns about Rs. 2 to Rs. 3 more per cwt. With nearly one quarter of the Robusta or about 4,000 tons being exported at prices almost Rs. 30 per cwt. below, the minimum return to the grower one begins to wonder how the return is to be ensured. Quite obviously, this can be done only by making up the deficit from the earnings under Arabica. It is worthy of note that Arabica earnings are themselves very near the basic release price and it may become impossible to ensure even this return.

Ever-increasing Costs

"Added to these difficulties is the problem of ever-increasing costs. I have already dealt with labour. Fertiliser prices have been steadily going up, particularly that of nitrogenous manures. All nitrogenous fertilisers are handled by the Central Government and, under the system of distribution, we are compelled to pay the value of the fertilisers in advance and as soon as an allotment is made. The actual delivery commences some considerable time later and, during that time, our money is kept idle without earning any interest, whereas we continue to pay heavy interest to our bankers. In addition to this, fertilisers are not received in time for application.

"Presumably on the fallacy that plantations can afford to pay, the cost of nitrogenous fertilisers supplied through the Coffee Board is much higher than that supplied to agriculturists through co-operative societies. For example, the retail price of sulphate of ammonia received through the Board is Rs. 405 per ton, whereas an agriculturist pays only Rs. 383.80 in addition to which he is entitled to a rebate of Rs. 14 per ton on production of a certificate from the District Agricultural Officer to the effect that he is a *ryot*.

"On the ground that tractors on plantations are not solely used for agricultural purposes and that the transport of manures and compost, coffee from estate to the pulphouse are not considered to be agricultural operations, coffee estates have to pay an additional sum of Rs. 3,000 per tractor being the excise and customs duty. The refund of this sum is allowed only if the tractor possesses a set of agricultural implements and is used exclusively for agriculture.

"Our obligations under the Plantation Labour Act continue to increase and the insistence on building créches and canteens imposes a very heavy burden, and it is not unlikely that we may in due course be compelled to provide electric lighting to all dwellings as power becomes available.

"There are no signs that the cost of production can ever be lowered and we are entitled to receive sympathetic consideration and relief, however small it may be, in the shape of tax reliefs, and the recognition of the fact that coffee producers are also agriculturists.

"I would now comment on the marketing of coffee. Prior to the amendment to the Coffee Act in 1954 and the consequent reorganisation of the Indian Coffee Board, the primary and sole function of the Coffee Board was marketing, propaganda and research. The planting members on the Board were accredited representatives nominated by long-established Planting Associations and brought to the deliberations of the Board a wealth of experience and the benefit of advice received from their associations. The Central Government exercised the power of control and direction on vital matters and in no case interfered in matters of detail. It also had the power to set aside any decision of the Board.

"The Board also had the privilege of electing its own Chairman and the Board under its then existing constitution had the benefit of the advice of the representatives of the Central Government on the Board, who in turn being present were in a position to take part in the deliberations and to appreciate the reason behind the decisions and recommendations arrived at. There was also a provision under which Government consulted the Board before taking any decision affecting the Board or the industry.

"The Indian Coffee Board under that constitution has many achievements to be proud of, principally the setting up of India Coffee Houses, the consequent increase in consumption in India from 8,000 to 20,000 tons per annum, the setting up of standards for the curing and grading of coffee and the development of the Research Department.

"In 1954, the Indian Coffee Board was reorganised and the planting associations were divested of the privilege of nominating their representatives to the Coffee Board, and a system of election of larger grower representatives similar to that obtaining for election to legislative bodies was introduced, the electors being owners of plantations over 50 acres in extent. At one stroke, this removed any sense of responsibility to producer associations which were and still are in the best position to offer professional and expert advice.

"Separate nominations to the Board were made in respect of small growers and Robusta growers as distinct from large growers, which only tended to create and accentuate a difference which did not exist between large and small growers. Except for the small element of elected large growers, all seats on the Board are now filled by nomination and represent a diversity of interests, some not connected with the marketing of coffee.

Coffee Cess

"The cess collected is now credited to the Consolidated Fund of India and is also utilised for additional purposes such as benefits to labour and education allowances, whereas, previously, the cess was rightly used in the exercise of the proper functions of the Board, namely, propaganda and research. The effect of this provision is that an additional cess is collected from coffee growers who have still to implement their obligations under the Plantation Labour Act. Their return to that extent is reduced.

"The Coffee Board is thus entrusted with functions not properly in its province. All these changes were effected despite universal protests from coffee producers and without any consideration for our point of view. It appears that, in the light of falling prices, rethinking on this very important matter is necessary.

"The system of marketing now followed, namely, release of coffee through Pool auctions, through local auctions and by allotments to co-operative societies, was a system introduced in 1948 immediately after the removal of price control and when the production was under 14,000 tons in an effort to stabilise prices. The system now in existence is very much the same, despite overproduction and lower prices both in the internal and export markets, and one is compelled to state that the Board has not risen to this challenge. On the propaganda side, a proved method of propaganda—the India Coffee House—was abolished, even though the signs of overproduction and falling prices were there to see.

"I consider that there is a very good case for the reorganisation of the Coffee Board. I do not advocate a return to the old constitution, but I would suggest the setting up of a very much smaller body chiefly concerned with propaganda, marketing and research, presided over by a chairman appointed by the Central Government. The producer members may be nominated by established producer associations and other members limited to two members each to represent trade, labour, and the consumer be nominated by the Central Government. Such a body would be an expert one and being small would have the advantage of meeting easily and taking quick decisions on problems as they arise. Any fear that this might become a grower-dominated body would be groundless due to the provision for an official Chairman and the inherent powers of the Government to control, direct and modify.

Attitude of Helplessness

"As I stated earlier, the Board has not been able to meet the challenge of overproduction and lowering prices by reorienting its marketing policies. It still continues with expedients devised at a time when prices tended to get out of control due to under-production, and the general attitude is one of helplessness because of falling prices.

"The producer is entitled to as much protection as the consumer. It should be remembered that every acre that goes out of production will result in loss of employment for three-quarters to one labourer, loss to Government in revenue, foreign exchange and the consequential loss in trade, transport services, etc.

"The remedies can only be drastic ones. If a proper return is to be ensured only the best coffee—Arabica Plantation—must be exported even at the risk of denying the Indian consumer this type of coffee. It also stands to reason that, as the Central Government desires to maximise exports, that the coffee which earns the highest foreign exchange should be exported. A system of sales on cup tasting should be brought in firstly in the case of export sales and coffees must be sold on this basis and under distinguishing marks, which will ensure particular marks being available year after year. Sales for export must, in my opinion, be by open auction and on the basis of quality. A beginning should be made this year as we cannot afford to wait for another full year before altering the marketing policy.

Internal Marketing

"This system will eventually extend itself to the internal market and make for selective buying. In the internal market, coffee should be released only through Pool auctions and expedients such as local auctions and releases through co-operative societies should be abolished.

"Intensive propaganda for coffee, and Robusta in particular, must be instituted and India Coffee Houses restarted, particularly in North India where only Robusta coffees should be sold.

"The export prices for Robusta are so very low and there appears to be little justification for imposing the same rate of export duty of 3 annas per pound or Rs. 21 per cwt. on Robusta as for Arabica coffee. The removal of this excise duty will enable Robusta to be offered at a very much lower price in the internal market. This will no doubt result in a loss of Central excise duty on Robusta amounting to about Rs. 80 lakhs per year, but it will be a small sacrifice in the interests of an industry which is now facing a crisis.

"The matters I have touched upon are undoubtedly controversial and there may be other proposals for improving marketing. But a sense of urgency is essential and the present system of marketing must be considered to be out of date. Internal consumption has not risen and in India we see what is happening in the rest of the coffee world. The rise in consumption has not been in keeping with the rise in production. In India, it should be possible to push Robusta if vigorous action is taken and if the price for that coffee can be reduced even by the element of Central excise duty. It should not be that only the producer is to make sacrifices.

"Mr. R. C. Paterson, your former Chairman, retired as from 1st April 1960, but still continues as a Director and his valuable advice is still available to us.

"I take this opportunity of thanking our Managers, members of the staff and labour both on the estates and in the Hunsur Works for their work during the year.

"Finally I must express my gratitude to my fellow-Directors for their wise guidance."

Elegant for every Occasion

Dressed in Mysore Government Pure Silks and Sarees you will look your charming best, at home or in parties and functions. Mysore Government Silks are available in attractive shades and designs in exquisite borders.

Remember to ask your dealer for Mysore Government Silks.

Hallmark of quality

GOVERNMENT SILK WEAVING FACTORY

MYSORE

CHAIRMAN'S STATEMENT

INDIAN OXYGEN LIMITED

INDUSTRIAL GASES AND ELECTRODES PLAY INCREASINGLY IMPORTANT PART IN THE INDUSTRIALISATION OF THE COUNTRY

PROPOSED RIGHTS ISSUE TO FINANCE LARGE EXPANSION PROGRAMME

THE following is a statement by Sir John Douglas Keith Brown, Chairman, Indian Oxygen Limited, issued to the shareholders, together with the Directors' Report and Accounts for the year ended 30th September 1960, and the Notice of the Company's 26th Annual General Meeting which is to be held on 14th February 1961.

The Directors' Report and Accounts for the year ended 30th September last are being circulated with this statement. In keeping with the trend in these matters, your directors have felt that the statement which is normally made by the Chairman at the Annual General Meeting, which is attended by only a very small proportion of the shareholders, should be circulated in advance to all members and that this opportunity might be taken to deal at some greater length than previously with the company's trading experience in the year under review, its financial position and its development plans with particular reference to its position in the expanding economy of India.

Profits, Taxation and Dividend

The profit for the year, after providing Rs. 37,10,806 for depreciation and Rs. 38,85,900 for taxation, amounted to Rs. 62,98,449. This compares with a net profit for the previous year of Rs. 53,07,450 which was arrived at after charging depreciation of Rs. 31,69,459 and taxation of Rs. 34,62,755. As stated in the report of the directors, the profit may be considered satisfactory. Ours is, however, a capital-intensive industry and past experience has demonstrated the necessity continuously to plough back profits to provide for plant replacements at increased cost and for expansion which, as an industry serving other industries, we must always be prepared to carry out in anticipation of demand. I shall refer later in this statement to the expansion which we visualise over the next few years and to the arrangements which are contemplated to finance it. Suffice it to say at this juncture that, for so long as can be foreseen, there will always be the necessity to plough back substantial sums of money each year and it is in these circumstances that your directors have felt it appropriate, notwithstanding the increase in profits, to recommend the same rate of dividend as was paid in respect of the previous year.

Sales

From the accounts for the year, you will observe that the value of sales exceeded that in the previous year by over Rs. 91 lacs, representing an overall increase of just over 16 per cent. While practically all products contributed towards this rise, the rate of increase was particularly high in the cases of piped oxygen supplies to the steel works, liquid oxygen explosives used in open-cast mining operations and electrodes. The increase in electrode sales was primarily due to the higher level of production at the factory and the introduction of new ranges of special types during the year. The rate of increase in sales of dissolved acetylene was disappointing and while partly due to delays in the completion of customers' own development programmes, was also accounted for by increased competition and the use of alternative products. The principal raw material used in the production of dissolved acetylene is calcium carbide and towards the close of the year, with the commissioning of a plant in South India to supplement the output of another plant which has been functioning for some time in Calcutta, the country is now approaching self-sufficiency in this item. While this development is particularly welcomed by us as ensuring supplies of one of our main raw materials without our having to concern ourselves with the problem of foreign exchange, I have to observe that the high price of indigenously produced carbide and its lower gas yield are already having an adverse impact on the cost of production of dissolved acetylene.

Industrial gases and electrodes, which are your company's main products, play an increasingly important part in the industrialisation of the country, and this was appropriately recognised during the year when the Planning Commission called a meeting of the major producers and consumers to discuss the requirements of these products in the Third Five-Year Plan period. The outcome has been the inclusion of our industry's overall requirements in the draft outline of the Plan published a few months ago.

Development and Expansion

While the Planning Commission has indicated the country's overall requirements of our major products during the next few years and while this is extremely useful as a basis for planning our own production facilities, these requirements have to be broken down to assess the needs of each region. This is particularly important in the case of industrial oxygen and dissolved acetylene, where extremely high distribution costs limit the frontiers of the market. The whole country, therefore, has to be divided into several regions to be served by carefully sited producing and supply points. Again, each production point has to be of a capacity geared to the needs of the region it serves, and as the state and pace of development varies from region to region, it is obvious that the capacity and size of the various plant units will also vary. In catering for additional oxygen requirements, therefore, we have to consider the alternatives on the one hand of multiplication of plants of similar capacity, and on the other of stepping up the size of each unit as a region progresses industrially, so that benefit may be derived from the economies of larger scale production. Your company is in a particularly favourable position to fulfil this requirement of regional development, and this is accomplished by transferring oxygen producing plants from one region to another, and installing plants of higher capacity and greater efficiency in regions which, by reason of economic advancement, require such plants. This incidentally results in a significant saving of foreign exchange as the import of one additional plant may, through a number of consequential transfers, help to increase available capacity in more than one region. Thus, during the past year, we have succeeded in stepping up oxygen production at Ahmedabad and Madras by transferring plants from Bombay to Madras and from Madras to Ahmedabad. This leaves the oxygen plant capacity at Bombay to be augmented, and we are hopeful that the necessary licence under the Industries (Development and Regulation) Act will be forthcoming in the near future, to enable us to import a plant with adequate capacity against foreign exchange procured by the company.

Oxygen requirements in the Calcutta and Jamshedpur region have been growing apace and an additional 400 M³ oxygen plant was installed in each of the Calcutta and Jamshedpur factories during the year.

Another Significant Development

Another significant development took place at Burnpur, where we installed argon purification and high purity nitrogen production facilities, which were successfully commissioned during the year with the help of technical assistance received from The British Oxygen Company Limited. In our Burnpur factory we are now equipped to produce and compress argon, high purity nitrogen and argon/nitrogen and argon/oxygen mixtures. The production of these gases for the first time in India will lead to substantial savings in foreign exchange which had hitherto been expended on importing them and the cylinders which contained them. Argon, high purity nitrogen and their mixtures will provide electric lamp manufacturers with an indigenous source of supply, while argon will help in welding and fabricating stainless steel and aluminium and aluminium alloys, which are to be produced in the country in growing quantities in the years to come, and will also fulfil the large requirements of the Government Alloy Steel Plant to be set up at Durgapur.

The present oxygen producing plant in Bombay also produces liquid nitrogen which is essential for the operation of India's atomic reactors. The additional oxygen plant we hope to install there will further augment our supply of this gas, the demand for which is increasing and will continue to increase as India progresses in the field of atomic power generation.

Through the pioneering efforts of your company, liquid oxygen is being more and more used with loxite cartridges as an effective and economical explosive in open-cast mining for coal, iron ore, limestone and manganese. In developing the use of this explosive, we have been closely associated with the National Coal Development Corporation, the Tata Iron & Steel Co. Ltd., and the Indian Iron & Steel Co. Ltd. The loxite cartridge manufacturing plant which was established at Burnpur in May 1959 is producing the additional cartridges required to match developing sales.

The draft outline of the Third Five-Year Plan envisages rapidly increasing requirements of electrodes and our new factory at Khardah, Calcutta, is being equipped to meet the greater demands. The level of production at this factory improved during the year and new types of special electrodes were developed and introduced into the market. Our equipment factory at Calcutta, which two years ago undertook a phased programme of indigenous manufacture of gas-user equipment, is now on 100% local manufacture of the components required. Here again, plans are afoot to raise the level of production in the near future.

At Bangalore construction of a new oxygen and dissolved acetylene factory is progressing on schedule and operations should commence within the current financial year. When complete, this will afford increased production of dissolved acetylene in that growing industrial area.

At Gauhati, we have installed an oxygen plant within the premises of Indian Refineries Ltd., and I think we can claim that we have contributed in no small measure to the progress of erection at the refinery by coming forward with timely supplies of oxygen.

Nitrous Oxide

Nitrous oxide, which is an anaesthetic widely used by the medical profession in India and which is also exported, is now produced in our Calcutta factory. A licence for setting up a second producing plant for nitrous oxide at Bombay has recently been obtained and when this plant is in operation, it is hoped to increase substantially both sales generally and in particular exports to the Near and Far East.

With regard to welding rods, miscellaneous gas-user and medical equipment and electric welding plant, it has been our policy to encourage their manufacture through feeder industries, thus reducing our reliance on imports. I am glad to say that in very many cases these feeder industries have been nursed and encouraged to undertake manufacture of these items, not only through the orders we place with them, but with the technical help we render them by drawing on our collaboration arrangements with The British Oxygen Company Limited.

It is obvious that with the increasing pace of industrialisation in the country and in particular having regard to the greatly increased quantities of steel which will become available for fabrication and machine building during the next Five-Year Plan period, the consumption of your company's products must continue to rise. What may not, however, be so widely appreciated is that based on the experience of the industrially developed countries, the rate of expansion of the industrial gases industry is likely to exceed the rate of expansion in the output of steel. Even today, in the United States of America, the consumption of oxygen per ton of steel produced is still increasing and this is a factor which I believe will have to be borne in mind in considering the scale of development required in India if shortages are

deficiencies are not going to handicap the steel-using industries in the highly competitive years which lie ahead of us.

Competition

Government's policy towards competition, especially with regard to industrial oxygen, has been indicated by the Planning Commission as follows:—

"……it was agreed that while recent entrants into this field and newcomers might be given some weightage in the interest of preventing overconcentration of growth, there could be no question of freezing the capacity of leading producers at current levels and that taking all relevant factors into consideration, an appropriate share of the expansion should be allowed to them also."

We accept this position which is in line with the declared economic and social objectives of planning in this country. I feel, however, that I should make one comment in this connection and it stems from what I have stated before, namely, that, by the very nature of its business, oxygen production facilities have to be sited at multiple points each serving a certain optimum area. If, therefore, the country is to reap the benefits of increased production each one of these production points should be allowed to grow to be able to achieve the economies of scale which in this industry are very considerable; indeed, spectacular. A careful eye should, therefore, be kept on this aspect of the problem so that wasteful competition is not allowed to lead merely to unnecessarily high prices to the detriment of our customers and therefore of the nation as a whole through failure to achieve economic cost levels.

Finance

The considerable expansion in our production facilities which has already taken place as well as the further expansion which is now visualised, necessarily involves financial commitments which cannot be completely met from cash retentions in the business. Apart from the quantum of the finance required, the necessity at this stage to import plants gives rise to a demand for foreign exchange, and this is being met in various ways. The biggest single item in the past year has been for oxygen and dissolved acetylene cylinders and for this purpose accommodation was arranged through the United States Export-Import Bank. As a counterpart of this arrangement, the rupee equivalent of the U.S. dollar cost, which could not be met from internal resources was secured by way of additional facilities from our Bankers in Calcutta.

Our capital expenditure in the three years ending 30th September, 1963 is presently estimated at a figure of Rs. 3,85,00,000. Your directors have carefully considered the methods of financing this large expansion programme and, in view of the steadily increasing investment in fixed assets have come to the conclusion that the ordinary share capital should now be increased. By virtue of The British Oxygen Company Limited's holding in our equity capital, this will also yield foreign exchange in our hands through the parent company's subscription towards the new Ordinary Shares to be allotted to them. The consent of the Controller of Capital Issues has, therefore, been sought and obtained, and it is now proposed to make a rights issue of 6,00,000 Ordinary Shares of Rs. 10/- each at a premium of Rs. 8/- per share. You will notice that various matters arising out of this issue of share capital are proposed to be dealt with at the meeting to which this statement is to be submitted and full information is contained in the explanatory statement attached to the notice convening the meeting. I would particularly point out that although on the basis of its current holding of ordinary shares, The British Oxygen Company Limited, is entitled to 70 per cent of the rights issue, they have agreed that they should take up only 60 per cent thereof, thus enabling 40 per cent to be offered to members other than The British Oxygen Company Limited, being very largely *members of the Indian public.*

Senior Executives

In an expanding organisation such as ours which by the nature of its production is necessary widely dispersed throughout the country, the need to provide for the development of senior executives is a continually increasing one. We have taken advantage of the facilities afforded to us by The British Oxygen Company Limited, to send a number of our officers to the United Kingdom for specialised training while nominees of the company have also attended the Administrative Staff College at Hyderabad as well as other specialised courses in sales and administration which have been available in India. We were particularly proud that our Secretary, Mr. A. K. Basak, was selected by the National Productivity Council to lead a Productivity Study Team on stores and inventory control to Japan, the United States of America and West Germany, while we are also pleased that one of our officers has been chosen for inclusion in a Productivity Team on welding which is to go abroad in 1961. The burden on our senior executives is a heavy one and I assure you that we have been well-served by them. Our particular gratitude is due to our Managing Director, Mr. A. K. Sen, who has been untiring in his devotion to the Company's interests. To him and to the other senior executives as well as to the staffs and work-people at our installations throughout the country I offer on your behalf our grateful thanks.

It would be inappropriate to close this statement without a special mention of the help and assistance which we continue to receive from our parent Company, The British Oxygen Company Limited. With the increasing tempo of development in India the contact between the personnel of the two Companies has continued to grow at all levels and we were particularly pleased to welcome just a few weeks ago, Mr. J. S. Hutchison, the Chairman of The British Oxygen Company Limited, who in a crowded programme visited Jamshedpur, Calcutta, Delhi and Bombay. On your behalf I extend to The British Oxygen Company Limited and to its Chairman our appreciation of their valued assistance and of the very real interest which I can assure you they continue to take in our progress.

The Company is now embarked on a further expansion programme, the scale of which is substantial even on the basis of its already widespread activities. We are, however, building on a sound foundation and from what I have already stated, shareholders will appreciate that I have no doubts regarding the future demand for our products. Expansion of the steel-using industries constitutes a basic feature of the third Five-Year Plan just as increased steel production was the central theme of the second Plan. In these circumstances, it is clear that our industry must forge ahead. At the same time I must point out that we have already shouldered substantial liabilities in the shape of foreign exchange loans and the likelihood is that the demands of Indian industry will compel us to consider before long a further stage of expansion, involving fresh financing problems. Having regard to all these considerations it may, I fear, be necessary for shareholders to be prepared to exercise a degree of patience in regard to the expectation of increased returns by way of dividend; but from what I have stated it is only reasonable that you should be able to look forward to a steady growth in the value of your investment in an industry which is vital to the continuing growth of the Indian economy. I have no doubt that, given a steady supply of the necessary raw materials, all industries in this country will bend themselves to the task of achieving what is expected of them under the third Five-Year Plan and in serving them Indian Oxygen will play its full part.

you have just opened

A METAL BOX CONTAINER!

The container in which your favourite vanaspati comes to you is specially designed to protect the contents from spoilage. The container is precision manufactured on specialised machines and the accurately fitting lid and diaphragm ensure that the contents remain free from contamination over long periods. For added protection, vanaspati containers are made pilferproof with the now-familiar aluminium foil diaphragm. An unbroken diaphragm is your guarantee that the vanaspati you are buying is genuine.

Manufacturing scientifically designed packages is the business of Metal Box, leaders in the packaging field. A result of years of research abroad and in India, the vanaspati container is another example of a Metal Box package that delivers the best in consumer goods to you.

Over 1000 manufacturers in India are being supplied by Metal Box with scientifically designed containers and closures that go to pack Rs 100 crores worth of consumer goods every year.

OPEN TOP CANS for processed fruit, vegetables, fish and dairy products
GENERAL LINE CONTAINERS for confectionery, tea, biscuits, baby foods, edible oils, paints, insecticides, powders, etc.
COMPOSITE CONTAINERS of cardboard & metal
COLLAPSIBLE AND RIGID TUBES for toothpaste, ointments, adhesives and pills
CROWN CORKS for carbonated drinks
R. S. PILFER-PROOF AND OTHER CLOSURES for bottled products
COMPONENTS for radio, automobile and electrical industries
PUBLICITY MATERIAL including advertising tablets and calendars
PLASTIC PRODUCTS including Diothene bags, foil laminate pockets and injection mouldings
HARDWARE including trays and table mats
MACHINERY Can Closing and Reforming and Bottle Sealing Equipment

METAL BOX

The Metal Box Company of India Ltd
Barlow House, 59C Chowringhee, Calcutta
Factories and Sales Offices
Calcutta Bombay Madras Delhi Mangalore

TMB 3916 R

SYNOPSES OF COMPANY REPORTS

Henley Cables India Ltd.

THE directors of the above Company (Chairman: Mr. A. D. Shroff, Bombay) submit the audited accounts of the Company for the period 31st August 1959 to 31st October 1960.

Of the Company's issued capital of Rs. 1,10,00,000 comprised of 1,10,000 equity shares of the face value of Rs. 100 each, 1,07,330 equity shares each of Rs. 100 face value were fully subscribed. Of this, 1,03,330 equity shares have been called and paid up to the extent of Rs. 50 per share and 4,000 equity shares have been allotted as fully paid up to W. T. Henley's Telegraph Works Company Ltd., England [with the approval of the Central Government] for consideration other than cash.

A further allotment of 2,670 equity shares, each of Rs. 100 as fully paid will be made to W. T. Henley's Telegraph Works Company Ltd., England, their successors or assigns or nominees, when manufacture is expanded to include *Winding Wires, Power Cables, etc.*

During the period under report, the Company has earned a sum of Rs. 1,03,446 by way of interest on investment of funds, which could not immediately be otherwise utilised, in short term deposits and treasury bills, and by way of sundry receipts. After providing for taxation and other expenses a sum of Rs. 39,813 has been transferred to the balance sheet as profit. This profit has technically accrued because expenditure which has been incurred towards the implementation of the project is to be capitalised. Such expenditure has amounted to Rs. 2,12,023.

The Company has selected and acquired from the Poona Municipal Corporation a site of approximately 40 acres at the Hadapsar Industrial Estate near Poona, at a total cost of Rs. 4,52,763. The Hadapsar Industrial Estate is being developed by the Poona Municipal Corporation for sale of plots to Industrial concerns at prices which represent only the purchase cost to the Corporation and development expenditure incurred by it.

The construction work of the factory building is progressing satisfactorily. The structural work, on the main factory building which will cover an area of approximately 84,000 square feet, is nearing completion. The planning of the office block, canteen and other amenity buildings has been completed. These ancillary buildings will cover an area of approximately 12,000 square feet.

The majority of the Plant requirements has been finalised and approved by the Import Trade Control Authorities and orders therefor have been placed. Shipment of plant is expected to commence early in 1961. Arrangements have been concluded for the installation of the plant to be proceeded with as items are received at the site.

The Company intends to manufacture certain types of *Rubber* and *Thermoplastic Insulated Cables* to the HENLEY quality standards and formulæ. Nothwithstanding the difficulties encountered, which are normal to the establishment of new industrial enterprises of this kind, the directors are pleased to observe that overall progress has been satisfactory.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	55,66,500	Gross block ...	9,14,418
Provision for taxation ...	46,551	*Less*—Depreciation ...	11,195
Liabilities ...	1,48,255	Net block ...	9,03,223
Profit and loss account (surplus) ...	39,813	Work-in-progress ...	7,34,426
		Tools	345
		Book debts ...	50,336
		Investments	27,73,919
		Cash	10,81,043
		Miscellaneous expenditure	2,57,827
Rs.	58,01,119	Rs.	58,01,119

United Breweries Ltd.

The directors of the above Company (Chairman: Mr. Vithal Mallya, Bangalore), presented the audited accounts of the Company for the 45th year ended on 31st March 1960.

The working of the Company for the year under review resulted in a profit of Rs. 11,02,602 (Rs. 6,75,087). To this is added refund of income-tax in respect of previous years Rs. 21,383 (*nil*), excess provision for doubtful debts in previous years written back Rs. 187 (*nil*), adjustment of excess provision for depreciation in previous years Rs. 12,90,345 (*nil*), amount written off on investments in previous years written back Rs. 1,69,352 (*nil*) and unappropriated profit brought forward from the previous year of Rs. 27,831 (Rs. 9,488) making a total of Rs. 26,11,700 (Rs. 6,84,575). The directors have paid an interim dividend on 8,000 (8,000) equity shares of Rs. 100 each at Rs. 25 (Rs. 7.50) per share, subject to deduction of tax, absorbing Rs. 2,00,000 (Rs. 60,000). The directors have made the following appropriations:—To additional taxes paid in respect of previous years Rs. 3,17,257 (debit of Rs. 43,156), to development rebate reserve Rs. 40,000 (Rs. 99,900) and to general reserve Rs. 15,10,000 (Rs. 1,20,000) leaving an available balance of Rs. 5,44,443 (Rs. 4,47,831). The directors propose the payment of a final dividend at Rs. 3.50 (Rs. 52.50 per share, free of tax—consisting of a cash dividend of Rs. 2.50 per share and Rs. 50 by allotment of 5 equity shares of Rs. 10 each) per share, subject to deduction of tax, on 120,000 (8,000) equity shares of Rs. 10 each, which will absorb Rs. 4,20,000 (Rs. 4,20,000) leaving a balance of Rs. 1,24,443 (Rs. 27,831) which the directors propose be carried forward to the next year. A sum of Rs. 2,00,000, being the surplus on revaluation of the Company's lands, has been transferred to capital reserve.

During the year the authorised capital was increased to Rs. 1,00,00,000 by the creation of 920,000 equity shares of Rs. 10 each, out of which 40,000 equity shares were allotted in part payment of the final dividend for the previous year thus increasing the subscribed capital to Rs. 12,00,000. The directors are recommending the issue of equity share capital to the extent of Rs. 8,00,000 to be offered for subscription at par to the holders of the existing equity capital *pro rata* to their holdings. While there was a very good demand for the Company's products, production was hampered by reason of circumstances not within the control of the directors and sales were slightly lower than in the previous year. During the current year conditions have improved to some extent and both production as well as sales have increased appreciably.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Gross block	59,48,867
Reserves ...	47,50.000	*Less*—Depreciation ...	18,86,024
Provision for taxation ...	7,84,364	Net block ...	40,62,843
Liabilities ...	38,23,125	Stock-in-trade	13,26,808
Profit and loss account (surplus) ...	1,24,443	Goods-in-transit ...	1,47,582
		Stores, etc. ...	70,439
		Book debts ...	3,95,601
		Investments	46,42,252
		Cash ...	36,407
Rs.	1,06,81,932	Rs.	1,06,81,932

Indian Vegetable Products Ltd.

The directors of the above Company (Managing Agents: Messrs. Forbes, Forbes Campbell and Co. Private Ltd., Bombay) submitted the audited accounts of the Company for the year ended 30th September 1960.

The results for the year show a profit of Rs. 9,63,593 (Rs. 7,45,912). But after providing for bonus to staff Rs. 90,000 (Rs. 52,000), depreciation Rs. 61,833 (Rs. 54,835). development rebate reserve Rs. 7,930 (Rs. 2,290) and taxation Rs. 3,65,000 (Rs. 3,00,000) there is left a balance of Rs. 4,38,830 (Rs. 3,36,787). To this is to be added excess provisions for previous years written back of Rs. 96,990 (Rs. 1,09,535) and the balance brought forward from 1959 of Rs. 3,497 (Rs. 4,800) making a total of Rs. 5,39,317 (Rs. 4,51,122). From this is to be deducted transfers to reserve fund of Rs. 70,000 (Rs. 75,000), to staff gratuity and other reserves Rs. 30,000 (*nil*) and to dividend equalisation fund Rs. 75,000 (Rs. 55,000) leaving an available sum of Rs. 3,64,317 (Rs. 3,21,122). From this, the directors recommend the declaration of a dividend of Rs. 17 (Rs. 15) per share, subject to deduction of tax, which will absorb Rs. 3,59,975 (Rs. 3,17,625) leaving a balance to be carried forward of Rs. 4,342 (Rs. 3,497).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,17,500	Gross block	27,73,828
Reserves ...	7,73,396	*Less*—Depreciation ...	21,27,149
Provision for taxation ...	3,89,647		
Liabilities ...	22,62,100	Net block ...	6,46,679
Profit and loss account (surplus)	4,342	Machinery under erection ...	17,372
		Stock-in-trade	20,91,255
		Stores ...	4,74,359
		Book debts ...	10,78,841
		Investments	81,962
		Cash ...	11,56,517
Rs.	55,46,985	Rs.	55,46,985

Ganges Manufacturing Co., Ltd.

The directors of the above Company (Chairman: Mr. Lakshmipat Singhania, Calcutta) presented the audited accounts of the Company for the year ended 31st March 1960.

The gross profit for the year amounts to Rs. 28,58,672 (Rs. 8,88,325). To this amount is added refund of income-tax, unclaimed dividends and excess liabilities of previous years written back of Rs. 19,574 (Rs. 5,925) making a total of Rs. 28,78,246 (Rs. 8,94,250). After deducting the losses brought forward from last year of Rs. 8,77,459 (Rs. 13,33,925) there is a credit balance of Rs. 20,00,787 (debit of Rs. 4,39,675). From this amount the directors have provided for wealth tax for previous year Rs. 40 (Rs. 40,957), for depreciation Rs. 3,68,280 (Rs. 3,96,677), for transfer to development rebate reserve Rs. 16,898 (*nil*) and for transfer to general reserve Rs. 5,00,000 (*nil*) leaving a balance of Rs. 11,15,569 (debit balance of Rs. 8,77,459 including Rs. 150 being forfeited dividend paid). An interim dividend on 6,000 8 per cent. cumulative preference shares was paid on 29th June 1960 for arrears of dividend for 3¼ years from 1st October, 1955 to 31st March, 1959 at 8 per cent. per annum without deduction of tax but with a clear stipulation that in case the Company is called upon to pay the tax on behalf of shareholders on the amount of such arrears of dividend, the Company reserves the right of reimbursement of such amount of tax as shall be deemed to have been deducted on behalf of the shareholders, from the recipients of the dividend or from the shareholders, absorbing Rs. 1,68,000. The directors recommend payment of dividends for the year ended 31st March 1960, subject to deduction of tax as under: On 6,000 8 per cent. cumulative preference shares at 8 per cent per annum payable forthwith plus such further dividend as may be payable on enactment of the Preference Shares (Regulation of Dividends) Bill, absorbing Rs. 48,000* and on 8,43,210 ordinary shares at 10 per cent. per annum, i.e., Re. 1 per share, absorbing Rs. 8,43,210 (*nil*) leaving a balance to be carried forward to next year of Rs. 56,359* (debit of Rs. 8,77,459).

The directors are glad to report that the working for the year has resulted in a new figure of profits, being the highest in the last seventeen years and consequently it has been possible not only to wipe off the entire loss brought forward from the previous years but also to provide for the full arrears of dividend on the cumulative preference shares due for the last three and half years as also for the current year. Furthermore, the directors have recommended a dividend on ordinary shares at 10 per cent. per annum—a rate which has not been available to the holders of ordinary shares over the last thirty years.

The dividend on preference shares for the year under report has been recommended subject to deduction of tax pursuant to the provisions of the Finance Act, 1960. However, the directors have recommended that the preference shareholders may be paid such further dividend as may become payable on enactment of the Preference Shares (Regulation of Dividends) Bill.

Jute prices in April, 1959 were the lowest during the year under review. However, when it became known that the jute crop of 1959-60 would be smaller than estimated, the prices started rising and at the close of the year i.e. end of March 1960, the prices had risen by approximately 50 per cent. as compared to the beginning of the year. Subsequent to March 1960, the prices have further risen abnormally on *fears of exceptionally poor* crop for 1960-61. Although the crop has only started arriving, the prices have shot up further by 40 per cent. approximately from March 1960, the rise on April, 1959 figures being of the order of approximately 140 per cent. However, the prices of finished goods did not rise in parity with jute, the rise in price of Hessian and Sacking over April 1959, figures being approximately 4 per cent. and 20 per cent. respectively by March 1960. In view of such fluctuations in price of raw material, it is difficult for an industry to maintain stability. Since a good portion of the crop has yet to come, it is difficult to predict the position of the industry for the coming year. Although attempts are being made to regulate the prices and to ensure the supply of jute, it is difficult to say as to how it will affect the future.

A good portion of the Mills upto spinning has already been modernised and further modernisation is in progress. It is expected that the entire modernisation programme in hand will be completed soon. Consequent to modernisation, the No. 2 Mill has been completely re-organised and after modernisation has been completed, the No. 1 Mill will be closed, No. 2 Mill running on more shifts. This will bring about economy and saving.

Arrangements for the loan from the National Industrial Development Corporation for the purpose of modernisation have been completed.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	90,32,100	Gross block	2,24,66,716
Reserves ...	5,16,898	*Less*—Depreciation ...	1,48,00,382
Liabilities ...	1,22,94,239		
Profit and loss account (surplus) ...	56,359	Net block ...	76,66,334
		Stocks ...	1,01,39,020
		Stores ...	10,63,215
		Book debts ...	26,56,319
		Investments	26,439
		Cash ...	3,48,269
Rs.	2,18,99,596	Rs.	2,18,99,596

*Subject to payment of further dividend on preference shares as aforesaid which will be paid to those shareholders whose names are on the register of members as on the 29th December 1960.

Ghusick and Muslia Collieries Ltd.

The directors of the above Company (Managing Agents: Messrs. Bhatter's Agency Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1960.

	Year ended 31-3-1960 Tons cwts.	*Year ended* 31-3-1959 Tons cwts.
Raisings	1,42,458 14	1,58,247 16
Despatches	1,49,952 12	1,32,258 18
Colliery consumption ..	6,736 14	10,236 16

The Muslia Colliery has still remained closed and its working cannot be started till opening up of new pits which is expected to take about a year's time. Working in Ghusick Colliery is expected to be started early next year on completion of arrangements required by the Mining Department. It is hoped that the working result of the Company on the basis of expected raisings of its four Collieries will be quite satisfactory in future.

During the year under review, machineries and other equipments of a total value of Rs. 2,87,139 have been added to the fixed assets of the Company.

The working for the year under review after meeting the usual expenses and charges and making a provision of Rs. 1,36,000 (Rs. 1,04,000) for depreciation of fixed assets—resulted in a loss of Rs. 2,16,615 (Rs. 2,56,418). Adding to this the amount of loss brought forward from the previous year's account, the total loss has been Rs. 5,80,078 (Rs. 4,55,316) to be carried forward to the next year's accounts.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Gross block	24,58,595
Reserves ...	40,000	*Less*—Depreciation ...	8,45,200
Provision for taxation ...	17,561		
Liabilities ...	28,27,949	Net block ...	16,13,395
		Work-in-progress ...	1,13,948
		Stock of coal	2,36,379
		Stores ...	8,57,551
		Book debts ...	9,71,235
		Cash ...	12,925
		Profit and loss account (deficit) ...	5,80,077
Rs.	43,85,510	Rs.	43,85,510

N.B.—Figures within brackets relate to the corresponding period of the previous year.

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, *18th January*

The complete withdrawal of the special deposit system by the Reserve Bank which took place a day after the last week's money market report was prepared has had no effect on the short-term money market. Conditions are still quite stringent, with borrowers over. There has been no fall in the inter-bank call money rate, which continues to be 5¼ per cent. per annum. It is said that some of the smaller exchange banks have been borrowing even at 5⅝ per cent., so great is the demand for bank credit.

The results of the 91-day Treasury Bills this week show that banks are not interested in them. The total amount offered (as against an invitation of Rs. 2 crores) was Rs. 30 lakhs less at Rs. 2.30 crores as compared with Rs. 2.60 crores tendered in the preceding week. These applications must have obviously been from "special sources." In keeping with the tight money conditions, the average rate of accepted tenders was higher at 2.580 per cent per annum, as against 2.576 per cent in the previous week. There was no response for the 91-day Intermediate Treasury Bill this week also, but they are being continued.

The Reserve Bank of India's statement for the week ended 13th January 1961 discloses that notes in circulation have gone up by Rs. 19.47 crores, taking the total to Rs. 1920.72 crores. Since there has been a fall of Rs. 5.46 crores in notes held in the Banking Department, the total notes issued have risen only by Rs. 14.01 crores. This has been balanced on the assets side by the addition of Rs. 14.99 crores in rupee securities and a fall of Rs. 0.98 crore in rupee coins.

Foreign securities held by the Issue Department is unchanged at Rs. 128 crores, but as the balances held abroad by the Banking Department have declined fractionally by Rs. 14 lakhs, the total foreign assets are down by that amount to stand at Rs. 147.48 crores.

The deposits of banks with the Reserve Bank have shrunk by Rs. 6.05 crores on top of a fall of Rs. 31.01 crores in the preceding week to stand at Rs. 78.61 crores. There has been only a slight drop of Rs. 0.67 crore in other loans and advances given by the Reserve Bank which include borrowings by the Scheduled banks also. There is a small increase of Rs. 76 lakhs in advances against usance bills which now amount to Rs. 16.59 crores.

The Scheduled banks' statement for the week ended 6th January 1961 reveals a decline of Rs. 3.26 crores in demand deposits and of Rs. 5.32 crores in time deposits. The borrowings from banks of demand nature have risen by Rs. 1.41 crores, while the borrowings of time nature have gone down by Rs. 3.49 crores. Borrowings from the Reserve Bank show a marked decline of Rs. 8.03 crores, though such against usance bills have increased fractionally by Rs. 11 lakhs. Borrowings from the State Bank of demand nature have increased by Rs. 2.61 crores, while borrowings from the same institution of time nature have declined by Rs. 1.14 crores. A marked rise of Rs. 17.46 crores is noted in advances and bills, taking their total to around Rs. 1,200 crores. A year ago this portfolio had stood at only Rs. 999.23 crores. The fall in investments witnessed in the previous week is reversed during the week under review; they have gone up by Rs. 9.55 crores. Cash balances, however, show a sharp fall of Rs. 33.05 crores.

The statement of the State Bank of India for the week ended 6th January 1961 shows a small fall of Rs. 1.20 crores in deposits accompanied by an expansion of Rs. 7.68 crores in advances. There has been a fall of Rs. 13 lakhs in money at call and short notice. The total cash shows a sharp fall of Rs. 27.07 crores, while there has been an expansion of Rs. 10.17 crores under investments.

There is still nothing noteworthy about the gilt-edged market. The State loans show no variations whatever over the week. Among Central loans, there has been a rise of 15 nP in the 3 per cent. 1970-75 first Development Loan. In all other central loans, there is either no change or only a very fractional variation.

In the foreign exchange section, the rupee dollar rate has remained unchanged, the banks' selling and buying rates for ready T.T. being Rs. 477 and Rs. 473.50 respectively, per 100 dollars. The sterling dollar rate has also shown only a minor variation. The latest available rate is 280.670-280.710 cents per £ for spot and 280.000-280.040 cents per £ for three months' forward. As compared with the corresponding rates a week ago, these show a fractional improvement of 0.04 cent.

SLOW CLEARANCE IN KIPS

(From Our Own Correspondent)

MADRAS, *16th January*

Arrivals of E.I. tanned cow hides and calves during the week were moderate and clearance by shippers was slow. Export trading was selective, as tanners were quoting prices not workable by the importers. Demand for lower selections in cow hides continued to be brisk, which prevented sales [illegible] U.K. at importers' levels.

There was no change in the tanned skins [illegible]ket, except middle class sheep which showed [illegible] of easing.

The next London tanned skins public sales commence on the 23rd inst. when 175,000 goat and [illegible] sheep skins will be offered for sale.

SILVER FIRM AGAIN, GOLD QUIET

(From Our Own Correspondent)

BOMBAY, *18th January*

Silver continued to rule firm during the week under review, while gold was quiet. The renewed firmness of silver was engendered by a fresh bout of buying on hopes of brisk seasonal demand. Some operators held tight to their stocks and pushed up prices in order to enforce special clearing. A special clearing was, in fact, enforced on Thursday the 12th inst., as the advance in the quotation for the *Maha* (February) settlement was more than Rs. 5 as compared with the previous clearing rate. The average daily offtake of silver during the week was higher at 13 bars, as against 9 bars in the previous week, while arrivals were less, being 15 bars, as against 23 bars. The floating stocks of silver were believed to be no more than 600 bars. Consequently, prices registered a further handsome improvement. Ready silver was quoted at one time today at Rs. 203.50 per kilogram (85.7 tolas), which is the new all-time peak; the previous highest level of Rs. 200.95 was touched on Wednesday last week.

Gold, however, failed to follow silver. Rumours of large contraband arrivals led to scattered selling and, as a result, prices tended to look down. Some recovery was in evidence yesterday on reports of increased official vigilance to check smuggling, but, again today, the yellow metal encountered selling and prices drifted lower. The closing rates today were lower than those at the end of last week. The daily average arrivals and offtake of gold were 7,000 tolas and 4,000 tolas. The corresponding figures for last week were 6,800 tolas and 3,600 tolas, respectively. The floating stocks of gold are estimated at 65,000 tolas.

Trading in the *Fagun* settlement in both silver and gold commenced on Thursday the 12th inst. The starting for silver *Fagun* was fixed at Rs. 203.75. No business was put through in gold *Fagun* throughout the week.

A recent report from Rajkot avers that the customs authorities will soon take measures to seal off the Saurashtra area for gold smugglers. The measures include provision of two fast steam launches for patrolling the seas, two jeep station wagons fitted with wireless sets for "raids" and wire fencing on some points along the Indo-Pakistan border.

The *Maha* 31st January settlement in gold began the week at Rs. 117.35, as against the previous close of Rs. 117.65, and moved down to touch Rs. 116.75 on the 14th inst. After recovering to Rs. 117.55 yesterday, it fell again to Rs. 117.20 today before finishing at Rs. 117.25. Ready gold continued to be quoted at a discount under the forward, though the actual discount, which had increased from 35 nP on the opening day of the week to 75 nP on the 16th inst., tended to decline towards the close, such being 50 nP today. The closing rate for spot today was Rs. 116.75, as against Rs. 117.15 last week-end, the highest and lowest levels touched being Rs. 117.25 and Rs. 116.05, respectively.

In silver, the *Maha* (February) settlement fluctuated between Rs. 203.85 and Rs. 200.85 before winding up the week at Rs. 202.35, as against Rs. 201.10 on Wenesday last week. *Fagun* (March) settlement, business in which commenced at Rs. 201.60 on Thursday the 12th inst., advanced to Rs. 204.35 on Tuesday (yesterday) and, after declining to Rs. 203 today, finished higher at Rs. 203.30. The rate for transferring commitments from the *Maha* to the *Fagun* settlement continued to be against bulls throughout, the actual rate widening in the course of the week from Re. 1.05 to Re. 1.55 today.

Ready silver met with excellent support and spurted from Rs. 200.75 to Rs. 203.50 today. After easing to Rs. 201.85, it closed firm at Rs. 202.15. The net gain over the week was Re. 1.40.

The world price for gold in the London bullion market declined from $35.65-$35.75 to $35.52 per ounce during the week, following the imposition of a ban on the holding of gold abroad by U.S. citizens and enterprises overseas.

The U.S. gold drain continued in the week ended the 11th inst., albeit at a slower pace than in the previous week. The total stocks as on 11th January amounted to $17,615 million, a drop of $55 million over the week.

In view of the decline in dollar price of gold and owing to the firmness of the pound sterling *vis-a-vis* the dollar, ready gold in London eased from 254s. 5d. to 252s. 6d. on Monday the 16th inst., but recovered to 253s. 1d. today. Ready and forward silver continued unchanged at 79⅝d. and 79⅝d., respectively. Ready silver in New York was also unaltered at 91.375 cents.

The following table shows the trend of the market during the week under review:

	18-1-1961 (closing)	High	Low	11-1-61 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	116.75	117.25	116.05	117.15
Forward:				
*Maha**	117.25	117.60	116.75	117.65
Sovereign	90.50	90.50	90.25	90.25
SILVER				
Ready (.996 fine)	202.15	203.50	200.80	200.75
Forward:				
Maha†	202.35	203.85	200.85	201.10
Fagun§	203.30	204.35	201.50	201.60§§
London	17-1-61			10-1-61
Silver Ready	79⅝d.	—	—	79⅝d.
Silver Forward	79⅝d.	—	—	79⅝d.
Gold	253s. 1d.	254s. 11d.	252s. 6d.	254s. 5d.
New York				
Silver	91.375 cents	—	—	91.375 cents

§ February settlement. §§ Starting rate.
* 31st January settlement. † 1st February settlement.
N.B.—The quotation for gold is per 10 grams (about 0.86 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES RECEDE

(From Our Own Correspondent)

BOMBAY, *18th January*

After having ruled easy during the first half of the week under review, the cotton futures market began to show signs of strength since Monday the 16th inst. The earlier weakness was due to speculative selling prompted by the fact that the increase in the floor and ceiling prices of Kalyans and Westerns fell short of expectations and that the plea for the revision in the corresponding prices of some other varieties was rejected by the Government. The downward trend of ready prices, following larger arrivals of new crop and reduced mill demand for ready cotton, thanks to the absence of unutilised quota, also adversely affected sentiment in futures. The crop outlook had little to encourage the bulls. Indications were that a crop of about 4.8 to 5 million bales, over one million bales more than last year's output, would be harvested this season. Prospects for imports of further quantities of U.S. cotton appeared good. The liquidation brought forth by these factors resulted in a sharp decline in prices. The Jarilla April 1961 contract receded from Rs. 594 per three quintals, in the beginning of the week, to Rs. 585.75 on Saturday. Since then, however, a recovery was witnessed. This was due to the emergence of fresh support prompted by rumours that the third instalment of Indian cotton quota would be released at any moment. Expectation of a second export quota for Bengal *Deshi* was also a helpful factor. Under the influence of these factors, the Jarilla April contract rallied to Rs. 595.75 on Monday. But the trend was again reversed today, thanks to weak advices from the spot market. After opening at Rs. 594.50 and rising to Rs. 597, the contract declined to Rs. 592 at close. The net loss over the week is thus Rs. 2.75.

In the spot market, spinners showed interest in such popular varieties as Vijay, Dig Vijay, Surti and Kalyan, CO2 L. 147, Berar and Khandesh qualities also attracted attention. Actual turnover was, however, small, because very few mills had unutilised quotas. Those that had quotas were inclined to postpone purchases in anticipation of a further fall in prices. Meanwhile, arrivals in the Bombay spot market from Gujarat, Khandesh and Vidarbha areas were mounting. This exerted a downward pressure on prices which declined by an average of about Rs. 25 per candy of 784 lbs.

There was moderate export interest in Bengal *Deshi*. Prices were well maintained at and near ceiling levels. But in the absence of export quota, much business could not be done. Some shippers were, however, reported as covering Bengal *Deshi*, Fully Good to Fine, in anticipation of a quota for an estimated 75,000 bales.

Interest in foreign cotton was subdued. East African prices are currently steady. The ruling price for B.P. 52 is Rs. 1,360, c.i.f. for March-April shipment. B.P. UNUG is priced at Rs. 1,385 for prompt shipment. Sudan qualities attracted stray buyers. Sudan G2L was done at Rs. 1,650 for March-April shipment.

A divergent trend was witnessed in the Karachi cotton futures market during the week. While the maturing January contract firmed up, the March position tended to recede. The strength of the former was due to support induced by considerations of tenders; the weakness of the latter was due to lack of buyers. Heavy movement of new crop and the slackness of export demand discouraged buying in the March contract. Sellers, therefore, found buyers reserved. Over the week, the January contract rose by 50 nP to Rs. 75.50. The March contract, on the other hand, dropped 20 nP to Rs. 72. The following are the latest available spot quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi: Sind *Deshi* 109; Punjab *Deshi* 107; 4F Punjab Roller 91.40; S.G. 95.90; L.S.S. Punjab Roller 92.90; S.G. 96.90; N.T. Roller 93.90; S.G. 98.40; 289F Punjab Roller 97.90; S.G. 102.90.

Quiet conditions prevailed in the Alexandria cotton futures market during the week. Both the long-staple Karnak contracts and the medium-staple Ashmouni contracts receded. Export demand was negligible. New crop arrivals were larger. Apart from the recent demand from the U.S., export interest was lacking. Export sales during December amounted to 111,292 bales (of 720 lbs.), as compared with 195,350 bales in 1959. Total sales from the commencement of the season till end of December amounted to 426,772 bales, as compared with 697,763 bales in the same period of the previous season. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: January 69.05; March 70.95; May 71.57.

Ashmouni: February 59.05; April 59.80; June 60.60.

Reports from Khartoum say that the yield of the Gezira new crop is likely to be less this season, thanks to jassid infestation. However, this is likely to be compensated by the larger area sown to cotton this season. But there is apprehension in some quarters that, although the total quantity of the crop might be unaffected, there may be scarcity of certain qualities.

Steady conditions prevailed in the Liverpool cotton futures market during the week. Values remained practically unchanged in thin trading. Trade covering in new crop positions absorbed hedge offering. Support for new crop was based on the encouraging prospects for changes in U.S. agricultural legislation favouring higher support prices. Sudan contracts, in contrast, were a shade easy. The following are the latest available quotations—in pence per lb.—from Liverpool:

American 1" staple contract: March 22.95; May 23.30; July 23.60; October 23.90.

American cotton mixed growth contract: March 23.25; May [illegible]

Sudan: January, March, May 34.75.

Trading in the New York cotton futures market was featureless during the week. Although the distant positions received speculative support based on expectation of higher support rate for the 1961 crop, interest in other crop positions was generally limited. Operators were generally inclined to await Washington developments in agricultural legislation. In the spot market too turnover was small, thanks to small mill interest. Values showed little net change over the week.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	17-1-61	10-1-61	3-1-61
Spot	32.25	32.25	32.25
December	—	—	32.25
March	32.04	32.05	32.70
May	32.52	32.53	33.07
July	32.90	32.96	—

YARNS BUOYANT

(From Our Own Correspondent)

BOMBAY, *18th January*

The yarn market ruled buoyant during the week under review. Under the impetus of excellent buying orders, following the reported scarcity in supplies in several centres, art silk yarn registered a handsome improvement in prices. In sympathy with art silk yarn and on expectations of better demand from consuming interests, staple fibre yarn also tended to move up. Cotton yarn, too, was well supported. Fine and superfine counts were particularly favoured.

Among imported art silk yarns, 120 Japan rallied from Rs. 1,301 to Rs. 1,365. 120 Italy spurted by Rs. 53 to Rs. 1,294. 150 Japan scored a gain of Rs. 13, today's closing rate being Rs. 1,653. 150 Italy was fully maintained at Rs. 1,598. Spot Cupressa Bemberg yarn (60 x 2) forged ahead from Rs. 2,383 to Rs. 2,425. February settlement picked up Rs. 37 to Rs. 2,429. April contract was quoted at Rs. 2,390 yesterday. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade rose by 13 nP to Rs. 11.48. 120 Bt. cones 1st grade hardened by 11 nP to Rs. 12.85.

Staple fibre yarn (40x2) February delivery met with good support and climbed up from Rs. 776 to Rs. 802. Spot Kohinoors strengthened by 13 nP to Rs. 9.48. Centurys put on 7 nP to Rs. 9.42.

In the cotton yarn section, sixty counts Finlays jumped up by Rs. 5.05 to Rs. 65.65. Gokaks advanced by Re. 1.50 to Rs. 48. Eighty counts Finlays gathered Re. 1.01 to Rs. 80.80. Mahendras were firm at Rs. 68.68. Forty counts Minaxis improved by 88 nP to Rs. 32. Maduras gained 50 nP to Rs. 32. Twenty counts New Greats were fully steady at Rs. 22.25. Ten counts Moderns were unchanged at Rs. 18.75, while Podars dropped 63 nP to Rs. 17.12.

The following table gives prices of rayon, staple fibre and cotton yarns quoted today, as compared with those a week ago.

	18-1-1961	11-1-1961
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.) February	2,429.00	2,392.00
60/1 Cupressa Bemberg spot	2,425.00	2,383.00
120 Japan (per 100 kg.)	1,365.00	1,301.00
150 Japan (per 100 kg.)	1,653.00	1,640.00
120 Italy (per 100 kg.)	1,294.00	1,239.00
150 Italy (per 100 kg.)	1,598.00	1,598.00
Staple fibre yarn—		
40×2 February (per 90.72 kg.)	802.00	776.00
40×2 Century (per kg.)	9.48	9.85
Kohinoor „	9.42	9.35
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	17.12	17.75
20s New Great	22.25	22.25
40s Madura	32.00	31.50
60s Finlay	65.65	60.60
80s Finlay	80.80	79.79

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, *18th January*

The oilseeds market displayed distinctly firm conditions during the week under review, in contrast to the easy trend noted last week. Prices registered a rise, though turnover was moderate due to general scarcity of supplies, and absence of any sizable export business in oils. Groundnuts were particularly strong, the February contract touching the ceiling level of Rs. 220. With reduced arrivals from the South and Gujerat side, the spot section continued to make headway. In view of the pronounced paucity of supplies, even small enquiries from crushers and *vanaspati* manufacturers led to a marked rise in values. The small carryover of rapeseed from the last season and their consequent firmness also imparted strength to groundnuts. There were, besides, hopes of a further export quota of groundnut oil, presumably against import of copra. Some copra millers were reported to be interested in buying groundnut oil. Further, the operators took note of the rise in the price of soyabean oil in world markets, thanks to drought in China and consequent decline in soyabean crop. Soyabean oil is an inferior substitute for groundnut oil. The narrowing down of the price differential of the two commodities raises the demand for the latter. It is said that China, which accounted for about one-fifth of the total world exports of soyabeans in 1959-60, will be a net importer of this commodity in the current year. Any increase in world prices of groundnut oil will be beneficial to India in that it will reduce the price disparity between Indian and world market prices, thereby improving prospects for Indian exports. The world prices of soyabean cakes have also tended to be firm. Consequently, Indian groundnut cakes have come to be well sought after by European buyers.

Groundnut February 1961 contract advanced from Rs. 218.75 to Rs. 220 on Monday. Business in this contract, thereafter, became dull. May contract firmed up by Rs. 2.25 to Rs. 218. Nizam bold rose from Rs. 46 to Rs. 48.25. Khandesh quality spurted by Rs. 2.25 to Rs. 48.75. It may be noted that, for 250 kgms., spot prices amount to over Rs. 240, as against ceiling of Rs. 220 for the futures contract (per 250 kgms). Oil ex-mill improved by 90 nP to Rs. 20.40.

Castorseeds were rather subdued in the early part of the week, in the absence of any encouraging export enquiries for castor oil. But there was an abrupt change in sentiment, following the downward revision in the private estimates of the 1960-61 crop from 125,000 tons to 95,000 tons. Castor crop in both Gujerat and Andhra, it was stated, would be lower than the earlier assessment. Arrivals in the local market also showed no improvement. Castorseed May contract forged ahead from Rs. 176.25 to Rs. 177.12 before closing at Rs. 177. Madras small improved by 50 nP to Rs. 35.12. Commercial oil rose by 20 nP to Rs. 14.20.

Linseed was steady, despite absence of any improvement in the outlook for linseed oil. Towards the close, however, the spot section tended to look down, owing mainly to some arrivals of Nizam new crop. May contract improved from Rs. 35.22 to Rs. 35.44, but eased slightly to Rs. 35.31 today. Bold ready shed 50 nP to Rs. 36.75. Linseed oil lost 15 nP to Rs. 16.65.

Cheerful conditions prevailed in the sesame section, thanks to sustained offtake and tight statistical position. Bold variety was maintained at Rs. 340 (per 250 kgms). Sesame oil rose by 50 nP to Rs. 26.

Cottonseeds elicited good support. February contract was higher by Rs. 2 at Rs. 93.50 and May contract by Re. 1.75 at Rs. 93.25. Berars put on 25 nP to Rs. 19.25. Non-whites and whites scored a gain of 20 nP each to Rs. 19.50 and Rs. 20.25, respectively.

Among other seeds, niger rose by Re. 1.50 to Rs. 38. Kardiseeds were higher by a rupee at Rs. 26.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	18-1-1961	11-1-1961	4-1-1961
Groundnut	Rs.	Rs.	Rs.
February 1961	220.00	218.50	218.50
May 1961	218.00	215.75	—
Nizam bold	48.25	46.00	46.12
Coromandel ready	48.75	46.50	46.75
Khandesh quality	48.75	46.50	46.75
Oil ex-mill ready*	20.40	19.50	19.70
Railway receipts*	20.25	19.25	19.50
Castorseed			
May 1961	177.00	176.25	178.37
Ready Madras	35.12	34.62	34.87
Ready Kanpur	34.00	33.50	33.87
Oil B.S.S.†	15.10	15.00	15.10
Oil commercial†	14.20	14.05	14.15
Linseed			
May 1961	35.31	35.22	35.66
Bold ready	36.75	37.25	38.75
Oil ready†	16.65	16.80	17.20
Cottonseed			
February 1961	93.50	91.50	95.50
May 1961	93.25	91.50	—
Niger seed	38.00	36.50	36.50
Kardi seed	26.00	25.00	24.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

FOREIGN DEMAND FOR PEPPER SLUGGISH

(Messrs. Parekh and Co.)

BOMBAY, *18th January*

Malabar black pepper ruled steady to quiet for want of foreign buying during the week. Price range was narrow. After a small sale at $0.47, no new business was reported at Singapore, and Indonesia were underselling. The holding of an umbrella by Malabar over Lampong at this time of the season is likely to affect adversely both the price structure and the volume of export, as, with the passing of time, Sarawak and Indonesia will be all the more anxious to sell, in view of the proximity of their new seasons. Looking to the poorer export of Malabar new crop, the position of the market appears to be vulnerable, as the present steadiness at primary centres seems to be artificial, inasmuch as it is due to holding back by the growers who, instead of selling, are said to be putting their harvest into loan. The money market at Malabar is comparatively more tight, as five banks in Kerala are under moratorium by the order of the Reserve Bank of India. As such loans against pepper will not be available as freely as was the case last year. In the circumstances, if the present sluggishness in foreign demand continues for a week or two, the market is likely to go down. The growers shall have to reduce their price to attract foreign demand.

Ungarbled at Cochin, after spurting to Rs. 420, came down to Rs. 400 per quintal. Garbled, after touching Rs. 430, slipped down to Rs. 405. February delivery on the ring touched the highest at Rs. 450 but climbed down to Rs. 417, with turnover poor, as outside interest was small. Calicut is nominally quoted at Rs. 410. Internal demand is reported to be fair at the moment, but the present tempo of seasonal demand is likely to taper off after a month or so. Some bulls at primary markets are reported to be sending consignments to Bombay, Calcutta and Amritsar for selling at the best market price with a view to relieving the burden of daily arrivals which are averaging about 500 candies.

Although the quotations at Singapore are reported almost unchanged by the news agencies, the dealers there are said to be offering daily in competition with India. Same is the case in Indonesia where the check price, though high, the exporters there are willing sellers below the replacing parity for attracting buyers.

The future of the market is anything but rosy, as, without sizable export of Malabar black before the end of April, the Indian market cannot be sustained.

In Bombay, ready pepper is nominally quoted at Rs. 226 per 50 kilos.

TEAS WELL SUPPORTED

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.)

COCHIN, *10th January*

Just over 914,000 kilograms were offered in Sale No. 2 held today. Nilgiri quality generally showed a slight seasonal improvement but medium continued plain except for a few invoices from the Anamalais, which were brighter. There was good demand which improved as the sale progressed. The few best highgrown brokens sold at around last rates and were occasionally dearer because of improved quality. Below best, however, received limited enquiry and were easier, with some withdrawals in this category, their fannings receiving less enquiry. Good mediums and medium brokens realised firm rates and were dearer following improved quality. Their fannings when offering black leaf inclined to be dearer. Plain and low medium descriptions were readily absorbed at around last rates. Black leaf brokens eased slightly. C.T.C. and legg-cut sorts were well supported at firm rates. Whole leaf grades were about firm with orange pekoes selling well, whilst tippy teas received good support.

	1961	1960
	Rs.	Rs.
Low medium	4.55-4.75	4.63-4.85
Medium	4.75-4.90	4.85-5.18
Good medium	4.90-5.50	4.84-5.40
Quality	5.50-8.25	5.29-8.60

The average price realised in Sale No. 2 was Rs. 5.01 per kilo as against Rs. 4.89 in the previous sale and Rs. 5.05 in the corresponding sale last year.

A little over 300,000 kilograms were offered in Dust Sale No. 2 held on Thursday, 12th January. A useful selection of dusts was on offer. There was strong and active demand at dearer rates. Low mediums, mediums and good mediums were well competed for and advanced by 5 to 10 nP. Residuals also were well supported at firm rates. Highgrowns came to a strong market and advanced in price following quality. Clean black leaf descriptions suitable for the Egyptian market were very strong and dearer. C.T.C. and legg-cut teas sold at firm to dearer rates.

The average price realised in Dust Sale No. 2 was Rs. 4.93 per kilo as against Rs. 4.80 in the previous sale and Rs. 4.34 in the corresponding sale last year.

Export Quota: There are still large sellers at ½ nP per kilo with very few buyers.

Colombo: Just over 6½ million lbs. were offered and met with good general demand. High-grown brokens advanced 15 to 25 cents while their fannings were 10 to 30 cents dearer. Mediums were 5 to 15 cents and lowgrown and plain descriptions 5 cents dearer.

London:—North Indian and other growths: In Monday's auction there was good demand with best Assams firm to dearer. Mediums sorts were irregular but plain kinds were steady. Plain broken pekoe remains at 3*s*. 9*d*.

Ceylon and South Indians: In Tuesday's sale, offerings amounted to 21,168 packages and of this quantity 6,384 packages were from South India. The market met with good demand and prices are quoted steady.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire as follows:

"*Sale* 3:—435,000 kilograms. Market steady for plain and low medium brokens. Similar fannings dearer. Improved quality medium and good mediums dearer. Best liquoring highgrown brokens restricted demand, but similar fannings stronger and dearer. Black leaf fannings keen enquiry."

QUALITY TEAS RISE FURTHER

(From Our Own Correspondent)

CALCUTTA, *17th January*

Yesterday's export offerings received keen attention of bidders and prices for quality teas recorded an improvement, while prices during last week's internal sales were irregular. A considerable quantity of teas was again loaded during the week in ships destined to the United Kingdom, but even then this year's shortfall in exports cannot be made good. Several gardens have reported the closing of the season following the setting in of the cold weather, and offerings suitable for export would be limited. The export auctions are, therefore, expected to close much earlier than usual.

Tea stocks in the United Kingdom for the week ended 6th January rose to 119 million lbs. from 117 million lbs. in the previous week. They are expected to rise till about the middle of February, when the lower shippings from Calcutta will begin to be reflected. Interest of buyers in the Mincing lane auctions of last week centred around plainer teas.

Dusts on offer in the internal sales, held last week, totalled 21,808 packages. Demand was good, but prices eased on an irregular trend. Prices of medium C.T.Cs eased, but the brighter teas of this category were a little dearer and the best lots declined, following quality. In line with the general trend, orthodox exportable teas gave way but the smaller kinds were about firm. The legg-cut Dooars gave way by 10 to 15 nP but Darjeelings were about firm. Quotations per 1 kg. inclusive

of excise duty were: good Assam C.T.C. dust Rs. 5.90 to Rs. 6.40, medium Assam C.T.C. dust Rs. 5.45 to Rs. 5.65, legg-cut dust Rs. 5.15 to Rs. 5.25, medium Assam dust Rs. 4.95 to Rs. 5.20, and plain orthodox dust Rs. 4.80.

Leaf offerings amounted to 723 chests and met with good demand.

A strong feature during yesterday's export sales, when offerings amounted to 78,831 packages, was the good support which the very best C.T.C. received. Generally there was good demand, although prices were irregular. The medium C.T.Cs eased by 20 nP, the secondary grades recording an irregular trend. A steady trend was in evidence in Darjeelings possessing autumnal liquors with tippy teas receiving keener attention. Medium Assam B.O.Ps were generally easier but the O.Fs possessing bright liquors were sold at higher rates. A firm tendency was in evidence in medium brokens and fannings having a clean leaf appearance hardened. Plain brokens and fannings eased from 5 to 10 nP. Legg-cut teas lost by 10 to 15 nP but the very best lots received keener attention and realised firm prices. Well-made leaf grades were fully firm with the poorer stalky teas easing. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. fannings Rs. 5.80 to Rs. 6.30, clean black pekoe Rs. 5.20 to Rs. 5.45, best Assam C.T.C. B.P. Rs. 5.50 to Rs. 5.90, medium fannings Rs. 4.90 to Rs. 5.15, plain fannings Rs. 4.80 to Rs. 5.00, medium B.P. Rs. 4.70 to Rs. 4.85, and plain B.P. Rs. 4.50 to Rs. 4.65.

JUTES RALLY

(From Our Own Correspondent)

CALCUTTA, *17th January*

A substantial rise in prices of both fibre and finished goods induced by keen demand was the feature of trading in the metal market during the week under review. The publication of lower stock figures in respect of goods with mills as at the end of November provided an early background for a gradual rise in prices. The total of all stocks at 80,300 tons fell by 1,900 tons during the month. But as compared with December 1959, the stocks were higher by 21,400 tons. Hessian stocks were 7,100 tons more and sacking 15,400 tons, but stocks of miscellaneous goods fell by 1,100 tons. As compared with November 1960, hessian fell by 900 tons and sacking by 1,900 tons, but miscellaneous goods rose by 1,100 tons. The decline in stock figures made buyers active against the background of the proposed cut in production of mills as from the end of this month. It would be remembered that, in an attempt to adjust production with the availability of raw jute but at the same time with a view to mitigating sufferings to labour from loss of employment, the Indian Jute Mills' Association had decided to cut working hours from 45 to 42½ a week as from the week commencing 30th January. This would avoid the need to seal more looms and the result would be, instead of total unemployment for some, the loss in earnings would be spread over the entire labour strength. However, this decision has been in rough weather in the past week, since workers are opposed to any cut in working hours also. The West Bengal Government has been aware of the latest developments and it is expected that an attempt would be made to convince labour of the reasonableness of the I.J.M.A.'s decision.

It was noted that the decline in December stocks had occurred despite December output having risen by 4,800 tons to 90,700 tons. Adding the November-end stocks of goods amounting to 82,200 tons, the total availability in December was 172,900 tons. December-end stocks were only 80,300 tons and demand was of the order of 92,600 tons, which exceeded production. What was of greater interest were the figures in respect of despatches in December 1960. The total despatches at 91,900 tons were higher by 10,800 tons. Despatches for local purposes increased by 5,200 tons to 29,000 tons and those for export by 5,600 tons to 62,900 tons. These figures fully endorsed the market view that willy-nilly buyers in foreign countries as well as within the country are supporting higher prices. It may be pointed out that prices of several agricultural commodities and finished goods the world over had risen, and the Government of India has had to revise estimates for the projects needing capital goods, in view of the rise in the prices of the latter. This is no defence for the abnormal rise in prices of raw jute. It should, however, be noted that India is not the only country where fibre prices have risen. Prices in Pakistan are higher than in India. In a free market, prices would be determined by the interaction of the forces of supply and demand.

The increase in export of gunny in December has caused some amount of jubilation in the market, as the fall in exports in October had been interpreted as being due to foreign consumers' reluctance to buy gunny at high prices. The figure relating to burlap consumption in December is awaited with interest. It is expected that consumption in December would be higher than in November. In recent weeks, orders for hessian have been received from other countries also. In heavy goods, the support has been mainly from Australian buyers. Recently, the Government of India purchased a considerable quantity of B. twills. A feature in the market has been that foreign buyers are not showing any interest in forward goods, in view of uncertainty arising from the delegation of authority to the Jute Commissioner to requisition stocks of raw jute and jute goods, if necessary. Transactions are, therefore, confined to ready goods as far as possible. This is one more reason why ready goods have been daily rising.

The rise in prices of raw jute has been more impressive than in goods. As the season is advancing, acute shortage in fibre is increasingly felt. All fresh arrivals are meeting with ready buyers and are on the decline. Sellers [illegible]

reserved and, in fact, there was nothing on offer. It would appear that the present system of buying by mills whereby they are forbidden to carry heavy stocks and are, therefore, forced to maintain a hand-to-mouth existence has only encouraged sellers to be reserved. The week's opening as well as closing levels for Jan-February delivery are indicated below:

(Per 100 kgs.)

	Opening	*Closing*	*Gain*
	Rs.	Rs.	Rs.
Assam bottoms ...	143.25	154.00	10.75
	(53.50)	(57.50)	(4.00)
Daissee bottoms ...	148.75	159.25	10.50
	(55.50)	(59.50)	(4.00)
Northern bottoms ...	142.00	152.75	10.75
	(53.00)	(57.00)	(4.00)

Note: Figures in brackets relate to rates per maund.

In the goods market, on Tuesday last, prices were firm. Although inquiries were limited, the rising fibre market lent support. Ready B. twills were thus unchanged at Rs. 184, as were ready hessian 40" 10 oz. at Rs. 59.25. A small quantity of cornsacks was bought by Australia for immediate shipment. On the following day, Australian buyers were again in the market and lifted about 8,000 bales of woolpacks for deliveries extending up to June. Local operators were active in buying both hessian and heavy goods. These factors were sufficient to force B. twills to Rs. 185.50 and hessian 40" 10 oz. to Rs. 60.25. On Thursday, a prominent feature was the keen interest shown by local operators and so B. twills hardened to Rs. 186 and hessian 40" 10 oz. to Rs. 61.25. On Friday, fibre prices rose further, and this factor, as well as the support accorded by local buyers, pushed up B. twills to Rs. 186.50 and hessian 40" 10 oz. to Rs. 61.50. Over the week-end also, local operators continued to be keenly active to push B. twills to Rs. 187.00 and hessian 40" 10 oz. to Rs. 62.25. A further sharp rise in prices was the feature during yesterday. Quotations should be considered nominal, as sellers were not inclined to do fresh business. Ready Hessian 40" 10 oz. rose to Rs. 64 and B. twills to Rs. 192.

METALS MOVE UP

(From Our Own Correspondent)

CALCUTTA, *17th January*

Following good demand and apprehensions of limited supplies, prices of base metals added handsome gains during the week under review. On the other hand, it should be noted that advices from the London Metal Exchange and Singapore revealed decline in prices. That prices in India have risen despite a fall in prices in London should be attributed to India's restricted imports of these essential metals. The circulating rumour that the virgin copper quota in respect of cable manufacturers would soon be revised and reduced substantially led to increased demand for available copper scrap. Utensil scrap was quoted at Rs. 204 a cwt. as against Rs. 200 a week ago and berry scrap at Rs. 218 a cwt. against Rs. 212. Supplies were, of course, extremely tight. On the London Metal Exchange, electrolytic copper closed substantially lower at £216¾ a ton as against £222¼ earlier in the week. The decline was precipitated by the threatened strike at El Teniente not having taken place. Industrial demand was limited. However, as the price declined more demand developed in London. Tin here opened at Rs. 580 a cwt. and closed higher on balance at Rs. 584. This hardening tendency, despite the fall in Singapore prices, was due to the tight supply situation. In London the price eased to £779 a ton from £786 following the need for cutting down production in the U.K. motor industry. Electrolytic zinc at Rs. 170.50 a cwt. closed Re. 1 higher on balance, but at one time the rate was higher at Rs. 171.50. Supplies were short. On the London Metal Exchange, zinc closed lower at £77¾ a ton against £80¼ earlier in the week. Virgin lead was unchanged here at Rs. 63 a cwt.

THE CENTRAL BANK OF INDIA LIMITED

PROFIT FOR 1960

The net profit of The Central Bank of India, Ltd., for the year ended 31st December 1960, including the sum of Rs. 18,82,560.07 brought forward from the previous year's account and after providing for Taxation, amounts, subject to audit, to Rs. 1,51,87,470.96 which the Directors have disposed of as follows:—

	Rs.
An *ad-interim* dividend paid at the rate of Rs. 2.10 per share, subject to tax (i.e., Rs. 1.47 net) for the half-year ended 30th June 1960..	26,46,000.00
Amount transferred to Staff Gratuity Fund	10,00,000.00
Amount transferred to Contingency Fund	8,00,000.00
Amount provided for Bonus to Staff, including Special Jubilee Bonus	51,00,000.00
	95,46,000.00
The balance of Rs. 56,41,470.96 the Directors propose to recommend to the Shareholders to dispose of as follows:—	
To pay a final dividend for the half-year ended 31st December 1960 at the rate of Rs. 2.50 per share, subject to tax (i.e., Rs. 1.75 net) making in all 12.88 per cent net for the whole year	31,50,000.00
To pay a Special Jubilee Bonus of 2 per cent per annum per share, subject to tax.. ..	6,30,000.00
To carry forward to next year's account	18,61,470.96
	Rs. 1,51,87,470.96

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, *16th January*

Quietly steady conditions were witnessed in the foodgrains market during the week. The Reserve Bank's latest directive allowing facilities of loan against foodgrain stocks acted as the bullish factor. Prospects of *rabi* sowings were fairly good and actual harvesting of peas and coarse grains will begin by the end of next month. Wheat at Hapur recorded modest gains to be quoted on Monday at Rs. 17.56 for average quality and Rs. 18.75 for better farm produce. Daily arrivals in the market were poor, but supplies were augmented by sales of wheat and wheat flour through ration shops.

Rice also continued steady, though the supply position was reported satisfactory as new grain was still reaching the markets. Stocks of wheat and rice were reported fairly heavy with both Central and State Governments. The latest prevailing prices of rice in the local market were: rice *mainmuri* Rs. 21.25; *gadda* Rs. 19.50; *basmati sela* Rs. 27 to Rs. 29; *ramajwayan* Rs. 23.50; *raimunia* Rs. 24.50 a maund.

Gram ruled quietly depressed during the week at Rs. 16.75 a maund for Punjab variety, thanks to easy advices from Punjab and good crop prospects following last rains. Local gram stock is put at 10,000 maunds. Barley was stationary around Rs. 12.75 a maund and *bejhar* at Rs. 12.75 a maund for inferior quality and Rs. 13 for *moongia* variety. Maize continued to attract good seasonal consumer demand and, as maize was still reaching here from nearby eastern districts and local stock was heavy at about 30,000 maunds, maize ruled quiet at Rs. 12.50 to Rs. 13.37 a maund. *Jowar* drifted lower to Rs. 12.87 a maund and *guwar* too was quoted slightly lower at Rs. 13 a maund. *Bajra* was very much in request during the week for festival demand and the price stood higher at Rs. 15 to Rs. 15.50 a maund.

Despite a fall in local stocks to 5 *khatties*, peas drifted lower on good crop prospects, harvesting of which would begin by the end of February. *Arhar*, too, sought lower levels in the absence of new urges and dormant demand, with local stock unchanged at 8 *khatties*. Other pulses were also quietly depressed. The latest prevailing prices (in rupees per maund) on Monday were: peas *dara* 13.25; white farm 14.75; peas *dal* 15; *arhar* 13.31; *arhar dal* 17.50 to 18.50; *urd* new 18.75; *moong desi* 18.50; from South 20; *massoor* 15 to 17.

SUGAR EASY

(From Our Own Correspondent)

HAPUR, *16th January*

Sugar ruled quietly depressed during the week, due to easy supply position. The latest release of 50,000 tons for export failed to cheer up market sentiment. Following comfortable supplies, a plea for early decontrol of sugar has again been made by the sugar trade. Some State Governments have already relaxed controls on sugar. The U.P. Government has allowed relatively free disposal of unlifted sugar out of last quotas. Cane supplies to all factories here as well as in east U.P. are reported to be fairly heavy and, because of larger cane output this year, sugar production is expected to touch a new height of about 2.7 million tons in the current season. Prevailing prices here are: Rs. 109.50 per bag wholesale and Re. 1.06 per *seer* in the open market.

Sugar continued to rule easy during the week in the Muzaffarnagar market also, as the supply position was satisfactory. The week-end prevailing prices were: Rs. 109 to Rs. 109.50 per bag for spot delivery in the open market.

Sugar was also quietly depressed in the Kanpur market. Trade circles were clamouring for early decontrol of sugar.

Brisk demand from east U.P., mainly Kanpur and Allahabad side, accounted for modest gains in the prices of *khandsari* during the week for new stuff. Production was being carried out but half-heartedly and stocks were said to be comfortable. The latest prevailing prices are: *khandsari* inferior Rs. 25 to Rs. 30; superior Rs. 31 to Rs. 34.50; crystal Rs. 32 to Rs. 36.50; old Rs. 23 to Rs. 29; *galawat* Rs. 14 to Rs. 17; *boora* Rs. 32 to Rs. 35 a maund.

After a full week's lull following stoppage of loading facilities from the local station, *gur* tended to look up, as about 40 wagons were loaded yesterday on week's free loading day. Most of the stocks made up for early despatch were lifted. During the week, a part of stocks was retained and the rest carried to other stations to be loaded from there. Daily arrivals of *gur* were about 4,000 maunds average and the local stock was put at 12,000 maunds and prevailing prices on Monday were: *pansera* Rs. 13.25 to Rs. 13.75; *balti* Rs. 13.50 to Rs. 13.75; *shakker* Rs. 15.25 a maund.

Arrivals of *gur* continued to be small in the Muzaffarnagar market and booking facilities were also not available during the week, but prices improved fractionally. *Chaku* was quoted at Rs. 14.50 to Rs. 15.75, *pansera* at Rs. 14.25 to Rs. 14.50, [illegible] at Rs. 14.25 to Rs. 14.50, *rusket* at Rs. 8 to Rs. [illegible] and *shakker* at Rs. 15 to Rs. [illegible]

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 13th Jan., 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	51,03,68,000
(2) Other Governments	18,42,08,000
(b) Banks	78,61,09,000
(c) Others	94,31,14,000
Bills Payable	28,34,91,000
Other Liabilities	36,60,50,000
Rupees ..	437,33,40,000

ASSETS	Rs.
Notes	10,92,66,000
Rupee Coin	1,81,000
Subsidiary Coin	6,13,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	
(c) Government Treasury Bills	62,71,54,000
Balances held abroad*	19,46,67,000
Loans and Advances to Governments† ..	45,07,71,000
Other Loans and Advances	150,78,65,000
Investments	130,73,88,000
Other Assets	17,54,35,000
Rupees ..	437,33,40,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 14,58,50,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,92,66,000	
Notes in circulation	1920,71,90,000	
Total Notes issued	....	1931,64,56,000
Total Liabilities ..	....	1931,64,56,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India ..	....	
Foreign Securities	128,00,89,000	
Total of A ..		245,76,92,000
B. Rupee Coin		123,83,22,000
Government of India Rupee Securities		1562,04,42,000
Internal Bills of Exchange and other commercial paper ..		....
Total Assets ..		1931,64,56,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept., 1939 (pre-war)	6th Jan.,* 1961	30th Dec.,* 1960	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation.	178.27	1901.25	1868.98	1862.72	1775.08
Notes held in Banking Department ..	35.05	16.39	16.21	12.16	12.93
Foreign Securities ..	59.50	128.01	128.01	128.01	163.01
Rupee Securities ..	37.89	1547.06	1512.06	1502.06	1377.43
Banking Department					
Deposits of:					
Government of India	14.39	59.71	70.08	50.83	64.37
Other Governments.	..	6.99	9.87	13.24	12.54
Balances held abroad	10.06	19.61	23.72	24.61	48.35
SCHEDULED BANKS					
Demand Liabilities..	134.36	777.84 (14.94)†	781.11 (18.54)†	773.29 (21.88)†	746.46 (18.75)†
Time Liabilities ..	102.24	1105.46 (10.28)†	1110.79 (13.77)†	1119.08 (16.44)†	1128.64 (21.83)†
Borrowings from Reserve Bank ..	..	53.45 (13.88)‡	61.47 (18.71)‡	24.07 (3.99)‡	22.21 (3.45)‡
Borrowings from State Bank ..	..	11.74	10.26	9.66	12.54
Cash in India ..	6.70	45.06	49.90	44.80	44.82
Balances with Reserve Bank ..	25.17	83.93	112.15	89.90	68.01
Balances with other banks in current account in India ..	..	16.20	21.83	15.17	15.33
Money at call and short notice in India ..	..	22.27	23.40	32.63	26.02
Investments (at book value) ..	..	648.31	633.76	674.38	775.88
Advances and bills..	105.9	1199.85	1180.73	1130.28	999.24
STATE BANK					
Deposits	87.76	572.08	573.28	577.83	579.12
Investments ..	51.99	312.24	302.07	335.37	393.69
Advances	30.35	239.80	232.12	218.87	172.14
Cash	14.69	22.30	49.37	27.63	23.92

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

State Bank of India

Statement of Affairs for the week ended 13th Jan., 1961

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,20,00,000
Deposits and Other Accounts		565,86,50,000
Borrowings from Other Banking Companies, Agents, etc.		2,10,50,000
Bills Payable		7,73,13,000
Bills for Collection being Bills receivable as per contra		2,01,43,000
Acceptances, Endorsements and Other Obligations per contra		1,46,94,000
Other Liabilities (including Inter-Office Adjustments)		8,59,52,000
Total .. Rs.		600,60,52,000
PROPERTY AND ASSETS		Rs.
Cash in hand and with Reserve Bank		18,07,39,000
Balances with other Banks		2,90,96,000
Money at Call and Short Notice		1,06,67,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	286,99,81,000	
Other Authorised Investments ..	10,18,84,000	297,18,65,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	230,31,33,000	
Bills Discounted and Purchased ..	17,49,03,000	247,80,36,000
Bills Receivable being Bills for Collection as per contra		2,01,43,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..		1,46,94,000
Premises less Depreciation		1,75,72,000
Furniture and Fixtures less Depreciation ..		1,28,75,000
Other Assets (including Inter-Office Adjustments).		27,03,65,000
Total .. Rs.		600,60,52,000

Scheduled Banks*

Statement of Affairs for the week ended 6th Jan., 1961

	Rs. (Thousands)
(i) Demand Liabilities in India:	
(a) Demand Deposits—	
(1) From banks	42,50,97
(2) From others	688,05,23
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	14,94,40
(c) Other demand liabilities	47,28,23
(ii) Time Liabilities in India:	
(a) Time Deposits—	
(1) From banks	16,68,97
(2) From others	1067,59,45
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	10,27,70
(c) Other time liabilities	21,18,05
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	11,28,79
(b) Time liabilities	45,00
(iv) Borrowings in India from the Reserve Bank of India (A)	53,44,74 (13,82,50)
(v) Cash in India	45,06,22
(vi) Balances with the Reserve Bank in India ..	83,93,20
(vii) Balances with Other Banks in Current Account in India	16,19,58
(viii) Money at call and short notice in India	22,77,39
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	643,30,61
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks) ..	1020,35,50
(b) Due from Banks in India	11,73,09
(xi) Inland Bills purchased and discounted in India.	119,06,03
(xii) Foreign Bills purchased and discounted in India.	48,69,99
(xiii) Total of items (x), (xi) and (xii)	1199,84,61

Notes:—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	24th Dec., 1960	17th Dec., 1960	26th Dec., 1959	Nov., 1960	Nov., 1959	Percentage of Increase (+) or Decrease (—) in Nov., 1960 as compared with Nov., 1959	Financial Year Average 1959-60	Financial Year Average 1958-59
Food Articles ..	504	116.9	117.9	118.7	120.2	121.4	—1.0	119.0	115.2
Cereals ..	192	99.7	100.4	99.2	103.5	106.2	—2.5	104.1	106.8
Pulses ..	43	92.9	98.7	91.8	94.2	94.2	—	93.6	108.9
Fruits and Vegetables ..	28	104.7	106.6	111.1	111.2	124.1	—10.4	127.8	117.0R
Milk and Ghee ..	84	109.1	109.5	105.4	113.0	111.7	+1.2	113.3	107.3
Edible Oils ..	47	155.9	152.7	128.9	153.1	127.5	+20.1	130.4	124.3
Fish, Eggs and Meat ..	17	122.9	126.2	114.4	124.8	111.4	+11.6	112.0	108.4R
Sugar and *Gur* ..	48	127.4	127.8	147.0	135.6	160.5	—15.5	147.0	127.2
Others ..	50	178.1	170.6	186.8	175.3	178.0	—1.5	167.9	151.3
Liquor and Tobacco ..	21	111.7	112.3	102.5	116.8	104.6	+11.7	99.5	95.4
Tobacco ..	—	110.3	111.0	101.1	115.8	103.4	+12.0	97.9	98.3
Fuel, Power, Light and Lubricants ..	20	129.3	129.3	117.0	120.1	117.4	+2.3	116.5	115.4
Industrial Raw Materials ..	155	150.6	148.1R	129.2	148.0	122.5	+20.8	123.7	115.6
Fibres ..	61	157.4	153.7	128.0	159.1	111.7	+42.4	113.3	108.0
Oilseeds ..	60	156.0	152.0R	131.3	149.3	130.7	+14.2	134.6	127.0
Minerals ..	2	96.2*	98.2*	95.2	98.1	95.2	+3.0	97.8	106.0
Others ..	32	130.9*	131.6	128.6	127.7	129.6	—1.5	121.6	109.2
Manufacture ..	200	125.8	125.5R	114.5	125.6	111.7	+12.4	111.6	108.4R
Intermediate Products ..	41	132.5	131.9	118.0	131.8	116.1	+13.4	113.8	110.3
Finished Products ..	240	124.8	124.5R	113.8	124.7	111.0	+12.3	111.3	108.1R
Textiles ..	147	128.7	128.3R	111.8	128.8	106.9	+20.5	107.8	108.3R
Cotton ..	—	129.2*	129.2*	120.1*	129.1	116.1	+11.2	116.9*	117.8R
Jute ..	—	140.7	139.1	97.8	141.7	90.2	+57.1	90.6	86.5
Woollen ..	—	110.1*	110.1*	104.2*	110.1	104.2	+5.7	104.2	105.6
Silk and Rayon ..	—	102.4*	102.4*R	99.1	101.8	93.1	+9.3	96.4	99.2
Metal Products ..	12	146.8	146.8	144.7	146.8	144.7	+1.5	144.4	143.1
Chemicals ..	20	103.8	103.7	107.0	104.3	106.5	—2.1	106.9	106.8
Oil Cakes ..	10	148.3	147.2R	144.6*	142.5	148.0	—3.7	142.8	136.0
Machinery and Transport Equipment ..	21	111.9	111.9	106.4	112.1	106.4	+5.4	106.2	103.9R
Others ..	20	116.6	116.4	114.0	116.5	113.8	+2.4	113.4	113.7
All commodities	1000	124.7	124.3R	117.7	128.0	118.3	+8.5	117.1	112.0

Note—Weights [illegible] of the groups are those assigned to the respective sub-group to arrive at that group [illegible] R—Revised. *Estimated.

WEEK'S STOCK EXCHANGE TREND

The following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 19th January, 1961.

	Closing quotations 12-1-1961	High	Low	Closing quotations 19-1-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	166.50	—	—	166.50
Apollo (2)	1.36	1.46	1.34	1.46
Baroda Rayon (100)..	120.50	126.00	122.00	123.00
Bombay Dyeing (25)..	60.40	61.30	60.00	60.10
Bradbury (50) ..	117.50	—	—	117.50
Central India (100) ..	97.00	100.00	95.00	98.00
Century Mills (100) ..	456.50	472.00	455.50	464.00
Coorla Sp. (100) ..	131.25	—	—	131.25
Dawn (50)	112.00	114.50	112.00	114.50
Edward Textile (200)..	262.50	—	—	262.50
Elphinstone (50) ..	56.50	—	—	57.00
Finlay (100)	318.00	335.00	318.00	330.00
Gokak (100)	173.00	180.00	175.00	178.00
Gold Mohur (100) ..	245.00	—	—	245.00
Gwalior Rayon (10) ..	38.50	42.50	38.50	41.50
Ind. Untd. Defd. (1)..	1.58	1.66	1.56	1.58
Ind. Untd. Ord. (10)..	13.64	14.32	13.64	14.08
Indian Rayon (50) ..	52.00	55.50	51.50	53.00
Indore Malwa (100) ..	127.00	130.00	126.00	130.00
Khatau (100)	430.00	455.00	430.00	438.75
Kohinoor (100) ..	268.00	275.50	268.00	269.00
Lakshmi (250) ..	500.00	—	—	500.00
Mafatlal (100) ..	702.50	720.00	702.50	720.00
Minerva Mills (100) ..	64.00	—	—	64.00
Model Nagpur (250) ..	80.00	—	—	80.00
Morarji (100)	313.00	326.00	312.00	315.00
Mysore (50)	63.00	63.00	58.50	59.50
National Rayons (100).	482.00	495.00	477.50	482.00
New City (100) ..	144.00	—	—	144.00
New Great (100) ..	190.00	—	—	190.00
Phoenix (100) ..	126.00	131.00	126.00	131.00
Podar Mills (100) ..	130.00	134.00	130.00	134.00
Raymond Woollen (100) ..	103.00	104.50	103.50	104.50
Sassoon Silk (10) ..	15.00	—	—	15.00
Sassoon Spg. (10) ..	45.00	—	—	45.00
Shrinivas (100) ..	227.50	234.00	226.50	234.00
Simplex (50)	162.00	166.00	162.00	165.00
Standard (100) ..	990.00	1,027.00	987.00	1,005.00
Svadeshi (100) ..	227.00	237.00	225.00	234.50
Swan (100)	480.00	—	—	480.00
Tata Mill (25) ..	40.00	41.25	39.50	40.00
Vishnu (100)	97.00	101.00	97.00	101.00
Western India (1,000).	4,075.00	—	—	4,075.00
BANKS				
Bank of India (50) ..	108.75	115.00	109.50	114.00
Do. (New) (50) ..	111.00	117.50	111.00	117.50
Bank of Baroda (50)..	82.00	86.00	82.00	86.00
Central (25)	55.50	57.00	55.50	57.00
Central 'A' (25) ..	59.50	61.30	59.50	61.00
Dena Bank (50) ..	53.50	54.30	53.50	54.30
Punjab National (10)..	19.28	19.72	19.40	19.68
Union Bank (5) ..	6.16	6.32	6.16	6.32
United Com. (50) ..	84.00	85.00	84.50	85.00
ELECTRIC COS.				
Ahmedabad (100) ..	84.00	84.50	83.70	84.50
Amalgamated (10) ..	10.04	10.08	10.04	10.08
Andhra Valley (1,000).	993.75	996.25	990.00	993.75
Bom. Sub. El. (100) ..	83.70xd	84.00	83.50	83.50
Surat (100)	85.00	—	—	85.00
Tata Hydro (100) ..	100.25	101.00	100.00	100.75
Tata Power (1,000) ..	1,015.00	1,026.25	1,015.00	1,020.00
INSURANCE COS.				
British India (10) ..	12.00	—	—	12.00
Empire of India (100)..	268.75	—	—	268.75
Ind. Mercantile (20) ..	42.50	—	—	42.50
Jupiter (15)	7.28	—	—	7.28
New India (15) ..	53.50	54.30	53.20	54.00
Vulcan (10)	16.48	—	—	16.48
STEEL COS.				
Ind. Iron (10) ..	23.12	23.96	23.12	23.88
Mukand Iron (10) ..	21.76	23.00	21.76	22.12
Tata Steel Ord. (75) ..	139.75	144.50	139.00	144.00
SUGAR COS.				
Belapur (50)	316.00	317.00	307.00	313.00
Bhopal (10)	29.00	—	—	29.00
Changdeo (12.50) ..	32.75	32.75	29.50	29.50
Phaltan (50)	154.50	157.00	153.00	156.50
Walchand Ind. (100)..	237.50	243.50	235.00	243.50
CEMENT COS.				
Associated Cts. (100)..	146.75	152.75	146.25	150.75
Digvijay (100) ..	144.00	150.50	143.50	149.00
Orissa (10)	13.64	13.92	13.64	13.72
MISCELLANEOUS				
Alcock Ashdown (100).	238.00	265.00	239.00	253.00
Bom. Burmah (125) ..	545.50	556.00	545.50	550.50
Do. (New) (50) ..	191.25	193.00	191.25	193.00
Br. B. Petrol (4 sh.) ..	2.10	2.12	2.04	2.10
Br. I. Corpn. (5) ..	6.80	—	—	6.80
Cooper Eng. (100) ..	156.50	159.50	156.00	159.50
Colour Chem. (100) ..	287.50	307.50	290.00	307.50
Hind Cycle (100) ..	85.00	—	—	85.00
Hindustan Lever (10)..	41.50	43.25	41.75	43.25
Hindusthan Motors(10)	19.04	19.68	18.92	19.60
I. C. & Invest. Corporation (100) ..	71.00	—	—	71.00
Indian Dyestuff (100)..	407.50	447.50	420.00	433.75
Indian Copper (2 sh.)..	4.46	4.70	4.48	4.58
Ind. Inv. Tr. (100) ..	80.00	80.50	79.80	79.80
Killicks (100) ..	99.50	100.00	99.50	99.50
Larsen & Toubro (10)..	84.00	85.00	84.00	84.25
Mahindra & Mahindra (10) ..	19.76	19.76	19.36	19.40
New Central Jute (10).	20.36	—	—	20.36
Polson (100)	151.00	152.50	151.00	152.50
Pre. Automobiles (100)	159.00	164.50	157.25	160.75
Premier Con. (80) ..	279.50	287.50	276.00	278.00
Scindia (20)	14.48	15.00	14.80	15.00
G. B. Shipping (10) ..	14.88	15.04	14.36	14.52
Shivrajpur (10) ..	71.00	72.50	70.50	71.00
Sirpur Paper (10) ..	15.92	16.44	16.00	16.44
Tata Chemicals (10) ..	16.96	17.52	16.92	17.40
Tata Locomotive (100).	285.50	296.50	283.50	290.00
Tata Oil (25)	72.80	73.50	72.00	72.50
Texmaco (10) ..	22.60	22.92	22.60	22.92
Voltas (100)	254.00	256.50	248.50	252.00
W. I. Match (100) ..	254.00	263.00	255.50	257.00
W. Coast Paper (100)..	179.00	183.00	179.50	182.00

GOVERNMENT SECURITIES	12-1-1961 Rs	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	19-1-1961 Rs.
2½% 1961	99.05	—	4.23	99.05
2½% 1962	97.90	—	3.94	97.90
2½% 1976	83.50	—	4.23	83.50
3 % 1964	97.65	—	3.65	97.65
3 % 1963-65 ..	97.55	3.90	3.54	97.55
3 % 1966-68 ..	95.30	3.93	3.79	95.30
3 % 1970-75 1st Dev.	89.85	4.38	3.96	89.90
3 % 1986 Con. Loan..	74.45	—	4.02*	74.45
3½% 1961 N.P. Bonds.	100.00	—	3.56	100.00
3½% 1964 N.P. Loan..	99.35	—	3.70	99.35
3½% 1965 N.P. Bonds.	99.30	—	3.70	99.25
3½% 1962	99.65	—	3.50	99.65
3½% 1967 N.P. Bonds.	98.90	—	3.70	98.90
3½% 1974	99.00	—	3.64	99.00
3½% 1967 N.P. Bonds.	100.75	—	3.63	100.75
3½% 1969 Loan ..	98.80	—	3.67	98.80
3½% 1968	98.90	—	3.63	98.90
3½% 1968 N.P. Bonds.	99.30	—	3.60	99.30
3½% 1968 N.P. Bonds.	100.65	—	3.60	100.65
4 % 1972 Loan ..	100.50	—	3.95	100.50
4 % 1973 Loan ..	100.40	—	3.95	100.40
4 % 1979 Loans ..	99.80	—	3.95	100.10
2½% 1966 Bonds ..	99.30	—	3.90	[illegible]
4 % 1980 Loan ..	99.90	—	4.01	[illegible]

[illegible] xd—Ex-dividend. [illegible]

ON THE ARENA

(*Concluded from page 104*)

Raman. Two families entered into a matrimonial alliance after a sizable sum of money and goods had passed as dowry from the parents of the bride (Sita) to the parents of the bridegroom (*Rama*). In the course of thirty years, the married couple had produced and reared a fine family of six sons and three daughters who were all in flourishing condition; the grandparents were also alive. Sita being the dominant partner, her children gave extra attention to her parents and showered more gifts on them than on their paternal grandparents, which was a source of chagrin to the latter. Rama's father, thereupon, presented a demand on his opposite number for a fresh money gift stating that the dowry given at the time of marriage had been small and had vanished; further, his son had done a fine job of increasing the family by nine additional units who seem to be a source of great benefit to the maternal grandparents, so a further contribution was called for. Pat came the reply that (*a*) Sita's contribution to the effort of producing and rearing the children was much greater than that of Rama, and (*b*) it had always been held that maternity was an established biological fact, while paternity was, at best, a presumption, hence there was no case for a further payment.

When the Maharashtra State was formed I firmly believed that it would inherit and preserve the fine traditions of the former Bombay State for enlightened administration and objective handling of matters relating to industrial development. Indeed, I still hope it will, eventually at any rate. Andhra, Madras and Kerala seem to have taken care to see that, in accordance with the recommendations of the Planning Commission, efficiently managed farms which consist of compact blocks in which heavy investment or permanent structural improvements have been made are exempted from land ceilings legislations. I can see no reason why Maharashtra should not do likewise.

The matter is of considerable importance at the present juncture when the sugar industry is expected to export the commodity and earn valuable foreign exchange. As it is, the price at which exports could be effected is causing much concern as a measure of increase in internal price may be needed to meet the loss which the industry would incur in export. If the cost of production of sugar in Maharashtra is increased, as it is bound to go up by the withdrawal of the advantages which the industry has enjoyed through its own efforts in developing large farms, the country will be entitled to blame the State Government for its shortsighted policy.

* * * *

What Is the Point?

Reuter has flashed a report of the television programme presented by the National Broadcasting Company of U.S.A. tracing President Eisenhower's career from boyhood to the White House under the caption "Tribute to a Patriot." After summarising the tributes paid by Vice-President Nixon, Pandit Jawaharlal Nehru, Mr. Macmillan, Dr. Adenauer and President-elect Kennedy, the report concludes as follows:

> His teacher said he was a "good boy." His high school football coach said he had a reputation for liking girls. General James Van Fleet said that, as an army cadet, he had a great gift of the gab.

For sheer bathos this in unbeatable. I fail to see any point of substance in it.

BANKING

(*Concluded from page* 106)

and inspection, insistence on documentary evidence as a cover for their bills portfolio or whether the shroffs should be left free to perform their risk-bearing functions in their own way. With its plenitude of power which is at the command of the State and under the socialist pattern of society, which the party in power is bent upon imposing on every sector of the economy, it would not be difficult for the authorities to bring about a regimentation of the business practices of indigenous bankers if they want to. But to the credit of the authorities it must be said that it is not they who are raking up this old issue, namely, of linking indigenous bankers with the Reserve Bank. They have quietly left the latter to mind their business. It is Mr. Chinai who, as the spokesman of bazaar-bankers, has revived an issue which every one had clean forgotten. In so doing, he has not rendered any useful service to these bankers. The shroffs would be well advised to do some fresh thinking on this subject. Assured as they are with a fair field for their own activities—at least so long as organised credit institutions insist on stringent conditions of creditworthiness—the shroffs must ponder whether they should prefer the strait-jacket of rigid banking discipline to autonomy and freedom which they now have and which enables them to serve efficiently an important sector of productive borrowers by providing them with funds on the basis of mutual trust. In their own sphere of *hundi*-finance, the shroffs are undoubtedly performing a valuable social function. And so long as they keep their house in order and do not indulge in over-trading, they will not find it difficult to get accommodation from well-established commercial banks on reasonable terms. Good and sound shroffs are highly valued by these banks and have had no difficulty in raising adequate funds from them, without having to sacrifice their freedom or modify their accounting system or business practices. So far as professional village moneylenders are concerned, the position is, however, different. As economic development gathers pace, their importance is bound to diminish. This surely will not be an unwelcome trend.

UNITED COMMERCIAL BANK LTD.

The net profit of the United Commercial Bank Ltd. for the year ended 31st December 1960, after taxes, subject to audit, including the sum of Rs. 1,04,096 brought forward from the previous account amounted to Rs. 68,46,871. The Directors have transferred Rs. 30,00,000 to the reserve fund, raising it to Rs. 2,05,00,000 and provided Rs. 13,00,000 for bonus to staff. Out of the balance, they propose to recommend to the shareholders at the next annual general meeting the payment of a dividend of 12 per cent. (i.e., Rs. 6 per share) less tax at 30 per cent. which will absorb Rs. 24,00,000, and to carry forward to the next account the balance of Rs. 1,46,871.

The comparative figures for 1960 and 1959 are as under:

	1960	1959
	Rs.	Rs.
Net profit	67,42,775	60,41,998
Brought forward from previous account	1,04,096	62,098
Amount available for disposal	68,46,871	61,04,096
Appropriations:		
Reserve Fund	30,00,000	27,00,000
Bonus to staff	13,00,000	11,00,000
Proposed dividend ...	24,00,000	22,00,000
	(12 per cent.)	(11 per cent.)
To be carried forward ...	1,46,871	1,04,096

It will be seen that the profit is substantially higher and that the dividend, as well as the transfer to reserves, has been raised.

CENTRAL BANK OF INDIA LTD.

The results of the Central Bank of India Ltd. for the year ended 31st December 1960, according to the preliminary statement issued by the Bank, are highly encouraging. After providing for taxation, the net profit shows a rise of over 34 per cent., i.e., from Rs. 99.43 lakhs to Rs. 133.05 lakhs. While a part of this improvement has been used for paying a larger bonus to staff, and a higher dividend to shareholders, a sizable amount of Rs. 8 lakhs against *nil* in the previous year has also been utilised to strengthen the reserves; the said amount has been credited to the contingency fund. The amount set apart for bonus to staff, including jubilee bonus, is Rs. 51 lakhs, an increase of Rs. 17.25 lakhs over the corresponding provision a year ago. The transfer to staff gratuity fund remains unchanged at Rs. 10 lakhs. An *ad-interim* dividend of Rs. 2.10 per share subject to tax (i.e., Re. 1.47 net) had been paid early in the second half of 1960. This is now proposed to be followed by a final dividend at the rate of Rs. 2.50 per share subject to tax (i.e., Re. 1.75 net), making in all a total of 18.40 per cent. gross or 12.88 per cent. net for 1960. This compares favourably with a gross dividend of 17.20 per cent. or a net of 12.04 per cent. paid for 1959. In addition, the Directors have decided to pay a special jubilee bonus of 2 per cent. per share subject to tax (i.e., 1.40 per cent. net). The total amount required for these dividends is Rs. 64.26 lakhs which represents an increase of Rs. 10.08 lakhs over the year. The amount left to be carried forward is Rs. 18.61 lakhs, as against Rs. 18.82 lakhs brought in.

BANK OF BARODA LTD.

The Directors of the Bank of Baroda Ltd. have decided to pay a final dividend of 20 per cent. per annum subject to tax, for the second half of 1960. Together with the interim dividend at 14 per cent. per annum for the first six months, the total taxable dividend for 1960 comes to 17 per cent., as against the taxable dividend of 14 per cent. for the previous year. This higher dividend reflects the sharp increase in net profits from Rs. 24.89 lakhs for 1959 to Rs. 40.66 lakhs for 1960. With the last year's carry-over amount of Rs. 1.02 lakhs, the sum available for distribution is Rs. 41.68 lakhs. The total dividend of 17 per cent. absorbs only Rs. 23.49 lakhs, leaving Rs. 18.19 lakhs, subject to payment of bonus to staff, for other appropriations.

MARKET GOSSIP

(*Concluded from page 99*)

a view to checking this tendency and in order to get back the gold hoards of one kind or another in foreign lands that the American Administration has extended the long-standing ban on domestic hoarding of gold to include gold holdings overseas as well. Estimates of gold held by Americans abroad vary widely from $100 million to $1,000 million.

Evidently, the U.S. Government must have felt that the danger to the dollar through transfer of funds for hoarding in gold by the Americans themselves must be substantial. Since a high price of gold outside the U.S. is itself a stimulant for hoarding more and more gold in the hope of a further rise in the near future, the U.S. Government tried to bring down this price by selling the metal in the London market. This move did succeed to some extent. During the closing weeks of 1960, the dollar price of gold in London dropped to within 40 cents of the official parity. But, after the new year began, the gold price moved up again and stood in the vicinity of $35.80. This revival of upward trend followed buying by some of the European central banks themselves which they can do so long as the price is well within the limits permitted under the I.M.F. rules. There was also a broadening of demand by private buyers on reports that the American Administration might decide not to release, directly or indirectly, central bank gold for sale for private hoarding. In the first fortnight of January, a further quantity of gold worth $152 million is said to have flowed out of the U.S.

Will the latest order forbidding U.S. citizens and firms to hold gold overseas be effective in helping to check the gold drain? Some feel that it will. This view is based on three grounds. In the first place, gold dealers in London will not enter into forward purchases of gold beyond 1st June next on behalf of their American clients. Secondly, many prospective U.S. buyers of gold will be deterred by the severe penalties that can be imposed for the contravention of the order. And, thirdly, as several persons and all large corporations will simply not wish to indulge in illegal operations, they will sell out whatever gold they have kept abroad and take back the proceeds home. While all this can be expected, there are serious doubts among European observers as to the ultimate success of the move. It is, for instance, asked in London: In the absence of any exchange controls in the U.S., how can the U.S. Treasury trace funds which are first sent to a foreign bank and then used to buy gold? It is also asked: How can the Americans who are deterred from holding gold itself be prevented from buying foreign currencies or gold-mining shares which are not regulated?

It is against this background that Mr. Kennedy has assumed office as the new President of the U.S. Before these lines appear in print, Mr. Kennedy will have delivered his maiden policy statement (on Friday the 20th inst.). One of the "first pronouncements" that this statement will include pertains to the gold issue, according to Mr. Dillon, the new Secretary of Treasury. It is stated that Mr. Kennedy may indicate a new approach to the whole issue based on the suggestions made by some financial experts. These suggestions include removal of tax incentives to U.S. companies for retaining overseas earnings abroad; repeal of the percentage gold backing for the dollar as soon as conditions are psychologically favourable; reduction of duty-free allowance for "returning travellers"; re-examination of the question of U.S. troop and defence costs in Europe; measures to ensure that the freedom of U.S. companies to invest abroad should not be absolute; and proposals for a revision of the Bretton Woods Agreement, of which the most prominently canvassed reform is the plan for the holding of national reserves by an International Monetary Fund converted into a world central bank. It will be interesting to see what President Kennedy proposes to do for strengthening the U.S. dollar. It is significant that the aforesaid suggestions do not include an increase in the dollar price of gold.

D.L.F LOAN FOR PREMIER AUTOMOBILES

The United States Government has announced the approval of a $7.2 million (Rs. 3.4 crores) loan to the Premier Automobiles Ltd., Bombay. The loan, which will be channelled through the U.S. Development Loan Fund, will finance the foreign exchange costs of importing machinery needed to produce sheet-metal components for Dodge trucks and Fiat autos, and equipment needed to modernise and expand capacity of other portions of the Premier plant. All equipment will be purchased in the United States. Details of the loan agreement remain to be negotiated. Like all loans made by the U.S. Development Loan Fund, the credit may be repaid in rupees. Repayment in India's currency does not involve expenditure of India's foreign exchange earnings. This credit brings the total of U.S. aid to India to $3,747 million (Rs. 1,783 crores).

The Premier Automobiles' expansion project, which will be financed by the new loan, is expected to enable India to save more than $2 million per year in foreign exchange now spent in importing sheet-metal components. The loan will support the Indian Government's plans to increase the locally produced content of motor vehicles from the present figure of 60 per cent. to about 85 per cent. Premier's output will be increased from 12,000 trucks and cars per year to 21,000 units.

The Premier Automobiles, Ltd., was organised in 1944. It began producing trucks by assembling components manufactured by Chrysler Corporation of the U.S. It now makes various Chrysler products and also passenger cars in collaboration with Fiat of Italy.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2599 BOMBAY, 28th JANUARY 1961 PRICE Rs. 2

A MEMORABLE VISIT

TO those surviving older citizens of Delhi who had lined its streets in that forenoon of 7th December 1911, to have a glimpse of King George V, then on a visit to this country as its Emperor, but returned home without having recognised him as he "was dressed in a red coat like other generals and was riding a small horse," the historic State drive of Queen Elizabeth the Second, Head of the Commonwealth, in the forenoon of 21st January 1961, must have provided ample compensation. For, along with tens of thousands of the younger generation, they should have easily recognised and cheered the Queen. And, for her part, the Queen, too, could not have had the kind of disappointment that her grandfather had when he recalled, with some sorrow, that he was not recognised by his subjects. There is, to be sure, in this mutual recognition a lot more of significance than is apparent on the surface. The significance is that the Indo-British ties, which are historically derived and reinforced by the Commonwealth link, are stronger than ever before. Strange as it may seem, these are not so much political as economic and social, and the visit of Queen Elizabeth II as the Head of the Commonwealth symbolises the latter relationship to a far greater extent. After all, it was for this relationship that Queen Elizabeth I had laid the foundation late in the sixteenth century.

How broad-based this economic relationship is at the present time is more eloquently told in a few figures than in many words. Trade should claim first attention here, because of the historical fact that the British originally came to India for trade and left it centuries later in a climate of goodwill that reciprocal trade fosters. It is, indeed, remarkable that the two-way trade between India and the United Kingdom accounts for about two-thirds of the total sterling area trade with this country. While imports from the U.K. into India have increased from an annual average of Rs. 156 crores in the first Plan period to an annual average of Rs. 196 crores in the second Plan period, exports from the latter to the former have also increased, though only slightly, from an annual average of Rs. 164 crores during the first Plan period to Rs. 167 crores during the second. It is noteworthy that the excess of imports from the U.K. over India's exports to that country in the second Plan period has been due to our pressing need for capital goods. In a way, this country's adverse balance of trade with the United Kingdom may be taken to have been covered by the loan assistance given by the latter since 1958. Including the latest (23rd September 1960) loan, this assistance has come to Rs. 107.3 crores for the second Plan. This does not include the announcement of a loan of Rs. 40 crores as "an initial act of assistance" for India's third Plan to finance orders which can be placed in Britain for capital goods.

More than Government-to-Government loans, it is the large volume of U.K. private investment in India that provides a more telling index of Indo-British economic co-operation. This private investment is now more than Rs. 400 crores—representing more than 80 per cent of all foreign private investment—whereas it was only just half that figure in 1948. Some of the biggest firms in the U.K. are now investing in India in a wide range of joint ventures. Since private investment of this kind means, and will continue to mean, a living, creative relationship between the industries of Britain and India, it may be confidently expected that British industry, which has known India and its needs and problems all these years, will continue to play a leading and expanding part in this partnership for progress and prosperity. When this relationship is further strengthened, as it will surely be, by the training facilities and scholarships offered to Indian engineers and technologists by several U.K. industrial concerns, Indo-British co-operation will have reached a still higher level. It is the dearest wish of every Indian, who has clean forgotten the dark deeds of British rulers, that the present visit of Queen Elizabeth, who will be seeing for herself this country's economic conditions and its heroic efforts to improve them, may further cement the Indo-British ties in enduring ways.

MR. JEHANGIR GHANDY'S PLEAS

IT is as a practical man of industry, and not as an academic student of growth or projection economics, that Mr. Jehangir Ghandy, Director-in-charge, Tata Iron and Steel Company Ltd., has sought to bring out the role of steel in economic development in the Foundation Day Lecture delivered by him early this week at the Indian School of Mines and Applied Geology, Dhanbad. The practical conclusions he has drawn from the experience of other countries are of interest, as they have some relevance to industrial conditions in India at the present time. Foremost among these conclusions is that, in the first stage of industrialisation, consumer goods industries, particularly food processing and textiles, account for an overwhelming proportion of a country's total industrial output, while, in the second stage, the contribution of consumer goods industries to total output diminishes owing to the advance registered by the sector manufacturing capital goods. The applicability of this conclusion to Indian conditions is, however, not quite clear from Mr. Jehangir Ghandy's speech. It is, however, possible to piece together a number of related observations in some sort of a logical sequence and, on that basis, consider this country as being currently far advanced in the process of transition from the first to the second stage of industrialisation, or even as being at the commencement of the second stage itself. Since what takes an economy forward from the first stage to the second and then from there to the third (when the rapidly expanding capital goods industries draw level with the consumer goods industries in terms of output) are iron and steel and engineering industries, the "heavy industry orientation" of India's second and third Plans is justified in a way by Mr. Jehangir Ghandy's own argument. This argument is to the effect that the demand for capital goods required by consumer goods industries for replacement, modernisation and expansion has to be met more and more from domestic sources for the following three reasons:

(i) The cost of transportation of machinery and equipment from overseas is very high; (ii) labour costs in the highly industrialised countries producing capital goods tend to be high, giving their manufacture in the less developed countries an economic advantage, and (iii) the relatively inelastic nature of exports from underdeveloped countries leads to balance-of-payments difficulties when purchases of capital equipment sharply rise in a period of development, as has happened in India in the past five years.

If the above reasons can be taken to justify a greater accent on the indigenous development of capital goods and machinery manufacturing industries, the need for assigning the highest priority to iron and steel industry, which is basic to those heavy engineering industries, becomes self-evident. What is more, the growth potential of the economy as a whole in the wake of development of the iron and steel industry is known to be very substantial. As India is rapidly approaching the second stage of industrialisation or is right in it now, it may be that, as Mr. Jehangir Ghandy has referred to the relevant foreign experience, each one per cent increase in steel consumption will be associated with an increasingly larger rise in national income, living standards and capital formation. In a situation of rapid development, it would be wiser to proceed on the basis that the demand for steel, like the demand for power, may outstrip the supply. Any projection exercise in the matter of steel demand is a hazardous enterprise, for future imponderables cannot be precisely measured in advance. For instance, if urban population begins to grow, from the third Plan onwards, at a faster rate than the present 4 per cent a year, as it well may in the context of accelerated industrial development, the demand for steel for housing alone will go up further than what is currently estimated. If, thus, greater development itself should generate unsuspected additional demand for steel, it may also happen that, in several fields, possible availability of more steel alone will spell development. For all these reasons, therefore, it would be realistic even to over-estimate future steel demand rather than under-estimate it. Mr. Jehangir Ghandy's present admission

Contents

LEADING ARTICLES—	PAGE
A Memorable Visit	141
Mr. Jehangir Ghandy's Pleas	141
MARKET GOSSIP	143
ROUND THE EXCHANGES	144
NEWS IN BRIEF	145
PERSONAL	145
THIS WEEK'S SURVEY	146-147
SPECIAL FEATURES—	
Industrial Peace: The Need of the Hour	142
London Letter	147
On The Arena	148
Manchester Letter	153
Economic Trends in Britain	164
CHAIRMAN SPEECH—	
Associated Cement Cos. Ltd.	160-161
MONEY AND BANKING	150
NEW PUBLICATIONS	152
LABOUR	154
SUGAR	156
JUTE	158
ENGINEERING	159
NEW PRODUCTS AND PROCESSES	165
COMMERCE AND INDUSTRY	168
COMPANY MATTERS	170-171
MARKET REPORTS	172-174
MISCELLANEOUS STATISTICAL INFORMATION	175-176
STOCK AND SHARE QUOTATIONS	177-184
WEEK'S STOCK EXCHANGE TREND	183

that there is "no overwhelming disagreement" between Tatas (who, not long ago, estimated the 1966 steel demand at 8 million tons) and the planners (who have estimated it at 9.5 million tons) is thus welcome.

But what detracts from the force of this admission is the fact that Mr. Jehangir Ghandy has pleaded, in the same breath, for a lower steel-making capacity than the 10.2 million ingot tons laid down in the Draft Outline of the third Plan. This he has done on the plausible ground that secondary (engineering) industries could be more easily encouraged to produce, out of imported rolled steel (costing round Rs. 400 per ton), goods for export which could fetch as much as Rs. 3,000 per ton. But the snag here is that, if export markets for Indian engineering goods do not turn out to be quite promising, the country will have probably spent on imported steel in the third Plan period so much foreign exchange which could have been better utilised in creating new steel-making capacity. How unconvincing Mr. Jehangir Ghandy's proposition is, can be easily illustrated. Suppose 400,000 tons of rolled steel are imported every year during the third Plan period for the use of engineering industries. The import bill will then come to anything from Rs. 80 crores to Rs. 100 crores—an amount that could meet the foreign exchange cost of a new one-million-ton steel plant or of an expansion project in one of the existing plants. Mr. Jehangir Ghandy's argument that his proposition does not call for consideration, if new steel capacity "can be financed in part by foreign equity capital," can be deemed relevant only in the sense that there should not come about any excessive concentration of steel-making capacity in the public sector. The whole argument boils down to a question of imparting greater flexibility to the Industrial Policy Resolution so as to give private enterprise the chance to establish additional steel-making capacity in collaboration with foreign capital, on the ground that the national interests so require it. In view of the basic and strategic nature of the iron and steel industry and in view of the mixed character of the economy, it would be wholly in order for the private sector to ask for parity with the public sector in so far as the level of steel-making capacity in either sector is concerned. If Mr. Jehangir Ghandy had put forward such a plea, it would have been more understandable and impressive.

But all this talk about new steel capacity, be it in the public sector or in the private sector, has currently an air of unreality about it, for, as Mr. Jehangir Ghandy himself has laid bare, "there is a fundamental imbalance in our mineral resources." His speech is thus more notable for its treatment of the shortage in the supplies of coking coal and limestone—two of the most important raw materials required by the iron and steel industry. Since for each ton of steel, 1.5 tons of coking coal and 0.5 ton of limestone are required, any continued shortage in their availability will only retard actual steel production, as they have done in the last one year, and widen the gap between capacity and production. As for coking coal, its production is not expanding fast enough. Mr. Jehangir Ghandy, who revealed elsewhere that the T.I.S.Co.'s steel production last year had fallen short of its target by 20 per cent because of the shortage of coking coal, was on unassailable ground when he urged that the Government should review the policies governing the coal industry and eliminate the brakes on production. Since this industry requires Rs. 30 to Rs. 60 per ton in capital expenditure to put down a new mine, a large expansion of the output of coking coals can come about only if practical steps are taken by the powers-that-be to help private collieries secure fresh equity capital and also to enable them to plough back more of their own profits into expansion. As for limestone, it is noteworthy that Mr. Jehangir Ghandy has advanced a practical suggestion to the effect that the untapped reserves of limestone in the Sundargarh district in Orissa should be worked and that, for this purpose, railway facilities be made available. His point that the high cost of haulage would preclude exploitation of limestone reserves in remote areas like the Cutch peninsula, Madras, Rajasthan and Assam is not open to dispute. Since the reserves of flux grade limestone at a few places within easy reach of the present steel works have been greatly depleted, Mr. Jehangir Ghandy's plea for State assistance in opening up the Sundargarh district for limestone quarrying deserves to be expeditiously examined for appropriate action.

INDUSTRIAL PEACE: THE NEED OF THE HOUR

By V. V. Giri

GOVERNOR OF KERALA

TODAY we stand on the threshold of the third Five-year Plan. Two Plans have been completed, successful in certain spheres and not to that extent in some others. As one looks back at the progress we have been able to make during the course of a decade or so—ever since Planning came to be an important way to solve our economic problems and in getting the people out of the fetters of underdevelopment—the picture, in its broad perspective, is one of satisfaction and hope. No doubt there are many cases wherein possibly we could have done better and achieved a greater measure of success. Nevertheless, the achievements made so far are much and warrant an optimistic future.

In the industrial sphere, our success and progress have been something phenomenal and significant. But the full impact of this is yet to be felt. Why? We cannot ignore the fact that the problems facing us are of a colossal nature and are of gigantic proportions. Tackling too many problems and of such serious nature we find the fruits are not sufficient to meet the demands, which are also growing fast.

Be that as it may, the prime question of the hour, it is accepted on all hands, is the rapid industrialisation of the country. We cannot and need not go through the same travails as undergone by others in the past. One of the basic prerequisites to attain the necessary success is the creation of a good climate of co-operation between workers and employers, maintaining good industrial relations or promoting industrial peace, as it is often described.

How could we do this? Certainly by actual deeds and not by pious words. There should be a clear and broad understanding, both among the employers and the workers, that they will not resort to direct action and that differences and disputes between them will not lead to a strike or lockout. I may rather elucidate this point: I do believe that the weapon of strike is an inalienable right of the workers and I do not even for a trifling moment suggest that the workers should do away with this last weapon in their armoury; but what I emphasise is this: they should restrict its use to the absolute minimum, almost to that extent as if it were non-existent. If the workers are bold enough and patriotic enough to do this, I have no doubt in my mind that there will be a definite change in the positive direction and new ventures would come into being and thereby solve many of the riddles and difficult situations confronting the State. The workers and employers should come to a gentleman's agreement in this regard. There should be a clear acceptance that resort to strikes or lock-outs will not be made under any circumstances.

In this connection, the employers too have a definite responsibility and should not consider such agreements by the workers as a sign of weakness on their part. The management should equally assure the workers that they would place their full emphasis and faith in collective-bargaining machinery and joint negotiations and will not have recourse to compulsory adjudication. In fact, I feel that, if the employers come out with a declaration of this kind, workers would only be too ready and glad to co-operate with them and assist them in securing industrial progress. In this regard, let our employers take a leaf from the past experiences which unfortunately are painful reminders of the cost which compulsory adjudication had entailed to themselves, the workers and the general community. Both parties—labour and management—should lay special stress on mutual negotiations and voluntary consultations. Internal settlement on a voluntary basis should be the keynote in solving all issues and differences between the workers and the management. Sometimes, I know, even with the best of intentions, they do not succeed and where they fail in their attempts at a general agreement, they can resort to voluntary arbitration. Here we can have a panel of names of conciliators and arbitrators, generally acceptable to both sides, whose services may be drafted whenever necessary to bring about a settlement between the contending parties. This will have the positive advantage over compulsory adjudication with its proverbial delays and the never-ending process of litigation.

As an advocate of the internal settlement—mutual negotiation and voluntary conciliation—I have always held my faith that it is better for both management and labour to settle their differences by themselves. My approach to the whole issue of compulsory adjudication is very clear and well known to all. Compulsory adjudication, while it might have been of some utility in the past, especially during war-time, has some attendant defects which, however much one may improve upon the machinery, shall remain inherent in it. It is common knowledge that any decision by a third party cannot be as good as one evolved from within and based on mutual trust.

What I stated in October 1952, when as Minister for Labour, Government of India, I presided over the twelfth session of the Indian Labour Conference, regarding compulsory adjudication, still remains true. The spirit of self-confidence and self-reliance engendered by healthy bargaining has given place to the habit of importunity and litigation. That is bad enough, but what is worse is the deplorable effect that this dependence on a third party has brought about in the outlook and attitude of the parties towards each other. In a system of straightforward bargaining, there is no doubt a keen struggle during the period of negotiation, but, except in the few cases that lead to a strike or lock-out, the parties conclude their bargaining in a spirit of "give and take"—in an atmosphere of goodwill and understanding. Neither party entertains any sense of humiliation or feels the urge for retaliation. Where one party has lost and the other won, the victor and the vanquished get back to their work in a sullen and resentful mood towards each other; and neither can forget nor forgive. The loser awaits the next opportunity to make good the loss, while the winner is carried away by a sense of victory which is not conducive to co-operation. Such an attitude of suppressed hostility in one party and of unconcealed satisfaction and triumph in the other may lead to transient truce but not lasting peace. Apart from this, the inevitable delays which such adjudication cases entail with a good deal of expenditure could hardly be afforded either by the workers or their organisations. Compulsory adjudication is a many-tiered system and one cannot be sure if one succeeds in the lower tribunal, for the other party might take the case to the higher courts. Instances are not wanting when the final decision in particular cases instead of marking the end of the disputes, provided the starting point of another. It is a vicious circle and should be broken through at some stage and at some point. And the best way to do this is to place our entire faith by the collective bargaining machinery.

While my friends agree that emphasis should be laid on mutual negotiations, they still would like to have compulsory adjudication in the picture. In my view, as long as compulsory adjudication exists as a machinery for the settlement of disputes, the voluntary system can hardly succeed. Unless compulsory adjudication is relegated to the background, the parties, during the periods of mutual negotiations or voluntary arbitration, I am afraid, will not place all their cards on the table but will reserve the "ace" one for the final game of compulsory adjudication. I am of the view that there is no need for the fear that there would be large-scale unrest in the industries, leading to chaos and anarchy by the total abolition of compulsory methods, for the State, as the supreme guardian of the vital services and law and order, can always have recourse to emergency legislation or ordinances. The Governor can appoint tribunals after giving opportunities to the parties to be heard and, if necessary, totally prohibit a strike or lock-out, if there is threat to the life and order of the community by such a dispute. I consider that it is compulsory adjudication that has seriously and adversely affected the healthy growth of trade union movement in the country. When the workers find that there is a machinery other than their own unions that would settle their disputes, they hardly have any faith in the necessity of it in their union. The removal of compulsory adjudication would, on the other hand, help in providing solidarity among the

(Continued on page 174)

MARKET GOSSIP

Mr. Kennedy Takes Over

AN important event of the week is the swearing-in of Mr. John F. Kennedy as the President of the United States. His inaugural address as the thirty-fifth President of the U.S. is an inspiring document that deserves to be read and re-read by all those who love the freedom of man and are anxious to preserve it. Businessmen in this country, whether they are industrialists, traders, brokers or jobbers, will, we think, find it profitable to spare a part of their precious time to read and digest the brief but really thought-provoking 1,350-word statement of President Kennedy. It is a masterpiece from the point of view of both language and ideas. President Kennedy is gentle but firm in expressing his determination to meet the challenge of international Communism. "Let every nation," he says, "know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and success of liberty." Political commentators have described President Kennedy as a young man of great talents, capable of providing dynamic leadership. His inaugural address provides a sample of that quality. It is singularly free from boasts and extravagant promises. There is in it a ring of humility, politeness and devoutness, qualities which are rarely found in any of the statements issued by the leaders of Communist countries. The fervent desire for peace and the imperative necessity for disarmament have been unmistakably brought out by the President, without showing any signs of appeasement. For he solemnly affirms: "We dare not tempt them (adversaries of democracy) with weakness. For only when our arms are sufficient beyond doubt can we be certain that they will never be employed." This quotation is particularly relevant to this country, in view of the large-scale depredations of Communist China in our northern borders.

The inaugural address of President Kennedy is only a general statement of intentions and broad objectives. Even so, it contains sufficient evidence that he is fully aware of the need for narrowing the gap between the have and have-not nations, as witness the following extract therefrom:

"To those new States whom we welcome to the ranks of the free, we pledge our word that one form of colonial control shall not have passed away merely to be replaced by a far more iron tyranny. We shall not always expect to find them supporting our view. But we shall always hope to find them strongly supporting their own freedom—and to remember that, in the past, those who foolishly sought power by riding the back of the tiger ended up inside.

"To those peoples in the huts and villages of half the globe struggling to break the bonds of mass misery, we pledge our best efforts to help themselves, for whatever period is required—not because the Communists may be doing it, not because we seek their votes, but because it is right. If a free society cannot help the many who are poor, it cannot save the few who are rich."

Having quoted the foregoing, it is necessary to supplement it by one more quotation, as it reminds the have-not nations of their responsibility to ensure the liberty of man:

"And so, my fellow Americans: ask not what your country can do for you—ask what you can do for your country.

"My fellow citizens of the world: ask not what America will do for you, but what together we can do for the freedom of man."

Is Mr. Kennedy asking too much of the nations which legitimately expect to be assisted by the developed countries in their attempts to eradicate poverty, disease and ignorance? Surely not. It behoves the leaders of this country in particular—here we refer not only to politicians but also to businessmen and trade unionists—not to resort to policies and practices which have even the remotest chance of giving quarter to Communism and other reactionary forces. The specific reference to India here is not merely because we are a part of it but also because of the key position it occupies as the bastion of democracy in Asia and the responsibility that goes with it.

Cheaper Money in W. Germany

Money in West Germany has now been made not only cheaper but also a little easier. On Thursday the 19th inst., the Bundesbank Council announced a cut in German Bank rate to 3½ per cent from 4 per cent to which level it had been reduced from 5 per cent on 10th November 1960; the total cut effected within a month and a half thus comes to 1½ per cent. Simultaneously, the Council also relaxed quantitative restrictions on credit by lowering the minimum reserve ratio in respect of resident deposits by 5 per cent. of their position in October 1959. As a result of this measure, about DM 450 million out of the total "frozen" non-interest-bearing minimum reserves of banks (estimated at DM12,800 million) are expected to be released. Justifying its decisions, the Bundesbank said briefly:

"These measures have been taken exclusively with an eye on the international interest gap. It is their purpose to ward off the continuing influx of foreign exchange and to smooth the way for exports of money."

The ½ per cent cut in Bank rate has been followed by a reduction of a like amount in the rates for money market paper. The so-called "swap" premium—that is, the margin paid on forward transactions in dollars required for transfer of funds to the U.S.—has also been lowered from 1½ to 1 per cent. The revised rates in percentage for money market paper are 3⅜ for 30—59-day bills, 3½ for 60—90-day bills, 3⅝ for six-month bonds, 3⅝ for twelve-month bonds, 3¾ for eighteen-month bonds and 3⅞ for 24-month bonds.

With the reduction in West German Bank rate from 4 to 3½ per cent (the lowest level since October 1959), the gap that existed between interest rates in West Germany and other countries has narrowed down further. It may be interesting to note here that the new Bank rate in W. Germany is only ½ per cent above the corresponding rate in the U.S. Nevertheless, it is difficult categorically to say whether the move will make exports of money such an attractive proposition for the German banks as to lead to any sizable fall in Bundesbank's foreign exchange holdings. For West German economy continues to be quite buoyant and money is still dear, with banks earning as much as 8 to 11 per cent on overdrafts. Again, the bonus which German banks get for keeping money in the U.S. has been reduced, as already noted. The only possible effect that one can think of is that there will be some further flow of German banks' short-term funds to Britain. There are two factors which point to this possibility. One is that Bank rate in Britain is markedly higher than in West Germany, being 5 per cent. The second is the relaxation in hire purchase restrictions (imposed at the end of April 1960) announced by the Board of Trade on the 20th inst. The maximum repayment period on goods such as cars, radio and TV sets, furniture and domestic appliances has been increased from two years to three years, though the quantum of deposit to be made by buyers remains unaltered. But it is quite possible that, very soon, Britain, too, may reduce the Bank rate further, in order to give a stimulus to its economy, parts of which (for example, automobile industry) are experiencing a recession. The lower Bank rate in Germany may, however, act as a restraint on the influx of hot money.

Investment Habit Spreads in Oceania

The trend of attracting the small investor to the stock market is not confined to the affluent societies of the West only. It is becoming popular in rapidly developing countries of Oceania, namely, Australia and New Zealand, too. The high levels of income and employment, combined with rising price levels, are responsible for the increasing desire to invest savings in shares and stocks. The discovery of new methods of investments such as Unit Trusts and Investment Clubs have helped to direct the new urge to invest into fruitful channels. The January 1961 issue of the *Quarterly Survey* published by the Australia and New Zealand Bank, Melbourne, carries an interesting account of the spread of investment habit in Australia and New Zealand. According to the *Quarterly Survey*, in the rapidly developing countries, the expanding industrial and commercial demand for capital, which are reflected in the extension of stock exchange lists and the frequent calls by established companies for further capital through public issue of shares, has been an additional stimulus for investments. In the past decade, the growth of Unit Trusts in Australia has been remarkable. These institutions now hold £A100 million in stocks and shares. Investment Clubs, which are of comparatively recent origin, have also begun to multiply in Australia. An interesting development of the investment club idea is its application to superannuation and retirement funds.

The growth of investment habit has been encouraged by the stock exchange authorities themselves. Some stock exchanges in Australia, as in the U.S., have shown themselves willing to allow, and even sponsor, certain forms of restrained advertising by their members. The Melbourne Stock Exchange, for instance, built a public gallery in 1956 from which members of the public could witness the allegedly mysterious operations of the Exchange. Similarly, the Sydney Stock Exchange built not only a public gallery but also a television screen on which passers-by could have a glimpse of stock exchange activities. Further, in several Australian cities a regular series of public lectures on stock exchange and investment practices are conducted. These lectures, which were well attended in the past, are still said to be attracting audiences.

Further stimulus to the spread of investment in Australia has been provided by schemes of investment by instalments, sponsored by various exchanges and share brokers, whereby the individual may contribute small amounts periodically for investment in Stock Exchange securities. This is also an imitation of the system in the U.S. where it is very popular. Such schemes now exist in most cities of Australia and New Zealand. They do not involve hire purchase or term payment methods, as the investor obtains ownership only of the securities for which he actually pays by each instalment. However, time payment purchase of stock exchange securities, whereby, on payment of a 25 per cent deposit, the remainder of the cost of the shares may be borrowed at interest on the security of the shares themselves, is possible. The increasing number of five-shilling shares in the market has facilitated these developments and has also played a direct part in attracting the small investor to the stock exchange.

Giving an account of the advantages of broadening share-ownership, the *Quarterly Survey* observes:

"In addition to obvious advantages to the individual, the community as a whole can normally expect certain benefits from the wider spread of share ownership. One is the greater equality of income that would be expected to develop gradually as many citizens of moderate means supplement their incomes by investment. As an objective of political policy—long recognised as desirable in democratic countries—such economic equality is presumably of social and moral value. Combined with this trend towards greater equality, a widespread interest in the community's business activities might also be expected to encourage greater economic stability in the community, because it cements the community of interest between various sectors represented as owners, managers and employees. Economic stability probably tends to encourage political stability, and reduces the risks of sudden disruptive changes of political policy."

The emergence of the small investor and the spread of investment habit have made the supply of investment advice and information of considerable importance. For even the desirable objectives of genuine investment and stable markets will not materialise if investors are uninformed and liable to give way to mass pessimism. There are already suggestions, points out the *Quarterly Survey*, that the Australian market is more volatile than formerly, because some new investors of small means tend to panic at their first experience of a fall in market. No doubt a long period of rising prices has made investors used to continuous rise in prices, so that any reversal takes them unawares and makes them disillusioned of their investments in equities. This danger is greater if they have been attracted to investment by tempting offers of "guaranteed return" of specified percentages from securities which, by their very nature, are subject to variable returns and also variable sale value.

Safeguards against such dangers are sought to be provided in Australia through law and voluntary effort. Specific education is being provided on investment by stock exchanges and other organisations interested in share markets. Companies seeking capital are also playing their part, particularly by improved forms of financial statements. The law also plays its part. Frequent amendments to company legislation in Australia in recent years illustrate advances in this field. A major development to which investors, joint-stock companies and stock exchanges in Australia are said to be looking forward with interest is the uniform legislation on companies which all the Australian States plan to place on the Statute Book this year.

Agriculture Fails China

What effects the Chinese agricultural debacle will have on that country's export trade? All countries, which have to compete with China in the world markets, are currently asking this question. In view of the meagre data available, it is, of course, difficult to make, with any degree of accuracy, an assessment of the possible repercussions of the decline in agricultural production on the pattern of China's foreign trade. Nevertheless, it can be safely presumed that shortage of raw materials and the certain impossibility of achieving the Plan targets pertaining to textiles, hosiery, tobacco, oils and fats, sugar, etc., are sure to influence China's export trade and its purchases of agricultural products abroad. How and to what extent China's trade will be affected will, of course, depend upon the extent of the damage to the crop and Government policies.

Chinese official pronouncements about the agricultural situation have little factual content in them. But it has been admitted, in no uncertain terms, that China is threatened with one of the worst famines in its history. Emergency measures such as rationing and bulk purchases of foodgrains abroad have been initiated.

No precise idea of the extent of the crop damage or severity of shortage has been made available to the outside world by the Chinese Government. But piecing together the information that has trickled down, Western observers have tried to give some idea of the danger which threatens the country and its people.

Last December, *Peoples' Daily*, the Chinese Communist Party newspaper, reported that more than half of China's cultivated area had suffered from floods, drought and insect plagues. Later this was confirmed officially. It is estimated that the drop in production might have been about 50 per cent. The Peoples' Government had claimed that, in 1958, China had harvested a record crop of 250 million tons of grains. It was claimed that, despite unfavourable weather, production had reached a new peak of 270 million tons in 1959. Apart from the admission that the agricultural targets were not reached in 1960, actual figures of production have not been published. Estimates by Western experts had put grain production in 1958 at 200-220 million tons and that in 1959 at 190 million tons. Having regard to the extent of the damage suffered by the crop last year, the 1960 crop is estimated to have been not more than 110 million tons. The setback to other agricultural crops, too, must have been of the same order. The seriousness of this situation can be correctly gauged only if it is viewed in the context of the rapid rise in population (3 per cent per annum or 17 million a year). Further, agriculture accounts for 70 per cent of the exports with which China pays for the heavy imports of capital goods from Russia and other Communist countries.

Some foreign observers are even questioning the explanation of the Peking regime for the sharp drop in farm production. They say that the chief culprit is not weather but the system of communes which is said to have failed miserably. One cannot say how far this report is correct, but it is quite a plausible one, for the communes are basically antagonistic to human nature.

Whatever the reasons, the failure on the agricultural front is expected to have far-reaching repercussions on China's programmes of industrialisation. It will add momentum to the move towards strengthening agriculture as the firm foundation for "socialist industrialisation" which has already set in. Less emphasis is likely to be laid on heavy industries, at least until such time as agriculture is placed on strong footing.

SHARE MARKET CHEERFUL

PRICES RISE FURTHER

(From Our Own Correspondents)

BOMBAY, *25th January*

THIS week's review of the share market covers only four working sessions, since the market remained closed on Saturday (succeeding day of the end of the account period) and in view of Republic Day tomorrow. During this brief period, the market put on a cheerful appearance and there were further additions to values of several counters. The buying fervour was strengthened principally by reports of expansion programmes in industries, rising trend of cotton textile offtake, hopes regarding an early official announcement of an increase (of Rs. 25 per ton?) in retention prices for steel, and firm advices from Calcutta. The improvement in equity values would have been more marked but for the continued stringency in the money market (notwithstanding the total withdrawal of the deposit impounding scheme), the persistently increasing production cost and pre-budget uncertainties. Sugar shares, however, provided an exception to the general trend, thanks to the statement of the Maharashtra Chief Minister that sugarcane plantations attached to the joint-stock sugar mills would not be excluded from the land ceiling legislation. At lower levels today, there was scattered support to sugar shares. But the recovery was not perceptible, so that the closing rates were lower than those at the end of Thursday last week.

First class preference shares attracted some attention this week and tended to move up. Tata Powers strengthened by Rs. 5 to Rs. 1,100. Ravalgaons gathered Rs. 2.50 to Rs. 62.50. Indian Irons gained Re. 1.50 to Rs. 91, Kamanis 50 nP to Rs. 53, Indian Hume Pipes 20 nP to Rs. 56.50 and Premier Constructions (III) 8 nP to Rs. 5.32. Elphinstones were firm at Rs. 59, Gwalior Rayons (A's) at Rs. 104 and Hindustan Motors at Rs. 181.50. New Greats, however, encountered selling and declined by Rs. 5.50 to Rs. 99.50. National Rayons shed 50 nP to Rs. 69 and Madhusudans (B's) 88 nP to Rs. 5.12.

Tata Steels began the week firm at Rs. 144 and moved up thereafter to Rs. 147.50 yesterday and today before finishing at Rs. 146.75. The net gain over the week was Rs. 2.75. Indian Irons rose from Rs. 23.88 to Rs. 24.64, after being higher still at Rs. 24.72 today. Mukand Irons were well supported, the quotation advancing by Re. 1.12 to Rs. 23.24.

Textiles evoked good buying. Standards hardened by Rs. 17 to Rs. 1,022. Morarjees spurted by Rs. 13 to Rs. 328. Centurys recorded a rise of Rs. 13.50, today's closing rate being Rs. 477.50. Kohinoors jumped up by Rs. 8.50 to Rs. 277.50. Central Indias, Elphinstones and Shree Niwas strengthened by Rs. 6 each to Rs. 104, Rs. 63 and Rs. 240, respectively. Svadeshis put on Rs. 5 to Rs. 239.50. Khataus gained Rs. 3.75 to Rs. 442.50, Simplex Rs. 3 to Rs. 168, Tata Mills Re. 1.25 to Rs. 41.25 and Podars Re. 1 to Rs. 135. Bombay Dyeings improved by 50 nP to Rs. 60.60. Finlays were fully maintained at Rs. 330, as also Indores at Rs. 130 and India United at Re. 1.58.

Sugars, as already stated, encountered selling and drifted lower. Walchandnagars fell by Rs. 13.50 to Rs. 230. Belapurs receded from Rs. 313 to Rs. 290 on Friday the 20th inst. After recovering to Rs. 315 today, they finished easy at Rs. 306.50. The net loss over the week was Rs. 6.50. Phaltans dropped Rs. 3.50 to Rs. 153. Maharashtra Sugars eased by Re. 1.50 to Rs. 197. Bhopals were neglected at Rs. 29 and Changdeos at Rs. 29.50.

In the cement section, Associated Cements, which had risen from Rs. 150.75 to Rs. 151.50 early in the week, sagged to Rs. 150.50, following the Chairman's statement at the annual meeting that the official price policy for cement would affect the Company. Digvijays, however, rose by a rupee to Rs. 150. Jaipur Udyogs improved by 38 nP to Rs. 11.56. Ashokas Increased by 20 nP to Rs. 9. Sone Valleys gathered 8 nP to Rs. 484. Orissas were fully steady at Rs. 13.72.

Bank shares were generally firm. Barodas climbed up by Rs. 9.50 to Rs. 95.50. Bank of Indias advanced by Re. 1.50 to Rs. 115.50, 'A' shares improving by Rs. 2.50 to Rs. 120. Punjab Nationals gained 4 nP to Rs. 19.64. Unions were maintained at Rs. 6.32 and United Commercials at Rs. 85. But Central Banks declined by a rupee to Rs. 56, 'A' shares easing from Rs. 61 to Rs. 59.50.

Automobiles were irregular. Premiers advanced by Rs. 6.75 to Rs. 167.50, due to expansion programme and on reports that the production of vehicles in the second half of 1960 was higher at 6,375, as against 5,220 in the corresponding period of 1959, while Hindustan Motors softened by 4 nP to Rs. 19.56. In the shipping group Scindias fluctuated between Rs. 14.72 and Rs. 14.44 before winding up at Rs. 14.52. Great Easterns were unchanged at Rs. 15. India Steamships eased by 15 nP to Rs. 9.25.

Induced by renewed buying support, engineering shares continued to march forward. Alcocks rallied from Rs. 253 to Rs. 260. Coopers and New Standard Engineerings rose by Rs. 4 each, the former to Rs. 163.50 and the latter to Rs. 168. Telcos rose from Rs. 290 to Rs. 296 on Monday and, after declining to Rs. 287.50 today, finished higher at Rs. 290, same as last week. Larsen and Toubros gained 75 nP to Rs. 35, Texmacos 40 nP to Rs. 23.32 and Mahindras 20 nP to Rs. 19.60. Premier Constructions were done at Rs. 193 *ex-right*, as against Rs. 278 *cum-right* last week.

In the miscellaneous section, Premier Tyres forged ahead from Rs. 73 to Rs. 99 and Ceat Tyres from Rs. 220 to Rs. 237.50. National Rayons picked up Rs. 6.50 to Rs. 488.50; at one time on Monday, they were higher still at Rs. 496.50. Bombay Burmans hardened by Rs. 4 to Rs. 554.50, Laxmi Starenes increased by Rs. 3.25 to Rs. 164 and Indian Hume Pipes by Rs. 3.50 to Rs. 164. Wimcos recorded a rise of Rs. 2 to Rs. 259. Asian Cables gained a like amount to Rs. 109.50. Tata Oils gathered a rupee to Rs. 73.50. Gwalior Rayons and Baroda Rayons put on 50 nP each to Rs. 42 and Rs. 124, respectively. Tata Chemicals were better by 12 nP at Rs. 17.52. Killick Industries were fully maintained at Rs. 99.50. Dyes and chemicals, however, suffered a setback in their values. Amar Dyes fell by Rs. 10 to Rs. 367.50. India Dyestuffs dropped Rs. 8.75 to Rs. 425. Synthetics and Chemicals receded by Rs. 6.50 to Rs. 127. Poly Chems declined by Rs. 5 to Rs. 215. Alembics shed 50 nP to Rs. 222 and Chemo-Pharmas 25 nP to Rs. 26. Colour Chems were quiet at Rs. 307.50. But Adarsh Chemicals met with special support and rose by Rs. 6.80 to Rs. 61. Dhrangadhras gathered a rupee to Rs. 122. Tata Chemicals were better by 44 nP at Rs. 16.20.

* * * *

Madras Stock Exchange

MADRAS, *24th January*

Steady conditions prevailed on the Stock Exchange during the week under review. There was a distinct improvement in turnover, particularly in cleared scrips. The sentiment of operators was influenced favourably by firm advices from Bombay and Calcutta. Textiles put on a cheerful appearance on reports of better internal offtake. The assurance given by the Textile Commissioner that requisite supply of raw cotton would be made available to mills imparted some strength. Teas elicited good enquiries on encouraging news from auction centres. Coffees and rubbers moved up in sympathy. Banks continued to be well maintained. Sugars looked up on hopes of a notable increase in production this year, following larger cane output. Electricals ruled generally steady. Several miscellaneous industrials attracted investment support.

In the textile section, South Indias met with good enquiries and spurted by Rs. 75 to Rs. 153.50. Lakshmis rose by Rs. 3 to Rs. 151. Coimbatore Spinnings hardened by Rs. 2.50 to Rs. 44. Bangalore Woollens and Dhanalakshmis were marked up by a rupee each to Rs. 196 and Rs. 216, respectively. Madurais improved from Rs. 35.62 to Rs. 35.80 before closing at Rs. 35.75. Kotharis put on 15 nP to Rs. 12. Coimbatore Cottons were maintained at Rs. 158.50, Coimbatore Pioneers at Rs. 335, Metturs at Rs. 369 and Radhakrishnas at Rs. 29.12. Premiers, however, lost Rs. 2 to Rs. 225. Buckinghams declined by 50 nP to Rs. 196. Travancore Rayons shed 10 nP to Rs. 33.10.

Among teas, Parksides gained a rupee to Rs. 28. Periakaramalais picked up 13 nP to Rs. 3.50. Blue Mountains rose initially from Rs. 3.88 to Rs. 3.95, but drifted lower towards the close to Rs. 3.93. Peermades were steady at Rs. 22.50, as also Hallerburias at Rs. 13.85, Nonsuchs at Rs. 26.25. Twyfords were fancied at Rs. 11.90 and Devasbolas at Rs. 30.50.

In the coffee section, Consolidated Coffees put on 58 nP to Rs. 22.50. Mysores Coffees gathered 6 nP to Rs. 5.40. Ouchterlonys were maintained at the last week's level of Rs. 4.55, after touching Rs. 4.60 earlier. Coffee Lands changed hands at Rs. 18.30. Amalgamateds were firm at Rs. 13.25, Rajendras at Rs. 14 and Anaparais at Rs. 4.70.

Rubbers were also generally strong. Cochin Malabars rose by 32 nP to Rs. 7.30, following the announcement of an interim dividend of 9 per cent taxable for the year ended February 1961. Tropicals put on 25 nP to Rs. 18. Kailas hardened by 3 nP to Rs. 5.22. Thirumbadis were firm at Rs. 1.48. The Company has maintained the dividend for the year ended September 1960 at 7 per cent taxable. Many other rubber scrips were steady at last week's level: Rajagiris at Rs. 19.05, Travancores at Rs. 10.40 and Malankaras at Rs. 18. Midlands, however, eased by 15 nP to Rs. 11.15.

In the sugar section, East India Distilleries were higher by 50 nP to Rs. 40. Indias picked up 15 nP to Rs. 12.85. Travancores strengthened by 15 nP to Rs. 10.55. United Breweries rose from Rs. 132 *cum-div.-cum-right* by Thursday, before closing at Rs. 87 *ex-div.-ex-right*. Cauverys fell from Rs. 139 to Rs. 137, before closing at Rs. 138. Deccans lost 15 nP to Rs. 14.80.

Electrics were rather quiet. West Coasts were unchanged at Rs. 13.10, Vellores at Rs. 12.90 and Cochins at Rs. 10.20. Salem Erodes were quoted at Rs. 11.66, as also Ellores at Rs. 16.55, Tinnevely-Tuticorins at Rs. 11.80 and Kumbakonams at Rs. 9.90. But South Madras declined by 10 nP to Rs. 9.70.

Among miscellaneous industrials, chemicals evoked good interest. Metturs improved by 15 nP to Rs. 12.90. F.A.C.Ts and Mysore Chemicals were fully steady, the former at Rs. 9.30 and the latter at Rs. 26.10. Travancore Chemicals were fancied at Rs. 15.50 *cum-div.*, following the announcement of an interim dividend of 7.5 per cent. taxable for the half-year ended September 1960. The Company proposes to issue 20,000 equity shares of Rs. 10 each at par to shareholders of equity shares as on 1st March 1961 in the ratio of 2 for every 13 shares held. Among cements, Andhras rose by 22 nP to Rs. 10.12. Dalmias were unaltered at Rs. 11.20. Indias, however, shed 3 nP to Rs. 5.94. Among others, Ashok Leylands moved up by 45 nP to Rs. 8.65 and Aluminium Industries by 15 nP to Rs. 22.10.

A GROWING ENGINEERING ENTERPRISE

The New Standard Engineering Company, Ltd. of Bombay is a public limited company with a fully paid-up capital of Rs. 75 lakhs. Its present annual output of machine tools, industrial plants, foundry equipment, structural fabrication, signalling equipment, air compressors, etc., is valued at a little more than a crore of rupees. A growing engineering enterprise, ever diversifying its production, this Company is now in the first stage of its expansion plan aimed at manufacturing Rs. 2 crores worth of goods in 1961-62 and Rs. 5 to 6 crores worth in 1965-66. The first stage has just been inaugurated by the Chief Minister of Maharashtra at Goregaon (near Bombay City) where the complete expanded works of the Company will be located. The capital equipment for the entire works has been secured, through the State Trading Corporation, from Poland at a cost of Rs. 20 lakhs on rupee payment basis. Although the cost of this Polish equipment is stated to be 25 per cent less than that of comparable German equipment, it is admitted that its standard of performance is somewhat inferior to that of the latter. This, however, does not detract from the fact that the New Standard Engineering Company has been fortunate in getting a wide range of equipment on a relatively cheap package contract including the layout of the plant. Although the Company has had no other choice in the matter of equipment, it is worthy of note that it has been able to secure the technical collaboration of five foreign firms—two German, two British and one Italian—for the manufacture of a new range of equipment like blow room machinery, pneumatic power hammers, electric furnaces, etc. Mr. J. V. Patel, Managing Director, who founded the enterprise in 1939 with a bare capital of Rs. 15,000, has every reason to be proud of its present dimensions.

When the first stage, namely, the structural shop, gets into full production, nearly 8,000 tons of structurals, overhead cranes, industrial plant and machinery, pressure vessels for chemical industry, oil extraction plants, etc., will be manufactured in a whole year. This shop alone will employ 600 workers. The next stage will be the construction of a modern foundry, with an annual capacity of melting 50,000 tons of grey iron castings and 3,600 tons of steel castings. This foundry will have more than 1,000 workers and use the cupolas and electric furnaces manufactured by the Company's own workshops. It will manufacture castings for machine tools, diesel engines, automobiles, textile machinery, etc. In the subsequent stages, a heavy machine tool plant with a forging plant will be set up for the manufacture of pneumatic power hammers and drop forges in collaboration with Messrs. B. & S. Massey Ltd. of Manchester; textile machinery manufacture will be taken up in collaboration with two German firms; and low frequency electric furnaces will be manufactured in collaboration with an Italian firm. It is also proposed to establish an industrial estate, as part of the Goregaon works, to promote the growth of small-scale industrial units. A polytechnic, providing suitable training to batches of over 200 trainees at a time, will be an adjunct to the Works. And the proposed industrial housing colony at Goregaon will complete the Company's expansion plan. The last three schemes—industrial estate, polytechnic and housing colony—reflects the imaginative and enlightened approach of the Company's Board of Directors. Perhaps, the greatest merit of the entire project will be its ultimate employment potential of upto 5,000 persons—a factor which, incidentally, shows that a whole range of engineering industries, using the iron and steel produced by the steel plants, can provide far greater employment at far less capital outlay than the latter.

PERMANENT MAGNETS LTD.

For the first time in India, permanent magnets, which are widely used in the making of telephones, phonograph pick-ups, railway signalling equipment, etc., will be manufactured by a factory at Borivili in Bombay early next year. This pioneering project has been sponsored by Permanent Magnets Ltd., a new company, in collaboration with the well-known Italian firm of Messrs. Centro Magneti Permanenti. The annual production capacity of the factory will be 180 tons (or about 3.6 million finished permanent magnets) valued at approximately Rs. 70-72 lakhs. Production of this order involves imports of Rs. 13 lakhs worth of nickel, cobalt, aluminium, electrolytic copper and pure iron. When in full production, the factory will meet the entire domestic requirements which are at present imported. Provision is being made to expand the capacity in keeping with the rising trend of demand. The sponsors are also working on a scheme to manufacture in the same factory "very special" alloy steels.

The aggregate capital outlay on the project is put at Rs. 25 lakhs, inclusive of Rs. 15.7 lakhs representing cost of equipment. The foreign exchange component of equipment is Rs. 14.3 lakhs, of which Rs. 12.5 lakhs are proposed to be met from a loan under negotiation with the Industrial Credit and Investment Corporation. The outlay will be met by the issue of 25,000 equity shares of Rs. 100 each, the authorised capital of the Company being Rs. 100 lakhs. The signatories to the Memorandum of Association, Directors and their friends will take up between themselves Rs. 10.71 lakhs and the foreign collaborators have agreed to contribute Rs. 2.91 lakhs; the collaborators will also be allotted Rs. 1.10 lakh worth of equity shares without cash consideration as compensation for technical know-how. The balance of Rs. 10.29 lakhs (10,290 shares) will be offered to the public. The subscription list will open on Monday, 6th February next.

NEWS IN BRIEF

THE two-year Indo-Pakistan trade agreement, signed in March last, will be reviewed by representatives of the two countries at a meeting in New Delhi next month.

The moratorium granted by the Government of India last month to the Indo-Commercial Bank Ltd., Mayuram, Madras, which was due to expire on the 24th inst., has now been extended by two more months.

The final draft of the third Five-year Plan is expected to be presented to Parliament by the middle of April next. Meanwhile, tentative suggestions are said to have already been given to the Central and State Governments regarding the schemes to be undertaken in the first year of the third Plan.

The Pande Committee on the project for the manufacture of "economy car" in the public sector is expected to submit its report in April. According to the proposals now received by the Committee, it is considered feasible to produce a small car at an ex-factory price of about Rs. 5,000.

The Tariff Commission has undertaken an enquiry into the pricing policy of indigenous manufacturers of fire-fighting equipments and the questionnaires for producers and consumers prepared in this connection are ready for issue. Those who want copies of the questionnaire are required to specify whether they are producers or consumers.

Both production and internal consumption of jute goods established fresh peak levels in 1960, according to the Jute Balers' Association. Total output was 1.07 million tons (as against 1.05 million tons in 1959), comprising 422,200 tons of hessian (453,000 tons), 540,700 tons of sacking (503,700 tons) and 104,200 tons (89,800 tons) of other goods. Internal consumption rose to 266,200 tons—the highest touched so far.

Oil India Private Ltd. has awarded to the British concern, Messrs. Whessoe Ltd. of Darlington, a contract for the supply and erection in Upper Assam of the plant required to condition crude oil before it is pumped through the 720-mile-long pipeline from the Nahorkatiya oilfields to the new refineries at Nunmati and Barauni. The contract, which was open to international tender, is valued at about £900,000.

The Union Ministry of Transport has issued a Press note, describing the current position regarding orders for the Hindustan Shipyard. Of the required orders for four vessels during 1961, the shipyard, it is said, has already secured two. The other two orders are expected to be placed very shortly. It is also expected that eight more orders will be placed on the yard during 1961—six by the Government shipping corporations and two by private shipping companies. These orders would keep the yard busy up to the end of 1963.

Out of the aggregate aid amounting to $50 million made by Canada under the Colombo Plan in the current year, the share of India alone is $22.8 million. The aid to India includes supply of aluminium, copper and nickel ($11.7 million), wheat ($7 million) and aid of $3.5 million to the Kundah hydro-electric project in Madras and $600,000 for the atomic reactor at Trombay. Wheat has already been sent, while metals are expected to be sent shortly. India will supply counterpart funds of a value equivalent to the Canadian contributions, to be spent on the projects concerned.

The Great Eastern Shipping Company of Bombay has signed an agreement with a Japanese firm, the Hitachi Shipbuilding and Engineering Company, under which the latter will build two big cargo motor-ships of 12,700 deadweight tons each for the Bombay firm. The ships, with a speed of 16.5 knots, will cost £851,000 each and are scheduled to be delivered respectively in January and February 1962. This is the biggest single shipbuilding contract signed between the two countries so far. As regards payment, the Great Eastern will borrow 85 per cent of the necessary foreign exchange through a private arrangement with a mercantile bank in London, while the Indian Government is understood to have agreed to release the remaining 15 per cent from its own foreign exchange funds. Under the terms of the contract, 5 per cent of the price of the ship will be paid when the export licence is obtained by Hitachi (expected in about a fortnight), 5 per cent at the time of keel laying, another 5 per cent at the time of launching and the balance of 85 per cent on delivery.

The census of population in the snow-bound areas has been completed, and the count in the rest of the country starts on 10th February. Provisional figures available from the snow-bound areas of the Punjab, Himachal Pradesh, Jammu and Kashmir and Uttar Pradesh put the population at 880,660, more men (52 per cent) than women (48 per cent)—459,911, as against 420,749. The percentage of women in individual areas is 48 in Jammu and Kashmir and Uttar Pradesh, 49 in the Punjab and 50 in Himachal Pradesh. On an average, 10 men and one woman out of every 100 persons are literate. Literacy in the Uttar Pradesh area is the highest, being 24 per cent, followed by 14 per cent in Himachal Pradesh, 13 per cent in the Punjab and six per cent in Jammu and Kashmir. In Anantnag tehsil of Jammu and Kashmir, there is not a single literate person in the population of 503. Literacy among women is very limited, only two per cent, except in the case of Jammu and Kashmir, where it is 0.2 per cent. Statewise, the population in the snow-bound areas is: Himachal Pradesh 395,333, Jammu and Kashmir 300,622, the Punjab 178,694 and Uttar Pradesh 6,011.

The Government of India has reconstituted the Technical Advisory Committee in the Department of Company Law Administration. The reconstituted committee will function for a two-year period. Besides Mr. D. L. Mazumdar who will continue to be the Chairman of the Committee, the other members are Messrs. N. R. Mody, S. P. Chopra, G. Basu, J. D. K. Brown, C. C. Shah, C. C. Choksi, J. M. Lal and P. L. Tandon. Simultaneously, the Government has reconstituted the Research Programme Committee attached to the Company Law Administration Department. The Committee's function is to advise the Department on the most fruitful lines along which statistics and other data on companies, now available, can be processed and analysed to serve as a basis for formulation of policy. During the last two years, this Committee has sponsored several research publications on different aspects of company management and finance. Besides the Secretary of the Department of Company Law Administration who will act as the Chairman, the members are some leading chartered accountants, economists and the Director of Statistical Research, Reserve Bank of India.

The Textile Commissioner has clarified for general information that the cancellation of the notification dated 29th September 1960, fixing a flat pattern of production for weaving, hosiery and knitting yarns for all the worsted spinning mills in the country, has been synchronised with the issue of orders to individual mills fixing a pattern of production of different types of worsted yarn, namely, weaving, hosiery and knitting, for them. The overall pattern of production envisaged in the original notification, according to him, has been generally ensured by the issue of orders to individual mills. The issue of orders to individual units was warranted by considerations of technical equipment, past performance, etc. Apropos the report that the price of 2/22s yarn from 70s top had dropped during September-November on account of the issue of the notification referred to above, the Textile Commissioner says: "This yarn is used principally by the hosiery industry and the ex-factory prices of the different varieties of hosiery yarn have been statutorily fixed. The overall pattern of production for different types of yarn generally remaining the same, although the flat pattern of production has been withdrawn, the weaving industry is ensured of the same availability of yarn as was envisaged under the original notification."

The Uttar Pradesh Government has fixed minimum rates of wages for adult employees of tea plantations in the Almora and Garhwal districts of the State. The rates are one rupee per day or Rs. 26 per month for plantations in Berinag and Chowkorie areas in Almora district and 66 nP per day or Rs. 17.16 for plantations in other areas of Almora and Garhwal districts. The month shall be of 26 days. The rates include basic wages, dear food allowances and the cash value of concessions in respect of supplies of essential commodities. The wage fixation follows the U.P. Minimum Wages Advisory Board's recommendations made in March 1958. An enquiry preceding the consideration of minimum wages by the Board had revealed that 46 per cent of plantation workers of these districts, barring those of the Berinag and Chowkorie areas, got less than Rs. 10 a month and in some cases the wages were as low as one and a half anna a day. The market rate of wages for unskilled workers at the same time varied from 12 annas to Rs. 2 a day in these areas. At the time of the survey, nearly 400 labourers were employed by ten tea estates in Almora and Garhwal districts. The Government is also considering the recommendation of an enquiry committee for revision of minimum wages fixed earlier for various employments.

* * * *

From Abroad

The Ceylon Government has decided to lift the ban on exports of fresh coconuts, which was imposed in 1957. Exports of fresh coconuts will, however, be limited to 30 million nuts a year.

Russia has renewed its agreement with the Diamond Corporation, the De Beers subsidiary of the U.K., under which the Corporation is the sole agent for the sale of Soviet diamonds in the non-communist world. The agreement will be valid for one year. Details of terms have not been made known.

Indonesia has called upon the big three foreign oil companies operating in the country, namely, Shell, Stanvac and Caltex, to contribute a part of their profit to the nation's first eight-year development plan. The Plan, envisaging a total expenditure of $5,500 million, was inaugurated on the 21st inst.

XXVIII INTERNATIONAL AGRICULTURAL FAIR

Novi Sad—Yugoslavia

from 29th April to 8th May 1961

PERSONAL

HER Majesty Queen Elizabeth II arrived at New Delhi on Saturday last week, accompanied by the Duke of Edinburgh, on a goodwill tour of India lasting for about four weeks.

Mr. Ranchhoddas Jethabhai and Mr. Hasham Premji have been elected President and Vice-President, respectively, of the Rice Merchants' Association, Bombay, for the current year.

Dr. Aurelio Cerletti, head of the Medical and Biological Department and a member of the Board of Management of Sandoz Ltd., Basle, Switzerland, has arrived in India on a business-cum-lecture tour. He will represent the parent Company at the official opening ceremony of the new Sandoz factory near Thana, Bombay, on 4th February 1961.

Messrs. T. V. Baddeley, Krishnaraj M. D. Thackersey, Neville N. Wadia, G. D. Somani, M.P., Ramnath A. Podar, Radhakrishna Ramnarain Ruia, M. L. Tapuriah, S. P. Jain, Arvind N. Mafatlal, Naval H. Tata, Babulal Puranmal Bubna, F. H. Kemple, C. H. Campbell, Chandrakant Mulraj Khatau, J. J. Ashar, A. N. Haksar, Pallonji Shapoorji Mistry, Pratapsinh Mathuradas and Gopikisan Piramal have been elected to serve on the Committee of the Millowners' Association, Bombay, for the year 1961.

West Germany has agreed to grant a credit of D.M. 150 million to Pakistan, following the visit of President Ayub Khan to that country last week. The amount will be used for financing the first two years of Pakistan's second Five-year Plan. The loan will be given from the development loan fund, which is being set up by the Government by drawing the capital from various sources.

Representatives of the silk industry from 24 countries, including India, will attend the Eighth Congress of the International Silk Association to be held at London from 12th to 16th June 1961. The subjects that will be discussed at the Congress include action to prevent misuse of the term "silk," methods of forecasting cohesion of raw silk during processing, estimation of supplies of raw silk needed to meet developments in world trade and publicity campaigns of various kinds.

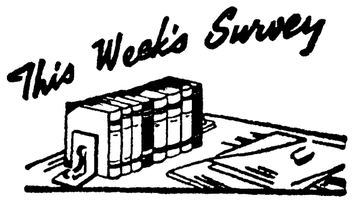
Sharply rising imports of jute products into West Germany forced a large jute processing plant to close down and dismiss its workers, according to a report from Bonn. Imports of jute products (of which a large part comes from India and Pakistan) rose to DM 36 million during the first nine months of 1960, which were higher by 57 per cent, as compared with the corresponding period of 1959 when they aggregated DM 23 million. Imports now account for 42 per cent of the West German output of jute products, as against 29 per cent in 1959.

The Government of Ceylon proposes to implement three schemes to develop tea industry. These cover (*a*) establishment of State-owned estates to compete with private plantations, (*b*) opening of over 2,000 peasant colonies to plant tea, each peasant getting two acres of land and a house, and (*c*) "collectivisation" of the process of manufacture. The Government is also considering the possibility of setting up a Rs. 15-lakh factory to manufacture crystal tea. It has already stopped exports of tea seeds to India and China.

Common Market countries increased their imports by 24.7 per cent and their exports by 21 per cent during the first three quarters of 1960. Imports rose to $21,740 million, as against $17,431 million in the same period in 1959. Exports rose from $17,918 million to $21,684 million. The six countries together had a foreign trade deficit of $56 million, as against a surplus of $487 million last year. The E.F.T.A. countries recorded a 17.6 per cent rise in imports and a 10.8 per cent rise in exports during the same period. Their foreign trade deficit increased from $2,162 million in 1959 to $3.378 million in 1960's first nine months.

The U.K. Government proposes to make a fresh representation to Ceylon against the latter's Bill which seeks to empower the Government to acquire petroleum installations through a Ceylon Corporation financed by Government capital and to fix the price of petroleum products. Both the British and U.S. Governments had already expressed their concern to the Ceylon Government about the implications of the measure. But the Ceylon Government does not seem to be reconsidering the proposed legislation. The oil companies affected by the Bill are Shell-B.P., Stanvac and Caltex, which have fixed assets, such as installations, pipelines and transport in Ceylon worth about £3.5 million. At present, Shell-B.P. handles about 80 per cent of the total oil trade of about one million tons a year, the balance being shared by the other two companies.

The first plant in Britain to make polypropylene, the lightest of all commercially available plastics, is now in full production at Wilton, England. It is the latest to be included in the huge complex of chemical plants on the 2,000-acre site of the Imperial Chemical Industries at Wilton, which, so far, has involved a capital expenditure of more than £120 million. Polypropylene is yet another of a variety of materials which are produced from the great oil cracking units which I.C.I. has set up on the site. The Company is now marketing its own brand under the name of *Propathene*. It will stand up to a great range of temperatures, is highly resistant to oils, fats and greases, is easy to mould and extrude and gives articles good strength and finish. It is used at present for household appliances, hospital-ware, textile accessories, toys, radio and television components and chemical plant valves and closures, though its range is capable of considerable extension.



AUTOMOBILE ANCILLARY INDUSTRIES

THE All-India Automobile and Ancillary Industries Association, like the Development Council for Automobiles, Automobile Ancillary Industries and Transport Vehicle Industries, is less than two years old. It has been in existence for the last 14 months and, at its first annual general meeting over the week-end at Bombay, it could report a membership of 62 units out of the 90 ancillary units licensed under the Industries (Development and Regulation) Act. These units seem to be medium-scale ones, for the more numerous small-scale units are outside the Industries Act and thus, probably, not members of the Association. The performance of the ancillary industry (in which there were only 45 units in 1958, accounting for a total output valued at Rs. 5 crores) has greatly improved in the last two years with the licensing of 45 new units. Many of these newer units have gone into operation, producing not only more of the previous ancillary items but also some new items like starter motors, dynamos, electrical accessories, wheels and rims, and dashboard instruments. All the older and newer units together (excluding the ones producing batteries, tyres, tubes and ball bearings) accounted for a total production of Rs. 7.5 crores in 1959 and Rs. 9.0 crores in 1960. If the output in the small-scale sector is also taken into account, it is estimated that, in the last year, the entire ancillary industry produced goods worth Rs. 13 to Rs. 14 crores.

It should not be difficult for the industry to achieve a production of about Rs. 20 crores per annum in the next two years, as suggested by Mr. Manubhai Shah, Union Minister of Industry, who spoke at the Association's annual meeting. The increase in the allocation of foreign exchange to the ancillary industry from Rs. 1.8 crores in 1959 to Rs. 2.8 crores in 1960 has no doubt been substantial. But, if it is kept at the same level in the current year also, it may not be sufficient for a higher level of production. As the ancillary industry helps save a lot of foreign exchange by reducing the need for imported automobile components and parts, its own requirement of foreign exchange in the early years of its development may have to be more liberally provided for—say, at a third of the value of its estimated annual production in the next two years. The Association's plea for fixation of production targets for the main ancillary items and allocation of foreign exchange on capital as well as current account on that basis seems to be reasonable for the added reason that the industry will have to meet the service and maintenance requirements of the ever-increasing fleet of motor vehicles, tractors, stationary diesel engines, road rollers, etc.

It is not surprising that the Minister for Industry did not say anything definitely on the Association's suggestion that there should be a demarcation between the items to be exclusively manufactured by the main vehicle producers and those by the ancillary industry. The automobile industry has thus far developed on a verticle basis, in that each manufacturer has been trying to produce the various components himself, including those which are normally expected to be bought from the ancillary industry. This factor, like the absence of mass production, is calculated to increase the costs of production of automobiles now manufactured by four producers in the private sector and one in the public sector. The Minister's suggestion that each automobile manufacturer should set up an ancillary division to promote ancillary production in the small-scale and medium-scale sectors is only a partial solution to the difficult problem of uneconomic automobile production. The Minister referred with pride to the increasing indigenous content of the motor vehicles under production by comparing the c.i.f. price of the imported components (both finished and semi-finished) with the ex-factory cost of the vehicle in India. The present indigenous content is 51 per cent. for Standard Ten, 64 per cent. for Fiat 1100, 76 per cent. for Ambassador, 74 per cent. for Jeeps, 80 per cent. for Dodge-3 ton 165" W.B. truck, 77 per cent. for Mercedes-Benz 165" W.B. truck, and 66 per cent. for Leyland Comet 163". It would be interesting to know from the Commerce and Industry Ministry what is the relative contribution of the ancillary industry to the respective indigenous content of Indian automobiles. Such a break-up of the indigenous content may well lend added weight to the case for greater complementarity between the automobile industry proper and the ancillary industry.

AID FROM WORLD BANK AND I.D.A.

India can safely count on the World Bank and its affiliate, the International Development Association (I.D.A.), for large-scale financial assistance for the third Five-year Plan. This is the impression one gets from the observations which Mr. Joseph Rucinski, leader of the Bank mission, made at a Press conference in New Delhi last week. Mr. Rucinski could not, of course, possibly be expected to indicate the exact quantum of assistance. But he did hold out the assurance that the Bank would play a constructive role in ensuring that a sufficient number of "bankable" projects are prepared to facilitate its own operations and co-ordination with the members of the consortium (otherwise known as the Aid-India Club). It may be noted, in passing, that the main objectives of the World Bank's mission to India have been to prepare a report for consideration by the consortium at its meeting scheduled to be held at Washington early in April and to examine the projects for which the World Bank and the I.D.A. can extend aid. Besides the five original members of consortium (U.S., U.K., W. Germany, Canada and Japan), Sweden and Switzerland, we are told, have also been approached to join it. Italy, France and the Netherlands, too, are expected to come in.

The World Bank's assistance for the third Plan, according to Mr. Rucinski, would cover projects in both the public and private sectors. The most important among the former are railways, power schemes in the D.V.C. and Bombay areas, and development of Calcutta Port and a subsidiary port near it, that is, Haldia. In the private sector, the Bank is expected to give assistance to programmes designed to raise coal and steel output. The Industrial Investment and Credit Corporation, which helps industries in the private sector, may also be assisted. As for the aid from the I.D.A., Mr. Rucinski gave the following information:

"The problem of providing road transport is becoming more and more important. One of the main questions is the development of highways. If this project is worked out, it will fit in quite well with the overall projects which we intend to finance through the I.D.A. The I.D.A. finances a certain percentage of costs of projects. It is a tremendous field in which the needs of the national highways, provincial highways and district highways have to be met. While we cannot go into the details at this stage, I can only say that it can form a basis for I.D.A. operations. One of the Bank experts is coming to India shortly to see the highways in the various States. The second possible field for I.D.A. operations will be the agricultural sector. We have received from the Government of India a number of suggestions and hope that the Bank experts on agriculture will investigate some of these. They cover things like land reclamation, small irrigation projects and drainage which directly affect agricultural production as well as rural electrification."

To the extent the I.D.A. renders assistance to India, the balance of payments position will ease in the coming years. The I.D.A. assistance will particularly help the implementation of the less remunerative but essential projects such as roads, small irrigation, land reclamation and rural electrification. The I.D.A. loans, as readers are aware, are more flexible than World Bank loans. The I.D.A., for instance, will finance to a certain extent the cost of the project (foreign exchange and local currency components), whereas the World Bank finances only the foreign exchange costs. Again, the I.D.A. loans are for much longer periods (at least 15 years) than the Bank. What is more, the loans will be free of interest, there being only an administrative charge (yet to be determined).

WORKS COMMITTEES

The one-day seminar on Works Committees held in Bombay City on the 22nd inst., under the auspices of the Central Board of Workers' Education, should go some way towards helping both management and labour to take more interest in the functioning of Works Committees, which are intended for the discussion and settlement of day-to-day grievances of workers and promotion of measures for securing amity and good relations between them and management. If these Committees have not proved a success in this country, it is because of the inadequate appreciation of their importance and the lack of the right attitude towards them.

It is now generally conceded that Works Committees have been a failure in this country. This is because both employers and workers have somehow come to look upon Works Committees with suspicion. They are, of course, not opposed to the objective of Works Committees, but there seems to be considerable misunderstanding of their exact scope and functions. Seminars like the present one are therefore of great educative value and can do much to clear up the misconceptions and transform Works Committees into effective instruments for promoting good labour-management relations.

Inaugurating the Seminar, Mr. R. L. Mehta, Joint Secretary, Union Ministry of Labour, observed that Works Committees were the first step towards associating workers with management. They would also help restore to workers the individuality, dignity, self-respect and interest in their work which the transition from small-scale business to the complicated industrial structure of today had destroyed. If these committees had been only partially successful in this country the fault lay, explained Mr. Mehta, with both employers and employees. He advised the employers not to look upon Works Committees as encroaching upon their domain as controllers of industry. His advice to trade union leaders was that they should not regard these Committees as rivals to their unions. The greatest danger to Works Committees, he warned, was likely to come not from without but from within, in the shape of disunity and dissension among the employees. It was this danger, more than anything else, which was likely to imperil the future prospects of Works Committees.

Apprehension that Works Committees will weaken unions has been one of the principal reasons for trade union leaders not showing much interest in their working. This fear is not warranted, because the Committees are not supposed to deal with subjects which fall within the purview of collective bargaining. The Tripartite Committee appointed by the Indian Labour Conference to go into the functions of Works Committees had drawn up an illustrative list of subjects which they should normally deal with. The list included (1) conditions of work such as lighting, ventilation, etc., (2) amenities such as drinking water, (3) safety and accident prevention, (4) adjustment of festival and national holidays, (5) administration of welfare and fine funds, (6) educational and recreational activities, and (7) implementation of decisions arrived at meetings of Works Committees. Such major questions as wages and dearness allowance, bonus and profit-sharing, rationalisation and fixation of work-loads, retrenchment and lay-off, incentive schemes, etc., which are settled by mutual negotiation and collective bargaining, were classed as questions outside the scope of Works Committees. If this classification is observed in practice, the apprehension in the minds of workers could surely be dispelled. Above all, Works Committees can succeed only if trade union rivalries are kept out of their sphere.

COCONUT INDUSTRY

Significant though has been the place of coconut in the Indian economy as one of the important sources of fat used both for edible and industrial purposes, adequate attention has not been given to the promotion of its cultivation and development. It was only a few years ago that the Central Government began to display some interest, but its efforts have yet to make an impression on the industry's progress. It is not, therefore, surprising that there has been a substantial shortfall in coconut production during the second Plan period. In his address at the annual meetings of the Indian Central Coconut and Arecanut Committees at Madras, Mr. V. Shankar, Special Secretary to the Ministry of Food and Agriculture, who is also the President of the two Committees, disclosed that the achievement in the production of coconut and arecanuts would be less than 50 per cent of the targets fixed for them in the current Plan. The output of coconut is expected to be of the order of 3,700 million nuts in 1960-61, as against the target of 8,700 million nuts. If we follow the Planning Commission's figures (as is given in the Draft Outline of the third Plan), actual production in 1958-59 was 4,455 million nuts and is expected to be higher at 4,500 million nuts in 1960-61, which compares with 3,800 million nuts at the end of the first Plan. It is possible that the figures given by Mr. Shankar for 1960-61 are the revised estimates and perhaps more reliable than those given in the Draft Outline. In any case, it is obvious that, whichever figure is taken into account, the conclusion that actual performances at the end of the second Plan will fall far short of the target is not vitiated. If the figure mentioned by Mr. Shankar is accepted, it will be seen that production in the last year of the second Plan is lower than that even at the last year of the first Plan.

The inevitable result of lower production in the face of growing demand has been a sharp increase in prices, which is detrimental to the interests of consumers of coconut oil. The latest available rate for coconut oil at Cochin, for instance, is Rs. 261 per quintal, as against about Rs. 216 a year ago. Imports are restricted but, in view of the shortfall in domestic production, the Government has found it necessary to permit large imports. In the nine months ended 30th September 1960, for instance, the value of these imports was as sizable as Rs. 9 crores, which compares with about Rs. 12 crores for the whole year 1959.

In the rest of the world, the position of coconut oil and copra is in striking contrast with that of India. Thanks to a comfortable supply position, following a handsome increase in production in Ceylon, the Philippines and Malaya, prices have sharply come down. Philippines copra, for instance, is quoted (as of mid-January 1961) at $171½ per ton, as against $265 a year before. In the London market, coconut oil (Straits 3½ per cent) is quoted at £93½ per ton, as compared with £134½ twelve months earlier. The higher prices in India in the face of lower prices elsewhere in the world place consumers in India at a great disadvantage. They constitute one of the reasons for the growing inability of Indian maufacturers to compete abroad.

The State Governments concerned have been indifferent to the need for developing coconut production for which several States are well suited. Of late, however, steps are being taken to make amends for past lapses. In Madras, for instance, waste lands in coastal Ramnathapuram district are being parcelled out to landless poor families and repatriates from Ceylon at the rate of five acres per family. Some financial assistance is also being given. Mr. M. Bhaktavatsalam, the State Minister for Agriculture, who inaugurated the aforesaid meetings, observed that this scheme was becoming popular, and therefore, the Government proposes to draw up a more comprehensive programme of extending coconut cultivation over 10,000 acres in the coastal areas of Ramanathapuram and Tirunelveli districts. He hoped that the Central Committee and the Union Government would give substantial assistance to this venture.

Some of the doctrinaire policies followed by the Governments have certainly contributed much to the setback in coconut production. The scare of ceiling on land holdings seems to have already made the owners of coconut plantations chary of investing in this enterprise. Mr. Shankar did well to draw particular attention to this question. He favoured the exemption of coconut plantations from the proposed legislation in States on ceiling on land holdings. There is hard common sense in Mr. Shankar's stand, as ceilings will only tend to retard productivity by forcing well-managed plantations to be broken into small ones. This "reform" will engender among the existing owners a sense of despair and negligence, which in turn will lead to a deterioration in the productivity of coconut trees. Apart from exempting coconut plantations from land ceiling legislation, the expansion of coconut cultivation will depend on the provision of adequate fertilisers, irrigation facilities and credit to needy cultivators. Measures for eradication of pests and plant diseases should also be given high priority.

PRODUCTION BEYOND LICENSED CAPACITY TO BE PERMITTED

The Government of India has decided to permit increase in production in manufacturing units beyond the licensed capacity, provided the additional production is achieved within their foreign exchange allotment. This step has been taken to encourage further industrial production in the country. When the increase in production beyond licensed capacity is achieved, this should be brought to the notice of the Ministry of Commerce and Industry and the Development Wing for purposes of regularisation and registration.

It may be recalled that the Government had taken steps to simplify the licensing procedure and facilitate a higher level of industrial production. In February 1960, it announced a list of 49 industries in respect of which licences for setting up fresh capacity would be issued freely. Subsequently, in June 1960, it was decided that, in cases where production could be increased without installing additional plant or machinery, except balancing equipment, the requisite licences should be granted without prior reference to the Licensing Committee.

PULL AND PUSH

(From Our Own Correspondent)

LONDON, 20th *January*

THE Government's announcement this week of an easing of the restrictions on Hire Purchase is, of course, another way of saying that credit is to become easier—not only on consumer goods but on articles such as motor cars, aircraft and ships, all of which have been affected by the previous restrictions. These articles can now be purchased on three years' terms. The general supposition is that this easing will be followed by a further reduction in Bank rate and the fact that the German Bank Rate has just been cut from 4 per cent to 3½ per cent, the lowest level since October 1959, adds strength to this view. Yet, although this easing on credit can help industrial investment, it is recognised that its main impact will be on the consumer goods industries—it is a way of trying to revive public demand for domestic and engineering equipment and private motor cars, all of which industries are working on short time. But this is the puzzling aspect of the whole matter, for the Chancellor has only recently warned against inflation and it is difficult to see how the easing of consumer credit reinforces this warning.

LONDON LETTER

We are now in the season of Bank speeches, and the Chairman of Lloyds Bank Ltd., Sir Oliver Franks, who was also a member of the Radcliffe Committee on Banking, has had some very pertinent things to say on this matter of regulating the economy by financial controls. Like all good bankers, he dislikes direct financial controls which operate indiscriminately on all credit operations. He obviously resents that £25 million of Lloyds Bank cash should have been sterilised by the Bank of England in special deposits, and he sees nothing improper in countering the increase in special deposits by a reduction in the Bank's investment portfolio by £81 million to cushion the impact of advances. Actually Lloyds Bank advances increased in 1960 by £69 million, as compared with an increase of £121 million in the previous year. But these increases would not have been possible if Lloyds had not got rid of some of its gilt-edged.

Sir Oliver accepts the general analysis that the economic boom has "gone off the boil" and that there is the danger of the country heading for another period of stagnation, such as that which followed the end of the boom in 1954. He agrees with the Government that "there was a clear danger, if these trends (of 1959) continued, that (the economy) would soon be overloaded again as it had been throughout the years of inflation and intermittent sterling crises up to 1957." He is therefore one with the Chancellor of the Exchequer on the need to contain the level of home demand, because, he says, "the buoyant home market diverts some resources away from exports and blunts the incentive to businessmen to look for markets abroad. Reducing the pressure of demand will not produce exports automatically, but it is a necessary condition of an export drive."

But the analysis completed, Sir Oliver appears to disagree with the Government on the correct course of action. He disagrees with financial restrictions which he says serve merely to restrain demand without, in the short run, producing those effects on the economy which are also part of the prescription. The effects to which he refers are to produce the lowering of costs and a more efficient deployment of economic resources. Accordingly, and in order to *encourage investment* while restricting consumer spending, he would like to see the mechanism of the Budget more freely used. Thus, instead of restricting credit, he would like to see taxes increased and, above all the purchase tax, because the latter restricts the sale of goods even to people who do not pay income-tax.

In the U.K., something like 60 per cent of the spendable income belongs to people with less than £750 per annum and only 5 per cent of the spendable income to those with more than £2,000 per annum. Hence, a restriction on spending must be directed towards the goods themselves rather than to particular income groups.

There is no doubt that Sir Oliver's prescription, namely, to devise means for restricting private spending and increasing investment spending, is right when the country's need is to both avoid inflation and expand investment. But how does this make sense with the Government's lifting of restrictions on Hire Purchase which, although admittedly they cover ships and aircraft as well as consumer durables, will increase consumer demand and not investment demand. Once again, the Government appears to be looking at the whole question of economic control in over-simplified terms. Short time is growing in industry, yet, at the same time, the danger flag of inflation remains unfurled and the Chancellor urges an export drive. It simply does not add up to a policy at all.—*All Rights Reserved.*

WORLD BANK BORROWS FROM WEST GERMANY

The World Bank has arranged to borrow the equivalent of about $196 million from the Deutsche Bundesbank (the Central Bank of Germany). The borrowing replaces World Bank note issues aggregating $148 million in U.S. dollars and D.M. 200 million (equal to about $48 million) now held by the Bundesbank, which are due to mature over the twelve months beginning 16th January 1961.

As evidence of its indebtedness to the Bundesbank, the World Bank will issue notes dated 16th January 1961 and bearing interest at 3½ per cent a year. The new notes will be divided as follows: $75 million of U.S. dollar notes and D.M. 100 million of Deutsche Mark notes maturing on 1st August 1964; and $73 million of U.S. dollar notes and D.M. 100 million of Deutsche Mark notes maturing on 1st February, 1965.

The average maturity of the new notes is three years and ten months. The issues to be retired have an average remaining maturity of seven months.

THE CENTRAL BANK OF INDIA, LIMITED

(ESTABLISHED DECEMBER, 1911)

Head Office: **MAHATMA GANDHI ROAD, FORT, BOMBAY-1**

Authorised Capital	Rs.	6,30,00,000
Subscribed Capital	Rs.	5,77,50,000
Paid-up Capital	Rs.	3,15,00,000
Reserve Fund and other Reserves	Rs.	4,07,64,000
Deposits as at 31-12-1959	Rs.	1,80,63,64,000

DIRECTORS:

SIR HOMI MODY, K.B.E. *(Chairman)*,
COOVERJI HORMUSJI BHABHA, Esq. *(Vice-Chairman)*,
DHARAMSEY MULRAJ KHATAU, Esq.,
C. P. WADIA, Esq.,
CHIMANLAL BAPALAL PARIKH, Esq.,
SIR JAMSETJEE JEJEEBHOY, Bart.,
His Highness SIR JIWAJIRAO MADHAVRAO SCINDIA, G.C.S.I., G.C.I.E., Maharaja of Gwalior,
JAYKRISHNA HARIVALLABHDAS, Esq.,
SHIAVAX SORABJI KHAMBATA, Esq.

Branches and Pay Offices in all Important Commercial Centres of India, Pakistan and Burma.

LONDON BRANCH: 159, FENCHURCH STREET, LONDON, E.C. 3.
NEW YORK AGENTS: MORGAN GUARANTY TRUST CO., OF NEW YORK. THE CHASE MANHATTAN BANK.

N. K. KARANJIA,
General Manager.

ON THE ARENA

By The Archer

Committee to Step Up Savings

THE National Development Council has decided that, while the present financial limit of the third Plan should be Rs. 7,500 crores for the public sector, the physical programmes included in it should be for Rs. 8,000 crores. Of the gap of Rs. 500 crores between the financial and physical targets, Rs. 122 crores will be in the States sector and Rs. 378 crores in that of the Centre. It is intended that this gap should be covered to the extent that additional resources are raised, and that the balance, if any, should be carried over to the next Plan. It would seem that, arising out of this position, the Chief Ministers of States have attached great importance to the need for stepping up savings and have demanded that a committee should be set up to study all aspects of the matter. Accordingly a committee has been constituted with two Chief Ministers, a State Finance Minister, a State Planning Minister and the Union Deputy Minister of Finance. A representative each of the State Bank of India and of the Planning Commission are also in the Committee to which a representative of the L.I.C. may also be co-opted.

Judging by the composition of the Committee, I fear that its deliberations will be conducted on conventional lines and concluded with a report containing high-sounding exhortations to all sectors of society to contribute their utmost to savings, and *hukums* to all strata of public servants to engage themselves in concerted drives to achieve stated targets in their areas; there may be even a few shields and certificates of merit offered to the most successful among them. This ugly and uncouth word 'drive,' which crept into parlance during the war years when large sums of money were required to finance the Government's war efforts, has continued to stay to indicate the type of effort expected of revenue officials who are placed in charge of propaganda and mobilisation. It invokes an imagery of large groups of people in indolent quadrupedal motion, being driven from behind by shrieking and swearing propagandists, with prods in their hands, charging, poking and gesticulating, until the 'target' is reached. It corrupts both the giver and the collector, the former contributes only to seek relief from harassment and the latter gathers and asks for more only to save himself from embarrassment. The total achievement is, usually, not very spectacular. One has only to recollect what has been happening in past years as a result of 'drives' for State Loan subscriptions when large chunks of securities were offered in distress sales at a rupee or two below par, almost immediately after closure of the loans, to realise that the conventional method of employing intensive persuasion (almost bordering on compulsion) results only in fouling the climate. The case in regard to National Savings or Plan Certificates is also not far different when 'drives' are undertaken to achieve 'targets.' The practice of money incentives up to five per cent of face value being offered to prospective subscribers to get their applications routed through persons who had been given targets to complete is reported to have established itself in certain areas in the country. It will be bad for planned progress if this pre-investment *baksheesh* gets eventual recognition as legitimate rebate.

The point I wish to emphasise at this stage is that some new and positive steps should be taken to attract savings to Treasury Deposit Receipts, National Plan Certificates and the like, something which would veer investors to these types of securities as against the blind rush towards new equity issues far in excess of requirements for investment. On a former occasion I touched on this feature and mentioned that among middle-class investors there was persistent fear of inflation eroding into their savings and that, as a means of providing a hedge against such erosion, more and more people were taking chances on heavy subscriptions to new growth equities with hopes of securing allotments and quickly realising some capital appreciation. The threat to the real value of money in terms of its capacity to procure, at a future date, goods and services of the same quantum as at present, is so real in the minds of people nowadays that some new incentive should be offered to bring them round to invest in small savings schemes in a big way with confidence that there is reasonable protection against erosion through inflation. Such an incentive could be provided by instituting a system whereby the principal of each bond or certificate or security will be made repayable on date of redemption with an increase which will be based on the wholesale price index and cost of living index to which the principal was tied at the time of issue. If, however, instead of an increase in the index numbers there was reduction, and the real value of money had appreciated correspondingly, a clause could be inserted to the effect that there shall be a reduction in the amount repayable.

Index-tied loans have been in vogue in the Scandinavian countries and banks, and are reported to be still prevalent in Finland. When index-regulated bonds were introduced in that country in 1944-45, the index clause was worded as follows:

> "The amounts due for repayment, on each occasion, on the bonds mentioned in paragraph 1 above shall be increased by as many tenths of hundredths as the index figure for wholesale prices of domestic goods during the last month of March exceeds the figure of December 1944, counted in full tenths of one hundredth. If the index number mentioned above decreases and is lower in the last month of March counted in full tenths of one hundredth, than, in December 1944, the amounts due on the bonds shall be reduced correspondingly."

In 1953, Finland emitted a loan of five milliard marks and, since 1954, an index clause has been included in most of its Government loans. The indices used are the wholesale price index and cost of living index to which the principal amount of the loans and, in most cases, also the interest, have been tied. The interest rates have ranged from 5 to 8 per cent and the life of the loans from five to twenty years. Due to the fact that the rates of interest paid on these loans have been well above the rate allowed on savings and deposit accounts, the index-tied loans have been much in demand and the quotations have been fairly firm. According to special laws promulgated in this connection, the yields on and capital value of index-tied Government bonds are exempt from tax.

It would seem that an arrangement somewhat on the above lines will be fair enough under present conditions in this country. If Government is confident of arresting inflation and bringing down prices, it can get the benefit of the appreciation in the real value of money. If, however, it is unable to so conduct its affairs as to avoid inflation, it should, in accordance with its professed solicitude for the economic well-being of the people (the Welfare State concept), be prepared to protect them from the risk of the losses which they will incur when lending their private savings to the community. In any case, practically every person who has some money saved for the future is inflation conscious, and deeply critical of Government's policies which do not make adequate provision for the uncertainties of money value. The only way to bring out savings for purposeful utilisation in the country and to encourage further saving and less spending would be to provide indemnifications tied to indices. The Committee to step up savings has been constituted "to study all aspects of the matter." The most important aspect is what I have stated above. Will it study this aspect? Or will it get into the usual rut of suggesting new posters, booster advertisements, weeks for savings drives, and colourful *tamashas*, pageants and parades?

* * * *

Another Raspberry

Dr. Thomas Balogh, Fellow of Balliol College, Oxford, who worked for sometime as U.N. Consultant on inflation in Latin America, has just completed a two-month study of planning in India. He views India's economic situation as extremely precarious because of the disparity between the tremendous growth of population and the tardy rate of increase of national savings. He greatly appreciates the quality of economic thinking in this country which, in his view, is higher than in any other country he has seen, but (and the *but* is a hefty one) he declares that the idea of producing a low-cost "people's car" in India is absolute madness. What a raspberry from another distinguished foreign economist!

Significantly enough, these views are reported in a leading newspaper in a column adjacent to the one wherein the news item relating to the defence of the small car project in the National Development Council by Messrs. Morarji Desai and Lal Bahadur Shastri is also mentioned. The critics of the small car project are stated to include Messrs. Sriman Narayan, T. N. Singh, both members of the Planning Commission, and Mr. C. Subrahmanyam, Madras Finance Minister. (May God bless them!) They made the point in the context of the need for mobilising savings instead of encouraging people to fritter away their incomes on luxury items. Mr. Morarji Desai is reported to have stated that a small car produced for Rs. 6,500 could also be exported. (What a hope!) Mr. Lal Bahadur Shastri was of the opinion that the availability of a cheap car would have a tremendous psychological effect on the middle-classes, that the transport problem was increasing and that it was necessary for people to travel fast—by car and scooter. This is a new one from Mr. Shastri and I did not know that he concerned himself about psychological effects in taking economic policy decisions. Or was he misquoted? Could he have referred to the "pathological" effect? In the ultimate analysis, what the Government attempts to satisfy is the bourgeois vanity of the upper middle classes, and it is a very debatable point whether investment should be undertaken to increase the number of public transport conveyances or the number of privately-owned cars. Surely, the former will be more in keeping with the concept of the socialist pattern of life.

The Jha Committee has stated that the total demand for passenger cars in India is less than what some of the more economic producers of cars in overseas countries turn out in a single factory in one month. It is implied in this statement that the manufacture of passenger cars by an additional unit (while there are already three in number) is economically very unsound. The Jha Committee has also stated that the demand for cheap cars can be assessed only at 10,000 per annum. It is very doubtful if that demand will be a continuing one. It might fizzle out after absorption of the initial output as it will depend on several imponderable factors such as, to mention only two, the capacity of the mythical middle-class to save during inflation, and the acceptability of the type of car that will be produced. Does the Commerce and Industry Minister honestly believe that the decision to pursue so doubtful and controversial a project as the manufacture of baby cars is socially justifiable when investment undertaken to increase public transport buses will serve larger numbers at much cheaper rates?

The agitation for a cheap car or baby car can be no more disturbing to Government than the agitation for cheap motor fuel or cheap electric motors, fans, refrigerators, electric pulverisers and similar durable consumer goods. Indeed, a greater social purpose will be served if capacity was established for the manufacture of millions of cheap refrigerators which will help in conserving food, vegetables and milk for the middle-classes. It will be more in keeping with our philosophy of social justice, if we endeavoured to provide every family in the income group of Rs. 300 to Rs. 500 with cheap appurtenances like refrigerators, pulverisers and the like. If Messrs. Morarji Desai and Lal Bahadur Shastri can defend investment on manufacture of chocolates (and quite rightly too), they may, with confidence, vote for investment on labour-saving electrical gadgets, but not a people's car —a car of the people, manufactured for the people, by the people! What a slogan!

* * * *

The Benefits of Foreign Travel

The Finance Minister of Madras has indeed benefited by foreign tour. He has suggested that we should work longer hours and commence our working days earlier, say, at 9 a.m. instead of at 11 a.m., and all because they do even better in Germany. It is a pity that he has not suggested that we should cut down on our holidays also. The British people work from 42 to 46 hours per week and enjoy less than a quarter of the statutory holidays that we take off. And Britishers have established an affluent society which can withstand shocks which will perhaps pulverise us. It is, indeed, a pity that our so-called national pride has only resulted in producing a generation consisting mostly of introverts. It will be good for the country if more and more of our Ministers go abroad and see for themselves that the prosperities of the affluent societies are not the result of 'miracles,' but due to hard work, a deep realisation of social justice and a deeper recognition of the true values of life.

Medium Section Mill—Bloom reheating furnace and Mill run-in table

Construction and operation proceed side by side at Durgapur Steelworks ISCON's Medium Section and Merchant Mills—the final unit of the Rolling Mills Plant—are now well on the way towards completion. Three Mills were commissioned earlier last year and are in operation. The two new Mills will make a considerable addition to Durgapur's productive range.

ISCON

INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Davy and United Engineering Company Limited. Head Wrightson & Company Ltd. Simon-Carves Ltd. The Wellman Smith Owen Eng. Corp. Ltd. The Cementation Company Ltd. Associated Electrical Industries (Rugby) Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Associated Electrical Industries (Manchester) Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. Iscon Cable Group (Siemens Edison Swan Ltd. and Pirelli General Cable Works Ltd.)

BRITISH COMPANIES WORKING FOR INDIA

BRITISH BANKING TRENDS

EFFICACY OF CREDIT RESTRAINTS QUESTIONED

LOWER LIQUIDITY RATIO ADVOCATED

THE results of most of the prominent British banks for 1960 distinctly reveal the impact of restrictive credit policies adopted by the Government of the United Kingdom. In order to meet the growing threats of inflationary pressures, the monetary authorities in the U.K. had raised the Bank rate in January 1960 from 4 to 5 per cent. In the month of April, controls on the terms of hire purchase were reinstituted and it was announced that, in two months' time, the clearing banks would be required to lodge special deposits with the Bank of England. Accordingly, on 28th April 1960, the clearing banks in England were asked to keep one per cent of their gross deposits with the Bank of England. Similarly, the banks in Scotland were told to keep ½ per cent of their gross deposits with the Bank of England. A lower rate was chosen for Scotland on the ground that it was a depressed area, needing more funds for development. The U.K. Budget for 1960-61 was also neutral in character, leaving the balance between Government expenditure and revenues almost unchanged. The Budget was thus designed not to have any expansionist effect on the economy. In June, the Bank rate was further raised to 6 per cent and a second call for special deposits was made, increasing the rate to 2 per cent. It was also stated that public investment in 1961-62 would be held down to the same level as in 1960-61. All these measures, intended to bring about internal and external stability, were bound to have far-reaching repercussions on the structure and pattern of the assets and liabilities of the clearing banks.

Advances Expand at Slower Rate

The results of Lloyds Bank Ltd. for the year 1960, for instance, show that there was a marked diminution in the rate of growth of its advances—the increase during 1960 being only £69 million, as against £121 million in the preceding year. In the case of Martins Bank Ltd., too, the advances recorded a rise of only £23.28 million in 1960 over the level reached in 1959, the corresponding increase between 1958 and 1959 being £37.19 million. Another noticeable consequence of the restrictive credit policies was that, during 1960, the deposits of British banks did not increase commensurately with the expansion under advances. In the case of the District Bank Ltd., for example, in the early months of 1960 bank deposits were running at a considerably higher level than in the corresponding months of 1959, but the normal seasonal expansion in the autumn months did not take place, a circumstance which may be attributed in some measure to the success of the Government's efforts to fund more of its debt. In addition, the pull of interest rates had drawn funds from the banking system into Treasury Bills, Tax Reserve Certificates, deposits with local authorities and hire purchase finance houses. Other British banks also show similar trends as regards their deposit accounts. The current, deposit and other accounts of Martins Bank Ltd., increased by £12.92 million in 1960, whereas between 1958 and 1959, the increase was of £23.24 million. The advances of Barclays Bank Ltd. moved up sharply from £569 million in 1959 to £714 million in 1960, while the deposits of the customers increased only from £1,550 million to £1,616 million in the same period.

Investments

The investment portfolio of most banks showed a uniform impact of the contractionist monetary measures. To meet the immobilisation of the lending resources caused by the calls for Special Deposits, most of the banks were compelled to liquidate their investments in gilt-edged securities. Lloyds Bank Ltd., for instance, reduced its gilt-edged investment portfolio by £81 million during the year 1960. The investments of the District Bank Ltd. showed a further depletion of £23 million in 1960. Barclays Bank Ltd. had also to sell a large amount of its holdings of Government securities with the result that its investments stood at 20 per cent of its deposits at the time of closing the accounts, a proportion which is a historical low.

The net earnings of most of the banks, however, showed a distinct improvement. The profit of Lloyds Bank for 1960 at £4.60 million is £1.18 million higher than that for the preceding year. The net earnings of Martins Bank Ltd. at £1.42 million for 1960 compare favourably with £1.16 million for 1959. The net profit of the District Bank Ltd. for 1960 at £1.08 million shows an improvement of £0.22 million over that for the preceding year. In the case of most banks, the increase in the absolute volume of advances had enabled the banks to augment their net earnings. Another contributory factor, of course, was the policy of dear money. Under this policy the banks, clearly, had to pay more interest on deposits but they earned much more on loans, advances and bills. On the whole, higher interest rates did not mean lower profits for British banks. To some extent, the increase in earnings was offset by a further rise in operating expenses. Some banks, notably Lloyds and District Banks, had to incur larger expenses on account of the upward revision of clerical and managerial salaries. Pensions were also augmented. Some banks had to incur expenditure for tightening their security measures against robberies. Special insurance policies for the staff exposed to risks of possible attacks from dacoits were written at bank's expense; various mechanical devices have been installed for giving advance warning to the staff. On the credit side, a noteworthy development having a favourable effect on the working of British banks was the passing of the Payment of Wages Act 1960, under which it is permissible by mutual agreement between employers and employees for wages, as well as salaries, to be paid by a credit to a banking account. The banks have welcomed this piece of legislation as being potentially capable of extending the banking habit among sections of the community where hitherto it has not been found to be very widespread. The banks expect that the new legislation would avoid unnecessary handling of cash and bring many new customers.

(Value in Million £)

	Lloyds		Martin		Barclays	
	1960	1959	1960	1959	1960	1959
Deposits	1,424.27	1,379.53	376.02	363.09	2,444.91	2,379.17
Cash	105.22	111.30	34.76	28.96	224.29	206.79
Ratio to deposits	7.4%	8.1%	9.22%	7.90%		
Bill discounted	209.62	230.32	6.33	5.71	321.48	376.28
Ratio	14.7%	16.7%				
Investments	248.35	321.82	47.46	67.03	435.8	564.12
Ratio	17.4%	23.3%	12.59%	18.41%		
Special deposits with Bank of England	25.20	..	7.00	..	33.5	..
Ratio			1.80%			
Loans and advances	599.71	528.62	167.97	144.69	1,120.78	938.1
Ratio	42.10%	38.3%	44.56%	39.75%		

Bankers' Reactions

In their annual statements to their shareholders, the Chairmen of British banks have devoted considerable space to problems confronting the economy and the steps taken to keep inflation under restraint. Commenting on the restrictions placed on bank credit, the British bank chairmen are unanimously of the view that the Treasury took prompt measures to curtail the inflationary pressures. Sir Harold Bibby, Chairman of Martins Bank Ltd., for instance, states that "few will quarrel or want to quarrel with a Chancellor of the Exchequer on the wisdom of a touch on the brakes when the speed of the country's expansion is becoming rather higher than the country's resources can sustain." The Chairman of Barclays Bank, Mr. Anthony Tuke, is of the view that the timing of the curbs on bank credit was most opportune. He observes: "I find myself in complete agreement with those whose duty it is to make these difficult decisions, both in the nature of their action and in its time." Mr. Tuke adduces two grounds for justifying the credit squeeze. First, "the unemployment line on the chart was getting dangerously close to the vacancies line in April" and, secondly, "the advances ratio of the clearing banks as a whole had reached 45 per cent" and this situation called for some action on the part of the authorities to influence the volume of money. Sir Oliver Franks, Chairman of Lloyds Bank Ltd., has also applauded action taken by the authorities as timely and necessary. At that time the balance of payments position also indicated some deterioration, despite the persistence of extraordinarily favourable terms of trade and this deterioration was symptomatic of the excessive home demand. This demand pulled in manufactures and 'semis' such as steel-sheet from abroad in over-large quantities and, moreover, led to the consumption at home of an unduly large proportion of the indigenous production of manufactured goods. This clearly pointed to the need for appropriate measures.

Public Sector Criticised

While the need for some restraints to contain or compress the flow of spending and the timeliness of Government's action have been conceded by the bankers, they have struck discordant notes on the actual steps taken by the Treasury. Some bank Chairmen think that the Government has not applied the brakes to all the parts of the economy. Sir Harold Bibby, for example, avers that when there was need for credit to be restrained, restrictions should have been applied to all lending institutions. "It seems particularly unjust," Sir Harold categorically declares, "that controls should be applied to the activities of the banks who are utilising only about 45 per cent of their deposits in making advances to their consumers, and not to other institutions who normally spend or lend practically the whole of the amounts deposited with them by the public." He also complains that, when bank credit has been subjected to all types of restrictions, stifling private, commercial and industrial developments, "Government departments have gone on their merry way, the borrowing and spending wheels running free and fast, unimpeded by similar restrictions as a result of which the taxation remains far too high a level." But the most extensive and elaborate criticism of the restrictive credit policies, such as high interest rates, control on hire purchases, Special Deposits and their impact on the long-term growth of the British economy comes from Sir Oliver Franks, Chairman of Lloyds Bank Ltd. Sir Oliver does not question the need to contain the level of home demand. "There is ample evidence," he states, "that, if the economy becomes overloaded, the pressure of demand spills over into rising imports; and in such conditions we are less able to afford additional imports, because the buoyant home market diverts some resources away from exports." Nevertheless Sir Oliver maintains that credit restrictions are not the appropriate instruments for restraining the excess demand. According to him, the results intended and desired by the authorities in introducing the curbs on bank credit have not been accomplished. On the other hand, the measures have produced certain results which were neither intended nor desired. Even in 1955 one undesired effect of the measures of credit restrictions introduced in that year was to bring to a sudden and complete stop the expansion in industrial production which had been going on for three years previously. Similarly in 1960 one undesired effect of the credit restrictions, according to Lloyds Bank Chairman, has been to halt the growth of industrial production which was in progress since the autumn of 1958.

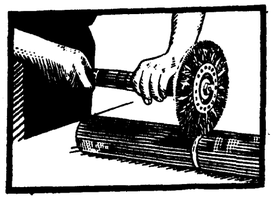
In support of his contention, Sir Oliver has cited the comparative figures of industrial production and exports of the Common Market countries. He observes:—"This check to

(Continued on page 174)

The
Union Bank of India Limited.
(ESTD: 1919)
Head Office:
Union Bank Building
Apollo Street
BOMBAY-1
★
WITH WORLD-WIDE CONNECTIONS WE ARE FULLY EQUIPPED TO HANDLE EVERY KIND OF FOREIGN EXCHANGE BUSINESS
★
F. K. F. Nariman, General Manager.

Personalised
SERVICE
With specialised knowledge acquired through long experience, the Punjab National Bank is in a unique position to-day to be of positive help in providing PERSONALISED SERVICE.
EVERY DESCRIPTION OF BANKING BUSINESS IS UNDERTAKEN.
THE PUNJAB NATIONAL BANK LTD.
Established 1895
Head Office: New Delhi.

HINDUSTHAN MERCANTILE BANK LTD.
Head Office:
10, CLIVE ROW, CALCUTTA-1
Chairman: SRI M. L. JALAN
CAPITAL
Authorised .. .. .. Rs. 2 Crores
Issued and Subscribed .. Rs. 1 Crore
Paid-up .. .. .. Rs. 50 Lakhs
Interest allowed on Savings Bank account at 3% per annum.
All types of Banking business transacted.
Branches and Agencies throughout India.
Deposits received on various terms. Special concession on deposits from Widows and Orphans.
Loans granted on approved securities.
Terms on application.
V. V. Chellam
Chief Accountant.

"SCCO"

These brushes are invaluable for buffing and cleaning exceptionally severe scaling or rust from structural work, also specially adapted for weld cleaning, and other tough scaling propositions and rough Castings. "TWISTKNOTS" may be operated at considerably higher speeds than ordinary wire wheels and a comparatively light pressure increases both the efficiency and life of the brush in addition to lightening the work of the operator.
India Brushwarc
72, CANNING STREET,
CALCUTTA-1.
Phone: 34-1985

For all your requirements In:-
OIL SEALS, 'O'—RINGS
BUCKET SEALS AND ALL TYPES OF PRECISION MOULDED ITEMS MADE FROM SYNTHETIC RUBBER
Please Contact:—
M/s. OIL SEALS MFG. CO. INDIA,
(Mfrs. of Famous OMCO Brand Oil Seals)
Ratan House, (2nd Floor), Tribhuvan Rd., Bombay-4.

Quality-conscious everywhere go for "LOMA" and the soaring sales testify its superb quality. "Loma" now an international product, is exported to almost all parts of the globe. This, apart from conserving valuable foreign exchange, through exports, has set an example for Indian-quality in the international market. Millions of bottles of "Loma" in use everywhere testify the confidnece millions have in "Loma" - the ideal hair oil-cum-hair darkener.
Sole Agents:
M. M. KHAMBHATWALA,
Ahmedabad 1
Agents:
C. NAROTAM & CO.
Bombay 2
Loma
Universally acclaimed Hair Oil-cum-Hair Darkener.

National and Grindlays Bank Ltd.
(Amalgamating National Bank of India Limited, Grindlays Bank Limited, and the Eastern Branches of Lloyds Bank Limited).
Registered in London under the Companies Act of 1862 on the 23rd March 1866. The liability of members is limited.
Bankers to the Government in Aden, Kenya Colony, Zanzibar and Uganda
Authorized Capital £5,702,925
Subscribed and Paid-up Capital . . £4,562,400
Reserve Funds £3,000,000
Head Office: 26 BISHOPSGATE, LONDON, E.C.2,
London Branches:
54 Parliament Street, S. W. 1: 13 St. James' Square, S. W. 1.
BRANCHES throughout India, Pakistan, Ceylon, Burma, Aden, Somali, Zanzibar Island, Kenya, Uganda, Tanganyika Territory and Northern and Southern Rhodesia.
The Bank conducts all classes of Banking and Exchange Business throughout the world. Trusteeships and Executorships are undertaken.
Branches at:
Amritsar - Bombay - Bangalore - Calcutta - Cochin - Delhi
Darjeeling - Kanpur - Madras - New Delhi - Simla - Srinagar
Tuticorin.

NEW PUBLICATIONS

Technique of Sales Management. By Ajit Ranjan Gupta. Published by the Indian Market Research Bureau, 1B, Old Post Office Street, Calcutta-1. Pages: 133. Price: Rs. 15

FROM the point of view of consumption, the ultimate aim of all productive endeavours, selling is as important as production. An effective sales organisation, which facilitates selling, has the same relation to a country's economy as the arteries and veins have to the human body. In this country, however, the art of selling has not developed to the extent it should have, thanks to the comparative neglect of the importance of planned selling. This book, which explains the principles and techniques of sales management, is a welcome addition to the scanty literature on the subject. The author draws extensively from his personal experience as a sales executive in Britain to give a practical angle to the problems dealt with. The book consists of ten chapters dealing with the different aspects of selling, including management of sales personnel, advertising and merchandising. A chapter on technical terms explains the common jargons used in selling in non-technical language. The text of the book is supplemented by a number of charts, graphs and illustrations. Appropriate practical examples have also been cited.

This book has a special appeal to Indian readers, because it is set against an Indian background. The publication will be of undoubted value not only to students of business management and cost accounting but also to salesmen and sales managers, who are already in the firing line, as they will surely find much ammunition in this to strengthen themselves.

Unemployment, Full Employment and India. By Dr. Nabagopal Das. Published by Asia Publishing House, Bombay. Pages : 94. Price: Rs. 8

Now in its third edition, this book, which was first published in 1946, has changed beyond recognition. In view of the changes that have occurred in facts and situations since the book was first written, the author has given new facts and made new interpretations. Further, not only have the chapters been rearranged and new ones added but there has been considerable shift in emphasis as well.

While the main thesis of the first edition of the book was that a programme of full employment was feasible and necessary for India, the central theme of the present one is that only a positive and realistic employment policy can solve the unemployment problem in the country. Even after ten years of planning such a policy, the author maintains, has yet to emerge. He points out that shortcomings of the employment policy in the first and second Plans from the point of view of employment creation and argues that the failure of planners to treat unemployment as the primary problem explains the negligible impression the Plans have made on unemployment. A positive and realistic employment policy of the author's conception is one which takes stock of the available manpower resources in the country and draws up a programme of outlay which would help to absorb the largest possible number of persons. In other words, employment creation should be the main objective and not the incidental result of the Plan. All economic and social policies of the Government should be geared to the attainment of full employment. It follows, as a natural corollary of this, that restrictive policies, which inhibit enterprise, should be abandoned. In terms of practical policy, this means, among other things, giving more opportunities for private enterprise, both indigenous and foreign, to function and expand and less emphasis on the nebulous and rather meaningless concept of social justice, at least until such time as the unemployment problem is brought down to manageable levels.

The author cannot claim any originality for this approach. He is not the first to plead for an employment-oriented Plan. A fruitful line, which he ought to have pursued, is examination of the practical ramifications and the reallocation of priorities and the readjustment of outlays they call for in the third Plan.

The wisdom of according primacy to the employment objective, if it conflicts, as it does sometimes, with the objective of higher production is also not beyond doubt. In fact, the two are not always complementary, in the short-run at least. Investments that create the maximum employment are not necessarily those that also maximises output. If, in such cases, the employment objective is given precedence over that of production, it will result in a smaller net addition to total wealth which will offset any advantages likely to result from increased employment. Employment is desirable not for its own sake but for the additional wealth it creates. The author recognises this and points out the dangers of restricting expansion in established industries to give scope for small-scale, labour-intensive industries. But he has not shown how this could be reconciled with the policy of maximising employment.

The problem, therefore, boils down to this: there is no shortcut to full employment. Increased employment opportunities arising from the planned expansion of the economy along the most productive lines alone will absorb all the unemployed. An investment programme which merely aims at creating employment without regard to its production potential can have only social, not economic, justification. It is not denied that such a programme may be desirable from the economic point of view too. But the objectives need to be clearly defined. In this context, the extended programme of public works advocated by the author to absorb the 12 million unemployed who will be unaffected by the Plan, has much to commend itself. But it is doubtful whether the suggestion to cut down the "desirable" schemes to make available Rs. 300 crores per annum to finance the programme will be acceptable to the planners and, even if it were, there is the problem of establishing and manning the necessary administrative machinery to see it through.

The chief merits of the book are its lively style, jargon-free language and simplicity of exposition which should appeal to a wide readership.

Thompson Consumer Index of Markets, First Edition, 1960. Published by Edward J. Fielden for J. Walter Thompson Company Private Limited, Bombay-1. Pages: 68.

Compiled by the Market Research Department of Messrs. Walter Thompsons, one of the world's leading advertising agencies, the book seeks to assess the market potential of a large number of Indian cities, with a view to assisting "manufacturers and distributors in establishing realistic sales and advertising targets for their products." Marketing factors of 504 cities and towns, with a population of over 20,000, have been covered by the present study. In order to assess the relative consumption potential, the authors have taken into consideration twelve factors; these are, population, population other than farm and factory labour, increase in population (1941-51), number of literates, domestic radio sets, private cars, banks, doctors, chemists and druggists, cinema theatres and their total seats and domestic consumption of electricity. On the basis of a study of such selected economic indicators, indices have been worked out for all the major cities and towns, with the figure for Greater Calcutta taken as base (100).

Some interesting results have been obtained from the study. For instance, although Ajmer and Coimbatore have almost equal population (190,000), the latter has a market potential, which is 133 per cent. greater than the former. Again, Poona, with a population of 590,000, has a potential 17 per cent greater than Kanpur, which has 20 per cent larger population.

A pioneering work in the field of marketing research in India, the book is bound to be useful to the business community. As it is not possible from available statistics to make a quantitative assessment of the sales potential of each town and city, the Market Research Department has done the next best thing, namely, to establish sales potentials in relative terms, that is, in the form of index numbers. This index method may have its limitations. As Mr. Y. B. Chavan, Chief Minister of Maharashtra, has stated in his foreword to the publication, some persons may not agree with the choice of the economic indicators that are used while others might feel that the method of calculation of index could be different. Still it has its value as a guide to businessmen in the matter of estimating sales potential in different parts of the country in broad terms.

CONCERN OVER LARGE YARN IMPORTS

BOARD OF TRADE CONSIDERING PLEA FOR HIGHER DUTIES

From Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 17*th January*

ACTION is now being taken to deal with some of the imports now reaching this country in quantities and at prices which appear to represent dumping on the part of Lancashire's competitors. For some time, there has been serious concern about the marked increase in arrivals of low-priced doubled yarns, described in some quarters as of "alarming proportions." As a result, the Board of Trade is considering an application that the import duties on such products should be raised.

Outlining the effect of these inroads, the Cotton Board's latest statistical review said that the general level of production in the industry was being held back only by a shortage of labour and added: "An exception is the doubling section, where short-time is being worked. Here, the heavy imports of doubled yarn are a major depressing factor. In November, doubled yarn output by weight was running about 9 per cent below the May level."

The Yarn Doublers' Association contends that the re-equipment programme in this branch is being dangerously jeopardised by the threat of low-priced imports. "No company," it declares, "can be expected to invest capital in new machinery other than in conditions where a reasonable degree of stability can be assured for the future."

Imports of doubled yarn during the whole of 1959 reached 11,200,000 lbs., valued at more than £2,000,000. In the first eleven months of last year, arrivals had reached 16,400,000 lbs. and had cost £3,250,000. In 1958, however, the total of these imports was only 5,561,000 lbs., worth £1,115,000.

In addition, a similar claim for higher duties to be imposed on supplies of corduroy cloth from Spain has been made to the Board of Trade and the manufacturers involved are hoping for a favourable reception. The same Cotton Board survey quoted above alleges "an element of subsidy or dumping in the case of imports from Spain," indicating that the Government is contemplating the placing of countervailing duties on such arrivals.

More Paid Than Received

A timely reminder that that oft-quoted £30 million "gift" from the Government has quite definite "strings" attached to it comes from Mr. Roger Lee, Chairman of the Lancashire Cotton Corporation. It should not be forgotten that the firms which elected to stay in the industry contracted an obligation to finance part of the compensation for those which decided to take their final bow. Originally, the Directors of the Corporation had estimated that their particular compensation and levies would have roughly balanced. Now the Chairman reports that their entitlement under the redundancy scheme has been received, amounting to £679,194. Levy payments, however, over the next five to seven years will cost approximately £1,000,000.

Although the Corporation's reserves are strong enough to enable the Directors to earmark this sum to a special fund set aside for the purpose, the fact should be emphasised that provision has to be made in the accounts of all companies concerned for items of this kind under the terms of the scheme. Equally important is the recognition of the sometimes conveniently overlooked 75 per cent payment of all re-equipment projects, which must accompany the 25 per cent grant from the Government.

Expenditure on Re-equipment

This leads Mr. Lee to repeat what many millowners are saying about modernisation plans and their implementation. He observes: "The only factor which causes concern is whether future trading conditions will justify the expenditure or whether textile imports will be permitted on an ever-increasing scale from countries with very low wage standards or from others who, having disposed of their normal production in a stable home market, are willing to sell for export at lower prices the product of a second or third shift."

Yet the Corporation cannot be accused of backwardness in its re-equipment policy since the war. Expenditure over the past fourteen years has amounted to £8,340,000 on the modernisation of plant and machinery and capital commitments at the end of the last financial year aggregated £1,180,000.

Further expenditure on a large scale is very desirable, adds Mr. Lee, as a result of recent improvements in textile machinery and the continuing shortages of labour. "Modern machinery can provide the same output with substantially fewer operatives," he points out, "although the high capital cost can only be justified if the new machinery can be operated continuously and for a maximum number of hours." Conditions in the industry last year were "much more heartening," says Mr. Lee. The Corporation's output of yarn during the financial year to the end of October was 20 per cent up on the previous twelve months, despite the scrapping of about one-third of the spindles controlled by the group. There are still vacancies for some 700 workers in the combine's mills.

Still in the Doldrums

Within a week, the full returns showing the extent of overseas trade recorded by British firms in 1960 should be available. After the steady decline in the volume of shipments of cotton goods which has persisted for so many years, it is rare to find even one destination in which more business has been done as compared with the previous twelve months.

Mainly through the use of imported material for processing in Lancashire, the offtake for Commonwealth West African markets actually broadened by over 27 per cent. over the first ten months of 1960 as compared with the previous year, according to the annual sectional report issued by the Manchester Chamber of Commerce. Each of the separate outlets took more cloth, comprising Nigeria, Ghana, Sierra Leone and Gambia. The volume involved was 57,490,000 square yards, as against 45,015,000 square yards.

An interesting aspect of this particular trade was the swing away from man-made fibres towards cotton which was encountered in each of these territories, continuing a process evident over the past two years. Political considerations in Africa, however, are so speculative at the moment that it would be unwise to anticipate any further advances for exporters, but last year's returns offer slight consolation in the face of so many difficulties.

The continued reduction in exports of cotton cloth to what were at one time very large importing countries is reflected in the section dealing with Latin America and the West Indies. "The references in this report to particular markets show with monotonous regularity that continued policies of industrial development, coupled with balance of payments problems, result in available funds being largely translated by one means or another into imports of machinery, transport equipment and materials for use by industry," the report says. "The opportunities for consumer goods have been poor and are likely to remain so."

This disappointing trend is also apparent in reports from the large Commonwealth markets. In the first six months of last year, for example, Japan exported more cotton cloth to Australia than British shippers could expect to send during the whole of 1960. Alarm is expressed at the further easing of import licensing controls in Australia, opening the door still wider to foreign imports.

Although cloth shipments to South Africa from this country were slightly higher last year, the report comments that no respite had been found in the extension of tariff protection to the domestic textile industry in the Union. "The creeping hand of protection continues to make it extremely difficult for United Kingdom manufacturers to plan ahead in the certainty that what they produce will not be frustrated by higher duties," it adds.

A welcome increase in the volume of cloth sent to New Zealand is, however, reported, principally due to relaxation in the import licensing restrictions. Higher receipts from sales of primary products to overseas markets enabled the New Zealand Government to apply more generous quotas. Even here, however, the threat from low-cost producing countries is still very real. Japan's share of the New Zealand market in rayon and rayon mixture fabrics has increased from 20 per cent in 1958 to about 33 per cent last year. In cotton cloth, the rise has been from 17 per cent to 23½ per cent.

Cotton Trade With India

A gravely disappointing year for exports of cotton textiles to India, Pakistan, Ceylon and Burma is recorded in the annual report of the India Section of the Manchester Chamber of Commerce. Only 870,000 square yards of cloth were shipped to India, less than a third of the small volume achieved in the first 10 months of 1959.

Intensification of import controls and withdrawal of the small quota which Lancashire has received during the past few years, led to India dropping out of the shrinking list of markets to which Lancashire traders continued to export. Although the quota was restored at the end of last year, it was at a much reduced level. Rapidly diminishing yarn exports to India were also mentioned in the report and, in the first 10 months of last year, amounted to only 200,000 lbs., as against 500,000 lbs. in the same period of 1959. Pakistan's need to continue rigid exchange control measures, makes it unlikely that British exporters will be able to get back into the piecegoods market in any volume, the report adds. Exports to Ceylon fell by 18 per cent last year as compared with 1959, but a useful amount of export business was recorded with Burma in fine cotton yarns.—*All Rights Reserved.*

INTERNATIONAL COTTON FEDERATION

The International Federation of Cotton and Allied Textile Industries has been granted liaison status with the Food and Agriculture Organisation of the United Nations. Under this arrangement, the Federation will in future co-operate closely with the F.A.O. on matters of interest to the textile industries. The Federation also enjoys consultative status (Register) with the Economic and Social Council of the United Nations. It represents the cotton and allied textile industries in all Western European countries, the United States of America, the United Arab Republic (Egyptian Region) and Japan. Its members control almost two-thirds of the world's total cotton, spindles and looms.

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES
* DEMAND DRAFTS * LEDGERS
* PAY-IN SLIP BOOKS * PASS BOOKS
* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

BONUS AND THE LIVING WAGE

ECONOMIC IMPLICATIONS OF SUPREME COURT'S DECISION

WHAT is a living wage? Can the workers claim bonus (which is generally regarded as payment made towards bridging, partially at least, the gap between the actual and the living wage) if they are being given a living wage? Is a company justified in refusing to entertain bonus claim on the ground that it is paying a living wage? Who are the claimants of the profits of an enterprise? These and other related questions, having an intimate bearing on industrial adjudication in India, came up for decision before the Supreme Court in the cross appeals filed by the Standard-Vacuum Refining Company of India Ltd. and its workmen against the decision of the Industrial Tribunal, Bombay.

The facts of the case are as follows:

Six hundred and forty-eight employees of the Company, of whom 124 belonged to the clerical category, claimed that they were entitled to receive nine months' total earnings as bonus for 1956. The Company denied the claim and contended that, though it had paid three months' basic wage as bonus for the year to the workmen, in law, they were not entitled to any bonus, because they were being paid a living wage and that therefore one of the essential conditions for the payment of bonus was absent in the case. The Industrial Tribunal, which first heard the case, held that it was not necessary to find out what the living wage was in Bombay, but, having broadly considered the contentions of the parties, held that "the wages are fair but there is still, in a large number of cases, a gap between the actual wage and the living wage and that, therefore, five months' basic wage as bonus for the relevant year was just." This award was challenged by both the workmen and the Company, the former on the ground that the Tribunal erred in not awarding a higher bonus than five months' basic wage, and the latter on the ground that, since it was paying a living wage, there was no case for awarding a bonus at all. The appeals were heard by Their Lordships Mr. Justice P. B. Gajendragadkar, Mr. Justice K. N. Wanchoo and Mr. Justice K. C. Das Gupta.

Ethical and Social Considerations

The Supreme Court dismissed both the appeals. Dealing with the contention of the Company, Mr. Justice Gajendragadkar, who delivered the judgment, observed that, if the company was serious about its contention that the living wage standard was reached in its wage structure, it should have produced more satisfactory evidence which would have enabled the Tribunal to define concretely what the concept of living wage meant in the present context. As regards the rationale of bonus, His Lordship observed that, in dealing with the bonus claims, industrial adjudication had so far proceeded on the assumption that, in the making of profits, labour made its contribution and that, since it was not receiving a living wage, it was entitled to claim that the gap between the actual and living wage should be filled by the payment of a bonus for each relevant year. The Company had no doubt relied upon this to claim that, as it was paying a living wage, it was not obligated to pay bonus at all. Dealing with this contention, His Lordship observed that, the problem of wage structure, with which industrial adjudication was concerned in a modern democratic State, involved, in the ultimate analysis, to some extent, ethical and social considerations. The advent of the doctrine of Welfare State was based on notions of progressive social philosophy which had rendered the old doctrine of *laissez faire* obsolete. In the nineteenth century, the relations between employers and employees were usually governed by the economic principles of supply and demand and the employers thought that they could hire labour on their terms and dismiss them at will subject to the terms of the contract. The theory of hire and fire, as well as the theory of supply and demand, which were allowed free scope under the doctrine of *laissez faire*, no longer held the field. In constructing the wage structure, His Lordship said, industrial adjudication did take into account, to some extent, considerations of right and wrong, propriety and impropriety, fairness and unfairness. As the social conscience of the general community became more alive and active, as the welfare policy of the State took a more dynamic form, as the national economy developed from stage to stage and as, under the growing strength of the trade union movement, collective bargaining entered the field, the wage structure ceased to be purely an arithmetical problem. Considerations of the financial position of the employer and the state of the national economy had their say and the requirements of a worker living in a civilised and progressive society also came to be recognised. It was in that sense that the social philosophy of the age supplied the background for the decision on industrial disputes as to wage structure.

Three Categories of Wages

His Lordship referred to three categories of wages which had figured prominently in labour legislation and industrial adjudication. They are: (1) the basic minimum wage which is the bare subsistence wage, (2) the fair wage, and (3) the living wage. These three concepts, His Lordship pointed out, could not be described in definite words, because their content was elastic and was bound to vary from time to time and from country to country.

Dilating upon the concept of the living wage, on which centred the Company's contention, the Judge observed that it was not a static concept. Its constituents were expanding and were bound to expand and widen with the development and growth of the national economy. It would be inexpedient and unwise to make an effort to concretise the concept in monetary terms with any degree of definiteness or precision, even if a fuller inquiry was held. Indeed, in an underdeveloped country, it would be idle to describe any wage structure as containing the ideal of the living wage, though, in some cases, wages paid by certain employers might appear to be higher than those paid by others.

The Company's claim that its wage structure had reached the standard of the living wage, which had been specified as one of the objectives of State policy by Article 43 of the Constitution and which was the ideal that the working classes hopefully looked forward to achieve, was, according to His Lordship, "bold and tall." The Company had, on the basis of the Textile Labour Committee's report, held Rs. 55 to be the monetary value of the living wage and contended that it was paying a living wage to its employees. It would be unreasonable and unsafe, His Lordship observed, to treat the conclusions of this Committee as to the monetary value of the living wage in 1940 as sound and make it the basic of wage calculations today. The method of multiplying the figure deduced by the Committee by 3.5 was materially defective. The proper approach to adopt, according to His Lordship, would be to evaluate each constituent of the concept of the living wage in the light of the prices prevailing today and thus reach a proper conclusion. This apart, the main objection against adopting the figure reached by the Committee was that, even in 1940, the said figure could not be properly regarded as representing anything like a living wage standard.

Illusory Basis

His Lordship pointed out that, though the expression "living wage standard" had been used by the Committee in its report, it was satisfied that Rs. 50 to Rs. 55 could not be regarded as anything higher than the need-based minimum wage at that time. If that were the true position, His Lordship added, the whole basis adopted by the Company in making the calculation turned out to be illusory. All that the calculations showed was that the Company was paying wages somewhat higher than the need-based minimum.

It was obvious, he said, that, between the need-based minimum wage and the living wage, there was a very long distance. Even taking the clerical category of the Company, where the average worked out to be the highest at Rs. 370.11 per month, His Lordship felt no

(*Continued on page* 171)

Durgapur Thermal Power Station

Prestressed Concrete Plank Roofing was adopted for the Durgapur Thermal Power Station because of its lightness thus reducing the cost of the foundation and superstructure. It also made rapid construction possible.

A conventional cast-in-situ roof was ruled out because of the unusual height between roof and floor.

The roof area covered was 50,000 sq. ft. The job was completed in about twelve months.

An additional feature is thermal insulation with foam concrete blocks.

Stp

SHALIMAR TAR PRODUCTS (1935) LIMITED

CALCUTTA • NEW DELHI • BOMBAY • LUCKNOW • CHANDIGARH

Agents: The Bombay Co. Private Ltd., Madras-1 R. C. Abrol & Co. (Private) Ltd., New Delhi-1

The difference between wishing and having is

SAVING

Systematic savings at the
CORPORATION BANK
help you have all your wishes realised, one by one, automatically, and with an elegant ease and comfort.

Open your S. B. Account at any one of the Bank's 62 branches and make it grow as fast as you can, with a will to win frame of mind.

Branches of the Bank in Bombay City

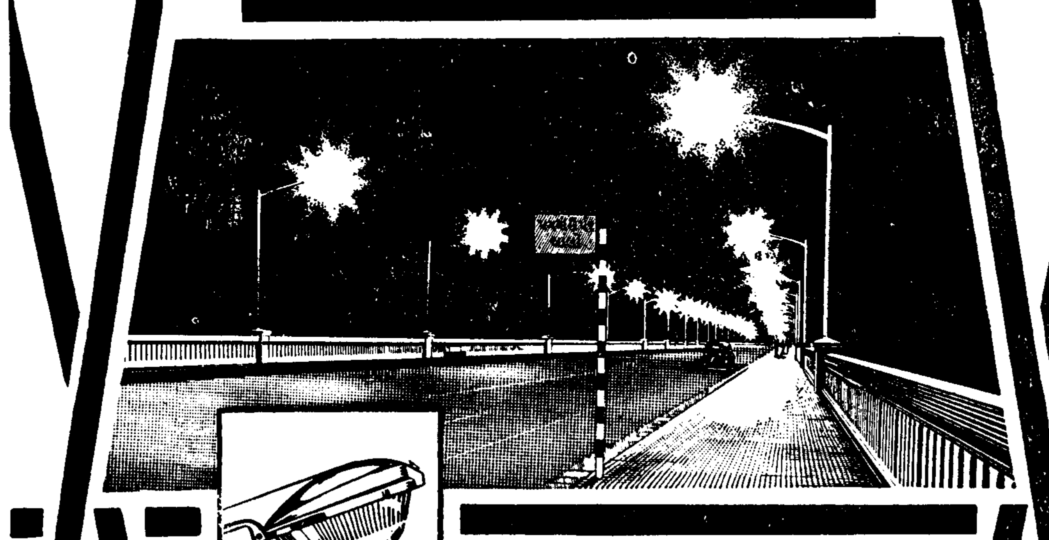
(1) FORT (2) MANDVI
(3) SHIVAJI PARK and (4) KALBADEVI.

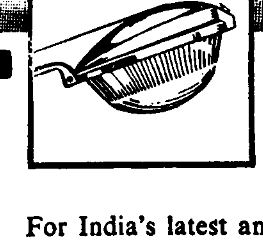
THE CANARA BANKING CORPORATION LIMITED

Estd. 1906

Registered Office:
UDIPI, S. I.

NEHRU BRIDGE
AT AHMEDABAD





LIGHTING BY PHILIPS

For India's latest and widest road bridge over the Sabarmati river at Ahmedabad, the authorities would accept nothing but the best... and, therefore, they specified lighting by Philips.

Philips exclusive lighting consisting of lamps, fittings and accessories ensures ultimate economy through maximum illumination level at lowest running cost and gives longer, trouble-free performance. Philips' scientifically designed equipment is the result of experience, research and development to meet the ever-growing demands of better lighting. And hand-in-hand with Philips' unrivalled quality goes the invisible *plus* of Philips' international experience and know-how.

FREE: *For planned lighting, designed economically to suit your specific need—whether it is industrial, commercial or any other specialised application—consult Philips Lighting Service Bureau.*

PHILIPS **PHILIPS** *quality lighting for ultimate economy*

TP 4425 PHILIPS INDIA LIMITED

FORWARD MARKETS BULLETIN
(Monthly)

Published by Forward Markets Commission
Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription		Single copy	
In India ..	Rs. 24.00	In India ..	Rs. 2.50
Abroad ..	Rs. 40.00	Abroad ..	Rs. 4.00

For further particulars please apply to:
The Secretary, Forward Markets Commission
"Everest," 100, Marine Drive, Bombay-2

THE EASTERN PURCHASING JOURNAL

A Quarterly Journal Devoted to
PURCHASING AND MATERIALS MANAGEMENT
of interest to all who are concerned with

- **Industrial & Public Purchasing**
- **Store-keeping and Inventory-Control**
- **Product Planning & Productivity**
- **Sales, Finance & General Management**

IN THE JANUARY-MARCH 1961 ISSUE

Foreign Exchange for Overseas Purchases
By L. K. Jha, I.C.S., Secretary, Ministry of Finance, Government of India.

Purchase for the Public Sector
By S. T. Raja, Managing Director, Hindustan Antibiotics Ltd.

Problems of Procurement for the Chemical and Pharmaceutical Industry in India
By Dr. P. N. Vakil, Purchase Manager, Sarabhai Chemicals Ltd.

Asbestos Cement in the Building Industry
By S. N. Jhaver, Regional Manager, Asbestos Cement Pvt. Ltd.

Cost Reduction Through Value Analysis
By A. R. Palit, Editor, "The Eastern Purchasing Journal."

Purchasing Policies and Procedures of the Tennessee Valley Authority, U.S.A.
By J. W. Campbell, Assistant to the Director, Materials Division, T.V.A.

Legal Aspects of Business Letters
By H. V. Karve, Director (S. & D.), D.G.S. & D., Calcutta.

Industrial Purchasing in West Germany
By Bernhard Steinberg, Head of Purchase Department, Krupps.

"Although there is no dearth of technical publications on the many facets of production, curiously, there is, in this country, a woeful lack of journals dealing with purchasing—one of the most important management functions. Purchasing has long ceased to be the simple act of buying something at a price. It enters into a large number of related and complementary activities connected with planning, production, sales and finance. In view of the importance of purchasing in production and planning, the Journal under review, which is devoted exclusively to purchasing, is welcome. It serves a rich and varied fare. This journal is a must for firms having or planning to have purchasing departments. It will enable them to get to know the techniques of purchasing for profit."—COMMERCE.

Editor: **A. R. PALIT**

Price per copy: Rs. 3 Annual Subscription: Rs. 12

For Foreign subscription, postage will be added extra. For Advertisement Rate Cards and specimen copy, write to:

THE BUSINESS MANAGER
THE EASTERN PURCHASING JOURNAL,
76, SUNDER NAGAR, NEW DELHI-11.

Your advertisement in the Eastern Purchasing Journal will reach the principal buyers

THE UNITED COMMERCIAL BANK LIMITED

Head Office: **CALCUTTA**

Authorised Capital	..	Rs.	8,00,00,000
Subscribed Capital	..	Rs.	4,00,00,000
Paid-up Capital ..	..	Rs.	2,00,00,000
Reserve Fund ..	..	Rs.	1,75,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.

Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.

AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, *Chairman.* S. T. SADASIVAN, *General Manager.*

SUGAR SUPPLY POSITION COMFORTABLE

TRADE URGES REMOVAL OF DISTRIBUTION CONTROLS

ONCE again, the Federation of All-India Sugar Merchants Associations has urged the authorities to abolish controls on distribution and movement of sugar. In a statement issued to the Press, the *Ad Hoc* Committee of the Federation points out that such a move will be in the interests of everyone—consumers, cane growers, industry and trade. It no doubt agrees that, in the larger interest of sugar economy which is now production-oriented, the price factor is an important consideration; nevertheless, it does not find any reason why the present controls on distribution and movement should be continued. The Committee says: "In this changed context (of abundant supplies), the machinery evolved in the shape of controls to meet conditions of scarcity, which arose in 1959, is not only not necessary but is positively harmful to the sugar economy. It is now being increasingly realised on all hands that the question of decontrol of sugar is overdue and that suitable measures should be adopted to meet the requirements of the changed situation."

The above plea would appear to be quite justified. The supply position of sugar is very comfortable, thanks to the all-time peak level output of 2.7 million tons expected to be touched in the current season (November 1960-October 1961). This quantity and the previous season's carry-forward stocks of 595,000 tons together give a total available supply of 3,295,000 tons, as against the estimated consumption requirements of about 2.4 million tons. Excluding 400,000 tons needed for normal stock purposes, there will still be left a surplus of nearly 500,000 tons. Even if a large quantity is exported abroad—a highly doubtful assumption, indeed—the surplus of sugar will be rather heavy. Viewed thus, there is no exaggeration in the recent remark of Mr. D. D. Puri, President of the Indian Sugar Mills Association, that the industry is "in the throes of a crisis of sugar surplus."

Not Desirable

The carrying of huge stocks of sugar by mills is not desirable, in that it entails a large financial commitment, not to speak of the problem of storage. It is true that, in order to take care of possible shortfalls in production in future, it is necessary to build up a buffer-stock equal to at least three months' production, but this must be done by the Government, as is the case in the U.S. The value of even 400,000 tons representing normal stock requirements means immobilisation of capital to the extent of some Rs. 40 crores. Such immobilisation will mean severe hardship to mills, especially to the marginal units. Many mills will have to resort to large borrowings at high rates of interest. A number of them, therefore, may even be forced to curtail production operations drastically. Surely, it would not be conducive to the healthy growth of sugar industry, or in the interests of consumers, if a year of surplus production were to be followed by one of deficit, higher prices and controls.

One may well ask: How can decontrol solve the problem? It is, of course, difficult to give a categorical answer to the poser. But this much can be said: If the restrictions on the distribution and movement of sugar are removed, the normal forces of supply and demand will operate in sugar markets, facilitating the building up of pipeline stocks with traders. Such stocks, according to the Federation of All-India Sugar Merchants Associations, will relieve the industry of about 200,000 tons of sugar. The restoration of normal distribution channels may also result in higher consumption of sugar. It is common knowledge that, under the present distribution arrangements, sugar is not reaching the remote interior areas regularly and in adequate quantities. Again, freedom from controls for consumers will compel manufacturers to improve their quality and the traders to take good care of the stocks. At present, one does not get good quality sugar even in certain parts of Greater Bombay. It is not uncommon to come across poor quality sugar being served even in some of the expensive restaurants in Bombay City. One has also come across complaints that certain State Governments are taking advantage of controls over distribution to promote the sale of sugar manufactured by the co-operatives, the quality of which is not as good as that produced by joint-stock companies, by manipulating the issue of release orders for industrial consumers. A certain amount of competition will thus be a good thing. It will provide the much needed incentive to co-operators to get out of their slovenly habits and to improve their efficiency. Some traders are of the view that decontrol over marketing of sugar will by itself result in an increase of at least 200,000 tons in consumption, even if it is not accompanied by a fall in prices.

Scarcity Psychology Must Be Avoided

Some may argue that, once the controls on distribution of sugar are lifted, a section of millowners and traders will try to corner stocks, thereby creating an artificial shortage and rise in prices. But there is no substance in the argument. For the Government can always release from out of the buffer-stock sugar whenever prices start spiralling. As past experience has amply shown, controls over sugar, as, indeed, over any other commodity can never provide an escape from the normal law of supply and demand. The problem of ensuring adequate supplies of sugar to the consumer at a reasonable price must always be tackled from the production angle. If production is sufficient to meet demand and is carried out in an efficient manner, prices will doubtless find their normal level. All that is wanted is avoidance of the psychology of scarcity.

At present, the statistical position of sugar is not conducive to sustaining a psychology of scarcity. On the contrary, some sugar manufacturers, especially in the North, are apprehensive of decontrol, for they do not wish to see a fall in prices, as production costs are high and the price of sugarcane is pegged at a level which actually requires an increase in the ex-mill selling price, as is evident from the reference, again, of the question of fair price for the factory to the Tariff Commission. This is, of course, a difficult problem as it is the cumulative result of irrational policies that have been followed all along. A solution for it can be found only if the authorities have the courage to undo the past mistakes. The price for sugarcane must be related to the sugar contained in the cane and not to the wood in it. Further, production of sugarcane on large-scale plantation style should be encouraged.

Raising Consumption

The sugar industry can expand and develop on a sound footing only if consumption keeps pace with production. Unless internal consumption increases, the sugar industry, as Mr. Puri warned, would be affected, since there are numerous difficulties to developing a profitable export trade. Referring to the hazards of violent fluctuations from shortage to surplus, Mr. Puri said: "It is necessary to determine the stable consumption of sugar in the country.... There is plenty of scope for the growth of sugar industry in a planned manner. The need for securing an increase in the yield of sugar per acre should never be lost sight of."

Judged against this background, the move of certain State Governments to relax restrictions on sugar is to be welcomed. The Uttar Pradesh and Bombay Governments, for instance, have allowed relatively free disposal of unlifted sugar out of last quotas. The Government of Madras has relaxed, albeit temporarily, all quantitative restrictions on the issue of sugar by wholesalers and retailers throughout the State. The wholesale stockists are now permitted to sell sugar in any quantities and to any person, not merely to permit holders of permits and approved retailers. There are also no restrictions on the quantity of sugar that can be sold in retail by any person whether approved retailer or anyone else. It is, however, stipulated that sales of sugar by both wholesalers and retailers should be at prices not exceeding the wholesale and retail prices fixed by the Government. The Kerala Government is also reported to have decided partially to decontrol the distribution of sugar as an experimental measure. The consumer will be able to buy any quantity, though the prevailing "fair" price will remain in force. The decision, it is said, has been taken on account of accumulation of stocks of sugar with mills and wholesale dealers. The Gujarat Government, too, has lifted all restrictions on sugar at the retail end. It is to be hoped that controls on distribution and movement of sugar will soon be abolished throughout the country.

The Tariff Commission has taken up for investigation the question of revising the existing price-linking formula for sharing the price of sugar between sugar factories and cane growers. A special questionnaire prepared in this connection is ready for issue. Those who are interested may obtain copies of the questionnaire from the Secretary, Tariff Commission, Central Government Offices Building, 101, Queen's Road, Bombay-1.

DULL BUSINESS?

Counters like this with tarnished brass railings are generally deserted. But the outlook is always bright when your counter railings are clean and shining. Polish them regularly with Brasso, the metal polish that shines and beautifies brass.

polish your brassware with

BRASSO

once a week, every week

JWTBA 4207R Atlantis (East) Ltd. (Incorporated in England)

THE INDIAN OVERSEAS BANK LIMITED

has introduced

A RECURRING DEPOSIT SCHEME

to suit the requirements of all classes of people.

Deposits are accepted in multiples of Rs. 5/- with a minimum of Rs. 5/- and a maximum of Rs. 500/-.

	Monthly Deposit of			
	Rs. 5	Rs. 10	Rs. 50	Rs. 100
	Will grow to			
	Rs.	Rs.	Rs.	Rs.
In 34 months ..	180	360	1,800	3,600
In 46 months ..	250	500	2,500	5,000
In 86 months ..	500	1,000	5,000	10,000

Please call for full particulars from any of our branches.

M. Ct. Muthiah, *Chairman.* C. P. Doraikannu, *General Manager.*

GUIDE TO COMPANY MANAGEMENT

Messrs. JOHN & ROW

An Indispensable Guide to all persons concerned with Company Management, including Managing Agents, Directors, Secretaries, Auditors.

Price Rs. 5

EXPRESS PUBLISHERS (PRIVATE) LIMITED

33, BROADWAY, MADRAS-1

THE BANK OF BEHAR LTD.

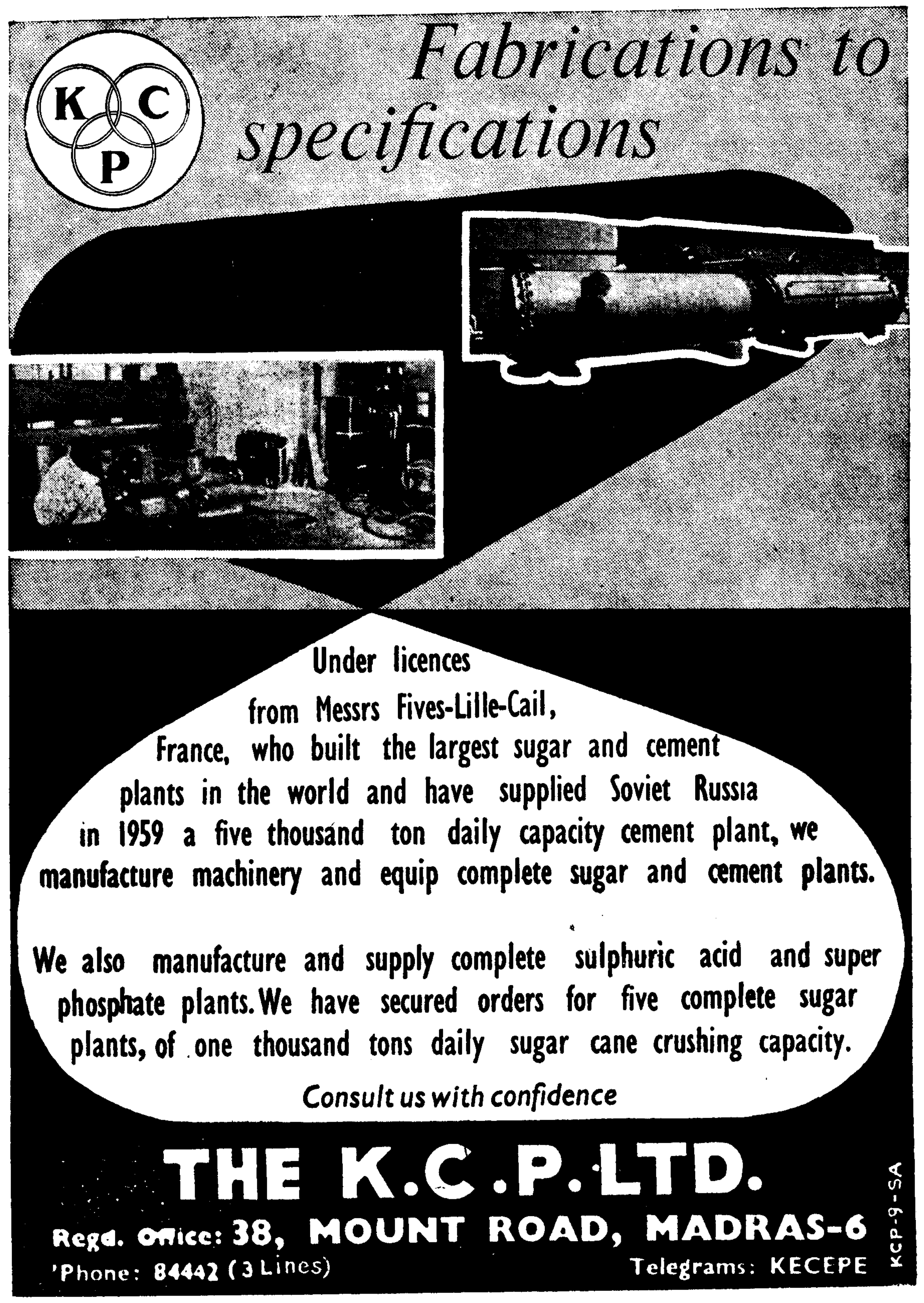
Head Office: PATNA

ESTD. 1911

BRANCHES AT:

Arrah, Beharsharif, Buxar, Chapra, Calcutta, Daltonganj, Gaya, Jaunpur, Jharia, Kanpur, Katrasgarh, Laheriasarai, Motihari, Muzaffarpur, Monghyr, Patna, Patna City, Ranchi, Siwan and Varanasi.

A. C. BHAT, *General Manager.*



JUTE GROWERS LOSE SEVERAL CRORES

NATION DEPRIVED OF FOREIGN EXCHANGE

By A Special Correspondent

FOR more than a year, the Government and the Forward Markets Commission have been striving to keep prices of raw jute and jute goods from rising. Though all such efforts have proved futile and prices at present are at the highest levels touched since the Korean war boom, they succeeded in delaying the inevitable price increases for several months, till the reality of the raw jute shortage became so obvious that prices could no longer be kept down.

Looking back, it is pertinent to ask what has been accomplished by these vain attempts to hold prices down to artificially low levels, which bore no relation to conditions of supply and demand and whether the outcome has not been harmful, rather than beneficial to the Indian economy. Three conclusions emerge from such a study:

First, the laudable object of stabilising prices of Indian jute goods so as to prevent foreign consumers from switching to substitutes, has not been achieved because prices have risen anyway.

Second, the Indian jute growers have been deprived of the opportunity of earning several crores of rupees.

Third, the nation has suffered a huge loss of valuable foreign exchange that could have been earned, had the free market mechanism been allowed to work. This is particularly deplorable at a time when foreign exchange reserves have fallen to the point where they are barely adequate to serve as currency reserve.

There is a tendency in official as well as other quarters to hold speculators responsible for the wholly sorry mess. Perhaps it is human nature to find someone else to bear the blame for one's mistakes. But the real responsibility lies with the authorities, whose ill-conceived and impractical policies have caused much loss to the nation.

As long ago as December 1959, reports began to circulate of an impending shortage of raw jute and prices tended to rise. Assam bottoms which stood at Rs. 26.25 per maund on 30th November rose to Rs. 32.50 on 24th December 1959. On 10th December came the first of the series of measures aimed at restraining the rise in prices by introducing imposition of special deposit margins, payable on all outstanding purchases of raw jute and jute goods, if prices rose above Rs. 29 per maund for Assam bottoms, Rs. 105.50 per 100 bags of B. twills and Rs. 41 per 100 yards of 40"×10 oz. hessian. It is instructive to compare these prices, which were then considered too high, with those on 10th October 1960, when hedge trading on the East India Jute and Hessian Exchange Ltd. was suspended and with those now ruling:

	Prices on 10-12-1959 when special deposit margins were imposed by E.I.J.H.E.	Prices on 10-10-1960 when hedge trading on E.I.J.H.E. was suspended	Current prices 20-1-1961
	Rs. nP.	Rs. nP.	Rs. nP.
Assam bottoms (Per maund)	29.00	43.50	57.50
40" × 10 oz. hessian (Per 100 yards)	41.00	51.00	62.25
B. twills (Per 100 bags)	105.50	140.00	192.00

These figures highlight the futility of the efforts to keep prices from rising. Such efforts were foredoomed to failure as obviously there was a physical shortage of raw jute.

The efforts failed but they kept raw jute prices for the most part at unrealistically low levels till October 1960. It is instructive to examine what would have happened, had the authorities refrained from interfering with the operation of market forces and allowed prices to rise much earlier.

In the first place, the gain to the cultivators would have been tremendous. It is not possible to make any realistic estimate of the magnitude of this benefit, of which they have been deprived, but it would certainly run into several crores of rupees. The lapse of several months before the price (as represented by the Calcutta quotation for Assam bottoms) crossed Rs. 50 per maund, has meant that a large amount of raw jute went out of the hands of growers by then and the benefit passed on to the foreign buyers. The effect that would have been produced on the rural economy of the jute-growing States, particularly West Bengal, by such a huge increase in cultivators' income can hardly be exaggerated.

It would not be a convincing reply to this charge to say that raw jute prices had to be prevented from rising, because, if they did, jute goods prices would rise and exports of jute goods would be adversely affected. The reply to this is that there was a shortage of raw jute, not only in India, but also in Pakistan. So jute goods would be expensive not only in India but in Pakistan and all the other countries, which depended on Pakistan raw jute to keep their mills working.

In fact, prices of Pakistan raw jute are considerably higher than those of India despite the fact that Pakistan produces a larger crop. So great is the price difference that finished Indian jute goods are actually cheaper than the equivalent weight of Pakistan raw jute. The average price of Indian jute goods today is Rs. 250 per ton lower than the Pakistan raw jute price while actually it should be about Rs. 750 per ton higher. Evidently, Pakistan is not perturbed at the rise in prices and has allowed its cultivators to enjoy its full benefits. It is surely an anomaly that India alone should strive to keep its prices artificially below world levels, thereby depriving itself of sorely needed foreign exchange, while Pakistan is obtaining the full benefit of present high prices. The following table shows a comparison of Pakistan raw jute and Indian jute goods prices:

Date	F.o.b. price of raw jute in Pakistan (Per ton)	F.o.b. price of B. twills in India (Per ton) Ready	F.o.b. price of Hessian Cloth 40" × 10 oz. in India (Per ton) Ready
	Rs. nP.	Rs. nP.	Rs. nP.
1st October, 1960 ..	1,574.00	1,392.75	1,751.66
15th October, ,, ..	2,330.00	1,826.84	2,087.66
1st November, ,, ..	2,330.00	1,777.00	2,078.70
15th November, ,, ..	2,274.00	1,772.00	1,994.72
1st December, ,, ..	2,218.00	1,787.00	2,061.86
15th December, ,, ..	2,106.00	1,717.87	1,985.40
30th December, ,, ..	2,212.00	1,851.00	2,103.00

Moreover, due to the present anomaly in price, a considerable quantity of Indian jute is being smuggled to Pakistan. It is, of course, desirable that foreign buyers of Indian jute goods should be able to obtain their requirements at stable prices but the remedy lies in higher production. In the present case, since India and Pakistan are virtually the only producers of raw jute and Pakistan is the only exporter, the jute manufacturing industry the world over will have to pay high prices for raw material. There is, admittedly, the danger that high prices of jute goods will encourage the changeover to substitute packaging materials and bulk handling. But foreign consumers of jute goods are aware that the prevailing high prices are likely to be only temporary, in all probability, they will be much lower in the next season, if there should be a bumper crop both in India and Pakistan.

In the long run, the prosperity of jute industry can be assured only by attaining self-sufficiency in raw jute at a level that would enable the industry to work to its full installed capacity. The need to assure to the grower a stable and economic price, which would provide him with incentive to cultivate jute in preference to alternative crops has been much talked about for years, but little has been done towards that end. On the contrary, the official preoccupation at all times with keeping jute prices from rising has, on occasions, depressed raw jute prices to uneconomic levels and encouraged diversion of land to rice cultivation.

If prices had been allowed to take their natural course in 1960, it is likely that mills would have earned profits, instead of the losses most of them will show for this period, when their working results come to be published. The nation would have earned more foreign exchange and the cultivator would have benefited very substantially. The effects on jute acreage and yield per acre, on the rural economy and the rate of economic development for the nation as a whole would have been apparent in a short time.

THE SOUTH INDIA
INSURANCE CO., LTD.
Incorporated in India
(Established 1934)

FIRE, MARINE, ACCIDENT
AND MISCELLANEOUS
INSURANCE BUSINESS

Head Office:

Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

COTTON YARNS
OF ALL DESCRIPTIONS
FOR HANDLOOM, POWERLOOM AND HOSIERY FACTORIES
MADURA MILLS COMPANY, LIMITED
Phone: 250 (5 Lines) — MADURAI — SOUTH INDIA Telegrams: 'Harvey'
MILLS AT MADURAI, TUTICORIN AND AMBASAMUDRAM
5,00,000 Spindles Counts up to 100s
We Supply:
WARP YARNS, COMBED YARNS, HOSIERY YARNS, CONE, CHEESE AND HANK YARNS, SINGLE AND FOLDED AND CROSSBALL WARPS FOR FOLDED YARNS
SPECIALITIES:
Yarns for the Manufacture of ROPES — HEALDS — CANVAS — TAPE BELTING DUCK — TYRE CORD — SEWING THREAD
Industrial Products: TYRE CORD WARP SHEETS—CANVASSES—HARD AND SOFT DUCKS—MULTI-PLY AND CORD YARNS
Managing Agents: A. & F. HARVEY LIMITED
PANDYAN BUILDING, MADURAI, SOUTH INDIA
Phone: 420 (4 Lines) *Telegrams:* 'HARVEY'

INDIA MOVES FORWARD IN NUCLEAR SCIENCE APPLICATION

EXPERIENCE ABROAD DESCRIBED AT SYMPOSIUM

THE Canada-India Reactor, which is the largest project so far undertaken in the field of international co-operation in the peaceful uses of atomic energy, was inaugurated by Prime Minister Nehru on 16th January in the Atomic Energy Establishment at Trombay. A monument to the friendly co-operation between Canada and India, it has cost about Rs. 10 crores, shared in roughly equal proportions by the Governments of the two countries. It is India's second research reactor, providing ample scope for experiments in the fields of engineering, physics, chemistry, metallurgy, and biology. At its peak power of 40 M.W. it will produce large quantities of isotopes for industrial, medical and other applications. Common among the radio isotopes that are expected to be produced for medical application are Phosphorus-32 to treat various blood conditions, Iodine-131 to diagnose various thyroid states and to treat hyperthyroidism and thyroid cancer, and Cobalt-60 to destroy tumours. The ones for industrial application will be Cobalt-60, Caesium-137 and Iridium-192 which are used for inspecting metal castings and welds for possible flaws in much the same way as radium and X-ray devices have been used heretofore. The Canada-India Reactor has also provision for testing fuel elements under conditions of flux, temperatures and pressures, for the development of power reactors which produce electricity from nuclear energy. Another related use to which a part of the C.I.R. can be put is the irradiation of experimental thorium rods. This will be of great significance to India, with her large thorium deposits, since, under neutron irradiation, thorium can be converted into the fissionable isotope uranium-233, thus opening up vast possibilities for the development of power producing reactors based on the thorium-uranium cycle.

The C.I.R. is based, with substantial modifications, on the Canadian N.R.X. reactor in operation at Chalk River since 1947. As the N.R.X. reactor is based on the heavy water moderated, natural uranium reactor system, Canadian experience todate in the field of nuclear power, too, has been confined to this system. Whether this system can be relied upon to produce economic nuclear power is a question which has been answered in the affirmative by Mr. J. L. Gray, President, Atomic Energy of Canada Limited, who described the Canadian approach to nuclear power at the symposium following the inauguration of the Canada-India Reactor. According to Mr. Gray, the Nuclear Power Demonstration station near Chalk River, which will operate later this year and produce 20,000 kilowatts of electricity, and the Douglas Point Generating Station under construction, which will produce 200 000 kilowatts when it comes into operation in 1964, justify Canadian confidence in the efficiency of the heavy water moderated, natural uranium reactor system. The foundation-stones of this confidence pertain to the validity of the physics of the system, the technical feasibility of the construction and operation of the reactor, the position of fuel development, and the reliability of cost estimates.

Canadian Approach

As for the validity of the physics of the system, it is claimed that heavy water is unsurpassed as a moderating material in thermal reactors and that it gives those using this material a substantial advantage over others in the fundamental problem of economic use of neutrons. As for the technical feasibility of the heavy water moderated and cooled pressure tube reactor, it has been substantially demonstrated in the construction of the Nuclear Power Demonstration reactor which is nearing completion. As Canadian nuclear scientists have operated heavy water systems in complicated research reactors for a number of years, they expect relatively low loss-rates of heavy water. As for fuel development, Canadian experience supports the choice of natural uranium oxide clad in Zircaloy, with short round rods grouped together in bundles. Natural uranium is the cheapest form of nuclear fuel and is physically capable of withstanding long burn-up. The extraction of maximum energy during one fuel cycle has also been amply demonstrated.

As for the cost estimates, they are stated to be reasonable and reliable, because the Douglas Point project follows the N P D. prototype for which full cost data are available. These cost estimates support Mr. Gray's conviction that the heavy water moderated and cooled reactor system holds the best promise for early economic nuclear power for Canada. The estimated construction costs of the Douglas Point Generating station are $81.5 million as the total cost of plant and $4.6 million as the cost of initial fuel including contingency and interest. Since this station is designed for a capacity of 200,000 kilowatts, the capital cost per kilowatt will thus be $430 (Rs. 2,043). The unit energy cost, based on the construction costs and using factors such as $30 per lb. for fuel cost, 100 being the number of operating staff and 15 years, 40 years and 30 years respectively for asset lives of reactor components and fuelling equipment, heavy water, and other plant (including half the fuel charge), is estimated as follows:

Average lifetime interest rate	*One-unit station* (Mills* per kw.h.)	*Two-unit station* (Mills per kw.h.)
4½	5.99	5.16
5	6.21	5.35
6	6.67	5.75

* Mill is one-thousandth of a dollar.

In terms of nP per kw.h., the unit energy cost will be as follows:

Average lifetime interest rate	*One-unit station* (nP per kw.h.)	*Two-unit station* (nP per kw.h.)
4½	2.85	2.45
5	2.95	2.54
6	3.17	2.73

U.S. Approach

The American approach to nuclear power, described at the symposium by Dr. Robert Charpie, Assistant Director, Oak Ridge National Laboratory, is to evolve a normal competitive nuclear power industry. The United States has made good progress in developing breeder-type reactors based both on thorium and uranium. The thorium-based reactor types, or 'thermal breeders' as they are called, are three—the aqueous homogeneous, molten salt, and semi-homogeneous gas-cooled systems. Reactors of each of these three types are under construction or operation in the U.S. American nuclear scientists are optimistic that each of them will be successful. This gives rise to the hope that, in the long-term, India's ample thorium reserves will turn out to be one of its most valuable natural resources. The provision for research with thorium rods in the Canada-India Reactor is, therefore, significant.

British Approach

The British approach to nuclear power is based on the graphite gas-cooled reactors, developed at Calder Hall and Chapelcross and using natural uranium. A major effort is now being made to make a success of the Advanced Gas-cooled Reactor, which is an extension of the same technology: this reactor, using slightly enriched uranium, has the potential for lower costs of generation. The present position in the U.K., according to Sir Roger Makins, Chairman, U.K. Atomic Energy Authority, is that the estimates of the cost of power from coal-fired stations to be built in the next few years are some 15 to 20 per cent. lower then the "0.6d. a unit" forecast in 1955. Since technical advances in the generation of electricity from coal and oil have led to reductions in capital costs and improvements in efficiencies in the use of these traditional fuels, nuclear power is not expected to be competitive. At the same time, the cost of power from the first two or three nuclear power stations is now expected to be substantially higher than that (0.6d. a unit) originally estimated. As against this, however, the nuclear stations recently ordered show costs very close to those which were originally forecast. Whatever be the cost considerations, Britain is going ahead with its nuclear power programme under which seven nuclear stations are at present under construction and tenders have been invited for an eighth. These alone, together with the Calder Hall and Chapelcross reactors, will bring the total nuclear power output to nearly 4,000 M.W. (one megawatt=1,000 kw.) by 1966. The target for 1968 is 5,000 M.W. in all. This shows how keen Britain is to develop nuclear power for meeting its energy requirements and this keenness is born of farsightedness. The powers-that-be in Britain realise that it will not be long before their country is faced with a serious shortage of coal and consequently an increase in the dependence on other countries for supply of fuel. They see in nuclear power the answer to their future power problem.

India, too, will have to go in for nuclear power development on a large scale for three major reasons. The first of these is that this country's coal reserves, abundant though they are, are confined to a few areas and so thermal power stations in distant locations will not be economic in their operation in the days to come when movement of coal by rail is bound to cost more. Another reason is that the country has ample thorium reserves which can be used to greater advantage for producing electricity in nuclear stations as our own research experience, coupled with that of the United States, will soon be substantial. And, above all, there is the compelling reason that in the foreseeable future the demand for power will outstrip the supply from conventional sources like hydel and thermal stations. The foundation for a supplemental source of power has, therefore, to be laid even now in the nuclear field.

WORLD ENERGY SUPPLIES: 1955-58

The Statistical Office of the United Nations has recently brought out a paper containing country-wise statistics of energy supplies in the period 1955-58. It provides data on the production, trade and consumption of energy in each of the four years concerned for approximately 160 countries with a combined population of more than 2,800 million persons in 1958. Because of the lack of reliable information on other fuels, such as wood, the data refer only to coal, coke and lignite, petroleum and its products, natural and manufactured gas, and hydro-electricity. It is seen from Table I in the publication giving world and regional aggregates, that total energy produced in the world as a whole has increased from 3,009 million metric tons of coal equivalent in 1954 to 3,795 tons in 1958, that is, by 26 per cent. But *per capita* consumption in the world as a whole has increased from 1,120 tons to 1,306 tons, that is, by just under 17 per cent. Hydro-electricity continues to be the least important source of energy, its production in the world as a whole accounting for 75 million tons of coal equivalent in 1958, as against 54 million tons in 1954. It is worthy of note that in 1954 North America and Western Europe together accounted for 76 per cent. of the world output of hydro-electricity but only for 70 per cent. in 1958. This is due to the fact that hydel power development in Latin America, Far East and Communist countries of Asia and Europe has been quite substantial.

LOCKHEED'S PROGRESS SINCE 1955

Mr. Robert E. Gross, Lockheed Chairman, said recently that more than half of Lockheed's $1.3 billion business in 1960 came from programmes developed in the past five years. He cited these highlights of Lockheed's rapid transition since 1955:

1. More than 22 per cent of the Company's 1960 sales came from Agena satellite vehicles—first ordered in 1956—and from space research. 2. Thirty per cent of 1960 sales came from Polaris ballistic missiles, conceived also in 1956. 3. Dollar values for military and civil airplanes exceeded half billion dollars in 1960. The proportion of aircraft to total sales declined from 94 per cent in 1955 to 43 per cent in 1960. Yet the reduction in dollar volume of aircraft sales was only 12 per cent—from $637 million to $560 million—since the total company sales almost doubled during the five-year period.

Lockheed has also been diversifying to add new fields to its traditional aircraft and missile-space programmes. These new areas include relatively small but important penetrations of electronics, underseas research, shipbuilding, heavy construction, architectural products and others. Agena satellites bearing the Lockheed trademark will in 1961 outnumber all satellites placed in orbit by various U.S. agencies and Russia combined in 1960.

BLUE STAR-HONEYWELL INSTRUMENTATION CENTRE

The Blue Star-Honeywell Instrumentation Centre has just been inaugurated in Bombay by Mr. T. N. Tolani, Director of Technical Education, Government of Maharashtra. This Centre, jointly sponsored by the Blue Star Engineering Company (Bombay) Private Ltd., and their principals, Minneapolis-Honeywell Regulator Company, said to be the world's largest manufacturer of instrumentation and automatic control, will impart technical training to maintenance personnel without cost, purely, as a service to industry. Honeywell have donated over a lakh of rupees worth of instruments for training purposes. According to Mr. Mohan T. Advani, Chairman of the Blue Star group, the need for this centre has arisen, because most modern manufacturing plants which have come up in recent years in India are well instrumented for automatic process control, and they require trained technical personnel for maintenance and operation of their highly complicated and sensitive instruments.

THE ASSOCIATED CEMENT COMPANIES, LIMITED

TWENTY-FOURTH ANNUAL GENERAL MEETING

SPEECH BY THE CHAIRMAN, MR. DHARAMSEY M. KHATAU

SPEAKING at the Twenty-fourth Annual General Meeting of the Associated Cement Companies Limited held at Bombay on Friday, 20th January 1961, the Chairman, Mr. Dharamsey M. Khatau, said:

"After the steady and continuous deterioration in profits over the preceding four years, there has at last occurred some slight improvement in gross profits and net profits. Encouraged by this, and by the prospect, or at least the hope, that the Tariff Commission now examining our current and future costs will recommend a fair price and that the benefits accruing hereafter from the increase in installed capacity will not be wholly neutralised by further increases in costs, your Directors have decided to recommend a dividend at Rs. 12 per share (subject to deduction of tax). This has been done in an endeavour to reach what we consider to be the *minimum rate of dividend* to which the shareholders are entitled. Your Directors realise that this is by no means yet a fair return on shareholders' capital, having regard particularly to the fact that the shareholders have also contributed a very substantial amount of further capital by way of premium on shares paid in cash. But it is not possible to go any further in that direction just at present, because even the modest dividend now recommend as well as the rate at which it is proposed to pay bonus to our employees this year, have necessitated the heavy withdrawal of Rs. 84.50 lakhs from general reserve.

Production and Costs

"Despite the slight improvement in profits, the results of last year's working have been disappointing. In keeping with the second Plan, the installed capacity of your Company's factories in India rose from 34.42 lakh tons to 37.30 lakh tons, but despatches improved only from 31.47 lakh tons last year to 33.68 lakh tons. This was not due to any lack of demand for cement. On the contrary, the demand improved strongly since the beginning of 1960. But the shortage of railway wagons, especially since the end of May 1960, prevented us from taking full advantage of the improved demand. Moreover, your Company, along with many other industrial concerns, was adversely affected by the acute shortage of transport for coal, with the result that a number of our works were obliged to curtail production for want of coal supplies towards the end of the year under review. The transport situation continues to be grave, though the authorities concerned are doing all they can to ensure for our cement plants at least their minimum requirements of coal and adequate supply of wagons for despatching cement. We are also endeavouring to increase despatches by road transport.

"Apart from these, the increase in gross earnings has been largely offset by further increases in the cost of various materials, enhanced railway freight, a further rise in the cost of coal and power, higher incidence of labour costs etc. The incidence of depreciation was also higher on account of the high capital cost of expansion and rehabilitation projects.

"The implementation of the recommendations of the Cement Wage Board would have increased the labour costs still further but for the Government's acceptance of the Wage Board's finding that the cement industry was incapable of bearing this additional burden, and that, consequently, there was need to neutralise it by an appropriate increase in the retention price. Unfortunately, in the process of computing this higher labour cost per ton of cement, the installed 'rated' capacity has been taken as the base instead of the actual production which was considerably lower.

"The major increases in costs which have been responsible for the progressive reduction of profits have been due to factors entirely beyond the control of the Company. They have in fact been the direct consequence of Government's own fiscal, monetary, labour and welfare policies in an attempt, on the one hand, to implement the second Five-year Plan which many of us regarded as extravagant and, on the other, to move nearer to the goal of a socialistic pattern of society which, at this juncture, most of us consider impracticable.

"In view of continually rising costs," the Chairman continued, "your Company was constrained to approach the Government repeatedly since 1959 for some enhancement of the retention price. It was pointed out that the continued decline in the earning capacity of the Company, despite the substantially higher production and increased capital employed, which is amply borne out by our published accounts since 1956, was the direct outcome of increasing costs and the uneconomic retention price. The Government was well aware that your Company has always co-operated in the plans and policies of Government by readily assuming responsibility for its share in the expansion of the country's cement output, and by carrying out expansions and technical improvements with a view to keeping down production costs. Your Company has also participated in establishing a major heavy engineering project in the country in collaboration with two leading British concerns, involving very considerable investment of resources in men and money. In view of all this, one cannot but deprecate the irresponsible attitude of Government in deliberately ignoring the difficulties and needs of this basic controlled industry, and in refusing to re-fix the retention price at a level which would yield a reasonable margin of profit, and also leave something over for ploughing back into the business. Even more reprehensible was the Government's failure to implement the last Tariff Commission's recommendations concerning the retrospective operation of the enhanced retention price fixed in 1958 and the need to alter that price from time to time with every change in the cost of coal.

"In these circumstances, the decision of the Government to refer the whole question once again to the Tariff Commission for a fresh investigation is welcome, though the decision was taken after nearly two years of inaction. In effect, this means that the cement industry will have to continue to suffer, without any redress, not only the entire rise in costs which has already occurred since January 1958, but also the further rise which will undoubtedly occur until a new retention price becomes operative.

"Meanwhile, almost exactly a month ago, even before the Tariff Commission could make a start with its formidable task, came an extraordinary edict from Government. They decided, by a stroke of the pen, to compel the industry to use second-hand bags for packing cement; and this at a price so low, conceived as an *average price* for packing in new bags and used bags, that it makes the whole scheme both impossible of performance and grossly expropriatory.

"I have often wondered—lately with some anxiety—what could be the reasons for singling out the cement industry for such unsympathetic, if not indeed harsh, treatment. Can it be that, even after all these years, there is as yet no understanding in Government circles of the real needs, or the elementary 'economics' of this major, basic capital-intensive industry? Do they not want a cement industry that is buoyant and can grow with freedom and vigour to a point when shortage of cement will be a thing of the past? Or is it, quite simply, that State trading in cement, though initially highly lucrative, has lately become such an unprofitable adventure, that a desperate attempt is now being made to minimise the liability by passing back the losses in State trading to the producers? I suspect that this last point is nearest the mark; but whatever may be the true answer, I feel bound to say, with all the emphasis at my command and with a full sense of responsibility, that the recent policies of Government affecting this major industry are fraught with grave consequences to its future and to the early satisfaction of the country's urgent need for cement. I must also add that 'holding the price line' is impossible, with *planned inflation*, on the one hand, and with so many variable factors (of Government's own making) tending towards rising costs, on the other. In such circumstances, a rise in the price of cement is an unavoidable necessity if a further increase in cement production is not to be throttled.

"It is with this background that we propose to urge before the Tariff Commission that the 'fair return' on the capital employed in the cement industry should be conceived as a '*fair net distributable* return' after meeting all items of cost. In particular, we shall urge that there can be no justification—legal or equitable—for excluding from the overall 'cost' of cement either such items of *direct cost* as the full charge for packing, whether in new or used bags, and the commission payable to stockists, or such large and specific items of *overhead costs* as bonus and accruing gratuity to employees, the remuneration payable to managing agents, the statutory development rebate reserve and company taxation. To admit, on the one hand, that the industry is entitled to a fair return on capital employed, but to insist, at the same time, that from this return itself the industry should in effect meet the cost of the items to which I have just referred is a contradiction in terms. It certainly results in our being left with a net distributable return which can hardly be described as fair."

Expansion and Rehabilitation

The Chairman reported that the Company's various expansion and rehabilitation projects have made satisfactory progress. Giving details, Mr. Khatau mentioned the extensions to the Shahabad works which raised its capacity from 4.00 lakh tons to 5.65 lakh tons per annum; the modernisation and extension of the Kymore works as a result of which the capacity of the factory has been raised from 3.60 to 5.73 lakh tons per annum; the installation of the flotation plant for the beneficiation of low-grade limestone and the slag-cement plant at Chaibasa; and the slag-granulation plant at Jamshedpur. The Chairman expressed his fears that it may not be possible to commission the recently completed second dry-process kiln at Mancherial immediately due to the inability of the Andhra Government to supply the full requirements of additional power.

New Cement Works at Durg

Mr. Khatau also announced that the Company had decided to start immediately on the building of a cement works at Durg in Madhya Pradesh which was held in abeyance due to the glut in the cement market and the shortage of foreign exchange etc. The Government of India has now agreed to give high priority to this project so far as foreign exchange is concerned. This new cement works will have an initial capacity of 1.65 lakh tons of cement per annum, and in due course, will produce slag-cement using blast-furnace slag from the Bhilai steel plant.

Firebricks and White Cement

The capacity of the refractories factory at Katni was being raised from 17,640 tons to 30,000 tons per annum in view of the adequate demand for this product. The Company also marketed nearly 8,000 metric tonnes of Silvicrete white cement produced at the old Porbandar works. Since demand continued to be fairly steady despite competition from imported and local white cement, and was likely to increase in the coming years, the Company has planned to install a new 25,000-ton capacity white cement plant at Kymore.

Collieries

Mr. Khatau also said that the Company's Nowrozabad and Kotma collieries met a good portion of coal requirements at some of the cement works and the modern coal-washing plant at Nowrozabad to improve the quality of the coal produced there, is supplying enriched washed coal to the Kymore Cement Works replacing the more expensive Bengal coal to a large extent.

Machinery Manufacture

Continuing, the Chairman stated that, in line with the Government policy of encouraging the setting up of a heavy-machinery industry in India, the Company has decided to establish a well-equipped engineering works at Shahabad for the manufacture of machinery required for cement, paper and pulp, chemical industries etc. Meanwhile, the Company continues to manufacture cement machinery for its own requirements at the existing Central workshops at Shahabad.

A.C.C.-Vickers-Babcock Ltd.

The work on the construction of the Heavy Engineering Works at Durgapur in collaboration with Messrs. Vickers Ltd. and Messrs. Babcock & Wilcox Ltd. is proceeding according to schedule. The new Company is expected to go into production by the end of 1961. A.C.C.-Vickers-Babcock Ltd. have up to now issued 3,00,000 shares of Rs. 100 each and the A.C.C's share, which is 49.8 per cent of the shares so issued, amounts to Rs. 1,49,40,000.

Pakistan

The Chairman reported that the Company's factories in Pakistan continued to function satisfactorily. Remittance to India of profits earned in Pakistan continued to be banned, but the Company was allowed to remit to India the due proportion of the management and administrative charges incurred at the head office. The demand for cement in Pakistan was steadily growing and naturally, the Government of Pakistan were eager to meet this growing demand by increased production within the country. "They therefore approached us to expand the capacity of our two plants in Pakistan; but we expressed our inability to do this for want of the substantial foreign exchange resources required for the purpose."

The Chairman continued: "As the need for expanding the cement production in Pakistan was undoubted, we have been in negotiation with certain foreign interests—at first British, and now American—to transfer our factories to them on terms mutually agreeable and subject, before completion, to the approval of the Government of Pakistan and the Government of India. The prerequisites of any such transaction must be that we get a price which is fair, having due regard to all the circumstances, and that the entire sale proceeds together with our cash balances should be received by us in Indian rupees or in convertible foreign exchange. From the point of view of the Government of Pakistan, such an arrangement would be of great value because it would ensure considerable expansion of production capacity without any burden on the foreign exchange resources of the country either for the acquisition of our factories, or for their further expansion. To the Government of India also the transaction should be welcome as it would enable the release of our resources in Pakistan for investment in further expansion in India. Negotiations are proceeding satisfactorily and before they are finalised the shareholders will be approached for their approval."

Bonus Shares, Managing Agency, etc.

The Chairman stated that the Directors "have been reluctantly compelled to drop the idea of issuing bonus shares until such time as Government may deem fit to withdraw this entirely unjust imposition" (of a 30 per cent tax) "the incidence of which your Company cannot bear." Mr. Khatau hoped that the Government (in the Company Law Administration Department) will sanction the extension of the duration of the managing agency agreement to ten years and to enhance the terms as to remuneration above the "standard scale."

Labour-management Relations

Commenting on labour-management relations, Mr. Khatau observed: "Among the outstanding events of the year under review was the publication of the report of the Central Wage Board for the Cement Industry."

He said that its main recommendations had been approved by Government and had been voluntarily accepted by us. The Wage Board must be complimented on the competence with which it has worked out a clear, need-based fair wage pattern for this industry.

Continuing, Mr. Khatau said: "For this very reason your Company, without waiting either for the actual realisation of the revised retention price or the assessment of proper workloads, went ahead with the implementation of the Wage Board's recommendations at most of our works and has already paid the new fair wage in consultation with the unions at those works. I am confident that, very soon, with the co-operation of the unions concerned, we shall be in a position to implement the new wage scales at the remaining works also.

"There are, however, certain aspects of this question to which, I feel, I must draw the pointed attention of the authorities. The Wage Board has for all practical proposes ignored the importance of fair work-loads as an essential element in any fair wage fixation. This was contrary to the positive stipulation of the Fair Wages Committee, the principles of which the Central Government desired the Wage Board to follow by making a specific provision to that effect in the terms of reference.

"I imagine that, by now, we have all come to realise that the productivity of our workers is very much lower than in other industrialised countries. For reasons beyond our control we have to engage a much larger manpower force than is the case elsewhere, even in plants of equal capacity, with identical equipment and the same degree of mechanisation. Raising the wages of workers in this context, unaccompanied by a corresponding assessment of fair work-loads or a rise in productivity, becomes a dubious and somewhat self-defeating device because, in our developing economy, its inflationary result detracts from the workers' real income on which alone their standard of living can depend.

"The relegation by Government of work-load studies to a stage of secondary importance is all the more difficult to understand when the Planning Commission as well as the Government have repeatedly made it clear that higher productivity is the only sure basis of prosperity and well-being of the workers.

"However, it is at least some gain that the need for undertaking work-load studies has been accepted in principle. And although we did not succeed in persuading the Central Government to entrust the task of scientific work-load assessment to expert independent agencies having specialised knowledge of this particular type of work, Government has asked the Chief Adviser (Factories) to initiate pilot projects for intensive studies in two or three units in this industry. We are giving the fullest assistance and co-operation to this team to facilitate and expedite their work."

Appreciation

Despite the low level of profits, the Chairman said the Directors have decided to maintain the rate of bonus to all the Company's employees at the same level as last year, and the large majority of the employees in the lower scales of pay would receive substantially higher amounts of bonus this year in view of the increase in their basic wages due to the implementation of the recommendations of the Central Wage Board for the Cement Industry.

Mr. Khatau concluded with an expression of warm appreciation of the sustained hard work and wholehearted co-operation of all the Company's employees.

Note: *This does not purport to be a report of the proceedings of the annual general meeting which will be sent separately to shareholders on request.*

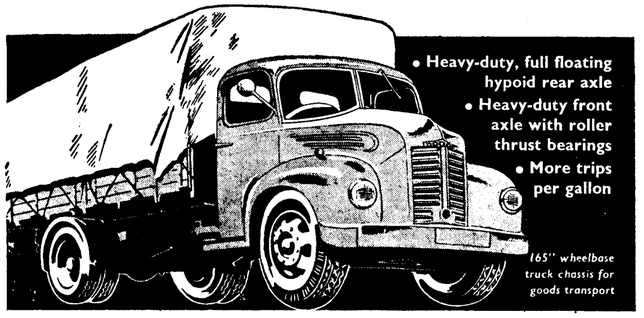
ATLAS
ASSURANCE CO., LTD.
The liability of Members of the Company is limited
Incorporated in England

A.D. 1808

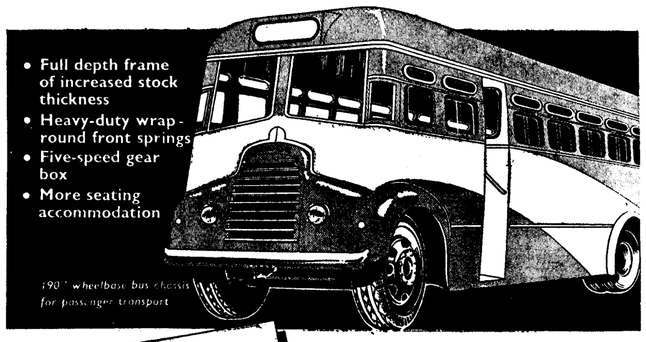
Bombay Agents:
N. SIRUR & CO. PRIVATE LTD.
TULSIDAS KHIMJI.
MACKINNON MACKENZIE & CO. PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALLJI THAKERSEY & CO.

Branch Offices:
Dougall Road, Ballard Estate, Bombay.
Indra Palace, Connaught Place, Delhi.
2-L, Mahatma Gandhi Road, Bangalore.
Vijaya Bank Building, Mangalore.
7, Armenian Street, Madras.
4, Clive Row, Calcutta.

FIRE — MARINE — ACCIDENT



DODGE
DIESELS



Progressively manufactured by
THE PREMIER AUTOMOBILES LTD.
BOMBAY

CONTACT YOUR NEAREST DEALER

THIS IS ONLY AN ANNOUNCEMENT—NOT A PROSPECTUS

A copy of the Prospectus has been duly filed with the Registrar of Companies, Madras State, for registration together with the documents specified in the Prospectus, as required by Section 60 of the Companies Act, 1956.

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to the public for inspection at the Registered Office of the Company at Rajapalaiyam. It must be distinctly understood that, in giving the consent, the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any statements made or opinions expressed with regard to them.

A Licence has been obtained from the Central Government for the establishment of this new industrial undertaking of which a copy is open to the public for inspection at the Registered Office of the Company. It must be distinctly understood that in granting the licence, the Government of India do not taken any responsibility for financial soundness of the undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

The existing Equity and Preference shares of the Company are officially listed on the Madras Stock Exchange Limited, Madras. Application will be made in due course to the Madras Stock Exchange Limited for permission to deal in the Equity and Preference shares now offered.

The Subscription List will open at 10 a.m. on Friday, the 27th January, 1961 and will close at 10 a.m. on Saturday, the 4th February, 1961 or earlier as soon as subscriptions approximating to the amount issued hereunder to the public have been received, but not earlier than 10 a.m. on Wednesday, the 1st February, 1961.

MADRAS CEMENTS LIMITED

(INCORPORATED UNDER THE COMPANIES ACT, 1956)

SHARE CAPITAL

AUTHORISED CAPITAL:	Rs.
1,50,000 Equity Shares of Rs. 100 each	1,50,00,000
40,000 Redeemable Cumulative Preference Shares of Rs. 100 each carrying a dividend of 9.3 per cent. free of Company's tax but subject to deduction of tax at source at prescribed rates	40,00,000
10,000 Cumulative Preference Shares of Rs. 100 each carrying a dividend of 6½ per cent. net after deduction of income-tax at the prescribed rates	10,00,000
Total ... Rs.	2,00,00,000

ISSUED AND SUBSCRIBED CAPITAL:	Rs.
40,000 Equity Shares of Rs. 100 each	40,00,000
10,000 6½ per cent. tax-free Cumulative Preference Shares of Rs. 100 each	10,00,000
Total ... Rs.	50,00,000
PRESENT ISSUE:	
50,000 Equity Shares of Rs. 100 each	50,00,000
20,000 9·3 per cent. Redeemable Cumulative Preference Shares of Rs. 100 each	20,00,000
Total ... Rs.	70,00,000

RIGHTS OF PREFERENCE SHARES

The holders of Preference Shares shall be entitled to be paid out of profits which the Board of Directors shall determine to distribute by way of dividends, a fixed cumulative preferential dividend at the rate which after deduction of such amount of tax as may be prescribed from time to time under Section 18(3D) of the Indian Income-tax Act, 1922, would entitle the holder of such share to a net dividend of 6½ per cent. per annum on the capital paid up for the time being on such shares in respect of 10,000—6½ per cent. Tax-free Cumulative Preference Shares of Rs. 100 each and at the rate of 9.3 per cent. per annum free of Company's tax but subject to deduction of tax at the prescribed rate as required under Section 18(3D) of the Indian Income-tax Act, 1922, on the capital paid up for the time being on such shares in respect of 40,000 Redeemable Cumulative Preference Shares of Rs. 100 each from the date of allotment and to a right on winding-up to be paid all arrears of preferential dividends, whether earned or declared or not, down to the commencement of the winding-up and also to be repaid the amount of capital paid up or credited as paid up on the Preference Shares held by them respectively in priority to any payment in respect of Equity Shares, but shall not be entitled to any other rights in the profits or assets of the Company; subject as aforesaid and to the rights of the holders of any other shares entitled by the terms of the issue to preferential repayment over the Equity Shares in the event of winding-up of the Company, the holders of Equity Shares shall be entitled to be repaid the amount of capital paid up or credited as paid up on such shares and all surplus assets thereafter shall belong to Equity Shares in proportion to the amount paid up or credited as paid up on such Equity Shares respectively at the commencement of the winding-up. The holders of Preference Shares that have already been issued and that may hereafter be issued shall, unless restricted by the terms of the issue of such shares, rank *pari passu* in the matter of payment of dividends and return of capital.

Any further issue of Redeemable Preference Shares over and above the present issue of 20,000 Redeemable Cumulative Preference Shares of Rs. 100 each ranking in all respects *pari passu* with the existing 10,000—6½ per cent. tax-free Cumulative Preference Shares of Rs. 100 each and 20,000 Redeemable Cumulative Preference Shares of Rs. 100 each now being issued under this Prospectus will be made only with the consent of holders of not less than three-fourths of the Preference Shares.

TERMS FOR REDEMPTION OF PREFERENCE SHARES

The shares will be redeemed at par after 10 years and before 15 years from the date of issue of shares. The Company may, at their option, start redeeming the Preference Shares at par, after six years from the date of issue of such shares. The Redeemable Cumulative Preference Shares, if any, subscribed for and held by the Industrial Finance Corporation of India, New Delhi, shall be redeemed in the first instance without the draw of lots.

The Preference Shares may be redeemed all at a time or in instalments. The Preference Shares to be redeemed on each occasion shall be determined by the drawing of lots.

RIGHTS OF THE EQUITY SHARES

The new Equity Shares for all purposes shall rank *pari passu* with the existing Equity Shares of the Company.

ALLOTMENTS TO SHAREHOLDERS AND FINANCIAL INSTITUTIONS

Pursuant to Section 81 of the Companies Act, 1956, and as per resolution passed by the Company in General Meeting on 1st October 1960, authorising the offer of the present issue to the holders of both Equity and Preference Shares of the Company, all the shares under the present issue were offered in the first instance to the existing shareholders of both Equity and Preference Shares of the Company, whose names appeared on the Register of Members of the Company as on 3rd December, 1960, on the basis of one Equity Share of Rs. 100 each for every Equity or Preference Share of Rs. 100 each held by them and two Redeemable Cumulative Preference Shares of Rs. 100 each for every Five Equity or Preference Shares or a combination of both held by them.

The shareholders of the Company have subscribed for 5,289 Equity Shares and 2,941 Redeemable Cumulative Preference Shares having a total nominal value of Rs. 8,23,000 leaving a balance of 44,711 Equity Shares of Rs. 100 each and 17,059 Redeemable Cumulative Preference Shares of Rs. 100 each having a value of Rs. 61,37,000.

Out of the above, the Madras Industrial Investment Corporation Ltd. have subscribed for 27,500 Equity Shares of Rs. 100 each and 7,500 Redeemable Cumulative Preference Shares of Rs. 100 each and they have been allotted these shares in full.

The Life Insurance Corporation of India have also underwritten and subscribed for 2,500 Redeemable Cumulative Preference Shares of Rs. 100 each and these shares have been allotted in full.

THE ENTIRE ISSUE OF Rs. 70 LAKHS IS UNDERWRITTEN

The following underwriting arrangements have been made with the institutions mentioned below in respect of the quantities and classes of shares mentioned against each:

Name of the Underwriter	Redeemable Cumulative Preference Shares	Equity Shares	Total Value
			Rs.
Madras Industrial Investment Corporation Ltd.	7,500	27,500	35,00,000
Industrial Finance Corporation of India, New Delhi	10,000	..	10,00,000
Life Insurance Corporation of India, Bombay ..	2,500	7,500	10,00,000
Indian Overseas Bank Limited, Madras ..	..	7,500	7,50,000
Brokers: Jointly			
(1) Messrs. Chitra & Co., Madras ..			
(2) Messrs. Maconochie & Co., Madras ..			
(3) Messrs. Somayajulu & Co., Madras ..	..	7,500	7,50,000
(4) Messrs. Paterson & Co., Madras ..			
(5) Messrs. P. R. Subramanyam, Bombay ..			
Total ..	20,000	50,000	70,00,000

In the opinion of the Directors, the resources of the said underwriters are sufficient to discharge their underwriting obligations.

OFFER TO THE PUBLIC

The balance of the issued capital, namely, Rs. 24,27,000 consisting of 17,211 Equity Shares of Rs. 100 each and 7,059 Redeemable Cumulative Preference Shares of Rs. 100 each is offered at par for public subscription in terms of the Prospectus and is payable as follows:—

On application	Rs. 50 per share
On allotment	Nil

The balance of Rs. 50 per share will be called up at the discretion of the Directors not earlier than six months from the date of allotment.

No shares are issued for consideration other than cash.

The Life Insurance Corporation of India have also agreed to send us an open application for Equity Shares to the value of Rs. 7,00,000 which will rank for allotment on a par with other applications received from the public.

BOARD OF DIRECTORS

(1) SHRI T. K. PALANIAPPAN, I.A.S., Secretary to Government of Madras, Department of Industries, Labour and Co-operation, Madras.

(2) SHRI P. A. C. RAMASAMY RAJA, Industrialist, "Ramamandiram", Rajapalaiyam.

Director of Rajapalaiyam Mills Ltd., Rajapalaiyam, The Ramaraju Surgical Cotton Mills Ltd., Rajapalaiyam, Madras Industrial Investment Corporation, Ltd., etc.

(3) SHRI L. ALAGUSUNDARAM CHETTIAR, Industrialist, Pasumalai, Madurai.

Director of the Indian Bank Ltd., Madras, Mahalakshmi Textile Mills Ltd., Pasumalai, etc.

(4) SHRI K. VENKATASWAMI NAIDU, B.A., B.L., Advocate, 94-C, Shenoynagar, Madras, 30.

Ex-Minister of Madras State.

(5) SHRI A. S. K. RATHNASAMY NADAR, 68, Victoria Extension Road, Tuticorin.

Director of the Brilliant Trading Corporation Ltd., Madras, etc.

(6) SHRI P. R. RAMASUBRAMANIA RAJA, B.Sc., "Ramamandiram", Rajapalaiyam.

Director of Rajapalaiyam Mills Ltd., Rajapalaiyam, The Ramaraju Surgical Cotton Mills Ltd., Rajapalaiyam, etc.

(7) SHRI K. TIRUVENGADA MUDALIAR, B.A., 34, Second Main Road, Gandhinagar, Adyar, Madras, 20.

Director of Seshasayee Industries Ltd., Trichy.

(8) SHRI S. SUBBUSWAMY IYER, Zamindar, "Srinilayam," Vannarpet, Tirunelveli-3.

Director of Gitanjali Mills Ltd., Rajapalaiyam, etc.

(9) SRIMATHI C. P. LEELAVATHI AMMAGARU, Zamindarini, Perla Aranmanai, Turaiyur, Trichy District.

(10) SHRI A. M. S. PERIASAMY, Rubber Planter, No. 3, Main Road, Sunge Siput, Perak, Malaya.

(11) SHRI V. S. MONEY, B.A., B.L., Banker and Landlord, Mitta Mansion, Krishnapuram, Kadayanallur.

Director of Nagammal Mills Ltd., Nagercoil.

(12) SHRI K. E. S. ELLAPPAN, Banker and Landlord, Bungalow Street, Kolipatti.

Director of Sree Rajagopaul Bank Ltd., Kolipatti.

(13) SHRI K. S. MOHAMED ARIFF, Contractor, 199, Angappa Naick Street, Madras-1.

(14) SHRI T. K. TIRUMALAIAPPA MUDALIAR, Proprietor: Kanthimathi Medical Stores, Tirunelveli Junction.

MANAGING AGENTS

M/s. P. A. C. RAMASAMY RAJA & CO., "Ramamandiram", Rajapalaiyam, S.Ry., Ramanathapuram District.

BANKERS

STATE BANK OF INDIA, Rajapalaiyam.

THE INDIAN BANK LTD., Madras.

THE INDIAN OVERSEAS BANK LTD., Madras.

THE CENTRAL BANK OF INDIA, LTD., Rajapalaiyam.

THE RAJAPALAIYAM COMMERCIAL BANK PRIVATE LTD., Rajapalaiyam.

AUDITORS

MESSRS. M. S. KRISHNASWAMI AND JAGANNATHAN, Chartered Accountants, Coimbatore.

REGISTERED OFFICE

"RAMAMANDIRAM", RAJAPALAIYAM.

FACTORY OFFICE

TULUKKAPATTI, S. Ry., Sattur Taluk, Ramanathapuram District.

UNDERWRITERS

MADRAS INDUSTRIAL INVESTMENT CORPORATION LTD., 38, Whites Road, Royapettah, Madras 14.

INDUSTRIAL FINANCE CORPORATION OF INDIA, Reserve Bank Buildings, Parliament Street, New Delhi.

LIFE INSURANCE CORPORATION OF INDIA, "Jeevan Kendra", Jamshedji Tata Road, Bombay.

THE INDIAN OVERSEAS BANK LTD., Mount Road, Madras, 2.

MESSRS. CHITRA & COMPANY, Post Box No. 1557, 322/323, Linghi Chetty Street, Madras, 1.

MESSRS. SOMAYAJULU & COMPANY, 337, Thambu Chetty Street, Madras, 1.

MESSRS. MACONOCHIE & COMPANY, Post Box No. 291, Mercantile Bank Building, First Line Beach, Madras, 1.

MESSRS. PATERSON & COMPANY, Post Box No. 48, 22, Errabalu Chetty Street, Madras, 1.

MESSRS. P. R. SUBRAMANYAM, 70-A, Stock Exchange Building, Apollo Street, Fort, Bombay, 1.

BROKERS

MESSRS. CHITRA & COMPANY, Post Box No. 1557, 322/323, Linghi Chetty Street, Madras, 1.

MESSRS. PATERSON & COMPANY, Post Box No. 48, 22, Errabalu Chetty Street, Madras, 1.

MESSRS. SOMAYAJULU & COMPANY, 337, Thambu Chetty Street, Madras, 1.

MESSRS. MACONOCHIE & COMPANY, Post Box No. 291, Mercantile Bank Building, First Line Beach, Madras, 1.

MESSRS. P. R. SUBRAMANYAM, 70-A, Stock Exchange Building, Apollo Street, Fort, Bombay, 1.

MESSRS. A. B. PANDIT & COMPANY, 32, Apollo Street, Fort, Bombay, 1.

MESSRS. J. R. MOTISHAW & COMPANY, 32, Apollo Street, Fort, Bombay, 1.

MESSRS. M. NANJAPPAIAH JAHGIRDAR, Post Office Box No. 71, 181, Cavalry Road, Bangalore, 1.

MESSRS. M. R. DHAWAN & COMPANY, 4/8, Asaf Ali Road, New Delhi, 1.

CONSENT

The consent in writing of the abovenamed Bankers, Brokers and Auditors of the Company to act in the respective capacities have been obtained and have been filed with the Registrar of Companies, Madras, and have not been withdrawn.

HISTORY OF THE PROJECT

The Company was incorporated on the 3rd July, 1957, for the several purposes set forth in the Memorandum of Association and in particular to undertake the manufacture of Portland Cement and other allied products. A factory has been established for this purpose at Tulukkapatti, Ramanathapuram District. An industrial licence has been obtained from the Central Government for erecting a factory with a capacity of 600 tons of Portland Cement per day, to be executed in two stages.

Large reserves of suitable limestone are available from quarries within a few miles from the factory. Suitable clay and gypsum are also available in and around the area. Extensive lands for the factory and residential buildings, both for the existing and expansion scheme, have been acquired by the Company. Plenty of water is available from Arjuna River nearby. Necessary pipelines have already been laid from the river bed to the factory site. The supply will be sufficient both for the first and the second stage of the project. The State Electricity Board have sanctioned necessary electric power to meet the requirement of the first stage of the factory and they have already made the power available. They have also assured the sanction in time of the required electric power for the second stage. The factory is located on the Madras-Cape Comorin National Highway and is well served by rail and road transport facilities. Besides, it is very near to the Tuticorin Port.

The Certificate of Commencement of Business was obtained on 31st July, 1957. The licensed capacity of 600 tons per day is to be executed in two stages, namely, the first stage having a capacity of 200/250 tons per day and the second stage having an installed capacity of 350/400 tons per day, making the total of 600 tons per day.

In accordance with the above phased programme, to finance the outlay of the First Stage, a capital issue of Rs. 50 lakhs was made. The original issue of Rs. 50 lakhs was in the form of Equity Shares both of the denomination of Rs. 100. The entire Preference capital of Rs. 10 lakhs and Rs. 30 lakhs of Equity Shares out of Rs. 40 lakhs were placed before the investing public without resort to the publication of a Prospectus, using the personal influence of the Chief Promoter, Shri P. A. C. Ramasamy Raja, the well-known Mill Magnate of Rajapalaiyam and the Managing Agents of Rajapalaiyam Mills Ltd., Rajapalaiyam, The Ramaraju Surgical Cotton Mills Ltd., and Jayaram Mills Ltd., Rajapalaiyam. The balance of Rs. 10 lakhs of Equity Shares was taken up by the Madras Government to signify their confidence in the project. Further, a long-term loan of Rs. 40 lakhs was obtained from Industrial Finance Corporation of India, New Delhi, to secure the balance of requirements.

The Company has now completed the first stage of the construction of the 200/250-ton factory. The plant and machinery were supplied by the internationally well-known firm of Messrs. Skodas of Czechoslovakia and they were erected under the supervision of their experts. The Directors are glad to state that the first stage of the project is about to be commissioned and the cement produced by the factory will be placed on the market shortly.

EXPANSION SCHEME

The Company is now issuing additional capital to find the required finance for the second stage of the project. The supply and erection of plant and machinery for the second stage are also in the hands of Skoda, who have made all arrangements for delivery by the end of 1961 and erection of the machinery according to our present schedule.

The Import Licence for the plant and machinery for the expansion scheme has already been granted by the Government of India under Rupee payment terms and it is in accordance with the terms of this licence that we have placed firm orders with Messrs. Skodas.

PLANT AND MACHINERY

The Company has entered into an agreement on 9th December 1959 with Messrs. Skoda (India) Private Ltd., Bombay, Agents of Messrs. Technoexport of Czechoslovakia, for supply of the extension plant of 350/400 tons day capacity. The entire plant and machinery including electrical drives are to be supplied by the renowned manufacturers in Czechoslovakia, Messrs. Skodas. These manufacturers of cement-making and other machinery, enjoy a world-wide reputation, particularly in the Cement and Sugar lines. They have undertaken the erection and the successful commissioning of the extension plant. The plant and machinery supplied by the above mentioned firm, Skodas, is for the wet process.

CAPITAL REQUIREMENTS

The total cost of the second stage of the project is estimated as under:—

Plant and machinery ...	...	Rs.	76.25 lakhs
Civil Constructions ...	...		27.00 ,,
Other Assets ...	...	...	9.25 ,,
Contingencies ...	...	...	3.50 ,,
Expenses for issue of shares ...			4.00 ,,
Total ...		Rs.	120.00 ,,

The requirements of working capital for the Second Stage will be about Rs. 20 lakhs.

SOURCE OF FUNDS

The total sum will be provided as under:—

By the present issue of share capital	Rs.	70 lakhs
Additional long-term loan from the Industrial Finance Corporation of India, New Delhi (already sanctioned)	Rs.	50 lakhs
Total ...	Rs.	120 lakhs

The requirements of working capital, namely, Rs. 20 lakhs for the Second Stage will be met out of the earnings of the First Stage and borrowings from banks.

PROSPECTS

It is well known that the Cement industry in India has not only seen phenomenal growth in the last twelve years but is looking forward to a period of increasing consumption of cement in the next decade. Apart from a quadrupling of capacity in a little over a decade, the industry has been allotted a target of 14 million tons during the Third Plan period. The capacity of the industry at the end of 1960 was estimated at about 9 million tons. Thus, it is safe to expect that the target will be more than achieved during the Third Plan period, though it is expected that, by this time, consumption of cement by the house-building industry will, apart from the needs of the large projects of the Third Plan, have very considerably increased. Actually, it is expected that, by the first year of the Third Plan, cement consumption will receive a new stimulus with the availability of larger quantities of steel, with the completion and coming into operation of the three steel units in the public sector. The Company's expansion scheme is, therefore, timely.

PROFITS

The Directors are of opinion that in the absence of any unforeseen circumstances, the Company will earn sufficient profits as to enable the declaration of a reasonable dividend within one year from the date the second plant goes into production.

FINANCIAL INFORMATION

The Auditors' Report dated 10th January 1961 in accordance with the provisions of the Companies Act, 1956, has been appended to the Prospectus. The Auditors have given and have not withdrawn their written consent to the inclusion of their reports in the form and context in which it appears.

EXPENSES OF THE ISSUE

The expenses of the issue, including underwriting commission and brokerage, are estimated not to exceed Rs. 4 lakhs and are payable by the Company.

UNDERWRITING COMMISSION

Underwriting Commission at the rate of 2½ per cent. on the nominal value of both Equity and Preference Shares underwritten will be paid to the underwriters.

BROKERAGE

Brokerage at the rate of 1 per cent. will be paid to the Bankers of the Company and recognised Brokers on all allotments made in respect of applications for Preference and Equity shares bearing the stamp of such Banks or Brokers. Brokerage on the same basis is payable to underwriters in addition to the underwriting commission, on allotments in respect of applications made or procured by them and bearing their respective stamps. However, no brokerage is payable on shares subscribed by the existing shareholders under Section 81 of the Companies Act, 1956 or by the Directors or by the Managing Agents or their associates and by the Madras Industrial Investment Corporation Limited.

DIRECTORS

The Articles of Association of the Company provide that the number of Directors shall not be less than three and until otherwise determined by the General Meeting, not more than fifteen, including Ex-Officio Directors. The maximum number of Directors not liable for retirement by rotation shall not exceed one-third of the total strength of the Board. The qualification of every Director, other than the first Directors, Ex-Officio Directors, and alternate Directors, Madras State Government Director, and Industrial Finance Corporation of India Director shall be his holding shares in the capital of the Company of the face value of Rs. 5,000 and it shall be his duty to comply with the provisions of Sections 270 and 271 of the Act.

Every Director is entitled to receive a sitting fee of Rs. 100 for every meeting of the Directors or of any Committee of the Directors attended by him and all reasonable travelling, hotel and other expenses incurred within India for attending and returning from meetings of the Board or a Committee thereof or in connection with the business of the Company.

BORROWING POWERS

The Directors may at their discretion raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time, except with the consent of the Company in General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves.

INTEREST OF DIRECTORS

Messrs. P. A. C. Ramasamy Raja and P. R. Ramasubramania Raja, Directors of the Company, are the partners of Messrs. P. A. C. Ramasamy Raja & Co., the Managing Agents of the Company, and each of them is interested in the remuneration payable to the Managing Agents in the following proportion.

1.	Shri P. A. C. Ramasamy Raja	51 per cent.
2.	Shri P. R. Ramasubramania Raja	49 per cent.

Each of the Directors is interested to the extent of shares subscribed, allotted or to be allotted to him in the Company and in the sitting fee receivable by him for attending the meeting of the Board of Directors.

MANAGING AGENTS

Messrs. P. A. C. Ramasamy Raja & Co. have been appointed with the approval of the Central Government accorded in their letter No. 41(914)-CMN/57, dated 4th October, 1957, as the Managing Agents of the Company for a period of 15 years from 30th January 1958 on a remuneration of 10 per cent. of the annual net profits of the Company. For this purpose, the net profits are to be computed in accordance with Sections 349 and 350 of the Companies Act, 1956. In the event of inadequacy or absence of profits, the Managing Agents will be paid, as minimum remuneration for every such financial year of the Company, such sum payable in such manner, as the Central Government may hereinafter fix in this behalf.

In the event of any compensation becoming due and payable to the Managing Agents for loss of office, such compensation shall be determined in accordance with Section 366 of the Companies Act, 1956.

The partners of the Managing Agents are well known industrialists and they are associated with several successful enterprises.

Subject to the provisions of the Companies Act, 1956, and to the supervision and control of the Board of Directors, the Managing Agents shall have the Management of the whole affairs of the Company. The Managing Agents have a right of appointing not more than two Directors where the total number of Directors of the Company exceeds five and one Director, where the total number does not exceed five. Such appointees will be known as Ex-Officio Directors.

VARIATION OF RIGHTS

The rights attached to any class of shares may be varied by complying with the provisions of Sections 106 and 107 of the Companies Act, 1956.

(*Continued on next page*)

ECONOMIC TRENDS IN BRITAIN

MAJOR AIM MUST BE IMPROVEMENT IN OVERSEAS PAYMENT BALANCE

By W. T. C. King
EDITOR, *THE BANKER*, LONDON

RECENT economic news has made it clear that the major aim for Britain's economy in 1961 must be to improve the trend of its balance of overseas payments, which has now been deteriorating for almost two years. In 1959, Britain's surplus on current external transactions as a whole had run down from the exceptionally good total of £345,000,000 earned in 1958, to £139,000,000, chiefly because the sharp rise in imports associated with the rapid expansion of domestic output had outpaced the growth of exports. Twelve months ago, it had been hoped that this adverse relationship would prove to be only temporary; that the pace of the rise in imports would slacken markedly while that of exports might be speeded up. But, in the event, both these hopes have been disappointed; the year 1960, instead of showing some improvement in the current balance, has witnessed a further deterioration.

Surplus Wiped Out

Official estimates for the full year are not, of course, available yet, but there is hardly room for doubt that they will show the current account as having dipped into the red—for the first time since 1955. During the seasonally unfavourable third quarter, there was a deficit (as provisionally estimated) of £101,000,000 in contrast to a surplus of £43,000,000 in the corresponding period of 1959. This more than wiped out the modest surplus earned in the first half of 1960, so that, for the nine months, there was a deficit of £66,000,000, as compared with surpluses of £159,000,000 and £307,000,000 in the first nine months of 1959 and 1958.

Not far short of half this deterioration occurred in the net "invisible" income (partly in consequence of a rather sharp rise in outgoings on governmental account), the trend of which is especially hard to predict. The trend of "invisible" trade, however, has lately looked a little more reassuring.

Rise in Exports Forecast

The monthly figures of exports had turned sharply downwards about the middle of last year, and many people feared that a major downtrend might be setting in. Unfortunately, the trend then became blurred by the effects on the statistics of a strike of tally clerks at the London docks. Most of these effects can now be eliminated by averaging the figures for the months September, October and November. On this basis, the seasonally adjusted monthly value of exports was £292,000,000, or substantially above the low figure of £272,000,000 recorded for July, but perceptibly below the peak monthly average of £304,000,000 touched in the first quarter of 1960.

Since the publication of these figures shortly before the holiday, City circles have been more disposed to forecast a small rise in exports rather than a further fall; the chances of any substantial rise are generally regarded as depending largely upon the still highly uncertain course of the economy of the United States of America. In the meantime, although the monthly trade returns as yet give little sign of it, many observers now expect a marked flattening in the curve of British imports.

Stock-Building

Hopes of this particular relief for the balance of payments are based chiefly upon expectations of a slowing down in the abnormal rate of stock-building that was set in motion in the domestic economy by the big expansion of output in 1959. Similar hopes, it may be recalled, were entertained early last year, but the response of stocks to changes in the rate of output has proved to be slower than had been expected. The recovery of industrial production from the low point reached in 1958 had been proceeding for twelve months before additions to stocks showed any large upturn. Then, in the final quarter of 1959, the seasonally corrected estimate of aggregate stocks held by manufacturers and distributors (including work-in-progress) rose by £100,000,000,* a larger increment than occurred in the whole of 1958 and one that contrasted with a net decline of £33,000,000 in stocks in the first nine months of 1959. The eventual turnround was, therefore, sharp; partly for this reason, it was generally supposed that stock-building would quickly decline again when the growth of production slowed down. In fact, the abnormal rate of stock-building attained in the last quarter of 1959 was actually surpassed in the ensuing nine months, when the quarterly increments were £78,000,000, £149,000,000 and £128,000,000. The addition over twelve months has thus amounted to £455,000,000, or roughly nine per cent, nearly seven times the annual rate in 1958 and 1959, and not far short of twice the rate of 1957.

During this same period, the rise in aggregate industrial output—the originating cause of the burst in stock-building—has been brought to a halt. Although the aggregate output for 1960 will show an increase of perhaps seven to eight per cent on the 1959 aggregate, the rise actually stopped last April. The seasonally adjusted index, which has risen from its low point of 105 in the third quarter of 1958 to 117 by October 1959 (1954=100), rose by only a further four points in the ensuing six months; from April to October 1960 it has been virtually steady at the peak of 121.

The continued expansion of the capital goods industries has been offset by the recession in the industries producing consumer durables and automobiles, which have been affected by the deliberate efforts to retard consumer spending, and some of them, notably automobiles, also by the contraction of export markets.

Changes Expected In 1961

The substantial change that can reasonably be expected in stock-building in 1961 should relieve the balance of payments both directly and indirectly—by reducing imports of basic industrial materials and finished manufactures, stocks of which have risen sharply in the past year, and by its more general disinflationary effects upon domestic industry. The fact that, in 1961, a smaller part of any increment of industrial output will be absorbed in additional work-in-progress and building up stocks of components, and so on, will not only reduce industry's need for imported supplies, but will enhance its capacity to export. Similarly, when judging the implications of whatever deficit is shown on the current balance of payments for 1960, it will be important to bear in mind that, during this period, the economy was supporting a major non-recurring outlay for the building up of its stocks.

Adequate allowance for this important factor will substantially improve, but cannot transform, the appearance of the external accounts. Even though it be large enough to wipe out the present deficit on current account, it certainly could not by itself restore a surplus big enough to finance Britain's net outgoings on long-term capital account—mostly for the provision of aid and loans for underdeveloped territories. During 1960, these outgoings have, in effect, been financed by the massive inflow of mobile short-term funds. Thanks to this inflow, the central gold and convertible-currency reserves of the sterling area have continued to rise in spite of the big gap represented by the deficit on the current account and the heavy outgoings on long-term capital account. Over the year 1960 as a whole, the reserves rose by £177,000,000 to £1,154,000,000, even though the United Kingdom Government had made advance repayment of its "Suez" dollar credit from the International Monetary Fund, providing £110,000,000 in dollars for this purpose, and had incurred other special capital payments to the extent of £119,000,000.

Doubtful Inflow of Funds

The tide of short-term international funds, however, now seems on the turn; or, at least, it has ceased to flow. During December, the gold reserves did, it is true, rise by a further £23,000,000. But the month's accounts were affected by large capital transactions in both directions—on the one hand, payments of £67,000,000 in dollars for the annual service on the post-World War II loans from Canada and the United States, and of £17,000,000 in dollars to the I.M.F. (being a voluntary transfer to raise Britain's gold and dollar subscription to the Fund to the standard 25 per cent of its quota) and, on the other hand, receipt of £131,000,000 in dollars for the purchase of sterling by the Ford Motor Company of Detroit in preparation for its take-over of the minority shareholdings in Fords of Dagenham (Detroit, of course, already holds a controlling interest).

It will be seen that, if these special transactions are excluded, there would have been a net decline in the reserves by £22,000,000 during the month—the first "true" decline since early 1960. This loss appears to have been due in part to normal seasonal commercial strains and in part to repatriation of Continental short-term banking funds for year-end window-dressing. It remains to be seen whether these funds will fully return; any large outflow is still regarded as improbable, but it seems that London can no longer reckon upon a continued inflow.

It, therefore, seems inevitable that the underlying disequilibrium will soon show itself plainly in the gold reserves. The monetary authorities have repeatedly declared their readiness to let gold flow out freely when the trend of short-term funds altered, so that there is no reason to expect that such an alteration would of itself precipitate the introduction of new defensive measures—for example, a new increase in Bank rate.

The reduction of the rate by a further half per cent, to five per cent, on 8th December, after the pressure of incoming funds had eased, served to underline the earlier indications of policy. This reduction, like the one conceded six weeks previously, was chiefly directed towards the falling trend of rates overseas, and, in particular, was evidently intended as a gesture of "moral" support for the United States authorities, in their task of keeping money easy to aid the domestic economy, at a time when the dollar is still under pressure internationally.

It has been made clear that this easing United Kingdom short money rates was not to be taken as any indication of intention to relax other measures of restraint on the domestic economy, in spite of the recession that has occurred in certain industries. The Chancellor has reiterated, indeed, that there can be no relaxations until it is clearly safe to make them in the interests of the economy as a whole—and the first criterion of any move must be its implication for the balance of payments. "The solid foundation for further expansion of output," Mr. Selwyn Lloyd declared recently, must be "a strong upward movement of exports."

*To afford a measure of changes in the volume of stocks, the estimates are given at 1954 prices throughout.

MADRAS CEMENTS LTD.

(*Concluded from previous page*)

INSPECTION

Copies of Memorandum and Articles of Association of the Company, Audited Balance Sheet and Profit and Loss Account for the last three financial years and the Auditors' Report referred to hereinabove, the original consent order of the Controller of Capital Issues, Licence issued by the Government of India for establishment of new industrial undertaking and copies of other contracts, agreements and documents mentioned in the Prospectus, can be inspected at any time during the usual office hours of the Company at the Registered Office of the Company for a period of 14 days from the date of publication of the Prospectus or until the Subscription List closes whichever is earlier.

APPLICATION AND ALLOTMENT

Applications for Equity and Preference Shares must be for a minimum of 5 shares.

All applications must be made on the forms accompanying the Prospectus which can be had from the Registered Office of the Company, the Company's Underwriters, Brokers and Bankers. In respect of Bankers, arrangements have been made with the following offices for receiving applications and remittances:

State Bank of India, Rajapalaiyam, Madras and Bombay; Indian Bank Ltd., Madras, all their Branches in Madras State, Bombay, Calcutta and New Delhi; Indian Overseas Bank Ltd., Madras, all their Branches in Madras State, Bombay, Calcutta and New Delhi; Central Bank of India Ltd., Rajapalaiyam, Madras and Bombay, and Rajapalaiyam Commercial Bank Private Ltd., Rajapalaiyam.

The form of application accompanied by the necessary remittance of Rs. 50 per Equity or Preference Share applied for, should be delivered to the Registered Office of the Company, Company's Underwriters, Brokers and Bankers mentioned in the Prospectus on or before the date of closing of the Subscription List.

Cheques or drafts drawn on banks at places other than those mentioned above must include bank charges at ¼ per cent. with a minimum of 75 nP. Cheques or drafts should be made payable to "Madras Cements Limited" and should be crossed. A separate cheque or draft should accompany each application.

NEW PRODUCTS AND PROCESSES

Curcumin as Colouring Agent for Vanaspati

INVESTIGATIONS in progress at the Central Food Technological Research Institute, Mysore, suggest the suitability of curcumin derived from turmeric as a colouring agent for hydrogenated vegetable oil. When powdered turmeric is extracted with alcohol, curcumin is obtained as a crude extract (7-8 per cent. of the dry powder), mixed with the oil of turmeric. Addition of the extract (0.04 per cent. on the weight of the fat) to hydrogenated vegetable oil imparts to it a pleasant acceptable colour. When added (even at 10 per cent. level) to ghee, the colour is clearly visible and responds to the lime test.

Taking the present market price of turmeric in bulk at Rs. 48 per maund (80 lb.) and reckoning the yield of crude curcumin at 8 per cent., the cost of colourisation per pound of vanaspati, inclusive of the extraction process, comes to less than 1 nP. On the basis of average production of vanaspati in the country at 400,000 tons, the country will need 2,000 tons of turmeric which represents about 1 per cent. of the total production of turmeric in the country. The addition of turmeric colour (at 0.04 per cent. level of the extract) may serve as a deterrent for the adulteration of ghee with vanaspati because it acts both as a visible and as a latent colour. It is considered desirable that the addition of sesame oil should also be continued as it will serve as an additional check. This is not affected by the presence of the turmeric colour in the suggested concentration.

Heart Examination by Telephone

Doctors may soon be able to give electrocardiograms in the patient's home easily as they now give stethoscopic examinations. Experience gained in gathering and processing data from missile and satellite flights has been adapted to this important medical programme. Details of the new technique have been disclosed by the Heart-Research Foundation Inc., of Los Angeles, U.S., and the Lockheed Aircraft Corporation which have been jointly engaged in research on the subject. One phase of the system is a miniaturised electronic transmitter weighing only three ounces which is worn around the patient's neck like a necklace or carried in a pocket. The lightweight battery-powered transmitter—the same as used on Lockheed's Polaris missile or Discoverer satellite—radios the patient's cardiograph. The signal is picked up by an FM tuner and conventional electrocardiographic machine. While this technique alone has a limited range, when coupled with a phone line the person's E.C.G. can be transmitted to almost any place in the world. By employing the radiocardiogram with the telecardiogram, electrocardiograms may one day be transmitted directly from the bedside to a computer at a medical centre in some distant city. In a matter of minutes the lightning-speed electronic calculating machine will process the data and an electrocardiographic interpretation immediately given.

An advantage of the radiocardiograph is that since the patient is free to move about "it allows us to examine his heart action during periods of actual exertion. It shows there can be constant changes in the heart action and circulatory system during the periods of exertion and the physician now can observe these changes under actual stress. Probably the most dramatic use of radio transmission of an electrocardiograph is the operating room. It was pointed out by the inventors that the miniaturised radio transmitter can be used with complete safety, permitting continuous monitoring of the patient's cardiogram during surgery. Along with the cardiogram, other vital physiologic data such as pulse, temperature, electroencophalogram, arterial and venous blood pressure and respiration rate may be transmitted. Each measurement would be on a different frequency. Another big advantage is that the transmitter is explosion-proof because of the low voltage required to operate it and, thus, can be used with many anæsthetic gases. The technique was used successfully in the case of a 72-year-old patient who underwent major surgery at a Los Angeles hospital. Throughout the post-operative course the physician was able to observe and record the electrocardiogram in his office which was several miles away.

Ethyl Chloride

Ethyl chloride or monochloroethane finds wide uses in the manufacture of tetraethyl lead, ethyl cellulose, dyes and certain drugs and as a local anæsthetic. One unit having a capacity of 32,727 tons (72,000 lbs.) per annum is already producing ethyl chloride in India, the actual production during 1958 being 30,433 kgs. Another is being set up at Hyderabad as a small-scale industry. Imports of ethyl chloride in 1958 and 1959 were valued at Rs. 38,094 and Rs. 72,920, respectively. Ethyl chloride is manufactured commercially by three methods, namely, addition of hydrogen chloride to ethylene, chlorination of ethane and the reaction ethyl alcohol with hydrogen chloride. For Indian conditions, however, the last method is most suited because of easy availability of ethyl alcohol. Based on ethyl alcohol as starting raw material and using zinc chloride as catalyst a new process for the manufacture of ethyl chloride has been developed at the Shri Ram Institute for Industrial Research, Delhi. Hydrogen chloride is fed 30 per cent in excess of the theoretically required quantity at about 130°C. No by-products are obtained. Alcohol with 90.95 per cent alcoholic content is used. Over 95 per cent of alcohol is converted to ethyl chloride and the process gives an efficiency of nearly 99 per cent. Another novel feature of the invention is an improved apparatus where optimum conditions can be maintained.

The process has been studied in a bench scale unit having a glass reactor of 3" diameter, and a production capacity of 2 lbs. of ethyl chloride per hour. The raw materials required are hydrogen chloride and ethyl alcohol. Hydrogen chloride is obtained as a by-product in certain organic chlorination processes. It can also be produced by the action of sulphuric acid on common salt. Alcohol is available from various distilleries. The equipment is simple and use of elaborate glass lined reactors is not necessary. Main equipments are HCL gas producers and a gas holder alcohol boiler reactor, refrigeration and condensing units and a boiler. These can be fabricated locally. Total capital outlay for a plant having a capacity of 300 tons of ethyl chloride per annum is estimated at about Rs. 1.87 lakhs.

Steam Turbopump

Long life, economy of space, lightness, and high rotative speed are among the advantages claimed for a new steam "turbopump" now being manufactured in Britain. A completely compact and self-contained unit, it occupies from 50 per cent. to 70 per cent. less floor space than multi-stage units of equal capacity, and is from 25 per cent to 40 per cent lighter. The "turbobump" combines a steam turbine and a centrifugal pump, the unit being capable of continuous operation at speeds from 5,000 to 10,000 r.p.m. Very low steam rates result. It is capable of delivering to boilers up to 750 gallons per minute of feed water against feed pressures to 1,100 p.s.i.g. (pounds per sq. in. gauge) and total temperatures to 900° F. and exhaust to pressures to 150 p.s.i.g.

The economy of weight and space are of paramount importance where boiler feed pumps in ships are concerned, and may be equally vital in the case of general industrial application, where they must result in big economies in initial capital outlay. Water rate is low; the steam sealed gland is practically frictionless because the moving part is always in contact with a fluid and never with a stationary solid. With pressure lubrication, the shalf floats on an oil film and does not make metallic contact with a bearing surface. Apart from dirt and lubricating oil failure, bearing life is claimed as practically limitless. Design, material characteristics and workmanship are co-ordinated to ensure a high factor of availability for each "turbopump." Each part is fabricated from a material specifically selected for strength and endurance combined with high resistance to corrosion-erosion. Precision workmanship and precise balancing of rotating parts are regarded as essentials, ordinary commercial standards not being acceptable.

Three Hundred Sound-absorbing Materials

Sound absorbing materials are being used increasingly for the control of the acoustic properties of concert halls and other auditoriums as well as noise reduction in offices, restaurants and factories. Measurements of the sound-absorption coefficients of suitable materials have been carried out for a number of years at the National Physical Laboratory in Britain. They have included most of the proprietary materials used in Britain as well as forms of special treatment and mounting. The results of these investigations are now made available for the benefit of users, manufacturers, architects and others concerned with the application and properties of sound absorbents. They have been brought together in a new booklet entitled *Sound Absorbing Materials*, by E. J. Evans and E. N. Bazley. The main section of the booklet consists of tables of the absorption co-efficients of over 300 materials measured at the Laboratory. Both the materials and the method of mounting employed are described. The materials are classified broadly according to their physical characteristics, those of the same acoustic type being grouped together. The tables are accompanied by a dicussion of the results. Recent developments in the design of sound-absorbent materials are described as well as the various types and the physical processes involved.

Mica in House Paints

Effect of addition of mica powder in exterior house paints has been investigated at Calcutta. Mica considerably improves the effective life of exterior house paints by increasing their corrosion resistance and durability. It has no detrimental effect on other useful properties like drying time, consistency or colour of the paints. The addition of mica is most beneficial in the finish coat, less in the undercoat and least in the primary coat. The maximum effect of mica addition is obtained by incorporating it in all the three coats.

Writing and Printing Paper from Balsa Wood

Writing and printing paper of good quality can be produced from balsa wood, a fast growing tree which has been successfully grown in several parts of the country. Pulp yields of about 51 per cent. have been obtained by the sulphate process at the Forest Research Institute, Dehra Dun, using 21 per cent. chemicals for cooking and 9 per cent. available chlorine for bleaching. Writing and printing papers constitute 60 per cent. of the total production of different varieties of paper and paper boards in India. It is estimated that the consumption of writing and printing papers will be of the order of 184,000 tons in 1962. Balsa wood which has been successfully grown in plantations in Kannoth in Wynaad forest division of Kerala and Topslip in South Coimbatore forest division of Madras, is the lightest and softest of all timbers grown in India.

Utilisation of Sub-standard Asbestos Sheets

Studies carried out at the Central Building Research Institute for utilisation of low-strength asbestos sheets have shown that if two sheets are doubled up with a layer of bitumen sandwiched between them, the strength of the combination becomes more than that of a single standard sheet. Asbestos cement sheets which do not conform to Indian Standards specification as regards transverse strength are unfit for use as roofing material. The double sheet can easily replace the single sheet for all purposes including roofing. Bitumen gives rigidity to the pair, absorbs shocks and provides a waterproof layer.

Storage of Ripe Arecanuts

Ripe arecanuts during storage by conventional methods (pit storage, water storage, etc.) undergo heavy microbial damage. An improved process of storage has been developed at Central Food Technological Research Institute, Mysore, by which arecanuts in husk retain their original colour of skin, fruit firmness, colour, structure, flavour and taste of edible kernel.

The process consists in blanching and steeping arecanuts in low concentrations of mixed preservatives in sealed containers. Preliminary experiments have shown that nuts in husk, stored for 2-3 months, if hygienically packed in polythene bags, have a shelf life of over a month for purposes of transport and retailing. The edible kernel after six months of storage contains preservatives well below the permissible limits. As an extension work, conditions have been established for convenient and safe storage of ripe arecanuts in husk in earthenware pots. Consumer evaluation of the 6-month stored product is said to be satisfactory.

READY FOR SALE

THE MADRAS STOCK EXCHANGE OFFICIAL YEAR BOOK

1959-60

(Eighth Year of Publication)

Revised and Brought up-to-date. Balance Sheets and other particulars received upto 30th November, 1960 incorporated. Details of more important Companies listed on Bombay, Calcutta and other recognised Stock Exchanges in India included

Over 1100 Pages

Price Rs. 10-00 Packing & Postage Rs. 2-50

COMPILED BY:

MADRAS STOCK EXCHANGE LTD.

322/323, LINGHI CHETTY STREET, MADRAS-1.

Notices

THE BELAPUR COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of The Belapur Company, Limited will be held at the Registered Office of the Company at Brady House, 12-14, Veer Nariman Road, Bombay, on Monday, the 20th day of February, 1961, at 4.30 p.m. (S.T.), to pass the following resolutions as Special Resolutions:—

I. Resolved that pursuant to Section 360 and other applicable provisions, if any, of the Companies Act 1956, the Company doth hereby approve of the sale effected by the Company on 12th October, 1960 of—

(i) 50 Equity Shares in Gangapur Sugar Mills Ltd., of Rs. 100 each to Mr. Pallonji Shapoorji Mistry, a Director of W. H. Brady & Co., Ltd., the Managing Agents of the Company;

(ii) 50 Equity Shares in Gangapur Sugar Mills Ltd., of Rs. 100 each to Mr. J. Symon, an Officer in W. H. Brady & Co., Ltd., the Managing Agents of the Company;

(iii) 50 Equity Shares in Gangapur Sugar Mills Ltd., of Rs. 100 each to Mr. F. Edwards, also an Officer in W. H. Brady & Co., Ltd., the Managing Agents of the Company; and

(iv) 50 Equity Shares in Gangapur Sugar Mills Ltd., of Rs. 100 each to Mr. J. N. Guzder, a Director of Brady Engineering Co., Ltd., an Associate of the Managing Agents of the Company, the said Brady Engineering Co., Ltd., being under the same Management as that of the Company;

at Rs. 115.88 nP per share.

II. Resolved that pursuant to Sections 261 and 281 and other applicable provisions, if any, of the Companies Act 1956, Mr. Maneklal Premchand, who is an Associate of W. H. Brady & Co., Ltd. (the Managing Agents of the Company and which Managing Agents are authorised by the Articles of Association of the Company as also by the Managing Agency Agreement to appoint two Directors on the Board of Directors of the Company) and who has attained the age of 71 years and who has sent a notice to the Company under Section 257 of the said Act signifying his candidature for the office of Director of the Company and the Company has received a special notice from some shareholders under Section 281 of the said Act, be and is hereby appointed a Director of the Company, liable to retire by rotation and it is hereby specifically declared that the age limit prescribed by Section 280 of the said Act shall not apply to him.

III. Resolved that pursuant to Section 372 and other applicable provisions, if any, of the Companies Act 1956 the investment made by the Company in the purchase of 9,100 shares in Gangapur Sugar Mills Ltd., partly held by Shakkar Udyog Private Ltd., and partly by the Directors of Gangapur Sugar Mills Ltd., and of Shakkar Udyog Private Ltd., at the rate of Rs. 115 as forming part of 26,000 shares in the said company agreed to be purchased by the Company in terms of the Agreement dated 25th August 1960 made between Shakkar Udyog Private Ltd., of the first part, Ramdayal R. Dhoot and others of the second part and the Company of the third part and which investment has not yet been made effective as the consents of (1) the Industrial Finance Corporation of India and (2) the Oriental Fire & General Insurance Co., Ltd., to the sale of the 9,100 shares by Shakkar Udyog Private Ltd., and their Directors and the Directors of the Gangapur Sugar Mills Ltd., have not been obtained under the Mortgage dated 19th June 1958 made between Gangapur Sugar Mills Ltd., of the one part and the Industrial Finance Corporation of India of the other part and under the Guarantee Agreement dated 12th September 1957 made between the Gangapur Sugar Mills Ltd., of the one part and the Oriental Fire & General Insurance Co. Ltd., of the other, be and is hereby, subject to such consents and the approval of the Central Government to the said investment being obtained, sanctioned.

By Order of the Board of Directors,
Per pro W. H. BRADY & Co., LTD.,
J. SYMON,
Technical Adviser,
Managing Agents.

Dated 18th January, 1961.

Note:—A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

To the Shareholders of The Belapur Company, Limited and in particular to:—

Mr. William Abel,

M/s. Rajabali Hasom Paroo & Sons Ltd.

Annexure to the Notice

THE BELAPUR COMPANY, LIMITED

Statement of material facts and reasons in respect of the special business mentioned in the accompanying Notice dated the 18th day of January, 1961.

Explanatory Statement as Required by Section 173 of the Companies Act 1956

Item No. I: The Company purchased a large block of Equity Shares in Gangapur Sugar Mills Ltd., in order to make Gangapur Sugar Mills Ltd. a subsidiary of the Company and as such it was in the interest of the Company that there should be a sufficient representation of the Company on the Board of Directors of Gangapur Sugar Mills Ltd. The Company, therefore, out of its holding of Equity Shares in Gangapur Sugar Mills Ltd., sold 50 Shares to each of the following persons:—

1. Mr. Pallonji Shapoorji Mistry,
2. Mr. J. Symon,
3. Mr. F. Edwards and
4. Mr. J. N. Guzder

the Directors of Gangapur Sugar Mills Ltd., to qualify themselves as such Directors, as these shares were not available in the market. Mr. Pallonji Shapoorji Mistry is a Chairman of the Board of Directors of W. H. Brady & Co., Ltd., the Managing Agents of the Company, and Mr. J. Symon and Mr. F. Edwards are employees of W. H. Brady & Co., Ltd., and as such the said Pallonji Shapoorji Mistry, J. Symon and F. Edwards are associates of the Managing Agents of the Company. The sale of the said shares to each of the said associates requires the approval of the Company in General Meeting under Section 360 of the Companies Act 1956. Mr. J. N. Guzder is a Director of the Brady Engineering Co., Ltd., which being under the same Management as that of the Company is an associate of the Managing Agents of the Company. Though the Director of an associate is not an associate of the Managing Agents of the Company, yet as a matter of caution it is advisable to pass a Special Resolution for the sale by the Company of the said 50 Shares in Gangapur Sugar Mills Ltd., to him.

Item No. II: Mr. Maneklal Premchand was a Director of the Company for several years. He retired by rotation at the last Annual General Meeting of the Company held on 29th December 1960 and offered himself for re-election. As he had attained the age of 71 years a special notice under Section 281 of the Companies Act 1956 was received by the Company. The resolution for his reappointment as a Director at the said meeting was however withdrawn as it required a special resolution, he being the father of Mr. Kishore Maneklal Premchand, a Director of W. H. Brady & Co., Ltd., the Managing Agents of the Company. Mr. Maneklal Premchand has considerable business experience and was closely connected with the Company for a number of years. It is in the interest of the Company that the Board should continue to receive the benefit of his advice, guidance and experience. The Company has received notice from Mr. Maneklal Premchand signifying his candidature for the office of Director under Section 257 of the Companies Act 1956 as also a special notice from some shareholders under Section 281 of the said Act. Mr. Maneklal Premchand, being the father of Mr. Kishore Maneklal Premchand, a Director of the Managing Agents of the Company, is an associate of the Managing Agents who are authorised by the Articles of Association of the Company as also by the Managing Agency Agreement to appoint two Directors on the Board of the Company. Mr. Maneklal Premchand cannot, therefore, be appointed a Director of the Company except by a special resolution as required by Section 261 of the Companies Act 1956.

Item No. III: By the Agreement dated 25th August 1960 Shakkar Udyog Private Ltd. agreed to sell to the Company 26,000 shares in Gangapur Sugar Mills Ltd., at the price of Rs. 115 per share on the terms and conditions therein contained. Pursuant to the said agreement the Company purchased from Shakkar Udyog Private Ltd., 25,930 shares. Amongst the said shares were 9,100 shares which were held partly by Shakkar Udyog Private Ltd., and partly by their Directors and partly by the Directors of Gangapur Sugar Mills Ltd. Under the Mortgage dated 19th June 1958 made between Gangapur Sugar Mills Ltd. of the first part, Shakkar Udyog Private Ltd. of the second part and the Industrial Finance Corporation of India of the third part it was, *inter alia*, provided that Shakkar Udyog Private Ltd. and their Directors as also the Directors of Gangapur Sugar Mills Ltd., should not sell their respective holdings of shares in Gangapur Sugar Mills Ltd., without the consent of the Industrial Finance Corporation of India. By the Agreement dated 12th September 1957 made between Gangapur Sugar Mills Ltd., of the one part, Shakkar Udyog Private Ltd., of the second part, Mr. Ramdayal Raghunathdas Dhoot of the third part and the Oriental Fire & General Insurance Co., Ltd., of the fourth part it was provided that Shakkar Udyog Private Ltd., and the Directors of Gangapur Sugar Mills Ltd., would not sell their respective holdings of shares in Gangapur Sugar Mills Ltd., without their consent. Shakkar Udyog Private Ltd. have resigned their office as the Managing Agents of Gangapur Sugar Mills Ltd., with effect from 29th August 1960. The Company has agreed with the Industrial Finance Corporation of India as well as the Oriental Fire & General Insurance Co., Ltd., that upon the said Companies discharging Shakkar Udyog Private Ltd. from their obligations under the said Mortgage and the said Agreement respectively, the Company would undertake to carry out and discharge all the obligations of Shakkar Udyog Private Ltd., under the said Mortgage and Agreement. Both the Industrial Finance Corporation of India and the Oriental Fire & General Insurance Co., Ltd., are willing to discharge Shakkar Udyog Private Ltd. from their obligations under the said Mortgage and the Agreement respectively and to accept the Company's guarantee in place and stead of the guarantee of Shakkar Udyog Private Ltd. They will also give their consents to Shakkar Udyog Private Ltd., and their Directors and the Directors of Gangapur Sugar Mills Ltd., selling their respective holdings in shares in Gangapur Sugar Mills Ltd., to the Company. The Company agreed to purchase the said 26,000 shares in Gangapur Sugar Mills Ltd. so as to make Gangapur Sugar Mills Ltd. a subsidiary of the Company. Pending the grant of the consents of the Industrial Finance Corporation of India and of the Oriental Fire & General Insurance Co., Ltd., to the sale by Shakkar Udyog Private Ltd., and by their Directors and the Directors of Gangapur Sugar Mills Ltd., of the said 9,100 shares, the said 9,100 shares are not transferred to the name of the Company although the Company has paid to the respective Vendors thereof the full purchase price. The said Vendors have kept a sum of Rs. 4,00,000 deposited with their attorneys pending the grant of the aforesaid consents.

As under Section 372 of the Companies Act 1956 as amended by the Companies Amendment Act 1960 the Company cannot make investments in the shares of any other body corporate in excess of the percentages specified therein without the sanction of the Company in General Meeting and the approval of the Central Government, you are requested to accord your consent to the Company completing the purchase of the said 9,100 shares, subject to the aforesaid consents of the Industrial Finance Corporation of India and the Oriental Fire & General Insurance Co., Ltd., and the approval of the Central Government being obtained.

By Order of the Board of Directors,
Per pro W. H. BRADY & Co., LTD.,
J. SYMON,
Technical Adviser,
Managing Agents.

Dated 18th January, 1961.

THE BALLARPUR PAPER AND STRAW BOARD MILLS LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the members of the Company will be held at the Registered Office of the Company at Ballarpur, Dist. Chanda, Maharashtra, on the 22nd February, 1961 at 11 a.m., to consider and if thought fit, to pass the following Resolutions with or without modifications:

AS SPECIAL RESOLUTIONS:

1. RESOLVED:
   (i) "That the Authorised Capital of the Company be increased from Rs. 2 Crores to Rs. 2½ Crores by creation of 2,00,000 additional Equity Shares of Rs. 25 each."
   (ii) "That in clause V of the Memorandum of Association and in Article 8 of the Articles of Association, the figures 'Rs. 2,00,00,000' and '5,60,000' shall be deleted and figures 'Rs. 2,50,00,000' and '7,60,000' substituted therefor, respectively."

AS ORDINARY RESOLUTIONS:

2. RESOLVED:
   (i) "That it is desirable to raise further Capital and accordingly, it is decided that 3,43,242 Equity Shares of Rs. 25 each, in the Authorised Capital of the Company, be issued and offered by the Directors at par, in the first instance, for subscription, to the Existing Equity Shareholders of the Company, whose names appear on the Register of the Company as on 22nd February, 1961, in proportion to three Equity Shares out of this New Issue for every two existing Equity Shares held by them on that date, with full powers to make such provisions for issue of fractional certificate or otherwise as the Directors think expedient for cases of fraction."
   (ii) "That this New Issue of Equity Shares which the existing Equity Shareholders are entitled to take up, shall be offered in accordance herewith to each Equity Shareholder whose name appears on the Share Register of the Company on 22nd February, 1961, by a notice specifying the number of the New Equity Shares to which he is entitled, and limiting the time within which the offer, if not accepted, shall be deemed to be declined, and containing such terms as to payment or otherwise, as the Directors may determine."
   (iii) "That the balance, if any, of the Equity Shares not taken in response to such offer, be allotted by the Directors to the applicants for additional shares on an equitable basis with reference to the Equity Shares already held by them provided that the Shareholders who renounce their rights in whole or part, shall not be entitled to apply for additional shares. Any balance still left unallotted, may be disposed of at the ruling price by the Directors of the Company."
   (iv) "That this new issue of Equity Shares shall rank *pari passu* in all respects with the existing Equity Shares except that they shall not participate in any dividend that may be declared in respect of any period prior to the Company's financial year ended 30th June, 1961, and shall be entitled to dividend from the date of allotment on the capital for the time being paid up on such shares."
3. To pass the following with or without modification as an Ordinary Resolution under Section 294 of the Companies Act, 1956:

   RESOLVED:

   "That in compliance with Section 294 of the Companies Act, 1956, the Company doth hereby approve and consent to the appointments of the persons, firms and/or companies detailed in the Appendixes 'A' and 'B' attached and who are at present working as Sole Distributors of the Company for different areas, for sale of paper and stationery products of the Company on terms and conditions on which they are working and that the Directors be and they are hereby authorised to enter into and complete agreements with all or any one or more of them at their absolute discretion, for such periods (not exceeding five years from 1st April 1961) as the Directors may deem proper and at their discretion to cancel any one or more of such appointments, and/or from time to time to vary the terms and conditions of such appointments."

By Order of the Board,
KARAM CHAND THAPAR & BROS. PRIVATE LTD.,
Managing Agents.

CALCUTTA,
Dated the 24th January, 1961.

Note.—(i) The Share Transfer Books of the Company will remain closed from 15th February 1961 to 22nd February, 1961 both days inclusive.

(ii) A member entitled to attend and vote at the meeting, is entitled to appoint a proxy who need not be a member to attend and vote instead of himself.

(iii) Explanatory Note in respect of the above resolutions and the list of Distributors referred to in the resolution in item No. 3, have been sent to the Shareholders along with the Notice. The following are open for inspection of the members at the Registered Office of the Company during business hours:

(*a*) The sanction of the Controller of Capital Issues for this further issue of capital;

(*b*) The list of the Distributors together with their respective areas and the general terms and conditions of the Distributorship.

THE KATAKHAL-LALA BAZAR RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE fiftieth Annual General Meeting of the Members of the Katakhal-Lala Bazar Railway Company, Limited, will be held at 'McLeod House,' No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday, the 24th day of February 1961, at 4-00 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st March 1960, the Balance Sheet as at that date and the Reports of the Directors and the Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. J. R. Hollander, the Director retiring by rotation at the Meeting.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 10th February 1961 to 24th February 1961, both days inclusive.

By Order of the Board,
MCLEOD & CO. LTD.,
(Sd.) C. HOCKLEY,
Secretary,
Secretaries & Treasurers.

3, NETAJI SUBHAS ROAD,
CALCUTTA-1.
Dated 12th January 1961.

Note:—1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company.

2. Payment of the proposed Dividend, if declared, will be made on or after 17th March 1961 only to those Members whose names are registered in the books of the Company on 24th February 1961 or to their mandatees.

Application for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

THE BURDWAN-CUTWA RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE fifty-fourth Annual General Meeting of the Members of the Burdwan-Cutwa Railway Company Limited, will be held at 'McLeod House,' No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday the 24th day of February 1961, at 4-05 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st March 1960, the Balance Sheet as at that date and the Reports of the Directors and the Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. S. K. Mukherjee, the Director retiring by rotation at the Meeting.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 10th February 1961 to 24th February 1961, both days inclusive.

A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company.

By Order of the Board,
MCLEOD & CO. LTD.,
(Sd.) C. HOCKLEY,
Secretary,
Secretaries & Treasurers.

3, NETAJI SUBHAS ROAD,
CALCUTTA-1.
Dated 6th January 1961.

Note:—Payment of the proposed Dividend, if declared, will be made on receipt of the balance subsidy from the Government of India only to those Members whose names are registered in the Books of the Company on the 24th February 1961 or to their mandatees.

Application for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

THE METTUR CHEMICAL AND INDUSTRIAL CORPORATION LIMITED

THE BOARD OF DIRECTORS HAVE DECLARED an interim dividend of 3 per cent tax-free (4.29 per cent subject to tax) on Preference shares and 6.25 per cent subject to tax on Equity shares for the year 1960-61. The dividends are payable to the shareholders standing in the registers of the Company as on 20th February 1961.

The Share Transfer Books of the Company will remain closed from 6th February 1961 to 20th February 1961, both days inclusive.

The dividend warrants will be posted to shareholders on or after 20th February 1961.

(By Order of the Board),
SESHASAYEE BROTHERS (PRIVATE) LIMITED,
Managing Agents.

METTUR DAM R.S.
15th January 1961.

BURMAH-SHELL REFINERIES LTD.

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent Debentures 1965-69 will be closed for transfers from 14th February 1961 to 28th February 1961 both days inclusive.

N. A. KRISHNAN,
Secretary & Treasurer,
State Bank of India,
Agents for Burmah-Shell Refineries Ltd. for the management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, *30th January* 1961.

INDUSTRIAL GROWTH IN RUSSIA AND EAST EUROPE

OUTPUT EXCEEDS PLAN TARGETS

RUSSIA and East European countries, belonging to what is commonly known as the Communist bloc, entered a new phase of economic development in 1958, when these countries began to prepare new long-term plans (of five or seven years ending in 1965), within the framework of "perspective" plans over a period of fifteen years ending in 1975. In Russia and East Germany, the erstwhile plans covering 1956-60 were formally superseded during 1958 or 1959 by the announcement of new seven-year plans for 1959-65. Czechoslovakia, Hungary and Poland have announced new five-year plans (1961-65) and economic policies have already been sought to be so adjusted as to dovetail them into the long-term plans. Details of the plans in respect of Albania, Bulgaria and Rumania are, however, still to be made known.

A recent notable development in Russia and East Europe is that industrial production and investments have exceeded the annual targets in almost all countries, a phenomenon recorded in 1959 and also upto the third quarter of 1960, the latest period for which data are available. As disclosed in the *Economic Survey of Europe* 1959 (published by the Secretariat of the U.N. Economic Commission for Europe, Geneva, Price $3) industrial production in 1959 was well above the levels originally planned in Hungary and the Soviet Union, and was better by narrow margins in all other East European countries. The sole exception was Bulgaria, where industrial production rose by 20-25 per cent, as against the planned targets of 28 per cent, which was rather overambitious. The rate of growth of fixed investment, according to the *Survey*, exceeded that registered in 1958 in all countries, except Albania and East Germany, where increases of 14 per cent in outlays nevertheless occurred, "but considerable resources still remained available to improve consumption standards."

No Deceleration

The upward trend in production and investment seems to have been maintained in 1960. The latest issue of the *Economic Bulletin for Europe* (U.N. Economic Commission for Europe) points out that, despite plans to reduce the rate of growth in industrial output in 1960, there was no deceleration in most of the countries. The annual rates of expansion upto the third quarter of 1960 (of the order of 14 to 18 per cent in Bulgaria, Hungary and Rumania and 9 to 12 per cent elsewhere) represented acceleration in the pace of growth, as compared with the average rate of growth in 1959, in respect of Hungary, Rumania and Poland. In Czechoslovakia and Russia the rate of growth was maintained. Some slowing down was, however, in evidence in Albania, Bulgaria and East Germany.

The *Bulletin* points out that a general trend in all these countries in the first half of 1960 was the rapid growth of engineering output at rates well above those for all industry. This was supported by expansion in steel output at or above the planned rates in most countries. The production of pig iron and crude steel, however, slowed down strikingly in Bulgaria, following the absorption of virtually all capacity reserves in 1959, and less noticeably, in East Germany and Poland. The rapid rise in output in building materials in 1959 fell in 1960, thereby adversely affecting the growth of construction activities. Production of chemicals, a priority branch in all long-term plans, rose faster in most countries than industrial output (except in East Germany and Rumania).

The patterns of production of consumer goods "reflect the demand-supply balance for particular products." Output of durable goods is said to be rising rapidly. Production of leather goods also showed notable improvement, while that of textiles expanded relatively slowly, except in Hungary and Rumania. Food processing industries were adversely affected by the none-too-satisfactory trend in agricultural output. There were reports of scarcities in particular products, of depletion of stocks and deterioration of quality in certain products. The shortages were eliminated in some East European countries by larger imports.

A country-wise analysis of each industry's performance shows divergent trends. In Czechoslovakia, for instance, the gross industrial output was higher by 12 per cent during the first three quarters of 1960, as compared with the corresponding period in 1959. Engineerings, chemicals and metallurgical industries made significant headway. There were, however, complaints of unsatisfactory product-mix and irregular production in these industries. The production of radios and television sets lagged behind, reflecting perhaps the market conditions.

A less smooth development was reported from East Germany. The gross output rose by only 8.4 per cent during the first nine months of 1960, as compared with 13.6 per cent. rise in the preceding comparable period. Electrical engineerings continued to be the most rapidly expanding branch, but only average rates of growth were recorded by the other metal-using branches and the chemical industry. The overall output in engineerings rose by 13 per cent, but this was only 50 per cent of the targets aimed at. Shortages of imported draw plate, high-grade sheet steel and seamless tubes, are reported to have caused interruptions to production in a number of enterprises.

In the East German chemicals industry, the most important development in the first half of 1960 was the completion of the first stage of the special programme launched in 1958, with the putting into service of six new plants at the Buna Chemical Works: one chlorine electrolysis plant, a vinyl chloride plant, a polyvinyl chloride (PVC) plant, a polyacrylonitrile (PAN) plant, a water-processing plant, and a new power distribution network. The chlorine electrolysis plant will produce 6,500 tons of chlorine and 7,500 tons of caustic soda in the course of the current year, both being important requirements of the plastics and textile industries. The new PVC plant has an annual capacity of 10,000 tons.

The new plants are part of a programme aimed at accelerating the expansion of the production of plastics, supported by a Soviet credit of about DM200 million made available in the form of special material deliveries. Further installations are foreseen, which would make possible an additional annual production of 40,000 tons of PVC by 1962. The Buna Chemical Works are already the largest producer of PVC in Europe, and by 1965 the plant's yearly production is to reach 130,000 tons. Early in May, the first building stage of a sulphuric acid plant was completed at Coswig. The sulphuric acid is to be produced from gypsum deposits and the plant is to be the largest of its kind in the world. Two furnaces were put into service in June with an annual production capacity of 100,000 tons SO_3, and the same quantity of Portland cement. These capacities are to be doubled this year.

Russia

In Russia, building materials and engineering continued to be the most rapidly expanding industrial branches during the first three quarters of this year, showing increments of output of 18 and 16 per cent, respectively, over the level in the first nine months of 1959. The growth of output of building materials has nevertheless slowed down since last year, partly because gross production statistics are less affected than previously by a rising share of prefabricated components, which now provide a high and stable share of gross output. Engineering output has risen faster from 1959 to 1960 than in any of the preceding five years, and much faster than planned; but this increase has not been sufficient fully to meet the demands of the investment plan and growing, though still marginal, exports.

The other priority branch under the Seven-year Plan—chemicals—has shown a rate of growth of output this year little above the average, and the massive investments of the last 2½ years have still to produce their effects. Output of artificial and synthetic fibres rose by 13 per cent from the first half of 1959 to the same period of 1960, lagging somewhat behind the 17 per cent expansion planned for this year. Production of plastics rose by 11 per cent but, within the total, output of polyethylene, polystyrene, moulding-powder plastics and aminoplastics registered percentage increases of 56, 23, 20 and 20, respectively. Electricity generation has risen in step with the overall growth of industrial output: and the shift of primary fuel production towards the more efficient and cheaper sources of energy—petroleum and natural gas—is proceeding somewhat faster than planned in the case of petroleum, though natural gas production rose by only 29 per cent between the first half-years of 1959 and 1960, as compared with a planned increase between the two full years of 42 per cent. Among consumers' goods, an output of 1¼ million television sets, 700,000 washing machines and 386,000 refrigerators in the first nine months of this year represented increases of 33 per cent, 36 per cent and 21 per cent, respectively, over the corresponding 1959 levels. Production of watches, on the other hand, stabilised—at 19.3 million—and an output of 3.1 million radios represented only a 4 per cent rise over the January-September 1959 level. In general, the pattern of consumer goods output seems to represent an improving adaptation to consumers' demand; but this is probably not so in the case of the decelerating rise of furniture production, even though a 19 per cent increment was reported. The slower growth of food-processing this year than in 1959 reflects preceding rates of procurement from the farms, and especially the poorer harvest in 1959 than in 1958.

Productivity

The rapid growth in Russian industrial output in the first nine months of 1960 was due to a 4 per cent increase in the labour force, as against 2 per cent planned initially. Output per worker has risen at the planned rate of 6 per cent and this represents an even greater rise in labour productivity in terms of output per man-hour, since the planned reduction in the working week has been progressively implemented in the course of the year. By the end of the third quarter, hours had been reduced for about 40 million workers or around two-thirds of the total. Campaigns to raise labour productivity, increase managerial and labour efficiency and encourage overfulfilment of plans were given renewed impetus late in 1959 or at the beginning of this year in Bulgaria, East Germany, Hungary, Poland and Russia. However, remarkably large increases in industrial employment so far this year have been reported in Bulgaria, more than offsetting the effects on output of a rise in labour productivity at well below the rate planned for the whole year. In all the other countries of the region for which data are available output per worker has increased sharply, and at least at the planned rates; and in both Hungary and Rumania employment also has been above the planned levels.

In Poland, the tightening of work norms and pressure on directors of enterprises to eliminate redundant labour were the factors that held the industrial employment slightly below 1959 (in the first eight months). Labour shortages were reported in building, transport, mining, agriculture and food industries, together with a fairly general scarcity of skilled workers. In this connection, the *Bulletin* says that whereas the desirability, in the short run at least, of higher labour productivity in sectors of labour scarcity or under-utilised capacity may be obvious, in conditions of generally abundant labour in relation to available productive capacity or raw materials the concomitant of rising labour productivity in some branches of activity may be a persistence of underemployment elsewhere a slowing down of the movement of labour from agriculture or other branches of relatively low productivity to those where productivity is higher, a decrease in employment opportunities for women or juveniles, or visible unemployment. According to the *Bulletin*, such is the situation in Poland and in some other countries also. Special efforts to raise production or imports (or, at need, to reduce exports) of "bottleneck" materials, or even reduction in working hours, may be a preferable alternative in these conditions to either the creation of significant unemployment or the acceptance of deliberately delayed technical progress or over-staffing and underemployment.

KOTHARI SUGARS AND CHEMICALS

The Board of Directors of the Kothari Sugars and Chemicals Ltd. has made allotments in respect of the public issue of shares on the following basis:

Applications for 100 shares: Full allotment.

Applications for over 100 and upto 500 shares: 50 per cent of the shares applied for have been allotted but subject to a minimum of 100 shares, to be rounded off to the nearest 50.

Applications for over 500 shares: 40 per cent of the shares applied for have been allotted subject to a minimum of 250 shares, to be rounded off to the nearest 50.

Allotment letters are being posted to the allottees, and these will be received by them in the course of a few days.

This Affects You!

Proposed Land Ceilings on Sugar Cane Farms is a retrograde step that will adversely affect State Economy and You!

Maharashtra is the most successful sugar producing area in India. Total production in 1959-60 was 3,92,097 tons.

The average yield of cane from Factory Farms in Maharashtra last year was 53.25 tons per acre, about **twice the average for the whole State,** and nearly **four times the average for the whole country.**

This achievement by the Factory Farms compares favourably with the main sugar producing countries of the world.

Sugar Factory Farms in Maharashtra have been developed by the pioneering efforts of private enterprise, and have proved that this is the best method of producing quality sugar at the cheapest possible price.

So why disrupt and jeopardise this growing and prosperous industry in favour of methods yet to be proved?

YOUR WELFARE, AND THE NEED FOR CONTINUED ECONOMIC DEVELOPMENT, DEMAND THAT THE SUGAR FACTORY FARMS OF MAHARASHTRA MUST BE EXEMPT FROM THIS BILL.

If you would like to read more information on this vital subject, post this coupon today to the Deccan Sugar Factories Association, Stadium House, Block No. 2, Vir Nariman Road, Bombay-1

Name_____
Profession_____
Address_____

Inserted by

THE DECCAN SUGAR FACTORIES ASSOCIATION

COMMERCE

India's Premier Financial, Commercial and Industrial Journal

Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.

BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY

Telephone No. 253505

Hastings Belting

BEST IN THE LONG RUN

BIRKMYRE BROTHERS LIMITED

MADRAS CEMENTS TO EXPAND CAPACITY

PROFIT-EARNING PROSPECTS QUITE ENCOURAGING

THE move of the Madras Cements Limited to expand the production capacity of the plant from 200-250 tons to 550-600 tons per day in accordance with its original programme is a commendable one for two important reasons. In the first place, it is in keeping with the continually rising demand for cement emerging from the house-building industry, road development and a large number of industrial projects in the third Plan. Appropriately enough, the Plan target of installed capacity to be achieved by 1965-66 is fixed fairly high at 15 million tons (production target is put at 13 million tons), as against the capacity of 10 million tons (actual output of 8.8 million tons) estimated for 1960-61. Secondly, expansion of existing capacity, unlike in the case of establishment of new cement factories, eliminates a lot of preliminary and other expenses. It may be noted here that the Madras Cements has already completed the first stage of the construction of the factory with a daily capacity of 200-250 tons at Tulukkapatti, Sattur Taluk, Ramanathapuram District, Madras State. The plant is about to be commissioned and the cement produced is expected to be placed on the market shortly.

The expansion scheme of the Company is estimated to entail a capital outlay of Rs. 120 lakhs (exclusive of Rs. 20 lakhs representing working capital to be met out of the earnings of the first stage and borrowings from banks), the bulk of which is, of course, accounted for by plant and machinery. Deducting the additional long-term loan of Rs. 50 lakhs from the Industrial Finance Corporation of India, the balance of Rs. 70 lakhs is being raised by the present issue of share capital. The issue, the whole of which has been underwritten, consists of 50,000 equity shares of Rs. 100 each and 20,000 redeemable cumulative preference shares of Rs. 100 each carrying a dividend of 9.3 per cent free of Company's tax but subject to deduction of tax at source at prescribed rates. The existing shareholders of the Company have already subscribed Rs. 8.23 lakhs (5,289 equity shares and 2,941 preference shares), the Madras Industrial Investment Corporation Rs. 35 lakhs (27,500 equity and 7,500 preference), and the Life Insurance Corporation Rs. 2.5 lakhs (2,500 preference shares, besides agreeing to send an open application for equity shares to the nominal value of Rs. 7.5 lakhs which will rank for allotment on a par with other applications received from the public), or a total of Rs. 45.73 lakhs. The remaining portion of the issued capital, that is, Rs. 24.27 lakhs, consisting of 17,211 equity shares and 7,059 preference shares, has been offered for public subscription at par. The list opened on Friday the 27th inst., and will close on 4th February, but not earlier than 1st February.

Machinery From Skodas

The Madras Cements, it will be recalled, was incorporated on 3rd July 1957 as a public limited company for the purpose of establishing a 600-ton daily capacity factory to produce Portland cement. The first stage of the project entailing an outlay of Rs. 90 lakhs was financed out of a capital issue of Rs. 50 lakhs (Rs. 40 lakhs equity and Rs. 10 lakhs preference) and a loan of Rs. 40 lakhs from the Industrial Finance Corporation of India. The Madras Government took up Rs. 10 lakhs and has now instructed the Madras Industrial Corporation to subscribe Rs. 35 lakhs. The plant and machinery (including electrical drives) were supplied by the world-renowned Czechoslovakian firm of Messrs. Skodas. The supply and erection of plant and machinery for the second stage are also in the hands of Skodas who have made all arrangements for delivery by the end of 1961 and erection of the machinery according to schedule. Necessary import licence has already been granted by the Central Government under rupee payment terms and, in accordance with the terms of this licence, the Company has placed firm orders with Skodas.

The Company's factory is situated at a place which commands necessary facilities to ensure successful working. Large reserves of suitable limestone are available from quarries within a few miles from the factory. Suitable clay and gypsum are also available in and around the area. Further, the factory is assured of sufficient water-supply from the Arjuna River nearby for both the first and second stages of the project, as well as necessary electric power and transport facilities. One of the boundaries of the factory is the national highway (Madras-Cape Comorin Trunk Road) and a metre-gauge railway line runs closely, so that the Company is assured of transport communications. A railway siding from the Tulukkapatti railway station in the Madurai-Tirunelveli main line has already been laid to facilitate wagons moving into the factory. The factory is also just 60 miles from the Tuticorin Port which provides good scope for possible export of cement produced there. The Company has acquired extensive lands for the factory and residential buildings for both existing and expansion schemes.

The Company has an influential Board of Directors, consisting of leading industrialists such as Mr. P. A. C. Ramaswamy Raja and Mr. L. Alagasundaram Chettiar and the Madras Government's nominee, Mr. T. K. Palaniappan, I.A.S. In view of this and considering the advantageous location of the factory and the excellent demand for cement, the prospects of the Company earning decent profits are quite encouraging. Only, the Government has to fix a realistic ex-factory price for cement, as the commodity is fully controlled. The Directors are confident that they will be able to propose a reasonable dividend within a year after the second plant goes into production.

AUDIT OF COMPANIES' BRANCH ACCOUNTS

The Department of Company Law Administration has formulated rules under which companies may obtain exemption from the provision in the Companies (Amendment) Act regarding the audit of branch accounts of companies. The Amendment Act which has now come into force, requires the accounts of every branch office of a company to be audited either by the auditor or by a qualified person appointed by the company, unless a branch office is exempted from this requirement. The branch accounts of a company in respect of a financial year, which has ended or may end after the coming into force of the Amendment Act, have thus to be audited as required under the new provisions, unless exemption from such branch audit has been obtained.

The Companies (Branch Audit Exemption) Rules, which have now been published, provides that, where a company carrying on any manufacturing, processing or trading activity has a branch office, "the average quantum of activity of which during the relevant financial year does not exceed Rs. 2 lakhs or two per cent of the total turnover of the company (including all its branch and other offices), whichever is higher, the branch office will be exempt from the provisions of Section 228 relating to branch audit. The expression "average quantum of activity" has been suitably defined in this connection. In all other cases, it will be necessary for the company to make an application to the Central Government for exemption, stating the grounds on which it seeks exemption. Where the exemption is granted, the Central Government may lay down in its order, the period and the conditions subject to which the exemption will be granted. All such applications should be in the form prescribed under the rules and should be accompanied by the necessary documents. If any application is made for exemption from branch audit on the ground that the company has arranged for the audit of its branch accounts by a person, otherwise qualified for appointment as a branch auditor, even though such persons is an employee of the company, it will be necessary for the company, in case exemption is granted, to comply with certain conditions as is indicated below:

The company should give such a person access at all times to the books of accounts maintained at the branch office and furnish such information or explanation as he may require. Such a person should make out every year a report on the accounts of the branch office examined by him and forward it to the company's auditor. The management of the company should attach to the balance-sheet a certificate to the effect that no material change has taken place in the arrangement for internal audit of branch accounts.

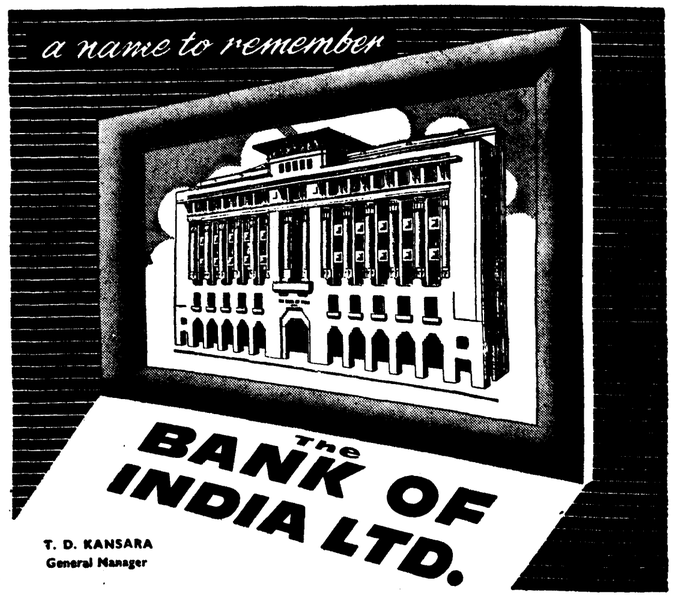
It is hoped that the provisions would encourage the larger companies to build up within their organisation sound systems of internal audit. In the case of a company engaged in any activity other than that of manufacturing, processing or trading, the rules provide that exemption from branch audit may be applied for on the ground that it has made satisfactory arrangements for scrutiny and check, at regular intervals, of the accounts of the branch office by a responsible and competent person.

MADRAS RUBBER FACTORY LTD.

The Madras Rubber Factory Ltd. proposes to offer for public subscription shortly capital amounting to Rs. 50 lakhs to meet a part of the capital requirements estimated at Rs. 220 lakhs for the manufacture of 300 000 automobile tyres and 300.000 tubes annually, besides 10 million lbs. of camelback and tread rubber, in collaboration with the Mansfield Tyre and Rubber Company of the U.S. Out of the Rs. 220 lakhs required by the Company, Rs. 120 lakhs are to be met by a loan from the U.S. Export-Import Bank, the balance of Rs. 100 lakhs representing the total issued capital (exclusive of Rs. 25 lakhs worth of shares allotted to the partners of the old firm, namely, Madras Rubbers, for taking over its entire business as a going concern as from 16th November 1950). The Mansfields of the U.S. are taking up shares of the value of Rs. 25 lakhs and the Directors and friends have contributed Rs. 25 lakhs.

The Madras Rubber was founded in 1946 and today ranks as one of the leading rubber factories in India. The factory produced goods worth Rs. 150 lakhs in 1960 and production in the current year is expected to be higher still at Rs. 200 lakhs. The total annual turnover of the Company, when the proposed factory goes into full production, will be of the order of Rs. 10 crores. It is calculated that the Company's gross profit for the year 1962 will be about Rs. 50 lakhs (net profit Rs. 25 lakhs)—Rs. 25 lakhs from tread rubber and camelback and Rs. 25 lakhs from tyres; the tyre and tube production is likely to commence by the middle of 1962. The anticipated gross profit for 1963, that is the full year of tyre manufacture, is Rs. 100 lakhs (net profit Rs. 55 lakhs).

Mr. James H. Hoffman, President of Mansfields, has agreed to join the Board of Directors, headed by Mr. K. M. Cherian, Chairman of the Press Trust of India, and a Director of other concerns. The other Directors are Messrs. D. C. Kothari, V. Emberumanar Chetty, K. M. Eapen, K. M. Mammen Mappillai, K. M. Philip, D. M. Khatau and K. C. Sood.



COMPANY MEETINGS AND DIVIDENDS

NELLIAMPATHY TEA PRODUCE CO., LTD. Annual General Meeting, Alleppey, Kerala, 31st January 1961. Dividend: 13 per cent or Re. 0.26 per ordinary share, subject to deduction of tax. Transfer books remain closed from 17th to 31st January 1961, both days inclusive.

SOUTH ARCOT ELECTRICITY DISTRIBUTION CO., LTD. Annual General Meeting, Madras, 31st January 1961. Transfer books remain closed from 16th to 31st January 1961, both days inclusive.

PHALTAN SUGAR WORKS LTD. Annual General Meeting, Bombay, 3rd February 1961. Dividend: Rs. 12.00 per share, taxable. Transfer books were closed from 19th December 1960 to 17th January 1961, both days inclusive.

WOODCOTE ESTATES LTD. Annual General Meeting, Coonoor, 4th February 1961. Dividend: *Nil*. Transfer books remain closed from 28th January to 4th February 1961, both days inclusive.

AHMEDABAD ADVANCE MILLS LTD. Annual General Meeting, Bombay, 8th February 1961. Dividend: Rs. 10.00 per ordinary share, subject to deduction of tax, payable on and after 9th February 1961. Transfer books were closed from 28th November to 20th December 1960, both days inclusive.

PUNJAB MINERALS CO., LTD. Annual General Meeting, Calcutta, 10th February 1961. Dividend: *Nil*. Transfer books remain closed from 28th January to 10th February 1961, both days inclusive.

NEELAMALAI TEA AND COFFEE ESTATES LTD. Annual General Meeting, Madras, 13th February 1961. Dividend: 7½ per cent or Re. 0.375 per share, subject to deduction of tax. Transfer books will remain closed from 7th to 13th February 1961, both days inclusive.

SHEVEROY ESTATES LTD. Annual General Meeting, Kondappanaickenpatty, Kannankurichi, Salem, 13th February 1961. Dividend: 9 per cent or Re. 0.18 per share, subject to deduction of tax. Transfer books will remain closed from 7th to 13th February 1961, both days inclusive.

CENTRAL INDIA SPINNING, WEAVING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 14th February 1961. Dividend: *Nil*. Transfer books were closed from 30th December 1960 to 12th January 1961, both days inclusive.

INDIAN OXYGEN LTD. Annual General Meeting, Calcutta, 14th February 1961. Dividend: 15 per cent subject to deduction of tax. Transfer books remain closed from 28th January to 14th February 1961, both days inclusive.

KIRLOSKAR ELECTRIC CO., LTD. Annual General Meeting, Rajaji Nagar, Bangalore, 18th February 1961. Dividend: 9 per cent or Re. 0.90 per share, subject to deduction of tax. Transfer books will remain closed from 6th to 20th February 1961, both days inclusive.

KIRLOSKAR BROTHERS LTD. Annual General Meeting, Kirloskarwadi, District Sangli, 20th February 1961. Dividend: Re. 1.75 per share (net). Transfer books will remain closed from 11th to 26th February 1961, both days inclusive.

HENLEY CABLES INDIA LTD. First Annual General Meeting, Bombay, 20th February 1961. Transfer books will remain closed from 6th to 20th February 1961, both days inclusive.

SURAT ELECTRICITY CO., LTD. Interim dividend of Rs. 2.50 per ordinary share, subject to deduction of tax, for the half-year ended 30th September 1960, payable on and after 8th February 1961. Transfer books remain closed from 23rd January to 7th February 1961, both days inclusive.

OUDH SUGAR MILLS LTD. Taxable dividend of Rs. 20.00 per share, for the year ended 31st July 1960.

NEW INDIA SUGAR MILLS LTD. Taxable dividend of Rs. 3.65 per share, for the year ended 30th June 1960.

BHARAT SUGAR MILLS LTD. Taxable dividend of Re. 1.50 per share, for the year ended 30th June 1960.

CAUVERY SUGARS AND CHEMICALS LTD. Dividend of 6 per cent or Re. 6.00 per ordinary share, subject to deduction of tax, for the year ended 30th June 1960. Transfer books will remain closed from 3rd to 17th February 1961, both days inclusive.

BHOPAL SUGAR INDUSTRIES LTD. Dividend of Rs. 2.25 per ordinary share, subject to deduction of tax, for the year ended 30th September 1960, payable on 1st April 1961. Transfer books remain closed from 23rd January to 11th February 1961, both days inclusive.

METAL BOX CO., OF INDIA LTD. Taxable interim dividend of Re. 0.90 for the year ending 31st March 1961.

INDIA PAPER PULP CO., LTD. Taxable interim dividend of Re. 0.50 per share, for the year ending 31st March 1961. Transfer books were closed from 11th to 20th January 1961, both days inclusive.

SPENCER AND CO., LTD. Taxable final dividend of 12 per cent or Re. 1.20 per ordinary share (making a total of 18 per cent or Re. 1.80 per share, for the year), for the year ended 30th June 1960.

METTUR CHEMICAL AND INDUSTRIAL CORPORATION LTD. Taxable interim dividend of 6¼ per cent or Re. 0.625 per ordinary share, for the year ending 31st March 1961. Transfer books will remain closed from 6th to 20th February 1961, both days inclusive.

COCHIN MALABAR ESTATES LTD. Interim dividend of 9 per cent for the year ending 28th February 1961.

LABOUR

(*Concluded from page 154*)

hesitation in holding that this average was much below the standard of the living wage. He then went on to add: "In our opinion, taking the broad aspects of the concept of the living wage into consideration and bearing in mind its idealistic and expanding character it would be possible and not very difficult either to say about the given wage such as the one with which we are concerned in the present appeal, that it does not reach the standard of a living wage. We must, accordingly, hold that the claim made by the appellant that it is paying a living wage to its employees cannot be sustained."

No Rigid Formula

Dismissing the appeal of the workmen, the Judge said that it was now settled that, in awarding bonus, industrial adjudication had to take into account the legitimate claims of the industry, its shareholders who were entitled to claim a return on the investment made by them and the workmen. The Supreme Court had consistently refused to lay down any rigid formula or rule which would govern the distribution of the available surplus among the three claimants. In the present case, the Tribunal had considered all the relevant factors and had come to the conclusion that five months' bonus would meet the ends of justice. The Supreme Court, therefore, did not see any reason to interfere with the award.

It is evident from the foregoing account that the Company lost its appeal because it did not substantiate its claim to the satisfaction of the Court that its wage structure had reached the standard of the living wage. Its reliance upon the figure recommended by the Textile Labour Committee had weakened its case, because, obviously, what might have been a living wage in 1940 (which itself was doubtful) cannot now be taken as a living wage, in view of the rise in prices since then and the change in the social philosophy which form the background for the decision of industrial disputes relating to wage structure. A more relevant argument would have been that the actual wage now being paid by the Company was a living wage irrespective of what the Textile Labour Committee had recommended over twenty years back. The Company should have produced more satisfactory evidence to enable the Tribunal to define concretely what the content of a living wage meant in the present context and examine whether the wages paid by it did conform to that definition.

Unconvincing

In our opinion, the Supreme Court's judgment, too, is not convincing. It gives rise to the impression that the politician's concept of social welfare and social justice is sufficient authority for the Supreme Court to decide such issues. It is not clear from the summary of the judgment reported in the daily Press, as to why Their Lordships themselves did not decide what, in their opinion, was a living wage in 1956 or what it is now. Mr. Justice Ganjendragadkar's observations are highly philosophical and ignore economic considerations as well as the prevailing standards of salaries and wages in the country. The Supreme Court's judgment clearly implies that even a salary of Rs. 370.11 per month for clerical staff is not adequate to be described as living wage and that, therefore, an employee drawing that salary deserves to be paid five months' salary as bonus per annum. If that be the case, the employees of Stanvac are, indeed, a privileged class, for the vast majority of clerical staff, including those employed in the Supreme Court itself, are earning far less than that amount.

The implications of this judgment are clear. They are: (1) No employer, however prosperous he might be, would care to be liberal in giving a high salary to his employees, lest he should be called upon to pay large sums by way of bonus also. And (2) the system of bonus will continue indefinitely. The concept of living wage has been held as a dynamic concept, with its constituents progressively expanding. The pursuit by the actual wage of the ideal of living wage will be a perpetual one, for no sooner the actual wage reached the level which, at any point of time, is regarded as the living wage, than the latter would have shifted to a higher level. Thus, the living wage would ever remain the elusive pimpernel of industrial wages. Bonus would be a permanent system and bonus disputes would continue to plague labour-management relations. Must this state of affairs be allowed to continue?

Notices

THE AHMADPUR-KATWA RAILWAY COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE fifty-third Annual General Meeting of the Members of the Ahmadpur-Katwa Railway Company, Limited, will be held at 'McLeod House,' No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday the 24th day of February 1961, at 4-10 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st March 1930, the Balance Sheet as at that date and the Reports of the Directors and the Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. S. K. Mukherjee, the Director retiring by rotation at the Meeting.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 10th February 1961 to 24th February 1931, both days inclusive.

A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company.

By Order of the Board,
McLEOD & Co. LTD.,
(Sd.) C. HOCKLEY,
Secretary,
Secretaries & Treasurers.

3, NETAJI SUBHAS ROAD,
CALCUTTA-1.
Dated 6th January 1961.

Note:—Payment of the proposed Dividend, if declared, will be made on receipt of the balance subsidy from the Government of India only to those Members whose names are registered in the Books of the Company on 24th February 1961 or to their mandatees.

Application for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

THE BANKURA-DAMOODAR RIVER RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE fifty-fourth Annual General Meeting of the Members of the Bankura-Damoodar River Railway Company, Limited, will be held at 'McLeod House,' No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Friday the 24th day of February 1961, at 4-15 o'clock in the afternoon, for the following purposes:—

1. To receive and consider the Profit and Loss Account for the year ended 31st March 1960, the Balance Sheet as at that date, and the Reports of the Directors and the Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. S. K. Mukherjee, the Director retiring by rotation at the Meeting.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 10th February 1961 to 24th February 1961, both days inclusive.

A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company.

By Order of the Board,
McLEOD & Co. LTD.,
(Sd.) C. HOCKLEY,
Secretary,
Secretaries & Treasurers.

3, NETAJI SUBHAS ROAD,
CALCUTTA-1.
Dated 6th January 1961.

Note:—Payment of the proposed Dividend, if declared, will be made on receipt of the balance subsidy from the Government of India only to those Members whose names are registered in the Books of the Company on the 24th February, 1961 or to their mandatees.

Application for warrants will not be necessary. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

MONEY MARKET FIRM BUT DULL

(From Our Own Correspondent)

BOMBAY, 24th *January*

There have been no significant new developments in the money market since our last report. The trend is one of unrelieved stringency, the inter-bank call money being quoted at 5¼ per cent. Some exchange banks, which are short of collateral to borrow from the Reserve Bank, occasionally pay even 5⅞ per cent for overnight money when the clearing goes against them. The short-term deposit rates are at the self-same levels fixed under the inter-bank agreement. There is as yet no move on the part of banks to pay more for deposits.

Sale of 91-day Treasury Bills through weekly tenders show no new features. At Rs. 2 crores, the amount offered was the same as that invited and Rs. 30 lakhs less than the applications submitted in the previous week. The average rate of accepted tenders remained unchanged at 2.580 per cent per annum. It is, however, surprising to find that, despite acute stringency in the short-term money market, sales of intermediate Treasury Bills during 18th to 21st January 1961 pulled in as much as Rs. 1,14,00,000, the yield on which is no more than 2.516 per cent per annum. The whole of this amount represents fresh money, as there were no maturities of intermediate Bills during the week under reference. The buyers of these bills must have been from the public sector, for lenders in the private sector could have easily earned substantially more by placing their surplus funds with commercial banks. Sales of intermediates are being continued.

A net decline of Rs. 15.31 crores in total deposits of banks is disclosed in the Scheduled Banks' statement for the week ended 13th January 1961. Borrowings from the banks of demand nature have fallen by Rs. 4.83 lakhs, while borrowings of time nature have registered a decline of Rs. 55.55 lakhs. The Scheduled Banks' borrowings from the Reserve Bank show a modest decline of Rs. 38.25 lakhs, but borrowing from the same source against usance bills have actually risen by Rs. 76.00 lakhs. Borrowings from the State Bank have gone up by Rs. 68.72 lakhs under demand nature and by Rs. 17.00 lakhs under time nature. Advances and bills (bank credit) have recorded a rise of Rs. 7.78 crores taking their total to around Rs. 1,209 crores. A year ago this portfolio stood at only Rs. 1,004 crores. The fall in investments witnessed in the previous week continued during the week under review—the exact fall being by Rs. 18.03 crores; this is mainly accounted for by the fall in this portfolio of the State Bank of India. Cash balances show a sharp fall of Rs. 8.01 crores.

The statement of the State Bank of India for the week ended 13th January 1961 shows a decline of Rs. 6.22 crores in deposits, whereas advances have recorded an increase of Rs. 8 crores. Money at call and short notice is steady at Rs. 1.07 crores. The total cash shows a modest fall of Rs. 1.32 crores, while there has been a contraction of Rs. 15.05 crores under investments.

The trend of the gilt-edged market is quietly steady. Turnover is greatly restricted for want of buyers. The Reserve Bank has made no change in its policy of open market operations. Excepting the loans that mature this year and the next, others are taken up by it only against a switch. Only very minor changes have occurred in prices. Among the Central loans, there has been a slight rise of 5 nP in the 3½ per cent 1967 third National Plan Bonds. All other Central loans are unchanged over the week. Among the State loans, a small rise of 5 nP has been registered in the case of 4 per cent 1969 Madras Loan and 4 per cent 1969 U.P. loan. The rest of the State loans show no variations whatever.

In the foreign exchange section, the sterling dollar rate shows only a fractional change. The latest available rate (as on 24th January) is 280.610-280.640 cents per £ for spot and 280.030-280.060 cents per £ for three months' forward. As compared with the rate as on 18th January, the spot rate shows a negligible decline of 0.06 cent.

YARNS FIRM AGAIN

(From Our Own Correspondent)

BOMBAY, 24th *January*

The firm trend noted in the yarn market last week gathered further momentum during the week under review. Art silk yarns met with renewed buying support on apprehensions regarding depletion of floating stocks. Traders noted the recent statement of the Textile Commissioner at Bangalore that the supply position of art silk yarn was rather tight at the moment and would continue to be so for some time to come. He expressed his inability to order an increase in the number of cases made available to Bangalore and Mysore as requested by the Mysore Art Silk Yarn Merchants' Association, since the distribution of art silk yarn was being done by the manufacturers themselves and that there was no system of distribution organised by his Office. He, however, said that he would have no objection to the Association being made the agency for getting supplies of yarn allotted to small powerloom units.

Staple fibre yarns also recorded an improvement in prices. This followed support induced by reports that the authorities had deferred for consideration the proposal envisaging stamping of prices. There was also some fresh buying from certain consuming centres.

Cotton yarns ruled distinctly firm. The firmness was engendered by good enquiries from handlooms and powerlooms and encouraging advices from piecegoods markets. Several weavers were said to be inclined to cover their requirements of good quality yarn. Following these reports and on fears that the import quotas for Egyptian and East African cottons might not be large, finer counts yarns scored handsome gains.

The following table gives prices of rayon, staple fibre and cotton yarns quoted today, as compared with those six days ago.

	24-1-1961	18-1-1961
	Rs.	Rs.
Art silk yarn—		
60/1 Cupreous Bemberg (100 kg.)		
February	2,445.00	2,429.00
April	2,390.00	2,390.00
60/1 Cupreous Bemberg spot	2,425.00	2,425.00
120 Japan (per 100 kg.)	1,399.00	1,395.00
150 Japan (per 100 kg.)	1,653.00	1,653.00
120 Italy (per 100 kg.)	1,322.00	1,294.00
150 Italy (per 100 kg.)	—	1,598.00
Staple fibre yarn—		
40×2 February (per 20.72 kg.)	814.00	802.00
40×2 April (per 20.72 kg.)	807.00	—
40×2 Century (per kg.)	9.55	9.42
40×2 Kohinoor (per kg.)	9.61	9.48
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	17.62	17.12
20s New Great	—	22.35
40s Madura	33.00	33.00
60s Flaky	66.66	65.65
80s Mahendra	69.69	68.68

GOLD AND SILVER TOUCH NEW PEAKS

(From Our Own Correspondent)

BOMBAY, 24th *January*

Never in the history of the bullion market before had prices touched such peaks as during the week under review. Ready gold was quoted yesterday at as high at Rs. 121.05 per 10 grams (0.85 tola) and silver today at Rs. 207.10 per kilogram (85.7 tolas). The highest levels seen last year were Rs. 117.89 and Rs. 198.18, respectively, both on 5th May. Last week's closing rates were Rs. 116.75 for gold and Rs. 202.15 for silver. The sharp rally in prices this week followed hectic buying by bulls who feared that the coming weeks would witness an acute shortage of supplies. The fears stemmed from reports suggesting excellent offtake in upcountry centres and scarcity of offerings. It was stated that a further quantity of 10,000 tolas of contraband gold was recently confiscated by the customs authorities. Even the reported move of the Calcutta bullion market authorities to convene an emergency meeting to consider measures for restraining bullish activity had no effect. Nor was the imposition of margin in silver of any avail.

The average daily offtake of gold and silver during the week was larger than in the previous week, being 5,500 tolas and 18 bars, as against 4,000 tolas and 9 bars, respectively. The average daily arrivals of gold were smaller at 4,725 tolas, as against 7,000 tolas, while those of silver was higher at 24 bars, as against 15 bars. The floating stocks are reported to be around 65,000 tolas of gold and 600 bars of silver.

A striking feature of trading in the bullion market during the week was that both ready gold and silver which were quoted at a discount under the forward for a long time were able to command a premium. The actual premium was 25 nP in gold yesterday (it was 5 nP today) and 10 nP in silver today. The discounts towards the close of last week were 50 nP and 20 nP, respectively.

In the forward section, the rate for transferring commitments from the *Maha* (31st January) settlement to the *Fagun* (March) settlement, which was against bulls early in the week (the actual rate on Thursday the 19th inst., was 50 nP), turned in their favour (that is, against bears) to the extent of 20 nP yesterday (Monday). Today, however, it again turned against bulls, the actual rate being 5 nP. In silver, both the *Maha* and the *Fagun* settlements were on par today at Rs. 206.80. Previously, the carryforward rate was against bulls, though it gradually declined from 95 nP on Wednesday last week to 20 nP yesterday (Monday). On Friday the 20th inst., the bulls in the *Maha* settlement were required to pay a margin of Rs. 150 per bar under By-law 33C(i) (A), following the rise of more than Rs. 7 from the starting rate.

The world price for gold in the London bullion market was practically unchanged at last week's level of $35.40-$35.55 per fine ounce. The U.S. gold drain continued in the week ended 18th January. The total stocks as on the 18th inst., amounted to $17,510 million, a drop of $115 million over the week. Despite firmness of world gold and good demand mainly from the Continent, ready gold in London declined from 253*s.* 1*d.* to 252*s.* 8*d.* The easiness was due to the firmness of the pound sterling *vis-a-vis* the dollar. Ready and forward silver, however, continued unaltered at 79⅛*d.* and 79⅛*d.*, respectively, as also ready silver at 91.375 cents.

The following table shows the trend of the market during the six days review:

	24-1-1961 (closing)	High	Low	18-1-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.995 fine)	120.45	121.05	117.10	116.75
Forward :				
*Maha**	120.40	120.80	117.40	117.25
Fagun‡	120.45	120.65	117.90	—
Sovereign	92.00	92.00	90.50	90.50
SILVER				
Ready (.996 fine)	206.90	207.10	202.60	202.15
Forward :				
Maha†	206.80	206.95	202.85	202.35
Fagun‡	206.80	207.10	203.80	203.30
London—	23-1-1960			17-1-1961
Silver Ready	79¼d.	—	—	79¼d.
Silver Forward	79¾d.	—	—	79¾d.
Gold	252*s.* 8*d.*	253*s.* 1*d.*	252*s.* 7*d.*	253*s.* 1*d.*
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 31st January settlement. † 1st February settlement.
‡ March settlement.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES RECEDE

(From Our Own Correspondent)

BOMBAY, 24th *January*

The recovery in cotton futures witnessed towards the close of last week has proved to be a short-lived affair. The bullish factors, which had imparted strength to the market, have given way to bearish influences. Speculative support based on expectation of the third instalment of Indian cotton quota to mills and a second export quota for Bengal *Deshi*, which was responsible for the recovery in prices towards the close of last week, is conspicuous by its absence at the time of writing. Excellent crop prospects and seasonal pressure of new crop have actually prompted renewed selling. Current crop ideas centre round 5 million bales, as against 4.8 million bales a few weeks back. Some private estimates place the crop still higher at 5.2 million bales. Increased arrivals of new crop which are twice as fast as in the last season, too, are exerting a downward pressure on prices. The inability of mills to make large purchases because of the absence of unutilised quotas with them has accelerated the downward trend of spot prices. The third instalment of Indian cotton quota has not been announced till the time of writing this report.

Influenced by these factors, the I.C.C. April 1961 contract declined from Rs. 591.25 at the beginning of the week to Rs. 583.00 yesterday. Opening higher at Rs. 545.50 today, the contract improved to Rs. 586.50, thanks to short covering, before closing at Rs. 585.25. The net loss over the week is Rs. 6.75.

In the spot market, interest in popular varieties like Vijay, Digvijay, L. 147, Khandesh, Berar, Co2 is well maintained. But turnover is limited since spinners cannot make large purchases in view of the absence of quota. Expectation of a further fall in prices is also preventing mills from going in for ready lots in a big way. Consequently, prices have tended to recede. Vijay cotton was done today at Rs. 940 per candy, L.147 at Rs. 1,020 and Digvijay at Rs. 990.

Export inquiries are reported for choice Bengals and Yellow Pickings. A moderate volume of business was put through on a subject-to-licence basis this week.

Exporters are much agitated over the delay in the issue of fresh export quota. They point out that considering the crop position and the trend of mill demand and the quota so far issued, the Government's reluctance to issue even 50,000 bales more for export is difficult to understand. Even in a year of small crop, such as the last one when production of Bengal *Deshi* cotton amounted to only 287,000 bales, an export quota of 150,000 bales was issued. In the current season, namely, 1960-61, Bengal *Deshi* crop is estimated at 350,000 bales which is sufficient to meet the requirements of domestic mills, which normally do not exceed 150,000 bales per annum, in full and leave a sizable quantity for export.

Mill demand for foreign cotton this week was confined to East African growths the prices of which firmed up, thanks to the high rate quoted by shippers. Certain Sudan and Egyptian cotton also evoked the attention of mills. Current rates for selected foreign cotton (in rupees per candy of 784 lbs.) are as under: E. African B.P. 52 1,365; E. African B.P. (U.N.U.G.) 1,890; E. African Busoga 1,340; E. African Jinja 1,280; Egyptian Karnak 1,840; and Sudan G4S 1,680.

Karachi cotton futures market, after having ruled firm in the first half of the period under review, tended to look down towards the close. Earlier gains were shed and both the January and March contracts closed unchanged at Rs. 75 and Rs. 72. Export interest continued to be small and domestic mill demand slack.

Cotton futures on the Alexandria Cotton Exchange advanced on speculative support based on expectation of a revival of demand from foreign countries. Both the Karnak and Ashmouni contracts made modest gains. The favourable crop news, however, acted as a restraining influence.

Quietly steady conditions prevailed in the Liverpool cotton futures market during the period under review. In the absence of fresh developments trading was dull and inactive. A moderate volume of hedge selling was absorbed in local trade covering and mill fixation.

Cotton futures in the New York market recorded modest gains during the week. Improved trade demand and Commission House support resulted in a hardening of prices. Speculation about probable changes in farm legislation and support prices continued to be the main influencing factors.

SEEDS DRIFT LOWER

(From Our Own Correspondent)

BOMBAY, 24th *January*

The pronounced firmness of oilseeds noted last week abated during the week under review. In fact, an easy trend was in evidence, the closing prices of major seeds and oils being well below those at the close of last week. In view of the high levels touched in the previous week, local consumers were hesitant to enter into any sizable fresh commitments. Besides, there were no encouraging overseas enquiries for oils. The groundnut section ruled quiet, despite tight supply position. The maturing crop contract, having touched the ceiling level, did not evoke any interest. February 1961 contract, too, tended to drift lower on technical considerations. Spot values were slightly lower as buying by *vanaspati* manufacturers and crushers tapered off. The outlook for groundnut oil exports continued to be unfavourable.

In the castorseed section, there was some selling pressure induced by protracted absence of any U.S. enquiries for castor oil. Actually a report suggested a fresh wave of selling by Brazil in the American market. There were some arrivals of new crops.

In sympathy with other seeds and oils, linseed was easy. The decline in raw cotton values, following better arrivals, led to selling in cottonseed. Sesamum seed and oil were, however, well maintained. Offtake was quite good, while supplies were tight.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	24-1-1961	18-1-1961	11-1-1961
Groundnut	Rs.	Rs.	Rs.
February 1961	220.00	220.00	218.50
May 1961	217.00	218.00	215.75
Nizam bold	48.00	48.25	46.00
Coromandel ready	48.50	48.75	46.50
Khandesh quality	48.50	48.75	46.50
Oil ex-mill ready*	20.25	20.40	19.50
Railway receipts*	20.00	20.25	19.25
Castorseed			
May 1961	176.25	177.00	176.25
Ready Madras	34.75	35.12	34.62
Ready Kanpur	33.50	34.00	33.50
Oil B.S.S.†	15.10	15.10	15.00
Oil commercial†	14.20	14.20	14.05
Linseed			
May, 1961	35.00	35.31	35.22
Bold ready	36.75	36.75	37.25
Oil ready†	16.60	16.65	16.80
Cottonseed			
February 1961	92.25	93.50	91.50
May 1961	92.75	93.25	91.50
Niger seed	38.50	38.00	39.50
Kardi seed	26.80	26.00	25.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 100 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

JUTES RISE

(From Our Own Correspondent)

CALCUTTA, 24th *January*

With a rise in prices of both jute goods and raw jute, originating from the aggressiveness employed by fibre sellers and stockists, firm conditions prevailed in the jute markets during the week under review which was short by two working days on account of holidays on Saturday and Monday (*Basant Panchami* and Netaji's birthday). That overseas buyers were reserved and reluctant to buy for replenishment of stocks was only too evident from the dullness in the freight market for gunnies. Shipping space offered for gunnies was abundant but acceptance was limited. All the same, much encouragement was derived by the report that U.S. consumption of burlap in December was maintained at the November level of 72 million yards. Stocks in the U.S. at the end of December were higher by 2 million yards at 257 million yards. Reports from the U.S., following the inauguration of President Kennedy, held out hopes that the new administration would launch a programme for stimulating economic activity. This should be noted against the background that in the year taken as a whole U.S. consumption was lower by 40 million yards, as compared with 1959. Considering that it would take some time before the new administration in the U.S. could take measures for stimulating the country's economy and also that burlap consumption usually tended to fall between March and June, any immediate improvement in that country necessitating fresh purchases to show greater interest in hessian at least before the next jute season is not anticipated.

Meanwhile, during the week, sustained interest was shown by U.S. buyers. In heavy goods, Australia showed interest and further quantities of woolpacks and cornsacks were lifted. Continental interest was also in evidence. Local bazar buying in both hessian and heavy goods against covering was also a feature. Besides, purchases for coastal shipment and upcountry consumption was reported. As compared with stocks of goods with mills, the quantities that came to the hands of genuine buyers were indeed small, and were in fact no justification for the cause for in prices. The major substance of the fibre market. the rise in prices came from the fibre market. Sellers of fibre continued to demand high prices on the plea that they should utilise the current wave of shortage to make up their earlier losses. It would be remembered, that earlier in the season, thanks to the unexpected rise in fibre prices, sellers had to incur a loss of Rs. 15 to Rs. 20 a maund in meeting their firm commitments to mills. If the price is now maintained at Rs. 60 to Rs. 65 a maund, as it seems very likely, the sellers, it is stated on their behalf, would recoup all the earlier losses, since they had bought jute when the price was about Rs. 50 a maund.

In the meantime, a factor which has gone to the aid of sellers is the marked decline in arrivals of good jute. What jute is arriving is of inferior quality, which is finding ready buyers. Of the fresh arrivals, a good portion is the *jungli* variety since there has been some improvement in the transport facilities from the *jungli* districts. There have been reports justifying the view that the propensity to stock has shifted from traders to medium-scale and large-scale cultivators. This year's fibre prices are sufficient for the farmers to show an indifference to sell the remainder of their produce. Their cash position has improved by a considerable degree, and this was revealed, if need there was, when, contrary to anticipations, there were no desperate sales to meet the cash requirements of the last Puja. Mills are reported to be placing fibre to see them through for working about 12 weeks based on 42½ hours a week. However, they must keep on buying, otherwise as the season would close they would have to pay fancy prices for the fibre if the mills only desired to keep the looms in production. Judging from the fact that mills in the past had given every co-operation to sellers of jute in an attempt to minimise the latter's losses for fulfilling commitments entered into at a time when prices were lower and the hardening trend was not anticipated, it is to be expected that sellers would show similar consideration to mills and restrain pushing up prices. Further, a point to be taken note of is that all arrivals henceforth would contain a greater portion of the inferior varieties, such as *jungli* and mesta. The assistance which mills had offered to sellers when the latter were on the defensive and appealing position included extension of delivery dates, meeting a portion of the losses by settling differences at market rates, placing of high-priced contracts with those sellers who had earlier entered into the lower-priced contracts.

On Tuesday last, despite profit-taking, prices of goods were higher. Sellers were hardly available. Ready B. twills rose to Rs. 194.50 from Rs. 192.00, and ready hessian 40″ 10 oz. to Rs. 64.25 from Rs. 64. There was profit-taking on Wednesday, and buyers were reluctant to support the high prices. At the decline, some deals for near deliveries in both hessian and heavy goods were put through. B. twills moved down to Rs. 191.75 and hessian 40″ 10 oz. to Rs. 62.10. Soon reports from the U.S. that buying was likely to increase were received, and this, coupled with the local buying, pushed up B. twills to Rs. 192 and hessian 40″ 10 oz. to Rs. 62.25 on the following day. Local bazar buying was again a feature on Friday and B. twills hardened to Rs. 192.50 and hessian 40″ 10 oz. to Rs. 62.65. The market has remained closed since then.

Fibre prices were fully firm. Arrivals declined, and although the closing levels were much the same as the opening rates, this should be noted against the fall in the quality of fibre now offering. Considered against this factor, prices would appear to have closed with a substantial gain. January-February daissee bottoms opened higher at Rs. 60.50 a maund and closed at Rs. 60. Both northern bottoms and Assam bottoms at Rs. 57 and Rs. 57.50, respectively, closed Re. 1 lower on balance, but this decline should be noted against the rapid fall in quality, a phenomenon which should also be attributed to the keen demand for fibre, albeit the oft-repeated official view that the crop is more than sufficient to see the mills through comfortably until the new crop arrives.

GOOD DEMAND FOR TEAS

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 17th *January*

A smaller quantity of 435,000 kilograms was offered in Sale No. 3 held today. Quality generally showed a slight improvement over last week. Good demand prevailed throughout the sale. Plain and low medium broken grades met with useful support and were steady whilst fannings under this category met with better support and were dearer. Mediums and good mediums, especially those with improved quality, often sold at prices above last week's. There was keen competition for clean black leaf fannings, which was the strongest feature of the sale. C.T.C. and legg-cut types were well supported, although these sold at easier rates. Whole leaf grades continued firm whilst a small selection of tippy teas met with useful demand.

	1961 Rs.	1960 Rs.
Low medium	4.60-4.90	4.63-4.85
Medium	4.95-5.20	4.85-5.18
Good medium	5.25-6.00	4.96-5.40
Quality	6.00-9.10	5.40-9.04

The average price realised in Sale No. 3 was Rs. 5.11 per kilo as against Rs. 5.01 last week and Rs. 5.12 in the corresponding sale in the previous year.

229,000 kilograms were offered in Sale No. 3, held on Thursday 19th January. Quality generally showed a seasonal improvement. There was strong and general demand. Highgrowns received better support and were dearer following improved quality. Mediums and low mediums were absorbed readily at fully firm rates and were often up to 10 nP per kilo dearer with buyers following quality. Coloury mediums registered considerable advances where quality showed improvement. Residual descriptions were a strong feature and were dearer by 10 to 20 nP per kilo. C.T.C. and legg-cut types shared in general upward trend of the market and realised attractive prices.

The average price in Dust Sale No. 3 was Rs. 5.00 per kilo, as compared with Rs. 4.93 in the previous week and Rs. 4.36 in the corresponding sale last year.

Export Quota: The market remains unchanged with large sellers at ½ nP with no ready buyers.

London: North Indian and other growths:—In Monday's auction there was a good demand especially for plain teas and better Assams which came to a firm to dearer market. Thin liquoring low mediums, however, were irregular and occasionally easier but all other descriptions were steady. Plain broken pekoe remains at 3*s.* 9*d.*

Ceylon and South Indians:—In Tuesday's sale a total quantity of 22,892 packages was on offer and of this quantity 6,892 packages were from South India. The market met with good general demand. Plainer descriptions came to a steady market whilst there was some irregularity in prices realised for better liquoring teas and these were sometimes easier.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire as follows:—

"*Sale No.* 4:—400,000 kilograms. Market irregular. Opened barely steady for plain and low mediums, but firmed towards end. Medium and good medium strong to dearer; with quality high-grown brokens restricted, demand at lower prices. Similar fannings firm."

TEAS IN GOOD DEMAND

(From Our Own Correspondent)

CALCUTTA, 24th *January*

During last week's sales for internal consumption, the good demand in evidence pushed up prices. No export sale was held yesterday in view of the holiday in this part of the country. Although tea bookings were fair this week, they showed a fall, as compared with the previous week, suggesting the termination of the season's heavy despatches to the U.K. In the week ended 13th January, U.K. tea stocks were higher by 7½ million lbs. at 126.7 million lbs. Reports from the Mincing Lane auctions last week indicate that the decline in prices there was not only due to the increased quantity of tea on offer but also to the lack of adequate quality.

Last week's upward trend in prices of dusts offered for internal consumption, trade circles believe, is likely to be continued in the coming weeks. With the shortfall in output in 1960, tea offering for local consumption is lower. Stocks in the country are not believed to be satisfactory, and taking into consideration the fall in output, exports in 1960 amounting to 155.6 million kgs., although less by 19.1 million kgs., as compared with 1959, should be considered to have risen. For, in 1960, tea output in North-East India amounting to 527.03 million lbs. has disclosed a decline of 34.20 million lbs. An attempt to increase output in the closing months of the year was made, but for this, the fall for the whole year should have been greater. In December 1960, the output was 13.47 million lbs., or higher by 362,000 lbs., as compared with December 1959.

With the sales of tea fit for export nearing completion, the domestic sales are expected to attract greater attention in the coming weeks. Consumption within the country has increased, and with the third Plan proposing to spend large sums on capital-consuming projects, people are likely to be left with increased purchasing power. If production of consumption articles, such as tea, is not increased to keep a balance with the increased developmental expenditure, export earnings from tea would be affected. Given minimum incentives, there is no reason why the tea gardens should not be expected to increase the acreage under tea and at the same time adopt more intensive methods of planting. The tea industry has been making strenuous attempts to get New Delhi understand the problems facing it but judging from the official reticence, the Government of India does not seem to have come face to face with the realities of the industry. In a word, rationalisation of the tax structure is the minimum incentive the tea industry expects.

Dusts on offer during last week's sales for internal consumption amounted to 21,470 chests. As stated, demand was good and prices rose. Good C.T.Cs added 10 nP, but the best lots eased in an irregular trend. The small and bright teas were dearer. An irregular trend was also recorded in orthodox teas, with the brighter liquoring and the smaller teas adding in price. Leg-cut teas were fully firm. Darjeelings recorded modest gain in prices. The quotations per 1 kg. inclusive of excise duty were: good Assam C.T.C. dust Rs. 5.90 to Rs. 6.40, medium Assam C.T.C. dust Rs. 5.50 to Rs. 5.70, legg-cut dust Rs. 5.15 to Rs. 5.35, medium Assam dust Rs. 5.00 to Rs. 5.30, and plain orthodox dust Rs. 4.80 to Rs. 4.95.

Leaf on offer amounting to 510 chests met with good demand. Prices were dearer.

TANNED HIDES FIRM

(From Our Own Correspondent)

MADRAS, 23 *January*

E.I. tanned hides ruled firm, while calf skins were weak. U.K. interest centred round light weight cow hides, and buffalo hides. Inland demand for cow hides inferior grades continued to be brisk. Sale to the U.K. was not profitable.

Tanned goats were quiet for light weights, and steady for other averages. Tanned sheep were unchanged.

In the German tanned skins public sales which commenced on 16th inst., demand was selective and good parcels fetched attractive prices.

Total exports from the U.K. in 1960 amounted to £3,536 million, 6 per cent higher than those in 1959. Imports rose by 14 per cent to £4.559 million. Re-exports amounted to £142 million, as compared with £131 million in 1959. It is pointed out that 1960 was a year of mixed performance for the British economy. Industrial production remained high, but particularly, near the end of the year, it did not show the rise which might have been expected. The level of national consumption, so far as can be estimated, declined as the year went on. On the other hand, fixed investment, especially in manufacturing industry, rose very rapidly in the third quarter of the year, and looks like continuing to do so. Although there have been some signs of slackening, demand for labour remains high. On the wages and prices front, while the slow upward drift of wages and prices continued in the fourth quarter, the retail price index continued to reflect price stability. The gold and convertible currency reserves continued to rise buoyantly throughout the year. They were given a boost in December by a large inflow from the American Ford Motor company of Detroit, but they have maintained a genuine rising trend over the twelve months, in spite of considerable repayment of debt to the International Monetary Fund (the net gain over the year was not far short of £200 million).

INDUSTRIAL PEACE

(*Concluded from page 142*)

workers and that alone would bring them the strength to bargain effectively.

But, at the same time, I would like to provide certain safeguards not only to face critical situations that affect the vital industries by way of emergency regulations, but, in the normal course, to avoid strikes and lock-outs in all industries, major and minor, and of this we should be unequivocally agreed and without any reservation.

Before I close, a word about inter-union rivalry. Take one instance. I am informed there are nearly 1,700 unions in the State of Kerala. For a small State, with few industries, this number is indeed too large and no doubt the formation of splinter and mushroom unions is an unhealthy development which should be checked. In bringing about industrial peace and good industrial relations, there should be the whole-hearted co-operation of all sections of labour. I would plead with the leaders of all trade union affiliations to see that a code of conduct is evolved in their inter-union relations and they accept the principle that they would not waste their time in weaning away labour from one union or the other, but, on the other hand, work towards unity at least on an industry-wise basis. My trade union friends will agree—whatever their affiliation be—that their aim is to secure the economic well-being of the workers and the improvement in their standard of living and provide them with greater scope in the task of national reconstruction.

As one with a fair degree of experience in the trade union field, I feel the need of the hour is to create a favourable atmosphere and bring about industrial peace, say, for the next five years or so, so that it could help the employers, workers and the general community to attain quick progress. I must specially tell the workers that, in the course of my long experience, I have always found that it never pays to quarrel with the management. Let us not regard them with hostility or consider their interests counter to that of the workers. In the long run, it is the workers who would gain if more and more industries are established and run successfully. The employers, too, should appreciate that, however much they invest their capital, the industry would refuse to run, if the workers refuse to co-operate. Our watchword today should be "Produce or perish." We need not worry unduly of the small details. We will be able to solve them as we go along, but our first and foremost job is to accept that we need have an industrial truce and see to it that we set an example for others to follow and a beacon-light for others to emulate.

BANKING

(*Concluded from page 150*)

economic growth, which is the unintended by-product of restrictions, is a most important consequence. It is thrown into relief if we compare the recent performances of our economy with that of our Common Market neighbours across the Channel."

Such a comparison shows that, between 1959 and 1960, the exports of the Six to the outside world rose by 22 per cent exactly twice as much as the rise in British exports in the same period. In the case of industrial production also, similar contrasts are found. From early 1955 to the third quarter of 1958—this is the period of credit restraints in Great Britain—British industrial production was stagnant, while the production in the Common Market countries went ahead by 22 per cent. The fundamental objection of Sir Oliver to the credit restrictions would be clear from the following extract from his statement:

"The general financial controls—high interest rates and credit restrictions—do not operate primarily on the right strands of demand. They strike, in the first instance, on investment spending rather than consumption spending. They not only interrupt the progress of the economy but further tend to depress the level of investment over the long run, thus retarding the much-desired rise in the standard of living. They have given us stability and solvency only at the cost of stagnation."

How then can the British economy escape from this threat of long periods of stagnation without sacrificing other desirable objectives such as internal and external stability? While Sir Oliver admits that there cannot be any magic recipe for combining growth with stability, he has suggested certain lines of thought worth exploring for achieving the above objectives. His main suggestion is that, when the overall demand is growing too fast for stability the strand of demand which should be restricted is consumer demand. The trouble with the British economy, according to him, is that it is not generating sufficient savings and the "supposed need to curb investment" has arisen only because the "will to save has not been strong enough." Sir Oliver declares that the obvious way to augment savings is to operate on consumer demand through the mechanism of the Budget. He pleads for a general agreement that, in both public and private sectors, investment expenditure should have priority over expenditures that promote consumption. He even suggests some specific measures to bring about a reduction in consumer expenditure. First, in the affluent age, the population might contribute something more as individuals and not as taxpayers, towards the cost of the welfare services. Secondly, steps should be taken to revise the prices of the products and services of the nationalised industries. And, thirdly, certain fiscal instruments such as a payroll tax and purchase tax which would restrain consumer spendings might be introduced. To the objection that his recipe would affect the ordinary man, Sir Oliver's reply is that "this is unavoidable," because the object of these fiscal measures is to restrain consumption, and it is the general population which does most of the spending. In concluding his thought-provoking statement, Sir Oliver warns that "it is impossible to achieve the general objective of restraining consumption instead of investment, putting a curb on spending rather than on saving without affecting the ordinary man."

Living Beyond Means

Sir Oliver Franks is not alone in placing the accent on budgetary measures to regulate the volume of spending in the economy. The Chairman of Barclays Bank, Mr. Tuke, too, emphasises the need for having a balanced budget as well as courage on the part of the administration to say "no" to expenditure which cannot be financed out of revenue. He boldly declares that, if Britain could go back to a truly balanced budget, many of its financial problems would melt away. While conceding that borrowing is the accepted method of paying for the wars, and that occasional budgetary deficits may be the proper treatment for a trade recession, Mr. Tuke maintains that, in a period of boom, there should actually be a budget surplus. He observes: "Even more serious than the inflationary effect is the immorality of living year after year beyond our present means. We have no right in times of peace and great prosperity to load on our descendants the cost of our present luxuries nor even of the creation of additional assets which are in one sense additional liabilities because they cost more to run."

Mr. Tuke also devotes considerable attention to measures for bringing about relaxation of credit restrictions when circumstances point in that direction. A mere change in the Bank rate, according to him, is not likely to have any marked effect on the internal situation. Even the release of special deposits may not enable the banks to lend more money immediately. Hire purchase, of course, provides scope for bringing about quick results. Mr. Tuke suggests that for expanding bank credit substantially, some flexibility should be introduced in the traditional liquidity ratio of 30 per cent. He maintains that this ratio is historically a survival from the principles of private country bankers and should not be considered sacrosanct in the present age. If the banks now accept a much wider swing in the standard liquidity ratio, it would enable them to increase their lendings generally when that is desirable, without creating embarrassment to the gilt-edged market. It would also make it possible for the banks to participate more readily in financing the expansion of the country's exports and in any future schemes for the development of overseas territories.

The leaders of British banks have also given much thought to the ways and means of stimulating their country's exports. Sir Harold Bibby, Chairman of Martins Bank, suggests that the Government should make a valuable contribution to the export drive by simplifying still more the documentation for exports. According to Sir Harold, a longer duration for E.C.G.D. guarantees and the permission to discount the guaranteed bills at the Bank of England would make export trade more widely attractive to present exporters as well as to prospective newcomers. Such discounting facilities would solve the problems of finding medium-term capital for exporters. Mr. Tuke, on the other hand, wants the Government to pay simultaneous attention to imports for bringing greater equilibrium in the balance of payments. Emphasising the need for effective action on the import front, he observes: "We must, of course, be ready to import raw materials for our manufacturing industries, but high personal spending can promote excessive importation of consumer goods." In order to restrict imports of these goods, he exhorts the Government to correct the present tendency not only by monetary restrictions and budgetary action but better still by reducing its own demand on the economy.

The Chairmen of British banks have not cared to pay any attention in their annual statements to the problems of granting capital assistance to underdeveloped countries. Their silence on this problem of the day is conspicuous and it is strange that even Sir Oliver Franks, who visited India and Pakistan last year as a member of the World Bank mission has said nothing on it. Only the Chairman of Martins Bank makes a passing reference to overseas investment and states that Britain could make investment abroad only to the extent of its current surplus on overseas account. He then proceeds to comfort himself by saying that investments out of retained profits earned by existing businesses overseas is making a substantial contribution to foreign investment. The indifference shown by British bankers to this pressing international problem which is in striking contrast to the observations made by the British Prime Minister and the Chancellor of the Exchequer in recent weeks, probably means that either they have still not outgrown their traditional conservatism or they regard the issue as not important enough to receive treatment in their annual statements.

INDIAN OVERSEAS BANK LTD.

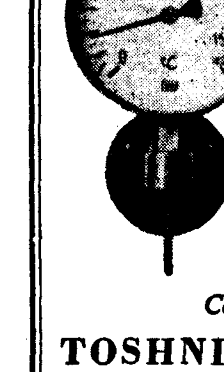
The results of the Indian Overseas Bank Ltd. for 1960 are gratifying, the net profit (subject to audit) having gone up smartly from Rs. 35.64 lakhs (in 1959) to Rs. 44.66 lakhs. After raising the provision for taxation from Rs. 12.50 lakhs to Rs. 18.50 lakhs, a larger sum of Rs. 9.50 lakhs has been transferred to the reserve fund, as against Rs. 7.50 lakhs in the previous year. The provision for bonus to staff has been increased from Rs. 5 lakhs to Rs. 5.50 lakhs. The Directors have recommended a dividend of 14 per cent subject to tax, which is the same as last year. This would give a tax-free return of 9.8 per cent to equity shareholders and absorb a sum of Rs. 10.50 lakhs, which is Rs. 1.12 lakhs higher than in the previous year. The undistributed surplus is larger at Rs. 1.92 lakhs as against Rs. 1.26 lakhs a year ago.

CANARA BANK LTD.

The working of the Canara Bank Ltd. during 1960 has yielded satisfactory results. The net profit (subject to audit) has recorded a rise from Rs. 18.30 lakhs to Rs. 20.30 lakhs. This increase is on top of an expansion of Rs. 4.30 lakhs achieved in the preceding year. After raising the provision for taxation from Rs. 4.75 lakhs to Rs. 7.65 lakhs, a sum of Rs. 3.50 lakhs has been transferred to the reserve fund, which had received Rs. 5 lakhs last year. The provision for bonus to staff has been increased from Rs. 2.40 lakhs to Rs. 3.10 lakhs. The Directors have decided to maintain the dividend on equity shares at the last year's level of 15 per cent, subject to tax, which gives a tax-free return of 10.5 per cent. The dividend on preference shares has been raised to 5.56 per cent from 5 per cent last year. Both the dividends require an amount of Rs. 6.02 lakhs, leaving a small balance of Rs. 45,000 for carrying forward to next year. Over the year, the deposits of the Bank have increased from Rs. 28.93 crores to Rs. 30.82 crores.

INDUSTRIAL INSTRUMENTS

EX : M/S. DREYER ROSENKRANZ & DROOP, GERMANY



For

1. Industrial Pneumatic Controls.
2. Indicating or Recording Thermometers.
3. Indicating or Recording Vacuum or Pressure Gauges.
4. Combined Gauges.
5. Engine Indicators, etc.

Contact Sole Agents

TOSHNIWAL BROTHERS PRIVATE LIMITED

198, Jamshedji Tata Road, Bombay-1

Branches:

AJMER CALCUTTA NEW DELHI MADRAS

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 20th Jan., 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	50,11,10,000
(2) Other Governments	31,93,16,000
(b) Banks	76,70,91,000
(c) Others	93,69,37,000
Bills Payable	27,00,07,000
Other Liabilities	40,93,08,000
Rupees	450,37,69,000

ASSETS	Rs.
Notes	17,11,00,000
Rupee Coin	2,16,000
Subsidiary Coin	6,12,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	
(c) Government Treasury Bills	64,64,17,000
Balances held abroad*	19,42,34,000
Loans and Advances to Governments†	40,59,41,000
Other Loans and Advances	138,45,67,000
Investments	152,45,15,000
Other Assets	17,61,67,000
Rupees	450,37,69,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 17,15,50,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	17,11,00,000	
Notes in circulation	1914,86,88,000	
Total Notes issued	....	1931,97,88,000
Total Liabilities	....	1931,97,88,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	128,00,89,000	
Total of A		245,76,92,000
B. Rupee Coin		124,17,08,000
Government of India Rupee Securities		1562,03,88,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1931,97,88,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept., 1939 (pre-war)	13th Jan.,* 1961	6th Jan.,* 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.87	1920.72	1901.25	1861.11	1777.90
Notes held in Banking Department	35.05	10.93	16.39	13.82	9.79
Foreign Securities	59.50	128.01	128.01	128.01	163.01
Rupee Securities	87.89	1562.04	1547.06	1502.06	1377.43
Banking Department					
Deposits of:					
Government of India	14.39	51.04	59.71	50.87	40.41
Other Governments	..	18.42	6.99	28.40	40.37
Balances held abroad	10.06	19.47	19.61	27.10	46.78
SCHEDULED BANKS					
Demand Liabilities	134.86	772.84 (14.19)†	777.84 (14.94)†	771.40 (45.48)†	748.63 (16.41)†
Time Liabilities	102.24	1005.16 (9.72)†	1105.46 (10.28)†	1103.12 (20.52)†	1129.42 (22.13)†
Borrowings from Reserve Bank	..	53.06 (14.59)‡	53.45 (13.83)‡	31.35 (7.57)‡	25.25 (3.02)‡
Borrowings from State Bank	..	12.60	11.74	10.07	13.01
Cash in India	6.70	43.03	45.06	44.64	45.44
Balances with Reserve Bank	25.17	77.95	83.93	80.00	76.70
Balances with other banks in current account in India	..	14.77	16.20	15.15	14.95
Money at call and short notice in India	..	22.27	22.77	29.95	23.81
Investments (at book value)	..	625.01	643.81	659.40	764.05
Advances and bills	105.9	1208.92	1199.85	1145.10	1003.97
STATE BANK					
Deposits	87.76	565.87	572.08	568.29	585.67
Investments	51.99	297.19	312.24	323.20	384.02
Advances	30.35	247.80	239.80	223.79	173.46
Cash	14.69	20.98	22.30	24.86	37.32

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd. and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.50	3.59
Ceylon	13th Aug., 1960	3.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July., 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	3.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	10th Jan., 1944	..	2
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	3
Thailand	Feb., 1946	..	7
Turkey	6th June, 19[illegible]	4.50	6
United Kingdom	8th Dec., 19[illegible]	5.50	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	20th Jan., 1961	4	3.5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that of the preceding week.

State Bank of India

Statement of Affairs for the week ended 13th Jan., 1961

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,20,00,000
Deposits and Other Accounts		565,86,50,000
Borrowings from Other Banking Companies, Agents, etc.		2,10,50,000
Bills Payable		7,73,13,000
Bills for Collection being Bills receivable as per contra		2,01,43,000
Acceptances, Endorsements and Other Obligations per contra		1,46,94,000
Other Liabilities (including Inter-Office Adjustments)		8,59,52,000
Total .. Rs.		600,60,52,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		18,07,39,000
Balances with other Banks		2,90,96,000
Money at Call and Short Notice		1,06,67,000
INVESTMENTS:		
Government and other Trustee Securities	286,99,81,000	
Other Authorised Investments	10,18,84,000	
		297,18,65,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	230,31,33,000	
Bills Discounted and Purchased	17,49,03,000	
		247,80,36,000
Bills Receivable being Bills for Collection as per contra		2,01,43,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,46,94,000
Premises less Depreciation		1,75,72,000
Furniture and Fixtures less Depreciation		1,28,75,000
Other Assets (including Inter-Office Adjustments).		27,03,05,000
Total .. Rs.		600,60,52,000

Scheduled Banks*

Statement of Affairs for the week ended 13th Jan., 1961

	Rs. (Thousands)
(i) Demand Liabilities in India:	
(a) Demand Deposits—	
(1) From banks	40,76,20
(2) From others	684,19,07
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	14,89,57
(c) Other demand liabilities	47,88,37
(ii) Time Liabilities in India:	
(a) Time Deposits—	
(1) From banks	15,48,31
(2) From others	1058,42,16
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	9,72,15
(c) Other time liabilities	21,25,60
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	11,97,51
(b) Time liabilities	62,00
(iv) Borrowings in India from the Reserve Bank of India (A)	53,06,49 (14,58,50)
(v) Cash in India	43,03,49
(vi) Balances with the Reserve Bank in India	77,95,16
(vii) Balances with Other Banks in Current Account in India	14,76,87
(viii) Money at call and short notice in India	22,27,14
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	625,00,62
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1027,61,75
(b) Due from Banks in India	13,02,09
(xi) Inland Bills purchased and discounted in India.	120,18,16
(xii) Foreign Bills purchased and discounted in India.	48,09,54
(xiii) Total of items (x), (xi) and (xii)	1208,91,54

Notes:—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 13th Jan., 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	10,95,08,000
(b) Provincial Governments	1,13,72,000
(c) Banks	16,82,12,000
(d) Others	112,23,47,000
Bills Payable	22,27,000
Other Liabilities	11,81,87,000
Rupees	161,33,53,000

ASSETS	Rs.
Notes	8,46,70,000
Rupee Coin	46,000
Subsidiary Coin	37,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	38,44,43,000
Loans and Advances to Governments	9,73,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	47,79,05,000
Investments	47,12,92,000
Other Assets	9,76,61,000
Rupees	161,33,53,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	846,70,000	
Notes in circulation	392,54,46,000	
Total Notes issued	....	401,01,16,000
Total Liabilities	....	401,01,16,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	74,25,30,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		141,93,73,000
B. Rupee Coin	3,07,92,000	
Government of Pakistan Securities	250,09,45,000	
Internal bills of exchange and other commercial paper	....	
		253,17,37,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	401,01,16,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 36.79 per cent.

EXCHANGE RATES

		17th January 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 $\frac{61}{64}$	1-5 $\frac{61}{64}$
Sellers T. T. D.D. upto six months	s.	1-5 $\frac{59}{64}$	1-5 $\frac{59}{64}$
Buyers T.T. spot to nine months	s.	1-6 $\frac{1}{16}$	1-6 $\frac{1}{16}$
Buyers T.T. 10 to 12 months	s.	1-6 $\frac{1}{8}$	1-6 $\frac{1}{8}$
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477 00	477 00
Buyers T.T.	Rs.	473 50	473 50
London on New York	$	2 8068-2 8070	2 8069-2 8071
London on Paris	Fcs.	13 75¼ 13 75½	13 75¼ 13 75½
London on Berne	Sw. Fcs.	12 0840 12 0865	12.0830 12 0850
New York on London	$	280 670-280 710	280.630-280 660

CLEARING HOUSE RETURNS

Centre	Week ended 20th Jan., 1961 Number of Cheques	Amount Rs.	Week ended 13th Jan., 1961 Number of Cheques	Amount Rs.
Bombay	4,04,090	91,83,95,000	4,12,219	87,69,11,000
Calcutta	2,11,000	86,15,00,000	2,10,000	81,48,00,000
Madras	99,631	13,35,70,450	84,184	11,31,79,928
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
Sept. 1960	..	..	4,813,000	971,59,00,000
Oct. "	..	..	4,707,000	1042,18,00,000
Nov. "	..	..	4,695,000	1078,30,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weigth	31st Dec., 1960	24th Dec., 1960	2nd Jan., 1960	December 1960†	December 1959	Percentage of Increase (+) or Decrease (—) in Dec., 1960 as compared with Dec., 1959	Annual Average 1960	Annual Average 1959
Food Articles	504	115 3	117.0R	116 6	112 2	118 2	—0 8	120.3	118 2
Cereals	192	98 4	99 7	99.3	100.4	100 8	—0.2	105 3	104.3
Pulses	43	93 9	93 1R	91.8	93 6	91 8	+1.9	92.6	99 8
Fruits and Vegetables	23	102 8*	104.7	112 7	104 2	118 7	—12 2	121 0	127 6
Milk and Ghee	84	106 5	109 1	105.4	111 1	107 6	+3 2	115 5	112 2
Edible Oils	47	155 3	155 9	128 8	154 0	127 9	+20 4	143 8	126 9
Fish, Eggs and Meat	17	123 3	125.2R	114 7	125 0	114 1	+9 6	121.1	110 4
Sugar and Gur	48	124 7	127 4	147 4	126 9	150 1	—15 3	138 6	143 0
Others	50	168 5*	173 1	184 3*	171 0	186 7	—8 4	168 6	163 4
Liquor and Tobacco	21	111 7	111 7	102 5	112 1	103 7	+8 1	106 4	100 7
Tobacco	—	110 3	110 3	101 1	110 8	102 3	+8 3	104 8	99 3
Fuel, Power, Light and Lubricants	30	120 4	120 3	116 8	120 3	117 0	+2 8	119 0	116 1R
Industrial Raw Materials	155	152 0	150 6	130 1	149 6	127 2	+17 6	138 8	119 7
Fibres	61	160 6	157 4	129 2	157 0	123 2	+27 4	130 3	110 2
Oilseeds	60	156 2	156 0	132 5	153 5	130.9	+17 2	144 9	130 0
Minerals	2	98 2	98 2*	95 2*	98 2	95 6	+2 7	97 5	100 0
Others	32	131 2*	130 9*	129 9	131 4	129 8	+1 2	129 0	117 3
Manufacture	290	126 3	125 9R	115 1	126 0	113 4	+11 1	120 8	109 7
Intermediate Products	41	133 0	132 5	120 0	132 3	118 0	+12 1	127 1	111 1R
Finished Products	249	125 7	124 8	114 3	125 0	112 6	+11 0	119.8	109 5
Textiles	147	130 3	128 7	113 1	129 2	109 8	+17 6	121 2	104 6
Cotton	—	129 2*	129 2*	121 3*	129 3	118.4	+9 2	127 5	113 5
Jute	—	147 2	140.7	97.3	142 6	94 2	+51 3	115.2	87 2
Woollen	—	110 1*	110 1*	104 2*	110 1	104 2	+5.6	107 6	104 6
Silk and Rayon	—	102 4*	102.4*	104 4*	101 8	97.7	+4 2	102 6	93 7R
Metal Products	12	146 8	146 8	145 2	146 8	144 7	+1 4	147 0	143.7
Chemicals	20	103 9	103 7R	106 7	103 8	106 7	—2.6	104 7	108 2
Oil Cakes	10	149 0	148.3	143 2*	146 8	145 0	+1 2	140 2	143.7
Machinery and Transport Equipment	31	112.1	112 1R	106 4	112 1	106 4	+5 3	110.7	105 9R
Others	30	116	116.6	112.2	116 4	114 0	+2.2	116 0	113 6R
All Commodities	1,100	124.4	121 8R	118 0	124.6	117 9	+5.8	123 0	115.3

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. † Subject to Revision. R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 14th Jan., 1961	7th Jan., 1961	17th Dec., 1960	16th Jan., 1960
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.7	100.7	100.7	101.5
2. Government of India	100.7	100.6	100.6	101.4
3. State Government	101.4	101.4	101.3	102.8
4. Municipal, Port Trust, etc.	99.7	99.8	99.7	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.7	100.6	100.6	101.8
PREFERENCE SHARES—ALL INDIA.				
6. Total	85.1	85.2	85.7	91.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	163.3	163.9	166.6	158.2
8. *Agriculture and Allied Activities: Total**	158.4	159.7	162.4	170.5
9. Tea Plantations	151.6	152.9	155.6	167.6
10. Coffee Plantations	188.9	189.5	193.7	204.4
11. Rubber Plantations	169.4	170.8	171.1	169.9
12. *Mining and Quarrying: Total*	151.6	152.0	152.9	143.7
13. Coal	117.1	117.5	116.0	108.1
14. Other Mining	175.3	175.7	178.2	168.1
15. *Processing and Manufacturing: Total*	174.3	175.0	178.0	164.9
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	174.4	175.0	178.3	180.8
17. Sugar	173.4	177.6	188.6	182.8
18. Cotton Textiles	142.6	142.4	143.8	141.6
19. Jute Textiles	83.8	84.1	83.9	95.2
20. Silk and Woollen	966.8	974.6	993.6	695.4
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	184.2	184.6	187.8	178.1
22. Iron and Steel	149.6	149.3	151.3	149.8
23. Transport Equipment	372.1	373.7	389.6	323.8
24. Electrical Machinery	136.7	135.0	135.4	126.5
25. Machinery other than Transport and Electrical	196.6	198.1	200.4	201.6
26. Basic Industrial Chemicals	202.3	204.4	208.4	108.5
27. *Processing and Mfg. (Others): Total**	155.2	156.8	159.2	152.9
28. Cement	136.5	138.4	139.9	136.0
29. Paper	213.4	214.3	217.1	208.5
30. *Other Industries: Total**	105.7	106.2	108.0	111.6
31. Electricity Generation and Supply	79.4	79.4	80.2	86.7
32. Trading	113.0	114.1	118.2	109.6
33. Shipping and Other Transport	101.6	103.4	104.0	120.1
34. Construction	266.2	267.9	281.5	290.3
35. *Financial: Total*	177.7	177.6	178.6	176.3
36. Banks	199.1	198.9	199.9	194.9
37. Insurance	133.6	134.0	135.7	138.8
38. Investment Trusts	91.8	92.1	90.8	99.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	166.0	166.8	169.5	159.4
40. Calcutta	152.7	153.1	155.3	151.1
41. Madras	183.0	184.0	186.8	176.1
42. Delhi	217.6	217.2	221.6	196.4

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957*	1,630	889,371	6,429,319
1958*	1,524	928,566	7,797,585
1959*	1,523	692,514	5,605,079
May 1959	181	53,755(127)	354,517(127)
June „	154	77,758(149)	788,798(149)
July „	146	61,098(144)	741,781(144)
Aug., „	141	63,716(130)	396,789(130)
May 1960	127	37,675(115)	414,789(115)
June „	154	65,788(188)	390,425(188)
July „	125	68,407(100)	748,651(100)
Aug., „	50	16,993(46)	69,951(47)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevant information is available.

* Figures relate to all States and centrally administered areas as after reorganisation.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,098,300	1,106,800	786,900
Do 31st March, 1959	1,137,500	1,149,900	884,700
Do 31st March, 1960	1,568,400	1,585,700	1,215,100
Sept. 1959	124,300	117,100	93,100
Oct. „	133,200	129,600	104,600
Nov. „	128,900	129,900	104,000
Dec., „	136,100	139,100	108,600
Sept. 1960	133,300K	138,100K	108,000K
Oct. „	145,900K	150,000K	114,230K
Nov. „	139,500K	141,800K	107,000K
Dec., „	143,200K	150,600K	115,800K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,815	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	608,205	496,217
Do. 31st March, 1960	1,053,612	827,072	660,695
Sept. 1959	79,615	60,701	49,428
Oct. „	79,539	67,901	48,868
Nov. „	77,380	71,112	55,610
Dec., „	82,295	77,328	62,237
Sept. 1960	100,487K	79,761K	50,663K
Oct. „	99,004K	74,399K	58,894K
Nov. „	106,490K	76,619K	59,380K
Dec., „	111,516K	86,424K	61,395K

K—Figures in Metric Tons.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
1st Nov.	2.00	2.35	2.00	2.565	99.360
2nd to 5th Nov.*	0.27	—	0.27	—	99.376
8th Nov.	2.00	2.30	2.00	2.565	99.360
9th to 12th Nov.*	0.31	—	0.31	—	99.376
15th Nov.	2.00	2.24	2.00	2.565	99.360
16th to 19th Nov.*	0.80	—	0.80	—	99.376
22nd Nov.	2.00	2.49	2.00	2.564	99.360
23rd to 26th Nov.*	0.03	—	0.03	—	99.376
29th Nov.	2.00	2.40	2.00	2.564	99.365
30th Nov. to 3rd Dec.*	0.70	—	0.70	—	99.381
6th Dec.	2.00	2.40	2.00	2.546	99.365
13th Dec.	2.00	2.25	2.00	2.548	99.360
14th to 17th Dec.*	0.09	—	0.09	—	99.381
20th Dec.	2.00	2.00	2.00	2.550	99.360
1961					
3rd January	2.00	2.48	2.00	2.556	99.363
10th [illegible]	2.00	2.50	2.00	[illegible]	[illegible]
17th [illegible]	2.00	2.50	2.00	[illegible]	[illegible]
18th to [illegible]	1.14	—	1.14	—	99.371
24th [illegible]	2.00	2.00	2.00	[illegible]	[illegible]

RAW COTTON STATISTICS

Particulars	Details of Period	In Quintals of 100 kilograms
Bombay Island— Cotton Receipts	Week ended 19th Jan., 1961	44,696(J)
	Corresponding week, 1960	38,886(J)
	1st Sept. to 19th Jan., 1961	1,375,785*
	Corresponding period, 1960	771,231*
Cotton Exports	Week ended 19th Jan., 1961	2,596
	Corresponding week, 1960	270
	1st Sept., to 19th Jan., 1961	113,031
	Corresponding period, 1960	159,307
Mill Consumption (Estimated)	1st Sept. to 19th Jan., 1961	833,891
	Corresponding period, 1960	869,211
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 19th Jan., 1961	922,716
	Corresponding date, 1960	650,820
		In Bales of 392 lbs. nett.
Consumption of Cotton— Indian	October 1960	293,068
Foreign		123,096
Indian	Two months ended October 1960	607,247
Foreign		231,156
Indian	Same Period 1959	791,404
Foreign		81,882
Stocks (Mills and Elsewhere)— Indian	As on 31st October 1960	602,393
Foreign		437,448
Indian	As on 31st October 1959	1,052,566
Foreign		143,819

Particulars	From 1st Sept. to 16th Jan. 1960-61 In quintals of 100 kilograms	From 1st Sept. to 16th Jan. 1959-60 In quintals of 100 kilograms
From Bombay Cotton Shipments to— United Kingdom	180	2,132
Continent	5,046	6,546
Hongkong	6,617	4,115
China	—	—
Japan	83,622	91,150
U.S.A.	—	3,906
Other countries	—	1,898
Total to all foreign countries	95,465	109,747
Coastal Ports	15,480 (a)	49,290(b)
Total	110,945	159,037
Cotton Exports from Bombay (by sea)		(Bales of 180 Kgs.)
During Oct., 1960		863
During Oct., 1959		9,393
1st Sept., to 31st Oct., 1960		2,891
1st Sept., to 31st Oct., 1959		25,318
Cotton Pressed in India † (In running bales)		(Bales of 392 lbs.)
Week ended 30th Dec. 1960		74
Corresponding week, 1959		116,539
1st Sept., to 30th Dec., 1960		240,230
Corresponding period, 1959		782,134
Karachi (Pakistan)— Receipts: 1st Sept. to 29th Dec., 1960		422,769
Corresponding period, 1959		498,057
Exports: 1st Sept. to 29th Dec., 1960		171,127
Corresponding period, 1959		178,794

(J) By Rail and Sea. R—Revised. † Incomplete. * By Rail, Sea and Road. (b) From 1st to 31st Dec., 1959. —Not Received. A—Adjusted. (a) From 1st Sept. to 30th Nov., 1960.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	46	148
1956-57	13,586	2,265	1,023	219	106	58	207	24	196	427	30	389	52	186
1957-58	14,314	2,389	1,229	214	105	52	219	25	212	503	39	476	47	194
1958-59	14,366	2,455	1,296	206	92	36	221	23	184	482	36	514	45	113
1959-60	15,292	2,628	1,343	199	84	34	223	24	186	579	31	522	49	131
1959														
July	4,935	842	500	72	37	11	58	8	65	186	16	165	12	48
August	6,127	1,070	603	84	42	14	72	9	78	231	28	209	19	59
September	7,280	1,296	694	95	45	18	94	11	94	274	36	250	27	67
October	8,462	1,520	792	109	49	21	118	13	111	320	43	290	34	76
January 1960	12,477	2,184	1,111	165	70	30	195	20	155	473	62	427	47	108
February	13,847	2,399	1,226	182	77	32	208	22	169	522	72	471	48	119
March	15,292	2,628	1,343	199	84	34	223	24	188	579	81	522	49	131
April	1,350	226	122	22	7	3	12	2	15	51	10	42	1	11
May	2,640	443	254	39	14	5	22	3	31	105	19	87	3	23
June	3,875	667	373	54	22	8	27	5	49	154	27	130	6	33
July	5,011	858	495	67	27	10	37	6	68	196	32	165	12	46
August	6,258	1,102	600	78	32	12	40	7	79	245	40	215	17	60
September	7,490	1,348	698	89	34	15	58	8	94	291	48	261	27	71
October	8,804	1,618	796	99	38	17	80	10	107	344	56	309	28	82

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.=2 M. G.) and incorporate revision in respect of earlier months. *Source*:—Ministry of Railways.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1966-30	116,17,46,000	1963-65	97.55
3 % Loan	1950	30,33,16,000	1964	97.55
3 % Fg. Loan	1943	1,10,11,76,000	1966-68	95.85
3 % Dev. Loan	1945	1,15,09,83,000	1970-75	90.05
2½ % Loan	1946	57,80,69,000	1961	99.15
2¾ % Loan	1946	14,77,48,000	1976	83.50
2¾ % Loan	1947	75,86,72,000	1962	97.85
3½ % N. P. Bonds	1953	75,29,00,000	1961	100.00
3½ % N. P. Loan	1954	1,58,17,94,000	1964	99.85
3½ % N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.25
3½ % Loan	1956	1,07,27,36,000	1962	99.65
3½ % N. P. Bonds	1956	93,81,83,000	1967	98.85
3½ % Loan	1956	86,63,53,000	1974	99.70
3½ % N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.75
4 % Loan	1957	49,17,27,000	1972	100.45
3½ % Loan	1958	58,05,92,000	1968	99.80
3½ % Loan	1958	70,00,00,000	1968	98.80
3½ % Loan N.P.B.	1958	34,33,90,000	1968	100.60
4 % Loan	1958	49,51,44,000	1978	100.40
3½ % Loan	1959	1,37,90,98,000	1969	98.70
4 % Loan	1959	81,06,38,000	1979	100.05
4 % Loan	1960	97,64,00,000	1980	99.90
3½ % Bonds	1960	32,66,00,000	1966	99.25
NON-TERMINABLE LOANS				
3 % Loan	1896-97	3,93,33,000	M.	73.00
3 % Loan	1946	2,48,91,38,000	K.	74.40
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97.20
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.15
4½ % Andhra	1958	5,48,81,000	15th July 1970	100.15
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	96.90
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	97.10
3 % Bombay	1949	5,29,97,000	1st Aug. 1962	97.55
3½ % Bombay	1951	2,82,97,000	17th Sept. 1962	99.60
4 % Bombay	1958	5,10,80,000	15th July 1963	99.75
4 % Bombay	1952	2,40,34,000	1st Aug. 1964	99.60
4 % Bombay	1955	9,56,29,000	1st Sept. 1967	99.00
4 % Bombay	1956	7,82,20,000	3rd Sept. 1976	98.60
4½ % Bombay	1957	6,57,33,000	16th Sept. 1969	100.25
4½ % Bombay	1958	6,58,21,000	15th July 1970	100.25
4½ % Bombay	1958	4,85,25,000	15th July 1971	100.25
4 % Bombay	1959	6,58,13,000	19th Aug. 1971	98.25
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97.15
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97.15
4½ % Bihar	1958	2,78,71,000	13th Oct. 1970	100.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	97.00
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	98.45
3½ % Howrah Bridge (New)	1936-37	1,77,09,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.00
4 % Hyderabad	1956	2,15,02,000	3rd Sept. 1968	98.90
3½ % Madras	1946	3,81,77,000	1st Sept. 1961	98.60
3½ % Madras	1951	3,01,40,300	17th Sept. 1962	99.75
4 % Madras	1953	10,39,71,000	15th July 1963	99.50
4 % Madras	1952	5,24,81,300	1st Aug. 1964	99.40
4 % Madras	1955	16,47,17,000	1st Sept. 1967	97.45
4 % Madras	1956	13,28,56,000	3rd Sept. 1968	97.40
4½ % Madras	1958	5,55,57,000	15th July 1970	100.25
4 % Madras	1959	5,72,72,000	19th Aug. 1971	97.10
4 % Madras	1960	12,00,00,000	29th Aug. 1969	97.20
4 % Maharashtra	1960	10,00,00,000	29th Aug. 1969	98.85
3 % Mysore(J)	1952	2,06,25,200	1st Dec. 1953-63	101.40
3 % Mysore(J)	1956	5,99,73,000	30th Apr. 1956-61	99.80
4 % Mysore	1958	3,39,47,000	15th July 1963	99.50
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97.20
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.15
4½ % Mysore	1957	3,34,36,000	16th Sept. 1969	100.25
4½ % Mysore	1958	5,51,61,000	15th July 1970	100.25
4 % Mysore	1959	5,45,46,000	19th Aug. 1971	97.15
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	97.15
4 % M.P.	1949	2,05,29,000	15th Sept. 1964	96.00
3½ % M.P.	1951	1,88,18,100	17th Sept. 1962	98.50
4 % M.P.	1953	1,10,12,000	15th July 1963	99.00
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.20
4 % M.P.	1954	1,56,42,000	3rd Sept. 1968	97.15
4½ % M.P.	1958	2,21,30,000	15th July 1970	100.60
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	97.00
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	98.75
4 % Saurashtra	1956	2,66,63,000	3rd Sept. 1968	98.75
4 % Kerala	1953	3,25,61,000	15th July 1963	99.00
4 % Kerala	1956	2,22,06,000	3rd Sept. 1968	97.00
4½ % Kerala	1958	3,27,10,000	15th July, 1970	100.00
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.00
3½ % U.P.Z.A.	1952	44,93,89,000	..	48.75Z
3¾ % U.P.	1956	1,55,31,000	15th Sept. 1961-66	92.25
2½ % U.P.	1946	2,12,62,000	1st Sept. 1961	97.50
3½ % U.P.	1951	1,86,22,000	17th Sept. 1962	98.10
4 % U.P.	1953	5,86,14,000	1st Aug. 1964	99.40
4 % U.P.	1954	5,54,36,000	15th July 1963	99.50
4 % U.P.	1954	8,19,71,000	1st Sept. 1967	97.20
4 % U.P.	1955	4,48,36,000	3rd Sept. 1968	97.20

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½ % U.P.	1958	7,65,50,000	15th July 1970	100.25
4 % U.P.	1959	8,88,95,000	19th Aug. 1971	97.10
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	97.25
4 % Rajasthan	1955	3,14,19,000	3rd Sept. 1968	[illegible]
4½ % Rajasthan	1958	3,79,95,000	15th July 1970	[illegible]
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	[illegible]
4 % Rajasthan	1960	5,00,00,000	29th Aug. 1969	[illegible]
4 % Orissa	1955	2,09,34,000	3rd Sept. 1968	[illegible]
4½ % Orissa	1958	2,28,58,000	15th July 1970	[illegible]
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	[illegible]
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	[illegible]
4 % M. Bharat	1955	1,84,77,800	15th July 1968	[illegible]
4 % M. Bharat	1956	1,11,36,000	3rd Sept. 1968	[illegible]
3½ % W. Bengal	1951	1,75,50,000	17th Sept. 1962	[illegible]
4 % W. Bengal	1953	[illegible]	1st Aug. 1964	[illegible]
4 % W. Bengal	1955	[illegible]	15th July 1963	[illegible]
4 % W. Bengal	1956	[illegible]	1st Sept. 1967	[illegible]
4½ % W. Bengal	1958	7,11,45,000	3rd Sept. 1968	[illegible]
4 % W. Bengal	1959	5,10,50,000	15th July 1970	[illegible]
4 % W. Bengal	1960	7,00,00,000	19th Aug. 1971	[illegible]
4 % Assam	1960	[illegible]	29th Aug. 1969	[illegible]
4 % Punjab	1960	[illegible]	19th Aug. 1971	[illegible]

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY Rs.				Rs.
36,50,000	4	1904	1964	97.00
76,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,36,376	4	1913*	1969	D
86,00,000	4	1913	1974	97.00
86,25,000	4	1914	1975	97.00
18,50,000	4	1925*	1960	D
55,00,000	4	1915*	1975	
61,81,000	4	1922*	1969	
11,51,000	4	1924*	1969	
18,25,000	3½	1926*	1959	
85,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
15,50,000	3½	1932*	1962	
24,53,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1938*	1960	
19,00,000	3½	1939*	1968	
7,00,000	3½	1941	1971	
CALCUTTA Rs.				Rs.
90,24,300	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
59,50,000C	3††	1921	1981	82.00
66,62,300C	6¾	1921	1961	144.00N
60,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1985	99.00
25,00,000	3	1938	1962-68	88.00
56,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	3¾	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1953	1983	100.00
50,00,000	4	1955	1985	97.50
50,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1989	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	99.25
1,00,00,000	4	1960	1970	99.25
STERLING LOANS				
£862,500	5	1923	1955-85	261.75
£861,000	5	1924	1954-84	261.75
£865,106	5½	1942	1962	281.00
MADRAS Rs.				Rs.
28,48,275	3½	1947	1977	A
9,00,000††	3	1947	1977	
3,00,000††	3	1949	1979	
45,00,000††	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY Rs.				Rs.
30,00,000	4	1901	1961	97.75 N
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
15,00,000	4	1913	1973	97.50 N
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	116.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.06N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£466,600		1909	1968	£95.50
£335,000		1910	1970	£95.50N
CALCUTTA Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.90
30,00,000	3	1936	1966	91.75
50,00,000	3	1937	1967	96.00
20,00,000	3	1938	1963-68	91.75
30,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1966	99.25
75,00,000	4½	1958	1968	101.60
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY Rs.				Rs.
26,00,000	4	1913-18	1974	97.00
10,00,000	5	1929	1959	113.00N
8,25,00,000	3½	1947	1977	86.50
2,13,14,500	3½	1949	1979	86.50
4,90,00,000	3¾	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,24,000	3¾	1951	1961	98.00
1,30,00,000	4	1953	1963	99.00
92,19,00,000†	4	1953	1963	99.00
24,97,000†	4	1954	1964	99.00
2,50,00,000	4	1956	1967	98.00
1,57,50,000	4	1956	1966	99.00
1,74,00,000	4½	1957	1967	99.25
4,75,00,000	4½	1958	1979	99.25
3,30,00,000	4	1959	1971	97.00
CALCUTTA Rs.				Rs.
10,00,000	5½	1932	1962	100.06
33,91,000	5½	1935	1965	95.00
66,00,000	3	1936	1966	91.00
47,50,000	3	1938	1968	91.00
21,10,000	3½	1942	1972	92.00
16,38,000	3½	1951	1961	96.25
65,82,000	3½	1951	1961	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,900	4	1955	1985	—
73,36,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1979	—
MADRAS Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. I.—Interim Dividend. f—Dividend for first half of the year.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of these companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
17,88,200	9,11,732	38,69,225	22,51,328	3,251	Maganlal Bhagwandas & Co.	..	..	Ambika Silk Mills Co., Ltd.	152.00	100	15.00	12.00	12.00		12	Y.
50,00,000	..	1,14,24,372	44,03,840	—46,65,476	Rajputana Text. (Agencies) Pvt. Ltd.	45,130	903	Apollo Mills	1.44	2	Nil	Nil	Nil		12	Y.
40,00,000	10,99,481	1,18,20,968	77,24,952	—13,00,519	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	26.00	100	Nil	Nil	Nil		3	Y.P.R.
2,50,96,000	3,40,77,968	9,34,84,561	4,90,54,873	36,929	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Z	60.30	25	2.50	2.50	3.50		12	Y.
10,00,000	30,70,210	86,14,262	52,94,709	64,016	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	120.00	50	15.00	7.50	5.00	5.00	3	Y.P.
1,22,95,200	3,37,07,587	9,42,76,189	3,75,31,119	1,22,111	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	471.00	100	22.00	22.00	31.50		12	Y.P.
26,00,000	29,15,005	1,21,99,369	78,24,358	75,815	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	131.25	100	12.50*	12.50*	7.50	11.00	3	Y.
25,00,000	26,12,714	97,68,522	63,68,559	3,64,674	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	117.00	50	7.50F	5.00	10.00	15.00	3	Y.
34,00,000	20,44,712	87,46,739	65,30,990	—14,81,027	Puranmal Bubna Sons	47,356	928	Edward Textiles	262.50	200	15.00	15.00(c)	18.00		12	Y.P.
29,98,050	27,57,616	1,51,25,644	80,35,174	25,591	B. L. Jalan, Esq. (Chairman)	46,620	886	Elphinstone Spg. & Wvg.	63.00	50	Nil	Nil	7.00		12	Y.
50,00,000	66,75,469	1,96,09,118	1,09,41,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	331.00	100	20.00	16.00	23.00		12	Y.
50,00,000	52,35,257	1,02,35,144	68,62,387	10,233	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	245.00	100	15.00	15.00	21.50		12	Y.
11,84,000	1,19,31,192	2,16,82,316	1,42,90,523	....	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	4,750.00xd	1,000	350.00*	350.00	350.00(c)	500.00	3	Y.P.
16,000									992.50	250	87.50*	87.50	87.50(c)	125.00		
2,00,00,000	3,38,578	5,10,28,798	3,68,18,422	—19,79,270	Agarwal & Co.	2,47,092	5,984	India United Mills	14.08	0 100.	Nil	Nil	Nil		12	Y.
D. 50,00,000									1.56	0 1D.	Nil	Nil	Nil			
17,30,000	91,23,291	1,84,94,644	1,39,55,204	10,633	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	2,225.00	1,000	325.00*	325.00	200.00(c)	232.00	3	Y.P.
D. 70,000									1,050.00N	500	162.50*	162.50	100.00(c)	116.00		
59,85,000	82,79,165	3,76,13,106	2,68,91,560	38,751	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	441.25	100	10.00(c)	10.00	16.00	32.00	6	Y.P.
1,00,00,000	1,00,60,096	3,81,90,145	2,95,67,872	27,909	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	273.75	100	18.00	10.00	9.50		12	Y.
46,47,850	38,85,220	1,48,57,502	70,49,840	28,992	N. Sirur & Co. Private Ltd.	49,200	844	Modern Mills	64.50	50	5.00'C'	3.00	5.00		10	Y.
51,75,000	50,69,550	3,02,81,993	2,16,99,596	42,652	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	322.00	100	14.00(c)	15.00	21.50	21.50	6	Y.P.
1,41,12,100	1,72,11,640	11,70,25,674	5,26,37,085	1,66,270	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	488.00	100	14.00	14.00	22.00		12	Y.P.T.
									—	100	..	11.20	21.27			
24,00,000	11,16,837	88,71,888	48,70,077	—11,98,694	W. H. Brady & Co., Ltd.	45,944	480	New City of Bombay Mfg.	144.00	100	8.00	Nil	Nil		12	Y.
30,00,000	77,589	1,10,42,353	63,37,035	—10,72,122	Sahu S. P. Jain, Esq. (Chairman)	49,012	963	New Great Spg. & Wvg.	194.00	100	Nil	Nil	Nil		12	Y.P.
48,00,000	54,85,829	1,81,28,534	1,22,58,132	2,82,604	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	130.50	100	12.50F	10.00	10.00	15.00	6	Y.
45,00,000	42,97,687	80,65,629	31,95,108	16,195	Podar Sons Private Ltd.	32,600	930	Podar Mills	135.00	100	10.00	18.00*(c)	12.00*		12	Y.P.
75,00,000	19,70,000	1,69,60,794	81,75,000	57,378	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	105.00	100	..	8.00	11.50		12	Y.P.
10,00,000	....	29,94,248	16,74,307	—1,52,005	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	15.00	10	0.25	Nil	Nil		12	Y.
97,70,100	1,21,80,082	2,81,69,010	1,64,24,391	215	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	45.50	10	2.00	2.00	2.50		12	Y.
30,00,000	51,58,455	1,74,14,168	73,40,872	41,961	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	241.00	100	8.00	10.00	15.00		12	Y.P
50,40,000	15,53,956	2,27,78,338	1,00,86,574	—3,49,633	M.	49,840	1,114	Simplex Mills	168.00	50	8.50	6.50	5.00(c)	7.50	3	Y.T.
1,09,75,000	2,51,54,908	3,87,61,421	2,23,24,758	91,528	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	1,011.00	100	22.50*	20.00	20.00*		12	Y.P.
1,00,00,000	96,94,067	3,16,61,974	1,74,64,096	1,506	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	237.75	100	9.00	10.00	14.00		12	Y.P.
36,00,000	76,44,279	1,98,34,474	1,09,47,826	26,062	James Finlay & Co., Ltd.	40,328	550	Swan Mills	480.00	100	25.00	25.00	30.00		12	Y.
65,57,875	50,22,987	2,58,77,176	1,04,22,689	17,925	Tata Industries Private Ltd.	61,572	1,775	Tata Mills	40.00	25	2.00	1.50	2.50		12	Y.T.
16,00,000	64,52,868	1,08,96,173	64,84,479	76,869	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	297.50	100	23.00*	20.00*	20.00		12	Y.P.
12,00,000	1,02,12,489	1,79,02,964	1,20,98,754	—17,05,239	Mr. K. M. D. Thackersey (Chairman).	54,664	1,262	Western India Spg. & Mfg.	4,075.00	1,000	325.00	325.00	325.00(c)	70.00f	12	Y.P.
AHMEDABAD																
40,00,000	37,96,894	2,09,06,549	90,57,515	12,482	Tata Industries Private Ltd.	49,168	1,016	Ahmedabad Advance Mills	164.50	100	5.00	5.00	4.00(c)	10.00	6	Y.P.T.
30,00,000	97,23,117	1,52,08,567	87,79,332	....	Hutheesing Sons & Co.	44,220	920	Aruna Mills	4 .00	100	25.00	25.00	25.00'C'		12	Y.P.
60,00,000	2,95,20,298	2,85,90,200	1,40,42,300	1,58,312	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,1 .00	100	35.00*	28.00'C'	40.00		12	Y.P.
28,40,000	45,06,840	1,24,95,612	88,06,442	58,595	Mangaldas & Brother (Pvt.) Ltd.	35,902	692	Aryodaya Ginning & Mfg.	3 .00	200	Nil	25.00'C'			12	Y.P.
20,00,000	1,27,06,477	1,51,11,023	73,11,056	....	Lalbhai Dalpatbhai & Co.	37,366	915	Asoka Mills	5 .00	100	30.00	20.00'C'	25.00		12	Y.P.
3,06,25,000	2,91,51,584	7,72,08,330	3,80,58,664	21,88,304	Karamchand Premchand Pvt. Ltd.	1,39,130	2,330	Calico	91 .50	125	30.00	25.00	22.00	31.00	3	Y.P.
68,00,000	27,76,707	1,57,37,868	1,12,77,222	6,366	Tricumlal Bhogilal & Co., Ltd.	45,836	886	New Commercial Mills	566.25	250	25.00*	27.00*	30.00		12	Y.P.
52,00,000	1,42,42,748	1,92,96,548	1,22,21,800	1,63,435	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,480.00	125	30.00	35.00*	55.00*		12	Y.
15,00,000	68,45,614	88,34,671	44,35,941	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	388.75	100	20.00	20.00	25.00		12	Y.P.
30,00,000	96,88,684	1,29,66,798	76,85,044	....	Lalbhai Dalpatbhai & Co.	32,828	640	Raipur Mfg.	35.00	100	25.00*	25.00'C'	26.00		12	Y.P.
48,75,000	23,78,557	1,49,91,318	85,09,730	14,294	Rohitbhai-Chinubhai, Esq. (Chairman)	33,156	648	Rohit Mills	35.00	100	3.00*	3.00*	10.00		12	Y.P.
63,75,900	2,95,78,027	2,43,70,561	1,45,91,824	59,271	Harivallabhdas Kalidas & Co.	94,128	1,816	Shri Ambica Mills	1,100.00	100	25.00	30.00*	45.00		12	Y.P.
29,25,000	82,40,408	1,24,24,481	88,25,307	28,321	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,828	720	Shorrock Spg. & Mfg.	530.00	100	20.00	22.00*	30.00*		12	Y.
65,00,000	89,43,859	1,84,94,692	92,66,120	25,810	Haridas Ashratlal & Co., Ltd.	41,056	780	Vijaya Mills	600.00	500	40.00*	40.00*			12	Y.P.
WEST BENGAL																
15,00,000	2,39,480	40,13,958	26,20,603	....	Calcutta Agency Private Ltd.	12,044	256	Basanti Cotton Mills	8.25	10	0.90	0.50	Nil		12	Y.P.T.
7,11,280 / 1,30,000 / 1,70,000	2,44,733	89,51,451	62,49,897	—3,26,098	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	985	Bengal Luxmi Cotton Mill	35.00N	40	4.00	Nil	Nil	Nil	3	Y.P.
24,00,000	5,14,300	1,26,22,986	56,02,846	60,416	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	155.00	100	Nil	Nil	Nil		12	Y.P.T.
26,50,000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewell Bullen & Co., Ltd.	48,064	500	Dunbar Mills	23.62	10	Nil	Nil	1.00		12	Y.P.
50,06,000	3,62,433	56,00,719	48,00,719	34,072	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	15.25	10	0.50	0.65	0.66		10	Y.P.
60,00,000	2,07,51,444	4,18,09,590	1,42,09,589	76,764	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	28.62	10	0.75	0.25	0.25		6	Y.P.
19,47,750	78,492	50,99,822	32,38,579	—5,21,450	Hazarimul Heeralal	23,036	798	Rampooria Cotton Mills	10.12N	10	1.00	0.50	Nil		6	Y.
5,00,000									2.37N	1D	0.15	Nil	Nil			
SOUTH INDIA AND OTHER CENTRES																
30,00,000	5,48,856	72,05,066	7,21,196	31,634	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	9.85	10	Nil	Nil	Nil		12	Y.
30,00,000	2,25,000	35,28,250	11,30,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	114.00	100	6.00	6.00	11.00		12	Y.P.
11,00,000	4,50,000	49,07,709	26,15,654	3,044	Setna & Co.	25,984	..	Asher Textiles Ltd.	204.05	100	12.50	6.00	6.00	12.50	6	Y.
72,00,000	16,98,790	1,92,55,835	68,19,240	2,681	The Industries (I.F.) Department, Government of Andhra Pradesh	36,136	725	Azam Jahi Mills	67.00	100	3.50	Nil	4.00		9	Y.
11,50,000	1,58,99,679	3,79,67,112	3,06,16,958	2,60,251	Binny & Co. (Madras), Ltd.	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	198.00	100	10.00'C'	10.00	10.00		12	Y.P.
10,00,000	....	....	....	....	..	..	..	Baroda Rayon Corporation	124.00	100	..	..	..	..	12	Y.
15,00,000	....	....	....	88,509	Birla Brothers Private Ltd.	39,696	1,094	Birla Cotton Spg. & Wvg.	17.50N	10	1.50	0.75	Nil	1.00	3	Y.
78,47,860	78,10,478	1,66,28,840	1,20,16,290	2,31,371	Binny & Co. (Madras), Ltd.	1,20,258	2,756	Buckingham & Carnatic	197.00	100	10.00	10.00	10.00		12	Y.P.T.
10,00,000	6,24,73,971	8,05,50,469	4,73,98,375	—2,79,050	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	9.90	10	0.50(c)	Nil	Nil		12	Y.P.
15,00,000	16,500	51,23,580	26,05,678	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	156.00	100	20.00	12.50	15.00	17.00	6	Y.
10,00,000	5,29,816	53,92,752	33,76,104	—3,29,060	Begg, Sutherland & Co. Private Ltd.	27,624	589	Cawnpore Textiles	6.12	5	0.25	Nil	Nil		12	Y.
9,36,560	31,64,314	31,45,682	66,08,685	16,034	C. R. Srinivasan, Esq. (Chairman)	31,200	[illegible]	Cauvery Spg. & Wvg. Mills Ltd.	12.15	10	0.90	0.90	0.90	1.20	3	Y.P.
16,90,600	6,61,000	66,26,080	33,32,807	....	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	158.50	100	9.00'C'	6.00	6.00		12	Y.P.
17,65,300	28,90,147	1,11,51,577	41,62,473	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	104.00	100	7.50	Nil	7.50		12	Y.P.
10,00,000	4,06,710	49,14,591	26,55,487	1,28,493	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills	335.00	100	20.00	20.00	25.00		12	Y.P.
16,76,900	22,22,665	97,89,504	54,27,110	—12,57,670	A. V. Srinivasalu Naidu, Esq. (Ch.)	70,268	307	Coimbatore Spg. & Wvg.	43.00	50	Nil	Nil	Nil		12	Y.
16,87,500	5,076	1,35,77,639	89,09,035	—90,16,850	Tata Industries Private Ltd.	1,15,188	2,064	Central India	100.00	100	Nil	Nil	Nil	Nil	6	Y.P.
29,86,711	10,75,722	4,64,86,662	1,50,60,898	9,000	R. Hanumanthappa & Son	40,032	300	Davangere Cotton Mills	116.50	100	9.00	9.00	9.00	12.00	3	Y.
2,32,36,225	28,72,302 / 4,64,48,622	1,21,27,978 / 14,46,02,946	57,71,091 / 8,37,56,780	2,72,401	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	36.25	25	2.00	2.00	2.50†	2.50	6	Y.P.T.
1,00,568										2½	0.10	0.15	0.25†	0.30		
48,60,000	29,65,006	1,31,45,544	61,00,929	1,006	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	216.00	100	10.00'C'	10.00	17.50		12	Y.
68,00,000	1,21,34,914	1,74,64,803	1,53,07,558	95,869	Begg, Sutherland & Co. Private Ltd.	48,452	1,194	Elgin Mills	16.37	10	1.00	0.75	1.25		9	Y.P.
48,81,000	28,48,948	1,87,03,409	91,62,727	1,221	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	165.50XR	100	8.00	8.00	8.00		12	Y.
40,00,000	56,44,510	1,28,49,778	85,88,208	24,751	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	229.00	100	16.00	10.00	16.00		12	Y.
2,50,00,000	2,20,47,000	6,42,53,528	4,12,24,000	20,81,100	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	41.50	10	Nil	Nil	1.60	2.00	3	Y.P.
78,36,667	....	....	....	....	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	52.00	50	..	..	..	..	3	Y.P.
50,00,000	1,96,680	1,64,52,847	1,21,05,122	—5,61,231	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	130.00	100	6.00	5.00(c)	7.00		12	Y.
3,90,000	6,18,770	36,26,135	22,28,141	—7,02,807	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	58.00	50	3.00	Nil	Nil		12	Y.
12,54,000	10,82,160	63,95,105	23,88,095		Mr. Bhairuratan Damani (Managing Director)	21,148	512	Jam Shri Ranjitsinghji	1,500.00	1,000	40.00	Nil	Nil		6	Y.
68,00,000	30,48,856	4,87,56,855	1,21,19,218	52,757	Padampat Singhania, Esq.	45,000	1,000	J. K. Cotton Spg. & Wvg.	15.19	10	..	..	0.90		12	Y.P.
16,86,170	12,17,947	32,44,540	41,48,200	1,507	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	12.35	5	1.25	0.75	0.75		12	Y.
4,80,55,300	3,07,35,097	4,65,60,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd.	56,184	1,685	Jiyajeerao Cotton	15.60	10	0.35	0.25	0.67		3	Y.P.
67,20,000	25,71,768	1,69,79,996	49,38,787	55,806	Kothari & Sons	67,192	300	Kothari Textiles	11.85	10	1.00	Nil	1.00		12	Y.P.
82,00,000	54,31,394	1,93,62,685	1,46,17,968	26,609	M.	51,908	1,243	Lakshmi Cotton Mfg.	502.50	250	15.00	15.00	25.00		12	Y.P.
71,00,000	32,90,960	3,03,40,861	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	148.00	50	10.00	6.00	6.00	10.00	3	Y
35,50,000									72.50	25	5.00	3.00	3.00	5.00		
56,00,000	1,42,22,827	2,18,43,643	1,46,79,309	6,549	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	725.00	100	15.00	18.00	29.00*		12	Y.P.
1,75,02,480	4,06,27,833	6,25,73,138	4,25,73,128	2,04,614	A. & F. Harvey Ltd.	4,58,000	..	Madura Mills	35.75	15	3.25	Nil	1.875		12	Y.
66,00,000	29,59,000	66,48,576	51,49,267	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	369.00	100	20.00	20.00	25.00	30.00	6	Y.
20,20,884	5,71,940	1,05,10,331	59,74,411	....	N. Sirur & Co. Private Ltd.	39,898	704	Minerva Mills	65.30	100	Nil	Nil	Nil		12	Y.P.T.
24,91,350	21,58,148	1,71,94,760	78,81,522	1,85,008	M.	52,408	952	Model Mills (Nagpur)	30.00	250					6	Y.
20,73,100	44,97,818	1,17,72,699	69,24,817	24,962	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	55.00	50	9.00*	8.00	5.00	7.00	3	Y.P.
21,50,900	48,76,391	66,34,980	44,19,188	1,306	J. H. Mehta, Esq. (Chairman)	15,776	446	Navsari Cotton & Silk Mills Ltd.	216.25	100	12.00	12.00	12.00		12	Y.P.
48,96,100	....	2,87,94,145	1,30,34,420	—37,45,965	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.30	10	Nil	Nil	Nil		3	Y.P.
37,32,500	10,76,217	1,77,24,078	67,40,512	....	Bansilal Bissesardas Pvt. Ltd.	37,788	902	Osmanshahi Mills	43.00	100	Nil	Nil	Nil		9	Y.
4,00,000	16,56,929	78,14,710	36,35,738	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	250.00	50A	9.00	10.00	15.00		12	Y.P
6,00,000									300.00	75B	13.50	15.00	22.50			
16,00,000	....	37,30,108	19,70,042	—21,28,802	..	27,980	..	Pankaja Mills Ltd.	59.00	100	Nil	Nil			12	Y.
66,10,000	18,67,447	1,10,86,808	66,04,305	2,661	A. G. Gurusamy Naidu & Co.	60,704	301	Radhakrishna Mills	29.12	25.00	3.00	1.50	2.25		12	Y.
23,31,000	22,65,286	1,22,00,422	58,26,619	1,286	Mukundlal Bansilal & Sons	25,420	567	Raja Bahadur Motilal Mills	92.00	100	Nil	Nil			12	Y.
30,00,000	28,53,800	92,96,178	42,79,744	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	73.00	50	4.50	3.00'C'	3.75		12	Y.P.
16,14,300	17,27,061	63,86,578	27,79,402	....	Ramco Agencies Private Ltd.	36,036	..	Rajapalayam Mills	127.00	100	12.00	8.00	6.00(c)	9.00	3	Y.
15,36,360	2,69,111	88,59,281	50,04,120	....	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	224.00	100	16.00	10.00	16.00	28.00	3	Y.
22,22,300	11,20,038	56,79,536	28,55,667	958	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	120.00	100	10.00	10.00	10.00		12	Y.
10,00,000	6,93,527	54,79,563	33,71,779	3,264	S. R. P. Ponnuswamy Chetty & Sons.	25,088	..	Sivanandha Mills Ltd.	28.25	10	1.20	1.50	2.20		12	Y.
72,96,400	....	....	....	....	M.	..	..	South India Viscose Ltd.	151.50	100	..	..	..	..	12	Y.
12,17,124	6,47,786	45,36,078	12,34,844	....	K. Ramachandran, Esq. (Mg. Director)	16,516	..	Sri Kannapiran Mills Ltd.	8.50	10	1.00	0.60	1.00	..	12	Y.
63,60,700	23,00,037	1,01,95,864	72,23,021	30,822	D. B. Viswambhariah, Esq. (Mg. Director)	42,924	240	Sri Krishnarajendra Mills	68.00	50	7.00	4.50	4.00	5.50	3	Y.
15,82,500	9,69,322	58,07,042	29,96,285	13,376	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning, Spg. & Wvg. Mills Ltd.	40.00	50	2.00	Nil	2.50	..	12	Y.
15,00,000	3,90,30,629	1,17,10,444	91,93,176	3,97,888	Birla Brothers Private Ltd.	36,312	1,244	Sutlej Cotton Mills	90.00	10	6.00	6.00	6.00	8.57	3	Y.
27,50,000	2,42,36,071	6,42,05,504	1,96,73,120	9,04,312	M.	1,12,216	2,090	Swadeshi Cotton (Kanpur)	9.00	100.	0.75	Nil	Nil		12	Y.P.
87,50,000									8.12	10P.O.	1.15	0.30	0.571			
12,73,210	1,20,000	46,55,678	7,75,456	22,842	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	10.50	10	..	Nil	Nil	0.80	3	Y.P.
[illegible]	79,91,584	4,47,94,206	2,70,17,229	2,29,084	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	38.10	10	1.00	1.25	2.50		12	Y.P.T.
[illegible]	3,94,000	20,41,568	15,90,441	661	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11.95	10	0.90	0.75	1.25		12	Y.
[illegible]	36,41,000	91,36,006	57,96,275	17,798	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	236.00	100	12.00	12.00	16.00		12	Y.P.
[illegible]	3,36,000	24,36,648	12,94,042	—4,74,042	Thiagaraja Chetty & Sons Private Ltd.	..	200	Viradhunagar Textile Mills Ltd.	49.50	50	2.25	3.00	5.00		12	Y.P.
[illegible]	12,36,510	1,94,82,373	1,33,00,946	—11,21,394	The Bombay Co. (Private) Ltd.	48,860	1,360	Vishnu Cotton	101.00	100	Nil	Nil	Nil	..	12	Y.P.T.

[illegible] † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.

[illegible] Bombay Dyeing & Mfg. Co., shares of Rs. 100 each were sub-divided into shares of Rs. 25 each in August 1957. N.B.—All dividends paid since 31st March 1959 are shown as taxable. 'C'—On increased Capital. [illegible]

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	64,31,970	1,47,43,249	50,81,902	36,065	B. N. Elias & Co. Private Ltd.	879	Agarpara	11.37xd	10	0.25	0.25	0.50	1.00	3	Y.P.T.
6,00,000	13,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	148.00	100	10.00	10.00	15.00		12	Y.P.T.
80,00,000	2,79,200	1,26,70,290	99,41,083	—1,88,265	McLeod & Co., Ltd.	1,264	Alliance	91.00	100	*Nil*	*Nil*	*Nil*	6.00‡	5	Y.P.
49,20,700	85,41,000	2,63,90,624	1,74,73,587	2,26,168	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	175.00	100	7.00	10.00	12.50	20.00	3	Y.P.
40,00,000	21,83,168	1,36,05,736	76,49,894	34,111	Bird & Co. Private Ltd.	810	Auckland	155.00	100	*Nil*	5.00	20.00	27.00	3	Y.P.T.
20,00,000	34,53,528	1,46,18,222	77,61,622	28,486	Birla Brothers Private Ltd.	959	Bally	185.00	100	2.00	6.00	10.00	25.00	3	Y.P.
£275,000	£803,923	£1,601,226	£1,065,825	—£92,399	Sir John H. Burder (Chairman)	1,889	Barnagore	117.00	£5	*Nil*	*Nil*	10sh.	£1.10sh	3	Y.P.
28,00,000	30,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	144.00	100	2.50	7.50	13.50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	8.00	10	*Nil*	0.50			6	Y.P.T.
91,26,000	2,82,25,130	7,34,86,489	2,26,35,926	93,079	Birla Brothers Private Ltd.	1,373	Birla	28.75	10	1.00	1.00	1.00	1.50	3	Y.P.
36,00,000	23,86,695	1,19,81,167	72,84,779	62,431	Andrew Yule & Co., Ltd.	991	Budge-Budge	127.50	100	*Nil*	5.00	15.00		10	Y.P.
7,47,880	4,000	45,18,657	34,32,120	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	*Nil*	*Nil*			12	Y.P.T.
18,00,000	27,51,580	84,60,059	49,11,673	80,163	M.	616	Caledonian	121.00	100	*Nil*	15.00	12.00		11	Y.P.
59,16,400	81,81,976	2,17,74,524	1,17,03,511	1,68,730	James Finlay & Co., Ltd.	600	Champdany	100.00	100	*Nil*	*Nil*	7.00	10.00	3	Y.
16,95,000	23,19,096	86,22,904	59,52,749	20,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	14.25	10	*Nil*	5.00	12.50‡		11	Y.P.
30,15,000	38,42,800	1,09,82,980	59,87,035	2,33,594	McLeod & Co., Ltd.	500	Chitavalsah	13.37	10	1.10	1.25	1.50		7	Y.P.T.
24,00,000	9,00,000	81,39,934	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd.	969	Clive	11.12	10	*Nil*	*Nil*			3	Y.P.
31,49,200	13,05,418	1,06,95,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	109.00	100	*Nil*	*Nil*	*Nil*	1.00	3	Y.P.T.
23,00,000	41,39,378	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	145.00	100	*Nil*	6.00	14.00		11	Y.P.
15,00,000	37,20,000	1,07,39,530	70,08,837	93,729	McLeod & Co., Ltd.	500	Empire	14.62	10	0.75	1.00	1.25		7	Y.P.T.
21,00,000 21,00,000	88,65,324	3,41,60,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	310.00 275.00	100 Old 50 New	10.00 ..	20.00 ..	20.00 10.00	25.00 12.50		Y.P.T.
21,00,000	19,81,948	1,32,23,898	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	21.75	10	1.50	1.50	1.50	2.25	3	Y.P.T.
84,32,100	5,16,898	2,24,66,716	1,48,00,382	56,359	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	10.37	10	*Nil*	*Nil*	*Nil*	1.00	3	Y.P.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd.	41.00	10	2.00	2.00	4.00		12	Y.T.
24,00,000	68,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	325.00	100	2.50	20.00	25.00	30.00	3	Y.P.
40,00,000	61,69,633	1,33,64,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	119.00N	100	5.00	5.00	6.00	6.00	3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,713	49,754	Baijnath Bajoria	720	Hooghly	14.50	10	*Nil*	*Nil*	0.60		3	Y.P.
95,62,500	40,04,064	2,24,62,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	21.25	10	*Nil*	*Nil*	1.00	1.25	3	Y.P.T.
52,50,000	38,25,000	3,18,43,014	1,77,68,014	1,65,175	Ramdutt Ramkissendas	2,272	Hukumchand	19.87	7.50	1.50	1.50	1.50	2.15	3	Y.P.
87,30,000	21,78,965	1,74,80,629	1,00,24,542	4,94,285	M.	790	India	14.87	12.50	0.37	15.62‡	1.24	1.75	3	Y.
24,00,000 'B'19,20,000	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	148.00 145.00	100 'B' 100	*Nil* *Nil*	5.00 5.00	20.00 20.00		12	Y.P.T.
30,00,000 'B'24,00,000	10,09,817	1,76,28,517	1,12,70,060	—18,68,526	Jardine Henderson Ltd.	1,527	Kanknarrah	75.00 74.00	100 'B' 100	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		12	Y.P.T.
28,00,000	49,10,000	1,48,71,155	98,71,113	1,63,584	McLeod & Co., Ltd.	703	Kelvin	136.00	100	9.00	12.50	14.00'C'		5	Y.P.
54,00,000	23,62,520	2,16,94,951	1,32,88,732	74,405	Anderson Wright Ltd.	1,530	Khardah	17.50xd	10	0.80	0.80	2.00	2.00	3	Y.P.
59,80,150	42,80,583	1,99,43,494	1,24,97,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	148.00	100	*Nil*	5.00	10.00	20.00	3	Y.P.T.
24,48,000	10,76,201	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	101.50	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	11,08,592	69,04,728	41,03,722	10,580	Bird & Co. Private Ltd.	840	Lawrence	120.00	100	*Nil*	*Nil*	2.00	15.00	3	Y.P.
81,65,200	34,63,931	2,70,91,429	1,55,68,005	56,999	M.	1,294	Megna	11.12xd	10	0.50	1.75	1.00	1.20	3	Y.
29,98,900	34,36,392	1,64,53,185	94,33,205	—11,60,685	M.	815	Naihati	63.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	18,14,376	36,84,253	24,27,490	4,929	Howrah Trg. Co. Private Ltd.	425	Naskarpara	9.00	10	0.25	0.25			10	Y.T.
35,00,000	39,51,826	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	21.00N	10	0.75	0.75			10	Y.P.
26,25,000	31,71,872	59,70,247	26,86,048	1,38,623	McLeod & Co., Ltd.	316	Nellimarla Jute	12.06	10	0.90	1.00	1.40		7	Y.P.T.
1,70,82,810	2,27,33,274	9,30,93,375	1,86,54,171	....	Sahu Jain Ltd.	1,765	New Central	19.12xd	10	..	1.50	1.50'C'	1.50	3	Y.P.T.
16,79,880	58,39,763	1,21,83,607	71,21,536	27,631	Bird & Co. Private Ltd.	567	Northbrook	21.75	10	*Nil*	*Nil*	1.25	3.00	3	Y.P.T.
66,79,500	38,53,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	45.00	50	*Nil*	2.50	8.00	4.00	3	Y.
25,00,000	10,28,000	99,89,888	72,61,540	68,437	McLeod & Co., Ltd.	400	Presidency	4.87	5	0.30	0.37½	0.50		7	Y.T.
20,00,000	42,629	33,96,467	12,06,768	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	8.50	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
49,50,000	14,07,546	1,24,96,816	66,97,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	6.25	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
£600,000	£488,130	£1,484,876	£840,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	9.50N	£1	*Nil*	5%†	10%†		12	Y.P.
30,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	26.50	10	0.50	0.50	0.50		3	Y.P.
14,00,000	12,59,725	72,57,128	52,50,728	63,638	Hindustan Investment Corpn. Ltd.	401	Soorah	18.00	10	1.50	1.50	2.50		12	Y.P.
£600,000	£421,784	£1,270,961	£783,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.50N	£1	*Nil*	3%†	10%†		12	Y.P.
35,98,600	37,29,990	89,38,439	50,59,464	35,998	Bird & Co. Private Ltd.	1,326	Union	157.00	100	*Nil*	15.00	20.00	25.00	3	Y.P.T.
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9.50N	£1	3%†	5%†	10%†		12	Y.P.
2,50,000	6,20,000	82,90,805	44,48,712	1,03,608	McLeod & Co., Ltd.	447	Waverley	3.12	1	*Nil*	*Nil*	0.25		5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
							TEA COMPANIES								
10,96,990	4,16,126	17,25,120	8,38,787	3,842	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	16.70	10	1.75*	1.75	1.50	1.50	3	Y.P.
52,50,000	29,41,207	79,01,776	13,65,987	2,83,908	Kothari & Sons (Ags.) Pvt. Ltd.	1,329	Blue Mountain	3.88xd	2	0.25	0.25	0.25	0.25	6	Y.
5,50,000	5,57,420	15,15,332	3,03,764	109	K. Anantarman, Esq. (Mg. Director)	350	Chandramalai Estates Ltd.	2.90cd	2	0.30	0.24			6	Y.P.
9,33,400	15,86,598	26,32,979	8,15,911	1,38,960	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	5.50CR	2	0.40	0.20	0.30	0.40	3	Y.
5,65,920	12,80,970	21,63,320	1,64,704	29,120	Matheson Bosanquet & Co. Pvt. Ltd	392	Coonoor Tea	27.25	10	2.00	2.00	1.00‡		9	Y.P.
4,80,000	4,76,798	12,48,672	2,12,224	2,580	Srinivas Agencies	441	Coorg Tea	5.43	2	0.40	0.40	0.40	0.40	3	Y.P.
6,00,000	4,82,155	12,25,902	3,38,581	1,259	R. A. Jenkins, Esq. (Mg. Director)	344	Devashola (Nilgiri) Tea	80.50	10	1.75	2.50	2.50		12	Y.
6,74,630	3,25,983	10,81,247	2,29,577	4,312	Young India Agencies Private Ltd.	465	Devon Tea	14.37	10	1.75	1.75	1.50	1.50	3	Y.P.
3,50,000	1,26,500	4,04,217	65,265	2,027	Parkins Private Ltd.	198	Emerald Valley Estates	5.65	5	0.30	0.30	0.40		12	Y.
25,00,000	17,77,500	47,06,209	9,26,271	1,765	Parkins Private Ltd.	1,495	Halleyburia	13.85	10	1.50'C'	2.00	1.25'C'		12	Y.P.T.
6,00,000	7,65,696	14,87,744	3,33,844	48,233	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	4.60	2	0.30	0.25	0.30		3	Y.T.
16,39,488	18,94,704	32,75,491	4,84,737	28,103	Peirce, Leslie & Co., Ltd.	781	Kil Kotagiri Tea	5.30	2	0.30	0.30	0.70		10	Y.P.
3,45,000	5,10,000	11,44,396	93,799	806	Ipe Oommen & Co. Pvt. Ltd.	800	Kurchermala Plant. Ltd.	8.20CR	10	0.75	0.625	0.80	*Nil*	3	Y.P.
5,00,000	70,556	9,28,291	61,372	35,812	Matheson Bosanquet & Co. Pvt. Ltd.	267	Lucky Valley	13.75	10	1.00	1.00	1.00		12	Y.
3,50,000	26,500	3,21,318	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.65	2	0.18	0.24	0.10		3	Y.
3,00,000	6,23,100	12,48,190	2,88,717	1,418	Eapen Thomas, Esq. (Mg. Director)	524	Mlamallay	39.38	25	4.50	3.75	5.00		3	Y.P.
36,00,000	21,32,879	79,94,364	18,08,936	5,482	A. V. Thomas & Co. (India) Ltd.	1,659	Neelamalai	4.90cd	5	0.37	0.37			3	Y.P.
12,00,000	6,37,638	27,51,637	5,74,549	5,656	A. V. Thomas & Co., Ltd.	1,648	Nelliampathy	2.70cd	2	0.40	0.30	0.20	0.26	6	Y.P.
14,06,250	6,95,346	38,09,977	5,17,286	20,656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	7.90	10	0.75	0.60			3	Y.P.T.
23,10,000	9,22,309	32,15,349	8,63,585	35,375	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	26.25	10	2.00	3.50	2.00		6	Y.
13,53,600	17,53,325	32,40,997	5,53,242	47,411	Mr. P. S. M. Molyneux (Chairman)	579	Parkside	27.50	10	1.75	2.50	2.75	2.75	6	Y.
6,00,000	3,06,284	3,47,690	63,188	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninsular Plantations Ltd.	21.35	10	2.50	1.50	2.00		2	Y.
57,00,000	10,41,753	41,24,957	14,46,521	44,631	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	22.50	10	2.50	1.62½	2.25		12	Y.P.
17,94,330	28,17,245	1,10,00,168	34,84,598	30,253	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	3.43	2	0.70	0.20'C'	0.25		3	Y.P.
13,50,000	2,82,500	11,13,472	1,04,594	1,431	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.90cd	2	0.15	0.15	0.125		6	Y.
9,00,000	12,06,478	27,35,063	7,62,652	3,656	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	14.78	10	1.40V	0.50	0.60		6	Y.T.
1,25,000	15,000	1,98,241	7,968	4,289	M.	216	Swinton Estates	3.12	2	..	0.15	0.15	0.25	3	Y.
12,50,000	10,87,328	36,51,137	3,53,187	997	Srinivas Agencies	1,787	Talayar Tea	1.78	2	0.20	0.12	0.10	0.16	3	Y.P.
15,75,000	16,00,500	27,37,319	3,29,820	565	Parkins Private Ltd.	1,214	Twyford	11.90	10	1.50'C'	1.50	1.00'C'		12	Y.
21,96,290	12,29,680	44,14,672	15,67,621	1,02,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	28.25	10	1.77	1.60	1.95		3	Y.
31,50,000	32,96,030	63,68,910	8,97,362	1,94,358	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	3.40	2	0.25	0.25	0.25	0.25	6	Y.P.
1,00,000	53,757	3,51,001	89,991	689	Goodall & Co.	93	Woodcote Estates Ltd.	1.65		0.09	0.06	*Nil*	*Nil*	6	Y.P.
							RUBBER AND OTHERS			1957	1958	1959	1960		
6,00,000	5,52,435	16,68,612	4,21,741	8,655	Ramani & Co., Pvt. Ltd.	878	Alageswar Estates Ltd.	2.40	2	0.20	0.20	0.15	0.15z	3	Y.
6,75,000	1,60,527	19,03,351	2,97,284	28,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	13.25	10	0.40	0.60	0.75	1.00	3	Y.P.T.
2,50,000	5,78,753	13,39,783	1,24,737	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14.37	10	1.50	1.00	1.50	..	12	Y.P.
12,07,838	2,28,040	19,28,285	1,92,147	27,812	Associated Planters Private Ltd.	1,264	Anaparai Estates Ltd.	4.70	2	0.80	0.70	0.50	..	6	Y.T.
4,25,000	4,00,000	8,56,375	92,884	25,796	Young India Agencies Pvt. Ltd.	554	Badra Coffee Estates Ltd.	3.84	2	0.35	0.35	0.35	..	5	Y.P.
4,00,000	2,55,748	7,16,760	98,936	8,216	A. V. Thomas & Co. (Mysore)	550	Bababudin Coffee & Produce	8.75	5	1.25	1.25	0.625		6	Y.P.
3,00,000	2,35,000	4,24,393	50,457	583	Planting Agencies (Private) Ltd.	819	Balmadies Plantations	2.36	2	0.25	0.25	0.15	0.15	5	Y.P.
3,66,115	3,36,253	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)	1,135	Be Be Rubber Estates Ltd.	8.00	5	0.25	0.25	0.25		3	Y.P.
26,91,279	18,00,000	52,49,279	8,16,788	21,669	Peirce, Leslie & Co., Ltd.	7,093	Cochin Malabar	7.30	3	0.45	0.30'C'	0.45	0.525	2	Y.P.
22,50,000	31,10,963	53,64,399	18,19,304	92,879	Cons. Coffee Estates (Secretaries)	2,799	Coffee Lands and Industries	18.30xd	10	4.00	2.00	2.50	0.60	6	Y.P.
71,55,000	66,04,294	1,58,60,009	40,89,751	60,720	C. I. Machia, Esq. (Mg. Director)	8,169	Consolidated Coffee	21.75xd	10	4.00	2.00	2.50	2.00	6	Y.P.
6,00,000	5,32,423	13,68,760	74,628	1,482	Associated Planters Private Ltd.	1,439	Cottanad Plantations	11.25cd	10	1.75	1.50	1.50	1.00	3	Y.P.
4,08,560	2,00,000	8,12,568	76,968	27,670	Peirce, Leslie & Co., Ltd.	605	Cowoody Estates (Coffees)	4.90	2	1.00	1.30	0.50	0.50	6	Y.
18,00,000	9,86,402	31,48,370	6,93,094	24,694	A. V. Thomas & Co., Ltd.	886	Highland Produce	14.45	10	0.75	1.50	1.50		12	Y.P.
1,20,000	49,000	1,64,450	5,148	2,083	Young India Agencies Pvt. Ltd.	220	Kadur Coffee Estates Ltd.	2.74	2	0.15	0.15	0.15	0.15	5	Y.P.
11,85,700	10,77,705	30,90,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kallas Rubber, Co., Ltd.	5.19cd	2	0.60	0.50	0.50	0.40	2	Y.
8,00,000	8,36,553	17,97,748	3,49,814	1,330	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	13.10	10	2.00	1.00'C'	1.25	1.25	4	Y.P.
4,00,000	3,00,000	9,64,554	1,45,547	12,518	Peirce, Leslie & Co., Ltd.	610	Kumergode Estates Ltd.	4.80	2	0.50	0.40'C'	0.40		10	Y.T.
13,50,000	4,85,241	25,89,476	4,08,190	9,942	K. T. Thomas Kathanar, Esq.	1,663	Malankara Rubber	18.00	10	2.25	1.70'C'	1.60	1.50	3	Y.
3,25,000	2,50,000	7,61,984	10,586	11,686	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.65	5	0.75	1.00	1.00	..	6	Y.P.
40,50,000	14,21,444	90,79,614	11,84,844	66,364	A. V. Thomas & Co., Ltd.	4,683	Midland Rubber	11.12	10	2.00	1.00'C'	1.00	1.25	3	Y.P.
3,85,000	4,13,450	16,31,926	2,76,266	46,475	A. V. George & Co., Ltd.	1,229	Nenmeny Rubber	20.65	10	0.75	1.50	1.50		12	Y.P.
2,00,000	4,79,543	7,96,900	55,892	3,026	Associated Planters Private Ltd.	906	Nilambur Rubber Co.	16.95	10	1.50	2.00	1.50		12	Y.P.T.
19,45,960	22,33,423	48,92,125	16,66,950	3,088	Peirce, Leslie & Co., Ltd.	4,395	Ouchterlony Valley Estates	4.55	2	0.60	0.20	0.30		10	Y.P.T.
6,50,000	5,71,464	7,75,530	67,589	42,437	Peirce, Leslie & Co., Ltd.	546	Ossoor Estates Ltd.	3.15	2	0.30	0.26	0.30	0.30	3	Y.
16,50,000	2,29,315	21,56,112	5,52,520	72,398	Aspinwall & Co., Ltd.	1,607	Pullangode Rubber	1.82	2	0.10	0.08	0.10		3	Y.P.
18,50,000	8,37,644	48,91,065	4,79,542	19,045	A. V. Thomas & Co., Ltd.	2,988	Rajagiri Rubber	19.05xd	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,14,963	3,70,845	43,569	774	Associated Planters Private Ltd.	422	Rajendra Coffees Ltd.	14.00cd	5	1.25	2.00	2.50	1.25	3	Y.P.
5,50,170	3,00,000	8,87,753	1,22,319	12,609	Peirce, Leslie & Co., Ltd.	492	Savamalai Estates Ltd.	3.55	2	0.30	0.25'C'	0.30		11	Y.
12,00,000	1,85,000	18,80,245	1,09,554	10,753	Pateo Agencies	1,162	Sangameshwar Coffee Estates	2.25	2	..	0.18	0.18	0.12	3	Y.P.T.
10,00,000	2,48,373	22,50,508	1,79,424	13,959	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	6.10	10	0.60	0.60	0.60		3	Y.P.T.
2,50,000	2,75,000	6,13,713	47,038	28,430	A. V. George & Co., Ltd.	467	Thamarapally Rubber	28.00	10	3.00	3.00	3.00		12	Y.P.
9,15,300	5,75,000	23,57,605	1,88,208	7,572	Peirce, Leslie & Co., Ltd.	2,235	Thirumbadi Rubber Co., Ltd	1.48	1	0.05	0.10	0.07		9	Y.T.
6,00,000	66,742	11,54,891	5,03,490	2,248	Eapen Thomas, Esq. (Mg. Director)	1,208	Travancore Rubber	10.40	10	1.50	1.00	1.00		12	Y.
41,00,000	15,07,458	36,13,006	18,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.	4,671	Travancore Rubber & Tea	9.25	10	0.40	0.50	0.75		12	Y.P.
20,00,000	1,36,000	22,16,659	3,67,958	11,924	P. T. Thomas, Esq. (Mg. Director)	2,359	Tropical Plantations Co.	17.75	25	1.00	1.50	2.00		12	Y.
6,00,000	4,96,000	17,68,416	1,27,428	10,553	P. I. J. Joseph, Esq. (Chairman)	1,360	Velimalai Rubber & Co.	5.43	5	0.62½	0.50	0.50	0.60	2	Y.P.T.
2,20,000	4,29,600	10,06,702	1,07,202	23,830	A. V. George & Co., Ltd.	458	Udayagiri Rubber Co., Ltd.	17.00	10	0.60	0.75	1.50		12	Y.P.
3,80,010	2,91,970	9,65,557	38,718	585	M.	788	Vaikundam Rubber Co., Ltd.	31.00	10	3.50J	3.00	2.50	1.50‡	12	Y.
12,00,000	11,90,982	15,34,580	1,19,640	1,15,433	Peirce, Leslie & Co., Ltd.	1,027	Wartyhully Estates Ltd.	3.16	2	0.15	0.30	0.30	0.30	3	Y.
6,95,000	6,33,233	13,55,991	91,382	2,962	M.	844	Woodland Estates	7.65	10	1.00	0.50	0.50	1.00	3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital. V— Includes 60 nP for 30-6-1954. 'C'—On increased Capital. Z.—Dividend for nine months ended 31st March 1960. ‡—On old capital.

* Includes bonus. M.—Managed by Board of Directors. † Less income-tax. N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	Accounts Closed	Reference
							ASSAM								
4,45,700	13,84,978	22,94,476	8,53,312	....	McLeod & Co., Ltd.	325	Amluckie	23.31	10	5.00	1.00	1.50	1.50	12	Y.P.
2,76,500	3,01,500	12,10,619	4,33,800	2,091	M.	456	Ananda (Assam) Tea	19.50	10	2.00	1.00	2.00		12	Y.
7,03,250	7,55,753	16,41,189	5,01,215	54,204	Gillanders Arbuthnot & Co., Ltd.	481	Ananda Bag	26.50	10	1.25	0.50	1.00	1.75	12	Y.
5,50,000	14,38,941	26,06,181	10,04,021	19,953	McLeod & Co., Ltd.	573	Baghmari	17.00	10	2.50	1.50	1.50	1.50	12	Y.
5,10,000	11,57,780	18,49,824	6,86,011	43,644	Andrew Yule & Co., Ltd.	377	Basmatia	26.50	10	2.00	1.75	2.00	3.00	12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Bateli	21.00	5	3.00	1.50	1.50		12	Y.
6,40,000	10,74,426	15,66,305	5,60,306	37,706	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	23.25	10	2.50	1.50	1.50	2.50	12	Y.
33,00,000	18,32,500	73,96,221	31,20,921	3,83,877	Williamson Magor & Co., Ltd.	3,425	Bishnauth	20.25	10	2.00	1.00	*Nil*	1.30	12	Y.
6,00,000	2,50,000	13,10,965	2,81,880	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	14.00	10	0.50	*Nil*	0.50		12	Y.
7,50,000	9,06,475	14,41,597	4,34,307	70,351	McLeod & Co., Ltd.	450	Bormah Jan Tea	15.00	10	1.50	*Nil*	0.75	1.25	12	Y.P.
35,00,000	17,26,071	94,38,743	34,17,209	2,53,984	M.	2,834	Brooke Bond B.	15.50	10	1.25	1.75	1.00	1.25	6	Y.
1,20,000	8,09,581	11,64,943	3,93,553	35,405	McLeod & Co., Ltd.	282	Dejoo Valley	51.00	10	3.00	2.00	3.00	4.00	12	Y.
8,40,000	5,49,948	33,10,828	20,05,150	—2,40,732	Jardine Henderson Ltd.	1,332	Dessal & Parbuttia	127.00	100	10.00	*Nil*	*Nil*	*Nil*	12	Y.
17,53,440	10,53,350	31,54,422	92,50.98	17,329	James Warren & Co., Ltd.	770	Dhelakhat	22.00	10	2.50	2.50	2.50	2.00	12	Y.P.
7,00,000	6,85,000	24,01,227	6,47,434	10,036	H. P. Dhanuka, Esq. (Chairman)	1,349	Dhunseri	15.25	10	1.25	2.00	2.00	2.30	12	Y.
4,50,000	12,09,644	18,71,655	3,98,875	68,960	McLeod & Co., Ltd.	458	Dibrugarh	27.50	10	3.00	2.50	3.00	3.00	12	Y.P.
4,73,400	7,15,000	17,09,184	7,61,684	1,56,884	Williamson Magor & Co., Ltd.	632	Dimakusi	24.75	10	3.00	3.00	2.50	3.00	12	Y.P.
7,00,620	11,66,000	27,54,322	14,69,122	3,83,571	Williamson Magor & Co., Ltd.	635	Duflaghur	34.00	10	4.00	3.00	4.50	3.50	12	Y.
10,00,000	9,57,600	33,05,749	12,68,049	1,31,213	Williamson Magor & Co., Ltd.	1,166	East India Tea	17.50	10	1.00	0.50	0.50	1.00	12	Y.
5,03,760	6,42,879	17,74,219	6,37,020	8,855	M.	465	Gillapukri	25.50	10	3.00	2.50	2.50	2.50	12	Y.
6,76,000	4,90,000	22,56,199	10,31,899	1,31,256	Williamson Magor & Co., Ltd.	552	Gohpur	14.50	10	2.50	2.00	0.50	1.00	12	Y.
23,29,085	36,34,739	67,30,725	20,38,780	61,970	Octavius Steel & Co., Ltd.	2,494	Grob	11.75	5	1.62	1.25	1.50	0.70	12	Y.
5,00,000	6,86,998	11,97,176	4,67,668	14,309	M.	488	Hoograjuli	24.00	10	1.50	1.00	0.50i	2.50	12	Y.
8,70,000	13,90,841	32,83,007	14,80,249	75,669	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	175.00	100	15.00	12.50	17.50	20.00	12	Y.
58,56,900	62,00,087	1,90,58,048	67,58,048	45,698	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	17.00	10	1.00	1.00	1.00	1.40	12	Y.P.
9,00,000	8,62,200	20,23,965	5,82,195	51,110	Gillanders Arbuthnot & Co., Ltd.	876	Jutlibari	23.50	10	1.00	1.75	1.00	1.00	12	Y.
3,60,000	13,02,500	16,52,939	7,79,490	91,530	M.	1,166	Kingsley-Golaghat (Assam)	227.00	100	25.00	25.00	25.00		12	Y.P.
1,80,000	7,000	20,18,041	3,18,798	—2,30,952	Duncan Bros. & Co., Ltd.	1,201	Kotamullai Tea	10.62	5	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
6,50,000	6,53,734	14,09,076	4,30,863	22,109	Duncan Bros. & Co., Ltd.	634	Ledo	16.25	10	0.75	*Nil*	*Nil*	*Nil*	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	17.62	10	2.00	1.50	1.00i		12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	12.31	10	*Nil*	*Nil*	*Nil*		12	Y.P.
1,50,000	13,65,825	1,16,088	10,450	30,504	Kettlewell Bullen & Co., Ltd.	410	Mothola	482.00	100	60.00	40.00	40.00	25.00	12	Y.
1,75,000 P.O. 2,00,000	8,36,947	16,59,105	6,59,981	37,858	Andrew Yule & Co., Ltd.	373	Murphulani	23.00 23.50	O. 10 P.O. 10	2.00 2.50	1.75 2.25	2.00 2.50	2.00 2.50	12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	12.87	10	1.50	1.50	*Nil*		12	Y.
5,00,000	20,000	7,66,315	3,69,599	35,282	Duncan Bros. & Co., Ltd.	728	New Cinnatolliah	81.00	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
2,00,000	8,46,039	13,39,252	5,27,546	45,190	Andrew Yule & Co., Ltd.	390	Rajgarh	40.50	10	4.00	2.50	2.50	3.50	12	Y.
9,00,000	2,56,006	32,81,411	13,29,355	20,383	M.	958	Sapoi	20.00	10	2.50	1.50	1.50	2.00	12	Y.
2,49,000	4,30,000	12,83,249	6,96,549	91,288	Williamson Magor & Co., Ltd.	501	Seajuli	26.00	10	1.50	2.25	2.25	1.75	12	Y.
5,98,000	13,04,556	19,34,492	6,32,207	7,126	McLeod & Co., Ltd.	495	Teloijan	24.00	10	3.50	3.00	2.50	2.50	12	Y.
8,00,000	5,97,055	14,42,247	5,27,787	64,646	Gillanders Arbuthnot & Co., Ltd.	521	Tengpani	38.00 N	10	1.00	1.50	1.50	1.75	12	Y.P.T.
19,82,880	15,86,078	51,14,115	22,83,115	53,844	Shaw Wallace & Co., Ltd.	2,347	Tezpore	15.00	10	1.25	*Nil*	1.25	2.00	12	Y.
5,20,000	25,00,315	50,60,323	16,66,525	1,05,020	McLeod & Co., Ltd.	1,050	Tyroon	30.00	10	4.50	3.00	1.50	3.00	12	Y.P.
							CACHAR								
3,00,000	....	5,16,444	1,83,505	—2,43,041	M.	362	Arcuttipore	7.00	10	*Nil*	*Nil*	*Nil*		12	Y.
7,00,000	....	7,06,139	1,03,460	—3,49,181	M.	649	Eastern Cachar	3.00	10	*Nil*	*Nil*	*Nil*		12	Y.
12,60,000	13,00,000	31,05,555	13,86,347	60,217	Octavius Steel & Co., Ltd.	2,208	Hattikhira	10.50	10	0.50	*Nil*	0.50	0.50	12	Y.
3,60,000	1,10,000	6,48,924	2,68,020	3,889	Duncan Bros. & Co. Ltd.	629	Kunchunpore	7.25	10	*Nil*	*Nil*	*Nil*		12	Y.
7,00,000	8,73,960	21,37,538	3,98,015	1,37,903	Assam Trading Co.	2,205	North-Western Cachar	160.00	100	15.00	15.00	20.00	30.00	12	Y.
2,60,000	3,32,179	12,84,475	3,70,957	—76,418	McLeod & Co., Ltd.	638	Roopacherra	12.75	10	0.50	*Nil*	*Nil*	*Nil*	12	Y.
5,25,000	10,97,014	14,64,650	4,63,459	41,094	Duncan Bros. & Co., Ltd.	720	Rungamattee	52.50	50	10.00	3.75	1.25	3.75	12	Y.
4,00,000	3,86,980	10,68,284	3,68,708	1,199	M.	662	Sonai River	8.00	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
							DARJEELING								
2,79,900	1,05,000	4,30,792	92,592	18,735	Williamson Magor & Co., Ltd.	408	Chamong	9.50	10	0.75	*Nil*	*Nil*	*Nil*	12	Y.
2,00,000	1,68,526	3,89,734	1,69,880	—893	M.	433	Dilaram	86.00N	100	5.00	*Nil*	7.50		12	Y.
2,00,000	2,18,765	8,67,216	3,43,216	—82,998	Davenport & Co., Ltd.	507	Gielle	9.06	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
1,59,000	3,51,372	5,41,385	2,25,788	12,425	Andrew Yule & Co., Ltd.	463	Mim	205.00	100	10.00	*Nil*	*Nil*	10.00	12	Y.
2,99,900	4,43,000	7,30,361	2,14,761	1,29,955	Williamson Magor & Co., Ltd.	690	Nagari Farm	23.00	10	3.50	2.50	3.00	2.00	12	Y.
1,00,000	1,11,500	4,70,736	2,49,237	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	500.00	100	*Nil*	*Nil*	32.50	32.50i	12	Y.P.
3,00,000	3,500	6,09,868	2,51,814	—86,025	Duncan Bros. & Co., Ltd.	478	Poobong	6.00	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	8.00	10	*Nil*	*Nil*	*Nil*		12	Y.P.
1,40,000	5,02,500	4,63,373	2,11,668	30,085	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	335.00	100	35.00	25.00	30.00	10.00	12	Y.
3,00,000	3,27,462	5,50,875	1,96,085	3,514	M.	389	Seeyok	10.50	10	*Nil*	1.00	1.50		12	Y.
9,00,000	65,000	11,65,737	2,38,715	7,369	Goenka & Co.	583	Singtom	5.75	10	0.50	0.50	0.50i		12	Y.P.
3,00,000	4,45,000	7,56,966	3,49,266	1,75,267	Williamson Magor & Co., Ltd.	554	Soom	35.00	10	4.00	4.00	5.00	3.00	12	Y.
6,25,000	9,54,667	17,84,113	5,20,111	58,721	McLeod & Co., Ltd.	745	Sungma	12.00	10	1.50	0.75	1.50	1.00	12	Y.
3,20,000	7,28,815	14,29,114	3,98,614	—80,294	Davenport & Co., Ltd.	718	Teesta Valley	12.87	10	2.50	1.00	*Nil*	*Nil*	12	Y.
9,01,350	2,61,083	16,07,038	3,76,038	—2,94,248	Williamson Magor & Co. Ltd.	1,666	Tukvar	7.50	10	*Nil*	*Nil*	*Nil*		12	Y.
							DOOARS								
27,00,000	29,62,946	63,67,156	26,80,596	93,115	Andrew Yule & Co., Ltd.	2,540	Banarhat	318.00	100	40.00	20.00	30.00	32.50	12	Y.P.
12,00,000	18,39,805	47,37,495	26,67,522	68,917	Jardine Henderson Ltd.	948	Baradighi	24.12	10	2.00	1.50	1.50	2.50	12	Y.
9,00,000	17,95,074	27,34,742	13,24,580	6,018	McLeod & Co., Ltd.	1,112	Bhatkawa	17.00	10	3.00	1.50	*Nil*	1.00	12	Y.
9,00,000	17,47,500	28,48,801	9,90,295	40,081	Duncan Bros. & Co., Ltd.	1,348	Birpara	163.00	100	25.00	7.50	12.50	22.50	12	Y.P.
4,00,000	8,36,000	14,66,180	5,09,072	21,500	Duncan Bros. & Co., Ltd.	602	Carron	159.00	100	10.00	5.00	*Nil*	15.00	12	Y.
9,00,000	18,87,365	25,34,091	10,16,841	98,628	Andrew Yule & Co., Ltd.	903	Choonabhutti	266.00	100	35.00	20.00	22.50	30.00	12	Y.P.
3,00,000	4,36,000	9,76,473	4,70,943	22,233	Duncan Bros. & Co., Ltd.	478	Ellenbarrie	155.00	100	5.00	*Nil*	*Nil*	5.00	12	Y.
1,20,000	2,04,475	4,99,218	2,85,581	—59,525	Andrew Yule & Co., Ltd.	265	Engo	195.00	100	*Nil*	*Nil*	*Nil*		12	Y.
4,90,000	61,299	10,37,477	3,14,730	—35,008	M.	447	Ethelbarrie	9.75	10	1.00	0.75	*Nil*	*Nil*	12	Y.
7,50,000	6,75,164	18,93,292	11,88,007	89,367	Gillanders Arbuthnot & Co., Ltd.	1,129	Gairkhata	140.00	100	10.00	*Nil*	*Nil*	12.50	12	Y.
36,00,000	38,35,750	71,46,533	23,70,874	80,081	Duncan Bros. & Co., Ltd.	2,528	Hantapara	133.00	100	7.50	*Nil*	*Nil*	12.50	12	Y.P.
32,00,000	60,61,255	1,15,51,655	58,85,226	2,60,071	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	21.56	10	2.25	0.75	0.75	1.25	12	Y.P.
8,25,000	21,63,678	29,07,639	12,14,639	86,987	Davenport & Co., Ltd.	1,452	Huldibari	21.50	10	2.50	1.25	1.50	2.25	12	Y.
7,00,000	5,12,878	11,09,391	5,33,855	16,262	Andrew Yule & Co., Ltd.	607	Jaybirpara (Dooars)	13.25	10	0.60	*Nil*	*Nil*	0.50	12	Y.
9,00,000	18,16,000	24,52,378	7,53,905	42,315	Duncan Bros. & Co., Ltd.	937	Killcott	17.62	10	2.00	1.50	0.75	1.75	12	Y.
3,00,000	5,72,564	10,14,554	3,56,190	3,318	M.	578	Manabarrie	59.00N	10	2.00	1.50	0.50	0.50	12	Y.
9,60,000	19,87,000	26,78,567	9,58,041	23,611	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	160.00	100	15.00	7.50	5.00	17.50	12	Y.
14,00,000	20,80,530	34,00,520	12,34,687	52,126	Andrew Yule & Co., Ltd.	1,168	New Dooars	277.00	100	35.00	20.00	25.00	32.05	12	Y.P.
2,50,000	3,80,000	5,69,606	2,08,922	10,819	Duncan Bros. & Co., Ltd.	348	Phaskowa	127.00	100	7.50	*Nil*	*Nil*	*Nil*	12	Y.
6,00,000	9,10,472	16,36,533	7,19,908	—1,96,926	McLeod & Co., Ltd.	764	Rajabhat	14.25	10	1.25	*Nil*	*Nil*	*Nil*	12	Y.
7,65,000	15,51,570	80,13,553	15,15,626	43,739	McLeod & Co., Ltd.	1,035	Ranicherra	16.37	10	2.00	0.50	0.75	1.00	12	Y.
14,92,800	29,39,216	61,42,087	35,18,973	42,452	Jardine Henderson Ltd.	1,763	Rydak	31.00	10	3.00	2.00	2.50	3.00	12	Y.
							SYLHET								
3,00,000	17,95,000	10,31,473	3,93,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	25.00	10	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	11,04,551	9,86,429	2,61,464	45,770	Duncan Bros. & Co., Ltd.	610	Dauracherra	7.25	10	1.50	0.75	0.50	1.50	12	Y.
4,00,000	12,06,200	13,68,396	7,18,394	2,77,118	Shaw Wallace & Co., Ltd.	985	New Samanbag	25.50	10	2.00	3.00	*Nil*	*Nil*	12	Y.P.
36,00,900	66,24,901	65,50,842	27,50,049	2,25,758	Duncan Bros. & Co., Ltd.	4,151	Patrakola P.	158.00	100	10.00	10.00	20.00	40.00	12	Y.P.
9,00,000	22,94,827	21,07,338	7,06,843	31,974	Duncan Bros. & Co., Ltd.	1,190	Tellapara	112.00	100	15.00	6.00	12.50	17.50	12	Y.
							TERAI								
4,50,000	65,000	4,45,710	3,67,923	3,509	Goenka & Co.	667	Atal	8.31xd	10	0.50	0.50	0.25		12	Y.P.T.
2,50,000	4,15,000	4,18,655	2,24,216	35,493	National Tea Corporation	522	Belgachi	24.00	10	4.00	2.00	2.50		12	Y.
13,44,000	23,46,000	27,80,130	11,43,606	29,724	Duncan Bros. & Co., Ltd.	1,611	Gungaram	142.00	100	10.00	7.50	*Nil*	15.00	12	Y.
5,00,000	11,12,394	14,91,443	5,03,408	18,957	Duncan Bros. & Co., Ltd.	530	Hansqua	16.50	10	1.00	1.00	*Nil*	1.75	12	Y.
3,00,000	3,07,700	10,27,925	4,27,249	62,299	Davenport & Co., Ltd	514	New Chumta	35.50	10	2.50	1.25	1.00	1.50	12	Y.
2,20,000	3,75,250	13,61,474	5,52,735	33,691	McLeod & Co. Ltd.	549	Tirrihannah	46.50	10	2.50	3.00	4.00i		12	Y.P.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
						CEMENT								
71,39,880	6,89,808	1,60,52,590	69,38,639	22,879	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	9.90	B. 10	1.00	0.75	1.00		12	Y.P.
59,90,093	6,05,000	1,74,94,366	13,63,509	4,434	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	9.00	10	*Nil*	*Nil*	0.45	0.70	3	Y.T.
42,14,600 4,70,976D.	12,14,582	1,51,44,736	81,04,633	....	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.12 0.75	O. 10 D. 1	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*	.. ..	3	Y.T.
19,06,27,783	10,78,46,227	42,05,40,586	16,70,69,557	42,021	Cement Agencies (Private) Ltd.	Associated Cement Companies	150.75	100	9.00	8.50'C'	11.00	12.00	7	Y.T.
84,54,023	66,000	2,26,19,399	31,88,694	1,652	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.00	10	0.60	0.70	0.80		12	Y.
1,66,00,000 3,00,000	57,31,922	2,63,50,468	60,48,714	25,287	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	11.20 2.43	O. 10 D. 1	1.20 0.12	1.00 0.10	1.20 0.12		12	Y.P.T.
1,49,79,125	59,98,450	4,42,25,287	1,03,39,730	79,496	Essen Private Ltd.	India Cements Ltd.	5.95	5	0.41	0.45	0.45	0.55	3	Y.P.
3,00,00,000	49,62,184	7,98,62,040	1,92,30,939	1,44,304	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.56	10	1.25	1.25	*Nil*	0.60	3	Y.P.T.
2,25,00,000	63,61,275	5,39,55,507	1,86,50,770	3,77,321	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13.72	10	1.50	1.50	1.10		12	Y.P.
1,24,51,675	54,91,876	4,15,40,234	1,68,22,549	48,939	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	150.00	100	9.00	9.00	9.00		12	Y.P.
75,00,000	18,30,000	2,25,10,113	1,53,76,362	62,048	M.	Sone Valley Portland Cement	4.76	5	0.30	0.30	*Nil*		12	Y.
50,00,000	11,77,360	1,37,88,664	57,99,082	29,086	Essel (Private) Ltd.	Travancore Cements Ltd.	8.60	10	0.60	0.60	0.60		12	Y.

'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. cR—Cum-Right.

* Includes bonus. M—Managed by the Board of Directors. "P"—Patrakola Tea—Dividends for 1958 and 1959 are payable only when funds are available from Pakistan.

N.B.—Dividends paid since 31st March, 1959 are shown as taxable.

B.—Brooke Bond Estates—Dividend for the year ended 30th June 1960 is Re. 1.50 per share taxable.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
						CERAMIC; MINING AND QUARRYING								
30,00,000	....	31,38,138	13,22,835	88,215	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	10.50XR	10	Nil	Nil	Nil	0.60i	3	Y.
16,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.52	10	1.50	3.50	2.00		9	Y.P.
35,28,146	15,49,326	1,57,35,785	51,99,681	14,572	Bharat Ram Bhagat & Co.	Bengal Potteries	0.75	2½	0.25	0.25	0.356		12	Y.
10,00,000	36,69,030	77,31,751	41,17,891	35,599	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	40.00xd	10	1.75	1.75	1.87	3.00	3	Y.
14,17,300	7,43,447	27,67,737	14,26,044	4,056	Motichand G. Shaw, Esq. (Chairman)	Bombay Potteries and Tiles Ltd.	188.00	100	9.00	10.00			9	Y.P.
40,00,000	13,76,524	1,16,02,155	10,26,719	23,88,499	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	195.00	100	Nil	Nil	..		12	Y.P.
£1,371,300	£1,705,275	£3,271,480	£1,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.64	Sh. 2	0.24	0.24	0.36		12	Y.
O.15,00,000 P.5,00,000	25,89,686	44,79,158	13,16,190	2,61,727	Bird & Co. Private Ltd.	Karanpura Development	21.00	10	Nil Nil	Nil Nil	1.50 0.50		12	Y.
50,00,000	....	14,32,400	....	—12,618	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	88.00	50	..	Nil	Nil		12	Y.P.
30,00,000	33,05,445	1,10,40,017	59,85,195	39,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works	26.00N	10	1.25	1.25	1.80		12	Y.P.T.
58,00,000	10,01,024	1,16,80,530	59,85,620	—19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd.	10.00	10	Nil	Nil	Nil		3	Y.P.T.
6,00,000	5,26,433	13,40,698	7,63,285	7,276	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	14.62	10	1.00	1.00*	1.00*	1.428	3	Y.
20,00,000	54,00,644	64,43,150	31,99,595	88,340	Bird & Co. Private Ltd.	Orissa Minerals	39.75	10	2.00	2.50	3.60	1.50i	6	Y.
10,46,370	46,42,410	1,02,15,679	36,53,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate	70.50	10	3.00*	3.00*	5.00		11	Y.
						CHEMICAL								
12,00,000	....	....	....	....	....	Adarsh Chemicals	57.00	50	..	..	..		12	Y.P.
65,00,000	61,37,400	1,87,07,072	65,76,431	9,770	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	222.00	100	12.00	12.00	16.00		12	Y.P.
62,00,000O 47,97,000A	98,37,608	5,74,40,416	92,27,389	1,39,901	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	34.87	10	0.80	0.80	0.95		9	Y.P.
60,00,000	20,78,579	86,90,417	21,21,588	35,088	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	370.00	100	Nil	Nil	12.00		12	Y.P.
29,89,400	24,94,426	1,18,83,272	49,89,005	47,108	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	790.00	100	20.00*	20.00*	28.00*		12	Y.P.
2,00,00,000	89,05,362	3,56,03,722	1,05,40,064	72,946	Lalbhai Sons & Co.	Atul Products Ltd.	498.50	100	3.00	10.00	12.00		12	Y.
50,92,900	32,95,445	1,47,57,619	71,89,268	13,89,611	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	109.00	100	6.00	6.00	7.00	7.00	3	Y.P.T.
1,00,00,000	6,00,000	1,07,91,843	4,82,147	—42,985	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	307.50	100	..	Nil	Nil	Nil	3	Y.
13,60,150	26,99,000	77,57,031	36,10,218	44,349	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	231.25	50	5.00	6.00	10.00		12	Y.
64,49,032	56,78,075	1,69,27,890	67,30,529	-1,11,025	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	122.50	100	7.50	6.00	4.00(c)		3	Y.P.
2,46,06,075	14,62,000	5,13,68,593	2,80,28,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	9.30	10	Nil	0.40	0.60		12	Y.
1,50,00,000	23,35,000	51,41,000	15,22,000	10,072	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	423.75	100	Nil	Nil	Nil		3	Y.P.
12,00,000	6,37,383	27,48,796	14,20,459	47,412	Jal H. Mehta	Kemp & Co.	340.00	200	15.00	15.00	20.00	25.00	3	Y.
60,00,000	22,36,480	1,48,65,801	73,81,045	12,716	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12.85	10	0.75	0.87½	0.88	1.25'C'	3	Y.P.T.
24,81,220	10,04,155	55,64,434	40,80,625	11,452	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	11.15	10	0.50	0.50	0.50	1.00	3	Y.
3,00,000	4,52,180	11,19,269	5,96,880	35,186	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	26.10	10	2.00	2.00	2.00	2.00'C'	3	Y.P.
40,00,000	20,96,879	58,16,750	11,97,185	27,844	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	218.75	50	..	Nil	3.00	5.50	3	Y.P.
15,00,000	14,69,787	24,40,260	15,05,655	98,591	C. A. Buxton	Smith Stanistreet & Co.	13.00xd	10	1.00	0.80'C'	1.25	1.25	6	Y.P.
3,37,50,000	....	....	....	....	Tulsidas Kilachand, Esq., (Chairman)	Synthetics & Chemicals Ltd.	133.50	75	..	..	..	..	..	Y.
1,39,95,990 1,11,91,270	42,17,119	5,39,52,538	2,06,73,836	14,509	Tata Industries Private Ltd.	Tata Chemicals	17.48 16.16	10Old 10New	0.80 ..	0.75 0.08	0.525 0.616	0.60 0.60	6	Y.P.T.
10,00,000	1,07,599	18,05,082	8,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	15.50	10	0.60	0.70	1.00	1.50	3	Y.P.
						ELECTRIC (Bombay State)								
6,74,78,870	1,17,08,657	15,23,94,046	4,04,47,092	638	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	85.00	100	3.25	6.50	6.75	7.00	3	Y.T.
61,28,750	21,63,386	2,86,72,375	59,65,971	15,69,279	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.08	10	0.42	0.85	0.90	1.00*	3	Y.T.
3,02,76,250	96,61,201	9,66,03,356	2,69,10,919	22,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	990.00	1,000	56.00	80.00*	80.00*	85.00*	3	Y.P.T.
1,75,00,000	78,52,280	4,06,37,564	98,99,829	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply	84.00	100	7.00	7.00	7.50	8.00	3	Y.
7,07,020	1,03,967	16,97,265	6,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6.00	10	Nil	0.50	0.60	0.66	3	Y.T.
48,89,000	12,56,818	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	108.50	100	2.50	7.50	8.00	9.50	3	Y.P.T.
60,62,500	23,52,407	1,43,50,560	46,79,945	5,210	Killick Industries Ltd.	Surat Electricity	84.30	100	3.75	7.00	7.00		3	Y.P.
3,39,99,575	1,01,57,424	7,01,96,385	1,89,09,836	25,281	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	100.50	100	5.52	8.00*	8.00*	8.50*	3	Y.P.
5,15,35,750	2,60,65,771	17,16,28,967	3,92,66,464	33,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,017.50	1,000	56.25	80.00*	80.00*	85.00*	3	Y.P.
						West Bengal and Other Centres								
19,99,600	51,38,028	13,39,99,790	39,25,042	47,389	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	115.00	100	10.00	10.00	10.00	11.00	3	Y.T.
3,00,000	15,23,375	63,42,780	22,28,800	23,612	Martin Burn Ltd.	Bareilly Electric Supply	11.75	10	1.25	1.00	1.00	1.10	3	Y.T.
17,00,000	47,66,354	1,71,05,214	47,49,307	45,563	Martin Burn Ltd.	Benares Electric Light & Power Co.	12.75	10	1.35	1.00	1.00	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,489	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	7.12	8	0.92	0.40	0.40	0.64	3	Y.
£4,262,646	£10,126,978	£33,604,377	£13,302,118	£108,138	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	15.06	£1	8⅓%	7%	7%	7½%	3	Y.P.T.
6,60,090	6,78,784	31,45,751	10,61,558	76,888	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8.00	10	1.00Z	0.65	0.65	0.75	3	Y.
48,20,000	24,88,968	1,02,37,174	38,05,104	4,88,960	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	68.00	100	6.50	7.00	7.50	10.00	3	Y.P.
5,24,640	1,24,635	34,43,088	14,37,084	2,947	Moonna Lall & Sons	Jhansi Electric Supply	6.60xdN	10	0.86Z	0.62½	0.62	0.70	3	Y.T.
22,49,550	27,02,877	1,07,81,716	40,42,273	30,296	Martin Burn Ltd.	Jubbulpore Electric Supply	11.75	10	0.92	0.92	0.92	1.00	3	Y.
4,95,000	2,21,374	12,86,011	6,02,136	21,390	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	7.25xdN	8	1.22Z	0.72			3	Y.
5,82,300	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Morufferpore Electric Supply	9.50	10	1.25Z	1.00	1.00	1.25	3	Y.
6,99,850	1,82,973	17,84,092	7,83,164	22,321	G. D. Bhagat, Esq.	Muttra Electric Supply	11.00	10	0.80	0.80			3	Y.
35,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.25	10	1.25Z	0.75	0.75		3	Y.T.
9,10,000	2,87,616	12,60,524	5,84,092	5,200	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6.44	10	Nil	0.50	0.50	0.625	3	Y.
16,30,000	13,87,254	78,27,858	44,96,906	2,037	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.50xd	10	0.94	0.66	0.75	1.00	3	Y.T.
69,99,650	13,66,142	2,06,37,818	67,68,084	3,023	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	9.80	10	1.26	0.87	0.90	0.90'C'	3	Y.P.T.
5,00,000	11,62,458	52,32,585	12,25,684	36,608	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	16.25	10	1.25	1.25	1.25	1.35	3	Y.
56,01,185	78,57,136	4,08,85,812	1,45,66,727	85,399	Martin Burn Ltd.	U. P. Electric Supply Co.	110.00	100	10.00	10.00	10.00	11.00	3	Y.T.
4,00,000	9,34,990	40,87,637	11,42,884	2,88,269	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	12.90	10	1.00	1.00	1.00	1.50	3	Y.T.
						ENGINEERING (Bombay)								
33,45,200	49,44,167	75,65,494	60,70,267	28,009	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	261.00	100	12.50	12.50	17.00		12	Y.
19,96,340	2,31,026	20,32,188	7,18,262	2,319	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	81.00	80	3.00	3.00	4.00		12	Y.
45,19,300	25,03,443	93,35,767	46,96,997	75,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	162.00	100	7.00	10.00*	18.00*	18.00*'C'	6	Y.
40,00,000	25,000	1,05,86,590	9,91,658	—8,47,543	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.32	10	Nil	Nil	Nil		9	Y.
40,00,000	4,14,207	62,24,434	21,98,624	57,885	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	98.50	100	8.00	7.00	10.00		4	Y.P.
59,99,900	84,82,780	2,25,78,862	1,37,51,802	70,946	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	165.00	100	9.00	9.00	18.00	18.00'C'	6	Y.P.T.
6,00,000	4,15,000	1,58,191	1,29,812	3,288	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	75.00	50	5.00	5.00	5.00	4.00	3	Y.
44,96,250	4,05,658	62,45,798	27,18,547	2,467	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	15.44	10	Nil	0.50	0.775		3	Y.P.
30,00,000	27,05,928	78,01,690	28,52,316	56,253	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	85.00	10	1.00	1.25	1.25	1.80'C'	3	Y.P.
1,32,00,000	42,66,182	1,34,87,855	31,17,630	1,18,257	M.	Mahindra & Mahindra Ltd.	19.76	10	1.75	2.20	1.25		3	Y.P.
11,00,000	3,45,914	40,22,575	24,15,196	1,016	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	130.00	100	Nil	Nil	Nil		10	Y.P.
60,15,060	45,80,000	1,21,27,185	40,92,373	3,253	Jeewan Private Ltd.	Mukand Iron & Steel	29.00	10	1.00	1.20	1.00*	1.20	7	Y.P.
35,00,000 14,99,250	40,76,797	1,06,26,418	51,58,671	6,625	Kirloskar Associates	Mysore Kirloskar Ltd.	186.25 182.50	100 100 New	6.00	7.50	12.00 6.00	12.00 12.00	6	Y.
22,27,700 13,86,150	5,86,616	47,79,886	14,99,037	92,426	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	108.00 175.00	100 (75 New)	..	..	9.00	12.00 0.50	3	Y.P.
22,50,000	1,34,42,446	8,81,298	1,40,759	1,36,103	Walchand & Co. Private Ltd.	Premier Construction	192.00xR	80	10.00	12.00	18.00		12	Y.P.
25,00,000	26,28,031	93,40,964	37,60,929	14,393	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	230.00	100	18.00	18.00	17.00		6	Y.P.
27,58,21,325	27,61,32,014	1,67,40,64,801	54,97,16,236	3,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	147.50	75 Old	9.50	8.25	6.80	9.72'C'	3	Y.P.
7,90,99,200	1,71,31,786	21,41,33,116	9,30,94,684	3,24,171	Tata Industries Private Ltd.	Tata Locomotive	289.00	100	8.00	9.00	9.00	12.50	3	Y.P.T.
10,00,000	3,85,000	23,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg., Co.	640.00	100	5.00	10.00	14.00	18.50	5	Y.
2,55,00,000	42,26,606	62,84,736	18,74,468	2,26,896	S. K. Handoo, Esq.	Voltas Ltd.	252.50	100	9.00	9.00	12.00†		8	Y.
17,50,000	....	....	....	....	M	Zenith Steel Pipes Ltd.	2.40	2.50	..	..	..	..	6	Y.
						West Bengal and Other Centres								
6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co. Ltd.	Arthur Butler & Co.	12.25	10	Nil				10	Y.P.T.
50,00,000	30,49,221	1,55,21,495	39,56,973	2,60,479	M.	Bhartia Electric Steel	11.12	10	1.25	1.25	1.50		12	Y.
56,59,790	70,94,966	77,63,705	12,79,386	2,27,080	T. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	81.50	10	3.00	1.25	2.25		12	Y.
12,00,000	32,12,634	79,76,063	44,83,942	1,72,548	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	55.00N	10	2.00	2.00'B'	3.00		12	Y.
19,35,670	7,04,841	39,97,530	14,03,685	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	5.00	10	0.50	0.50	0.60		3	Y.T.
40,00,000	41,43,365	98,27,511	48,02,704	1,32,481	McLeod & Co., Ltd.	Britannia Engineering	14.00	10	0.60	0.60	1.00		12	Y.P.
5,00,000	7,72,971	24,65,921	14,48,244	74,498	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	21.00xR	10	2.00	2.00	2.00		12	Y.P.T.
34,00,000	2,33,60,602	4,96,65,264	2,04,75,871	1,24,616	Martin Burn Ltd.	Burn & Co.	440.00	100	20.00	20.00	28.50	28.50	12	Y.T.
50,00,000	....	35,75,759	95,632	1,05,035	M.	Calcutta Steel Co., Ltd.	16.00	10	..	..	..	6.50	4	Y.
1,00,00,000	12,33,028	1,39,66,744	10,15,000	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	Nil	Nil	Nil	Nil	3	Y.P.T.
2,00,00,000	2,54,07,647	6,74,59,338	2,15,47,390	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	37.50	10	2.00	2.00	2.40		3	Y.
12,50,000	28,60,000	60,91,575	40,46,109	7,047	Martin Burn Ltd.	Hooghly Docking	107.00	50	5.00	5.00	6.00		12	Y.
36,94,590	....	5,76,360	3,01,442	—1,24,518	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	20.25	10	Nil	Nil	Nil		12	Y.
12,44,68,990	21,14,27,025	71,57,58,772	14,60,01,060	11,49,767	Martin Burn Ltd.	Indian Iron and Steel	24.86	10	1.00	1.00'C'	1.00	1.50	12	Y.
32,96,500	61,38,742	1,23,74,955	72,85,332	43,708	Martin Burn Ltd.	Indian Standard Wagon	82.75	25	7.50*	5.00	5.00	7.125	3	Y.
96,00,000 79,740	2,50,89,519	2,18,88,229	1,45,63,174	12,96,128	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	38.25xd 17.12xd	0.16 O. 1	4.00 0.40	4.00 0.40	1.62½ 0.16½		3	Y.
91,12,500	75,99,806	3,71,15,564	1,40,86,750	6,822	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	31.25	10	1.50	1.20	1.20	1.715	3	Y.P.T.
20,00,000	23,52,813	76,15,494	17,47,992	75,109	J. K. Industries Private Ltd.	J. K. Steel Ltd.	18.12	10	1.25	1.25	1.25		6	Y.
1,01,39,000	1,02,40,815	2,77,47,845	84,30,378	68,747	B. P. Singh Roy, Esq. (Chairman)	Jessop & Co.	19.25	10	Nil	0.60	0.858		3	Y.
24,23,187	10,05,500	48,80,671	20,66,530	17,350	Kirloskar Sons & Co. (Kirloskarwadi)	Kirloskar Oil Engines, Ltd.	10.76	10	0.90	1.00			10	Y.P.
27,64,800	45,74,683	90,12,956	38,28,450	31,288	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	6.19	5	0.45	0.80	0.30'C'		11	Y.P.T.
16,50,000	1,90,990	18,32,345	14,72,311	3,518	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	4.62	2	0.40	0.40	0.20		6	Y.
49,96,000	13,28,439	1,37,17,076	81,10,264	—1,08,083	M.	National Iron and Steel Co., Ltd.	7.00	10	0.62	0.62	0.75	Nil	3	Y.P.
40,00,000	30,56,944	50,38,480	13,59,471	9,680	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	3.44N	10	..	..	..		3	Y.
6,00,000	11,05,251	31,28,091	21,37,426	17,915	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	6.94	4	0.40	0.40	0.35	0.35	3	Y.
1,30,00,000	55,23,079	4,19,73,529	1,96,95,085	37,204	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	28.05	10	1.50	1.50	2.00		3	Y.
33,22,450	14,67,750	69,48,005	26,20,291	4,566	Balasundaram & Co.	Textool Co., Ltd.	173.00xd	100	20.00	12.00	15.00	15.00	4	Y.
						INSURANCE (x)								
12,50,000	46,52,425	1,45,73,337	....	22,040	N. M. Cole, Esq. (Mg. Director)	Concord of India	10.00	5	1.00	1.00	1.00		12	Y.
10,00,000	11,65,196	28,43,080	....	56,390	M.	Devkaran Nanjee Insurance	31.00	50	3.00	3.00			12	Y.
24,00,000	71,01,264	1,40,68,520	....	3,62,132	N. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	23.12	10	2.00	2.00	2.00		12	Y.
15,92,240	26,33,254	36,70,140	....	7,71,928†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	42.50	40	3.50	3.75			12	Y.
20,00,000	63,51,546	1,74,97,763	....	45,112	M. G. Mody, Esq. (General Manager)	New Great Insurance	20.28	20	2.00	2.00	2.50		12	Y.
1,06,81,590	3,27,40,502	14,89,78,776	....	44,28,397	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	54.50 56.00	15 15New	3.00	4.00 4.00	5.70* 5.70*		12	Y.
32,00,000	92,52,493	1,29,48,849	....	3,214	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	7.81	5	0.62	0.62	0.80		12	Y.
5,75,000	67,12,673	1,13,08,489	....	1,68,129	J. D. K. Brown, Esq.	Triton Insurance	148.00	25	11.25	11.25	11.25		12	Y.
15,99,270	39,15,332	1,02,06,244	....	10,014	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	16.48	10	1.50	1.50	2.00		12	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. R...

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors.

(x)—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
						OIL								
£562,500	£212,932	£745,697§‡	....	£1,003	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	2.02	Sh. 3	Nil	2%	Nil	8%	3	Y.
35,00,000	86,35,342	89,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0.60	Nil	0.60		12	Y.P.
1,00,00,000	1,59,93,684	1,00,77,425	52,21,479	4,47,887	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	22.60	10	2.00	2.00	2.50	1.001	12	Y.P.
70,07,475	49,40,586	2,47,94,315	1,56,70,926	46,303	Tata Industries Private Ltd.	Tata Oil Mills	73.20	25	2.50	2.50	2.25	5.75	8	Y.P.T.
6,00,000	9,39,137	2,55,770	1,73,025	82,687	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	17.12	10	1.25	1.50	2.20	0.70i	10	Y.
						PAPER								
37,43,031	13,87,920	2,66,44,147	2,03,51,666	2,53,280	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	69.69	25	Nil	Nil	2.50		6	Y.P.
46,00,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	93.00	25	3.12	5.50	3.00		12	Y.P.T.
88,20,000	80,25,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	19.37	10	1.40	1.00	1.00	1.50 'C'	3	Y.
12,50,000	....	....	....	....	M.	Jayant Paper Mills Ltd.	46.00	50	....	....	....	....	3	Y.
1,40,00,000	....	1,04,58,352	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	10.25	10	....	....	....	....	6	Y.P.
25,00,000	37,42,800	1,54,04,003	1,03,95,960	51,983	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	24.75	10	1.00*	1.00	1.25*	1.50	3	Y.
1,46,82,500	3,21,50,236	10,01,40,260	3,07,78,182	4,22,620	Birla Brothers Private Ltd.	Orient Paper	40.25	10	1.50	1.30	1.50	2.25	3	Y.P.T.
1,75,00,000	....	....	....	....	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	4.50	5	....	....	....		....	
1,36,51,420	1,09,54,433	3,40,18,914	1,26,74,532	1,36,712	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	27.75	10	1.25	1.25	1.78	....	12	Y.P.T.
50,00,000 A10,00,000	3,39,123	77,35,854	43,04,334	6,122	Bajoria & Co.	Star Paper Mills	13.00 13.00	O. 10 A. 10	0.60 0.60	0.60 0.60	0.30 0.30		3	Y.P.
16,55,240	56,23,786	5,27,98,634	1,40,50,912	72,313	Birla Brothers Private Ltd.	Sirpur Paper Mills	16.52	10	0.50	0.65	0.65		6	Y.P.
56,00,000 56,04,800 4,37,500	3,51,39,745	8,81,10,708	4,28,97,712	2,48,642	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	36.00 36.00 3.75	A. 10 B. 10 P.O. 2½	2.38* 2.38* 0.24	2.38* 2.38* 0.24	2.50* 2.50* 0.25*	2.50 2.50 0.205	3	Y.P.T.
99,93,875	4,70,475	5,11,72,599	35,807	....	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	181.00	100	Nil	Nil	Nil		6	Y.P.
						SAW MILLS AND TIMBER								
13,99,998	19,59,360	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.62	8	Nil	Nil	....	....	9	Y.
80,25,000 42,00,000	3,46,95,997	5,74,47,341	2,67,52,541	1,47,502	Wallace & Co.	Bombay-Burmah Trading Corpn.	554.00 193.75	Old125 New50	47.50K 19.00K	22.50 9.00	23.75 9.50	37.50 15.00	5	Y.
20,00,000	20,50,362	21,44,636	16,69,639	1,05,936	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	26.75	10	2.75	2.50	2.50	1.00i	9	Y.
						SUGAR (U.P. and Bihar)								
13,00,905	9,93,823	31,10,427	19,27,489	48,466	M.	Balrampur Sugar	3.00xd	2.50	0.25	0.25	0.40‡	0.20	6	Y.
3,00,000A. 1,00,000B.	36,05,704	66,14,329	42,19,339	10,00,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	125.00N 11.60N	A.100 B. 10	10.00 1.00	10.00 1.00	10.00 1.00		4	Y.T.
10,49,050	10,52,726	43,95,189	27,45,553	41,303	Bangur Bros., Ltd.	Belsund Sugar	11.87XR	7½	1.00	1.00	1.40		9	Y.
15,00,000	14,95,503	32,44,258	14,90,916	5,149	Cotton Agents Private Ltd.	Bharat Sugar	16.00	10	1.50	1.00	1.50		6	Y.P.
22,00,000	30,06,740	1,52,64,278	1,05,44,575	14,180	Gladstone Lyall & Co., Ltd.	Carew & Co.	9.50	10	Nil	0.25	Nil		6	Y.P.T.
30,00,000	65,58,414	1,66,89,434	1,04,13,264	—16,86,179	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	12.75	10	Nil	Nil	Nil		10	Y.P.
18,00,000	45,46,234	84,73,277	64,52,904	27,968	British India Corporation, Ltd.	Champarun Sugar	19.44	10	Nil	1.00	1.50	1.50	6	Y.
9,58,252	2,93,564	28,55,378	15,68,328	—54,925	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.00	10	Nil	0.56			8	Y.T.
30,00,000	32,58,160	71,38,945	44,96,828	3,29,729	M.	Durbhanga Sugar Co., Ltd.	13.37	10	2.00	1.50	2.00		3	Y.
60,00,000	70,17,000	2,22,35,620	1,03,51,293	39,855	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	341.25	100	15.00	15.00	15.00		6	Y.P.
20,50,000	14,41,216	38,56,310	54,42,213	9,578	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	232.50	40	7.00	4.00	4.20		7	Y.P.
7,80,100	23,53,620	52,91,471	30,33,160	6,246	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	2.50	2.50	3.85		6	Y.P.
11,00,000	4,58,224	49,29,289	29,36,570	10,502	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.25	0.37		5	Y.
13,51,000	46,26,135	78,03,274	29,12,894	24,741	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	260.00	100	30.00	20.00	29.00		6	Y.
77,52,960	76,35,199	2,61,13,708	1,41,64,041	16,455	Cotton Agents Private Ltd.	Oudh Sugar	195.00	100	12.50	12.50	18.25		7	Y.P.
12,00,000	13,65,315	37,56,130	22,83,412	1,62,250	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00N	100	Nil	6.00	15.00		10	Y.
9,00,000	23,03,870	51,19,941	35,72,655	4,008	M.	Partabpore Co.	12.50	10	Nil	Nil	Nil		10	Y.P.
30,00,000	2,92,000	25,30,109	14,67,024	2,192	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.50	10	0.30	0.30	0.30	0.40	3	Y.
55,00,000	20,23,000	98,23,036	36,33,281	3,91,544	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	13.31	10	1.50	1.25	1.20		10	Y.
8,00,000	6,30,752	29,27,567	23,93,295	4,779	M.	Ryam Sugar	12.00	10	1.50	1.50	0.50		6	Y.P.
11,90,000	15,90,877	48,13,684	26,03,230	20,614	M.	Samastipur Central Sugar	13.12	10	Nil	0.25			6	Y.
30,09,000	25,94,373	1,36,84,427	80,62,270	41,428	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13.37	10	1.00	1.00	1.50		7	Y.P.T.
10,62,115	24,460	34,19,315	16,98,051	1,196	H. K. Ghosh, Esq. and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.25	10	Nil	Nil	Nil		6	Y.
13,39,900	11,83,990	38,04,278	21,75,036	18,395	M.	Shri Sitaram Sugar	12.00	10	0.50	0.50			8	Y.
7,00,035	10,42,603	28,69,653	15,99,355	19,286	M.	Tulsipur Sugar	5.31	5	....	....		0.62	6	Y.
3,00,000	45,66,902	1,63,27,976	97,43,209	44,490	Cotton Agents Private Ltd.	Upper Ganges Sugar	68.00N	10	5.00	5.00	7.25		6	Y.P.
16,00,000	14,52,394	38,53,170	28,30,100	1,03,370	M.	United Provinces Sugar	17.60	10	0.75	1.00	1.50		9	Y.
						Other Centres								
30,00,000	46,55,000	91,38,886	36,74,022	22,959	Rangarao & Co.	Andhra Sugars Ltd.	28.00	10	1.25	1.50	3.00		9	Y.
30,34,500	6,25,000	91,67,380	4,84,457	21,247	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	137.00cd	100	100	Nil	Nil		6	Y.P.
70,49,650	1,52,02,875	1,63,95,390	1,10,68,264	82,938	W. H. Brady & Co., Ltd.	Belapur Company	297.00	50	18.00	20.00*	21.00	29.00	9	Y.
17,50,000	15,17,192	44,93,634	27,87,785	5,159	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	29.00	10	2.00	2.00	2.50		9	Y.P.
37,50,000	16,97,191	83,92,712	57,50,345	2,97,395		Shree Changdeo Sugar	29.50	12.50	2.25	2.25	2.90		9	Y.
32,34,000	36,55,500	1,36,56,345	71,19,855	66,641	Parry & Co., Ltd.	Deccan Sugar & Abkhari	14.35cd	5	0.72½'C'	0.90	0.90		5	Y.P.
£600,000	£1,675,453	£1,950,379	£1,101,544	382,296	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	39.75	£1	Sh. 3	Sh. 4	Sh. 4		9	Y.P.T.
15,93,900	25,45,560	48,87,889	29,79,997	20,235	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	10.00	10.00	10.00		6	Y.P.
16,97,650	9,79,343	81,86,670	27,89,256	5,62,868	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.65	10	1.00	1.00	1.25		9	Y.P.
17,04,454	17,21,516	1,36,50,912	16,14,409	158	B. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.25	10	0.60	0.60			6	Y.P.
15,68,360	97,90,290	3,52,12,096	64,84,328	91,745	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	26.00CR	10	0.75	0.75	1.50		6	Y.P.
12,00,000	10,85,215	74,23,052	30,91,998	—10,90,964	Kubera Sugar Managers (Pvt.) Ltd.	Kiriampudi Sugar Mills Ltd.	77.50	100	Nil	Nil	Nil		6	Y.P.T.
67,50,000	49,98,558	1,46,05,021	66,20,929	1,61,904	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	192.00	50	20.00	17.00	21.00		9	Y.P.
21,79,230	99,90,169	1,62,19,219	1,01,78,932	45,172	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	80.50	10	2.90	3.00*	3.00		6	Y.
1,18,02,130	69,86,252	3,02,68,580	1,85,42,024	2,521	Industries (I.F.) Dept., Govt. of Andhra Pradesh	Nizam Sugar Factory Ltd.	66.00	25	4.50	4.50	5.40		6	Y.P.
32,00,000	54,93,173	1,39,64,898	73,75,195	63,904	Mafatlal Apte and Kantilal Pvt. Ltd	Phaltan Sugar	150.00	50	12.00*	10.00	13.50		9	Y.
15,50,530	41,08,356	73,05,159	39,33,780	59,442	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	25.81	10	1.50	1.50	2.14		3	Y.P.T.
30,00,000 [illegible]4,00,000	42,67,914	1,87,22,721	65,29,942	79,364	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	104.00 30.00	O. 50 D. 50	12.00 3.75	12.00 3.75	3.50 3.75		9	Y.P.T.
30,00,000	21,96,500	69,10,952	33,56,498	1,46,735	Parry & Co. Ltd.	Travancore Sugars	10.55	10	1.00	1.00	1.00	1.00	7	Y.P.
1,61,00,000	1,94,16,032	3,47,34,595	1,29,06,496	1,77,732	Walchand & Co. Private Ltd.	Walchandnagar Industries	226.50	100	21.00	21.00	20.00		9	Y.P.T.
						UNCLASSIFIED (Bombay)‡								
30,00,000	16,83,754	30,65,990	12,43,589	966	Jolly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	295.00XR	100	..	Nil	Nil	6.00‡	3	Y.P.
7,50,000	2,60,060	22,10,441	9,31,437	3,466	The Associated Agencies (Pvt.) Ltd.	Associated Rubber Industries Ltd.	105.00	100	7.00	7.00	10.00		12	Y.P.
25,00,000 6,25,000	1,50,000	17,32,985	5,64,037	6,664	Jamnalal Sons Private Ltd.	Bajaj Electricals	111.00 57.00	100 50 New	7.50 ..	9.00 ..	5.00 ..	8.10 2.70	3	Y.P.
14,98,340	5,27,709	37,56,956	23,15,699	17,694	Cheonilal Manilal Private Ltd.	Estrela Batteries	55.00	50	2.50*	3.00	2.50*	4.50	3	Y.P.
16,00,000	9,40,683	10,20,495	4,90,761	31,694	Aero-Auto Private Ltd.	Bombay Cycle & Motor	22.24	20	1.75	1.00	2.00	2.50	3	Y.
1,14,90,000	18,000	1,08,24,000	15,000	27,205	P. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	232.50	100	..	..	Nil	..	12	Y.
1,35,00,000	50,12,115	21,25,643	7,05,848	44,119	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	150.00	100	7.50	10.00	7.50	11.00	3	Y.P.
4,00,000 51,66,500	....	9,14,417	11,195	39,813	P. H. Sorine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N 50.00N	100 50	..	..	..	..	10	Y.
31,07,000	9,13,024	1,17,36,431	72,51,407	—4,82,050	Birla Brothers Private Ltd.	Hind Cycles	85.00	100	12.50F	7.00	Nil		3	Y.P.T.
15,00,000	....	3,17,049	....	....	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	7.78	7.50	..	..	..		12	Y.
4,67,00,000	1,46,48,754	5,77,10,152	48,19,209	2,09,69,272	S. H. Turner, Esq. (Chairman)	Hindustan Lever	43.25	10	1.40	1.50	2.40		12	Y.
21,17,500	7,73,396	27,73,828	21,27,149	4,342	Forbes Forbes Campbell & Co., Pvt. Ltd.	Indian Vegetable Products Ltd.	135.00	100	16.00	10.00	15.00	17.00	9	Y.
5,00,00,000	33,93,823	5,04,58,227§§	....	99,763	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	71.00	100	4.00	4.00	5.00		12	Y.
99,99,250	20,22,479	1,31,66,987	....	58,613	Premchand Roychand & Sons	Industrial Investment Trust	79.50	100	5.50	6.00	6.00		12	Y.
19,55,900	8,40,945	48,67,187	19,20,498	7,498	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	134.50	100	5.00	6.00	8.50		12	Y.P.T.
20,00,000	1,30,912	33,42,718	40,25,898	5,912	Kamani Brothers Private Ltd.	Kamani Metals & Alloys Ltd.	10.00N	10	..	0.50	0.75		6	Y.P.T.
1,00,00,000 24,82,500	33,17,365	48,22,945	16,34,812	6,237	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	99.50	100	11.00	12.00	9.00		11	Y.
11,25,100	30,000	15,42,154	4,06,143	2,35,198	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	81.50	100	3.00	7.00	6.00	10.00	3	Y.P.
27,60,000	46,51,223	32,24,133	43,63,594	1,27,061	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	401.25	100	15.00	18.00	25.00		12	Y.
36,00,200	24,59,766	65,97,395	18,34,590	30,136	Polson Agencies Private Ltd.	Polson Ltd.	152.00	10	10.00	10.00	15.00		12	Y.P.
2,97,65,475	84,40,713	4,77,85,451	2,31,25,334	2,71,968	Aero-Auto Private Ltd.	Premier Automobiles	166.50	100	6.00	4.00	9.00		6	Y.T.
4,78,200 5,13,400	1,71,915	30,66,967	9,69,029	29,056	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	6.00 3.00	6.00 3.00	9.00 4.50	3	Y.P.
70,00,000	....	....	....	....	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	96.00	50	..	..	..		12	Y.
37,50,000	11,30,411	63,36,636	30,74,864	2,323	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	169.00	100	3.00	3.00	14.00'C'		6	Y.
18,57,000	1,97,040	24,69,860	2,09,912	1,339	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	50.00	50	..	..	Nil		3	Y.P.
6,22,100	2,78,159	8,45,582	2,39,183	2,859	Modi & Co.	Supreme Industries Ltd.	157.50	100	6.00	7.50	9.00	13.00	3	Y.P.
2,75,00,000	1,77,59,354	4,62,08,135	1,92,16,142	4,20,612	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co. Ltd.	259.50	100	11.00*	11.00*	16.00*		12	Y.
17,00,000	2,66,719	28,42,802	15,42,137	20,609	Hasham Premji	Western India Vegetable Products Ltd.	122.50	100	7.00	8.00	8.00		3	Y.
46,00,000	66,45,390	11,56,965	5,47,979	1,56,267	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	360.00	150	25.00	25.00	25.00		12	Y.

M.—Managed by Board of Directors. ‡ On old capital. * Includes bonus. § Exempt from tax. † Subject to taxation. K.—Includes an additional dividend of Rs. 7.00 per old share and Rs. 3.00 per new share. §§ Investments at cost.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					UNCLASSIFIED (Other Centres)									
62,50,000	2,03,52,495	3,95,14,452	1,19,43,880	1,13,745	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	17.19	O. 10	0.90	0.90	1.00	1.20	3	Y.P.T.
30,00,000	39,83,750	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	22 30	10	1.25	1.25	1 25	1.80	3	Y.
30,00,000	36,44,175	86,06,360	25,56,851	2,24,865	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	22 00	10	1 80*	1.50	2.00		3	Y.
2,46,78,690	35,63,610	2,20,70,296	60,76,913	20,076	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	8 55	5	0.30	0 30	0.40		12	Y.
30,00,000	20,24,770	40,25,468	21,84,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	20 00	10	1 25*	1 25*	1.80		12	Y.
1,18,00,000		..			H. M Cox..	Associated Battery	36 12	10	1 50	2 40	4.00	1.50i	8	Y.
30,00,000	35,34,600	1,05,71,381	42,22,343	1,54,774	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	6 25	10	0 60	0 60			3	Y.P.T.
30,01,400	33,06,830	77,88,003	41,34,215	5,14,649	A. T. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	214 00	100	12 50	20.00	25.00	7.00i	12	Y.
12,00,000	22,70,218	35,44,373	30,14,273	2,19,995	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	42.37	10	2.50	2.50	4 50	1.50i	12	Y.
50,00,000	1,77,308	59,03,167	96,073	—4,55,649	H. R. Sugla, Esq. (Mg. Director)	Bharat Commerce & Industries Ltd.	18 25	10	*Nil*	*Nil*	*Nil*		12	Y.P.
20,00,000	7,79,721	64,19,086§§	....	55,032	Lovelock & Lewis	Birds Investment Ltd.	13.37	10	0.50	0.70	1.10		9	Y.P.
45,97,020	55,50,348	1,22,49,277	53,50,733	2,13,638	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	40.00xd	10	1.00	1.20	1.40	2.50	3	Y.P.T.
3,25,00,000	1,56,58,664	1,08,09,000	2,65,54,909	74,442	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	6 80	5	*Nil*	*Nil*	*Nil*		12	Y.P.
1,38,80,000	14,44,223	1,90,82,924§§	....	2,16,378	Andrew Yule & Co., Ltd.	Clive Row Investment	9.19	10	0.75	0 75	0.83H		12	Y.
5,60,000	10,00,000	39,64,879	26,56,156	3,266	M.	Delhi Flour Mills, Co., Ltd.	15 00N	10	1.00	1.00	..		10	Y.P.T.
9,00,00,000	5,12,37,509	9,62,33,758	3,45,33,270	24,03,447	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	41 25	10	1 62	1 62	2.15		12	Y.P.T.
19,91,610	81,24,269	50,59,116	20,91,994	7,929	Mr. K. G. Khanna	Dyer Meakin Breweries	27 12xd	5	0.60	0.75			3	Y.
51,26,000	57,17,047	1,60,56,711§§	....	3,52,237	Bird & Co. Private Ltd.	Eastern Investment Ltd.	136.00	100	9.00	9.00	14 00		12	Y.P.
14,00,000	3 52,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	15 50	10	*Nil*	*Nil*	0 50		12	Y.P.
48,90,137	77,72,310	95,28,776	52,36,250	4,07,338	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	16 25	12 50	1 50	1 50	1 60		9	Y.P.
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	218 00	100	12 00	15 00	17 00	17.50	3	Y.
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	11.12	10	0 80	1.25	1 25		3	Y.
65,00,000	30,24,200	30,57,755	15,91,667	1,71,222	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	12.62	10	1.00	1 00	1 00	1.00	3	Y.P.
40,00,000	4,73,500	70,95,493	41,39,847	10,40,721	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	24.75N	10	1 50	2.00	2.60		12	Y.P.
30,00,000	15,67,354	84,64,988	38,51,718	59,181	B. P. R. Syndicate	Great Eastern Hotel	235 00	250	5.00				3	Y.
4,96,13,275	49,51,450	7,30,56,187	3,25,48,254	3,63,217	Birla Brothers Private Ltd.	Hindustan Motors	19.40	10	*Nil*	*Nil*	0.50	0.00	3	Y.P.
30,00,000	16,64,523	99,48,437	33,67,174	1,31,125	Lalukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	28.12	10	0 60	0 60	1 20		10	Y.
15,16,00,000	9 64 76,893	11,31,66,117	2,88,76,995	24,77,705	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	11 37	10	0 70	0 70	0 60	0.80	3	Y.
3,97,67,760	2,01,79,740	9,72,38,273	3,00,11,654	33,42,051	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	30.37	10	0 60	0 70	1 20		12	Y.P.T.
2,35,77,700	2,02 99,648	2,95,48,176	1,37,19,570	45,64,364	R. J. Woodley, Esq. (Mg. Director)	Indian Cables	32.81	10	1 50*	1 50*	1 50*	2.25	3	Y.P.T.
2,00,00,000	1,28,81,493	5,99,68,652	2,48,66,248	13,78,431	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	41.12	10	1 00	1 00	1.50	1.50	9	Y.
29,88,250	70 550	51,92,992	17,57,026	33,618	M.	Indian Plastics Ltd.	0.87	10	0 37	*Nil*	*Nil*	*Nil*	3	Y.P.
8,27,970	6,14,570	17,46 166	10,03,558	97,031	M.	Indian Rubber Manufacturers	18 00	10	0.62				3	Y.P.
2,00,00,000	73 10,723	42,66,244	15,92,103	5,21,494	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	65 00xd	100	2.50	2.50	5.00	7.00	3	Y.P.
15,00,000	12,02,095	18,79,279	13,27,077	17,262	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	11.75xd	10	2 00	3 50	2.00	[illegible]	3	Y.P.
1,45,82,750	1,13,19,046	69,07,246	16,26,428	2,54 784	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd	27 50	10	2.12*	2.12*	2.75		9	Y.P.
6,00,000	4,20,000	14,85,526	6,66,094	1,49,226	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	31 25	10	2.40	2.00	3 00	..	12	Y.
40,00,000 O. 5,00,000 D.	74,10,730	31,01,156	12,70,257	2,42,718	M.	McLeod & Co.,	214.00 —	O. 100 D.O.10	12 50 0.75	12 50 0.75	15.00 1.00		12	Y.P.
1,60,00,000	1,64,75,151	3,36,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	42.25xd	10	1.75	1.75	1.75	2.50'C'	3	Y.P.
9,05,000	3,88,838	12,14,622	5,16,829	4,812	N. G. Ayyangar Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	200 00	100	8.00	11.00	15 00		3	Y.
6,56,250	6 92,500	11,29,680	5,97,362	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	24.75	10	1.25	1.50	1.60		3	Y.P.
10,00,000	3,16,884	17,88,367	10,32,038	622	M. Mallaraj Urs, (Mg. Director)	Mysore Tobacco	12 05	10	1.50	1.25	1.25	1.00	3	Y.
90,00,000	1,37,56,692	1,31,19,135	51,35,368	86,380	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	30.25	10	2.00	2.00	2 00	2.50'C'	3	Y.P.
30,00,000	17,70,000	49,56,249	25,37,459	87 684	Do.	National Pipes & Tubes Co., Ltd.	22.37	10	2.00	1.25	1.50		9	Y.P.
40,00,000	30 19,000	83,22,477	35,76,949	1,31,135	Do.	National Rolling & Steel Ropes	19.06	10	0.60	1.00	1.00	1.30	6	Y.
49,97,064	9,15,876	83,55,363	33,67,559	14,523	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	14.75	10	1.00	0.60'C'	0 85		12	Y.
79,97,000	1,02,10,381	1,36,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	21.44	10	0 90	1.10	1.60		12	Y.P.T.
23,32,100	11,02,391	40,65,244§§	....	45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	48.00N	75	2.50	3.75	6.50		12	Y.
10,00,000	5,52,000	12,55,063	6,00,215	1,51,607	Parry & Co., Ltd.	Parrys Confectionery Ltd.	4.85	1	0.20	0.20	0.20	0.30	3	Y.
2,20,00,000	50,68,956	1,48,74,355	48,82,803	47,214	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	26.25	10	0.34	0.85	1.20		12	Y.
62,50,000	..	..		..	Duncan Brothers & Co., Ltd..	Phillips Carbon..	16 19	5	..	..	..		12	Y.
15,00,000	1,09,431	8,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	4.55	5	0.45	0 375	..		12	Y.
24,89,344	2,28,127	33,81,124	18,21,778	42,739	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	18 75xd	10	1 30	1.60	1.60		3	Y.
2,25,00,000	40,500	66,75 349	30,89,526	2.54.744	Badridas Goenka, Esq., (Chairman)	Rallis India Ltd.	129 25	100	*Nil*	*Nil*	*Nil*		3	Y.P.
2,50,80,000	2,49,55,000	14,76,38,674	6,18,95,237	1,93,085	Sahu Jain Ltd.	Rohtas Industries	20 37	10	....	2 00	1 50	2.00	3	Y.P.T.
70,00,000	38,73,198	2,58,69,675	52,19,131	1,60,686	M.	Sen-Raleigh Industries	25 75	10	0.60	0 60	1 50		9	Y.P.
75,00,000	45,78,890	1,17,50,536	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	23 60	10	1.00	1 00	0.30		12	Y.P.
40,00,000	96,89,310	1,32,79,069	76,26,929	3,41,274	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22.50cd	10	1.50	1.50	1.80	0.60i	6	Y.P.
37,90,180	20,65,000	1,17,02,171	30,48,561	3,869	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	17.00	10	0.75	0.75	0 90		12	Y.P.
25,00,000	95,24,802	1,18,49,116	28,52,132	53,481	J. K. Agents Private Ltd.	Straw Products Ltd. §	12 32N	10	1 25	1 25	1.50		12	Y.
22,89,270	10,32,008	14,78,453	8,93 094	14,13,847	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	31.00	10	2.00	2 25	3.00	3.00	6	Y.
9,98,980	24,035	16,75,093	6,66,618	12,418	Ogale Bros. (Private) Ltd	Travancore Ogale Glass	7.50	10	*Nil*	0 40	0.60		12	Y.
11,56,300	14,70,739	12,72,077	6,76,530	41,732	R. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	36.00	10	2.00	2.00	2.75		9	Y.P.
2,49,99,000	1,10,58,485	2,57,49,568	46,49,251	41,074	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	201.00	100	10.00	10 00	10.00		7	Y.
30,58,950	29,686	68,68,938	17,68,838	56,308	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	9 75	10	*Nil*	*Nil*	*Nil*		9	Y.P.
2,00,00,000	1,16,35,505	3,85,11,692	95,31,873	43,63,429	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	48 50	10	1.40	1.40	1.80	0.75i	12	Y.
20,00,000	47,50,000	59,48,367	18,86,024	1,24,443	Vital Mallya, Esq. (Chairman)	United Breweries	85 48xdxr	10	2.00	3 00	3 00(c)		3	Y.
5,00,000	6,80,591	8,62 017	5,62,017	9,730	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	33 00N	10	4 00	3.75	5.25		11	Y.
31,29,500	25,69,264	98,81,836	25,54,513	5,401	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	239.00	100	10.00	10.00	10.00	10.00'C'	3	Y.P.
					TRANSPORT									
30,00,000	96,44,220	1,16,88,916	20,82,063	26,410	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	95.00	100	5.00	6.00	3.00		10	Y.P.
1,00,00,000	94,04,072	3,99,21,508	2,05,16,725	—7,10,928	Dinshaw (Private) Ltd.	Bharat Line	7 21	10	1 20*	1.20*	*Nil*		12	Y.
60,00,000 30,00,000	1 78 55,000	8,51,30,000	2,15,54,000	1,32,000	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	15 00 8.60	10 5(New)	1.50	1 80 0 90	1 50 0 525	1.00 0.50	6	Y.P.
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	63.75	£10	*Nil*	*Nil*			12	Y.P.
2,47,50,000	289,74,098	22,68,81,851	4,96,14,034	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	9.85	10	1 00	1 00	1 60	1.00	3	Y.P.
11,38,57,258	9,29,69,987	32,02,26,725	8,35,84,307	3,59,994	M.	Scindia Steam Navigation Co.	14 52	20	1.25	1.25	1.50		6	Y.P.
3,40,800 10,200P.O	21,45,788	13,10,577	9,03,867	1,67,197	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd	3 50 2 12	O. 1 P.O. 1	0.14 0.12	0 14 0 12	0 20 0 15		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed
25,50,000	35,44,700	1,23,77,423	30,99,853	11,099	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields..	21.87	10	1.25	1.25	1.50	1.00	3
12,00,000	2,90,358	38,08,529	34,12,329	—5,53,532	Jardine Henderson Ltd.	Barraree Coke	13.75	10	0.37	0.50	*Nil*	*Nil*	3
4,49,350	38,600	9,25,102	5,69,538	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	6 00	10	0.90	0.60			3
1,00,00,000	1,84,79,061	6,98,53,688	4,88,54,446	10,20,411	Andrew Yule & Co., Ltd.	Bengal Coal	316 00	100	17.50	17.50	25.00	10.00i	12
2,25,000	4,90,671	23,57,602	21,45,467	—24,902	Andrew Yule & Co., Ltd.	Bengal-Nagpur	22 00	10	*Nil*	*Nil*	*Nil*		12
40,00,000	61,200	1,47,08,411	80,25,554	2,25,071	Sahu Jain Ltd.	Bharat Collieries	4.50	10	0.60	0.60	*Nil*		12
7,15,000	14,93,844	57,66,346	36,78,757	—6,96,032	M.	Bhulanbararee	6 50N	10	*Nil*	*Nil*	*Nil*		6
7,50,000	20 32,392	45,36,993	28,95,396	19,830	F. W. Heilgers & Co. (Private) Ltd.	Borrea	20.50	10	0.75	0.75	1.00		12
90,92,480	1,77,68,238	4,58,82,424	2,17,98,561	1,10,788	Bird & Co. Private Ltd.	Burrakur	18 81	10	0.75	0.875	1.30	0.50i	12
49,97,000	4,63,729	74,82,076	25,32,605	27,542	Hindustan Investment Corpn. Ltd.	Central India	11.94	10	0.50	0.50	0.50	0.80	6
3,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend	7 00N	10	0.70	0.50			3
6,00,000	1,54,873	6,36,341(k)	....	941	F.W. Heilgers & Co. (Private) Ltd.	Churlia	3.37	4	0.20	0.20	0.12		12
16,00,000	....	57,45,962	32,76,326	—28,095	Macneill & Barry Ltd.	Dhemo Main	7.87	10	*Nil*	*Nil*			12
£240,000	£3,52,069	£1,124,710	£812,966	£7,006	Jardine Henderson Ltd.	East Indian	31.12	£1	1.50	1.00	1.25	1.00	12
29,63,760	1,07,01,492	4,76,99,617	3,38,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	28.37	10	1.50	1.50	0 75		4
10,00,000	40,000	24,58,595	8,45,200	—5,80,078	Bhatter's Agency Ltd.	Ghusick and Muslia	13.50N	10	*Nil*	*Nil*	*Nil*	*Nil*	12
12,00,000	1,27,964	43,44,376	27,68,441	—1,87,129	Killick Industries Ltd.	Hinuir-Rampur	23 00	50	*Nil*	*Nil*	*Nil*	*Nil*	3
3,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	11 00	10	*Nil*	*Nil*			6
20,06,000	5,37,341	40,32,438	10,76,764	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	200 00	100	*Nil*	5 00	5.00	7.00	12
5,00,000	21,66,090	56,77,095	40,80,864	1,31,658	Andrew Yule & Co., Ltd.	Katras Jherriah	41.50xd	10	6 50	6 50	6.50	[illegible]	3
11,00,240	68,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	8 25	10	*Nil*	*Nil*			1
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	14.00N	10	0.12	1.00			6
7,48,240	2,50,000	13,59,878	10,13,353	17,140	Tantia Brothers Private Ltd.	Nazira	7 50	10	0.75	0.75	1.00		4
17 76,230	23,80,325	1,52,03,775	1,01,37,915	81,185	Andrew Yule & Co., Ltd.	New Beerbhoom	19 50XR	10	0.75	[illegible]	1.50	0.60i	12
6,00,000	2,88,645	28,54,261	19,79,034	56,003	Octavius Steel & Co., Ltd.	New Manbhoom	15 50	10	0.50	0.50	0.50	0.75	10
1,15,000 1,57,500	3,84,525	12,06,308	9,60,464	23,053	Andrew Yule & Co., Ltd.	North West	23.50N 19 00N	10 7.50	[illegible] 1 12	[illegible] 1 12	1 50 1 12	2.00 1.50	3
7,50,000	16,65,465	2,65,558	2,15,095(k)	41,489	P. Prashad, Esq. (Chairman)	Ondal	11 00	10	0.50	0.50	0.70		12
8,34,000	1,82,527	28,59,307	12,11,228	1,026	Deepchand Kishenlall	Parasea	17.50xdN	10	0.50	0.50	0.62		12
15,75,000	22,88,200	76,01,778	47,81,408	14,547	Shaw Wallace & Co., Ltd.	Pench Valley	16 50	10	2 00	2 00	1.90	1.00	3
23,94,600	34,80,802	1,52,74,203	1,05,98,171	8,664	M.	Raneegunge	15 75	10	0 75	1 00	1.00	1.50	3
18,56,000	6,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	22 62	10	1.00	1.00	1.00	0.75i	3
37,50,000	36,62,940	1,07,14,676	34,23,229	—6,500	M.	Samla Collieries	8.50N	10	0.90	0.50	0.70		12
12,80,000	1,83,610	22,73,864	7,61,427	2,609	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	121 00	100	9.25	12.50	16.00	..	12
2,80,000	10,63,529	30,26,230	20,37,034	46,962	Andrew Yule & Co., Ltd.	Seebpore	32 00	7	1.75	1.75	3.06	1.00i	12
8,00,000	4,54,565	11,84,609(k)		5,451	F. W. Heilgers & Co. (Private) Ltd.	Sendra	0 25	10	0.25	*Nil*	0.25		12
66,21,450	1,24,58,755	7,11,84,167	3,16,11,631	90,858	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	9 75	10	1.50	0.75	0.75		12
12,50,000	8,47,303	41,74,967	19,33,899	79,788	Bird & Co. Private Ltd.	South Karanpura	11 37	10	0.75	0.75	0.90		12
[illegible]	16,46,229	24,83,605(k)		24,861	F. W. Heilgers & Co. (Private) Ltd	Standard	12.75	10	1.00	1.25	1.50		3
[illegible]	2,81,000	20,49,970	15,46,057	22,484	R. M. Varma, Esq. (Mg. Director)	Union	12 00	10	0.27	0.25	*Nil*		12
[illegible]	8,56,533	86,93,251	32,76,863	7,082	Hindustan Investment Corpn. Ltd.	Western Bengal	7.75	10	0.50	0.40	0.44	0.60	12
[illegible]	....	59,74,151	29,16,906	12,586	Macneill & Barry Ltd.	West Jamuria	6.00	10	*Nil*	*Nil*			3

§ Reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,854 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955. M Investment... [illegible]

§§ New Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Interim [illegible]

[illegible] by the Board of Directors. N.B.—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. 'C'—On increased Capital.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
16,00,000 14,50,000	1,08,00,000	3,36,012	Allahabad Bank	347.00 173.50	100 50	18.00‡ 9 00‡	18.00‡ 9.00‡	18.00‡ 9.00‡		12	Y.P.
1,01,000 40,78,300	19,73,220	10,301	Andhra Bank	100.00 86.00	100 85	6.00 5 10	6.00 5 10	8.02 6 40		6,12	H.
1,50,00,000	1,60,06,625	1,02,801	Bank of Baroda	92.50	50	7.00	6.00	7.00	3.50i	12	Y.
2,50,00,000 50,00,000 'A'	3,10,00,000	12,47,743	Bank of India	115.00 119.00	50 50'A'	8.00 8.00	8.00 8.00	8.00 8.00	3.75i 3.75i	6,12	R.L.Y.
80,71,320 67,08,155	13,22,881	27,745	Bharat Nidhi Ltd.	8.68 —	10 2.50	0.50 ..	0.60 ..	‡‡	..	12	
86,00,000	56,30,000	42,473	Canara Bank Ltd.	83.00	50	5 00	5 00	7.50		12	Y.P.
12,47,775	18,00,000	14,361	Canara Banking Corporation Ltd.	80 00	50	5.00‡	5 00	7.50		12	Y.P.
'A' 5,99,620 'B' 16,00,000 'C' 2,00,000	35,00,471	28,596	Canara Ind. & Bkg. Syndicate Ltd.	188.00 18.50 1.88	100 'A' 10 'B' 1 'C'	15.00 .. 0.15	5 00‡ 15.00 ..	20.00‡ 2 00‡ 0.20‡		12	Y.
2,62,50,000 A.52,50,000	4,07,63,265	18,82,560	Central Bank of India Ltd.	55.50 59.00	25 25	3.50 3 50	0.15‡ 3.50	4.30 4.30		12	R.L.Y.
50,00,000	52,00,000	5,69,301	Devkaran Nanjee Banking Co.	54 30	50	3 00	3 50	2.52		12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank	15.50	50	*Nil*	*Nil*			12	Y.
50,00,000	2,30,000	5,519	Hindusthan Mercantile Bank	15 00	50	*Nil*	*Nil*	*Nil*		12	Y.
60,60,000 22,40,000	84,01,884	80,143	Indian Bank	169.00 143.00	100 80	15 00‡ 12 00‡	13 00‡ 10 40‡	12 00 15 00‡		12	Y
74,53,000	59,36,660	1,76 012	Indian Overseas Bank	183.00	100	10 00	10 00	12 00		6, 12	R.L.Y.
15,00 000	12.00,000	28,839	Pandyan Bank Ltd.	33.00	25	1 87	2.50	14 75		12	
1,25,00,000	1,47,50,000	3,18,830	Punjab National Bank—K	19.76	10	5 00	2 00	2.00	1.00i	12	Y.
5,62,50,000	7,20,00,000	55,87,409	State Bank India	312.50	100	16 00	16 00	20 00		12	Y.
60,00,000	47,00,000	97,247	Union Bank of India	6.32	5	0.44	0.44	0.57		12	Y.
2,00,00,000	1,75,00,000	1,04,096	United Commercial Bank	86.00	50	3.75	3.75	5 30		12	H.
2,68,43,647	83,70,000	1,81,565	United Bank of India	5.12	10	0.30	0.30	0.43		12	R.L.Y.
			PRINCIPAL EXCHANGE BANKS			Dividend (per cent.)					
£5,000,000	£5,500,000	£463,355	Chartered Bank	£2-15-0	£1	15†	15†	15†	8†i	12	Y.
H.K.$.78,974,750	£10,949,165	£132,295	Hongkong and Shanghai Banking Corporation	£79¾	H.K. $125	3½*Z	3*	3*	1½i*	12	Y.
£34,809,506	£24,950,000	£569,125	Lloyds Bank	£3-10-6	£1	13†	12½'C'	12†	6†i	12	Y.
£4,562,400	£3,000,000	£301,488	National and Grindlays Bank Ltd.	£1-14-3	sh.15	15†	15†	12½†	6½†i	12	Y.

‡ Includes bonus. † Less tax. (i) Interim. xr—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital. C—On increased Capital. * £ per share free of tax.
K—Punjab National Bank—Dividends for 1956 and 1957 are on shares of Rs. 25 each.
‡‡ Bharat Nidhi Ltd. One Punjab National Bank share for 20 fully paid up ordinary shares or 80 partly paid up ordinary shares of the company for the year 1959 as a specie dividend. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
17,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1963
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	99.75	1st August .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November .. 1959-64
			COAL			
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December .. 1968 (a)‡
			COTTON			
10,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95 00	18th December .. 1966-71
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April.. .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (b)
65,22,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	99.50	1st April .. 1967-70
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
30,00,000	6½	1st January and 1st July	Shree Nivas	1958	100 00	31st December .. 1970
60,00,000	6½	1st April and 1st October	Simplex	1959	100 00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Vishnu	1955	94.50	1st June .. 1966-70
59,51,000	5	1st June	Tata Mills	1951	92.00	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	..	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	99.00	31st March .. 1975
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£2,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85.00	31st December .. 1970
13,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½T	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	100.00	1st July .. 1970
2,50,00,000	4	1st January and 1st July	Tata Power	1949	86.00	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	104.50	1st January .. 1966-71
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	98.25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.50	1st October .. 1960-65
			JUTE			
18,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
9,00,000	5	31st January and 31st July	Calcutta	1949	87 00	31st July .. 1959
10,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
30,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
3,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	95.00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
[illegible]	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
[illegible]	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
[illegible]	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	82.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.00	31st March .. 1967
[illegible]	6½	31st January and 31st July	Waverley	1925	80.00	31st August .. 1972
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
[illegible]	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par on every seventh year thereafter 1st October .. 1974
[illegible]	5	1st April and 1st October		1933	£74.10N	
[illegible]	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
[illegible]	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
[illegible]	4½	1st March and 1st September	Scindia Steam Navigation	1949	97.00	1st September .. 1963
			PLANTING			
[illegible]	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
[illegible]	6T.F.	1st January and 1st July	Kallas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
			MISCELLANEOUS			
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
[illegible]	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
[illegible]	5½	1st March and 1st September	Burmah-Shell	1954	100 25	1st September .. 1964-69(a)§
[illegible]	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	100 00	1st October .. 1970
[illegible]	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	82.00	 1966
[illegible]	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100 00	1st January .. 1973 (a)†
[illegible]	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101 50	30th June .. 1969 (a)‡
[illegible]	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	102 75	1st January .. 1975
[illegible]	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84 00	30th September .. 1984
[illegible]	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	523 00	30th September .. 1976 (a)
[illegible]	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 00 (per note)	31st December .. 1972 (a) 30th September .. 1984
[illegible]	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85 00N	1st April .. 1971
[illegible]	5½	30th June and 31st December	National Rayon	1955	100 00	30th June .. 1965-70
[illegible]	5½	31st March	Orient Paper Mills Ltd.	1951	92 00	31st March .. 1961 (a)
[illegible]	6½	1st January and 1st July	Premier Automobiles	1958	125 50	31st March .. 1963-78
[illegible]	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96 00	31st December .. 1969
[illegible]	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95 00	15th July .. 1966
[illegible]	6	16th Feb. and 16th August	Shree Gopal Paper Mills Ltd.	1955	96 00	16th February .. 1961 (a)
[illegible]	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	100 25	1st May .. 1964-68 (a)‡‡
[illegible]	5	31st January and 31st July	Tata Chemicals Ltd.	1945	97 [illegible]	31st July .. 1970-75
[illegible]	6	1st April and 1st October	Tata Oil Mills Co., Ltd.	1959	[illegible]	30th September .. 1969-74

[illegible] Debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. [illegible] to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 15 years. ‡Any debenture outstanding on 1-6-1960 will be redeemed [illegible] with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 [illegible] Company has option to redeem debentures at 101 per cent. on 1st May 1962 on six months' notice. † Option to repay at par on six months' [illegible] after 1st January, 1961. T—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 25th January, 1961.

	Closing quotations 19-1-1961	High	Low	Closing quotations 25-1-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	166.50	165.50	163 75	164.50
Apollo (2)	1.46	1 48	1.42	1 48
Baroda Rayon (100)	123 50	126 00	123 00	124 00
Bombay Dyeing (25)	60.10	60 80	60 10	60 60
Bradbury (50)	117 50	—	—	117 50
Central India (100)	98 00	104 00	97 00	104 00
Century Mills (100)	464 00	478.50	464 00	477 50
Cooria Sp. (100)	131 25	—	—	131.25
Dawn (50)	114 50	117.00	114 50	117 00
Edward Textile (200)	262.50	—	—	262 50
Elphinstone (50)	57 00	63.50	58.00	63 00
Finlay (100)	330 00	331.00	329 50	330 00
Gokak (100)	178.00	179 00	164 00xr	165 00xr
Gold Mohur (100)	245 00	255 00	245 00	255.00
Gwalior Rayon (10)	41.50	42 00	41 25	42 00
Ind. Untd. Defd. (1)	1 58	1 58	1 54	1 58
Ind. Untd. Ord. (10)	14 08	14 20	13 92	14 16
Indian Rayon (50)	53 00	53 00	51 00	51 50
Indore Malwa (100)	130 00	130 00	128 00	130 00
Khatau (100)	438 75	455 00	438 75	442 50
Kohinoor (100)	269 00	277.50	269 00	277 50
Lakshmi (250)	500 00	502 50	500 00	502 50
Mafatlal (100)	720 00	730.00	720 00	727 50
Minerva Mills (100)	64 00	—	—	64 00
Model Nagpur (250)	80.00	—	—	80 00
Morarji (100)	315.00	328 00	316 00	328 00
Mysore (50)	59 50	58 50	54 50	57.50
National Rayons (100)	482 00	496 50	482.50	488 50
New City (100)	144.00	—	—	144 00
New Great (100)	190 00	194 00	192 00	194 00
Phœnix (100)	131 00	130 50	130 00	130 50
Podar Mills (100)	134.00	135.50	134 00	135.00
Raymond Woollen (100)	104.50	105 50	104 00	105 00
Sassoon Silk (10)	15.00	—	—	15 00
Sassoon Spg. (10)	45 00	45.75	45 00	45 50
Shrinivas (100)	234 00	242 00	233 00	240 00
Simplex (50)	165.00	170 00	164 00	168.00
Standard (100)	1,005.00	1,043 00	1,004 00	1,022 00
Svadeshi (100)	234 50	241.50	234.00	239 50
Swan (100)	480 00	—	—	480 00
Tata Mill (25)	40.00	41.50	39.75	41 25
Vishnu (100)	101.00	—	—	101 00
Western India (1 000)	4,075.00	—	—	4,075.00
BANKS				
Bank of India (50)	114.00	116.00	113 50	115 50
Do. (New) (50)	117 50	120 00	117.00	120 00
Bank of Baroda (50)	86.00	95 50	86 00	95 50
Central (25)	57 00	56 50	55 20	56 00
Central 'A' (25)	61 00	61 00	59 00	59 50
Dena Bank (50)	54 30	—	—	54 30
Punjab National (10)	19.68	19.76	19 60	19 64
Union Bank (5)	6.32	6.36	6 28	6 38
United Com. (50)	85.90	86.00	85.00	85.00
ELECTRIC COS.				
Ahmedabad (100)	84.50	85.00	84.20	85 00
Amalgamated (10)	10 08	—	—	10.08
Andhra Valley (1,000)	993 75	993 75	987.50	987.50
Bom. Sub. El. (100)	83.50	84 50	83 20	84 50
Surat (100)	85.00	85 00	84.30	84 30
Tata Hydro (100)	100.75	101.00	100 50	100 50
Tata Power (1,000)	1,020.00	1,020.00	1,007.50	1,015.00
INSURANCE COS.				
British India (10)	12.00	—	—	12.00
Empire of India (100)	268.75	—	—	268.75
Ind. Mercantile (20)	42 50	43.00	42.00	43 00
Jupiter (15)	7 28	—	—	7 28
New India (15)	54.00	55.00	53.70	55 00
Vulcan (10)	16.48	—	—	16.48
STEEL COS.				
Ind. Iron (10)	23.88	24 72	24 08	24.64
Mukand Iron (10)	22.12	23.24	22 12	23.24
Tata Steel Ord. (75)	144.00	147.50	144.00	146.75
SUGAR COS.				
Belapur (50)	313.00	315.00	290.00	306 50
Bhopal (10)	29.00	—	—	29 00
Changdeo (12.50)	29.50	—	—	29 50
Phaltan (50)	156.50	155 00	150 00	153 00
Walchand Ind. (100)	243.50	237.50	225.00	230.00
CEMENT COS.				
Associated Cts. (100)	150.75	152 00	150.25	150.50
Digvijay (100)	149.00	150 25	149 00	150 00
Orissa (10)	13.72	13.72	13.40	13.72
MISCELLANEOUS				
Alcock Ashdown (100)	253.00	261.00	254.00	260.00
Bom. Burmah (125)	550.50	559.00	549 50	554.50
Do. (New) (50)	193.00	195 00	193 00	195.00
Br. B. Petrol (4 sh.)	2.10	2.08	1 98	2 02xd
Br. I. Corpn. (5)	6 80	6.02	6 76	6.76
Cooper Eng. (100)	159 50	165 00	159 50	163.50
Colour Chem. (100)	307 50	307.50	305.00	307 50
Hind Cycle (100)	85.00	—	—	85 00
Hindustan Lever (10)	43.25	43 50	43.00	43.00
Hindusthan Motors (10)	19.60	19.84	19.32	19.56
I. C. & Invest. Corporation (100)	71.00	—	—	71 00
Indian Dyestuff (100)	433.75	437.50	423.75	425 00
Indian Copper (2 sh.)	4 58	4.68	4.60	4 64
Ind. Inv. Tr. (100)	79.80	—	—	79 80
Killicks (100)	99.50	99 80	99 00	99 50
Larsen & Toubro (10)	34.25	35.25	34.25	35 00
Mahindra & Mahindra (10)	19 40	20 00	19.36	19.60
New Central Jute (10)	20 36	—	—	20 36
Polson (100)	152.50	152 50	152 00	152 00
Pre. Automobiles (100)	160 75	171 50	163.00	167 50
Premier Con. (80)	278 00	280 00	190 00	193 00xR
Scindia (20)	14 52	14 72	14 44	14 52
G. B. Shipping (10)	15 00	—	—	15 00
Shivraipur (10)	71 00	71 00	69 50	70 50
Sirpur Paper (10)	16 44	16 60	16 28	16 48
Tata Chemicals (10)	17 40	17 64	17 40	17 52
Tata Locomotive (100)	290 00	296 00	287 50	290 00
Tata Oil (25)	72 50	73 70	72 50	73 50
Texmaco (10)	22 92	23 32	22 88	23 32
Voltas (100)	252 00	258 00	249 00	257 00
W. I. Match (100)	257 00	261 00	258 00	259 00
W. Coast Paper (100)	182.00	183 50	180 50	181.00

GOVERNMENT SECURITIES	19-1-1961 Rs	Gross Yield Earlier Redemption	Gross Yield Later Redemption	25-1-1961 Rs.
2½% 1961	99 05	—	4 24	90.15
2½% 1962	97 90	—	3.94	97.90
2½% 1976	83 50	—	4 23	83.50
3 % 1964	97 65	—	3 65	97 65
3 % 1963-65	97 55	3 00	3 54	97 55
3 % 1966-68	99 30	3 93	3 70	95 80
3 % 1970-75 1st Dev.	80 00	4 88	3 05	90 00
3 % 1986 Con. Loan	74 45	—	4 02*	74 85
3½% 1961 N.P. Bonds	100 00	—	3 56	100 00
3½% 1964 N.P. Loan	99 35	—	3 70	99 85
3½% 1965 N.P. Bonds	99 25	—	3 70	99 25
3¾% 1962	99 65	—	3 50	99.65
3½% 1967 N.P. Bonds	98 90	—	3 70	98 90
3½% 1974	90 00	—	3 64	[illegible]
3½% 1967 N.P. Bonds	100 75	—	3 63	100.75
3½% 1969 Loan	98 80	—	3 67	[illegible]
3½% 1968	93 90	—	3 69	[illegible]
3½% 1963 N.P. Bonds	99 80	—	3 60	[illegible]
3¾% 1948 N.P. Bonds	100 65	—	3 66	[illegible]
4 % 1972 Loan	100.50	—	3 96	[illegible]
4 % 1973 Loan	100 40	—	3 96	[illegible]
4 % 1979 Loans	100 10	—	3 99	[illegible]
3¾% 1966 Bonds	99 80	—	3 84	[illegible]
4 % 1980 Loan	99 95	—	4 03	[illegible]

* Cum Dividend. xd—Ex-Dividend. X.R.—Ex-R[illegible]

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	100.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sep.	90.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	114.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	6.33cd	5
East India Distilleries T.F.C.	£200,000	1897	7.00	Jan.	July	17.25cd	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec.	..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	62.00	100
Partabpore Co. C.	6,00,000	1922	10.00	Oct.	..	12.00	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	80.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	62.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	7.40	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.C.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	120.50	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	6.50	Oct.	Apr.	79.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-19	7.00	Apr.	Oct.	89.00	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	7.12	10
Equitable T.F.	4,00,000	1905	6.00	Mar.	Sept.	75.00	100½
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	55.00	75p.
††Khas Kajora C.	1,93,000	1931	5.00	Mar.	Sept.	7.50	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	11.00	10
Ondal T.F.C.	2,00,000	1896-99	6.00	Apr.	Oct.	80.00	100
COTTON							
Ahmedabad Advance T.F.C.	10,00,000	1920	5.00	Apr.	Oct.	78.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	115.00	100
Basanti Cotton T.F.	5,00,000	1936	6.25	Nov.	..	8.25	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	160.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	53.50	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	125.00	100
Cambodia C.T.F.	1,00,000	1928	7.00	Apr.	..	108.00	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	275.00	495
Century Spg. & Mfg. Co. T.F.R.C.	1,25,00,000	1956	6.00	Dec.	..	110.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1935	6.50	June	..	78.75	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	112.00cd	100
Elgin 'B' T.F.C.	4,20,000	1948	5.00	July	..	7.00cd	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	59.50	100
Kesoram T.F.C.	20,00,000	1919	7.00	June	Dec.	103.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	70.50	10
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	9.30	5
Kothari 'B' (Pref.) T.F.C.	6,00,000	..	6.00	..	..	10.00N	250
Lakshmi Cotton (Bombay) C.	16,00,000	1896	5.00	..	..	150.00	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	67.00	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	22.76	50
National Rayon C.	1,74,84,700	1947	5.00	..	..	69.00	100
New Great	8,00,000	1913	5.50	Mar.	..	105.00	200
Podar Mills T.F.C.	10,00,000	1943	4.00	Feb.	..	65.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr.	..	47.73	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	66.00	100
Sholapoor T.F.C.R.	32,00,000	1943	3.00	..	..	78.25	100
Swadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	84.50	100
Swadeshi (Kanpur) T.F.C.	35,00,000	1927	6.00	June	..	71.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.80	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	96.75	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	99.00	100
Vishnu C.	15,66,500	1906	7.00	Apr.	..	422.50	500
ELECTRICS							
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	1,040.00	1,000
Amalgamated Electric T.F.C.	24,15,000	..	5.50	..	..	77.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June	Dec.	9.75	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50 }	Sept.	Dec	{ 8.16	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50 }			8.16	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	108.50	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	100.50	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,095.00	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	6.33	10
ENGINEERING							
Arthur Butler (Muzaffarpore) T.F.C.	1,30,000	1919	7.00	Mar.	..	11.00	10
Burn & Co. Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb.	Aug.	114.00xd	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	105.00xd	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	89.50	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	112.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	83.50	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	52.50	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	83.00N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	93.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	97.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	86.00	100
Premier-Construction (1st) C.	10,00,000	..	6.25	..	..	76.00	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	72.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	5.32	10
Tata Iron and Steel (1st) C.	75,00,000	1906	6.00	Nov.	..	185.25	150
Do. do. (2nd) C.	6,98,81,900	1906	7.50	May	..	102.50	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	86.00xd	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	85.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	64.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	90.00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	70.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	60.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	93.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	36.00	£5
Belvedere T.F.C.	7,00,000	1906	7.00	Jan.	July	89.00	100
Birla C.	23,64,200	1919	7.50	June	Dec.	87.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	89.00	100
Calcutta T.F.C.	6,00,000	1924	6.50	Jan.	July	51.00N	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	87.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	87.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	67.00xd	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	77.00xd	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	90.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	80.00	100
Fort Gloster T.F.C.	14,00,000	1890-98	7.00	May	Nov.	110.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	70.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	110.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	90.00xd	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	79.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	82.00	100
Hooghly T.F.	11,76,000	1918	10.00	May	Nov.	10.00	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	91.00xd	100
Do. T.F.C. (f)	17,50,000	1902-6	7.00	May	Nov.	89.00xd	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	89.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	74.00	100
Kankinarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	88.00	100
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	76.00xd	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	88.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	93.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	87.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	60.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	105.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	77.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	88.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	80.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	87.00xd	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	71.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	81.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	98.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	93.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	88.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	5.00	Mar.	Sept.	38.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	52.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.75xd	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5.50	Dec.	..	91.00	100
Indian General Nav. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	78.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	80.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May	Nov.	31.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	100.00	100
Birpara T.F.C.	1,00,000	1900-03	8.00	Jan.	..	103.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	100.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	75.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	103.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	100.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec.	..	89.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	9.25	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan.	July	100.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	91.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	94.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	92.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan.	..	10.50	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May	Nov.	18.25	100
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	2.70cd	5
Do. R.C.	2,85,570	1944	6.25	..	..	6.02cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	50.75	50
Coffee Lands C.T.F.	10,40,600	..	5.00	..	..	74.00	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	85.00	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	10.80cd	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	95.00	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	8.08	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	7.20cd	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.75cd	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar.	..	8.05	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	7.00	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	9.10xd	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	8.40xd	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	91.20	100
Do. do. (2nd) T.F.R.C.	5,00,000	..	5.00	June	..	86.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	99.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	92.00xd	100
Andhra Cement C.T.F.	2,48,800	1937	6.00	Feb.	June	100.00	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	52.00	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	12.50	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	51.00	50
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	104.00	100
Do. "B" T.R.C.	20,00,000	1948	6.00	..	..	65.00	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug.	..	6.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	14.50xd	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb.	Aug.	8.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	116.00	100
Dalmia Cement (Bharat) C.T.F.	61,58,210	1937	6.00(f)	Sept.	..	8.12	10
Dhrangadhra Chemicals T.F.C.E.	31,91,900	1956	6.00	..	..	89.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec.	..	81.00	100
Dunlop Rubber Co. (1st) T.F.C.	30,00,000	1926	6.00§	June	Dec.	109.00xd	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	6.00	Apr.	..	85.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	59.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	40.00	100
Gillanders Arbuthnot(f) R.C.	25,00,000	..	5.00	Apr.	Oct.	54.00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6.00	Mar.	..	181.50	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	6.50	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	90.00cd	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	70.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	87.00xd	33
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	30.00	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.	..	62.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	55.50	100
Kettewell and Bullen (1st) C.	20,00,000	..	5.50	May	..	57.00	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May	..	54.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	63.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	86.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	51.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	62.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	85.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb.	Sept.	9.00	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	8.25xd	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	5.95	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	70.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	62.00	100
Orient Paper T.F.C.R.	20,00,000	1936	5.50	Jan.	..	82.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,000	1936	7.00-9.00	Apr.	..	112.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	56.00	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	67.00xd	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	8.40cd	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	10.75cd	10
Standard-Vacuum C.	75,00,000	1955	6.00	June	Dec.	89.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	74.00	100
Tata Chemicals T.F.C.	59,97,000	..	5.00	June	..	82.50	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	57.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	112.50xd	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	77.50xd	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranted by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Remeedable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating upto 9 per cent. (t) Free of Income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) Redeemable on various dates. (w) Redeemable any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. pp—Partly paid.

COMMERCE

*"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."*
William Blake.

VOL. CII. No. 2600 BOMBAY, 4th FEBRUARY 1961 PRICE Rs. 2

CONFUSION IN COFFEE

THE Indian coffee industry is currently up against problems which it had collectively ignored for well over a decade. The entire coffee policy of the Government was founded on one uncertain and highly vulnerable base—high export prices. Luck in the export market held for 12 years in a run and almost everybody forgot to think ahead as to what would happen when the boom in the world coffee market yielded place to depression, as, indeed, it has done in the past year and a half. India is one of the few coffee-producing countries in the world, with an internal market which absorbs the bulk of its produce and has an almost unlimited consumption potential for the future. It produced 49,000 tons in the last season, of which a little over 29,000 tons were absorbed by the internal market. There is no other coffee-producing country in the world with so large an internal market for its produce. With so great and positive an advantage, how come that coffee policy suffers from such weakness and confusion? Before a satisfactory answer to the coffee problems can be found by a process of realistic and reasonable thinking, the relevant facts have to be known.

Coffee is the only commodity marketed by a Statutory Board in India. All coffee growers have to surrender their entire crop to the Board's Coffee Pool. The Board, as reconstituted in 1955, is composed of several interests and is a miniature Parliament by itself. So, on the question of efficient disposal of the crop, a decision has to be taken not only by those who produce the coffee but also by groups and interests who have no abiding interest in the produce. But the Board is not the ultimate authority; the Board and all its actions and its officers are controlled by the Government of India. By this arrangement, it becomes possible for the producers, the Board and for the Central Government separately to disown responsibility for coffee policy and blame one another for the results when they are the wrong ones.

From October 1952, and upto almost the end of 1959, the paramount consideration of the Government's policy in regard to coffee marketing was satisfaction of the home market. By 1960, the wheel had turned half the circle and is currently at the opposite pole, namely, maximum exports possible. The Board, as a wholly controlled subsidiary department of the Government, has to bend its pliable knees to the 180° change in the marketing policy. The producer would not have minded either way, if the prices were satisfactory. When they are not, he uses the Board as his channel for ventilating his grievance. Unfortunately for the grower, coffee has a highly vocal consumer. The latter will buy milk, salt, oilmanstores, clothes and other necessities at ten times the prices prevailing before the first Plan or World War II without demur, but would, with a hundred letters to the Press and the Board, protest violently against any rise in coffee prices.

Coffee has been having a pricing mechanism which is not known to most people in India. From 1950 to 1960, the internal price of coffee was fixed *below* what was accepted as the minimum return payable to the grower. In 1953, the Government rejected its own Cost Accountant's cost figure of nearly Rs. 2.50 per point as being too high and arbitrarily fixed Rs. 2.25 as the minimum return payable to the grower. And, what was more, internal sales were actually made on the reserve price fixed at Rs. 2.06 per point. The difference was expected to be made good from the extra earnings on exports. In other words, the home consumer was subsidised out of coffee's export earnings. Such a policy could last only so long as exports fetched fancy prices. The actual payments to the grower were, however, slightly higher, as production increased and with it, exports also.

In order to enable the reader to appreciate the serious plight in which the coffee grower finds himself today, it is necessary to give a picture of the prices received by him. Hence the following table:

Year	Price per point* Rs.	nP
1950-51	2	27
1951-52	2	75
1952-53	2	32
1953-54	2	84
1954-55	2	37
1955-56	2	56
1956-57	2	81
1957-58	2	51
1958-59	2	45
1959-60	2	20†

**Point* is a rating adopted by the Board for calculating payment for each type and variety of coffee in the Pool. The value of Plantation A is taken as 80 points per cwt. †Estimated.

The most important point to be noted from the aforesaid figures is that the payment on the 1959-60 crop is falling below the rate of return received by the grower a decade previously and is less than even the fair cost of production arrived at by the Government Cost Accountant himself some eight years ago. Surely, as readers are aware, there has been a tremendous increase in cost of production everywhere; since then, the plantations, in particular, have been subjected to heavy taxation and large expenditure on labour amenities. It must now be obvious why the growers are gravely perturbed. It is true that, during the decade of favourable prices, they increased the size of the crop from 18,600 tons to 53,000 tons, as also the yield per acre from 181 lbs. to 451 lbs., but this has not been sufficient to cover all the increases in cost of production. Internal consumption has increased from 18,000 tons to 29,000 tons during the same period—a substantial increase but far smaller than the weight of increase in production. Moreover, a rise in internal consumption has meant an increase in the cost of subsidising it.

Against this background in the internal market and the industry's progress in production must be viewed the world coffee situation. During the decade under review, the level of world coffee production increased, almost as spectacularly as Indian production, from 2.03 million tons to 4.47 million tons, whereas world exports staged only a modest increase, from 1.68 million tons to just 2.47 million tons. The world surplus, therefore, burgeoned from a mere 350,000 tons to 2,000,000 tons. At the end of 1960, there were 40 million bags of exportable coffee with the producing countries in the American Hemisphere and that surplus will increase as additional quantities begin to accumulate from current crops. The world price of coffee, after going up to 89 U.S. cents per pound in April 1954, moved down to around 36 cents in April 1959, a level which has been maintained with difficulty since then. On parity, the price equivalent at any Indian port for comparable coffee would be Rs. 174 per cwt., or fully Rs. 20 per cwt. below the net price required for making a minimum return of Rs. 2.25 per point.

Some degree of steadiness to world prices have been imparted by a scheme of retention under the International Coffee Agreement. But this arrangement has led to substantial additions to stocks in producing countries. During 1959-60, the size of the retained stocks out of the then crop by American Hemisphere producers was 1,937,000 tons and of non-American participants in the scheme 62,600 tons. Government-held stocks in the three largest producing countries alone rose by 1.4 million tons and were, as of 30th June 1960, equivalent to one year's world consumption. India is not a party to the International Coffee Agreement and is not committed to any retention scheme. But, even if it were a party to it, it is quite unlikely that the economy of its coffee industry would fare better. Accordingly, a careful examination of the Government's, or the Coffee Board's, marketing policy has become urgent. Now that the pressing need for foreign exchange has compelled the Government to lay the stress on maximum exports of India's best coffees, it is pretending that it has always been holding to that course and indifferent to the demand of the home market. The public, on its part, is clamouring for low prices and high quality, as is evident from innumerable letters in the Press, newspaper editorials and private complaints. The grower finds that, despite his efforts to step up production to cover the swiftly increasing costs, he is losing the game, what with the world price against him and caught as he is in the statutory grip of the Coffee Board. To the grower, the Board can do nothing right with its elephantine gait and ponderous procedures and its apparent subjection to detailed Government control. Confused and bewildered by the speed with which opinions change with the market, the Board has to defend itself against the charges of the growers, the trade and the consumers about its past and without any clear idea about its future.

The present ills of coffee industry are traceable to the absence of forward thinking and planning, which in turn are due to defective Government policy. The Government deprived the industry of its responsibility for marketing and took it on its shoulders. This Government interference itself is the outcome of heady prosperity in coffee industry in the previous ten to twelve years, as the politicians in power in the early fifties wanted to please the consumer by compelling the grower to sell coffee at subsidised prices. This solicitude has bred a feeling among consumers that they are entitled to a continuance of this privilege for ever, a privilege which they are not enjoying in respect of any other commodity in daily use. They would not care to realise that world economic reality would catch up with them one day. The Government officials administering the Coffee Act, with the periscope view of the coffee situation from afar, were first casual and indifferent and now they are somewhat puzzled as to why there should be such a fuss when no coffee grower appears to have gone to the wall.

There is no doubt that coffee is in for a bad time. But it is also true that, by reorientating coffee policy, by making the grower really responsible for marketing decisions concerning his

Contents

LEADING ARTICLES— PAGE
Confusion in Coffee 185
President Kennedy's Message 186
MARKET GOSSIP 187
ROUND THE EXCHANGES 188
NEWS IN BRIEF 189
PERSONAL 189
THIS WEEK'S SURVEY 190-191
SPECIAL FEATURES—
On The Arena 192
American Letter 193
London Letter 193
Manchester Letter 196
India's Plan for Food Unbalanced ... 202
Popularity of Gold at Record High Level 206-207
Origin and Objectives of O.E.C.D. ... 218
MONEY AND BANKING 194
COTTON 198
SUGAR 200
NEW PUBLICATIONS 204
ENGINEERING 208
NEW PRODUCTS AND PROCESSES 209
LABOUR 210
COMMERCE AND INDUSTRY 212
COMPANY MATTERS 214-217
MARKET REPORTS 219-221
MISCELLANEOUS STATISTICAL INFORMATION . 222
WEEK'S STOCK EXCHANGE TREND 224

coffee, by reorganising procedures and methods, by enlarging the production base and by expanding the home and overseas markets, the producers of Indian coffee could face the future with confidence. Grower attention is being increasingly focussed on the weird and outdated multi-channel sales, auction by closed bids, export sales by calling tenders, restricting the trade only to registered dealers, undercutting private retail trade under the guise of propaganda and many other ritualistic practices that have grown up under the enormous banyan tree that is the Board today. Those who understand their coffee insist that Indian coffee, produced and processed properly, type for type, is the finest in the world and would sell at a premium if only it were advertised and marketed well. They say that, provided cost is covered, coffee should be made freely available in the home market for any dealer or buyer, subject only to the requirements of India's export drive. There are ample supplies of other grades and types for the Indian market and all restrictions on the quantity offered for sale should go.

Some of these reforms are overdue and will probably be accepted by the Board and the Government. There is, however, a fundamental issue which may be overlooked, but should not be, as it is the core of the problem. A centralised form of marketing may be good from the point of view of exercising greater control over prices. But, if it has no advantage to offer to the grower, he may wonder why there should be any pooled marketing which only helps to chain him to several procedural handicaps and to extend the distance betwen him and the consumer. The important point is that, even if the grower is likely to receive not so good a price, he may accept the situation if he is a party to the decisions that are made for the disposal of his produce. With a Board which is no longer compact and has lost its character as a tight and competent deliberative body with the responsibility for marketing a crop received from some 50,000 growers, the voice of the growers is lost in a cacophony. The organisational defect of the Board is that it is controlled neither by the Government with a full sense of direct responsibility for what is being done and what needs to be done nor by the growers who know where the shoe pinches them and how to rectify it. Consequently, the constitution of the Coffee Board and its functions must be reformed first. The next important thing is to realise that the inherent advantage of a large potential internal market must be fully exploited, not to reduce the exportable quantity (which will have to be sold at a loss) but to increase the exports with a minimum loss.

The larger the home market for coffee, the greater the industry's capacity to export a larger volume at a loss. On the probable export of 22,000 tons from the current crop at an overall export value of Rs. 129 per cwt., the producers would lose about Rs. 19 per cwt. on the export, but the net loss on the total crop of 53,000 tons would be around Rs. 12 per cwt. If exports were increased without expanding the size of the internal market, this loss would steeply rise to a level which cannot be borne by the Indian producer. On the other hand, if the home market increases to 40,000 tons when the total crop rises, as it well may, to 62,000 tons and the same quantity of 22,000 tons are exported, the net loss to be borne by the grower on exports would be reduced to Rs. 8 per cwt. It would, therefore, be the soundest of all coffee policies to plan for the maximisation of production and to conduct a hard drive for the expansion of the home market. It is a static attitude to view the prospects of coffee in terms of a non-expanding internal market in the belief that it will allow for greater exports. This will not happen unaccompanied by a deep crisis in coffee economy which will defeat the purpose altogether. There are many growers who believe that, if only marketing procedures are corrected, coffee will sell by itself. This is as wrong as the Government belief that home market expansion is the first enemy to guard against in an export drive. The home market must expand and so also total production and exports. Marketing methods must, of course, improve, but, while coffee can be efficiently carried to the market, it does not necessarily follow that that alone will lead to an increase in consumption. The grower, the Board and the Government must, therefore, give closer and more urgent attention to the ways and means of expanding the internal market. India offers a larger opportunity here than any other coffee-producing country in the world.

PRESIDENT KENNEDY'S MESSAGE

PRESIDENT Kennedy's first "State-of-the-Union" message, delivered before a joint session of the U.S. Congress on 30th January 1961, is having its reverberations round the world—from China to Peru. "A noble utterance, nobly delivered," as one American commentator has described it, the address bespeaks mature statesmanship on the young President's part. More than statesmanship, it is his eloquent dedication to the goals of peace and liberty that marks him out as a great leader of the forces of freedom with which Communism has yet to learn to co-exist. There can be no mistaking his determination to convince the leading Communist powers of the utter futility of "aggression and subversion" as means to world domination. Nor, indeed, can it be doubted that his call for open and peaceful competition between the democracies and the communist countries for prestige, for markets, for scientific achievement and even for men's minds is one of transparent sincerity. The new President's promise of greater support to the United Nations Organisation "as an instrument to end the cold war instead of an arena in which to fight it" and his proclaimed intention to explore promptly all possible areas of co-operation with the Soviet Union "to invoke the wonders of science, instead of its terrors" also fall into the same pattern of hope—the hope of peaceful co-existence with Communism. While President Kennedy shares this hope with men of goodwill in other lands, he also seems to think that it will be doomed to disappointment if there is economic and military weakness in the democracies—weakness which Communism can readily exploit.

The new Administration is, therefore, determined to improve its economic tools not only to develop and sustain a higher rate of economic growth within the United States which is the biggest "arsenal of democracy" but also to help the entire non-Communist world in the construction of a sound and expanding economy. As, however, the recession trends in the American economy itself have to be successfully reversed, it is scarcely to be expected that the U.S. Government will be able to finance, on its own, massive programmes of aid to a whole range of undeveloped and underdeveloped countries which are subjected to Communist pressures and designs. President Kennedy's proposal for establishing an Organisation for Economic Co-operation and Development which will pool the investible resources of the N.A.T.O. allies is understandable in the context of his own statement that, "while we (the U.S. Government) are prepared to assume our full share of these huge burdens, we cannot bear them alone." An organisation of this kind for providing multilateral aid to the poorer countries is frankly thought of as a "towering and unprecedented response" to the challenge of world Communism. Since there is to be a larger commitment, under the proposed set-up, to long-term development of the recipient countries through orderly planning, the outlays are bound to be heavy—so heavy that the United States may have to contribute, in absolute terms, more than what it does now, although the N.A.T.O. allies, too, notably West Germany, France and the U.K., will be contributing larger shares to the pool. That the United States Government has every intention of providing greater aid to the underdeveloped countries, notwithstanding its appeal to other advanced countries to contribute more of their resources for the purpose, is evident from President Kennedy's special aid programme for Latin America, his proposals to expand the food-for-peace programme and to form a national peace corps, enlisting the services of American technicians for work in foreign lands. The Kennedy Administration is, thus, prepared to participate with its allies in "a new and more effective programme for assisting the economic, educational and social development of other countries and continents."

But greater American participation in such a multilateral aid programme will necessarily depend on the speed and scale of economic expansion in the United States itself. It is here that President Kennedy's treatment of the "state of the economy" gives some "cause for concern," as he himself has said. It is now generally conceded that there is a disturbing trend of recession in the American economy, as evidenced by a fall in the profitability of business. The return on equity of all manufacturing concerns has declined from 13 per cent in 1955 to 9 per cent in 1960. In every major industry, the capacity to produce is much greater than effective demand; in 1960, for instance, the economy operated only at about 80 per cent of its manufacturing capacity. There is also a long-term decline in capital investments. A million unsold automobiles are in inventory, and five and a half million Americans are without jobs. The unemployment problem is particularly acute in a hundred chronically depressed areas of the country. Yet, paradoxically, this recession is not a slump, for prices have continued to rise, albeit slightly. Uncompetitive prices of American goods have also meant a relatively slower expansion in exports which, in their turn, have accentuated the balance of payments problem. Holders of dollars abroad have also converted them into gold in such quantities as to cause a substantial drain in the country's gold reserves.

But a redeeming feature of the 1960 balance of payments situation is that the deficit was the result more of an increase in private capital outflow seeking new opportunity than of a fall in exports. According to the latest trends, exports of merchandise are happily well above imports. President Kennedy has taken note of these trends in declaring that his Administration will not increase the dollar price of gold from $35 an ounce or distort its value in any way. The payments deficit will be eased during the current year only by such measures as promotion of American exports at stable prices, curb on undue spending of private dollars abroad, attracting foreign investment and travel to the United States and sharing of foreign aid burdens with the N.A.T.O. allies. These measures are surely reasonable. It redounds greatly to the credit of the Kennedy Administration that it does not propose to resort to panicky exchange controls and restrictive trade practices, or to weaken America's commitments round the world. That the external value of the dollar will be maintained is certain, all the more so because America's gold and international monetary reserves and its enormous assets abroad will impart, in the ultimate analysis, strength to the dollar.

There is, however, some cause for anxiety on the score of domestic price stability. President Kennedy has, of course, promised this, but he has chosen to call it "relative." The increased Federal spending that is visualised by way of greater unemployment relief, aid to depressed areas, a new housing programme, etc., may well increase the budgetary deficit in 1961-62, unless, of course, more revenues result from the expected stimulation of the economy by better utilisation of manpower especially in the depressed areas. It may be that judicious tax reliefs are also under contemplation to stimulate the economy. Already capital goods producers are hopeful of better business performance in the second quarter of the year, if, besides the stimulus proposed through house building and road construction, tax concessions, by way of liberal depreciation allowances and so on are given. The President's assurance that he will make readjustments only within the framework of the Eisenhower budget for 1961-62 gives the impression that there will be no resort to 'created money' for federal spending on anti-recession efforts. His clear statement that it is his "current intention to advocate a programme of expenditures which, including revenues from a stimulation of the economy, will not of and by themselves unbalance the earlier (Eisenhower) budget" is a pointer to the U.S. Government's anxiety to maintain the internal value of the dollar so as not to provide one more cause for upsetting its external value. If, as the President has said, his Administration makes certain that the dollar will continue to be as "sound as a dollar," it will be the happiest augury for greater economic strength among the democracies in the critical years ahead. The measures he has outlined both on the side of external payments and on that of internal spending seem to be the barest minimum necessary to arrest and then to reverse the recessionary trends, for, without them, the present mild slow-down in industrial production, as measured by the fall in the Federal Reserve Index from the peak of 111 in January 1960 to 103 in December last, is more likely to develop into a severe recession with worse consequences not only to the United States but to the world in general. "A stitch in time saves nine"—that, perhaps, is the approach of the Kennedy Administration to his country's current economic problems which the Eisenhower Administration did not have the time to solve in the closing months of its tenure.

MARKET GOSSIP

MUCH of the current activity in the share markets is of a speculative nature. Some of the professionals were successful in giving a boost to steel and rayon shares by spreading rumours which had a semblance of truth. It was stated, for instance, that the Government's announcement of an increase in the retention price of steel was imminent. This rumour could be easily believed, because an announcement on this question has been overdue. And it was spread at a time when iron and steel shares were standing at levels which seemed attractively low. The speculators could, therefore, pull up the counters by a sizable amount: Tata Ordinaries from about Rs. 138 to Rs. 148 and Indian Irons from Rs. 23 to Rs. 24.80. Currently, they are a little low, but this is understandable, for a substantial rise is usually followed by some profit-taking. Moreover, the rumour has not yet proved correct, though three weeks have passed since its commencement. The rise in iron and steel shares had an infectious effect on the other sections. Even investors are tempted to buy when it is seen that the market is taking a turn for the better.

Basically, the trend of the market is uncertain, because of the forthcoming Central budget. Logically speaking, a bullish budget is difficult to envisage. Apart from the fact that the Government has to find the money for the third Plan, it may want to provide additional proof to the electorate well before the 1962 General Elections that it has no soft corner for capitalists. The way in which the Maharashtra Government has hit the joint-stock sugar companies by subjecting their sugarcane plantations to land ceiling is, perhaps, a straw in the wind. Sources close to this Government are said to have told the Deccan sugar company interests that they need not waste their breath by drawing attention to the exemptions given by other States, for the latter, too, would, soon or later, follow the example of Maharashtra. This probably is the significance of Mr. Nehru's consent and blessings to the Maharashtra Land Ceiling Bill.

The determination of the Maharashtra Government to implement the Land Ceiling Bill without effecting any change in it in favour of sugar factories having their own farms is clearly reiterated in the address of the Governor, Mr. Sri Prakasa, to the joint session of the Maharashtra Legislature on Thursday. He said that this measure would help "establish economic and social justice by removing disparities in land holdings" and characterised the non-exemption of sugar factories from the Bill as "a noticeable feature." There is no sufficient ground for being optimistic that the Centre would in some way intervene in favour of sugar companies. The attempt made by one of the leading sugar industrialists of Maharashtra to bring Prime Minister Nehru and take him round the sugarcane farms, so that he could see for himself the successful efforts made by the companies to revolutionise agricultural practices, has yielded negative results. Another Union Minister has expressed the view that, if cotton mills could successfully function without having their own cotton farms, there is no reason why sugar factories, too, should not be able to do so. This Minister is not such a simpleton as to be unaware of the anomalies in this comparison, or of the undoubtedly great strides that have been made by the sugar factories in Maharashtra in raising the productivity of land as compared with cotton growing that is being carried on by individual farmers. His remark is a gentle reminder that it is useless on the part of Deccan sugar industrialists to oppose the Maharashtra Government's move, as it is a *fait accompli*. We are sure that Mr. Chavan himself must have made this point pretty clear when the industrialists met him last week. The only alternative now left to them, according to a wise observer, is to make sure that the factories will be closely associated with the cultivation of cane, so that they can ensure that no deterioration takes place in the cultivation and supply of cane. It is understood that, in this respect, Mr. Chavan is quite willing to do his best for the factories.

Pakistan Copies India

India can legitimately claim to have provided many an example to Pakistan in economic management, including the manner in which the salaries of working journalists are determined. A report from Karachi, received on the 2nd inst., says that banks in Pakistan have taken steps, apparently with the support of their monetary authorities, to promote an inter-bank agreement on rates of interest payable on deposits. The draft agreement is on lines similar to the one prevailing in this country. Only, the rates of interest are a little lower than here. The maximum rates (in percent per annum) proposed are as under:

7 to 15 days' "house money"—2½, 16 to 30 days' money—2¾, one to six months' term deposits—2¾ over six up to twelve months' deposits—2¾, over 12 but upto 24 months—3, over 24 but upto 36 months—3½, over 36 but upto 48 months—3¾ and over 48 months—4, savings bank deposits—2 per cent.

Branch Audit of Banks

Some of the stringent provisions of the recently amended Companies Act have already started affecting the joint-stock companies. The amended Act under Section 228(3)(a), for instance, requires the accounts of every branch office of a company, including a branch office established either by an auditor appointed at the annual general meeting or by a qualified person appointed by the company, unless a branch office is specifically exempted from this requirement by the Department of Company Law Administration. The joint-stock commercial banks in the private sector would be vitally affected by this provision if it would not be that the State Bank of India and its subsidiaries have been straightaway exempted from the above provision and the other banks naturally thought that this was one more discrimination against them *vis-a-vis* the State Bank of India. Some bankers are of the view that their competitive strength would be reduced by this discrimination, as they would have to incur considerable expenditure on organising branch audit as required by the law. It is said that banks having a large number of branches all over the country are bound to suffer on account of the new requirement, because, in many of the inland centres, it would be extremely difficult to secure the services of a qualified auditor at a reasonable cost. The banks, therefore, requested the Government to exempt all the banking companies from the operation of Section 228, at least for the current year, and then to review the position for subsequent years. It is reliably learned that, in reply to this representation, the Company Law Administration has clarified that, under the powers conferred under sub-section 4 of Section 228, the Government has no authority to grant exemption to all banks in general. But it has expressed its willingness to consider sympathetically applications submitted to it by individual banks concerned, provided the exemption is justifiable on the grounds mentioned in Rule 4 of the Branch Audit Exemption Rules of 1960, namely, (1) the company carrying on activities other than those of manufacturing, or processing, or trading has made satisfactory arrangements for the scrutiny and check of the accounts of the branch office by a responsible person; (2) that a company has made arrangements for the audit of the accounts of the branch office by a person otherwise qualified for appointment as a branch auditor, even though such person is an employee of the company; and (3) having regard to the turnover of a branch office, an auditor for that branch is not likely to be available at a reasonable cost.

The Government has published in the *Gazette of India* the appropriate forms and procedures and the banks have been asked to submit, along with the application for exemption, a fee ranging from Rs. 10 to Rs. 50, depending on their capital structure. The Company Law Administration might also grant exemption in any future year, if a banking company were to ask for it.

It would be seen from the foregoing account that the Government has taken a reasonable attitude in this matter. While the complaint of discrimination against banks in the private sector *vis-a-vis* the State Bank is justifiable in theory, it is a moot point whether all the banks in the private sector have effective arrangements of their own for internal audit as is the case with the State Bank of India and almost all foreign banks operating in this country. It is unnecessary to add that it would be in their own interest to build up an efficient and uncorruptible system of internal audit. Incidentally, it would be desirable for the Company Law Administration to work in collaboration with the Reserve Bank in granting exemptions for banks from the legal requirement under reference.

Taxation and Foreign Capital

There can be no two opinions on the view that a speedy development of a capital-scarce economy like that of India is possible only when foreign assistance (loans and grants) is supplemented by a fairly large inflow of private capital investment. Such an inflow depends more on the climate that exists in the recipient country than on the conditions obtaining in countries from where capital moves out. The climate is essentially conditioned by the economic and fiscal policies of the administration. Judged by this yardstick, it may no doubt broadly be said that the outlook for foreign investment in India is favourable, as witness the freedom of remittances of profits and dividends, as well as repatriation of capital, double taxation agreements entered into with the Governments of some countries, and the desire to participate in the U.S. Government-sponsored scheme for insurance against risk of nationalisation, expropriation, etc. But there are still a few deterrents that continue to curb a freer flow of foreign investments into India. Mr. S. P. Chambers, Chairman of the Imperial Chemical Industries (United Kingdom), who is on a short visit to this country, drew pointed attention to three chief deterrents at a Press Conference in Calcutta on Wednesday this week. These are: High rates of taxation, some alleged "discrimination" against foreign firms operating in India exposed to double or even triple taxation, and the "apparent absence of equity" in treating preferentially the foreign exchange earning industries of the country. Characterising these as disincentives for many foreign enterprises willing to undertake capital risks, Mr. Chambers pleaded for a suitable adjustment of the tax system. He, however, added that he was not asking for any radical changes in tax policy. He is reported to have observed:

"The high taxes in India trim the incomes of scientists and compel them to work always under the shadow of an anxiety for their future provision. A lot of capital that the Government tries to get from high taxes can come from personal savings, if the tax rates are liberalised. By trying to get more from taxes, the Government is discouraging the creation of sources of taxes. The operation is frustrating."

Mr. Chambers, who has specialised on tax matters and has intimate knowledge of India's tax system, has certainly not criticised the tax system for criticism's sake. He has done it with the most sincere intention of seeing India making rapid strides in its economic development. The Company he heads, it will be recalled, is one of the leading foreign concerns actively participating in India's development projects. Special mention must be made of the I.C.I. collaboration with the Government of India in the manufacture of industrial explosives. Mr. Chambers did concede that it is, in spite of somewhat incongruous features in the tax system, there had been a steady flow of capital from abroad, it was because foreign investors, such as the British accustomed to take a long-range view of business prospects in a country, considered India suitable for capital outlay. The I.C.I., he added, particularly thought that India was a very good place to work in. He, however, hastened to point out that even the I.C.I. might have to "simplify" some of its operations in India, with a view to lessening the impact of the Indian tax load on its shareholders who were not getting a fair deal in respect of their investment.

The observations of Mr. Chambers are, indeed, very pertinent and quite timely. It is to be hoped that they will be borne in mind by the Union Finance Minister while finalising the proposals for inclusion in the 1961-62 budget to be presented to Parliament this month-end. He will surely have given a considerable impetus to the tempo of industrialisation if only he concedes the businessmen's just demands for a reduction in corporate taxation, withdrawal of the differential taxation of certain types (such as wholly-owned) of foreign companies, abolition of the tax on capitalisation of reserves and share premium accounts, and concessions in personal taxation.

W. Europe's Monetary Policy

One of the important issues that are now being actively considered in Western Europe relates to the formulation of a common monetary policy. A recent Press report from Paris avers that the need for such a policy with the long-term objective of common currency has been greatly felt especially by the six member-nations of the European Economic Community. Indeed, it is said that encouraging progress has been made at the periodic meetings of the E.C.E. countries' Finance Ministers which are also attended by the spokesmen of central banks of the countries concerned. Before, however, such a policy can be finalised, there will have to be a series of consultations not merely among Common Market circles and the seven-member "Outer Seven" area, including Britain and the United States. The consultations will naturally centre round solutions which would rule out the possibility of the devaluation of the U.S. dollar in terms of gold, what with the categorical declaration by President Kennedy that the U.S. Administration "shall not take any action to increase the dollar price of gold from 35 dollars an ounce," and that it "will not distort the value of the dollar in any fashion; that is a pledge."

It is in the aforesaid context that the six-point monetary policy put forward by Mr. Jean Monnet of France assumes significance. Mr. Monnet, it may be noted, has been the "moving spirit" behind the Common Market. Briefly summed up, his plan is as follows:

1. The Governments of the U.S. and European countries must jointly pledge themselves to common effort at stabilising the currencies of the West through measures other than dollar devaluation in terms of gold.

2. There should be a freer movement of investment capital both to and from the U.S. For this purpose, those tax regulations which discourage investment in the U.S. should be revised. Simultaneously, the flow of American savings for investment abroad should be stimulated.

3. The U.S. and the European countries must work together to co-ordinate their interest rates so as to prevent 'hot' money movements stimulated by differing rates of interest.

4. The U.S. may have to launch a more vigorous export drive.

5. Western Europe, the Common Market in particular, may speed up tariff reductions which presumably include cuts in the C.M. tariffs on American imports.

6. The new Organisation for European Co-operation and Development will be a more suitable instrument for the co-ordination of American and European monetary policies than the International Monetary Fund.

Although these suggestions have been mooted oft and on in the past, they do not appear to have received the attention they deserve. By commending them for acceptance again, Mr. Monnet has certainly highlighted the urgency of giving effect to the suggestions. The alternative to these suggestions is competitive devaluation of currencies, a solution which will thwart the efforts of the U.S. and other Western countries to speed economic growth and provide aid to the underdeveloped countries. The importance of a smoothly working international system based on a free flow of trade and funds is well brought out by the Chairman of the Midland Bank Ltd., Viscount Monckton of Brenchley, in his latest statement to the shareholders of the Bank. Such a system, he stresses, presupposes absence of built-in obstructions (such as maintenance of high gold reserve requirements against central bank liabilities, statutory limitations on interest rates movements, differences in official attitudes towards private purchases of gold and private gold holdings, and adoption of special measures to block an unwanted inflow of foreign-owned funds), as well as a readiness on the part of Governments and central banks to give due weight to the impact of their actions upon the external situation and international flows of capital and credit.

Attitude Survey—A New Aid for Industry

Almost every one has ideas as to how things should be organised in the office, factory or farm in which one works. But not all can have them shaped the way they would like. Of course, not all one's ideas would be good; some may be theoretically sound but practically unworkable and some neither. There is also a fair chance that some will meet both tests.

Is it worthwhile, then, to gather individuals' opinions and to scrutinise their practical worth? Well, there are quite a few firms in Britain which

(Continued on page 224)

SHARE MARKET TURNS QUIET

PRE-BUDGET UNCERTAINTY

(From Our Own Correspondents)

BOMBAY, *2nd February*

ALTHOUGH twenty-six days are still to go for the presentation of the Central Government budget for 1961-62, the share market has developed the usual pre-budget uncertain mood. Forecasts about the contents of the budget vary widely, some fearing a further load of taxation (direct as well as indirect) and others expecting actual relief. In view of these conflicting forecasts, operators are naturally hesitant to extend their commitments either way. Business put through, as a consequence, is restricted, with the exception of textiles and engineering shares which are eliciting good support on hopes of encouraging future. In some counters, there has been a setback to prices, thanks to the inclination on the part of some parties to lighten commitments with the approaching end of the account period (tomorrow), lower advices from Calcutta and delay in the announcement of higher retention prices for steel.

Steel shares drifted downward during the week under review, reflecting the disappointment of operators over the delay in official decision regarding prices. Tata Steels began the week at Rs. 147.75, as against the previous close of Rs. 146.75, and, after moving indecisively, receded to Rs. 145 today before finishng at Rs. 145.25. The net loss over the week was Re. 1.50. Production at the steel works during January 1961 was 144,200 metric tons of pig iron, 149,300 tons of steel ingots and 117,600 tons of saleable steel, as against 143,200 tons, 153,600 tons and 115,800 tons, respectively, in the previous month. Indian Irons, which had firmed up from Rs. 24.64 to Rs. 24.80 on the opening day of the week (Friday, 27th January), declined to Rs. 24.36 today. Mukand Irons improved from Rs. 23.24 to Rs. 24.48 on Monday and Tuesday, but eased thereafter to Rs. 23.86.

Under the impetus of renewed buying support influenced by hopes of better working of mills during the current year following expansion of production and plentiful supplies of raw cotton at reduced prices, textiles recorded further additions to values. Standards were particularly sought after by some bull operators and forged ahead from Rs. 1,022 to Rs. 1,092, after being higher still at Rs. 1,115. Morarjees spurted by Rs. 12 to Rs. 340, Khataus by Rs. 7.50 to Rs. 450 and Gokaks by Rs. 6.50 to Rs. 171.50. Indores and Podars picked up Rs. 3 each to Rs. 133 and Rs. 138, respectively. Shree Niwas hardened by Rs. 2 to Rs. 242. Mysores gathered a like amount to Rs. 59.50. Elphinstones and New Greats rose by a rupee each, the former to Rs. 64 and the latter to Rs. 195. Bombay Dyeings advanced from Rs. 60.60 to Rs. 62.40 on 30th January, but declined to Rs. 61.30 today. The net gain over the week was 70 nP. Centurys rallied from Rs. 477.50 to Rs. 486.50 on Monday. At this level, profit-taking set in and the quotation receded to Rs. 476 today. The closing was better at Rs. 476. India Uniteds gained 28 nP to Rs. 14.44 and Apollos 6 nP to Rs. 1.54. Finlays were firm at Rs. 330, as also Simplex at Rs. 168 and Tata Mills at Rs. 41.25. Svadeshis, however, came in for selling and dropped Rs. 5.50 to Rs. 234. Kohinoors also encountered selling and eased by Rs. 5 to Rs. 272.50. B.R. Cottons lost Rs. 4 to Rs. 22 and Central Indias Rs. 2 to Rs. 102.

Sugars continued their downward march on apprehensions of a severe impact of the Maharashtra Land Ceiling Bill on the finances of joint-stock sugar companies. Kesar Sugars were hammered down from Rs. 232.50 to Rs. 157.50. Belapurs, after rising from Rs. 306.50 to Rs. 310.50 early in the week, sagged thereafter and touched Rs. 302.50 today. The net loss over the week was Rs. 4. Maharashtra Sugars shed Rs. 3.50 to Rs. 193.50. Walchandnagars and Phaltans declined by Rs. 2.50 each to Rs. 227.50 and Rs. 150.50, respectively. Bhopals were quiet at Rs. 29. Changdeos were neglected at Rs. 29.50. The Directors of the Company have declared a lower taxable dividend of Rs. 2.50 per share for the year ended September 1960, as against Rs. 2.82 taxable for the previous year. Ravalgaons were unaltered at Rs. 104. A lower dividend of 10 per cent on increased capital has been proposed for the year ended 1959-60, as against 17 per cent for the previous year.

An irregular trend was in evidence in the cement section. Associated Cements moved up from Rs. 150.50 to Rs. 152 on Tuesday, 30th January, but declined to Rs. 151.25 today, a rise of 75 nP over the week. Dalmias gathered 4 nP to Rs. 11.28. Digvijays, however, shed 50 nP to Rs. 149.50. Sone Valleys lost 16 nP to Rs. 4.68 and Orissas 12 nP to Rs. 13.60. Jaipur Udyogs were quiet at Rs. 11.56.

Among automobiles, Premier Automobiles softened by Re. 1.50 to Rs. 166, following the reported large-scale disinvestment by an institutional investor. The news that the Government had approved of the Company's project for the manufacture of sheet metal components for Dodge trucks and Fiat cars had no effect. But Hindustan Motors rose by 36 nP to Rs. 19.92 (they were higher still at Rs. 20.16 today), due to reports envisaging the possibility of a large D.L.F. loan to the Company for financing the expansion scheme. Among shippings, Scindias declined by 32 nP to Rs. 14.20, reflecting the disappointment of operators over the fall in gross profit from Rs. 3.48 crores in 1958-59 to Rs. 2.67 crores in 1959-60. Great Easterns eased by 10 nP to Rs. 14.84. The extraordinary general meeting of the Company held on Tuesday this week passed resolutions seeking to amend the articles of the Company for the early repayment of the 5½ per cent redeemable (1965) preference shares amounting to Rs. 25 lakhs.

Engineering shares attracted the persistent attention of investors. Coopers advanced by Rs. 9.50 to Rs. 173. Telcos rallied from Rs. 290 to Rs. 298 on Tuesday. Thereafter, they drifted lower owing to profit-taking and wound up the week at Rs. 294, a rise of Rs. 4 over the week. Larsen & Toubros rose by Rs. 2.50 to Rs. 37.50. Mahindras improved by Re. 1.64 to Rs. 21.24 on reports that the Government has sanctioned the Company's scheme for expanding the production of jeeps. New Standard Engineerings gathered a rupee to Rs. 169. Alcock Ashdowns, however, encountered some selling and dropped Rs. 5 to Rs. 255. Premier Constructions eased by a rupee to Rs. 192.

Among miscellaneous industrials, Indian Dyestuffs were in the limelight, their quotation jumping up by Rs. 45 to Rs. 470. Alembics strengthened by Rs. 13 to Rs. 235. Colour Chems and Poly Chems put on Rs. 7.50 each to Rs. 315 and 222.50, respectively. But Synthetics and Chemicals fell by Rs. 5 to Rs. 122, notwithstanding the statement of the Chairman at the recent statutory meeting that the construction work of the Company's plants is progressing satisfactorily. Dhrangadhras eased by Rs. 4 to Rs. 118, despite the rise of Rs. 30 per ton in the price of caustic soda announced by the Government this week, while Tata Chemicals gained 28 nP to Rs. 17.80. Amar Dyes dropped Rs. 3.75 to Rs. 365.75. National Rayons were bid Rs. 11 higher at Rs. 500; at one time today, they were higher still at Rs. 505. Gwalior Rayons picked up 65 nP to Rs. 42.75; they had touched Rs. 44.50 earlier in the week. Indian Rayons gained 50 nP to Rs. 52. But South India Viscose receded by Rs. 3 to Rs. 148 on some distress selling by an operator who could not get a few hundred shares transferred to his name. Baroda Rayons, too, eased by Re. 1 to Rs. 123. Polsons were well favoured and rose by Rs. 7 to Rs. 159. Voltas hardened by Rs. 2 to Rs. 259 on hopes of higher dividend. Indian Hume Pipes moved up from Rs. 164 to Rs. 166.50. Anil Hardboards encountered selling and eased by Rs. 5 to Rs. 290. West Coasts lost 50 nP to Rs. 180.50. Bombay Burmahs began the week at Rs. 555 and, after advancing to Rs. 567 on Monday, drifted lower to touch Rs. 553.50 today, as against Rs. 554.50 on Wednesday last week.

* * * *

Madras Stock Exchange

MADRAS, *1st February*

Equities on the Stock Exchange continued to move up during the week under review, thanks mainly to enlarged support from professional operators. Textiles were well favoured, though a few shares encountered selling on reports of fresh restrictions on imports of piece-goods into Ceylon. Teas ruled steady on encouraging advices from auction centres. Coffees staged a smart rally. Rubbers were firm on reports of steadily expanding demand for natural rubber, consumption of rubber during January-November 1960 was higher at 40,350 tons, as against 34,600 tons in the same period in 1959. Sugars elicited good investment demand. Banks ruled firm. Electricals were in request and some selected scrips scored handsome gains. Among miscellaneous industrials, chemicals and engineerings hardened, while papers and some cement shares tended to look down.

In the textile section, Lakshmis spurted by Rs. 3 to Rs. 154. Vijayalakshmis were marked up by a like amount to Rs. 89. Coimbatore Cottons improved from Rs. 158.50 to Rs. 160. Travancore Rayons rose by 90 nP to Rs. 34. Maduras put on 25 nP to Rs. 36, following the announcement of a dividend of 15 per cent taxable for 1960, as against 12½ per cent taxable for the previous year. Kotharis hardened by 10 nP to Rs. 12.10. Metturs were fully steady at Rs. 369, Premiers at Rs. 225 and Vasantas at Rs. 236. Coimbatore Spinnings were fancied at Rs. 44, Pankajas at Rs. 59 and Rang Vilases at Rs. 40. South Indias lost Rs. 3.50 to Rs. 150. The Directors of the Company have decided to increase the capital by the issue of new equity shares of Rs. 100 each to existing shareholders in the ratio of two shares for every five held at a premium of Rs. 5 per share. The present issued equity capital is Rs. 3.50 crores.

Among teas, United Nilgiris improved by 25 nP to Rs. 23.50. Twyfords were higher by 10 nP at Rs. 12. The trading unit of the Company's shares has been raised from 50 to 100 shares. Periakaramalais gathered 7 nP to Rs. 3.57 and Chembras 5 nP to Rs. 5.55. Devasholas were fully maintained at Rs. 30.50. But Peermades fell by 30 nP to Rs. 22.20. Blue Mountains shed 5 nP to Rs. 3.88. The Company has been given permission by the Controller of Capital Issues to issue 1,050,000 new shares of Rs. 2 each at a premium of 45 nP.

There was brisk activity in the coffee group. Consolidated Coffees rose by Re. 1.05 to Rs. 23.25, following reports of better crop in the Company's plantations. Coffee Lands were higher by 20 nP at Rs. 18.50. Ossoors moved up by 25 nP to Rs. 3.40 and Wartyhullys by 13 nP to Rs. 3.25. Ouchterlony Valleys strengthened by 5 nP to Rs. 4.60. Mysore Coffees were maintained at Rs. 5.40, Amalgamated at Rs. 13.15 and Rajendras at Rs. 14.

Among rubbers, Cochin Malabars scored a gain of 25 nP to Rs. 7.55. Highlands improved by a similar amount to Rs. 14.70. Midlands rose by 20 nP to Rs. 11.35. Malankaras and Rajagiris were steady, the former at Rs. 18 and the latter at Rs. 19.05.

A feature of trading in the sugar section was the spurt in United Breweries from Rs. 87 to Rs. 95. Cauverys attracted good support, the quotation advancing by a rupee to Rs. 40.75. E.I.Ds firmed up by 75 nP to Rs. 40.75. Travancores put on 15 nP to Rs. 10.70. Deccans were fully steady at Rs. 14.80, India's at Rs. 12.85 and Mysores at Rs. 59.75.

In the miscellaneous section, Aluminium Industries hardened by 70 nP to Rs. 22.80, Textools by 50 nP to Rs. 173.50 and Standard Motors by 15 nP to Rs. 16.85. Ashok Leylands picked up 5 nP to Rs. 8.70. Among chemicals, F.A.C.Ts rose by 55 nP to Rs. 9.85. Metturs put on 10 nP to Rs. 13. Travancores were well maintained at Rs. 15.50, as also Mysore Fertilisers at Rs. 10.90 and Mysore Chemicals at Rs. 26.10. Cements were irregular. India cements moved up by 41 nP to Rs. 6.05, while Orissas were lower by 25 nP at Rs. 13.55 and Dalmias by 5 nP at Rs. 11.15.

* * * *

Calcutta Stock Exchange

CALCUTTA, *1st February*

Not because of the reported decision of the Government of India to grant an increase in steel retention prices but because of the belief that they are undervalued, judging from improved prospects and from the belief that the existing shortage for coal and limestone supplies would not be prolonged, steels received greater attention during the week. After touching a high of Rs. 24.84, as against Rs. 24.34 earlier in the week, Indian Irons met with profit-taking and declined to Rs. 24.38 but rose again to Rs. 24.80 before closing at Rs. 24.70. Other engineerings, however, were only about firm and some impressive rises were recorded in miscellaneous industrials. The report that industrial production in 1960 was impressive and that exports of light engineering goods rose by 45 per cent acted as a stimulus for investment buying in selected counters. But, in other sections, caution was in evidence, the budget anxieties preventing any lengthening of commitments. Although it was generally believed that there was hardly any scope for increasing direct taxation, there was the fear that, in his attempt to raise resources for the third Plan, the Finance Minister might tap new sources. Some quarters argued that, if the Finance Minister felt the need to raise taxes, he would do this during 1961-62 rather than next year which is an election year. The talk of a remote possibility regarding revision in coal prices attracted attention to coals. This followed reports that, in reply to the Fuel Ministry's desire that collieries should undertake compulsory loading on Sundays, the industry pointed out that, since Sunday loading would call for payment of double wages, this could be compensated only by increased coal prices. The interim relief accorded to jute mill workers chilled sentiment for jutes, if any further chilling was necessary, besides the further spurt in fibre prices and the unions' opposition to a reduction in working hours. It was thought that the share market had reached a stage to expect stimulus for a fresh bout of activity.

Notice

THE RAGHUVANSHI MILLS LIMITED

11-12 Haines Road, Bombay-13

NOTICE IS HEREBY GIVEN THAT THE Thirty-first Annual General Meeting of the Company will be held at 3 p.m. on Saturday, the 25th February 1961, at the Registered Office of the Company, 11-12, Haines Road, Mahalaxmi, Bombay-13, to (*a*) receive and adopt the Audited Balance Sheet and Profit and Loss Account of the Company, together with the Directors' Report, for the year ended 31st March 1960; (*b*) declare a dividend on Ordinary Shares; (*c*) elect Directors, and (*d*) appoint Auditors for the financial year ending 31st March 1961.

Copies of the Notice together with the Explanatory Statement and the Audited Balance Sheet and Profit and Loss Account for the year ending 31st March 1960 have been posted to the Members at their last given addresses.

The Register of Members of the Company will be closed for transfers from Monday, the 20th February 1961 to Monday, the 6th March 1961 (both days inclusive).

By Order of the Board of Directors,
For THE RAGHUVANSHI MILLS LIMITED,
For RAVINDRA MAGANLAL & CO. PRIVATE LTD.,

SURENDRA MAGANLAL,
Director,
Managing Agents.

BOMBAY, *23rd January 1961.*

NEWS IN BRIEF

THE Madras Government has decided to nationalise all long-distance bus transport routes of over 120 miles. Short-distance routes are also expected to be taken over later in stages.

The Government of India has extended the export incentive scheme for cotton textiles in its present form and subject to the same rates of incentive as are currently allowed upto 30th June 1961.

West Germany has agreed to extend the time limit for the repayment of about DM 98 million, which India has borrowed for financing the Rourkela project. India has already paid DM 49 million out of the DM 147 million due for payment by the end of March 1961.

The Indian Society of Advertisers, Bombay, has decided to organise a three-day advertising conference at New Delhi which will discuss the role of marketing and advertising in export promotion. The conference will be inaugurated by Prime Minister Nehru on 27th March.

The agreement on technical assistance from France, concluded initially in 1958, has been extended by one more year. Under this agreement, France has given facilities for training about 100 Indians in that country, apart from providing services of about 50 French experts for development projects in India. The agreement is subject to annual review.

A newly constructed factory in the Industrial Estate in Mysore City has commenced manufacture of Jawa motor cycles, in collaboration with Czechoslovakian firms. This unit is expected to manufacture annually 15,000 motor cycles of three varieties, namely, 2.5 h.p., 1.75 h.p. and 1.5 h.p. The first batch of motor cycles is expected to be on the road by the middle of this month.

It is reported that the Central Government is considering a proposal to set up a corporation to administer the Kolar gold mines after the Mysore Government hands over the mines. In the proposed corporation, the Centre will hold the majority of shares, the Mysore State Government being relegated to the status of a minority shareholder.

The World Bank is expected to send an expert team to study the Indian capital market shortly, with the object of assessing its potentialities for financing industrial expansion during the third Plan period. The last World Bank mission to this country had expressed itself in favour of stepping up the rate of self-financing by Indian industry, thereby reducing reliance on bank credit and other institutional sources of finance.

An expert body called "Seismic Committee" has been constituted, with Dr. K. L. Rao, a senior member of the Central Water and Power Commission, as Chairman. It will advise the Government on steps to safeguard the major dams proposed to be built up in the seismic belt along the Himalayan range, particularly in Assam and North Bihar. Japan and Italy are said to have successfully constructed large structures in seismic zones.

The International Criminal Police Organisation (Intropol) has conceded India's request to hold a special session of all member-countries for co-ordinating action against counterfeiting of currency. India's appeal followed the large-scale counterfeiting of its currency by international gangs brought to light some time back. Many other countries, such as Pakistan, Cambodia and Ghana, which have also similar experiences, supported the appeal.

The second furnace of the Durgapur Steel Works in West Bengal was lit by Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel, on the 2nd inst. It has the same capacity as the first one (namely 1,250 tons per day), inaugurated by President Dr. Rajendra Prasad on 29th December 1959. Upto the end of 1960, the first furnace had produced 320,000 tons of pig iron. The Steel Works, when completed, will have three blast furnaces, each with a capacity of 1,250 tons per day.

The Madras Legislative Assembly has passed an amendment to the Madras State Aid to Industries Act 1922, which seeks to liberalise conditions governing grant of aid to industries in the State. The amendment stipulates that only those applications for aid exceeding Rs. 25,000 must be placed before the Board of Industries for advice. It also provides for the grant of loans on personal security of the applicant. Another new provision is the right of appeal granted against a decision granting or refusing to grant aid under the Act.

The Madras General Sales Tax (Amendment) Bill 1961 was passed by the Legislative Assembly last week. The amendment seeks to provide statutory force to the Government notification issued on 19th October 1960, deleting "tinned, canned, bottled or packed foods or provisions (other than those mentioned under items 24 and 29)" from the first Schedule of the General Sales Tax Act. The items included in the first Schedule are liable to single-point tax of six per cent at the point of first sale in the State. Under the amended Bill, the aforesaid products willl be reverted to multi-point tax at two per cent.

Ashok Leyland Ltd., Madras, has introduced an incentive scheme from the beginning of 1961. This is an improvement on the group production [illegible] scheme which has been in operation for the past eighteen months. Under the new incentive scheme, opportunity is given to every worker to increase his earnings by conscientious work. For the manufacture of each component, a time limit is allowed and incentive bonus is paid on the basis of hours saved by each worker in the different categories in the machine shop, chassis assembly and engine assembly.

The Planning Commission has approved of a proposal made by the Government of West Bengal to set up a 300,000-kw. thermal power station near Bandel at a cost of Rs. 29.9 crores. The proposed station will comprise four units, each generating 75,000 kw., and supply power to the railways and industries in the Calcutta area. It will be connected with the State Government's power station at Durgapur through a 100-mile kV. link. The cost of the Bandel station is expected to be met out of a loan from the U.S. Development Loan Fund. The State Government will later double the capacity of the station at a cost of Rs. 22.5 crores.

The foundation-stone of India's first watch factory was laid by Mr. Manubhai Shah, Union Minister for Industries, at Bangalore, in the vicinity of the State-owned Hindustan Machine Tools. The watch factory, which will be in the public sector, is being started in collaboration with the leading Japanese firm, Messrs. Citizens Watch Co., Ltd. The plant, which will cost Rs. 2.5 crores, will have an annual capacity of 240,000 watches on a single-shift basis. The watches to be produced in the first instance will be of two types, 'gents' and 'ladies'—both models incorporating latest improvements and fashions. The selling price of the watches, though not finally fixed, is expected to be below Rs. 100 apiece.

The Powerhouse No. 2 in the Kundah Hydro-electric Project on the Nilgiris Hills, Madras, was formally inaugurated a fortnight ago by Mr. Gordon Churchill, Minister for Veteran Affairs, Canada. The Canadian Government has given aid amounting to $26 million in the form of plant and machinery under the Colombo Plan. The Project, initially inaugurated in 1956, seeks to harness the waters of the Kundah river and generate firm power of 343,000 kw., with an installed capacity of 420,000 kw. in two phases. The initial phase of the project, costing Rs. 35.14 crores, is expected to be completed in all its aspects by June 1961, adding a total installed capacity of 180,000 kw. to the State Power Grid.

The recommendations made by the Central Wage Board for the jute industry regarding interim relief for workers has been accepted by the Government of India. The Government has decided to ask the jute mills to implement the recommendations as soon as possible. The recommendations are: (1) Every worker—whether permanent, temporary or *badli*—should be paid interim relief at the rate of Rs. 2.85 per month from 1st December 1960 to 31st December 1960 and at the rate of Rs. 3.42 from 1st January 1961. (2) The arrears of interim relief upto 31st December 1960 will be paid to the respective workers on or before 15th February 1961. (3) The amount of interim relief from 1st January 1961 onwards will be paid each month in one lump sum on the first pay day of the next month. (4) In the case of workers who did not or do not work for the entire month, or for calculating wages due for any broken part of a month, for example, by going on leave or sick leave, etc., the amount of interim relief payable to them will be worked out on the same principles as dearness allowance. (5) The amount of interim relief shall be paid as a separate item till the final award of the Wage Board and will be adjusted according to that award.

* * * *

From Abroad

U.S. consumer expenditure rose to a record level of $332,000 million in the fourth quarter of 1960, as against $328,300 million in the previous quarter.

The Australian Barley Board is currently negotiating with Communist China the sale of a part of its current year's record barley crop. China is also reported to be interested in buying 32 million bushels from Australia.

The Government of Ghana has published a Bill which seeks to prevent gold mining companies abandoning mines without the permission of the Government. The penalty for contravention of the law will be a maximum fine of £100,000 or £1,000 a day.

For the first time in the U.K., a helicopter has been used for the laying of a pipeline. It completed in 4½ hours an operation which normally would have taken at least ten days. The aircraft, a Widgeon helicopter of British United Airways, was fitted with a specially designed lifting gear. It laid 2,000 feet of eight-inch steel piping across the rain-swept Thames marshes at Cliffe.

The U.K. imported 287.1 million lbs. of unmanufactured tobacco during the first ten months of 1960. Of this, 40.8 million lbs. were from India. Total British imports were 45.4 million lbs. more than those for January-October 1959, and India's share increased by 4.3 million lbs., followed by Rhodesia and Nyasaland (84.4 million lbs). India was the third largest supplier. Supplies of all types from Commonwealth countries rose to 156.6 million —16.5 million lbs. more than that in the corresponding period in 1959.

The policy of the Life Insurance Corporation of India in East Africa is to invest there itself as much funds as are required to meet its policy liabilities in that country. This was disclosed last week by Mr. P. A. Gopalakrishnan, Chairman of the Life Insurance Corporation, at the inaugural function of the ten-storeyed building, newly constructed by the Corporation at a cost of Rs. 26 lakhs at Nairobi, Kenya. Dr. F. G. Kiano, Minister for Commerce and Industry, Government of Kenya, inaugurated the building.

PERSONAL

MR. G. R. FERGUSON, President of the Caltex East Company, New York, has arrived in Bombay in the course of an inspection tour of the South-East Asian offices of Caltex.

Mr. G. L. Mehta, who had expressed a desire to resign the chairmanship of the Hindustan Shipyard Ltd., Visakhapatnam, has agreed to continue.

Mr. Edward R. Murrow, well-known American journalist and radio-television commentator, has been chosen by President Kennedy to be Director of the U.S. Information Agency. Mr. Donald M. Wilson, Washington correspondent of *Life* magazine, has been appointed Deputy Director.

Sir Peter Roberts, Chairman of the Wellman Smith Engineering Corporation Ltd. in the U.K., has been appointed Deputy Chairman of the Indian Steel Works Construction Company Ltd. (I.S.C.O.N.), a consortium of British engineering companies which has undertaken the construction of Durgapur Steel Works, West Bengal.

Mr. D. D. Puri and Mr. M. N. Pittie have been deputed by the Indian Sugar Mills Association to make an on-the-spot study of the prospects for exporting Indian sugar to the U.S. Mr. Puri, who is the President of the Association, which is handling sugar export trade, has already left for the U.S. Mr. Pittie is due to follow him shortly.

Mr. James E. Potts, Regional Director for Operations in the Far East of the Union Carbide International Company, division of Union Carbide Corporation, U.S., and formerly a resident Managing Director of Union Carbide India Ltd., has been appointed Vice-President of the International Company.

Mr. J. E. Trainer, Executive Vice-President and a Director of the Firestone Tyre and Rubber Company, Akron, Ohio, U.S., has arrived in Bombay. During his stay in India, Mr. Trainer will acquaint himself with the progress made so far in regard to the establishment of the Synthetic Rubber Factory, at Bareilly, being put up by Synthetics and Chemicals Ltd., in collaboration with Firestone. He is also understood to discuss plans for expanding the Firestone tyre manufacturing capacity in India.

Twelve West German collieries with an aggregate annual output of 3.8 million tons have been closed since early 1958 to cut costs and rationalise production of the coal industry which is trying to hold its own on the fuel market. Another 2 million tons of annual output were dropped by integrating 28 smaller collieries into 13 new large units. Four more collieries with an aggregate production of 2.4 million tons are scheduled to be closed. Between 1958, when the coal sales crisis began, and 1960, W. German coal production was cut back by about 7 per cent.

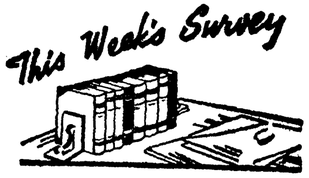
One of the largest sheet steel producers in the U.K., the Steel Company of Wales, has gone on a short week (from 42 to 38 hours), following the decline in the demand for sheet steel, mainly from the motor car and durable industries. The other two producers, John Summers and Richard Thomas and Baldwins, are also considering the new situation. The weakness in steel demand is said to be confined to the lighter products, sheet strip and tin-plate. But demand for heavy sections and plates from the constructional and capital industries is still strong.

West German trade unions this year are asking for wage boosts of up to 20 per cent as well as for longer vacation with pay and still shorter working hours. This was revealed at a conference of the Confederation of German Employers Organisation, which, after a review of the 1961 labour scene, has warned that price rises are "inevitable," if employers meet such demands in full. The Confederation has urged both the unions and the employers not to raise demands or make concessions incompatible with their responsibility for the common good. "Our overriding aim," the Confederation states, "continues to be to safeguard the purchasing power of the Deutsche Mark."

West German exports to Russia and East European countries amounted to DM 1,471 million in the first eleven months of 1960, as compared with DM 1,078 million for the comparable period in 1959. Imports were worth DM 1,356 million, as against DM 1,183 million. By countries, the Soviet Union came first with a total trade volume (sum total of exports and imports) of DM 1,014 million, followed by Poland (DM 537 million), Czechoslovakia (DM 465 million), Hungary (DM 357 million), Rumania (DM 274 million) and Bulgaria (DM 180 million). W. German trade with these countries amounts to only about 4.7 per cent of its total foreign trade.

The Ceylon Government has announced sharp increases in duty on a wide range of imports together with a general 5 per cent increase on all imported wares, except food and such other items as books which had been allowed duty-free in the past. It also clamped down a virtual ban on the import of diamonds, soap, jaggery, bicycle tyres and tubes, while placing controls on a variety of items including chinaware, radios, electrical appliances, motor [illegible], cosmetics, footwear, biscuits, coffee and [illegible]. Import of cloth will not be allowed except on individual licences. Importers are asked to cancel all outstanding orders in respect of cotton piecegoods, cloth and stuffs, pure wool, fabrics of synthetic fibre and spun yarn, *saris* of any material and handloom garments.

UNDER SECRETARY 6 FEB 196 PUBLIC DEPARTMENT



CEYLON OIL BILL

THE industrial policy of Mrs. Bandaranaike's Government in Ceylon is being given, it would appear, an increasingly socialist orientation, much more so than in India. Under this policy, not only some basic industries but quite a few consumer goods industries, too, are reserved for the expansion of the public sector. That this reservation probably comprehends nationalisation of existing private enterprises in the industries concerned is not a wholly unwarranted suspicion, for two at least of the Government's proposed measures carry with them the implication of full-fledged ultimate socialisation. One of these is the recently announced scheme for State-owned tea estates and collectivisation of the manufacturing process—a scheme under which State-owned estates are expected to compete with private enterprise. And the other measure proposed is the highly controversial "Ceylon Petroleum Corporation Bill," designed for the purpose of establishing a State-sponsored corporation to import oil and handle oil distribution to the nationalised bus transport, Government departments and armed forces "in the first instance."

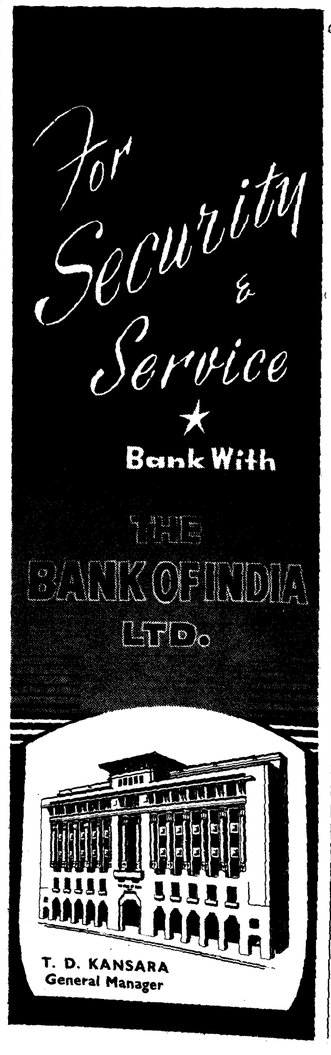
It looks as though the proposed Petroleum Corporation in Ceylon, unlike the Government-owned Indian Oil Company Ltd. which will confine its operations to the marketing of a part of the imported petroleum products as well as those of the Barauni and Gauhati refineries under construction in the public sector, may ultimately take over the private oil trade in that country. This inference is supported by some disquieting provisions in the Bill. The most disquieting feature of the Bill is that it provides for the eventual take-over of the foreign oil companies but does not lay down any definite date for their expropriation, thus making it impossible for them to plan their business operations in the meantime. The provisions in the Bill granting tax exemption to the State-sponsored Corporation and power to fix minimum prices as well as to acquire oil companies' assets in the shape of storage facilities and pipelines are also deemed unfair. And, what is worse still, there is no provision laying down the basis on which compensation for the take-overs would be fixed. The Shell Company, for instance, has taken exception to these provisions, presumably on the ground that they are designed to drive the foreign oil companies out of business. As this Company alone owns pipelines and installations in Ceylon valued at £2 million and has been investing there at the rate of £375,000 a year over the past five years, its anxiety is understandable. And its plea for the inclusion of a phrase such as "fair and equitable compensation" in the relevant section of the Bill is also reasonable, for, otherwise, there will be no safeguard against totally inadequate compensation.

On the whole, the oil companies have taken up a moderate stand, in spite of their fear that their business assets and interests in Ceylon might be completely taken over sooner or later. They have welcomed competition from the proposed Corporation which, according to one report, is likely to import oil from Russia at 20 per cent less than the ruling world market price. But what they object to is the provision for acquiring their storage facilities and pipelines, for these assets would be used by the Corporation to compete with the very companies from which they were acquired. The Ceylon Government's counter-argument is that some of the oil storage tanks and the main pipelines from the Colombo docks to the tanks had only been leased by the Government to the oil companies. Although all the facts in this connection are not known, the inference is still possible that the companies run the risk of being deprived of a part of the facilities which they have always been using. The provision relating to minimum prices may also come to be used to the detriment of the oil companies which now get a net profit of only two cents on a gallon of oil. If the Governments of the U.S.A. and the U.K. have also made representations on the above lines to the Ceylon Government, they do not amount to "interference in the internal affairs of another country," as it has been officially described. If the legitimate interests of foreign investors cannot be safeguarded through such representations or negotiations, foreign capital will only be frightened away from the Asian underdeveloped countries which need it so badly. What Ceylon does may have wider repercussions in the region.

WORLD RICE CROP IN 1960-61

The Fifth Session, just concluded in New Delhi, of the F.A.O. Consultative Sub-committee on the Economic Aspects of Rice has reviewed the world rice situation in 1960 and taken stock of the crop estimates for 1960-61 and trade outlook for 1961. Although paddy production is still greatly dependent on uncertain rains, it is somewhat reassuring to be told that its upward trend since after the bad crop year, 1957-58, continues to be maintained. While production in terms of milled equivalent in the world (excluding U.S.S.R., Eastern Europe and Mainland China) was 87 million metric tons in 1957-58, it rose to 95 million tons in 1958-59 and to 99 million tons in 1959-60. According to the F.A.O. Sub-committee's present forecast based on provisional crop estimates, production in the current year, 1960-61, will have reached a record level of about 102 million tons. Most of this expansion is centred in the Far East which normally accounts for about nine-tenths of world rice production, and the countries which expect improved harvests in the current year are India, Ceylon, Indonesia, Japan, Malaya and the Philippines. It should be remembered here that the estimates for the world as a whole and for the Far East do not include Eastern Europe and U.S.S.R., or China where crops are reported to have been severely damaged by drought and floods.

It is rather disquieting that the upward trend in production in recent years, especially in the Asian countries, has not been accompanied by any substantial decline in their imports of rice. The import demand of the Far East in 1960 was stronger than in 1959, and a number of Asian countries, including India, Indonesia and Pakistan, increased their imports. The only Asian countries which increased their rice exports in 1960 are Burma and Thailand, the surplus producers. In most of the Far East, therefore, the larger supplies resulting from increased production have not been adequate to meet the consumption requirements of increasing populations. For India, the deficit in rice supplies continues to be a problem, in spite of its increased production in recent years. It is, indeed, a sad commentary on this country's agriculture that self-sufficiency in production has all along been eluding its grasp, with the result that it has been importing rice at the rate of half-a-million tons a year during the last five years and will be importing from the United States alone, under the 1960 P.L. 480 Agreement, a total of one million tons in four years' time. But there is a silver lining in the cloud as far as India is concerned. It is that four out of the seven districts coming under the Intensive Agricultural Programme (assisted by the Ford Foundation in India) are mainly rice-growing irrigated tracts. It is in greater production, and not in lower consumption, that a solution to the problem of rice scarcity would have to be sought. The effort to switch consumer preference from rice to coarser foodgrains is not likely to yield the desired result, because, in the context of a larger and wider diffusion of incomes resulting from development, the all-too-natural tendency on the part of erstwhile poorer folks to go in for a finer foodgrain like rice cannot be so easily curbed. Whatever be the long-term trends in rice production and consumption, the outlook for supplies in India, as in other Far East countries, barring Mainland China, in 1961 is distinctly rosy, particularly because rice exporting countries generally anticipate the same size of production as in the last crop year.



CALCIUM CARBIDE INDUSTRY

Judged from the standpoint of production, the calcium carbide industry has amply justified the tariff protection (present duty: 50 per cent *ad valorem*) given to it for the last four years from 1956-60. During this period, the industry has trebled its production, from 2,936 tons in 1956 to 8,964 tons in 1960. But in view of the fact that calcium carbide is a basic chemical used in the manufacture of several important chemicals and materials which find extensive uses as solvents, plastic resins and intermediates and the threefold increase in the demand for it expected in the third Plan period, it is necessary that the industry should not only maintain the rate of progress achieved in recent years but also improve upon it. The industry has asked for continuance of protection for a further period of five years.

Opening the public inquiry into the question of continuance of protection beyond 31st December 1961, held at Bombay on 30th January, Mr. K. R. P. Aiyangar, Chairman of the Tariff Commission, reviewed the progress of the industry during the past four years and gave an idea of the size of demand for calcium carbide in the third Plan period and the expansion in output and capacity required to meet this demand.

In 1956, at the time of the first inquiry, the Birla Jute Manufacturing Company, Ltd., Calcutta, was the sole producer of calcium carbide on a commercial scale. Since then one more factory has come into production in Madras. This belongs to Industrial Chemicals Ltd. The present rated capacity of the two units together is 16,939 tons per annum, as against 4,116 tons in 1958. Another unit, the Calico Mills (Chemical Division), with a capacity of 14,228 tons, is expected to go into production this month. Two more units, one in Delhi and the other in Kerala, have been licensed. The former is expected to start production only some time towards the close of the third Plan period, while the latter is expected to commence operations in October 1962. Assuming that the two units will be commissioned into production as scheduled, the total capacity will have risen to 56,537 tons by 1964.

As usual, estimates of domestic demand for calcium carbide vary widely. The draft third Plan visualises that domestic demand would be of the order of 60,963 tons in 1965-66, as compared with 20,321 tons in 1960-61. The Development Wing's estimate comes near about this figure, 60,000 tons in 1964, to be precise. One prospective producer estimates the demand to be well over 67,000 tons even by 1964, while an importer of calcium carbide puts it at as low as 50,803 tons.

Actual production of calcium carbide, as already noted, is much below capacity at present. Thus, while the total capacity of the existing two units adds up to 16,939 tons, production is only half of this at 8,964 tons in 1960 which, nevertheless is three times the output in 1956. Production is, however, expected to increase rapidly to 41,000 tons per annum in 1964. It will still be about 20,000 tons below the prospective demand (Development Wing's estimate) in that year. Consequently, imports of calcium carbide will have to be continued even in 1964, if the demand is to be fully met. At the same time, if the foreign exchange situation does not improve by that time, there will be no alternative to cutting them down. In fact, due to restrictions, imports during the past four years have shown a progressively downward trend. From 9,742 tons, valued at Rs. 52.93 lakhs, in 1958, imports have declined to 8,566 tons valued at Rs. 41.51 lakhs in 1959. Imports during the first nine months of 1960 aggregated 5,214 tons valued at Rs. 26.18 lakhs.

It is evident from the foregoing facts (taken from Mr. Aiyangar's speech) that, in spite of the expanding demand and restriction on imports, 50 per cent of production capacity still remains unutilised. The principal raw materials required for the manufacture of calcium carbide are limestone, hard coke, petroleum coke, charcoal electrode paste for electric furnace, mild steel sheets and consumable stores. Barring petroleum coke and mild steel sheets, which are in short supply, all the other items are available indigenously. Why is it then that 50 per cent of the capacity is unutilised? One of the handicaps of the industry, according to Mr. Aiyangar, is insufficient supply of power and high rate of electricity charges. This, however, can only partly explain the underutilisation of capacity. It is to be hoped that the Tariff Commission will bring to light the inhibiting factors and make suitable recommendations to enable the industry to expand production.

U.K.'S EXPORT PROMOTION

The cause of export promotion is as much a matter of concern to industrially advanced countries as it is to the developing countries like India. Although the nature of difficulties faced by the two types of economies on the export front is not necessarily the same, there are certain basic prerequisites of export promotion in a competitive world market which hold true for both. These prerequisites include, among others, the need for maintaining competitive price, quality and effective salesmanship as well as prompt delivery. These conditions can be fulfilled only by the sustained zeal and alertness of industrialists and shippers themselves, though a Government may be able to help in the process. Private business bodies in the U.S., the U.K., West Germany, France and Japan are fully aware of this requirement and have played a positive role in expanding exports in the post-war period. A letter of warning sent to all British exporters by the leading commercial bodies in the U.K. last week is an instance in point. The letter, which insists that exporters should not break delivery dates, is signed by Sir James Hatchison, Sir William McFadzean and Mr. E. R. Mayor, Presidents of the British Chambers of Commerce, the Federation of British Industries and the National Union of Manufacturers, respectively. The provocation for sending this reminder to British businessmen is the downward trend in the U.K.'s exports and the prospect of more competition in the coming months.

Without mincing words, the letter plainly says that "broken delivery dates may well be the main reason why our exports in so many fields are lagging." It adds, "What is needed in our view and that is why we are writing to you, is a strong lead from the top,... so that managers, staff and employees at all levels are made aware that to fall down on delivery is simply not good enough, because it does real harm not only to the company but also to the country and to all our interests." It is emphatically asserted that "the problem is not a matter for the Government. It is one which the industry must tackle for itself." This letter is indeed typical of the meticulous care with which details of export trade are attended to by the representative bodies of industry and trade in the U.K. There is obviously a moral to be drawn from this letter, for the benefit of commercial bodies in this country as well.

It is stated that factual evidence has been received by the Associations that "late, often very late, delivery is too common today among a wide range of British industry and among companies large and small alike." A closer scrutiny of the letter, however, reflects the growing anxiety of the British industry over its none-too-satisfactory export performance in 1960. While its exports rose only by 6 per cent last year, imports rose by as much as 14 per cent. The following table shows at a glance the trend of the U.K.'s trade with major areas in 1960:

	Imports (c.i.f.)		Exports (f.o.b.)	
	£ million	Percentage change over a year	£ million	Percentage change over a year
By areas:				
Sterling area	1,515.3	+ 5	1,422.4	+ 6
Common market	602.2	+ 19	514.3	+10
E.F.T.A. (Outer Seven)	403.8	+ 19	380.7	+10
North America	942.8	+ 38	529.3	— 6
South America	311.7	— 3	171.2	+11
Total	4,556.5	+ 14	3,536.3	+ 6
By categories:				
Food	1,545.2	+ 2	196.8	+ 4
Fuel	482.9	+ 3	132.5	+11
Basic materials	1,068.3	+ 14	..	..
Semi-manufactures	906.2	+ 37	..	..
Chemicals	176.6	+ 27	316.6	+ 8
Textiles	135.8	+ 39	301.9	+ 5
Made-up clothing	60.1	+ 45	47.6	+ 4
Machinery	171.5	+ 34	638.1	+14
Electrical goods	54.0	+ 34	233.8	+ 1
Road vehicles, aircraft	74.6	+117	505.3	+ 3

Source: *The Economist*, London.

It is evident from the table that imports from North America alone were higher by 38 per cent, as against a fall of 3 per cent in British exports to the former. The rate of growth of imports from the Common Market countries and also other E.F.T.A. countries were higher than the expansion of its exports. Categorywise, too, export performance of most of the manufactured goods was by no means impressive. Viewed against this background, the appeal made to British exporters by their own representative bodies is evidence of the vigilance that is being exercised by them.

SEMINAR ON SALES TAX

In his inaugural address to the seminar on sales tax, organised by the Bombay Sales Tax Practitioners' Association on 21st and 22nd January, Mr. N. A. Palkhiwala, the distinguished authority on Income-tax Law, struck the correct note when he observed that a seminar served to exchange thoughts and that, unless new thoughts were brought into being and cultivated, there could be no progress in legislation. True to the habits of their profession, which calls upon its members to undertake prodigious study of intricate tax statutes and even more complicated judicial decisions, the lawyers who gathered at the seminar, instead of merely passing resolutions and making extempore speeches of a meandering character, conducted the seminar in four technical sessions, each session concentrating on a specific issue. In the first session, the basic question of who constitutes a dealer for the purpose of sales tax legislation was very elaborately dealt with by Mr. R. V. Patel, an expert on sales tax legislation. Citing as many as 214 different judicial decisions pertaining to the diverse aspects, such as the meaning of dealers, the controversy over the exemption of agriculturists, the continuity and profit motive as the essence of the concept of business, the units of assessments falling within the meaning of the definition of dealer, Mr. Patel made a determined effort to cover almost

(Continued on page 223)

ON THE ARENA

By The Archer

The Casual Remarks of Mr. Nehru

THE correspondent of a London newspaper who thought he had secured a scoop when he flashed the news that Mr. Nehru was seriously thinking of retiring from the Prime Ministership any time now, must be nursing a grievance against him after he issued his statement on 24th January that he had no thought of doing so in the foreseeable future. Mr. Nehru has stated that what he mentioned to the correspondent was in the nature of casual remarks about the future, and has dealt with the report in the same way as he would with some dust on his white achkan,—a swipe with his kerchief and it disappears. One can understand the sudden generation of speculation about "After Nehru—what, who and why" as soon as the newspaper report was published, because Mr. Nehru had himself been referring in the past to the age of seventy as a good age to retire, and he is now seventy-one. But we now know that those references to a gracefully retirable age must also have been 'casual' and, therefore, not quotable as his considered decision. I suggest that there should be no references to Mr. Nehru's retirement till he completes his eighty-first birthday, nine years later. We will then have enough time to discuss the theme "After Nehru—what, who, why," and, if necessary, add at the end "Oh God!"

* * * *

The Queen's Visit

One of his biographers writes of Mr. Nehru as one who, in all the tumult of his extraordinary life, can still think, untrammelled by the circumstances. On Mr. Nehru's own admission, however, his thoughts, actions and speeches are often influenced by the people round about him and immediately before him. "I go out and see masses of people, my people, your people, and derive inspiration from them. There is something dynamic and something growing with them and I grow with them. I also enthuse with them." This is what he is reported to have said at a conference of Irrigation and Power Engineers in New Delhi in November 1952. Some such communion of thoughts must have taken place at his last Press conference at New Delhi. Finding that some of the Press correspondents were not very complimentary about the exuberant and elaborate arrangements that were being made in Delhi for Queen Elizabeth's visit, he joined forces with them, and not being able to 'enthuse' with them, he groused with them even more than they did, and completely untrammelled by the circumstances of the Queen's visit. He gave expression to some very radical personal views on the question of spending money on roads, which, if accepted by Local authorities all over the country, might make life very miserable to everybody including himself. According to newspaper reports of the Press conference, we are told that, talking about rural and city roads and priorities. Mr. Nehru was personally in favour of the Japanese practice where the roads in Tokyo were possibly the worst in the world. "The Government there deliberately kept it so, diverting all available funds for educational purposes. This view personally rather appealed to him and he was quite prepared for it. But the newspapers themselves would raise a hue and cry about the bad state of the roads." (Why the newspapers alone? What about automobile manufacturers, dealers, owners, transport organisations, owners of commercial vehicles, the Commerce and Industry Minister who is keen on affording psychological satisfaction to middle class persons by providing them with small cars, and the Minister for Industry who has sponsored the cheap car scheme, the car of the people by the people for the people? Even cyclists and cycle rickshaw riders will start shouting until they get hoarse. As for buyers of the hundreds of new scooters which will be manufactured, they will have to learn riding on the crests of the potholes which will abound the roads. Are things as bad in Tokyo? I wonder!) To me it seems that Mr. Nehru's remarks about the adaptability of the Tokyo example are in the nature of 'casual' remarks and should not be subject to logical scrutiny. There is, of course, the inherent danger that the underlying philosophy may be accepted by Local authorities in the country, most of whom are chronically impecunious and would jump at any excuse to avoid expenditure on roads. On the one hand, Mr. Nehru would abuse us for our adherence to a bullock-cart civilisation, and, on the other, when an occasion warrants, he will find an excuse for asking us to remain static in some fields, in the name of austerity, perhaps. What makes Mr. Nehru so utterly lovable is the frequent escapes which he manifests from the cold realm of rationality and logic.

I think it is Lin Yutang who, in one of his books, decries an excess of rationality and extols the virtues of the British for having good tentacles in their brains for sensing danger and preserving life. He believes that Englishmen employ bad logic, but have a perfectly sound mind. He is convinced that, if we were all completely rational beings, we would degenerate into automatons and our minds would merely register impulses as unfailingly as a gas meter. In his view, the English have borne this in mind, and have achieved success in all their efforts, not by logic, but by using their tentacles. I am reminded of all this at present, because our Prime Minister is a product of British tradition and, in the formative years of his life, of British culture. Subconsciously, perhaps, he has acquired the habit of dropping logic, whenever he senses danger to the preservation of true values in life, and letting himself be guided by the tentacles in his brain.

I have not had a look at the extensive face-lifting which has taken place in Delhi, but having had experience of what takes place in all big cities before the visits of foreign dignitaries, I guess that working people have been subjected to a lot of inconvenience here and there by road blocks, diversions and the like, and, were, consequently, somewhat annoyed. That can be no excuse, however, for linking the issue with the visit of the Queen, and making it appear as though the general feeling in the country was that the arrangements were far too elaborate, extravagant and exhibitionistic. I also believe that it is a terminological inexactitude to call all that was done by the name of "face lifting!" This expression indicates an operation aimed at smoothing and firming the face and might, perhaps, be suitably applied to what takes place in large cities in foreign countries. As for our cities, they are much too fragile to stand an 'operation' and our laws are such that no major alteration can take place without ten years of litigation. They can well undergo a lot of face washing, scraping and scrubbing, some shaving, of course, and, in extreme cases, some cosmetic application. It is just too bad that even these create dislocation to normal life, but that is because our Local bodies have a lackadaisical manner of getting through the work. To link all this (and much of it was routine pre-Republic Day work) with the Queen's visit and ask the Prime Minister to show cause why, etc., was very uncharitable. Mr. Nehru was quite right in saying "You must ask the Corporation. I cannot examine each and every road. But, as I have told you, I have tried to moderate the enthusiasm." Mr. Nehru appears to have gone to the extent of even writing a letter to the Corporation about it. Well, what more can be done?

* * * *

The Tiger of Sawai Madhopur

Most of us are accustomed to a measure of old world courtesy in dealing with guests and in providing for their receptions on a scale which is often more than we can afford. The instinct of being overgenerous is almost national. At the same time, thanks to the democratic way of life to which we are accustomed in our joint families, we are also reconciled to cynical criticism from junior co-parceners of the doings of the *karta* or *karnavan* or managing member. There is thus nothing very strange in all the apparently rude remarks which have appeared in the Press regarding the lavish expenditure, pomp and feudal magnificence which was in evidence in the Jaipur reception. The British dignitaries who formed the Queen's entourage are, I assume, quite capable of taking in their strides, all that they have been reading. Such of us as have been worried about the lack of good manners seen in public criticism of so-called extravagance in honouring an invited guest, may take consolation in the fact that, even a section of the British Press has been against the tiger shoot in Sawai Madhopur and has accused the Duke of Edinburgh of wanton killing. I do not know if this particular tiger has been identified as a scholar or saint, but all tigers, as far as I know, live by killing, and deserve the extreme penalty of the law, if the I.P.C. could be applied to them. As for the *Ahimsak* party whose Secretary is reported to have observed a four-day fast in protest against the tiger shoot, he would do better by directing his attention to more heinous acts of cruelty against human beings in this sordid world. Incidentally, he calls for observance of 24th January as Tiger Day. If his suggestion is accepted and it is included among national holidays, let it be on the 25th instead, so that we may have two days together. One day is as good as another for Tiger Day.

* * * *

Fire Stops Cricket

During the commentary on the cricket match in Madras, Vizzy was heard to remark that, to a long list of what had stopped cricket matches in the past, such as a player being bitten by a snake, a player being drowned when trying to retrieve the ball, a fieldsman being crushed between two railway engines when chasing a ball, someone being killed by a hit, an umpire being bumped off the field, rain setting in, and snowfall, Madras had the distinction of adding one more mishap, namely, fire. The fire to the thatched roof of the stadium sent hundreds of spectators scurrying out for safety, but, fortunately, there were no casualties. The leader of the Opposition in the Madras Legislative Council has poured a withering fire of criticism on both the Madras Corporation and the Madras Government and has demanded that, in future, no thatched sheds should be permitted to house large congregations. "Let us boil in the hot sun than risk disaster under a so-called shade" is what he said. I am in entire agreement with him, but I am not in favour of our boys and girls being allowed to boil in the hot sun either. Apart from the biological process being unenduring, the result will not be as satisfactory as in the case of boiled potatoes whose skins can be peeled off and the tubour is fairer in colour and much smoother. Jokes apart, I don't think a stadium should be called a stadium, and should not be licensed, unless it has a roof over it as the Brabourne Stadium has in Bombay. Test matches are long-drawn affairs and four to five days of exposure to the elements is capable of causing permanent impairment to the health of young people. One complete stadium in each big city with roof is not much to ask for and, if Municipal Corporations cannot afford to erect and maintain them, Government or the community should arrange for their erection.

* * * *

Moratoria for Banks

There is something very mediæval in the way in which the moratorium granted to the Indo-Commercial Bank has been extended from time to time, the latest being by three months up to 24th March 1961. The Act provides for a maximum period of six months and it looks as though the authorities propose to avail themselves of the full permissible period. I daresay there must be many practical difficulties arising out of amalgamation, but human ingenuity and goodwill cannot be so bankrupt as to discover a way of resolving such difficulties in quick time. Most of the depositors of the I.C.B. must be persons of slender means and to them, the ultimate happiness of seeing the bank amalgamated with a stronger institution cannot bring as much solace as immediate access to at least a portion of their funds. I have known of cases of two banks amalgamating without any moratorium at all, so that, from the book-keeping angle, at any rate, there can be no insuperable difficulty. If there is the likelihood of hard bargaining on both sides, the Reserve Bank is there to arbitrate and give an award. One practical way of ending the agonising suspense would be to collect a few of the management in both institutions and lock them up in a room (as we do with jurors) and not release them until they arrive at agreed decisions. Could this be tried, I wonder!

AMERICAN LETTER

PRESIDENT KENNEDY DOES WELL IN CHOOSING HIS TEAM

BUSINESS OUTLOOK UNCERTAIN

From Our Special Correspondent

NEW YORK, *28th January*

THE new Kennedy Administration at Washington has taken a very aggressive stand towards expansion in business, at least orally. Even President Kennedy's adversaries admit that his inaugural message was a masterful job in delivery and in timing.

Throughout the proceeding, the outgoing President Eisenhower beamed. The reasons for this were, perhaps, twofold. First, the 70-year-old Dwight D. Eisenhower, the oldest President the United States ever had, was obviously delighted to relinquish his authority to the youngest President the U.S. ever had, 43-year-old John F. Kennedy. Secondly, President Kennedy, in his first policy speech, followed, internationally, the same line which his predecessor did.

In U.S. domestic affairs, the incoming Democratic Kennedy Administration is, of course, more liberal than the outgoing Eisenhower regime. It is stated that the business and industrial community of the U.S. expects again inflationary pressures rather than deliberate conservatism displayed under the Eisenhower regime. This may be an over-simplification, but this view persists. However, at this point, economically, socially and politically, the new Administration can be judged only by the Cabinet and other appointments which have been made and affirmed readily by the U.S. Senate. About 90 per cent of them have been very good. The new President had sense enough to surround himself with outstanding experts in their fields.

In so doing, at least in my opinion, he has demonstrated that he knows that he does not know everything. A particular choice of good sense was the appointment of Mr. Dillon as Secretary of the Treasury.

Mr. Dillon is a member of an old Wall Street firm family and he knows his way around, nationally and internationally. I am writing this completely, objectively. I did not vote for Mr. Kennedy. I voted for Mr. Nixon. But the more I see of President Kennedy, the better I like him.

U.S. World Trade

Expectations are that the U.S. will export $19,500 million worth of merchandise this year. It is also anticipated that imports will be about $15,000 million. These were the balance of payment predictions by the National Foreign Trade Council here.

Despite an obvious trade surplus of $4,500 million, the balance of payments' group of the Council forecast a $1,900-million deficit in the overall balance of payments. It would be the fourth year of a deficit in the U.S. overall international transactions.

The forecasts are compiled on the basis of statements by economists and financial officers of leading U.S. corporations. In brief, the predictions indicate that foreign trade will proceed on a relatively even keel and exports and imports will be up slightly from 1960 levels.

These estimates are predicated on an improvement in the level of business activity and a reasonable stability of prices. In all these discussions, questions were raised about the degree of confidence in the U.S. dollar, foreign aid programmes and other matters. It is expected here that there will be a sharp decline in the outflow of private capital this year, a slight rise in U.S. Government capital spending and only minor changes for such items as travel and transportation.

To sum up, the Council suggests that, in 1961, U.S. dollar availabilities will be $800 million less than in 1960 down to the level of $29,300 million, excluding strictly military aid. But this is still about $700 million higher than in 1959.

There is an intensive drive on in the U.S. to put a stop to the outflow of gold. In recent weeks, the outflow has averaged approximately $100 million a week. There is now a movement afoot—I would not call it a propaganda campaign, because it is not—that the U.S. has been entirely too generous with its former and present allies, formerly poor and now fairly comfortable, or rich.

Readers in India should realise this situation in their own interest. This does not mean, however, that the new Kennedy Administration will clamp down on foreign aid, *per se*, for monetary reasons. I doubt it. But the danger signals are visible.

Summary of U.S. Business

As stated in previous despatches, the air of uncertainty and pessimism is appalling—in my opinion, unjustifiably so. There are austerity programmes in the major companies, with cutbacks in employment, while the national income rises and the national product goes up, shifting from the manufacturing to the service industries.

There is nothing wrong with that. It is a matter of evolution—*tempora mutantor et nos mutumamur in illis*, as the Romans said.

At any rate, there is an air of pessimism, rather than optimism here which is reflected in the stock markets. The chances are that these uncertainties are completely unfounded, but they exist, nevertheless.

Pessimism is not justified by the facts. Savings in the leading 100 savings banks in the U.S. rose 3.5 per cent last year to a total of $23,800 million. It is a near-high for the savings banks. People save, rather than spend.

United Nations News

Mr. Adlai Stevenson, who was defeated twice by popular vote in attempting to gain the Presidency of the U.S., took office the other day, at the appointment of President Kennedy, as Ambassador to the United Nations.

While he has been nice to me on several occasions, he is not liked universally. He is a Chicago lawyer, with a very good command of the English language, but he is also glib and many people distrust him. Mr. Stevenson was not well received at the U.N.

Otherwise, the U.N. was concerned with Africa, mainly with the Belgian Congo. The problems in this area have grave economic and other consequences.

Refugees and their economic functions in another land was another point on the agenda. Many of these people have played important parts when they emigrated. Related to the question of refugees is that of racial minorities and the prevention of discrimination and protection. It was agreed that this has profound economic implications. Even though the discussions did not end with a definite conclusion, or decision, the fact remains that some very valuable think matter has been provided by several nations, including India, which in the end will make for the betterment of mankind.—*All Rights Reserved.*

The Italian State-owned Oil Company will set up a $25 million refinery in Ghana, under an agreement signed last week at Accra between the representatives of the Ghana Government and the visiting Chairman of the Oil Company, Dr. E. Mattei. The Italian firm will finance the construction of the refinery which is expected to start production within two years. Ten years after the production starts, the Ghana Government will be given half share in the refinery. Oil companies distributing oil in Ghana will have to buy products from the refinery. They will be allowed to contribute up to half of their requirements for crude oil for refining; the rest of the crude oil will be supplied by the *Ghaip*, the Ghana company being formed to run the refinery. Oil companies operating in Ghana at present are Shell-B.P., Mobil and Texaco.

With the introduction of a Japanese tramp service, run by Nissen Kissen Kaisha on the Pakistan-Africa route, a freight war has started with the Conference Lines, which has been operating there previously. The Pakistani Jute Mills Association has entered into an agreement with the Japanese firm for shipment of jute goods at a minimum freight rate of 25s. per ton, as against 150s. levied by the Conference Lines until recently. The agreement, it is said, visualises monopoly handling of all Pakistani jute goods cargoes for African ports by the Japanese. Consequently, the Conference Lines has reduced the freight by 84 per cent to 25s. Subsequently, the Japanese firm reduced freight on raw jute as well to 25s., as against the Conference Lines' rate of 70s. less 10 per cent.

PAINLESS PAYMENTS

ANOTHER STEP IN EXPORT DRIVE

(From Our Own Correspondent)

LONDON, *26th January*

THE system of making payments in the United Kingdom is to undergo a transformation at the beginning of March along lines already familiar on the Continent. The system there is known as the Giro system and is followed not only by banks but also by post offices for people without bank accounts.

LONDON LETTER

In this country the scheme, which has been initiated by the Committee of the London Clearing Bankers, is to be restricted to the banking system. Instead of a customer paying his bills by cheque or through a postal order or money order bought at a post office, he will be able to arrange with his bank or any bank to make his payments for him. Briefly, a debtor will prepare a list of the bills he is paying with the names of his creditors and the addresses of his creditors' banks. The list may cover hundreds of accounts; the number is immaterial. He will make the one payment to the bank or his account can, of course, be debited with one charge, and the bank will arrange for the creditors to be credited, each with his individual amount.

Saving in Time

From the point of view of the debtor with a great many bills to settle periodically, this system will represent a great saving in time if not in direct expense. At the moment in the U.K., there is a tax of 2d. on each cheque and postage is 3d., and another 1d. certainly goes between paper, envelope and time of addressing. Under the new system, the debtor will pay a charge of 6d. per customer, for the comprehensive service, and will have to do nothing more than prepare the list of payments to be made.

From the banks' point of view, they will gain inasmuch as they will have the cash in hand in respect of payment received instead of being out of money between the time they credit their customers and are reimbursed through the debtor being charged.

Readiness to Identify

In a sense, it is a system conceived by the banks for the banks and they are, no doubt, gainers, but customers gain, too, in this great simplification of the technique of paying routine periodic accounts. The system has been discussed in British banking circles ever since the war and it is one which is capable of adoption by all countries, but, of course, the essence of it is that the recipient of the money, the creditor, must have a bank account. To this extent, it differs from the Continental Giro system, because there the post offices come into the scheme and they arrange to pay people who have no bank accounts. So far as the commercial community is concerned, success will, however, depend upon the banks' readiness to identify payments credited to customers' accounts, so that the creditors can know which of their debtors has paid them and which is still outstanding.

Exports Council

This week has also seen the creation, announced by the President of the Board of Trade, of the new Western Hemisphere Exports Council. This is in reality an extension of the Dollar Exports Council which concentrated on North and Central America. The Dollar Council is to remain in existence for the time being, partly because the U.S.A. is this country's largest single market. But with a convertible £, dollars have lost their unique importance and all non-sterling money is equally attractive. Hence, the Latin American countries are now brought into this sphere of Britain's sales drive, and the composition of the Council covers banking houses specialising in Latin American trade and industrial firms having a big stake in that trade. Steel, cotton, chemicals, petroleum, motor cars, shipping and engineering are represented by Directors of the leading British firms and the hope of the Government and Industry is that the formation of this Council will be of some help towards a mutual solution of the problem of expanding Britain's exports to the Western Hemisphere.—*All Rights Reserved.*

FOREIGN AID FOR INDIA'S DEVELOPMENT

AUTHORISATIONS SO FAR AGGREGATE RS. 2,728 CRORES

NEARLY three-tenths of the public sector's third Plan outlay of Rs. 7,500 crores (financial ceiling) is to be met out of external assistance, according to the Draft Outline as has been approved by the National Development Council. The actual amount of assistance expected is put at Rs. 2,200 crores. It is difficult to say categorically whether this expectation will, in fact, prove correct. A rough indication will, however, be available after the forthcoming meeting of the Aid India Club scheduled to be held at Washington during the second week of April next. The Club, as readers are aware, consists of five countries of the free world, that is, the U.S., the U.K., West Germany, Canada and Japan; Italy, France, Switzerland, Sweden and the Netherlands have also been approached by the World Bank to join the Club. The offers of assistance for the third Plan already made aggregate Rs. 977.19 crores, of which the share of the U.S. is Rs. 6.07.62 crores (P.L. 480), the balance representing the aid offers from Soviet Russia (Rs. 238.11 crores), the U.K. (Rs. 46.67 crores), West Germany (Rs. 28.34 crores, Czechoslovakia (Rs. 23.10 crores), Yugoslavia (Rs. 19.05 crores), and Poland (Rs. 14.30 crores).

The anticipated assistance of Rs. 2,200 crores for the third Plan represents a rise of Rs. 376 crores as compared with the total authorisations amounting to Rs. 1,751 crores during the first and second Plan periods upto the end of December 1960. Including the third Plan aid offers of Rs. 977 crores, the aggregate authorisations of assistance from external sources so far come to Rs. 2,727.78 crores. The major portion of this aid, amounting to as much as Rs. 2,091.57 crores, is in the form of loans, while credits are of the order of Rs. 636.21 crores, according to the fourth annual report on external assistance just published by the Union Finance Ministry. The report gives a comprehensive account of the economic and technical assistance authorised and received so far from the various external sources, including friendly countries, international agencies and private organisations

Of the foreign aid authorisations aggregating Rs. 2,727.78 crores (including the third Plan offers) upto the end of December 1960, Rs. 394.22 crores were made in the first Plan period and Rs. 2,333.56 crores in the second Plan period. These sums are exclusive of (a) assistance received in the form of suppliers' credit, as, for example, from Japan, France and Switzerland; (b) Rockefeller Foundation grants; (c) gift shipments from private voluntary agencies in the U.S., (d) assistance under Titles I and III of P.L. 480; (e) aid from the Netherlands being mostly in the nature of technical assistance; and (f) aid from Switzerland for logging equipment) valued at about Rs. 1.6 lakhs).

Unutilised Balance Large

The table at the bottom of the page gives the country-wise breakdown of authorisations, the sums actually utilised and the unutilised amounts as at the end of March 1960 (fourth year of the second Plan). It will be seen from this table that, out of the total aid authorisations of Rs. 2,333.56 crores made since the second Five-year Plan began on 1st April 1956, almost Rs. 914 crores were announced during the nine months ended December 1960. A large part of this amount is specifically earmarked for the third Plan. The total amount of aid available for utilisation during the first three years of the second Plan was Rs. 1,617.26 crores (including the first Plan carry-forward of Rs. 197.64 crores), but the amount actually utilised was no more than Rs. 691.49 crores, so that the balance available at the end of March 1960 was pretty large, being Rs. 925.77 crores. This wide gap between available assistance and its actual utilisation is attributable to two factors, namely, delay in the release of funds by donor countries and failure on the part of the Government of India and other agencies to implement in an energetic manner the projects for which assistance is given.

U.S.A.

The single largest friend of India is the U.S. which has so far made aid authorisations amounting to Rs. 1,480.32 crores—Rs. 974.64 crores as loans and Rs. 505.68 crores as grants—representing more than 50 per cent of the total authorisations from all sources. Excluding the wheat loan of Rs. 90.31 crores and the T.C.A. programme aid of Rs. 130.03 crores made in the first Plan period, the amount authorised since the second Plan began comes to the massive figure of Rs. 1,259.98 crores. The details of the loans and grants—in crores of rupees—are given below:

Wheat loan 90.31; T.C.A. programme 208.84 (71.43 as loans and 137.41* as grants); P.L. 480: 878.37 (510.10 as loans and 368.27† as grants); Development Loan Fund 199.71‡ (loans); U.S. banks credit 5.90 (loans); and Ex-Imp Bank 97.19 (loans).

* This sum includes (1) Rs. 31.92 crores representing the rupees equivalent of the dollar value of agricultural commodities imported under P.L. 480 (of this amount, Rs. 18.99 crores are expected to be received as a part of the three development assistance loans and the balance is to be received either in the form of grants for agreed projects or to be utilised by the T.C.M. for meeting rupee expenditure on technicians, participants, etc.) and (2) $20 million loan for the Orissa iron ore project but excludes amounts obligated towards U.S. technicians, participants and miscellaneous.

† The amount excludes Cooley Funds and amounts retained by the U.S. Government.

‡ The sum excludes $3.9 million granted direct to the Ahmedabad Electricity Company, Ltd.

Soviet Russia

With the exception of grants amounting to Rs. 1.15 crore made in the form of gifts of machinery and equipment, the whole of the Russian aid consists of medium-term loans over a period of twelve years and carrying interest at 2½ per cent. The total amount of credits covered by agreements signed upto the end of October 1960 is about Rs. 322.53 crores (2,709 million roubles). The total credits of Rs. 383.41 crores include Rs. 64.38 crores for the Bhilai steel plant, Rs. 59.53 crores for the establishment of a heavy machine building plant, coal mining machinery plant, optical and ophthalmic glass factory, thermal power station and enterprises in the Korba coalfields, Rs. 9.49 crores for the drugs project, Rs. 11.90 crores for Barauni oil refinery, and Rs. 238.11 crores for the projects under the third Plan.

United Kingdom

The assistance received from the U.K. is mostly in form of credits (Rs. 162.66 crores) for vital development projects such as the Durgapur steel plant and oil pipeline at Naharkatiya, as also for import of capital goods by both public and private sectors. The credits include Rs. 35.33 crores for Durgapur steel plant (E.C.G.D. credit of Rs. 20.00 crores and Lazard credit of Rs. 15.33 crores), II E.C.G.D. credit of Rs. 38.00 crores for capital goods, III E.C.G.D. credit of Rs. 4.00 crores for oil pipeline, IV E.C.G.D. credit of Rs. 25.33 crores for financing payments due in sterling to firms in Britain, U.K. general credit of Rs. 13.33 crores, and third Plan commitments of Rs. 46.67 crores. Assistance has also been received in the form of grants for the supply of books and equipment (about Rs. 46.67 lakhs), as well as experts and training facilities for Indians under the Technical Co-operation Scheme of the Colombo Plan.

Canada

Of Canada's total aid authorisations aggregating Rs. 106.28 crores, outright grants account for a considerably large part—Rs. 90.57 crores—the balance being the two wheat loans of Rs. 11.51 crores and Rs. 4.20 crores. Among the projects to which Canadian co-operation has been extended, the outstanding ones are the three dams, Kundah, Mayurakshi and Umtru and the NRX Atomic Reactor at Trombay. In the field of transport, Canada has supplied 120 locomotives, some 50 boilers and railway sleepers for the Indian railways and components for the assembly of about 1,300 vehicles for the Bombay State Road Transport Undertaking. Canadian assistance has been made available to the rural electrification programme, in the form of 250 generators of varying capacities for installation in rural communities all over the country which are beyond the limits of the existing grid systems. The Government of Canada has also supplied wheat worth about Rs. 38.1 crores (about $80 million) and non-ferrous metals worth about Rs. 18.1 crores (Rs. 38 million).

Australia and New Zealand

The entire aid from Australia and New Zealand is in the form of outright grants, their respective shares being Rs. 12.27 crores and Rs. 3.43 crores. Aid from Australia covers supply of agricultural commodities as well as equipment for various development projects (Tungabhadra irrigation and power project, Ramagundam thermal power project, All-India radio and rolling stock for railways. The assistance from New Zealand is received generally in the shape of cost grants for specified projects, though some equipment has also been supplied in a few cases such as rail-road tankers for Bombay milk scheme, dairy equipment for Kaira Milk Union and Hariphatta Farm in Calcutta, and seed-dressing apparatus for the Directorate of Plant protection.

West Germany

Barring the Rs. 28.34-crore assistance for the third Plan, the entire balance of aid authorisations amounting to Rs. 122.24 crores has been made since the second Plan began; no aid was given during the first Plan period. The major portion of the aid (Rs. 120.15 crores) represents loans—Rs. 74.83 crores for Rourkela steel plant, 'other' credits of Rs. 19.05 crores (signed on 6th January 1959), first credit of Rs. 14.18 crores (signed on 27th May 1960) and second credit of Rs. 14.18 crores (signed on 1st July 1960).

Japan

The Government of Japan has established a line of credit amounting to approximately Rs. 23.8 crores in favour of the Government of India, through the Export-Import Bank of Japan. Under the terms of the agreement, signed on 4th February 1958, the credit was to be utilised over a period of three years from 1st April 1958 to 31st March 1961 for the import of capital goods from Japan, including equipment for the railways, hydro and thermal power generation and transmission, dam construction and coal and ore mining and processing, besides ships, port equipment, industrial machinery for rayon, pulp, fertiliser and caustic soda plants, machine tools and such other items as might be mutually agreed upon. The credit will carry interest at the normal rate of interest charged by the World Bank. Repayment commences after the expiry of three years and is to be completed over the succeeding seven years. At present, the rate of interest charged is 5½ per cent.

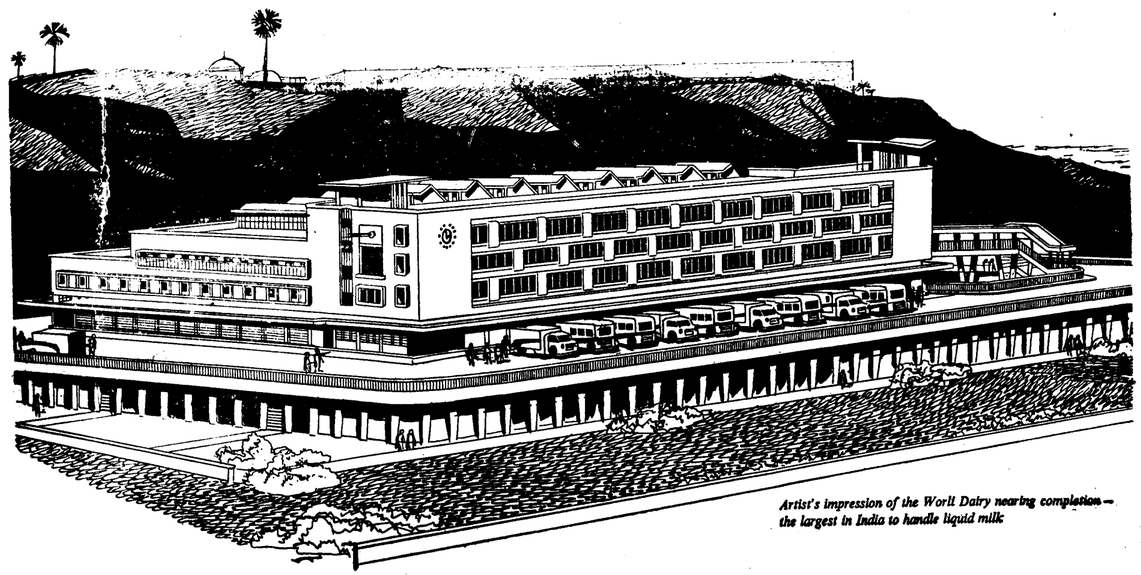
(Continued on page 223)

External Aid At a Glance

(In crores of rupees)

Source	Authorisations up to 31-3-1956	Balance of unutilised aid at the end of March 1956	Authorisations from 1-4-1956 to 31-3-1960	Total available for utilisation during second Plan	Estimated utilisation from 1-4-1956 to 31-3-1960	Balance available at the end of March 1960	Authorisations after 31-3-1960	Total authorisations up to 31-12-1960
U.S.A.	220.34	85.74	588.18	673.92	200.85	473.07	671.80	1,480.32
U.S.S.R.	64.38	64.38	260.65	325.03	66.81	258.22	59.53	384.56
U.K.	0.39	0.36	102.74	103.10	82.83	20.27	60.00	163.13
Canada	32.34	12.64	62.04	74.68	63.73	10.95	11.90	106.28
Australia	11.08	5.88	1.19	7.07	6.15	0.92	..	12.27
New Zealand	1.72	1.39	1.71	3.10	2.89	0.21	..	3.43
W. Germany	..	..	95.97	95.97	72.96	22.96	56.70	152.67
Japan	..	..	27.61	27.61	3.97	23.64	..	27.61
Czechoslovakia	..	..	23.10	23.10	..	23.10	..	23.10
Rumania	..	..	5.23	5.23	..	5.23	..	5.23
Yugoslavia	..	..	19.05	19.05	..	19.05	..	19.05
Norway	0.66	..	1.53	1.53	1.53	..	..	2.19
Poland	..	..	..	..	..	..	14.30	14.30
World Bank	57.70 (25.70)	23.90 (20.90)	224.24 (70.14)	248.14 (91.04)	166.04 (79.22)	82.10 (11.72)	33.34 (Nil)	315.28 (95.84)
Ford Foundation	5.61	3.35	8.07	8.42	3.71	4.71	3.52	14.30
U.N. Special Fund	..	..	1.31	1.31	..	1.31	2.85	4.16
Total	394.22	197.64	1,419.62	1,617.26	691.49	925.77	913.94	2,727.78

N.B.—Figures in brackets indicate the assistance given to the private sector.



Artist's impression of the Worli Dairy nearing completion—the largest in India to handle liquid milk

ANOTHER GIANT DAIRY... AT BOMBAY

BOMBAY will soon get an additional 200,000 litres of milk with the commissioning of the Worli Dairy Project. This giant modern dairy is one of the major projects undertaken by the Maharashtra State Government with UNICEF aid. It will ensure the large-scale supply of wholesome, pasteurised milk for Bombay's millions of men, women and children.

Against world-wide competition, Larsen & Toubro Limited and its Principals have secured the contracts for the supply and erection of the most modern dairy plant and equipment in the world — WRIGHT HARGREAVES Milk Reception and Can Washing Equipment, SILKEBORG Milk Processing Plant, UDEC Bottle Washing and Bottle Filling Equipment, CONTINENTAL Package Steam Boilers, and LAUR. KNUDSEN High Tension and Low Tension Switchgear and Motor Starters. Coordination and erection have been entrusted to Larsen & Toubro Limited.

Pioneers of Dairy Engineering

The Worli Dairy, which will initially supply 200,000 litres of milk a day, is designed to accommodate plant and equipment capable of producing 1,000,000 litres a day at a later stage. The Project will have at its disposal the experience in Dairy Engineering which L & T has accumulated over two decades. A pioneer in the field, Larsen & Toubro Limited has planned and erected over 50 per cent of the dairies in India—some of them among the country's largest!

Local Manufacture

In order to make the country progressively self-sufficient, L & T has been manufacturing at its Powai Works many items of Dairy Equipment which are increasingly forming a part of the plant and machinery being supplied to several schemes.

IN SERVICE L&T LIES SUCCESS

LARSEN & TOUBRO LIMITED

ENGINEERS

P. O. Box 278, Bombay 1. *Also at:* CALCUTTA, MADRAS, NEW DELHI, BANGALORE, COCHIN, AHMEDABAD

Divisions:

- DAIRY & REFRIGERATION
- EARTHMOVING & AGRICULTURAL EQUIPMENT
- DRILLING & MINING
- HEAVY PLANTS
- INDUSTRIAL APPLIANCES
- ELECTRICAL EQUIPMENT & SWITCHGEAR
- CIVIL ENGINEERING
- ERECTION
- MANUFACTURING
- SERVICING

SHORTER WORKING WEEK IN MILLS

MAN-MADE FIBRES OUTPUT RISES MARKEDLY

From Our Special Correspondent

MANCHESTER, *24th January*

NOW that the shorter working week has come into operation in Lancashire mills, its effect on the level of output is a matter for much concern within the trade. Whereas earlier reports had indicated that quite a number of units, particularly on the weaving side, would be prepared to adopt overtime working until May, it now appears that only a small minority of firms will work the additional 2½ hours a week permitted under the agreement.

MANCHESTER LETTER

Latest returns covering November last show that single yarn production was at its highest rate for any month of 1960, except May. In weaving, cloth output was the second highest monthly production since the end of the first quarter last year, when the scrapping scheme was completed. A rise of 850 was also recorded in the number of operatives on the books of employers in spinning and weaving, bringing the available labour force to 185,560 as compared with a low-point of 183,890 at the end of March 1960. The corresponding manpower figure at the end of November 1959 was 195,040.

A significant feature of the labour situation is that, in the spinning branch, a fall of 5,640 occurred over the twelve-month period, but, in weaving, the reduction was only 3,320. The drift of workers from doubling mills continued, although on a minor scale, and there are now 650 fewer operatives in this branch than towards the end of 1959.

Position in Bolton

Statistics underlining the trends which have been noticeable throughout the industry as a whole are now issued by the Bolton Master Spinners' Association, describing the position in the Bolton and Leigh areas. Output per week between the beginning of 1959 and the closing months of 1960 showed an increase of 2.4 per cent, although there was a reduction of 13.5 per cent in the number of operatives on the books. Spindles in place were cut by almost half in less than two years.

As the reports explains, a considerable amount of machinery was idle at the beginning of 1959, whereas at the present time spindle activity is about 96 per cent. The extension of shift-working in the mills is also emphasised by the fact that over 30 per cent of the operatives in this area are now engaged on systems of working other than the normal single day shift. Among the problems which arose when wider shift-working plans were adopted was the provision of suitable transport facilities and the inadequate street lighting in the side streets of some towns. The Association says that most of the fears expressed failed to materialise on transport, although representations on the poor lighting have had to be made.

"Although it is frequently stated that higher wages would make the industry more attractive, the plain fact is that there is a general shortage of labour and the textile industry is no worse off than is the case generally," adds the report. "It was thought that the reorganisation scheme would cause serious unemployment in Lancashire, but in the event it has not done so. The staffing at mills which have adopted a shift system of working is reasonably satisfactory and, with the growth of confidence, we are convinced that our wages and conditions of employment will attract more and more people into the mills."

More Garments Imported

Not surprisingly, in view of the persistent and unchecked growth of imports of all types of cloth and made-up goods into this country during the past twelve months, the recently issued annual reports of the Manchester Chamber of Commerce sections made constant comment on the situation. The garment manufacturers are now feeling the effect of this trade to a greater degree than in recent years and, in particular, the purchases from Hong Kong received considerable prominence.

In the four years before the agreement with the Colony was adopted, imports of clothing cost around £7 million annually; in 1959, they jumped to £10 million and the estimate of last year's arrivals was £15 million. Hong Kong now realises the monetary advantage of exporting made-up goods, as against piecegoods, but, if the voluntary pact is not renewed, it is suggested that there might once again be a concentration on the shipment of grey cloth from the territory.

Imports of knitted goods from all sources during the past year also continued to rise. In the first nine months, the increase by value was 51 per cent higher and the Chamber's sectional report described the total as "reaching a dangerous level." Hong Kong has increased her share of this business from 7 per cent in 1958 to 32 per cent by 1960.

Quoting Board of Trade returns, the China and Far East section pointed out that British exports of all kinds of goods to Hong Kong in the first ten months last year were valued at £31.7 million, as against £29.4 million in the same period of 1959. But British imports from the Colony were also up—from £27 million to £35.8 million. The largest group of imports from Hong Kong was clothing and footwear, which accounted for nearly half the total value at £16.2 million, a rise of £5.0 million. Cotton yarns and fabrics were virtually unchanged at £8.2 million and miscellaneous textile goods cost £1.9 million.

Record Fibre Output

A 15 per cent rise in output of man-made fibres in the United Kingdom took place in 1960, the aggregate of 591.99 million lbs., being an increase of 78.0 million lbs. over the previous year, according to the British Man-Made Fibres Federation. This represented a new record level of output, as 1959 was itself a record year. The 1958 total was 421.51 million lbs.

Both filament yarn and staple fibre output created new peaks, being 268.61 million lbs. and 323.38 million lbs., respectively. Viscose rayon production accounted for about 75 per cent of total output, despite the expansion achieved by nylon, terylene, acetate and the acrylic fibres. For the first time last year, the output in December was not a monthly record. Partly owing to the Christmas holidays and partly due to stoppages for maintenance after the busiest year in the trade's history, the total was 47.10 million lbs., against 50.79 million lbs. in December 1959.

The Federation points out that one influence on staple output was a cutback in production intended for the tufted carpet trade, which a year previously had been buying on almost panic scale, through unjustified fears of shortages. Signs of a revival in this trade are now apparent, but demand for industrial yarns showned a decline in December, probably influenced by the effect of the motor trade recession and the call for tyre cord fabrics.

Royal Exchange Bid Opposed

Opposition to the £2,400,000 bid made by City Centre Properties Ltd., controlled by London financiers, Mr. Charles Clore and Mr. Jack Cotton, for Manchester's Royal Exchange has been openly expressed by the Directors. In a circular to stockholders advising them to reject the cash and share exchange offer, the Directors said that they did not intend to accept the bid in respect of their own personal holdings.

The statement reveals that more than one other company had indicated its readiness to make a similar offer when the City Centre bid was announced but when the Royal Exchange Directors met last week one interested party had withdrawn and no further offer had materialised.

Owing to changing conditions of trade, the subscription income in 1939 had fallen to less than half the 1923 figure, but rents had increased by 26 per cent. In the last decade, the statement says, subscription income has fallen from £48,854 to £38,408, but rents and heating charges increased from £40,582 to £151,854. The ordinary dividend has increased from 3 per cent to 11½ per cent. The Directors expect to pay a final dividend of 8½ per cent making 12½ per cent for the whole of 1960.

A development plan involving a reduction in the floor space of the Exchange and an increase in office accommodation has been under active consideration since the beginning of last year. Planning permission has been obtained for a three-year development programme and arrangements have been made to finance the earlier stages of the reconstruction, partly from the Royal Exchange's own resources and partly on a temporary basis from the bankers. Permanent finance through a rights issue to ordinary stockholders is proposed in due course which would give them in a tangible form some part of the appreciation in the value of the property.

When a bid of 25*s.* was made for the ordinary stock in 1957, the Directors recommended its rejection. At that time, the land and building was professionally valued at £2,250,000. Since then, further capital appreciation has ensued and the valuers have estimated the current value at £2,650,000, as against the book value of £1,499,048.—*All Rights Reserved.*

"Pyramid" Brand
GRADE I QUALITY
HAND TAPS

"Pyramid"
TRADE MARK

DIES

ACCESSORIES

& TOOL BITS
AVAILABLE EX-STOCK
Pyramid TAPS & DIES ARE PRODUCTS OF SKILL. FROM INITIAL MATERIAL SELECTION TO FINAL INSPECTION & PACKING Pyramid PRODUCTS ARE SUBJECTED TO INDUSTRY'S HIGHEST QUALITY CONTROL STANDARDS. Pyramid OFFERS A COMPLETE RANGE OF THREADING TAPS & DIES FOR EVERY INDUSTRIAL APPLICATION.
INDIA TAP & DIE CO. PRIVATE LTD.
C. S. TRACK ROAD, GALINA, BOMBAY 55 | 526, SADAR BAZAR, JHANSI (U. P.)

COTTON CULTURAL AND GINNING PRACTICES IN U.S.

TEXTILE PRODUCTIVITY TEAM RECOMMENDS THEIR ADOPTION HERE

THE report of the Indian Productivity Team for the cotton textile industry contains extensive references to cotton growing in the U.S. and recommendations for adoption in this country of some of the agricultural practices followed there. In particular, it has suggested that the "one variety law" for growing cotton existing in California has considerable possibilities for improving seed cotton and thereby the quality and yield of Indian cotton. Another suggestion is that suitable central organisations should be established in cotton-growing areas for classification, quality-checking, testing and distribution of ginned cotton at low cost.

The Team also feels that there is need to establish a standard for each mixing of cotton for specific counts. This would require built-in controls to check the quality that goes into the standard mix. Blending hoppers have also been recommended in place of manual mixing to achieve uniformity in mixing.

It is noteworthy that "the one variety law," according to which only the officially recognised variety can be grown in specified areas, already exists in India under the Cotton Transport and Cotton Control Acts. Some of the protected areas and the varieties grown, given in brackets, are: North Gujerat (Kalyan), Middle Gujerat (Vijay), Khandesh (Virnar), Vidarbha (H. 420 and Buri 0394): Marathwada (Gaorani 6 and 12). The progress made in extending the choice varieties to other areas has, however, been slow, thanks to the failure on the part of the States' Agriculture Departments to enforce the provisions of the Act.

Revolution in Cotton Farming

It is evident from the recommendations of the Team that it was impressed by the cultural and picking practices followed in the U.S. and their remarkable results in terms of yield and quality of cotton. In fact, cotton growing in the U.S. has undergone a virtual revolution in the past 30 years or so. An idea of the remarkable changes that have taken place in the science of cotton cultivation and its advantages can be had from a review of cotton production in the U.S. made by no less a person than Mr. Howard Stovall, President of the Cotton Council International, at the annual meeting of the International Federation of Cotton and Allied Textile Industries held at Amsterdam in September-October last year.

Before the second World War, according to Mr. Stovall, practically all cotton in the U.S. was still produced on family-type farms or under the tenant system on larger farms which involved mostly hand labour. About 70 per cent of this cotton was produced east of the Mississippi river. Cotton production has moved west and, with this westward movement, has become more and more concentrated in commercialised and mechanised farms. During the last 20 years, the number of cotton farms has gone down by 60 per cent and the average output per farm has more than doubled. Thus, the average yield has increased from 190 lbs. in 1940 to 470 lbs. per acre in 1960 while the area devoted to cotton has fallen from 29 to 16 million acres.

During and since World War II, farm labour, under the process of urbanisation, left the farm in large numbers. Due to the scarcity of labour supply, wage costs soared. The cotton farmer has, therefore, been forced to mechanise his operations through sheer economic necessity. He had to find ways of producing cotton with less and less labour. This trend is expected to continue.

No Change in Cost

The man-hours required to produce a bale of cotton have been cut from 260 to 80 over the last 20 years, largely because tractors are used in preparing planting and cultivating the land. If the cost of machines, chemicals and other costs are taken into account, the total cost of production, according to Mr. Stovall, has not changed as much as suggested by productivity figures.

Machines are fast replacing manual labour in the harvesting of cotton as well as in cultivation. While 10 years ago, only 6 per cent of the cotton crop was harvested mechanically, today 43 per cent is picked by machines. In the western region, the percentage is as high as 83. Gins have become fewer in number, larger in size and more complicated in design.

This revolution in cotton production has, no doubt, had some influence on the quality of cotton too. Changes in genetics, production and cultivation methods and marketing practices, though they contributed to higher output and yield, have also resulted in some deterioration in quality.

In the last 10 or 15 years, according to Mr. Stovall, the number of varieties of cotton grown in the U.S. declined sharply. Thus, whereas 10 to 15 years back, 50 varieties were in general use, now 10 varieties account for more than 90 per cent of the American cotton crop. This had greatly reduced quality differences due to varietal factors. The fibre strength of American cotton has increased, so that only a few varieties now average below 80,000 pounds breaking strength, whereas, 20 years ago, only an occasional variety was stronger than 80,000 pounds. Again, there is today only one area in the U.S. that produces cotton of less than one-inch staple, whereas 20 years ago, the great bulk of the crop was less than one inch staple. In fact, according to Mr. Stovall, these varieties and strains of American upland cotton are now being grown throughout most of the cotton-growing regions of the world. This is proof of the success of American cotton breeders' efforts in quality improvement.

American farmers are now using better judgment in fertilisation, cultivation, selection of seeds, chemical weed control, etc., than ever before. All this should tend to produce a more uniform cotton crop, better developed bolls and stronger and more uniform fibre.

It is perhaps in the ginning of cotton that the greatest changes have occurred in the U.S. When most of the cotton was picked by hand, a family would pick for a week, before accumulating a bale of cotton. Each day's picking was spread out in the sun to dry and cure. It was then stored to wait until one or more bales of cotton were accumulated before taking them to the gin. In this interval, the moisture content dropped to a low level. The sap went out of the seed. The fibre was air-cured, air-dried and ready to process.

Such, however, is not the case with mechanically harvested cotton. Each mechanical picker will pick as much as 50 to 75 hand pickers. There is simply no place to spread this volume of cotton to dry in the sun. It is, therefore, brought directly from the field to the gin where it has to be dried and cleaned before ginning. For this purpose, gins have driers and cleaning machinery. Defective ginning sometimes causes damage to the quality of cotton. The Government's cotton marketing policy also, according to Mr. Stovall, has adversely affected quality to some extent, because it encouraged, in some cases, over-drying and over-machining of cotton.

Future Trends

The President of the Cotton Council has this to say on the probable future trends in cotton growing and ginning:

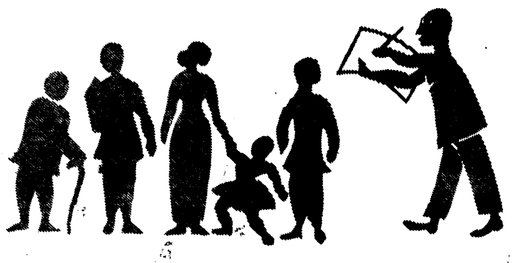
"In the field of genetics, our plant breeders and experiment stations are diligently working to improve the cotton plant to make it more adaptable to the changed conditions of mechanisation and to improve the cotton fibre to enhance its spinning qualities. The development of the smooth leaf cotton, which we hope will go a long way towards solving some of our problems of quality associated with the plant, is only one of many such improvements in the offing in the experiment stations.

"In cultivation, harvesting, and ginning, the inherent qualities of the fibre can be preserved. Misuse of technology and malpractices through ignorance should no longer occur. A tremendous educational campaign has been under way all year throughout the length and breadth of

(*Continued on page 224*)

CENSUS 1961

10 February—5 March



Between these dates every person will be counted in our country, in cities or in the remote villages, in the hills or in forests, at sea or on shore.

The counting will start on 10 February and end at sunrise on 1 March. To make doubly sure that every one has been included in the Census, there will be a revisional count between 1 and 5 March. Make sure that the entire family is counted, from the oldest to the youngest.

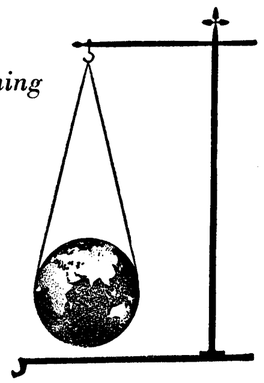
The enumerator has a heavy responsibility. Please help him in his task.

All census information will be strictly confidential and fully protected.

Issued by Government of India

DA60/543

Weighing the world up...



. . . even just from a financial point of view, is a pretty big operation. It requires a very extensive knowledge and understanding of business conditions. It requires an organisation like The Hongkong and Shanghai Banking Corporation. The biggest bank established by the Far East for the Far East provides a banking service not only in South and East Asia—which is our primary concern—but has offices in Europe and America as well, surveying the whole of the business world, considering, weighing up.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

HEAD OFFICE: HONG KONG

BRANCHES IN INDIA

BOMBAY — CALCUTTA

Offices in Europe and the United States and throughout the Far East

A Policy Issued By The

Bombay Fire & General Insurance Company, Ltd.

(Incorporated in India)

Your Symbol of Security in the Event of

FIRE, ACCIDENT OR A MARINE PERIL

Head Office:

Henley House, Graham Road Ballard Estate, BOMBAY 1

Represented In

INDIA, BURMA & PAKISTAN

OBTAIN **FREE BROCHURE** ON **PATENTS & TRADE MARKS**

Contact:

PURUSHOTTAMDAS GOKULDAS

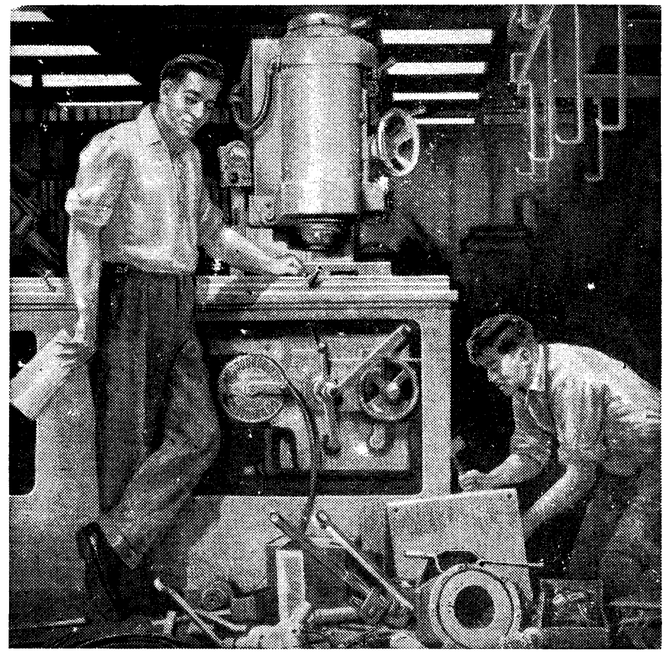
Patent Attorneys

39D, People's Building, Ground Floor, Sir Pherozshah Mehta Road, Bombay-1.

Telephone: 265014—255172.

Hastings Belting

BIRKMYRE BROTHERS LIMITED

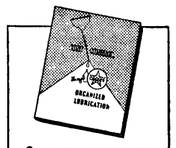


His costs will go up this month...

Because he has had a machine breakdown and has had to replace costly parts which were ruined by faulty lubrication. This didn't have to happen —a Caltex Lubrication Survey could have spotted the trouble—solved the problem.

Machinery shutdown means loss in production, time and money. Correct lubrication is therefore essential to ensure the protection and efficient operation of costly machinery. Planned lubrication is vital for increased production at lower costs.

This service is yours for the asking—call in your Caltex Lubrication Engineer—arrange for a correct lubrication programme for your plant. Let us help you in conserving parts and money.



Company executives can obtain a free copy of this booklet by writing on their official letterhead to their nearest Caltex office.

PLANNED LUBRICATION—A VITAL FACTOR IN COST CONTROL

CALTEX (INDIA) LIMITED Bombay · New Delhi · Calcutta · Madras

CAL-B-61-P

NEPAL BANK LIMITED

(Incorporated under Nepal Bank Act of 1994 (Sambat))

Central Office: KATHMANDU, NEPAL

Authorised Capital	..N.C. Rs. 1 crore
Paid-up Capital	..N.C. Rs. 25 lacs
Reserves and Exchange Fluctuation Fund	..N.C. Rs. 44 lacs

(N.C. Rs. 160=I.C. Rs. 100)

16 Branches and Sub-Offices in Nepal

Enquiries are invited from Banks, Commercial Concerns and Tourists for information regarding Prospects, Procedure and Regulations in Nepal

COMMERCE

India's Premier Financial, Commercial and Industrial Journal

Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.

BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY

Telephone No. 253505

CESS ON CANE CRUSHED BY SUGAR MILLS

COMMITTEE URGES EFFECTIVE UTILISATION

THE Central Government is expected to issue shortly a special ordinance seeking to legalise the imposition of cess on all the sugarcane that enters the mills in Uttar Pradesh and other States. This step has been necessitated by a recent judgment of the Supreme Court which held the U.P. Sugarcane Cess Act 1956 as unconstitutional and invalid. Section 3 of the Act, it may be noted, empowers the Uttar Pradesh Government to impose a cess not exceeding As. 4 per maund on the entry of cane into the premises of a factory for consumption, use or sale therein. Entry 52 of the State List II of the Seventh Schedule to the Constitution reads as: "Tax on the entry of goods into a 'local area' for consumption, use or sale therein." Delivering the majority judgment of four to one, Mr. Justice Das Gupta of the Supreme Court is reported as having said:

"The word 'local area' in Entry 52 of the Constitution (when the area is a part of the State imposing the law) is an area administered by a local body like a municipality, a district board, a union board, a *panchayat* or the like. The 'premises of a factory' cannot, therefore, be a local area. Section 3, which empowers the Governor to impose a cess on the entry of sugarcane into the 'premises of a factory,' does not fall within Entry 52 of the State List and, therefore, the law under this section is beyond the legislative competence of the State Legislature. As this section is not severable from the Act, the entire Act, namely, the U.P. Sugarcane Cess Act 1956, is invalid and must be struck down."

Objection to Cess

Whatever be the constitutional validity or otherwise of the U.P. Sugarcane Cess Act or the Central Government's move to legalise the Act, the fact remains that the levy of a tax on a raw material such as the cane cess is as a rule wrong in principle. The rate of cess is so high that it ceases to be a cess and becomes an excise duty for all practical purposes. It is, as the former Tariff Board pointed out in 1950, "particularly objectionable when imposed on the raw material of an industry which has been nursed by the consumers all over the country for a period of 18 years and for which they have made a heavy sacrifice during all these years." But the objection to the cane cess is not on the ground of imposition as such but because of the fact that the rate of cess in several States is, as already stated, pretty high and, what is more, that the proceeds of the cess are not being utilised properly and wholly for work connected with development of sugarcane. The spate of criticisms levelled against the cess led to the appointment (on 9th March 1956) of a joint committee of the Development Council for Sugar Industry and the Indian Central Sugarcane Committee, with Sardar Lal Singh as Chairman, to consider the question of levy of cess on cane and its utilisation. After collecting detailed information regarding the rate of cess, receipts from cess, expenditure incurred on sugarcane research and development by various States, requirements of research and development in different tracts, etc., the Committee finalised its deliberations in March last year. The report of the Committee was one of the important items that came up before the Development Council at its meeting held at Shakkarnagar (Andhra Pradesh) a fortnight ago.

Two considerations invest the recommendations of the Joint Committee with special significance. One, since the revenue derived every year by State Governments by way of cane cess runs into several crores of rupees, one is perfectly justified in asking that the cess be reduced to a level sufficient to yield a revenue for the purpose for which it is imposed. The amount actually collected by way of cane cess in all the States aggregated Rs. 30.57 crores in the first Plan period and Rs. 48.07 crores in the second Plan. It is expected to be higher still at Rs. 60.00 crores in the third Plan, as will be seen from the table in column one. A sum of Rs. 12 crores per annum is too much to be spent on the development of a single agricultural crop even if intensive efforts are made by the State agricultural departments. Two, they must be used properly so as to ensure cane development work on effective lines. It will be of interest to note here that sugarcane occupies a unique position among agricultural crops, in that, while the area under its cultivation is only 1½ per cent of the total cultivated area, it accounts for about 5 per cent of the agricultural income.

Cane Cess Revenue
(In crores of rupees)

State	First Plan (1951-56)	Second Plan (1956-61)	Third Plan (1961-66)
Uttar Pradesh ..	20.17	26.12	31.00
Bihar	5.54	7.84	9.75
Bombay	3.10	7.06	8.50
Punjab	0.06	0.99	1.63
Andhra Pradesh ..	0.59	3.56	5.13
Madras	0.20	0.38	0.54
Mysore	0.91	2.12	2.85
Others (non-cess levying States)* ..	Nil	Nil	0.60
Total ..	30.57	48.07	60.00

* Madhya Pradesh started levying cess from 1959-60.

In its report, the Committee declares that sugarcane has been receiving scant attention and the funds invested in the development of the crop are far from adequate. As against the total cess collections of Rs. 30.57 crores in the first Plan period, the amount spent on cane development (including expenditure on irrigation and road development programmes) was only Rs. 10 crores. An amount of the same order is expected to be spent on cane research and development (including roads only) in the second Plan out of the estimated total proceeds of Rs. 40.87 crores. Drawing attention to this, the Committee says:

"Experience over the last decade has amply shown the inadequacy of the development programme, since the position of acre yield and recovery of sugar remains at the same deplorably low level of about 14 tons of cane per acre and 10 per cent recovery of sugar, as against a yield of 80 tons per share in Hawaii and a recovery of 13 to 14 per cent obtained in Australia. It is, therefore, high time that serious notice is taken of these hard facts, particularly when the third Five-year Plan is in the making, because, unless the present standards of cultivation are improved, the sugarcane industry, particularly in the North, is in danger of being wiped out."

Not Too High

The Committee has estimated the aggregate revenue receipts of Central and State exchequers by way of cane cess and sugar excise during the third Plan period at Rs. 360 crores. As against this huge amount, the Committee puts the amount required to finance the coordinated programme of cane development (principally for road development in sugar factory areas and for improved seed distribution) at Rs. 100 crores. Another Rs. 100 crores, it is said, will be needed by way of loans for the construction of masonry wells and tube-wells, as well as for the purchase of fertilisers, plant protection equipment, etc. Stating that the loans will be returnable with interest and as such cannot be classed as expenditure, the Committee observes: "Thus the expenditure involved in the programme envisaged will be about Rs. 100 crores spread over the period of the third Five-year Plan. This will constitute less than 28 per cent of the expected total revenue from cess and excise, leaving a surplus of Rs. 260 crores. Considering the vital importance of the sugarcane crop to millions of cultivators in the country affecting the overall agricultural economy of a number of major States like U.P., Bihar and the Punjab, this expenditure should not be considered too high or disproportionate."

The Committee has strongly recommended that the entire proceeds from the cane cess should be earmarked for cane development at least for some years to come. In support of this recommendation, it observes:

"While the position of objectives and implications has remained obscure, the very fact that cane cess is levied only on sugarcane supplied to sugar factories makes it appear that it was meant to improve the condition of such cane. . . . . A perusal of the figures of actual requirements makes it clear that the needed outlay would be of the order of Rs. 20 crores per annum during the third Plan period. If the entire cess proceeds amounting to Rs. 12 crores expected annually are earmarked for the purpose, only a balance of Rs. 8 crores would be left to be met from the excise revenue. This amount, that is, Rs. 8 crores, would constitute 13 per cent of the expected revenue from excise. The loans would be returnable and constitute production investment. Even out of the expenditure of Rs. 20 crores per annum (or Rs. 100 crores for the entire Plan period), irrigation and road development, two major items of the programmes, account for 73 per cent of the total, and these items would benefit not only sugarcane but other crops also, including the food crops. It would thus be noted that, even if the above recommendations of the Joint Committee were wholly accepted, the sugarcane crop would still contribute to the general revenues over 86 per cent of the income from sugar excise amounting to over Rs. 52 crores per year. It has to be kept prominently in mind that all such expenditure would constitute an item of very profitable investment, in that it shall earn rich dividends. The 100 crores of rupees invested as proposed would help to attain the third Plan target of 30 lakh tons of sugar per annum which would mean an additional revenue of Rs. 110 crores, that is, a revenue of Rs. 360 crores during the third Plan, as against a revenue of Rs. 250 crores during the second Plan, to the State and Central Governments. The return would thus amount to 110 per cent over the third Plan period."

Cess Reduction

It will be noted that the Committee has not asked for a reduction in the rate of cess. Apparently, it must have felt that such a demand would fall on deaf ears. It has, therefore, proceeded to suggest schemes of capital expenditure of a development nature for which a cess is not usually raised. In the case of quite a few other agricultural crops, the rate of cess is only nominal, confined to a few naye paise, sufficient to cover the cost of research, model farms and procreation of good seeds, and not for building roads or constructing minor irrigation works. Finance for these items of capital expenditure is usually found through borrowing or from general revenues. The proper thing to do, therefore, would be to reduce the cess to three or six naye paise and either merge the balance with the Central excise or create a separate State excise which should be limited to a specified period for specified purposes and withdrawn as soon as the purposes are served. The Committee's recommendations may be based on practical considerations, but they are not scientific. Its sole aim has been only to suggest ways and means of spending the large amounts collected by way of cess.

Unorthodox though the Committee's recommendation may be, it constitutes a new approach to the problem of sugarcane cess utilisation. It is to be hoped that the State Governments would pay attention at least to these modest recommendations of the Committee and take steps to ensure that the cess proceeds are utilised for the purpose of improving productivity of land used for raising sugar.

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES

* DEMAND DRAFTS * LEDGERS

* PAY-IN SLIP BOOKS * PASS BOOKS

* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone : 26-3301/2

THE INDIAN OVERSEAS BANK LIMITED

has introduced

A RECURRING DEPOSIT SCHEME

to suit the requirements of all classes of people.

Deposits are accepted in multiples of Rs. 5/- with a minimum of Rs. 5/- and a maximum of Rs. 500/-.

	Monthly Deposit of			
	Rs. 5	Rs. 10	Rs. 50	Rs. 100
	Will grow to			
In 34 months ..	Rs. 180	Rs. 360	Rs. 1,800	Rs. 3,600
In 46 months ..	250	500	2,500	5,000
In 86 months ..	500	1,000	5,000	10,000

Please call for full particulars from any of our branches.

M. Ct. Muthiah, *Chairman.* C. P. Doraikannu, *General Manager.*

THE ARCHITECT'S CHOICE

BARMIL

SOFT INSULATION BOARD

If you leave it to expert's selection, 'Barmil' is the obvious choice.

Flame Proof material available

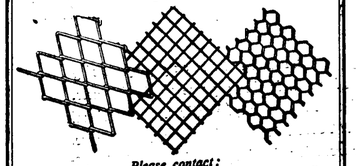
FIRST MADE IN INDIA BY THE BARNAGORE JUTE FACTORY CO., LTD. (INCORPORATED IN ENGLAND)

DISTRIBUTED BY Baug GLASS & CROCKERIES (P) LTD. CALCUTTA · DELHI · BOMBAY · MADRAS

BM-11/60

For Your Requirements of WIRE NETTING

Square, Hexagonal, Crimp and Chain Link (Inter Link) in G. 2 ; Steel, Brass, Bronze, Copper, etc.



Please contact :

Bombay Woven Wire Netting Works

Manufacturers of

Superior Quality Wire Netting of all Types

243, Iron Market, Carnac Bunder, Bombay-9

Grams: "WIRENET" Phone : 22733 Office, 67277 Factory

you have just opened

A METAL BOX OPEN TOP CAN !

Simple though it looks, the 'Open Top' Can in which processed fruits, vegetables, fish, milk or butter comes to you is a container scientifically designed to protect and preserve perishables over long periods. The Open Top Can allows processing of the contents *after* they are hermetically sealed, thereby killing all disease-carrying and other germs. Wherever necessary, Open Top Cans have an inner coating of a chemically inert lacquer that effectively prevents interaction with the metal of the container itself. Thus, Open Top Cans prolong the life of perishable products, allow round-the-year selling, encourage wide distribution and thus help to stabilise prices.

Metal Box, leaders in the packaging field, have been supplying Open Top Cans in India for nearly a quarter of a century. This is only one example of their wide range of scientifically designed containers that deliver consumer goods to you.

METAL BOX

Over 1000 manufacturers in India are being supplied by Metal Box with scientifically designed containers and closures that go to pack over Rs. 100 crores worth of consumer goods every yeo

OPEN TOP CANS for processed fruit, vegetables, fish and dairy products • **GENERAL LINE CONTAINERS** for confectionery, tea, biscuits, baby foods, edible oils, paints, insecticides, powders, etc. • **COMPOSITE CONTAINERS** of cardboard & metal • **COLLAPSIBLE AND RIGID TUBES** for toothpaste, ointments, adhesives and pills • **CROWN CORKS** for carbonated drinks • **R. S. PILFER-PROOF AND OTHER CLOSURES** for bottled products • **COMPONENTS** for radio, automobile and electrical industries • **PUBLICITY MATERIAL** including advertising tablets and calendars • **PLASTIC PRODUCTS** including Diothene bags, foil laminate pockets and injection mouldings: • **HARDWARE** including trays and table mats **MACHINERY** Can Closing and Reforming and Bottle Sealing Equipment

The Metal Box Company of India Ltd

Barlow House, 59C Chowringhee, Calcutta

Factories and Sales Offices

CALCUTTA • BOMBAY • MADRAS • DELHI • MANGALORE

Our fleet of twenty modern freighters offers fast, regular and dependable service between

INDIA—U. K. & THE CONTINENT • INDIA/EAST PAKISTAN—SOUTH AMERICA

INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS

INDIA—POLAND. Also around the INDIAN COAST

INDIA STEAMSHIP CO., LTD.

"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1

Managing Agents : — LIONEL EDWARDS (PRIVATE) LTD.

INDIA'S PLAN FOR FOOD UNBALANCED

NEED FOR RAISING PRODUCTION OF MILK NEGLECTED

By Dr. P. V. Sukhatme

DIRECTOR, STATISTICAL DIVISION, F.A.O., ROME

THE importance of protective foods in the dietary of India hardly needs to be stressed. This is well recognised and yet the *per capita* availability of milk seems to have gone down in the course of the last ten years. At present, the *per capita* availability of milk proteins in India is of the order of no more than three grams a day, against a figure ten times as large for Europe and some 15 times for North America. The gap in animal proteins is even larger. Milk is indispensable for children and expectant and nursing mothers. Inadequate supply of milk proteins not only leads to deficiency diseases, but what is more important seriously retards the growth of children, weakens their resistance to diseases and diminishes physical vigour and working efficiency. I recognise that the pulse protein availability in the country is fairly adequate on *per capita* basis, but pulse protein can hardly be recommended for infants after they are weaned. Moreover, pulse proteins have a much lower biological value as compared with milk proteins. The latter, as is well known, resemble more closely in pattern the proteins constituting human tissues, and for this reason are more readily assimilable than are the pulse proteins. If one were to look into the progress of nutrition in other countries, one finds that there is a tremendous shift in the composition of diet with heavy emphasis on animal products as compared with that of cereals hundred years ago as shown below:

	France 1840	*U.K.* 1880	*France* 1954-57	*U.K.* 1954-57	*India* 1954-57
Cereals ...	271	137	111	88	130
Potatoes	234	134	129	98	11
Meat ...	20	41	69	68	1.5
Eggs	—	5	10	12	0.2
Milk ...	—	97	89	149	40.4

In contrast, the intake of animal products, including milk, in India even today is much below that of the level in the U.K. and France a hundred years ago. While admittedly there are climate and other differences between West and East, difference in diet must be considered as significant in the light of improvements in health which are known to have taken place in those countries during the last hundred years or so, e.g., expectation of life in the West has increased twofold, infant mortality has gone down to some one-fifth of the figure some hundred years back. In contrast, the average duration of life of an Indian is less than half of that of a person in the U.K. or France and the infant mortality in India is 100 against about 20 in the U.K. Comparable statistics of morbidity are not readily available but I am sure that Indians have unquestionably much less resistance to fight diseases than an average person in the U.K. or France mainly owing to the very low intake of protective foods, especially milk. Although a part of this improvement is undoubtedly due to the general advance in medicine and public health, there is general agreement that the shift in composition of diet over the last century has materially contributed to the decrease in mortality rate, increase in longevity and greater resistance to disease.

Costa-Rican Experience

I cannot resist here the temptation to quote from an experience recently repoted from Costa Rica. While an average Costa Rican gets about, adequate calories, mostly from carbohydrates, it was found, in the course of building a runway, that a Costa-Rican worker lacked stamina and working efficiency as measured by his capacity to carry stones for the purpose. The relevant figures shown in the table below will show that the carrying capacity increased some fourfold in the course of four years as a result of the change in diet made possible by the Pan American Airways which provided a large intake of protective foods based on the experience in U.S.:

Year	*Cubic metric of stone*
1943	240
1944	838
1945	1,025
1946	1,157

Although the need for protective foods is recognised, I am not sure we have quite realised in this country the incidence of malnutrition and the colossal dimension of the problem to fight it. In a short article such as this it is not possible to provide evidence to show the dimensions of the problem but I estimate that about two-thirds of India's population suffers from serious malnutrition. Undernourishment is also widespread but the degree of undernourishment as compared with that of malnutrition is marginal in character. I estimate that about a quarter of the population is undernourished. One would expect for these reasons that the third Five-year Plan would provide adequate programme to increase the availability of protective foods, especially milk. The least one would expect is that economic forces would be taken into consideration in determining the targets for production of milk, but this is obviously not done in the Plan. Approach to Agricultural Development in the third Five-year Plan prepared by the Ministry of Food and Agriculture shows that the programme for increasing agricultural production is based on expenditure elasticity and the growth in total expenditure over the five-year period but the Draft Plan put out by the Planning Commission does not appear to incorporate the increase for milk recommended by the Ministry. This is all the more surprising, since the price of milk relative to foodgrains has much increased in recent years, showing relative shortage of milk. What further puzzles me is that the Draft Plan provides for only a very meagre programme for increasing milk production, as compared with that for foodgrains and commercial crops, even though, as I said, economic considerations call for increase in milk production at least comparable to that in foodgrains and commercial crops. While I admit that the demand for grain is increasing even though their supply is already nutritionally adequate, the demand for milk, too, is increasing and that *three times as fast* as for grains. This will be clear from the figures of expenditure elasticity of demand that are available with the Planning Commission. In other words, it is imperative that India should aim at a much higher increase in production of milk than that planned for cereals. But, actually, the Plan provides for a much reduced figures for increasing milk production. I am afraid that the increasing imbalance between the demand for and the supply of milk that has been in evidence in recent years would only be accentuated in the coming years, resulting in a further steep rise in the price of milk.

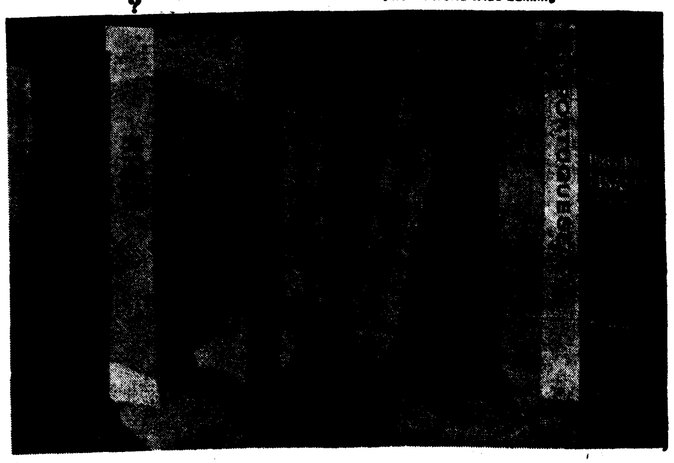
I believe the main argument which has probably weighed with the Planning Commission in not going the whole hog with the need for suggesting adequate target for milk production is that milk requires several times more land than that needed for producing foodgrains of equal nutritive value. Consequently, any major shift in emphasis from foodgrains to milk production would only greatly increase the already heavy pressure of population on land, at a time when measures to overcome undernutrition through the easiest and cheapest method must receive higher priority. While not denying the need for providing adequate calories in the cheapest manner without increasing pressure on land, I am afraid it is a mistaken notion that the cost, in terms of land, of increasing milk production is necessarily several times more than that of increasing cereal production. India has a large animal population, larger than any other country of the world which *in any case is being maintained* and the milk yield is dismally low. But it is precisely this situation which provides a silver lining in the cloud. If milk yield is sought to be raised from the *existing* stock instead of increasing the total stock, then it can be shown that the land cost of producing additional milk through additional feed is not higher than that of producing foodgrains. Experiments have shown that milk yields can be increased by at least 50 per cent, if not more, by providing additional feeds to the

(*Continued on page 218*)

How many languages should your banker speak ?

The **FIRST NATIONAL CITY BANK** *of New York*

First in World Wide Banking



You'll enjoy a unique plus when you bring your CITIBANKER in on your financing deliberations. Naturally, your CITIBANKER is fluent in the language of your business. But also, because his everyday job has world-wide dimensions, he talks to international businessmen around the world, in THEIR OWN TONGUES about Commerce and Finance. When you plan to explore new markets or more imaginative financing, get the benefit of the broader perspective that First National City's world-wide organisation provides. Call your CITIBANKER in Bombay or Calcutta.

Over 160 Branches in 30 countries

PARTNERS IN PROGRESS AROUND THE WORLD

SHILCO'S

Precision-made

PAPER TUBES AND CONES

for all Textile Purposes

Specialists in Mule Paper Tubes

for Wool Industry and Cardboard Boxes

for All Trades

WE WELCOME YOUR ENQUIRIES

SHILCO INDUSTRIES

Palkhewadi, Off Cadell Road

Bombay-28

Telegrams: "SHILCOIND" Telephone: 61056

INDUSTRIAL

INSTRUMENTS

FOR

RAW MATERIAL TEST,

PROCESS CONTROL,

QUALITY CONTROL

CONTACT:

TOSHNIWALS

198, Jamshedji Tata Road

BOMBAY-1

AJMER, CALCUTTA, DELHI, MADRAS

THE BANK OF BEHAR LTD.

Head Office: PATNA

ESTD. 1911

BRANCHES AT:

Arrah, Beharsharif, Buxar, Chapra, Calcutta, Daltonganj, Gaya, Jaunpur, Jharia, Kanpur, Katrasgarh, Laheriasarai, Motihari, Muzaffarpur, Monghyr, Patna, Patna City, Ranchi, Siwan and Varanasi.

A. C. BHAT,
General Manager.

XXVIII INTERNATIONAL AGRICULTURAL FAIR

Novi Sad—Yugoslavia

from 29th April to 8th May 1961

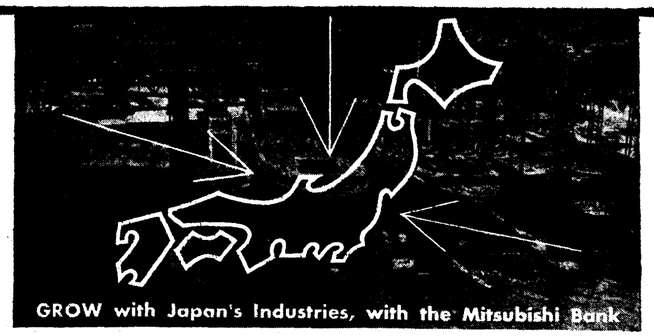
A tale of Twenty-two Cities

From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them—in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to 1889 and closely associated with the rapid development taking place today.

India; Aden; Dubai; Sharjah and Abu Dhabi, Muscat; Qatar; Bahrain; Kuwait; Saudi Arabia; Jordan; Iraq; The United Arab Republic (Syrian Region); Lebanon; Libya, and Tunisia: these are territories where The British Bank of the Middle East operates. It has intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

THE BRITISH BANK OF THE MIDDLE EAST

Incorporated in England by Royal Charter 1889 *with Limited Liability.*
HEAD OFFICE: 7 King William Street, London E.C. 4.
BOMBAY OFFICE: 314 Dr. Dadabhai Navroji Road, Fort, Bombay.
Tel. Add.: BACTRIA. Telephone: 25-2267
Capital and published reserves £4,473,000
ASSOCIATED WITH
THE BANK OF IRAN AND THE MIDDLE EAST
Capital Rials 250,000,000
HEAD OFFICE: TEHERAN, IRAN (PERSIA). (P.O. BOX 1690)



The easing of exchange controls in Japan will introduce new economic growth as foreign capital is introduced to Japan's booming industries. The Mitsubishi Bank enjoys close relations with Japan's major industrial organizations and offers you quick, sure and safe banking facilities. 156 branches in Japan, 2 overseas offices and a worldwide network of affiliate banking services.

THE MITSUBISHI BANK, LTD.

CABLE ADDRESS: BANKMITSUBISHI
HEAD OFFICE: Marunouchi, Tokyo BRANCHES: 156 throughout Japan
NEW YORK AGENCY: 120 Broadway, New York 5, N.Y.
LONDON BRANCH: 7, Birchin Lane, London, E.C. 3

NEW PUBLICATIONS

Problems in Indian Economics. By Prof. P. C. Jain, M.A., M.Sc. (Econ.), London. Department of Economics, Allahabad University. Published by the Chaitanya Publishing House, 5-A University Road, Allahabad-2. Pages: 646. Price: Rs. 11.50

THE fact that the book under review has entered its sixth edition is an eloquent testimony to its popularity with University students. All the chapters in this edition have been thoroughly revised and brought up-to-date. In the process, the book has grown much bigger in size and richer in contents. A special feature of this edition is the addition of a new chapter on the Draft Outline of the Third Plan.

Prof. Jain has presented a detailed study of the major economic problems in India, in their appropriate historical perspective. The book is divided into five sections dealing with agriculture and co-operation, industry and labour, trade tariffs and transport, currency, banking and finance as well as public finance and planning, consisting, in all, of 57 chapters. The critical approach of the author has rendered the treatment of the subjects quite lively. It must, however, be noted that copious quotations given by the author even in the descriptive parts of the book do not make for smooth reading. There are also some factual inaccuracies in a few quotations given in the book. For instance, in the paragraph on agricultural produce, the author has quoted as follows from some source which, incidentally, is not mentioned: "Oilseeds such as groundnut, linseed, castor, beans, rape and sesamum are grown in northern Madras and cotton in the southern and northern areas of the Deccan Plateau and in the Punjab." This leaves out many other major areas of production of these commodities. These are only minor defects in a book which otherwise serves well the needs of the students of Indian economics. Prof. Jain's analytical acumen, coupled with his academic detachment, has made the book both instructive and interesting to students and general readers alike.

The New Science of Management Decision. By Dr. Herbert A. Simon. Harper and Brothers, Publishers, 49, East 33rd Street, New York 16, New York. Price: $2.50

The highly complicated nature of the organisational structure and problems of business and industry nowadays invests the need for taking rational decisions on important policy matters by management with utmost significance. There is, of course, no single well laid down basis on which such decisions can be arrived at, inasmuch as the basis differs widely not only in respect of different types of industry and business but also in regard to problems confronting any one individual firm or group of firms. But, where turnover is sufficiently large, electronic devices and computers can be usefully used to help managements take correct decisions. In this field, the industrially advanced countries of the West, especially the U.S., have achieved remarkable progress. How the electronic devices are being extended to the control of judgment as well as to routine operations is lucidly described in this book by Dr. Herbert A. Simon, an eminent social scientist of the U.S.

The first chapter of the publication is devoted to a brief discussion of the valuable part played by decision-making in managing an enterprise. The decision-making process, according to Dr. Simon, consists of three phases: (1) intelligence activity (searching the environment for conditions calling for decision); (2) design activity (inventing, developing and analysing possible courses of action); and (3) choice activity (selecting a particular course of action from those available). After illustrating these three phases of decision, Dr. Simon distinguishes between two "polar" types of decisions—programmed and non-programmed. He then examines briefly (in the second chapter) the traditional techniques for making the two types of decisions. His study reveals that we have not had in the past adequate knowledge of the processes involved in decision-making in complex situations. "Human thinking, problem-solving and learning," to quote him, "have been mysterious processes which we have labelled but not explained." He, however, admits that it cannot be said that traditional techniques have failed—decisions do get made daily in organisations—nor can it be said that we may not do very much better in future, as our knowledge of decision-making process grows.

Dr. Simon examines next the new techniques for programmed decision-making. They include operations research, mathematical tools (such as linear programming, dynamic programming, game theory and probability models) and the modern digital computer conceived as a device for exploring, by numerical analysis, the properties of mathematical systems too large or too complex to be treated by known analytic methods. By way of a general conclusion, he says that the automated factory of the future will operate on the basis of programmed decisions produced in the automated office beside it. It is here that Dr. Simon describes the startling innovations in the area of "Heuristic" programming, that is, developments that have penetrated the mechanics of human thinking, allowing us to apply this new knowledge of unravelling significant mysteries of man's mind.

The analysis of Dr. Simon covers not only the types of business problems which can be handled by automated processes but also current scientific developments in automating non-repetitive types of decisions. Reflecting upon the organisational and social implications of these rapid technical developments, he projects certain certainties to future probabilities. To him, the future business organisation will be a complex man-machine system in which executives and other white-collared workers collaborate with computing machines in processing information and making the decisions—both routine and novel—for conducting business.

Money at Work—A Survey of Investment. Editor: Milton Grundy. Published by Sweet and Maxwell Ltd., London. Sole Agents for India: N. M. Tripathi Private Ltd., Princess Street, Bombay-2. Pages: 244. Price: Rs. 14

Since the forms of investment in an economy are wide and varied, one has to be very careful about choosing the type in which one should put his savings. While no single yardstick is available to indicate the best way of investing one's savings, there are many experts who can tender advice as to the best use of savings. The advice naturally differs from investor to investor. Broadly speaking, investors fall into two categories—the orthodox who prefer stocks and shares, property, insurance, and the like and the unorthodox who prefer silver, jewellery, furniture, glass, coins, books, stamps and pictures. Both these investors will find in the book under review ideas on how best to invest their money.

The book is divided into two parts. Part one is devoted to orthodox investment. As many as nine experts have presented a number of new ideas. In the second part, the experts, numbering eleven, have put forward a host of suggestions about jewellery, furniture, coins, etc. Mr. Milton Grundy, the Editor, has himself contributed a most useful introduction in which he impressively assesses the tax factors that have to be taken into account while making investments.

"The Eastern Economist" Annual Number 1961. Editor: Mr. E. P. W. da Costa, M.A. (Oxon). United Commercial Bank Building, Parliament Street, New Delhi. Pages: 254. Price: Rs. 10

The theme of this year's Annual number of *The Eastern Economist* is "India and North America." The choice is particularly appropriate, because, with the resumption of the reins of administration by the Democratic Party in the U.S., a new chapter in Indo-American relations may be said to have begun.

The phenomenal growth of the U.S. economy in the past hundred years has been the envy of the entire free world. To what extent the picture of Indian economy over the next forty years would approximate the pattern of growth of the U.S. is the central theme of the economic review which forms the core of the study. The conclusion reached is that the expansion of the market under the force of numbers, if not under the rapid rise of individual income, will give India, at the end of this century, a system comparable in national income with America of two decades ago. In terms of national income, and assuming that the progress of the Indian economy under the two Five-year Plans will be extended over the next forty years, India will have, in A.D. 2000, a national income of about $200 billion at the current rate of exchange, or two-fifths of the current U.S. national income of $500 billion.

In addition to this special section, there is also the customary review of Indian economy in 1960. The Number, as usual, bears the distinctive stamp of individuality of *The Eastern Economist*.

Far Eastern Economic Review 1961 Year book and Asian Textile Survey. Editor: Mr. Dick Wilson, 209, Windsor House, Hongkong. Price: H.K. $10

This is quite a useful publication, containing interesting reviews of the recent trends in the economies of all the Asian countries as assessed against the background of political conditions. The review of each country gives a brief resume of the political set-up and conditions in the fields of finance, trade, agriculture, industry, power and transport. The number is replete with statistical tables, charts and photographs. The publication also contains a survey of Asian textiles, covering the present manufacturing and trading position in all the principal producing and consuming countries in Asia, as well as in countries which are just beginning to replace imports by products of their own industry. At the end of the *Yearbook* are a currency conversion table, advertisers index and publishers information box. In the course of the leading article, the Editor of the *Yearbook* has sought to picture in general terms the economy of the Asian region as a whole. Recalling, in particular, the ideas of regional economic co-operation, which was raised at the last meeting of the E.C.A.F.E., the Editor says that "unfortunately, jealousies and misunderstandings prevented anything substantial emerging, but at least the main points about regional co-operation received a good airing."

Capital's Annual Review of Trade, Commerce and Industry. Editor: Mr. George Barrell, 5 Mission Row, Calcutta, Pages: 148. Price: Rs. 5

This number serves a sumptuous fare of instructive reading. The list of contributors contains, as in the past, many distinguished names such as Vera Anstey, Neil McInnes, Asoka Mehta, P. S. Lokanathan, Mary Sur, and N. Das. The subjects covered are wide and varied, ranging from India's take-off problem to economics of Indian education. Some of the articles, which are of topical interest, are: "The Uneven Progress of Indian Agriculture," "Fiscal Prospects for the Third Plan," "Development of Overseas Communication Services," "Raising Plan Resources from the Rural Sector," "Influence of Management on Productivity," "Significance of Economic Integration of Europe," "Role of Private Sector in the Third Plan," etc.

The number also contains the customary review of the trends in the principal branches of Indian economy which makes it a useful reference volume.

FIRST GEOLOGICAL MAP OF ASIA AND THE FAR EAST

After six years of concerted effort and with the support of all Asian countries, the first geological map of Asia and the Far East has now been completed under the sponsorship of the United Natons Economic Commission for Asia and the Far East (E.C.A.F.E.) in co-operation with the Commission for the Geological Map of the World of the International Geological Congress. The map is on a scale of 1: 5,000,000, the scale used for geological maps of other continents. It is divided into six sheets, with an index map showing the status of geological mapping of Asian countries and an explanatory brochure.

The need for a map of this kind was first expressed by Asian countries at E.C.A.F.E.'s Regional Conference on Mineral Resources Development held in Tokyo in 1953. At that time, Asia was the only continent that did not have a regional geological map. It was considered that such a map would be not only of scientific interest, but also of practical value to those interested in the development of mineral resources of Asia and the Far East. Since geological structure has little to do with geographical or political boundaries, to ascertain the mineral potential of a country it is not enough to know the geology of that country alone, but reference has to be made to the geology of neighbouring countries. These were the practical considerations which demanded early completion of a geological map for Asia.

Asian Governments showed ready response by supplying country maps for compilation, and making voluntary financial contributions towards the preparation and printing of the map. In connection with this project, Afghanistan created a Geological Survey Department in order to complete immediately a country map for the purpose of compiling an Asian map. A number of other countries speeded up their national geological maps also because of this. Malaya and Thailand organised a joint geological survey of border areas in order to clear up many geological problems common to the two countries. Australia, France, the Netherlands, New Zealand, and the United States have been preparing a geological map for Oceania, including the Pacific islands, which will complement the Asian geological map.

With the completion of the map, steps have been taken by E.C.A.F.E. for the preparation of other regional maps, including an oil and natural gas map, maps showing the distribution of known mineral resources, a map showing potential mineral-bearing areas and a regional structural map.

VITAL NEWS
for every businessman

The management of the Times of India group of publications has decided to change the name of the proposed daily financial newspaper from 'The Financial Times of India' to 'The Economic Times'.

The change is designed to meet certain technical requirements, but the management is happy that the new title with its wider significance accords better with the newspaper's main field of coverage—the economic development of the country.

The newspaper which will consist of eight pages will be published on all days of the week and will be priced at 20 nP. per issue.

The Economic Times will contain information vital to every businessman, business house, investor, banker and student of economic affairs. With its comprehensive and objective coverage of economic developments in India and the world over, *The Economic Times* promises to keep its reader better informed than ever before.

"THE ECONOMIC TIMES" WILL CONTAIN:

- **Economic news and comment** of world-wide and Indian interest
- **Complete coverage of all six Indian stock exchanges** and those in London and New York
- **Spot news on planning and development** from regional economic bureaux and news about aid and collaboration from foreign correspondents
- **Extensive reports on the hundreds of commodity markets** in India; statistics, tables and graphs on economic trends
- **Periodic economic newsletters** from State capitals
- **Exclusive information from India and abroad** for the import and export trade
- **Investment guidance** by experts; critical analysis of company balance sheets
- **Articles on current topics** by well-known economists; informed leading articles

The Economic Times will be a newspaper that no businessman can afford to do without.

THE ECONOMIC TIMES

SUBSCRIPTION RATES:
Local and through authorised agents: Yearly Rs. 73.00, Half-yearly Rs. 36.50, Quarterly Rs. 18.25
Local and through authorised agents (where agents get supply by air): Yearly Rs. 91.25, Half-yearly Rs. 45.75, Quarterly Rs. 23.00
By post in India, Pakistan & Ceylon: Yearly Rs. 80.50, Half-yearly Rs. 40.25, Quarterly Rs. 20.25
By post to Aden, Burma & other countries: Yearly Rs. 102.25, Half-yearly Rs. 51.25, Quarterly Rs. 25.50

THE ECONOMIC TIMES, The Times of India Building, Dr. Dadabhoy Naoroji Road, Bombay 1

WT-ET 1396

POPULARITY OF GOLD AT RECORD HIGH LEVEL

AN AMERICAN VIEW ON GOLD MOVEMENTS

[" A barbarous relic." This was how Lord Keynes once described gold in the context of its role as a means of settling balances on international trade account. But, in recent years, things have changed so significantly that gold has, once again, regained its pre-eminent position. It is on gold that the value of U.S. dollar depends and the soundness of dollar greatly influences the trend of world economy. What is the present world gold picture? What are the implications of the continued U.S. gold drain? What is Russia's attitude towards gold? These issues have been discussed in some detail in a special study published in the January issue of the Monthly Letter *of the First National City Bank of New York. In view of the great importance attached to the problem all over the world, the article reproduced here will be read with much interest.*—ED.]

THERE is more interest in gold today than at any time during the past quarter century. Americans have become aware that the U.S. gold stock, so long the symbol of the paramount strength of the U.S. dollar, has declined to its lowest point since 1940. People are asking searching questions about the significance of the gold outflow for their jobs and savings.

On the threshold of 1961, gold not only attracts attention but also commands renewed respect. Few people any more would call gold "a barbarous relic," as the British iconoclast Keynes did a generation ago. The demand for the metal by foreign central banks and Governments shows the prestige it has retained in the minds of those responsible for national monetary reserves. Demand for gold jewellery attests to the appreciation of people for the enduring value as well as beauty of the metal. The widely publicised gold rush in the London market has abated; but some feeling of suspense will persist until the new U.S. Administration shows by deeds its firmly expressed intention to defend the present value of the dollar and its soundness.

Russia, too, is in the world gold picture at the turn of the year. According to an official announcement, a new heavy rouble is being created equal to a gram of gold or $1.11.

World gold production (excluding Russia) reached a new post-war peak in 1960—for the seventh consecutive year. Worth some $1,180 million, last year's output was 4-5 per cent above 1959. It was over $400 million higher than in 1945, at the end of the war, but still about $100 million below 1940, the all-time high.

Estimated Gold Production in 1960

(In millions of dollars)

	$
Union of South Africa	750
Canada	160
United States	58
Australia	38
Ghana	32
Southern Rhodesia	20
Colombia	15
Philippines	14
Republic of the Congo	13
Japan	11
Mexico	11
All Others*	58
Total*	$1,180

* Excluding U.S.S.R., Mainland China, and countries in their orbit.

The post-war rise in output is primarily explained by the increase in South Africa, which has made rich new discoveries and achieved economies of production to offset rising wage costs. In Canada, where the industry is offered Government subsidies, output has held for five years within a range of $158-160 million.

Russia's gold output is a guarded secret. Western observers put it somewhere between $350 and 600 million annually. We are less in the dark regarding the gold Russia sells in Europe to balance out its international payments. From gold import statistics of other countries one can guess that the U.S.S.R. exported some $250 million worth of gold annually during 1957-59. Russian offerings on the London market in the first 10 months of last year were running at half the rate of 1959.

Rising Private Demand

Gold mined in the United States is sold, at $35 per ounce, either to the U.S. Treasury or to companies and dealers licensed by the Treasury to buy gold for use in industry and the arts. Use for these purposes, including some entirely new industrial applications, has increased during recent years and now exceeds our current gold output; the difference is made up by releases from monetary stocks. Net consumption in 1959 amounted to $88 million as compared with $63 million in 1958 and $45 million in 1955. There is no gold coinage in the United States and residents are allowed to hold at home only coins of recognised numismatic value, they may hold gold outside of United States territory.*

A major part of newly mined gold is sold in the London market, reopened in 1954. While the U.S. Treasury sells gold only to monetary authorities, the London market is open also to private interests. However, except for licensed domestic users, only residents of non-sterling countries may buy gold in London. Trading is generally conducted in U.S. dollars.

A comparison of new gold supplies (from free world output and estimated Russian sales) with year-to-year increases in the total of official gold stocks makes it possible to get an approximate idea of the amounts absorbed by the arts and industry or by private holders.

Estimated Sources and Uses of Gold

(In millions of dollars)

	*Gold production**	*Reported sales by U.S.S.R.*	*Increase in official stocks**	*Industrial uses and additions to private holdings*†
1951 ..	826	..	210	616
1952 ..	850	..	250	600
1953 ..	848	75	470	453
1954 ..	897	75	650	322
1955 ..	940	75	680	335
1956 ..	978	150	480	648
1957 ..	1,017	260	720	557
1958 ..	1,049	220	665	604
1959 ..	1,125	250	680	695
1960 ..	1,180	N.A.	520‡	N.A.

* Excluding U.S.S.R. etc. ‡ Jan.-Sept.
† Residual figures. N.A.—Not available.
Source : Derived largely from *International Financial Statistics*, except gold production for 1960, which is a tentative estimate based on incomplete data.

Although data for 1960 as a whole are not yet available, it is apparent that the addition to official reserves out of new production was curtailed. The increase in the first nine months, according to the International Monetary Fund, was $520 million. It is doubtful if much was added to this total during the fourth quarter when private demands increased substantially.

Sources of Europe's Gold Gains

The deficit in the U.S. balance of payments has been supplying European central banks with dollars far in excess of needs for current payments. They have used some of these dollars to buy gold from the U.S. Treasury and also in the London market.

The following table helps trace the origin of changes in foreign monetary gold stocks during the past three years. The United Kingdom, the Netherlands, Belgium, Switzerland, and Austria—and also Japan—made substantial purchases from the U.S. Treasury. On the other hand, Italy and France made most of their gold purchases in the London market or elsewhere; Germany has bought no gold in the United States since early 1955.

Changes in Monetary Gold Stocks of Selected Foreign Countries

(January 1958-September 1960)

(In millions of dollars)

	Through transactions with			*Gold stock*
	U.S.	*I.M.F.**	*Other*†	*Sept. 30, 1960*
Germany	0	—114	461	2,889
United Kingdom	1,250‡	—163	—162‡	2,525‡
Italy	349¶	— 68	1,261¶	1,994¶
Switzerland	355	0	— 81	1,980
France	322	— 66	790	1,627
Netherlands	436	— 34	200	1,346
Belgium	426	— 28	—219	1,094
Canada	0	— 63	—143	894
Portugal	30	0	59	550
Venezuela	— 65	0	—193	462
Austria	168	— 6	28	293
Japan	187§	— 63	97§	244§
All foreign countries	3,803	—1,052	2,160	19,434

* Gold payments to the I.M.F. on account of capital subscriptions.

† Residual figures; including gold acquired from new production Russian sales, etc.

‡ Through June 30, 1960. Additional $200 million of gold was purchased from the United States in the third quarter of 1960.

¶ Through June 30, 1960.

§ Through March 31, 1960. Additional $15 million of gold was purchased from the United States in the third quarter of 1960.

Sources: Derived from data in *Federal Reserve Bulletin* and *International Financial Statistics*.

Beginning in the third quarter of 1960, with strengthening private demands driving up the London price, official gold buying shifted more and more to the U.S. Treasury, which sells at a fixed price of $35.0875 per fine ounce ($35 plus ¼ per cent handling charge). The London market price firmed slowly from a monthly average of $35.09 in June to $35.22 in September. Following the flare-up to $40 per ounce on 20th October, the London gold price settled down to $35.84 in November and $35.54 in December. Central bank buying in London ceased altogether as the price rose, though it normally would come forward to prevent a decline to $35 or less. The U.S. Treasury, which offers $34.9125 per fine ounce, has not been an important buyer on balance since 1956-57.

U.S. Gold Loss

There has been a decline of $5 billion in the U.S. gold stock during 1958-60. The drop came fast in 1958 as our balance of payments weakened sharply, while generous Congressional appropriations and an easy money policy created fears of renewed inflation. The Federal Reserve's shift to a restrictive credit policy, supplemented by the Administration's successful efforts to rebalance the budget, helped check the gold outflow during 1959 and the first half of 1960, despite the persistent large payments deficit. The accelerated gold loss during the second half of last year—notwithstanding a remarkable improvement in our merchandise trade balance—appears to have been aggravated by apprehensions that a new Administration taking office this month might use inflationary finance to spur economic activity and growth.

It should be noted that changes in the U.S. gold stock have been affected by transactions with the International Monetary Fund. Since the Fund's establishment, the gross total of gold taken from the official reserves of member-countries and paid to the Fund runs to no less than $3.8 billion. Of this amount, $688 million was initially transferred by the United States in 1947, and a further $344 million in June 1959, in payment of the gold portion of our subscription. Additional sums have moved from the United States to the Fund as other nations have purchased gold from the Treasury to pay the gold portions of their own subscriptions or to repay in gold, as required by the Fund statutes, part of their currency drawings. For example, France two months ago purchased $117 million of gold from the United States to make the bulk of its final repayment of drawings received in dollars and German marks in 1957-58. A substantial part of the Fund's gold has, however, come back to the U.S. Treasury, following the Fund's investments in dollar securities.

The United States now holds almost 45 per cent of the free world's monetary gold stock—approximately the same proportion as in the late 1920's. In 1949, when the U.S. stock was at its peak, the figure was 70 per cent—a clearly excessive share. The wheel has thus turned full circle.

It is not so much the fact that our gold stock today is no more than $17 or 18 billion that is a matter of concern. It is the rate of loss that causes apprehension. There has been, however, no run on the U.S. stock in the sense of wholesale conversions of dollar holdings into gold. In fact, foreign holdings of dollars continued to increase last year.

Russia also attaches vital importance to gold. It is outranked only by South Africa as a gold producer. It sells some of its gold against sterling and other currencies and has an accumulated stock estimated by Western observers at somewhere between $4 and 8 billion.

Russian monetary theory adheres to the traditional view that gold is the foundation of currency. The rouble has a legally prescribed gold content and Russia's central bank is required to cover its note issue with a 25 per cent gold backing. This, it is thought, makes Russian currency "tokens of gold." Karl Marx said in *Das Kapital* that "only in so far as paper money represents gold, which like all other commodities has value, is it a symbol of value."

But Russia's attitude toward gold has not always been true to this classical concept. Lenin wrote in 1921 that "when we conquer on a world scale, I think we shall use gold for the purpose of building public lavatories in the streets of several of the large cities of the world." So long as capitalism remained strong, however, Lenin regarded gold as an indispensable weapon in Russia's hands: "We must save the gold..., sell it at the highest price, buy goods with it at the lowest price." High-ranking Russians have repeatedly advocated a rise in what they call the "artificially low price of gold" imposed by the United States.

The Russian rouble has suffered a number of devaluations under the Soviets, typically involving some degree of confiscation of the fruits of saving. Against this background, Russia's announcement last November that the rouble, beginning from 1st January would be "worth" more than the dollar stirred some wonder. What is to be done, from January through March 1961, is to convert old roubles, nominally worth 25 cents, into "heavy" roubles at a rate of ten to one; at the same time, a zero will be removed from all prices, wages, and values. The new heavy rouble becomes equal to $1.11 in U.S. money.

The operation glosses over the fact that the old rouble is devalued from 25 to 11 cents, or by 56 per cent. In the absence of any tinkering, the new rouble—replacing as it does ten old roubles "worth" 25 cents each—should be "worth" $2.50. Instead, it is put at $1.11.

The 25 cent rouble was—it is generally agreed—grossly overvalued; Russia itself recognised the fact when it established in 1957 a special tourist rate of 10 cents to the rouble. The currency reform puts Russian domestic prices more in line with prices abroad. This will simplify comparisons of relative costs of exports and imports of various goods and make for easier calculation of the profitably and economic advantage derived from foreign trade. It reduces the need to subsidise exports and thus makes Russia less exposed to charges of "dumping."

The question remains as to whether nations receiving Soviet credits, and trading with Russia, might be pressed to accept the rouble as a currency in which they would conduct trade and keep monetary reserves—as they do in dollars and sterling.

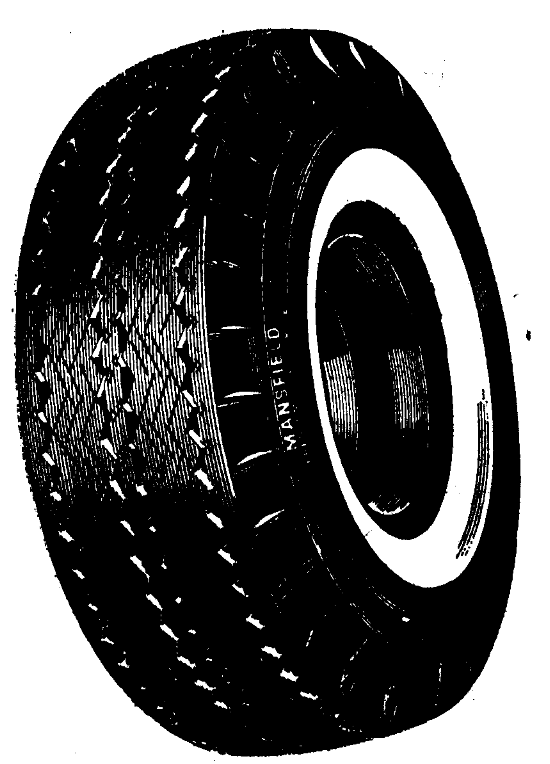
To accept rouble credits is one thing; to keep funds in roubles by free choice is another. Money in Moscow is blocked money, subject to the strictest exchange control in the world and usable only at the pleasure of the authorities. Money in New York is freely spendable or lendable, practically anywhere, for citizen and foreigner alike. So long as we maintain this condition, keep our prices stable, and preserve equivalence of the dollar to gold, the rouble can never offer a serious challenge.

Like the Russians, we cannot do business in gold alone. There is not enough of it. And, in any case, the metal cannot compete with credit for convenience in effecting payments Trade and prosperity cannot survive without credit, without trust in performance upon promise. The present gold problem thus reduces itself to keeping trust in dollars—by repressing inflationary tendencies as they arise and dealing with the balance-of-payments deficit through means that preserve and protect the freedom of people to use their dollars as they think best.

*The U.S. Government has withdrawn this exemption after this article was prepared.—ED.

STATE BANK OF TRAVANCORE
(Subsidiary of the State Bank of India)
Now offers, with the co-operation of the State Bank of India, complete Banking services in connection with the trade and commerce of the industrially fast developing State of Kerala.
CURRENT ACCOUNTS AND SAVINGS BANK ACCOUNTS opened and FIXED DEPOSITS AND SHORT-TERM DEPOSITS received on attractive terms.
THREE-YEAR AND FIVE-YEAR CASH CERTIFICATES are issued at 4% and 4¼% compound interest respectively.
All types of Internal and International Banking Business transacted.
For further particulars, please apply to nearest Branch or Head Office.
Branches at Bombay and all important commercial centres in South India.

LINKED IN LEADERSHIP



Two major firms stretch halfway across the world to collaborate in a gigantic venture, to give a boost to India's tyre and tube industry.
The Madras Rubber Factory—India's largest manufacturer of tread rubber compound—and the Mansfield Tyre and Rubber Company, Ohio—one of the oldest, and sixth largest manufacturer of tyres, in terms of units produced, in the United States—join hands to manufacture Mansfield truck and car tyres and tubes at Madras.
When in full production, the new factory will be producing over 3,00,000 tyres and tubes per annum.
A part of this production will be exported overseas.
MADRAS RUBBER FACTORY PRIVATE LIMITED
Dhun Buildings,
175/1 Mount Road, Madras 2
Branches: Bangalore, Bombay, Calcutta, Calicut, Coimbatore, Delhi, Jullundur, Kanpur, Kottayam, Mangalore, Nagpur, Trichur and Vijayawada
MRF
AN H.M. ENTERPRISE

FINANCIAL PROBLEMS OF ELECTRICITY UNDERTAKINGS

UNION MINISTER'S STATEMENT UNHELPFUL

BY the end of the second Plan, there will be a total generating capacity of 5.7 million kw. of power, and 35,000 circuit miles of 11 kV. and higher voltage lines will be laid. According to present proposals, the third Plan is expected to add 7.6 million kw. of generating capacity and extend the transmission network by about 80,000 circuit miles. But this third Plan programme, it is admitted in the address of Mr. Hafiz Mohammad Ibrahim, Union Minister for Irrigation and Power, at the annual general meeting of the Federation of Electricity Undertakings of India, would not be adequate to meet the rising power demand in the country. It is his considered opinion that shortages are likely to persist in certain areas. Mr. S. M. Zubair, Chairman of the Federation, has also underlined the need for gearing the economy "to achieve power capacity running well ahead of power demand." It may be recalled, in this connection, that, according to one estimate referred to in this column of *Commerce* of 7th January 1961, the total power demand by the end of the third Plan may well be of the order of 20 million kw., if all the industrial and agricultural projects are executed according to schedule. Where, thus, a higher target for power is manifestly necessary, the planners would do well to assign a bigger role to the private electricity undertakings than what is indicated by their suggested outlay of Rs. 50 crores (not including the Rs. 75 crores needed for normal expansion) during the third Plan period. By all accounts, this will be an extremely meagre outlay in the private sector as compared with the proposed outlay of Rs. 1,020 crores in the public sector for the power programme. If existing electricity undertakings are liberally permitted to expand and new undertakings are licensed in the interests of the national economy in terms of the Industrial Policy Resolution itself, it may be that the private sector will be able to make a more significant contribution to power supply. But this will be possible only on the condition that the acute financial problems of the electric supply industry are solved betimes.

It is in this context that the case, put forward by Mr. Zubair in his speech at the annual general meeting (held over the week-end at Bombay) of the Federation of Electricity Undertakings of India, for a higher return to the industry compels consideration. That the present statutory return of 6 per cent (official Bank rate of 4 per cent *plus* 2 per cent) laid down in the financial code of the Electricity (Supply) Act of 1948 is "grossly inadequate" is the conclusion drawn by Mr. Zubair in the light of financial trends in the electric supply industry. The most disquieting trend at the present time is that electricity shares, which were regarded as "blue chips" at one stage, are being quoted at a heavy discount. The net result, as Mr. Zubair has pointed out, is that expanding undertakings are unable to raise resources as electric supply shares as media of investment have come to be suspect; indeed, there is large-scale disinvestment in the industry. Another disquieting trend is that State Electricity Boards and State Governments continue to acquire electric supply undertakings, whether at times when options to purchase under licences arise or under *ad hoc* legislation providing for premature acquisition, as is being done in Madras and Andhra.

Plea for Higher Return

These two disquieting trends call for further examination. As far as the first trend is concerned, something would have to be done to reverse it. The Federation has suggested that this could be done by increasing the statutory return by one per cent *plus* an additional half per cent in case the Government finds it difficult to work out a formula to deflect to the investor savings in company tax between 51.5 per cent and 45 per cent. If this representation, which is still under Government's consideration, is favourably disposed of, the ground lost through the change in the tax pattern introduced by the Finance Act of 1959 and through the rise in the lending rate of the Reserve Bank to Scheduled banks without the official Bank rate itself being upgraded would be retrieved. The industry will then have a level of return, just sufficient to attract capital and the return itself will be really tax-free. While the Minister for Irrigation and Power has not committed himself to the Federation's demand for raising the "standard rate" of return, making the return tax-free and creating deferred taxation reserve, he has at least given the cheerful news that the Centre has persuaded the State Governments to permit the electric supply licensees to put the savings in taxation resulting from the 1959-60 Budget proposals into a reserve which will rank *pari passu* with the licensees' own capital, Some of the State Governments have already accepted this advice and if other State Governments also follow suit, the licensees' requirements will be met to some extent.

As for the second disquieting trend, namely, acquisition of electric supply undertakings in some States, Mr. Zubair's criticism is that some State Governments are diverting their Plan resources for acquiring existing undertakings which are rendering useful service. His point is that there is no need for nationalisation when the licensees' undertakings are already rigidly controlled. While the Central Government's policy continues to be that acquisition of electricity undertakings should not be resorted to if they involved merely displacement of existing licensees doing useful work, the actions of some State Governments have not been in accordance with the spirit of that policy. The Minister, however, does not seem to agree with the Federation on this question. This is what he has to say:

> "Because of the limited resources and certain other difficulties, it is possible that some of the private undertakings might not have been able to render satisfactory service to the public. In such cases, I feel it would be in the interest of the undertakings themselves as well as the public to integrate them with the systems of the Electricity Boards. No undertaking which has been functioning efficiently is normally acquired during the currency of the period of licence."

Revision of Electricity Rates

If, as the Minister says, some of the private undertakings which have been acquired in recent years have not functioned efficiently, their poor results must have been due to the fact that, with their inadequate statutory return, they could not raise finance for development. On the other hand, the State Electricity Boards have been in a privileged position, obtaining finance from the State Governments at a low rate of interest. As competent and efficient functioning is linked with development, appropriate incentives for the latter are called for. A revision of electricity rates is also considered necessary, because, according to the Federation, the present rates in most of the power systems are below cost rates. So long as the State Electricity Boards are in a way subsidised through low rates of interest for the finances provided to them, the uneconomic electricity rates may not be much of a problem to them. But the private undertakings, now paying interest rates ranging between 6 and 7 per cent on the advances given by scheduled banks and 6½ per cent on the moneys lent by the Industrial Finance Corporation of India, have to be contented with a 6 per cent return on the 'capital base.' The grievance of the electricity undertakings that, although their returns are low, they are called upon to supply a basic service cheaply to other industries which are operating at greater profit, has a lot of force in it.

While the Federation's Chairman has thus provided more than one argument to support its case for a higher return and consequently an increase in electricity rates, the Minister for Power has unceremoniously dismissed the whole thing in the following words:—

> "I cannot agree with the view that rates for power obtaining at present in most of the power systems are below cost and that there should be no reluctance in permitting an increase therein to enable the industry to earn a higher return. Electricity being a basic industry, a primary tool of production and almost a necessity of the present-day life, it is very necessary to keep a careful watch over its rates. The interest of the consumers has to be safeguarded while helping the licensees to the extent found desirable to improve their financial operations to attract larger investment."

It is strange that the Minister has not adduced any evidence for his view that rates for power at present are not below cost. The only ground on which he has turned down the industry's demand for a higher return is that the interest of the consumer is supreme. It would be an unwarranted inference to suggest that there is a conflict between the consumer interest and the reasonable expectation of electricity undertakings for an economic return. A small rise in rates may bring about greater expansion in the private sector of power generation and provide more power to industrial consumers who will otherwise be incurring losses through shortfalls in production caused by power shortage. It has been well said, as Mr. Robert L. Garner told the annual meeting of the International Finance Corporation in his presidential address last September, that the most expensive kilowatt of electricity is the one which industry needs and cannot get.

No Encouraging Pointer

There is no knowing that Indian industry will get all the electricity it needs during the third Plan period. Performance during the second Plan period provides no encouraging pointer to what may be achieved during the third Plan. While the second Plan will have installed an additional generating capacity of only 2.3 million kw. at an aggregate cost of about Rs. 525 crores (Rs. 460 crores in the public sector, Rs. 37 crores in the private sector and Rs. 28 crores by industrial establishments producing their own power), the third Plan is expected to achieve an additional capacity of as much as 7.6 million kw. at an estimated cost of Rs. 1,070 crores (Rs. 1,020 crores in the public sector and Rs. 50 crores in the private sector). How a more-than-threefold increase of additional generating capacity can be achieved with just a twofold increase of outlay, is by no means clear. The Minister has not indicated how this feat is going to be performed. It may be that the Power Ministry's plans for standardising construction practices will result in some economies in construction costs. And the proposals for paying greater attention to the inter-connection of power grids so as to bring about more efficient operation of plant may also lead to some economies. But it is doubtful if all these economies will be of sufficient magnitude to obviate the need for a larger financial outlay. It is not improbable, therefore, that the public sector's achievement may fall short of its target. The otherwise certain deficit in power supply can, however, be made good by the private sector if a larger provision is made for outlays in the licensees' undertakings, many of which have, in spite of regulatory shocks, plans for large-scale expansion but continue to be starved of finance even for normal development. These pioneers in the field of power development, as the Minister himself has described them, can be depended upon to make an even more significant contribution than in the past if only their unsolved financial problems are satisfactorily tackled with expedition.

AMERICAN NUCLEAR POWER PROGRAMME

Twenty-three new civilian-use nuclear power plants are under construction in the United States, or in blue-prints. They will cost close to $1,000 million—and plans are progressing for additional, more powerful atomic stations. That, says the Atomic Energy Commission (A.E.C.) in its report for the year 1960, adds up to "a picture of a soundly developing atomic energy industry."

Activities covered in the annual report indicate, A.E.C. says, "that this country is at least close to the point where investment in large nuclear power plants in certain areas may be considered economical over the life of the plants." A.E.C. has cautioned, however, that "we cannot predict exactly when we will achieve costs for nuclear power that can be considered competitive with fossil-fuelled conventional plants."

During the past year two more nuclear plants—the Dresden (Illinois) and Yankee (Massachusetts) atomic stations with a combined capacity of 290,000 kilowatts—went into operation, generating electricity for homes and factories. Within the next two years, the report adds, "648,000 additional kilowatts of nuclear capacity will be completed." By the end of 1962 the United States will have an installed nuclear capacity of more than one million kilowatts.

On radioisotopes, the report says, "we are exploring new ways of putting radiation to work—in the preservation of foodstuffs and sterilisation of medical supplies." The number of licensed isotope users increased from 5,417 in 1959 to 5,907 in 1960. Shipments of isotopes abroad for use in medicine, agriculture and industry was up to 4,857 from 3,252 in 1959.

NEW PRODUCTS AND PROCESSES

Wet-brushing Machine for Textiles

A TEXTILE machinery factory at Tilburg (Holland) manufactures a wet-brushing machine which brushes textiles intensively, uniformly and with a deep gloss in one operation, thereby eliminating the conventional method of brushing the same fabric several times. The rate of travel of the fabric may be controlled by means of a variator irrespective of the speed of the brushes. The areas of contact between fabric and brushes can also be adjusted independently, the adjustment being such that it is even possible for the fabric to run clear of one or more brushes. The adjustment can be read off a graduation on each brush roller. By means of a fabric-tension regulator the fabric can be brushed more or less intensively. Fluff etc. is captured in a collecting trough. An immersion tank arranged free from the machine is provided with a heating element so that the fabric can be given a very deep gloss. After passing through the immersion tank the fabric is fed between the squeezing rollers, then via a stretching device and a brake drum along three high-speed brush rollers, namely two copper trimming brushes and one hair brush, which effect the brushing treatment. The fabric subsequently passes through a felt roller which imparts the after-gloss. Finally, the fabric is rolled up tight and uniformly by a drawing roller. Wherever necessary the machine is designed in stainless steel, ebonite or plastic to prevent objectionable corrosion phenomena. The brushes are driven by a 5 h.p. electric motor, the drawing roller and winder by a 2 hp. electric motor. The variator has a control range of 1:25.

Steel and Polythene Drums

To meet the requirements for efficient and safe packing for the transport of aggressive and sensitive products such as acids, caustic solutions, salts, foodstuffs and many compound chemical products a drum factory at Amstelveen (Holland) has started the production of drums consisting of seamless inner drums made of polythene by the American Delaware process which are contained in steel outer drums, chemical resistance thus being combined with mechanical strength. The drums are provided with sealable 64-mm (2½") screw caps. A polythene ¾" bibcock fits into the ¾" axially arranged opening in this screw cap. The outer drum has a detachable cover to facilitate the removal of the inner drum for cleaning or inspection. The steel cover is secured by means of a clamping ring, screw bolt and nut. The capacity of the drums is 205,100, 60 or 30 litres. The inner drum of the largest and heaviest types has a capacity of about 205 litres and weighs about 4 kg.; the steel outer drum has an outside diameter of about 61 cm., an outside height of about 91 cm. and weighs about 25 kg. The smallest type with an approximate capacity of 6½ imp. gal. has an inner drum weighing about 0.75 kg. (1½ lbs.) while the steel outer drum with an approximate capacity of 6 kg. (13 lbs.) has an outside diameter of about 32 cm. and an outside height of about 50 cm. The smallest type can also be supplied with a bottom having a reduced diameter to facilitate stacking. Fibre or plywood outer drums can be supplied for special purposes. The drums conform to the very stringent specifications of the British Ministry of Transport and the I.C.C. (Interstate Commerce Commission, U.S.A.) specifications, and are registered at the Bureau of Explosives in New York. They have also been approved by the Inspector General of Shipping, The Hague, as ocean-borne packing of various chemicals.

Automatic Dispensing Equipment

The quality of a product obtained by mixing various solid and/or liquid substances largely depends on the constant ratio in which the quantities of substances to be incorporated in the product are supplied. To keep this ratio as constant as possible a Dutch electrical engineering concern (Philips N.V.) has designed electronic dispensing equipment capable of automatically controlling the whole dispensing process (proportioning, weighing, discharging and recording), according to a preset course. This automatic equipment consists of separate standardised and exchangeable push-in units fitting into a chassis intended to be built into 48-cm. (19") panels. This flexible assembly can be adapted to a wide range of dispensing problems by the correct choice and combination of units. The equipment is suitable for such proportioning as is required in the foodstuff and raw material industry, the manufacture of plastics, the chemical pharmaceuticals sector, etc. One of the latest designs is being used for the production of concrete mix which requires highly accurate proportioning of the various components (sand, gravel, cement and water) to conform to the specifications laid down for the continually varying mixing ratio. The whole equipment is controlled from a measuring panel, the quantities required being set by means of a selector. The whole process develops automatically when the starting-button is pushed.

The various components are weighed by means of three pressure boxes and four pull recorders. The values measured can be read off from an indicator provided with three graduations for sand, gravel, and cement and water respectively. A zero indicator with a round graduation shows the difference between the value set and the quantity weighed, pointing to zero when the values are equal. In addition, the quantities actually weighed are represented in figures. The weights are printed by a printing mechanism stating the quality code and serial number of the charge. If required, it can be shown with reference to these data that the mix supplied is made up to specification.

Replacement for Carburettor

A gas injection system, which can replace the carburettor of any ordinary car, yielded a fuel saving of 8.04 per cent when fitted to a Ford Consul recently, claim the makers Simms Motor Units Ltd., London. They say that the system increased acceleration from 0 to 30 m.p.h. by 19.4 per cent and from 0 to 70 m.p.h. by 24.8 per cent. The device weighs only 3 lb. and is said to be far cheaper than any other gas-engine fuel injection system presently available commercially. A specially-designed cam is used to control the injection of the fuel so that it is fed in when the air velocity is at a maximum: it achieves this by creating a lifting movement of only one-thousandth of an inch. The valve unit incorporates a flexible plastic-type material—adapted for the purpose when neoprene man-made rubber was found to swell. The device saves on costs because it has a single pump instead of a series of multiphased pumps as used for injecting fuel into diesel engines and this pump is controlled by a centrifugal governor. It also incorporates a special mixture control unit operated by a heat-sensitive element which controls the air feed to the fuel during engine warm up.

Colouring Pottery

A pottery firm in the U.K., Wengers Ltd., has developed a new medium for colours (replacing oils and fats) which, they claim, simplifies decoration and cuts costs. Savings of up to 25 per cent are reported in the manufacture of certain classes of pottery. The manufacturers say the savings have been achieved because the colours are supplied ready mixed, cutting out the process of mixing by the decorators and cutting down the number of firings and the number of times pieces of pottery have to be handled. The new colours do not run and so several colours can be applied before firing. And it is claimed that the new method enhances the brilliance and holding qualities of the colours. The new medium can be used for colouring all kinds of china, earthenware and decorated ceramics from the cheapest to the most expensive lines. It will also help individuals who make pottery as a hobby.

Pocket Oiler

Traditionally oil-cans generally leak, do not allow for dosage of the oil required, and are so bulky and disagreeable to carry that one rarely has them on hand when needed. To remedy these inconveniences, a Swiss company has developed an oiler called the "Lubristyl" which is shaped like a fountain pen. Its use is simple and clean: the point is placed on the spot to be oiled and moderate pressure applied. The hollow needle retracts to open the oil container valve, thus letting exactly the required amount of oil flow out. Any excess oil can be sucked back through the needle by releasing the pressure abruptly. The oiler can be filled simply by removing the head of the oil container. When not in use, a cap protects the point and this handy little gadget can be carried in pocket or hand bag without the slighest risk of spots or smudges. The "Lubristyl" is claimed to be not only ideal for countless industrial applications, but also has its place in every household.

Fly-killing Paint

A British manufacturer has perfected a paint that kills flies. Called "Lakil" it contains an insecticide which spells death to all flying or crawling insects. Once they cross surfaces painted with Lakil, ants, flies, bluebottles, moths, wasps, woodworms and such other insects absorb the poison and—an important point—head for the open air before dying. The makers, J. Manager and Sons, Ltd., Kingsland, state that Lakil is particularly suitable for rooms used for preparing or storing food. Garbage cans, too, can be treated effectively. The paint is applied in the usual way and can be used on exterior as well as interior surfaces. The insecticide is reactivated by washing and remains effective for two years. Four types of Lakil are manufactured—primer, undercoat, gloss, and clear, which can be applied over other paint.

Jacknife Lampost

A British company has developed a street lighting column that bends in the middle for easier maintenance. Called the "Jackknife" the column has a hinge half way up to make the lantern fitting accessible from the ground.

The weight of the hinged section is taken by a counterbalanced spring housed in the column just above the hinge and it is operated by a worm and wheel acting through a screw push rod. This, in turn, is operated by a standard quarter-inch electric hand drill plunged into the base supply.

The manufacturers say the column should more than halve conventional maintenance costs. It can be set to work sideways and other models are being designed for double arm brackets to go on dual highway central strips.

Fire-resistant Paint

Pearl Varnish Co., Ltd., S. Wales has developed a paint which gives their products a decorative and flame resistant finish. Specially developed for fibre insulation board and hardboard products, the fire retarding paint is applied in the conventional way. When exposed to heat, the several constituents of the paint fuse together to form an impervious film over the surface. This film prevents the inflammable gases contained in the board to pass out into the air, and also keeps the oxygen in the air from entering the board, thus impeding ignition.

Drip-dry Shoes which Massage the Feet

Drip-dry shoes which not only can be washed inside and out with soap and water but also massage the feet of the wearer are now being manufactured in Britain for men, women, and children. Made of plastic, the shoes are manufactured by a process of injection moulding which takes little more than 10 seconds. The manufacturers (The Dunlop Rubber Company Ltd.) claim that "Utrilon", the material used in the manufacture of this new style of footwear, is resistant to water, acids, petrol, oil, and grease. The shoes have a sponge cushion under the ball of the foot which acts as a shock-absorber and reduces walking fatigue.

The insoles form numerous air-ways which allow for full ventilation and insulate against heat and cold. The makers say that this insole is made of material which promotes electrostatic changes; massaging the foot, helping the blood circulation and reducing perspiration. In addition, it is claimed that, after a few days' wear, the insole takes on the contour of the wearer's foot, making the shoes virtually "tailor-made."

Translation Machine

Mitsubishi Electric Manufacturing Company of Japan has produced translation machine for English-Japanese translation. The machine can transform a simple English sentence into Japanese in some 30 seconds. By changing the memorised vocabulary in the machine, any language can be translated. The machine can also be used as an electronic computer.

EMPLOYEES' PROVIDENT FUND SCHEME

FORTY-SEVEN INDUSTRIES NOW COVERED

WITH the addition last year of mica factories, mica mines, plywood industry, automobile servicing and repairing industry, cane farms owned by sugar factories, rice milling, *dal* milling and flour milling, forty-seven industries have been brought under the purview of the Employees' Provident Fund Act, as compared with only six industries in 1952 when the Act was brought into force. At the beginning, the Act was applicable to all establishments engaged in any of the "covered" industries employing 50 or more persons (20 or more in the case of newspaper establishments) and having existed for more than three years. But by virtue of an amendment made towards the close of last year, the Act is now applicable even to smaller units in the "covered" industries, that is, those that employ 20 or more persons. The smaller units employing 20 or more, but less than 50, persons will, however, be covered, only when they have been in existence for five years. Establishments belonging to the Government or a local authority were originally exempted from the operation of the Act but this discrimination between public and private undertakings was removed in 1958 and the Act now applies uniformly to both the sectors. As regards co-operatives, only those which are working without the use of power are exempted.

An employee in a "covered" establishment, other than an excluded employee, is eligible for membership of the Fund, provided his basic wages, including dearness allowance and cash value of food concessions, if any, do not exceed Rs. 500 per month. Previously, individuals whose monthly emoluments exceeded Rs. 500 per month subsequent to their becoming members of the Fund could contribute only on Rs. 500 per month. The rules have since been amended to enable such an individual and his employer, if they so desire, to contribute *ad valorem*. So far as working journalists are concerned, no salary limit is applicable and it is compulsory on all of them, irrespective of the salary they draw, to contribute to the provident fund.

The qualifying period for the membership of the Fund had so far been one year's continuous service or actual work for not less than 240 days during a period of twelve months. This condition has of late been liberalised, so that an employee, who actually worked for not less than 240 days during a period of 12 months or less, becomes eligible for membership of the Fund. Thus, a regular worker can become a member of the Fund without having to complete 12 months.

Membership and Contributions

Total membership of the Fund, according to the Annual Report on the working of the Employees' Provident Fund Scheme for 1959-60, issued by the Central Board of Trustees of the Fund, increased from 2.54 million on 31st March 1959 to 2.7 million on 31st March 1960. Of these, 1.67 million were in unexempted establishments numbering 6,551 and 1.03 million in exempted establishments aggregating 822. 87 per cent of the employees were members of the Fund in exempted establishments, while the percentage was lower at 85 in unexempted establishments.

Total contributions (of both employees and employers) to the provident funds during the year ended 31st March 1960, amounted Rs. 16.36 crores, as against Rs. 14.59 crores in the previous year. The rate of contribution continued to be 6¼ per cent of both basic wages and dearness allowance, including cash value of any food concessions, and an equal contribution by the employer. A member can, however, voluntarily contribute, as his share, upto 8¼ per cent of basic wages and dearness allowance. The proposal to raise the rate of provident fund contribution from 6¼ per cent to 8¼ per cent in respect of the initially covered six industries, namely, cement, cigarettes, electrical, mechanical or general engineering products, iron and steel, paper and textiles, has been referred to a specially constituted Technical Committee. This Committee has been asked to examine which of these industries are unable to bear the additional financial burden. Its report is awaited.

In view of the constant complaints from retiring members that claims settlement take a long time, it is heartening to note from the report that every effort is being made to ensure prompt payment of provident fund dues to outgoing members or their nominees. Despite the unusually large number of claims received during the year (104,000, about 25,000 more than during the previous year), it is said that all claims, except a few, were normally paid within ten days of their receipt in the regional offices of the Provident Fund Commissioner. Total claims settled during the year amounted to Rs. 4.16 crores, bringing the total claims setttlement since the inception of the scheme to Rs. 10.33 crores, covering 328,000 claims.

The investible surplus of the Fund continued to be invested exclusively in Central Government securities. But, during the year under review, the pattern of investment was slightly altered to fetch a higher yield. Thus, investments in medium-dated securities were reduced from 20 per cent to 10 per cent while that in 12-year N.P.S. and T.S.D. certificates was increased from 10 per cent to 20 per cent. Investment in long-dated securities continued to account for 70 per cent of the total. The total yield from investments amounted to Rs. 2.09 crores in 1959-60, as compared with Rs. 1.58 crores in 1958-59, Rs. 1.09 crores in 1957-58 and a mere Rs. 13.39 lakhs in 1952-54. The book value of the investments of the Fund stood at Rs. 74.83 crores on 31st March 1960. The market value was higher at Rs. 75.67 crores.

Investments

This Journal had, in the past, argued that the policy of investing provident funds exclusively in Central Government securities required to be altered, because it deprived the members of the Fund of the opportunity of earning an extra ½ per cent or so, which they would otherwise have had, if the funds were permitted to be invested in State Government securities and other authorised securities of the local bodies and public sector undertakings bearing the guarantee of State or Central Government also. It is encouraging to note that this argument has carried conviction at least with the Board of Trustees of the Fund which has decided to press the Central Government to permit investment of a larger percentage of funds in higher interest-yielding securities. It is to to be hoped that the Government will not raise any objection to this very pertinent suggestion.

A problem that attracted considerable attention and was the subject matter of discussion at the meetings of the Board of Trustees was how to assist the outgoing members or their nominees or heirs in cases where the employers had not paid in full the amount of provident fund contributions. The Central Provident Fund Commissioner had suggested the constitution of a special reserve fund for the purpose. The Board agreed with the suggestion and recommended to the Government that a special reserve fund be constituted for this purpose by an initial transfer of some funds from the reserve and forfeiture account of the Fund. The workers' representatives on the Board were firmly, and very rightly in our opinion, opposed to any reduction in the rate of interest payable to members in order to finance this fund. They were right because an employer who has not paid his dues to the provident fund of his workers had no right to exist. He deserves to be severely dealt with. This does not mean that deserving cases should not be helped, if it could be done without a reduction in the rate of return to the members whose contributions have been paid.

The Government accepted the Board's recommendation and issued instructions that a special reserve fund be created by an initial transfer of Rs. 20 lakhs from the reserve and forfeiture account and that payments from the special reserve fund be restricted, for the time being, to three cases only, namely (1) on retirement or superannuation of a subscriber at or after he attained the age of 55, (2) on the death of the subscriber, and (3) in the case of permanent disability of a subscriber certified by a medical board set up by the Board of Trustees or by an authority decided upon by it. The special reserve fund shall be operated as an imprest and as soon as the arrears, against which payment has been made from the the said Fund, have been recovered from the employers such amount shall be paid back into the special reserve fund. It is to be hoped that the Provident Fund Commissioner would expedite the collections from the defaulting employers.

While the report claims that the scheme is steadily gaining popularity among the employers also (the number of establishments covered on a voluntary basis rose from 53 in 1958-59 to 95 in 1959-60), it also draws attention to the fact that exemptions granted to a number of establishments had to be cancelled, because of either default or delay in investing provident fund collections in Central Government securities. In a few cases, exempted establishments voluntarily surrendered their exempted status, due, presumably, to the trouble involved in maintaining accounts, granting loans, etc. and harassment. Nevertheless, the number of exempted establishments at the end of the year under review increased to 822, as compared with 764 at the end of the previous accounting year. The number of subscribers falling under these establishments also increased from 1.02 million to 1.03 million, representing 87 per cent of the total number of their employees.

It is noteworthy that recovery of outstanding amounts recorded good progress during the year, thanks to the vigorous enforcement of recovery measures. Thus, a sum of Rs. 2.09 crores was realised against recovery cases filed during the year and the overdues of the preceding year; this was more than twice the amount recovered in the previous year. In spite of this, however, as many as 1,747 cases involving Rs. 2 crores of rupees, were pending at the end of the year, indicating the need for sustained effort in this direction.

As readers are aware, the Provident Fund Commissioner is empowered to take two kinds of coercive measures, (1) recovery of overdues as arrears of land revenue and (2) prosecution of a defaulter-employer for failure to pay the dues. Commenting on the effectiveness of these measures, the annual report points out that, despite prayer for deterrent punishment, the law courts generally viewed the offences more or less as technical and, consequently, the fines imposed were small in amount. In order to make prosecutions more effective, the State Governments were requested to consider the alternative of launching prosecution for criminal misappropriation and criminal breach of trust wherever warranted. The State Governments were also requested to enhance punishments in suitable cases. It was also suggested that the non-payment of provident fund dues and non-submission of returns prescribed under the scheme should be made a continuing offence. There is no indication in the report about the outcome of these requests to State Governments.

Defaulters

The defaulting employers are doing a great disservice to employers as a whole by not paying their share of contributions to provident fund. It is, however, necessary to make a distinction between those defaulting employers who are in genuine difficulties and those who subtly play the game of non-payment and misappropriation. The former deserve sympathetic treatment and they should continue to be permitted to pay the arrears in suitable instalments. But the latter merit exemplary punishment.

Although it is unwise to anticipate the recommendations of the Technical Committee which is examining the question of raising the rate of provident fund contribution from the point of view of the capacity of the industries to pay, there is no doubt that the extension of the scope of the Act to more industries and the reduction in employment strength of individual establishments from a minimum of 50 persons to 20 persons for the Act to be made applicable will put a heavy burden on administrative machinery of the Fund. So far, it has discharged its widening responsibilities creditably and there is no reason to think that, in future, it will prove unequal to the task, provided the administration is adequately staffed and the State Governments extend their full co-operation to it in the implementation of the amended Act.

Facilities for training in Industrial Training Institutes will be increased to cover over 1,00,000 craftsmen at a time, as against the present arrangement for training 37,000 technicians, according to Mr. Gulzarilal Nanda, Union Minister for Labour. The Minister told the fourth meeting of the National Council for Training in Vocational Trades held at New Delhi on 25th January that the number of industrial training institutes, which is now 160, will be increased to 300 in another three years. The period of training for instructors had been increased from five months to nine months to enable them to acquire the required skill in the crafts that they specialise in.

The Minister emphasised the value of apprenticeship schemes in various industries and urged the starting of short-term courses for workers in big industries. He suggested that arrangements should be made to bring the training programmes now conducted by different agencies in the public and private sectors within the purview of the National Council for Training in Vocational Trades to ensure the maintenance of proper standards and in this connection made special mention of training in certain trades in the existing large scale industries.

TRADE PROMOTION ... is our business

Australia, New Zealand, and Fiji offer opportunities to exporters and importers and the International Division of the Bank of New South Wales can help those interested.

The Bank's complete banking service includes such specialized facilities as trade and industrial enquiries, economic and trade information, and a complete travel service. The Bank, through more than 1,000 branches and agencies, is closely and constantly in touch with industry, business, and agriculture in the areas it serves.

Enquiries may be made through your own bankers or direct to

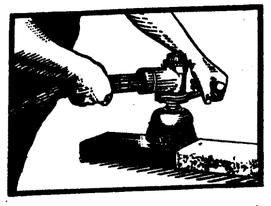
BANK OF NEW SOUTH WALES
INTERNATIONAL DIVISION
John W. McEwen, Chief Manager
HEAD OFFICE: SYDNEY, AUSTRALIA

First and largest commercial bank operating in Australia, New Zealand, Fiji, Papua and New Guinea, with three branches in London.

IP6001n

FOR
SAMPLING • ANALYSIS • TESTING
Ores, Minerals, Metals, Alloys and Residues; Oils, Oilseeds and Cakes; Foods, Drugs, Pharmaceuticals and Biological Specialities; Chemicals, Waters, Paints and Varnishes, Fertilisers, Manures and Insecticides, Industrial and Commercial Commodities, etc.
Contact:
THERAPEUTICS CHEMICAL RESEARCH CORPORATION
95, Morland Road, Byculla, Bombay 8
Grams: THERASERCH Phone: 74631
Managing Director: Dr. RAMAN C. AMIN, M.S., Ph.D (U.S.A.), Sigma Xi, F.A.A.A.S (U.S.A.)
Branch Laboratories:
• Morey Bhuvan, Mount Road Extn., NAGPUR 1 Phone: 1405 & 4552
• Rustam Mahal, 2nd Line Beach, MADRAS 1 Phone: 55678
• 9/5, Kumarpark West Extension, BANGALORE 20 Phone: 70823
• 118/54, Main Road, VISAKHAPATNAM Phone: 50
BRANCH OFFICES AT ALL PORTS OF INDIA

"SCCO"



For removing heavy scale from large metal surfaces, such as rust, old paint, and incrustations giving the metal renewed surface for painting, etc. These cup brushes are used on high speed flexible shafts electric or pneumatic tools and can be driven at higher speeds being of sturdier construction than the lighter crimped wire types. A good friend for Foundry man.

India Brushware
72, CANNING STREET,
CALCUTTA-1.
Phone: 34-1985

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories

For over 15 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cement Mills and other Industries in the country.

Phone: 22-5962
22-3101
Gram: "BANCO"

BEHAR FIREBRICKS & POTTERIES LTD
32, STRAND ROAD, CALCUTTA-1.

YOU SAVE FOR OTHER LUXURIES WHEN YOU INVEST IN AN ECONOMY CLASS TICKET ON B·O·A·C WORLDWIDE JETLINERS

BRITISH OVERSEAS AIRWAYS CORPORATION
IN ASSOCIATION WITH AIR-INDIA AND QANTAS

BANKING SERVICE OF EVERY— DESCRIPTION

'THE BANK THAT WORKS FOR YOU

These words are an expression of the way the bank feels about its responsibility to provide the most effective banking facilities for its customers.

We offer banking service of every description for trade, industry and personal requirements.

THE INDIAN BANK LTD
Head Office: FIRST LINE BEACH, MADRAS-1
G. S. SUNDARAM SECRETARY

SPURT IN GROUNDNUT PRICES

SUPPLY POSITION DISTINCTLY UNFAVOURABLE

ONE of the most striking features of recent trends in commodity markets is the pronounced firmness of groundnuts and groundnut oil. This is contrary to the world trend; the current world prices are lower than those a year ago. Thus, whereas the prices of groundnut and groundnut oil in India today are Rs. 880 and Rs. 2,000 per ton, as against Rs. 840 and Rs. 1,600 respectively a year ago, in the London commodity market, prices have come down from £125½ to £122 per ton for groundnut oil (BWA 3/5 per cent) and £77½ to £71 per ton for groundnut seed (Nigerian). A few days ago they were as low as £112 and £64, respectively. The higher prices in India are obviously due to supply not being equal to demand. Some may say that excessive speculation has been responsible for the upward trend; others may attribute it to defects in Government's export policy. Both may be right. But the basic factor is provided by the law of supply and demand. Speculation and mistakes in policy can at best only aggravate the trend, but they cannot always remain the prime factor and sustain the upward trend even over a long period.

Production

India, it may be noted, accounts for over 40 per cent of the total area under cultivation of groundnuts in the world, as also for about 33 per cent of aggregate production. Nevertheless, the quantity of India's crop entering into world trade has become almost negligible, as domestic consumption has gone up markedly. There has been a notable improvement in the production of groundnuts in recent years. This, however, has fallen short of the rapidly expanding demand for this commodity. The index number of production of groundnuts (base 1950-51=100) touched 130.2 in 1959-60, which represents an increase of over 30 per cent in a decade. But this does not mean that 1959-60 was a record year. The credit for establishing a high record goes to 1958-59 and there was a substantial setback from it in 1959-60. During the current crop year (1960-61), the output was even less mainly on account of unfavourable weather conditions during the sowing period. The result is that groundnut's production performance in the second Plan period is less impressive than in the first Plan. Thus, in the first Plan period, the production index went up by 20 per cent. (that is from 93 in 1951-52 to 112.4 in 1955-56). This rate of growth has not been maintained in the second Plan period, the index having gone up only slightly, from 127.2 in 1956-57 to just over 130 (estimated) during 1960-61. In absolute terms, the output of groundnuts (in shell) amounted to only 4.39 million tons in 1959-60, as against 4.20 million tons in 1956-57, the first year of the Plan. It may be noted, in passing, that the per-acre production in India is too low, being only 640 lbs., as against 1,519 lbs. in China and 887 lbs. in the U.S.

The following table shows at a glance the trend of production and area under the cultivation of groundnuts in 1960-61 (unofficial estimate), as compared with the previous five years:

	Area ('000 acres)	Production ('000 tons)
1960-61*	15,400	4,300
1959-60	15,305	4,390
1958-59	14,575	4,812
1957-58	14,876	4,436
1956-57	13,450	4,200
1955-56	12,692	3,801

* Latest trade estimates.

State-wise

The Andhra State is the leading producer of groundnuts in India, contributing as it does for about 25 per cent. Next come Maharashtra and Gujarat (that is, the former Bombay State) which produced 1.4 million tons in 1959-60. Production in these leading producing States were lower in 1959-60, as compared with the previous year. But there was some improvement in the other producing centres, such as Madras, U.P., Mysore and the Punjab. The following table shows the State-wise acreage and production in 1959-60—the latest year for which final official estimates are available—as against the previous year:

	Area ('000 acres)		Production ('000 acres)	
	1959-60	1958-59	1959-60	1958-59
Andhra	2,899	2,649	978	1,003
Maharashtra and Gujarat ..	6,404	6,069	1,422	1,762
Madhya Pradesh ..	1,098	1,091	228	350
Madras	1,856	1,848	896	888
Mysore	2,129	2,029	544	537
Punjab	167	153	59	52
Rajasthan ..	212	167	54	46
U.P.	452	478	175	143
Other States ..	88	91	28	31
Total ..	15,305	14,575	4,390	4,812

World Output

Besides India, the major producers of groundnuts are China (output in 1958-59 being 2.8 million tons), the U.S. (832,000 tons), French West Africa (1.1 million tons), Nigeria (761,000 tons), Burma (284,000 tons), Argentine (235,000 tons), South Africa (189,000 tons) and Sudan (128,000 tons). The world production of groundnuts touched a record level at 13.1 million tons in 1958-59. It is estimated that in 1959-60, world production (including India) fell by about 600,000 tons to 12.5 million tons. In 1960-61, the world crop position has been better. According to the information so far available, the output in the former French West Africa (including Senegal, Republic of Mali and Niger) has gone up from 855,000 metric tons in 1959-60 to 1.1 million tons during the current year, in Nigeria from 640,000 metric tons to 850,000 metric tons, in Argentine from 209,000 metric tons to 250,000 metric tons. In South Africa and Sudan, however, the output is lower by 10,000 metric tons each at 160,000 metric tons and 100,000 metric tons, respectively. In China, too, production is said to have suffered a setback following drought last year but reliable data are not so far available for that country. It is estimated that, following the improvement in the crop position in the major producing countries other than India, world net export surplus of groundnuts and groundnut oil in the calendar year 1961 will reach a record level of about 900,000 metric tons, as against 730,000 metric tons in 1960 and 855,000 metric tons in 1959. This picture clearly explains why world prices today are lower than those a year ago. In fact, reports of better supply position began as early as in May last leading to a downward price curve. This trend would have continued, but for the latest reports from China which show that the Chinese crop in the current year would be lower than that in 1959-60. There has also been a revival of strong buying from East European countries. Nevertheless, as already noted, the recovery in prices in the last few days has not been sufficient fully to offset the fall suffered in the latter half of 1960 and early 1961.

Domestic Prices

In recent times, the movement of groundnut prices in India have been virtually independent of world trends. This is for two reasons. First, basically, the growth of domestic demand is running ahead of production. Secondly, the need for ensuring adequate supplies for domestic consumers has been compelling the Government to restrict exports. In the last two years, the pressing foreign exchange situation has been forcing the Government to encourage exports of limited quantities through provision of incentive schemes. But, ultimately, this move only reacts on the domestic price levels, because there is no real surplus for export.

Domestic prices of groundnut oil are influenced mainly by the production of groundnuts and also, to a less extent, that of rapeseed and sesamum, on the supply side. The growing population pressure and also industrial needs are the influencing factors on the demand side. Another factor on the demand side is the volume of exports in groundnut oil permitted by the Government. Prices have been on the high side since 1958, when the ban on exports of groundnut oil was first removed and the export drive was reinforced by offer of special incentives to exporters. The following table shows wholesale price indices for the last decade in respect of groundnut and oil:

	Groundnuts	Groundnut oil
1952-53	100	100
1953-54	127	120
1954-55	82	77
1955-56	79	74
1956-57	111	104
1957-58	108	105
1958-59	117	107
1959-60	131	118
April 1960	144	130
July 1960	150	137
November 1960	139	138
December 1960	N.A.	N.A.

The soaring prices of groundnut and groundnut oil have defied all official attempts at checking them. The selective credit controls of the Reserve Bank and also special margins and ceilings imposed on hedge trading by the Forward Markets Commission have no sustained impact on the trend of prices. In Bombay, Nizam bold is currently quoted at Rs. 48.50 per 50 kilograms, as against Rs. 44 a year ago.

"Vanaspati"

The demand for groundnuts and grounnut oil from the manufacturers of *vanaspati*, which contains over 90 per cent. of groundnut oil, has been steadily improving during the last few years. While groundnut production rose by about 30 per cent. during the last decade, the output of *vanaspati* has almost doubled. The following table shows the trend in the production of *vanaspati* from 1950 to 1960:

	Tons
1950	172,437
1951	171,851
1952	190,448
1953	191,182
1954	230,243
1955	260,330
1956	255,146
1957	300,942
1958	293,781
1959	320,000
1960	337,000

As already mentioned, exports of groundnut oil, and much more so the absence of any definite policy in regard to them, have led to hoarding and speculation. The cheap credit made available to agriculturists through cooperatives in Madras, Andhra and Gujarat has helped farmers to withhold production from the market and bargain for better prices. Indian prices for groundnut oil have been well above world prices by £30 to £40 per ton. In order to compensate for the loss on exports of oil, the Government has linked the exports of oil to exports of groundnut oilcake which has a favourable export market. In 1960, the demand for cake, however, was not as good as it was in 1959. So, this scheme was not quite a success. Consequently, towards the close of 1960, other incentives were given such as import of copra in which there was a shortage in the domestic market. Exports of groundnut seeds are not permitted, with a view to letting the country have the benefit of crushing operations. An exception is, however, being made with regard to H.P.S. groundnut seeds, as it has a good market in North America and Western Europe. The following table shows the aggregate exports of nuts, oil, hydrogenated oil and oilcakes during January-September 1960, as compared with the corresponding period in 1959 and also the whole years 1959 and 1958:

(Quantity in tons and value in rupees lakhs)

	Jan.-September		Whole year 1959	1958
	1960	1959		
Groundnut seed :				
Quantity ..	27,806	22,877	27,419	3,036
Value	273	199	237	21
Groundnut oil :				
Quantity ..	1,604	17,706	41,340	888
Value ..	25	264	574	14
Hydrogenated oil :				
Quantity ..	3,708	1,900	2,680	2,582
Value	65	41	56	53
Groundnut oil cake :				
Quantity ..	71,242	85,606	134,665	79,525
Value	284	321	521	265
Defatted meal :				
Quantity ..	191,528	188,548	268,609	131,246
Value	692	671	983	412
Total value ..	1,339	1,496	2,371	765

It will be observed from the table that, in 1960, exports of groundnut seed fared better than in 1959 or 1958, but those of oil suffered a drastic fall. *Vanaspati* exports nearly doubled, while oilcake and defatted meal

(*Continued on page 224*)

THE
BRITISH INDIA CORPORATION LTD.
KANPUR

BRANCHES DIVISION
Cawnpore Woollen Mills Branch
New Egerton Woollen Mills Branch
Cooper Allen Branch
North West Tannery Branch
London Office

BEGG SUTHERLAND DIVISION
Secretaries and Treasurers:
The Elgin Mills Company, Limited
Cawnpore Textiles Limited
Brushware Limited
Cawnpore Sugar Works Limited
Champaran Sugar Company, Limited
Saran Engineering Company, Limited

Secretaries for:
Beta Picker & Co. Private Ltd.

Agents for:
Royal Exchange Assurance

MERCANTILE BANK
LIMITED
(INCORPORATED IN ENGLAND)
(Liability of Shareholders Limited)
Authorised Capital - £4,000,000
Issued and Fully Paid Capital - £2,940,000
Reserve Fund - - £2,200,000
Head Office:
15, GRACECHURCH ST., LONDON, E.C. 3
West End Office:
123, PALL MALL, LONDON, S.W. 1
Agents in New York: BANK OF MONTREAL AND THE CHASE MANHATTAN BANK
Branches and Agencies:
INDIA, PAKISTAN, CEYLON, BURMA, MAURITIUS, SINGAPORE, MALAYAN FEDERATION, HONGKONG, THAILAND AND JAPAN
The Bank transacts banking business of every description. Current Accounts are opened and Fixed Deposits are received on terms which may be ascertained on application.
Trusteeships and Executorships accepted.
Safe Deposit Lockers available.
J. B. STEWART, Manager.
52/60, Mahatma Gandhi Road, Bombay.

THE
UNITED COMMERCIAL BANK
LIMITED
Registered Office:
2, India Exchange Place, CALCUTTA
Authorised Capital .. Rs. 8,00,00,000
Subscribed Capital .. Rs. 4,00,00,000
Paid-up Capital .. .. Rs. 2,00,00,000
Reserve Fund .. .. Rs. 2,05,00,000
BRANCHES AT ALL IMPORTANT PLACES IN INDIA.
Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.
AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.
G. D. BIRLA, Chairman.
S. T. SADASIVAN, General Manager.

STEARIC ACID
(Double Distilled)
Manufactured by:
THE MODI VANASPATI MFG. CO.
Bombay State Distributors:
RAMJILAL LAKHMICHAND
Head Office: 333, Kalbadevi Road, Bombay-2 Phone: 39361
Branch: 695, Reid Road, Ahmedabad Phone: 2665
Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

Over 888 Offices
and
Enlarged Service

Perhaps you would like to know how rapidly the State Bank of India is expanding. On 1st July 1955, when the Imperial Bank of India was reconstituted into the State Bank of India, the Bank had only 243 branches. By August 1959, it had 555 full-fledged branches in urban and semi-urban areas. The rate of growth is now about 100 branches a year. The Bank has also 238 sub-offices.

With a net-work of over 888 offices spread all over the country and many more to follow, the State Bank is particularly suited to handle your remittance and collection business.

Thousands of account holders have benefited by the wide range of services offered by the Bank. You too can take advantage of the Bank's services.

Why not contact the nearest Agent of the Bank to talk things over?

BANK WITH
STATE BANK OF INDIA
INDIA'S LEADING BANK

SISTA'S-SB-22-R

Trade with Canada

If you are interested in Canada as a field for trade or business expansion, you will find The Royal Bank of Canada a useful ally. Branches from coast to coast. Specialized services for foreign traders available. Ask your banker. Enquiries invited. Correspondents the world over.
London Offices—6 Lothbury, E.C.2. B. Strath, Manager.
2-4 Cockspur Street, S.W.1. R. B. Murray, Manager.
THE ROYAL BANK OF CANADA
Incorporated in Canada in 1869 with limited liability.
Over 980 branches in Canada, the Caribbean area and South America.
HEAD OFFICE: MONTREAL. OFFICES IN NEW YORK AND PARIS
Assets exceed $4,000,000,000

COMPANY LAW SUPPLEMENT
(Monthly Journal)
Main object, to keep the readers informed on all aspects of company law, contains among other matter Queries on problems relating to company law and their answers, amendments of company law, notifications, articles of general importance, digest of cases, etc.
Edited by Messrs. JOHN & ROW, Advocates, Madras, authors of Ready Referencer on the Indian Companies Act, 1956, and other publications on company law.
Annual Subscription: Rs. 24
EXPRESS PUBLISHERS PRIVATE LTD.
33, BROADWAY, MADRAS 1

HEAVY FALL IN SCINDIA STEAM'S PROFIT

RISING EXPENSES AND SEVERE COMPETITION MAIN CAUSES

HOW the persistent depression in the world freight market and rise in costs of operation have been adversely affecting India's nascent shipping industry, is vividly illustrated by the financial results of the Scindia Steam Navigation Company Ltd. (Chairman: Dharamsey M. Khatau, Bombay) for the year ended 30th June 1960. The gross earnings of the Company had already suffered a setback even during the previous financial year when they had dropped by Rs. 47 lakhs. As a result of the growing international competition in shipping, higher operation costs, excessive delays in Indian ports, leading to a low turnround of ships and uneconomic freight rates in the coastal and adjacent trades, the Company's earnings have undergone a further deterioration, bringing the gross profit for 1959-60 down to Rs. 266.91 lakhs from Rs. 348.31 lakhs for 1958-59. At this level, the gross profit has not been sufficient to cover even the essential provisions such as the depreciation and development rebate and the Company has had to dip into the reserves even to pay a token dividend of 3 per cent (60 nP per share of Rs. 20 each) gross or a net of 2.10 per cent (42 nP per share). As the Company had added some new ships to its fleet in 1959-60, the Directors have had to provide a larger amount for depreciation and development rebate reserve aggregating Rs. 284.10 lakhs as against Rs. 244 lakhs in the previous year. If allowance is made for this factor, it is seen that the Company has actually sustained a loss of Rs. 19.73 lakhs.

In their report to the shareholders, the Directors have explained the various forces responsible for the unenviable plight of the Company. First, the freight rates have remained at uneconomic levels. In spite of the continuing imbalance in the available tonnage in the world and its utilisation, the principal maritime nations of the world are vying with one another to increase their respective fleets and are thus aggravating the problems of shipping companies of developing nations. Secondly, uneconomic freight rates have been prevailing in the coastal and adjacent trades, too. And, thirdly, the delays to ships, especially to ships employed in coal voyages, at loading and discharging ports, and the poor despatch obtained have considerably increased the losses in coastal operations.

The cargo lifted and the freight earned by the Company have shown some improvement. The cargo lifted, for example, has increased from 2,453,738 tons to 2,676,600 tons, while the freight earned has moved up from Rs. 1,658.65 lakhs in 1958-59 to Rs. 1,835.79 lakhs in 1959-60, a rise of no less than Rs. 177.14 lakhs. But this has not improved the Company's profit margin, because expenses have staged a sharper increase, namely, from Rs. 1,418.61 lakhs to Rs. 1,664.09 lakhs, an increase of Rs. 245.48 lakhs. The increases in expenditure have occurred mainly under charter hire, stevedoring charges, marine dues and claims. At the same time, other incomes, too, have dropped by as much as Rs. 26.61 lakhs.

In order to give a nominal dividend of 60 nP per share on 56,32,294 shares, the Directors have decided to withdraw the requisite amount of Rs. 33.79 lakhs from the general reserves. As stated earlier, the Directors have provided in all Rs. 284.10 lakhs for depreciation and development rebate reserve, the share of the latter being Rs. 101 lakhs. The Directors have described this provision as special depreciation representing statutory development rebate reserve, as required under the Income-tax Act.

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Freight and passage money	18,77.45	16,86.76	13,85.56	12,46.03
Other incomes	53.55	80.16	51.72	35.63
Expenses	16,64.09	14,18.61	10,47.14	9,11.18
Gross profit	2,66.91	3,48.31	3,99.54	3,70.48
Directors' remuneration	2.54	3.18	4.15	13.67*
Provision for:				
Depreciation	1,83.10	1,63.00	1,44.18	1,15.19
Taxation	..	40.00	24.00	31.00
Net profit	81.27	1,42.13	2,27.21	2,10.68
Transfer to development rebate reserve	1,01.00	81.00	90.00	72.00
Transfer to other reserves	..	0.95	56.00	58.00
Transfer to debenture sinking fund	..	10.00	10.00	10.00
Transfer from reserves	33.79	20.00	..	..
Dividend	33.79 (3%)†	73.22 (6½%)†	70.40 (6¼%)	70.40 (6¼%)
Carry forward	—16.13	3.60	6.65	5.84

* Managing Agents' commission. † Subject to tax.

It is needless to state that, in view of heavy fall in profit, the Directors could not provide anything for any other reserve funds. The Directors had allocated Rs. 10 lakhs for the debenture sinking fund in the previous year, but, as the Company has bought back debentures of the face value of Rs. 1.58 crores they feel that the appropriation to this fund is not necessary now. It may be noted, in this connection, that the outstanding debentures are still of the order of Rs. 3½ crores, as against which the balance to the credit of sinking fund is only Rs. 1.24 crores.

Table in column 1 shows at a glance the Company's performance in the last four years. It will be seen from the table that the Company is carrying forward a debit balance of Rs. 16.13 lakhs, in contrast to a surplus of Rs. 3.60 lakhs brought in. No provision has been made for tax liability, probably because the Company has no taxable profit. The abolition of managing agency and its replacement by special salaries to the two Executive Directors (Mrs. Sumati Shantikumar Morarjee and Mr. Shantikumar Morarjee) has benefited the Company to some extent, as will be seen from the table.

In spite of continued adverse circumstances confronting the industry, the Scindia Steam has pursued its policy of gradual expansion of its tonnage. The Company's gross tonnage of cargo steamers has increased by 4,114 to 255,327. Besides, it has a passenger-*cum*-cargo tonnage of 10,587, giving a total capacity of 265,914 g.r.t. In the report for 1958-59, the Directors had stated that, out of the two ships on order with the Lubeck yard, one ship was expected to be delivered in July 1960. The said ship was secured by the Company on the scheduled date and has been named *Jaladurga*. Of the two ships for which order was placed with Messrs. Mitsubishi Heavy Industries Reorganised Ltd., Kobe, under the Yen Loan agreement, the first, named *Jalakrishna*, was received in June 1960. The second ship is expected to be delivered this month. The Company has also placed an order for a 17-knot ship of the Japanese type with the Hindustan Shipyard at Visakhapatnam.

During the year, the cost of addition to the Company's fleet amounts to Rs. 3.41 crores, as against Rs. 2.79 crores in 1959. This brings the total cost of the fleet to Rs. 34.57 crores. The depreciation provided so far aggregates Rs. 9.59 crores, leaving the net value of the fleet at Rs. 24.98 crores. Payments on account of steamers under construction amount to Rs. 134.87 lakhs and other fixed assets (net) to Rs. 21.56 lakhs. Investment (at cost) are of the order of Rs. 8.84 crores, including those in Government securities accounting for Rs. 5.55 crores. The other current assets aggregate Rs. 9.72 crores, of which cash balances represent Rs. 2.98 crores. The total loan liabilities (including those secured by 4½ per cent 1963 debentures) amount to Rs. 15.29 crores and other current liabilities and provisions Rs. 7.22 crores. Of the former, loans from the Government of India amount to Rs. 9.30 crores and overdrafts from banks Rs. 1.05 crores. The excess of assets over liabilities is Rs. 22.58 crores represented by a paid-up capital of Rs. 11.39 crores, all in ordinary shares of Rs. 20 each, and reserves and surplus of Rs. 11.19 crores. Thus, almost each share has a backing of almost 100 per cent by way of reserves, that is, a break-up value of Rs. 40.

The Directors' report does not give any indication regarding the outlook for the current year although more than six months of the year had passed by the time the report was prepared. These six months were no better than 1959-60 to any significant extent. Nor are conditions propitious for the coming six months. The latest dec'sion of the Government that imports of goods bought with the help of U.S. Export-Import Bank loan should be brought to this country only through either U.S. ships or Indian ships may help relieve the situation to some extent.

Anyway, investors are still shy of buying shipping shares, as is evident from the fact that most of them are being quoted at a heavy discount. This is rather heavy in the case of Scindia shares. Thus, the Rs. 20 fully paid-up shares of the Company are being currently quoted at Rs. 14.48 *cum-div*. A few weeks earlier, they were lower still at Rs. 13.96. A year ago, they stood at Rs. 16.92. On an *ex-div*. basis, the latest quotation gives a yield of 2.98 per cent per annum, free of tax.

The fortunes of shipping companies have been fluctuating and it is quite possible that the present cycle of depression will soon yield place to a favourable phase. Having regard to this factor, purchase of shipping shares will be a risk worth taking, though it is undoubtedly a speculative risk.

NATIONAL ROLLING FARES WELL

OUTLOOK PROMISING

THE working of the National Rolling and Steel Ropes Limited (Managing Agents: The Associated Industrial Development Company (P) Ltd., Calcutta) during the year ended 30th June 1960 reveals a trend of much promise, as per the published accounts of the Company for the period. The gross profit for the year under review amounted to Rs. 34.29 lakhs—nearly double the amount for the previous year. The provisions for depreciation and taxation absorbed Rs. 8.86 lakhs and Rs. 12.50 lakhs, as against Rs. 4.86 lakhs and Rs. 1.60 lakhs, respectively, in the previous year. The dividend on equity capital was more or less maintained, inasmuch as it declared a taxable dividend of 13 per cent, as against a tax-free dividend of 10 per cent per annum for the previous two years.

A steady and progressive development is noticed in the Company's activities. There was substantial increase in its earnings in view of increased sales, higher output and better realisation. The sales went up by Rs. 46.27 lakhs in the last year and had nearly trebled in the course of the last few years. The Company is on the rate contract of the Director of Supplies and Disposals of the Government of India for the regular supply of steel wire ropes. The continued support of the Central and State Governments has been acknowledged in the report of the Directors. The supply position in respect of raw materials had considerably improved and the mill had been able to show increased output, though still working on single-shift only.

It may be recalled here that the year 1958-59 had been a relatively less remunerative one as compared with the previous years, as well as 1959-60. Sale proceeds had fallen during that year which was reflected in the lower profit (gross) of the Company at Rs. 16.57 lakhs. This may be attributed to an extent to the loss of production following the lockout declared in the mills. The production and labour relations appear to have taken a turn for the better ever since. Early in 1959 the Company had entered into an agreement with the workers, and the management expects better results and smooth working of the mill in future.

Messrs. Somerset Wire Company Ltd., Bridgwater, and Messrs. George Elliot & Co. Ltd., Cardiff, are the technical consultants of the Company for manufacture of steel wire and wire ropes.

The development and steady progress of the Company in the last four years will be evident from the following figures relating to its working:

(In lakhs of rupees)

	For the year ending 30th June			
	1960	1959	1958	1957
Sales	1,89.68	93.41	1,15.76	52.88
Closing stock	9.08	12.26	13.48	17.39
Opening stock	12.26	13.48	17.39	8.85
Raw material consumed	78.90	56.98	74.51	40.47
Salaries, wages and bonus	12.47	10.28	11.40	9.59
Other expenses	18.28	10.00	12.10	11.66
Gross profit	34.29	16.57	18.36	11.36
Depreciation	8.86	4.86	5.40	5.93
Taxation	12.50	1.60	2.70	..
Managing Agents' remuneration	2.99	1.17	1.30	0.54
Net profit	9.94	8.94	8.96	4.89
Dividends declared:				
Equity *	5.20 (13%)	4.00 (10%)	4.00 (10%)	2.40 (6%)
Preference	0.64	1.29	0.90	0.90
Provisions:—				
General reserves	3.00	3.50	5.00	2.50
Development rebate reserves	0.04	0.05	0.10	..
Carry forward	1.31	0.26	0.23	0.34

* Equity dividends for 1960 subject to taxation, while for other years tax-free.

The Company has maintained its borrowings very low in the last two/three years. In view of its profitable working for some years now, it has been in a position to liquidate its borrowings and wipe off the secured loans, turning over Rs. 29 lakhs, during the years 1957-59. It has also repaid the loan from the Industrial Finance Corporation of India, advanced early in 1953, for financing its development programme, on the mortgage of the mills' fixed assets. The total liabilities by way of secured loans amount to a mere Rs. 2.04 lakhs at the end of June 1960. Current liabilities and provisions are Rs. 39.90 lakhs, as against which there are current assets of the order of Rs. 65.97 lakhs. Reserves and surplus aggregate Rs. 31.50 lakhs.

The capital of the Company was Rs. 15 lakhs in 1954-55, consisting of Rs. 10 lakhs ordinary and Rs. 5 lakhs preference. This was raised to Rs. 55 lakhs in the next year, with a view to financing the development programme, by the issue of ordinary shares for Rs. 30 lakhs and redeemable preference shares for Rs. 10 lakhs. In 1959-60, the Company redeemed the entire preference capital (6 per cent cumulative, tax-free) of Rs. 15 lakhs at a premium of 10 per cent, from out of the profits of the Company and by transfer of sums from the reserves for this purpose.

The results of the last few years have been to satisfaction. The borrowings of the Company have been brought down. The output of the mill may be expected to go up in view of better labour relations and improvement in the supply of raw material. The future of the Company, therefore, offers much hope. The equity shares of Rs. 10 fully paid up are presently quoted at about Rs. 19.50 to give a tax-free yield of 4.6 per cent.

ASHOK LEYLAND'S PERFORMANCE

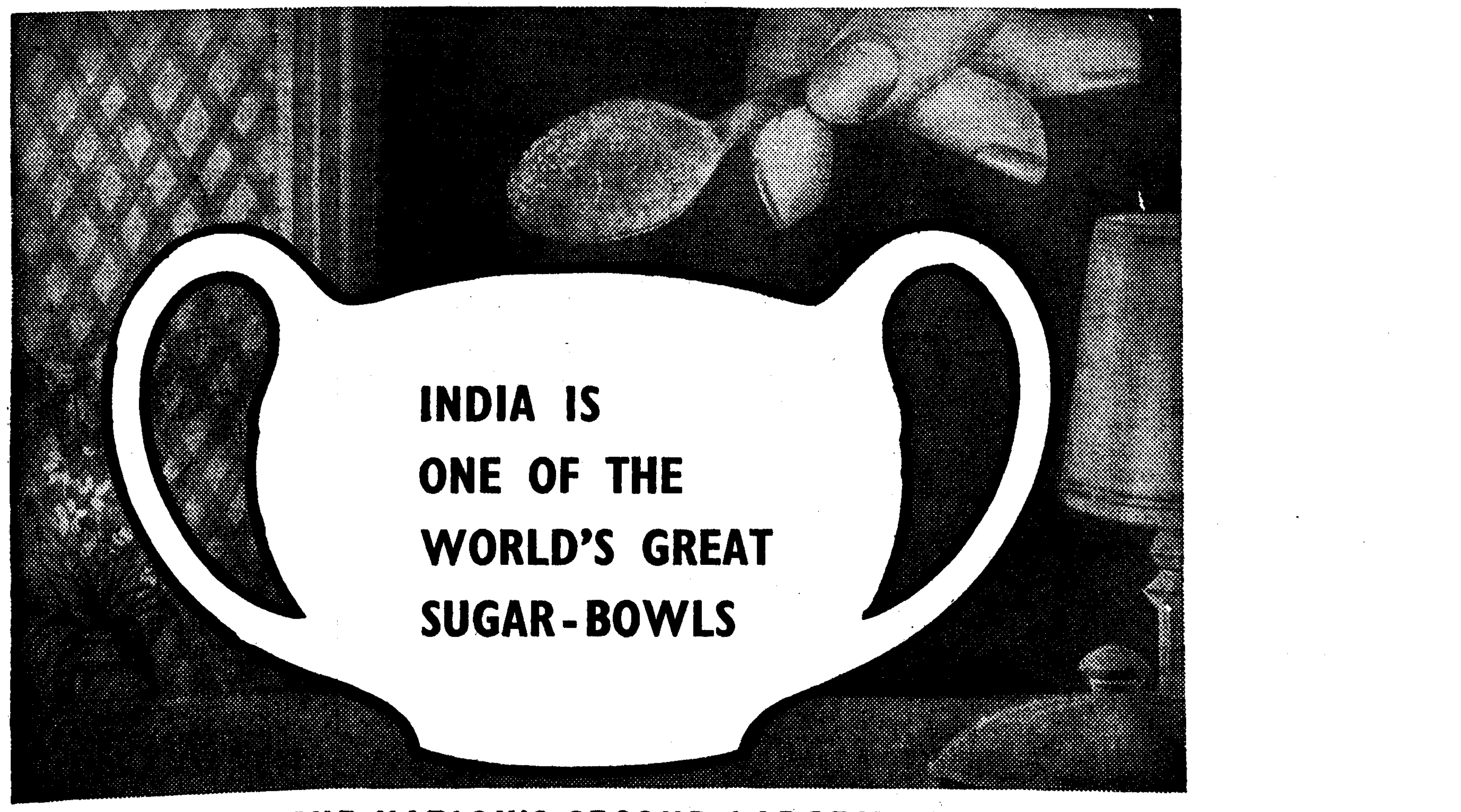
With a record-breaking month in December 1960, Ashok Leyland Ltd., Madras, smashed five Indian records for the output of heavy-duty diesel truck and bus chassis. With an overall increase in production of 42 per cent as compared with the year 1959, the Company announced that the records broken included the highest monthly production of heavy-duty truck and bus chassis in December 1960, thus creating a record in deliveries and a record in turnover of Rs. 175.00 lakhs for the month.

Customers in India—private operators, State and Municipal Transport Undertakings, projects and others—have benefited by this production increase and deliveries in 1960 were up by nearly 350 per cent as compared with 1955 when the Company started operations. The vital export market had its share of business, too, with Ashok Leyland Comet bus chassis valued at over Rs. 8 lakhs being shipped to Ceylon for use by the Ceylon Transport Board in Colombo. The Company's best sellers were the Comet bus chassis and the 7/8 tons payload Comet truck chassis, all powered by the Ashok Leyland 0/350 100 b.h.p. diesel engine. Sales of the short wheelbase tipper chassis have also shown a marked increase.

Production of Ashok Leyland Comet UE. 350 6-cylinder diesel engines based on the popular Ashok Leyland 0/350 unit for installation in industrial machines has been very encouraging. Almost the entire output of over 150 engines has been delivered to Kirloskar Pneumatic Company, Ltd., Poona which is using these compact units in conjunction with Broom and Wade portable air compressors. In spite of delivering Comet chassis to the value of Rs. 7½ crores during 1960 and heavy Tiger and Titan vehicles and industrial engines to the value of over Rs. 1.25 crore, the value of unfulfilled contracts held by the Company is in the region of Rs. 20 crores.

GAS CYLINDERS (INDIA) LTD.

A new company by the name of Gas Cylinders (India) Ltd. has been incorporated with its head office at Calcutta. The Company intends to manufacture gas cylinders, with the assistance of foreign collaborators. Initially, the capacity of the plant would be approximately 60,000 pieces per annum and this capacity is expected to meet the maximum requirements of the country. The Government of India has given the necessary sanction. The Company has planned to start the production by the end of the current calendar year. The Company's authorised capital is Rs. one crore and it is likely to come to the market shortly.



SUGAR IS THE NATION'S SECOND LARGEST INDUSTRY

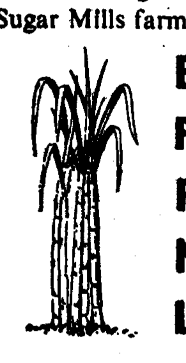
Sugar-cane and its products have been known to India from 5,000 B.C. Sugar production flourished in the country centuries ago. The Chinese Emperor Tai Tsung (627-650 A.D.) was so enamoured with the Indian product that he sent his men to this country to study it.

Today the industry is closely knit in the fabric of our national life and is the second largest industry in the country. To 1,90,000 factory workers and two million cultivators, it is the daily bread. To the nation, it is a "Kamadhenu" yielding the highest excise duty for any commodity—revenue for 1958-59 being Rs. 52.27 crores, Rs. 70.49 crores for 1959-60 and expected Rs. 78 crores for 1960-61.

Maharashtra Sugar Industry has no mean share.

Pioneers in twenties and early thirties founded this agro-industry with commendable foresight and effort. Its composite factory-farms revolutionised cane agriculture in Maharashtra and established suitable varieties and cultural practices. Today the industry is justifiably proud of its outstanding achievements on farms which hold their own with world figures. Average sugar-cane yield on these factory-farms is 53.5 tons/acre against all-India average of 14.5 tons/acre and against published world standards set by Java and Hawaii States respectively at 56.20 and 62.05. Maharashtra Sugar Mills and Godavari plantations are prouder still with their respective yields at 62.5 tons and 64.1 tons per acre this season. Yield of sugar per acre in Godavari Sugar Mills Farms 7.36 and Maharashtra Sugar Mills farms 7.80.

For the sake of agricultural productivity



EXCLUDE FACTORY FARMS FROM THE PROPOSED MAHARASHTRA LAND CEILING BILL

OUR ACHIEVEMENTS COMPETE WITH THE WORLD'S BEST

Issued in the public interest by

MAHARASHTRA SUGAR MILLS LTD. • GODAVARI SUGAR MILLS LTD.

UNDER SECRETARY 6 FEB 1961 PUBLIC DEPARTMENT

SYNOPSES OF COMPANY REPORTS

Neelamalai Tea and Coffee Estates Ltd.

THE directors of the above Company [Managing Agents: Messrs. A. V. Thomas and Co. (India) Ltd., Madras] present the audited accounts of the Company for the year ended 30th June 1960.

Tea—Crop and cost of production: The tea crop harvested during the season, together with the costs is given below:—

	Estimates	*Crop harvested*	*Crop secured*
	1959-60	1959-60	1958-59
	Lbs.	Lbs.	Lbs.
Sutton	4,50,000	4,61,350	3,71,300
Katary and Bhawani	9 00,000	9,68,849	7,75,660
Total ...	13,50,000	14,30,199	11,46,960

With the favourable weather conditions the estates had, the tea crop has exceeded the estimate by 80,199 lbs. The prospects for the season 1960-61 are also bright. The total *F.O.B.* cost per pound was as follows:—Estates' cost of production Re. 1.49, excise duty, export duty and cess Re. 0.14 and labour bonus and gratuity Re. 0.12. There has been a general increase in cost of materials, fertilisers and transport charges, which has been responsible for the higher cost of production.

Tea Sales: The average price realised was Rs. 2.54 per lb. compared to Rs. 2.55 realised last season. Regular shipments of the Estates' teas have been sent to London and U.S.A. during the year and the prices secured were satisfactory.

Coffee crop:—The crop secured was 1,668.67 (1,782.28) cwts. against an estimate of 3,000 cwts. The coffee crop during the season was not satisfactory, owing to poor blossom showers and unfavourable weather conditions in the subsequent months. The prospects for the season 1960-61 are promising. The entire crop had been delivered to the Coffee Pool as usual. The cost of production was Rs. 228.29 per cwt. against Rs. 220.84 per cwt. last season.

The profit for the season amounted to Rs. 6,44,743 (Rs. 3,22,208) to which is added the balance brought forward from the previous season of Rs. 5,482 (Rs. 78,274) making a total of Rs. 6 50,225 (Rs. 5,38,482 including Rs. 1,38,000 being excess provision for taxation not required). Out of this, the directors have transferred to reserve for taxation Rs. 2,85,000 (Rs. 1,64,000) leaving a balance of Rs. 3,65,225 (Rs. 3,65,482 after transferring Rs. 9,000 to development rebate reserve). This amount the directors recommend to be disposed of as under:—

By payment of a dividend on preference shares at 5 (5) per cent, subject to deduction of income-tax, absorbing Rs. 90,000 (Rs. 90,000), by payment of a dividend on equity shares at 7½ (7½) per cent, subject to deduction of income-tax, amounting to Rs. 2,70,000 (Rs. 2,70,000) and by carrying forward to next year Rs. 5,225 (Rs. 5,482)

The increase, if any, in the dividend on preference shares as per provisions of the Preference Shares (Regulation of Dividends) Act of 1960 will be given effect to and the amount of increased dividend will be paid to the preference shareholders, when the Bill is passed into Law.

Estimates for the season 1960-61:

	Tea		*Coffee*	
	Crop Lbs.	*Cost of production per lb.* Cents	*Crop* Cwts.	*Cost of production per cwt.* Rs.
Sutton	4,75,000	138.61	..	..
Katary and Bhawani.	9,00,000	143.37	..	..
Wooligooly			3,000.00	135.82
Total ..	13,75,000	141.73	3,000.00	135.82

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	54 00.000	Gross block	81,96,144
Reserves ...	21,32,830	*Less*—Depreciation ...	14 03,832
Provision for taxation ...	5.52.274		
Liabilities ...	12,64,117	Net block ...	67.92.312
Profit and loss account surplus ...	5,225	Stock-in-trade	9,39,317
		Stores, tools, etc. ...	1,89.226
		Book debts ...	9,10 731
		Investments	54,595
		Cash ...	4.68,315
Rs.	93,54,496	Rs.	93,54,496

Parasea Collieries Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. Deepchand Kishenlall, Calcutta) present the audited accounts of the Company for the year ended 31st December 1959.

The Company's profit for the year after providing Rs. 94.315 (Rs. 85 273) for depreciation, Rs. 27.612 (Rs. 28.579) for development rebate and Rs. 1.07.000 (Rs. 1.70 000) for income-tax is Rs. 1,07.849 (Rs. 90.362 after providing Rs. 6.950 for doubtful debts); with the balance brought forward from last year of Rs. 3.885 (Rs. 7.674) making a total available sum for disposal of Rs. 1.11.734 (Rs. 98 035) The directors propose payment of dividend in the following manner:

Dividend on 8,000 taxable preference shares at 5½ per cent. per annum absorbing Rs. 44,000 (Rs. 32,450) and dividend on 83,400 ordinary shares at Re. 0.62 (Re. 0.50 per share tax-free) per share, absorbing Rs. 51,708 (Rs. 41,700). Both dividends subject to deduction of tax as prescribed in Finance Act, 1960. This leaves a balance of Rs. 16.026 (Rs. 23,885) out of which Rs. 15 000 (Rs. 20,000) is to be transferred to general reserve, and the balance of Rs. 1,026 (Rs. 3,885) is to be carried forward to the next year's accounts.

Output and Despatches

	For the year ended Dec. 1959 (In tons)	*For the year ended Dec.* 1958 (In tons)
Raisings	1,57,231	1,68,996
Despatches ...	1,43,761	1,58,880
Stock after boiler consumption ...	12,660	7,714

During the year under review, the output has slightly decreased as compared with that of the previous year due to reduced working faces, as the working had approached the boundary of the area of the Company in Jambad top and bottom seams which are being worked at present. The despatches were also lower due to non-availability of the required number of empty wagons. The directors are trying their utmost to keep the working expenditure in control. The Company is trying to make arrangements for sand stowing to enable it to start pillar cutting in some sections of the present working. Sinking of the new pits in Kenda seam is in progress but various difficulties had to be faced by the management during the year under review, and the progress was not as expected. It will not be possible to get raisings of coal from these pits by the end of 1960 as reported last year and the directors expect the same during 1961.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,34.000	Gross block	28,59,307
Debentures ...	2.00.000	*Less*—Depreciation ...	12,11,228
Reserves ...	1,82,527		
Provision for taxation ...	3,90.164	Net block ...	16,48,079
Liabilities ...	17,30,342	Work-in-progress ...	3,17,307
Profit and loss account (surplus) ...	1.026	Building under construction	9.072
		Stock of coal	2.02.562
		Stores, etc ...	1,79,476
		Book debts ...	10.82,161
		Investments	6,33,891
		Cash ...	65,511
Rs.	41,38,059	Rs.	41,38,059

Woodcote Estates Ltd.

The directors of the above Company (Managing Agents: Messrs. Goodall & Co., Coonoor, Nilgiris present the audited accounts of the Company for the year ended 30th June 1960.

Crop, Cost and Prices

Crop—	*Actual* Pounds	*Estimated* Pounds
Estate	78,431	80,000
Bought leaf	13,646	25,000

Cost per pound Re. 1.52.

Average selling price per pound Re. 1.96.

The net profit including adjustment amounts to Rs. 2.080 (loss of Rs. 3,755). To this is added the balance brought forward from last year of Rs. 2,528 (Rs. 10,183) making a total of Rs. 4.589 (Rs. 6,428). Out of this amount the directors recommended payment of a dividend of 6¼ per cent tax-free on the preference capital absorbing Rs. 3,900 (Rs. 3,900) leaving a balance to be carried forward of Rs. 689 (Rs. 2,528).

Estimates for 1960-61 provide for an estate crop of 40,000 kgs. and leaf to be purchased outside 13,000 kgs.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1 60.000	Gross block ...	3,51,001
Reserves ...	53,757	*Less*—Depreciation ...	89.991
Liabilities ...	1,43,764		
Profit and loss account surplus ...	689	Net block ...	2,61,010
		Stock of tea ...	12.628
		Book debts ...	51 317
		Investments ...	5.343
		Cash	19,844
		Miscellaneous expenses ...	8.068
Rs.	3.58.210	Rs.	3.58.210

Ahmedabad Advance Mills Ltd.

The directors of the above Company (Secretaries and Treasurers: Tata Industries Private Ltd., Bombay) present the audited accounts of the Company for the year ended 30th June 1960.

The gross profit for the year, before providing for retiring gratuity. depreciation and development reserve amounted to Rs. 29.36.850 (Rs. 10.99.711). After deducting provision for retiring gratuity Rs. 75.000 (Rs. 15.000). depreciation Rs. 11.60.323 (Rs. 9.50.000) and development reserve Rs. 6.00.000 (Rs. 1.00 000) the profit comes to Rs. 11.01.327 (Rs. 34.711). To this is added the balance brought forward from the previous year's accounts of Rs. 11.155 (Rs. 11.155). transfer from development reserve of Rs. 2,00,000 (*Nil*) and transfer from general reserve No. 1 for payment of the proposed dividends on:—Preference shares amounting to Rs. 65,000 (Rs. 71,429) and ordinary shares amounting to (*nil*) (Rs. 2.80,000) leaving an amount available for disposal of Rs. 13 77,482 (Rs. 3,97,295). From this sum the directors have appropriated to general reserve No. 2 Rs. 9.00.000 (Rs. 34,711). The directors now recommend the following dividends for the year ended 30th June 1960:—A dividend at 5 per cent per annum free of income-tax (Rs. 6.50 per share gross or Rs. 4.55 net) on preference shares, calculated on the basis laid down in the preference shares (Regulation of Dividends) Bill, 1960 as amended, absorbing Rs. 65,000 (Rs. 71,429) and a dividend of Rs. 10 (Rs. 7.00) per share, subject to deduction of tax at source, on ordinary shares, absorbing Rs. 4,00,000 (Rs. 2,80,000) leaving a balance to be carried forward of Rs. 12,482 (Rs. 11,155).

During the year under report, a sum of Rs. 13 lakhs was spent on new plant and equipment, the main items of machinery bought being a Whitin combing set, a drying range and a water softening plant, of which the combing set and the water softening plant were received under the Export-Import Bank Credit Scheme. Under the same scheme the Company had applied last year for 4 Whitin drawing frames for which it obtained an import licence. The sanforizing machine for which the Company holds a valid import licence for more than a year now has not yet been imported as the question of royalty payment is yet to be decided. An import licence for the 96 automatic looms referred to in last year's report have not yet been received. The directors are, however, hopeful that they shall get the licence soon, now that the deferred payment agreement between the Governments of India and Japan has been finalised.

From 16th February 1960 the Stock Exchange placed the equity shares of the Company on the *Cleared Securities List.*

At the extraordinary general meeting held on 31st March 1960, shareholders approved of the appointment of Tata Industries Private Ltd. as Secretaries and Treasurers of the Company from 16th August 1960. The Central Government have since given their approval to the appointment on the terms and conditions approved by the shareholders, subject to certain modifications.

The installed capacity of the mills is 49,168 spindles and 1,016 looms with a processing capacity equal to 80 per cent of the total volume of production.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50.00.000	Gross block	2,09,06,549
Debentures ...	30.00.000	*Less*—Depreciation ...	90,57,515
Reserves ...	37,96,894		
Provision for taxation ...	10.213	Net block ...	1,18,49 034
Liabilities ...	1,48,71,860	Work-in-progress ...	4,45,975
Profit and loss account surplus ...	12,482	Stock-in-trade	84,20,037
		Stores and tools ...	15.08.212
		Book debts ...	25,70,530
		Investments	8.40 388
		Cash ...	10.57.273
Rs.	2,66,91,449	Rs.	2,66,91,449

Central India Spinning, Weaving and Mfg. Co., Ltd.

The directors of the above Company (Secretaries and Treasurers: Tata Industries Private Ltd., Bombay) present the audited accounts of the Company for the year ended 30th June 1960.

The directors regret to report a working loss of Rs. 8,93,325 (Rs. 52,69,282) for the year under review. The loss is mainly due to unsatisfactory trading conditions for a substantial part of the year under review and due to further increases in the cost of production and heavy interest charges during the period of re-organisation.

The value of new plant and equipment installed during the year under report amounted to Rs. 7,05,000 and new construction works completed have cost Rs. 4.23,000.

At the extraordinary general meeting of the Company held on 31st March 1960, shareholders approved of the appointment of Tata Industries Private Limited as Secretaries and Treasurers of the Company from 16th August 1960. The Central Government have since given their approval to the appointment on the terms and conditions approved by the shareholders, subject to certain modifications.

The installed capacity of the Mills is 1,15,188 spindles and 2,064 looms.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	96.87,500	Gross block	4,64,86,662
Reserves ...	10,75,722	*Less*—Depreciation ...	1,50,60.898
Provision for taxation	4,149		
Liabilities ...	5,59,84,944	Net block ...	3,14,25,764
		Work-in-progress ...	3,15,409
		Stock-in-trade ...	1,75,53,087
		Stores and tools ...	32.48.844
		Book debts ...	20.83 335
		Investments	27.94.955
		Cash ...	3,14,070
		Profit and loss account deficit ...	90.16.856
Rs.	6.67.52.315	Rs.	6.67.52.315

Balrampur Sugar Co., Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 30th June 1960.

The shareholders are aware that Tulsipur Factory of the Company, under a scheme of arrangement passed by the shareholders and sanctioned by the Hon'ble High Court of Calcutta, has already been transferred to Tulsipur Sugar Co., Ltd. The accounts for the year under review, therefore, show results in respect of Balrampur Factory only.

The results for the period after providing for all charges and taking into account earlier provisions for liabilities no longer required show a profit of Rs. 3,11,989 (Rs. 4,48,321) to which has to be added the balance brought forward profit from the previous year of Rs. 45.327 (Rs. 59,415) making a total of Rs. 3,57,316 (Rs. 5,07,736). From this amount the following appropriations have been made: For depreciation Rs. 1,12,350 (Rs. 1,08,409), for development rebate reserve Rs. 1,30,500 (Rs. 42.000) and for provision for taxation Rs. 10,000 (Rs. 1,30,000) leaving a credit balance of Rs. 1,04,466 (Rs. 1,57,327 after providing Rs. 70,000 for rehabilitation reserve). This balance, the directors recommend, should be disposed as follows:—

In payment of dividend at Re. 0.20 (Re. 0.40) per share, subject to tax deduction at source, on 2,80,000 shares for the year ended 30th June 1960, absorbing Rs. 56,000 (Rs. 1,12,000) leaving a balance to be carried forward to next account of Rs. 48,466 (Rs. 45,327).

The duration of season during the year under review was 124 days, against 128 days in the previous year. The cane crushed was higher at 25,70,489 maunds as compared to 21.74,072 maunds during the previous season. The recovery was also higher at 9.94 per cent. against 9.43 per cent in the preceding year. The crushing of higher quantity in a shorter period with better recovery is partly attributable to the extensions and reconstructions carried out in the factory. In order to achieve still better efficiency, it is necessary that the crushing capacity is increased to minimum 1,200 tons a day from approx. 1,000 tons a day, which capacity has been reached by the factory now. Therefore, a phased programme of further extensions and reconstructions has been taken in hand and the directors hope that within 2/3 years period, the Company should reach its target.

In accordance with the decision of the Government of India, the export quota of sugar for this Factory was fixed at 1.934 bags. Since the Indian Sugar Mills' Association has decided to accept sugar for export out of production of 1960-61 season, the same shall be delivered out of next year's production.

During the year under review the directors have issued 2.80,000 ordinary shares of Rs. 2.50 each to the existing shareholders in the proportion of one ordinary share for each existing ordinary share held in the Company. These right shares rank *pari passu* in all respects with existing ordinary shares except that they do not participate in the dividend declared for the year under review.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,00,905	Gross block	31,10,427
Reserves ...	9,93,823	*Less*—Depreciation ...	19,27,489
Provision for taxation ...	5,98,797		
Liabilities ...	43,87,026	Net block ...	11,82,938
Profit and loss account (surplus) ...	48,466	Work-in-progress ...	14,905
		Stock-in-trade	40,96,166
		Stores, etc. ...	8,04,694
		Book debts ...	9,47,941
		Investments	1,74,970
		Cash ...	1,07,403
Rs.	73,29,017	Rs.	73,29,017

Indian Plastics Ltd.

The directors of the above Company (Kandivli, Bombay) present the audited accounts of the Company for the year ended 31st March 1960.

The accounts show a balance of Rs. 3,62,288 (Rs. 2,87,670) at the credit side of the profit and loss account, including the amount brought forward from the last year. The directors propose to distribute the available amount in the following manner:—To depreciation Rs. 1,63,960 (Rs. 1,49,775), to development rebate reserve Rs. 40,960 (Rs. 15,468), to dividend on 22,500 preference shares at 5½ per cent. subject to deduction of tax absorbing Rs. 1,23,750 (Rs. 84,825) and to carry forward Rs. 33,618 (Rs. 2,547 after providing Rs. 24,304 for wealth tax and Rs. 10,841 for income-tax).

The Company has entered into negotiations with Messrs. Graetz Kommanditgesellschaft, Altena, West Germany, who are one of the leading manufacturers of *Radios* and *Television* sets and parts thereof. The negotiation has been successfully completed and the collaboration agreement entered into. The necessary application for the approval of the collaboration agreement has been submitted to the Government of India and their sanction is awaited. The directors are also considering the scheme for manufacture of some of the major *Radio Components*, which are at present imported, in this factory. The Company has also introduced the *Transistorised Radio Receivers* during the year under review which has received appreciable admiration from the listening public.

The Company has also entered into collaboration with Messrs. Bakelite Gesellschaft MBH of West Germany, whose name is synonymous with *Plastic Moulding Powders and Resins.* The terms of the collaboration agreement have also been approved by the Government of India.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	52,43,375	Gross block	51,92,992
Reserves ...	70,550	*Less*—Depreciation ...	17,57,026
Liabilities ...	48,73,676		
Profit and loss account (surplus) ...	33,618	Net block ...	34,35,966
		Stock-in-trade	15,83,004
		Raw materials and stores ...	25,36,986
		Book debts ...	26,21,523
		Cash ...	43,740
Rs.	1,02,21,219	Rs.	1,02,21,219

Agarpara Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. B. N. Elias & Co. Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1960.

The accounts of the Company reveal, with the carry over of Rs. 25,002 (Rs. 16,782) from the previous year and after providing Rs. 5,99,972 (Rs. 4,34,994) for depreciation and Rs. 5,10,000 (Rs. 3,95,000) for taxation, a balance of Rs. 12,86,065 (Rs. 18,39,972) which the directors recommend to deal with as follows:

To transfer to development rebate reserve Rs. 5,50,000 (Rs. 85,470), to transfer to contingency reserve [for payment of 30 per cent. tax deducted at source of preference dividends, payable after enactment of Preference Dividend Bill, now before Parliament] Rs. 30,000 (*nil*), to payment of proposed dividends at 10 (5 per cent. tax-free) per cent. on 6,00,000 ordinary shares, subject to deduction of tax Rs. 6,00.000 (Rs. 3,00,000), and to proposed dividends at 7 per cent. on 10,000 preference shares Rs. 70,000 (Rs. 70,000) leaving a balance to be carried over to next year of Rs. 36,065 (Rs. 25,002 after transferring Rs. 9,71,500 to general reserve; Rs. 3,25,000 to machinery replacement reserve; Rs. 85,470 to development rebate reserve and Rs. 63,000 for wealth tax).

In accordance with the working time agreement of the Indian Jute Mills' Association, the Mill worked 48 hours a week with 14 per cent of their looms sealed till 20th June, 1959, 12½ per cent. sealed from 22nd June, 1959 to 24th August, 1959, and thereafter with 9 per cent. sealed till the end of the year.

The modernisation of the preparing and spinning sections of the Company's Mill is now almost complete. The Company has embarked on a scheme of modernising the weaving section as well and import licences have been granted for the import of 24 *Automatic "One Mack" Looms* from the U.K. The Company has taken a loan from The National Industrial Development Corporation for its spinning modernisation programme.

The complement of *Carpet Backing Looms* at the Company's Mill has been increased during the year and further expansion is in progress. All looms under the expansion programme have been supplied by The Oriental Electric & Engineering Co. and the directors are pleased to report that they are working very satisfactorily.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00,000	Gross block	1,47,43,249
Debentures ...	12,00,000	*Less*—Depreciation ...	50,81,902
Reserves ...	64,31,970		
Provision for taxation ...	11,35,758	Net block ...	96,61,347
Liabilities ...	74,06,765	Work-in-progress, etc.	43.641
Profit and loss account (surplus) ...	36,065	Stock-in-trade	89,99,536
		Stores, etc. ...	11,54,826
		Book debts ...	24,42,588
		Investments	4,29,315
		Cash ...	4,79,305
Rs.	2,32,10,558	Rs.	2,32,10,558

N.B.—Figures within brackets relate to the corresponding period of the previous year.

Notice

ASSOCIATED BATTERY MAKERS (EASTERN) LIMITED

NOTICE TO SHAREHOLDERS

THE ACCOUNTS OF THE COMPANY FOR the year ended the 31st August 1960 exhibit a net profit, allowing for depreciation, of Rs. 52 Lakhs. After providing for taxation and reserves, bringing in the balance from the last account and deducting the amount of the interim dividend declared before the public conversion of the Company in January 1960, the amount available is Rs. 20 Lakhs.

The Board of Directors has resolved to recommend to the shareholders at the forthcoming Annual General Meeting that a final dividend be declared at the rate of ten per cent subject to tax.

By Order of the Board,

H. M. COX,
Secretary.

CALCUTTA, *27th January* 1961.

COMPANY MEETINGS AND DIVIDENDS

SHEVEROY ESTATES LTD. Annual General Meeting, Kondappanaickenpatty, Kannankurichi, Salem, 13th February 1961. Dividend: 9 per cent or Re. 0.18 per share, subject to deduction of tax. Transfer books will remain closed from 7th to 13th February 1961, both days inclusive.

INDIAN OXYGEN LTD. Annual General Meeting, Calcutta, 14th February 1961. Dividend: 15 per cent subject to deduction of tax. Transfer books remain closed from 28th January to 14th February 1961, both days inclusive.

SPENCER AND CO., LTD. Annual General Meeting, Madras, 17th February 1961. Dividend: 18 per cent or Re. 1.80 per share (includes interim dividend of 6 per cent or Re. 0.60 per share), subject to deduction of tax. Transfer books will remain closed from 10th to 17th February 1961, both days inclusive.

KIRLOSKAR ELECTRIC CO., LTD. Annual General Meeting, Rajaji Nagar, Bangalore, 18th February 1961. Dividend: 9 per cent or Re. 0.90 per share, subject to deduction of tax. Transfer books will remain closed from 6th to 20th February 1961, both days inclusive.

KIRLOSKAR BROTHERS LTD. Annual General Meeting, Kirloskarwadi, District Sangli, 20th February 1961. Dividend: Re. 1.75 per share (net). Transfer books will remain closed from 11th to 26th February 1961, both days inclusive.

HENLEY CABLES INDIA LTD. First Annual General Meeting, Bombay, 20th February 1961. Transfer books will remain closed from 6th to 20th February 1961, both days inclusive.

STRUCTURAL ENGINEERING WORKS LTD. Annual General Meeting, Bombay 21st February 1961. Dividend: Rs. 12.00 per share, subject to deduction of tax, payable on and after 1st March 1961. Transfer books will remain closed from 6th to 21st February 1961, both days inclusive.

SCINDIA STEAM NAVIGATION CO., LTD. Annual General Meeting, Bombay 22nd February 1961. Dividend: Re. 0.60 per share, subject to deduction of tax, payable on or after 1st March 1961.

JAM SHRI RANJITSINGHJI SPG. AND WVG. MILLS CO., LTD. Annual General Meeting, Bombay 23rd February 1961. Dividend: Rs. 42.00 per share (net), payable on and after 15th March 1961. Transfer books will remain closed from 16th to 23rd February 1961, both days inclusive.

KATAKHAL-LALA BAZAR RAILWAY CO., LTD. Annual General Meeting, Calcutta, 24th February 1961. Transfer books will remain closed from 10th to 24th February 1961, both days inclusive.

BURDWAN-CUTWA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 24th February 1961. Transfer books will remain closed from 10th to 24th February 1961, both days inclusive.

AHMADPUR-KUTWA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 24th February 1961. Transfer books will remain closed from 10th to 24th February 1961, both days inclusive.

BANKURA-DAMODAR RIVER RAILWAY CO., LTD. Annual General Meeting, Calcutta, 24th February 1961. Transfer books will remain closed from 10th to 24th February 1961, both days inclusive.

AHMEDABAD ELECTRICITY CO., LTD. Interim dividend for the half-year ended 30th September 1960, at the rate of 5 per cent per annum or Rs. 2.50 per ordinary share, subject to deduction of tax, payable on and after 24th March 1961. Transfer books will remain closed from 11th February to 1st March 1961, both days inclusive.

COMPANY REGISTRATIONS

INDIAN RUBBER REGENERATING CO., LTD. Business: To reclaim rubber from rubber scrap. Authorised capital: Rs. 1,00,00,000. Public company. Address: Kamani Chambers, Nicol Road, Ballard Estate, Bombay.

PULPA INDUSTRIES LTD. Business: Manufacturers of all kinds of paper, board and pulp. Managing Agents: Oriental Timber Trading Corporation Private Ltd. Authorised capital: Rs. 50,00,000. Public company. Address: 59, Apollo Street, Fort, Bombay-1.

WYETH LABORATORIES PRIVATE LTD. Business: Manufacturers of chemicals and pharmaceuticals, etc. Authorised capital: Rs. 2,00,00,000. Private company. Address: Steelcrete House, Dinshaw Wacha Road, Back Bay Reclamation, Bombay.

SOMAIYA ORGANIC CHEMICALS PRIVATE LTD. (Managing Director: Mr. S. K. Somaiya.) Business: Manufacturers of acetic acids, alcohol, etc. Authorised capital: Rs. 50,00,000. Private company. Address: Fazalbhoy Building, Mahatma Gandhi Road, Fort, Bombay.

FIBRE SPINNERS PRIVATE LTD. Business: Manufacturers, spinners and dealers in synthetic fibres, etc. Authorised capital: Rs. 50,00,000. Private company. Address: 6C, Sindhu House, Nanabhai Lane, Near Flora Fountain, Fort, Bombay.

PAREKH INDUSTRIES PRIVATE LTD. Business: Manufacturers of dyestuffs, chemicals, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 13, Himalaya House, Palton Road, Bombay.

BASANT RUBBER FACTORY LTD. Business: Manufacturers of rubber goods. Authorised capital: Rs. 10,00,000. Private company. Address: Basant Court, Opposite Sion Railway Station, Bombay-22.

INDUSTRIAL ENGINEERING DIE WORKS PRIVATE LTD. Business: Manufacturers of machine parts, fabrication, die casting and general engineers. Authorised capital: Rs. 10,00,000. Private company. Address: New Stock Exchange Building, 4th Floor, Apollo Street, Fort, Bombay-1.

KHOSLA PLASTICS PRIVATE LTD. Business: Manufacturers and traders in all kinds of plastic goods, electrical goods, etc. Authorised capital: Rs. 10,00,000. Private company, 43, Aundh Road, Kirkee, Poona-3.

N.B.—All the above companies are registered in the State of Maharashtra.

ORIGIN AND OBJECTIVES OF O.E.C.D.

MAJOR MECHANISM FOR EFFECTING HEALTHY ECONOMIC GROWTH

PLANS have now been completed for the reconstitution of the Organisation for European Economic Co-operation (O.E.E.C.) into the Organisation for Economic Co-operation and Development (O.E.C.D.). Meeting in Paris in December, Ministers from the eighteen full members of the O.E.E.C. and the two associate members—the U.S.A. and Canada—finalised and signed a convention which will now be submitted to Parliaments. The O.E.C.D. will come into being as soon as the Convention has been ratified or approved by at least fifteen signatory countries, which it is hoped will be by autumn of this year. In many respects, the new organisation will aim to carry on the same types of economic co-operation already established successfully by the O.E.E.C. But its constitution is different, reflecting the changed needs of the 1960s; and it is a change of profound significance, says the *Bulletin for Industry*, published by the Information Division of the British Treasury, that the U.S.A. and Canada will be full members.

The negotiations which culminated in agreement on the O.E.C.D. Convention began in January 1960, at a special economic conference in Paris of the twenty O.E.E.C. countries and a representative of the European Economic Community (E.E.C.). The main issue was the need to adapt economic co-operation within Western Europe and with North America to meet new conditions—first, the great increase in the economic strength of Europe since the creation of the O.E.E.C. in 1948; second, the emergence of European regional groups (E.E.C. and E.F.T.A.); third, the urgency to provide aid to less-developed countries all over the world. The January Conference took three steps. It set up a Group of Four to study and report on the problems of bringing into being a reconstituted O.E.E.C., it established a Trade Committee competent to study (among other matters) relations between the E.E.C. and E.F.T.A., and it recognised the decision of some of its members to found a Development Assistance Group (D.A.G.), as a forum in which countries already giving aid could co-ordinate their ideas and experience. The second and third of these activities were initiated immediately while the broader plans for the new body were taking shape. They will now be brought together within the framework of the O.E.C.D. itself.

The D.A.G.

The Convention for the O.E.C.D., and a detailed report spelling out the way in which the new body would work, were produced for the December Ministerial Conference by a Preparatory Committee which had been set up following the report of the Group of Four. The O.E.C.D. will promote policies directed towards achieving the highest sustainable economic growth and employment in member-countries consistent with financial stability.. As part of its work in contributing to economic expansion in less-developed countries throughout the world, it will establish a Development Assistance Committee (D.A.C.) to take over from the D.A.G. Co-operation on trade questions through the O.E.C.D. should offer new opportunities. The basic aim is to contribute to the expansion of world trade on a multilateral, non-discriminatory basis. The very important specific trade responsibilities of the O.E.C.D. are: confrontation of general trade policies and practices at regular intervals and whenever requested by a member (this function is without precedent in the O.E.E.C.); examination of specific trade problems primarily of interest to members and their overseas territories; and examination of any short and long-term trade problems currently being considered by the Trade Committee which remain outstanding. Under the last heading come problems raised for members by the separate existence of the E.E.C. and E.F.T.A.

Although the O.E.E.C.'s Code of Liberalisation, which played a valuable role while European countries were throwing off the trade restrictions necessitated by war-time and post-war conditions, is not to be carried forward in the new body, there are to be no withdrawals from the existing level of liberalisation. On the contrary, members intend to pursue their efforts to develop trade in accordance with their international obligations. The valuable experience of O.E.E.C. is to be drawn on where relevant, and the need to consider trade questions from the widest possible viewpoint is fully accepted. For the effective achievement of these trade objectives the report of the Preparatory Committee recommends:

"that the O.E.C.D. should, *inter alia*, look to the work done by the O.E.E.C. on the subject matters in question, including in particular those dealing with balance of payments difficulties, to the extent that this work is relevant to and consistent with its functions, in order to benefit for its own assessments from the experience previously gained; it should be guided by the common spirit of co-operation achieved in O.E.E.C. which proved so useful when difficulties arose in the past and which will equally characterise the reconstituted Organisation."

Mr. Dillon's Observations

The U.S., according to Mr. Douglas Dillon, Treasury Secretary, regards the O.E.C.D. as a major mechanism for promoting healthy economic growth both within the Western countries and throughout the free world. By enabling these countries to act in concert, the O.E.C.D. "can bring great intellectual, scientific and economic resources to bear upon the great tasks before the world." What are these great tasks? Answering this poser, Mr. Dillon observed, in mid-December last, as follows:

"First, there is the vital necessity of increasing and improving our (Western world) economic and technical assistance to the newly-developing countries of the free world. Many of them have only recently achieved political independence. They are learning that political independence is a hollow and fragile thing without economic progress. Their peoples are no longer willing to accept poverty as a normal state of existence. They are determined to gain for themselves the benefits of industrialisation and they are determined to improve their living standards. The political and social context within which the newly-developing countries seek these objectives will depend to a critical degree upon the resources made available to them by the industrialised countries of the free world.

"Outside aid, essential though it may be, is not in itself enough to meet the needs of the developing countries. We must also help them develop their own resources and institutions in order that they may become self-sustaining. Through the O.E.C.D., we can greatly facilitate our effective provision of these resources. In this connection, we warmly welcome the recommendation of the Preparatory Committee that Japan should be associated with this important work.

"Second, there is the need for our economies to attain and to maintain the highest sustainable rate of economic growth. If we are to meet the expanding needs of our peoples—if we are to increase the resources we make available to the less-developed countries of the free world—and if we are to advance the principles of freedom, our own economies must expand at a high rate and produce more and more of the goods and services which are demanded by our peoples and required for our common well-being and security.

"In pursuing this common objective, we must strive for an increasingly harmonious expansion of our economies since, as I have said, they are becoming increasingly interdependent. And we must never forget that economic policy decisions by each of our Governments also have significant repercussions on the economy of the entire free world. It is for these reasons that we have agreed in the convention we are signing here today to intensify and improve our consultation and co-operation on economic policy matters.

"Finally, we have agreed in the convention that we will work together to promote policies to expand world trade on a multilateral, non-discriminatory basis, in order to contribute to free world growth and prosperity. In this effort, we will be able to draw on the fine spirit of co-operation which has characterised the work of the O.E.C.D."

Mr. Dillon then went on to add:

"It is essential, in the troubled conditions which face us today, that the benefits of our work in the O.E.C.D. reach down to the ordinary citizen. It is fitting, therefore, that our convention calls upon member-Governments to consult and co-operate, not only to improve the economic well-being of our peoples, but to promote their social advancement as well.

"This is a goal to which the U.S. attaches great importance. Many of you will recall that the U.S. emphasised this aspect of international co-operation in the Act of Bogota, which was signed last September by the nations of the Americas. It is our hope that the various committees of the O.E.C.D. will be concerned with the social implications of their activities. It is also our hope that the secretariat will include specialised personnel concerned with social questions, in order to assure adequate support for this aspect of the work of the O.E.C.D.

"The O.E.C.D. convention is a good convention. It is broad and flexible. It provides a framework which will enable our new organisation to develop and adjust as circumstances require. What we do in the O.E.C.D. will be fruitful to the extent that we work together in seeking solutions for the important economic problems crying for our attention. The U.S. intends to co-operate wholeheartedly in this task. And, in this task, we are fortunate in having as Secretary-General a man of the capabilities and stature of Thorkil Kristensen, to whom we look for leadership in carrying out the mandates upon which we have agreed.

"We have, in truth, entered into a whole new era in free world economic co-operation. The steps we have taken toward closer economic co-operation will, I am confident, help bring us forward to new heights of prosperity and well-being as members of a peaceful and secure community of free nations which offers the fullest opportunity for every human being to achieve a better life in freedom."

INDIA'S PLAN FOR FOOD UNBALANCED

(*Concluded from page 202*)

existing stock. In this context, I may refer to the article by Ram Dayal, published in the March 1960 issue of *Agricultural Situation in India*, for evidence on the point without making it unduly long.

Target Must Be Revised

In view of these considerations I feel that there is a strong case for stepping up the target of milk production. The least we ought to do is to take into consideration the economic forces much in the same way as these have been taken into account in drawing up targets for food-grains and commercial crops. It is likely to be argued that milk production will cater to the needs of the higher-income group people whereas first priority ought to be given to demands of the low-income groups. While this is true, I notice from the Second Labour Enquiry Report that over 20 per cent of the expenditure on food of the low-income group is spent on milk in the Punjab, Rajasthan and other milk-producing States. Besides, there is undoubtedly a great demand for milk from urban areas. The factor which seems to limit milk consumption at present is the low milk production more than the purchasing power of the people. It is, therefore, to be hoped that the whole question will be studied afresh by the Planning Commission and adequate steps will be taken to revise the target for milk production.

Before concluding this brief article, it is necessary to make one more point. Statistics of milk production and consumption are most unsatisfactory in India. The only work that has been done to collect statistics of milk production on a scientific basis is the one carried out by the I.C.A.R. But this is on a limited scale. The only survey to determine food consumption whose results are available in published form is the one carried by the N.S.S. in 1949-50. It is learned that the N.S.S. has repeated the nation-wide survey of food consumption during the last 10 or 12 years, but the quantitative results of these surveys have not been published. Consequently, we have no means of judging whether milk consumption has increased or decreased since 1949. The scrappy evidence that is available suggests that milk availability has decreased, notwithstanding the attempts made in the earlier plans to seek increased production and availability. Unless one knows the shift in the patterns of consumption, it seems to us exceedingly difficult to prepare an adequate agricultural plan for production which can take into account not only the economic forces but also the nutritional consideration. I have always felt it rather awkward that a Ministry should undertake responsibility for planning without having the means at its disposal to collect statistics or even power to call for statistics already collected by the N.S.S. Surely, the hands of the Directorate of Economics and Statistics deserve to be strengthened in the course of the third Plan period and the Directorate, jointly with I.C.A.R., should be enabled to undertake a nation-wide effort at collecting and publishing statistics of milk production and consumption.

Notice

EASTERN INVESTMENTS LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Annual General Meeting of the Members the following dividends for the year ended 31st December 1960, subject to deduction of tax under Section 18(3D) of the Income Tax Act at the time of payment—

On Taxable Cumulative Preference Shares a final Dividend at 2½ per cent making a total of 5 per cent per annum, plus the sum which would increase the stipulated rate by 11 per cent, less Income-tax at the Company's rate of 20 per cent.

On Ordinary Shares at 14 per cent per annum.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, *25th January*, 1961.

HEAVY DEMAND FOR BANK CREDIT

(*From Our Own Correspondent*)

BOMBAY, *1st February*

Hardly anything new has happened in the money market this week. The trend is one of acute stringency. The demand for bank credit is heavy. Banks are finding it difficult to attract fresh deposits at the prevailing rates. Nor are they prepared to pay more for them. They have either to borrow from the Reserve Bank at penal rates of interest or turn down some of the demands for credit. Some of them are said to be doing both. It is reported that one of the big banks has increased its rate of interest on advances by a further ½ per cent, in order to discourage the pressure for more accommodation.

The inter-bank call money is nominally quoted at 5½ per cent. We advisedly say nominally because not much business is taking place even at this rate.

There is no change in the rates of interest for house money repayable on notice and short-term deposits. These are as follows:

House Money: (i) Notice of 3 days upto and including 21 days: 2 per cent. (ii) Notice of more than 21 days: 3 per cent.

Term Money: (1) 31 days and over but upto and inclusive of 60 days: 3½ per cent. (2) 61 days and over but less than 12 months: 3½ per cent. (3) 12 months: 3¾ per cent.

The results of the sale of 91-day Treasury Bills through weekly tenders show that the total amount offered was unchanged at Rs. 2 crores during this week. The average rate of accepted tenders is, however, a shade higher at Rs. 2.585 per cent per annum, as against Rs. 2.580 per cent per annum in the preceding week. The sales of 91-days' Intermediate Treasury Bills indicate that buyers' interest in them is flagging. During 25th January to 28th January 1961, these Treasury Bills drew in only Rs. 5 lakhs, as against Rs. 1.14 crores in the period from 18th January to 21st January 1961. Nevertheless, their sale is being continued.

A decline of Rs. 5.38 crores in notes in circulation is disclosed by the Reserve Bank of India's statement for the week ended 27th January 1961. This brings the total notes in circulation to Rs. 1,909.47 crores. Notes held in the Banking Department have increased by Rs. 5.78 crores and the total notes issued by Rs. 39.68 lakhs.

The foreign securities portfolio of the Issue Department shows no change at Rs. 128 crores. But, as the balances held abroad by the Banking Department have increased by Rs. 23.50 lakhs, the total foreign assets are up by that amount at Rs. 147.67 crores.

The deposits of banks with the Reserve Bank have expanded by Rs. 1.56 crores to stand at Rs. 78.27 crores. There has been a rise of Rs. 1.82 crores in other loans and advances given by the Reserve Bank which include borrowings by the Scheduled banks also. There is an increase of Rs. 1.65 crores in advances against usance bills which now stand at Rs. 18.81 crores.

The Scheduled Banks' statement for the week ended 20th January 1961 reveals that the aggregate deposit liabilities have declined by Rs. 6.47 crores. Inter-bank borrowings of demand variety have increased by Rs. 2.19 crores, and of time variety by Rs. 42.61 lakhs. Total borrowings from the Reserve Bank are down by Rs. 10.84 crores, though those against usance bills have increased by Rs. 2.57 crores. Borrowings from the State Bank of demand and time nature have gone up by Rs. 13.72 lakhs and Rs. 1.13 crores respectively. Advances and bills (bank credit) have staged a rise of Rs. 5.08 crores, as against a rise of Rs. 7.78 crores in the preceding week, taking their total to about Rs. 1,213 crores. A year ago, this item stood at Rs. 1,008 crores. The falling trend in investment witnessed in the previous two weeks has persisted during the week under review also, the fall being Rs. 18.55 crores, on top of the decline of Rs. 18.03 crores in the preceding week. As in the week ended 13th June 1961, this fall in Scheduled Banks' investment portfolio is mainly accounted for by the fall in investments held by the State Bank of India.

The statement of the State Bank of India for the week ended 20th January 1961 discloses a fall of Rs. 7.85 crores in deposits, whereas advances have increased by Rs. 16 lakhs. Money at call and short notice also shows an improvement of Rs. 46 lakhs. The total cash has staged a sharp increase of Rs. 9.75 crores, while investments have contracted by Rs. 19.35 crores.

The gilt-edged market continues to be listless. The turnover is greatly restricted for want of buyers. No change has been made by the Reserve Bank of India in its policy of open market operations. Only very marginal changes have taken place in prices. In the Central loans, both 3 per cent 1963-65 and 3 per cent 1964 have recorded a slight rise of 5 nP, while 3 per cent 1986 (Conversion loan of 1946) has actually declined by 30 nP. All other Central loans are steady. Among the State loans, 4 per cent 1971 Maharashtra Loan and 2½ per cent Z.A.C. Uttar Pradesh Loan have moved up by 25 nP each, while 4 per cent 1969 Gujerat Loan and 4 per cent 1969 Madras Loan have gained fractionally by 5 nP.

In the foreign exchange section, the rupee-dollar rate has moved up, the banks' selling and buying rates for ready T.T. standing at Rs. 477.25 and Rs. 474.00 respectively, per 100 dollars, whereas a week ago these rates were at Rs. 477.00 and Rs. 430.50 respectively. The sterling-dollar rate has also recorded some change. The latest available rates are: 280.410-280.440 per £ for spot and 279.860-279.890 cents per £ for three months' forward. As compared with the rate as on 25th January, the spot rate shows a decline of 0.22 cent.

BULLION PRICES SAG AFTER EARLY RISE

(*From Our Own Correspondent*)

BOMBAY, *1st February*

The bullion market continued to rule firm in the earlier sessions but developed a sagging tendency yesterday which persisted today also. The earlier firmness was engendered by fears of an acute shortage in supplies of both gold and silver, following the persistently upward trend of offtake in the wake of diminishing arrivals. Thanks to brisk demand from upcountry centres, some bulls also sought to manipulate the market by trying to corner as much of the floating stocks as possible. Consequently, both the metals continued to march forward and established fresh all-time peaks on Monday—ready gold Rs. 121.65 and silver Rs. 209.25. Subsequently, however, the two metals encountered selling induced by apprehensions of intervention by the Forward Markets Commission and rumours regarding possible regulation of forward trading in Delhi and Calcutta centres. There was also some liquidation by tired bulls. Values, as a result, tended to look down. Nevertheless, today's closing rates were higher than those on Tuesday last week.

The average daily offtake of gold and silver during the week was less than in the previous week, being 4,250 tolas and 15 bars, as against 5,500 tolas and 18 bars. Daily arrivals averaged 4,750 tolas of gold and 23 bars of silver, those a week ago being 4,725 tolas and 24 bars, respectively. The floating stocks of gold are reported to be around 50,000 tolas and of silver are estimated at 500 bars.

Adjustment rates of gold and silver were fixed today at Rs. 120.65 and Rs. 207.65, respectively. The delivery order rate for *Maha* (February) settlement in gold was Rs. 121. The clearing rate for *Fagun* settlement was also the same, namely, Rs. 121.

The *Maha* (February) settlement in gold rose from Rs. 120.40 to Rs. 121.55 on 30th January but declined thereafter and touched a low of Rs. 120.20 today, before going off the board at Rs. 120.55. *Fagun* (March) settlement fluctuated between Rs. 121.65 and Rs. 120.55 and wound up the week at Rs. 120.90. Both the settlements were on a par at Rs. 120.75 on Saturday, 28th January, and Rs. 120.95 yesterday (Tuesday, 31st January). Today, the rate for transferring commitments from the *Maha* to *Fagun* settlement was against the bulls to the extent of 40 nP, as against 5 nP on Tuesday last week. On Monday, 30th January, the bulls in *Maha* settlement were required to pay a margin of Rs. 6 per 10 grams, following a rise of more than Rs. 5 from the starting rate.

In silver, the *Maha* settlement began the week at Rs. 207.85, as against the previous close of Rs. 206.80 and, after improving to Rs. 209.30 on Monday, receded to touch Rs. 206.50 today. The closing was distinctly better at Rs. 207.40. Commencing the week at Rs. 207.80, the *Fagun* settlement rose to Rs. 208.60 yesterday and, after declining to Rs. 206.30 today, finished higher at Rs. 207.05, a drop of Re. 1 over the week. The rate for transferring commitments from the *Maha* to *Fagun* settlement was against bears throughout the week; the actual rate increased from 40 nP on Friday to 65 nP on Monday but narrowed down to 35 nP today.

In the ready section, gold was quoted on a par with the forward (*Maha*) on Saturday and yesterday, but commanded a premium of 40 nP today when the closing rate stood at Rs. 120.90, as against Rs. 120.45 on Tuesday last week. Ready silver was on a par with the forward (*Maha*) except on two days when it commanded a premium —5 nP on Saturday and 25 nP today. The rate for the metal fluctuated between Rs. 209.25 and Rs. 206.90 before finishing today at Rs. 207.65, as against Rs. 206.90 on Tuesday last week.

The world price of gold in the London bullion market touched $35.36½ per fine ounce on 31st January, the lowest level to be seen since 19th October 1960, as against $35.40-$35.55 a week before. The decline followed President Kennedy's pledge not to raise the dollar price of gold given in his "State of the Union" Message to the Congress on 30th January. Despite the decline, the price was still one per cent above dollar parity and higher than any price registered from the reopening of the London gold market in 1954 upto 19th October 1960. In sympathy with the world price and owing to the firmness of the pound sterling *vis-a-vis* the dollar, ready gold in London eased from 252*s.* 8*d.* to 252*s.* 5*d.* Ready silver in London advanced from 79¾*d.* to 79¾*d.* and the forward from 79¾*d.* to 80*d.* Silver in New York, however, continued to rule unchanged at 91.375 cents.

The following table shows the trend of the market during the week:

	1-2-1961 (closing)	High	[Low]	24-1-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	120.90	121.65	120.35	120.45
Forward:				
*Maha**	120.55	121.55	120.20	120.40
*Fagun***	120.90	121.65	120.30	120.45
Sovereign	93.25	94.37	90.75	92.00
SILVER				
Ready (.999 fine)	207.65	209.25	206.90	206.90
Forward:				
Maha†	207.40	209.30	206.50	206.80
Fagun††	207.05	208.60	206.30	206.80
London—	31-1-1961			23-1-1961
Silver Ready ..	79¾*d.*	79¾*d.*	79¾*d.*	79¾*d.*
Silver Forward ..	80*d.*	80*d.*	79¾*d.*	79¾*d.*
Gold	252*s.* 4*d.*	252*s.* 8*d.*	252*s.* 4*d.*	252*s.* 8*d.*
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 1st February settlement. ** 1st March settlement.
† 2nd February settlement. †† 2nd March settlement.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

FURTHER FALL IN COTTON

(*From Our Own Correspondent*)

BOMBAY, *1st February*

In spite of the issue of the long-awaited third instalment of Indian cotton quota by the Textile Commissioner on the 26th January, the cotton futures market ruled easy during the week under review. There are at least three reasons for the failure of the quota to have any influence on futures prices. First, the assurance given by the Textile Commissioner, which was again reiterated by him at Coimbatore on the 24th ultimo, that extra quotas of cotton would be given to mills for working third shifts, has dispelled fears that adequate supplies may not be available. Secondly, crop outlook has undergone a major change for the better. Current estimates place the crop at over 50 lakh bales. The large arrivals of new crop in the local and up-country markets also indicated a good crop. On top of this, there is the prospect of more imports of P.L. 480 cotton from the U.S. These factors have brought about a change in the psychology of the market too. The shortage psychosis has yielded place to a feeling that supplies will be sufficient to meet the demand. This change brought forth nervous liquidation also. Consequently, the I.C.C. Jarilla April futures lost further ground during the week.

The contract opened the week at Rs. 583.50. After a brief spell of firmness, which was due to reports of rising mill consumption of cotton, it steadily declined to Rs. 572.50 today. The net loss over the week is Rs. 12.75.

In the spot market at Sewri, the quota has not revived mill activity to the extent expected. This is because most of the mills, especially those in Bombay, had made large purchases earlier on a subject-to-quota basis. Heavy arrivals of new crop in Gujarat and the commencement of marketing of Laxmi and Jaydhar crops in the South induced upcountry mills also to keep off the Bombay market in anticipation of a further fall in prices. Moderate mill buying is, however, noted for popular varieties such as Vijay, Digvijay, L.147, CO2, Khandesh and Kalyan. Failure of demand to revive in the wake of large arrivals has exerted a downward pressure on prices.

The quota announcement said that mills, which had already been allotted a quota equivalent to 55 per cent of their consumption last season, would be given a further allotment to the extent of 20 per cent while those mills which had received a total allotment of 40 per cent, would be given 35 per cent. This quota thus brings the total quantity allotted to all mills to 75 per cent of their consumption last year.

One more week has passed without an official word about the second export quota. Exporters are disappointed that the cogent plea made by them for an additional quota has fallen on deaf ears. Some seem to have given up all hopes of an immediate quota while some others are reported as covering superfine and choice Bengal *Deshi* in anticipation of quota.

Barring stray buying in Sudan and East Africans, interest in foreign cotton was subdued.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Digvijay 940, 1,000; Vijay 945; L.147 1,025; Moglai 780; 197/3 825; CO2 1,290; Ganganagar 960; B.P. (U.N.U.G.) 1,385; Sudan G35 1,830; Busoga (U.N.U.G.) 1,375.

Quiet conditions prevailed in the Karachi cotton futures market during the week under review. As the January contract expired on 25th January at Rs. 73.75, operators' interest was centred on the March contract which, however, declined from Rs. 72 last week-end to Rs. 71.50 yesterday, thanks to speculative selling prompted by favourable crop reports. The switch-over of purchases to the May contract also contributed to the decline. Spot prices too showed a sagging tendency. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi, the figures in brackets being the ruling prices a fortnight ago:

Sind *Deshi* 106 (109); Punjab *Deshi* 104 (107); 4F Punjab Roller 90.05 (91.40); S.G. 95.05 (95.90); 289F Punjab Roller 97.55 (97.90); S.G. 102.50 (102.50).

Easy conditions prevailed in the Alexandria cotton futures market during the week. Values receded on selling by speculators and lack of export interest. Turnover, however, was limited as most operators were waiting for the announcement of Sudan cotton policy to enter into fresh commitments. Both the long-staple Karnak and medium-staple Ashmouni contracts were marked down. The following table indicates the extent of the fall in prices during the week. The figures in brackets are last week's closing quotations:

(In tallaris per lb.)

Karnak: March 71.85 (72.32), May 72.20 (73.25).

Ashmouni: February 59.35 (60.30), April 60.35 (61.70), June 61.60 (62.70).

Export sales of Egyptian cotton from 1st September to 31st December 1960 amounted to 426,772 bales of 720 lbs., as against 697,763 bales in the corresponding period of last season. Actual shipments during the period, however, amounted to only 240,000 bales, as against 290,000 bales. It is noteworthy that, in spite of efforts by the authorities to rectify the imbalance in the export destinations of Egyptian cotton, 60 per cent of shipments this season have so far gone to Communist countries, as against only 31 per cent to West European countries, U.S.A., India and Japan.

Buoyant conditions prevailed on the Liverpool Cotton Exchange during the week. Cotton

futures advanced on firm support prompted by better New York advices and keen demand from domestic mill buyers. Both the American and American type contracts rallied. The net gain during the week ranged from 30 to 45 penny points per lb. The Sudan contracts, however, were quietly steady. The following are the latest available quotations—in pence per lb.—from Liverpool (the figures in brackets being last week's closings):

American cotton one-inch staple contract: March 23.30 (22.90); May 23.60 (23.30); July 23.90 (23.60) and October 24.35 (23.90).

American cotton mixed growth contract: March 23.60 (23.20); May 23.95 (23.60); July 24.50 (24.20) and October 24.70 (24.25).

Sudan: March, May, July 34.75 (34.75).

Trading conditions in the New York cotton futures market remained practically unchanged. Turnover was limited and price movements narrow. Uncertainties about the support prices for 1960-61 continued to restrict business. The prevailing opinion is that the 1961 support levels will be fixed at 75 per cent of parity. Allowing an estimated premium of 185 points for middling inch over the "average of the crop," that should work out to a support level of 30.94 cents for middling and a resale price (at 115 per cent of the support price) of 35.58 cents. Adding 125 points, a usual premium for New York futures over the value of spot middling at average location, the result is a maximum value of 36.83 cents for futures during the coming autumn. The minimum price below which entry into loan becomes more profitable than tender is 32.19 cents.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	31-1-61	24-1-61	17-1-61
Spot	32.25	32.25	32.25
March	32.20	32.20	32.04
May	32.65	32.66	32.52
July	33.16	33.15	32.90

GROUNDNUT EXPORT QUOTA

(From Our Own Correspondent)

BOMBAY, 1st *February*

In the oilseeds market, groundnuts met with renewed buying support, following the fresh export quotas for H.P.S. groundnuts and expeller cake, while castorseed, linseed and cottonseed suffered a distinct setback mainly on account of larger arrivals. The Government of India has announced the release of a further quota of 20,000 tons of H.P.S. groundnut for export in 1961 and a quota of 20,000 tons of groundnut cake (expeller variety) for export in the first half of the year. Exports will be allowed by all shippers including established shippers) on production of firm sale contracts in the form of cable offer and cable acceptance on first-come-first-served basis. In order to ensure execution of contract the shippers will be required to furnish bank guarantee equal to 10 per cent of the f.o.b. value in the case of H.P.S. groundnut and 5 per cent of the f.o.b. value in the case of groundnut expeller cake. An individual ceiling of 500 tons has also been fixed in the case of groundnut expeller cake exports. It may be recalled that an export quota of 20,000 tons of H.P.S. groundnut kernels had been released last month.

The export quota has been released at a time when the supply position continues to be tight. Therefore, there was brisk activity in spot groundnuts and oils. Futures contracts, too, were firm, the prices knocking at the ceilings. Trade circles felt that, though the current prices of H.P.S. groundnuts were well below world market prices, there was bound to be good demand from Canada. Besides, there were reports of enquiries from some Communist countries. So far as the U.K. was concerned, however, the immediate prospects were not considered to be favourable. Crushers and *vanaspati* manufacturers were keen buyers of groundnuts earlier in the week. The upward trend of prices was halted somewhat towards the close of the week, thanks to sizable profit-taking at higher levels and better arrivals of new crop from Hyderabad. Groundnut May contract rose from Rs. 217 to Rs. 218.50, before closing today at the last week's level. The February contract was maintained at the ceiling level of Rs. 220. Nizam bold rose by a rupee to Rs. 48.75. Coromandels improved from Rs. 48.50 to Rs. 49, after touching Rs. 49.50 earlier. Oil exmill put on 25 nP to Rs. 20.50.

In distinct contrast, castorseeds came in for heavy bull liquidation, following larger offerings from Andhra. The reports of growing pressure of Brazilian oil supplies at lower prices, too, dampened the enthusiasm of bulls. Castor May 1961 contract fell by Rs. 5.75 to Rs. 170.50. Ready Madras gave way from Rs. 34.75 to Rs. 33.75. Kanpur eased by 75 nP to Rs. 32.75. Oil B.S.S. moved down by 45 nP to Rs. 14.65 and Commercial by 40 nP to Rs. 13.80.

Linseed ruled weak, despite support from some upcountry operators. Arrivals were larger and they were expected to increase further in the next few days. Business for oil export, however, continued to be absent, in view of the wide disparity between Indian and world prices. Linseed May 1961 contract eased from Rs. 35 to Rs. 34.41. Bold ready declined by Re. 1.25 to Rs. 35.50. Oil shed 35 nP to Rs. 16.10.

In sympathy with the raw cotton market, cottonseeds lost much ground. May contract fell by Rs. 4.75 to Rs. 88. February 1961 contract were marked down by Rs. 4.50 to Rs. 87.75. In the ready section, Whites eased by Re. 1.20 to Rs. 18.80. Berars declined by 60 nP to Rs. 18.80. Non-whites lost 50 nP to Rs. 18.80.

Sesame also ruled easy. The easiness was due to larger arrivals. Bold variety fell from Rs. 340 to Rs. 330. Oil declined by 25 nP to Rs. 25.25.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	1-2-1961	24-1-1961	18-1-1961
Groundnut	Rs.	Rs.	Rs.
February 1961	220.00	220.00	220.00
May 1961	217.00	217.00	218.00
Nizam bold	48.75	48.00	48.25
Coromandel ready	49.00	48.50	48.75
Khandesh quality	49.00	48.50	48.75
Oil ex-mill ready*	20.50	20.25	20.40
Railway receipts*	20.30	20.00	20.25
Castorseed			
May 1961	170.50	176.25	177.00
Ready Madras	33.75	34.75	35.12
Ready Kanpur	32.75	33.50	34.00
Oil B.S.S.†	14.65	15.10	15.10
Oil commercial†	13.80	14.20	14.20
Linseed			
May, 1961	34.41	35.00	35.31
Bold ready	35.50	36.75	36.75
Oil ready†	6.10	16.50	16.65
Cottonseed			
February 1961	87.75	92.25	93.50
May 1961	88.00	92.75	93.25
Niger seed	38.75	38.50	38.00
Kardi seed	27.00	26.80	26.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

BEMBERG YARN RALLIES

(From Our Own Correspondent)

BOMBAY, 1st *February*

There was a rally in prices of forward Cupressa Bemberg yarn (60 x 1) during the week under review. The rally followed excellent support lent by bulls who tried to extend their commitments in the April delivery on hopes of enlarged enquiries from consuming centres. Other art silk yarns moved rather indecisevely, as operators preferred to await emergence of a clear picture regarding demand from weaving units. Disappointment was expressed over reports regarding the rejection of large quantities of rayon goods (meant for export) offered for inspection. Note was taken of the drop in the export price of rayon goods during the year 1960. Although the quantity shipped was higher at 34.51 million yards, as against 17.30 million yards in 1959, the value of exports was lower at Rs. 3.53 crores, as against Rs. 3.73 crores. Staple fibre yarns met with good support and registered an improvement in prices. Cotton yarns ruled irregular. Thus, coarse and medium counts were quiet due to the declining tendency of raw cotton prices, while finer counts evoked enquiries and tended to look up.

Cupressa Bemberg yarn (60 x 1) April contract forged ahead from Rs. 2,390 to Rs. 2,500. February delivery spurted by Rs. 15 to Rs. 2,460. Spot Cupressa was fully maintained at Rs. 2,425. 150 deniers Japan encountered selling and fell by Rs. 28 to Rs. 1,625. 120 Italy was quoted at Rs. 1,323, as against Rs. 1,322 last week-end. 120 Japan was well favoured, the quotation rising by Rs. 12 to Rs. 1,411. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade dropped 7 nP to Rs. 11.48, while 120 Bt. cones 1st grade gathered 3 nP to Rs. 13.16.

Staple fibre yarn (40 x 2) February settlement advanced by Rs. 14 to Rs. 828. April delivery picked up Rs. 10 to Rs. 8.17. Spot Kohinoors spurted from Rs. 9.61 to Rs. 9.90. Centurys rose by 6 nP to Rs. 9.61.

In the cotton yarn section, ten counts Podars eased by 12 nP to Rs. 17.50. Moderns were neglected at Rs. 18.75. Thirty counts Simplex were quiet at Rs. 26.50, as also New Greats at Rs. 26.37. Forty counts Maduras shed 13 nP to Rs. 31.87, but Minaxis put on 25 nP to Rs. 32.25. Sixty counts Gokaks improved by a rupee to Rs. 49. Finlays were firm at Rs. 66.66. Eighty counts Finlays gained Re. 1.01 to Rs. 81.81. Mahendras were fully steady at Rs. 69.69.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with those a week ago.

	1-2-1961	24-1-1961
Art silk yarn—	Rs.	Rs.
60/1 Cupressa Bemberg (100 kg.)		
February	2,460.00	2,445.00
April	2,500.00	2,390.00
60/1 Cupressa Bemberg spot	2,425.00	2,425.00
150 Japan (per 100 kg.)	1,411.00	1,399.00
150 Japan (per 100 kg.)	1,625.00	1,653.00
120 Italy (per 100 kg.)	1,323.00	1,322.00
Staple fibre yarn—		
40 x 2 February (per 90.72 kg.)	828.00	814.00
40 x 2 April (per 90.72 kg.)	817.00	807.00
40 x 2 Century (per kg.)	9.61	9.55
40 x 2 Kohinoor (per kg.)	9.90	9.61
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	17.50	17.62
30s New Great	26.37	26.37
40s Madura	31.87	32.00
60s Gokak	49.00	48.00
80s Finlay	81.81	80.80

BLACK PEPPER QUIET

(Messrs. Parekh and Co.)

BOMBAY, 31st *January*

Malabar black pepper moved downward during the fortnight, except for a day or two when prices improved under fresh buying by bulls following the news that New York bought a sizable quantity of Lampong from Singapore from $0.42½ to $0.43. Ready garbled at Cochin, after losing ground to Rs. 381, is now hovering around Rs. 394. The undertone, however, was quiet, owing to continued lull in foreign inquiries and underselling by Lampong. February delivery came down from Rs. 426 to Rs. 400 before recovering to Rs. 404, with thin turnover. Ungarbled at Cochin is quoted at Rs. 375 per quintal. Calicut is listed at Rs. 375 per quintal. The significant feature of the market was steadiness which was more due to holding off of growers and some support from inland inquiries, despite seasonal arrivals. Inland buying, however, is likely to taper off after a fortnight or so. Thereafter, if foreign inquiries, particularly from the U.S. continue to be as sparse as they are today, the market is likely to go down, as the growers may become tired sooner or later.

Though Russia is reported to be out of the market, there are some inquiries from other East European countries which have so far proved a supporting factor. Conversely, the present thaw in the political situation resulting from the statements of Mr. Krushchev and Mr. Kennedy is acting as a deterrent to higher prices. A section of the marketmen opines that Malabar black pepper may suffer the same fate as Sarawak which now appears to be keen sellers at a decline after waiting in vain for higher prices.

White pepper in London established a new low level of 51½d. under anxiety of sellers to sell before the advent of the new crop of Sarawak and Muntok.

Spot in New York, after improving to $0.47 under pressure of buying by some grinders, came down to $0.45½. Bulls in New York tried to push up the market, but, when they saw that Lampong was eager sellers, they withdrew.

Ready pepper in Bombay is nominally quoted at Rs. 215 per 50 kilos.

TEAS FIRM UP ON GOOD DEMAND

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, 24th *January*

A total of 400,000 kilograms was on offer in Sale No. 4 held on Tuesday 24th January. A further seasonal improvement in quality was noticeable. There was good demand but at irregular rates. Plain, lowgrown and low medium descriptions opened quietly but firmed up towards the close with better support for fannings than broken grades. Improved quality mediums and good mediums came to a dearer market, but where quality showed little change, brokens were steady but fannings tended easier. Highgrown brokens met with only fair demand, many being withdrawn without bid, but similar fannings were sometimes dearer. Black leaf brokens were barely steady whilst there was less competition for fannings suitable for the Middle East. Whole leaf grades came to an irregular market with orange pekoes generally firm to dearer. C.T.C. and legg-cut descriptions were firm. Tippy teas were dearer to buy.

	1961	1960
	Rs.	Rs.
Low medium	4.60-4.90	4.63-4.85
Medium	5.00-5.35	4.85-5.18
Good medium	5.35-5.80	4.85-5.40
Quality	6.00-8.40	5.20-8.82

The average price realised in Sale No. 4 was Rs. 5.23 per kilo as against Rs. 5.11 in the previous week and Rs. 5.14 in the corresponding sale last year.

Dust Sale No. 4:—139,000 kilograms was offered in Dust Sale held on Friday 27th January. There was very strong and active demand. All descriptions met with keen competition and were irregularly dearer up to 20 nP, buyers emphasising more on colourey mediums which sometimes advanced more. There was good enquiry for residuals which were fully firm. Highgrowns continued in demand and sold at dearer rates following quality. C.T.C. and legg-cutt types also shared in the upward trend of the market, although these sold at irregular rates.

The average price realised in Dust Sale No. 4 was Rs. 5.12 per kilo as compared with Rs. 5.00 last week and Rs. 4.32 in the corresponding sale last year.

Export Quota:—There are still large sellers at ½ nP per kilo with very few buyers.

Colombo:—Just over 6¼ million lbs. were offered and met with less demand at lower rates. Best liquoring highgrowns were irregular following quality whilst the lesser kinds eased 10 to 20 cents. Fannings met with fair demand throughout the sale but were easier.

London: North Indian and other growths:—In Monday's auction the demand was selective with prices for most descriptions irregular and occasionally easier following quality, but plain sorts came to a firm market. Plain broken pekoe remains at 3/9d.

Ceylon and South Indians:—In Tuesday's sale there was fair general demand and prices were easier by 1d. for most of the descriptions.

At the time of going to the press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire as follows:

"*Sale No. 5*:—516,000 kilograms. Good general demand. Market fully firm to dearer. More interest in improved quality highgrowns."

TEAS WELL SUPPORTED

(From Our Own Correspondent)

CALCUTTA, 31st *January*

There was good demand for the teas on offer during yesterday's export sales. Prices, however, were irregular. Tea bookings to the United Kingdom during the week were satisfactory but the fact that much forward space was freely available showed that tea shipments are likely to fall in the near future.

The offerings during yesterday's sales amounted to 73,274 packages. Medium B.Ps were steady.

Fannings however, met with irregular demand. The better types recorded small gains in prices. Plain brokens were firm, and fannings fetched higher rates. Black Dooars B.O.Ps were also a strong feature. Fannings, however, had an irregular market. Best Darjeelings were taken at firm rates, but others eased. Tippy teas met with good demand.

Among C.T.Cs, the best autumnal teas were supported at higher rates, while the balance attracted buyers at rates lower by 10 to 20 nP. Medium and secondary grades lost 10 nP, and medium Assam B.O.P. and O.Fs 10 to 20 nP. The brighter liquoring types of the latter category, however, registered some occasional spurts.

In legg-cuts, the poorer stalky teas eased but the stylish leaf grades were steady.

The quotations per 1 kg., inclusive of excise duty, were: Best Assam C.T.C. fannings Rs. 5.80 to Rs. 6.30, best Assam C.T.C. B.P. Rs. 5.70 to Rs. 6.10, clean black pekoe Rs. 5.20 to Rs. 5.45, medium fannings Rs. 4.90 to Rs. 5.15, plain fannings Rs. 4.80 to Rs. 5.00, medium B.P. Rs. 4.70 to Rs. 4.90, and plain B.P. Rs. 4.50 to Rs. 4.65.

JUTES MOVE UP

(From Our Own Correspondent)

CALCUTTA, 31st *January*

The week under review witnessed a substantial addition to prices of raw jute and jute goods. This followed good buying interest. Local operators were busy covering in goods, but mills were reserved. However, there was no lack of offers in jute and, whenever buyers showed interest, their full requirements were met without difficulty, though the prices paid were higher. This was due to official estimates of good crop. The increase in fibre prices, it was noted, had raised the cost of production in mills. The recommendation for interim relief to workers as made by the Wage Board and now accepted by the Government was also considered to raise cost of production. Each worker, whether he is permanent, temporary or *badli*, is entitled to be paid Rs. 2.85 per month for three months up to December and an additional wage Rs. 3.42 per month from this month, is to be paid separately and adjusted to the final award as and when made. The interim relief is applicable to all mill workers in all parts of India, but it is stipulated that the workers of the Katihar mill are entitled to the relief at the rate of Rs. 3.42 per month effective from September last. Earlier, there were rumours that the Board had recommended an interim relief of Rs. 5 per worker per month.

Statistics relating to jute goods for 1960 reveal that consumption in the United States fell by 40 million yards. This has caused much concern in trade circles here and the question is asked whether this has been due to the use of more substitutes or to a fall in business activity. Since unemployment in the U.S. has increased in recent months and the Kennedy Administration is applying itself to the task of injecting fresh stimulus in that country's economy, this is equivalent to saying that business activity in the U.S. had been affected. That should have been one of the causes for the lower consumption of burlap. However, reports that American buyers are going in for substitutes in view of the high prices in India have been received from time to time in recent months. Whatever be the cause for the fall in U.S. consumption of burlap, there is no denying the fact that prices of hessian must come down and that India can hardly afford to lose business with the U.S.

Mills are shy in entering into forward commitments in goods for fear of the rise in fibre prices making their deals uneconomic. If the foreign buyer cannot be certain about supplies in the near future, he cannot be blamed if he looks out for substitutes sellers of which are able to enter into forward commitments. As though the problems of mills are not enough and acute, labour troubles are also fastly brewing in. There is much opposition from labour unions to the decision of mills to curtail working hours from 48 to 42½ a week, and workers have been asked to abstain from work on 13th February as a mark of protest. The reduction in working hours, it is said, will lead to a reduction of Rs. 5 to Rs. 7 in the monthly wages of weavers and mechanical staff and 5 per cent retrenchment of workers in other sections. The workers want the mills to defer implementation of the decision to reduce working hours. If working hours are not reduced and the mills cannot also seal looms, it is apparent that a more acute and serious shortage would raise fibre prices to such prohibitive levels as to force the mills to prefer a general close-down until the next crop.

News has now come that a Japanese shipping company is offering very stiff competition with the older Bank Line in carrying Pakistan raw jute and jute goods to ports in East and South Africa. The firm has reduced its freight to 25s. a ton. The Bank Line was charging 150s. per ton before cutting the rate to 25s., following the Japanese firm's efforts to get a monopoly of all jute goods shipments to African ports. The Japanese firm is now said to be desirous of carrying raw jute also to African ports at the same rate as for goods, that is, 25s. per ton, as against 70s. or so charged by the Bank Line.

Prices of fibre in the Pakistan markets were unchanged during the week. Support from overseas buyers was limited and, at this rate, it would appear that the season would close in Pakistan with a good carry-over. Balers were inactive. Although overseas buyers had completed their big purchases of this season, balers were left with about 400,000 bales more awaiting disposal. Arrivals from upcountry markets to Narayanganj were meagre and the opinion that this was due to very little stocks left with farmers was repudiated by reports of the improved financial position among growers, at any rate among large-scale landowners.

On Tuesday last covering business was a feature of trading, in the Calcutta goods market. Local operators chased each and every offer. As a result, ready B. twills were fully steady at Rs. 196 and ready hessian 40" 10 oz. to Rs. 64. Inquiries were received from overseas markets, and business was done with Cuba for heavy Cees against delivery in February-March. In view of the uptrend in fibre prices, mills were reluctant to enter into commitments in goods. On Wednesday, B. twills scored to Rs. 202 and hessian 40" 10 oz. to Rs. 66.85. Australian buyers bagged about 6,500 bales of woolpacks for deliveries extending upto June. Covering business was keener than the day before, and heavy Cees were constantly sought after. Offers were extremely limited and sellers ruled the day. Inquiries from overseas countries continued to be received, but, since mills had withdrawn, shippers could not make offers. On Friday, B. twills rose further to Rs. 203 and hessian 40" 10 oz. to Rs. 66.90. Covering business continued to be done over the weekend in an excited way B. twills were pushed up to Rs. 206 and hessian 40" 10 oz. to Rs. 67.75. Following covering demands again, B. twills closed higher at Rs. 207 yesterday, while hessian 40" 10 oz. were fractionally lower but firm at Rs. 67.00.

Sellers in the fibre market were reserved. Arrivals were meagre and, despite the fact that the quota of mills was smaller by about 400,000 bales for this week, prices shot up induced by the shortage. The labour's dissatisfaction at the decision of mills to reduce working hours imparted also strength. The opening and closing quotations for the chief varieties of ready jute per maund were as follows:

	Opening	*Closing*	*Gain*
	Rs.	Rs.	Rs.
Daissee bottoms ...	61.00	66.00	5.00
Northern bottoms ...	58.00	64.00	6.00
Assam bottoms ...	59.00	64.50	5.50

FOODGRAINS RECEDE

(From Our Own Correspondent)

HAPUR, 30th *January*

Foodgrains turned bearish towards the weekend, thanks to more winter rains which had brightened *rabi* crop prospects. Wheat, after early gains, drifted lower, to be quoted on Monday at Rs. 17.37 a maund for average quality and upto Rs. 18.75 for farm produce. Daily arrivals in the local market continued to be small, but consumer demand was being met by heavy sales of wheat and wheat flour through Government-sponsored ration shops. Winter rains were received over a wide area of the Punjab, U.P. and other parts of Northern India and crop prospects were said to be very bright now.

Rice was almost stationary during the week. New produce rice was still reaching the market and supply position of rice was reported to be satisfactory. The latest prevailing prices are:—*sela basmati* Rs. 28 to Rs. 30; *ramajwayan* Rs. 24; *raimunia* Rs. 25; *mainpuri* Rs. 21; *gadda* Rs. 19.75 a maund.

Gram eased further by 25 nP a maund to Rs. 16.50 a maund for Punjab variety, as stockists were anxious sellers, in view of bumper crop prospects. Bearish Punjab advices, too, imparted weakness. *Bejhar* also eased slightly to Rs. 12.50 a maund for inferior quality and Rs. 12.75 for *moongia* variety. Barley was quoted at Rs. 12.62. Maize drifted lower to Rs. 12.50 to Rs. 13.25 a maund, as local stocks were still heavy at 30,000 maunds and the stockists were anxious sellers, as maize was losing seasonal consumer demand. *Bajra* was also not in request, prices being lower at Rs. 14.75 to Rs. 15.25 a maund. *Jowar* lost 25 nP a maund to Rs. 12.75 and *guwar* white quality was almost stationary at Rs. 13.25.

Among pulses, peas and *arhar* ruled quietly depressed, despite poor stocks with trade (5 *khatties* of peas and 8 *khatties* of *arhar*). The coming crop prospects were very bright and the harvesting of new peas would begin by the end of February, while that of *arhar* would be as late as early May. New *urd* and *moong* were still reaching the local market from outside the State of U.P. in sufficient quantities. The latest prevailing prices (in rupees per maund) were:—peas *dara* 13.25; farm white 14.37; peas *dal* 14.50; *arhar* 13.37; *arhar dal* 17.50 to 18.50; new *urd* 19; *moong deshi* 18.50; from South 20; *massor* 15 to 17.

SUGAR IMPROVES

(From Our Own Correspondent)

HAPUR, 30th *January*

Sugar prices improved by about Re. 1.50 per bag during the week to be quoted on Monday at Rs. 112 per bag wholesale and retail Re. 1.09 per *seer* in the open market. The persistent efforts of the Union Government to export sugar to the U.S. at an early date acted as the main bullish factor. Sugar production in the current season was said to be going on vigorous in all factories in the State, as cane supplies were adequate, the price paid being Re. 1.50 to Re. 1.62 per maund, as against the open market price of cane at Re. 1 to Re. 1.25 a maund paid by crushers manufacturing *khandsari* and *gur*.

Sugar prices also improved fractionally in the Muzaffarnagar market. Spot delivery was quoted at Rs. 109.25 to Rs. 109.75 a maund, following prospects of exports to the U.S. The reported decision of the U.P. Government to release 50 per cent of its quota for free sale was unfounded, as no orders had been received as yet.

Khandsari ruled steady during the week on brisk demand from Madhya Pradesh, Maharashtra and Rajasthan. The Punjab and eastern U.P. also evinced interest. Daily arrivals of *khandsari* in the Muzaffarnagar market were about 5,000 maunds which were readily lifted. The latest prevailing prices were: inferior Rs. 26 to Rs. 31; superior Rs. 31.50 to Rs. 35; crystal Rs. 32.50 to Rs. 37.50; *boora* Rs. 32.50 to Rs. 36; old Rs. 22 to Rs. 30; and galawat quality Rs. 14 to Rs. 18 a maund.

Ready *gur* ruled quietly depressed during the week, as demand was slack. Loading facilities were easy, but, on Sunday when loading for *gur* was free, only six wagonloads were despatched. Local stocks mounted to 32,000 maunds and daily arrivals were at an average of 3,500 to 4,000 maunds. Arrivals, however, dropped on Monday to 500 maunds, due to inclement weather and rains. Prevailing prices were: *pansera* Rs. 13.25 to Rs. 13.50; *balti* Rs. 13.50; *chowrsa* Rs. 13.50; *shakker* Rs. 15.50 a maund.

Gur firmed up in the Muzaffarnagar market on brisk support from the Punjab, Gujerat and Madhya Pradesh stockists. Total arrivals during the current season were put at 776,000 maunds, the corresponding figure last year being 845,000 maunds. Prevailing prices were: *Chaku* Rs. 14.25 to Rs. 15.50; *laddo* Rs. 14.25 to Rs. 15; *rusker gur* Rs. 7.50 to Rs. 10 per maund.

Future *gur* ran down sharply on continued bear pressure. *Fagun* delivery was quoted on Monday at Rs. 13.84 and *baisakh* at Rs. 14.76, as against the week's opening of Rs. 14.18 and Rs. 14.92, respectively.

Sowing of cane crop for next season has begun. Large-scale sowings will, however, take place only in February.

BASE METALS FIRM

(From Our Own Correspondent)

CALCUTTA, 31st *January*

Base metal prices ruled firm to steady during the week under review, thanks to good support and encouraging reports from overseas. Copper scrap supplies were tight and the "berry" quality hardened to Rs. 220 a cwt. from Rs. 218. Utensil scrap remained unchanged but firm at Rs. 204. In New York, the price, after an initial fall, rose to close higher. An influencing factor was the decision of Anacondas to reduce production by 10 per cent. On the London Metal Exchange, electrolytic copper closed lower at £217½ a ton, as against £220½ earlier, but the lower levels met with support. Tin in London, at £785 a ton, gained £4¾ owing to keen interest shown by Continental buyers. Despite some fresh arrivals, the local quotation was fully firm at Rs. 581 a cwt. The fresh receipts failed to augment stocks as they were readily absorbed. Zinc in London closed fractionally higher at £78¾ a ton. The local quotation was, however lower at Rs. 165 a cwt., thanks to high prices which discouraged buyers. Lead was quiet at Rs. 63 a cwt. Demand was slack. In London, the rate gained to £63¾ from £63¾.

LINSEED SUBDUED

(Messrs. A. Bradley & Co.)

CALCUTTA, 30th *January*

A slight reaction appears to have set in the seeds market and prices have declined somewhat during the week, following some offers from upcountry for new crop, April/May delivery at reduced prices which local mills have been buying; the turnover has been fair. Ready suppliers are still at a premium as stocks are limited. The oil market has been quiet as buyers are hesitant now to do any business at high prices, hoping to do better by waiting. The oilcake market is dull; foreign buyers are still not showing much interest except at lower prices. The latest quotation is as follows: Ready Rs. 29.50 nP per maund.

Notice

THE METTUR CHEMICAL AND INDUSTRIAL CORPORATION LIMITED

THE BOARD OF DIRECTORS HAVE DECLARED an interim dividend of 3 per cent tax-free in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, on preference shares and 6.25 per cent subject to tax on equity shares for the year 1960-61. The dividends are payable to the shareholders standing in the registers of the Company as on 20th February 1961.

The Share Transfer Books of the Company will remain closed from 6th February 1961 to 20th February 1961, both days inclusive.

The dividend warrants will be posted to shareholders on or after 20th February 1961.

By Order of the Board,
SESHASAYEE BROTHERS (PRIVATE) LIMITED,
Managing Agents.

METTUR DAM R.S.
15th *January* 1961.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 27th Jan., 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	53,04,93,000
(2) Other Governments	21,47,36,000
(b) Banks	78,27,02,000
(c) Others	94,60,86,000
Bills Payable	26,40,57,000
Other Liabilities	41,89,83,000
Rupees	445,70,57,000

Assets	Rs.
Notes	22,88,61,000
Rupee Coin	2,78,000
Subsidiary Coin	6,59,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	56,30,07,000
Balances held abroad*	19,65,84,000
Loans and Advances to Governments†	35,99,71,000
Other Loans and Advances	140,27,80,000
Investments	152,88,52,000
Other Assets	17,60,65,000
Rupees	445,70,57,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 18,80,50,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	22,88,61,000	
Notes in circulation	1909,48,95,000	
Total Notes issued	....	1932,37,56,000
Total Liabilities	....	1932,37,56,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	128,00,89,000	
Total of A		245,76,92,000
B. Rupee Coin		124,57,82,000
Government of India Rupee Securities		1562,02,82,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1932,37,56,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept., 1939 (pre-war)	20th Jan.,* 1961	13th Jan.,* 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1914.87	1920.72	1858.55	1767.32
Notes held in Banking Department	35.05	17.11	10.93	16.75	20.68
Foreign Securities	59.50	128.01	128.01	128.01	163.01
Rupee Securities	37.39	1562.04	1562.04	1502.06	1377.42
Banking Department					
Deposits of:					
Government of India	14.39	50.11	51.04	68.83	52.20
Other Governments	..	31.93	18.42	15.34	24.76
Balances held abroad	10.06	19.42	19.47	27.58	44.02
SCHEDULED BANKS					
Demand Liabilities	134.36	772.68 (17.08)†	772.84 (14.89)†	776.28 (18.08)†	761.25 (22.78)†
Time Liabilities	102.24	1088.85 (9.38)†	1095.16 (9.72)†	1106.71 (14.81)†	1184.59 (21.43)†
Borrowings from Reserve Bank	..	42.22 (17.16)‡	53.06 (14.59)‡	42.80 (8.36)‡	24.14 (3.45)‡
Borrowings from State Bank	..	13.86	12.60	11.22	12.23
Cash in India	6.70	43.44	43.03	43.93	44.72
Balances with Reserve Bank	25.17	77.12	77.95	88.09	74.60
Balances with other banks in current account in India	..	14.80	14.77	16.90	15.12
Money at call and short notice in India	..	28.11	22.27	27.30	29.55
Investments (at book value)	..	606.46	625.01	658.55	779.38
Advances and bills	105.9	1212.87	1208.92	1156.25	1097.97
STATE BANK					
Deposits	87.76	558.01	565.87	575.27	592.42
Investments	51.99	277.84	297.19	328.57	398.94
Advances	30.35	246.96	247.80	225.92	171.57
Cash	14.69	30.73	20.98	28.31	32.92

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1959	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.50	3.59
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec. 1960	5.50	5
U.S.S.R.	1st July, 1936	8	4
U.S.A.	11th Aug. 1960	3.50	3
West Germany	20th Jan., 1961	4	3.5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 27th Jan., 1961

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		554,36,20,000*
Borrowings from Other Banking Companies, Agents, etc.		1,88,50,000
Bills Payable		8,72,08,000
Bills for Collection being Bills receivable as per contra		2,09,44,000
Acceptances, Endorsements and Other Obligations per contra		1,42,35,000
Other Liabilities (including Inter-Office Adjustments)		1,36,40,000
Total .. Rs.		582,92,47,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		25,52,71,000
Balances with other Banks		3,34,35,000
Money at Call and Short Notice		2,00,00,000
Investments:		
Government and other Trustee Securities	272,58,74,000	
Other Authorised Investments	10,03,84,000	
		282,62,58,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	232,16,89,000	
Bills Discounted and Purchased	17,65,73,000	
		249,82,62,000
Bills Receivable being Bills for Collection as per contra		2,09,44,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,42,35,000
Premises less Depreciation		1,76,19,000
Furniture and Fixtures less Depreciation		1,29,33,000
Other Assets (including Inter-Office Adjustments)		13,02,90,000
Total .. Rs.		582,92,47,000

* This includes Rs. 215,51,00,000 of U.S. Funds.

Scheduled Banks*

Statement of Affairs for the week ended 20th Jan., 1961

	Rs. (Thousands)
(i) Demand Liabilities in India:	
(a) Demand Deposits—	
(1) From banks	42,70,42
(2) From others	681,56,28
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	17,08,16
(c) Other demand liabilities	48,40,96
(ii) Time Liabilities in India:	
(a) Time Deposits—	
(1) From banks	15,36,05
(2) From others	1051,80,63
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	9,38,45
(c) Other time liabilities	21,68,21
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	12,11,23
(b) Time liabilities	1,75,00
(iv) Borrowings in India from the Reserve Bank of India (A)	42,22,09 (17,15,50)
(v) Cash in India	43,44,18
(vi) Balances with the Reserve Bank in India	77,12,24
(vii) Balances with Other Banks in Current Account in India	14,79,81
(viii) Money at call and short notice in India	28,11,43
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	606,45,78
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1032,78,44
(b) Due from Banks in India	11,89,22
(xi) Inland Bills purchased and discounted in India.	120,41,98
(xii) Foreign Bills purchased and discounted in India.	47,77,55
(xiii) Total of items (x), (xi) and (xii)	1212,87,19

Notes:—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 20th Jan., 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	7,79,94,000
(b) Provincial Governments	3,76,10,000
(c) Banks	16,23,87,000
(d) Others	113,07,74,000
Bills Payable	19,83,000
Other Liabilities	12,36,04,000
Rupees	162,48,52,000

Assets	Rs.
Notes	7,32,72,000
Rupee Coin	59,000
Subsidiary Coin	41,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	42,53,62,000
Loans and Advances to Governments	6,98,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	48,66,46,000
Investments	47,12,92,000
Other Assets	9,83,80,000
Rupees	162,48,52,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	7,32,72,000	
Notes in circulation	393,82,44,000	
Total Notes issued	....	401,15,16,000
Total Liabilities	....	401,15,16,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	74,25,80,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		141,93,73,000
B. Rupee Coin	3,21,92,000	
Government of Pakistan Securities	250,09,45,000	
Internal bills of exchange and other commercial paper	....	
		253,31,37,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	401,15,16,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 36.78 per cent.

EXCHANGE RATES

		1st February 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 [illegible]	1-5 [illegible]
Sellers T.T. D.D. upto six months	s.	1-5 [illegible]	1-5 [illegible]
Buyers T.T. spot to nine months	s.	1-6 [illegible]	1-6 [illegible]
Buyers T.T. 10 to 12 months	s.	2-6 [illegible]	1-6 [illegible]
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477.25	477.00
Buyers T.T.	Rs.	474.00	473.50
London on New York	$	280.410-280.440	2.8067-2.8069
London on Paris	Fcs.	13.75½	13.75¾
London on Berne	Sw. Fcs.	12.0800-12.0850	12.0800-12.0820
New York on London	c.	280.410-280.440	280.650-280.680

CLEARING HOUSE RETURNS

Centre	Week ended 27th Jan., 1961		Week ended 20th Jan., 1961	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,29,392	75,55,42,000	4,04,099	91,88,95,000
Calcutta	1,22,000	58,15,00,000	2,11,000	86,15,00,000
Madras	83,456	11,56,23,508	99,631	13,35,70,450
All Centres—				
1957-58	..	..	41,672,000	99,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	106,38,05,00,000
Sept. 1960	..	..	4,313,000	971,59,00,000
Oct. "	..	..	4,707,000	1042,15,00,000
Nov. "	..	..	4,695,000	1078,36,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weigth	14th Jan., 1961	7th Jan., 1961	16ht Jan., 1960	December 1960†	December 1959	Percentage of Increase (+) or Decrease (—) in Dec., 1960 as compared with Dec., 1959	Annual Average 1960	Annual Average 1959
Food Articles	504	118.2	116.2	118.4	112.2	113.2	— 0.8	120.3	118.2
Cereals	192	98.5	99.0	102.1	100.4	100.5	— 0.2	105.3	104.3
Pulses	48	95.2	94.8R	91.5	98.6	91.8	+ 1.9	92.6	99.8
Fruits and Vegetables	23	104.9	104.1R	108.4	104.3	118.7	—12.2	121.0	127.6
Milk and Ghee	84	110.6	109.8	108.8	111.1	107.6	+ 3.3	115.5	112.2
Edible Oils	47	159.6	157.6	131.0	164.0	127.9	+20.4	142.8	136.0
Fish, Eggs and Meat	17	124.3	124.6	114.5	125.0	114.1	+ 9.6	121.1	119.6
Sugar and *Gur*	48	121.1	122.7	142.7	126.9	150.1	—15.3	138.6	142.0
Others	50	167.3	169.6R	139.7	171.0	186.7	— 8.4	168.6	162.4
Liquor and Tobacco	21	110.9	110.9	101.9	112.1	103.7	+ 8.1	166.4	109.1
Tobacco	—	109.5	109.5	99.5	110.8	102.3	+ 8.3	104.8	99.3
Fuel, Power, Light and Lubricants	30	120.2	120.3	116.8	120.3	117.0	+ 2.8	119.0	116.1
Industrial Raw Materials	155	153.8	152.5	130.8	149.6	127.2	+17.6	138.8	119.7
Fibres	61	164.2	161.1	126.4	157.0	126.2	+27.4	139.3	110.3
Oilseeds	60	157.9	157.7	135.6	152.5	130.9	+17.2	144.9	130.6
Minerals	2	95.9*	95.9*	95.2*	99.3	96.6	+ 2.7	97.5	109.0
Others	32	130.1*	130.0*R	132.4	121.7	120.8	+ 1.2	120.0	117.6
Manufactures	290	127.5	127.1R	116.8	126.0	115.4	+11.1	120.8	109.7
Intermediate Products	41	123.8	133.4	122.9	130.3	116.6	+12.1	127.1	111.1R
Finished Products	249	126.5	126.0	115.6	125.9	112.6	+11.9	118.2	106.5
Textiles	147	131.3	130.5	115.3	129.2	100.8	+17.6	121.2	104.6
Cotton	—	130.2*	129.2*	124.8*	129.3	118.4	+ 9.2	127.5	113.5
Jute	—	151.2	148.0	97.1	142.6	94.2	+51.3	115.2	87.2
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.6	107.5	104.8
Silk and Rayon	—	102.4*	102.4*	105.2*	101.8	97.7	+ 4.2	102.6	[illegible]
Metal Products	12	146.3	146.8	145.2	148.8	144.7	+ 2.8	147.0	[illegible]
Chemicals	20	104.0	104.0	100.9	103.8	106.7	[illegible]	104.7	[illegible]
Oil Cakes	10	150.2*	150.9*	143.2*	146.8	148.0	[illegible]	140.2	[illegible]
Machinery and Transport Equipment	31	112.6	112.6R	106.4	113.1	106.4	+ 5.3	119.7	[illegible]
Others	30	116.6	116.7	112.4	115.4	114.0	+ 3.2	115.9	[illegible]
All Commodities	[illegible]	125.3	125.0	118.4	[illegible]	[illegible]	+ [illegible]	[illegible]	[illegible]

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. † Subject to Revision. R—Revised. * Estimated.

SURVEY

(*Concluded from page* 191)

every point and ably gave his opinions on the controversial issues.

The question of vicarious liability was the subject matter of the second technical session. It is well known that many a time, the taxing authorities find that the person who is initially liable in law has ceased to exist. This may happen due to death, insolvency, transfer of a proprietory business or by the dissolution of an association, such as a partnership, firm, Hindu joint family or a limited liability company. In order to plug loopholes that may emerge in such circumstances, the tax authorities generally incorporate in the respective legislation a suitable clause to pin the liability of one person on another who is related to him in some way or other. The Bombay Sales Tax Act of 1959, for instance, includes a specific provision in Section 19 to put the obligation of payment on the legal heir, in case of death of the original dealer. The author of the technical paper brought out certain anomalies in the above provision and it is to be hoped that the sales tax authorities in Bombay would modify the provision concerned in the light of the various suggestions made at the seminar.

The third technical session critically examined the concept of 'sale' for the purpose of sales tax. Several controversial questions, such as whether building and works contractors could be included within the meaning of the definition of dealer, whether hire purchase contract could be considered as constituting a sale and whether sales tax should be paid on packing materials, were very ably discussed. The last mentioned question was whether the cost of packing materials formed part of the taxable turnover of the dealer. It was pointed out by one of the participants that merely because the goods contained in packing materials were exempt from taxation, it did not necessarily follow that the exemption covered the packing materials also. A dealer, it was opined, was, therefore, liable to pay sales tax on that part of sale which constituted the cost of packing materials. In his speech, Mr. N. A. Palkhiwala also alluded to this question and averred that the right decision on it would be given when it was brought before the higher courts.

At the fourth technical session, Mr. N. C. Mehta, another distinguished sales tax practitioner of Bombay, outlined the scheme of an ideal sales tax law. He rightly observed that the only way to minimise the difficulties of traders was to have certain basic provisions, uniform in the sales tax laws of all the States. He made three important points. First, important definitions, turnover limits for fixing liability for the payment of tax, provisions for filing returns, assessment, appeals, revisions could be made on an agreed basis without impairing the revenue needs of the States. Secondly, the present vagueness in sales tax laws in regard to the position of commission agents, packing materials, repair and labour contracts, sale of goods on instalment system of payments and electricity needs to be removed. And, thirdly, in order to help the dealers and others to know the law in its true perspective, it is essential to leave only a few details outside the statutes, so that the wide scope that now exists for Sales Tax Departments to interpret the law may be narrowed down. From this point of view, the naming of all the executive authorities in the Sales Tax Act and specifying their respective powers and duties would promote better administration of the sales tax laws.

The need to minimise the danger of multiple taxation which is increasing as a result of the new tendency to levy purchase tax was also stressed by Mr. Mehta. He pertinently observed that a provision should be made for the avoidance of double taxation on the same transaction, once in the hands of the seller and a second time in the hands of the purchaser. Another suggestion put forth by him for simplifying the sales tax laws pertained to the need for defining the precise scope of the various entries in different schedules of the Act. The need in this connection, according to him, is to avoid altogether a separate mention of disputable items, because it has been the experience that vagueness of entries in the schedules adds to many practical difficulties both for dealers and the Department. As the present provision regarding vicarious liability does not restrict the liability to a reasonable period, Mr. Mehta suggested that the dealer should be vicariously liable for others' dues "for the year in which the transfer, etc. takes place and one year prior to that." This, too, is a reasonable suggestion. It may be noted here that a similar provision is found in the proviso to Section 26(2) of the Indian Income-tax Act and no difficulty has been found in its working. Further, Mr. Mehta referred to the question of filing returns and stated that, in the present sales tax law, the time limit provided for filing revised returns was very short. Another defect referred to by him was the lack of promptness in the matter of assessment. Again, the dealers were put to a lot of suffering by making them pay a tax not anticipated by them. All these deficiencies point to the need for an early assessment in any ideal scheme of sales tax.

Yet another important subject to which Mr. Mehta drew attention was the drawback pertaining to the exercise of revisional powers. It is well known that the present provision is discriminatory against the dealers. A dealer is barred from approaching the higher authorities for revision of the appeal order. He has a choice of second appeal to either the Tribunal or the Commissioner, but the time limit for both is only sixty days, whereas the sales tax authorities have two years for the exercise of their revisional powers. It is, therefore, a just demand of the dealers, which Mr. Mehta voiced, that they too should be given a period of two years for going to the Commissioner for getting an assessment revised. The sales tax authorities should also consider the revision of orders of the subordinate officers where the interests of the dealer suffer.

The foregoing review of some of the main points made at the seminar would show clearly the painstaking efforts made by the organisers and participants to highlight the defects in sales tax laws in this country. Most of the views expressed and suggestions made at the seminar are the results of arduous study and prolonged experience of men who are skilled enough to unravel the intricacies of sales tax laws and refer mainly to the Sales Tax Act of Maharashtra. Their labours would be well rewarded only if the sales tax administration in the various States in general and of Maharashtra in particular, were to modify the provisions of the law in the light of the suggestions made at the seminar. It would be an ideal thing if similar seminars could be organised in all the States and if, occasionally, they could be held on an all-India basis as well. It is gratifying to find that the top bosses of the sales tax administration in the Maharashtra State associated themselves with the activities of the seminar and did not view it in a hostile spirit. This speaks highly of their desire to know the other side of the case and to deal with the problems sympathetically. Incidentally, Mr. Palkhiwala paid a handsome tribute to the Maharashtra sales tax authorities as being fair-minded and respecters of the decisions taken at all-India level in regard to inter-State and Central sales taxes.

BANKING

(*Concluded from page* 194)

Initially, there was some delay in utilising the credit on account of certain procedural difficulties which were subsequently overcome. It is expected that loan applications for the full amount of the credit would be sent to the Japanese authorities in the very near future. As a result of the meetings convened by the World Bank in August 1958 and March 1959, to discuss the question of ensuring an assured flow of external assistance to India, the Government of Japan made available two credits of $10 million (Rs. 4.76 crores approximately) each. The first $10 million credit, which is in the nature of a ceiling for suppliers' credits, has been completely utilised on account of imports from Japan on deferred payment basis. The terms and conditions of the second $10 million credit are yet to be negotiated with the Government of Japan.

A yen credit worth $8 million (Rs. 3.81 crores) was offered by the Government of Japan for the mining equipment required for the Orissa iron ore project. The Japanese firm of consultants employed for the purpose submitted a report towards the end of 1959. The report was examined and accepted by the Government of India, Ministry of Steel, Mines and Fuel in April 1960. Tenders have been invited from various firms in Japan. The orders are yet to be placed.

Czechoslovakia

Credit amounting to Rs. 23.10 crores has been made available from Czechoslovakia for the third Plan to purchase machinery and equipment for the third stage of the foundry forge plant, heavy machine tools building plant, heavy electrical plant and for such other industrial projects as may be mutually agreed upon. The credit carries interest of 2½ per cent. and is repayable in eight equal annual instalments.

Repayment of the credit and payment of the interest accrued thereon shall be credited to a separate account styled as the Indo-Czechoslovak Credit Repayment Account to be opened by the Reserve Bank of India in the name of the State Bank of Czechoslovakia. The amount in this account will be used by the Czechoslovak Foreign Trade Corporation for the purchase of goods in India and the unutilised balances, if any, will be converted into free pounds sterling in accordance with such understanding as may be reached in this behalf.

Rumania

Under an inter-Governmental agreement signed on 20th October 1958, Rumania has granted a credit of Rs. 5.23 crores which will cover the total cost of technical assistance, design, and the plant and equipment to be supplied for the oil refinery at Gauhati. The rate of interest is 2½ per cent and the credit is to be repaid over a period of seven years. So far, a total amount of Rs. 70.89 lakhs has been paid to the Industrialexport of Czechoslovakia which has undertaken to design the refinery, supply equipment and materials for process units and auxiliary installations, etc.

Other Countries

The assistance given by other countries is as follows:

Yugoslavia: Rs. 19.05 crores for the purchase of ships and import of capital goods and equipment for projects mutually agreed upon. Rate of interest is 3 per cent, repayment being in equal consecutive semi-annual instalments.

Norway: Norway's contribution is provided in the form of financial and technical assistance for fisheries development. The total assistance upto the end of March 1960 was Rs. 2.19 crores.

Poland: Poland has granted a credit of Rs. 14.30 crores for import of machinery and equipment for industrial projects in the third Plan. Rate of interest is 2½ per cent and repayment in eight equal yearly instalments.

France: Under an agreement signed on 23rd January 1958, the Government of France facilitated the financing of the manufacture and delivery of capital goods by French suppliers upto Rs. 24.1 crores during a period of 12 months from the date of the agreement. Financing facilities for a further amount of Rs. 24.1 crores were given upto 23rd January 1960.

Netherlands: The Netherlands Government has been extending technical and financial assistance with a view to accelerating the desalinisation of the saline soils along the coast of Saurashtra, its share in the total cost (Rs. 37.07 lakhs) of the scheme being Rs. 19.05 lakhs. Assistance has also been rendered to the scheme for economic utilisation of carcasses and scientific flaying and curing of hides.

Switzerland: A credit agreement was signed on 30th July 1960 with the Government of Swiss Confederation. Under this agreement, the Swiss Government has agreed to facilitate the opening of transfer credits for payments to suppliers in Switzerland for capital goods required for India's development programme. The total amount of Swiss supplies of capital goods which may give rise to granting of transfer credits will be 100 million Swiss francs (about Rs. 11.1 crores). The credit will be provided by a consortium of Swiss Banks on mutually agreed terms. Each transfer credit is to be repaid within a period of 10 years from the date it is made use of. No repayments will be required during the first three years and the credit is to be repaid in equal half-yearly instalments over the remaining seven years. An agreement was signed on 18th November 1960 with a consortium of Swiss banks for credit facilities upto the amount necessary to finance the first instalment of 60 million Swiss francs. The rate of interest would be 3½ per cent above the official discount rate of the Swiss National Bank.

Finland: An agreement was concluded between the Governments of India and Finland in the year 1957 with a view to promoting forestry development in India.

World Bank

The World Bank has so far granted to India loans amounting to Rs. 315.28 crores—Rs. 219.44 crores to the public sector and Rs. 95.84 crores to the private sector. The projects covered by the various loans are given below:

(Amount in million $s)

Public sector: Agriculture 7.20; Railways 327.80; D.V.C. 52.22; Koyna 25.00; Air-India 5.60; Calcutta Port 29.00; Madras Port 14.00.

Private sector: Tata Iron and Steel 107.00; Indian Iron and Steel 50.02; Trombay 23.75; I.C.I.C.I. 20.00.

Other Sources

The other sources from which India has obtained assistance are the U.N. Technical Assistance Board (Rs. 6.01 crores upto end of 1959—amount approved for expenditure in 1960 is Rs. 86.28 lakhs and during 1961 and 1962 Rs. 1.95 crore); U.N. Special Fund (Rs. 4.16 crores); W.H.O. (Rs. 1.24 crore upto end of 1959—estimated expenditure in 1960 is Rs. 23.80

lakhs); U.N.I.C.E.F. (Rs. 10.99 crores upto March 1960, excluding Rs. 2.49 crores provided for defraying freight charges); Ford Foundation (Rs. 14.22 crores to the Government of India and Rs. 4.96 crores to private agencies or a total of Rs. 19.18 crores upto October 1960); and Ford Foundation (Rs. 5.4 crores upto September 1960).

MORE BANK PROFITS

Punjab National's Profit Better

A marked rise is noted in the profit of the Punjab National Bank Ltd. for 1960. Thus, it has risen from Rs. 84.15 lakhs (for 1959) to Rs. 117.99 lakhs. The profit, which is subject to audit, has been arrived at, as in the previous year, after making payment to employees' gratuity fund trust and providing for contingencies. The bulk of the increase in the Bank's profit has been absorbed by the provision for taxation which has been stepped up substantially from Rs. 17.50 lakhs to Rs. 53 lakhs. Bonus to staff gets Rs. 2 lakhs more at Rs. 27 lakhs. The amount transferred to reserves has, on the contrary, been reduced from Rs. 17 lakhs (in 1959) to Rs. 11 lakhs. As in the previous year, a sum of Rs. 1 lakh has been transferred to charity account. The Directors have already utilised Rs. 12.50 lakhs towards payment of an interim dividend of Re. 1 per share, subject to tax. They have now recommended a final dividend (taxable) of Re. 1 per share (or 10 per cent), making a total distribution of 20 per cent which is the same as in 1959. This means that the tax-free dividend in the hands of shareholders is at the rate of 14 per cent. The dividend absorbs Rs. 25 lakhs, leaving a balance of Rs. 4.18 lakhs to be carried forward to the next year, as against Rs. 3.19 lakhs brought in this year.

Canara Industrial and Banking Syndicate

In consonance with the general trend of bank profits, the net profit (subject to audit) of the Canara Industrial and Banking Syndicate Ltd. for the year ended 31st December 1960 has shown an improvement, rising from Rs. 20.02 lakhs to Rs. 25.25 lakhs. After adding the small amount of Rs. 29,000 brought forward from the previous year's account, the Directors have transferred Rs. 7.50 lakhs to reserves which is the same as in the previous year. This brings the total reserves inclusive of share premium of Rs. 1 lakh to Rs. 42.50 lakhs. The provision for taxation absorbs Rs. 9.64 lakhs, as against Rs. 5.50 lakhs in 1959. The allocation for bonus to staff is a shade lower at Rs. 1.75 lakh. The Directors have decided to maintain the dividend at 20 per cent. subject to tax, which would give a tax-free return of 14 per cent in the hands of shareholders. The dividend takes up Rs. 6.36 lakhs, leaving Rs. 29,000 to be carried forward to the next year. The total deposits of the Bank as at the close of 1960 were higher at Rs. 18.80 crores as compared with Rs. 17.08 crores at the end of 1959.

State Bank's Profit Goes Up

A smart rise from Rs. 1.87 crores to Rs. 2.18 crores in profit is disclosed by the preliminary results of the State Bank of India for the year ended 31st December 1960. After adding to the net profit a sum of Rs. 55.87 lakhs, being the surplus of the previous year, the Directors have made substantial increase in the allocations. The transfer to the reserve fund has been raised by Rs. 5 lakhs to Rs. 25 lakhs, the provisions for the staff welfare fund and the staff co-operative housing fund have been doubled to Rs. 5 lakhs and Rs. 10 lakhs, respectively. The allocation to the pension fund has also been increased from Rs. 6.96 lakhs to Rs. 7.29 lakhs. The dividend to shareholders absorbs Rs. 15.47 lakhs more at Rs. 127.97 lakhs, following the declaration of a higher dividend of 22.75 per cent (taxable) as against 20 per cent (taxable) paid for 1959. On a tax-free basis, the dividend for 1960 works out to 15.925 per cent. as against 14 per cent for 1959. The surplus left to be carried forward is Rs. 56.20 lakhs, as against Rs. 55.73 lakhs in the previous year.

Hongkong and Shanghai Bank

The profit of the Hongkong and Shanghai Banking Corporation for the year ended 31st December 1960 has increased substantially from HK $28.13 million (for 1959) to HK $42.19 million, equivalent to £2.64 million. The profit (subject to audit) also includes the dividends received from subsidiaries. As in the previous years, the Directors have decided to utilise an amount of HK $4 million for writing off Bank premises and to pay a final dividend of £2 10s. per share as against a dividend of £1 17s. 6d. per share in 1959. The balance to be carried forward to the next year is slightly higher at HK $2.2 million as against HK $2.12 million in the previous year. The transfer of £1.28 million from the inner reserves to the general reserves brings the latter account to £15 million. The Directors have decided to subdivide the existing shares of 125 dollars into five shares of 25 dollars each.

MARKET GOSSIP

(Concluded from page 187)

will answer "yes," because their efforts have already given good results. It is not necessary for firms in Britain to take the trouble of going about ascertaining the views of individual employees. They can ask independent research bodies to do the necessary investigations and make a report, in the light of the findings, containing recommendations for reorganising or streamlining production processes. The National Institute of Industrial Psychology is one such research body which has specialised in "attitude-surveys," as such investigations are called. For over a quarter of a century, the Institute, which is an independent, non-profit-making organisation financed partly by industry and partly by the Government, has conducted such investigations in individual concerns.

At the specific request of concerns, the Institute sends trained staff to hold a series of confidential interviews with employees, including supervisors, managers and even manual workers, to find out what they think is wrong with the organisation and how it can be put right. The Institute has already made nearly a hundred such surveys. In fact, it is said that an important motor car accessories company conducts continuous attitude surveys in its factories.

Some of the striking results obtained by attitude surveys in terms of efficiency in factories and offices were reported at the annual meeting of the Institute held in London this week. A survey was conducted by the Institute in the yarn mills of an asbestos concern where both workers and management had complained that spinners were not properly trained and that distribution of bobbins to the operatives was unsatisfactory. The spinners said that the "sliver truckers"—the workers who collect the bobbins from a central control point—were too young or inefficient and that the spinning was consequently disorganised. As a result of the unsatisfactory distribution of bobbins, many spinners had got into the habit of going to fetch bobbins for themselves. This led to further confusion. As a result, there was considerable discontent among workers and labour turnover was high.

After studying the Institute's reports of these grievances and the recommendations of the investigators, the company selected "sliver truckers" more carefully, doubled their number and also appointed trainers for them. These and other changes suggested by the investigators cost the company more than £27,800 a year. But, in less than two years, productivity increased sufficiently to cover this. The efficiency of spinners rose by between 5 and 10 per cent and labour turnover fell from 90 to 50 per cent. The number of workers who failed to earn incentive bonus was reduced from 40 to 4. Furthermore, the quality of the product steadily improved and orders fulfilled which, it was admitted, would not have been possible but for the attitude survey.

This, however, is not an isolated case. Another example of the effectiveness of this disciplined form of "industrial self-criticism," as it has been aptly called, is provided by an engineering company which manufactures machinery for plastics industry. A survey undertaken by the Institute showed that most of the supervisors and about an equal number of managerial staff, office workers and operatives thought that the factory routine was too lax. They complained about "clock watching," excessive time for washing, poorly finished work and a general failure to administer reprimands or praise when deserved. The production control system was also criticised, because materials and components were not available when required so that frequent interruption of production occurred. Acting on the recommendations of the survey team, the company tightened up discipline, reorganised production controls and "progress watching" with commendable results.

One question suggests itself as one reads such reports. If factory and office organisation, which have attained high standards in Britain, still leaves so much room for improvement, how much more scope for streamlining would there be in India where it is much below British standards? When one talks of more production in this country, one instantly associates it with more investments in new plants and machinery or additions to old ones. Seldom is it realised that fuller and more scientific utilisation of existing equipments would also take us to the same goal, at least to a considerable extent and definitely at less cost.

COTTON

(Concluded from page 198)

the cotton belt by National Cotton Council, the American Cotton Shippers' Association, and most of the regional cotton organisations like the Delta Council of Missisippi and the Plains Cotton Ginners of Texas. They all are teaching the "Do's and Dont's," of cultivating, harvesting and ginning. The educational programme has reached down to the grass roots. We expect at least three-fourths of the actual operators of mechanical cotton pickers, and cotton gins have now been through one or more of these specialised training schools.

The cotton industry in the U.S. has become intensely quality-conscious. Mr. Howard Stovall confidently asserts that cotton growers, too, through their ability to evaluate the production of research and to absorb the teachings of education, are, and will continue to be, in a position to deliver top quality cotton to spinners.

COMMERCE AND INDUSTRY

(Concluded from page 212)

were able to maintain their levels. The last mentioned two items have been the principal winners of foreign exchange. The permission given to export these residue commodities has also a direct bearing on the domestic prices of groundnut seeds and oils.

While it is admittedly important to secure foreign exchange, exports of groundnut oil, seeds and cakes only aggravate the domestic price situation. The export quota of 20,000 tons of H.P.S., announced this week, provides ample testimony to this statement. The new quota has imparted fresh strength to the groundnut market.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 2nd February, 1961.

	Closing quotations 25-1-1961	High	Low	Closing quotations 2-2-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	164.50	—	—	164.50
Apollo (2) ..	1.48	1.54	1.44	1.54
Baroda Rayon (100) ..	124.00	125.00	121.50	123.00
Bombay Dyeing (25) ..	60.60	62.40	60.60	61.30
Bradbury (50) ..	117.50	—	—	117.50
Central India (100) ..	104.00	103.00	100.00	102.00
Century Mills (100) ..	477.50	486.50	476.00	478.00
Coorla Sp. (100) ..	131.25	—	—	131.25
Dawn (50) ..	117.00	125.50	117.00	123.50
Edward Textile (200) ..	262.50	—	—	262.50
Elphinstone (50) ..	63.00	66.00	63.00	64.00
Finlay (100) ..	330.00	334.00	330.00	330.00
Gokak (100) ..	165.00xr	171.75	165.00	171.50
Gold Mohur (100) ..	255.00	255.00	252.50	252.50
Gwalior Rayon (10) ..	42.00	44.25	42.00	42.75
Ind. Untd. Detd. (1) ..	1.58	1.60	1.54	1.56
Ind. Untd. Ord. (10) ..	14.16	14.68	14.12	14.44
Indian Rayon (50) ..	51.50	52.00	51.00	52.00
Indore Malwa (100) ..	130.00	134.00	128.00	133.00
Khatau (100) ..	442.50	465.00	445.00	450.00
Kohinoor (100) ..	277.50	282.50	272.50	272.50
Lakshmi (250) ..	502.50	—	—	502.50
Mafatlal (100) ..	727.50	780.00	727.00	772.50
Minerva Mills (100) ..	64.00	—	—	64.00
Model Nagpur (250) ..	80.00	—	—	80.00
Morarji (100) ..	328.00	345.00	328.00	340.00
Mysore (50) ..	57.50	59.50	58.00	59.50
National Rayons (100) ..	488.50	507.50	489.00	500.00
New City (100) ..	144.00	—	—	144.00
New Great (100) ..	194.00	195.00	193.00	195.00
Phoenix (100) ..	130.50	135.00	132.00	135.00
Podar Mills (100) ..	135.00	139.00	136.00	138.00
Raymond Woollen (100) ..	105.00	105.00	103.50	103.50
Sassoon Silk (10) ..	15.00	15.00	14.76	14.88
Sassoon Spg. (10) ..	45.50	46.25	45.50	46.00
Shrinivas (100) ..	240.00	249.00	241.00	242.00
Simplex (50) ..	168.00	168.00	167.00	168.00
Standard (100) ..	1,022.00	1,140.00	1,022.00	1,092.00
Svadeshi (100) ..	239.50	241.50	234.00	234.00
Swan (100) ..	480.00	495.00	480.00	492.50
Tata Mill (25) ..	41.25	42.00	40.75	41.25
Vishnu (100) ..	101.00	—	—	101.00
Western India (1,000) ..	4,075.00	—	—	4,075.00
BANKS				
Bank of India (50) ..	115.50	117.50	115.50	117.50
Do. (New) (50) ..	120.00	—	—	120.50
Bank of Baroda (50) ..	95.50	96.00	95.30	95.30
Central (25) ..	56.00	56.50	56.00	56.00
Central 'A' (25) ..	59.50	59.80	59.00	59.00
Dena Bank (50) ..	54.30	55.50	54.30	55.50
Punjab National (10) ..	19.64	20.52	19.64	20.52
Union Bank (5) ..	6.32	6.52	6.32	6.52
United Com. (50) ..	85.00	86.00	85.00	85.00
ELECTRIC COS.				
Ahmedabad (100) ..	85.00	85.80	84.80	85.80
Amalgamated (10) ..	10.08	—	—	10.08
Andhra Valley (1,000) ..	987.50	—	—	982.50
Bom. Sub. El. (100) ..	84.50	992.50	981.25	982.50
Surat (100) ..	84.80	84.30	84.00	84.00
Tata Hydro (100) ..	100.50	84.50	83.50	84.50
Tata Power (1,000) ..	1,015.00	101.00 / 1,020.00	100.50 / 1,010.00	100.75 / 1,011.25
INSURANCE COS.				
British India (10) ..	12.00	12.04	11.88	12.04
Indian Mercantile (20) ..	43.00	—	—	48.00
New India (15) ..	55.00	55.50	54.50	55.50
Vulcan (10) ..	16.48	—	—	16.48
STEEL COS.				
Ind. Iron (10) ..	24.64	24.80	24.36	24.36
Mukand Iron (10) ..	23.24	24.48	23.48	23.80
Tata Steel Ord. (75) ..	146.75	148.00	145.00	145.25
SUGAR COS.				
Belapur (50) ..	806.50	810.50	800.00	802.50
Bhopal (10) ..	29.00	—	—	29.00
Changdeo (12.50) ..	29.50	—	—	29.50
Phaltan (50) ..	158.00	154.00	150.50	150.50
Walchand Ind. (100) ..	230.00	236.25	222.50	227.50
CEMENT COS.				
Associated Cts. (100) ..	150.50	152.00	150.50	151.25
Digvijay (100) ..	150.00	150.00	148.00	149.50
Orissa (10) ..	13.72	13.76	13.48	13.60
MISCELLANEOUS				
Alcock Ashdown (100) ..	260.00	262.00	255.00	255.00
Bom. Burmah (125) ..	554.50	567.00	553.50	558.50
Do. (New) (50) ..	195.00	197.50	195.00	196.25
Br. B. Petrol (4 sh.) ..	2.02xd	2.06	2.00	2.04
Br. I. Corpn. (5) ..	6.76	6.84	6.76	6.76
Cooper Eng. (100) ..	163.50	178.00	165.00	178.00
Colour Chem. (100) ..	807.50	815.00	807.50	815.00
Hind Cycle (100) ..	85.00	89.00	87.00	87.00
Hindustan Lever (10) ..	43.00	43.50	43.00	43.50
Hindusthan Motors (10)	19.56	20.48	19.56	19.92
I. C. & Invest. Corporation (100) ..	71.00	—	—	71.00
Indian Dyestuff (100) ..	425.00	473.50	428.75	470.00
Indian Copper (2 sh.) ..	4.64	4.74	4.64	4.70
Ind. Inv. Tr. (100) ..	79.80	81.00	80.00	80.00
Killicks (100) ..	99.50	100.00	99.00	100.00
Larsen & Toubro (10) ..	35.00	38.00	35.00	37.50
Mahindra & Mahindra (10) ..	19.60	21.24	19.52	21.24
New Central Jute (10) ..	20.36	20.36	18.76	18.76
Polson (100) ..	152.00	160.00	158.00	159.00
Pre. Automobiles (100)	167.50	169.25	165.50	166.00
Premier Con. (80) ..	196.00xr	199.50	192.00	192.00
Scindia (20) ..	14.52	14.60	14.20	14.20
G. B. Shipping (10) ..	15.00	14.84	14.80	14.84
Shivrajpur (10) ..	70.50	72.00	69.50	71.00
Sirpur Paper (10) ..	16.48	16.80	15.88	15.88
Tata Chemicals (10) ..	17.52	18.04	17.44	17.80
Tata Locomotive (100) ..	290.00	298.00	289.50	294.00
Tata Oil (25) ..	73.50	75.00	73.70	74.00
Texmaco (10) ..	23.32	23.32	23.28	23.28
Voltas (100) ..	257.00	268.50	256.50	259.00
W. I. Match (100) ..	259.00	260.00	257.50	258.00
W. Coast Paper (100) ..	181.00	182.00	180.50	180.50

GOVERNMENT SECURITIES	25-1-1961	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	2-2-1961
	Rs.			Rs.
2½% 1961 ..	99.15	—	4.14	99.20
2½% 1962 ..	97.90	—	3.90	98.00
2½% 1976 ..	88.50	—	4.23	88.50
3% 1964 ..	97.65	—	3.65	97.65
3% 1963-65 ..	97.55	3.00	3.55	97.60
3% 1966-68 ..	95.30	3.93	3.70	95.40
3% 1970-75 1st Dev.	90.00	4.37	3.95	90.05
3% 1986 Con. Loan ..	[illegible]	—	4.03*	74.10
3½% 1961 N.P. Bonds	100.00	—	3.50	100.00
3½% 1964 N.P. Loan ..	99.35	—	3.70	99.35
3½% 1965 N.P. Bonds	99.25	—	3.70	99.25
3½% 1962 ..	99.65	—	3.50	99.65
3½% 1967 N.P. Bonds	98.90	—	3.72	98.85
3½% 1974 ..	[illegible]	—	3.78	99.70
3¾% 1967 N.P. Bonds	100.75	—	[illegible]	100.75
3¾% 1969 Loan ..	98.80	—	3.68	98.75
3¾% 1968 ..	98.90	—	3.70	98.75
3¾% 1962 N.P. Bonds	99.80	—	[illegible]	[illegible]
3¾% 1968 N.P. Bonds	100.65	—	3.66	[illegible]
4% 1972 Loan ..	100.50	—	[illegible]	[illegible]
4% 1973 Loan ..	100.40	—	[illegible]	[illegible]
4% 1979 Loans ..	100.10	—	3.90	[illegible]
3½% 1966 Bonds ..	99.30	—	3.64	[illegible]
4% 1980 Loan ..	99.95	—	4.01	[illegible]

*Current Income. xd—Ex-dividend. X.R.—Ex-Rights.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2601 BOMBAY, 11th FEBRUARY 1961 PRICE Rs. 2

PRE-BUDGET PLEA FOR TAX REFORM

THE Central Budget for 1961-62, due to be presented on a Tuesday 17 days from now, will be a crucial one. The Finance Minister has to indicate in it the manner in which he proposes to raise the funds required for the third Plan, not to mention the mounting defence commitments. It would, indeed, be an odd thing, if he were not to do so, for the year coincides with the first year of the third Plan. Faced as he is with this situation, the temptation to impose additional taxation must be great for him. It is, however, to be hoped that he will skilfully balance the need for more resources with the need for providing incentives to the people for working harder and saving more than they are doing at present. Taxation in this country is nearly the highest in the world. The taxes on individuals, especially in the upper income group, are *the* highest. On top of it, there are several inequities in the system. The current rate of corporate taxation is not intolerably high and the system has been simplified in the last two years after Mr. Morarji Desai took over the Finance portfolio. Credit must be given to the Government for providing accelerated depreciation allowances, development rebate, tax holiday for a limited period and a small concession on income from inter-corporate investments. These features have been helpful in stimulating fresh investments in industry. But there is still scope for considerable improvement in quite a few directions, especially where double and triple taxation occurs. The Director-General of the National Council of Applied Economic Research, Dr. P. S. Lokanathan, has, therefore, done a timely service to the country by releasing to the Press the main conclusions of a study of "Taxation and Private Investment" organised by the Council, highlighting the lines on which the system of direct taxation can be improved without much loss of revenue to the Exchequer. It is now upto the Finance Minister to profit by this study and streamline the tax system to serve effectively the purpose of speeding up the country's economic growth.

Three objections are usually raised by Treasury spokesmen to any plea for relief and reform in direct taxation. First, in this country of wide disparity between the poor and the rich, the latter must not mind bearing a rate and system of taxation designed to facilitate a gradual redistribution of wealth and thereby a reduction in the existing glaring disparity. This is one of the basic objectives of India's tax system. In his explanation of the scope of the Council's study, Dr. Lokanathan has made it clear that it does not question the socialistic goal of fiscal policies. But the Council has approached the subject on the assumption that, "as the role of the private sector is going to be significant in India's mixed economy, no fiscal system should operate in such a way as to militate against the efficient working of this sector." The Council has thus been purely objective in its study and its approach should, therefore, be acceptable to the Government which is unduly allergic to any criticism of its undefined and vague socialist pattern of society.

The second objection is based on the need for more revenue for implementing the development plans. The authors of the study have not been completely oblivious of this point; they have not suggested any basic alterations in the system. They, however, concede that there will be some loss of revenue, but they point out, convincingly enough, that, "as the changes proposed would lead to a higher rate of industrial growth, there would be a much needed widening of the tax-base which could make up for any loss of revenue in the short period." The Council is, of course, not the first to advance this argument. This journal itself has done it on several occasions in the past. But the Government has been extremely slow in recognising the merit of this contention. Perhaps, the Council will have better luck than others. Now that income-tax receipts are buoyant, conditions are propitious for the Government to heed the Council's impartial advice and pave the way for speedier economic growth. If the Government considers this as a risk, it is, in our view, a risk worth taking. Why not try it for the next five years and see the results? If they are not satisfactory, it can always go back to the system that is in force now.

The third objection stems from the assumption that the existing system is not as bad as it is made out to be. Support for this view is sought to be found by pointing to (*a*) the establishment in recent years of quite a few new industries and expansion of several of the existing units in the private sector, (*b*) the increase in the number of collaboration arrangements with foreign private capital, and (*c*) the avidity with which shares of new companies are being taken up and scrips of existing companies are being supported on the Stock Exchanges even at levels at which the yield is ridiculously low. The authors of the N.C.A.E.R.'s study have in a way tried to meet this misleading argument. In the absence of full text of the report, it is not possible to say how effectively they have done this job. But the summary appearing in the daily Press shows that they do not clearly agree with the contention on the following grounds:

"The adverse effects of higher taxes have been offset by other factors, such as the building up of essential overheads, the expansion and diversification of demand resulting from Government expenditures and the provision of a sheltered market in the case of many important commodities. The climate for investment has no doubt been favourable on the whole, but some disquieting features exist. *The rate of aggregate savings has not kept pace with the rate of investment, nor do corporate savings show a rising trend.*" (Italics ours).

It is quite possible that the authors of the study have provided enough data to support the aforesaid conclusions. But there is already enough evidence in the Reserve Bank's analysis of trends in corporate finance. It clearly shows that borrowings account for more than a third of the finance for industrial development, while the share of equity capital has been no more than 10 per cent. It is the policy of cheap money followed till very recently that has facilitated this trend and clouded the adverse effects of high taxation. During the past ten months, there has been some change in monetary policy, but the concession in favour of higher interest rates policy has been halting and half-hearted. The firmness of share markets is quite an unreliable factor for judging either the extent of savings and capital formation or the soundness of tax policy, for the trend of share markets is influenced by a variety of factors, including sentiment and psychology. An inadequate increase in the supply of good equities has itself been one of the chief causes for the rise in share values.

Before referring to the specific suggestions made in the study, it would be useful to quote here the authors' rationale for them. After recognising that the basic tax rate introduced by the new scheme of company taxation is "eminently fair and reasonable," the authors state their case as follows:

"However, private savings are of crucial importance in the context of a decline in savings on Government account in recent years and an increasing reliance of public sector investment on private savings. In an underdeveloped country, with a high level of direct taxes, the tax system should be deliberately designed to secure the objective of stepping up the rate of savings. But the structure of direct taxes in India cannot be said to be geared to promote personal savings, particularly consumer savings. Actually, beyond certain levels of income and wealth, the cumulative impact of personal taxes tends virtually to eliminate the incentive and ability to save of active entrepreneur-investors. ...

"In order to maintain a steadily rising rate of growth of private investment in the coming years, it is necessary to ensure that the rate of private savings is stepped up and that increasing amounts of funds flow into the field of industrial investment. Also, if it is desired to encourage the promotion of new ventures by new entrepreneurs, it would be necessary to make possible the accumulation in the hands of individuals of funds large enough to enable them to start and run enterprises on efficient lines."

The authors of the study corroborate the conclusions advanced by the critics of the existing tax system when they observe that it "now operates in such a way that, after a level of wealth and income, the disposable income of an individual tends to fall with every addition to his wealth through savings. At this level, the incentive to save is virtually eliminated, unless the individual adopts various tax avoiding devices. At still higher levels of wealth, the sum of income and wealth tax liabilities will first equal and then exceed the entire income of the individual." Readers of this journal will recall, in this connection, the series of articles contributed by Professor Russi Jal Taraporevala two years ago in which he impressively brought out this very point.

It would now be appropriate to review the suggestions made in the Council's study. They have been rearranged by us in the order in which we think they should be given priority:

1. The tax on bonus shares and capitalisation of share premia should be abolished. This

Contents

LEADING ARTICLES—	PAGE
Pre-Budget Plea for Tax Reform ...	225
Transport Policy Issues	226
MARKET GOSSIP	227
ROUND THE EXCHANGES	228
NEWS IN BRIEF	229
PERSONAL	229
THIS WEEK'S SURVEY	230-231
SPECIAL FEATURES—	
On The Arena	232
London Letter	233
Industrial Development of Kerala ...	236-237
Manchester Letter	238
Perspective for Steel Outlined—I ...	246-247
Income, Output and Employment in Third Plan	248-249
MONEY AND BANKING	234
SUGAR	240
JUTE	242
ENGINEERING	244
NEW PRODUCTS AND PROCESSES	245
COMMERCE AND INDUSTRY	252-253
COMPANY MATTERS	254-256
MARKET REPORTS	259-261
MISCELLANEOUS STATISTICAL INFORMATION	262-264
STOCK AND SHARE QUOTATIONS	265-272
WEEK'S STOCK EXCHANGE TREND	274

is an atrocious levy which imparts to India's tax system a strong element of expropriation. It has no case to exist even for a day longer.

2. Section 23A must be modified in such a way as to make it more flexible and to encourage the emergence of small entrepreneurs and medium-sized units. This reform would be perfectly in keeping with the fundamental objectives of the Government.

3. The tax on dividends received from inter-corporate investments should be substantially reduced, if not abolished. In most countries of the free world, incomes from inter-corporate investments are either totally exempted or only a small portion of them is subjected to tax. This relief is necessary to promote inter-corporate investment, an important way in which rapid industrialisation can be brought about and is being followed throughout the world. It is also necessary for attracting foreign private capital and facilitating its participation with indigenous capital in the establishment of new ventures. The case for this relief has been very ably stated by the authors of the study.

4. There should be some reduction in the pace of progression of super-tax at very high income levels applicable to individuals. The study has rightly come to the conclusion that "the disincentive of diminishing disposable income tends to operate at too low a level to allow entrepreneurs to accumulate sufficient funds for investment in new lines of activity."

5. No individual should be asked to pay by way of wealth and income taxes more than 100 per cent of his entire income. The relief suggested here is quite modest, for the consensus of demand made by quite a few critics is that the combined incidence of all taxes should not exceed 80 per cent.

Quite a few more modifications of the aforesaid type, involving little or no loss to the Exchequer but capable of imparting a sense of justice among investors and boosting the rate of development, can be suggested. But if, in the forthcoming budget, the Finance Minister gives effect to at least the first four suggestions listed above and defers the rest to subsequent years, he will be giving a flying start to the third Plan.

TRANSPORT POLICY ISSUES

THE mountain has not laboured in vain; it has brought forth at least a mouse. So, indeed, has the Neogy Committee on Transport Policy and Co-ordination produced, after 18 months of prodigious labour and study, a "preliminary report," the only specific recommendations of which pertain to the problem of co-ordination between the railways and the nationalised road transport undertakings in the States operating largely passenger services. There are, thus, no recommendations in this report on the Committee's main terms of reference bearing on the evolution of a long-term transport policy, the role of the various means of transport in the next five to ten years against the background of such a long-term policy, and a suitable mechanism for the co-ordination of the different means of transport. But the report is not without some merit, though it lends itself to be criticised as an essay in procrastination or evasion. The merit is that it has analysed the present transport situation and formulated a series of issues on which the public and transport specialists are expected to give their views. Although this is a rather novel way of eliciting informed public opinion and that, too, in a second round, it seems to be necessary in the interests of evolving "a rational scheme of co-ordination" between road transport and railways "as part of a sound long-term policy." But, at the same time, it looks very much like a dilatory tactic at the present time. Even the way in which the Committee has presented the pros and cons of the problem of co-ordination lends itself to different and contrary interpretations.

But, perhaps, the Committee has striven hard to be as objective as possible. Its own bias, if any, one way or the other, by implication or otherwise, should interest us less than its new questionnaire on alternative "ways of securing co-ordinated development of road and rail transport on equal terms." Public opinion can be usefully expressed on the issues raised by the Committee in the hope that it may complete its labours and produce the final report at an early date. The three alternatives presented by the Committee for road-rail co-ordination are the most relevant ones for immediate consideration here. The first of these is free, unrestricted competition between different forms of transport; the second is co-ordination through appropriate Government regulation; and the third is possible integration of all the road and rail services into one single unit so as to achieve co-ordination from within the authority responsible for the joint management of all forms of transport.

While the extreme theoretical implication of the first alternative may be railway denationalisation, that of the second may be complete road transport nationalisation. Since it is too late in the day to think of railway denationalisation, it is a matter for consideration how free competition can be brought about between railways and road transport. Such an examination is all the more necessary, because of the standing threat of nationalisation of goods transport by road. Although, for the present, an assurance has been given by the Government that the transport of goods by road will not be nationalised during the third Plan, the threat as such continues to be there and will become very real if the third alternative is not ruled out here and now. It should not be forgotten here that, with the railways being already a nationalised enterprise and the passenger services of road transport being progressively nationalised as part of State policy, the trend in favour of nationalising goods transport of road will be in relentless operation, unless, of course, it is reversed unambiguously. As for the second alternative, the Committee itself has referred to the fact that "regulation has not met with complete success in other countries" and also expressed its view that "to rely on regulatory measures, to be devised *ad hoc* as and when any signs of unhealthy competition appear, will not be the right answer to the questions confronting us." The Committee's virtual rejection of the second alternative and its "emphatic view that it would be wrong to dismiss the first and third alternatives" still provide no clue to its own preference. At one place, the Committee seems to be against the first alternative; here it presents the view that "the railways have a large number of obligations which are not shared by road transport" and that "to establish equal terms of competition between them, therefore, presents numerous problems." But, at another place, it seems to be against the third alternative; here it says that "nationalisation of the entire road transport system will itself raise many problems, though it may be achieved by suitable stages." To say that the Committee is inclined either in favour of the first alternative or in favour of the third would only be a case of wish being father to the thought. The blissfully non-committal and ambivalent approach of the Committee is strikingly brought out by the following quotation:

> "Our transport system has to develop a great deal during the next ten years, if it is to keep pace with the programmes of industrial development on which we have embarked. It is essential that we should take a long-term view of the question and, in doing so, we should not hesitate to consider any changes in respect of our existing policies regarding the railways and roadways, however radical they may seem, if they are likely to secure a more efficient and economic development of our transport system as a whole."

It would appear from this statement, ambivalent though it be, that the Committee is at least having an open mind and can conceivably be convinced in favour of a modified form of the first alternative, namely, scope for a reasonable degree of competition between the principal means of transport, if the road transport interests and users of road transport make out a cogent and unanswerable case therefor. Our own view is that the first alternative will be both logically and pragmatically compelling, if it is approached from the triple point of view of freedom for the user to choose the most suitable means of transporting his goods, of scope for all means of transport to develop without any cut-throat competition between them, and of judicious use of capital resources in the most economic services. If there is to be real co-ordination between railways and road transport on equal terms—a kind of co-ordination in which there will be no place for cut-throat competition or for artificial regulation of traffic offerings—by far the best method of ensuring it would be to constitute a statutory and independent Rate Fixing Committee on the lines of the Inter-State Commerce Commission in the United States. Such a committee should consist of representatives of railways, road transport services, inland steamer services, civil aviation, coastal shipping, trade and industry, and the user-public. Maximum freight rates for the different means of transport can be fixed from time to time by this Committee—rates at which or below which the various transport services shall be free to avail of as much of the traffic offerings as possible.

Any fear that road transport might deprive railways of a part of their traffic by quoting competitive rates much below the maxima fixed by the Committee would be unwarranted for one simple reason. It is that, in spite of the present circumstance that the cost of road haulage is roughly two annas per ton-mile on the average as compared with the average of one anna per ton-mile in the case of railways, road transport is being increasingly sought after by users who, in an expanding economy, have to move a larger volume of goods more speedily. Where larger traffic offerings can be reasonably expected for both railways and road transport, the best course would be to let each system function on commercial lines and to treat the profits from railways and the tax revenues from road transport (after meeting road maintenance and administration charges) as if they belonged to a single pool. The idea here is that, if, by any chance, the railway profits fall, the Exchequer will have received more by way of motor vehicle and income taxes from the road transport sector. What is lost on the swings, if at all it is lost, will be made good on the roundabouts.

It is against this background that some of the questions framed by the Committee in regard to the issue of "free competition" would have to be further considered. This consideration can be done here by way of answers to some of the more important questions. These answers are given below:

1. It should be possible to relieve the railways of their obligation to provide uneconomic services which do not pay, on the ground that they should not provide uneconomic services. It should also be possible to discontinue a particular section of a railway, such as a branch line, if it is proved to be a source of continuous loss. For instance, almost the entire narrow-gauge section of 3,181 miles can be dismantled, because it has always been working at a loss and, as of 1958-59, has earned only Rs. 3.7 crores (gross), as against working expenses of Rs. 6.3 crores, and its average operating cost per ton-mile, including terminal charges, is 26 nP, as compared with 12 nP in the case of metre-gauge lines, 8 nP in the case of broad-gauge lines and 12 to 15 nP in the case of road transport.

2. The railways should not be free to quote competitive rates which may differ in different areas and for different customers. If they are asked to carry traffic at uneconomic rates, it would mean that they are subsidised.

3. If the railway rate on coal is increased to the level of the rate on iron ore so as to enable the railways to earn an additional income of, say, Rs. 23 crores per annum, as compared with the present total earnings from coal of about Rs. 40 crores, it will not affect coal-using industries other than electric undertakings, for what such industries pay additionally on coal haulage can be made good by their sending finished goods by road.

4. It should be possible to ensure the availability of adequate transport facilities, by providing the requisite number of vehicles, at a reasonable cost in the less developed areas, hilly tracts and places served by narrow-gauge lines.

These are only some illustrative answers which are, by no means, exhaustive. They are only intended to convey that road transport, with its inherent advantages in terms of speed and certainty of delivery, especially in the matter of short- and medium-distance traffic, could be given greater scope for development in a system of healthy competition which can ensure the commercial character of both railways and road transport. It will be possible for both modes of transport to operate as public utilities, if economic rates of operation are rendered possible by the structure of rates determined by the Rate Fixing Committee suggested in this article. In view of the fact that business firms, which are increasing in number from year to year, will find it possible to have a quicker turnover of their capital through speedy haulage by road transport, freer scope for this mode of transport is a vital desideratum. That will also mean an acceleration of industrial expansion. It is to be hoped that the Committee will ultimately, but expeditiously, recommend a rational and sound long-term transport policy consistent with the requirements of an expanding economy.

MARKET GOSSIP

SENTIMENT in the share markets is alternately swinging from optimism to pessimism about the forthcoming Central Budget proposals. The share markets began the year rather sceptically of the view that there would be no increase in direct taxation. Then, they felt that there would not be any appreciable increase in tax burden. Last week, they were pessimistic again. But, since Monday this week, the pessimism has receded to the background, yielding place to cautious optimism. A considerable section of the market has been contending that Mr. Morarji Desai is a realist and that, if he cannot give any relief or even tone down some of the harsh features of the present system of direct taxes, he will at least desist from making it more harsh. Its conviction seems to have been strengthened to some extent by the conclusions and suggestions of the experts who carried out a study of the impact of the present tax system on private investment under the auspices of the National Council of Applied Economic Research. Anway, the vast majority of operators are hoping for the best and there is no inclination on the part of speculators to build up a heavy short position.

New Issue Boom Over

Three weeks ago, we referred in these columns, albeit briefly, to the end of the craze for shares of new companies. All available evidence since then only serves to confirm the fact that the craze for such issues is definitely over. Premiums on such issues have either disappeared or declined steeply from the fantastic levels that were common till about July 1960. In fact, in some cases, some of the issues are now quoted at a discount. The following table substantiates this statement:

Name of issue	Highest price touched	Current price
	Rs.	Rs.
Synthetics and Chemicals Ltd.	230.00 premium	54.00 premium
Zenith Steel Pipes Ltd.	3.00 "	0.25 discount
Seshasayee Paper and Boards Ltd.	3.50 "	0.85 "
General Tyres Ltd.	1.75 "	Par
Raymon Engineering Works Ltd.	1.00 "	3.50 "
Andamans Timber Industries Ltd.	0.75 "	2.50 "
Hindusthan Twyfords Ltd.	7.00 "	3.37 premium
Isaac Holdens (India) Ltd.	7.00 "	2.87 "
East Anglia Plastics (India) Ltd.	17.00 "	5.06 "
Citric India Ltd.	85.00 "	6.00 "
Baroda Rayon Ltd.	75.00 "	21.50 "
Premier Tyres Ltd.	60.00 "	21.50 "
Hindustan Aluminium Corporation Ltd.	2.50 "	Par
Usha Martin Black Ltd.	1.75 "	Par

In part, this change is to be welcomed. A more healthy situation has resulted, in which investors make a cool-headed assessment of income and growth prospects before applying for new issues. The rampant speculation, which was encouraged by the certainty of heavy oversubscription, has ceased.

There is the fear, however, that, as the number of new issues offered for public subscription increases, as they will do in the next few months, the satisfaction over conditions in the stock market may give place to anxiety. Already, oversubscription is not as common as before. There have been cases where even good concerns with attractive prospects and first-rate foreign collaboration have only just managed to secure the capital they asked for and, in others, the underwriters have had to take a part of the public offer, because of poor response. Examples in this respect are Thakur Paper Mills Limited and Mahendra Electrical Limited. In the case of the Madras Aluminium Limited, it is believed that the underwriters had to take up approximately 25 per cent of the issue.

There can be no doubt that this trend will become more pronounced as time goes on. It is doubtful whether new investible funds are coming into existence as fast as the demand for them is growing. In such conditions, there is the danger that the expansion of the private industrial sector may receive a setback. With all its defects, the stock market boom of 1960 made it possible for a large number of new industrial enterprises to be launched. With the end of the boom, private industry may soon have to face the old difficulty of finding capital for development. The credit curbs applied by the Reserve Bank have reduced the amount of funds available for new issues against overdrafts. Furthermore, savings have been eroded by the existing high level of taxation and the flow of fresh investible funds has been reduced to a trickle. In this context, the remarks made at a Press conference in Calcutta by Mr. S. P. Chambers, Chairman, I.C.I., London, to which a reference was made in these columns last week, are significant. He pointed out that, even in the Soviet Union, taxation was more realistic than in India. He also described as self-frustrating the Indian Government's efforts to raise a lot of capital and resources from taxation because they were discouraging to greater investment by foreigners in India.

The argument heard during the boom that the activity of the stock market and specially of new issues demonstrated that taxation could not be considered heavy, has now lost even the shadow of justification. It is to be hoped that the Budget proposals for 1961-62 will be based on present conditions and those that are likely to exist in the future, rather than on the artificial and misleading conditions of the 1960 boom.

Shares and Dividends

Should the dividends deducted from quotations for shares after they become *ex-div.* be gross or net? There would appear to be some confusion among the investing public over this issue, in view of the different ways of expressing quotations. The correct position is explained below by taking the example of the shares of Associated Cement Companies Ltd:

The dividend declared by the Company for the year 1959-60 was Rs. 12 gross. Since the Company paid on behalf of shareholders 30 per cent tax to the Government, the net dividend to shareholders works out to Rs. 8.40. This means that the *cum-div.* quotation for the scrip included only the net dividend, that is, Rs. 8.40, and not gross dividend. After the payment of dividend fell due, the shares came to be quoted *ex-div.* Naturally, the deduction of dividend has been Rs. 8.40. Only persons whose incomes do not exceed the taxable limit and who have obtained exemption certificates are entitled to a dividend of Rs. 12 from the Company without deduction of tax. It is supposed here that the shares in question were purchased by him before the closure of transfer books.

Raising Textile Output

The question of augmenting cloth production was, once again, considered by the Committee of the Indian Cotton Mills' Federation at its meeting held on Wednesday this week. Here is the gist of what was decided at the meeting:

"... the regional associations should go into the question in greater detail. In particular, they should examine the question from the point of view of the availability of coal and electricity, besides seeking the co-operation of labour for multiple-shift working ... the Bombay and Ahmedabad mills should take early steps for introducing third-shift working wherever possible. Further, all centres should explore the ways and means of increasing production by introducing the relay system and the staggering of holidays. Negotiations should be initiated with labour unions and the good offices of the State Governments should be sought for this purpose."

It will be seen from this brief account that the Federation has merely reiterated the importance of achieving higher cloth production through third-shift working, etc. How far and to what extent will the call of the Federation bring about an increase in output is anybody's guess. There is, of course, one favourable factor which points to the possibility of higher production, namely, adequate supplies of cotton. A rise of 10 per cent in production as desired by the Federation means that the actual output in 1961 should be about 5,548 million yards of cloth and 1,910 million lbs. of yarn, as compared with 5,044 million yards and 1,737 million lbs. produced last year. In order to spin 1,910 million lbs. of yarn, approximately 5.66 million bales (of 400 lbs. each) of cotton are required. As against this quantity, the estimated available supply during the current cotton season (1960-61) is nearly 7.73 million bales comprising the crop of 5.30 million bales (latest unofficial estimate), previous season's carry-forward stock of 1.48 million bales and imports of 953,000 bales.

Raw Cotton—Unwarranted Fears

The fear of a glut developing in the cotton market in the near future and its possible repercussions on next year's production, expressed in some quarters, is exaggerated. Nay, it is unwarranted. It is the fairly substantial decline in ready cotton prices in the past week that has given rise to this disquieting talk. The current spot price of Moglai Jarilla 25/32", the basis of the hedge contract, for instance, is Rs. 670 per three quintals, as against the ceiling price of Rs. 693 which was also the ruling price at the beginning of the year. Futures prices, too, have shown a persistent downward trend and are currently ruling at about Rs. 45 per three quintals below the rate prevailing at the beginning of the year. As compared with the prices a year ago, which were all above the ceilings, current rates are no doubt low. But it must be remembered that, last year, prices were abnormally high. Almost all varieties were quoted well above the ceiling, the premium having been as high as Rs. 150 per candy in some cases. It is common knowledge that last year's spurt in prices was due to the sharp setback to production which was a mere 3.8 million bales. When the crop turns out to be normal, as it is expected to, this season, prices too are bound to seek lower levels. Only, if prices go down to unduly low levels, will there be any reason for concern.

Viewed in this light, it looks as though the fears expressed in some quarters about hardships to growers and possible diversion of acreage from cotton are just propaganda by interested parties. It is unfortunate that, when the need for bringing down the price level is considered to be the number one problem to be solved for the success of the third Plan, the first signs of a recession in prices should be viewed with so much alarm.

The suggestions reported to have been made by the East India Cotton Association, Bombay, for dealing with the situation are, in our opinion, premature. The E.I.C.A. is understood to have recommended to the Textile Commissioner, *inter alia*, the abolition of mill quotas and release of certain varieties of short-staple cotton for export to siphon off the surplus supply and thereby arrest the falling trend of prices. It is true that, when the cotton supply situation actually becomes normal, there is no need for quotas, but it is unwise to abolish a *system*, which has enabled the mills to get regular supplies at ceiling prices, at the first signs of a return to normalcy. Moreover, none can be so sure of a crop of 5.2 to 5.3 million bales (present estimates), for there is still scope for the weather to play mischief, especially in regard to the late-maturing crops. It would be interesting to recall here that the 1959-60 crop was estimated at 4.25 million bales at the end of January 1960 last season, but the actual output turned out to be about 450,000 bales less at 3.8 million bales.

More realistic and tenable is the alternative suggestion made by the E.I.C.A., namely, that mills should be advised to purchase cotton against their quotas within a specified period. This suggestion has been endorsed by the Indian Cotton Mills' Federation which, at a meeting held in Bombay on Wednesday this week, directed the mills to make their purchases of cotton quickly, in order to improve the tone of the market. The Federation, however, recommended that the quota system should be retained.

The question of permitting export deserves to be carefully examined. Those who favour export of certain varieties such as Kalagin and Wagad point out that these crops have suffered a quality deterioration in the current season and that domestic mills are, therefore, not interested in them. If an outlet is not found for this cotton, they point out, accumulation of inferior stocks would not only depress prices further but also have adverse effects on the production of these cottons in the next season. It is further pointed out, in support of this contention, that the supply of Kalyan and Jarilla, which are good substitutes for these cottons, is adequate to take care of any possible internal demand for this type of cotton. If all these calculations are correct, there is a case for permitting export of such qualities as are not wanted by mills now and for which demand is not likely to arise in future. But, if the lack of demand for them is a temporary phenomenon, it is unwise to allow the apparent surpluses to be wiped off. It is high time a long-range policy for cotton was evolved. If there is going to be a surplus above normal requirements, it is advisable to build up a buffer stock, so that it can be utilised in lean seasons instead of having to go in for heavy imports of foreign cotton as was done during the last season. A buffer stock will also have a healthy and stabilising influence on prices.

W. German Help to U.S.

It is, indeed, a happy coincidence that, on the very day President Kennedy sent to the Congress a special message containing a series of steps to eliminate the U.S. overseas payments deficit, to end the strain on Treasury gold stocks and to sustain foreign confidence in the dollar—that is, on Monday the 6th inst.—the West German Government officially announced a fourfold programme of action to help the U.S. out of its balance of payments difficulties. The programme envisages (*a*) immediate repayment of $587 million of West Germany's post-war American debt; (*b*) payments at once of $325 million for American supplies, including $200 million for supplies to be ordered this year; (*c*) financing from Germany's own aid fund development projects up to $75 million now being worked out by the Development Loan Fund in Washington; and (*d*) enhancement of German contribution to the N.A.T.O. infra-structure programme from 14 to 20 per cent, thereby relieving the U.S. of $12 million annually which it would otherwise have to pay. West Germany has also expressed its readiness to lend a part of its own development aid funds (as long as they are idle) to the D.L.F., subject to payment of interest, besides agreeing to the utilisation of drawing rights on the I.M.F. in D-marks upto the full German quota.

At the same time, the German Government has expressed the hope that, of the remaining debt it owes to the U.S. Government, it will be allowed to use a sum of $200 million to pay off the German citizens whose properties in the U.S. were confiscated during the war.

The above proposals, it is estimated, will make available to the U.S. about a billion dollars ($1,000 million). This is not an inconsiderable sum; it is equal to about one-seventh of Germany's gold and net foreign exchange holdings and one-fourth of the U.S. balance of payments deficit in 1960. President Kennedy has estimated that this gap in the current year will only be $2,000 million, in which case the offers made by Germany will suffice to cover half the deficit. It needs to be noted here that, if the U.S. accepts the German offers, Germany has to make a similar gesture in regard to the war-time debts it owes to Britain and France also.

While these offers of W. Germany, together with its earlier measures such as reduction in the Bank rate, prolonged Bundesbank's credits to World Bank and the Government's decision not to tie its own credits for the needy countries to German deliveries, reflect that country's anxiety to relieve the stress on international payments position, the U.S. seems to feel that Germany is not doing enough. The U.S. official reaction to the latest proposals, a recent report from Washington says, has been noticeably sparse and, "among the U.S. public and in Government circles, there is a widespread impression that the Bonn suggestions in their present form still do not come up to U.S. expectations." It is, however, conceded that the proposals constitute a concrete basis for future negotiations. Mr. Dean Rusk, U.N. Secretary of State, did state at a Press conference immediately after the West German proposals were announced that the whole problem would be further negotiated. It will be interesting to know the final understanding that would be reached between the U.S. and West Germany. Meanwhile, observers in the West, especially the U.S., emphasise that West Germany should not reduce the aid already promised to developing countries on the ground that it is making large payments to the U.S., nor couple the repayment of war debts with a return of German property confiscated by the U.S. during the second world war.

EQUITIES LOOK UP

TEXTILES WELL FAVOURED

(From Our Own Correspondents)

BOMBAY, *9th February*

EQUITIES on the Stock Exchange moved rather irregularly on Friday, but tended to look up after the new account period started on Monday the 6th inst. The rise in values followed speculative support induced mainly by the belief that the Central Government Budget for 1961-62 might not contain any fresh direct tax proposals but actually provide some relief, particularly in regard to taxation of bonus shares. There were also scattered investment enquiries stemming from encouraging outlook for industries. The continued improvement in the offtake of both cotton and rayon textiles, hopes of a fall in the prices of industrial raw materials, and renewed rumours regarding an early increase in steel retention prices also favourably influenced the sentiment of the market.

In the steel section, Tata Steels, which had declined from Rs. 145.25 to Rs. 144.25 on Friday, moved up thereafter and touched a high of Rs. 146.75 today. At this level, some profit-taking set in and the scrip finished at Rs. 146.25. The net gain over the week was one rupee. Indian Irons rose from Rs. 24.36 to Rs. 24.60 before closing at Rs. 24.48. Mukand Irons gained 24 nP to Rs. 24, after being higher at Rs. 24.24.

Textiles were well favoured. Operators noted the call of the Cotton Mills' Federation to the member-units to step up production through third-shift working, relay system and staggering of holidays. Standards continued to be sought after and spurted by Rs. 22 to Rs. 1,114. Centurys advanced by Rs. 9 to Rs. 487. Minervas by Rs. 8 to Rs. 72 and Kohinoors by Rs. 5.75 to Rs. 278.25. Indores hardened by Rs. 5 to Rs. 138. Shree Niwas strengthened by a like amount to Rs. 247. Svadeshis put on Rs. 4.50 to Rs. 238.50. Gokaks and Ahmedabad Advances gathered Rs. 3.50 each to Rs. 175 and Rs. 168, respectively. Elphinstones increased by Rs. 2.50 to Rs. 66.50 and Tata Mills by 95 nP to Rs. 42.20. Bombay Dyeings rose from Rs. 61.30 to Rs. 62.40 but finished at Rs. 61.80. Apollos were firm at Re. 1.54, B.R. Cottons at Rs. 22, Central Indias at Rs. 102, Finlays at Rs. 330, India Uniteds at Rs. 14.44, Khataus at Rs. 450 and Simplex at Rs. 168. Morarjees, however, encountered selling and dropped Rs. 4 to Rs. 336.

Among electrics, Tata Powers moved up by Rs. 8.75 to Rs. 1,020, Hydros improving by 25 nP to Rs. 101. Ahmedabads gathered 70 nP to Rs. 86.50. Bombay Suburbans were firm at Rs. 84.

In the banks section, Denas hardened by Rs. 2.50 to Rs. 58. Bank of Indias rose by Rs. 2 to Rs. 119.50. Centrals put on a rupee to Rs. 57, 'A' shares being fully steady at Rs. 59. United Commercials increased by 50 nP to Rs. 65.50. Barodas, however, declined by 80 nP to Rs. 94.50 and Unions by 4 nP to Rs. 6.48.

Sugars suffered a further fall in values, owing to the refusal of the Maharashtra Government to exempt the cane farms attached to sugar mills from the Land Ceiling Bill, though some comfort was derived from the statement of the Revenue Minister in the Legislative Assembly that nothing would be done to retard the progress made by the industry. Phaltans fell by Rs. 4.50 to Rs. 146. Walchandnagars receded by Rs. 2.50 to Rs. 225. Belapurs began the week at Rs. 296, as against the previous close of Rs. 302.50, and, after moving up to Rs. 307 today, finished lower at Rs. 302. The net loss over the week was 50 nP. Changdeos were quiet at Rs. 29.50, as also Bhopals at Rs. 29 and Ravalgaons at Rs. 104. Oudh Sugars (a U.P. concern) met with special support and recorded a rise of Rs. 4 to Rs. 200.

Cements tended to look down with the exception of Associated Cements which hardened by Re. 1.65 to Rs. 144.50 *ex-div.* Digvijays declined by a rupee to Rs. 148.50, Jaipur Udyogs by 34 nP to Rs. 11.24, Orissas by 8 nP to Rs. 13.62 and Bone Valleys by 4 nP to Rs. 4.64.

In the automobiles group, Hindustan Motors picked up 28 nP to Rs. 20.20, while Premier Automobiles lost Rs. 2.25 to Rs. 163.75 on the reported large delivery at the last settlement by an institutional investor. Among shippings, Scindias were firm at Rs. 14.20, but Great Easterns eased by 32 nP to Rs. 14.52.

Engineering shares continued to attract good attention by investors. Alcock Ashdowns scored a gain of Rs. 9 to Rs. 264. Telcos strengthened by Rs. 5 to Rs. 299, after being higher still at Rs. 304.75 on Tuesday the 7th inst. Cooper Engineerings hardened by Rs. 2 to Rs. 175. Kamanis rose by Re. 1.08 to Rs. 16.44, New Standard Engineerings by Re. 1 to Rs. 170, Larsen and Toubros by 25 nP to Rs. 37.75 and Mahindras by 12 nP to Rs. 21.36. Premier Constructions, however, came in for selling and dropped Rs. 4 to Rs. 188. Among minings, Shivrajpurs spurted by Rs. 8 to Rs. 79 on expectations of higher dividend. Indian Coppers gathered 18 nP to Rs. 4.88 on reports of higher production and expectation of a right issue at least in the current year.

In the miscellaneous section, Alembics advanced by Rs. 12 to Rs. 247 and New India Industries by Rs. 10 to Rs. 410. Despite rumours regarding a possible upward revision in excise duty on rayon goods, rayon shares met with good buying support. Indian Rayons spurted by Rs. 12.50 to Rs. 64.50, Nationals by Rs. 8 to Rs. 508 and Gwaliors by Re. 1.25 to Rs. 44. South India Viscose was done at Rs. 147.50 *ex-right*. Bareda Rayons, however, lost Re. 1.50 to Rs. 121.50. Synthetics improved by Rs. 7 to Rs. 129, Polychems by Rs. 2.50 to Rs. 225 and Dhrangadhras by Re. 1 to Rs. 119. But Indian Dyestuffs shed Rs. 10 to Rs. 460. Amar Dyes Rs. 3.75 to Rs. 360 and Adarsh Chemicals Rs. 2 to Rs. 60. Bombay-Burmahs rallied from Rs. 553.50 to Rs. 564.50 yesterday but declined to Rs. 558 today. The net rise over the week was Rs. 4.50. Wimcos gained Rs. 2 to Rs. 260. Philips Carbons were better by a rupee at Rs. 16.52. Isaac Holdens gathered 24 nP to Rs. 8.48. Greaves Cottons rose by Rs. 3.50 to Rs. 155.50. Voltas gathered 50 nP to Rs. 259.50. Tata Chemicals picked up 36 nP to Rs. 18.16 and Oils 30 nP to Rs. 74.80. Anil Hardboards, however, declined by Rs. 11 to Rs. 166, Ceat Tyres by Rs. 5 to Rs. 225 and Premier Tyres by Re. 1.50 to Rs. 96.50.

• • • •

Calcutta Stock Exchange

CALCUTTA, *8th February*

Apart from bullish activity in Indian Irons and a few features in coals, jutes and miscellaneous industrials on interested buying, the Stock Exchange presented a dull phase during the week under review. Yesterday's trend revealed a modest recovery. While operators and investors were generally disinclined to increase commitments in view of Budget uncertainties and several rumours now circulating, activity in steel shares was encouraged by continued expectation of an increase in retention prices. The view that the reported, yet unconfirmed, increase of Rs. 25 a ton would not affect the return to shareholders, as the same would be towards the increased cost of production, appears to have been ignored in the bullish enthusiasm the talk of increase had released. That the gain in price was insignificant showed how even bulls became cautious. However, the fact that, despite shortage of coal and limestone and a fall in the quality of coal, production of the Indian Iron and Steel Company, Ltd., in January had been satisfactory prevented profit-taking to get the upper hand and this aspect aided the price to stabilise at the improved level during the week. Pig iron produced was higher at 112,649 tons (111,516 tons in the previous month), and saleable steel at 71,540 tons (61,395 tons) comprising semis 14,912 tons (20,437 tons) and finished steel 56,628 tons (40,958 tons), while steel ingots at 83,787 tons (86,424 tons) recorded a small decline. This good result, despite difficulties encountered, also evoked enthusiasm. The higher production in Jamshedpur was another factor which imparted steadiness. It was noted that optimistic reports relating to the forthcoming budget were not reflected in Bombay advices—a factor that explained the caution here. Selected coals continued to be bought on expectations of foreign aid for expansion, while the announcement of good corporate results highlighted activity in miscellaneous industrials. The increased output this season failed to attract attention in sugars, as export prospects were not considered to be bright. In jutes, the satisfactory dividends for the Bird-Heilgers group of mills were noted, but the difficult fibre supply position shrouded activity in a general way.

On interested buying, Burrakurs, among coals, rose to Rs. 19.06 from Rs. 18.50. For the same reason, Equitables at Rs. 28.56 were higher by more than one point, while Central Indias shaded to Rs. 11.37 from Rs. 11.53. South Karanpuras at Rs. 11.87, after being tractionally better, receded to Rs. 11.69. Bengals scored to Rs. 319.50 from Rs. 314. At Rs. 7.50, Western Bengals recorded a small gain. Amalgamateds were unchanged at Rs. 21.31.

The lower levels in jutes attracted buying and, though the volume of business was lower, the threshold suggested recovery. Kelvins were pushed up from Rs. 136 to Rs. 149, with Anglo-Indias at Rs. 165 scoring a gain of Rs. 10. Another feature was the rise in Budge Budges from Rs. 127.50 to Rs. 129. Caledonians changed hands at Rs. 125, at which the gain was Rs. 5. Gouripores were put through at Rs. 333, as against Rs. 325, and Kinnisons at Rs. 147, as against Rs. 144, while Nuddeas sagged from Rs. 46.50 to Rs. 45.25 and New Centrals from Rs. 18.62 to Rs. 18.12. Ganges at Rs. 10 disclosed a small loss, as did Kanknaras at Rs. 75.50. Megnas were quiet at Rs. 11.12, Birlas moving down from Rs. 29.12 to Rs. 28.75 and Empires from Rs. 15.28 to Rs. 14.50.

Engineering shares were about firm. Indian Irons opened at Rs. 24.53 and at one time receded to Rs. 24.35. A recovery set in to raise the rate to Rs. 24.82 but fell to close at Rs. 24.39. Texmacos were quiet at Rs. 22.70. Jessops recovered to Rs. 20, after being lower at Rs. 19.87. Guest Keen Williams were better at Rs. 38.06, but Braithwaites were unchanged at Rs. 31.50.

On expectations, and/or reports of good corporate results, miscellaneous industrials recorded some features. On a good dividend, Electrical Construction Equipment were better at Rs. 12.44. National Pipes and Tubes continued to be in good demand and at Rs. 23.94 were fully steady. Rallis were a late feature for the jump to Rs. 137 from Rs. 132. Ballarpore Papers, carrying a rights issue, were better at Rs. 72. On good working report and a dividend of 25 per cent taxable, Angelo Bros. were firm at Rs. 22. Hindustan Motors gained to Rs. 19.75 from Rs. 19.44. Dunlop Rubbers recovered to Rs 41.37 from Rs. 30. Union Carbides, though unchanged, were firm at Rs. 48.75

Among teas, Ranicherras recovered to Rs. 16.50 from Rs. 16.19, Nagaisurres at Rs. 163 being higher by Rs. 3. Mohemas eased from Rs. 12.31 to Rs. 11.50 and Brooke Bonds from Rs. 15.50 to Rs. 15.

• • • •

Madras Stock Exchange

MADRAS, *8th February*

Distinctly steady conditions prevailed on the Stock Exchange during the week under review. Investment support was in evidence in several counters, barring sugar shares which encountered some selling and drifted lower. There was a fair volume of turnover in both cleared and cash scrips. Operators seemed to be somewhat optimistic about the forthcoming Central Government Budget. Textiles generally ruled firm, thanks to better advices from piecegoods and yarn markets. Reports from Ceylon indicating relaxation in restrictions on imports of low-priced textiles to that country were welcomed. Banks and electricals evoked larger enquiries. Among miscellaneous industrials, cements and chemicals were particularly cheerful.

In the textile section, Coimbatore Cottons attracted good attention and firmed up by Rs. 9 to Rs. 169. Coimbatore Spinnings advanced by Rs. 5 to Rs. 49. Lakshmis spurted by Rs. 2 to Rs. 156 before closing at Rs. 153. Rang Vilasas strengthened by a rupee to Rs. 41. Travancore Rayons hardened by 40 nP to Rs. 34.40. Radhakrishnas gathered 37 nP to Rs. 29.12. Kotharis put on 15 nP to Rs. 12.25. Bangalore Woollens were fully maintained at Rs. 195.50, Cambodias at Rs. 9.90, Metturs at Rs. 369 and Premiers at Rs. 225. Buckinghams, however, dropped Rs. 4 to Rs. 191, following selling by some quarters.

Among teas, United Nilgiris strengthened by 40 nP to Rs. 29.90. Chembras were quoted at Rs. 3.85 *ex-right*, as against Rs. 3.55 *cum-right* last week. Haileyburias improved by 25 nP to Rs. 13.90. Peermades picked up 12 nP to Rs. 22.30. Blue Mountains rose initially from Rs. 3.88 to Rs. 3.95, but declined subsequently to Rs. 3.93, the net gain over the week being 5 nP. Periakaramalais gathered a like amount to Rs. 3.62. Devasholas were fully steady at Rs. 30.50, Nilgiris at Rs. 6.41 and Nonsuchs at Rs. 26.40. But Coonoors were neglected at Rs. 27.25, following the announcement of the final dividend of 7½ per cent, making a total of 17½ per cent, taxable, for the year ended September 1960, as compared with 20 per cent, taxable, for the previous year.

Coffees ruled firm. Coffee Lands rallied from Rs. 18.50 to Rs. 19.50. Amalgamateds rose by 40 nP to Rs. 13.65. Wartyhullys gained 10 nP to Rs. 3.35. Mysore Coffees put on 5 nP to Rs. 5.45. Ouchterlonys gathered 4 nP to Rs. 4.64. Oscoors were a shade higher at Rs. 3.41. Bababudins were firm at Rs. 8.75. The Directors of the Company have declared a dividend of 8 per cent for the year ended June 1960, as against 12½ per cent for the previous year. Consolidated Coffees rose from Rs. 23.25 to Rs. 23.35, before finishing at Rs. 23.15. Kumergodes shed 7 nP to Rs. 4.70. The Company has maintained the dividend for the year ended October 1960 at 20 per cent, taxable.

In the rubber section, Thirumbadis spurted by 27 nP to Re. 1.77. There were rumours that the Company was contemplating to dispose of the Calicut Estate. Midlands rose by 15 nP to Rs. 11.50 and Highlands by 5 nP to Rs. 14.75. Cochin Malabars were fully steady at Rs. 7.55, while Rajagiris declined by 5 nP to Rs. 19.

Sugars, as already stated, drifted lower. Cauverys fell by a rupee to Rs. 138. East India Distilleries eased by 50 nP to Rs. 40.25. Deccans declined from Rs. 14.80 to Rs. 14.50, before closing at Rs. 14.65. The net loss over the week was 15 nP. Travancores and Mysores were quiet, the former at Rs. 10.70 and the latter at Rs. 59.75. United Breweries, however, met with special support, the quotation forging ahead from Rs. 95 to Rs. 110.

A rise of Rs. 3 to Rs. 133 in the quotation of Rallis, following the announcement of the maiden dividend of 4 per cent, taxable, for the year ended August 1960, was a feature of trading in the miscellaneous section. Among cements, Indias and Dalmias hardened to Rs. 6.15 and Rs. 11.25, respectively. Orissas were firm at Rs. 13.55 and Travancores at Rs. 8.60. Among chemicals, Metturs rose by 35 nP to Rs. 13.35 and F.A.C.Ts by 27 nP to Rs. 10.12. Mysore Fertilisers were maintained at Rs. 10.90 and Mysore Chemicals at Rs. 26.10. Among others, Leylands put on 7 nP to Rs. 8.77 and Aluminium Industries 3 nP to Rs. 22.83. T. Stanes were fully maintained at the last week's level of Rs 36.

COAL PRODUCTION IN PUBLIC SECTOR

With a total producton of a little more than a million tons of coal in January 1961 from the collieries in the public sector, the rate of production, it is claimed, has now exceeded 12.4 million tons per year, as compared with an annual rate of 5.1 million tons in June 1960. It is thus sought to be made out that the second Plan's target of 12 million tons in the public sector for the end-year has been reached and even slightly exceeded. This manner of comparing performance with the target is somewhat misleading. If production in January this year has come to a million tons and it continues to be maintained at this monthly level in the next 11 months of the current year, it will virtually mean that the second Plan's target of annual production will be achieved only in the first year of the third Plan.

NEWS IN BRIEF

THE next meetings of the Import Advisory Council and the Export Promotion Advisory Council will be held at New Delhi, the former on the 6th and the latter on the 7th of next month.

Yugoslavia has agreed to build a cement factory in Assam, under a contract signed at Belgrade last week between the Assam Cement Ltd. and the Zagreb Ingra Enterprise.

The Hindustan Teleprinter Ltd., Madras, the first teleprinter factory in the public sector, is expected to manufacture 170 teleprinters by the end of this year. It will attain full production—1,000 machines annually—by 1963-64. Messrs. Olivetti of Italy are providing technical collaboration in the project.

The view that the present surplus of copper in the world is only a temporary phenomenon has been expressed by Sir Ronald Prain, Chairman of the Rhodesian Selection Trust Group of Companies, who is now in India at the invitation of the Federation of Indian Chambers of Commerce and Industry. Production cutbacks announced by the major producers, according to him, will eventually help stabilise prices.

A training scheme for secretaries of co-operative farming societies has been formulated by the Government of India. The scheme envisages the setting up of 15 training centres initially at an estimated cost of Rs. 58 lakhs. The proposed centres, which will train about 600 persons, will function in close co-operation with the extension training centres started under the community development programme.

Production of tea in India during 1960 was lower at 696.1 million lbs. as compared with 716.1 million lbs. in 1959. The decline was accounted for solely by North-East India, where output declined from 561.2 million lbs. to 527 million lbs. Production in South India, however, improved from 154.9 million lbs. to 169.1 million lbs. Ceylon's output of tea in 1960 was higher by 23 million lbs. at 436 million lbs. Production in Indonesia and Africa was also better last year.

The Kerala Agrarian Relations Bill, 1957, the Jenmikaram Payment (Abolition) Bill, 1957 and the Kerala Agriculturists Debt Relief (Amendment) Bill, 1958 have received the President's assent. These Bills, as initially passed by the Kerala Legislative Assembly, were reserved by the State Governor for the President's consideration under certain Articles of the Constitution. Later, they were returned to the Assembly, which modified them in the light of the President's directives.

The official indices of wholesale prices and industrial production in India are expected to be revised soon in the light of the report of the official Committee, headed by Mr. K. B. Lall, Additional Secretary to the Commerce and Industry Ministry. In this report, the Committee is believed to have opined that 1952-53 can no longer be a suitable base year for measuring the movements of prices and production because "the texture of the country's economy has radically changed since then."

The National Council of Applied Economic Research, New Delhi, has suggested, in a report to the Government of Mysore, that a deep sea port should be established at Mangalore, in view of the good prospects for traffic in general cargo and iron ore. The report is the first of a series of studies proposed to be conducted by the Council on Mangalore and Malpe ports at the request of the State Government. In the meantime, West Germany and Italy are understood to have expressed their willingness to assist in the development of Mangalore port, if India agrees to supply them iron ore on a long-term basis.

The foundation-stone of a Rs. 10-crore acetate moulding powder plant at Calcutta was laid by Dr. B. C. Roy, Chief Minister of West Bengal, last week. The plant is being put up by the East Anglia Plastics Ltd. It will produce at a later stage its own primary raw material, namely, cellulose acetate flakes. The end products of cellulose acetate range from kitchen utensils to telephone and tool handles. The raw material for cellulose acetate can be derived from alcohol and cotton linters, which are the by-products of sugar and cotton, respectively.

• • • •

From Abroad

The Swedish Government has decided to abolish the upper age limit for people entering civil service or taking other jobs with State agencies in general.

The Bank of England has agreed to refinance the final 18 monthly instalments of export credits granted to firms by banking organisations in the U.K. This facility will enable the banks concerned to convert this portion of export credits into liquid assets.

A 24-member commission has been appointed by King Mahendra of Nepal to investigate the present structure of taxation in the country and to recommend measures to raise revenue from this source. Mr. Tanka Prasad Acharya, a former Premier, is the Chairman of the Commission.

Gross fixed investment in industry in West Germany amounted to DM 13,720 million during 1959, about 8 per cent. more than in 1958. By major groups of industries, the investment goods industries (which include a wide range of consumer durables) invested DM 3,870 million (an increase of 18 per cent over 1958), the 'soft' consumer goods industries DM 1,820 million (8 per cent), and the basic and production materials industries (including a.o. steel, cement and chemicals) DM 5,080 million (up 5 per cent.)

Austria has agreed to give a credit of about $28 million to the World Bank consortium, assisting India in the implementation of the third Plan. This represents almost double the offer of $14 million made last year. The credit is also for a longer term than originally envisaged. The Austrian State-owned steel works is also expected to provide Hindustan Steel with machinery and other equipments. The agreement followed talks which Mr. S. Boothalingham, Secretary of the Union Ministry of Steel, had with the representatives of the Austrian Government at Vienna last week.

The Ceylon Government has decided to allow the import of cloth, the c.i.f. value of which is less than Rs. 2 a yard, without a permit. The decision is presumably prompted by the need to afford relief to people who would otherwise have been hit by the all-round increase in import duties and restrictions imposed recently in a bid to conserve foreign exchange. The concession will not, however, extend to banian cloth and sarongs on which protective restrictions have been in force. The concession will benefit trade with India which has been the major supplier of low-priced textiles to Ceylon.

The Indonesian Government has signed a contract for three complete cotton spinning factories—a total of over 90,000 spindles—with Messrs. Platt Bros., well-known British manufacturers of textile machinery. The contract covers the supply of all necessary machinery and equipment, as well as prefabricated factory buildings, electrical power generators, and technical services. Value of the machinery and buildings is about £5 million. This is the first contract to be signed between Indonesia and the U.K. in which payment is to be made on the basis of the extended credit terms made available last year for British exports to Indonesia. A special feature of the contract is that full technical and training services are to be provided, along with the machinery and buildings. Indonesian technicians will be trained overseas, and a team of U.K. experts and engineers will be made available in Indonesia.

Rice (in terms of paddy) production in India during 1960-61 is estimated at about 45.5 million tons—substantially higher than the previous record output of 1958-59—according to the latest Commonwealth Economic Committee's *Rice Bulletin*. Thailand expects a crop of more than 7.3 million tons—some 200,000 tons more than in 1959-60. Burma's crop is, however, estimated slightly lower at 6.77 million tons. The U.S. has a larger harvest, estimated at 2.43 million tons. Exports from Thailand and Burma in January-November were considerably higher than in 1959, although the level of exports from both countries has fallen in recent months. Cambodian exports in the first ten months of the year were two-thirds higher than a year earlier. Exports from South Viet-Nam in January-September were nearly double those in the first nine months of 1959. During January-October, India imported 325,000 tons of rice and Ceylon 213,000 tons from Burma.

Substantial increases in British National Health Service charges and contributions were announced by Mr. Enoch Powell, Minister for Health, in the House of Commons on the 1st inst. The charges for prescription will be raised from 1*s.* to 2*s.* an item, with effect from 1st March 1961 and the N.H.S. contribution will be enhanced by 1*s.* a week (10*d.* from the employee and 2*d.* from the employer) for men from the beginning of next July. The charges for dentures, spectacles and amenity beds will also be raised; welfare foods will be sold at prices which cover cost. As a result of these increases, the proportion of gross health service expenditure borne by the Government will fall in 1961-62 to the lowest level since 1949-50. The Exchequer will bear 70.7 per cent of the cost, as compared with 76.3 per cent if the charges had remained the same. The estimated gross expenditure of £850 million on health services in 1961-62 will be distributed as follows: Exchequer: £601 million, contributions: £148 million, charges: £50 million and other revenues: £51 million.

PERSONAL

MR. A. D. Calhoun, Senior Vice-President of the First National City Bank of New York, has arrived in Bombay on a visit to the Bank's branches in India.

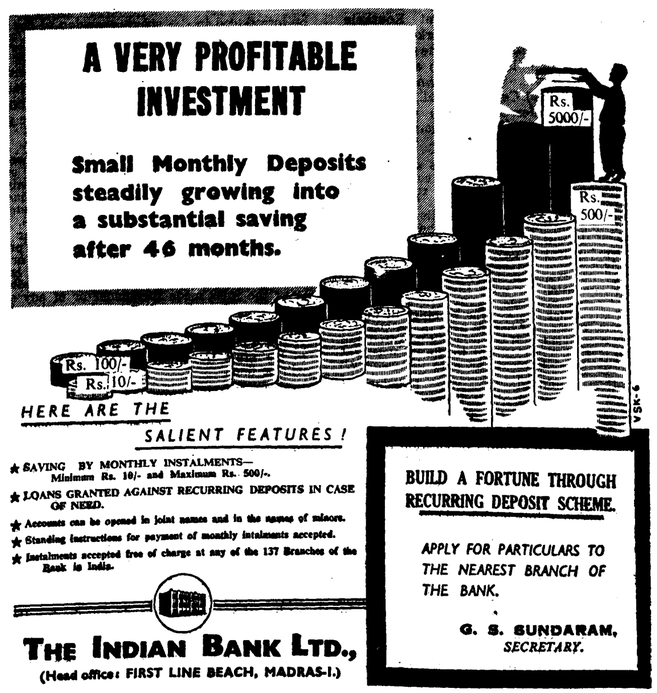
Mr. J. K. Michie, Chairman of National and Grindlays Bank Ltd., accompanied by Mr. G. T. Gillespie, General Manager, has just completed a visit to the Bank's branches in India in connection with the recent merger with the Eastern branches of Lloyds Bank Ltd.

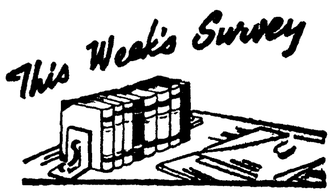
Mr. Stevenson, a representative of the British Iron and Steel Federation, Mr. T. Wakefield, a senior official of the British Iron and Steel Corporation, and Mr. P. Beckwith, Assistant Sales Manager, Messrs. Dorman Long Steel Ltd., have arrived in India on a business-*cum*-study tour.

Mr. Ulrich Neumann, President of the West German firm M.A.N., has arrived in New Delhi to hold negotiations with the Government of India in connection with the proposal to manufacture big-size marine engines in the public sector. He will also suggest the site for locating a heavy steel structural manufacturing plant in Northern India.

Mr. C. R. Wheeler, Chairman of Guest Keen Iron and Steel Company Ltd., Additional Vice-Chairman of the Associated Electrical Industries Ltd., and a Director of the Steel Company of Wales, has been appointed President of the British Iron and Steel Federation for 1961, in place of Mr. R. F. Summers.

Mr. S. K. Venkatachalam, until recently Deputy Secretary in the Union Ministry of Transport and Communications in the Department of Transport (Shipping), has taken over charge as the Senior Deputy Director-General of Shipping, Government of India, Bombay, *vice* Mr. C. P. Srivastava, who has been appointed Managing Director of the State-owned Eastern and Western Shipping Corporation.





PROF. VAKIL'S WARNING

LIKE an expert physician who correctly diagnoses from symptoms the nature of a disease, Prof. C. N. Vakil, who needs no introduction to readers, has clearly indicated the economic malady from which the country is suffering at present. Prof. Vakil could not have chosen a better theme for his third lecture, in the series "Visvesvaraya Lectures" under the auspices of the Indian Institute of Economics, Hyderabad, delivered by him recently, than the problem of national unity and national integration from the economic point of view. For it is common knowledge that there are some strong forces of disunity and disruption which, if not checked effectively and in time, may thwart all attempts at raising the woefully low living standards of the teeming millions. Special mention must be made of the growing regionalism or linguism resulting in the development of a type of State patriotism, the "sons of the soil theory"—that is, reservation of employment opportunities created in any particular State for the people of that State only—and its offshoot, "the key posts theory." Indeed, there is no exaggeration whatever in the warning of Prof. Vakil that, "in some cases, the situation assumes a fanatic form, dangerous for the country's growth and safety, generating weakness, instead of strength for progress."

That the country has been confronted with a serious disintegrating situation was no doubt recognised at the Bhavnagar session of the Indian National Congress early last month, as witness the special resolution on national unity and integration passed thereat. But no practical steps to carry out the spirit of the resolution were suggested. Prof. Vakil did well to draw attention to this lapse and said: "Mere resolutions will not undo the harm that is being done by the prevailing disintegrating tendencies in the country. It is an irony of the situation that some Congress Ministries in power in some States are doing exactly the opposite of what is preached in these resolutions to which they are a party in their capacity as Congressmen."

Prof. Vakil was by no means exaggerating the evil. Nor was he alone in cautioning the country against the danger. The country could not have forgotten the riots at Rourkela (Orissa) Steel Works where workers hailing from outside the State were the target of violent attacks. Similar incidents are not absent in other States. The Chairman of the Indian Iron and Steel Company, Ltd., Mr. Biren Mookerjee, also referred to this disquieting development in his statement to shareholders in the following words:

"There has been for some time an agitation sponsored by some trade unions and several of the State Governments to insist on the restriction of jobs to those popularly described as 'sons of the soil.' If this principle is carried to its logical conclusion, it will amount virtually to the negation of the right of the citizen as a member of the Union to seek employment in any part of the Union territory, a right which has been virtually guaranteed to him by the Constitution. Also, it is bound to result in retaliation by some States who may be affected by the principle rigidly applied against them by any other State. The mobility of industrial labour, which is of benefit both to the workers and their employers, will be seriously impaired and cause no small embarrassment to the management of industrial establishments all over the country."

Another industrialist, Mr. Lakshmipat Singhania, also voiced his feelings against such slogans as the "sons of the soil" and "children of the State," *vide* his speech at the annual meeting of the Aluminium Corporation of India (page 29, *Commerce* of 7th January 1961).

All this is disquieting. Unless the regional or parochial considerations yield place to a spirit of national integration, there is no hope of the country achieving a self-generating economy in the reasonable distance of time. It is in this context that Prof. Vakil put forward the following five constructive suggestions:

1. There should be perfect mobility of capital, managerial skill, technical skill and labour within the country. The existing and proposed restrictions on employment must be removed immediately without any mental reserve.

2. Movement of goods within the country should be free from restrictions.

3. In order to help the free mobility of men and goods referred to above, transport facilities are to be improved.

4. English will be a good supplement to the regional language for the acquisition of additional new current knowledge; it will be good for all-India purposes.

5. We should have adequate training for leadership in all walks of life; this involves reorientation of university education and other forms of higher education, with emphasis on specialised practical training in some branches.

It is difficult not to agree with any of the aforesaid suggestions. In fact, they are milder than even those advocated by the States Reorganisation Committee for ensuring the unity of the country. If there is to be a balanced economic progress of the country as a whole, it is of the utmost importance that national integration must be brought about in actual practice without any delay. It must, of course, be admitted that the backward regions need policies of special treatment, but their need must not be stressed too much to overlook conditions of equality of opportunity in the gains of economic progress. The implication here is that, while measures are necessary to equip the different States with what Prof. Vakil described as "the minimum socio-economic overheads" (such as transport, electricity, road systems, and facilities of technical and general education), earnest attempts must be made to create conditions favourable for the mobility of the two vital potentialities of economic growth, namely, mobility of capital and mobility of labour. Capital formation in any State of the Indian Union must be regarded as Indian capital free to be invested anywhere else in the Union. Sons of the soil are sons of India first and last. In highlighting this aspect, Prof. Vakil has certainly thrown a challenge to the powers-that-be. Will they be bold enough immediately to take steps to put a break on the policies that serve to strengthen the forces of disintegration?

CESS ON SUGARCANE

By a special Ordinance promulgated this week, the President of India has validated the collection of cess on sugarcane by the U.P. Government in the last ten years amounting to about Rs. 45 crores under three different State Acts. The issue of the Ordinance has been necessitated by a recent judgment of the Supreme Court which held that the cess was unconstitutional and invalid. The Ordinance only validates the collection of cess already made and does not give statutory enforcement to its continuance. The Government of Uttar Pradesh has, therefore, decided to replace the cess on cane by a tax on the purchase of cane by sugar mills, as well as by certain *gur*, *rab* and *khandsari* manufacturing units. An official Bill is to be introduced in the ensuing session of the U.P. Legislative Assembly. Meanwhile, the State Governor has promulgated an Ordinance providing for the levy of the aforesaid tax and the regulation of *gur*, *rab* or *khandsari* manufacture in the State. The details of the Ordinance which came into force on the 2nd inst. are given below:

A purchase tax will be levied in the case of a factory at the rate of 19 nP per maund of sugarcane and in case of other types of manufacturing unit 4 nP per maund. No unit which has not already obtained a licence under the U.P. *Khandsari* Sugar Manufacturers Licensing Order 1960, shall, without obtaining a licence from the Sugar Commissioner, carry on or undertake any process connected with the manufacture of *gur* or *rab*. The Sugar Commissioner may, in case of contravention of any of the provisions of this Ordinance or of the rules made thereunder or of any of the conditions of the licence, suspend, cancel or refuse renewal of the licence granted or renewed under this Ordinance. Any person aggrieved by an order of the Sugar Commissioner may prefer an appeal to the State Government whose decision thereon will be final.

The U.P. Govenment's move to replace cess on cane by a purchase tax may be followed by similar measures in other States as well. Such a replacement, while it sets right what is judicially held wrong, can in no circumstance justify the tax in principle, inasmuch as it tantamounts, as this journal has ere now pointed out, to the imposition of tax on raw material. Since, however, the cess on cane has become a part of the structure of taxation in the U.P. and other States, we would urge that the State Governments should at least reduce the rate of cess to a more reasonable figure—say, about three or six naye paise per maund—and utilise the whole proceeds purely for the purpose of improving the yield of cane, its quality and marketing. The balance may be retained as purchase tax and added to their general revenues. It is too much to expect any State Government to give up any part of its existing revenues when they are asked to find more resources for the third Plan.

Be that as it may, the U.P. Government has done well to extend the scope of the tax on the purchase of cane to include the decentralised sector of the sugar industry also, that is, *gur* and *khandsari* manufacture, though the rate of tax is much lower than that payable by sugar mills, beinb 4 nP, as against 19 nP. This step, together with the strict regulation of manufacture of *gur*, *rab* and *khandsari*, will surely reduce the capacity of the decentralised sector to compete with sugar mills for the available supplies of cane. It is needless to mention here that, by checking large diversion of cane supplies to *gur* or *khandsari* production, a lot of wastage of sugar is avoided, because the recovery of sugar in the decentralised sector is only two-thirds of that in the mill sector.

BRITISH TRADE UNIONISM

An illuminating lecture on British Trade Unionism was delivered in the City under the auspices of the Tata Institute of Social Sciences, Bombay, by Lord Morrison, a former Deputy Labour Prime Minister of Britain, who is on a visit to India at the invitation of the Sir Dorab Tata Trust. Lord Morrison, who was intimately connected with the trade union movement in Britain, and had himself had a hand in shaping its destinies, made certain observations on British trade unionism which are of interest to India. Specially noteworthy are his comments on general strikes and the relation of trade unions and politics. He maintained that a general strike with political implications was very questionable. The British general strike of 1926 was one such which was resisted by the Conservative Government with all its might. Lord Morrison said that most trade unions and Labour Party leaders had come to regard it as a mistake and it was doubtful whether it would happen again, unless it were against a *coup d'etat* by a possible military or other dictatorship when it would be justified. This is a point which politicians and trade union leaders all over the world would do well to ponder.

In Britain, trade unions came into politics because it was a logical extension of trade union activity. It was felt that the unions and the socialists should be independently represented in Parliament, for there were plenty of employers in Parliament already. It, however, took time for the trade unionists to realise how natural it was that they should promote a Labour Party and support its candidates. So the bulk of British trade unions were, in politics, associated with the Labour Party and cast important votes at the Party's annual conferences. It was true, however, he said, that two to three million union members out of a total membership of eight million, did not vote for the Labour Party; but the majority did vote for it.

The distinguished Labour Peer pointed out that association with the Labour Party did not prevent the Trades Union Congress, nor individual workers, from making separate pronouncements on public policy. The Labour Party, too, did not seek to interfere with the industrial policy of the trade unions and it would be strongly objected by trade union leaders if it did. It was this aspect, said Lord Morrison, which distinguished socialist trade unions in Britain from communist trade unions in other countries or even communist-dominated unions in Britain.

A comparison of British trade unions with those in India reveals some similarities and many differences. Trade unions in India, too, are allied with political parties. But, unlike in Britain, where the relationship between the Labour Party and the trade unions is in the nature of a partnership based on equality and independence, in India, trade unions are, to all intents and purposes, mere adjuncts of political parties. Far from being equals, joined together for promoting mutual interest and strength and to serve the interests of the country as a whole, trade unions in this country have become the handmaids of political parties, with their leaders dutifully taking orders from their politial bosses.

Another important point of difference is that, while in Britain trade union loyalties are almost entirely for the Labour Party, in India every political party worth the name, excepting the newly-founded Swatantra Party, has trade unions affiliated to it or under its control. Consequently, industrial peace in India is more vulnerable to political rivalries between parties. These rivalries are also bound to be reflected in inter-union relations. Trade unionists in India need to be reminded that they stand to gain more by remaining independent than by submitting themselves to political control, for they can then set all political parties seeking to woo them. Their primary concern should be protection for workers' interests—a fair wage, good working conditions and better housing. Only then can trade unions overthrow their present surveillance and stand independent of the machinations of political parties.

PUBLIC UNDERTAKINGS

Public undertakings in India are no longer experimental ventures. They have come to stay as a permanent feature of the industrial landscape of the country. Thanks to the encouragement of a socialist-minded Government, the public sector has shown a tendency for prolific growth since independence. Although, originally, only public utilities were thought fit to be brought under Government management, either directly or through independent corporations, now the field has been expanded to cover diverse industrial and commercial undertakings including banking, insurance, export trade and even distribution of cement and petroleum products.

Public sector enthusiasts in India would do well to listen to what a confirmed Socialist like Lord Morrison has to say on economic controls and the management of public undertakings. In the second of the three Dorab Tata Memorial Lectures which he delivered at Bombay last week, Lord Morrison observed:

"Economic planning and control is legitimate, but we should not engage in these things merely for the fun of it. There is no need to apply controls to everything. Otherwise, they can become irritant, instead of help to the economy. If overdone, they could choke desirable initiative and constitute an improper interference with freedom, including that of the small businesses. Economic direction for the mere sake of it is a mistake and is liable to represent an irritant and to encourage excessive bureaucracy."

Tracing the evolution of Public Corporations in his country, Lord Morrison said that, in Britain, as the Government ventured into more complicated services and commercial businesses, doubt began to be expressed whether, in these cases, straight civil service administration was right. So the Government sought to apply the principle of public ownership combined with business management. Public Corporations originated thus. The Boards of such Corporations, said Lord Morrison, were, so to speak, responsible to the nation. Although the responsibility for the day-to-day management rested with the Boards, on matters of wider policy, it was competent for the Minister to give a decision by general direction. He recalled how some politicians tried their best to get the Ministers to interfere in day-to-day policy, which would have made it difficult for the Corporations to function efficiently. Thus he pointed out that when the Labour Government's Public Corporations started to function, the Conservatives, supported by some Labour M.Ps, were leaning over backwards to persuade the Government to interfere with the Public Corporations through frequent questions in Parliament. Since similar attempts are common in our Parliament, it would be pertinent to quote Lord Morrison on this point:

"If you make a Board responsible for the day-to-day management, you cannot have Ministers constantly trying to interfere with the undertaking though they have certain powers of general direction. This argument represented the parliamentary dilemma. And there is one amusing and sometimes annoying habit of all Parliaments, namely, that they do not feel themselves obliged to be logical. They want the best of both worlds. Parliament, indeed, has tended to underestimate the opportunities for questions and debates which it has. Everything a Minister does or can do about Public Corporations are matters for parliamentary questioning and debate. So the parliamentary opportunities as to the Boards and the consumer or their councils are considerable. There is the appointment of the Boards, raising of capital and a large number of other things. These matters can be raised by means of parliamentary questions. The opportunities for debate are fully extensive. For example, on the Queen's Speech, on motions for the adjournament, on Supply Days, on Bills promoted by Public Corporations relating to their work and on the Annual Reports and Accounts which the Corporations must send to the Minister for presentation to Parliament. Later, there was established a House of Commons Select Committee on nationalised industries—which the Trade Union Congress and I feared would be a nuisance—but it has done better than might have been anticipated."

What Lord Morrison implied in these remarks was that while Parliament had every right to know what was happening, it should not frequently try to elicit information on the working of State-owned commercial corporations by using the "question hour," as this procedure is not conducive to their smooth and efficient working.

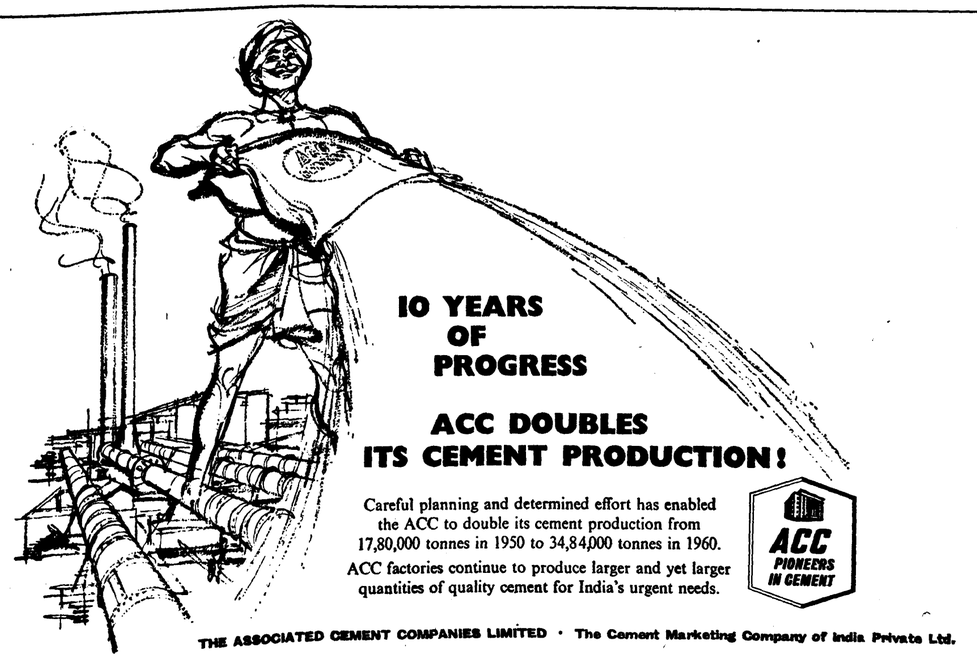
Giving his estimate of the working of Public Corporations, Lord Morrison said that gas, electricity, civil aviation, cables, and wireless were among the financial successes of Public Corporations in Britain as was the post office an example of successful, direct Government management. Coal and railways, he maintained, had not been successful, because of "their imperfect history under private ownership," and also, in the case of the latter, because "the Conservative Government has thrown overboard the idea of co-ordination between road and rail." On the whole, according to Lord Morrison, these enterprises are great and successful experiments in public ownership. He felt that, in the present-day changing business conditions, even Public Corporations, if they were to be successful, should be flexible both in their structure and management. This is undoubtedly a pragmatic view.

WHEAT MISSION'S RECOMMENDATIONS

The world wheat situation continues to cause anxiety to the major producing countries. For supply has been far in excess of demand. World wheat crop (excluding that of mainland China) is estimated to have gone up from 215 million tons in 1959-60 to 221 million tons during the current season, with the effective demand lagging behind by about 60 million tons or so. If there has still been a measure of stability in prices, such is due primarily to the ingenious export policies pursued by the Governments concerned and also to steps taken under the International Wheat Agreement, apart from restrictions imposed on the production of wheat in the major producing countries, which still provide tremendous technical possibilities of expanding output. Paradoxically enough, the underdeveloped countries like India, with their rapidly expanding population, have been afflicted by a crucial shortage of cereals. With availability of foreign exchange in these countries being limited, they can import wheat only by transferring the resources badly needed for industrial development, which will be detrimental to their long-term interests. Further, while the possibilities of expanding wheat production have increased in such advanced countries as the U.S., U.S.S.R., Canada and Australia, the position in the developing countries continues to be unsatisfactory in this respect. The wheat situation is, therefore, likely to become more and more uncontrollable in course of time, unless ways are found in good time to ensure free flow of this commodity on easy terms to places where there is a large potential market for it. What is more important today is not any artificial price support for wheat in the major producing countries, but a rational solution to the problem of bridging the gulf between the supply of, and the demand for, wheat.

Viewed against this background, the recommendations of the International Wheat Mission, which visited India, Indonesia and Japan some time back, are quite welcome. The Mission, appointed by the Wheat Utilisation Committee, which was founded in 1959 jointly by Argentina, Australia, Canada, France and the U.S., comprised representatives of Australia, Canada and the U.S. It had been asked to make a thorough study of the problems of, and prospects for, wheat consumption in the visiting countries. In its report to the Committee, the Mission has made a strong plea to make available to India

(*Continued on page 261*)



ON THE ARENA

By The Archer

The Quest for a National Bird

IT is reported that, on a recommendation from the International Committee for Bird Preservation, the Union Government proposes to adopt an Indian bird as a national symbol. The International Committee was founded in 1922 to co-ordinate the efforts of the different countries for preservation of bird life, especially in the case of migratory birds. For instance, one country might pass laws for protection of ducks which bred there, but, as these birds migrated to another country during winter, they might be shot down there by sportsmen. Again, one country might place an embargo on the export of birds' feathers, but the embargo cannot be effectively enforced unless the countries of destination agreed to ban such imports. Problems like these could be solved only by international cooperation and the International Committee came into being with the undermentioned statement of objects:

> We believe that wild bird life is of great importance in the world in helping to preserve the balance between species which Nature is constantly seeking to adjust, that birds have a great importance for science, exercise a great æsthetic influence on all right-minded people, and are of great value to mankind as food, as destroyers of rodents and injurious insects, and as incentives for reasonable field sports. We believe that, through ignorance, selfishness and from undue desire for gain, mankind is reducing the number of birds in many countries at an alarming rate, having, in fact, exterminated from the earth various interesting and valuable species.

India joined the International Committee in 1952 and set up a Board for Wild Life Preservation which is entrusted with the care and protection of wild animals as well as birds. And now the quest is on for a suitable national bird.

If the underlying idea is to afford protection from extinction, the job is one for ornithologists, assisted by geneticists, biologists, botanists and the like. But, if the choice is for a national symbol, a variety of emotional considerations may have to be examined, although some of them may be scientifically irrelevant. I believe that first ideas on the subject suggest the choice of one among the following birds: the great Indian bustard, the sarus crane, the peacock, the broad bill, the fairy blue and the shama. Also mentioned are the parrot and the mina.

The bustard is, no doubt, a fine big fellow, with a very pronounced yellow beak, four feet or over in height and weighing, on an average, ten pounds. But his name is a factor against him; if misspelt, especially in newspaper headlines, the whole nation may be held to ridicule. Imagine, for instance, the embarrassing effect of a misspelt 'bustard' in headlines like: "Bustards seek sanctuary in Maharaja's palace," or, "State Government keen on protecting bustards." Engineers and mechanics may not, perhaps, feel particularly shocked at a mutilation of the word, because they are accustomed to referring to one of their tools as "Bastard File" which is the name by which the type of steel file predominantly in use in our country is technically known. No one knows why, unless it be that a bastard file is very rough and highly abrasive on account of the minimum number of teeth cut in it. How shocking the name can be to a sensitive person not accustomed to its use is illustrated by what happened in one of the hastily erected fabricating factories in England when the war had just begun. One of the girl recruits who was reporting to the foreman received her briefing thus: "Run up to the tool room, Miss, and get yourself an eighteen-inch bastard, and then report to Bay No. 4." She stood petrified for a second, turned and walked out of the factory, and that was the last that was seen of her.

The second preference is for the peacock, colourful, pompous, vain and flippant, strutting about all the time, piercingly full-throated and noisy—all of them characteristics which do not go well with our socialistic pattern of life. Besides, the peacock enjoys a mythological halo about him and needs no extra protection. Of the other birds under consideration, the parrot has the best claim, but the bird is a slogan singer, and we have already a surfeit of them among our countrymen. Parrots are also known to have created serious trouble among good friends. I know of a case which happened in the early thirties: A civilian officer who was proceeding to the U.K. on leave left his parrot with an Anglo-Indian Forest Officer to be looked after. When he returned six months later and took back the pet home, he was horrified to hear him shout "Paddy is a dirty dog. Paddy is a ruddy drunkard." Of course, Paddy was his name for short, and there was no doubt where the parrot had heard these crisp delineations of his character.

The bird that seems to fill the bill is the crow with the zoological name of *Corvus impudens*, indicating its main characteristic, namely, extreme impudence and mischievousness. It does not migrate and will never be contaminated by foreign culture; it will remain cent per cent *swadeshi*. It has all the traits of an amusing reprobate, eats filth from the garbage bin, lays its eggs in the nest of another bird and is a confirmed protagonist of the efficacy of social parasitism. It has, however, the admirable democratic virtue of sharing anything eatable with others of its fraternity, inviting them with raucous cries to share and share alike. Above all, the crow is the bird that has given rise to the term "crow-catching" which, as is well known, is a very difficult thing to do, nevertheless very remunerative even as a whole-time job in official circles. A bird with so many recognisable and predictable human traits seems to be the obvious choice for a national symbol.

In the context of our present-day problems —political, social and industrial—should we not choose an insect also as a national symbol—for instance, the ant? Ants are constituent members of a most well-ordered society and are eminently rational. They have evolved a very efficient socialist state, are hard-working, instinctively sensible and extremely thrifty. Zoologists believe that ants subject themselves to an extreme degree of social regimentation and are a highly disciplined lot. They work, perhaps, eighteen hours a day, have high sense of duty and no sense of rights, and maintain perfect amity in the community. I vote for a movement for the study of ant culture and the insect's elevation to high national honour.

• • • •

Expansion in Automobile Industry

I believe Telco is on the onward march for doubling its production of trucks and Ashok Leyland will place five thousand heavy commercial vehicles per year on the road. Simpson & Co. Ltd., who are the makers of the largest number of Perkins Diesel Engines for conversion of petrol-driven trucks and as original equipment on Hindusthan's commercial vehicles, will now be allowed to manufacture their own chassis and transmission. So there will be a fifth manufacturer of commercial vehicles in the country. Hindusthan Motors will be permitted to manufacture their own diesel engines, while Premier Automobiles, it is understood, will arrange to take over the manufacture of Meadow's Diesel Engines from Automobile Products of India. The existing manufacturers of passenger cars are also undertaking expansions to increase their outputs. Standard Motors have arrangements in train for producing pick-up vans and one-ton trucks for commercial purposes with Standard Vanguard Engines. In addition to the reported move for manufacture of scooters in Mysore State, Enfield India Ltd. has been granted licence to produce six thousand scooters per year, in addition to their Royal Enfield Motor Bicycles. They say it never rains but pours!

With all the projected increases in the output of the automobile industry, how are we going to find the road space to drive them and park them? The roads in our major cities, where the vehicles will concentrate, are admittedly incapable of accommodating the traffic which is to be envisaged, and are designed, aligned and surfaced to provide only for bicycles, rickshaws and tongas. Already, most of the arterial highways running through our cities are death traps for unwary pedestrians. As for the internal city roads where business premises have sprung up in increasing numbers, the development has been so wayward and haphazard that there seems to be no way of solving the traffic problem. Calcutta and Madras, in particular, have become problem cities for traffic regulation and the latter is still carrying on with outmoded types of conveyances which flourished in the days of Hyder Ali and Tippu Sultan alongside modern fast-moving vehicles. The only thing that has ceased to exist is the palanquin, but the passage of automobiles through the main roads is at no better speed. Concentration of residential accommodation within urban areas is causing more and more congestion and the demand for buses to carry people to their places of work is perpetually on the increase. It is all a vicious circle and will continue to be so, unless a powerful break is put on unplanned development and major operations are undertaken to widen roads and surface them properly.

• • • •

Domestic Refrigerators

It is good to hear that Kelvinator of India has started construction of a factory at Faridabad for the manufacture of domestic refrigerators and that four thousand of them will be produced in the first year, the output being stepped up to ten thousand units a year later. But the intriguing point about the announcement is that the first model off the lines will have a capacity of 9.5 cubic feet. This indicates that the planning is for large families, and, as the cost will also be relatively high, it is mainly for the high-income groups. Domestic refrigerators are articles which directly contribute to better, saner and economic living, and are durable consumer goods which should rank high in priority in the list of articles whose production in increasing numbers might tend to reduce inflation. They should, therefore, be made in smaller sizes of three and five cubic feet, enough to hold some vegetables, fruits, milk, curd, meat and fish. They should also be priced low enough for people in the middle-income group to buy. If Kelvinator India is not interested, someone else should be found to make these small cabinets which will go a long way to improve the standards of life and comforts of the middle classes.

• • • •

Tailpiece

The Ranchi correspondent of a leading newspaper has reported that machines worth several lakhs of rupees, purchased by the National Coal Development Corporation, are lying idle at the collieries at Kargali, Bokaro and Giridih, as they were found unsuited to the requirements of the concerned collieries. It is also reported that the machines have been lying dumped in the open and are now believed to have become useless through rust and corrosion. I am not prepared to believe that this assessment can be factually correct. Surely these machines can be eventually used for washing linen! Did you hear me say 'dirty' linen?

SANDOZ PRODUCTS LTD.

The new pharmaceutical plant of Sandoz Products (Private) Ltd. at Kolshet, near Thana, in Bombay was inaugurated by Dr. S. Radhakrishnan, Vice-President of India, on Saturday the 4th inst. The factory is licensed to manufacture seven basic pharmaceutical products, the most important of which are calcium and ferrous gluconates, as well as for the local finishing of all Sandoz specialities in many forms, including ampoules, tablets, syrups, powders, granules and ointments. Besides pharmaceuticals, the factory produces softening agents and other dyes in powder form for textiles and agro-chemicals. There are three well-equipped chemical, biological and micro-biological laboratories which ensure the high standard of Sandoz pharmaceuticals. There is also a special development laboratory entrusted with the task of establishing shelf life of formulations and arriving at stabler pharmaceuticals. The factory stands in an area of 58 acres and has a staff of over 300.

Sandoz Products (Private) Ltd. is a joint Indo-Swiss venture. Sandoz Limited of Basle in Switzerland is one of the world's leading pharmaceutical manufacturing firms. It has 25 affiliated companies and five jointly owned factories overseas. The plant at Kolshet is claimed to rank amongst the largest and most modern. In 1947, Sandoz Products Ltd. was registered as a private company, with head office in Bombay, purely for the purpose of importing and distributing Sandoz products. Six years later, the Company decided to apply for a licence to manufacture the items within the country.

Inaugurating the pharmaceutical plant, Dr. Radhakrishnan complemented Sandoz for making drugs of standard quality and stressed that India needed several factories of this kind to improve the conditions of the health of the masses. In his speech, Mr. M. Cuttat, Swiss Ambassador to India, stated that Sandoz of Switzerland "has transferred a factory to India which would become independent in respect of the pharmaceuticals the plant would produce." Welcoming the guests, Dr. D. Tuor, Managing Director of the Company, declared that the inauguration of the plant was a landmark in that it represented the change in the pattern of life of Sandoz in India from trading to manufacture.

LONDON LETTER

ECONOMIC TRENDS

CAPITAL FORMATION BETTER

(From Our Own Correspondent)

LONDON, *3rd February*

THE news that the gold and convertible currency reserves have risen by another £5 million after allowing for a subscription of £4 million to the liquidation of the European Payments Union, that is, an effective £9 million increase on current account, means that the increase in the reserves has now been continuous for over a year. It is an unfortunate fact that the balance of payments is still running adversely, and the increase in the reserves can only be on capital account. It is at least clear that there has not yet been any outflow of funds, either to Europe or America.

The latest data on the balance of payments established that, over the twelve months up to the third quarter, between 1959 and 1960, the balance deteriorated from a surplus on current account of £43 million to a deficit of £101 million; a deterioration of £144 million. Since most of this deterioration relates to goods and services, it is assumed that it is the measure of the extent to which, over that period, the U.K. was consuming more than it was producing. On the other hand, there are many indications that the rise in domestic expenditure was much reduced in 1960. There were thus two conflicting trends operating that year: first, a falling increase in the rate of expenditure and, secondly, a rising increase in the rate of imports, all this reflecting a decline in domestic output. This decline has been accentuated by a decline in exports.

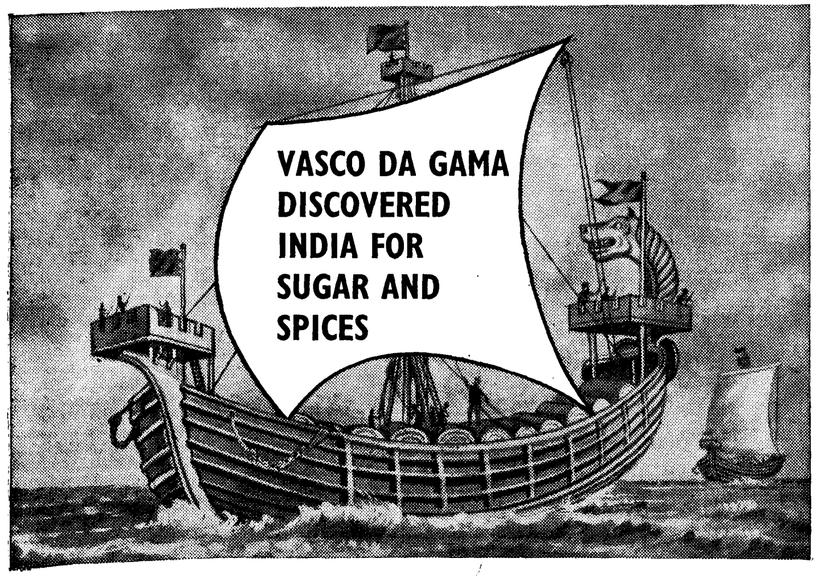
It is the rise, albeit still in the rate of expenditure, that has given such concern to the Government, and yet it is difficult to see that, more recently, this has anything to do with private consumer spending. Indeed, the Treasury analysis on annual income and expenditure indicates that, in 1960, the consumer spending was at a lower rate than consumer earning, and that what was going up was *Saving*. The increase in expenditure has thus been going towards the formation of capital. Fixed investment was clearly rising up to and including the third quarter of 1960, and this investment was mainly private and mainly in the manufacturing industries.

The implication of all this—that savings have been increasing and private capital formation has been increasing—is that the disturbing growth in imports has been diverted to formation of capital. If the balance of payments has to be adverse, then it could not be adverse in a better cause.

Interest Rates

This thought brings us back to the question of international interest rates, the difference between which has enabled Britain to furnish her imports. Apparently, since most European countries became fully convertible two years ago, interest rates have become the major factor governing the movement of funds between countries. The volume of such international funds or "hot money" is now considered so large

(*Continued on page 261*)



TODAY SUGAR MUST DISCOVER EXPORT MARKETS!

India is the home of sugar-cane. At the turn of this century, paradoxically, it was one of the poorest producers of sugar and among the largest importers of the commodity. As late as 1925–26 the country imported Rs. 15,83,36,000 worth of sugar. Today the country produces all the sugar it needs and more!

Behind this phenomenal achievement lies the massive effort of the sugar industry. Given the proper climate of operation, enough sugar can be produced to earn vitally-needed foreign exchange. To compete in the world market, it is necessary to produce cheap sugar which in turn depends on the price of sugar-cane. Today the cost of sugar-cane alone is more than the international price of sugar. Production of cheap cane is therefore a catergorical imperative.

Maharashtra Sugar Industry leads the way here. Its emerald green carpet of lush sugar-cane as if level cut by a master gardener is a feast to the eye. On the lands where surrounding agriculturists produce on an average 27 to 45 tons of sugar-cane per acre, 64.1 tons and 62.5 tons are average yields on the entire Godavari and Maharashtra sugar plantations. This is a heartening occurence, with results on individual plots going above 90 tons. The results are phenomenal, particularly as they are achieved with maximum economy in the use of manures and water, ensuring the cheapness of the cane for world competition in export to earn foreign exchange for India.

For the sake of agricultural productivity

EXCLUDE FACTORY FARMS FROM THE PROPOSED MAHARASHTRA LAND CEILING BILL

OUR ACHIEVEMENTS COMPETE WITH THE WORLD'S BEST

Issued in the public interest by

MAHARASHTRA SUGAR MILLS LTD. • GODAVARI SUGAR MILLS LTD.

OGS/2

BANKING COMPANIES ACT AMENDED

MOVE TO EXPEDITE MERGERS AND RECONSTRUCTION

FOLLOWING almost on the heels of the second amendment to the Banking Companies Act, which was passed by Parliament only in the month of September 1960, the President promulgated, on the 4th inst., a new amending Ordinance, which enables the State Bank of India to amalgamate with it any other banking institution and authorises the Reserve Bank to lay down conditions for the reconstruction and amalgamation of banks. Inasmuch as the new Ordinance would facilitate an early end to the present state of uncertainty and suspense which the constituents and borrowers of the banks under moratorium are experiencing, the Ordinance needs to be welcomed. In all, there are some nine banks which have been granted moratorium, since the enactment of the amending legislation four months ago. Of these nine banks, five are in Kerala, one—the Indo-Commercial Bank Ltd.—is in Madras, two are in Maharashtra and one in Delhi. In the case of some of these banks, the moratorium was initially granted for only two months, but, subsequently, the period was extended. The Indo-Commercial Bank has actually been under moratorium since 24th October 1960. In the case of the five Kerala banks, the moratorium granted by the Reserve Bank expires on the 18th March 1961. The moratorium period of some other banks is due to end during the next few days. But even at this stage, the schemes for amalgamation or reconstruction are not ready. There are several reasons why the moratorium arrangements have dragged on for such a long period without reaching the stage of finality. The terms of amalgamation, for instance, are not acceptable to all the parties concerned. The draft scheme of amalgamation of the Indo-Commercial Bank with the Punjab National Bank, formulated by the Reserve Bank of India, has been considered by many shareholders of that Bank as analogous to a scheme of liquidation. It is maintained by several depositors and shareholders of the Indo-Commercial Bank that it is most unfair to them, as it does not provide for any goodwill in the list of assets. It is pointed out, in this connection, that the Punjab National Bank would acquire about 20 branches of the Indo-Commercial Bank along with thousands of loyal constituents, premises and trained staff.

Lesser of Two Evils

Some of the transferee banks have also sought clarification in regard to the conditions under which they would have to effect the proposed amalgamations. The clarification relates, *inter alia*, to the status and conditions of service of the employees of the banks proposed to be amalgamated, the question of the rights of their shareholders and the interests of the depositors. All these complaints and queries and the resulting clarifications have caused delay in effecting the mergers. The issues raised are of a type that there could be endless arguments by parties who are really not interested in bringing about speedy integration of the weaker units with stronger ones. One way of ending this controversy is to empower someone who can apply the veto. But under the amending legislation of September last, the Reserve Bank did not have any authority to impose a merger scheme on the amalgamating or reconstructing banking companies. The new Amending Ordinance seeks to fulfil this gap. This remedy may strike some as too drastic, undemocratic and, therefore, unconstitutional. But something has to be done to eradicate the weakness in Indian banking caused by the existence of a large number of sub-standard banks. So long as the Reserve Bank takes care to see that the bigger banks which are asked to absorb small sub-standard banks do not take undue advantage of the latter's plight, the remedy may be accepted as lesser of the two evils.

The solution provided in the Ordinance for protecting the status and service conditions of the employees of banks, the assets and liabilities of which are proposed to be taken over, is quite reasonable. It is laid down in the Ordinance that the employees of such a bank would get for a period of three years the same remuneration and would be governed by the same terms of services as were obtaining immediately before the date of the order of moratorium. At the end of the three-year period, the employees would be entitled to the same remuneration and the same conditions and terms of service as are obtaining in the bank which has taken over. This is subject to the proviso that the qualifications and experience of these employees are the same or equivalent to those of employees of the absorbing bank. The Amending Ordinance further provides that any differences arising in regard to the qualification and experience of the employees shall be referred to the Reserve Bank, whose decision will have to be deemed final. Employees who do not wish to serve in the absorbing bank will be entitled to receive payment of compensation, retrenchment and other benefits due to them under law. It will thus be seen that the authorities have been quite fair in handling the case of employees. They stand to lose nothing. On the contrary, there is every prospect of being a member of a bigger institution within a short period of three years. They have also the freedom to leave with full compensation and try their fortunes elsewhere.

Reserve Bank's Powers

The Ordinance empowers the Reserve Bank to deal effectively with the controversial question of the interests of the shareholders and depositors. In the case of a bank which is sought to be reconstructed, the Reserve Bank has to prepare a scheme laying down provisions for assets, powers, interests and liabilities of the banking company on its reconstruction, in the case of amalgamation, the Reserve Bank has authority for providing for a change in the Board of Directors, alteration of the memorandum and articles of association, reduction in the rights of depositors or creditors and also payment in cash where shareholders prefer such a course or where shares cannot be allotted to them. The Reserve Bank, of course, will first submit its scheme of amalgamation to both the banks concerned and amend it in the light of their observations wherever they are reasonable. The final authority rests with the Central Government to which the Reserve Bank has to refer the scheme. The Government will then enforce it after making such modifications as are found necessary.

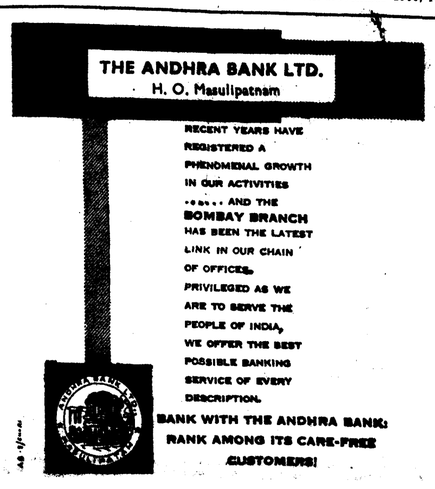
The main virtue of the new procedure is that it will shorten the period of uncertainty and suspension, caused by moratorium. It will expedite the process of amalgamation or reconstruction at least in the case of those banks to which the moratorium may be applied in future. The clients of banks which are already under moratorium have undoubtedly suffered hardship. This is particularly true of the five banks in Kerala. The moratorium on these banks, coming as it has in the wake of the closure of the Palai Central Bank, has practically paralysed business activity in Kerala to a considerable extent. It is stated that, as existing advances were being recalled, and fresh advances were not available, prices of agricultural commodities have come down. Unemployment is reported to be increasing and several business people and factory owners who were dependent on these banks for accommodation are said to be in distress. Some of them, it is apprehended, may even fail. The repeated extensions of the moratorium period, especially in the case of the Indo-Commercial Bank, it is stated by many critics, who are affected by the moratorium, have been due to the procedure and the method adopted by the Reserve Bank. Fresh inspection and the revaluation of the assets and liabilities undertaken by the Reserve Bank of India has been mainly responsible for the delay. Prolonged periods of moratorium are likely to shake the confidence of depositors of even the other small banks, who are also apprehensive that their turn may also come sooner or later.

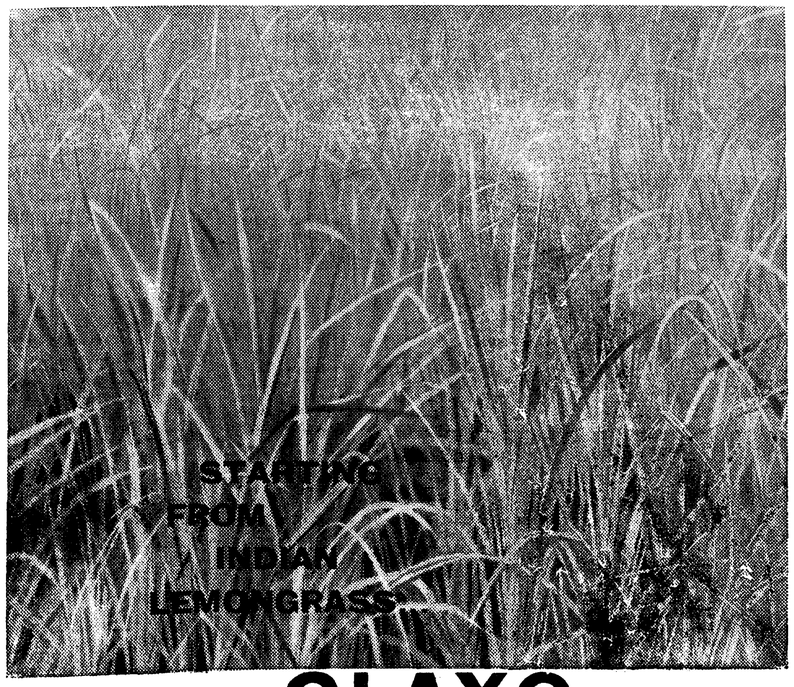
Amalgamation with State Bank

The provision in the Amending Ordinance enabling the State Bank of India to absorb any other bank may also cause further loss of confidence among the small banks, as they may fear that they may be taken over by the State Bank at the will of the Government. The amalgamation of banks with the State Bank of India has been made possible by including the State Bank in the definition of banking institutions in the parent Act. Hitherto, such amalgamation was not possible as the State Bank of India was not governed by the Banking Companies Act but by a special statute. According to reliable sources, one of the few banks now under moratorium in Kerala State will be the first to be amalgamated with the State Bank.

While the policy of securing sounder banking units is commendable, the small banks, along with the indigenous bankers cater to a particular class of borrowers, who may not be in a position to satisfy the stringent conditions of creditworthiness enforced by the bigger scheduled banks. The smallness of the unit of operation may itself not be without some social value in a country like India. Preserving smaller banks would help decentralisation of the credit structure, a development which should be welcomed in the context of the overall objectives of economic planning adopted by the country. The Union Finance Ministry and the Government of India must, therefore, think of ways and means of ensuring that the small banks which are sound and well run are not adversely affected by the steps now being taken to eliminate the sub-standard banks. The one thing which must be straightaway enforced for this purpose is insurance of deposits. It is regrettable to find that the authorities have no clear conception of the problems which they are trying to tackle and the repercussions of the solutions they want to adopt.

The period of moratorium granted by the Central Government to the Prabhat Bank Ltd., Delhi, and the Bank of Nagpur Ltd., Nagpur, has been extended up to and including 8th March 1961 under sub-section (2) of section 45 of the Banking Companies Act, 1949. The two Banks were originally granted moratorium from 8th October 1960 and 27th November 1960, respectively.





GLAXO

NOW MANUFACTURE

VITAMIN A

WHOLLY IN INDIA

FOR THE FIRST TIME IN INDIA, in Glaxo's new factory at Thana, near Bombay, all the stages of Vitamin A manufacture are now in operation.

Designed by Glaxo chemists and engineers in the U.K. and erected with their help by Indian colleagues, the factory can provide all India's requirements of Vitamin A—a vitamin essential to the pharmaceutical and processed food industries.

A feature of the factory is the manufacture of Beta-ionone, the basic starting material in Vitamin A manufacture. It is being produced from Indian lemongrass oil. Thus, Glaxo India is making use of India's natural resources.

Not only will this chemical plant save foreign exchange, but earn it. For, high-grade Beta-ionone, so far made only abroad, will now be exported. So India will earn much more foreign exchange than by the export of lemongrass oil alone.

Vitamin A is just the first product of Glaxo's new Fine Chemical project at Thana. Soon cortisone, hydrocortisone, prednisone and prednisolone (already made by Glaxo from intermediates) will be completely synthesised there. Other products will certainly follow—all of them being a significant contribution to India's development in the Fine Chemical field.

GLAXO—FIRST AGAIN!

GLAXO LABORATORIES (INDIA) PRIVATE LIMITED, BOMBAY

GL 3-X78

INDUSTRIAL DEVELOPMENT OF KERALA

CITY CONFERENCE HIGHLIGHTS POSSIBILITIES

THE one-day Kerala Development Conference held this week in our City—well known as the commercial capital of India—should help to turn the spotlight on the industrialisation of Kerala—one of the problem States. The main purpose of the conference, which was organised by the Kerala Development Conference, Bombay, an organisation sponsored by Keralites in the City, with the active support and assistance of the Kerala Government, was to present to the people outside the State, particularly the industrialists, the problems of Kerala and to "seek their help and guidance in solving them." The conference, which was well attended (an indication of the sympathetic response of the City's business community), was inaugurated by Mr. V. V. Giri, Governor of Kerala. The Kerala Government was represented by the State's Ministers for Industries, Transport and Labour and Law and Revenue.

Political instability and economic backwardness, coupled with a high degree of unemployment, especially among the educated classes, had earned for Kerala a certain amount of notoriety in the rest of India. All the three major political parties, the Congress, the P.S.P. and the Communist, had been in power by turn in the State for periods of varying duration. None of these parties, the Congress included, seriously addressed itself to solving the number one problem of the State, namely, unemployment, which is the result of the failure of industrial development to catch up with the rapid rise in population. Instead, the parties were engaged in endless, petty political squabbles, leaving the more urgent problems of the State unattended. After the signal defeat of the Communist Party in the last mid-term election, a coalition Government of the Congress and the P.S.P. was formed which is still in power in Kerala.

Belated Realisation

The realisation seems to have at last dawned on the ruling parties that the neglect of the economic problems of the State has cost them and the people of the State dearly and that, unless attention was devoted to their solution, the electoral success, which they have achieved, would again prove to be short-lived. This realisation is, perhaps, at the back of the current efforts of the Ministry to speed up the industrialisation of the State. Belated though it is, the move must be welcomed as a constructive approach which is in refreshing contrast to the unseemly political wranglings which had so far marked the Kerala scene.

In his inaugural address, Mr. V. V. Giri, the Governor of Kerala, who is taking a keen and active interest in the development of the State, dealt at length with the opportunities that existed in the State for starting industries and the incentives which the Government offered to promote the formation of new enterprises. He said that more opportunities existed in the State for industrialists than was generally realised. In two important respects, according to him, Kerala offered unique opportunities. One was the State's natural resources—its valuable and varied raw materials, mineral resources and forest wealth which, in some form or other, could be useful for a variety of industries. The other was the supply of water and electricity. The total water resources of the State was of the order of 2,500 T.M. c.ft. per annum which represented 5 per cent of India's total water potential. The hydro-electric potential of the State, of 2.1 million kw., also amounted to 5 per cent. of India's total. At present, hardly 21 per cent of this potential was utilised and, even after the completion of the schemes under execution, only about 38 per cent of the State's hydro-electric potential would have been harnessed. By the end of the third Plan, the total installed capacity would expand to 546,500 kw. This would not only meet the estimated demand in the State of 365,000 kw. but would also make available power for export to the neighbouring States.

Assistance to Industries

The prospects for plentiful supply of power (will it really be cheap?) in the State was thus bright, said the Governor. But this alone was not sufficient inducement for new industries to be started in Kerala. Realising this, the State Government had offered assistance to large-scale, medium- and small-scale industries. Help for large-scale industries included (1) provision of land by acquisition, if necessary, (2) supply of power, (3) assistance for obtaining licence for the establishment of the industry and for import of machinery and for obtaining raw materials, and (4) financial participation, in suitable cases, either by direct investment in shares or by way of loans, guarantees, etc.

In addition to these, the Government would itself undertake, the Governor averred, to develop industrial townships having water, communication and power facilities where a number of medium industries could be located. Medium industries would also be eligible for loans on liberal terms from the Kerala Financial Corporation.

The assistance offered for small-scale industries consisted of provision of factory accommodation at concessional rates in Industrial Estates, supply of machinery on hire-purchase terms, credit facilities at low rates of interest, assistance in securing raw materials, marketing and training facilities. The stores purchase policy of the Government was also such as to favour the products of indigenous enterprises in preference to those which originated from outside the State. All these, according to Mr. Giri, were an index of the keenness of the Government to help private industrialists to start new industries. He disclosed that, apart from these, the State Government was earnestly considering a proposal for the establishment of an Industrial Development Corporation and a Small Industries Corporation to provide loans to those who wanted to start new undertakings or expand existing ones.

Labour Situation

Natural advantages and liberal Government assistance cannot in themselves constitute sufficient inducement for private enterprise, especially from outside the State, to start industries in Kerala if one of the basic conditions for industrial development is lacking. This is the existence of a peaceful and co-operative labour force. It is fairly well known that labour in Kerala is educated, enlightened and efficient. But rightly or wrongly, the impression has gained currency outside the State, that it is militant and irresponsible. All the political parties in the State should share the blame for creating this impression. For they have always sought to use the workers, who are highly organised in Kerala, to further their political ends. Mr. Giri therefore did well to correct the misunderstanding and to give a clear picture of the labour situation obtaining in the State As one who has been intimately connected with the labour movement for over four decades, Mr. Giri's observations on this particular aspect has added weight inasmuch as they constitute the most informed, reliable and authoritative statement on the labour situation in the State so far made.

Mr. Giri said that both employers and employees, of whatever shades of political opinion, were now agreed on the need for lasting industrial peace in the State. What they wanted, he averred, was not mere truce but peace. One of the extreme leftist leaders, according to Mr. Giri, had this remark to make at a conference of leaders from all sides:

"Truce is transient and smacks as though a perpetual war between labour and management is going on. What we want is peace, peace that can bring prosperity for the workers, profit for the employers, price-reduction for the consumer and the general welfare of all."

This spirit is fully reflected in the resolution passed by the Industrial Relations Board, a tripartite body, at a conference held recently.

The resolution is as follows:

"That for an accelerated programme of industrial development and expansion of employment opportunities so vital to the country that co-operation of labour and management is the essential prerequisite, especially at the present juncture. With this end in view, the Board calls upon labour and management to agree to further promote good industrial relations during the period of the third Five-year Plan and, as a first step, to emphasise on joint consultations and mutual negotiations and if the differences are not resolved then (if they still remain outstanding), to resort to voluntary conciliation and arbitration. The Board also requests the parties to endeavour to preserve industrial peace for the consummation of this objective."

Workers Not Irresponsible

Mr. Giri said that whatever might have been the experience in the past, in the last one year or so there was not a single major dispute in any industrial undertaking in the State. He pointed out that statistics of industrial disputes and man-days lost published in the past had given a wrong picture of the labour situation in the State. He found, when he went into them, that even small and frivolous differences had been enumerated as industrial disputes, thereby artificially inflating the figures. As a result, labour in Kerala came to have a stigma of irresponsibility which was not true. It was not realised outside the State, he added, that labour in Kerala was very co-operative and fully alive to its responsibilities. Workers in Kerala, he admitted, were fully conscious of their rights and were union-minded. But that did not make them less efficient or less disciplined.

In fact, according to the Governor, in most of the leading industrial undertakings of the State, unions had entered into long-term agreements with the management and, once an agreement was reached, the unions, irrespective of their political affiliations, scrupulously honoured it. The Code of Discipline and the Evaluation and Implementation Committee had greatly helped to foster a better climate of industrial relations in the State. In fact, thanks to these, while, on the one hand, aggressiveness of some unions had been softened, on the other, employers had been dissuaded from seeking redress through resort to law courts. Mr. Giri claimed that a pronounced sense of responsibility in handling industrial relations on the part of employers and an attitude of responsiveness on the part of the workers had been evident all-round. The State's Ministers for Law and Revenue and Labour and Transport pledged, on behalf of the Government, all encouragement and assistance, financial and others, for industrialists from outside the State to start industries in Kerala.

Scope for New Ventures

The scope for new industries in the State is immense. Its rich raw material and forest resources still remain largely unexploited. Apart from a few modern factories and small industrial units producing chemical fertilisers, rayon, aluminium, cement, etc., the bulk of the industrial undertakings in the State consists of small units of the traditional type producing cashew-nut, tiles and bricks and a few other items which are not basic in an economic sense. The largest employment (400,000) in the State is provided by the coir industry, which is technologically the least advanced. In addition to expanding existing units, new lines of production have to be explored.

An idea of the industrial potentialities of the State can be had from two publications prepared in connection with the conference and distributed there, one a souvenir published on behalf of the conference by Dr. P. A. Nair, and the other, a brochure entitled "Towards an Industrialised Kerala." To mention only a few of the industries which could be started: There is scope for producing synthetic rubber, fertilisers, synthetic resin and the entire field of petro-chemical industries. The large-scale manufacture of titanium dioxide, by the titanium factory at Trivandrum, facilitates the production of paint and other related industries. The greatest possible scope is for the production of the newest metal, titanium, which has wide application in all industrial and aviation fields. Tapioca starch, produced in plenty in the State, can form the basis of many valuable chemical and pharmaceutical products. The rich forest resources offer much scope for paper and wood-pulp industries. A full picture of industrial possibilities will be made available shortly. The National Council of Applied Economic Research has already made a study of the industrial potentialities of the State and it is expected to submit a list of "candidate industries" which, in the Council's opinion, are capable of being started in the State.

It is evident from what has been said above that Kerala has natural advantages, valuable raw materials, good transport system and plentiful supply of labour which is literate and enlightened, and adequate power. The Government has now offered to assist businessmen and co-operate with them. All this is welcome. But the Kerala Government would do well to bear in mind that industrialists from outside the State will judge the attitude of the Government towards industry more by the treatment it gives to existing industries in the State than by the promises it makes. The provision of every encouragement to existing industrialists in the State itself to start new ventures and expand established industries and offer of the same terms to those from outside the State could do more to attract outside *entrepreneurs* to the State than any public relations jobs of the kind now being attempted.

Protect your Office and Industrial Buildings with

Snowcem

SUPERIOR, LOW-COST, WATERPROOF CEMENT COATING.
Available in a wide range of colours

To protect your mill, factory or office building, Snowcem is the ideal coating material. Longer-lasting, more durable, Snowcem creates brighter decoration at a more economical cost.

Snowcem does not rub, flake or peel off and can be cleaned.

Snowcem coated surfaces are hard, waterproof and resist penetration of damp. Subsequent applications do not require any special preparation of surface.

YOU CAN BRUSH OR SPRAY SNOWCEM ON:
Concrete
Most wall and fibre boards
Asbestos cement sheets
Cement/Sand renderings
Cement/lime/sand renderings
Roughcast and pebbledash
Sand-lime bricks
Stock or facing bricks
Concrete blocks
Concrete bricks
Clinker and other lightweight concrete blocks.

FREE ADVICE:
Our Civil Engineers are available to advise you how Snowcem can be applied to *your* building and give it longer-lasting, decorative protection.

Silvicrete *White Cement is the base of* Snowcem

Manufactured by: SNOWCEM INDIA PRIVATE LTD. BOMBAY
For detailed illustrated Instructions Booklet and further inquiries, contact
Sole Selling Agents For India: KILLICK, NIXON & CO., PRIVATE LTD.
31, Murzban Road, Bombay 1.
Regional Selling Agents: Balmer Lawrie & Co. Ltd. Calcutta 1., Martin Burn, Ltd. Calcutta 1., Bird & Co. (Private) Ltd. New Delhi 1., Best & Co. Private Ltd. Madras 1., Harrisons & Crosfield Ltd. Quilon.

Also Available:
Impermo
CEMENT WATERPROOFING COMPOUND
Impermo is well-known as a most economical and superior water-repellent material in powder form for adding to cement to overcome the penetration of damp through cement, mortar or concrete.

IWTGF 1R

Having fun—wish you were here

Darjeeling. Bracing climate when it's not raining! Magnificent view when it's not foggy. Charming people—always smiling. Wonderful riding, fishing, hiking. (No trouble getting Wills' Gold Flake—really fresh—wherever you go they're good.)

Issued by The Imperial Tobacco Company of India Limited

OVERSEAS TRADE IN TEXTILES

EXPORTS FALL, WHILE IMPORTS INCREASE

From Our Special Correspondent

MANCHESTER, 31st *January*

MANCHESTER LETTER

FINAL returns covering overseas trade in cotton and allied goods shipped from and entering British ports during 1960 follow the lines already clearly indicated during the earlier part of last year. The eclipse of exports by comparable imports first encountered in 1959 became almost total in character in the succeeding twelve months.

Anyone who has watched the trend of shipments over the past few years knows quite well how the situation has altered and is fully aware of the reasons for the big change in climate. Crippling tariff barriers and the protection of newly established industries in developing areas make the exporter's task a frightening one, while Britain's home market remains one of the few where foreign suppliers can hope to make inroads without undue interruption.

More Imports

The violent switch in Britain's position from a predominantly net exporter of cotton and allied textiles to the marked preponderance of imports over little more than a decade is shown in the following table:

	(In thousand sq. yds.)				(In thousand lbs.)	
	Cotton cloth		Rayon, etc., cloth		Cotton yarn	
	Exports	Imports	Exports	Imports	Exports	Imports
1949 ..	903,578	348,800	160,708	51,600	82,061	1,960
1950 ..	822,473	286,920	189,568	55,280	70,986	14,480
1951 ..	864,375	376,640	217,206	99,240	65,481	31,720
1952 ..	710,813	179,680	149,794	29,260	35,722	7,280
1953 ..	700,905	98,640	176,826	44,400	41,920	2,360
1954 ..	637,378	267,187	175,256	67,331	40,481	10,721
1955 ..	554,504	299,470	133,747	65,415	35,563	14,019
1956 ..	474,159	306,173	129,822	74,249	35,822	16,794
1957 ..	455,760	416,252	111,239	73,490	37,636	14,727
1958 ..	383,818	386,638	84,168	47,145	26,771	14,635
1959 ..	347,637	537,145	63,724	37,764	22,920	21,512
1960 ..	327,090	727,707	54,355	58,419	21,113	38,648

The 1960 balance-sheet shows the value of imports at £67,391,633 and exports at £62,970,262. In the case of man-made fibre yarns and woven fabrics, imports cost £15,447,764 and shipments earned £29,353,734. The rise in the cost of imports compared with 1959 was over £23 million in the case of cotton goods and £5 million in man-made fibres.

Leading Buyers

The final results confirm that export losses in cotton cloth in some directions were offset by slight gains in West African territories, offering a crumb of encouragement to Lancashire shippers. The leading buyers during the year were (in thousand square yards, with 1959 comparisons): Australia 44,365 (52,234), South Africa 40,888 (40,556), Nigeria 36,801 (28,053), New Zealand 28,046 (26,579), Ghana 24,760 (22,283), Rhodesia and Nyasaland 18,258 (22,352), Irish Republic 17,775 (15,145), Belgian Congo 10,865 (15,232) and Sierra Leone 10,034 (6,671).

Because the Board of Trade returns do not specify many different countries supplying cotton grey cloth to the United Kingdom, the figures for the past year present unusual gaps. The major factor is the very big increase in purchases from "other foreign countries," which incorporates anywhere outside the Commonwealth, other than the Irish Republic, France, China and Japan. These shipments to Britain rose from below 7 million yards in 1958 to 25,599,000 yards in 1959 and to 125,114,000 yards last year.

Among the Commonwealth territories, India stepped up her sales to Britain very substantially, grey cloth arrivals increasing from 184,618,000 yards to 222,921,000 yards. Pakistan also did better, with 39,471,000 yards, as against 31,544,000 yards. The annual rate of shipments from Hong Kong, however, declined from 132,908,000 yards in 1959 to 104,775,000 yards last year, but, in this connection, it must be recalled that the movement of made-up garments from the Colony to this country has recently shown a big advance.

Lancashire spinners were very anxious about the situation when they discovered that the voluntary arrangements with Hong Kong and other Eastern Commonwealth countries did not include any restrictions on the cotton yarn trade. Although details of the suppliers are not given, their fears about increasing purchases of foreign yarn have been fully borne out during 1960. Imports, in fact, nearly doubled.

Yarn Shipments Setback

As in the case of cloth, the shipments of cotton yarn from the United Kingdom last year suffered a further setback, although the quantity involved was not very substantial. At the same time, a fall of nearly 2 million lbs., represents a 10 per cent drop in this trade now that it has dwindled to such an extent compared with even 10 years ago.

Australia remains by far the largest customer, having taken 8,845,000 lbs. of Lancashire-made cotton yarn in 1960 against 7,736,000 lbs. in the previous year. The other main markets are Canada (2,509,000 lbs., as against 3,029,000 lbs.); New Zealand (1,993,000 lbs., as against 2,561,000 lbs.); Irish Republic (1,471,000 lbs., as against 1,641,000 lbs.) and Pakistan (1,327,000 lbs., as against 360,000 lbs.)

Man-made fibre yarns were the only section in which an improvement in exports occurred, maintaining the revival in this trade which began in 1959. Over the year shipments aggregated 48,457,000 lbs., as against 45,109,000 lbs. In this case, India is still the biggest consumer, taking nearly 8 million lbs., although this represents a drop of about 1,500,000 lbs. Shipments to Australia exceeded 6 million lbs. and other leading markets were South Africa with nearly 4 million lbs., the Irish Republic with 3,600,000 lbs., and Syria with 3,350,000 lbs.

A new link-up of the cotton and man-made fibres industry at organisational level has been announced. Four employers' associations in the spinning and doubling branches are to merge their functions, having received "overwhelming support" for the establishment of a new central organisation from more than 400 firms involved. As a result, the British Spinners' and Doublers' Association (Cotton and Allied Textile Industries) is to be formed to take over the former activities of the Federation of Master Cotton Spinners' Associations Ltd., the Yarn Spinners' Associations, the Yarn Doublers' Association and the Rayon Staple Spinners' and Doublers' Association. The new organisation will begin to operate at an agreed date between 6th April and 30th June.

Labour Shortage in Cotton

A manpower shortage is preventing many more Lancashire mills introducing shift working. Sir Alfred Roberts, General Secretary of the Cardroom Workers' Amalgamation, one of the three principal cotton unions, said last week that many mills which received the necessary permission months ago had been unable to develop their plans for shift working, because they could not get the operatives. But Sir Alfred, in a report to union members, gave figures to illustrate how shift working is being extended in Lancashire spinning mills. Over a period of 15 months, the average number of hours worked per spindle each week had risen from 43.4 to 52 hours—an increase of 20 per cent.

Productivity had also increased substantially since the reorganisation schemes were introduced. Output per worker in spinning had increased by over 10 per cent since June 1959. Said Sir Alfred: "This increase in output is all the more remarkable when account is taken of the number of mills which have instituted shift working, consequently reducing the weekly hours worked by operatives."

Cotton Trade Affairs

Another increase in the number of company liquidations affecting British cotton firms took place last year, there being 174 such cases as compared with 118 in 1959. There was, however, only one actual bankruptcy, as in the previous year, and no instances were reported of deeds of arrangements or receivers being appointed. Liquidations were mainly concerned with the formal disposal of assets in the completion of the legal proceedings arising from firms withdrawing from the industry under the reorganisation plan. Such schemes are put forward when reconstruction, amalgamation or giving up of business is contemplated and all creditors are paid in full. Among the 168 companies involved, 46 were spinning firms, 72 manufacturers and 30 merchants and agents. Creditors' voluntary liquidations last year numbered three, as against nine in 1959. As in the previous year, only two compulsory liquidations were recorded, both involving firms of merchants and agents.

New company registrations increased from 128 in 1959 to 149 last year, but the nominal capital concerned was again lower at £694,900, as against £945,300. Seven spinning firms were involved in new registrations, 19 manufacturers, three doublers, five finishers, 87 merchants and agents and 28 miscellaneous textile traders.—*All Rights Reserved.*

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES
* DEMAND DRAFTS * LEDGERS
* PAY-IN SLIP BOOKS * PASS BOOKS
* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

FORWARD MARKETS BULLETIN

(Monthly)

Published by Forward Markets Commission
Government of India, Bombay

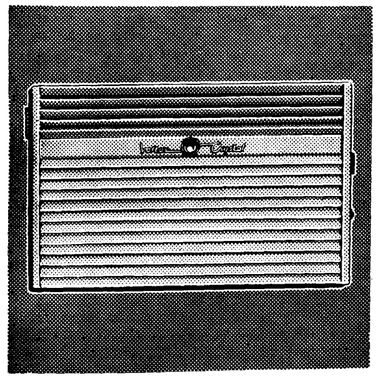
REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription		Single copy	
In India ..	Rs. 24.00	In India ..	Rs. 2.50
Abroad ..	Rs. 40.00	Abroad ..	Rs. 4.00

For further particulars please apply to:

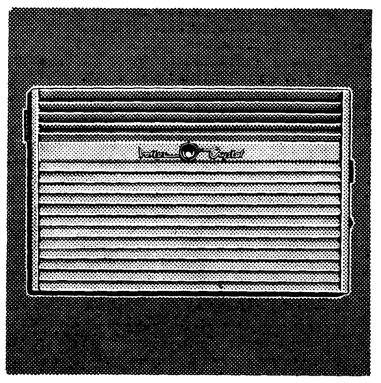
The Secretary, Forward Markets Commission
"Everest," 100, Marine Drive, Bombay-2



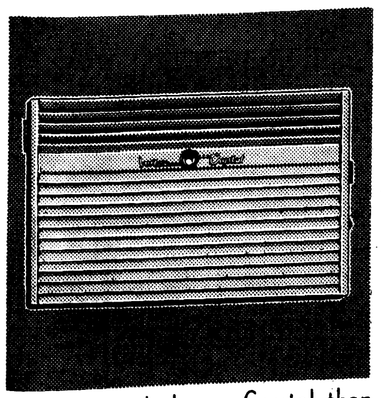
More people buy a Crystal than

any other room air-conditioner

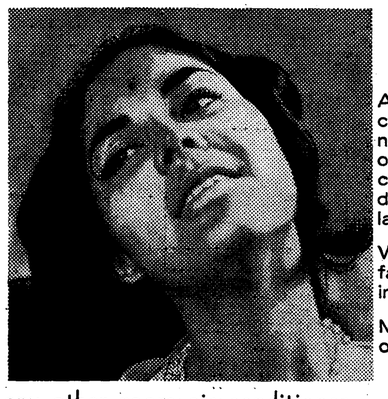
More people buy a Crystal than



any other room air-conditioner



More people buy a Crystal than



any other room air-conditioner

A Voltas Crystal air-conditioner cools a room, cuts down outside noise and allows you to work, relax, or sleep undisturbed. This hardy machine, specially designed for India's difficult climatic conditions, is built to last you many years.

With a Voltas Crystal you get famous Voltas Service—the best in India.

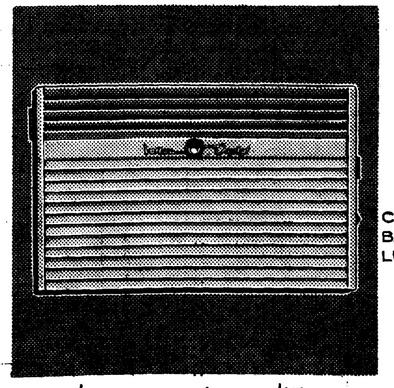
More people buy a Crystal than any other air-conditioner.

Crystal by VOLTAS

VOLTAS LIMITED
Head Office: Ballard Estate, Bombay 1.

CALCUTTA • MADRAS • NEW DELHI
BANGALORE • COCHIN • AHMEDABAD
LUCKNOW • KANPUR • SECUNDERABAD

More people buy a Crystal than



any other room air-conditioner

EXPANSION OF SUGAR INDUSTRY

FRESH ANNUAL CAPACITY OF 1.4 MILLION TONS TO BE ADDED IN NEXT FIVE YEARS

IF the development programme for the sugar industry (white sugar sector) were implemented successfully according to schedule, the annual installed capacity of the industry will expand in the next five years by 1.4 million tons to 3.5 million tons. Excluding the second Plan carry-forward of 400,000 tons, the additional production capacity of sugar covered by the third Plan is one million tons. The additional capacity will result partly from the setting up of new sugar mills and partly from the expansion of existing units. The Government of India, it will be recalled, announced its decision to licence fresh capacity, in addition to what had been covered under the first and second Plans on 6th August 1959, in view of the likely increase in the consumption of sugar during the third Plan period and the time required for the establishment of new capacity.

Before reviewing the progress made in accordance with the Government's decision of August 1959, a reference may be made to the progress under the licences granted to sugar industry during the first and second Plan periods. At the commencement of the first Plan, the sugar industry had a total capacity to produce just 1.5 million tons of sugar, of which nearly 78 per cent was in Northern India and the remaining 22 per cent in Maharashtra, Gujarat and other States in the South. The target of installed capacity fixed to be achieved at the end of the second Plan (1960-61) was 2.5 million tons calculated on the basis of 120 working days in a year and average recovery per cent of 10; the target of production was put at 2.25 million tons. This target has not only not been fulfilled but has actually exceeded to a considerable extent; the actual output in 1959-60 is an all-time peak of 2.42 million tons and the anticipated level of production in the current season is higher still at 2.70 million tons.

Capacity Licensed So Far

As against the second Plan target of 2.5 million tons (installed capacity), licences had been issued by the end of December 1960 for the establishment of 53 new sugar mills (excluding the 1,200-ton factory at Pondicherry for which permission was given last year), with a total daily cane-crushing capacity of 52,350 tons and for the expansion of 71 existing units with a total additional crushing capacity of 37,130 tons per day, or a total of 89,480 tons per day. These schemes cover an additional capacity of 1,016,000 tons sugar per annum. But the capacity actually established so far is said to be a little over 600,000 tons. Of the 53 new factories, 34 units (including three which commenced operation after the current season began on 1st November 1960) have already gone into production, 34 existing mills have completed their expansion plans and some others have carried out past expansions.

The State-wise distribution of the additional capacity licensed against first and second Plan targets and the progress of implementation are shown in Table I. It will be seen from it that, out of the 53 new factories licensed, co-operative mills account for as many as 38, the remaining 15 units being in private or joint-stock companies. While practically all the latter mills have gone into production, the progress made in the setting up of co-operative units has been rather slow, in spite of all the official support—financial or otherwise.

A striking feature of the development programme is the licensing of more capacity in Maharashtra, Gujarat and other States in the South, as a result of which the share of these States in the aggregate installed capacity of sugar industry has increased from 22 at the beginning of the first Plan to 37 at present, while that of North India has receded from 78 to 63. This shows that sugar industry is dispersed over a wider area now than before. A further dispersal is expected during the third Plan period also. The greater and greater stress laid on the expansion of sugar industry in the Deccan and Southern regions is to be welcomed, considering that the tropical conditions of these regions are more suitable for sugarcane development than the sub-tropical climate of North India.

The Development Council for Sugar Industry had first recommended a production target of 3.00 million tons for the third Plan. This journal was, perhaps, the first to point out that the target was a conservative one, inasmuch as it did not take into account (a) the nutritional requirement of sugar (estimated by experts at nearly 23.00 lbs.) by India's growing population, (b) the possible increase in consumption of sugar if its price was brought down to a reasonable level, and (c) the need for earmarking a portion of output for purposes of buffer-stock, not to speak of the exigency of meeting export demand. But the Draft Outline of the third Plan merely accepted the Development Council's recommendation and fixed the target of sugar production at 3.00 million tons. The more responsible section of the industry warned against the danger of sugar output failing to keep pace with the rapidly growing demand, unless the target was stepped up straightway, as it would require at least three years to bring additional capacity into existence. It is gratifying that the authorities have paid heed to the warning and decided to raise the capacity target to 3.5 million tons by 1965-66.

Third Plan Schemes

As against the aforesaid target, the Government of India has already given its approval to granting licences covering nearly 500,000 tons of capacity in the form of 20 new factories and expansion in 49 existing units, the details of which are given in Table II. As in the first and second Plans, preference is being given to co-operatives. Thus, out of the 20 new units licensed, 14 are co-operatives. All the six new units licensed in the State of Maharashtra are co-operative sugar mills. From the experience gathered so far, one wonders whether it is safe to place great reliance on the co-operative units to meet a substantially large part of the expanding demand for sugar in the coming years.

Assuming that the third Plan target of sugar production, namely, 3.5 million tons, will, in fact, be achieved, the question is whether such an achievement will enable the consumer of sugar to get his requirements at reasonable prices. The answer to the poser is a definite "No," so long as the sucrose-content in sugarcane continues to be poor (the all-India average at present is a bare 10 per cent), the defective system of linking cane prices to quantity irrespective of quality considerations is continued and the incidence of taxation is pretty heavy, being as much as 30 per cent of the price of sugar. There is also the possibility that the consumers may be asked to pay higher and higher prices in order to subsidise exports of sugar abroad. Viewed thus, the urgency of maintaining a high level of sugar production through an all-round improvement in efficiency in the farms as well as factories cannot, indeed, be over-emphasised.

SUGAR IN MADRAS

Large stocks of sugar have accumulated in Madras State and the Government of India is being requested to stop sending supplies from factories in the North for at least two months. This was disclosed by Mr. M. Bhaktavatsalam, Home Minister of Madras, during question time in the Legislative Assembly on 31st January. Mr. Bhaktavatsalam said that the Government of India allotted every month 11,000 tons of sugar to the State, and this was being reallotted to stockists in various districts, according to their past consumption. The stockists, in their turn, distributed the stocks to the retailers and bulk consumers, according to the permits issued by the Collectors and District Revenue Officers concerned. The quantity of sugar allotted to the State in the six months ended 30th September 1960 was 66,000 tons. Sugar output in the State during the same period was 30,742 tons. Replying to a question whether the Government had received any complaint from anywhere in the State regarding paucity of sugar supply, and if so what action had been taken, Mr. Bhaktavatsalam said:

"The persistent complaint I have been receiving from various quarters—the co-operative stores and factories producing sugar—is that there is a lot of sugar remaining unsold and they feared they would be incurring loss. Therefore, I am addressing the Government of India that they need not send North Indian sugar for at least two months."

TABLE I

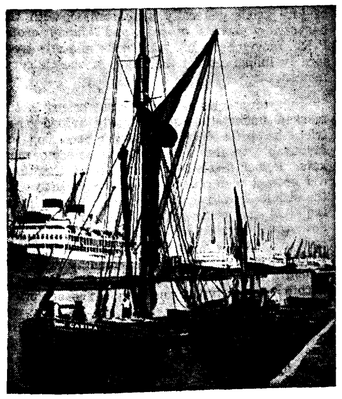
Capacity Licensed Against First and Second Plan Targets and Progress of Implementation

States	Existing Factories: Expansion licensed: No. of mills	Existing Factories: Expansion licensed: Additional capacity licensed (tons cane per day)	Existing Factories: Expansion completed by 1959-60: No. of mills	Existing Factories: Expansion completed by 1959-60: Capacity (tons cane per day)	New Factories: New factories licensed: No. of private or joint stock mills	New Factories: New factories licensed: No. of co-operative mills	New Factories: New factories licensed: Total	New Factories: New factories licensed: Total licensed capacity (tons cane per day)	New Factories: New factories gone into production by 1959-60: No. of mills	New Factories: New factories gone into production by 1959-60: Capacity licensed (tons cane per day)
Maharashtra	9	4,525	7	3,525	2	13	15	14,900	13	13,000
Andhra Pradesh	7	4,400	3	1,500	4	5	9	8,100	3	2,600
Assam	..	..	..	..	..	1	1	800	1	800
Bihar	7	2,155	1	500	..	1	1	800	..	..
Gujarat	..	..	..	..	..	3	3	2,800	2	1,800
Madhya Pradesh	2	800	..	..	..	..	..	..	..	..
Madras	1	200	1	200	3	3	6	5,400	3	2,900
Mysore	3	1,580	3	1,180	1	3	4	3,850	3	2,600
Orissa	1	350	..	..	..	1	1	1,200	..	..
Punjab	2	2,000	1	2,250	1	5	6	6,500	1	4,250
Rajasthan	2	900	..	..	..	..	..	..	..	..
Uttar Pradesh	36	19,220	18	7,667	2	3	5	6,200	1	1,200
West Bengal	1	400	..	..	1	..	1	600	1	600
Pondicherry	..	..	..	..	1	..	1	1,200	..	..
Total	71	37,130	34	16,822	15	38	53	52,350	31	29,750

TABLE II

Capacity Approved for Licensing Against Third Plan Target

States	Expansions: No. of mills	Expansions: Additional capacity licensed (tons cane per day)	New Factories: No. of private or joint stock mills	New Factories: No. of co-operative mills	New Factories: Total	New Factories: Additional capacity licensed (tons cane per day)	Total additional capacity (tons cane per day)
Maharashtra	9	2,600	..	6	6	7,500	9,600
Bihar	8	2,441	..	..	..	..	2,441
Kerala	..	..	..	2	2	2,250	2,250
Madhya Pradesh	1	500	..	..	..	..	500
Andhra Pradesh	4	1,300	..	2	2	1,750	3,050
Madras	2	450	4	3	7	7,750	8,200
Mysore	1	400	2	..	2	2,500	2,900
Punjab	..	..	..	1	1	400	400
Uttar Pradesh	24	9,862	..	..	..	..	9,862
Total	49	17,553	6	14	20	21,650	39,303



Ship via London
BRITAIN'S PREMIER PORT
EQUIPPED FOR ALL TYPES OF SHIPS AND CARGOES
The PORT OF LONDON AUTHORITY
A Self-governing Public Trust for Public Service
For full particulars apply
The General Manager
PORT OF LONDON AUTHORITY, LONDON, E.C.3

THE SOUTH INDIA INSURANCE CO., LTD.
Incorporated in India
(Established 1934)
FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS
Head Office:
Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

THE UNITED COMMERCIAL BANK LIMITED
Head Office: CALCUTTA
Authorised Capital .. .. Rs. 8,00,00,000
Subscribed Capital .. .. Rs. 4,00,00,000
Paid-up Capital .. .. Rs. 2,00,00,000
Reserve Fund .. .. Rs. 2,05,00,000
BRANCHES AT ALL IMPORTANT PLACES IN INDIA.
Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.
AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.
G. D. BIRLA, *Chairman.* S. T. SADASIVAN, *General Manager.*

Cadbury-Fry in India

DRINKING CHOCOLATE
A palatable beverage and an all-time pleasing drink.

BOURN-VITA
An ideal food drink for strength and vigour.

COCOA
A smooth and satisfying drink, made from highest quality beans.

MILK CHOCOLATE
An essential food for young and old. Tastes so delicious.

HAZEL NUTS AND SCORCHED ALMONDS
Delicious Roasted Hazels and Almonds in rich Milk Chocolate. Packed in attractive tins.

CADBURY HOUSE, BOMBAY

CADBURY MEANS QUALITY

Special No 1 *A Nourishing Tonic For* HAIR, BRAIN & BLOOD
RAMTIRTH BRAHMI OIL.
(AYURVEDIC MEDICINE)
Useful for Eyes, Memory and Sound Sleep.
Ramtirth Brahmi Oil is being prepared scientifically with various precious ingredients.
Useful to everybody in all seasons.
Available everywhere.
Price: Big Bottle Rs. 4/-. Small Rs. 2/-.
YOGIC ASANA CHART
is also available from here on payment of Rs. 2/50 nP including Postage to be sent by M. O. only.
New Bottle WITH Un Breakable Seal

A SHRI RAM
SHRI RAMTIRTH YOGASHRAM, DADAR, BOMBAY 14

JUTE CULTIVATION AND MARKETING

I.C.J.C.'S ECONOMIC RESEARCH SECTION DOES USEFUL WORK

MUCH interesting light on some of the aspects of jute cultivation and marketing has been thrown by the Economic Research Section of the Indian Central Jute Committee in its annual report for 1958-59. Although the report covers a period that is nearly two years old, the broad conclusions arrived at therein do give an idea of the economics of growing jute which, besides being the basic raw material for one of the largest industries in India, provides employment to thousands of agriculturists. The conclusions are based on the results of investigation carried out in 265 farms distributed over ten selected centres. These farms account for about 24.25 per cent of the total cultivated land under jute in the selected centres, namely, Barasat, Samsi, Monoharpur and Belakoba in West Bengal, Chakia and Purnea in Bihar, Barpeta Road and Nowgong in Assam, and Bhadrak and Kendrapara in Orissa.

Taking all the ten centres together, the average overall cost of producing jute in 1958-59 is calculated at Rs. 18.17 per maund, inclusive of the value of family and hired labour (human and cattle), purchased as well as home-produced seed and manure, and rent in cash and kind; the calculation is on the basis of the operational per-acre cost of Rs. 167.04 and rent of Rs. 19.91 and the per-acre yield of 10.29 maunds. Including the overhead charges (such as interest on capital) estimated at Rs. 2.10, the overall cost of jute production comes to Rs. 20.27 per maund. The average per-acre cost of production in Barasat, Samsi, Chakia, Barpeta Road and Bhadrak is put at Rs. 215.53, of which human labour accounted for Rs. 159.58 (or 74.04 per cent), cattle labour for Rs. 24.03 (11.15 per cent), seed for Rs. 3.49 (1.62 per cent), manure for Rs. 10.01 (4.64 per cent), insecticide for 67 nP (0.31 per cent) and rent for Rs. 17.75 (8.24 per cent). The average gross receipt from sale of jute, exclusive of the quantity given away as store rent, was Rs. 188 per acre. Deducting from this amount the total cash expenses (including rent paid in cash), the net cash earning from each acre of land sown to jute works out to Rs. 129. Even at the centres showing loss on business accounting, there was some net cash earning. Alluding to this, the report says:

"So long as this position is maintained, jute cultivation is not likely to be given up. Though for the work done by the grower and the members of his family, they should normally expect to get the same wages as that of hired labourers, what actually happens in the event of a loss as we have calculated is that the return to family labour is reduced by the amount of loss incurred on jute. But the jute grower, including his family members, has to submit to this lower rate of return, because there is hardly any alternative employment for them in the villages. Besides, they are badly in need of producing a cash crop so as to enable them to meet their urgent cash commitments."

Jute and Paddy

On an average, about 86 man-days labour and 42.75 cattle-days' labour had to be employed per acre of land under jute for completing all the operations. As much as 89 per cent of human labour came from the growers' own families. The daily wage rates varied from Rs. 2.65 in Barpeta Road to Re. 1.08 in Chakia. The average quantity of farmyard manure used per acre of land was 39.17 maunds, the cost of which represented about 5.06 per cent of the operational cost. An idea of the comparative economics of jute and paddy cultivation can be had from the figures given below:

	Unit	Jute	Paddy	Ratio between jute and paddy
Area sown per farm	Acres	0.87	2.98	0.29
Total cost per acre (including rent)	Rs.	186.95	129.13	1.45
Yield per acre	Mds.	10.29	13.87	0.74
Cost per maund	Rs.	18.17	9.31	1.95
Price per maund	Rs.	19.18	11.10	1.73
Net profit per maund	Rs.	2.55	3.09	0.83
Man-days per acre		85.94	41.99	2.04
Cattle-days per acre		42.75	38.14	1.12
Quantity of manure per acre	Mds.	39.17	7.15	5.48
Paid cost (operational) per acre	Rs.	68.55	29.81	2.13

The study of the comparative economics of jute cultivation under traditional and improved methods reveals that, even under adverse weather conditions, an additional input of Rs. 46 per acre in the improved method of cultivation gave an additional output of more than four maunds per acre, thereby lowering the cost of production by about Rs. 2 per maund. In other words, the yield from an additional investment of 24 per cent being higher by 40 per cent., the cost per unit of output was 10 per cent less. The amount of net profit earned per acre from a larger output was higher still, being Rs. 39.65 on an average, as against only Rs. 6.66 under the traditional method. Improved methods of cultivation involve use of ammonium sulphate (about 87 lbs. per acre), in addition to farmyard manure (96 lbs.), sowing in lines by seed drill, and inter-culture operations by using wheel hoe (including weeding, harrowing and thinning). There are, however, said to be some practical difficulties in this type of farming, particularly in respect of mechanical weeding. As a result, the economy in labour input cannot be secured to the extent desired. The need is, therefore, stressed for a considerable improvement in the design and performance of the wheel hoe, so that it may be operated in different conditions.

Prices and Marketing

The I.C.J.C.'s Economic Research Section has also made a study of mofussil prices of jute, as well as marketing and transport of jute. The study shows that a lion's share of the growers' income from jute is spent on the purchase of foodgrains, especially during the lean months of July-October. Judged in the light of price relationship of jute and rice witnessed in the economic investigation centres, there was no price incentive for jute during 1958-59 which might induce the growers to put more land under jute in the following season, that is, 1959-60. Fourteen secondary markets were surveyed in 1958-59. The important findings of the survey are as follows:

Prices of raw jute declined considerably during the year. Transaction in fibres between the growers and the *kutcha* balers direct at the baling centres was less in many cases as compared with the previous year. Arrivals of mesta increased during the year and its position in the internal fibre market appeared to have been secured. Distances between the grower's hut and *kutcha* baler's godown is often great and, in many cases, transport is not only difficult but costly as well. Growers, therefore, more often than not prefer to dispose of their marketable surplus to the itinerant middlemen or balers' representatives who visit them and the nearby huts at regular intervals. Consequently, middlemen enjoy an enviable position and the bulk of the marketable surplus passed through them.

Financing

A brief reference to the pattern of financing the raw jute trade may be made now. The *kutcha* balers disposing of their jute at the spot markets in Calcutta received financial accommodation from the *aratdars* at rates of interest varying from 6 to 9 per cent. Besides, advances were made on production of railway receipts or equivalent documents. Payments thus realised covered upto 85-90 per cent of the value of consignment at market rates. The jute mills also made advance payments to growers. Several commercial banks, including the State Bank of India, provided credit facilities to established and reputed firms against acceptable securities or hypothecated jute. The interest rates in most cases was 6½ per cent. The financial condition of small intermediaries who performed the useful function of assembling and transporting jute from the interior was far from satisfactory.

Barring markets in Orissa, no other jute market experienced any acute transport difficulty. Where possible, rail communication via Pakistan was extensively used in preference to all-India rail route, as the former was not only quicker but also cheaper.

Market intelligence for raw jute and mesta, as well as for jute manufactures, were collected from Calcutta and some mofussil markets. Data relating to arrivals and prices of jute in a few centres were collected and forwarded by investigators to the S.T.C. offices at Calcutta and Delhi. Reports received from selected Indian markets for jute goods revealed that about 77 per cent of turnover was in sacking which predominantly consisted of D.W., B. twill and half bags. D.W. bags accounted for the largest proportion, 61 per cent. of the total. In regard to hessian, a large volume of business passed through Bombay, Delhi, Kanpur, Madras and Amritsar markets, while business in Hapur, Cuttack and Hyderabad remained at a low level, as usual. A study of the overall consumption pattern of jute goods in the selected markets showed that the busy season for the marketing of jute goods generally synchronised with the harvesting periods of *rabi* and *khariff* crops. Price movements in jute goods markets were largely influenced by the trend of the Calcutta market.

A sympathetic fall in sacking prices in the markets under study undoubtedly helped to restrict the price differential from becoming unfavourable to the sellers in the selected markets. Lower levels of sacking prices, therefore, did not act materially against the incentives of the sellers for offering a larger business in sacking. On the other side, while a pronounced downward trend in prices of sacking was noticeable in selected markets, hessian prices witnessed a fair stability in close sympathy with the Calcutta market. Prices fluctuated both ways within narrow limits and annual average prices of the different centres, including Calcutta, recorded only a narrow fall ranging from 1 to 4 per cent from the previous year's annual average. With the increase in the consumption of new jute goods in the internal markets, a sizable increase in the consumption of old gunny bags was also noticed in each of the selected markets. Amritsar, Delhi and Hyderabad commanded a very large volume of business in comparison with others.

Training Growers

The scheme for training jute growers in the commercial grading of jute continued during 1958-59 for the fifth year in succession. The extended programme of work included propaganda, holding of conferences and group meetings, discussions regarding post-harvest operations, collection of data and information on jute sales by growers. Information regarding jute seed position, retting facilities, etc., was also collected. Besides, dissemination of Calcutta jute market prices was carried out by the parties in the interior who also collected a few items of information from balers pertaining to the local standard of assortment of jute. The Economic Research Section also handled a considerable volume of miscellaneous work such as supply of material in connection with questions in Parliament, preparation of market reviews, collection and compilation of statistical data, and answering of several trade enquiries.

It will be evident from the foregoing account that the Economic Research Section of the Central Jute Committee has been doing much useful work. The success of its efforts will be judged by the extent to which the quality of the jute grown improves and the cost of cultivation reduced. It is scarcely necessary to emphasise that the results of research work, however valuable they may be, will be of no avail, unless they are effectively and speedily carried to the fields and followed there. The cultivators must be enabled fully to appreciate the importance of intensive methods of jute growing.

AN IDEAL JUTE SPECIES

Experiments conducted at the Indian Agricultural Research Institute, New Delhi, bid fair to evolve an ideal variety of jute combining the good qualities of the two species now cultivated in India—*Corchorus olitorius* and *Corchorus capsularis*. The former grows on high ground, has a wide range of adaptability and is tolerably resistant to diseases and pests. It has a tall, unbranched stem and produces the strong, brown *Tossa* fibre used commercially. *Corchorus capsularis* is resistant to floods and drought, has a white fibre which is somewhat weak, and is more susceptible to diseases and pests.

If the good qualities of these two species can be combined an ideal jute plant possessing a strong white fibre and adaptability to grow under a wide range of environmental conditions can be evolved. Since 1900, there have been attempts to make this cross. In 1956, a systematic study of the reasons for the failure of the cross was initiated by the Division of Botany of the Indian Agricultural Research Institute under a second Five-year Plan scheme. It was found that the embryo in a cross between these two species died at a very young stage with the result that no good seed was produced. By grafting the two species upon each other and by using pollen treated with X-rays, the embryo could, however, be made to grow normally and give rise to good seeds. Hybrids were thus produced for the first time in 1959 and the progenies of the hybrids were grown during 1960. The hybrids showed various interesting combinations of the characters of the two parents.

A new variety, which marks an improvement over the parent species, may be produced in the near future as a result of the experiments at the Institute. This would be a significant contribution towards solving the shortage of raw material which the jute industry is at present facing.

Going Abroad?

Just tell us where you want to go and when, and we shall draw up your itinerary with a choice of routes and stop-overs to suit your requirements.

INDIAN AIRLINES

★ IAC CAN BOOK YOU ON ANY AIRLINE

INSTRUMENTS NEED INSTALLATION SERVICING REPAIR MAINTENANCE

CONTACT:

TOSHNIWALS

198, Jamshedji Tata Road

BOMBAY-1

AJMER, CALCUTTA, DELHI, MADRAS

XXVIII INTERNATIONAL AGRICULTURAL FAIR

Novi Sad—Yugoslavia

from 29th April to 8th May 1961

MORE and MORE PEOPLE SHARE THIS SECURITY

Wise investors and wise savers are among the many far-sighted people growing in number day by day who rely on the security of a Bank Deposit Account with Lombard Banking. Every day earns interest for Lombard Banking Depositors—you cannot afford to wait another day to put your funds to work in the security of the Bank.

Interest paid without deduction of United Kingdom Income Tax.

Write today to General Manager for your copy of "Bank Deposit Account" booklet No. AO 91.

OPEN A 5½% BANK DEPOSIT ACCOUNT WITH LOMBARD BANKING LIMITED BANKERS

Head Office

LOMBARD HOUSE, CURZON STREET, PARK LANE, LONDON, W.1. GRO 4111 (30 lines)

A World-Wide Banking and Finance Organisation

YOU'LL LOVE TO *possess such* LOVELY HAIR!

A turn, a look and you notice her lustrous, lovely hair — you then begin to feel to possess such lovely hair for yourself!

Exquisitely perfumed KESHA, enriched with rich ingredients, promotes abundant growth of lovely hair and puts a completely new look into your hair—the new look which you yearn for!

START YOUR 'HAIR CARE' plan today with Kesha

Another quality Product from the HOUSE OF LOMA

Sole Agents:
M. M. KHAMBHATWALA
Ahmedabad 1
Agents:
C. NAROTAM & CO.
Bombay 3

WANTED—BIGGER ROLE FOR THE ENGINEER IN MANAGEMENT

MAJOR-GENERAL HARKIRAT SINGH'S PLEA

THE annual general convention of the Institution of Engineers (India) was held at Bombay over the week-end. Its highlight was the presidential address of Major-General Harkirat Singh, a military engineer of high standing. This address was, in the main, devoted to the theme of management of engineering activities. The new President, who has succeeded the eminent engineer, Dr. K. L. Rao, quoted a number of authorities to drive home the point that "an engineer is basically a manager" and that the natural managerial abilities of senior engineers should, therefore, be utilised by putting them in the ranks of top management and administration of engineering and technical enterprises or departments. The various arguments put forward by Maj-Gen. Harkirat Singh in support of this plea would merit recapitulation.

The basic arguments are that the military strength of a country is primarily dependent on its technical strength and its industrial potential, that the economic growth of India, which is still the hungriest country in the world, is of vital importance both for its defence and for sustenance of its cultural life, and that economic growth can be accelerated by having the highest standard of management and administration of engineering and industrial activities so as to make the maximum use of the country's resources of men and materials. As nearly 70 per cent of all development activities under the Five-year Plans require engineer appreciation, planning and execution, the crucial role played by engineers is apparent. As Professor M. S. Thacker said, in his presidential address to the Institution of Engineers (India) in 1956, "development lies within the domain of the engineer," who is concerned with the techniques of design and development in the practical application of scientific and industrial research. Industrial economics, production engineering, industrial psychology and production management—all these come within the scope of engineering. That the function of management—defined as the organisation and control of human activity directed to specific ends—could be better discharged by the engineer is brought out in the following quotation from a lecture given by Sir Ewart Smith to a joint session of the Institutions of Civil, Electrical and Mechanical Engineers in England:

"It would appear that the basic training and subsequent experience which are normal for the professional engineer should be pre-eminently suited to the development of good managerial qualities. Every engineering activity has a clear and immediate purpose, the achievement of which demands planning, decision, and control. The engineer is brought up on the idea of change and progress. He has to carry responsibility for his work and results more directly than in almost any other profession, his mistakes are there for all to see, and he has either to correct them or to live with them—a most salutary fact. Engineering, too, always depends on co-operative action with other people. The engineer is exceptional also in having the opportunity to see management from the underside, and to gain experience of rank and file reactions during his period of practical training. Thus, the professional engineer should be well equipped to undertake wide managerial responsibilities. It is beyond question that he normally does so with success in his own field."

Bureaucratic Shackles

Although engineers are thus in a position to discharge managerial responsibilities, Maj.-Gen. Harkirat Singh has noted that very few of them have been entrusted with senior management in either the private or public sector. Not only in the field of industries established in the public sector but also in other departments concerned with public works, irrigation, electricity, posts and telegraphs, civil aviation, road transport, port development, telecommunications, etc., secretaries both at the Centre and in the States are generally I.C.S. or I.A.S. officers. In many States, even the chairmen of the State Electricity Boards are drawn from these services, and in some places even technical education and training are not in the hands of engineers. This, perhaps, explains why, according to the general opinion of competent engineers, India's engineering and industrial activities are working only at about 75 per cent efficiency. The subordination of the technician or the engineer to the "mere" or "pure" administrator in the higher rungs of service in the public sector has meant "bureaucratic shackles" for the former. The result is that technical departments are directed by non-technical men who are in no position to take competent decisions on technical matters. As Mr. C. L. Handa said, in his address at the annual general meeting of the Punjab Centre of the Institution of Engineers in December 1959, "the engineers have an unenviable position in the present set-up, because they are made responsible for the achievement of targets without being given the necessary authority." And, according to Mr. Kanwair Sain, "the relationship between persons in the secretariat and those in the technical services is becoming more and more remote."

The present unsatisfactory state of affairs can be set right, if it is recognised that a "bureaucratic climate" is not an essential ingredient of democracy. Given such recognition, the rest is easy, and Maj.-Gen. Harkirat Singh's practical suggestions for the needed reforms in the administrative machinery will be seen in their proper perspective. His first suggestion is that centralised engineering services should be instituted, because the engineers who have to deal with the main rivers, roads and communications and power distribution systems—all of which cross State boundaries will not otherwise develop a national outlook. The second suggestion is that senior engineers should take on the secretaries' duties in addition to their own technical duties, so that they may then have the necessary authority commensurate with their responsibility. And the third suggestion is that, in view of the fact that all States have a number of Chief Engineers (for irrigation, electricity, etc.), there should be an Engineer Board in each State, with the various Chief Engineers as its members and with a whole-time Chairman. The Chairman of this Board should co-ordinate the work of various Chief Engineers and of other engineering and technical enterprises in the State and also have, under his control, five directorates concerned with personnel, administration and training, centralised planning, works study, research, development and standardisation, and engineer stores and plant.

Senior Posts Just a Hundred

These three suggestions, if implemented together, may well impart to the technical and engineering departments the dynamism that modern engineering practice needs. After all, there should be no difficulty in doing this, for the senior posts involved will number just one hundred or so. If experienced and competent engineers, who are in a position to do greater creative work, are entrusted with managerial authority, the results are bound to be much better in terms of expeditious construction of and productive efficiency in engineering and industrial enterprises. It would be unfortunate if this case for the "engineer-manager" is mistaken for any thirst for power on the part of senior engineers. Surely, there can be no uncharitable suggestion here that engineers, who are so anxious to play a fuller part in the exacting war against poverty, want power either for its own sake as many politicians do or for self-aggrandisement.

INDIA'S MARITIME NAVIGATION IN 1958

The Department of Commercial Intelligence (Calcutta), Government of India, had just published statistics of the maritime navigation of India for the year 1958. It is seen therefrom that the figures of tonnage of vessels which entered and cleared in the foreign trade in 1958 are 12.15 million tons and 9.73 million tons, respectively. The figures of aggregate tonnage of Indian vessels which entered and cleared in the coasting trade with cargoes in that year are 5.3 million tons and 6.4 million tons respectively; the respective figures covering British vessels are 2.5 million tons and 3.3 million tons; and the figures covering other non-Indian vessels are 3.7 million tons and 4.5 million tons. Figures of total cargo (foreign and coasting) handled at major ports of India during 1957 and 1958 are given below:

(Million tons)

	Imports		Exports	
	1957	1958	1957	1958
Calcutta	5.30	5.17	4.60	4.25
Bombay	4.35	3.64	1.95	1.67
Madras ...	1.86	1.82	0.60	0.64
Visakhapatnam ...	1.01	1.26	1.27	1.15
Cochin	1.44	1.36	0.49	0.55
Kandla	0.50	0.84	0.25	0.19
Total ...	14.55	14.08	9.20	8.45

CENTRAL RAILWAY IN 1959-60

The Central Railway authorities have just published an attractively got-up brochure giving facts and figures concerning the railway's performance and position in 1959-60. The financial results of this railway for the year are given below:

	(Rs. crores)
Capital outlay	236.8
Passenger earnings	23.1
Other coaching earnings	6.4
Goods earnings	49.8
Sundry earnings	2.0
Working expenses	56.8
Net earnings	24.5

Figures of commodity-wise loading show that, in the year 1959-60, as many as 739,519 wagons were loaded on the broad-gauge section, of which 110,951 wagons were loaded with coal for the public. The respective figures for 1958-59 are 714,571 and 112,823. It will be seen that less wagons were loaded with coal in the year under review than in the previous year. On the metre-gauge section, only 75,563 wagons in all were loaded with different commodities in 1959-60, as compared with 79,690 in 1958-59.

Ticketless travel on the Central Railway has been on the increase. In 1959-60, as many as 779,255 passengers travelled without tickets or with improper tickets as compared with 707,358 in 1958-59. Total charges including excess charges collected from persons on demand in the two years are Rs. 18.0 lakhs and Rs. 16.6 lakhs, respectively.

O.E.E.C.'S NON-FERROUS METALS STATISTICS FOR 1959 AND 1960

The O.E.E.C. has just published the statistics pertaining to non-ferrous metals for 1959. The relevant report brings up-to-date the statistical information on production, consumption, imports and exports and metal uses at the first processing stage. A statistical series for aluminium end-uses is included with figures for 1958 and 1959; this means that, for the first time, the flow of processed aluminium to the various consumer industries has been put on a comparable basis for European countries.

The topical interest of the publication is enhanced by the brief survey (Part 1) on market developments in 1960 made at the end of October, which also includes short-term forecasts on the activity of European non-ferrous metals industries. 1960 was a record year for European non-ferrous metals production and consumption as well as for imports. The upward trend of activity continued unabated for the first nine months. Progress in processing industries, particularly for aluminium and copper, has been quite spectacular and the production of aluminium and copper semis and castings is reported in some countries to be 25-30 per cent up on the first half of 1959. Although some new capacity has come with service, deliveries are still abnormally slow in some cases. In the zinc processing industry, the greatest expansion was made in die-castings and brass products. According to the experts, zinc and aluminium die-castings are now meeting with more and more competition from plastics, e.g. for motor vehicle accessories. Demand for lead products remained stable but demand for nickel steel and anodes was stimulated by the insistence on better finishing for consumer durable goods and the export market.

The second part of the report describes the expansion of European non-ferrous metals industries in the nineteen-fifties. The progress made by producer and consumer industries and the changes that took place during this period in the pattern of European consumption and trade are set forth in this analysis, which is based on the statistics collected during the last ten years and related to the general economic background during this period.

The non-ferrous metals industry in the O.E.E.C. countries has been in continual expansion since 1950, to a much more marked degree than any other areas in the Western world. Both production and consumption rose by over 50 per cent and net imports more than doubled, thus increasing considerably the overall dependence of the area on raw materials supplied from outside. Whereas the O.E.E.C. area has maintained its proportion of output in the Western world at slightly more than one-quarter, its relative importance as consumer increased and is now approaching that of the United States.

N P C PRODUCTIVITY JOURNAL

(Bi-monthly)

First of its kind. A Must for Good Business. Next issue contains views of Jawaharlal Nehru, Gulzarilal Nanda, Khandubhai Desai, Naval Tata and other experts; case studies, latest literature on Productivity; also research-based findings. Subscription nominal Rs. 9 for a whole year, including postage. Write immediately to Executive Director, National Productivity Council, 38, Golf Links, New Delhi.

DA60/609

NEW PRODUCTS AND PROCESSES

Para-aminophenol

AMINOPHENOLS find wide applications as developers for photographic negatives, in the synthesis of dyestuffs, particularly of azo and sulphur dyes and in the pharmaceutical industry as intermediates for the manufacture of various compounds such as phenacetin, methacetin, etc. These chemicals are not so far manufactured in India and the local demands are met from imports. Aminophenols can be produced from corresponding nitrobenzene by a variety of chemical reactions. But these methods involve the use of costly intermediates which have themselves to be prepared by a series of operations from coal tar primaries. The electrolytic reduction of nitrobenzene and m-dinitrobenzene gives corresponding aminophenol directly and is thus more advantageous than ordinary chemical methods. Working on these lines know-how for the electrolytic production of p-aminophenol and 2:4-diaminophenol from nitrobenzene and m-dinitrobenzene respectively has been developed at the Central Electro-chemical Research Institute, Karaikudi.

The process consists in reducing a suspension of the corresponding nitrobenzene in dilute sulphuric acid in an electrolytic cell. The same cell can be used for the manufacture of both aminophenols. In one cell amalgamated copper or monel rotating cathodes and perforated lead sheet anodes with porous pot diaphragms are used. For the manufacture of p-aminophenol, cell voltage is maintained at 3.8-4.6 volts, bath temperature at 80-85° C. and current density at 20 amp./dm². Under these conditions yields of 65-73 per cent are possible. Optimum conditions for 2:4 diaminophenol are current density of 30 amp./dm², cell voltage of 3.8-4.8 volts and bath temperature of 100° C. Yields of 50.56 per cent can be obtained. The following advantages have been claimed for the process:—(1) The acid required is of lower concentration and can be repeatedly used. (2) High current density reduces the duration of electrolysis and consequently results in less electrode investment. (3) Use of rotating cathode permits easy design of high capacity cells, requiring less floor space than cells using stationary cathodes. (4) The process is simple and the raw materials are comparatively cheap.

Fuel-oil Additive

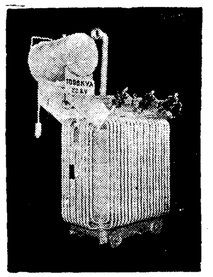
Among exhibits at the 1961 Engineering, Marine, Welding and Nuclear Energy Exhibition will be a furnace fuel-oil additive, developed for use at sea during the war and now marketed by Duramis Fuels Limited, "Murrills," East Street, Portchester, Hampshire, England. Duramis is a mildly acidic liquid with a specific gravity of 1.025 and a flashpoint of 265° F. (130° C.), which dissolves rapidly and uniformly through a tank of fuel, so that no special mixing is required. Its main function is to absorb the small amount of peracetic acid present in the fuel, which otherwise acts as a catalyst in the formation of free carbon, thereby leading to incomplete combustion, to increased emulsification of the oil with water and to the formation of bituminous or asphaltic sludges. The effectiveness of the additive in this respect was demonstrated in a Government sponsored laboratory test, when the carbon content of an oil was reduced from 0.24 per cent to 0.04 per cent after treatment with 0.1 per cent Duramis. In another test the reduction was from 0.6 per cent to *nil*. By promoting complete combustion, Duramis also helps to reduce the sulphur trioxide content of the flue gases, thereby inhibiting the formation of sulphuric acid and corrosive soots which attack the flues and chimneys. In addition, the additive has been found to lower the surface tension of fuel oil, which increases the rate of combustion and gives a better air/oil mixture with less excess of air, by reducing the size of oil droplets from the atomiser. As a result, all carbon in the fuel is consumed, the CO_2 content of the flue gases is increased, and chimney temperatures are lowered. A public authority operating cross-channel ferries, who use about 14,500 gallons of Duramis a year, are reported to have made a saving of 5.7 per cent on fuel for a 2 per cent increase in cost per ton during trials.

All-Glass Insulating "Paper"

Varying applications are being found for Tissuglas—described as an all-glass insulating "paper"—which has been developed in the U.S. to solve unusual electrical, thermal and electronic problems. The material is supplied in sheet form and is made from extremely small glass fibres on a specially adapted paper-making machine. It is uniform in texture and electrical resistance and is claimed to have unusual properties as an insulating material. Its melting temperature is above 1,200 degrees F. and thickness ranges from .0006 to .012 inch. One of the newest applications for Tissuglas is as a base for electroluminescent lamps which are in the form of flexible panels as thin as 1/16-inch. It is also being used as a component for printed circuit materials in which it is laminated with very thin copper foil. The material is produced in rolls up to 36-inches wide and can be obtained in the U.K. through A.M.F., 4-6, Saville Row, London, W.1.

Safety Device for Machinery

A photo-electric device which will give warning of the slowing down or stoppage of machinery used in continuous processes is being produced by Hird-Brown, of 244, Maraland Road, Sale, Cheshire, England. The device, which can sense changes in rotation and other movement, is claimed to be particularly useful where machinery is left unattended. It is suitable for "watching" many kinds of mechanical action—rotating shafts, fans, rollers, reciprocating shafts and conveyors—and can be arranged to give an audible or visible alarm or initiate correction should there be a failure.



G E F

TRANSFORMERS

BUILT TO LAST

for

POLE & PLATFORM MOUNTING

and Power Transmission Line Towers of any description

Transformers upto 1500 KVA on 11 KV and upto 1000 KVA on 22 KV & 33 KV Voltage Ratings.

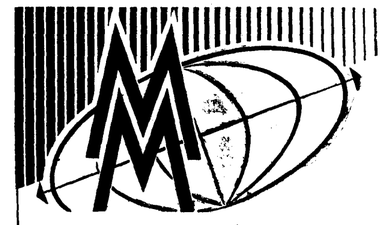
THE CHOICE OF THE FIELD ENGINEER WHO LOOKS FOR TRANSFORMERS THAT REALLY SERVE

ALSO MAKERS OF SCIENTIFIC SURVEYING INSTRUMENTS

PIONEERS IN TRANSFORMER INDUSTRY

GOVERNMENT ELECTRIC FACTORY

Mysore Road, Bangalore-2



5th–14th MARCH 1961

LEIPZIG TRADE FAIR

Industrial Equipment and Consumer Goods from over 50 Countries

The leading International Fair and Centre of the ever-growing trade between East and West

Direct flights · Reduced fares by train over the continent
Literature from all leading travel agencies

For details contact:

LEIPZIG FAIR AGENCY

P. O. Box No.1993, BOMBAY 1
D-17, Nizamuddin East, NEW DELHI 13
34-A, Brabourne Road, CALCUTTA 1
"Lomond" 46, Harrington Road, MADRAS 31

Further information and free advice on sources of supply from:
Leipziger Messeamt · Hainstr. 18 a · Leipzig C 1
GERMAN DEMOCRATIC REPUBLIC

PERSPECTIVE FOR STEEL OUTLINED—I

INDIA MAY NEED 110 MILLION TONS BY 2000 A.D.

By Dr. M. N. Dastur

[An interesting perspective of the demand for steel in India was the central theme of Dr. M. N. Dastur's Sir M. Visvesvaraya Lecture at the annual meeting of the Institution of Engineers (India) held at Bombay during the week-end. Dr. Dastur also examined the economic and technological conditions necessary for expanding the production of steel. He pleaded for a careful exploration, development and conservation of the raw materials required for steel-makng and particularly cautioned against exhausting India's high grade manganese ore by exporting it indiscriminately. He highlighted the latest technological developments in steel-making, which showed that Russia was not behind others in adopting the most modern and highly efficient processes. Dr. Dastur made many pertinent points in an impressive manner, some of which, especially those relating to the rate of growth that India should achieve in steel, are contrary to the views urged by the school of thought in favour of a lower steel target. As these, too, require to be widely known, we are publishing in these columns a condensed version of Dr. Dastur's illuminating address. Dr. Dastur, it may be noted, is a well-known consultant on metallurgical industry. He is the author of the project reports on alloy and tool steel plant at Durgapur and the fourth steel plant proposed to be sited at Bokaro.—ED.]

THE role of steel in a developing economy is dependant on the pace and pattern of industrialisation adopted. A good beginning with social overheads like railways, irrigation and power, having been made in the first Plan, the second Plan was drawn up with greater weightage to industry, especially heavy industry. This has led to a debate over the relative importance of agriculture and industry in the Indian economy. Interestingly, it was Sir M. Visvesvaraya who was the first to make out a consistent and well-argued case for industrial development in his book *A Planned Economy for India*, published in 1934. The outline of a ten-year national plan he put forward in the book was the precursor of the Five-year Plans of the post-Independence period.

It is widely recognised that even the development of agriculture in today's conditions requires a strong industrial base. Major increase in food production in the second Plan is believed to be directly attributable to measures relying heavily upon science and technology, such as improved seeds, major irrigation and fertilisers. The case for rapid industrialisation, therefore, rests not merely on industrialisation, *per se*, but also on the patent need to rehabilitate agriculture itself.

Not surprisingly, therefore, there is, notwithstanding the debate I referred to, wide agreement in the country over the need for rapid industrialisation, spearheaded by the heavy industry sector. The Federation of Indian Chambers of Commerce and Industry, the most representative body of its kind, holds that the industrial priorities for the third Plan should include "the attainment of the level of near-self-sufficiency in heavy machine building" and "considerable expansion in respect of other producer goods industries including steel, chemicals and coal."

Making the Right Choice

The development of heavy industry, as the third Plan visualises, will take place side by side with expansion of consumer goods industries to ameliorate the living conditions of the common man. The whole Plan is predicated upon the assumption that consumption will rise by over 4 per cent per annum. There is no dispute that consumption standards need to be raised faster; however, should we settle for a strategy of growth that maximises immediate benefits, but jeopardises the long-term prospects or should we opt for a pattern of development which, while not bringing immediate benefits on the same scale, will ultimately make possible much higher rates of economic growth and consumption than otherwise? It is really, therefore, a question of making the right choice between present needs and future hopes.

It is a commonplace that development itself brings into being conditions for its furtherance. In many ways, the choice of investments is decisive in determining the tempo. Our attempt, therefore, should be to give priority to those investments which induce the largest amount of investment in subsequent periods. For instance, it has been shown that an expenditure of Rs. 450 crores in basic industries today could bring into being a complex of heavy industries, which will enable us to equip a large number of new industrial units with an annual output running into hundreds of crores.

Indeed the balance of payments outlook makes it obligatory that India should increasingly rely on indigenous capital goods, if development is not to be arrested by the scarcity of foreign exchange. Hence, the immediate and compelling need to develop machine building and other heavy industries, requiring, in turn, the continuing expansion of steel industry to provide an assured supply of the basic raw material. This point of view is now widely acknowledged, and was given authoritative expression by Mr. H. V. R. Iengar, Governor of the Reserve Bank of India, in his address at the annual meeting of the Bureau of Industrial Statistics on 30th November 1959, when he said that "if a steel plant had been put up during the first Plan period, India would have not only got the plant cheaper, but also saved considerable foreign exchange spent to import steel."

Role of Steel

The key role of steel in economic development can also be shown with a degree of mathematical accuracy by analysing the correlations between *per capita* consumption of steel and other major economic variables, such as national income *per capita*, the value of industrial production *per capita* and consumption expenditure *per capita*. One such study recently made by the Economic Commission for Europe showed that steel consumption increases at a rate faster than industrial production in the early stages of economic development. Once the industrial base is established, every increase in steel consumption brings about a large increase in industrial production, national income and living standards.

Some people argue against steel expansion on the ground of its low employment potential but this is like calculating the benefits of a power plant in terms of the number of people employed directly by it. Indian data being lacking, I shall quote the estimates of the American Iron and Steel Institute which show that every worker employed in the steel industry creates factory jobs for another eight in plants which could not come into existence without an assured supply of steel. In addition, the steel industry creates jobs in non-manufacturing industries like mining, transportation, construction, etc., not included in the ratio cited above.

A recent study of the degree of interdependence of industries is of exceptional interest in judging statistically the role of steel in the economy. It shows the extent to which one industry interlocks with others, indicating the "forward and backward linkage effects." It is found that industries with the highest linkage effects provide maximum growth stimuli. It is interesting to note that the steel industry provides the maximum linkage effect, as it consumes the largest value of products from other industries and provides the maximum value of raw materials for further consuming industries.

One may, therefore, generalise that "underdeveloped countries are not so foolish and so exclusively prestige-motivated in attributing prime importance to this industry." This is also borne out by my own experience in Peru, Brazil, Columbia and Venezuela where I was associated with the planning of the first steel plants. There were grave doubts there in some quarters about the economics of the plants because of the low level of demand at the time and the raw materials situation in these countries. Yet, it is interesting to note that "even before the new steel plants were completed, they had to be expanded.

Planning for Steel

In the foregoing section, I attempted to show that heavy industry alone can provide a reliable foundation for rapid and sustained economic growth. In fact, even advance in agriculture will increasingly call for higher industrial outputs. This provides then the rationale for accelerating the development of the steel industry, a point which seems to have been better appreciated in China.

This is evident from the fact that, in the last eight years, while steel output in China multiplied more than twelvefold, production in India only doubled. While some Chinese statistics may be of doubtful accuracy, I, for one, have no doubt, after seeing the Chinese industry in 1959, that it is pushing forward boldly and rapidly.

Cement-Steel Ratio

The development of the steel industry has so far been very halting in our country which is sharply brought out by the unusual ratio obtaining between the output of cement and steel. It is not suggested that cement production be curtailed, only that steel output must increase more sharply than hitherto so that eventually a ratio similar to that found in other industrialised countries begins to obtain.

Estimating Future Steel Requirements

It will be appropriate at this stage to attempt a forecast of future steel requirements in India. As installation of new steel capacity together with development of ancillary facilities, such as new mines, washeries and railways, is a time-taking process, planning for steel has necessarily to be done on a long-term, or perspective basis. Consequently, while planning for 1965-66, we have to keep in mind the possible requirements of the fourth, fifth and succeeding Plan periods, in order to ensure continuing expansion of existing capacity and initiation of new capacity at appropriate intervals.

Forecasts of future steel requirements can be made by a number of methods such as establishing a correlation between steel consumption and national income. But this will not be realiable in a country like ours where growth accelerated by planning, is changing the components of national income. For us, much more dependable is the "end-use," method, which works out the steel component of various industrial and construction targets laid down by our planners, thus arriving at an aggregate of demand from various sources. The exercise is based on the use of predetermined norms of steel required per unit of production or construction, the norms themselves having been established as a result of empirical study.

Using this method, my colleagues and I estimate steel requirements at about 12 million tons by 1965-66 to meet the production targets set down in the third Plan. Expansion of this order is well within our capabilities.

Even at the level of 12 million tons, we shall achieve a *per capita* consumption of only 26 kg., as against the current *per capita* consumption of 40 to 70 kg., in many Latin American countries with predominantly agricultural economies. Proceeding beyond 1965, on the basis of levels of *per capita* consumption corresponding to the degree of industrialisation and increase in national income, envisaged at successive stages in the country's long-term perspective plans, we arrive at an estimate of consumption reaching the 19 million level by 1970; 28 million by 1975; and 110 million tons by the end of the century. These 110 million tons of steel will give us a *per capita* consumption of 130 kg. which means that we shall then barely reach the current levels of Japan and Italy.

Provision for Future Expansion

It is important to keep this perspective of development in our mind in the decisions we take today. After all, there are only comparatively few locations where large plants could be economically located in any country, more so in India where coking coal deposits are concentrated in a small area. If we aim to get to a capacity of over 100 million tons in the next forty years, we shall have to rely, as other countries have done, upon a few large steel complexes to provide the bulk of the capacity. This will not preclude the setting up of a large number of smaller plants to disperse steel capacity to meet regional demands and stimulate local development.

In drawing up the layout for a new plant, we should, therefore, provide sufficient space for many-fold expansion. Such provision will add only a negligible amount to present costs, but will pay off handsomely in the future. Larger the plants, the greater the economies realised in capital and operational costs. Whereas the typical integrated steelworks of a few decades ago was usually a million-ton capacity, today 10-12 million-ton plants are considered desirable wherever possible.

If the steel industry is to develop at the pace we visualise, we must also attempt to insulate the programme from the uncertainties of foreign credits and aid. This implies that the progress of heavy machine-building industries must proceed apace, unhampered by delays we have suffered in the past. The serious quest for self-sufficiency will require an imaginative policy of looking ahead not merely to create new equipment capacity but also to mobilise the productive potential already existing in India.

UNDER PUBLIC DEPARTMENT 13 FEB 1961

Outlook For Raw Materials

The expansion of steel capacity requires urgent attention to the raw materials base of the industry. The quality and extent of our resources have caused anxiety. While iron ore reserves are one of the largest and best in the world, the known reserves of good coking coal are comparatively low and the ash content is high. The availability of suitable fluxes with low insolubles for steelmaking is even more critical.

This state of affairs emphasises the urgency of stretching out supplies through the upgrading of high-ash coals by washing, by petrographic preparation to permit large mixture of non-coking coals in the blend, by the use of self-fluxing sinter in the blast furnace burden and other technological improvements to reduce specific coke consumption. Such efforts in the U.S.S.R. have reduced coke consumption by 35 per cent between 1930 and 1958. The use of similar techniques should also make it possible to bring down the coke rate per ton of pig iron in India by one-third in the near future.

It cannot be too strongly emphasised that the coal and limestone positions allow absolutely no ground for complacency. The large investments being made in steel plant facilities are likely to be rendered idle, unless, taking a lesson from the second Plan, there is a sustained and co-ordinated effort to survey, investigate, raise and transport these materials to the steel plants. The long-term outlook is likely to be improved by new discoveries of raw materials. Between finding new deposits and delivering them to steel plants there is, however, a long preparatory period—for instance, six to eight years in the case of coal.

Need to Conserve Manganese

At this point, it is necessary to sound a note of warning regarding indiscriminate export of some of our raw materials. For instance, it has long been thought that our reserves of good manganese ore are practically inexhaustible and it has, therefore, been exported at a rate of a million tons a year for the last several decades. Already our growing ferro-manganese industry is experiencing shortages of the high-grade ores. Therefore, for the magnitude of steel production required in the future, the good ores must be conserved by preventing indiscriminate export of such ores and beneficiating low-grade ores.

Technological Possibilities

I should now like to review some of the major technological trends in the metallurgical field, and how these could be utilised to conserve our critical resources and enable the Indian steel industry to expand rapidly.

The blast furnace is the starting-point of metallurgical processes in a steel plant. During the last ten years, engineers and and scientists have taken a close, critical look at the technology and economics of iron-making, and have achieved a substantial increase in blast furnace productivity and a consequent decline in coke rates.

The presence in the blast furnace burden of materials of varying size allows the gases to escape up the stack without effective use of their heat content or reducing ability. Consequently, coke consumption is increased and iron output decreased. Therefore burden preparation to ensure uniformity in size and composition is the first step in raising blast furnace performance.

The attempt to utilise iron ore fines led to their agglomeration by sintering. Soon it came to be realised that the use of sinter has also other far greater advantages. Today, sintering is recognised all over the world as the most important development for increasing iron product on at low cost and also conserving raw materials. Unfortunately, in our country, while there is much talk about conserving critical materials such as coking coal, one of the most useful conservation measures—the use of self-fluxing sinter—has not received the attention it fully merits at Indian steel plants. It will be interesting to note here that blast furnace production is raised by 45 to 60 per cent and coke rate lowered by 25 to 40 per cent when using 100 per cent sinter in the burden. The best results are obtained when sinter as a proportion of the burden exceeds 60 per cent. The success of early work on sintering Domnarvet in Sweden and subsequently at the Appleby-Frodingham Works in England and at Russian steel plants has led to an upsurge in sinter production all over the world.

Size of Blast Furnaces

The trend in iron-making is towards larger blast furnaces. During the last sixty years, the blast furnace has grown steadily from a small unit producing about 100 tons per day to modern giants with outputs of over 3,000 tons per day. The reasons for a large blast furnace are that its larger output reduces unit operating costs, and also gives a small but significant saving in coke. Further, there is a considerable reduction in capital cost per ton annual capacity. In view of these technological trends, it would be desirable for the large integrated steelworks in India to standardise on blast furnaces of about 1,700 cu.m. working volume, with a rated capacity of 2,000-3,000 tons per day. There is nothing inherent in our raw materials which could prevent us from using furnaces of this size to advantage.

Another very important development is the use of high pressure inside the blast furnace to improve its performance. The operation of blast furnaces at elevated top pressure increases iron production, reduces dust losses, and consequently reduces the production cost of iron. The objections to use of top pressure such as high maintenance and blower costs, are more than compensated by better performance. In Russia, the advantages of top pressure have been appreciated and the mechanical problems solved, so that today more than 80 per cent of U.S.S.R. blast furnaces are operating on pressures upto 22 lbs.

The supply of additional external heat in the blast has been known to decrease the carbon consumed at the tuyeres per ton of iron and consequently increase the iron production rate. Currently blast temperatures of 1,000/1,100° C. are being used. Further, fluctuations in humidity under Indian conditions and the trend towards high blast temperatures, call for the use of steam for the controlled humidification of the air.

Another interesting development is the injection of natural gas, coke oven gas or oil into the smelting zone of a blast furnace. Recent investigations by the U.S. Bureau of Mines on an experimental blast furnace using natural gas showed reduction in coke consumption by about one-third over the base period and caused a 30 per cent increase in pig iron production. In India, where natural gas and heavy oils are not likely to be abundant, the injection of coke oven gas into the blast furnace needs consideration.

Steel-making

We turn now to steel-making, that is the refining process by which iron is converted to steel. The molten iron from the blast furnace contains numerous elements—such as carbon, manganese, phosphorus, sulphur and silicon—which must be removed by oxidising them out of the bath; the oxidised impurities then combine with the flux to form slag.

The quality of available raw materials, particularly their phosphorus content, has a major influence on the selection of the appropriate steel-making process. Three technically feasible alternatives could be considered under Indian conditions, for large-scale steel-making: (*a*) Duplex process—(Acid Bessemer—Basic Openhearth), (*b*) Basic Openhearth and (*c*) Basic Top-Blown Oxygen LD process.

Duplex Process: The conventional duplex process, using acid converters and basic openhearths, requires higher capital investment and operating costs, and gives lower yields than one-stage refining operations. With the advent of faster pneumatic processes and improved openhearths, the duplex method is becoming obsolete except under very special circumstances.

Basic Openhearth: The basic openhearth today produces the bulk of the world's steel. One of its major advantages is its technical flexibility: it can produce quality products from a wide variety of raw materials. Also, the metallic charge to the furnace can vary from all-cold-scrap to 80 per cent hot metal from the blast furnaces.

Use of Oxygen: In the last decade, while there has been spectacular progress in the LD and other pneumatic processes (Kaldo and Rotor), a number of refinements improvements have also been made in the openhearth process. The most important of these is the increasing use of oxygen, both for flame enrichment to accelerate heating and melting, and by direct insertion through roof lances for oxidation of the steel. The combination of the two methods, that is flame enrichment and direct oxidation, can increase productivity by 40 to 50 per cent and at the same time decrease the fuel consumption.

One of the important consequences of the use of oxygen is that the higher temperatures inside the furnace call for the use of the more refractory basic bricks in openhearth roofs.

Another line of development which is improving openhearth economics is the increase in furnace size from average of about 40 tons per heat in the twenties to an average of about 200 tons per heat in U.S.A. and U.S.S.R. today. The largest furnaces are those of 500 and 600 ton capacity in U.S.S.R. and China which are capable of production rates approaching 100 tons per hour. Furnaces with heat size of 800 to 900 tons are now being designed, each furnace to produce about three-fourths of a million tons of ingot steel annually. This increase in heat size not only improves output but also lowers fuel and refractories consumption.

The openhearth process revitalised by these recent improvements is thus better able to meet the challenge of the LD converter and other pneumatic processes which have made very big headway in the last few years.

LD Process: Although the first commercial LD plant came into operation in Austria only eight or nine years ago, there were 46 converters with an annual capacity of 12.5 million tons by 1957, and another 50 vessels will have been brought into operation by next year taking the total LD capacity to some 26 million tons.

The process combines the advantages (comparatively lower capital investment and rapid refining rate) of a pneumatic converter operation with the flexibility of an openhearth to some extent (use upto 35 per cent scrap) and produce a variety of steels of openhearth quality. Steel can be finished to desired analysis and contains very low nitrogen. The LD process is well suited for the production of all sections and is particularly suited for deep-drawing quality sheets.

While a few years ago, the average LD converter size was only about 40 tons—such as the converters installed at Rourkela—today, converters of 200 tons capacity are being installed. It is thought that the heat size of LD converters will increase in the near future to over 250 tons, giving a production of about 200 tons per hour per vessel.

Lower Costs

The development of large converters has increased the attractiveness of the L.D. process in comparison with conventional openhearths. A recent study made by us indicates that the capital cost of a two-million-ingot-ton-per-year meltshop using three 120-150 tons LD vessels (including oxygen plant) would be about Rs. 200 million, as compared with a cost of about Rs. 350 million for an openhearth shop of equivalent capacity with six 500-ton furnaces plus desiliconising—that is the LD plant would cost only about 60 per cent that of the openhearth shop. The LD process in this case was advantageous not only in terms of capital cost, but also was lower by Rs. 20 per ingot ton in production cost.

In view of the above considerations—the lower capital and operating costs and suitability in the context of raw materials and scrap available, it is believed that the LD process should produce 30 to 35 per cent of the total steel in India in the next ten years. Indeed, the share of the LD process all over the world is expected to rise from under 10 per cent at present to 20 to 25 per cent of the world's steel production. However, to maintain a proper overall scrap and fuel balance inside an integrated steel plant, the openhearth will continue to find an important place.

Other oxygen steel-making processes of great interest are the Kaldo process developed in Sweden and the Rotor process in West Germany. Until recently, both processes have been operated on a small scale. These new developments must be watched with interest by Indian steel-makers, as they promise to combine the speed of the LD process with the versatility of the openhearth.

(To be continued)

INCOME, OUTPUT AND EMPLOYMENT IN THIRD PLAN

BALANCED DEVELOPMENT NOT PROVIDED FOR

By V. S. Mahajan

IF the marginal capital-output ratio is 3:1 and the rate of population growth is something like 1.8 per cent annually, then to achieve a 5 per cent growth in the real national income during a year at constant prices, we need net investment of about 20 per cent, that is, 20 per cent of national income should be available in the form of savings for further investment. If prices start rising 4 to 5 per cent a year, then the rate of incremental investment would have to be something like 25 per cent, that is a quarter of national income.

What is the experience of the Indian economy? During the past nine to ten years—the period approximately covering India's first two Plans—the rate of savings has hardly moved from 6 per cent to 8 per cent, while the investment rate has moved pretty fast. It was probably around 11 per cent last year. (Even an investment rate of 11 per cent, with a lower capital-output ratio of 2.3:1 and population growth of 1.8 per cent, would, at constant prices, hardly yield 2.5 per cent growth in national income, that is 50 per cent of the rate originally assumed by the planners. Of course, with 4 to 5 per cent growth in prices annually, admitted by the planners themselves, the rate of growth would still be smaller.)

Thus, one finds that more importance has been given to the rate of investment than to savings. Such gap in resources was partly covered by foreign loans and partly by deficit finance. (The foreign loans and deficit finance, during the second Plan have been of the order of Rs. 982 crores and Rs. 1,170 crores respectively, or nearly 47 per cent of the aggregate public sector investment.) Further, investment in the second Plan has mainly been on basic and heavy industries and relatively less attention has been devoted to agriculture. The result has been 20 per cent rise in the cost of living index. This negatives the planners' own assertion, that is, while heavy industry created demand for consumer goods, it does not produce these goods. The moral they drew was that simultaneously efforts should be made to augment production of consumer goods. Was this done in practice? There was, unfortunately, not a very realistic programme of food production—the major item in an average verson's cost of living in India. It was, perhaps, thought that food would grow by the grace of God, as had happened during the closing years of the first Plan. But nature, unfortunately, has not been so kind.

Foreign Exchange Lost

Further, in regard to production of other basic consumer goods—cloth, vegetable oil, etc. —much reliance had been placed on the cottage sector (not even small industries, what to talk of large industries, the latter being penalised to feed the cottage infants. The result was obvious. While, on the one hand, the cost of production of these goods rose steadily, their production, on the other, could barely keep pace with the growing demand. This put further pressure on prices. Also due to our expensive production policy and lack of modernisation, both of which are the direct results of the Government's Industrial Policy, India has lost much of its export markets in cotton textiles to Japan, Hong Kong and even Pakistan. Thus, it has lost foreign exchange at a time when it is needed badly.

The necessity for encouraging the cottage (hand) sector rose from its labour-intensive character. In other words, with unemployment mounting day after day and underemployment rising steadily in the rural sector, as a result of population explosion, employment planning became absolutely essential. (Had the programme of industrialisation pushed up with slightly more vigour in the first Plan, India could have avoided, to some extent, such ugly state of affairs at the beginning of the second Plan.) But where could employment be created so rapidly? The Karve Committee's Report on (mostly) Village and (less) Small Industries provided an answer. Only cottage industries could absorb millions of these unemployed and underemployed people. Consequently, these industries were made the second leading sector of growth, next to iron and steel and other basic and heavy industries. It was also argued that this policy would also help to lower the incremental capital-output ratio, and thus allow the economy to obtain larger production with minimum of cost. But one is at a loss to understand as to why such precise ratio as 2.3:1 was selected in the second Plan. This shows that the Planners were very optimistic of the capital-output ratio as a useful tool in economic planning. How far this ratio has actually materialised is anybody's guess.

Again, the number of jobs that have actually been created through labour-intensive techniques of production is not known. One guess is that, during the first four years of the current Plan, not more than 6 to 6.5 million jobs have been created in agriculture, industry and services, while another 1.5 to 2 million jobs are expected to be created during the last year of the Plan. (See B. N. Dattar's article on "Employment in the third Plan," originally published in the *Yojana*.) In all, roughly 8 million jobs may be said to have been created in the second Plan, as against more than 5 million jobs in the first Plan, where very little emphasis was put on employment and industrialisation. The second Plan had started with a backlog of 5.5 millions of unemployed and 10 millions were further suggested to be entering the labour market during the currency of the Plan. It may, however, be pointed out that this figure of 2 millions labour force entering every year in the market is based on the old conception of population growth around 5 millions a year. Recently, the population has grown at a much faster rate, something like 7 to 7.5 millions a year. Thus, on a conservative guess, not less than 3 millions of additional labour force may be said to be entering the market recently, which calls for an upward revision of the backlog figures of the labour force, at the close of the second Plan, from 8 millions to something like 10 to 11 millions.

Things May be Worse

Consequently, with a backlog of 10 to 11 millions of unemployed, at the beginning of the third Plan, the progress of employment via cottage industries can hardly be said to be satisfactory. As a matter of fact, the country has double the unemployed people now than it had at the beginning of the second Plan. Things would still be worse, when one takes into account the number of underemployed in the rural sector.

So where have the things gone wrong? Obviously there has not been a real employment planning. Things have been more or less left to chance. And even such chance-taking has as well proved expensive. It has been so, because, first, we have diverted resources from more productive to less productive activities, and, secondly, as already pointed out, the less productive activities have proved costly from the point of view of cost of production as well as from that of generating additional employment. Finally, we have made a switch-over to modern methods of production, even though these may be on a small scale, more difficult and costly than labour-intensive methods of production.

Here an important issue arises. What could India do when it is faced with a serious unemployment problem? In other words, how else could we create so many jobs? Of course, this is the real rub, namely, how to multiply employment at a rapid rate. Is there any magic by which this can be achieved?

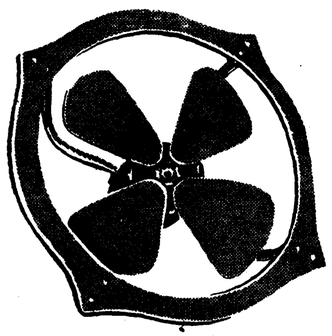
I shall take up this issue in the next section of this paper. Let me summarise here the main points of this section. I started this article by stating that, for a given capital-output ratio and a given population growth rate, the country needs a particular rate of savings and investment, in order to achieve desired rate of growth in the national income. To attain a 5 per cent rate of growth, India would require nearly a quarter of its national income available for further investment. But experience so far indicates that the rate of investment has not been, on an average, even half of this figure. None has any accurate data on the marginal capital-output ratio during the second Plan in order to make an upward or downward adjustment in the rate of growth. (Incidentally, V. V. Bhatt has worked out a ratio of 3 : 1 for the second Plan. If this ratio is correct, which at least appears to be more realistic, then the rate of growth of real national income would still be smaller. See his article, "Capital-Output Relationship in the Plans," *Yojana*, 24th July 1960.) It has also been seen that the savings ratio (including foreign exchange) in the economy has lagged far behind the investment rate, the gap being filled through deficit financing, foreign loans and foreign aid. The policy of putting less emphasis on agriculture and encouraging cottage industries at the expense of more efficient large-scale industries has made development expensive in terms of rising cost of production and cost of living. Such a programme has also failed to provide employment opportunities on the scale originally expected. This means that, if there had been a proper balance between different sectors of production—agriculture, industry (large, small and cottage), commerce, etc.—India's economic development would have been less costly and probably more employment-generating.

How far have the planners digested these lessons while preparing the Draft of the Third Plan?

It is encouraging to note that they have more than realised that self-sufficiency in food is essential if India is to avoid such gaps in food supply as has been witnessed recently, and which can be a disturbing feature in the rate of development. In fact, self-sufficiency in food has been accorded a second place among the five objectives of the third Plan, and nearly a quarter of the total (projected) expenditure both in public and private sectors would directly and indirectly benefit agriculture. This is a right approach, for, in every growing economy, food must be given the top priority, otherwise much of the useful effort would be wasted through the inflationary spiral.

Land Reform Policy

It must, however, be added, that a mere laying down of physical targets of food production and working out the financial resources involved would not suffice. The spirit with which the programme is executed and the creation of proper social climate are also vitally important.



Keeps the Air Fresh

INDUSTRIAL Exhaust

Gives perfect trouble-free Service

manufactured to the highest accuracy

JAY ENGINEERING WORKS LTD. CALCUTTA-31

USHA

To take an instance. The land reform policy in different States has produced an omnibus type of legislation, which hardly shows any uniformity in land ceilings, etc. even in two States. As a result of imposition of land ceilings, much of the capital investment in rural areas has tended to shift to urban areas, thereby depriving villages of what little private capital they had access to. Further, the distribution of small bits of land among landless workers and small farmers looks like distributing poverty in a country with severe shortage of land and heavy pressure of population. Could this not be one of the factors responsible for depressing agricultural production during recent years? If the country is better prepared in other respects —more irrigated land, more fertilisers, better agricultural implements, new and improved varieties of seed, intensive efforts of Community Projects to raise farm output, etc.—the lag in agricultural production on account of failure of nature will not be as large as it is today.

A Big Handicap

The matter may be considered from another angle also. By parcelling out land in small bits, India will be discouraging commercial farming. Unlike the existing more developed economies, where commercial farming both helped and sustained large-scale industrialisation, either subsequently or simultaneously, we do not have a class of commercial farmers in India. This is a big handicap and much of this owes to the British land policy which created a privileged class of intermediaries between the actual tillers of the soil and the State. This class had hardly any interest beyond collecting the land revenue. And what the national Governments have done recently is merely to put a ceiling on the privilege of this class, without simultaneously attempting to encourage a class of commercial farmers.

An important prerequisite for the creation of this class of commercial farmers is to encourage farms of suitable commercial sizes. How far co-operative farming can take up the role of commercial farming is a debtable issue. If past experience is any guide in this direction, then the role of co-operatives in encouraging commercial farming appears to be limited.

All these issues, land reforms, commercial farming, appropriate incentives, etc., have been referred to in this article to show the magnitude of the agricultural problem. Unless these issues are properly integrated with the agricultural plan, there may be no smooth sailing.

So much about agriculture. What about employment? This is the fourth aim of the Plan: "To utilise to the fullest extent possible the manpower resources of the country and to ensure a suitable expansion in employment opportunities." Strangely, it is preceded by the aim to expand the basic industries like steel, fuel and power and to establish machine building capacity. This shows that our planners have consciously or unconsciously given more importance to basic industries than to human beings. It is true that basic industries are necessary for self-sustained growth. But self-sustained growth becomes less meaningful when millions of human resources are either unemployed or underemployed. All in all, the Plan is heavy industry-biassed and is not properly balanced with employment needs.

Productive Employment

It is logical that we should base our industrial programme with a view to providing full (productive) employment. Of course, this cannot be done overnight. It will take time. But, at the same time, unless a concerted effort is made in this direction, and gear our planning machinery to this end, we may delay it unnecessarily.

As regards housing—one of the most starved items that needs immediate attention and also one which has a vast employment potential—the less said the better. The responsibility for providing this basic need is left almost entirely at the doors of the private sector, and how slowly and how erratically this sector has moved in this direction is well known. Most of the building activity that has occurred in cities, has been in the shape of luxury flats and multi-storeyed office blocks, for the simple reason that such construction yields rich dividends on the capital invested in the shortest possible period. The progress made in building houses for the low-income groups is poor, with the result that nearly three-fourths of the population is forced to live in slum areas.

What is worse, the position is steadily worsening. For example, the socio-economic survey of Poona has revealed that, in 1957, nearly 65 per cent of the people in the city lived below the poverty line and the percentage of people below the destitution line increased from 15 to 25 during 1951 to 1954. (See Tarlok Singh's article on "Urban Rural Trends in India," published in the *Yojana*.) Almost similar results were shown by the socio-economic survey of Calcutta, published recently. What does the Planning Commission propose to do in this respect? Mere building of machine-making capacity, which is stated to be one of the most important objectives of India's planning, will not bring about self-sustained growth. Such growth process can be had only by planning for the balanced development of the various sectors of the economy, including the most important sector of manpower.

Facilities Wanted

It will thus be seen that the third Plan, too, lays inadequate stress on buildings, roads, and other construction and allied activities as well as on small industries with efficient methods of production and large consumer industries (especially cotton textiles) all of which could both create and sustain large employment opportunities and also improved supplies and distribution of consumer goods. Unless India has good village to market roads, its efforts to accelerate agricultural production would not bring the expected results. Unless India has well developed factory sites, housing estates, water, electricity and telephone facilities in rural areas, it can hardly expect decentralisation of (private) industrial activity and thereby avoid over-concentration of such activity in a few large cities. Unless we bring the entire country within the fold of the market economy—instead of having small islands of isolated markets—we would hardly be able to create market for modern (mass-producing) units, only which can bring about lower and uniform prices in different areas.

In the ultimate analysis, it is the overall growth of the market economy which would help to generate and sustain steady growth. If we do not take care of the rural sector and integrate it with the urban sector, our work would only be half complete. It is generally agreed that in order to stop rapid migration to cities, it is necessary to create enough employment potential in rural areas. This obviously has to be done in non-agricultural activities, as agriculture is overcrowded.

Whether the marginal capital-output ratio is 2.6:1 or 3:1 in the third Plan, it is safe to conclude that much would depend upon our ability to maintain a proper balance between the different sectors of the economy. Further, if the capital-output ratio has to be as low as possible, in the interest of larger rate of growth with minimum cost component, it is necessary that the price line of essential consumer and basic goods is maintained. In other words, there must be adequate production of these goods in the country, the distribution machinery should be efficient, and there should be a programme of countrywide markets where the common man in rural areas is made an active participant in the process of growth.

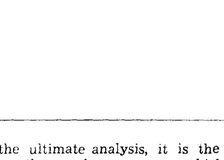
It is only out of a higher rate of growth of output and full (productive) employment that India will be able to extract a higher share of revenue, which would be available for self-sustained growth without disturbing the price line. If a large section of the community is unemployed, the rate of growth would necessarily be small, as much of such aggregate production would be consumed by these non-earning and partially earning members. The rate of growth of savings would also be slow as savings ultimately emerge from the surplus available over immediate consumption.

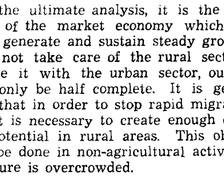
FARGO

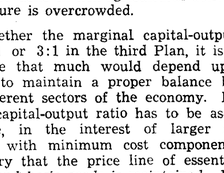
DIESELS

in national service

Fargo diesel trucks are doing more than their fair share of work at projects because of their rugged construction and ability to carry more loads at less cost per trip. No matter what the load and however tough the going, they are first-class for service, performance and economy







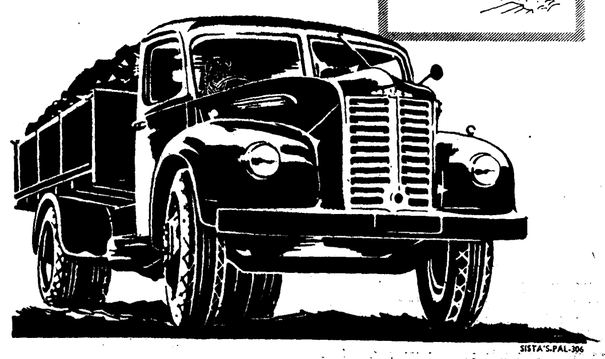
FARGO DIESEL TRUCKS

Now available with new, more powerful and economical engines

PROGRESSIVELY MANUFACTURED BY

THE PREMIER AUTOMOBILES LTD.

BOMBAY



SISTA'S-PAL-306

CONTACT YOUR NEAREST DEALERS

Notices

THE AUCKLAND JUTE COMPANY LIMITED

NOTICE OF DIVIDENDS

THE BOARD OF DIRECTORS HAS SANCtioned payment of the following Dividends subject to deduction of tax under Section 18(3D) of the Indian Income Tax Act.

Interim Dividends for the year ended 31st March, 1961.

On Cumulative Preference Shares @ Rs. 2.75% increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, i.e. making a total of Rs. 3.575%.

On Redeemable Cumulative Preference shares @ Rs. 2.25% increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, i.e. making a total of Rs. 2.925%.

On Ordinary Shares @ Rs. 7 per share.

Additional Dividends for the year ended 31st March, 1960.

On Cumulative Preference Shares @ Rs. 1.65% per annum.

On Redeemable Cumulative Preference Shares @ Rs. 1.35% per annum.

The Dividends will be paid on or after 6th March, 1961, to those Shareholders (or their mandatees) whose names appear in the Company's Books on 21st February, 1961.

The Share Transfer Registers of the Company will be closed from 9th February, 1961 to 21st February 1961, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *28th January*, 1961.

THE DALHOUSIE JUTE COMPANY LIMITED

NOTICE OF DIVIDENDS

THE BOARD OF DIRECTORS HAS SANCtioned payment of the following Dividends subject to deduction of tax under Section 18(3D) of the Indian Income Tax Act.

Interim Dividends for the year ended 31st March, 1961.

On Cumulative Preference Shares @ Rs. 3.50% increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, i.e. making a total of Rs. 4.55%.

On Ordinary shares @ Re. 1 per share.

Additional Dividends on Cumulative Preference shares @ Rs. 2.10% per annum for the years ended 31st March, 1958, 1959 and 1960.

The Dividends will be paid on or after 6th March 1961 to those shareholders (or their mandatees) whose names appear in the Company's books on 21st February, 1961.

The Share Transfer Registers of the Company will be closed from 9th February 1961 to 21st February 1961, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Secretaries & Treasurers.

CHARTERED BANK BUILDINGS,
CALCUTTA, *28th January*, 1961.

THE NORTHBROOK JUTE COMPANY LIMITED

NOTICE OF DIVIDENDS

THE BOARD OF DIRECTORS HAS SANCtioned payment of the following Dividends, subject to deduction of tax under Section 18(3D) of the Indian Income Tax Act.

Interim Dividends for the year ended 31st March 1961.

On Cumulative Preference Shares @ Rs. 2.75% increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, i.e. making a total of Rs. 3.575%.

On Ordinary Shares @ 75 nP per share.

Additional Dividend for the year ended 31st March 1960.

On Cumulative Preference Shares @ Rs. 1.65% per annum.

The Dividends will be paid on or after 6th March 1961 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 21st February, 1961.

The Share Transfer Registers of the Company will be closed from 9th February 1961 to 21st February 1961, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *28th January*, 1961.

THE LANSDOWNE JUTE COMPANY LIMITED

NOTICE OF DIVIDENDS

THE BOARD OF DIRECTORS HAS SANCtioned payment of the following Dividends subject to deduction of tax under Section 18(3D) of the Indian Income Tax Act.

Interim Dividend for the half-year ended 30th September, 1957.

On Cumulative Preference Shares @ Rs. 3.50% increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, i.e. making a total of Rs. 4.55%.

Additional Dividend for the half-year ended 31st March, 1957.

On Cumulative Preference Shares @ Rs. 1.05%.

The Dividends will be paid on or after 6th March, 1961, to those Shareholders (or their mandatees) whose names appear in the Company's Books on 21st February, 1961.

The Share Transfer Registers of the Company will be closed from 9th February 1961 to 21st February 1961, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Secretaries & Treasurers.

CHARTERED BANK BUILDINGS,
CALCUTTA, *28th January*, 1961.

UNION JUTE COMPANY, LIMITED

NOTICE OF DIVIDENDS

THE BOARD OF DIRECTORS HAS SANCtioned payment of the following Dividends subject to deduction of tax under Section 18(3D) of the Indian Income Tax Act.

Interim Dividends for the year ended 31st March, 1961.

On Cumulative Preference Shares @ Rs. 3.50% increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, i.e. making a total of Rs. 4.55%.

On Ordinary Shares @ Rs. 5 per share.

Additional Dividend for the year ended 31st March, 1960.

On Cumulative Preference Shares @ Rs. 2.10% per annum.

The Dividends will be paid on or after 6th March 1961 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 21st February, 1961.

The Share Transfer Registers of the Company will be closed from 9th February 1961 to 21st February, 1961, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *28th January*, 1961.

THE KINNISON JUTE MILLS COMPANY, LIMITED

NOTICE OF DIVIDENDS

THE BOARD OF DIRECTORS HAS SANCtioned payment of the following Dividends subject to deduction of tax under Section 18(3D) of the Indian Income Tax Act.

Interim Dividends for the year ended 31st March, 1961.

On Cumulative Preference Shares @ Rs. 3.50% increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, i.e. making a total of Rs. 4.55%.

On Ordinary shares @ Rs. 5 per share.

Additional Dividend for the year ended 31st March, 1960.

On Cumulative Preference Shares @ Rs. 2.10% per annum.

The Dividends will be paid on or after 6th March 1961 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 21st February, 1961.

The Share Transfer Registers of the Company will be closed from 9th February 1961 to 21st February 1961, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *28th January*, 1961.

THE LAWRENCE JUTE COMPANY LIMITED

NOTICE OF DIVIDENDS

THE BOARD OF DIRECTORS HAS SANCtioned payment of the following Dividends subject to deduction of tax under Section 18(3D) of the Indian Income Tax Act.

Interim Dividends for the year ended 31st March, 1961.

On Cumulative 'A' Preference shares @ Rs. 3.50% increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, i.e. making a total of Rs. 4.55%.

On Cumulative 'B' Preference shares @ Rs. 2.75% increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, i.e. making a total of Rs. 3.575%.

On Ordinary shares @ Rs. 7 per share.

Additional Dividends for the year ended 31st March, 1960.

On Cumulative 'A' Preference shares @ Rs. 2.10% per annum.

On Cumulative 'B' Preference shares @ Rs. 1.65% per annum.

The Dividends will be paid on or after 6th March, 1961, to those Shareholders (or their mandatees) whose names appear in the Company's Books on 21st February, 1961.

The Share Transfer Registers of the Company will be closed from 9th February, 1961 to 21st February, 1961, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Secretaries & Treasurers.

CHARTERED BANK BUILDINGS,
CALCUTTA, *28th January*, 1961.

THE ELGIN MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 15th February to 7th March, 1961, both days inclusive.

By Order of the Board,
Per Pro THE BRITISH INDIA CORPN. LTD.,
K. M. WILCOX,
Director/Secretary,
Secretaries & Treasurers.

SUTHERLAND HOUSE,
KANPUR, *Dated 28th January*, 1961.

★ CONSULT FOR INTERNATIONAL AND DOMESTIC BANKING SERVICE

THE BANK OF TOKYO LIMITED
(Incorporated in Japan under the special law)

32 Overseas branches and representative offices and
1 Associate Bank
1 Affiliate Bank 1 Trust Company

All information concerning foreign trade available

All the latest information in respect of the Japanese pattern of industry and business and the names of all the principal industrial manufacturers and manufactured commodities available for your ready reference.

★

K. Hashimoto
Manager
Bombay Office

Bombay Office:
"Jeevan Prakash", Sir Phirozshah Mehta Road
P.O. Box 1762, Bombay-1 Tel: 253857/58 & 253848
Office at Calcutta Representative at Delhi

GUIDE TO COMPANY MANAGEMENT
By
Messrs. JOHN & ROW

An indispensable Guide to all persons concerned with Company Management, including Managing Agents, Directors, Secretaries, Auditors.

Price Rs. 5

EXPRESS PUBLISHERS (PRIVATE) LIMITED
33, BROADWAY, MADRAS-1

For all your requirements in:-
OIL SEALS, 'O'-RINGS
BUCKET SEALS AND ALL TYPES OF PRECISION MOULDED ITEMS MADE FROM SYNTHETIC RUBBER

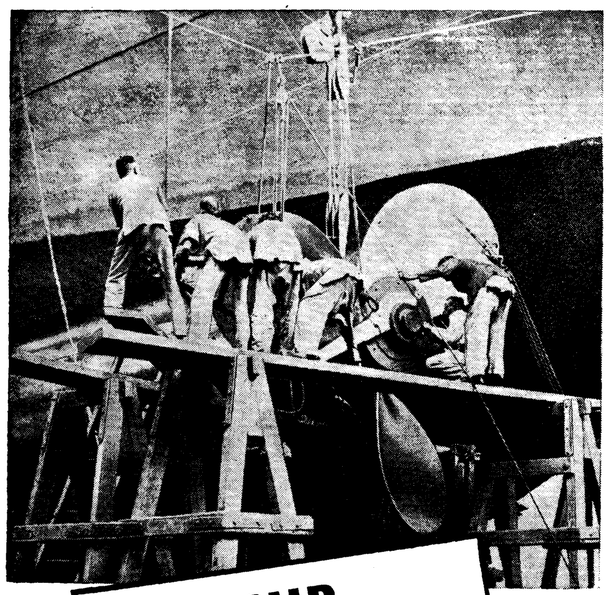
Please Contact:—
M/s. OIL SEALS MFG. CO. INDIA,
(Mfrs. of Famous OMCO Brand Oil Seals)
Ratan House, (2nd Floor), Tribhuvan Rd., Bombay-4.

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories

For over 35 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cotton Mills and other Industries in the country.

Phone: 22-5952
22-5101
Gram: "BANCO"

BEHAR FIREBRICKS & POTTERIES LTD
STRAND ROAD, CALCUTTA-1

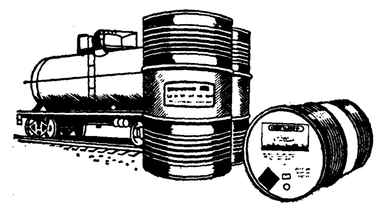


SHIP REPAIRING

All classes of structural and machinery repairs carried out to river, coastal and ocean-going vessels.

THE HOOGHLY DOCKING & ENGINEERING CO. LTD.
SALKIA HOWRAH
Post Box No. 21 Howrah
Telegrams "Hooghly Dock Howrah"
Telephone—66-2001
Managing Agents:
MARTIN BURN LTD.
MARTIN BURN HOUSE
12, Mission Row, Calcutta 1
Branches at: New Delhi, Bombay, Kanpur
MHDC-4

Organic Chemicals



Alcohols
Amines
Anhydrides
Aromatic Hydrocarbons
Chlorine Compounds
Esters
Glycols
Glycol-Ethers
Ketones
Nitrogen Compounds
Phenols
Plasticisers
Polyalkylene Glycols
Rubber Auxiliaries
Silicones
Synthetic Lubricants
Wetting and Emulsifying Agents

INDUSTRIAL PRODUCTS SALES DIVISION
UNION CARBIDE INDIA LIMITED
Formerly NATIONAL CARBON COMPANY (INDIA) LTD.
BOMBAY • CALCUTTA • DELHI • MADRAS
NCC 2009 R

IMPORT POLICY OF PAKISTAN

MORE RAW MATERIALS ALLOWED

PAKISTAN is half-way through the first year of the second Plan (June 1960 to July 1965). The growth of the tempo of its planning has inevitably led to stresses and strains on the economy, as is the case with any developing country embarking on an ambitious scheme for economic growth. Pakistan's position has been made more difficult by the continuing heavy expenditure on defence which is unproductive. Although the new military regime has chosen to eschew reliance on direct deficit financing for resource mobilisation, there has been a steady increase in the price level at the rate of about 4 per cent per annum because domestic production of necessities of life has been inadequate to meet the high rate of population growth and the increase in the purchasing power in the hands of the people. There have been serious shortages of food and industrial raw materials, in particular, necessitating substantial imports of these commodities. Nevertheless, the import policy has generally been quite restrictive in view of what is claimed to be a none-too-satisfactory balance of payments situation. The new regime has, however, been somewhat responsive to the grievances of consumers, as is evident from some of the measures of liberalisation adopted in the import policy for the current half-year beginning from January 1961. Apparently, the Government seems to have been influenced mainly by the increase in foreign exchange earnings in 1959-60, following the introduction of the bonus scheme for export promotion. It may be noted, in passing, that under the export bonus scheme, exporters of certain goods are given transferable import licences, which fetch a large premium in the domestic market.

Automatic Licensing

Under the import policy for the current licensing period, 62 items have been placed under automatic licensing. As a result, 118 industries would receive all their requirements of raw materials and spare parts on an automatic basis. Some 51 industries have been given licences on the basis of 110 per cent of assessed capacity on single shift. It may be recalled that, during the previous period, there were only 14 industries which were entitled to automatic facilities. The remaining industries had been licensed at 100 per cent for only those items of their requirements which were under automatic licensing, with the import of residuary items being made under bonus licensing. Not all units chose to use bonus licences for this purpose, with the result that a number of industries did not find it possible to go into full production. In the new policy, it is said that 8 per cent of all industries are being given licences for all their requirements in full to ensure better utilisation of installed capacity. But as the concession applies only to a limited range of industries, the results are not likely to be much impressive.

Another feature of the import policy is the introduction of repeat licensing system. Accordingly, repeat licences are being issued as soon as goods against one licence have been shipped and the importer presents copies of bills of lading, duly certified by a Scheduled bank. It is expected that an efficient importer will be able to get at least two shipments within a shipping period.

Three items have been removed from the licensing list, namely, ammunition, beads and false pearls, as also arms. While the production of ammunition has been commenced indigenously, imports of the other two items are being permitted under the bonus scheme. Commercial licences for the import of clocks and watches are also not given, since they can be imported under the bonus scheme. Yet another new provision in the import policy relates to the Government's decision to relate industrial licensing to export performance of industrial units. Accordingly, the units, which show a good record of exports, get preferential treatment in the matter of licensing for expansion.

Scope for Improvement

While the new import policy, in general, has been well received by the industrial community, there is dissatisfaction among some of the consumers over the continuation of the overall restriction on imports. But this is unavoidable in the present context. There is at any rate still room for streamlining the import policy in many respects. In this connection, Dr. Anwar Iqbal Qureshi, a leading economist and business consultant in Pakistan, writes in his weekly letter, *Economic Review*, that "there is scope for rationalisation and for providing relief to consumers without any substantial loss of revenue or foreign exchange." Elucidating his point, he observes:

"The policy of the Government should be to allow as much imports of consumer goods as are compatible with our foreign exchange resources, which, we fully well know, are limited. We further suggest that as many of import items as are possible should be under O.G.L. In case the limited foreign exchange resources of the Government do not allow the import of any item upto about 125 per cent of its quota of 1953 under commercial licence, we suggest complete ban of token imports under commercial licence. These should be allowed only under bonus licences. The foreign exchange thus saved should be devoted for imports of more essential goods. We would like to go a step further and suggest that imports should be either under commercial licence or under bonus but not under both. Such a policy leads to loss of foreign exchange without any tangible benefit to the consumers.

"When a category is renounced from a commercial licence and subjected to imports under bonus imports, appropriate reduction should be made in the import duty. For instance, the import duty of 100 per cent on watches of all categories subject to import under bonus licence cannot be justified. This equally applies to the import of art silk, yarn and fabrics. The Government should adopt either one, that is, high import duties or the other, that is, imports under bonus. There is little justification in charging high import duties on goods imported with bonus voucher. To be more specific, we suggest for the serious consideration of the Government that import of motor vehicles and small cars upto the value of Rs. 7,500 should be subject to a suitably lower import duty than is the case at present, and these should all be imported under licences."

Dr. Qureshi has made a fervent plea to liberalise imports of coffee. To quote him:

"We would also like to utilise this opportunity to urge upon the Finance Minister to treat coffee not as a luxury but a common requirement of the intellectual classes which brings some relief to the monotony of life. It is about a year and half ago that the nominal import duty of 36 per cent *ad valorem* on coffee was raised to 80 per cent. The amount that this duty brings to the exchequer is rather limited and the hardship which it imposes on the coffee drinkers is quite severe. The market price of two-ounce tin of Ness Coffee (instant) is Rs. 5.63 in Karachi while its f.o.b. London price is Re. 1.63. The larger disparity is probably explained by limited amount of commercial licensing and profiteering on the part of the importers. The price of ordinary ground coffee in Pakistan is Rs. 10 per pound, while it can be imported from India at Rs. 2 per pound when there is a glut. Would it be asking too much to import coffee freely from India under special agreement, and charge the old rate of import duty?"

Admittedly, Dr. Qureshi's suggestion, if accepted, is bound to be of mutual benefit to both Pakistan and India. It is to be hoped that the question of coffee will be discussed in detail between the representatives of the Governments of India and Pakistan when they meet next for review of the existing trade agreement.

Sustained Vigilance

There is no doubt that sustained vigilance is called for in respect of imports in the interests of safeguarding the balance of payments position. Improvement in the balance of payments position was indeed an important objective of the first Five-year Plan to be achieved by increasing exports, import substitution and economising non-development imports. Actual foreign exchange earnings during the Plan period were, however, only Rs. 955.4 crores, which compares unfavourably with the target of Rs. 1,050 crores. The Pakistan Planning Commission, in its publication, *The Second Five-year Plan*, attributes the shortfall in earnings mainly to "inadequate increase in domestic production, a decline in world trade and increased demand at home for exportable goods." Foreign aid and foreign private investments were also lower at about Rs. 507 crores, as against the original expectation of Rs. 612 crores. The balance of payments position worsened further on account of a sharp deterioration in the terms of trade—the terms of trade index declined by about 40 per cent between the first quarter of 1955 and the last quarter of 1959—as also by the serious food shortage leading to substantial imports of foodgrains. The following table shows the trend in Pakistan's foreign exchange earnings since 1954-55:

(In crores of rupees)

	1955–56 *	1957–58	1959–60 †	Total 1955–60
Raw jute ..	94.1	85.8	81.8	421.5
Jute manufactures ..	8.5	13.3	22.0	68.5
Raw cotton ..	51.0	24.6	16.8	150.9
Cotton manufactures ..	3.2	3.4	20.0	42.9
Hides and skins ..	4.9	5.0	4.0	25.1
Wool	8.5	7.8	7.7	41.7
Tea	3.1	2.0	4.0	15.5
Miscellaneous exports ..	20.3	10.9	20.0	79.5
Invisible receipts ..	19.5	19.8	20.7	109.8
Total ..	213.1	172.6	197.0	955.4

* Adjusted for devaluation of rupee in 1955.

† Planning Commission's estimates.

Decline in Exports

Annual exports during the first Plan period continued to be lower than those in 1955-56. In 1957-58, it had declined to Rs. 172.6 crores, as against Rs. 213.1 crores in 1955-56. It may be noted that, owing to devaluation of the Pakistan rupee in July 1955, jute manufactures and cotton goods made much headway (partly on account of the clearance of accumulated stocks) in 1955-56. As is evident from the table, the impact of devaluation, however, was short-lived. But exports picked up considerable momentum once again in 1959-60, thanks to new incentives. An important point of interest is the change in the composition of exports. Jute and cotton, both in raw and processed form, still account for 80 per cent of Pakistan's total earnings from commodity exports, but jute manufactures and cotton goods amounted to about 25 per cent of the total in 1959-60, as against only one per cent in 1954-55. Exports of quite a few manufactured goods also tended to move up.

The following table shows the trend of projected and actual foreign exchange expenditures, earnings and deficit during the first Plan:

(In crores of rupees)

	Projected	*Actual*
Expenditure financed by :		
Pakistan's resources ..	1,050	938.5
Project and commodity aid and technical assistance ..	385	303
Foodgrain aid ..	177	161.8
Private foreign investment ..	50	42.5
Total ..	1,662	1,445.5
Total foreign exchange earnings ..	1,050	959.4
Deficit	612	490.1

Source : Planning Commission of Pakistan.

In spite of smaller earnings, the actual deficit was substantially less than the deficit projected in the Plan. This was due principally to reduction in the imports of consumer and development goods, raw materials and spare parts for machinery.

Second Plan

In the second Plan, exports are expected to go up by 15 per cent. But this will not be sufficient even to meet the expenditure on maintenance imports. The position is explained in the second Plan as follows:

"The balance of payments has in the past faced serious strains chiefly because of increased import requirements and heavy deterioration in the terms of trade. Foreign aid and loans and foreign private investment have largely helped the economy to stand these strains. During the second Plan period the foreign exchange earnings of the country will increase by about 15 per cent but this will not be enough even to meet non-development import requirements; the entire development import requirements, estimated at Rs. 650 crores, will have to be financed from foreign aid and from private foreign investment. With the addition of balance of payments support (Rs. 150 crores), foodgrain aid (Rs. 100 crores) and extraordinary aid to meet part of the rupee finance of the Indus Basin replacement works (Rs. 70 crores), the total foreign resources needed amount to Rs. 970 crores. If these requirements of external assistance are not met, the implementation of the Plan will not be possible. External assistance will play a critical role in enabling the economy to develop in a manner which should have a favourable impact on the balance of payments in later years. It is expected that by 1965, foreign exchange earnings will increase much more rapidly and substitution of domestic production for imports of all kinds will be much more substantial. With the successful implementation of the Plan the need for balance of payments support and foodgrain aid should be eliminated, and it should become possible to finance development imports increasingly from the country's own resources."

The total of foreign exchange earnings through exports during the second Plan period are expected to go up to Rs. 1,060 crores, or to an annual average of Rs. 212 crores, which compares with the annual average of Rs. 191.2 crores in the first Plan period.

Indo-Pak Trade

A short account of the recent trends in Indo-Pakistan trade will not be out of place in this context. The trade between the two countries was put on a rational basis, with the signing of the limited payment agreement in December 1959. This was superseded by a protocol to the trade agreement in March 1960 (effective for two years) which, among others, fixed the value of commodities to be exchanged either way higher at Rs. 4.10 crores, as compared with only Rs. 2 crores under the earlier limited payments agreement. The following table shows the trend of trade between the two neighbours:

(In crores of rupees)

	Imports from Pakistan	Exports to Pakistan	India's balance of trade
1952	29.14	46.34	+17.20
1953	19.41	7.62	—11.79
1954	17.82	10.09	— 7.73
1955	25.08	8.71	—16.37
1956	20.91	8.08	—12.83
1957	13.40	6.77	— 6.63
1958	6.27	7.16	+ 0.89
1959	5.45	6.31	+ 0.86
1960 (January-September) ..	11.26	6.47	— 4.79

India bought more goods from Pakistan in 1960 (January-September) than in the previous year. This has resulted in an adverse balance of payments to the tune of Rs. 4.79 crores, as compared with a surplus of Rs. 86 lakhs in 1959. It is, at any rate, a good augury that of late Indo-Pakistan relations have changed for the better and, consequently, there has been some expansion in the trade between the two countries. Admittedly, there is considerable scope for further improvement in the trade between them.

WORLD ECONOMIC SURVEY, 1959

The *World Economic Survey, 1959*, published by the United Nations, is the twelfth in the series of comprehensive reviews of world economic conditions. A special study of this survey examines post-war investment trends and policies in the industrial countries, in the underdeveloped countries and in the centrally planned economies. In the industrial countries, taking the period 1950 to 1958 as a whole, the share of resources devoted to productive investment has varied from 9 per cent in Belgium to 21 per cent in Norway. In some three-fourths of the underdeveloped countries studied, investment increased annually at a rate exceeding 5 per cent, between 1950-51 and 1957-58; in most countries, this was reflected in an increase in the share of total resources allocated to investment. In this period, the annual rate of growth of total (public and private) investment in the underdeveloped countries has ranged from 2 per cent in Brazil to 13 per cent in India and 15 per cent in Burma. In the centrally planned (Communist) economies, gross fixed investment as percentage of national income has ranged from 15.6 per cent in East Germany to 28.2 per cent in Czechoslovakia in the period 1949 to 1958.

The Ashoka Hotel

AT NEW DELHI

LIGHTING BY PHILIPS

Occupying an area of 20 acres, the Ashoka Hotel—the largest project of its kind in India—stands out as another shining example of Philips specialised lighting.

The lighting is so essentially a part of the whole conception that it presents an architectural masterpiece which belies the fact that it is achieved by artificial means.

Philips exclusive lighting consisting of lamps, fittings and accessories ensures ultimate economy through maximum illumination level at lowest running cost and gives longer, trouble-free performance Philips' scientifically designed equipment is the result of experience, research and development to meet the ever-growing demands of better lighting. And hand-in-hand with Philips' unrivalled quality goes the invisible *plus* of Philips' international experience and know-how.

FREE : *For planned lighting, designed economically to suit your specific need —whether it is industrial, commercial or any other specialised application— consult Philips Lighting Service Bureau*

TP 4438

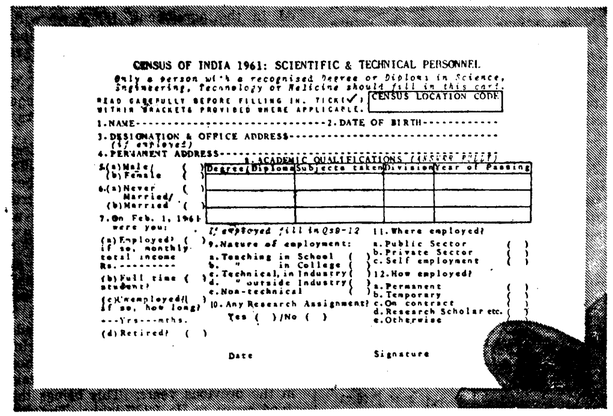
PHILIPS quality lighting for ultimate economy

PHILIPS INDIA LIMITED

CENSUS 1961

10 February—5 March

SPECIAL ENUMERATION OF SCIENTIFIC AND TECHNICAL PERSONNEL



CENSUS OF INDIA 1961: SCIENTIFIC & TECHNICAL PERSONNEL

Only a person with a recognised degree or Diploma in Science, Engineering, Technology or Medicine should fill in this card.

READ CAREFULLY BEFORE FILLING IN. TICK (✓) WHERE APPLICABLE. WITHIN BRACKETS PROVIDED WHERE APPLICABLE.

CENSUS LOCATION CODE

1. NAME---------- 2. DATE OF BIRTH----------

3. DESIGNATION & OFFICE ADDRESS----------

(If employed)

4. PERMANENT ADDRESS----------

5. (a) Male ( ) (b) Female ( )

6. (a) Never Married ( ) (b) Married ( )

7. On Feb. 1, 1961 were you:

(a) Employed ( ) (If so, monthly total income Rs.---------)

(b) Full time ( ) student)

(c) Unemployed ( ) (If so, how long?)

---Yrs---mths.

(d) Retired ( )

ACADEMIC QUALIFICATIONS (Please print)

Degree/Diploma	Subjects taken	Division	Year of Passing

If employed fill in Q8-12

8. Nature of employment:
a. Teaching in School ( )
b. " in College ( )
c. Technical, in Industry ( )
d. " outside Industry ( )
e. Non-technical ( )

9. Where employed:
a. Public Sector ( )
b. Private Sector ( )
c. Self employment ( )

10. Any Research Assignment? Yes ( ) / No ( )

11. How employed?
a. Permanent ( )
b. Temporary ( )
c. On contract ( )
d. Research Scholar etc. ( )
e. Otherwise ( )

Date

Signature

If you are trained in science or technology, the enumerator will leave a special card with you during the Census.

Please do not neglect the card or put it aside. Your answers on the card will be of great national importance. Please read the card carefully before you record the answers.

After filling in the card, you can either hand it over to the enumerator when he calls again or post it. No postage need be paid by you.

Your own identity will not be revealed by the Census Department and personal details will be fully protected.

Issued by Government of India

DA60/649

KIRLOSKAR ELECTRIC'S PROFIT DECLINES

EXPANSION AND DIVERSIFICATION TO CONTINUE

A FALL in the demand for electric motors and transformers and the consequent underutilisation of the industry's productive capacity show their distinct impact on the financial results of the Kirloskar Electric Company Ltd. (Managing Agents: Messrs. Kirloskar Associates, Harihar) for the year ended 30th June 1960. The Company's sales of motors and transformers suffered a substantial setback, declining from Rs. 219.20 lakhs in 1959 to Rs. 183.75 lakhs in the year under review. This has adversely affected the earning capacity of the Company. The gross profit has come down by Rs. 2.64 lakhs to Rs. 25.24 lakhs. The fall in the Company's output is clearly reflected in the reduced consumption of raw materials, stores and spares, which has contracted by Rs. 34.57 lakhs between 1959 and 1960.

The Company's net profit has, however, not shown a marked diminution. Such works out to Rs. 10.14 lakhs, as against Rs. 10.53 lakhs for 1958-59. This is explained by the fact that the Managing Agents' remuneration has been reduced by Rs. 45,000 to Rs. 1.92 lakhs and the tax provision has been cut down by Rs. 2.42 lakhs. The amount set aside for depreciation, on the contrary, has been stepped up a little from Rs. 5.36 lakhs to Rs. 5.98 lakhs.

The appropriation policy of the Company for 1959-60 does not show any marked change. The total amount ploughed back to various reserves has been slightly lowered from Rs. 3.45 lakhs to Rs. 3.07 lakhs, but the transfer to development rebate reserve is Rs. 19,000 more at Rs. 2.65 lakhs. Thus, on balance, there has been only a fractional fall in the amount ploughed in. A break-up of the transfers to reserves shows that the reserve for rehabilitation and modernisation gets Rs. 50,000 more than in the previous year at Rs. 2 lakhs and also the loan redemption fund account which is being strengthened by Rs. 90,000, as against Rs. 80,000 in the previous year.

Taking into account the reduced earning capacity of the industry and having regard to the need for conserving resources for future expansion of the Company, the Directors have recommended a slight reduction in the dividend to shareholders (the Company has only equity capital) from 10 per cent (taxable) to 9 per cent (taxable). The proposed dividend is equivalent to 6.3 per cent tax-free and represents a cut for the second year in succession. It may be noted here that the dividend for 1958-59 at 7 per cent tax-free itself was lower than the 7½ per cent per annum paid for the preceding two years.

The following comparative table shows at a glance the working results of the Company for the last four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sale proceeds	1,83.75	2,19.20	1,97.68	1,67.18
Closing stocks	21.27	26.94	29.05	20.72
Raw materials, stores and spares consumed	1,16.24	1,50.81	1,45.61	1,15.58
Other expenses	36.68	38.58	34.44	27.58
Gross profit	25.24	27.88	25.99	22.25
Managing Agents' remuneration	1.92	2.37	2.21	1.06
Provision for—				
Depreciation	5.98	5.36	6.15	5.50
Taxation	7.20	9.62	8.60	9.25
Net profit	10.14	10.53	9.02	6.94
To development rebate reserve	2.65	2.46	1.51	1.47
„ employees' gratuity fund	0.50	0.75	0.50	..
„ general reserve	3.07	3.45	4.06	2.96
Dividend	3.93	3.87	2.68	2.53
	(9%)*	(10%)*	(7½%)	(7½%)
Carry forward	0.03	0.04	0.04	0.06

* Subject to tax.

Undeterred by the decline in sales, the Directors of the Company have decided to pursue their efforts at expanding and diversifying the activities of the Company. It is stated that the Company has already received the sanction of the Government of India under the Industries (Development and Regulation) Act 1951 for increasing the manufacturing capacity of electric motors from 180,000 h.p. per annum to 400,000 h.p. per annum. They are taking energetic steps to implement this expansion project as expeditiously as possible. This shows that they are confident of the outlook for the Company. In fact, they clearly say in their report to the shareholders that "there are enough grounds for taking an optimistic view of the total business of the Company" for the next year.

In the previous financial year, the Company had issued additional capital of Rs. 5 lakhs, taking up the total issued capital to Rs. 45 lakhs. This left a balance of only Rs. 5 lakhs out of the authorised capital. During the year under review, the Company issued this balance of Rs. 5 lakhs and this issue was actually oversubscribed.

A significant development having considerable bearing on the prospects for the Company is the successful conclusion of an agreement with Messrs. ASEA of Sweden, the world-renowned manufacturers of electric equipment. The shareholders of the Company would recall that they had already authorised their Directors to invest in the shares of Kirloskar Switchgear Ltd., a company which was to be floated in collaboration with Messrs. Siemens of Germany. But as this collaboration could not be secured, the Directors have entered into an agreement with Messrs. ASEA of Sweden. Under this agreement, the name of the Company has been changed to Kirloskar Asea Ltd. It will have an authorised capital of Rs. 1 crore and the foreign collaborators would take up 30 per cent of the issued capital; they would also make available to the new company a loan of Rs. 10.50 lakhs for meeting the foreign exchange requirements for the purchase of machinery and equipment at a suitable rate of interest.

The main features of the collaboration agreement with Asea are as follows:

(1) The collaboration agreement will cover, among other things, the manufacture of motor control gear and switchgear. (2) The agreement would be for a period of ten years. (3) A royalty of 2½ per cent on the net invoiced value and 5 per cent in regard to certain special items. (4) Asea Electric India, Private Ltd. will be the sole distributors for the products manufactured by the new company. (5) The new company will have a right to export the products manufactured, to certain countries abroad, as detailed in the agreement. (6) Asea will provide training facilities for the new company's personnel in its plants in Sweden for reasonable periods at the new company's expense. (7) Kirloskar Electric Company Ltd. will have the right to obtain its entire requirements of motor circuit breakers and starters from the new company.

To begin with, Kirloskar Electric will invest Rs. 3 lakhs in the Company. The investment in the new Company would be of considerable benefit to Kirloskar Electric, as the former would supply the starters which are badly needed to be supplied along with the electric motors.

The Company's paid-up capital as at 30th June 1960 is Rs. 44.38 lakhs, all made up of equity shares, supplemented by reserves and surplus amounting to Rs. 28.79 lakhs. The Company has been making substantial additions to its fixed assets year after year. During 1959-60, the addition to fixed assets amounted to Rs. 17.41 lakhs as against Rs. 13.58 lakhs added in the previous years. This brings the total of fixed assets to Rs. 95.49 lakhs. The depreciation provided so far aggregates Rs. 42.64 lakhs, leaving the book value of the block account at Rs. 52.85 lakhs. The current assets standing at Rs. 101.68 lakhs provide ample cover for the current liabilities and provisions of the order of Rs. 81.63 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 13.12 *cum-div.* On an *ex-div.* basis, the share offers a tax-free yield of 5 per cent per annum.

(*Concluded from next column*)

lakhs. There is, however, still an intangible asset of Rs. 6 lakhs, representing preliminary expenses to be written off.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 139 *cum-div.* On an *ex-div.* basis, the return works out to 3.16 per cent per annum, tax-free.

The Company's factory has a crushing capacity of 800 tons per day and crushing takes place in two stages, between August and October (special season) and December and April (main season). It owns a farm of 450 acres, besides taking on lease 1,300 acres of sugarcane farm. It hopes to produce during the current year more sugar than it did in 1959-60.

CAUVERY SUGARS' MAIDEN DIVIDEND

FINANCES BEING STRENGTHENED

THE financial results of the Cauvery Sugars and Chemicals Ltd. (Secretaries: Parry and Company Ltd., Madras) for the year ended 30th June 1960 show a distinct improvement over those for the previous year. The total sales of the Company staged a sharp rise from Rs. 108.32 lakhs to Rs. 128.86 lakhs and the gross earnings have gone up from Rs. 17.35 lakhs to Rs. 20.20 lakhs. A maiden dividend of 6 per cent taxable (or 4.20 per cent, tax-free) has been recommended by the Directors. The Company's performance would have been distinctly better but for the illegal labour strike which cost the Company Rs. 1.27 lakh, in addition to loss of sugar worth Rs. 2.35 lakhs following delayed crushing of cane.

Although the Cmpany was established in 1948 on a small scale, it was only in 1956 that its capital structure was expanded and public participation was invited by an offer of 20,000 6 per cent tax-free cumulative preference shares of Rs. 100 each and 20,000 ordinary shares of Rs. 100 each at par. The Company's factory, which is near Tiruchirapalli, commenced production in July 1958. Capital was taken from the public in easy instalments of Rs. 25 each between June 1956 and July 1957, when the final call of Rs. 25 was made. The investors in the equities of the Company have thus had to wait for nearly four years to get a modest maiden return of 4.20 per cent, tax-free. The shareholders are, of course, entitled to the benefit of Section 15 (C) of the Income-tax Act.

Because of accelerated depreciation allowances under the Income-tax Act, the Company is not liable to pay any corporate taxation. The Directors have, however, wisely provided a sum of Rs. 1.96 lakh to taxation equalisation reserve, as the relief is purely temporary and represents only a deferment of taxation until later years. A sum of Rs. 6.05 lakhs has been set aside as development rebate reserve being 75 per cent development rebate against the profits for 1959-60. The provision for depreciation is Rs. 4.80 lakhs, as against Rs. 4.56 lakhs for 1958-59. The following table shows at a glance the trend of financial results as compared with those for 1958-59:

(Value in lakhs of rupees)

	For the year ended 30th June	
	1960	1959
Sales	1,28.86	1,08.32
Closing stocks	17.61	20.20
Excise duty paid	33.11	29.10
Manufacturing and other expenses	75.29	60.67
Gross profit	20.20	17.35
Secretaries' remuneration	0.92	0.30
Transfer to:		
Depreciation	4.80	4.56
Tax equalisation reserve	1.96	0.18
Development rebate reserve	6.05	6.25
Other reserves and provisions	0.35	0.40
Preliminary expenses written off	2.00	1.19
Dividend—		
6 per cent. preference	1.20	4.25*
Ordinary	2.40	..
	(6%)†	
Carry forward	0.73	0.21
Cane crushed (in tons)	67,807	84,012
Sugar produced (in tons)	6,310	7,745
Sugar recovery	9.30%	9.22%

* For 3 years ended 30th June 1959. † Subject to tax.

There has been a perceptible improvement in the financial position of the Company during the year. Thus, there has been a further reduction of Rs. 2.50 lakhs in the loan taken from the I.F.C. and the surplus of floating assets over current liabilities and provisions has recorded a marked improvement from a mere Rs. 2.69 lakhs at the end of June 1959 to as much as Rs. 12.14 lakhs. Briefly, the latest financial position (as at 30th June 1960) is as under:

The paid-up capital of the Company aggregates Rs. 60 lakhs, one-third of which is in 6 per cent. tax-free cumulative preference shares of Rs. 100 each. The reserves and surplus amount to Rs. 13.14 lakhs. The Company has made an addition of Rs. 4.72 lakhs to its fixed assets during 1959-60, taking the gross block to Rs. 95.55 lakhs. The depreciation provided so far aggregates Rs. 9.60 lakhs, leaving the net book value of the block account at Rs. 85.95 lakhs. The outstanding loan from the I.F.C. has been brought down from the original level of Rs. 35 lakhs to Rs. 30 lakhs. The current assets are of the order of Rs. 45.95 lakhs and they adequately cover the current liabilities at Rs. 33.81

(*Continued in previous column*)

SPENCER MAINTAINS PROGRESS

FINANCIAL POSITION STRONG

ONE of the fairly big organisations of its kind in India, Spencer and Company Ltd. has its activities almost similar to any local retailer or distributor, as well as those of a wholesaler. Addressing the last annual general meeting on 29th January 1960, the Chairman listed the activities of the Company that contributed to the trading profit as under:

Wholesale and retail trade 27 per cent, drugs and pharmaceuticals 24 per cent, hotels and catering 14 per cent, home furnishing 8 per cent, aerated waters 4 per cent, cigars 2 per cent, tea 5 per cent, refrigeration and air-conditioning 10 per cent and sundries 6 per cent.

The progress of the Company is being well maintained and the accounts for the year ended 30th June 1960 provide sufficient evidence of that. Sales and receipts from hotels, bakeries, laundries, catering, etc., improved from Rs. 3.71 crores to Rs. 3.79 crores. The improvement is, however, not in line with the increase of over Rs. 74 lakhs recorded last year. The selling prices had to be maintained in order not to create consumer resistance, while costs kept on rising. Consequently, the profit-margin has contracted and both gross and net profits are fractionally lower, the former at Rs. 23.12 lakhs and the latter at Rs. 11.06 lakhs, the corresponding figures for 1958-59 being Rs. 23.26 lakhs and Rs. 11.52 lakhs, respectively. The dividend on ordinary shares has been maintained unchanged at 18 per cent taxable or 12.60 per cent tax-free.

A scrutiny of the profit and loss account for 1959-60 shows that consumption of stores have gone up from Rs. 7.76 lakhs to Rs. 8.59 lakhs. Office and establishment charges, other than items shown specifically, have increased from Rs. 8.72 lakhs to Rs. 9.65 lakhs. The provision for depreciation has been raised from Rs 2.64 lakhs to Rs. 3.56 lakhs. A striking item in the profit and loss account is an increase in interest paid from only Rs. 0.45 lakh to Rs. 1.33 lakhs. This can be attributed to increases in loans secured and unsecured (from Rs. 2.54 lakhs to Rs. 23.53 lakhs) which in turn is due to additions to fixed assets of Rs. 19.10 lakhs to Rs. 75.62 lakhs. Because of lower taxable profit, the provision for income-tax is slightly lower by Rs. 0.60 lakh at Rs. 8.50 lakhs. On the receipts side in the profit and loss account, the amount of net dividend received has increased from Rs. 0.71 lakh to Rs. 1.25 lakhs reflecting the expansion in investments in the previous year of over Rs. 16 lakhs. Of the investments in Parke Davis (India) Private Ltd. and Electronics Limited, the dividend on Electronics shares was received and included in the accounts but the dividend on the shares in Parke Davis (India) Private Ltd. for the year ended 30th November 1959 at the rate of 22 per cent and amounting to a net figure of Rs. 1.54 lakhs, was received in November 1960. The same will be taken into account in the current year. The closing stock of Rs. 106.30 lakhs is substantially higher than the opening stock of Rs. 91.70 lakhs, mostly on account of stocks of finished goods.

The following comparative table provides at a glance a picture of the Company's progress since 1956-57:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sales and receipts	3,79.24	3,70.98	2,96.56	3,19.25
Other income	11.66	8.90	8.84	11.12
Expenses	3,67.77	3,56.97	2,82.89	3,04.84
Gross profit	23.12	23.26	22.00	26.51
Provision for—				
Depreciation	3.56	2.64	2.45	1.99
Taxation	8.50	9.10	10.90	13.65
Net profit	11.06	11.52	8.65	8.22
Excess provisions written back	0.53	0.57	2.50	2.09
To reserves and provisions	1.46	0.87	1.87	..
Dividends—				
6½% 'A' Preference	1.51	1.51	1.03	1.07
8½% 'B' Preference	3.13	3.13	2.14	2.22
Ordinary	7.20	7.20	6.00	6.00
	(18%)	(18%)	(15%)	(15%)
Carry forward	7.56	8.51	9.18	9.08

Note:—The dividends for the year ended June 1959 and 1960, on both ordinary and preference shares, are subject to deduction of tax, whereas for the previous two years they are shown after deduction of tax.

The controversy over payment of preference dividends as per the provisions contained in the Finance Acts of 1959 and 1960 surrounds this Company also. The auditors in their report have expressed the opinion that excessive dividends have been paid on both 'A' and 'B' preference shares. Their view is that the Company ought to have made two deductions from the preference dividends, first the proportionate part of the income-tax paid by the Company on its own income out of which the dividends were paid and then at the rate prescribed by Section 18 (3D) of the Income-tax Act, as per the Articles of Association of the Company. But the Directors feel that, based on the Articles of Association of the Company and on the Income-tax Act, only the tax at the rate prescribed by Section 18 (3D) of the Income-tax Act ought to be deducted from preference dividends and this has been done. Deductions of tax from future preference dividends, according to them, will be effected in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act 1960.

The expenses for the year under review includes a sum of Rs. 1.17 lakhs being bad debts due to the unfortunate failure of an importer in West Germany. The Directors say that every effort was made to recover the outstanding, but, as it was irrecoverable, the amount had to be charged to the profit and loss account.

The Company's premises at Kanpur, which were being used for the manufacture of carbon dioxide gas, were converted into a modern and hygienic canning factory, with a view to placing on the market tinned fruits and vegetables of the best quality. The result of this venture for the year was a loss of Rs. 1.28 lakhs, but the Directors are hopeful of the future prospects and anticipate a considerable improvement in the current year itself.

The paid-up capital of the Company stands at Rs. 100 lakhs, comprising Rs. 23.20 lakhs in 6½ per cent 'A' cumulative preference shares, Rs. 36.80 lakhs in 8½ per cent 'B' cumulative preference shares and Rs. 40 lakhs in ordinary shares, all of Rs. 10 each. Reserves and surplus aggregate Rs. 109.48 lakhs. The gross block of the value of Rs. 153.82 lakhs has been written down by over 50 per cent to Rs. 75.62 lakhs. Current assets (excluding investments) are of the order of Rs. 179.44 lakhs and exceed loans, current liabilities and provisions amounting to Rs. 87.96 lakhs by a sizable amount. The book value of investments is Rs. 41.59 lakhs, of which Rs. 23.83 lakhs are in quoted investments and Rs. 17.76 lakhs in unquoted investments. The market value of quoted investments is Rs. 26.92 lakhs, that is, Rs. 3.09 lakhs higher than the book value. It will thus be noted that the financial position of the Company is quite strong.

The current market quotation for the Rs. 10 paid-up ordinary shares, at Rs. 22.60 *cum-div.*, gives a yield of 5.6 per cent on a net dividend of Rs. 1.26 per share (gross dividend Rs. 1.80).

(*Concluded from next column*)

Rs. 58 lakhs, both for working finance and capital expansion. Against this, a net addition of about Rs. 42 lakhs has been made to the block.

The following is a synopsis of the Company's latest balance-sheet (as at 30th June 1960):

(In lakhs of rupees)

Liabilities		Assets	
Capital	54.95	Gross block	102.33
Reserves and surplus	42.39	*Less*—Depreciation	42.89
Loans	85.60		
Current liabilities & provisions	52.74	Net block	59.44
		Current assets	176.11
		Cash position	0.13
Total	235.68	Total	235.68

The Company has entered into collaboration agreements with certain foreign firms, with the consent of the Central Government, for the expansion of its business, mainly with regard to manufacture of prestressed concrete pipes, structural work using Ceno patent method, high pressure penstocks for hydro-electric schemes, etc., licences for import of plant and machinery have also been obtained. The Company has also been granted a licence to import a Galvanising Bath which will facilitate execution of big jobs for fabrication of transmission towers. A scheme for the manufacture of boilers in India with a renowned foreign firm has also been finalised.

The Company is understood to have sufficient orders on hand and also contracts with the Bombay Municipal Corporation valued over a crore of rupees. With the general tempo of activity increasing, particularly in the context of developmental planning in the country, a progressive tone of working may be expected. The equity shares of the Company (Rs. 100 paid-up) are presently quoted at Rs. 230 and the yield works out to 3.65 per cent, free of tax.

STRUCTURAL ENGINEERING EARNS LESS

DIVIDEND REDUCED AGAIN

THE year 1959-60 has turned out to be less remunerative for the Structural Engineering Works Ltd. [Managing Agents: Messrs. Bhagat and Sons (Private) Ltd., Bombay], inasmuch as the gross profit at Rs. 17.35 lakhs is 18 per cent less than that (Rs. 21.33 lakhs) for 1958-59. This has reflected itself on the equity dividend. After the regular rate of dividend to preference shareholders, a lower taxable dividend of 12 per cent (amounting to a tax-free dividend of about 8.4 per cent) on ordinary shares has been proposed which, incidentally, is the lowest for the last few years. The dividends were as high as 17 per cent (taxable) for 1958-59 and 26 per cent (taxable) for 1957-58.

During the year under review, the realisation from sales and work executed by the Company came down by about Rs. 8 lakhs, while the operating charges rose by Rs. 11 to 12 lakhs, a third of which is accounted for by the rise in the wage bill. The result is lower earnings for the period, as already noted. The Company's establishments at Mulund and Calcutta could not work to full capacity, in view of the prolonged fabrication work and laying of pipes for the different stages of the Vaitharna-*cum*-Tansa Pipeline Scheme of the Bombay Municipal Corporation, as also due to various difficulties, stated to be beyond the control of the management. The keen competition that persisted in the structural steel fabricating industry eventually forced the Company to accept work at more competitive rates than before.

The comparative results of the Company's working in the last few years is detailed in the following table:

(Value in lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sales and work done	94.46	1,02.37	89.91	1,26.46
Finished stocks	58.79	41.41	38.79	14.18
Opening stock	41.41	38.79	14.18	17.11
Materials, stores and spares consumed	46.24	41.05	47.17	46.57
Salaries, wages and bonus	33.48	29.93	34.62	45.54
Other expenses	15.40	12.84	11.11	11.75
Gross profit	17.35	21.33	21.36	21.55
Transfer to:				
Depreciation	5.37	4.40	4.23	3.78
Taxation	4.00	6.00	8.60	8.25
Managing Agents' remuneration	1.17	1.71	1.71	1.78
Net profit	6.81	9.22	6.83	7.73
Provision for:				
General reserve	..	1.50	3.00	1.00
Development rebate reserve	1.05	2.45	0.01	..
Dividends declared:				
1. 5% cumulative preference	0.33	0.36	0.25	0.25
2. 6½% redeemable cumulative preference	1.69	0.15	..	..
*3. Equity shares	3.36	4.25	3.10	2.69
	(12%)	(17%)	(26%)	(26%)
Carry forward	0.12	0.14	0.24	0.16

* To facilitate comparison all *equity dividends* are adjusted at approximate taxable rates.

In general, the year 1958-59 was the most profitable year for the Company in the last few years. Increased output, better realisation and lower operating charges, all led to higher earnings for the year ended 30th June 1959. The Company's Calcutta establishment went into production in February 1959. Negotiations with the Central Government for obtaining licence to fabricate light and heavy structural works in that establishment, in addition to pipes as at present, are in progress.

In the last five-six years, a steady development is noticed in the Company's activities and many new lines of operation have been added. The developmental programmes for the substantial increase in the volume and value of the Company's operations were financed from out of the borrowings from banks as also by the issue of fresh capital. The authorised capital of the Company, which was Rs. 50 lakhs, was doubled in the year 1959 to the present amount of Rs. 1 crore. The paid-up capital was gradually increased from Rs. 15 lakhs in 1956 to Rs. 54.95 lakhs at the end of June 1960 (nearly four times) by the issue of additional equity shares and redeemable cumulative preference shares. It is understood that further capital is proposed to be issued by the Company shortly, with a view to meeting its additional financial requirements for the developmental activities planned for the near future.

In the same period, that is, 1956-60, the borrowings of the Company have risen by over

(*Continued in previous column*)

SYNOPSES OF COMPANY REPORTS

Sheveroy Estates Ltd.

THE directors of the above Company [Managing Agents: A. V. Thomas and Co. (India) Ltd., Madras] present the audited accounts of the Company for the year ended 30th June 1960.

Coffee Crop:—Crop secured during the season amounted to 2,01,804 Kilos or 3,971—2—1 (1,919.30) cwts. at a cost of Rs. 112.02 (Rs. 212.96) per cwt., against the estimate of Cwts. 3,600. The entire crop has been delivered to the Coffee Pool, and the stock has been valued at Rs. 2.37 per Point, which works out to Rs. 178.51 per 50 Kilos or Rs. 181.16 per cwt.

After providing for depreciation and all expenses, except the taxation liability, the accounts for the year ended 30th June 1960 show a profit of Rs. 2,14,976 (loss of Rs. 27,979) to which is added the balance brought forward from last year of Rs. 1,431 (Rs. 53,785) making a total of Rs. 2,16,407 (Rs. 97,806 after transferring Rs. 72,000 from dividend equalisation reserve). Out of this amount the directors have transferred to provision for taxation Rs. 70,000 (Rs. 12,000) and to dividend equalisation reserve Rs. 24,000 (*nil*) leaving a balance of Rs. 1,22,407 (Rs. 85,806) available for distribution. The directors recommend payment of a dividend of 9(6¼) per cent for 1959-60, subject to deduction of income-tax, absorbing Rs. 1,21,500 (Rs. 84,375) leaving to be carried forward Rs. 907 (Rs. 1,431).

Estimates for 1960-61:—Coffee crop has been estimated on the blossom at 4,500 cwts. at a cost of Rs. 109.94 per cwt. It is hoped that the estimated crop will be secured, provided the gardens do not experience any adverse weather conditions.

The subsidiary company viz., The Yercaud Coffee Curing Works Ltd., is making steady and satisfactory progress.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,50,000	Gross block	11,40,782
Reserves ...	3,06,500	*Less*—Depreciation ...	1,24,998
Provision for taxation ...	4,11,834		
Liabilities ...	1,97,669	Net block ...	10,15,784
Profit and loss account surplus ...	907	Stock-in-trade	3,57,684
		Stores, etc. ...	38,179
		Book debts ...	4,68,212
		Investments ...	3,23,229
		Cash	63,822
Rs.	22,66,910	Rs.	22,66,910

Jam Shri Ranjitsinghji Spg. & Wvg. Mills Co., Ltd.

The directors of the above Company (Managing Director: Mr. Bhairuratan Damani, Bombay) present the audited accounts of the Company for the year ended 30th June 1960.

The results for the year show a profit of Rs. 3,07,255 (loss of Rs. 1,37,089). But after providing for depreciation Rs. 1,73,575 (*nil*) and for development rebate Rs. 60,500 (*nil*) the profit shown in the account comes to Rs. 73,180 (loss of Rs. 1,37,089). To this amount is added the amount transferred from dividend equalisation reserve of Rs. 98,240 (*nil*) and provision for doubtful debts reserved Rs. 4,282 (*nil*) making a total of Rs. 1,75,702 (a total debit of Rs. 7,14,341 including previous year's loss brought forward of Rs. 5,77,252). From this amount is to be deducted provision for development rebate pertaining to previous year Rs. 77,400 (*nil*) leaving a balance of Rs. 98,302 (a final debit balance of Rs. 7,02,807 after deducting Rs. 10,794 being refund of income-tax and Rs. 740 being excess provision of wealth tax). From this the directors recommend the declaration of a dividend of Rs. 60 (*nil*) per share of Rs. 1,000 each, subject to deduction of tax which will absorb Rs. 93,240 (*nil*). The accumulated losses for the previous years amounting to Rs. 6,97,745 has been adjusted against the reserves of the Company.

Consistent with the directors' policy of renovation, new machineries over Rs. 3 lakhs were installed and put into commission during the year under review. The directors also initiated an elaborate scheme of modernisation involving a capital expenditure of Rs. 27,50,000 and approached the National Industrial Development Corporation Ltd. for financial assistance. The Corporation was satisfied with the working of the Mills and was convinced over the necessity of financing the unit. They approved the scheme as presented by the Company and granted a loan of Rs. 25,00,000 [being their 90 per cent share of the total scheme], the balance of Rs. 2,50,000 [being the Company's 10 per cent share], to be met from the Company's resources. The loan is repayable in fifteen equal yearly instalments, bearing a rate of interest at 5 per cent per annum.

During the year, the failure of crop shot up the cotton prices and mills experienced acute difficulty in procuring their adequate requirements. The supply position was, however, eased by the timely introduction of quota system by the Textile Commissioner; but the steep prices of cotton together with a high increase in the dearness allowance contributed to the heavy cost of production. The management could, however, stem over this difficulty due to their policy of renovation and show the present favourable results. It is hoped that before the close of the current financial year, the scheme of modernisation will be completely implemented and the Company will be able to show much encouraging results in proximate future.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,54,000	Gross block	66,77,134
Reserves* ...	11,26,682	*Less*—Depreciation ...	35,48,365
Liabilities ...	54,99,674		
		Net block ...	31,28,769
		Stock-in-trade	33,28,128
		Stores, etc. ...	4,92,436
		Book debts ...	10,34,092
		Investments	32,800
		Cash ...	1,64,131
Rs.	81,80,356	Rs.	81,80,356

*Reserves are shown after deducting the debit balance of Rs. 6,97,745 in the profit and loss account.

Kirloskar Brothers Ltd.

The directors of the above Company (Managing Agents: Messrs. Kirloskar Sons and Co., Kirloskarvadi, District Sangli) present the audited accounts of the Company for the year ended 31st July 1960.

The year's working after meeting all expenses of operation, management, and after providing for depreciation, development rebate, taxation and bonus to employees [excluding the employees of Kirloskar Press] shows a profit of Rs. 6,99,418 (Rs. 6,17,942). To this has to be added the balance brought forward from last year's accounts of Rs. 12,462 (Rs. 7,056) making a total of Rs. 7,11,880 (Rs. 6,24,998). Out of this amount the directors have transferred to general reserve Rs. 85,000 (Rs. 60,000), to deferred taxation reserve Rs. 1,11,845 (Rs. 89,500) and to rehabilitation reserve Rs. 1,00,000 (Rs. 1,00,000) leaving a balance of Rs. 4,15,035 (Rs. 3,75,498). From this amount the directors recommend the payment of a dividend for the year ended 31st July 1960 at the rate of 10 (12) per cent subject to deduction of tax at source under Section 18 (3D) of the Income-tax Act, absorbing Rs. 4,03,169 (Rs. 3,63,036) leaving a balance of Rs. 11,866 (Rs. 12,462) to be carried forward to next year's account. It will be noted that the rate of dividend, considering the issue of bonus shares during the year, works out to more than 12 per cent which was paid last year.

Full production capacity could not be utilised during the year under report owing to a slight setback in the demand for pumps as also due to inadequate supply of essential materials. Also the trading sales have registered a fall owing to the fall in demand.

Expansion and Modification: The Company has signed a licence agreement with The Bullard Company, U.S.A., under which the latter will collaborate with this Company in the manufacture of *Vertical Turret Lathes and Horizontal Boring Machines* to their design. In order to meet a part of the foreign exchange required for the plant and machinery for the manufacture of these machine-tools, the Company has obtained a foreign currency loan of Rs. 25 lakhs from the Industrial Credit and Investment Corporation of India, Ltd., Bombay.

The Company has been granted a licence to start a small branch factory at Dewas in Madhya Pradesh. The Company has approached the Government of Madhya Pradesh for acquisition of the necessary land and it is hoped that the Company would be given possession of land shortly. As soon as the land is made available to the Company, further steps will be taken for setting up a branch factory. The Company has also been granted an Industries Licence to manufacture hermetically sealed compressors required for air-conditioning and refrigeration industry.

The accounts of the Kirloskar Pneumatic Co., Ltd., Poona, a subsidiary of this Company, has shown a profit of Rs. 24,762 which has been set off against previous loss. As the subsidiary has made a profit, this Company has received a royalty of Rs. 43,661 for the period 1st April 1959, to 30th June 1960, in terms of the agreement between this Company and the Kirloskar Pneumatic Company Ltd., Poona, out of which the royalty for the period 1st April 1959, to 31st March 1960, amounts to Rs. 22,239.

During the year, the Company increased its capital by issue of one bonus share for every four equity shares held by the shareholders on 26th October 1959. These bonus shares are eligible for dividend in respect of the year ended on 31st July 1960. Also during the year, the Company issued 20,000 new equity shares which were offered to the existing shareholders whose names stood in the Company's register on 6th February 1960 in the ratio of one new equity share for every eight shares held by them. The directors have allotted 19,794 shares out of this issue so far. These new equity shares are eligible for dividend for only 6 months of the year ending 31st July 1960 as per the terms of issue.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	42,96,023	Gross block	1,21,65,928
Share suspense account ...	20,612	*Less*—Depreciation ...	66,66,471
Reserves ...	78,89,668		
Provision for taxation ...	19,84,483	Net block ...	54,99,457
Liabilities ...	76,21,045	Buildings under construction ...	58,048
Profit and loss account (surplus)	11,866	Stock-in-trade	18,41,793
		Stores, etc. ...	49,36,047
		Work-in-progress ...	18,54,388
		Book debts ...	50,61,287
		Investments	18,62,213
		Cash ...	7,10,464
Rs.	2,18,23,697	Rs.	2,18,23,697

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

ANGELO BROS., LTD. Annual General Meeting, Calcutta, 24th February 1961. Transfer books remain closed from 9th to 24th February 1961, both days inclusive.

RAGHUVANSHI MILLS LTD. Annual General Meeting, Bombay, 25th February 1961. Transfer books will remain closed from 20th February to 6th March 1961, both days inclusive.

INDIAN RAYON CORPORATION LTD. Annual General Meeting, Bombay, 27th February 1961. Transfer books will remain closed from 14th to 28th February 1961, both days inclusive.

KELVIN JUTE CO., LTD. Annual General Meeting, Calcutta, 28th February 1961. Dividend: Rs. 15.00 per ordinary share, subject to deduction of tax, payable on or after 15th March 1961. Transfer books will remain closed from 14th to 28th February 1961, both days inclusive.

WAVERLEY JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 28th February 1961. Dividend: Re. 0.30 per ordinary share, subject to deduction of tax, payable on or after 15th March 1961. Transfer books will remain closed from 14th to 28th February 1961, both days inclusive.

PREMIER AUTOMOBILES LTD. Annual General Meeting, Bombay, 6th March 1961. Dividend: Rs. 9.00 per share, on 'A' ordinary shares, subject to deduction of tax, payable on or after 20th March 1961. Transfer books were closed from 26th December 1960 to 23rd January 1961, both days inclusive.

STATE BANK OF INDIA. Annual General Meeting, Bombay, 6th March 1961. Dividend: Rs. 22.75 per ordinary share (includes interim dividend of Rs. 10.00 per share), subject to deduction of tax.

GANGAPUR SUGAR MILLS LTD. Annual General Meeting, Bombay, 8th March 1961. Transfer books will remain closed from 16th February to 9th March 1961, both days inclusive.

AUCKLAND JUTE CO., LTD. Taxable interim dividend of Rs. 7.00 per ordinary share, for the year ending 31st March 1961, payable on or after 6th March 1961. Transfer books remain closed from 9th to 21st February 1961, both days inclusive.

DALHOUSIE JUTE CO., LTD. Taxable interim dividend of Re. 1.00 per ordinary share, for the year ending 31st March 1961, payable on or after 6th March 1961. Transfer books remain closed from 9th to 21st February 1961, both days inclusive.

KINNISON JUTE MILLS CO., LTD. Taxable interim dividend of Rs. 5.00 per ordinary share, for the year ending 31st March 1961, payable on or after 6th March 1961. Transfer books remain closed from 9th to 21st February 1961, both days inclusive.

LAWRENCE JUTE CO., LTD. Taxable interim dividend of Rs. 7.00 per ordinary share, for the year ending 31st March 1961, payable on or after 6th March 1961. Transfer books remain closed from 9th to 21st February 1961, both days inclusive.

NORTHBROOK JUTE CO., LTD. Taxable interim dividend of Re. 0.75 per ordinary share, for the year ending 31st March 1961, payable on or after 6th March 1961. Transfer books remain closed from 9th to 21st February 1961, both days inclusive.

UNION JUTE CO., LTD. Taxable interim dividend of Rs. 5.00 per ordinary share, for the year ending 31st March 1961, payable on or after 6th March 1961. Transfer books remain closed from 9th to 21st February 1961, both days inclusive.

BUDGE BUDGE JUTE MILLS CO., LTD. Taxable final dividend of Rs. 10.00 per ordinary share, for the year ended 31st October 1960.

TIDE WATER OIL CO. (INDIA) LTD. Taxable final dividend of Rs. 2.30 per ordinary share, for the year ended 31st October 1960.

EASTERN INVESTMENT LTD. Taxable final dividend of Rs. 14.00 per ordinary share, for the year ended 31st December 1960.

ASSOCIATED BATTERY MAKERS (EASTERN) LTD. Taxable final dividend of 10 per cent or Re. 1.00 per share, for the year ended 31st August 1960.

MADURA MILLS CO., LTD. Taxable dividend of 15 per cent or Rs. 2.25 per share, for the year ended 31st December 1960.

TRAVANCORE CHEMICAL MANUFACTURING CO., LTD. Taxable interim dividend of 7½ per cent or Re. 0.75 per ordinary share, for the year ended 30th September 1960.

COMPANY REGISTRATIONS

ALPACK PRIVATE LTD. Business: To manufacture and deal in all kinds of packing materials, barrels, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Block No. 1, "Adi House", 15th Road, Bombay 71.

CHHABRIA BROTHERS PRIVATE LTD. Business: Manufacturers of hardware and electrical goods. Authorised capital: Rs. 5,00,000. Private company. Address: Mahindra Mansion, 2nd Floor, 389/91 Girgaon Road, Bombay.

UNIVERSAL INSULATED CABLES PRIVATE LTD. Business: Manufacturers of electrical goods, cables, wires and rubber goods etc. Authorised capital: Rs. 5,00,000. Private company. Address: Mahalaxmi Woollen Mills Compound, Haines Road, Bombay.

N.B.—All the above companies are registered in the State of Maharashtra.

Notices

ALLIANCE JUTE MILLS COMPANY LIMITED

ANNUAL GENERAL MEETING OF MEMBERS

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Share Transfer Register of the Company will be closed from the 14th February, 1961 to the 28th February, 1961, both days inclusive.

By Order of the Board,
McLEOD & Co. LTD.,
C. HOCKLEY,
Secretary,
Secretaries & Treasurers.

CALCUTTA, *31st January*, 1961.

THE KELVIN JUTE COMPANY LIMITED

ANNUAL GENERAL MEETING OF MEMBERS

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Share Transfer Register of the Company will be closed from the 14th February, 1961 to the 28th February, 1961, both days inclusive.

By Order of the Board,
McLEOD & Co. LTD.,
C. HOCKLEY,
Secretary,
Managing Agents.

CALCUTTA, *31st January*, 1961.

WAVERLEY JUTE MILLS COMPANY LIMITED

ANNUAL GENERAL MEETING OF MEMBERS

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Share Transfer Register of the Company will be closed from the 14th February, 1961 to the 28th February, 1961, both days inclusive.

By Order of the Board,
McLEOD & Co. LTD.,
C. HOCKLEY,
Secretary,
Secretaries & Treasurers.

CALCUTTA, *31st January*, 1961.

MADURA MILLS COMPANY, LIMITED

Registered Office:
NEW JAIL ROAD, MADURAI

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held in Pandyan Building, West Veli Street, Madurai, on Monday, the 27th March, 1961, at 4-00 p.m. The Share Transfer Books will be closed from 28th February to 27th March, 1961, both days inclusive. It is recommended that:

1. All persons holding shares on blank transfers should immediately arrange to have the shares registered in their own names, as the Company will pay any dividend declared only to the person (s) in whose name the share stands on the date of declaration of dividend.
2. Shareholders desiring dividends to be paid to Banks or other Mandatees should register the mandates with the Company before 28th February, 1961.
3. Intimation of any change of address should be given to the Company immediately.

A. & F. HARVEY LIMITED,
Managing Agents.

MADURAI, *1st February*, 1961.

NEW INDIA SUGAR MILLS, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-sixth Annual General Meeting of New India Sugar Mills Ltd., will be held at 8, India Exchange Place, Calcutta, on Monday the 27th February, 1961, at 4-00 p.m., for the following purposes:—

1. To receive and consider the Report of the Directors and to adopt the audited accounts of the Company for the year ended 30th June, 1960.
2. To declare Dividends.
3. To appoint a Director in place of Shri Rudra Narain Khaitan who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

By Order of the Board,
S. N. GUPTA,
Secretary.

14, RADHA BAZAR LANE,
Calcutta-1, the 28th January, 1961.

Notes:—1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

2. Shareholders are requested to notify any change of address failing which the dividend warrants will be posted to their addresses as registered with the Company.

3. The dividends, when declared, will be payable to the registered shareholders as on the 27th February, 1961 on or after the 20th March, 1961.

4. The register of members of the Company will remain closed from the 20th February, 1961 to the 27th February, 1961, both days inclusive.

BHARAT SUGAR MILLS, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-ninth Annual General Meeting of Bharat Sugar Mills Ltd., will be held at 8, India Exchange Place, Calcutta, on Tuesday the 28th February, 1961, at 4-30 p.m., for the following purposes:—

1. To receive and consider the Report of the Directors and to adopt the Audited Accounts of the Company for the year ended 30th June, 1960.
2. To declare Dividends.
3. To appoint a Director in place of Shri Nandlal Kanoria who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

By Order of the Board,
S. N. GUPTA,
Secretary.

14, RADHA BAZAR LANE,
Calcutta-1, the 28th January, 1961.

Notes:—1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

2. Shareholders are requested to notify any change of address failing which the dividend warrants will be posted to their addresses as registered with the Company.

3. The dividends, when declared, will be payable to the registered shareholders as on the 28th February, 1961 on or after the 13th March, 1961.

4. The register of members of the Company will remain closed from the 18th February, 1961 to 28th February, 1961, both days inclusive.

MUTTRA ELECTRIC SUPPLY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting within the meaning of the Companies Act, 1956 (being the sixty-first Ordinary General Meeting of the Company) of the abovenamed Company will be held at its Registered Office, No. 15, Shib Thakur Lane, Calcutta-7, on Monday, the 27th February, 1961, at 4-00 p.m., for the following purposes:—

1. To receive and consider the Audited Accounts for the year ended 31st March 1960, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on the Ordinary shares.
3. To appoint Auditors and fix their remuneration.
4. To elect Directors in place of those retiring.

The Register of Ordinary Shareholders of the Company and the Transfer Books will be closed from the 21st February, 1961 to the 27th February, 1961, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy, who need not be a member, to attend, and on a poll, to vote instead of himself.

By Order of the Board,
K. C. BHAGAT,
Chairman.

15, SHIB THAKUR LANE,
CALCUTTA-7, *28th January*, 1961.

THE INDIAN RAYON CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT A Meeting of the Preference Shareholders of the above Company will be held on Monday the 27th day of February, 1961, at 4-00 p.m. (S.T.), at Rama Watumal Hall, K.C. College, Dinshaw Wachha Road, Churchgate Reclamation, Bombay-1, to transact the special business listed in the notice of the Meeting of the Preference Shareholders (with explanatory statement) dated 13th January, 1961 sent together with the Annual Report and the Audited Statement of Accounts to the Shareholders of the Company at their registered address.

By Order of the Board,
FOR THE INDIAN RAYON CORPORATION LIMITED,
FOR VERAVAL RAYON INDUSTRIES (P) LIMITED,
LAXMICHAND LALJI,
Director,
Managing Agents.

UNITED BANK OF INDIA BUILDING,
SECOND FLOOR, SIR P. M. ROAD,
FORT, BOMBAY-1.
BOMBAY, *dated 13th January* 1961.

Note: (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT SUCH PROXY NEED NOT BE A MEMBER.

THE INDIAN RAYON CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Third Annual General Meeting of the Shareholders of the above Company will be held at Rama Watumal Hall, K.C. College, Dinshaw Wachha Road, Churchgate Reclamation, Bombay-1, on Monday the 27th day of February, 1961 at 4-30 p.m. (S.T.), to transact the ordinary and special business listed in the notice (with explanatory statement) dated 13th January, 1961 sent separately to the Shareholders of the Company at their registered addresses.

By Order of the Board,
FOR THE INDIAN RAYON CORPORATION LIMITED,
LAXMICHAND LALJI,
Director,
Managing Agents.

UNITED BANK OF INDIA BUILDING,
SECOND FLOOR, SIR P. M. ROAD,
FORT, BOMBAY-1.
BOMBAY, *dated 13th January* 1961.

Note: (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT SUCH PROXY NEED NOT BE A MEMBER.

(b) THE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM 14TH DAY OF FEBRUARY, 1961 TO 28TH DAY OF FEBRUARY, 1961, BOTH DAYS INCLUSIVE.

THE OUDH SUGAR MILLS LIMITED

Registered Office:

Industry House, 159, Churchgate Reclamation

BOMBAY-1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-eighth Annual General Meeting of the shareholders of the Oudh Sugar Mills Limited will be held at the above address on Thursday the 2nd day of March 1961, at 4-30 p.m., to transact the following business:—

1. To receive and consider the Report of the Directors and to adopt the Audited Accounts of the Company for the year ended 31st July 1960.

2. To confirm the dividend paid by Directors on 4 per cent Tax-Free Cumulative Redeemable Preference Shares of Rs. 25 each for the period 1st August 1959 to the date of redemption, i.e., 30th June 1960.

3. To declare dividends on Ordinary Shares.

4. To appoint a Director in place of Shri Maneklal Premchand who retires by rotation and to consider and if thought fit to pass the following resolution of which a special notice under Section 281 of the Companies Act, 1956 has been received by the Company from some members.

"RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions if any of the Companies Act, 1956, Shri Maneklal Premchand who has attained the age of 71 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit prescribed under Section 280 of the Act shall not apply to him."

5. To appoint a Director in place of Shri S. G. Nevatia, who retires by rotation and to consider and if thought fit to pass the following resolution as a Special Resolution of which a special notice under Section 261 of the Companies Act, 1956 has been received by the Company from some members.

"RESOLVED that pursuant to the provisions of Section 261 and other applicable provisions if any of the Companies Act, 1956, Shri S. G. Nevatia who retires by rotation and who is a Director and Associate of the Managing Agents, The Cotton Agents Private Limited, and a co-sharer in the managing agency commission received by the Managing Agents from the Company, be and is hereby re-appointed a Director of the Company.

6. To appoint a Director in place of Shri Rasiklal Maneklal who was appointed as an additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.

7. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:—

"RESOLVED that the Company hereby approves of contracts being entered into with the East West Import and Export Private Limited, who are or who may be deemed to be Associates of the Company's Managing Agents, The Cotton Agents Private Limited, for the sale, purchase or supply of goods and materials which the Company and the said Associates respectively manufacture or deal in as and when it may be required by the Company or the said Associates upon the terms—

(a) that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or are otherwise reasonable,

(b) that the other terms and conditions of such sale, purchase or supply of goods and materials shall be generally the same as those on which the Company can sell, purchase or supply such goods and materials elsewhere,

(c) that for goods and materials supplied or sold by the Company, the Associate shall make payment to the Company within one month from the date of supply or sale of the goods and materials.

8. To appoint Auditors and fix their remuneration.

By Order of the Board,

For THE OUDH SUGAR MILLS LTD.,
Managing Agents,

THE COTTON AGENTS PRIVATE LIMITED,
S. G. NEVATIA.
Director.

BOMBAY, *Dated 2nd February* 1961.

Notes:—1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND THE PROXY NEED NOT BE A MEMBER.

2. Shareholders are requested to notify any change of address failing which the dividend warrants will be posted to their addresses registered with the Company.

3. Dividends as recommended by the Directors if sanctioned will be paid to the shareholders whose names are in the Register of the Company as on 2nd March 1961 through the United Commercial Bank Ltd., Churchgate Reclamation Branch, Bombay, on or after 10th March 1961.

4. The Register of Members of the Company will remain closed from 20th February 1961 to 2nd March 1961, both days inclusive.

The relevant Explanatory Statement under Section 173 of the Companies Act 1956 has been posted to all the members individually along with the Notice.

METRIC UNITS IN POST OFFICES

SINCE FEBRUARY 1ST, ALL POSTAL TRANSACTIONS HAVE CHANGED OVER TO THE METRIC SYSTEM. SOME OF THE IMPORTANT REVISED POSTAGE RATES ARE AS FOLLOWS:

INLAND		FOREIGN	
LETTERS		**LETTERS**	
First 15 grammes	15 nP	First 20 grammes	30 nP
Each additional 15 grammes	10 nP	Each additional 20 grammes	20 nP
PACKETS		**PRINTED MATTER, ETC.**	
First 50 grammes	8 nP	First 50 grammes	12 nP
Each additional 25 grammes	3 nP	Each additional 50 grammes	6 nP
PARCELS		Minimum charges for commercial papers and samples	30 nP
Each 400 grammes or part	50 nP		
AIR SURCHARGE FOR PACKETS			
For each 10 grammes or part	4 nP		

For details and other rates, please consult any post office

POSTS AND TELEGRAPHS DEPARTMENT

DA 60/686

STATUS QUO IN MONEY CONTINUES

(From Our Own Correspondent)

BOMBAY, *8th February*

There is nothing new to report in the short-term money market. Stringency continues, as the demand for funds is heavy and supply does not expand except through borrowings from the Reserve Bank which are quite expensive. Inter-bank call money is quoted at the self-same rate of 5½ per cent. The rates for house money and term deposits are unchanged. There has been no increase in the lending rates of banks either.

The results of the sale of 91-days' Treasury Bills through weekly tenders show that the total amount offered was Rs. 2 crores during this week also. The average rate of accepted tenders remained unchanged at Rs. 2.585 per cent per annum. Sales of 91-days' intermediate Treasury Bills fetched only slightly larger amount of Rs. 7 lakhs, as against Rs. 5 lakhs in the preceding week. Banks are not evincing any interest in Treasury Bills, which is quite in keeping with the general stringency prevailing in the money market.

The Reserve Bank of India's statement for the week ended 3rd February 1961 discloses, as compared with that for the previous week, an expansion of Rs. 19.76 crores in notes in circulation. This brings the total notes in circulation to Rs. 1,929.25 crores.

The foreign securities held by the Issue Department are still unchanged at Rs. 128 crores. But as balances held abroad have gone down by Rs. 40.81 lakhs, the total foreign assets have declined by that amount to Rs. 147.26 crores.

The deposits of banks with the Reserve Bank have contracted by Rs. 6.14 crores to stand at Rs. 72.13 crores, while the other loans and advances given by the Reserve Bank show a rise of Rs. 13.97 crores; these include borrowings by the Scheduled banks also. There is an expansion of Rs. 3.55 crores in advances against usance bills which are now of the order of Rs. 22.35 crores.

The Scheduled banks' statement for the week ended 27th January 1961 shows that the total deposit liabilities have increased by Rs. 9.41 crores. Inter-bank borrowings of demand nature have gone up by Rs. 76.27 lakhs, and of time nature by Rs. 14.22 lakhs. The aggregate borrowings from the Reserve Bank are up by Rs. 2.27 crores, while those against usance bills have risen by Rs. 1.65 crores. Borrowings from the State Bank of India of demand and time nature have staged a rise of Rs. 83.07 lakhs and Rs. 21 lakhs respectively. Advances and bills (bank credit) have expanded by Rs. 11.05 crores on top of the increase of Rs. 5.08 crores in the preceding week, taking their total to Rs. 1,225 crores. A year ago, this portfolio stood at Rs. 1,020 crores. Investments have advanced by Rs. 3.74 crores as against a decline of Rs. 18.55 crores in the preceding week. As the rise in the investments held by the State Bank during the week is of the order of Rs. 4.79 crores, the investment portfolio of Scheduled banks excluding the State Bank are actually down by Rs. 1.05 crores.

The State Bank of India's statement for the week ended 27th January 1961 reveals a further contraction of Rs. 3.65 crores under deposits on top of a fall of Rs. 7.85 crores in the preceding week. Advances have continued to expand—the rise in the week being Rs. 1.87 crores. Money at call and short notice shows an improvement of Rs. 47 lakhs. The total cash resources have fallen by Rs. 1.86 crores, but investments have increased by Rs. 4.79 crores as noticed earlier.

The gilt-edged market is showing some signs of recovery presumably on account of some special buying by the Reserve Bank of India. A few deals have been reported in short-dated issues of the Central Government such as 3½ per cent. 1963 and 3½ per cent 1964. But the turnover is limited as there are no buyers. The prices of some of the Central loans have staged a fractional improvement. For example, 2½ per cent 1961, 2½ per cent 1962, 3 per cent 1963-65 and 3 per cent 1964 have each recorded a rise of 10 nP, while 3 per cent 1966-68 and 3 per cent 1970-75 have improved by 15 nP and 20 nP respectively. Demand for some State issues has also been more pronounced. The 4 per cent 1969 Andhra, 4 per cent 1969 Madras, 4 per cent. 1969 Mysore and 4 per cent. 1969 U.P. have each gone up by 10 nP.

In the foreign exchange section, the rupee-dollar rate has moved up for the second week in succession, the banks' selling and buying rates for ready T.T. standing at Rs. 477.75 and Rs. 474.50 respectively per 100 dollars. A week ago these rates were Rs. 477.25 and Rs. 474.00 respectively. This reflects the slight weakening of sterling in terms of dollar. The sterling-dollar rate has gone down a little. The latest available rates are: 280.170-280.200 per £ for spot and 279.630-279.660 per £ for three months' forward. As compared with the rates as on the 1st February, the spot rate shows a decline of 0.24 cent.

LINSEED DULL

(Messrs. A. Bradley and Co.)

CALCUTTA, *6th February*

There has been very little change in the linseed market. Owing to poor demand for seeds and oil, a slightly easier tone has developed. Availability is still scarce, and, with only limited enquiries from local crushers, business has been negligible.

In the oil market, with no appreciable stocks held by either manufacturers or dealers, prices have not shown much decline. The tendency, however, is quiet, with sellers more in evidence than buyers.

The oilcake market is quiet. U.K. buyers are still quoting lower prices.

Ready is quoted at Rs. 29 per maund.

BULLION PRICES RECOVER

(From Our Own Correspondent)

BOMBAY, *8th February*

After presenting an easy trend in the earlier sessions of the week, the bullion market developed a firm tendency yesterday (Tuesday) which gathered further momentum today. The earlier easiness was due to poor fresh buying support following the end of the first phase of seasonal demand and lack of encouraging advices from other commodity markets. Consequently, both gold and silver encountered selling and values suffered a setback. The sentiment of the market, however, changed since yesterday, thanks to revival of buying and paucity of offerings. It was reported that offtake by Delhi interests was increasing. Values, as a result, staged a rise. Not only were the earlier losses completely recovered but today's closing rates were higher than those prevailing at the end of last week.

The average daily arrivals of gold and silver during the week were smaller than those in the previous week, being 4,650 tolas of gold and 20 bars of silver, as against 4,750 tolas and 23 bars, respectively. Offtake of gold was 4,000 tolas per day on an average and that of silver nine bars. The corresponding figures for last week were 4,250 tolas and 15 bars. The floating stocks in the city are reported to be around 75,000 tolas of gold and 500 bars of silver.

Adjustment rates fixed today were Rs. 121.30 per 10 grams (0.85 tola) for gold and Rs. 208.10 per kilogram (85.7 tolas) for silver.

The *Fagun* (1st March) settlement in gold began the week at Rs. 120.80, as against the previous close of Rs. 120.90, and declined to touch a low of Rs. 119.80 on Friday the 3rd inst. After moving narrowly thereafter, the settlement firmed up to Rs. 120.80 yesterday and Rs. 121.65 today before finishing at Rs. 121.55.

Ready gold encountered selling in the earlier sessions, the quotation moving down from Rs. 120.90 to Rs. 119.85 on the 3rd inst. Subsequently, it recovered and stood at Rs. 121.65 today. The closing was lower at Rs. 121.55, at which rate it was quoted on a par with forward.

In silver, the *Maha* (2nd February) settlement went off the board at Rs. 207.35 on Thursday the 2nd inst., as against Rs. 227.40 on Wednesday last week. The *Fagun* (1st March) settlement eased from Rs. 207.05 to Rs. 206.40 on Friday and, after fluctuating narrowly, recovered to Rs. 208.20 today. At this level, some profit-taking set in and the settlement finished lower at Rs. 207.85.

Ready silver was quoted at a premium over forward throughout the week, though the actual premium declined from 60 nP last week to 25 nP today. The closing rate for the metal was Rs. 208.10, as against Rs. 207.65 on Wednesday last week, the highest and lowest levels touched being Rs. 208.45 (today) and Rs. 207 (on Friday and Monday).

The world price of gold in the London bullion market declined further during the week, from $36.36½ to $35.20 per fine ounce. Traders noted the twelve-point programme to strengthen the U.S. economy recommended to the Congress by President Kennedy as well as the offer of West Germany to help the U.S. strengthen the dollar. Following the decline in world price of gold and owing to the persistent firmness of the pound sterling *vis-a-vis* the dollar, ready gold in London receded from 252*s.* 4*d.* to 251*s.* 3*d.* Ready and forward silver, however, continued unchanged at 79½*d.* and 80*d.*, respectively, as also silver in New York at 91.375 cents.

The following table shows the trend of the market during the week:

	8-2-1961 (closing)	High	Low	1-2-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	121.55	121.65	119.85	120.90
Forward:				
*Fagun**	121.55	121.65	119.80	120.90
Sovereign	93.80	93.80	93.25	93.25
SILVER				
Ready (.996 fine)	208.10	208.45	207.00	207.65
Forward:				
Fagun†	207.85	208.20	206.40	207.05
London—	7-2-1961			31-1-1961
Silver Ready	79½d.	—	—	79½d.
Silver Forward	80d.	—	—	80d.
Gold	251*s.* 3*d.*	252*s.* 3*d.*	251*s.* 1*d.*	252*s.* 4*d.*
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 1st March settlement. † 2nd March settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, *6th February*

The kip market ruled firm during the week, despite selective inquiries from the U.K. Inland demand for lower grades was good. There was brisk clearance of cow calf skins by shippers to the Continent at steady prices. But sales of buff calf were patchy.

Demand for tanned goat skins was mostly for medium and heavy weights, while lighter averages ruled weak. There was no change in the tanned sheep section.

Shipments during January 1961 were: 2,098 bales cow hides, 152 cow calf, 22 buff hides, 196 buff calf, 294 goat skins and 389 sheep to U.K. ports; 120 cow calf, 59 buff calf, 722 goat and 349 sheep to Continental ports; 88 buff hides, 85 buff calf, 261 goat and 9 sheep to the U.S.A.; and 11 goat and 229 sheep to Japan.

COTTON FUTURES REACT

(From Our Own Correspondent)

BOMBAY, *8th February*

Sentiment in the cotton futures market has undergone a complete transformation. Fears of shortage of cotton and non-availability of the desired qualities have given place to apprehension of a glut. A few weeks ago, he who had staked a fortune as a bear, would have been counted as indeed a bold man. But now those who predict a sharp rise in price is considered so. Many factors have combined to bringing about this change in the attitude of operators. They are: (1) expectation of a bumper crop of 5.3 to 5.4 million bales (latest private estimate); (2) heavy and early movement of new crop and the consequent break in ready prices in the terminal markets; (3) large arrival of foreign cotton (391,400 bales (of 400 lbs.) from the beginning of the season till 21st January 1961, as against 171,598 bales in the corresponding period of the previous season); and (4) the prospect of even heavier arrivals during the rest of the season. Heavy and persistent selling prompted by these factors resulted in a virtual landslide in futures values. For instance, I.C.C Jarilla April 1961 contract slumped from Rs. 572 (per three quintals) last week-end to Rs. 556.50 on Monday, a decline of Rs. 16 in just four days. Since then, however, a slight recovery has been in evidence, which is mainly a technical one, although it has been influenced by the bullish interpretation of the current cold spell. Consequently, the contract has improved slightly and is currently quoted at Rs. 564, nearly Rs. 8 higher than the lowest level.

The recession in futures and the fall in prices at the terminal markets have weakened spot prices too. Arrivals, especially in the Broach and Surti tracts, are mounting and mills are postponing purchases in anticipation of a further fall in prices. Obviously, they cannot be expected to enter a declining market. Moderate buying of Vijay, Digvijay, etc., by Southern mills is reported. Bombay mills, except those that are needy, are marking time to make bulk purchases.

The perceptible decline in cotton prices has caused concern among growers and a section of the trade. The East India Cotton Association, Bombay, is reported to have put forward the following suggestions to the Textile Commissioner to deal with the situation: (1) suspension of compulsory surveys as long as prices remained at the present low levels; (2) abolition of mill quotas; or, in the alternative, asking mills to buy cotton within a prescribed period according to the quota released to them; and (3) release of an export quota of one lakh bales for Kalagin and Wagad which has suffered quality deterioration and is not, therefore, wanted by mills in the country.

On the part of growers, those in Gujarat are reported to have convened a meeting to consider the "difficult situation" created by accumulation of stocks and the consequent financial difficulties, while none denies the need to take measures to peg cotton prices at reasonable levels, lest there should be diversion of acreage from cotton during the next season, nobody seems very optimistic that the Government will abolish the survey and quota systems forthwith, or release a large export quota. For the Government is not likely to overlook the fact that the weather is still capable of doing mischief.

Export interest in Bengal *Deshi* was subdued, thanks to the delay in the announcement of quota. Shippers are inquiring for Kala and Wagad in anticipation of a quota.

Foreign cotton evoked only stray demand. Selected Sudanese and East African varieties found buyers.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Vijay 898; Digvijay 990; Khamgaon 860; Kalyan 785; Sudan G4S 1.725; G34 1.565.

Favourable crop reports and increasing seasonal pressure led to a further fall in futures price in the Karachi cotton market. Export demand was not sufficient to sustain the market. Support of domestic spinners was weak. Consequently, futures declined further. N.T.R.G. March reacted from Rs. 71.50 to Rs. 69.80. The May contract shed Re. 1.80, over the week, to Rs. 69.50. Spot prices, especially those of *Deshi* varieties, tended to be steady. Sind *Deshi* was unchanged at Rs. 106 and Punjab *Deshi* at Rs. 104.

In contrast to the easiness witnessed last week, Alexandria cotton futures market staged a smart recovery during the week. This was due partly to technical factors and partly to speculative support. Prompted by reports that that U.A.R. was likely to conclude a barter deal with Japan according to which the former would exchange its cotton for galvanised sheets from Japan. Both the long-staple Karnak and medium-staple Ashmouni contracts improved on moderate support. The following are the latest available quotations—in tallaris per lb—from Alexandria, the figures in brackets being last week-end rates:

Karnak: March 72.37 (71.85); May 72.95 (72.20); July 73.80 (72.85).

Ashmouni: February 60.77 (59.35); April 61.45 (60.35); June 61.67 (61.40).

The U.A.R. Government is reported to be increasingly becoming worried at its failure to maintain the sale of Egyptian cotton to the free world countries of the West and at the growing proportion of exports which is being taken up by the communist countries. The Government's target for the current season is to sell at least half of its total cotton exports to the West. India and Japan. But the Soviet bloc, including Yugoslavia, has already absorbed 1.5 million cantars out of 2.1 million cantars exported since the start of the season. China and East Germany, which were both major customers last year, have yet to enter the market. With the prospect of little improvement in Western demand, it appears that the percentage of total exports going to the communist bloc during the entire season will be above last season's 50 per cent.

Quietly steady conditions prevailed in the Liverpool cotton futures market during the week.

Values moved in a narrow range in thin trading. Net change in prices was negligible. The Sudan contracts were a shade easy, thanks to lower Khartoum advices. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: March 23.30; May 23.60; July 23.95; October 24.40.

American cotton mixed growth contract: March 23.60; May 23.95; July 24.55; October 24.75.

Sudan: March, May, July 34.50.

Listless conditions prevailed in the New York Cotton Exchange during the week. Turnover was limited owing to the uncertainties about the new Administration's cotton policy. Price movements were narrow and showed only small changes over the week. The Bureau of Agricultural Economics announced the mid-January parity price for cotton at 38 83 cents per lb. as against the mid-December parity of 38.50 cents. The loan rate for this year's crop will be linked to this rate.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	7-2-61	31-1-61	24-1-61
Spot	32.25	32.25	32.25
March	32.10	32.20	32.20
May	32.60	32.65	32.66
July	33.10	33.16	33.15

ART SILK YARNS BUOYANT

(From Our Own Correspondent)

BOMBAY, *8th February*

Buoyant conditions prevailed in the yarn market during the week under review. Cupressa Bemberg yarns evoked excellent support from operators who feared that the coming weeks would witness an acute shortage of supplies. Whatever stocks that were available were quickly absorbed and prices staged a sharp rally. Other art silk yarns also scored handsome gains, in view of the continued restrictions on imports. Enquiries from consuming centres were also expected to broaden considerably in future. Staple fibre yarns were well supported at higher levels on reports that export business in fabrics woven from these yarns was improving. Cotton yarns, too, were firm. The firmness was engendered by good buying by handlooms and powerlooms in North India.

Cupressa Bemberg yarn (60 x 1) February contract forged ahead from Rs. 2.460 to Rs. 2.515. April contract strengthened by Rs. 20 to Rs. 2.520. Spot Cupressa rallied from Rs. 2.425 to Rs. 2.535. 120 Italy advanced by Rs. 27 to Rs. 1.350. 150 Japan spurted by Rs. 15 to Rs. 1.640. 120 Japan rose by Rs. 9 to Rs. 1.420. Among indigenous yarns, National Rayons 150 Bt. cones first grade strengthened by 31 nP to Rs. 11.79. 120 Bt. cones first grade picked up 30 nP to Rs. 13.46.

Staple fibre yarn (40 x 2) February delivery improved by Rs. 12 to Rs. 840. April contract increased from Rs. 817 to Rs. 836. Spot Centurys gained 22 nP to Rs. 9.83. Kohinoors were fully maintained at Rs. 9.90.

In the cotton yarn section, ten counts Podars were firm at Rs. 17.50, as also Moderns at Rs. 18.75. Twenty counts New Greats changed hands at Rs. 22. Thirty counts Simplex recorded a rise of 25 nP, today's closing rate being Rs. 26.75. New Greats gathered 13 nP to Rs. 26.50. Forty counts Maduras advanced by 38 nP to Rs. 32.25. Minaxis were done at Rs. 32. Sixty counts Gokaks and Finlays were fully steady, the former at Rs. 49 and the latter at Rs. 66.66. Eighty counts Finlays had buyers at Rs. 81.81, same as last week, while Mahendras encountered selling and declined by Re. 1.01 to Rs. 68.68.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with those a week ago.

	8-2-1961	1-2-1961
	Rs.	Rs.
Art silk yarns—		
60/1 Cupressa Bemberg (100 kg.)		
February	2.515 00	2.460 00
April	2.520 00	2.500 00
60/1 Cupressa Bemberg spot	2.535 00	2.425 00
120 Italy (per 100 kg.)	1.420 00	1.411 00
150 Japan (per 100 kg.)	1.640 00	1.625 00
120 Italy (per 100 kg.)	1.350.00	1,323.00
Staple fibre yarns—		
40 x 2 February (per 90.72 kg.)	840 00	828.00
40 x 2 April (per 90.72 kg.)	836 00	817 00
40 x 2 Century (per kg.)	9 83	9.61
40 x 2 Kohinoor (per kg.)	9.90	9.90
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	17.50	17.50
20s New Great	26 50	26.37
40s Madura	32.25	31.87
60s Gokak	49 00	49.00
80s Finlay	81 81	81.81

OILSEEDS SUBDUED

(From Our Own Correspondent)

BOMBAY, *8th February*

There was stale bull liquidation in castorseeds and cottonseeds during the major part of the week under review, following heavy arrivals. Groundnuts and linseed, too, tended to move down in sympathy. Towards the close, today, however, there was some recovery aided by reports of unusual cold wave in major producing centres which was considered to affect adversely the oilseeds crops. The recovery, of course, was not marked enough to make up for the losses incurred earlier, so that today's closing prices were generally well below those last week-end.

Larger arrivals of new crop castorseed from Nizamabad led to a sharp break in values. The reports of steady increase in the pressure of cheaper oil supplies from Brazil in the American and Continental market also imparted weakness. Even Indian prices ruling much above world levels, shippers withdrew from the market. The decline in castor oil prices would have been more appreciable but for rumours of scattered enquiries from U.K. sources, especially in the later seasons of the week. Castorseed May 1961 contract fell from Rs. 170.50 to Rs. 168.37, before closing at Rs. 169.12. Ready Madras eased from Rs. 33.75 to Rs. 33 on Monday, but recovered slightly to Rs. 33.25 today. Oil Commercial dropped 30 nP to Rs. 13.50.

Offerings of groundnuts by Gujerat and South Indian interests, together with easiness of castorseeds prompted bulls to unload a part of their holdings. But *vanaspati* manufacturers and crushers were cautious buyers. Values, as a consequence, moved down, though some recovery was in evidence as the week progressed. Groundnut May 1961 contract declined from Rs. 217 to Rs. 216.50, but recovered to finish at the last week's closing level of Rs. 217. February contract was quiet at Rs. 220, the ceiling price. Nizam bold eased from Rs. 48.75 to Rs. 47, before closing at Rs. 48.25 today. Coromandal and Khandesh quality lost 50 nP to Rs. 48.50. Railway receipts shed 45 nP to Rs. 19.85 and oil ex-mill 35 nP to Rs. 20.15.

In the absence of any fresh buying support, linseed ruled easy. The disparity in the Indian prices of linseed oil and the rapid improvement in supply position virtually dampened the enthusiasm of bulls. May 1961 delivery closed lower by 35 nP at Rs. 34.06. Bold ready was marked down by Rs. 2.25 to Rs. 33.25. Oil gave way from Rs. 16.10 to Rs. 14.70.

Cottonseeds suffered a distinct setback in the beginning of the week, in sympathy with the raw cotton market. May 1961 contract lost a rupee to Rs. 87; it was quoted lower still at Rs. 86.75 at one time on Monday. February 1961 contract declined by 25 nP to Rs. 87.50, after touching Rs. 86.50 earlier in the week. In the spot section, both Berars and non-whites eased by Re. 1.05 to Rs. 17.75. Whites were neglected at Rs. 18.50.

Distinctly easy conditions prevailed in the sesame section. Arrivals were heavy, while fresh support was lacking. Bold varieties declined from Rs. 330 to Rs. 310 (per 250 kgms.). Sesame oil eased by Re. 1.25 to Rs. 24.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	8-2-1961	1-2-1961	24-1-1961
	Rs.	Rs.	Rs.
Groundnut			
February 1961	220 00	220 00	220 00
May 1961	217 00	217 00	217 00
Nizam bold	48.25	48.75	48.00
Coromandel ready	48 50	49 00	48.50
Khandesh quality	48 50	49.00	48 50
Oil ex-mill ready*	20.15	20.50	20 25
Railway receipts*	19.85	20.30	20.00
Castorseed			
May 1961	169.12	170.50	176.25
Ready Madras	33.25	33.75	34 75
Ready Kanpur	31 62	32.75	33.50
Oil B.S.S.†	14.50	14.65	15.10
Oil commercial†	13.50	13.80	14.20
Linseed			
May, 1961	34 06	34.41	35 00
Bold ready	33.25	35.50	36.75
Oil ready†	14.70	16.10	16.50
Cottonseed			
February 1961	87.50	87.75	92.25
May 1961	87.00	88.00	92.75
Niger seed	38.50	38.75	38.50
Kardi seed	27.00	27.00	26.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

BLACK PEPPER WEAK

(Messrs. Parekh and Co.)

BOMBAY, *8th February*

Malabar black pepper suffered a setback during the week for want of foreign enquiries, ungarbled coming down from Rs. 377 to Rs. 360 and garbled from Rs. 392 to Rs. 375. February delivery on the Cochin Exchange receded from Rs. 404 to Rs. 380 under liquidation by stale bulls. Further fresh liquidation for February delivery or switching from February to March is expected during the coming week. If the present sluggishness in foreign demand continues, fresh drop in ungarbled and garbled is generally envisaged in sympathy with February delivery, evening up of which should be done on or before the 15th inst. Growers and bulls among the traders are resisting lower prices. The week's resistance level is Rs. 1,100 for ungarbled. But, if this level is pierced through, a new low level below Rs. 1,000 is likely to be established, since there will be no fresh buying on the part of any East European countries, as London market is reported to be flat at 48d. for white and at 34½d. for black. Generally London market is looked upon as a barometer of pepper prices in Europe. Further, as is usual, New York is likely to buy only to cover its immediate requirements in the declining market. Most of the Malabar produce also showed downward tendency with undertone nervous affected by countrywide stringency in money market and pseudo-economic crisis resulting from the moratorium on four or five important banks and fear of further moratorium for smaller units which have been working as bankers to grocers and small assemblers in the interior in Kerala.

Singapore is reported to be in doldrums. The movements are narrow with prices irregular and occasionally easy, as nobody is willing to take up the leadership of bull market, in view of the sizable stock in Indonesia, Sarawak and Singapore and owing to the proximity of the new season which generally starts in May in Sarawak and in June in Sumatra. Weakness in rubber in Singapore has proved to be a discouraging factor and brought forth some liquidation in white pepper. Most of the holders are exhibiting anxiety to liquidate their holdings at every rise in prices.

New York market also showed irregular trend without any definite indication for the future. Outsiders are taking interest neither on the New York Exchange nor in spot, as pepper has lost all incentives for investors. Grinders are closing in expectation of further drop in the prices barring political exigencies. Spot in New York is quoted at $0.45½.

London established this month a further low level at 48d. for white and 34½d. for black. Culcutt is sellers at Rs. 365 per quintal. Fresh pressure of arrival is expected to develop in Tellicherry area in the immediate future.

In Bombay, ready pepper is also weak and is quoted at Rs. 208 per 50 kilos, in view of the dull in demand and owing to anxiety on the part of stockists to liquidate.

FAIR DEMAND FOR TEA

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, *31st January*

Sale No. 5, held today, amounted to 516,000 kilograms. Quality was well maintained and in some cases showed improvement. The market opened with good general demand which continued throughout the sale. Plain and low mediums were well competed for and sold at fully firm to dearer rates, with fannings grades meeting rather less enquiry. Mediums and good mediums met with good support and were steady and, in cases where quality showed improvement, advanced in prices. Highgrowns continued irregular with the exception of a few invoices with improved quality which sold at dearer rates. There was useful support for legg-cut and C.T.C. types which tended dearer. Whole leaf grades were strong and sold at rates above last. A small selection of tippy teas met with useful inquiry.

	1961	1960
	Rs.	Rs.
Low medium	4.65-4.95	4.52-4.85
Medium	5.00-5.40	4.81-5.18
Good medium	5.40-5.80	5.18-5.62
Quality	6.00-8.95	5.73-9.81

The average price realised in Sale No. 5 was Rs. 5.16 per kilo, as against Rs. 5.23 in the previous week, and Rs. 5.29 in the corresponding sale last year.

129,000 kilograms were offered in Dust Sale No. 5 held on 2nd February 1961. There was a useful selection of dusts on offer. The market opened to strong demand which strengthened as the sale progressed. Prices for most descriptions were dearer by 5 to 10 nP with buyers paying more for coloury mediums. Highgrowns were well supported and were quoted steady. There was good demand for C.T.C. and legg-cut types which were also firm to dearer.

The average price realised in Dust sale No. 5 was Rs. 5.12 per kilo as compared with Rs. 5.12 in the last week and Rs. 4.45 in the corresponding sale last year.

Export Quota: There are still large sellers at ¼ nP per kilo with no ready buyers.

Colombo: 7,000,000 lbs. were offered this week which met with good but irregular demand. Teas from western districts were generally easier with the exception of improved quality teas. Uvas declined by 10 to 15 nP whilst lowgrowns were quoted barely steady.

London:—*North Indian and other growths*: There was good general demand. Best liquoring teas were firm whilst others met a selective market and prices were irregularly easier. Plain BP is quoted at 1d.

Ceylon and South Indians: In Tuesday's sale 25,257 packages were offered of which 6,534 packages were from South India. There was fair general demand. Prices were irregular and sometimes tended little easier.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:—

"*Sale No. 6*:—372,000 kilograms. Strong general demand, particularly for plain and low medium sorts, which are 5 to 10 nP dearer. Medium and good medium dearer with improved quality. Highgrowns very selective demand."

QUALITY TEAS DEARER

(From Our Own Correspondent)

CALCUTTA, *7th February*

Good demand continued during yesterday's export sale in tea. Quality teas were dearer. Steadier conditions in last week's internal sales also raised prices. The steady improving trend in both the sales is an indication of the approaching closure of the season. This is also evident from the declining demand for forward space for tea shipments. Not only is this usually the period when tea shipments begin to fall but this year the production has been lower as a result of the earlier drought. This week's shipments were, however, satisfactory.

The interesting information that Iran has about 44,000 acres of land under tea (all in northern Iran), producing about 10,000 tons a year, was given by the leader of the visiting tea delegation from Iran headed by Mr. Morteza Mansoury, chief of the Iranian Tea Organisation. Iran's consumption of tea is 20,000 tons per annum, of which imports India accounts for about 6,000 tons and Ceylon for 4,000 tons. Mr. Mansoury indicated that Iran hoped to increase imports from India to about 8,000 tons this year. If the probable increased offtake would mean a proportionate fall in Iranian offtake from Ceylon or whether this should be attributed to increased demand, was not indicated by him. The Shah takes a personal interest in tea growing as well as marketing, Mr. Mansoury added.

During last week's sale for internal consumption, dusts on offer amounted to 21,253 packages. Good general demand pushed up prices and, as the sale progressed, conditions became steady. Orthodox dusts were bid at firm rates, the small brighter liquorings receiving greater attention. Legg-cut Dooars were also firm, with the smaller Tea being in keener demand. Medium C.T.Cs were unchanged, while the brighter teas recorded small gains. The best C.T.Cs following quality, were irregular. The quotations per 1 kg. inclusive of excise duty were: good Assam C.T.C. dust Rs. 6.00 to Rs. 6.40; medium Assam C.T.C. dust Rs. 5.60 to Rs. 5.80; legg-cut dust Rs. 5.15 to Rs. 5.40; medium Assam dust Rs. 5.05 to Rs. 5.35; and plain orthodox dust Rs. 4.85 to Rs. 5.00.

Green teas contained in the leaf offerings of 545 packages were a strong feature. Other teas were fully firm.

Offerings during yesterday's export sales aggregated 72,339 packages. Prices were irregular depending on quality. Demand was strong. Well-made whole leaf grades met with keen attention, while the poorer stalky teas eased. Tippy teas were taken at irregular rates. While the better Darjeelings eased, the poorer types were steady. Medium B.P.s were unchanged, and similar fannings were firm. Medium Assam B.O.Ps and O.Fs came to a declining market, but the brighter liquoring teas met with good attention. Dooars B.O.Ps were firm at last rates, while the better O.F.s declined. Plain brokens and fannings were in good demand, with legg-cut teas easing in an irregular trend. Generally, good support was accorded to the best autumnal teas and mediums and secondary teas were firm. The balance of the offerings eased from 10 to 20 nP generally. The quotations per 1 kg. inclusive of excise duty were:

	Rs.
Best Assam C.T.C. fannings	5.80-6.40
Best Assam C.T.C. B.P.	5.80-6.20
Clean black pekoe	5.20-5.45
Medium fannings	4.90-5.10
Plain fannings	4.80-5.00
Medium B.P.	4.70-4.90
Plain B.P.	4.55-4.65

JUTES RECOVER AFTER EARLY FALL

(From Our Own Correspondent)

CALCUTTA, *7th February*

Thanks to resistance offered by mills following the delay in the issue of weekly I.J.M.A. quota, raw jute prices at one time during the week under review recorded a substantial reduction. But soon after the news of the release of a quota of 400,000 bales was available on Friday, a recovery set in. Nevertheless, the closing rates were below the opening levels.

The official final estimate of the jute crop has not yet been issued; usually, the estimate used to be published by the end of December, and the delay this year is taken as proof of official admission that the crop would now amount to even less than 5.7 or 5.8 million bales, which was the figure given earlier. Further, fresh arrivals of jute are very low in quality and this feature is attributed by some to prove that the marketing of all good jute has been completed. This belief is not, however, shared by many. It is felt that not much further proof excepting the high prices of this season is necessary to enable the inference that the financial condition of the cultivators had considerably improved, and, that being so it is more than probable that the marketing of a good portion of the jute crop is being delayed to be effected at the tag-end of the season. Meanwhile, fresh arrivals are not only of a low quality but are a liberal mixture of all the poorer varieties.

As planned, mills began working the reduced week from Monday last, and efforts are now being made to avert the proposed strike by workers on the 13th inst. as a mark of protest against the reduction in working hours. The Labour Commissioner is to meet representatives of both employers and employees later this week with a view to bringing about an understanding. There is the realisation in official circles that the mills have not acted wrongly by reducing working hours. Although in the Government's opinion the fibre supply position has improved, the improvement has not been as substantial or as steady as to justify a full working week. The labour unions have alleged that there is, in fact, no fibre shortage but that an artificial shortage has been brought about by those interested. Although this allegation is deserving of examination, it is the general belief in the market that the crop is lower and at the same time movements from the interior agencies have not been as smooth as usual suggesting hold-up all the way including by the well-to-do landowners and medium-scale cultivators. In view of the recent transfer of several looms from hessian to sacking, it is thought that the saving in fibre as a result of reduced working hours would not be as much as earlier expected. As a result, output would also be not as low as a reduction of 2½ hours. Mills have fibre with them to last about six to eight weeks only and, since the mills have to keep on buying all the time unlike last year when major purchases were completed by December, recent restrictions on bank advances have further strained the financial position of mills. It is to be hoped that, in view of the peculiar nature of the present crisis, some relaxation is allowed.

Now that fibre prices have started declining, it is to be hoped that movement from interior is accelerated. The I.J.M.A. has more than once stated that, if only the fibre supply position shows signs of improvement, it will reconsider its decision and increase output. Prices of goods this week followed closely the trend in fibre market, and the good support goods have been enjoying in the last week or two has been deduced as proof by a section of the buyers and that the threat from substitutes in imaginary, not real.

Burlap prices in New York also registered a decline during the week, with the 7½ oz. hessian moving down to 12.20 cents per yard from 12.35 and the 10 oz. hessian to 16.30 cents from 16.60 cents. In Calcutta, on Tuesday last, holders became nervous, following the impressive fall in fibre prices. Profit-taking followed and, though Australian buyers showed interest in cornsacks, ready B. twills fell from Rs. 207 to Rs. 202.25 and hessian 40" 10 oz. from Rs. 67 to Rs. 66. Conditions on Wednesday were listless, B. twills declining to Rs. 200.50 and hessian 40" 10 oz. to Rs. 65.50. Support at lower levels was soon accorded, but the volume of business was not adequate to maintain prices and the result was that, on the next day, B. twills at Rs. 199.50 and hessian 40" 10 oz. at Rs. 65 registered the lowest levels of the week. At this stage, there was the news of a fresh quota of fibre for mills and an improvement in fibre prices was followed, B. twills rising to Rs. 201.50 and hessian 40" 10 oz. to Rs. 66. This was on Friday. Over the week-end, a further recovery was in evidence to push up B. twills to Rs. 204.50 and hessian 40" 10 oz. to Rs. 67.25. With the rise in fibre prices and the keen interest in goods, B. twills rose to Rs. 206.50 yesterday and hessian 40" 10 oz. to Rs. 67.85.

Fibre prices recorded a zigzag trend. As stated, arrivals were poor and were taken up in no time. In view of the delay in issue of quota to mills, Assam bottoms gave way early in the week from Rs. 64.50 to Rs. 61 per maund but over the week-end recovered to Rs. 62.50. The course of price movement is reflected in the following table:

(Rs. per maund—ready delivery)

	Opening	Low levels touched	Closing	Loss
Assam bottoms ...	64.50	61.00	62.50	2.00
Northern bottoms ...	64.00	60.50	62.00	2.00
Daisee bottoms ...	66.00	64.50	65.50	1.50

FOODGRAINS EASIER

(From Our Own Correspondent)

HAPUR, *6th February*

Easier tendency was in evidence in the foodgrains market during the week under review. *Rabi* crops had very much brightened, due to recent rains over a wide area. Some damage was, however, reported to crops owing to hailstorm and gusty winds in some areas and sunny weather is now needed for healthy progress of crops. The Union Ministry of Food was reported to be considering the prospect of creating one wheat zone throughout the country, thanks to comfortable food situation and expectations of a good crop this year. The Ministry, however, would watch the rice situation for a year or so before abolishing the restrictions on rice movement.

Wheat here recorded a modest fall during the week to be quoted on Monday at Rs. 17.50 a maund for average quality and Rs. 18.87 for better farm produce. The prices on the corresponding date last year were Rs. 19 and Rs. 20.50, respectively. Arrivals during the week were nominal and trading was almost at a standstill, owing to continued cloudy weather and rains. The stock position with both Central and State Governments was, of course, comfortable. The wheat stock at present was about 1.5 million tons and import of American wheat under P.L. 480—over 4 million tons a year—will take place as scheduled and this would help in building up a good buffer-stock. The State Government is reported to be selling about 40,000 maunds of wheat.

Rice continued to rule quiet, *sela basmati* quoting at Rs. 27 to 29; *ramajawyan* at Rs. 23 *raimunia* at Rs. 24; *mainpuri* at Rs. 20.75 and *gadda* at Rs. 19.87 a maund. Supply position of rice was satisfactory, with local stocks at about 10,000 maunds.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, *6th February*

Sugar ruled quietly steady at Rs. 111.75 per bag wholesale and Rs. 1.09 per *seer* retail in the open market, as against the controlled prices of Rs. 108.50 and Rs. 1.01, respectively. Production is going on vigorously, as cane supplies to factories are adequate, the price paid being Rs. 1.50 to Rs. 1.62 per maund fixed by the Government, as against the open market price of Rs. 1.06 to Rs. 1.25 a maund paid by crushers manufacturing *gur* or *khandsari*. The U.P. Government has imposed a purchase tax at the rate of 19 nP per maund of sugarcane purchased by factory and 4 nP a maund by other types of manufacturing units. A fresh release of 50,000 tons of sugar for export has been made and another 200,000 tons released for sale. The supply position of sugar is easy, as the major part of the releases of last two months have not been lifted.

Sugar ruled steady at Rs. 109.50 to Rs. 110 per bag in the Muzaffarnagar market for spot delivery. Cane supplies to factories were hampered slightly due to rains during the week.

Brisk demand for *khandsari*, from Madhya Pradesh, Eastern U.P. and Rajasthan accounted for a further rise of 50 nP to Re. 1 per maund in the price of the commodity. Arrivals, however, were negligible due to rains. New production, too, was hampered. Prevailing prices were: *khandsari* new Rs. 31 to Rs. 35.50; inferior Rs. 29 to Rs. 31; crystal Rs. 33 to Rs. 37.50; *boora* Rs. 32 to Rs. 36; old Rs. 27 to Rs. 30 per maund.

Gur arrivals during the week were very poor, due to rains and inclement cloudy weather throughout the week. Demand, too, was poor and loading was mostly restricted. A sharp fall in ready *gur* prices was also reported from the producing areas of the South and prices here were depressed to be quoted in the week-end at: *pansera* Rs. 13.37 to Rs. 13.62; *balti* Rs. 13.50, *shakker* Rs. 15.50 a maund.

Ready *gur* also sought lower levels in the Muzaffarnagar market during the week, as advices from Southern markets of Ankapalli and Kolhapur were discouraging. Arrivals were poor and prevailing prices were: *Chaku* Rs. 14.25 to Rs. 15.50; *pansera* Rs. 14 to Rs. 14.37; *laddoo* Rs. 14.25; *shakker* Rs. 15 to Rs. 18 a maund.

Gur futures ran down sharply during the week on continued bear pressure: *Fagan* and *baisakh* opened at Rs. 13.84 and Rs. 14.78, respectively, last Monday and were quoted today near the worst levels of the session at Rs. 13.64 and Rs. 14.44, respectively.

Sowing of cane for next crop has begun and large-scale sowings would only be possible as soon as weather becomes sunny.

SURVEY

(*Concluded from page 231*)

wheat on "concessional terms" or as grants-in-aid, as India cannot pay for food imports from its depleted foreign exchange reserves. Apparently, taking a lead from P.L. 480 agreements with the U.S., the representatives of the Wheat Utilisation Committee have suggested that wheat could be sold to the Government of India for payment in rupees. The donor Governments have been asked to consider the desirability of having mutually agreed rupee expenditure proposals ready in advance, "so that they could be included in the annual readjustments of India's Five-year Plans." The Mission has expressed the firm conviction that "it is in the interest of the member-Governments of the Wheat Utilisation Committee and indeed of all nations friendly to India, that this country should be assisted to achieve as rapidly as possible a degree of development sufficient to enable a continuing improvement to be made in nutritional levels and standards of living within a self-sustaining economy which no longer has need for external assistance."

The Mission has estimated that there will be a deficit in cereals and pulses in India to the tune of four to five million tons over the next two years, to be supplied through imports, simply to maintain the present level of consumption. For at least three years afterwards, similar quantities will be required, in order to realise an improvement in Indian diet. According to the Mission, these deficits can be met by the provision of wheat. If these suggestions are accepted by the countries which sponsored the team, it will mean that more wheat under arrangements similar to P.L. 480 will become available to India from a wider source. The U.S. has already been generous in this direction. Canada, too, has been giving, albeit on a small scale, wheat to India in the form of either outright gift or loan, with a part of their rupee proceeds being spent on mutually agreed projects. Australia also has provided India with a small gift of wheat. But both of them, as well as Argentine and even France, can be distinctly more liberal than they have been.

LONDON LETTER

(*Concluded from page 233*)

that it can menace the reserves of almost any country, as the case of America has shown.

The first reaction of central bankers to this problem has been to consider whether there might not be greater co-ordination in the matter of interest rates. But this is to ignore the importance of domestic factors in causing rates to be difficult. In America, for instance, the new President would probably like to initiate a boom based on cheap money. While in London, the Prime Minister, still bothered about inflation, wants to lower interest rates much more cautiously. Germany reduced her interest rates as a contribution towards stopping the outflow of American gold, only after a great deal of pressure. Obviously as much co-operation as is possible in these matters is desirable, but, equally obviously, not much might be possible while individual countries maintain their separate economic policies. A better solution might almost be on the lines of that adopted by Germany and Switzerland: to prohibit the inflow of foreign funds. Yet this is hardly likely to appeal to British bankers who thrive on such movements and who can point to many occasions such as the present, when the inflow of funds can help the economy. No general principles can be set down, but it may be that the International Monetary Fund will consider the problem big enough to warrant consultation between all central banks.—*All Rights Reserved.*

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 3rd Feb., 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	52,69,56,000
(2) Other Governments	22,04,98,000
(b) Banks	72,13,38,000
(c) Others	92,48,87,000
Bills Payable	27,61,52,000
Other Liabilities	42,96,71,000
Rupees	439,95,02,000

ASSETS	Rs.
Notes	11,28,83,000
Rupee Coin	2,90,000
Subsidiary Coin	6,32,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	50,02,07,000
Balances held abroad*	19,25,03,000
Loans and Advances to Governments†	36,14,08,000
Other Loans and Advances	154,25,26,000
Investments	150,93,09,000
Other Assets	17,97,44,000
Rupees	439,95,02,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 22,35,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,28,83,000	
Notes in circulation	1929,24,99,000	
Total Notes issued	....	1940,53,82,000
Total Liabilities	....	1940,53,82,000

ASSETS	Rs.	Rs.
A Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	128,00,89,000	
Total of A		245,76,92,000
B. Rupee Coin		122,48,65,000
Government of India Rupee Securities		1572,28,25,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1940,53,82,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept., 1939 (pre-war)	27th Jan.,* 1961	20th Jan.,* 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.87	1909.49	1914.87	1868.98	1767.44
Notes held in Banking Department	35.05	22 89	117.11	16.21	20.67
Foreign Securities	59.50	128.01	128.01	128 01	163.01
Rupee Securities	37.39	1562.03	1562.04	1512.06	1377.36
Banking Department					
Deposits of:					
Government of India	14.39	53.05	50.11	70 03	49.78
Other Governments	..	21 47	31.98	9.87	21.27
Balances held abroad	10.06	19.66	19.42	23.72	43.98
SCHEDULED BANKS					
Demand Liabilities	184.36	786.05 (17.84)†	772.68 (17.08)†	781.11 (13.54)†	760.89 (18.80)†
Time Liabilities	102.24	1084.88 (9.53)†	1088.85 (9.38)†	1110.79 (13.77)†	1138.07 (22.68)†
Borrowings from Reserve Bank	..	44.49 (18.81)‡	42.22 (17.16)‡	61.47 (13.71)‡	27.02 (4.31)‡
Borrowings from State Bank	..	14.90	13.86	10.26	13.51
Cash in India	6.70	47.61	43.44	49.90	43.99
Balances with Reserve Bank	25.17	74.54	77.12	112.15	70.56
Balances with other banks in current account in India	..	14.37	14.80	21.83	14.75
Money at call and short notice in India	..	27.48	28.11	23.40	29.87
Investments (at book value)	..	610.19	606.46	633.76	784.63
Advances and bills	105.9	1225.29	1212.87	1180.73	1019.84
STATE BANK					
Deposits	87.76	554.36	558.01	573.28	593.32
Investments	51.99	282 63	277.84	302.07	404.60
Advances	30.35	249.83	246.96	232.12	173.46
Cash	14.69	28.87	30.73	49.37	29.52

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1956	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.50	3.59
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1960	2.75	3.50
New Zealand	19th Oct., 1960	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1959	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec. 1960	5.50	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug. 1960	3.50	3
West Germany	20th Jan., 1961	4	3.5

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 3rd Feb., 1961

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		558,40,68,000
Borrowings from Other Banking Companies, Agents, etc.		2,09,00,000
Bills Payable		8,72,92,500
Bills for Collection being Bills receivable as per contra		2,20,81,000
Acceptances, Endorsements and Other Obligations per contra		1,37,57,000
Other Liabilities (including Inter-Office Adjustments)		1,79,75,900
Total .. Rs.		587,68,23,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		21,70,04,000
Balances with other Banks		2,95,76,000
Money at Call and Short Notice		2,26,67,000
INVESTMENTS:		
Government and other Trustee Securities	269,01,39,000	
Other Authorised Investments	9,79,11,000	278,80,50,000
ADVANCES:		
Loans, Cash Credits, Overdrafts etc.	235,51,10,000	
Bills Discounted and Purchased	17,52,05,000	253,03,15,000
Bills Receivable being Bills for Collection as per contra		2,20,81,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,37,57,000
Premises less Depreciation		1,76,32,000
Furniture and Fixtures less Depreciation		1,29,57,000
Other Assets (including Inter-Office Adjustments).		22,27,84,000
Total .. Rs.		587,68,23,000

Scheduled Banks*

Statement of Affairs for the week ended 27th Jan., 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	43,08,63
(2) From others	691,33,61
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	17,84,43
(c) Other demand liabilities	51,62,38
(ii) Time Liabilities in India:	
(a) Time Deposits—	
(1) From banks	15,16,22
(2) From others	1047,63,87
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	9,52,67
(c) Other time liabilities	22,08,31
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	12,94,30
(b) Time liabilities	1,96,00
(iv) Borrowings in India from the Reserve Bank of India (A)	44,48,76 (18,80,50)
(v) Cash in India	47,60,52
(vi) Balances with the Reserve Bank in India	74,53,92
(vii) Balances with Other Banks in Current Account in India	14,36,94
(viii) Money at call and short notice in India	27,47,81
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	610,19,43
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1087,90,75
(b) Due from Banks in India	13,59,68
(xi) Inland Bills purchased and discounted in India.	126,88,99
(xii) Foreign Bills purchased and discounted in India.	47,28,80
(xiii) Total of items (x), (xi) and (xii)	1225,28,80

Notes :—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 27th Jan., 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	4,70,29,000
(b) Provincial Governments	6,89,60,000
(c) Banks	17,06,45,000
(d) Others	115,41,49,000
Bills Payable	46,30,000
Other Liabilities	13,12,86,000
Rupees	165,81,99,000

ASSETS	Rs.
Notes	9,20,60,000
Rupee Coin	61,000
Subsidiary Coin	44,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	44,17,35,000
Loans and Advances to Governments	4,68,00,000
Provincial Governments' Debtor Balances	
Other Loans and Advances	50,64,11,000
Investments	47,12,92,000
Other Assets	9,88,96,000
Rupees	165,81,99,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,29,60,000	
Notes in circulation	391,93,27,000	
Total Notes issued	....	401,22,87,000
Total Liabilities	....	401,22,87,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion		
Foreign Securities	74,25,30,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	141,93,73,000
B. Rupee Coin	3,29,63,000	
Government of Pakistan Securities	250,09,45,000	
Internal bills of exchange and other commercial paper	....	253,39,08,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	401,22,87,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 36.77 per cent.

EXCHANGE RATES

	8th February 1961	Previous week
Bombay on London—		
Sellers T.T, D.D. Spot s.	1-5[illegible]	1-5[illegible]
Sellers T. T. D.D. upto six months s.	1-5[illegible]	1-5[illegible]
Buyers T.T. spot to nine months s.	1-6[illegible]	1-6[illegible]
Buyers T.T. 10 to 12 months s.	1-6[illegible]	1-6[illegible]
Bombay on New York—		
Sellers T.T. D.D. Rs.	477.50	477.25
Buyers T.T. Rs.	474.50	474.00
London on New York $	2.8017-2.8020	2.8041-2.8044
London on Paris Frs.	13.72[illegible]-13.72[illegible]	13.75[illegible]
London on Berne Sw. Frs.	12.0837-12.0862	12.0800-12.0850
New York on London $	280.170-280.200	280.410-280.440

CLEARING HOUSE RETURNS

Centre	Week ended 3rd Feb., 1961 Number of Cheques	Amount Rs.	Week ended 27th Jan., 1961 Number of Cheques	Amount Rs.
Bombay	4,83,285	102,74,44,000	3,29,392	75,55,42,000
Calcutta	2,02,000	99,02,00,000	1,22,000	53,15,00,000
Madras	1,01,470	13,85,83,740	83,466	11,56,23,508
All Centres—				
1957-58	..	..	41,672,000	89,54,30,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	106,80,05,00,000
Oct. 1960	..	..	4,707,000	1042,18,00,000
Nov. "	..	..	4,605,000	1078,36,00,000
Dec. "	..	..	4,829,000	1118,52,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	21st Jan., 1961	14th Jan., 1961	23rd Jan., 1960	December 1960†	December 1959	Percentage of Increase (+) or Decrease (—) in Dec., 1960 as compared with Dec., 1959	Annual Average 1960	Annual Average 1959
Food Articles	504	116.6	116.1R	118.2	112.2	118.2	− 5.1	120.3	118.2
Cereals	192	99.0	98.6	108.1	100.4	100.8	− 0.2	105.3	104.8
Pulses	48	95.8	95.2	91.5	93.6	91.8	+ 1.9	92.6	90.8
Fruits and Vegetables	28	108.1	104.7R	107.4	104.2	118.7	−12.2	121.0	127.6
Milk and Ghee	84	109.1	110.6	108.6	111.1	107.6	+ 3.2	115.5	112.2
Edible Oils	47	160 1	159.6	132.2	154.0	127.9	+20.4	143.5	126.9
Fish, Eggs and Meat	17	125.5	124.3	114.5	125.0	114.1	+ 9.6	121.1	110.4
Sugar and Gur	48	122.5	121 1	142.9	126.9	150.1	−15.3	135.6	142.0
Others	50	168.9	166.8R	188.6	171.0	186.7	− 8.4	108.6	108.4
Liquor and Tobacco	21	111.2	110.9	100.5	112.1	103.7	+ 8.1	106.4	100.7
Tobacco	—	109 8	109.5	99.9	110.8	102.3	+ 8.3	104.8	99.8
Fuel, Power, Light and Lubricants	30	120.2	120.2	110.8	120.3	117.0	+ 2.8	119.0	110.1R
Industrial Raw Materials	155	155.2	153.6	131.5	140.6	127.2	+17.0	138.8	119.7
Fibres	61	167.7	164.2	124.9	157.0	122.2	+27.4	139.3	110.2
Oilseeds	60	160.6	157.9	188.4	158.5	130.9	+17.2	144.9	120.0
Minerals	2	95.0	95.9*	95.2*	98.2	96.6	+ 2.7	97.5	100.0
Others	32	128.2*	129.9*R	138.4	131.4	120.8	+ 1.2	129.0	117.2
Manufacture	290	127.7	127.4R	118.3	126.6	113.4	+11.1	128.8	109.7
Intermediate Products	41	135.0	133.2	121.9	132.3	118.0	+12.1	127.1	111.1R
Finished Products	249	128.5	128.3R	115.4	125.6	112.6	+11.0	119.8	100.5
Textiles	147	131.8	131 1R	114.6	129.2	109.8	+17.6	121.2	104.6
Cotton	—	127.0*	128.8*R	124.8*	129.3	118.4	+ 9.2	127.5	113.5
Jute	—	155.8	151.2	94.2	142.6	94.2	+51.3	115.2	87.2
Woollen	—	116.1*	110 1*	104.2*	110.1	104.2	+ 5.6	107.6	104.6
Silk and Rayon	—	105.1*	102.4*	105.2*	101.8	97.7	+ 4.2	102.6	98.7R
Metal Products	12	146.8	146.8	145.2	146.8	144.7	+ 1.4	147.0	143.7
Chemicals	20	104.0	103.8R	107.0	103.8	106.7	− 2.6	104.7	108.2
Oil Cakes	10	151.5*	150.2*	147.0	146.8	145.0	+ 1.2	140.2	143.7
Machinery and Transport Equipment	31	112.6	112 6	106.4	112.1	106.4	+ 5.2	110.7	105.9R
Others	30	116 6	116.6	112.4	116.4	114.0	+ 2.2	115.0	113.6R
All Commodities	1,100	125.9	125.2R	119.3	124.8	117.0	+ 5.8	123.0	115.5

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-groups to arrive at that group index. † Subject to Revision. R—Revised.

MISCELLANEOUS STATISTICAL INFORMATION—*Contd.*

CROP FORECASTS

Crop	Forecast	1959-60 (In thousand acres)	1958-59 (In thousand acres)	1959-60 (In thousand tons*)	1958-59 (In thousand tons*)
Cereals—					
Rice	final	81,843	81,437	29,338	30,354
Wheat	final	31,508	31,141	9,734	9,772
Jowar	final	41,602	42,584	7,866	8,714
Bajra	final	26,699	27,999	3,484	3,789
Barley	final	8,220	8,243	2,605	2,672
Maize	final	10,457	10,457	3,615	3,381
Ragi	final	6,211	6,192	1,860	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,380	220,470	60,514	62,631
Pulses—					
Gram	final	25,046	24,865	5,390	6,881
Tur	final	5,843	5,931	1,589	1,671
Other Khariff pulses§	final	16,075	15,597	1,567	1,559
Rabi pulses‡	final	12,788	12,992	2,690	2,761
Total pulses	final	59,752	59,385	11,236	12,872
Total foodgrains		278,132	279,855	71,750	75,503
Oilseeds—					
Groundnut	final	15,305	14,575	4,390	4,812
Castorseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	final	3,921	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6,907
Fibres—					
Cotton*	final	19,252	19,926	3,835	4,686
Jute A.	final	1,707	1 811	4,548	5,158
Mesta A.	final	706	825	1,098	1,488
Sannhemp	final	813	807	80	81
Other crops—					
Potato	final	885	858	2,719	2,327
Sugarcane	final	5,178	4,808	75,038	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	232	230	25	26
Chillies (Dry)	final	1,499	1,471	339	326
Tobacco	final	934	897	281	261

Source: Ministry of Food and Agriculture. § Excluding Tur
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur
A.—In thousand bales of 400 lbs. each. R.—Revised
†Final estimate of 1958-59.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	Jan. to Dec. 1959	Ten months ended Oct. 1959	Ten months ended Oct. 1960
Exports	570,56	615,78	488,82	497,26
Re-exports	8,40	6,96	4,57	9,95
Total Exports	578,96	622,74	493,39	507,21
Imports	864,18	887,38	728,93	797,70
Overall Balance of Trade	−285,22	−264,64	−235,54	−290,49
Exports—				
Tea	136,54	126,39	91,57	85,30
Jute yarns and manufactures	103,82	110,75	95,30	114,39
Cotton yarns and manufactures	52,63	66,14	50,70	53,16
Metallic ores and metal scrap	30,35	34,42	28,49	33,68
Cotton, raw and waste	21,20	16,37	14,16	7,90
Oils—vegetable, mineral and animal	12,35	17,96	11,62	14,82
Fruits and vegetables	21,16	21,08	17,62	21,13
Tobacco	16,29	13,91	13,40	14,66
Mica	9,34	10,31	8,55	8,23
Wool and other animal hair	9,35	12,22	9,52	7,29
Gums, resins and lac	7,16	7,95	6,57	7,15
Spices	8,83	10.17	7,17	14,62
Hides and skins, raw	7,35	10,95	8,28	8,85
Imports—				
Machinery of all kinds	188,92	196,21	220,02	186,70
Iron and Steel	97,80	84,01	70,30	90,41
Oils—vegetable, mineral and animal	80,23	82,62	63,57	65,27
Chemicals, drugs and medicines	65,28	85,20	73,63	63,61
Electrical goods and apparatus	49,04	50,01	41,04	43,43
Vehicles (excluding aircraft, ships and boats)	52,58	60,10	52,40	43,58
Cotton, raw and waste	20,66	24,76	29,23	67,36
Fruits and vegetables	17,43	16,52	11,16	12,41
Paper, pasteboard, etc.	8,26	9,67	7,75	9,27
Dyes and colours	8,76	9,54	8,07	10,14
Spices	2,84	2,52	2,18	1,92
Woollen and worsted fabrics	30	23	16	20
Cotton fabrics	1,05	1,19	1,04	68
Rice	44 02	9,12	7,12	9,98
Wheat	102,65	109,86	95,19	57,12

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During November 1960	85.9
	Corresponding month, 1959	88.0
	Four months ended Nov 1960	440.8
	Corresponding period, 1959	445.0
Stocks	At the end of November 1960	82.1
	Corresponding month, 1959	65.2
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1958-1959	854.9
	July-June, 1959-1960	833.5
	Oct. 1959	75.2
	Oct. 1960	60.9
For Internal Consumption	July-June, 1958-1959	220.0
	July-June, 1959-1960	248.3
	Oct., 1959	19.4
	Oct., 1960	22.6
	RAW JUTE	(In 000 bales)
Consumption by Mills	November 1960	498
	Corresponding month, 1959	510
	Five months ended Nov., 1960	2 543
	Corresponding period, 1959	2,574
	1957-58	6,134
	1958-59	6,014
	1959-60	6,282

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units Generated‡	Total Units Sold
1955-56	715	8,868.8	7,188.8
1956-57	769	9,877.8	8,108.1
1957-58	804	11,176.9	9,011.1
1958-59	818	12,887.6	10,860.7
1959-60	850	15,029.2	12,190.8
1959			
August	813	1,243.7	994.9
September	813	1,287.2	996.2
January 1960	815	1,297.4	1,055.5
February	850	1,252 1	1,022.5
March	850	1,324.4	1,071.0
April	850	1,325.3	1,081.7
May	850	1,387.9	1,119.4
June	850	1,379.8	1,118.9
July	850	1,360.5	1,106.9
August	1,012	1,404.2	1,140.9
September	1,012	1,380.7	1,129.5
October	1,012	1,422.8	1,134.7

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	320	46	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	30	389	52	180
1957-58	14,314	2,389	1,229	214	105	52	219	25	213	503	39	476	47	194
1958-59	14,356	2,655	1,296	206	92	36	221	23	184	433	36	514	45	113
1959-60	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	181
October 1959	8,462	1,520	792	109	49	21	118	13	111	320	43	290	34	76
January 1960	12,477	2,184	1,111	165	70	30	195	20	155	473	62	427	47	108
February "	13,847	2,399	1,226	182	77	32	208	22	169	522	72	471	48	119
March "	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	181
April "	1,350	226	122	22	7	3	12	2	15	51	10	42	1	11
May "	2,640	443	254	39	14	5	22	3	31	105	19	87	3	23
June "	3,875	667	373	54	22	8	27	5	49	154	27	130	6	33
July "	5,011	858	495	67	27	10	37	6	63	196	32	165	12	46
August "	6,258	1,102	600	78	32	12	40	7	79	245	40	215	17	60
September "	7,490	1,348	698	89	34	15	58	8	94	291	48	261	27	71
October "	8,804	1 618	796	99	38	17	80	10	107	344	56	309	28	82
November "	10,185	1,889	886	117	44	20	101	13	120	397	66	357	36	94

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.=2 M. G.) and incorporate revision in respect of earlier months. *Source*:—Ministry of Railways.

INDUSTRIAL PRODUCTION

Industries.		1958	1959	January to September 1959	January to September 1960	July* 1960	August* 1960	September* 1960	September* 1959
Major Industries—									
Coal	million tons	45.34	47.03	35.33	38.10	4.04	4.19	4.20	3.93
Steel (Ingots and Metal for castings)	thousand tons	1,813	2,438	1,543†	2,023†	243	271	—	195
Yarn	million lbs.	1,685	1,728	1,379	1,285	148	150	146	148
Cloth	million yds.	4,927	4,925	3,686	3,761	432	435	425	412
Cement	million tons	6.07	6.82	4.98	5.68	0.61	0.62	0.59	0.55
Jute	thousand tons	1,060	1,051	782	819 K	88 K	96 K	91 K	93
Paper and paper boards	thousand tons	253	294	183†	228 K†	28 K	29K	—	26
Matches§	thousand cases	626	648	480	493	54	56	55	58
Sugar	thousand tons	1,957	2,083	944†	1,283†	5	16	—	10
Engineering and Electrical Industries—									
Machine tools	Value in lakhs of Rs.	376	438	286†	346†	38	35	—	34
Electric lamps	millions	30.47	34.84	3.25†	26.44†	3.10	3.46	—	2.91
Dry cells	millions	168.24	187.3	136.04	148.07	16.25	16.89	17.45	16.28
Power transformers	k.v.a.	1,126,800	1,016 400	662.00†	737,900†	89,000	99,400	—	96,800
Electric Motors	H.P.	624,000	576,000	399,600†	434 800†	71,400	62,000	—	43,800
Electric fans	Nos.	636,000	727,200	473,900†	637,900†	76,500	87,600	—	63,200
Radio receivers	Nos.	198,108	213,864	136,951†	160,615†	21,310	23,080	—	18,383
Storage batteries	Nos.	355,200	442,200	294,900†	345,100†	45,200	45,000	—	36,900
Copper conductors	tons	7,488	6,708	4,516†	6,246 K†	893 K	842 K	—	598
Winding wires	tons	2,076	2,832	1,980†	2,743 K†	337	339	—	203
Rubber and plastic Ins. cables and flexibles	million yds.	128.76	166.08	108.67†	1,318J†	178.0J	180.1.J	—	149.2
Insulators—H.T.	Nos.	751,200	982,800	738.000†	—	109I.T.	122 I.T.	—	93,500
Insulators—L.T.	million Nos.	5.07	6.25	3.60†	—	308I.T.	310 I.T.	—	0.50
Diesel engines—Vehicular	Nos.	4,260	8,712	6.22	7,549	809	758	858	775
Diesel engines—Stationary	Nos.	25,764	30,336	22,744	29,810	3,587	3,739	3,636	2,011
Chemical Industries—									
Salt	million mds.	112.55	85.14	80.41	80.61	12.86	3.56	3.39	2.79
Caustic soda	tons	57,192	69,876 K	47,324 K	72,206 K	8,037 K	8,200 K	7,850K	6 090 K
Soda ash	tons	89,436	95,328 K	72,102 K	104,919 K	10,602 K	12,715K	13,252K	7,550 K
Chlorine liquid	tons	20,064	24,780 K	14,904 K†	20,847 K†	2,635 K	2,591 K	—	2,388 K
Bleaching powder	tons	6,504	5,184 K	4 119 K	4,352 K	323 K	458 K	430K	389 K
Bichromates	tons	3,444	4,332	2,698†	3,476K†	358	400	—	402
Sulphuric acid	tons	226,584	292,164	183,674†	239,186†	29,000	30,000	—	26,002
Superphosphate	tons	166,848	247,680	155,765†	229,826†	26,040	29,000	—	21,892
Non-ferrous Metals—									
Aluminium	tons	8,182	17,249	11,126†	12,275K†	1,650 K	1,586 K	—	1,536
Antimony	tons	527	664	429	605	45	92 K	71K	85
Copper (virgin metal)	tons	7,841	7,642	5;853	5,294	772	757 K	747K	701
Lead (virgin metal)	tons	3,335	3,895	2,980	2,683	225	350 K	279K	314
Gold	ozs.	170,112	165,312	122,070ozs.	3,695Kgs.	391Kgs.	409Kgs.	428Kgs.	13,986 ozs.
Miscellaneous (Minor) Industries—									
Sewing Machines	Nos.	205,212	252,612	166,730†	194,235†	23,370	24,615	—	21,151
Bicycles	Nos.	912,600	990,744	630,653†	685,811†	83,300	89,990	—	88,419
Automobiles	Nos.	26,796	36,468	25,694	37,597	4,293	4,647	4,181	3,075
Cycle tyres and tubes	million Nos.	16.11	19.57	15.06	17.45	2.06	2.13	1.82	1.69
Motor tyres and tubes	million Nos.	1.95	2.26	1.68	1.94	0.23	0.23	0.21	0.21
Cigarettes	million Nos.	29,840	32,166	20,966†	25,293†	2,887	3,113	—	2,723
Plywood—Tea chests	million sq. ft.	87.50	98.67	70.17†	6.589S†	614S	511S	—	6.86
Plywood—Commercial	million sq. ft.	37.68	54.06	37.30†	3,373S†	149S	242S	—	4.36
Sheet glass	million sq. ft.	78.86	80.57	58.44†	50.07†	5.49	6.58	—	4.31
§Woollen manufactures—Worsted Fabrics	million yds.	19.38	15.04	9.45†	9.93†	1.34	1.42	—	1.37
§Woollen manufactures—Worsted Yarn	million lbs.	28.60	29.59	19.50†	18.56†	2.67	2.87	—	2.86
Footwear—Western type (Leather)	million pairs	4.28	4.14	3.16	4.03	0.41	0.43	0.45	0.27
Footwear—Indigenous type (Leather)	million pairs	3.29	4.10	3.04	2.80	0.27	0.32	0.33	0.33
Alcohol—Industrial	million Bulk galls.	9.88	12.72	7.97†	41.02T†	5.29T	5.17T	—	0.84
Alcohol—Power Absolute	million Bulk galls.	8.82	8.07	5.69†	39.22T†	3.84T	4.73T	297T	0.58
Railway Wagons	Nos.	13,512	10,044	6.910†	4,365†	574	569	—	950
General Index—(Base 1951=100 Revised)		139.7	151.9	148.4‡	166.7‡		172.1	—	156.3

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.
K—Figures in Metric Tons. Kgs=Kilograms. J=In lakh metres. S=In thousand square metres. T=In million litres.
† Upto August only. I.T. Figures in tons for Insulators H.T. and L.T. ‡ Average for the first 8 months only.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
November 1959	108	98	121	126	73	194	111	127	180	105	102	123	120	167	136	90	116	146
December "	101	96	120	121	70	210	110	127	164	104	111†	140†	122	172	136	94	118†	146
January 1960	102	97	119	125	72	207	107	127	154	100	115	144†	131	168	135	96	123†	140
February "	105	98	121	128	80	196	113	127	156	94†	114	134	139	140	135	96	125†	146
March "	106	94	117	123	74	180	111	127	149	94†	113	141	141	132	135	98	125†	148
April "	108	91	121	122	76	184	119	127	147	102	113	154	144	130	140	106	125	148
May "	113	87	123	126	78	194†	123	127	145	108	113	198	139	129	140	117	125	148
June "	114	87	127	128	80	187	125	127	144	111	112*	187	146	128	140	113	126†	148
July "	115	92	130	132	89	207	126	127	148	111	112	155	150	130	140	107	129	148
August "	115	90	127	129	86	212	121	127	148	107	112	166	140	130	140	115	131	148
Sept. "	114	90	129	132	90	215	127	127	146	104	112	181	140	130	141	116	132	147
October "	111	90	125	137	91	216	117	127	142	116	114	225†	142	129	141	136	130	147
November "	106	90	126	135	92	218	111	127	141	120	111	232	139	130	141	142	129	147
December "	102	89	119	131	93	210	111	127	127	114	110	226	143	126	141	143	129	147

† Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	In Quintals of 100 kilo-grams
Bombay Island— Cotton Receipts	Week ended 2nd Feb., 1961	67,885(J)
	Corresponding week, 1960	37,275(J)
	1st Sept. to 2nd Feb., 1960-61	1,545,367*
	Corresponding period, 1959-60	866,849*
Cotton Exports	Week ended 2nd Feb., 1961	1,670
	Corresponding week, 1960	—
	1st Sept., to 2nd Feb., 1960-61	116,091
	Corresponding period, 1959-60	195,948
Mill Consumption (Estimated)	1st Sept. to 2nd Feb., 1960-61	910,622A
	Corresponding period, 1959-60	955,122
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 2nd Feb., 1961	978,938
	Corresponding date, 1960	675,718
		In Bales of 392 lbs. nett.
Consumption of Cotton— Indian	November 1960	317,234
Foreign	November 1960	117,650
Indian	Three months ended Nov., 1960	924,481
Foreign	Three months ended Nov., 1960	352,106
Indian	Same Period 1959	1,175,865
Foreign	Same Period 1959	118,910
Stocks (Mills and Elsewhere)— Indian	As on 30th November 1960	606,946
Foreign	As on 30th November 1960	405,840
Indian	As on 30th November 1959	....
Foreign	As on 30th November 1959	135,444

Particulars	From 1st Sept. to 30th Jan. 1960-61 In quintals of 100 kilograms	From 1st Sept. to 30th Jan. 1959-60 In quintals of 100 kilograms
From Bombay Cotton Shipments to—		
United Kingdom	180	2,182
Continent	5,226	6,546
Hongkong	7,767	4,298
China	—	—
Japan	86,738	91,242
U.S.A.	—	3,906
Other countries	—	1,898
Total to all foreign countries	99,911	110,017
Coastal Ports	15,480 (a)	49,290(b)
Total	115,391	159,807

Particulars	Period	
		(Bales of 180 Kgs.)
Cotton Exports from Bombay (by sea)	During Oct., 1960	862
	During Oct., 1959	9,393
	1st Sept., to 31st Oct., 1960	2,891
	1st Sept., to 31st Oct., 1959	25,818
		(Bales of 392 lbs.)
Cotton Pressed in India † (In running bales)	Week ended 13th Jan. 1961	100
	Corresponding week, 1960	91,119
	1st Sept., to 13th Jan. 1960-61	244,472
	Corresponding period, 1959-60	985,569
Karachi (Pakistan)— Receipts	1st Sept. to 12th Jan. 1960-61	492,114
	Corresponding period, 1959-60	573,505
Exports	1st Sept. to 12th Jan. 1960-61	220,083
	Corresponding period, 1959-60	205,278

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	Week ended 28th Jan., 1961 @	21st Jan., 1961	31st Dec., 1960§	30th Jan., 1960
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total** ..	**100.7**	**100.7**	**100.7**	**101.5**
2. Government of India	100.7	100.7	100.6	101.4
3. State Government ..	101.4	101.4	101.3	102.8
4. Municipal, Port Trust, etc.	99.7	99.7	99.8	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total** ..	**100.7**	**100.7**	**100.6**	**101.7**
PREFERENCE SHARES—ALL INDIA.				
6. **Total** ..	**85.2**	**85.2**	**85.5**	**91.0**
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. **Total**	**166.9**	**165.4**	**165.4**	**156.6**
8. *Agriculture and Allied Activities; Total**	**158.5**	**158.1**	**161.1**	**168.6**
9. Tea Plantations	151.3	151.2	154.0	166.0
10. Coffee Plantations	188.6	186.9	192.1	198.3
11. Rubber Plantations ..	168.7	167.8	171.1	168.1
12. *Mining and Quarrying: Total*	**153.3**	**153.5**	**153.7**	**142.2**
13. Coal	117.7	117.5	117.4	108.6
14. Other Mining	177.7	178.2	178.6	165.3
15. *Processing and Manufacturing: Total*	**179.0**	**177.0**	**176.7**	**162.7**
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	**178.9**	**177.5**	**176.7**	**157.9**
17. Sugar ..	173.5	175.3	181.3	180.8
18. Cotton Textiles	146.3	144.8	143.1	139.3
19. Jute Textiles ..	84.0	83.7	84.7	92.8
20. Silk and Woollen	1024.7	1008.6	989.9	681.4
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	**191.4**	**187.7**	**186.3**	**176.4**
22. Iron and Steel	158.3	153.3	150.5	147.2
23. Transport Equipment	385.5	379.2	380.3	333.8
24. Electrical Machinery	142.3	139.8	135.4	124.6
25. Machinery other than Transport and Electrical	201.4	199.6	200.5	199.9
26. Basic Industrial Chemicals	205.4	204.5	206.4	173.7
27. *Processing and Mfg. (Others): Total**	**156.3**	**155.8**	**158.2**	**151.8**
28. Cement	137.4	136.9	139.8	134.4
29. Paper ..	214.6	214.4	215.2	206.9
30. *Other Industries: Total**	**106.3**	**105.8**	**107.6**	**111.8**
31. Electricity Generation and Supply	79.4	79.4	80.2	87.4
32. Trading	116.1	114.2	115.2	110.2
33. Shipping and Other Transport	100.5	100.9	105.0	118.9
34. Construction ..	274.5	268.0	277.6	293.5
35. *Financial: Total*	**181.5**	**179.4**	**177.6**	**176.8**
36. Banks ..	203.9	201.4	198.9	196.3
37. Insurance	135.5	134.1	133.8	136.8
38. Investment Trusts	91.7	91.7	91.7	98.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	172.0	169.7	—	157.2
40. Calcutta	154.6	153.6	154.1	149.9
41. Madras	184.6	183.2	—	174.5
42. Delhi ..	221.5	220.4	219.1	198.1

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

§ Bombay and Madras Stock Exchanges remained closed during the week. @ Provisional

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base 1949=(100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	104	310	92	101	351	102	108	108	111	112	99	115
1953	106	363	111	323	95	103	349	109	106	104	102	112	100	114
1954	101	359	98	294	85	99	327	106	105	91	95	102	98	106
1955	96	338	87	246	78	96	321	99	99	88	87	98	86	106
1956	105	353	98	316	89	105	347	111	109	95	96	106	109	114
1957	111	369	104	339	94	112	364	116	114	99	108	115	107	126
1958	116	395	110	313	98	120	384	124	113	103	103	128	109	131
1959	121	412	125	340	98	132	384	133	120	106	98	125	108	148
Nov., 1959	126	424	130	362	99	136	399	139	120	109	100	128	111	144
Dec., „	122	420	125	362	96	136	389	137	119	107	99	127	108	144
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February „	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March „	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April „	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May „	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June „	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July „	126	423	122	362	101	137	406	145	121	109	108	119	109†	148
August „	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept. „	125	418	122	364	101†	138	403	146	122	108	102	122	108	147
Oct. „	125†	421	123	365	102	137	396	148	122	108	105	119	108	147
Nov. „	125†	423	..	367	102	135	392	150	121	110	102†	122	..	147
Dec. „	..	419	..	362	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	Outstandings	Post Office Savings Bank Deposits Receipts	Out standings	10-Year National Plan Certificates D Out standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	Outstandings	15-Year Annuity Certificates G Receipts	Outstandings	Total Receipts	Outstandings H
1956-57	..	..	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	..	..	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958-59	..	..	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	635	11,68	67	2,41	286,28	590,08
1959-60	..	.	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,36
Nov., 1959	27	16	1,60	3,35	105,96	6,19	193,66	14,54	240,07	20,17	—41,14	41,96	1,09	17,35	3	2,73	21,92	627,28
Dec., „	32	19	1,58	3,30	104,19	6,72	199,35	15,76	240,66	20,06	—41,20	41,90	1,29	18,55	6	2,77	23,91	632,87
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19 96	—41,27	41,84	1,13	19,77	5	2,81	23,59	638,52
February „	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,27	41,75	1,05	20,79	6	2,86	25,71	644,99
March „	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41,29	41,68	96	21,76	6	2,90	43,47	667,36
April „	57	34	1,51	3,11	97,35	6,47	226,14	17,87	253,58	19,68	—41,35	41,58	1,63	23,16	9	2,98	26,16	670,00
May „	64	38	1,50	3,07	95,55	6,45	231,20	17.00	251,94	19,55	—41,41	41,50	1,06	24,19	5	3,01	24,67	672,53
June „	73	42	1,48	3,02	93.84	5,76	235.58	17,35	253,22	19,50	—44 46	41,41	84	25,05	5	3,04	24,13	677,33
July „	81	47	1,45	2,98	92,30	5,83	240,30	15.25	255,92	19.44	—41 49	41,32	1,11	26,09	4	3,07	22,86	684,15
August „	89	52	1,43	2,91	90,90	6,78	245,82	19,75	261,00	19,38	—41,54	41,21	1,17	27,23	9	3,14	27,92	694,43
Sept. „	98	57	1,41	2,84	89,45	7,16	251,77	18,76	265,34	19.28	—41,60	41,14	1,52	28,71	6	3,18	27.64	704,67
October „	107	62	1.39	2,79	88,02	7,05	257,63	16,90	267,22	19,20	—41,64	41,09	1,42	30,27	5	3,22	25.56	712 52
Nov. „	117	68	1,36	2,73	86,80	6,21	262,71	17,90	269,23	19,13	—41,67	41.02	1,49	31,73	5	3,25	25,81	719,81
Dec. „	..	..	..	..	..	..	..	..	..	..	—40,97	40,97	1,28	32,88	5	3,29	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of October 1960 amount to 10,64 lakhs of rupees.

INDUSTRIAL DISPUTES *(All-India)*

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957* ..	1.630	889,371	6,429,319
1958* ..	1.524	928.566	7,797.585
1959* ..	1,523	692,514	5,605,079
July 1959	146	61,098(144)	741,781(144)
Aug., „	141	63,716(130)	396,789(130)
Sept., „	137	65,153(127)	220,586(126)
Oct., „	168	68,371(158)	273,181(156)
July 1960	125	168,407(100)	748,651(100)
Aug., „	50	16,993(46)	69,951(47)
Sept., „	129	32,179(124)	242,901(126)
Oct., „	86	40,484(83)	205,419(83)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevant information is available.

* Figures relate to all States and centrally administered areas as after reorganisation.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797.500
Do. 31st March, 1958	1,098,300	1,106,300	786,900
Do 31st March, 1959	1,137,500	1,149,900	884.700
Do 31st March, 1960	1,568,400	1,533,700	1,215 100
Jan., 1959	97,700	96,200	89,700
Nov., „	128,900	129,900	104,000
Dec., „	136,100	139,100	108,600
Jan., 1960	140,700	140,100	109,800
Oct., „	145,900K	150, 00K	114,230K
Nov., „	139,500K	141,800K	107.000K
Dec., „	143,200K	150,600K	115,800K
Jan., 1961	144,200K	149,300K	117,600K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	608,205	496,217
Do. 31st March, 1960	1,058,612	827,072	660,695
Jan., 1959	73,728	43,569	45,698
Nov., „	77,380	71,112	55,610
Dec., „	82,295	77,323	62,237
Jan., 1960	91,790	77,043	59,108
Oct., „	99,004K	74,399K	58,894K
Nov., „	106,490K	76,619K	59,880K
Dec., „	111,516K	86,424K	61,395K
Jan., 1961	112,649K	83,787K	71,540K

K—Figures in Metric Tons.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
15th Nov.,	2.00	2.24	2.00	2.565	99.360
16th to 19th Nov.*	0.80	—	0.80	—	99.376
22nd Nov.,	2.00	2.49	2.00	2.564	99.360
23rd to 26th Nov.*	0.03	—	0.03	—	99.376
29th Nov.	2.00	2.40	2.00	2.564	99.365
30th Nov. to 3rd Dec.*	0.70	—	0.70	—	99.381
6th Dec.	2.00	2.40	2.00	2.540	99 365
13th Dec.	2.00	2.25	2.00	2.548	99 360
14th to 17th Dec.*	0.09	—	0.09	—	99.381
20th Dec. ..	2.00	2.00	2.00	2.550	99.360
1961					
3rd January	2.00	2.40	2.00	2.556	99.365
10th Jan.,	2.00	2.60	2.00	2.576	99.360
17th Jan.	2.00	2.30	2.00	2.580	99.355
18th to 21st Jan.*	1.14	—	1 14	—	99.371
24th Jan.,	2.00	2.00	2.00	2.580	99.355
25th to 28th Jan.*	0.05	—	0.05	—	99.371
31st Jan.,	2.00	2.00	2.00	2.585	99.350
1st to 4th Feb.,*	0.07	—	0.07	—	99.371
7th Feb., ..	2.00	2.00	2.00	2.585	99.350
Total amount out-					

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1963-65	97.70
3 % Loan	1950	30,33,10,000	1964	97.70
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	95.50
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90 25
2½% Loan	1946	57,00,69,000	1961	99.25
2½% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,000	1962	97 95
3½% N. P. Bonds	1953	75,29,00,000	1961	100.00
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.35
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.25
3½% Loan	1956	1,07,27,36,000	1962	99.65
3¾% N. P. Bonds	1956	93,81,83,000	1967	98.85
3¾% Loan	1956	86,63,53,000	1974	99.70
3¾% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.75
4 % Loan	1957	49,17,27,000	1972	100 45
3½% Loan	1958	58,05,92,000	1963	99.80
3¾% Loan	1958	70,00,00,000	1968	98.80
3¾% Loan N.P.B.	1958	84,33,90,000	1968	100 60
4 % Loan	1958	49,51,44,000	1973	100 40
3¾% Loan	1959	1,37,90,93,000	1969	98.70
4 % Loan	1959	81,06,38,000	1979	100.05
4 % Loan	1960	97,64,00,000	1980	99.90
3½% Bonds	1960	82,66,00,000	1966	99.25
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	73.00
3 % Loan	1946	2,48,91,33,000	K.	74.40
STATE LOANS				
4 % Andhra	1955	5,90,16,000	1st Sept. 1967	97.20
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.15
4½% Andhra	1958	5,48,81,000	15th July 1970	100.15
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	96.90
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	97.25
3 % Bombay	1949	5,29,97,000	1st Aug. 1962	97.55
3½% Bombay	1951	2,82,97,000	17th Sept. 1962	99.60
4 % Bombay	1953	5,10,80,000	15th July 1963	99.75
4 % Bombay	1952	8,40,84,000	1st Aug. 1964	99.60
4 % Bombay	1955	9,56,29,000	1st Sept. 1967	99.00
4 % Bombay	1956	7,82,20,000	3rd Sept. 1970	98.60
4½% Bombay	1957	6,57,23,000	16th Sept. 1969	100.25
4½% Bombay	1958	6,58,21,000	15th July 1970	100.25
4½% Bombay	1958	4,35,25,000	15th July 1971	100.25
4 % Bombay	1959	6,58,13,000	19th Aug. 1971	98.50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97.15
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97.15
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	100.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	97.00
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	98.50
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.00
2¾% Madras	1946	3,81,77,000	1st Sept. 1961	98.60
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.75
4 % Madras	1953	10,33,71,000	15th July 1966	99.50
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.40
4 % Madras	1955	10,47,17,000	1st Sept. 1967	97.55
4 % Madras	1956	13,22,56,000	3rd Sept. 1968	97.40
4½% Madras	1958	5,55,57,000	15th July 1970	100.25
4 % Madras	1959	5,72,72,000	19th Aug. 1971	97.15
4 % Madras	1960	12,00,00,000	29th Aug. 1969	97.35
4% Maharashtra	1960	10,00,00,000	29th Aug. 1969	98.85
3 % Mysore(f)	1938	2,95,35,200	1st Dec. 1963-68	101.40
3 % Mysore(f)	1936	5,99,73,600	30th Apr. 1956-61	99.80
4 % Mysore	1953	3,33,47,000	15th July 1963	99.50
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97.40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97 20
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	100.25
4½% Mysore	1958	5,51,61,000	15th July 1970	100.50
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.15
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	97.85
3 % M.P.	1948	2,03,39,000	15th Sept. 1964	96.00
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98.50
4 % M.P.	1953	1,10,13,000	15th July 1963	99.00
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.20
4 % M.P	1956	1,58,42,000	3rd Sept. 1968	97.15
4½% M.P	1958	2,21,30,000	15th July 1970	100.00
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	97.00
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	98.75
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	98.75
4 % Kerala	1953	2,25,61,000	15th July 1963	99.00
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	97.00
4½% Kerala	1958	3,27,10,000	15th July, 1970	100.00
4 % Kerala	1959	4,47,05 000	19th Aug., 1971	97.00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.00
2½% U.P.Z.A	1952	44,93,80,000	..	48.50Z
3 % U.P	1936	1,55,31,000	15th Sept. 1961-66	92.25
2¾% U.P	1946	2,12,62,000	1st Sept. 1961	97 50
3½% U.P	1951	1,86,22,000	17th Sept. 1962	99.10
4 % U.J	1952	5,89,14,000	1st Aug. 1964	99 40
4 % U.P	1953	5,58,25,000	15th July 1963	99.50
4 % U.P	1955	9,10,71,000	1st Sept. 1967	97 30
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97.20

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs. 36,50,000	4	1904	1964	97.00
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,875	4	1913*	1960	D
80,00,000	4	1913	1974	97.00
88,25,000	4	1914	1975	97.00
10,00,000	4	1915*	1960	D
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				Rs.
Rs. 90,24,300	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
50,00,000O	3††	1921	1981	82.00
68,02,300O	6½	1921	1961	144.00N
60,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	98.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1953	1966	100.00
50,00,000	4	1953	1963	97.50
90,00,000	4	1955	1965	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1967	99.50
1,30,00,000	4½	1958	1968	99.00
1,00,00,000	4	1959	1969	98.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	99.25
1,00,00,000	4	1960	1970	99.25
STERLING LOANS				
£802,600	5	1923	1953-83	£61.75
£801,000	5	1924	1954-84	£61.75
£865,100	5½	1932	1962	£91.00
MADRAS				Rs.
Rs. 28,48,275	3½	1947	1977	A
9,86,000ff	3	1947	1977	
3,00,000ff	3	1949	1979	
45,00,000ft	4½	1954	1984	

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	100.25
4 % U.P.	1959	8,38,86,000	19th Aug. 1971	97.10
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	97.85
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	97.20
4½% Rajasthan	1958	2,79,38,000	15th July 1970	100.00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	97.15
4 % Rajasthan	1960	6,00,00,000	29th Aug. 1969	97.15
4 % Orissa	1956	2,09,34,000	3rd Sept. 1968	97.15
4½% Orissa	1958	2,28,58,000	15th July 1970	100.00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	96.25
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	96.90
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.25
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.40
4 % W. Bengal	1953	3,60,28,000	15th July 1963	99.60
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	98.50
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.75
4½% W. Bengal	1958	5,10,50,000	15th July 1970	100.25
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.00
4 % W. Bengal	1960	7,00,00,000	29th Aug. 1969	98.30
4 % Assam	1959	2,76,40,000	19th Aug. 1971	97.00
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs. 30,00,000	4	1901	1961	97.75 N
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97.50 N
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£333,000		1910	1970	£95.50N
CALCUTTA				Rs.
Rs. 50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	91.75
50,00,000	3	1937	1962	96.00
20,00,000	3	1938	1963-68	91.75
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1966	99.25
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs. 20,00,000	4	1918-18	1974	97.00
10,00,000	5	1920	1980	113.00N
8,25,00,000	3½	1947	1977	86.50
2,18,14,500	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,34,000	3½	1951	1966	98.00
1,80,00,000	4	1953	1963	99.00
92,19,00,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.00
1,57,50,000	4	1956	1968	99.00
1,74,00,000	4½	1957	1969	99.50
4,75,00,000	4½	1958	1970	99.50
3,30,00,000	4	1959	1971	97.00
CALCUTTA				Rs.
Rs. 10,00,000	5½	1932	1962	100.06
33,91,000	3½	1925	1965	95.00
60,00,000	3	1936	1966	91.00
47,50,000	3	1938	1968	91.00
21,10,000	3½	1942	1972	92.00
16,33,000	3½	1951	1961	99.25
66,35,000	3½	1951	1966	96.00
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	—
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				Rs.
Rs. 15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

STOCK & SHARE QUOTATIONS

Abbreviations :—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. I.—Interim Dividend. f—Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
BOMBAY CITY AND ISLAND																
17,33,200	9,11,732	38,69,225	22,51,328	3,251	Maganlal Bhagwandas & Co.	..	..	Ambika Silk Mills Co., Ltd.	152.00	100	15.00	12.00	12.00		12	Y.
50,00,000	..	1,14,24,372	44,03,340	—46,65,476	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.54	2	Nil	Nil	Nil		12	Y.
40,00,000	10,99,481	1,18,20,968	77,24,952	—13,00,519	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	26.00	100	Nil	Nil	Nil		3	Y.P.
2,50,98,000	3,40,77,968	9,34,84,561	4,90,54,873	36,929	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Z	62.10	25	2.50	2.50	3.50		12	Y.
10,00,000	30,76,210	86,14,262	52,94,709	64,016	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	117.50	50	15.00	7.50	5.00	5.00	3	Y.P.
1,22,95,200	3,37,07,587	9,42,76,189	3,75,31,119	1,22,111	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	492.00	100	22.00	22.00	31.50		12	Y.P.
26,00,000	29,15,005	1,21,99,369	78,24,358	75,815	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	131.25	100	12.50*	12.50*	7.50	11.00	3	Y.
26,00,000	26,12,714	97,63,522	63,68,559	3,64,674	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	122.25	50	7.50F	5.00	10.00	15.00	3	Y.P.
34,00,000	20,44,712	87,46,739	65,30,990	—14,81,027	Puranmal Bubna Sons	47,356	928	Edward Textiles	252.50	200	15.00	15.00(c)	18.00		12	Y.P.
29,98,950	27,57,616	1,51,25,544	80,85,174	23,591	B. L. Jalan, Esq. (Chairman)	46,620	886	Elphinstone Spg. & Wvg.	63.00	50	Nil	Nil	7.00		12	Y.
50,00,000	65,75,469	1,96,09,118	1,09,41,207	27,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	330.00	100	20.00	16.00	23.00		12	Y.
50,00,000	52,85,257	1,02,35,144	68,62,387	10,233	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	245.00	100	15.00	15.00	21.50		12	Y.
11,84,000 / 16,000	1,19,81,192	2,16,82,316	1,42,90,523	....	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	4,750.00xd / 992.50	1,000 / 250	350.00* / 87.50*	350.00 / 87.50	350.00(e) / 87.50(e)	500.00 / 125.00	3	Y.P.
O. 2,00,00,000 / D. 50,00,000	3,38,578	5,10,28,798	3,68,18,422	—19,79,270	Agarwal & Co.	2,47,092	5,984	India United Mills	14.36 / 1.58	0 10O. / 0 1D.	Nil / Nil	Nil / Nil	Nil / Nil		12	Y.
17,30,000 / D. 70,000	91,23,291	1,84,94,644	1,39,55,204	10,633	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	2,270.00 / 1,050.00N	1,000 / 500	325.00* / 162.50*	325.00 / 162.50	200.00(e) / 100.00(e)	232.00 / 116.00	3	Y.P.
39,85,000	82,79,165	3,76,13,105	2,68,91,560	38,751	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	455.00	100	10.00(c)	10.00	16.00	32.00	6	Y.P.
1,00,00,000	1,00,69,096	3,81,90,145	2,95,67,372	27,909	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	279.00	100	18.00	10.00	9.50		12	Y.
46,47,350	38,85,220	1,43,57,502	70,49,840	28,992	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	65.00	50	5.00'C'	3.00	5.00		10	Y.
51,75,000	50,69,550	3,02,81,993	2,16,99,596	42,652	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Gooculdas Spg. & Wvg.	336.00	100	14.00(e)	15.00	21.50	21.50	6	Y.P.
1,41,12,100	1,72,11,640	11,70,25,574	5,26,37,085	1,66,270	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	508.00 / —	100 / 100	14.00 / ..	14.00 / 11.20	22.00 / 21.27		12	Y.P.T.
24,00,000	11,16,837	83,71,882	48,70,077	—11,98,634	W. H. Brady & Co., Ltd.	45,944	480	New City of Bombay Mfg.	144.00	100	5.00	Nil	Nil		12	Y.
30,00,000	77,589	1,10,42,353	63,37,035	—10,72,122	Sahu S. P. Jain, Esq. (Chairman)	49,012	963	New Great Spg. & Wvg.	195 00	100	Nil	Nil	Nil		12	Y.P.
48,00,000	54,85,829	1,81,28,534	1,22,58,132	2,82,604	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	140.50	100	12.50F	10.00	10.00	15.00	3	Y.
45,00,000	42,97,687	80,65,529	31,95,108	16,195	Podar Sons Private Ltd.	32,600	930	Podar Mills	138.00	100	10.00	18.00*(e)	12.00*		12	Y.P.
75,00,000	19,70,000	1,69,60,794	81,75,000	57,378	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	104.75	100	..	8.00	11.50		12	Y.P.
10,00,000	....	20,94,246	16,74,307	—1,52,005	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14 88	10	0.25	Nil	Nil		12	Y.
37,70,100	1,21,80,083	2,81,69,010	1,64,24,391	215	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	46.00	10	2.00	2.00	2.50		12	Y.
60,00,000	51,53,455	1,74,14,168	73,40,872	41,961	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	247.00	100	8.00	10.00	15.00		12	Y.P.
50,40,000	15,53,956	2,27,78,338	1,00,86,574	—3,49,633	M.	49,840	1,114	Simplex Mills	168.00	50	8.50	8.50	5.00(e)	7.50	3	Y.T.
1,09,75,000	2,51,54,908	3,87,61,421	2,28,24,758	91,528	Mafatlal Gagalbhai & Sons	97,538	2,409	Standard Mills	1,130 00	100	22.50*	20.00	29.00*		12	Y.P.
1,00,00,000	96,94,067	3,16,61,974	1,74,64,096	1,506	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	237.50	100	9.00	10.00	14.00		12	Y.P.
36,00,000	76,44,279	1,98,24,474	1,09,47,826	26,062	James Finlay & Co., Ltd.	40,328	550	Swan Mills	497.50	100	25.00	25.00	36.00		12	Y.
65,57,875	50,22,987	2,58,77,176	1,04,22,689	17,925	Tata Industries Private Ltd.	61,572	1,775	Tata Mills	42.00	25	2.00	1.50	2.50		12	Y.T.
16,00,000	64,52,368	1,08,96,173	64,84,479	76,869	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	300.00	100	23.00*	20.00*	20.00		12	Y.T.
18,00,000	1,02,12,489	1,79,02,964	1,20,98,754	—17,05,239	Mr. K. M. D. Thackersey (Chairman)	54,664	1,262	Western India Spg. & Mfg.	4,075.00	1,000	325.00	325.00	325.00(e)	70.00f	12	Y.P.
AHMEDABAD																
40,00,000	37,96,894	2,09,06,549	90,57,515	12,482	Tata Industries Private Ltd.	49,168	1,016	Ahmedabad Advance Mills	164.50	100	5.00	5.00	4.90(e)	10.00	6	Y.P.B.
20,00,000	97,28,117	1,52,08,567	87,79,332	....	Hutheesing Sons & Co.	44,220	920	Aruna Mills	450.00	100	25.00	25.00	25.00'C'		12	Y.P.
60,00,000	2,95,20,290	2,85,00,200	1,40,42,300	1,58,312	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,110.00	100	35.00*	38.00'C'	40.00		12	Y.P.
26,40,000	45,04,840	1,24,95,613	83,06,442	58,595	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	375.00	200	Nil	25.00'C'			12	Y.P.
20,00,000	1,27,06,477	1,51,11,023	73,11,050	....	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	560.00	100	30.00	30.00'C'	25.00		12	Y.P.
2,06,25,000	2,91,51,534	7,72,08,320	3,30,53,664	21,88,804	Karamchand Premchand Pvt. Ltd.	1,39,120	2,380	Calico	902.50	125	30.00	25.00	22.00	31.00	3	Y.P.
62,00,000	27,76,707	1,57,37,365	1,12,77,222	6,366	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	555.25	250	25.00*	27.00*	36.00		12	Y.P.
52,00,000	1,42,42,748	1,92,96,548	1,22,21,800	1,63,425	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,510.00	125	30 00	35.00*	55.00*		12	Y.
15,00,000	63,45,614	83,34,671	44,35,941	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	388.75	100	20.00	20.00	25.00		12	Y.P.
30,00,000	96,93,684	1,29,66,792	76,85,644	....	Lalbhai Dalpatbhai & Co.	32,898	640	Raipur Mfg.	647.50	100	35.00*	25.00'C'	35.00		12	Y.P.
48,75,000	23,78,557	1,49,91,313	85,09,730	14,294	Rohitbhai Chinubhai, Esq. (Chairman)	33,156	648	Rohit Mills	217.00	100	8.00*	8.00*	10.00		12	Y.P.
63,75,900	2,95,76,027	2,43,70,561	1,45,91,824	59,271	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,108.00	100	25.00	30.00*	45.00		12	Y.P.
39,25,000	82,40,408	1,24,24,481	83,25,307	28,321	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,828	720	Sherrock Spg. & Mfg.	530.00	100	20.00	22.00*	30.00*		12	Y.
45,00,000	89,43,859	1,84,94,632	92,66,120	25,810	Haridas Ashratlal & Co., Ltd.	41,056	780	Vijaya Mills	600.00	500	40.00*	40.00*			12	Y.P.
WEST BENGAL																
15,00,000	2,39,480	40,13,983	26,20,603	....	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	8.25	10	0.60	0.50	Nil		12	Y.P.T
7,11,230 / 1,80,620 / 1,70,000	2,44,733	89,51,451	62,49,897	—3,26,098	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	Nil	Nil	Nil	3	Y.P.
24,00,000	5,14,800	1,26,22,986	56,02,346	60,410	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	163.00	100	Nil	Nil	Nil		12	Y.P.T.
28,50,000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	25.06	10	Nil	Nil	1 00		12	Y.P.
50,08,000	8,02,433	88,00,719	43,00,719	34,072	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	15.19	10	0.50	0.65	0.80		12	Y.P.
1,60,00,000	2,07,51,444	4,18,09,599	1,42,09,599	76,764	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	28.50	10	0.75	0.25	0.25		3	Y.P.
O. 19,47,750 / D. 5,00,000	78,492	50,99,822	32,83,579	—5,21,450	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	10.12N / 2.37N	10 / 1D	1.00 / 0.15	0.50 / Nil	Nil / Nil		6	Y.
SOUTH INDIA AND OTHER CENTRES																
38,00,000	5,48,855	78,05,065	7,21,196	31,684	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	9.85	10	Nil	Nil	Nil		12	Y.
60,00,000	2,25,000	85,28,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	114.00	100	6.00	6.00	11.00		12	Y.P.
11,98,600	4,50,000	49,07,709	26,15,654	8,044	Setna & Co.	25,984	..	Asher Textiles Ltd.	204.05	100	12.50	6.00	6.00	12.50	6	Y.
72,00,000	16,96,790	1,92,55,835	68,19 240	2,681	The Industries (I.F.) Department, Government of Andhra Pradesh	36,136	725	Azam Jahi Mills	71.00	100	3.50	Nil	4.00		9	Y.
1,21,50,000	1,58,99,679	3,79,67,112	3,06,18,958	2,69,251	Binny & Co. (Madras), Ltd.	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	195.00	100	10.00'C'	10.00	10.00		12	Y.P.
3,50,00,000	....	....	....	....	..	..	..	Baroda Rayon Corporation	122.50	100	..	..	..	..	12	Y.
35,00,000	78,10,478	1,66,23,840	1,20,16,290	33,509	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	17.50N	10	1.50	0.75	Nil	1.00	3	Y.
1,73,47,800	3,24,73,971	8,05,80,469	4,78,98,275	2,31,871	Binny & Co. (Madras), Ltd.	1,20,288	2,756	Buckingham & Carnatic	192.00	100	10.00	10.00	10.00		12	Y.P.T.
20,00,000	18,500	51,23,580	26,05,678	—2,79,050	G. Sam & Co.	37,536	4	Cambodia Mills	9.90	10	0.50(e)	Nil	Nil		12	Y.P.
15,00,000	5,29,316	53,92,792	33,76,104	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	150.00	100	20.00	12.50	15.00	17.00	3	Y.
60,00,000	81,64,814	81,45,688	66,08,685	—3,29,080	Begg, Sutherland & Co. Private Ltd.	27,624	589	Cawnpore Textiles	6.06	5	0.25	Nil	Nil		12	Y.
9,36,560	6,61,000	68,26,050	33,32,807	15,034	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	12.15	10	0.90	0.90	0.90	1.30	3	Y.P.
45,99,800	28,90,147	1,11,51,577	41,62,478	....	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	167.00	100	9.00'C'	6.00	6.00		12	Y.
17,65,300	4,06,710	49,14,591	26,55,497	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	106.50	100	7.50	Nil	7.50		12	Y.P.
60,00,000	29,23,665	97,89,504	54,27,110	1,28,493	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills	330.00	100	20.00	20.00	25.00		12	Y.P.
29,76,900	5,076	1,35,77,620	89,09,025	—12,57,670	A. V. Srinivasalu Naidu, Esq. (Ch.)	70,268	307	Coimbatore Spg. & Wvg.	46.00	50	Nil	Nil	Nil		12	Y.
46,87,500	10,75,722	4,64,86,662	1,50,60,898	—90,16,850	Tata Industries Private Ltd.	1,15,188	2,064	Central India	102.00	100	Nil	Nil	Nil	Nil	6	Y.P.
30,66,711	28,72,302	1,21,27,978	57,71,091	9,000	R. Hanumanthappa & Son	40,032	300	Davangere Cotton Mills	116.50	100	9.00	9.00	9.00	12.00	3	Y.
3,33,36,225 / 1,00,563	4,64,45,622	14,46,03,946	8,37,56,780	2,72,401	B. R. Charat Ram & Co. Private Ltd.	1,16,696	2,333	Delhi Cloth & General Mills	37.50	25 / 2½	2.00 / 0.16	2.00 / 0.16	2.50† / 0.25†	2.50 / 0.30	6	Y.P.T.
48,60,000	29,65,000	1,31,45,544	61,00,929	1,006	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	215.00	100	10.00'C'	10.00	17.50		12	Y.
63,00,000	1,21,84,814	1,74,64,808	1,53,07,550	95,889	Begg, Sutherland & Co. Private Ltd.	48,452	1,194	Elgin Mills	18.50	10	1.00	0.75	1.25		9	Y.P.
48,81,000	26,48,948	1,67,03,409	91,62,727	1,821	Forbes, Forbes Campbell & Co., Ltd.	74,296	..	Gokak Mills	175.00	100	8.00	8.00	6.00		12	Y.
40,00,000	56,44,510	1,28,49,778	85,33,208	24,751	J. H. Mehta, Esq. (Chairman)	29,572	600	Gaekwar Mills Ltd.	220.00	100	10.00	10.00	16.00		12	Y.
2,50,00,000	2,29,47,000	4,42,53,528	4,12,24,000	—20,81,100	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	44.00	10	Nil	Nil	1.00	2.00	3	Y.P.
78,86,687	....	....	....	....	Vegaval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	64.00	50	..	..	..	..	3	Y.P.
50,00,000	1,96,680	1,64,52,347	1,21,05,128	....	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	138.00	100	6.00	5.00(e)	7.00		12	Y.
8,90,000	6,18,770	36,26,185	22,28,141	—5,61,231	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	58.50	50	2.00	Nil	Nil		12	Y.
15,54,000	11,26,682	66,77,134	35,48,365	....	Mr. Bhairuratan Damani (Managing Director)	21,176	512	Jam Shri Ranjitsinghji	1,500.00	1,000	40.00	Nil	Nil	60.00	6	Y.
63,00,000	30,48,856	4,87,56,355	1,21,12,213	52,757	Padampat Singhania, Esq.	45,090	1,000	J. K. Cotton Spg. & Wvg.	15.00	10	..	..	0.90		12	Y.P.
16,86,179	18,17,947	82,44,540	41,48,200	1,507	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	12.35	5	1.25	0.75	0.75		12	Y.
4,63,65,800	3,07,35,097	4,65,60,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd.	56,184	1,625	Jiyajeerao Cotton	15.60	10	0.35	0.25	0.07		3	Y.P.
67,20,000	25,71,768	1,69,79,996	49,33,767	55,806	Kothari & Sons	67,192	300	Kothari Textiles	12.25	10	1.00	Nil	1.00		12	Y.P.
32,00,000	54,31,394	1,93,68,685	1,48,17,868	26,609	M.	51,908	1,243	Lakshmi Cotton Mfg.	502.50	250	15.00	15.00	25.00		12	Y.P.
71,00,000 / A. 35,50,000	83,80,960	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	155.00 / 72.50	50 / 25	10.00 / 5.00	6.00 / 3.00	6.00 / 3.00	10.00 / 5.00	3	Y
36,00,000	1,42,22,327	2,13,43,648	1,46,79,309	6,549	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	775.00	100	15.00	18.00	20.00*		12	Y.P.
1,75,02,460	4,06,37,833	6,25,73,188	4,25,73,188	2,04,614	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	85·10xd	15	2.25	Nil	1.875		12	Y.
90,00,000	29,59,000	68,45,576	51,49,267	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	369.00	100	20.00	20.00	25.00	30.00	3	Y.
90,80,284	5,71,940	1,05,10,981	50,74,411	....	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	65.30	100	Nil	Nil	Nil		12	Y.P.T.
94,91,850	21,56,149	1,71,94,769	78,81,526	1,85,008	M.	52,408	952	Model Mills (Nagpur)	80.00	250					6	Y.
29,78,100	44,97,618	1,17,73,690	69,34,817	24,962	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	58.50	50	9.00*	5.00	5.00	7.00	3	Y.P.
31,50,000	48,76,391	66,34,980	44,19,186	1,368	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	216.25	100	12.00	12.00	12.00		12	Y.P.
48,00,100	....	2,37,94,145	1,20,34,420	—37,45,965	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.30	10	Nil	Nil	Nil		3	Y.P.
67,23,800	19,78,217	1,77,24,075	67,40,513	....	Bansilal Bissesardas Pvt. Ltd.	37,788	902	Osmanshahi Mills	43.50	100	Nil	Nil	Nil		9	Y.
A. 4,00,000 / B. 6,00,000	16,56,928	78,14,710	36,35,788	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	250.00 / 300.00	50A / 75B	9.00 / 13.50	10.00 / 15.00	15.00 / 22.50		12	Y.P
15,00,000	....	87,30,105	19,70,049	—21,28,862	..	27,980	..	Pankaja Mills Ltd.	58.00	100	Nil	Nil			12	Y.
63,10,600	18,67,447	1,10,86,808	66,04,305	2,661	A. G. Gurusamy Naidu & Co.	60,704	301	Radhakrishna Mills	29.25	25.00	3.00	1.50	2.25		12	Y.
38,21,000	22,65,286	1,22,00,423	58,26,619	1,286	Mukundlal Bansilal & Sons	25,420	567	Raja Bahadur Motilal Mills	92.00	100	Nil	Nil	Nil		12	Y.
30,00,000	26,53,800	92,98,175	42,76,744	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	76.00	50	4.50	3.00'C'	3.75		12	Y.P.
16,14,300	17,87,061	68,86,579	27,79,402	....	Ramco Agencies Private Ltd.	36,096	..	Rajapalayam Mills	126.25	100	12.00	8.00	6.00(c)	9.00	3	Y.
15,36,800	2,69,111	83,59,281	50,04,126	....	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	224.00	100	16.00	10.00	16.00	28.00	3	Y.
22,32,300	11,20,032	56,78,526	28,55,667	958	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	120.00	100	10.00	10.00	10.00		12	Y.
10,00,000	6,93,527	54,79,563	33,71,779	3,264	S. R. P. Ponnuswamy Chetty & Sons.	25,088	..	Sivanandha Mills Ltd.	28.25	10	1.20	1.50	2.20		12	Y.
1,72,06,400	....	....	....	....	M.	..	..	South India Viscose Ltd.	147·00CR	100	..	..	..	..	12	Y.
13,17,124	6,47,790	45,36,078	12,34,844	....	K. Ramachandran, Esq. (Mg. Director)	16,516	..	Sri Kannapiran Mills Ltd.	8.50	10	1.00	0.60	1.00	..	12	Y.
36,69,700	22,00,037	1,01,95,864	72,23,021	30,822	D. B. Viswambhariah, Esq. (Mg. Director)	42,924	340	Sri Krishnarajendra Mills	68.00	50	7.00	4.50	4.00	5.50	3	Y.
15,02,300	9,69,325	58,07,042	29,96,235	13,376	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning, Spg. & Wvg. Mills Ltd.	41.00	50	2.00	Nil	2.50		12	Y.
15,00,000	3,99,30,629	1,17,10,444	91,93,176	3,97,888	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	90.00	10	6.00	6.00	6.00	8.57	3	Y.
O. 17,50,000 / PO 1,57,50,000	2,42,28,071	6,42,05,504	1,96,78,129	9,04,312	M.	1,12,216	2,090	Swadeshi Cotton (Kanpur)	9.00 / 8.12	10O. / 10P.O.	0.75 / 1.15	Nil / 0.40	Nil / 0.571		12	Y.P
12,72,210	1,30,000	46,55,675	7,75,459	22,842	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	10.50	10	..	Nil	Nil	0.30	3	Y.P.
1,00,00,000	70,91,584	4,47,94,296	2,70,17,899	2,29,084	Emeete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	34.40	10	1.00	1.25	2.00		12	Y.P.B.
13,98,780	3,64,000	20,41,565	15,00,441	661	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11.95	10	0.90	0.75	1.25		12	Y.
21,00,000	36,41,000	91,30,605	57,96,375	17,798	R. K. Chetty & Brothers	44,424	276	Vasanta Mills	236.00	100	12.00	12.00	16.00		12	Y.P.
15,10,340	3,06,626	24,95,648	13,64,648	—2,74,043	Thiagaraja Chetty & Sons Private Ltd.	..	200	Virudhunagar Textile Mills Ltd.	49.50	50	2.25	3.00	5.00	..	12	Y.P.
36,00,000	12,58,810	1,94,82,373	1,33,00,940	—11,21,284	The Bombay Co. (Private) Ltd.	49,380	1,369	Vishnu Cotton	102.50	100	Nil	Nil	Nil		12	Y.P.B.

M—Managed by Board of Directors. X.R.—Ex-Right. (e) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.

* Includes bonus. † Subject to taxation. Z—Bombay Dyeing & Mfg. Co., shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. *N.B.*—All dividends paid since 31st March 1950 are shown as taxable. 'C'—On increased Capital. ‡ On Old Capital.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	64,31,970	1,47,43,249	50,81,902	36,065	B. N. Elias & Co. Private Ltd.	879	Agarpara	11.25xd	10	0.25	0.25	0.50	1.00	3	Y.P.T.
6,00,000	18,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	148.00	100	10.00	10.00	15.00		12	Y.P.T.
90,00,000	2,79,200	1,26,70,290	99,41,083	—1,38,265	McLeod & Co., Ltd.	1,264	Alliance	89.00	100	Nil	Nil	Nil	6.00‡	5	Y.P.
49,20,700	85,41,000	2,63,90,624	1,74,73,587	2,26,168	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	180.00	100	7.00	10.00	12.50	20.00	3	Y.P.
40,00,000	21,33,168	1,36,05,786	76,49,894	34,111	Bird & Co. Private Ltd.	810	Auckland	157.00	100	Nil	5.00	20.00	27.00	3	Y.P.T.
30,60,000	34,53,528	1,46,13,222	77,61,622	28,486	Birla Brothers Private Ltd.	959	Bally	187.00	100	2.00	6.00	10.00	25.00	3	Y.P.
£275,000	£803,923	£1,601,226	£1,065,825	—£92,399	Sir John H. Burder (Chairman)	1,889	Barnagore	116.00	£5	Nil	Nil	10sh.	£1.10sh	3	Y.P.
28,00,000	60,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	147.00	100	2.50	7.50	13.50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,78,255	Soorajmull Nagarmull	600	Bengal	8.00	10	Nil	0.50			6	Y.P.T.
91,28,000	2,82,25,130	7,34,86,439	2,26,35,926	93,079	Birla Brothers Private Ltd.	1,373	Birla	28.75	10	1.00	1.00	1.00	1.50	3	Y.P.
35,00,000	23,36,695	1,19,81,167	72,84,779	62,431	Andrew Yule & Co., Ltd.	991	Budge-Budge	129.00	100	Nil	5.00	15.00		10	Y.P.
7,47,330	4,000	45,18,657	34,32,120	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil			12	Y.P.T.
18,00,000	27,51,530	84,60,059	49,11,673	30,163	M.	616	Caledonian	125.00	100	Nil	15.00	12.00		11	Y.P.
50,16,400	81,81,976	2,17,74,524	1,17,08,511	1,68,730	James Finlay & Co., Ltd.	600	Champdany	101.00	100	Nil	Nil	7.00	10.00	3	Y.
15,95,000	23,19,096	36,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	14.25	10	Nil	5.00	12.50‡		11	Y.P.
30,15,000	33,42,800	1,09,82,980	59,87,035	2,33,594	McLeod & Co., Ltd.	500	Chitavalsah	13.31	10	1.10	1.25	1.50		7	Y.P.T.
24,00,000	9,00,000	81,89,984	67,13,337	—3,11,818	Shree Krishna Investment Co., Ltd.	969	Clive	11.12	10	Nil	Nil			3	Y.P.
81,49,200	18,05,418	1,06,95,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	108.50	100	Nil	Nil	Nil	1.00	3	Y.P.T.
28,00,000	41,39,373	1,02,74,164	54,61,666	18,524	Andrew Yule & Co., Ltd.	779	Delta	145.00	100	Nil	6.00	14.00		11	Y.P.
15,00,000	37,20,000	1,07,39,530	70,08,387	93,729	McLeod & Co., Ltd.	500	Empire	14.56	10	0.75	1.00	1.25		7	Y.P.T.
21,00,000 21,00,000	88,65,324	3,41,69,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	310.00 275.00	100 Old 50 New	10.00 ..	20.00 ..	20.00 10.00	25.00 12.50		Y.P.T.
21,00,000	19,81,948	1,82,23,393	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	21.75	10	1.50	1.50	1.50	2.25	3	Y.P.T.
34,32,100	5,16,898	2,24,66,716	1,48,00,382	56,359	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	9.94	10	Nil	Nil	Nil	1.00	3	Y.P.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd.	41.00	10	2.00	2.00	4.00		12	Y.T.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	333.00	100	2.50	20.00	25.00	30.00	3	Y.P.
40,00,000	61,69,638	1,33,64,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	119.00N	100	5.00	5.00	6.00	6.00	3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,718	49,754	Baijnath Bajoria	720	Hooghly	14.50	10	Nil	Nil	0.60		3	Y.P.
95,62,500	40,04,064	2,24,32,710	1,35,84,809	72,862	Jardine Henderson Ltd.	1,940	Howrah	22.00	10	Nil	Nil	1.00	1.25	3	Y.P.T.
52,50,000	38,25,000	3,18,43,014	1,77,68,014	1,65,175	Ramdutt Ramkissendas	2,272	Hukumchand	19.37	7.50	1.50	1.50	1.50	2.15	3	Y.P.
87,30,000	21,78,965	1,74,80,629	1,00,24,542	4,94,235	M.	790	India	14.87	12.50	9.87	15.62‡	1.24	1.75	3	Y.
24,00,000 'B' 19,20,000	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	146.00 136.00	100 'B' 100	Nil Nil	5.00 5.00	20.00 20.00		12	Y.P.T.
30,00,000 'B' 24,00,000	10,09,317	1,76,28,517	1,12,70,060	—13,68,526	Jardine Henderson Ltd.	1,527	Kanknarrah	74.00 72.00	100 'B' 100	Nil Nil	Nil Nil	Nil Nil		12	Y.P.T.
26,00,000	52,06,000	1,51,65,797	1,03,30,320	1,21,384	McLeod & Co., Ltd.	703	Kelvin	149.00	100	9.00	12.50	14.00'C'	15.00	5	Y.P.
54,00,000	28,62,520	2,16,94,951	1,32,38,782	74,405	Anderson Wright Ltd.	1,530	Khardah	17.50	10	0.80	0.80	2.00	2.00	3	Y.P.
59,80,150	42,80,583	1,99,48,494	1,24,97,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	145.00	100	Nil	5.00	10.00	20.00	3	Y.P.T.
24,48,000	10,76,201	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	99.00	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	11,08,592	69,04,728	41,03,722	10,530	Bird & Co. Private Ltd.	840	Lawrence	126.00	100	Nil	Nil	2.00	15.00	3	Y.P.
31,65,200	34,63,931	2,70,91,429	1,55,68,005	56,999	M.	1,294	Megna	11.12	10	0.50	1.75	1.00	1.20	3	Y.
29,98,900	34,36,392	1,64,53,185	94,33,205	—11,60,635	M.	315	Naihati	63.00	100	Nil	Nil	Nil		3	Y.P.T.
30,00,000	13,14,376	36,84,258	24,27,490	4,929	Howrah Trg. Co. Private Ltd.	425	Naskarpara	9.00	10	0.25	0.25			10	Y.T.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	21.75N	10	0.75	0.75			10	Y.P.
26,25,000	31,71,872	59,70,247	26,86,043	1,38,623	McLeod & Co., Ltd.	316	Nellimarla Jute	12.00	10	0.90	1.00	1.40		7	Y.P.T.
1,70,82,810	2,27,33,274	9,30,93,375	1,36,54,171	....	Sahu Jain Ltd.	1,765	New Central	18.37	10	..	1.50	1.50'C'	1.50	3	Y.P.T.
16,79,330	33,39,763	1,21,33,607	71,21,536	27,631	Bird & Co. Private Ltd.	567	Northbrook	22.25	10	Nil	Nil	1.25	3.00	3	Y.P.T.
66,79,500	38,53,004	2,30,01,345	1,21,35,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	45.25	50	Nil	2.50	3.00	4.00	3	Y.
35,00,000	10,23,000	99,89,888	72,61,540	65,437	McLeod & Co., Ltd.	400	Presidency	4.87	5	0.30	0.37½	0.50		7	Y.T.
20,00,000	42,629	33,96,467	12,06,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	8.50	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	14,07,546	1,24,96,816	66,97,370	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	6.06	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£488,130	£1,484,376	£640,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	9.50N	£1	Nil	5%†	10%†		12	Y.P.
30,00,000	19,67,800	1,24,50,559	91,65,688	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	26.50	10	0.50	0.50	0.60		3	Y.P.
14,00,000	12,59,725	72,57,128	52,50,728	63,683	Hindustan Investment Corpn. Ltd.	401	Soorah	19.00	10	1.50	1.50	2.50		12	Y.P.
£600,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.50N	£1	Nil	3%†	10%†		3	Y.P.
35,98,600	37,29,990	89,38,439	50,59,464	35,993	Bird & Co. Private Ltd.	1,326	Union	157.00	100	Nil	15.00	20.00	25.00	12	Y.P.
£400,000	£279,697	£1,282,678	£601,723	£51,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9.50N	£1	3%†	5%†	10%†		12	Y.P.T
2,50,000	6,70,000	82,62,805	45,53,966	1,94,094	McLeod & Co., Ltd.	447	Waverley	3.06	1	Nil	Nil	0.25	0.30	5	Y.P.T.

SOUTH INDIAN PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					TEA COMPANIES										
10,96,990	4,16,126	17,25,120	3,38,787	3,842	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	16.40	10	1.75*	1.75	1.50	1.50	3	Y.P.
52,50,000	29,41,207	79,01,776	13,65,987	2,88,908	Kothari & Sons (Ags.) Pvt. Ltd.	1,329	Blue Mountain	3.95	2	0.25	0.25	0.25	0.25	6	Y.
5,50,000	5,57,420	15,15,332	3,03,764	109	K. Anantarman, Esq. (Mg. Director)	350	Chandramalai Estates Ltd.	2.95cd	2	0.80	0.24			6	Y.P.
9,35,400	15,86,598	26,32,979	8,15,611	1,88,960	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	3.83XR	2	0.40	0.20	0.30	0.40	3	Y.
5,65,920	12,80,970	21,63,320	1,64,704	29,120	Matheson Bosanquet & Co. Pvt. Ltd	392	Coonoor Tea	27.25cd	10	2.00	2.00	1.00‡		9	Y.P.
4,30,000	4,76,798	12,48,672	2,12,224	2,580	Srinivas Agencies	441	Coorg Tea	5.43	2	0.40	0.40	0.40	0.40	3	Y.P.
6,00,000	4,82,155	12,25,902	3,36,581	1,259	R. A. Jenkins, Esq. (Mg. Director)	344	Devashola (Nilgiri) Tea	30.50	10	1.75	2.50	2.50		12	Y.
6,74,630	3,25,933	10,81,247	2,29,577	4,312	Young India Agencies Private Ltd.	465	Devon Tea	14.37	10	1.75	1.75	1.50	1.50	3	Y.P.
3,50,000	1,26,500	4,04,217	65,265	2,027	Parkins Private Ltd.	198	Emerald Valley Estates	5.50	5	0.30	0.30	0.40		12	Y.P.T.
25,00,000	17,77,500	47,06,209	9,26,271	1,765	Parkins Private Ltd.	1,495	Halleyburia	18.90	10	1.50'C'	2.00	1.25'C'		12	Y.T.
6,00,000	7,65,696	14,87,744	3,83,844	45,238	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	4.70	2	0.30	0.25	0.30		3	Y.P.
16,39,488	18,94,704	32,75,491	4,34,787	28,102	Peirce, Leslie & Co., Ltd.	781	Kil Kotagiri Tea	5.10	2	0.30	0.30	0.70		10	Y.P.
3,45,600	5,10,000	11,44,896	98,799	306	Ipe Oommen & Co. Pvt. Ltd.	800	Kurchermala Plant. Ltd.	8.20CB	10	0.75	0.625	0.80	Nil	3	Y.
5,00,000	70,556	9,28,291	61,272	35,512	Matheson Bosanquet & Co. Pvt. Ltd.	267	Lucky Valley	13.81	10	1.00	1.00	1.00		12	Y.
3,50,000	26,500	3,21,318	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.70	2	0.18	0.24	0.10		3	Y.
3,00,000	6,23,100	12,48,190	2,88,717	1,418	Eapen Thomas, Esq. (Mg. Director)	524	Mlamallay	39.00	25	4.50	3.75	5.00		3	Y.P.
36,00,000	21,82,380	81,96,144	14,03,832	5,225	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	4.65cd	5	0.37	0.37	0.37	0.37	3	Y.P.
12,00,000	6,27,638	27,51,637	5,74,549	5,656	A. V. Thomas & Co., Ltd.	1,648	Nelliampathy	2.54xd	2	0.40	0.30	0.20	0.26	6	Y.P.
14,06,250	6,95,346	38,09,977	5,17,236	20,654	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	7.64	10	0.75	0.60			3	Y.P.T.
23,10,000	9,22,309	32,15,349	3,68,586	35,375	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	26.40	10	2.00	2.50	2.00		6	Y.
13,53,000	17,53,325	32,40,997	5,53,242	47,411	Mr. P. S. M. Molyneux (Chairman)	579	Parkside	28.00	10	1.75	2.50	2.75	2.75	6	Y.
6,00,000	3,06,284	3,47,666	63,156	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninsular Plantations Ltd.	21.35	10	2.50	1.50	2.00		3	Y.
57,00,000	10,41,753	41,24,957	14,46,521	44,631	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	22.30	10	2.50	1.62½	2.25		12	Y.P.
17,94,960	26,17,245	1,10,00,168	34,84,598	30,252	Peirce, Leslie & Co., Ltd.	3,468	Periakaramalai	8.63	2	0.70	0.20'C'	0.25		3	Y.P.
12,50,000	3,06,500	11,40,782	1,24,998	907	A. V. Thomas & Co. (India) Ltd.	365	Sheveroy Estates Ltd.	1.93cd	2	0.15	0.15	0.125	0.18	6	Y.
9,00,000	12,96,473	27,35,098	7,62,652	3,656	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	14.78	10	1.40V	0.80	0.60		6	Y.T.
1,25,000	15,000	1,98,241	7,968	4,289	M.	216	Swinton Estates	3.12	2	..	0.15	0.15	0.25	3	Y.
12,50,000	10,87,328	36,51,137	3,53,187	997	Srinivas Agencies	1,787	Talayar Tea	1.78	2	0.20	0.12	0.10	0.16	3	Y.P.
15,75,000	16,00,500	27,37,319	3,29,830	565	Parkins Private Ltd.	1,314	Twyford	12.00	10	1.50'C'	1.50	1.00'C'		12	Y.
21,96,280	12,29,669	44,14,672	15,67,621	1,02,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	28.80cd	10	1.77	1.60	1.95		3	Y.
31,50,000	32,96,050	63,68,910	6,97,362	1,94,353	Kothari Mehta & Co. Pvt. Ltd.	907	Waterfall	3.33	2	0.25	0.25	0.25	0.25	6	Y.P.
1,00,000	58,757	3,51,001	39,991	689	Goodall & Co.	93	Woodcote Estates Ltd.	1.65		0.09	0.06	Nil	Nil	6	Y.P.
					RUBBER AND OTHERS					1957	1958	1959	1960		
6,00,000	5,52,435	16,66,612	4,21,741	3,855	Ramani & Co., Pvt. Ltd.	878	Alageswar Estates Ltd.	2.42	2	0.20	0.20	0.15	0.15s	3	Y.
6,75,000	1,60,527	19,08,351	2,97,294	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	13.40	10	0.40	0.60	0.75		3	Y.P.T.
2,50,000	5,78,753	13,30,753	1,24,737	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14.87	10	1.50	1.00	1.50	1.00	12	Y.P.
12,07,333	2,28,040	19,28,285	1,92,147	27,812	Associated Planters Private Ltd.	1,264	Anaparai Estates Ltd.	4.70	2	0.80	0.70	0.50	..	6	Y.T.
4,25,000	4,00,000	8,56,375	92,384	25,796	Young India Agencies Pvt. Ltd.	554	Badra Coffee Estates Ltd.	3.84	2	0.35	0.35	0.25	..	5	Y.P.
4,00,000	2,55,745	7,16,760	98,936	3,216	A. V. Thomas & Co. (Mysore)	550	Bababudin Coffee & Produce	8.75cd	5	1.25	1.25	0.625	..	6	Y.P.
3,00,000	2,25,000	4,24,393	50,457	568	Planting Agencies (Private) Ltd.	319	Balmadies Plantations	2.42	2	0.25	0.25	0.15	0.15	5	Y.P.
3,66,115	3,36,253	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)	1,135	Be Be Rubber Estates Ltd.	2.94	5	0.25	0.25	0.25		3	Y.P.
26,91,270	18,00,000	52,49,279	3,16,788	21,660	Peirce, Leslie & Co., Ltd.	7,098	Cochin Malabar	7.60cd	3	0.45	0.30'C'	0.45	0.525	3	Y.P.
22,50,000	31,10,968	58,64,399	13,19,304	92,379	Cons. Coffee Estates (Secretaries)	2,799	Coffee Lands and Industries	19.50	10	4.00	2.00	2.50	0.60	6	Y.P.
71,55,000	66,04,294	1,58,60,009	40,89,751	60,720	C. I. Machia, Esq. (Mg. Director)	8,160	Consolidated Coffee	23.30	10	4.00	2.00	2.50	2.00	6	Y.P.
6,00,000	5,32,423	13,68,760	74,628	1,452	Associated Planters Private Ltd.	1,489	Cottanad Plantations	12.00cd	10	1.75	1.50	1.50	1.00	3	Y.P.
4,06,560	2,00,000	3,12,568	76,963	27,670	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffees)	4.90	2	1.00	1.30	0.50	0.50	6	Y.
18,00,000	9,86,402	31,48,270	6,93,094	24,694	A. V. Thomas & Co., Ltd.	886	Highland Produce	14.70	10	0.75	1.50	1.50		12	Y.P.
1,20,000	49,000	1,64,450	5,148	2,033	Young India Agencies Pvt. Ltd.	220	Kadur Coffee Estates Ltd.	2.85	2	0.15	0.15	0.15	0.15	5	Y.P.
11,85,700	10,77,705	30,90,516	2,83,458	27,122	A. V. George & Co., Ltd.	1,529	Kailas Rubber, Co., Ltd.	5.01	2	0.60	0.50	0.50	0.40	3	Y.
3,00,000	8,86,553	17,97,748	3,49,814	1,380	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	13.12	10	2.00	1.00'C'	1.25	1.25	4	Y.P.
4,00,000	3,00,000	9,64,554	1,45,547	12,518	Peirce, Leslie & Co., Ltd.	610	Kumergode Estates Ltd.	4.70cd	2	0.50	0.40'C'	0.40		10	Y.T.
13,50,000	4,85,241	25,39,476	4,03,190	9,942	K. T. Thomas Kathanar, Esq.	1,668	Malankara Rubber	13.00	10	2.25	1.70'C'	1.00	1.50	3	Y.
3,25,000	2,50,000	7,61,984	10,586	11,686	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.68	5	0.75	1.00	1.00	..	6	Y.P.
40,50,000	14,21,444	90,79,614	11,34,844	66,364	A. V. Thomas & Co., Ltd.	4,683	Midland Rubber	11.35	10	2.00	1.00'C'	1.00	1.25	3	Y.P.
3,25,000	4,18,450	16,31,926	2,76,266	46,475	A. V. George & Co., Ltd.	1,229	Nenmeny Rubber	20.65	10	0.75	1.50	1.50		12	Y.P.
2,00,000	4,79,543	7,96,900	55,892	3,026	Associated Planters Private Ltd.	906	Nilambur Rubber Co.	16.95	10	1.50	2.00	1.50		12	Y.P.T.
19,45,960	22,33,423	48,92,125	16,66,950	3,033	Peirce, Leslie & Co., Ltd.	4,895	Ouchterlony Valley Estates	4.64	2	0.60	0.30	0.30		10	Y.P.T.
6,50,000	5,71,464	7,75,530	67,539	42,437	Peirce, Leslie & Co., Ltd.	546	Ossoor Estates Ltd.	3.41	2	0.30	0.25	0.30	0.30	3	Y.
15,50,000	2,29,315	21,56,112	5,52,520	72,308	Aspinwall & Co., Ltd.	1,607	Pullangode Rubber	1.85	2	0.10	0.06	0.10		3	Y.P.
12,50,000	8,37,644	48,91,065	4,79,542	19,045	A. V. Thomas & Co., Ltd.	2,988	Rajagiri Rubber	19.05	10	2.00	2.00	2.00	2.00	6	Y.P.
2,09,960	1,14,963	3,70,345	43,569	774	Associated Planters Private Ltd.	422	Rajendra Coffees Ltd.	14.00cd	5	1.25	2.00	2.50	1.25	3	Y.P.
5,50,170	3,00,000	3,87,753	1,22,319	12,600	Peirce, Leslie & Co., Ltd.	492	Savamalai Estates Ltd.	3.55	2	0.30	0.25'C'	0.30		11	Y.
12,00,000	1,85,000	15,80,245	1,09,554	10,753	Patco Agencies	1,162	Sangameshwar Coffee Estates	2.20	2	..	0.12	0.18	0.12	3	Y.P.T.
10,90,000	2,46,273	22,50,506	1,79,424	13,950	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	6.10	10	0.60	0.60	0.60		3	Y.P.T.
2,50,000	2,75,000	6,12,713	47,088	28,480	A. V. George & Co., Ltd.	467	Thamarapally Rubber	28.00	10	3.00	3.00	3.00		12	Y.P.
9,15,200	5,75,000	23,57,605	1,36,206	7,572	Peirce, Leslie & Co., Ltd.	2,235	Thirumbadi Rubber Co., Ltd	1.77cd	1	0.05	0.10	0.07		6	Y.T.
6,00,000	66,742	11,54,391	5,08,490	2,248	Eapen Thomas, Esq. (Mg. Director)	1,203	Travancore Rubber	10.40	10	1.50	1.00	1.00		12	Y.
41,60,000	15,07,455	36,12,006	13,50,607	3,526	Aspinwall & Co. (Travancore) Ltd.	4,671	Travancore Rubber & Tea	9.35	10	0.40	0.50	0.75		12	Y.P.
20,00,000	1,36,000	22,16,659	3,67,955	11,924	P. T. Thomas, Esq. (Mg. Director)	2,359	Tropical Plantations Co.	18.50	25	1.00	1.50	2.00		12	Y.
6,00,000	4,96,000	17,68,416	1,27,428	10,653	P. I. J. Joseph, Esq. (Chairman)	1,960	Velimalai Rubber & Co.	5.48	5	0.62½	0.50	0.50	0.60	3	Y.P.T.
2,30,000	4,20,600	10,00,702	1,97,202	23,830	A. V. George & Co., Ltd.	458	Udayagiri Rubber Co., Ltd.	13.00	10	0.60	0.75	1.50		12	Y.P.
3,30,010	2,91,970	9,65,557	38,718	585	M.	798	Vaikundam Rubber Co., Ltd.	30.75	10	3.50J	3.00	2.50	1.50‡	12	Y.
12,00,000	11,90,962	15,24,590	1,19,640	1,15,433	Peirce, Leslie & Co., Ltd.	1,027	Wartyhully Estates Ltd.	3.35	2	0.15	0.30	0.30	0.30	3	Y.
6,95,000	6,33,283	13,55,991	91,583	2,962	M.	844	Woodland Estates	7.65	10	1.00	0.50	0.50	1.00	3	Y.P.T.

‡—Final dividend of Re. 1.50 is on the increased capital. V— Includes 60 nP for 30-6-1954. 'C'—On increased Capital. Z.—Dividend for nine months ended 31st March 1960. ‡—On old capital.

* Includes bonus. M.—Managed by Board of Directors. † Less income-tax. N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	Accounts Closed	Reference
					ASSAM										
4,45,700	13,84,978	22,94,476	8,53,312	....	McLeod & Co., Ltd.	325	Amluckie	23.00	10	5.00	1.00	1.50	1.50	12	Y.P.
2,76,500	3,01,500	12,10,619	4,33,800	2,091	M.	456	Ananda (Assam) Tea	19.50	10	2.00	1.00	2.00		12	Y.
7,03,250	7,55,753	16,41,189	5,01,215	54,204	Gillanders Arbuthnot & Co., Ltd.	481	Ananda Bag	26.50	10	1.25	0.50	1.00	1.75	12	Y.
5,50,000	14,38,941	26,06,181	10,04,021	19,953	McLeod & Co., Ltd.	573	Baghmari	17.00	10	2.50	1.50	1.50	1.50	12	Y.
5,10,000	11,57,780	18,49,824	6,86,011	43,644	Andrew Yule & Co., Ltd.	377	Basmatia	26.50	10	2.00	1.75	2.00	3.00	12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Bateli	21.00	5	3.00	1.50	1.50		12	Y.
6,40,000	10,74,426	15,66,305	5,60,306	37,706	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	23.37	10	2.50	1.50	1.50	2.50	12	Y.
33,00,000	18,32,500	73,96,221	31,20,921	3,83,877	Williamson Magor & Co., Ltd.	3,425	Bishnauth	20.31	10	2.00	1.00	Nil	1.30	12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	14.00	10	0.50	Nil	0.50		12	Y.
7,50,000	9,06,475	14,41,597	4,34,307	70,351	McLeod & Co., Ltd.	450	Bormah Jan Tea	14.81	10	1.50	Nil	0.75	1.25	12	Y.P.
35,00,000	17,26,071	94,38,743	34,17,209	2,53,984	M	2,834	Brooke Bond B.	15.56	10	1.25	1.75	1.00	1.25	6	Y.
1,20,000	8,09,581	11,64,943	3,93,553	35,405	McLeod & Co., Ltd.	282	Dejoo Valley	51.00	10	3.00	2.00	3.00	4.00	12	Y.
6,40,000	5,49,948	33,10,828	20,05,150	—2,40,732	Jardine Henderson Ltd.	1,332	Dessai & Parbuttia	127.00	100	10.00	Nil	Nil	Nil	12	Y.
17,53,440	10,53,350	31,54,422	92,50,98	17,329	James Warren & Co., Ltd.	770	Dhelakhat	22.06	10	2.50	2.50	2.50	2.00	12	Y.P.
7,00,000	6,85,000	24,04,227	6,47,434	10,086	H. P. Dhanuka, Esq. (Chairman)	1,349	Dhunseri	15.25	10	1.25	2.00	2.00	2.30	12	Y.
4,50,000	12,09,644	18,71,655	3,98,875	68,960	McLeod & Co., Ltd.	458	Dibrugarh	27.62	10	3.00	2.50	3.00	3.00	12	Y.P.
4,73,400	7,15,000	17,09,184	7,61,684	1,56,884	Williamson Magor & Co., Ltd.	632	Dimakusi	24.50	10	3.00	3.00	2.50	3.00	12	Y.P.
7,00,620	11,66,000	27,54,322	14,69,122	3,83,571	Williamson Magor & Co., Ltd.	635	Duffiaghur	34.12	10	4.00	3.00	4.50	3.50	12	Y.
10,00,000	9,57,600	33,05,749	12,68,049	1,31,213	Williamson Magor & Co., Ltd.	1,166	East India Tea	17.75	10	1.00	0.50	0.50	1.00	12	Y.
5,03,760	6,42,879	17,74,219	6,37,020	8,855	M.	465	Gillapukri	26.00	10	3.00	2.50	2.50	2.50	12	Y.
6,76,000	4,90,000	22,56,199	10,31,899	1,31,256	Williamson Magor & Co., Ltd.	552	Gohpur	14.75	10	2.50	2.00	0.50	1.00	12	Y.
28,29,085	36,34,739	67,30,725	20,38,780	61,970	Octavius Steel & Co., Ltd.	2,494	Grob	11.44	5	1.62	1.25	1.50	0.70	12	Y.
5,00,000	6,86,998	11,97,176	4,67,668	14,369	M.	488	Hoograjuli	23.50N	10	1.50	1.00	0.50‡	2.50	12	Y.
8,70,000	13,90,841	32,83,007	14,80,249	75,669	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	174.00	100	15.00	12.50	17.50	20.00	12	Y.
58,56,900	62,00,087	1,90,58,048	67,53,048	45,698	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	17.19	10	1.00	1.00	1.00	1.40	12	Y.P.
9,00,000	8,62,200	20,23,965	5,82,195	51,110	Gillanders Arbuthnot & Co., Ltd.	876	Jutlibari	25.50	10	1.00	1.75	1.00	1.00	12	Y.
3,60,000	13,02,500	16,52,939	7,79,490	91,530	M.	1,166	Kingsley-Golaghat (Assam)	227.00	100	25.00	25.00	25.00		12	Y.P.
1,80,000	7,000	20,18,041	3,18,793	—2,30,952	Duncan Bros. & Co., Ltd.	1,201	Kotamullai Tea	10.62	5	Nil	Nil	Nil	Nil	12	Y.P.
6,50,000	6,53,784	14,09,076	4,30,863	22,109	Duncan Bros. & Co., Ltd.	634	Ledo	16.25	10	0.75	Nil	Nil	Nil	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	17.75	10	2.00	1.50	1.00‡		12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	12.00	10	Nil	Nil	Nil		12	Y.P.
1,50,000	13,65,825	1,16,088	10,450	30,504	Kettlewell Bullen & Co., Ltd.	410	Mothola	475.00	100	60.00	40.00	40.00	25.00	12	Y.
1,75,000 P.O. 2,00,000	3,36,947	16,59,105	6,59,981	37,858	Andrew Yule & Co., Ltd.	373	Murphulani	23.00 23.25	O. 10 P.O. 10	2.00 2.50	1.75 2.25	2.00 2.50	2.00 2.50	12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	314	Namburnadi	12.87	10	1.50	1.50	Nil		12	Y.
5,00,000	20,000	7,66,315	3,69,599	35,282	Duncan Bros. & Co., Ltd.	728	New Clinnatolliah	81.00	100	Nil	Nil	Nil	Nil	12	Y.
2,00,000	8,46,089	18,39,252	5,27,546	45,190	Andrew Yule & Co., Ltd.	390	Rajgarh	40.50	10	4.00	2.50	2.50	3.50	12	Y.
9,00,000	2,56,006	32,81,411	13,29,355	20,383	M.	958	Sapoi	20.50	10	2.50	1.50	1.50	2.00	12	Y.
2,49,000	4,30,000	12,83,249	6,96,549	91,288	Williamson Magor & Co., Ltd.	501	Seajuli	25.25	10	1.50	2.25	2.25	1.75	12	Y.
5,98,000	13,64,556	19,34,492	6,32,207	7,126	McLeod & Co., Ltd.	495	Teloijan	23.25	10	3.50	3.00	2.50	2.50	12	Y.
3,00,000	5,97,055	14,42,247	5,27,787	64,646	Gillanders Arbuthnot & Co., Ltd.	521	Tengpani	38.00N	10	1.00	1.50	1.50	1.75	12	Y.P.T.
10,32,880	15,86,078	51,14,115	22,83,115	53,844	Shaw Wallace & Co., Ltd.	2,347	Tezpore	15.00	10	1.25	Nil	1.25	2.00	12	Y.
5,20,000	25,00,315	50,60,323	16,66,525	1,05,020	McLeod & Co., Ltd.	1,050	Tyroon	29.50	10	4.50	3.00	1.50	3.00	12	Y.P.
					CACHAR										
3,00,000	....	5,16,444	1,33,505	—2,43,041	M.	362	Arcuttipore	7.00	10	Nil	Nil	Nil		12	Y.
7,00,000	....	7,66,139	1,03,490	—3,49,181	M.	640	Eastern Cachar	2.87N	10	Nil	Nil	Nil		12	Y.
12,60,000	18,00,000	31,05,555	13,86,347	60,217	Octavius Steel & Co., Ltd.	2,208	Hattikhira	10.25	10	0.50	Nil	0.50	0.50	12	Y.
3,60,000	1,10,000	6,48,924	2,48,020	3,889	Duncan Bros. & Co. Ltd.	629	Kunchunpore	7.75	10	Nil	Nil	Nil		12	Y.
7,00,000	8,73,960	21,37,538	3,98,015	1,37,903	Assam Trading Co.	2,205	North-Western Cachar	160.00	100	15.00	15.00	20.00	30.00	12	Y.
2,60,000	3,32,179	12,84,475	3,70,957	—76,413	McLeod & Co., Ltd.	688	Roopacherra	12.75	10	0.50	Nil	Nil	Nil	12	Y.
5,35,000	10,97,014	14,64,650	4,63,459	41,094	Duncan Bros. & Co., Ltd.	720	Rungamattee	55.00	50	10.00	3.75	1.25	3.75	12	Y.
4,00,000	3,36,980	10,68,284	3,63,708	1,199	M.	662	Sonai River	8.00	10	Nil	Nil	Nil		12	Y.P.T.
					DARJEELING										
2,79,900	1,05,000	4,30,792	92,592	18,735	Williamson Magor & Co., Ltd.	466	Chamong	9.50	10	0.75	Nil	Nil	Nil	12	Y.
2,00,000	1,66,536	3,39,734	1,69,880	—893	M.	432	Dilaram	86.00N	100	5.00	Nil	7.50		12	Y.
2,00,000	3,18,765	3,67,216	3,43,216	—32,998	Davenport & Co., Ltd.	507	Gielle	9.12	10	Nil	Nil	Nil	Nil	12	Y.P.
1,50,000	3,51,872	5,41,385	2,25,788	12,425	Andrew Yule & Co., Ltd.	463	Mim	205.00	100	10.00	Nil	Nil	10.00	12	Y.
2,99,900	4,43,000	7,30,361	2,14,761	1,29,955	Williamson Magor & Co., Ltd.	690	Nagari Farm	23.12	10	3.50	2.50	3.00	2.00	12	Y.
1,00,000	1,11,500	4,70,736	2,49,237	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	500.00	100	Nil	Nil	32.50	32.50‡	12	Y.P.
3,00,000	3,500	6,09,868	2,51,814	—86,025	Duncan Bros. & Co., Ltd.	478	Poobong	6.00	10	Nil	Nil	Nil	Nil	12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	8.00	10	Nil	Nil	Nil		12	Y.P.
1,40,000	5,02,500	4,63,373	2,11,668	30,085	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	335.00	100	35.00	25.00	30.00	10.00	12	Y.
3,00,000	3,27,462	5,50,875	1,96,085	3,514	M.	389	Seeyok	10.50	10	Nil	1.00	1.50		12	Y.
9,00,000	65,000	11,65,737	2,33,715	7,369	Goenka & Co.	583	Singtom	5.75	10	0.50	0.50	0.50‡		12	Y.P.
3,00,000	4,45,000	7,56,966	3,49,266	1,75,267	Williamson Magor & Co., Ltd.	554	Soom	31.00	10	4.00	4.00	5.00	3.00	12	Y.
6,25,000	9,54,667	17,84,113	5,20,111	58,721	McLeod & Co., Ltd.	745	Sungma	12.00	10	1.50	0.75	1.50	1.00	12	Y.
3,20,000	7,28,815	14,29,114	3,93,614	—80,294	Davenport & Co., Ltd.	718	Teesta Valley	13.00	10	2.50	1.00	Nil	Nil	12	Y.
9,01,350	2,61,033	16,07,033	3,76,088	—2,94,248	Williamson Magor & Co. Ltd.	1,666	Tukvar	7.50	10	Nil	Nil	Nil		12	Y.
					DOOARS										
37,00,000	29,62,946	63,67,156	26,80,596	93,115	Andrew Yule & Co., Ltd.	2,540	Banarhat	316.00	100	40.00	20.00	20.00	32.50	12	Y.P.
12,00,000	18,39,305	47,37,495	26,67,822	68,917	Jardine Henderson Ltd.	948	Baradighi	24.25	10	2.00	1.50	1.50	2.50	12	Y.
9,00,000	17,95,074	27,34,742	13,24,580	6,018	McLeod & Co., Ltd.	1,112	Bhatkawa	17.12	10	3.00	1.50	Nil	1.00	12	Y.
9,00,000	17,47,500	28,48,801	9,90,295	40,081	Duncan Bros. & Co., Ltd.	1,348	Birpara	160.00	100	25.00	7.50	12.50	22.50	12	Y.P.
6,00,000	3,36,000	14,66,130	5,09,072	21,500	Duncan Bros. & Co., Ltd.	602	Carron	160.00	100	10.00	5.00	Nil	15.00	12	Y.
9,00,000	13,87,865	25,34,091	10,16,841	96,628	Andrew Yule & Co., Ltd.	903	Choonabhutti	260.00	100	35.00	20.00	22.50	30.00	12	Y.P.
3,00,000	4,36,000	9,76,473	4,70,943	22,233	Duncan Bros. & Co., Ltd.	478	Ellenbarrie	155.00	100	5.00	Nil	Nil	5.00	12	Y.
1,20,000	2,04,475	4,99,213	2,85,581	—59,525	Andrew Yule & Co., Ltd.	265	Engo	196.00	100	Nil	Nil	Nil		12	Y.
4,90,000	61,299	10,37,477	3,14,730	—35,008	M.	447	Ethelbarrie	9.87	10	1.00	0.75	Nil	Nil	12	Y.
7,50,000	6,75,164	18,93,293	11,88,007	89,367	Gillanders Arbuthnot & Co., Ltd.	1,129	Gairkhata	125.00	100	10.00	Nil	Nil	12.50	12	Y.
36,00,000	28,35,750	71,46,533	23,70,874	80,081	Duncan Bros. & Co., Ltd.	2,528	Hantapara	133.00	100	7.50	Nil	Nil	12.50	12	Y.P.
32,00,000	60,61,255	1,15,51,655	58,85,226	2,60,071	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	21.50	10	2.25	0.75	0.75	1.25	12	Y.P.
3,25,000	21,65,675	29,07,639	12,14,039	86,987	Davenport & Co., Ltd.	1,452	Huldibari	21.50	10	2.50	1.25	1.50	2.25	12	Y.
7,00,000	5,12,873	11,09,391	5,38,855	16,262	Andrew Yule & Co., Ltd.	607	Jaybirpara (Dooars)	18.25	10	0.60	Nil	Nil	0.50	12	Y.
9,00,000	16,16,009	24,52,378	7,58,905	42,315	Duncan Bros. & Co., Ltd.	937	Killcott	17.62	10	2.00	1.50	0.75	1.75	12	Y.
2,00,000	5,72,564	10,14,554	3,56,190	3,318	M.	573	Manabarrie	59.00N	10	2.00	1.50	0.50	0.50	12	Y.
3,60,000	19,37,000	26,78,567	9,58,041	25,611	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	161.00	100	15.00	7.50	5.00	17.50	12	Y.
14,00,000	20,80,530	34,00,526	12,34,687	52,126	Andrew Yule & Co., Ltd.	1,163	New Dooars	278.00	100	35.00	20.00	25.00	32.05	12	Y.P.
2,50,000	3,80,000	5,69,606	2,08,922	10,819	Duncan Bros. & Co., Ltd.	348	Phaskowa	127.00	100	7.50	Nil	Nil	Nil	12	Y.
6,00,000	9,10,472	16,36,533	7,19,908	—1,96,926	McLeod & Co., Ltd.	764	Rajabhat	14.00	10	1.25	Nil	Nil	Nil	12	Y.
7,65,000	15,51,579	30,13,553	15,15,626	48,739	McLeod & Co., Ltd.	1,035	Ranicherra	16.25	10	2.00	0.50	0.75	1.00	12	Y.
14,92,800	29,39,216	61,42,087	35,18,973	42,452	Jardine Henderson Ltd.	1,763	Rydak	31.00	10	3.00	2.00	2.50	3.00	12	Y.
					SYLHET										
3,00,000	17,95,000	10,31,473	3,96,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	24.50	10	Nil	Nil	Nil		12	Y.
6,00,000	11,04,551	9,56,429	2,61,464	45,770	Duncan Bros. & Co., Ltd.	610	Dauracherra	7.25	10	1.50	0.75	0.50	1.50	12	Y.
4,00,000	12,06,200	13,63,396	7,18,394	2,77,115	Shaw Wallace & Co., Ltd.	985	New Samanbag	25.00	10	3.00	3.00	Nil	Nil	12	Y.P.
35,00,000	66,24,901	65,50,342	27,50,049	2,25,758	Duncan Bros. & Co., Ltd.	4,151	Patrakola P.	158.00	100	10.00	10.00	20.00	40.00	12	Y.P.
9,00,000	22,94,227	21,07,338	7,06,543	31,974	Duncan Bros. & Co., Ltd.	1,190	Telliapara	107.00	100	15.00	6.00	12.50	17.50	12	Y.
					TERAI										
4,50,000	65,000	4,45,710	3,67,923	3,500	Goenka & Co.	667	Atal	8.31	10	0.50	0.50	0.25		12	Y.P.T.
2,50,000	4,15,000	4,12,655	2,34,210	25,498	National Tea Corporation	582	Belgachi	24.00	10	4.00	2.00	2.50		12	Y.
15,44,000	22,46,000	27,30,130	11,42,606	29,724	Duncan Bros. & Co., Ltd.	1,611	Gungaram	139.00	100	10.00	7.50	Nil	15.00	12	Y.
5,00,000	11,12,294	14,91,443	5,06,406	18,957	Duncan Bros. & Co., Ltd.	530	Hansqua	16.50	10	1.00	1.00	Nil	1.75	12	Y.
3,00,000	3,07,700	10,27,925	4,27,240	62,299	Davenport & Co., Ltd.	514	New Chumta	34.50	10	2.50	1.25	1.00	1.50	12	Y.
2,30,000	2,75,250	13,61,474	5,52,735	32,691	McLeod & Co. Ltd.	549	Tirrihannah	46.50	10	2.50	3.00	4.00‡		12	Y.P.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					CEMENT									
71,39,880	6,89,303	1,60,52,590	69,38,639	22,879	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.12	B. 10	1.00	0.75	1.00		12	Y.P.
59,90,098	6,05,000	1,74,94,866	13,63,500	4,434	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	9.00	10	Nil	Nil	0.45	0.70	3	Y.T.
43,14,600 4,70,976D.	12,14,532	1,51,44,736	81,04,633	....	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.44 0.69	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil	..	3	Y.T.
19,06,27,783	10,78,46,227	42,05,40,586	16,70,69,557	42,021	Cement Agencies (Private) Ltd.	Associated Cement Companies	144.50xd	100	9.00	8.50'C'	11.00	12.00	7	Y.T.
34,54,023	66,000	2,26,19,399	31,88,694	1,652	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.00	10	0.60	0.70	0.80		12	Y.
1,80,00,000 5,00,000	57,31,922	2,63,50,468	60,48,714	25,287	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	11.25 2.43	O. 10 D. 1	1.20 0.12	1.00 0.10	1.20 0.12		12	Y.P.T.
2,24,79,135	59,98,450	4,42,25,287	1,08,39,730	79,496	Essen Private Ltd.	India Cements Ltd.	6.15xd	5	0.41	0.45	0.45	0.55	3	Y.P.
3,00,00,000	49,63,184	7,98,62,040	1,92,20,989	1,44,304	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.56	10	1.25	1.25	Nil	0.60	3	Y.P.T.
3,25,00,000	63,61,275	5,39,55,507	1,36,50,770	8,77,321	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13.56	10	1.50	1.50	1.10		12	Y.P.
1,34,51,675	54,91,876	4,15,40,294	1,68,22,549	48,989	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	148.50	100	9.00	9.00	9.00		12	Y.P.
75,00,000	18,30,000	2,25,10,113	1,58,76,362	62,043	M.	Sone Valley Portland Cement	4.44	5	0.30	0.30	Nil		12	Y.
50,00,000	11,77,360	1,27,38,664	57,99,082	29,066	Essel (Private) Ltd.	Travancore Cements Ltd.	8.60	10	0.60	0.60	0.60		12	Y.

M—Managed by the Board of Directors. • 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

* Includes bonus. "P"—Patrakola Tea—Dividends for 1958 and 1959 are payable only when funds are available from Pakistan.

N.B.—Dividends paid since 31st March, 1959 are shown as taxable.

B.—Brooke Bond Estates—Dividend for the year ended 30th June 1960 is Re. 1.50 per share taxable.

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
30,00,000	....	31,38,138	13,22,835	83,215	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	10.50XR	10	*Nil*	*Nil*	*Nil*	0.60†	3	Y.
18,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.52	10	1.50	3.50	2.00		9	Y.P.
55,28,146	15,49,326	1,57,35,785	51,99,681	14,572	Bharat Ram Bhagat & Co.	Bengal Potteries	6.94	2½	0.25	0.25	0.356		12	Y.
10,00,000	36,69,030	77,31,751	41,17,891	35,599	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	40.00	10	1.75	1.75	1.87	3.00	3	Y.
14,17,900	7,43,447	27,67,737	14,26,044	4,056	Motichand G. Shaw, Esq. (Chairman)	Bombay Potteries and Tiles Ltd.	178.00	100	9.00	10.00	12.86		9	Y.P.
39,80,700	14,19,759	1,19,21,208	18,96,171	—25,65,524	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	190.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
£1,371,300	£1,705,275	£3,271,480	£1,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.86	Sh. 2	0.24	0.24	0.36		12	Y.
O.15,00,000 F.5,00,000	25,89,686	44,79,153	13,16,190	2,61,727	Bird & Co. Private Ltd.	Karanpura Development	20.00	10	*Nil* *Nil*	*Nil* *Nil*	1.50 0.50		12	Y.
50,00,000	....	14,32,400	....	—12,618	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	88.00	50	..	*Nil*	*Nil*		12	Y.P.
30,00,000	38,05,445	1,10,40,017	59,85,195	39,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works	26.00N	10	1.25	1.25	1.80		12	Y.P.T.
50,00,000	10,01,024	1,16,80,530	59,85,620	—19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd.	9.81	10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
6,00,000	5,26,433	13,40,698	7,63,285	7,276	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	14.62	10	1.00	1.00*	1.00*	1.428	3	Y.
20,00,000	54,00,644	64,43,150	31,99,595	38,340	Bird & Co. Private Ltd.	Orissa Minerals	40.00	10	2.00	2.50	3.60	1.501	6	Y.
10,46,370	65,42,410	1,02,15,679	38,53,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate	80.00	10	8.00*	8.00*	5.00		11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
12,11,000	....	....	....	....	....	Adarsh Chemicals	62.00	50	..	..	..		12	Y.P.
85,00,000	51,37,800	1,87,07,072	65,76,431	9,770	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	250.00	100	12.00	12.00	16.00		12	Y.P.
62,00,000O 2,47,97,000A	96,87,608	5,74,40,416	92,27,839	1,39,901	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	34.37	10	0.80	0.80	0.95		9	Y.P.
80,00,000	30,78,579	86,90,417	21,21,588	35,088	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	360.00	100	*Nil*	*Nil*	12.00		12	Y.P.
20,80,400	24,94,426	1,18,63,272	49,89,005	47,108	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	645.00	100	20.00*	20.00*	28.00*		12	Y.P.
2,00,00,000	39,08,362	3,56,08,722	1,05,40,064	72,946	Lalbhai Sons & Co.	Atul Products Ltd.	503.50	100	8.00	10.00	12.00		12	Y.
50,92,900	52,95,445	1,47,57,610	71,89,268	13,89,611	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	109.00	100	6.00	6.00	7.00	7.00	3	Y.P.T.
1,00,00,000	6,00,000	1,07,91,843	4,82,147	—42,985	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	316.25	100	..	*Nil*	*Nil*	*Nil*	3	Y.
22,73,150	26,99,000	77,57,081	36,10,218	44,349	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	231.25	50	5.00	6.00	10.00		12	Y.
64,40,682	56,78,075	1,69,27,890	67,30,520	—1,11,025	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	118.50	100	7.50	6.00	4.00(c)		3	Y.P.
3,46,06,075	14,62,000	5,13,68,593	2,80,28,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	10.18	10	*Nil*	0.40	0.60		12	Y.
1,50,00,000	23,35,000	51,41,000	15,22,000	10,072	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	460.00	100	*Nil*	*Nil*	*Nil*	6.00	3	Y.P.
12,00,000	6,37,883	27,43,796	14,20,459	47,412	Jal H. Mehta	Kemp & Co.	840.00	200	15.00	15.00	20.00	25.00	3	Y.
60,00,000	22,36,430	1,43,65,801	73,81,045	12,716	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.35cd	10	0.75	0.87½	0.88	1.25'C'	3	Y.P.T.
24,31,220	10,04,155	55,64,434	40,80,625	11,452	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.90	10	0.50	0.50	0.50	1.00	3	Y.
3,00,000	4,52,189	11,19,269	5,96,880	85,186	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	26.10	10	2.00	2.00	2.00	2.00'C'	3	Y.P.
40,00,000	30,96,379	58,16,750	11,97,185	27,844	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	225.00	50	..	*Nil*	3.00	5.50	3	Y.P.
15,00,000	14,69,737	24,40,260	15,05,655	98,591	C. A. Buxton	Smith Stanistreet & Co.	13.00xd	5	1.00	0.80'C'	1.25	1.25	6	Y.P.
3,37,50,000	....	....	....	....	Tulsidas Kilachand, Esq., (Chairman)	Synthetics & Chemicals Ltd.	127.50	75	..	..	..	..	..	Y.
1,39,95,990 1,11,91,270	42,17,119	5,89,52,538	2,06,73,886	14,509	Tata Industries Private Ltd.	Tata Chemicals	18.44 16.44	10Old 10New	0.80 ..	0.75 0.02	0.525 0.618	0.60 0.60	6	Y.P.T.
10,00,000	1,07,599	18,05,082	6,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	15.00cdcR	10	0.60	0.70	1.00	1.50	3	Y.P.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
8 74,78,370	1,17,08,657	15,23,94,046	4,04,47,092	688	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	86.50	100	2.25	6.50	6.75	7.00	3	Y.T.
81,28,750	21,63,886	2,36,72,375	59,65,971	15,69,279	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.16	10	0.42	0.85	0.90	1.00*	3	Y.P.
3,02,76,250	96,81,201	9,66,08,856	2,69,10,919	22,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	977.50	1,000	56.00	80.00*	80.00*	85.00*	3	Y.P.T.
1,75,00,000	73,52,280	4,06,37,564	98,09,329	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply	83.50	100	7.00	7.00	7.50	8.00	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6.00	10	*Nil*	0.50	0.60	0.66	3	Y.T.
48,39,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	108.50	100	2.50	7.50	8.00	9.50	3	Y.P.T.
60,62,500	23,52,407	1,43,50,560	46,79,945	5,210	Killick Industries Ltd.	Surat Electricity	84.50	100	8.75	7.00	7.00		3	Y.P.
2,39,99,575	1,01,57,424	7,01,96,385	1,89,09,836	25,281	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	100.75	100	5.52	8.00*	8.00*	8.50*	3	Y.P.
5,15,35,750	2,60,85,771	17,16,28,967	3,93,66,464	33,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,010.00	1,000	56.25	80.00*	80.00*	85.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
19,99,600	51,38,028	13,39,99,790	39,25,042	47,389	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	115.00	100	10.00	10.00	10.00	11.00	3	Y.T.
3,00,000	15,23,875	63,42,780	22,28,800	23,612	Martin Burn Ltd.	Bareilly Electric Supply	11.94	10	1.25	1.00	1.00	1.10	3	Y.T.
17,00,000	47,66,354	1,71,05,214	47,49,307	45,563	Martin Burn Ltd.	Benaras Electric Light & Power Co.	13.06	10	1.25	1.00	1.00	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	7.12	5	0.62	0.40	0.40	0.64	3	Y.
£4,262,646	£10,126,973	£33,604,377	£13,302,118	£108,138	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	14.81xd	£1	8¼%	7%	7%	7½%	3	Y.P.T
6,60,090	6,78,784	31,45,751	10,61,553	76,838	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8.00	10	1.00Z	0.65	0.65	0.75	3	Y.
43,20,000	24,88,968	1,02,37,174	38,05,104	4,38,960	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	93.00	100	6.50	7.00	7.50	10.00	3	Y.P.
5,34,640	1,24,635	34,43,088	14,37,084	2,947	Moonna Lall & Sons	Jhansi Electric Supply	6.50xdN	10	0.86Z	0.62½	0.62	0.70	3	Y.T.
22,49,550	27,02,877	1,07,31,716	40,42,278	30,296	Martin Burn Ltd.	Jubbulpore Electric Supply	11.87	10	0.92	0.92	0.92	1.00	3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	9.50	10	1.25Z	1.00	1.00	1.25	3	Y.
35,07,380	40,44,800	1 41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.25	10	1.25Z	0.75	0.75		3	Y.T.
9,10,000	2,37,616	12,60,524	5,84,092	5,200	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6.37	10	*Nil*	0.50	0.50	0.625	3	Y.
16,50,000	13 87 254	78,27,858	44,96,906	2,037	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.50xd	10	0.94	0.68	0.75	1.00	3	Y.T.
69,99,680	13,06,142	2,06,37,818	67,68,084	3,023	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	9.85	10	1.28	0.87	0.90	0.90'C'	3	Y.P.T.
5,00,000	11,62,458	52,32,335	12,25,684	86,698	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	16.25	10	1.25	1.25	1.25	1.35	3	Y.
56,01,185	78,57,136	4,08,85,812	1,45,66,727	85,399	Martin Burn Ltd.	U. P. Electric Supply Co.	110.00	100	10.00	10.00	10.00	11.00	3	Y.T.
4,00,000	9,84,990	40,87,637	11,42,884	2,88,269	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.10	10	1.00	1.00	1.00	1.50	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
32,42,200	49,44,187	75,65,494	60,76,287	28,009	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	257.00	100	12.50	12.50	17.00		12	Y.
19,96,360	2,31,926	20,32,188	7,13,268	2,319	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	81.00	80	3.00	3.00	4.00		12	Y.
45,19,800	25,03,448	93,35,767	46,96,997	75,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	175.00	100	7.00	10.00*	12.00*	18.00*'C'	6	Y.
40,00,000	25,000	1,05,86,590	9,91,658	—3,47,548	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.16	10	*Nil*	*Nil*	*Nil*		9	Y.
40,00,000	4,14,207	62,24,434	21,96,624	87,265	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	98.50	100	6.00	7.00	10.00		4	Y.P.
59,99,900	84,82,780	2,25,73,362	1,37 51,802	70,946	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	167.50	100	9.00	9.00	13.00	13.00'C'	6	Y.P.T.
6,00,000	4,15,000	1,58,191	1,29,812	3,288	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	72.00	50	5.00	5.00	5.00	4.00	3	Y.
44,96,250	4,06,652	62,45,798	27,13,547	2,497	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	15.36	10	*Nil*	0.50	0.775		9	Y.P.
42,96,023	78,89,668	1,21,65,928	66,66,471	11,866	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	49.00	25	0.20	0.25	0.30	0.25	7	Y.
25,00,000 12,50,000	15,59,000	1,02,91,000	29,85,000	....	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	18.52 19.00	10 (10 New)	0.90	1.00	1.00	1.48 1.48	3	Y.
10,53,725	2,17,037	22,14,424	2,62,435	2,50,491	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	150.00	100	..	..	..	*Nil*	3	Y.P.
30,00,000	27,05,928	73,01,690	28,82,816	56,253	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	88.00	10	1.00	1.25	1.25	1.80'C'	3	Y.P.
1,32,00,000	42,63,182	1,34,87,855	31,17,639	1,18,237	M.	Mahindra & Mahindra Ltd.	21.52	10	1.75	2.20	1.25		10	Y.P.
11,00,000	3,45,914	40,22,575	24,15,196	1,616	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	130.00	100	*Nil*	*Nil*	*Nil*		7	Y.P.
60,15,060	45,30,000	1,21,27,185	40,92,378	2,253	Jeewan Private Ltd.	Mukand Iron & Steel	24.00	10	1.00	1.20	1.00*	1.20	2	Y.P.
25,00,000 14,99,250	40,76,797	1,06,26,418	51,58,671	6,625	Kirloskar Associates	Mysore Kirloskar Ltd.	190.00 182.50	100 100 New	6.00 ..	7.50 ..	12.00 6.00	12.00 12.00	6	Y.
22,27,700 22,72,000	5,36,616	47,79,336	14,99,037	92,426	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	108.00 171.00	100 (75 New)	.. ..	.. ..	9.00 ..	12.00 0.50	3	Y.P.
22,50,000	1,34,42,446	3,81,298	1,40,739	1,36,103	Walchand & Co. Private Ltd.	Premier Construction	190 00XR	30	10.00	12.60	18.00		12	Y.P.
25,00,000	36,23,031	93,40,964	37,60,929	14,392	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	230.00	100	18.00	18.00	17.00		6	Y.P.
27,56,21,325	27,01,22,014	1,67,40,64,801	54,97,16,236	3,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	146.25	75 Old	9.50	8.25	6.80	9.75'C'	3	Y.P.
7,99,99,200	1,71,91,786	21,41,33,116	9,39,94,684	2,24,171	Tata Industries Private Ltd.	Tata Locomotive	301.50	100	8.00	9.00	9.00	12.50	3	Y.P.T.
10,00,000	3,35,000	23,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg., Co.	330.00XR	100	5.00	10.00	14.00	18.50	5	Y.
2,65,60,000	48,26,696	82,34,736	18,74,466	2,26,895	S. K. Handoo, Esq.	Voltas Ltd.	261.25	100	9.00	9.00	12.00†		3	Y.
17,50,000	....	....	....	....	M	Zenith Steel Pipes Ltd.	2.86	2.50	..	..	..	..	6	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
6,00,000	34,571	20,51,215	15,01,855	—4,46,520	North Bihar Trading Co. Ltd.	Arthur Butler & Co.	12.25	10	*Nil*				10	Y.P.T.
50,00,000	30,49,221	1,55,31,495	39,56,972	3,60,479	M.	Bhartia Electric Steel	11.50	10	1.25	1.25	1.50		12	Y.
56,59,790	70,94,966	77,33,705	12,79,386	2,27,080	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	81.56	10	3.00	1.25	2.25		12	Y.
12,00,000	32,12,634	79,76,068	44,53,942	1,72,648	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	55.00N	10	2.00	2.00'B'	3.00		12	Y.P.
19,35,670	7,04,341	39,97,530	14,03,595	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	5.00	10	0.50	0.50	0.60		3	Y.P.
49,90,000	41,43,365	98,27,511	48,02,704	1,32,451	McLeod & Co., Ltd.	Britannia Engineering	13.69	10	0.60	0.60	1.00		12	Y.P.T.
5,00,000	7,72,971	24,63,921	14,46,244	74,498	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	21.00XR	10	2.00	2.00	2.50		12	Y.
24,00,000	2,33,60,602	4,96,65,264	2,94,73,871	1,24,616	Martin Burn Ltd.	Burn & Co.	439.00	100	20.00	20.00	23.50	25.50	4	Y.P.
50,00,000		35,75,759	95,632	1,02,035	M.	Calcutta Steel Co., Ltd.	16.50	10	..	..	..	6.00	3	Y.
1,00,00,000	12,33,028	1,89,66,744	10,15,600	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
2,00,00,000	2,54,07,647	6,74,59,338	2,15,47,390	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	37.75	10	2.00	2.00	2 40		12	Y.T.
12,50,000	28,60,000	60,91,575	40,46,109	7,047	Martin Burn Ltd.	Hooghly Docking	107.00	50	5.00	5.00	6.00		12	Y.P.
12,44,08,990	21,14,27,026	71,57,58,772	14,60,01,060	11,49,767	Martin Burn Ltd.	Indian Iron and Steel	24.36	10	1.00	1.00'C'	1.00	1.50	3	Y.P.
33,93,500	61,33,742	1,23,74,955	72,85,332	48,705	Martin Burn Ltd.	Indian Standard Wagon	85.00	25	7.50*	5.00	5.00	7.125	3	Y.P.
96,53,160 26,580	2,52,04,628	2,22,95,589	1,52,64,925	10,91,465	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	37.87 17.12	0.10 O. 1	4.00 0.40	4.00 0.40	1 62½ 0.16½	2.30 0.23	8	Y.
91,12,500	75,99,306	3,71,15,564	1,40,36,750	6,322	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	31.25	10	1.50	1.20	1.20	1.715	8	Y.P.T.
20,00,000	22,32,813	76,16,494	17,47,992	75,109	J. K. Industries Private Ltd.	J. K. Steel Ltd.	19.06	10	1.25	1.25	1.25		6	Y.P.
1,01,99,000	1,02,40,315	2,77,47,345	84,30,378	63,747	B. P. Singh Roy, Esq. (Chairman)	Jessop & Co.	19.87	10	*Nil*	0.60	0.852		10	Y.P.
27,64,300	48,74,633	90,18,956	33,26,450	51,233	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	6.06	3	0.45	0.30	0.30'C'		11	Y.P.T.
10,50,000	1,90,990	13,32,345	14,72,111	3,513	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	4 53	2	0.40	0.40	0 20		6	Y.
49,96,000	13,28,439	1,37,17 076	81 10,264	—1,06,083	M.	National Iron and Steel Co., Ltd.	6.50	10	0.62	0.62	0.75		3	Y.P.T.
40,00,000	30,56,944	50,38,480	13,59,471	9,698	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.44N	10				*Nil*	6	Y.P.
6,00,000	11,05,251	31,29,091	21,37,426	17,915	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	6.94	4	0.40	0.40	0.25	0.25	3	Y.
1,50,00,000	55,23,079	4,19,73,529	1,96,95,885	37,204	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	22.70	10	1.50	1.50	2.00		12	Y.P.T.
36,22,450	14,67,750	69,49,605	26,20,291	4,566	Balasundaram & Co.	Textool Co., Ltd.	173.00	100	20.00	12.00	15.00	15.00	4	Y.

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
13,50,000	46,52,425	1,45,73,387	....	23,640	N. M. Cole, Esq. (Mg. Director)	Concord of India	10.06	5	1.00	1.00	1.00		12	Y.
19,00,000	11,65,196	28,43,630	....	66,390	M.	Devkaran Nanjee Insurance	81.00	50	3.00	3.00	2.00		12	Y.
24,00,000	71,01,264	1,40,68,520	....	3,62,182	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	23.12	10	2.00	2.00	2.00		12	Y.
16,92,240	37,17,768	88,96,037	....	4,17,522†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	42.50	40	3.50	3.75	5.35		12	Y.
20,00,000	63,51,546	1,74,97,768	....	45,112	M. G. Mody, Esq. (General Manager)	New Great Insurance	19.76	20	2.00	2.00	2.50		12	Y.
1,06,81,596 85,61,000	3,27,40,502	14,89,78,776	....	44,28,397	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	56.00 56.00	15 15New	5.00 ..	4.00 4.00	5.70* 5.70*		12	Y.
22,00,000	92,52,493	1,29,48,849	....	8,214	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	7.84	8	0.62	0.62	0.80		12	Y.
5,75,000	67,12,673	1,13,08,489	....	1,66,129	J. D. K. Brown, Esq.	Triton Insurance	143.00	25	11.25	11.25	11.25		12	Y.
15,99,270	39,15,382	1,02,06,244	....	10,014	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	16.48	10	1.50	1.50	2.00		12	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors. Z.—Dividend is for fifteen months ended 31st March 1957

x—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
£562,500	£212,932	£745,697‡§	....	£1,003	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	2.00	Sh. 8	*Nil*	2%	*Nil*	8%	3	Y.
35,00,000	86,35,342	89,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0.60	*Nil*	0.60		12	Y.P.
1,00,00,000	1,59,93,634	1,00,77,425	52,21,479	4,47,387	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	22.62	10	2.60	2.90	2.50	1.001	12	Y.P.
70,07,475	49,40,536	2,47,94,315	1,56,70,926	46,303	Tata Industries Private Ltd.	Tata Oil Mills	75.00	25	2.50	2.50	3.25	5.75	3	Y.P.T.
8,00,000	9,39,137	2,55,770	1,73,025	82,687	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	17.50	10	1.25	1.50	2.20	0.70‡	10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
87,49,031	13,87,920	2,86,44,147	2,03,51,666	2,53,280	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	72.00	25	*Nil*	*Nil*	2.50		6	Y.P.
48,00,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	92.50	25	3.12	5.50	3.00		12	Y.P.T.
88,20,000	80,25,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	18.87xd	10	1.40	1.00	1.00	1.50'C'	3	Y.
12,50,000	....	....	....	....	M.	Jayant Paper Mills Ltd.	71.00	75	....	....	....	....	3	Y.
1,40,00,000	....	1,04,58,852	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	10.12	10	....	....	....	....	6	Y.P.
25,00,000	37,42,800	1,54,64,008	1,03,95,960	51,968	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	23.25	10	1.00*	1.00	1.25*	1.50	3	Y.
1,46,82,500	3,21,50,238	10,01,40,260	3,07,78,182	4,22,620	Birla Brothers Private Ltd.	Orient Paper	39.80	10	1.50	1.50	1.50	2.25	3	Y.P.T.
1,75,00,000	....	....	....	....	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	4.25	5	....	....	....	....	3	Y.
1,38,51,420	1,09,54,433	3,40,18,914	1,26,74,532	1,36,712	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	27.50	10	1.25	1.25	1.78		12	Y.P.T.
50,00,000 A'10,00,000	8,39,128	77,35,854	43,04,384	6,122	Bajoria & Co.	Star Paper Mills	13.00 13.00	O. 10 A. 10	0.60 0.90	0.60 0.60	0.30 0.30		9	Y.P.
2,16,55,240	56,23,786	5,27,98,634	1,40,50,912	72,313	Birla Brothers Private Ltd.	Sirpur Paper Mills	15.92	10	0.50	0.65	0.65		6	Y.P.
A.56,00,000 B.96,04,800 P.O.4,37,500	3,51,39,745	8,81,10,708	4,28,97,712	2,48,642	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	36.25 36.25 3.75	A. 10 B. 10 P.O. 2½	2.38* 2.38* 0.24	2.38* 2.38* 0.24	2.50* 2.50* 0.25*	2.50 2.50 0.295	3	Y.P.T.
99,96,675	4,76,475	5,11,72,599	35,807	....	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	185.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
13,99,998	19,59,360	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.62	3	*Nil*	*Nil*	....	....	9	Y.
99,25,000 42,00,000	3,46,95,997	5,74,47,341	2,67,52,541	1,47,502	Wallace & Co.	Bombay-Burmah Trading Corpn.	262.00 195.00	Old125 New50	47.60K 19.00K	22.50 9.00	22.75 9.50	37.50 15.00	5	Y.
20,00,000	20,50,363	21,44,636	10,69,639	1,05,966	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	26.75	10	2.75	2.50	2.50	1.00‡	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
18,00,905	9,93,823	31,10,427	19,27,489	48,466	M.	Balrampur Sugar	3.00	2.50	0.25	0.25	0.40‡	0.20	6	Y.
12,00,000A. 3,00,000B.	36,05,704	66,14,329	42,19,339	10,00,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	125.00N 11.60N	A.100 B. 10	10.00 1.00	10.00 1.90	10.00 1.00		4	Y.T.
10,49,050	10,53,726	43,95,189	27,45,553	41,363	Bangur Bros., Ltd.	Belsund Sugar	11.62	7½	1.00	1.00	1.40		9	Y.
15,00,000	14,08,556	28,95,027	15,95,690	4,173	Cotton Agents Private Ltd.	Bharat Sugar	16.00	10	1.50	1.00	1.50	1.50	6	Y.P.
32,00,000	30,96,740	1,52,64,276	1,05,44,576	14,180	Gladstone Lyall & Co., Ltd.	Carew & Co.	9.25	10	*Nil*	0.25	*Nil*		9	Y.P.T.
80,00,000	65,53,414	1,66,80,484	1,04,13,264	—16,86,179	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	12.62	10	*Nil*	*Nil*	*Nil*		10	Y.P.
13,00,000	45,46,234	84,73,277	64,52,904	27,968	British India Corporation, Ltd.	Champarun Sugar	19.44	10	*Nil*	1.00	1.50	1.50	6	Y.
9,58,252	6,10,632	32,39,842	20,22,495	6,101	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.00	10	0.50	0.50	1.25		8	Y.T.
26,00,000	32,58,160	71,38,945	44,96,828	3,29,729	M.	Durbhanga Sugar Co., Ltd.	13.37	10	2.00	1.50	2.00		3	Y.
60,00,000	78,32,000	2,29,19,973	1,18,95,886	52,021	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	341.25	100	15.00	15.00	15.00	29.00*	6	Y.P.
22,50,000	14,41,216	38,56,210	54,42,213	9,576	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	165.00	40	7.00	4.00	4.20		7	Y.P.
7,00,100	25,58,620	52,91,471	30,33,160	6,246	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	2.50	2.50	2.66		6	Y.P.
11,00,000	4,58,234	49,20,280	29,86,570	10,502	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.25	0.37		5	Y.
18,51,000	46,26,185	78,08,274	29,12,884	24,741	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	360.00	100	20.00	20.00	29.00		6	Y.
77,52,210	89,76,949	2,77,58,474	1,49,52,234	24,386	Cotton Agents Private Ltd.	Oudh Sugar	196.00	100	12.50	12.50	18.25	20.00	7	Y.P.
18,00,000	13,65,815	37,56,130	22,83,412	1,62,250	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00N	100	*Nil*	6.00	15.00		10	Y.
9,00,000	23,02,870	51,19,941	35,72,585	4,006	M.	Purtabpore Co.	12.50	10	*Nil*	*Nil*	*Nil*		10	Y.P.
20,00,000	2,92,000	25,30,109	14,67,024	2,192	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.50	10	0.30	0.30	0.30	0.40	2	Y.
65,00,000	20,22,000	83,23,086	26,83,281	3,91,544	Govan Bros. (Rampur) Private Ltd.	Rasa Buland Sugar	13.87	10	1.50	1.25	1.20		10	Y.
8,00,000	6,30,752	29,37,567	23,93,295	4,779	M.	Ryam Sugar	12.00	10	1.50	1.50	0.50		6	Y.P.
11,00,000	16,90,377	48,13,684	26,03,230	20,614	M.	Samastipur Central Sugar	12.12	10	*Nil*	0.25			6	Y.
39,99,000	23,94,873	1,36,84,437	80,62,270	41,428	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13.37	10	1.00	1.00	1.50		7	Y.P.T.
10,02,115	24,460	34,19,815	15,98,051	1,196	H. K. Ghosh, Esq. and B. N. Dutta, Esq. (Managing Directors)	Sitalpore Sugar	6.25	10	*Nil*	*Nil*	*Nil*		6	Y.
15,89,062	16,10,752	39,27,180	22,85,030	21,350	M.	Shri Sitaram Sugar	12.00	10	0.50	0.50	0.90		8	Y.
7,00,035	10,42,602	26,39,866	15,99,355	19,296	M.	Tulsipur Sugar	4.94	5	....	....	....	0.62	6	Y.
3,00,000	48,06,902	1,83,27,070	97,43,300	44,690	Cotton Agents Private Ltd.	Upper Ganges Sugar	68.00N	10	5.00	5.00	7.25		6	Y.P.
16,00,000	14,52,294	36,63,170	28,80,100	1,03,870	M.	United Provinces Sugar	17.00	10	0.75	1.00	1.50		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
36,00,000	46,88,000	91,38,896	36,74,032	22,950	Bangarao & Co.	Andhra Sugars Ltd.	28.00	10	1.25	1.50	2.00		9	Y.
28,84,500	6,25,000	91,67,330	4,84,457	21,247	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	139.00cd	100	100	*Nil*	*Nil*		6	Y.P.
70,49,650	1,52,02,875	1,63,95,390	1,10,68,264	82,986	W. H. Brady & Co., Ltd.	Belapur Company	302.00	50	18.00	20.00*	21.00	29.00	9	Y.
17,50,000	15,17,192	44,93,634	27,37,735	5,189	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	29.00	10	2.00	2.00	2.50		9	Y.P.
37,50,000	16,97,191	33,92,712	57,50,845	2,07,295		Shree Changdeo Sugar	29.50	12.50	2.25	2.25	2.90		9	Y.
29,84,000	58,53,634	1,45,32,270	78,22,738	1,29,253	Parry & Co., Ltd.	Deccan Sugar & Abkhari	14.65cd	5	0.72½'C'	0.90	0.90	1.28	5	Y.P.
£800,000	£1,575,453	£1,950,379	£1,101,544	£32,296	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	40.50	£1	Sh. 3	Sh. 4	Sh. 4		6	Y.P.T.
15,93,900	25,45,560	48,87,330	29,79,997	30,235	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	10.00	10.00	10.00		6	Y.P.
63,97,650	9,79,348	31,86,670	27,59,256	5,62,866	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.85	10	1.06	1.06	1.35		9	Y.P.
32,45,572	18,99,861	1,46,85,331	24,18,708	2,090	B. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	18.10	10	0.60	0.60	1.00		9	Y.P.
58,86,150	97,90,290	3,52,12,096	84,34,323	91,745	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	24.53cdXR	10	0.75	0.75	1.50		6	Y.P.
17,00,000	10,33,215	74,23,032	30,91,996	—16,90,964	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	77.50	100	*Nil*	*Nil*	*Nil*		6	Y.P.T.
67,50,000	49,93,558	1,33,05,021	66,83,029	1,61,904	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	187.00	50	20.00	17.00	21.00		9	Y.P.
21,70,280	99,00,150	1,62,19,219	1,01,72,952	45,172	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	59.75	10	2.00	3.00*	3.00		6	Y.
1,30,02,190	89,38,852	3,02,65,586	1,65,42,024	2,521	Industries (I.F.) Dept., Govt. of Andhra Pradesh	Nizam Sugar Factory Ltd.	66.00	25	4.50	4.50	5.40		6	Y.P.
50,00,000	54,03,170	1,36,64,896	72,75,195	63,804	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	148.00	50	12.00*	10.00	13.50		9	Y.
16,59,820	41,08,356	78,06,159	39,32,790	59,432	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	25.69	10	1.50	1.50	2.14		8	Y.P.T.
40,00,000 D-4,00,000	43,67,914	1,37,22,721	65,29,942	79,364	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	80.00 30.00	O. 50 D. 50	12.00 3.75	12.00 3.75	8.50 3.75		9	Y.P.T.
30,00,000	21,06,500	69,10,952	33,56,498	1,46,735	Parry & Co. Ltd.	Travancore Sugars	10.75	10	1.00	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,84,16,522	3,47,34,595	1,29,06,498	1,77,732	Walchand & Co. Private Ltd.	Walchandnagar Industries	228.75	100	21.00	21.00	20.00		2	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
30,00,000	16 33,754	30,65,990	12,43,589	966	Jolly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	282.50XR	100	..	*Nil*	*Nil*	6.00‡	8	Y.P.
39,50,000	....	1,10,78,000	19,68,000	....	....	Automobile Products	12.00	10	..	..	..	..	7	Y.
7,50,000	2,60,000	22,10,441	9,21,457	3,466	The Associated Agencies (Pvt.) Ltd.	Associated Rubber Industries Ltd.	105.00	100	7.00	7.00	10.00		12	Y.P.T.
25,00,000 6,25,000	1,50,600	17,82,985	5,64,037	6,584	Jamnalal Sons Private Ltd.	Bajaj Electricals	115.50 57.00	100 50 New	7.50 ..	9.00 ..	5.00 ..	8.10 2.70	3	Y.P.
14,98,849	3,27,709	37,56,956	23,15,699	17,694	Chunilal Manilal Private Ltd.	Estrela Batteries	61.50	50	3.50*	3.00	3.50*	4.50	3	Y.P.
19,00,000	9,40,553	10,20,495	4,90,761	31,694	Aero-Auto Private Ltd.	Bombay Cycle & Motor	23.52	20	1.75	1.00	2.00	2.50	3	Y.
1,14,90,000	13,000	1,08,34,000	15,000	27,205	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	227.50	100	..	..	*Nil*	..	12	Y.
1,35,00,000	50,12,115	21,25,643	7,05,848	44,119	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	155.00	100	7.50	10.00	7.50	11.00	3	Y.P.
4,00,000 51,66,500	....	9,14,417	11,195	39,813	P. H. Sorine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N 50.00N	100 50	..	..	..	..	10	Y.
31,07,000	9,13,024	1,17,36,431	72,51,407	—4,82,050	Birla Brothers Private Ltd.	Hind Cycles	89.00	100	12.50F	7.00	*Nil*		3	Y.P.T.
15,00,000	....	3,17,049	....	....	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	7.76	7.50					12	Y.
5,57,00,000	1,46,48,754	6,77,10,152	40,19,209	2,09,69,272	S. H. Turner, Esq. (Chairman)	Hindustan Lever	43.00	10	1.40	1.30	2.40		12	Y.
21,17,500	7,73,396	27,73,828	21,27,149	4,342	Forbes Forbes Campbell & Co., Pvt. Ltd.	Indian Vegetable Products Ltd.	135.00	100	10.00	10.00	15.00	17.00	9	Y.
5,00,00,000	28,98,823	5,94,58,227‡‡	....	99,783	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	71.00	100	4.00	4.00	5.00		12	Y.
99,99,250	20,22,470	1,31,06,987	....	53,513	Premchand Roychand & Sons	Industrial Investment Trust	80.00	100	5.50	6.00	6.00		12	Y.
18,55,900	8,40,945	46,67,187	19,20,438	7,498	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	134.50	100	5.00	6.00	8.50		12	Y.P.T.
30,00,000	1,30,912	35,42,718	49,35,393	5,912	Kamani Brothers Private Ltd.	Kamani Metals & Alloys Ltd.	10.00N	10	..	0.50	0.75		6	Y.P.T.
1,00,00,000 54,82,500	33,17,365	46,22,945	16,84,818	4,237	A. N. Hakser, Esq. (Mg. Director)	Killick Industries	100.00	100	11.00	13.00	9.00		11	Y.
11,25,100	80,000	13,42,154	4,06,143	2,85,198	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	81.50	100	3.00	7.00	6.00	10.00	3	Y.P.
37,60,000	40,51,233	82,34,133	43,83,594	1,37,051	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	405.00	100	15.00	18.00	25.00		12	Y.
30,99,300	24,50,766	65,97,395	18,34,599	30,136	Polson Agencies Private Ltd.	Polson Ltd.	161.00	10	10.00	10.00	15.00		12	Y.P.
4,73,28,625	1,17,81,972	5,94,80,033	2,64,36,782	3,23,922	Aero-Auto Private Ltd.	Premier Automobiles	166.50	100	6.00	4.00	9.00	9.00	6	Y.T.
4,73,200 5,13,400	1,71,915	30,66,967	9,69,029	29,056	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	6.00 3.00	6.00 3.00	9.00 4.50	3	Y.P.
10,00,000	....	....	....	....	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	96.50	50	..	..	..		12	Y.
37,50,000	11,30,411	63,36,858	30,74,854	3,223	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	176.00	100	8.00	8.00	14.00'C'		6	Y.
13,57,000	1,97,040	24,69,860	3,09,912	1,939	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	50.00	50			*Nil*		3	Y.P.
6,22,180	2,73,159	3,45,562	2,36,133	2,359	Modi & Co.	Supreme Industries Ltd.	157.50	100	6.00	7.50	9.00	13.00	3	Y.P.
2,75,00,000	1,77,59,354	4,02,08,135	1,92,14,143	4,30,313	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co. Ltd.	262.00	100	11.00*	11.00*	16.00*		12	Y.
17,00,000	2,06,719	29,42,802	15,42,157	26,099	Hasham Premji	Western India Vegetable Products Ltd.	122.50	100	7.00	8.00	8.00		3	Y.
[illegible]	66,32,300	11,56,665	6,47,070	3,56,267	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	357.50	150	25.00	25.00	25.00		12	Y.

* Includes bonus. † Subject to taxation. K.—Includes an additional dividend of Rs. 7.00 per old share and Rs. 3.00 per new share.

M.—Managed by Board of Directors. ‡ On old capital. §Exempt from tax. ‡‡ Investments at cost.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					UNCLASSIFIED (Other Centres)									
62,50,000	2,03,52,495	3,95,14,452	1,19,43,880	1,13,745	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	16.69	O. 10	0.90	0.90	1.00	1.20	3	Y.P.T.
80,00,000	39,83,750	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	22.85	10	1.25	1.25	1.25	1.80	3	Y.
30,00,000	36,44,175	36,06,360	25,56,851	2,24,865	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	22.06	10	1.80*	1.50	2.00		3	Y.
2,46,73,690	25,63,610	2,20,70,296	60,76,913	20,076	A. B. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	8.65	5	0.30	0.30	0.40		12	Y.
30,00,000	20,24,770	40,25,468	21,84,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	20.00	10	1.25*	1.25*	1.80		12	Y.
1,18,00,000	..	..	..	..	H. M Cox..	Associated Battery	35.62	10	1.50	2.40	4.00	1.50i	8	Y.
30,00,000	35,34,600	1,05,71,381	42,22,843	1,54,774	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	6.25	10	0.60	0.60			3	Y.P.T.
30,01,400	33,06,330	77,88,003	41,34,215	5,14,649	A. T. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	214.00	100	12.50	20.00	25.00	7.00i	12	Y.
12,00,000	22,70,218	35,44,373	30,14,273	2,19,995	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	42.25	10	2.50	2.50	4.50	1.50i	12	Y.
50,00,000	1,77,308	59,03,167	96,073	—4,55,649	H. R. Sugla, Esq. (Mg. Director)	Bharat Commerce & Industries Ltd.	18.31	10	*Nil*	*Nil*	*Nil*		12	Y.P.
20,00,000	7,79,721	64,19,086§§	....	55,032	Lovelock & Lewis	Birds Investment Ltd.	13.50	10	0.50	0.70	1.10		9	Y.P.
45,97,020	55,50,348	1,22,49,277	58,59,733	2,18,638	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	36.62	10	1.00	1.20	1.40	2.50	3	Y.P.T.
8,25,00,000	1,58,58,664	1,08,09,000	2,65,54,909	74,442	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	7.00	5	*Nil*	*Nil*	*Nil*		12	Y.P.
1,38,80,000	14,44,223	1,90,82,924§§	....	2,16,378	Andrew Yule & Co., Ltd.	Clive Row Investment	9.25	10	0.75	0.75	0.83H		12	Y.
5,60,000	10,00,000	39,64,879	26,56,156	3,266	M.	Delhi Flour Mills, Co., Ltd.	15.00N	10	1.00	1.00	..		10	Y.P.T.
3,00,00,000	5,12,87,509	9,62,33,758	3,45,33,270	24,03,447	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	41.37	10	1.62	1.62	2.15		12	Y.P.T.
27,27,165	1,20,49,803	59,73,067	23,80,820	26,402	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	26.75	5	0.60	0.75	0.80	1.25	3	Y.
51,26,000	57,17,047	1,60,56,711§§	....	3,52,287	Bird & Co. Private Ltd.	Eastern Investment Ltd.	137.00	100	9.00	9.00	14.00		12	Y.P.
14,98,000	3,52,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	15.00	10	*Nil*	*Nil*	0.50		12	Y.P.
48,90,187	77,72,810	95,28,776	52,86,250	4,07,338	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	16.25	12.50	1.50	1.50	1.60		9	Y.P.
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	218.00	100	12.00	15.00	17.00	17.50	3	Y.
7,50,000	4,20,000	1,21,085	48,631	5,551	Gany & Co.	General Papers Ltd.	11.06	10	0.80	1.25	1.25		3	Y.
65,00,000	36,24,200	30,57,755	15,91,667	1,71,222	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	12.75	10	1.00	1.00	1.00	1.00	3	Y.P.
40,00,000	4,78,500	70,95,493	41,39,847	10,40,721	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	24.75N	10	1.50	2.00	2.60		12	Y.P.
30,00,000	15,67,354	84,64,988	38,51,718	59,181	B. P. R. Syndicate	Great Eastern Hotel	235.00	250	5.00				3	Y.
4,96,13,275	49,51,450	7,36,56,187	3,25,48,254	3,63,217	Birla Brothers Private Ltd.	Hindustan Motors	20.28	10	*Nil*	*Nil*	0.50	0.90	3	Y.P.
30,00,000	16,64,528	99,48,437	33,67,174	1,31,125	Lalukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	29.50	10	0.60	0.60	1.20		10	Y.
15,16,00,000	9,64,76,893	11,31,66,117	2,88,76,995	24,77,765	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	12.25	10	0.70	0.70	0.60	0.80	3	Y.
5,97,67,760	2,01,79,740	9,72,38,273	3,00,11,654	32,42,051	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	29.87	10	0.60	0.70	1.20		12	Y.P.T.
2,38,77,700	2,02,99,648	2,95,48,176	1,37,19,570	45,64,364	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	32.62	10	1.50*	1.50*	1.50*	2.25	3	Y.P.T.
2,00,00,000	1,28,81,493	5,99,68,652	2,48,66,248	13,78,431	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	40.50	10	1.00	1.00	1.50	1.50	9	Y.
20,38,250	70,550	51,92,992	17,57,026	33,618	M.	Indian Plastics Ltd.	9.87	10	0.37	*Nil*	*Nil*	*Nil*	3	Y.P.
8,27,970	6,14,570	17,46,166	10,03,558	97,031	M.	Indian Rubber Manufacturers	18.00	10	0.62				3	Y.P.
2,60,00,000	78,10,723	42,66,244	15,92,103	5,21,494	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	63.00	100	2.50	2.50	5.00	7.00	3	Y.P.
15,00,000	12,02,095	18,79,279	13,27,977	17,262	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	11.75xd	10	2.00	3.50	2.00	0	3	Y.P.
1,45,82,750	1,13,19,046	69,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	27.44	10	2.12*	2.12*	2.75		9	Y.P.
6,00,000	4,20,000	14,85,526	6,66,994	1,49,226	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	31.25	10	2.40	2.00	3.00	..	12	Y.
40,00,000O. / 5,00,000D.	74,10,730	31,01,156	12,70,257	2,42,718	M.	McLeod & Co.,	214.00 / —	O. 100 / D.O.10	12.50 / 0.75	12.50 / 0.75	15.00 / 1.00		12	Y.P.
1,60,00,000	1,64,75,151	3,36,81,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	42.50	10	1.75	1.75	1.75	2.50'C'	3	Y.P.
9,05,000	3,86,838	12,14,622	5,16,829	4,812	N. G. Ayyangar Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	212.00	100	3.00	11.00	15.00		3	Y.
4,56,250	6,92,500	11,29,680	5,97,362	3,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	24.90	10	1.25	1.50	1.60		3	Y.P.
10,00,000	3,16,884	17,88,367	10,82,038	622	M. Mallaraj Urs. (Mg. Director)	Mysore Tobacco	12.05	10	1.50	1.25	1.25	1.00	3	Y.
90,00,000	1,37,56,692	1,31,19,135	51,35,368	86,889	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	30.87	10	2.00	2.00	2.00	2.50'C'	3	Y.P.
30,00,000	17,70,000	49,56,249	25,37,459	87,684	Do.	National Pipes & Tubes Co., Ltd.	23.75	10	2.00	1.25	1.50		9	Y.P.
40,00,000	30,19,000	83,22,477	35,76,949	1,31,135	Do.	National Rolling & Steel Ropes	19.37	10	0.60	1.00	1.00	1.30	6	Y.
49,97,064	9,15,876	83,55,363	33,67,559	14,523	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	23.87	10	1.00	0.60'C'	0.85		12	Y.
79,97,000	1,02,10,381	1,36,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	21.87	10	0.90	1.10	1.60		12	Y.P.T.
28,32,100	11,02,391	40,65,244§§	....	45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	48.00N	75	2.50	3.75	6.50		12	Y.
10,00,000	5,52,000	12,55,063	6,00,215	1,51,607	Parry & Co., Ltd.	Parrys Confectionery Ltd.	5.03	1	0.20	0.20	0.20	0.30	3	Y.
2,20,00,000	50,68,956	1,48,74,355	48,82,803	47,214	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	26.87	10	0.34	0.85	1.20		12	Y.
62,50,000	..	..	..	..	Duncan Brothers & Co., Ltd.	Phillips Carbon	16.25	5	..	..	..		12	Y.
15,00,000	1,09,431	8,39,781	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	4.55	5	0.45	0.375	..		12	Y.
24,89,344	2,26,127	33,81,124	18,21,778	42,739	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.15	10	1.20	1.60	1.60		3	Y.
2,25,00,000	49,500	66,75,349	30,89,526	2,54,744	Badridas Goenka, Esq., (Chairman)	Rallis India Ltd.	132.50	100	*Nil*	*Nil*	*Nil*		3	Y.P.
2,50,80,000	2,49,55,000	14,76,38,674	6,18,95,237	1,93,085	Sahu Jain Ltd.	Rohtas Industries	19.87	10	....	2.00	1.50	2.00	3	Y.P.T.
70,00,000	38,73,198	2,58,69,675	52,19,131	1,60,686	M.	Sen-Raleigh Industries	24.50	10	0.60	0.60	1.50		9	Y.P.
75,00,000	45,73,890	1,17,50,586	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	23.00	10	1.00	1.00	0.30		12	Y.P.
40,00,000	91,26,201	1,53,82,019	78,19,485	7,55,863	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22.60cd	10	1.50	1.50	1.80	1.80	6	Y.P.
37,90,180	20,65,000	1,17,02,171	30,48,561	3,869	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.75	10	0.75	0.75	0.90		12	Y.P.
15,00,000	95,24,802	1,18,49,116	28,52,132	53,431	J. K. Agents Private Ltd.	Straw Products Ltd. §	12.82N	10	1.25	1.25	1.50		12	Y.
22,89,270	16,32,608	14,78,453	3,93,694	14,13,847	M.N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	31.75	10	2.00	2.25	3.00	3.00	6	Y.
9,93,930	24,035	16,75,093	6,60,618	12,418	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.50	10	*Nil*	0.40	0.60		12	Y.
11,56,306	14,70,789	12,72,077	6,76,530	41,732	R. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	36.00cd	10	2.00	2.00	2.75		9	Y.P.
2,49,99,600	1,10,58,485	2,57,49,568	46,49,251	41,074	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	291.00	100	10.00	10.00	10.00		7	Y.
30,58,950	29,686	68,68,938	17,68,838	56,308	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	9.75	10	*Nil*	*Nil*	*Nil*		9	Y.T.
3,00,00,900	1,15,35,505	3,85,11,692	95,31,873	43,63,429	J. B. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	48.62	10	1.40	1.40	1.30	0.75i	12	Y.
20,00,000	47,50,000	59,48,867	18,86,024	1,24,443	Vittal Mallya, Esq. (Chairman)	United Breweries	110.00	10	2.00	3.00	3.00(c)		3	Y.
5,00,000	6,80,591	8,62,017	5,62,017	9,780	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	33.00N	10	4.00	3.75	5.25		11	Y.
31,29,500	25,59,264	98,81,836	25,54,513	5,401	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	239.00	100	10.00	10.00	10.00	10.00'C'	3	Y.P.
					TRANSPORT									
20,00,000	96,44,220	1,16,86,916	29,83,068	26,410	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	95.00	100	5.00	6.00	3.00		10	Y.P.
1,00,00,000	94,04,072	2,99,21,508	2,05,16,725	—7,10,923	Dinshaw (Private) Ltd.	Bharat Line	7.00	10	1.20*	1.20*	*Nil*		12	Y.
60,00,000 / 25,00,000	2,17,74,568	8,51,80,151	2,15,53,555	1,32,013	A. H. Bhiwandiwalla & Co (Bombay) Private Ltd.	Great Eastern Shipping Co.	14.68 / 8.60	10 / 5(New)	1.50	1.80 / 0.90	1.50 / 0.525	1.00 / 0.50	6	Y.P.
£655,530	£936,735	£5,811,271	£2,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	64.00	£10	*Nil*	*Nil*			12	Y.P.
2,47,50,000	2,89,74,088	22,63,81,851	4,96,14,634	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	8.87	10	1.00	1.00	1.00	1.00	3	Y.P.
11,28,19,293	11,32,52,989	35,02,81,320	9,83,12,870	—16,13,456	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	14.32	20	1.25	1.25	1.30	0.60	6	Y.T.
2,40,800 / 2,18,200P.O.	21,45,738	13,10,577	9,03,867	1,67,197	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.12 / 2.25	O. 1 / P.O. 1	0.14 / 0.12	0.14 / 0.12	0.20 / 0.15		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	35,44,700	1,23,77,423	80,99,853	11,999	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	21.62	10	1.25	1.25	1.50	1.00	3	Y.
12,00,000	2,96,858	38,08,529	34,12,829	—5,53,532	Jardine Henderson Ltd.	Barraree Coke	13.75	10	0.37	0.50	*Nil*	*Nil*	3	Y.
4,49,850	88,000	9,25,102	5,69,580	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	6.00	10	0.90	0.60			12	Y.
1,90,00,000	1,84,79,081	6,98,53,686	4,68,54,445	10,20,411	Andrew Yule & Co., Ltd.	Bengal Coal	319.50	100	17.50	17.50	25.00	10.00i	10	Y.P.
2,25,000	4,90,671	23,57,602	21,45,467	—24,902	Andrew Yule & Co., Ltd.	Bengal-Nagpur	22.00	10	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	61,200	1,47,68,411	80,25,554	2,25,971	Sahu Jain Ltd.	Bharat Collieries	4.50	10	0.60	0.60	*Nil*		6	Y.P.T.
7,15,000	14,93,844	57,66,346	36,78,757	—6,96,032	M.	Bhulanbararee	6.50N	10	*Nil*	*Nil*	*Nil*		12	Y.T.
7,50,000	20,82,392	45,36,993	28,95,396	19,830	F. W. Heilgers & Co. (Private) Ltd.	Borrea	20.50	10	0.75	0.75	1.00		12	Y.P.
96,92,480	1,77,68,236	4,58,82,424	2,17,98,561	1,10,738	Bird & Co. Private Ltd.	Burrakur	18.81	10	0.75	0.875	1.30	0.50i	6	Y.P.T.
49,97,000	4,62,979	74,82,076	25,32,605	27,542	Hindustan Investment Corpn. Ltd.	Central India	11.37	10	0.50	0.50	0.50	0.80	3	Y.
3,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend	7.00N	10	0.70	0.50			12	Y.
6,00,000	1,54,873	6,36,341(k)	....	941	F.W. Heilgers & Co. (Private) Ltd.	Churlia	3.22	4	0.20	0.20	0.12		12	Y.
16,00,000	....	57,45,962	32,76,826	—28,095	Macneill & Barry Ltd.	Dhemo Main	8.00	10	*Nil*	*Nil*			12	Y.
£240,000	£3,52,069	£1,124,710	£812,966	£7,006	Jardine Henderson Ltd.	East Indian	31.12	£1	1.50	1.00	1.25	1.00	4	Y.
29,63,760	1,07,01,492	4,76,99,617	3,83,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	29.56	10	1.50	1.50	0.75		12	Y.P.T.
10,00,000	40,000	24,58,595	8,45,200	—5,80,078	Bhatter's Agency Ltd.	Ghusick and Muslia	15.12	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
12,00,000	1,27,964	43,44,376	27,68,441	—1,87,129	Killick Industries Ltd.	Hingir-Rampur	23.00	50	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	11.00	10	*Nil*	*Nil*			12	Y.
20,00,000	5,37,841	40,32,438	10,76,764	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	200.00	100	*Nil*	5.00	5.00	7.50	3	Y.P.
5,00,000	21,66,090	56,77,095	40,80,864	1,31,658	Andrew Yule & Co., Ltd.	Katras Jherriah	41.50	10	6.50	6.50	6.50	9.50	1	Y.
11,00,240	65,256	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	8.25	10	*Nil*	*Nil*			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	14.00N	10	0.12	1.00			4	Y.
7,48,240	2,50,000	12,59,878	10,13,353	17,140	Tantia Brothers Private Ltd.	Nazira	7.50	10	0.75	0.75	1.00		12	Y.
17,76,230	23,80,325	1,52,03,775	1,01,37,915	31,185	Andrew Yule & Co., Ltd.	New Beerbhoom	19.00XR	10	0.75	1.00	1.50	0.60i	10	Y.P.
6,00,000	2,88,645	28,54,261	19,79,084	56,603	Octavius Steel & Co., Ltd.	New Manbhoom	15.50	10	0.50	0.50	0.50	0.75	3	Y.
1,15,000 / 1,57,500	3,84,525	12,96,398	9,60,464	23,053	Andrew Yule & Co., Ltd.	North West	21.09N / 19.00N	10 / 7.50	1.50 / 1.12	1.50 / 1.12	1.50 / 1.12	2.00 / 1.50	3	Y.
7,50,000	16,65,465	2,62,538	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman)	Ondal	11.00	10	0.50	0.50	0.70		12	Y.P.
8,34,000	1,82,527	28,59,307	12,11,228	1,026	Deepchand Kishenlall	Parasea	17.50N	10	0.50	0.50	0.62		12	Y.P.T.
15,75,000	22,88,200	76,91,776	47,81,408	14,547	Shaw Wallace & Co., Ltd.	Pench Valley	19.50	10	2.00	2.00	1.00	1.00	3	Y.
28,99,500	34,89,802	1,52,74,203	1,05,98,171	8,664	M.	Raneegunge	15.50	10	0.75	1.00	1.00	1.50	3	Y.
18,50,000	6,88,385	48,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	24.00	10	1.00	1.00	1.00	0.75i	12	Y.
37,50,000	36,62,940	1,08,14,676	34,28,229	—6,560	M.	Samla Collieries	9.00	10	0.90	0.50	0.70	..	12	Y.
13,00,000	2,83,010	22,73,864	7,51,427	2,609	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	120.00	100	9.25	12.50	16.00		12	Y.
2,80,000	10,53,529	80,26,230	20,57,054	45,862	Andrew Yule & Co., Ltd.	Seebpore	32.00	7	1.75	1.75	3.00	1.00i	12	Y.P.
3,60,000	4,54,665	11,88,809(k)	....	5,451	F. W. Heilgers & Co. (Private) Ltd.	Sendra	9.25	10	0.25	*Nil*	0.35		12	Y.
65,21,450	1,24,58,755	7,11,84,167	3,19,11,631	90,858	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	9.75	10	1.50	0.75	0.75		12	Y.P.
17,50,000	8,47,203	41,74,967	19,33,899	19,788	Bird & Co., Private Ltd.	South Karanpura	11.50	10	0.75	0.75	0.90		3	Y.
3,00,000	15,46,229	24,83,605(k)	....	24,861	F. W. Heilgers & Co. (Private) Ltd.	Standard	12.50	10	1.00	1.25	1.50		12	Y.
3,59,000	2,81,000	20,49,970	15,40,057	28,484	B. M. Varma, Esq. (Mg. Director)	Union	11.87	10	0.37	0.25	*Nil*		12	Y.
49,98,000	3,56,533	86,93,251	32,75,682	12,536	Hindustan Investment Corpn. Ltd.	Western Bengal	7.56	10	0.50	0.40	0.40	0.60	3	Y.
7,00,000	....	59,74,151	29,16,969	—4,85,709	Macneill & Barry Ltd.	West Jamuria	8.00	10	*Nil*	*Nil*			12	Y.

§ The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955. §§ Investment at cost.
H—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.
M—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. 'C'—On increased Capital.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,00,000	3,36,012	Allahabad Bank	347.00 / 173.50	100 / 50	18.00‡ / 9.00‡	18.00‡ / 9.00‡	18.00‡ / 9.00‡		12	Y.P.
1,01,000 / 40,78,300	19,73,220	10,301	Andhra Bank	100.00 / 86.00	100 / 85	6.00 / 5.10	6.00 / 5.10	8.02 / 6.40		6,12	H.
1,50,00,000	1,60,06,625	1,02,801	Bank of Baroda	94.00	50	7.00	6.00	7.00	3.50i	12	Y.
2,50,00,000 / 50,00,000'A'	3,10,00,000	12,47,743	Bank of India	119.00 / 124.50	50 / 50'A'	8.00 / 8.00	8.00 / 8.00	8.00 / 8.00	3.75i / 3.75i	6,12	R.L.Y.
80,71,820 / 67,08,155	13,22,881	27,745	Bharat Nidhi Ltd.	8.85 / —	10 / 2.50	0.50	0.60	‡‡	..	12	
36,00,000	59,80,000	45,000	Canara Bank Ltd.	85.00cd	50	5.00	5.00	7.50	7.50	12	Y.P.
12,47,775	18,00,000	14,361	Canara Banking Corporation Ltd.	80.00	50	5.00‡	5.00	7.50		12	Y.P.
'A' 5,99,620 / 'B' 16,00,000 / 'C' 2,00,000	42,50,000	29,000	Canara Ind. & Bkg. Syndicate Ltd.	188.00 / 18.50 / 1.88	100 'A' / 10 'B' / 1 'C'	15.00 / .. / 0.15	15.00‡ / .. / 0.15	20.00‡ / 2.00‡ / 0.20‡	20.00 / 2.00 / 0.20	12	Y.
2,62,50,000 / A.52,50,000	4,07,63,265	18,82,560	Central Bank of India Ltd.	56.50 / 59.00	25 / 25	3.50 / 3.50	0.15‡ / 3.50	4.30 / 4.30		12	R.L.Y.
50,00,000	52,00,000	5,69,301	Devkaran Nanjee Banking Co.	58.00	50	3.00	3.50	2.52		12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank	15.06	50	*Nil*	*Nil*			12	Y.
50,00,000	2,30,000	5,519	Hindustan Merchantile Bank	14.25	50	*Nil*	*Nil*	*Nil*		12	Y.
60,60,000 / 22,40,000	84,01,884	80,143	Indian Bank	169.25 / 143.50	100 / 80	15.00‡ / 12.00‡	13.00‡ / 10.40‡	12.00 / 15.00‡		12	Y
74,53,000	68,86,660	1,92,435	Indian Overseas Bank	187.00cd	100	10.00	10.00	12.00	14.00	6, 12	R.L.Y.
15,00,000	12,00,000	28,839	Pandyan Bank Ltd.	33.00	25	1.87	2.50	14.75		12	
1,25,00,000	1,58,50,000	4,18,000	Punjab National Bank—K	20.44	10	5.00	2.00	2.00	2.00	12	Y.
5,62,50,000	7,45,00,000	56,20,525	State Bank India	315.00xd	100	16.00	16.00	20.00	22.75	12	Y.
60,00,000	47,00,000	97,247	Union Bank of India	6.52	5	0.44	0.44	0.57		12	Y.
2,00,00,000	1,75,00,000	1,04,096	United Commercial Bank	85.50	50	3.75	3.75	5.30		12	H.
2,68,43,647	83,70,000	1,81,565	United Bank of India	4.94	10	0.30	0.30	0.43		12	R.L.Y.
			PRINCIPAL EXCHANGE BANKS			Dividend (per cent.)					
£5,000,000	£5,500,000	£463,355	Chartered Bank	£2-19-9	£1	15†	15†	15†	8†i	12	Y.
H.K.$.78,974,750	£15,000,000	£138,000	Hongkong and Shanghai Banking Corporation	£91½	H.K. $125	8¼*Z	3*	3*	3½*	12	Y.
£34,809,506	£24,950,000	£569,125	Lloyds Bank	£3-15-0	£1	13†	12½'C'	12†	6†i	12	Y.
£4,562,400	£3,000,000	£301,488	National and Grindlays Bank Ltd.	£1-14-6	sh.15	15†	15†	12½†	6¼†i	12	Y.

‡ Includes bonus. † Less tax. (i) Interim. xr—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital. C—On increased Capital. * £ per share free of tax.
K—Punjab National Bank—Dividends for 1956 and 1957 are on shares of Rs. 25 each.
‡‡ Bharat Nidhi Ltd. One Punjab National Bank share for 20 fully paid up ordinary shares or 80 partly paid up ordinary shares of the company for the year 1959 as a specie dividend. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
17,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1968
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	99.75	1st August .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November .. 1959-64
			COAL			
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December .. 1968 (a)‡
			COTTON			
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (b)
65,22,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972(a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	99.75	1st April .. 1967-70
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
30,00,000	6½	1st January and 1st July	Shree Nivas	1958	100.00	31st December .. 1970
60,00,000	6½	1st April and 1st October	Simplex	1959	100.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Vishnu	1955	94.50	1st June .. 1966-70
39,51,000	5	1st June	Tata Mills	1951	92.00	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	98.50	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	99.00	31st March .. 1975
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.75	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5¼T	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-68
47,78,000	5	1st March and 1st September	Tata Power	1940	100.00	1st July .. 1970
2,50,00,000	4	1st January and 1st July	Tata Power	1949	86.00	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	104.50	1st January .. 1966-71
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	98.25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.50	1st October .. 1960-65
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
9,00,000	5	31st January and 31st July	Calcutta	1949	87.00	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	95.00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	82.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.00	31st March .. 1967
10,00,000	6½	31st January and 31st July	Waverley	1925	80.00	31st August .. 1972
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par on every seventh year thereafter 1st October .. 1974
£189,051	5	1st April and 1st October		1933	£74.10N	
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£300,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
3,54,76,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	97.00	1st September .. 1963
			PLANTING			
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-63†
3,75,000	6T.F.	1st January and 1st July	Kallas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
			MISCELLANEOUS			
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	99.75	1st September .. 1964-69(a)‡
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	100.00	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	82.00	 1966
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	106.00	1st January .. 1973 (a)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50	30th June .. 1969 (a)‡
3,00,00,000	6½	1st January and 2nd July	Indian Aluminium Co., Ltd.	1959	102.75	1st January .. 1975
12,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
8,34,300	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	525.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a) / 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100.00	30th June .. 1965-70
1,00,00,000	6½	31st March	Orient Paper Mills Ltd.	1951	91.00	31st March .. 1961 (a)
7,43,350	6½	1st January and 1st July	Premier Automobile	1958	125.50	31st March .. 1963-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96.00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
30,00,000	6	16th Feb. and 16th August	Shree Gopal Paper Mills Ltd.	1955	96.00	16th February .. 1961 (a)
8,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1958	100.25	1st May .. 1964-68 (a)‡‡
5,81,000	5	31st January and 31st July	Tata Chemicals Ltd.	1945	97.00	31st July .. 1970-75
[illegible]	6	1st April and 1st October	Tata Oil Mills Co., Ltd.	1959	100.00N	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. 2 With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. ‡ Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent. on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 9th February, 1961.

	Closing quotations 2-2-1961	High	Low	Closing quotations 9-2-1961
TEXTILES	Rs.	Rs.	Rs	Rs.
Ahm. Adv. (100)	164.50	168.00	164.50	168.00
Apollo (2)	1.54	1.56	1.50	1.54
Baroda Rayon (100)	123.00	124.00	121.50	121.50
Bombay Dyeing (25)	61.30	62.40	61.00	61.80
Bradbury (50)	117.50	—	—	117.50
Central India (100)	102.00	103.00	100.00	102.00
Century Mills (100)	478.00	494.50	476.00	487.00
Coorla Sp. (100)	131.25	—	—	131.25
Dawn (50)	123.50	124.00	122.00	122.25
Edward Textile (200)	262.50	—	—	262.50
Elphinstone (50)	64.00	67.00	64.00	66.00
Finlay (100)	330.00	331.50	330.00	330.00
Gokak (100)	171.50	176.00	170.50	175.00
Gold Mohur (100)	252.50	—	—	252.50
Gwalior Rayon (10)	42.75	44.00	42.50	44.00
Ind. Untd. Defd. (1)	1.56	1.60	1.52	1.58
Ind. Untd. Ord. (10)	14.44	14.52	14.28	14.44
Indian Rayon (50)	62.00	64.50	61.50	64.50
Indore Malwa (100)	133.00	138.00	133.00	138.00
Khatau (100)	450.00	457.50	447.50	450.00
Kohinoor (100)	272.50	282.50	272.00	278.25
Lakshmi (250)	502.50	—	—	502.50
Mafatlal (100)	772.50	775.00	770.00	770.00
Minerva Mills (100)	64.00	72.00	64.00	72.00
Model Nagpur (250)	80.00	80.00	60.00	60.00
Morarji (100)	340.00	342.00	333.00	336.00
Mysore (50)	59.50	59.20	58.00	59.00
National Rayons (100)	500.00	511.00	494.00	508.00
New City (100)	144.00	—	—	144.00
New Great (100)	195.00	—	—	195.00
Phoenix (100)	135.00	140.00	135.00	140.50
Podar Mills (100)	138.00	139.00	136.00	138.00
Raymond Woollen (100)	103.50	106.50	103.50	105.00
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	46.00	46.25	45.75	46.00
Shrinivas (100)	242.00	247.00	240.00	247.00
Simplex (50)	168.00	168.00	167.00	168.00
Standard (100)	1,092.00	1,162.00	1,075.00	1,114.00
Svadeshi (100)	234.00	239.50	233.00	238.50
Swan (100)	492.50	500.00	492.50	497.50
Tata Mill (25)	41.25	42.50	41.00	42.20
Vishnu (100)	101.00	105.00	101.00	105.00
Western India (1,000)	4,075.00	—	—	4,075.00
BANKS				
Bank of India (50)	117.50	119.50	117.00	119.50
Do. (New) (50)	120.00	125.00	121.00	124.00
Bank of Baroda (50)	95.30	95.00	94.00	94.50
Central (25)	56.00	57.00	56.00	57.00
Central 'A' (25)	59.00	59.20	58.70	59.00
Dena Bank (50)	55.50	58.00	55.50	58.00
Punjab National (10)	20.52	20.52	20.44	20.44
Union Bank (5)	6.52	6.52	6.44	6.48
United Com. (50)	85.00	85.50	85.00	85.50
ELECTRIC COS.				
Ahmedabad (100)	85.80	86.50	85.00	86.50
Amalgamated (10)	10.08	—	—	10.16
Andhra Valley (1,000)	982.50	980.00	975.00	980.00
Bom. Sub. El. (100)	84.00	84.00	83.50	84.00
Surat (100)	84.50	—	—	84.50
Tata Hydro (100)	100.75	101.00	100.25	101.00
Tata Power (1,000)	1,011.25	1,020.00	1,007.50	1,020.00
INSURANCE COS.				
British India (10)	12.04	—	—	12.04
Indian Mercantile (20)	43.00	—	—	43.00
New India (15)	55.50	56.50	55.20	55.50
New India 'A' (15)	56.20	56.80	56.00	56.00
Vulcan (10)	16.48	—	—	16.48
STEEL COS.				
Ind. Iron (10)	24.36	24.60	24.36	24.48
Mukand Iron (10)	23.80	24.24	23.12	24.00
Tata Steel Ord. (75)	145.25	146.75	144.25	146.25
SUGAR COS.				
Belapur (50)	302.50	307.00	290.00	302.00
Bhopal (10)	29.00	—	—	29.00
Changdeo (12.50)	29.50	—	—	29.50
Phaltan (50)	150.50	150.00	145.00	146.00
Walchand Ind. (100)	227.50	231.25	222.50	225.00
CEMENT COS.				
Associated Cts. (100)	151.25	151.50	143.75	144.50xd
Digvijay (100)	149.50	149.00	147.50	148.50
Orissa (10)	13.60	13.60	13.52	13.52
MISCELLANEOUS				
Alcock Ashdown (100)	255.00	270.00	252.00	264.00
Bom. Burmah (125)	553.50	565.00	552.00	558.00
Do. (New) (50)	196.25	196.25	194.00	195.50
Br. B. Petrol (4 sh.)	2.04	2.04	1.98	1.98
Br. I. Corpn. (5)	6.76	7.04	6.88	7.04
Cooper Eng. (100)	178.00	178.00	173.00	175.00
Colour Chem. (100)	315.00	316.25	310.00	315.00
Hind Cycle (100)	87.00	89.50	87.00	89.50
Hindustan Lever (10)	48.50	—	—	48.00
Hindusthan Motors (10)	19.92	20.52	19.76	20.20
I. C. & Invest. Corporation (100)	71.00	—	—	71.00
Indian Dyestuff (100)	470.00	480.00	452.50	460.00
Indian Copper (2 sh.)	4.70	4.94	4.70	4.88
Ind. Inv. Tr. (100)	80.00	—	—	80.00
Killicks (100)	100.00	100.00	99.00	99.50
Larsen & Toubro (10)	37.50	38.00	36.50	37.75
Mahindra & Mahindra (10)	21.24	21.52	20.08	21.36
New Central Jute (10)	18.76	—	—	18.76
Polson (100)	159.00	162.00	158.00	161.00
Pre. Automobiles (100)	166.00	167.50	163.00	163.75
Premier Con. (80)	192.00	193.50	183.00	188.00
Scindia (20)	14.20	14.44	14.08	14.20
G. B. Shipping (10)	14.84	14.80	14.52	14.52
Shivrajpur (10)	71.00	80.00	70.50	79.00
Sirpur Paper (10)	15.88	16.00	15.68	16.00
Tata Chemicals (10)	17.80	18.64	17.72	18.16
Tata Locomotive (100)	294.00	304.75	290.75	299.00
Tata Oil (25)	74.50	75.50	74.00	74.80
Texmaco (10)	23.28	—	—	23.28
Voltas (100)	259.00	264.00	256.25	259.50
W. I. Match (100)	258.00	263.00	257.00	260.00
W. Coast Paper (100)	180.50	202.00	180.50	194.00

GOVERNMENT SECURITIES	2-2-1961 Rs	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	9-2-1961 Rs.
2½% 1961	99.20	—	4.02	99.25
2½% 1962	98.00	—	3.90	98.05
2½% 1976	83.50	—	4.23	83.50
3 % 1964	97.65	—	3.66	97.70
3 % 1963-65	97.60	3.90	3.53	97.70
3 % 1966-68	95.40	3.94	3.67	95.50
3 % 1970-75 1st Dev.	90.05	4.37	3.90	90.40
3 % 1986 Con. Loan	74.10	—	4.03*	74.10
3½% 1961 N.P. Bonds	100.00	—	3.50	100.00
3½% 1964 N.P. Loan	99.35	—	3.67	99.40
3½% 1965 N.P. Bonds	99.25	—	3.70	99.25
3½% 1962	99.65	—	3.50	99.65
3½% 1967 N.P. Bonds	98.85	—	3.72	98.85
3½% 1974	99.70	—	3.78	99.70
3½% 1967 N.P. Bonds	100.75	—	3.68	100.75
3½% 1969 Loan	98.75	—	3.68	98.75
3½% 1968	98.75	—	3.70	98.80
3½% 1963 N.P. Bonds	99.80	—	3.60	99.80
3½% 1968 N.P. Bonds	100.65	—	3.60	100.85
4 % 1972 Loan	100.50	—	3.85	100.50
4 % 1973 Loan	100.40	—	3.95	100.40
4 % 1979 Loans	100.10	—	3.90	100.10
3½% 1966 Bonds	99.30	—	3.64	99.50
4 % 1980 Loan	99.95	—	4.01	[illegible]

*Current Income. xd—Ex-Dividend. X.R.—Ex-Right.

PREFERENCE SHARES

BANK

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	100.00	100

BREWERIES AND SUGAR

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sep.	88.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	114.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	6.33cd	5
East India Distilleries T.F.C.	£200,000	1897	7.00	Jan.	July	17.25cd	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec.	..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	62.00	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	12.00	10
Ramnugger Cane T.F.C.	4,00,000	1933-34	6.00	Aug.	..	80.00	100
Ravalgaon Sugar C.	20,00,000	1942	5.50	Oct.	Apr.	62.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	7.40	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	120.50	100

COAL

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Berrea T.F.C.	14,00,000	1896-97	6.50	Oct.	Apr.	79.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-19	7.00	Apr.	Oct.	89.00	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	7.12	10
Equitable T.F.	4,00,000	1905	6.00	Mar.	Sept.	75.00	100½
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	55.75	75p.
††Khas Kajora C.	1,93,000	1931	5.00	Mar.	Sept.	7.50	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	11.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr.	Oct.	80.00	100

COTTON

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	78.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	115.00	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	8.25	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	160.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	58.50	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	125.00	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr.	..	109.00	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	373.75	495
Century Spg. & Mfg. Co. T.F.R.C.	1,25,00,000	1956	6.00	Dec.	..	110.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1955	6.50	June	..	78.75	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	112.00cd	100
Elgin 'B' T.F.C.	4,20,000	1948	5.00	July	..	7.00cd	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	59.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June	Dec.	98.50	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	70.50	10
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	9.80	5
Kothari 'B' (Pref.) T.F.C.	6,00,000	..	6.00	..	..	10.00N	250
Lakshmi Cotton (Bombay) C.	16,00,000	1896	5.00	..	..	150.00	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	67.00	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	22.76	50
National Rayon C.	1,74,64,700	1947	5.00	..	..	70.00	100
New Great	8,00,000	1918	5.50	Mar.	..	105.00	200
Podar Mills T.F.C.	10,00,000	1943	4.00	Feb.	..	65.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr	..	47.73	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	66.00	100
Sholapoor T.F.C.R.	32,00,000	1943	3.00	..	..	78.25	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	88.00	100
Swadeshi (Kanpur) T.F.C.	35,00,000	1927	6.00	June	..	71.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.80	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	96.75	100
Do. (2nd) C.T.F.	1,50,000	1938	8.00	..	..	99.00	100
Vishnu C.	15,66,500	1908	7.00	Apr.	..	422.50	500

ELECTRICS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	1,040.00	1,000
Amalgamated Electric T.F.C.	24,15,000	..	5.50	..	..	77.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June	Dec.	9.75	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50 }	Sept.	Dec.	{ 8.16	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50 }			8.16	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	108.50	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	101.00	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,097.50	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	6.33	10

ENGINEERING

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Arthur Butler (Muzaffarpore) T.F.C.	1,30,000	1919	7.00	Mar.	..	11.00	10
Burn & Co. Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb.	Aug.	114.00xd	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	105.00xd	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	92.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	112.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	83.50	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	52.50	100
††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	83.00N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	93.00	100
Mahindra & Mahindra T.F.R.C.	35,00,000	1945	6.00	May	..	97.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	86.00	100
Premier-Construction (1st) C.	10,00,000	..	6.25	..	..	76.00	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	73.00	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	5.82	10
Tata Iron and Steel (1st) C.	75,00,000	1906	6.00	Nov.	..	185.00	150
Do. do. (2nd) C.	6,98,81,900	1908	7.50	May	..	106.50	100

JUTE

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	86.00xd	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	85.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	64.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	90.00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	70.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	60.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	93.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	36.00	£5
Belvedere T.F.C.	7,00,000	1906	7.00	Jan.	July	89.00	100
Birla C.	23,64,200	1919	7.50	June	Dec.	87.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	89.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	50.25	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	87.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	87.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	67.00xd	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	77.00xd	100
Dalhousie T.F.C.	15,00,000	1908-13	7.00	May	Nov.	90.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	80.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	110.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	70.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	110.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	90.00xd	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	79.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	82.00	100
Hooghly T.F.	11,76,000	1918	10.00	May	Nov.	10.00	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	91.00xd	100
Do. T.F.C. (f)	17,50,000	1902-6	7.00	May	Nov.	89.00xd	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	89.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	74.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	88.00	100

JUTE—*Continued*

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	76.00xd	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	88.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	93.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	87.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	60.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	105.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	77.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	88.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	80.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	87.00xd	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	71.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	81.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	98.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	93.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	88.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C.(f)	7,50,000	1913	5.00	Mar.	Sept.	38.00	50

RAILWAYS; STEAMSHIP AND TRAMWAYS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	52.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.94	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5.50	Dec.	..	91.00	100
Indian General Nav. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	78.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	80.00	100

TEA

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May	Nov.	31.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	100.00	100
Birpara T.F.C.	1,00,000	1900-03	8.00	Jan.	..	103.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	100.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	75.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	103.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	100.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec.	..	89.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	9.25	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan.	July	100.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	91.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	94.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	92.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan.	..	10.50	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May	Nov.	13.25	100

PLANTING

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Be Be Rubber C.	1,48,005	1944	6.25	..	..	2.70cd	5
Do. R.C.	2,85,570	1944	6.25	..	..	6.02cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	50.75	50
Coffee Lands C.T.F.	10,40,600	..	5.00	..	..	74.00	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	85.00	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	10.80cd	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	95.00	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	8.03	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	7.20cd	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.75cd	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar.	..	8.05	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	7.00	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	9.10xd	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	8.40xd	10

MISCELLANEOUS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	91.20	100
Do. do. (2nd) T.F.R.C.	5,00,000	..	5.00	June	..	86.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	97.00xd	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	92.00xd	100
Andhra Cement C.T.F.	2,48,800	1937	6.00	Feb.	June	100.00	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	52.00	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	12.50	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	51.00	50
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	104.00	100
Do. "B" T.R.C.	20,00,000	1948	6.00	..	..	65.00	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug.	..	6.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	14.50xd	10
British Ceylon Corporation C.	17,50,000	1918	6.00	Feb.	Aug.	8.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	116.00	100
Dalmia Cement (Bharat) C.T.F.	61,58,210	1937	6.00(f)	Sept.	..	8.12	10
Dhrangadhra Chemicals T.F.C.R.	31,91,900	1956	6.00	..	..	89.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec.	..	81.00	100
Dunlop Rubber Co. (1st) T.F.C.	30,00,000	1926	6.00§	June	Dec.	109.00xd	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	6.00	Apr.	..	85.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	59.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	49.00	100
Gillanders Arbuthnot(f) R.C.	25,00,000	..	5.00	Apr.	Oct.	57.50	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6.00	Mar.	..	186.00	100
Humayan Properties T.F.C.	12,00,000	1938	6.00	..	..	6.50	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	90.00cd	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	70.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	87.00xd	88
Indian Cable (m) C.	12,87,750	1928	6.00	June	Dec.	30.00	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.	..	62.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	55.50	100
Kettewell and Bullen (1st) C.	20,00,000	..	5.50	May	..	57.00	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May	..	54.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	63.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	88.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	51.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	62.25	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	85.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb.	Sept.	9.90	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	8.25xd	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	5.95	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	70.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	62.00	100
Orient Paper T.F.C.R.	20,00,000	1936	5.50	Jan.	..	81.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,000	1936	7.00-9.00	Apr.	..	112.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	54.75	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	67.00xd	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	8.40cd	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	10.75cd	10
Standard-Vacuum C.	75,00,000	1955	6.00	June	Dec.	89.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	74.00	100
Tata Chemicals T.F.C.	59,97,000	..	5.00	June	..	85.50	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	57.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	112.50xd	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	77.50xd	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Remeedable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank pari passu with ordinary shares [illegible] ordinary shares receive 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) [illegible] any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) [illegible] par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) [illegible] to 9 per cent. (t) Free of Income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) [illegible] on various dates. (w) Redeemable any time 5 years after the date of issue at a premium of Rs. 10 per [illegible] on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. pp—[illegible] paid.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2602 BOMBAY, 18th FEBRUARY 1961 PRICE Rs. 2

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

Contents

	PAGE
LEADING ARTICLES—	
Railway Budget ...	273
Dollar to be Strengthened	274
MARKET GOSSIP ...	275
ROUND THE EXCHANGES ...	276
NEWS IN BRIEF ...	277
PERSONAL ...	277
THIS WEEK'S SURVEY ...	278-279
SPECIAL FEATURES—	
On the Arena ...	280
London Letter ...	281
Price Fixation by Tariff Commission	282
Manchester Letter ...	285
Commercialise Air Transport ...	292
Definition of "Worker" ...	296
Prospective for Steel Outlined—II ...	298
CHAIRMAN'S SPEECH—	
Panyam Cements and Mineral Industries Limited ...	310
TEXTILES ...	286
COAL ...	288
PLANTING ...	290
ENGINEERING ...	300
NEW PRODUCTS AND PROCESSES ...	301
INSURANCE ...	302
COMMERCE AND INDUSTRY ...	304-305
COMPANY MATTERS ...	306-308
MARKET REPORTS ...	311-313
MISCELLANEOUS STATISTICAL INFORMATION	315
WEEK'S STOCK EXCHANGE TREND ...	315

Comments on the working of companies are based on such facts and figures as are available in the published reports and accounts of the companies concerned. We do not accept responsibility in respect of conclusions drawn from such sources, if the information supplied should prove to have been inadequate.

No responsibility for the safety of articles, etc., can be accepted, but, if accompanied by stamped and addressed envelopes, every effort will be made to return the unsuitable MSS.

The Editor does not necessarily agree with, or hold himself responsible for, the views expressed by contributors.

SUBSCRIPTION

India		Abroad	
Yearly rate ...	Rs. 65	Yearly rate ...	Rs. 70
Half-yearly rate	„ 35	Half-yearly rate	„ 40

Including Postage

Single Copies, Rs. 2, obtainable from all bookstalls, or from the Publishers.

Back numbers, if available, from Rs. 4 onwards.

ADVERTISEMENT

Contract and other terms on application to the Advertisement Manager.

Advertisements intended for publication in the current issue cannot be accepted after midday on Monday.

Company and Public Notices cannot be accepted after midday on Wednesday in each week.

A representative will be pleased to call upon intending advertisers, on request.

All remittances, cheques, money orders, etc., should be made payable to:—

"COMMERCE" (1935) LTD.
Brady House
Veer Nariman Road, Fort, BOMBAY
Calcutta Representative: Mrs. S. P. CHATTERJEE, 34, Netaji Subhas Road, 3rd Floor, Room No. 30, Calcutta-1.
Madras Representative: Mr. P. N. SRINIVASAN, 18 V. S. Mudali Street, Saidapet, Madras-15.

RAILWAY BUDGET

THE Railway Budget for 1961-62, presented this week to Parliament, has a twofold significance. In the first place, the revised estimates contained therein for 1960-61 virtually complete the picture of financial results and physical performance of the Indian Railways in the second Plan. And, secondly, it is the budget for the first year of the third Railway Plan. There is thus equal attention in the budget speech of Mr. Jagjivan Ram, Union Minister for Railways, to both the second and third Plans. But the lessons that he has drawn from the Railways' performance in the second Plan seem to have been ignored in the third Plan's first-year budget. By far the most crucial lesson is that "the increases in the fares and freights have been much lower than the relative increases in the wage bill and in the prices of stores consumed by the Railways." This factor explains why the Railways have been able to make a gross contribution, during the five-year period 1956-61, of only Rs. 480 crores (covering expenditure on open line works on the revenue side and expenditure chargeable to the Depreciation Reserve Fund and Development Fund) towards their own second Plan outlay of about Rs. 1,120 crores. This means that the Railways' own internal resources for financing their second Plan represent 43 per cent of their total outlay. The budget for 1961-62, which provides for an outlay of Rs. 260 crores in that year under the Rs. 1,255-crore third Railway Plan, does not improve matters in this respect, for it allocates only Rs. 100 crores (out of the said Rs. 260 crores) chargeable to the Depreciation and Development Funds and Open Line Works (Revenue). Actually, it will not be Rs. 100 crores but only about Rs. 84 crores, for the estimated net surplus in the 1961-62 Budget for appropriation to the Development Fund will be no more than Rs. 8.5 crores. The Railways' own internal resources for financing their third Plan's first-year outlay account for only about 32 per cent of that outlay (Rs. 260 crores). At the existing level of fares and freights, therefore, the pattern of self-financing in the Railway sector in the third Plan period will not be any different from what emerges from the budget for 1961-62.

FINANCES AT A GLANCE

(In crores of rupees)

Gross Traffic Receipts	Actuals, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
Passenger Earnings:				
Upper ..	15.1	15.6	15.4	17.1
Third ..	110.5	110.0	115.6	128.4
Other Coaching Earnings ..	25.4	25.0	27.1	27.1
Goods Earnings ..	260.5	305.0	289.6	316.0
Sundry Other Earnings ..	10.8	10.0	11.3	11.3
Total ..	422.3	465.6	459.0	499.9
Suspense ..	..	—1.0	—1.0	—0.9
Gross Traffic Receipts ..	422.3	464.6	458.0	499.0

Financial Results	Actuals, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
Gross Traffic Receipts ..	422.3	464.6	458.0	499.0
Working Expenses:				
Ordinary ..	289.5	326.9	326.3	332.5
To Depreciation Reserve ..	45.0	45.0	45.0	65.0
To Worked Lines ..	0.1	0.1	0.1	0.1
Total ..	334.6	372.0	371.4	397.6
Net Traffic Receipts ..	87.7	92.6	86.6	101.4
Net Miscellaneous Expenditure ..	13.2	16.8	15.9	14.9
Dividend to General Revenues ..	54.4	57.3	56.7	65.3
Payment to States* ..	..	..	..	12.5
Net Gain or Surplus ..	20.1	18.5	14.0	8.7

* In lieu of tax on passenger fares.

It may be that the Government will not be reconciled to this state of affairs throughout the third Plan period. That the Railway Ministry is seriously thinking in terms of increases in fares and freights, sooner or later, could be inferred from four arguments advanced by the Minister in his budget speech. There is, first of all, the argument that the annual *per capita* cost of staff has increased from Rs. 1,476 in 1955-56 to Rs. 1,880 in 1960-61. Secondly, the price of coal consumed by the Railways has increased by about 40 per cent between March 1956 and December 1960. The third argument is on the score of the uneconomical haulage of coal which brings in only 3.33 nP per ton-mile on broad and metre gauges alike, as against the costs of 3.80 nP per ton-mile on the former gauge and 5.79 nP on the latter. There is, above all, the argument that the tendency towards a progressive growth in the volume of traffic in low-rated goods like foodgrains, salt, oilseeds and ores, carried at freight rates less than the cost to the Railways, continues.

But all these arguments have not currently persuaded the Railway Minister either to propose a revision of passenger fares or to bring about a more remunerative structure of freight rates in accordance with his own recognition that "the heavier preponderance of low-rated traffic expected to be carried in the third Plan will have the effect of increasing the proportion of working expenses to gross earnings." The result is that the budget estimates for 1961-62 do not reveal any substantial buoyancy in traffic receipts.

The passenger earnings, after deducting the proceeds of the passenger fares tax now merged with the fares in accordance with the latest (1960) Railway Convention, will be about Rs. 132 crores, as against Rs. 131 crores in the revised estimates for 1960-61. The goods earnings, however, show an increase of about Rs. 26 crores in the budget estimates as compared with the revised estimates for 1960-61. This increase has been estimated on the basis that the Railways will lift an additional freight of about 15 million tons in the budget year, as against an actual additional traffic of about 10 million tons in 1960-61. Whether that much additional traffic can be moved in 1961-62 is doubtful, considering that, in 1960-61, there has been a shortfall of about 7 million tons, as compared with the 17 million tons of additional traffic anticipated in the budget for that year. The two minor adjustments now proposed in the budget—the raising of the special surcharge on small consignments from the present 10 per cent to 20 per cent and the raising of the minimum distance charged for coal from the present 42 kilometres to 70 kilometres and of the minimum charge for coal moving over shorter distances from the present range of Rs. 4.25-Rs. 4.98 per ton to a uniform minimum of Rs. 5 per ton—are not expected to bring in anything more than a crore of rupees at the most. But the expectation here is not so much revenue as some relief to the Railways from possible diversion of short-lead traffic to the road. This, incidentally, is an index of the pressure under which the Railways will be working in the first year of the third Plan. If, as a consequence of such pressure, the goods earnings fall short of the budget estimates, it will not be surprising. For all practical purposes, therefore, it may be taken that the budget estimates of gross traffic receipts are not substantially more than either their budget or their revised estimates for 1960-61.

Any possible shortfall in gross traffic receipts may ultimately mean that there will be no net surplus for appropriation to the Development Fund to which Rs. 23 crores of expenditure on some Plan schemes in the budget year

will be charged. Since, under the Railway Convention of 1960, the appropriation to the Depreciation Reserve Fund and the payment to States of a subvention of Rs. 12.5 crores in lieu of the tax on passenger fares are fixed and the dividend to General Revenues will be necessarily Rs. 65.3 crores (at 4.25 per cent on the estimated capital-at-charge of Rs. 1,740 crores after deducting the capital-at-charge of strategic lines, etc.), there will not be much room for increasing the net surplus.

Nor is there much scope for effecting any sizable economy in ordinary working expenses, what with the additional obligations arising from the Pay Commission's recommendations. There is, therefore, a clear case for budgeting for a net surplus of not less than Rs. 25 crores in 1961-62, so that no temporary loans from General Revenues need be advanced to the Development Fund during the year. A judicious but substantial increase in passenger fares as well as in the freight rates of low-rated commodities will accordingly be inevitable. It would be far better to make a beginning now in the budget year itself and complete it in the next year, so that the internal resources for financing the third Railway Plan will be at least 50 per cent of its total outlay. Incidentally, such an early determination of the railway freights for the duration of the third Plan will also be helpful to the private sector in planning its industrial expansion programmes.

There is no doubt that the third Railway Plan will be more exacting than the second. As the Railway Minister himself has implied in a way, the Railways may not be equal to the task of carrying an increase in traffic from 54,000 million ton-miles to 93,000 million ton-miles, for the increase of 39,000 million ton-miles is more than double that achieved in the second Plan. Further, the tentative allocation of resources for the third Railway Plan is not appreciably more than the provision under the second. In saying that the Railways cannot be expected to move *all* additional goods traffic (of which 75 per cent will be accounted for by coal, steel, cement and iron ore in the third Plan period) and that, therefore, there must be priorities in movement, the Railway Minister has clearly conceded the need for a larger allocation of freight to the road transport sector.

DOLLAR TO BE STRENGTHENED

THE dollar price of gold in the London market, which had jumped up to as high as $41 per fine ounce on 20th October 1960 due to speculative buying born of fears of a devaluation of the dollar, is back to the normal level. The price is now in the neighbourhood of $35.17 which is well within one per cent of the official parity. President Kennedy's economic messages to Congress on the 2nd and 6th inst., giving an outline of his plans for effectively tackling the recession at home and the balance of payments deficit, have been responsible for restoring normalcy to the gold market. His reiteration that there would be no devaluation of the dollar and that he was confident of reviving the U.S. economy without generating inflationary forces seems to have had a decisive influence on the market. In his message of the 6th inst., Mr. Kennedy unequivocally declared: "The United States official dollar price of gold can and will be maintained at $35 an ounce. Exchange controls over trade and investment will not be invoked. Our national security and economic assistance programme will be carried forward.... The full strength of our total gold stocks and other international reserves stand behind the value of the dollar. Those who fear weakness in the dollar will find their fears unfounded. Those who hope, for speculative reasons, for an increase in the price of gold will find their hopes in vain." These are plain words and reflect his determination to ensure that the dollar continues to be regarded "as good as gold" throughout the world.

Before outlining his plans, Mr. Kennedy gave some interesting data about the balance of payments position which he described as "one that justifies concern but not panic or alarm." The U.S. has been having a payments deficit for the past one decade, except in 1957, the year of the Suez crisis. It was due not to exports falling short of imports but to the inadequacy of export surplus to cover (*a*) military expenditure abroad, (*b*) private American investment abroad, and (*c*) Government economic assistance and loan programmes. Between 1951 and 1957, the balance of payments deficit averaged at one billion dollars per annum. Nevertheless, the U.S. gold reserves at the end of 1957 were slightly better at $22.9 billion, as against $22.8 billion seven years earlier. The reason for this strength lay in the fact that foreign countries accumulated their dollar balances, instead of converting them into gold. The growth of U.S. obligations to other countries, mainly Western Europe and Japan, helped to strengthen their monetary systems and restore convertibility of currencies, thus freeing world trade and payments from exchange control. Mr. Kennedy conceded that this development in international trade "was of benefit to the export trade of the U.S.," but added that it had placed upon his country a special responsibility, namely, "that of maintaining the dollar as the principal reserve currency of the free world." In 1958 and 1959, the U.S. suffered a sharp increase in the balance of payments deficit—$3.5 billion in 1958 and $3.8 billion in 1959. The chief causes of these large deficits were lagging exports and rising imports. The foreign countries who benefited by these surpluses decided to take more of their dollar earnings in gold and to hold less in dollars. In 1960, the surplus of U.S. exports over imports was as large as $5.8 billion, as against $2.2 billion in 1959, but still there was a net balance of payments deficit of $3.8 billion, of which $1.7 billion were met in gold and $2.1 billion in accumulation of dollar balances by foreign countries. The reasons for the deficit were: favourable interest rates abroad, a high rate of growth and good investment prospects in Europe, and some speculative fears concerning the future value of the dollar. It is estimated that the outward flow of short-term money was between $2 billion and $2½ billion. On this basis and assuming no reduction in U.S. military expenditure abroad and economic assistance to underdeveloped countries, the basic deficit would be $1.5 billion and it is, Mr. Kennedy averred, "of manageable proportions."

The overall picture of the U.S. foreign assets and liabilities supports this conclusion. The current U.S. gold reserve of $17.5 billion is more than 1½ times the foreign official dollar holdings. The uncommitted gold reserves, that is, the surplus of gold after making allowance for the U.S. currency reserve, is only $6 billion, but the currency reserve, too, "can be freed," to quote Mr. Kennedy, "to sustain the value of the dollar." In addition, the U.S. has a quota of $4.1 billion in the International Monetary Fund which can be drawn, if necessary. And Mr. Kennedy has given notice that he will do so, if the situation warrants. The existing gold reserve alone is sufficient to cover 90 per cent of *all* foreign dollar holdings. In addition to its liquid international reserves, the U.S. has other large assets abroad, both short and long term. West European countries alone owe the U.S. Government $2.9 billion by way of long-term debts. U.S. private short-term assets abroad are estimated at $4.5 billion and long-term assets (including both plants owned directly by American companies and securities of foreign business concerns and Governments owned by Americans) are well over $44 billion. The latter amount exceeds foreign investments in the U.S. economy by some $28 billion. This is a picture of formidable strength, proving beyond doubt that the U.S. has "a strong solvent position" and that "powerful resources stand behind the dollar."

Mr. Kennedy's pledge to defend the dollar at $35 per ounce is thus not a vain boast. Nor is his warning to international speculators hollow. Moreover, with its total assets abroad exceeding $50 billion and with a strong net creditor position, the U.S., as a nation, would be a heavy loser, if it were to allow the external value of its currency to go down. It is, therefore, bound to defend it to the fullest extent possible. Furthermore, the free world cannot afford to withdraw all its dollar balances into gold. If the U.S. is forced to mobilise and withdraw its short-term balances abroad in order to defend the dollar, the currencies of Western countries, many of which are still having controls on movement of capital, would be in a sorrier plight than the dollar is today. It, therefore, pays nobody, except the adversaries of freedom and speculators, to argue, as some economic commentators do in Western Europe, that the only or the best solution to the U.S. balance of payments problem is an increase in the dollar price of gold, which in other words means a devaluation of the dollar. This solution, if adopted, would tantamount to placing a premium on world-wide inflation, besides giving a huge bonus to South Africa, Russia and the speculators who have hoarded gold in recent months hoping against hope that its dollar value would be increased sooner or later.

While, basically, the U.S. economy is strong, it cannot continue to have a balance of payments deficit of the order of $1.5 billion per annum year in and year out. It has to achieve overall equilibrium sooner or later. One way of establishing it will be to expand exports further. There is full recognition of this point in Mr. Kennedy's message. The U.S. will intensify its export drive and the Export-Import Bank has been asked to study methods whereby American exporters can be placed on a basis of full equality with their competitors in other countries. The President has stressed the need for improving the competitive capacity of American goods. He proposes to create an advisory committee on labour and management policy to encourage productivity gains, advance automation, induce adoption of sound wage policies and ensure price stability. Another way will be closer international co-operation under which countries which accumulate large dollar balances and other foreign currencies will make them over for financing the expanding world trade, instead of converting them into gold and burying it in the vaults of their central banks. It is in this context that the I.M.F. will have to play a new role, that of a super central banking institution for the whole free world. The U.S. President has directed the Treasury Secretary to initiate studies for strengthening the I.M.F. and effectively using it for both furnishing the needed increases in reserves and providing the flexibility required to support a healthy and growing world economy.

The problem to be solved is one of expanding the pool of international liquidity in a manner which will not place a strain on the currency of any one country. This is an old problem, comprehended and discussed even before World War II came to an end, resulting in the present Bretton Woods twins. One might have to go back to the original Keynes Plan, envisaging the creation of a new unit of international reserve currency such as "bancor" or "unitas". Mr. Kennedy's suggestion implies that the U.S., the U.K., and Germany, in particular, must be prepared for a radical transformation in the functions and powers of the I.M.F. Anyway, the coming months will witness a lot of discussion on this old subject and the economists in this country, particularly in the Reserve Bank and the Union Finance Ministry, will do well to brush up their memory, follow up the ideas that have already been expressed in the Western world—the "Triffin Plan" and the "Bernstein Plan," for instance—so that they may be in a very good position to understand the implications to India of any new plans for international monetary cooperation that may emerge, to guide the country along right lines, and to suggest suitable modifications for safeguarding the needs of underdeveloped countries.

Mr. Kennedy has also put forward a series of proposals, both fiscal and monetary, long-term, as well as short-term, designed to reduce the flow of U.S. savings for investment in developed countries, to attract foreign private investments to the U.S. and to encourage foreign Governments and central banks to hold dollar balances, instead of converting them into gold which yields no return. Thus, he proposes to pay on the funds held by them in the U.S. higher rates of interest than those offered to domestic banks and investors. He will soon take steps to prevent the abuse of foreign "tax havens" by U.S. capital abroad as a means of tax avoidance and to see whether the present tax laws are stimulating the flow of American investments to the industrial countries in undue amounts. He will, however, make sure that the remedial action proposed by him does not penalise legitimate private investment abroad. Fully realising that economic progress at home is the first requirement for economic strength abroad, he is determined to arrest the present recession in the U.S. economy. To this end, he has initiated a series of measures, including a novel departure in monetary policy, namely, raising interest rates for short-term and reducing them for long-term. Many are sceptical of the success of this step, as they feel that, in a free capital market, with no exchange controls, it will be difficult to maintain any significant disparity between short-term and long-term interest rates. There can be two opinions on most of the moves that are being made by Mr. Kennedy to defend the dollar. Not all of them can be a cent per cent success. But it cannot be denied that they are in the right direction and that he is energetically trying to protect the dollar, without injuring the interests of other nations and weakening the defence of the free world.

MARKET GOSSIP

Maharashtra Budget

EXCEPTING for the cursory survey of the progress of Maharashtra during the decade of planning and the brief reference to the financial aspect of the third Plan, there is not much in the 1961-62 budget speech of Mr. S. K. Wankhede, Maharashtra's Finance Minister, delivered on Wednesday this week. It is, on the whole, a pedestrian performance. One wonders whether the Finance Minister could not have given some details pertaining to the more important development schemes that would be undertaken in the ensuing year, the first year of the third Plan. All that he has said is merely this: "There will have to be a programme of substantial investment on items leading to improvement in the basic productivity of agricultural land; the third and subsequent Plans will have to be more employment oriented than their predecessors; a more fruitful solution to the problem of unemployment will have to be sought in industrial growth and ancillary economic activity; industrial growth will have to be increasingly oriented to rural areas."

The Finance Minister's observations on the resources aspect of the State's third Plan envisaging an outlay of Rs. 390 crores are confusing to a degree. This drawback apart, he has thrown no light on the manner in which he proposes to fill the gap between the resources expected to be available and those that will be required. In one place, the gap is shown at Rs. 70 crores and in another at Rs. 52 crores. Again, his approach to raising finance for implementing the Plan seems to be somewhat conflicting. Thus, in one place, he emphasises the urgency of supplementing revenue surpluses by resort to measures of additional taxation, for which a target of Rs. 52 crores has been suggested by the Planning Commission, but says, in another context, that the people of the State are already bearing a high tax burden. This is, indeed, tight rope walking. Does Mr. Wankhede want to give the impression to the Finance Commission that the State is badly in need of more liberal financial assistance from the Centre than it has had so far?

Coming to the Maharashtra Government's budget proper for 1961-62, one finds that it discloses a small revenue deficit of Rs. 7 lakhs, the estimates of revenue and expenditure being Rs. 110.62 crores and Rs. 110.69 crores, respectively. These estimates cannot be compared with estimates for the current year (1960-61), because the latter include transactions of the undivided Bombay State for the month of April 1960. Instead of clubbing the revenue deficit with the deficit on capital account and then indicating the means of covering the overall deficit, the Finance Minister of Maharashtra has dealt with the revenue Plan expenditure and capital expenditure separately. The revenue Plan expenditure for 1961-62 is to be limited to Rs. 12.41 crores. Excluding the Central assistance of Rs. 8.00 crores, receipts of Rs. 70 lakhs from Plan schemes and the accumulated balances of earmarked funds amounting to Rs. 2.71 crores, there is a gap of Rs. 1 crore. This small gap is proposed to be met by additional taxation measures to which we shall refer presently. The capital expenditure for 1961-62 is put at Rs. 46.88 crores (inclusive of net receipts of —Rs. 1.98 crore on capital account after meeting non-Plan expenditure), whereas the resources available are estimated at no more than Rs. 28.52 crores (Centre's assistance Rs. 15.80 crores, State's share of small savings Rs. 14.00 crores, and internal resources of autonomous public enterprises Rs. 70 lakhs). The uncovered gap thus comes to Rs. 16.38 crores. The Finance Minister has announced that he will meet this gap partly by raising open market loans and partly by withdrawing from the cash balance account.

The major portion of the additional tax revenue of Rs. 1 crore is proposed to be raised by the upward revision in passenger tax on road transport from 10 to 15 per cent. This measure, which is expected to yield Rs. 60 lakhs, does raise the cost of motor bus travel, but the incidence of the increase in tax may not be felt perceptibly. In any case, people have to pay for the Plan and they should not grudge this tax. If they wish to minimise the effects of this increase, they should travel less frequently. Only, to the extent the increase reduces the passenger load carried by buses, the transport undertakings will earn less. It may be noted here that the State Transport Undertaking carries 75 per cent of passengers by road, the balance being the share of private operators. And so it would appear that the problem of replacement, let alone expansion, in motor transport will be more pressing than what it is today.

The four other tax measures proposed by the Finance Minister are (1) imposition of a sales tax of 3 per cent on kerosene (revenue yield put at Rs. 30 lakhs); (2) withdrawal of certain sales tax concessions granted to the textile industry; (3) enhancement of sales tax on groundnuts from 1½ to 2 per cent; and (4) inclusion of dyes, chemicals, drugs and medicinal preparations under the residuary Entry No. 22 of Schedule E in Sales Tax Act. Barring the levy of sales tax on kerosene, the other measures represent only minor adjustments and their incidence is negligible. As for kerosene, it is true that this fuel is subject to sales tax in some neighbouring States. But there is no denying the fact that the levy will inflate the cost of living of middle and poorer classes which depend on kerosene for giving them light and power for kitchen. One reason given by the Union Oil Ministry for introducing the public sector into the field of distribution of kerosene and other petroleum products is to provide an element of competition with the foreign oil companies and bring down prices. This journal's contention has been that this is only lip-service to consumers. The Maharashtra Government has provided one more proof of that contention.

Latest on Bonus Commission

So much has been said and written about the chairmanship of the proposed Bonus Commission that any further comment on it would be regarded as just another voice in the chorus. But, in view of the developments that have taken place since we last wrote on the subject, it is necessary to review the situation, as it obtains at present, so as to provide a background to the understanding of further developments that are in the offing.

As the employers had made known, in no uncertain terms, their disapproval of the proposed chairman of the Commission, the Union Labour Minister, Mr. Gulzarilal Nanda, called a meeting of the Standing Labour Committee to ascertain the views of the parties concerned, explain to them the Government's stand and to finalise the Commission's terms of reference. The Committee, which is a tripartite body, met in New Delhi on the 10th inst. Apart from mutual exchange of views, nothing tangible has resulted from the meeting. Mr. Gulzarilal Nanda made clear the Government's stand on the question and sought to justify and convince the employers that Mr. M. R. Meher, President of the Industrial Court, Bombay, was a good choice for the chairmanship of the Commission. He is understood to have urged the employers not to be obsessed with the issue of the composition of the Commission, as the latter was not a tribunal asked to give an award which was binding on the parties but only an advisory body called upon to study the bonus question and make recommendations. He also assured the employers that the Commission's recommendations would be accepted, only if they were unanimous or that only such recommendations as were unanimous would be implemented.

The Minister had no objection to making the Commission tripartite in character by giving re-

Mr. SORAB B. MEHTA

It is with profound sorrow that we record the passing away of Mr. Sorab B. Mehta, Secretary and Publisher of *Commerce*, on Tuesday the 14th inst. Mr. Mehta was just 59; he was born on 13th January 1902. His death was very unexpected, for, until the last day when he developed sudden heart trouble and succumbed to it, he was quite hale and hearty. After working successfully as an officer in the head office of Messrs. W. H. Brady & Co., Ltd., Bombay, he was appointed the Secretary of Commerce (1935) Ltd., early in 1935, when *Commerce* moved into this city from Calcutta. Mr. Mehta served the Company ably and with unstinted devotion to duty and contributed in no small measure to the financial success of the journal. Verily, in his demise, Commerce (1935) Ltd. has lost a person who was its Secretary in the true sense of the term.

presentation on it to employers and workers alike. But he firmly turned down the demand that Mr. Meher should not be the chairman. Mr. Nanda pointed out that it was not possible to get a sitting judge of the Supreme Court to preside over the Commission and he was not in favour of appointing a retired judge of that Court. The question of finding a suitable judge of a High Court was presumably not examined.

Employers' representatives are reported to have asked for some more time to give an answer whether a tripartite Commission would be acceptable to them. They are understood to have pointed out that they had no mandate to commit themselves either way and could do so only after consultation with the constituent members of the organisations which they represented. Accordingly, a time-limit of six weeks has been given to them. The three central organisations of employers, namely, the Employers' Federation of India, the All-India Organisation of Industrial Employers and the All-India Manufacturers' Organisation, are expected to consider the entire issue *de novo* some time next week. It would appear that a section of employers is now opposed to the idea of boycotting the Commission, as it feels that such a course would only serve to antagonise both the Government and trade unions.

The workers' representatives have fully approved of the choice made by the Government. The spokesmen of the I.N.T.U.C. said at the aforesaid meeting that their organisation strongly objected to the employers starting a controversy over an appointment which the Government had a right to make. They argued that Mr. Meher was a man of considerable experience on the issues pertaining to the complex question of bonus. They contended that, if Mr. Meher could not be the chairman of the Commission simply because he had decided bonus disputes, then even Supreme Court judges, who had handled bonus cases, would have to be ruled out for this post. They made the further point that, if the Government were to change its mind in deference to the wishes of employers, the trade unions might have to change their attitude to the question.

The subject figured in Parliament on Wednesday this week during question hour. Mr. Nanda disclosed that the terms of reference of the Commission would be finalised only after the question of personnel was settled. A meeting of the representatives of employers and workers had been convened for April to consider the terms of reference. An indication of all the issues the Commission would be asked to examine was also given by Mr. Nanda. He stated that it would be open to the Commission even to suggest the elimination of bonus and its replacement by some other system. It would also be open to it, according to Mr. Nanda, to relate bonus to additional production or other factors. Asked whether the Government proposed to bring legislation to enforce the decisions of the Bonus Commission, Mr. Nanda said that, if the parties agreed to implement the decision, there would be no need for legislation. But he said that legislation could not be ruled out altogether. This remark seems to contradict the assurances reported to have been given by him to employers' representatives to the effect that only the unanimous recommendations of the Commission would be enforced.

Rural Savings

The need for augmenting rural savings for stepping up the overall rate of economic development has all along been felt. The main difficulty about estimating available rural savings, in contrast with their urban counterpart, is that there is no authoritative data throwing light on the magnitude of rural savings and the pattern of their utilisation. The reported decision of the Reserve Bank of India to organise a new All-India Rural Survey, covering all aspects of rural life, especially the pattern of savings and investment in the rural sector, should, therefore, be welcomed. Although a final decision with regard to the exact scope of the survey or its design has not yet been taken, the Reserve Bank has convened a conference of representatives of State Statistical Bureaus to be held in Bombay on 6th and 7th March. The State Statistical Bureaus are likely to be associated with the Reserve Bank in the organisation and management of the survey. The new survey is expected to throw up a substantial volume of data about the structure of rural life in this country. The Reserve Bank authorities have, however, not yet taken any decision whether a Committee of Direction, like the one appointed for the 1951-53 Rural Credit Survey, is to be set up for guiding the work of the survey and drawing important inferences from the data for future policy-making.

Air Cargo Freights

For some time past, the scheduled airlines have been thinking of reducing the air cargo freight rates. In his speech at the sixteenth annual general meeting of the International Air Transport Association (I.A.T.A.) held at Copenhagen in September last, its Director-General, Sir William P. Hildred, had emphasised that, in view of the expansion in the carrying capacity of all airlines, all possible efforts should be made by them for securing bulk cargoes. Subsequent to the agreement reached in the month of October 1960 to reduce the passenger fares, the need for a similar agreement among the scheduled lines on freight rates, at least for some key routes, became even more pronounced. It was with this purpose that talks were held at Paris this week. An attempt was made to reach an understanding on freights rates, over the North Atlantic air route at least. The Conference, however, could not come to any agreed decision. While carriers were generally agreed on the necessity for lower rates to fill the increasing capacities of their new fleets, they are reported to be having serious differences of opinion as to the method of attaining the objective. Some carriers wished to attract new and bulk traffic by offering substantial general rate cuts across the board at progressively higher volume points, whereas some other airlines wanted to achieve this end through the development of new and volume traffic by offering similar reductions within a system of commodity classifications derived from the existing structure of specified commodity rates. Although the Conference discussed all possible combinations of these two alternatives, it failed to iron out the differences in the two approaches.

The meeting, however, agreed that the cargo rate pattern in Europe, the Middle East and Africa should not be changed. It also set up a group to meet in three months' time to make an interim and intensive study of the European rating structure, with a view to simplifying it and introducing new promotional features for European cargo. The results of this study are expected to be introduced in 1962. There is a lot of speculation in commercial circles as to the possible repercussions of the failure of the Conference to come to an agreed decision. Some observers have confidently predicted that there would be a vigorous freight rate war. It is noteworthy that, as soon as the breakdown of Paris talks became known, the Pan-American Airways declared that it would cut the trans-Atlantic cargo rates by as much as 63 per cent on 10th April 1961, if there was no agreement before that date. The Seaboard and Western of the U.S.A. is also proposing cuts of upto 70 per cent in volume shipments. Pan-American intends to

(*Continued on page* 316)

SHARE MARKET FULLY STEADY

VALUES MOVE UP SLIGHTLY

(From Our Own Correspondents)

BOMBAY, *16th February*

BARRING sugars and few other counters which encountered selling, the share market ruled fully steady during the week under review. Buying support was perceptible, thanks to optimistic hopes about the Central Budget due to be presented to Parliament on Tuesday the 28th inst. The hopes were especially strengthened after the publication of the Railway Budget which did not contain any measures to raise passenger fares and freights. The imposition of only a very light burden in the Maharashtra Budget for 1961-62 also helped to sustain the hope.

First class preference shares were well fancied at higher prices on expectations of some relief in taxation. Morarjees advanced by Rs. 3.30 to Rs. 70.30. Andhra Valleys picked up Rs. 2.50 to Rs. 1,048.75. Stanvacs hardened by a like amount to Rs. 91.50. Hindustan Motors and Amar Dyes rose by Rs. 2 each to Rs. 190 and Rs. 100, respectively. Khataus put on Re. 1.50 to Rs. 72. Gwalior Rayon 'A's were done higher at Rs. 107, as against Rs. 105.50. Tata Steel 1st Preference gathered a rupee to Rs. 136. Jaipur Metals gained 50 nP to Rs. 57 and Tata Hydros 25 nP to Rs. 101.25. National Rayons were firm at Rs. 70, as also Amalgamated Electricitys at Rs. 77 and Premier Construc tions 3rd Preference at Rs. 5.32.

Among steels in the equity section, Tata Steels moved from Rs. 146.25 to Rs. 147.75 on Friday the 10th inst., but drifted lower thereafter and touched Rs. 145.50 today. The net loss over the week was 75 nP. Indian Irons rose from Rs. 24.48 to Rs. 24.80 before finishing at Rs. 24.56. The Company is expected to obtain a licence for the setting up of a factory to produce cast iron spun pipes at Indore or Ujjain with an annual installed capacity of 60,000 tons. Mukund Irons fluctuated between Rs. 24.12 and Rs. 23.52 and wound up the week at Rs. 24, same as last week.

Under the impetus of good buying orders, textiles recorded sizable gains. Morarjees spurted by Rs. 7 to Rs. 343. Svadeshis strengthened by Rs. 5 to Rs. 243.50. B. R. Cottons, Central Indias, Osmans and Standards hardened by Rs. 4 each to Rs. 26, Rs. 106, Rs. 49 and Rs. 1,118, respectively. At Rs. 490.50, Centurys were higher by Rs. 3.50. Kohinoors registered a rise of Rs. 3.25, today's closing rate being Rs. 281.50. Khataus improved by Rs. 2.50 to Rs. 452.50. Indores rose by a rupee to Rs 139. Bombay Dyeings gathered 70 nP to Rs. 62.50, after being higher at Rs. 62.80. Simplex were firm at Rs. 168, Podars at Rs. 138, Finlays at Rs. 330, Apollos at Re. 1.54 and Shree Niwas at Rs. 247. Gokaks, however, came in for selling and dropped Rs. 6 to Rs. 169. Swans softened by Rs. 2.50 to Rs. 495 and New Greats by Rs. 2 to Rs. 193.

Sugars were subjected to persistent selling pressure, following the publication of the White Paper on the Maharashtra Land Ceiling Bill which strongly justified the inclusion of cane farms attached to sugar mills under the purview of the Bill. Walchandnagars moved down by Rs. 12.50 to Rs. 212.50. Belapurs receded from Rs. 302 to Rs. 293. Maharashtras dropped Rs. 4 to Rs. 186. Phaltans and Oudhs eased by Rs. 2 each, the former to Rs. 144 and the latter to Rs. 198. Changdeos were neglected at Rs. 29.50, as also Bhopals at Rs. 29.

Cements were irregular. Associated Cements lost a rupee to Rs. 143.50. Orissas shed 8 nP to Rs. 13.44 and Sone Valleys 4 nP to Rs. 4.60. Digvijays, however, attracted special support and rallied from Rs. 148.50 to Rs. 155. Ashokas gained 14 nP to Rs. 8.76 and Jaipur Udyogs 4 nP to Rs. 11.16.

Among automobiles, Premiers picked up 75 nP to Rs. 164.50. Hindustan Motors were better by 4 nP at Rs. 20.24. Shippings tended to rise. Great Easterns rose by 24 nP to Rs. 14.76. Scindias improved by 12 nP to Rs. 14.32.

In the engineering section, Coopers advanced by Rs. 4 to Rs. 179. Larsen and Toubros put on 25 nP to Rs. 38 and Kamanis 28 nP to Rs. 16.72. Alcock Ashdowns were fully maintained at Rs. 264. But Telcos declined by Re. 1.50 to Rs. 297.50, after being higher at Rs. 302.25 on Saturday the 11th inst. Premier Constructions eased by a like amount to Rs. 186.50. Mahindras fell by 76 nP to Rs. 20.60. New Standards lost 50 nP to Rs. 169.50. Texmacos shed 12 nP to Rs. 23.16.

Dyes and chemicals in the miscellaneous section did not show any definite trend. Thus, some shares tended to look up, while others moved down as will be seen from the following table:

	16-2-1961	9-2-1961	*Net rise (+) or fall (—)*
	Rs.	Rs.	Rs.
Adarsh Chemicals ..	84.50	60.00	+24.50
Alembic	256.25	247.00	+ 9.25
Dhrangadhra	121.75	119.00	+ 2.75
Colour-Chem	317.50	315.00	+ 2.50
Tata Chemicals new ..	16.80	16.44	+ 0.36
Amar Dye new ..	337.50	362.50	—25.00
India Dyestuffs ..	450.00	460.00	—10.00
Poly Chem	222.50	225.00	— 2.50
Synthetics	128.00	129.00	— 1.00
Chemo Pharma ..	25.60	26.00	— 0.40

Among other miscellaneous industrials, Wimcos were well favoured, the quotation advancing by Rs. 5 to Rs. 265. New India Fisheries hardened by Rs. 8 to Rs. 89.50, Anil Hardboards by Rs. 6 to Rs. 172, Indian Hume Pipes by Rs. 3 to Rs. 169.50, Voltas by Re. 1.75 to Rs. 261.25, Philips Carbons by Re. 1.24 to Rs. 17.76, and Hindustan Levers by Re. 1 to Rs. 44. Killicks were firm at Rs. 99.50 and Tata Chemicals at Rs. 18.16. Baroda Rayons gained Rs. 2.50 to Rs. 124. South Indian Viscose were done at Rs. 138.50 *ex-right*, as against Rs. 147.50 *cum-right* last week (not *ex-right* as was inadvertently mentioned). National Rayons, however, came in for selling and fell by Rs. 6 to Rs. 507; at one time on Friday, they were lower still at Rs. 498. Bombay Burmahs receded from Rs. 558 to Rs. 555.50. Gwalior Rayons shed 15 nP to Rs. 43.85.

* * * *

Calcutta Stock Exchange

CALCUTTA, *15th February*

Against the background of optimism created by rumours, some intelligent and some otherwise, that the Finance Minister would be content with the increased revenues he collects now from direct taxes as a result of a generating economy and that he would not choose a pre-election budget for increasing indirect taxes either, the Stock Exchange displayed steadiness during the week under review and many firm spots leading to impressive gains were in evidence in most sections. If, therefore, the budget does not contain any unpleasant surprises, apart from minor adjustments here and there, by the time the budget is announced in Parliament, operators would find that these had already been discounted. The lack of an official announcement regarding increase in steel retention prices was a disappointment but if, despite this, steel shares were well fancied, it was due to the increasing output and the sober expectation that the shortage of coal and limestone would only be a temporary phase. Encouraging corporate results and the rising industrial output led to keener attention of investors to miscellaneous industrials, while the decline, small though it was, in fibre prices under the impact of rumours of imminent official measures under the Essential Commodities Act to curb speculation, and the reported proposal of the I.J.M.A. to fix voluntarily maximum prices for fibre, made jutes look attractive at their present low levels, touched as a result of continued weakness for weeks together now. Coals once again came to the forefront, as firm proposals for foreign aid for the industry were thought to have been mooted. Sugar mills shares, on the other hand, were quiet and paper mills could only muster nominal support for replacement buying. Teas opened firm and, as the week progressed, selective interest not only improved the turnover but led to several bright spots. It is now believed that the loss in production as a result of the 1960 drought would be more than compensated by the increased prices being realised at the auctions.

Coals recorded a higher volume of business. The several protests on the existing coal shortage only highlighted the important role for this industry. The demand for coals was due to the belief that officialdom would accord every assistance in the industry's search for foreign assistance to increase production. East Indians forged ahead from Rs. 31.31 to Rs. 33, with Bengals being as high as Rs. 345, as against Rs. 324.50 a week ago. At Rs. 20.19, Burrakurs recorded a modest gain, as did South Karanpuras at Rs. 12.75. Raneegunges were firm at Rs. 16.50. Equitables changed hands at Rs. 30.87, as against Rs. 30.25 previously. Borreas spurted from Rs. 20.50 to Rs. 23.25. At Rs. 20.50, New Beerbhooms were higher by more than a point, Central Indias being pushed up from Rs. 12.19 to Rs. 12.72 to close at Rs. 12.69. Karanpuras picked up nine points to Rs. 210. Amalgamated improved from Rs. 21.69 to Rs. 23.44. Pench Valleys realised Rs. 19.81, as against Rs. 19.50 previously. Dhemo Mains scored to Rs. 8.87 from Rs. 7.87.

Interest in textiles was limited. Jayshrees hardened from Rs. 15.37 to Rs. 16.57 before closing at Rs. 15.94. J.K. Rayons rose to Rs. 15.87 from Rs. 15.31 but finished at Rs. 15.75. Keserams were quiet at Rs. 29.31, as were Dunbars at Rs. 24.37.

In jutes, Howrahs at Rs. 22.25 recorded a small gain. New Centrals opened at Rs. 17.75 and closed at Rs. 19.12, after realising even a high rate of Rs. 19.37. Barnagores were put through at Rs. 117, as against Rs. 116, but closed lower on balance at Rs. 115.50, while Birlas closed fractionally higher at Rs. 28.87. Ganges were unchanged at Rs. 10, while Fort Glosters eased from Rs. 210 to Rs. 208 and Nuddeas from Rs. 45.25 to Rs. 44.25.

Engineerings were steady. Indian Irons opened at Rs. 24.45 and gradually gained to Rs. 24.78 to close at Rs. 24.60. Texmacos at Rs. 22.90 were a few naye paise higher. Jessops met with good support to harden from Rs. 19.75 to Rs. 20.62. Guest Keen Williams were firm at Rs. 38.27. J.K. Steels, after being higher at Rs. 21.06, eased to Rs. 20.19. Braithwaites gave way from Rs. 31.50 to Rs. 31.25 and Britannia Engineerings from Rs. 13.69 to Rs. 13.56.

Teas met with more inquiries and, on selective attention, some rises were recorded, especially in Dooars gardens. Birparas were traded at Rs. 166, as against Rs. 162 previously. Hantaparas were driven up to Rs. 144, as against Rs. 132. Huldibaris picked up Re. 1.25 to Rs. 23.25. Kilcotts rose to Rs. 18.56 from Rs. 17.62. Ranicherras were as high as Rs. 18.31, as against the opening of Rs. 16.75. Bormahjans at Rs. 16.50 gained Re. 1.50, Brooke Bonds being pushed up to Rs. 16.62 from Rs. 15.50. Bishnauths were better at Rs. 21.06, but Teloijans eased to Rs. 24.50 from Rs. 24.87. Borpukris had buyers at Rs. 16.06, the gain on balance being Re. 1.34. However, Hattikhiris gave way to Rs. 10.50 from Rs. 10, while Margaret Hopes at Rs. 14 recorded a smart gain. Betjans spurted from Rs. 23.31 to Rs. 25.12, Teesta Valleys being unchanged at Rs. 13. Gairkhattas gathered Rs. 2.50 at Rs. 141.

Miscellaneous industrials also recorded a good many features. On interested support following a dividend of 4 per cent as against *nil* in the previous eight years, Rallis touched a high of Rs. 142.50, after opening at Rs. 138, to close firm at Rs. 140. Union Carbides were lifted from Rs. 48.75 to Rs. 51.62. Indian Cables advanced from Rs. 32.62 to Rs. 33.81, following interest on technical consideration. National Cables increased by more than one point at Rs. 31.87. National Pipes were difficult to be found and Indian Oxygens were fully steady at Rs. 41.75, as against Rs. 41.12 earlier. On technical considerations, Rohtas Industries at Rs. 20.31 gained Re. 1.44. Electric Constructions were steady at Rs. 13.25 at which a small gain was also recorded. Balmer Lawries were pushed upto Rs. 219 from Rs. 218, while Jardine Hendersons were pushed down from Rs. 65 to Rs. 63. India Paper Pulps were lower at Rs. 18.69 and India Steamships touched a low of Rs. 8.94. Titaghur Papers were unchanged at Rs. 39.25.

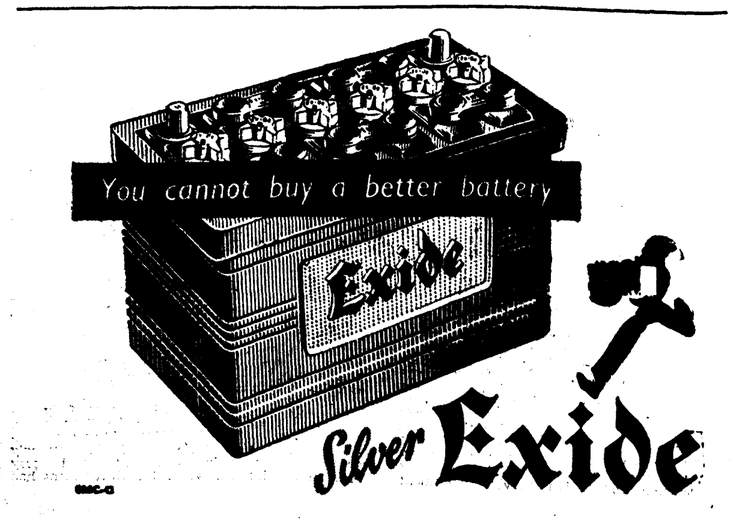
* * * *

Madras Stock Exchange

MADRAS, *15th February*

Dull conditions prevailed on the Stock Exchange during the week under review. Turnover was limited and values moved narrowly, the general tendency being downward. Operators were reluctant to enter into fresh commitments either way in view of pre-budget uncertainties. Textiles ruled easy, thanks to lack of follow-up support. Teas were subdued, despite reports of good offtake at auctions. Coffees, however, were somewhat cheerful. A few leading scrips scored handsome gains. Rubbers were also well maintained, following the

(*Continued on page* 316)



NEWS IN BRIEF

CENSUS operations began all over India on the 10th inst. and will continue for over three weeks. About a million enumerators are working on the project to collect socio-economic data covering about 80 million households.

A twenty-member delegation from Yugoslavia arrived in India on the 9th inst. to discuss with the Government of India details regarding the utilisation of a credit of Rs. 19.05 crores offered for the third Plan.

The number of subscribers to the Coal Mines Provident Fund Scheme, which came into effect in May 1947, was about 349,000 in 1959-60. The total accumulation in the Fund at the end of October 1960 was about Rs. 20.89 crores.

India imported 51,780 tons of virgin copper during 1960, as against 45,430 tons in the previous year. The quantity of zinc imported during the year amounted to 61,146 tons, as against 47,100 tons. Lead and tin imports were 21,752 tons and 3,257 tons, respectively, as compared with 23,612 tons and 4,404 tons.

All-India Radio proposes to install 57 new transmitters, mostly of medium wave, during 1961-62, the first year of the third Plan. The total cost of the transmitters will be about Rs. 3.39 crores. The bulk of the foreign exchange involved is being provided under various credit agreements with other countries.

The Government of India, in consultation with the Punjab and Rajasthan Governments, has set up a fourteen-member Control Board to ensure efficient, economical and early execution of the Bhakra and Beas Project, comprising the Beas-Sutlej Link and the dam at Pong and all connected works in the Punjab, Rajasthan and Himachal Pradesh.

Under new arrangements agreed at a conference of directors of the Commonwealth Agricultural Bureau in London last week, India is to be given free 11 volumes of each of the Bureau's 13 or 14 journals or abstracts which are published every year for the benefit of agricultural research workers. Previously, India was entitled to only six journals.

The second giant generator of 90,000 kw. capacity of the left bank power-house at Bhakra was commissioned a fortnight ago. Like the first generator of the same capacity commissioned in November last, the power produced by the second generator will also be supplied to the Nangal Chemicals and Fertiliser Factory set up across the Nangal Dam. The remaining three units of similar capacity will also be commissioned at an interval of three months each. The third unit which is being assembled will be ready for trial run shortly.

A Bill seeking to prohibit Central Government employees from going on strike has been drawn up by the Government of India and is awaiting the approval of the Cabinet. No provision is made in the Bill for the creation of joint consultative machinery on the lines of Whitley Councils, but it is stated that such a machinery can be established by an order of the Government after the Bill is passed in the forthcoming Budget session. Meanwhile, State Governments have been asked to take similar measures covering their employees, if they so desire.

The Textile Commissioner has invited applications from interested parties for the installation of a finishing plant for woollen textiles. The plant will have to be set up in the Punjab State, preferably Amritsar, Jullundur and Ludhiana areas. Those entrepreneurs who are prepared to install indigenous machinery or import minimum machinery without expenditure of foreign exchange will be given preference. Applications should reach the Textile Commissioner on or before 31st March 1961, with a copy forwarded to the Union Ministry of Commerce and Industry, New Delhi.

As on 1st November 1960, as many as 61,044 registered foreigners were reported to be resident in India. On 1st December 1959 their number was 55,653. These figures do not include children below the age of 16 years, nationals of Commonwealth countries and foreign diplomats and officials, etc., who are not subject to registration. Among the residents registered were: Tibetans—16,833, Chinese—12,460, Afghans—6,920, Americans —4,688, Iranians—4,079, Germans—3,434, Burmese —1,685, Russians—1,623. Italians—1,161, Portuguese—1,157 and French—982.

The Central Government is considering the question of setting up an advisory committee on direct taxation in order to help assessees get over procedural difficulties. Disclosing this at a meeting of the All-India Manufacturers Organisation at Bombay last week, Mr. B. Gopala Reddy, Union Minister for Revenue and Civil Expenditure, revealed that the Government was also examining the question of modifying the existing Revenue Recovery Act so that income-tax officers of the Central Government could take over from district collectors the task of collecting income-tax arrears from those in far-off district towns and other places.

The foundation-stone of the Rs. 1.5-crore cooperative sugar mills at Morinda in the Punjab was laid by Sardar Pratapsingh Kairon, Chief Minister of the State, on the 7th inst. The mill, which will go into production from the next season, will have a crushing capacity of 1,200 tons a day. This is the fourth co-operative sugar mill in the State. The three other units are located at Rohtak, Bhogpur and Panipet. The share capital of the new factory will be Rs. 50 lakhs, of which Rs. 20 lakhs will be contributed by the State Government and the balance by the cane-growers of the area. The Industrial Finance Corporation is expected to grant a long-term loan of Rs. 100 lakhs.

The U.N.E.S.C.O. Research Centre of Social and Economic Development in Southern Asia will continue its activities for a further period of four years from 1961 to 1964, under an agreement signed at New Delhi recently between the U.N.E.S.C.O. and the Government of India. Located in New Delhi, the Research Centre was started initially in Calcutta in January 1956. The principal tasks of the Centre have been to collate and interpret the existing research material on the social sciences, provide documentation to assist social scientists to co-ordinate their work, undertake pilot studies to stimulate further research, organise research on behalf of Governments, universities and other institutes and provide training facilities for research.

A cess at the rate of 30 nP per kilogram will be levied on all rubber produced in India, with effect from 1st April 1961. It will be collected by the Rubber Board. The cess on sole crepe will continue to be levied and collected from the producer, the manufacturer being liable to pay the cess on all other grades of rubber according to the quantities bought or otherwise required by him from April onwards. For every 100 lbs. of rubber, the producer will get a price which will be Rs. 6.25 lower than the present controlled price. The Rubber (Amendment) Act 1960 empowers the Rubber Board to call for the accounts and other documents in regard to purchase, acquisition or use of rubber and to prove their correctness.

Twenty-eight new Bills are expected to be introduced durng the Budget session of Parliament which commenced on the 14th inst. Of these, two will replace the ordinances promulgated by the President recently—the U.P. Sugarcane Cess Validation Ordinance and the Banking Companies Amendment Ordinance. Important among the other Bills are the Central Government Employees' Relations Bill which will ban strikes by Central Government employees and provide for consultative machinery, the Income-tax Amendment Bill to give effect to the recommendations of the Law Commission and the Direct Taxes Enquiry Committee, and the Bill to merge the tax on passenger fares with railway fares with effect from the beginning of the next financial year as recommended by the Railway Convention Committee.

India had a larger adverse balance of trade to the extent of Rs. 364.71 crores during the calendar year 1960, as compared with only Rs. 319.39 crores in 1959. The increase in deficit was due to the rise in imports which amounted to Rs. 1,000.40 crores, as against Rs. 939.87 crores. A part of the rise in imports was, of course, covered by an increase in exports from Rs. 620.48 crores to Rs. 635.69 crores. In December 1960, the latest month for which figures are available, the adverse balance of trade was lower at Rs. 5.59 crores, as against Rs. 6.71 crores in the previous month and Rs. 11.49 crores in the corresponding month of 1959. Exports at Rs. 69.96 crores showed an improvement of Rs. 7.96 crores and Rs. 55 lakhs, as compared with November 1960 and December 1959, respectively.

* * * *

From Abroad

Malaya, the Philippines and Thailand have decided to set up working committees of experts to lay the detailed foundations of an Association of South-East Asian States. The Association is intended to foster economic and cultural ties between countries of the region.

The U.K.'s exports of farm machinery and tractors set up a record in 1960. In the first eleven months of the year, their total exceeded by £12 million, the previous record of £105 million in the whole of 1959. During the same period, tractor production was 15 per cent higher. Overall production rose by 11 per cent. The leading exporters of tractors, Messrs. Ford and Massey-Ferguson, both achieved increases in sales.

Jute industry in Pakistan has been brought within the scope of the export bonus incentive scheme. The industry is, however, required to use not less than 50 per cent of the bonus vouchers earned for the import of looms and spindles required for expansion and for modernisation of equipment, in addition to its requirements of spares and raw material.

The American Zinc, Lead and Smelting Company has decided to cut production of metallic zinc by 10 per cent during the first half of 1961, as compared with the corresponding period last year when the output was 73,700 tons. For this purpose, it has discontinued production at three mines at Tennessee and a smelting plant at Illinois. The cutback in production, it is stated, has been necessitated by "heavy inventories of zinc products."

World production of natural rubber aggregated 1.76 million tons during the first eleven months of 1960, according to the International Rubber Study Group. The total consumption was well above production, being 1.83 million tons. Stocks of natural rubber were maintained at about 685,000 tons towards the end of November. World output of synthetic rubber during the same period is estimated at 1.74 million tons and consumption at 1.63 million tons.

The British motor car industry had a record output of 1,352,728 cars in 1960, as against only 1,189,973 in 1959. Exports increased from 568,971 to 569,916—another record figure. Production of vans, trucks and buses reached an all-time high of 457,972, as compared with 370,484 in 1959. Exports, too, were a record, with 146,134 vehicles, valued at £104 million, being shipped. The total value of the British motor industry's exports for 1960 was nearly £618 million.

Exports of wheat from Canada were lower by 1.2 million bushels at 108.5 million bushels during August-November 1960, that is, the first four months of the current crop year, as compared with the corresponding period in 1959. But exports of wheat from the U.S. rose sharply from 128.9 million to 203.9 million bushels. Shipments from Australia and Argentina also went up from 34.4 million bushels and 19.0 million bushels to 41.1 million bushels and 31 million bushels, respectively.

The Government of Pakistan has lifted controls on prices and distribution of 29 commodities, including building materials, such as iron and steel, cement, plates and sheet glasses, sanitary and water-supply fittings and building hardware, as well as caustic soda, drugs and medicines. There are, however, still 15 commodities subjected to controls. These include tea, sewing machines, edible oils and *bidi* leaves. Earlier, the Government had removed restrictions on the price and distribution of cotton yarns and cloth.

One of the "Big Five" motor manufacturers in Britain, namely, the Rootes Group, has decided to retrench 850 workers because it considers that short-time working is uneconomic and that the only rational way of adjusting its organisation to the fall in demand for cars is permanently to reduce its labour force. The remaining 7,000 workers who have now been employed on short weeks (between 2½ to 4 days) will be put back on full time. Meanwhile, Ford Motors has decided to return to a four-day week (from the present three-day week, started since 16th January). It is said that this reflects an improvement in the demand for cars partly owing to last month's relaxation of hire-purchase restrictions and partly to seasonal factors.

A five-year plan to aid developing countries in demographic studies and census evaluation is currently being considered by the United Nations. John D. Durand, representing Secretary-General Hammarskjoeld outlined the plan before a meeting of the U.N. Population Commission last week. Mr. Durand is the Assistant Director of the U.N. Bureau of Social Affairs, in charge of the population branch. The emphasis of the programme proposed to be undertaken between 1961 and 1965 will be based on substantially increasing technical assistance to developing countries in a number of ways. The plan includes strengthening of the Regional Centre for Demographic Training and Research for Asia and the Far East, located in Chembur, Bombay, assistance in the training of more personnel in demographic techniques and on-the-job training of a limited number of internes in the centre, programme for consultants to assist Governments in the analysis of census and encouragement of demographic research projects, and development of a Regional Centre for Demographic Research in Africa, to begin in 1962.

The Government of Chile has obtained the approval of the International Monetary Fund for the immediate drawing of Argentine pesos amounting to $16 million, and a stand-by arrangement authorising additional drawings up to the equivalent of $75 million over the next twelve months in currencies held by the Fund. The resources provided by the Fund are to be supplemented by additional financial support amounting to $30 million from the U.S. Government and $30 million from a group of private banks. The stand-by arrangement is intended to help the Chilean Government maintain its programme of economic stabilisation, despite the financial difficulties created by the earthquakes of last May and uncertain prospects for the world price of copper, Chile's principal export commodity. The Government's programme is based on cautious credit policies and on plans to reduce its budgetary deficit, which is to be financed by non-inflationary methods. The exchange system is to be maintained free of restrictions with the exchange rate permitted to fluctuate in response to fundamental market forces. Chile's drawing of Argentine pesos is the first to be made from the Fund in a Latin American currency. It is to be used in partial settlement of a balance amounting to $32 million, in favour of Argentina, which has accumulated under a bilateral trade and payments arrangement between the two countries, which has been terminated as of 31st January 1961.

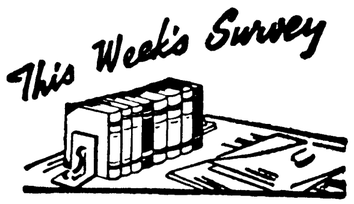
PERSONAL

MR. F. E. H. GODDARD, Manager, The Chartered Bank, Bombay, has been elected Vice-President of the Bombay Chamber of Commerce and Industry for the year 1961-62.

Mr. K. Sreenivasan, Director of the South India Textile Research Association, Coimbatore, has been awarded a fellowship by the British Textile Institute, Manchester. The fellowship, the highest diploma given by the Institute, is made for "a substantial contribution of the advancement of knowledge within the industry," which includes thesis or lectures.

Mr. D. L. Mazumdar, I.C.S., Secretary, Department of Company Law Administration, Union Ministry of Commerce and Industry, is the Chairman of the Research Programme Committee of the Department of Company Law Administration, which has been reconstituted for a period of two years from the beginning of January 1961. The members of the Committee are: Mr. C. P. Mukherjee, Mr. J. S. F. Gibbs, Dr. R. C. Cooper, Dr. R. K. Hazari, Dr. N. S. R. Sastri and Mr. S. N. Desai.

Mr. Cyril Underwood, a senior research officer in the British Cotton Industry Research Association (Shirley Institute), is arriving in India shortly as adviser to the South India Textile Research Association. He will advise the Director of the Association in initiating, organising, and co-ordinating research activities in the various fields affecting the textile industry. His services have been made available under the Technical Co-operation Scheme of the Colombo Plan for a period of two years. The South India Textile Research Association hopes to take up the study of problems relating to the improvement of handloom techniques, and Mr. Underwood is expected to assist in this.



ENGINEERING INDUSTRIES

THE Engineering Association of India, which claims to be the largest single organisation representing the engineering industry in the country, has a total membership of approximately 1,000 firms. Its Department of Statistics and Research has recently completed a survey of engineering industries in India and is able, in the light of that survey, to proffer advice on the starting of new industrial enterprises. These facts alone are impressive enough to invest the Association's views on industrial questions with a certain authoritativeness. Most of these views, expressed against a background of support to official policies governing heavy industries, are constructive even where they are critical. Mr. R. L. Rajgarhia's presidential address at the 18th annual general meeting of the Association at Calcutta over the week-end also falls into the same pattern.

Mr. Rajgarhia was on unassailable ground when he stated that the third Plan's steel target was not at all on the high side. If anything, he said, it was modest, considering the time lag that would be involved in the completion of the projected Bokaro plant and the proposed expansion schemes of the existing public sector steel plants. Apart from the demand for steel as now assessed, there was also a big unsatisfied demand which had not been properly assessed. Mr. Rajgarhia was, therefore, of the view that steel might not be available by 1966 in quantities and categories required by the engineering industries. This was not an exaggerated fear, for the "free licensing" list, on which a number of engineering and non-engineering industries were placed early in 1960, was known to have happily led, within a very short time, to some substantial investment in small- and medium-scale industries. Since additional capacity is being continuously established in engineering industries, increased demands by them for graded pig iron, steel sections, alloy, tool and special steels, etc., will have to be anticipated and provided for. The current shortages in their supplies cannot be allowed to continue if the engineering industries are to produce more and better products for the foreign market as well. The Government's current proposals for an alloy and special steel plant at Durgapur, an additional steel plant based on Neyveli lignite and Salem iron ores, five or six pig iron plants (each with a capacity of 100,000 tons) in the private sector and possible manufacture of alloy, tool and special steels in the private sector also are calculated to allay the anxieties of engineering units which have been complaining about shortages in the raw materials required by them.

But, in spite of all these plans and proposals, it looks as though critical shortages might continue throughout the third Plan period—shortages which are not likely to be met by adequate maintenance imports. Mr. Rajgarhia's plea, in this connection, for a certain order of priorities under which the relatively older engineering industries would be assured of maintenance imports irrespective of whether or not they are financed by their export earnings poses a difficult question. His point that there is no immediate prospect of the engineering industries earning sufficient foreign exchange for financing maintenance imports does not square with the Engineering Export Promotion Council's view to the effect that there are greater export prospects now for Indian engineering goods than before. If even the engineering industries cannot hope to export some of their products, the effort and expense involved in export promotion drives will have no justification. Are export prospects for engineering goods as gloomy as was sought to be conveyed by Mr. Rajgarhia who said that it might take the engineering industries not less than 15 years more to be able to earn sufficient foreign exchange for financing their maintenance imports? If the official expectation that all maintenance exports should be financed through the export earnings of the industries concerned is unreasonable, the stand of the engineering industries that they should not be strictly expected to earn any foreign exchange is no less unreasonable. By far the fairer approach on the part of the Engineering Association would be to say that it will encourage its members to explore honestly all export possibilities but that maintenance imports should not be wholly tied to export earnings.

Some other suggestions in Mr. Rajgarhia's address are, however, less controversial than the one relating to maintenance imports. There is, for instance, the suggestion that some industrial plant and machinery, instead of being produced on the basis of additional capacity set up for the purpose, should be manufactured in parts and as side lines by the established engineering workshops which have spare capacity. A related suggestion is to the effect that manufacturers of industrial plant should not think in terms of having their own servicing departments—tool room, foundry, forge, etc. —but depend on independent engineering units for supplies of castings, forgings, gears, fixtures, dies, and so on. A third suggestion is that technological institutions be set up in close proximity to each steel plant, so that they could provide refresher courses for those already employed, besides training new technical personnel. These suggestions would involve appropriate action at the administrative level also. Since the heavy industry projects in the public sector and the engineering units in the private sector will be increasingly complementary to each other, the administrative approach should also be increasingly aimed at co-ordination of production, especially in ancillary lines. The constructive suggestions of the Engineering Association, therefore, deserve to be considered for action by the powers-that-be.

EXEMPLARY PUNISHMENT

The conviction, by the Federal Court in Philadelphia, of some leading U.S. electrical manufacturing companies (among them the Westinghouse and General Electric are the largest) of criminal violation of anti-trust laws has come as a dramatic climax to a long legal battle between the firms and the Anti-Trust Division of the U.S. Department of Justice. In addition to fines aggregating $2 million on the companies concerned, seven of their top executives have been awarded prison sentences of 30 days each.

The companies were charged with criminal collusion in price-fixing for electrical equipments which is illegal in the U.S. The present case originated from complaints by the Tennessee Valley Authority, first in 1955 and then again in 1959, that it was receiving identical, as well as high, bids for work put to tender. The T.V.A. complained that, as a result of this, it had to give no less than 27 per cent of its contract to firms abroad, especially British firms. Although the companies supplying the T.V.A. at first refuted the charges, prosecutions launched by the Department of Justice led to the conviction of five of them. Conviction followed conviction, until almost all firms in the electrical manufacturing industry were under fire. The collapse came when Allis-Chalmers, one of the largest companies, pleaded guilty to the eight charges levelled against it. Other firms too followed suit and pleaded guilty or offered no defence to such charges as fixing prices and rigging bids on heavy electrical equipments of a total sale value of $1.75 billion a year.

The jail sentence awarded to the executives is generally considered as a turning point in the administration of anti-trust laws. Hitherto, the U.S. Courts were inclined to take the view that those who violated anti-trust laws were not criminals and should not be sent to jail. The conviction and sentence in the case under reference are expected to have a lasting effect on U.S. business practices and psychology. Already, as a result of recent convictions, prices of electrical goods in the U.S. are reported to have sharply declined. Bidders for steam turbines and power transformers are now quoting prices which are 30 per cent less than those asked a year ago. Prices of other items too have fallen. There has also been a perceptible fall in the value of shares of almost all companies manufacturing electrical goods. As India is going in more and more for American-made power plants, the event is of more than academic interest to it.

It is noteworthy that anti-trust legislation in the U.S., which aims at curbing monopoly trends in the economy, is about three-quarters of a century old, having started as early as 1890 with the Sherman Anti-Trust Act. But it has not so far succeeded in preventing price-fixing arrangements or other monopoly practices as is evident from the present case which involved some of the largest and world renowned manufacturing firms. Similar anti-monopoly legislation exists in many countries. Comparable legislation in the U.K., for instance, is the Restrictive Trade Practices Act. The Restrictive Trade Practices Court recently declared the whole system of organised car distribution in the U.K. as being against public interest and imposed fines on some firms for violating the provisions of the Act.

These cases and convictions have a lesson for businessmen throughout the world. It is that they are legally and morally bound to respect the law. Belonging as they do to what Prof. Arnold Toynbee who call "the dominant minority," they should set an example for others in the matter of obedience to law and good conduct in society. Any lapse on this score is likely to be seriously viewed and the punishments prescribed by the courts will justifiably tend to be deterrent rather than merely just.

TECHNICAL MANPOWER

India's planners cannot claim to have assigned in the 'fifties as high a priority to the training of technical manpower as the Soviet planners accorded to it in the 'thirties in Russia. The result is that, even after ten years of planning, there are critical shortages in the supply of technologists and engineers in this country. Both Mr. Jehangir Ghandy and Mr. G. L. Mehta, who recently spoke on the subject, have, therefore, done well to offer some practical suggestions for improving matters in this crucial field. Mr. Ghandy's speech at the meeting of the Eastern Regional Committee of the All-India Council for Technical Education over the week-end is notable for its two timely pleas on the eve of the third Plan's inauguration. The first plea is for greater emphasis on the training of cadres for mining, metallurgy and other fields of specialisation where the present shortage is the most critical. And the other is for speedier implementation, by all State Governments, of the improved salary scales for staff recommended by the Union Government, in order to prevent the "flight" of teaching talent from technical institutions to better-paid positions elsewhere and to encourage young men of good academic record to opt for a career in teaching. The scheme of awarding teaching scholarships of Rs. 350 to Rs. 400 a month in a number of selected institutions, it may be recalled in this connection, has been in operation only in the eastern region since 1960, thanks to the initiative taken by Mr. Jehangir Ghandy. But it has covered only 50 candidates so far. Mr. Ghandy's suggestion that this programme be enlarged to meet further staff requirements during the third Plan would, therefore, need to be seriously considered for implementation in all other regions.

Mr. G. L. Mehta's Convocation Address at the Indian Institute of Technology, Kharagpur, on the 4th inst., is notable for two practical suggestions contained therein to meet the shortage of technologists in many fields. One of these is that the standards of technical education in universities and other institutions should be raised, so that those who graduate from them may be better equipped to take over the teaching functions now carried out by qualified technologists. This would release some of these technologists from universities and technical institutions for more specific and important work for which they have been trained. And the second suggestion is that greater effort should be made in regard to training within industry for the dual purpose of training technicians and discovering candidates who have an aptitude for taking up academic training and becoming qualified technologists. This latter suggestion is presumably addressed to the private sector which has to compete with the public sector for securing the services of qualified technologists. Since the private sector requires more and more technologists not only for operating its existing and future industries but also for training technologists to devise new products, new processes, new equipment, new materials of construction and new designs, it should not expect that its entire requirements of technical manpower will be met by the State-sponsored institutions.

The present rate of outturn of engineering personnel (both degree holders from colleges and diploma holders from polytechnics) seems to be low. As of 1960, the annual outturn of degree holders is only 5,300 (as compared with 120,000 last year in Russia) and that of diploma holders 10,400. The total number of degree-holding engineers at present in service is just 50,000. According to Dr. A. N. Khosla, Member, Planning Commission, although the rate of outturn of engineering personnel has greatly increased in the second Plan period as compared with the first, there is an acute and all-round shortage of such personnel and this shortage will be further accentuated with the rising tempo of development. The estimated requirements of degree holders and diploma holders during the third Plan period are 46,000 and 80,000, respectively—requirements which, it is stated, will be more or less met by the programme of expansion. But a closer look at some relevant figures would show that this expectation may not be wholly fulfilled. What is relevant here is the present annual intake of colleges and polytechnics; as of 1960, this is 13,200 students in the case of colleges and 24,000 in the case of polytechnics. Since a degree course in engineering involves training over a period of four or five years, there will be an outturn of probably 10,000 graduates only in 1965 on the basis of an intake of 13,200 students in 1960, whereas the average annual outturn itself during the third Plan period will have to be 10,000 degree holders. A similar reasoning in the case of diploma holders, on the other hand, may show that their actual outturn will correspond, more or less, to an annual rate of 15,000 during the third Plan period, inasmuch as the intake of students by polytechnics has reached the high figure of 24,000 as of 1960. By and large, however, there will be underproduction, and not overproduction, of engineering personnel during the next five years.

The actual outturn of engineering personnel may not correspond to the third Plan's targets, for there is also the additional bottleneck in the form of shortage of teachers in almost all engineering institutions in the country—a shortage ranging upto 40 per cent. Even the engineering teachers at present are not uniformly first-rate men; quite a good proportion of them are stated to be only second rate. If even some of these teaching technologists are to be pulled out, in terms of Mr. G. L. Mehta's suggestion, for more specific and important work elsewhere, there will be a further deterioration in the standards of teaching. Since no such thing can be permitted to take place, more foreign technical assistance is clearly called for in this line. It is well known that such assistance rendered by highly qualified technologists and engineers at crucial points has a catalytic effect on development. Mr. G. L. Mehta's view that "if dependence on foreign technical assistance is excessive, it might inhibit the development of local technology" cannot be wholly applied to the teaching line in which there is a critical shortage of engineering personnel. The foreign exchange component of Rs. 18 crores of the third Plan's technical education programme (costing in all Rs. 157 crores) may not be sufficient, for it includes the cost of equipment also. If the U.N. Special Fund and the International Development Association were to decide in favour of fuller assistance for the programme, it would help remove the bottleneck in the teaching line. If the machines to produce machines are a 'must,' more engineer-teachers to train engineers would also need to be attracted from all advanced countries as much for meeting the current shortage of teachers as for raising the standards of technical education.

The latest news that two American educationists have just visited the Engineering College at Madras as the forerunners of a team of four engineering professors is most heartening in this connection. These professors, it is stated, will teach engineering teacher-trainees at the Engineering College at Madras for at least one year starting in June. This assignment of American professors to the Madras college is scheduled for three years. A similar assignment of five American professors to the Poona Engineering College is also expected. Even with the addition of these two institutions, only five engineering colleges in India will operate such assignments. If more engineering colleges and technical institutions come to be similarly assisted by other advanced countries and by the specialised agencies of the U.N., the problem of teacher-training will be satisfactorily solved. Otherwise, there will be no case for starting new institutions in a hurry.

BOLT AND NUT INDUSTRY

The bolt and nut industry is one of the oldest engineering industries in India, its development having taken place simultaneously with the growth of railways and structural engineering industries. The industry gained considerable momentum during the last world war when imports were severely curtailed. The demand for nuts and bolts in the country was about 50,000 tons towards the end of the war, of which 30,000 tons were produced within the country, while the remaining 20,000 tons were imported from the U.S. under lease-lend arrangements. Thereafter the growth in the tempo of industrialisation in the first and second Plans gave an added impetus to the expansion of the industry. The current annual installed capacity is about 97,000 tons in the organised sector. Besides, the small sector is said to have developed the capacity to produce as much as 25,000 tons. This rapid expansion, being not always based on any scientific or planned lines, has not, however, proved to be an unmixed blessing to the industry. Mr. K. L. Chowdhary, President of the Indian Bolt and Nut Manufacturers Association, in his address at the first annual meeting of the Association last week at Calcutta, disclosed that considerable capacity remained unutilised. What is more, with the construction of the public sector steel projects coming to an end, the demand from this major source has fallen off. Mr. Chowdhary urged both the Centre and State Governments not to license any further capacity for ordinary bolts and nuts so long as the present licensed capacity remained unutilised. While Mr. Chowdhary's plea deserves to be given due attention by the licensing authorities, there is reason to believe that the demand for nuts and bolts is bound to go up, in view of the further expansion of engineering industries, railways and construction activities envisaged in the third Plan.

The impressive performance of the industry on the export front in recent years also gives room for optimism in regard to its ability to secure overseas customers, and thereby to ensure the utilisation of idle capacity. Exports of bolts and nuts spurted, in terms of value, from Rs. 38,300 in 1958 to Rs. 81,800 in 1959 and still further to Rs. 4.68 lakhs in 1960. Mr. Chowdhary observed that India's products compared well with those of other countries so far as quality was concerned. It would appear that but for the high price of steel and unfavourable freight rates which Indian exporters have to meet (as compared with exporters in Japan and other countries), exports would have gone up still further. In order to promote exports, Mr. Chowdhary suggested (1) a reduction in the price of steel supplied to the industry, (2) inclusion of dog spikes, round spikes, fish bolts and nuts in the O.G.L. list for exports, and (3) relaxation in customs formalities in respect of exports of fasteners to Pakistan. He also made a fervent plea to ban completely the imports of those items in which India has a surplus. The Government of India now permits imports of these products upto 2½ per cent. It may be noted here that imports can be fully dispensed with only when Indian manufacturers diversify their pattern of production to include special types of fasteners for machines, automobiles, radios, etc. Besides, the industry has necessarily to keep track of the various technological improvements taking place in other countries.

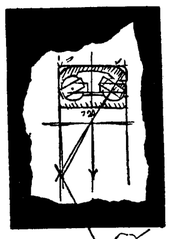
The scope for expanding exports or cutting imports will ultimately depend upon the industry's capacity to maintain its competitive position. This is mainly a function of production and costs, particularly of raw materials. Mr. Chowdhary complained about the non-availability of quality raw materials. Apart from the high price of steel in general, limit bars in class VII and class II steel are not produced in the country. Mr. Chowdhary called upon the Government to permit the import of such steel for the use of his industry. He also wanted import licences for taps and dies to be given to actual users until indigenous production catches up with the domestic demand. The industry's claim for these measures of assistance is strengthened by its good performance on the export front.

PLAN PUBLICITY

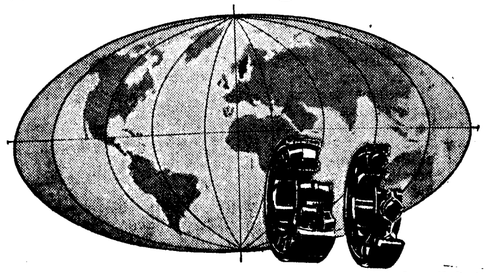
While addressing the meeting of the State Directors of Information at New Delhi recently, Mr. R. K. Ramadhyani, Secretary, Union Ministry of Information and Broadcasting, said that "while public enthusiasm for efforts to implement the Plans has been aroused, they still have to carry it to a level where all lent a willing hand in it." "Public enthusiasm" in this context means "public consciousness of the tasks which face the country and of the steps being taken to grapple with them." It is Mr. Ramadhyani's claim that the media of information have had a definite effect in bringing about this public consciousness. This claim

(*Continued on page* 281)

from this little sketch



grew the SKF world-wide organization



The place was Sweden—the year 1907, when Sven Wingquist invented the first self-aligning ball bearing, which revolutionized the bearing industry.
Manufacturers liked the new type of bearing and demand for it became world-wide.
With the passing of time SKF has grown with the industry it serves.
Today you will find SKF at work on all types of machinery in every industry, filling the intricate precision requirements of the jet aircraft, to the tough needs of huge construction units. Wherever a bearing is required, SKF will meet the requirement—with the finest bearing in the world.

THE SKF BALL BEARING CO. PRIVAT. Hyderabad.
O. Box 71, Sir Pherozeshah Mehta Road, Bombay. P. O. Box 358, Netaji Subhas Road

12-890

ON THE ARENA

By The Archer

Shortage of Wagons to Carry Coal

THE coal crisis, it is stated, is wagon-made, but I say it is man-made; that would be a more factual way of describing it. The shortage is going to have worse effects on the health of the nation's economy than, say, a shortage of sugar on the health of people. But there was intense excitement in Parliament, a couple of years ago, when sugar was in short supply, but there seems to be no excitement now about the coal shortage which has affected every State in the Union, and every major industry in the country. It is stated that over 60,000 tons of coal is awaiting transhipment at the State-owned Singareni collieries in Andhra Pradesh, and the possibility of the mines having to slow down output has led the Andhra Government to urge the Coal Controller to expedite movement of the accumulation. Funnily enough, industries in Andhra itself have suffered through lack of coal, many moulding factories having closed down, not having fuel. This reminds me of the saying that the milk vendor with an accumulation of butter goes abegging for ghee, because he has no frying pan to melt the butter. In Madras State, cement factories, textile mills and brick-laying industries have suffered on account of coal shortage. The Travancore Cements has switched over to furnace oil, while textile mills in Madurai and Pondicherry have resorted to procuring coal by sea at much higher cost than by rail. Many engineering units in Maharashtra face the threat of closure through lack of coke. Industries in Gujarat are contemplating a switch-over to furnace oil with the possibility of a 30 per cent increase in cost of production. Railway bookings in Saurashtra are reported to be at a standstill, especially for oils, oilseeds, oil-cake and solvent extracts. Small-scale industries in Orissa have had a cut of 85 per cent in normal coal supplies. Textile mills in Madhya Pradesh have adopted a 35 per cent cut in production. Industries in Rajasthan, especially engineering, glass and oil, have all curtailed production.

This catalogue can go on, with greater detail but serves little purpose except in the comforting (?) assurance that everybody has had a raw deal. It all points to a complete failure of planned co-ordinated effort; that such a position should exist just before the inauguration of the third Five-year Plan is most exasperating. What do we do? One suggestion is that we transport as much as possible by sea, but little thought is given to the enormous increase in cost. Another suggestion is to take to the use of furnace oil, and here again, the problem of effecting technical alterations to plants, and the high cost of operation are not being taken into account. A third suggestion is to have a national pool of rail and sea freight for coal which will result in evening out the cost to all industries in all zones, but will this solve the problem of physical movement which seems to be at a standstill now?

In the meantime, academic discussions are going on about how to co-ordinate rail-road transport and the propriety of allowing railways to control the policies relating to other forms of transport, serving little social purpose at this time of crisis. What seems to be of immediate and urgent importance is not co-ordination of rail-road transport, but co-ordination of rail-rail transport, an integrated effort between the different railway zones for a massive movement of coal for the next one month of 31 days of 24 hours each day. And, for the next five years at least, there should be no talk of any co-ordination between sea, road and rail transport, for, we can afford to generate and sustain a lot of competition between the three, as we may need all of them at their peak performance.

* * * *

Take Your Leave By Our Leave

It is stated that the Union Home Ministry has suggested, in a circular, that Government servants should be asked to take leave at re-maintenintervals, preferably annually. Quoting the export earnings the agency report credits the is unreasonable, the assuring (although trite) industries that they shdirable, in the interest of pected to earn any foreigrvice, that Government uitable intervals, and refreshed. Although this is a truism, it is based on hopes, more often than not, unrealised. Returning 'refreshed' is itself very doubtful, because it is during leave that most people attend to a multitude of harassing family affairs and settlements; but returning 'keen' is against all law of averages.

No Government circular puts forward any bright idea without quoting a fundamental rule which establishes the negation of all prescriptive rights. In this case F.R. 67 is quoted, namely, that leave cannot be claimed as of right. When the exigencies of service so require, discretion to refuse or revoke leave of any description is reserved by the authority empowered to grant it. The Home Ministry has explained that these provisions have been made in the rules, because it is not always possible to let all who want leave at a particular time to have it at the time, and there is a limit beyond which depletion of staff cannot be permitted without dislocating the work of an establishment. But they are not intended to be so used as, in effect, to abridge the leave entitlements of the staff. In cases where a number of applicants cannot be granted leave at the same time, the sanctioning authority has been requested to draw up a phased programme, so that the employees could take leave by turns. The explanations and consequential directives are eminently logical, but the snag, in implementation, is its utter dependence on the uncommon common sense of the "empowered authority," as would be seen in the two true stories relating to D and P which I recount below.

D was a junior executive in charge of the correspondence department of a large business organisation. He had to open all inward mail received by post as well as by messenger delivery and distribute the letters to the various sections in the office; also, he had to collect and despatch all the outward mail through special messengers, if local, and in good time to catch the post for outside destinations. Harassed by the limitations of time, D could never leave his desk for lunch, so he contented himself with a couple of sandwiches and coffee during the lunch interval, but found that his staff of twenty-four clerks disappeared in a body between the hours of 1 and 2 p.m. each day for their midday meal. They were neither 'keen' nor 'refreshed' after two p.m. and poor D was invariably snowed under an unseemly accumulation of dak. Hitting on the bright idea of staggering the lunch exodus, D drew up an office order dividing the clerks into six batches of four each, and directing each batch to take an hour off, commencing from 10 a.m. and ending at 4 p.m., the working hours being from 9 a.m. to 5 p.m. The most satisfied batches were the third and fourth who went out between 12 noon and 2 p.m. for an hour each, but those who were asked to eat 'lunch' at 10 a.m. or 11 a.m. or at 2 p.m. and 3 p.m. were just petrified with horror at the perversity of the staggering. The outcome of this bright effort at rationalisation was that D was shifted from the correspondence department to the record and morgue department, where all that he had to do was to issue for reference and receive back old records and vouchers and carry on a relentless war against termites, cockroaches and rats. That D was more in his element in his second supervisory job than in his first was revealed when he published a very interesting brochure on "Extermination of Pests"; he certainly could not have written on "Human relations in office management."

P was the officer in charge of the accounts department in a bank and was a stickler for discipline. The fatal week for him was the one before the half-yearly closing of accounts when he allowed no clerk to take even a day off. But senior clerk Narayan, with a number of sons, daughters and grandchildren, decided he must have two days off to officiate at the performance of an auspicious family ceremony in a distant shrine. All arrangements had been concluded including railway reservations, and Narayan's leave application was on P's table, supported by a saffron-coloured invitation to attend the function. P flew into a rage, and, despite Narayan's importunities, flatly refused to permit him the leave of absence. The situation became tense. Narayan opened his eyes wide, looked at the ceiling, shifted his feet, wrung his hands, held his head in them, mumbled a few words and was about to turn back, when he heard P shout "Get back to your seat; you heard me say No." That was the last straw. Narayan went into hysterics, or so it seemed. He wept, rent the air with shouts, kicked his feet, pounded the ground with his fists, frothed from the corners of his mouth, and raised such a ballyhoo that the bank hall was invaded by employees from other departments, customers, the police, the bank's military guard, everyone. There was pandemonium. From the floor above came the senior executives and the General Manager, and it was with much effort that Narayan was lifted off the floor and carried into a room. The G.M. was able to appease him and get his version of the story. He was granted the leave and an extra one week to recoup his health. Some of his colleagues who saw him later in the day stated that he had a very satisfied look on his face, and bore no evidence of the nerve-shattering experience which he was seen to have gone through. Poor P was on the mat before the boss for a full two hours after the event, and was eventually bundled out to a distant mofussil branch. A memorandum was inserted in his service record detailing the facts of the case with the G.M.'s note to the effect that P was lacking in a knowledge of human psychology. As for Narayan, he stayed on in service for a further seven years, recounting to his juniors the tale of how he got away with the convincingly exasperated performance which he staged for the benefit of the underdogs in the service.

Needless to say, these incidents took place over thirty years ago, and may not happen now in a business house or a bank. The Shop Assistants Act ensures an even distribution of working hours and banking has become an industry, while the white collar bank workers have had themselves 'emancipated' by the adoption of trade union technique. Supervising officials of banks have to adopt the line of least resistance in all staff matters, on pain of being pilloried for mishandling the human resources of the institution. I am not sure if the position is any better in the larger Government offices where the staff find safety in numbers and efficacy in mass demonstration. I should like to have a look at the tough guy who will have the courage to refuse leave outright and take shelter under F.R. 67. The hum and haw which is heard through the crevices of the Home Ministry circular does not afford much protection to an "empowered authority" who attempts to put his foot down; he is bound to discover that it is as difficult to refuse leave, as to persuade people to take leave, and, in either case, obstinacy at lower levels gets condoned more easily than firmness at the higher ones. Indeed, it is a difficult world for supervisory officials.

* * * *

A CORRECTION

Writing of the crow in my last week's column I stated that, as a confirmed protagonist of the efficacy of social parasitism, it lays its eggs in the nest of another bird. I regret to say that the latter portion of this is an error. It is not the crow that lays its eggs in the nest of another bird. Another bird lays its eggs in the crow's nest, and the crow nestles on those eggs with as much care and zeal as on its own.

Personalised

SERVICE

With specialised knowledge acquired through long experience, the Punjab National Bank is in a unique position to-day to be of positive help in providing PERSONALISED SERVICE.

EVERY DESCRIPTION OF BANKING BUSINESS IS UNDERTAKEN.

THE PUNJAB NATIONAL BANK LTD.

Established 1895
Head Office: New Delhi.

THE PRINCIPAL BANKER

I.M.F. ROLE TO BE EXPANDED

From Our Own Correspondent

LONDON, *11th February*

LONDON LETTER

THE new American President's speech on how he proposes to cope with the American outflow of gold and overall balance of payments deficit has been studied in this country with a very direct interest. For there are so many measures that the American President might take to protect the domestic economy which could have very adverse effects on this country and the sterling area, generally. There could be a move back towards severe protection, thus damaging British prospects of retaining America as the biggest single export market, and there could be severe cuts in the amount of economic aid and investment made available for the under-developed countries. But, in fact, Mr. Kennedy has done none of these things and appears prepared to treat his country's problem in a balanced and unhysterical way. The figures themselves could easily have led to a different approach, for, in spite of a commercial export surplus of $5,800 million in 1960, which was more than 2½ times as high as that for the previous year, the U.S. ended 1960 with an overall deficit of some $3,800 million.

Where did the $9,600 million go? Military expenditure absorbed $3,900 million, economic assistance and investment by the Government absorbed $3,400 million, and the rest, about $2,300 million, was a capital outflow in search of either higher income or higher security outside the United States.

The President decided in his approach to the problem to separate the capital outflow from the rest. The previous Administration had already passed a law prohibiting American nationals from holding gold overseas. This could not prevent them from holding investments overseas but the Administration is satisfied that such an investment outflow is a temporary phenomenon. It is to be dealt with somehow if it persists and the President proposes to make the International Monetary Fund come more readily to America's, as well as to anyone else's, assistance, to cope with this kind of problem. American gold reserves are still $17,500 million, and the country has the right to draw on the I.M.F. $4,100 million. This right Mr. Kennedy proposes should be exercised more frequently in future, leaving gold reserves untouched. Had this policy been followed in the past year, the whole of the dramatic capital outflow which has caused such a stir on the world gold markets, and has so affected confidence in the dollar, would have been financed at a cost of about half the drawing rights, without any American gold leaving the U.S.

This attitude envisages a greatly expanded role for the I.M.F. to dispossess the U.S. of her self-given title of "the principal banker of the free world."

Real Deficit

Eliminating the hot money problem, America was left in 1960 with a balance of payments deficit of $1,500 million, which the Administration did not regard as a serious figure. They do not therefore propose to touch the basic military expenditure, although they are going to seek all manner of economies in the way of procurement as well as disposal of resources that may help reduce somewhat the amount of spending. The foreign aid programme is also not to be reduced, and the intention is, indeed, to expand it. Any gap which remains should be closed by some small discouragement of personal imports by American tourists and some larger encouragement of American exports, partly by closer attention being paid to what the Government might do to help and partly by more co-operation with European organisations. Encouragement will also be given to foreign funds to stay in the U.S.A. by authorising the payment of favourably discriminating rates of interest on balances and by offering specially attractive investment opportunities.

London, therefore, expects to see the capital outflow from the U.S.A. gradually dry up and expects to meet rather more American competition in the world's export markets. All this means a gradual hardening of the dollar, but the world is spared an outbreak of American deflation.—*All Rights Reserved.*

SURVEY

(*Concluded from page 279*)

is presumably based on some sort of a survey to assess the impact of Plan publicity. The broad picture emerging from the survey is that the output of educative information has attracted notice and that a majority of observers have found it useful and interesting. Films have been found to be the most popular vehicle, followed by visual publicity; song and drama, although popular, have been inadequate in volume.

These conclusions of the survey may or may not be reliable. If there is any doubt about their reliability, it will be because of the very poor response ratio (12 per cent) in the sample (7,750) which, too, may or may not have been drawn on such scientific lines as to represent a cross-section of the country's population. In any case the validity of conclusions, based on the replies of 943 respondents out of 7,750 persons to whom questionnaires were sent, is open to doubt. Even the broad conclusion that the impact of Plan publicity is definite and on a country-wide scale is, therefore, not quite tenable. It may be that the statistical advisers of the Programme Evaluation Organisation of the Planning Commission will be able to devise ways and means of getting this very important survey redone on scientific lines by random sampling. How far Plan publicity has influenced the public to act in one or more desired ways would also need to be assessed through a survey of this kind. For, as Mr. Ramadhyani has rightly emphasised, the innumerable smaller projects in rural areas need the villager's initiative which, in turn, "could be invoked by an understanding of the aims, necessities, and the means of achievement." If the objective of publicity programmes during the third Plan period is "to clarify its aims, enlist enthusiasm for them, arouse the will to attain them, explain ways and means of achieving them, highlight needs of co-operation and emphasise advantages of exchange of information by discussions in various forums," the degree of success so far attained in the matter of second-Plan aims, if it can be reliably measured in a sample survey, may have useful lessons for the Ministries of Information at the Centre and in the States.

STANDARD MOTORS rely on
CARBORUNDUM UNIVERSAL ABRASIVES
for all grinding operations

In any industry ... for any grinding operation ... you can rely on Grinding Wheels made by

CARBORUNDUM UNIVERSAL LTD.

Head Office: 52/53, Jehangir Street, Madras-1 Telephone 2941 (4 lines)
Works: Tiruvottiyur

Distributors: MESSRS. WILLIAM JACKS & CO., LTD., Calcutta-1, Bombay-1, Madras-1, New Delhi, Bangalore-1, Kanpur, Hyderabad.
For Specialties only: MESSRS. H. S. COX & CO. PRIVATE LTD., 24, Rampart Row, Bombay.

CZI-890

PRICE FIXATION BY TARIFF COMMISSION

BASIS ADOPTED NEEDS REORIENTATION

(By A Special Correspondent)

IN recent years, a number of enquiries have been conducted by the Tariff Commission for the purpose of determining fair ex-works prices of industrial products, such as iron and steel, tinplate, antimony, cement, rubber tyres and tubes, locomotives and boilers, zinc, acetate yarn, caustic soda, chlorine, hydrochloric acid and bleaching powder, paper and sugar. The price-fixing function of the Tariff Commission appears to be assuming greater importance than its primary function of determining the desirability and the quantum of protection to be accorded to industries.

In almost all such enquiries, the principal preoccupation of the Commission seems to be to keep prices from increasing. This desire to serve the interests of consumers is no doubt inspired by the best of intentions, but the excessive emphasis which the Commission has attached to this aspect of the question has caused it to ignore the urgent need to increase production at the fastest possible rate. The whole approach has been vitiated by the assumption, conscious or subconscious, of a conflict of interest between producers and consumers, in which the Commission, on behalf of the Government, has to protect consumers against the exploitation of producers.

The very fact that the question of price fixation has arisen and been referred to the Commission is a presumption that the supply of that particular commodity has failed to keep pace with the rise in demand. The obvious and the only really effective remedy for such a situation is a rapid increase in output. Instead of recognising this and fixing prices which would leave producers with incentives to raise production as quickly as possible, the Commission has generally followed the shortsighted policy of fixing prices at a level that left no such incentives. It is evident that such action will not really benefit the consumers, but will only perpetuate shortage and high prices. Greater production, not more rigid controls, is the key to lower prices.

Striking Example

The most striking example of this is West Germany. Dr. Ludwig Erhard describes, in his book *Prosperity Through Competition*, how, when he became Minister for Economic Affairs, he decided to remove the controls that were choking production. "Turn the people and the money loose and they will make the country strong" was the principle on which he worked. He began in 1948 by ending rationing and price controls, at a time when even with severe rationing, there were scarcely enough goods to meet the people's elementary needs. Thus began the bold experiment in Marktwirtschaft or the free market economy, which has made West Germany, only a few years after total defeat and destruction, into one of the most prosperous nations of the world. The core of Professor Erhard's philosophy is simple and has universal application. "The most successful means for the achievement and retention of prosperity is competition. Only by competition can an economy expand to serve all people, especially in their capacity as consumers and dissolve all advantages that do not result directly from higher performance. Free competition thus leads to progress and profits for the whole social order."

To those who maintain that the analogy of West Germany has no relevance to Indian conditions, the example of the Indian sugar industry may be cited. As long as controls lasted, production was low. Between 1950-51 and 1957-58, when the industry was not subject to rigid controls, production rose continuously (except for 1953-54 when there was a failure of the cane crop) and reached the record figure of 20.06 lakh tons in 1956-57. With the imposition of control in North India in July 1958, the position deteriorated and production declined to 19.18 lakh tons in 1958-59. In the current year, however, as a result of the incentives offered by the authorities, production is expected to touch the all-time record of about 27 lakh tons.

It is no exaggeration to say that the Commission approaches its task with a preconceived bias against producers and tends invariably to whittle down the claims put forward by producers. As a result, the prices fixed by it are, almost always, uneconomic and tend to impede the ability as well as the desire to set up new productive capacity.

It is to be noted that concern for the interests of the consumer do not appear to be so important a consideration when the Government itself is a producer or supplier. This is borne out by the successive increases in railway freight rates and by the high prices at which the State Trading Corporation has been selling cement to the public.

A fair price is one which will leave the industry concerned with sufficient funds, after meeting expenses of operation and administration, to provide a fair return to investors and to enable rehabilitation of plant and equipment and expansion to take place. Judged by this criterion, the prices fixed by the Commission in many cases, cannot be considered fair or such as to serve the genuine interests of consumers.

In cases where a single price has been fixed for all the units in an industry, e.g., in paper, it has been the practice of the Commission to base the prices on the costs of the representative unit of production. It is evident that, if a shortage of that product exists and it is necessary to increase output quickly, even the marginal producer should be enabled to earn a reasonable return. If the price is based on the average costs of all producers or the cost of the representative unit, the producers whose costs are above the average will have to suffer losses and curtail activity. It is difficult to see how such prices will be conducive to rapid increase of output.

"Contingency Allowance"

In determining fair prices, it is essential that a "contingency allowance" should be added to the cost estimates to allow for increases in costs that may occur during the period when the prices fixed by the Commission remain in force. This is particularly necessary in view of the rising trend in prices of raw materials, wages, freight and almost every item entering into cost of production and distribution. The Commission does not appear to follow a uniform or consistent policy in this matter. In one case, that of sugar, it has not provided a "contingency allowance" at all. In others, the allowance has proved to be quite inadequate. It has often happened that, even by the time the Commission has submitted its report to the Government and action has been taken thereon, costs have increased so as to absorb the entire "contingency allowance," with the result that no margin exists for the inevitable future increases in costs. This means that all such increases will have to be met out of the already meagre return on capital. The industry can no doubt make out a case for an upward revision of prices to allow for increases in costs that have occurred, but even where such adjustments are made, there is a considerable time lag, during which costs rise still further. Even in the steel industry, which enjoys the advantage of an escalator clause, there have been a number of cases of increases in cost elements not covered by this clause. For example, the composition of various products (product mix) has varied from the estimates made by the Tariff Commission, and, since these increases are not allowed in the retention prices, the steel companies are at a disadvantage. No allowance was made in the revised retention price for the increase in the ash content of coal which raised costs.

The "contingency allowance" of Rs. 2 per ton in the case of cement has been more than absorbed in the first year since price fixation by increases in various items of cost. The 5 per cent "contingency allowance" in paper has been offset by additional cesses and duties, including royalty on leases of bamboo forests. The allowance of Rs. 20 per ton allowed in the price of caustic soda has proved insufficient in the case of certain units, which are obliged to maintain their own thermal power stations. The allowance of Rs. 10 per ton for soda ash has not been enough to cover the rise in raw material, freight, etc.

It is essential that, in fixing prices, the "contingency allowance" should be sufficient to provide for anomalies in the costing methods as well as all likely increases in costs and that, when the industry asks for an upward revision of prices on account of cost increases, decisions should be taken with all possible speed.

Concept of Return on Capital

It is necessary that expenditure on bonus, gratuity and managing agency commission should be regarded as elements in cost, for purposes of price fixation and not as charges on the return on capital.

The concept of a return to capital is, in its very nature, different from the remuneration for management. Those who manage a company, whether they are managing agents or directors or secretaries and treasurers, are performing a service quite distinct from the contribution of capital. As such, the return to those who contribute capital must not be mixed up with the payment to those who do the work of management. If a managing agent is paid as commission a percentage of profit, that does not alter the fact that what he is contributing to the company is the service of management and not capital. When the Tariff Commission investigates the question of what constitutes a fair return on capital, it is not justified in lumping this with the entirely different matter of the payment to those who manage the company. Hence it is necessary that managing agency commission and all other forms of managerial remuneration, whether calculated as a percentage of profits or not, should be excluded from the return to capital and provided for separately as elements in cost.

The same argument applies to bonus to labour. Whether such bonus payment is calculated as a percentage of profit or not, it is a payment to labour and not a return to capital. Those who provide the capital will get what is left, after all such payments, to managing agents, labour, etc. That alone is the true return to capital.

Inclusion of these extraneous elements in the Tariff Commission's allowance of a "fair" return on capital employed reduces the effective or real return to capital, while it inflates the nominal return and creates a false impression that shareholders are benefited substantially, with all the psychological and political reactions that such an impression is likely to produce. In the interests of fairness and straight thinking, it is desirable that the Tariff Commission should determine a fair return to capital as such and that the other elements should be put where they properly belong, that is, in the cost estimates. Much misunderstanding and prejudice against investors could thereby be avoided.

Depreciation as an element in cost is calculated at the usual income-tax rates, that is, on the original or historical value of the assets and not on their replacement value. Since prices of machinery and plant have risen steeply in

NATIONAL PRODUCTIVITY COUNCIL

REPORTS OF PRODUCTIVITY TEAMS

Our Industrialists, Managers, Engineers and Workers have studied abroad techniques and processes which have led to higher productivity in other countries.

Read what they have to say on Management Techniques, Manufacturing Methods and Processes, Industrial Problems, Materials Maintenance, Factory Planning, Capital Utilisation, Industrial Relations, etc.

Following Productivity Team Reports have been published and many more are to come:

• General Productivity Studies in U.S., West Germany & U.K.	Rs. 2.50
• Road Transport Industry in U.S., West Germany & U.K.	2.00
• Cotton Textile Industry in U.S., Switzerland, West Germany, France & Japan	3.00
• Coal Mining Industry in U.S., West Germany, France & U.K.	2.00
• Small Scale Industries in U.S., West Germany, Sweden & Japan	2.00
• Plastic Industry in U.S., Italy & Japan	2.00
• Management Organisation and Training in U.S., West Germany & U.K.	2.00
• Factory Buildings and Layout Construction in U.S., Italy & Japan	2.00

Write for these Guide Books for Better Productivity to:

INFORMATION OFFICER

NATIONAL PRODUCTIVITY COUNCIL

38, Golf Links, New Delhi

DA60/706

New power in industry

AVB...ACC-VICKERS-BABCOCK LIMITED...

a new and tremendous force harnessed to Indian industry...bringing together the vast technical knowledge and vital resources of three of the most productive engineering enterprises in the world.

THE ASSOCIATED CEMENT COMPANIES LIMITED,
pioneers in India in the manufacture of cement and cement-making machinery

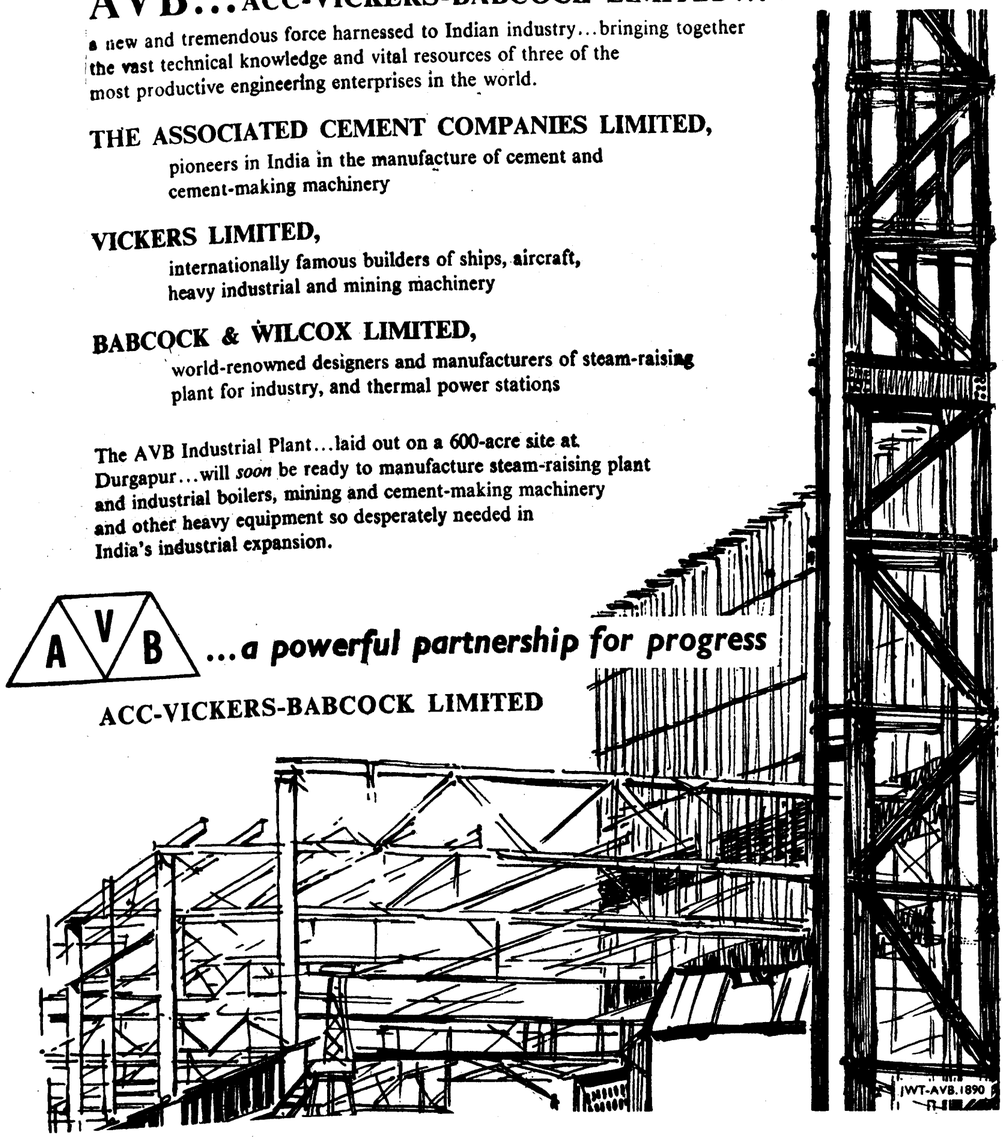
VICKERS LIMITED,
internationally famous builders of ships, aircraft, heavy industrial and mining machinery

BABCOCK & WILCOX LIMITED,
world-renowned designers and manufacturers of steam-raising plant for industry, and thermal power stations

The AVB Industrial Plant...laid out on a 600-acre site at Durgapur...will *soon* be ready to manufacture steam-raising plant and industrial boilers, mining and cement-making machinery and other heavy equipment so desperately needed in India's industrial expansion.

A V B ...a powerful partnership for progress

ACC-VICKERS-BABCOCK LIMITED



COMMERCE

India's Premier Financial, Commercial and Industrial Journal

Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.

BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY

Telephone No. 259805

Hastings Belting

DIERMYER BROTHERS LIMITED

the past few years, the amount of depreciation allowed by the Commission in fixing prices, is not enough to replace the equipment, which has reached the end of its working life. In a period of rapid technological change, such as this, it may be necessary to replace plant and equipment even before they have ended their useful life, because improvements have rendered them obsolete. This is quite impossible out of the depreciation reserves that the Tariff Commission has contemplated in fixing prices. Lack of adequate provision for depreciation involves capital erosion, in the sense that equipment will not be replaced as it wears out or becomes obsolescent. Particularly in the case of export industries, this would react adversely on productive efficiency and on the ability to face foreign competition. The shortage of foreign exchange for planned economic development makes it essential that such uneconomic practices should be avoided. It is necessary either that depreciation should be calculated on the replacement cost and not the historical cost of the assets or that separate rehabilitation allowance be provided in the determination of prices.

The National Council of Applied Economic Research recently conducted an enquiry into "Replacement Cost in Industry." One of their principal recommendations reads as follows:

"The National Council of Applied Economic Research recommends that depreciation allowances to cover replacement costs of the fixed assets of a firm should be made legally obligatory. It also urges that, in estimating the replacement cost, the firms should be asked to take account of increases, if any, in the price of the relevant assets. . . . For this purpose, the Central Government should undertake the task of compiling index numbers of prices of important types of machinery used in our industries."

Rehabilitation

The case for a rehabilitation allowance as an element in the selling prices fixed by the Tariff Commission has already been set forth above. If law or accounting procedure insists on depreciation being based on the historical cost of assets, the case for a rehabilitation allowance becomes irrefutable. Yet the Tariff Commission has not followed a uniform procedure in this matter. In the case of certain industries, steel and cement for example, a rehabilitation allowance has been provided, whereas, in others, such as paper and sugar, no such provision has been made.

Bonus to Workers

Even the Supreme Court has held, in connection with the determination of bonus to workmen, that rehabilitation should be considered as a prior charge, in deciding whether a surplus available for distribution as bonus exists or not. Since the necessity for provision for rehabilitation has been recognised by the highest court in the land, it is hard to see why the Tariff Commission should refuse to include provision for such a purpose, in the determination of fair prices.

The older units in industries whose plant and equipment were acquired when prices were much lower than now are the ones which suffer most as a result of the refusal of the authorities to recognise and provide for so important a requirement. They are virtually forced to permit capital erosion or to raise the necessary finance for the purpose of rehabilitation from other sources.

The Tariff Commission's views regarding the basis and the rate of return to be allowed on capital in the computation of prices has varied from time to time and from industry to industry. Before 1955, its general practice was to allow a rate of 10 per cent on gross block. Since then, however, it has based the return on "capital employed" in the calculation of which the value of net assets is taken into account.

In determining the 'fair' return on capital employed for the cement industry in 1958, the Tariff Commission took as its starting point, the 10 per cent return on capital employed, which it had fixed for the rubber tyre industry in 1955. It argued that between 1955 and 1958 rates of taxation applicable to companies and rates of interest had increased. In addition, scales of wages and emoluments to labour and staff had increased, resulting in the need for increased allocations under bonus, gratuity, etc. As all these elements had to be provided for in profits, the Commission considered that a rate of return at 12 per cent on capital employed should be allowed to the cement industry. Since then, the Commission appears to have decided that a 12 per cent return on capital employed would be adequate in almost every case. This rate has been applied both to the paper and sugar industries.

This uniform rate of return to capital employed, irrespective of the different circumstances in each case, can hardly be regarded as scientific. Conditions vary from industry to industry and what is a fair return to capital in one industry may be quite inadequate (or possibly more than adequate) in the altogether different circumstances prevailing in another industry. One would have expected the Tariff Commission to examine the problems and needs of each industry separately and to assess the necessary return to capital in the light of such data, instead of assuming that investors in cement, paper and sugar should all get the same return. Is it the Tariff Commission's intention that all capital should yield the same return, irrespective of the industry in which it is invested, irrespective of risk or other factors? If this principle were fully implemented, it would be a matter of indifference to investors, which industry they chose to put their savings into.

Furthermore, the 12 per cent return on capital employed is intended not only to provide dividends to ordinary and preference shareholders, but interest on loans, managing agency commission and taxation. Allowing for these various charges, the net return to equity shareholders will hardly amount to 4 per cent. Calculations made for the sugar industry show that it works out to 3.86 per cent and for the cement industry 3.82 per cent. This rate of return is too low to attract new equity capital for the setting up of new productive capacity. In present market conditions, it is difficult to raise even preference capital at less than 9 per cent.

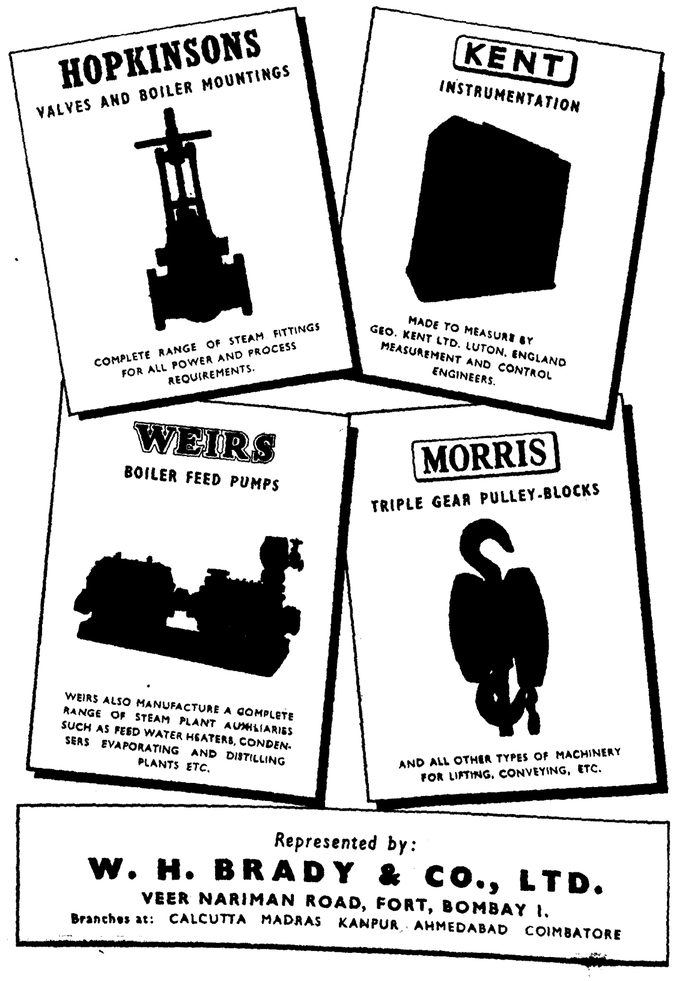
Once again, the Government applies a different standard to its own enterprises. According to Mr. Manubhai Shah, Union Minister for Industry, the net return in public sector undertakings, on the total capital employed is required to be about 15 per cent. Yet private investors are limited to 12 per cent which in reality amounts to less than 4 per cent on equity capital.

A return on capital, to be "fair," must be sufficient to offer incentives to increased investment. This condition is not satisfied when the return allowed for price fixation is so meagre as to be even lower than the yield obtainable on fixed-interest bearing securities, such as debentures and preference shares.

What Indian Industries Need

What Indian industries need at present is the creation of conditions in which it will be possible for them to expand their productive capacity and modernise their equipment. Only increased production can overcome the shortages and high prices which have necessitated price fixation by the Tariff Commission. One of the chief reasons for the relatively high cost of production in Indian industries is the old and often obsolete machinery in use. The productivity of labour is thus kept down and labour costs are, in consequence, high. It is most necessary that new and up-to-date equipment should be installed as rapidly as possible. The example of West Germany is again instructive. After World War II, German industrial reconstruction resulted in new and modern equipment, whereas little modernisation of equipment took place in Britain. This largely accounts for the present prosperity of West German industries, as compared to those of Britain. The Tariff Commission would do well to bear in mind, in the fixation of prices, the intimate relation between rehabilitation and modernisation of equipment, productivity of labour and economic prosperity.

To sum up. The price-fixing activities of the Tariff Commission are intended to make the commodities in question available to consumers at the lowest possible prices. This objective can be achieved only if there occurs a substantial rise in output. It is necessary, therefore, that conditions should be created in which producers will have incentives to expand and modernise productive capacity. Only then will competition be allowed to operate in the direction of promoting greater efficiency, lower costs and ultimately lower prices.



2 1 FEB 1961 PUBLIC DEPARTMENT

TARGETS FOR SCRAPPING IN TEXTILES

SOME SCHEMES LIKELY TO GO AHEAD WITHOUT GOVERNMENT AID

From Our Special Correspondent

MANCHESTER, *7th February*

MANCHESTER LETTER

LANCASHIRE cotton finishing firms have agreed to scrap sufficient machinery to qualify for a Government grant towards the cost of financing the reorganisation schemes for the finishing section of the industry. In the Cotton Board announcement, no figures were given to indicate by how much the minimum scrapping targets have been exceeded, but some trade circles suggested it was a reasonable assumption that the margin was a small one, for it is still possible that the schemes, or at least a part of them, will have to go ahead without Government aid.

The Board's announcement said that it was still possible for some production units over which the realisation companies were carrying on negotiations to be withdrawn from the schemes. This could result in the amount of machinery offered for scrapping, either in the schemes as a whole or in any one of the sections into which they are divided, being reduced below the minimum figures on which the Government insists before it will pay two-thirds of the cost of compensating the owners of works which decide to close down. In this event, said the statement, the schemes would remain effective, but the cost, or a part of it, would have to be borne by the industry.

The section of the finishing industry dealing with woven cloth had to offer for scrapping machinery capable of dealing with 534,500,000 yards of cloth. Plant offered and accepted by the Cotton Board and applications now being negotiated with the realisation companies, exceed this figure, says the Board's statement. Bleaching plant to deal with 68,200,000 yards of cloth, dyeing, raising and finishing machinery to process 284,200,000 yards and printing plant to handle 88,800,000 yards had to be earmarked for the scrap heap, and all these targets have been achieved. So has the target set for the yarn processing section, machinery to cope with 25,200,000 lbs. of yarn.

A Near Thing

The finishing scheme has undoubtedly been the "problem child" confronting the authorities since the fundamental principles of the 1959 redundancy plans were laid down. In the first place, the absence of a suitable unit of machinery, such as a spindle or a loom, created lengthy argument before an agreed basis of compensation could be established.

The actual arrangement, although capable of being calculated by individual firms, was sufficiently obscure to present a rather mysterious picture to the outside world, and even to those engaged in other sections of the industry. The compensation payable is: "The aggregate of an amount equal to 10s. 0d. per £1 of the written down value of all plant and machinery and an amount equal to 3s. 0d. per £1 of the turnover (less the cost of direct materials) of the unit during the last complete financial year ending not later than 31st October 1959."

Contrast in Response

Subsequently, the finishers have had six months in which to decide which works to scrap. It is significant that the full period has elapsed, with eleventh-hour applications being submitted, compared with the speed at which the spinning and weaving sectors rushed to register machinery for dismantling. The earlier schemes, however, provided more incentives in the way of a bonus for quick decisions and the ability of millowners to scrap part of their plant and not only entire production units.

At the same time, the finishers knew from the beginning that they were committed to cut out their deadwood and that, come what may, they would be expected to finance at least part of the operation. If the spinners and weavers had failed to achieve their objectives, the whole plan would have collapsed; in finishing, it has merely been a question as to whether the targets would be reached and the Government would pay two-thirds of the scrapping cost, or whether the industry would be left to foot the bill without any additional aid.

Cloth Prices Compared

From time to time, Lancashire traders are called upon to defend themselves against charges that their price levels have risen out of line with the general movement of values. The latest denial that yarn and cloth prices have risen too far and too fast has come from Mr. R. F. Armitage, Chairman of Armitage and Rigby (Holdings) Ltd., who has pointed out that there is a general tendency to ignore the "completely uneconomic starting point from which, eighteen months ago, price increases began to emerge."

In this connection, the latest Board of Trade index numbers, based on 100 in 1954, covering cotton and rayon fabrics, together with comparisons since the beginning of 1959, before the reorganisation scheme was launched, may be of interest:

	Cotton cloth	*Rayon cloth*
1959		
January	91.8	100.6
April	87.0	100.6
July	87.3	100.6
October	93.0	101.0
December	..	..
1960		
January	98.9	108.8
February	99.8	108.8
March	101.9	113.9
April	102.6	113.9
May	102.9	113.9
June	103.7	113.9
July	104.0	114.2
August	104.2	114.2
September	104.7	119.6
October	106.5	119.8
November	107.7	122.0
December	107.7	122.0

A significant factor is the substantial advance which has taken place in prices for rayon cloth during the past twelve months. On the same basis, it should be pointed out that (with 100 representing the 1954 average), the December 1959 index number for raw cotton was 73.6 and, a year later it had risen less than three points to 76.3. On the other hand, the quotation for cotton yarn in December 1959 was 93.8 in relation to the 1954 level and, by November last year, there had been a rise to 102.3.

More Employers Merge

Following the lead of the employers' organisations in the spinning section of the Lancashire cotton industry, similar steps to streamline the trade association structure are being taken in the weaving branch. Members of the Cotton Spinners' and Manufacturers' Association and the Rayon Weaving Association have approved a merger of the two bodies after detailed proposals had been drawn up by a joint working party.

A statement issued in Manchester indicated that the combined organisation will come into operation in April, the new title being the United Kingdom Textile Manufacturers' Association. Various changes in internal organisation and committee structure will be introduced to enable the interests of all members to be more effectively promoted. There are nearly a thousand firms engaged in weaving cotton and man-made fibres.

Jobs in Mills

About 120,000 people are now working in new industries in what were once Lancashire cotton mills. The estimate was given in a report to the Lancashire and Merseyside Industrial Development Association. Some 40,000 jobs have been provided by firms, covering a wide range of products, which have taken over mills recently closed under the reorganisation scheme in the cotton industry. The Association was told that, of the 550 mills closed between 1951 and 1960, approximately 380 had been reoccupied. More than 200 mills still remain vacant and available for new industry.—*All Rights Reserved.*

WORRALL'S TEXTILE AND ENGINEERING DIARY

The 1961 edition of the Diary, like the seventy-one editions which preceded it, is a useful advertising medium with the sales-message before potential buyers throughout all sections of the textile industry. Published by the well-known firm, Messrs. John Worrall Ltd. of England, the Diary contains an interesting review of the recent trends in the cotton, silk and jute mills in India and Pakistan, a comprehensive Buyers' Guide of machinery, accessories, chemicals, mill supplies and other equipment, and a list of advertisers' trade marks, designs, brand names, etc. The Mills' section gives a panoramic view of every phase of textile spinning, manufacture and processing. The corresponding classified sections enable the users of the Diary, especially those engaged in buying or selling of yarn and finished fabrics, easily to locate the firms engaged in the manufacture or processing of any specific type. In view of the growing importance of man-made fibres, the publishers have introduced a new feature which describes the various characteristics of all the known man-made fibres, with particulars of the trade names under which they are produced and sold.

Copies of the Diary can be obtained direct from Messrs. John Worrall Ltd., Central Works, Oldham, England, by sending a sterling draft for Rs. 17.75 (including cost of packing and delivery to the customers' address).

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES
* DEMAND DRAFTS * LEDGERS
* PAY-IN SLIP BOOKS * PASS BOOKS
* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS
CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

SHILCO'S
Precision-made
PAPER TUBES AND CONES
for all Textile Purposes
Specialists in Mule Paper Tubes
for Wool Industry and Cardboard Boxes
for All Trades
WE WELCOME YOUR ENQUIRIES
SHILCO INDUSTRIES
Palkhewadi, Off Cadell Road
Bombay-28
Telegrams: "SHILCOIND" Telephone: 61056

DEVELOPMENT OF SILK INDUSTRY

GOVERNMENT ACCEPTS WORKING GROUP'S RECOMMENDATIONS

RAW silk production in India would be of the order of 5.26 million lbs. by 1965-66, that is, the last year of the second Five-year Plan, if the efforts to implement the development programme drawn up for the sericulture industry were to meet with complete success. This is the target recommended by the Working Group on Sericulture which has been accepted by the Government of India. The Working Group consisted of eight members, representing State Governments and the industry and was presided over by Mr. H. C. Dasappa, M.P. The Group fixed the target on the basis of detailed information regarding the different sectors of the industry obtained as replies to the questionnaire circulated among the State Governments, extensive travelling, and discussions with the organisations and prominent persons connected with the industry.

The bulk of the production target of 5.26 million lbs. fixed to be achieved in 1965-66, namely, 4.00 million lbs., is earmarked for mulberry silk, the share of non-mulberry silk being 1.26 million lbs. The total target is only 260,000 lbs. more than that (5.00 million lbs.) envisaged in the Draft Outline of the third Plan and represents a rise of 1.56 million lbs. as compared with the anticipated production of 3.70 million lbs. in 1960-61 (last year of the second Plan). The total outlay on the entire programme as estimated by the Working Group is Rs. 10 crores, as against Rs. 5 crores earmarked in the second Plan and the actual expenditure of Rs. 1.3 crores incurred in the first Plan period.

Seems Doubtful

It, however, seems doubtful whether the provision for an increase of 1.56 million lbs. in raw silk production during the third Plan will, in fact, be realised, because the performance in the second Plan period has not been encouraging. The quantity of raw silk actually produced, which went up by 1.2 million lbs. in the first Plan period—from 1.9 million lbs. in 1950-51 to 3.1 million lbs. in 1955-56—increased by just 600,000 lbs., the estimated figure for 1960-61 being no more than 3.7 million lbs. The target fixed was 4.0 million lbs. (mulberry silk 3.0 million lbs. and non-mulberry silk 1.0 million lbs.). The Working Group reports that, in terms of value, the extent of the rise in production during the first three years of the second Plan was 10 per cent or Rs. 62 lakhs in mulberry silk and 15 per cent or Rs. 27 lakhs in non-mulberry silk. According to the Group, while there was a slight decline in filature silk output, a new line of quality production in the shape of cottage basin raw silk was noticeable. The overall increase in the level of subsidiary employment in mulberry and non-mulberry silk on account of higher production during 1958 is estimated at 140,000 persons. The latest data collected by the Group indicated that about 2.8 million persons were deriving their livelihood by practising sericulture. The total income of rearers is said to have increased by about Rs. 66.75 lakhs during the first three years of the second Plan. The following table shows the progress made in the sericulture industry:

(In lbs.)

	1959	1958	1955	1950
Raw silk production				
Mulberry—				
Filature	280,813	291,095	319,224	203,011
Charka ..	1,986,450	2,036,823	2,107,832	1,924,137
Cottage basin ..	197,376	137,579	..	..
Duplon	70,053	68,671	..	..
Total ..	2,534,692	2,534,173	2,427,056	2,127,148
Non-mulberry—				
Tasar	360,559	354,190	307,346	258,300
Eri	285,189	300,133	265,068	211,880
Muga	186,400	207,038	157,670	95,000
Total ..	832,148	861,361	730,084	565,180
Grand Total ..	3,366,840	3,395,534	3,157,140	2,692,328
Area under mulberry (In acres)	191,232	185,515	171,646	141,830*
No. of mulberry trees.	3,586,331	3,555,000	3,345,000	1,915,000*
Production of examined silkworm seed and reeling cocoons				
Silkworm seed (In ozs.)	579,434	474,877	406,349	353,956*
Reeling cocoons ..	43,337,000	43,474,000	36,341,000	26,853,000*
Production of mulberry silk waste	1,197,155	1,293,333	1,137,695	1,196,606
Production of non-mulberry silk waste.	443,227	525,754	449,469	368,508
Production of spun silk yarn ..	Nil	69,801	58,633	81,492*
Production of noil yarn	Nil	65,149	53,966	111,697*

* Figures relate to 1951.

Large-scale financial assistance has been rendered by the Government of India through the Central Silk Board to the State Governments for sericulture development. The total amount sanctioned by the Board during the first four years of the second Plan (1956-57 to 1959-60) was Rs. 209.75 lakhs, made up of grants Rs. 145.52 lakhs and loans Rs. 64.23 lakhs. But the expenditure actually incurred was only Rs. 94.90 lakhs (grants Rs. 73.91 lakhs and loans Rs. 20.99 lakhs), the percentage of utilisation being a little over 45.

Prices Still High

In the second Plan report, it was clearly stressed that, as silk fabrics had to compete in the market with other textiles, the stability and expansion of the industry could be ensured only by continuous efforts at improving the quality and reducing cost. But this objective has still not been fulfilled, as witness the continued high level of prices. Filature raw silk (20/22 deniers) is currently quoted in Bangalore at as high as Rs. 80.48-Rs. 83.23 per kilogram (about Rs. 36.58-Rs. 37.83 per lb.), as against the f.o.b. price of Rs. 47.32 (Rs. 21.50 per lb.) and the landed cost (with duty) of Rs. 75.13 (Rs. 33.68 per lb.) for the Japanese 22/22 of grade silk. Viewed thus, the Planning Commission has, indeed, done well to lay greater emphasis on the need for bringing down the prices of raw silk. "The principal aim of the third Plan," says the Draft Outline, "will be to reduce the cost of production of raw silk through programmes for increasing the yield per acre of mulberry, to create a sound seed organisation and to replace a large number of the traditional *charkas* by cottage basins."

The study undertaken by the Working Group on sericulture has brought out very clearly the fact that the industry suffers greatly for want of adequate and timely supplies of examined silk-worm seeds. It is here that the Group alludes to the phenomenal development of silk industry in Japan due mainly to the successful efforts of the silk-worm *graineurs* in producing healthy and disease-free seeds. It has recommended the setting up of two types of seed institutions for the preparation of cross-breed layings of F_1—one for ensuring sufficient supplies of foreign race seed cocoons and the other for many available local race seed cocoons required for preparing cross-breed layings for industrial purposes. Among the measures to build up seed organisation, the Group mentions separation of seed areas from industrial areas, reduction in the present number of silk-worm races and grainages, introduction of chawki rearing on a large scale, and subsidy to selected rearers for multiplication of seed cocoons. In regard to non-mulberry seed, the Group urges steps to organise basic seed supply stations in each State and sub-stations in important cocoon producing areas for producing industrial seed, selecting seed rearers, and demarcating seed and industrial areas, as well as to establish three central stations, one each for *mugha* and *eri* in Assam and one for *tasar* in Bihar.

Research

The Working Group has also underlined the importance of co-ordinated research work in sericulture which, it would appear to feel, can be ensured if the research institutes at Berhampore and in the States are taken over by the Central Silk Board. The institutes, it observes, should address themselves to the task of evolving new and improved silk-worm races. Further, the Group recommends that a number of scholarships and fellowships be instituted to attract qualified men and that qualified officers, with scientific aptitude, be deputed to Japan for a period of two to three years. At the same time, it emphasises, Indian sericulture will need the advice of foreign experts for some time to come.

Drawing attention to the urgency of evolving high-yielding mulberry strains, the Working Group states that attempts must be made to experiment with different varieties of mulberry

(*Continued on page 316*)

You can bank on
The Bank of Baroda
for really
first class service!

We offer complete banking service:

Current Accounts • Savings Bank and Recurring Deposit Accounts • Fixed Deposits • Loan, Overdraft and Cash Credit Accounts • Discount of Bills and Hundis • Safe Custody • Foreign Bills and Letters of Credit • Travellers Cheques and Cash Certificates • Demand Drafts • Telegraphic Transfers • Executor and Trusteeship • Safe Deposit Lockers

Offices—at home and abroad:

Over 80 offices in India...10 offices abroad...correspondent banks in the principal cities of the world.

Over 50 years' experience

Capital Authorised	Rs	3,50,00,000
Capital subscribed	Rs	2,50,00,000
Capital paid-up	Rs	1,25,00,000
Reserve Funds	Rs	1,60,06,000
Deposits	Rs	80,98,74,000
Working Funds over	Rs	100,00,00,000

THE BANK OF BARODA LIMITED
(Estd: 1908)
Head Office: Baroda

IWT-86 177

THE ARCHITECT'S CHOICE

BARMIL

SOFT INSULATION BOARD

If you leave it to expert's selection, 'Barmil' is the obvious choice.

Flame Proof material available

FIRST MADE IN INDIA BY
THE BARNAGORE JUTE FACTORY CO., LTD.
(INCORPORATED IN ENGLAND)

DISTRIBUTED BY
Bengal GLASS & CROCKERIES (P) LTD.
CALCUTTA · DELHI · BOMBAY · MADRAS

BM-11/60

GUIDE TO COMPANY MANAGEMENT

By

Messrs. JOHN & ROW

An Indispensable Guide to all persons concerned with Company Management, including Managing Agents, Directors, Secretaries, Auditors.

Price Rs. 5

EXPRESS PUBLISHERS (PRIVATE) LIMITED

33, BROADWAY, MADRAS-1

For Service and Security

PANDYAN BANK LTD.

Central Office: MADURAI

THE BANK THAT SERVICE BUILT

Bombay Office: 'Pandyan House' Frere Road, opp. Fort Market

To know Pandyan Bank is to know South India

Safe Deposit Lockers are available at Bombay

83 Offices Serve the Public

S. N. K. SUNDARAM.
Managing Director.

THE
UNITED COMMERCIAL BANK
LIMITED

Head Office: CALCUTTA

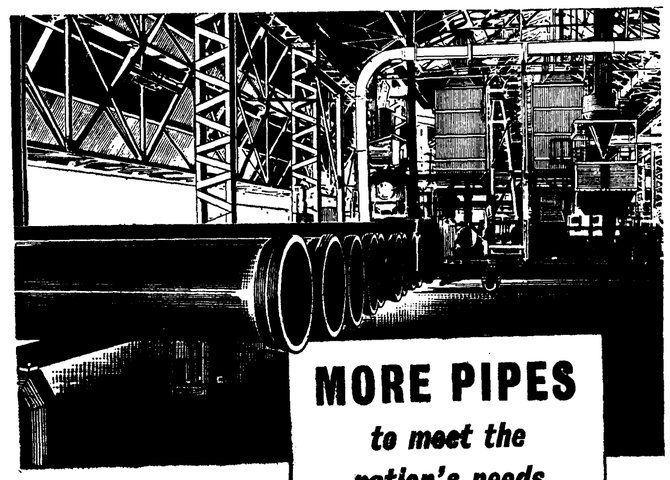
Authorised Capital ..	Rs.	8,00,00,000
Subscribed Capital ..	Rs.	4,00,00,000
Paid-up Capital	Rs.	2,00,00,000
Reserve Fund	Rs.	2,05,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.

Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.

AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, *Chairman.* S. T. SADASIVAN, *General Manager.*



MORE PIPES
to meet the nation's needs

IISCO

With the addition of a second plant at the Kulti Works of The Indian Iron & Steel Co. Ltd., the production of spun iron pipes has increased from 60,000 to 150,000 tons per year. Besides helping to satisfy India's growing demands for large diameter pipe mains, the increased tonnage saves India many crores of rupees annually in foreign exchange. Employing latest techniques, the Kulti Works of IISCO is the first to produce 3" to 30" diameter spun iron pipes in the country.

THE INDIAN IRON & STEEL COMPANY LIMITED
WORKS AT BURNPUR & KULTI
Managing Agents:
MARTIN BURN LIMITED
Martin Burn House, 12, Mission Row, Calcutta 1
Branches at: NEW DELHI BOMBAY KANPUR

Agents in South India: THE SOUTH INDIAN EXPORT CO. LTD., MADRAS 2

IIC-81A

NEPAL BANK LIMITED
(Incorporated under Nepal Bank Act of 1994 (Sambat))
Central Office: KATHMANDU, NEPAL

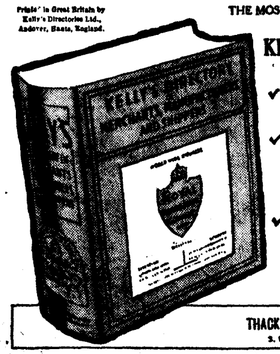
Authorised Capital	..N.C. Rs. 1 crore
Paid-up Capital	..N.C. Rs. 25 lacs
Reserves and Exchange Fluctuation Fund	..N.C. Rs. 44 lacs

(N.C. Rs. 160=I.C. Rs. 100)

16 Branches and Sub-Offices in Nepal

Enquiries are invited from Banks, Commercial Concerns and Tourists for information regarding Prospects, Procedure and Regulations in Nepal

Printed in Great Britain by Kelly's Directories Ltd., Andover, Hants, England.



THE MOST COMPREHENSIVE GUIDE TO WORLD TRADE

KELLY'S DIRECTORY
(75th Edition, 1961)
NOW IN PREPARATION

- THE ONLY WINDOW FOR THOUSANDS OF TRADERS ALL OVER THE WORLD AND AN UNIQUE GENERAL INDEX CONTAINING 11000 DIFFERENT TRADE CLASSIFICATIONS
- COVERING 3000 PAGES, THE MOST INDISPENSABLE GUIDE AND REFERENCE BOOK WHICH IS IN CONSTANT USE BY LARGE COMBINES, RAILWAYS, SHIPPING LINES, OVERSEAS TRADING COMPANIES, IMPORTERS & EXPORTERS ETC. AS IT IS PACKED WITH UP-TO-THE MINUTE INFORMATION ON ALL TYPES OF TRADE.
- 900 THOUSAND FIRMS IN AS MANY AS 196 COUNTRIES HAVE GOT THE ANSWERS TO THEIR PROBLEMS THROUGH KELLY'S DIRECTORY

Ask for advertising rates and reserve your copies in advance.

SOLE AGENTS IN INDIA:—
THACKER, SPINK & CO. (1933) PVT. LTD.
3, ESPLANADE EAST, CALCUTTA-1.

RAISING COAL PRODUCTION

TEN-YEAR PERSPECTIVE NEEDED

By A Special Correspondent

IF ever there was a time for a pragmatic approach to the problems of coal industry, this is it. Our planners have obviously overestimated the potentialities of the public sector in allocating to it an additional target of 15 million tons of increased coal production in the second Plan. On the basis of available figures, production in the public sector collieries at the end of 1960 is likely to reach 5.5 million tons, as against a target of 15 million tons, a shortfall of 9.5 million tons. In contrast, it may safely be assumed, on the basis of the break up figures available to date, that output in 1960 of collieries in the private sector will be 45 million tons, thus fulfilling its second Plan target. The position, however, becomes grave when considered against the shortage of wagons and the coal requirements of the steel industry which have grown from 3.3 million tons in 1956 to 12 million tons today. By the end of the third Plan, the steel industry's annual requirements will rise to 23 million tons.

Despite an estimated increase of 30 per cent in steel production in 1960, it would not be possible to achieve the production of 2.6 million tons of finished steel in the year ended March 1961, the last year of the second Plan, as estimated in the draft outline of the third Plan. With an estimated production of 1.9 million tons of finished steel in the calendar year 1960, the most that could be hoped for in the year 1960-61 was 2.1 million tons. This would mean a shortfall of 500,000 tons. This shortfall in actual output of steel is attributed to shortage of good quality coking coal and other raw materials for the industry. It is stated that steel industry in the private sector has been working below 20 per cent of its rated capacity due to these difficulties. If this kind of difficulty is to be avoided in future, coal production should be planned on a 10-year basis.

Coal production is proposed to be stepped up from 60 million tons to 97 million tons in the third Plan period. The achievement of the target will not be an easy task because of various factors. As mentioned earlier, the shortfall in the second Plan target of 60 million tons is likely to be 9.5 million tons. The additional production to be achieved at the end of the third Plan, therefore, will not be 37 million tons but approximately 46.5 million tons. The allocation of the additional production between the public and private sectors is 20 million tons and 17 million tons, respectively. Thus, the additional burden on the public sector collieries will be 29.5 million tons (part of this shortfall is likely to be made up by the private sector collieries if the latest amendment of the coal policy works well—namely, Government's intention to give special permission to individual units in the private sector to work new and non-contiguous areas where the raisings from such areas had to be ensured to make up the total production required). This change of heart is all very well up to a point. But the crux of the whole problem is where will capital for development come from? To obtain good quality metallurgical coal deep mining is necessary and to sink new shafts it may take anything from three to four years to attain full production. This means that companies will have to spend enormous sums for expanding production of good quality coal. Capital requirements of the industry are large and must come mainly from ploughing back of reserves. This cannot be done, unless collieries obtain a fair margin of profit. It is precisely because this policy of ploughing back of profits was not followed by the National Coal Board in the U.K. that Britain today has to spend large sums to modernise her pits to maintain an output little different from that of 30 years ago.

In October 1958, the Reserve Bank of India made an interesting study of 1,001 companies which included 53 coal companies. The profitability of equity capital as measured by the ratio of profits after tax (distributed *plus* retained profits) to net worth (paid-up capital *plus* all reserves—other than taxation and distributable provisions—and balance of profits), which is perhaps a more appropriate index of profitability, revealed an overall decline from 9 per cent in 1955 to 8.6 per cent in 1956. It is significant to note that, in the same year, this ratio ranged from 10 to 15 per cent in iron and steel, tea and other plantations, cement and shipping while it was under 3 per cent in coal. In fact, the Government itself has to borrow at 4 to 4½ per cent and first-class preference shares, which are virtually unsaleable today, offer a return of approximately 9 per cent. Dividends as a percentage of paid-up capital were 7.5 per cent in the case of coal, against 10.7 per cent in cotton textiles, 11.7 per cent in sugar, 11 per cent in paper, 16.1 per cent in tea and 20.2 per cent in other plantations.

It is claimed by the industry that present prices leave an inadequate margin of profits for expansion and it is precisely for this reason that coal companies find it difficult, if not impossible, to secure funds from the capital market through 'rights' issues. In the February 1959 *Bulletin* of the Reserve Bank of India, some interesting information was given regarding the sources and uses of funds of selected industries during 1957. These statistics revealed that the paid-up capital of 39 coal companies increased by only 1.9 per cent, as compared with the previous year, whereas in the case of cement and iron and steel, increases of 21.5 and 27.3 per cent, respectively, were recorded. This clearly indicates that new capital for coal mining is very shy, in view of the treatment which the industry receives and, therefore, the resources of coal companies for increasing output are limited only to current profits which in themselves are inadequate. It is only after several years that the Bengal Coal Company, the largest unit in the industry, was able to issue fresh equity capital for a small sum of Rs. 40 lakhs in December 1960. But one swallow does not make a summer.

It is pertinent to point out that the increases in coal prices up to the present have only been sufficient to implement the numerous labour awards since 1947. No account has been taken of the steady rise in railway freights, the prices of stores, plant and equipment, housing, power, etc. If the third Plan target is to be achieved and the steel plants, both in the public and private sectors, are to operate at full efficiency, incentives must be given to coal producers and the first step in this direction would have to be an increase in coal prices.

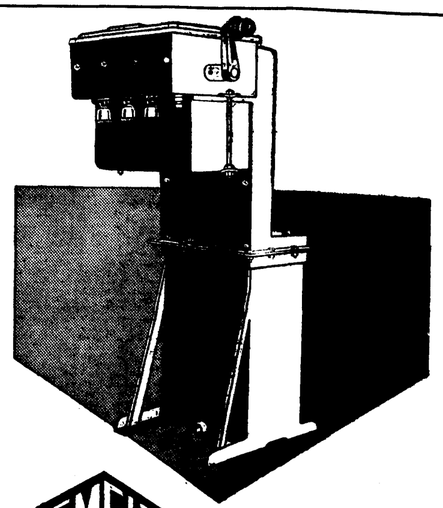
The next major problem which confronts the coal industry is transport. In the Bengal and Bihar coalfields, the average coal wagon supply per day in 1960 was 4,629, as against a minimum daily requirement of 5,000. When our planners were thinking in terms of putting up steel plants in the public sector, did they not visualise the need for more wagons to supply the blast furnaces with coal? If they did, it would not have been necessary for the two private steel producers as well as the two public sector plants at Rourkela and Bhilai to slow down their production. The wagon shortage also delayed the commissioning of the third blast furnace in each of these two plants and the starting of the plant at Durgapur. The delay in the establishment of coal-washeries in the public sector to reduce the high ash content of coal, has also resulted in lower steel production. The failure of the Government in this regard has resulted in a national loss, in that crores of rupees worth of steel production capacity lies idle. What the country needs is a small permanent Board at the Centre, composed of men with some knowledge of transport, to plan actively the co-ordination of all forms of transport.

Last but not least, while the present foreign exchange difficulties are appreciated, Government should give the coal industry special priorities for foreign exchange for modernisation and expansion of plant, so that the third Plan target of 97 million tons can be achieved, even if this means a reduction in the steel target and in the allocation of resources for other projects. In the words of the World Bank Mission which recently visited India, "the overriding need now is to get more coal quickly and other considerations should be subordinate to this purpose."

It will be seen, in the light of the foregoing survey, that a substantial increase in coal prices is overdue. The official reason for insisting on keeping down prices of coal is to avoid the resultant cost and price increases in other consuming industries. But statistics prove that the cost of coal expressed as a percentage of total production costs of various industries, is not large. Any further refusal to grant an adequate price increase, when the country is on the threshold of the third Plan, will surely retard industrial development.

AID FROM CANADA

Following discussions between Canadian and Indian officials, allocations have been made for the $25 million which Canada has given as capital assistance to India for 1960-61. A sum of $7.0 million is made available for import of wheat, $11.7 million for import of urgently needed non-ferrous metals, $600,000 for the completion of the Canada-India Reactor project which is in its final stages and $3.5 million for the third stage of the Kundah hydro-electric project in Madras State which has already received financial assistance from Canada under the Colombo Plan. Discussions are proceeding for the allocation of the balance of $2.2 million. In all cases where Canadian aid takes the form of commodities, the Government of India has agreed to establish counterpart rupee funds out of the sale proceeds of such commodities. As in the past, these counterpart funds will be utilised to cover the local costs of economic development projects agreed upon by the two Governments.



MEI OIL IMMERSED
AUTO TRANSFORMER STARTERS
Type 'ATS' for Squirrel Cage Motors upto 100 H.P.
Sales & Service: TAEC (BOMBAY) PRIVATE LTD.
49, Forbes Street, Bombay 1.
Branch: 'K' Block, Chawdhary Bldg., Connaught Circus, New Delhi
Associated Offices at: CALCUTTA • MADRAS • BANGALORE • HYDERABAD
IA-69

THE FILM ACTOR FUMED BECAUSE OF TROUBLESOME
PILES
UNTIL HE STARTED USING
HADENSA

Only genuine with this mark
HADENSA promptly cures Piles, Haemorrhoids and Fissures; relieves pain and itching and is an excellent lubricant.
HADENSA contains no narcotics and is non-staining.

STEARIC ACID
(Double Distilled)
Manufactured by:
THE MODI VANASPATI MFG. CO.
Bombay State Distributors:
RAMJILAL LAKHMICHAND
Head Office: 333, Kalbadevi Road, Bombay-2 Phone: 29341
Branch: 695, Reid Road, Ahmedabad Phone: 2668
Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

A tale of Twenty-two Cities

From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them—in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to 1889 and closely associated with the rapid development taking place today.

India; Aden; Dubai; Sharjah and Abu Dhabi, Muscat; Qatar; Bahrain; Kuwait; Saudi Arabia; Jordan; Iraq; The United Arab Republic (Syrian Region); Lebanon; Libya, and Tunisia: these are territories where The British Bank of the Middle East operates. It has intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

THE BRITISH BANK OF THE MIDDLE EAST
Incorporated in England by Royal Charter 1889 with Limited Liability.
HEAD OFFICE: 7 King William Street, London E.C. 4.
BOMBAY OFFICE: 314 Dr. Dadabhai Navroji Road, Fort, Bombay.
Tel. Add.: BACTRIA. Telephone: 25-2267
Capital and published reserves £4,473,000
ASSOCIATED WITH
THE BANK OF IRAN AND THE MIDDLE EAST
Capital Rials 250,000,000
HEAD OFFICE: TEHERAN, IRAN (PERSIA). (P.O. BOX 1680)

"Pyramid" Brand
GRADE I QUALITY
HAND TAPS

"Pyramid" TRADE MARK

DIES

ACCESSORIES & TOOL BITS

AVAILABLE EX-STOCK
Pyramid TAPS & DIES ARE PRODUCTS OF SKILL. FROM INITIAL MATERIAL SELECTION TO FINAL INSPECTION & PACKING Pyramid PRODUCTS ARE SUBJECTED TO INDUSTRY'S HIGHEST QUALITY CONTROL STANDARDS. Pyramid OFFERS A COMPLETE RANGE OF THREADING TAPS & DIES FOR EVERY INDUSTRIAL APPLICATION.
INDIA TAP & DIE CO. PRIVATE LTD.
C. S. TRACK ROAD, MALINA, BOMBAY 55 | 524, SADAR BAZAR, JHANSI (U. P.)

WORLD MARKETS FOR RUBBER

NATURAL RUBBER *VERSUS* SYNTHETICS

WHAT is the outlook for natural rubber? This question has now assumed world-wide importance, in view of the persistently growing popularity of synthetic rubber. It is no doubt admitted that the trend of world consumption of natural rubber will continue to be upward in the coming years, one estimate for 1970 being 2.500 million long tons, as against 2.085 million tons in 1960 and 1.960 million tons in 1950. But the pace of increase in synthetic rubber consumption is considered to be very much faster. By 1970, the world, we are told, will be consuming synthetic rubber at an annual rate of 4.500 million tons, as compared with 1.65 million tons in 1960 and a bare 700,000 tons a few years earlier, that is, 1950. If this forecast is to prove correct, the share of synthetic rubber in the total world consumption of rubber, which has already risen from 26.4 per cent in 1950 to 44.0 per cent in 1960, will go up further to as much as 64 per cent by 1970, while that of natural rubber, which has fallen from 73.6 per cent (1950) to 56 per cent (1960), will drop to just 36 per cent ten years later.

The foregoing brief account will indicate that synthetic rubber has already made and will continue to make considerable inroads into the market for natural rubber, thanks to the vigorous research now being pursued to improve the quality and characteristics of synthetic rubber, particularly in the U.S. which accounts for the bulk of world production. One single company, the U.S. Rubber Company, alone plans to spend during 1961 no less than 69 million Malayan dollars on research and development on synthetic rubber production and similar products. Nevertheless, the scope for a continued high level of demand for natural rubber is quite vast, provided, of course, supply is large, price competitive and quality good. This is the impression one gets from the latest assessment made by Mr. M. G. Wren, Head of the Chemical Division of the Rubber Research Institute of Malaya. The assessment is based on his recent tour of American and Canadian research laboratories working on synthetic rubber during which he had personal discussions with more than fifty scientists on the current situation concerning natural and synthetic rubbers.

No Serious Rival

At present, according to Mr. Wren, there are no signs of a serious rival to natural rubber that would sweep the board and render plantation rubber uneconomic to produce. In his opinion, if the supply of total rubber exceeds demand, their natural rubber stands a very good chance of securing a high proportion of the market for "natural type" elastomers, since it can afford to undersell any "synthetic natural" likely to be available in the near future. Mr. Wren, however, warns against any sense of complacency and urges the need for launching a rigorous research policy in the field of natural rubber, as in the case of the synthetic. To quote him: "Provided continued and well planned efforts are made in the fields of research, development of new products and technical service to consumers, there is no reason why natural rubber should not maintain its place in world markets."

The three new synthetic rubbers, now known as synthetic naturals, are Cis-polybutadiene, Cis-polyisoprene and Ethylene-propylene. Of these, the first one is said to have proved of particular interest to American and Canadian research workers; it has been found to have better resistance to road wear and more bounce than natural rubber or Styrene-butadiene type rubbers used to make the bulk of American tyres today. But this synthetic rubber and the other two suffer from certain drawbacks. These according to Mr. Wren, are as follows:

Cis-polybutadiene: It is not very sticky in its unvulcanised state; this presents problems for the tyre builders. But perhaps what is of more concern to the actual users is the tendency of the finished tyre tread to "chunk out" (an expression which means piece of the tyre tend to chip off in use.) Technologists in the laboratories dealing with these problems agree that the only solution at present is to use a blend of Cis-polybutadiene and natural, but work on these problems is by no means completed and it does not necessarily mean they will not be overcome eventually.

Cis-polyisoprene: Although this new synthetic behaves better in the factory (it has been claimed that it can be used for making 100 per cent. synthetic lorry tyres—previously not possible because of heat build-up in tyres made of older types of synthetic), it is more difficult to produce as a raw material and does not give a tyre which performs as well in service as Cis-polybutadiene. Apart from its ease in handling in the factory, particularly in the moulding of tyres, Cis-polyisoprene is somewhat inferior to natural in many of its other important characteristics.

Ethylene-propylene: This is undergoing close research scrutiny; it was first produced in Italy. Whilst this rubber is judged to have properties distinctly inferior to those of natural, it is viewed as a potential rival to Styrene-butadiene rubber (known as S.B.R. for short), which was the general purpose rubber developed during the last world war and known in those days as G.R.S. Ethylene-propylene rubber has proved to be a very different raw material to what the manufacturers are used to handling. It requires special chemicals and techniques to handle and manufacture such things as tyres. A particular difficulty is the fact that this type of synthetic has very poor "tack" (stickiness), which means problems in building such things as tyres and conveyor belts. Unlike the previous two synthetic materials mentioned, it cannot be used at all with other rubbers. It has, however, one advantage over all other rubbers; it possesses excellent resistance to attack by ozone and oxygen and so it lasts a long time under certain conditions.

The total production of the three improved varieties of synthetic rubbers mentioned above will be at an annual rate of 230,000 tons in the U.S. and Canada within the next year or so. The exact quantity of each type produced will depend on the demand for it. Most of the plants that are being set up can be used to produce any of them.

Selling Prices

Mr. Wren has also given an account of the selling prices of new rubbers and how they compare with the price of natural rubber. According to him, Cis-polybutadiene and Cispolyisoprene are likely to sell for 30 U.S. cents per lb. The price can be expected to stabilise somewhere between 25 cents and 28 cents by the time full production is achieved. Ethylene-propylene-rubber, which is considered to be inferior to the other two new synthetics mentioned, is expected to sell at 24 cents per lb. initially and possibly even 20 cents when in full production. This low price is possible because of the very cheap raw materials which can be used. It is, however, stated that this type of rubber is a competitor not of natural rubber but of S.B.R. and Butyl which have never claimed to be as good as natural or able to replace it wholly in tyres. In spite of these comments, it is obvious that an enormous research effort is still being made by synthetic rubber manufacturers to obtain a material sufficiently close to natural rubber, so that the latter can be replaced 100 per cent. by synthetic materials. At present, they are very close to achieving this and will probably do so within the next year or two. But the price of the new rubbers produced for this purpose will be as high or higher than that of the present general purpose synthetic rubber (S.B.R.). Natural rubber selling at 25 cents (75 Straits cents) should then compete easily with the new stereo specific polymers. At a slightly lower price for natural rubber, it would appear that the "synthetic natural" rubbers would become uneconomic to produce.

It thus appears that the Ethylene-propylene is the only cheap new synthetic rubber which shows properties comparable with general purpose synthetic rubber. Mr Wren feels that it may replace the latter but is unlikely to replace natural rubber. There are, he says, no hints of any startling new developments in synthetic rubber and he quotes three experts. One of them told him: "Most of the easy ones have already been examined and further research in the field of hydrocarbon polymers can now be expected to yield diminishing returns." Another expert said: "There is no duplicate for natural rubber yet." Still another stated: "As we learn more about natural rubber, we are surprised to find what a good job nature has done." What better evidence is required to prove that natural rubber will doubtless have its place, whatever be the competition from the synthetics? But this should not engender a spirit of complacency among natural rubber producers who must spare no effort to expand production, improve quality and maintain a reasonable level of prices.

a leaking roof-or flooded floor...

...will drive business from your door

Certainly there is no need for this to be so. In fact, why live or work under damp, miserable conditions—why allow your property to deteriorate around you? Have it protected from dampness of ceiling, walls and floors, from acid and alkali action, by Shalimar Tar bituminous based protective materials.

Manufactured in India, applied and guaranteed by

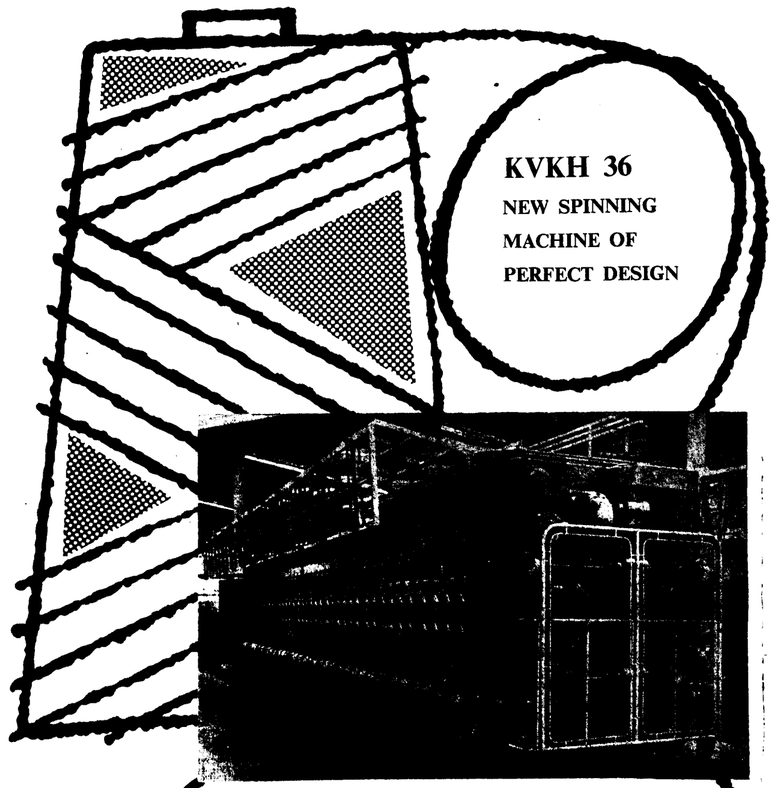
Stp

SHALIMAR TAR PRODUCTS (1935) LIMITED

CALCUTTA . NEW DELHI . BOMBAY . LUCKNOW . CHANDIGARH

Agents: The Bombay Co Private Ltd., Madras-1 . R. C. Abrol & Co. (Private) Ltd., New Delhi-1

INT STP 51B



In Czechoslovak Socialist Republic a new spinning machine for the production of the viscous cord fibres for tyres has been manufactured.
This machine fulfils all high requirements of the most up-to-date machines—operates continuously from the shaping of the fibre up to the spooling of the finished fibre on the bobbin. The reliable operation is secured by its simple and purposeful structure. This machine produces the best quality fibres of high strength. The attendance of it is very easy.
KVKH 36 machine is designed with 36 fibre spinning spots divided by a box type structure in 6 fields with 6 spinning spots each and can be delivered in right hand as well as left hand design.
These machines represent a reliable and profitable investment in your operation.

ADAST

TECHNOEXPORT

Foreign Trade Corporation for
Export of Complete Industrial Plants
PRAHA — Czechoslovak Socialist Republic

Sole Importer for India: SKODA (INDIA) PRIVATE LTD.
Head Office Bombay-1: Vulcan Insurance Building, Vir Nariman Road
Branch Office New Delhi: National Insurance Building, 1st Floor, Parliament Street
Branch Office Calcutta 13: P. 38, Mission Row Extension
Branch Office Madras: 35, Mount Road, Agurchand Mansion

COMMERCIALISE AIR TRANSPORT

NEED FOR REDUCING FARES AND ENCOURAGING CARGO SERVICE

By Wing Commander R. Vaughan-Fowler, R.A.F. (Retd.)

THERE is something unrealistic about air transport. The atmosphere with which it surrounds itself is reminiscent of the Arabian Nights and magic carpets. In the first decade of air transport, this approach was understandable but, today, air transport is a serious competitor of both sea and rail transport; so it should take itself seriously.

The spirit of adventure that enabled the early pioneers to surmount seemingly unconquerable obstacles still pervades our air transport enterprises. However, the level of efficiency to which aircraft have been developed places them in the forefront of transport vehicles. So by rights they should hold the leading position in the field of commercial transportation. In a sense they do, because they offer comfortable and luxurious travel for passengers and carry specialised cargo, but the rates charged for these services are so high that air transport is beyond the financial reach of most people and nearly all cargo. A survey carried out in America, where use of aircraft is on a level yet to be attained in any other country, disclosed that 70 per cent of Americans have not only not flown, but have never considered it. In India, the Indian Airlines Corporation carry some 700,000 passengers a year. Barely half of this number are Indian nationals. Not one person in 1,000 of our population is able to use air transport.

These facts are a reflection on the air transport industries of the world as well as the aircraft manufacturers. The air transport operators have set themselves to serve a minute fraction of the public, instead of developing their vehicles in such a way that they can carry the greatest load for the longest distance for the least cost.

Senseless Craze

The major objective of air transport has been speed, and this has developed into a senseless craze. Let us take an example from our domestic air services operated by the I.A.C. This nationalised Corporation has no competition except that of the railways. While the shortest time by rail from Bombay to Delhi is 25 hours, the 'Viscount' services do the journey in slightly under three hours. The time saving is 22 hours. What is gained by introducing faster aircraft so as to save perhaps 15 to 30 minutes?

Would it not be beneficial to the travelling public to introduce a type of aircraft that could still do the journey in under three hours but by virtue of its advanced design the fares could be reduced by a third? This is perfectly practical and aircraft capable of offering cheaper air travel already exist!

At the same time, the types of aircraft available have the ability to carry a considerable load of cargo without in any way disturbing the passenger accommodation. With adequate accommodation for both passengers and cargo, it would be easy to procure a very high percentage of the maximum-permissible payload. This opens the way to lowering air fares and cargo rates. What is more, during the hours of darkness when few passengers desire to travel, these same aircraft could be used for all cargo services. This would mean that, in one way or another, they could be kept flying round the clock, except for the few hours necessary for routine maintenance. A very high aircraft utilisation could be achieved and this would reduce overall costs per mile flown.

Air Cargo

Another advantage is that, in the off season for passengers, the aircraft can still maintain high capacity loads by carriage of cargo. Air cargo has never been keenly canvassed for the domestic air services, because the available aircraft have not got the capacity to carry the loads.

With mounting industrialisation all over the country and industry no longer being confined to Calcutta, Bombay and Madras, the demand for movement of products to keep the markets supplied must increase beyond anything so far imagined. In many classes of manufactured goods, the use of air transport for distribution is more economical. Many factors have to be taken into account.

Goods with a limited sales life such as medicines, drugs, films, and perishable products can be sent by air freight to great advantage. To give another interesting example. British-made suits are in considerable demand in the Americas. The air freight charge per suit is 8 shillings. Suits packed and sent by sea have to be pressed before sale and this costs 5 shillings, so in practice by use of lightweight containers in which suits travel hung ready to wear, the air freight delivery only adds three shillings to the sale price. Also, the suits arrive direct from the makers ready to sell and wear.

Manufacturers of motor vehicles not only use airlift to deliver whole cars, but most of the spares distribution is also done by air. This saves enormous sums in capital tied up in stocked spares depots all over the place. A local stockist in India can supply a spare next day, if it is delivered from an Indian factory by air freight.

To achieve this air transport service, it is imperative to ensure that the right type of aeroplanes are employed.

Over the Indian domestic air routes, where competition is non-existent and the speed advantage is already so great over any form of surface transport, the primary objective must be to reduce cost per seat-mile for passengers and per ton-mile for cargo. The whole future of successful air transport in this country depends on adhering strictly to this principle.

Canada's Example

There is nothing to be gained by adding more speed. Operators claim that high speed reduces the cost per seat-mile, but this is not proving to be the case. American Airlines, the largest domestic operator in the U.S.A., condemns all present aircraft as second rate, and these include the Boeing 707 and DC.8, and in fact all the present jet aircraft. This charge is based on the *fact* that, in operation, these aircraft are proving to be no more economical than the DC-7c. All the claims that higher speeds would reduce operating costs and lower the seat-mile rate have proved to be nothing more than sales propaganda. In fact, these new aircraft are proving more costly to operate per ton-mile.

In Canada, Trans-Canada Air Lines (T.C.A.), whose chief executive is a hard-headed Scot, an aircraft capable of carrying 139 passengers, or a mixed load of passengers and cargo at higher speed than the Viscounts, has been introduced, with the result that fares are being cut by 25 per cent and, in some cases, for special journeys or bulk travel, the reductions amount to nearly 50 per cent.

The United States operators, who are in direct competition with T.C.A. over routes connecting Canada and the U.S., have accused T.C.A. of undercutting, undermining and sabotaging the business. The fact is, and I have this direct from the T.C.A's chief executive, the economy of operation of the aircraft selected make these lower air fares and cheaper air freight rates entirely possible.

It is contended here that India requires economy class air services, operated with aircraft designed to carry an easily variable mixed payload of passengers and cargo, or all passengers or all cargo.

Ground Facilities

Provided the right types of aircraft are employed in the air, one-third of the road to financial success has been covered. The remaining two-thirds of the road to success are entirely dependent on the efficiency of the ground facilities and the commercial administration. Even the most economical aircraft imaginable would produce losses, if the airline's ground organisation were inefficient or even out of date.

Expenditure on staff training on a lavish scale is an essential prerequisite to successful airline operation! For example, an airline operator who pays little attention to aircrew training, perhaps regarding it as almost a luxury except for the bare minimum to keep within the regulations, is liable to suffer astounding losses due to careless flying. Let us assume that the monthly average flying hours on routine air services amount to 10,000 and that, in every hour flown, two minutes' flying time is wasted. Twenty thousand minutes equals approximately 333 hours. Even the old Dakota, with which all are familiar, cost the operator approximately Rs. 600 per hour flying, so the bill for wasted flying time totals Rs. 1,99,800 per month or roughly Rs. 24,00,000 per annum.

But this is only one of the holes through which hard-earned income can disappear quickly. Aircraft are critical vehicles to handle. As they can carry only comparatively small payloads, it is important that great care is taken to ensure that excess fuel is not carried, for this tends to reduce the payload. Poorly trained traffic staff, without the help and guidance of qualified Flight Despatchers, who are not employed by all airline operators, can be the direct cause of sending aircraft away with hundreds of pounds less payload than should be on board.

Take a flight from 'A' to 'B' for which cargo pays one rupee per pound. Due to faulty or careless calculation, the average loss per flight could be 200 lbs.; it could very easily be much more. These flights operate twice a day in each direction, that is, four flights a day fly light by Rs. 200 payload, which comes to Rs. 2,92,000 per annum. An operator with ten routes loses Rs. 29,20,000 per annum.

Airport facilities play a vital part in the economy of the air services using them. If navigational aids are lacking, air traffic control is slowed up and traffic congestion leads to aircraft waiting on the ground to take off, or cruising overhead waiting to land. With the big jet airliners, delays of this nature are extremely costly. At congested airports in the U.S., big jets are sometimes held for 40 minutes during the taxi out to take-off point. During this time, they will consume two tons of fuel. A big jet held overhead for 30 minutes will involve the operator in nearly Rs. 5,000 additional expenses including fuel consumed unnecessarily.

Poor ground communications cause delays, because reports of the route conditions are not available for the final make up of the flight plan. Weather reporting is a vital necessity, but, if the reports come in late, even an hour after they are drawn up by the Met Office, their value may be entirely lost; conditions can change so quickly. Aircraft leaving one airport for another, perhaps 1,200 miles away, cover the distance in just over two hours. Reports of the departure time may not be received at the destination airport till it is too late to warn them of weather closing down, making a diversion necessary. This sort of thing frequently happens during bad weather periods such as our monsoon. Many hours of unnecessary flying are the result.

The additional cost to the operators is fantastic. A diverted flight involves handling perhaps 120 passengers at a little used airport where facilities do not exist on the scale required. Passengers have to be fed and kept amused to offset the annoyance of the delay. The operator has to maintain staff at diversion airports which are not otherwise used.

It is, therefore, vital to economic operation of air services that airports are fully equipped with every essential navigational aid. The big jet aircraft, to earn their living and show a profit, have to be kept flying and every hour's delay *en route* is knocking time off the annual utilisation figure.

Engineering

Naturally, the safety of the air services rests largely on the sustained soundness of the engineering facilities that take care of the aircraft. In order to maintain high utilisation per aircraft, the time spent in the workshops must be the minimum.

The operator who equips his workshops with the most modern engineering aids for care and maintenance is going to recover the capital expenditure on this equipment in a comparatively short time. Also, the air services will operate at a profit, provided other facilities are equally good.

Well-stocked stores of spares are essential. A small fitting costing perhaps only Rs. 5, if not readily available when needed, can hold a five-million-dollar airliner grounded.

Public Appeal

Air travel or airlift for cargo is far too costly for the vast majority to even consider its use. The operators have got to find ways and means to reduce operating costs. During the last two years, there has been a mounting outcry against high air fares. The International Air Transport Association has warned its members that economy must be the pass word for the future. But there is precious little indication that anybody is taking any notice.

The much publicised air fare reductions have not amounted to anything substantial. Five

(Continued on page 313)

THIS IS AN ANNOUNCEMENT AND NOT A PROSPECTUS.

SOUTHERN INDUSTRIAL CORPORATION LTD.

MADRAS

(Incorporated as a Private Limited Company on 10th May 1955 and converted into a Public Company on 15th September, 1960)

A copy of the Prospectus has been filed with the Registrar of Companies, Madras. Licences have been obtained from the Government of India for effecting substantial expansion of the existing undertaking. It is to be strictly understood that in granting these licences, the Government of India do not take any responsibility for the soundness of the undertaking, or for the correctness of any of the statements made or opinions expressed in regard to it.

The Subscription List will open at the commencement of the banking hours on the 22nd day of February 1961 and will close on Monday, 27th February 1961, at 5 p.m. or later at the discretion of the Board of Directors.

SHARE CAPITAL

	Rs.
AUTHORISED:	
5,00,000 Equity Shares of Rs. 10 each	50,00,000
ISSUED, SUBSCRIBED AND PAID UP :	
60,000 Equity Shares of Rs. 10 each	6,00,000
PRESENT ISSUE:	
90,000 Equity Shares of Rs. 10 each	9,00,000
Out of the Present Issue :—	
(a) Reserved for firm allotment	1,65,000
(b) BALANCE OFFERED TO THE PUBLIC — 73,500 EQUITY SHARES OF Rs. 10 EACH	Rs. 7,35,000

The shares now issued and allotted will not be entitled to participate in the interim dividend of 10 per cent. declared on 22nd November 1960 but will be entitled to participate in the final dividend that may be declared for the year 1960, in proportion to the amounts paid up on the shares respectively, *pari passu* with the existing shares irrespective of the fact that the said new shares have not been outstanding during the year 1960. The said shares will participate *pari passu* with the existing shares in proportion to the paid-up capital and in all other respects rank *pari passu* with the existing shares.

The amounts payable in respect of shares of the present issue are as follows :—

With application	Rs. 2.50 per share
On allotment	Rs. 2.50 per share

The balance of Rs. 5 in two calls of Rs. 2.50 per share at intervals of not less than three months between each call, the first of such calls being not earlier than three months from the date of allotment of shares. Failure to pay the allotment money or any call when due, will render the share liable to forfeiture.

BOARD OF DIRECTORS

1. SHRI M. A. CHIDAMBARAM (*Chairman*), Businessman, Adayar House, Madras 25.
2. HIS HIGHNESS MAHARAJA FATESINGHRAO PRATAPSINHRAO GAEKWAD, Maharaja of Baroda, Laxmi Vilas Palace, Baroda. Ruler, Member of Lok Sabha.
3. SHRI KESHUB MAHINDRA, Gateway Building, Apollo Bunder, Fort, Bombay 1. Industrialist.
4. SHRI V. R. RAJARATNAM, Retired Inspector-General of Police, Madras, 6, Victoria Crescent, Egmore, Madras 8.
5. SHRI T. S. NARAYANASWAMI, Businessman, No. 2 Dr. C. P. Ramaswamy Ayyar Road, Alwarpet, Madras 18.
6. SHRI V. N. SUBBARAYAN, Retired Commissioner, Corporation of Madras, No. 26 Nowroji Road, Chetput, Madras 31.
7. SHRI K. VARUGIS, Company Executive, No. 14 Monteith Road, Madras 8.

UNDERWRITERS AND BROKERS

(1) MESSRS. P. R. SUBRAMANYAM, 70-A, Stock Exchange Building, Apollo Street, Fort, Bombay.
(2) MESSRS. J. R. MOTISHAW & CO., 32 Apollo Street, Bombay 1.
(3) MESSRS. A. B. PANDIT & CO., 32 Apollo Street, Bombay 1.
(4) MESSRS. MACONOCHIE & CO., 16 First Line Beach, Madras 1.
(5) MESSRS. SOMAYAJULU & CO., Andhra Insurance Buildings, 337 Thambu Chetty Street, Madras 1.
(6) MESSRS. G. M. PYNE, 14 India Exchange Place, Calcutta 1.

MANAGING BROKERS

MESSRS. P. R. SUBRAMANYAM, 70A Stock Exchange Building, Apollo Street, Bombay 1.

LEGAL ADVISERS

(1) MESSRS. R. NARASIMHACHARI and N. VARADARAJAN, Advocates, 4 Dr. Rangachari Road, Madras 4.
(2) SHRI S. GOVIND SWAMINADHAN, Barrister-at-Law, High Court, Madras 1.

AUDITORS

MESSRS. FRASER & ROSS, Chartered Accountants, McLean Street, Madras 1.

BANKERS

THE UNION BANK OF INDIA LIMITED, Madras.

REGISTERED OFFICE

No. 6 ARMENIAN STREET, MADRAS 1.

OBJECTS

The Company was incorporated as a Private Limited Company on 10th May 1955 for the several purposes set forth in the Memorandum of Association and was converted into a Public Limited Company on 15th September 1960.

The main object of the Company is to manufacture and sell all varieties of wire products including Wood-screws, Gate Hooks and Eyes, Ship Chains and Flexible Shafts as well as other objects set out in detail in the Memorandum of Association of the Company.

HISTORY AND BUSINESS

Since its incorporation in 1955, the Company has been working the wire products section of the factory which now produces 25 sizes of Wood Screws, 7 sizes of Gate Hooks and Eyes, 4 sizes of Shortlink Ship Chains, 4 sizes of Tinmen's Rivets and [illegible] of various types of Machine Screws. A total of 454 tons of Wire were processed in the year 1959. These "Tower Brand" products are very well received by the market and the entire production is booked in advance by dealers and agents against allotments.

PROSPECTS

The Company has obtained an Industrial Licence under the Industries (Development and Regulation) Act for the manufacture of Flexible Shafts and Flexible Shaft Machines in collaboration with Messrs. Otto Suhner Ltd., of Brugg, Switzerland. An experienced Engineer has returned from Switzerland after undergoing training. Shipments of machinery are expected to be completed by February 1961. With the spare capacity available on the ordered machines, the entire requirements of the Automobile Industry in India for Speedometer Cables can also be produced.

Machinery has been installed for the production of Dowell Screws and Phillips recessed head screws and for Electro-plating.

The expansion of the Wood Screw Industry from an installed capacity of 50,000 gross per month on single shift to 70,000 gross has been licensed under the Industries (Development Regulation) Act. Import applications for additional machinery required are pending with Government.

An application has been made to the Government of India to permit expansion of the Flexible Shaft section by installing machines required for the manufacture of various types of remote control cables such as Automobile Choke and Brake Cables. As these items are entirely imported at present it is expected that Government will consider our application favourably in view of the foreign exchange saving possible.

TECHNICAL COLLABORATION

The Company has entered into an Agreement, dated 1st July 1958 with OTTO SUHNER LIMITED, of Brugg, Switzerland.

MANAGEMENT

The Management of the Company will vest with the Board of Directors. Mr. M. A. Chidambaram is the Chairman of the Board and a whole-time Director on the following remuneration for his services to the Company in supervision and control in the affairs of the Company, namely, Rs. 3,000 per month sanctioned by Special Resolution dated 18th July 1960. Mr. M. A. Chidambaram has, however, consented to take only Rs. 2,500 per month as his remuneration for his services with effect from 1st January 1961.

CAPITAL REQUIREMENTS AND MINIMUM SUBSCRIPTION

The minimum subscription on which the Directors will proceed to allotment is Rs. 9,00,000 and it is intended that the proceeds of the present issue will be utilised as follows:—

	Rs.
Plant and Machinery	6,25,000
Buildings	1,75,000
Towards Working Capital ...	25,000
Expenses of the Issue	75,000

The Directors are satisfied that adequate additional working capital will be available by means of normal borrowings from Bankers.

UNDERWRITING COMMISSION

Underwriting commission at the rate of 2½% of the nominal value of the Equity Shares underwritten is payable to the underwriters, Messrs. P. R. Subramanyam, J. R. Motishaw & Co., A. B. Pandit & Co., Maconochie & Co., Somayajulu & Co. and G. M. Pyne respectively in accordance with the terms and agreement contained in letters dated 2nd February 1961 from the said underwriters and the Company's acceptance of each of them dated 2nd February 1961.

UNDERWRITINGS

The Shares of the present issue amounting to Rs. 9,00,000 are underwritten by the following Underwriters:—

	Total Capital underwritten	Capital reserved for firm allotments	Balance offered unconditionally for public subscription
	Rs.	Rs.	Rs.
1. Messrs. P. R. Subramanyam, 70-A, Stock Exchange Building, Apollo Street, Bombay, 1. 40,000 Shares of Rs. 10 each ..	4,00,000	75,000	3,25,000
2. Messrs. J. R. Motishaw & Co., 32 Apollo Street, Bombay, 1. 10,000 Shares of Rs. 10 each ..	1,00,000	18,000	82,000
3. Messrs. A. B. Pandit & Co., 32 Apollo Street, Bombay, 1. 10,000 Shares of Rs. 10 each ..	1,00,000	18,000	82,000
4. Messrs. Maconochie & Co., Mercantile Bank Buildings, 16 First Line Beach, Madras, 1. 10,000 Shares of Rs. 10 each ..	1,00,000	18,000	82,000
5. Messrs. Somayajulu & Co., Andhra Insurance Buildings, 337, Thambu Chetty Street, Madras, 1. 10,000 Shares of Rs. 10 each ..	1,00,000	18,000	82,000
6. Messrs. G. M. Pyne, 14, India Exchange Place, Calcutta. 10,000 Shares of Rs. 10 each ..	1,00,000	18,000	82,000
TOTAL ..	9,00,000	1,65,000	7,35,000

In the opinion of the Directors the resources of the said Underwriters are sufficient to discharge their underwriting obligations.

BROKERAGE

Brokerage at the rate of 10 nP per Equity Share will be paid on allotments in respect of applications bearing the stamp of a Bank or a Member of a recognised Stock Exchange. Brokerage on the same basis will be payable to the Underwriters, in addition to the underwriting commission, on allotments in respect of applications made or procured by them provided that the relative forms of application bear their respective stamps.

Messrs. P. R. Subramanyam, Bombay, are the Managing Brokers to this issue and will be in addition entitled to a brokerage of 5 nP per Equity Share on 90,000 Equity Shares of Rs. 10 each offered for subscription, i.e., the Managing Brokers' remuneration will be Rs. 4,500.

APPLICATION AND ALLOTMENT

Application for Equity Shares must be made on the form accompanying the Prospectus, copies of which may be obtained from the Registered Office of the Company or from the offices of any of the Company's Brokers or Bankers and Underwriters named herein. It must be completed in accordance with the directions contained therein and delivered before the date of closing of the subscription list together with the remittance of the amount payable on application to:—

(i) The Company's Bankers at any of their branches noted below:—

(a) Bombay, (b) Madras, (c) Bangalore (d) Coimbatore, (e) Delhi, (f) Calcutta, (g) Madurai.

(ii) The Managing Brokers and Underwriters named in the Prospectus.

Where no allotment is made, the deposit will be returned in full and where the number of shares allotted is less than the number applied for, the balance deposit will be appropriated towards the amount remaining payable on the shares allotted and any balance remaining thereafter will be returned. The said refunds will be made within 2 months of the closing of the subscription list. The Directors reserve the right to refuse any application wholly or in part without assigning any reason. Failure to pay any amount due on the shares allotted, when due, will render previous payments and shares liable to forfeiture.

The Shares issued shall be subject to the Memorandum and Articles of Association of the Company.

Dated 10th February, 1961.

Habib Bank Limited

Head Office: **KARACHI (Pakistan)**

ABBREVIATED BALANCE SHEET AS AT 31st DECEMBER 1960.

LIABILITIES	Pak. Rupees	ASSETS	Pak. Rupees
Paid-up Capital	30,000,000	Cash and Bank Balances	135,486,828
Reserve Funds	20,000,000	Government Securities and Bullion	422,653,842
Deposits	772,366,322	Loans and Advances	310,355,262
Amounts in Transit	61,873,741	Bills Lodged for Collection	47,236,693
Bills for Collection	47,236,693	Customers' Liabilities for Acceptances and Guarantees	354,937,381
Bankers' Liabilities for Acceptances and Guarantees	354,937,381	Other Assets	15,744,131
Total ..	1,286,414,137	Total ..	1,286,414,137

BALANCE SHEET AS ON 31st DECEMBER 1960.

Previous Year 1959 Rs.	CAPITAL AND LIABILITIES	Rs nP	Rs. nP
	1. Capital—		
20,30,800	Amount deposited with Reserve Bank of India in Government Securities	20,30,800.00	
Nil	**2. Reserve Fund and Other Reserves**		Nil
	3. Deposits and Other Accounts—		
15,30,012	Fixed Deposits	22,40,046.26	
5,52,622	Savings Bank Deposits	6,58,262.61	
92,18,036	Current Accounts, Contingency Accounts, etc. ..	1,04,75,932.15	
113,00,670			1,33,74,241.02
	4. Borrowings from Other Banking Companies, Agents, etc.—		
Nil	(i) In India	Nil	
Nil	(ii) Outside India	Nil	
Nil	PARTICULARS—		Nil
Nil	(i) Secured	Nil	
Nil	(ii) Unsecured	Nil	
Nil			Nil
4,16,998	**5. Bills Payable**		4,47,891.93
	6. Bills for Collection Being Bills Receivable as per contra—		
1,43,764	(i) Payable in India	3,77,583.04	
17,35,390	(ii) Payable outside India	18,34,363.89	
18,79,154			22,11,946.93
	7. Other Liabilities—		
11,894	(i) Unexpired Discounts	21,795.50	
9,46,100	(ii) Branch Adjustments	9,79,388.71	
9,57,994			10,01,184.21
32,52,420	**8. Acceptances, Endorsements and Other Obligations** per contra		29,37,014.65
	9. Profit and Loss Account—		
1,62,975	Profit for the year 1960	3,08,617.82	
44,000	Less—Provision for Taxation	2,33,000.00	
1,18,975			70,617.82
	10. Contingent Liabilities—		
Nil	(i) Claims against the Banking Company not acknowledged as debts	Nil	
Nil	(ii) Money for which the Banking Company is contingently liable	Nil	
Nil	(iii) Liability on Bills of Exchange re-discounted ..	Nil	
21,80,291	(iv) Liability on account of outstanding Forward Exchange Contracts	30,30,816.23	
1,79,26,206	Total .. Rs.		2,00,43,206.56

Previous Year 1959 Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
9,60,766	**1. Cash—** In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes).		16,31,455.82
7,782	**2. Balances with Other Banks on Current Account—** (i) In India	10,803.83	
3,28,084	(ii) Outside India	2,59,608.58	
3,35,866			2,70,412.41
9,00,000	**3. Money at Call and Short Notice**		28,00,000.00
	4. Investments at below Market Value—		
29,53,019	(i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments ..	29,53,019.40	
Nil	(ii) Shares— (a) Fully Paid Ordinary Shares	Nil	
Nil	(b) Fully Paid Preference Shares ..	Nil	
Nil	(iii) Debentures or Bonds	Nil	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
29,53,019			29,53,019.40
	5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
	(i) Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
30,76,048	(a) In India 32,15,448.30		
Nil	(b) Outside India .. .. Nil		
30,76,048		32,15,448.30	
29,92,287	(ii) Bills Discounted and Purchased— (a) Payable in India .. 31,74,174.27		
13,22,725	(b) Payable outside India .. 11,56,257.14		
73,91,060		43,30,431.41	75,45,879.71
	PARTICULARS OF ADVANCES—		
31,82,174	(i) Debts considered good in respect of which the banking company is fully secured	32,51,778.13	
3,24,247	(ii) Debts considered good for which the banking company holds no other security than the debtor's personal security	2,20,018.51	
38,84,639	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	40,74,083.07	
Nil	(iv) Debts considered doubtful or bad not provided for	Nil	
73,91,060			75,45,879.71
Nil	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
2,50,219	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	2,37,721.42	
Nil	(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons ..	1,000.00	
3,98,610	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members.	3,40,056.02	
4,898	(ix) Due from Banking Companies	Nil	
	6. Bills Receivable Being Bills for Collection as per contra—		
1,43,764	(i) Payable in India	3,77,583.04	
17,35,390	(ii) Payable outside India	18,34,363.89	
18,79,154			22,11,946.93
32,52,420	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		29,37,014.65
Nil	**8. Premises, Less Depreciation**		Nil
2,85,492	**9. Furniture and Fixtures, Less Depreciation—** At cost as at 31st December 1959	2,85,492.41	
Nil	Addition during the year 1960	2,803.56	
2,85,492		2,88,295.97	
Nil	Less—Disposal during the year 1960 ..	839.06	
2,85,492		2,87,456.89	
	Less—Depreciation— Rs. nP		
	Upto 31st December 1959 .. .. 2,46,551.57		
2,46,551	For the year 1960 .. .. 3,430.91		
38,941		2,49,982.48	37,474.41
1,20,872	**10. Other Assets—** (i) Advance Payments of Tax	67,894.22	
23,887	(ii) Interest accrued on Investments	23,836.55	
Nil	(iii) Silver	Nil	
665	(iv) Stamps	1,181.59	
25,854	(v) Stationery on hand	20,670.41	
45,552	(vi) Suspense Account and other sum receivable ..	43,619.66	
2,14,980			1,55,598.23
....	**11. Non-Banking Assets Acquired in Satisfaction of Claims.**		....
....	**12. Profit and Loss Account**		....
1,79,26,206	Total .. Rs.		2,00,43,206.56

Habib Bank Limited—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1960.

Previous Year 1959 Rs.	EXPENDITURE	Rs. nP.
75,737	1. Interest paid on Deposits, Borrowings, etc.	90,348.93
2,18,072	2. Salaries, Allowances, Gratuity and Provident Fund, etc. (including Salary and Allowances of the Principal Officer Rs. 36,750.08, previous year Rs. 34,850)	2,49,694.64
Nil	3. Directors' and Local Committee Members' Fees and Allowances	Nil
14,075	4. Rent, Taxes, Insurance, Lighting, etc.	14,579.94
9,227	5. Law Charges	850.00
1,536	6. Postages, Telegrams and Stamps	19,901.39
2,000	7. Auditors' Fees	2,000.00
3,986	8. Depreciation on and Repairs to the Banking Company's Property	3,430.91
19,208	9. Stationery, Printing, Advertisement, etc.	21,766.25
Nil	10. Loss from Sale of or Dealing with Banking Assets ..	89.08
Nil	11. Depreciation in Investments of Government Securities and Shares of Limited Companies	Nil
44,648	12. Other Expenditure	41,692.00
1,62,975	13. Balance of Profit (subject to Taxation)	3,03,617.82
5,51,464	Total .. Rs.	7,47,970.96

Previous Year 1959 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP.
3,01,729	1. Interest and Discount	4,00,889.64
2,34,528	2. Commission, Exchange and Brokerage	3,09,779.25
Nil	3. Rents	Nil
500	4. Net Profit on Sale of Investments, Gold and Silver, Land Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	..
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
14,707	7. Other Receipts	37,302.07
5,51,464	Total .. Rs.	7,47,970.96

Note :—Owing to regrouping of the accounts, previous year's figures have been recast wherever necessary.

REPORT OF THE AUDITORS

We have audited the foregoing Balance Sheet of the Habib Bank Limited, Indian Union Branch, as at 31st December, 1960, and also the above Profit and Loss Account of the Bank for the year ended upon that date.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the proviso to Sub-sections (1) and (2) of Section 211 and Sub-section (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956, they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that :

(a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory ;

(b) the transactions of the Bank which have come to our notice, have been within the powers of the Bank ;

(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of these books ;

(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns ;

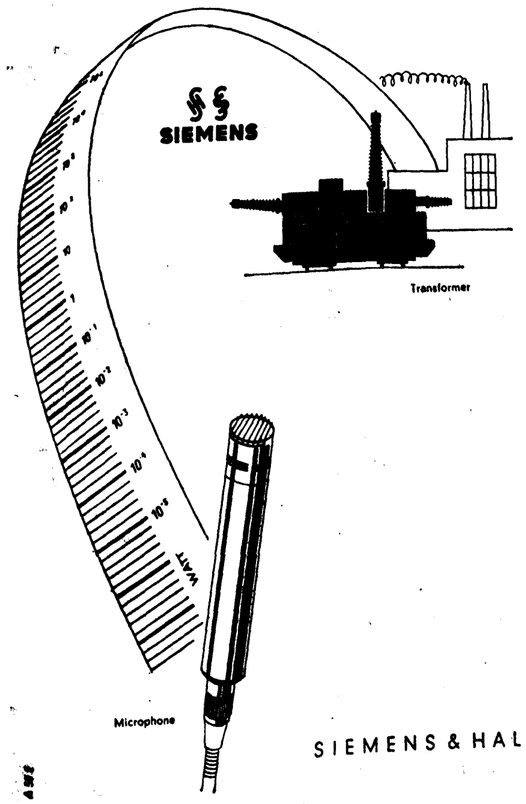
(e) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for Banking Companies and on such basis the said Balance Sheet gives a true and fair view of the Statement of the affairs of the Bank as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

R. S. BHARUCHA & CO. } *Chartered*
SHAH & CO. } *Accountants.*

For HABIB BANK LIMITED,

S. G. CURRIM, *Agent.*

H. S. JAMANI, *Principal Officer.*



SIEMENS

From Microwatts to Millions of Watts

The SIEMENS organization is active in all branches of electrical engineering.

The wattage scale on the left illustrates the power ranges covered by our line of products.

From microphone input powers in the microwatt range and below all the way up to large transformer powers of 200 and more million voltamperes.

Every one of our products embodies the experience of more than a century's work in all branches of electrical engineering.

SIEMENS & HALSKE AG · SIEMENS-SCHUCKERTWERKE AG
BERLIN · MÜNCHEN · ERLANGEN

SOLE REPRESENTATIVES
SIEMENS ENGINEERING & MANUFACTURING CO. OF INDIA PRIVATE LTD.
BOMBAY · CALCUTTA · NEW DELHI · MADRAS · BANGALORE · AHMEDABAD · VISAKHAPATNAM

DEFINITION OF "WORKER"

DOES IT NEED AMENDMENT?

By S. Krishna Warrier

Secretary, Indian Chamber of Commerce, Cochin

I HAVE gone through your editorial note on definition of "worker" in *Commerce* dated 22nd October 1960, arising from the Supreme Court's decision on the State of Kerala *versus* Gujarat Travancore Agency. In the last paragraph of this note, you have entertained apprehensions that the Supreme Court ruling will encourage employment of workers in factories through independent contractors to escape the obligations involved under the Factories Act. You have also stated that this tendency is likely to prevail in small establishments, and that it is there that non-observance of provisions of the Act is generally found. I have reasons to feel that the apprehensions entertained by you are not justified. Before going into the details of the case, it may interest you to know how "commercial labour" operates in our town.

The merchants in Mattancherri deal in various commodities like pepper, ginger, etc. There also exist in Mattancherri a set of contractors who undertake the work of these merchants and commission agents. Usually, the same contractor undertakes the work of one or more merchants. The same merchant has also sometimes more than one contractor who undertakes different categories of work. As and when work is available, these contractors engage workers to finish the work undertaken by them. The workers change from place to place and from day-to-day. In the course of the same day also, if one contractor has undertaken the work in more than one place, the workers are interchanged by him in the course of the day itself. The merchant has no knowledge as to the identity and number of workers, the work done by each of them, the time for which each worker works, etc. There is no sort of control exercised by the merchants over the workers who are all engaged by the contractors. This is the entire background of the case, and it is in these circumstances that the dispute arose between the factory inspectorate and the Gujarat Travancore Agency regarding the necessity or otherwise to classify their establishment as a "factory." The word "contract labour" is an ill-defined expression which carries no meaning at all. The Supreme Court judgment has thrown much light on the so-called "contract labour." If workers are employed through any agency, this satisfies the definition of "worker" in the Act. So, your apprehension that the Supreme Court ruling may encourage employment of workers through independent contractors in order to escape the obligations under the Act is not correct.

Factories Act

The Factories Act has laid down rigid specifications for any establishment to be classified as a factory. It states that, for any establishment to be classified as a factory, there should be an "occupier," "worker," and "manufacturing process." With respect to "workers," there is a limit on the number in the case of establishments using power, and those not using power. There is no justification, therefore, to classify any establishment which does not satisfy the tests, as a factory. Equally true is the fact that one is at liberty to work an establishment by keeping the number of workers lower than the required minimum as per the Act. In the instance in question, the people who were working in the establishment did not satisfy the definition of "workers," because they were not employed directly or through any agency. They were in no way responsible to the management nor had the management any control over them. These people were their own masters.

It is not necessary in the light of the rigid specifications given in the Act, that every establishment where there is a manufacturing process going on, should be defined as a factory. If, for example, one takes the case of a small ink manufacturer, who employs nine persons in his establishment using power for making ink, it will certainly not be classified as a factory. If this man engages a contractor to make packing cases for him, who in turn engages his own people to make cases in the premises of the ink manufacturer, can it be construed that the ink manufacturer's establishment would be taken as a "factory"? Certainly not, because the workers of the contractor are not employed by the ink manufacturer, neither will they be deemed to be employed through an agency. The ink manufacturer has nothing to do with these people. He is only concerned with his boxes and he has entrusted this work to an independent contractor, who has to supply him boxes and get paid for the number of boxes supplied. The ink manufacturer has also no control over his contractor, nor his workers and, if the contract is violated by the contractor, he has to proceed against him in a Civil Court for breach of contract. This would not have been the case if the ink manufacturer employed the people to make the boxes through the agency of the contractor. The moment the workers come there, the ink manufacturer gives them work and will naturally have a right to control their work and the workers will be answerable to the management and not the contractor.

Contract Labour

The difference between the two types of "contract labour" can be understood in the light of the above examples. In the Factories Act, all kinds of services, involving a contract of service, will come under the purview of Section 2L, whereas those which involve a contract for service will not come within the meaning of the section. The Supreme Court has thrown ample light on these two different types of services, and has discussed as to what constitutes employment. If all types of services, including the contract for service, are deemed to be employment for the purpose of a welfare legislation, it is going to create much confusion. Every management will be deemed to be the employer of a series of professional and other people whose services they may engage for manufacturing or other purposes. A clearing agent who often comes to clear the finished goods from a factory and to supply raw materials will be deemed to be an employee, and he will be entitled to all the rights under the various labour legislations. So also other people whose services have been engaged on a purely contractual obligation. The consequences of such a thing happening need hardly be described.

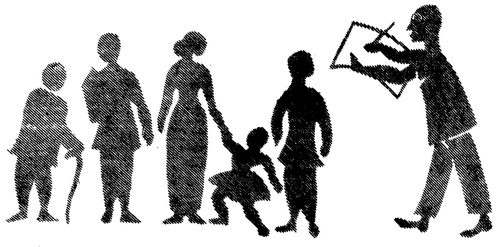
Your other apprehension that people will try to by-pass the provisions of the Factories Act by engaging independent contractors, is also not warranted. How many factories would risk this? The mere fact that there are so many factories which are registered under the Factories Act bear testimony to the baseless character of your fear. No management worth the name would like to engage independent contractors for running their manufacturing process, because, in such a case, they can exercise no control whatever on the nature of the work done and also on the workers. No doubt, in certain avocations it is possible to do this, but there is no harm in it. For example, in cottage industries like *bidi* manufacture, etc., the work is given on these lines and everyone is able to make a living, because it is a piece-rate work. People come and collect tobacco, take it to the respective places and make *bidies* and the finished material is brought after a particular time and given to the management for a definite piece-rate. Such cases do not fall within the Factories Act and there is nothing wrong if it does not apply, because, all said and done, the factory legislation is meant to regulate the conditions of service of industrial labour who are employed in certain types of establishments. It was never the intention of the legislature to stretch the language of the section and pull in all kinds of people under the factory legislation.

Your statement that the tendency to evade the Act prevails in small establishments, and that it is there that non-observance of the provisions of the Act is generally found, is not quite correct. As a matter of fact, your own editorial in a subsequent issue, (*Commerce* dated 5th November 1960), states that the law has been flagrantly violated in the huge establishments run by the public sector. This shows that the position has to be re-examined with respect to evasion of the various labour legislations as a whole.

In any case, it will be clear from what I have stated that there is absolutely no necessity for any change in the present factory legislation with special reference to definition of "worker" in the light of the Supreme Court ruling. The Court's ruling has, in fact, made the position very clear. If at all there had been any ambiguity in the law, it has been clarified so well that there will be no room for confusion in the future.

CENSUS 1961

10 February—5 March



Between these dates every person will be counted in our country, in cities or in the remote villages, in the hills or in forests, at sea or on shore.

The counting will start on 10 February and end at sunrise on 1 March. To make doubly sure that every one has been included in the Census, there will be a revisional count between 1 and 5 March. Make sure that the entire family is counted, from the oldest to the youngest.

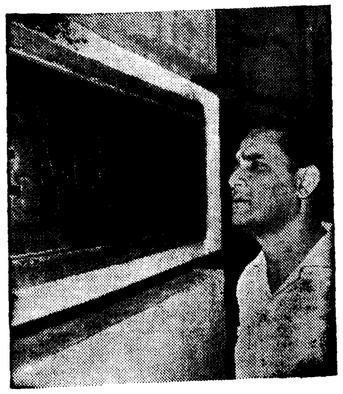
The enumerator has a heavy responsibility. Please help him in his task.

All census information will be strictly confidential and fully protected.

Issued by Government of India

DA60/643

TURNING AWAY A PROSPECTIVE CLIENT?



That tarnished name plate outside your office may spoil a good chance.

Keep it shining with Brasso. A regular rub with Brasso will keep all your brass articles and fittings gleaming like new. It's so easy and economical.

polish your brassware with

BRASSO

once a week, every week

YBA 4236 ATLANTIS (EAST) LIMITED Incorporated in England

you have just opened A METAL BOX CONTAINER!

Salted or plain, cashewnuts need to be sealed in a specially designed container in an inert atmosphere. This way they retain their freshness and flavour for long periods. Thanks to the container's protective qualities, India has been able to export large quantities of cashewnuts to distant lands and to earn valuable foreign exchange. The U.S.A. alone buys Rs 11 crores worth every year, making the humble cashewnut India's second largest dollar earner.

In the country's drive to expand the export of consumer goods, Metal Box, leaders in the packaging field, are playing an important role. Already, over Rs 30 crores worth of consumer goods — mostly perishables—are finding their way abroad in Metal Box containers. Scientifically designed for protection and superbly printed for sales appeal, Metal Box containers are showing how correct packaging helps to establish Indian goods in foreign markets.

Metal Box are also taking a direct part in the country's drive to earn foreign exchange by rapidly expanding the export of containers, closures, hardware and publicity media.

Over 1000 manufacturers in India are being supplied by Metal Box with scientifically designed containers and closures that go to pack Rs 100 crores worth of consumer goods every year.

OPEN TOP CANS for processed fruit, vegetables, fish and dairy products
GENERAL LINE CONTAINERS for confectionery, tea, biscuits, baby foods, edible oils, paints, insecticides, powders, etc.
COMPOSITE CONTAINERS of cardboard & metal
COLLAPSIBLE AND RIGID TUBES for toothpaste, ointments, adhesives and pills
CROWN CORKS for carbonated drinks
R. S. PILFER-PROOF AND OTHER CLOSURES for bottled products
COMPONENTS for radio, automobile and electrical industries
PUBLICITY MATERIAL including advertising tablets and calendars
PLASTIC PRODUCTS including Diothene bags, foil laminate pockets and injection mouldings
HARDWARE including trays and table mats
MACHINERY Can Closing and Reforming and Bottle Sealing Equipment

METAL BOX

The Metal Box Company of India Ltd
Barlow House, 59C Chowringhee, Calcutta
Factories and Sales Offices
Calcutta Bombay Madras Delhi Mangalore

TMB 3918 R

FORWARD MARKETS BULLETIN
(Monthly)
Published by Forward Markets Commission Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription — In India .. Rs. 24.00, Abroad .. Rs. 40.00
Single copy — In India .. Rs. 2.50, Abroad .. Rs. 4.00

For further particulars please apply to:
The Secretary, Forward Markets Commission
"Everest," 100, Marine Drive, Bombay-2

'CAUVERY' *brand* CHEMICALS
for Indian Industry

CAUSTIC SODA (Solid, flakes and lye)
LIQUID CHLORINE
STABLE BLEACHING POWDER (33.37% available chlorine)
BLEACH LIQUOR
HYDROCHLORIC ACID
CALCIUM CHLORIDE
FERRIC CHLORIDE
SULPHATE OF ALUMINA
COMMON SALT
BURNT LIME
SLAKED LIME
POTASSIUM CHLORATE

THE METTUR CHEMICAL & INDUSTRIAL CORPORATION LIMITED
Mettur Dam R.S. Salem Dt.
Managing Agents:
SESHASAYEE BROTHERS PRIVATE LIMITED

MC-828

PERSPECTIVE FOR STEEL OUTLINED—II

SCOPE FOR SMALL PLANTS—DEFECTS IN HINDUSTAN STEEL ORGANISATION

By Dr. M. N. Dastur

[The following is the second and final instalment of Dr. M. N. Dastur's Visvesvaraya Lecture at the last annual meeting of the Institution of Engineers (India). The first instalment appeared on pages 246 and 247 of our issue dated 11th February 1961.—ED.]

WHILE, as discussed earlier, the bulk of our future steel must come from large integrated plants, there is ample scope for a great number of smaller plants in widely dispersed locations, away from coking coals. These small plants could meet a part of the regional demands, and, as we have already discussed, open the door to a variety of processing industries, which in turn would further accelerate the steel demand of the region. Such plants could be installed with much less or no dependence on foreign supplies of equipment, and could create the enthusiasm and technical skills for evolution of the small units into larger, more complex plants.

Furnaces with low shafts, which are in effect small blast furnaces, have been used successfully at Calbe in East Germany to produce a quarter million tons of foundry iron per year. The Calbe furnaces (which were studied by me five years ago) use coke made from lignite, which is similar in analysis to the Neyveli lignite in South India. This lignite coke should therefore be tried out at the pilot-scale furnace set up by the National Metallurgical Laboratory in Jamshedpur. Since good lignite deposits are also available in other parts of India, notably Kutch and Bikaner, the trials have a wide national interest.

One of the most useful devices for substantially reducing the requirement of coking coal—at the same time making small-scale ironmaking possible—is the electric smelting furnace. This substitutes electric energy for the purpose of heating and a low grade carbonaceous material as reducing agent. The electric furnace needs only half as much fuel/reductant per ton of iron as a blast furnace. Of this smaller requirement, only a part need be coke and the rest can be low-volatile coal or coke breeze which cannot be used in conventional blast furnaces.

A considerable amount of development work is being done on preheating and pre-reducing the burden in rotary or shaft kilns using the by-product gas from the electric furnace itself, thus reducing the power consumption by almost 50 per cent.

The search for ironmaking processes which can produce small tonnages at low investment costs and at the same time use a wider range of available raw materials, has created widespread interest in direct reduction techniques. A powder or sponge iron is produced for use as metallic charge to blast furnace, cupola, open-hearth or electric furnace. Although some semi-commercial units are now in operation abroad, the economics are yet to be proved for large-scale application. The availability of very high grade iron ore in India, and the limited reserves of blast furnace fuel, are factors favouring the development of direct reduction processes in India.

Human Implications

The crucial role of steel in economic development having been established, and the technological possibilities of achieving, in successive stages, a production level of 110 million tons by the end of the century considered, we now go on to discuss the human requirement of this dynamic programme. Our concern here is with the quality of management and with the development of Indian technical talent on a scale adequate to the size of the task before us. This concern is prompted by the difficulties that have developed over the steel programme during the present Plan period, which forcefully underline the fact that proper management organisation and competent personnel are as vital to success as any other factor. Since it is mainly through the agency of the public sector that future steel development is to be realised, our discussion will relate to State undertakings.

State industrial undertakings were organised as joint-stock companies expressly with the idea of ensuring autonomy in management. This object has, unfortunately, been frustrated by the predominance of Government officials on the Boards of these companies, as a result of which the undertakings operate not as independent units, but as adjuncts of the controlling Ministries. Their management vests largely in men not only innocent of technical knowledge and industrial experience, but also handicapped by a bureaucratic outlook unsuited to running industry. Cumbersome and time-wasting civil service procedures hold sway, which means, as Professor Galbraith has said, "each decision is right at the price of overall failure. While the individual trees are being saved, the forest is destroyed."

Apart from interferences with autonomy, the basic fact is that there is insufficient delegation of authority to the Boards. In Hindustan Steel, the Company responsible for projects costing Rs. 560 crores, the Board's powers for sanctioning capital expenditure are limited to a maximum of Rs. 40 lakhs or less than one-twelfth of one per cent of the total cost. The delay in obtaining sanctions results in considerable idle overheads being added to capital costs, often affecting the economics of the project. This viewpoint finds authoritative endorsement from Mr. Asok Chanda, former Comptroller and Auditor-General of India, and one time Chairman of the Hindustan Machine Tools and Sindri Fertilisers, who say: "The cumulative effect of these arrangements (he is referring to predominance of officials on the Boards and the over-centralisation of authority) has been to make these companies move even slower than Government departments."

The limited autonomy these companies possess is rendered ineffective by the present practice of giving the finance man a veto over the decisions of the Board, since anything he disagrees with has to be referred to the Ministry. Similarly objectionable is the provision in the Articles of Association of Hindustan Steel entitling any dissenting member of the Board to have the matter referred to the Central Government for decision. These provisions cut across the fundamental principle of unitary management and delegated responsibility.

Poor Performance

These organisational defects have contributed to the poor performance of many public sector undertakings, causing some demoralisation within the country and concern abroad among India's important and influential friends. As examples of the latter, I invite your attention to the comments of the World Bank Mission and Prof. Galbraith, widely published in the last few months.

It is clear that the present pattern of administration must change if our hopes of rapid development are to materialise. Real autonomy must be ensured to the undertakings; the Board given more management control and greater finance to prevent time-wasting references for sanctions. The top managers must be picked with an eye to their technical qualifications and aptitude rather than on the grounds of their seniority in the Government service. It is, however, heartening that the seriousness of the problem is now fully realised and the third Plan accords high priority to strengthening and streamlining the administrative apparatus. Once this is effected, there is no reason at all to apprehend that human failures will hold back our ambitious programme of industrial advance.

In the impending reorganisation, it should be our endeavour to give more authority and responsibility to technical personnel at all levels. Our projects have so far suffered from a distressing lack of confidence in Indian engineering talent. We have tended, as a result, to rely unduly on foreign technical know-how. I do not suggest that we can dispense with foreign technical assistance, but I do believe that we should make a discriminating choice and import only such talent as is not available within the country. Wherever foreign experts are engaged, we should invariably provide for Indian understudies, a provision for which existed in the agreements made for Bhilai and Rourkela, but it was, unfortunately, not availed of to any significant extent.

By giving technical people a voice in the planning and execution of the projects, we could avoid the setbacks suffered during the second Plan through lapses in design and planning, incorrect phasing of construction and lack of attention to building related facilities in time. The need, as I see it, is for a continuing technical audit of projects, by competent experts, beginning right from the design stage. By coming in at that stage, Indian engineers could also help to secure standardisation of equipment in our new industries to enable the heavy machine-building industries now coming into existence to cope with a smaller range of demand and cut production costs.

Consideration should also be given to the development of trained construction personnel and equipment, and their utilisation on a continuing basis. It is a great waste to allow men and equipment to disperse from construction sites when further expansion is already decided, as in the case of the three H.S.L. plants, and when new projects like alloy steels plant at Durgapur and the fourth steel plant at Bokaro are definitely scheduled.

Training

If Indian engineers and technicians are to shoulder these wider responsibilities, we should, taking the long-term view, strive to enlarge the supply and improve the quality of new cadres. An important reform needed is better integration of practical training and theoretical study. One way in which this can be done is to run pilot-scale production units as adjuncts to teaching institutions. Working in such plants will give the students an understanding of the dignity of labour and of team spirit, and train them in organising and managing production. In addition, special training programmes need to be instituted to develop specific talents required for individual projects.

Suitably qualified and correctly oriented cadres of engineers and technologists can make all the difference between success and failure in Indian planning, provided, of course, they are given the opportunity to make a full contribution. In other words, engineers would have to broaden their horizons, in order to equip themselves to perform administrative functions in addition to technical tasks. One of the most outstanding examples of engineer-administrator, is, of course, Sir M. Visvesvaraya himself, whose centenary is the occasion for this paper.

(Concluded)

CONVAIR 990 CORONADO

Convair 990 Coronado—the world's fastest airliner—takes off from San Diego's Lindbergh Field during current flight tests of the jet that Scandinavian Airlines System and Swissair will put into service later this year. Powered by new General Electric aft-fan engines, the Coronado will speed at 640 miles (1,030 kilometers) per hour over S.A.S. and Swissair routes to South America and to the Far East *via* southern Asia.

AN AUTHORITATIVE BOOK ON SOCIAL SECURITY IN INDIA

INSURANCE IN INDIA

(A study of Life Insurance and Social Insurance)

by

Dr. A. N. Agarwala

Dean, Faculty of Commerce, Allahabad University

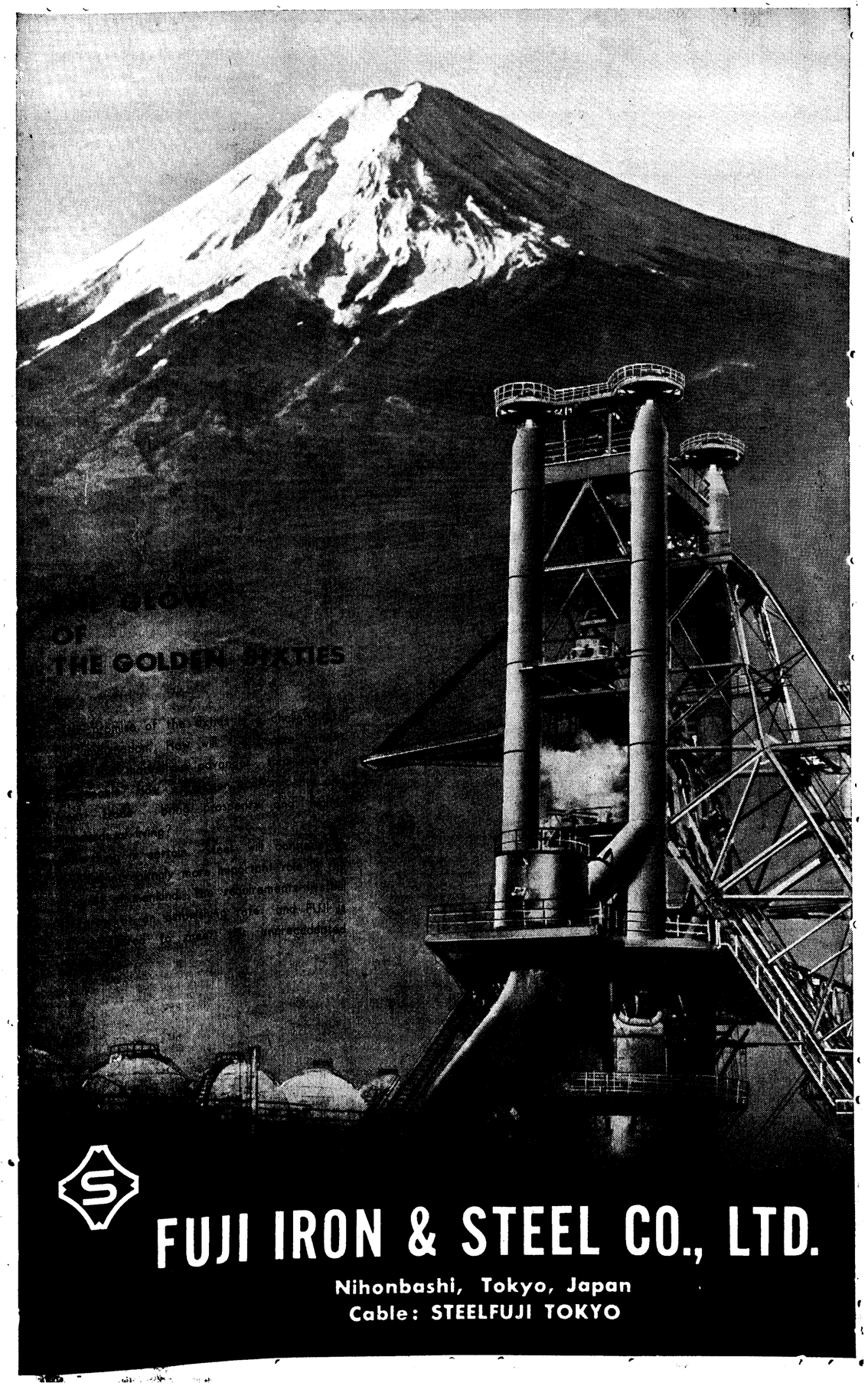
This is the first exhaustive and authoritative book on Social Security in India (including Life Insurance and Social Insurance). It is based on long and painstaking researches of the author and gives an up-to-date and analytical account of life insurance and social insurance in India.

650 pages. Price Rs. 27.50.

PUBLISHER

ALLAHABAD LAW JOURNAL CO., LTD.

5, Prayag Street, ALLAHABAD



PRESENT TRANSPORT SITUATION

NEOGY COMMITTEE'S ANALYSIS OF ROAD-RAIL DATA

THE Neogy Committee on Transport Policy and Co-ordination has presented in its preliminary report the factual findings of its surveys and studies relating to road transport and railways. A noteworthy feature of the report is its comparative analysis of the factual data. It may be noted at the outset that the total tonnage carried by the railways has increased from about 92 million tons in 1950-51 to about 156 million tons (estimate) in 1960-61, that is, by 59 per cent. In terms of ton-miles, the traffic on the railways during the period has increased by 100 per cent. As for road transport, its expansion, too, judged from the growth in the number of motor vehicles in the country, has not only not lagged behind but has, in fact, been more than proportionate to the expansion of railways. Thus, the number of goods vehicles on the road has almost doubled between 1948-49 and 1958-59 from about 73,000 to about 145,000. The number of buses during the same period has increased by about 64 per cent from 27,275 to 44,744. Apart from the increase in the number of vehicles, there has been a substantial increase in the average capacity of the vehicles over the period due to heavier diesel vehicles gradually replacing the petrol vehicles. The Committee, however, has not given the finding here that this growth in road transport has taken place in spite of some inhibiting factors.

That goods transport by road may register still greater growth could be inferred from the relevant information assembled by the Committee. A large number of commercial undertakings in the country, for instance, have resorted to greater use of road transport for movement of their goods, and the share of road transport in the total despatches by these firms has increased appreciably during recent years. The share of rail transport in the goods moved on account of these firms has correspondingly declined. These firms have shown a preference for road transport for long-distance haulage in respect of several types of traffic for various reasons. Available data show that a certain amount of traffic in commodities which have to bear comparatively higher freight rates on the railways is being diverted from railways to road transport.

Railway Finances

On the other hand, the share of comparatively low-rated commodities in the total freight traffic carried by the railways has had a tendency to increase, and is likely to increase in the coming years. This is the result of the industrial programmes of the Five-year Plans under which an increasing emphasis is being laid on the development of basic industries like steel, coal, mineral ores and heavy machinery. On a comparison of the average earnings of the railways from traffic in the more important commodities with the average cost of haulage, it is found that, in respect of a number of commodities like coal, ores, foodgrains and salt, the railways have to incur a loss both on broad-gauge and metre-gauge lines. There are several other commodities like sugar, cement, wood, fresh fruits and vegetables in respect of which the railways lose only on the metre-gauge system. Since the freight rate for coal tapers off sharply with increase in the distance of haulage, the long hauls of coal—and more especially on the metre-gauge—are particularly uneconomical. The Committee has given the finding that, if the share of these low-rated commodities in the total railway freight traffic were to increase in future, it would affect the financial position of the railways adversely.

A review of the recent trends in railway finances shows that the increase in railway earnings during recent years has not been commensurate with the increase in the capital-at-charge of the railways. According to the Committee, while the railways might be expected to meet their short-term financial commitments by suitable increases in fares and freight, in the long run it may be impossible to avoid considering major modifications in the railway rating structure, having regard to the changing pattern of railway traffic. With the growing importance of road transport, some of the existing lines on the railway system may become unremunerative, because the traffic carried on these lines is of a type which is suitable for road transport. The financial performance of railways, as of 1958-59, on different lines—broad-gauge, metre-gauge and narrow-gauge—is brought out in the following table based on the figures in Vol. II of the Railway Board Report for the relevant year:—

		Broad-gauge	Metre-gauge	Narrow-gauge
Mileage		16,392	15,508	3,181
Gross earnings	(Rs. crores)	296.5	90.6	3.7
Working expenses ..	(Rs. crores)	219.6	97.3	6.3
Net earnings..	(Rs. crores)	+76.9	—6.7	—2.7
Average operating cost per ton-mile including terminal charges in nP. ..		8.07	12.17	26.20

It can be calculated from the above figures that the surplus in earnings represents 25.9 per cent of gross earnings on the broad-gauge sections. On the other hand, the deficit in earnings represents 7.4 per cent of gross earnings on the metre-gauge sections and 72.9 per cent on the narrow-gauge sections. These poor results are partly due to the fact that the railways' rating structure is much less based on the "cost of the service" provided by them than on the "value of service" or what is commonly known as the principle of "charging what the traffic will bear." It is pointed out, for instance, that, if coal were charged at the same rate as iron ore and other ores, the railways would earn an additional income of Rs. 23 crores per annum, as against the total earnings from coal of Rs. 40 crores.

Advantages of Road Transport

The Neogy Committee has also brought out that, while the rates charged by the railways for certain items of traffic are substantially lower than the average cost of haulage, they are much higher in the case of other commodities. In the latter set of commodities, the railways are at a competitive disadvantage *vis-a-vis* roads even though the average cost of haulage (12 to 15 nP per ton-mile including terminal charges) by the roads is substantially higher than the average cost of haulage by rail. The inherent advantages of road and railway transport are summed up by the Committee as under:

1. The road transport industry has a much greater adaptability to varying conditions and is also able to adapt equipment and type of services to the particular needs of shippers. The flexibility of road transport is, perhaps, the most important factor in its favour. Motor vehicles can supply services over public highways between any two points in the country, if necessary from door to door, on difficult gradients or on poor roads.

2. Speed and certainty of delivery are other important considerations in favour of road transport. Business firms would find it possible to have a quick turnover of their capital through speedy haulage by road transport.

3. In respect of goods services, the railways are at a disadvantage in regard to speed of delivery, particularly for short and medium-distance traffic, or door-to-door delivery services, or personal attention being paid to consignments of individual customers.

4. The railways, however, are commonly recognised to be particularly suited for carrying long-distance traffic, especially in heavy and bulky items of freight, and also for long haul passenger services.

The preliminary report of the Neogy Committee has referred, in this connection, to the present state of organisation of the road transport industry. This industry in the private sector, particularly that part of it engaged in freight services, is owned at present by a large number of small operators, the majority of whom own just one vehicle each. A comparatively recent development is the growth of so-called booking agencies who are intermediaries in the industry, and do not necessarily in all cases own vehicles of their own but undertake booking of business on behalf of the operators on a commission basis. It is stated that they indulge in bargaining with the individual operators, who, due to various reasons, find themselves at their mercy. There is also reference in the report to prevalence of several alleged malpractices in the industry, such as overloading, evasion of taxes and circumvention of regulatory measures imposed under the law.

The investigations of the Committee have revealed that the licensing procedures pertaining to long-distance haulage by road transport have been considerably liberalised in recent years. In so far as intra-State operations are concerned, several State Governments are following a liberal policy with regard to countersignature of permits from one region to another. Although the primary permits issued on a regional basis may be valid for a distance of 300 miles only, these permits on countersignature can operate in practice over much longer distances. Countersignatures of permits for inter-State operations are granted in several States under reciprocal agreements arrived at between the State Governments concerned. Besides these, a large number of temporary permits are being issued by various Regional/State Transport authorities for long distances, that is, 300 miles and over. These permits are issued ostensibly to meet a particular "temporary need." But the phrase "temporary need" is not defined in the Motor Vehicles Act and it is left to the discretion of the Regional Transport Authority or the State Transport Authority to decide the need for such permits. The Committee has learnt of several instances in which temporary permits were granted without the need for such permits having been clearly stated by the applicants. And it has also learnt of several cases in which vehicles are known to have been using temporary permits over and over again for a few months in succession for the same routes. The issue of temporary permits in large numbers, according to the Committee, is not clearly in the interests of co-ordination within the road transport industry itself or between the railways and road transport, because the existing operators on the routes concerned or the railways do not have the opportunity of filing objections in regard to the issue of such permits.

COMPULSORY WATER CESS

In view of the increase in the value of crops that has resulted from new irrigation, the State Governments have taken or are taking a series of measures for improving the financial results from irrigation projects. A compulsory water cess leviable on the entire area for which irrigation facilities are provided has been imposed in the States of Andhra Pradesh, Gujarat, Kerala, Madras and Maharashtra. The Bihar Government is considering the levy of a small compulsory cess on the assured command area in addition to water rates. In Madhya Pradesh, a Water Rates Committee is studying the question. The Mysore Government will be shortly amending the Irrigation Act for the purpose of levying a betterment surcharge on water rates. In Orissa, legislation has been adopted for a compulsory basic rate for supply of water, and water rates are being refixed in accordance with its provisions. The U.P. Government is likely to introduce a two-part tariff for tube-wells, under which all cultivators in the commanded area of tube-wells will pay a certain levy per acre and those who actually take water will pay an additional amount. The West Bengal Government has drafted a Bill for levying compulsory water rates. At the same time, all the State Governments are also considering a proposal to bring about a greater uniformity in water rates in different regions or irrigation system in their respective territories.

STEEL INDUSTRY IN SINGAPORE?

An iron and steel survey mission of the United Nations has just gone to Singapore to advise the Government on the technical feasibility of establishing an iron and steel industry there. With the high rate of population growth in Singapore, and the need to provide more employment opportunities for all its workers, the Government has placed great emphasis on industrial development, including the possible establishment of an iron and steel plant.

The U.N. mission is to study and review the various short- and long-term proposals, and select any scheme considered feasible. One proposal concerns a large project with an annual capacity of 500,000 tons or more, consisting of blast furnaces producing pig iron for steel mills abroad. There is also the proposal for a short-term project, capable of more immediate implementation, to meet local needs. This would involve the construction of a rolling mill and melting furnace with a capacity of 20,000-30,000 tons per year, based on ship-breaking as a source of plate and scrap steel. A third proposal is for a small integral steel plant, with an annual output of about 60,000 tons, for local and regional trade. This would include a rolling mill for plate and scrap, a rolling mill for remelted lower grade plate, a suitable steel-making furnace for processing pig iron and a pig iron furnace capable of utilising ores and coal from the region.

UNDER SECRETARY TO GOVERNMENT
21 FEB 1961
PUBLIC DEPARTMENT

NEW PRODUCTS AND PROCESSES

Weaving Problem Solved

A PROBLEM in the weaving industry which over the years has never been adequately solved by conventional methods—that of the bowing and skewing of weft—has been completely overcome by a new machine developed by a British firm of engineers, G. Durrant and Sons Ltd., Cheshire. The machine is a development of a skew weft straightener which the firm have marketed successfully in many parts of the world for a number of years. Made to fit at the entering end of the tenter (or stenter)—and in other positions formerly considered impossible, the straightener squares up both skewed and bowed weft at the touch of a button. Manual handling of the cloth is completely eliminated, the operator being able to stand well away from the machine in the best position for viewing. Because the straightener acts only on a short length of cloth at one time the cloth enters the tenter absolutely straight and entirely free from slack edge; clip or pin damage is thus prevented and as the cloth is stretched along the weft threads a uniform width and improved feeding is achieved. Also as a result of this shortness in length of cloth any change of direction in weft distortion in the piece or at the sewing is quickly corrected. Wandering or cross movement of the cloth is eliminated as a result of the movement of the rollers in and out of parallel. The machine incorporates a special safety device which obviates any jamming and thus protects the electrical equipment from damage. The straightener can be used with most makes of tenter and operated with full efficiency on those equipped with automatic cloth guiders and other similar equipment without impairing the working of the equipment.

Magnetised Plastic Strip

Permanent magnet material in the form of plastic strip, which can be used for such purposes as retaining lids on metal boxes or machinery coolants to collect swarf, has been produced by a Sheffield engineering concern, James Neill and Co. The tape, impregnated with magnetic powder, is semi-flexible, soft, and can be cut with a knife or easily drilled. The strip can be used for magnetic workholding on planning boards, as a reservoir for small components or in short lengths as markers on progress charts. Small ferrous components can be conveyed up steep angles by means of the strip or a number of strips can be fitted side by side to produce a magnetic pad of any desired area. The strip's flexibility is an advantage when used as a paint spray masking on motor cars and other ferrous areas. The firm claims that the magnetism is permanent and can only be destroyed by burning the strip. It is flexible enough to bend into a circle of 3-inch diameter at room temperature without breaking. It is more flexible when warmed and will retain when cold a shape into which it is bent when warm. Overheating destroys the plastic binder before it has any permanent effect on the magnetic properties.

New Industrial Tool

A new industrial tool has been developed by Firth Cleveland Tools Ltd., a U.K. firm which manufactures the 'filing-type' Surform hand tools and power tool accessories. Still based on the file type of tool the purpose of the new product is to cut, smooth, shape and trim materials like mild steel, aluminium, copper and brass. It can be used in normal machine-shop practice. Its working surface consists of a perforated 'blue blade' of hardened end tempered Sheffield tool steel set with numerous scientifically-angled teeth. Features of the tool are its balance, its efficiency when used with only a light pressure, and its ability to trim corners of hard materials without chattering or damage to the blade. It is a very fast cutting tool, and the perforations in the blade effectively prevent clogging. Tests on the Herbert file testing machine indicate that it will stand up to long periods of continuous use without impairing its efficiency.

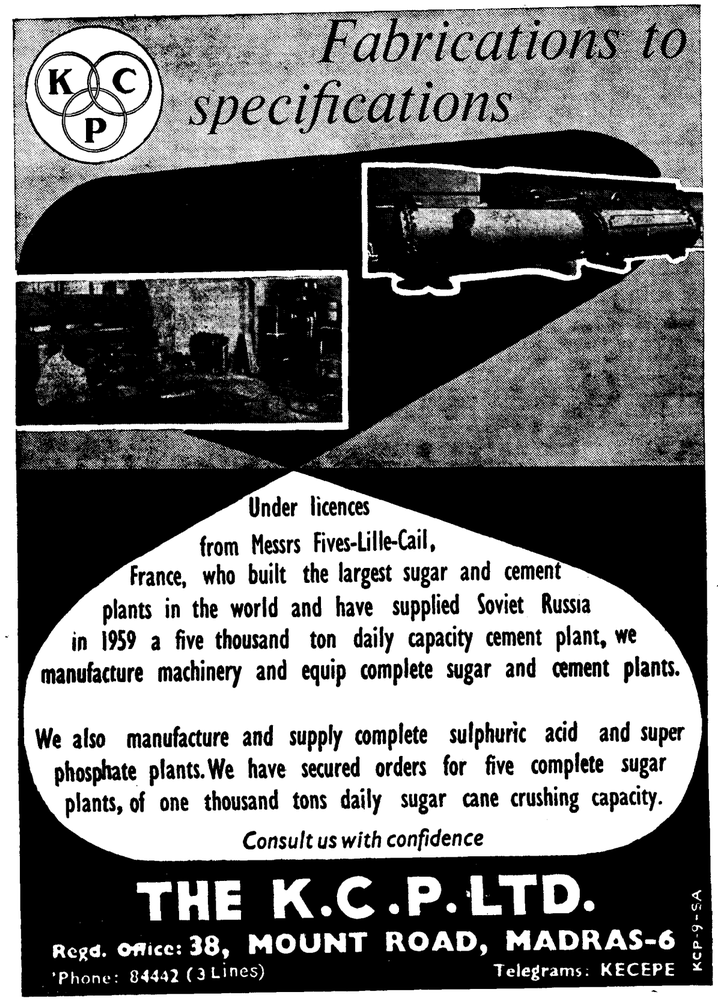
Cloth Press

A Swedish firm has announced a new design of industrial clothes press in which steam can be ejected from the upper "arm" while it is in the raised position. The machine can therefore be used, it is claimed, for both automatic pressing and for hand-forming operations, when the garment is folded and manipulated while steam is being applied to it.

Most clothes presses are fitted with a safety device which prevents hot steam from being ejected into the face of the operator but with the new design the operator can control the steam valve by movement of the hip. In this way the operator has both hands free for manipulation of the garment. The equipment is said to be particularly useful in small factories where trained "hand-formers" are not employed and where such work is carried out by "pressers."

Resilient Ceramic

A slightly resilient ceramic material produced in the United States may find some use in high-temperature gaskets. The material is made from boron nitride and is said to be less brittle than other ceramics and adaptable to slight inequalities of facing surfaces. It may also be possible to use it for high-temperature bearings, since it is composed of flat plate-like flakes which slip over one another with low friction. Stable up to 1,800 degrees F. in air and up to 3,000 degrees in inert gases, the material can be machined with standard cutting tools. It is said to resist most solvents and many corrosive chemicals.



EMPLOYMENT IN INSURANCE BUSINESS

GENERAL SECTION ACCOUNTS FOR LESS THAN ONE-THIRD OF TOTAL

EMPLOYMENT in general insurance is very much in the news nowadays. The closure of some units and the retrenchment of staff in some others have sparked off vociferous demands for nationalisation of general insurance. Two resolutions were tabled in the Lok Sabha last year, one in the first and the other in the last quarter of 1960 (both were moved by Communist members) urging nationalisation of general insurance. Both the resolutions were, of course, rejected by the House.

That the bogey of large-scale retrenchment and unemployment raised in and outside Parliament was mere propaganda by interested parties and that the employment position in general insurance has not been as bad as it is made out to be is borne out by an estimate of employment in insurance business in 1959-60 made by the Central Statistical Organisation. The study, which relates to the year ended 31st March 1960, brings up-to-date a similar estimate for 1958-59 made by the C.S.O. and throws some interesting light on the trend and pattern of employment in insurance. The estimate reveals that employment in insurance (both life and non-life) increased from 51,100 in 1958-59 to 54,300 in 1959-60. The bulk of the increase took place in life insurance, which accounted for 37,600 employees at the end of March 1960, as against 34,900 a year earlier. The number of employees in non-life insurance also rose from 16,200 in 1958-59 to 16,700 in 1959-60.

The Life Insurance Corporation of India had on its pay-roll 37,631 employees on 31st March 1960, as against 34,909 on 31st March 1959, representing an increase of 7.9 per cent. Of the total, male employees numbered 36,704 and females 927. An occupational classification of the employees revealed the following picture.

Category	March 1960		March 1959	
	No.	%	No.	%
Officers (Class I) ..	1,637	4.4	1,442	4.1
Field officers (Class II) ..	5,364	14.2	4,935	14.1
Clerical and supervisory staff	24,536	65.2	22,964	65.8
Attendants, peons, etc..	5,912	15.7	5,441	15.6
Building staff	80	0.2	65	0.2
Others (part-time sweepers, etc.) ..	102	0.3	62	0.2
Total ..	37,631	100.0	34,909	100.0

Distribution of employees by salary range (only basic pay excluding dearness allowance) showed that the largest concentration was in the group Rs. 51 to Rs. 100. A vast majority of the employees, however, draw a basic pay of more than Rs. 100 p.m. Persons drawing more than Rs. 350 p.m. form a little over 6 per cent of the total, 6.2 per cent to be precise, as against 1½ per cent in the Central Government. This percentage has, in fact, increased from 5.9 in 1959 to 6.2 in 1960. The following table gives the pay distribution of the employees of the Life Insurance Corporation.

Monthly basic pay (in rupees)	March 1960		March 1959	
	No.	%	No.	%
Up to Rs. 50	3,419	9.1	3,260	9.3
51—100	13,646	36.2	12,378	35.5
101—150	7,178	19.1	7,218	20.7
151—200	6,531	17.4	5,847	16.7
201—250	2,113	5.6	1,943	5.6
251—300	1,586	4.2	1,498	4.3
301—350	836	2.2	708	2.0
351—500	1,417	3.8	1,296	3.7
501—750	633	1.7	520	1.5
751—1,000	128	0.3	117	0.3
1,001—1,500	111	0.3	95	0.3
1,501—2,000	21	0.1	18	0.1
2,001 and over ..	12	..	11	..
Total ..	37,631	100.0	34,909	100.0

It may be noted that these figures relate only to regular employees. The Corporation had on 31st December 1959 1,48,255 commission agents of which only 94,270 were active.

Figures relating to employment in non-life insurance are not as exhaustive as those concerning life insurance. In the absence of complete data, employment in non-life business had to be estimated on the basis of the figures available from 130 companies employing about 11,500 persons out of a total of 179 companies reported working as at the end of 1959. Total employment in all the companies together as on 31st March 1960 worked out to 16,670, as against 16,200 a year before, indicating that employment in the non-life sector of insurance was less than one-third of the regular employees in the life sector. Details of the occupational distribution of employees were available only in respect of 130 companies, employing eleven to twelve thousand persons out of a total of 179 companies. The occupational distribution of the employees as obtained from these 130 returns is as follows:

Category	March 1960 — 130 companies		June 1958 — 118 companies	
Officers	1,267	11.0	973	9.4
Field staff (salaried) ..	2,109	18.4	1,867	18.1
Professional and technical	187	1.6	106	1.6
Clerical and supervisory.	6,020	52.4	5,694	55.1
Attendants, peons, etc..	1,773	15.4	1,570	15.2
Building staff	42	0.4	47	0.5
Others	94	0.8	74	0.7
Total ..	11,492	100.0	10,331	100.0

It will be seen from the above table that the employment pattern of non-life companies is somewhat different from that of the Life Insurance Corporation. Slightly more than 18 per cent of the employment in the non-life companies comprise salaried field staff, as against 14 per cent in the L.I.C. clerical and supervisory staff, on the other hand, form a smaller percentage in the non-life companies than in the L.I.C.

SOCIAL SECURITY IN NORWAY

With the coming into force of two new laws, namely, the Rehabilitation Assistance Act and the Disability Insurance Act on 1st January 1961, Norway can now boast of having a comprehensive social security system. The only missing thing is a Widow's Insurance.

Most of the social schemes in Norway are administered by autonomous social security boards throughout the country, whose operations are supervised by the National Insurance Institution. Total cost of social security will reach about 2,300 million kroner (£115 million) this year. Almost half of this amount will be paid by members, with employers contributing some 600 million kroner (£30 million). Municipalities and the State will contribute the rest.

The primary objective of the two Acts that came into force on 1st January 1961, is to assist disabled persons to get back to work. First, they receive financial assistance for retraining and a daily allowance while being rehabilitated. If still unable to perform more than one-third of the work in a suitable job, they may claim a pension. Rates are the same as for old age pensions. In addition, the insured may receive a basic benefit to meet extra expenditure caused by his disability, and also a supplementary benefit if special care is required at home. Loans and contributions may also be granted if these will help the disabled person to get fit for work.

Compulsory unemployment insurance, originally introduced in 1939, is now provided under a new law enacted in 1959. In principle, all wage-earners under 70 are thus insured against unemployment. At present, there are some 320,000 members. Exempt from the law are agricultural workers and domestic servants closely related to their employer or his wife, as well as whalers and fishermen, self-employed persons, most public servants, salesmen and agents. Seamen on Norwegian ships sailing in foreign traffic belong to a separate unemployment insurance scheme.

Health insurance, oldest of the numerous social security plans, dates back to 1911. By an Act of 1956, health insurance was made compulsory for all Norwegians, whether employees or employers. At present, about 1,820,000 are covered. The membership is divided into two categories—employees who receive benefits in kind as well as in cash, and non-employees whose insurance covers only benefits in kind. The latter services include medical treatment, with free choice of physician; physiotherapy; speech therapy; midwife assistance; costly medicines; treatment and care in hospital, sanatorium, maternity clinic, and rehabilitation institute. Medical care is extended for unlimited periods. The same applies to hospitalisation. Incapacitated employee-members are entitled to draw cash sickness benefits for up to 104 weeks. The Act contains special provisions for registered fishermen, sealers, whalers, seamen in overseas traffic, civil servants abroad, and military personnel. This scheme is also financed by membership premiums, plus contributions from employers, the State and the various municipalities.

Old age pension payments began in 1937. Under the new law in force since 1st January 1959, the means test is no longer required for getting the basic pension. Any person, 70 years of age, who fulfills certain conditions is eligible, irrespective of capital assets and income. Norwegian subjects and foreign refugees must have resided in Norway or served on Norwegian vessels for five years before putting in claims. The cost of pensions and administration is financed by premiums, paid by every health insurance member, plus contributions from employers, municipalities and the State.

The Norwegian social security system includes eight additional insurance and pension plans. Occupational accident insurance came into force on 1st January 1960. This covers all employees, as well as fishermen, sealers, school children and students. Disability insurance for military personnel introduced in 1953, covers officers and conscripts who are incapacitated in connection with peacetime service. The State pays the whole cost. Pensions are assessed according to income.

Three occupational groups have separate pension plans. About 53,000 seamen, under an Act approved in 1948, belong to an insurance scheme providing for old age pension, widow's pension, and children's pension. A similar insurance, in effect since 1938, provides pensions for Norwegian fishermen, sealers and whalers. There is also a general pension plan for forestry workers.

The children's pension, established in 1946, provides an annual allowance to everyone supporting children under 16, except for the first. There is no means test. The plan covers some 320,000 families with 510,000 children. The State pays seven-eighths and municipalities one-eighth of the cost. Some 26,000 children under the age of 18, who have lost either parent or were born out of wedlock, receive an annual allowance under the 1957 Act on survivor's benefits for children. Finally, Norway has two separate war pension plans for military personnel and civilians.

INSURANCE EMPLOYEES' UNION

The annual report of the General Insurance Employees' Union, Bombay (General Secretary: Mr. K. S. B. Pillai), for the year ended 31st March 1960, contains a synoptical survey of the activities of the Union during the period, including an account of the agreements negotiated or concluded by the Union with the managements of insurance companies in Bombay. The report discloses a welcome trend in the union movement. More and more small unions are merging with the larger and representative unions. For instance, during the year under review, as many as six unions, of insurance employees merged with the General Insurance Employees' Union, Bombay. This is a trend which needs to be encouraged in the interest of healthy and sound trade unionism.

Just Published

"A DECADE OF PLANNED ECONOMY:
A Critical Examination of Indian Plans"

By

S. KESAVA IYENGAR

Introduction by

Dr. C. P. RAMASWAMY AIYAR

Pages xviii + 348 Royal Octavo, Cloth Bound

Rs. 15 net per copy. Registered Post: **Re. 1** extra, V.P.P.: **Re. 1.50**

Indispensable for Universities and Research Institutions, Economics Students, Administrators, Planners, Legislators and Businessmen.

STOCKISTS PLEASE APPLY

Copies can be had from The Indian Academy of Economics, Mysore-2

THE HONGKONG AND SHANGHAI BANKING CORPORATION

(Incorporated in Hong Kong with Limited Liability)

Capital Authorised .. .. HK. $100,000,000 (Rs. 8,33,33,333)

Capital Issued and Fully Paid .. .. .. HK. $ 79,046,125 (Rs. 6,58,71,771)

Reserve Fund (including Share Premium Account) .. .. Stg. £ 15,000,000 (Rs. 20,00,00,000)

Head Office: **HONG KONG**

THE HON. MICHAEL W. TURNER, C.B.E.
Chairman and Chief Manager

BRANCHES

BORNEO: Colony of North Borneo, Jesselton, Labuan, Sandakan, Tawau, State of Brunei, Brunei Town, Kuala Belait, Seria, Colony of Sarawak, Kuching, Sibu
BURMA: Rangoon
CAMBODIA: Phnom-Penh
CEYLON: Colombo
CHINA: Shanghai
FRANCE: Paris
GERMANY: Hamburg
HONG KONG: Hong Kong, Kowloon, Mongkok, North Point, San Hui, Sheung Shui, Taipo, Tsuen Wan
INDIA: Bombay, Calcutta
INDONESIA: Djakarta
JAPAN: Kobe, Osaka, Tokyo, Yokohama
FEDERATION OF MALAYA: Bukit Terendak Cameron Highlands, Ipoh, Johore Bahru, Kuala Lumpur, Malacca, Muar, Penang, Sungei Patani, Taluk Anson
PHILIPPINES: Iloilo, Manila
SINGAPORE: Collyer Quay, Orchard Road, Tanglin
THAILAND: Bangkok, Suapah Road, Bangkok
U.K.: London
U.S.A.: New York, San Francisco
VIETNAM: Saigon

Correspondents Throughout the World
Banking Business of Every Kind Transacted

A COMPREHENSIVE SERVICE AS TRUSTEES AND EXECUTORS IS ALSO UNDERTAKEN BY THE BANK'S TRUSTEE COMPANIES IN HONG KONG, LONDON AND SINGAPORE

LONDON OFFICE: **9, Gracechurch Street, E.C. 3**
NEW YORK OFFICE: **72, Wall Street**
CALCUTTA OFFICE: **31, Dalhousie Square** — **S. F. T. B. LEVER,** *Manager.*
BOMBAY OFFICE: **16, Veer Nariman Road** — **B. O'D. PATERSON,** *Manager.*

Affiliated Company:
THE HONGKONG AND SHANGHAI BANKING CORPORATION OF CALIFORNIA
Offices in San Francisco and Los Angeles

ATLAS ASSURANCE CO., LTD.

The liability of Members of the Company is limited

Incorporated in England

A.D. 1808

Bombay Agents:

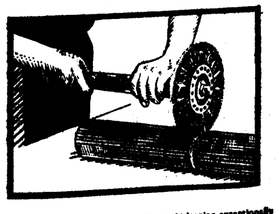
N. SIRUR & CO. PRIVATE LTD.
TULSIDAS KHIMJI.
MACKINNON MACKENZIE & CO. PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALLJI THAKERSEY & CO.

Branch Offices:

Dougall Road, Ballard Estate, Bombay.
Indra Palace, Connaught Place, Delhi.
2-L, Mahatma Gandhi Road, Bangalore.
Vijaya Bank Building, Mangalore.
7, Armenian Street, Madras.
4, Clive Row, Calcutta.

FIRE — MARINE — ACCIDENT

"SCCO"



These brushes are invaluable for buffing and cleaning exceptionally severe scaling or rust from structural work, also specially adapted for weld cleaning, and other tough scaling propositions and rough Castings. "TWISTKNOTS" may be operated at considerably higher speeds than ordinary wire wheels and a comparatively light pressure increases both the efficiency and life of the brush in addition to lightening the work of the operator.

India Brushware
72, GANGING STREET,
CALCUTTA-1.
Phone: 34-1963

For performance...

for appearance...

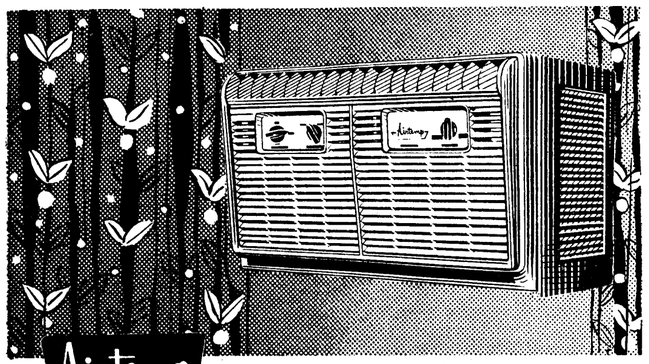
for comfort...

Airtemp rates tops

The Chrysler *Airtemp* rates *tops in performance*—with its remarkably quick cooling and absolute noiselessness; *tops in appearance*—with its beautiful exterior finish and flush-fit; *tops in comfort*—with its even distribution of air. All this plus a five-year warranty too.

Install an *Airtemp* today and get the best in room air conditioners.

✳ *Buy outright or on easy payment terms*



Distributors:

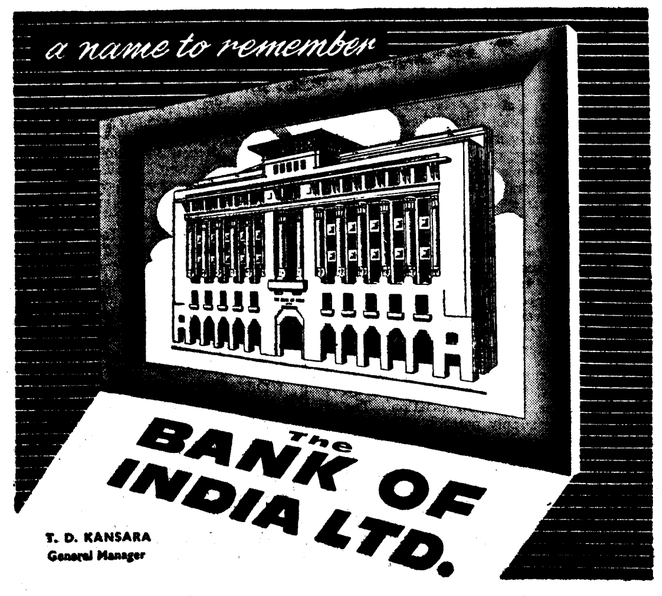
BOMBAY CYCLE & MOTOR AGENCY LTD.

534 Sardar Vallabhbhai Patel Road, Bombay 7 ★ Phone: 70684 - Grams: "CYCLOSTERS Grant Road, Bombay"

SISTA'S-BCM-65

DEALERS:

Messrs. Himalaya Mfg. & Sales Company, DELHI-7.
Messrs. Blue Star Engineering Company (Madras) Private Limited, MADRAS-1.
Messrs. Auto Distributors Limited, CALCUTTA-16.
Messrs. Electro Air Conditioning Corporation, AHMEDABAD-1.
Messrs. Atlas Engineering Corporation, BOMBAY-1.
Messrs. Narbheram & Company Private Limited, JAMSHEDPUR-1.
Messrs. Natural Gas Company Private Limited, POONA.



T. D. KANSARA
General Manager

TITANIUM DIOXIDE MAKES HEADWAY

CASE FOR CONTINUANCE OF PROTECTION

TITANIUM dioxide finds extensive application in a wide range of industries, such as paints, rubber, textiles, soap, plastics, enamelware, ink (printing), linoleum, leather and polish, to mention only a few. Although the industry is of comparatively recent origin in this country, it has made substantial progress, with the result that a considerable part of the pigment requirements of various industries is now being met indigenously. Reliance on imports has thus been reduced. The industry has, however, not been able to meet the domestic demand in full. At present, there is only one unit in the country engaged in the manufacture of titanium dioxide, namely, Travancore Titanium Products Ltd., Trivandrum, Kerala State. The current rated capacity of the unit is 2,947 tonnes per year (as against only 1,829 tonnes in 1957). This is expected to go up to 3,658 tonnes shortly, according to the development plans already undertaken. Further, the Company is contemplating to expand the capacity to 6,604 tonnes within the next two or three years. In the meantime, another unit, we are told, has been licensed in the Maharashtra State, to produce 4,471 tonnes of titanium dioxide per annum. Thus the total annual capacity for titanium dioxide in the country is expected to aggregate 11,075 tonnes by 1963.

The growth of the industry has been stimulated to a great extent by the tariff protection which it has been enjoying for the last seven years. The latest period of protection is due to expire at the end of this year. The Tariff Commission has now taken up the customary investigation into the position of the industry, with a view to examining its case for continuance of protection. Inaugurating the public inquiry in Bombay last week, Mr. K. R. P. Aiyangar, Chairman of the Tariff Commission, gave a detailed account of the recent trends in production and consumption of this commodity in this country and outlined the scope for expansion.

History of Protection

It may be recalled that the previous tariff inquiries were held in 1953, 1955 and 1957. Following the first inquiry, protection was granted for the first time in 1953 at the rate of 25.2 per cent *ad valorem* preferential and 35.2 per cent *ad valorem* standard. By the Finance Act of 1954, the protective duty was increased to 25.2 per cent *ad valorem plus* one-fourth of the total duty standard. The second inquiry was held in 1955, and the Government fixed the protective rates of duty at 34 per cent *ad valorem* preferential and 44 per cent *ad valorem* standard exempting this item from the purview of the surcharge. By the Finance Act of 1957, the rates of duty were raised to 35 per cent *ad valorem* preferential and 45 per cent *ad valorem* standard. Following the third inquiry in 1957, the period of protection was extended upto December 1961 at the prevailing rates of duty. On the basis of the Commission's present report, the Government of India will decide whether to maintain protection to it or not beyond this period.

The industry, as is already pointed out, has made good use of the protection afforded to it. There has been a steady increase in the production of titanium dioxide in recent years. During the first eleven months of 1960, output touched 2,503 tonnes, or an annual rate of 2,730 tonnes, which compares quite favourably with 1,872 tonnes in 1959, 1,743 tonnes in 1958 and 1,701 tonnes in 1957. The production of titanium dioxide has mainly been of the anatase variety. For industrial purposes, in fact, another variety, called rutile, is sometimes preferred. Therefore, the Kerala unit proposes to turn out half of its output in the form of rutile. One-third of the total output of the proposed unit in Maharashtra is also expected to be rutile.

The domestic demand for titanium dioxide has gone up sizably, thanks mainly to the increase in the tempo of industrialisation. The improvement in the supply position of anatase would have also prompted the industrialists to substitute it for the imported materials, such as lithopane, zinc oxide and white lead. On the basis of sales and imports, the apparent consumption of titanium dioxide is worked out at as much as 4,500 tonnes (including imports in rutile at 797 tonnes) in 1960, as against 3,279 tonnes (imported rutile 786 tonnes) in the previous year and 2,538 tonnes (imported rutile 360 tonnes). This trend in the growth of demand has been more or less on the lines anticipated by the Tariff Commission in its previous report. For the coming years, the Development Wing has estimated the demand in 1961 to be 5,080 tonnes, 6,096 tonnes in 1962, 8,128 tonnes in 1963 and 9,144 tonnes in 1964, of which about one-third will be rutile. As usual, private estimates of demand vary. Producers have estimated the current demand at 5,588 tonnes and expect it to go up to 8,738 tonnes in 1963. Messrs. T. T. Krishnamachari and Sons, the sole selling agents, have placed the present demand at 6,059 tonnes and that in 1963 at 8,686 tonnes.

Raw Materials

It is reasonable to assume that the demand for this commodity will be higher still, provided the cost of production is brought down. Bringing about a reduction in prices must be a comparatively easy task for this industry, as most of the raw materials are indigenously available. The main raw materials required by the industry are ilmenite sand, sulphuric acid and scrap iron. Besides, a few auxiliary chemicals are also used in small quantities. The Company has set up a sulphuric acid plant in its precincts recently. Since April 1960, its entire requirements of acid are being met from this plant. Previously, it had to purchase it from the F.A.C.T. at Alwaye, incurring additional transport charges. All other basic materials as well as most of the auxiliary chemicals are available in the country. Only a few items like titanium tetrachloride, antimony oxide, and zinc dusts are imported. Mr. Aiyangar, however, drew attention to the apparently high price now charged for the major raw material, namely, ilmenite. To quote Mr. Aiyangar: "It would now appear that the producer is required to pay the same price for ilmenite as Travancore Minerals Ltd. (which owns ilmenite deposits in Kerala) charge for its exports. Even if continuance of the concessional rate at "basic charge" was no longer justified on present price, it remains to be seen whether the potentiality of this developing industry for export are not in any way affected."

As regards import control policy, no licences were issued to established importers since the last enquiry. Only actual users licences were issued on an *ad hoc* basis. From the licensing period April-September 1959 onwards, licences were also granted upto 4 per cent of the f.o.b. value of the exports of grey cloth and yarn. In the case of exports to the U.S., West Germany and Scandinavian countries, licences were granted upto 8 per cent of the f.o.b. value. Against exports of dyed or processed cloth these percentages were to be 6 and 8 per cent, respectively. Imports of titanium dioxide have shown a rising trend, being 552 tonnes (valued at Rs. 14.75 lakhs) in 1957, 810 tonnes (Rs. 19.72 lakhs) in 1958, 1,480 tonnes (Rs. 34.25 lakhs) in 1959 and 1,375 tonnes (Rs. 33.43 lakhs) in the first nine months of 1960.

Imports can be dispensed with only when adequate supply of titanium dioxide of good quality is ensured. Most of the consuming industries seemed to be satisfied with quality of the indigenous product. The Indian Paint Association, however, has observed that there is room for further improvement, because sometimes the domestic product is substandard, particularly in regard to whiteness. Soap and cosmetic manufacturers have also complained that the traces of copper and iron present in the pigment make it unsuitable for them. Considering the need for further improvement in quality, and in view of the ambitious plans for diversification and expansion already undertaken by the industry, there is apparently a strong case for extension of protection to the industry for some more years. The industry, on its part, should strive to reduce the selling price of its product.

OBTAIN FREE BROCHURE ON PATENTS & TRADE MARKS

Contact:

PURUSHOTTAMDAS GOKULDAS

Patent Attorneys

39D, People's Building, Ground Floor, Sir Pherozshah Mehta Road, Bombay-1.

Telephone: 248014—258172.

FIRST CELLULOSE ACETATE FACTORY IN INDIA

CONSTRUCTION BEGUN AT CALCUTTA

THE first factory to produce cellulose acetate in the country will be commissioned by next autumn at Calcutta. The foundation-stone for the plant was laid the other day by the State's Chief Minister, Dr. B. C. Roy, a brief report of which appeared in *Commerce* last week. The new factory, which belongs to the East Anglia Plastics (India) Ltd., Calcutta, bids fair to open a new chapter in the development of synthetic products in India. Although several synthetic chemicals and artificial silks, such as viscose rayon, nylon and terylene are manufactured in India, they depend on imports for most of the basic raw materials, thereby necessitating the allocation of scarce foreign exchange. In the case of viscose, for instance, the chief raw materials are purified wood-pulp, caustic soda and pure sulphur. The first is not yet produced in the country and the production of the remaining two is not adequate to meet the requirements in full. One of the distinctive features of cellulose acetate is that it can be manufactured out of raw materials available within the country. Molasses (or alcohol) and cotton linters are the chief raw materials for the industry. They are relatively abundant in the country, which is one of the world's leading producers of sugarcane and cotton. It is also claimed that a cellulose acetate factory is one of the most completely integrated industries in the world. Starting from alcohol or acetic acid and raw linters, a whole range of chemicals and textile processes can be built up. Raw linters yield high-alpha cellulose material. The same plant and process can also turn out cellulose for various special types of paper and for munitions (cellulose nitrate) or for the surgical cotton goods trade. Chemical conversion plants can produce acetic acid, acetic anhydride and acetone for sale. Acetate flakes are capable of producing every known grade of cellulose acetate for plastics moulding powders, fibres, yarn, raw film, plastics, etc.

Capacity

To begin with, the East Anglia Plastics (India) Ltd. will manufacture cellulose acetate moulding powder by compounding imported flakes. The annual capacity of the factory in the first phase, working in two shifts, is about 2.91 million lbs. of moulding powders. The uses of cellulose acetate are many and varied. It can be used for making, among others, kitchen utensils, toys, flashlight cases, radio controls, hair ornaments, spectacle frames, telephones, tool handles, tooth-brush handles and combs. In the second stage, expected to be undertaken within a year, a new plant will be erected for the production of its own primary raw materials, cellulose acetate flakes, from molasses and cotton linters. The total cost of this integrated project is estimated at about Rs. 10 crores.

It is said that, in all the industrially advanced countries, acetate is being widely used in a variety of manufacturing processes, particularly rayon. The production of acetate in the U.S., for instance, amounted to 166.8 million lbs., as against 109.2 million lbs. of viscose during the first three quarters of 1958. The corresponding figures for 1957 were 150.7 million lbs., as compared with 126.6 million lbs. Thus, whereas in 1957 acetate led viscose by 19 per cent, in 1958 this proportion was higher at 53 per cent. In 1958, the production of acetate rose by 11 per cent while that of viscose declined by 13½ per cent. In other countries, such as West Germany, the U.K. and Japan, acetate is said to be gaining in importance. The preference for acetate is partly on account of its price advantage and better quality, as compared with other substitutes. It is said that, while the prices of cotton and wool has increased since 1939 by about 150 per cent and that of viscose by 67 per cent, the rise in the price of acetate is relatively less, being only 45 per cent. As compared with other synthetic fibres, acetate is rather cheap. Besides, for weaving and knitting, acetate is considered a highly efficient yarn.

Explaining the reasons why the promoters of the new industry chose to enter into the production line of cellulose acetate, Mr. Ranadeb Chaudhuri, a Director of the Company, observed as follows:

"Of the various plastic materials, cellulose acetate is, perhaps, the oldest. In spite of the fact that plastic industry has, during the last few years, developed immensely and many new synthetic products have found their use for industrial as well as domestic purposes, the acetate moulding powder, having in its favour a number of specific qualities, had played an important role throughout the entire course of development of plastics. Even in the most advanced countries where the plastic industry is highly developed, acetate moulding powders have specific uses in various fields for which it could not be substituted economically by any other plastic material. . . ."

From Mr. Chaudhuri's observations, it is reasonable to assume that the prospects for the industry in the country are bright. The industry is, however, not without its problems. The production of sugar and alcohol in West Bengal is said to be inadequate. The Company has, however, already secured assurances from the State Government for ensuring the regular supply of molasses or alcohol, for the first phase of flake production. Meanwhile, the Company, according to Mr. Chaudhuri, is investigating into the possibility of manufacturing acetic acid from other sources, such as (1) hydrolysis of acetylene to acetyldehyde and then to acetic acid, (2) oxidation of methane to acetylene and then to acetyldehyde and acetic acid, and (3) indirect hydrolisation of ethylene to ethyl alcohol and then as in (1). Ethylene is obtained from coke oven gas.

The Company has secured the collaboration of the East Anglia Plastics Ltd., London, which is an associate of Monsanto Chemical Company of the U.S., and also technical advice from Monsanto Ltd., London. It has entered into agreements with more than one world-famous company for collaboration and for technical know-how for the manufacture of flakes in the second stage. When the Company approached the capital market in the summer of 1960, the response from investors was overwhelming and the issue was heavily oversubscribed. It has as many as 15,000 shareholders, though its total issued capital is no more than Rs. 25 lakhs in shares of Rs. 10 each, of which only Rs. 5 have so far been called up.

ENROLMENT OF EXPORTERS

The Government of India has decided to introduce a scheme for enrolment of exporters as an export promotion measure. The scheme envisages the enforcement of certain minimum standards for the conduct of business on the part of exporters. On the other hand, the enrolled exporters would be afforded certain facilities and would be enabled to take advantage of the special schemes for export promotion introduced from time to time.

The Export Promotion Councils and the Commodity Boards will be the enrolling authorities in respect of commodities in their charge. For other commodities, the Director-General of Commercial Intelligence and Statistics, Calcutta, will be the Enrolling Authority. The enrolled exporters will enjoy certain privileges. Their names will be supplied to the Trade Commissioners and Commercial Secretaries abroad for being introduced to the local importers and will also be included in the *Directory of Exporters* published by the Director-General of Commercial Intelligence. They will be introduced to the visiting overseas buyers. They will enjoy the various facilities accorded by the Government at present to help the export trade.

Exporters who undertake to use standard contract forms for export evolved by the enrolling authority, submit consignments for pre-shipment inspection as may be required by the Enrolling authority, abide by its decision in the case of disputes between themselves and the overseas customers in the matter of export contracts, follow the standards of quality and packing as laid down in this behalf, follow the Code of Conduct when evolved by the enrolling authority for the general guidance of exporters and manufacturers and abide by the provisions of any scheme evolved by the enrolling authority for regulating the utilisation of shipping space for export purposes, would be eligible for registration.

A certificate of enrolment will be issued to all enrolled exporters. The scheme also lays down that all the enrolled exporters should make a plan for export of various products from India to various destinations, so as to co-ordinate with the country's overall plan for export promotion. It also provides for the de-enrolment of exporters, when they cease to fulfil the basic qualifications or fail to fulfil effectively their obligations arising out of the provisions of the scheme.

"INDUSTRIAL BULLETIN"

The Directorate of Industries, the Government of Maharashtra, proposes to bring out a quarterly journal, *Industrial Bulletin*. A special number of the *Bulletin* was released on the eve of the Republic Day at a Press conference at Sachivalaya, presided over by Mr. S. K. Wankhede, Finance Minister. The *Bulletin* seeks to apprise industrialists and potential *entrepreneurs* of "the progress and development of the various industries," apart from imparting "general guidance in establishing new industries and ways and means of getting help from the Government." The special number contains several articles of interest to industrialists in the State. These include "Industrial Development of Maharashtra" by Mr. A. S. Pinge, "Powder Metallurgy" by Mr. N. M. Pai, "Power from Koyna" by Mr. N. G. K. Murti, Chief Engineer of the Koyna Project, and "Fuels for Domestic and Industrial Use" by Mr. P. B. Padaki. There is also a special section containing three articles in Marathi. In addition, there are statistical tables on the various aspects of industry in Maharashtra. While the special number is priced at Rs. 2, regular quarterly issues will cost only Re. 1 each.

Notices

THE RAVALGAON SUGAR FARM LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-eighth Annual General Meeting of the Company will be held at Construction House, Ballard Estate, Fort, Bombay, on Tuesday the 7th March, 1961, at 4-30 p.m. (S.T.), for the purposes of transacting the following business:—

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 30th September, 1960.
2. To declare Dividends on Preference, Ordinary and Deferred Shares.
3. To appoint a Director in place of Shri Ratanchand Hirachand who retires by rotation and is eligible for re-appointment and to consider and, if thought fit, to pass the following resolution as a Special Resolution in respect of which a Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company:—

   "Resolved that pursuant to the provisions of Section 261 and other relevant provisions (if any) of the Companies Act, 1956, Shri Ratanchand Hirachand who retires by rotation and who is a Director and Member of Messrs. Walchand & Co. Private Ltd., the Managing Agents of the Company, be and is hereby re-appointed a Director of the Company."
4. To appoint a Director in place of Shri Valchand Deochand who retires by rotation and who is eligible for re-appointment and to consider and, if thought fit, to pass the following resolution in respect of which a Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company.

   "Resolved that pursuant to the provisions of Section 281 and other relevant provisions (if any) of the Companies Act, 1956, Shri Valchand Deochand, who has attained the age of 67 years and who retires by rotation, be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed by Section 280 of the said Act shall not apply to him."
5. To consider and, if thought fit, to pass the following resolution as a Special Resolution in respect of which a Special Notice as required under Sections 257 and 261 of the Companies Act, 1956, has been received by the Company:—

   "Resolved that pursuant to the provisions of Section 261 and other relevant provisions (if any) of the Companies Act, 1956, Shri A. V. Gharpure, an employee of the Indian Hume Pipe Co. Ltd., which is under the same Managing Agents, Messrs. Walchand & Co., Private Ltd., be and is hereby appointed a Director of the Company."
6. To appoint Auditors for the current year and to fix their remuneration.
7. To consider and, if thought fit, to pass the following resolution:—

   "In supersession of the resolution passed at the Twenty-fourth Annual General Meeting of the Company held on 26th March, 1957, resolved that the consent of the Company under Section 293(1)(d) of the Companies Act, 1956, be and is hereby granted to the Board of Directors of the Company for borrowing moneys for the purposes of the Company from time to time even though the moneys so borrowed together with the moneys already borrowed by the Company and remaining outstanding or the amounts for the time being and from time to time remaining undischarged of the moneys so borrowed together with the moneys already borrowed may be in excess of the aggregate of the paid-up Capital of the Company and its free Reserves, that is to say, reserves not set apart for any specific purpose, provided that such excess shall not be more than Rs. 3,00,00,000 at any one time and provided further that in computing the amounts of borrowings whether already made or to be made the amounts of temporary loans obtained from the Company's Bankers in the ordinary course of business shall be excluded."
8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

   "Resolved that approval be and is hereby given to the Company for taking advances and/or loans from Managing Agents Messrs. Walchand & Co. Private Ltd., and to the payment of interest on such advances and/or loans made or to be made from time to time to the Managing Agents at such rate as may from time to time be determined by the Board of Directors."
9. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

   "Resolved that Article 158 of the Articles of Association of the Company be substituted in the manner following:—

   "158. Walchand & Co. Private Limited and (subject to the provisions of the Companies Act, 1956) their successors in business and assigns shall be the Managing Agents of the Company from the 15th day of August, 1960, for a period of five years upon the terms, provisions and conditions set out in the Agreement dated 23rd August, 1960, approved by the Company in General Meeting and by the Central Government."

The Transfer Books of the Company will remain closed as from Wednesday the 25th January, 1961, to Saturday the 18th February, 1961 (both days inclusive).

By Order of the Board,
S. S. BORKAR,
Acting Secretary.

CONSTRUCTION HOUSE,
BALLARD ESTATE, FORT,
BOMBAY: *24th January*, 1961.

Note:—(1) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the Proxy need not be a member.

(2) The Dividends, if sanctioned will be paid at Devkaran Nanjee Banking Co. Ltd., Fort, Bombay, on and from Monday the 13th March 1961, to those Members whose names stand on the Company's Register as on Saturday the 18th February 1961.

(3) Explanatory Statement as required by Section 173 of the Companies Act, 1956 has been separately sent to all members of the Company.

NEW CENTRAL JUTE MILLS CO. LIMITED

NOTICE

THE BOARD OF DIRECTORS OF THE Company have decided to issue Right Ordinary shares of Rs. 10 each at a premium of Rs. 3.25 nP per share in the capital of the Company and offer the same to the holders of existing Ordinary Shares in the ratio of one new Ordinary Share for every two Ordinary Shares.

The Share Transfer Books and the register of ordinary members of the Company will remain closed from 21st February to 1st March, 1961, both days inclusive.

FOR NEW CENTRAL JUTE MILLS CO., LTD.,
FOR SAHU JAIN LTD.,
A. K. JAIN,
Managing Director,
Managing Agents,

11, CLIVE ROW,
CALCUTTA,
6th February, 1961.

HINDUSTHAN SUGAR'S PERFORMANCE EXCELLENT

NET PROFIT MORE THAN DOUBLES

IN consonance with the general trend of working of sugar industry in the 1959-60 season, which witnessed a marked rise in production, the financial statement of the Hindusthan Sugar Mills Ltd. (Managing Agents: Messrs. Bachharaj & Co. Private Ltd., Bombay) for the year ended 30th June 1960 shows excellent results. Thus the quantity of cane crushed increased substantially from 9.54 million maunds (in 1958-59) to 15.87 million maunds and the recovery of sugar also went up from 9.84 per cent to 10.05 per cent. Although the recovery per cent was not the highest on record (which is 10.49 per cent for 1957-58), the crushing, as also the actual sugar produced, was a record high. Like the other sugar mills in U.P., the Hindusthan Sugar has also availed itself of the tax concessions given by the Government of India for increasing production. It will be recalled that, in order to secure larger production of sugar, the Government gave two important incentives: (*a*) a 50 per cent rebate in the basic excise duty leviable on delivery of as much production of sugar as exceeded the average production of 1957-58 and 1958-59 seasons; and (*b*) a concession of 31 nP per maund of cane crushed till 15th November 1959 by factories in U.P. and Bihar. The Company's production of sugar in 1959-60 exceeded the average production of the preceding two years by 583,781 maunds and the Company obtained a concession of Rs. 2.42 lakhs on cane crushed till 15th November 1959. The output of power alcohol from the Company's distillery also recorded a sharp rise from 798,917 gallons to 1,165,439 gallons.

Thanks to the overall improvement in production, the Company's gross profit has advanced from Rs. 43.83 lakhs to Rs. 66.50 lakhs, a new high in the Company's history. The net profit shows a still more impressive rise. In fact, it has more than doubled itself between 1959 and 1960, moving up from Rs. 12.02 lakhs to Rs. 25.49 lakhs. Whereas the gross profit has gone up by 52 per cent, the net profit has shot up by 111 per cent notwithstanding the fact that the Directors have made substantial provisions for taxation, depreciation and Managing Agents' remuneration. The provision for taxation has been stepped up from Rs. 11.85 lakhs to Rs. 20.10 lakhs during the year. The Managing Agents' remuneration is higher by Rs. 2.46 lakhs at Rs. 5.17 lakhs. Only depreciation is a shade lower at Rs. 15.74 lakhs as against Rs. 17.25 lakhs a year before. The dividend to equity shareholders has been nearly doubled from 15 per cent taxable to 29 per cent taxable, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sale proceeds	4,34.16	4,31.40	3,85.58	4,10.58
Closing stocks	2,21.46	1,07.00	1,55.69	1,50.42
Other income	4.47	0.05	..	..
Excise duty paid	1,21.09	1,20.41	97.06	51.50
Other expenses	3,65.50	3,19.12	2,47.72	2,79.80
Gross profit	66.50	43.83	47.87	54.96
Managing Agents' remuneration	5.17	2.71	3.71	5.05
Provision for—				
Depreciation	15.74	17.25	10.70	7.00
Taxation	20.10	11.85	6.25	27.00
Net profit	25.49	12.02	26.71	15.91
Excess provisions written back	0.54	2.60	..	..
To development rebate reserve	2.15	1.05	..	..
,, other reserves	5.00	4.00	24.02	5.75
Transfer from reserves	..	..	7.50	..
Adjustment relating to previous years	..	0.25	..	..
Prospecting expenses	..	..	0.30	0.86
Dividends—				
5 per cent. preference	0.36	0.36	0.25	0.25
Ordinary	17.40	0.00	9.00	9.00
	(29%)*	(15%)*	(15%)	(15%)
Carry forward	0.52	0.40	0.43	0.39

* Subject to tax.

The Directors have set aside Rs. 2.15 lakhs for the development rebate reserve, as against only Rs. 1.05 lakhs in 1958-59. The transfer to general reserve has also been stepped up from Rs. 4 lakhs to Rs. 6 lakhs. The dividend, as already mentioned, has been increased from 15 per cent (taxable) to 29 per cent (taxable) which means a tax-free return of 20.3 per cent. The proposed dividend at 29 per cent (taxable) is the highest on record in recent years.

Critics of the private sector may say that the Company has frittered away the profits by paying high dividends, instead of ploughing back the major portion of the increase in profits. But they will do well to bear in mind that the Company comes under Section 23A of the Income-tax Act which compels it to distribute a large percentage of the surplus under pain of a high rate of penal tax.

There are two issues of vital importance to the sugar industry to which the Directors' report makes a pertinent reference. The first one relates to the price linking formula. It has been seen above how the concessions granted by the Government of India have stimulated the production of sugar. But, under the formula for fixing sugarcane prices announced by the Government, the cane growers are also entitled to a share in the concession and rebate given by the Government. As the representatives of both the sugar industry and the cane-growers had raised objections to the price-linking formula the entire question has been referred to the Tariff Commission.

It may be noted here that in the profit and loss account of the Company the Directors have shown Rs. 2.42 lakhs as the concession received by the Company for early crushing. The position in regard to rebate on excise duty on the increased production is not clear. The rebate, they say, will be earned in the current year.

The second issue pertains to the aggregate national target of sugar production adopted in the draft third Plan. Emphasising the need to stimulate sugar exports, the Directors observe:

"By achieving record production of more than 24 lakh tons, the industry has justified the policy of incentives adopted by the Union Government. The extra production has enabled the industry to carry over stock of nearly 5.5 lakh tons on 1st November 1960 which is more than three months' sugar requirements of the country, as against only 1.53 lakh tons carried over on the corresponding date last year. The sudden rise in production has however created other problems. Current season's production is estimated at not less than 26 lakh tons, while sugar offtake which was 20.21 lakh tons in 1959-60 may increase to only 21 or 21.5 lakh tons in 1960-61. Thus unless four to four and a half lakh tons sugar is exported, the industry will be faced with a carryover of nearly one million tons sugar at the commencement of the next season, that is, on 1st November 1961, when it is hardly possible for the industry to store and finance. Sugar export market for India is very limited and, in common with the policy adopted by other sugar-producing countries, exports can be made only at a very heavy loss. In view of the acute shortage of foreign exchange and the need to ensure disposal of the standing cane crop, export of sugar under the Sugar Export Promotion Act appears to be the only remedy. If negotiations for export of sugar to U.S. are successful, the loss on exports will be minimised. It is obvious that if we do not succeed in exporting sizable quantities of sugar to U.S.A., the recent increase in the target of sugar production from the figure of three million tons mentioned in the Draft Outline of the third Five-year Plan period to 3.5 million tons during the same Plan period, will have to be revised and may require to be brought down to the original target of 3 million tons."

The prospects for the current year, according to the Directors, are quite promising. During the current year, the area under sugarcane in the reserve zone, where the factory of the Company is situated, has shown a further increase. The condition of the crop is, on the whole, satisfactory. All these factors are expected to contribute to improved performance in 1960-61.

The Company's balance-sheet as on 30th June 1960 shows a satisfactory financial position. The paid-up capital, at Rs. 65 lakhs, is made up of 5,000—5 per cent tax-free preference shares of Rs. 100 each and 60,000 ordinary shares of Rs. 100 each. Out of this amount, the entire preference capital (Rs. 5 lakhs) and Rs. 55 lakhs of ordinary capital represent capitalisation of reserves over a period of years in the past. Even then, the reserve and surplus aggregate Rs. 78.84 lakhs. The current liabilities and provisions (including secured and unsecured loans) at Rs. 246.11 lakhs are adequately covered by current assets amounting to Rs. 279.71 lakhs. During the year, the unsecured loan from the Managing Agents has been sizably reduced from Rs. 6.20 lakhs to Rs. 1.02 lakh, while fixed deposits have gone up from Rs. 7.59 lakhs to Rs. 8.89 lakhs. The gross value of the block account, at Rs. 229.20 lakhs, including the addition of Rs. 8.42 lakhs made during the year, has been written down to Rs. 110.24 lakhs.

The Rs. 100 paid-up ordinary shares of the Company are being quoted at Rs. 341.25 *cum-div.* On an *ex-div.* basis the yield works out to 6.50 per cent tax-free.

NEW SWADESHI SUGAR FARES WELL

DIVIDEND COMFORTABLY MAINTAINED

THE New Swadeshi Sugar Mills Ltd. (Managing Agents: Messrs Cotton Agents (P) Ltd., Bombay) has reported a net profit of Rs. 12.51 lakhs for the year ended 30th June 1960 after providing for depreciation and taxation, amounting to Rs. 1.47 lakhs and Rs. 10.35 lakhs, respectively. As compared with that (Rs. 10.55 lakhs) for the previous year, this shows a substantial improvement. The dividend to ordinary shareholders has been fully maintained. At 29 per cent per annum taxable, it is the same as that for 1958-59 and a shade higher than the 20 per cent per annum, tax-free, for 1957-58 and 1956-57.

The sale proceeds were up by about Rs. 15 lakhs during the year under review and by nearly Rs. 65 lakhs as compared with 1957-58. This was possible, because the Company's factory, which is in Bihar, was able to do a record crushing. Here is another instance of the efficacy of the special incentives given by the Government of India for bringing about an increase in sugar production. The average recovery was, however, slightly lower at 9.66 per cent, as against 9.88 per cent during the previous year. The lower recovery, which was in common with other sugar mills in North Bihar, was mainly due to unfavourable climatic conditions and the longer duration of the crushing season. During the current season, the Company hopes to maintain the crushing operations at the past year's level.

The following figures will show at a glance the general trend of the Company's working in the last four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sales	1,76.88	1,62.24	1,11.99	1,84.81
Closing stock	45.49	43.61	46.65	88.78
Raw materials consumed	88.46	71.31	64.52	67.71
Salaries, wages and bonus	7.88	8.24	7.43	7.13
Excise duty	51.34	48.85	28.96	17.33
Other expenses	8.04	9.49	10.52	12.78
Gross profit	26.86	23.81	10.62	14.15
Provision for—				
Depreciation	1.47	1.16	1.81	2.39
Taxation	10.35	9.84	4.25	5.81
Managing Agents' remuneration	2.58	2.26	0.96	1.25
Net profit	12.51	10.55	3.60	4.76
Transfer to—				
General reserve	4.50	3.00	..	..
Development rebate	0.17	0.06	..	..
Dividends*	8.04	3.94	0.24	..
	(29%)	(29%)	2.72	2.72
Carry forward	0.21	0.35	(20%)	(20%)
			0.25	0.97

* For the years 1959 and 1960, the dividends are taxable and for 1957 and 1958 tax-free.

The Company is erecting a distillery at Narkatiaganj which is expected to go into production during the current year. The vegetable and fruit processing factory set up by the Company under the name of Allahabad Canning Company started production from 30th November 1960.

The Company has reduced its borrowings for working finance from the State Bank of India gradually, in view of increased sales and better realisation. It has also invested an amount of Rs. 5.20 lakhs in the capital of its subsidiaries which include the Tims Products Ltd. and Champaran Marketing Company Ltd., at Calcutta. The working of the subsidiaries are satisfactory. The Tims Products Ltd., Calcutta, in which nearly 50 per cent of the ordinary capital is held by the Company, reported a net profit of Rs. 1.03 lakhs for the year ended 31st December 1959, after working unremuneratively in previous years.

The financial position of the Company is sound. As against a paid-up capital of Rs. 13.50 lakhs (all in ordinary shares), reserves and surplus aggregate Rs. 63.94 lakhs. Current liabilities amount to Rs. 67.43 lakhs, which are amply covered by current assets of the order of Rs. 86.10 lakhs, excluding investments in subsidiaries and shares of other companies amounting to Rs. 7.46 lakhs. The gross block of Rs. 77.49 lakhs (inclusive of Rs. 11 lakhs added in 1959-60) has been written down to Rs. 38.46 lakhs.

The term of office of the Managing Agents, Cotton Agents (P) Ltd., which, expired on the 15th August 1960, was renewed by the shareholders for a further period of 10 years, but the Government of India has approved the reappointment for a period of five years only.

The ordinary shares of the Company of Rs. 100 each are currently quoted at Rs. 360. At this rate and on the basis of a net dividend of 20.3 per cent, the yield works out to 5.64 per cent.

RECORD SALES BY PREMIER AUTOMOBILES

NOTABLE IMPROVEMENT IN FINANCES

THE automobile industry in India took a turn for the better in 1954, when the Tariff Commission recognised the importance of the industry in the economic development of the country and recommended that the domestic market be reserved for indigenous manufacturers. It is true that, since then, the industry's path has not been smooth, for, though the Government accepted this recommendation, it placed several other obstacles. But that year was a decisive turning point and the industry has been gradually moving forward, especially in the last two or three years in particular. Its production in 1960 was higher by 46 per cent over 1959 and 65 per cent over 1956. The most heartening sign for its prospects is the rapid growth of ancillary industries. It has a bright future and will contribute its due share to the development and prosperity of the country as it has done all over the world. The development of this industry will yield widespread benefits to the public, as it ensures (1) quick and cheap transport, (2) increase in gainful employment, (3) rise in incomes and (4) comforts of modern life. In fine, the vehicles it turns out are vehicles of progress. Whatever assistance is given to it in the initial stages will be returned manyfold in a few years.

The progress of the Premier Automobiles Ltd. (Chairman: Mr. Lalchand Hirachand, Bombay), the pioneer in the field, has been in keeping with this general trend. Its sales have steadily grown from 1954, except in the year ended June 1958, when the factory remained closed for about two and a half months, due to labour troubles. Sales of cars, trucks and spare parts, etc., reached a record figure of Rs. 20.95 crores in the year ended 30th June 1960, as against Rs. 17.43 crores in the previous year, that is, an increase of over 20 per cent. The closing stocks at Rs. 324.60 lakhs in all the departments are substantially lower than the opening stocks at Rs. 441.10 lakhs. Stocks of raw materials are down by Rs. 47.06 lakhs at Rs. 128.12 lakhs, work-in-progress by Rs. 42.60 lakhs at Rs. 32.58 lakhs and finished goods by Rs. 26.85 lakhs at Rs. 163.89 lakhs. On the expenditure side, stores and spares consumed have been higher at Rs. 484.85 lakhs, as against Rs. 365.81 lakhs. Fuel and power consumed have gone up from Rs. 12.10 lakhs to Rs. 17.82 lakhs, salaries, wages, gratuity, etc., including provident fund, insurance schemes and staff and labour welfare, from Rs. 140.07 lakhs to Rs. 189.15 lakhs. The item purchase of cars, trucks, spare parts, etc., shows a reduction from Rs. 11,83.56 lakhs to Rs. 10,69.01 lakhs, reflecting partly the depletion of stocks brought in and partly the increase in the parts manufactured by the Company. The payment of interest on debentures, to Managing Agents, banks and others, has gone down from Rs. 32.99 lakhs to Rs. 29.60 lakhs. The drop in payment of interest on debentures due to its conversion into ordinary shares is not fully reflected, as there has been a sharp rise in interest paid to banks and others.

As a result of higher sales, the gross profit has increased from Rs. 104.51 lakhs to Rs. 153.88 lakhs. The net profit, too, is higher by about one and a half times at Rs. 64.69 lakhs as against Rs. 40.98 lakhs in the previous year. The net profit has been arrived at after sharply raising the provision for depreciation from Rs. 28.54 lakhs to Rs. 44.23 lakhs, for taxation from Rs. 27.33 lakhs to Rs. 34.00 lakhs and for Managing Agents' remuneration, which is subject to adjustment, from Rs. 7.66 lakhs to Rs. 10.96 lakhs. A good part of the increase in net profit has been conserved. Thus, a sum of Rs. 15.27 lakhs has been transferred to general reserve and Rs. 5 lakhs to dividend equalisation reserve, as against *nil* in the case of both in the previous year. The proposed dividend of 9 per cent subject to deduction of tax, though the same as that for the previous years, will cost the Company Rs. 11.08 lakhs more at Rs. 30.97 lakhs on account of conversion of debentures into ordinary shares. Upto the end of the year under review, 1,52,564 debentures were converted into 'A' ordinary shares, out of Rs. 1,60,000 convertible debentures of Rs. 100 each issued in 1958.

The Company is making steady progress in the implementation of the programme for progressive manufacture of all the parts of cars and trucks, as will be seen from the following extracts from the Directors' Report:

"All the machinery required for the manufacture of Fiat transmission and axles have been received and installed. Satisfactory progress is being made on the production of components for transmission under the guidance of Fiat technicians who have specially come over here to assist the Company in early completion of this project.

"As for the front and rear axles for trucks, all the important components, including the differential gears and pinions, carriers, half shafts, cases, front brake drums, etc., are being produced in the factory. The manufacture of axles is, therefore, making fair progress.

"The heat treatment equipment and generators are in operation now. The quality of gears and other components which require various types of heat treatment has considerably improved as a result of the installation of this equipment. We feel proud to state that we are the first to install this equipment. Following the installation of this equipment, the quality of production has not only improved but wastage in production has also been minimised.

"As for the sheet metal components for Dodge trucks and Fiat cars a complete study has been made in consultation with the Chrysler Corporation and the Fiat Corporation for equipment, dies, presses, structural work, foundation, layout, etc., and the project has received Government approval. An approach has been made to Development Loan Fund for a loan to finance the same as far as foreign exchange requirements are concerned."

Since the publication of the report, the Company has been granted a loan of Rs. 3.43 crores by the U.S. Development Loan Fund for increasing the indigenous content from 60 per cent to 85 per cent.

The comparative figures given in the following table brings out the Company's growth in the last four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sale proceeds	20,94.88	17,42.80	14,47.32	18,08.67
Other income	12.47	12.25	17.83	5.66
Closing stocks of finished goods and work-in-process	1,96.47	2,65.92	1,96.26	1,73.99
Expenses	16,59.50	16,50.58	14 14.65	17,31.58
Gross profit	1,53.88	1,04.51	50.49	82.80
Managing Agency remuneration	10.96	7.66	2.85	5.75
Provision for—				
Depreciation	44.23	28.54	24.62	22.72
Taxation	34.00	27.33	7.66	17.01
Net profit	64.69	40.98	15.36	37.32
Excess provisions written back	23.18	3.51	..	..
Expenses and taxes relating to previous years	13.53	8.94	0.19	..
Debenture issue expenses written off	..	4.73	..	..
To reserves	42.77	13.00	8.00	24.00
Dividend	30.97	19.89	8.69	13.04
	(9%)*	(9%)*	(4%)	(6%)
Carry forward	3.24	2.72	4.79	6.31

* Subject to deduction of tax.

The rapid growth in the capacity has found the capital of the Company to be insufficient. During the year under review, the Company made an issue in February of 1,84,600 additional shares of Rs. 100 each. These were issued at par at the rate of one share for every two shares held. Since then, the Company has submitted an application to the Government for the expansion programme. The additional capital expenditure for the purpose is estimated at Rs. 25 crores. The Directors, therefore, propose to increase the authorised capital from Rs. 10 crores to Rs. 25 crores divided into equity shares and such other class of shares may be decided by them later. The resolution effecting these changes in the capital will be proposed at the ensuing annual general meeting of the Company.

For reasons already mentioned, the paid-up capital of the Company has increased from Rs. 227.65 lakhs to Rs. 473.29 lakhs. The balance of share application and allotment moneys account amount to Rs. 17.69 lakhs. Reserves and surplus aggregate Rs. 121.06 lakhs, comprising Rs. 53.50 lakhs development reserve, Rs. 35 lakhs general reserve and Rs. 10 lakhs dividend equalisation reserve. The secured loans have dropped from Rs. 506.77 lakhs to Rs. 390.92 lakhs, thanks to conversion of the major portion of debentures into ordinary shares. As at the end of the year under review, the outstanding amount of 6½ per cent convertible debentures is Rs. 7.43 lakhs only. Under current liabilities and provisions, advances and deposits from dealers, etc., have sharply dropped from Rs. 139.45 lakhs to Rs. 13.22 lakhs. The gross block has increased by Rs. 118.90 lakhs to Rs. 594.80 lakhs and the net block stands at Rs. 330.43 lakhs, depreciation provided so far being Rs. 264.37 lakhs. The current assets total Rs. 989.04 lakhs and exceed the current liabilities at Rs. 707.43 lakhs by a handsome amount.

The current market quotation of the Rs. 100 paid-up ordinary shares is Rs. 164 *cum-dividend*. This gives a return of 3.8 per cent, tax-free, or a net dividend of Rs. 6.30 per share.

OUDH SUGAR ADDS MORE TO RESERVES

PROSPECTS FOR CURRENT YEAR GOOD

THE performance of the Oudh Sugar Mills Ltd. (Managing Agents: The Cotton Agents (Private) Ltd., Bombay) for the year ended 31st July 1960, as disclosed by the accounts of the Company for that year, marks a distinct improvement over that for the previous year. The incentive scheme adopted by the Government of India for stimulating the production of sugar has definitely helped the Company in raising the output of its factory. Under this scheme, the sugar factories were granted a concession in sugarcane cess of 31 nP per maund of cane crushed upto 15th November 1959 and a rebate of 50 per cent. of the basic excise duty on production during 1959-60 in excess of the average production of the preceding two years. The management of the Oudh Sugar Mills took prompt steps to benefit by the tax concessions and consequently the Company secured a rebate of Rs. 1.58 lakhs for the early start of crushing. The Company's excess production amounted to 321,874 maunds. The aggregate quantity of cane crushed has staged a sharp increase from 6.1 million maunds to 10.1 million maunds and the sugar recovery from 9.74 per cent. to 10.13 per cent. Its total sales proceeds also recorded a substantial improvement from Rs. 684.70 lakhs to Rs. 726.02 lakhs. The production of power alcohol and spirit, too, has recorded an impressive rise from 836,000 gallons to 1,122,000 gallons. The Company's oil mill and ice factory worked satisfactorily during the year and the production of both *vanaspati* and ice was nearly maintained at the previous year's levels.

The cumulative effect of all these improvements is reflected in the gross profit of the Company, which has gone up from Rs. 49.28 lakhs to Rs. 53.76 lakhs. The net profit for the year, after providing Rs. 4.54 lakhs for Managing Agents' remuneration, Rs. 7.14 lakhs for depreciation and Rs. 14.90 lakhs for taxation, stands at Rs. 27.18 lakhs, as against Rs. 20.16 lakhs in the previous year. With a view to conserving resources for future years, the Directors have transferred substantial amounts to the Company's reserves. Thus, a sum of Rs. 5.56 lakhs has been set aside as development rebate reserve as against a mere Rs. 80,000 in the previous year. In addition, the amount transferred to general reserve has also been stepped up from Rs. 5.25 lakhs to Rs. 5.85 lakhs. The aggregate amount ploughed in by the Company for future expansion and contingencies has increased by Rs. 5.36 lakhs and represents nearly 42 per cent. of the net profit. The Directors have recommended a handsome dividend of 20 per cent., subject to tax, which would give a tax-free return of 14 per cent. It may be noted that for the preceding year the dividend, on a tax-free basis, was 12.78 and for 1957-58 and 1956-57 it was 12.50 per cent. per annum. The amount required for distribution to equity shareholders is of the order of Rs. 15.69 lakhs, as against Rs. 14.29 lakhs for the previous year. This leaves Rs. 24,000 for carrying forward to next year, as against Rs. 16,000 brought in. It will thus be noted that the Directors have followed a judicious policy in regard to appropriation of the improved profit. They have ploughed back a substantial part of the increase, without at the same time denying the shareholders a share in it.

The following comparative table shows the progress of the Company in recent years:

(In lakhs of rupees)

	For the year ended 31st July			
	1960	1959	1958	1957
Sales proceeds	7,26.02	6,84.70	7,24.63	6,88.18
Other income	5.94	3.11	3.44	3.71
Closing stocks	1,51.25	90.40	1,18.88	1,45.51
Expenses	6,31.31	5,06.75	5,00.24	5,52.01
Excise duty and cess	1,17.74	1,09.10	1,18.47	73.60
Gross profit	53.76	49.28	58.85	63.78
Managing Agents' remuneration	4.54	4.16	5.22	5.57
Provision for—				
Depreciation	7.14	7.56	10.06	12.87
Taxation	14.90	17.40	26.85	25.58
Net profit	27.18	20.16	17.72	19.76
To development rebate reserve	5.56	0.80	2.89	..
,, other reserves	5.85	5.25	5.43	..
Dividends—				
Preference	0.19	0.15	0.23	0.89
Ordinary	15.50	14.14	9.69	9.69
	(20%)*	(18½%)*	(12½%)	(12½%)
Carry forward	0.24	0.16	0.36	0.30

* Subject to deduction of tax.

The Government of India allotted an export quota of 7,794 bags of sugar from the production of the season for 1959-60 to the Company's

(*Continued on page 308*)

SYNOPSES OF COMPANY REPORTS

Waverley Jute Mills Co., Ltd.

THE directors of the above Company (Secretaries and Treasurers: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st May 1960.

The profit for the year after providing for deteriorated stores Rs. 50,000 (Rs. 1,00,000), depreciation Rs. 1,05,254 (Rs. 1,14,484) and taxation Rs. 2,50,000 (Rs. 9,400) amounts to Rs. 2,51,766 (Rs. 2,99,010). To this amount must be added the credit balance brought forward from the previous year of Rs. 1,03,603 (Rs. 11,735) making a total of Rs. 3,55,369 (Rs. 3,10,745). After deducting from this forfeited dividends paid amounting to Rs. 25 (*nil*) there is an available balance of Rs. 3,55,344 (Rs. 3,10,745). This amount the directors recommend should be distributed as follows: To payment of dividend for the year ended 31st May 1960, subject to deduction of tax, on 15,000 preference shares at the rate of 5 (5 per cent grossed up at 30 per cent for the years 1958 and 1959) per cent per annum, absorbing Rs. 37,500 (Rs. 1,07,142), additional 30 per cent of Rs. 37,500 under the provisions of the Preference Shares [Regulation of Dividends) Act, 1960, absorbing Rs. 11,250 (*nil*), on 15,000 preference shares additional at 5 (5) per cent per annum. absorbing Rs. 37.500 (Rs. 37,500) and on 2,50,000 ordinary shares at Re. 0.30 (Re. 0.25) per share, absorbing Rs. 75,000 (Rs. 62,500) leaving a credit balance to be carried forward of Rs. 1,94,094 (Rs. 1,03,603).

As reported previously, the Mills closed down in June 1957. but during the year under review, the loom hours have been sold to other mills within the McLeod Group and this has enabled the Company to show a profit.

The managing agents' agreement with McLeod & Co., Ltd., Calcutta, expired on 15th August 1960, under the provisions of Section 324 of the Companies Act, 1956 and McLeod & Co., Ltd., were then appointed secretaries and treasurers of this Company with the approval of the Central Government for a period of five years.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	10,00,000	Gross block	82,62,805
Debentures	10,00,000	*Less*—Depreciation ...	45,53,966
Reserves ...	6.70,000		
Provision for taxation ...	2,57,463	Net block ...	37,08,839
Liabilities ...	2,76,741	*Less*—written-off under order of the court	27.76,059
Profit and loss account (surplus) ...	1,94,094		9,32,780
		Stores ...	2,83,495
		Book debts	3,52,698
		Investments	60,000
		Cash ...	17,69,325
Rs.	33,98.298	Rs.	33,98.298

Kelvin Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st May 1960.

The profit for the year after providing for depreciation Rs. 4,59,207 (Rs. 4,85,392) and taxation Rs. 5,55,000 (Rs. 5,35,000), amounts to Rs. 7,90,476 (Rs. 6,18,310). To this must be added provision for wealth tax written back Rs. 5,320 (nil) and credit balance brought forward from the previous year of Rs. 1,63,584 (Rs. 1,18,689) making a total of Rs. 9,59,380 (Rs. 7,82,999 including Rs. 46,000 being developmcnt rebate reserve written back). From this amount is deducted West Bengal sales tax due from Government in respect of previous years written off Rs. 9,996 (*nil*), amount transferred to development rebate reserve Rs. 1,46,000 (Rs. 56,000) and amount transferred to general reserve Rs. 1,50,000 (Rs. 1,00,000) leaving an available balance of Rs. 6,53,384 (Rs. 6.25,584). This amount the directors recommend should be distributed as follows: To dividend on 10,000 preference shares at the rate of 7 per cent per annum, subject to deduction of tax, for the year ended 31st May 1960, absorbing Rs. 70,000 (Rs. 70,000), additional 30 per cent of Rs. 70,000 under the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, amounting to Rs. 21,000, additional 30 per cent of Rs. 70,000 being preference dividend for the year ended 31st May, 1959, declared on 6th January, 1960 under the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, amounting to Rs. 21,000 and dividend on 28,000 ordinary shares at Rs. 15.00 (Rs. 14.00) per share, subject to deduction of tax, for the year ended 31st May, 1960, absorbing Rs. 4.20,000 (Rs. 3,92,000) leaving to be carried forward Rs. 1,21,384 (Rs. 1,63,584).

During the year these mills worked 48 hours per week with the percentage of the looms sealed varying from time to time in accordance with the recommendations of the Indian Jute Mills' Association under the terms of the working time agreement.

Raw jute prices in Pakistan rose to unprecedented levels when it became evident that there would be a shortage in world supply, the prices of raw jute followed the same pattern in India early in October, 1960. Various measures have been taken by the Forward Markets Commission through the East India Jute and Hessian Exchange Ltd. to halt the price rise through impositions of margins on transferable specific delivery contracts both in manufactured goods and raw jute, and these measures have had the effect of checking the rise in price of manufactures but raw jute prices have not been checked to the same extent. At the time of writing, prospects for the current year are not encouraging.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	38,00,000	Gross block	1,51,65,797
Reserves ...	52,06,000	*Less*—Depreciation	1,03,30,320
Provision for taxation ...	4.79.904		
Liabilities ...	33,25,727	Net block	48.35,477
Profit and loss account (surplus)	1,21,384	Machinery-in-transit ...	41,124
		Stock-in-trade	37,72,489
		Stores and spare parts	9,04.307
		Book debts	19,13,909
		Investments	8,49,144
		Cash ...	6,16,565
Rs.	1,29,33,015	Rs.	1,29,33,015

Alliance Jute Mills Co., Ltd.

The directors of the above Company (Secretaries and Treasurers: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st May 1960.

The profit for the year after providing for depreciation Rs. 2,96,727 (Rs. 1,84,379) amounts to Rs. 8,94,083 (Rs. 6,56,095). To this must be added the amount overprovided in liability in respect of previous period written back Rs. 53,872 (Rs. 19,387) making a total of Rs. 9,47,955 (Rs. 9,50,482 including Rs. 2,75,000 transferred from general reserve). After deducting the debit balance brought forward from previous year of Rs. 1.88,265, forfeited dividends paid Rs. 100 (Rs. 857), development rebate reserve Rs. 2,64,750 (Rs. 29,200) and income-tax in respect of the year, 1955-56 Rs. 2,165 leaving a balance of Rs. 4,92,675 (Rs. 9,20,425). Out of this amount the directors have already declared interim dividends for the year ended 31st May 1960, subject to deduction of tax, as follow:—On 15,000 preference shares at the rate of Rs. 3.00 (Rs. 6.00) per share, absorbing Rs. 45,000 (Rs. 2,62,500 for the periods ended 31st May 1957, 31st May 1958 and 31st May 1959) and on 30,000 ordinary shares at the rate of Rs. 6.00 (*nil*) per share, absorbing Rs. 1,80,000 (*nil*) leaving an available balance of Rs. 2,67,675 (a debit balance of Rs. 1,88,265 after deducting the loss of Rs. 8,46,190 brought forward from the previous year). This amount the directors recommend should be distributed as follows:—On preference shares subject to deduction of tax additional 30 per cent of Rs. 2,62,500 being preference dividend declared on 2nd February 1960, for the period from 1st July 1956 to 31st May 1959, under the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, absorbing Rs. 78,750, for the year ended 31st May 1960 on 15,000 preference shares at 3 per cent per share, absorbing Rs. 45,000 and additional 30 per cent of Rs. 90,000 being preference dividend [including interim dividend] under the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, absorbing Rs. 27,000 leaving a credit balance to be carried forward of Rs. 1,16,925 (debit of Rs. 1,88,265).

During the year under review, the North Mill remained closed and the South Mill worked on a double shift basis with the percentage of looms sealed varying from time to time in accordance with the recommendations of the Indian Jute Mills' Association under the terms of the working time agreement. On an average 555 looms were worked 96 hours per week on double shift during the year.

Prospects for the current year are not encouraging as the price of manufactured goods has not risen to the same extent as the price of raw material and due to the curtailment of working hours higher costs will result.

For further modernisation of the fine side of the Mill, an application has been submitted to the National Industrial Development Corporation Ltd. for a loan of Rs. 21,49,200. This matter is still under consideration by the National Industrial Development Corporation Ltd. In the meantime, an import licence has been received for certain additional machinery to improve the working of the sacking weft side of the Mill.

The managing agents agreement with McLeod & Co., Ltd., Calcutta, expired on 15th August 1960, under the provisions of Section 330 of the Companies Act, 1956, and McLeod & Co., Ltd., were then appointed secretaries and treasurers of this Company with the approval of the Central Government for a period of five years.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	45,00,000	Gross block	1,41,02,373
Reserves ...	5,43,950	*Less*—Depreciation ...	1,01,60,589
Provision for taxation ...	520		
Liabilities ...	77,86,368	Net block ...	39,41,784
Profit and loss account		Stock-in-trade	62,35,895
surplus ...	1,16,925	Stores, etc. ...	11,81,099
		Book debts ...	9,23,210
		Investments	2,10,000
		Cash ...	4,55,775
Rs.	1,29,47,763	Rs.	1,29,47,763

Bharat Sugar Mills Ltd.

The directors of the above Company (Managing Agents: The Cotton Agents Private Ltd. Bombay) present the audited accounts of the Company for the year ended 30th June 1960.

The accounts show a profit of Rs. 8,42,161 (Rs. 6,74,270). Out of this, provision has been made for depreciation amounting to Rs. 1,04,972 (Rs. 1,01,478), development rebate Rs. 3,165 (Rs. 96,000) and for taxation Rs. 4,85,000 (Rs. 2,25,600) leaving a sum of Rs. 2,49,024 (Rs. 2,51,192). With the balance brought forward from the previous year of Rs. 5,149 (Rs. 3,957) there is a total sum available for disposal of Rs. 2,54,173 (Rs. 2.55,149). The directors recommend payment of dividend, subject to deduction of tax under the Income-tax Act, on 5,000 cumulative redeemable preference shares of Rs. 100 each at 5 per cent per annum absorbing Rs. 25,000 (Rs. 25,000) and on 1,50,000 ordinary shares of Rs. 10 each at Re. 1.50 (Re. 1.50) per share, absorbing Rs. 2.25,000 (Rs. 2.25,000) leaving a balance to be carried forward of Rs. 4,173 (Rs. 5,149).

During the year under review the factory worked for 163 days and crushed 24,98.561 maunds of sugar cane against working of 125 days and crushing of 18,74,945 maunds in the previous year. The recovery was, however, lower at 9.93 per cent against 10.15 per cent in the previous year. The lower recovery which was in common with the other sugar mills in Bihar was due to early start of crushing and longer duration of the season. During the current season a crushing of about 27.50 lakh maunds of sugarcane is expected.

The Government of India announced certain incentives to the sugar factories during the year to encourage increased production of sugar. The incentives were in the shape of a concession of 31 nP per maund of cane crushed upto 21st November 1959 if crushing was started on or before 10th November 1959 and a rebate of 50 per cent of the basic excise duty on production during the season 1959-60 in excess of the average production of the seasons 1957-58 and 1958-59. In the case of this factory a rebate of Rs. 55.896 for early start of crushing was granted. The excess production amounted to about 70,605 maunds.

Direct allotments by the Government in respect of sugar released for internal consumption as also control on distribution and price of sugar are continuing.

In October, 1960 the Government of India allotted an export quota of 189.85 tons of sugar from the production of the season 1959-60 to the Company's mills against a quota of 45.72 tons from the production of season 1958-59.

The Company's farms yielded 58,192 maunds of sugar cane as against 47,123 maunds of sugarcane during the previous year. The average yield of sugarcane per acre was better.

The term of office of The Cotton Agents Private Ltd., the managing agents of the Company expired on the 15th August 1960. They were reappointed as managing agents of the Company by the shareholders for a further period of 10 years with effect from 15th August 1960. The Government of India have, however, approved the reappointment for a period of five years only.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	20.00,000	Gross block	23.95,027
Reserves ...	14.08,556	*Less*—Depreciation ...	15,95,890
Provision for taxation ...	6,30,749		
Liabilities ...	26,86.112	Net block ...	7,99,137
Profit and loss account		Stock-in-trade	29.11,197
(surplus) ...	4,173	Stores, etc.	4,01,075
		Standing crops	17,946
		Books debts	10.54,132
		Investments	13,86,990
		Cash ...	1,59,113
Rs.	67.29,590	Rs.	67.29,590

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY AFFAIRS

(*Concluded from page 307*)

mills, as against 1,413 bags from the previous season's production.

During the year 1959-60, the Company redeemed 14,662 cumulative redeemable (4 per cent. tax-free) preference shares of Rs. 25 each. Consequently, the Company's balance-sheet as on 31st July 1960 shows a reduction in paid-up capital from Rs. 81.19 lakhs to Rs. 77.52 lakhs, all in ordinary shares. Reserves and surplus aggregate Rs. 90.02 lakhs. Of these reserves, as much as Rs. 50 lakhs represent capital reserve created out of the revaluation of assets made in the year ended July 1950. The current liabilities and provisions (including loans) at Rs. 198.80 lakhs are more than adequately covered by current assets amounting to Rs. 238.27 lakhs. There has been an addition of Rs. 17.79 lakhs to the gross block during the year under review, bringing it up to Rs. 277.58 lakhs. The depreciation provided so far is Rs. 149.52 lakhs, leaving the net value of the fixed assets at Rs. 128.06 lakhs.

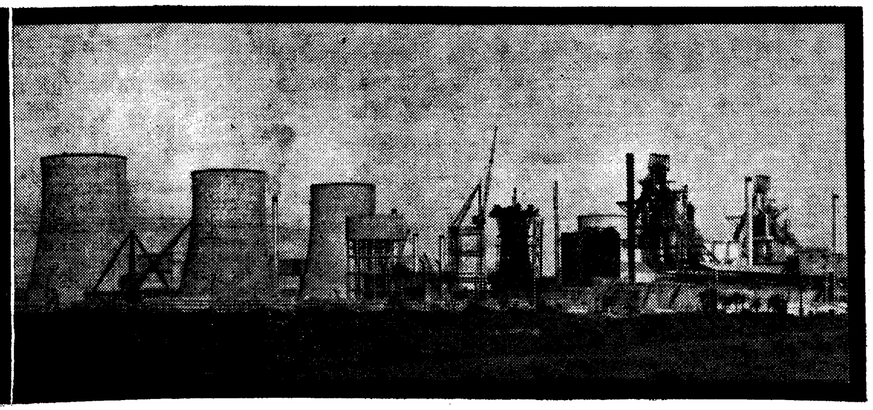
The Company's performance is expected to improve still further during the current year. The sugar plant may crush about 12 million maunds of cane. The distillery, too, is expected to show better results, thanks to the larger supply of molasses from the Company's own sugar mills and the consequent reduction in costs of outside purchases.

The Rs. 100 fully paid-up ordinary shares of the Company are currently being quoted at Rs. 200 *cum-div.* On an *ex-div.* basis, the shares give a yield of 7.78 per cent. per annum, free of income-tax.

NEARING ACHIEVEMENT

India's ambitious Durgapur Steelworks project is well on the way to completion. ISCON, the consortium of famous British engineering and electrical manufacturing companies, has been most successful and the end of the job is in sight.

Rolling mills, melting shop, blast furnaces, coke oven batteries and cooling towers have transformed the skyline. The birth of this new industry has already brought new employment to West Bengal. A steel city has been carved from paddy fields and jungle by people of two different nationalities and background, but working as a team with a single purpose. The result is a triumph for British industry and a better tomorrow for the people of India.



ISCON

INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Davy and United Engineering Company Limited. Head Wrightson & Company Ltd. Simon-Carves Ltd. The Wellman Smith Owen Eng. Corp. Ltd. The Cementation Company Ltd. Associated Electrical Industries (Rugby) Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Associated Electrical Industries (Manchester) Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. Iscon Cable Group (Siemens Edision Swan Ltd. and Pirelli General Cable Works Ltd.)

BRITISH COMPANIES WORKING FOR INDIA

PSC 22

PANYAM CEMENTS AND MINERAL INDUSTRIES LIMITED

PROGRESS MADE SATISFACTORY

CHAIRMAN, MR. T. S. SUNDARAM, WANTS FAIR PRICES FOR CEMENT

A NOTE of optimism on the future of the Panyam Cements and Mineral Industries Ltd. was struck by its Chairman, Mr. T. S. Sundaram, in his speech at the Fifth Annual General Meeting of the Company held at Cement Nagar (in Kurnool District, Andhra Pradesh) on Saturday, 4th February 1961. The Company's factory, Mr. Sundaram declared, was making satisfactory progress and there was every hope of continued improvement in working results in the years to come. He disclosed that the Company had been granted a licence to expand the installed capacity of the factory at an additional capital outlay of about Rs. 120 lakhs and received the official consent for the issue of further share capital amounting to Rs. 46 lakhs. He made a special reference to the question of cement prices now being considered by the Tariff Commission. The Commission, Mr. Sundaram hoped, would bear in mind the real needs of the industry "which is capital-intensive and, therefore, provide for adequate, fair and distributable return on capital, enabling build-up of reserves and distribution of attractive dividends to shareholders."

The following is the full text of the Chairman's speech at the meeting:

"DEAR SHAREHOLDERS,

"I have great pleasure in extending to you a cordial welcome to this the fifth annual general meeting of the Company and place before you for adoption the audited accounts of the Company for the year ended 31st August 1960, which have already been circulated to you and which, with your kind permission, I shall take as read.

"As you would have seen from the balance-sheet and profit and loss account, the statutory obligation for providing development rebate, before making any other allocation of profits, has not allowed us the pleasure of declaring any dividend to the shareholders this year, although the profits for the year, after providing Rs. 9,32,939 as depreciation, came to Rs. 8,08,256. This entire profit has been set off against the development rebate. You will be glad to note that a sum of Rs. 9,98,419.90 has so far been repaid to The Industrial Credit and Investment Corporation of India Ltd., Bombay, towards the principal of the loan.

Clinker Production

"I am glad to inform you that your Company's factory is making satisfactory progress and there is every hope of continued improvement in its working results in the years to come. Clinker production during the accounting period touched almost the rated level, whilst production and despatches of cement exceeded the rated capacity by 20 per cent. Demand for cement produced in your factory has been encouragingly good and progressive. This, with the co-operation of the network of stockists in the marketing zone allotted to our factory, has enabled us to dissolve completely the huge backlog of clinker in the yard brought forward from the previous accounting year. We continue to supply our cement to Sharavathy, Mid-Pennar and Nagarjunsagar projects.

"The production of clinker during the year would have been better, if the kiln did not have to take long and compulsory shutdowns due to shortage of coal. Coal production in the country and the railway facilities for its transport have not kept pace with the rapid industrialisation, commissioning of the three new steel plants and substantial expansion of the existing ones. Consequently, all industries, particularly in the Southern Peninsula, which require coal as a fuel have had to face acute shortage for their day-to-day requirements. The gravity of this problem has, however, received the pointed attention of the concerned Central Ministries of Commerce, Fuel and Railways; and, there are bright prospects of improved conditions in the near future to ensure that at least the minimum requirements of individual units are met.

"We are in the last quarter of the second Plan period. As in the first Plan, great progress has been achieved by the cement industry during this period when the production capacity has nearly doubled from 4.9 million tons to 9.5 million tons. In the Draft Outline of the third Plan, it has been estimated that consumption would touch 13.5 million tons by 1965-66; and to achieve this, it is proposed to raise the installed capacity to 15.00 million tons, which appears to me to be realistic and practical.

Expansion

"I am particularly happy to inform you that the Government of India have been pleased to grant the Company a licence for substantial expansion of its installed capacity by addition of a 400-ton unit, and the management is making steady progress in their efforts to carry out this second stage of the project. The additional capital outlay for this expansion is estimated to be approximately Rs. 120 lakhs. The consent for issue of further share capital of Rs. 46 lakhs has been received from the Controller of Capital Issues. The Industrial Credit and Investment Corporation of India Ltd., Bombay, who helped us in executing the first stage of our project with a sizable loan capital and advice, it is hoped, will render substantial assistance for this expansion scheme also. I am confident that, with the enthusiastic co-operation from you all and the help from The Industrial Credit and Investment Corporation of India Ltd., the Company will be able to secure without difficulty the finances necessary for this purpose. The present policy of Government does not allow for the import of cement-making machinery; and, therefore, negotiations for supply of equipment are in progress with the Indian manufacturers, Messrs. A.C.C. Vickers Babcock Ltd., who have indicated that the delivery of the machinery will be made by the end of 1962.

Price for Cement

"The present retention price for cement was fixed in 1958 and it will be in force only till the end of June this year; and in view of the repeated representations of the industry to revise the retention price to take into account increasing manufacturing costs, the Government of India have referred the revision of the price to the Tariff Commission. The revised price structure is expected to be brought into force from July this year and I hope the Commission, while refixing the prices, will bear in mind the real needs of this industry which is capital-intensive and, therefore, provide for adequate, fair and distributable return on the capital, enabling build-up of reserves and distribution of attractive dividends to shareholders, which alone would allow it to play its rightful part in the national economy *vis-a-vis* the ambitious programmes envisaged for the third Five-year Plan. It is also necessary that a more helpful and automatically applicable formula is devised to answer effectively to the quickly changing trends in the manufacturing costs. The packing charges fixed by the Ministry of Commerce and Industry every quarter are found to be not at all adequate, and there is a very wide difference between the actual charges incurred by the manufacturer and the packing charges sanctioned by the Government. The use of the second-hand gunnies, which has been recently permitted, will not also help substantially to neutralise this difference.

Wage Structure

"As a result of the implementation of the recommendations of the Central Wage Board for Cement Industry, the entire wage structure has undergone spectacular change. In the case of unskilled workers, their wages have almost been trebled, much to the discomfiture of agriculturists around the factory location. The Central Government have conceded an upward revision of our retention price to neutralise the increase in cost of production on this account; and arrangements for implementing these recommendations with retrospective effect from 1st January 1960 have been completed.

"It is my duty to express our gratitude for the praiseworthy services of the State Trading Corporation of India to the industry in rationalising the movement and distribution of cement. It has played its part satisfactorily in handling distributon problems during the years of surplus as well as shortage, and I consider it is desirable in the best interests of the industry that the State Trading Corporation of India should be allowed to continue in the field of cement distribution.

Labour Relations Cordial

"I am glad to record the cordial relationship that is subsisting between the management and the employees of the Company. A labour colony containing 100 single-room and 10 double-room tenements, the construction of which by the Government under the Subsidised Industrial Housing Scheme is nearing completion, will provide housing accommodation to a large number of the Company's permanent employees. The Company has also undertaken the construction of a few double-room tenements for the ministerial staff, which is also nearing completion. Your Directors have also encouraged the recreational activities in the colony by subsidising the Employees' Recreation Club.

"Sri A. V. Subbaramayya, who was with us as a General Manager from the commencement of this project, resigned during the year. He was mainly responsible for conceiving this project in its entirety and executing the same within a record time. I take this opportunity for recording our special appreciation of his valuable services.

"I thank the Managing Agents of the Company for the care and interest evinced by them in the management of its affairs. Our thanks are also due to the officers, the members of the staff and operatives of all categories for the sense of duty and hard work willingly rendered.

"I now have the pleasure to move that the Directors' report and audited accounts for the year ended 31st August 1960 with the Auditors' report thereon be adopted."

Note: *The above statement is not a report of the proceedings of the annual general meeting referred to.*

Notice

SHREE KRISHNA GANODAY SUGAR LIMITED

NOTICE

THE TWENTY-SIXTH ANNUAL GENERAL Meeting of the Shareholders of Shree Krishna Ganoday Sugar Limited will be held at the Registered Office of the Company at Dalmianagar on Friday, the 17th March, 1961, at 11-30 a.m., to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31st July, 1960.
2. To declare additional dividend on Preference Shares for the year ended 31st July, 1959, in compliance with the Preference Dividend Regulation Act, 1960.
3. To declare dividends for the year ended 31st July, 1960.
4. To elect a Director in place of Shri T. R. Jalan, who retires by rotation under Article 106 of the Articles of Association of the Company but, being eligible, offers himself for re-election.
5. To appoint Auditors for the current year and to fix their remuneration. Messrs. Singhi & Co., Chartered Accountants, the retiring Auditors, being eligible, offer themselves for re-appointment.

The Share transfer books of the Company will remain closed from 7th March 1961 to 17th March 1961, both days inclusive.

By Order of the Board,
S. K. JAIN,
Secretary.

CALCUTTA, *4th February* 1961.

N.B.—A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

MONEY MARKET TIGHT

(*From Our Own Correspondent*)

BOMBAY, *15th February*

The demand for bank credit from trade and industry continues unabated. Consequently, banks are ready borrowers. The turnover in the inter-bank section is, however, small for want of lenders. The inter-bank call money is quoted at the self-same rate of 5½ per cent. The Reserve Bank is the only source of supply for any sizable amounts. There is no change in the rates of interest for deposits. For purposes of ready reference we quote them below:

House Money: (i) Notice of 3 days upto and including 21 days 2 per cent, (ii) notice of more than 21 days 3 per cent.

Term Money: (a) 31 days and over but upto and inclusive of 60 days: 3½ per cent, (b) 61 days and over but less than 12 months: 3½ per cent and (c) 12 months: 3¾ per cent.

The results of the sale of 91-days' Treasury Bills through weekly tenders are in conformity with the general trend of the market. The total amount offered was Rs. 2 crores as against an invitation for a like amount. The average rate of accepted tenders has moved up fractionally from Rs. 2.585 to Rs. 2.590 per cent per annum. Sales of 91-days' intermediate Treasury Bills fetched Rs. 5 lakhs, same as in the previous week. Banks are not taking any interest in Treasury Bills.

A noteworthy development of the week under review is the announcement made by the Reserve Bank of India, relaxing the provisions of its directive regulating bank credit against foodgrains both as regards margin requirements in respect of all foodgrains and ceiling limits in States other than Andhra Pradesh. Minimum margin requirement in respect of advances against foodgrains has been reduced from 40 per cent to 35 per cent, while the ceiling for advances against paddy and rice in States other than Andhra Pradesh has been increased to 110 per cent of the permitted levels in 1960. These modifications have been made in view of the improvement in the supply and price situation of foodgrains. The price index for rice, for instance, has come down from 115 in August 1960 to 99 in December 1960. Similarly, the index of food articles as a whole has retreated from 124 at the end of September 1960 to 115 at the end of December 1960. The levels of both indices are lower than those a year before. In view of the firmness in the prices of groundnuts and other oilseeds, the present restrictions in respect of advances against these commodities are, however, being continued. The scheduled banks have been strongly advised that there should be no misuse of exemptions accorded to exporters of groundnuts and groundnut oil.

The Reserve Bank of India's statement for the week ended 10th February 1961 shows, as compared with that for the previous week, an expansion of Rs. 19.56 crores in notes in circulation. This brings the total notes in circulation to Rs. 1,948.81 crores. The foreign securities held by the Issue Department are unchanged at Rs. 129 crores. But, as balances held abroad have gone up by Rs. 5.22 crores, the total foreign assets have risen by that amount to Rs. 152.48 crores. The deposits of banks with the Reserve Bank have further contracted by Rs. 1.69 crores on top of a decline of Rs. 6.14 crores in the previous week. They are now of the order of Rs. 70.44 crores. The other loans and advances given by the Reserve Bank which include accommodation to scheduled banks also have risen by Rs. 2.78 crores. Of this rise Rs. 1.91 crores represents advances against usance bills which now aggregate Rs. 24.26 crores; a year ago, they were only Rs. 4.44 crores.

A net decline of Rs. 1.17 crores in total deposits is disclosed by the Scheduled banks' statement for the week ended 3rd February 1961. Inter-bank borrowings of demand variety have fallen by Rs. 1.28 crores, while those of time variety have slightly increased by Rs. 21.70 lakhs. The total borrowings from the Reserve Bank have gone up by Rs. 14.24 crores, while those against usance bills have risen by Rs. 3.54 crores. Borrowings from the State Bank of India of demand and time nature have, however, contracted by Rs. 50.56 lakhs and Rs. 9 lakhs respectively. Advances and bills (bank credit) have expanded by Rs. 13.70 crores on top of a rise of Rs. 11.05 crores in the preceding week, taking their total to Rs. 1,238.82 crores. A year ago, this portfolio stood at Rs. 1,034 crores. Investments have staged a decline of Rs. 4.22 crores. As much as Rs. 3.82 crores of this decline is due to the fall in the investment portfolio of the State Bank during the week.

The recovery noticed in the Gilt-edged market in the previous week continued in the week under review. There is, however, not much activity in Central Government loans, though prices of some of the loans have improved slightly. For example, 2½ per cent 1962, 3 per cent 1963-65, 3 per cent 1966-68 and 3½ per cent 1965 2nd National Plan Bonds, rose by 5 nP each, 3 per cent 1970-75 and 3½ per cent 1964 advanced by 25 nP and 10 nP respectively. In contrast to Central loans, the States loans were in very good demand. Especially the 4 per cent and 4½ per cent. State loans met with considerable support. The 4 per cent loans maturing in 1967 and 1968 gained as much as 40 to 45 nP, and those maturing later improved by 25 nP. In general, all the 4½ per cent issues are now commanding a premium ranging from 25 nP to one rupee; not long ago, most of these were being quoted at a discount.

In the foreign exchange section, the rupee remained steady with no change in the rupee-dollar rate. The banks' selling and buying rates for ready T.T. remained unchanged at Rs. 477.75 and Rs. 474.50 respectively per 100 dollars. In the New York market, the pound sterling continued to be quiet, with the sterling dollar rate further down. The latest available rates are 280.060-280.090 per £ for spot and 279.480-279.510 per £ for three months' forward. As compared with the rates as on the 8th February, the spot rate shows a decline of 0.11 cent.

BULLION PRICES EASE AFTER EARLY RISE

(*From Our Own Correspondent*)

BOMBAY, *15th February*

The bullion market had only three working sessions during the week under review, as it remained closed on Thursday the 9th inst., (as a mark of respect to the death of a member), Monday the 13th (*Maha Shivarathri*) and today (solar eclipse). The market depicted a distinctly firm trend on Friday, thanks to better demand. But the firmness abated thereafter. In fact, the market put on an easy appearance which persisted practically till the close of yesterday. The easiness was due to reports of poor offtake at Calcutta and Delhi, increased arrivals, and rumours that the proposed six-monthly contract in bullion would provide for tendering of delivery at up-country centres. Both gold and silver encountered selling, with the result that values suffered a setback. Over the week, the white metal was lower, while the yellow metal was a shade better.

The average daily offtake of gold and silver was less than in the previous week, being 3,335 tolas and eight bars, respectively, as against 4,000 tolas and nine bars. Arrivals, however, were larger —5,335 tolas of gold and 23 bars of silver, as against 4,650 tolas and 20 bars. The floating stocks of gold are estimated at 45,000 tolas and those of silver are reported to be around 500 bars.

The proved gold ore deposits in Kolar gold mines in Mysore State are adequate enough to prevent any closure of the mines. This was revealed by Mysore's Law and Labour Minister at Ooregaum on Saturday the 11th inst. The Minister claimed that the mines had generally done well and that the working results so far had shown a gradual upward trend after the difficult problems of transition in the post-nationalisation period were brought under control. During 1959-60, the surplus after paying a royalty of Rs. 36.69 lakhs and providing Rs. 15.76 lakhs for depreciation out of the gross profit was Rs. 18.76 lakhs. According to the Minister, the Nundydroog mine had beaten all records of the past 80 years by milling 24,759 ounces in August 1960. Similarly, the Champion Reef mines had established an all-time record of 19,350 ounces in September 1960. The ore realised from mines during the year 1959-60 was nearly 12,000 ounces more than in 1958-59 and the gold yield was also higher by nearly 2,700 ounces.

The reported decision of the Central Government to take over the Kolar gold fields was confirmed by a spokesman of the undertaking in a talk to Press men at Kolar this week. The type of corporation to run the mines, we are told, is now being considered by the Centre. The mines, it will be recalled, were nationalised by the Government of Mysore in November 1956.

In gold, the *Fagun* (1st March) settlement began at Rs. 122.65 on Friday, as against the last week's closing rate of Rs. 121.55, and, after improving to Rs. 122.75, moved down to touch a low of Rs. 121.75 yesterday. The net gain over the week was 20 nP.

Ready gold commanded a premium of 45 nP over the forward on Friday, but was quoted at a discount of 5 nP on the following day. Yesterday, it was on par. The closing rate was Rs. 121.75, as against Rs. 121.55 on Wednesday last week, the highest and the lowest levels touched during the week being Rs. 123.20 and Rs. 121.75, respectively.

The *Fagun* (2nd March) settlement in silver was well supported on the 10th inst., the quotation rallying from Rs. 207.85 to Rs. 209.30. At this level, selling ensued and the settlement drifted lower. At one time yesterday, it stood at Rs. 206.90. The closing was 30 nP higher at Rs. 206.90. The net loss over the week was Re. 1.60.

Ready silver advanced from Rs. 208.10 to Rs. 209.30 and, after receding to Rs. 206.95 yesterday, recovered to finish at Rs. 207.25. The premium of 25 nP over forward commended on Wednesday last week turned into a discount of 40 nP on Friday this week. But on Saturday, spot again commanded a premium of 25 nP which declined to 5 nP yesterday.

The world price of gold in the London bullion market eased further from $35.20 to $35.16½ per fine ounce, same as last week. Ready gold declined further from 251s. 3d. to 251s. Ready silver was unchanged at 79¾d., while the forward picked up ¼d. to 80¼d. Silver in New York continued unaltered at 91.375 cents.

The following table shows the trend of the market during the week:

	14-2-1961 (closing)	High	Low	8-2-1961 (closing)
GOLD				
Ready (.99 fine)	Rs. 121.75	Rs. 123.20	Rs. 121.75	Rs. 121.55
Forward:				
*Fagun**	121.75	122.75	121.75	121.55
Sovereign	94.00	94.00	93.75	93.80
SILVER				
Ready (.999 fine)	207.25	209.30	206.95	208.10
Forward:				
Fagun†	207.20	209.30	206.90	207.85
London—	13-2-1961			7-2-1961
Silver Ready	79¾d.	—	—	79¾d.
Silver Forward	80¼d.	80¼d.	80d.	80d.
Gold	251s.	251s. 4d.	251s.	251s. 3d.
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 1st March settlement. † 2nd March settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON EXPORT QUOTA DISAPPOINTS TRADE

(*From Our Own Correspondent*)

BOMBAY, *15th February*

The cotton futures market had a short week of only three trading days. The market was closed on the 9th inst., due to the death of a prominent cotton trader and on the 13th owing to *Maha Shivaratri*. The market was officially closed today also on account of the solar eclipse. During this short week, cotton futures showed signs of recovery at the beginning but again eased towards the close. The earlier recovery was induced by renewed support prompted by expectation of a liberal export quota covering Bengal *Deshi* and, perhaps, some short staple varieties and better spot advices. The quota, when actually announced on the 13th inst., disappointed the trade, as it was for only 50,000 bales of Bengal *Deshi* 'fine' and above in grade. Reflecting the disappointment of the trade, the Jarilla April contract declined to a new low of Rs. 554.25 (per three quintals) yesterday, as compared with the closing rate of Rs. 563.25 on Saturday, the previous trading day. A mild recovery was again evident and the contract improved towards the close to Rs. 557.75. The market, as noted above, was closed today. In private, however, the contract was quoted at Rs. 556.

The spot market reported better activity. Mill interest in new crop revived and prices tended to improve. Varieties such as Vijay, Digvijay, Surti, L. 147, Khandesh and Kalyan evoked the attention of spinners. Following the quota announcement, shippers showed interest in Bengal *Deshi*. Enquiries are, however, confined to 'fine' and above. Superfine and choice qualities have already been booked in anticipation of quota. The salient features of the licensing procedure for the quota, notified yesterday, are as under:

Of the 50,000 bales, 2,500 bales would be reserved for co-operative societies, 19,000 bales would be reserved for the shippers who had already exported from the quota under conditions announced in December last and 28,500 bales would be available to other eligible shippers on a "first-come-first-served" basis. Those shippers, who had already participated in the quota under conditions announced in December last, would become eligible for further export to the extent of 40 per cent of the cotton actually delivered by them to indigenous consumers as required under earlier orders. Each shipper coming under this category would be entitled to participate in respect of the total export quota issued so far, at least to the extent of 1,500 bales. Exporters, who had not exported any quantity would be allowed a maximum of 1,500 bales per shipper out of the balance of 28,500 bales.

Interest in foreign cotton was subdued. Small lots of Sudan, Egyptian and East African cotton were taken up by needy mills. Presumably because of the improvement in the overall supply position, the Textile Commissioner has thought it fit to relax the restrictions with regard to lifting of foreign cotton allocated to domestic spinners. A notification issued by the Textile Commissioner in this regard says:

"In case any mill wishes to surrender foreign cotton of 1.1/16" and above, whether taken against the global quota or against the retention quotas, it may express its desire to do so and this office (Textile Commissioner's office) would be prepared to accept such surrender and to allot Indian cotton in lieu thereof. In such a case this office would be prepared to allot in respect of every bale of cotton stapling 1.3/16" and above 1½ bales of Indian cotton and for every bale of cotton stapling 1.1/16" and above but below 1.3/16", 1½ bale of Indian cotton."

It is possible that certain mills may have utilised a portion of their quota. Such mills have also been allowed to surrender the balance of the quota, in case they do not want to import foreign cotton.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 830; Gadag Laxmi 1,040; L. 147 1,000; CO2 1,125-1,150, B.P. (U.N.U.G.) 1,375; Sudan G2L, 1,642; Karnak 151 2,100.

Cotton futures in Karachi continued to follow a downward trend. Both the March and May contracts were quoted lower. Pressure of selling prompted by faster crop movements and lack of export interest persisted. Domestic spinner demand was inadequate to offset the selling. N.T.R.G. March receded from Rs. 69.80 last week to Rs. 68.45. The May contract declined from Rs. 69.95 to Rs. 68.65 during the same period. Conditions in the spot market remained practically unchanged.

Last week's recovery of the Alexandria cotton futures market was short-lived. Selling pressure was again in evidence in the week under review. Both the long-staple Karnak and medium-staple *Ashmouni* contracts shed the gains made last week. The export price discount remained unchanged at six per cent. The following are the latest available quotation—in tallaris per lb.—from Alexandria:

Karnak: March 70.68; May 71.58; July 72.00. *Ashmouni*: February 59.50; April 60.71; June 61.20.

Firm conditions prevailed in the Liverpool cotton futures during the week. Local traders were interested in new crop deliveries of both American and American type contracts which hardened as a consequence. The rise in prices would have been more marked but for the slackness of mill demand which in turn was due to slow offtake in the yarn and piecegoods market. Sudan contracts were quietly steady. The announcement by the Sudan Government that the

export duty on Sudan cotton would remain unchanged at 2.50*d.* per lb. had little effect on the market. The reported possibility of a co-ordination of the cotton marketing policies of Sudan and Egypt too left the market unaffected. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: March 23.65; May 23.95; July 24.25; October 24.05.

American cotton mixed growth contract: March 24.00; May 24.35; July 24.95; October 25.10.

Sudan: March, May and July 34.00.

New York cotton futures market ruled distinctly firm during the week. Speculative buying based on expectation of a higher loan rate led to a rally in futures prices. The strength of the spot markets, where domestic mill demand and export interest were good, was a helpful factor. Traders are anxiously awaiting announcement of the support level for this year's cotton.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	14-2-61	7-2-61	31-1-61
Spot	32.35	32.25	32.25
March	32.40	32.10	32.20
May	32.97	32.60	32.65
July	33.50	33.10	33.16

ART SILK YARN IMPORTS LARGER

(From Our Own Correspondent)

BOMBAY, 15*th February*

The yarn market was in a lethargic mood during the week under review which was a short one, in view of closure on Monday (*Maha Shivaratri*) and today (Solar Eclipse). Traders were not inclined to extend their commitments either way, pending the publication of Railway and Central Government budgets. There were, of course, rumours of a possible upward revision in excise duty on rayon goods, but these did not have any effect. Nor were rumours regarding a further cut in imports of art silk yarn and the S.T.C. taking over the distribution of imported yarn of any avail. Consequently, business put through was very restricted, with values moving in a narrow groove.

Imports of art silk yarn into Bombay port during the month of January 1961 were larger at 1,151,192 kilograms, as against 782,458 kg. in the previous month. Imports of other yarns, however, were lower; they aggregated 76,931 kg. of synthetic yarn, 616 kg. of staple fibre yarn and 8,727 kg. of cotton yarn, as against 105,995 kg., 16,428 kg., and 20,076 kg., respectively. During the same month, 377,194 kg. of cotton yarn and 21,890 kg. of sewing thread were exported from Bombay port, the corresponding figures for December 1960 being 334,812 kg. and 31,315 kg.

Spot Cupressa Bemberg yarn (60 x 1) was quiet at Rs. 2.535 per 100 kgs., as also the April delivery at Rs. 2,520. February delivery encountered selling and dropped Rs. 25 to Rs. 2,490. 120 Japan was dull at Rs. 1,420 per 100 kg. and 150 Japan at Rs. 1,640. 120 Italy receded from Rs. 1,350 to Rs. 1,328.

In sympathy with art silk yarn and following easy advices from consuming centres, staple fibre yarns drifted lower. 40 x 2 February settlement declined by Rs. 8 to Rs. 832 per 90.72 kg. April position shed a rupee to Rs. 835. Spot Kohinoors were neglected at Rs. 9.90 per kg.

Cotton yarns were subdued in the absence of any fresh encouraging development. The latest available quotations per bundle of 10 lbs. for a few counts are: 20 New Great Rs. 22; 30 New Great Rs. 26.50; 40 Modern Rs. 32; 60 Finlay Rs. 66.66; 80 Finlay Rs. 81.81.

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 15*th February*

There were two developments of import to the oilseeds trade during the week under review, one relating to the announcement in regard to imports of soyabean oil from the U.S. and the other pertaining to the modification of the Reserve Bank's directive regulating bank advances against groundnuts and other oilseeds (excluding cottonseeds). In view of the tight supply position of groundnut oil, the Government of India has arranged for the import of about 3,600 tons of U.S. soyabean oil under P.L. 480 for being made available to the *vanaspati* industry. Since, however, the quantity of soyabean oil to be imported is very small, as compared with the industry's requirements of edible oils, the announcement failed to have any effect on groundnuts which ruled firm. The Reserve Bank of India has informed all the scheduled banks that it is necessary to continue the framework of control on advances against groundnuts and other oilseeds, with some minor modifications in the directive now in force. The ceiling limits on advances against groundnuts are based on the levels permitted in the corresponding period in 1960 and will henceforth be for periods each of two calendar months commencing from March 1961 instead of one calendar month, as hitherto. The Bank has also impressed upon the scheduled banks that it was important for effective implementation of the provisions of the directive that exemptions from margins and ceiling limits accorded to exporters of groundnuts and groundnut oil were scrupulously applied so as to avoid their misuse.

The aforesaid measures would appear to have had no impact on the market. In fact, the market displayed distinctly firm conditions during the week under review, in contrast to the subdued trend noted last week. Groundnuts staged a smart rally, mainly on account of good offtake by *vanaspati* manufacturers. There were some arrivals from the South but they were readily absorbed, because the supply position continued to be tight. Groundnut May 1961 contract rose from Rs. 217 to Rs. 218.50. February contract was knocking at the ceiling of Rs. 220. Coromandel spurted by Re. 1.50 to Rs. 50. Khandesh quality moved up from Rs. 48.50 to Rs. 50.50 before closing at Rs. 49.75. Oil ex-mill put on 25 nP to Rs. 20.50.

Despite the continued poor prospects of castor oil exports, castorseeds were cheerful, thanks to speculative buying, as well as stray rumours of enquiries from the U.K. and some communist countries. Values would have gone up still further but for reports suggesting a marked improvement in Brazilian castor crop in the current season. Castorseed May 1961, which had wound up at Rs. 169.12 last week, improved to Rs. 171.75, but moved down to close at Rs. 170.37. Ready Madras rose by 19 nP to Rs. 33.44. Oil commercial put on 15 nP to Rs. 13.65; it had touched Rs. 13.70 earlier.

In sympathy with the other major seeds, linseeds, too, ruled strong. While the export front continued to be dull, linseed oil met with good demand from local buyers for being used as an adulterant with groundnut oil. Linseed May 1961 contract rose by 53 nP to Rs. 34.59. Bold ready firmed up by Re. 1.37 to Rs. 34.62. Linseed oil scored a gain of 40 nP to Rs. 15.10.

Cottonseeds elicited good support. February 1961 contract advanced by Rs. 2.50 to Rs. 90. May contract strengthened by a like amount to Rs. 89.50. Spot Berars hardened by 75 nP to Rs. 18.50. Non-whites rose from Rs. 17.75 to Rs. 18.50. Whites were fully maintained at Rs. 18.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	14-2-1961	8-2-1961	1-2-1961
	Rs.	Rs.	Rs.
Groundnut			
February 1961	220.00	220.00	220.00
May 1961	218.50	217.00	217.00
Nizam bold	48.12	48.25	48.75
Coromandel ready	50.00	48.50	49.00
Khandesh quality	49.75	48.50	49.00
Oil ex-mill ready*	20.50	20.15	20.50
Railway receipts*	20.25	19.85	20.80
Castorseed			
May 1961	170.37	169.12	170.50
Ready Madras	33.44	33.25	33.75
Ready Kanpur	31.87	31.62	32.75
Oil B.S.S.†	14.50	14.50	14.05
Oil commercial†	13.65	13.50	13.80
Linseed			
May, 1961	34.59	34.06	34.41
Bold ready	34.62	33.25	35.50
Oil ready†	15.10	14.70	16.10
Cottonseed			
February 1961	90.00	87.50	87.75
May 1961	89.50	87.00	88.00
Niger seed	38.75	38.50	38.75
Kardi seed	26.25	27.00	27.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

QUALITY TEAS DEARER

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.)

COCHIN, 7*th February*

Offerings amounted to approximately 373,000 kilograms in Sale No. 6 held today. Nilgiri quality generally showed some improvement but it was disappointing for the time of year. Offerings from other districts were often brighter than the last seen. Demand was strong and general. Plain, low-grown and low medium descriptions met active support and generally sold at 10/15 nP above the rates ruling in the previous week. Improved quality mediums and good mediums came to a dearer market but here quality was similar to last, prices were generally firm with fannings tending lower. Highgrowns brokens met useful demand and prices were irregular following quality; similar fannings generally sold at easier rates. Black leaf brokens followed the upward trend of the market but fannings suitable for the Middle East met less competition and were 20-30 nP easier. Whole leaf grades were irregular but generally sold at around last rates. C.T.C. and legg-cut types were quoted steady whilst the small selection of tippy teas available sold well.

	1961 Rs.	1960 Rs.
Low medium	4.80-5.05	4.52-4.85
Medium	5.10-5.35	4.81-5.18
Good Medium	5.40-6.20	5.07-5.62
Quality	6.00-8.00	5.73-9.81

The average price realised in Sale No. 6 was Rs. 5.35 per kilo, as against Rs. 5.16 in the previous week and Rs. 5.34 in the corresponding sale last year.

Dust Sale No. 6: Offerings in Dust Sale No. 6 held on February 9 amounted to 155,000 kilograms. The market opened to a strong general demand which eased towards the end of the sale. Low mediums, mediums and good mediums were irregularly dearer by 5 to 10 nP, at the beginning of the sale but towards the end closed easier by 5 nP. Residual grades met with good competition and sold at dearer rates. Highgrowns sold well although these inclined slightly easier. C.T.C. descriptions met keen competition and were dearer with buyers concentrating more on the best kinds. Legg-cut types also met with useful inquiry and were fully firm.

The average price realised in Dust Sale No. 6 was Rs. 5.18 per kilo as compared with Rs. 5.12 a week ago and Rs. 4.48 in the corresponding sale last year.

Export Quota: There are sellers at ¼ nP per kilo at which rate some business has been done.

Colombo: In Monday's sale just over 5 million lbs. were offered and met with a good demand. Dimbula quality was improved and prices advanced 10-15 cents whilst colourv mediums were 10 to 25 cents dearer. Low mediums descriptions advanced 5 to 10 cents whilst plain sorts were 5 cents dearer.

London.—North Indian and other growths: In Monday's auction there was better demand and prices were fully firm for all descriptions. Plain broken pekoe is quoted at ½d.

Ceylon and South Indians: Tuesday's sale consisted of 26,950 packages of which 7,623 packages came from South India. The market met with rather irregular demand and prices were generally easier.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:

"*Sale No. 7*: 395,000 kilograms. Good demand at lower rates. Plain, low medium and medium 10 to 15 nP easier. Good medium 20 to 30 nP lower. Best liquoring—fair demand at lower rates."

STRONG DEMAND FOR DUST TEA

(From Our Own Correspondent)

CALCUTTA, 14*th February*

Keen interest was displayed by bidders during yesterday's export sales, and prices improved depending on quality. In last week's internal sales also, good demand was in evidence, and prices, although declined generally, were considered satisfactory relative to quality. Tea bookings occupied a good portion of shipping space being offered for prompt loaders for the United Kingdom during the week. Tea shipments for participation in London auctions are rapidly nearing completion and within a week or two, shipments would consist mostly of teas sold in Calcutta auctions only.

The export auctions here would be completed earlier than usual, and present ideas of the stock position of teas still left over indicates that there would be only about three more sales, excluding today's sales. It was believed earlier that export sales might continue up to the end of March but now that the situation has been reviewed and the possibility of an earlier end has been hinted, export sales are attracting more than usual attention. British buyers are very active, but there is no keen competition from any other quarters. The U.S.S.R. is not likely to show any further interest but Egypt has not yet completed its purchases.

The keen interest being shown by internal buyers adds strength to the inference that domestic consumption has increased, and there might be even some difficulty in meeting internal demand in full in the weeks preceding the arrival of the new season's teas in the market. Against this background, the carryover, if there is any, to the next season would be small and as such the new season for both export and domestic sales is expected to start well.

The rains of recent weeks have helped tea gardens but thoughts of a good quality crop to compensate last year's loss following drought have been entertained. However, this expectation would stand good if only it would rain at intervals in April-May so that last year's occurrence of drought may not be repeated.

Reports anticipating heavier arrivals of tea for participating in London auctions a few weeks hence were not looked into, as these would not affect marketing prospects for Indian teas at least earlier in the next season. However, if too good a crop resulted in North-East India, marketing might as well present problems, since it should be noted that 1960's loss in tea production in North-East India was more than compensated by increased production in other countries and also in the South Indian region.

Dusts on offer in the internal sales held last week amounted to 22,988 chests. The general decline in prices was due to the deterioration of quarralding. Demand was strong. Darjeelings received keen attention and realised prices above valuations. Prices of good C.T.Cs followed quality, the best lots of this realising higher prices. Brighter liquoring C.T.Cs were taken at firm to dearer prices, while medium C.T.Cs eased by 10 nP. Orthodox teas met with good demand, but prices gave way by 5 to 10 nP. Earlier in the sales, legg-cut teas were lower by 15 nP, but as the auction proceeded the decline was reduced to 5 to 10 nP. The quotations (in rupees) per 1 kg. inclusive of excise duty were: good Assam C.T.C. dust 6.00 to 6.50, medium Assam C.T.C. dust legg-cut dust 5.15 to 5.40, medium Assam dust 5.00 to 5.30, and plain orthodox dust 4.80 to 4.95.

Green teas in the leaf offerings of 894 chests were a weak feature with the high grades being difficult to sell. The rest of the offerings met with good demand.

Offerings during yesterday's export sales amounted to 73,064 packages. Prices for the quality teas improved, but those of a declining quality registered a downtrend. The strongest feature of the sale was black Dooars brokens, prices of which hardened. However, plain fannings eased by 10 nP. "Teas for price" were keenly sought at and plain brokens were fully firm. Darjeelings were supported at lower rates. Stylish whole leaf grades were firm with the ordinary types receiving greater attention. However, the more ordinary teas of this category met a quiet market. Medium Assam B.O.Ps and O.Fs were steady, with the brighter liquoring teas recording higher price. Medium B.P's were steady, and fannings realised higher prices. The autumnal C.T.Cs hardened but the ordinary teas eased by 15 nP.

Prices of the fibrous and secondary grades eased by 10 nP. The quotations (in rupees) per 1 kg. inclusive of excise duty were: best Assam C.T.C. fannings 5.80 to 6.30, best Assam C.T.C. B.P. 5.80 to 6.20 clean black pekoe 5.20 to 5.50, medium fannings 4.90 to 5.10, plain fannings 4.80 to 4.90, medium B.P. 4.70 to 4.90, and plain B.P. 4.60 to 4.70.

JUTES SCALE NEW HEIGHTS

(From Our Own Correspondent)

CALCUTTA, 14*th February*

Jute goods and fibre scaled new heights during the week under review, thus ignoring the announcement of an increase in goods stocks with mills at the end of January. Towards the close of the week, however, a reaction set in and prices closed below the best levels, induced by strong rumours that the Government of India, having found that all its warnings and other measures had proven ineffective and that prices were in fact constantly rising since the last few weeks, proposed to put into effect the drastic measures with which the Essential Commodities Act has empowered the Government.

Measures now proposed are likely to include fixation of maximum prices for both goods and fibre which would be well below the present levels, requisitioning of stocks, and placing a ceiling on holdings of fibre and goods with mills and other stockists. How far such measures would be practical is difficult to say, but, in the event of prohibition of transactions at above maximum prices, stockists who had purchased at the rise would incur losses. Hence it would not be some time before conditions settle down. The interval may well mean interruption in the flow of fibre to mills and goods to the export market. The reluctance of mills to sell jute goods on a forward basis has been a factor in the maintenance of the uptrend, and has naturally caused anxiety to the Government. As for mills, with high prices for fibre, finance has become a problem as a good proportion of liquid funds has to remain blocked up in jute in movement. Another cause for the reluctance of mills to sell forward is the uncertainty in fibre prices as well as in supply. The recent credit restrictions have only aggravated the problem, but the Government is reported to be of the view that bank credit has been misused, that the recent restrictions in credit have not achieved the desired result, and that credit should be further restricted.

The recent rains in this part of the country and the recrudescence of the same even while this is being written have encouraged optimism. These early rains would help cultivators prepare the land for sowing and an early sowing is not altogether an impossibility.

Conditions in the fibre market in Narayanganj were steady during the week. Holders were not keen to sell cuttings even at the high rate of Rs. 270 per bale forward. Export lightings were fully steady at Rs. 400 and export firsts at Rs. 410. Overseas interest at these high rates was limited. The Pakistan Government is working on a scheme for storing and marketing raw jute through co-operative societies in order to rid the cultivators from exploitation and middlemen. The scheme from a small beginning in the next season is expected to deal with the entire crop by 1964-65.

Very little interest was shown by overseas buyers, thus justifying the earlier belief that the recent heavy purchases made on overseas account were after a period of lull and were made for immediate consumption. Prices in the last two to three days rose in a hectic way, and overseas buyers have now withdrawn from the market being disinclined to follow the rise. However, local operators were active in anticipation of further business, but the rumours over the week-end of proposed Government actions to arrest the spiralling uptrend caused prices to move down. Gunny booking in forward space was rare during the week, and what space was booked was meant for immediate shipment.

On Tuesday last, following some covering business in ready and near delivery of goods, prices became steadier. Sellers were not interested in offers. Ready B. twills gained to Rs. 207 from Rs. 206.50, while ready hessian 40" 10 oz. eased fractionally to Rs. 67.75. The announcement that stocks of goods with mills at the end of last month increased by 4,700 tons to 84,900 tons soon followed, and a market having got acclimatised to the continuing uptrend all through ignored this report. So it was no surprise that B. twills on Wednesday spurted to Rs. 213 and hessian 40" 10 oz. to Rs. 68.50. The stocks of hessian actually fell by 600 tons while those of sacking rose by 4,800 tons and of miscellaneous constructions by 500 tons. This was due to greater production of heavy goods following transfer of looms from hessian to heavy goods, an adjustment concomitant to the changing pattern of demand. Also, sacking admits of greater profits than hessian. For good quality fibre for producing hessian is difficult to be obtained and is costing more than the fibre for sacking. However, since these stocks do not take into consideration the recent business with overseas buyers, which is expected to be shipped during this month, stocks at the end of February would show a decline. Another bullish factor was the belief that, if conditions in fibre market continued to be as bad as at present, mills would be forced to reduce working hours further. The Government would not, of course, view any further reduction with favour and was believed to be deeply concerned at the present state of affairs and contemplating measures to restore tranquillity in fibre prices. In the market, Government showered interest in February B. twills, and this was another factor for Wednesday's bullishness. Fibre prices soon followed the rise in goods and in a cyclical turn these pushed up prices of goods on Thursday to see B. twills at Rs. 216.50 and 40" 10 oz. hessian at Rs. 68.75. Prices fluctuated within narrow limits on Friday, but, while hessian 40" 10 oz. closed higher at Rs. 69, B. twills eased to Rs. 215. The rumours over the week-end acted as a much-desired tonic and in the nervous sales that these caused B. twills fell to Rs. 208 and hessian 40" 10 oz. to Rs. 66.25. Prices were slightly better than over the week-end. B. twills closed at Rs. 209 but hessian 40" 10 oz. was quiet at Rs. 66.

Fibre prices rocketed to further high levels during the week. Early rains and possibility of an early crop in the coming season were not sufficient "immediate" grounds to restore sobriety in the fibre markets. On the other hand, fibre arrivals have depleted and what is now arriving is jute of indifferent quality. This combined with the official reluctance to issue a revised estimate of the crop has led to the firm inference that marketing of most of the crop is over, and a shortage in the next two to three months is a foregone phenomenon. However, prices jerked a little over the week-end following rumours that the Government proposed to requisition stocks as well as fix maximum prices which would be far below present prices. The following table illustrates the week's movement in prices of the more popular varieties of fibre against ready delivery:

(Rs. per maund)

	Opened at	Rose to	Closed at	± Net result
Assam bottoms ..	63.00	66.50	64.50	1.50
Northern bottoms ..	62.50	66.00	64.00	1.50
Daisee bottoms ..	65.00	68.50	67.00	2.00

FOODGRAINS RECOVER

(From Our Own Correspondent)

HAPUR, 13*th February*

After an early fall, foodgrains sought higher levels again towards the week-end, as arrivals at the fag end of the season were small. Crop prospects, however, were bright because weather turned sunny. The Union Government was reported to be considering afresh the idea of creating one wheat zone throughout the country in view of comfortable supply position combined with expectations of good crop. The wheat stock at present was about 1.5 million tons and import of American wheat under P.L. 480—over 4 million tons a year—would take place as scheduled and this would help build up larger stocks after meeting current demand.

Wheat at Hapur ruled quietly steady to be quoted in the week-end at Rs. 17 to Rs. 18.50 a maund according to quality. The U.P. State Government also sold wheat to trade which was quoted at Rs. 16.50, while some superior wheat imported from Punjab was being lifted upto Rs. 19 a maund. Daily arrivals from the producing areas were small at about 100 maunds, but supplies were augmented further by the sale of wheat and wheat flour through ration shops.

Rice continued to rule steady. *Sela basmati* was done at Rs. 28 to Rs. 30, *ramajwayan* at Rs. 23.50, *raimunia* at Rs. 24.50, *mainpuri* at Rs. 20.75 and *gainda* at Rs. 20 per maund. The supply position of rice was satisfactory, with local stock put at 8,000 maunds and new rice still reaching the producing markets.

After depicting an easy trend on lower advices from Punjab and other producing areas due to good crop prospects following last rains, gram registered modest gains in the week-end on good demand in face of poor stocks left at end of the season. Barley and *bejhar* were almost stationary and, although stocks left were poor, demand, too, was slack. New coarse grains would begin to reach the market after one month. Better quality maize was still attracting consumer support, as weather was still cold and prices registered modest gains. Local stock ran down to 18,000 maunds. *Bajra* was quiet in the absence of new urges, but *jowar* sought lower levels. The latest prevailing prices were (in rupees per maund): gram 15.75; barley 12.50; *bejhar* 12.62 to 13; maize 13.25 to 14.12; *bajra* 14.62 to 15.25; *jowar* 12.75; *guwar* white 13.25.

In pulses, *peas* and *arhar* were quietly depressed, although stocks left with trade were small at 2 *khatties* and 8 *khatties*, respectively. Poor demand and good crop prospects were the main influencing factors. Other pulses ruled quiet and prevailing prices on Monday (in rupees per maund) were: peas *dara* 13; white *farm* 13.75; *peas dal* 14.25; *arhar* 13.37; *arhar dal* 17.25 to 18.25; *urd* 19.50; *moong* 19 to 20.50; *massor* 15 to 17 a maund.

After two weeks of cloudy weather and rains, the weather has now become sunny. The *rabi* crop is progressing under healthy conditions.

SUGAR QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 13*th February*

Sugar ruled quietly steady at Rs. 111.75 per bag in wholesale and Re. 1.09 per *seer* in the open market, as against the controlled prices of Rs. 108.50 and Re. 1.01, respectively. Supply position of sugar was reported to be easy, as the fresh release of 200,000 tons of monthly quota was made by the Government. A part of the release of the last two months had not yet been lifted, but early export prospects influenced the market sentiment. The State Government's levy of 19 nP per maund on cane purchased by the factories and 4 nP per maund on other units manufacturing *gur*, *khandsari* or *rab*, too, acted as the influencing factor for keeping prices of these commodities steady.

Sugar also recorded modest gains during the week in the Muzaffarnagar market due partly to export prospects and partly to lack of availability of *desi khandsari*. Prices improved fractionally to Rs. 110 to Rs. 110.50 per bag.

Khandsari attracted good demand from the consuming areas of the South and prices registered further gains. Production which had been hampered following continued cloudy weather and rains for over a fortnight, was reported to have commenced with vigour again. The crushers manufacturing *khandsari* increased cane purchasing price in some centres upto Re. 1.37 a maund. Old quality *khandsari* was now in demand from Agra side. Latest prevailing prices were: Inferior Rs. 26 to Rs. 31; superior Rs. 32 to Rs. 35.50; crystal Rs. 33 to Rs. 37.50; *boora* Rs. 32 to Rs. 36; old *galawat* Rs. 16 to Rs. 20; *khandsari* old Rs. 23 to Rs. 30 a maund.

Gur arrivals were very small during major part of the week but later increased to about 1,500 maunds on Monday. They were expected to mount further, as weather had now become sunny. Demand was slack and, with completed loading restrictions, local *gur* stock increased to 40,000 maunds. *Gur*, however, improved in Kolhapur and Calcutta. Week-end prevailing prices here were: *Pansera* Rs. 13.25 to Rs. 13.50; *balti* Rs. 13.37; *shakker* Rs. 15.25 a maund.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, 11*th February*

Arrivals of kips were of the usual volume, and clearance by shippers good. Prices ruled firm. U.K. demand was fair-sized and E.I. tanners were grudgingly following U.K. buyers' ideas. Tanned buffalo hides and cow calf and lower grades cow hides met with steady demand. Owing to U.S. inquiries, buff calf improved steadily.

Tanned goatskins were unchanged, while demand for prime sheep improved and higher prices were established. Raw markets ruled firm as a consequence.

METAL SUPPLIES TIGHT

(From Our Own Correspondent)

CALCUTTA, 14*th February*

Induced by keen demand against the background of tight supply position and rumours of a cut in quotas, fully steady conditions were in evidence in the metal market during the week under review. Higher advices from London, New York and Singapore were also a factor for the bullishness.

On the London Metal Exchange, electrolytic copper opened at £221½ a ton, as against lower level in the previous week, but closed lower at £220. Good demand was reported on London from the Continent, while, in New York, existence of labour troubles in Rhodesia pushed up the price. In the local market, berry quality scrap was quoted firm at Rs. 238 a cwt. and utensil scrap at Rs. 218 a cwt. The significance of the present tight supply position was only mellowed by the existing coal shortage affecting the metal industry.

Tin here firmed up to Rs. 635 a cwt. from Rs. 603.00. Demand was good but supplies were short. In London, the price firmed up to £787 a ton from £786.

Virgin lead was wanting more buyers at Rs. 63 a cwt. In London, the price was firm at £64⅛ a ton against £64¼ earlier.

Electrolytic zinc opened here at Rs. 168.50 and gave way to close at Rs. 167.50. Supplies were difficult to be located, but the tightness would have been more serious but for the coal shortage which put down consumption of zinc in industry. On the London Metal Exchange, the price closed higher at £81⅛ a ton, as against £79½ earlier.

COMMERCIALISE AIR TRANSPORT

(*Concluded from page* 292)

and ten per cent in some places, but in other sectors the air fares have actually gone up. Our own domestic air services are notching up the air fares little by little. This is wrong policy. It means one of two things, either the organisation is excessively costly or the wrong kind of aircraft are being used. It could be a combination of both, and probably is.

If air transport is to come into its own, air fares must come down by 30 per cent. This is well within the practical use of existing aircraft. But it means cutting out what have become to be known as 'frills.'

The majority of flights are comparatively short. The average distance flown by a passenger is slightly over 600 miles. Some flights run to eight or ten hours on international routes. On all short haul flights up to four or even five hours, it is contended that no meals are necessary. On long flights, elaborate meals are pure luxury. A well-stocked 'buffet' with cold foods, sold by the plate, and drinks, on a collect, pay and take away basis would meet the need of the vast majority of the travelling public.

Those willing to pay high fares could be served with every luxury, in very fast flying aircraft that only carry a few passengers and mails and are luxury high speed air services. But for the average man and his wife, the 'buffet' service would be adequate. Fares could be reduced. Air travel could become more universal and what is, perhaps, most important of all, it would cease to be a burden on the tax payer. Air services can make profits and, therefore, there is no excuse for operating them on subsidy or Government grants-in-aid to write off losses.

COMPANY MEETINGS AND DIVIDENDS

STRUCTURAL ENGINEERING WORKS LTD. Annual General Meeting, Bombay, 21st February 1961. Dividend: Rs. 12.00 per ordinary share, subject to deduction of tax, payable on and after 1st March 1961. Transfer books remain closed from 6th to 21st February 1961, both days inclusive.

ANGELO BROS., LTD. Annual General Meeting, Calcutta, 24th February 1961. Dividend: 25 per cent or Rs. 2.50 per share, subject to deduction of tax. Transfer books remain closed from 9th to 24th February 1961, both days inclusive.

NEW INDIA SUGAR MILLS LTD. Annual General Meeting, Calcutta, 27th February 1961. Dividend: Rs. 3.65 per share, subject to deduction of tax. Transfer books will remain closed from 20th to 27th February 1961, both days inclusive.

MUTTRA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 27th February 1961. Transfer books will remain closed from 21st to 27th February 1961, both days inclusive.

KELVIN JUTE CO., LTD. Annual General Meeting, Calcutta, 28th February 1961. Dividend: Rs. 15.00 per ordinary share, subject to deduction of tax, payable on or after 15th March 1961. Transfer books remain closed from 14th to 28th February 1961, both days inclusive.

WAVERLEY JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 28th February 1961. Dividend: Re. 0.30 per ordinary share, subject to deduction of tax, payable on or after 15th March 1961. Transfer books remain closed from 14th to 28th February 1961, both days inclusive.

BHARAT SUGAR MILLS LTD. Annual General Meeting, Calcutta, 28th February 1961. Dividend: Re. 1.50 per share, subject to deduction of tax, payable on or after 13th March 1961. Transfer books remain closed from 18th to 28th February 1961, both days inclusive.

GODAVARI SUGAR MILLS LTD. Annual General Meeting, Bombay, 28th February 1961. Dividend: Rs. 35.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 14th to 28th February 1961, both days inclusive.

ALLIANCE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 28th February 1961. Dividend: Rs. 6.00 per ordinary share (being the interim dividend already paid), subject to deduction of tax. Transfer books remain closed from 14th to 28th February 1961, both days inclusive.

OUDH SUGAR MILLS LTD. Annual General Meeting, Bombay, 2nd March 1961. Dividend: Rs. 20.00 per share, subject to deduction of tax, payable on or after 10th March 1961. Transfer books will remain closed from 20th February to 2nd March 1961, both days inclusive.

RAVALGAON SUGAR FARM LTD. Annual General Meeting, Bombay, 7th March 1961. Transfer books remain closed from 25th January to 18th February 1961, both days inclusive.

BHOPAL SUGAR INDUSTRIES LTD. Annual General Meeting, Sehore, Madhya Pradesh, 11th March 1961. Dividend: Rs. 2.25 per ordinary share, subject to deduction of tax.

SHREE KRISHNA GYANODAY SUGAR LTD. Annual General Meeting, Dalmianagar, Bihar, 17th March 1961. Dividend: 15 per cent or Re. 1.50 per share, subject to deduction of tax. Transfer books will remain closed from 7th to 17th March 1961, both days inclusive.

T. STANES AND CO., LTD. Annual General Meeting, Coimbatore, 22nd March 1961. Dividend: 22½ per cent or Rs. 2.25 per ordinary share, final (includes centenary bonus of 5 per cent or Re. 0.50 per share), subject to deduction of tax. Transfer books will remain closed from 8th to 22nd March 1961, both days inclusive.

MADURA MILLS CO., LTD. Annual General Meeting, Madurai, 27th March 1961. Dividend: 15 per cent or Rs. 2.25 per share, for the year ended 31st December 1960. Transfer books will remain closed from 28th February to 27th March 1961, both days inclusive.

BALLARPUR PAPER AND STRAW BOARDS LTD. Taxable dividend of 14.30 per cent on the ordinary capital, for the year ended 30th June 1960.

KUMERGODE ESTATES LTD. Taxable dividend of 20 per cent or Re. 0.40 per share, for the year ended 31st October 1960. Transfer books will remain closed from 12th to 25th March 1961, both days inclusive.

BABABUDIN COFFEE AND PRODUCE CO., LTD. Taxable dividend of 8 per cent or Re. 0.40 per ordinary share, for the year ended 30th June 1960. Transfer books will remain closed from 2nd to 15th March 1961, both days inclusive.

K.C.P. LTD. Taxable dividend of 15 per cent or Re. 1.50 per ordinary share, for the year ended 30th June 1960. Transfer books will remain closed from 27th February to 7th March 1961, both days inclusive.

RALLIS INDIA LTD. Taxable dividend of 4 per cent or Rs. 4.00 per ordinary share, for the year ended 31st August 1960: Transfer books will remain closed from 3rd to 23rd March 1961, both days inclusive.

COONOOR TEA ESTATES CO., LTD. Taxable final dividend of 7½ per cent. or Re. 0.75 per ordinary share (making a total of 17½ per cent or Re. 1.75 per share, for the year), for the year ended 30th September 1960.

GUJARAT PAPER MILLS LTD. Taxable dividend of Rs. 15.00 per ordinary share, for the year ended 31st March 1960.

ELECTRIC CONSTRUCTION AND EQUIPMENT CO., LTD. Taxable ordinary dividend of 10 per cent for the year ended 31st October 1960.

SHREE CHANGDEO SUGAR MILLS LTD. Taxable dividend of Rs. 2.50 per share, for the year ended 30th September 1960.

HINDUSTHAN SUGAR MILLS LTD. Taxable dividend of Rs. 29.00 per ordinary share (includes a bonus of Rs. 9 per share), for the year ended 30th June 1960.

Notices

EASTERN INVESTMENTS LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the abovenamed Company that an Annual General Meeting of the Company will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 4.00 p.m. on Monday, the 13th March 1961, for the following purposes:—

As Special Business

To consider and, if thought fit, to pass with or without modification the following resolution which will be proposed as an Ordinary Resolution, namely—

1. That the consent of the Company be and is hereby accorded to the re-appointment of Bird & Co. (Private) Ltd., as Secretaries of the Company who shall hold such office upon the terms and subject to the conditions contained in an agreement in writing, a draft of which is submitted to this meeting and which is for the purposes of identification signed by the Chairman of the meeting and the Directors be and are hereby authorised to affix the Common Seal of the Company to such agreement in writing.

As Ordinary Business

2. To consider and approve the Audited Accounts of the Company for the year ended 31st December 1960, and to receive the Directors' and Auditors' Reports thereon.
3. To declare the Dividends recommended by the Directors.
4. To appoint Directors in the place of retiring Directors.
5. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 6th March 1961, to 13th March 1961, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, *25th January,* 1961.

Notes:—(*a*) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 27th March 1961, to those Shareholders so entitled whose names appear in the Company's books on the 13th March 1961, or to their mandatees. No application for Dividend Warrants will be necessary.

(*c*) Explanatory Statement as required under Section 173 of the Companies Act has been forwarded to the Shareholders.

THE BHOPAL SUGAR INDUSTRIES LIMITED

NOTICE

THE SEVENTEENTH ANNUAL GENERAL Meeting of the Bhopal Sugar Industries Limited will be held on Saturday the 11th day of March 1961 at 5 p.m. at the Registered Office of the Company, Sehore, to transact the following business:—

1. To receive and adopt the Directors' Report and audited Profit and Loss Account and Balance Sheet for the year ended 30th September 1960.
2. To declare dividends on Preference and Equity shares.
3. To appoint a Director in place of Shri M. H. Hasham Premji who retires under the Articles of Association of the Company but being eligible offers himself for re-election.
4. To appoint a Director in place of Shri K. H. Bhiwandiwalla who retires by rotation but being eligible offers himself for re-appointment, and to consider, and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION in respect of which a Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company:—

"RESOLVED that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, Shri K. H. Bhiwandiwalla who retires by rotation under the Articles of Association of the Company, and who is also a Director and member of Messrs. A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two ex-officio Directors to the Board) be and is hereby reappointed as a Director of the Company."

(The reasons which make this Special Resolution necessary are that as the Managing Agents of the Company are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two ex-officio Directors to the Board and as Shri K. H. Bhiwandiwalla is a Director and a Member of the Managing Agents, his re-appointment can only be made by a Special Resolution of which special notice (as stated above) has been received by the Company.)

5. To appoint a Director in the place of Shri Dhirajlal Maganlal Dalal who was appointed as an additional Director of the Company by the Board of Directors pursuant to Article 142 of the Articles of Association of the Company and who ceases to hold office under Section 260 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing proposing him as a Candidate for the office of a Director.
6. To appoint Auditors for the current year and to fix their remuneration.

Notice is also hereby given that the Transfer Books of the Company will be closed from 23rd January 1961 to 11th February 1961 (both days inclusive).

By Order of the Board of Directors,
V. R. JHAVERI,
Secretary.

BOMBAY,
Dated this 6th day of January 1961.

Note.—A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of himself, and a proxy need not be a Member of the Company.

The relevant Explanatory Statement under Section 173 of the Companies Act 1956 has been posted to all the members individually along with the Notice.

MADURA MILLS COMPANY, LIMITED

Registered Office:
NEW JAIL ROAD, MADURAI

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held in Pandyan Building, West Veli Street, Madurai, on Monday, the 27th March, 1961, at 4-00 p.m. The Share Transfer Books will be closed from 28th February to 27th March, 1961, both days inclusive. It is recommended that:

1. All persons holding shares on blank transfers should immediately arrange to have the shares registered in their own names, as the Company will pay any dividend declared only to the person (s) in whose name the share stands on the date of declaration of dividend.
2. Shareholders desiring dividends to be paid to Banks or other Mandatees should register the mandates with the Company before 28th February, 1961.
3. Intimation of any change of address should be given to the Company immediately.

A. & F. HARVEY LIMITED,
Managing Agents.

MADURAI, *1st February,* 1961.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 10th Feb., 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	59,86,19,000
(2) Other Governments	21,84,72,000
(b) Banks	70,44,12,000
(c) Others	92,27,79,000
Bills Payable	24,32,03,000
Other Liabilities	43,40,43,000
Rupees	442,15,28,000

ASSETS	Rs.
Notes	10,17,35,000
Rupee Coin	2,06,000
Subsidiary Coin	6,58,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	62,27,97,000
Balances held abroad*	24,46,63,000
Loans and Advances to Governments†	39,22,45,000
Other Loans and Advances	157,03,29,000
Investments	130,83,86,000
Other Assets	18,05,09,000
Rupees	442,15,28,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item 'Other Loans and Advances' includes Rs. 24,25,50,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,17,35,000	
Notes in circulation	1948,81,37,000	
Total Notes issued	....	1958,98,72,000
Total Liabilities	....	1958,98,72,000
ASSETS	**Rs.**	**Rs.**
A Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	128,00,89,000	
Total of A		245,76,92,000
B. Rupee Coin		120,93,85,000
Government of India Rupee Securities		1592,27,95,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1958,98,72,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept., 1939 (pre-war)	3rd Feb.,* 1961	27th Jan.,* 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1929.25	1909.49	1901.25	1796.80
Notes held in Banking Department	35.95	11.29	22.89	16.39	18.51
Foreign Securities	59.50	128.01	128.01	128.01	163.01
Rupee Securities	37.39	1572.28	1562.03	1547.06	1407.34
Banking Department					
Deposits of:					
Government of India	14.39	52.70	53.05	59.71	49.25
Other Governments	..	22.05	21.47	6.99	25.74
Balances held abroad	10.06	19.25	19.66	19.61	44.34
SCHEDULED BANKS					
Demand Liabilities	134.36	784.48 (16.56)†	786.05 (17.84)†	777.84 (14.94)†	744.36 (14.48)†
Time Liabilities	102.24	1085.28 (9.74)†	1084.88 (9.53)†	1105.46 (10.28)†	1143.00 (22.40)†
Borrowings from Reserve Bank	..	58.72 (22.35)‡	44.40 (18.81)‡	58.45 (13.83)‡	39.44 (4.44)‡
Borrowings from State Bank	..	14.31	14.90	11.74	14.49
Cash in India	6.70	45.77	47.61	45.06	43.82
Balances with Reserve Bank	25.17	74.05	74.54	83.93	65.82
Balances with other banks in current account in India	..	14.69	14.37	16.20	13.85
Money at call and short notice in India	..	23.91	27.48	22.27	25.29
Investments (at book value)	..	605.97	610.19	643.31	783.60
Advances and bills	105.9	1238.82	1225.63	1199.85	1,084.13
STATE BANK					
Deposits	87.76	558.41	554.36	572.08	588.63
Investments	51.99	278.81	282.68	312.24	404.65
Advances	30.35	253.03	249.83	239.80	181.47
Cash	14.69	24.66	28.87	22.30	24.47

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.
† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.
‡ Borrowings against usance bills and/or promissory notes.
R—Revised Figures.

State Bank of India

Statement of Affairs for the week ended 10th Feb., 1961

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		560,41,31,000
Borrowings from Other Banking Companies, Agents, etc.		2,02,25,000
Bills Payable		8,28,57,000
Bills for Collection being Bills receivable as per contra		1,79,54,000
Acceptances, Endorsements and Other Obligations per contra		1,31,00,000
Other Liabilities (including Inter-Office Adjustments)		1,92,36,000
Total .. Rs.		588,82,53,000
PROPERTY AND ASSETS		**Rs.**
Cash in hand and with Reserve Bank		20,38,97,000
Balances with other Banks		2,85,41,000
Money at Call and Short Notice		2,73,33,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	260,90,96,000	
Other Authorised Investments	9,79,11,000	
		270,70,07,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	244,65,80,000	
Bills Discounted and Purchased	17,58,43,000	
		262,24,23,000
Bills Receivable being Bills for Collection as per contra		1,79,54,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,31,00,000
Premises less Depreciation		1,76,44,000
Furniture and Fixtures less Depreciation		1,29,37,000
Other Assets (including Inter-Office Adjustments).		23,74,17,000
Total .. Rs.		588,82,53,000

Scheduled Banks*

Statement of Affairs for the week ended 3rd Feb., 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	42,86,96
(2) From others	692,38,02
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	16,56,02
(c) Other demand liabilities	49,22,62
(ii) Time Liabilities in India:	
(a) Time Deposits—	
(1) From banks	14,58,63
(2) From others	1049,12,75
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	9,74,37
(c) Other time liabilities	21,56,74
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	12,48,74
(b) Time liabilities	1,87,00
(iv) Borrowings in India from the Reserve Bank of India (A)	58,72,36 (22,35,00)
(v) Cash in India	45,77,02
(vi) Balances with the Reserve Bank in India	74,04,64
(vii) Balances with Other Banks in Current Account in India	14,68,65
(viii) Money at call and short notice in India	23,91,42
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	605,97,24
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1047,78,48
(b) Due from Banks in India	13,09,10
(xi) Inland Bills purchased and discounted in India.	129,99,06
(xii) Foreign Bills purchased and discounted in India.	47,95,54
(xiii) Total of items (x), (xi) and (xii)	1238,82,18

Notes:—
* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.
(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	28th Jan., 1961	21st Jan., 1961	30th Jan., 1960	December 1960†	December 1959	Percentage of Increase (+) or Decrease (—) in Dec., 1960 as compared with Dec., 1959	Annual Average 1960	Annual Average 1959
Food Articles	504	118.5	118.9	117.6	117.0	118.2	—1.0	120.3	118.2
Cereals	192	99.4	99.0	103.5	100.4	100.8	—0.4	105.3	104.3
Pulses	43	94.9	95.3	93.2	98.6	91.8	+1.9	92.6	99.8
Fruits and Vegetables	28	106.7	108.1	107.6	104.4	118.7	—12.0	121.0	127.6
Milk and Ghee	84	108.8	109.1	106.2	111.1	107.6	+3.3	115.5	112.2
Edible Oils	47	161.0	160.1	135.5	164.0	127.9	+20.4	143.8	126.9
Fish, Eggs and Meat	17	124.4	125.5	113.2	125.0	114.1	+9.6	121.1	110.4
Sugar and *Gur*	48	128.1	122.5	143.2	126.6	150.0	—15.6	138.6	143.0
Others	50	167.2*	168.9	176.4	170.0	186.7	—8.9	168.6	163.4
Liquor and Tobacco	21	111.6	111.2	98.2	112.1	103.7	+8.1	106.4	100.7
Tobacco	—	110.3	109.8	96.6	110.8	102.3	+8.3	104.8	99.3
Fuel, Power, Light and Lubricants	30	120.2	120.2	117.0	120.3	117.6	+2.3	119.0	116.1R
Industrial Raw Materials	155	156.4	155.8	132.6	149.6	127.2	+17.6	138.8	119.7
Fibres	61	171.1	167.7	125.4	157.0	123.2	+27.4	139.8	110.2
Oilseeds	60	158.5	160.6	140.9	158.5	130.9	+17.3	144.9	130.0
Minerals	2	95.0	95.0	95.2	97.7	95.6	+2.2	97.5	100.0
Others	32	128.3*	128.2*	133.4*	131.3	129.8	+1.2	129.0	117.3
Manufactures	290	128.6	127.8R	116.4	126.0	113.4	+11.1	120.8	109.7
Intermediate Products	41	133.5	135.0	121.5	133.3	118.2	+11.9	127.1	111.1R
Finished Products	249	127.8	128.3R	115.6	125.0	112.6	+11.0	119.8	109.5
Textiles	147	133.4	130.9R	114.9	129.2	109.8	+17.7	121.2	104.6
Cotton	—	126.4*	126.4*R	124.8	129.3	118.4	+9.2	127.5	113.5
Jute	—	165.2	155.3	95.4	142.6	94.2	+51.4	115.2	87.2
Woollen	—	110.1*	110.1*	104.2*	116.1	104.3	+5.7	107.6	104.0
Silk and Rayon	—	105.1*	105.1*	105.2*	101.8	97.7	+4.2	102.6	98.7R
Metal Products	12	146.8	146.5R	145.2	146.8	144.7	+1.5	147.0	143.7
Chemicals	20	104.5	104.0	106.5	103.9	106.7	—2.6	104.7	108.2
Oil Cakes	10	150.7*	151.5*	147.5	146.8	145.0	+1.2	140.2	143.7
Machinery and Transport Equipment	21	112.6	112.6	106.4	112.1	106.4	+5.4	110.7	105.9R
Others	30	116.6	116.6	112.6	116.4	114.0	+2.1	115.0	113.6R
All Commodities	1,100	126.2	125.9	119.2	124.7	117.8	+5.8	123.6	115.5

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.
† Subject to Revision. R—Revised. * Estimated.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 16th February 1961.

	Closing quotation* 9-2-1961	High	Low	Closing quotations 16-2-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	168.00	168.00	167.00	168.00
Apollo (2)	1.54	1.56	1.50	1.54
Baroda Rayon (100)	121.50	125.00	121.50	124.00
Bombay Dyeing (25)	61.80	62.80	61.90	62.50
Bradbury (50)	117.50	—	—	117.50
Central India (100)	102.00	108.00	102.00	106.00
Century Mills (100)	487.00	492.00	485.00	490.50
Coorla Sp. (100)	131.25	—	—	131.25
Dawn (50)	122.25	122.50	118.00	121.50
Edward Textile (200)	262.50	—	—	262.50
Elphinstone (50)	66.00	67.00	65.50	66.00
Finlay (100)	330.00	331.00	328.00	330.00
Gokak (100)	175.00	175.00	169.00	169.00
Gold Mohur (100)	252.50	—	—	252.50
Gwalior Rayon (10)	44.00	44.00	43.75	43.85
Ind. Untd. Defd. (1)	1.58	1.60	1.54	1.56
Ind. Untd. Ord. (10)	14.44	14.56	14.40	14.56
Indian Rayon (62.50)	64.50	65.50	64.00	65.00
Indore Malwa (100)	138.00	139.00	135.50	139.00
Khatau (100)	450.00	457.50	450.00	452.50
Kohinoor (100)	278.25	285.00	278.00	281.50
Lakshmi (250)	502.50	—	—	502.50
Mafatlal (100)	770.00	771.25	755.00	765.00
Minerva Mills (100)	72.00	72.00	71.00	72.00
Model Nagpur (250)	60.00	—	—	60.00
Morarji (100)	336.00	345.00	338.00	343.00
Mysore (50)	59.00	58.50	58.00	58.50
National Rayons (100)	501.00	508.00	497.50	507.00
New City (100)	144.00	150.00	144.00	150.00
New Great (100)	195.00	193.00	190.00	193.00
Phoenix (100)	140.00	141.50	140.00	141.50
Podar Mills (100)	138.00	139.00	138.00	138.00
Raymond Woollen (100)	105.00	106.00	105.00	106.00
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	46.00	47.00	46.00	47.00
Shrinivas (100)	247.00	247.00	245.00	247.00
Simplex (50)	168.00	169.00	168.00	168.00
Standard (100)	1,114.00	1,134.00	1,109.00	1,118.00
Swadeshi (100)	238.50	245.50	238.50	243.50
Swan (100)	497.50	497.50	495.00	495.00
Tata Mill (25)	42.20	43.50	42.00	42.50
Vishnu (100)	105.00	106.25	105.00	106.25
Western India (1,000)	4,075.00	—	—	3,725.00
BANKS				
Bank of India (50)	119.50	120.00	119.00	120.00
Do. (New) (50)	124.50	126.00	125.00	125.00
Bank of Baroda (50)	94.50	95.50	94.50	95.50
Central (25)	57.00	57.30	56.20	56.50
Central 'A' (25)	59.00	59.30	58.70	59.00
Dena Bank (50)	58.00	60.00	58.00	60.00
Punjab National (10)	20.44	20.32	20.24	24.28
Union Bank (5)	6.48	6.56	6.48	6.56
United Com. (50)	85.50	85.50	85.00	85.00
ELECTRIC COS.				
Ahmedabad (100)	86.50	86.50	86.00	86.50
Amalgamated (10)	10.16	10.16	9.96	9.96
Andhra Valley (1,000)	980.00	985.00	980.00	982.50
Bom. Sub. El. (100)	84.00	84.00	83.00	83.50
Surat (100)	84.50	84.50	84.06	84.50
Tata Hydro (100)	101.00	101.00	100.50	101.00
Tata Power (1,000)	1,020.00	1,020.00	1,012.50	1,015.00
INSURANCE COS.				
British India (10)	12.04	—	—	12.04
Indian Mercantile (20)	43.00	—	—	43.00
New India (15)	55.50	55.50	54.00	54.00
New India 'A' (15)	56.00	—	—	56.00
Vulcan (10)	16.48	—	—	16.48
STEEL COS.				
Ind. Iron (10)	24.48	24.80	24.56	24.56
Mukand Iron (10)	24.00	24.12	23.52	24.00
Tata Steel Ord. (75)	146.25	147.75	145.50	145.50
SUGAR COS.				
Belapur (50)	302.00	302.00	292.00	293.00
Bhopal (10)	29.00	—	—	29.00
Changdeo (12.50)	29.50	—	—	29.50
Phaltan (50)	146.00	147.50	144.00	144.00
Walchand Ind. (100)	225.00	225.00	212.50	212.50
CEMENT COS.				
Associated Cts. (100)	144.50xd	145.00	143.25	143.50
Digvijay (100)	148.50	155.00	148.50	155.00
Orissa (10)	13.52	13.52	13.40	13.44
MISCELLANEOUS				
Alcock Ashdown (100)	264.00	266.00	262.00	264.00
Bom. Burmah (125)	558.00	559.50	555.00	555.50
Do. (New) (50)	195.50	195.50	195.00	195.00
Br. B. Petrol (¼ sh.)	1.98	2.02	1.96	2.02
Br. I. Corpn. (5)	7.04	7.68	7.04	7.68
Cooper Eng. (100)	175.00	180.00	176.00	179.00
Colour Chem. (100)	315.00	317.50	310.00	317.50
Hind Cycle (100)	89.50	92.00	89.50	90.50
Hindustan Lever (10)	43.00	44.00	43.00	44.00
Hindusthan Motors (10)	20.20	20.40	20.08	20.24
I. C. & Invest. Corporation (100)	71.00	—	—	71.00
Indian Dyestuff (100)	460.00	455.00	445.00	450.00
Indian Copper (2 sh.)	4.88	4.90	4.80	4.90
Ind. Inv. Tr. (100)	80.00	—	—	80.00
Killicks (100)	99.50	99.75	99.00	99.50
Larsen & Toubro (10)	37.75	38.25	37.00	38.00
Mahindra & Mahindra (10)	21.36	21.52	20.60	20.60
New Central Jute (10)	18.76	—	—	18.00
Polson (100)	161.00	163.50	161.00	161.00
Pre. Automobiles (100)	163.75	165.00	163.00	164.50
Premier Con. (50)	188.00	189.00	184.00	186.50
Scindia (20)	14.20	14.48	14.12	14.32
G. B. Shipping (10)	14.52	14.76	14.44	14.76
Shivrajpur (10)	79.00	84.00	80.00	83.50
Sirpur Paper (10)	16.00	16.24	15.80	15.92
Tata Chemicals (10)	18.16	18.24	17.92	18.16
Tata Locomotive (100)	299.00	302.25	296.75	297.50
Tata Oil (25)	74.80	74.70	74.00	74.20
Texmaco (10)	23.28	23.16	22.92	23.10
Voltas (100)	259.50	261.25	258.00	261.25
W. I. Match (100)	260.00	266.00	260.00	265.00
W. Coast Paper (100)	194.00	200.00	190.00	193.00

GOVERNMENT SECURITIES	9-2-1961 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	16-2-1961 Rs
2½% 1961	99.25	—	4.02	99.25
2½% 1962	98.05	—	3.90	98.05
2¾% 1976	83.50	—	4.23	83.50
3% 1964	97.70	—	3.59	97.95
3% 1963-65	97.70	3.90	3.51	97.80
3% 1966-68	95.50	3.93	3.66	95.60
3% 1970-75 1st Dev.	90.40	4.30	3.56	90.50
3% 1986 Con. Loan	74.10	—	4.05*	74.10
[illegible] 1962 N.P. Bonds	100.00	—	3.50	100.00
[illegible] 1964 N.P. Loan	99.45	—	3.67	99.40
[illegible] 1965 N.P. Bonds	99.25	—	3.67	99.30
[illegible] 1968	99.65	—	3.50	99.65
[illegible] 1967 N.P. Bonds	98.85	—	3.72	98.85
[illegible] 1974	99.70	—	3.78	99.70
[illegible] 1967 N.P. Bonds	100.75	—	[illegible]	100.75
[illegible] 1969 Loan	98.75	—	3.68	98.75
[illegible] 1966	98.80	—	3.70	98.80
[illegible] 1965 N.P. Bonds	99.80	—	[illegible]	99.80
[illegible] 1966 N.P. Bonds	[illegible]	—	3.65	100.65
4% 1972 Loan	100.50	—	3.95	100.50
4% 1973 Loan	100.40	—	3.95	100.40
4% 1979 Loans	100.10	—	3.99	100.10
3½% 1966 Bonds	99.50	—	3.94	99.50
4% 1986 Loan	99.95	—	4.01	99.95

*Current Income. xd—Ex-dividend. X.R.—Ex-Right.

MARKET GOSSIP

(Concluded from page 275)

shift to a new system of weight breaks—the heavier the shipment, the lower the rate. Some commentators, however, feel that the apprehensions of air-freight war are being exaggerated. In support of their contention, they observe that even the failure of the Honolulu Conference of 1959, intended to fix North Atlantic and other long-haul passenger fares, was not followed by any indiscriminate passenger-fares war. On the contrary, saner counsels prevailed among the airlines and they settled the issue at a subsequent conference. Such a possibility in regard to freight rates also is not ruled out, especially as there was a wide measure of agreement among the participants of the Paris talks and the negotiations as noticed above, only failed due to differences in methods of reaching a widely shared objective. The airlines realise that the fuller utilisation of the existing carrying capacity can be achieved only if the rates are brought down. The present capacity and utilisation are admittedly unbalanced. In the picturesque words of Sir William Hildred, "the needs of air cargo grow increasingly urgent as the amount of existing load rattles like a handful of peas in the gourd of expanding capacity." The prospects for airlines would become quite promising, if their rates for cargo were reduced. It is said that the price-elasticity of demand for air cargo traffic is quite high. Those operators who have made a special study of the subject observe that, if the present air-cargo rate were cut by 40 per cent, the cargo traffic would rise by 300 per cent. One of the operators of all-cargo service, in fact, places this increase at 500 per cent. Rate reduction would thus open up a vast potential market for air freight.

ROUND THE EXCHANGE

(Concluded from page 276)

decision of the Government of India to increase the cess from 6 nP to 30 nP per lb. with effect from 1st April next which would ultimately raise the resources for paying replanting subsidy. Banks' electricals and miscellaneous industrials were all quiet.

In the textile section, Cannanores suffered a setback of Rs. 4, today's closing rate being Rs. 146. Metturs declined by Rs. 2 to Rs. 367. Lakshmis lost a rupee to Rs. 154. South India Viscoses shed a like amount to Rs. 145. Travancore Rayons eased by 50 nP to Rs. 33.90 and Radhakrishnas by 23 nP to Rs. 29.35. Bangalore Woollens were neglected at Rs. 195.50, as also Coimbatore Cottons at Rs. 169, Coimbatore Pioneers at Rs. 330. Janardanas changed hands at Rs. 58.50, Kotharis at Rs. 12.25 and Premiers at Rs. 225. Vasantas, however, advanced by Rs. 9 to Rs. 245 on special support. Coimbatore Spinnings rose by Rs. 3.50 to Rs. 52.50. Buckinghams improved by a rupee to Rs. 192. Maduras fell initially from Rs. 34.90 to Rs. 34.85, before closing at Rs. 35, with a net gain of 25 nP over the week.

Among teas, Chembras gave way from Rs. 3.85 to Rs. 3.70. Kil Kotagiris lost 8 nP to Rs. 5.07. Neelamalais were lower by 5 nP at Rs. 4.70. Blue Mountains dropped 3 nP to Rs. 3.90. Nonsuchs were unchanged at Rs. 26.40, Parksides at Rs. 28 and Peermades at Rs. 22.30. Devasholas, however, scored a gain of 50 nP to Rs. 31, following the announcement of an interim dividend of 10 per cent, taxable, for the year 1960. Periakaramalais declined from Rs. 3.62 to Rs. 3.56 earlier in the week, but recovered later to Rs. 3.63.

Coffee Lands provided a bright spot in the coffee section, the quotation rising by Re. 1.10 to Rs. 20.60. Consolidated Coffees, which had receded from Rs. 23.30 to Rs. 23.05 earlier, moved up later and closed at Rs. 23.30. Cowcoodys were firm at Rs. 4.90, Anaparais at Rs. 4.70 and Mysore Coffees at Rs. 5.45.

In the rubber section, Midlands hardened by 15 nP to Rs. 11.65. Cochin Malabars gathered 5 nP to Rs. 7.60. Kailasas were fully steady at Rs. 5.01. Malankaras at Rs. 18 and Travancore Rubbers at Rs. 10.40. But Rajagiris eased by 10 nP to Rs. 18.90.

Among sugars, Mysores lost Re. 1.50 to Rs. 58.25. East India Distilleries dropped 25 nP to Rs. 40. Indias decreased by 10 nP to Rs. 12.75 and Travancores by 8 nP to Rs. 10.62. K.C.P's were dull at Rs. 24.53, following the Directors' decision to maintain the dividend for the year ended June 1960 at the previous year's level of 15 per cent, taxable. Jeypores were unchanged at Rs. 17.60, despite the increase in the dividend to 12.5 per cent for the year ended June 1960, which compared favourably with 10 per cent in the previous year. United Breweries, however, evoked renewed buying enquiries and advanced by Rs. 2 to Rs. 112. Cauverys gathered 50 nP to Rs. 138.50. Deccans improved by 21 nP to Rs. 13.95 *ex-div.*

In the banking group, Indians (fully paids) spurted by Re. 1.75 to Rs. 171. Indian Overseas put on 25 nP to Rs. 189. Canara Bankings were fancied at Rs. 80 *cum-div.* The Company has declared a dividend of 15 per cent, taxable, for the year 1960, same as that distributed in the previous year. Indian partly paids were unaltered at Rs. 143.50 as also Pandyans at Rs. 33 and Andhras at Rs. 100. Punjab Nationals, however, sagged by 12 nP to Rs. 20.

Among electricals, Salem Erodes were neglected at Rs. 12.25, Cochins at Rs. 10.20, Vellores at Rs. 13.10 and Tinnevelly-Tuticorins at Rs. 11.80. But Kumbakonams picked up 25 nP to Rs. 9.90. West Coast were higher at Rs. 13.37 by 12 nP and South Madras by 5 nP at Rs. 9.90.

Miscellaneous scrips were generally listless. Among cements, Indias declined by 10 nP to Rs. 6.05. Andhras and Dalmias were quiet at Rs. 10.10 and Rs. 11.25, respectively. Among chemicals, Metturs were dull at Rs. 13.35, F.A.C.Ts at Rs. 10.12, Mysore Fertilisers at Rs. 10.90 and Mysore Chemicals at Rs. 26.10. Travancores were unchanged at Rs. 15, notwithstanding the news of an interim dividend of 7½ per cent for the half-year ended September 1960. Indian Steel Rollings were quiet at Rs. 10.05. The Directors of the Company have announced an interim dividend of 5 per cent, taxable, for the 15 months ended March 1961 (the official year being changed to 31st March). Among others, Textools fell by 50 nP to Rs. 172. Ashok Leylands shed 7 nP to Rs. 8.70. Western India Plywoods, however, strengthened by a rupee to Rs. 240. Aluminium Industries rose by 14 nP to Rs. 22.97.

ASSOCIATED INDUSTRIES (ASSAM) LTD.

A step towards the further industrial development of Assam will shortly be taken with the setting up of a cotton spinning mill and an integrated plant for the manufacture of sulphuric acid, sulphurdioxide, superphosphate and mixed fertilisers. There is at present no cotton spinning mill or chemical and fertiliser factory in the State. The Associated Industries (Assam) Ltd., a company promoted by the Calcutta business house of Jatias, has been formed for undertaking these projects. Licences have been granted for a cotton spinning mill of 25,000 spindles, a sulphuric acid plant of 1,500 tons per month, a liquid sulphurdioxide plant of 300 tons per month, a superphosphate plant of 3,000 tons per month and a mixed fertilisers plant of 6,000 tons per month. The Indian Refineries Ltd. has agreed to take from the Company, its entire production of liquid sulphurdioxide for its Gauhati and Barauni refineries. The handloom industry in Assam has, at present, to obtain its requirements of yarn from outside the State. Messrs. Singmaster & Breyer Inc., a well-known firm of American chemical engineers, have been appointed consultants for the integrated chemicals project and will supply the imported portion of the superphosphate and mixed fertiliser plants. The sulphurdioxide and sulphuric acid plants of Monsanto design will be supplied by Panamerican Consulting Company, the authorised agents for the use of Monsanto designs outside America. About 1,200 acres of land near Gauhati have been purchased and erection work is proceeding. Production in all the plants is expected to commence by the end of this year.

The cost of the entire project is estimated at Rs. 112 lakhs. The Government of Assam has agreed to participate in the preference and equity capital of the company. The Industrial Finance Corporation has under consideration a loan of Rs. 50 lakhs, a part of which will be in dollars. A public issue of equity capital will shortly be made.

CANARA BANKING CORPORATION LTD.

The net profit of the Canara Banking Corporation Ltd. for the year ended 31st December 1960 amounts to Rs. 6,89,198 (including Rs. 14,361 brought in from the previous year's account). Of this, a sum of Rs. 1,35,000 has been placed to statutory reserve fund. The balance of Rs. 5,54,198 is available for distribution and the Directors have recommended the following appropriations:

Provision for taxes—Rs. 2,80,000.

Dividend at Rs. 3.25 and Rs. 2.93 per share on 5 per cent and 4½ per cent first preference shares, respectively, and 15 per cent per annum on equity shares, all dividends payable being subject to deduction of income-tax in terms of Section 18 of the Indian Income-tax Act—Rs. 2,62,948.

Carry-forward to next year's account—Rs. 11,250.

TRAVANCORE RAYONS TO EXPAND

It is reliably learnt that the Central Government has given permission to the Travancore Rayons Limited, Rayonpuram, Kerala State, to increase the rayon yarn production capacity by another five tons per day. Since its inception in 1950, the Company has been continuously serving the industries using rayon yarn. In particular, the handloom industry is assured of regular supplies of good quality yarn at reasonable prices. The Company will be manufacturing rayon grade pulp from indigenous cotton linters by the end of 1961. It has also plans to increase the production of transparent cellulose film from 4,000 tons to 6,000 tons per year. Such an expansion will enable the Company not only to meet the growing internal demands of our consumer goods industries but also to export substantial quantities abroad and earn foreign exchange for the country.

INSTRUMENTS

FOR

INDUSTRY

SCIENCE

ENGINEERING

•

CONTACT:

TOSHNIWALS

198, Jamshedji Tata Road

BOMBAY-1

AJMER-CALCUTTA-DELHI-MADRAS

PERMANENT MAGNETS LTD.

Lists for the equity issue of Permanent Magnets Ltd., which opened on the 6th inst., closed on the 8th inst. with the issue oversubscribed by more than four times against an offer of 10,290 shares of Rs. 100 each. It is reported that subscriptions amounted to Rs. 42 lakhs.

TEXTILES

(Concluded from page 286)

available. According to it, a comparative study should be made of raw and pit systems of mulberry cultivation. For increasing the yield of cocoons, it has suggested provision of facilities for incubation of seed, extension of chawki rearing on large scale, better rearing appliances and application of other improved methods. The references made by the Group to filatures reveal that the filature units are working below installed capacity. Since ultimately it is the filature industry that will give production of superior quality silk-worm fabrics at competitive prices, it is stressed that quality cocoons must be produced at a reasonable cost. The Group wants a sound organisation for purchasing cocoons and grading of cocoons before reeling, continuance of the present pattern of assistance by the Board (50 per cent subsidy and 50 per cent loan) until all the basins are modernised, replacement of old *charkas* by cottage basins and establishment of a full-fledged silk conditioning house in Kashmir for testing silk.

The Working Group has recommended five kinds of co-operatives each for taking care of the different stages of silk production. These are: seed production, credit and service, chawki rearing, cocoon marketing and raw silk marketing. It says: "The various sections of the industry lend themselves admirably well for organisation of co-operatives.

A special reference is made to the export trade in pure silk fabrics. Four further incentives for exports have been recommended. They are: (1) increased concession in the price of imported raw silk under the scheme; (2) drawback of customs duty on imported raw silk to customers; (3) licences for import of dyestuffs; and (4) inclusion of ready-made silk garments under the scheme. It may be noted here that there has been a marked improvement in the exports of both silk fabrics and silk waste in recent years. The actual exports in 1959 were 985,993 square yards of fabrics valued at Rs. 73.84 lakhs and 819,774 lbs. of waste valued at Rs. 27.67 lakhs, as against 85,617 yards (Rs. 9.32 lakhs) and 506,585 lbs. (Rs. 11.07 lakhs), respectively, in 1954. Imports of raw silk into India have declined from 1,214,644 lbs. worth Rs. 260.32 lakhs in 1951 to just 332,891 lbs. worth Rs. 59.83 lakhs in 1959. The decline must be attributed to the protection granted to sericulture industry and the Working Group has advocated the continuance of protection. The rate of protective duty is fairly high, being 35 per cent *ad valorem* plus a specific duty of Rs. 4 per lb. on raw silk and 35 per cent *ad valorem* plus Rs. 5.28 per lb. on yarn spun from silk waste. Considering the wide disparity between the Indian and foreign prices of raw silk, the need for continuing protection is obvious. But since there is a limit upto which the domestic consumer should be asked to nurse the industry by paying high import duties, all those who are in charge of this industry must strive hard to improve the efficiency of Indian silk producers within a reasonable period, so that the quantum of protection may be lowered without detriment to the living wage of workers engaged in this agro-industry.

Notice

RALLIS INDIA LIMITED

CLOSURE OF TRANSFER BOOKS

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from 3rd March 1961 to 23rd March 1961, both days inclusive.

By Order of the Board,
KENNETH SHEPPARD,
Secretary.

16, HARE STREET,
CALCUTTA, 3rd *February* 1961.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2603 **BOMBAY, 25th FEBRUARY 1961** **PRICE Rs. 2**

MILLS *VERSUS* POWERLOOMS

FOR some months past, the claims made about the production performance of handloom industry have been disputed. Officials, Ministers, and the champions of handlooms used to claim that, in the past few years, the handlooms had doubled their production. The *Statistical Bulletin*, published by the Textile Commissioner, gives 1,907 million yards as cloth produced on handlooms in 1959, the corresponding figure for 1955 being 1,480 million yards. The veracity of these statistics was publicly questioned by Lala Bharat Ram, Chairman of the Delhi Cloth Mills, in October last. The Textile Commissioner's Office kept quiet. It issued no contradiction, but quiet'y discontinued the practice of showing separately in its *Monthly Bulletin*, the production figures of handlooms and powerlooms; instead, it started publishing the total production by handlooms and powerlooms under one heading, namely, "decentralised sector." In fact, the words "handlooms" and "powerlooms" do not figure at all in the issues of the *Bulletin* pertaining to September 1960 onwards. The latest issue of this publication, it may be noted in passing, is for November 1960, and this was released only last week. This clearly shows that the Textile Commissioner's Office has admitted the need for reassessing cloth production by handlooms. It also implies that the figures of handloom production published prior to September 1960 are unrealiable and have exaggerated the performance of this much-boosted cottage sector. It is really appalling to find that all these years the whole country has been misled, to use a more polite word than "deceived," by the publication of wrong sets of data on handlooms and powerlooms. All the paraphernalia organised for sustaining handlooms—heavy subsidy, special marketing arrangements, co-operative finance, the Handloom Board, etc.—has been for a sector which has now turned out to be much smaller than was assumed. How did the Textile Commissioner's Office continue to make this mistake for years and years? Was it deliberate or just complacency? We have heard it said by some responsible persons that the production figures of handloom cloth were being "cooked up" in the Textile Commissioner's Office. This allegation is serious enough to warrant an impartial enquiry.

So much for the past. As for the future, a correct picture of the role that is being played by handlooms and powerlooms as suppliers of cloth is necessary, in order to determine their respective place, as well as that of the mill sector, in the third Plan. The targets laid down for them in the Draft Outline of the third Plan are now untenable, as they are based on data for the decentralised sector which have now been proved to be false. The urgency for fresh thinking on this subject is clear beyond doubt. In this context, it is gratifying to find that the Indian Cotton Mills' Federation has already taken the lead by publishing a brochure entitled *Third Plan Targets for Handlooms, Powerlooms and Mills*. An attempt has been made in it to find out the actual production by handlooms and powerlooms and to suggest what, in the industry's opinion, should be the course of action for the future. The Federation's stand on powerlooms is, of course, neither [illegible] nor progressive. But one has to complement it on the initiative it has taken for exposing the false picture that had been painted about handlooms and powerlooms by the Textile Commissioner's Office by conducting its own independent studies based on data published by other official agencies. The Federation's study brings out the startling conclusion that, contrary to the position accepted to be correct so far, it is the powerlooms and not the handlooms that account for the major portion of cloth produced in the decentralised sector. According to it, the cloth production by handlooms in 1959 was no more than 800 million yards, as against 1,907 million yards estimated by the Textile Commissioner's Office, that is, less than 50 per cent of the official estimate. Similarly, the production of cloth on powerlooms is estimated by the Federation at as high a figure as 1,365 million yards, as compared with the official estimate of 351 million yards. The Federation has clearly indicated the basis of its calculation. It is possible that the Textile Commissioner's Office may choose to refute these figures. There is room for contention that the millowners' study has underestimated the performance of handlooms outside the co-operative sector. Notwithstanding all the benefits and inducements offered to weavers by the Co-operative Movement, a large number of them is known to have preferred to remain independent or to work with master weavers as in the past. But a controversy on figures takes the country nowhere. The best thing to do would be to refer the issue to an independent body of experts for an expeditious verdict, so that the truth can be discovered and the dispute ended quickly.

The millowners' study shows that, whereas powerlooms have exceeded their production target of 405 million yards in the second Plan by 960 million yards, the handlooms turned out only 800 million yards as against the target of 2,105 million yards. It further shows that production by handlooms in the co-operative sector, in particular, has declined, despite all the assistance, financial and otherwise, given to them. Even after making allowance for a certain degree of exaggeration in the millowners' estimates, it is now pretty obvious (*a*) that the handlooms cannot be relied upon to fulfil the target of 2,800 million yards reserved for it in the third Plan and (*b*) that, if the *status quo* were allowed to prevail in regard to the Government's policy of reservation of markets and handicaps on the mill sector in favour of the decentralised sector, the powerloom sector would stage another leap forward. The time has, therefore, come to decide upon a revamping of the textile policy for the period of the third Plan and beyond. For this purpose, the Government must first quickly check on the findings of the millowners' study, if it is not prepared to accept them.

The Indian Cotton Mills' Federation is not happy over the outcome of the Government's efforts to protect and strengthen the handlooms. It has expressed its disapproval, in no uncertain terms, of the rapid expansion that has taken place in the powerloom sector, which is described in such epithets as a parasite, interloper and usurper, "gaining at the cost of the handloom sector, the mill sector and the public exchequer." It has its reasons for holding this opinion and they are explained in the brochure mentioned earlier. But not all will agree with it on this issue. The preference for powerlooms in the decentralised sector is a welcome trend and deserves to be encouraged, for the simple reason that the powerloom is a better means of production, capable of giving a higher wage to workers, than the handloom. After stoutly opposing the recommendations of the Kanungo Committee, which considered the ultimate replacement of handlooms by powerlooms as "inescapable," weavers even in Tamil Nad, the stronghold of handloom industry, are now in favour of switching over to powerlooms, because they have seen clear evidence of the latter's superiority as a source of gainful employment. Seeing the writing on the wall, the Madras Government, which was once misguided by the self-appointed leaders of handloom weavers, is itself now advising the weavers to go in for powerlooms. It is easy for millowners to point an accusing finger at the Maharashtra Government for allowing powerlooms to grow like mushrooms in Bhiwandi and Malwan, but can Mr. Kamraj, Chief Minister of Madras, do so? He is realistic enough to advise the weavers in his State to march with the time. Even the Karve Committee, appointed to safeguard the interests of village and small-scale industries, conceded in principle that handlooms could not be subsidised for ever. Not long ago, the same view was expressed by the present Union Minister for Commerce and Industry. Every impartial study of the working of the handloom sector has proved that handlooms cannot provide anything more than a subsistence wage and that they can be kept going only with the help of sustained spoon-feeding. Stated simply, what all this means is that the handloom sector must progressively yield place to the powerloom sector. This evolution is already gathering speed faster than was anticipated by anyone and to the discomfort of millowners. Apparently, a section of the latter feels concerned about the prospect of unfair competition from powerlooms.

This concern is, perhaps, not unwarranted, for everything is not perfect and fair with the way in which the powerloom industry has

Contents

	PAGE
LEADING ARTICLES—	
Mills *Versus* Powerlooms	317
A Master Plan for Calcutta	318
MARKET GOSSIP	319
ROUND THE EXCHANGES	320
NEWS IN BRIEF	321
PERSONAL	321
THIS WEEK'S SURVEY	322-323
SPECIAL FEATURES—	
On the Arena	324
London Letter	325
Indian Investment Centre Opened ...	327
Manchester Letter	329
Government Corporate Sector	344-346
Effects of High Taxation on Savings and Incentives	350
CHAIRMEN'S SPEECHES—	
Spencer & Co. Ltd.	339
Industrial Credit and Investment Corporation	340-341
Scindia Steam Navigation Co., Ltd. ...	348
MONEY AND BANKING	326
TEXTILES	328
COTTON	330
SUGAR	332-334
ENGINEERING	336
NEW PRODUCTS AND PROCESSES	337
INSURANCE	343
COMMERCE AND INDUSTRY	352-353
COMPANY MATTERS	354-356
MARKET REPORTS	359-361
MISCELLANEOUS STATISTICAL INFORMATION	362-364
WEEK'S STOCK EXCHANGE TREND	371
STOCK AND SHARE QUOTATIONS	365-372

grown. There is a large number of unauthorised powerlooms, which, while thriving under the climate of protection created for handlooms, are not sharing the benefits accruing to them with either the consumer or the Government. It is alleged that, in order to evade excise duty and the obligations of the Factories Act, ingenious devices are being adopted by the owners of powerloom factories and that they are "minting money." It is further alleged that a new class of middlemen is emerging who are hiring the services of traditional weavers for operating powerloom factories, with the result that, instead of becoming owners of powerlooms, the handloom weavers are simply sweating as wage earners. These allegations may be well founded, but suitable remedies must be found for overcoming the defects and deficiencies in the organisation and ownership of powerlooms. Unfortunately, the Indian Cotton Mills' Federation has not put forward any constructive suggestions for developing the powerloom sector in a manner which will be useful to the country as a whole. On the contrary, it has taken the stand that there should be only two sectors, the modern mill sector and the old, outmoded, archaic handloom sector, on the ground that powerlooms have neither the superiority of mills as an earner of taxes for the Government and provider of employment at living wages nor the attribute of handlooms which offer self-employment opportunities to a large number of people in rural or semi-urban surroundings. This is a perfect counsel of despair.

It is undoubtedly true that, from every point of view, it is desirable to make cloth in large-sized composite mills, equipped with modern spindles, automatic looms and other up-to-date machinery. It is equally true that the mill sector has a strong case for being allotted a much bigger target in the third Plan than the 5,800 million yards fixed by the Planning Commission. The Government will certainly be taking a risk of exposing the country to a cloth famine and irksome controls if it fails to allow the mill sector to expand at least on the basis originally suggested by the Bombay Millowners' Association. But the real issue here is not mills *versus* powerlooms but handlooms *versus* powerlooms. To be more precise, the issue is how to bring about a transformation of the handlooms into powerlooms on healthy lines. India is neither the U.S. nor China. For a considerable number of years to come, therefore, there is bound to be a sizable decentralised sector in the manufacture of textiles. Accordingly, the aim should be to see that this decentralised sector is able to stand on its own feet, without proving itself to be a heavy burden on the mill sector or the public exchequer as the handloom sector is today. Only powerlooms can play that role. But their growth should be well planned and well regulated, care being taken to see that they do not get concentrated in a few hands or in a few places. Given competent organisation, even small powerlooms owned and operated by individual families should be able to make a significant contribution to the country's economic progress.

A MASTER PLAN FOR CALCUTTA

PRIME Minister Nehru once described Calcutta —that sprawling metropolis with its teeming, turbulent millions—as something of a nightmare to him and probably thought of it as beyond redemption. Mr. Russi Mody, President of the Indian Chamber of Commerce, who convened a conference of leading industrialists last week to consider the development problems of the city, referred to the "explosive build-up of frustration and distress in the city" and warned that any further deterioration in its civic conditions would have serious repercussions on commerce and industry. Between Mr. Nehru's view of the city and Mr. Mody's warning, there seems to be something in common—probably an uneasy feeling that Calcutta might become India's 'Shanghai' of pre-revolutionary China. Such a feeling can be no hallucination, for this city of six million people, groaning under the weight of unsolved civic problems, has all the ingredients of a potentially revolutionary situation. It has its slums and squalor, distress and unemployment, grinding poverty in the midst of cynical opulence, group and social tensions in all their variety and, above all, its agitators and anti-social elements. If a city with such a *milieu* is not to become a hot-bed of revolution, something imaginative would need to be done here and now to bring hope and cheer, if not some immediate relief, to its harassed populace.

Dr. B. C. Roy, that indomitable Chief Minister of West Bengal, has, therefore, done well to turn the spotlight on the problem of Calcutta's development and canvass wide and swift support for his two projects which add up to a master plan for the city. The first project, recommended by a W.H.O. team last year, envisages the creation of a statutory Metropolitan Water and Sewage Board, covering an area of 270 square miles in and around Calcutta on either side of the Hooghly. This Board, when constituted, will virtually supersede the Calcutta Corporation and the 32 suburban municipalities—which are a byword for incompetence in matters financial and administrative—and execute a composite scheme "for providing sufficient supply of drinking water, for efficient drainage of the area, for providing sewers in the area and for effective removal of garbage." The need for this project, which will entail a total cost of about Rs. 200 crores, will be apparent from the fact that the biggest twin problem in Calcutta is water and sewage. According to the W.H.O. team's report, the city's water-supply is contaminated by cholera and other germs found in casual ground water, and the fate even of the filtered water-supply is threatened by increasing salinity of the Hooghly river. Only two-thirds of the city proper is covered by sewers, while Howrah and other suburban towns have no modern sewage system. That this project would have to be taken up on a high-priority basis is obvious.

The other project is for the creation of a satellite town six miles due south of Calcutta on both sides of the Diamond Harbour Road. This town will be designed to cover an area of 55,000 acres and to accommodate a population of 1.4 million, rising in due course to 1.8 million. Since the satellite town will effect the "decongestion" of Calcutta city and thereby clear the ground for an effort to eliminate its slums and to improve its housing, sanitary conditions and civic amenities, this project is in a way related to the first. The scheme envisages the construction of about 240,000 houses, out of which 50,000 are to be reserved for the homeless people of Calcutta. The satellite town will also have its own schools, colleges, industries, hospitals, banks and various other amenities. Although the project will cost Rs. 220 crores in all, it will require only Rs. 75 crores by way of investment at any one time. The idea here is to make the scheme self-financing after its initial stages by selling developed building plots and also buildings. That this project would have to be taken up for execution along with the first is also obvious.

Both the projects, which have the additional merit of being labour-intensive and thus employment-oriented, will, incidentally, relieve the acute problem of unemployment, especially among educated youths, in Calcutta. Although their ultimate total cost will be Rs. 420 crores, they will involve an outlay, as such, of only Rs. 275 crores in all, probably staggered over the next 10 years. It may be that, in view of the time lag involved in initial preparations, surveys and the like, the outlay during the third Plan period will not be more than Rs. 100 crores or so. If the Government of India contributes towards the cost of the Calcutta schemes at least Rs. 25 crores out of the provision of Rs. 50 crores recently approved by the National Development Council for the development of areas like Calcutta in the third Plan period, the West Bengal Government, which has also earmarked Rs. 10 crores for the purpose in its third Plan, will be able to go ahead confidently with its preparations. Even as things stand, the chances of the project having a good start seem to be bright. Dr. B. C. Roy is also hopeful of getting as much as 50 per cent of the funds required for the entire outlay of Rs. 275 crores from foreign sources in different forms. Loan assistance from the International Development Association is considered most likely in this connection. Since the foreign exchange component of the project is stated to be relatively small, it may not be difficult to secure assistance from the Development Loan Fund and technical assistance from the U.N. and its specialised agencies. All in all, the present circumstances are most favourable for the Calcutta development project, what with the interest displayed in it by the World Bank, the specialised agencies of the U.N. and the Ford Foundation. It is also a happy augury for the project that the industrialists and businessmen of Calcutta have come to take a vigorous interest in it. After all, the pressing civic problems of the city have, to some extent, resulted from the development of industries. When the time comes for subscribing to development bonds that may be floated by the proposed Metropolitan Board, it may be expected that industrialists in the city will deem it their duty to contribute a part of their resources to the financing of the project as if it were a humanitarian rather than a purely civic one.

Even when such all-round help is assured for the two projects and they are taken up for execution, they will have solved only a part of the multi-sided problem that is Calcutta. There are, for instance, the problems of port development, silting and salinity of the Hooghly river, traffic congestion on the roads, power supply and city passenger transport, to mention only the more important. By far the most pressing problem is the progressive silting of the Hooghly, which makes access to the Calcutta port difficult for modern ships with draughts of over 26 feet and displacement of 10,000 tons. The extent of deterioration in this respect in recent years may be inferred from the fact that, in 1959, vessels of 26 feet draught and speed of 12 knots were unable to enter the port on 353 days, whereas the corresponding figure in 1952 was 217 days. Even the road and rail approaches to the port are greatly overburdened, and the port itself has reached saturation point in its handling capacity. Still desilting can bring some relief, and, it is, therefore, a welcome development that the Government of India has now decided to recommend this case to the Development Loan Fund for assistance. At the same time, work on developing a satellite port at Haldia so as to relieve the pressure on the Calcutta port is called for as a matter of high priority. It is, again, a welcome development that the Union Government has not only assigned this high priority to the Haldia port project but also agreed to take up the question of establishing a railway link from Haldia to the interior areas.

The other pressing problem is the increasing salinity of the Hooghly which now supplies water to Calcutta but which cannot be depended upon to supply salt-free drinking water even under the Metropolitan Water and Sewage Project, unless, of course, the river itself receives supplies of fresh Ganga water throughout the year instead of only for one or two months as at present. It is said that the salinity of the water in Calcutta is so great that boilers of even locomotives are damaged. With so much salt in tap water, it is impossible for doctors to put their patients on a salt-free diet. Even tube-well water is highly saline and has a very high iron content. The only other source of fresh water supply now available is the D.V.C. canal system which, too, is in a position to put only 3,000 cusecs into the Hooghly. Only the Ganga can come to the rescue of Calcutta and ensure the success of the proposed Metropolitan Project itself. It is, therefore, heartening to know that the Government of India, after some hesitancy on the score of possible political complications with Pakistan, has just decided to include the Farakka barrage scheme in the third Plan. When this project is completed in time, as it may well be, the Hooghly will receive copious supplies of fresh Ganga water and bring relief to the citizens of Calcutta. If, at the same time, new water pumping stations come to be located, as part of the Metropolitan Project, at a point 30 miles up the Hooghly from Calcutta, the water-supply will not also be polluted by the effluvia of the mills on the banks of the river. But, pending the execution of the Farakka scheme, the West Bengal Government would do well to complete the short canal joining the Ganga with the Bhagirathi, if it has not already done so.

As for the problems of traffic congestion on Calcutta's roads and city passenger transport, they are least likely to be solved in the current context of overcrowding in the city. It may be that "decongestion" of Calcutta, in the wake of creation of the proposed satellite town, will provide a partial solution. How the State Government will be able to implement its present proposal to separate the slow-moving from the fast-moving vehicles is by no means clear. Nor is it clear how it can persuade the owners of slow-moving carts to discard them and take to three-wheeler small trucks instead, as it proposes to do. Since the Metropolitan Project will not be concerned with realignment of roads, city transport, and the like, the proposals pertaining to tube railway or mono railway, elimination of carts and further railway electrification will have to be taken up separately. But it is doubtful if these latter projects are as important as the Water and Sewage Project which, whatever be its cost, rightly deserves the first priority from the point of view of the Calcutta citizen's health and well-being. The only sector in which some improvement can be more immediately effected is that of power supply and that, too, without any strain on the resources of the Government. This, of course, implies that the powers-that-be will have the wisdom and the courage to license further expansion of existing private power projects and to permit the construction of new ones in the private sector.

MARKET GOSSIP

A NOTABLE feature of Mr. G. L. Mehta's statement to the shareholders of the Industrial Credit and Investment Corporation of India Ltd., the full text of which is published on pages 340 and 341, is a critical analysis of the recent trends in industrial finance. In the first place, Mr. Mehta has placed the upsurge in the capital market in its proper perspective. The qualifications which must be borne in mind in interpreting the heavy oversubscriptions to a number of new capital issues have been clearly underlined by him. This is important, as exaggerated inferences are being drawn by politicians about profits, savings and distribution of fruits of development planning. The second point made by Mr. Mehta pertains to the tendency among *entrepreneurs* to rely more on loans and bank borrowings and less on equity capital. The factors that encourage this unhealthy trend and the risks involved over a long-term period have been clearly stated by him. Only, Mr. Mehta has made no reference to the encouragement given to this trend by the relatively low rates of interest on debt finance which were prevailing till very recently. His advice to companies in the private sector to avail themselves of the prevailing favourable conditions in the capital market to strengthen their capital structure by replacing their loan capital with equity capital is quite sound. Its implementation will be facilitated if the Government does not insist on issue of new shares at a premium or exempts at least the capitalisation of share premium account from the bonus tax of 30 per cent.

Stock Exchange Trends—A Study

Inasmuch as the stock exchanges are regarded as the barometer of a country's economic prosperity or adversity, the need for ensuring the proper functioning of the exchanges cannot be overstressed. Like the barometer that is very sensitive to weather conditions, the stock exchanges are also sensitive to the psychology of investors which, in turn, is influenced by quite a number of factors, the most important being the official fiscal and monetary policies. But there is one difference: while the rise or fall in the mercury level of a barometer cannot be controlled by changing weather conditions, the trend of the stock exchanges can be altered by excessive manipulation by speculators or by undue interference by the authorities. This factor must be borne in mind in examining the role of stock exchanges in Indian economy or in judging their importance to it. Considering that these exchanges are the channels which facilitate the flow of the community's savings into investment, the creation of public confidence in them is of the utmost importance; this is a task for which both the Government and the boards of stock exchanges are responsible. This aspect has been well brought out in a research study on trends in share prices carried out by the Association of Trade and Industry (Bombay) under the direction of Dr. K. R. Paymaster.

The study is quite interesting, in that it analyses the trends in equity values in the context of economic development in India and abroad. It also presents a co-ordinated picture of the bull cycle in Indian share markets by giving a sensitive index of the daily prices of leading cleared shares listed on the Bombay Stock Exchange, along with two other indicators of stock market activity, that is, contango rates and value of shares delivered. Emerging from a comparison of share prices in India with those abroad against the background of general price levels from the long-term (1939-60) and short-term (1955-60) points of view are two conclusions. One, share prices in India have risen far less than those elsewhere. Two, share prices in India have increased far less than the general price level, while, in other countries, they have advanced more than the general price level. The following are the relevant data relating to index numbers furnished in the study:

Long-term Trends
(Base : 1939=100)

August1960	India	U.K.	U.S.A.	Switzerland	Canada
Share prices ..	174	400	513	329	281
Wholesale prices ..	482	360	233	206	232
Percentage of 1 to 2 ..	36.1	112.7	220.2	159.7	121.1

Short-term Trends
(Base : 1955=100)

Share prices ..	127	173	142	189	400*
Wholesale prices ..	136	110	108	100	106*

*Relate to West Germany

The above table is not of much significance. It is useful only to those who want to know how the prices of shares and commodities have fluctuated since 1939 in the countries of the West. It would be wrong, for instance, to say that, as the rise in share prices in India even when the boom was at its highest was less than that elsewhere in the free world, it was not a matter for serious concern. The circumstances in each country are different. In any case, the stock exchanges in India are isolated from their confreres in other countries.

A closer view of share price trends during the 1958-60 boom is provided by analysing the behaviour of 16 leading scrips listed as "cleared" securities on the Bombay Stock Exchange. This analysis reveals that the first lap of the bull cycle lifted the market by 30 per cent during the period March-September 1958, the combined index of the aforesaid 16 scrips (Base : January-February 1958 =100) touching 130 in September 1958. After receding to 115 three months later, the index gradually moved up to 167 in December 1959. The bull cycle reached its peak at 202 in July 1960. The various credit curbs and the measures adopted by both the monetary and stock exchange authorities to discourage speculation in March 1960 and subsequent months caused a sharp reaction, the index declining to 164 in October 1960. Thereafter, it stabilised, moving in a narrower range between 184 and 168.

A brief reference to the emergence of a new issue market in India is made in the study. This development is attributed to (*a*) the broadening of the class of investors in recent years; (*b*) establishment and growth of large financial institutions such as the L.I.C., the I.C.I.C.I. and industrial) finance corporations, as well as private investment companies; (*c*) favourable industrial policy; and (*d*) the consideration that equities, in view of their growth potential in terms of capital value, act as hedge against depreciation in capital values due to inflation. Stating that the future success of the new issue market is necessary for rapid industrial growth, the study draws attention to the unpopularity among the investing class of certain industries the products of which are subject to price control, such as electric power, coal, steel, cement and certain basic chemicals. If these industries are to fulfil the targets assigned to them in the third Plan period, it is imperative that the price control policies should, as the study pertinently suggests, be reoriented, especially the concepts of fair return on capital as interpreted by the Tariff Commission, the electricity authorities and other price-making bodies.

The Association's study is fully aware of the fact that bullish and bearish trends are liable to be overdone in any share market and admits that precautionary measures aimed at checking speculators' excesses may be desirable from the point of view of avoiding the crashes that invariably follow. But it is defective in one sense, in that it does not offer any specific suggestions for checking excessive speculation. Nor does it express any opinion about the adequacy or inadequacy of the measures that have so far been taken in this country. It, however, emphasises that a bullish trend of the share market is an effective stimulus to investment activity and urges that nothing should be done to reverse the existing primary trend. Indeed, it warns: "It would be fatal to the public, if strong fiscal and monetary measures were adopted to arrest speculative trends." While it can be conceded that fiscal policy of the Government should in no circumstance be made an instrument to check undue speculation on stock exchanges, for the simple reason that it will have an adverse impact on the growth of savings and its flow into productive investments, the same cannot be said of monetary policy. There is plenty of room for judiciously wielding monetary weapons against excessive speculation on stock exchanges without causing any adverse repercussions on the growth of investment activity.

The argument that a boom on stock exchanges is necessary in order to create a climate for brisk investment activity is not a sound one. A boom means artificial stimulation that brings about a sudden spate of buying activity which will soon be followed by a bust, causing disillusionment and disappointment among investors. Further, booms on stock exchanges give a distorted picture of the trend and quantum of savings. Again, in a socialist State such as the one India is having, it will engender adoption of wrong fiscal policies by the Government that will retard the growth of private enterprise. In the Introduction to the Association's study, Mr. Tulsidas Kilachand highlights the tribute paid to Mr. Morarji Desai for having created public confidence by following a stable policy. But Mr. Morarji Desai is not a permanent incumbent of the portfolio of finance in the Centre. He was not there in 1956-57 and his predecessor used the 1955-56 boom on stock exchanges as a pretext to introduce all sorts of soak-the-rich taxes. Who knows his successor will not do the same thing? Even Mr. Morarji Desai would have been forced to take some such measures, had the boom of 1959-60 persisted and the type of response which capital issues like the Synthetic Chemical, Colour-Chem, and Baroda Rayon had were still in evidence. Luckily for taxpayers in this country, these unhealthy trends have receded to the background on the eve of the Budget. And they must be firmly tackled, if they reappear again.

Bank Mergers in U.S.

The First National City Bank of New York (Chairman: Mr. James S. Rockfeller), one of the largest U.S. banks, and the National Bank of Westchester (Chairman: Mr. Ralph T. Tyner Jr.), the second largest bank in that suburban county, have announced their plan to merge. If the plan comes through, it will be the latest of the mergers sparked off by the New York State's new banking law, the Omnibus Banking Act of 1960. To mention only two of the recent amalgamations. The Morgan Guaranty Trust Company formed last month a holding company with six banks outside New York City. The Bankers Trust Company created another holding company with the County Trust Company, another Westchester bank. The new law, which came into effect last summer, relaxed the restrictions that previously confined the operations of New York banks to the City.

Under the terms of the merger agreement between the First National City and the National Bank of Westchester, which is subject to the approval of the shareholders of the respective banks, one share of the First National City Bank will be exchanged for every two of the Westchester Bank. The latter Bank will be converted into the Westchester division of First National City Bank.

The First National City Bank, including its trust affiliate, the First National City Trust Company, had, at the end of 1960, deposits amounting to $7,771 million, capital funds of $790 million and total assets valued at $8,882 million. The number of shares, including the 2 per cent stock dividend (bonus share) approved at the annual meeting held in January last, aggregated 12,484,800 which, after the take-over of the Westchester Bank, will increase by 571,939 to 13,056,739. The National Bank of Westchester is, by comparison, small fry, with deposits of the order of $216 million at the end of 1960, capital funds of $14.72 million and total assets of $237 million. The number of shares is 1,143,878.

An idea of the objects of and the possible advantages that would result from the merger can be had from the statements made by the respective Chairmen of the two Banks. Announcing the plan on behalf of the First National City, Mr. Rockfeller said:

"The rapid growth of National Bank of Westchester in the few years since its organisation is evidence that it has served Westchester County effectively and constructively. With the continuing and prospective growth of the County we both believe that its expanding needs can best be served by association of a leading Westchester bank with a large New York City bank, which can make available larger loan resources and more varied and specialised services of the kind now available to New York City residents. We are gratified that National Bank of Westchester has elected to join with First National City for this purpose, and we are confident that consummation of the plan will benefit the business and people of Westchester County and contribute to its development. We are equally confident that the proposal is in the interest of the shareholders of both banks, since it will promote growth of the combined institutions. It carries forward the orderly evolution of the banking structure to meet growing needs, which was one of the purposes of the modification of the State banking law made by the Legislature in the Omnibus Banking Act of 1960."

Mr. Tyner, Chairman of the Westchester Bank, summed up the benefits which the staff and the banking public will get from the merger in the following words:

"For many years, it has been our goal to create an outstanding country-wide banking organisation to serve Westchester as economically and efficiently as possible. It is indeed gratifying to announce that, through this combination with First National City we are able to bring to Westchester the fulfilment of this goal—a leading national and international banking institution. We cannot overestimate the importance of this consolidation to our County. The financial needs of school districts, municipalities, and urban redevelopment authorities will be greatly aided by the increased resources of our combined institutions. Our staff members, with ambitions and ability, will have presented to them unlimited possibilities for advancement. Our long-term employees approaching retirement will be rewarded with increased security. The benefits to the shareholders of the Bank, whose confidence and support have made all this possible, are obvious.

"In arriving at this decision to join with First National City Bank, many factors were considered. The First National City Bank has long been a leader in the field of personal and consumer loans. One result of the combine will be reduced interest cost to Westchester borrowers. Savings depositors will benefit from the payment of interest from day of deposit to day of withdrawal. A greater volume of savings will mean more money for residential and commercial mortgages. To the many thousands of commuters in Westchester, complete banking will be available to our customers at both ends of the commuting line. Any banking transaction will be able to be carried out in either Westchester or New York offices of the Bank."

It is clear from the statements that the main objects of the merger are more economic working and better and extended service to customers which will be made possible by pooling together the resources of the two banks.

The merger of the aforesaid two banks is in keeping with the recent trend in American banking. In spite of the fact that both Federal and State laws in the U.S. have put a series of fetters to prevent big banks from growing bigger by absorbing smaller ones, the tendency for such mergers has been gathering momentum. In the past decade 1950-59, for instance, as many as 1,500 banks (more than 10 per cent of all banks in the U.S.) have been absorbed by others. Most of the banks thus taken over have been relatively small institutions, but some large banks have also amalgamated with other already large institutions. Even then, the number of commercial banks in that country adds up to an impressive total of 13,470 at present.

There are many reasons for this trend towards bigness in American banking. First, as compared with other sectors of the economy (automobile manufacture, for example), consolidation has been much less in banking business. Second, the introduction of automation has necessitated, in the interest of economy, an expansion in the scale of operations. Thirdly, keen competition between banks has forced some to enter into partnership with their rivals to stay in the race.

Legal obstacles to growth of size has induced U.S. banks to resort to ingenious devices to accomplish in fact what they are prevented from doing in law. One such device is "group banking," a peculiarly American development, under which several banks are brought together in a holding company which owns a controlling interest in the shares of each one. Each individual bank of the group retains the semblance of autonomy, with its own board of directors, while it can draw on the resources and managerial skill of the group.

EQUITIES SURGE FORWARD

ALL-ROUND RISE IN PRICES

(From Our Own Correspondents)

BOMBAY, 23rd *February*

EQUITIES in both cash and forward lists made a strident advance during the week under review, a rather unusual phenomenon on the eve of the Central Government Budget due to be presented to Parliament exactly five days from now. There were no rumours to suggest that the Budget would be a pedestrian one, without any fresh dose of taxation. But the absence of upward revision in passenger fares and freight rates in the Railway Budget, minor tax adjustments in the Bombay Budget, and lack of additional tax proposals in the budgets of Andhra Pradesh, Bihar and West Bengal, despite sizable overall deficits, induced a feeling of optimism among operators about the Central Budget. The general consensus of opinion appeared to be that the Union Finance Minister would not choose a pre-election year budget for increasing direct taxes and that he would content himself with higher revenues collected from direct taxes as a result of the expanding tempo of economic activity. This feeling, coupled with the increase of Rs. 45 per ton in steel retention prices, bolstered up the sentiment of the market leading to an all-round improvement in values. The undertone of the market was distinctly firm.

In the steel section, Tata Steels rallied from Rs. 145.50 to Rs. 150.25 yesterday. After receding to Rs. 149 today, they improved and finished at Rs. 150, a net rise of Rs. 4.50 over the week. Mukand Irons advanced by Rs. 2 to Rs. 26. Indian Irons picked up 54 nP to Rs. 25.10; at one time on Tuesday and Wednesday, they were higher still at Rs. 25.25.

Textiles continued to march forward. Standards forged ahead from Rs. 1,118 to Rs. 1,210. Khataus jumped up by Rs. 33.75 to Rs. 496.25. Morarjis spurted by Rs. 12 to Rs. 355. Centurys scored a gain of Rs. 9, today's closing rate being Rs. 499.50. Svadeshis hardened by Rs. 6.50 to Rs. 250, B. R. Cottons by Rs. 6 to Rs. 32, Swans by Rs. 5 to Rs. 500 and Mysores by Rs. 4.50 to Rs. 63. Kohinoors and Simplex strengthened by Rs. 4 each, the former to Rs. 285.50 and the latter to Rs. 172. Central Indias put on Rs. 3 to Rs. 109. Shree Niwas gathered a like amount to Rs. 250. Finlays, Podars and Tata Mills rose by Rs. 2 each to Rs. 332, Rs. 140 and Rs. 44.50, respectively. Bombay Dyeings increased from Rs. 62.50 to Rs. 64.20 on Tuesday the 21st inst. and, after easing to Rs. 63.20 yesterday, recovered to Rs. 64 today. The net gain over the week was Re.1.50. Indores gathered a rupee to Rs. 140. Apollos were firm at Re. 1.54, as also Elphinstones at Rs. 66 and New Greats at Rs. 193.

Sugar shares also recorded a rise in values on hopes that the Joint Committee of the Maharashtra Legislative Assembly to which the Land Cellings Bill has been referred might recommend the exclusion of cane farms attached to sugar mills. Walchandnagars advanced by Rs. 12 to Rs. 222.50. Belapurs, which had declined from Rs. 275 to Rs. 272 after they were *ex-div.* on Monday the 20th inst., as against the *cum-div.* quotation of Rs. 293, moved up to touch Rs. 280 today. The closing was Rs. 278, the net gain over the week being Rs. 5.50. Phaltans put on Rs. 4.50 to Rs. 140 *ex-div.* Maharashtras hardened by Rs. 3 to Rs. 189. The shares of non-Maharashtra sugar companies, however, ruled quiet. Thus, Changdeos encountered selling and dropped Rs. 3.50 to Rs. 26. Oudhs shed 50 nP to Rs. 197.50. Kesars elicited enquiries from interested parties and climbed up by Rs. 55 to Rs. 230.

Cement company shares attracted good attention. Operators noted the Government's decision to fix the price of unpacked ordinary Portland cement at Rs. 104.60 per tonne (f.o.r. destination railway station), exclusive of packing charges of Rs. 17 per tonne. Associated Cements spurted to Rs. 149.75 from Rs. 143.50 last week. Digvijays hardened by Rs. 3 to Rs. 158. Sone Valleys picked up 40 nP to Rs. 5 and Orissas 12 nP to Rs. 13.56. Ashokas rose from Rs. 8.76 to Rs. 9.

Automobiles met with sustained buying support. Premiers spurted by Rs. 4 to Rs. 168.50. Hindustan Motors strengthened by 68 nP to Rs. 20.92. Among shippings, Scindias gained 64 nP to Rs. 14.96 on expectations of better freight market. Great Easterns were done at Rs. 14.68 *ex-div.*, as against Rs. 14.76 *cum-div.* last week.

Induced by excellent buying orders, engineering shares recorded handsome improvement in values. T. Maneklals forged ahead from Rs. 330 to Rs. 350. New Standards jumped up by Rs. 16.50 to Rs. 186. Telcos spurted by Rs. 15.50 to Rs. 313. Alcock Ashdowns advanced by Rs. 14 to Rs. 278. Premier Constructions and Cooper Engineerings hardened by Rs. 10 each to Rs. 196.50 and Rs. 189, respectively. Khandelwals strengthened by Rs. 5 to Rs. 92. Larsen and Toubros by Re. 1.25 to Rs. 39.25. Mahindras by Re. 1.40 to Rs. 22, Kamanis by 76 nP to Rs. 17.48 and Texmacos by 44 nP to Rs. 23.60.

In the miscellaneous section, dyes and chemicals were bid at higher levels. Colour-Chems shot up by Rs. 56.25 to Rs. 370 on reports of excellent earnings in the current year. Amar Dyes spurted by Rs. 25 to Rs. 385, new shares gaining Rs. 27.50 to Rs. 365. Synthetics and Chemicals advanced by Rs. 22 to Rs. 150, Indian Dyestuffs by Rs. 17.50 to Rs. 467.50. Poly Chems by Rs. 16.25 to Rs. 238.75, Dharamsi new shares by Rs. 11.25 to Rs. 223.75, Alembics by Rs. 8.75 to Rs. 265, Dhrangadhras by Rs. 4.25 to Rs. 126 and Citrics by Rs. 4 to Rs. 60. In the rayon group, Baroda Rayons improved by Rs. 16 to Rs. 140. South Indian Viscose rose by Rs. 9.50 to Rs. 148. National Rayons put on Rs. 7 to Rs. 514. Indian Rayons gathered Rs. 3.50 to Rs. 68.50 and Gwaliors 65 nP to Rs. 44.50. Among other miscellaneous scrips, Anil Hardboards were marked up by Rs. 25 to Rs. 305. Laxmi Starchs increased by Rs. 17 to Rs. 185. Ceat Tyres improved by Rs. 15 to Rs. 241.25 and Premier Tyres by Rs. 8 to Rs. 106. Bombay Burmahs strengthened by Rs. 11 to Rs. 566.50. Voltas appreciated by Rs. 9.25 to Rs. 270.50 on the Chairman's statement about the expansion of the Company's activities. Wimcos gained Rs. 8 to Rs. 273, Indian Hume Pipes Rs. 5.50 to Rs. 175, Greaves Cottons by Rs. 3.50 to 160, Hindustan Levers by Rs. 2.50 to Rs. 46.50. Asian Cables by Rs. 2 to Rs. 111.50, Tata Oils by Re. 1.80 to Rs. 76, Investment Trusts by Re. 1 to Rs. 81 and Philips Carbons by 36 nP to Rs. 18.12.

• • • •

Madras Stock Exchange

MADRAS, 22nd *February*

In distinct contrast to the dull conditions noted last week, the Stock Exchange depicted a firm trend during the week under review, thanks mainly to revival of investment buying on a large scale. The sentiment was aided by encouraging advices from Bombay and Calcutta markets. The absence of fresh imposts in the Railway Budget also imparted some strength. Textiles put on a cheerful appearance on renewed reports of increased cloth offtake as well as *improvement in new cotton supply position*. Tea shares attracted good attention induced by strong demand for tea at auction centres. Coffees and rubbers were well maintained. There were larger enquiries in the sugar section on hopes of sugar export to the U.S. Electricals, banks and miscellaneous shares also met with good demand.

In the textile section, Bangalore Woollens advanced by Re. 1.50 to Rs. 196.50. Maduras moved up from Rs. 35 to Rs. 36.50, before closing at Rs. 36.25. Travancore Rayons rose initially from Rs. 33.90 to Rs. 35.10, after being higher still at Rs. 35.60. Lakshmis spurted by a rupee to Rs. 155. Buckinghams and Coimbatore Cottons both gained a like amount, the former to Rs. 193 and the latter to Rs. 170. Radhakrishnas put on 30 nP to Rs. 29.65 and Kotharis 10 nP to Rs. 12.35. Dhanalakshmis were fully steady at Rs. 216 *cum-div.* The Directors of the Company have maintained the dividend for 1960 at the previous year's level of 17½ per cent taxable. Coimbatore Pioneers were firm at Rs. 330, Metturs at Rs. 367 and Premiers at Rs. 225. Vasantas, however, encountered selling and were marked down by Rs. 3 to Rs. 242. Cannanores lost Rs. 2 to Rs. 144. Coimbatore Spinnings shed Re. 1.50 to Rs. 51.

Among teas, Parksides improved by 37 nP to Rs. 28.37. Nonsuchs improved by 35 nP to Rs. 26.75. Kil Kotagiris rose by 28 nP to Rs. 5.35 and Peermades by 25 nP to Rs. 22.55. United Nilgiris gathered 22 nP to Rs. 24.12, following the announcement of an interim dividend of 10 per cent taxable for the year ended March 1961. Periakaramalais hardened by 7 nP to Rs. 3.70, after declining earlier to Rs. 3.62. Blue Mountains eased from Rs. 3.90 to Rs. 3.86, but finished firm at Rs. 3.90. Devasholas were fully steady at Rs. 31, as also Chembras at Rs. 3.70.

In the coffee group, Consolidated Coffees rallied from Rs. 23.30 to Rs. 24.10. Coffee Lands advanced by 65 nP to Rs. 21.25. Ouchterlonys picked up 3 nP to Rs. 4.60, *despite the announcement of a* lower dividend of 13 per cent, taxable, for the year ended October 1960, which compares unfavourably with 15 per cent taxable last year. Cowcoodys were well fancied at Rs. 4.90, Anaparais at Rs. 4.70 and Amalgamateds at Rs. 13.65.

Among rubbers, Midlands spurted by 35 nP to Rs. 12. Cochin Malabars strengthened by 16 nP to Rs. 7.76; it had touched Rs. 7.86 earlier in the week. Kailas put on 4 nP to Rs. 5.05. Malankaras changed hands at Rs. 18, same as last week. But Travancore Rubbers declined by 53 nP to Rs. 9.87 and Rajagiris by 15 nP to Rs. 18.75.

Sugar shares generally tended to move up. Cauverys scored a gain of Re. 1.80 to Rs. 133.80 *ex-div.* East India Distilleries hardened by a rupee to Rs. 41. Deccans rose by 35 nP to Rs. 14.30. Travancores gathered 13 nP to Rs. 10.75. United Breweries were fully maintained at Rs. 112 and Indias at Rs. 12.75. Mysores were done at Rs. 58.25. The Directors of the Company have declared a dividend of 30 per cent, taxable, for the year ended June 1960, same as in the previous year.

In the electrical section, West Coasts firmed up by 13 nP to Rs. 13.50. South Madras gained 5 nP to Rs. 9.95. Cochins were steady at Rs. 10.25, Salem-Erodes at Rs. 12.25, and Vellores at Rs. 13.10.

Among banks Indias fully paids and partly paids were maintained at Rs. 171 and Rs. 143.50, respectively, as also Canaras at Rs. 85, Canara Bankings at Rs. 80, Punjab Nationals at Rs. 20 and Pandyans at Rs. 33. Indian Overseas, however, declined by 50 nP to Rs. 188.50.

Cements, chemicals and engineerings were partially strong in the miscellaneous section. Among cements, Travancores rose by 20 nP to Rs. 8.80. Indias moved up from Rs. 6.95 to Rs. 6.15, before closing at Rs. 6.10. Dalmias and Orissas were well maintained at Rs. 11.25 and Rs. 13.55, respectively. Among chemicals, Travancores moved up by 72 nP to Rs. 14.97 *ex-div.* F.A.C.Ts improved by 18 nP to Rs. 10.80 and Mysore Fertilisers by 5 nP to Rs. 10.95. Mysore Chemicals, however, came in for some selling and lost 63 nP. Among other industrials, South India Viscose elicited enlarged enquiries on reports of early commencement of production in the Company and climbed up by Rs. 5 to Rs. 150. Textools increased by a rupee to Rs. 173. Ashok Leylands gained 30 nP to Rs. 9. Aluminium Industries rose by 28 nP to Rs. 23.25, following the announcement of an interim dividend of 90 nP (taxable) on old and 30 nP on new shares. The Company has secured the Government sanction for the proposal to issue 45,000—7 per cent T. I. mortgage debentures of Rs. 100 each.

STEEL STRIP PROJECT

A new factory for the manufacture of cold rolled steel strip will be set up in the suburb of Bombay shortly. The project has been sponsored by Messrs. Graham Firth Steel Products (India) Private Ltd., a new company formed by Dr. Pranlal Patel, Mr. N. A. Nanavati and Mr. Dashrath Sinh in collaboration with the Graham Firth Steel Products Ltd. of Walsall in the U.K. The British company, which belongs to the well-known organisation of engineering group, namely, Brightside of Sheffield, will contribute one-third to the capital outlay of the project, the balance representing Indian capital. This was disclosed by Mr. A. R. Lancashire, Assistant Managing Director of the British company, at a Press conference in Bombay on Tuesday this week. In lieu of financial participation, the British company will supply complete plant, machinery, tools and other equipment, besides providing the necessary technical know-how. A notable feature of the collaboration agreement is that it does not involve any payment of royalty. And the Indian Company enjoys the free right to use the parent Company's trade mark, "Firsteel."

The new unit will initially have a capacity to produce 3,600 tons of finished steel strip on single-shift basis. The Company has plans to step up the capacity to 25,000 tons, "as soon as raw materials from Indian sources become available in plenty," particularly from the Rourkela steel plant. The first phase of the project comprises the manufacture of cold rolled steel strip, and after this a further programme to manufacture section rolling for automobile industry, lacquered strip for hardware and light metal industries, etc., will be undertaken. The steel strip to be produced by the Company will cater to the needs of a wide range of industries, such as automobile components, bicycle seat springs, handbag frames and radio components, all of which are at present affected by shortage of supplies as a result of stringent import restrictions. When the plant goes into full production (25,000 tons per annum), it is expected to result in a saving of Rs. 50-Rs. 60 lakhs in foreign exchange.

The factory is expected to commence operation in June-July next with straight line production which will be followed by manufacture of coils in October-November. To begin with, about 150 workers will be employed and the number is expected to increase to 700 later.

STATE BANK OF BIKANER

Steady progress was made by the State Bank of Bikaner during 1960, the first year of its working as a subsidiary of the State Bank of India. As against a loss of Rs. 2.96 lakhs for 1959, due largely to a heavy provision of Rs. 8.50 lakhs towards the staff gratuity fund, the Bank has been able to show a profit of Rs. 2.12 lakhs, the bulk of which, Rs. 1.50 lakhs to be precise, has been utilised to meet the bonus to the staff. Only a small sum of Rs. 50,000 has been used to strengthen the reserve fund. The following figures show the earnings, and expenses and net result, as also the variations in the balance-sheet items for the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Interest and discount earned	59.81	68.61	62.15	53.56
Commission and exchange	17.23	15.73	15.06	16.67
Interest paid	35.77	37.75	38.75	29.50
Expenses	41.47	47.42	34.96	29.98
Depreciation	1.01	1.18	1.03	0.74
Profit	2.12	—2.96	9.02	10.15
Provision for taxation	Nil	..	3.25	3.80
To reserves	0.50	..	2.00	2.50
„ gratuity fund	..	..	..	..
„ bonus to staff	1.50	..	1.33	1.80
Dividend	Nil	..	2.50	2.50
Carry forward	0.12	..	0.02	0.08

	As on 31st December			
	1960	1959	1958	1957
Paid-up capital	50.00	50.00	50.00	50.00
Reserves	12.50	27.00	27.00	27.00
Deposits	13,64.97	13,16.34	12,58.69	13,96.79
Borrowings from banks	0.08	1.46	65.00	Nil
Advances	7,69.52	7,96.06	7,06.47	7,26.76
Investments	5,48.17	6,06.96	5,39.70	5,15.50
Cash	1,83.51	1,70.78	1,89.78	4,50.89
Balance-sheet total	16,46.09	17,34.19	15,69.71	16,25.96
Ratio to deposits—	%	%	%	%
Advances	56.8	60.5	56.2	53.0
Investments	40.0	46.1	48.0	32.5
Cash	13.4	12.9	16.2	32.2

It will be seen that there has been a slight increase in deposits followed by an improvement in the cash position. The variations in advances and investments are only small. The contraction in reserves from Rs. 27 lakhs to Rs. 12.50 lakhs is not explained in the Directors' report. Evidently, it reflects a readjustment of the assets to their realistic value.

During the year under review, the Bank's sphere of activities was steadily expanded. As many as 11 new branches were opened in Rajasthan. Licences for opening branches at six more centres have been granted by the Reserve Bank of India and these will be opened during the current year. The Bank undertook a scheme for the provision of finance to small-scale industries and the total credit limit sanctioned to them aggregated Rs. 38.22 lakhs.

NEWS IN BRIEF

THE question of constructing an atomic power station at Delhi is under the consideration of the Central Government.

The Maharashtra Land Ceilings Bill has been referred to a 21-member joint select committee of the Legislative Assembly. The select committee is expected to submit its report by 16th March next.

The question of revising the wage structure in coal mines will be discussed at the next meeting of the Industrial Committee on Coal Mines to be held at the end of April next.

A sum of Rs. 8.3 crores (£6,206,000) has been paid by India to the World Bank for being credited to the Indus Basin Development Fund, as the first instalment of the total contribution of Rs. 83 crores.

Five applications (two from Poona and one each from Ahmednagar, Nanded and Dhulia districts) for licences to establish new sugar factories are being considered by the Government of Maharashtra.

In view of the "abundant supply of wheat," the Government of India is seriously considering the question of removing zonal restrictions on its movement, according to Mr. S. K. Patil, Union Minister for Food and Agriculture.

An eight-man delegation (leader: Mr. Chinubhai C. Jhaveri), sponsored by the Cotton Textile Export Promotion Council, has left for West African countries to explore the possibilities of expanding exports of textiles to those countries.

The Government of Maharashtra has decided to buy 16 bulldozers from Russia for being supplied to agriculturists in the State. This was disclosed by Mr. P. K. Sawant, Minister for Agriculture, in the State Legislative Assembly last week.

The Scindia Steam Navigation Company has taken delivery of the 12,699-ton m.v. *Jalakirti*, built by the Japanese firm, the Mitsubishi Heavy Industries at its shipyard at Kobe. This is the second vessel acquired by Scindias under the yen credit from Japan. With the new addition, Scindias' fleet has gone up to 56 vessels.

No agreement has yet been reached with the Japanese industry over the price payable for iron ore exported from this country in 1961, according to Mr. Satish Chandra, Union Deputy Minister for Commerce and Industry. Both the parties are, however, coming closer in their approach, following talks held at New Delhi and Tokyo recently.

Soviet Russia has offered to supply aircraft and helicopters to India against rupee payment. Disclosing this in the Lok Sabha, Mr. Ahmed Mohiuddin, Union Deputy Minister for Civil Aviation, observed that the offer had been communicated to all parties interested in the import.

The representatives of Air-India International and the Soviet Aeroflot, who met in Bombay this week, have worked out the basis on which Aeroflot would extend its present Moscow-Delhi services to Rangoon and Djakarta. Under the arrangement, Air-India will obtain the right to extend its service beyond Moscow.

A final decision is expected to be taken soon with regard to the proposal for a free trade zone at Kandla according to Mr. Raj Bahadur, Minister of State in the Ministry of Transport and Communications. The various issues arising from the proposal have been resolved in consultation with the Ministries of Finance and Commerce and Industry.

The cotton textile mills' production in January 1961 is provisionally placed at 153 million lbs. of cotton yarn and 443 million yards of cotton cloth. At the end of January, the composite mills of the cotton textile industry held an estimated stock of 271,000 bales (of 1,500 yards each) of cloth, comprising 177,000 bales of unsold cloth and 194,000 bales of cloth sold but not lifted.

Sixteen selected designs of low-cost houses for middle and low income groups, to suit hot-arid and hot-humid climates, have been printed in a booklet produced by the National Buildings Organisation of the Union Ministry of Works, Housing and Supply. The designs were selected out of 59 entries received for an all-India competition organised by the Organisation some time ago.

The Government of Gujarat has plans to set up coal dumps in industrial centres, such as Ahmedabad, Rajkot, Bhavnagar and Baroda, with a view to relieving shortage of coal. It is said that about 300 units in the State, including textile, ginning and chemical industries, have been affected by the coal shortage. The Madras Government has already decided to set up similar coal dumps at selected sites in the State.

The per capita consumption of fruits in India is estimated at 1.5 ounces. Juicy fruits supply about ten to twelve calories per ounce, fleshy fruits like mango and guava fifteen to twenty calories per ounce and dry fruits like dates about eight calories per ounce. Fruits are generally taken more for their valuable content of vitamins and minerals than for their caloric value.

An agreement was signed between India and the United Arab Republic at New Delhi last week, under which the U.A.R. will supply 50,000 tons of Egyptian rice in exchange for jute, tea and engineering goods, such as sewing machines, diesel engines, motor pumps, dry batteries, and also pharmaceuticals. It may be recalled that, in March 1960, India had signed an agreement with the U.A.R. for the import of 100,000 tons of rice, the rupee proceeds from which were utilised for purchasing Indian goods.

The price of unpacked ordinary Portland cement has been fixed by the Government of India at Rs. 104.60 per tonne f.o.r. (destination railway station) with effect from the 20th inst. The revised price excludes the packing charges of Rs. 17 per tonne of cement in 20 new or serviceable second-hand d.w. heavy cess jute bags. The packing charges, which will be effective only upto 31st March, may be revised by the Government depending on the fluctuations in jute prices.

The Railway Testing and Research Centre has evolved a method to utilise the loco coal-ash as a building material. Coal-ash, it has been found, can be used with advantage as an aggregate in masonry works. For areas where clay bricks are costly and stone is not available, concrete made with coal-ash has been found to be a competitive substitute. Steam locomotives drop more than 1.5 million tons of coal-ash annually on the Indian Railways.

The 4,700-ton suction hopper-dredger, *Churni*, built by the Scottish firm of Simons-Lobnitz Ltd. for the Port of Calcutta, was launched at Glasgow on the 16th inst. The *Churni* is sister ship to the *Bhagirathi*, launched in 1957 from the same shipyard. It will trail a section pipe on the river Hooghly, and can fill the silt into its own hopper or container (which can carry 3,000 tons). It will operate away from port for anything up to three weeks at a time, and has a complement of over 100.

The Central Water and Power Commission has undertaken reconnaissance surveys for locating sites for hydro-electric projects over the river Chenab in Jammu and Kashmir State. These surveys include geological mapping, boring of holes, penetrometer tests and geophysical investigations. Preliminary investigations show that a large hydro-electric power potential is available on the river Chenab. The Indus Waters Treaty places no restriction on the quantum of electric power that India may tap from this river.

The proportion of actual cultivators among depositors at Central warehouses rose from 10 per cent in December 1960 to 21 per cent in January 1961. A study of the custom handled during the month shows that the percentage of producers at Devangere (Mysore) Central Warehouse was as high as 85. The same exceeded 60 at other Central warehouses, such as Amravati, Sangli and Akola (Maharashtra), Warangal and Guntur (Andhra Pradesh), Gadag (Mysore) and Theog (Himachal Pradesh). The Central Warehousing Corporation opened last month warehouses at Trichur (Kerala) and Nadiad (Gujarat). Steps are also being taken to open warehouses at Hyderabad and at Sheorafhulli and Sainthia in West Bengal. After these warehouses are opened, the Central Corporation will have a total of 38 warehouses. At the end of January last, Central Warehouses had a total storage capacity of about 1.6 million maunds. Stocks stored in these warehouses aggregated 1.06 million maunds.

• • • •

From Abroad

A geological survey conducted by Soviet experts at Queen Maud Land in Antarctica has indicated the occurrence of large deposits of gold, diamonds, iron, mica and other minerals.

The total savings of private individuals in West Germany rose from DM 6,986 million in 1959 to DM 7,087 million in 1960. The aggregate value of saving accounts in the country rose by D.M. 8,075 million in 1960, as against an increase of DM 8,166 million recorded in 1959.

The number of unemployed in Canada rose in the middle of January to 693,000—the highest figure in the last 15 years. It was higher by 146,000 over a year ago and by 56,000, as compared with the previous post-war peak of 637,000 touched in March 1958.

The Ford Motor Company in Britain has decided to return to full-time working, following the recent improvement in car sales. The Standard Triumph International and Vauxhall will also put the majority of its labour force back on a five-day week. The British Motor Corporation is planning to introduce an extra shift for a second batch of its employees.

The number of cars owned by workers and employees in West Germany increased from 229,000 in the middle of 1954 to 2.11 million, or an increase of 823 per cent. in July 1960. It accounts now for more than 50 per cent of all cars licensed for circulation in W. Germany. A particularly steep rise took place in the number of automobiles owned by workers, which went up from 52,400 to 691,000.

The Government of Iceland has entered into a stand-by arrangement with the International Monetary Fund for the supply of $1,625,000 for financing the country's continuing programme of economic stabilisation. When this programme was undertaken a year ago, the Government obtained a drawing from the Fund of $2,812,500, and an additional stand-by arrangement for $5,625,000 of which $4 million was subsequently drawn.

The British firm, Messrs. Priestman Bros. Ltd., has secured an order for 167 crawler universal dragline excavators from Poland. Total value of the order—machines and equipment—is about £650,000. The British firm has been making earth-moving machinery for nearly 80 years, and regularly exports its products to India, Burma, Ceylon, Malaya, Pakistan, Thailand, and several countries in Africa and other continents.

PERSONAL

MR. G. P. J. De Clermont, Chairman of Messrs. De Clermont and Donner Ltd., London, and its subsidiary, the South Indian Export Company, Ltd., Madras, is on a tour of this country. He is visiting Madras, Hyderabad, New Delhi and Calcutta in connection with South Indian Export's affairs and, in particular, to discuss with Government officials the possibilities of increasing exports of hides and skins from India.

Mr. Alexi Kosygin, Soviet First Deputy Chairman of the Council of Ministers, has arrived in India to study the prospects for increased Indo-Soviet economic co-operation. He is accompanied by Mr. S. A. Shackov, Chairman of the Soviet State Committee of Economic Relations with Foreign Countries, Mr. G. M. Pushkin, Deputy Minister for Foreign Affairs, Mr. P. C. Ivanov, Deputy Chairman of Gosplan and Mr. K. N. Plotnikov, Director of the Institute of Economics under the Academy of Sciences.

The U.K. accounted for 26.9 per cent of the total industrial output in Western Europe (excluding Iceland, Spain and Switzerland for which figures are not available). West Germany ranked next, its share being 26.7 per cent. France and Italy contributed 16.2 per cent and 10.3 per cent, respectively. The total industrial output in the Common Market accounted for 60.86 per cent and E.F.T.A. for 36.85 per cent.

West Germany and Japan have been quicker than the U.K. in seizing the increasingly wealthy markets of the oil States in the Middle East according to an article published in the British Treasury's *Bulletin for Industry*. The article points out that the U.K. has been losing ground since 1957 and reminds the exporters that, with its prospect of increased foreign exchange earnings, the region constitutes a market "well worth a keen sales effort."

The volume of Sweden's industrial production in 1960 reached a new peak, being higher by 8 per cent, as compared with the previous year. This is the largest increase for any year over the past decade and compares with a rise of 3.7 per cent. in 1959, 1.8 per cent in 1958 and a previous peak of 6 per cent in 1955. The average annual increase over the past ten years is 3.4 per cent. The overall 8 per cent increase in 1960 was composed of a 9 per cent increase for capital goods and a 5 per cent rise for consumer goods.

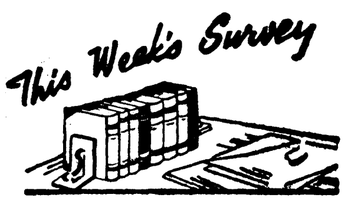
The basic year of the West German cost-of-living index has been changed from 1950 to 1958. The revision is a sequel to the considerable changes which have taken place in consumer habits in the country in the last few years. The general rise in incomes enabled the average consumer not only to buy more goods but also to shift demand to more diversified and higher-quality goods, especially durables. The new cost-of-living index, taking 1958 as 100, stood at 103.1 in December 1960.

The annual rate of fixed investment in the U.K. rose by almost 50 per cent in real terms in 1959, as compared with 1950. The proportions of total fixed investment in public and private sectors varied over the period, with the share of the public sector at its height—55 per cent—in 1953 during the housing drive. The private share of all fixed investments other than housing was 62 per cent in 1950, 52 per cent in 1953 and 56 per cent in 1959. In 1959, the manufacturing industry took 22 per cent of total fixed capital formation, housing 18 per cent and distribution and other services 16 per cent.

The three-day conference of the Seven European Free Trade Area countries, which ended at Geneva on the 18th inst., decided to accelerate the rate of tariff reductions among themselves. It also proposed to admit Finland to their trading bloc, probably by the creation of a new eight-nation Free Trade Area. The conference expressed its readiness to begin negotiations with the Six Common Market countries, whenever the latter wished. It may be noted that, prior to this conference, the Six held a meeting in Paris at which France agreed to hold technical talks with the U.K. on subjects, including the suggestion of a customs union. These talks are scheduled to be held on Monday and Tuesday next week at London.

World production of steel touched an all-time record of 355.6 million net ingot tons in 1960, representing an increase of 35 million tons over the previous year. All the major steel producing countries lifted the output to new peaks, barring the U.S. which accounted for 27.9 per cent of the total (99.3 million tons), which compares unfavourably with 29.1 per cent in 1959. Japan scored the highest rate of increase last year, boosting its production by 33 per cent to 24.4 million tons, ranking fifth behind the U.S., the Soviet Union, with 72 million tons, West Germany with 37.6 million tons and the U.K. with 27.2 million tons. Soviet output rose by 6 million tons, or 9 per cent., from 1959. Italy gained 21 per cent, the U.K. 20 per cent, West Germany 16 per cent and France 14 per cent.

Direct investment by U.K. private companies overseas increased from £145 million in 1958 to £178 million in 1959—a rise of 23 per cent. At the same time, investment in the U.K. by foreign companies rose from £87 million in 1958 to £126 million in 1959, an increase of 45 per cent. About three-quarters of this increase was accounted for by the U.S. Both sets of figures exclude oil and insurance. The excess of earnings of U.K. direct investments abroad over those of overseas interests in Britain shows that the U.K. balance of payments benefited in 1959 on current account to the extent of £92 million, as compared with £102 million in 1958. Earnings of overseas branches, subsidiaries and associates of U.K. companies rose from £196 million in 1958 to £222 million in 1959, an increase of 13 per cent.



ENGINEERING INDUSTRIES IN WESTERN INDIA

WHILE the major part of heavy engineering capacity is concentrated in Eastern India, light engineering industries are located largely in Western India. The entire group of engineering industries in Maharashtra alone, employing about 150,000 workers, is second only to the cotton textile industry with its 280,000 workers. Impressive, too, is the range of items produced by these industries. Diesel engines, power-driven pumps, oil expellers, foundry products, railway wagons, machine tools, automobiles, bicycles, typewriters, sewing machines, bolts and nuts, electric motors and fans, power and distribution transformers, domestic refrigerators, radio receivers, house service meters, textile machinery, sugar mill machinery and machinery for chemical plants are foremost among the engineering goods produced in quantity in this part of the country. There is scope for further development of these and other engineering industries in Maharashtra, thanks to some favourable factors like the increase in the production of pig iron and steel in the country, the availability of substantial power from the Koyna Project, the programme of rural electrification carried out by the State Electricity Board and the recent constitution, by the Maharashtra Government, of the Board of Industrial Development. Much is expected especially from this Board which will be concerned with the creation, in suitable areas of the State, of such basic facilities as roads, drainage, water and power so as to attract industries to them. Above all, there is no dearth of venture capital or entrepreneurial skill, at any rate, in Western India, and this augurs well for the industrial future of the two new States—Maharashtra and Gujarat.

In highlighting these hopeful features of the industrial situation in his presidential address at the fourteenth annual general meeting of the Engineering Association of India, Bombay Region, held early this week, Mr. J. V. Patel did well to bestow equal attention on the not-so-hopeful features. The most pressing problem facing the engineering industries in Western India is the shortage of coke. The rising trend in manufacturing costs due to increases in the cost of raw materials, in wages and, to some extent, in the cost of credit itself, is another. There is also the drawback that Western India does not possess an adequate network of roads, both highways and feeder roads; in fact, this highly industrialised region has only 0.19 mile of road for every sq. mile of area, as against 0.26 mile in the country as a whole. Yet another problem is the tendency on the part of labour unions to terminate all too frequently the awards of industrial tribunals regardless of the fact that these awards have a long-term significance in the sense of being intended to ensure stable conditions in the industry over a long period. And, lastly, the lack of adequate telephone connections is a serious handicap to the industries which have been newly established in the suburbs of Bombay.

Mr. J. V. Patel was not content with merely listing these problems but actually suggested practical solutions for some of them. In the first place, his plea for the revival of a ten-year old proposal of the Government of India to set up large coal and coke dumps in various parts of the country is most appropriate, because the industrially advanced region of Western India is far removed from the sources of supply of these vital raw materials. If this proposal is implemented, it will also ease the pressure on rail transport inasmuch as coal and coke can be moved to regional centres during the slack season between June and October, when the demand for wagons is much less than their availability. It is gratifying to know from the speech of Mr. Y. B. Chavan, Chief Minister of Maharashtra, at the meeting of the Association, that the Coal Controller has recently suggested an identical scheme for the creation of dumps to which block rates of coal and coke could be removed and that this scheme might be enforced from April next. The force of Mr. Patel's suggestion that the State Government should discourage the tendency on the part of labour unions to terminate the awards of industrial tribunals has, on the other hand, not been recognised by the Chief Minister. Nor has Mr. Chavan recognised the need for developing the State's road system on a high-priority basis, as suggested by the Chairman of the Engineering Association.

On one other point, namely, the proposed creation of a joint sector in industry, there is fortunately virtual identity between the approach of the Engineering Association (which, with its membership of 175 large and medium engineering units in Western India, represents almost every branch of engineering) and the Chief Minister. The broad welcome, accorded in Mr. Patel's speech to the proposal, now under the State Government's consideration, for setting up industries with 49 per cent participation of Government and 51 per cent private capital with option to the State to purchase an additional two per cent of private holdings, has no doubt been appreciated by Mr. Chavan. But it is rather surprising that the Chief Minister has not recognised the wisdom of Mr. Patel's remark that the management of the proposed joint undertakings should be entrusted to experienced men drawn from private industry and that, in fairness to private industry, such joint enterprises should be subjected to the rigours of the same laws as govern and regulate private enterprise today. Since management, not so much ownership, is the crux of the matter, any failure on the part of Government to ensure the efficient management of joint enterprises will provide an occasion for the exercise of option by the State to purchase an additional two per cent of private holdings. That will amount to giving the dog a bad name and hanging it. If the Government's aim in thinking of joint projects "is to make the best possible use of available talent, resources and management ability for the benefit of the community," Mr. Patel's patently correct view, namely, that stable management of these enterprises by experienced individuals from the private sector will ensure their profitability, should logically gain acceptance at the higher level.

DEVELOPMENT AID: THE EMERGING PATTERN

The Kennedy Administration in the United States is dedicated to "the construction of a sound, growing economy for the entire non-Communist world." But it is by no means clear that all other advanced nations of the Atlantic Community are equally ardently dedicated to a primary goal of this kind. The present American expectation, which finds succinct expression in President Kennedy's recent message to the Paris meeting of the North Atlantic Council, is that the nations of Western Europe should "commit an equitable proportion of their own growing resources to the common effort of economic development (in Asia, Africa and Latin America), as well as to the tasks of the common defence." It would be an uncharitable approach to attribute this American expectation to balance of payments difficulties alone. Of course, these difficulties are there, but the need to ensure the stability of the dollar is not purely an American need, because the entire free world dedicated to democracy has a stake in such stability. More than balance of payments difficulties, it is the lack of an equitable system for sharing the burden—which alone can sustain a common interest in economic growth for the preservation of freedom in the less developed countries of the world—that has led President Kennedy to propose that the nations of the Atlantic Community should "work together in a new intimacy in the O.E.C.D." and thereby "come firmly to grips with this fundamental problem of aid."

There is no suggestion in all this that the United States wants to reduce its commitments. In fact, President Kennedy himself has clearly stated that "the United States, because of its larger resources, is prepared to bear a heavy share of this burden. This will be undoubtedly so, because the aid requirements of the underdeveloped world in the sixties will be much larger than in the fifties and the American share, in absolute terms, of the burden will also be correspondingly bigger. For instance, the recent Millikan Report on aid to India is reported to have recommended to President Kennedy that the United States should give India aid to the tune of at least $2.5 billion for its third Plan, over and above the generous provision of American agricultural surpluses, as against its total requirements of $5.5 to $6.0 billion estimated in the report. If the U.S. Government also makes commitments, here and now, on the extent of its aid over the first two or three years of India's third Plan, other advanced countries will be more easily persuaded to make similar pledges. The Millikan Report, which has taken this line, is itself illustrative of the point that American aid to underdeveloped countries in the sixties will be much larger than in the fifties.

All this prospective aid will be in the form of foreign exchange. It does not take into account the aid in the form of supply, on long-term credit repayable in local currencies, of American agricultural surpluses like wheat, rice and cotton. This latter aid itself underlines the need for substantial help in terms of foreign exchange, for, as the American Wheat Utilisation Mission (which was appointed by a Food-for-Peace conference in Washington in May 1959, in which several wheat-producing countries participated) has stated, the recipient countries would also require some foreign exchange for essential goods and services so as to make the best use of the wheat supplies received. The recognition that the provision of additional foreign exchange requirements is an essential and complementary act to the provision of wheat on concessional terms is a salutary one. The argument here would have to be understood in the sense that the development projects, financed by counterpart funds, should be the ones which, with their essential foreign exchange component on account of capital goods, machinery, technical know-how, etc., will contribute to self-sustaining growth. In other words, development projects should not be taken up just because the counterpart funds are available to be drawn upon; on the contrary, they should be drawn upon only to finance what would have been planned even otherwise, so that the need for deficit financing would be reduced as far as possible. Otherwise, the spending of counterpart funds would not only nullify the beneficial counter-inflationary effect of the original sale of surplus foodgrains but may even add to the inflationary effect of deficit financing. In short, if counterpart funds are availed of for financing development projects, there should be a corresponding reduction in the quantum of deficit financing.

Surely, in stressing this sensible approach, the Wheat Utilisation Mission has rendered a distinct service to India. The basic aim must be not to inflate the costs of the more crucial industrial projects in both the public and private sectors—projects which alone will bring about, sooner or later, self-sustaining growth. In the present preparatory stage of devising ways and means of pooling development aid on a larger scale in the sixties, the role of American agricultural surpluses is also bound to be brought into proper focus. In this focus, the indirect contribution of the other wheat-exporting countries (whose commercial marketings have declined in the wake of disposal of American surpluses on concessional terms) to the overall development of the normally wheat-importing poorer countries will be recognised. This indirect contribution is by way of a saving in foreign exchange which would otherwise have to be spent on wheat imports at the usual or an increased level from such countries as Canada, Argentina and Australia. In a way, therefore, the American approach to aid for developing countries is calculated to bring a number of other countries—both advanced and not so very advanced—into a wider and broader partnership for sustaining economic growth in the non-Communist world.

A LESSON WORTH LEARNING

The existence of a sellers' market for skilled labour is not a phenomenon confined to underdeveloped countries alone. Most of the advanced countries of the West face the same problem. In a sense, their position is worse, because they are unable to get enough hands even to train them up for skilled avocations. Thus, in these countries, there is an absolute scarcity of labour, while, in underdeveloped countries, the problem is one of relative shortage of skilled workers, because there is no dearth of labour as such.

Reporting the world-wide shortage of skilled workers of all categories, the American news magazine *Time* recently listed the various ingenious devices adopted by employers in developed countries to attract workers. With unfilled vacancies of the order of 524,000 and an unemployment figure of 116,100 out of a total work force of 20.30 million, West German employers, for instance, advertise many side attractions for workers. One Dusseldorf department store advertising for sales girls promised: "If you live out of town, we have pick-up points. You meet interesting people, are offered free lunch and given a 15 per cent discount on every thing in the store." In the Netherlands, a department store tried to attract sales girls by sponsoring dancing, music and foreign-language lessons. Some Australian firms now supply free transport for employees between the factory and key pick-up points. Denmark has such need for labour for essential construction projects that the Government is restricting private building activity.

Many a manufacturer in Western Europe is said to be realising that the only way to get skilled workers is to train them himself. In fact, many firms are already doing it. Europe's biggest aluminium producer, Pechiney, for example, is reported to be taking promising workers off the production line and sending them back to school to get them trained. In Brazil, such foreign automobile firms as Mercedes-Benz, General Motors, Willys-Overland, Ford and Volkswagen have not only set up their own factory training schools but also send technicians and potential executives to schools and technical institutes abroad.

The opposition against immigration, for fear that it will deny the sons of the soil job opportunities, has now turned into welcome in many countries. In fact, West Germany, according to *Time*, has set up recruitment centres in Athens, Madrid, Naples and Verona and had imported 95,000 workers from Italy, Greece and Spain last year. A Rotterdam shipbuilding firm is said to be planning to import even Chinese from Hong Kong to fill up the 1,800 vacancies in its works.

It should not be supposed from all this that shortage of technical personnel means dearth of engineers and technologists. The latter are no doubt in short supply, but the dearth of skilled operatives is even more acute. The situation has become so serious even in Britain, that the British Employers' Confederation has now gone to the extent of blaming employers for hanging on to a class of workers which are no longer available instead of finding out ways of ensuring maximum economy in the use of technical man-power. It is noteworthy that the Federation of British Industries recently observed that, in future, increases in industrial output must depend upon further capital investment designed to save labour.

Engineering companies in the Midlands and South, according to the British Employers' Confederation, are being prevented from increasing output by shortage of almost every class of skilled workers, such as turners, fitters, machine setters and operators, tool makers and precision fitters, draughtsmen, erectors and sheet iron and metal workers. Mr. Selwyn Lloyd, Chancellor of the Exchequer, put the position in a nutshell when he observed a few days ago that "there are four vacancies for every unemployed man in the main skilled engineering trades."

Engineering industries are not the only ones in Britain which find themselves in this difficult plight. Carpenters, joiners, bricklayers, plasters and all types of building and civil engineering trades men required by the respective industries are wanted all over the country. Women workers, too, are in short supply in the London and South Eastern clothing industry. In Scotland, there is persistent difficulty in meeting demands for skilled labour, particularly in engineering, and shortage of these grades of workers is preventing a rise in the demand for unskilled workers, too.

This critical position in the U.K. has encouraged employers to store labour, as it were. This has provoked the Confederation to snub the employers "who are content to hang on to labour they can no longer fully employ in the foreseeable future." It has also blamed trade union leaders, who have a vested interest in keeping labour in their crafts in short supply, and who cry redundancy every time men have to change their jobs, "even though they may only be going across the road for something just as good."

The Confederation has, however, a solution to the problem. It is the same as the one it prescribed early this year, when it started a campaign to persuade unions and employers to co-operate in the task of increasing labour efficiency, namely, "unprecedented economy in the use of manpower." The Confederation holds that the present labour shortage would persist, unless there were to be a recession more serious than anything that Britain has encountered for some years. The most likely cause of a recession, if it were to come about, according to the Confederation, would be Britain's loss of competitive power brought about by high production cost resulting from the failure to make maximum use of the available manpower.

The old adage, only fools learn from their experience, wise men learn from the experience of others, is as much true of nations as of individuals. The aforesaid development in Britain and other Western countries should provide an object lesson for India which is currently engaged in expanding the facilities for technical education in the country. If as much attention as is now bestowed on turning out engineers and technologists is not devoted to training skilled workers, an acute shortage of the latter will be a persistent bottleneck even after the country has progressed much in the field of engineering education.

SOVIET AID FOR THIRD PLAN

The Indo-Soviet Aid agreement signed by representatives of both countries at New Delhi on the 21st inst. is yet another concrete evidence of the keen interest evinced by U.S.S.R. in the success of India's third Five-year Plan. According to this agreement, India will get Soviet credit to the tune of Rs. 60 crores—a figure made known nearly a year ago—for financing as many as six major power and oil development projects. These are: (1) a hydro-electric power station at Bhakra, with a total capacity of 480,000 kw., (2) an oil refinery in Gujarat having a refining capacity of two million tons of crude oil, (3) a coal washery with a capacity of 3 million tons in Bihar, (4) a refractories plant near Bhilai for the production of about 125,000 tons of magnesite and fireclay products per year, (5) exploration, development and production of oil and gas by the Oil and Natural Gas Commission in Cambay, Ankleshwar and in other areas, and (6) preparation of techno-economic report for the production of pumps and compressors.

As was feared when actual estimates of the cost of the projects to be financed by Soviet credit were made, the proposals for the ball and roller bearings and industrial instruments projects have been dropped, presumably because the credit line is insufficient to cover them. It is estimated that the foreign exchange requirements of these two projects would be of the order of Rs. 8 crores and Rs. 5 crores, respectively.

The agreement stipulates that the U.S.S.R. should prepare detailed projects report and drawings, supply equipment, machinery, spare parts and other materials as well as render technical assistance in the setting up of these projects and putting them into operation.

The present credit of Rs. 60 crores brings the total Soviet assistance to India so far to Rs. 384.56 crores, the second largest offered by any foreign country, next only to the U.S., which tops the list of assisting countries, accounting for asmuch as Rs. 1,480.32 crores as at the end of 31st December 1960. It is noteworthy that the entire Soviet assistance (barring a negligible sum of Rs. 1.15 crores in the form of gifts of machinery and equipment) is in the form of medium-term loans for a period of twelve years bearing interest at 2½ per cent. As compared with this, as much as 34 per cent of U.S. assistance to India consists of grants, only the balance being loans.

NEW PAPER MACHINERY FACTORY

Three Scottish firms have formed a Rs. 10-lakh consortium to establish at Calcutta a factory to produce paper-making machinery. Mr. John Kidd, Managing Director of Bertrams Ltd., of Edinburgh, is visiting India shortly to settle arrangements on behalf of the consortium with the Indian Government. The three firms are Bertrams Ltd., Ernest Scott & Co. (a subsidiary of Henry Balfour Ltd., Leven, Fife) and James Bertram and Son Ltd., Edinburgh. Already, negotiations with the Indian Government are "well advanced," according to a spokesman for the firms in Edinburgh. Work on the conversion of a former jute mill at Calcutta into the consortium's plant is nearly complete, and paper-making machinery is expected to be produced there within the next few months. Mr. Kidd told a reporter recently:

"Our three firms have joined forces to start up in India, because that is the satisfactory way of doing business there. Machinery and technical men have already been sent out. When the factory is in full production, it will employ 500 local workers. Initially, a staff of Scottish technicians will be used to train them."

1936-1961

Today We Celebrate

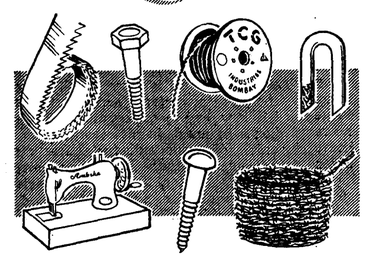
Our Silver Jubilee

From an insignificant beginning at Lahore twenty-five years ago we have gradually grown through the years and carved for ourselves a niche in the business world.

We pride ourselves in being pioneers in the manufacture of coach screws and as the leading importers of Iron, Steel and Hardware materials. We also manufacture Barbed Wire, Staples, Sewing Machines, all types of Band-Saws, special types of Bolts and Nuts and Roofing Screws.

With foreign Technical Collaboration we are installing a most modern plant for the manufacture of Steel Stranded Wires and Wire Ropes of all thicknesses and construction—the second of its kind in India. This plant will go into production in May/June 1961.

Today, we pledge the wealth of our vast experience in our varied fields, in giving our clients the very best for their money.



Tarachand Gupta & Brothers

Iron, Steel & Hardware Merchants

116, Narayan Dhuru Street, Bombay-3.

Tel: 30141 Steel Office: 39785 Works: 68050 Grams: "GUPTABROS"

Associates:- T. C. G. Industries Private Ltd.
Ambica Sewing Machine Co., Pvt. Ltd.
Nandlal Sons Private Ltd.
Mehta Iron & Cement Mart

25 YEARS SERVICE

ON THE ARENA

By The Archer

The Story of Titanium Dioxide

READING through the speech of the Chairman of the Tariff Commission in opening the public inquiry into the question of continuance of protection to the titanium dioxide industry beyond 31st December 1961, I find the following points of interest:

The Travancore Titanium Products Ltd. (T.T.P.) continues to be the only indigenous manufacturers of titanium pigment, although another unit has been licensed in Maharashtra State to produce 4,470 tonnes of the pigment per annum and is expected to commence production in 1963. The apparent market for the pigment in the country during 1960 on the basis of indigenous sales *plus* imports was about 4,500 tonnes. T.T.P's present capacity is about 2,947 tonnes and it is expected to raise it to 3,658 tonnes, when it completes its present expansion programme. T.T.P's production during the eleven months ending November 1960 was 2,503 tonnes, all of the anatase variety. There is indigenous demand for the rutile type of the pigment but no indigenous production, and imports are being allowed to actual users. The indigenous demand for titanium dioxide, both rutile and anatase, is estimated by the Development Wing of the Ministry of Commerce and Industry, at about 5,100 tonnes for 1961, 6,100 tonnes for 1962, 8,100 tonnes for 1963 and 9,100 tonnes for 1964. These are estimates based on present trends, but, as the pigment has not yet been tried out fully in all its possible uses in a wide range of industries and as substitute for other white pigments, the demand might well go up steeply if larger quantities were made available both of anatase and rutile variety.

All these are in the nature of background material for my story which will, however, centre round the fact that T.T.P. has not yet been allowed any concession in the price which it has been asked to pay for the basic raw material, namely, ilmenite.

The beach sand deposits of ilmenite in Travancore have been highly rated both in the U.K. and the U.S. by manufacturers of titanium dioxide. Exports of ilmenite to those countries commenced in 1924, with a few hundred tons, and registered a progressive increase till 1939 (237,834 tons) but the material fetched only Rs. 6 per ton during the years 1935 to 1939. After 1947, the overseas price steadily went up year after year, till it touched about Rs. 50 per ton in 1955 when exports were maintained at round about 211,000 tons per year. The ilmenite sands in the area between Trivandrum and Cochin, particularly round about Quilon, are stated to contain about 60 per cent of TiO_2 (titanium dioxide), while deposits elsewhere in the world, barring Canada (64.50 per cent), contain much less, as for instance, U.S. (50.26 per cent), Malaya (52.85 per cent), Australia (46.28 per cent), and Norway (43.77 per cent). Further, the deposits in Kerala are reported to be inexhaustible, are easily processed at spot and as easily exportable from the nearby Cochin port. These factors weighed with the Government of Travancore State when, in the year 1946, they finalised negotiations with the British Titan Products Ltd. (B.T.P.) to promote and manage a public limited company called the Travancore Titanium Products Ltd. (T.T.P.) to manufacture titanium pigment. The company had seven major shareholders of whom three were important: The Travancore State Government with 51 per cent of shareholding, British Titan Products with 22 per cent, and A. & F. Harvey Ltd., Madurai, with 11.6 per cent. Holdings of members of the public amounted to only 0.47 per cent. The total capital was Rs. 73.10 lakhs, and, I believe, the pattern of holdings and quantum of invested capital remains the same at present. All the material that I have collected regarding this industry is from the three published reports of the Tariff Commission, dated 1953, 1955 and 1957.

With fifty-one per cent of State Government holding, the Company is virtually a public sector undertaking, although its management has all along been in the hands of a subsidiary of the foreign technical collaborators which was administratively controlled by Messrs. A. & F. Harvey Ltd. Yet, the developmental assistance which it has received both from the State Government and the Central Government has been very meagre, especially in relation to its enormous potential for saving and earning foreign exchange. Almost at the start of operations in the year 1952, the Company was faced with a poor indigenous market capable of an uneven annual offtake of under 300 tons, and a stock accumulation much in excess of this figure. Lack of working capital and of sale orders resulted in a shut down for some months. Eventually, the industry was protected in 1953 and a fair chance to develop was afforded by the restriction on imports of lithopone which was the chief competitor as an alternative pigment. It was, however, the advent of a large export order (arising from a world shortage of the pigment) which saved the Company from extinction in 1953-54, and from then on, there was a steady increase in the indigenous demand for titanium dioxide for a variety of industrial uses such as paints, rubber, printing ink, vitreous enamelware, rayon, textiles, linoleum, leather, polish, plastics, soap and paper.

About 2.15 tons of ilmenite are required for producing one ton of titanium dioxide. For a production of 3,000 tons of pigment, T.T.P. would require only about 6,450 tons of processed ilmenite, the usual annual export of which has been of the order of 200,000 tons. The sands containing ilmenite were the property of the State Government till about 1955-56, whereafter they were taken over by the Central Government as they contained strategic material for atomic energy purposes. In 1953, the Tariff Commission recommended that ilmenite should be delivered to T.T.P. at cost price (basic charge), namely, Rs. 18 per ton; the cost would then have worked out to Rs. 29 per ton to the Company after adding Rs. 11 towards transport, delivery and packing charges. The resultant saving to the Company in its cost of manufacture of each ton of titanium pigment would have been Rs. 67.5, because the price then charged to it was Rs. 48.67 per ton to which had to be added other charges of Rs. 11.33, making up a total of Rs. 60 per ton. The f.o.b. Atlantic seaboard price at the time being Rs. 170 per ton, T.T.P. would have also had the corresponding advantage over foreign producers in its cost of production. During 1954 and 1955, the recommendation was implemented by the State Government only to a partial extent by charging the Company a basic price of Rs. 28 as against the suggested Rs. 18.

When the ownership of the sands passed over to the Union Government in 1957, the charge to the Company was raised, and it would now appear that T.T.P. has to pay the same price as is being charged to exports. The very premises on which the industry was established in Trivandrum, namely, to avail itself of the natural advantages relating to procurement of the basic raw material at the lowest cost has thus been negatived. T.T.P. is a predominantly State-owned unit, and its requirement of raw material is only to the extent of about three per cent of what is annually processed, over 97 per cent of which is sold to its foreign competitors. The loss accruing to Government by granting this concession is very small, as compared to the great advantages accruing to the indigenous industry, and to the country. And, it should be borne in mind, in all other factors, this single unit indigenous industry suffers disadvantages as compared with the foreign units in the industry. Its plant is small in capacity, it has to pay more for sundry imported chemicals used by it in processing, and it has to pay heavily for sulphuric acid which is a raw material next in importance to ilmenite. About 4.15 tons of sulphuric acid (100 per cent) are required for the production of each ton of the pigment; the cost of sulphuric acid in India is much higher than in foreign countries as sulphur has to be imported from overseas. Till about the end of March 1960 T.T.P. was procuring the acid from Fertilisers and Chemicals Travancore Ltd. suffering heavy transport charges and bottlenecks. In 1955 the Tariff Commission recommended that the Company should be permitted to erect its own 50-ton sulphuric acid plant for economic working, and reiterated it in 1957. It has taken five years for this small project to materialise.

The need for expanding the plant for increasing production of pigment and reducing overheads was stressed from 1955, but the Company's expansion plans were held up for nearly five years. It is easy to see that both the State Government and the Central Government have failed to take account, in good time, of the need to provide the Company with the advantages which it had a right to claim in the matter of raw materials, nor have they realised the wisdom of permitting the Company to expand its plant to four times or even eight times its original project—schemes fully justifiable in the face of the increased internal demand for the pigment, and for achieving economies in cost of production and overheads. There would have been an exportable surplus, a sure foreign exchange earner. Imports of titanium dioxide to the extent of 1,375 tons during the first nine months of 1960 cost the country Rs. 33.43 lakhs at Rs. 2,430 per ton. If the single unit indigenous industry had been properly looked after, we might have saved this amount and, perhaps, earned an equal amount by exports. According to the Tariff Commission report of 1957, even without a concession in the price of ilmenite, and despite the disadvantage in the cost of sulphuric acid, the domestic fair price of titanium dioxide produced by T.T.P. was in excess of the landed cost of foreign pigment only to the extent of about five per cent. This disadvantage could have been easily got over by positive developmental assistance.

Such is the story of titanium dioxide. The U.S. and the U.K., which have been obtaining their ilmenite in ship loads from this country, were reported to be manufacturing over 300,000 tons and 45,000 tons, respectively, of the pigment in 1953 and the present figures must indeed be much higher. We in this country, with the basic raw material at the door of the factory, have moved only at a snail's pace from an annual output of 1,800 tons to 2,500 tons in a period of eight years! And this is in an enterprise in which capital investment to the extent of fifty-one per cent is owned by the Kerala State Government!

• • • •

"India, 1960"

This is the name of a book compiled by the Research and Reference Division of the Ministry of Information and Broadcasting, and issued by that Ministry's Publication Division. It is called a "Reference Annual," and, like the curate's egg, is good in parts. Unfortunately, it suffers badly in comparison with two similar foreign publications which I have been browsing through, namely, *Britain, an Official Handbook, 1960* prepared by the Central Office of Information, London, and *Facts about Germany* published by the Press and Information Office of the Federal German Government. The format of both these foreign books is excellent and in regard to substance, arrangement and presentation they are quite praiseworthy. Both have some excellent photographs, topical and illustrative of the historical and social life of the country. *India, 1960* has no photograph which may be an evidence of austerity but not artistry. The format is drab and the binding wobbly. But its worst features are the advertisements, some right in the centre of the book, and a large number at the end. They annoy a sensitive reader and remind one of the mercenary purpose of their inclusion. Among the contents are long lists of names of members of both Houses of Parliament, the State Legislatures, Ministers, officials, etc., which should not have found a place in a publication of this type. The Appendices include "Recommendation of the Official Language Commission," "Recommendations of the Pay Commission," Supreme Court Decisions, Film Awards, Awards of the Sangeet Nataka Akademi, Sahitya Akademi and Lalit Kala Akademi, Postal Rates, Taxation Rates, the Bombay Reorganisation Bill of 1960, all of which seem thoroughly out of place in an Official Year Book, and all constituting a strange assortment of obscure information. If a few hundreds of telephone numbers had been included, it would be the last straw. As it is, the book is like a *vade-mecum* diary, a postal guide, an exhibition souvenir and a civil list, all rolled into one, and could do with a great deal of editing, pruning, rearrangement and revision. In the preface to the book it is stated that "it does not, however, claim to be exhaustive." I shudder to think what it will be like when more material is shoved in. It may become exhaustive, but it will also be very exhausting, browsing through it.

FULL CONVERTIBILITY

BUT CONTROLS ON CAPITAL MOVEMENTS STILL CONTINUE

(From Our Own Correspondent)

LONDON, *17th February*

LONDON LETTER

THE Chancellor of the Exchequer has announced this week that the United Kingdom will accept the "full provisions of Article 8 of the International Monetary Fund." This means not so much that this country has taken a further step towards convertibility but that it has burnt its bridge of retreat back to currency restriction. Britain now joins the United States and Canada in full convertibility for sterling, and similar status is now being acquired by the countries of the Common Market, the Irish Republic, Sweden and Peru.

All these currencies will now be regarded by the I.M.F. as equivalent to gold. It will accept any of them in repayment of debts due to itself. If, therefore, a country draws on the resources of the I.M.F. to bolster up its currency reserves, it may use sterling to repay its debt. To countries other than those of the sterling area, sterling becomes the equivalent of gold and dollars.

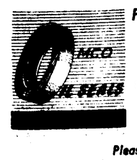
Works Only One Way

The famous Article 8 requires member-countries not to impose exchange restrictions without the approval of the Fund; not to engage in discriminatory currency arrangements or multiple currency practices without the approval of the Fund. Up to now, the U.K., along with most other so-called free countries, has operated under the shelter of Article 14 which is a let-out article allowing members of the I.M.F. to adopt discriminatory arrangements and restrictions for balance of payment reasons. It was enough for a country in difficulty on balance of payments grounds to give that as the reason when imposing the restrictions on currency transfers and it would not be held to be acting in defiance of its international obligations. In practice, this clause only works one way, that is, as a country progressively moves towards an abandonment of currency restrictions, it is expected to consult the Fund before reimposing them. Even so, the Fund could not raise real objection so long as the country was operating under Article 14. So what is happening today is that the sterling area—through the U.K. and the other countries mentioned—is, in fact, saying to the Fund and to the world in general: "We accept full responsibility so far as current transactions are concerned for the free exchange of our currency into that of another and for international purposes between central banks into gold. Moreover, we shall not abandon this freedom without full consultation with and the prior approval of the I.M.F."

It is important to note the words "prior approval of"—it is not enough for a country to notify the Fund, and that can only be done by consultation in the council chamber. That is the prior approval of the Fund involves the prior approval of all other countries concerned.

One restriction nevertheless remains on the full convertibility of sterling and that is the maintenance of exchange controls on capital movements, but this restriction is now generally accepted by the I.M.F. and by the United States as a necessary one in the modern world. The U.K. can maintain restriction on capital transfers, it can even add to such restrictions, provided it does not use them as a device to impede current payments.

It would seem, therefore, that the U.K. can still require importers to declare the purpose for which they wish to make an overseas payment, as the easiest loophole for capital transfers is under the guise of current payments.—*All Rights Reserved.*



For all your requirements in:-

OIL SEALS, 'O'—RINGS

BUCKET SEALS AND ALL TYPES OF PRECISION MOULDED ITEMS MADE FROM SYNTHETIC RUBBER

Please Contact:—

Ms. OIL SEALS MFG. CO. INDIA,

(Mfrs. of Famous OMCO Brand Oil Seals)

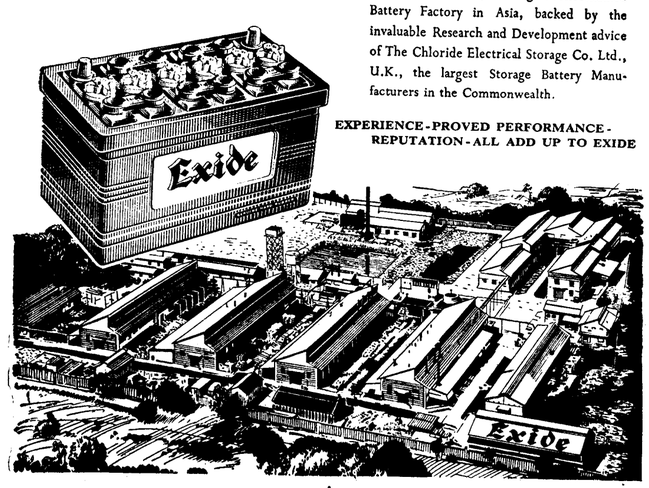
Ratan House, (2nd Floor), Tribhuvan Rd., Bombay-4.

BATTERIES ARE OUR BUSINESS

50 YEARS experience in India of supply, service and operation of EXIDE, CHLORIDE, EXIDE-IRONCLAD, Motor vehicle, Stationary, Marine, Train Lighting, Traction, Diesel-starting, Aircraft and other storage Batteries.

15 YEARS manufacturing achievement and development of the EXIDE FACTORY in India, the largest selfcontained Battery Factory in Asia, backed by the invaluable Research and Development advice of The Chloride Electrical Storage Co. Ltd., U.K., the largest Storage Battery Manufacturers in the Commonwealth.

EXPERIENCE-PROVED PERFORMANCE-REPUTATION-ALL ADD UP TO EXIDE



CHLORIDE & EXIDE

BATTERIES (EASTERN) PRIVATE LTD.

Calcutta Bombay Delhi Madras

ASSOCIATED BATTERY MAKERS

(EASTERN) LTD.

Exide Factory-Shamnagar, West Bengal.

EXIDE SALES AND SERVICE AGENTS THROUGHOUT INDIA

EBSC-40

THE CENTRAL BANK OF INDIA, LIMITED

(Established December, 1911)

Head Office: MAHATMA GANDHI ROAD, FORT, BOMBAY-1

Authorised Capital	Rs.	6,30,00,000
Subscribed Capital	Rs.	5,77,50,000
Paid-up Capital	Rs.	3,15,00,000
Reserve Fund and other Reserves	Rs.	4,15,79,722
Deposits as at 31-12-1960	Rs.	2,00,07,37,976

DIRECTORS:

SIR HOMI MODY, K.B.E. (*Chairman*)
COOVERJI HORMUSJI BHABHA, Esq. (*Vice-Chairman*)
DHARAMSEY MULRAJ KHATAU, Esq.
C. P. WADIA, Esq.
CHIMANLAL BAPALAL PARIKH, Esq.
SIR JAMSETJEE JEJEEBHOY, Bart.
His Highness SIR JIWAJIRAO MADHAVRAO SCINDIA, G.C.S.I., G.C.I.E., Maharaja of Gwalior
JAYKRISHNA HARIVALLABHDAS, Esq.
SHIAVAX SORABJI KHAMBATA, Esq.

Branches and Pay Offices in all important Commercial Centres of India, Pakistan and Burma

LONDON BRANCH: 159, Fenchurch Street, London, E.C. 3
NEW YORK AGENTS: Morgan Guaranty Trust Co. of New York
The Chase Manhattan Bank

N. K. KARANJIA, *General Manager*

STATE BANK'S PROGRESS NOTABLE

RISE IN ADVANCES—HIGHER PROFIT—BRANCH EXPANSION PROGRAMME COMPLETED

BOTH the traditional business and the developmental activity of the State Bank of India registered a notable improvement during the calendar year 1960. The total advances (including bills) made by the Bank stood, as at the close of the year, substantially higher at Rs. 232.24 crores, as against Rs. 166.88 crores a year earlier, representing a rise of as much as Rs. 65.36 crores, in distinct contrast to a drop of Rs. 5.18 crores noted in 1959. The industrial sector continued to claim the preponderant share of the Bank's advances, accounting for 67.2 per cent (between October 1959 and October 1960), as compared with 65.8 per cent in the previous year. The progress in the sphere of developmental activities during 1960 covered (*a*) the establishment of 70 new branches bringing the total number of branches to 907, (*b*) increased provision of several special financial facilities to co-operative institutions, (*c*) larger credit limits to small-scale industries, (*d*) grant of medium-term loans to companies for the acquisition of fixed assets for expanding existing units, (*e*) guarantees for advances made by foreign banks to Indian industrialists in respect of plant and machinery imports, (*f*) financing of hire-purchase transactions covering sale of commercial vehicles, and (*g*) good progress in the task of integrating State-owned or State-associated banks.

The progress made in traditional business and developmental activities is reflected, to some extent, in the notable increase of Rs. 30.49 lakhs in the Bank's profit for 1960 which aggregated Rs. 217.59 lakhs, that for 1959 being Rs. 187.10 lakhs. The profit for 1960 is, as in the two previous years, the result of normal operations and does not include any surplus earned on P.L. 480 funds. The notable increase in profit has followed an appreciable rise of Rs. 100.73 lakhs to Rs. 19,53.35 lakhs in the gross income of the Bank. The rise was accounted for largely by commission and exchange earned which amounted to Rs. 428.68 lakhs, as against Rs. 360.59 lakhs. The interest and discount earned was also higher at Rs. 14,86.91 lakhs, as against Rs. 14,52.94 lakhs. The rise in profit would have been more marked but for the continuously rising trend of the Bank's expenditure (including interest payment and depreciation), as is evident from the comparative statement below:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Gross income	19,53.35	18,52.62	15,77.97	11,82.40
Of which:				
Interest and discount earned	14,86.91	14,52.94	12,21.11	8,24.88
Commission and exchange earned	4,28.68	3,60.59	3,53.50	3,54.21
Interest paid	8,05.04	7,87.90	6,24.60	3,39.69
All other expenses	9,08.69	8,57.15	7,46.09	6,38.86
Depreciation and repairs	22.03	20.47	17.14	16.41
Profit	2,17.59	1,87.10	1,90.14	1,87.45
To reserve fund	25.00	20.00	37.50	25.00
„ pension fund	7.20	6.06	6.00	6.37
„ staff welfare fund	5.00	2.50	5.00	10.00
„ staff housing fund	10.00	5.00	15.00	10.00
„ bonus to staff	42.00	40.00	38.00	32.00
„ dividend	1,27.97	1,12.50	90.00	90.00
	(22.75%)*	(20%)*	(16%)	(16%)
Carry forward	56.21	55.87	55.73	55.93

	As on 31st December			
	1960	1959	1958	1957
Capital	5,62.50	5,62.50	5,62.50	5,62.50
Reserves	7,45.00	7,20.00	7,00.00	6,62.50
Deposits	576,32.32	581,16.94	477,85.84	366,51.89
Borrowings from other banks	9,96.50	11,95.50	20,85.25	16,50.50
Advances	232,54.37	166,88.06	172,00.19	173,47.74
Investments	299,70.75	377,12.70	284,55.39	183,48.34
Cash	69,65.94	67,30.52	57,57.77	41,51.93
Balance sheet total	620,58.42	624,58.40	523,82.89	405,12.01
Ratio to deposits of—	%	%	%	%
Advances	40.3	28.7	36.0	47.3
Investments	52.0	64.9	59.5	50.0
Cash	11.9	11.6	12.1	11.13

* Subject to deduction of tax.

The above statement shows that the interest paid by the Bank was higher by Rs. 17.14 lakhs during 1960 as compared with 1959, despite the fact that, over the year, the deposits of the Bank and borrowings from other banks were lower, the former by Rs. 4.85 crores at Rs. 576.32 crores and the latter by Rs. 1.99 crores at Rs. 9.97 crores. The salaries, allowances and provident fund of the staff were also higher at Rs. 7.32 crores, as against nearly Rs. 7.00 crores. Similarly, depreciation on and repairs to the Bank's property absorbed Rs. 1.56 lakhs more at Rs. 22.03 lakhs. Rent, taxes, insurance, lighting, etc., went up by Rs. 5.51 lakhs to Rs. 42.98 lakhs, stationery, printing, advertisement, etc., by Rs. 3.00 lakhs to Rs. 39.63 lakhs, postal charges by Rs 2.93 lakhs to Rs. 31.78 lakhs, and "other" expenditure by Rs. 7.96 lakhs to Rs. 58.98 lakhs. It will thus be seen that there has been an all-round rise in expenditure, reflecting partly the continuous rise in the cost of services in this country and partly the expansion undertaken in the area and nature of activities of the Bank. Besides all these increases, a sum of Rs. 32.95 lakhs had to be debited to the integration and development fund in respect of 1959 in order to meet a part of the losses suffered at a number of new branches.

Thanks to the rise in the Bank's profit during 1960, as noted above, the Directors have recommended an enhanced gross dividend of 22.75 per cent, as against 20 per cent for 1959. Even after this increase, the net dividend at 15.93 per cent is a shade lower than the 16 per cent per annum which the Bank had been paying for several years past up to and including 1958. The appropriations to the reserve fund and other funds are also larger.

The total deposits of the Bank, as already stated, shows a net fall of Rs. 4.85 crores over the year, in contrast to a rise of Rs. 103.31 crores in 1959. Rs. 111.34 crores in 1958 and Rs. 124.40 crores in 1957. This decline is attributed to the non-accrual of the rupee counterpart funds in respect of commodity imports under P.L. 480 from 12th May 1960 and the transfer of the previously accumulated amounts to the Reserve Bank at the rate of Rs. 12.00 crores per month from July 1960. Since the Bank must have transferred Rs. 72 crores of P.L. 480 funds under this arrangement, its other (commercial) deposits must have actually expanded. However, due to the net fall of Rs. 4.85 crores in deposits, accompanied by a significant increase of Rs. 65.36 crores in advances, the credit ratio at the end of 1960 was markedly higher at 40.3 per cent, as against just 28.7 per cent a year before and 36.0 per cent two years before. Following the refund of P.L. 480 funds and good demand for accommodation, the investments declined by Rs. 77.42 crores, as against a rise of Rs. 92.58 crores in 1959, so that the ratio of investment to deposits went down from 64.9 per cent in 1959 to 52.0 per cent in 1960. Even so, the Bank's investments form 45.2 per cent of the total investments of all scheduled banks.

The foreign exchange business handled by the Bank increased appreciably during the year under review. The number of accounts maintained with the Bank by foreign correspondents, as well as that maintained by the Bank with foreign countries, continued to increase, the new foreign accounts opened being in the U.S. dollar, Italian lira and Norwegian kroner. The Bank operated a growing number of non-convertible rupee accounts. Its rupee traveller's cheques continued to be quite popular, the total sale during 1960 being Rs. 83.7 lakhs, as against Rs. 69.7 lakhs in 1959.

With the opening of the 400th new branch at Kairana in Uttar Pradesh on 1st June 1960, the Bank fulfilled its statutory obligation well ahead of the target date. A sub-committee of the Central Board of the Bank, under the chairmanship of Prof. D. G. Karve, Vice-Chairman of the Bank, has been appointed to determine the future policy of the Bank in the field of branch expansion. The Committee is expected to submit its report shortly.

The Bank continued to extend to co-operative institutions several special financial facilities which were availed of in an increasing measure. The remittance facilities granted to co-operative financial institutions under the Remittance Facilities Scheme of the Reserve Bank of India increased substantially from Rs. 68.5 crores during the year ended June 1959 to Rs. 94.0 crores in 1959-60 and the remittance facilities in the reverse direction extended to them by the Bank on its own initiative rose from Rs. 51.9 crores to Rs. 65.9 crores. The credit limits sanctioned by the Bank to co-operative banks stood at Rs. 15.2 crores at the end of September 1960. The Bank's holdings of the debentures of land mortgage banks increased during the year by Rs. 13.5 lakhs to Rs. 93.0 lakhs. Limits of advances granted against such debentures increased to Rs. 40.2 lakhs at the end of September 1960, as against Rs. 34.0 lakhs at the end of September 1959. The number of advances granted to co-operative marketing societies (other than sugar factories) increased from 107 to 166 and the sanctioned limits from Rs. 205.0 lakhs to Rs. 249.0 lakhs during the year ended September 1960. Pledge limits sanctioned by the Bank to co-operative sugar factories stood at Rs. 273.0 lakhs at the end of September 1960, as against Rs. 105.0 lakhs on the corresponding date in the previous year. Further, pending the accumulation of sufficient sugar stocks, two co-operative sugar factories were sanctioned clean limits on State Government guarantee to provide them with their working capital requirements. The Bank has granted advances to a few industrial co-operatives also. The total aggregate limits granted to co-operative institutions including advances against debentures of central land mortgage banks amounted to Rs. 22.8 crores as on 30th September 1960. The Bank continued to play an important role in assisting the warehousing development; the procedure relating to the grant of advances against warehouse receipts was further simplified during the year. Between 30th September 1959 and 30th September 1960, the credit limits sanctioned by the Bank against warehouse receipts rose from Rs. 104.4 lakhs to Rs. 215.7 lakhs, the number of accounts current being 1,769.

The Bank's scheme for the provision of co-ordinated finance to small-scale industries recorded further progress during 1960. The total credit limits sanctioned to these industries increased from Rs. 462.2 lakhs to Rs. 782.0 lakhs and the number of accounts rose from 1,496 to 2,451. The limits sanctioned to about 85.2 per cent of the units financed by the Bank at "Intensive Centres" were for less than Rs. 50,000 each. The scheme sponsored by the Government of India for the Guarantee of Advances granted to small-scale industries came into force on 1st July 1960 and was operating at 68 branches of the Bank, in addition to four local Head Offices.

The process of integrating the State-owned or State-associated banks with the State Bank of India was completed during the year. The task of determining the compensation to be paid to the shareholders of the banks which were taken over as subsidiaries was completed to the satisfaction of the shareholders of all the banks concerned. The State Bank of India entered into an agreement with each of the subsidiary banks during the year, appointing it as its agent for the conduct of Government business and these banks commenced conducting Government business at certain centres from 1st October 1960. The subsidiary banks have also started participating in the various developmental activities undertaken by the State Bank of India, such as extension of banking facilities in rural and semi-urban areas by opening new branches, provision of finance for small-scale industries and co-operative institutions and grant of advances against warehouse receipts. As on 31st December 1960, limits sanctioned by the subsidiary banks to small-scale industries, co-operative institutions and against warehouse receipts aggregated Rs. 266.7 lakhs, Rs. 345.0 lakhs and Rs. 79.3 lakhs, respectively.

STATE BANK OF INDORE

The accounts of the State Bank of Indore, which is operating as a subsidiary of the State Bank of India from 1st January 1960, for the year ended 31st December 1960, disclose that the profit (before providing for taxation) has staged a substantial rise of Rs. 1.86 lakhs to Rs. 7.13 lakhs. Although the deposits of the Bank were slightly lower by Rs. 20.11 lakhs at Rs. 8.84 crores, the Bank was able to utilise its resources more profitably. The improvement in the profit in 1960 was mainly due to the increase in interest and discount earned. Not only was the quantum of advances higher but there was a general increase in the rate of interest on advances by ½ per cent with effect from 1st October 1960. Another factor responsible for the improvement in profit was a decline in the rates of interest paid on deposits.

The following figures will be read with interest in this connection:

(In lakhs of rupees)

	1960	1959	1958
Interest and discount earned	46.67	45.68	44.22
Commission and exchange earned	6.44	5.85	5.65
Interest paid	24.92	26.03	25.30
Expenses	21.54	20.35	19.75
Profit before taxation	7.13	5.27	4.95

The advances of the Bank recorded a rise of Rs. 1.35 crores to Rs. 6.84 crores taking the ratio of advances to deposits higher from 60.8 per cent in 1959 to 77.3 per cent in 1960. Out of the increase of Rs. 1.35 crores in advances, as much as Rs. 1.19 crores is recorded under "loans, cash credits and overdrafts." The bills discounted and purchased account for a rise of merely Rs. 15.59 lakhs. The expansion in advances is primarily due to better utilisation of limits by borrowers during the 1960 cotton season and the sanctioning of fresh advances made at new branches opened during the year under review. The rise in advances in the face of a fall in deposits could be met only by effecting a reduction in the investment portfolio of the Bank from Rs. 3.21 crores to Rs. 3.06 crores as also in cash from Rs. 91.14 lakhs to Rs. 69.31 lakhs, supplemented by borrowings from other banks.

The following comparative table shows the changes in the principal items in the Bank's balance-sheet:

(In lakhs of rupees)

	As on 31st December			
	1960	1959	1958	1957
Paid-up capital	85.00	15.30	15.30	15.30
Reserves	7.61	29.00	29.00	29.00
Deposits	8,84.23	9,04.84	8,41.77	7,08.13
Borrowings from banks	1,18.32	Nil		20.00
Advances	6,84.80	5,49.45	5,48.98	5,87.04
Investments	3,06.70	3,21.04	2,46.42	2,21.00
Cash	69.81	91.14	1,08.93	65.52
Balance-sheet total	11,88.85	10,27.85	9,57.66	9,41.27
Ratio to deposits—	%	%	%	%
Advances	77.8	60.8	65.2	73.7
Investments	21.7*	35.5	19.1	25.2
Cash	7.8	10.0	12.3	8.2

* Based on only unencumbered investments.

It will be seen from the above table that the capital of the Bank has been raised and the reserves brought down. The following extract from the Directors' report will explain this change:

"In terms of Section 7(1) of the State Bank of India (Subsidiary Banks) Act 1959, the State Bank of India, with the approval of the Reserve Bank, as on the 1st January 1960, at Rs. 35 lakhs, divided into fully paid up shares of Rs. 100.

"In terms of Section 8(i) (*a*) of the State Bank of India (Subsidiary Banks) Act 1959, the State Bank of India have with the approval of the Reserve Bank of India, determined Rs. 6,25,000 as the sum which the reserve fund of the Bank shall consist of as on the appointed day, that is, 1st January 1960."

Out of the profit of Rs. 7.13 lakhs, the Bank has set aside Rs. 1.37 lakhs to general reserves and Rs. 1.35 lakhs for taxation. The gratuity fund and the bonus for staff absorb Rs. 40,000 and Rs. 1.27 lakhs respectively. The Directors have not proposed any dividend for the year under review but are carrying forward a large sum of Rs. 2.74 lakhs. This is sufficient to declare a gross dividend of 7.82 per cent per annum.

INDIAN INVESTMENT CENTRE OPENED

NEW FACILITY FOR ATTRACTING FOREIGN PRIVATE CAPITAL

THE importance and role of foreign capital in the development of backward nations is not now seriously questioned by any but the most cynical politician. For it is realised that foreign capital is critically different from indigenous capital, in that it not only supplements domestic savings and foreign exchange resources of the recipients but also brings with it technical expertise and experience which are as much a desideratum in underdeveloped countries as savings. India is one of the few erstwhile subject nations whose post-Independence economic policy reflected, early enough, an appreciation of the importance of foreign capital and which sought to cultivate a climate favourable for the growth of foreign investment. If, in spite of its efforts, the amount of foreign capital which this country has been able to attract to its shores has been meagre, as compared with those obtained by countries of Latin America or Oceania, it is because of two reasons. First, and the more important of the two, the climate was not made sufficiently attractive to meet the growing competition for the limited availability of foreign private capital. There were, and still are, quite a few fiscal, administrative and policy impediments. Second, there is still insufficient understanding abroad of India's attitude towards foreign capital and the limitless scope which a country of continental dimensions and vast population as India offers for foreign investors. In one important respect, India should comment itself to foreign *entrepreneurs*. Its political maturity, economic endeavours and financial rectitude are factors that should guarantee the safety of foreign investments, an important consideration which any investor would take into account, especially in view of the political instability in most of the newly independent nations. The question of attracting foreign capital to India is, therefore, to some extent, a public relations job of acquainting prospective investors with the actual conditions that exist in India and the prospects of growth it offers.

It is this important function which the Indian Investment Centre, with its headquarters in New Delhi, is expected to perform. The Centre was formally inaugurated by Mr. Morarji Desai, Union Finance Minister, on the 16th inst. at New Delhi. It will function under the general attraction of a Governing Body, presided over by Mr. G. L. Mehta, Chairman of the Industrial Credit and Investment Corporation of India Limited. The Governing Body consists of distinguished representatives of industrial houses, banks, financial institutions and officials. The primary objective of the Investment Centre is to advise and assist Indian industrialists, including those engaged in medium and small-scale industries, on matters necessary for attracting foreign capital and offer guidance and assistance to foreign businessmen on matters pertaining to investments in India.

Objects

With this end in view, it will promote wider knowledge and understanding in the main capital exporting centres, of conditions, laws, policies and procedures relating to investment in this country. For this purpose, it will maintain services for supplying information to Indian *entrepreneurs* and prospective foreign investors up-to-date data on industrial capacity, production, trade, market, labour conditions, resources and power supply as well as economic and financial policies and laws and regulations relating to foreign investment in India. Among the specific services it will render to Indian and foreign industrialists are: (1) assisting Indian industrialists in collecting basic data for specific investment projects and building them up to a "prospector's stage," so as to meet investment requirements of foreign investors; (2) contacting foreign *entrepreneurs* on behalf of Indian industrialists and conferring with them as a follow up to the submission of reports; (3) helping foreign *entrepreneurs* in various ways such as answering trade inquiries from them on investment conditions in India generally and supply of detailed information on specific projects.

After foreign firms have shown interest in individual schemes, the Investment Centre may arrange contact with individual foreign firms, Indian parties and Government. The Centre will also render such assistance as would help the schemes to materialise and be established as early as possible. The Investment Centre, which has its own organisation consisting of qualified and trained personnel, will also have the benefit of the services of foreign advisers and technicians made available to it on contract, by the T.C.M. Suitable arrangements are being made in important foreign capital exporting centres for expeditiously dealing with inquiries from Indian *entrepreneurs* and those from foreign investors. In addition, the Investment Centre will also act as a clearing house for information on any aspect having a bearing on investment in general and on any specific investment opportunity.

Genesis of the Centre

The proposal for establishing an Investment Centre in India was under consideration for well-nigh three years. It was first suggested by the Ford Foundation, but that suggestion did not fructify for various reasons. In the meantime, two stimulating studies of foreign investment were made, one by Mr. Harry J. Robinson of the Stanford Research Institute, and the other, a monograph on taxation and foreign investment, by the National Council of Applied Economic Research. These studies sparked off considerable interest among foreign investors. The proposal for the Investment Centre was revived when the T.C.M. began to take interest in it and promised financial assistance in the form of foreign currency for bringing out technicians, training of personnel and purchase of necessary equipment. On his return from the U.S. after serving a long term of ambassadorship, Mr. G. L. Mehta also strongly pressed the need for establishing this facility patterned after the Dutch experiment in the U.S. It was only then that the Secretariat at New Delhi began to evince interest in the proposal. After prolonged discussions and considerable hesitation, the Government of India concluded two agreements with the T.C.M. under which $780,000 have been made available for payment of contract services and equipment and Rs. 22 lakhs for local currency costs for two years. The Centre was registered as a society under the Societies Registration Act on 30th November last.

In his introductory remarks at the inaugural function, Mr. G. L. Mehta, Chairman of the Governing Body of the Centre, reviewed the trends in foreign investment, outlined the main features of the Government's policy of encouraging foreign investments, pointed out why the inflow of foreign capital to India had not been as large as it should have been and explained how the Centre would help in speeding up investment of external capital in the country. He said that, although the flow of foreign private capital to developing nations had not been appreciable, there had been a welcome change in the attitude and approach of foreign private investors towards the emergent countries. At the same time, there was an improvement in the general climate for investment in some of the developing countries.

Official Policy

Alluding to India, Mr. Mehta observed that its policy on foreign investment was clearly laid down in the Industrial Policy Statement of April 1948 and amplified in the Prime Minister's statement of 6th April 1949. The main features of this policy are: (*a*) there will be no discrimination in the treatment of domestic and foreign enterprises; (*b*) foreign enterprises would be permitted to earn profits, subject to regulations common to all; (*c*) there will be no restrictions on the remittance of profits or repatriation of capital, except that remittance facilities would naturally depend on foreign exchange considerations; (*d*) if and when foreign enterprises are compulsorily acquired, compensation will be paid on a fair and equitable basis; (*e*) the major interest in, as well as ownership and effective control of, an industrial undertaking should, as a rule, be in Indian hands.

In addition to clearly stating its policy, the Government also took, stated Mr. Mehta, a series of positive steps to promote investment of foreign capital in the country. These included agreement on avoidance of double taxation (such agreements have been concluded with the U.S., Sweden, W. Germany, Norway, Denmark, and Japan), tax concessions by way of increased depreciation allowance, including development rebate and exemption from taxes on profits made by new industrial undertakings for a period of five years. Further, protection had also been given to a number of industries to enable them to stand on their own feet. Import restrictions had also provided a sheltered market for many industries.

As a result of these favourable developments, there has been some improvement in the flow of foreign capital. A sizable number of joint ventures have already been started in which large and small foreign firms have entered into financial and technical collaboration with industrial undertakings in the public and private sectors. Drawing attention to this welcome trend, Mr. Mehta observed that there was a significant increase in the net inflow of private capital. It was, however, true that, as compared with the substantial amounts of borrowings from foreign Governments and international institutions during the past three or four years and foreign private capital flowing into other parts of the world, the quantum of foreign private investment in India, even in these two latter years, was small. Why was it so? The answer to this question, Mr. Mehta said, lay partly in the fact that, while India had a reputation for fair dealing and its potential market was much larger than that of several other countries, the capital exporting countries were still not sufficiently aware of India's rapid industrial advancement and achievement during the last decade. He pointed out that foreign investors heard more about the onerous burdens of taxation and Government control than they did about the large industrial establishments which had been set up in the private and public sectors or about the fact that many plants recently established with foreign participation had plans for expansion. India enjoyed considerable advantage over many other countries in Asia or Latin America. These were facts and they should be made known to investors in foreign countries.

Widening Scope

Mr. Mehta pointed out that, with the extension of development programmes in various sectors of the economy, the demand for manufactured goods was expanding. The process of industrialisation itself was generating demands for machinery and producer goods at high level, thus bringing to the forefront programmes for manufacture of industrial machinery, metals and alloys and basic chemicals. With plans for industrialisation over a wide front, there was considerable scope for extensive collaboration with foreign *entrepreneurs* in regard to technical aid training of personnel and financial participation. The Chairman of the Governing Body disclosed that the establishment of the Investment Centre had been welcomed in the U.S., the U.K., West Germany and other countries. Bankers and investment houses in these countries have already contacted the Centre for information about opportunities for investment in India.

There is one aspect of the working of the Centre which requires the help and co-operation of the Government, if the Investment Centre is to function successfully. This relates to procedures and formalities which, as everyone knows, are a time-consuming process. Foreign trade missions and individual *entrepreneurs* who visit this country with the intention of interesting themselves in industrial ventures have to go round various Ministries to obtain information about various questions bearing on investments. There is, therefore, need for a focal point where such information is readily available. It is encouraging to learn that the Investment Centre will supply such information.

As Mr. Mehta suggested in this connection, it should be possible, through proper co-ordination between the concerned departments of the Government and the Investment Centre, to devise methods whereby projects, which are processed by the Centre, are brought up to such a stage that, subsequent formalities under the Industries and Development Regulations Act, import of capital goods and control of capital issues, etc., may be completed as early as possible. For this purpose, the Centre requires the active support and co-operation of the Government. This help, it is gratifying to find, was pledged by Mr. Morarji Desai who agreed "that it was necessary to devise ways and means by which those who are interested in setting up industries and investing money are not driven from pillar to post and are, on the contrary, enabled to do their work quickly and without any harassment." There is no doubt that, if the Investment Centre were to function as its sponsors have planned, it should prove to be of invaluable help to both Indian and foreign *entrepreneurs* who wish to start new ventures and expand the existing ones.

THIRD PLAN TARGETS FOR TEXTILES

MILL SECTOR THROWS FRESH LIGHT ON POWERLOOMS

THE production target for cotton cloth fixed to be achieved by the end of the third Five-year Plan is 9,300 million yards—5,800 million yards from the mill sector and 3,500 million yards from the decentralised sector. The target allocated to the latter sector is tentatively divided thus: handlooms 2,800 million yards and powerlooms, traditional *khadi* and Ambar *khadi* 700 million yards. These targets are based on official figures relating to the current levels of output. The Indian Cotton Mills' Federation has, however, its doubts about the accuracy of the method employed by official agencies to estimate the production of handlooms and powerlooms. It has accordingly made its own studies in the matter, the results of which are published in the form of a brochure entitled *Third Plan Targets for Handlooms, Powerlooms and Mills.*

The Federation's study seeks to assess the contribution currently being made to the cloth supply position and Plan resources by the different sectors of the cotton textile industry, as well as to examine their potentialities. It is pointed out that the question of allocating targets to the different sectors cannot be considered purely from an economic angle and employment aspects; the consumers' interests and requirements of developmental planning have to be weighed, one against the other, in arriving at decisions which will balance all these considerations. Two points are specially stressed in the brochure under reference. In the first place, it is said, if any difficulties arise in the supply position through failure of other sectors or through defective assignment of targets, the mill industry shou'd not be made a scapegoat for all the difficulties of consumers and subjected to all manner of restrictions with regard to prices, distribution, etc. Secondly, the industry has cautioned against a repetition of the events of the second Plan period when the increased target assigned to handlooms was wrested by the small powerloom factories which do not make any worthwhile contribution to the economy of the country from the economic, social or any other angle.

Raising Cloth Supplies

Drawing attention to the aforesaid aspects, Mr. Krishnaraj M. D. Thackersey, Chairman of the Federation, says in his foreword to the brochure:

"With the rise in population and in *per capita* income expected in the course of the third Five-year Plan, the demand for cloth will go up at a faster pace and, unless very serious attention is given to the matter of increasing production, the country may witness, in the coming years, a deterioration in the cloth supply position to an extent not experienced before. ...

"It is not the object of this memorandum to plead for a bigger target for the cotton mill industry which would be fully satisfied with any target that may ultimately be assigned to it. The mill industry would, however, like to be assured that, so long as its production is in line with its targets, it will be allowed to work in peace and not subjected to irksome controls at every stage. The mill industry submits that it should not be charged with profiteering and made the scapegoat for any shortfall in supplies due to the inability of other sectors to reach such targets as may be assigned to them.

"Finally, the Federation would like to caution against repetition of the events of the second Plan, when the powerlooms industry was allowed to deprive the handloom industry of its share in the production of decentralised sectors, resulting in serious loss both of revenue and of socio-economic objectives!"

Mr. Krishnaraj reiterated the aforesaid remarks at a Press conference on Monday the 20th inst. These remarks, together with the series of arguments put forward in the brochure, make it clear that the mill sector is opposed to the growth of the powerlooms, especial'y the unauthorised powerlooms. That this opposition to powerlooms is not a rational one is discussed in detail in an earlier page of this issue. It is, therefore, proposed to outline here only the points raised by the Federation in its brochure. The chief conclusion of the Federation is this: "The small powerloom factories, which neither give proper wages, working conditions and taxes, as the mill sector does, nor provide large-scale employment as the handloom sector does, should really be looked upon as a parasite on the economy, gaining at the cost of the handloom sector, the mill sector and the public exchequer."

In support of its contention, the Federation quotes the Fact-Finding Committee which said as far back as February 1942: "A more serious rival to the handloom industry than mills has arisen in the small-scale powerloom factories. This rival combines in itself, owing to its medium-scale production, the advantages of both mills and handlooms." Since the Committee's report, the advantages enjoyed by the small powerloom factories, the Federation alleges, have widened in various directions as under:

(a) The disparity in the wage cost as between mills and powerlooms should have gone up by a substantial margin. In 1941, the Bombay mills, for instance, used to pay an average monthly wage, including dearness allowance, of Rs. 36.66. This has now gone up to Rs. 149, to which must be added the cost of social security benefits, such as provident fund, employees' State insurance, and gratuity, totalling Rs. 12 to 13. The wage cost in the powerloom factories cannot have gone up in the same proportion, as they are not subject to any labour legislation.

(b) The factory legislation, as it stands today, represents a great advance over the position as it existed in 1941. The small powerloom factories, which are not governed by the factory legislation would derive greater advantages from this factor now than they did 20 years ago.

(c) Mills are prohibited from producing several types of cloth the production of which has been reserved for the handloom sector. The production of *dhotis* by mills has also been pegged to 60 per cent of what they did in 1951-52. The small powerloom factories, to whom these restrictions do not apply, have proved to be the real beneficiaries of the reservation meant for the handloom sector.

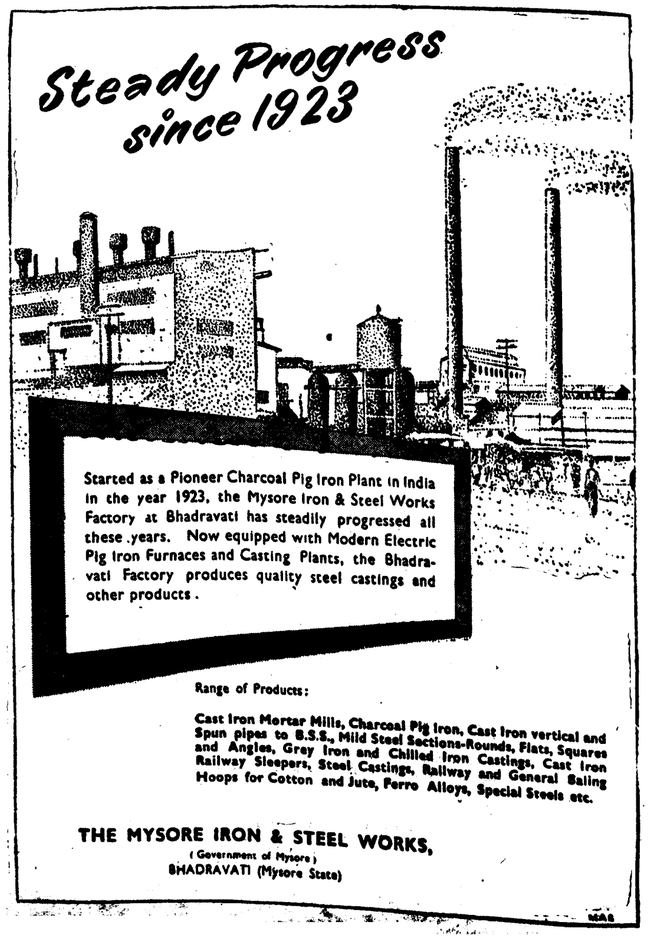
(d) As if all this is not enough, the powerloom sector has now received a further fillip in the shape of concession in excise duty. The unauthorised powerlooms, which constitute the bulk of the powerloom sector, do not pay any excise duty and most of the authorised powerloom establishments are divided up into four looms each so as to secure complete exemption from excise duty.

The Federation also points to the loss of revenue that would result from the development of the powerloom sector *vis-a-vis* the mill industry. According to the Federation, the composite mills paid to the Government in 1958-59 excise duty of Rs. 62.6 crores on 4,098 million yards of cloth delivered for civil consumption and in 1959-60 Rs. 63.5 crores against deliveries of 4,229 million yards, giving an average rate of 15.14 nP per linear yard. If all the 1,365 million yards now produced by powerlooms were to be manufactured by mills, the Government would have secured a yearly revenue of over Rs. 20 crores. The amount of excise revenue derived from the powerloom sector is not known, but is said to be negligible. This means, it is argued, continued production of so much cloth by the powerloom sector over the five years of the third Plan which would mean loss of revenue to the extent of over Rs. 100 crores. But that is not all. If the additional production of 2,000 million yards proposed to be allotted to the handloom sector, is ultimately produced by the powerloom sector, the loss of revenue at 15.14 nP per linear yard will come to Rs. 91 crores. Further, there will, it is stated, be loss of income-tax, corporation tax and various other taxes and levies that will result from cotton textiles being produced in the small powerloom establishments.

Apprehension

The Federation has, however, given some interesting data relating to the production of cotton cloth in the decentralised sector. The handlooms and powerlooms are together believed to have produced last year (1960) 2,165 million yards on the basis of the total yarn consumption of 481 million lbs., each pound giving 4.5 yards of cloth. The share of handlooms is put at no more than 800 million yards—475 million yards by the 1.20 million looms in the co-operative fold and 325 million yards by 1.08 million looms outside the co-operative fold. The balance of 1,365 million yards, it is computed, represents the share of the powerlooms. The

(Continued on page 355)



SHIFTING FACE OF COTTON INDUSTRY

MANY UNITS CLOSE DOWN—CHANGE IN WORK STRUCTURE, HOWEVER, NOT GREAT

From Our Special Correspondent

MANCHESTER, *14th February*

MANCHESTER LETTER

OF the various documents drawn up since the redundancy schemes in spinning and weaving were launched in 1959, the latest report on the trade, produced by the Lancashire and Merseyside Industrial Development Association, provides some of the most valuable data. Not only does it contain a district-by-district survey of the new uses to which closed cotton mills have been put, but the local authorities have collaborated by giving the names of the mills concerned, the new owners and the new product or process on which the factories are now being employed.

On this account alone, the information given in the survey must be of intense interest not only to those still connected with cotton trade affairs but to other industrialists who might well be prepared to bring their work to Lancashire. For this reason, the Association has advertised the facilities available and has distributed pamphlets urging employers in other parts of the country to consider the advantages of filling some of the 200 mills which still remain vacant and available for new industry.

Mills Closed Down

Over the region as a whole, covering Lancashire, North Cheshire and Derbyshire, it is estimated that 1,250 mills were in operation in 1951, of which all but 100 were in the county of Lancashire. By the end of last year, only 700 remained, following the closure of more than 300 mills during the reorganisation scheme and some 250 between 1951 and mid-1959. At the beginning of this year, approximately 380 of the 550 closed mills had been reoccupied and it is estimated that some 120,000 people are now working for other industries carried on in former cotton mills. The construction of weaving sheds, on their single-storey basis, made them more suitable for conversion, although the multi-storeyed spinning blocks have frequently been sold for use as factories with different firms operating on separate floors of one building.

In the large towns, the shifting face of industry has not caused any great change in the work structure, but, in smaller isolated areas, the closing of the local mill has often had great significance in the past. One of the features illustrated by this survey is that the spread of take-overs has been very extensive, reaching out to the Lancashire villages, particularly in the weaving belt. New employment opportunities in a much wider range of trades are now available, improving the economic prospects of the locality.

Ending on an optimistic note, the report asserts that the take-over of cotton mills has made a valuable contribution to the diversification of the industrial structure of the region. Although many of the developments have been created by local firms seeking additional floor-space, quite a number of employers new to Lancashire have been attracted by the availability of these premises. According to the survey, there is every reason to believe that the influx of new industries will be maintained in the coming months.

Footing the Bill

More information about the probable cost to public funds of the cotton reorganisation scheme has now been disclosed by the Government. In response to a Parliamentary question, it has been stated that the machinery scrapping programme has so far resulted in £8,900,000 being distributed to firms which agreed to dismantle all or part of their plant. On this basis, the redundancy project has, therefore, involved the trade and the Treasury in a joint bill of around £13,400,000. The arrangements under the plan were that the Government should pay two-thirds of the cost of scrapping and the industry one-third.

The re-equipment scheme is still in its early stages and owners of machinery have rather more than a year in which to undertake definite modernisation commitments. So far applications for grants are expected to cost the Exchequer about £5,500,000. This means that re-equipment projects aggregating at least £22,000,000 have already been put forward. In this case, the industry is committed to pay 75 per cent of the cost of modernisation, while the Government supplies the other 25 per cent.

Shift-work Progress

"Remarkable progress" in switching over to shift-working in the cotton industry at Bolton as part of the big drive to improve efficiency in the Lancashire textile industry was reported by Mr. W. A. M. Hesketh, Chairman of Bolton Master Cotton Spinners' Association, at the annual meeting. Within a period of a few months nearly one-third of the workers employed in Bolton area mills had been transferred to a shift-working system, with the co-operation of the trade unions.

"Notwithstanding the reorganisation scheme, the fears of widespread unemployment amongst textile operatives did not materialise," said Mr. Hesketh. "With increased spindle activity shift-working, together with full employment in other local industries, there has been a shortage of labour." In most Lancashire textile towns the percentage of unemployment was below the national average and of "negligible proportions."

More Cash From Textile Plant

In marked contrast to the experience of producers of Lancashire cotton goods, whose exports in 1960 were at the lowest level for many years back, British textile machinery makers gained more ground last year. The earnings from such shipments were, in fact, the highest ever recorded, being £51,806,319, as against £50,441,914 in 1952, the previous peak. In volume, the tonnage at 67,218 showed a rise of over 11,000 tons on 1959 and presented the best return since 1957. Current shipments, however, are still well below the level recorded from 1948 to 1952 inclusive, when more than 100,000 tons of plant was sent abroad annually.

A good deal of the increase can be attributed to the sharp rise in exports to the Soviet Union which expanded from 63,273 cwt. in 1959 to 161,178 cwt. last year. The only comparable purchaser was India, whose mills took 130,496 cwt., as against 134,129 cwt. in 1959. Other main destinations for British-made textile plant in 1960 were (with 1959 comparisons): Japan 65,553 cwt. (25,831 cwt.), Australia 62,513 cwt. (60,963 cwt.), Pakistan 60,471 cwt. (21,848 cwt.), South Africa 56,411 cwt. (25,222 cwt.), Western Germany 50,752 cwt. (33,659 cwt.) and Italy 50,001 cwt. (47,941 cwt.). Two countries which took substantially smaller supplies from the United Kingdom were Egypt, where shipments fell from 57,649 cwt. to 23,515 cwt., and Iran, whose taking slumped from 83,432 cwt. to only 12,016 cwt.

A Full Schedule

The first reaction when scanning the programme of future courses provided for all sections of the industry by the Cotton Board's productivity centre is to wonder how much comprehensive training schemes can be carried out by an organisation whose resources are relatively limited. The progress made by the Centre during its years of development has, in fact, been remarkable and its current syllabus provides overwhelming justification for the support it has received—and deserved. Running through the list of engagements, from those due to start this month until virtually the end of the year, it seems that there will never be an idle day for the instructors and their students during the months ahead. From the major full-time work study courses lasting for eight weeks to the one-day meetings on specialist topics, the diary appears remarkably full.

Technical instruction is a major aspect of policy, stimulated by the hectic times through which the industry is passing. But to the more general observer, such short courses as those covering the history and organisation of the trade unions, or discussions on the factory and the law, with separate sessions devoted to the three main sections of the industry, appear extremely interesting in themselves.

Labour and Re-equipment

If discussion on a problem and the ventilation of ideas can bring solutions, the series of special half-day meetings organised by the Cotton Board on the current labour situation in the trade should be of considerable value. These conferences for directors and senior management, have already taken place in a number of areas and twelve districts are to be covered by the whole project.

As the latest notes issued by the Productivity Centre point out, management must be confident that the machine potential is adequately supported by an equally adequate labour force. The re-equipment policies pursued by employers are, therefore, tied hand in glove with their labour policies. Special one-day lectures dealing with the general attitude towards re-equipment are also planned, one having already been held in Burnley. Others are scheduled for Preston, Manchester, Oldham and Rochdale during 1961.—*All Rights Reserved.*

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES
* DEMAND DRAFTS * LEDGERS
* PAY-IN SLIP BOOKS * PASS BOOKS
* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

FORWARD MARKETS BULLETIN
(Monthly)
Published by Forward Markets Commission
Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription: In India .. Rs. 24.00; Abroad .. Rs. 40.00
Single copy: In India .. Rs. 2.50; Abroad .. Rs. 4.00

For further particulars please apply to:
The Secretary, Forward Markets Commission
"Everest," 100, Marine Drive, Bombay-2

COTTON CONSUMPTION PROSPECTS

LAST SEASON'S LEVEL LIKELY TO BE MAINTAINED

IN spite of the prospect of record world cotton crop of about 47.3 million bales, including production in Communist countries (15 million bales) during the current season, which is 300,000 bales more than in 1959-60, aggregate supply is expected to decline during the season, thanks to lower opening stocks. Nevertheless, according to the latest monthly review of the International Cotton Advisory Committee, Washington, the chances are that, for the fifth season in succession, disappearance will exceed production and there would be a further reduction in the end-season carryover, though not as much as in the previous season.

The following table gives a preliminary estimate of free world cotton consumption in 1959-60 as compared with that in the previous two seasons.

(In thousand bales of 478 lbs. each)

Countries	1959-60	1958-59	1957-58
United States	9,024	8,707	7,999
Canada	320	332	326
Mexico	485	480	480
Hong Kong	304	286	270
India	4,450	4,415	4,360
Japan	2,939	2,390	2,453
Pakistan	1,040	1,020	925
Turkey	500	530	520
Belgium	413	377	374
France	1,375	1,171	1,407
W. Germany	1,472	1,355	1,433
Italy	1,023	872	864
Netherlands	356	329	332
Spain	550	475	475
United Kingdom	1,310	1,280	1,459
Argentina	480	550	521
Brazil	1,175	1,150	1,050
U.A.R. (Egypt)	525	516	447
Others	3,268	2,865	2,778
Total ..	31,009	29,096	28,473

The high level of cotton utilisation is due, in large measure, to the high level of consumption which is expected to almost equal last season's record 31 million bales in the free world. Free world countries other than the U.S. and Canada are expected to account for the higher consumption. In the U.S. and Canada consumption is expected to be lower than in the previous season. During the first four months of 1960-61 consumption in the U.S. was running about 235,000 bales under the comparable 1959-60 rate and, with normal seasonal variations, this would indicate a full season's consumption of about 8.25 million bales, as against nine million bales consumed last season. In fact, according to I.C.A.C., there are several indications of a lower rate of textile activity in the U.S. Loom time on cotton goods is now significantly less than it was a few months ago and the seasonally adjusted rate of employment is also down. Spindle hours run on the cotton system declined by about six per cent during the first three months of the season, namely, August to September 1960, as compared with a year earlier. The backlog of unfilled orders has declined in recent months and mill stocks of cotton broad woven goods have tended to rise slightly. Apart from what may be termed cyclical factors, textile activity in the U.S., as in other countries, is influenced by the state of the national economy, which is currently passing through a recession, and this constitutes another reason why the outlook for cotton consumption is less favourable this season.

Man-made Fibres

The downturn in the U.S. is not confined to cotton. Mill consumption of man-made fibres also is declining. In 1960 itself, consumption of these fibres was, according to the latest estimates, around 1,800 million lbs. (10.3 lbs. *per capita*), as compared with 2,000 million lbs. (11 lbs. *per capita*) in the previous year. Consumption of rayon and acetate is said to have been the lowest since 1949. The *per capita* consumption works out to 5.7 lbs. which is the lowest since 1945. Apart from competition from other fibres made at home, the rayon industry in the U.S. is also facing increasing competition from imports and the industry has found it necessary to seek protection from the Tariff Commission. Consumption of non-cellulosic fibres, on the other hand, continues to increase and is running at the rate of 4.6 lbs. *per capita*.

Cotton consumption in Canada has been steadily declining in recent years and last season was no exception. It continues to fall and there appears to be little chance for the reversal of this trend in the foreseeable future. In both the North American countries, the outlook for textiles, generally, is affected by the downturn in the general economy and by competition from foreign imports, though the latter is proportionately much more serious in Canada.

In contrast to North America, the textile industries in Western Europe are now flourishing but even here, according to the Committee, there is some apprehension as to how long this situation will last. The prevailing sentiment is still rather optimistic. The revival in textile production last season was related in part to the general economic prosperity of this area and there is no doubt that this will be a pervading influence during the current season also. No generalisation for such a diverse area as Western Europe is possible. But the fact that the rise in stock markets has been halted and the bank rate has been lowered is evidence that the economy of Western Europe may be near the turn. Industrial production in the U.K. and Germany has remained stationary in the last few months. In the other major textile producing countries on the Continent, particularly in France and Italy, however, the rise continues.

Protectionist Sentiment

Cyclical factors, too, enter into the picture, but it should be borne in mind that the recovery in textile production in W. Europe began much later than in the U.S. At present, the industry is fully engaged. In fact, the problem in some countries is rather one of shortage of labour. But Europe is faced with the same problem as North America, namely, a continuous expansion in textile imports from the so-called low-wage countries and protectionist sentiment among the traders is consequently on the increase. Individual trade associations, as well as international institutions such as G.A.T.T., O.E.E.C. and I.F.C.A.T.I., are preoccupied with the consideration of how to remedy the situation. The growth of foreign imports recently has been mitigated by the buoyant nature of the domestic textile industry in W. Europe, but the Committee feels that the pressure for import restrictions is bound to be intensified when the cycle turns the other way. Adding together the estimates for individual countries, total consumption in Western Europe works out to 7.7 million bales, the same as in the previous season.

Referring to India, the Committee's review says that the problem of textile industry has been inadequate supply of cotton and the sharp increase in cloth prices. It then describes the action taken on both scores, first, by the introduction of control over the distribution of cotton to mills and substantial imports of foreign cotton and, second, by imposition of "recommended ceilings" on textile prices. As regards consumption during the current season, the Committee's expectation is that it might show an increase over last year.

THE
BANK OF MAHARASHTRA
LIMITED

Estd. 1935 Scheduled Bank

CAPITAL STRUCTURE

Paid-up Capital .. .. Over Rs. 34,00,000
Reserves .. .. .. Rs. 16,60,000
Working Funds Exceed .. Over Rs. 16 crores

Board of Directors

Shri V. P. Varde, B.Com., F.I.B. (London), *Chairman.*
Shri D. K. Sathe, B.A., B.Sc., Poona.
Shri F. D. Padamji, Industrialist, Bombay.
Shri M. V. Shah, Merchant, Sholapur.
Shri B. M. Gupte, M.A., LL.B., Poona.
Rao Bahadur M. B. Jambhekar, Engineer, Lonavla.
Shri V. S. Shirgaonkar, Manufacturer, Ugar.
Shri J. K. Rege, Manufacturer, Bombay.
Shri M. S. Parkhe, B.A., Poona.
Shri R. B. Banthia, Merchant, Panvel.

52 Branches all over Maharashtra, Andhra and Mysore States.

All sorts of Banking business transacted.

Head Office: BAJIRAO ROAD, POONA 2.

C. V. JOAG, B.Com., F.I.I.B. (London) *General Manager.*

Paramount

In Japan, as a result of the progressive relaxation of yarn production curtailments, cotton consumption in 1959-60 rose to a new post-war peak of 2.9 million bales. The man-made fibre industry, too, has been extremely active, with increases in all sections during the first nine months of 1960 by comparison with a year earlier. Notable, however, is the fact that, whereas cotton surpassed the 1956-57 peak, output of spun rayon remained far below the 1957 peak. Synthetics, which are offering strong competition to cotton and rayon in some end-uses, continue to expand rapidly with output at record levels in every instance. The expansion in the rayon industry is attributed mainly to increased production of high tenacity rayon yarn and acetate filament.

Pure cotton yarn production in Japan during the first nine months of 1960 was about 19 per cent higher than in the comparable 1959 period and the percentage increase in cloth production was almost as much. Yarn production in the final quarter of 1960 is expected to have brought total production for the year to half a million metric tons.

Production Curtailment

Control over cotton yarn production in Japan is being implemented under two schemes: (1) the moth-balling programme under which 15 per cent of the registered spindles of each mill was put into storage for an indefinite period from May 1959, and (2) the sealing programme whereby about 9 per cent of spindles, in addition to those moth-balled are temporarily frozen. At present, however, and for all practical purposes, the second programme is not in operation, as most of the sealed spindleage has been released in connection with work under triangular deals and other special export arrangements.

Japan's cotton textile exports in 1960 increased significantly. Total shipments of cotton goods (yarn, cloth and made-up goods) during the first nine months of 1960 amounted to 152,283 tons, an increase of 16 per cent. over the same period in 1959. The increase in cotton yarn exports during this period was phenomenal, 35,802 tons, as against 9,874 tons, and is explained in part by the marked increase in exports to Indonesia, under a processing agreement under U.S. P.L. 480. In recent months, however, the volume of new business is reported to have shown a downward trend and traders are not optimistic regarding prospects for the near future.

Large exports of cotton yarn and cloth contributed to the rising trend in cotton consumption in Japan but the main impetus to demand was in the domestic market. Most of the "sealed" spindles under the curtailment programme are currently in operation by reason of special textile export arrangements but, with production in excess of demand and stocks on the increase, yarn output may be curtailed again. Liberalisation of cotton imports, scheduled to take effect in April next, might ordinarily be expected to stimulate cotton textile production were it not for the restriction programme. Even so further modest increases are not ruled out.

Outside these major centres, textile production is concentrated in three areas, the Far East, the Middle East and South America and such information as is available suggests further increase in many countries, particularly in the Far East.

Communist Countries

The situation in the Communist countries is summed up by the I.C.A.C. as follows:

Consumption in these countries has expanded significantly in recent years as is evident from the following table:

(In million bales of 478 lbs. each)

Country	1959-60	1958-59	1957-58	1956-57
China	8.8	8.5	6.8	6.2
U.S.S.R.	6.2	6.0	5.8	5.5
Eastern Europe ..	2.2	2.1	1.9	1.8

The outlook for the present season is clouded by the raw cotton supply situation in China and the U.S.S.R. Production is apparently down in both countries and, as far as can be determined, imports will have to increase if consumption is to be maintained at last season's level. It is believed that China now consumes about as much cotton as the United States and consumption in the U.S.S.R. last season amounted to 6.2 million bales. Consumption in Eastern Europe is now about 3.25 million bales annually and is still rising.

The difference between wishing and having is

SAVING

Systematic savings at the
CORPORATION BANK
help you have all your wishes realised, one by one, automatically, and with an elegant ease and comfort.

Open your S. B. Account at any one of the Bank's 62 branches and make it grow as fast as you can, with a will to win frame of mind.

Branches of the Bank in Bombay City

(1) FORT (2) MANDVI
(3) SHIVAJI PARK and (4) KALBADEVI.

THE CANARA BANKING CORPORATION LIMITED
Estd. 1906
Registered Office:
UDIPI, S. I.

SCIENTIFIC INSTRUMENTS
FOR
TEACHING
RESEARCH
ENGINEERING
MEDICAL STUDY

CONTACT:
TOSHNIWALS
198, Jamshedji Tata Road
BOMBAY-1
AJMER, CALCUTTA, DELHI, MADRAS

THE
UNITED COMMERCIAL BANK
LIMITED
Head Office: CALCUTTA

Authorised Capital .. Rs. 8,00,00,000
Subscribed Capital .. Rs. 4,00,00,000
Paid-up Capital .. .. Rs. 2,00,00,000
Reserve Fund .. .. Rs. 2,05,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.
Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.
AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, *Chairman.*
S. T. SADASIVAN, *General Manager.*

Akbarallys DEPARTMENT STORE IN BOMBAY

LIGHTING BY PHILIPS

In a city of bright, modern shops Akbarallys department store in Bombay stands out as a favourite rendezvous of smart shoppers.

And naturally, the lighting at Akbarallys is by Philips.

A scientific combination of Philips fluorescent and incandescent lamps with Philips' exclusive fittings produces lighting that helps to display the merchandise in the most attractive manner possible.

Philips' exclusive lighting consisting of lamps, fittings and accessories ensures ultimate economy by providing the maximum illumination level at lowest running cost and gives longer, trouble-free performance. Philips' scientifically designed equipment is the result of experience as well as research and development aimed to meet the ever-growing demands of better lighting. And hand-in-hand with Philips' unrivalled quality goes the invisible *plus* of Philips' international experience and know-how.

FREE: *For planned lighting, designed economically to suit your specific need—whether it is industrial, commercial or any other specialised application—consult Philips Lighting Service Bureau.*

PHILIPS
quality lighting
for ultimate economy

PHILIPS INDIA LIMITED

JWTP 4439A

4 DECADES of
DEVOTED and
DIVERSIFIED
BANKING SERVICE!

ANDHRA BANK LTD
Head Office: MASULIPATAM.

Recently introduced our
RECURRING DEPOSITS SCHEME
to suit all pockets - especially
middle-class and salaried people

Accepted at Rs. 10/- or multiples thereof

A deposit of Rs. 10/- will fetch you:
in 24 months ... Rs. 250/-
in 48 ,, ... Rs. 520/-
in 72 ,, ... Rs. 820/-

For more particulars please contact any of our 74 branches.

T. R. BHAGAVAT
General Manager

LAND CEILINGS BILL AND SUGAR MILLS

MAHARASHTRA GOVERNMENT'S ARGUMENTS FOR INCLUSION OF CANE FARMS UNTENABLE

WHO can help those who refuse to see? And what can be said of those who are so dogged y obst.nate as not to adm.t a wrong move and retrace their step before it is too late? These two posers immediately come to one's mind after a perusal of the 31-page White Paper on the Maharashtra Land Ceilings B.ll and Sugar Industry issued by the State Government. The main objects of issuing the Paper, we are told, are to remove the "misunderstanding" regarding the Government's move as a result of what it calls "a tendentious propaganda carried out on behalf of the affected vested interests," that is, the sugar factories, to set out the correct position with reference to sugar industry in the State, and to elucidate the point of view underlying the relevant provisions of the proposed legislation. But the series of arguments put forward by the Maharashtra Government are either off the mark or are highly untenable, not to speak of the fact that they completely brush aside the fundamentals involved.

After all, what is the criticism that has been levelled against the inclusion of cane farms attached to sugar mills under the purview of the Land Ceilings Bill? It is simple. It is a retrograde step to deny the sugar industry certain advantages, enjoyed by it for a number of years, which have been responsible for a high level of efficiency of sugar manufacture. Take, for instance, the contention of the Government that the sugar factories in the private sector enjoy a special advantage in the shape of profits of agricultural production on their farms as distinct from the industrial part of the undertaking, namely, the sugar factory itself. But what is wrong in enjoying such an advantage? If the same advantage is not enjoyed by other sugar units in Maharashtra and elsewhere, the solution lies not in denying the factories the advantage but in making other factories also enjoy a similar advantage.

Another Incorrect Argument

Another contention of the Government which is not correct is that a ceiling on land holdings is a far-reaching measure of equitable social distribution of an important and physically limited factor of production. The present arrangement itself fully ensures such distribution. It is common knowledge that the twelve joint-stock sugar companies of the State are owned not by a few individuals but by hundreds of shareholders, the actual number being put at more than 21,000. These 21,000 shareholders together have a holding of 100,000 acres, though the area owned is much less at 30,000 acres. The average holding per shareholder thus comes to no more than 4.8 acres. What is more, even if all the land (both owned and leased) held by sugar mills is taken into consideration, it will constitute just 0.002 per cent of the total cultural land area of about 50 million acres. This is certainly a negligible percentage which can easily be exempted from the ceiling legislation. By taking over and distributing this small quantity of land, the Maharashtra Government will not be able to make any impression on the problem of unequal distribution of wealth and income. If, however, the Government still feels that there cannot be an equitable distribution of land so long as the sugar mills earned unduly large profits as a consequence of the ownership of cane farms, it can mop up a portion of the so-called excess profit through the levy of an agricultural income-tax on the agricultural incomes of factories. Apropos this argument, the Government merely says in the White Paper that an agricultural income-tax is only a fiscal measure which cannot be compared to a ceiling on land holdings. This counter-argument makes no sense whatever. How the emphasis laid on social justice by the Maharashtra Government is far-fetched is amply borne out by the following extract of a well-reasoned speech delivered by Prof. C. S. Krishnamurti of Bijapur, under the auspices of the Forum of Free Enterprise, on 24th January 1961:

"It is contended that social justice demands that a ceiling on landed property is the logical corollary. Could the same thing, for instance, be applied to the workers in the factory? Even granting that the tiller of the soil should be the owner of the land, one cannot categorically assert as to who exactly is the tiller and who is not. Even this avowed object is nullified in the Land Ceiling Bills of the States, when they vouchsafe for State farms or co-operative joint-farming societies which are no more than stepping stones to collective-farming. Witness, for instance, the preamble of the Maharashtra Land Ceilings Bill, speaking of 'to provide for the acquisition of land, held in excess of the ceiling, and for the distribution thereof to landless and other persons.' Who are those other persons? Would we be wrong if we were to make bold to state that it has been deliberately kept vague! The irony of land ceiling legislation in India is that it is a mixture of opposites. On the one side, they speak of social justice and, in the same breath, they speak of joint-farming. If increase in production is the objective, which would mean larger holding, then fixing of ceiling on holdings becomes superfluous. If, on the contrary, we desire smaller holdings and a ceiling on holdings implies this, then the question of disrupting the existing farms and co-operativising them does not arise, because the unit of cultivation will then become too unwieldy. Land ceiling legislation in India purports to play the role of both Dr. Jekyll and Mr. Hyde. One cannot hunt with the hound and run with the hare. If you would have a ceiling on agricultural holding, then why not extend it to the urban areas and income also? One need not wait for the answer to this question."

Rents Paid By Mills

The Government of Maharashtra points out that the rents paid by sugar factories to original owners of land are an insignificant fraction of the profits of cultivation. But one would ask: Could not the rents be raised? The Government can issue a directive to sugar mills to pay higher rents. It must be noted here that, only recently, the erstwhile Bombay Government got the rents revised in an upward direction, even though this action meant making a departure from the long-term lease agreements concluded with factories. Another pertinent point to be noted here is that a very large number of persons who have leased out their lands to sugar mills are small-holders and are not entirely depending for their living on the rents received from the mills. For practically all the persons are working either in farms as cultivators or as workers in factories or in both and get wages. The minimum daily wage that a worker in joint-stock sugar mills farms gets is said to be Rs. 2.75, which is much more than what a worker in co-operative factories gets, namely, Re. 1.25-Re. 1.70. Moreover, the workers in joint-stock mills and farms attached to them get provident fund, bonus and gratuity, not to speak of free medical, housing and education facilities. Can the Maharashtra Government guarantee all these benefits after the cane farms are converted into State farms or co-operative farms or joint farming societies? We wonder.

Factory Farms' Advantages

It does not need an expert to say that the factory farms as a whole enjoy certain economics of large-scale benefits of finance and expert agricultural management. The White Paper no doubt admits it, but explains it away by declaring that there should be no difficulty about retaining all these advantages and benefits in State farms and joint farming societies. But can the Government make sure that similar facilities are provided to other farms? This is a pertinent question, because the individual cane-growers have so far not been able to organise and introduce such production facilities. This irrefutable point clearly proves the superiority of farms owned by joint-stock companies in terms of productivity over private ownership. Co-operation has not been much of a success even in fields like credit and marketing, although it has been tried in these fields for well over 50 years, of which over a decade has been under the regime of the Congress Party. It has not been tried at all on a large scale in sugarcane growing. Even the so-called co-operative sugar factories are not drawing their cane from sugarcane co-operative farms but only from individual farms. The chances of success for the co-operative experiment in the field of sugarcane are thus doubtful. In any case, there is no sense in giving up an arrangement which has proved its merit and taking to another of unproved merit.

In this context, it will be relevant to quote another passage from Prof. Krishnamurti's address:

"It is all moonshine and fiddle-stick to think that voluntary co-operative farming would be a success for the asking of it, particularly in a country where the agriculturist is steeped in amazing ignorance and has a filial attitude towards the farm and the home. Nowhere in the world, co-operative farming has been experimented upon a universal scale, and even in those spheres wherein it has been used, without an element of regimentation and compulsion. China and Russia; Yugoslavia and Poland; Hungary and Israel have found voluntaryism in co-operative farming a luxury. In a vast continent like India, where the agriculturist is wedded to his land, it is a well-nigh impossible proposition to make a success of the co-operative farming. The secret of co-operation is its limita-

A Royal occasion*
a Royal sport
and
SHALIMAR PAINT
for a 'Bright'
Royal Finish

Yes, Shalimar Superlac, Shalimar Woodkote and Steelkote helped make a Royal occasion "bright". They were used by the Royal Calcutta Turf Club in their regular repaint programme to protect and make "Bright" the Grandstands, out-houses, railings, etc., of this splendid race course.

*H. M. Queen Elizabeth and H.R.H. the Duke of Edinburgh attended the Calcutta Races on Saturday, February 18th.

SHALIMAR PAINT, COLOUR & VARNISH CO. PRIVATE LTD.
CALCUTTA · BOMBAY · MADRAS · NEW DELHI · KANPUR · (Agents overseas)

Personalised
SERVICE

With specialised knowledge acquired through long experience, the Punjab National Bank is in a unique position to-day to be of positive help in providing PERSONALISED SERVICE.

EVERY DESCRIPTION OF BANKING BUSINESS IS UNDERTAKEN.

THE PUNJAB NATIONAL BANK LTD.

Established 1895
Head Office: New Delhi.

THE SOUTH INDIA
INSURANCE CO., LTD.
Incorporated in India
(Established 1934)

FIRE, MARINE, ACCIDENT
AND MISCELLANEOUS
INSURANCE BUSINESS

Head Office:
Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

THE ARCHITECT'S CHOICE
BARMIL
SOFT INSULATION BOARD

If you leave it to expert's selection, 'Barmil' is the obvious choice.

Flame Proof material available

FIRST MADE IN INDIA BY
THE BARNAGORE JUTE FACTORY CO., LTD.
(INCORPORATED IN ENGLAND)

DISTRIBUTED BY
GLASS & CROCKERIES (P) LTD.
CALCUTTA · DELHI · BOMBAY · MADRAS

fair chance for young talent

Some 48,000 children are at school in Jamshedpur, where Tata Steel runs 34 schools—17 of them on two shifts—and assists 122 other schools with recurring or capital grants. Instruction up to matriculation is given in four languages to meet the needs of the cosmopolitan industrial community.

Employees' children are taught free or pay a concessional fee depending on the parents' income. Here, we see Shri Etwari of Mongbyr, an operative in the steel works, and his son, Kameshwar Prasad. Kameshwar passed matriculation in the first division in 1959, qualifying for a university stipend and for a Tata Steel Jubilee scholarship of Rs. 75 per month which will see him through college without any strain on his father's modest resources.

Jubilee scholarships apart, Tata Steel provides assistance in several ways to enable deserving children to take up higher studies. Young talent is thus encouraged and nurtured at Jamshedpur, where industry is not merely a source of livelihood but a way of life.

JAMSHEDPUR
THE STEEL CITY

The Tata Iron and Steel Company Limited TTN 4901

National and Grindlays Bank Ltd.

(Amalgamating National Bank of India Limited, Grindlays Bank Limited and the Eastern Branches of Lloyds Bank Limited).

Registered in London under the Companies Act of 1862 on the 23rd March 1866. The liability of members is limited.

Bankers to the Government in
Aden, Kenya Colony, Zanzibar and Uganda

Authorized Capital . . . . . £ 5,702,925
Subscribed and Paid-up Capital . . £ 4,562,400
Reserve Funds . . . . . £ 3,000,000

Head Office: 26 BISHOPSGATE, LONDON, E.C.2.
London Branches:
54 Parliament Street, S. W. 1: 13 St. James's Square, S. W. 1.

BRANCHES throughout India, Pakistan, Ceylon, Burma, Aden, Somali, Zanzibar Island, Kenya, Uganda, Tanganyika Territory and Northern and Southern Rhodesia.

The Bank conducts all classes of Banking and Exchange Business throughout the world. Trusteeships and Executorships are undertaken.

Bombay Branches: 90, Mahatma Gandhi Road; Mint Road (Corner of Mint Road and Sir P. M. Road); 270/272 Dr. Dadabhoy Naoroji Road (Lloyds Branch); 21/29 Princess Street (Lloyds Branch).

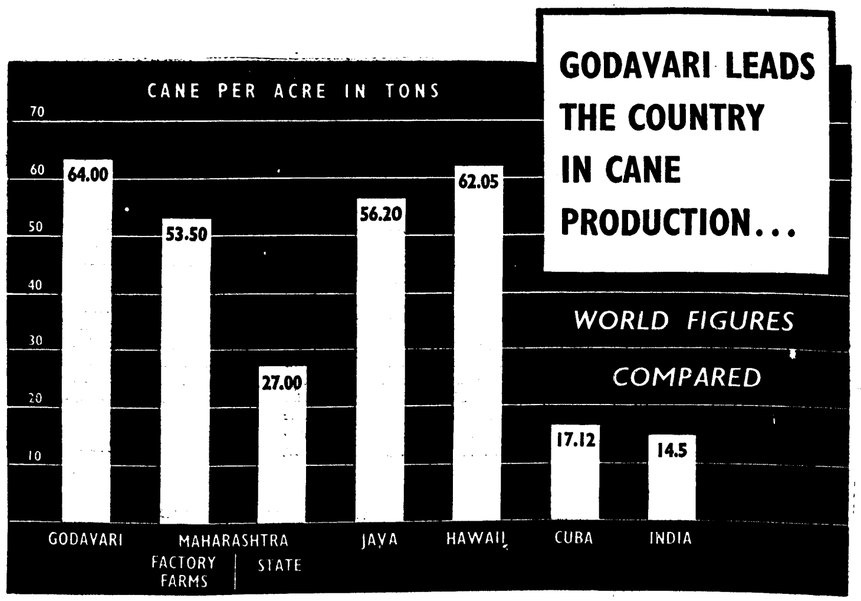
tion. Co-operative movement is not an open-sesame for every symptom of instability of the rural economy of the country."

It will thus be seen that the expectation of the Maharashtra Government that the inclusion of sugar mills' farms in the Ceilings Bill will provide a broader base of ownership of land-holding and thereby create greater incentive for increased production is without foundation. It was only the other day that Mr. Vinoba Bhave said that fixation of ceiling could have been justified if the result had been appreciable. Indeed, he went to the extent of condemning land ceiling as a coercive measure. Surely, Mr. Vinoba Bhave cannot be accused of having championed the cause of vested interests.

A reference is made in the White Paper to the fear expressed by the joint-stock companies to the effect that their financial structure will be disrupted if, as a result of the application of the ceiling, they have to give up their agricultural farms. "It is not quite clear," the Paper says, "what is purported to be conveyed by such a remark." How can it be clear when the authorities examine an issue with preconceived notions? Following the surrender of cane farms by sugar mills, the supplies of cane will have to be met entirely from the State farms or the joint farming societies. This means that the working capital requirements of mills will be larger than what they are today because of the payment of full prices immediately after the cane is supplied. It may be noted here that three mills are wholly self-sufficient in respect of cane supplies and, in the case of other mills, outside cane supplies account for a small portion of the total cane crushed.

The inclusion of cane farms attached to sugar mills in the Land Ceilings Bill also will result in loss of much precious revenue to the State exchequers following the fall in the productivity of land that is now sought to be taken over from the companies. It is computed by some that there would be a loss of 385,000 tons of cane, if the yield of cane—the present average yield is 53.5 tons per acre—were to fall to the level of those obtained in co-operative farms, that is, about 36.0 tons. On this basis, the loss of revenue is estimated at Rs. 19.25 lakhs on cane cess account for the State Government and Rs. 130.25 lakhs in excise revenue to the Centre.

Apart from these losses, the measure entails, as this journal pointed out on an earlier occasion, a heavy drain on the financial resources of the State Government which will have to find funds not only for paying compensation to those from whom land is being taken over but also for providing the working capital that will be required by the existing cane farms and for expanding cane cultivation, for all which money is now being provided by investors in the private sector. Introducing the Maharashtra Agricultural Lands Bill in the State Legislative Assembly on the 8th inst., Mr. Vasantrao P. Naik, Minister for Revenue, indicated that the amount the Government would have to pay as compensation for the excess land (estimated at 1.1 million acres) that would come to it would be about Rs. 33 crores. Of this, the share of sugar mills will be approximately Rs. 3 crores, or about Rs. 300 per acre. The rate of compensation is ludicrously low, especially considering all the effort and money spent by the managements of sugar mills on the cane farms all these years to increase their productivity.



AND MAHARASHTRA'S FACTORY FARMS ARE INDIA'S BEST!

The Sugar Industry in Maharashtra State is an agro-industry working at PEAK EFFICIENCY. The average yield of cane per acre of **Factory Farms** in Maharashtra is twice the average cane yield in the State and nearly four times the average for the whole of India. This efficiency is progressively going up because of:-

- **Progressive management with high initiative and drive.**
- **Unceasing research and experimentation, and scientific cropping schemes.**
- **Adoption of latest techniques and timely operations, with the utmost economy in the use of water and manures.**
- **Huge investment in land development and heavy mechanisation.**
- **Rigid pest and disease control and eradication measures.**
- **Highly qualified and experienced technicians.**
- **Close co-ordination between farm and factory.**

Nowhere else in this country are sugar-cane farms so efficiently organised for high productivity as they are presently in the Factory Farms of Maharashtra. *Facts about cane yields mentioned in the Govt. Statistical Companion and White Paper are misleading as the factories' own farm yields have been mixed up with the cultivators' poor yields to prove lesser averages.*

For further particulars please write for our factual Booklet.

For the sake of agricultural productivity

EXCLUDE FACTORY FARMS FROM THE PROPOSED MAHARASHTRA LAND CEILINGS BILL

OUR ACHIEVEMENTS COMPETE WITH THE WORLD'S BEST

Issued in the public interest by GODAVARI SUGAR MILLS LTD.,
45, Mahatma Gandhi Road, Fort, Bombay 1.

NEARING ACHIEVEMENT

India's ambitious Durgapur Steelworks project is well on the way to completion. ISCON, the consortium of famous British engineering and electrical manufacturing companies, has been most successful and the end of the job is in sight.

Rolling mills, melting shop, blast furnaces, coke oven batteries and cooling towers have transformed the skyline. The birth of this new industry has already brought new employment to West Bengal. A steel city has been carved from paddy fields and jungle by people of two different nationalities and background, but working as a team with a single purpose. The result is a triumph for British industry and a better tomorrow for the people of India.

ISCON

INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Davy and United Engineering Company Limited. Head Wrightson & Company Ltd. Simon-Carves Ltd. The Wellman Smith Owen Eng. Corp. Ltd. The Cementation Company Ltd. Associated Electrical Industries (Rugby) Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Associated Electrical Industries (Manchester) Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. Iscon Cable Group (Siemens Edision Swan Ltd. and Pirelli General Cable Works Ltd.)

BRITISH COMPANIES WORKING FOR INDIA

PEIC 23

RAILWAYS' PERFORMANCE IN THE LAST DECADE

SPECTACULAR GROWTH IN SUBURBAN PASSENGER TRAFFIC

A SPECIAL brochure by the Railway Board, distributed along with the Railway Budget papers, assesses the performance of the Indian Railways in the decade since 1950-51. It examines the operating performance in the background of the prevailing economic conditions and attempts a correlation of expenditure to the relevant units of performance wherever feasible. In this article, it is proposed to refer only to the trends in goods traffic and earnings over the decade. The Ministry's examination indicates how the railways' goods traffic has been influenced by the trends in agricultural and industrial production. A fairly long table is appended in column 2 showing the details of the production and movement by rail of certain selected commodities which account for more than 60 per cent of the total originating traffic on the railways. It will be seen that the increase in production has been reflected in a corresponding increase in the volume of goods traffic handled. For instance, the index of industrial production (Base 1951=100) reached 122.4 in 1955-56 and 151.9 in 1959-60 while the index of ton-miles, with a corresponding base, reached 135.1 in the former year and 186.0 in the latter. The absolute figures, expressed in ton-miles, of the volume of goods traffic handled, are given below:

(In million ton-miles)

Commodity	1950-51	1955-56	1959-60
Revenue-earning traffic :			
Coal for the public and non-Government railways ..	6,891	7,902	12,025
Foodgrains	2,445	3,404	5,842
Oilseeds	567	591	636
Other commodities ..	13,096	18,947	23,726
Non-revenue traffic :			
Railways coal and materials.	3,964	5,590	7,920
Total ..	26,963	36,434	50,149

As far as 1959-60 is concerned, the pattern of rail movement in that year generally followed the same trend as in the previous years and the freight traffic, on the whole, kept pace with the increasing industrial and agricultural production. Whereas the bulk of the output of coal, cement, iron and steel, manganese ore, iron and other ores, paper, tea, and raw jute were transported by rail, the proportion of tonnage transported by rail under jute manufactures, raw cotton, cotton manufactures and sugar continued declining This declining trend indicated some shift in the pattern of distribution of the traffic under these commodities as between the different modes of transport. In spite of this decline, the railways were actually able to handle 144.2 million tons in terms of originating traffic in the year under reference.

The growth of passenger traffic during the last decade has been assessed in the brochure in terms of passengers originating and of passenger miles. The relevant figures are interesting for their break-up under 'suburban' and 'non-suburban' and 'upper' and 'third.' The figures in terms of passengers originating are given below:

(Figures in millions)

	1950-51	1955-56	1959-60
Suburban :			
Upper	14	20	27
Third	324	479	612
Non-suburban :			
Upper	28	15	16
Third	913	761	860
Total ..	1,279	1,275	1,515

It will be seen from the above figures that the number of suburban passengers has nearly doubled over the decade, whereas the number of non-suburban passengers has slightly declined. Industrialisation and consequent urbanisation have led to a tremendous growth in the population of cities. The result is seen in the spectacular growth of suburban passenger traffic. This growth has been even greater when expressed in terms of passenger-miles. The following figures bear this out:

(In million passenger-miles)

	1950-51	1955-56	1959-60
Suburban :			
Upper	116	217	265
Third	2,579	4,857	6,572
Non-suburban :			
Upper	2,400	1,848	2,093
Third	36,064	31,852	37,136
Total ..	41,159	38,774	46,066

The above figures show that suburban passenger traffic, in terms of passenger-miles, has more than doubled over the decade. Non-suburban passenger traffic, however, has remained more or less static. In other words, the increase in general population over the decade has not been reflected in a corresponding increase in the non-suburban (or rural) passenger traffic.

As far as 1959-60 is concerned, 6.5 per cent more passengers (both suburban and non-suburban) travelled on the Indian Railways as compared with the previous year; the rate of increase in terms of passenger-miles was even higher, namely, 9 per cent, thus indicating an increase in the average lead in passenger traffic. The available data for the year 1960-61 indicate a further increase of the order of 6 per cent over the corresponding level of 1959-60 in passenger traffic. The rate of increase in the suburban passenger traffic is much higher than in the non-suburban traffic. It is estimated that, in comparison with 1955-56, the increase in passenger traffic in the current year is of the order of 26 per cent. In other words, passenger traffic during the second Five-year Plan has increased roughly at the rate of 5 per cent per annum against the second Plan forecast of an annual increase of 3 per cent—the bulk of the increase having occurred during the two closing years.

A question that arises in this connection is whether, in view of the increasing suburban traffic, passenger fares could be increased to facilitate the running of more trains. It is seen that, as compared with 1950-51, traffic in terms of passenger-miles in 1959-60 has increased by 12 per cent, while passenger earnings (including the tax on fares) in the latter year has increased by 41 per cent. On the other hand, revenue-earning goods traffic, in terms of ton-miles has increased over the decade by 84 per cent and the goods earnings, too, have increased by about the same percentage, namely, 83. *Prima facie*, it would appear that the case for increasing freight rates (so as to have more internal resources for financing the third Railway Plan) is stronger, because, for all practical purposes, the increase in goods earnings has been due to the increase in the volume of goods traffic and not to the increase in freight rates (in terms of ton-miles) as such. This does not mean that there is no case for increasing passenger fares, both to discourage travel to some extent in the country as a whole and to secure larger earnings out of the inevitably increasing suburban traffic. When a comparison is instituted between 1955-56 and 1959-60, it will be seen that the case for an increase in passenger fares is stronger still, particularly because there has been no change in the basic passenger fare structure during this period except for the imposition of the passenger fare tax. Since comparatively more expenditure is incurred in running additional passenger trains for providing additional seats to ease overcrowding as far as possible, there is no reason why more earnings should not be secured from this source also.

The suburban passengers, in particular, may not grudge paying more on their ordinary or season tickets if the railways could render travelling speedier and less uncomfortable. The Railway Ministry's brochure claims that, in the areas served by the electric multiple unit suburban services, the train mileage in terms of single-unit trains has increased by 33.0 per cent as against an increase of 57 per cent in passenger mileage between 1955-56 and 1959-60. With the substantial increase in train mileage, it should have been possible to reduce overcrowding, if not eliminate it altogether. If this has not been possible, it must have been due to the persistent problem of peak-hour traffic. Surely, more efficient and quicker ways of handling the peak-hour traffic should suggest themselves to the railway authorities. If somehow this problem is solved so as to eliminate overcrowding and delays in suburban trains, the travelling public may cheerfully pay more fares.

Freight Rates

The case for a judicious increase in the freight rates applicable to a whole range of low-grade commodities may be justified on the ground that the railways now either make no profit by transporting them or barely avoid incurring a loss. From 1959-60, the railways have begun maintaining separate ton-miles statistics for 22 broad commodity heads which account for more than 75 per cent of the revenue-earning traffic, and it is now possible to have a broad idea of the financial effect of the low freight rates charged on industrial raw materials, foodgrains, etc. It is seen from the relevant statistics that the average earnings per ton-mile in the case of coal on both the broad and metre-gauges, namely 3.33 nP and 3.33 nP, fall short of the overall average cost of hauling a ton of goods (taking all commodities together) one mile (including interest), which in 1959-60 was 4.44 nP on the broad-gauge and 8.19 nP on the metre-gauge. On the metre gauge, the average earnings per ton-mile of the following commodities, besides coal, fall short of the overall average cost (8.19 nP) per ton-mile:

Supply and Movement
(In '000 tons)

Commodity	1950-51	1955-56	1959-60
Coal :			
Production	32,307	38,226	47,028
Rail movement	30,423	35,337	44,616
Cement :			
Production	2,613	4,487	6,828
Rail movement	2,432	3,956	6,058
Iron and steel :			
Production and imports..	1,724	2,661	3,704
Rail movement (includes machinery, etc.) ..	2,707	3,655	6,602
Metallic ores other than manganese ore :			
Production	3,655	5,464	8,677
Rail movement	3,007	4,373	8,558
Manganese ore :			
Production	883	1,584	1,168
Rail movement	867	1,378	1,173
Foodgrains :			
Production and imports..	50,235	66,494	75,557
Rail movement	7,682	9,044	12,287
Raw jute :			
Production and imports..	586	712	894
Rail movement	463	512	799
Tea :			
Production	271	284	316
Rail movement	261	258	260
Paper and paperboard :			
Production and imports..	215	324	366
Rail movement	189	256	411
Jute manufactures :			
Production	836	1,027	1,051
Rail movement	267	290	253
Cotton, raw :			
Production and imports..	714	818	782
Rail movement	517	739	531
Cotton manufactures :			
Production	498	715	738
Rail movement	465	548	394
Oilseeds :			
Production	5,076	5,643	6,352
Rail movement	1,570	1,766	1,467
Sugarcane :			
Production	56,150	59,587	75,038
Rail movement	2,774	3,408	3,141
Sugar :			
Production	1,037	1,615	2,410
Rail movement	983	1,336	1,354
Salt :			
Production	2,620	2,979	3,128
Rail movement	1,551	1,858	1,952

	nP.
Foodgrains	4.96
Oilseeds	7.79
Marble and stone	6.03
Salt	5.19
Manganese ore	6.79
Iron ore	5.70
Other ores	7.63
Cement	7.53
Wood, unwrought	7.58
Fruits and vegetables, fresh	7.21
Total revenue-earning traffic ..	7.25

It is admitted by the Railway Ministry that the comparison of the average receipt from each commodity group with the overall average cost is not strictly scientific, inasmuch as the mere overall average cost of moving a ton of goods one mile does not take into account the widely varying transportation characteristics of different commodities. Nevertheless, it is claimed that the overall cost per ton-mile does give broadly an index of evaluation of freight rates in relation to railways' costs.

The Railway Board's brochure is also notable for its treatment of operational efficiency which has registered some improvement in several directions, like engine usage, wagon usage and passenger train performance. For instance, engine-miles per engine-day in respect of passenger engines in use have increased from 155 in 1950-51 to 171 in 1959-60 on broad-gauge sections and from 131 to 133 on metre-gauge sections. Engine-miles per engine-day in respect of goods engines in use have increased from 93 in the former year to 100 in the latter on broad-gauge sections, but decreased from 92 to 86 on metre-gauge sections. Wagon-miles per wagon-

(Continued on page 355)

NEW PRODUCTS AND PROCESSES

Water Enamel

A WATER-THINNED gloss enamel, which embodies all the advantages of the popular flat and stain plastic paints and can be used both inside and outside has been developed by an Australian scientist, Mr. Louis Miranda.

The formula for a water-thinned gloss had been eluding world paint manufacturers for years. Now this outstanding development in paint technology has been achieved by the 34-year-old Sydney chemist. The new paint, marketed under the trade name Instant Aquanamel, does away completely with the need for turps, sealers, primers and undercoats. The invention has been acknowledged as a "world first" by paint authorities in Britain and the United States. The U.S. National Paint, Lacquer and Varnish Association and the Society of British Paint Manufacturers have written to Mr. Miranda saying he has been "the first to break through the water-gloss barrier." The tests have proved that Aquanamel is ideal for inside and outside use, is water and steam resistant, and that its gloss and colour properties are long lasting. Pigments in the new paint do not settle and there is not even any need to stir it, saving time and trouble. It spreads farther over porous surfaces than ordinary enamels and in weathering tests was less affected by exposure in comparison with other enamels. Brushes and accessories being used with Aquanamel wash out immediately in water. No sealers are required on masonry surfaces and it is extremely easy to apply. Aquanamel dries in less than half an hour. A well-ventilated room can be recoated immediately after applying the first coat. The paint is lead free and non-inflammable, and there is a complete absence of paint odour.

Wooden Ball Point Pens

A Dutch lead-pencil factory has produced a ball point pen chiefly made of wood, viz., straight-grained non-warping cedar. The penholder is hexagonal in shape like the firm's well-known lead pencils and grey in colour. This wooden holder has several lacquer coatings in a matt finish so that even in moist hands it does not slide or twist. It is not too thin for a man's hand nor too thick or heavy for a girl's hand, thus assuring everyone effortless writing. This ball point pen has no pressing mechanism and is therefore all the more reliable. The wooden holder encloses a copper ink reservoir filled with a sufficient supply of permanent ink for writing a length of about 4.200 m. When not in use the ball point is protected by an airtight plastic cap with a clip; the sealing device at the back is also provided with a plastic cap. Both plastic caps indicate the colour of the ink used, the pens being available for four different ink colours (black, red, blue or green). These ball point pens can also be supplied in an attractive plastic case containing all the four different colours. In this design the ball point pens are supplied without plastic caps.

Plate-bending Rolls

The latest Pinch-Pyramid type plate bending rolls with a pre-bending capacity of 8 ft. x 2 ins. and a rolling capacity of 8 ft. x 2½ ins. in mild steel plate have been announced by a U.K. engineering firm. The rolls are arranged in pyramid form, but instead of the top idle roll being provided with vertical adjustment, the two bottom driven rolls are adjustable and they can be moved vertically, either independently or simultaneously. The machine is powered by a 120 h.p. main drive motor and two 40 h.p. motors are provided for independent adjustment of two bottom rolls. All the motor controls are grouped together in a multi-control desk so that the operator has full control of the machine at his finger tips. For the removal of a completed cylinder, the balancing of the top roll and lowering of the swing down housing are simultaneously controlled by a 7½ h.p. motor operated from the control desk. With this Pinch-Pyramid design, plate cannot only be rolled but both long edges of the plate can be preformed prior to rolling without taking the plate out of the machine.

Thawing Frozen Rubber

A plant which thaws frozen bales of natural rubber in less than an hour—compared with up to five days thawing time by conventional methods—has been shipped to Russia from the U.K. It will be erected at Dnepropetrovsk, where Rustyfa Ltd., a consortium of British firms, whose consultants are Dunlop Advisory Services Ltd., is completely equipping one of the world's largest tyre factories. Rustyfa worked in collaboration with Radyne Ltd., a firm in southern England, for nearly two years to develop successfully a technique using radio frequencies to thaw frozen rubber. After the electronic end of the process had been developed, Baker-Perkins Ltd., an English firm, devised a conveying system in collaboration with Dunlop which passes the bales of frozen rubber under dielectric heaters. A similar thawing plant is at present under construction for another tyre factory in Rumania, which is also being built by Rustyfa.

Advanced Anti-Fouling

The "Toxion" anti-fouling and anti-corrosion system for ships is claimed to be a unique method of obtaining a smooth hull. The system is an ingenious association of poison, a flow of compressed air and normal external hull cathodic protection. There are two small diameter discharge tubes running fore and aft on each side of the vessel, one located two or three feet from the keel and one just above the bilge keel. These are connected through the hull to an installation which supplies a continuous flow of compressed air and poison, the latter being accurately metered into the air stream. The poison is discharged through orifices in the pipes on the hull and forms a micro-thin toxic film over the whole of the submersed area. Its adherence and distribution is aided by polarisation of the hull which is, of course, a normal characteristic of cathodic protection. Since fouling organisms will only settle on a vessel when her speed through the water is less than two knots, the poison need only be discharged when she is in port or at anchor.

Self-Lubricating Metal

Deva metal, now being manufactured in Britain and to be exhibited at the 1961 Engineering, Marine, Welding and Nuclear Energy Exhibition, is a homogeneous and non-porous solid, made by compacting natural or colloidal graphite powder with primary or alloyed metal powders. It is claimed to be the only metal which (due to its uniform composition) is permanently self-lubricating, irrespective of wear, over a wide range of temperatures. It owes this quality to the graphite film that forms on the contacting metal surface under friction, allowing it to withstand higher temperatures and pressure/velocity factors than porous bearing materials impregnated with grease or oil. Deva metal is especially suitable for use on bearings where operating conditions might lead to the breakdown and dispersal of conventional lubricants or where the presence of oil or grease might result in contamination of the product being handled. Various grades of bronze, brass and iron are used as the metallic constituent, to cover operating temperatures between —330°F (—201°C), and 1100°F (592°C).

Benzyl Chloride

Benzyl chloride is an important intermediate for a variety of chemicals, such as phenylacetic acid, amphetamine, benzyl alcohol, cyanide pethidine, benzyl acetate, benzyl benzoate, etc. These chemicals find extensive applications as pharmaceuticals, perfumery materials, textile chemicals and dyes and intermediates. Benzyl chloride is usually obtained by the chlorination of toluene in presence of actinic light, the reaction being carried out to the extent of 30-60 per cent only. The unreacted toluene and benzyl chloride are then isolated by distillation of the crude mixture. It has been generally observed that this method of isolation and redistillation of benzyl chloride leads to decomposition and/or polymerisation, thus affecting the yields of the product. An improved process, developed at Regional Research Laboratory, Hyderabad, eliminates the drawbacks of decomposition and polymerisation. As a result, higher yields of more pure benzyl chloride are obtained, yields up to 90 per cent. of the theoretical have been recorded.

The process has been studied on pilot plant having a production capacity of 15 kg. of benzyl chloride per batch and technical and economic data for the designing of a commercial unit has been collected. The raw materials, toluene and chlorine, are available indigenously. A small quantity of benzyl chloride and commercial hydrochloric acid equal in quantity to benzyl chloride are obtained as by-products.

Total capital outlay for a plant having a capacity of 600 kg. per day is estimated at about Rs. 5.25 lakhs. Most of the equipment is of glass-lined steel. The plant can be located at any place where raw materials and other facilities are easily available. Manufacture can be taken up with advantage by an organisation engaged in the production of organic and perfumery chemicals.

New Device for Handling Premium Notice

An electronic reading machine, which facilitates speedy handling of premium notice of and business letters, has been developed in the U.S. The machine instantly translates what it reads into business language and punches the information on tape. Modified and coupled with a special computer, it would translate foreign language copy into English at the rate of 2½ lines a second. The machine, in commercial production by the Farrington Manufacturing Company of Needham, Massachusetts, U.S.A. was described as the "world's first commercial page reader" at a recent demonstration in Washington. Numerous data processors "read" numerals such as appear on credit cards and bank cheques, but none heretofore read the written word. The Farrington Numero-Alphabet Optical Scanner, as it is called, reads and digests entire pages of copy.

Six large insurance firms have ordered the machine, priced at $123,000 each, to read premium-due notices returned by policyholders with payments. The machine is capable of handling 1.5 million notices in eight days, a task that now takes batteries of clerks and accountants months to perform. An improved model with a capability of 340 characters—letters of the alphabet, numbers and punctuation marks—per second is being built, a company spokesman said. It will record output on magnetic tape rather than on paper tape. The machine, incorporating principles of a television scanning tube, was developed by David H. Shepard, who invented the first workable optical scanner ten years ago.

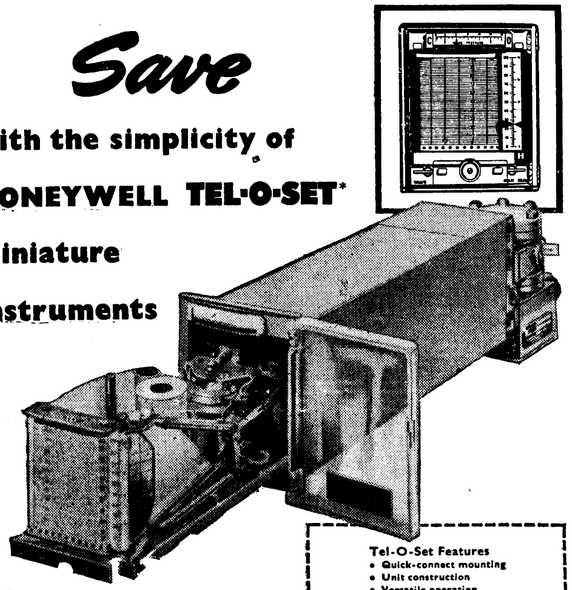
Save

with the simplicity of

HONEYWELL TEL-O-SET*

Miniature

Instruments



Tel-O-Set Features
- Quick-connect mounting
- Unit construction
- Versatile operation
- Wide range of reset rates
- Low air consumption
- High precision
- Exceptional compactness
- Chart re-roll

NEW and improved *Tel-O-Set* miniature pneumatic instruments are low in cost, easily installed, compact and require minimum maintenance. They can handle a broad range of temperature, pressure, flow and liquid level applications...

With all their simplicity, these instruments are highly sensitive and respond instantly to change. They operate on a pneumatic-balance principle which eliminates lost motion and friction.

Honeywell *Tel-O-Set* indicators, recorders and controllers are today's most advanced miniature instruments.

*Trademark of Minneapolis-Honeywell Regulator Co.

Honeywell
First in Control
SINCE 1885

Sold and serviced in India exclusively by

BLUE STAR

BLUE STAR ENGINEERING CO. (Bombay) Private LTD.
LOTUS COURT
JAMSHEDJI TATA ROAD, BOMBAY 1.
Also at CALCUTTA · DELHI · MADRAS

STATE BANK OF INDORE

(Subsidiary of the State Bank of India)

Incorporated in India under special statute. The liability of the members is limited.

BALANCE SHEET AS AT 31st DECEMBER, 1960.

The Bank of Indore Ltd. 31-12-1959 Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
	1. Capital—		
	AUTHORISED CAPITAL—		
50,00,000	1,00,000 shares of Rs. 100 each	1,00,00,000.00	
37,50,000			
30,60,750 (Subscribed)	ISSUED CAPITAL— (Pursuant to Section 7 (1) of the State Bank of India (Subsidiary Banks) Act, 1959)		
15,30,375	35,000 shares of Rs. 100 each fully paid-up ..		35,00,000.00
	2. Reserve Fund and Other Reserves—		
	(i) Under Section 8 (1) (a) of the State Bank of India (Subsidiary Banks) Act, 1959 .. .. Rs. nP 6,25,000.00		
	(ii) Transferred from Profit and Loss Account 1,36,535.00		
29,00,000			7,61,535.00
	3. Deposits and Other Accounts—		
5,88,91,588	(i) Fixed Deposits	5,32,53,019.00	
1,09,70,633	(ii) Savings Bank Deposits	1,28,07,322.99	
2,05,71,852	(iii) Current Accounts, Contingency Accounts, etc...	2,23,62,681.53	
9,04,34,073			8,84,23,023.52
	4. Borrowings from Other Banking Companies, Agents, etc.—		
Nil	(i) In India	1,13,32,347.04	
Nil	(ii) Outside India	Nil	
	Secured by Investments *per contra.*		
			1,13,32,347.04
4,67,657	**5. Bills Payable**		11,47,489.26
	6. Bills for Collection Being Bills Receivable as per contra—		
33,21,512	(i) Payable in India	43,70,476.82	
2,452	(ii) Payable outside India	3,233.15	
33,23,964			43,73,709.97
	7. Other Liabilities—		
3,25,594	(i) Gratuity Fund	3,64,627.29	
15,21,242	(ii) Branch Adjustments	16,68,805.13	
30,859	(iii) Unclaimed Dividends	28,999.72	
18,77,695			20,62,432.14
18,17,912	**8. Acceptances, Endorsements and Other Obligations** as per contra		20,10,898.00
	9. Profit and Loss—		
4,33,504	Balance as per last Balance Sheet	Nil	
	Profit for the year ended 31st December, 1960 ..	7,12,560.92	
	LESS—Amount transferred— Rs. nP (i) To Provision for Taxes .. 1,35,015.00 (ii) To Reserve Fund .. .. 1,36,535.00 (iii) To Gratuity Fund .. .. 40,000.00 (iv) Bonus to Staff 1,27,000.00	4,38,550.00	
			2,74,010.92
	10. Contingent Liabilities—		
20,160	(i) Claims against the Banking Company not acknowledged as debts	20,160.00	
75,000	(ii) On account of partly paid Preference Shares ..	60,000.00	
28,39,329	(iii) Guarantees given on behalf of Customers ..	37,76,172.00	
10,27,85,180	Total .. Rs.		11,38,85,440.85

The Bank of Indore Ltd. 31-12-1959 Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
	1. Cash—		
81,90,256	In hand and with Reserve Bank of India, State Bank of India and its Subsidiaries		63,58,322.90
	2. Balances with Other Banks on Current Account—		
9,23,751	(i) In India	5,72,559.32	
Nil	(ii) Outside India	Nil	
			5,72,559.32
Nil	**3. Money at Call and Short Notice**		Nil
	4. Investments (At or below Market Value)—		
2,85,81,545	(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills (Rs. Nil) of the Central and State Governments .. .. (Securities of the face value of Rs. 5 lacs have been deposited with the Madhya Pradesh Government on account of guarantee given on behalf of customers)	2,70,40,497.72	
	(ii) Shares— Rs. nP		
2,01,250	(i) Fully Paid Preference Shares. 1,97,500.00		
45,000	Partly Paid Preference Shares. 60,000.00		
68,000	(ii) Fully Paid Ordinary Shares.. 68,000.00		
3,14,250		3,25,500.00	
32,08,592	(iii) Debentures or Bonds	32,04,092.00	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
3,21,04,387	Investments of the face value of Rs. 2,64,87,700 are pledged against borrowings from other Banks, Agents, etc., *per contra.*		3,05,70,089.72
	5. Advances—		
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
	(1) Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
4,94,69,934	(i) In India 6,13,95,786.12		
Nil	(ii) Outside India .. Nil		
		6,13,95,786.12	
	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
53,92,324	(i) Payable in India .. 69,96,207.10		
82,710	(ii) Payable outside India. 37,974.38		
		70,34,181.48	
5,49,44,968	Particulars of Advances: See separate Statement appended.		6,84,29,967.60
	6. Bills Receivable Being Bills for Collection as per contra—		
33,21,512	(i) Payable in India	43,70,476.82	
2,452	(ii) Payable outside India	3,233.15	
33,23,964			43,73,709.97
18,17,912	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** as per contra		20,10,898.00
	8. Premises—		
3,50,870	At cost upto 31st December 1959	3,53,697.35	
2,827	Additions during the year	Nil	
3,53,697		3,53,697.35	
1,44,070	LESS—Depreciation written off to date	1,48,950.35	
2,09,627			2,04,747.00
	9. Furniture and Fixtures—		
5,48,779	At cost up to 31st December 1959	5,68,609.81	
22,954	Additions during the year	46,080.51	
5,71,733		6,14,690.32	
3,123	LESS—Cost of Sales written off etc., during the year.	164.37	
5,68,610		6,14,525.95	
2,56,991	LESS—Depreciation written off to date after adjustments in respect of items sold, etc. ..	3,06,543.95	
3,11,619			3,07,982.00
	10. Other Assets—		
3,71,188	(i) Interest accrued on Investments	3,77,009.81	
5,51,448	(ii) Advance Payment of Income-tax	6,23,284.77	
36,060	(iii) Sundry Advances	30,985.81	
Nil	(iv) Subsidy Receivable	25,888.95	
Nil	(v) Silver	Nil	
9,58,696			10,57,169.34
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims.**		Nil
10,27,85,180	Total .. Rs.		11,38,85,440.85

PARTICULARS OF ADVANCES

The Bank of Indore Ltd. 31-12-1959 Rs.	PARTICULARS OF ADVANCES	Rs. nP
5,20,16,445	(i) Debts considered good in respect of which the Banking Company is fully secured	6,64,46,460.45
17,32,395	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	13,67,647.20
11,96,128	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	6,15,859.95
Nil	(iv) Debts considered doubtful not provided for	Nil
	Rs.	[illegible]29,967.60

The Bank of Indore Ltd. 31-12-1959 Rs.	PARTICULARS OF ADVANCES	Rs. nP
1,52,977	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,75,207.96
38,23,424	(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	30,47,850.76
1,52,977	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,98,191.60
39,04,910	(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members..	30,47,850.76
1,07,466	(ix) Due from Banking Companies ..	Nil

SPENCER AND COMPANY LIMITED

SPEECH OF THE CHAIRMAN, MR. Z. R. IRANI

ADDRESSING the shareholders of Spencer and Company, Ltd., at their Sixty-third Annual General Meeting, which was held on 17th February 1961, at the registered office of the Company, 153, Mount Road, Madras-2, Mr. Z. R. Irani, Chairman of the Company, said:

"GENTLEMEN,

"I take great pleasure at your attendance at this the sixty-third annual general meeting of the Company, as, apart from having the benefit of any advice or suggestions you have to make, it permits me to give you an idea of what developments have taken place, what difficulties we have encountered and what our position is likely to be at the close of the current financial year.

"The accounts, you will observe, have been presented in a more compact form, giving only salient figures with details incorporated in attached schedules. The year shows a slight increase in turnover with a corresponding small increase in net profit and this also, after writing off completely the Karan Mehta transaction, which is now considered impossible of recovery, and, providing for the initial loss in and about the setting up of an up-to-date canning factory at Kanpur to both of which items your attention has already been drawn in the Directors' report. You will also observe that there has been a heavier depreciation provision and, furthermore, a fairly large increase in the development rebate reserve. Allowing for all these, you will see that the results of actual trading have been distinctly better than in the previous year and I am sanguine that this fact will manifest itself in the current year's accounts.

Different Activities

"For comparative purposes, I again give you the percentage contribution of each of our activities towards our trading profits, namely, wholesale and retail trade 23 per cent, drugs and pharmaceuticals 26 per cent, hotels and catering 16 per cent, house furnishing 9 per cent, aerated waters 4 per cent, cigars 2 per cent, tea 7 per cent, refrigeration and airconditioning 12 per cent and sundries 1 per cent.

"I will make a small reference to the preference dividends. Arising from the Finance Act 1959, we continued to pay dividends to preference shareholders in what we considered a fair manner, though, of course, there are varied opinions on the matter. The Preference Shares (Regulation of Dividends) Act 1960 has established the basis of computation and all preference dividends are now being paid in accordance therewith. Some preference shareholders have objected to a reduction in their dividend return, but they must remember that the greater burden, under the Finance Act, falls on the ordinary shareholder.

"Later this month, we shall know what are the budget proposals for starting the third Five-year Plan. Taxation in every conceivable form and to the greatest extent possible will be necessary as one of the forms of finance. I do not think corporate taxation will be increased, but individual taxation very possibly will be, though I am against using the taxing power to weaken the private economy. Various new forms of indirect taxation will undoubtedly be introduced, but political considerations will restrict these to items which will not unduly affect the lower-income groups and we, as distributors of commodities more in demand with groups other than the lower-income ones, will be up against a certain amount of consumer resistance. I daresay, conditions will rectify themselves as the population begins adapting itself, but we must expect some shortfall in business.

Liquor and Grocery

"The foundation and prosperity of the Company were built up, and I need not hesitate in saying it, on liquor and the grocery trade. As from the last licensing half-year, the import quota of liquor was halved to 5 per cent and I am glad to say that sales of the indigenous products of Dyer Meakin Breweries have been developed to fill the gap to a great extent. Your Board has long felt the need for canned fruits and vegetables, etc., and, with this purpose in view, set about the installation of a factory in our Kanpur premises, then lying idle. The manufacture of canned goods is not a simple undertaking as will be manifest from the number of concerns that have started this line of business and later folded up. Two prerequisites are necessary, namely, quality products and an assured distribution medium. We had the latter; therefore, it was a case of setting about the former and we have succeeded in this, as it will be evinced in the considerable consumer demand now being created. We have, therefore, laid a solid foundation, and I am glad to say that production is up to schedule.

"The amendment of Section 372 of the Companies Act hits, to some extent, the Board's policy of promotion of consumer goods industries which, though still requiring foreign collaboration by way of finance and technique, do not involve the large capital that heavy industries do. To collaborate with foreign investment, it would be ridiculous for your Board to refuse to participate because of the limitation imposed by Section 372. Admitted it is within Government's purview to waive that limitation, but I ask which should come first, the negotiations or the application for the waiver—the chicken or the egg! It is good for your Company to associate itself with new industries where the benefit of a sole distributorship is also part of the deal. Experience has taught us that a close and amicable association between principal and distributor is of the utmost importance.

Discipline in Industry

"I must now touch on a matter which is so simple and which I expect has been stated before by others, but which apparently has neither received correct appreciation by Governmental circles or workers' unions. It is this. A worker is employed supposedly to do a job which either he or his predecessor did a decade ago. He receives a wage, commensurate with current living costs, but his output of work bears no comparison to his or his predecessor's output of work a decade ago and why so? Because current labour laws have invested him with rights without demanding from him the obligations arising out of his employment. I support the phrase dignity of labour, but say what one may, such a state of affairs has led to disloyalty and indiscipline and employment becomes time-serving with the employer at the wrong end of the stick. Admitted the law provides for dismissal, but the reasons for such a step by an employer must be grave indeed so that, so long as an employee keeps within certain bounds, he need not worry about the interests of the employer. I am speaking in general terms, because there are quite a number of employees with abounding self-respect who feel that their good lies in doing good to their employer. That is the type one would like to cultivate and to see advance. Indiscipline in industry is only a step from indiscipline in other walks of life, so some curbs in the right direction must be imposed by Government for the good of the nation.

"Finally, we have passed through a hard year and I am glad to say that estimates of the current year's trading are quite heartening. Our thanks are due to all our staff who have combined so energetically to put in much good work."

The balance-sheet as at 30th June 1960 was approved and adopted. A further and final dividen of 12 per cent less tax on the ordinary shares as recommended by the Directors was declared, making in all a total dividend of 18 per cent less tax for the year.

Note: *This does not purport to be a record of the proceedings of the annual general meeting which will be sent separately to shareholders.*

STATE BANK OF INDORE—*(Contd.)*

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960.

The Bank of Indore Ltd. 31-12-1959 Rs.	EXPENDITURE	Rs. nP
26,08,258	1. Interest paid on Deposits, Borrowings, etc.	24,91,561.19
12,99,916	2. Salaries, Allowances and Provident Fund .. .. (Salary and Allowances to the Manager, Rs. 29,900)	13,48,681.16
2,485	3. Directors' Fees and Allowances	1,640.00
4,76,218	4. Rent, Taxes, Insurance, Lighting, etc.	5,22,932.84
6,608	5. Law Charges	1,397.84
67,580	6. Postage, Telegrams and Telephones	78,275.84
13,000	7. Auditors' Fees	4,000.00
84,194	8. Depreciation on and Repairs to the Banking Company's Property ..	54,810.78
91,055	9. Stationery, Printing, Advertisements, etc.	1,20,787.44
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
77,642	11. Other Expenditure	81,920.99
5,26,780	12. Balance being Net Profit subject to provision for Bonus and Taxation ..	7,12,560.92
51,98,681	Total .. Rs.	54,13,518.95

The Bank of Indore Ltd. 31-12-1959 Rs.	INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP
45,67,936	1. Interest and Discount	46,66,645.72
5,85,374	2. Commission, Exchange and Brokerage	6,44,391.59
2,790	3. Rents	2,350.00
Nil	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	47.00
42,581	7. Other Receipts	74,195.69
Nil	8. Subsidy Receivable	25,888.95
51,98,681	Total .. Rs.	54,13,518.95

K. G. PANDIT,
Secretary and Chief Accountant.

G. S. SRIVASTAVA,
General Manager.

P. C. BHATTACHARYYA *Chairman.*

T. A. VASWANI
K. A. CHITALE
SUGANMAL BHANDARI
A. H. ELIAS
N. A. KRISHNAN
L. J. FERTNIG
BHANWARLAL SETHI
BALKISHAN MUCHHAL
} *Directors.*

REPORT OF THE AUDITORS TO THE STATE BANK OF INDIA

We have examined the foregoing Balance Sheet of the State Bank of Indore as at 31st December, 1960, and also the foregoing Profit and Loss Account of the Bank for the year ended on that date with the Accounts and Vouchers relating thereto of Head Office and with the unaudited Returns submitted and certified by the Branch Managers, which Returns have been incorporated in the above Balance Sheet and Accounts.

We report that—

(i) In our opinion the Balance Sheet is a full and fair one, containing all the necessary particulars and is properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank;

(ii) Where we have called for any explanation or information such explanation and information have been given to us and have been found satisfactory;

(iii) The transactions of the Bank which have come to our notice have been within the competence of the Bank;

(iv) The Returns received from the Branches of the Bank have been found adequate for the purpose of our audit;

(v) The Profit and Loss Account shows a true balance of profit for the year covered by such Account.

A. F. FERGUSON & CO.,
Chartered Accountants.

INDORE, *1st February*, 1961.

INDUSTRIAL CREDIT & INVESTMENT CORP. OF INDIA LTD.

MR. G. L. MEHTA'S STATEMENT TO SHAREHOLDERS

WORKING RESULTS FOR 1960 BETTER

THE Annual General Meeting of the shareholders of the Industrial Credit and Investment Corporation of India Limited is due to be held at Bombay on 23rd March 1961. A statement by the Chairman, Mr. G. L. Mehta, has just been circulated to the shareholders of the Corporation along with the Directors' report and statement of accounts for the year ended 31st December 1960. This statement, published below, highlights, among other things, the present broadening of the investment market by the expansion of the functions of finance institutions. The I.C.I.C.I.'s own contribution to the growth of a capital market in India has been very substantial, albeit in a qualitative rather than a quantitative sense. Even in a quantitative sense, its contribution, which in 1960 alone amounted to Rs. 13.4 crores (Rs. 5.8 crores by way of rupee assistance and Rs. 7.6 crores by way of foreign exchange assistance) covering 44 companies, has by no means been small. Fuller details regarding the Corporation's operations and working results are to be found in the following statement:

"I have great pleasure in welcoming the shareholders to the new premises of the Corporation, to which the Corporation's registered office was transferred in May, 1960, and in placing before them the sixth annual report of the Board of Directors of the Corporation for the year ended 31st December, 1960.

"In many ways, 1960 marked an important stage in the planned development of India. After the foreign exchange difficulties in 1957 and 1958, the country was able to consolidate its position in this sphere, thanks partly to the aid of friendly countries. Industrial production increased by about 15 per cent over the level reached in 1959 —the result of completion of earlier efforts. Available reports indicate a favourable situation as regards agricultural production. Credit which appeared plentiful at the beginning of 1960, however, became subsequently scarce. Inflationary pressures in the economy have been largely contained. The situation has improved sufficiently to embolden Government to plan on a larger scale for the third Plan period, an effort underpinned by the successful negotiation of a large and long-term agreement for the import of foodgrains and other agricultural commodities from the U.S.A.

Trends in Industrial Finance

"Of more immediate interest to this Corporation were developments in the field of industrial finance. The upsurge in investment to whose beginning I had referred in the last year's statement, assumed much larger proportions during 1960. This upsurge was reflected in the capital market both in the number of new issues floated on the market and in the heavy oversubscription of these issues of capital and the premiums quoted on new shares. A gratifying aspect of this trend was the widening of interest in industrial shares, as evidenced by the large number of applications made for the issues. I would also refer to the fact that the interest apparently was confined to variable dividend securities rather than to fixed interest bearing securities. Considerations of growth appear to have outweighed considerations of yield.

"This phenomenon has, however, to be interpreted with some qualifications. It is likely that a part of the demand for the new issues was based on short-term considerations of quick capital appreciation, as frequently happens in a rising market. Moreover, with investors failing to secure required shares in one issue, it was often the same applicant and perhaps the same money chasing successive issues. Besides, as oversubscription became a common phenomenon, people may have tended to apply, even with borrowed funds, for larger amounts than their investment requirements, in order to ensure at least a part allocation on their application.

"But even after allowing for stagging of new issues, double-counting of many applications and inflation of demand, it is possible to infer that there was a substantial increase in genuine investment demand for industrial securities. The upsurge has proved to be transient as the results of more recent issues indicate; nevertheless, the shift in investment habit, once acquired, is likely to have an enduring impact, although the intensity of its manifestation is bound to vary with market psychology and the general climate.

"There are one or two aspects of this phenomenon which are of importance from the viewpoint of sound industrial development. There seems to be a strong demand for equity participation in industrial enterprises, more so where there is foreign collaboration. In this connection, I should like to welcome the recommendation of the Committee appointed by Government to invite, as an experiment, minority public participation in a few selected public sector companies. The success of this experiment, however, will depend upon the choice of issues, their timing and the care bestowed on details as well as adequate preparation for ensuring satisfactory public response. Unduly high expectations about public subscription to such issues should not be entertained in the initial stages; the benefits of this policy will be realised over a period of years.

Debt Financing

"In the private sector also, it is necessary that the present opportunity be used to improve the bearing of share capital. There are various factors which appear to favour an increasing resort to debt-financing in private industry. A smaller equity base considerably improves the profitability of a company. Very often, the amount of equity capital fixed is based not on the requirements of the project but on the financial resources of the entrepreneur, with the result that where an entrepreneur takes up a very large project and tries to retain controlling interest, he keeps the equity low and seeks to obtain the balance of the cost of the project by means of borrowing. Most finance institutions also cater to supplying loan capital rather than providing assistance in the form of underwriting of or subscribing to share capital. Finally, foreign exchange, because of its shortage, is available mostly by way of loan capital (except to the extent financial participation is forthcoming from foreign collaborators) instead of being purchased with rupees raised on the capital market, as was previously the case.

"I cannot help feeling, however, that excessive reliance on loan obligations in the capital structure, particularly of new companies, has its risks which entrepreneurs are, in their optimism, prone to overlook. Such borrowings lead to an accumulation of interest charges in the early non-productive (construction) years of a new enterprise, which can be avoided by raising equity. Moreover, while in prosperous times it may be apparently easy to service debt obligations, when the winds of competition blow, such enterprises would be hard put to meet their growing commitments. Further, the existence of debt obligations may reduce the capacity of a company to borrow in difficult times when borrowing alone may be possible and becomes unavoidable.

"It would, therefore, be prudent for private industry to raise the required resources by way of share capital when circumstances permit. Times like the present should be used to strengthen the capital structure rather than to seek capital appreciation by keeping equity low. Financial institutions should have the necessary flexibility for providing assistance in this direction.

"I am aware of the fact that there are different views on this subject. Undoubtedly, the capital structure appropriate for a company depends upon several factors such as the nature of its business, the magnitude of its requirements, the stability of its operations over a period of time, and the climate of the capital market. What I have tried to indicate are some of the considerations relevant to sound finance which should not be overlooked when we desire not merely rapid but also healthy industrial development.

Widening of the Financial Market

"The investment market is being broadened by the expansion of the functions of finance institutions. Many commercial banks have started giving medium-term loans; the existence of the Refinance Corporation should further strengthen this development. Commercial banks have also entered the underwriting field. As regards finance for small industries, the benefit of the guarantee scheme operated by the Reserve Bank of India, available to commercial banks, has been extended to State Finance Corporations.

"The widening of the financial market is also indicated by the growing practice of giving guarantees. Guarantees are now being given by one set of financial institutions to another: as, for example, by commercial banks on behalf of Indian borrowers to foreign financing agencies like the Export-Import Bank and the Development Loan Fund as well as to Indian financing agencies; or by finance institutions on behalf of Indian purchasers to foreign suppliers of machinery as by the Industrial Finance Corporation for deferred payments.

"I.C.I.C.I.'s contribution to these developments has to be judged in relation to its resources: it is, therefore, more qualitative than quantitative. I.C.I.C.I. has always kept in view a broader objective, namely, to help foster the growth of a capital market in India. To this end, it has consistently tried to keep in touch with other finance institutions, to exchange information on matters of common interest and to take up joint underwriting and other financing operations. We have done joint financing also in respect of foreign exchange loans thereby augmenting the foreign exchange resources available to the country. We have done so in cases where we could have met all the requirements ourselves and although it was not necessary to invite other institutions to participate. We consider such operations to be also in the interest of I.C.I.C.I. in so far as they help to reduce risk by spreading it.

I.C.I.C.I.'s Operations

"I.C.I.C.I.'s own operations during 1960 reflect some of the trends noted earlier. I.C.I.C.I. benefited from the upsurge in investment activity in the country, as shown by the total volume of assistance, Rs. 13.43 crores, sanctioned by it. A large proportion of this assistance was in the form of foreign exchange loans since, with the acute scarcity of foreign exchange, I.C.I.C.I. became an important source of foreign exchange for industry. At the same time, as a result of its policy of limiting its stake in any one unit (which, in view of foreign exchange shortage, often took the form of foreign exchange loans) and because of the buoyancy of the share market (which reduced the need for underwriting and encouraged other finance institutions to take up such business as became available), I.C.I.C.I.'s own rupee operations, although higher than during 1959, tended to grow less rapidly. With indications of hardening money conditions and a slackening of demand for shares, I.C.I.C.I.'s rupee operations during 1961 may well rise further.

Assistance Sanctioned

"The amount of gross assistance sanctioned by I.C.I.C.I. during 1960, as already mentioned, was Rs. 13.43 crores to 44 companies, consisting of rupee assistance of Rs. 5.81 crores and foreign exchange assistance of Rs. 7.62 crores. Of this, an amount of Rs. 11.21 crores was sanctioned to 39 companies for new projects. A finance institution is a catalyst in the sense that it helps bring into being investment much larger than the amount of its own assistance. For example, the total amount of investment in the new projects of the 39 companies assisted by I.C.I.C.I. in 1960 would be Rs. 55.22 crores (of which Rs. 43.69 crores would be for fixed assets)—almost five times the figure of I.C.I.C.I. assistance. The foreign exchange component of the fixed investment of Rs. 43.69 crores was Rs. 17.84 crores, of which I.C.I.C.I. provided about 40 per cent; the balance of the foreign exchange requirements was met from Government releases of foreign exchange to the companies concerned, participation by foreign collaborators and deferred payment terms given by suppliers. The turnover of these projects when completed is estimated to amount to about Rs. 39 crores.

"The companies financed this total fixed investment of Rs. 43.69 crores by raising ordinary share capital of Rs. 18.75 crores, preference share capital of Rs. 2.15 crores and long-term loans of Rs. 21.22 crores; working capital requirements of Rs. 11.53 crores were more than fully covered by bank credit and internal cash accruals of Rs. 13.10 crores. I would like to add that the larger reliance on long-term loans in these cases was partly due to the fact that a substantial part of the requirements was in foreign exchange which, except in the case of cash licences or foreign participation, can be obtained only by way of loans; besides, old companies can more safely go in for preference shares or loan commitments than new companies.

New Loans to I.C.I.C.I.

"With the increasing tempo of I.C.I.C.I.'s operations, it was found necessary to augment our resources, particularly of foreign exchange. The second loan from the World Bank was fully committed during 1960, much earlier than originally anticipated. I am glad to report that during the last year I.C.I.C.I. obtained a further foreign exchange loan of U.S. $20 million from the World Bank. This is the third and the largest foreign exchange loan obtained by I.C.I.C.I., the first two being of U.S. $10 million each. We are grateful to the World Bank for its increasing confidence in this Corporation. I would take this opportunity to thank the distinguished President and the staff of the World Bank for their understanding and co-operation. We are also obliged to the Government of India for its helpful attitude, and particularly for its guarantee to the World Bank in regard to the third loan.

"I.C.I.C.I. has also successfully negotiated during the year a loan of $5 million from the Development Loan Fund of the United States Government. Some formalities remain to be completed in regard to this loan, and it is hoped the agreement would be signed at an early date. I take this opportunity to thank the officials of the Development Loan Fund for this loan and for the interest they have evinced in the activities of this Corporation.

Working Results

"Reflecting the rising tempo of operations, the Corporation's profits before tax increased from Rs. 50.66 lakhs in 1959 to Rs. 62.60 lakhs in 1960. After providing for tax (Rs. 26.94 lakhs), the balance carried to revenue appropriation account is Rs. 35.66 lakhs in 1960 against Rs. 28.23 lakhs in 1959. As required by clause 163 of the Corporation's Articles of Association, we have set aside Rs. 9 lakhs out of this to the general reserve; we have also transferred the entire amount of realised profit on investment, being a sum of Rs. 24.87 lakhs (net), to capital reserve.

"The Directors recommend a dividend at the rate of 5.75 per cent. After deduction of tax at source, this leaves in the hands of shareholders an amount slightly above 4 per cent. Thus we have been able to restore to the shareholders the cut in dividend necessitated by the change in the system of company taxation. We have represented to the Government that the present tax system bears heavily on finance institutions of which there are about twenty at present, which do not benefit from the various tax incentives like development rebate and tax holiday made available to manufacturing concerns. It would therefore be equitable to extend to these institutions tax concessions as has been done in some countries. In view of the need to encourage the saving and investment habit in the country and in recognition of the catalytic impact of finance institutions on industrial development, I trust the Government will see its way to extending these reliefs to finance institutions.

General

"I should finally like to refer to two matters of general interest to investors, in which I.C.I.C.I. played an important role. A legislative measure of considerable importance to the investor—the Preference Shares (Regulation of Dividends) Act 1960—was enacted during the year under review. While the Bill was under discussion, your Corporation, as a matter of public service, jointly with other institutions, made representations to the Finance Minister as also to the Select Committee. The Government has seen its way to grant some relief to shareholders as a result of these efforts.

"I had referred last year to the proposal to form an investment centre. I am glad to report that the Indian Investment Centre has now been set up in New Delhi. I.C.I.C.I. has played a prominent part in its establishment. The Government has chosen five members of the Governing Body of the Centre from among the Directors of I.C.I.C.I.; I have the honour to be the first Chairman of this body. I have every hope that, as a result of the Centre's activities, the flow of foreign investment to India will increase.

"The staff have carried out their duties loyally and efficiently. I take this opportunity to thank them for their valuable services."

UNDER SECRETARY TO THE GOVT. 27 FEB PUBLIC DEPARTMENT

PLEASE

MAKE YOUR TRUCK TYRES LAST LONGER !

The present maximum output of the Tyre Industry in India is not enough to ensure sufficient truck and bus tyres for the country's needs.

It is not a matter of distribution. Adequate steps have been taken by Tyre Dealers to arrange that such supplies as are available are strictly allocated at our recommended retail prices to those who need them most.

New tyre factories are in the course of construction, and existing units have expansion programs, but it will be some time before supply catches up with demand.

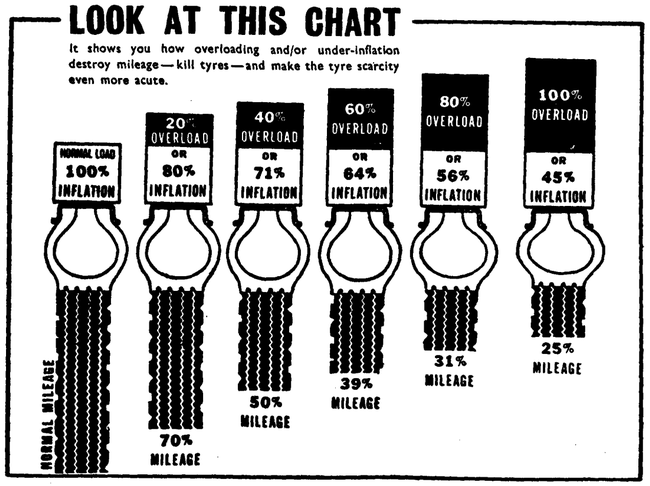
In the meantime, what-?

We believe that this scarcity — which is a source of continuous anxiety to all of us — can be eased to some degree by every truck tyre user taking all possible steps to get the MAXIMUM SERVICE from the tyres he already has. There are many ways that MILEAGE — and, therefore, LIFE of the tyres can be INCREASED. Here is ONE WAY.

MAINTAIN CORRECT INFLATION PRESSURES AND DON'T OVERLOAD YOUR TYRES

LOOK AT THIS CHART

It shows you how overloading and/or under-inflation destroy mileage — kill tyres — and make the tyre scarcity even more acute.



WATCH OUT FOR MORE TYRE SAVING INFORMATION FROM

Firestone

COMPANY LAW SUPPLEMENT

(Monthly Journal)

Main object, to keep the readers informed on all aspects of company law, contains among other matter Queries on problems relating to company law and their answers, amendments of company law, notifications, articles of general importance, digest of cases, etc.

Edited by Messrs. JOHN & ROW, Advocates, Madras, authors of Ready Referencer on the Indian Companies Act, 1956, and other publications on company law.

Annual Subscription: **Rs. 24**

EXPRESS PUBLISHERS PRIVATE LTD.

33, BROADWAY, MADRAS 1

STATE BANK OF BIKANER

(SUBSIDIARY OF THE STATE BANK OF INDIA)

Incorporated in India under special statute. The liability of the Members is limited

BALANCE SHEET OF THE STATE BANK OF BIKANER AS AT 31st DECEMBER, 1960.

31-12-1959 Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
	1. Capital—		
2,00,00,000	*AUTHORISED CAPITAL— 1,00,000 shares of Rs. 100 each	1,00,00,000.00	
1,00,00,000	*ISSUED AND SUBSCRIBED CAPITAL— (Pursuant to Section 7 of the State Bank of India (Subsidiary Banks) Act, 1959) 50,000 shares of Rs. 100 each	50,00,000.00	
50,00,000	*CALLED AND PAID-UP— 50,000 shares of Rs. 100 each fully paid-up ..	50,00,000.00	
60	ADD—Forfeited shares	....	
50,00,060			50,00,000.00
	2. Reserve Fund and Other Reserves— (Pursuant to Section 8 (a) of the State Bank of India		
27,00,000	(Subsidiary Banks) Act, 1959)	12,00,000.00	
....	ADD—Amount transferred from the Profit for the current year	50,000.00	
27,00,000			12,50,000.00
	3. Deposits and Other Accounts—		
6,69,75,767	Fixed Deposits	7,42,60,099.41	
2,32,56,568	Savings Bank Deposits	2,68,84,453.43	
4,11,90,776	Current Accounts, Contingency Accounts, etc. ..	3,51,15,850.58	
2,11,151	Staff Security Deposits (deposited with this Bank itself being a Scheduled Bank)	2,36,481.72	
13,16,34,262			13,64,96,885.14
	4. Borrowings from Other Banking Companies, Agents, etc.—		
1,40,01,400	(i) In India	8,621.75	
Nil	(ii) Outside India	Nil	
1,40,01,400			8,621.75
	PARTICULARS—		
1,40,01,400	(i) Secured (against Government Securities) ..	Nil	
Nil	(ii) Unsecured	8,621.75	
31,47,012	**5. Bills Payable**		30,73,689.77
	6. Bills for Collection Being Bills Receivable as per contra—		
76,00,306	(i) Payable in India	87,94,550.82	
4,600	(ii) Payable outside India	8,942.64	
76,04,906			88,03,493.46
	7. Other Liabilities—		
3,21,198	(i) Sundry Creditors	34,25,738.65	
54,932	(ii) Dividend Account	Nil	
39,918	(iii) Rebate on Bills Discounted	10,542.89	
9,07,082	(iv) Provision for Taxes	3,45,000.00	
50,30,413	(v) Branch Adjustments	32,89,302.71	
63,53,543			70,70,584.25
29,77,928	**8. Acceptances, Endorsements and Other Obligations per contra**		28,94,141.91
	9. Profit and Loss Account—		
	Balance brought from the Profit and Loss Account..	2,11,647.38	
	LESS—Appropriations as under— Rs. Statutory transfer to Reserve Fund as per Section 17 of the Banking Companies Act, 1949 .. .. 50,000; Bonus to Staff 1,50,000	2,00,000.00	
			11,647.38
	10. Contingent Liabilities— (i) Claims against the Banking Company not acknowledged as debts Rs. 77,498.22. (ii) Guarantees given on behalf of constituents Rs. 11,51,626.28 out of which Rs. 9,39,755.20 are secured against deposits.		
17,34,19,111	Total .. Rs.		18,48,09,069.56

* Authorised, Issued and Subscribed Capital as at 31-12-1959 were divided into 4,00,000 and 2,00,000 shares of Rs. 50 each respectively and Paid-up Capital was divided into 2,00,000 shares of Rs. 50 at Rs. 25 per share paid-up.

31-12-1959 Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
	1. Cash—		
1,63,06,701	In hand, with Reserve Bank, State Bank and Notified Banks		1,71,24,520.47
	2. Balances with Other Banks— In Current Account—		
5,02,895	(i) In India	79,726.11	
62,491	(ii) Outside India	48,192.96	
5,65,386			1,27,919.07
2,00,000	**3. Money at Call and Short Notice**		11,00,000.00
	4. Investments (At or below Market Value)—		
5,74,62,996	(i) Securities of the Central and State Governments and other Trustee Securities	5,39,90,925.02	
5,13,350	(ii) Shares of Companies: Ordinary (Fully Paid-up).	3,62,565.00	
27,19,259	(iii) Debentures or Bonds	2,63,750.00	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
6,06,95,605			5,46,17,240.02
	(Government and Trustee Securities of the Face Value of Rs. 41,00,000 are not quoted in the market which are taken at Book Value)		
	5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
	1. Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
6,12,16,299	(i) In India 6,66,95,049.81		
Nil	(ii) Outside India .. .. Nil		
	2. Bills Discounted and Purchased—	6,66,95,049.81	
1,88,46,652	(i) Payable in India .. 1,02,18,357.65		
43,180	(ii) Payable outside India .. 38,224.19		
		1,02,56,581.84	
7,96,06,131			7,69,51,631.65
	PARTICULARS OF ADVANCES—		
6,56,71,289	(i) Debts considered good in respect of which the banking company is fully secured	7,30,46,517.64	
9,29,178	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	6,88,343.25	
1,26,52,115	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	32,16,770.76	
3,53,549	(iv) Debts considered doubtful or bad not provided for	Nil	
7,96,06,131		7,69,51,631.65	
3,84,962	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other person ..	3,37,195.92	
2,46,552	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	9,37,458.60	
3,89,721	(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other person ..	3,91,969.34	
5,04,211	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	15,53,458.38	
42,329	(ix) Due from banking companies	68,723.89	
	6. Bills Receivable Being Bills for Collection as per contra—		
76,00,306	(i) Payable in India	87,94,550.82	
4,600	(ii) Payable outside India	8,942.64	
76,04,906			88,03,493.46
29,77,928	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra**		28,94,141.91
	8. Premises— Rs. nP		
25,243	Original cost as on 1st January 1960.. 28,557.58		
3,315	Additions during the year .. .. Nil		
28,558		28,557.58	
	DEDUCT—Depreciation—		
	Upto 31st December 1959 .. .. 5,018.68		
5,019	During the year 1,412.34		
		6,431.02	
23,539			22,126.56
	9. Furniture, Fixtures and Vehicles— Rs. nP		
16,92,669	At cost as on 1st January 1960 .. 18,17,960.30		
1,60,065	Additions during the year 2,75,057.24		
18,52,734	20,93,017.54		
34,773	DEDUCT—Sales, Transfers or Write-offs. 76,726.48		
18,17,961		20,16,291.06	
	DEDUCT—Depreciation—		
6,26,111	Upto 31st December 1959 .. .. 6,98,946.18		
90,856	For the year 1,60,223.44		
7,16,967	8,59,169.62		
18,021	LESS—Depreciation on Sales and Write-offs 51,248.71		
6,98,946		8,07,920.91	
11,19,015			12,08,370.15
	10. Other Assets—		
1,73,381	(i) Prepaid Expenses and other amounts receivable or adjustable	1,95,730.95	
5,97,092	(ii) Interest accrued on Investments	5,43,093.24	
2,60,613	(iii) Stationery and Stamps on hand	2,74,470.15	
29,53,969	(iv) Income-tax deducted at source	7,88,283.50	
	(v) Library Books at Book Value .. Rs. nP 7,718.10		
4,921	LESS—Depreciation 519.57	7,198.53	
39,98,926			
27,248	**11. Non-Banking Assets Acquired in Satisfaction of Claims—** (Lands and Buildings at Estimated Realisable Value).		17,50,680.37
	12. Profit and Loss Account—		Nil
2,95,611	Balance brought from the Profit and Loss Account..	....	
1,880	LESS—Balance (Credit) for the previous year	....	
2,93,731			....
17,34,19,111	Total .. Rs.		[illegible]

MISCONCEPTIONS ABOUT GENERAL INSURANCE

NATIONALISATION WILL ACHIEVE NOTHING

By "Insurer"

THE demand for nationalisation of general insurance has been made from time to time. The move has come from two different directions. One is, as is only to be expected, from the Labour Unions of general insurance companies and the other is from certain leftist members of Parliament, in the form of a motion both in the Lower and Upper Houses. The Government, however, has been categorical in this matter and the Finance Minister and his Deputies have emphasised that they do not feel that any further move in this direction will be of any advantage to the Government.

The move from Labour Unions arises from the fact that, recently, a number of insurance companies has closed down and quite a few Indian companies are not making any profit, resulting in considerable insecurity of service with most of the smaller units, whether Indian or foreign. The conditions of service are not properly formulated, nor is there any staff relations worth mentioning. The prospects both for the companies and their staff cannot be very rosy at the present rate of growth. This is a situation which offers excellent opportunity for a communist union to raise a hue and cry. All increase in business seems to be going only to the bigger companies.

Mr. Deshmukh's Remark

When Mr. C. D. Deshmukh announced nationalisation of life insurance, he had made it clear that, in view of the intricate association of general insurance with commerce and industry, he regarded the general insurance sector as an essential part of the private sector. The main reason for keeping general insurance out, however, was that general insurance does not accumulate huge funds even over a period of many years on account of its annual policy contracts. Again, the rate of profit and the scope for playing about with reserve funds were extremely limited. The extent of competition in general insurance was high enough to keep any unusual profit down to the minimum. It was expected, therefore, that any further encroachment of Government control might be more as a matter of an election stunt than a matter of design and policy. Since then the Mundhra affair has drawn attention to the possible mismanagement and risks on a big scale in a nationalised unit such as the Life Insurance Corporation.

In the recent debate various points were made by the Opposition spokesmen. It was mentioned, for instance, that general insurance business commands enormous resources and makes huge profits; that the foreign insurance companies were writing a substantial part of the business in India and insurers, being directly or indirectly linked up with foreign shipping interests, would work against indigenous shipping interests. It was also mentioned that amalgamations of insurance units would be to the detriment of the industry, in general, and of the employees in insurance, in particular.

The resources of general insurers have always been exaggerated, as most of the resources are earmarked for outstanding liabilities, unexpired risks and funds for catastrophic hazards. Actually, the financial position of most of the Indian insurance companies is very slender and the Government should do something to force them to accumulate resources not only to safeguard against mistakes in underwriting but also to be able to declare steady dividends as is customary with most banks of good standing. It would also be advisable to collect, in the form of a percentage of the premiums, reserve deposits which might be kept with the Reserve Bank of India for the greater protection of clients and staff of the insurance companies. This will help to do away with the paper reserves which appear on the balance-sheets of many companies but which have no real value. Incidentally, it will also mean that the non-Indian companies will be keeping a larger surplus funds in India.

Profits

As for profits, in 1957, the Indian insurance industry made a profit of Rs. 1.03 crores which gives a yield of about 6 per cent. on the paid-up capital of Rs. 9.3 crores. The foreign insurance companies in India are doing only about one-third of the total business in India. As against this, the Indian insurance companies are doing good business outside India and it is expected that, ultimately, they will do more business abroad than foreign companies do in India and thus help bring about invisible exports of a substantial volume. Any action taken against foreign interests in India is bound to have serious repercussions on Indian business abroad. It is well-known that the Life Insurance Corporation had to close its business in quite a few of the neighbouring countries after nationalisation.

There is probably some truth in the charge of mismanagement of some companies. But the only solution for this is an enquiry by Government auditors, as was recently done in two cases, and appointment of Government directors, if necessary. If the voluntary code of conduct accepted by the insurance companies is not very successful, the only reasonable solution that will not upset the internal management would appear to be to strengthen the investigating machinery of the General Insurance Council on which the insurance interests are duly represented along with the Government nominees.

The Government has already brought in considerable pressure for development of a re-insurance market in India. The establishment of the India Reinsurance Corporation and the Indian Guarantee and General Insurance Company, Ltd., as professional reinsurers, is designed to prevent the drain of foreign exchange by way of reinsurance abroad. It, however, takes years of hard work to develop a sound and sizeable reinsurance market and nothing very much can be achieved overnight. The politicians must, therefore, exercise a little patience and should not jump to unsound conclusions.

Some of the State Governments have already made a small beginning in insurance business by way of control of insurances which are statutory necessities such as third-party liability under motor car insurance. The efficiency and speed with which the various Government departments work in this direction needs to be watched, as any failure on their part will make the solution much worse than the problem.

Now that the Government is actively in the market competing with the private insurance companies in the form of subsidiaries of the Life Insurance Corporation doing general insurance business, it is necessary for the Government to show that its policies can be put into practice. There are legal restrictions in this country on the expenses and commission payments of insurance companies and the Government companies should now set an example to show that the Government's preachings and policies can be duly executed without resort to any of the malpractices in the market.

L.I.C. BUSINESS IN 1960

In a written reply to a question by Mr. Anirudh Sinha, the Minister of Finance, Mr. Morarji Desai said that the total amount of business completed by the Life Insurance Corporation of India during the calendar year 1960 was Rs. 411.42 crores. The zone-wise figures were:

(Rs. in crores)

Northern zone 62.40; Central zone 57.27; Eastern zone 86.86; Southern zone 107.41; and Western zone 97.48.

The total amount of business completed in foreign countries during 1960 amounted to Rs. 7.96 crores.

Mr. Desai added that these figures were provisional. The final figures of completed business during 1960 will be available only by the end of February 1961.

STATE BANK OF BIKANER—*(Contd.)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960.

31-12-1959 Rs.	EXPENDITURE	Rs. nP	Rs. nP
37,75,362	1. To Interest paid on Deposits, Borrowings, etc. ..		35,77,075.86
38,61,430	2. To Salaries and Allowances and Provident Fund (including Salaries, Allowances and Provident Fund of: Previous General Manager .. Rs. 31,524.68; Offg. General Manager .. Rs. 7,447.33; Present General Manager .. Rs. 15,263.73)		31,19,771.42
9,566	3. To Directors' Fees and Allowances		7,675.49
2,36,663	4. To Rent, Taxes, Insurance, Lighting, etc. ..		2,87,188.36
17,513	5. To Law Charges		14,278.64
2,05,831	6. To Postage, Telegrams and Stamps		2,38,033.24
9,912	7. To Auditors' Fees and Expenses		7,208.10
1,15,764	8. To Depreciation on and Repairs to the Banking Company's Property		1,91,844.77
1,72,218	9. To Stationery, Printing, Advertisement, etc. ..		2,13,894.16
Nil	10. To Loss from Sale of or Dealing with Non-Banking Assets		Nil
	11. To Other Expenditure—		
1,65,979	(i) Travelling, Conveyance and Remittance Charges.	1,80,402.26	
63,114	(ii) Miscellaneous Expenses	78,981.46	
2,29,064			2,59,383.72
....	12. To Balance carried to Balance Sheet		2,11,647.38
86,33,333	Total .. Rs.		81,27,446.14

31-12-1959 Rs.	INCOME	Rs. nP	Rs. nP
	(Less provision made during the year for bad and doubtful debts, income-tax and other usual or necessary provisions)		
63,60,779	1. By Interest and Discount		59,81,086.99
16,48,856	2. By Commission, Exchange and Brokerage	17,84,265.50	
70,786	LESS—Commission, Exchange and Brokerage Paid..	61,253.92	
15,78,070			17,23,011.58
Nil	3. By Rent		Nil
99,596	4. By Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..		22,577.60
Nil	5. By Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..		Nil
Nil	6. By Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets		2,260.68
3,04,276	7. By Other Receipts—including Subsidy from the State Bank of India in terms of Section 48 of the State Bank of India (Subsidiary Banks) Act, 1959, Rs. 82,590.62		3,98,509.29
2,95,612	8. By Balance carried to Balance Sheet		....
86,33,333	Total .. Rs.		81,27,446.14

Note:—Figures of 1959 relate to those of the Bank of Bikaner, Ltd.

K. V. NAIK,
Superintendent, Loans and Advances.

M. D. HEGDE,
Chief Accountant.

BALWANT SINGH,
General Manager.

PREM SINGH
W. T. KORKE
R. S. MOHATTA
LAL CHAND KOTHARI
J. L. BAGGA
RAM RAKHA
} *Directors.*

REPORT OF THE AUDITORS

TO THE STATE BANK OF INDIA:

We, the undersigned Auditors of the State Bank of Bikaner, appointed under Section 41 (1) of the State Bank of India (Subsidiary Banks) Act, 1959, do hereby report to State Bank of India upon the Balance Sheet and Accounts of the Bank as at 31st December, 1960.

We have examined the above Balance Sheet of the State Bank of Bikaner as at 31st December, 1960, and the Profit and Loss Account for the year ended upon that date with the Accounts relating thereto of Head Office and with the Branch Returns duly certified by the Managers, which have been incorporated in the above Balance Sheet and Profit and Loss Account, and report:

(i) that, in our opinion the Balance Sheet is a full and fair one, containing all the necessary particulars and properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank;

(ii) that, where we have called for any explanation or information such explanation and information have been given to our satisfaction;

(iii) that, the transactions of the Bank which have come to our notice have been within the competence of the Bank;

(iv) that, the Returns received from the Branches of the Bank have been found adequate for the purpose of our audit; and

(v) that, the Profit and Loss Account shows a true balance of Profit for the year covered by such Account.

M. L. SHARMA & CO.,
Chartered Accountants.

NEW DELHI, 29th *January*, 1961.

GOVERNMENT CORPORATE SECTOR

ITS GROWTH, PLACE AND REGULATION UNDER COMPANIES ACT

By Dr. Raj K. Nigam

FOR the first time in the history of the corporate enterprise in India, the Companies Act, 1956, created a new legal class of Government companies. No doubt, prior to the coming into force of this Act along with other categories of public enterprises, namely, statutory corporations, departmental undertakings, control boards, commissions, statutory authorities, State Banks, etc., which were entirely State-owned bodies set up to serve certain specific 'public' purposes, there were also some joint-stock companies incorporated and registered under the provisions of the Indian Companies Act, 1913, in which the Central and State Governments, separately or together, held a substantial block of share capital, by virtue of which the Governments concerned acquired administrative control over them. These companies, however, were not statutorily labelled as Government companies within the meaning of the provisions of Company law and were regulated under the law just like other companies formed by private *entrepreneurs* and registered under the Companies Act. Among other requirements of the Act, these companies were required to maintain the various books of accounts, prepare the annual accounts, arrange their audit, etc., in the same way as was required of other public or private joint-stock companies. Even now, the basic obligations cast upon the companies and their managements under the present Companies Act are equally applicable to both joint-stock companies set up in the private sector by private *entrepreneurs* and to companies which, under the provisions of Section 617 of the Companies Act, are now called as Government companies. But the provisions of Sections 618 to 620 and Section 639 of the present Act have cast certain additional obligations on the latter class of companies. Generally speaking, these additional obligations, as we shall see later, have been cast principally in recognition of the fact that the investments made out of public exchequers should stand the tests of public accountability squarely and fully. As to how this fundamental objective is secured in law and in practice is discussed briefly in this note.

Present Position

But, before we discuss the legal obligations cast on the Government companies, it would be worthwhile to reflect, in passing, on the growth of the Government corporate sector particularly during the last five years. The total number of joint stock companies in which the Central and State Governments, separately or together, owned shares to the extent of 51 per cent or more of their subscribed capital and which, as a result, became Government companies, was 61 on 1st April 1956 when the present Companies Act came into force. These 61 Government companies then accounted for a total paid-up capital of Rs. 66 crores. In comparison with the number of joint-stock companies in the private sector (29,813 as on 1st April 1956), the number of Government companies was, indeed, infinitesimally small. In terms of paid-up capital, their relative position was slightly better. The paid-up capital of the joint-stock companies under the private sector added up to Rs. 958 crores, while that of the Government companies came to Rs. 66 crores. At the end of 1959-60, the number of Government companies was doubled and their paid-up capital swelled up to nearly seven times the aggregate amount of paid-up capital of Government companies in existence on 1st April 1956. The absolute number of Government companies at the end of 1959-60 was 125 and their paid-up capital totalled approximately Rs. 477 crores, while the overall number of joint-stock companies at work was 26,921 having a total paid-up capital of Rs. 1,593 crores. Thus, in 1959-60, in terms of paid-up capital, the Government corporate sector accounted for about one-third of the total corporate sector. It is, however, important to mention here that, of the total paid-up capital of Rs. 477 crores belonging to the Government corporate sector, Rs. 300 crores related to one single Government company, namely, the Hindustan Steel Limited, which was originally set up in 1954, with an initial authorised capital of Rs. 100 crores, later on stepped up to Rs. 300 crores. The oldest company in the Government corporate sector is reported to have its date of registration as early as in 1913-14, and the latest entrants in this sector were the 23 Government companies formed during the year 1959-60.

Of the 125 Government companies at work at the end of 1959-60, 35 companies exclusively belonged to the Central Government and five jointly to the Central and State Governments, with their administration vested in the Central Government. The share capital of four Central Government companies was jointly owned by the Central Government and the public, whereas that of six companies was jointly owned by the Central Government, with certain State Governments and the public. The total number of Government companies exclusively and jointly owned by the Central Government with State Governments and private interests was 50; the remaining 75 companies exclusively belonged to the State Governments. In the ten Central Government companies which are reported to be having investments from private interests, the latter's participations in the subscribed capital of the companies varied between 2 per cent and 20 per cent. It may, however, be mentioned that some of these Central Government undertakings in which there is private participation are the old-established companies in which Central and State Governments had acquired shares subsequently.

State-wise Distribution

A study of the State-wise distribution of the companies in the Government corporate sector shows that the largest number of companies, namely, 42, has been registered in the State of Orissa and of these, two are Central Government companies and the remaining 40 are the cent per cent State Government companies. The overall size of the State Government companies, however, is very small. Next to the State of Orissa, the largest number of companies are registered in the State of Delhi, namely, 16 companies, followed by the States of Maharashtra (12), Kerala and Mysore (10 each). Five companies are registered in the State of West Bengal and four companies each are registered in the States of Bihar, Gujarat, and U.P. and three each in the State of Andhra Pradesh, Assam, Madhya Pradesh, Madras and Punjab. The States of Rajasthan and Jammu and Kashmir have two companies and one company, respectively.

A study of the size pattern of the Government companies reveals that 26 companies are of giant size having a paid-up capital of Rs. 1 crore or more each. The aggregate paid-up capital of these 26 giant size companies totalled Rs. 465 crores, that is, nearly 97 per cent of the total paid-up capital of all Government companies at work at the end of 1959-60. There are nine big-sized companies, having a paid-up capital between Rs. 50 lakhs and under Rs. 1 crore each and their paid-up capital totalled Rs. 6.6 crores. The numbers of companies in the paid-up capital brackets of Rs. 25 lakhs to Rs. 50 lakhs, Rs. 10 lakhs to Rs. 25 lakhs and Rs. 5 lakhs to Rs. 10 lakhs are 7, 14 and 8, respectively. The number of companies in the lowermost paid-up capital bracket, namely, under Rs. 5 lakhs is 61.

Industrial Pattern

In the last-named paid-up capital group, only eight companies are Central Government companies, whereas 53 are State Government companies. In contrast to this preponderantly large number of the State Government companies in the lowest size group, at the other end of the size ladder, an overwhelming number of the giant-sized companies are Central Government companies. That is, out of the 26 giant-sized companies, 23 are Central Government companies and the other three State Government companies.

The industrial pattern of the Government companies appears to be very diversified. Under broad industrial groups, it is seen that 58 companies with a total paid-up capital of Rs. 443 crores belong to mining and heavy industrial groups, whereas 41 companies belong to light and consumer goods industries. The total paid-up capital of the latter group of companies adds up to Rs. 11 crores. The remaining 26 companies are reported to be carrying on trading, finance or servicing activities and their paid-up capital adds up to Rs. 23 crores. An overwhelming number of the companies in the category of light and consumer goods industries are the Orissa State Government companies formed with a small capital base for diverse manufacturing activities. Among the 41 companies engaged in light and consumer goods industries, two big companies are engaged in the manufacture of paper pulp and paper board and cotton textiles in the States of Madhya Pradesh and Andhra Pradesh, respectively. Under the third category, the notable cases of big companies are the State Trading Corporation of India Ltd., the Ashoka Hotel, the Eastern Shipping Corporation and the Western Shipping Corporation.

Industrial Policy

One way of looking at the industrial pattern of the Government companies is to read their distribution in terms of the Industrial Policy Resolution of 1956 which envisages a threefold classification of industries. One category of industries is the Schedule A industries, comprising those industries in which all new units, save where their establishment in the private sector has already been approved, will be set up only by the State, while the expansion of the existing privately-owned units could also take place alongside. In setting up the new units, the State may, however, secure the co-operation of private enterprises when the national interests so require, but the State will ensure either through majority participation in the capital or otherwise that it has the requisite powers to guide the policy and control the operation of the undertaking. The second category of industries is the Schedule B industries, in which the State will increasingly establish new undertakings and, at the same time, the private enterprises will also have the opportunity to develop in this field either on its own or with State participation. The third category is of those industries not listed in either Schedule A or B and in which the private sector would have free play subject to the control and regulation exercised by the Industries (Development and Regulation) Act and other relevant legislation and to the priorities assigned under the Five-year Plans.

Looked from this angle then, it is seen that, of the 125 Government companies at work as on 31st March 1960, 31 companies belong to the first category of industries listed in Schedule A of the Resolution and 11 companies belong to the second category of industries listed in Schedule B and the remaining 93 companies are in the "free or unreserved" sphere. The total paid-up capital of the Schedule 'A' Government companies adds upto Rs. 396 crores, and that of Schedule 'B' companies (11) to Rs. 61 crores. Ninety-four Government companies, belonging to the third category, account for a total paid-up capital of Rs. 20 crores. It would thus be seen from these figures that, while the number of Government companies in the third category of industries, namely, free or unreserved sphere is large, in terms of paid-up capital, there are, however, neither important nor big units so as to acquire any monopolistic positions in the industries in which they are working. There are only a few exceptional cases like the State Trading Corporation of India and the Ashoka Hotels Ltd. which might acquire special positions of "influence" in due course. In fact, many of these companies in the last-named category have been formed in the backward and economically depressed areas of the country.

Another Classification

Yet another way of classifying Government companies will be to separate them into two broad groups, namely, (a) companies operating in a 'monopoly' sphere and (b) companies functioning under competitive conditions. It is, however, difficult to categorise the Government companies into monopolistic and competitive concerns, without knowing the detailed break-up of their production lines. A company, for instance, may be generally known to be producing electrical goods, but it is as well possible that it might be producing a small range of specialised types of electrical goods which are not being produced by any other company in the private sector for various reasons and there might be remote possibility of competitive units being set up in the private sector to manufacture these items because of heavy capital costs involved, foreign exchange difficulties, lack of technical know-how, etc. On the basis of information ordinarily available in the memorandum of association, annual accounts and other related reports, one might be inclined to categorise this company as one belonging to the competitive sphere, whereas, in fact, it holds a monopolistic position.

However, on making a reasonable assessment of the lines of production in such details as was possible with the help of the available documents, it is seen that 23 Government companies are, broadly speaking, functioning in the monopolistic sphere and 92 operate in the competitive sphere. The 23 companies which are described to be enjoying monopolistic position also include certain units which, by their size, could be reckoned as leaders in their respective industrial groups and, consequently, would affect the market conditions. The remaining 10 Government companies, however, do not fall under either of the abovementioned two categories as they have been formed for promotional and financing purposes.

Five Sections

Returning to the position of Government companies under the Companies Act as stated above, there are five sections of the Act which specifically relate to this class of companies. These are:

Section 617 which defines a Government company as a company "in which not less than 51 per cent of the share capital is held by the Central Government or by any State Government or Governments or partly by the Central Government or partly by one or more State Governments."

Section 618 bans the appointment of managing agents in the new Government companies formed after the commencement of the Act, 1956.

Section 619 lays down that (a) the auditor of a Government company shall be appointed or re-appointed by the Central Government on the advice of the Comptroller and Auditor General of India, (b) the Comptroller and Auditor General will have the power to direct the manner in which the company's accounts shall be audited by the auditor and give such instructions in regard to any matter relating to the performance of his functions, (c) the Comptroller and Auditor General will have the power to conduct a supplementary or test audit on the company's accounts and for this purpose, the company will have to furnish additional information in such form as the Comptroller and Auditor General may, by order, direct them to furnish to the person conducting the test audit, (d) the auditor will submit a copy of his audit report to the Comptroller and Auditor General who will have the right to comment upon or supplement the audit report in such manner as he may think fit, and (e) the Comptroller and Auditor General's comments upon the audit report or supplementary or test audit report will have to be placed together with the audit report before the annual general meeting of the company.

Section 620 gives reserve powers to the Government to make exceptions, modifications and adaptations with regard to the application of the provisions of the Companies Act other than those of Sections 618, 619 and 639, to the Government companies. These exceptions, modifications, etc., will have to be approved by Parliament before they become operative.

Section 639 requires the Central Government to cause an annual report on the working and affairs of each Government company to be placed before both the Houses of Parliament together with a copy of the audit report and any comments thereupon or supplement to the audit report made by the Comptroller and Auditor General and where any State Government is a member of the Government company, the aforesaid annual report, audit report and other related papers will have to be placed by the concerned State Government before its legislature comprising one or two houses as the case may be.

Certain very important consequences or conclusions follow from the aforesaid specific provisions relating to Government companies. Firstly, the Act has expressed a definite opinion with regard to the future of managing agencies in relation to the Government sector. While the Act allows the institution of managing agencies to function in the private sector under certain specified terms and conditions, the Act expressly prohibits the appointment of managing agencies in the case of new Government companies. This ban has not been applied to the existing Government companies, presumably because it was thought advisable not to disturb certain contractual obligations entered into between the old Government companies and their managing agencies for the time being, as, in any case, these contractual arrangements were to come to a close by the 15th August 1960 by which time the terms and tenure of office of the existing managing agencies appointed before the coming into force of the present Act were to be approved afresh by the Government, as required by the provisions of Section 330 of the Act. Under Section 326, Government have a fairly wide discretion to refuse the re-appointment of managing agents if, *inter alia*, they felt that such appointment of managing agents would be against the public interest and that the managing agent was not a "fit and proper person." This discretion could easily be used in the case of appointment of managing agents for Government companies. In fact, none of the old Government companies which had managing agents before the Act came into force have them now.

The consequential effects of Section 619 are indeed very significant for the Government companies. The departure from the normal practice of appointing auditors to audit company accounts as per Section 224 of the Act in the case of Government companies has been made to ensure that only competent and qualified persons duly screened by the Central Government and the Comptroller and Auditor General of India, are appointed as auditors of Government companies. Apart from the question of competence of the auditors, there is a further safeguard provided for in the Act conferring powers on the Comptroller and Auditor General to give instructions to the auditors to audit the company accounts in such details as he may deem fit. The Comptroller and Auditor General has to be satisfied with the audit, as it is his duty to see that the moneys have properly been used out of the consolidated Fund of India and there were no avoidable extravagance and irregular expenditures. In so far as the Comptroller and Auditor General is independent of the executive authority and is responsible to Parliament to whom he submits his reports, the principles of public accountability come into active play when the Government companies have to get their accounts screened by the Comptroller and Auditor General, even though in law they are autonomous bodies and not limbs of the Government.

The obligations cast on the Government under Section 639 of the Act give further effect to the principles of public accountability in so far as annual accounts of the Government companies along with the audit report of the auditors and comments made and supplementary audit carried out by the Comptroller and Auditor General are to be laid in Parliament or in the State legislatures where the State Governments are concerned. The laying of the annual reports of companies in Parliament and in the State legislatures would provide an opportunity to the members of Parliament and State legislatures to raise discussions on the reports through which the public at large could be informed. While the financial and accounting aspects could be looked into by the Comptroller and Auditor General of India, the broader and general issues connected with the working of the companies, namely, as to how far any Government company was fulfilling the purpose for which it was created and served the 'public' interests generally, whether the standard of efficiency was satisfactory, the investments made in the particular undertaking was economical and profitable, etc., could be raised in the discussions in the legislatures. In fact, in a broader sense, these discussions, if they were detailed and informed, would contain some of the ingredients of efficiency or social audit.

The reserve powers given to the Government under Section 620 of the Act are meant

Note: This article is from a paper read at the Seminar on Public Enterprises at Hyderabad on 13th to 15th February, 1961. The views expressed herein are the personal views of the author.

MR. AL FOIL MINDS HIS MANNERS

"Full-flavoured soft and delicious," enthused Mr. Foil biting deeply into an excellent cheese. "But d'you know, my charming hostess, what keeps this cheese in such superb 'taste'...'tis that very attractive foil packaging...aluminium foil, clean crackling and functional—that helps to keep the original goodness within and the dirt without. So here's a tip for your table... buy any brand of cheese or butter that's to your taste but be sure it's foil wrapped—for only foil wrapped products keep their taste to the table.

Fifty seven years' experience as Manufacturers of Aluminium Foils for packaging goods in Cigarette, Pharmaceutical, Confectionary, Tea and many other industries.

VENESTA FOILS LTD. KAMARHATI, 24 PARGANAS, WEST BENGAL

Selling Agents: Indian Aluminium Co. Ltd., Calcutta Bombay Madras and New Delhi

to smoothen technical difficulties that the Government companies might come across due to the peculiar setting in which they have to operate. The powers under this section are wide, but there is the check over the free use of these powers, as the Government could not give effect to the decisions without the concurrence of Parliament which could as well disapprove of them where it was not satisfied with the merits of the proposals. This check can hold the balance even between the companies in the private and the public sector. In fact, in actual experience, we find that Government has granted exemptions, modifications and adaptations in regard to only a dozen sections (Sections 13, 17, 18, 19, 121, 166 and 186) which could not be regarded as in any way a special dispensation shown to the Government companies. They merely resolved certain administrative difficulties experienced by the Government companies.

Administration

The administrative responsibility for the Government companies vests in the different Ministries of the Central Government and in the departments of the State Governments. The boards of directors of the Government companies seek their advice and instructions on matters of policy. The position of the board of directors of Government companies is also decided by the administrative Ministry concerned of the Central Government or the appropriate department of the State Government. It is observed that, of the 50 Central Government companies including exclusively and partly-owned, 24 are under the administrative control of the Commerce and Industry Ministry, six under Transport and Communications, seven under Steel, Mines and Fuel, three under Works, Housing and Supply, two each under the Ministries of Defence and Rehabilitation and Department of Atomic Energy and, one each under the Ministry of Information and Broadcasting, Ministry of Finance, Ministry of Scientific Research and Cultural Affairs and Ministry of Railways. The Department of Company Law Administration in the Ministry of Commerce and Industry exercises supervision with regard to compliance of the provisions of the Companies Act, and approves of the appointment of Auditors under Section 619 of the Act. While it does not exercise any administrative control over the Government companies, the Department gives, whenever circumstances so require, advice to the Government companies through the administrative Ministries and the State Governments to observe certain practices and procedures which would improve their operating efficiency.

Advice or direction with regard to the meeting of the requirements of the provisions of the Companies Act is not by itself sufficient. In the present stage of the development of the Government corporate sector, what is required is a more purposive and meaningful direction so as to help the Government companies to attain certain standards of internal management, internal costing and accounting which would lead to efficient functioning of these companies. Purposive direction is also required in regard to preparation of their annual accounts and the presentation of these accounts to Parliament so that the public at large might get in time the necessary papers to evaluate and assess the operating results of the Government companies. The annual company accounts are not to be the chapters of the past history of the companies, but must be like current Bradshaws that might be consulted by all those interested.

Annual Accounts

In regard to the preparation of the annual accounts, the provisions of the Act are that the companies should get their annual accounts audited and lay them before the annual general meeting along with the audit report within nine months of the closing date of the accounting year and, in exceptional cases, the Registrar of Companies could give an extension of six months. (The Amendment Act of 1960 has reduced these time limits to six and three months respectively.) Considering the delays that normally happen in Government companies and the criticisms made in the Estimates Committee's Reports dealing with Government companies and also voiced in Parliament, the Department of Company Law Administration has stressed on all Government companies the need to follow a systematic and scientific time-schedule with regard to preparation and audit of the annual accounts. According to this, the balance-sheets and annual accounts are to be prepared within two months of the expiry of the financial year and auditors are to complete their audit in the following two months. The annual accounts, duly audited by the auditors, are to be remitted to the Comptroller and Auditor General within four months of the expiry of the financial year. Such expeditious transmission of the audited accounts to the Comptroller and Auditor General would enable his office to complete the action on their part well in time to enable the company to place its annual accounts before the annual general meeting and remit them to the Governments concerned for placement in Parliament and State legislatures.

Section 639 of the Act does not prescribe any time limit within which the annual accounts and related papers are to be placed in Parliament or State legislature. In fact, the absence of this time limit in the past resulted in the delayed submissions of reports in Parliament which, in certain cases, was found to be as much as two years. To end this unsatisfactory state of affairs, the Department of Company Law Administration has advised the Union Ministries and the State Governments to lay the annual accounts and reports in Parliament and State legislatures within three months after the holding of the annual general meeting of the Government company. The observance of this timetable would ensure the availability of annual accounts to the Members of Parliament within a reasonable time.

To improve the tone of internal management of the Government companies, the Department of Company Law Administration has impressed upon them the importance of having qualified secretaries with adequate grounding in Company Law and accounting matters. Further, to ensure that the management of the companies was smoothly directed by a competent board of directors which has had sufficient experience of the problems of the particular company, the Department asked the concerned administrative Ministries to avoid too frequent changes of officers nominated on the boards of directors of companies necessitated by their transfers. The situation could improve if, at the time of the selection of officers as directors, their likely tenure in the official positions was also taken note of. A stable board of directors composed of experienced officers was of the greatest importance to the efficient running of the State enterprises.

Another important piece of advice given by the Department to the Government companies was with regard to adoption of proper system of costing by them. Many auditors' reports on Government companies had commented on the lack of efficient accounting organisations in these companies and had also criticised the procedures followed by them in the preparation of accounts. These companies also came in for severe criticism for a marked absence of control and coordination so far as the accounting work was concerned.

In fact, there was absence of appreciation of the importance of commercial and industrial accounting methods. There was also lack of realisation of the need for adopting an accounting system designed to suit not only the present-day needs but also the expansive industrial operations which were to commence shortly. A committee set up to inquire into the working of a Government corporation had commented in great detail on the general lack of cost-consciousness in the Government organisations, inadequate budgetary planning and inadequate and not quite proper use of cost accounting. The Committee had also reported a singular lack of appreciation of potential value of cost accounting arising from the fact that cost definitions had not been followed uniformly. The Department, therefore, has strongly advised Government companies to take steps to build up efficient cost accounting units within the organisations. For this purpose, Government companies have been told to obtain the services of technically qualified and trained personnel in the country. It is only after the internal accounting system has been properly organised that it would be possible to evaluate the cost efficiency of the companies.

Standardisation

As it is, the annual company accounts of Government companies present a baffling picture. The divergent treatment of various accounting heads and their presentation handicaps the work of consolidation of financial information relating to a group of Government companies. It was, therefore, urgently necessary that all companies should follow the standardised and accepted accounting concepts and devote their attention to the preparation of accounts which would not only satisfy the legal requirements of being "true and fair," but also appear meaningful and useful to their users. From a strictly legal point-of view, the companies are not required to split up the profit and loss accounts into manufacturing or trading accounts, profit and loss account, profit and loss appropriation account. Section 211(2) of the Act requires the preparation of an omnibus profit and loss accounts only. There is nothing, however, in the Act which would prevent a company from sub-dividing profit and loss account into sections so as to show the cost of production, gross or trading profit, net profit and its appropriation separately. The Department has impressed upon Government companies to follow up this suggestion, as it was in conformity with the best accounting practices followed by the corporate leaders in other countries. In order to make the company accounts easily understandable and digestible by the lay public, the Department has also impressed upon Government companies to give a simplified version of their accounts in addition to the statutory accounts.

The simplified accounts were to show what the company had earned during the year by selling its products and services and from other sources such as dividend, etc., separately and what is spent on certain broad heads such as salaries and wages to employees, cost of material, transport and other expenses in manufacturing of products, as cost of running the office, as cost of packing, advertising, commission to the agents, as interest on borrowings in the form of debentures, fixed deposits, bank loans, etc., and as provision for debts that cannot be recovered, as provision for making good wear and tear of goods, plant and machinery, in payments of taxation and after making all these deductions what had remained as profit during the year and out of this and the carried forward amount from the profits of last year, what it had paid out as (*a*) dividends to shareholders, (*b*) amounts retained as undistributed profits in the form of reserves, and (*c*) amount carried over to the next year.

Similarly, the simplified balance-sheet was to show total shareholders' investment and how this amount was represented in the shape of various assets. It was to be further indicated by giving split up of what the company owned in the form of assets *minus* what it owned to the others. In addition to the recasting of the profit and loss account and balance-sheet in the heads indicated above, it was considered useful for the company to bring out the highlights of the annual company accounts during the year and depict them in charts, graphs and diagrams. The detailed frame of the simplified accounts is given at the end of the note.

The importance of the presentation of simplified accounts lies in the fact that it can bring about better appreciation of the position of the company and its management among the workers and with this appreciation and understanding, increased output and productivity might also be achieved. As regards adoption of proper system of costing, it might be emphasised here again that, unless this is done, it is not possible to act upon any pricing methods or criteria recommended for any undertaking. Without this system, price fixation would be based on guesses and subjective judgment of the persons responsible for the management of the company.

INTEREST PAYABLE BY PUBLIC AND PRIVATE SECTOR INDUSTRIES

In a written reply, Mr. Morarji Desai, Minister for Finance, said in Parliament the other day that, on the basis of sanctions given, gross payments, including interest charges on account of imports under deferred payment terms, both by public and private sector industries as on 1st October 1960, for which information was available, had been estimated as follows:—

	(*Rs. crores*)
October 1960-March 1961	13.54
1961-62	24.96
1962-63	29.76
1963-64	22.15
1964-65	16.70
1965-66	11.42

Mr. Desai explained that deferred payment contracts were generally in terms of gross liabilities, the interest element in most cases being included in the total cost of the goods to be imported. It was, therefore, not possible to compute the amount of interest charges separately, specially since the rate varies from case to case and also depends on a number of imponderable factors like the dates of shipment and actual arrival of goods in India.

A manufacturing licence to produce in India the diesel tractors of Massey-Ferguson Ltd., of Coventry, England, has been issued to Tractor and Farm Equipment (Private) Ltd., Sembiam, Madras. The Massey-Ferguson has a substantial minority interest in the newly formed company. Initial production will be 3,500 tractors yearly on a single-shift basis. The first model to be produced will be the MF-35, a medium-horsepower tractor, of which there are already some 16,000 operating in India. The Indian company is to build a modern plant near Madras. Plans provide for complete indigenous production after the first two or three years. The programme, in which agricultural implements will progressively be included, is expected to offer employment eventually to about 3,000 people.

STATE BANK OF SAURASHTRA

(Subsidiary of the State Bank of India)

Incorporated in India under special statute. The liability of the Members is limited

BALANCE SHEET AS AT 31st DECEMBER, 1960

CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
1. Capital—		
AUTHORISED CAPITAL—(Pursuant to Section 5 (1) of the State Bank of Saurashtra Act, 1950, as amended by Part V of the Third Schedule to the State Bank of India (Subsidiary Banks) Act, 1959)— 2,00,000 shares of Rs. 100 each	2,00,00,000·00	
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—(Pursuant to Section 6 (1) of the State Bank of Saurashtra Act, 1950, as amended by Part V of the Third Schedule to the State Bank of India (Subsidiary Banks) Act, 1959)— 1,00,000 shares of Rs. 100 each fully paid		1,00,00,000·00
		51,50,000·00
2. Reserve Fund		13,38,93,582·01
3. Deposits and Other Accounts		
(i) Fixed Deposits	6,02,79,402·08	
(ii) Savings Bank Deposits	4,80,22,221·89	
(iii) Current Accounts, Contingency Accounts, etc.	2,55,91,978·04	
		2,63,96,152·25
4. Borrowings from Other Banking Companies, Agents, etc.	2,63,96,152·25	
(i) In India		
(ii) Outside India		
PARTICULARS—	2,27,83,515·05	
(i) Secured (by part of the Investments)	36,12,537·20	
(ii) Unsecured		2,76,650·10
5. Bills Payable		58,03,082·14
6. Bills for Collection Being Bills Receivable per contra	58,03,082·14	
(i) Payable in India		
(ii) Payable outside India		24,74,188·28
7. Other Liabilities (Branch Adjustments)		15,64,359·65
8. Acceptances, Endorsements and Other Obligations per contra		1,39,381·89
9. Profit and Loss	9,76,381·89	
Profit for the period	Rs. nP	
Less—Appropriations—	4,75,000·00	
Provision for Taxation	1,50,000·00	
Transfer to Reserve Fund		
Transfer to Contingent Reserve (Provision for Gratuity)	48,000·00	
Bonus to Staff	1,54,000·00	
	8,37,000·00	
10. Contingent Liabilities—	7,91,750·00	
(i) On partly paid shares of joint-stock companies	Nil	
(ii) On claims against the Bank not acknowledged as debts	14,06,159·60	
(iii) Liability on account of outstanding Forward Exchange Contracts	Nil	
(iv) Liability on Bills of Exchange re-discounted	Nil	
(v) Liability on account of outstanding Forward Exchange Contracts		
NOTE:—Provision for the amount of gratuity payable to staff according to actuarial valuations has been made, except to the extent of Rs. 2,55,175.		
Total .. Rs.		18,66,97,896·32

PROPERTY AND ASSETS	Rs. nP	Rs. nP
1. Cash—		
In hand and with Reserve Bank and State Bank of India		1,24,33,096·50
2. Balances with Other Banks in Current Accounts		2,08,055·96
(i) In India	2,08,055·96	
(ii) Outside India		
3. Money at Call and Short Notice		26,25,000·00
4. Investments at or below Market Value		8,03,71,808·76
(i) Securities of Central and State Governments and other Trustee Securities	6,32,20,822·01	
(ii) Shares	71,58,079·25	
Fully Paid Rs. nP / Partly Paid Rs. nP		
(a) Preference .. 43,73,677·00 / 7,10,000·00		
(b) Ordinary .. 20,19,782·25 / 54,620·00		
63,93,459·25 / 7,64,620·00		
(iii) Debentures or Bonds	99,92,907·50	
(iv) Other Investments		
(v) Gold		
5. Advances—(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		7,93,16,206·13
(i) Loans, Cash Credits, Overdrafts, etc.—		
(a) In India	7,24,76,099·88	
(b) Outside India		
(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments—		
(a) Payable in India	68,40,106·25	
(b) Payable outside India		
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the Bank is fully secured	6,20,02,032·53	
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	63,89,884·85	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,09,24,288·75	
(iv) Debts considered doubtful or bad not provided for		
	7,93,16,206·13	
(v) Debts due by the directors or officers of the Bank or any of them either severally or jointly with any other person	10,046·97	
(vi) Debts due by the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	58,27,499·51	
(vii) Maximum total amount of advances including temporary advances made at any time during the year to the directors or managers or officers of the Bank or any of them either severally or jointly with any other person	12,627·76	
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	90,22,253·19	
(ix) Due from Banking Companies	93,38,569·12	
6. Bills Receivable Being Bills for Collection per contra	58,03,082·14	58,03,082·14
(i) Payable in India		
(ii) Payable outside India		
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		15,64,359·65
8. Premises at Cost Less Depreciation		23,99,843·00
Cost as on 1st May 1960	24,36,025·00	
Addition during the period	3,884·85	
	24,40,519·85	
Less—Depreciation for the period	40,676·85	
9. Furniture and Fixtures at Cost Less Depreciation		8,39,184·60
Cost as on 1st May 1960	8,19,661·36	
Additions during the period	89,393·00	
	9,09,054·36	
Less—Depreciation for the period	69,869·76	
10. Other Assets		11,86,759·58
Interest accrued on Investments (Gross)	7,25,170·29	
Stationery, Stamps, etc.	4,11,589·29	
11. Non-Banking Assets Acquired in Satisfaction of Claims		....
Total .. Rs.		18,66,97,896·32

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1st MAY 1960 TO 31st DECEMBER 1960

EXPENDITURE	Rs. nP	Rs. nP
1. Interest paid on Deposits, Borrowings, etc.	17,387·09	27,13,168·37
2. Salaries, Allowances and Provident Fund	11,97,518·74	12,14,905·83
(i) General Manager		
(ii) Other Staff		3,585·04
3. Directors' Fees and Allowances		46,194·59
4. Rent, Taxes, Insurance, Lighting, etc.		580·00
5. Law Charges		98,845·75
6. Postage, Telegrams and Stamps		2,500·00
7. Auditors' Fees		1,19,306·31
8. Depreciation on and Repairs to Bank's Property		93,284·91
9. Stationery, Printing, Advertisement, etc.		
10. Loss from Sale of or Dealing with Non-Banking Assets		1,00,329·24
11. Other Expenditure		9,76,381·89
12. Balance of Profit (subject to Provision for Taxation)		
Total .. Rs.		55,74,581·93

INCOME (Less Provisions made during the year for bad and doubtful debts and other usual and necessary Provisions)	Rs. nP	Rs. nP
1. Interest and Discount		46,95,848·29
2. Commission, Exchange and Brokerage		5,24,978·48
3. Rents		1,20,694·16
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)		....
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)		....
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets		....
7. Other Receipts (Subsidy from State Bank of India in terms of Section 48 of the State Bank of India (Subsidiary Banks) Act, 1959)		33,017·00
Total .. Rs.		55,74,581·93

M. M. PATNI,
For Chief Accountant.

R. L. SOPARIWALA,
General Manager.

P. C. BHATTACHARYYA, *Chairman.*
S. N. SEN GUPTA,
J. S. PARIKH,
G. B. KOTAK,
N. A. KRISHNAN,
A. H. ELIAS,
L. J. FERTNIG,
J. K. MODY,
BHOGILAL M. SHAH,
Directors.

BOMBAY, *dated* 25*th January*, 1961.

REPORT OF THE AUDITORS TO THE STATE BANK OF INDIA

We have examined the annexed Balance Sheet of the State Bank of Saurashtra as at 31st December, 1960, and also the Profit and Loss Account of the Bank for the period ended on that date, in which are incorporated the returns of the Bhavnagar Branch audited by us and returns of the other Branches certified by the respective Branch Agents, and report that:

(1) in our opinion, the Balance Sheet is a full and fair one containing all the necessary particulars and properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank;

(2) where we have called for any explanation or information such explanation and information have been given to us and have been satisfactory;

(3) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(4) the returns received from the Branches of the Bank have been found adequate for the purpose of our audit; and

(5) the Profit and Loss Account shows a true balance of profit for the period covered by such account.

N. M. RAIJI & CO.,
Chartered Accountants.

BOMBAY, *dated* 25*th January*, 1961.

SCINDIA STEAM NAVIGATION COMPANY LTD.

CHAIRMAN, MR. D. M. KHATAU, ON FREIGHT RATES

THE Forty-first Annual General Meeting of the shareholders of the Scindia Steam Navigation Company, Ltd., was held at Bombay on Wednesday, 22nd February 1961. Mr. Dharamsey M. Khatau, Chairman of the Company, addressed the shareholders. The following is a summary of his speech:

At the outset, Mr. Khatau referred to the performance of the Company during the year ended 30th June 1960 and said that, while the cargo carried was higher by over two lakh tons and the freight earnings were higher by over Rs. 1.75 crore, as compared with the previous year, there was a fall in the net earnings due to the low level of freight rates and increased expenditure directly attributable to the increased calls made at different ports, charter hire and direct expenses by way of stevedoring, marine and canal dues. Excluding the provision for special depreciation amounting to Rs. 101 lakhs and not taking into account the surplus on sale of assets of Rs. 6.74 lakhs, the working of the Company showed a profit of Rs. 74.53 lakhs, which, under the depressed conditions in the shipping industry the world over, could not, Mr. Khatau stated, be regarded as unsatisfactory. The dividend proposed is 60 nP per share, subject to deduction of tax, to be paid out of the general reserve.

Freight War

The low level of freight rates in the overseas trades, the Chairman remarked, was due to severe impact of general depression in shipping, continued low level of tramp rates and the increased competition by tramp and liner vessels which called at Indian ports *en route* while engaged in international trades not directly connected with India. There was also the competition offered by tonnage bringing foodgrains and fertilisers to Indian ports which could offer to carry cargoes on the way back without regard to economic rates of freight. Mr. Khatau, confirming the recent arrangements between different liner companies engaged in the India-U.K.-Continent trades, referred to the discussions between the Scindia Company, India Steamships and the other Conference colleagues and observed that the shipping services had been reappraised in the light of modern developments and measures aimed at co-ordinating the services of the member lines taken to ensure the best utilisation of ships employed and to provide optimum coverage for loading/discharging ports. This, he added, was a scheme of rationalisation no different from what is normally followed in any other well-organised group of industries and was meant to give a more satisfactory and efficient service.

Referring to the criticism levelled against the efforts made by underdeveloped countries in the matter of expanding their national shipping, by the General Council of British Shipping recently, Mr. Khatau said that it was unfair to foist the responsibility for the present-day difficulties experienced by shipping the world over on countries like India. Mr. Khatau stated that the difficulties presently experienced by shipping in the international field had been brought about by over-acquisition and over-building of tonnage year by year by traditional maritime nations which should have had a better appraisal of the situation and should have taken precautions to adjust their tonnage from year to year to the world trade requirements. He instanced an increase in tonnage by some of the countries as under:

(In million g.r.t.)

	As at 1st July				
	1948	1955	1958	1959	1960
World total	80.3	100.6	118.0	124.9	129.8
Of which:					
U.K. and Northern Ireland	18.0	19.3	20.3	20.8	21.1
U.S.A.	26.9	23.9	23.1	22.8	22.3
Countries of Europe other than Scandinavia and U.K.	8.1	14.7	18.5	19.6	20.1
Scandinavian countries.	7.3	11.7	14.7	16.3	17.2
Greece	1.3	1.2	1.6	2.1	4.5
Liberia	..	3.9	10.1	11.9	11.3
Panama	2.7	3.9	4.4	4.6	4.2
Japan	1.0	3.7	5.5	6.3	6.9

Commenting on the future trend, Mr. Khatau referred to the decrease in the world laid-up tonnage from 8.7 million g.r.t. in October 1959 to 3.3 million g.r.t. in January 1961, but observed that the rates of freight had, however, not registered any increase to justify an inference that the imbalance between world tonnage and world trade had been sufficiently adjusted.

Coastal Trade

Dealing with the coastal and adjacent trades, Mr. Khatau referred to the diversion of salt and coal cargoes by rail, delays to coastal shipping both at loading and discharging ports, owing to slow despatch consequent upon the inefficiency of unloading operations and lack of wagons. These factors, coupled with restricted loading due to unsatisfactory drafts in the Hooghly river, meant a considerable wastage of shipping tonnage employed on the coast. These problems, he said, had been placed before the National Shipping Board and also before the Neogy Committee. He urged the need for a proper co-ordination of all modes of transport and an early solution of the difficulties which the coastal shipping had to face.

Referring to the tonnage programme, Mr. Khatau said that efforts had been made to improve the efficiency and competitiveness of the Company's services by adding new and recently built vessels to the fleet.

Mr. Khatau stressed the urgent need for establishment of war risk insurance scheme by the Government of India by which it would be possible to save foreign exchange presently spent abroad. He pleaded for an early adoption of the proposals before the Government. Mr. Khatau referred to the increasing cost of building new tonnage and rise in the cost of operations and pleaded for a suitable policy in the matter of economic rates of freight for shipping either employed in the coastal or international trades. He said that, in making this plea, the shipowners asked for nothing more than what was conceded to every shore industry of importance. Mr. Khatau further emphasised the need to bring about the expansion of Indian tonnage on a planned basis so as to ensure maximum utilisation of the available tonnage and to avoid wasteful and unhealthy competition between Indian lines and, with this end in view, he pleaded that further licensing of vessels should be only for routes either new or not adequately covered by Indian lines presently.

Referring to the operations of the subsidiary companies, Mr. Khatau stated that the B.S.N. (1953) Private Ltd. which operated on the Konkan coast had made a further loss of Rs. 6.95 lakhs, which brought the cumulative loss to Rs. 28.63 lakhs. He hoped that the Government of India would arrive at an early decision on the report recently submitted by the Konkan Shipping Services Committee. The Scindia Workshop (Private) Ltd. showed a small net profit of Rs. 1,673. Mr. Khatau referred to the acquisition of one of the ship repair firms in Bombay by the Government and urged that there should be no change in the usual practice of the Government Shipping Corporations to invite tenders from all the workshops for ship repair work and to entrust to the lowest tenderer as hitherto, thus ensuring that the Corporations enjoyed the benefit of economic repair costs. Operation of the Jalanath Insurance Ltd., he observed, had brought an increase in insurance premium by about Rs. 1.88 lakh and added that, effective from 1st January 1961, the Company had been able to enter into reciprocal treaty arrangements in the U.K.-Continent and Far Eastern countries which would benefit the Company further.

In conclusion, Mr. Khatau thanked Dr. Subbaroyan, Minister for Transport, Mr. Raj Bahadur, Minister of State for Shipping, the Secretary to the Ministry of Transport, and the Director-General of Shipping and his officers for their efforts in furthering the cause of Indian shipping. He further thanked all the Company's patrons, shippers and consignees at home and abroad and looked forward to their increased support to the Company's services.

CEMENT HOPPER WAGON

THE THINGS WE MAKE...

ROLLING STOCK & COMPONENTS
POINTS & CROSSINGS, STRUCTURAL STEELWORK
PRESSED STEEL TANKS
STEEL, SPHEROIDAL GRAPHITE & GREY IRON CASTINGS
MACHINE PARTS, COMPONENTS & GEARS
FORGINGS, STAMPINGS & PRESSINGS
SLUICE VALVES & TWIST DRILLS
CRANES & PULLEY BLOCKS

BURN & CO. LTD.
HOWRAH WORKS

Managing Agents
MARTIN BURN LIMITED
MARTIN BURN HOUSE
12 Mission Row, Calcutta-1

Branches
New Delhi Bombay Kanpur
Agents in South India: The South Indian Export Co. Ltd., Madras 2

BMC-28

The Flying Sherpa

AIR-INDIA's own cargo service, The Flying Sherpa, between India and U.K. via the Middle East and Europe.

The Flying Sherpa is a specially designed Super Constellation freighter aircraft with a total capacity of 12 tons. It has double doors and reinforced flooring for the uplift of heavy and bulk cargo.

Pressurized and heated cabin for livestock, with trained attendants on board.

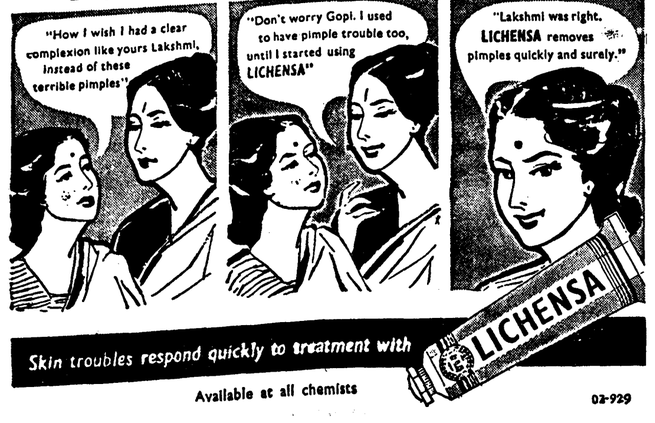
Ideal for imports of heavy machinery and spare parts at attractive charter rates. Please apply.

BOMBAY · CALCUTTA · DELHI · BEIRUT · ROME · FRANKFURT · LONDON

AIR-INDIA
IN ASSOCIATION WITH B.O.A.C. AND QANTAS

FWT A/I. 1552

PIMPLES were my problem...



Skin troubles respond quickly to treatment with LICHENSA

Available at all chemists

02-929

A Policy Issued By
The
Bombay Fire & General Insurance Company, Ltd.
(Incorporated in India)
Your Symbol of Security in the Event of
FIRE, ACCIDENT OR A MARINE PERIL
Head Office:
Henley House, Graham Road
Ballard Estate, BOMBAY 1
Represented In
INDIA, BURMA & PAKISTAN

EFFECTS OF HIGH TAXATION ON SAVINGS AND INCENTIVES

AN APPRAISAL OF N.C.A.E.R'S LATEST STUDY

By A Special Correspondent

THE report, entitled *Taxation and Private Investment**, published by the National Council of Applied Economic Research, is a coldly analytical, strictly objective study of a subject on which this sort of approach is exceedingly rare. It is completely free from ideological bias. The social objectives of reducing economic inequalities and concentration of wealth are taken as given, as also the importance of stimulating private saving and investment in a mixed economy, in which the private sector has a recognised and important role to play.

The conclusion and recommendations that emerge from the study bear no trace of special pleading for vested interests. If, in spite of its strictly scientific approach, the Council feels impelled to make recommendations in favour of reducing the tax burden on the comparatively wealthy, it is because the logic of the analysis, naturally led to such conclusions.

One of the most interesting and important parts of the report is that which deals with the phenomenon of declining disposable income with increasing wealth. If the average rate of return on wealth is 6 per cent, at Rs. 70,000 income and wealth of Rs. 11.67 lakhs, any addition to wealth in the form of earning assets, will increase tax liability by more than the income from those assets. If the individual saves Rs. 1,000 and gets an additional income of Rs. 60, he will be called upon to pay additional tax of Rs. 60.4-Rs. 50.4 by way of income tax at 84 per cent and Rs. 10 by way of wealth tax at 1 per cent. This will be well below the point of zero disposable income, which will be around Rs. 2.50 lakhs of income and Rs. 42 lakhs of wealth. Over this range, the individual can add to his wealth, but will reduce his disposable income by so doing. The disincentive effect on saving is patent.

It may be said that the people who suffer as a result of this anomaly are wealthy and, therefore, deserve no special consideration in a society pledged to the reduction of inequalities. But these are mostly entrepreneur-investors, the promoters of small and medium businesses and as such play a key role in the process of growth.

Stimulating Desire To Save

A theme that runs throughout the report is the importance of inducing a greater rate of saving than hitherto. For the economy as a whole, the rate of saving has been lagging behind the rate of investment. According to the National Council, over the period of the Second Five-year Plan, the rate of saving in the economy has not increased at all. A point that is often overlooked is the dependence of the Government's own programme of investment on private saving, since the saving in the public sector itself is not sufficient to finance public investment. Private savings thus play a key role in the process of economic growth, for investible funds have to come from individuals and private institutions for financing public as well as private investment. The present tax system, which is one of the most highly progressive in the world, tends to undermine the ability as well as the incentive to save. Tax policy, particularly in a developing economy, should be designed so as to increase the pool of investible resources as income increases. There is thus a strong case for a reduction in the degree of progression, so as to stimulate the desire to save. The loss of revenue involved would be more than offset by the higher rate of industrial growth and the consequent widening of the tax base.

In the field of corporate taxation, the report concedes that the basic income and super taxes on Company profits at 45 per cent is reasonable, in spite of the fact, established by the studies of the profits and tax liabilities of Companies by the Associated Chambers of Commerce and the Federation of India Chamber of Commerce and Industry, that the new scheme of Company taxation would result in a somewhat increased collection of taxes from the corporate sector, when the taxable profits and the policies of Companies as regards untaxed profits and dividend distribution remain the same. "In any tax reform of this nature, it cannot be guaranteed that the tax burden will remain exactly the same." Taken in conjunction with the development rebate, the 45 per cent rate is described as "fairly reasonable." The charge that is brought against the Government, however, is not specifically that the 45 per cent rate is unreasonable. It is that an increase in corporate taxation has been effected, not in a straight forward manner, with the specific approval of parliament for such an increase, but in a concealed form, through a change in the system of Company taxation. This is nothing short of a subterfuge.

Section 23A

There will be general approval of the Council's recommendation in favour of a relaxation of the rigidity of Section 23A, relating to private companies and closely held public companies. The Council approves of the purpose of this section of the Income Tax Act, which is to prevent the use of the corporate form by rich persons to avoid upper bracket personal tax rates. But it considers that the withdrawal, in 1957, of the right of companies to appeal for total or partial exemption from the minimum statutory distribution, operated oppressively in the case of small and medium scale undertakings, which make up the majority of companies covered by this section. "Small enterprises must rely upon retained earnings to finance most of their expansion. During a period of inflation, their need for retention of earnings is even greater. The public market for equity capital is generally beyond their reach.... Small enterprises after attaining a certain size, find it useful to change their form of organisation from proprietorship to private company. But, at this stage of their growth, they find the compulsive provision of Section 23A to be an impediment to the building of their reserves for further progress." The restoration of the right to appeal for exemption is recommended on the ground that "small industry has a special role to play in broadening the base of entrepreneurship. It is the Government's declared policy to foster its growth, yet the tax provision of Section 23A is in a way contradictory to that policy."

The plea for abolition of the tax on bonus issues, particularly for the end of the quite irrational extension of the tax to issue out of share premium account, has been made without effect so often that it would be optimistic to expect any response from the Government this time. But there is something to be said for hammering at the point in the hope that good sense will eventually prevail.

This is true also of the plea for a reduction of the tax on inter-corporate dividends, specially with regard to the dividends received by foreign companies from Indian companies. "India's industrial policy prefers minority holdings from abroad, but its tax-policy encourages majority, rather than minority holdings by foreign investors in Indian enterprises. The tax rate on dividends flowing from an Indian subsidiary to a foreign parent company is 33 per cent, as compared with 63 per cent on dividends to foreign minority shareholdings."

Tax Burden on Dividends

Even when both companies are Indian, the tax burden on dividends flowing from one company to another constitutes a deterrent to inter-corporate investments. Dividends from a subsidiary Indian company to its parent company are subject to a super tax of 10 per cent and in the case of a minority shareholding by the receiving company the super tax on inter-corporate dividends is 20 per cent. Section 56A exempts completely from super tax, the dividends that are received from companies engaged in any of the industries specified in the section. For companies not covered by Section 56A, the aggregate burden of taxation on inter-corporate investments is very heavy. If a company uses its funds to create a subsidiary, the aggregate tax burden comes to 61.5 per cent. If the investing company is a minority shareholder, the aggregate tax burden on its earnings will be 67 per cent. From the point of view of the individual shareholder behind the investing company, the net yield at the above rates, will be further subject to the personal taxes on unearned income, which may be as high as 84 per cent.

The two-tier corporate structure was found necessary in the industrialisation of developed countries. "A merit of the corporate form is that the entrepreneurs can gather together resources of many savers, including the earnings of the company itself, and invest them, either in the expansion of the same enterprise or in starting new ventures." The misuse of inter-corporate investment for anti-social purposes can always be checked by the Company Law or the Industries (Development and Regulation) Act.

Under the simplified system of company taxation, even companies favoured by Section 56A have to bear an additional tax burden, as a result of the elimination of tax-credit for income tax paid by companies. The dividends from 56A companies now bear a total tax burden of 56 per cent, as compared with the basic rate of 45 per cent on company profits. Moreover, Section 56A does not cover a number of new fields of private enterprise, particularly light engineering industries.

There is thus a strong case for some reduction in the burden of taxation on inter-corporate dividends.

Taken as a whole, the study proves that, in a number of ways, taxation in India has acted as a drag on investment, domestic as well as foreign. While the Government has shown itself anxious to attract foreign private capital and is prepared to go to considerable lengths for that purpose, there has not been a corresponding solicitude for encouraging domestic investment in the private sector. While the improvement in the climate for private investment is welcomed, the ability to take full advantage of the favourable climate has been reduced by excessive progression in the tax system. It is worth careful consideration whether a more realistic fiscal policy, designed to create further investible resources and direct them into productive channels, would not be the best way to accelerate the tempo of economic growth and also to draw more foreign private capital to this country. For there can be no better way of demonstrating the attractiveness of India as a field for capital investment than by creating conditions favourable for a vigorous growth of domestic investment.

Points of Criticism

The National Council has produced a closely reasoned, well-documented case in support of its thesis that both the ability to save and the incentive to invest can be stimulated substantially, within the broad framework of the present tax structure and without sacrificing the social objectives that have won nation-wide acceptance. A few points of criticism may, nevertheless, be made:

1. The study has virtually ignored all direct taxes, except those on income and wealth. The capital gains tax comes into the picture only in the argument that the relatively favourable treatment of capital gains mitigates somewhat the harshness of the highly progressive taxes on income. There is no reference to the fact that since investment in Indian conditions is undertaken primarily with the object of capital appreciation, the very existence of a tax on capital gains acts as a disincentive to investment and hinders the liquidity of assets.

2. The inequity of a situation where income and wealth taxes together can exceed the entire income of the assessee is accentuated by the existence of the expenditure tax. It is reasonable to expect that the level of expenditure of an assessee in that range of income and wealth would bring him within the reach of the expenditure tax, which goes up to 100 per cent on the highest slab. It is surely adding insult to injury to appropriate the entire income and a part of the capital of an assessee and then, on top of this, to subject him to an expenditure tax of up to 100 per cent on part of his personal expenditure.

3. While Section 56A has received close study, there is no mention of the fact that the 'tax holiday' to new industrial undertakings for five years, up to 6 per cent of the capital employed, is virtually ineffective as an incentive, because not many new enterprises earn enough income in the first five years of their existence, to benefit from this concession and that the concession is withdrawn just when they reach the stage of being able to benefit from it. There is a strong case for the extension under this section being carried forward till the full benefits accrue to the enterprise.

4. The comparisons of income tax rates in India and other countries, advanced and under-

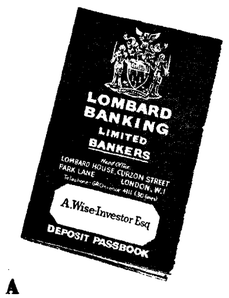
(*Continued on page 361*)

*Pages: 132. Price: Rs. 10.50.

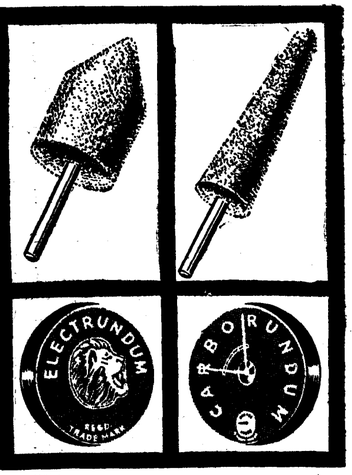
The
Union Bank of India Limited.
(ESTD: 1919)
Head Office:
Union Bank Building
Apollo Street
BOMBAY-1
★
WITH WORLD-WIDE CONNECTIONS WE ARE FULLY EQUIPPED TO HANDLE EVERY KIND OF FOREIGN EXCHANGE BUSINESS
★
F. K. F. Nariman, *General Manager*

Apex Bank of Co-operative Movement In
MAHARASHTRA
(Excluding Vidarbha)
THE MAHARASHTRA STATE CO-OPERATIVE BANK, LTD.
This Bank is always ready to help you to build business contacts in Maharashtra
Ask your bankers about it!
●
Chairman:
SHRI D. R. GADGIL
Head Office:
9, BAKEHOUSE LANE, FORT
BOMBAY-1
Tel.: 255474-75 ESTD. 1911 Grams: FARMERBANK
●
Branches and affiliates throughout
MAHARASHTRA
C. D. DATEY,
Managing Director

THE BANK OF BEHAR LTD.
Head Office: PATNA
ESTD. 1911
●
BRANCHES AT:
Arrah, Beharsharif, Buxar, Chapra, Calcutta, Daltonganj, Gaya, Jaunpur, Jharia, Kanpur, Katrasgarh, Laheriasarai, Motihari, Muzaffarpur, Monghyr, Patna, Patna City, Ranchi, Siwan and Varanasi.
A. C. BHAT,
General Manager.

MORE and MORE PEOPLE SHARE THIS SECURITY
Wise investors and wise savers are among the many far-sighted people growing in number day by day who rely on the security of a Bank Deposit Account with Lombard Banking. Every day earns interest for Lombard Banking Depositors—you cannot afford to wait another day to put your funds to work in the security of the Bank.
Interest paid without deduction of United Kingdom Income Tax.
Write today to General Manager for your copy of "Bank Deposit Account" booklet No. A.O.91.


OPEN A 5% BANK DEPOSIT ACCOUNT WITH
LOMBARD BANKING
LIMITED
BANKERS
Head Office
LOMBARD HOUSE, CURZON STREET, PARK LANE, LONDON, W.1. GRO 4111 (30 lines)
A World-Wide Banking and Finance Organization

GRINDING WHEELS AVAILABLE IN WIDE RANGES OF VARIETIES & SIZES
GRINDWELL ABRASIVES LTD.
Army & Navy Bldg., Bombay-1


COMMERCE
India's Premier Financial, Commercial and Industrial Journal
Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION
COMMERCE (1935) LTD.
BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY
Telephone No. 253505

RISE IN VANASPATI PRODUCTION RATHER SLOW

SHORTAGE OF RAW MATERIALS, MAIN HANDICAP

THE vanaspati industry has been the target of much ill-informed tirade by a section of politicians. In their zeal for protecting the producers and consumers of ghee, these people have raised an unnecessary scare about the desirability of using vanaspati as a cooking media. They have also been trying their best to get vanaspati colourised, in the hope that that would enable people to get unadulterated ghee. To some extent, these campaigns must have adversely affected the growth of demand for the hydrogenated oil, which is what vanaspati is. They, however, are not the only handicaps in the way of development of vanaspati. The industry has been confronted with high prices and scarcity of raw materials, particularly vegetable oils, and also coal, tin-plate, etc., not to mention the impact of the various Government imposts. In view of these heavy odds, the industry's progress has been slower than it need be, taking into account the rise in population and purchasing power. The production of vanaspati in 1960 is estimated at 336,600 tonnes, as compared with 320,583 tonnes in 1959. The rate of increase in production has thus been of the order of only 5 per cent, and compares unfavourably with 7 per cent recorded in the previous year. Again, there is still a large unutilised capacity. The present installed capacity is estimated at about 434,000 tonnes, which, as compared with actual production, discloses that about 25 per cent of capacity is idle. It may be recalled, in this connection, that a production target of 400,000 tonnes was set in the second Plan, to be attained by 1960-61. It is now clear that there will be a sizable shortfall from this target. In the third Plan (1960-61 to 1965-66), production is proposed to be stepped up to 500,000 tonnes, the corresponding target for installed capacity being 550,000 tonnes. This means that production will have to be raised by about 160,000 tonnes and capacity by 116,000 tonnes. In terms of percentage, the increases will have to be of the order of 49 and 25, respectively. An improvement on this scale is not beyond the industry's capacity, provided energetic steps are taken to raise the supply of raw materials and tin for packaging purposes.

Industry's Problems

A succinct account of the problems confronting the industry is given in the annual report of the Vanaspati Manufacturers' Association of India for 1960, which has just been published. Explaining the reasons for the decline in the rate of production in 1960, the report observes as follows:

"This decline in the rate of increase in vanaspati output may be largely attributed to the decline in the output of oilseeds in 1959-60 which led to a steep rise in the prices of edible oils. What is more, the vagaries of monsoon and expectations of a liberal export policy for raw groundnut oil maintained the bullish tendency till the end of October. Thus the price of groundnut oil in Bombay exceeded the level of Rs. 2,200 per ton and that too in October 1960, a level not seen since the summer of the oil-famine year of 1953. This created a feeling of uncertainty among the vanaspati manufacturers and dealers who followed a very cautious policy in the production and stocking of vanaspati to avoid losses, should the price level decline. It may be mentioned, in this connection, that the failure of price stabilisation agreements in the North, East and West zones resulted in keener price competition within the industry and increased financial risks through wider fluctuations in prices. Naturally, this had an adverse effect on production by factories as well as on levels of stocks with the trade. A short marriage season and the decline in the national income per head in 1959-60 had also an adverse effect on the rate of growth in vanaspati producton."

The following table shows the trend of production during the last five years region-wise:

(Quantity in tonnes)

Region	1955	1956	1957	1958	1959	1960*
Andhra, Madras, Mysore, Kerala ..	23,387	22,377	28,783	27,729	28,969	29,200
Bombay, M.P., Rajasthan	115,554	103,420	119,844	115,186	121,022	127,300
U.P., Punjab, Delhi	71,245	79,303	96,501	93,733	106,714	112,100
W. Bengal, Bihar, Assam, Orissa ..	52,312	54,127	60,629	61,834	63,878	68,000
Total ..	264,498	259,227	305,757	298,482	320,583	336,600

* Estimated.

An analysis of consumption by regions shows that Northern India, consisting of Uttar Pradesh, the Punjab and Delhi, is the largest consumer of vanaspati, followed by Western India (Bombay, M.P. and Rajasthan), Eastern India (West Bengal, Bihar, Assam and Orissa) and South India (Andhra, Madras, Mysore and Kerala). Thus, of the total production of 336,600 tonnes in 1960, the share of these respective regions was 128,100 tonnes, 98,400 tonnes, 71,500 tonnes and 23,200 tonnes.

Raw Materials

The acuteness of the problem of raw materials will be evident from the fact that while the production of vanaspati, over the last twelve years, has more than doubled, the output of major raw material, namely, groundnuts, has lagged behind. The report points out in this connection that oilseeds, particularly groundnuts, are grown in the areas of uncertain rainfall and have benefited little so far either from the extensive irrigation facilities provided during the two Five-year Plans or from the proved methods of cultivation. This is best illustrated by the table below, which shows comparative figures of yield per acre of both foodgrains and oilseeds since 1950-51.

	Foodgrains (lbs.)	*Oilseeds* (lbs.)
1950-51	466	429
1955-56	539	423
1956-57	559	449
1957-58	520	435
1958-59	586	505
1959-60	578	430

These figures show that the per acre yield in respect of oilseeds has not improved to any appreciable degree, whereas the position of foodgrains is somewhat better. No doubt, the total output of major oilseeds has increased, but this was due to extension of the area under cultivation, and not to any increase in yield. Thus, while the output of groundnuts rose from 3.4 million tonnes in 1950-51 to 4.39 million tonnes in 1959-60 (by 29 per cent), the acreage increased from 11.1 million to 15 million (by 38 per cent). The report adds that, with remunerative prices for groundnuts, the acreage under groundnut has increased, but, with the poor quality of the land and vagaries of the monsoon, the total outturn fluctuates widely. Consequently, the output does not increase in proportion to the area under groundnut. "It is unfortunate," says the report, "that the State Governments which are in charge of executing development plans for increasing oilseed output have so far not appreciated the urgency of the situation."

The supply position of sesame oil, according to the report, is also getting worse year by year. As the vanaspati industry is statutorily required to add 5 per cent sesame oil, its requirements of this oil are increasing with the rise in the output of vanaspati. It is said that the industry is finding it difficult to obtain the requisite quantity even after paying excessively higher prices. This state of affairs has only made the position worse for consumers of sesame oil, confined largely to Tamil Nad, Andhra, Mysore and Saurashtra and to people of these areas settled in other parts of India. At the same time, it has also not conferred any direct benefit on consumers of vanaspati or in any way prevented adulteration of ghee with vanaspati.

Export Policy

In view of the pronounced scarcity of edible oils, the Association is critical of the incentives offered for the export of groundnut oil. It has urged the Government to grant export incentives only to the manufactured products of organised industries. It stresses the fact that, in a country like India, "where speculative forces dominate the trade not only in commodities, but also in finished products of organised industries, the efforts of the Government to export a speculative commodity like groundnut oil which has an active domestic demand invariably lead to exaggerated rise in prices, causing great hardship to consumers." As this journal has pointed out times without number, there is a strong case against granting artificial incentives for export of groundnut oil, particularly when production of groundnuts is lagging behind. Such a measure only tends to shield inefficiency in agricultural production and the Government's failure to deal with it effectively.

In view of the tight supply position of edible oils, the Government of India has sought to augment the availability of vegetable oils by encouraging cottonseed crushing, solvent extraction of oilcakes and rice bran. But the impact of these schemes has been negligible. The progress of cottonseed crushing industry, particularly in the organised sector, has been too slow. Although the price of cottonseed oil has been rising with the increase in prices of other vegetable oils, the sustained rise in the price of cottonseed as well as the unremunerative prices of cottonseed cake have rendered cottonseed crushing unprofitable. Further, the incentive schemes offered for promoting the use of cottonseed oil have not been an easily workable proposition. Commenting on the difficulties involved in operating this scheme, the report observes as follows:

"It will be recalled that members of the Association had decided in 1958 to use cottonseed oil voluntarily at the rate of 2½ per cent in 1958, 5 per cent in 1959, 7½ per cent in 1960 and 10 per cent in 1961. This understanding was reviewed in 1959 by a Liaison Committee appointed under the chairmanship of the V.O.P. Controller for India and it was agreed that the industry should use 5 per cent in 1960 and that Government should give an incentive in the form of a rebate in excise duty on vanaspati. The Central Board of Revenue announced such an incentive scheme effective 1st July 1960. Under the scheme, a manufacturer is entitled to a rebate of excise duty on vanaspati at the rates of 3 per cent and 5 per cent, if he uses in a particular month cottonseed oil in excess of 5 per cent and 10 per cent, respectively. The industry welcomed the incentive scheme, but, unfortunately, the procedure prescribed was so impracticable that the manufacturers could not take full advantage of it. It requires cottonseed oil and groundnut oil to be mixed prior to hydrogenation in the presence of an excise officer. Further, the sample of the mixed oil is required to show a negative Baudouin reaction and a Bellier number within a prescribed range. As oils invariably get contaminated with the traces of sesame oil in the weighing, storing and processing equipments, it is not possible for a manufacturer to ensure that the mixture will not show a positive Baudouin reaction. Furthermore, hydrogenation of cottonseed oil mixed with groundnut oil adversely affects the keeping quality of the product and thus deters the manufacturer from using cottonseed oil in greater proportions. Also, the mixed cottonseed and groundnut oils before hardening have to conform to a particular range of Bellier number to prove that the mixture contains a given percentage of cottonseed oil. But the Bellier test is not sufficiently quantitative for the purpose. The Association has suggested a simpler procedure for granting the rebate and it is hoped that the Central Board of Revenue will accept it. The incentive scheme despite its weaknesses, has encouraged the use of cottonseed oil in vanaspati manufacture and the percentage of its use has improved from 4.2 in the first half to over 6 in the latter half of 1960. The target of 5 per cent for 1960 has been exceeded."

Cottonseed Crushing

The Government of India is said to be considering several new schemes to encourage the growth of cottonseed crushing. One such scheme recently discussed with the representatives of the various industries concerned was that a central agency like the State Trading Corporation or a voluntary body organised by the vanaspati manufacturers and cottonseed crushers should purchase all cottonseed oil at a price that would give the crushers a fair return and distribute it among vanaspati factories *pro rata* to their production. Pointing out the futility of the scheme, the report adds as follows:

"It is unfortunate that, although the disposal of cottonseed oil is not a problem impeding the progress of cottonseed crushing, Government appear to concentrate attention mainly on disposal of the oil. The oil forms only 12½ per cent of the total output of cottonseed crushing. A rise of Rs. 10 in the price of cottonseed will require an increase of Rs. 80 in the price of cottonseed oil per ton to maintain crushing parity, whereas an increase of Rs. 12.5 per ton in the price of undecorticated cake would achieve the same result. Thus, if cottonseed crushing is to be made remunerative, it is largely a question of obtaining a remunerative price for the oilcake."

Apart from the shortage of vegetable oils, the vanaspati industry has had to face inadequate supply of coal owing to the dearth of railway wagons for the purpose. It is, however, said that the V.O.P. Controller of India has agreed to persuade the Government to increase the total allocation of coal to the industry and grant special quotas in the slack railway season to enable factories to build up stocks to meet the scarcity in the busy season when the total movement of coal is generally reduced. There have also been complaints of shortage of tinplate required by the vanaspati factories which have their own tin container fabrication plants.

But for these handicaps, which increase the cost of production and, therefore, the selling price of vanaspati, the industry would have made a sizable contribution to the procurement of foreign exchange earnings. Nevertheless, the performance of the industry on the export front in 1960 was encouraging. The total exports reached 6,500 tonnes in 1960, which compares favourably with no more than 2,792 tonnes in 1959.

Coloration Unnecessary

According to the Association, the proposals to colour vanaspati are irrational, unnecessary and highly undesirable. It makes out a strong case against the coloration of vanaspati in the following words:

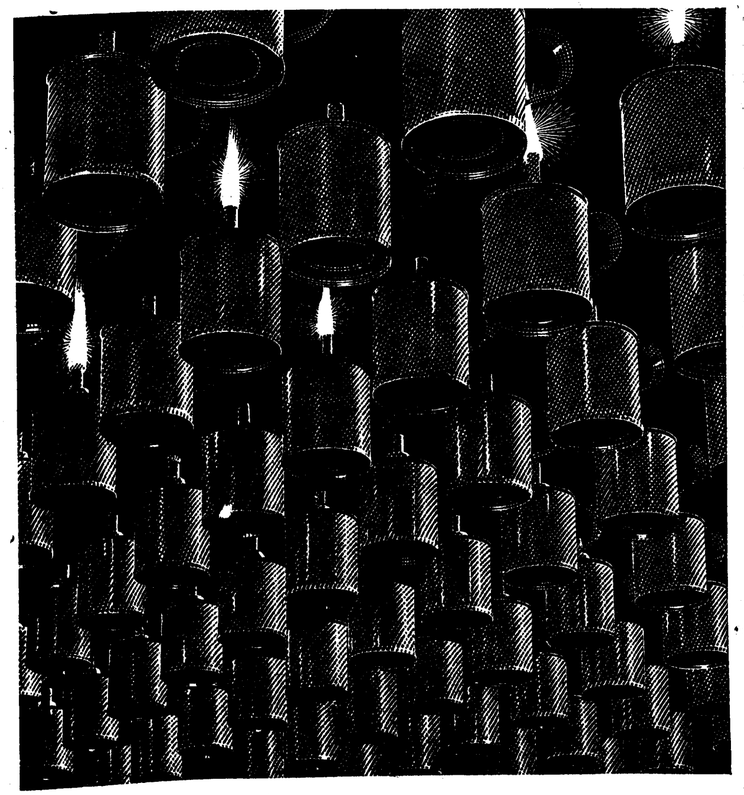
"It is irrational because: (i) in the interests of the health of the consumer, scientists, Indian as well as foreign, recommend that staple foods should not be artificially coloured, (ii) it will not prevent the adulteration of ghee as there are many adulterants like vegetable oils and animal fats available in plenty, and (iii) it will not prevent the use of vanaspati for the adulteration of ghee if a removable colour is added, since adulterators will be able to remove the colour. It is unnecessary because vanaspati already contains a latent colour through the statutory addition of sesame oil to every batch of vanaspati produced in the country. This facilitates the easy detection of the presence of vanaspati in ghee. Finally, the coloration of vanaspati is most undesirable because to ensure that a mixture of vanaspati even with whitish ghee at the 10 per cent level is visible, the colour added to vanaspati will have to be so deep that vanaspati will be repulsive to the legitimate vanaspati consumer. What is more, every dish cooked with vanaspati will have a uniformly unnatural appearance which will certainly be not acceptable to the consumer. Thus coloration is calculated to deprive the consuming public of a cheap source of a nutritious dietary fat and at the same time bring about the ruin of our industry."

It is said that an extract of turmeric is being seriously considered by the authorities for colouring vanaspati. It is futile to imagine that adulteration of ghee will be put a stop to once and for all, if vanaspati is colourised. The remedy for preventing adulteration of ghee lies in bringing about a fall in the price of ghee through an increase in production. An effective implementation of the relevant legislation by awarding strong punishment to adulterators may help to some extent. But this is easier said than done. It may, however, be pertinent to pose the question whether it is at all necessary to prevent ghee being mixed with vanaspati especially as such a mixture does not appear to be harmful to health and gives its consumer the satisfaction of having used ghee at a relatively low price.

FEDERATION ON PRICE REGULATION

A communication to be addressed to the Government of India on the question of price regulation and return on capital was finalised by the Committee of the Federation of Indian Chambers of Commerce and Industry, which held a two-day meeting last week at New Delhi with Mr. A. M. M. Murugappa Chettiar, Federation's President, in the chair. The Federation had already apprised the Ministry of Commerce and Industry that the recommendations of the price-fixing authorities did not always take note of the needs of the industry to provide for a fair return to investors and for rehabilitation and expansion of plant and equipment, after meeting the growing operational expenses.

It was also decided by the Committee to elicit the views of the constituents of the Federation on the question of smuggling and evasion of customs and excise duties which was raised at the last meeting of the Customs and Central Excise Advisory Council which met at Delhi on 27th and 28th January 1961. The Committee had discussions with Government representatives (Messrs. L. K. Jha and D. S. Joshi) on foreign exchange resources of the third Plan, Government's policy and procedure having a bearing on joint ventures, capital issues control and the different aspects of export promotion. The Committee decided to draft five resolutions to be presented at the thirty-fourth annual session of the Federation, which will be inaugurated by the Prime Minister on 25th March 1961. The resolutions are concerned with (1) third Plan, (2) export promotion, (3) streamlining of administrative machinery, (4) transport capacity and movement bottlenecks, and (5) coal production and its movement.



The comforts of life are spreading

Rising standards of living are finding their way into the remotest village and are coming within the reach of people with quite modest means. Consider Kerosine, for instance, which by bringing illumination to the humblest home is playing a part in this welcome development. By the end of the Third Plan, Burmah-Shell estimates that demand for Kerosine will be around 2.9 million tons, or well over 800 million gallons a year. There can be no question that the first priority should be the exploration and production of indigenous crude oil; the second priority must be to expand refining capacity in India. Oil is essential to economic growth and Burmah-Shell believes that

for tomorrow's needs we must act today

ELGIN MILLS RETURN TO DIVIDEND LIST

BAD INVESTMENTS FULLY COVERED

THE report and accounts of the Elgin Mills Limited for the year ended 30th September 1960 reveal that the Company has clearly got out of the muddle into which it was dragged by the activities of Mr. Haridas Mundhra in 1955-56. Messrs. Begg, Suther and & Co. Private Ltd. have ceased to be the Managing Agents of the Company from 16th August 1960, in pursuance of Section 330 of the Companies Act. Since that date, the British India Corporation Ltd. has been appointed Secretaries and Treasurers of the Company. **The total sales of the** Company in 1959-60 reached a record figure of Rs. 399.75 lakhs, an improvement of Rs. 44 lakhs over those for 1958-59 which itself had witnessed an increase of **Rs. 57 lakhs** over the previous year. Thus, in two years' time, the sales have increased **by over a crore of rupees.** There has been a significant increase in other income also from Rs. 6.31 lakhs to Rs. 18.11 lakhs, mostly on account of an increase of Rs. 11.97 lakhs under "export promotion scheme premium." On the expenditure side, the cost of raw materials consumed has moved up by Rs. 50.73 lakhs to Rs. 223.38 lakhs and the manufacturing expenses by Rs. 11.58 lakhs to Rs. 42.25 lakhs. Payments to and provisions for employees have moved up from Rs. 86.31 lakhs to Rs. 97.63 lakhs. The gross profit has gone up by 25 per cent to Rs. 60.01 lakhs and the net profit by Rs. 4.17 lakhs, or about 20 per cent to Rs. 25.59 lakhs.

Out of the aforesaid profit and the carry forward balance of Rs. 9.38 lakhs, which included Rs. 8.42 lakhs for the dividend proposed in the previous year but not declared, the Directors have recommended payment of dividend on all types of shares for two years ended September 1959 and 1960. The audited accounts for the previous year were adopted and passed by the annual general meeting of the Company, subject to the qualification that the Directors re-examine their recommendation with regard to the payment of dividend on preference shares in the light of the representations received and the pronouncement of the Finance Minister on the subject. Now as the Preference Shares (Regulation of Dividend) Bill 1960 has been enacted, the allocation of dividends on preference shares for 1959 and 1960, has been made in conformity with the provisions of the Act. The dividend on the 8 per cent. cumulative preference shares has been recommended at 10.4 per cent, subject to tax, and on 5 per cent cumulative preference shares at 6.5 per cent subject to tax, allowing for the increase of 30 per cent over the rates of dividend, as both the classes of preference shares were tax-free originally. The dividend on ordinary and vendors shares has been recommended at Rs. 1.15 per share, subject to tax, for each year. A good part of the profit for the year under review has been ploughed back. Thus out of a net profit of Rs. 25.59 lakhs, the Directors have earmarked no less than Rs. 19.24 lakhs to reserves.

The following comparative table for the last four years reveals the progress achieved by the Company:

(In lakhs of rupees)

	For the year ended 30th September			
	1960	1959	1958	1957
Sale proceeds	3,99.75	3,55.60	2,98.28	3,61.43
Finished stocks	57.59	51.17	69.91	45.77
Raw materials consumed	2,23.38	1,72.65	1,72.84	1,79.69
Expenses	1,30.66	1,32.52	1,30.26	1,33.96
Gross profit	60.01	48.22	27.73	58.97
Managing Agents' remuneration	4.27	3.30	1.77	4.11
Provision for—				
Depreciation	5.65	4.50	6.75	6.50
Taxation	24.50	19.00	11.00	29.00
Net profit	25.59	21.42	8.21	19.36
To reserves	19.24	13.31	2.50	12.00
Dividends—				
8% preference	2.29*	..	0.88	0.88
5% 'B' preference	0.55*	..	0.23	0.21
Ordinary and vendors' shares	1.49* (23%)*	..	4.72 (74%)	6.30 (10%)
Carry forward	0.89	9.38	0.65	0.75

* Subject to tax—dividends declared for two years ended September 1959 and 1960.

The increase in profits has been due largely to increased productivity and concentration on lines which yield better results. The conditions for cotton textile industry for the year were on the whole favourable, in spite of difficult cotton supply position. It is heartening to note that sales and gross profit for the year are highest in the post-war period. The Directors are hopeful of the results for the current year, in spite of reductions in prices and implementation of recommendations of the Wage Board. The performance of the Company on the export front has also been gratifying, inasmuch as, export earnings have increased from Rs. 73.75 lakhs to Rs. 125 lakhs in spite of a fall of nearly 150 million yards in India's exports of cotton textile during 1960.

In order to keep both the old mill and the new mill No. 2, in an up-to-date condition, the Directors have approved of capital expenditure to the tune of Rs. 73 lakhs. There has been some realignment of the reserves. A sum of Rs. 11 lakhs has been transferred from rehabilitation reserve to capital reserve in respect of the expenditure incurred during the year. Besides, a sum of Rs. 5 lakhs, being the amount of development rebate for 1957, 1958 and 1959 credited to rehabilitation reserve has been transferred to development rebate reserve.

The Company's balance-sheet as at 30th September 1960 reveals a satisfactory financial position, though it is marked by a few tangles. The paid-up capital stands at Rs. 78.20 lakhs, comprising of Rs. 11 lakhs in 8 per cent. cumulative preference shares of Rs. 100 each, Rs. 4.20 lakhs in 5 per cent 'B' cumulative preference shares of Rs. 10 each and Rs. 63 lakhs in ordinary and vendors shares of Rs. 10 each. Out of the total paid-up capital of Rs. 78.20 lakhs, more than 50 per cent. that is, Rs. 39.74 lakhs is held by the Holding Company, the British India Corporation Limited and its subsidiaries. The reserves and surplus stand at an impressive total of Rs. 141.48 lakhs but a part of it is neutralised by investments which are of a doubtful nature, as we shall show presently. During the year, an unsecured loan of Rs. 30 lakhs, being the unpaid amount of purchase consideration of Mill No. 2, was provided by the Secretaries and Treasurers (The British India Corporation Ltd.). Excluding this there are secured bank loans and current liabilities amounting to Rs. 137.84 lakhs, as against which there are large current assets and book debts (excluding investments) aggregating Rs. 243.89 lakhs. The net block of the Company stands at Rs. 57.28 lakhs after providing Rs. 158.72 lakhs for depreciation. During the year under review alone, there has been an increase in fixed assets of the order of Rs. 40.17 lakhs. The investments stand at Rs. 86.34 lakhs, mostly unquoted investments in the subsidiary companies (Shree Madhav Mills Ltd., which has gone into liquidation and Calico Processors Ltd.). The book value of quoted investments is only Rs. 0.58 lakh, the market value of which is Rs. 0.60 lakh. As most of the investments constitute a bad debt, the Directors had made a provision of Rs. 85 lakhs in Investment Reserve Account in the account for the year ended September 1958 by a transfer of Rs. 50 lakhs from capital reserve account and Rs. 35 lakhs from general reserve account.

The auditors in their report have remarked that title deeds of lands and buildings of Mill No. 2 were not shown to them, as the sale deed had not been executed till the time of the audit in December 1960, and that full recovery of the secured loan of Rs. 20 lakhs from Shree Madhav Mills Ltd. (in liquidation) is dependent on realisation of sufficient funds from the sale of the security. The accounts of the wholly owned subsidiary Shree Madhav Mills Ltd. (in liquidation) for the period from 1st April 1958 to 4th August 1959, the date prior to the subsidiary sent into liquidation, are not available and it has not been possible for the Directors of the Company to obtain the co-operation of the previous board of directors of that company for the production thereof. The Company's investments in Shree Madhav Mills Ltd. (in liquidation) are of Rs. 81.16 lakhs, comprising Rs. 10.08 lakhs in preference shares of Rs. 100 each, Rs. 51.08 lakhs in 25,000 ordinary shares of Rs. 100 each and Rs. 20 lakhs in secured loan by mortgage of land, buildings, plants, machinery, fixtures and fittings etc. These investments were made in 1956 at the instance of Mr. Haridas Mundhra, who had acquired the control of the British India Corporation Ltd. Finding that the Company was in possession of surplus funds, he mooted the idea of extension of its activities to Bombay and, in fact, had negotiated the purchase of the above shares. Due to the heavy loss, amounting to Rs. 24.69 lakhs, sustained by the subsidiary for the year ended 31st March 1958, the shortage of working capital became increasingly pronounced. In order to obviate further drain on the Elgin's finances, efforts were made to realise its investments in the subsidiary mill early in 1958 by disposing of the shares. As no acceptable offers were forthcoming, the Directors were left with the only recourse of taking the subsidiary into liquidation. It is estimated that the secured loan *plus* interest due thereon upto the date of payment will be recovered in full. No recovery in respect of the share capital is expected.

The Elgin Mill's No. 2, the unit which was previously known as the Cawnpore Cotton Mills (a branch of the British India Corporation Ltd.), was purchased by the Company in March 1960. This was restarted on 2nd May 1960, after extensive repairs and renovations. All endeavours have been made to put this unit on its feet. The trading results of the unit are expected to show considerable improvement in the current year.

The ruling quotation of the Rs. 10 paid-up ordinary shares of the Company is Rs. 20.87 *cum-div.* (Re. 1.61 net for two years). On an *ex-div.* basis, the yield works out to 4.1 per cent tax-free.

DECCAN SUGAR AND ABKHARI CO., LTD.

A longer working season for both the Samalkot and Pugalur factories was a feature of the working of the Deccan Sugar and Abkhari Company Ltd. for the year ended 31st May 1960. The season in Samalkot factory of 170 days started on 27th November 1959 and finished on 14th May 1960. During this period, 117,689 tons of cane were crushed, as against 95,617 tons in the previous year, yielding 11 179 tons of sugar, as against 9,134 tons. The average recovery dropped by 0.05 per cent to 9.50 per cent. The season in the Pugalur factory was also a long one, comprising 67 days of special season from 30th August 1959 to 4th November 1959 and of 149 days of the main season from 5th November 1959 to 11th April 1960. In the special season, 53 339 tons of cane were crushed, as against 49,705 tons in the previous season and 4,956 tons of sugar were produced, as against 4,497 tons. The recovery was also higher at 9.29 per cent, as compared to 9.05 per cent. In the main season, the production was lower on account of a decrease in the quantity of cane crushed. The total cane crushed amounted to 130,554 tons and 13,473 tons of sugar were produced, as against 143,339 tons and 13,862 tons, respectively in the previous season. The average recovery was higher by 0.65 per cent at 10.32 per cent. The total production of sugar by both the factories reveal an increase of 2,115 tons to 29,608 tons.

The total sales amounted to Rs. 361.23 lakhs, as against Rs. 363.64 lakhs in the previous year. The excise duty paid was lower by Rs. 2.71 lakhs at Rs. 90.79 lakhs and the cost of sales, including all expenses of production, selling and administration was also lower by Rs. 2.91 lakhs to Rs. 243.34 lakhs. Consequently the trading profit is higher by Rs. 3.21 lakhs at Rs. 27.09 lakhs. The net profit after taxation is also higher by Rs 2.89 lakhs at Rs. 16.47 lakhs.

The following comparative table for the last four years provides a synoptical view of the Company's operations:

(In lakhs of rupees)

	For the year ended 31st May			
	1960	1959	1958	1957
Sale proceeds	3,61.23	3,63.64	3,28.19	2,36.25
Other income	2.94	3.96	3.04	1.64
Closing stocks of goods and work-in-progress	83.90	90.66	1,17.46	1,24.55
Excise duty and cess on cane	1,00.36	1,01.70	72.77	37.54
Other expenses	2,23.50	2,20.87	2,19.07	1,65.81
Gross profit	40.26	36.02	39.40	34.54
Managing Agents' commission	3.46	2.98	3.55	3.05
Depreciation	7.18	6.43	5.45	4.94
Taxation	13.15	13.03	17.58	17.05
Net profit	16.47	13.58	12.82	9.50
To reserves	4.95	3.45	4.82	3.30
Dividends—				
7 per cent. preference	0.64*	0.70*	0.49	0.49
Ordinary	10.26	10.26	7.17	5.78
	(25½%)*	(25½%)*	(18%)	(17½%)†
Carry forward	1.29	0.67	1.50	1.10

* Subject to deduction of tax.
† Of this, the final dividend of 12 per cent. is on an increased capital.

The paid-up capital of the Company remains unchanged at Rs. 46.84 lakhs, comprising of 140,000 seven per cent cumulative preference shares of Rs. 5 each and of 796,800 ordinary shares of Rs. 5 each. The reserves and surplus, including the share premium account, amounts to Rs. 58.54 lakhs. The gross block of the Company at Rs. 145.32 lakhs stands depreciated at Rs. 67.09 lakhs. The market value of the quoted investments of Rs. 3.61 lakhs in Cauvery Sugars have risen to Rs. 5.10 lakhs as against Rs. 3.93 lakhs in the previous year. The financial position of the Company has distinctly improved. The current assets of Rs. 133.67 lakhs are Rs. 27.83 lakhs more than the current liabilities and provisions (Rs. 105.84 lakhs) and this surplus is about Rs. 3.29 lakhs higher than that of the year before.

The dividend on ordinary shares has been maintained at Rs 1 29 per share, subject to deduction of tax, while the dividend on preference shares has been raised from 7 per cent to 9.1 per cent subject to deduction of tax, strictly in accordance with the provisions in the Preference Shares (Regulation of Dividends) Act 1960.

The ordinary share of Rs. 5 paid-up at the current market quotation of Rs. 13.95 ex-dividend gives a tax-free yield of 6.4 per cent on a net dividend of Rs. 0.90 per cent.

HABIB BANK'S PROGRESS EXCELLENT

CAPITAL STRENGTHENED FURTHER

THE results of the Habib Bank Ltd. (Chairman: Ahmed Habib, Karachi) for the year ended 31st December 1960, are gratifying. They suggest that the Bank must have made substantial improvements in its business. The balance-sheet total has staged a rise of Rs. 7 crores, reaching a record level of Rs. 128.64 crores. There has been an addition of 15 offices during the year and the deposits have risen by more than Rs. 3 crores, taking them to a peak of Rs. 77.24 crores. This increase in deposits is on top of a rise of Rs. 3.57 crores witnessed in the previous year. Advances have also recorded an improvement of Rs. 1.52 crores to reach the record level of Rs. 31.04 crores. Thanks to the intensive utilisation of the funds of the Bank thus, in a period of acute monetary stringency, the liquidity ratio has dropped from 81.1 per cent to 72.6 per cent.

A bird's-eye view of the Bank's progress in the past four years can be had from the following comparative table:

(In lakhs of Pak. rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Gross income	8,15.83	2,80.35	2,59.51	2,19.87
Expenses	1,34.95	1,06.37	92.88	84.14
Depreciation	6.65	2.25	2.58	1.78
Profit	1,74.23	1,71.73	1,64.15	1,33.95
Appropriations—				
To taxation	1,00.00	60.00	1,30.00	58.00
To reserves	1,00.00	30.00	28.12	35.00
Dividend	52.50	(15%)	(14.6%)	(17½%)
	(17½%)	89.16	7.43	1.40
Carry forward	10.89			

	As on 31st December			
	1960	1959	1958	1957
Capital	3,00.00	2,00.00	2,00.00	2,00.00
Reserve fund	2,00.00	2,00.00	2,00.00	2,00.00
Deposits	77,23.66	74,04.66	70,48.16	59,70.64
Advances and bills discounted and purchased	31,08.55	29,52.30	17,45.16	17,80.11
Investments	42,57.71	46,97.84	37,27.45	31,50.19
Cash	13,54.87	11,13.15	20,31.24	15,76.76
Balance sheet total	128,04.14	121,63.62	94,68.94	82,62.78
Ratio to deposits of—	%	%	%	%
Advances	40.2	39.8	24.7	29.9
Investments	55.1	63.1	52.8	52.8
Cash	17.5	15.0	28.8	26.4

N.B.—The figure of interest paid is not shown separately. It is, perhaps, deducted from gross income before showing it in the profit and loss account.

It will be seen from the above table that gross earnings of the Bank (presumably after deducting interest paid) have risen by Rs. 35.48 lakhs to Rs. 315.83 lakhs. The profit (before providing for taxation) has, however, increased by only Rs. 2.50 lakhs to Rs. 174.23 lakhs. This is explained by the fact that the expenses of the Bank have risen sharply from Rs. 106.37 lakhs to Rs. 134.95 lakhs and the Bank has also provided a substantially larger amount for depreciation on its properties at Rs. 6.65 lakhs, as against only Rs. 2.25 lakhs in the previous year. The provision for taxation has been stepped up from Rs. 60 lakhs to as much as Rs. 1 crore.

The Directors have, once again, capitalised a sum of Rs. 1 crore out of the profit. This, of course, is not the first time they have done so. For, on four previous occasions also they had followed this unique policy. Thus, in 1947, they transferred from the profit to the capital account a sum of Rs. 12.50 lakhs, followed by Rs. 17.50 lakhs in 1948, Rs. 20 lakhs in 1949, and Rs. 50 lakhs in 1954. As a result of the capitalisation of Rs. 1 crore this year, the capital of the Bank stands raised to Rs. 3 crores divided into 6,000,000 shares of Rs. 5 each fully paid-up. All this means that, of the total paid-up capital of Rs. 3 crores, two-thirds represent capitalisation of profit. In addition, the Bank has reserves of the order of Rs. 2 crores. This is a record which few banks in Asia can boast of. It is noteworthy that the policy of strengthening the capital structure of the Bank from out of profits has not meant a lower return to shareholders. On the contrary, the latter have received more for the year under review, the amount absorbed by dividend being Rs. 52.50 lakhs, as against Rs. 30 lakhs for 1959.

As noted above, advances and bills have gone up by Rs. 1.52 crores, to Rs. 31.04 crores. Of this, loans, overdrafts and cash credits account for a rise of Rs. 46.55 lakhs at Rs. 25.57 crores and bills purchased and discounted for Rs. 1.05 crore at Rs. 5.46 crores. Investments are shown at cost or market value whichever is lower. Of the total investments amounting to Rs. 42.58 crores, Government securities are of the order of Rs. 40.83 crores (as against Rs. 45.24 crores a year ago), shares in joint-stock companies account for Rs. 31.17 lakhs (as against Rs. 31.12 lakhs in 1959) and bullion for Rs. 1.43 crores (Rs. 1.43 crores in 1959). Another noteworthy feature of the Bank's balance-sheet is an increase in both bills for collection and Bank's liability and acceptance and guarantees, the former from Rs. 4.21 crores to Rs. 4.72 crores and the latter from Rs. 28.26 crores to Rs. 35.49 crores.

TEXTILES

(*Concluded from page* 328)

Federation is apprehensive that "the powerloom sector is capable of producing much more than 1,365 million yards and if it has not produced more, it will soon do so!" The fear is based on the ground that the number of powerlooms working with cotton yarn is somewhere between 80,000 and 90,000. It is estimated that to produce 1,365 million yards of cloth, there must at least be 54,000 looms, with 48,000 actually working. The number of powerlooms working one centre, namely, Bhiwandi near Bombay, alone is estimated at 17,000.

In the opinion of the Federation, the powerloom sector (particularly the small establishments) has usurped the handlooms as a result of which the latter have not been able to produce even 50 per cent of what was allotted to it. In this connection, the following figures are cited:

(In million yards)

	Second Plan target	*Performance in 1960*	*Target for third Plan*
Cotton mills	5,00	5,044	5,800
Handlooms	2,125	800	2,800
Powerlooms	405	1,365	500-600

The Federation alludes to the steep decline in the average annual production per loom in the co-operative fold from 951 yards in 1956 to 606 yards in 1959, and observes:

"In the light of this drastic drop in the production of handlooms, it is a matter for consideration as to what effective steps should be taken to help the handloom sector to increase its production from 800 million yards to 2,800 million yards. It is also not known what measures are contemplated by Government not only to step further depredations by the powerloom sector on the field allocated to handlooms, but also to cut down its production from 1,365 million yards to 500 to 600 million yards. The recent indulgence shown to this sector by allowing all unauthorised looms to regularise themselves by payment of a paltry fee of Rs. 100 per loom in easy instalments does not seem to be a pointer in this direction."

The opposition of the Federation to the development of powerlooms and its plea for the continuance of the uneconomic handloom sector are incongruous. Considering the poor productivity of handlooms and the woefully low level of earnings for persons depending on them for their living, the replacement of handlooms by powerlooms is, as the Kanungo Committee rightly declared (September 1954), inescapable. Even the Karve Committee, which forcefully championed the cause of small-scale industries and which the Federation itself quotes, has opposed in clear-cut terms the protection given to existing employment in means of production which have become completely obsolete or relatively very uneconomic.

ENGINEERING

(*Concluded from page* 336)

day have increased from 38.7 in 1950-51 to 47.6 in 1959–60 on broad-gauge sections but decreased from 31.2 to 30.3 on metre-gauge sections. There has come about some improvement in fuel consumption; in 1959-60, this was 145 lbs. per 1,000 gross ton-miles (goods), as against 164 lbs. in 1950-51 on broad-gauge sections and 193 lbs. and 203 lbs. respectively on metre-gauge sections. These are only a few of the indices of operating efficiency which are referred to here by way of illustration. There is also to be found in the brochure a review of expenditure (under the various heads like "repairs and maintenance," "operating staff." "fuel," etc.) in relation to performance. The Railway Board has taken great pains to show that the comparable expenses-earnings ratio has shown some improvement between 1950-51 when it was 67.7 and 1959-60 when it was 66.2. It is to be hoped that the railways will maintain steady improvement in this regard, howsoever modest it may be.

COMPANY MEETINGS AND DIVIDENDS

NEW INDIA SUGAR MILLS LTD. Annual General Meeting, Calcutta, 27th February 1961. Dividend: Rs. 3.65 per ordinary share, subject to deduction of tax, payable on or after 20th March 1961. Transfer books remain closed from 20th to 27th February 1961, both days inclusive.

TIRUMBADI RUBBER CO., LTD. Annual General Meeting, Calicut, Kerala State, 4th March 1961. Dividend: 7 per cent or Re. 0.07 per share, subject to deduction of tax. Transfer books remain closed from 25th February to 4th March 1961, both days inclusive.

RAVALGAON SUGAR FARM LTD. Annual General Meeting, Bombay, 7th March 1961. Transfer books were closed from 25th January to 18th February 1961, both days inclusive.

CALCUTTA STEAM NAVIGATION CO., LTD. Annual General Meeting, Calcutta, 10th March 1961. Dividend: 10 per cent or Re. 1.00 per share, subject to deduction of tax. Transfer books remain closed from 25th February to 10th March 1961, both days inclusive.

ASIAN CABLES CORPORATION LTD. **First Annual** General Meeting, Bombay, 10th March 1961. Dividend: *Nil.* Transfer books remain closed from 24th February to 10th March 1961, **both days** inclusive.

BHOPAL SUGAR INDUSTRIES LTD. Annual General Meeting, Sehore, Madhya Pradesh, 11th March 1961. Dividend: Rs. 2.25 per ordinary share, subject to deduction of tax.

EASTERN INVESTMENTS LTD. Annual General Meeting, Calcutta, 13th March 1961. Dividend: 14 per cent or Rs. 14.00 per ordinary share, subject to deduction of tax, payable on or after 27th March 1961. Transfer books will remain closed from 6th to 13th March 1961, both days inclusive.

BABABUDIN COFFEE AND PRODUCE CO., LTD. Annual General Meeting, Bangalore, 15th March 1961. Dividend: 8 per cent or Re. 0.40 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 2nd to 15th March 1961, both days inclusive.

STANDARD BATTERIES LTD. Annual General Meeting, Bombay, 15th March 1961. Dividend: Rs. 15.00 per share, subject to deduction of tax, payable after 23rd March 1961. Transfer books will remain closed from 8th to 21st March 1961, both days inclusive.

VOLTAS LTD. Annual General Meeting, Bombay, 16th March 1961. Dividend: Rs. 13.00 per share, subject to deduction of tax, payable on and after 22nd March 1961. Transfer books remain closed from 14th February to 6th March 1961, both days inclusive.

LOYAL TEXTILE MILLS LTD. Annual General Meeting, Kovilpatti, 16th March 1961. Dividend: Nil. Transfer books will remain closed from 8th to 16th March, 1961, both days inclusive.

SHREE KRISHNA GYANODAY SUGAR LTD. Annual General Meeting, Dalmianagar, Bihar, 17th March 1961. Dividend: 15 per cent or Re. 1.50 per share, subject to deduction of tax. Transfer books will remain closed from 7th to 17th March 1961, both days inclusive.

T. STANES AND CO., LTD. Annual General Meeting, Coimbatore, 22nd March 1961. Dividend: 22½ per cent or Rs. 2.25 per ordinary share, final (includes centenary bonus of 5 per cent or Re. 0.50 per share), subject to deduction of tax. Transfer books will remain closed from 8th to 22nd March 1961, both days inclusive.

MADURA MILLS CO., LTD. Annual General Meeting, Madurai, 27th March 1961. Dividend: 15 per cent or Rs. 2.25 per share, for the year ended 31st December 1960. Transfer books will remain closed from 28th February to 27th March 1961, both days inclusive.

WEST COAST PAPER MILLS LTD. Annual General Meeting, Bombay, 28th March 1961. Dividend: Rs. 6.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 13th to 28th March 1961, both days inclusive.

BOMBAY POTTERIES AND TILES LTD. Annual General Meeting, Bombay, 3rd April 1961. Dividend: Rs. 12.86 per share, subject to deduction of tax, payable on and from 18th April 1961. Transfer books will remain closed from 13th March to 11th April 1961, both days inclusive.

INDIAN STEEL ROLLING MILLS LTD. Taxable interim dividend of Re. 0.50 per ordinary share, for the period 15 months ending 31st March 1961.

K. C. P. LTD. Taxable dividend of 15 per cent or Re. 1.50 per ordinary share, for the year ended 30th June 1960. Transfer books will remain closed from 27th February to 7th March 1961, both days inclusive.

DEVASHOLA (NILIGIRI) TEA ESTATES CO.. LTD. Taxable interim dividend of 10 per cent or Re. 1.00 per share, for the year ending 31st December 1960. Transfer books will remain closed from 3rd to 11th March 1961, both days inclusive.

RALLIS INDIA LTD. Taxable dividend of 4 per cent or Rs. 4.00 per ordinary share. for the year ended 31st August 1960. Transfer books will remain closed from 3rd to 23rd March 1961, both days inclusive

COONOOR TEA ESTATES CO., LTD. Taxable final dividend of 7½ per cent or Re. 0.75 per ordinary share (making a total of 17½ per cent or Re. 1.75 per share, for the year), for the year ended 30th September 1960.

BALLARPUR PAPER AND STRAW BOARDS LTD. Taxable dividend of 14 30 per cent on the ordinary capital. for the year ended 30th June 1960.

KUMERGODE ESTATES LTD. Taxable dividend of 20 per cent or Re. 0.40 per share, for the year ended 31st October 1960. Transfer books will remain closed from 12th to 25th March 1961, both days inclusive.

SYNOPSES OF COMPANY REPORTS

New India Sugar Mills Ltd.

THE directors of the above Company (Managing Agents: The Cotton Agents Private Ltd., Bombay) present the audited accounts of the Company for the year ended 30th June 1960.

The accounts show a profit of Rs. 12,47,439 (Rs. 13,33,135). Out of this provision has been made for depreciation, amounting to Rs. 2,42,337 (Rs. 2,02,411), development rebate reserve Rs. 1,07,701 (Rs. 68,027), taxation Rs. 4,45,000 (Rs. 4,70,000) and to general reserve Rs. 75,000 (Rs. 2,50,000) leaving a sum of Rs. 3,77,401 (Rs. 3,35,347 after providing Rs. 7,350 for contingencies). To this amount has been added the balance brought forward from the previous year of Rs. 6,246 (Rs. 18,295) making a total sum available for disposal of Rs. 3,83,647 (Rs. 3,53,642). The directors recommend payment of dividends subject to deduction of tax under the Income-tax Act, as under:—On 486 cumulative preference shares of Rs. 100 each at 12.21 (9 per cent tax-free) per cent per annum, absorbing Rs. 5,934 (Rs. 4,374), on 10,000 cumulative redeemable preference shares of Rs. 100 each at 5½ per cent per annum, absorbing Rs. 55,000 (Rs. 55,000) and on 78,910 ordinary shares of Rs. 10 each at Rs. 3.65 (Rs. 3.65) per share, absorbing Rs. 2,88,022 (Rs. 2,88,022) leaving a balance to be carried forward of Rs. 34,691 (Rs. 6,246).

In view of the recent changes brought about by the Finance Acts 1959 and 1960 in the matter of deduction of tax on dividends, the Company declared and paid dividend for the year ended 30th June 1959 on 486 7½ per cent tax-free participating preference shares at a rate which after deduction of tax at 30 per cent amounted to 9 per cent. As regards 10,000 5½ per cent taxable preference shares, the dividend was declared and paid at 5½ per cent without deduction of tax paid by the Company on its profits. Since then, the preference shares (Regulation of Dividend) Act 1960 has been passed. The directors, however, feel and recommend that the rights attached to 486 tax-free participating preference shares should be so modified as to confer on them a right to a dividend at the rate of 10.71 per cent subject to deduction of tax under the Income-tax Act instead of 7½ per cent tax-free and with right to participate for additional dividend upto a limit of 1.5 per cent subject to deduction of tax as aforesaid if the ordinary shareholders are paid dividend in excess of 10.71 per cent. As regards 10,000 preference shares the directors recommend that their rights be modified so as to entitle them to a dividend at 5½ per cent without deduction of tax on Company's account but subject to deduction of tax at rates prescribed under the Income-tax Act.

During the year under review the factory worked for 148 days and crushed 42,70,529 maunds of sugarcane against 112 days and crushing of 32,88,397 maunds in the previous year. The recovery was lower at 9.16 per cent against 9.8 per cent in the previous year. The lower recovery which was in common with the other sugar mills in North Bihar was due to the cane crop having been affected by drought and red rot disease. During the current season a crushing of about 55 lakh maunds of cane is expected.

The Government of India announced certain incentives to the sugar factories during the year to encourage increased production of sugar. The incentives were in the shape of a concession of 31 nP per maund of cane crushed up to 2nd November 1959 if crushing was started on or before 10th November 1959 and a rebate of 50 per cent of the basic excise duty on production during the season 1959-60 in excess of the average production of the seasons 1957-58 and 1958-59. The excess production amounted to about 43,278 maunds.

Direct allotment by the Government in respect of sugar released for internal consumption as also control on distribution and price of sugar are continuing. In October 1960 the Government of India allotted an export quota of 299.49 tons of sugar from the production of the season 1959-60 to the mills against a quota of 77.37 tons from the production of season 1958-59.

The term of office of The Cotton Agents Private Limited, the managing agents of the Company expired on the 15th August 1960. They were reappointed as managing agents of the Company by the shareholders for a further period of 10 years with effect from 15th August 1960. The Government of India have, however, approved the reappointment for a period of five years only. The remuneration payable to the managing agents is to be calculated on the basis of general sliding scale laid down by the Government starting from 10 per cent on the first Rs. 10 lakhs, going down to 4 per cent above Rs. 1 crore.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,54,619	Gross block	57,67,867
Reserves ...	30,31,969	*Less*—Depreciation ...	33,25,497
Provision for taxation ...	8,80,712		
Liabilities ...	52,79,074	Net block ...	24,42,370
Profit and loss account (surplus) ...	34,691	Stock-in-trade	40,08,229
		Stores, etc. ...	7,67,325
		Other assets	15,659
		Book debts ...	16,98,121
		Investments	17,01,899
		Cash ...	4,48,062
Rs.	1,10,81,665	Rs.	1,10,81,665

Bababudin Coffee & Produce Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. A. V. Thomas & Co. (Mysore) Private Ltd., Bangalore] present the audited accounts of the Company for the year ended 30th June 1960.

The acreage of the Estate is as follows:—Coffee in bearing 538.75 acres; coffee new clearing 20.00 acres; cardamoms 11.25 acres; uncultivated lands 698.00 acres and paddy fields 48.00 acres. The paddy fields comprising of 48 acres have been acquired by the Government for the construction of Lakka Valli Dam. The Company has already lodged a claim with the Government for adequate compensation towards these and it is expected a suitable amount will be paid by the Government shortly.

Owing to the poor blossom showers and unsatisfactory weather conditions subsequently, the crop harvested during the season was 2,253 (3,301) cwts. only and the cost of production has been high, being Rs. 137.39 (119.42) per cwt. owing to this poor crop. Besides, the usual cultivation works like manuring, spraying, etc., had to be carried out, in order not to affect the crop prospects for the next season. The whole crop was delivered to the Coffee Pool and dividends received from the Coffee Board to the extent of Rs. 2 per point todate.

After providing for depreciation and minimum managing agency remuneration, the net loss for the season under review is Rs. 47,778 (profit of Rs. 73,398). The directors recommend payment of 6 per cent dividend on preference shares, subject to deduction of income-tax and 8 (12½) per cent dividend on equity shares, also subject to deduction of income-tax. With a view to effect the above payments, the directors propose to transfer from general reserve Rs. 45,000 (*nil*) and from dividend equalisation reserve Rs. 47,000 (*nil*) giving a total of Rs. 92,000 (*nil*). To this is added the balance brought forward from previous season of Rs. 8,216 (Rs. 2,818) making a total of Rs. 1,00,216 (Rs. 76,216). From this amount is deducted the net loss for the season of Rs. 47,778 (*nil*) leaving an available balance of Rs. 52,438 (Rs. 76,216). This amount the directors recommend being appropriated as under:—To payment of 6 per cent dividend on preference shares, subject to deduction of income-tax, absorbing Rs. 18,000 (Rs. 18,000) and to payment of 8 (12½) per cent dividend on equity shares, subject to deduction of income-tax, absorbing Rs. 32,000 (Rs. 50,000) leaving a balance to be carried forward to next season of Rs. 2,438 (Rs. 8,216).

Preference dividend: Increase if any in the dividend on preference shares as per the provision of the Preference Shares (Regulation of Dividend) Act of 1960 will be given effect to and the amount of increased dividend will be paid to the preference dividend shareholders when the relative rules are published. It may however be mentioned that as the Company's income is almost agricultural, the increase in the dividend may be very negligible.

According to the original estimates, the coffee crop for the season 1960-61 was 3,000 cwts. the estimated expenditure being Rs. 144.25 per cwt. The latest reports from the Estate, however, indicate the probability of harvesting about 4,000 cwts. or 200 tons for the season.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Gross block	7,34,867
Reserves ...	1,63,748	*Less*—Depreciation ...	1,10,833
Provision for taxation ...	16,399		
Liabilities ...	1,73,583	Net block ...	6,24,034
		Stock-in-trade	2,40,702
Profit and loss account (surplus) ...	2,438	Stores, etc. ...	95,156
		Loans and advances ...	14,272
		Investments	73,967
		Cash ...	6,037
Rs.	10,56,168	Rs.	10,56,166

Standard Batteries Ltd.

The directors of the above Company (Managing Agents: The Industrial Enterprises Private Ltd., Bombay) present the audited accounts of the Company for the year ended 30th June 1960.

The profits for the year after providing for depreciation, bonus, provision for gratuity to employees, statutory development rebate reserve, reserve for bad and doubtful debts, all expenses including reserve for plant modernisation and development and general reserve amounted to Rs. 16,82,985 (Rs. 9,89,197). After adding the amount brought forward from last year's accounts [including Rs. 1,697 (*nil*) excess provision for bonus in the previous year] of Rs. 9,920 (Rs. 33,470) there is a total sum available for disposal of Rs. 16,92,905 (Rs. 10,22,667). The directors recommend this amount to be utilised as under:—

To pay a dividend on 37,500 ordinary shares at Rs. 15 (Rs. 14) per share, subject to deduction of tax, absorbing Rs. 5,62,500 (Rs. 4,13,194), to provide for taxation Rs. 9,15,000 (Rs. 5,70,000), to transfer to dividend equalisation fund Rs. 2,00,000 (*nil*) and for underwriting commission written off *nil* (Rs. 31,250) leaving an amount to be carried forward of Rs. 15,405 (Rs. 8,223).

The operations for the year under review were satisfactory and resulted in a gratifying improvement in production, sales and profits in spite of keen competition and lower selling prices. The directors have thought it fit to make the following adjustments in the accounts to create a general reserve of Rs. 4,50,000 (*nil*) as follows: By transfer of excess of provision against reserve for repayment of I.F.C. loan Rs. 2,30,000, by transfer of excess provision for taxation Rs. 1,50,000 and including the amount appropriated this year's profits Rs. 70,000. The directors have further created out of the profits a reserve for plant modernisation and development by appropriating a sum of Rs. 2,00,000 and have also created a dividend equalisation fund out of the profits of this year amounting to Rs. 2,00,000.

During the year under report, the Pg Tube Manufacturing Plant was operating satisfactorily and this has enabled the Company to take up, in addition to the train lighting batteries, other important applications for the Pg Batteries such as the exceptionally heavy duty batteries for *Fort-lift* Trucks, Platform Trucks and for Diesel Locomotives, and for stationary batteries for Signal Switchgear operation and special types for Telephones. With the installation of this Pg Tube Making Plant, the factory is producing today hundred per cent of all its components under control conditions at its Bombay works.

The demand on the products of the factory in the various fields of lead acid battery application is steadily increasing and schemes for augmenting manufacturing facilities both as regards balancing equipment and covered space were undertaken during the year under report. A most modern and well-equipped formation and charging building with all the facilities for proper control and handling of material in this department, is nearing completion and would be fully utilised in the coming months. This facility was one of the important bottleneck in the Company's production all these years.

With the sanction of a higher limit in the consumption of electric power, the sub-station of the factory has been remodelled to accommodate 3-250 kVA and 1-500 kVA transformers and necessary high tension and low tension controlgears have been ordered. On the completion of this within the coming months, the Company will eliminate the possibilities of shut-downs and better the control of distribution. It is hoped that before the end of the current year, the Company shall have all these facilities at the disposal of its works and be prepared to meet not only the increased internal demand for the products of the factory, but also to take care of the possibilities for export. Attempts for the export of "STANDARD" Brand Batteries during the current year has been encouraging and it is hoped that in the very near future the Company will build up a sizable export market.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	37,50,000	Gross block	67,28,501
Reserves ...	18,80,743	*Less*—Depreciation ...	34,94,295
Provision for taxation ...	12,24,804		
Liabilities ...	53,73,015	Net block ...	32,34,206
		Stock-in-trade	39,24,811
Profit and loss account (surplus)	15,405	Stores, etc.	3,50,262
		Book debts	45,93,194
		Investments	2,786
		Cash ...	1,38,708
Rs.	1,22,43,967	Rs.	1,22,43,967

Eastern Investments Ltd.

The directors of the above Company [Secretaries: Messrs. Bird & Co. (Private) Ltd., Calcutta] present the audited accounts of the Company for the year ended 31st December 1960.

The profit and loss account after providing for all charges and making provision of Rs. 8,22,872 (Rs. 7,53,196) for taxation, shows a profit of Rs. 10,25,495 (Rs. 9,20,025) to which is added the balance brought forward from the previous year of Rs. 3,52,237 (Rs. 3,25,471) making a total of Rs. 13,77,732 (Rs. 12,45,496). From this amount the directors have transferred to general reserve Rs. 2,00,000 (Rs. 50,000). The interim dividend declared on 27th July 1960, on the taxable cumulative preference shares at 2½ per cent, subject to deduction of tax under Section 18(3D) of the Indian Income Tax Act absorbed, Rs. 62,500 (Rs. 62,500) leaving a balance available of Rs. 11,15,232 (Rs. 11,32,377 after writing off Rs. 619 being loss on sale of investments). The directors propose to dispose of this amount as follows:—

By payment of final dividends subject to deduction of tax under Section 18(3D) of the Indian Income Tax Act at the time of payment—on the taxable cumulative preference shares at 2.50 per cent i.e. at 5 per cent per annum, increased by 11 per cent thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, less income-tax at the Company's rate of 20 per cent [making a total of Rs. 4.44 per cent per annum] absorbing Rs. 48,000 (Rs. 62,500) and on the issued ordinary shares at 14 (14) per cent per annum absorbing Rs. 7,17,640 (Rs. 7,17,640) leaving a balance to be carried forward of Rs. 3,49,092 (Rs. 3,52,237).

Investments.—The Company's portfolio is representative of investments which are quoted on certain shares costing Rs. 78,168 for which no quotations are available. The total of the market value of the investments for which quotations are available together with unquoted investments as valued by the directors, exceeds the book value at 31st December 1960, by Rs. 67,90,171.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	76,26,000	Investments	1,63,50,516
Reserves ...	59,19,702	Cash ...	1,474
Provision for taxation ...	54,477		
Liabilities ...	24,02,719		
Profit and loss account (surplus) ...	3,49,092		
Rs.	1,63,51,990	Rs.	1,63,51,990

N.B.—Figures within brackets relate to the corresponding period of the previous year.

Notices

RAZA BULAND SUGAR COMPANY LIMITED
RAMPUR, U.P.

NOTICE

IS HEREBY GIVEN THAT THE 26TH Annual General Meeting of the Shareholders of the Company will be held at Govan Building, Rampur, U.P., on Wednesday, the 22nd March, 1961, at 10 a.m., to transact the following business:—

1. To receive and consider the report of the Board of Directors and Auditors and the Audited Statements of Accounts of the Company for the financial year ended 31st October, 1960.
2. To declare dividend.
3. To appoint a Director in place of Shri R. P. Nevatia, who retires by rotation at the meeting, and is eligible for re-appointment.
4. To appoint a Director in place of Raizada Jagmohan Lal, who retires by rotation at the meeting, and is eligible for re-appointment.
5. To appoint Auditors for the financial year 1960-61 of the Company and to fix their remuneration. Messrs. V. Sankar Aiyar & Co., Chartered Accountants, the retiring Auditors, are eligible for re-appointment.
6. To consider any other business that can be transacted at the Annual General Meeting with the permission of the Chair.

Special Business.

A. To consider and, if thought fit, to pass the following Resolutions as Ordinary Resolutions:—

7. "RESOLVED that the re-appointment of Beopar Sahayak Private Ltd. for a period of five years with effect from 1st April, 1961 as the Company's Sole Selling Agents for the sale of sugar manufactured by the Company, except the sugar sold for export, on a commission of ¾% on the sugar sold against Government allotments and 1% on the free sales of sugar calculated on the net ex-factory sale proceeds, subject to the provision that it can be terminated earlier by three months' notice on either side be and is hereby approved."
8. "RESOLVED that the consent of the Company be and is hereby given to the Board of Directors of the Company borrowing moneys from time to time, whenever required, for the business of the Company provided that the borrowings so made (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, by more than Rs. 3 crores."

B. To consider and, if thought fit, to pass the following Resolutions as Special Resolutions:—

9. "RESOLVED by way of Special Resolution that existing Article 136(*a*) of the Articles of Association of the Company be and is hereby deleted and substituted by the following:—

   136(*a*) (i) The seal on Share Certificates shall be affixed in presence of such persons as are authorised from time to time to sign the share certificates in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, in force from time to time.

   (ii) On instruments other than Share Certificates the seal shall not be affixed except in presence of a Director or any other person or persons authorised in that behalf by the Board, who shall sign every instrument to which the seal shall be affixed."

10. "RESOLVED by way of Special Resolution that approval be and is hereby given to the arrangement with Govan Bros. (Rampur) Private Ltd., Managing Agents of the Company, and The Shevaroy Bauxite Products Co. Private Ltd., an Associate of the Managing Agents, allowing them the use of the services of Shri Bhim Sen, an Officer of the Company, for part of his time for their work on payment to the Company of Rs. 100 and Rs. 150 per month respectively, with effect from 1st May, 1956, and on an increased payment of Rs. 200 and Rs. 250 per month respectively, with effect from 1st January, 1961. Provided further that Govan Bros. (Rampur) Private Ltd., and The Shevaroy Bauxite Products Co. Private Ltd., shall make payments to the Company for each month before the close of the following month."
11. "RESOLVED by way of Special Resolution that approval be and is hereby given to continuance of Shri Laxmi Narain Modi, a relative of a Director of the Company and an associate of the Managing Agents, as the Chief Executive Officer of the Company with effect from 28th December, 1960, on the revised salary of Rs. 2,500 per month, consolidated in the scale of Rs. 2,500-100-3,500 plus free furnished residential accommodation (including electricity and water), free conveyance and medical facilities including special treatment for him and his family, payment of premium for personal accident insurance upto an insured amount of Rs. 1,50,000, payment of clubs/associations subscriptions and bills together with such other facilities and amenities as may be or are given by the Company to other officers in respect of Provident Fund, leave, bonus, gratuity, etc."

Explanatory statement of the Special Business in terms of Section 173 (2) of the Companies Act, 1956, has been forwarded to the members with the notice.

The Share Transfer Books of the Company will remain closed from 1st March, 1961 to 24th March, 1961.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself, who need not necessarily be a member. Such proxies should reach the Company at least 48 hours before the meeting.

By Order of the Board,
FOR RAZA BULAND SUGAR CO., LTD.,
S. K. KAUL,
Secretary.

NEW DELHI,
Dated 27th January, 1961.

Note: (1) Shareholders are requested to notify change of address, if any, failing which the Dividend Warrants will be posted to their addresses as registered with the Company.

(2) Persons holding shares on blank transfer should submit such shares for transfer complete in every respect before the closure of transfer books in order to be entitled to the dividend on such shares.

(3) Shareholders whose income is not liable to Income-tax and therefore want no tax to be deducted from their dividend amount should arrange an Exemption Certificate to be sent to the Company by 6th March, 1961 by the Income-tax Officer of their respective Circle. In the absence of such certificates Income-tax will be deducted at the rates applicable under the current Income-tax Law.

THE GODAVARI SUGAR MILLS LIMITED
Fazalbhoy Building, Mahatma Gandhi Road, Fort, Bombay

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Ordinary Annual General Meeting of the Godavari Sugar Mills Ltd. will be held on Tuesday the 28th February 1961, at 4-00 p.m. (S.T.), at the Registered Office of the Company, Fazalbhoy Building, Mahatma Gandhi Road, Fort, Bombay, to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st May 1960.
2. To declare dividends on Preference and Ordinary Shares.
3. To elect Directors in the place of Shri Chandansinha Bharkatiya and Shri Jayantilal Gangadas Dalal, who retire by rotation but being eligible offer themselves for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

The Transfer Books of the Company will be closed from 14th February 1961 to 28th February 1961, both days inclusive.

By Order of the Board of Directors,
K. J. SOMAIYA & SONS PRIVATE LTD.,
K. J. SOMAIYA,
Director,
Managing Agents.

BOMBAY, *dated 30th January* 1961.

N.B.—The dividend on Preference and Ordinary Shares when declared will be made payable at the Registered Office of the Company on and after 15th March 1961. The Dividend Warrants will be posted to those Shareholders whose names stand on the Company's Register on 28th February 1961.

MARTIN BURN LIMITED

NOTICE

THE BOARD OF DIRECTORS OF MARTIN Burn Limited has today recommended payment of dividend at the rate of Rupees Two and Seventy-five nP per share on the Ordinary Share Capital of the Company ranking for dividend for the year ended 30th September, 1960. This dividend awaits the sanction of the Shareholders at the ANNUAL GENERAL MEETING to be held on Monday the 27th March, 1961, at 12 noon. The dividend if declared will be paid under deduction of tax at the prescribed rates on or after the 17th April, 1961, to the Ordinary Shareholders whose names are on the Company's Register of Members on the 27th March, 1961 or to their mandatees.

The Ordinary SHARE REGISTER AND TRANSFER BOOKS of the Company will be closed from the 13th to 27th March, 1961, both days inclusive.

By Order of the Board,
MARTIN BURN LIMITED,
A. G. GIDLEY,
Secretary.

12, MISSION ROW,
CALCUTTA, *17th February*, 1961.

THE BURRAKUR COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE BURRAKUR COAL COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Monday, the 27th March, 1961, at 10.30 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 30th June, 1960, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint Directors in place of the retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 14th March, 1961 to the 27th March, 1961, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, *15th February*, 1961.

Notes: (*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(*b*) The Dividends, if declared will be paid on or after 17th April, 1961, to those members so entitled, whose names appear in the Company's books on the 27th March, 1961, or to their mandatees. No application for Dividend Warrants will be necessary.

THE BURRAKUR COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on Wednesday the 15th February 1961, the following dividends were recommended to be paid subject to deduction of tax under Section 18(3D) of the Indian Income Tax Act.

1. *Final Dividends for the year ended 30th June*, 1960.

   On 1st Preference Share at 5.60 per cent (being dividend at the stipulated rate of 7% per annum, increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act 1960, making a total of 9.10% per annum less Interim Dividend at 3.50% already paid).

   On 2nd Preference Share at 2.928 per cent (being dividend at the stipulated rate of 6% per annum, increased by 11% thereof and after deducting therefrom Income-Tax at the Company's rate of 20% in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, i.e., at 5.328% per annum less Interim Dividend at 2.40% already paid).

   On Ordinary shares at 8 per cent.

2. *Additional Dividend in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act* 1960 *for the year ended 30th June*, 1959.

   On 1st Preference Share at 2.10 per cent (being dividend at the stipulated rate of 7% per annum, increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act 1960, making a total of 9.10% per annum less 7% already paid).

By Order of the Board,

BIRD & CO. (PRIVATE) LTD.

Managing Agents.

Registered Office,
CHARTERED BANK BUILDINGS,
CALCUTTA, *15th February*, 1961.

VOLTAS LIMITED

NOTICE

THE SIXTH ANNUAL GENERAL MEETING of VOLTAS LIMITED will be held at Bombay House, 24, Bruce Street, Fort, Bombay, on Thursday the 16th March, 1961, at 4 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st August, 1960.
2. To sanction the declaration of a dividend.
3. To appoint a Director in place of Mr. P. Gregori who is holding the office of Deputy General Manager and who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. K. C. Bakhle who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors for the current year and to fix their remuneration.

Notes:—(*a*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

(*b*) The Transfer Books of the Company will be closed from the 14th February, 1961, to the 6th March, 1961, both days inclusive.

(*c*) If dividends on shares as recommended by the Directors are passed at the meeting, the payments will be made to those shareholders whose names are on the Company's Register on the 6th March, 1961. The payments will be made on and after the 22nd March, 1961.

By Order of the Board of Directors,

S. K. HANDOO,
Managing Director.

19, GRAHAM ROAD,
BALLARD ESTATE,
BOMBAY 1.
BOMBAY, *2nd February*, 1961.

STATE BANK OF INDIA

NOTICE

THE SIXTH ANNUAL GENERAL MEETING of the Shareholders of the State Bank of India will be held at the Local Head Office of the Bank, Apollo Street, Bombay, on Monday the 6th March 1961, at 4 p.m. (Standard Time), for the transaction of the following business:—

To receive the Central Board's Report, the Balance Sheet and Profit and Loss Account of the Bank made up to the 31st December 1960 and the Auditors' Report on the Balance Sheet and Accounts.

P. C. BHATTACHARYYA,
Chairman.

(CAMP) CALCUTTA, *the 19th January* 1961.
29th Pausa 1882 (*Saka*)

THE AHMEDABAD ADVANCE MILLS LIMITED

NOTICE

THE TRANSFER BOOKS OF THE COMPANY will be closed from Friday, the 10th March 1961 to Wednesday, the 29th March 1961, both days inclusive.

By Order of the Board of Directors,

TATA INDUSTRIES PRIVATE LIMITED,
Secretaries & Treasurers,

T. V. BADDELEY,
Director.

BOMBAY HOUSE,
24, BRUCE STREET, FORT,
BOMBAY, *16th February* 1961.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE TRANSFER BOOKS OF THE SVADESHI Mills Company Limited will be closed from Friday, the 10th March to Wednesday, the 5th April, 1961, both days inclusive.

By Order of the Board of Directors,

TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,

T. V. BADDELEY,
Director.

BOMBAY HOUSE,
24, BRUCE STREET, FORT,
BOMBAY, *16th February* 1961.

THE TATA MILLS LIMITED

NOTICE

THE TRANSFER BOOKS OF THE TATA Mills Limited will be closed from Friday, the 10th March to Wednesday, the 5th April 1961, both days inclusive.

By Order of the Board of Directors,

TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,

T. V. BADDELEY,
Director.

BOMBAY HOUSE,
24, BRUCE STREET, FORT,
BOMBAY, *16th February* 1961.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

TENDER No. S—12 OF 1961
Global Tender Enquiry for Steel Materials

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to purchase from established and reliable producers a quantity of about 40,000 metric tons of steel materials comprising mostly of thick plates.

The schedule of requirements has been despatched already to those who have quoted earlier for Board's Tender No. S-8. Any other prospective tenderers who may like to participate may obtain the schedule free of cost from any of the following offices during working hours.

1. Director, Railway Stores, Ministry of Railways (Railway Board), Room No. 337, Rail Bhavan, Raisina Road, New Delhi.
2. Director General, India Stores Department, Government Buildings, Bromyard Avenue, Acton, London W. 3.
3. Director, India Supply Mission, 2536, Massachusetts Avenue, N.W., Washington 8 D.C.

Tenders will be received by the undersigned upto 12.00 hours on the 10th March, 1961, and opened in the office of the Railway Board on the same day.

G. P. BHALLA,
Director, Railway Stores,
Railway Board.

NEW DELHI, *20th February*, 1961.

THE PHOSPHATE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at the Registered Office, 14, Netaji Subhas Road, Calcutta, on Monday, the 27th March, 1961, at 4 p.m., to transact the following business:—

(1) To receive and consider the Directors' and the Auditors' Reports and to adopt the Audited Accounts of the Company for the year ended 30th June, 1960.

(2) To declare dividend.

(3) To elect a Director in place of Shri B. D. Bangur, who retires by rotation and being eligible offers himself for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Share Transfer Books and Register of Members of the Company will remain closed from 13th March, 1961 to 27th March, 1961, both days inclusive.

By Order of the Board,

Per Pro BANGUR BROTHERS LIMITED,

B. D. BANGUR,
Secretaries & Treasurers.

CALCUTTA, *the 15th February*, 1961.

Note:—A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

CALTEX OIL REFINING (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5½ per cent Debenture Stocks 1966-70 will be closed for transfers from 18th March 1961 to 31st March 1961, both days inclusive.

N. A. KRISHNAN,
Secretary and Treasurer.
State Bank of India,
Agents for Caltex Oil Refining (India) Ltd., for the management of the Debenture Stocks.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, *28th February* 1961.

27 FEB 1961 PUBLIC DEPARTMENT

MONEY STILL TIGHT

(*From Our Own Correspondent*)

BOMBAY, *22nd February*

The short-term money market is still in the grip of seasonal pressure of demand for funds, with no signs of relief in the very near future. Banks continue to increase their borrowings from the Reserve Bank, in order to meet the calls on them from trade and industry. Inter-bank call money is quoted at the same rate as in the previous weeks, namely, 5½ per cent. There is no change in short-term interest rates.

No new features are disclosed by the results of the sale of 91 days' Treasury Bills through weekly tenders. While the total amount offered was unchanged at Rs. 2 crores, as against an invitation for a like amount, the average rate of accepted tenders was up again, albeit slightly, from Rs. 2.590 to Rs. 2.650 per cent per annum. Sales of 91-days' Intermediate Treasury Bills fetched Rs. 5 lakhs, same as in the previous week.

A decline of Rs. 8.15 crores in notes in circulation is disclosed by the Reserve Bank of India's statement for the week ended 17th February 1961. This brings the total notes in circulation to Rs. 1,940.66 crores. There has, however, been a rise of Rs. 8.52 crores in notes held in the Banking Department and, consequently, the total notes issued have risen by Rs. 36.85 lakhs only. The foreign securities held by the Issue Department are still unchanged at Rs. 128 crores. But, balances held abroad have improved, for the second week in succession, by Rs. 5.08 crores, taking up the total foreign assets to Rs. 157.56 crores. The deposits of banks with the Reserve Bank have slightly risen by Rs. 94.94 lakhs; they are now of the order of Rs. 71.39 crores. The other loans and advances given by the Reserve Bank have dropped by Rs. 6.33 crores. Advances to Scheduled banks against usance bills have continued to grow, the exact increase during the week being Rs. 2.64 crores. They now aggregate Rs. 26.90 crores, as against Rs. 5.38 crores a year ago.

The Scheduled Banks' statement for the week ended 10th February 1961 shows a net decline of Rs. 2.75 crores in total deposits. Inter-bank borrowings of demand nature have fallen by Rs. 98.86 lakhs, while those of time variety have increased by Rs. 54.96 lakhs. The total borrowings from the Reserve Bank have risen by Rs. 2.67 crores, of which the share of usance bills is Rs. 1.90 crores. Borrowings from the State Bank of India of demand nature have increased by Rs. 54.36 lakhs, while those of time nature have fallen by Rs. 15 lakhs. Advances and bills (bank credit) have risen sharply by Rs. 16.28 crores, on top of a rise of Rs. 13.70 crores in the preceding week, taking their total to Rs. 1,255.31 crores. A year ago, this portfolio stood at Rs. 1,049 crores. Investments, have staged a fall of Rs. 8.84 crores.

The statement of affairs of the State Bank of India for the week ended 10th February 1961 discloses a rise of Rs. 2 crores in deposits. Advances have increased more sharply by Rs. 9.21 crores. As noted earlier, investments have dropped by Rs. 8.10 crores. Money at call and short notice shows a fractional rise of Rs. 46 lakhs, while total cash has actually declined by Rs. 1.42 crores.

The Gilt-edged market continued to show considerable activity during the week under review. Prices of some of the Central loans have slightly increased. For example, 2½ per cent 1962 and 3 per cent 1963-65 have risen by 10 nP and 5 nP, respectively, while 3 per cent 1966-68 funding loan and 3 per cent 1970-75 first development loan have advanced by 20 nP each. The highest rise—25 nP—is recorded in 3 per cent 1964. State loans also experienced good support and their prices have moved up more sharply than those of Central loans. Some 4 per cent. loans maturing in 1967 and 1968 gained as much as 75 nP to 90 nP, while those maturing later recorded improvements ranging from 10 nP to 50 nP.

In the foreign exchange section, the rupee has weakened slightly. The banks selling rate for ready T.T. has moved up from Rs. 477.25 to Rs. 478.50 per 100 dollars and so also the buying rate from Rs. 474.50 to Rs. 475.00 per 100 dollars. In the New York market, the pound sterling continued to be quiet with the sterling-dollar rate further down. The latest available rates are 279.800-279.840 per £ for spot and 279.080-279.120 per £ for three months' forward. As compared with the corresponding rates as on 15th February, they show a decline of 0.26 cent and 0.40 cent respectively.

TEA DECLINES

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, *14th February*

Offerings in Sale No. 7 held today amounted to 395,000 kilograms. Quality in general showed no change compared to last week but there were a few invoices where slight improvement was noticeable. The market met with good demand but prices were generally lower for most of the descriptions. There was useful inquiry for plain, low mediums and mediums which were irregularly easier by up to 15 nP whilst good mediums declined by 20 to 30 nP. Best liquoring teas were in fair demand although these sold at considerably lower rates. There was good demand for C.T.C. and legg-cut types which were firm to dearer. Whole leaf grades were well supported and sold at around last week's rates. Tippy teas sold well.

	1961 Rs.	1960 Rs.
Low medium	4.75-4.95	4.41-4.63
Medium	4.95-5.25	4.63-5.07
Good medium	5.25-5.80	4.96-5.40
Quality	5.60-7.75	5.73-9.15

The average price realised in Sale No. 7 was Rs. 5.22 per kilo as against Rs. 5.35 in the previous week and Rs. 5.45 in the corresponding sale last year.

Dust Sale.—A total quantity of 172,000 kilograms was on offer in Dust Sale No. 7 held on 16th February. Quality was well maintained. There was a good demand at generally lower rates. Colourv mediums met with useful support and were easier by 10 to 15 nP whilst low mediums and residuals declined by up to 20 nP. Highgrown dusts also shared in the downward trend of the market. C.T.Cs and legg-cut types were in good demand and are quoted steady.

The average price realised in Dust Sale No. 7 was Rs. 5.02 per kilo as compared with Rs. 5.18 a week ago.

Export Quota.—The Government has announced a final release of quota of 5 per cent on the best crop basis for the year 1960-61. This makes a total release for the year of 65 per cent. At the time of writing there are large sellers at ¼ nP per kilo with no ready buyers.

London—North Indian and other growths.—In Monday's sale the market met with good demand and prices were firm to dearer for all descriptions.

Ceylon and South Indians.—26,290 packages were offered on Tuesday of which 7,464 packages were from South India which met with good demand and prices were firm to dearer all round.

As we go to press, Messrs. Forbes. Ewart and Figgis (Private) Ltd. wire:—

"*Sale No.* 8.—395,000 kilograms. Good general demand at lower rates. except good mediums which were dearer with quality. Low mediums 10 to 15 nP easier. Mediums upto 10 nP lower. Highgrowns irregular demand at much easier rates. Whole leaf 15 to 20 nP easier."

BULLION PRICES LOWER, DESPITE RECOVERY TODAY

(*From Our Own Correspondent*)

BOMBAY, *22nd February*

The bullion market began the week on a distinctly firm note, but developed a sagging tendency thereafter which persisted till today when the market picked up strength again. The initial firmness was engendered by reports of larger offtake in upcountry centres on account of the marriage season, bullish fervour of other commodity markets and expectation of delay in the Forward Market Commission's decision on six-monthly contracts in bullion following the permission given to commence business in the *Chaitra* (April) settlement with effect from the 16th inst. Both gold and silver, as a consequence, registered a rise. From Friday onwards, the prices drifted downward, thanks to liquidation of stocks by a few parties, heavy arrivals and fears regarding the application of the Forward Contracts (Regulation) Act to Calcutta and Delhi centres. Today, there was a recovery induced by revival of fresh buying and scattered short-covering. Over the week, values were lower, excepting for ready gold which was a shade better.

The average daily arrivals of gold during the week were higher at 5,600 tolas, as against 5,335 tolas in the previous week, while those of silver are lower at 21 bars, as against 23 bars. Offtake of both gold and silver was higher, the daily average being 3,600 tolas and 11 bars; the corresponding figures for last week were 3,335 tolas and 8 bars, respectively. The floating stocks are reported to be around 45,000 tolas of gold and 500 bars of silver.

A feature of trading in the bullion market during the week was that the rate for transferring commitments from the *Fagun* (March) to *Chaitra* (April) settlement continued to be in favour of bulls, though the actual rate declined from 95 nP on Thursday, 16th inst., to 35 nP today. In gold, the rate was in favour of bulls on Thursday to the extent of 10 nP but turned against them on the following day (actual rate was 5 nP). In the subsequent two sessions, the two contracts were quoted on par. The rate was against bulls to the tune of 5 nP yesterday which disappeared today when the contracts were again quoted on par.

Adjustment rates fixed today were Rs. 121.55 per 10 grams (0.85 tola) for gold and Rs. 206.05 per kilogram (85.7 tolas) for silver.

Adjudication proceedings before the customs authorities as well as criminal proceedings have been instituted against two persons involved in smuggling of gold on board the ship *Eastern Moon* at Calcutta on 31st December 1960. The total quantity of gold seized was 128 tolas valued at about Rs. 17,100.

The world price of gold in the London bullion market eased further from $35.16½ to $35.12 per fine ounce. Ready gold, after rising initially from 251s. to 251s. 1d., declined to 250s. 11d. before finishing at 251s. yesterday. Ready silver was unchanged at 79½d., while forward gained a further ½d. to 80½d. Silver in New York continued unchanged at 91.375 cents.

The following table shows the trend of the market during the week:

	22-2-1961 (closing)	High	Low	14-2-1961 (closing)
GOLD				
Ready (.99 fine)	Rs. 121.80	Rs. 122.10	Rs. 121.00	Rs. 121.75
Forward:				
*Fagun**	121.65	122.25	121.05	121.75 †
Chaitra**	121.65	122.15	121.05	121.80§
Sovereign	93.75	—	—	94.00
SILVER				
Ready (.999 fine)	206.05	208.45	205.70	207.25
Forward:				
Fagun†	206.20	208.45	205.80	207.20
Chaitra††	205.65	207.40	204.90	206.80§
London—	21-2-1961			13-2-1961
Silver Ready	79½d.	—	—	79½d.
Silver Forward	80½d.	80½d.	80½d.	80½d.
Gold	251s.	251s. 1d	250s. 11d.	251s.
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 1st March settlement. † 2nd March settlement.
** April settlement. †† April settlement. § Starting rate on 16-2-60.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES STEADY

(*From Our Own Correspondent*)

BOMBAY, *22nd February*

The trend of the cotton futures market during the week was in distinct contrast to that obtaining in the previous two weeks. The market seemed to have shaken off its nervousness and regained poise. Prices were remarkably steady with a tendency to edge higher as compared with the all-round easiness witnessed a fortnight ago. This change can be attributed to two immediate reasons. First, emergence of fresh buying prompted by reports of a decline in cloth stocks with mills and rising trend of raw cotton consumption. Second, higher advices from the spot market where there was a general revival of mill interest in almost all popular varieties. The market was already in an oversold position and these influences were sufficient to spark a recovery. The Jarilla April contract, which was quoting around Rs. 557.75 per three quintals last week-end, rose gradually to Rs. 564.75 yesterday before closing at Rs. 562.00. The contract was firm in today's dealings. It is currently priced at Rs. 566, about Rs. 8.25 higher than last week-end quotation. Market observers are of the view that a sharp change in trading sentiment is unlikely until the Budget.

In the spot market as noted above, there was a broadening of mill demand. Most of the popular varieties such as CO2, L.147, Khandesh, Vijay and Digvijay received inquiries although actual business done was limited. Spinners are inclined to await a further fall in prices. Interest in Laxmi and Jaydhar is steadily increasing because these varieties are of good quality this season. In fact, mills are said to be turning more and more to these cottons in preference to Vijay and Digvijay.

In three days after the announcement of the second export quota of 50,000 bales of Bengal *Deshi*, the ceiling fixed for the export of cotton on first-come-first-served basis namely, 28,500 bales, was reached. Although this is an encouraging feature many shippers regret that the practice adopted under the latest quota of apportioning the entitlement between established shippers and others, will lead to the revival of the evil system of trading in export licences.

Interest in foreign cotton was subdued. Stray enquiries were noted for East African and higher grade Sudan cotton.

Representatives of regulated markets dealing in cotton are reported to have decided, at a meeting held at Ahmedabad on the 15th inst., to set up an all-India federation of cotton growers. An *ad hoc* committee to convene an all-India conference at an early date has been constituted. The meeting, which was presided over by Mr. Madhavlal Shah, Chairman of the Regulated Markets' Association, viewed with concern the accumulation of cotton stocks as a result of the reluctance of mills to lift their quotas. It demanded that the Textile Commissioner should allocate 50 per cent of the quotas well before the start of the cotton season and that mills should be asked to lift their quotas within 15 days. It also demanded that the system of surveying cotton should be abolished and that ceiling prices of cotton should be increased. It also urged that export of Kalyan and Wagad varieties should be permitted in view of the good cotton crop this year.

The following are the latest available spot quotations—in rupees per candy of 284 lbs.—from Sewri:

Khamgaon 845; Broach 960; Digvijay 972; Laxmi (Gadag) 1,030; B.P. 52 1,335-1,345; B.P.U.N.U.G. 1,375.

The easy trend witnessed in the Karachi cotton futures market during the past two weeks was halted during the week under review. In fact, the market was already in for a technical reaction. This was sparked off by short covering and fresh buying attracted by the low level of prices. The slowing down of the pace of arrival of new crop also helped the recovery. N.T.R.G. March firmed up from Rs. 68.45 last week-end to Rs. 70.25. The May contract too rose, but by less than proportionately, from Rs. 68.65 to Rs. 69.20. Spot prices were well maintained.

The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 103; Punjab *Deshi* 100; 4F Punjab Roller 85.75; S.G. 89.25; L.S.S. Punjab Roller 89.25; S.G. 93.25; N.T. Roller 90.75; S.G. 95.75; 289F Punjab Roller 93.75; S.G. 98.25.

Last week's fall in cotton futures prices in Alexandria was further extended during the week under review. The continued slackness of foreign demand and the brisk arrival of new crop depressed prices. Both the long-staple Karnak and medium-staple Ashmouni contracts receded on selling pressure. The export price discount remains unchanged at 6 per cent. Many prominent traders are of the view that larger discounts are required to attract foreign demand. In practice, however, discounts higher than 6 per cent are reported to be given by Egypt to some countries under special agreements involving cotton and other goods. There have been complaints too from buyers of discrimination in discounts.

The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: March 70.35; May 71.25; July 72.30.

Ashmouni: February 59.75; April 60.35; June 60.80.

A divergent trend was witnessed on the Liverpool Cotton Exchange during the week. While the near deliveries of both the American and American type contracts receded on local and American liquidation distant position rallied on commission house support. Trading continued to be limited in view of the uncertainty about the support rate of U.S. cotton. Sudan contracts were

quietly steady. Latest available quotations in pence per lb. from Liverpool are as under:

American cotton one inch staple contract: March 23.40; May 23.85; July 24.35; October 24.50.

American cotton mixed growth contract: March 23.75; May 24.25; July 25.05; October 24.95.

Sudan: March, May, July 34.00.

Uncertainties about the support rate for U.S. cotton continued to restrict business on the New York Cotton Exchange. Values fluctuated narrowly in thin trading, with negligible net changes over the week. Reports from New York indicate that the consensus of opinion among traders is that the loan rate will be as high as 81 or 82 per cent of the mid-January parity price of 38.83 cents per lb. This would be a compromise between the low of 70 per cent of parity and the high of 90 per cent of parity within which limits the Secretary of Agriculture is empowered to fix the loan rate. If the loan rate is fixed at 82 per cent of parity the support for Middling 1" at average location is expected to be 33.10 cents per lb., assuming 126 cent points for converting the parity base of the average of the crop to Middling 1". If these predictions prove true, it is estimated that an export subsidy of 10 cents per pound would be required for U.S. cotton to maintain the present price level in international markets.

Many prominent shippers, however, are not optimistic that the export subsidy will be raised to this extent. Consequently, the prospects would appear to be that U.S. cotton prices will be higher both in the domestic and export markets.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	21-2-61	14-2-61	7-2-61
Spot	32.55	32.35	32.25
March	32.32	32.40	32.10
May	32.83	32.97	32.60
July	33.33	33.50	33.10

ART SILK YARNS RISE

(From Our Own Correspondent)

BOMBAY, 22nd *February*

There was a rise in the prices of art silk yarns during the week under review. The rise followed good buying support induced by the belief that the fears regarding a possible increase in excise duty on art silk yarn and staple fibre yarn in the Central budget for 1961-62 were unfounded. Hopes of better enquiries from consuming centres also imparted strength. Cupressa Bemberg yarns were irregular; forward deliveries encountered selling and drifted lower, while spot yarn was firm. Staple fibre yarns tended to move up on expectations that the handlooms and powerlooms, which were hitherto not inclined to augment stocks, would soon begin to buy. Cotton yarns ruled dull in the absence of any fresh encouraging development.

Among art silk yarns, 120 Italy rallied from Rs. 1.328 to Rs. 1.385. 120 Japan advanced by Rs. 13 to Rs. 1.433. 150 Japan spurted by a like amount to Rs. 1,653. Among indigenous yarns, National Rayons 150 Bt. cones were done at Rs. 12.01 and 120 Bt. cones at Rs. 13.64. Spot Cupressa Bemberg yarn (60 x 1) was quoted at Rs. 2.548, as against Rs. 2.535. February delivery, however, moved down from Rs. 2,490 to Rs. 2,420 and April contract from Rs. 2,528 to Rs. 2,440.

Staple fibre yarn (40 x 2) February delivery put on Rs. 4 to Rs. 836, while April delivery shed Rs. 2 to Rs. 833. Spot Kohinoors improved by 7 nP to Rs. 9.97. Centurys were firm at Rs. 9.86.

Cotton yarns did not show any definite trend. Today's quotations—in rupees per bundle of 10 lbs.—for a few varieties are: 10s Moderns 18.75; 20s New Greats 21.50; 30s Simplex 26.75; and New Greats 26.50; 40s Minaxis 32.12 and Maduras 32.00; 60s Gokaks 50.00 and Finlays 66.66; 80s Modern 60.75, Finlays 81.81 and Mahendras 68.68.

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 22nd *February*

The oilseeds market ruled distinctly firm during the week under review, thanks to sustained bull support. Groundnuts were particularly strong. The groundnut May contract hit the ceiling of Rs. 220 yesterday, and the February contract continued to knock at the ceiling. The firmness of groundnuts was engendered by smaller arrivals, presumably on account of large-scale hoarding by producers and co-operative warehouses. At the same time, there was keen buying by both *vanaspati* manufacturers and crushers. The increase in the rate of sales tax on groundnuts from 1¼ per cent to 2 per cent, proposed by the Finance Minister of Maharashtra in the budget for 1961-62, was noted, but it did not have any effect. On the export front, there were some inquiries for H.P.S. groundnuts early in the week. May 1961 contract rose steadily from Rs. 218.50 to touch the ceiling of Rs. 220. Nizam bold spurted by Rs. 2.88 to Rs. 51. Oil ex-mill hardened by 75 nP to Rs. 21.25.

There was hectic buying in the castorseed section, as a result of the pronounced scarcity of arrivals, particularly from Gujarat. Reports of sizable business in oil with the U.K. and some Communist countries also imparted strength. A section of traders were optimistic about the prospect for oil exports to the U.S. also, despite competition from Brazil. Castorseeds May 1961 contract spurted by Rs. 2.50 to Rs. 172.87. Ready Madras rose from Rs. 33.44 to Rs. 33.75 Oil B.S.S. improved by 65 nP to Rs. 15.15.

Linseed put on a cheerful appearance, following good inquiries from Calcutta and North India. There it was reported that the supply position of rapeseed oil was tight. Linseed May 1961 contract improved by 78 nP to Rs. 35.37. Bold ready advanced by Re. 1.63 to Rs. 36.25. Linseed oil moved up from Rs. 15.10 to Rs. 16.40.

Similarly, the sesame section ruled firm, with a marked recovery in prices. Some arrivals noticed a few days back tapered off, rendering the statistical position tight. Sesame bold forged ahead from Rs. 310 to Rs. 330 (per 250 kgs.). Sesame oil rose by Re. 1.25 to Rs. 25.25.

Cottonseeds also ruled firm, in sympathy with other oilseeds. February 1961 contract rose from Rs. 90 to Rs. 93. Non-whites gathered 50 nP to Rs. 19.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	22-2-1961	14-2-1961	8-2-1961
	Rs.	Rs.	Rs.
Groundnut			
February 1961	—	220.00	220.00
May 1961	220.00	218.50	217.00
Nizam bold	51.00	48.12	48.25
Coromandel ready	51.75	50.00	48.50
Khandesh quality	51.75	49.75	48.50
Oil ex-mill ready*	21.25	20.50	20.15
Railway receipts*	21.00	20.25	19.85
Castorseed			
May 1961	172.87	170.37	169.12
Ready Madras	33.75	33.44	33.25
Ready Kanpur	32.75	31.87	31.62
Oil B.S.S.†	15.15	14.50	14.50
Oil commercial†	14.10	13.65	13.50
Linseed			
May, 1961	35.37	34.59	34.06
Bold ready	36.25	34.62	33.25
Oil ready†	16.40	15.10	14.70
Cottonseed			
February 1961	93.00	90.00	87.50
May 1961	91.25	89.50	87.00
Niger seed	39.00	38.75	38.50
Kardi seed	26.50	26.25	27.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 60 kilograms and oil per 10 kilograms.

COARSE GRAINS HARDEN

(From Our Own Correspondent)

HAPUR, 20th *February*

A mixed trend was in evidence in the food-grains market during the week. Thus wheat and rice were quietly depressed, while coarse grains under the lead given by gram registered a hardening trend. The overall food situation in the country was reported to be quite satisfactory, as the stocks were never so good at any time in the past. The production of rice is estimated at about 2.5 million tons more than last year's production of 29.6 million tons. It was said that the Union Government would soon form only one wheat zone in the country.

Wheat here recorded a fractional fall during the week to be quoted on Monday at Rs. 17 to Rs. 18.50 a maund according to quality. The main influencing factor was the U.P. State Government's sales of wheat in the open market to check the rising trend in prices of wheat which was being resold at Rs. 16.50 and imports from Punjab which were quoted at Rs. 18.75 a maund. Daily arrivals of wheat here were small at an average of 50 maunds. Crop prospects, however, were very bright, thanks to timely winter rains and sunny weather now.

Rice was also quietly depressed on poor consumer demand in the face of comfortable stock position. Prevailing prices were: *sela basmati* Rs. 27 to Rs. 29; *ramajwayan* Rs. 23.50; *raimunia* Rs. 24.50; *mainpuri* Rs. 20.75; *gainda* Rs. 20 per maund.

Gram registered a sharp gain of about 50 nP a maund during the week to be quoted on Monday at Rs. 16.50 a maund for Punjab variety. The stocks left with trade were now small, at about 2,000 maunds here, and advices from Punjab were also bullish. New gram arrivals would take about two months more. Stocks of barley and *bejhar* were nominal and prices were quoted at Rs. 12.75 and Rs. 12.37 to Rs. 13 per maund, respectively. Maize was attracting good consumer demand still and, as stocks were now poor at about 4,000 maunds, prices improved to Rs. 13.75 to Rs. 14.50 a maund. Traders were not interested to bring fresh stocks from outside, as seasonal demand would subside with changing of weather. *Bajra* was almost stationary at Rs. 14.75 to Rs. 15.25 a maund and *guwar* white at Rs. 13.25 to Rs. 13.75 a maund. *Jowar*, however, improved fractionally to Rs. 13.12 to Rs. 13.75 a maund.

Among pulses, peas stocks left with trade were small, but, as demand, too, was slack and crop prospects were bright, peas ruled quiet at Rs. 13 to Rs. 14 a maund according to quality and peas *dal* at Rs. 14.37 a maund. *Arhar* continued to attract some demand from grinders for *dal* and was quoted at Rs. 13.37 a maund, with *arhar dal* standing at Rs. 17.50 to Rs. 18.37 and local stock put at 7 *khatties*. Other pulses recorded a hardening trend, due to good demand in the face of poor stocks, as arrivals from outside the State were poor. The latest prices were: *urd* Rs. 20; *moong* Rs. 20 to Rs. 21; *massor* Rs. 16 to Rs. 18 a maund. Harvesting of early peas would begin by the end of the month.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, 20th *February*

Sugar ruled steady at Rs. 111.75 per bag in wholesale and Re. 1.09 per *seer* in the open market. Although the supply position of sugar was easy, hopes of early export to the U.S. imparted strength to the market. The Union Government was said to be making earnest efforts to sell sugar to the U.S. Production was going on vigorously and was expected to touch a new high of 2.7 million tons, leaving a heavy carryover at the end of the season.

Sugar was steady in the Muzaffarnagar market also. Modest gains in prices were recorded on export prospects to the U.S. There was, however, paucity of stocks in the market, though the Government nominees had not been able to clear the stocks allotted to them in the last two quotas. Hopes of decontrol were again revived, following the resolution passed by the Indian Sugar Mills Association. Traders were watching the Centre's reaction to the plea. Transactions in the damaged sugar of 1959-60 season released by the U.P. Government for open sale were reported at a rebate of Re. 1 to Rs. 2. Factories were running in full swing, despite difficulties in coal supplies.

Khandsari eased by Re. 1 to Rs. 2 per maund during the week, thanks to the availability of damaged and moist sugar of 1959-60 season. Demand was also slack from east U.P. and Madhya Pradesh. Old *khandsari*, however, attracted demand from Agra side and week-end prevailing prices were: new *khandsari* Rs. 29 to Rs. 35 according to quality; crystal Rs. 32 to Rs. 37.50; old Rs. 28 to Rs. 30 per maund.

Gur arrivals improved during the week, as a result of sunny weather. Although loading was completely stopped during the major part of the week, Sunday's open booking accounted for an offtake of 45 wagon-loads mostly to Gujerat, M.P. and Rajasthan. Local stock was put at 4,000 maunds. Daily arrivals were now at an average of 2,500 maunds and prevailing prices on Monday: *pansera* Rs. 13.37 to Rs. 13.62; *shakker* Rs. 15.25; *balti* Rs. 13.37 a maund.

Gur prices improved towards the week-end in the Muzaffarnagar market with revival of demand from consuming areas of Gujerat, Punjab and M.P. Rusket *gur* was also in demand from Gujerat, Rajasthan, Bengal and Bihar. Total arrivals in that market were about 852,000 maunds, the corresponding figure last year being 1,079,000 maunds. Week-end prevailing prices were: *Chakku* Rs. 14.50 to Rs. 15.75; *pansera* Rs. 14.25 to Rs. 14.75; *ladoo* Rs. 14.50 to Rs. 15; *rusket* Rs. 8 to Rs. 10; *shakker* Rs. 15 to Rs. 18.50 a maund.

Future *gur* was bearish on active selling by speculators. The latest quotations on Monday were near the lowest of the session, at *fagun* Rs. 13.04 and *Baisakh* Rs. 13.87, as against the week's opening of Rs. 13.37 and Rs. 14.34, respectively.

Large sowing of cane for next season is now being done. It is gathered that cane acreage would further mount next season.

JUTES IMPROVE

(From Our Own Correspondent)

CALCUTTA, 21st *February*

Although genuine business passing in the jute goods market was small during the week under review, prices, after last week's recession induced by unconfirmed reports of Government's intention to take drastic action to arrest the upward trend in fibre prices as well as goods under the Essential Commodities Act, were held firm. As the week progressed, prices hardened further, following good demand by local operators on covering account. Fibre prices, however, continued to decline but subsequently recovered. The aforesaid reports did not materialise, and it would appear that the rumours were only an attempt to impart reality in the market and thus arrest the upward trend. Nervous sales soon followed, but, when it was found that the rumours lacked foundation, the downtrend was stayed.

On Thursday next, the Union Commerce Ministry will hold consultations with the representatives of the jute industry and the subject of discussion would be the possibility of voluntary controls. It is only good that the Government is attempting to impress on the industry the need for voluntary controls, rather than taking drastic steps. Drastic steps may be a good legal palliative, but, if Government machinery is not adequate enough to handle the numerous problems that would be released, the remedy, judging from past experience, would only prove worse than the disease. Shipping space booked for jute goods was meagre, and foreign buyers resisted the high prices. Foreign buyers have become deeply worried at the rising trend of prices at Calcutta and this received a more forceful expression during the week when representatives of buyers from Australia and the United States came here to watch the market trends. The Jute Commissioner has also had talks with representatives of the industry as well as shippers. These may all be portrends of some tangible steps, in cooperation with the industry forthcoming at the proposed conference at New Delhi a couple of days hence.

It is expected that jute goods stocks with mills at the end of the month will reveal a decline, due not to increased export business but to enlarged offtake on account of the Government of India and other internal buyers. In January, production of goods in mills declined to 86,200 tons from 90,700 tons. In the current month, production would decidedly be lower following curtailment of working hours from the beginning of the month. Also, the loss of production on 13th February as a result of the strike by workers in many mills to protest against the curtailment of working hours would be reflected. Foreign buyers have taken a serious view of these factors and apprehend that prices will move up, unless, in the meantime, the proposals for voluntary control bear fruit. The report from Dundee that prices of jute yarns and cloth are very high, that substitutes, also dear, are sometimes difficult to be located, that substitutes, as and when obtained, cannot be put to various uses as gunny bags, and that re-use of substitutes is not always possible, has only highlighted the belief in trade circles here that the bogey of substitutes making inroads into the fortunes of the jute industry has been overdone. In New York, burlap values eased for a time, as news of unconfirmed Calcutta rumours, referred to above, reached there. However, the fact that manufacturers of bags there were working on a hand-to-mouth basis

in an attempt to resist higher prices was taken here as a clue to the possibility that the U.S. buyers might show greater attention in the Calcutta market.

Although quiet conditions were in evidence in the fibre market here, prices hardened at lower levels. Sellers were reserved. After early quietness closely following the Calcutta trend, the fibre market in Narayanganj hardened and prices rose by a few points. Cuttings were offered at Rs. 270 a bale and at Rs. 275 for forward, with export firsts rising from Rs. 420 to Rs. 430 a bale. It was believed that Pakistan mills had not completed their purchases and that balers were disinclined to sell from their stocks. There were some keen inquiries from overseas markets for the Pakistan fibre, but an analysis of fibre purchases by foreign countries from the beginning of this season suggested a possible cut in production in their mills being reluctant to lift fibre at high prices. If, therefore, foreign buyers had purchased less fibre than last year and also if the crop in Pakistan would approach the official estimate, the inference that there are still considerable quantities left over with large-scale cultivators gets logical strength. Since most of the held-back fibre must come to the market before the end of April, prices must decline.

On Tuesday last, the goods market opened steady here, though real business was lacking. Ready B. twills were firm at Rs. 208 and ready hessian 40" 10 oz. at Rs. 66.00. At these levels, local operators evinced interest for covering. However, overseas buyers continued to keep away. B. twills declined to Rs. 207 on Wednesday. Hessian 40" 10 oz. was unchanged at Rs. 66.00. Covering business continued to facilitate recovery in B. twills to Rs. 208 on the following day. Hessian 40" 10 oz. hardened to Rs. 60. Business passing in the next two days was limited, and prices were nominally unchanged. The market was closed yesterday. Prices, however, were firm. B. twills were priced at Rs. 208.50 and hessian 40" 10 oz. at Rs. 67.50.

Early in the week, fibre prices recovered following the release of a quota of 300,000 maunds. Since, however, mills showed no inclination to purchase against this quota, prices receded, though sellers were reserved. At the decline, sellers offered only token quantities. Fresh arrivals were meagre and were of indifferent quality. The increased moisture content has become also a feature of fresh arrivals in the Narayanganj market in Pakistan, and foreign buyers, concerned at this, are reported considering the possibility of inclusion of the moisture content clause in contracts. Price-trends in the principal varieties of fibre in Calcutta are indicated below:

(Rs. per maund—ready delivery)

	Opening	Closing	Gain
	Rs.	Rs.	Rs.
Assam bottoms	63.50	64.50	1.00
Northern bottoms	63.00	63.50	0.50
Daissee bottoms	66.00	66.50	0.50

BRISK CLEARANCE IN KIPS

(From Our Own Correspondent)

MADRAS, 18th *February*

The kip market ruled steady to firm during the week under review, due to brisk clearance of stocks following steady demand from U.K. importers. Stocks of cow calf and buff hides were held firm, as arrivals were small. Buff calf skins were steadier, on account of demand for export to the U.K. and the U.S.

There was no change in the tanned skins market, except that importers felt that Madras prices would become uneconomical to them, if prices were put up further. Export sales, as a consequence, were small.

KEEN DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, 21st *February*

Demand at the export sale held yesterday as well as last week's internal sale was good. An indication of the approach of the end of the season was provided inasmuch as demand for shipping space for tea for forward was impressively lower.

The keener demand at the auctions in Mincing Lane was attributed to the smaller quantity of tea on offer. With Calcutta shipments of tea for direct participation in London auctions being almost complete, prices in London are expected to move forward. At last week's sale in London the price of best liquoring teas included in North Indian offerings was reported to have risen by 1d. to 3d. per lb.

New Delhi has now agreed to ship 500,000 lbs. of tea to Pakistan to alleviate the shortage there. This would proportionately reduce the tea available for local consumption in India.

Offerings at the internal sale held here last week aggregated 21,867 packages. Prices eased, depending on quality. A strong feature of the sale was the brighter lots included in medium C.T.Cs. The more fibrous teas in the same category were, however, a weak feature. On keen competition, good C.T.Cs realised higher prices. Orthodox exportable kinds moved down by 10 nP. and legg-cut Dooars by 15 to 20 nP. The brighter kinds were, however, steady. The quotations per 1 kg. inclusive of excise duty were: good Assam C.T.C. dust Rs. 6.10 to Rs. 6.60, medium Assam C.T.C. dust Rs. 5.55 to Rs. 5.80, legg-cut Dooars dust Rs. 5.05 to Rs. 5.40, medium Assam dust Rs. 4.90 to Rs. 5.25, and plain orthodox dust Rs. 4.75 to Rs. 4.90.

An irregular trend was in evidence in leaf offerings amounting to 769 chests.

A strong general demand was in evidence during yesterday's export sale, offerings amounting to 72,000 packages. A strong feature of the sale was "tea for price" which rose impressively. Bright Dooars B.O.Ps were fully firm, and similar fannings were higher. Plain brokens were about firm. Medium brokens eased a little, but medium fannings recorded a small addition. Tippy teas were steady, but Darjeelings eased. Whole leaf grades were irregular but stylish kinds were well supported. Legg-cut Dooars also gave to an irregular trend, the price easing by 10 to 15 nP. Medium B.O.Ps were about firm, but the costlier ones eased by 20 to 30 nP. The bright liquoring teas were about firm. Prices for the autumnal C.T.Cs gained, while the plainer teas lost by 15 to 30 nP. The fibrous secondary C.T.Cs eased by 15 nP. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. fannings Rs. 5.90 to Rs. 6.40, clean black pekoe Rs. 5.20 to Rs. 5.50, best Assam C.T.C. B.P. Rs. 5.80 to Rs. 6.40, medium fannings Rs. 4.90 to Rs. 5.10, medium B.P. Rs. 4.70 to Rs. 4.90, plain B.P. Rs. 4.60 to Rs. 4.70, and plain fannings Rs. 4.70 to Rs. 4.90.

TIN SUPPLIES TIGHT

(From Our Own Correspondent)

CALCUTTA, 21st *February*

The shortage of tin came into the limelight more when during the week under review fresh arrivals failed to satisfy the pent-up demand. As a result, the feature of the week under review in the metal market was the steadiness in tin prices. The price was fully steady at Rs. 640 a cwt. The steadiness was in full accord with the strong advices received from the London Metal Exchange where tin rose to £794 a ton, as against the opening of £787. Recent trends in tin markets all the world over have indicated that in this year supplies would be tight. Supplies available in the free world have been estimated at 167,000 tons, as against estimated consumption of 172,000 tons. These estimates should enable New Delhi to plan India's import policy due to be announced by the end of next month. It is necessary that India builds up a stock as the present hand-to-mouth position has been found distressing and is causing considerable inconvenience not only to small-scale consumers but to the scheduled industries also. Production bottleneck in non-ferrous metal products manufacturing firms for want of zinc and tin, despite the availability of copper, has not been uncommon. It is to be hoped that the industry's point of view is driven home at the meeting of the Import Advisory Council scheduled to be held in New Delhi early next month.

Supplies of copper scrap were tight, and utensil scrap moved up to Rs. 224 a cwt. from Rs. 218.

Notices

JESSOP AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT IN compliance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, the Board of Management has sanctioned the payment of an additional dividend for the year ending 31st October 1960 at the rate of Rs. 1.50 per share subject to deduction of Tax in accordance with the provisions of the Finance Act currently in force.

The Preference Share Transfer Books will be closed from 27th February to 2nd March 1961, both days inclusive. Dividends will be paid only to the Registered Shareholders or their mandatees.

By Order of the Board,
A. P. SARKAR,
Member, Board of Management.

63, NETAJI SUBHAS ROAD,
CALCUTTA-1, 18th *February* 1961.

J. K. STEEL LIMITED

THE BOARD OF DIRECTORS AT THEIR Meeting held today have decided to recommend to the forthcoming Annual General Meeting of the Company payment of Dividends in respect of the year ended 30th June, 1960, subject to deduction of tax, as under:—

On 7 per cent, Cumulative Redeemable Preference Shares, in accordance with the Preference Shares (Regulation of Dividends) Act, 1960, ... @ 9.1%
On Ordinary Shares, ... @ 20%

The Annual General Meeting will be held at the Registered Office on Thursday, the 30th March, 1961, at 4-30 p.m.

The Registers of Members and Transfer Books of the Company will be closed from 16th to 30th March, 1961, both days inclusive.

By Order of the Board,
J. K. INDUSTRIES PRIVATE LTD.,
Managing Agents,
H. S. SINGHANIA,
Director.

CALCUTTA, *the 21st February*, 1961.

The berry quality scrap was firm, though unchanged, at Rs. 238 a cwt. Active conditions were reported on the London Metal Exchange where copper, after opening at £223¾ a ton, rose to £224¾ but closed at £223¾. The price in New York also gained, though closing below the best level of the week. Electrolytic zinc in London closed higher at £83-7/8 a ton, as against opening of £83¾. At one time, the price was even higher at £84¼. Locally, the price was firm at Rs. 165.50 a cwt. Virgin lead was quiet at Rs. 63 a cwt., but in view of the good stock position this metal could attract only little business.

GOOD ENQUIRY FOR BLACK PEPPER

(Messrs. Parekh and Co.)

BOMBAY, 23rd *February*

Malabar black pepper after making mixed show for some time during the earlier part of the fortnight ending 22nd February ruled steadier due to inquiries from New York both for Malabar and Lampong.

Despite comparatively smaller import, New York remained selective buyers. During the period, New York dealers bought from Singapore and India several parcels at prices ranging from $0.43 to $0.45. Spot at New York rose from $0.46 to $0.47½. Grinders having refused to follow the rise, the dealers were unwilling to entertain higher offers. The result was that Singapore on balance showed little change, black being listed at Str.$142½ and white at Str.$207½. There was comparatively more weakness in White at Singapore as local speculators and stockists at Sarawak were anxious to liquidate in view of the approaching new season. Weakness in rubber also proved a depressing factor. Malabar black too reversed its course as New York refused to follow. Exporters who sold to Russia and other East European Countries having been fully covered, ungarbled after touching the highest at Rs. 380 came down to Rs. 369 with buyers reserved.

Inland demand is also showing signs of tapering off in view of the approaching Holi Holidays. Poor inland demand together with the absence of foreign inquiries made growers easy sellers. March delivery on the Cochin Exchange after rallying to Rs. 416 came down to Rs. 395 as bulls preferred to await new incentive before committing afresh.

The future of the market depends upon the size of new crop of Sarawak and Lampong and also on the attitude of U.S.A. dealers and grinders. The present trend denotes that the New York dealers are likely to remain selective buyers throughout the year as they are sure of getting supply whenever required in view of the World's surplus production. The difference between white and black pepper being still big, there are more chances of white going down than black. But the fall in White will ultimately affect the price level of black. It is but natural that the grinders in all primary markets may resist lower prices as they have seen high prices during the last year. But, ultimately the arbiter of the prices in the producing countries will be the size and tempo of the demand from consuming countries like U.S.A., Europe and U.S.S.R.

In declining market, New York dealers always under-buy. As such, it is possible that there may be very often temporary flurry in New York which will have its reflection on all the primary markets.

Calicut is cheaper than Alleppey there being more arrivals in view of the harvesting season in the area. Calicut is quoting Rs. 365 for the ungarbled. Garbled at Cochin is quoted at Rs. 380 and ungarbled at Rs. 370.

Ready Pepper in Bombay is nominally quoted at Rs. 208 per 50 Kilos.

EFFECTS OF HIGH TAXATION

(*Concluded from page* 350)

developed suffer from two limitations; the number of countries in each group taken for comparison is too small and the rates studied should have been those applicable to unearned rather than earned income, since it is the former that is most relevant for investment. This latter criticism is anticipated and met by the plea of lack of available data.

5. As mentioned earlier, the National Council seems rather over-lenient towards the Government in the matter of the 45 per cent rate of taxation of corporate profits. It lends its support to the dubious practice of a concealed increase in the rate of taxation through a change in the system of company taxation.

6. The implications of the phenomenal new issue boom of 1960 are not examined, possibly because the data on which the study is based was collected somewhat earlier. It would have been a good idea if the Council had refuted the argument that taxation could not be considered excessive because people had so much investible funds that almost every new issue was heavily oversubscribed. This is a delusion that could be dangerous if it were to influence budget decisions for 1961-62. In any case, the craze has now passed. It is to be hoped that the tax proposals for the coming budget will be framed in the light of the present more or less normal conditions in the new issues market and not be influenced by the abnormal conditions of a few months ago.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 17th Feb., 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	72,77,33,000
(2) Other Governments	21,30,47,000
(b) Banks	71,39,06,000
(c) Others	91,87,67,000
Bills Payable	23,86,23,000
Other Liabilities	44,96,72,000
Rupees	456,17,48,000

ASSETS	Rs.
Notes	18,69,61,000
Rupee Coin	2,13,000
Subsidiary Coin	6,50,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	58,42,33,000
Balances held abroad*	29,54,74,000
Loans and Advances to Governments†	37,71,36,000
Other Loans and Advances	150,70,48,000
Investments	142,86,07,000
Other Assets	18,14,26,000
Rupees	456,17,48,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 26,90,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	18,69,61,000	
Notes in circulation	1940,65,96,000	
Total Notes issued	....	1959,35,57,000
Total Liabilities	....	1959,35,57,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	128,00,89,000	
Total of A		245,76,92,000
B. Rupee Coin		121,30,75,000
Government of India Rupee Securities		1592,27,90,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1959,35,57,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept., 1939 (pre-war)	10th Feb.,* 1961	3rd Feb.,* 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.27	1948.81	1929.25	1920.72	1811.94
Notes held in Banking Department	35.05	10.17	11.29	10.93	12.44
Foreign Securities	59.50	128.01	128.01	128.01	163.01
Rupee Securities	37.39	1592.28	1572.28	1562.04	1417.32
Banking Department					
Deposits of:					
Government of India	14.39	59.86	52.70	51.04	66.96
Other Governments	..	21.85	22.05	18.42	20.85
Balances held abroad	10.06	24.47	19.25	19.47	44.34
SCHEDULED BANKS					
Demand Liabilities	134.36	778.82 (15.57)†	784.48 (16.56)†	772.84 (14.19)†	740.35 (14.81)†
Time Liabilities	102.24	1088.20 (10.29)†	1085.28 (9.74)†	1095.16 (9.72)†	1146.01 (22.28)†
Borrowings from Reserve Bank	..	61.40 (24.26)‡	58.72 (22.35)‡	53.06 (14.59)‡	49.33 (4.84)‡
Borrowings from State Bank	..	14.70	14.31	12.60	14.66
Cash in India	6.70	44.83	45.77	43.03	44.34
Balances with Reserve Bank	25.17	69.77	74.05	77.95	76.48
Balances with other banks in current account in India	..	14 76	14.69	14.77	14.37
Money at call and short notice in India	..	22 45	23.91	22.27	25.61
Investments (at book value)	..	597.13	605.97	625.01	759.43
Advances and bills	105.9	1255.31	1238.82	1208.92	1049.07
STATE BANK					
Deposits	87.76	560.41	558.41	565.87	588.23
Investments	51.99	270.70	278.81	297.19	480.05
Advances	30.35	262.24	253.03	247.80	189.39
Cash	14.69	23.24	24.66	20.98	39.06

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R = Revised Figures.

PRINCIPAL BANK RATE 8%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.50	3.59
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	10th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec., 1960	5.50	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	20th Jan., 1961	4	3.5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 17th Feb., 1961

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		550,47,86,000
Borrowings from Other Banking Companies, Agents, etc.		1,73,75,000
Bills Payable		8,51,23,000
Bills for Collection being Bills receivable as per contra		1,68,71,000
Acceptances, Endorsements and Other Obligations per contra		1,25,76,000
Other Liabilities (including Inter-Office Adjustments)		2,02,03,000
Total .. Rs.		578,76,84,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		21,10,18,000
Balances with other Banks		3,20,35,000
Money at Call and Short Notice		2,23,33,000
INVESTMENTS:		
Government and other Trustee Securities	250,81,08,000	
Other Authorised Investments	9,74,66,000	260,55,74,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	245,98,33,000	
Bills Discounted and Purchased	17,10,93,000	263,09,26,000
Bills Receivable being Bills for Collection as per contra		1,68,71,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,25,76,000
Premises less Depreciation		1,76,41,000
Furniture and Fixtures less Depreciation		1,31,20,000
Other Assets (including Inter-Office Adjustments).		22,55,90,000
Total .. Rs.		578,76,84,000

Scheduled Banks*

Statement of Affairs for the week ended 10th Feb., 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	42,04,14
(2) From others	687,40,18
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	15,57,16
(c) Other demand liabilities	49,37,39
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	14,22,23
(2) From others	1052,44,69
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	10,29,33
(c) Other time liabilities	21,52,72
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	12,98,10
(b) Time liabilities	1,72,00
(iv) Borrowings in India from the Reserve Bank of India (A)	61,39,65 (24,25,50)
(v) Cash in India	44,83,45
(vi) Balances with the Reserve Bank in India	69,76,62
(vii) Balances with Other Banks in Current Account in India	14,76,04
(viii) Money at call and short notice in India	22,45,36
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	597,12,96
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1061,06,95
(b) Due from Banks in India	13,29,46
(xi) Inland Bills purchased and discounted in India.	133,26,03
(xii) Foreign Bills purchased and discounted in India.	47,68,76
(xiii) Total of items (x), (xi) and (xii)	1255,31,20

Notes :—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 10th Feb., 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	12,05,79,000
(b) Provincial Governments	2,39,79,000
(c) Banks	17,23,35,000
(d) Others	116,86,20,000
Bills Payable	19,02,000
Other Liabilities	14,48,28,000
Rupees	171,37,43,000

ASSETS	Rs.
Notes	9,28,16,000
Rupee Coin	55,000
Subsidiary Coin	37,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	41,15,86,000
Loans and Advances to Governments	11,41,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	45,15,27,000
Investments	54,20,80,000
Other Assets	10,15,42,000
Rupees	171,37,43,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,28,16,000	
Notes in circulation	391,62,08,000	
Total Notes issued	....	400,90,24,000
Total Liabilities	....	400,90,24,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	81,09,01,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	148,77,44,000
B. Rupee Coin	2,97,00,000	
Government of Pakistan Securities	243,25,74,000	
Internal bills of exchange and other commercial paper	....	246,22,74,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	400,90,24,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued : 38.51 per cent.

EXCHANGE RATES

		21st February 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 [illegible]	1-5 [illegible]
Sellers T. T. D.D. upto six months	s.	1-5 [illegible]	1-5 [illegible]
Buyers T.T. spot to nine months	s.	1-6 [illegible]	1-6 [illegible]
Buyers T.T. 10 to 12 months	s.	1-6 [illegible]	1-6 [illegible]
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477.75	477.75
Buyers T.T.	Rs.	474.50	474.50
London on New York	$	2.7981-2.7988	2.8008-2.8011
London on Paris	Fcs.	18.72½-18.73	18.72½-18.73
London on Berne	Sw. Fcs.	12.0950-12.0970	12.0940-12.0960
New York on London	c.	279.800-279.840	280.060-280.090

CLEARING HOUSE RETURNS

Centre	Week ended 17th Feb., 1961 Number of Cheques	Amount Rs.	Week ended 10th Feb., 1961 Number of Cheques	Amount Rs.
Bombay	3,44,979	81,08,15,000	4,11,048	92,19,33,000
Calcutta	1,98,000	81,08,00,000	1,89,000	81,05,00,000
Madras	96,449	12,09,04,889	96,876	18,17,83,205
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,38,05,00,000
Oct. 1960	..	..	4,707,000	1042,18,00,000
Nov. "	..	..	4,695,000	1078,36,00,000
Dec. "	..	..	4,829,000	1118,52,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	28th Jan., 1961	21st Jan., 1961	30th Jan., 1960	December 1960	December 1959	Percentage of Increase (+) or Decrease (—) in Dec., 1960 as compared with Dec., 1959	Annual Average 1960	Annual Average 1959
Food Articles	504	116.5	116.6	117.6	117.0	112.2	−1.0	120.3	118.2
Cereals	192	99.4	99.0	103.5	100.4	100.8	−0.4	105.3	104.3
Pulses	43	94.9	95.8	93.2	93.6	91.8	+1.9	92.6	99.8
Fruits and Vegetables	23	106.7	108.1	107.6	104.4	118.7	−12.0	121.0	127.6
Milk and Ghee	84	108.8	109.1	106.2	111.1	107.6	+3.3	115.5	112.2
Edible Oils	47	161.0	160.1	135.5	154.0	127.9	+20.4	148.8	126.9
Fish, Eggs and Meat	17	124.4	125.5	113.2	125.0	114.1	+9.6	121.1	110.4
Sugar and *Gur*	48	123.1	122.5	143.2	126.6	150.0	−15.6	138.6	143.0
Others	50	167.2*	168.9	176.4	170.0	186.7	−8.9	168.6	163.4
Liquor and Tobacco	21	111.6	111.2	98.2	112.1	103.7	+8.1	108.4	100.7
Tobacco	—	110.3	109.8	96.6	110.8	102.3	+8.3	104.8	99.8
Fuel, Power, Light and Lubricants	30	120.2	120.2	117.0	120.3	117.6	+2.8	119.0	116.1R
Industrial Raw Materials	155	156.4	155.8	132.6	149.6	127.2	+17.6	138.8	119.7
Fibres	61	171.1	167.7	125.4	157.0	123.2	+27.4	139.8	110.2
Oilseeds	60	158.5	160.6	140.9	153.5	130.9	+17.3	144.9	130.0
Minerals	2	95.0	95.0	95.2	97.7	95.6	+2.2	97.5	100.0
Others	32	128.3*	128.2*	133.4*	131.3	129.8	+1.2	129.0	117.3
Manufacture	290	128.6	127.6R	116.4	128.0	113.4	+11.1	120.6	109.7
Intermediate Products	41	133.5	135.0	121.5	132.3	118.2	+11.9	127.1	111.1R
Finished Products	249	127.8	126.3R	115.6	125.0	112.6	+11.0	119.8	109.5
Textiles	147	133.4	130.9R	114.9	129.2	109.8	+17.7	121.2	104.6
Cotton	—	126.4*	126.4*R	124.8	129.3	118.4	+9.2	127.5	113.5
Jute	—	165.2	155.3	95.4	142.6	94.2	+51.4	115.2	87.2
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+5.7	107.6	104.6
Silk and Rayon	—	105.1*	105.1*	105.2*	101.8	97.7	+4.2	102.6	93.7R
Metal Products	12	146.8	146.5R	145.2	146.8	144.7	+1.5	147.0	143.7
Chemicals	20	104.5	104.0	106.5	103.9	106.7	−2.6	104.7	108.2
Oil Cakes	10	150.7*	151.5*	147.5	146.8	145.0	+1.2	140.2	143.7
Machinery and Transport Equipment	31	112.6	112.6	106.4	112.1	106.4	+5.4	110.7	105.9R
Others	30	116.6	116.6	112.6	116.4	114.0	+2.1	115.0	112.6R
All Commodities	1,100	126.2	125.9	119.2	124.7	117.9	+5.8	123.0	115.5

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Contd.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	1958-59	(In thousand tons) 1959-60	1958-59
Cereals—					
Rice	final	81,343	81,437	29,338	30,354
Wheat	final	31,508	31,141	9,734	9,772
Jowar	final	41,602	42,584	7,866	8,714
Bajra	final	26,699	27,999	3,484	3,789
Barley	final	8,220	8,243	2,605	2,672
Maize	final	10,457	10,457	3,615	3,381
Ragi	final	6,211	6,192	1,860	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,380	220,470	60,514	62,631
Pulses—					
Gram	final	25,046	24,865	5,390	6,881
Tur	final	5,843	5,931	1,589	1,671
Other Kharif pulses§	final	16,075	15,597	1,567	1,559
Rabi pulses‡	final	12,788	12,992	2,690	2,761
Total pulses	final	59,752	59,385	11,236	12,872
Total foodgrains		278,132	279,855	71,750	75,503
Oilseeds—					
Groundnut	final	15,805	14,575	4,390	4,812
Castorseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	final	3,921	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6,907
Fibres—					
Cotton*	final	19,252	19,926	3,835	4,686
Jute A.	final	1,707	1 811	4,548	5,158
Mesta A.	final	706	825	1,098	1,488
Sannhemp	final	813	807	80	81
Other crops—					
Potato	final	885	858	2,719	2,327
Sugarcane	final	5,178	4,808	75,038	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	232	230	25	26
Chillies (Dry)	final	1,499	1,471	339	326
Tobacco	final	934	897	281	261

Source: Ministry of Food and Agriculture. § Excluding Tur
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur
A.—In thousand bales of 400 lbs. each. R.—Revised
† Final estimate of 1958-59.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	Jan. to Dec. 1959	Ten months ended Oct. 1959	Ten months ended Oct. 1960
Exports	570,56	615,78	488,82	497,26
Re-exports	8,40	6,96	4,57	9,95
Total Exports	578,96	622,74	493,39	507,21
Imports	864,18	887,38	728,93	797,70
Overall Balance of Trade	−285,22	−264,64	−235,54	−290,49
Exports—				
Tea	136,54	126,39	91,57	85,30
Jute yarns and manufactures	103,82	110,75	95,30	114,39
Cotton yarns and manufactures	52,63	66,14	50,70	53,16
Metallic ores and metal scrap	30,85	34,42	28,49	33,68
Cotton, raw and waste	21,20	16,37	14,16	7,90
Oils—vegetable, mineral and animal	12,35	17,96	11,62	14,82
Fruits and vegetables	21,16	21,08	17,62	21,13
Tobacco	16,29	13,91	13,40	14,66
Mica	9,34	10,31	8,55	8,23
Wool and other animal hair	9,85	12,22	9,52	7,29
Gums, resins and lac	7,16	7,95	6,57	7,15
Spices	8,83	10,17	7,17	14,62
Hides and skins, raw	7,85	10,95	8,28	8,85
Imports—				
Machinery of all kinds	188,92	196,21	220,02	186,70
Iron and Steel	97,80	84,01	70,30	90,41
Oils—vegetable, mineral and animal	80,28	82,62	63,57	65,27
Chemicals, drugs and medicines	65,28	85,20	73,63	68,61
Electrical goods and apparatus	49,04	50,01	41,04	43,43
Vehicles (excluding aircraft, ships and boats)	52,53	60,10	52,40	43,58
Cotton, raw and waste	30,66	34,76	29,28	67,36
Fruits and vegetables	17,43	16,52	11,16	12,41
Paper, pasteboard, etc.	8,26	9,67	7,75	9,27
Dyes and colours	8,76	9,54	8,07	10,14
Spices	2,84	2,52	2,18	1,92
Woollen and worsted fabrics	30	23	16	20
Cotton fabrics	1,05	1,19	1,04	68
Rice	44 02	9,12	7,12	9,98
Wheat	102,65	109,86	95,19	57,12

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During November 1960	85.9
	Corresponding month, 1959	88.0
	Four months ended Nov 1960	440.8
	Corresponding period, 1959	445.0
Stocks	At the end of November 1960	82.1
	Corresponding month, 1959	65.2
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1958-1959	854.9
	July-June, 1959-1960	833.5
	Oct. 1959	75.2
	Oct. 1960	60.9
For Internal Consumption	July-June, 1958-1959	220.0
	July-June, 1959-1960	248.3
	Oct., 1959	19.4
	Oct., 1960	22.6
	RAW JUTE	(In 000 bales)
Consumption by Mills	November 1960	498
	Corresponding month, 1959	510
	Five months ended Nov., 1960	2 543
	Corresponding period, 1959	2,574
	1957-58	6,134
	1958-59	6,014
	1959-60	6,282

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1955-56	715	8,806.3	7,195.8
1956-57	769	9,577.8	8,108.1
1957-58	834	11,176.9	9,011.1
1958-59	818	12,837.0	10,360.7
1959-60	850	15,029.3	12,130.8
1959			
August	813	1,243.7	994.9
September	813	1,237.2	996.2
January 1960	815	1,297.4	1,055.5
February	850	1,252.1	1,022.5
March	850	1,324.4	1,071.0
April	850	1,325.8	1,081.7
May	850	1,387.9	1,119.4
June	850	1,379.8	1,118.9
July	850	1,360.5	1,106.0
August	1,012	1,404.2	1,140.9
September	1,012	1,380.7	1,129.5
October	1,012	1,422.8	1,134.7

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. *Source*:—Central Water and Power Commission.
§ At the end of period.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	186	427	30	389	52	180
1957-58	14,314	2,389	1,229	214	105	52	219	25	213	503	39	476	47	194
1958-59	14,366	2,655	1,296	206	92	36	221	23	184	483	36	514	45	113
1959-60	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	181
October 1959	8,462	1,520	792	109	49	21	118	13	111	320	43	290	34	76
January 1960	12,477	2,184	1,111	165	70	30	195	20	155	478	62	427	47	108
February "	13,847	2,399	1,226	182	77	32	208	22	169	522	72	471	48	119
March "	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	181
April "	1,350	226	122	22	7	3	12	2	15	51	10	42	1	11
May "	2,640	443	254	39	14	5	22	3	31	105	19	87	3	28
June "	3,875	667	373	54	22	8	27	5	49	154	27	130	6	33
July "	5,011	858	495	67	27	10	37	6	63	196	32	165	12	46
August "	6,258	1,102	600	78	32	12	40	7	79	245	40	215	17	60
September "	7,490	1,348	698	89	34	15	58	8	94	291	48	261	27	71
October "	8,804	1.618	796	99	38	17	80	10	107	344	56	309	28	82
November "	10,185	1,889	886	117	44	20	101	13	120	397	66	357	36	94

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.=2 M. G.) and incorporate revision in respect of earlier months. *Source* :—Ministry of Railways.

INDUSTRIAL PRODUCTION

Industries.	Unit	1958	1959	January to September 1959	January to September 1960	July* 1960	August* 1960	September* 1960	September* 1959
Major Industries—									
Coal	million tons	45.34	47.08	35.33	38.10	4.04	4.19	4.20	3.93
Steel (Ingots and Metal for castings)	thousand tons	1,813	2,433	1,543†	2,023†	243	271	—	195
Yarn	million lbs.	1,685	1,723	1,379	1,285	148	150	146	148
Cloth	million yds.	4,927	4,925	3,686	3,761	432	435	425	412
Cement	million tons	6.07	6.82	4.98	5.68	0.61	0.62	0.59	0.55
Jute	thousand tons	1,060	1,051	782	819 K	88 K	96 K	91 K	93
Paper and paper boards	thousand tons	253	294	183†	228 K†	28 K	29K	—	26
Matches§	thousand cases	626	648	480	493	54	56	55	58
Sugar	thousand tons	1,957	2,083	944†	1,283†	5	16	—	10
Engineering and Electrical Industries—									
Machine tools	Value in lakhs of Rs.	376	438	286†	346†	38	35	—	34
Electric lamps	millions	30.47	34.84	3.25†	26.44†	3.10	3.46	—	2.91
Dry cells	millions	168.24	187.3	136.04	148.07	16.25	16.89	17.45	16.28
Power transformers	k.v.a.	1,126,800	1,016 400	662.00†	737,900†	89,000	99,400	—	96,800
Electric Motors	H.P.	624,000	576,000	399,600†	434 800†	71,400	62,000	—	43,800
Electric fans	Nos.	636,000	727,200	473,900†	637,900†	76,500	87,600	—	63,200
Radio receivers	Nos.	198,108	213,864	136,951†	160,615†	21,310	23,080	—	18,383
Storage batteries	Nos.	355,200	442,200	294,900†	345,100†	45,200	45,000	—	36,900
Copper conductors	tons	7,488	6,708	4,516†	6,246 K†	893 K	842 K	—	598
Winding wires	tons	2,076	2,832	1,980†	2,743 K†	337	339	—	203
Rubber and plastic Ins. cables and flexibles	million yds.	128.76	166.08	108.67†	1,318J†	178.0J	180.1J	—	149.2
Insulators—H.T.	Nos.	751,200	982,800	738,000†	—	109I.T.	122 I.T.	—	93,500
Insulators—L.T.	million Nos.	5.07	6.25	3.60†	—	308I.T.	310 I.T.	—	0.50
Diesel engines—Vehicular	Nos.	4,260	8,712	6.22	7,549	809	758	858	775
Diesel engines—Stationary	Nos.	25,764	30,336	22,744	29,810	3,587	3,739	3,636	2,011
Chemical Industries—									
Salt	million mds.	112.55	85.14	80.41	80.61	12.86	3.56	3.39	2.79
Caustic soda	tons	57,192	69,876 K	47,324 K	72,206 K	8,037 K	8,200 K	7,850K	6 090 K
Soda ash	tons	89,436	95,328 K	72,102 K	104,919 K	10,602 K	12,715K	13,252K	7,550 K
Chlorine liquid	tons	20,064	24,780 K	14,904 K†	20,847 K†	2,635 K	2,591 K	—	2,388 K
Bleaching powder	tons	6,504	5,184 K	4,119 K	4,352 K	323 K	458 K	430K	389 K
Bichromates	tons	3,444	4,332	2,698†	3,476K†	358	400	—	402
Sulphuric acid	tons	226,584	292,164	183,674†	239,186†	29,000	30,000	—	26,002
Superphosphate	tons	166,848	247,680	155,765†	229,826†	26,040	29,000	—	21,892
Non-ferrous Metals—									
Aluminium	tons	8,182	17,249	11,126†	12,275K†	1,650 K	1,586 K	—	1,536
Antimony	tons	527	664	429	605	45	92 K	71K	85
Copper (virgin metal)	tons	7,841	7,642	5,853	5,294	772	757 K	747K	701
Lead (virgin metal)	tons	3,335	3,395	2,980	2,683	225	350 K	279K	314
Gold	ozs.	170,112	165,312	122,070ozs.	3,695Kgs.	391Kgs.	409Kgs.	428Kgs.	13,986 ozs.
Miscellaneous (Minor) Industries—									
Sewing Machines	Nos.	205,212	252,612	166,730†	194,235†	23,370	24,615	—	21,151
Bicycles	Nos.	912,600	990,744	630,653†	685,811†	88,300	89,990	—	88,419
Automobiles	Nos.	26,796	36,468	25,694	37,597	4,293	4,647	4,181	3,075
Cycle tyres and tubes	million Nos.	16.11	19.57	15.06	17.45	2.06	2.13	1.82	1.69
Motor tyres and tubes	million Nos.	1.95	2.26	1.68	1.94	0.23	0.23	0.21	0.21
Cigarettes	million Nos.	29,840	32,166	20,966†	25,293†	2,887	3,113	—	2,723
Plywood—Tea chests	million sq. ft.	87.50	98.67	70.17†	6,589S†	614S	511S	—	6.86
Plywood—Commercial	million sq. ft.	37.68	54.06	37.30†	3,373S†	149S	242S	—	4.86
Sheet glass	million sq. ft.	73.86	80.57	58.44†	50.07†	5.49	6.58	—	4.31
§Woollen manufactures: Worsted Fabrics	million yds.	19.38	15.04	9.45†	9.93†	1.34	1.42	—	1.37
§Woollen manufactures: Worsted Yarn	million lbs.	28.60	29.59	19.50†	18.56†	2.67	2.87	—	2.86
Footwear—Western type (Leather)	million pairs	4.28	4.14	3.16	4.03	0.41	0.43	0.45	0.27
Footwear—Indigenous type (Leather)	million pairs	3.29	4.10	3.04	2.80	0.27	0.32	0.33	0.33
Alcohol—Industrial	million Bulk galls.	9.88	12.72	7.97†	41.02T†	5.29T	5.17T	—	0.84
Alcohol—Power Absolute	million Bulk galls.	8.82	8.07	5.69†	39.22T†	3.84T	4.73T	297T	0.58
Railway Wagons	Nos.	13,512	10,044	6.910†	4,365†	574	569	—	950
General Index—(Base 1951=100 Revised)‖		139.7	151.9	148.4‡	166.7‡	162.1	172.1	—	156.3

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.
K—Figures in Metric Tons. Kgs=Kilograms. J=In lakh metres. S=In thousand square metres. T=In million litres.
† Upto August only. I.T. Figures in tons for Insulators H.T. and L.T. ‡ Average for the first 8 months only.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base : 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
November 1959	108	98	121	126	73	194	111	127	180	105	102	123	120	167	136	90	116	146
December "	101	96	120	121	70	210	110	127	164	104	111†	140†	122	172	136	94	118†	146
January 1960	102	97	119	125	72	207	107	127	154	100	115	144†	131	168	135	96	123†	140
February "	105	98	121	128	80	196	118	127	156	94†	114	134	139	140	135	96	125†	146
March "	106	94	117	123	74	180	111	127	149	94†	113	141	141	132	135	98	125†	148
April "	108	91	121	122	76	184	119	127	147	102	113	154	144	130	140	108	125	148
May "	113	87	123	126	78	194†	122	127	145	108	113	198	139	129	140	117	125	148
June "	114	87	127	128	80	187	125	127	144	111	112*	187	146	128	140	113	126†	148
July "	115	92	130	132	89	207	126	127	148	111	112	155	150	130	140	107	120	148
August "	115	90	127	129	86	212	121	127	148	107	112	166	140	130	140	115	131	148
Sept. "	114	90	129	132	90	215	127	127	146	104	112	181	140	130	141	116	132	147
October "	111	90	125	137	91	216	117	127	142	116	114	225†	142	129	141	136	130	147
November "	106	90	126	135	92	218	111	127	141	120	111	232	139	130	141	142	129	147
December "	102	89	119	131	93	210	111	127	127	114	110	226	143	126	141	143	129	147

† Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	In Quintals of 100 kilograms
Bombay Island—		
Cotton Receipts	Week ended 2nd Feb., 1961	67,385(J)
	Corresponding week, 1960	37,275(J)
	1st Sept. to 2nd Feb., 1960-61	1,545,367*
	Corresponding period, 1959-60	866,849*
Cotton Exports	Week ended 2nd Feb., 1961	1,670
	Corresponding week, 1960	—
	1st Sept., to 2nd Feb., 1960-61	116,091
	Corresponding period, 1959-60	195,948
Mill Consumption (Estimated)	1st Sept. to 2nd Feb., 1960-61	910,622A
	Corresponding period, 1959-60	955,122
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 2nd Feb., 1961	978,933
	Corresponding date, 1960	675,718
		In Bales of 392 lbs. nett.
Consumption of Cotton—		
Indian	November 1960	317,234
Foreign	November 1960	117,650
Indian	Three months ended Nov., 1960	924,481
Foreign	Three months ended Nov., 1960	352,106
Indian	Same Period 1959	1,175,365
Foreign	Same Period 1959	118,910
Stocks (Mills and Elsewhere)—		
Indian	As on 30th November 1960	606,946
Foreign	As on 30th November 1960	405,840
Indian	As on 30th November 1959	....
Foreign	As on 30th November 1959	135,444

Particulars	From 1st Sept. to 30th Jan. 1960-61 In quintals of 100 kilograms	From 1st Sept. to 30th Jan. 1959-60 In quintals of 100 kilograms
From Bombay Cotton Shipments to—		
United Kingdom	180	2,132
Continent	5,226	6,546
Hongkong	7,767	4,293
China	—	—
Japan	86,738	91,242
U.S.A.	—	3,906
Other countries	—	1,898
Total to all foreign countries	99,911	110,017
Coastal Ports	15,480 (a)	49,290(b)
Total	115,391	159,307

Particulars	Details of Period	Quantity
		(Bales of 180 Kgs.)
Cotton Exports from Bombay (by sea)	During Oct., 1960	863
	During Oct., 1959	9,393
	1st Sept., to 31st Oct., 1960	2,891
	1st Sept., to 31st Oct., 1959	25,318
		(Bales of 392 lbs.)
Cotton Pressed in India † (In running bales)	Week ended 13th Jan. 1961	100
	Corresponding week, 1960	91,119
	1st Sept., to 13th Jan. 1960-61	244,472
	Corresponding period, 1959-60	985,569
Karachi (Pakistan)— Receipts	1st Sept. to 12th Jan. 1960-61	492,114
	Corresponding period, 1959-60	573,505
Exports	1st Sept. to 12th Jan. 1960-61	220,983
	Corresponding period, 1959-60	205,279

(J) By Rail and Sea. R—Revised. † Incomplete. * By Rail, Sea and Road. (b) From 1st to 31st Dec., 1959.
—Not Received. A—Adjusted. (a) From 1st Sept. to 30th Nov., 1960.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 11th Feb., 1961	4th Feb., 1961	14th Jan., 1961	13th Feb., 1960
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100.7	100.7	100.7	101.5
2. Government of India	100.7	100.6	100.7	101.4
3. State Government	101 4	101 4	101.4	102.7
4. Municipal, Port Trust, etc.	99.7	99.7	99.7	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.7	100.7	100.7	101.7
PREFERENCE SHARES—ALL INDIA.				
6. Total	85.3	85.4	85.1	91.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	168.5	167.6	163.3	158.3
8. *Agriculture and Allied Activities; Total**	160 3	158.9	158.4	168.6
9. Tea Plantations	153.1	151 4	151 6	165.7
10. Coffee Plantations	193.5	191 6	188 9	198 1
11. Rubber Plantations	169 5	168 9	169 4	169 6
12. *Mining and Quarrying: Total*	157 7	153.7	151.6	147.7
13. Coal	121 2	117 6	117 1	111.0
14. Other Mining	182 8	178.5	175 3	172.9
15. *Processing and Manufacturing: Total*	180.7	179.9	174.3	165.0
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	182.1	180.6	174.	160.3
17. Sugar	171 9	173 0	173 4	178 9
18. Cotton Textiles	149 1	147.4	142 6	139.8
19. Jute Textiles	84.3	84 0	83.8	92.6
20. Silk and Woollen	1057.7	1046 8	966.8	717.6
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	192.2	191.6	184.2	179.6
22. Iron and Steel	158 1	158 0	149.6	149 9
23. Transport Equipment	392 0	389 1	372 1	339.1
24. Electrical Machinery	142 5	141.3	136 7	124.8
25. Machinery other than Transport and Electrical	203 5	202 5	196.6	203.4
26. Basic Industrial Chemicals	202.4	203 1	202 3	182.1
27. *Processing and Mfg. (Others): Total**	154.9	155.7	155.2	152 1
28. Cement	135 4	137 1	136 5	135 1
29. Paper	214 0	213 9	213 4	207.1
30. *Other Industries: Total**	105.9	106.1	105.7	111.3
31. Electricity Generation and Supply	79.5	79 4	79 4	87.1
32. Trading	117 8	116.3	113.0	109.8
33. Shipping and Other Transport	99 1	99 9	101 6	116.3
34. Construction	269.5	273.1	266 2	293.4
35. *Financial: Total*	183.0	182.4	177 7	176.0
36. Banks	206.0	205 2	199 1	195 5
37. Insurance	135 5	135 6	133.6	135 9
38. Investment Trusts	91.2	91.6	91.8	98.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	174.0	173 3	166.0	160.3
40. Calcutta	155 1	154 5	152.7	150.7
41. Madras	186.9	185 8	183.0	175.0
42. Delhi	226 9	223.0	217.6	199.6

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
	(1949=100)	Base June (1934=100)	Base 1949=(100)	Base January (1928=100)	Base (1949=100)	Base (1949=100)	Base August (1939=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)
1952 Average	103	337	104	310	92	101	351	102	108	109	111	112	99	115
1953	106	363	111	323	95	108	349	109	106	104	102	112	100	114
1954	101	359	98	294	85	99	327	106	105	91	95	102	98	106
1955	96	338	87	246	78	96	321	99	99	83	87	96	86	108
1956	105	353	98	316	89	105	347	111	109	95	96	106	100	114
1957	111	369	104	339	94	112	364	116	114	99	103	115	107	126
1958	116	395	110	318	98	120	384	124	118	103	103	123	109	131
1959	121	412	125	340	98	132	384	133	120	106	98	125	108	140
Nov., 1959	126	424	130	362	99	136	399	139	120	109	100	128	111	144
Dec.	122	420	125	362	96	136	389	137	119	107	99	127	108	144
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July	126	423	122	362	101	137	406	145	121	109	108	119	109†	146
August	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept.	125	418	122	364	101†	138	403	146	122	108	102	122	108	147
Oct.	125†	421	123	365	102	137	396	148	122	108	105	119	108	147
Nov.	125†	423	..	367	102	135	392	150	121	110	102†	122	..	147
Dec.	..	419	..	362	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% Receipts	4% Outstandings	15-Year Annuity Certificates G Receipts	Outstandings	Total Receipts	Outstandings H
1956-57	..	..	3,00	6,01	163,68	..	..	176,97	196,56	25,38	—38,82	44,28	..	..	48	1,82	225,88	440,17
1957-58	..	..	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—39,78	43,58	588	547	63	1,87	264,32	509,77
1958-59	..	..	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	635	11,68	67	2,41	286,28	590,08
1959-60	..	..	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,36
Nov., 1959	27	16	1,60	3,35	105,96	6,19	193,66	14,54	240,07	20,17	—41,14	41,96	1,09	17,35	3	2,73	21,92	627,28
Dec.	32	19	1,58	3,30	104,19	6,72	199,35	15,76	240,66	20,06	—41,20	41,90	1,29	18,55	6	2,77	23,91	632,87
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19 96	—41,27	41,84	1,13	19,77	5	2,81	28,59	638,52
February	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,27	41,75	1,05	20,79	6	2,86	25,71	644,99
March	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41,29	41,68	96	21,76	6	2,90	43,47	667,36
April	57	34	1,51	3,11	97,35	6,47	226,14	17,87	253,58	19,68	—41,35	41,58	1,68	23,16	9	2,98	26,16	670,00
May	64	38	1,50	3,07	95,55	6,45	231,20	17.00	251,94	19,55	—41,41	41,50	1,06	24,19	5	3,01	24,67	672,53
June	73	42	1,48	3,02	93,84	5,76	235,58	17,85	253,22	19,50	—44 46	41,41	84	25,05	5	3,04	24,13	677,33
July	81	47	1,45	2,98	92,30	5,83	240,30	15.25	255,92	19,44	—41 49	41,32	1,11	26,09	4	3,07	22,86	684,15
August	89	52	1,43	2 91	90,90	6,78	245,82	19 75	261,00	19,38	—41,54	41,21	1,17	27,23	9	3,14	27,92	694,43
Sept.	98	57	1,41	2,84	89,45	7,16	251,77	18,76	265,34	19 28	—41,60	41,14	1,52	28,71	6	3,18	27 64	704,67
October	107	62	1.39	2,79	88,02	7,05	257,63	16,90	267,22	19,20	—41,64	41,09	1,42	30,27	5	3,22	25,56	712 52
Nov.	117	68	1,36	2,73	86,80	6,21	262,71	17,90	269,28	19,18	—41,67	41.02	1,49	31,73	5	3,25	25,81	719,81
Dec.	..	..	..	..	..	..	..	..	..	..	—40,97	40,97	1,28	32,88	5	3,29	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of October 1960 amount to 10,64 lakhs of rupees.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957*	1.630	889,371	6,429,319
1958*	1.524	928.566	7,797,585
1959*	1,523	692,514	5,605,079
July 1959	146	61,098(144)	741,781(144)
Aug.	141	63,716(130)	896.789(130)
Sept.	137	65,153(127)	220,586(126)
Oct.	168	68,371(158)	278,181(156)
July 1960	125	168,407(100)	748,651(100)
Aug.	50	16.993(46)	69,951(47)
Sept.	129	32.179(124)	242,901(126)
Oct.	86	40,484(83)	205,419(83)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevant information is available.

* Figures relate to all States and centrally administered areas as after reorganisation.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797.500
Do. 31st March, 1958	1,098,300	1,106,800	786,900
Do 31st March, 1959	1,137,500	1,149,900	884.700
Do 31st March, 1960	1,568,400	1,532,700	1,215 100
Jan., 1959	97,700	96,200	89,700
Nov.	128,900	129,900	104,000
Dec.	136,100	139,100	108,600
Jan., 1960	140 700	140,100	109,800
Oct.	145,900K	150, 00K	114,230K
Nov.	139,500K	141,800K	107.000K
Dec.	143,200K	150,600K	115,800K
Jan., 1961	144,200K	149,300K	117,600K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,586	410,558
Do. 31st March, 1959	959,933	608,205	496,217
Do. 31st March, 1960	1,053,612	827,072	660,695
Jan., 1959	78,728	43,560	45,698
Nov.	77,380	71,112	55,610
Dec.	82,295	77,328	62,237
Jan., 1960	91,790	77,043	59,108
Oct.	99,004K	74,399K	58,894K
Nov.	106,490K	76,619K	59,380K
Dec.	111,516K	86,424K	61,395K
Jan., 1961	112,649K	83,787K	71,540K

K—Figures in Metric Tons.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
29th Nov.	2.00	2.40	2.00	2.564	99.365
30th Nov. to 3rd Dec.*	0.70	—	0.70	—	99.381
6th Dec.	2.00	2.40	2.00	2.540	99.365
13th Dec.	2.00	2.25	2.00	2.548	99.360
14th to 17th Dec.*	0.09	—	0.09	—	99.381
20th Dec.	2.00	2.00	2.00	2.550	99.360
1961					
3rd January	2.00	2.40	2.00	2.556	99.365
10th Jan.	2.00	2.60	2.00	2.576	99.360
17th Jan.	2.00	2.30	2.00	2.580	99.355
18th to 21st Jan.*	1.14	—	1 14	—	99.371
24th Jan.	2.00	2.00	2.00	2.580	99.355
25th to 28th Jan.*	0.05	—	0.05	—	99.371
31st Jan.	2.00	2.00	2.00	2.585	99.350
1st to 4th Feb.*	0.07	—	0.07	—	99.371
7th Feb.	2.00	2.00	2.00	2.585	99.350
8th to 11th Feb.*	0.05	—	0.05	—	99.371
14th Feb.	2 00	2.00	2.00	2.590	99.350
15th to 18th Feb.*	0.05	—	0.05	—	99.371
21st Feb.	2.00	2.00	2.00	2.650	99.335

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1963-65	97.80
3 % Loan	1950	30,38,10,000	1964	98.00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	95.70
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90 70
2½% Loan	1946	57,00,69,000	1961	99.25
2¾% Loan	1946	14,77,48,000	1976	83 50
2¾% Loan	1947	75,86,72,000	1962	98 10
3½% N. P. Bonds	1958	75,29,00,000	1961	100 00
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.50
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99 30
3½% Loan	1956	1,07,27,36,000	1962	99.65
3½% N. P. Bonds	1956	93,81,83,000	1967	98.85
3½% Loan	1956	86,63,53,000	1974	99.70
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.75
4 % Loan	1957	49,17,27,000	1972	100 45
3½% Loan	1958	58,05,92,000	1963	99 80
3½% Loan	1958	70,00,00,000	1968	98.80
3½% Loan N.P.B.	1958	84,33,90,000	1968	100 60
4 % Loan	1958	49,51,44,000	1973	100 40
3¾% Loan	1959	1,37,90,93,000	1969	98.70
4 % Loan	1959	81,06,38,000	1979	100.10
4 % Loan	1960	97,64,00,000	1980	99.90
3¾% Bonds	1960	82,66,00,000	1966	99.25
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,98,33,000	M.	71 25
3 % Loan	1946	2,48,91,38,000	K.	74.00
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98 10
4 % Andhra	1956	6,54,15,000	3rd Sept. 1968	97 10
4½% Andhra	1958	5,48,81,000	15th July 1970	101.00
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	97.50
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	98 10
3 % Bombay	1949	5,29,97,000	1st Aug. 1962	98.20
3½% Bombay	1951	2,82,97,000	17th Sept. 1962	99.60
4 % Bombay	1953	5,10,80,000	15th July 1963	99.75
4 % Bombay	1952	8,40,34,000	1st Aug. 1964	99.60
4 % Bombay	1955	9,56,29,000	1st Sept. 1967	99.10
4 % Bombay	1956	7,82,20,000	3rd Sept. 1970	98.60
4½% Bombay	1957	6,57,23,000	16th Sept. 1969	101.00
4½% Bombay	1958	6,58,21,000	15th July 1970	101.00
4½% Bombay	1958	4,35,25,000	15th July 1971	101.00
4 % Bombay	1959	6,58,13,000	19th Aug. 1971	98.50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97 25
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97 25
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	100.75
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	97 25
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	99.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98 50
4 % Hyderabad	1956	2,19,02,000	3rd Sept. 1968	98 50
2¾% Madras	1946	8,81,77,000	1st Sept. 1961	99.05
3½% Madras	1951	3,91,49,300	17th Sept. 1962	98 75
4 % Madras	1953	10,33,71,000	15th July 1963	99.70
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.70
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.10
4 % Madras	1956	12,33,56,000	3rd Sept. 1968	98.10
4½% Madras	1958	5,55,57,000	15th July 1970	101.00
4 % Madras	1959	5,72,72,000	19th Aug. 1971	97 75
4 % Madras	1960	12,00,00,000	29th Aug. 1969	97.75
4 % Maharashtra	1960	10,00,00,000	29th Aug. 1969	99.10
4 % Mysore(f)	1953	2,95,35,200	1st Dec. 1953-63	101.40
4 % Mysore(f)	1956	5,99,73,600	30th Apr. 1956-61	99.80
4 % Mysore	1953	3,33,47,000	15th July 1963	99.50
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.10
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.10
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	101.00
4½% Mysore	1958	5,51,61,000	15th July 1970	101.00
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	98.10
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.00
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 50
4 % M.P.	1953	1,10,18,000	15th July 1963	99 00
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97 25
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97.65
4½% M.P.	1958	2,21,30,000	15th July 1970	100 90
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97 00
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	97 25
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	98.75
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	98.75
4 % Kerala	1953	3,25,61,000	15th July 1963	99.00
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	97.00
4½% Kerala	1958	3,27,10,000	15th July, 1970	100.40
4 % Kerala	1959	4,47,05 000	19th Aug., 1971	97.00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.00
2½% U.P.Z.A.	1952	44,93,80,000	..	48.70Z
3 % U.P.	1936	1,55,31,000	15th Sept. 1961-66	92 25
2¾% U.P.	1946	2,12,62,000	1st Sept. 1961	98 50
3½% U.P	1951	1,86,22,000	17th Sept. 1962	99 10
4 % U.P.	1952	5,80,14,000	1st Aug. 1964	99.50
4 % U.P.	1953	5,58,25,000	15th July 1963	95 50
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,96,000	3rd Sept. 1968	98.50

PORT TRUST LOANS

Amount Rs.	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
86,50,000	4	1904	1964	97.00 (1904–1912)
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1966	
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,875	4	1913*	1960	D
80,00,000	4	1913	1974	97.00
86,25,000	4	1914	1975	97.00
10,00,000	4	1915*	1960	D (1915*–1941)
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
85,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,58,000	3½	1934*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,300	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
50,00,000C	3½††	1921	1981	82.00
68,02,300C	6½	1921	1961*	144.00N
60,00,000	4½	1931	1991	98.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1965	97.25
77,00,000	4	1956	1966	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1967	99.50
1,30,00,000	4½	1958	1968	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1969	99.00
1,00,00,000	4	1960	1970	99.25
1,00,00,000	4	1960	1970	99.25
STERLING LOANS				
£802,600	5	1923	1953-83	£81.75
£801,000	5	1924	1954-84	£81.75
£885,100	5½	1932	1962	£91.00
MADRAS				Rs.
28,48,275	3½	1947	1977	A
9,88,000††	3	1947	1977	
3,00,000††	3	1949	1979	
45,00,000††	4½	1954	1964	

IMPR. TRUST LOANS

Amount Sanctioned Rs.	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
30,00,000	4	1901	1961	97.75 N (1901–1908)
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	97.50 N (1912–1916)
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£96.50
£333,000		1910	1970	£95.50N
CALCUTTA				
50,00,000	5	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	91.75
50,00,000	3	1937	1962	96.00
20,00,000	3	1938	1963-68	91.75
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1966	99.25
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount Rs.	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1929	1969	113.00N
8,25,00,000	3½	1947	1977	86.50
2,13,14,500	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,34,000	3¾	1951	1966	98.00
1,30,00,000	4	1953	1963	99.00
92,19,00,000†	4	1952	1964	99.00
86,67,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.00
1,57,50,000	4	1956	1968	99 00
1,74,00,000	4½	1957	1969	99.50
4,75,00,000	4½	1959	1970	99.50
3,30,00,000	4	1960	1971	97.00
CALCUTTA				
10,00,000	5½	1922	1962	100.06
33,91,000	3½	1925	1965	95.00
60,00,000	3	1936	1966	71.00
47,50,000	3	1938	1968	91.00
21,10,000	3½	1942	1972	92.00
16,33,000	3½	1951	1961	99.25
66,83,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1965	—
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,85,50,000	15th July 1970	101.00
4 % U.P.	1959	8,86,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	98.10
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	100.75
4 % Rajasthan	1959	2,84,19,000	19th Aug. 1971	97 00
4 % Rajasthan	1960	5,00,00,000	29th Aug. 1969	97 00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.00
4½% Orissa	1958	3,28,58,000	15th July 1970	100 75
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.50
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.00
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97.75
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98.25
4 % W. Bengal	1952	2,09,00,000	1st Aug. 1964	99 40
4 % W. Bengal	1953	3,00,28,000	15th July 1963	99.60
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	101.00
4 % W. Bengal	1959	7,60,62,000	19th Aug. 1971	96.50
4 % W. Bengal	1960	7,00,00,000	29th Aug. 1969	99.00
4 % Assam	1960	2,76,40,000	19th Aug. 1971	96.90
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. I.—Interim Dividend. f—Dividend for first half of the year.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
17,33,200	9,11,732	38,69,225	22,51,328	3,251	Maganlal Bhagwandas & Co.	..	..	Ambika Silk Mills Co., Ltd.	152.00	100	15.00	12.00	12.00		12	Y.
50,00,000	..	1,14,24,372	44,03,340	—46,65,476	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.56	2	Nil	Nil	Nil		12	Y.
40,00,000	10,99,481	1,18,20,968	77,24,952	—13,00,519	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	27.00	100	Nil	Nil	Nil		3	Y.P.
2,50,98,000	3,40,77,968	9,34,84,561	4,90,54,873	36,929	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Z	63.30	25	2.50	2.50	3.50		12	Y.
10,00,000	30,76,210	86,14,262	52,94,709	64,016	Ramnarain Sons Private Ltd.	44,734	860	Bradbury Mills	117 50	50	15.00	7.50	5.00	5.00	3	Y.P.
1,22,95,200	3,37,07,587	9,42,76,189	3,75,31,119	1,22,111	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	497 00	100	22.00	22.00	31.50		12	Y.P.
26,00,000	29,15,005	1,21,99,369	78,24,358	75,815	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	131.25	100	12.50*	12.50*	7.50	11.00	3	Y.
28,00,000	26,12,714	97,68,522	63,68,559	3,64,674	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	124.00	50	7.50F	5.00	10.00	15.00	3	Y.
24,00,000	20,44,712	87,46,739	65,30,990	—14,81,027	Puranmal Bubna Sons	47,356	928	Edward Textiles	262.50	200	15.00	15.00(c)	18.00		12	Y.P.
29,98,050	27,57,616	1,51,25,544	80,85,174	23,591	B. L. Jalan, Esq. (Chairman)	46,620	886	Elphinstone Spg. & Wvg.	65.50	50	Nil	Nil	7.00		12	Y.
50,00,000	65,75,469	1,96,09,118	1,09,41,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	331.00	100	20.00	16.00	23.00		12	Y.
50,00,000	52,35,257	1,02,35,144	68,62,387	10,233	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	252.50	100	15.00	15.00	21.50		12	Y.
11,84,000 16,000	1,19,31,192	2,16,82,316	1,42,90,523	....	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	4,750.00xd 992.50	1,000 250	350.00* 87.50*	350.00 87.50	350.00(c) 87.50(c)	500.00 125.00	3	Y.P.
2,00,00,000 50,00,000	3,38,578	5,10,28,798	3,68,18,422	—19,79,270	Agarwal & Co.	2,47,092	5,984	India United Mills	14.52 1.63	0 10O. 0 1D.	Nil Nil	Nil Nil	Nil Nil		12	Y.
17,30,000 70,000	91,23,201	1,84,94,644	1,39,55,204	10,633	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	2,270 00 1,050.00N	1,000 500	325.00* 162.50*	325 00 162.50	200.00(c) 100.00(c)	232.00 116.00	3	Y.P.
59,85,000	82,79,165	3,76,13,105	2,63,91,560	38,751	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	485.00	100	10.00(c)	10.00	16.00	32.00	6	Y.P.
1,00,00,000	1,00,60,096	3,81,90,145	2,95,67,372	27,969	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	284.75	100	18.00	10.00	9.50		12	Y.
46,47,350	38,85,220	1,43,57,502	70,49,340	23,992	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	71.00	50	5.00'C'	3.00	5.00		10	Y.
51,75,000	50,69,550	3,02,81,993	2,16,99,596	42,652	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	335 00	100	14.00(c)	15.00	21.50	21.50	6	Y.P.
1,41,12,100	1,72,11,640	11,70,25,574	5,26,37,085	1,66,270	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	512.50 —	100 100	14.00 ..	14.00 11.20	22.00 21.27		12	Y.P.T.
24,00,000	11,16,837	83,71,883	48,70,077	—11,98,634	W. H. Brady & Co., Ltd.	45,944	480	New City of Bombay Mfg.	140.50	100	5.00	Nil	Nil		12	Y.
30,00,000	77,589	1,10,42,353	63,37,035	—10,72,122	Sahu S. P. Jain, Esq. (Chairman)	49,012	963	New Great Spg. & Wvg.	193.00	100	Nil	Nil	Nil		12	Y.P.
48,00,000	54,85,829	1,81,28,534	1,22,58,132	2,82,604	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	141.50	100	12.50F	10.00	10.00	15.00	3	Y.
45,00,000	42,97,637	80,65,529	31,95,108	16,195	Podar Sons Private Ltd.	32,600	930	Podar Mills	140.50	100	10.00	18.00*(c)	12.00*		12	Y.P.
75,00,000	19,70,000	1,69,60,704	81,75,000	57,378	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	106.50	100	..	8.00	11.50		12	Y.P.
10,00,000	....	29,94,246	16,74,307	—1,52,005	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14 88	10	0.25	Nil	Nil		12	Y.
87,70,100	1,21,80,082	2,81,69,010	1,64,24,391	215	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	49.25	10	2.00	2.00	2.50		12	Y.
80,00,000	51,53,455	1,74,14,168	73,40,872	41,961	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	251.00	100	8.00	10.00	15.00		12	Y.P.
50,40,000	15,53,956	2,27,78,338	1,00,86,574	—3,49,633	M.	49,340	1,114	Simplex Mills	172.00	50	8.50	8.50	5.00(c)	7.50	3	Y.T.
1,09,75,000	2,51,54,908	3,87,61,421	2,23,24,758	91,528	Mafatlal Gagalbhai & Sons	97,538	2,409	Standard Mills	1,201.00	100	22.50*	20.00	29.00*		12	Y.P.
1,00,00,000	96,94,067	3,16,61,974	1,74,64,096	1,506	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	247.50	100	9.00	10.00	14 00		12	Y.P.
36,00,000	76,44,279	1,93,34,474	1,09,47,826	26,062	James Finlay & Co., Ltd.	40,328	550	Swan Mills	497.50	100	25.00	25.00	36.00		12	Y.
65,57,875	50,22,987	2,58,77,176	1,04,22,689	17,925	Tata Industries Private Ltd.	61,572	1,775	Tata Mills	44.25	25	2.00	1.50	2.50		12	Y.P.
16,00,000	64,52,368	1,08,96,173	64,84,479	76,869	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	301.25	100	23.00*	20.00*	20 00		12	Y.P.
12,00,000	1,02,12,489	1,79,02,964	1,20,98,754	—17,05,239	Mr. K. M. D. Thackersey (Chairman)	54,664	1,262	Western India Spg. & Mfg.	3,725.00	1,000	325.00	325.00	325.00(c)	70.00(c)	12	Y.P.
AHMEDABAD																
40,00,000	37,96,894	2,09,06,549	90,57,515	12,482	Tata Industries Private Ltd.	49,168	1,016	Ahmedabad Advance Mills	168.00	100	5.00	5.00	4.90(c)	10.00	6	Y.P.T.
20,00,000	97,23,117	1,52,08,567	87,79,332	....	Hutheesing Sons & Co.	44,220	920	Aruna Mills	462.50	100	25.00	25.00	25.00'C'		12	Y.P.
60,00,000	2,95,20,296	2,85,00,200	1,40,42,300	1,58,312	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,140.00	100	35.00*	28.00'C'	40.00		12	Y.P.
26,40,000	45,04,840	1,24,96,613	83,06,442	58,595	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	375.00	200	Nil	25.00'C'			12	Y.P.
20,00,000	1,27,06,477	1,51,11,023	73,11,050	....	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	620.00	100	30.00	20.00'C'	25.00		12	Y.P.
2,06,25,000	2,91,51,534	7,72,08,320	3,30,53,664	21,88,804	Karamchand Premchand Pvt. Ltd.	1,39,120	2,380	Calico	916.00	125	30.00	25.00	22.00	31.00	3	Y.P.
63,00,000	27,76,707	1,57,37,865	1,12,77,222	6,366	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	570.00	250	25.00*	27.00*	36 00		12	Y.
52,00,000	1,42,42,748	1,92,98,548	1,22,21,800	1,63,425	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,575.00	125	30 00	35.00*	55.00*		12	Y.P.
15,00,000	63,45,614	83,34,671	44,35,941	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	425.00	100	20.00	20.00	25.00		12	Y.P.
30,00,000	96,88,684	1,29,66,793	76,85,644	....	Lalbhai Dalpatbhai & Co.	32,828	640	Raipur Mfg.	677.50	100	35.00*	25.00'C'	35 00		12	Y.P.
43,75,000	23,78,557	1,49,91,313	85,09,730	14,294	Rohitbhai Chinubhai, Esq. (Chairman)	33,156	648	Rohit Mills	225.00	100	8.00*	8.00*	10.00		12	Y.P.
63,75,900	2,95,76,027	2,43,70,561	1,45,91,824	59,271	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,140.00	100	25.00	30.00*	45.00		12	Y.P.
29,25,000	82,40,408	1,24,24,491	83,25,307	28,321	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,828	720	Shorrock Spg. & Mfg.	530.00	100	20.00	22.00*	30.00*		12	Y.
65,00,000	89,43,859	1,84,94,632	92,66,120	25,810	Haridas Ashratlal & Co., Ltd.	41,056	780	Vijaya Mills	600.00	500	40.00*	40.00*			12	Y.P.
WEST BENGAL																
15,00,000	2,39,480	40,13,953	26,20,603	....	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	8.25	10	0.60	0.50	Nil		12	Y.P.T.
7,11,280 1,80,620 1,70,000	2,44,733	89,51,451	62,49,897	—3,26,098	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	Nil	Nil	Nil	3	Y.P.
24,00,000	5,14,800	1,26,22,986	56,02,846	60,410	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	189.00	100	Nil	Nil	Nil		12	Y.P.T.
28,50,000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	25 81	10	Nil	Nil	1 00		12	Y.T.
50,08,000	8,02,433	88,00,719	43,00,719	84,072	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	16.06	10	0.50	0.65	0.80		12	Y.T.
1,60,00,000	2,07,51,444	4,18,09,599	1,42,09,599	76,764	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	81.12	10	0.75	0.25	0.25		3	Y.P.
19,47,750 5,00,000	78,492	50,99,822	32,33,579	—5,21,450	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	10.12N 2.37N	10 1D	1.00 0.15	0.50 Nil	Nil Nil		6	Y.
SOUTH INDIA AND OTHER CENTRES																
30,00,000	5,43,855	73,05,065	7,21,196	31,634	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	9.85	10	Nil	Nil	Nil		12	Y.
30,00,000	2,25,000	85,28,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	120.00	100	6.00	6.00	11.00		12	Y.P.
11,98,600	4,50,000	49,07,709	26,15,654	3,044	Setna & Co.	25,984	..	Asher Textiles Ltd.	204.05	100	12.50	6.00	6.00	12.50	6	Y.
72,00,000	16,98,790	1,92,55,835	68,19 240	2,661	The Industries (I.F.) Department, Government of Andhra Pradesh	36,136	725	Azam Jahi Mills	71.00	100	3.50	Nil	4.00		9	Y.
1,21,50,000	1,58,90,679	3,79,67,112	3,06,18,958	2,69,251	Binny & Co. (Madras), Ltd.	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	196.50	100	10.00'C'	10.00	10.00		12	Y.P.
3,50,00,000	....	....	....	....				Baroda Rayon Corporation	135.50	100	..	..	..		12	Y.
35,00,000	78,10,478	1,66,23,840	1,20,16,290	33,509	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	17.50N	10	1.50	0.75	Nil	1.00	3	Y.
1,78,47,800	8,24,73,971	8,05,80,469	4,78,98,275	2,31,371	Binny & Co. (Madras), Ltd.	1,20,288	2,758	Buckingham & Carnatic	193.00	100	10.00	10.00	10.00		12	Y.P.T.
20,00,000	18,500	51,23,580	26,05,678	—2,79,050	G. Sam & Co.	37,536	4	Cambodia Mills	10.10	10	0.50(c)	Nil	Nil		12	Y.P.
15,00,000	5,29,316	53,92,782	33,76,104	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	144.00	100	20.00	12.50	15.00	17.00	3	Y.
30,00,000	81,64,314	81,45,632	66,08,685	—3,29,080	Begg, Sutherland & Co. Private Ltd.	27,624	589	Cawnpore Textiles	7.06	5	0.25	Nil	Nil		12	Y.
9,86,560	6,61,000	68,26,050	33,32,807	15,034	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	13.15	10	0.90	0.90	0.90	1.30	3	Y.P.
85,99,600	28,90,147	1,11,51,577	41,62,473	....	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	170.00	100	9.00'C'	6.00	6.00		12	Y.
17,65,300	4,06,710	49,14,591	26,55,487	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	106.50	100	7.50	Nil	7.50		12	Y.P.
20,00,000	22,28,665	97,89,504	54,27,110	1,28,493	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills	330.00	100	20.00	20.00	25 00		12	Y.P.
29,76,900	5,076	1,35,77,039	89,09,035	—12,57,670	A. V. Srinivasalu Naidu, Esq. (Ch.)	70,268	307	Coimbatore Spg. & Wvg.	54.00	50	Nil	Nil	Nil		12	Y.
46,87,500	10,75,722	4,64,86,662	1,50,60,898	—90,16,850	Tata Industries Private Ltd.	1,15,188	2,064	Central India	108.50	100	Nil	Nil	Nil	Nil	6	Y.P.
29,66,711	28,72,302	1,21,27,978	57,71,091	9,000	R. Hanumanthappa & Son	40,032	300	Davangere Cotton Mills	116.50	100	9.00	9.00	9.00	12.00	3	Y.
3,38,36,225 1,00,563	4,64,48,622	14,46,03,946	8,37,58,780	2,72,401	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	37.50	25 2½	2.00 0.16	2.00 0.16	2.50† 0.25†	2.50 0.30	6	Y.P.T.
48,60,000	29,65,006	1,31,45,544	61,00,929	1,006	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	216.00	100	10.00'C'	10.00	17.50		12	Y.
63,00,000	1,40,58,814	2,13,31,287	1,58,72,559	88,973	The British India Corporation Ltd.	48,452	1,194	Elgin Mills	20 81	10	1.00	0.75	1.15	1.15	9	Y.P.
48,81,000	28,48,948	1,87,03,402	91,62,727	1,321	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	167.50xr	100	8.00	8.00	6.00		12	Y.
40,00,000	56,44,510	1,28,40,778	85,83,203	24,751	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	215.00	100	10.00	10.00	16.00		12	Y.
2,50,00,000	2,39 47,000	6,42,53,523	4,12,24,000	20,81,106	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	45.25	10	Nil	Nil	1.00	2.00	3	Y.P.
78,86,500	....	7,35,878	....	—76,663	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	68.00	62.50	..	..	..	Nil	3	Y.P.
50 00,000	1,96,680	1,64,52,347	1,21,05,198	....	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	140.00	100	6.00	5.00(c)	7.00		12	Y.
3,90,000	6,18,770	36,26,185	22,28,141	—5,61,231	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	58.50	50	3.00	Nil	Nil		12	Y.
15,54,000	11,26,682	66,77,134	35,48,365	....	Mr. Bhairuratan Damani (Managing Director)	21,176	512	Jam Shri Ranjitsinghji	1,500.00	1,000	40.00	Nil	Nil	60.00	6	Y.
63,00,000	30,48,856	4,87,56,855	1,21,19,213	52,757	Padampat Singhania, Esq.	45,000	1,000	J. K. Cotton Spg. & Wvg.	16.56	10	..	..	0 90		12	Y.P.
16,86,170	18,17,947	82,44,540	41,48,200	1,507	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	12 35	5	1.25	0.75	0.75		12	Y.
4,63,55,300	3,07,35,097	4,65,60,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	15.60	10	0.35	0.25	0.07		3	Y.P.
67,20,000	25,71,768	1,69,70,996	49,33,767	55,806	Kothari & Sons	67,192	300	Kothari Textiles	12.40	10	1.00	Nil	1.00		12	Y.P.
32,00,000	54,31,894	1,98,63,685	1,48,17,808	26,609	M.	51,908	1,248	Lakshmi Cotton Mfg.	502 50	250	15.00	15.00	25.00		12	Y.P.
71,00,000 35,50,000	83,80,960	3,08,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	154.00 72.50	50 25	10.00 5.00	6.00 3.00	6.00 3.00	10.00 5.00	3	Y
56,00,000	1,42,22,827	2,18,43,643	1,46,79,309	6,549	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	777.50	100	15.00	18.00	29.00*		12	Y.P.
1,75,02,480	4,06,37,833	6,25,73,133	4,25,73,133	2,04,614	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	36.50cd	15	2.25	Nil	1.875		12	Y.
90,00,000	29,80,000	68,45,576	51,40,267	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	367.00	100	20.00	20.00	25.00	30.00	3	Y.
39,80,884	5,71,940	1,05,10,931	50,74,411	....	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	72.00	100	Nil	Nil	Nil		12	Y.P.B.
94,61,950	21,56,148	1,71,94,769	78,81,528	1,85,008	M.	52,408	952	Model Mills (Nagpur)	60 00	250	..	..	..		6	Y.
29,73,100	44,97,018	1,17,73,699	69,34,817	24,962	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	61.00	50	9.00*	5.00	5.00	7.00	3	Y.P.
31,50,000	48,76,391	66,34,960	44,19,180	1,368	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	216.25	100	12.00	12 00	12.00		12	Y.P.
48,00,100	....	2,37,94,145	1,20,34,420	—37,45,965	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9 30	10	Nil	Nil	Nil		3	Y.P.
87,23,800	19,78,217	1,77,24,075	67,40,518	....	Bansilal Bissesardas Pvt. Ltd.	37,788	992	Osmanshahi Mills	52.00	100	Nil	Nil	Nil		9	Y.
4,00,000 6,00,000	16,56,928	78,14,710	36,35,788	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	250.00 300.00	50A 75B	9.00 13.50	10.00 15.00	15.00 22.50		12	Y.P
15,00,000	....	37,30,105	19,70,048	—21,28,862	..	27,960	..	Pankaja Mills Ltd.	58.00	100	Nil	Nil	..		12	Y.
92,10,600	18,67,447	1,10,86,808	66,04,305	2,661	A. G. Gurusamy Naidu & Co.	60,704	301	Radhakrishna Mills	29.50	25.00	3.00	1.50	2.25		12	Y.
33,21,000	22,66,286	1,22,00,428	53,26,619	1,286	Mukundlal Bansilal & Sons	25,420	567	Raja Bahadur Motilal Mills	92 00	100	Nil	Nil	Nil		12	Y.
30,00,000	28,53,890	92,96,175	42,76,744	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	76 00	50	4.50	3.00'C'	3.75		12	Y.P.
16,14,300	17,87,061	63,86,578	27,79,402	....	Rameo Agencies Private Ltd.	36,036	..	Rajapalayam Mills	126.25	100	12.00	8.00	6.00(c)	9.00	3	Y.
15,36,890	2,69,111	33,59,281	50,04,126	....	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	224.00	100	16.00	10.00	16.00	23.00	3	Y.
22,32,300	11,20,083	56,78,526	28,55,667	958	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	120 00	100	10.00	10.00	10.00		12	Y.
10,00,000	6,93,527	54,79,563	33,71,779	3,264	S. R. P. Ponnuswamy Chetty & Sons	25,088	..	Sivanandha Mills Ltd.	28 25	10	1.20	1.50	2.20		12	Y.
1,72,06,400	....	....	....	....	M.	..	..	South India Viscose Ltd.	148.00xr	100	..	..	..	..	12	Y.
18,17,124	6,47,798	45,36,378	12,34,344	....	K. Ramachandran, Esq. (Mg. Director)	16,516	..	Sri Kannapiran Mills Ltd.	9.50	10	1.00	0.60	1.00	..	12	Y.
96,69,790	23,00,037	1,01,96,864	72,23,021	30,822	D. B. Viswambhariah, Esq. (Mg. Director)	42,924	340	Sri Krishnarajendra Mills	66.00	50	7.00	4.50	4.00	5.50	3	Y.
35,02,500	9,69,325	58,07,042	29,96,235	13 376	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning, Spg. & Wvg. Mills Ltd.	45.00	50	2.00	Nil	2.50	..	12	Y.
15,00,000	3,99,80,629	1,17,10,444	91,96,176	2,97,888	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	90 00	10	6.00	6.00	6.00	8.57	3	Y.
17,50,000 [illegible]	2,42,28,071	6,42,06,504	1,96,76,129	9,04,312	M.	1,12,216	2,090	Swadeshi Cotton (Kanpur)	9 00 8.37	100. 10P.O.	0.75 1.15	Nil 0.40	Nil 0 571		12	Y.P
12,76,210	1,20,000	46,55,675	7,75,450	22,842	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	10 50	10	..	Nil	Nil	0.30	3	Y.P.
[illegible]	70 91,594	4,47,91,306	2,70,17,829	2,29,984	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	35.60	10	1.00	1.25	2.00		12	Y.P.T.
[illegible]	8,64,000	20,41,565	15,06,441	661	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11 95	10	0.90	0.75	1.25		12	Y.
[illegible]	63,41,000	91,30,605	57,96,375	17,796	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	242.00	100	12.00	12.00	16.00		12	Y.P.
[illegible]	3,98,625	24,96,646	13,64,648	—2,74,043	Thiagaraja Chetty & Sons Private Ltd.	..	290	Virudhunagar Textile Mills Ltd.	49.50	50	2.25	3.00	5.00	..	12	Y.P.
[illegible]	12,58,816	1,94,82,373	1,33,00,940	—11,21,284	The Bombay Co. (Private) Ltd.	49,880	1,369	Vishnu Cotton	106.25	100	Nil	Nil	Nil		12	Y.P.T.

† Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.

Z—Bombay Dyeing & Mfg. Co., shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable. 'C'—On increased Capital. ‡ On Old Capital.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	64,31,970	1,47,43,249	50,81,902	36,065	B. N. Elias & Co. Private Ltd.	879	Agarpara	11.00	10	0.25	0.25	0.50	1.00	3	Y.P.T.
6,00,000	13,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	148.00	100	10.00	10.00	15.00		12	Y.P.T.
30,00,000	5,43,950	1,41,02,373	1,01,60,589	1,16,925	McLeod & Co., Ltd.	1,264	Alliance	89.00	100	Nil	Nil	Nil	6.00	5	Y.P.
49,20,700	85,41,000	2,63,90,624	1,74,73,587	2,26,168	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	187.00	100	7.00	10.00	12.50	20.00	3	Y.P.
40,00,000	21,83,168	1,36,05,736	76,49,894	34,111	Bird & Co. Private Ltd.	810	Auckland	160.00	100	Nil	5.00	20.00	27.00	3	Y.P.T.
20,00,000	34,53,528	1,46,13,222	77,61,622	28,486	Birla Brothers Private Ltd.	959	Bally	197.00	100	2.00	6.00	10.00	25.00	3	Y.P.
£275,000	£803,923	£1,601,226	£1,065,825	—£92,399	Sir John H. Burder (Chairman)	1,889	Barnagore	118.00	£5	Nil	Nil	10sh.	£1.10sh	3	Y.P.
23,00,000	30,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	151.00	100	2.50	7.50	13.50		12	Y.P.
45,00,000	29,71,745	56,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	8.00	10	Nil	0.50			6	Y.P.T.
91,25,000	2,82,25,130	7,34,86,439	2,26,35,926	93,079	Birla Brothers Private Ltd.	1,373	Birla	30.50	10	1.00	1.00	1.00	1.50	3	Y.P.
36,00,000	23,36,695	1,19,81,167	72,84,779	62,431	Andrew Yule & Co., Ltd.	991	Budge-Budge	129.00	100	Nil	5.00	15.00		10	Y.P.
7,47,880	4,000	45,18,657	34,32,120	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil			12	Y.P.T.
18,00,000	27,51,530	64,60,059	49,11,673	30,163	M.	616	Caledonian	121.00	100	Nil	15.00	12.00		11	Y.P.
59,16,400	81,81,976	2,17,74,524	1,17,03,511	1,68,730	James Finlay & Co., Ltd.	600	Champdany	101.00	100	Nil	Nil	7.00	10.00	3	Y.
15,95,000	23,19,096	86,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	1,181	Cheviot	14.00	10	Nil	5.00	12.50‡		11	Y.P.
30,15,000	33,42,800	1,09,32,960	59,37,035	2,33,594	McLeod & Co., Ltd.	500	Chitavalsah	13.44	10	1.10	1.25	1.50		7	Y.P.T.
24,00,000	9,00,000	81,39,934	67,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	11.12	10	Nil	Nil			3	Y.P.
31,49,200	13,05,418	1,06,95,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	106.00	100	Nil	Nil	Nil	1.00	3	Y.P.T.
23,00,000	41,39,378	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	150.00	100	Nil	6.00	14.00		11	Y.P.
15,00,000	37,20,000	1,07,39,530	70,08,337	93,729	McLeod & Co., Ltd.	500	Empire	14.50	10	0.75	1.00	1.25		7	Y.P.T.
21,00,000 21,00,000	83,65,324	3,41,69,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	315.00 275.00	100 Old 50 New	10.00 ..	20.00 ..	20.00 10.00	25.00 12.50		Y.P.T.
21,00,000	19,81,948	1,32,23,393	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	22.37	10	1.50	1.50	1.50	2.25	3	Y.P.T.
84,32,100	5,16,898	2,24,66,716	1,48,00,382	56,359	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	10.44	10	Nil	Nil	Nil	1.00	3	Y.P.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd.	41.00	10	2.00	2.00	4.00		12	Y.T.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	336.00	100	2.50	20.00	25.00	30.00	3	Y.P.
40,00,000	61,69,633	1,33,64,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	119.00N	100	5.00	5.00	6.00	6.00	3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,713	49,754	Baijnath Bajoria	720	Hooghly	14.50	10	Nill	Nil	0.60		3	Y.P.
65,62,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	22.25	10	Nil	Nil	1.00	1.25	3	Y.P.T.
52,50,000	38,25,000	3,18,43,014	1,77,68,014	1,63,175	Ramdutt Ramkissendas	2,272	Hukumchand	19.50	7.50	1.50	1.50	1.50	2.15	3	Y.P.
87,30,000	21,78,965	1,74,80,629	1,00,24,542	4,94,235	M.	790	India	15.06	12.50	9.37	15.62‡	1.24	1.75	3	Y.
24,00,000 'B'19,20,000	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarharry	144.00 136.00	100 'B' 100	Nil Nil	5.00 5.00	20.00 20.00		12	Y.P.T.
30,00,000 'B'24,00,000	10,09,317	1,76,28,517	1,12,70,060	—13,68,526	Jardine Henderson Ltd.	1,527	Kanknarrah	75.00 73.00	100 'B' 100	Nil Nil	Nil Nil	Nil Nil		12	Y.P.T.
26,00,000	52,06,000	1 51,65,797	1,03,30,320	1,21,384	McLeod & Co., Ltd.	703	Kelvin	148.00	100	9.00	12.50	14.00'C'	15.00	5	Y.P.
54,00,000	23,62,520	2,16,94,951	1,32,38,732	74,405	Anderson Wright Ltd.	1,530	Khardah	17.50	10	0.80	0.80	2.00	2.00	3	Y.P.
59,80,150	42,30,583	1,99,43,494	1,24,97,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	144.50	100	Nil	5.00	10.00	20 00	3	Y.P.T.
24,48,000	10,76,201	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	102.00	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	11,08,592	69,04,728	41,03,722	10,530	Bird & Co. Private Ltd.	840	Lawrence	121.00	100	Nil	Nil	2.00	15.00	3	Y.P.
81,65,200	34,63,931	2,70,91,429	1,55,68,005	56,999	M.	1,294	Megna	11.25	10	0.50	1.75	1.00	1.20	3	Y.
29,98,900	34,36,392	1,64,53,185	94,33,205	—11,60,635	M.	315	Naihati	63.00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	18,14,376	36,84,258	24,27,490	4,929	Howrah Trg. Co. Private Ltd.	425	Naskarpara	9.00	10	0.25	0.25			10	Y.T.
35,00,000	39,51,826	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	22.50N	10	0.75	0.75			10	Y.P.
26,25,000	31,71,872	59,70,247	26,86,043	1,38,623	McLeod & Co., Ltd.	316	Nellimarla Jute	12.00	10	0.90	1.00	1.40		7	Y.P.T.
1,70,82,810	2,27,33,274	9,80,93,375	1,36,54,171	....	Sahu Jain Ltd.	1,765	New Central	19.62	10	..	1.50	1.50'C'	1.50	3	Y.P.T.
16,79,880	38,39,763	1,21,83,607	71,21,536	27,631	Bird & Co. Private Ltd.	567	Northbrook	23.25	10	Nil	Nil	1.25	3.00	3	Y.P.T.
66,79,500	38,53,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	44.75	50	Nil	2.50	3.00	4.00	3	Y.
25,00,000	10,23,000	99,89,888	72,61,540	68,437	McLeod & Co., Ltd.	400	Presidency	5.06	5	0.80	0.37½	0.50		7	Y.T.
20,00,000	42,629	33,96,467	12,06,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	8.00	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	14,07,546	1,24,96,816	66,97,870	—81,44,473	Jardine Henderson Ltd.	1,276	Reliance	6.06	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£488,130	£1,484,376	£840,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	9.50N	£1	Nil	5%†	10%†		12	Y.P.
30,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	26.50	10	0.50	0.50	0.60		3	Y.P.
14,00,000	12,59,725	72,57,128	52,50,728	63,683	Hindustan Investment Corpn. Ltd.	401	Soorah	19.00	10	1.50	1.50	2.50		12	Y.P.
£600,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.50N	£1	Nil	3%†	10%†		12	Y.P.
35,98,600	37,29,990	89,38,439	50,59,464	35,993	Bird & Co. Private Ltd.	1,826	Union	160.00	100	Nil	15.00	20.00	25.00	3	Y.P.T
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9.50N	£1	3%†	5%†	10%†		12	Y.P.
2,50,000	6,70,000	82,62,805	45,53,966	1,94,094	McLeod & Co., Ltd.	447	Waverley	3.00	1	Nil	Nil	0.25	0.30	5	Y.P.T.

SOUTH INDIAN PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					TEA COMPANIES										
10,94,990	4,16,126	17,25,120	3,38,787	3,842	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	16.40	10	1.75*	1.75	1.50	1.50	3	Y.P.
52,50,000	29,41,207	79,01,776	13,65,987	2,83,908	Kothari & Sons (Ags.) Pvt. Ltd.	1,320	Blue Mountain	8.90	2	0.25	0.25	0.25	0.25	6	Y.
5,50,000	5,57,420	15,15,332	3,03,764	109	K. Anantarman, Esq. (Mg. Director)	350	Chandramalai Estates Ltd.	2.96cd	2	0.30	0.24			6	Y.P.
9,33,400	15,86,598	26,32,979	3,15,911	1,38,960	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	3.70	2	0.40	0.20	0.30	0.40	3	Y.
5,65,920	12,80,970	21,63,320	1,64,704	29,120	Matheson Bosanquet & Co. Pvt. Ltd	392	Coonoor Tea	28.00	10	2.00	2.00	1.00‡		9	Y.P.
4,80,000	4,76,798	12,46,672	2,12,224	2,580	Srinivas Agencies	441	Coorg Tea	5.43	2	0.40	0.40	0.40	0.40	3	Y.P.
6,00,000	4,82,155	12,25,902	3,38,531	1,259	R. A. Jenkins, Esq. (Mg. Director)	244	Devashola (Nilgiri) Tea	31.00	10	1.75	2.50	2.50		12	Y.
6,74,680	3,25,983	10,81,247	2,29,577	4,812	Young India Agencies Private Ltd.	465	Devon Tea	14.37	10	1.75	1.75	1.50	1.50	3	Y.P.
3,50,000	1,26,500	4,04,217	65,265	2,027	Parkins Private Ltd.	198	Emerald Valley Estates	5.60	5	0.30	0.30	0.40		12	Y.
25,00,000	17,77,500	47,06,209	9,26,271	1,765	Parkins Private Ltd.	1,495	Haileyburia	14.30	10	1.50'C'	2.00	1.25'C'		12	Y.P.T.
6,00,000	7,65,696	14,87,744	3,33,844	48,253	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	4.70	2	0.30	0.25	0.30		3	Y.T.
16,39,488	18,94,704	32,75,491	4,84,787	28,103	Peirce, Leslie & Co., Ltd.	781	Kil Kotagiri Tea	5.20	2	0.30	0.30	0.70		10	Y.P.
3,45,000	5,10,000	11,44,396	98,799	806	Ipe Oommen & Co. Pvt. Ltd.	800	Kurchermala Plant. Ltd.	8.20CR	10	0.75	0.625	0.80	Nil	3	Y.P.
5,00,000	70,556	9,28,291	61,372	35,812	Matheson Bosanquet & Co.Pvt.Ltd.	267	Lucky Valley	13.81	10	1.00	1.00	1.00		12	Y.
3,50,000	26,500	3,21,318	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.70	2	0.18	0.24	0.10		3	Y.
8,00,000	6,23,100	12,48,190	2,88,717	1,418	Eapen Thomas, Esq. (Mg. Director)	524	Mlamallay	38.50	25	4.50	3.75	5.00		3	Y.P.
36,00,000	21,32,880	81,96,144	14,03,832	5,225	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	4.70cd	5	0.37	0.37	0.37	0.37	3	Y.P.
12,00,000	6,37,638	27,51,637	5,74,549	5,656	A. V. Thomas & Co., Ltd.	1,648	Nelliampathy	2.56	2	0.40	0.30	0.20	0.26	6	Y.P.
14,06,250	6,95,346	38,09,977	5,17,256	20,656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	7.60	10	0.75	0.60			3	Y.P.T.
23,10,000	9,22,309	32,15,349	3,63,586	35,375	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	26.75	10	2.00	3.50	2.00		6	Y.
13,58,600	17,53,325	32,40,997	5,53,242	47,411	Mr. P. S. M. Molyneux (Chairman).	579	Parkside	28.37	10	1.75	2.50	2.75	2.75	6	Y.
6.00,000	3,06,234	8,47,690	63,168	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninsular Plantations Ltd.	21.35	10	2.50	1.50	2.00		2	Y.
57,00,000	10,41,753	41,24,957	14,46,521	44,631	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	22.30	10	2.50	1.62½	2.25		12	Y.P.
17,94,880	28,17,245	1,10,00,168	34,84,596	30,253	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	3.70	2	0.70	0.20'C'	0.25		3	Y.P.
12,50,000	3,06,500	11,40,782	1,24,998	907	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.98cd	2	0.15	0.15	0.125	0.18	6	Y.
9,00,000	12,06,478	27,25,068	7,62,652	3,656	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	14 78	10	1.40V	0.80	0.60		6	Y.T.
1,25,000	15,000	1,98,241	7,968	4,289	M.	216	Swinton Estates	3.12	2	..	0.15	0.15	0.25	3	Y.
12,50,000	10,87,328	36,51,137	3,53,187	997	Srinivas Agencies	1,787	Talayar Tea	1.73	2	0.20	0.12	0.10	0.16	3	Y.P.
15,75,000	16,00,500	27,37,319	3,29,820	565	Parkins Private Ltd.	1,214	Twyford	12.05	10	1.50'C'	1.50	1.00'C'		12	Y.
21,93,280	12,29,680	44,14,672	15,67,621	1,02,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	24.00cd	10	1.77	1.60	1.95		3	Y.
31,50,000	32,96,030	68,68,910	8,97,362	1,94,358	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	3.30	2	0.25	0.25	0.25	0.25	6	Y.P.
1,00,000	53,757	3,51,001	89,991	689	Goodall & Co.	93	Woodcote Estates Ltd.	1.65		0.09	0.06	Nil	Nil	6	Y.P.
					RUBBER AND OTHERS					1957	1958	1959	1960		
6,00,000	5,52,435	16,63,612	4,21,741	3,855	Ramani & Co., Pvt. Ltd.	878	Alageswar Estates Ltd.	2.42	2	0.20	0.20	0.15	0.15z	3	Y.
6,75,000	1,60,527	19,03,351	2,97,384	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	13.65	10	0.40	0.60	0.75	1.00	3	Y.P.T.
2,50,000	5,78,758	13,39,733	1,24,797	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14.87	10	1.50	1.00	1.50	..	12	Y.P.
12,07,838	2,28,040	19,28,285	1,92,147	27,812	Associated Planters Private Ltd.	1,264	Anaparai Estates Ltd.	4.70	2	0.80	0.70	0.50	..	6	Y.T.
4,25,000	4,00,000	8,56,375	92,884	25,796	Young India Agencies Pvt. Ltd.	554	Badra Coffee Estates Ltd.	3.84	2	0.35	0.35	0.35	..	5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,833	2,438	A. V. Thomas & Co. (Mysore)	570	Bababudin Coffee & Produce	8.75cd	5	1.25	1.25	0.625	0.40	6	Y.P.
8,00,000	2,25,000	4,24,393	50,457	583	Planting Agencies (Private) Ltd.	319	Balmadies Plantations	2.50	2	0.25	0.25	0.15	0.15	5	Y.P.
3,66,115	3,36,258	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)	1,135	Be Be Rubber Estates Ltd.	2.90	5	0.25	0.35	0.25		3	Y.P.
26,91,279	18,00,000	52,49,279	8,16,788	21,669	Peirce, Leslie & Co., Ltd.	7,093	Cochin Malabar	7.86cd	3	0.45	0.30'C'	0.45	0.525	2	Y.P.
22,50,000	31,10,963	53,64,399	13,19,304	92,379	Cons. Coffee Estates (Secretaries).	2,709	Coffee Lands and Industries	21.25	10	4.00	2.00	2.50	0.60	6	Y.P.
71,55,000	66,04,294	1,58,60,009	40,89,751	60,720	C. I. Machia, Esq. (Mg. Director)	8,169	Consolidated Coffee	24.00	10	4.00	2.00	2.50	2.00	6	Y.P.
6,00,000	5,32,423	13,68,760	74,628	1,482	Associated Planters Private Ltd.	1,489	Cottanad Plantations	12.10cd	10	1.75	1.50	1.50	1.00	3	Y.P.
4,08,560	2,00,000	8,12,568	76,968	27,670	Peirce, Leslie & Co., Ltd.	605	Cowoody Estates (Coffees).	4.90	2	1.00	1.80	0.50	0.50	6	Y.
18,06,000	9,86,402	31,48,370	6,93,094	24,694	A. V. Thomas & Co., Ltd.	886	Highland Produce	14.65	10	0.75	1.50	1.50		12	Y.P.
1,20,000	49,000	1,64,450	5,148	2,033	Young India Agencies Pvt. Ltd.	220	Kadur Coffee Estates Ltd.	2.85	2	0.15	0.15	0.15	0.15	5	Y.P.
11,85,700	10,77,705	30,90,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kailas Rubber, Co., Ltd.	5.10	2	0.60	0.50	0.50	0.40	2	Y.
8,00,000	8,36,558	17,97,748	3,49,814	1,330	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	13.12	10	2.00	1.00'C'	1.25	1.25	4	Y.P.
4,00,000	3,00,000	9,64,554	1,45,547	12,518	Peirce, Leslie & Co., Ltd.	610	Kumergode Estates Ltd.	4.80cd	2	0.50	0.40'C'	0.40		10	Y.T.
13,50,000	4,85,241	25,39,476	4,08,190	9,942	K. T. Thomas Kathanar, Esq.	1,663	Malankara Rubber	18.00	10	2.25	1.70'C'	1.60	1.50	3	Y.
3,25,000	2,50,000	7,61,984	10,586	11,686	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.75	5	0.75	1.00	1.00	..	6	Y.P.
40,50,000	14,21,444	90,79,614	11,84,844	66,364	A. V. Thomas & Co., Ltd.	4,683	Midland Rubber	12.10	10	2.00	1.00'C'	1.00	1.25	3	Y.P.
3.35,000	4.13,450	16,31,926	2 76,266	46,475	A. V. George & Co., Ltd.	1,229	Nenmeny Rubber	20.65	10	0.75	1.50	1.50		12	Y.P.
2,00,000	4,79,542	7,96,900	55,892	3,026	Associated Planters Private Ltd.	906	Nilambur Rubber Co.	16.50	10	1.50	2.00	1.50		12	Y.P.T.
19,45,960	22,83,423	46,92,125	16,66,950	3,088	Peirce, Leslie & Co., Ltd.	4,395	Ouchterlony Valley Estates	4.60	2	0.60	0.20	0.30		10	Y.P.T.
6,50,000	5.71,464	7,75,530	67,539	42,437	Peirce, Leslie & Co., Ltd.	546	Oossoor Estates Ltd.	3.42	2	0.30	0.26	0.30	0.30	3	Y.
16 50,000	2,29,315	21,56,112	5,52,520	72,398	Aspinwall & Co., Ltd.	1,607	Pullangode Rubber	1.83	2	0.10	0.08	0.10		3	Y.P.
13,50,000	8.37,644	48,91,065	4,79,542	19,045	A. V. Thomas & Co., Ltd.	2,988	Rajagiri Rubber	18.75	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1.14,963	3,70,345	43,569	774	Associated Planters Private Ltd.	422	Rajendra Coffees Ltd.	13 02xd	5	1.25	2.00	2.50	1.25	3	Y.P.
5,50,176	3 00,000	8,37,753	1,22,819	12,609	Peirce, Leslie & Co., Ltd.	492	Savamalai Estates Ltd.	3.55	2	0.30	0.25'C'	0.30		11	Y.
12,00,000	1.85,000	18,80,245	1,09,554	10,753	Pateo Agencies	1,162	Sangameshwar Coffee Estates	2.20	2	..	0.18	0.18		3	Y.P.T.
10 00,000	2.48,373	22,50,508	1,79,424	13,959	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	6.10	10	0.60	0.60	0.60	0.12	3	Y.P.T.
2 50,000	2.75,000	6 13,713	47,088	28,430	A. V. George & Co., Ltd.	467	Thamarapally Rubber	28.00	10	3.00	3.00	3.00		12	Y.P.
9,15,300	6,05,000	24,54,542	2,19,470	14,829	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd	1.77cd	1	0.05	0.10	0.07	0.07	9	Y.T.
6,00,000	66,742	11,54,391	5,03,490	2,248	Espen Thomas, Esq. (Mg. Director)	1,208	Travancore Rubber	9.87	10	1.50	1.00	1.00		12	Y.
41,00,000	15,07,458	36,13,006	13,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.	4,671	Travancore Rubber & Tea	9.10	10	0.40	0.50	0.75		12	Y.P.
20,00,000	1,36,000	22,16,659	8,67,958	11,924	P. T. Thomas, Esq. (Mg. Director)	2,359	Tropical Plantations Co.	19.00	25	1.00	1.50	2.00		12	Y.
6,00,000	4,96,000	17,68,416	1,27,428	10,653	P. I. J. Joseph, Esq. (Chairman)	1,360	Velimalai Rubber & Co.	5.43	5	0.62½	0.50	0.50		3	Y.P.T.
2,20,000	4,29,600	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd.	458	Udayagiri Rubber Co., Ltd.	19.00	10	0.60	0.75	1.50	0.60	12	Y.P.
3,30,010	2,91,970	9,65,557	38,718	585	M.	738	Vaikundam Rubber Co., Ltd.	31.25	10	3.50J	3.00	2.50	1.50‡	12	Y.
12,00,000	11,90,982	15,34,580	1,19,640	1,15,438	Peirce, Leslie & Co., Ltd.	1,027	Wartyhully Estates Ltd.	3.40	2	0.15	0.30	0.30	0.30	3	Y.
6,95,000	6,33,233	13,55,991	91,382	2,962	M.	844	Woodland Estates	7.65	10	1.00	0.50	0.50	1.00	3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital. V— Includes 60 nP for 30-6-1954. 'C'—On increased Capital. Z.—Dividend for nine months ended 31st March 1960.

* Includes bonus. M.—Managed by Board of Directors. † Less income-tax. N.B.—All dividends paid since 31st March 1959 are shown as taxable. ‡—On old capital.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	Accounts Closed	Reference
					ASSAM										
4,45,700	13,84,978	22,94,476	8,53,312	....	McLeod & Co., Ltd.	325	Amluckie	22.50	10	5.00	1.00	1.50	1.50	12	Y.P.
2,76,500	3,01,500	12,10,619	4,33,800	2,091	M.	456	Ananda (Assam) Tea	19.50	10	2.00	1.00	2.00		12	Y.
7,03,250	7,55,753	16,41,189	5,01,215	54,204	Gillanders Arbuthnot & Co., Ltd.	481	Ananda Bag	27.00	10	1.25	0.50	1.00	1.75	12	Y.
5,50,000	14,38,941	26,06,181	10,04,021	19,953	McLeod & Co., Ltd.	573	Baghmari	20.00	10	2.50	1.50	1.50	1.50	12	Y.
5,10,000	11.57,780	18,49,824	6,86,011	43,644	Andrew Yule & Co., Ltd.	377	Basmatia	27.00	10	2.00	1.75	2.00	3.00	12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Bateli	21.00	5	3.00	1.50	1.50		12	Y.
6,40,000	10,74,426	15,66,305	5,60,306	37,706	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	25.69	10	2.50	1.50	1.50	2.50	12	Y.
33,00,000	18,32,500	73,96,221	81,20,921	3,83,877	Williamson Magor & Co., Ltd.	3,425	Bishnauth	21.75	10	2.00	1.00	Nil	1.30	12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	14.00	10	0.50	Nil	0.50		12	Y.
7,50,000	9,06,475	14,41,597	4,34,307	70,351	McLeod & Co., Ltd.	450	Bormah Jan Tea	17.50	10	1.50	Nil	0.75	1.25	12	Y.P.
35,00,000	17,26,071	94,38,743	34,17,209	2,53,984	M	2,834	Brooke Bond B.	16.62	10	1.25	1.75	1.00	1.25	6	Y.
1,20,000	8,09,581	11,64,943	3,93,553	35,405	McLeod & Co., Ltd.	282	Dejoo Valley	51.00	10	3.00	2.00	3.00	4.00	12	Y.
8,40,000	5,49,948	33,10,828	20,05,150	—2,40,732	Jardine Henderson Ltd.	1,332	Dessal & Parbuttia	137.00	100	10.00	Nil	Nil	Nil	12	Y.
17,53,440	10,53,350	31,54,422	92,50.98	17,329	James Warren & Co., Ltd.	770	Dhelakhat	22.25	10	2.50	2.50	2.50	2.00	12	Y.P.
7,00,000	6,85,000	24,04,227	6,47,434	10,086	H. P. Dhanuka, Esq. (Chairman)	1,349	Dhunseri	15.25	10	1.25	2.00	3.00	2.30	12	Y.
4,50,000	12,09,644	18,71,655	3,98,875	68,960	McLeod & Co., Ltd.	458	Dibrugarh	29.00	10	3.00	2.50	3.00	3.00	12	Y.P.
4,73,400	7,15,000	17,09,184	7,61,684	1,56,884	Williamson Magor & Co., Ltd.	632	Dimakusi	24.25	10	3.00	3.00	2.50	3.00	12	Y.P.
7,00,620	11,66,000	27,54,322	14,69,122	3,83,571	Williamson Magor & Co., Ltd.	635	Duflaghur	33.75	10	4.00	3.00	4.50	3.50	12	Y.
10,00,000	9,57,600	33,05,749	12,68,049	1,31,213	Williamson Magor & Co., Ltd.	1,166	East India Tea	17.62	10	1.00	0.50	0.50	1.00	12	Y.
5,03,760	6,42,879	17,74,219	6,37,020	8,855	M.	465	Gillapukri	26.00	10	3.00	2.50	2.50	2.50	12	Y.
6,76,000	4,90,000	22,56,199	10,31,899	1,31,256	Williamson Magor & Co., Ltd.	552	Gohpur	16.75	10	2.50	2.00	0.50	1.00	12	Y.
23 29,085	86,34,739	67,30,725	20,38,780	61,970	Octavius Steel & Co., Ltd.	2,494	Grob	12.19	5	1.62	1.25	1.50	0.70	12	Y.
5,00,000	6,86,998	11,97,176	4,67,668	14,369	M.	488	Hoograjuli	24.00N	10	1.50	1.00	0.50‡	2.50	12	Y.
8,70,000	13,90,841	32,83,007	14,80,249	75,669	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	170.00	100	15.00	12.50	17.50	20.00	12	Y.
58,56,900	62,00,087	1,90,58,048	67,58,048	45,698	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	18.44	10	1.00	1.00	1.00	1.40	12	Y.P.
9,00,000	8,62,200	20,23,965	5,82,195	51,110	Gillanders Arbuthnot & Co., Ltd.	876	Jutlibari	27.37	10	1.00	1.75	1.00	1.00	12	Y.
3,60,000	13,02,500	16,52,939	7,79,490	91,530	M.	1,166	Kingsley-Golaghat (Assam)	227.00	100	25.00	25.00	25.00		12	Y.P.
1,80,000	7,000	20,18,041	3,18,798	—2,30,952	Duncan Bros. & Co., Ltd.	1,201	Kotamullai Tea	10.50	5	Nil	Nil	Nil	Nil	12	Y.P.
6,50,000	6,53,734	14,09,076	4,30,863	22,109	Duncan Bros. & Co., Ltd.	634	Ledo	17.00	10	0.75	Nil	Nil	Nil	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	18.25	10	2.00	1.50	1.00‡		12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	11.50	10	Nil	Nil	Nil		12	Y.P.
1,50,000	13,65,825	1,16,088	10,450	30,504	Kettlewell Bullen & Co., Ltd.	410	Mothola	475.00	100	60.00	40.00	40.00	25.00	12	Y.
1,75,000 P.O. 2,00,000	8,36,947	16,59,105	6,59,981	37,858	Andrew Yule & Co., Ltd.	373	Murphulani	23.00 23 25	O. 10 P.O. 10	2.00 2.50	1.75 2.25	2.00 2.50	2.00 2.50	12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	314	Namburnadi	12.87	10	1.50	1.50	Nil		12	Y.
5,00,000	20,000	7,66,315	3,69,599	35,282	Duncan Bros. & Co., Ltd.	728	New Cinnatolliah	81.00	100	Nil	Nil	Nil	Nil	12	Y.
2,00,000	8,46,039	13,39,252	5,27,546	45,190	Andrew Yule & Co., Ltd.	390	Rajgarh	40.50	10	4.00	2.50	2.50	3.50	12	Y.
9,00,000	2,56,006	32,81,411	13,29,355	20,383	M.	958	Sapoi	20.50	10	2.50	1.50	1.50	2.00	12	Y.
2,49,000	4,30,000	12,83,249	6,96,549	91,288	Williamson Magor & Co., Ltd.	501	Seajuli	25.50	10	1.50	2.25	2.25	1.75	12	Y.
5,98,000	13,64,556	19,34,492	6,32,207	7,126	McLeod & Co., Ltd.	495	Teloijan	26.25	10	3.50	3.00	2.50	2.50	12	Y.
8,00,000	5,97,055	14,42,247	5,27,787	64,646	Gillanders Arbuthnot & Co., Ltd.	521	Tengpani	38.00N	10	1.00	1.50	1.50	1.75	12	Y.P.T.
19,82,880	15,86,078	51,14,115	22,83,115	53,844	Shaw Wallace & Co., Ltd.	2,347	Tezpore	16.50	10	1.25	Nil	1.25	2.00	12	Y.
5,20,000	25,00,315	50,60,323	16,66,525	1,05,020	McLeod & Co., Ltd.	1,050	Tyroon	30.00	10	4.50	3.00	1.50	3.00	12	Y.P.
					CACHAR										
3,00,000	....	5,16,444	1,88,505	—2,43,041	M.	362	Areuttipore	7.00	10	Nil	Nil	Nil		12	Y.
7,00,000	....	7,66,139	1,03,460	—2,49,181	M.	649	Eastern Cachar	2.87N	10	Nil	Nil	Nil		12	Y.
12,60,000	13,00,000	31,05,555	13,86,847	60,217	Octavius Steel & Co., Ltd.	2,208	Hattikhira	10.56	10	0.50	Nil	0.50	0.50	12	Y.
3,60,000	1,10,000	6,48,924	2,68,020	3,889	Duncan Bros. & Co. Ltd.	629	Kunchunpore	7.75	10	Nil	Nil	Nil		12	Y.
7,00,000	8,78,960	21,37,538	3,98,015	1,37,903	Assam Trading Co.	2,205	North-Western Cachar	160.00	100	15.00	15.00	20.00	30.00	12	Y.
2,60,000	3,32,179	12,84,475	3,70,957	—76,418	McLeod & Co., Ltd.	638	Roopacherra	12.62	10	0.50	Nil	Nil	Nil	12	Y.
5,25,000	10,97,014	14,64,650	4,63,459	41,094	Duncan Bros. & Co., Ltd.	720	Rungamattee	56.00	50	10.00	3.75	1.25	3.75	12	Y.
4,00,000	3,36,980	10,68,284	3,68,708	1,199	M.	662	Sonai River	8.00	10	Nil	Nil	Nil		12	Y.P.T.
					DARJEELING										
2,79,900	1,05,000	4,30,792	92,592	18,735	Williamson Magor & Co., Ltd.	408	Chamong	9.50	10	0.75	Nil	Nil	Nil	12	Y.
2,00,000	1,68,526	3,89,734	1,69,880	—893	M.	433	Dilaram	86.00N	100	5.00	Nil	7.50		12	Y.
2,00,000	2,18,765	3,67,216	3,48,216	—82,998	Davenport & Co., Ltd.	507	Gielle	9.12	10	Nil	Nil	Nil	Nil	12	Y.P.
1,59,000	3,51,372	5,41,385	2,25,788	12,425	Andrew Yule & Co., Ltd.	463	Mim	205.00	100	10.00	Nil	Nil	10.00	12	Y.
2,99,900	4,48,000	7,30,361	2,14,761	1,29,955	Williamson Magor & Co., Ltd.	690	Nagari Farm	24.12	10	3.50	2.50	3.00	2.00	12	Y.
1,00,000	1,11,500	4,70,736	2,49,237	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	500.00	100	Nil	Nil	32.50	32.50‡	12	Y.P.
3,00,000	3,500	6,09,868	2,51,814	—86,025	Duncan Bros. & Co., Ltd.	478	Poobong	6.00	10	Nil	Nil	Nil	Nil	12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	8.00	10	Nil	Nil	Nil		12	Y.P.
1,40,000	5,02,500	4,63,378	2,11,663	30,085	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	335.00	100	35.00	25.00	30.00	10.00	12	Y.
3,00,000	3,27,462	5,50,875	1,96,085	3,514	M.	389	Seeyok	10.50	10	Nil	1.00	1.50		12	Y.
9,00,000	65,000	11,65,737	2,38,715	7,369	Goenka & Co.	583	Singtom	5.75	10	0.50	0.50	0.50‡		12	Y.P.
3,00,000	4,45,000	7,56,966	3,49,266	1,75,267	Williamson Magor & Co., Ltd.	554	Soom	31.87	10	4.00	4.00	5.00	3.00	12	Y.
6,25,000	9,54,667	17,84,113	5,20,111	58,721	McLeod & Co., Ltd.	745	Sungma	14.62	10	1.50	0.75	1.50	1.00	12	Y.
3,20,000	7,28,815	14,29,114	3,98,614	—80,294	Davenport & Co., Ltd.	718	Teesta Valley	13.00	10	2.50	1.00	Nil	Nil	12	Y.
9,01,850	2,61,033	16,07,038	3,76,038	—2,94,248	Williamson Magor & Co. Ltd.	1,666	Tukvar	7.50	10	Nil	Nil	Nil		12	Y.
					DOOARS										
27,00,000	29,62,946	63,67,156	26,30,596	93,115	Andrew Yule & Co., Ltd.	2,540	Banarhat	322.00	100	40.00	20.00	20.00	32.50	12	Y.P.
12,00,000	18,39,305	47,37,495	26,67,822	68,917	Jardine Henderson Ltd.	948	Baradighi	27.12	10	2.00	1.50	1.50	2.50	12	Y.
9,00,000	17,95,074	27,34,742	13,24,580	6,018	McLeod & Co., Ltd.	1,112	Bhatkawa	18.75	10	3.00	1.50	Nil	1.00	12	Y.
9,00,000	17,47,500	28,48,801	9,90,295	40,081	Duncan Bros. & Co., Ltd.	1,348	Birpara	172.00	100	25.00	7.50	12.50	22.50	12	Y.P.
6,00,000	3,36,000	14,66,180	5,09,072	21,500	Duncan Bros. & Co., Ltd.	602	Carron	163.00	100	10.00	5.00	Nil	15.00	12	Y.
9,00,000	13,87,365	25,34,091	10,16,841	98,628	Andrew Yule & Co., Ltd.	903	Choonabhutti	285.00	100	35.00	20.00	22.50	30.00	12	Y.P.
3,00,000	4,36,000	9,76,473	4,70,943	22,233	Duncan Bros. & Co., Ltd.	478	Ellenbarrie	155.00	100	5.00	Nil	Nil	5.00	12	Y.
1,20,000	2,04,475	4,99,218	2,85,581	—59,525	Andrew Yule & Co., Ltd.	265	Engo	196.00	100	Nil	Nil	Nil		12	Y.
4,90,000	61,299	10,37,477	3,14,780	—35,008	M.	447	Ethelbarrie	9.87	10	1.00	0.75	Nil	Nil	12	Y.
7,50,000	6,75,164	18,93,292	11,88,007	39,367	Gillanders Arbuthnot & Co., Ltd.	1,129	Gairkhata	155.00	100	10.00	Nil	Nil	12.50	12	Y.
36,00,000	38,35,750	71,46,583	23,70,874	30,061	Duncan Bros. & Co., Ltd.	2,528	Hantapara	147.00	100	7.50	Nil	Nil	12.50	12	Y.P.
32,00,000	60,61,255	1,15,51,655	58,85,226	2,60,071	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	22.81	10	2.25	0.75	0.75	1.25	12	Y.P.
3,25,000	21,63,678	29,07,639	12,14,639	86,987	Davenport & Co., Ltd.	1,452	Huldibari	23.62	10	2.50	1.25	1.50	2.25	12	Y.
7,00,000	5,12,873	11,09,391	5,33,855	16,262	Andrew Yule & Co., Ltd.	607	Jaybirpara (Dooars)	13.50	10	0.60	Nil	Nil	0.50	12	Y.
9,00,000	18,16,000	24,52,378	7,53,905	42,815	Duncan Bros. & Co., Ltd.	937	Killcott	19.62	10	2.00	1.50	0.75	1.75	12	Y.
2,00,000	5,72,564	10,14,554	3,56,190	3,318	M.	578	Manabarrie	59.00N	10	2.00	1.50	0.50	0.50	12	Y.
9,60,000	19,87,000	26,78,567	9,58,041	28,611	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	185.00	100	15.00	7.50	5.00	17.50	12	Y.
14,00,000	20,80,530	34,00,529	12,34,687	52,126	Andrew Yule & Co., Ltd.	1,163	New Dooars	310.00	100	35.00	20.00	25.00	32.05	12	Y.P.
2,50,000	3,80,000	5,69,606	2,08,922	10,819	Duncan Bros. & Co., Ltd.	348	Phaskowa	140.00	100	7.50	Nil	Nil	Nil	12	Y.
6,00,000	9,10,472	16,36,533	7,19,903	—1,96,926	McLeod & Co., Ltd.	764	Rajabhat	14.50	10	1.25	Nil	Nil	Nil	12	Y.
7,65,000	15,51,570	30,18,553	15,15,626	42,739	McLeod & Co., Ltd.	1,085	Ranicherra	19.37	10	2.00	0.50	0.75	1.00	12	Y.
14,92,800	29,39,216	61,42,087	35,18,973	42,452	Jardine Henderson Ltd.	1,763	Rydak	31.25	10	3.00	2.00	2.50	3.00	12	Y.
					SYLHET										
3,00,000	17,95,000	10,31,473	3,93,965	1,17,672	Octavius Steel & Co., Ltd.	682	Chundeecherra	23.50	10	Nil	Nil	Nil		12	Y.
6,00,000	11,04,551	9,86,429	2,61,464	45,770	Duncan Bros. & Co., Ltd.	610	Dauracherra	17.94	10	1.50	0.75	0.50	1.50	12	Y.
4,00,000	12,06,200	13,68,395	7,18,394	2,77,118	Shaw Wallace & Co., Ltd.	985	New Samanbag	24.00	10	2.00	3.00	Nil	Nil	12	Y.P.
38,00,000	66,24,901	65,50,842	27,50,049	2,25,758	Duncan Bros. & Co., Ltd.	4,151	Patrakola P.	154.00	100	10.00	10.00	20.00	40.00	12	Y.P.
9,00,000	22,94,827	21,07,338	7,06,848	31,974	Duncan Bros. & Co., Ltd.	1,190	Telliapara	104.00	100	15.00	6.00	12.50	17.50	12	Y.
					TERAI										
4,50,000	65,000	4,45,710	3,67,928	8,509	Goenka & Co.	667	Atal	8.31	10	0.50	0.50	0.25		12	Y.P.T.
2,50,000	4,15,000	4,18,655	2,24,210	35,493	National Tea Corporation	522	Belgachi	24.00	10	4.00	2.00	2.50		12	Y.
15,44,000	22,46,000	27,80,120	11,43,606	29,724	Duncan Bros. & Co., Ltd.	1,611	Gungaram	156.00	100	10.00	7.50	Nil	15.00	12	Y.
5,00,000	11,12,294	14,91,448	5,03,408	18,957	Duncan Bros. & Co., Ltd.	530	Hansqua	18.00	10	1.00	1.00	Nil	1.75	12	Y.
2,00,000	8,07,700	10,27,925	4,27,240	62,299	Davenport & Co., Ltd	514	New Chumta	34.00	10	2.50	1.25	1.00	1.50	12	Y.
2,20,000	2,75,250	13,61,474	5,52,735	23,691	McLeod & Co. Ltd.	549	Tirrihannah	60.00	10	2.50	3.00	4.00‡		12	Y.P.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					CEMENT									
71,39,880	6,89,303	1,60,52,590	69,38,639	22,879	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.03	B. 10	1.00	0.75	1.00		12	Y.P.
[illegible]90,093	6,05,000	1,74 94,366	13,63,500	4,434	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	8.76	10	Nil	Nil	0.45	0.70	3	Y.T.
48,14,600 4,70,976D.	12,14,532	1,51,44,736	81,04,633	....	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.69 0.69	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil	 ..	3	Y.T.
18,06,27,783	10,78,46,227	42,05,40,586	16,70,69,557	42,021	Cement Agencies (Private) Ltd.	Associated Cement Companies	148.50	100	9.00	8.50'C'	11.00	12.00	7	Y.T.
34,54,023	66,000	2,26,19,399	31,88,694	1,652	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.00	10	0.60	0.70	0.80		12	Y.
1,[illegible],00,000 [illegible]00,000	57,31,922	2,63,50,468	60,48,714	25,287	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	11.25 2.43	O. 10 D. 1	1.20 0.12	1.00 0.10	1.20 0.12		12	Y.P.T.
2,[illegible],79,135	59,96,450	4,42,25,287	1,03,39,730	79,496	Essen Private Ltd.	India Cements Ltd.	6.15	5	0.41	0.43	0.45	0.55	3	Y.P.
2,[illegible],00,000	49,62,184	7,98,62,040	1,92,20,939	1,44 304	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.16	10	1.25	1.25	Nil	0.60	3	Y.P.T.
2,[illegible],00,000	63,61,275	5,89,55,507	1,86,50,770	8,77,321	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13.60	10	1.50	1.50	1.10		12	Y.P.
1,[illegible],51,675	54,91,876	4,15,40,234	1,68,22,549	48,939	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	158.50	100	9.00	9.00	9.00		12	Y.P.
[illegible]00,000	18,30,000	2,25,10,113	1,58,76,362	62,048	M.	Sone Valley Portland Cement	4.68	5	0.30	0.30	Nil		12	Y.
[illegible],00,000	11,77,360	1,37,88,664	57,99,082	29,086	Essel (Private) Ltd.	Travancore Cements Ltd.	8.60	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

N.B.—Dividends paid since 31st March, 1959 are shown as taxable. "P"—Patrakola Tea—Dividends for 1958 and 1959 are payable only when funds are available from Pakistan.

B.—Brooke Bond Estates—Dividend for the year ended 30th June 1960 is Re. 1.50 per share taxable.

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
30,00,000	....	37,43,382	16,26,068	32,615	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	10.01	10	Nil	Nil	Nil	0.60§	3	Y.
16,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.52	10	1.50	3.50	2.00		9	Y.P.
55,23,146	15,49,326	1,57,35,785	51,99,681	14,572	Bharat Ram Bhagat & Co.	Bengal Potteries	7.12	2½	0.25	0.25	0.356		12	Y.
10,00,000	86,69,030	77,31,751	41,17,891	35,599	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	40.00	10	1.75	1.75	1.87	3.00	3	Y.
14,17,800	10,55,247	33,58,584	15,31,858	9,761	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	178.00	100	9.00	10.00	12.86	12.86	9	Y.P.
89,80,700	14,19,759	1,19,21,208	18,96,171	—25,65,524	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	190.00	100	Nil	Nil	Nil		12	Y.P.
£1,371,300	£1,705,275	£3,271,480	£1,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.88	Sh. 2	0.24	0.24	0.36		12	Y.
O.15,00,000 F.5,00,000	25,89,686	44,79,153	13,16,190	2,61,727	Bird & Co. Private Ltd.	Karanpura Development	20.00	10	Nil Nil	Nil Nil	1.50 0.50		12	Y.
50,00,000	....	14,32,400	....	—12,618	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	89.00	50	..	Nil	Nil		12	Y.P.
30,00,000	33,05,445	1,10,40,017	59,85,195	39,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26.00N	10	1.25	1.25	1.80		12	Y.P.T.
50,00,000	10,01,024	1,16,80,530	59,85,620	—19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd.	9.94	10	Nil	Nil	Nil		3	Y.P.T.
6,00,000	5,26,433	13,40,693	7,63,285	7,276	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	14.62	10	1.00	1.00*	1.00*	1.428	3	Y.
20,00,000	54,00,644	64,43,150	31,99,595	88,340	Bird & Co. Private Ltd.	Orissa Minerals	40.87	10	2.00	2.50	3.60	1.50§	6	Y.
10,46,370	65,42,410	1,02,15,679	38,53,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate	88.00	10	8.00*	8.00*	5.00		11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
12,11,000	....	....	....	....	....	Adarsh Chemicals	62.00	50	..	..	..		12	Y.P.
85,00,000	51,37,800	1,87,07,072	65,76,431	9,770	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	262.50	100	12.00	12.00	16.00		12	Y.P.
62,00,000O 2,47,97,000A	96,87,608	5,74,40,416	92,27,839	1,39,901	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	36.50	10	0.80	0.80	0.95		9	Y.P.
30,00,000	30,78,579	86,90,417	21,21,588	35,088	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	385.00	100	Nil	Nil	12.00		12	Y.P.
29,89,400	24,94,426	1,18,63,272	49,89,005	47,108	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	675.00	100	20.00*	20.00*	28.00*		12	Y.P.
2,00,00,000	39,08,362	3,56,03,722	1,05,40,064	72,946	Lalbhai Sons & Co.	Atul Products Ltd.	497.50	100	8.00	10.00	12.00		12	Y.
50,92,900	52,95,445	1,47,57,610	71,89,268	13,89,611	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	109.00	100	6.00	6.00	7.00	7.00	3	Y.P.T.
1,00,00,000	6,00,000	1,07,91,843	4,82,147	—42,985	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	367.50	100	..	Nil	Nil	Nil	3	Y.
22,73,150	26,99,000	77,57,031	36,10,218	44,349	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	230.00	50	5.00	6.00	10.00		12	Y.
64,49,032	56,78,075	1,69,27,890	67,30,529	—1,11,025	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	124.00	100	7.50	6.00	4.00(c)		3	Y.P.
3,46,06,075	14,62,000	5,13,68,593	2,80,28,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	10.30	10	Nil	0.40	0.60		12	Y.
1,50,00,000	23,35,000	51,41,000	15,22,000	10,072	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	465.00	100	Nil	Nil	Nil	6.00	3	Y.P.
12,00,000	6,37,883	27,43,796	14,20,459	47,412	Jal H. Mehta	Kemp & Co.	820.00	200	15.00	15.00	20.00	25.00	3	Y.
60,00,000	22,36,430	1,43,65,801	73,81,045	12,716	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.45cd	10	0.75	0.87½	0.88	1.25'C'	3	Y.P.T.
24,81,220	10,04,155	55,64,434	40,80,625	11,452	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.95	10	0.50	0.50	0.50	1.00	3	Y.
8,00,000	4,52,189	11,19,269	5,96,880	85,186	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	25.37	10	2.00	2.00	2.00	2.00'C'	3	Y.P.
40,00,000	20,96,379	58,16,750	11,97,185	27,844	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	232.50	50	..	Nil	3.00	5.50	3	Y.P.
15,00,000	14,69,737	24,40,260	15,05,655	98,591	C. A. Buxton	Smith Stanistreet & Co.	12.75	5	1.00	0.80'C'	1.25	1.25	6	Y.P.
3,37,50,000	....	....	....	....	Tulsidas Kilachand, Esq., (Chairman)	Synthetics & Chemicals Ltd.	146.00	75	..	..	..		..	Y.
1,39,95,990 1,11,91,270	42,17,119	5,89,52,538	2,06,73,886	14,509	Tata Industries Private Ltd.	Tata Chemicals	18.36 16.80	10Old 10New	0.80 ..	0.75 0.03	0.525 0.618	0.60 0.60	6	Y.P.T.
10,00,000	1,07,599	18,05,082	6,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director).	Travancore Chemical Mfg. Co., Ltd.	14.72cdCR	10	0.60	0.70	1.00	1.50	3	Y.P.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
3,74,78,370	1,17,08,657	15,23,94,046	4,04,47,092	638	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	87.30	100	3.25	6.50	6.75	7.00	3	Y.T.
81,28,750	21,63,386	2,36,72,375	59,65,971	15,69,279	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.00	10	0.42½	0.85	0.90	1.00*	3	Y.P.
3,02,76,250	96,81,201	9,66,03,356	2,69,10,919	22,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	980.25	1,000	56.00	80.00*	80.00*	85.00*	3	Y.P.T.
1,75,00,000	78,52,280	4,06,37,564	98,99,329	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply	85.50	100	7.00	7.00	7.50	8.00	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6.00	10	Nil	0.50	0.60	0.66	3	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	108.50	100	2.50	7.50	8.00	9.50	3	Y.P.T.
60,62,500	23,52,407	1,43,50,560	46,79,945	5,210	Killick Industries Ltd.	Surat Electricity	85.00	100	8.75	7.00	7.00		3	Y.P.
3,39,99,575	1,01,57,424	7,01,96,385	1,89,09,836	25,281	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	101.00	100	5.52	8.00*	8.00*	8.50*	3	Y.P.
4,15,35,750	2,60,85,771	17,16,28,967	3,98,66,464	33,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,020.00	1,000	56.25	80.00*	80.00*	85.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
19,99,600	51,38,028	13,39,99,790	39,25,042	47,389	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	122.00	100	10.00	10.00	10.00	11.00	3	Y.T.
3,00,000	15,23,375	63,42,780	22,28,800	23,612	Martin Burn Ltd.	Bareilly Electric Supply	11.75	10	1.25	1.00	1.00	1.10	3	Y.T.
17,00,000	47,66,354	1,71,05,214	47,49,307	45,563	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.62	10	1.25	1.00	1.00	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	7.12	8	0.62	0.40	0.40	0.64	3	Y.
£4,262,646	£10,126,973	£33,604,377	£13,302,118	£108,138	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	14.69	£1	8½%	7%	7%	7½%	3	Y.P.T.
6,60,090	6,73,784	31,45,751	10,61,553	76,838	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8.00	10	1.00Z	0.65	0.65	0.75	3	Y.
43,20,000	24,38,968	1,02,37,174	38,05,104	4,38,960	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	98.00	100	6.50	7.00	7.50	10.00	3	Y.P.
5,34,640	1 24,635	34,43,088	14,37,084	2,947	Moonna Lall & Sons	Jhansi Electric Supply	6.50N	10	0.86Z	0.62½	0.62	0.70	3	Y.T.
22,49,550	27,02,877	1,07,31,716	40,42,273	30,296	Martin Burn Ltd.	Jubbulpore Electric Supply	11.56	10	0.92	0.92	0.93	1.00	3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	9.50	10	1.25Z	1.00	1.00	1.25	3	Y.
35,07,380	40,44,800	1 41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.00	10	1.25Z	0.75	0.75		3	Y.
9,10,000	2,37,616	12,60,524	5,84,092	5,200	Ostavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6.25	10	Nil	0.50	0.50	0.625	3	Y.T.
16,80,000	13 87,254	78,27,858	44,96,906	2,037	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.50	10	0.94	0.68	0.75	1.00	3	Y.
49,99,680	13,06,142	2,06,37,818	67,68,084	3,023	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	9.90	10	1.28	0.87	0.90	0.90'C'	3	Y.T.
5,00,000	11,62,458	52,32,335	12,25,684	86,698	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	16.25	10	1.25	1.25	1.25	1.35	3	Y.P.T.
56,01,185	78,57,136	4,08,85,812	1,45,66,727	85,399	Martin Burn Ltd.	U. P. Electric Supply Co.	113.00	100	10.00	10.00	10.00	11.00	3	Y.
4,00,000	9,34,990	40,87,637	11,42,884	2,58,269	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.10	10	1.00	1.00	1.00	1.50	3	Y.T.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
33,42,200	49,44,187	75,65,494	60,70,287	28,009	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	280.00	100	12.50	12.50	17.00		12	Y.
19,96,360	2,81,926	20,32,188	7,13,262	2,319	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	70.00	80	3.00	3.00	4.00		12	Y.
45,19,800	25,03,443	93,35,767	46,96,997	75,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	185.00	100	7.00	10.00*	13.00*	13.00*'C'	6	Y.
40,00,000	25,000	1,05,86,590	9,91,658	—3,47,543	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.12	10	Nil	Nil	Nil		9	Y.
40,00,000	4,14,207	62,24,434	21,98,624	57,385	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	98.50	100	6.00	7.00	10.00		4	Y.P.
59,99,900	84,82,780	2,25,73 362	1,87 51,802	70,946	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	173.00	100	9.00	9.00	13.00	13.00'C'	6	Y.P.T.
6,00,000	4,15,000	1,58,191	1,20,312	3,288	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	72.00	50	5.00	5.00	5.00	4.00	3	Y.
44,96,250	4,05,653	62,45,798	27,13,547	2,467	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	17.00	10	Nil	0.50	0.775		9	Y.P.
42,96,023	78,89,668	1,21,65,928	66,66,471	11,866	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	62.00	25	0.20	0.25	0.30	0.25	7	Y.
25,00,000 12,50,000	15,59,000	1,02,91,000	29,35,000	....	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	18.52 —	10 (10 New)	0.90 ..	1.00 ..	1.00 ..	1.43 1.43	3	Y.
10,53,725	2,17,037	22,14,424	2,62,435	2,50,491	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	152.00	100	..	..	..	Nil	3	Y.P.
30,00,000	27,05,928	78,01,690	28,52,816	56,253	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	89.00	10	1.00	1.25	1.25	1.80'C'	3	Y.P.
1,32,00,000	42,63,182	1,34,87,855	81,17,630	1,18,237	M.	Mahindra & Mahindra Ltd.	21.22	10	1.75	2.20	1.25		10	Y.P.
11,00,000	3,45,914	40,22,575	24,15,196	1,016	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	130.00	100	Nil	Nil	Nil		7	Y.P.
60,15,060	45,30,000	1,21,27,185	40,92,378	3,253	Jeewan Private Ltd.	Mukand Iron & Steel	25.50	10	1.00	1.20	1.00*	1.20	3	Y.P.
25,00,000 14,99,250	40,76,797	1,06,26,418	51,58,671	6,625	Kirloskar Associates	Mysore Kirloskar Ltd.	190.00 —	100 100 New	6.00 ..	7.50 ..	12.00 6.00	12.00 12.00	6	Y.
22,27,700 22,72,000	5,36,616	47,79,836	14,99,037	92,426	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	108.00 172.50	100 (75 New)	.. ..	.. ..	9.00 ..	12.00 0.50	3	Y.P.
22,50,000	1,34,42,446	8,81,298	1,40,739	1,36,103	Walchand & Co. Private Ltd.	Premier Construction	191.50XR	30	10.00	12.00	18.00		12	Y.P.
29,95,100	41,01,156	1,02,33,025	42,88,746	12,134	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	235.00	100	18.00	18.00	17.00	12.00	6	Y.P.
27,58,21,325	27,01,22,014	1,67,40,64,801	54,97,16,236	3,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	148.50	75 Old	9.50	8.25	6.80	9.72'C'	3	Y.P.
7,99,99,200	1,71,91,786	21,41,33,116	9,39,94,684	2,24,171	Tata Industries Private Ltd.	Tata Locomotive	308.25	100	8.00	9.00	9.00	12.50	3	Y.P.T.
10,00,000	3,35,000	23,97,720	8,10,644	17,016	T. Manekial & Co.,	T. Manekial Mfg., Co.	330.00	100	5.00	10.00	14.00	18.50	5	Y.
2,55,00,000	71,75,426	1,07,45,948	24,35,557	4,24,809	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	270.00	100	9.00	9.00	13.00	13.00	8	Y.
17,50,000	....	....	....	....	M.	Zenith Steel Pipes Ltd.	2.40	2.50	..	..	..	..	6	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co. Ltd.	Arthur Butler & Co.	12.25	10	Nil				10	Y.P.T.
50,00,000	29,49,221	1,55,21,495	89,56,973	3,60,479	M.	Bhartia Electric Steel	11.19	10	1.25	1.25	1.50		12	Y.
56,59,790	70,94,966	77,33,705	12,79,388	2,27,080	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	81.25	10	3.00	1.25	2.25		12	Y.
12,00,000	32,12,684	79,76,063	44,83,942	1,72,548	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	55.00N	10	2.00	2.00'B'	3.00		12	Y.T.
19,88,679	7,04,341	39,97,530	14,08,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	5.00	10	0.50	0.50	0.60		3	Y.P.
40,00,000	41,48,365	98,27,511	48,02,704	1,82,481	McLeod & Co., Ltd.	Britannia Engineering	14.06	10	0.60	0.60	1.00		12	Y.P.T.
5,00,000	7,72,971	24,63,921	14,48,244	74,493	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	21.25	10	2.00	2.00	2.50		12	Y.
84,00,000	2,33,60,602	4,96,65,264	3,04,73,871	1,24,616	Martin Burn Ltd.	Burn & Co.	452.00	100	20.00	20.00	28.50	28.50	4	Y.T.
50,00,000	....	35,75,759	95,632	1,03,035	M.	Calcutta Steel Co., Ltd.	16.62	10	..	..	..	0.50	3	Y.
1,00,00,000	12,33,028	1,89,66,744	10,15,000	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	Nil	Nil	Nil	Nil	3	Y.P.T.
2,00,00,000	2,54,07,647	6,74,59,338	2,15,47,390	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	40.00	10	2.00	2.00	2.40		12	Y.T.
12,50,000	23,60,000	60,91,575	40,46,109	7,047	Martin Burn Ltd.	Hooghly Docking	107.00	50	5.00	5.00	6.00		12	Y.P.
12,44,08,990	21,14,27,025	71,57,58,772	14,60,01,060	11,49,767	Martin Burn Ltd.	Indian Iron and Steel	25.00	10	1.00	1.00'C'	1.00	1.50	3	Y.P.
38,98,500	61,33,742	1,23,74,955	72,85,332	48,708	Martin Burn Ltd.	Indian Standard Wagon	90.50	25	7.50*	5.00	5.00	7.125	3	Y.P.
96,53,160 26,580	2,52,04,628	2,22,05,589	1,52,64,925	10,91,465	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	39.25 17.12	O.10 O. 1	4.00 0.40	4.00 0.40	1.62½ 0.16½	2.30 0.23	3	Y.
91,12,500	75,99,306	3,71,15,564	1,40,36,750	6,322	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	27.50	10	1.50	1.20	1.20	1.715	3	Y.P.T.
20,00,000	28,82,813	76,16,494	17,47,998	75,109	J. K. Industries Private Ltd.	J. K. Steel Ltd.	20.81	10	1.25	1.25	1.25		6	Y.P.
1,61,99,000	1,02,40,815	2,77,47,845	84,30,378	63,747	B. P. Singh Roy, Esq. (Chairman)	Jessop & Co.	21.87	10	Nil	0.60	0.858		10	Y.P.
27,64,800	43,74,683	90,13,956	33,28,450	31,283	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	6.60	3	0.45	0.30	0.30'C'		11	Y.P.T.
10,50,000	1,90,990	18,32,345	14,72,111	8,513	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	5.00	2	0.40	0.40	0.20		6	Y.
49,96,000	13,28,439	1,37,17 076	81 10,264	—1,08,083	M.	National Iron and Steel Co., Ltd.	7.06	10	0.62	0.62	0.75	Nil	3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,813	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.44N	10	Nil	Nil	Nil		6	Y.P.
6,00,000	11,05,251	31,29,091	21,37,426	17,915	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	6.94	4	0.40	0.40	0.25	0.35	3	Y.
1,50,00,000	55,23,079	4,19,73,529	1,96,95,885	37,204	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	23.56	10	1.50	1.50	2.00		12	Y.P.T.
38,22,450	14,67,750	69,40,005	26,20,291	4,566	Balasundaram & Co.	Textool Co., Ltd.	173.00	100	20.00	12.00	15.00	15.00	4	Y.

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
13,50,000	46,52,425	1,45,73,887	....	23,040	N. M. Cole, Esq. (Mg. Director)	Concord of India	10.37	5	1.00	1.00	1.00		12	Y.
10,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	31.00	50	3.00	3.00	2.00		12	Y.
24,00,000	71,01,264	1,40,68,520	....	3,62,182	R. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	23.00	10	2.00	2.00	2.00		12	Y.
16,92,240	37,17,768	88,96,037	....	4,17,522†	K. M. D. Thackersey, Esq. (Chairman).	Indian Mercantile Insurance	43.00	40	3.50	3.75	5.35		12	Y.
20,00,000	63,51,546	1,74,97,763	....	45,112	M. G. Mody, Esq. (General Manager)	New Great Insurance	19.76	20	2.00	2.00	2.50		12	Y.
1,06,31,590 35,61,000	8,27,40,502	14,89,78,776	....	44,28,397	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	53.00 53.50	15 15New	3.00 ..	4.00 4.00	5.70* 5.70*		12	Y.
32,00,000	92,52,498	1,29,48,849	....	8,214	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	8.12	8	0.62	0.62	0.80		12	Y.
5,75,000	67,12,673	1,13,08,489	....	1,88,129	Sir John Brown (Mg. Director)	Triton Insurance	143.00	25	11.25	11.25	11.25		12	Y.
15,99,270	39,15,382	1,02,06,244	...	10,014	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	16.48	10	1.50	1.50	2.00		12	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. M.—Managed by the Board of Directors. X.R.—Ex. Rights.

N.B.—All dividends paid since 31st March 1959 are shown as [illegible]. Z.—Dividend is for fifteen months ended 31st March 1957.

x—For these companies reserves include balances of various [illegible] and [illegible]

MISCELLANEOUS COMPANIES—*Continued*

OIL

Paid-up Ordinary Capital Rs. or £	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
£562,500	£212,932	£745,697§§	....	£1,003	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	2.00	Sh. 3	Nil	2%	Nil	8%	3	Y.
35,00,000	86,35,342	89,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0.60	Nil	0.60		12	Y.P.
1,00,00,000	1,59,93,684	1,00,77,425	52,21,479	4,47,887	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	22.75	10	2.00	2.00	2.50	1.00§	12	Y.P.
70,07,475	49,40,586	2,47,94,315	1,56,70,926	46,303	Tata Industries Private Ltd.	Tata Oil Mills	76.00	25	2.50	2.50	3.25	5.75	3	Y.P.T.
6,00,000	9,39,137	2,55,770	1,73,025	82,687	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	17.50	10	1.25	1.50	2.20	0.70§	10	Y.

PAPER

Paid-up Ordinary Capital Rs. or £	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
57,43,031	13,87,920	2,66,44,147	2,93,51,666	2,53,230	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	69.75	25	Nil	Nil	2.50		6	Y.P.
45,00,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	94.50	25	3.12	5.50	3.00		12	Y.P.T.
38,20,000	80,25,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	19.12	10	1.40	1.00	1.00	1.50 'C'	3	Y.
12,50,000	....	....	....	....	M.	Jayant Paper Mills Ltd.	72.00	75	....	....	....	....	3	Y.
1,40,00,000	....	1,04,58,852	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	10.12	10	....	....	....	....	6	Y.P.
25,00,000	37,42,800	1,54,04,003	1,03,95,960	51,968	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	23.25	10	1.00*	1.00	1.25*	1.50	3	Y.
1,46,82,500	3,21,50,238	10,01,40,260	3,07,78,182	4,22,620	Birla Brothers Private Ltd.	Orient Paper	40.90	10	1.50	1.50	1.50	2.25	3	Y.P.T.
1,75,00,000	....	....	....	....	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	4.16	5	....	....	....	....	3	Y.
1,25,51,420	1,09,54,433	3,40,18,914	1,26,74,532	1,36,712	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	27.87	10	1.25	1.25	1.78		12	Y.P.T.
30,00,000 A'10,00,000	8,39,123	77,35,854	43,04,384	6,122	Bajoria & Co.	Star Paper Mills	13.12 13.12	O. 10 A. 10	0.60 0.60	0.60 0.60	0.30 0.30		9	Y.P.
2,18,55,240	56,23,786	5,27,98,634	1,40,50,912	72,313	Birla Brothers Private Ltd.	Sirpur Paper Mills	16.64	10	0.50	0.65	0.65		6	Y.P.
A.56,00,000 B.56,04,800 P.O.4,37,500	3,51,39,745	8,81,10,708	4,28,97,712	2,48,642	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	36.56 36.56 3.75	A. 10 B. 10 P.O. 2½	2.38* 2.38* 0.24	2.38* 2.38* 0.24	2.50* 2.50* 0.25*	2.50 2.50 0.295	3	Y.P.T.
99,98,675	4,70,475	5,11,72,599	35,807	..	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	196.00	100	Nil	Nil	Nil		6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs. or £	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
13,99,998	19,59,360	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.50	3	Nil	Nil	....	....	9	Y.
39,25,090 42,00,000	3,46,95,997	5,74,47,341	2,67,52,541	1,47,502	Wallace & Co.	Bombay-Burmah Trading Corpn.	564.50 197.50	Old125 New50	47.50K 19.00K	22.50 9.00	23.75 9.50	37.50 15.00	5	Y.
20,00,000	20,50,362	21,44,636	16,69,639	1,05,966	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	27.00	10	2.75	2.50	2.50	1.00§	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs. or £	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
13,00,905	9,93,823	31,10,427	19,27,489	48,466	M.	Balrampur Sugar	2.87	2.50	0.25	0.25	0.40†	0.20	6	Y.
12,00,000A. 3,00,000B.	36,05,704	66,14,329	42,19,339	10,00,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	125.00N 11.60N	A.100 B. 10	10.00 1.00	10.00 1.00	10.00 1.00		4	Y.T.
10,49,050	10,53,726	43,95,189	27,45,553	41,303	Bangur Bros., Ltd.	Belsund Sugar	11.62	7½	1.00	1.00	1.40		9	Y.
15,00,000	14,05,556	22,95,027	15,95,690	4,173	Cotton Agents Private Ltd.	Bharat Sugar	16.00	10	1.50	1.00	1.50	1.50	6	Y.P.
22,00,000	30,06,740	1,52,64,278	1,05,44,575	14,180	Gladstone Lyall & Co., Ltd.	Carew & Co.	9.50	10	Nil	0.25	Nil		6	Y.P.T.
30,00,000	65,53,414	1,66,89,434	1,04,13,264	—16,86,179	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	12.81	10	Nil	Nil	Nil		10	Y.P.
15,00,000	45,46,234	84,73,277	64,52,904	27,968	British India Corporation, Ltd.	Champaran Sugar	19.44	10	Nil	1.00	1.50	1.50	6	Y.
9,56,252	6,10,632	32,39,842	20,22,495	6,101	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.00	10	0.50	0.50	1.25		8	Y.T.
26,00,000	32,58,160	71,38,945	44,96,828	3,29,729	M.	Durbhanga Sugar Co., Ltd.	17.25	10	2.00	1.50	2.00		3	Y.
60,00,000	78,32,000	2,29,19,973	1,18,95,886	52,021	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	341.25	100	15.00	15.00	15.00	29.00*	6	Y.P.
22,50,000	14,41,216	33,56,310	54,42,213	9,576	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	190.00	40	7.00	4.00	4.20		7	Y.P.
7,89,100	30,31,969	57,67,867	33,25,497	34,691	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	2.50	2.50	3.65	3.65	6	Y.P.
11,00,000	4,58,234	49,29,289	29,36,570	10,502	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.25	0.37		5	Y.
13,59,375	63,73,211	83,62,456	32,23,024	20,512	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	360.00	100	20.00	20.00	29.00	29.00	6	Y.
77,52,210	89,76,949	2,77,58,474	1,49,52,234	24,386	Cotton Agents Private Ltd.	Oudh Sugar	198.00	100	12.50	12.50	18.25	20.00	7	Y.P.
12,00,000	13,65,815	37,56,130	22,83,413	1,62,250	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00N	100	Nil	6.00	15.00		10	Y.
9,00,000	23,02,870	51,19,941	35,72,535	4,006	M.	Partabpore Co.	12.50	10	Nil	Nil	Nil		10	Y.P.
20,00,000	2,92,000	25,30,109	14,67,024	2,192	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.37	10	0.30	0.30	0.30	0.40	3	Y.
65,00,000	27,33,845	85,30,103	39,46,664	65,217	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	12.75	10	1.50	1.25	1.20	1.25	10	Y.
8,00,000	6,80,752	29,27,567	23,93,295	4,779	M.	Ryam Sugar	13.75	10	1.50	1.50	0.50		6	Y.P.
11,89,000	16,90,377	43,13,634	26,03,330	20,614	M.	Samastipur Central Sugar	13.12	10	Nil	0.25			6	Y.
39,99,000	23,94,373	1,36,64,427	50,82,270	41,428	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	14.00	10	1.00	1.00	1.50		7	Y.P.T.
10,02,115	24,460	34,19,315	15,98,051	1,196	H. K. Ghosh, Esq. and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	5.94	10	Nil	Nil	Nil		6	Y.
15,89,962	16,10,752	89,27,180	22,85,030	21,350	M.	Shri Sitaram Sugar	12.00	10	0.50	0.50	0.90		8	Y.
7,00,035	10,42,692	26,39,333	15,99,355	19,286	M.	Tulsipur Sugar	4.94	5	....	....	....	0.62	6	Y.
3,00,000	43,66,902	1,83,27,976	97,43,200	44,480	Cotton Agents Private Ltd.	Upper Ganges Sugar	68.00N	10	5.00	5.00	7.25		6	Y.P.
10,00,000	14,52,294	38,53,170	28,50,100	1,08,870	M.	United Provinces Sugar	17.00	10	0.75	1.00	1.50		9	Y.

Other Centres

Paid-up Ordinary Capital Rs. or £	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
30,00,000	46,35,000	91,38,866	26,74,682	22,959	Rangarao & Co.	Andhra Sugars Ltd.	28.00	10	1.25	1.50	2.00		9	Y.
40,00,000	14,50,038	95,55,530	9,60,276	73,721	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	133.80xd	100	100	Nil	Nil	6.00	6	Y.P.
70,49,650	1,52,02,875	1,63,95,390	1,10,68,264	82,986	W. H. Brady & Co., Ltd.	Belapur Company	273.00xd	50	18.00	20.00*	21.00	29.00	9	Y.
17,50,000	16,67,724	47,71,723	29,36,495	93,383	A. H. Bhiwandiwalla & Co. (Bombay)	Bhopal Sugar Industries Ltd.	29.00	10	2.00	2.00	2.50	2.25	9	Y.P.
37,50,000	16,97,191	83,92,712	57,50,845	2,07,295	Private Ltd.	Shree Changdeo Sugar	29.50	12.50	2.25	2.25	2.90		9	Y.
39,84,000	58,53,634	1,45,32,270	78,22,738	1,29,253	Parry & Co. Ltd.	Deccan Sugar & Abkhari	14.30xd	5	0.72½'C'	0.99	0.90	1.28	5	Y.P.
£500,000	£1,575,453	£1,950,379	£1,101,544	£62,296	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	40.80	£1	Sh. 3	Sh. 4	Sh. 4		6	Y.P.T.
15,93,900	25,45,560	48,87,838	29,79,997	30,235	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	10.00	10.00	10.00		6	Y.P.
63,97,650	9,79,248	81,86,670	27,89,256	5,62,866	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.75	10	1.00	1.00	1.25		9	Y.P.
32,45,572	18,99,861	1,46,85,331	24,18,708	2,090	B. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.60cd	10	0.60	0.60	1.00		6	Y.P.
58,86,150	97,90,290	3,52,12,096	64,84,323	91,745	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	24.53cdXR	10	0.75	0.75	1.50		6	Y.P.
17,00,000	10,65,215	74,23,052	30,91,993	—10,90,954	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	76.50	100	Nil	Nil	Nil		6	Y.P.T.
67,50,000	49,93,556	1,46,05,921	66,20,929	1,61,904	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	189.00	50	26.00	17.00	21.00		9	Y.P.
21,79,250	99,00,180	1,62,19,219	1,01,73,932	45,172	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	58.25	10	2.00	3.00*	3.00		6	Y.
1,10,02,130	89,88,252	3,02,63,580	1,35,42,024	2,521	Industries (I.F.) Dept., Govt. of Andhra Pradesh	Nizam Sugar Factory Ltd.	66.00	25	4.50	4.50	5.40		6	Y.P.
50,00,000	54,16,691	1,38,37,318	77,64,979	21,809	Mafatlal Apte and Kantilal Pvt. Ltd	Phaltan Sugar	138.00xd	50	12.00*	10.00	12.50	12.00	9	Y.
16,59,820	41,05,354	78,05,159	39,33,780	59,442	Andersen Wright Ltd.	Ramnugger, Cane and Sugar	25.56	10	1.50	1.50	2.14		3	Y.P.T.
40,00,000 D-4,00,000	43,67,914	1,37,22,721	65,29,942	79,364	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	80.00 30.00	O. 50 D. 50	12.00 3.75	12.00 3.75	5.50 3.75		9	Y.P.T.
30,00,000	21,96,500	69,10,952	33,56,496	1,46,735	Parry & Co. Ltd.	Travancore Sugars	10.75	10	1.00	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,94,16,022	3,47,34,595	1,29,06,496	1,77,732	Walchand & Co. Private Ltd.	Walchandnagar Industries	216.25	100	21.00	21.00	20.00		7	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs. or £	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
30,00,000	16 33,754	80,65,990	12,43,589	966	Jolly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	305.00	100	..	Nil	Nil	6.00§	3	Y.P.
49,04,125	....	1,87,535	....	11,765	G. B. Kotak, Esq. (Chairman)	..	111.00	100	..	..	Nil	..	12	Y.
39,50,000	....	1,10,78,000	19,68,000	....	....	Automobile Products	11.92	10	..	..	..	..	7	Y.
7,50,000	2,66,060	22,10,441	9,31,437	2,466	The Associated Agencies (Pvt.) Ltd.	Associated Rubber Industries Ltd.	105.00	100	7.00	7.00	10.00		12	Y.P.T.
25,00,000 6,25,000	1,50,000	17,32,985	5,64,037	6,664	Jamnalal Sons Private Ltd.	Bajaj Electricals	109.50 53.00	100 50 New	7.50	9.00	5.00	8.10 2.70	3	Y.P.
14,08,840	5,27,709	37,56,956	23,15,609	17,694	Chocolal Manilal Private Ltd.	Estrela Batteries	59.00	50	2.50*	3.00	2.50*	4.50	3	Y.P.
16,00,000	9,40,683	10,20,495	4,90,761	31,694	Aero-Auto Private Ltd.	Bombay Cycle & Motor	23.52	20	1.75	1.00	2.00	2.50	3	Y.
1,14,00,000	13,000	1,08,24,000	15,000	27,205	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	241.25	100	..	..	Nil	..	12	Y.
1,35,00,000	50,12,115	21,25,643	7,05,848	44,119	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	158.50	100	7.50	10.00	7.50	11.00	3	Y.P.
4,00,000 51,66,500	....	9,14,417	11,195	39,818	P. H. Sorine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N 50.00N	100 50	..	..	..	..	10	Y.
31,07,000	3,75,592	1,28,44,460	76,81,774	—9,49,324	Birla Brothers Private Ltd.	Hind Cycles	91.50	100	12.50F	7.00	Nil	Nil	3	Y.P.
15,00,000	....	3,17,049	....	....	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	8.00	7.50	..	..	..		12	Y.
67,00,000	1,46,48,754	5,77,10,152	40,19,200	2,09,69,272	S. H. Turner, Esq. (Chairman)	Hindustan Lever	46.00	10	1.40	1.50	2.40		12	Y.
21,17,500	7,73,896	27,78,828	21,27,149	4,342	Forbes Forbes Campbell & Co., Pvt. Ltd.	Indian Vegetable Products Ltd.	135.00	100	10.00	10.00	15.00	17.00	9	Y.
[illegible]	33,93,823	5,94,58,227§§	....	99,763	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	71.00	100	4.00	4.00	5.00		12	Y.
30,00,250	20,22,470	1,31,66,987	....	58,613	Premchand Roychand & Sons	Industrial Investment Trust	81.00	100	5.50	6.00	6.00		12	Y.
15,55,900	8,40,945	48,67,187	19,20,438	7,498	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	134.50	100	5.00	6.00	8.50		12	Y.P.T.
30,00,000	1,30,912	83,42,718	49,35,398	5,912	Kamani Brothers Private Ltd.	Kamani Metals & Alloys Ltd.	10.00N	10	..	0.50	0.75		6	Y.P.T.
1,00,00,000 34,22,500	33,17,365	48,22,945	16,84,812	6,237	A. N. Halmar, Esq. (Mg. Director)	Killick Industries	100.00	100	11.00	13.00	9.00		11	Y.
12,50,300	2,18,870	19,92,555	15,00,469	85,265	Bhogilal H. P. Patel, Esq.	Laxmi Starch Factory Ltd.	169.50	100	5.00	6.00	9.00	13.00	3	Y.
11,25,100	30,000	13,42,164	4,06,142	2,85,196	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	89.50	100	3.00	7.00	6.00	10.00	3	Y.P.
27,60,000	40,51,233	32,24,133	43,83,594	1,37,061	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	410.00	100	15.00	18.00	25.00		12	Y.
25,99,300	24,59,766	65,97,395	13,34,590	30,136	Polson Agencies Private Ltd.	Polson Ltd.	167.00	10	10.00	10.00	15.00		12	Y.P.
4,73,28,625	1,17,81,972	5,94,80,083	2,64,36,782	3,23,922	Aero-Auto Private Ltd.	Premier Automobiles	168.00	100	6.00	4.00	9.00	9.00	6	Y.T.
4,73,200 5,13,400	1,71,915	30,66,967	9,69,029	29,056	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	6.00 3.00	6.00 3.00	9.00 4.50	3	Y.P.
75,00,000	....	....	....	....	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	102.00	50	..	..	..		12	Y.
37,50,000	18,80,748	67,28,501	34,94,295	15,405	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	176.00	100	8.00	8.00	14.00'C'	15.00	6	Y.
12,57,000	1,97,040	24,69,860	3,09,912	1,939	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	52.50	50	..	..	Nil		3	Y.P.
3,22,100	2,73,159	8,45,552	2,39,183	2,859	Modi & Co.	Supreme Industries Ltd.	157.50	100	6.00	7.50	9.00	13.00	3	Y.P.
3,75,00,000	1,77,59,954	4,62,08,135	1,92,16,142	4,86,613	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co. Ltd.	271.00	100	11.00*	11.00*	16.00*		12	Y.
17,50,000	2,86,719	29,42,302	15,42,187	20,699	Hasham Premji	Western India Vegetable Products Ltd.	122.50	100	7.00	8.00	8.00		3	Y.
[illegible]	66,42,890	11,56,665	5,47,970	1,56,267	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	357.50	150	25.00	25.00	35.00		12	Y.

M.—Managed by Board of Directors. On old capital. * Includes bonus. † Subject to taxation. K.—Includes an additional dividend of Rs. 7.00 per old share and Rs. 3.00 per new share.

§Exempt from tax. Investments at cost.

MISCELLANEOUS COMPANIES—*Continued.*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	
62,50,000	2,03,52,495	3,95,14,452	1,19,43,880	1,13,745	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	16.87	O. 10	0.90	0.90	1.00	1.20	3	Y.P.T.
30,00,000	39,83,750	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.45	10	1.25	1.25	1.25	1.80	3	Y.
30,00,000	37,04,326	37,09,127	26,34,530	2,22,752	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	21.81	10	1.80*	1.50	2.00	2.50*	8	Y.
3,02,87,658	26,63,610	2,20,70,296	60,76,913	20,076	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	8.98	5	0.30	0.30	0.40		12	Y.
20,00,000	20,24,770	40,25,468	21,84,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	20.00	10	1.25*	1.25*	1.80		12	Y.
1,18,00,000	..	..	..	..	H. M Cox	Associated Battery	36.50	10	1.50	2.40	4.00	1.50I	8	Y.
20,00,000	39,46,521	1,09,70,936	44,86,334	1,55,433	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	6.25	10	0.60	0.60	Nil	Nil	3	Y.P.T.
30,01,400	33,06,830	77,88,003	41,34,216	5,14,649	A. T. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	220.00	100	12.50	20.00	25.00	7.00I	12	Y.
12,00,000	22,70,218	35,44,373	30,14,273	2,19,995	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	42.37	10	2.50	2.50	4.50	1.50I	12	Y.
50,00,000	1,77,808	59,03,167	96,073	—4,55,649	H. R. Sugla, Esq. (Mg. Director)	Bharat Commerce & Industries Ltd.	19.62	10	Nil	Nil	Nil		12	Y.P.
20,00,000	7,79,721	64,19,086§§	....	55,032	Lovelock & Lewis	Birds Investment Ltd.	13.62	10	0.50	0.70	1.10		9	Y.P.
45,97,020	55,50,348	1,22,49,277	53,59,733	2,13,638	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	38.15	10	1.00	1.20	1.40	2.50	3	Y.P.T.
8,26,00,000	1,58,58,664	1,08,09,000	2,65,54,909	74,442	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	7.80	5	Nil	Nil	Nil		12	Y.P.
1,38,80,000	14,44,228	1,90,82,924§§	....	2,16,878	Andrew Yule & Co., Ltd.	Clive Row Investment	8.94	10	0.75	0.75	0.83H		12	Y.
5,60,000	10,00,000	39,64,879	26,56,156	3,266	M.	Delhi Flour Mills, Co., Ltd.	15.00N	10	1.00	1.00			10	Y.P.T.
3,00,00,000	5,12,37,509	9,62,33,758	3,45,33,270	24,03,447	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	42.31	10	1.62	1.62	2.15		12	Y.P.T.
27,27,165	1,20,49,803	59,73,067	23,80,820	26,402	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	28.00	5	0.60	0.75	0.80	1.25	3	Y.
51,20,000	59,19,702	1,63,50,496§§	....	3,49,092	Bird & Co. Private Ltd.	Eastern Investment Ltd.	137.00	100	9.00	9.00	14.00	14.00	12	Y.P.
24,99,000	3,52,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	15.00	10	Nil	Nil	0.50		12	Y.P.
46,90,137	77,72,310	95,23,776	52,36,250	4,07,338	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	16.75	12.50	1.50	1.50	1.60		9	Y.P.
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	218.00	100	12.00	15.00	17.00	17.50	3	
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	11.06	10	0.80	1.25	1.25		3	Y.
65,00,000	36,24,200	30,57,755	15,91,667	1,71,222	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	13.21	10	1.00	1.00	1.00	1.00	3	Y.P.
40,00,000	4,73,500	70,95,493	41,39,847	10,40,721	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	24.75N	10	1.50	2.00	2.60		12	Y.P.
30,00,000	15,67,354	84,64,988	38,51,718	59,181	B. P. R. Syndicate	Great Eastern Hotel	235.00	250	5.00				3	Y.
4,96,13,275	49,51,450	7,36,56,187	3,25,48,254	3,63,217	Birla Brothers Private Ltd.	Hindustan Motors	20.92	10	Nil	Nil	0.50	0.90	3	Y.P.
30,00,000	16,64,523	99,48,437	33,67,174	1,31,125	Lalukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	29.50	10	0.60	0.60	1.20		10	Y.
15,16,00,000	9,64,76,893	11,31,66,117	2,88,76,995	24,77,765	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	12.31	10	0.70	0.70	0.60	0.80	3	Y.
3,97,67,760	2,01,79,740	9,72,38,273	3,00,11,654	38,42,051	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	30.62	10	0.60	0.70	1.20		12	Y.P.T.
2,35,77,700	2,02,99,648	2,95,48,176	§1,37,19,570	45,64,364	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	33.75	10	1.50*	1.50*	1.50*	2.25	3	Y.P.T.
2,00,00,000	1,28,81,493	5,99,68,652	2,48,66,248	13,78,431	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	35.00xd XR	10	1.00	1.00	1.50	1.50	9	Y.
29,88,250	70,550	51,92,992	17,57,026	33,618	M.	Indian Plastics Ltd.	10.50	10	0.37	Nil	Nil	Nil	3	Y.P.
3,27,970	6,14,570	17,46,166	10,03,558	97,031	M.	Indian Rubber Manufacturers	18.00	10	0.62				3	Y.P.
2,00,00,000	73,10,723	42,66,244	15,92,103	5,21,494	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	65.00	100	2.50	2.50	5.00	7.00	3	Y.P.
15,00,000	12,02,095	18,79,279	13,27,977	17,262	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	11.56	10	2.00	3.50	2.00	1.00	3	Y.P.
1,45,82,750	1,13,19,046	69,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	28.37	10	2.12*	2.12*	2.75		9	Y.P.
6,00,000	4,20,000	14,85,526	6,06,994	1,49,226	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	31.25	10	2.40	2.00	3.00	..	12	Y.
40,00,000O. / 5,00,000D.	74,10,730	31,01,156	12,70,257	2,42,718	M.	McLeod & Co.	214.00 / —	O. 100 / D.O.10	12.50 / 0.75	12.50 / 0.75	15.00 / 1.00		12	Y.P.
1,60,00,000	1,64,75,151	3,36,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	45.25	10	1.75	1.75	1.75	2.50'C'	3	Y.P.
9,05,000	3,88,838	12,14,622	5,16,829	4,812	N. G. Ayyangar Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	214.00	100	8.00	11.00	15.00		3	Y.
6,56,250	6,92,500	11,29,680	5,97,362	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	24.90	10	1.25	1.50	1.60		3	Y.P.
10,00,000	3,16,884	17,88,367	10,32,038	622	M. Mallaraj Urs. (Mg. Director)	Mysore Tobacco	12.05	10	1.50	1.25	1.25	1.00	3	Y.
90,00,000	1,37,56,692	1,31,19,135	51,35,368	86,389	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	32.37	10	2.00	2.00	2.00	2.50'C'	3	Y.P.
30,00,000	17,70,000	49,56,249	25,37,459	87,684	Do.	National Pipes & Tubes Co., Ltd.	23.75	10	2.00	1.25	1.50		9	Y.P.
40,00,000	30,19,000	83,22,477	35,76,949	1,31,135	Do.	National Rolling & Steel Ropes	19.75	10	0.60	1.00	1.00	1.30	6	Y.
49,97,064	9,15,876	83,55,363	33,67,559	14,523	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	23.81	10	1.00	0.60'C'	0.85		12	Y.
79,97,000	1,02,10,881	1,36,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	21.62	10	0.90	1.10	1.60		12	Y.P.T.
23,32,100	11,02,391	40,65,244§§	....	45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	48.00N	75	2.50	3.75	6.50		12	Y.
10,00,000	5,52,000	12,55,063	6,00,215	1,51,607	Parry & Co., Ltd.	Parrys Confectionery Ltd.	5.20	1	0.20	0.20	0.20	0.30	3	Y.
2,20,00,000	50,68,956	1,48,74,355	48,82,803	47,214	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	28.19	10	0.34	0.85	1.20		12	Y.
62,50,000	..	..	..	..	Duncan Brothers & Co., Ltd.	Phillips Carbon	18.12	5	..	..	..		12	Y.
15,00,000	1,09,431	8,39,781	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	4.10	5	0.45	0.375	..		12	Y.
24,89,344	2,28,127	33,81,124	18,21,778	42,739	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.15	10	1.20	1.60	1.60		3	Y.
3,25,00,000	40,500	66,75,849	30,89,526	2,54,744	Badridas Goenka, Esq., (Chairman)	Rallis India Ltd.	143.00cd	100	Nil	Nil	Nil		3	Y.
2,50,80,000	2,49,55,000	14,76,38,674	6,18,95,237	1,93,085	Sahu Jain Ltd.	Rohtas Industries	20.81	10	....	2.00	1.50	2.00	3	Y.P.
70,00,000	38,78,198	2,58,69,675	52,19,131	1,60,686	M.	Sen-Raleigh Industries	25.50	10	0.60	0.60	1.50		9	Y.P.T.
75,00,000	45,78,890	1,17,50,536	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	23.37	10	1.00	1.00	0.80		12	Y.P.
40,00,000	91,26,201	1,53,82,019	78,19,485	7,55,863	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22.70cd	10	1.50	1.50	1.50	1.80	6	Y.P.
37,90,180	20,65,000	1,17,02,171	30,48,561	3,869	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.75	10	0.75	0.75	0.90		12	Y.P.
15,00,000	95,24,802	1,18,49,116	28,52,132	53,431	J. K. Agents Private Ltd.	Straw Products Ltd. S	12.32N	10	1.25	1.25	1.50		12	Y.P.
22,89,270	16,32,908	14,78,453	3,93,694	14,18,847	M.N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	34.00	10	2.00	2.25	3.00	3.00	6	Y.
9,98,980	24,035	16,75,093	6,66,618	12,416	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.25	10	Nil	0.40	0.60		12	Y.
11,56,390	14,70,739	12,72,077	6,76,580	41,732	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	36.00cd	10	2.00	2.00	2.75		9	Y.P.
2,49,98,600	1,26,10,316	3,46,95,651	65,94,797	3,04,545	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	291.00	100	10.00	10.00	10.00	10.00	7	Y.
30,58,950	29,686	68,68,938	17,68,838	56,308	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	9.75	10	Nil	Nil	Nil		9	Y.T.
3,00,00,000	1,15,35,505	3,85,11,692	95,31,873	43,63,429	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	55.00	10	1.40	1.40	1.80	0.75I	12	Y.
20,00,000	47,50,000	59,48,867	18,86,024	1,24,443	Vital Mallya, Esq. (Chairman)	United Breweries	112.00	10	2.00	3.00	3.00(c)		3	Y.
5,00,000	6,80,591	8,62,017	5,62,017	9,730	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	33.00N	10	4.00	3.75	5.25		11	Y.
31,29,500	25,59,264	98,81,836	25,54,513	5,401	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	240.00	100	10.00	10.00	10.00	10.00'C'	3	Y.R.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	
20,00,000	†96,44,220	1,16,86,916	29,83,068	†26,410	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	95.00	100	5.00	6.00	3.00		10	Y.P.
1,00,00,000	94,04,072	3,99,21,508	2,05,16,725	—7,10,928	Dinshaw (Private) Ltd.	Bharat Line	7.00	10	1.20*	1.20*	Nil		12	Y.
60,00,000 / 25,00,000	2,17,74,568	8,51,80,151	2,15,53,555	1,32,013	A. H. Bhiwandiwalla & Co (Bombay) Private Ltd.	Great Eastern Shipping Co.	14.84 / 8.40xd	10 / 5(New)	1.50	1.80 / 0.90	1.50 / 0.525	1.00 / 0.50	6	Y.P.
£655,580	£936,735	£5,311,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	65.00	£10	Nil	Nil				
2,47,50,000	2,89,74,088	22,68,81,851	4,96,14,634	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	9.00	10	1.00	1.00	1.80	1.00	12	Y.P.
11,28,19,293	11,32,52,989	35,02,81,320	9,83,12,870	—16,13,456	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	14.88	20	1.25	1.25	1.36	0.60	8	Y.P.
3,40,800 / 2,10,300P.O.	21,45,788	13,10,577	9,03,867	1,67,197	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.41 / 2.25	O. 1 / P.O. 1	0.14 / 0.12	0.14 / 0.12	0.20 / 0.15		6 / 12	Y.T. / Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
35,50,000	35,44,700	1,23,77,423	80,99,858	11,999	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23.25	10	1.25	1.25	1.50	1.00	3	Y.
12,00,000	2,96,858	38,08,529	34,12,329	—5,58,532	Jardine Henderson Ltd.	Barraree Coke	13.75	10	0.37	0.50	Nil	Nil	3	Y.
4,49,850	88,000	9,25,102	5,69,530	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	6.00	10	0.90	0.60			12	Y.
1,00,00,000	1,64,79,081	6,96,58,688	4,68,54,445	10,20,411	Andrew Yule & Co., Ltd.	Bengal Coal	340.00	100	17.50	17.50	25.00	10.00I	10	Y.
3,25,000	4,90,671	23,57,602	21,45,467	—24,902	Andrew Yule & Co., Ltd.	Bengal-Nagpur	22.00	10	Nil	Nil	Nil		12	Y.P.
40,00,000	61,200	1,47,66,411	80,25,554	2,25,971	Sahu Jain Ltd.	Bharat Collieries	4.59	10	0.60	0.60	Nil		6	Y.
7,15,000	14,93,844	57,66,346	36,78,757	—6,96,032	M.	Bhulanbararee	6.50N	10	Nil	Nil	Nil		12	Y.P.T.
7,50,000	20,32,392	45,36,993	28,95,896	19,880	F. W. Heilgers & Co. (Private) Ltd.	Borrea	22.75	10	0.75	0.75	1.00		12	Y.T.
99,92,450	1,77,68,238	4,58,82,424	2,17,98,561	1,10,788	Bird & Co. Private Ltd.	Burrakur	19.87	10	0.75	0.875	1.30	0.50I	6	Y.P.
49,97,000	4,62,979	74,82,076	25,32,605	27,542	Hindustan Investment Corpn. Ltd.	Central India	12.87	10	0.50	0.50	0.50	0.80	3	Y.P.T.
3,00,000	12,90,590	49,56,445	35,71,353	23,320	M.	Central Kurkend	7.00N	10	0.70	0.50			12	Y.
6,00,000	1,54,873	6,36,341(k)	....	941	F.W. Heilgers & Co. (Private) Ltd.	Churlia	3.56	4	0.20	0.20	0.12		12	Y.
16,00,000	....	57,45,962	32,76,326	—28,095	Macneill & Barry Ltd.	Dhemo Main	9.00	10	Nil	Nil			12	Y.
£240,000	£3,52,069	£1,124,710	£812,966	£7,006	Jardine Henderson Ltd.	East Indian	33.00	£1	1.50	1.00	1.25	1.00	4	Y.
29,63,760	1,07,01,492	4,76,99,617	3,33,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	31.12	10	1.50	1.50	0.75		12	Y.
10,00,000	40,000	24,58,595	8,45,200	—5,80,078	Bhatter's Agency Ltd.	Ghusick and Muslia	13.50	10	Nil	Nil	Nil	Nil	3	Y.P.T.
12,00,000	1,27,964	43,44,376	27,68,441	—1,87,129	Killick Industries Ltd.	Hingir-Rampur	23.00	50	Nil	Nil	Nil	Nil	6	Y.
3,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	11.00	10	Nil	Nil			12	Y.P.
20,00,000	5,37,841	40,32,438	10,76,764	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	212.00	100	Nil	5.00	5.00	7.50	2	Y.
5,00,000	21,66,090	56,77,095	40,80,864	1,81,658	Andrew Yule & Co., Ltd.	Katras Jherriah	42.50	10	6.50	6.50	6.50	9.50	1	Y.P.
11,00,240	68,856	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	8.25	10	Nil	Nil			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	14.00N	10	0.12	1.00			4	Y.
7,48,240	2,50,000	13,59,878	10,13,353	17,140	Tantia Brothers Private Ltd.	Nazira	7.50	10	0.75	0.75	1.00		12	Y.
17,76,230	23,80,325	1,52,03,775	1,01,37,915	81,185	Andrew Yule & Co., Ltd.	New Beerbhoom	21.12	10	0.75	1.00	1.50	0.60I	10	Y.
6,00,000	2,88,645	28,54,261	19,79,034	56,603	Octavius Steel & Co., Ltd.	New Manbhoom	15.50	10	0.50	0.50	0.50	0.75	3	Y.P.
1,15,000 / 1,57,500	3,84,525	12,96,398	9,60,464	23,053	Andrew Yule & Co., Ltd.	North West	22.00N / 19.00N	10 / 7.50	1.50 / 1.12	1.50 / 1.12	1.50 / 1.12	2.00 / 1.50	3	Y.
7,50,000	16,65,465	2,62,538	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman)	Ondal	11.00	10	0.50	0.50	0.70		12	Y.
8,34,000	1,82,527	28,59,307	12,11,228	1,026	Deepchand Kishenlall	Parasea	17.50N	10	0.50	0.50	0.62		12	Y.P.
15,75,000	22,83,200	76,91,776	47,81,408	14,547	Shaw Wallace & Co., Ltd.	Pench Valley	20.06	10	2.00	2.00	1.00	1.00	3	Y.P.T.
23,99,500	34,89,802	1,52,74,203	1,05,98,171	8,664	M.	Raneegunge	17.06	10	0.75	1.00	1.00	1.50	3	Y.
18,50,000	6,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	24.50	10	1.00	1.00	1.00	0.75I	12	Y.
37,50,000	36,62,940	1,08,14,676	84,23,229	—6,560	M.	Samla Collieries	9.25N	10	0.90	0.50	0.70	..	12	Y.
13,00,000	2,83,010	22,73,864	7,51,427	2,609	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	119.00	100	9.25	12.50	16.00		12	Y.
2,80,000	10,53,529	30,26,230	20,57,054	45,862	Andrew Yule & Co., Ltd.	Seebpore	33.00	7	1.75	1.75	3.00	1.00I	12	Y.
5,00,000	4,54,665	11,88,809(k)	....	5,451	F. W. Heilgers & Co. (Private) Ltd.	Sendra	10.00	10	0.25	Nil	0.35		12	Y.P.
63,21,450	1,24,58,755	7,11,84,167	3,19,11,631	90,858	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	9.75	10	1.50	0.75	0.75		12	Y.
17,50,000	8,47,303	41,74,967	19,33,899	19,788	Bird & Co., Private Ltd.	South Karanpura	12.81	10	0.75	0.75	0.90		12	Y.P.
3,00,000	15,46,229	24,83,605(k)	....	24,861	F. W. Heilgers & Co. (Private) Ltd.	Standard	12.75	10	1.00	1.25	1.50		3	Y.
3,50,000	2,81,000	20,49,970	15,40,057	28,484	B. M. Varma, Esq. (Mg. Director)	Union	12.00	10	0.37	0.25	Nil		12	Y.
49,98,000	3,56,533	86,93,251	32,75,682	12,536	Hindustan Investment Corpn. Ltd.	Western Bengal	8.44	10	0.50	0.40	0.40		12	Y.
7,00,000	....	59,74,151	29,16,909	—4,85,709	Macneill & Barry Ltd.	West Jamuria	8.00	10	Nil	Nil		0.60	3	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955.
H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.
M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. 'C'—On increased Capital. §§ Investment at cost. * Includes bonus.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,00,000	3,36,012	Allahabad Bank	347.00 / 173.50	100 / 50	18.00‡ / 9.00‡	18.00‡ / 9.00‡	18.00‡ / 9.00‡		12	Y.P.
1,01,000 / 40,78,300	19,73,220	10,301	Andhra Bank	100.00 / 86.00	100 / 85	6.00 / 5.10	6.00 / 5.10	8.02 / 6.40		6,12	H.
1,50,00,000	1,60,06,625	1,02,801	Bank of Baroda	95.50	50	7.00	6.00	7.00	3.50I	12	Y.
2,50,00,000 / 50,00,000'A'	3,10,00,000	12,47,743	Bank of India	119.50 / 125.00	50 / 50'A'	8.00 / 8.00	8.00 / 8.00	8.00 / 8.00	3.75I / 3.75I	6,12	R.L.Y.
80,71,820 / 67,08,155	13,22,881	27,745	Bharat Nidhi Ltd.	8.85 / —	10 / 2.50	0.50	0.60	‡‡	..	12	
36,00,000	59,80,000	45,000	Canara Bank Ltd.	85.00cd	50	5.00	5.00	7.50	7.50	12	Y.P.
12,50,000	19,35,000	11,250	Canara Banking Corporation Ltd.	80.00cd	50	5.00‡	5.00	7.50	7.50	12	Y.P.
'A' 5,99,620 / 'B' 16,00,000 / 'C' 2,00,000	42,50,000	29,000	Canara Ind. & Bkg. Syndicate Ltd.	188.00 / 18.50 / 1.88	100 'A' / 10 'B' / 1 'C'	15.00 / .. / 0.15	15.00‡ / .. / 0.15	20.00‡ / 2.00‡ / 0.20‡	20.00 / 2.00 / 0.20	12	Y.
2,62,50,000 / A.52,50,000	4,07,63,265	18,82,560	Central Bank of India Ltd.	56.50 / 59.00	25 / 25	3.50 / 3.50	0.15‡ / 3.50	4.30 / 4.30		12	R.L.Y.
50,00,000	60,00,000	7,86,033	Devkaran Nanjee Banking Co.	61.00	50	3.00	3.50	2.52	1.38	12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank	15.50	50	Nil	Nil			12	Y.
50,00,000	2,30,000	5,519	Hindustan Merchantile Bank	14.50	50	Nil	Nil	Nil		12	Y.
60,60,000 / 22,40,000	84,01,884	80,143	Indian Bank	171.00 / 143.50	100 / 80	15.00‡ / 12.00‡	13.00‡ / 10.40‡	12.00 / 15.00‡		12 / 6, 12	Y / R.L.Y.
74,53,000	68,86,660	1,92,435	Indian Overseas Bank	188.50cd	100	10.00	10.00	12.00	14.00		
15,00,000	12,00,000	28,839	Pandyan Bank Ltd.	33.00	25	1.87	2.50	14.75		12	
1,25,00,000	1,58,50,000	4,18,000	Punjab National Bank—K	20.52	10	5.00	2.00	2.00	2.00	12	Y.
5,62,50,000	7,45,00,000	56,20,525	State Bank India	315.00xd	100	16.00	16.00	20.00	22.75	12	Y.
60,00,000	47,00,000	97,247	Union Bank of India	6.56	5	0.44	0.44	0.57		12	Y.
2,00,00,000	1,75,00,000	1,04,096	United Commercial Bank	85.00	50	3.75	3.75	5.30		12	H.
2,68,43,647	83,70,000	1,81,565	United Bank of India	4.94	10	0.30	0.30	0.43		12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend (per cent.) 1957	1958	1959	1960	Accounts Closed	Reference
£5,000,000	£5,500,000	£463,355	Chartered Bank	£2-2-6	£1	15†	15†	15†	8†I	12	Y.
H.K.$.79,046,125	£15,000,000	£138,000	Hongkong and Shanghai Banking Corporation	$96	H.K. $125	3¾*Z	3*	3*	3¾*	12	Y.
£34,809,506	£24,950,000	£569,125	Lloyds Bank	£3-4-0	£1	13†	12½'C'	12†	6†I	12	Y.
£4,562,400	£3,000,000	£301,488	National and Grindlays Bank Ltd.	£1-16-9	sh.15	15†	15†	12½†	6¼†I	12	Y.

‡ Includes bonus. † Less tax. (I) Interim. xr—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital. C—On increased Capital. * £ per share free of tax.
K—Punjab National Bank—Dividends for 1956 and 1957 are on shares of Rs. 25 each.
‡‡ Bharat Nidhi Ltd. One Punjab National Bank share for 20 fully paid up ordinary shares or 80 partly paid up ordinary shares of the company for the year 1959 as a specie dividend. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
17,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1963
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	99.75	1st August .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November .. 1959-64
			COAL			
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December .. 1968 (a)‡
			COTTON			
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (b)
65,22,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972‡(a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	99.75	1st April .. 1967-70
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
30,00,000	6½	1st January and 1st July	Shree Nivas	1958	100.00	31st December .. 1970
60,00,000	6½	1st April and 1st October	Simplex	1959	100.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Vishnu	1955	94.50	1st June .. 1966-70
39,51,000	5	1st June	Tata Mills	1951	92.00	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	97.75	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	99.00	31st March .. 1975
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.75	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½T	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	99.00	1st July .. 1970
2,50,00,000	4	1st January and 1st July	Tata Power	1949	86.00	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	104.50	1st January .. 1966-71
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	98.25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.50	1st October .. 1960-65
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
9,00,000	5	31st January and 31st July	Calcutta	1949	87.00	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	95.00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	82.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.00	31st March .. 1967
10,00,000	6½	31st January and 31st July	Waverley	1925	80.00	31st August .. 1972
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par on every seventh year thereafter 1st October .. 1974
£139,051	5	1st April and 1st October	Calcutta Tramways	1933	£74.10N	At 105% at any time on 6 months' notice or at par on every seventh year thereafter 1st October .. 1974
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
3,54,76,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	97.00	1st September .. 1963
			PLANTING			
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-63†
3,75,000	6T.F.	1st January and 1st July	Kallas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
			MISCELLANEOUS			
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	99.75	1st September .. 1964-69(a)§
3,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	100.00	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	82.00	 1966
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	105.50	1st January .. 1973 (a)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50	30th June .. 1969 (a)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	102.75	1st January .. 1975
12,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
8,34,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	525.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a); 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100.00	30th June .. 1965-70
1,60,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	91.00	31st March .. 1961 (a)
7,43,850	6½	1st January and 1st July	Premier Automobile	1958	125.50	31st March .. 1963-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96.00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
[illegible]	6	16th Feb. and 16th August	Shree Gopal Paper Mills Ltd.	1955	96.00	16th February .. 1961 (a)
[illegible]	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1958	100.00	1st May .. 1964-68 (a)‡‡
5,31,000	5	31st January and 31st July	Tata Chemicals Ltd.	1945	97.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co., Ltd.	1959	100.00N	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 30 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent. on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 23rd February, 1961.

	Closing quotations 16-2-1961	High	Low	Closing quotations 23-2-1961
TEXTILES	Rs.	Rs.	Rs	Rs.
Ahm. Adv. (100)	168.00	—	—	168.00
Apollo (2)	1.54	1.58	1.52	1.54
Baroda Rayon (100)	124.00	144.00	123.50	140.00
Bombay Dyeing (25)	62.50	64.20	62.20	64.00
Bradbury (50)	117.50	—	—	117.50
Central India (100)	106.00	118.50	106.00	109.00
Century Mills (100)	490.50	504.50	491.00	499.50
Coorla Sp. (100)	131.25	—	—	131.25
Dawn (50)	121.00	124.00	121.50	124.00
Edward Textile (200)	262.50	—	—	262.50
Elphinstone (50)	66.00	66.50	65.00	66.00
Finlay (100)	330.00	333.00	328.00	332.00
Gokak (100)	169.00	170.00	166.00	168.00
Gold Mohur (100)	252.50	—	—	252.50
Gwalior Rayon (10)	43.85	45.25	43.85	44.50
Ind. Untd. Defd. (1)	1.56	1.70	1.54	1.64
Ind. Untd. Ord. (10)	14.56	14.64	14.48	14.48
Indian Rayon (62.50)	65.00	68.50	64.50	68.50
Indore Malwa (100)	139.00	140.00	137.50	140.00
Khatau (100)	452.50	493.75	455.00	486.25
Kohinoor (100)	281.50	288.50	282.50	285.50
Lakshmi (250)	502.50	—	—	502.50
Mafatlal (100)	765.00	780.00	765.00	777.50
Minerva Mills (100)	72.00	—	—	72.00
Model Nagpur (250)	60.00	80.00	60.00	80.00
Morarji (100)	343.00	365.00	342.00	355.00
Mysore (50)	58.50	63.00	58.00	63.00
National Rayons (100)	507.00	519.00	508.00	514.00
New City (100)	150.00	—	—	150.00
New Great (100)	193.00	195.00	193.00	193.00
Phoenix (100)	141.50	145.00	141.50	145.00
Podar Mills (100)	138.00	140.50	138.00	140.00
Raymond Woollen (100)	106.00	107.00	106.00	106.25
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	47.00	49.25	47.00	49.25
Shrinivas (100)	247.00	253.00	246.00	250.00
Simplex (50)	168.00	173.00	168.50	172.00
Standard (100)	1,118.00	1,225.00	1,112.00	1,210.00
Svadeshi (100)	243.50	251.00	242.00	250.00
Swan (100)	495.00	500.00	495.00	500.00
Tata Mill (25)	42.50	45.00	42.50	44.50
Vishnu (100)	106.25	108.75	106.25	108.75
Western India (1,000)	3,725.00	—	—	3,725.00
BANKS				
Bank of India (50)	120.00	120.00	119.00	119.50
Do. (New) (50)	125.00	125.50	125.00	125.50
Bank of Baroda (50)	95.50	95.50	95.00	95.50
Central (25)	56.50	56.50	56.00	56.50
Central 'A' (25)	59.00	59.30	58.50	59.00
Dena Bank (50)	60.00	61.00	60.00	61.00
Punjab National (10)	20.28	20.76	20.24	20.76
Union Bank (5)	6.56	6.56	6.48	6.56
United Com. (50)	85.00	—	—	85.00
ELECTRIC COS.				
Ahmedabad (100)	86.50	87.30	86.00	87.00
Amalgamated (10)	9.96	10.04	9.96	10.04
Andhra Valley (1,000)	982.50	992.50	982.50	990.00
Bom. Sub. El. (100)	83.50	85.80	83.00	85.80
Surat (100)	84.50	85.50	84.00	85.50
Tata Hydro (100)	101.00	101.50	100.50	101.25
Tata Power (1,000)	1,015.00	1,022.50	1,012.50	1,022.50
INSURANCE COS.				
British India (10)	12.04	—	—	12.04
Indian Mercantile (20)	43.25	—	—	43.25
New India (15)	54.00	54.00	52.00	53.70
New India 'A' (15)	56.00	56.00	53.20	54.00
Vulcan (10)	16.48	—	—	16.48
STEEL COS.				
Ind. Iron (10)	24.56	25.25	24.60	25.10
Mukand Iron (10)	24.00	26.00	24.00	26.00
Tata Steel Ord. (75)	145.50	150.25	145.75	150.00
SUGAR COS.				
Belapur (50)	293.00	293.00	271.00	278.00xd
Bhopal (10)	29.00	—	—	29.00
Changdeo (12.50)	29.50	29.50	26.00	26.00
Phaltan (50)	144.00	144.00	134.00	140.00
Walchand Ind. (100)	212.50	222.50	210.00	222.50
CEMENT COS.				
Associated Cts. (100)	143.50	150.25	143.25	149.75
Digvijay (100)	155.00	160.00	156.00	158.00
Orissa (10)	13.44	13.64	13.44	13.56
MISCELLANEOUS				
Alcock Ashdown (100)	264.00	284.00	264.00	278.00
Bom. Burmah (125)	555.50	570.00	557.00	566.50
Do. (New) (50)	195.00	198.75	195.00	197.50
Br. B. Petrol (4 sh.)	2.02	2.06	2.00	2.04
Br. I. Corpn. (5)	7.68	7.80	7.68	7.72
Cooper Eng. (100)	179.00	189.00	177.50	189.00
Colour Chem. (100)	317.50	370.00	320.00	370.00
Hind Cycle (100)	90.50	91.50	90.50	91.50
Hindustan Lever (10)	44.00	46.50	44.00	46.50
Hindusthan Motors (10)	20.24	21.08	20.24	20.92
I. C. & Invest. Corporation (100)	71.00	—	—	71.00
Indian Dyestuff (100)	450.00	475.00	447.50	467.50
Indian Copper (2 sh.)	4.90	4.98	4.88	4.96
Ind. Inv. Tr. (100)	80.00	81.00	79.50	81.00
Killicks (100)	99.50	100.00	99.00	99.50
Larsen & Toubro (10)	38.00	40.00	38.00	39.25
Mahindra & Mahindra (10)	20.60	22.00	20.24	22.00
New Central Jute (10)	18.00	—	—	18.00
Polson (100)	161.00	167.00	161.00	167.00
Pre. Automobiles (100)	164.50	170.00	164.50	168.50
Premier Con. (80)	186.50	198.50	187.00	196.50
Scindia (20)	14.32	15.16	14.32	14.96
G. B. Shipping (10)	14.76	14.84	14.68	14.68
Shivrajpur (10)	83.50	90.50	82.50	90.00
Sirpur Paper (10)	15.92	16.80	15.80	16.76
Tata Chemicals (10)	18.16	18.72	18.24	18.40
Tata Locomotive (100)	297.50	314.00	298.50	313.00
Tata Oil (25)	74.20	76.50	74.50	76.00
Texmaco (10)	23.16	23.60	23.60	23.60
Voltas (100)	261.25	273.00	261.50	270.50
W. I. Match (100)	265.00	274.00	266.00	273.00
W. Coast Paper (100)	193.00	201.00	192.00	195.50

GOVERNMENT SECURITIES	16-2-1961 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	23-2-1961 Rs
2½% 1961	99.25	—	4.10	99.35
2¾% 1962	98.05	—	3.90	98.10
2¾% 1976	88.50	—	4.23	88.50
3% 1964	97.95	—	3.59	97.95
3% 1963-65	97.80	3.86	3.51	97.80
3% 1966-68	95.60	3.85	3.65	95.70
3% 1970-75 1st Dev.	90.50	4.23	3.87	90.70
3% 1986 Con. Loan	74.10	—	4.03*	74.05
3½% 1961 N.P. Bonds	100.00	—	3.50	100.00
3½% 1964 N.P. Loan	99.40	—	3.66	99.45
3½% 1965 N.P. Bonds	99.30	—	3.65	99.65
3½% 1962	99.65	—	3.50	99.65
3½% 1967 N.P. Bonds	98.85	—	3.72	98.85
3½% 1974	99.70	—	3.78	99.70
3¾% 1967 N.P. Bonds	100.75	—	3.63	100.75
3½% 1969 Loan	98.75	—	3.68	98.75
3½% 1966	98.80	—	3.70	98.80
3¾% 1963 N.P. Bonds	99.80	—	3.60	99.80
3¾% 1968 N.P. Bonds	100.65	—	3.66	100.65
4% 1972 Loan	100.50	—	3.95	100.50
4% 1973 Loan	100.40	—	3.95	100.40
4% 1979 Loans	100.10	—	3.99	100.10
3½% 1966 Bonds	99.50	—	3.64	99.50
4% 1980 Loan	99.95	—	4.01	99.95

*Current Income. xd—Ex-dividend. X.R.—Ex-Right.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	102.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sep.	90.00	100
Cawnpore Sugar Works T.F.C.	10,00,900	1905-24	8.00	Feb.	Aug.	114.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	6.33cd	5
East India Distilleries T.F.C.	£200,000	1897	7.00	Jan.	July	17.25cd	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec.	..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	62.00	100
Partabpore Co. C.	6,00,000	1922	10.00	Oct.	..	12.00	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	84.00	100
Ravalgaon Sugar C.	20,00,000	1948	5.50	Oct.	Apr.	62.50	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	7.40	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	118.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	6.50	Oct.	Apr.	79.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-19	7.00	Apr.	Oct.	92.00	100
Do. (2nd) C.	4,50,000	1949	6.00	..	..	7.12	10
Equitable T.F.	4,00,000	1895	8.00	Mar.	Sept.	75.00	100½
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	56.00	75p.
††Khas Kajora C.	1,93,000	1931	5.00	Mar.	Sept.	7.50	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	11.00	10
Ondal T.F.C.	2,00,000	1896-99	6.00	Apr.	Oct.	80.00	100
COTTON							
Ahmedabad Advance T.F.C.‡	10,00,000	1939	5.00	Apr.	Oct.	78.00	100
Bangalore C.T.F.	6,00,000	1934	6.00	Jan.	July	115.00	100
Basanti Cotton T.F.	5,00,000	1933	6.25	Nov.	..	8.25	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	160.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	53.50	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	125.00	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr.	..	109.00	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	375.00	495
Century Spg. & Mfg. Co. T.F.R.C.	1,25,00,000	1956	6.00	Dec.	..	112.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1935	6.50	June	..	78.75	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	114.00cd	100
Elgin 'B' T.F.C.	4,20,000	1943	5.50	July	..	7.00cd	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	61.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June	Dec.	103.00	100
Khatau Makanji (2nd) T.F.	20,92,500	1947	4.00	Nov.	..	72.00	10
Kothari C.T.F.	13,00,000	1937	6.00	Dec.	..	9.30	5
Kothari 'B' (Pref.) T.F.C.	6,00,000		6.00	..	..	10.00N	250
Lakshmi Cotton (Bombay) C.	16,00,000	1896	5.00	..	..	150.00	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	70.30	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	22.76	[illegible]
National Rayon C.	1,74,64,700	1947	5.00	..	..	70.50	100
New Great	8,00,000	1918	5.50	Mar.	..	99.50	200
Podar Mills T.F.C.	10,00,000	1943	4.00	Feb.	..	65.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr.	..	47.75	50
Shree Niwas Cotton T.F.C.R.	4,50,000	1944	4.00	..	..	66.00	100
Sholapoor T.F.C.R.	32,00,000	1943	3.00	..	..	78.25	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	88.00	100
Swadeshi (Kanpur) T.F.C.	35,00,000	1927	6.00	June	..	71.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.80	10
Vasanta (1st) C.T.F.	2,00,000	1931	6.50	Apr.	Oct.	96.75	100
Do. (2nd) C.T.F.	1,50,000	1933	6.00	..	..	99.00	100
Vishnu C.	15,66,500	1908	7.00	Apr.	..	422.50	500
ELECTRICS							
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	1,048.75	1,000
Amalgamated Electric T.F.C.	24,15,000	..	5.50	..	..	77.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June	Dec.	9.37	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	8.16	100
Do. (2nd) C.T.F.	3,00,000	1940	5.50	Sept.	Dec.	8.16	10
Surat Electric Co. C.T.F.	5,00,000	1909	6.50	Apr.	..	108.50	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	101.50	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,097.50	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	6.88	10
ENGINEERING							
Arthur Butler (Muzaffarpore) T.F.C.	1,20,000	1919	7.00	Mar.	..	11.00	10
Burn & Co. Ltd. (1st) T.F.C.	18,00,000	1895-98	7.00	Feb.	Aug.	115.00	106
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	106.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	92.00	100
Indian Standard Wagon T.F.C.	19,66,500	1913	7.00	June	..	113.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	80.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	53.00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	83.00N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	93.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	97.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	86.00	100
Premier Construction (1st) C.	10,00,000	..	6.25	..	..	76.00	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	78.00	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	5.36	10
Tata Iron and Steel (1st) C.	75,00,000	1906	6.00	Nov.	..	186.00	150
Do. do. (2nd) C.	6,98,81,900	1908	7.50	May	..	106.25	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	87.00xd	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	85.60	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	64.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	92.00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	72.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	60.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	87.50	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	86.00	25
Belvedere T.F.C.	7,00,000	1906	7.00	Jan.	July	90.00	100
Birla C.	23,64,200	1919	7.50	June	Dec.	89.00	100
Budge-Budge T.F.C.	9,00,000	1904	7.00	May	Nov.	90.80	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	51.00N	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	88.00	100
Olive (1st Pref.) T.F.C.	3,00,900	1909	6.00	May	Nov.	67.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	77.00	100
Dalhousie T.F.C.	15,00,000	1902-13	7.00	May	Nov.	91.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	72.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	85.00	100
Fort Gloster T.F.C.	14,00,000	1890-98	7.00	May	Nov.	110.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1946	5.00	..	..	70.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	110.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	90.00	100
Gourepore T.F.C.	26,50,000	1895-94	6.00	May	Nov.	80.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	82.00	100
Hooghly T.F.	11,75,000	1913	10.00	May	Nov.	10.00	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	98.00	100
Do. T.F.C. (f)	17,50,000	1903-6	7.00	May	Nov.	91.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	91.50	100
Kamarhatty T.F.C.	16,00,000	1896-04	6.00	Feb.	Aug.	75.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	90.50	100
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	77.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	89.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	94.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	90.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	62.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	110.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	78.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	88.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	79.50	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	87.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	72.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	82.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	98.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	93.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	90.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C.(f)	7,50,000	1913	5.00	Mar.	Sept.	39.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	52.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.75	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5.50	Dec.	..	91.00	100
Indian General Nav. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	78.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	80.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May	Nov.	81.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	101.00	100
Birpara T.F.C.	1,00,000	1900-03	8.00	Jan.	..	104.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	101.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	75.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	104.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	101.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec.	..	89.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	8.25xd	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan.	July	100.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	91.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	94.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May§	..	92.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan.	..	10.50	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May	Nov.	13.25	100
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	2.70cd	5
Do. R.C.	2,85,570	1944	6.25	..	..	6.02cd	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	50.75	50
Coffee Lands C.T.F.	10,40,600	..	5.00	..	..	74.00	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	85.00	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.§	..	10.80cd	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	95.00	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	8.08	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.§	July	7.20cd	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.75cd	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar.	..	8.05	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	7.00	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	9.10xd	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	8.40xd	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	91.20	100
Do. do. (2nd) T.F.R.C.	5,00,000	..	5.00	June	..	86.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	96.00xd	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	94.00	100
Andhra Cement C.T.F.	2,48,800	1937	6.00	Feb.	June	100.00	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	48.00xd	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	12.50	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	51.00	50
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	104.00	100
Do. "B" T.R.C.	20,00,000	1948	6.00	..	..	65.00	100
Bengal Timber Trading T.F.C.	8,00,000	1896	8.00	Aug.	..	6.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	14.50xd	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb.	Aug.	8.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	118.00	100
Dalmia Cement (Bharat) C.T.F.	61,58,210	1937	6.00(f)	Sept.	..	8.00	10
Dhrangadhra Chemicals T.F.C.R.	31,91,900	1956	6.00	..	..	82.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec.	..	81.00	100
Dunlop Rubber Co. (1st) T.F.C.	30,00,000	1926	6.00§	June	Dec.	112.00xd	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	6.00	Apr.	..	88.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	58.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	49.00	100
Gillanders Arbuthnot(f) R.C.	25,00,000	..	5.00	Apr.	Oct.	57.00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6.00	Mar.	..	192.50	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	7.12	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	90.00cd	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	71.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	88.00xd	33
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	31.00	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.§	..	62.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	58.00	100
Kettewell and Bullen (1st) C.	20,00,000	..	5.50	May	..	57.00	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May	..	54.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	63.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	85.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	51.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	62.00	100
Metal Box Co. C.R.	80,00,000	..	6.00	..	..	86.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1908-18	6.00	Feb.	Sept.	9.90	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	8.25xd	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	[illegible]	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	[illegible]	[illegible]
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	[illegible]	[illegible]
Orient Paper T.F.C.R.	20,00,000	1936	5.50	Jan.	..	84.00	[illegible]
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	63.00	[illegible]
Rohtas Industries (Old) T.F.C.	20,00,000	1936	7.00-9.00	Apr.	..	112.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	56.00	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	67.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	8.40cd	[illegible]
Do. "B" C.	36,80,000	1922	8.50	Jan.§	July	10.75cd	[illegible]
Standard-Vacuum C.	75,00,000	1955	6.00	June	Dec.	91.50	[illegible]
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	74.00	[illegible]
Tata Chemicals T.F.C.	59,97,000	..	6.00	June	..	85.50	[illegible]
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	57.00	[illegible]
Titagur Paper Mills T.F.C.	11,50,000	[illegible]	8.00	Jan.	June	112.50	[illegible]
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	77.50	[illegible]

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in *further* dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

‡ Capital and dividend unconditionally guaranteed by the [illegible] Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice (h) [illegible] deemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 [illegible] notice. (j) Remeedable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) [illegible] deemable at par after 31st March 1962 on 6 months' notice. (m) Rank *pari passu* with ordinary shares [illegible] ordinary shares receive 8 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Red[illegible] any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Red[illegible] par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Par[illegible] to 9 per cent. (t) Free of Income-tax upto 6 as. in the £. (u) Redeemable at par on 6 months' notice. [illegible] on various dates. (w) Redeemable any time 3 years after the date of issue at a premium of Rs. 10 [illegible] on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice [illegible] paid.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2604 BOMBAY, 4th MARCH 1961 PRICE Rs. 2

MR. MORARJI DESAI DISPLAYS GREAT SKILL IN RAISING NEW TAXES

BY and large, the size of the proposed third Plan, envisaging an outlay of Rs. 7,500 crores to Rs. 8,000 crores in the public sector and Rs. 4,000 crores in the private sector, has the support of the vast majority of informed public opinion in this country, though there are differences of opinion on many details and the exact share to be allotted to the two sectors. If an investment of this order is to be undertaken in the next five years, earnest and bold efforts have to be made from now onwards to find the necessary resources. And, when the Finance Minister makes a serious attempt in this direction, he deserves full support and encouragement. Surely, it would be illogical for the country to ask for a massive development plan and then demur at additional taxation without which the Plan cannot be put through. The budget for 1961-62 and the tax proposals accompanying it unmistakably show that Mr. Morarji Desai has not chosen to shirk his responsibility as most of the State Finance Ministers have done. On the contrary, he has made a courageous beginning and decided upon the ways and means of finding the resources for the first year of the third Plan.

It will be remembered that the Draft Outline of the Plan provides for Rs. 1,100 crores of additional taxation to be raised by the Centre. The new taxes proposed by him in the 1961-62 budget are expected to bring in Rs. 63.17 crores, of which Rs. 60.87 crores will be the share of the Centre. This means that he has prepared the ground for covering well over Rs. 300 crores of the sum of additional taxation scheduled for the five-year period. It is, of course, assumed here that the means chosen by him now can be sustained in the remaining four years as well. Broadly speaking, there should be no great difficulty in doing so, as the net has been cast far and wide. Further, as usual, the Finance Ministry must have been conservative in assessing the yield of new taxes, so that the aggregate yield over a period of five years need not be less than Rs. 300 crores, even if there were to be any downward adjustments in some of them to suit changes in market conditions. Some may be inclined to argue that the Finance Minister has planned for much heavier taxation in the first year of the Plan than is absolutely necessary. But others may contend that he should have sought to raise much more, at least a minimum of Rs. 75 crores, so that the burden of fresh taxation can be spread over the remaining four years in equal manner. The Finance Minister, however, seems to have followed the middle path. This implies that new taxation would have to be heavier still in the next and/or subsequent budgets, unless, of course, the buoyancy of tax revenue turns out to be stronger than has been assumed.

Mr. Morarji Desai has displayed considerable skill in spreading the new taxes over a large number of commodities. As many as 41 items in the customs schedule have been roped in for more taxation. Under Union excise duties, the rates on 14 commodities already in the list have been enhanced and 18 new commodities have been brought in. It is noteworthy that, after a long interval, the customs duties have been made to yield a substantial amount of new taxation. Of the sum of Rs. 60.17 crores sought to be raised by way of indirect taxation, customs duties are contributing nearly half—Rs. 29.27 crores to be precise. Mr. Morarji Desai has thus belied, albeit to some extent, the general assumption that one cannot count upon import duties as an important source of finance for the third Plan. We must, however, hasten to add that, as a general proposition, this statement is still true, for whatever scope there was for obtaining additional revenue from this source has been greatly narrowed down and a similar attempt for the second time will gravely imperil the competitive capacity of Indian industry.

It is not easy to impose indirect taxes on an economy suffering from scarcity of goods without enhancing the risk of inflation. But the Finance Minister has tried to minimise this risk, in that he has avoided loading the tax on those articles the prices of which influence the cost of living to a considerable extent. Undoubtedly, some essential consumer goods have been subjected to increased excise duties; these are higher medium counts cotton cloth, printed and processed cotton fabrics, superior grade kerosene, watches, *vanaspati* and paper. The worst sufferers in all these cases will be the middle class, especially lower middle class, in urban areas whose standard of living has already been badly hit. It will be pertinent to recall here that kerosene in particular has been the target of some State Governments, too, especially Maharashtra and Gujarat which have raised their sales tax on this poor man's fuel. The only consolation is the thought that the position could have easily been worse. It is very likely that, in the coming months, the effect of these increases may be more than neutralised by a possible fall in the price of foodgrains. At any rate, the authorities must not do anything that will prevent the increase in agricultural production from bringing down the prices of food and raw materials at least to levels that prevailed before a shortfall in production in the 1959-60 crop year engendered a rise in them.

The need for additional taxation has not been the only reason for raising some of the excise and import duties, judging from the observations of the Finance Minister. There are other grounds as well. There is, for instance, a need for restraining consumption, in order to ensure more savings and their utilisation in projects of higher priority in the third Plan, as well as to compel consumers (industrial and individuals alike) to be economical and efficient in the use of scarce resources. No impartial observer of the Indian scene can question this objective. Then, there is an excessive margin of profit in favour of distributors, and in some cases even manufacturers, of most of the goods affected by indirect taxation proposed in the budget for 1961-62. This fortuitous situation is the result of severe restrictions on imports, inadequate domestic production and the resultant sellers' market. There is, therefore, no reason why the Government should not take away a part of this excess profit in the form of indirect taxation. It is, of course, quite possible that sellers may succeed in passing on either the whole or a part of the increase in taxes to consumers, but there is bound to be consumer resistance at some point. A third justification is the necessity to obtain for the Exchequer a part of the large profits that are being made by some sections of power-driven decentralised sector. Quite a good number of articles now subjected to fresh taxation, including rayon, chemicals and dyes, come under one or more of these three non-revenue considerations. It will thus be seen that the argument that the additions to indirect taxation in the budget will aggravate the inflationary pressure can be easily exaggerated. The evil can be kept under check, if the authorities are vigilant and give appropriate relief when the supply of goods concerned increases due to growth in domestic production, requiring incentives for stimulating their offtake.

In fairness to Mr. Morarji Desai, it must be said that he has not tried to formulate tax proposals from the point of view of general elections next year. There are, of course, some traces of doctrinnaire socialism in the few changes that he has proposed in direct taxation concerning individuals and corporations. But they have no significance so far as the forthcoming elections are concerned. As against the virtual elimination of the small concession in favour of earned incomes above Re. 1 lakh, he has shown a gesture of goodwill towards the private sector by substantially reducing the tax on bonus shares. In addition, he had effected a modest reform in inter-corporate taxation in order to rectify a defect in the present system which encourages foreign investors to insist on a majority holding in companies established with their participation. But here, too, he has reduced the benefit of this reform by seeking to discourage the flotation of subsidiary companies by existing companies. His object in doing so is to curb concentration of economic power and to enlarge the opportunities for public participation in joint-stock companies. On paper, this objective is quite desirable and idealistic. But one has to be practical and pragmatic. In any case, as this objective is already being sought to be achieved through Company Law and Industries (Development and Regulation) Act, there is no need to apply the inflexible fiscal policy for this purpose.

The Finance Minister has been receptive to some of the suggestions designed to attract foreign private capital. The cut in the rate of taxation on royalties paid by Indian companies to foreign investors and the extension of concession to foreign technicians are typical examples. He is not unjust in wanting to check the expenditure of companies on entertainment, as there has been a tendency to misuse this business practice in this country also. Notable and welcome among the other features of tax proposals are the extension of the benefit of five-year tax holiday to hotel industry and encouragement to construction of houses for low-income group. But the same thing cannot be said of the reduction in the development rebate from 25 to 20 per cent. This step, coupled with the increase in the import duty on plant and machinery and components, is not in consonance with the policy of bringing about rapid industrialisation of the country. The Finance Minister has been rather hasty in watering down the benefit of development rebate. It would appear that he has been particularly careful to see that every concession shown to the private sector is

Contents

	PAGE
LEADING ARTICLES—	
Mr. Morarji Desai Displays Great Skill in Raising New Taxes	373
The State of the Economy	374
MARKET GOSSIP	375
ROUND THE EXCHANGES	376
NEWS IN BRIEF	377
PERSONAL	377
THIS WEEK'S SURVEY	378-380
SPECIAL FEATURES—	
On the Arena	381
Problems of Public Sector Enterprises	384
Manchester Letter	385
Thousand-crore Budget of Central Government	406-407
MONEY AND BANKING	382-383
TEXTILES	386-387
SUGAR	388
JUTE	390
ENGINEERING	392
NEW PRODUCTS AND PROCESSES	393
COMMERCE AND INDUSTRY	394
COMPANY MATTERS	396-401
MARKET REPORTS	403-405
WEEK'S STOCK EXCHANGE TREND	408

matched either by the withdrawal and/or a reduction of an existing concession or by the imposition of a fresh handicap. Actually, the reduction in the bonus tax is no concession at all. It is only a partial undoing of an injustice in the shape of multiple taxation. Indeed, he ought to have completely struck off this tax from the statute book. Once again, Mr. Morarji Desai has turned a deaf ear to all the pleas for a reform in tax policy which will avoid the many inequities that abound in it. Even the well-reasoned and modest suggestions made by the National Council of Applied Economic Research for encouraging savings in the private sector have not appealed to him. Instead of reducing the burden of direct taxes, he has only increased them, though only by Rs. 3 crores. This obstinacy is one more proof of the blind faith of the powers-that-be in doctrinaire socialism and their fanatical devotion to it.

THE STATE OF THE ECONOMY

THE last year of the second Plan has virtually come to a close and set in train some hopeful trends for the first year of the third Plan. Both in agriculture and in industry, 1960-61 seems to have taken the economy to the highest level of production ever attained. Provisional estimates of foodgrains production in the year have placed it at about 76 million tons which will be a little higher than the second Plan's tentative target of 75 million tons. As additional resources were not made available on a scale commensurate with that Plan's revised foodgrains production target of about 80 million tons, it may be broadly taken that actual achievement in the end-year of the Plan has not belied expectations. This is also true of some commercial crops which will have nearly reached or exceeded the targets originally set for them under the second Plan. The output of cotton in 1960-61 is now estimated at 5.3 million bales and that of sugarcane at 7.8 million tons in terms of *gur*. Only in respect of jute and oilseeds do the provisional estimates show that the targets will not be achieved. All in all, therefore, the level of agricultural production potential attained in 1960-61 may well be seen as the highest on record—a factor which will have largely, though partly, contributed to the expected increase of 6 per cent in the year's real national income as compared with 1959-60. That this agricultural performance is still not commensurate with the country's current requirements of foodgrains and raw materials cannot, however, be glossed over through a misleading comparison with 1949-50—a particularly bad year.

Performance in the industrial sector, too, in the end-year of the second Plan, it is estimated, will have attained a record level. Even according to the index of industrial production (base 1951=100) which does not cover a whole range of newer industries established since the base year, the increase in production in the first ten months of 1960 was 11.7 per cent over the level of the corresponding period of the previous year. The percentage increase may turn out to be even higher when the index in the Plan year 1960-61 is compared with the index of 1959-60. The fact that, over the second Plan period, industrial production, even without taking into account the output of newer industries, increased by as much as 37 per cent as compared with 1955 is an eloquent indicator of the buoyancy in the industrial economy. It is noteworthy that the group of "intermediate products and capital goods industries," with about the same weight in the index as the group of "consumer goods industries," has accounted for about two-thirds of the total increase in production. This relatively greater increase in the production of intermediate products and capital goods not only explains the buoyancy in the industrial economy but is indicative of its greater growth potential.

Thanks to the increase in agricultural and industrial production, national income at constant (1948-49) prices in 1960-61, it is anticipated, will be six per cent higher than the 1959-60 figure (Rs. 11,750 crores), that is, Rs. 12,455 crores. Real national income in the end-year of the second Plan will thus represent 19 per cent more than that in 1955-56—the year immediately preceding the Plan. In *per capita* terms, however, real national income in the current year will be only Rs. 289 (if the population is taken to be 431 million as estimated by the Central Statistical Organisation), representing an increase of 5.6 per cent over that in 1955-56. Though this is a relatively small increase, it does indicate broadly an improvement in real income over the second Plan period even after allowing for the higher rate of increase in population than in the first Plan period. This improvement, in its turn, is the result largely of a total investment of Rs. 6,750 crores (Rs. 3,650 crores in the public sector and Rs. 3,100 crores in the private sector) during the second Plan period, leading to an increase in the national output of goods and services. It is noteworthy in this context that the ratio of investment to national income has increased from about 8 per cent. at the end of the first Plan to around 11 per cent at the end of the second Plan. This latter ratio compares favourably with the target of 10.7 per cent.

In the current year alone, public investment is of the order of Rs. 800 crores, as compared with Rs. 570 crores in 1956-57. As for private investment in organised industry alone, in the first nine months of 1960, the capital raised by companies has come to Rs. 47.4 crores, as compared with Rs. 70 crores in the whole of 1959. This figure does not include bonus issues, which, however, were not many. Aggregate private investment in industries must have been still greater, if the available indices of new capital issues and of imports of capital goods, taken together with the increase in the domestic output of intermediate products and capital goods, are any guide. It is also significant that consents for capital issues of an aggregate value of Rs. 150 crores were given in 1960 to non-Government companies. This, in its turn, is indicative of a high level of investment intentions in the private industrial sector in the last year of the second Plan.

The *Economic Survey* for 1960-61, distributed along with the Budget papers, has referred to these and a few other brighter aspects of the economic situation. But the state of the economy, as described by the *Survey*, has its darker side too, particularly in the matter of employment, money supply, prices and balance of payments. This side, however, is not one of unrelieved gloom if the second Plan period as a whole is brought into focus. For instance, while the creation of new employment opportunities during the Plan period doubtless lagged behind the increases in labour force, such increases in employment as had taken place were still very

PROGRESS OF NEW TAXATION

(In crores of rupees)

Budget year	Indirect	Direct	Total
1956-57 ..	25.15	9.00	34.15
1957-58 ..	57.35	30.65	88.00
1958-59 ..	2.83	3.50	6.33
1959-60 ..	23.57	2.50	26.07
1960-61 ..	24.23	..	24.23
1961-62 ..	60.17	3.00	63.17

substantial as evidenced by two facts. First, at the end of 1959, the total numbers employed by the Central and State Governments (excluding the Railways), quasi-Government organisations, public sector projects and local bodies were about 5.0 million as compared with 3.5 million in March 1956. And, secondly, in selected industrial units covering about one-sixth of the total factory employment, there was in evidence an annual increase of 6 to 8 per cent in employment since 1956. These trends show that, in 1961-62 when investment in the public and private sectors, supplemented by local works, is going to be larger than in the current year, relatively more job opportunities will be created.

As for monetary trends, the *Economic Survey* attributes the larger expansion in money supply in 1960, as compared with 1959, to an increase (Rs. 236 crores) in private indebtedness to banks. But it is also admitted in the same breath that "expansion in credit was, to a large part, in response to the increasing requirements of trade and industry." Credit is taken for the fact that the increase in Government's indebtedness to the banking system in 1960 was only Rs. 26 crores, as compared with Rs. 247 crores in 1959. It would appear that, as far as the current year is concerned, there has been no deficit financing of any consequence by the Government to be blamed for such inflationary rise in prices as has taken place. As far as the entire second Plan period is concerned, the *Survey's* findings that "the expansionary impact of the increase of about Rs. 1,400 crores in Government's indebtedness to the banking system and of the increase of Rs. 643 crores in bank credit to the private sector was offset partly by a rise in time deposits of about Rs. 710 crores and a fall in foreign exchange assets of the Reserve Bank of India of about Rs. 636 crores" would appear to convey that monetary stability has not been unduly undermined in the process of development spending.

In fairness to the powers-that-be, it must be recognised that the non-monetary factors seem to have been largely responsible for the rise in prices since 1956. The index number of wholesale prices (base 1952-53=100) no doubt increased from 103 in 1956 to 123 in 1960. But the rise in the index from 103 in 1956 to 111 in 1958 was, in the main, due to the increase in foodgrain prices which rose by 14.5 per cent since 1956. In 1959, food articles other than foodgrains accounted for nearly two-thirds of the rise in the index from 111 in 1958 to 115.5. In 1960, there was a sharp rise, to the extent of 16 per cent, in the prices of agricultural raw materials like raw cotton, raw jute and oilseeds, the production of which had declined considerably in 1959-60; this price increase, in its turn, was responsible for the rise, to the extent of 10 per cent, in the prices of edible oils and of cotton and jute manufactures. The *Economic Survey* is, therefore, on sure ground when it says that, "if oilseeds, edible oils as well as raw cotton, raw jute, cotton and jute manufactures are excluded, the index of prices of other commodities would show a rise of 2.2 per cent in 1960, as compared to a rise of 4.9 per cent in 1959 and 5.0 per cent in 1958." It would thus appear that, over the entire second Plan period, the relatively poorer performance in the sector of agricultural production was chiefly responsible for the increase of about 25 per cent in wholesale prices. And it may also be taken that the monetary factor (in the sense of deficit financing and expansion of bank credit to the private sector) could not have been the major culprit, particularly because there was throughout in operation the counter-inflationary impact of the sale of P.L. 480 foodgrains to consumers.

The price increase, incidentally, in whatever manner it was caused, had partly accounted for the growth of Central and State revenues from Rs. 768 crores in 1955-56 to about Rs. 1,300 crores in 1960-61. Of course, the growth of industrial production, the imposition of some new taxes and the increases in the rates of older taxes also accounted for the growth of revenues. But the price factor was not of negligible importance in the context of the growth of public revenues. In a different way, the growth of tax revenues might also have been responsible for some rise in prices. Even so, the total of tax receipts to national income at current prices had risen only moderately from about 8 per cent in 1955-56 to about 9 per cent in 1960-61. That there are limits to the extent to which a growing proportion of the rising national income could be drawn into the public exchequer in a country with a preponderance of low incomes is happily admitted by the *Economic Survey* itself.

But the *Survey* says in the same breath that primary emphasis has to be placed on creating a surplus from domestic production, for the purpose of export, by restraining consumption. Where *per capita* money income is rising at a faster rate than the *per capita* money burden of taxation, it is debatable whether the higher incidence of excise duties by itself will have the effect of restraining commodity consumption to the extent of creating a larger surplus from domestic production for export. Even if more foreign exchange can be earned thereby, there will be need for spending even more foreign exchange, for the trend of imports, in absolute terms, as the *Survey* itself admits, cannot but be upward as the industrial structure gets diversified. The position will continue to be that the foreign exchange gap, caused by adverse trade balances, would have to be financed by external assistance. There will be a real chance of increasing exports to cover a part of that gap, only if industrial costs are reduced. But this can come about only if, at a time of rising production, no cost-wage inflation is allowed to be caused by an agricultural sector producing insufficient quantities of foodgrains and raw materials. In the ultimate analysis, the chances of price stability as well as of export promotion will depend on the success in the agricultural sector. This sector must, therefore, be more actively stimulated to move in step with the industrial sector. It is this crucial factor of agricultural production, especially of raw materials, rather than the doubtful possibility of a surplus from domestic production expected from the supposed tax restraint on consumption, that should have received greater emphasis in the *Economic Survey* as well in the budget speech of the Finance Minister.

MARKET GOSSIP

THE worst fears of share markets about the Central budget have not, happily, materialised. It is true that the markets were presenting a firm front for quite a few days before the budget, thereby suggesting that the majority of operators was not expecting any drastic changes in the burden of direct taxes. But there were rumours that corporate taxation might be enhanced by introducing a higher slab for bigger companies and that, in order to placate the have-nots, an attempt might be made to soak the rich further by raising the wealth tax and increasing the income-tax payable by individuals with incomes over Rs. 25,000 or Rs. 30 000 per annum. Mr. Morarji Desai has clearly demonstrated that the present Government of India is a more responsible and serious-minded administration than some of its critics are prepared to concede, that it does not believe in creating stunts in order to win elections, and that it realises that the best way to earn and sustain the affections and confidence of its masters—the people—is to push through the plans for rapid economic development and not continuously give blows to the haves. If the rightists were to say that the increase in income-tax on earned incomes over Rs. 1 lakh has been done with an eye on elections, the leftists could point to the reduction in the tax on bonus issues from 30 per cent (T.T.K.'s budget) to 12½ per cent (the level originally proposed by Mr. Deshmukh, the author of this nefarious tax) as a device to raise funds from the "money bags" for the Congress Party. But, by and large, it can be said that this is not an "election budget," though it might seem to be so a year or 15 months hence if the Finance Minister of the time were to repeat the tactics adopted by his predecessor in the last quarter of 1956 and in the first half of 1957. By his actions in all the three budgets Mr. Morarji Desai has had the privilege to present, he has provided enough ground for believing that he would do no such rash things if he were to be in charge of the first budget to be presented after the elections early next year.

This does not mean that he has given away anything substantial to the "money bags" or to the haves as a whole. In fact, he has conceded nothing of what the private sector has been asking in the sphere of taxation during the past one year. He has not reduced the heavy taxes on the top income group. He has given no encouragement to individual savings. He has done nothing to reduce the multiple taxes that a successful investor or manager has to pay. He has actually reduced one of the incentives to savings by the corporate sector, as witness the reduction in the development rebate. He has not accepted the argument that a sizable relief in direct taxation will stimulate savings and investment to such an extent that the Government and the people alike will get more and will be able to spend more.

It is, however, gratifying that the Finance Minister has not damaged the market sentiment. This by itself is an important contribution to the progress of the private sector, for, without an active and buoyant capital market, it will not be possible to attract savings into equities.

The increase in import duty on plant and machinery will inflate the capital cost of industrial projects based on foreign machinery. Quite a good number of new companies which have recently raised capital from the market and the shares of which are quoted at a high premium will be adversely affected by this measure. It will, however, be of some indirect assistance to machinery manufacturers in this country such as Texmaco, A.C.C. and Kirloskars.

The reduction in bonus tax will induce quite a number of companies with large reserves to capitalise a part of them. The need for increasing the capital base of companies is now conceded by the Finance Minister. It is, however, noteworthy that he has not yielded this concession in order to earn revenue for the Government. In fact, he says that the Controller of Capital Issues "will continue to ensure that bonus issues are not sanctioned except after a careful scrutiny of the proposals."

Some of the indirect taxes, such as the one on cotton textiles, may have to be borne in part by the manufacturers, but it must not be forgotten that the costs of their raw materials are substantially lower than they were a year ago. Cotton millowners, if they are wise, will do well to refrain from raising a scare about the impact of this levy on their profits and concentrate their attention on getting relief in the procedural difficulties raised by the excise on certain types of yarn.

Basically, the trend of share markets is buoyant, a trend that is quite likely to continue. Since there has been a substantial rise in prices during the past two or three weeks, there is bound to be a fair amount of profit-taking, but, after readjustment of technical position, it should be possible for the markets to present a steady to firm trend. Much of the decline from the immediate post-budget high levels is due to profit-taking by those who had bought earlier in anticipation of a not unfavourable budget.

There is good reason to feel that the Finance Minister will try hard to keep deficit financing to the barest minimum. His borrowing programme for 1961-62 may, however, fall short of his target of Rs. 235 crores by Rs. 40 to Rs. 50 crores, even assuming that the entire amount of maturing loans (about Rs. 126 crores) will be converted. This means that deficit financing will be Rs. 120 crores, instead of Rs. 65 crores as is provided in the budget. But his main worry will be the State Governments all of which have provided for heavy borrowings in their budgets. He will have to do something effective here, if his anxiety to avoid excessive deficit financing is to carry conviction to the public.

No Effect on Bullion

Trading in the bullion market during the budget session yesterday was a colourless affair, which was only to be expected considering that there was nothing in the budget proposals to affect bullion either way. Business put through was limited and values moved narrowly. The general tendency was downward. Gold was subjected to selling by some tired operators, *Phagun* (March) settlement declining from Rs. 121.70 to Rs. 121.50 and *Chaitra* (April) settlement from Rs. 121.95 to Rs. 121.75. In sympathy, silver drifted lower. The budget session closing rates were Rs. 206.50 for *Phagun* settlement, as against the previous close of Rs. 206.55, and Rs. 206.35 for *Chaitra* settlement, as against Rs. 206.40.

Commodity Markets

Just as the bullion market, the two principal commodity markets, namely, cotton and oilseeds, have also not been affected much, in view of the absence of any fresh taxation, measures that directly affect these items. By and large, however, groundnut, castorseed, linseed have tended to look up, while cotton has suffered a slight setback. The increase of Rs. 28 per ton in the rate of excise duty on vegetable products is not expected to have any significant effect on the offtake of groundnut oil by the *vanaspati* manufacturers. The non-ferrous metals market is ruling fully steady, notwithstanding the imposition of an excise duty of Rs. 300 per metric ton on copper and zinc sheets and circles and 10 per cent. *ad valorem* on pipes and tubes made of copper and zinc, accompanied by the levy of an excise duty on aluminium pipes and tubes. In fact, tin has registered some improvement. The following are the latest available quotations for a few commodities as compared with those prevailing before the presentation of the budget and at this time last year:

	Unit	Latest available	Before the budget (27-2-1961)	A year ago
Cotton		Rs.	Rs.	Rs.
I.C.C. April 1961 ..	Per 3 quintals	569.00	574.25	666.05
Jarilla 25/32"	,,	680.00	680.00	690.00
Oilseeds				
Groundnut (Nizam bold)	Per 50 kgms.	51.00	49.75	42.23
Castorseed (Madras) ..	,,	33.75	33.62	33.14
Linseed (bold)	,,	35.35	35.25	30.81
Metals				
Copper scrap	Per quintal	425.00	425.00	412.50
Brass scrap	,,	385.00	385.00	353.57
Lead	,,	140.00	140.00	149.20
Aluminium	,,	355.00	355.00	316.80
Tin	Per 10 kgms.	127.50	120.00	108.03

The commodities which have been affected most are cotton, rayon, wool and silk textiles. Cotton yarn and woollen yarn prices have risen following the imposition of excise duty. The proposed rate of duty is 15 nP per kg. on cotton twist yarn and thread of 35 counts or more, 10 nP per kg. on those of less than 35 counts, 10 per cent *ad valorem* on worsted yarn and 5 per cent *ad valorem* on other woollen yarns. Hitherto, these yarns were completely exempt from payment of excise levy. Similarly, silk fabrics are now made to bear a fresh excise duty of 30 nP per square metre. Consequent on the increase in excise duty at varying rates on indigenously produced rayon yarn and staple fibre yarn (from 45 nP to 75 nP per kg.), with countervailing import duties on foreign yarns, the prices of these yarns have gone up. Spot Cupressa Bemberg yarn (60 x 1) has risen by Rs. 25 to Rs. 2,530 per 100 kg. and 40 x 2 staple fibre yarn (April contract) by Rs. 16 to Rs. 848 per 90.72 kg. Cotton fabrics medium A greys and processed have also advanced proportionate to the increase in the rates of excise duties —from 7.2 nP to 9.0 nP per square metre on the former and by two-thirds of the existing rates on the latter. Likewise, the prices of woollen, silk and art silk fabrics have advanced to the extent to which the excise duties have been raised.

There are quite a number of other commodities the prices of which, too, have risen as a result of the latest budget proposals. They include coffee, tea, unmanufactured tobacco, cigars and cheroots, cigarettes, kerosene, diesel oil, vegetable products, paints and varnishes, matches, soda ash, caustic soda, certain chemicals and drugs, glass and glassware, radios, refrigerators, betelnuts, liquors, iron and steel manufactures, raw rubber, newsprint, paper and paperboard, high carbon steel strips, hardware and certain component parts of machinery, among others. It remains to be seen to what extent the increase that has now taken place in the prices of these goods will be sustained over a period of time or whether there will actually be a further rise, for it is too early to come to any definite conclusions about consumer resistance.

British Shipping

The United Kingdom Chamber of Shipping has lent the weight of its powerful support to the plea for more Government aid to shipping industry made of late by the interests concerned. In its annual report, published last week, the Chamber reiterates the difficulties faced by the industry pointed out by the General Council of British Shipping in a memorandum submitted to the Government in January last (*vide* page 95, *Commerce* dated 14th January 1961) and endorses the recommendations made by it to strengthen British shipping.

Like the Council, the Chamber, too, has viewed with concern the growth of flag discrimination and warns that, unless flag discrimination policies adopted by many foreign Governments are discarded or modified considerably, the world will inevitably see the disappearance of economic and efficient sea transport and that world trade, as a result, will be saddled with a wholly unnecessary addition to its transport cost. In recent years, according to the Chamber, as many as 40 Governments have resorted to flag discrimination and diverted cargoes to their national flag ships which would otherwise have gone to the most efficient ship operators, irrespective of flag. Discrimination, it points out, ranges from clauses in bilateral trade treaties, aimed at reserving the cargoes involved to ships of the two countries, down to prohibitive import duties on goods brought in by foreign ships and selling c.i.f. and buying f.o.b. by Government trading corporations.

The Chamber associates itself with the view of the Council that flag discrimination, subsidies and tax-free flags of convenience are growing threats to the British merchant fleet and that the position will grow worse, unless the Government is prepared to give more support to the industry. The methods of assistance suggested by it are similar to those recommended by the Council of British Shipping, namely, (1) renewed action to combat flag discrimination if necessary by counter-measures, (2) financial aid to the industry, and (3) tax relief. Calling for a review of the Government's fiscal policy towards the industry, the Chamber argues that, now that there are some signs that shipping may be climbing out of the long depression through which it has been passing, the need for a review of taxation of shipping is even more urgent, for, when conditions improve sufficiently for the shipping of the world once more to earn profits, the full force of competition from flags of convenience will again have to be met.

The Chamber feels that the investment allowance of 40 per cent at present given to the industry is too inadequate and that it should therefore be raised as an aid to forward planning. Even if this were done, according to the Chamber, it would only be of limited help to small shipowners who may possess only one or two ships which they are not likely to replace for many years. It is not known how the British Government will react to the industry's plea.

Ghana's Example: 30-year Tax Holiday

Whatever its sins of omission and commission in the past, Ghana, one of the youngest members of the British Commonwealth, appears to be earnest in its policy of attracting foreign private capital. One of the best ways of attracting fresh foreign investment to a country is to treat the foreign entrepreneurs already operating there well. Ghana would appear to be willing to learn this lesson. President Nkrumah had himself suggested, last October, when there was a nationalisation scare in that country, that foreign business concerns operating in Ghana should put forward proposals for safeguarding the legitimate interest of their shareholders and that his Government would give due consideration to them. In response to this suggestion, some foreign firms in Ghana are reported to have formulated proposals which will shortly be submitted to the Government.

That Ghana is prepared to go further to attract foreign capital is borne out by the agreement signed by President Nkrumah's Government with the Volta Aluminium Company (VALCO for short), an undertaking jointly owned by four foreign aluminium companies, mainly of U.S. origin, for the construction and operation of a £100 million aluminium smelter at Tema. Under the agreement, the Company is given a thirty-year tax holiday. It will consequently be exempted from all forms of duty, including import and export duties and taxes on dividends for 30 years.

The agreement also provides for the mining and processing of Ghanaian bauxite and allows VALCO to claim concessions of upto 40 square miles for prospecting. Further, it contains an incentive clause designed to induce the Company to make eventual use of local bauxite rather than imports.

Such generous concessions surely cannot fail to attract foreign private capital to that country. And Ghana, or any other free country for that matter, will not have reason to regret the concessions, for they are sure to be more than compensated by the benefits of new industries the country gets in return.

World Payments Problem

Much store is set by the proposed visit of Mr. Selwyn Lloyd, the British Chancellor of the Exchequer, to West Germany this month. The visit is a sequel to the two-day talks which Mr. Harold Macmillan, the British Prime Minister, had with Dr. Konrad Adenauer, the German Chancellor, in London last week. The main purpose of Mr. Lloyd's visit is to discuss with the W. German Government the methods of dealing with the current imbalance in the world payments structure and, of course, the large and continuing German balance of payments surplus which has put the pound sterling also under strain.

This approach is considered as evidence of the realisation on both sides that the long-term world payments problem can be solved only on a multilateral basis by mutual discussion and negotiation. The payments problem, it is also recognised, is only one aspect of the wider question of Western economic co-operation which also includes the issue of helping underdeveloped countries, which has now come to be widely regarded as a collective responsibility of the developed countries. There is also a growing appreciation, on the part of West Germany, of the justice of the argument by other Western nations, especially the U.S., that

(Continued on page 403)

SHARE MARKET FIRM

CUT IN TAX ON BONUS ISSUES WELCOMED

(From Our Own Correspondents)

BOMBAY, 1st *March*

IMMEDIATELY after the Union Finance Minister announced the budget proposals yesterday, equities forged ahead, though the closing rates of the post-budget session were well below the highest levels touched during the session, as a result of intermittent heavy profit-taking. The absence of any addition to the tax load on the corporate sector and the reduction in tax on bonus issues from 30 per cent to 12½ per cent led to excellent buying enquiries from investors. The reduction in income-tax on royalty was welcomed as a measure that would give an impetus to increased collaboration with foreign firms at a lower cost. Some dissatisfaction was, of course, expressed over the cut in the development rebate, as well as the upward revision in import duty on machinery and components, which, it was feared, would raise the production cost in industries. But the incidence of these measures was not considered to be very heavy. Operators noted the large fresh bout of indirect taxation (over Rs. 63 crores). Many, however, felt that the incidence of these additional levies could easily be passed on to the consumers, or borne by the middlemen, especially in the context of rising demand and bigger turnover. The consensus of opinion among market men seemed to be that larger and larger funds would seek investment in industrial securities. The bullish fervour of the market was also engendered by the inflation psychology which stemmed from the feeling that the Government might have to resort to a larger dose of deficit financing than the Rs. 64 crores anticipated by the Finance Minister, in view of the likelihood of receipts from public borrowing being less than the budget estimate of Rs. 235 crores.

Tata Steels began the week at Rs. 149.75, as against the previous close of Rs. 150 and, after fluctuating between Rs. 155 and Rs. 150 during budget session, improved to Rs. 154 today before finishing at Rs. 152.75. The net gain over the week was Rs. 2.75. Indian Irons advanced from Rs. 25.10 to Rs. 26 yesterday. The closing was slightly lower at Rs. 25.90. Mukand Irons rose by a rupee over the week, today's closing rate being Rs. 27.

Under the impetus of renewed buying enquiries, textiles scored handsome gains. The enhancement of the basic excise duty on medium (A) grey cloth and processed cloth failed to have much effect, because it was thought that there would be no difficulty in including the additional impost in the stamped prices for cloth. Standards registered a net gain of Rs. 88 over the week to close at Rs. 1,298, after touching a high of Rs. 1,350 earlier today. Similarly, Khataus spurted by Rs. 48.75 to Rs. 535. Centurys advanced by Rs. 23 to Rs. 522.50; at one time during the budget session yesterday, they had gone up to Rs. 545. Finlays hardened by Rs. 9 to Rs. 341, Simplex by Rs. 8 to Rs. 180, Podars by Rs. 5 to Rs. 145, Mysores by Rs. 4 to Rs. 67 and Swans by Rs. 2.50 to Rs. 502.50. Minervas, New Greats and Shree Niwas strengthened by Rs. 5 each to Rs. 74, Rs. 195 and Rs. 252, respectively. Bombay Dyeings were marked up from Rs. 64 to Rs. 67.20 today before finishing at Rs. 65.70, a net rise of Re. 1.70. Morarjees gathered a rupee to Rs. 356. Kohinoors rallied from Rs. 285.50 to Rs. 305 at one time during the budget session yesterday. After declining to Rs. 288 the same day, they moved up to Rs. 295 today but closed lower at Rs. 285.50.

Further additions to values were noted in the sugar section this week. Belapurs moved up from Rs. 278 to Rs. 290 before finishing at Rs. 284, a net rise of Rs. 6. Walchandnagars strengthened by Rs. 6.25 to Rs. 228.75. Phaltans improved by Rs. 5 to Rs. 145. Changdeos were maintained at the last week's level of Rs. 26 and Bhopals at Rs. 29. Maharashtra Sugars, however, encountered selling and declined by Rs. 7 to Rs. 196. Kesars dropped Rs. 5 to Rs. 225.

Cement shares tended to move up on good support. Associated Cements recorded a rise of Rs. 4.25 to Rs. 154. Orissas gained 32 nP to Rs. 13.88. Sone Valleys put on a like amount to Rs. 5.32. But Digvijays shed a rupee to Rs. 157.

Induced by sustained buying enquiries, automobiles continued to march upward. Premiers spurted by Rs. 3.50 to Rs. 172. Hindustan Motors advanced by Re. 1.28 to Rs. 22.20. Shipping shares lacked support, despite the exclusion of shipping industry from the proposed cut in the development rebate. Great Easterns were unchanged at Rs. 14.68. Scindias gained 4 nP to Rs. 15.

There was a further rise in the quotations for engineering shares. Telcos jumped up by Rs. 18 to Rs. 331, after being higher still at Rs. 335 today. Premier Constructions advanced by Rs. 11.50 to Rs. 208. Alcock Ashdowns increased by Rs. 9 to Rs. 287. Coopers rose by Rs. 5 to Rs. 194. New Standard Engineerings by Rs 4 to Rs. 190. Khandelwals by Rs. 3.50 to Rs. 95.50. Kamanis by Rs. 2.52 to Rs. 20, and Larsen and Toubros by Rs. 2.25 to Rs. 41.50. Texmacos gathered 40 nP to Rs. 24. Mahindras were maintained at Rs. 22; at one time today, they were done at Rs. 22.52.

Bombay Burmahs provided a bright spot in the miscellaneous section, thanks to the proposed cut in the export duty on tea. The quotation for the scrips forged ahead from Rs. 566.50 to Rs. 615 today, before finishing at Rs. 609.50. The net gain over the week was Rs. 43. Rayon mill shares were well fancied despite the increase in excise duty on rayon yarns and fabrics. National Rayons, which stood at Rs. 514 on Thursday last week, advanced stridently to touch a high of Rs. 560 during the budget session yesterday. Today, they were done at Rs. 537. The net improvement over the week was Rs. 23. South Indian Viscose rose by Re. 1 to Rs. 149. Baroda Rayons, Gwaliors and Indian Rayons gained 50 nP each to Rs. 40.50, Rs. 45 and Rs. 67, respectively. Dyes and chemicals were irregular. Dhrangadhras advanced by Rs. 10 to Rs. 136, Poly Chems by Rs. 8.75 to Rs. 136, Citrics by Rs. 8 to Rs. 68, Synthetics by Rs. 7 to Rs. 157, Adarsh Chemicals by Rs. 5.50 to Rs. 90 and India Dyestuffs by Rs. 5 to Rs. 472.50. Alembics, however, fell by Rs. 7.50 to Rs. 257.50. Colour Chems receded by Rs. 5 to Rs. 365. Dharamsis shed Re. 1.25 to Rs. 236.25, while new shares improved by Re. 1.25 to Rs. 225. Amar Dyes were unaltered at Rs. 385 and Anuh Pharmas at Rs. 5. Among other miscellaneous industrials, Standard Batteries hardened by Rs. 15 to Rs. 205 on sustained investment buying and scarcity of sellers. West Coasts rose by by Rs. 10.50 to Rs. 206, Asian Cables by Rs. 8.50 to Rs. 120. Voltas by Rs. 8 to Rs. 278.50, and Hind Cycles by Rs. 7.50 to Rs. 101.50.

• • • •

Madras Stock Exchange

MADRAS, 28*th February*

The usual pre-budget caution was not in evidence on the Madras Stock Exchange during the week under review. In fact, both forward and cash scrips moved up on hopes of some concessions in Company taxation in the Central Budget. Textiles ruled firm on reports of better domestic offtake of piecegoods and improvement in the supply position of raw cotton. Teas were fully steady, following encouraging advices from auction centres. Coffees and rubbers hardened in sympathy. There were larger enquiries in sugars and prices tended to go up. Banks and electricals were well maintained. Among miscellaneous shares, chemicals, cements and engineerings ruled quite strong.

In the textile section, Premiers provided a feature, the quotation spurting by Rs. 17 to Rs. 242. South India Viscose came in for good professional attention and advanced by Rs. 14 to Rs. 164. Coimbatore Pioneers were marked up by Rs. 10 to Rs. 340. Coimbatore Spinnings rose by Rs. 4 to Rs. 55. Coimbatore Cottons improved by Rs. 2.50 to Rs. 172.50. Lakshmis rose from Rs. 155 to Rs. 157. Buckinghams were higher by a like amount at Rs. 195. Travancore Rayons gained Re. 1.40 to Rs. 36.50. Maduras put on 25 nP to Rs. 36.50. Bangalore Woollens were fully maintained at Rs. 196.50, Cannanores at Rs. 144, Dhanalakshmis at Rs. 216, Metturs at Rs. 367 and Vasantas at Rs. 242.

In the tea section, Kil Kotagiris advanced by 37 nP to Rs. 5.72, despite the announcement of a lower dividend. The Directors of the Company have declared a final dividend of 17 per cent, taxable, making a total of 25 per cent for the year ended October 1960 as against 35 per cent for the previous year. Periakaramalais gathered 18 nP to Rs. 3.88. Peermades increased by 5 nP to Rs. 22.60. Halleyburias were fully steady at Rs. 14.15, Nonsuchs at Rs. 26.75 and Parksides at Rs. 28.75. Blue Mountains, however, shed 2 nP to Rs. 3.88.

Among coffees, Consolidated Coffees hardened by 65 nP to Rs. 24.75. Coffee Lands improved by 12 nP to Rs. 21.37. Cowcoodys were fancied at Rs. 4.90. Anaparais were firm at Rs. 4.70. The Directors of the Company have declared a taxable dividend of 20 per cent for the year ended 30th June 1960, as against 25 per cent for the previous year. Ouchterlonys, however, encountered selling and fell from Rs. 4.65 to Rs. 4.45.

In the rubber group, Cochin Malabars firmed up by 19 nP to Rs. 7.68. Kallas improved by 5 nP to Rs. 5.10. Malankaras and Midlands were steady at Rs. 18 and Rs. 12, respectively. Vaikundams had buyers at Rs. 31.25, following the announcement of the final dividend of 15 per cent, taxable, making a total of 30 per cent for 1960, as compared with only 25 per cent for 1959. Mercaras were fancied at Rs. 8.80. The Company has announced the final dividend of 10 per cent, taxable, making a total of 20 per cent, taxable, for the year ended June 1960, same as last year.

In the sugar section, Cauverys scored a gain of Re. 1.25 to Rs. 135. Deccans fell initially from Rs. 14.30 to Rs. 14.20, but staged a smart recovery to Rs. 14.35. Indias changed hands at Rs. 12.75, Mysores at Rs. 58.25, United Breweries at Rs. 112 and Travancores at Rs. 10.75. East India Distilleries, however, shed 25 nP to Rs. 40.75, reflecting disappointment of operators over the dividend news. The Directors of the Company have announced a final dividend of 14-2/7 per cent, taxable, making a total so far of 21-3/7 per cent, for the year ended September 1960, which compares unfavourably with 28-4/7 per cent for the previous year.

Among banks, Punjab Nationals rose by 25 nP to Rs. 20.25. Indians fully paids ruled steady at Rs. 171 and partly paids at Rs. 143.50. Pandyans were quiet at Rs. 33 on account of the announcement of a lower dividend, that is, 10 per cent, taxable, for 1960, as against 14-2/7 per cent for 1959.

In the electricals group, West Coast met with good support and improved by 37 nP to Rs. 13.87. South Madras gathered 10 nP to Rs. 10.05. Cochins were unchanged at Rs. 10.20, Salem Erodes at Rs. 12.25 and Vellores at Rs. 13.10.

In the miscellaneous section, Mettur Chemicals spurted by 24 nP to Rs. 13.25. F.A.C.Ts gained 20 nP to Rs. 10.50. Travancore Chemicals put on 3 nP to Rs. 15. Mysore Fertilisers and Mysore Chemicals were steady, the former at Rs. 10.95 and the latter at Rs. 25.37. Among cements Indias rose by 14 nP to Rs. 6.24. Andhras and Dalmias were unaltered at Rs. 10 and Rs. 11.25, respectively. Among others, Tube Investments advanced by Rs. 3 to Rs. 294. Aluminium Industries rose by 73 nP to Rs. 23.70 and Ashok Leylands by 28 nP to Rs. 9.28. Parrys, however, dropped 5 nP to Rs. 5.15, notwithstanding the announcement of an interim dividend of 10 per cent, taxable, for the year ending 31st March 1961.

STATE BANK OF SAURASHTRA

The results of the State Bank of Saurashtra, now functioning as a subsidiary of the State Bank of India, for the eight months ended 31st December 1960, show a slight setback. The deposits of the Bank have registered a contraction of Rs. 3.13 crores from Rs. 16.52 crores in the previous years. In spite of this drop in deposits, the Bank, however, succeeded in stepping up its advances from Rs. 7.05 crores to Rs. 7.93 crores and its investment from Rs. 7.84 crores to Rs. 8.04 crores. Consequently, the advances ratio has moved up from 42.7 to 59.22 per cent and the investment ratio from 47.4 to 60 per cent. The Bank has been in a position to do this by reducing its cash holdings from Rs. 3.23 crores to Rs. 1.53 crores, and by large borrowings from other banks which at the end of the year stood at a sizable figure of Rs. 2.64 crores. If allowance were made for this fact, the investment ratio would be at a much lower level. The following comparative table shows at a glance the Bank's operation in the last four years:

(In lakhs of rupees)

	As on 31st December			
	1960	1959	1958	1957
Capital	1,00.00	1,00.00	1,00.00	1,00.00
Reserves	81.50	78.65	66.89	65.06
Fixed deposits	6,03.79	7,21.86	7,45.43	N.A.
Savings and current deposits ..	7,36.14	9,30.56	8,99.64	N.A.
Total deposits	13,39.93	16,52.42	16,45.07	15,72.24
Advances	7,93.16	7,04.70	7,36.80	6,88.18
Investments	8,03.72	7,84.05	7,35.41	9,06.68
Cash	1,53.66	3,23.11	2,01.98	3,21.64
Balance-sheet total ..	18,66.97	19,25.29	19,08.79	20,00.48
Ratio to deposits of—	%	%	%	%
Advances	59.22	42.7	47.8	43.8
Investments	60.00	47.4	44.7	57.7
Cash	11.35	19.5	17.5	20.5

The Bank's earning capacity was adversely affected during the period under review by two factors: (1) Subsequent to the Bank becoming a subsidiary of he State Bank of India, it had to repay the large deposits maintained with it by the State Government to the Reserve Bank. (2) After 1st May 1960, the Bank became liable for payment of income-tax on its profits. The Bank's entire issued and paid-up capital of Rs. 1 crore is held by the State Bank of India. The fall in the size of the reserves as compared with the figure a year earlier is the result of determination by the Reserve Bank of this portfolio at the level of Rs. 50 lakhs. Apparently, there must have been an evaluation of the Bank's assets at the time it was made a subsidiary of the State Bank.

How the various items of income and expenditure have changed in the past four years can be seen from the following figures. The figures for 1960, however, are not strictly comparable with those for previous years, as they relate only to eight months. Even so, they show the setback received by the Bank in 1960:

(Rupees in lakhs)

	For eight months ended 31-12-60	For twelve months ended December		
		1959	1958	1957
Interest and discount ..	45.96	77.73	72.71	68.88
Commission and exchange ..	5.25	8.29	7.27	7.19
Interest paid	27.18	40.32	47.95	40.15
Expenses	15.61	21.74	19.47	17.89
Profit	9.76	17.83	16.29	22.83

After providing Rs. 4.75 lakhs for taxation out of the profit of Rs. 9.76 lakhs, the Directors have decided to set aside Rs. 1.50 lakhs to reserves. Staff bonus and pension contribution absorb Rs. 1.64 lakhs and Rs. 0.48 lakh, respectively, leaving Rs. 1.39 lakhs to be carried forward to the next year.

During 1960, the Bank set up only one additional office. It, however, intends to open six new offices and upgrade nine pay offices. Special efforts are being made by the management for giving more facilities to small-scale industries and the Bank's advances to them rose from Rs. 5.28 lakhs as on 31st April 1960 to Rs. 6.68 lakhs at the end of the year.

Notice

THE UNITED COMMERCIAL BANK LIMITED

Registered Office:
2, India Exchange Place, Calcutta-1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Register of Members and Transfer Books of The United Commercial Bank Limited will be closed from Monday, the 20th day of March to Wednesday, the 5th day of April, 1961, both days inclusive.

By Order of the Board,
S. T. SADASIVAN,
General Manager.

CALCUTTA, the 2*nd March* 1961.

NEWS IN BRIEF

THE Tariff Commission held this week a public enquiry into the question of continuing protection to the electric motor industry after the current year ends.

The proposal to establish a petro-chemical factory, on private participation and management basis, submitted by the Stanvac Oil Company, is under the consideration of the Central Government.

Negotiations on the setting up of the small car manufacturing unit in the public sector in India are now in progress between the representatives of the Central Government and the West German Volkswagen Company at Bonn. This was disclosed by Dr. Hans Wilhelmi, West German Minister for Federal Property, at Calcutta last week.

The total value of electric fans exported abroad rose from Rs. 38.31 lakhs in 1959 to Rs. 88.59 lakhs in 1960. The United Arab Republic was the largest buyer, accounting for Rs. 15.34 lakhs, followed by Iraq and Burma, which bought fans worth Rs. 14.26 lakhs and Rs. 13.91 lakhs, respectively. The other major buyers were Ceylon, Kuwait, Malaya and Singapore.

Several proposals for the manufacture of alloy steels submitted by private parties are being considered by the Government of India. Disclosing this in the Rajya Sabha, Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel, pointed out that licences had already been given to private parties for the production on a small scale of pig iron to the extent of 300,000 tons.

The West Bengal Government has set up a new body, called the Trade Union Verification Committee, which will be entrusted with the task of resolving disputes arising from the departmental verification of membership of trade unions in connection with their recognition. The Labour Commissioner is Chairman of the Committee, which consists of four other members representing four central Trade Union organisations.

Two major power projects, one at Sharavati in Mysore and the other at Korba in Madhya Pradesh, have been approved by the Hathi Committee, comprising the Ministries of Finance, Irrigation and Power as well as Planning Commission. The total cost of the two projects is estimated at Rs. 60 crores. While the first is designed to produce 180,000 kw. of hydro-power, the second will generate an almost equal quantity of thermal power.

The Central Government has decided to go ahead with the construction of the Farakka barrage during the current third Plan period. The revised estimate of the cost, at Rs. 56 crores, of the project is higher than the original estimates by Rs. 17 crores. The project envisages the construction of a barrage across the Ganga river at Farakka, a 26-mile feeder canal, with its outfall into the Hooghly and a barrage at Jangipur below the outfall of the feeder canal.

A new 200-ton plant for the manufacture of vat dyes and solubilised vats is to be established in Bombay shortly. A licence for the purpose has been granted to Mr. T. R. Sathe, the chief promoter of the project. No foreign collaboration is envisaged. The main raw materials will be imported against rupee payment until such time as they are available in the country.

The Government of India has rejected the Estimates Committee's suggestion to refer the cost structure of petroleum products for examination by the Tariff Commission or international experts, in view of the arrangements recently concluded with the oil companies for determining the price formula. It has also rejected the other suggestion for investing the Government with more powers in regard to the control over prices of petroleum products on the ground that necessary powers for adequate control already exist under the Essential Commodities Act.

The Government of India is reported to have decided to grant an industrial licence to Messrs. Parry & Co. of Madras for setting up a fertiliser plant at Visakhapatnam (Andhra Pradesh), with a capacity of 80,000 tons of fertilisers per annum in terms of nitrogen, in collaboration with a well-known American firm. Licences are also being given for two more units in the private sector, one of the same capacity at Hanumangarh in Rajasthan and the other of 50,000 tons N either at Kanti or Itarsi in Madhya Pradesh. The Rajasthan unit is expected to be established by the Jalans and the Madhya Pradesh unit by Khandelwal Bros. These two are understood to be still negotiating with foreign firms for collaborating with them.

Steps are being taken by the Government of Maharashtra to estimate the wastelands in forest areas which are not required for purposes of afforestation. These lands will be handed over to the Revenue Department for being distributed among the landless for cultivation. For this purpose, the Government has appointed district level committees consisting of the Collector, the District Forest Officer and the District Inspector of Land Records. The lands which are not leased on agro-silvi basis will also be considered for transfer to the Revenue Department. A similar procedure will be adopted for the disposal of forest lands which are being leased annually for cultivation either by the Forests Department or by the Revenue Department.

A provision of over Rs. 17 lakhs is expected to be made in the third Plan for development of regional grids by inter-linking State power systems in the country. A cell is also proposed to be set up in the Central Water and Power Commission to study planning of zonal supergrids in association with State Electricity Boards and public electricity supply undertakings and corporations. The ultimate objective in forming regional and zonal supergrids is to evolve an all-India grid system. The operation of inter-connected and integrated power systems will lead to maximum use of installed capacity in the States. Detailed studies for the formation of a Southern grid, comprising Andhra Pradesh, Madras, Mysore and Kerala have already been completed.

The Uppal Committee on the location and utilisation of wastelands in India has submitted reports in respect of the Punjab, West Bengal, Bihar, Mysore, Andhra Pradesh and Madhya Pradesh. The report in respect of Kerala has also been finalised. The Committee has already paid visits to Madras, Jammu and Kashmir, Uttar Pradesh and Gujarat and the reports on these States are under preparation. It proposes to visit Maharashtra shortly. The Committee has reported availability of 316,650 acres of land for reclamation in the Punjab, 201,625 acres in Madhya Pradesh, 137,710 acres in Andhra Pradesh, 113,640 acres in West Bengal, 72,196 acres in Bihar and 68,820 acres in Mysore. The recommendations of the Committee are under the examination by the State Governments concened. They will be implemented during the third Plan period.

Five Soviet experts will arrive in India shortly to present a preliminary project report for the heavy electrical plant to be set up in the public sector in collaboration with Russia. The experts will hold discussions with officials of the Government of India to decide the portion of the project to be completed and also the machinery to be supplied by each country. India proposes to undertake the civil engineering works of the project and also supply part of the machine tools required by the factory. The experts, in consultation with the Government of India, will also select a site for the plant which will be located in Northern India. States competing for it are Uttar Pradesh, Rajasthan and the Punjab. Meanwhile, discussions are going on with experts from Czechoslovakia about the heavy electrical plant to be set up in South India. The selection of the site for this plant has been delayed as the Czech experts have called for some more data.

The 24-inch medium section mill, the fourth unit of the rolling mill plant at the Durgapur Steelworks, was commissioned last week, well ahead of its scheduled date. This mill will roll a range of structural products consisting of certain sizes of joists, channels, angles, rails and fish-plates. It is fed by two bloom re-heat furnaces taking its stock from the blooming mills. It has been designed by a member-company of the ISCON, the British Consortium building the Durgapur Steelworks. It may be recalled that a few days earlier, a new furnace in the steel melting shop of the Durgapur Steelworks was also commissioned. This is the fourth open hearth furnace out of the eight to be constructed there. The first open hearth furnace was commissioned in April 1960. The capacity of seven furnaces will be 200 tons each, while the last one will have a capacity of 100 tons of special steel. The open hearth furnace will process pig iron from the blast furnaces into steel. Durgapur Steelworks is designed to produce one million tons of ingot steel when all the furnaces go into commission.

• • • •

From Abroad

The Dominican Republic Government proposes to impose restrictions on import of certain goods produced by the domestic industry, particularly the cheaper ranges of cotton textiles.

The Federation of British Industries has urged the U.K. Government to adopt decimal coinage—an essential step towards the use of the metric system of weights and measures.

The Trade Association of the Jute Industry at Munsteg in West Germany has called for "suitable protection measures appropriate to free enterprise" in respect of jute imports. It has accused Pakistan of abusing its "monopoly of raw materials" and India of "unilaterally exploiting its position as the dominating processor of jute."

The foreign-owned industries of West Java in Indonesia will be progressively nationalised over the next five years. The foreign industrialists have been advised to take in local capital or to appoint Indonesians into the management cadre now in order to "make these enterprises ripe for complete nationalisation" within the stipulated period of five years.

A Bill, seeking to establish a $300-million fund for the development of "depressed areas" in the U.S., has been submitted to the Congress by President Kennedy. Loans will be granted out of the proposed fund to assist local communities in the task of expanding established industries or attracting new ones.

The total consumption of tea in the U.K. rose by 8.5 million lbs. to 505 million lbs. in 1960, as compared with the previous year, according to the International Tea Committee. Among the non-tea-producing countries, the U.K. is the world's largest tea consumer. The U.S. ranked second, its total imports last year touching 118 million lbs., as against 107 million lbs. in 1959.

The Government of Ceylon has restricted import of certain items to 25 per cent of the average imports for the past three years. The items, which have been brought under licensing control, include coffee extracts, chocolate preparations, fruit juices, motor buses, motor vans, motor trucks, chinaware, radio receivers, radiograms, refrigerators and jewellery. The Government at the same time lifted curbs on the import of spare parts and accessories for all types of motor vehicles, bicycles, refrigerators and air-conditioning plants.

PERSONAL

MR. G. L. Mehta, Chairman of the Industrial Credit and Investment Corporation, is the Chairman of the reconstituted Advisory Committee on Capital Issues Control which will have a tenure of two years. The members of the Committee are Messrs. A. M. M. Murugappa Chettiar, K. R. P. Shroff, John Brown and M. R. Shervani, M.P.

Mr. D. R. Kohli, Under-Secretary in the Ministry of Transport and Communications, has been appointed Secretary of the Indian Airlines Corporation. He will also act as Secretary to the Advisory Board of the I.A.C.

Mr. Pratapsinh Mathuradas, Mr. M. A. Master, Mr. M. R. Ruia, Mr. Naval H. Tata and Mr. Ramnath A. Podar have been co-opted on the Committee of the Indian Merchants' Chamber for the year 1961.

Herr Hans Wilhelmi, the West German Minister for Federal Property, has arrived in India for a two-and-a-half week visit, mainly for holding discussions with the Union Finance Minister on questions relating to West German aid to India's third Plan.

Mr. N. Stenhouse, a Director of Messrs. Andrew Yule and Co. Ltd., and Mr. H. Mackay Tallack, Director of Macneill and Barry Ltd., have been elected President and Vice-President, respectively, of the Bengal Chamber of Commerce for 1961-62. The other members elected are: Sir John Brown (Jardine Henderson Ltd.), Mr. J. M. Lall (Imperial Chemical Industries (India) Private Ltd.), Mr. J. Luckham (Dunlop Rubber Company of India Ltd.), Sir Walter Michelmore (Bird and Co. (Private) Ltd.), Mr. A. I. Murison (James Finlay and Co. Ltd.), Mr. P. E. G. W. Parish (Gillanders Arbuthnot and Co. Ltd.), Mr S. M. Smith (Shaw Wallace and Co. Ltd.), Mr. I. G. Thomson (The Chartered Bank) and Mr. H. M. L. Williams (Guest, Keen, Williams Ltd.).

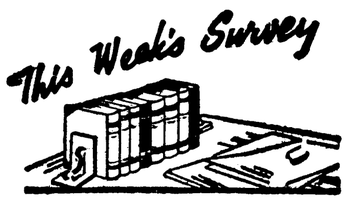
The aggregate output of crude oil in the Middle East rose to a record of 264 million metric tons in 1960, which represents an increase of 33 million tons or 14.4 per cent over 1959. Kuwait accounted for 81.86 million tons (as against 69.53 million tons in 1959), Saudi Arabia 60.86 million tons (53.96 million tons), Persia 52.06 million tons (45.63 million tons), Iraq 47.48 million tons (41.73 million tons), Qatar 8.21 million tons (7.99 million tons), Kuwait/S.A.N.Z. 7.27 million tons (6.20 million tons) and others 6.34 million tons (5.83 million tons).

The Soviet Union's overseas freight traffic in 1961 is expected to be higher by 30 per cent, as compared with 1960. More routes will be opened to include Ghana, Guinea, Morocco, the Sudan and Costa Rica and cargo shipments between the ports of the Soviet Union and those of Cuba will be sharply increased. Machines, machine tools, equipment and chemical products account for an increasingly larger proportion of Soviet exports. The Soviet export items include complete sets of equipment for factories, mines, ports and major hydro-engineering projects.

The British General Guarantee Corporation has made a take-over bid of £5.5 million for Ralli Brothers, the British firm of general merchants and merchant bankers with interests all over the world. The Ralli group trades in a wide variety of produce, including jute, sisal, cereals, raw cotton, cotton textiles, sugar and coffee. Subsidiary companies have wide trading connections with India and Pakistan and business is carried on in Kenya, Uganda, Sudan, South Africa, Hong Kong, Iraq, Canada, the U.S., Greece, and Japan. Shareholders will get 47*s.* 3*d.* for each ordinary share —4*s.* 3*d.* more than the figure mentioned in a preliminary announcement a week ago.

The Soviet Union will help Indonesia to build major industrial enterprises, including an aluminium plant, the Asahan hydro-electric power station in North Sumatra, and an iron and steel mill with an annual capacity of 250,000 tons of steel. Russia's participation in these and other projects is envisaged by the protocol signed on 24th February 1961 in accordance with the second general agreement on economic and technical co-operation entered into last year. The protocol also provides for the participation of Soviet specialists in geological surveying, especially in prospecting for coal and iron ore in South East Kalimantan. Soviet organisations will further help Indonesia with other research, supply equipment and other materials and help in training cadres for these enterprises.

A trade agreement between Russia and Italy was initialled at Moscow last week, under which the total value of mutual trade in 1961 is expected to be $240-250 million. An important feature of the agreement is the provision made for the supply of 4 million tons of Russian oil to Italy. The general pattern of trade will be the exchange of Soviet raw materials for Italian machinery and finished products. A small part of the trade will consist of actual consumer goods, as is the case with any recent Russian deal with the West. Apart from oil, Russia will export, among others, 100,000 tons of iron ore, 180,000 tons of pig iron, 40,000 tons of cellulose, 200,000 tons of wheat, 15,000 tons of cotton and 700,000 tons of edible oils. In exchange, Italy will deliver a 48,000-ton tanker, in addition to heavy machinery for steel industry, equipment for steel tubing, electric cable as well as oil refining and pumping installations. The agreement also provides for an annual increase in trade to the tune of 20 per cent during the period 1962-65.



COAL MOVEMENT

THE current coal shortage at the consuming ends, unlike the one experienced last year, is due more to transport bottlenecks than to under-production. Of course, the actual production in 1960 fell short of the targeted production in the public sector collieries to the tune of 5 to 6 million tons. But, in the current calendar year, as a whole, with the private collieries having achieved a monthly production capacity of four million tons and the public collieries having established a monthly capacity of one million tons, the aggregate production will not be less than 60 million tons, as against 52.5 million tons in the whole of 1960. It may even be that production in the current year will exceed 60 million tons if the collieries in the private sector extend their operations as enthusiastically as they are expected to do. There is thus the prospect of coal situation easing further on the production front. Currently and in the months ahead, however, it is the transport situation that will determine the adequacy or otherwise of coal supplies at the consuming ends. As things stand, while coal stocks are accumulating at many pitheads of public and private collieries at a faster rate than they are being moved out, the Railways are unable to make the required wagons available.

In this connection, the report that the Coal Controller recommended to the Railways for the month of January 1961, the bulk allotment of 169,489 wagons (that is, 5,467 wagons on a daily average) but that the latter actually allotted, during that month, only 150,579 wagons (that is, 4,857 wagons on a daily average) tells its own story. Even according to the Chairman of the Railway Board, the Railways will have the capacity to move coal at an annual rate of about 49 million tons only by the end of March 1961, that is, about four million tons, on an average, per month. Since, however, coal production at present is at a monthly rate of about five million tons, the haulage capacity of railways will represent only 80 per cent of production—a proportion which is much less than the figure of 95 per cent in 1959-60 when 44.6 million tons out of a total production of 47.0 million tons of coal were moved by rail. Even if the Railways are in a position to achieve a haulage capacity of 55 million tons in 1961-62—which is by no means certain—it will still represent only about 85 per cent of the expected production of that Plan year. As presumably all the coal that is expected to be produced (barring the 19 million tons or so of Railway coal, that is, coal intended for the use of the Railways themselves) will be required by the consuming industries, thermal power stations, etc., there will be a continuing crisis in movement and supplies, unless, of course plans are immediately devised to overcome it.

It is a welcome development that the Railway Ministry and the Ministry of Steel, Mines and Fuel seem now to be agreed on some measures to meet the situation. These measures, which are now under active consideration, are: (i) Increase, from July next onwards, of the overall wagon supply in the Bengal-Bihar region to 5,200 wagons per day for movement of coal; (ii) increased use of road transport in specified zones for moving coal over short distances; (iii) increased movement of coal by coastal shipping to the maritime States; (iv) supply of coal to western India from the Central India coalfields, such as the Pench Valley, instead of from Raniganj and Jharia Coalfields and to the southern region from the Singareni coalfields; (v) the stockpiling of coal in regional dumps which could be built up by loading block rakes of coal through bunkers in the main collieries; (vi) use, as far as possible, of furnace oil or crude oil by the Railways for their own purposes or by the industry as a substitute for coal in areas distant from the coalfields; and (vii) supplying important industrial consumers with their minimum requirements of coal in accordance with an order of priorities. It is expected that most of these measures will be instituted between now and July. Anything like full relief from the coal shortage can, therefore, be expected only after July next.

Some of the proposed measures call for comment. First, the possible use of road transport for moving coal over short distances may not be cheaper even in comparison with the increased coal freight proposed in the Railway Budget for 1961-62. Actually, there may not come about any substantial diversion of short-lead coal traffic to road, and in that case, it will have only increased the cost of coal to industries which are located in such areas as Asansol and Durgapur without relieving the pressure on the Railways. In any case, the proposal may turn out to be a difficult exercise in road-rail co-ordination. The proposal regarding the stockpiling of coal in regional dumps, especially in States like Maharashtra, Gujarat, Punjab, Uttar Pradesh, Madras and Kerala, has been welcomed by the industries in areas far away from the coalfields. But the Coal Controller's relevant scheme under which coal will be imported, from April next, directly by the district magistrates or certain nominees of the respective State Governments to certain central dumps from where the individual consumers will take their supplies, has been criticised by the Indian Coal Merchants' Association on the ground that it will have the effect of eliminating thousands of coal merchants. The Association's view is that executive authorities in the districts will not be able to cope with the tremendous task of coal distribution (which is now a wholetime job of a large number of men) and that, therefore, they will shift it to the Government 'nominees'—an ominous phrase which plainly means 'a few' favoured individuals in every State who will prosper as monopolists under State protection by throwing hundreds of coal merchants out of business. These arguments are not unreasonable and they deserve to be taken into account when the Coal Controller finalises the scheme for regional coal dumps and coal distribution. As for another proposal, namely, the use of furnace oil as a substitute for coal in areas distant from the coalfields, it is a matter for further investigation whether the comparative fuel costs will justify its use. The other measures proposed are self-explanatory and non-controversial, meriting early implementation.

EASTERN ECONOMIC ZONE

It was indeed an excellent treatise on the economic development of the Eastern Zone that Mr. H. M. L. Williams, the retiring President of the Bengal Chamber of Commerce and Industry, delivered at the Chamber's annual meeting in Calcutta on Friday last week. The Zone comprises the four States of West Bengal, Assam, Bihar and Orissa. Mr. Williams not merely pinpointed the series of disabilities and disadvantages from which this region has been suffering and warned against their continuance inhibiting progress, but also ventured to put forward some concrete suggestions for enabling the area to make immense and rapid growth in the next decade. Although his observations pertain largely to a particular region, they should not be dismissed as being of only regional importance for two reasons: (*a*) The region under reference is endowed with certain advantages favourable for the establishment of a large number of heavy and basic industries; by exploiting them to the fullest extent possible, the whole country stands to benefit; and (b) the basic validity of his observations hold good for the other regions as well.

Perhaps, lest he should be mistaken for having championed the interests of his own region, Mr. Williams himself declared: "There is need for all concerned to view the problems not only from the point of view of the particular State they live in but from that of the area as a whole and its integration in the Indian economy." For he emphasised that economic law recognised no political boundaries; it depended on natural resources as well as on the man's skill and enterprise in making the best use of them. He, therefore, commended the need for a co-ordinated policy on the part of the individual States on matters of economic interest.

Some of the specific suggestions of a general nature that Mr. Williams made in his speech may be summarised below:

1. Export costs should be reduced; this requires acceptance of rationalisation and modern methods of production.

2. There must be greater utilisation of coastal shipping for carrying heavy and bulky raw materials, particularly coal, through improvement and expansion of existing port facilities.

3. Modern heavy industry requires for its sustenance a host of raw materials, semi and basic items manufactured more efficiently by specialist producers. There is already a considerable number of such producers serving the needs of engineering in its many forms and the jute, tea, chemical and paper industries. The number must inevitably grow and develop around natural economic areas.

4. Secondary industries must develop at a rate fast enough to take full advantage of the recently enlarged foundation added to the basic industries.

5. There must be greater inflow of foreign investment by medium-scale and specialist manufacturers who produce goods acceptable to international specifications and are very conscious of the need for good management, use of modern machinery, good employee-employer relations, and high individual productivity based on sound selection and training methods.

6. Collaboration by industrialists in India with these manufacturers will be at its best, if it is based on equity participation of investment, sharing technical knowledge and modern managerial practice, and pooling of essential experience of local conditions and markets.

When Mr. Williams made these points, he did have at the back of his mind the rapidly growing economic zones other than the Eastern Zone which are eager to attract new enterprises. Drawing pointed attention to this tendency, he warned that, if conditions in the Eastern Zone did not prove satisfactory, enterprises which should have developed in the Zone might settle elsewhere. The implication of this statement of Mr. Williams is that both the powers-that-be and the business men in Eastern India must endeavour to create conditions congenial to the speedy development of the region as a whole. It was in this context that Mr. Williams laid emphasis on the urgency of ensuring sufficient electric power supply, improved communication facilities, and adequate trained and practical managerial cadres.

Mentioning, in particular, the disquieting problems confronting West Bengal, the Chamber of Commerce President urged the Central Government to give priority to the problems, which, he felt, were concentrated to a peculiar degree in the immediate environs of Calcutta, in the interests of the long-term development of the country as a whole. Significantly enough, he observed that "the circumstances are unusually propitious at the moment and powerful aid and allies are at hand." He accordingly called for "most rapid and energetic action" to improve drainage, sewage disposal and water-supplies throughout the urban belt (including Calcutta), to solve traffic problems and to set up satellite towns to reduce Calcutta's teeming population. It was a pleasant coincidence that, as Mr. Williams was making these points in his speech at Calcutta, we ourselves were stressing them in our second editorial last week.

Mr. Williams devoted a good part of his speech to the problems of the region's old industries, too. He wanted greater attention to be bestowed on growing more raw jute in order to ensure adequate supply of raw material to jute industry. He emphasised the need for encouraging exports of tea through reduction in export duties and State taxes, higher priority for rehabilitation of estates, and improved supplies of fertilisers. He advocated a ban on exports of any categories of steel scrap which could be charged into steel in this country itself. He suggested accelerating the use of unworked coal reserves. Considering that the problems facing the jute, tea, engineering and coal industries are the concern of more than one State, Mr. Williams has done well in highlighting them. There is considerable force in his observation that the extension of the system of artificial correctives would only result in an increase in the prices of basic raw materials which would only inflate production costs, to the disadvantage of the general consumer, and lead to wastage of resources.

CO-OPERATIVE MANAGEMENT

The Reserve Bank of India had accounted for less than one per cent of the total agricultural credit of Rs. 18.5 crores provided by co-operatives in 1947-48. But, at present, of the total rural co-operative credit of about Rs. 150 crores, its share is as much as 66 per cent. And it will continue to play a big role—though, relatively speaking, its contribution may become less than 66 per cent—in the third Plan period when the short-term and medium-term loans provided by co-operatives are expected to reach the level of Rs. 480 crores. This massive role of the Reserve Bank in the expansion of rural credit explains its active, and even anxious, interest in co-operative management and administration. The active interest will continue to take the form of sanctioning further credit limits, perfecting inspection procedures and training various categories of co-operative personnel. But all this active interest will be accompanied by not a little anxiety of the kind to which Mr. H. V. R. Iengar, Governor of the Reserve Bank, gave expression in his speech, over the week-end, at the Golden Jubilee celebrations of the Vidarbha Co-operative Bank at Nagpur. The anxiety is on the score of the quality of leadership at the higher political and administrative levels, which, in the opinion of Mr. Iengar, is not quite so effective as in the past in the sense of dedication to co-operative goals. His thesis, in short, is that there will be real chances of finding adequate leadership at the village level, if there is effective leadership at the higher levels. This anxiety is fully justified because the present leadership is not imbued with that sense of disinterested dedication which eminent co-operators in the past displayed.

Equally important in the present context of complex economic activities entrusted to co-operatives is sound management. A co-operative is as much an enterprise as any other, though it combines its business structure and business activities with an ethical content. Its sound functioning as an economic enterprise and its operational efficiency are indispensable not only for the successful fulfilment of its purposes as an association but also for the progress, on sound lines, of the co-operative movement, itself. No co-operative movement, as a recent I.L.O. Report on Co-operative Management and Administration has pertinently emphasised, can operate successfully without technical knowledge backed by clear thinking, good judgment and ability to take decisions and bear responsibilities. These are the attributes of sound management which, unfortunately, is not a distinctive feature of most co-operative societies in India at the present time. This is so because, as the I.L.O. Report has so pithily put it, "a democratic movement with an ethical content tends to bring good men to the top, but not necessarily able men, nor men with a flair for business."

It should be obvious, therefore, that the kind of leadership that is necessary for ensuring the efficiency of a co-operative as a business enterprise is no other than sound personnel for ensuring competent technical and financial management. How crucially important this is, may be seen from the following passage in the I.L.O. Report:

> "A credit policy devised, say, in the interests of increased food production may involve lending on a basis of want rather than of capacity to repay, and this may mean that co-operatives become agencies for the distribution of Government resources rather than solvent economic enterprises. Similarly, industries may be preserved or initiated primarily in order to give employment, and though their form may be co-operative, they will in fact be in the nature of relief works if the test of economic viability is not applied. Co-operatives for the joint use of land may be established on social, ideological or other grounds, but, if they do not in fact increase productivity, pay off investment and operational credits, and offer their members an economic return for their labour and capital, they may be interesting experiments but still not qualify as efficient business enterprises in their own rights."

Surely, it cannot be that the Agricultural Credit Department of the Reserve Bank of India is unaware of the risks involved in adopting the co-operative system as an instrument of State policy. But it is by no means clear that its advisory role can be performed so effectively as to ensure better and sounder co-operative management on business lines so long as the political leadership in the country suffers from the type of weakness to which Mr. Iengar referred in his Nagpur speech.

PAPER TRADERS' PLEA

Paper industry and trade have, of late, come in for a good deal of official controls. But all of them have not been helpful to the development of this vital industry. The rather arbitrary approach of the Tariff Commission in working out the cost structure of the industry and fixing so-called fair prices, without adequate regard for considerations of quality and expansion, has already adversely affected the growth prospects for this industry. The distributive trade, too, has been deprived of its legitimate share in the import trade in paper, albeit due to the policies of another authority. The State Trading Corporation, for instance, has taken upon itself the responsibility for importing paper, permitting only actual users to buy from abroad directly. Mr. J. P. Lalwani, President of the Federation of Paper Traders' Associations of India, in his address at the third annual session held at Madras last week, drew pointed attention to the need for revising the import policy in respect of paper. He felt that the intervention of the S.T.C. was detrimental to the very existence of the established trade. He urged the Government therefore to restore to private trade its rights to participate in imports. His plea, however, has gone in vain. For Mr. Nityanand Kanungo, Union Minister for Commerce and Industry, who inaugurated the aforesaid meeting, categorically declared that it would not be possible for the Government to channel imports through any agency other than the S.T.C.

Obviously, the Government seems to be bent upon eliminating the established traders from the field of import trade with the avowed purpose of protecting the interests of the consumer. There is no dispute regarding the objective. But the means adopted for achieving it, however, are of doubtful value. Although the S.T.C. imports paper, it has no control over the distribution end. Excepting bulk consumers, the others are completely at the mercy of traders through whom the S.T.C. distributes the paper imported by it. And it is the latter who need protection. Accordingly, unless the trade itself voluntarily submits to a code of fair conduct, there is bound to be profiteering at the retail end. If the Government has no confidence in the individual private trader's methods of distribution, there is no reason why a paper traders' body like the Federation should not be given the responsibility for imports and their fair distribution. Mr. Kanungo's excuse that the Federation is too young to take up such a job is not altogether convincing. Although the Federation was formed only three years back, several of its constituent associations have longstanding experience in their trade. Besides, the Federation can also boast of a wide regional representation. In any case, what experience has the S.T.C. in paper trade and how long has it been in this particular business?

The scope for profiteering that exists in the paper trade is largely the result of shortage of supply. What is needed, therefore, is the unrestricted development and expansion of domestic paper industry, which alone will ease the supply position. Production, no doubt, has been going up, but this has not kept pace with the rising demand. The total output of paper in the organised sector during January-August 1960 aggregated 228,000 tons, which compares with 183,000 tons during the corresponding period in 1959 and 294,000 tons in the whole year 1959. The scope for expansion of the industry is quite good, taking into account the availability of raw materials within the country. We are also told that the country will become self-sufficient in respect of paper machinery within a year. If, therefore, the Government sees to it that the industry is not subjected to any disincentives, there is a fair chance of the industry being able to rise to the occasion.

COTTON PROBLEMS

It is more by a stroke of luck in the form of favourable weather than by any conscious human effort that cotton production during the current (1960-61) season—the last year of the second Plan—is now substantially higher. The latest trade estimate puts the crop in the neighbourhood of 5.3 million bales, at which level it very nearly approximates the revised second Plan target of 5.4 million bales, though it is a long way off from the original Plan target of 6.5 million bales. The latter figure itself, it may be noted, was a revised target and this was revised further in a downward direction in view of the shortfall in actual production during the past two years and not because of any reduction in the country's raw cotton requirements both for clothing the people and earning foreign exchange. For the third Plan, the Indian Central Cotton Committee has recommended a target of 7.2 million bales per annum to be reached by the end of the Plan period. Although a crop of 5.30 million bales (commercial estimate) will be a record high for this country, it represents only a modest improvement as compared with 5.15 million bales (commercial estimate) harvested in 1957-58 and 5.29 million bales (actual crop, as estimated by the Central Cotton Committee) in 1954-55. In other words, the country has made little or no progress on the cotton front during the second Plan period.

An idea of the magnitude of the problem and the measures required for solving it was given by Mr. V. Shankar, I.C.S., the new President of the Indian Central Cotton Committee, at its eighty-third meeting held at Bombay on the 25th inst. Mr. Shankar has succeeded Dr. M. S. Randhawa who was the President of the Committee for five years. He can be expected to bring to bear on the problems of cotton production, with which the Committee is concerned and which were not solved during Dr. Randhawa's time, a fresh and vigorous mind. But whether he will succeed where others did not is a question for which time alone can provide the answer. In his speech delivered at the meeting, Mr. Shankar said that the third Plan target had to be achieved mainly by bringing more irrigated areas under cotton and by stepping up the supply of fertilisers to cultivators. He pointed out that, in the past, not more than 40 to 45 per cent of the fertiliser requirements of the cultivators could be met. The main reason for this was shortage of fertilisers. By stepping up indigenous production of fertilisers and more imports it was expected to meet at least 80 to 90 per cent of the demand during the third Plan period. This alone would, according to him, account for 25 per cent of the planned increase in production. Mr. Shankar conceded that this was not easy of achievement, because it was not merely a question of adequate resources but also one of matching them against the capacity of cultivators to repay and the ability and willingness of co-operative societies to step in and assist. Improved cultural practices, implements and seeds were other prerequisites for achieving the target.

Mr. Shankar said that estimates of fertiliser needs of cultivators were not based on any scientific assessment of the requirements of the soil in different regions under different conditions of rainfall and other climatic factors, not to mention the crop patterns. There were 23 soil testing laboratories in the country and one more was to be established shortly but, considering the vast size of the country and the differing climatic and soil conditions, they were grossly inadequate for soil testing. He disclosed that the Government was planning to establish a soil institute and organise soil testing surveys.

A point that was specially emphasised by the President of the Committee was the need for maximum co-ordination of the various agencies concerned with improving cotton production, quality-wise and quantity-wise alike, so that effort in no field was wasted. He suggested that the link between the industry, the grower, the scientist and the trade should be closer still, so that each was conscious of what the other required and what was expected of it. This is a fine exhortation, but there is nothing new in it. Not one of Mr. Shankar's predecessors had failed to stress this need. If Mr. Shankar, however, sees to it that what he has just preached is effectively and expeditiously translated into action, he will, indeed, be doing something more than what they have done.

The new President of the Cotton Committee did well to underline the importance of establishing suitable administrative machinery for schemes to be implemented before targets of production were set and expenditures sanctioned. For, once targets are fixed before the administrative machinery is finalised, it becomes more or less a matter of prestige and a lot of infructuous expenditure is incurred to reach the target. As Mr. Shankar pointed out, schemes which do not promise any success should be withdrawn at the earliest possible stage rather than they be allowed to continue at the expense of other more deserving ones.

STATES BUDGETS

So far, eight out of 15 States have presented their budgets. The budgets of the remaining States will be published in the next few days. As this is the opening year of the third Five-year Plan, the State budgets are of vital significance from the point of view of mobilising the financial resources required for the States' plan-programmes. What light do the budgets throw on the willingness and capacity of the States to raise adequate funds for financing their Plan schemes? It is well known that, at the time of fixing the States' outlays for the third Plan period, each State, in its anxiety to secure a larger slice from the Planning Commission, was vying with every other State in pitching its own Plan ceiling at as high a figure as possible. No national outlook was then in evidence. Every State wanted to grab for itself the largest share of Central assistance and the Chief Ministers of the various States did not take an overall view of the resources available to the whole country. When the Planning Commission began to apply the axe to the fantastically bloated State claims, some Chief Ministers, expressed their willing-

ness to raise additional resources, on condition that larger allocations than those originally visualised by the Planning Commission were permitted to their respective States.

In presenting the budgets for 1961-62, however, the various State Governments appear to have completely lost sight of their responsibilities for raising the resources. Actually, after the modifications made in the Draft Outline of the third Plan, the Planning Commission had stepped up the target of additional taxation to be raised by the States during the third Plan period from Rs. 550 crores to Rs. 610 crores. This was necessitated by the upward revision effected in the aggregate target of the third Plan for the public sector from Rs. 7,250 crores to Rs. 8,000 crores. In view of this, it was clearly the duty of the States to make a supreme effort to raise additional resources through fresh taxation beginning from the budget for 1961-62 onwards. But actual performance of the States shows that, of the eight States which have so far announced their budgets only three, Maharashtra, Gujarat and the Punjab, have chosen to levy new taxes, albeit on a small scale. Even of these three States, it is only Maharashtra that has tried to balance its revenue budget. The fresh taxation proposed by it is expected to bring in Rs. 100 lakhs against a deficit of merely Rs. 7 lakhs. The Punjab Finance Minister raised the rate of general sales tax from 4 per cent to 5 per cent and the entertainment duty by six naye paise. The two measures are expected to yield Rs. 120 lakhs and Rs. 11 lakhs respectively, leaving an uncovered nominal deficit of Rs. 2 lakhs. In a way, the Punjab, too, can claim that it has also very nearly balanced its budget. But both the States should have aimed at a surplus to contribute to their respective capital budgets. It will be recalled that Mr. Chavan, in particular, secured a bigger Plan sanctioned for Maharashtra on the ground that he would somehow get the additional resources required for the purpose. The Gujarat Government has proposed increases in the taxes on motor spirit, kerosene, groundnuts, entertainment, electricity and stamp duty yielding in all Rs. 80 lakhs. But, as the deficit is estimated at Rs. 387 lakhs, the new taxes would cover only a fraction of the budgetary gap. The rest of the five States have behaved even more badly, in that they have made no new proposals for raising additional resources, in spite of a wide gap between their revenue and expenditure. On the basis of budgetary estimates for 1960-61, the eight States which have so far presented their budgets—Maharashtra, Madras, Andhra, Bihar, West Bengal, Gujarat, Punjab and Jammu and Kashmir—account for Rs. 545.63 crores of total revenue, or more than 52 per cent of the aggregate revenue of Rs. 944.60 crores for all the constituent States of the Federation. The additional taxation proposed by the three States aggregates Rs. 3.11 crores and over the entire third Plan period, it will fetch about Rs. 15.55 crores. If it is remembered that, over the third Plan period, these States will have to raise a minimum additional taxation which will bring in Rs. 305 crores (half of the target of Rs. 610 crores), the magnitude of the shortfall can be easily gauged. Actually these eight States should have imposed in the budget for 1961-62 new taxes altogether yielding Rs. 20 crores (as against only Rs. 3.11 crores that have now been proposed) or Rs. 100 crores for the five-year period. It is, of course, assumed here that they would continue to impose fresh taxation of this order in each of the remaining four years of the third Plan. It is only then that these States would be in a position to fulfil their responsibility of raising Rs. 305 crores of additional revenue. In view of this massive indifference by more than half the State Governments to the question of raising additional taxation, the reported concern of the Planning Commission over the resources aspect of the third Plan is quite understandable. The Commission will, therefore, be justified if it insists that each one of these States and also those that may follow their example in the next few days should bring forward a supplementary budget at least in the monsoon session of their legislature. The relevant section of the Planning Commission and States Finance Ministers must get together soon, in order to determine the possible lines on which new taxes can be imposed.

One possible explanation of the reluctance of the States to introduce new taxes or raise the rates of existing taxes is that this is a pre-election budget. Of course this tendency on the part of the Congress Party to adapt the budgets to the needs of political exigencies is not in the best interests of the country. The Congress, as the most popular of all the political parties, should be prepared to take some electoral risk and convince the people of the need for their paying more for the cost of economic development. But the present tendency is also a reflection of the opportunistic tactics of other opposition parties, which, while being vociferous in demanding amenities for the people, are not sufficiently enlightened and honest enough to support new tax measures required for sustaining higher expenditure on economic development and social services.

Almost all the eight State budgets show marked deficits, as can be seen from the following figures:

Budgets 1961-62

(Rs. in crores)

	Total receipts	Total expenditure	Surplus (+) or deficit (—)	New taxes
Andhra	118.24	112.18	—3.94	..
Bihar	146.51	148.64	—2.13	..
Gujarat	70.69	74.56	—3.87	0.80
Jammu and Kashmir.	22.94	23.93	—0.99	..
Madras	105.60	108.45	—2.85	..
Maharashtra ..	157.50	157.57	—0.07	1.00
Punjab	82.84	84.17	—1.33	1.31
W. Bengal	131.90	140.81	—8.90	..

Notwithstanding the fact that the budgetary position of most States shows a marked imbalance between resources and needs, some of the States are vigorously pursuing progressive policies in the field of social services. For example, the Finance Minister of Madras, Mr. C. Subramaniam, announced that, in future, educational concessions could be on the basis of economic backwardness and that the Madras Government has decided to extend free education upto XI standard to all poor children irrespective of caste or creed. The position now is that free education is made available to all children upto V standard and to poor children upto VIII standard. Beyond VIII standard education is free only to children belonging to scheduled castes and other backward classes.

The Andhra Finance Minister's speech refers to many interesting schemes for which provision has been made in the budget including increased block grants to the three universities in Andhra, grants to local bodies for office buildings, larger provision for educational loans to deserving students of technical and professional colleges and grants of pension to destitute persons aged 70 and above.

The budget speeches of some of the State Finance Ministers contain reference to their grievances in the matter of Central assistance. Thus, one of the highlights of Dr. B. C. Roy's speech is his forceful plea for greater Central assistance to industrialised States. Dr. Roy was on strong grounds when he urged the Planning Commission to clarify the principles on which the assistance list had been drawn up. In the past, several prominent members of Parliament had also asked the Planning Minister to lay before the house the criteria on the basis of which Central assistance was given and the Plan ceilings of different States were determined. The whole question of distribution of Central assistance to States should be referred to the Third Finance Commission, so that some objective guiding principles could be spelt out and no State need be under the impression that the Centre has its favourites among the States.

Another complaint of the States to which the Finance Minister of Andhra drew pointed attention, pertains to the growing burden of debt charges, which are made more onerous by the fact that, in regard to projects such as the Nagarjunasagar, the service charges mount from year to year, while the return from the investment is quite far away. There is a clear need for adjusting the rate of interest and period of maturity of the loans granted by the Central Government to the States to the gestation period of the project for which it is intended. The States, however, must take particular care to keep down the capital cost of these projects both through efficiency and economy.

COCONUT PRODUCTION : A CORRECTION

In a note on coconut industry (vide page 140, *Commerce* dated 28th January 1961), the figures of output of coconuts at the end of the first Plan was given as 3,800 million nuts and the target for production in the second Plan as 8,700 million nuts. We regret to find that these figures are not correct. The correct position is as follows:

Actual production of coconuts at the end of the first Plan, according to final estimates, was 4,150 million nuts (as against the initial estimate of 3,800 million nuts). The production target set in the second Plan was 870 million *additional* nuts, making an aggregate of 5,020 million nuts. The actual output for 1960-61 is, however, estimated at only 350 million *additional* nuts, or a total of 4,500 million nuts. The shortfall in production, as compared with the target is 520 million nuts or about 12 per cent.

EXAMINATION FOR QUALIFYING AS COMPANY SECRETARIES

The Department of Company Law Administration has notified that the second preliminary and intermediate examination for Company Secretaries will be held in October 1961. Candidates intending to appear in the intermediate examination in October should register themselves with the department before 31st March in order to be eligible to sit for the examination. No registration is necessary for candidates who wish to take the preliminary examination. The last date for enrolment for the examinations will be announced later. Students already registered in the department are required to pay an annual fee of Rs. 10 before 1st April 1961.

ANNOUNCEMENT

THE STATE BANK OF INDIA

have pleasure to announce that,

in pursuance of their objective to promote savings and encourage rural deposits through the large number of branches opened in fulfilment of their Statutory obligation for Branch Expansion,

THE INTEREST RATES

on Savings Bank Accounts and Savings Bank Deposits in all their offices

HAS BEEN RAISED,
as from the 1st March 1961

as under:

Savings Bank Accounts from 1½% to 2½% p.a.

Savings Bank Deposits from 2½% to 2¾% p.a.

The State Bank's 900 offices in the Country are at the Nation's Service.

SBI'A'S—43-46 274

ON THE ARENA

By The Archer

Direct Taxes, Indirect Taxes and Tortuous Levies

I AM writing this column before publication of the budget proposals, and although I usually attach no importance to the intelligent(?) anticipations of clever forecasters regarding the shape of things to come, I do agree with what most people have been saying that there is likely to be much more of indirect taxes than of direct ones, for the simple reason that according to the accepted technique of assailment, a kick on the rear is supposed to be less offensive and shocking than a frontal biff on the jaw. And I go a step further in forecasting that tortuous levies, mostly undiscovered by the general public, are likely to be very much on the increase. Let us take, for instance, the financial effects of one of the amendments to the Indian Companies Act, namely, of Section 271, which, in its original form, required every newly appointed director of every public limited company to furnish the concerned company with particulars of the qualification shares held by him, and, in its amended form, requires a declaration of such holdings to be forwarded (by all directors, present and future) to the Registrar of Companies, accompanied by a filing fee. The filing fee is related to the capital of each company, and is Rs. 25 for companies with a capital of Rs. 25 lakhs and above. As most public limited companies will fall in this category, we may assume that Government revenues will be augmented to the extent of Rs. 25 multiplied by the number of directors (except technical or ex-officio directors) of each public limited company multiplied by the number of such companies in the whole country. This should aggregate to a sizable amount of money. The collection will be made quietly, effectively and quickly, and from a body of persons who may not openly complain, although they might express themselves bitterly about the Company Law Administration and call it by rude names, but who cares? I cannot discover much serious purpose behind the amendment, except that it is in accordance with the general policy of "tightening up." Nor can the levy, as such, be defended unless a case is made out that the clerical and supervisory work involved in receiving, scrutinising and filing the declarations in their proper folders is estimated to cost as much as Rs. 25 per declaration. However, it is a sure source of revenue, and may point the way to a series of similar levies by various controlling departments of the Central or State Governments. Impose on people of a particular income group a series of statutory obligations, call upon them to submit forms, returns or declarations periodically, or every time they undertake or relinquish a responsibility, and collect a filing fee for each such form or return or declaration, and the result is easy accumulation of revenue. It all seems so very simple and so delightfully easy. I have no doubt there will be brighter and fresher ideas on the subject in course of time. There may be, for instance, another amendment requiring directors to file relinquishment forms on ceasing to be directors by rotation or otherwise (with filing fee of Rs. 25), confirmation of holdings on being reappointed as directors (with filing fee of Rs. 25), or even annual returns of directorships held (with filing fee of Rs. 25 for each company) and so on. At present directors state their ages or dates of birth but no supporting document is called for. By an amendment to the Act they may be called upon to produce certificates of birth issued by a Registrar of Births or Deaths, or two sworn affidavits before a Magistrate under his court seal, each attracting a court fee stamp, and there may be a filing fee of Rs. 25 for the final document. Again, at present, directors state the names of their fathers, but without proof of paternity. Sworn affidavits may be required in support of the statement and a filing fee of Rs. 25. If penalties are also laid down for non-submission, and the fines rigorously collected, the revenues will keep on accumulating, and there may be enough work even for an Accountant-General for Company Law Revenues, and a Commissioner for Tortuous Levies. Incidentally, postal revenues will also go up as most directors will send their declarations by registered post and their filing fees by money order. The saying goes that one man's meat may be another man's poison; but in public administration, one department's revenue increase is also another department's revenue augmentation, so that any Government can always look forward to a bright and prosperous time if it has, among its officers, a few lion-hearted persons who believe in the adage: "Sock them on the jaw, poke them in the ribs, and kick them on their behinds until they cough up the money": and, of course, provided Government is not chicken-hearted. I believe it was Cardinal Richelieu to whom was attributed the epigram: "The art of taxation consists in so plucking the goose as to obtain the largest possible amount of feathers with the smallest possible amount of hissing."

• • • •

Houses for Workers

The Minister for Industries and Labour, Madras State (or, should I say Tamizh Nadu?), is reported to have declared at a function organised by an employees' association that if there was not sufficient response to the appeal of the Government to employers to provide houses for employees, Government would ultimately be compelled to bring in legislation for the purpose. There was even a suggestion, he said, that a provision should be included for building a certain number of houses in big industrial establishments *before granting licences* to new factories. He hoped that industrial housing schemes would be taken up on a voluntary basis with the help given by Government, but if the response was not sufficient, they would have ultimately to bring in legislation compelling the employers to build houses for their workers.

I have before me a report from the Legal Correspondent of a leading newspaper that a Full Bench of the Maharashtra High Court has negatived a petition from a workers' union of two sugar companies asking for provision of housing accommodation by their employers. Their Lordships referred to the decision of the Supreme Court in the Patna Electric Supply Company's case in which it was stated by the Supreme Court that the provision of housing accommodation was primarily the responsibility of the State, and that, in the present economic conditions of industries in the country, it was not expedient to impose this heavy burden upon the employers. Such an imposition might retard the progress of industrial development and production, and thereby prejudicially affect the national economy.

I suggest that the Minister for Industries and Labour in Madras should give some thought to the Supreme Court's judgment, which has been reiterated by the Maharashtra High Court, before he decides to implement his threats to industry. He might bear in mind the fact that the Central Government, in particular, has done precious little to relieve the enormous distress of its own employees in cities like Bombay and Calcutta in the matter of housing accommodation. The wise precept that one should practise what one preaches must be meticulously observed by a democratic government, because one can fool one person once, one can fool all people also once, but one cannot fool all people all times.

Ministers of State Governments who are solicitous of labour welfare will be well advised to temper their doctrinaire theories on the subject with some measure of economic thinking. It is a very elementary fact in cost accounting that heavy initial capital investment in land and buildings will result in a high figure of depreciation per unit of production, and correspondingly high cost of manufacture. Housing schemes and similar amenities are therefore deferred until the industrial enterprise has stabilised its cost of production at round a competitive norm and has got over all its teething troubles. To insist on provision for housing even while granting a licence is contrary to all canons of industrial economics, unless it be that the enterprise is located in a forest area or undeveloped desert. I can cite the case of a State-owned industrial enterprise which was started seven years ago in a place far removed from any village or township and found it necessary, consequently, to incur very heavy capital expenditure on housing and allied amenities. Its cost of production of each unit of the product has remained more than the fair average by about 31 per cent, its depreciation figure being about 34 per cent of its works cost as against the fair average of 9 per cent. Insistence on housing for labour, even at the cost of high investment may act as unction to the ideology of a labour minister, but it will result in continued emaciation of the enterprise and economic loss to the country. The problem calls for an integrated national policy and the earlier a decision is taken, the better.

I am unable to resist the temptation of retailing a story to illustrate the fallacy which I have referred to. A rich tycoon whose daughter wanted to marry a promising young man of moderate means insisted that the latter should purchase a motor car and a well-furnished house before he consented to the wedding. The young man pleaded that it would take him some years to save the money for the purchases and they could be deferred to a later date, not made immediately. The tycoon was firm and would not relent, so the investments were made, and the wedding went through. When the bride's party reached the house of the groom after the ceremony, there was every evidence of prosperity, car, house and furniture included, but nothing to eat. In the pantry there was only a sack of linseed flour and a bundle of square cut pieces of white cloth. Asked to explain what they were for, the bridegroom stated that linseed poultice was good for inflammation or pinching of the stomach, and he was going to suggest that his wife and himself should apply the poultice twice a day to allay their hunger, and carry on as long as possible, as all his money had been spent on appurtenances and there was nothing available to spend on food or provisions. The tycoon then realised the foolishness of his insistence and was forced to subsidise the newly-weds for several years after they had settled down to a married life.

• • • •

Pricing Policy for Basic Raw Materials

The President of the Associated Chamber of Commerce is reported to be against fixing all-India prices for basic raw materials. He believes that "artificial correctives" will increase cost of production, affect exports, and result in wasteful use of resources. Referring to the resources of the Eastern Region which is rich in coal and minerals, he expressed the view that "where the investor had the foresight to plan his production in the most suitable area, he should be allowed to continue to enjoy the benefits of his foresight and initiative."

This view, expressed from Calcutta, will perhaps be supported by many industrialists in the "eastern region," but certainly not by those who are far removed from the steel and coal producing areas. It cuts across all ideas regarding zonal distribution of heavy industries and, if approved, will be a serious disincentive to industrial development in the western and southern regions. It is based on the theory of perpetuity of vested interests, a theory which was given up when the country obtained its independence, and is no longer tenable in the context of achieving a unified and integrated development of the whole country through plans. It was "foresight and initiative" which led to the establishment of certain enterprises in the former princely States where tax and other concessions were initially made available to the sponsors at the discretion of the former rulers, but they have all been withdrawn after the country attained independence. No one seems to indulge in arguing the equity of this any longer. What is called "the most suitable area" cannot claim to be allowed to enjoy exclusive privileges in regard to basic raw materials such as steel and coal in perpetuity in a manner which will shut out all possibilities of developing other areas. If nature's bounties are to be shared and shared alike, "artificial correctives" are inevitable, and the plea that they might result in increasing costs of production in the favoured areas should not be sustained in the face of the considerable reduction in costs which might result in other areas. As for the warning that there may be wasteful use of resources, the danger is there only if the artificial correctives are not supported and maintained by planned distribution, and the administrative machinery fails in carrying out its duties. But that can be no excuse to give up the idea altogether.—*All Rights Reserved.*

GROWTH OF LONDON'S INTERNATIONAL BANKING BUSINESS

MARKED INCREASE IN OUTSIDE DEPOSITS

By W. T. C. King

THE seasonal spate of financial information that comes from publication of the year-end balance-sheets of the big English banks and the annual pronouncements of their chairman has this year been notably swollen from an official source—by the appearance (in January) of the first issue of the Bank of England's new *Quarterly Bulletin* which, in pursuance of the recommendations of the Radcliffe Committee, is to supplement the Bank's recently enlarged and improved annual report.

These new documents from the Bank of England (which every serious student of international finance or of the British economy should take steps to see for himself) present, among other things, a chronological account and interpretation of Britain's financial and monetary policy and a now formidable array of statistics of British banking and finance—subject to a deliberate time-lag of three months or so.

The extended annual report, published in mid-1960, carried the story to the end of the first quarter of 1960; the first of the new quarterly bulletins brings it up to the end of September (plus some comment on the events of October); and each succeeding bulletin will deal with a further quarter. In this despatch, I propose to select a few of the more striking facts from this rather bewilderingly large mass of new data—dealing first with international finance and then with the credit scene within Britain.

"Euro-dollar" Transactions

In particular, some important new light has been shed on the growth of London's international banking business in these years since the move to formal "external" convertibility—and especially in this past year of heavy outflow of funds from New York. In these conditions, there has been further development of the so-called "Euro-dollar" transactions, with London banks playing a significant part by receiving overseas deposits at interest in dollars—notably European funds switched from accounts in New York—and then relending a substantial part of these funds, likewise in dollars, to other overseas borrowers.

Unfortunately, no statistics are available to show how this international activity has affected the major domestic banks, but some interesting evidence is afforded by the several new series of figures now published, in continuation of the statistics prepared for the Radcliffe Committee, relating to the "outside" banks operating in London—the British overseas banks, the American banks, other foreign banks, and the London accepting houses, each of which groups has its own representative organisation.

The accounts now made available for each of these groups are actually more detailed, in some important respects, than those of the clearing banks—notably in classifying deposits, advances and acceptances into those on behalf of United Kingdom residents, overseas banking offices, and other overseas residents. These figures, however, are available only for half-yearly intervals, the latest relating to 30th June last.

Every one of these groups has shown remarkable expansion in recent years, and in each instance the deposits held at mid-1960 appear to have been the highest ever. The most spectacular growth of all has occurred in the business of the American banks in London. Their deposits were more than doubled in the twelve months to 30th June last—and five-sixths of that astonishing movement occurred in the last six months. At mid-1958 the deposits total was £116,000,000, a reasonably representative figure, since the range in the recorded series from end-1951 was £96,000,000 to £144,000,000 (that peak having been touched at end-1954). By mid-1959, the total was £177,000,000, by end-1959 £206,000,000, by mid-1960 £374,000,000. Of the £258,000,000 growth over two years, £170,000,000 represented deposits of overseas banks and £58,000,000 those of other overseas residents. Nearly all these additional resources were employed in relending outside the United Kingdom: the aggregate advances of the American banks in London rose during the two years from £79,000,000 to £307,000,000, and, of this huge increase in lending, £197,000,000 went to overseas banking offices and £13,000,000 to other overseas borrowers.

A more moderate rate of growth was shown by the British overseas and other foreign banks in London, but even here the rate was high when judged by the standards of domestic banking. At mid-1958, the British overseas banks held £551,000,000 of deposits; two years later the figure had risen to £694,000,000, with £30,000,000 of the increase attributable to overseas banks and £82,000,000 to other overseas accounts. Roughly two-thirds of the new resources went into advances (up from £136,000,000 to £231,000,000), and rather more than two-thirds of these new loans went to overseas banks.

The other foreign banks in London increased their deposits during the two years from £148,000,000 to £221,000,000 (the greater part of the increase occurring in the first year). Only £20,000,000 of these additional deposits were held for United Kingdom residents; on the other hand, U.K. residents accounted for £17,000,000 of the £44,000,000 of additional advances made by this group of banks. Advances to overseas banking offices rose from £24,000,000 in mid-1953 (and only £10,000,000 in mid-1956) to £46,000,000.

Expanding Fast

The London accepting houses have also been expanding fast, but a larger proportion of their accretion has come from domestic customers. Their deposits at mid-1958 totalled £192,000,000, but this already reflected a substantial growth, since the recorded range in 1951-57 had been £121,000,000 to £167,000,000 (with the peaks for that period falling in 1954 and mid-1957). By mid-1959, the total had climbed to £250,000,000, and last June it reached £334,000,000. Since mid-1957, both total deposits and domestic deposits have been almost exactly doubled (the latter rising to £144,000,000), while overseas banks' deposits have risen from £35,000,000 to £100,000,000 and other overseas deposits from £59,000,000 to £90,000,000. Of the £168,000,000 of additional resources acquired during the three years, £93,000,000 went into advances (and £52,000,000 of this to U.K. residents). Nearly all the remainder went into liquid assets in London—balances with other London banks, call loans to the discount market, Treasury Bills and commercial paper. Liabilities on acceptances granted by these houses rose from £123,000,000 at mid-1957 (and under £100,000,000 at every recorded date before that) to £137,000,000, a recorded peak, at June last.

Deposits of "Outside" Banks in London
(In millions of pounds)

	Recorded peak 1951-57	*Mid-1958*	*Mid-1960*
British overseas banks ...	601	551	694
American banks ...	144	116	374
Other foreign banks ...	148	148	221
Accepting houses ...	167	192	334

During the first half of 1960, the aggregate "non-resident" deposits of these four groups of "outside" banks rose by £240,000,000.

These figures are not, of course, in themselves a measure of the extent of the flow of short-term funds to London, but they deserve to be considered side by side with the quarterly official estimates of overseas holdings of sterling. During the two years to mid-1960, the grand total of these rose from £3,905,000,000 to £4,275,000,000 and the holdings of sterling-area countries from £2,537,000,000 to £2,674,000,000. Balances held by non-sterling countries rose much more steeply, from £737,000,000 to £940,000,000. A large part of this accretion of foreign funds was, moreover, concentrated into the last six months of the period.

In the first half of 1960, while holdings by overseas sterling-area countries were being run down (from £2,704,000,000 to £2,674,000,000), other overseas holdings rose by £137,000,000. Then, in the third quarter, while sterling-area balances dropped by a further £97,000,000, the growth of foreign balances greatly accelerated—they rose by no less than £226,000,000, to the new peak of £1,166,000,000. Overseas central banks and other official bodies accounted for £80,000,000 of the quarter's increase and for £142,000,000 of the increase since end-1959.

These official figures, it should be emphasised, do not reflect all movements of short-term funds to or from London. After taking account of other movements that cannot be precisely measured, the Bank of England estimates that, in the third quarter of 1960, the net inflow of private overseas money (allowing for any reduction in U.K. short-term lending abroad) was of the order of £250,000,000. And one unofficial body, the National Institute of Economic and Social Research, has recently hazarded the guess that, during the year 1960 as a whole, the "abnormal" capital inflow may have reached £900,000,000—on the hypothesis that during the year Britain incurred a true current-account deficit of some £200,000,000 (the official estimate of the actual deficit is likely to be less than this), repaid sterling-area balances to the extent of another £200,000,000, repaid long-term debts or invested long-term to the extent of £300,000,000, and yet strengthened its reserves (partly by the large payments to the International Monetary Fund) by a further £300,000,000.

Enlightening New Figures

In the sphere of domestic monetary policy, by far the most enlightening of the new figures that have stemmed from the Radcliffe inquiry and are now continued in the Bank's new publications are those relating to public debt policy and Exchequer financing—showing, in particular, the true sales of securities by the public sector to the private sector. Previously, the picture had always been hopelessly blurred by the fact that nominal sales or new issues of securities included those to Governmental agencies—and, notably, the Issue Department of the Bank of England. For the first time, therefore, it is possible to trace with some degree of precision the effects of the "funding" aims of the monetary authorities upon the resources and liquidity of the domestic banks.

In 1960, the trend of domestic bank deposits was strikingly changed. True net deposits of clearing banks, which had risen in 1959 by no less than £378,000,000, or by roughly six per cent (the fastest credit expansion since the Daltonian phase), actually declined fractionally in the twelve months to mid-December last, to £6,901,000,000, in spite of the fact that their loans and advances rose by a further £430,000,000 (a much smaller rise, however, than occurred in 1959). The principal cause of this check to credit expansion can now be seen to have been the success of the monetary authorities, during this year of high interest rates, in selling marketable Government stock and Treasury Bills to holders other than the main deposit banks. During the first nine months of the year (figures for the fourth quarter will not be available until April), the domestic banking system sold no less than £370,000,000 of stock, yet the net intake of stock (by redemption or purchase) by the monetary authorities was no more than £112,000,000, in contrast to £355,000,000 during the preceding 15 months of heavy selling by the banks. And, in the latest six months, the authorities were net sellers to the extent of £233,000,000—thanks to net purchases by "non-bank" investors amounting to more than £400,000,000. In that period, these investors also absorbed £71,000,000 of Treasury Bills, in spite of a decline in the holdings by overseas monetary authorities (included in these figures of "non-bank" investors).

A tale of Twenty-two Cities

From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them—in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to 1889 and closely associated with the rapid development taking place today.

India; Aden; Dubai; Sharjah and Abu Dhabi, Muscat; Qatar; Bahrain; Kuwait; Saudi Arabia; Jordan; Iraq; The United Arab Republic (Syrian Region); Lebanon; Libya, and Tunisia; these are territories where The British Bank of the Middle East operates. It has intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

THE BRITISH BANK OF THE MIDDLE EAST

Incorporated in England by Royal Charter 1889 *with Limited Liability.*
HEAD OFFICE: 7 King William Street, London E.C. 4.
BOMBAY OFFICE: 314 Dr. Dadabhai Navroji Road, Fort, Bombay.
Tel. Add.: BACTRIA. Telephone: 25-2267
Capital and published reserves £4,473,000
ASSOCIATED WITH
THE BANK OF IRAN AND THE MIDDLE EAST
Capital Rials 250,000,000
HEAD OFFICE: TEHERAN, IRAN (PERSIA). (P.O. BOX 1680)

Notice

MARTIN BURN LIMITED

CONVERTIBLE NOTES

NOTICE IS HEREBY GIVEN THAT THE Transfer Book and Register of Holders of Convertible Notes of the Company will be finally closed with effect from the 16th March, 1961, for redemption of the outstanding Convertible Notes on the 31st March, 1961.

Interest for the half-year ending 31st March, 1961 will be paid on or after that date to those holders of Convertible Notes whose names appear on the Company's Register on the 31st March, 1961, or in accordance with their instructions.

By Order of the Board,
A. G. GIDLEY,
Secretary.

Registered Office:
12, MISSION ROW,
CALCUTTA, 1.
1st March, 1961.

RAMTIRTH (HINDI MONTHLY)

Editor: **Yogiraj Shri Umeshchandraji**

Published every month by Shri Ramtirth Yogashram—Bombay

MORE THAN 160 PAGES PER ISSUE

THE MAIN IDEA BEHIND THIS MAGAZINE IS TO DEVELOP THE PHYSICAL, MENTAL AND MORAL ASPECT OF THE COMMON MAN

Annual Subscription Rs. 5/- only. Single Copy 65 nP. only.

UMESH YOGA DARSHAN
(First Part)

In Four Languages: **English, Hindi, Gujarati and Marathi**

(Author: **Shri Yogiraj Umeshchandraji**)

An excellent and highly readable book written by Shri Yogiraj Umeshchandraji is one of the best known treatises on the true meaning of Yoga. A best guide to methods of intestinal exercise and control, the book contains over 108 descriptive photographs of various Asanas explained according to the Age, Season, Country and Time.

It is one of the excellent volumes published so far depicting different aspects of Yoga, and containing different photographs of Asanas and Neti Dhoti Functions. It also contains Yoga Therapy, Diet Therapy, Chromopathy, Psycho Therapy and many other Therapies. It also contains many an important remedy for various diseases. The book is best of its kind and useful for all men and women, healthy and unhealthy, and hence should be preserved in all libraries and homes.

Price: Rs. 15/- Plus Postage Rs. 2/- extra.

YOGASANA CHART

A Chart printed on art-glazed papers and fully illustrated with attractive pictures is also available from here. You can perform Asanas shown therein at your home, which will keep you fit and healthy.

Price: Rs. 3/- including Postage to be sent by M.O. only.

YOGIC CLASSES

are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Special classes for Ladies are also conducted. Lady teachers are available for Ladies. Diseases are also remedied.

RAMTIRTH BRAHMI OIL

Special No. 1 Registered

An invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cool brain, improve system, and let sleep sound. Most ideal for body massage. It is useful to every one in all seasons.

Price: Rs. 4/- for big bottle and Rs. 2/- for small. Available everywhere.

SHRI RAMTIRTH YOGASHRAM

Dadar, Central Railway, Bombay-14
Telephone: **62899**

The following is a Statement of Ownership and other particulars about "Commerce," Bombay, as required under Rule 8 of the Registration of Newspapers (Central) Rules 1956.

FORM IV

1.	Place of Publication	"Brady House," Veer Nariman Road, Fort, Bombay
2.	Periodicity of Publication	Weekly
3.	Printer's Name	Mr. John Middleton
	Nationality	British
	Address	Brady's Flats, Block No. 6, Flat No. 6, Sohrab Bharucha Road, Fort, Bombay 1
4.	Publisher's Name	Mr. Jamshed Dinshawji Kapadia. For the Proprietors, "Commerce" (1935) Ltd.
	Nationality	Indian
	Address	57, New Marine Lines, Bombay
5.	Editor's Name	Mr. Subramanya Venkata Rayan
	Nationality	Indian
	Address	4, Narasingha Bhuvan, Brahmanwada Road, Matunga, Bombay 19

6. Names and addresses of shareholders holding more than one per cent. of the total capital:

Messrs. W. H. Brady & Co., Ltd., 12/14, Veer Nariman Road, Bombay.

Mr. A. H. Baker, Burleigh House, Charing, Kent, England.

Calcutta General Printing Co., Ltd., 3, Wellesley Place, Calcutta.

G. Claridge & Co., Ltd., 12/14, Veer Nariman Road, Bombay.

Cowasji Jehangir & Co. Pvt. Ltd., Readymoney Mansion, Veer Nariman Road, Bombay.

Mr. Jal Dorabji Framji, Barry Villa, Owan Dunn Road, Gamdevi, Bombay.

Industrial Investment Trust Ltd., 61, Apollo Street, Bombay.

Lady Jerbai Byramjee Jeejeebhoy, Mrs. Homi J. B. Jeejeebhoy, Mr. J. B. Jeejeebhoy, Mrs. Cursetbai J. R. B. Jeejeebhoy, and Mr. J. R. B. Jeejeebhoy, "The Cliff," Ridge Road, Malabar Hill, Bombay.

Lady Jerbai Byramjee Jeejeebhoy, Mrs. D. N. Jeejeebhoy, Mr. N. B. Jeejeebhoy, Mrs. Cursetbai J. R. B. Jeejeebhoy and Mrs. J. R. B. Jeejeebhoy, "The Cliff," Ridge Road, Malabar Hill, Bombay.

Mr. Himatlal Kantilal, C/o Nahalchand Laloochand Private Ltd., Kantilal House, 14, New Queen's Road, Bombay, 4.

Lady Jerbai Byramjee Jeejeebhoy, Mrs. Dosibai Nanabhoy Jeejeebhoy, Mr. Nanabhoy Byramjee Jeejeebhoy, Mrs. Cursetbai Jeejeebhoy, and Mr. Rustomjee Byramjee Jeejeebhoy, Alice Bldg., Dr. Dadabhoy Naoroji Road, Bombay.

Mr. Douglas Moir, Liroska, 3, Cunningham Crescent, Bangalore.

Nahalchand Laloochand Pvt. Ltd., Kantilal House, New Queen's Road, Bombay.

Mr. Maneklal Premchand and Mr. Kishore Maneklal Premchand, 63, Apollo Street, Bombay.

Mr. Bhogilal Kuberdas Patel, Mr. Shantilal Choonilal and Mr. Harshadkant Choonilal, C/o Chunilal Manilal & Co., Yusuf Bldg., Bombay, 1.

Patel Cotton Company Private Ltd., 6, Veer Nariman Road, Bombay.

I, JAMSHED DINSHAWJI KAPADIA, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Date: 4th March 1961.

(Sd.) J. D. KAPADIA,
(*Signature of Publisher*)

PROBLEMS OF PUBLIC ENTERPRISES

By Dr. V. K. R. V. Rao

THERE is a great deal of misunderstanding in the lay mind about the growth of the public sector in India. Thus, some people believe that the growth of the public sector is synonymous with the growth of the socialist pattern of society and therefore welcome it, while others denounce it on the basis of the same belief, namely, that the growth of public enterprise is of a socialist character and is, therefore, inimical to the growth of private enterprise in India. Both these views are wrong. The growth of public enterprise is not by itself a menace to the growth of private enterprise nor does it automatically bring about the objective of a socialist society, namely, maximisation of production and maximisation of equality. Very much depends upon what sort of public enterprises we have in mind and upon what policies are followed in respect of their pricing, administration and operation. It is best, therefore, to begin with a statement of the first principles regarding public enterprise.

Objectives

The case for public enterprise rests essentially on the thesis that it can bring about the achievement of a number of socially desired and accepted objectives in the economic field more efficiently than private enterprise can. These objectives in the case of India are:

(1) Maximising the rate of economic growth and achieving the take-off stage within a defined period;

(2) maximising the growth of national income and of consumption levels consistently with the first objective;

(3) maximising the reduction in inequalities of income and wealth and promoting equality of opportunity; and

(4) preventing the concentration of economic power in private hands.

This means that sectors of economic activity which involve either monopoly conditions or strategic economic power or possession of large resources in private hands should be publicly owned and operated as public enterprises. It also means that public enterprise should make itself responsible for the building of the economic overheads or the external economies like transport, power, fuel and basic capital goods without which increase in the production of consumption goods and services either on the required scale or the necessary economic basis will not be possible, irrespective of whether it is to be in the private or public sector. It also means that the extension of the public sector in economic enterprise will be followed by a substantial growth in the volume of national savings and investment as well of the funds available for governmental outlay on social services. Finally, it implies the acceptance and demonstration of the principle of efficiency, namely, maximisation of output with minimisation of costs consistent with quality of output, living standards for labour, and retention of funds needed for reinvestment and contribution to national welfare programmes. Without public enterprise, there can be no private enterprise; in fact, it is the former that enables the full growth of the latter. At the same time, merely having a given field of economic activity in the public sector does not necessarily mean either increase in efficiency or in savings or in equality of opportunity. Everything depends upon the manner in which the public enterprise is operated and the policy it follows in regard to the pricing of its products and the distribution of its profits between wages and salaries, savings, and contribution to the national exchequer. The overall test of the success of public enterprise in the economic field is the extent to which it brings about an increase in the national income and, more specially, in savings in both the private and the public sector; while, in the social field, the overall test is the extent to which it brings about a sense of identity of labour with the enterprise and promotes equality of opportunity. Now let us see what practical implications these first principles of public enterprise have in terms of pricing, operational, and administrative policy.

To begin with, all types of economic activity cannot be run by public enterprise even in a socialist society. In a country like India where the working population is so large and agriculture and small enterprise have to play such an important role in the national economy, the bulk of economic activity, which give people an occupation and means of livelihood, have to be outside the field of public enterprise. And a major task of public enterprise has to be the creation of conditions and facilities that will enable the desired increase in the number and efficiency of units of private economic activity, in terms of small enterprise. Hence the importance of economic overheads as a major field of public enterprise; hence also the need for confining public enterprise to large units. Thus, the first choice for public enterprise activity should be in fields where the nature of the commodity or service produced is such as to give rise to monopolistic conditions or the possession of strategic economic power over either small enterprise or the community at large or is a crucial determinant of growth, or is not likely to be produced in the private sector. The second choice should be in those fields of production, distribution or exchange, where the economic units are big and their operation involves the use of substantial economic resources and gives rise to large profits in absolute, though not necessarily in percentage, terms. The success of public enterprise thus depends to a large extent on the choice of units or sectors of economic activity for its application. From this angle, I must confess that the scope of public enterprise accepted so far in India is incomplete and needs to be extended.

Pricing Policy

Having selected the field for public enterprise, the next question for discussion is pricing policy. Here I would say that the policy should be such as to promote the growth of the national surplus and therefore the rate of economic growth. This involves in turn the abandonment of the popularly accepted principle of no-profit, no-loss as the supreme criterion for pricing of the products of public enterprise. Looked at from this angle, it is obvious that public enterprise must make profits and the larger the share of public enterprise in all enterprise, the greater is the need for their making profits. Profits constitute the surplus available for savings and investment, on the one hand, and contribution to national social welfare programmes on the other; and if public enterprises do not make profits, the national surplus available for stepping up the rate of investment and the increase of social welfare will suffer a corresponding reduction; and the larger the place of public enterprise in the national economy, the larger will be the reduction. Hence the need for giving up the irrational belief that public enterprise should, by definition, be run on a no-profit basis. At the same time, it is almost equally wrong to assert that public enterprises should always be run on a no-loss basis. In fact, the growth of the national economy may well require that, especially in the initial stages of economic growth, certain products of public enterprise should be sold deliberately at prices that involve a loss to the concern or concerns in question. It all depends upon what the commodity or service is, what part it plays in stimulating economic growth, to what extent it will not be taken up if it is not sold at a low price, and what the overall effect on national income and savings would be.

The cardinal difference between pricing policy in the private sector and in the public sector is that, whereas the former concerns itself only with the net value added on its private account, the latter should concern itself not only with the net value added on its private account but also with the net value added on the account of the rest of the national economy. In fact, the criterion for pricing policy in public enterprise should be the net value it adds to the national economy as a whole, both in terms of national income and in terms of national savings and the funds available to the national exchequer for social development programmes. Sometimes, this criterion may lead to the maximisation of the profits of the individual public enterprise; sometimes, it may lead to the deliberate building up of losses on the part of the individual public enterprise; it all depends upon the nature of the commodity, the stage of economic development, the extent to which social guidance is effective over private investment, and the degree of response of proceeds to growth in national income. It is, therefore, high time that we finally abandoned the hoary myth of the so-called principle of no-profit-no-loss for public enterprise, and substituted for it the more rational principle of maximisation of national income, national savings, and national funds available for social development programmes. What is necessary, however, is to see that public enterprises do not indulge in profiteering or use their power to follow a price policy based merely on the narrow criterion of maximisation of profits on the model of private enterprise. The cardinal point to be borne in mind on price policy for public enterprise is the sum total of its effects, both on the individual concern and on the rest of the economy; and it is profits or the surplus in this sense of the sum total of the two that needs to be maximised.

Efficiency

Price policy is not the only important field in which we need fresh thinking in the field of public enterprise. It is also important that somehow we can ensure the operation of the principle of efficiency. For private enterprise, there is the criterion of profit and there is the stimulus of competition. These criteria may not be equally available or even applicable in the case of public enterprise. At the same time, decision-making tends to get centralised and usually at Government headquarters in the case of public enterprise; mistakes are treated more as crimes than as lapses, the sense of individual responsibility gets diminished and replaced by a tendency to rely on guidance from above and conformity to a book of rules and consequent red-tape; and there is very little freedom given to the management to use the normal incentives of reward and punishment for increasing operational efficiency. This is a totally unhealthy state of affairs for the promotion of operational efficiency, even in a completely socialised economy like that of the Soviet Union; and it is much more so in the case of a mixed economy like that of India. The Soviet Union has had to go in for decentralisation, inter-unit competition and emulation programmes and the setting up of detailed physical norms of production and operation, and targets not only of planned increases in output but also of planned decreases in cost in order to promote the efficiency of their public enterprises.

Autonomy

We, in India, should learn from the experience of the Soviet Union in regard to the securing of efficiency in public enterprise. What is important is not so much changes in the form of administration of public enterprise. The form may be that of a company or a corporation or of a departmental undertaking; what matters most is the spirit behind the form and it is here that we need significant changes in the operation of public enterprise in India. Autonomy should be the rule rather than the exception; and administration in the business sense of the term should be an entirely internal affair. Parliamentary responsibility should be implemented not by detailed control by Government Departments but by periodical review of progress and the fullest possible data on the working of the units of public enterprise. In this connection, I would suggest the setting up of a semi-autonomous board of public enterprise, to which the individual units should report; and it should be the business of this board to make a detailed and analytical review of the working of public enterprises in the light of the first principle I have set out earlier; and sufficient time should be set aside by Parliament for the discussion of this report. In fact, I do not think that Parliament as a whole can do justice to this responsibility. It would be worthwhile thinking of setting up a joint Parliamentary committee on public enterprise and arm it with the powers and the facilities that joint committees of the United States Senate and Congress have. The annual reports of the Board on public enterprise should pass through this committee and be discussed by them in detail before it comes up before Parliament for a general discussion.

Labour

Finally, it is essential that labour in public enterprise should have a sense of identity with the management. In a public enterprise, there should be no conflict between capital and labour; and management should be treated more as a part of labour than of capital. For doing this, special steps are necessary on the part of the management. Education of labour in the economics and policy implications of the enterprise, worker participation in management, rewards for initiative and cost-reducing suggestions, production bonus and other economic incentives, establishment of an effective ladder which gives a brilliant worker a chance to rise to the top in the concern—all these are a part of the machinery that public enterprises should adopt to ensure good labour relations, promote efficiency and create a sense of identity with the concern on the part of the worker.

TEXTILE SUPPLIES COMFORTABLE

RE-APPRAISAL OF IMPORT POLICY URGED

From Our Special Correspondent

MANCHESTER, 21st February

IT has lately been suggested that those observers who base their assessments of the outlook on trade cycles are liable to become somewhat unimaginative in their approach to such matters. Yet it cannot be denied that the current situation as regards the balance of supplies in the cotton and rayon industries in Britain prompts the fear that a danger point is very near. The fluctuations in the quantity of goods surplus to the requirements of exporters have followed a fairly regular pattern since the war and the building up of stock has invariably been the prelude to a dwindling of demand and a sharp reversal of fortunes.

MANCHESTER LETTER

Now that the 1960 production figures are available, it is possible to draw up the following table, indicating the total supply situation affecting both cotton and man-made fibre cloth:

(In million yards)

Year	Output	Imports	Total	Exports	Balance for home trade
1937 ..	4,122	75	4,197	2,001	2,196
1949 ..	2,592	400	2,992	1,078	1,914
1950 ..	2,840	342	3,182	1,017	2,165
1951 ..	2,960	476	3,436	1,105	2,331
1952 ..	2,192	210	2,402	871	1,531
1953 ..	2,632	143	2,775	895	1,880
1954 ..	2,775	335	3,110	812	2,298
1955 ..	2,479	365	2,844	688	2,156
1956 ..	2,214	380	2,594	595	2,099
1957 ..	2,287	490	2,777	567	2,210
1958 ..	2,030	434	2,464	468	1,996
1959 ..	1,927	575	2,502	411	2,091
1960 ..	1,911	786	2,697	383	2,314

Last year's production totals were, indeed, encouraging when the extent of the scrapping programme is recalled. The quantity of cloth woven was only 16 million yards below the 1959 level, although it remains the smallest quantity in the post-war years. The output of yarn was equally well maintained, being merely 7 million lbs. down on the previous year—a remarkable achievement in all the circumstances.

Labour Force

The labour force at the year-end was 184,790, the November gain of about 800 being lost during the final month of the year. Compared with the end of 1959, manpower had declined by about 7,500, but was practically 1,000 above the low point reached in early April on the completion of the redundancy scheme. Last year's phenomenal imports are, of course, the vital factor in the current supply situation. As a result of the big rise of more than 200 million yards in cloth obtained from overseas, coupled with the loss of another 30 million yards of export trade, the balance remaining for home distribution is over 220 million yards higher than at the end of 1959.

The last occasion on which the available total was on a similar basis was in 1951, just before the first post-war recession hit the industry extremely hard. A sharp cut-back in production followed, with wholesale unemployment in 1952, the circumstances being repeated on a smaller scale in 1954 and 1957. Order books now are probably longer than in these years of disturbance for the industry, but, without a speedy solution to the existing import complications, there could well be a case of history repeating itself in 1962.

Varying Margins

Although the market price of cotton now gives less worry to merchants than in the past, this has been more than replaced by variations in the margins obtainable by spinners and weavers. "Today they are high," said Mr. Thomas, at the annual meeting of the Manchester Chamber of Commerce, "but far be it from me to say they are too high, for a distributive system which can grind profits out of existence under one set of circumstances must not complain if they rise steeply when circumstances change." Companies, he went on, would not be prepared to invest great sums in re-equipment while still leaving the full employment of their assets to the free play of the horizontal system. The way in which the industry was organised had contributed greatly to the lack of stability encountered in Lancashire for so many years.

It is reasonable to suppose that practically every leader of any trade organisation when addressing its members this year will make lengthy reference to the impending negotiations between Lancashire's representatives and those of Eastern Commonwealth countries. Mr. Thomas put the matter in a nutshell by saying: "One must not under-estimate the task of renewing a voluntary arrangement which was negotiated originally only with extreme difficulty. On the other hand, one cannot imagine the Government failing to exert its influence in favour of renewal. To do otherwise would be the surest way to destroy the investment the Government has already made in the industry.

Preserving the Pattern

Other branches besides the weavers of grey cloth and finished goods are now increasingly showing interest in the tactics to be adopted at the forthcoming talks. Those concerned with the production of made-up cotton goods in the United Kingdom were not fully consulted when the arrangements were first made, according to Mr. Thomas. Any extension of the understandings would be regarded with little enthusiasm outside spinning and weaving circles, he said unless individual ceilings could be agreed for finished and made-up goods within the total figures. The spinners, so far denied any limitation on duty-free yarn imports, could urge with justice that a continuation of the same arrangement would be unfair and inconsistent with an effective reorganisation scheme.

In the meantime, the Cotton and Rayon Merchants' Association has been discussing the same fundamental problem. Concern has been expressed by the Council at the rapid increase in the quantity of made-up goods entering British ports at the expense of grey cloth. When the original agreement was made, the Association protested strongly about the lack of provision for the existing pattern of trade to be preserved. Although no change is likely this year, keen pressure will be exerted to secure a revision in the basis should any further pacts be negotiated.

Fresh Protection Call

Another call for protection for the cotton industry has been made in Manchester by Mr. Roger M. Lee, Chairman of the £30,000,000 Lancashire Cotton Corporation Ltd. "The time has certainly come for a re-appraisal of the import situation," he told the annual meeting. "As the United Kingdom is still one of the largest textile producing countries in the world, one would expect this industry should be entitled to similar measures of protection to those of other textile producing countries," he said and added: "In view of the re-equipment programme now under discussion, speed is essential in reaching a decision."

Undeveloped countries must be assisted to develop, Mr. Lee continued, but it was not in their own interests to concentrate their industrial development into too narrow a field of products. "We have sympathy with those who seek greater liberalisation of internation trade, but we believe that this must stop short of the point where it results in severe disruption in the industries of the receiving countries." The vast reorganisation schemes in the spinning and weaving sections of the cotton industry had now been completed, Mr. Lee added, and re-equipment was under way.

Hong Kong Shirts Protest

A British clothing trade union leader has sharply criticised bulk imports of Hong Kong shirts into the United Kingdom. Mr. John E. Newton, General Secretary of the National Union of Tailors and Garment Workers, declared in an official report to union members: "We do not complain about the principle of bulk buying, particularly if it leads to efficient marketing arrangements, but we do protest against the private bulk-buying and importation of clothing, which, by our own standards, is made under sweated conditions. And Hong Kong is notorious for that."

Protesting against what he terms a "bad and undemocratic commercial practice," Mr. Newton refers to an organisation trading under the title of Independent Distributors and Economic Associates Ltd., under which a number of wholesale organisations linked together for bulk buying purposes and were understood to be importing and marketing the "Envoy" shirt made in Hong Kong. Mr. Newton comments:

> I take the opportunity to warn all Trade Unionists, and particularly our own members, that it serves no purpose and certainly not the welfare of the garment workers of this country to buy imported shirts and other garments made by western standards, under sweated labour conditions in the Far East. Nor in the long run does it serve the interests of our fellow-workers there. Furthermore, the subject raises a question of ethics. Democracy is not served by persons, who disregard the source of their activities, in order to obtain a financial or trading advantage which, in the long run, cannot be of permanent benefit to themselves, and can only be injurious to the trade or community which they serve."

Members of the British public would be "horrified" if they knew they were buying imported goods made under sub-normal conditions, Mr. Newton adds: "The manufacturers in this country will wake up one day and realise the real value of the trade union label, a mark of distinction and of honourable trading. There is no place in an economy as vulnerable as the British economy for commercial practices based on the higgling of a Bagdad market place."—*All Rights Reserved.*

12.- 27 April 1961

MILAN TRADE FAIR

According to the opinion of the experts, the world's greatest international sample market
14,000 exhibitors - Over a million samples . 54 participating Countries - Buyers from five continents.

Information:

Delegate for India: Mr. Pietro Lizioli - Pharmed Private Ltd. « Pharmed House » - 141, Fort Street - Phone 261141/2 - BOMBAY 1 ● Manager of Pharmed Private Ltd. « Mercantile Building » - 10, Lall Bazar - Phone 22-3074 - CALCUTTA ● Mr. K. Raman Pharmed Private Ltd. - « Mohan Mansion » - 19, Govindappa Naicken Street . Phone 4275 - G. T. MADRAS ● Mr. M. G. Makhijani - Pharmed Private Ltd. - « Mehta Building » - Outside Turkman Gate - Phone 24328 - NEW DELHI

PROGRESS OF WORLD COTTON INDUSTRY

OUTPUT WILL RISE AS POPULATION INCREASES

By Norman S. Pearse

Ex-Secretary General, International Federation of Cotton and Allied Textile Industries

BEFORE the advent of Industrial Revolution in England, the world's textile industry was purely a home industry in every country. Indeed, from the dawn of history, we have records of hand spinning and weaving, particularly of flax, wool or silk as a "home industry" of the highest importance. As soon as the industry was mechanised by water or steam power, its products became so cheap and plentiful that the hand spinning and, to a lesser extent, handloom weaving could not compete with the machine-made cloth and in most countries almost died out. The new power spinning and weaving machines were produced in England and Europe and later in America by engineers who specialised in the manufacture of textile machinery and who, in the latter part of the nineteenth century, were able to sell almost the whole of their output in Europe and America.

As a direct result of the high profits made, in spite of the cheapness of the machine-produced cloth, the European and particularly the British industry expanded at a phenomenal pace. At the outbreak of the First World War, the British industry had over 55½ million spindles and 786,000 looms; a third of the world's total spindles and over a third of the world's looms. Exports of cotton cloth from Great Britain in 1913 were over 7,000 million yards, the average price of which was only 3.32 pence per yard. However, the industry was then working 55½ hours per week, but, after the war in 1919, the cotton trade unions demanded and were granted a 48-hour working week, without reduction in wages. This was the turning point in the progress of the Lancashire cotton industry.

A Natural Sequence

After food, clothing ranks next in importance as a vital factor in the maintenance of life. In the course of time, it followed as a natural sequence that the populous tropical countries of the world began to demand their own cheaper mechanically produced cotton yarn and cloth. In all these countries, a large proportion of the population still retained their inherited skill in hand spinning and weaving and in due course were soon able to adapt themselves quite naturally to spinning and weaving on power-driven machinery.

The difficulties of exporting goods during the First World War and the higher cost of production due to the shorter working week and high taxation in the major exporting country, namely, Great Britain, caused her customers to look elsewhere for supplies. Countries previously supplied by Britain began to establish their own modern cotton spinning and weaving industries. Furthermore, India, Japan and China, already with a well-established industry, tempted by the high profits brought about by the shortage during 1917-19, increased their equipment considerably. In this manner, 10 million spindles were added to the world's total between 1913 and 1920 and still another 10 million by 1930, in spite of the reduction in Great Britain from her peak in 1917 of 59,965,000 to 55,207,000. During the same period, Britain reduced the number of her looms from 786,205 to 692,899, a reduction of 93,306, whereas the total number of looms in the world increased from 2,720,307 to 3,180,680, an increase of 460,373.

Automatic Looms

It should be pointed out that, during this period, the country second to Britain as regards the number of spindles and looms, namely, the U.S.A., was also undergoing considerable production changes, although only 5 to 10 per cent of her production went into export. In the first instance, the industry was moving from the eastern sea-board in New England to the cotton growing States in the south where two and even three shifts were being worked (due to the abundance of labour); mule spindles were on their way out and the automatic loom was replacing the ordinary loom. India, Japan and China at this time were working two and three shifts, whilst the hours worked in Britain had declined to one shift of 48 hours per week. In addition, the heavy taxation levied to pay for the cost of the war helped to increase Lancashire's costs of production.

From 1930 to 1939, the number of spindles in the world had decreased from 164 million to 143.5 million, a reduction of 21 million. In spite of this formidable reduction in spindles, however, consumption of raw cotton increased over this period. In 1930, only 25 million bales were consumed, as against almost 30 million bales in 1939. This apparent anomaly was almost entirely due to the increase of double and treble-shift working and the fact that the more recently established spindles were working for coarser counts than those which had been scrapped in the older established industrial countries. Even countries where the cotton industry was in its infancy were working double and treble shifts as soon as sufficient labour had been trained.

Spindleage Contracts

The natural sequence of the outbreak of the Second World War was an acute shortage of labour, shipping and raw materials in the countries concerned. Consequently, the respective Governments of Britain and Japan, the two chief exporting nations, were obliged to close down large numbers of mills. The world's markets were again denuded of their cotton cloth supplies and, as a result, many countries not hitherto industrialised seized the opportunity to erect both cotton spinning and weaving mills. This trend is shown in the spindle and loom tables appearing on the opposite page. Nevertheless, the world total spindles decreased from 143.6 million in 1939 to 127.1 million in 1960. During this period, Europe lost 27.4 million (mostly in Britain and Germany, while the U.S.A. and Japan lost almost the whole of the remainder), while, in contrast, Asia gained 15 million. In spite of this reduction in total spindles, world cotton consumption increased from 27.9 million bales in 1939 to 44.6 million bales in 1959. Even though the consumption of chemical and man-made fibres is increasing, raw cotton consumption is also increasing from year to year and keeps closely in step with the steady rise in the world's population. From the following table, it will be seen that the world's average *per capita* consumption of cotton has remained fairly constant, the lowest being in 1920 and in 1950 at 5.8 lbs per head and the highest in 1959 at 7.6 lbs:

		1913	1920	1930	1939	1950	1959
Cotton consumption ..	(000 bales)	23,000	19,321	25,209	27,919	28,080	44,650
World's population ..	(millions)	1,623	1,646	1,850	2,161	2,497	2,920
Per capita consumption ..	(lbs.)	7.0	5.8	6.8	6.4	5.8	7.6

The reduction in the total spindles from the maximum figure of 164 million to 127 million and 3,180,680 looms to 2,630,184 apparently makes a very pessimistic picture for the future of the world's cotton industry. But, looked at in conjunction with the total consumption and the *per capita* consumption figures, the future for the industry, on the contrary, appears to be much more promising. With fewer spindles and looms producing the requisite amount of cotton yarn and cloth for the world's rapidly expanding population, it can be justifiably assumed that cotton yarn and cloth production will increase in quantity as the world's population increases.—*All Rights Reserved.*

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES
* DEMAND DRAFTS * LEDGERS
* PAY-IN SLIP BOOKS * PASS BOOKS
* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

SHILCO'S

Precision-made

PAPER TUBES AND CONES

for all Textile Purposes

Specialists in Mule Paper Tubes

for Wool Industry and Cardboard Boxes

for All Trades

WE WELCOME YOUR ENQUIRIES

SHILCO INDUSTRIES

Palkhewadi, Off Cadell Road

Bombay-28

Telegrams: "SHILCOIND" Telephone: 61056

WORLD'S COTTON SPINDLES

(In thousands)

	1910	1913	1920	1930	1939	1950	1960
AFRICA							
Egypt	20	20	40	40	169	507	1,046
Ethiopia	..	..	..	16	16	31	51
Congo	..	..	..	..	..	49	71
Union of S. Africa	..	..	..	..	..	104	226
Rhodesia	..	..	..	..	..	37	42
French Africa	..	..	..	..	..	20	51
Portuguese Africa	..	..	..	..	..	6	16
Nigeria	..	..	..	..	..	..	19
Sudan	..	..	..	..	..	4	4
Morocco	..	..	..	..	..	32	53
Uganda	..	..	..	..	..	..	10
Algeria	..	..	..	..	..	3	7
Total Africa	20	20	40	56	185	793	1,596
ASIA & OCEANIA							
India	5,657	6,084	6,690	8,907	10,054	10,534	13,281
Japan	1,948	2,300	3,600	7,072	11,389	3,906	13,012
China	300	1,000	1,600	3,829	4,500	4,000	9,600
Turkey	10	20	50	60	109	276	793
Indo-China (Vietminh)	51	70	70	80	85	85	85
Australia	..	..	..	25	75	234	261
Iran	..	..	..	22	136	160	451
Pakistan	Under India prior to 1939					169	1,928
Indonesia	..	7	7	7	16	45	127
Ceylon	Under India prior to 1939					18	57
Hong Kong	..	..	..	..	..	82	446
Taiwan (Formosa)	..	..	..	31	220	20	271
Korea South	..	..	..	..	..	305	477
Korea North	..	..	..	..	..	26	26
Lebanon	..	..	..	..	..	69	94
Siam (Thailand)	..	..	..	..	..	18	65
Syria	..	..	..	..	..	27	105
Philippines	..	..	..	..	16	20	271
Israel	..	..	..	..	..	45	135
Afghanistan	..	..	..	..	..	16	47
Burma	..	..	..	..	..	8	38
Iraq	..	..	..	..	..	21	52
Malaya	..	..	..	..	..	4	13
Cambodia	..	..	..	..	..	..	5
Total Asia and Oceania	7,966	9,481	12,107	20,033	26,584	20,088	41,640
NORTH AMERICA							
U.S.A.	28,349	32,149	35,872	34,031	25,378	23,007	20,111
Canada	855	855	1,200	1,277	1,172	1,121	876
Mexico	730	765	780	767	913	986	1,192
Guatemala	..	4	4	8	17	35	50
Salvador	..	..	..	..	..	47	91
Cuba	..	..	..	..	..	80	98
British W. Indies	..	..	..	..	..	16	24
Haiti	..	..	..	..	..	12	14
Nicaragua	..	..	..	..	..	10	10
Puerto Rico	..	..	..	..	..	10	37
Honduras	..	..	..	..	..	6	6
Dominica	..	..	..	..	..	5	11
Costa Rica	..	..	..	..	..	5	12
Total North America	29,934	33,773	37,856	36,083	27,480	25,340	22,532
EUROPE							
U.K.	53,397	55,653	58,653	55,207	35,509	28,625	14,104
Germany W. }	†10,200	11,186	9,400	11,070	12,987	{ 5,940	5,948
Germany E. }						850	1,150
Russia	8,234*	7,668	7,200	7,624	9,800	9,500	10,962
France	7,100	7,400	9,400	10,250	9,521	8,113	6,071
Austria	4,643	4,909	358	817	Under Germany	561	579
Czechoslovakia	..	..	3,583	3,636	1,365‡	2,335	1,950
Italy	4,200	4,600	4,515	5,342	5,332	5,568	4,854
Spain	1,853	1,853	1,805	1,875	2,000	2,210	2,026
Switzerland	1,497	1,398	1,536	1,446	1,254	1,156	1,195
Belgium	1,322	1,492	1,573	2,172	1,987	1,843	1,521
Poland	Under Russia	926	1,415	1,554	1,781	1,085	1,954
Esthonia	Under Russia	500	500	500		500 Under Russia	
Portugal	475	480	482	503	465	768	1,089
Sweden	470	534	670	617	569	545	423
Netherlands	426	470	597	1,167	1,241	1,170	1,031
Finland	Under Russia	223	239	262	311	326	297
Hungary	Under Austria		105	199	322	290	532
Latvia	Under Russia			73	74	Under Russia	
Denmark	83	90	116	99	103	110	96
Norway	74	75	73	60	43	76	99
Greece	50	74	150	210	262	246	320
Yugoslavia	..	..	..	90	201	200	404
Eire	..	..	..	..	..	13	52
Cyprus	..	1	2	2	2	3	3
Bulgaria	..	15	18	20	160	178	275
Roumania	..	..	..	25	158	230	350
Albania	..	..	..	..	16	16	16
Total Europe	94,024	99,556	102,429	104,820	85,963	71,957	57,524
SOUTH AMERICA							
Brazil	1,100	1,200	1,600	2,775	2,790	3,291	3,542
Argentine	8	9	20	40	310	531	1,075
Peru	42	67	67	77	110	148	224
Colombia	20	25	25	25	48	60	95
Venezuela	11	19	19	25	44	49	88
Ecuador	5	5	5	39	44	49	88
Chile	3	5	5	8	33	175	210
Bolivia	..	..	..	6	6	21	21
Paraguay	..	..	..	..	10	10	21
Uruguay	..	..	..	..	5	29	121
Total South America	1,189	1,330	1,741	3,010	3,408	4,672	5,384
WORLD RESUME							
Africa	20	20	40	56	185	793	1,596
America, North	29,934	33,773	37,856	36,083	27,480	25,340	22,532
America, South	1,189	1,330	1,741	3,010	3,408	4,672	5,384
Asia	7,966	9,481	12,107	20,033	26,584	20,088	41,640
Europe	94,024	99,556	102,429	104,820	85,963	71,957	57,524
Grand Total	133,133	144,160	154,173	164,002	143,620	122,850	127,176

* Includes Poland and Finland.
† Includes Austria, Memel and Sudstengau (Czechoslovakia).
‡ Bohemia and Moravia only.

WORLD'S COTTON LOOMS

	1913	1920	1930	1936	1952	1960
AFRICA						
Egypt	525	525	1,234	3,279	13,729	19,518
Ethiopia	..	..	297	297	420	720
Congo	..	..	..	..	1,960	2,070
Union of S. Africa	..	..	..	..	1,684	2,905
Rhodesia	..	..	..	..	438	923
French Africa	..	..	..	..	476	859
Portuguese Africa	..	..	..	..	500	756
Nigeria	..	..	..	..	..	693
Sudan	..	..	..	..	150	190
Morocco	..	..	..	..	896	1,245
Uganda	..	..	..	..	..	330
Algeria	..	..	..	..	700	622
Madagascar	..	..	..	..	..	200
Kenya	..	..	..	..	..	20
Total Africa	525	525	1,531	3,576	21,053	31,051
ASIA & OCEANIA						
India	88,951	119,021	179,682	201,548	198,473	205,704
Japan	20,834	42,400	188,466	332,564	290,193	360,876
China	4,755	7,660	29,582	59,786	60,000	150,000
Turkey	300	830	1,220	1,858	6,150	14,850
Philippines	272	352	360	400	1,140	6,370
Korea South	..	..	..	1,766	4,496	3,613	18,111
Korea North	..	..	..	..	..	..	400
Indo-China (Vietminh)	262	500	500	1,300	1,010	1,100
Australia	..	..	..	50	387	2,750	3,982
Iran	..	..	..	..	800	2,500	7,008
Pakistan	Under India					9,584	30,000
Indonesia	..	..	..	..	120	720	1,505
Ceylon	Under India					674	1,565
Hong Kong	..	..	..	..	..	5,250	9,800
Taiwan	..	..	..	..	..	4,250	12,600
Lebanon	..	..	..	..	..	1,250	2,442
Siam (Thailand)	..	..	..	..	..	672	3,745
Syria	..	..	..	..	..	3,642	6,360
Israel	..	..	..	..	116	487	3,700
Afghanistan	..	..	..	..	..	890	2,006
Burma	..	..	..	..	..	200	496
Iraq	..	..	..	..	..	711	1,486
Malaya	..	..	..	..	..	..	300
Cambodia	..	..	..	..	..	..	82
Tasmania	..	..	..	..	..	..	100
Total Asia and Oceania	115,174	170,763	401,626	603,375	594,159	844,588
NORTH AMERICA						
U.S.A.	700,255	708,079	720,177	573,452	398,501	322,615
Canada	22,644	31,954	26,764	24,809	19,867	13,364
Mexico	27,019	28,370	29,992	29,925	34,132	36,065
Guatemala	250	250	185	198	560	1,191
Salvador	..	..	150	235	950	1,630
Cuba	..	..	..	..	2,458	2,911
British West Indies	..	..	..	..	570	594
Haiti	..	..	..	143	350	478
Nicaragua	..	..	..	..	350	674
Puerto Rico	..	..	..	..	900	1,134
Honduras	..	..	..	..	350	484
Dominica	..	..	..	..	450	473
Costa Rica	..	..	40	40	150	187
Total North America	750,168	768,653	777,308	628,802	459,588	381,800
EUROPE						
United Kingdom	786,205	798,083	692,899	504,773	349,728	216,000
Germany West }	230,200	190,200	224,077	200,500	{ 140,535	120,268
Germany East }					{ 40,000	45,000
Russia	173,021	213,179	159,100	250,000	275,000	225,240
France	108,000	180,950	200,100	193,900	156,944	120,211
Austria-Hungary	155,000	13,000	13,915	11,085	11,784	11,722
Czechoslovakia	..	130,000	125,000	104,180	80,000	41,000
Italy	140,000	140,000	146,500	146,500	138,000	103,238
Spain	65,000	65,000	81,035	66,586	66,000	69,242
Switzerland	21,555	25,569	23,835	21,214	19,620	16,377
Belgium	24,000	26,000	54,385	52,000	36,640	32,520
Poland	31,000	31,000	41,086	36,313	35,989	40,454
Esthonia	Under Russia	1,618	9,617	3,700	Under Russia	
Portugal	12,000	15,000	16,804	16,089	27,000	31,927
Sweden	12,442	16,484	18,643	15,837	10,580	8,302
Netherlands	38,000	39,800	54,839	51,167	40,052	34,766
Finland	5,741	5,643	7,142	7,906	6,928	6,486
Hungary	..	9,000	12,060	14,000	16,000	12,071
Latvia	Under Russia	633	2,214	1,366	Under Russia	
Denmark	4,350	4,350	4,215	3,964	2,776	2,319
Norway	2,501	2,361	3,306	2,980	3,306	1,618
Greece	1,211	1,160	3,500	5,340	9,350	8,000
Yugoslavia	Under Austria		9,000	11,604	13,766	15,880
Bulgaria	..	350	1,277	3,459	6,000	7,400
Cyprus	..	..	..	98	110	110
Roumania	..	..	5,810	14,500	15,000	17,000
Eire	..	..	..	..	1,700	2,420
Albania	..	..	..	1,200	1,200	1,200
Northern Ireland	Under United Kingdom				3,306	2,100
Malta	..	..	..	..	..	160
Total Europe	1,800,226	1,900,380	1,910,359	1,740,261	1,507,314	1,193,031
SOUTH AMERICA						
Brazil	50,000	50,449	77,946	80,903	100,146	126,635
Argentine	1,200	1,400	1,455	3,646	14,239	19,462
Peru	1,750	2,293	3,220	4,446	5,675	7,049
Colombia	300	941	3,686	2,285	6,445	10,274
Venezuela	250	500	1,417	1,729	3,215	3,733
Ecuador	200	200	1,218	1,224	1,454	2,117
Chile	400	400	400	1,300	5,012	5,399
Uraguay	114	114	114	244	1,300	3,184
Paraguay	..	..	..	..	511	672
Bolivia	..	..	400	246	750	1,290
Total South America	54,214	56,297	89,856	96,023	138,747	179,714
WORLD RESUME						
Africa	525	525	1,531	3,576	21,053	31,051
America, North	750,168	768,653	777,308	628,802	459,588	381,800
America, South	54,214	56,297	89,856	96,023	138,747	179,714
Asia and Oceania	115,174	170,763	401,626	603,375	594,159	844,588
Europe	1,800,226	1,909,380	1,910,359	1,740,261	1,507,314	1,193,031
Grand Total	2,720,307	2,905,618	3,180,680	3,072,037	2,720,861	2,630,184

PROGRESS OF CANE DEVELOPMENT SLOW

BLAME LIES WITH STATE GOVERNMENTS

THE Agricultural Sub-committee of the Indian Central Sugarcane Committee, which met at Coimbatore recently, expressed its "sense of utter frustration at the continuing inadequacy of financial aid" given by the Central Committee to the States for sugarcane research and development, resulting in a "severe setback" to the progress of cane development. In the course of a resolution passed at the meeting, the Sub-committee is reported to have said:

"The existing basis for the subsidy has been wholly insufficient for taking up works of urgent importance in the less developed States where considerable increase in financial aid is needed to make headway. For want of suitable personnel and equipment, urgent and important problems in research have remained untackled. While targets have been fixed for development programmes, no corresponding wherewithal have been provided. The Central Government should give liberal grants for strengthening research and study of problems such as the yield per acre."

While the dissatisfaction expressed by the Committee at the progress in cane development and its plea for increased financial outlay are quiet understandable, the Committee does not seem to be on solid ground in attributing the slow progress to the inadequacy of financial aid from the Central Sugarcane Committee. It is true that, as compared with the amount required for improving conditions in sugarcane economy, the aid rendered by the Centre is not much, the total allotments made under the second Plan being Rs. 8 crores. But even out of this sum, about a crore of rupees remains unspent. Further, the financial assistance rendered by the Central Sugarcane Committee is only meant for supplementing a part of the expenditure incurred by the State Governments on cane development work. After all, the latter Governments collect by way of cess on cane crushed by sugar mills crores of rupees every year. The amount actually thus raised by them since the first Plan began (April 1951) is estimated at as much as Rs. 79 crores and another sum of Rs. 60 crores is expected to be collected in the third Plan period. As against the total collection of Rs. 79 crores in the first and second Plan periods, not more than Rs. 20 crores have, in fact, been spent. Even of this amount, the major portion represents expenditure on irrigation and road development programmes which ought to be financed out of general revenues. Who, then, should be blamed—the State Governments or the Central Sugarcane Committee?

Compact Cane Farms

It is thus clearly apparent that the none-too-encouraging progress of cane development is due not to the lack of sufficient financial assistance by the Central Government but to the thoroughly unsatisfactory way in which State Governments have been implementing the programmes. Here is what Mr. L. G. Rajwade, President of the Central Sugarcane Committee, himself stated in his speech at the Committee's thirtieth meeting at Coimbatore on 21st February: "Inadequate irrigation facilities, insufficient supply of manure and good disease-resistant seed, and the marginal and sub-marginal lands on which cane is grown prevent the raising of sugarcane yield to a high level." Mr. Rajwade rightly urged that, as a means to bring down the cost of cane production, the standard of cultivation should be improved by restricting the area under cane. And he pertinently suggested that there should be compact holdings, though he qualified his suggestion by adding the parenthesis "*preferably* co-operative sugarcane farms" (Italics ours).

The advantages of compact holdings of cane lands are clearly evident from the farms attached to the Deccan Sugar Mills which enjoy certain economics of large-scale farming under modern management such as finance and expert agricultural management. The average per-acre yield of cane in these farms is substantially higher at 53-54 tons, as against the average of about 29 tons for the whole of Maharashtra State and the all-India average of 14-15 tons. Likewise, the average recovery per cent is higher at 11.75, as against 9.91 for the whole country. It is to be hoped that the Joint Committee of the Maharashtra Legislative Assembly to which the Land Ceilings Bill has been referred will bear this factor in mind and recommend the exclusion of joint-stock sugar mills' cane farms from the purview of the Bill.

The need for improving the productivity of land so as to secure a larger yield of cane and higher recovery of sugar from a given area was also forcefully stressed once again by Mr. S. K. Patil, Union Minister for Food and Agriculture, while inaugurating the Sugarcane Committee's meeting. The following is the relevant extract of his speech as reported in the daily Press:

"There is great disparity between the average yield in the country of 15 tons of sugarcane per acre, on the one hand, and 90 tons in North India and 150 tons in South India produced in the all-India competition of sugarcane production, on the other. This disparity shows that much improvement needs to be done in cane production. The producers should concentrate their efforts on preventing the deterioration of the newly-evolved varieties of cane, eliminating disease and pest, and ensuring that the varieties of canes suitable to local conditions are used... The benefits of research carried out in laboratories and farms must be passed on to cane growers."

One is tired of hearing such verbose exhortations. They, of course, show that the Minister is fully aware of the defects and the solutions for removing them. But that alone is not enough. What is required is vigorous action and that is not forthcoming even from Mr. Patil who is known for his dynamic actions. How can one expect the agriculturists to put in special efforts to step up the yields of cane with richer sucrose-content so long as they are assured a high price for a given quantity of cane, a price that takes no cognisance of the quantum of sugar the cane actually contains? Mr. Patil is not unaware of the defects in the present policy of fixing cane prices, but somehow he, too, like his predecessors, has failed to replace the system by a rational one which links prices to both quantity and quality.

Sugar Exports

In the course of his speech, Mr. Patil touched on the issue of sugar exports. His observations, as reported in the daily Press, are given below:

"Sugar production in the world at present is in abundance. As such, any idea of producing more sugar in the country with a view to selling it outside India is a foolish idea, unless we have an assured market and an assured price... The cost of sugar production in India is Rs. 700 per ton, while the world market price is Rs. 400. If I want to sell one ton of sugar outside it, I must give a subsidy of Rs. 300. At this rate, for half a million tons, it will mean Rs. 15 crores as subsidy from the Centre. The Centre has to give this amount from the general revenue or increase the price of sugar which is already high... India is trying to sell her sugar to the U.S. and a mission from the country is already in America in this connection. The U.S. is prepared to give India 50 to 60 per cent more than the world price. It will be something magical, if I succeed in selling sugar to America at our price. If they (mission) fail to persuade the U.S. Government to purchase sugar from India, I may run up to the President (of the U.S.) this time to sell something to the U.S., instead of getting something from them."

The above statement shows that Mr. Patil is not in favour of subsidising sugar exports at the cost of either the exchequer or the consumer. This is certainly a realistic approach. But there is the pressing problem of earning foreign exchange to meet the cost of imports necessary for economic development. Mr. Patil has, therefore, done well to concentrate attention on the sale of sugar to the U.S. at a special price. By buying Indian sugar at such a price, the U.S. will surely be helping India further, besides meeting the wide gap that exists between available supply and actual demand within the U.S. itself.

Controls

Mr. Patil also made a brief reference to the question of controls. He could not say whether controls would be removed immediately or not. He, however, reiterated that he was not enamoured of controls and assured the public that he would remove them systematically. At the same time, he made it clear that, as a Minister, he had to make sure that the interests of consumers, cane growers and sugar mill-owners were appropriately balanced and protected. On the very day Mr. Patil made this statement at Coimbatore, Prime Minister Nehru told the Lok Sabha that the question of liberalising the sale of sugar from factories was under consideration and that it was difficult to say much about it at that stage. Mr. Nehru intervened to make this statement when a number of members asked as to why there should be any control on the sale of sugar in view of the large surplus in the country.

The sugar supply position is at present very comfortable and bids fair to be so in future as well. Indeed, Mr. Patil declared that "there is so much production in the country that I do not know what to do with it." The total quantity of sugar available for distribution in the current season (1960-61) is expected to be of the order of 3.2 million tons (opening stock of 500,000 tons plus the estimated output of 2.7 million tons), as against the anticipated normal domestic consumption of 2.4 million tons. Even after excluding 100,000 tons released for export (50,000 tons in September 1960 and another 50,000 tons in January 1961) and assuming that the U.S. will buy about 500,000 tons, there will still be a surplus of 200,000 tons. The present time is certainly opportune for removing at least the controls on distribution of sugar.

GOVERNMENT ACCEPTS RECOMMENDATIONS OF SUGAR WAGE BOARD

The Government of India has announced its acceptance of the recommendations of the Central Wage Board for Sugar Industry subject to certain considerations. A resolution to this effect, published in the *Gazette of India*, was placed on the table of the Lok Sabha on 23rd February by the Union Deputy Minister for Labour, Mr. Abid Ali, in reply to a short notice question by a member. The resolution states:

"After careful consideration of the Board's report, Government has decided to accept the recommendations of the Board subject to the following:

"(a) *Workload studies*: Government has taken note of the Board's recommendations that workload studies be undertaken in the sugar industry and that such studies should be preceded by reasonably specific programme of implementation drawn up in consultation with the organisations of the interests concerned. Government propose to consider the matter further in consultation with the parties.

"(b) *Bonus*: Government commends the bonus formula for the north and central regions recommended by the Wage Board. If, however, the parties concerned in any of the States included in these regions agree to adopt any other formula for determination of bonus payable in respect of a particular period, they may be allowed to do so."

The Government has requested the employers, workers and State Governments to take immediate steps to implement the recommendations of Board. It expects the parties to show a spirit of accommodation in interpreting and implementing the recommendations and difficulties, if any, will be solved by mutual negotiations and agreement. Incidentally, he has expressed its appreciation of the great thoroughness and care with which the Board has dealt with the matters referred to it.

SUGAR EXPORTS TO THE U.S.

The two-member Indian sugar delegation now in the U.S. (Mr. D. D. Puri and Mr. M. N. Pittie, President and Vice-President, respectively, of the Indian Sugar Mills Association) met Mr. G. Lewis Jones, Assistant Secretary for Near Eastern and South Asian Affairs, on 25th February and requested that the U.S. grant India an import quota of 600,000 short tons of sugar to help avert "suffering to millions of Indian growers and a serious upset of the Indian economy." In a formal statement explaining their emergency visit to the U.S., the industry spokesmen said: "India has found that its neighbouring markets are being invaded by Cuban sugar purchased by Russia and mainland China from Cuba and being dumped by these nations into what otherwise would be Indian markets. China has recently sold 30,000 tons of sugar to Burma. Poland has announced the sale of 40,000 tons to Ceylon. Sugar from Communist countries is starting to encircle India and pre-empt India's market." The spokesmen stated that it was now no longer a question only of export earnings but a matter of survival of the industry and the health of the nation's entire economy, for India had 960,000 tons of sugar over and above domestic requirements and must find markets for at least the greater part of the surplus. Proceeding, they observed:

"Virtually every other sugar exporting country has a preferential market. The so-called preferential markets account for nearly two-thirds of the sugar export the world over. The balance one-third is dumped into the world market at throw-away prices. India has no preferential market and, therefore, seeks to sell its sugar in the U.S. Having regard to the size of the 'world free market' and the prices ruling therein, it would be virtually impossible to sell the Indian surplus in it. If forced to do so, it would result in untold suffering to millions of Indian growers and a serious upset of the Indian economy. From the standpoint of shipping alone, export of Indian sugar to the U.S. is desirable. It is noteworthy that presently wheat is being shipped to India under Public Law 480 (which permits sale of U.S. food reserves for foreign currencies) at an annual rate of more than three million tons—almost 1.25 shiploads a day. Most of these ships will return empty, because India's exports to the U.S. are so small as compared to the U.S. exports to India. Were the U.S. to grant the requested sugar quota, these vessels could be gainfully employed on their return voyage. Together with their dependents, about 20 million Indians derive their livelihood from sugarcane. In no other country do so many people depend on this single sugarcane crop."

Mr. Lewis Jones, we are told, was sympathetic to India's plea. Earlier, the Indian sugar industry spokesmen had discussed the matter with Mr. Harold D. Cooley, Chairman of the U.S. House of Representatives' Agricultural Committee, who assured them that India was free to present its case to the Committee when hearings began on the revision of the U.S. Sugar Act.

THE
BRITISH INDIA CORPORATION LTD.
KANPUR

BRANCHES DIVISION
Cawnpore Woollen Mills Branch
New Egerton Woollen Mills Branch
Cooper Allen Branch
North West Tannery Branch
London Office

BEGG SUTHERLAND DIVISION
Secretaries and Treasurers:
The Elgin Mills Company, Limited
Cawnpore Textiles Limited
Brushware Limited
Cawnpore Sugar Works Limited
Champaran Sugar Company, Limited
Saran Engineering Company, Limited

Secretaries for:
Beta Picker & Co. Private Ltd.

Agents for:
Royal Exchange Assurance

MERCANTILE BANK LIMITED
(INCORPORATED IN ENGLAND)
(Liability of Shareholders Limited)
Authorised Capital - - £4,000,000
Issued and Fully Paid Capital - - £2,940,000
Reserve Fund - - £2,200,000
Head Office:
15, GRACECHURCH ST., LONDON, E.C. 3
West End Office:
123, PALL MALL, LONDON, S.W. 1
Agents in New York: BANK OF MONTREAL AND THE CHASE MANHATTAN BANK
Branches and Agencies:
INDIA, PAKISTAN, CEYLON, BURMA, MAURITIUS, SINGAPORE, MALAYAN FEDERATION, HONGKONG, THAILAND AND JAPAN
The Bank transacts banking business of every description.
Current Accounts are opened and Fixed Deposits are received on terms which may be ascertained on application.
Trusteeships and Executorships accepted.
Safe Deposit Lockers available.
52/60, Mahatma Gandhi Road, Bombay.
J. B. STEWART, Manager.

THE
UNITED COMMERCIAL BANK
LIMITED
Head Office: CALCUTTA
Authorised Capital .. Rs. 8,00,00,000
Subscribed Capital .. Rs. 4,00,00,000
Paid-up Capital .. .. Rs. 2,00,00,000
Reserve Fund .. .. Rs. 2,05,00,000
BRANCHES AT ALL IMPORTANT PLACES IN INDIA.
Foreign Branches: in Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.
AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.
G. D. BIRLA, Chairman.
S. T. SADASIVAN, General Manager.

STEARIC ACID
(Double Distilled)
Manufactured by:
THE MODI VANASPATI MFG. CO.
Bombay State Distributors:
RAMJILAL LAKHMICHAND
Head Office: 333, Kalbadevi Road, Bombay-2 Phone: 39161
Branch: 695, Relief Road, Ahmedabad Phone: 2665
Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

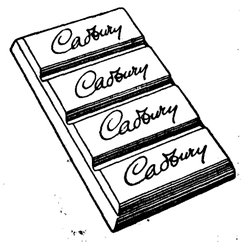
Cadbury-Fry in India

Finest quality walnuts in Cadbury's rich milk chocolate.

A delightful blend of selected raisins, nuts and Cadbury's milk chocolate.

An essential food for young and old. Tastes so delicious.

Delicious Roasted Hazels or Almonds in rich Milk Chocolate...each variety in attractive ½ lb. boxes.



Cadbury's PLAIN covering chocolate for a special flavour to your cakes and puddings ...MILK covering chocolate for creamy richness...in blocks of 1 lb. each and 20 lb. bulk tins.

CADBURY HOUSE, BOMBAY

CADBURY MEANS QUALITY

CHECKING UNDUE RISE IN JUTE PRICES

INDUSTRY ACCEPTS GOVERNMENT'S SUGGESTION FOR SELF-REGULATION

THE hopes that some tangible steps designed to arrest the persistently rising trend of raw jute and jute goods prices would emerge from the meeting of the Indian Jute Mills Association representatives and the Union Commerce and Industry Ministry officials, held at New Delhi on Friday last week, have been belied. For, at this meeting, the official spokesmen, it is reported, merely expressed the Government's wish that the jute industry itself should solve its problems through self-regulation. "The officials," to quote a news agency report, "are believed to have impressed on the representatives of the I.J.M.A. that, if the prices went up, export of jute goods was likely to be affected. Therefore, in their own interests, they should see that prices did not go up and the available supply of jute was properly distributed among the mills." On their part, the I.J.M.A. spokesmen, we are told, assured the Government that they would follow this policy to the best of their ability.

The prices of raw jute and jute goods have scaled dizzy heights in the past one year, notwithstanding the array of regulations on the jute market. Raw jute Assam bottom is currently quoted at as high as Rs. 65.00 per maund which represents a rise of Rs. 34.75 as compared with the quotation of Rs. 30.25 prevailing at this time last year. Among jute goods, B. twills are quoted at Rs. 208.00 per 100 bags, as against Rs. 111.45 a year before, and hessians 40" 10 oz., at Rs. 69.50 per 100 yards, as against Rs. 41.05. In view of the appreciable rise in prices, it is not surprising, therefore, that, in his inaugural speech at the conference of presidents and nominated directors of recognised associations held at Calcutta on 18th February 1961, Mr. Nityanand Kanungo, Union Minister for Commerce, dwelt at some length on the issue of jute prices.

F.M.C.'s Regulations

Tracing the developments since the resumption of forward trading in the jute market in March 1958, Mr. Kanungo referred in particular to the difficult conditions facing the jute economy since May 1960 and observed:

"'.....owing to shortage of fibre, speculators were quick to exploit the absence of any regulation of trading in these contracts. For instance, nobody had any idea of the volume of trading done through such contracts, nor was there any data as to how far these contracts conformed to the definition of specific delivery contracts.' In fact, all contracts were not settled by delivery or in the proper manner. Matters came to a head in October 1960 when a sudden and large rise in prices of raw jute forced the authorities to fix maximum prices for hedge contracts and, thereafter, the hedge market became moribund. This apparently acted as the signal for a bout of speculation in the t.s.d. contracts in jute and jute goods.

"Although the Chairman of the Forward Markets Commission had, as far back as August 1960, urged the authorities of the Exchange to regulate effectively the transferable specific delivery contracts, his advice was not heeded. As a matter of fact, even during the hectic days of October when the jute markets were—I am sorry to have to use the phrase—running amuck, the Board of the Exchange, which one would have thought would act promptly to control the situation, could not be persuaded to take effective action in time. The Central Government had, therefore, to intervene, early in November 1960, which it did with a number of notifications authorising the Board and the Commission to impose special margins, prescribe maximum and minimum prices, and limits to the number of transfers of delivery orders and to close out contracts where it was absolutely essential. The Forward Markets Commission thereupon imposed special margins on transferable specific delivery contracts which were, however, far less rigorous than the margins applied to hedge contracts."

Mr. Kanungo strongly deplored the efforts that were being made by a section of the jute trade to postpone the payment of margins by resorting to various tactics and the failure of jute trade to observe the F.M.C.'s orders both in letter and spirit. He claimed that, by and large, speculation from the unorganised sections of the trade had been brought under control, but had his own doubts about the extent to which unhealthy speculation on the part of the industry had been stamped out. He specially mentioned the reported defaulting on payment of margins as well as the move of many not even to register their contracts as required, and said: "Generally, there seems to be, I regret to say, an atmosphere of deliberate inaction which is not conducive to forward trading being conducted on healthy lines. I am pained to see this state of affairs in this trade and I might frankly say that this was one of the reasons for the Government going to Parliament asking for the additional powers which have now been conferred by the amended Act." Indeed, the Minister warned that, if the situation continued to deteriorate, the Government might be forced to consider the desirability of applying Section 18(3) of the Act to jute and jute goods to ensure that the evil of excessive speculation was eradicated from this vital export trade.

Jute Crop Smaller

It may be true that the marked increase in prices of raw jute and jute goods has largely been the result of excesses by speculators in both trade and industry. But there is no denying that, basically, the increase reflects the marked deterioration in supply of raw jute. The 1959-60 season, it will be recalled, witnessed a sharp fall in the jute and mesta crop, the aggregate production being 5,646,000 bales (the share of mesta being 1,098,000 bales), as against 6,646,000 bales harvested in 1958-59. In the current season (1960-61) the crops were lower still. Unfortunately, the official crop estimates are still not out. But, judged from the fall in acreage shown in the first estimate, there is no doubt that the crop is small for the second year in succession and quite inadequate to meet the industry's needs. In 1959-60, the aggregate consumption of raw jute was of the order of 6,760,000 bales; in 1958-59, it was 6,460,000 bales.

That the current season's jute crop has suffered a setback is evident from the unusually low rate of fibre arrivals into Calcutta and up-country jute baling centres. Our Calcutta correspondent says: "Fresh arrivals are meagre and are of indifferent quality." Consequently, raw jute prices have firmed up. In view of this and as a result of better overseas demand for jute goods, particularly from Australia, Argentina, Cuba, Egypt, and Indonesia, jute goods also have shown a distinctly hardening tendency. But the point is that an undue rise in prices is bound to have an adverse effect on the export trade in jute goods in the long run. Keen competition is emerging from Pakistan and there is increasing resort to bulk handling, and use of paper and plastics materials as packing materials. This vulnerable point must always be borne in mind, because jute goods, as readers are aware, constitute one of the staple earners of foreign exchange for India, accounting as they do for nearly one-fourth of the total earnings from exports of all commodities.

Losing Market in U.S.

It is in this context that the remarks which Mr. W. D. McLean, Chairman of the Burlap (Hessian) Business Relations Committee of the U.S. Textile Bag Manufacturers' Association, made at a Press conference in Calcutta the other day, are of great relevance. Jute, Mr. McLean declared, was losing its market in the U.S. because of its high cost. Paper, for instance, was making bigger and bigger inroads into the packaging material market; in the case of fertilisers, probably 60 per cent of the requirements was supplied by paper today and a large quantity of potatoes and feed also went into paper bags. Warning that, once burlap was replaced as packing material, it would be extremely difficult to regain the lost ground, he said:

"The burlap trade in the U.S.A. appreciates the reason for the current high prices, but consumers are naturally showing resistance and are buying from hand to mouth. This, in turn, prevents bag manufacturers and importers from buying forward, as it is risky to make forward purchases. If one is not sure whether bags can be sold. Even when prices begin to fall, there will still be no large-scale return to forward business until the market is stabilised. No buyer is prepared to commit himself very far ahead on a falling market.... The full impact of the current high prices will not be clear in the American market in another three or four months. Thereafter, there may be a sharp decline. Once burlap is replaced as packing material, it is extremely difficult to regain lost ground. Unless prices decline before the end of this year, some of the big consumers, such as feed

(Continued on page 408)

APOLLO FLASHER

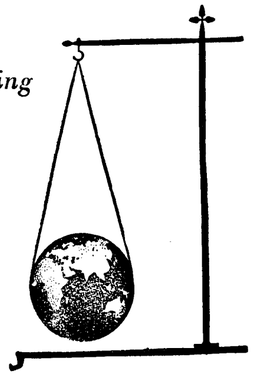
*Apollo goes far ---go far with Apollo

*Apollo manufactures Direction Indicators, Signal Flashers, Lamps, Switches, Automatic Headlights, and Controllers, all in various styles. If you wish to market the finest quality safety devices, send today for our brochures.

SOLE DISTRIBUTOR: SUN-WAVE INDUSTRIAL CO., LTD
Head Office: #5, 4-Chome, Yaesu, Chuo-ku, Tokyo
Tel. (281) 5311 – 8
Sales Section: #18, 2-Chome, Marunouchi, Chiyoda-Ku, Tokyo Tel. (281) 4917 – 8

MFGR: APOLLO INDUSTRIES CO., LTD.
Head Office: #18, 2-Chome, Marunouchi, Chiyoda-Ku, Tokyo (Kishimoto Bldg.)

Weighing the world up...



...even just from a financial point of view, is a pretty big operation. It requires a very extensive knowledge and understanding of business conditions. It requires an organisation like The Hongkong and Shanghai Banking Corporation. The biggest bank established by the Far East for the Far East provides a banking service not only in South and East Asia—which is our primary concern—but has offices in Europe and America as well, surveying the whole of the business world, considering, weighing up.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

HEAD OFFICE: HONG KONG

BRANCHES IN INDIA

BOMBAY — CALCUTTA

Offices in Europe and the United States and throughout the Far East

A Policy Issued By The

Bombay Fire & General Insurance Company, Ltd.

(Incorporated in India)

Your Symbol of Security in the Event of

FIRE, ACCIDENT OR A MARINE PERIL

Head Office:

Henley House, Graham Road Ballard Estate, BOMBAY 1

Represented In

INDIA, BURMA & PAKISTAN

OBTAIN FREE BROCHURE ON PATENTS & TRADE MARKS

Contact:

PURUSHOTTAMDAS GOKULDAS

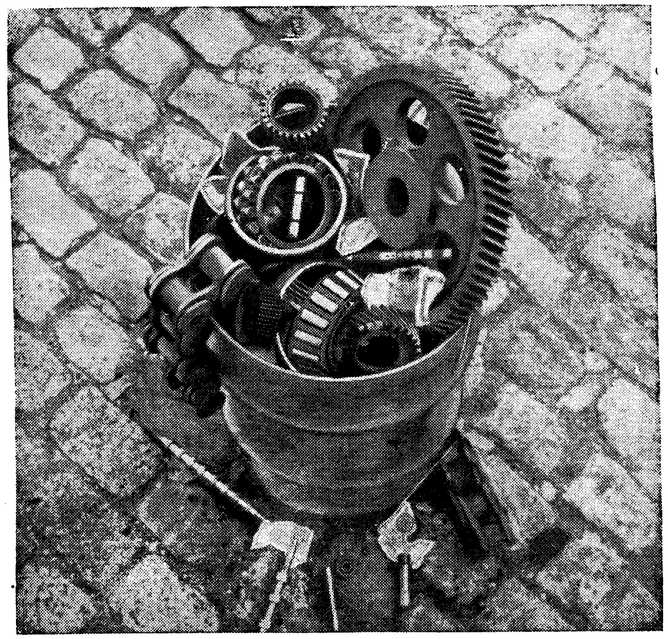
Patent Attorneys

39D, People's Building, Ground Floor, Sir Pherozshah Mehta Road, Bombay-1.

Telephone: 245014—255172.

Hastings Belting

BIRKMYRE BROTHERS LIMITED



Don't throw away parts and money...

It sounds like an impossibility, we know, but it is none the less true. Many hard-to-replace parts costing valuable money are literally thrown away because they have been ruined due to faulty lubrication.

Machinery shutdown means loss in production, time and money. Correct lubrication is therefore essential to ensure the protection and efficient operation of costly machinery. Planned lubrication is vital for increased production at lower costs.

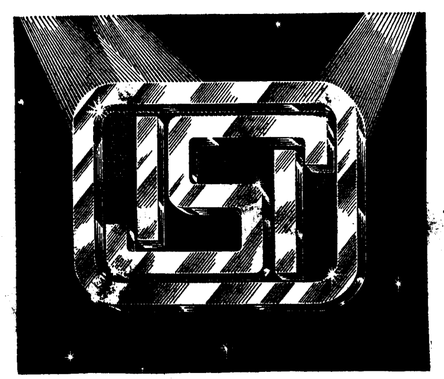
The service is yours for the asking—call in your Caltex Lubrication Engineer—arrange for a correct lubrication programme for your plant. Let us help you in conserving parts and money.

Company executives can obtain a free copy of this booklet by writing on their official letterhead to their nearest Caltex office.

PLANNED LUBRICATION—A VITAL FACTOR IN COST CONTROL

CALTEX (INDIA) LIMITED Bombay • New Delhi • Calcutta • Madras

CAL.1.61.A



This is the Mark of QUALITY!

The ISI certification mark guarantees quality of products, ensures consumer satisfaction and increases sales appeal.

It is given to consumer and industrial articles manufactured to relevant Indian standards. ISI, the national standards body of India, keeps a constant vigil to safeguard the integrity of the mark.

INDIAN STANDARDS INSTITUTION
NEW DELHI • BOMBAY • CALCUTTA • MADRAS

MACHINE TOOLS IN PRIVATE SECTOR MAKE SLOW PROGRESS

MR. KIRLOSKAR'S PLEA FOR INCENTIVES

THE machine tool industry in India has still a long way to go before it can meet the indigenous requirements in full. Although, as of 1960, the combined output of graded machine tools in the private and public sectors is valued at an estimated total of Rs. 7 crores as compared with Rs. 4.2 crores in 1959, imports, too, are estimated to have exceeded those of the previous year. In 1959, imports were of the order of Rs. 16.3 crores, and domestic production accounted for only about 25 per cent of such imports. Although this proportion of indigenous production to imports may have gone up to 30 per cent or so in 1960, there is still a big gap between demand and domestic production. The gap will be further narrowed down, but not completely closed, by the end of the third Plan when the demand for machine tools will be of the order of Rs. 60 crores per annum, as against the targeted production of about Rs. 33 crores. It is, therefore, foreseen that imports of more than Rs. 25 crores will be needed even by the end of the third Plan. The following figures will show at a glance how the gap between demand and domestic production has been and will be progressively narrowed down:

Year	*Imports* Rs.	*Domestic production* Rs.	*Domestic production as per cent. of imports*
1955 ..	5.3	0.7	12.8
1956 ..	8.4	1.1	12.9
1957 ..	14.6	2.3	16.0
1958 ..	14.4	3.6	24.7
1959 ..	16.3	4.2	25.5
1960 ..	N.A.	7.0*	30.0*
1965-66 ..	27.0*	33.0†	122.0

*Estimate. † Target

The private sector has played and will continue to play a big role in this progress towards self-sufficiency in machine tools. At the beginning of the second Plan, there were 18 units with a capacity for producing about Rs. 3.9 crores of machine tools per annum: The number of units has now increased to 26, and it is expected that, in the private sector alone, covering both large-scale and small-scale units, there will be a total capacity of Rs. 7 crores in 1960-61. This capacity in the private sector will go up in 1961 or 1962 to about Rs. 10 crores per annum when the licensed schemes for substantial expansion are completed.

New Developments

It is noteworthy that a number of existing concerns in the private sector has made considerable progress on new development work, according to the latest annual report, that for 1959-60, of the Indian Machine Tool Manufacturers' Association. The Mysore Kirloskar Ltd. has developed three new types of lathes, the first batch of some of which is already under production. The Investa Machine Tools and Engineering Company Ltd. has begun producing the first batch of a heavier type of Pillar drill. The Cooper Engineering Ltd. has started producing heavy duty shapers with 32" stroke. The P.S.G. and Sons Charity Industrial Institute has just placed on the market Bench type precision lathes with metric dimensions. The Batala Engineering Company Ltd. has under development its Norton type lathe in metric dimensions. The New Standard Engineering Company Ltd. has assembled the first batch of 8 Massey pneumatic power hammers. Messrs. G. G. Dandekar Machine Works Ltd. has been preparing patterns, jigs and fixtures for its shaping machines, hacksaw machines, hydraulic jacks, etc. Messrs. Godrej and Boyce Manufacturing Company, Private Ltd. has under development three new models of Sheet Metal Working Machines. The Amar Electrical and Mechanical Engineering Works has introduced several new items like tool and cutter binder, turret attachment, etc. in their programme of manufacture. The Daulat Industrial Corporation Private Ltd. has begun serial production of a new lathe with improved features. And the Shree Ram Mills Ltd. has nearly completed the prototype of 10" dia. 3-jaw true chucks. It would appear from this brief review, by no means exhaustive, of new developments in the machine tool industry in the private sector that the manufacturers are keen on, and confident of, producing a wide range of modern and more advanced types of machine tools.

But the industry, in a relative sense, has not made sufficient progress. There is scope, according to Mr. S. L. Kirloskar, in his presidential speech at the fourteenth annual general meeting of the Indian Machine Tool Manufacturers' Association, for new *entrepreneurs* to come into this field. As a longstanding and experienced producer, he expressed the view that "this industry needs a large number of small plants for manufacturing the wide variety of machine tools needed as against one big plant manufacturing all types of machine tools." But new *entrepreneurs* will not be attracted to this industry so long as the margin of profit available in it is comparatively low, as evidenced by the amounts of income-tax received by the Government from its own machine tool factories. A new approach is, therefore, called for. Mr. Kirloskar's own suggestion, in this connection, is that a high power committee of the industry and Finance Ministries with representatives of the Association should be set up to devise suitable measures for stimulating a more rapid development of the industry.

Needs for Progress

Such a rapid development is necessary because several of the projects included in the third Plan, such as the heavy machine building project, the mining machinery project, the heavy structural plant, etc., will themselves require a large number of machine tools. Moreover, with larger quantities of steel expected to be available, the engineering industry, in general, will expand further during the third Plan period, and that will mean more demand for machine tools. All this expected demand can be met only if the industry is allotted adequate foreign exchange to enable it to obtain the necessary technical know-how, capital goods, balancing equipment and components from abroad. Two other requirements, namely, quality (foundry grade) pig iron and coke, will have to be met fully, if the tempo of production of machine tools is not to suffer. Above all, the most important raw material, namely, alloy and special steels, will have to be freely licensed for import, pending the establishment of the alloy steel plant in the country.

Further expansion of the industry on the scale required can take place more easily if some other measures suggested by Mr. Kirloskar are favourably considered for action. One of his suggestions is that the Government's policy of approving appointment of managing agents of machine tool manufacturing concerns for a period of not more than five years at a time should be modified, because, in this industry, it takes anything from five to ten years to implement a manufacturing programme successfully and the small amount of profit that can be made in this industry will be available to the managing agents only thereafter. Mr. Kirloskar's suggestion is, therefore, that the management should be allowed to continue for not less than ten years so as to provide it with the incentive to accumulate technical know-how. This seems to be a reasonable request.

Customs Duty

There is also need for some relief from the present heavy incidence of customs duty on imported items used in the manufacture of machine tools. At present, the duty on components and accessories is assessed, because of some ambiguity in the wording of the Government notification amending the Customs Tariff rate for machine tools, at varying rates of duty on the basis of the Customs Tariff, and the machine tool manufacturers are in fact deprived of the benefit of a lower rate of duty, namely, 5 per cent intended on such imported items for use in the manufacture of machine tools. The Government should, therefore, clarify that all the items that are not manufactured in the country but are being imported for the manufacture of machine tools will get the benefit of the lower rate of duty of 5 per cent. This relief in customs duty would need to be given uniformly on consignments of incomplete sets of machine tools as also components and accessories imported for assembling complete machine tools by indigenous manufacturers who have entered into collaboration agreements with foreign firms for the manufacture of such machines.

Thus far the Government's policy of encouragement to the industry has been confined mostly to liberalisation of the procedure for licensing under the Industries Act. Since last year, in pursuance of a recommendation of the Development Council for Machine Tools, a liberal policy has been followed in respect of licensing schemes for establishment of new units or for substantial expansion of existing units. Thus, decisions regarding the issue of fresh licences are now taken by the Ministry of Commerce and Industry on the basis of recommendations of the Development Wing without prior reference to the Licensing Committee. While the Government has also accepted the Council's recommendations that the farming out of components by machine tool manufacturers should not stand in the way of grading of their products and that new schemes involving the farming out of components to other workshops should be considered favourably, it is not known whether they have been actually implemented at the administrative level. It is not also certain whether the Development Council's recommendation that, for purposes of training in the centres run by the Government, only indigenously produced machines should be used, will be implemented. If even the Development Council's recommendations are delayed in their implementation by study and consideration at the administrative level, there is no knowing how long it will take for Mr. Kirloskar's suggestions to be accepted. A high-powered committee, as suggested by Mr. Kirloskar, seems to be necessary for taking into account all the requirements of the industry and devising ways and means of quick action. This is all the more necessary, because (*a*) the machine tools industry is a key industry and (*b*) there has to be large expansion in the next five years. At present, capital investment in this industry in the private sector is estimated at only Rs. 10 crores, and it will have to go up to Rs. 60 crores in the third Plan period, if production of machine tools in the private sector is to be stepped up to a value of Rs. 24 crores per annum as is now planned. Since the imported components in this industry are stated to be relatively small, being only 10 to 15 per cent, a more active and dynamic policy of encouragement to it will also be easier to implement.

U.S. NATURAL RESOURCES PROGRAMME

The United States, it is estimated, will have a population of 300 million by the year A.D. 2,000. To support this population, America's natural resources in water, land, forests and minerals will have to be safeguarded and developed on the basis of a perspective plan. President Kennedy has, therefore, placed a comprehensive programme before the U.S. Congress. The need for this programme is underlined in these words forming part of the Presidential message: "Wise investment in a resources programme today will return vast dividends tomorrow, and failures to act now may be opportunities lost for ever."

Special emphasis is given in the programme to the conversion of saline and brackish water into fresh water. The potential importance of the American saline conversion projects is brought out in the following paragraphs contained in the Presidential message:

"No water resources programme is of greater long-range importance—for relief not only of our shortages, but for arid nations the world over—than our efforts to find an effective and economical way to convert water from the world's greatest, cheapest natural resources—our oceans—into water fit for consumption in the home and by industry.

"Such a break-through would end bitter struggles between neighbours, states and nations, and bring new hope for millions who live out their lives in dire shortage of usable water and all its physical and economical blessings though living on the edge of a great body of water throughout that parched lifetime."

A panel of the President's Science Advisory Committee is now working with the Interior Department which is in charge of saline conversion projects. The Congress has also been urged to double funds for this research programme.

The overall resources programme, outlined by President Kennedy, covers river water resources, electric power, forests, public roads, ocean resources, and recreation. Under the head "water resources," the Congress is urged to authorise the establishment of planning commissions for all major river basins where such plans do not exist. The "electric power" part of the programme lays down that "the nation's power capacity should be tripled by 1980 for essential economic growth." It emphasises that "sustained heavy expansion by all power suppliers—public, co-operative and private—is needed." And it also holds out the promise of "economically competitive nuclear power before the end of this decade in areas where fossil fuel costs are high.' Under the head "forests," the Congress is urged to accelerate forest development on federal public lands both as a long-term investment measure and as an immediate method of unemployment relief. Under the head "public roads," it is proposed to accelerate an inventory and evaluation of the 770 million acres of public land owned by the Federal Government to serve as a foundation for improved resources management. As for "ocean resources," a national programme for oceanography is proposed. It is pointed out, in this connection, that the underdeveloped continental shelves bordering the U.S. contain roughly 20 per cent. of the country's reserves of crude oil and natural gas.

NEW PRODUCTS AND PROCESSES

Direct Drive Engine

A DIRECT drive petrol engine which operates a portable power saw without using a crankshaft is now available in the U.S. Intended for rough work in engineering construction and carpentry, it has an extension rod from the piston which passes through the cylinder head and drives the reciprocating saw directly. Sealing rings round the extension rod prevent loss of compression in the cylinder which is hung on guide pins to reduce transmission of vibration to the operator. A flexible rubber hose connects the vibrating cylinder to the carburettor fixed on the saw's frame. The weight is said to be only 19 lbs.

Latex Cement

A simple process for the manufacture of latex cement (adhesives for leather) from rubber latex has been developed at the Central Leather Research Institute, Madras. Indigenous production of such adhesives is meagre and imported products are expensive. In the process, natural rubber latex is mixed with solution of casein, in ammoniacal water and treated with formalin and a dye. Preparation of the adhesive has been tried extensively on pilot plant scale (5-gal. batches) and manufacturing conditions have been standardised. The Government Footwear Centre, and the Central Footwear Training Centre at Madras have found the adhesive satisfactory for manufacture of footwear. The raw materials required namely natural rubber latex, casein, ammonia, formalin and water-soluble dye, are readily available in the country. The process requires just a few vessel and an oven. A unit with a capacity of 30 gallons per day would involve a total capital outlay of about Rs. 25,000. With simplified equipment, a 10-gallon per day unit would need only Rs. 10,000 as capital outlay.

Castor Oil Surface Coatings

Investigations have been successfully completed at Regional Research Laboratory, Hyderabad, on the modification of rosin-castor oil condensates to obtain light-coloured varnishes with good drying characteristics. The process consists in heating castor oil with rosin till a desired acid value is obtained. Maleic anhydride is added to the condensate and heating continued for a further period. Glycerol is then added and the esterification is completed by continued heating at a fixed temperature. Any remaining hydroxyl groups in the product are dehydroxylated by heating with anhydrous sodium bisulphate. A notable feature of this process is that a set of reactions comprising esterification, adduct formation, dehydroxylation and inter and intra-polymerisation leading to extensive cross linking, all take place *in situ*. The stability of rosin esters, hardness, pale colour, colour retention and durability of maleic rosins, rapid drying characteristics of dehydrated castor oil and plasticising property of branched chain ricinoleic acid esters are all imparted to the product in a single process. The product is unaffected by basic pigments such as zinc oxide, lead sulphate and white lead.

Industrial Thermometer

Robust equipment is being developed at the British National Engineering Laboratory for measuring temperature under industrial conditions with an error of only a few milli-degrees Centigrade. A new type of resistance thermometer is used: it contains two elements, one with a high temperature coefficient of resistance and the other with a low coefficient. The former is a copper wire wound on an insulated copper cylinder and the latter is minalpha wire, wound on a cylinder of minalpha; in this way the effects of differential expansion are reduced. The temperature is determined from the ratio of the resistances of the two elements, which form two arms of a bridge (either A.C. or D.C.). Because of the use of the twin elements in the thermometer the bridge circuit can be arranged so that the effects of long leads are avoided. An A.C. bridge with transformer ratio arms is particularly suitable since these arms can readily be made of high accuracy and the ratios are not affected by vibration or by variations in air temperature. The existing equipment is intended for use in the range 0 to 100° C., but the method can also be applied to other temperature ranges.

Versatile Hand Labelling Machine

Purdy Machinery Company Ltd., London, has invented a hand labelling machine which is claimed to be versatile enough to label flat, square, oval and polygonal shapes as well as round, with a minimum of trouble where change over is concerned. With one pull of the handle, the machine called "Prestofix," actuates, through an ingeniously designed linkage, the full labelling cycle of gumming a static picker place, picking a label from the label magazine, transferring the label to the bottle or container and wiping it securely in position. It is completely portable, and easy to move and clean because all parts are readily accessible and the gum box situated beneath the picker plate, can be quickly removed for servicing. All labelling parts have been designed for speedy adjustment and quick change over. The "Prestofix" will label bottles or containers of from 2½" diameter up to 3¾" diameter, label sizes ranging from 1½" up to 3¾" deep by from 2" up to 4¼" wide. The maximum label width formula for round bottles is, half of circumference less ¼" and the maximum label height is 6" from the bottom of the bottle to the top of the label. Maximum container width, in the case of shapes other than round, is 5¼".

Valuable Protection

for Valuables

Your home is perhaps a vulnerable place for keeping costly jewellery and important documents. Why run the risk of losing your valuables by theft, fire and other hazards?

The local head offices and branches of the State Bank of India afford facilities for the safe custody of your personal effects at moderate charges.

Facilities are also available at local head offices and at a number of important branches for hiring lockers of various sizes.

By depositing your valuables in the State Bank, you will save yourself the worry about their safety.

Please contact the nearest Branch Agent for further particulars.

STATE BANK OF INDIA

INDIA'S LEADING BANK

SISTA'S-SB-29

COTTON YARNS

OF ALL DESCRIPTIONS

FOR HANDLOOM, POWERLOOM AND HOSIERY FACTORIES

MADURA MILLS COMPANY, LIMITED

Phone: 250 (5 Lines) — MADURAI — SOUTH INDIA Telegrams: 'Harvey'

MILLS AT MADURAI, TUTICORIN AND AMBASAMUDRAM

5,00,000 Spindles Counts up to 100s

We Supply:

WARP YARNS, COMBED YARNS, HOSIERY YARNS, CONE, CHEESE AND HANK YARNS, SINGLE AND FOLDED AND CROSSBALL WARPS FOR FOLDED YARNS

SPECIALITIES:

Yarns for the Manufacture of ROPES — HEALDS — CANVAS — TAPE BELTING DUCK — TYRE CORD — SEWING THREAD

Industrial Products: TYRE CORD WARP SHEETS—CANVASSES—HARD AND SOFT DUCKS—MULTI-PLY AND CORD YARNS

Managing Agents: A. & F. HARVEY LIMITED

PANDYAN BUILDING, MADURAI, SOUTH INDIA

Phone: 420 (4 Lines) *Telegrams:* 'HARVEY'

DEVELOPMENT OF TOBACCO

NEED FOR IMPROVEMENT IN QUALITY

INDIA has the distinction of being the third largest producer of tobacco, after the U.S. and China, and in its economy tobacco plays an important role. Raw tobacco is one of the leading traditional export commodities, being the tenth important item in India's export trade. It accounts for foreign exchange earnings to the tune of Rs. 12 to Rs. 14 crores annually. Besides, it is the third largest excise-revenue-earning commodity—next only to cotton and sugar—with the annual proceeds from this source amounting to as much as Rs. 50 crores. It is estimated that there are about a million tobacco growers and 700,000 curers. Another half a million are engaged in the trade and manufacture of tobacco products. In several regions within the country, tobacco constitutes the most important cash crop and the mainstay of cultivators.

Tobacco grown in India is of two distinct botanical species, namely, *Nicotiana tabacum* and *Nicotiana rustica*. About 90 per cent of India's output comprises *Nicotiana tabacum*, which is grown all over the country. The *rustica* is confined to North India alone, and is used for *hookah*, chewing and snuff. In the *tabacum* group, the most important variety is Virginia. While the top grades of Virginia are mainly exported, lower grades are used in the country in the manufacture of cigarettes, cigars, *bidis*, etc. One of the disquieting features of tobacco cultivation is the predominance of low-grade varieties, while the top grades for which there is good overseas demand accounts for only a small proportion of the total output. The present pattern of output is such that 45 per cent of the total output is of low grades and 40 per cent medium grades, whereas the top grades account for only about 15 per cent. This faulty pattern of cultivation, resulting in sub-standard leaves, constitutes one of the important reasons for the periodic crises of mounting stocks and unremunerative prices.

Right Directions

There has, of late, been a growing realisation on the part of Central and State Governments and also representative bodies of industry and trade of the need for bringing about suitable changes in the variety of species produced as well as for improving quality. Admittedly, this cannot be accomplished all on a sudden. It is long-term solution and its success will depend on the speed with which the ideas are carried to the growers distributed all over the country and the requisite incentives are given for improving the pattern and methods of production as well as marketing. In this context, it will be no exaggeration to say that the Indian Central Tobacco Committee has sought to give right directions to all concerned. The Committee was set up by the Government of India in 1945, bringing together within its purview all interests connected with the industry, namely, the grower, the trader, the manufacturer, the co-operator, the consumer and the scientist.

The function of the Indian Central Tobacco Committee is to assist in various possible ways the improvement and development of production and marketing of different kinds of Indian tobacco and its products. To achieve this, the Committee undertakes and assists agricultural, industrial, technological and economic research. In order to do so effectively, the Committee maintains its own research stations and finances, as may be necessary.

The Committee has established a Central Tobacco Research Institute at Rajamundry in Andhra Pradesh, for fundamental research on all types of tobacco and applied research on cigarette tobacco and lanka tobacco grown in that area and regional experimental stations at Vedasandur (Madras) for cigar and cheroot tobacco, at Pusa (Bihar) for *hookah* and chewing tobacco, at Dinhata (West Bengal) for *hookah* and wrapper tobacco. A sub-station for flue-cured tobacco also serving as a regional station for *natu* tobacco is functioning at Guntur (Andhra Pradesh). A tobacco research station has been established at Hunsur in Mysore State for research on cigarette tobacco grown under local conditions. Besides, the Committee finances wholly or partly research work on bidi tobacco at Anand in Gujarat State and Nipani in Mysore State and on *hookah* tobacco at Ferozepore in the Punjab.

The Committee extends facilities for training of workers in the field of tobacco production and curing at its research stations. Pedigree seeds and seedlings are also distributed to cultivators. During the Plan periods, this scheme, it is said, is being intensified so as to cover the entire acreage under tobacco with improved and high quality tobacco. Marketing intelligence and other information concerning tobacco are disseminated from the Committee's secretariat at Madras. The Committee, we are told, is now making all out efforts to improve the quality of tobacco and increase yield per acre without increasing acreage so that Indian tobacco attains better and greater competitive assertiveness in international markets.

Tobacco Directory

The Committee has now brought out a new publication, *Tobacco Directory*, giving comprehensive information on the wholesalers, growers, exporters and their organisations all over the country. The *Directory*, priced at Rs. 15 (exclusive of Rs. 2 for postage), is available from the Secretary, Indian Central Tobacco Committee, Madras. The highlight of the *Directory* is an article on "Tobacco Cultivation and Industry in India" by Dr. M. S. Patel, Secretary of the Committee.

In the aforesaid article, Dr. Patel has pointed out that, though tobacco is grown in almost every part of India, its production is concentrated in a few regions. These areas, according to him, are:

1. The Guntur area consisting of the districts of Guntur, Krishna, East and West Godavari and the Telangana of Andhra Pradesh. Flue-cured Virginia is the most important type of tobacco grown in this area. The other types are sun-cured Virginia and sun-cured country or *natu* tobacco used in the manufacture of cigarettes, pipe and shag mixtures and cheroots. White burley used in cigarettes and lanka tobacco mostly used in cheroots.

2. The Charotar area in the Kaira District of Gujerat State. It is said that tobacco was first grown in Gujerat from where it spread to other parts of the country. This area grows varieties of bidi tobacco famous all over India.

3. The Nipani area covering Belgaum in Mysore State and Satara, Kolhapur, Sangli and Miraj in Maharashtra State is also an equally important bidi tobacco producing area in the country.

4. The North Bihar and Bengal area composed of the districts of Muzaffarpur, Darbhanga and Purnea in Bihar and Cooch-Behar, Jalpaiguri, Malda, Berhampur and Dinajpur in West Bengal grows tobacco used mostly for *hookah* and also for chewing and snuff. They are known locally as *Vilayati, Motihari* and *Jatt*.

5. The Uttar Pradesh and the Punjab area comprising the districts of Farrukhabad (in U.P.) and the districts of Jullundur and Ferozepore (in the Punjab) produces types of tobacco used mainly for *hookah* and chewing.

6. The South Madras area covering Madurai and Coimbatore districts of the Madras State grows chewing, snuff, filler and binder tobaccos mostly.

State-wise, Andhra Pradesh is the most important producer, with a share of 40-50 per cent of the total produce, followed by Gujerat, Mysore, Madras, Bihar, U.P., Maharashtra and West Bengal. About 95 per cent of Virginia tobacco produced in India is grown in Andhra Pradesh alone, and the rest in Mysore. The cultivation of *bidi* tobacco is confined to the Gujerat State and the Nipani area of Mysore and Maharashtra States.

Production

The following table shows the total production of tobacco in India during the period of the second Plan (1955-56 to 1960-61):

	Area ('000 acres)	Production (million lbs.)
1955-56	1,013	668
1956-57	1,029	659
1957-58	872	531
1958-59	896	589
1959-60	934	629
1960-61	N.A.	672†

† Estimated

The actual production in 1959-60, the latest season for which official estimates are available, aggregated 629 million lbs., which was lower, as compared with that in the beginning of the Plan. The provisional estimate for 1960-61 is 672 million lbs., showing a rise of just 4 million lbs. in the second Plan period. The slow increase in production was, however, not due to any failure of planned measures. It may be recalled that, in the second Plan, no increase in production as such was envisaged. What was aimed at was an improvement in quality of the crop. It is difficult to assess how far this objective has been achieved. Tobacco manufacturers, for instance, continue to complain about the quality of raw tobacco. It is said that Andhra, which produces flue-cured tobacco for cigarette manufacturers, experienced bad weather conditions in 1959 and 1960, particularly during January and February—two vital months for tobacco cultivation. Since unfavourable climatic conditions adversely affect the quality of tobacco, there must have been considerable damage to quality due to this factor.

During the third Plan, production is proposed to be stepped up from the estimated 672 million lbs. in 1960-61 to 728 million lbs., an increase of about 8 per cent. over the next five years. The increase in the quantity of production, however, is only of academic value. What is important is improvement of quality, which alone will help the farmer in getting larger earnings from the commodity. Admittedly, this is mainly a matter of providing the farmer with selected seeds and fertilisers, irrigation, warehousing arrangements and prompt credit facilities.

Cigarettes

Tobacco is consumed in various forms in India, such as cigarettes, cigars, cheroots, *hookah*, chewing and snuff. With the exception of cigarette manufacturing, which is done on a factory scale, all other tobacco products are produced on a cottage industry scale. There are at present 15 cigarette factories in the organised sector, with an annual turnover of about 32,000 million pieces of cigarettes. Six cigarette factories are located in Maharashtra, three each in Andhra Pradesh and W. Bengal, and one each in Mysore, Bihar and U.P. The further development of cigarette industry, which has good export potentialities, will be greatly handicapped, if the production of top-grade tobacco is not expanded adequately. The internal demand for cigarettes is met mostly from indigenous sources and imports are only very little, confined mainly to highly specialised types.

Only about 15 to 20 per cent. of tobacco produced in the country is now being exported. In contrast to this, the Federation of Rhodesia and Nyasaland exports about 83 per cent of its production, Greece and Turkey about 65 per cent and 53 per cent, respectively, and the U.S. about 24 per cent, after meeting its large domestic requirements. The principal buyer of Indian tobacco is the U.K., which accounts for over 40 per cent. The balance is shared by about 50 countries, the leading buyers being the West European countries, Aden, Russia, U.A.R. and Ceylon. India's shipments of manufactured tobacco products (*bidis*, cigarettes and cigars) are only about 5 per cent of the total tobacco exports. The following table shows the trend of exports, in terms of value, of both raw and manufactured tobacco during the last six years:

(Value in Rs. crores)

1955	13.4
1956	13.3
1957	12.8
1958	16.3
1959	13.9
1960 January-November	15.0

It will be seen that, in 1960 there was some improvement in exports. But this is very small. Despite medical opinion against, or puritanical aversion to, the use of tobacco, its consumption has been steadily going up the world over. If, therefore, India succeeds in raising the production of high grade tobacco, there is no reason why it should not be able to earn more foreign exchange through this weed. The compulsory grading of "Agmark" has already helped the revival of confidence of overseas buyers in India's tobacco.

NEW WATCH FACTORY

The first factory for the manufacture of watches in India in the private sector is being set up at Goregaon, a suburb of Bombay. The promoters of the project has secured collaboration of a French consortium of watch manufacturers, known as the S.E.D.I.M. A private limited company under the name Indo-French Time Industries Private Ltd. (with Mr. J. H. Parikh as its Managing Director) is being formed to run the venture. The unit is expected to be commissioned by the end of this year. It will have an initial capacity to produce 90,000 watches of standard type annually (on a single-shift basis) within the price range of Rs. 50 to Rs. 100. The annual capacity of the plant will be progressively stepped up to 310,000 by the fifth year of production.

The subscribed capital of the Company will be Rs. 40 lakhs. The French manufacturers will meet half of the capital, the rest being contributed by Indian promoters. In lieu of financial participation, the French collaborators will supply the complete plant, machinery, tools, dies and other equipments. Besides, they will make available to the Company complete technical know-how. It is noteworthy that no payment of royalty is involved in this project.

Manufacture of watches in all its stages, including jewels, watch cases and dials are expected

(Continued on page 408)

TRADE PROMOTION ... is our business

Australia, New Zealand, and Fiji offer opportunities to exporters and importers and the International Division of the Bank of New South Wales can help those interested.

The Bank's complete banking service includes such specialized facilities as trade and industrial enquiries, economic and trade information, and a complete travel service. The Bank, through more than 1,000 branches and agencies, is closely and constantly in touch with industry, business, and agriculture in the areas it serves.

Enquiries may be made through your own bankers or direct to

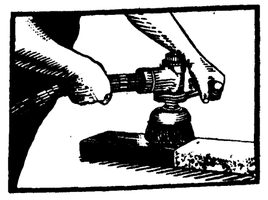
BANK OF NEW SOUTH WALES
INTERNATIONAL DIVISION
John W. McEwen, Chief Manager
HEAD OFFICE: SYDNEY, AUSTRALIA

First and largest commercial bank operating in Australia, New Zealand, Fiji, Papua and New Guinea, with three branches in London.

IP6001b

FOR
SAMPLING • ANALYSIS • TESTING
Ores, Minerals, Metals, Alloys and Residues; Oils, Oilseeds and Cakes; Foods, Drugs, Pharmaceuticals and Biological Specialities; Chemicals, Waters, Paints and Varnishes, Fertilisers, Manures and Insecticides, Industrial and Commercial Commodities, etc.
Contact:
THERAPEUTICS CHEMICAL RESEARCH CORPORATION
95, Morland Road, Byculla, Bombay 8
Grams: THERASERCH Phone: 74631
Managing Director: Dr. RAMAN C. AMIN, M.S., Ph.D. (U.S.A.), Sigma XI, F.A.A.A.S. (U.S.A.)
Branch Laboratories:
• Morey Bhuvan, Mount Road Extn., NAGPUR 1 Phone: 3485 & 4062
• Rustam Mahal, 2nd Line Beach, MADRAS 1 Phone: 86670
• 9/5, Kumarpark West Extension, BANGALORE 20 Phone: 70625
• 11B/54, Main Road, VISAKHAPATNAM Phone: 56
BRANCH OFFICES AT ALL PORTS OF INDIA

"SCCO"



For removing heavy scale from large metal surfaces, such as rust, old paint, and incrustations giving the metal renewed surface for painting, etc. These cup brushes are used on high speed flexible shafts electric or pneumatic tools and can be driven at higher speeds being of sturdier construction than the lighter crimped wire types. A good friend for Foundry man.

India Brushware
72, CANNING STREET,
CALCUTTA-1.
Phone: 34-1985

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories

For over 25 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cotton Mills and other Industries in the country.

Phone: 22-8959
22-3101
Gram: "BANCO"

BEHAR FIREBRICKS & POTTERIES LTD

MR. AL FOIL
OBSERVES THE FORMALITIES

Foil's the name, Al Foil, alumnus of aluminium and many titles besides. But you can call me Al. Being a tidy sort of chap and very hygiene conscious, I like to wrap up things for you in shiny aluminium foil—in fact, been so 'wrapped up' in the 'wrapping business' that I haven't had the chance of meeting you wonderful people. .not for the last 57 years which is when I entered the 'foiling fray'. And that puts me in a reminiscing mood. A long time ..57 years at Kamarhati ..must have wrapped thousands of tons of tea for export, and now chocolates, biscuits and such toothsome confectionary. But that's only the 'sweet side' of my job...there's the bitter too, for the medicine men like to keep their pills fresh and efficacious by using 'foil protection'. Fact of the matter is that I have had to supply almost the entire requirement of foils for the confectionary, pharmaceutical, tea and cigarette industries in the country. Long and wide experience you'll agree....might even call me an expert. So whenever, in packaging, you have a 'foiling problem', remember I am here to serve you—no 'foiling problem' is difficult enough to foil Al Foil, alumnus of aluminium.

VENESTA FOILS LTD.
KAMARHATI, 24 PARGANAS. WEST BENGAL
Selling Agents: Indian Aluminium Co. Ltd., Calcutta Bombay Madras and New Delhi VIC-5

Our fleet of twenty modern freighters offers fast, regular and dependable service between
INDIA—U. K. & THE CONTINENT • INDIA/EAST PAKISTAN—SOUTH AMERICA
INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS
INDIA—POLAND. Also around the INDIAN COAST

INDIA STEAMSHIP CO., LTD.
"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1
Managing Agents:—LIONEL EDWARDS (PRIVATE) LTD.

EXCELLENT PERFORMANCE OF VOLTAS

RESERVES RAISED—OUTLOOK PROMISING

ONE of the largest trading and manufacturing organisations of its kind in India, Voltas Ltd. (Managing Director: Mr. S. K. Handoo), has spread its activities in a short span of six years to a number of spheres. In addition to its role as one of the premier importing houses, the Company is producing, along with a number of well-known foreign associates, a wide assortment of goods needed for accelerating India's economic progress, such as agricultural implements, mining equipment, water-coolers, air-conditioning plants, electric switchboards, etc. It has also been participating in the establishment of pharmaceutical concerns. As Chairman of Voltas Ltd., Mr. J. D. Choksi observed last year that Voltas were *entrepreneurs* in the highest sense of the term and their motto was perpetual movement and progress. The Company's performance for the year ended 31st August 1960, as disclosed by the profit and loss account for the year 1959-60, is in keeping with this observation. The Company has been able to show a further improvement in its earnings, for the fifth time in succession. Thus, the gross profit has recorded a substantial increase from Rs. 100.48 lakhs to Rs. 120.23 lakhs. During the year under review, the Company's sustained efforts were concentrated on the supply of plant and machinery to industries and undertakings forming the core of the second Five-year Plan and the results of the expansion in its activities is clearly reflected in the enhanced earnings. In fact, its progress would have been still more remarkable had it not been for the continued shortage of foreign exchange, which compelled the Company to secure its imports from sources which were not always the most economical. The Company's income from sales and services have gone up from Rs. 17.12 crores to Rs. 19.86 crores and it has been able to recover the ground which it had lost in the previous year. The aggregate income for 1959-60 now compares favourably with that of Rs. 19.66 crores for 1957-58. Of the total turnover, import business accounted for Rs. 13.40 crores, showing a modest increase over the previous year, when it stood at Rs. 12.50 crores. The bulk of these imports comprised essential machinery required for the country's industrial expansion. The increase in sales of locally manufactured goods was quite considerable, such having gone up from Rs. 4.58 crores to Rs. 7.03 crores, a rise of over 50 per cent. Of these, Rs. 3.78 crores worth of goods, or more than 53 per cent, are stated to have been produced by the Company and its associates. In 1958-59, this item amounted to only Rs. 2.65 crores. The main contributors continued to be pharmaceuticals and vitamins produced by Messrs. Roche Products Private Ltd. and Messrs. Merck Sharp and Dohme of India Private Ltd. and the well-known air-conditioners, water coolers and electric switchboards manufactured in the Company's own workshops.

The item "other income" also shows a marked rise due to inclusion of Rs. 11.89 lakhs collected from insurers as compensation for the full value of goods destroyed in a fire in the Company's factory in October 1959.

The Directors have stepped up the provision for depreciation from Rs. 4.41 lakhs to Rs. 5.68 lakhs and that for taxation from Rs. 51.50 lakhs to Rs. 60.00 lakhs. After these essential provisions, the net profit works out to Rs. 54.55 lakhs, as against Rs. 44.57 lakhs for the previous year, an increase of more than 22 per cent. This sum is supplemented by Rs. 13.14 lakhs (being provisions of liabilities and contingencies, depreciation on fixed assets sold and development rebate reserve in respect of certain items, provided in 1958-59) written back. Together with the balance brought forward from the previous year, the total amount available for appropriations is of the order of Rs. 69.96 lakhs.

With a view to strengthening the reserves of the Company for maintaining stability and for financing expansions, the Directors have followed a judicious policy of appropriation. They have thus stepped up the provision for general reserves from Rs. 9 lakhs to Rs. 15 lakhs. The development reserve gets Rs. 5.59 lakhs, as against *nil* in 1958-59. Besides, the development rebate reserve also has been credited with Rs. 1.69 lakhs. In addition, the Directors have set aside Rs. 4.50 lakhs for contingencies (as against Rs. 4 lakhs a year ago) and Rs. 75,846 for doubtful debts (Rs. 1.03 lakhs [illegible]). They set apart a sum of Rs. 5 lakhs for retiring gratuity from the appropriation account in addition to Rs. 8.69 lakhs included under staff expenditure in the profit and loss account. It will thus be seen that the Directors have ploughed back in all Rs. 32.56 lakhs, as against Rs. 13.14 lakhs written back from previous years' allocations.

So far as shareholders are concerned, the Directors have, contrary to expectations in the share market, only repeated the same rate of return, namely, 13 per cent subject to tax. This represents 9.1 per cent net and absorbs Rs. 33.15 lakhs. An idea of the Company's progress since 1957-58 can be had from the following table:

(In lakhs of rupees)

	For the year ended 31st August			
	1960	1959	1958	1957
Sales and services	19,86.46	17,12.21	19,66.49	20,60.40
Other income	15 90	2 69	3 42	5 28
Closing stocks	8,02 43	6,54 99	7,82 95	7,59 90
Cost of sales and services ..	15,00.74	13,45.87	16,25.32	17,31.05
Other expenses	2,81 80	2,60 38	2,61 35	2,52 02
Gross profit	1,20 23	1,00 48	76 66	77 85
Depreciation	5 68	4 41	5 65	4 70
Taxation	60 00	51 50	46 50	50 00
Net profit	54.55	44.57	24.51	23.15
Transfer from reserves and provisions and excess provisions written back	13 14	8 69	4 97	3 64
To reserves and provisions ..	25 87	14 05	4 48	4 70
Development rebate reserve ..	1 69	0 89	0 85	..
Provision for gratuity	5 00	4 00	1 50	2 00
Dividend	33 15	33 15	22 95	19 80
	(13%)*	(13%)*	(9%)	(9%)
Carry forward	4 25	2 27	1 00	1 39

* Subject to taxation.

During 1959-60, while the Company's role as one of the foremost importing houses was strengthened and consolidated, the Company is fast developing into an important industrial unit as well. Readers will have already noted that, in the year under review, the share of domestically made goods in the total turnover has substantially increased. The Directors' report and Chairman's statement show that more manufacturing activities are being planned for the Company. The mechanical division of the Company is studying the possibilities of fabrication and manufacture of specific components of mining machinery within the country. Arrangements have already been made for the manufacture of drills and diamond bits in the Chinchpokli factory. Collaboration agreements for the local manufacture of air compressors have also been completed.

The following extracts from the Chairman's statement will give a clear idea of the progress and the production programmes of the Company:

"The Brown-Boveri Engineering Division has completed installations at such large-scale electrification and irrigation projects as Tungabhadra, Machkund and Neriamangalam. The possibilities of local manufacture of some at present imported items are being explored.

"In the construction division, equipment such as heavy tractors, shovels, trucks were important items in the Company's sales and service programme during the year. The service facilities for construction equipment are being constantly enlarged and improved.

"Arrangements for making the world-famous Rueti Automatic looms have been completed with the National Machinery Manufacturers Ltd., for whose looms the Company will be the sole distributor and agent.

"In the air-conditioning field, an important development is the plan for the establishment of a manufacturing unit in India by the well-known Carrier Corporation, New York, U.S.A., in collaboration with Tata-Voltas and J. Stone and Company. . . . The manufacturing programme of this unit will result in a substantial expansion of the air-conditioning industry in the country as in reducing our dependence on imports in this field.

"Voltas has also turned its attention to the sale of consumer goods made by well-known Indian manufacturers. A beginning has been made in the distribution of canned foods and new lines are expected to be added in 1961."

In last year's report, the Directors had referred to their decision to set up a well-equipped manufacturing unit in the suburbs of Bombay, as the manufacturing facilities in the Chinchpokli factory were found to be inadequate. During the year under review, the Company acquired 85 acres of privately owned lands at Thana through the Government of Maharashtra. The latter has also agreed to grant an additional piece of 35 acres of adjoining Government land.

In addition to the plans for expansion of Company's own manufacturing activities, negotiations are also in progress for joint ventures with various principals, which, if successful, would also be located on the Company's land at Thana.

On the prospects for the Company, the Chairman states: "Our financial position is strong and our growth and diversification continues along healthy lines. We may look forward to the future, therefore, with confidence and optimism."

The balance-sheet as at 31st August 1960 shows that the Company's paid-up capital aggregates Rs. 2.55 crores. This is supplemented by reserves and surplus of Rs. 51.62 lakhs. The secured loans from bank amount to Rs. 2.50 crores and other current liabilities and provisions (including unsecured loan) Rs. 8.57 crores. The fixed assets of the value of Rs. 107.46 lakhs have been written down to Rs. 83.10 lakhs. Current assets (stores and stocks Rs. 6.64 crores, book debts Rs. 3.09 crores, loans and advances Rs. 3.14 crores, cash Rs. 36.26 lakhs) at Rs. 13.39 crores more than adequately cover the current liabilities (including borrowings from banks) and provisions.

The Rs. 100 fully paid-up shares of the Company are currently quoted at Rs. 270 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 3.46 per cent per annum, free of income-tax.

INTERNATIONAL NICKEL COMPANY LTD.

With effect from 28th February 1961, the name of the Mond Nickel Company Limited has been changed to the International Nickel Company (Mond) Limited. Announcing the change of name, the Chairman, Mr. Ivon A. Bailey, said recently that no change in company organisation or activities would take place. The Board of the Mond Nickel Company Limited, in consultation with the International Nickel Company of Canada Limited, the parent company, took the view that the change of name would indicate the international nature of the Company's activities and identify it more closely with the Canadian Company and the United States affiliate, the International Nickel Company, Inc.

A Complete Banking Service

★ All the usual banking facilities within convenient reach
★ Foreign exchange business of all types, including remittances
★ Special Thrift Deposit Plan
★ 3-Year and 5-Year Cash Certificates in different denominations at attractive interest rates
★ Safe Deposit lockers in many branches

SBH

STATE BANK OF HYDERABAD

H. O. : Hyderabad Dn. (A.P.)

serving you through more than 50 branches in Andhra Pradesh, Bombay City & State, Mysore State and Madras City

If it is . . .
COTTON TAPES
Look To Sunshine Products
There is a difference!
SUNSHINE SUPPLIES:
★ SPINDLE TAPES,
★ EGYPTIAN COTTON TAPES,
★ ZIP TAPES,
★ VENETIAN BLIND TAPES,
★ WEBBINGS,
★ BLEACH TAPES,
★ METALLIC TAPES,
★ LISTINGS AND BANDINGS
We would welcome your enquiries for immediate execution.
SUNSHINE TRADERS
Manufacturers and Suppliers,
3, Hamam Street, Bombay, 1.
Phone: 251631 Gram: "SUBHMANGAL."

INDUSTRIAL
INSTRUMENTS
FOR
RAW MATERIAL TEST,
PROCESS CONTROL,
QUALITY CONTROL
CONTACT:
TOSHNIWALS
198, Jamshedji Tata Road
BOMBAY-1
AJMER, CALCUTTA, DELHI, MADRAS

THE BANK OF BEHAR LTD.
Head Office: PATNA
ESTD. 1911
BRANCHES AT:
Arrah, Beharsharif, Buxar, Chapra, Calcutta, Daltonganj, Gaya, Jaunpur, Jharia, Kanpur, Katrasgarh, Laheriasarai, Motihari, Muzaffarpur, Monghyr, Patna, Patna City, Ranchi, Siwan and Varanasi.
A. C. BHAT,
General Manager.

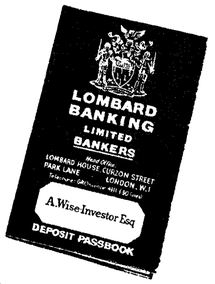
BIJLEE
BULBS
For
Better Light
Efficiency
Economy
BIJLEE PRODUCTS (INDIA) LTD.
BYCULLA, BOMBAY 8

MORE and MORE PEOPLE SHARE THIS SECURITY

Wise investors and wise savers are among the many far-sighted people growing in number day by day who rely on the security of a Bank Deposit Account with Lombard Banking. Every day earns interest for Lombard Banking Depositors—you cannot afford to wait another day to put your funds to work in the security of the Bank.

Interest paid without deduction of United Kingdom Income Tax.

Write today to General Manager for your copy of "Bank Deposit Account" booklet No. A.O.91.



OPEN A 5% BANK DEPOSIT ACCOUNT WITH LOMBARD BANKING
LIMITED
BANKERS
Head Office
LOMBARD HOUSE, CURZON STREET, PARK LANE, LONDON, W.1. GRO 4111 (30 lines)
A World-Wide Banking and Finance Organisation

RALLIS' TURNOVER AND PROFIT EXPAND

PAYMENT OF EQUITY DIVIDEND RESUMED

THE performance of Rallis India Ltd. (Managing Director: Mr. M. P. A. Paspatti) in the year ended 31st August 1960, as disclosed by the accounts of the Company for that year, clearly shows a distinct improvement over the previous years. Thanks largely to the substantial increase in the turnover of the Company, which came partly from the marketing of the products of its industrial subsidies, the gross earnings of the Company have gone up from Rs. 29.55 lakhs in 1958-59 to Rs. 52.13 lakhs. This has enabled the Directors to resume, after an interval of nearly a decade, payment of dividend to equity shareholders albeit at a modest rate. The Directors have also succeeded in clearing the entire arrears of preference dividends, as will be seen presently.

The sale proceeds of the Company in 1959-60 show, as compared with those for 1958-59, a rise of more than 18 per cent having increased from Rs. 15.20 crores to Rs. 18.08 crores. The expenses, including raw materials consumed, on the other hand, went up by only 11 per cent from Rs. 15.11 crores to Rs. 17.83 crores. This has led the Company to improve its gross earnings by Rs. 22.58 lakhs to Rs. 52.13 lakhs. After making modest provision of Rs. 4.02 lakhs for depreciation (as against Rs. 3.25 lakhs in 1958-59) and Rs. 7.11 lakhs for taxation (Rs. 4.43 lakhs in the previous year), the net profit works out to Rs. 41.00 lakhs which compares very favourably with Rs. 21.87 lakhs made in 1958-59. This represents an increase of more than 86 per cent. The net profit is supplemented by the balance of Rs. 2.54 lakhs from the previous year, bringing the total sum available for allocations to Rs. 43.54 lakhs. With a view to making provision for future expansion, the Directors have, for the first time since the establishment of the Company, transferred a sum of Rs. 5 lakhs to the general reserve. In addition, a provision of Rs. 90,000 has been made for doubtful debts. They have further set aside Rs. 17,000 to the development rebate reserve, as against Rs. 25,000 in the previous year. This means that the aggregate resources ploughed back is Rs. 6.07 lakhs. Out of the remaining amount, the Directors have decided to clear all the outstanding payments of preference dividend (6 per cent taxable cumulative) aggregating Rs. 19.98 lakhs for the five years from 1954-55 to 1958-59 and also pay the preference dividend for 1959-60, requiring Rs. 3.99 lakhs. Thus, the preference dividend alone absorbs Rs. 23.98 lakhs. A dividend of 4 per cent., subject to tax, has been recommended on ordinary shares (of Rs. 100 each). This requires Rs. 9 lakhs, leaving a sum of Rs. 4.50 lakhs to be carried forward to the current year's accounts. The net dividend to the equity holder is only 2.8 per cent which is, indeed, very poor consolation to him especially when it is remembered that he has not obtained a single *naya paisa* on his investment for the past eight years. The only silver lining is that in the years to come he may get a better deal, because the organisation of the Company's business from predominantly trading to manufacturing lines has been successfully carried out. Since all the arrears of preference dividends have been cleared, the future liability on this score will be only about Rs. 4 lakhs per annum. Even assuming for argument's sake that the net profit for the current year will only be the same as that for 1959-60, it should be possible for the Company to pay at least a gross dividend of 12 per cent if not more.

The comparative table clearly shows the rapid progress made by the Company in the last four years:

(In lakhs of rupees)

	For the year ended 31st August			
	1960	1959	1958	1957
Sales proceeds	18,08.48	15,19.55	17,29.08	24,96.58
Other income	26.55	20.87	17.08	18.08
Closing stocks	1,78.84	1,53.94	2,11.36	2,62.10
Expenses (including raw materials consumed)	17,82.85	15,10.88	17,26.44	25,12.48
Gross profit	52.13	29.55	18.73	2.07
Provision for—				
Depreciation	4.02	3.25	5.18	19.95*
Taxation	7.11	4.43	1.75	1.41
Net profit (+) or loss (—)	+41.00	+21.87	+11.80	—19.29
Transfer from reserves	..	23.41	..	19.29
To reserves and provisions	5.90	1.00	..	..
Development rebate reserve	0.17	0.25	0.15	..
To Dividends—				
6% taxable preference	23.98†	9.00‡	..	..
Ordinary	9.10§ (4%)	..	..	..
Carry forward	4.49	2.54	—32.48	—44.13

* Including arrears of Rs. 12.41 lakhs for two years.
† Gross dividend for the six years ended 31st August, 1960.
‡ Gross dividend for the two years 1958-59 and 1958-54.
§ Subject to tax.

It will be observed that, in four years, the Company's gross profit has gone up from a mere Rs. 2.07 lakhs to Rs. 52.13 lakhs though sale proceeds for the latest year at Rs. 18.08 crores are lower by Rs. 6.88 crores. This, as already mentioned, is the result of switching over from commodity trade, which is of a highly fluctuating nature, to manufacturing activities, which are assured of a steadily expanding market in this country, thanks to the development plans. In fine, the change in the Company's fortunes for the better is unmistakably clear.

In addition to its role as a trading company, Rallis India Ltd. has developed extensive interests in the industrial field, especially pharmaceuticals and chemicals, electric goods and tools, textiles, umbrella spare parts, etc., through partial and full ownership of shares in subsidiary companies handling these lines. The following extract from the Directors' report will give the reader some idea of the progress and prospects of the subsidiary companies of Rallis:

"Ralliwolf went into production in October 1959 and worked up to an economic level of output early in 1960. Plans for expansion are under active consideration.

"Rallifan's output was restricted by the space and machinery available while the new factory at Mulund was under construction. The new factory has been completed and occupied since the end of the financial year.

"The teething troubles of Ralli-Hoyland, which manufactures umbrella ribs, proved to be more serious than had been anticipated and production was stopped in July for a full reassessment and rebuilding of certain plant. This is almost complete and production is expected to be started again shortly. Meanwhile, the Company incurred a trading loss.

"Production, turnover and profits of Teddington Chemical Factory were all substantially above the levels achieved in the previous year.

"Boehringer-knoll, which is an associated company whose products are marketed by Rallis India Ltd., started to trade in November 1959. Results have been up to expectations.

"The working of Hemalatha Textiles was adversely affected by the poor 1959-60 cotton crop and its production costs were increased by a new wage award. Considering these circumstances, the results were not unsatisfactory.

"For Ralli Chemicals the period was one of preparation. The necessary import licences and exchange allotments having recently been received, construction of the plant and buildings has been started.

"Since the close of the financial year, the Company's subsidiary, Ralli Chemicals Private Ltd., has entered into contracts for the construction of buildings and the supply and installation of plant. This involves Rallis India Limited in an obligation to make funds available to Ralli Chemicals by subscribing to the equity capital or by making advances or by a combination of both to the extent of approximately Rs. 44½ lakhs."

Having regard to the difficulties through which the Company has passed in the past, its financial position as at 31st August 1960 must be regarded as satisfactory. The paid-up capital of Rs. 3 crores is supplemented by reserves and surplus of Rs. 10.59 lakhs. The borrowings are of the order of Rs. 51.57 lakhs, secured by hypothecation of stocks and on certain freehold properties of the Company, and other current liabilities and provisions aggregate Rs. 124.59 lakhs. Investments in and amounts due (net) from subsidiaries stand at Rs. 84.41 lakhs and other investments at Rs. 12.41 lakhs.

The current assets (stores and stock Rs. 1.86 crores, book debts Rs. 1.06 crores, cash Rs. 29.17 lakhs) at Rs. 3.21 crores more than cover the current liabilities (including borrowings from the banks) and provisions. The gross block of the value of Rs. 70.39 lakhs (including additions of Rs. 5.09 lakhs made during the year) has been written down to Rs. 36.41 lakhs.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 143 cum-div. On an ex-div. basis, the yield on the shares works out to 2 per cent per annum, free of tax. This scrip has been popular with investors for well over a year and the low yield is a reflection of their robust confidence in the future of the Company.

PHALTAN SUGAR DISAPPOINTS

DIVIDEND REDUCED AGAIN

SHARES of sugar companies in the Maharashtra State are very much out of favour these days due to the provisions of the Land Ceiling Bill. In keeping with this general trend, the price of Phaltan Sugar also has dropped by about 20 per cent in the last two months. But the results of the Phaltan Sugar Works Limited (Managing Agents: Messrs. Mafatlal, Apte and Kantilal Private Ltd.) for the year ended 30th September 1960 are also very disappointing. Gross profit of the Company for that year has declined by over 20 per cent to Rs. 24.05 lakhs. The dividend to shareholders has been reduced from 27 per cent taxable to 24 per cent taxable. On tax-free basis, the dividend works out to only 14 per cent, as compared with 20 per cent for 1957-58 and 24 per cent for 1956-57. There has thus been a major cut in the dividend for a second time in the last four years.

The crushing season of the factory, which started on 23rd October 1959, lasted for 163 days. During the season, the quantity of sugarcane crushed was lower at 113,845 tons, as against 120,881 tons in the 1958-59 season and so also sugar manufactured at 143,155 bags, as against 144,671 bags in the previous year. The recovery of sugar, however, improved from 12.03 per cent to 12.67 per cent.

The fall in production, as explained by the Directors' report, was due to shortage of cane supply and lower yield by the Company's farms themselves on account of adverse weather conditions. Sale of sugar, as readers are aware, is controlled by the Government and deliveries are effected as per Government release orders. The stocks of sugar sold at contract rate and unsold at cost or market value, whichever is lower, as taken, valued and certified by the General Manager at the factory, were considerably higher at Rs. 37.06 lakhs as compared to Rs. 14.66 lakhs in the previous year on account of absence of adequate release orders. The Company has been obliged to carry forward unreleased stock equivalent to 22.8 per cent of the year's production, as against 2.9 per cent of the previous year. There was an increase of Rs. 2.03 lakhs in crop expenditure to Rs. 41.63 lakhs and this, too, contributed to lower profits. Another reason for the lower profit was the increase in export quota under the Government's scheme.

The comparative results of the Company's working since 1956-57 are given in the following table:

(In lakhs of rupees)

	For the year ended 30th September			
	1960	1959	1958	1957
Sale proceeds of sugar	1,29.21	1,78.50	1,60.39	1,37.47
Other income	3.31	3.70	2.94	2.06
Closing stocks	37.06	14.66	36.88	45.94
Crop expenditure (net)	41.63	39.60	41.05	37.14
Excise duty	41.41	42.19	45.76	28.81
Other expenses	47.88	47.82	45.70	48.40
Gross profit	24.05	30.36	30.77	37.21
Managing Agents' commission	2.00	2.72	2.71	3.33
Provision for—				
Depreciation	3.90	3.56	3.30	3.45
Taxation	7.40	9.25	14.50	16.90
Net profit	10.75	14.84	10.26	13.58
Excess provisions written back	0.09	0.26	..	..
To reserves	0.23	1.46	0.23	1.00
Additional provision for taxation relating to previous years	..	1.00	..	..
Amount transferred from dividend equalisation reserve	1.00	..	..	..
Dividend	12.00 (24%)*	13.50 (27%)*	10.00 (20%)	12.00 (24%)
Carry forward	0.22	0.64	1.80	1.47

* Subject to deduction of tax.

The highlights disclosed by the aforesaid table are the sharp fall in sale proceeds, marked rise in stocks, and a slight rise in expenses. The net profit has gone down from Rs. 14.84 lakhs to Rs. 10.75 lakhs, a fall of 27 per cent.

The paid-up capital of the Company stands at Rs. 50 lakhs, comprising 100,000 ordinary shares of Rs. 50 each. Reserves and surplus total Rs. 58.88 lakhs. The net block has increased by Rs. 4.82 lakhs to Rs. 60.72 lakhs, the depreciation provided so far being Rs. 77.65 lakhs. An outstanding item in the latest balance-sheet is the secured loan of Rs. 25 lakhs, as against *nil* a year before. This borrowing must have been mainly due to higher stock-in-trade. The total current assets at Rs. 131.48 lakhs are well above the total current liabilities at Rs. 83.32 lakhs, indicating a healthy financial position.

The current market quotation of Rs. 50 paid-up ordinary share at Rs. 141 gives a gross yield of 8.5 per cent on a gross dividend of Rs. 12 per share and a net yield of 6.0 per cent on a net dividend of Rs. 8.40 per share.

BOARD SECRETARIAT DEPARTMENT 6 MAR 1961

RAPID PROGRESS BY K.C.P.

DIVERSIFICATION OF BUSINESS BEGINNING TO BEAR FRUIT

THE K.C.P. Ltd., which manufactures sugar, confectionery, denatured spirit and cement as well as machinery for sugar, cement and chemical industries, has made rapid progress in the last three or four years. The Company's production and turnover have vastly improved, due to diversification of its activities. Between 1955-56 and 1959-60, sale proceeds, for instance, have shot up from Rs. 198 lakhs to Rs. 379 lakhs, a rise of nearly 90 per cent. Similarly, the gross profit has jumped up from Rs. 32.41 lakhs to Rs. 57.30 lakhs, an increase of 76.8 per cent. The bulk of the improvement in profit has taken place in 1959-60.

The statement of the Company for the year ended 30th June 1960 reveals that, though the crushing season for the sugar factory was shorter by seven days at 124 and cane crushed was also lower by 661 tons at 231,397 tons, the quantity of sugar produced was better by 1,862 tons at 22,354 tons, thanks to better sucrose content in the cane; the recovery per cent. was 9.56 as against 8.88 in the previous year. Nevertheless, sale proceeds from sugar were lower by some Rs. 48.78 lakhs at Rs. 235.61 lakhs. A rise of Rs. 9.33 lakhs in the stocks only partially accounts for this drop in sales realisation. During this period, 231,397 tons of sugarcane were crushed as against 232,058 tons in the previous year and 22,354 tons of sugar were produced as against 20,492 tons in the previous year. Thus sugar production increased by 1,862 tons in spite of 661 tons lower of cane crushed. This explains the higher recovery of sugar for the season at 9.56 per cent as against 8.88 per cent in the previous season. Receipts from the sale of distillery spirits, confectionery, molasses, manures, etc., however, increased by Rs. 9.82 lakhs to Rs. 31.11 lakhs. Similarly, cement sales fetched Rs. 13.60 lakhs more at Rs. 66.47 lakhs. The biggest increase was in sales of machinery and materials which recorded nearly a fivefold rise to Rs. 44.29 lakhs. The production of cement at Macherla Factory, during the year, amounted to 68,458 tons as against 58,270 tons in the previous year. The directors in their report state that the second stage of the factory is expected to go into production in the later half of 1961.

The gross profit of the Company shows an impressive rise of Rs. 20.66 lakhs to Rs. 57.30 lakhs, but the net profit is lower by Rs. 7.75 lakhs at Rs. 13.19 lakhs on account of heavy provision for taxation of Rs. 24.75 lakhs, as against *nil* in the previous year and higher depreciation provision of Rs. 15.56 lakhs.

The dividend on ordinary shares has been maintained at 15 per cent taxable, or 10.5 per cent tax-free but on increased capital. The net amount of profit ploughed back this year is negligible at a few thousands, as compared with Rs. 14.80 lakhs added last year.

The following comparative table shows at a glance the Company's progress in the past four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sale proceeds (including machinery and materials consumed)	3,78.79	3,72.62	3,19.75	2,12.90
Other income	5.64	4.38	5.90	4.08
Closing stocks and work-in-progress	1,08.88	77.47	1,11.62	1,36.98
Cess on sugarcane	11.57	11.60	13.66	9.72
Excise duty	76.76	89.25	66.17	20.14
Other expenses	2,39.80	2,39.54	2,13.40	2,79.40
Gross profit	57.30	36.64	32.74	35.70
Managing Agents' remuneration	3.90	2.84	2.00	2.72
Provision for—				
Depreciation	15.56	13.36	9.97	7.50
Taxation	24.75	20.94	20.77	13.98	12.50
Net profit	13.19			
Transfer from reserves and provisions	8.27	17.10	2.72	0.23
To reserves and provisions	8.80	31.90	21.55	9.38
Dividends—				
8 per cent. preference	0.20	0.16	0.16	..
6½ per cent. preference	1.33	..	..	..
Ordinary	6.80*	5.89*	0.79† 0.43‡	0.79† 2.87‡
	(15%)	(15%)	(15%)	(100%)
Carry forward	0.23	0.92	0.33	0.28

* Subject to tax.
† On 7½ per cent. tax-free equity shares.
‡ On equity shares (deferred).

An account of the reorganisation and expansion of the capital structure of the Company was given in these columns when analysing its accounts for 1958-59 (*vide* page 917 of *Commerce* dated 28th November 1960). Since then, there has been a further increase in both the ordinary and preference capital, the former by Rs. 19.62 lakhs (in shares of Rs. 10 each at par in the ratio of one for every two) and the latter by Rs. 40 lakhs (in shares of Rs. 100 each 6½ per cent tax-free cumulative redeemable in 1970-74). The total paid-up capital as at the end of June 1960 is Rs. 101.84 lakhs, of which equity capital is Rs. 58.57 lakhs. Since then, the Company has made a further fresh issue of equity capital of Rs. 10 lakhs to existing shareholders in the proportion of 17 shares for every 100 shares. The reserves and surplus stand at Rs. 97.32 lakhs. As the result of higher sugar stocks and of materials, stores and finished goods at workshops, the secured loans have substantially gone up from Rs. 209.76 lakhs to Rs. 244.35 lakhs. The figure for other current liabilities and provisions at Rs. 160.61 lakhs is also higher by over Rs. 40 lakhs, a part of which reflects the higher provision for taxation.

The fixed assets of the Company have expanded sizably in the last four years, from Rs. 227.37 lakhs on 30th June 1957 to Rs. 417.59 lakhs on 30th June 1960, an increase of Rs. 190.22 lakhs in three years. The net block stands at Rs. 339.05 lakhs, after Rs. 78.55 lakhs provided for depreciation. The total book value of investments is Rs. 24.99 lakhs of which Rs. 23.36 lakhs are in quoted investments. The market value of the general investments is as high as Rs. 31.01 lakhs. The total current assets at Rs. 201.74 lakhs are higher by Rs. 76.80 lakhs over the year due to higher inventory. On balance, current liabilities, excluding the I.F.C. loan of Rs. 69.60 lakhs, amount to Rs. 346.39 lakhs as against which current assets are of the order of only Rs. 276.11 lakhs including investments. This state of affairs reflects the heavy rate of expansion undertaken by the Company in recent years.

The Company's workshop at Tiruvottiyur made satisfactory progress during the year, in spite of delays in securing electric power and import licences. During the current year, the heavy machine shop and the steel foundry are expected to go into production. The Company has orders for the supply of sugar machinery of the value of Rs. 250 lakhs for co-operative sugar factories in addition to sugar machinery for a factory in the private sector. An order for a cement plant has also been allotted to the Company and negotiations are in progress with the party concerned.

During the current year, the Company's sugar factory is expected to have a record crush, the quantity of sugar being placed at 30,000 tons.

The current market quotation of Rs. 10 paid-up ordinary shares is Rs. 24.50 *cum-div.*, giving a net yield of 4.3 per cent per annum.

(*Concluded from next column*)

current liabilities, including secured loans from the State Bank of India, amount to about Rs. 50 lakhs, which are exceeded by current assets of the order of Rs. 77 lakhs. A sum of Rs. 16.80 lakhs had been paid as advance and provisional payments for taxation which appears a little excessive, considering the earnings of the Company in the last few years.

The net addition to the block during the year amounted to about Rs. 2.80 lakhs. Further, the Company has spent on machinery under erection a sum of Rs. 1.16 lakhs.

The Company's application for expansion of the crushing capacity of the factory from 750 tons to 1,250 tons per day has been approved by the Central Government. In the first phase of the expansion programme, the crushing capacity has been increased to 1,000 tons per day by adding new machinery worth about Rs. 7 lakhs. The machinery has already been installed and would be put to use during the current season. This is expected to result in efficient crushing and higher recovery. Although the paucity of rain in the latter part of the last monsoon has occasioned a slight setback to the cane crop, the Company expects to crush during the current season a larger quantity of cane and have a higher production of sugar. The implementation of the recommendations of the Wage Board is expected to result in an increase of about 75 nP per maund in the cost of sugar production.

The equity shares of the Company of Rs. 10 each fully paid up are presently quoted at Rs. 29, giving a tax-free yield of 5.43 per cent.

BHORAT SUGAR'S PROFIT SHADE LOWER

CURRENT YEAR MAY PROVE BETTER

FOR the third year in succession, the gross profit of the Bhopal Sugar Industries Ltd.—Managing Agents: Messrs. A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.—has declined, albeit slightly. Thus, the Company's accounts for the year ended 30th September 1960 show the gross profit at Rs. 14.69 lakhs, as against Rs. 15.04 lakhs for 1958-59. The net profit, however remains practically unchanged at Rs. 6.94 lakhs, but the dividend to shareholders has been lowered from 25 per cent. taxable to 22½ per cent. taxable. The net dividend at 15.75 per cent is lower by nearly one-fifth as compared with that (20 per cent per annum) paid for 1957-58 and 1956-57. This somewhat unfavourable result on the financial side has occurred despite a larger output of sugar. And the reasons for it are (1) large unsold stocks of sugar following defective distribution controls and (2) a loss on the sugar sold for export.

During the year under review, the total cane crushed was higher by nearly 69,000 maunds, and the sugar production at 201,630 maunds also revealed an increase of about 4 per cent. The average sugar recovery was also a little better, 10.11 per cent during the year, as against 10.10 per cent in the previous year. The average yield of cane from the Company's farms was lower by about 2.40 tons per acre at 30.88 tons.

The comparative working of the Company in the last four years is shown in the following table:

(In lakhs of rupees)

	For the year ending 30th September			
	1960	1959	1958	1957
Sale proceeds (gross)	61.71	91.38	1,04.39	75.25
Closing stocks	33.58	12.02	25.98	32.36
Expenses	44.90	42.05	54.86	50.96
Excise duty	24.23	20.53	28.13	18.94
Gross profit	14.69	15.04	15.75	18.46
Provision for—				
Depreciation	2.01	1.91	2.57	1.56
Taxation	4.50	5.00	6.50	7.65
Managing Agents' commission	1.24	1.19	1.24	1.60
Net profit	6.94	6.94	5.44	7.75
Provisions—				
General reserves	1.50	0.63	..	8.00
Development rebate reserve	..	0.28	0.41	0.71
Dividend declared—				
5% (tax-free) preference shares	0.62*	0.76*	0.62	0.62
Equity shares	3.94* (22½%)	4.37* (25%)	3.50 (20%)	3.50 (20%)
Carry forward	0.93	0.05	1.21	0.31
Cane crushed (maunds)	1,076,391	1,008,061	2,715,545	2,693,458
Sugar produced (maunds)	201,630	194,370	266,986	262,000
Recovery (%)	10.11	10.10	9.75	9.70

* Subject to taxation.

The proceeds from the sale of sugar came down by Rs. 29.67 lakhs during the year, revealing thereby a fall of about 32 per cent. The downward trend was evident even during 1958-59, when there was a fall of about 14 per cent as compared with the previous year. The year-end stocks were heavier at Rs. 33.58 lakhs, as against Rs. 12.02 lakhs a year earlier. Pursuant to the provisions of the Sugar Export Promotion Act, the factory was required by the Indian Sugar Mills' Association to sell its quota of 1,515 bags of sugar out of the season's output. The loss on this transaction amounts to Rs. 81,450 and this has been adjusted by reducing the stocks by a corresponding amount. The Company's factory and farm are situated in Madhya Pradesh. The ex-factory selling price for the Company's sugar is fixed by the State Government. For the year under review, the price fixed was higher than the price for sugar imported from U.P. and Bihar. Consequently, the Government nominees were not in a position to lift the Company's sugar and the Company had to sell at competitive prices. This must have brought about a reduction in the profit-margin.

The general reserves of the Company as at the end of September 1960 amounts to Rs. 14 lakhs (of which a sum of Rs. 1.50 lakhs relates to the appropriations from out of the year's profit). This compares well with the paid-up capital standing at Rs. 30 lakhs made up of preference shares (Rs. 12.50 lakhs) and equity capital (Rs. 17.50 lakhs). An overall picture of the financial position of the Company can be had from the following figures (those within brackets pertain to 30th September 1959):

(Rs. in lakhs)

Liabilities	Rs.	Assets	Rs.
Capital	30.00 (30.00)	Gross block	47.71 (44.94)
General reserve	14.00 (12.50)	Depreciation	29.36 (27.38)
Other reserves and surplus	3.61 (2.72)	Net block	18.35 (17.56)
Current liabilities	49.86 (38.45)	Under construction	1.17 (0.25)
		Current assets	77 30 (65.18)
		Investments	0.55 (0.55)

As will be seen from the above figures, the

(*Continued in previous column*)

SYNOPSES OF COMPANY REPORTS

Asian Cables Corporation Ltd.

The directors of the above Company (Chairman: Shri Girdharlal B. Kotak, Bombay) present the audited accounts of the Company for the period from 12th September 1959 to 31st December 1960.

Progress on Commissioning of the Plant: During the period under report the construction of the factory buildings has progressed satisfactorily and will be completed very shortly. A good portion of the machinery has already been received and most of the balance equipment is expected to be received by end of March 1961. The erection work for the plant and equipment has been started under the supervision of the expert Engineer who has been specially deputed by Messrs. Enfield Cables Ltd., the Company's technical Collaborators, for this purpose. The erection work will take about 3 to 4 months and it is expected that the plant will be ready for initial production by the middle of this year. Three of the Company's engineers have recently returned after receiving their full training in U.K. at the works of Messrs. Enfield Cables Ltd. The Company's senior engineer who is receiving a longer period of training, is expected to arrive in the beginning of March. The directors are glad that on the whole the work of setting up of the plant is progressing according to the schedule.

The Company has received an industrial licence for the manufacture of High Tension Paper Insulated Power Cables for which foreign financial and technical participation will be necessary. It is now decided to include in the programme the manufacture of Sugar Enamelled Copper Wires (Magnet Wires) for which the Company already holds the industrial licence and for which the demand during the third Plan period is expected to increase very rapidly. It is also proposed to put up a most up-to-date Rod Rolling Mill to manufacture superior quality rods for drawing of wires which, besides supplying the Company's requirements, will serve the needs of other cable factories in Western India.

The directors report that their negotiations for technical and financial collaboration for the above programme with Messrs. Phelps Dodge Copper Products International Corporation of U.S.A. and Messrs. Enfield Cables Ltd. have reached a successful conclusion. They have agreed to invest jointly a substantial amount in the equity share capital of the Company and to give technical collaboration for a period of 10 years. The foreign exchange requirements for the import of the necessary plant and equipment is expected to be met partly from the collaborators' investment and partly from a loan in foreign currency.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	49,04,125	Block ...	1,87,535
Provision for taxation ...	21,262	Buildings under construction ...	9,70,452
Liabilities ...	12,25,011	Machinery under installation ...	11,12,518
Profit and loss account (surplus)	11,765	Expenditure in progress	6,49,928
		Book debts ...	3,45,666
		Investments ...	1,000
		Cash ...	27,64,711
		Miscellaneous expenditure	1,30,353
Rs.	61,62,163	Rs.	61,62,163

Indian Rayon Corporation Ltd.

The directors of the above Company (Managing Agents: Veraval Rayon Industries Private Ltd., Bombay) present the third annual report and the audited accounts of the Company for the year ended 15th February 1960.

Subscription: During the year, the Company issued the Prospectus and offered for subscription shares of the total face value of rupees one crore to the public, as out of the total issued capital of rupees two crores, the Company's foreign collaborators, promoters, managing agents, directors and selling agents and their friends had already taken up shares of the face value of rupees one crore. As against the offer of 52,000 equity and 48,000 preference shares of the Company to the public, the number of shares applied for aggregated 1,38,993 enquity and 80,455 perference shares. Allotments were decided upon in consultation with the Stock Exchange, Bombay. The directors are pleased to record the confidence the investing public have put in the future of the Comapny which is evident from the fact that the issue of both equity and preference shares was over-subscribed. The shares of the Company are listed on the stock exchanges at Bombay, Calcutta and Ahmedabad.

Factory: The foundation-stone of the factory at Veraval was laid on 21st June 1959 by Hon'ble Shri Lal Bahadur Shastri, Minister for Commerce and Industry, Government of India. The contract for the construction of the factory buildings was entrusted to the well-known contractors Messrs. Shah Construction Company Limited, after the scrutiny of the tenders invited by the Company's Architects. Messrs. C. H. Gandhi & Company, who have built three rayon plants in India. The construction work has been undertaken since, on a very large area of land and substantial progress has been made. Shipments of machinery have also started to arrive.

Progress of Project: As per the terms of the contract entered into with Messrs. Von Kohorn International Corporation of New York, on 2nd October 1958, and later extended, the necessary arrangements for payment of the 10 per cent advance, providing the Bank guarantee for the deferred credits and for securing the approval of the Reserve Bank of India for the allotment of shares to Messrs. Von Kohorn International Corporation and to the Financial and Development Fund Inc., of New York, were completed during the year.

In November 1959, when Mr. Henry Von Kohorn, President of Messrs. Von Kohorn International Corporation (the Company's Collaborators) visited India, it was considered advisable by the directors in consultation with him that the designing and the engineering of the factory should be made for a productive capacity of 10 tons of rayon yarn, 25 tons of sulphuric acid and 10 tons of sodium sulphate per day as permitted by the industrial licences held by the Company instead of the 5 tons rayon yarn, as originally envisaged, in order to ensure greater economy in capital cost and higher efficiency and profitability in working. Accordingly, the Company submitted an application to the Government of India in December 1959 for the additional import licence required to cover the additional plant, machinery and equipment. In order to secure the additional finance required for this expanded capacity, the Chairman of the Company visited the U.S.A. and the U.K. again and carried on negotiations with leading Financial Institutions and with Messrs. Von Kohorn International Corporation.

Provisional agreements were arrived at with Messrs. Von Kohorn International Corporation and Messrs. Chase International Investment Corporation during the visit of the Chairman.

During the subsequent discussions with the Government of India, it was considered necessary that the Company should also install necessary plant for the manufacture of 15 tons per day of rayon grade pulp from cotton linters at the Company's factory. The necessary application was also made to the Government of India in this behalf.

The directors report that the Government have confirmed that the necessary import licences to cover all the requirements of plant and machinery for the additional rayon yarn manufacturing capacity as also for the manufacture of pulp will be granted, out of which two import licences for Rs. 37,50,000 and Rs. 44,85,000 have already been issued and a third import licence for Rs. 2,01,92,000 will be issued later.

Since the end of the financial year ending 15th February 1960, the material changes and commitments affecting the financial position of the company are as follows: The 2nd call was made on the shareholders on 20th June 1960 calling for the payment of the fourth instalment of Rs. 12.50 per share and an amount of Rs. 19,56,600 has been collected as upto 12th January 1961.

Additional Finance: For the purpose of expansion of the installed capacity of rayon yarn plant from 5 tons daily production capacity to 10 tons daily production capacity and also for installing machinery for the pulp plant having a capacity of producing 15 tons of pulp daily, the directors estimate that a sum of rupees two crores and eighty-four lakhs would be required for machinery to be imported from abroad. Apart from this sum of Rs. 2,84,00,000, there would be relative increase in the cost of buildings and requirement of indigenous machinery and equipment for the purpose. The total estimate comes to Rs. 4,20,00,000.

The directors have contacted financial institutions of America and Europe for loans amounting to Rs. 2,45,00,000 and the balance is sought by the issue of further capital.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	97,48,300	Block ...	7,35,878
Liabilities ...	1,96,529	Advances against purchase of plant, etc.	24,95,636
		Book debts ...	39,34,912
		Cash ...	23,92,347
		Miscellaneous expenditure	3,09,393
		Profit and loss account (deficit) ...	76,663
Rs.	99,44,829	Rs.	99,44,829

Loyal Textile Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Thiagaraja Chetty & Sons Private Ltd., Kovilpatti) present the audited accounts of the Company for the year ended 30th June 1960.

The year's working has resulted in a profit of Rs. 8,79,244. After providing normal and shift depreciation of Rs. 4,64,444, there is a balance profit of Rs. 4,14,800. The profit would have been more had it not been for a strike for 45 days from 20th April 1960 to 3rd March 1960 just at the time when yarn and cloth prices were high.

Out of the above net profit of Rs. 4,14,800 an interim dividend of Rs. 1,12,418 was declared on 26th September 1960 on cumulative preference shares for the 3 half-years ended 30th June 1959. The directors recommend payment of dividend on preference shares for the year ended 30th June 1960, absorbing Rs. 96,974. Deducting the above dividends, there is a balance of Rs. 2,05,408, which is adjusted against carried forward loss. Development rebate accrued since 1956-57 has not been adjusted for want of adequate profits.

The 'B' Mill is working with full complement of 12,180 spindles from July 1960, and with the increased production, the current year may yield a better profit in spite of restrictions placed on yarn and cloth prices by the Government and increase in wage bill due to implementation of Wage Board recommendations.

The National Industrial Development Corporation Ltd., have sanctioned a loan of Rs. 8.73 lakhs for the first stage of the rehabilitation scheme and have paid an interim loan of Rs. 1.08 lakhs. Out of the 10 ring frames erected under the above scheme, 8 frames has been commissioned during the current year. The Company has received an allotment of 76 automatic looms for expansion of the weaving section and orders for same will be placed soon.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	48,51,250	Gross block	1,02,78,199
*Reserves ...	94,541	Less—Depreciation ...	38,23,434
Liabilities ...	70,53,622	Net block ...	64,54,765
		Stock-in-trade	38,15,966
		Stores, tools, etc. ...	6,76,584
		Book debts	9,42,798
		Investments	24,530
		Cash ...	84,770
Rs.	1,19,99,413	Rs.	1,19,99,413

*Reserves are shown after deducting a sum of Rs. 3,23,367 being the debit balance in the profit and loss appropriation account.

Ahmadpur-Katwa Railway Co., Ltd.

The directors of the above Company (Secretaries and Treasurers: Messrs. McLeod & Co., Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st March 1960.

The total capital outlay on final heads amounts to Rs. 21,26,124 as against Rs. 20,70,630 at the close of the previous year, the increase being mainly due to cost of additional rolling stock, equipment and buildings of K. F. Railway purchased from Government and adjusted provisionally pending receipt of Government's approval.

The gross earnings for the year, amounted to Rs. 6,09,135, while the working expenses totalled Rs. 7,99,198, as compared with Rs. 6,66,995 and Rs. 6,50,433, respectively for the previous year. The net loss of Rs. 1,90,063 (credit of Rs. 16,562) has been carried to net revenue account. Under this account after including share transfer fees and allowing interest payable on the loan from Government and other charges, there is a deficit of Rs. 2,00,785 (surplus of Rs. 5,825) which to make up the amount required for guaranteed interest at 3½ (3½) per cent per annum on share capital calls for a total subsidy of Rs. 2,61,125 (Rs. 54,515) in terms of the agreement with the Government of India. Thus, the net profit comes to Rs. 60,340 (Rs. 60,340), but after crediting Rs. 8,636 (*nil*) being provision for taxation of previous years no longer required and providing Rs. 27,153 (Rs. 35,575) for taxation on the current years profit, a balance of Rs. 41,823 (Rs. 24,765) only is available. The directors, therefore, recommend payment of a dividend at the rates of Rs. 1.90 (Rs. 2.25) per cent per annum, subject to deduction of tax, which will require Rs. 32,756 (Rs. 26,571) the surplus of Rs. 9,067 (deficit of Rs. 1,806 being met from the reserve) being transferred to reserve.

The total working expenses show a net increase of Rs. 1,48,765 which is mainly due to cost of replacement of sleepers and rolling stock (adjusted provisionally pending receipt of Government's approval) and cost of repairs and maintenance.

The receipts from coaching traffic amounted to Rs. 3,96,654 for the carriage of 9,19,668 passengers, as compared with Rs. 4,67,489 for 10,70,443 passengers in the previous year.

The earnings from goods accounted for Rs. 2,00,304 for 11,65,356 maunds of goods, as against Rs. 1,93,013 for 14,37,197 maunds for the previous year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,24,000	Block ...	16,96,870
Reserves ...	12,205	Stores ...	585
Provision for taxation ...	62,707	Book debts ...	3,53,387
Liabilities ...	10,86,933	Investments	3,34,145
		Cash ...	71,804
		Miscellaneous expenditure	4,29,254
Rs.	28,85,845	Rs.	28,85,845

Calcutta Steam Navigation Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Hoare Miller & Co., Ltd., Calcutta) present the audited accounts of the Company for the year ended 30th June 1960.

The accounts show a profit prior to taxation, of Rs. 2,33,378 (Rs. 7,71,966) to which has been added profit on sale of s.s. "Ambica" Rs. 13,870 (Rs. 3,400), and the balance brought forward from the previous year of 1,58,985 (Rs. 1,05,155), making a total of Rs. 4,06,233 (Rs. 8,83,385 including Rs. 2,864 being unclaimed dividends written off), which the directors recommend be dealt with as follows: To provision for taxation Rs. 96,000 (Rs. 4,20,000), to transfer to fleet reserve Rs. 13,870 (Rs. 3,400), to transfer to reserve fund Rs. 50,000 (*nil*), to transfer to development reserve Rs. 11,000 (Rs. 35,000) and to pay a dividend at Re. 1.00 (Re. 1.00) per share or 10 (10) per cent subject to deduction of tax, absorbing Rs. 1,26,000 (Rs. 1,26,000) leaving a balance to be carried forward of Rs. 1,09,363 (Rs. 1,58,985 after transferring Rs. 1,40,000 to contingency reserve).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,60,000	Gross block	77,67,661
Reserves ...	14,47,127	Less—Depreciation ...	46,53,957
Provision for taxation ...	7,37,500	Net block	31,13,704
Liabilities ...	10,55,073	Stores, etc.	2,43,034
Profit and loss account (surplus)	1,09,363	Book debts	12,47,375
		Cash ...	4,950
Rs.	46,09,063	Rs.	46,09,063

N.B.—Figures within brackets relate to the corresponding period of the previous year.

COMPANY MEETINGS AND DIVIDENDS

K. C. P. LTD. Annual General Meeting, Madras, 6th March 1961. Dividend: 15 per cent or Re. 1.50 per ordinary share, subject to deduction of tax, payable on or after 8th March 1961. Transfer books remain closed from 27th February to 6th March 1961, both days inclusive.

ELGIN MILLS CO., LTD. Annual General Meeting, Kanpur, U.P., 7th March 1961. Dividend: Re. 1.15 per ordinary share, subject to deduction of tax. Transfer books remain closed from 15th February to 7th March 1961, both days inclusive.

PARSHURAM POTTERY WORKS CO., LTD. Annual General Meeting, Morvi, Gujarat, 20th March 1961. Dividend: Rs. 5.36 per ordinary share, subject to deduction of tax, payable on and after 30th April 1961. Transfer books will remain closed from 17th to 31st March 1961, both days inclusive.

RAZA BULAND SUGAR CO., LTD. Annual General Meeting, Rampur, U.P., 22nd March 1961. Dividend: 12½ per cent or Re. 1.25 per share, subject to deduction of tax. Transfer books remain closed from 1st to 24th March 1961.

SHREE CHANGDEO SUGAR MILLS LTD. Annual General Meeting, Bombay 23rd March 1961. Dividend: Rs. 2.50 per share (on shares of Rs. 12.50) paid-up), subject to deduction of tax, payable on or after 1st April 1961. Transfer books will remain closed from 10th to 23rd March 1961, both days inclusive.

SIRPUR PAPER MILLS LTD. Annual General Meeting, Somajiguda, Hyderabad, Andhra Pradesh, 24th March 1961. Dividend: Re. 0.65 per ordinary share, subject to deduction of tax, payable on or before 2nd May 1961. Transfer books will remain closed from 10th to 24th March 1961, both days inclusive.

BURRAKUR COAL CO., LTD. Annual General Meeting, Calcutta, 27th March 1961. Dividend: 8 per cent or Re. 0.80 per ordinary share, subject to deduction of tax, payable on or after 17th April 1961. Transfer books will remain closed from 14th to 27th March 1961, both days inclusive.

MARTIN BURN LTD. Annual General Meeting, Calcutta, 27th March 1961. Dividend: Rs. 2.75 per ordinary share, subject to deduction of tax, payable on or after 17th April 1961. Transfer books will remain closed from 13th to 27th March 1961, both days inclusive.

PHOSPHATE CO., LTD. Annual General Meeting, Calcutta, 27th March 1961. Dividend: Rs. 35.00 per share, subject to deduction of tax. Transfer books will remain closed from 13th to 27th March 1961, both days inclusive.

J. K. STEEL LTD. Annual General Meeting, Calcutta, 30th March 1961. Dividend: 20 per cent or Rs. 2.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 16th to 30th March 1961, both days inclusive.

HINDUSTAN LEVER LTD. Annual General Meeting, Bombay, 18th April 1961. Transfer books will remain closed from 22nd to 24th March 1961, both days inclusive.

DHANALAKSHMI MILLS LTD. Taxable dividend of 17½ per cent or Rs. 17.50 per share, for the year ended 31st December 1960. Tansfer books will remain closed from 15th to 29th March 1961, both days inclusive.

ALUMINIUM INDUSTRIES LTD. Interim dividend of 90 nP per old ordinary share and 30 nP per new ordinary share, for the year ending 31st March 1961, both subject to deduction of tax. Transfer books will remain closed from 18th to 26th March 1961, both days inclusive.

UNITED NILGIRI TEA ESTATES CO., LTD. Taxable interim dividend of 10 per cent. or Re. 1.00 per share, for the year ending 31st March 1961. Transfer books will remain closed from 14th to 28th February 1961, both days inclusive.

OUCHTERLONY VALLEY ESTATES (1938) LTD. Taxable dividend of 13 per cent or Re. 0.26 per share, subject to deduction of tax, for the year ended 31st October 1960. Transfer books will remain closed from 11th to 29th April 1961, both days inclusive.

MYSORE SUGAR CO., LTD. Taxable dividend of 30 per cent or Rs. 3.00 per share, for the year ended 30th June 1960.

Americans have invested about $195 million in corporate stocks through the New York Stock Exchange's Monthly Investment Plan since it was first introduced seven years ago (January 1954). The exchange noted that, in 1960, the number of share purchases through the Plan aggregated a record 989,573, bringing the total so far to 4,663,454. The Plan "has helped damatise, for millions of individuals who have never invested directly, the fact that people of modest means can participate in the investment process in a practical way." Its impact has been felt outside the U.S. In Australia, two plans modelled on this Plan are in operation and similar programmes are under study in a number of other countries, or already in operation, as in Japan.

Two Indian *entrepreneurs*, namely, Jay Shree Tea and Industries Ltd. (a Birla concern) of Calcutta and Mr. Kantilal H. Parikh of Ahmedabad have sought the collaboration of U.S. firms for establishing new plants, the former for the manufacture of hardboards and the latter for photographic paper.

The Jay Shree Tea and Industries Ltd. is already owning two plywood factories and tea plantations in North India and Nilgiris and is presently engaged in establishing a superphosphate plant. It is making efforts to secure full American financial collaboration for setting up two hardboard factories, one in West Bengal and the other in Madhya Pradesh.

Mr. Parikh of Ahmedabad wishes to manufacture photographic paper and is willing to have collaboration arrangements with appropriate U.S. manufacturers in the form of equity capital and technical assistance on a joint venture basis for a plant with a monthly production capacity of five tons. It is estimated that the entire project will require one million dollars.

Notices

THE BANK OF INDIA LIMITED

Registered Office:
70/80, Mahatma Gandhi Road,
FORT, BOMBAY

NOTICE

THE FIFTY-FIFTH ANNUAL GENERAL Meeting of the Shareholders of The Bank of India Ltd. will be held at the Registered Office of the Company at 70/80, Mahatma Gandhi Road, Fort, Bombay, on Monday, the 27th day of March, 1961, at 4 o'clock in the afternoon, to transact the following business:—

1. To receive the report of the Directors and the audited Balance-Sheet and Profit and Loss Account for the year ended 31st December, 1960.
2. To declare a Dividend.
3. To elect a Director in the place of Mr. A. D. Shroff, who retires by rotation, is eligible and offers himself for re-election.
4. To elect a Director in the place of Mr. Ramniwas Ramnarain, who retires by rotation, is eligible and offers himself for re-election.
5. To elect a Director in the place of Mr. Bhagvandas C. Mehta, who retires by rotation, is eligible and offers himself for re-election.
6. To elect a Director in the place of Mr. K. M. D. Thackersey, who retires by rotation, is eligible and offers himself for re-election.
7. To appoint Auditors for the current year and to fix their remuneration.

SPECIAL BUSINESS

8. To consider and if thought fit to pass, with or without amendment, the following resolutions as ordinary resolutions:

I. RESOLVED that:

(*a*) The accounts for the year 1961 of the branches of the Company at Bombay (including any branches which may be opened hereafter) shall be audited by Messrs. A. F. Ferguson & Co. and Messrs. S. B. Billimoria & Co., Chartered Accountants, in such manner as may be arranged between themselves and that for the audit of the said branches the Auditors shall be paid such remuneration (over and above the remuneration they may receive as the Company's Auditors) as the Board of Directors may fix.

(*b*) The accounts for the year 1961 of the branches of the Company at Delhi, New Delhi and Jamshedpur (including any branches at the said places or any of them which may be opened hereafter) shall be audited by Messrs. A. F. Ferguson & Co. and that for the audit of the said branches the Auditors shall be paid such remuneration (over and above the remuneration they may receive as the Company's Auditors) as the Board of Directors may fix.

(*c*) The accounts for the year 1961 of the branches of the Company at Hyderabad (Deccan) and Indore (including any branches at the said places or any of them which may be opened hereafter) shall be audited by Messrs. S. B. Billimoria & Co. and that for the audit of the said branches the Auditors shall be paid such remuneration (over and above the remuneration they may receive as the Company's Auditors) as the Board of Directors may fix.

(*d*) The accounts for the year 1961 of the branches of the Company in India at places other than those specifically provided for above (including any branches at such places or any of them which may be opened hereafter) shall be audited by persons qualified for appointment as auditors of the Company under Section 226 of the Companies Act, 1956, and that the Board of Directors be and they are hereby authorised from time to time to appoint one or more qualified auditors for audit of the accounts of the said branches or any one or more of them as they deem fit, in consultation with the Company's Auditors, and to fix the respective terms and conditions of appointment and the remuneration of such auditors.

(*e*) The accounts for the year 1961 of the branches of the Company outside India (including any branches which may be opened hereafter) shall be audited by persons qualified to act as auditors of the accounts of each such branch in accordance with the respective laws of the country in which such branch is situate and that the Board of Directors be and they are hereby authorised from time to time to appoint one or more qualified persons for audit of the accounts of the said branches outside India or any one or more of them as they deem fit, in consultation with the Company's Auditors, and to fix the respective terms and conditions of appointment and the remuneration of such auditors.

(*f*) The Board of Directors be and they are hereby authorised to exercise all such powers and to do all such acts, deeds and things as may be deemed necessary by them for the purpose of giving effect to this resolution.

II. RESOLVED that the Company's Auditors shall be entitled at such times as may be agreed upon between themselves to visit for any one of them, at least once in every calendar year, every branch in India for test inspection and that a report on such test inspection shall be submitted to the General Manager of the Company and that for such work the Auditors shall be paid all out-of-pocket expenses that they may incur for travelling, board and lodging and otherwise and that such payment shall be in addition to the remuneration fixed for the said Auditors.

By Order of the Board of Directors,
T. D. KANSARA,
General Manager,
THE BANK OF INDIA LTD.

BOMBAY, 16*th February*, 1961.

A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member. The instrument appointing a proxy and the Power of Attorney, if any, under which it is signed, should be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the aforesaid Meeting as provided by Article 79 of the Company's Articles of Association.

Note:—(*a*) The Transfer Books of the Company will be closed from Monday, the 6th March 1961, to Monday, the 27th March 1961, both days inclusive.

(*b*) The Dividend, when sanctioned, will be payable on and from Tuesday, the 28th March 1961, to those Shareholders whose names are on the Register of Members on 27th March 1961.

(*c*) Dividend Warrants will be posted to Shareholders at their registered addresses. Early intimation should be given to the Company of any change of address.

(*d*) The Explanatory Statement required under Section 173 of the Companies Act, 1956, has been forwarded to the members of the Company.

GOVERNMENT OF INDIA

MINISTRY OF RAILWAYS
(Railway Board)

TENDER No. S—12 OF 1961

Global Tender Enquiry for Steel Materials

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to purchase from established and reliable producers a quantity of about 40,000 metric tons of steel materials comprising mostly of thick plates.

The schedule of requirements has been despatched already to those who have quoted earlier for Board's Tender No. S-8. Any other prospective tenderers who may like to participate may obtain the schedule free of cost from any of the following offices during working hours,

1. Director, Railway Stores, Ministry of Railways (Railway Board), Room No. 337, Rail Bhavan, Raisina Road, New Delhi.

2. Director General, India Stores Department, Government Buildings, Bromyard Avenue, Acton, London W. 3.
3. Director, India Supply Mission, 2536, Massachusetts Avenue, N.W., Washington 8 D.C.

Tenders will be received by the undersigned upto 12.00 hours on the 10th March, 1961, and opened in the office of the Railway Board on the same day.

G. P. BHALLA,
Director, Railway Stores, Railway Board.

NEW DELHI, *20th February*, 1961.

THE SIRPUR PAPER MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FIRST ANNUAL GENERAL MEETING of THE SIRPUR PAPER MILLS LIMITED will be held on FRIDAY the 24th MARCH, 1961, at 4-00 p.m. at the Registered Office of the Company at 'ALI VILLA,' 6-3-655, Somajiguda, Hyderabad-A.P. to transact the following business:

1. To consider the Directors' Report and Audited Accounts of the Company for the year ended 30th June, 1960.
2. To declare dividends on Preference and Ordinary Shares.
3. To appoint Directors in place of Khan Bahadur C. B. Taraporvala and Shri Arvind Narottam Sheth, who retire under Article 122 of the Articles of Association of the Company and are eligible for re-appointment.
4. To appoint Auditors for the current year and fix their remuneration.

   The present Auditors, Messrs. S. B. Billimoria & Co., Chartered Accountants, Hyderabad, Auditors of the Company, retire and are eligible for re-appointment.

   AS SPECIAL BUSINESS.
5. To consider to appoint Shri K. Vijaya Bhaskara Reddy, as a Director of the Company.

   He was appointed as an additional Director of the Company by the Board of Directors and shall hold office under Section 260 of the Companies Act and Article No. 114 of the Articles of Association of the Company only upto the date of the Annual General Meeting. A Notice has been received from a member of the Company, signifying his intention to propose at the Annual General Meeting that Shri K. Vijaya Bhaskara Reddy be appointed a Director of the Company.

   It is considered advisable in the interest of the Company to appoint Shri K. Vijaya Bhaskara Reddy on the Board, to avail of his valuable advice.
6. To consider and if thought fit, to pass with or without modifications, the following Special Resolutions:—

   (i) RESOLVED that the Directors be and are hereby authorised on behalf of this Company to enter into and execute the contract with the Orient Paper Mills Ltd., an associate of the Managing Agents of this Company, for a further period of 5 years, with effect from the 30th July, 1961 for sale, purchase or supply of any goods, to or by the Company on the terms and conditions set forth in the relative draft contract produced at the meeting and initialled for identification by the Chairman and which is hereby approved.

   (ii) RESOLVED that subject to the approval of the Central Government, the Directors be and they are hereby authorised on behalf of this Company to enter into and execute a contract with the Orient Paper Mills Ltd., an associate of the Managing Agents of this Company, for a further period of 5 years, with effect from the 30th July, 1961, for supply or rendering of any services other than that of Managing Agents to or by the Company on the terms and conditions set forth in the relative draft contract produced at the meeting and initialled for identification by the Chairman and which is hereby approved. The Directors be and are hereby further authorised to enter into and execute the said contract on behalf of the Company, subject to any modifications thereof as may be agreed between the Directors and Orient Paper Mills Ltd., for the purpose of complying with any modifications required or conditions imposed by the Central Government in granting its consent as aforesaid.

The Share Registers of the Company will remain closed from 10th March, 1961 to 24th March, 1961, both days inclusive.

By Order of the Board,
For THE SIRPUR PAPER MILLS LIMITED,
P. L. BHANDARI,
Secretary.

Note.—1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

2. The Dividends when sanctioned, will be paid on or before 2nd May, 1961, to those shareholders whose names appear in the Register of Members of the Company on 24th day of March, 1961.

Explanatory statement as required under Section 173 of the Companies Act, 1956 has been posted to the Shareholders of the Company.

Registered Office:
'ALI VILLA',
6-3-655, SOMAJIGUDA,
HYDERABAD: A.P.
31st January, 1961.

BHARAT COLLIERIES LIMITED

NOTICE

THE SIXTEENTH ANNUAL GENERAL Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Dalmianagar on Thursday, the 30th March, 1961 at 11-30 a.m., to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Accounts for the year ended 30th June 1960.
(2) To elect a Director in place of the retiring Director, Shri K. P. Khaitan, who being eligible, offers himself for re-election.
(3) To apoint Auditors for the current year and to fix their remuneration. The retiring Auditors, Messrs. K. N. Gutgutia & Co., being eligible, offer themselves for re-appointment.

The Share Transfer Books of the Company will be closed from 22nd March, 1961 to 30th March, 1961, both days inclusive.

By Order of the Board of Directors,
for SAHU JAIN LIMITED,
A. K. JAIN,
Managing Director,
Managing Agents.

CALCUTTA,
Date: 22nd February, 1961.

N.B.—A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.

MARTIN BURN LIMITED

NOTICE

THE ANNUAL GENERAL MEETING (BEING the Fifteenth Ordinary General Meeting) of the shareholders of Martin Burn Limited will be held on Monday, 27th March, 1961, at 12 noon, at the Registered Office of the Company, 12, Mission Row, Calcutta, to transact the following business:

1. To receive and adopt the Audited Accounts for the year ended 30th September, 1960, and the Directors' and Auditors' Reports thereon.
2. To declare a Dividend.
3. To appoint Directors.
4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS.

(A) To consider the re-appointment of Mr. Saradindu Gupta as a Managing Director of the Company for a further period of four years with effect from the 1st May, 1961 and in this connection to consider and if thought fit to pass with or without modification the following resolution which will be proposed as an ordinary resolution:—

"That subject to the approval of the Central Government pursuant to Section 269 of the Companies Act, 1956, this meeting approves the reappointment of Mr. Saradindu Gupta as a Managing Director of the Company with effect from the 1st May, 1961, on the terms and conditions contained in an Agreement dated the 29th December, 1960 and made between the Company of the one part and Mr. Saradindu Gupta of the other part a copy of which was laid on the table and signed by the Chairman for the purpose of identification or on such other terms and conditions as may be agreed upon with the Central Government and accepted by Mr. Gupta."

(B) To consider the appointment of Sir Narayan Raghavan Pillai as a Managing Director of the Company for a period of four years with effect from the 1st March, 1961 and in this connection to consider and if thought fit to pass with or without modification the following resolution which will be proposed as an ordinary resolution:

"That subject to the approval of the Central Government pursuant to Section 269 of the Companies Act, 1956, this meeting approves the appointment of Sir Narayan Raghavan Pillai as a Managing Director of the Company with effect from the 1st March, 1961 on the terms and conditions contained in an Agreement dated the 17th day of February, 1961 and made between the Company of the one part and Sir Narayan Raghavan Pillai of the other part a copy of which was laid on the table and signed by the Chairman for the purpose of identification or on such other terms and conditions as may be agreed upon with the Central Government and accepted by Sir Narayan Raghavan Pillai."

The Ordinary Share Register and Transfer Books of the Company will be closed from 13th to 27th March, 1961, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

By Order of the Board,
A. G. GIDLEY,
Secretary.

CALCUTTA, *27th February*, 1961.

Note.—The Dividend, if sanctioned, will be paid on or after 17th April, 1961, to those shareholders so entitled whose names appear in the Company's Register of Members for Ordinary Shares on the 27th March, 1961, or to their mandatees. No application for dividend warrants will be necessary.

An EXPLANATORY STATEMENT as required under the Companies Act, 1956, has been forwarded to the members of the Company.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED will be held at the Registered Office "Virginia House," 37 Chowringhee, Calcutta, on Friday, 24th March 1961, at 3 p.m., for the purpose of considering and, if thought fit, passing the following resolution as a Special Resolution:—

"that, subject to the approval of the Central Government, the Company should subscribe for 44,167 Ordinary Shares of Rs. 10 each in Molins of India Private Limited."

Dated 28th February 1961.

By Order of the Board,
B. GRANGER PEARSON,
Secretary.

Note: A Member entitled to attend and vote at the General Meeting may appoint a proxy, who need not be a member, to attend and on a poll to vote on his behalf.

In accordance with Section 172 of the Companies Act, 1956, as amended, the Explanatory Statement required by Section 173 of that Act has been forwarded to Members of the Company.

MONETARY STRINGENCY CONTINUES

(From Our Own Correspondent)

BOMBAY, *28th February*

An important development in the money market during the week under review was the Reserve Bank's removal of the ceiling of 2 per cent below the bank rate on deposits repayable on notice or on the expiry of 21 days. An announcement to this effect was made late on Wednesday, 22nd inst., after our last week's money market report had gone to press. With the inter-bank call money rate remaining at well over 5 per cent since January 1961, some argue that there was no point in the Reserve Bank insisting that the banks should not pay more than 2 per cent on call deposits taken from individuals, business houses and financial institutions. These deposits are described as "House money" in market parlance. This, of course, is not a right way of looking at the position. Nevertheless, some banks themselves are of the opinion that higher rates of interest on "House money" will enable them to attract more deposits of a very short-term nature and thereby relieve the acute stringency now being experienced by the market. The Reserve Bank's decision has so far had no impact on the quoted rates as banks are still discussing the extent to which the freedom given by the Reserve Bank should be used.

As in the past weeks, turnover of funds was restricted owing to scarcity of loanable funds. Call money rate among Exchange and larger Indian banks was firm at 5½ per cent. The Reserve Bank was the only supplier for any sizable amounts. There was no change in the short-term interest rates. House money at three to 21 days' notice was nominally quoted at 2 per cent. But it is said that the Executive Committee of the Indian Banks' Association in charge of the inter-bank agreement on maximum deposits is likely to raise this rate by ½ per cent from the current level. A decision is expected to be taken on Thursday, 2nd March, when the Committee is expected to meet and consider the various suggestions that member-banks have made in regard to the inter-bank agreement as a whole. Term money for periods over 31 days but up to and inclusive of 60 days was being offered 3½ per cent, for over 61 days but less than 12 months 3¾ per cent, and for 12 months and over 3¾ per cent.

A net decline of Rs. 1.50 crores in total deposits is disclosed by the Scheduled banks' statement for the week ended 17th February 1961. Since there was a fall of Rs. 9.93 crores in the deposits of the State Bank of India during that week, the deposits of the other Scheduled banks must have actually gone up by Rs. 8.43 crores. Inter-bank borrowings of demand variety have increased by Rs. 2.44 crores, whereas those of time variety have shrunk by Rs. 4.37 lakhs. Reflecting the general stringency in the money market, the total borrowings from the Reserve Bank have continued to swell, by Rs. 7.12 crores on top of a rise of Rs. 2.67 crores in the previous week. Of this rise, the borrowings against usance bills account for Rs. 2.64 crores. The borrowings from the State Bank recorded a modest rise—Rs. 22.62 lakhs of demand nature and Rs. 8 lakhs of time nature. Advances and bills (bank credit) have further increased by Rs. 5.72 crores, in addition to the rise of Rs. 16.28 crores witnessed in the previous week, taking their total to Rs. 1,260 crores. A year ago, they stood at Rs. 1.054 crores. Of the increase of Rs. 5.72 crores during the week under review, only Rs. 85 lakhs is accounted for by the State Bank of India. Investments, however, have dropped by Rs. 11.56 crores. But as the investment of the State Bank of India have declined by Rs. 10.14 crores, it is clear that the fall in the investments of other commercial banks is only Rs. 1.42 crores.

The gilt-edged market was firm, with good demand for short-dated central loans and short- and medium-dated State issues from special quarters, such as the Life Insurance Corporation, the Provident Funds and Sinking Funds of various Govt. ernments and local bodies. But the prices of most of the Central issues remained changed. Only 2½ per cent 1961 and 3½ per cent 1962 closed 10 nP higher at Rs. 99.35 and Rs. 99.75 respectively. 3 per cent 1963-65, 1966-68 and 1970-75 and 3½ per cent 1964 showed a smaller rise, namely, 5 nP each. Some of the other Central loans actually closed a shade lower, while the rest remained unchanged. In State loans, rises from 10 nP to 90 nP were noted. Thus 4 per cent Kerala 1969 moved up by 90 nP to Rs. 97.90. Similarly, 4½ per cent Madhya Pradesh 1970 recorded a rise of 60 nP to close at Rs. 101.50. In general, 4 per cent mediumdated showed increases ranging from 15 to 40 nP.

There has been a further weakening of sterling in the New York market. The latest available rates are (28th February 277.520-279.550 cents per £ for spot and 278.820-278.850 per £ for three months' forward. As compared with the rates as on 22nd February, there is a decline of 0.28 cent and 0.26 cent, respectively. Reflecting this trend, U.S. dollars have come to cost more in terms of rupees. The banks' buying and selling rates for ready T.T. on New York are: Rs. 479.00 and Rs. 475.50 per 100 dollars, respectively, as against Rs. 478.50 and Rs. 475.00 a week ago.

HIDES HARDEN

(From Our Own Correspondent)

MADRAS, *27th February*

Arrivals of tanned hides and calves were of moderate volume, and offtake by shippers was good. Export inquiries were brisk all round and even lower grades were in demand. Prices hardened steadily.

Tanned goat ruled firmer, due to better prices paid for medium and heavier weights by importers on the Continent—all grades. Lighter weights were not moving freely. Tanned sheep was firm for all classes.

In the tanned skins German auctions held last week, goat skins realised 3d. to 9d. over current c.i.f. levels and sheep at current c.i.f. prices. The quantities sold, however, were only 40 to 50 per cent of those catalogued for sale.

BULLION STEADY

(From Our Own Correspondent)

BOMBAY, *28th February*

The bullion market presented a distinctly steady trend during the major part of the week under review. The steadiness was due to expectations of enlarged demand for both gold and silver after the *Holi* festival. Advices from Delhi and Calcutta were also quite encouraging. Values, as a consequence, tended to move up. Business actually put through was, however, restricted, as several traders preferred to await the emergence of a clear picture regarding the trend of offtake and the details of the Central Government budget for 1961-62. Prices would have registered a notable rise but for some tired liquidation in gold on rumours of contraband arrivals and scattered selling in silver.

The daily average offtake of both gold and silver during the week was lower at 3,000 tolas and 9 bars, as against 3,600 tolas and 11 bars, respectively, in the previous week. Daily arrivals were at an average of 4,500 tolas and 23 bars, as against 5,600 tolas and 21 bars. The floating stocks of gold are reported to be around 40,000 tolas and those of silver are estimated at 600 bars.

The feature of trading in the bullion market during the week was that the rate for transferring commitments from the *Fagun* (March) to *Chaitra* settlement in gold was against bulls throughout, the actual rate increasing from 10 nP on Thursday to 25 nP today. On Wednesday last week, both the settlements were quoted on par. In silver, however, the carry-forward rate was in favour of bulls; it was 15 nP today, as against 55 nP last week-end. The premium commanded by ready gold over the forward. (*Fagun*) increased from 15 nP last week to 30 nP on Saturday the 25th inst., but declined thereafter and stood at 5 nP today. Ready silver continued to be quoted at a discount under the forward, the actual discount in the course of the week rising from 15 nP to 25 nP.

Adjustment rates fixed today were Rs. 121.50 per 10 grams (0.85 tolas) for gold and Rs. 206.30 per kilogram (85.7 tolas) for silver. The corresponding rates for Wednesday last week were Rs. 121.55 and Rs. 206.05, respectively.

Gold and jewelleery weighing about 1,240.56 kilograms (106,353 tolas) and ten sovereigns valued at Rs. 133.38 lakhs approximately were seized by the customs authorities during 1960. Giving this information in the Lok Sabha on 22nd February, the Union Finance Minister claimed that the precautionary measures taken by the authorities were reasonably adequate. He, however, stated that suggestions had been made from time to time by subordinate customs officers regarding the legal or administrative powers they considered necessary; this would be one of the questions to be considered in connection with the proposed revision of the Sea Customs Act. Replying to another question, the Minister gave details of the seizure of gold at Bombay from the countrycraft *Dhan Prasad*. The countrycraft, he said, arrived in Bombay from Vengurla. The officers of the Bombay Customs Department, on a search of three members of this vessel, found that each of them had 100 bars of gold of ten tolas each, concealed in cotton jackets worn underneath their shirts. The countrycraft was then searched, when 2,626 bars of gold each weighing ten tolas were recovered from it. Thus a total quantity of 29,260 tolas of gold valued at about Rs. 39,50,000 was recovered from the vessel and the three crew members. Eleven members of the crew had so far been arrested. Further investigations were in progress.

The world price of gold in the London bullion market eased further during the week, from $35.12 to $35.00½ per fine ounce. Ready gold after declining from 251s. to 250s. 8d., recovered to stand at 251s. yesterday. A recent report from New York says that purchases of gold by foreign central banks have continued since the new Administration took its firm stand on the gold price, though the outflow has been at a sharply diminished rate. The total gold stocks of the U.S. as on the 16th inst. were $17,391 million. Ready silver was unchanged at 79½d., while the forward came in for selling and receded from 80¼d. to 79¾d. Silver in New York was unaltered at 91.375 cents.

The following table shows the trend of the market during the week:

	28-2-1961 (closing)	High	Low	22-2-1961 (closing)
	Rs.	Rs.	Rs.	Rs.
GOLD				
Ready .99 fine)	121.60	122.05	120.75	121.80
Forward:				
*Fagun***	121.70	121.90	120.75	121.65
Chaitra**	121.95	121.95	120.90	121.65
Sovereign	94.00	94.00	93.75	93.75
SILVER				
Ready (.995 fine)	206.30	206.65	205.55	206.05
Forward:				
Fagun†	206.55	206.95	205.70	206.20
Chaitra††	206.40	206.65	205.30	205.65
London-	27-2-1961			21-2-1961
Silver ready	79¾d.	—	—	79¾d.
Silver Forward	79¾d.	80¼d.	79¾d.	80¼d.
Gold	251s.	251s.	250s. 8d.	251s.
New York—				
Silver	91.875 cents	—	—	91.875 cents

* 1st March settlement. † 2nd March settlement.
** April settlement. † † April settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES FIRM

(From Our Own Correspondent)

BOMBAY, *28th February*

During the week of the 1961-62 budget, the cotton futures market put on a cheerful appearance. This is not because of optimism regarding the budget (none, of course, expect any shocks) but because of a change in trading sentiment brought about mainly by the reported move of the Indian Cotton Mills' Federation to purchase and store cotton for subsequent distribution to mills. Operators are inclined to think that, if this move were put in practice, it will not only help to lift the crop as and when it comes to the market but would also obviate the need for Government action to stabilise cotton prices which has of late been demanded by a section of growers on the score of low prices and difficulty of marketing cotton. The upward trend of mills consumption of cotton and the possibility of many mills working third shifts indicates that demand for cotton would continue to be at a high level. Although the prospects for import of U.S. cotton continues to be bright (latest reports indicate that yet another agreement involving 300,000 bales of cotton will be signed shortly) it is feared that the raising of the support level for U.S. cotton to 82 per cent of parity would make U.S. cotton somewhat dearer. This consideration has also imparted strength to the market. Advices from the spot market continue to be bullish. These factors have influenced a considerable volume of buying both by local and upcountry interests. Investors also have come forward to support the market. Consequently, the Jarilla April 1961 contract has firmed up from Rs. 567.50 at the beginning of the week to Rs. 579.25 yesterday. The trend of the market is a shade easy today, thanks to budget uncertainties.

A noteworthy development of the week is the commencement of trading in the I.C.C. Jarilla August 1961 contract. It is significant that the contract opened at a premium of about Rs. 12 over the April contract, indicating the traders' assessment of the prospective trend of cotton prices. Although the contract tended to recede in to-day's trading, in sympathy with the April contract, it has maintained the spread between the two contracts.

The following table indicates the trend of prices of the contract during the week:

(In rupees per three quintals)

	28-2-61	*High*	*Low*	22-2-61
I.C.C. Jarilla April ...	576	579.25	560	566.50
I.C.C. Jarilla August	588	591	588	588*

*On 27th February 1961.

In the spot section, mill demand was brisk. Almost all new crop varieties evoked inquiries. Mills were active in CO2, L147, Khandesh, Vijay, Digvijay, Surti, etc. New crop Laxmi and Jaydhar also evoked the attention of mills.

Export inquiries are confined to *zoda* and yellow pickings. Traders expect a further quota of at least 25,000 bales of Bengal *Deshi*.

Interest in foreign cotton was subdued. Stray demand was noted for East African and selected Sudanese cotton. Other growths were neglected.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Khamgaon 865; CO2 1,150-1,250; Digvijay 985; L. 147 1,020; Kalyan 825; B.P. 52 1.320; B.P. (UNUG) 1,355.

As regards the foreign markets both the Karachi and Alexandria cotton futures markets ruled easy owing to selling pressure in the wake of larger arrival of new crop and slow export demand. But the Liverpool and New York cotton futures market, on the other hand, firmed up, thanks to the fixation of higher support rate for the 1961 U.S. cotton. Announcing this, Mr. Orville Freeman, the new U.S. Secretary of Agriculture, stated on the 22nd February that the support rate for 1961-62 cotton crop will be 82 per cent of parity and that the export subsidy rate for U.S. cotton will be raised from 6 to 8.5 cents per lb. This means that the farmers will get a minimum of 33.04 cents per lb. for middling one inch cotton. This compares with 28.38 cents proposed by Secretary Freeman's predecessor, Mr. Benson, in the last budget report of the Eisenhower Administration. The actual price of cotton is expected to be round 34 cents, about 10 per cent more than the present foreign price of U.S. cotton. This will, however, be nearly made up by the higher subsidy rate so that U.S. exporters will be able to sell cotton abroad at 25.5 cents per lb. as compared with the present price of 24 cents per lb.

Reflecting this higher support level the New York cotton futures market firmed up as soon as the news was published. Both spot and futures prices rallied and continues to rule firm to date.

Announcing the new support rate and the change in subsidy rate, the Department of Agriculture said that these two measures will be advantageous to foreign countries for two reasons:

(1) Textile mills abroad will be able to buy the same American cotton that U.S. mills use at 8.5 cents less per pound. This will give their finished cotton goods an advantage over the products of U.S. mills. (2) Cotton cultivation in other countries is likely to be stimulated since the U.S. cotton exported, notwithstanding the subsidy, will probably be still 1.5 cents higher than the prevailing world price of 24 cents a pound.

The immediate reaction of the Liverpool cotton market was a rise in price of the near deliveries of both the American and American type

contracts. But the trend of the market subsequently reflected the operators' confidence that the enhancement of the subsidy rate would cancel the effect of the rise in support level so that the world price would not be much affected. The rise in prices immediately following the announcement proved short-lived. In fact, values tended to decline soon after.

ART SILK YARNS RISE FURTHER

(From Our Own Correspondent)

BOMBAY, *28th February*

Art silk yarns continued to march upward during the week under review. The renewed firmness was engendered by reports that several weaving mills in Bombay and upcountry centres were trying to build up as much stocks as possible following apprehensions of possible increases in the rates of excise duty on indigenous yarn and import duty on foreign yarn. Fears of a cut in import quota during the ensuing half-year (April-September 1961) also imparted strength. In sympathy with art silk yarn and encouraged by good demand from consuming centres, staple fibre yarn also recorded an improvement. Cotton yarns were generally quiet. Finer counts met with good support at higher levels.

Cupressa Bemberg yarn (60 x 1) March delivery forged ahead from Rs. 2,440 to Rs. 2,500. February contract spurted by Rs. 30 to Rs. 2,450. Spot cupressa was quoted at Rs. 2.507. Among foreign art silk yarns, 120 Japan hardened by Rs. 13 to Rs. 1,446. 150 Japan picked up Rs. 14 to Rs. 1,667. But 120 Italy shed Rs. 7 to Rs. 1,378. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade improved by 20 nP to Rs. 12.21. 120 Bt. cones 1st grade was fully maintained at Rs. 13.64.

Staple fibre yarn (40 x 2) February delivery rallied from Rs. 836 to Rs. 850. April position was done at Rs. 832. as against Rs. 833. Spot Kohinoors increased by 15 nP to Rs. 10.12.

In the cotton yarn section, Moderns were dull at Rs. 18.75. 20 counts New Greats attracted special support and rose by 25 nP to Rs. 21.75. Thirty counts Simplex were firm at Rs. 26.75, while New Greats eased by 25 nP to Rs. 26.25. Forty counts Minaxis encountered selling and declined by 12 nP to Rs. 32. Maduras were quiet at Rs. 32. Sixty counts Gokaks firmed up by 50 nP to Rs. 50.50. Finlays changed hands at Rs. 65.65. Eighty counts Mahendras advanced by Rs.2.02 to Rs. 70.70. Finlays were fully maintained at Rs. 81.81.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with those six days ago.

	28-2-1961	22-2-1961
Art silk yarn—	Rs.	Rs.
60/1 Cupressa Bemberg (100 kg.)		
February	2,450.00	2,420.00
April	2,500.00	2,440.00
60/1 Cupressa Bemberg spot	2,507.00	2,548.00
120 Japan (per 100 kg.)	1,446.00	1,433.00
150 Japan (per 100 kg.)	1,667.00	1,653.00
120 Italy (per 100 kg.)	1,378.00	1,385.00
Staple fibre yarn—		
40×2 February (per 90.72 kg.)	850.00	836.00
40×2 April (per 90.72 kg.)	832.00	833.00
40×2 Century (per kg.)	9.86	9.86
40×2 Kohinoor (per kg.)	10.12	9.97
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	18.75	18.75
20s New Great	21.75	21.50
30s New Great	26.25	26.50
40s Madura	32.00	32.00
60s Gokak	50.50	50.00
80s Mahendras	70.70	68.68

OILSEEDS SUBDUED

(From Our Own Correspondent)

BOMBAY, *28th February*

Barring cottonseeds and sesamum which moved up on special support, the oilseeds market remained subdued during the major part of the week under review. The sentiment of operators was adversely affected partly by larger arrivals from major production centres and partly by fears of a further increase in excise duty on vegetable oils and its extension to include other oils. Traders noted the increase in sales tax on groundnuts proposed by the Finance Minister of Gujarat in the State budget for 1960-61. Groundnuts which ruled firm last week drifted lower as the current week advanced, thanks to reduced offtake by *vanaspati* manufacturers and crushers in the wake of increased arrivals from upcountry centres. Export enquiries were also dull.

Nizam bold eased by 25 nP to Rs. 50.75. Coromandal improved from Rs. 51.75 to Rs. 52.37, but moved down to Rs. 51.62, with a net loss of 13 nP over the week. There was hardly any activity in groundnuts. May contract was nominally quoted at Rs. 220. Oil ex-mill declined by 20 nP to Rs. 21.05. Railway receipts fell from Rs. 21 to Rs. 20.85 before closing at Rs. 20.95.

Castorseed was subjected to stale liquidation and tended to lock down. Arrivals of new crop from the Hyderabad side were steadily increasing. Besides, prospects of castor oil exports remained somewhat bleak, in view of the pressure of Brazilian offerings at lower prices to the U.S. May 1961 contract, after rising from Rs. 172.87 to Rs. 173 earlier in the week, gave way subsequently to Rs. 170.25. Ready Madras dropped 13 nP to Rs. 33.62. Kanpur lost 15 nP to Rs. 32.50. Oil Commercial eased by 10 nP to Rs. 14.

In the linseed section, there were enlarged pressure of supplies, particularly from the South. Reports of substantial selling of Argentine linseed oil to France did not have any effect, in view of the domestic price being distinctly out of parity with world prices. Linseed May 1961 contract declined by 31 nP to Rs. 35.06. Bold ready lost a rupee to Rs. 35.25. Oil sagged from Rs. 16.40 to Rs. 16.20.

Cottonseeds, as stated above, were well maintained in sympathy with the firmness of raw cotton. May 1961 contract rose from Rs. 91.25 to Rs. 93.50, before closing at Rs. 92.75, the net gain being Re. 1.50. Whites put on 10 nP to Rs. 19.10. Both non-whites and Berars were fully steady at Rs. 19.

Sesame also ruled firm on good support from the South. Offerings from Warora and Chanda were limited. Sesame bold spurted by Rs. 5 to Rs. 335. Sesame oil hardened by 75 nP to Rs. 26.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	28-2-1961	22-2-1961	14-2-1961
	Rs.	Rs	Rs.
Groundnut			
February 1961	220.00	220.00	220.00
May 1961	220.00	220.00	218.50
Nizam bold	50.75	51.00	48.12
Coromandel ready	51.62	51.75	50.00
Khandesh quality	51.50	51.75	49.75
Oil ex-mill ready*	21.05	21.25	20.50
Railway receipts*	20.95	21.00	20.25
Castorseed			
May 1961	170.25	172.87	170.87
Ready Madras	33.62	33.75	33.44
Ready Kanpur	32.50	32.75	31.87
Oil B.S.S.†	15.00	15.15	14.50
Oil commercial†	14.00	14.10	13.65
Linseed			
May, 1961	35.06	35.37	34.59
Bold ready	35.25	36.25	34.62
Oil ready†	16.20	16.40	15.10
Cottonseed			
February 1961	—	93.00	90.00
May 1961	92.75	91.25	89.50
Niger seed	37.00	39.00	38.75
Kardi seed	27.00	26.50	26.25

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

FAIR DEMAND FOR TEA AT LOWER PRICES

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.)

COCHIN, 21st February

A total of approximately 350,000 kilograms was offered in Sale No. 8 held today. Quality from all districts was generally a little preferable to last. There was good general demand but at lower rates. Low mediums and low grown descriptions met with fair selling where quality was markedly improved, but generally realising prices much below those ruling in the previous week. Black leaf brokens and fannings followed the downward trend of the market and were generally easier. Nilgiri whole leaf grades sold well but from other districts prices declined by 15-20 nP. C.T.C. and legg-cut types again sold at fully firm and sometimes dearer rates.

As the Holi *festival falls on Friday, 3rd March* 1961, *it has been necessary for us to go to press a day earlier than usual. Consequently, our review of markets had to be brief and prepared one day in advance. Our customary reports on wheat and sugar from Hapur were not received in time for inclusion in this issue.*—ED.

	1961	1960
	Rs.	Rs.
Low medium ...	4.70-4.85	4.41-4.52
Medium	4.85-5.15	4.63-4.96
Good medium ...	5.20-5.80	4.96-5.51
Quality	5.40-7.80	5.95-9.15

The average selling price realised in the sale was Rs. 5.21 per kilo, as against Rs. 5.22 a week earlier and Rs. 5.56 in the corresponding sale last year.

Dust Sale No. 8:—A quantity of 158,400 kilograms was on offer in Dust Sale No. 8 held on Thursday, 23rd February. There was good general demand but prices again followed a lower trend. Low mediums and mediums were taken up at prices which were 10-20 nP below last whilst good medium descriptions declined by 20 and sometimes 30 nP per kilo. Residual grades and milled dusts were the weakest feature of the market and sold at much lower levels. Highgrowns met with useful enquiry and sold at around last prices. C.T.C teas were considerably easier following low demand but legg-cut and C.T.C. types again sold well.

The average price realised in dust sale No. 8 was Rs. 4.94 per kilo as compared with Rs. 5.02 a week before and Rs. 4.65 in the corresponding sale last year.

Export Quota:—There are large sellers at ½ nP per kilo and buyers are rather scarce; only small business has been transacted at this rate.

Colombo:—Just under 6¾ million pounds were offered this week. There was strong general demand and prices for the best liquoring dimbulas were dearer following enquiry. Uvas and mediums came to a lower market and were easier by 5 to 10 cents following less activity from Australian buyers. Lowgrowns sold well at firm levels.

London—North Indian and other growths:—In Monday's auction there was strong demand and prices were fully firm to dearer especially for the lower kinds. Plain brokens pekoes is quoted at 3-8½d.

Ceylon and South Indians:—Offerings in Tuesday's sale amounted to 23,101 packages of which 6,913 packages originated from South India. Demand was good and prices were fully firm for all descriptions.

As we go to press. Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:—

"*Sale No.* 9: 450,000 kilograms. Good general demand. Plain low medium and medium brokens 5 to 10 nP easier, but similar fannings steady. Good mediums 20 to 30 nP. Lower highgrowns neglected."

METALS MAKE HEADWAY

(From Our Own Correspondent)

CALCUTTA, *28th February*

Under the impact of advices of impressive gains in prices on the London Metal Exchange, and reinforced by acute shortage in supplies, further addition to prices of tin and electrolytic zinc was recorded in the metal market during the week under review. Electrolytic copper opened on the London Metal Exchange at £226 a ton and steadily rose to close at £230½. The main cause of the rise, despite a comfortable world supply position, was the increased demand from West Germany. The troubled situation in the Congo has not so far affected supplies, and according to present indications, supplies exceed demand. The higher trend in London was attributed also to the troubled labour situation in Chilean ports and apprehensions of disruption in the flow of supplies. Locally, berry quality scrap was quoted at Rs. 235 a cwt., as against Rs. 238 a week ago and utensil scrap at Rs. 223, as against Rs. 224.

After opening at Rs. 652 tin spurted to Rs. 665 to close steady at Rs. 662. The gain emphasised the existing shortage and anticipations of poor arrivals in the near future. In London, the price closed at £803¾ a ton, as against opening of £797. Advices from Singapore also disclosed a similar higher trend. The existing acute shortage would call for the provision of a higher quota in the next licensing period. At Rs. 166.50 electrolytic zinc gained Re. 1. The metal was in short supply. Lead was quiet at Rs. 63 a cwt.

RAW JUTE HARDENS

(From Our Own Correspondent)

CALCUTTA, *28th February*

The possibility of Governmental action to interfere with the trend of prices having receded, raw jute recorded a further addition to values and jute goods, though unchanged, were steady during the week. That genuine business in goods for export was paltry was evident from poor inquiries for freight. It had at first been rumoured that the Government, exercising the powers under the Essential Commodities Act, would fix maximum prices and requisition stocks. These rumours died out, but they gave place to reports that officialdom was influencing the industry to fix maximum prices and thus exercise voluntary control. In fact, the Union Commerce Ministry mooted this suggestion at a conference with the representatives of the industry. Following this, some move had been anticipated, though the wisdom of the desirability of any such step had been questioned by all those who had the knowledge of the experiences of the market trends when maximum prices were in force a few years ago. Mr. W. D. McLean, Chairman of the Burlap Business Relations Committee of the U.S. Textile Bag Manufacturers Association opposed in unmistakable terms any attempt for control on the jute trade and industry in India in a talk on Tuesday last and, with this, any lingering apprehension of control in any form whatsoever was laid to rest. For the views coming as they did from a representative of the industry which is a significant buyer of Calcutta hessian were thought to bring sufficient light to officials trying to solve the problems of the industry with fancied ideas and with no memory of past experience.

Mr. McLean warned that, unless prices declined, 1961 would see a further substantial decline in offtake and that such consumers as feed mills were likely to convert their packaging plants to paper and bulk. If this actually happened, there would be no return to burlap, Mr. McLean declared. He also said that feed, potatoes and fertilisers were progressively being packed in paper bags. It is to be hoped that the next jute crop would be satisfactory in relation to both quantity and quality. The folly of neglecting quality has been amply demonstrated in recent months. Market circles would, therefore, impress on the Government that, since the present high fibre prices would be an incentive for farmers to sow even on a greater area, State agriculture organisations should lose no time in making adequate arrangements to distribute better seeds and to ensure that farmers sowed those in preference to whatever they possessed now. The recent pre-monsoonish showers are enabling farmers to prepare the land, and no time should be lost in the distribution of good quality seeds by State agricultural farms.

Substantial covering business by local operators was a feature of trading in the goods market on Tuesday last. This led ready hessian 40" 10 oz. to rise from Rs. 67.50 to Rs. 68.25, while ready B. twills were unchanged but steady at Rs. 208.50. Interest shown by overseas buyers indicated that they were determined not to enter into commitments other than to meet needs of a hand-to-mouth nature. It is certainly a blessing in disguise that overseas buyers are not purchasing for replenishing their stocks, as in that event prices would jump. Present indications are that they would be content to proceed cautiously as at present hoping that, by April-May, the possibility of a higher crop would release more fibre and enable mills to increase production and reduce prices of goods. Covering business was again a feature on Wednesday to push B. twills to Rs. 209.25 and hessian 40" 10 oz. to Rs. 69.00. At this stage, there were reports of a fresh deal with Russia for 6 million hessian bags against March-April delivery, but, as these subsided later on Thursday, B. twills markedly fell to Rs. 208.50. At Rs. 68.50 hessian 40" 10 oz. was fractionally lower. On Friday, however, B. twills recovered to Rs. 207.50 and hessian 40" 10 oz. to Rs. 68.75. Although export business was small, a note of recovery was in evidence pushing up B. twills to Rs. 208 and hessian 40" 10 oz. to Rs. 69.50. With no support, conditions were easier yesterday with B. twills sagging to Rs. 202 and hessian 40" 10 oz. to Rs. 68.00.

Early in the week, a quota of 300,000 maunds were released to mills. Since buying by mills was scattered, prices were unchanged; however, as the week progressed rates in up-country markets gained and Calcutta rates were, thereafter, pushed up by Re. 1 per maund. Arrivals did not improve, and this continuing phenomenon only tended to confirm earlier views of a real shortage. Advices from Narayanganj markets showed that prices maintained at high levels but that overseas markets continued to resist the higher levels. Price fluctuations in the Calcutta market are reflected in the following table:

(Per maund ready delivery)

	Opened at Rs.	*Rose to* Rs.	*Closed at* Rs.	*Gain* Rs.
Assam bottoms	64.50	65.00	65.00	0.50
Northern bottoms	63.50	64.50	64.00	0.50
Daissee bottoms	66.50	67.50	67.00	0.50

TEA IMPROVES

(From Our Own Correspondent)

CALCUTTA, *28th February*

Fair attention was in evidence in yesterday's export sales, when prices were steadier or easier, depending on quality. A similar trend was also in evidence during the internal sale held here in the last week. The small increase of a little over 1.36 million lbs. to 144 million lbs. in the U.K. tea stocks in the week ended 17th February was noted. The strong conditions in last week's Mincing Lane sales when liquoring Assams gained 1d. to 2d. per lb. were attributed to London's need for more tea against replenishment of stocks before the season closed.

With the shipments of tea for direct participation in London sales being practically over, the tea that was shipped in the week was that which was auctioned in Calcutta. These shipments, it is expected, would be completed before the beginning of April.

The news that British consumption of tea in 1960 rose by 8¼ million lbs. from 496¾ million lbs. in 1959 has only emphasised the fact that while India might have earned more from exports as a result of increased prices, exports of Indian tea to the U.K. fell in quantity. Thus, the increased needs of the U.K. should have been met by other producing countries. This should serve as an adequate reminder that African production of tea is fast increasing and is by and large making itself felt in London auctions.

Against this background, the ardent plea put forward by Mr. K. Ghosh in his presidential address to last Friday's annual meeting of the Calcutta Tea Merchants' Association for a reduction in the export duty should serve as a reminder to authorities that continued silence to the industry's demand in this regard did not over-simplify the issue. He said that India's export duty only increased the competitive capacity of such countries as East Africa, Indonesia, Formosa and China which did not levy any such duty. He also criticised the sales tax, and said the manner of its realisation created difficulties for internal buyers.

It may be noted in this connection that despite an impressively higher output in South India in 1960—it reached an all-time record of 169 million lbs. as a result of more careful plucking and manufacture—the 5 per cent Kerala sales tax prevented satisfactory expansion of sales through Cochin auctions. For, in order to avoid the tax, sellers were more inclined to ship tea direct for London auctions.

The suspension of tea propaganda in India by the Tea Board also came in for criticism at the hands of Mr. Ghosh. He said that, although tea should be considered short at present, the propaganda activities of the Board should be resumed. The country planned to raise production to 900 million lbs. by the end of the third Plan, and with such a huge increase, according to Mr. Ghosh, increased internal consumption should be considered a buffer.

In the internal sales held during last week, dusts on offer aggregated 21,978 chests. A good general demand was in evidence. Medium C.T.Cs possessing a clean leaf appearance hardened, though irregularly, while fibrous teas of this type eased. Prices of good C.T.C. teas were pushed up, and the best teas of this category rose impressively. Orthodox teas eased, while bright legg-cut teas were steady. The quotations (in rupees) per 1 kg. inclusive of sales tax were: good Assam C.T.C. dust 6.20 to 6.60, medium Assam C.T.C. 5.60 to 5.90, legg-cut dust 5.05 to 5.40, medium Assam dust 4.80 to 5.20, and plain orthodox dust 4.70 to 4.90.

Leaf offerings amounting to 1,857 chests met with a good general demand.

Prices of quality teas recorded fair gains during yesterday's export auctions when offerings totalled 70,651 packages. Dooars D.O.Ps and all clean black B.Ps and P.Fs were firm while prices of the more ordinary types eased by 10 nP. Medium Assams possessing bright liquors met with keen support but the plainer teas were quiet and often eased. Good support was accorded for "teas for price." Prices of legg-cut teas were dearer. The best C.T.Cs possessing bright liquors sold well while teas having ordinary liquors eased by 20 nP. Keen competition was offered to secondary grades which were the strongest feature of the sale and recorded handsome additions. Leaf grades were steady, the poorer stalky teas being in greater demand than the better types. Darjeelings met with an eased market.

The quotations (in rupees) per 1 kg. inclusive of excise duty were: Best Assam C.T.C. fannings 5.90 to 6.40, best Assam C.T.C. B.P. 5.80 to 620, clean black pekoe 5.20 to 5.50, medium fannings 4.80 to 5.10, medium B.P. 4.70 to 4.90, plain fannings 4.70 to 4.90 and plain B.P. 4.60 to 4.70.

The Flying Sherpa

AIR-INDIA's own cargo service, The Flying Sherpa, between India and U.K. via the Middle East and Europe.

The Flying Sherpa is a specially designed Super Constellation freighter aircraft with a total capacity of 12 tons. It has double doors and reinforced flooring for the uplift of heavy and bulk cargo.

Pressurized and heated cabin for livestock, with trained attendants on board.

Ideal for imports of heavy machinery and spare parts at attractive charter rates, Please apply.

BOMBAY · CALCUTTA · DELHI · BEIRUT · ROME · FRANKFURT · LONDON

AIR-INDIA
IN ASSOCIATION WITH B.O.A.C. AND QANTAS

AVT:AIR.1533

THOUSAND-CRORE BUDGET OF CENTRAL GOVERNMENT

REVENUE DEFICIT OF RS. 60.60 CRORES COVERED BY ADDITIONAL TAXATION

TO Mr. Morarji Desai goes the distinction of having presented, for the first time in the history of the Central Government, a thousand-crore budget. Both the gross revenue receipts and the gross revenue expenditure are expected to exceed the four-figure total of Rs. 1,000 crores in the ensuing financial year, that is, April 1961-March 1962, the first year of the third Plan. The revenue receipts are estimated at Rs. 1,023.79 crores (including Rs. 60.87 crores being the Centre's share of resources sought to be raised by additional taxation) and expenditure at Rs. 1,023.52 crores.

The estimated revenue receipts for 1961-62 on the existing basis of taxation is put at Rs. 962.92 crores which represents a rise of Rs. 39.20 crores, as compared with the revised estimate of Rs. 923.72 crores (budget estimate was Rs. 919.65 crores) for the current year. The rise has more than been neutralised by the marked increase of Rs. 66.14 crores in expenditure which for 1961-62 is estimated at Rs. 1,023.52 crores, as against the revised estimate of Rs. 957.38 crores for 1960-61 and the original budget estimate of Rs. 980.35 crores. The anticipated deficit on revenue account, as a consequence, has widened to Rs. 60.60 crores in 1961-62, while the same for 1960-61 has narrowed down from Rs. 60.70 crores (budget estimate) to Rs. 33.66 crores (revised estimate), in view of the reduction in expenditure from Rs. 980.35 crores (budget) to Rs. 957.38 crores (revised). The revenue deficit of Rs. 60.60 crores for 1961-62 is proposed to be converted into a surplus of Rs. 27 lakhs by recourse to additional taxation to the tune of Rs. 63.17 crores—Rs. 60.17 crores through indirect taxes (Rs. 29.27 crores from customs and Rs. 30.90 crores from excise duties) and Rs. 3.00 crores through direct taxes. The share of State Governments in the additional excise duties is Rs. 2.30 crores, so that the estimated net accrual to the Centre's revenue is Rs. 60.87 crores.

1960-61 (Revised Estimates)

Revenue from customs during 1960-61 will be Rs. 163 crores and Central excises (including additional excises) Rs. 394.98 crores, showing an increase of Rs. 15.37 crores over the original estimates, taxes on income (including corporation tax) are expected to increase by Rs. 25 crores. This is attributed mainly to the completion of a larger number of assessments pertaining to earlier years and better realisations than originally anticipated. As a result, the share of income-tax payable to States will go up by Rs. 34.92 crores. But this will be partially neutralised by a reduction of Rs. 7.43 crores in *ad hoc* grants to States in lieu of the loss in their share of income-tax following the changes in the company tax structure for which provision was made in the expenditure estimates. The surcharge on iron and steel, which is transferred to the equalisation fund is likely to yield Rs. 2.1 crores less, while the grants under the P.L. 480 programme will drop by Rs. 5.00 crores.

The revenue expenditure this year is now estimated at Rs. 957.38 crores, showing a saving of Rs. 22.97 crores. Of this, saving in defence expenditure accounts for Rs. 5.54 crores. The saving in civil expenditure is a cumulative effect of changes over several heads and the saving on defence services is mainly due to a lower expenditure on the purchase of stores and equipment than was originally anticipated. Grants to States for raising the emoluments of low-paid employees will increase by Rs. 2.41 crores

1961-62 (Budget Estimates)

In the coming year, customs will show an increase of Rs. 1 crore over this year's revised estimates. Union excises are likely to improve further by Rs. 11.26 crores, taxes on income and corporation tax together by Rs. 6.00 crores. The contribution from Railways is expected to increase by Rs. 16.23 crores. Further, the Railways will pay an additional annual contribution of Rs. 12.5 crores to the General Revenues in lieu of the tax on railway fares which will be distributed as grants among the States. The profits of the Reserve Bank show an increase of Rs. 2.5 crores over the current year's amount of Rs. 40 crores. The grant under P.L. 480 is estimated to go up by Rs. 5.00 crores. The share of income-tax payable to the States is expected to be lower by Rs. 6.19 crores, mainly on account of smaller payment of arrears in respect of earlier years. These improvements will, however, be partly counterbalanced by decreases under several heads, notably the further drop on the surcharge on iron and steel.

Civil expenditure will show an increase of Rs. 49.94 crores over the current revised estimates. The growing volume of internal and external borrowings account for an increase of Rs. 9.85 crores under DBT services. The variations in respect of the surcharge on iron and steel and the grant under P.L. 480 will also be reflected on the expenditure side. Excluding grants to States and transfer of the surcharge mentioned earlier, social and developmental services are expected to cost Rs. 32.88 crores more. The *ad hoc* grants to the States will go up by Rs. 2.76 crores. Excluding the grants payable as a result of the abolition of the tax on railway fares, grants to States will decrease by Rs. 18.35 crores, mainly on account of the discontinuance of the grants for raising the emoluments of low-paid employees which were payable only during the second Plan period.

The net expenditure on Defence service show an increase of Rs. 16.2 crores. The overall increase in Defence estimates is largely the result of additional commitments of Armed Forces, including expansion of certain establishments and provision of payments to Service officers on the basis of the recommendations of the Pay Commission.

Capital Budget

The current (1960-61) year's capital expenditure budget is now estimated at Rs. 416 crores, an increase of Rs. 45 crores over the original estimates. This would exclude the adjustment for the transfer of assistance from the U.S.A. to the Special Development Fund, which is technically classified as capital expenditure. On account of large imports, particularly wheat, the net expenditure on the purchase of foodgrains will increase by Rs. 30.48 crores. The requirements for the construction of border roads are likely to exceed the original estimate by Rs. 13.5 crores. An additional amount of Rs. 7.94 crores will be required for exploration of oil by the Oil and Natural Gas Commission, while Rs. 8.27 crores have to be paid to the World Bank under the Indus Waters Treaty. These increases would be partly counter-balanced by shortfalls under certain other items of capital expenditure.

The provision for capital outlay next year would be Rs. 454 crores. This increase reflects the additional requirements in the first year of the third Plan.

In addition to this direct capital outlay, the estimates provided for Rs. 356.07 crores this year and Rs. 409.22 crores next year for loans to States and Rs. 174.37 crores this year and Rs. 170.60 crores next year for loans to other parties, including Port Trusts, Government-owned Corporations and foreign Governments.

Plan Outlay

The total Plan outlay in the first year of the third Plan, for both the Centre and the States, will be of the order of Rs. 1,166 crores, the Centre's share being Rs. 966 crores. Of this amount, Rs. 181 crores will be on revenue account, Rs. 762 crores as capital outlay, including loans and Rs. 23 crores provided by the railways from their own resources. It is expected that the States will find Rs. 200 crores from their own funds, thus making up an outlay of Rs. 552 crores for the State Plans. The outlay on the Central portion of the Plan will be Rs. 614 crores.

On the basis of present assessment, the foreign assistance expected during the coming year is estimated at Rs. 421 crores. The net investment of P.L. 480 funds is likely to be of the order of Rs. 96 crores including the transfer of Rs. 36 crores from the moneys formerly deposited with the State Bank. In the budget for the coming year, credit has been taken for a gross market borrowing of Rs. 235 crores. Small savings (net) are put at Rs. 105 crores. The current year's budget had assumed credit for market loans at Rs. 250 crores, including Rs. 25 crores from Prize Bonds. During the year, two loans were floated for a total sum of Rs. 175 crores. The total amount subscribed was Rs. 180.70 crores, including Rs. 74.6 crores by conversion Prize Bonds were expected to yield Rs. 12.5 crores by the end of the year. For the first time, the year is likely to end with a net collection of Rs. 100 crores.

THE SOUTH INDIA
INSURANCE CO., LTD.
Incorporated in India
(Established 1934)
FIRE, MARINE, ACCIDENT
AND MISCELLANEOUS
INSURANCE BUSINESS
Head Office:
Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

Taxation Proposals

We give below a synopsis of the taxation proposals:

DIRECT TAXATION

Income-tax and Super-tax

RATES OF TAX FOR FINANCIAL YEAR 1961-62

1. *Non-company assessees*: It is proposed that the rates of income-tax and super-tax in force for the financial year 1960-61 be continued for the financial year 1961-62 except that the rate of surcharge payable in respect of earned income exceeding Rs. 1 lakh be increased from 5 per cent to 10 per cent of the income-tax and super-tax.

2. *Companies—Income-tax*: No change is proposed to be made in the existing rates of income-tax, i.e., 20 per cent. *Super-tax*: The basic rate of 55 per cent subject to rebates, depending on certain circumstances relating to each company, will continue. The effective rates applicable to companies (which do not make bonus issues) will also remain the same as for the financial year 1960-61 except in respect of dividends and certain royalties. At present, on dividends received by a company (Indian or foreign) from an Indian subsidiary, super-tax is charged at 10 per cent. On dividends received from any Indian company (other than a subsidiary) formed and registered on or after 1st April 1959, super-tax is charged at 15 per cent on an Indian company in which the public are substantially interested and whose total income does not exceed Rs. 25,000; at 20 per cent on any other Indian company and at 33 per cent on a foreign company which does not declare dividends in India. On dividends received from an Indian company (other than a subsidiary) formed and registered before 1st April 1959, super-tax is payable at the rate applicable to the other income of the company, i.e., at the rate of 20 per cent, 25 per cent and 43 per cent respectively in the case of the three classes of companies mentioned above. For the financial year 1961-62, the super-tax rate for dividends received by any company (Indian or foreign) from any Indian company formed and registered before 1st April 1961 will remain the same as for the financial year 1960-61. It is now proposed (subject to a single exception) to fix a uniform rate of 20 per cent for super-tax on dividends received by all companies (Indian or foreign), from Indian companies (whether they be subsidiaries or not) formed and registered on or after 1st April 1961. The exceptional case is that of an Indian company in which the public are substantially interested and whose total income does not exceed Rs. 25,000. In the case of such a company, the super-tax on the dividends received from an Indian company formed and registered on or after 1st April 1961 is proposed to be fixed at the same rate of 15 per cent which was applicable to dividends received from companies formed and registered on or after 1st April 1959.

The effective rates of super-tax payable on dividends received by various companies are summarised in the table below:

Dividends received from	Rates applicable to companies which have made the prescribed arrangements for declaration and payment of dividends in India		Rates applicable to companies which have not made the said prescribed arrangements
	Companies in which public are substantially interested and whose total income does not exceed Rs. 25,000	Other companies	
A subsidiary Indian company formed and registered before 1-4-1961	10	10	10
An Indian company, other than a subsidiary, formed and registered on or after 1-4-1959 but before 1-4-1961	15	20	33
An Indian company other than a subsidiary, formed and registered before 1-4-1959	20	25	43
An Indian company formed and registered on or after 1-4-1961	15	20	20

The effective rate of super-tax on royalties received by a foreign company (which does not declare dividends in India) from an Indian concern in pursuance of an agreement made with the Indian concern on or after 1st April 1961 and which has been approved by the Central Government, is proposed to be fixed at 30 per cent instead of the present rate of 43 per cent.

The effective rate at which super-tax is payable with reference to bonus shares is proposed to be reduced from 30 per cent to 12½ per cent.

RATES FOR DEDUCTION OF TAX AT SOURCE FROM INTEREST ON SECURITIES, ETC.

There is no change in the rates for deduction of tax at source during 1961-62 except that in the case dividends and certain royalties payable to such foreign companies as do not declare their dividends in India, changes have been made for this purpose corresponding to the changes made in the effective rates of tax applicable to such companies for assessment. The proposed rates for deduction of tax at source in the case of such foreign companies which do not declare dividends in India are summarised in the following statements:

	Proposed rates		
	I.T.	*S.T.*	*Total*
On interest on any security of the Central Government issued or declared to be income-tax free	..	43	43
On dividends from an Indian company referred to in Section 58A of the Income-tax Act	20	..	20
On dividends from a subsidiary Indian company formed and registered before 1-4-1961	20	10	30
On dividends from an Indian company, not being a subsidiary, formed and registered on or after 1-4-1950 but before 1-4-1961	20	33	53
On dividends from an Indian company, not being a subsidiary, formed and registered before 1-4-1959	20	43	63
On dividends from any Indian company formed and registered on or after 1-4-1961	20	20	40
On royalties received from an Indian concern in pursuance of an agreement made with it on or after 1-4-1961 which has been approved by the Central Government	20	30	50
On any other income	20	43	63

AMENDMENTS TO THE INDIAN INCOME-TAX ACT, 1922

1. *Sports associations, etc.*: It is proposed to exempt from payment of tax the income of an association or institution established in India solely for the purpose of controlling, supervising, regulating or encouraging in India the games of cricket, hockey, football, tennis and such other games and sports as may be specified by the Central Government from time to time in the official *Gazette*, provided the association or institution is approved by the Central Government for this purpose and satisfies certain specified conditions.

2. *Foreign technicians*: At present, a foreign technician whose contract of service has been approved by the Central Government before the commencement of his service in India is exempt from tax in respect of salaries received by him for the financial year of his arrival in India and the two subsequent financial years. Depending on the time of his arrival in India, the exemption can thus apply for a period of 24 to 36 months. It is proposed that the exemption be available for a period of 36 months from the date of arrival in all such cases and also that if for a further period not exceeding 24 months, the tax in respect of his salary is paid to the Central Government by his employer, such tax shall not be treated as a part of the technician's total income.

3. *New residential buildings*: In respect of new buildings constructed after the 31st March 1961 for being let out to tenants, it is proposed that the annual value of each residential unit comprised in the building should be reduced by the amount of the annual value or Rs. 600, whichever is less, for a period of three years from the completion of the building.

4. *Residential quarters built for low-paid employees*: It is proposed to allow an initial depreciation allowance of 20 per cent of the actual cost in respect of buildings erected by an employer after the 31st March 1961 solely for the residence of persons employed by him and receiving remuneration not exceeding Rs. 200 per month. This allowance will be admissible in respect of the previous year in which a building is erected. It will not be taken into account for determining the written down value though it will be taken into account for seeing that the aggregate of all depreciation allowances in respect of any building does not exceed the original cost of the building.

5. *Development rebate*: It is proposed that in respect of new plant or machinery installed on or after the 1st April 1961, the development rebate shall be admissible at the reduced rate of 20 per cent of the actual cost thereof. New ships acquired on or after the said date will, however, continue to get the development rebate at the same rate as heretofore, i.e., 40 per cent.

It is further proposed that where, subject to certain conditions, a company is amalgamated with another company or where a firm is converted into a private company and machinery or plant on which development rebate is admissible to the predecessor is transferred by the predecessor to the successor, the development rebate already allowed to the predecessor will not be withdrawn and any unutilised portion of the development rebate will be available to the successor. The rights, liabilities and obligations of the predecessor in respect of such development rebate have thus been transferred to the successor.

6. *Appropriations to reserves in the case of a financial corporation*: At present, any amount appropriated to a reserve account is not admissible as a deduction while computing the taxable profits. It is now proposed that in the case of an approved financial corporation engaged in providing long-term finance for financial development in India, an amount not exceeding 10 per cent of the total income may be allowed as a deduction if appropriated to a special reserve account. No such deduction will be allowed when the aggregate of the amounts carried to the reserve account from time to time equals the paid-up capital of the institution. For this purpose, amounts capitalised from reserves will be excluded from the paid-up capital.

7. *Entertainment expenses*: It is proposed to provide that no allowance on account of entertainment expenses will be made in the case of an assessee other than a company and that in the case of companies, the amount allowable in this account will be restricted to certain specified limits depending upon the amount of profits of the business. In effect, no company will be allowed a deduction of an amount exceeding Rs. 1,00,000 on this account.

8. *Tax holiday for new hotels*: It is proposed that the benefit of the five-year tax holiday at present enjoyed by new industrial undertakings under Section 15C of the Income-tax Act be extended to new hotels run by companies and which start functioning on or after the 1st April, 1961, and satisfy certain conditions. The exemption will be available for the previous year in which the hotel starts functioning and the following four previous years. Dividends paid out of such exempt profits will also be exempt in the hands of shareholders.

OTHER AMENDMENTS TO INCOME-TAX ACT

A few other amendments have also been proposed in the Income-tax Act. The purpose underlying these amendments is explained in the Notes on Clauses appended to the Finance Bill.

INDIRECT TAXATION

Customs

The proposals in the Bill include the raising of the rates of duty on 41 items and sub-items of the Tariff. Some changes have also been proposed consequential on the imposition of Central Excise duties on certain articles. A countervailing duty equal to the excise duty is being imposed on each of these articles, so that the indigenous producers may not be placed at a disadvantage in comparison with the importers.

The total additional revenue per annum as a result of all the increases in customs duty proposed in the Finance Bill (leaving out countervailing duties) is expected to be about Rs. 16.57 crores. This would be increased by about Rs. 2.38 crores as a result of the modification of the existing concessional rates of duty on newsprint and certain items of machinery and component parts. As against this should be set off a loss of about Rs. 2 crores per annum as a result of the reduction of export duty on tea. The additional revenue from countervailing duties (on existing as well as new excises) would be about Rs. 12.32 crores per annum. The net additional revenue taking all the proposals into account is expected to be about Rs. 29.27 crores per annum.

SUMMARY OF FINAL ESTIMATES

(In lakhs of rupees)

	Budget 1960-61	Revised 1960-61	Budget 1961-62
REVENUE			
Customs	162,50	163,00	164,00 + 29,27*
Union Excise Duties	379,61	394,98	406,24 + 28,60* + 1,00*
Corporation Tax	135,00	137,50	140,00
Taxes on Income other than Corporation Tax	52,94	40,52	50,21 + 2,00*
Estate Duty	10	9	9
Taxes on Wealth	7,00	7,50	7,00
Taxes on Railway Fares	11	—12	..
Tax on Expenditure	90	90	80
Gift Tax	80	80	80
Opium	5,09	5,82	6,25
Interest	15,71	14,87	13,84
Administrative Services	84	99	97
Social and Developmental Services	52,35	51,46	47,00
Currency and Mint	57,22	57,85	60,83
Civil Works	3,04	3,38	3,75
Other Sources of Revenue	39,73	38,66	39,28
Posts and Telegraphs—Net Contribution to General Revenues	47	46	77
Railways—Net Contribution to General Revenues	5,64	5,06	21,29
Total Revenue	919,65	923,72	962,92 + 60,87*
EXPENDITURE			
Collection of Taxes, Duties and other Principal Revenues	32,81	32,20	30,46
Irrigation	17	15	15
Debt Services	74,59	72,33	81,97
Administrative Services	60,59	61,53	66,57
Social and Developmental Services	207,17	198,52	173,46
Currency and Mint	10,27	10,87	11,96
Civil Works and Miscellaneous Public Improvements	20,32	21,59	21,73
Pensions	10,11	10,39	10,41
Miscellaneous—			
Expenditure on Displaced Persons	20,28	20,28	11,28
Other Expenditure	111,70	107,07	42,75
Grants to States, etc.	51,81	51,87	210,93
States' Share of Union Excise Duties	74,52	75,10	76,33
Extraordinary Items	33,75	28,82	10,87
Defence Services (Net)	272,26	266,72	282,92
Total Expenditure	980,35	957,38	1,023,52
Deficit (+)	—60,70	—33,66	—60,60 + 60,87*
Surplus (+)			

* Effect of budget proposals.

The *ad-valorem* duty on the residuary item of "all other articles not otherwise specified" falling under entry 87 of the Tariff schedule is to be raised by 10 per cent. Additional yield expected is Rs. 2.43 crores.

Newsprint: The existing duty is to be raised to about 10 per cent *ad-valorem*. Estimated yield Rs. 38 lakhs.

Tea: Export duty is to be reduced by 9 nP per kilogram, i.e. about 17 per cent. Loss in revenue Rs. 2 crores.

Central Excises

Changes made in the existing rates of duty in respect of fourteen commodities. Duty imposed on eighteen new commodities.

Tea: Duty on loose tea increased by 3 nP per kilogram. The rate on package tea is being reduced by 6 nP per kilogram. Yield expected Rs. 1.98 crore.

Coffee: Rate of duty increased by about 33 per cent bringing in Rs. 38 lakhs.

Tobacco: In order to discourage lower rated tobacco being used as a substitute for tobacco bearing a higher rate, it is necessary to narrow the difference between the two rates. It is also necessary to step up the duty on stalks. The structure of duty on air and flue-cured tobacco and on cigarettes and on cigars and cheroots is being simplified. Tsese changes will yield an additional revenue of Rs. 2.58 crores.

Superior kerosene: Duty increased by about 46 per cent, raising the incidence of duty to Rs. 95.55 per kilo litre. This, with the existing additional duty of Rs. 4.45 will mean a total duty of Rs. 100 per kilo litre. Additional revenue Rs. 2.84 crores. Inferior kerosene is being exempt from this increase.

Diesel: Diesel oil not otherwise specified will have its duty increased by Rs. 28.15 per metric tonne. Expected revenue is Rs. 1.33 crore.

Rayon: The duty on all categories of yarn and on staple fibre is being stepped up by about two-thirds. Additional revenue expected is Rs. 1.69 crore.

Vegetable product: The duty is being increased by Rs. 2.80 per quintal, that is 100 kilograms. Additional revenue expected Rs. 80 lakhs.

Paints and varnishes: Duty raised by about 25 per cent.

Paper and Paper-boards: Duty raised by 36 to 59 per cent. No increase in the duty on printing and writing paper. Additional revenue from the above two items estimated at Rs. 2.67 crores.

Cotton fabrics: Basic duty on medium 'A' grey fabrics is to be raised by 25 per cent. The excise levy on processed cloth is also being increased by small amounts. Expected yield Rs. 4.72 crores.

The concession now given to small units has led to abuses and difficulties in administration. To remedy this, full exemption will be admissible only to such units which do not employ more than two looms in respect of cotton, rayon and silk fabrics and one loom in respect of woollen fabrics. The slab rates of compounded levy are also being suitably adjusted.

Matches: It is proposed to make certain changes in the pattern of duty on matches. The ceiling rate is to be revised from 57 nP per 1,000 sticks to 65 nP per 1,000 sticks. The rates of duty on standard boxes of 50 will be kept almost at the present level. The increased rate will affect matches packed in non-standard boxes only. At the same time, as a measure of encouragement to the cottage sector which uses bamboo for making splints, the concessional rates are being further liberalised. These proposals are not likely to result in any appreciable change in revenue.

Cycle rims: In order to help smaller units producing cycle rims, it is proposed to grant certain concessions. They will get a relief to the extent of Rs. 10 lakhs.

Chemicals: A small specific duty will be levied on soda ash, caustic soda and glycerine. A duty of 15 per cent *ad-valorem* will be levied on coal-tar dyes. 10 per cent on patent or proprietory medicines not containing alcohol and 25 per cent on certain articles of cosmetic and toilet preparations. All these items are expected to fetch Rs. 1.8 crores.

It is proposed to levy a duty of 20 per cent *ad-valorem* on cellophane and on plastic powders and other semi-finished plastic material. Revenue expected Rs. 50 lakhs.

Cotton and woollen yarn (mill-made): A small specific duty is to be levied. Part of the duty is expected to be absorbed in the cost of manufacture. Hosiery and certain other fabrics which do not now bear any duty will be brought within the excise duty net. Revenue yield Rs. 5.55 crores.

Glass, glassware, china, porcelainware, crockery: It is proposed to levy an *ad-valorem* duty from five to 15 per cent. There will be a lower rate of duty for laboratory glassware. Revenue estimated at Rs. 1.60 crores.

Copper and zinc: A duty of Rs. 300 per metric tonne on sheets and circles and 10 per cent *ad-valorem* on pipes and tubes will be levied. Aluminium pipes and tubes will be brought in line. Estimated yield Rs. 80 lakhs.

Wireless receiving sets, air-conditioning machinery and refrigerators: Twenty per cent duty proposed on air-conditioning machinery and refrigerators. A ceiling rate of 20 per cent *ad-valorem* is proposed for wireless receiving sets valued more than Rs. 300 each and concessional rates for cheaper sets. Those valued up to Rs. 150 each will be completely exempt. Revenue yield Rs. 83 lakhs.

Mill-made silk fabrics: An additional excise duty will be levied in lieu of sales tax levied by States. The States have agreed to this proposal.

Betel-nuts: The existing duty is increased by 80 nP per kilogram. Additional revenue estimated at Rs. 57 lakhs.

Unmanufactured tobacco: Existing duty stepped up by about 50 per cent. Likely yield Rs. 89 lakhs.

Certain textile manufactures: Existing *ad-valorem* duty raised to 100 per cent. Additional revenue expected is Rs. 68 lakhs.

Iron and steel manufactures: Existing *ad-valorem* duty increased to 50 per cent. Extra annual yield approximately Rs. 1 crore.

Machinery and components: Twofold proposal: (1) The statutory rate of *ad-valorem* duty raised by five per cent except in regard to items on which there is a commitment under the G.A.T.T. (2) The concessional rate of *ad-valorem* duty at present applicable to certain types of machinery exempted under executive notification to be raised by five per cent. Additional revenue estimated at Rs. 7.76 crores.

Spirits, wines and malt: Duty increased. *Hops*: Duty imposed. A revenue of Rs. 24 lakhs is expected from both the items.

Electrical and other instruments, apparatus and appliances (not otherwise specified): The existing *ad-valorem* duty is to be raised by an addition of ten per cent. *Railway material* (For permanent way and rolling stock and their components): The existing *ad-valorem* duty is to be raised by five per cent. Estimated yield from these two changes is Rs. 1.48 crores.

MARKET GOSSIP

(*Concluded from page 375*)

the burden of helping underdeveloped countries economically should be shared on a fair basis. Economic and political commentators in both Britain and Germany attach great significance to Mr. Lloyd's visit the outcome of which will be awaited with interest by other countries, especially India, as well.

In this context, the following despatch from Bonn on West Germany's foreign exchange reserves, which have aroused the envy of many countries in Europe and elsewhere, will be read with interest:

"The recent offer of the Government of the Federal Republic of Germany to provide over $1,000 million as short-term aid to help overcome the U.S. balance of payments difficulties has revived international discussion about W. Germany's foreign exchange 'wealth' and the better use that country could allegedly make of it. Comments by German officials and the German Press, however, indicate disappointment that there are still too many believing erroneously that the about DM 30,000 million German foreign exchange and gold reserves represent accumulated 'real wealth' at the free disposal of the German Government for any purpose and at any time.

"It is pointed out by West German commentators that the gold and foreign exchange holdings kept by the German Federal Bank have been bought in exchange for D-marks paid to those who earned the foreign money, in the first place German exporters. In other words, the reserves represent the 'counter value' of D-mark amounts paid out already sometime ago and now in circulation in the German economy. Those, who want to acquire foreign exchange from the Federal Bank —be it the Government or any other body or person—will have to pay for it in D-marks. This means that they first have to look for a source where the D-marks can come from—either by borrowing the money or by raising it from the taxpayer.

"In the case of the dollar-aid offer, the German Government would be required to raise DM 550 million annually over a period of six years in order to buy the dollars needed to carry out its suggested assistance programme. If the Federal Republic would export more capital and invest it abroad, the present foreign exchange holdings would decline quickly. The reason why Germany is not among the world's major capital exporters simply is that its domestic needs for capital are far from being covered.

"This explains why the largest part of the incoming foreign currency amounts are exchanged in D-marks which, in turn, are used for urgently needed domestic investments. In terms of capital outlays per worker, many enterprises in the Federal Republic are still way behind their important counterparts abroad. Average outlays in U.S. manufacturing, it is urged, are still about double the corresponding German figure. In other words, the German foreign exchange reserves are the expression of a high degree of liquidity in the foreign trade and payments field, but they do not represent real wealth. Other countries, like Britain and France, have smaller foreign exchange reserves but their real wealth is far greater than that of Germany, taking in consideration, for example, their huge assets abroad which do not become visible in the official gold and foreign exchange statistics."

COMMERCE AND INDUSTRY

(*Concluded from page 394*)

to be undertaken in the country itself in progressive stages. The proportion of the imported components will be about 50 per cent in the initial stages, but by the fifth year, this is expected to be reduced to just 10 per cent.

It may be recalled that the foundation-stone for the establishment of a watch factory in the public sector was laid only a month back at Bangalore. This unit, which is being set up as an adjunct to Hindustan Machine Tools, in collaboration with Japan, will have an annual installed capacity of 240,000 watches (on a single-shift basis). The watches manufactured here are expected to cost less than Rs. 100.

TRANSPORT SURVEY BY NEOGY COMMITTEE

The Neogy Committee on Transport Policy and Co-ordination has been collecting factual data regarding the type and volume of goods carried by road transport by conducting surveys on selected routes with the co-operation of the State Governments concerned. It has so far completed the surveys on Amritsar-Delhi, Delhi-Kanpur, Calcutta-Patna, Bombay-Bangalore, Madras-Bangalore, and Calcutta-Rajmahal routes.

In the survey on Bombay-Nagpur route, the work of collecting data commenced on 17th February 1961 and ended on 24th February 1961. Eight checkposts were set up for the pupose at Kasheli, Nasik, Dhulia (two checkposts), Jalgaon, Akola, Amravati and Nagpur in the State of Maharashtra. All the lorries including tractor-trailers were stopped at these checkposts, and the recorders collected data regarding the types and volume of goods carried, the places of origin and destination, and the types of permits under which the various lorries are operating.

JUTE

(*Concluded from page 390*)

mills, are likely to convert their packaging plants to paper or bulk. If this actually happens, there will be no return to burlap."

Mr. McLean has certainly not cried "wolf." He has just stated the facts which are of utmost significance, considering that exports of burlap from India to the U.S. have already suffered a setback. The quantity actually shipped in 1960 was 857 million yards, as against 897 million yards in 1959, a drop of 40 million yards. It may be noted here that the U.S. is the biggest market for Indian burlap; out of every 100 yards purchased by the U.S. from all countries, the share of Indian burlap comes to 82 yards. Since jute goods earn so much dollars, every effort must be made to maintain India's position in the U.S. market. A specific suggestion put forward by Mr. McLean was that normal forces of supply and demand must be allowed to operate in jute market. He considered artificial controls such as fixation of maximum prices to be "impracticable, totally unworkable and equally disastrous today." There is, of course, some truth in this statement, but, under the abnormal conditions currently obtaining in the jute economy as a result of poor crop position, the law of supply and demand cannot function satisfactorily. Some judicious controls, whether statutory or voluntary, preferably the latter, are inevitable. Only, they should be treated as an emergency measure and done away with immediately after conditions become normal. Meanwhile, no effort should be spared to achieve self-sufficiency in raw jute, especially superior varieties of jute, and introduction of modernisation and rationalisation in jute mills.

WORLD DEMAND FOR JUTE

In the next five or ten years, jute will be used more in industrialised countries, such as Britain, the U.S. and West European countries for making carpets and floor coverings generally than for making sacks and other packaging materials. But overall demand for jute is likely to remain at about the same level as now. These are among the conclusions of a study of trends in world demand for jute manufactures undertaken by the National Institute of Economic and Social Research, London, at the request of the U.N. Food and Agriculture Organisation. The study forecasts that jute requirements for floor coverings will have risen by about 50 to 55 per cent in the U.S. and 50 to 80 per cent in Western Europe by the end of this decade. The outstanding features in the development of world jute consumption since the War have been the reduced level of consumption in most of the economically advanced countries of North America and Western Europe, as compared with pre-war period, and the expansion in consumption in the rest of the world. Jute consumption in the Far East (excluding mainland China) has risen appreciably over the past decade. Almost the entire increase has been in India and Pakistan. There has been a remarkably rapid growth in jute production and consumption in mainland China since the early 1950s.

Notice

BOMBAY POTTERIES AND TILES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-seventh Annual General Meeting of the Company will be held at the Registered Office of the Company, United India Building, Sir Pherozshah Mehta Road, Fort, Bombay-1, on Monday the 3rd April 1961, at 4-00 p.m. (S.T.), to receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account of the Company for the year ending 30th September 1960, declare Dividends on First and Second Preference Shares and Ordinary Shares, to elect Directors in place of those retiring by rotation as well as in place of Directors who cease to be Directors by reason of their having been co-opted as additional Directors, to appoint Auditors and as and when by way of special business to consider and if thought fit to pass the Ordinary Resolution with or without modification for the continuance of Sole Selling Agents of the Company's Products in various parts of the Country as per Notice dated 16th December 1960 which, together with the Explanatory Statement annexed thereto, the Report of the Directors and Auditors and the Audited Accounts, has been circulated to the members individually.

NOTICE is also hereby given that the Register of Members and the Share Transfer Books of the Company will remain closed from 13th March 1961 to 11th April 1961 (both days inclusive).

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Dated at Bombay this 16th day of December 1960.

By Order of the Board,
H. RAMAKRISHNAN,
Secretary.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 1st March, 1961.

	Closing quotations 23-2-1961	High	Low	Closing quotations 1-3-1961
TEXTILES	Rs.	Rs.	Rs	Rs.
Ahm. Adv. (100) ..	168.00	—	—	168.00
Apollo (2)	1.54	1.56	1.50	1.50
Baroda Rayon (100)..	140 00	150.00	139.00	140.50
Bombay Dyeing (25)..	64 50	67.20	67.20	65.70
Bradbury (50) ..	117 50	—	—	117 50
Central India (100) ..	109 00	112 50	108 00	109.00
Century Mills (100) ..	499 50	545.00	497 50	522 50
Coorla Sp. (100) ..	131 25	—	—	131 25
Dawn (50)	124 00	125.50	123.00	124 00
Edward Textile (200)..	262.50	—	—	262 50
Elphinstone (50) ..	66 00	67.00	65 00	66.00
Finlay (100)	332 00	344.00	332 00	341.00
Gokak (100)	168 00	171 00	167 00	167.00
Gold Mohur (100) ..	252 50	260.00	252.50	257 50
Gwalior Rayon (10) ..	44.50	46 00	44 00	45 00
Ind. Untd. Defd. (1)..	1 64	1.74	1 64	1.68
Ind. Untd. Ord. (10)..	14 48	14 80	14 12	14 40
Indian Rayon (62.50)	68 50	71 50	68 00	69 00
Indore Malwa (100) ..	140 00	140.00	136 00	140 00
Khatau (100) ..	486.25	545.00	483 75	535 00
Kohinoor (100) ..	285 50	305.00	285 00	285.50
Lakshmi (250) ..	502 50	—	—	502 50
Mafatlal (100) ..	777.50	897.50	782.50	895 00
Minerva Mills (100) ..	72 00	74.00	72.00	74 00
Model Nagpur (250) ..	80 00	80 00	35 00	35.00
Morarji (100)	355 00	363.00	352.00	356 00
Mysore (50)	63 00	67.50	64.50	67 00
National Rayons (100).	514 00	560.00	510.00	537 00
New City (100) ..	150.00	—	—	150 00
New Great (100) ..	193 00	197 00	193.00	195.00
Phoenix (100) ..	145 00	146 00	144 00	144 00
Podar Mills (100) ..	140 00	145.00	140 00	145.00
Raymond Woollen (100) ..	106.25	107 50	106 00	107.50
Sassoon Silk (10) ..	14.88	14.88	14.76	14.88
Sassoon Spg. (10) ..	49 25	57.00	52 50	57.00
Shrinivas (100) ..	250.00	260 00	250 00	252.00
Simplex (50)	172.00	180.00	171 00	180.00
Standard (100) ..	1,210.00	1,400 00	1,222 00	1.298.00
Svadeshi (100) ..	250.00	262 00	248 50	248 50
Swan (100)	500.00	502 50	500 00	502 50
Tata Mill (25) ..	44.50	46.25	44 00	44 25
Vishnu (100)	108.75	114.50	110 50	114.00
Western India (1,000).	3,725.00	—	—	3,725 00
BANKS				
Bank of India (50) ..	119 56	119 50	119.00	119.50
Do. (New) (50) ..	125 50	125.50	125.00	125.50
Bank of Baroda (50)..	95 50	96 50	95 00	96 50
Central (25)	56 50	57 30	56.50	57 00
Central 'A' (25) ..	59.00	59.00	58.70	59 00
Dena Bank (50) ..	61 00	—	—	60.00
Punjab National (10)..	20 76	20 76	20 68	20.68
Union Bank (5) ..	6.56	6.56	6.52	6.52
United Com. (50) ..	85.00	86.00	85.00	85.50
ELECTRIC COS.				
Ahmedabad (100) ..	87.00	89 00	86.30	87.50
Amalgamated (10) ..	10.	10 08	10.04	10 08
Andhra Valley (1,000).	990.00	996.25	990.00	992 50
Bom. Sub. El. (100) ..	85 80	87 00	85 50	86 00
Surat (100)	85.50	87.50	85.50	87.50
Tata Hydro (100) ..	101 25	103 50	101 00	101.50
Tata Power (1,000) ..	1,022.50	1,047.50	1,020.00	1,047.50
INSURANCE COS.				
British India (10) ..	12.04	—	—	12.04
Indian Mercantile (20).	43 25	—	—	43.25
New India (15) ..	53 70	54.50	53.70	54 50
New India 'A' (15) ..	54.00	55.00	54.00	54.00
Vulcan (10)	16.48	—	—	16.48
STEEL COS.				
Ind. Iron (10) ..	25.10	26 00	24.96	25.90
Mukand Iron (10) ..	26.00	27.00	25 85	27.00
Tata Steel Ord. (75) ..	150.00	155.00	149.00	152.75
SUGAR COS.				
Belapur (50)	278.00xd	290.00	275.00	284.00
Bhopal (10)	29 00	—	—	29.00
Changdeo (12.50) ..	26 00	—	—	26.00
Phaltan (50)	140 00	148 00	140 00	145.00
Walchand Ind. (100)..	222.50	238.00	220.00	228.75
CEMENT COS.				
Associated Cts. (100)..	149 75	158 00	149.50	154.00
Digvijay (100) ..	158 00	159 00	156 00	157.00
Orissa (10)	13.56	14.56	13.56	13.88
MISCELLANEOUS				
Alcock Ashdown (100).	278 00	293 00	278 00	287.00
Bom. Burmah (125) ..	566 50	615.00	563 50	600 50
Do. (New) (50) ..	197.50	210 00	195 00	205 00
Br. B Petrol (4 sh.) ..	2.04	2 16	2 04	2.08
Br. I. Corpn. (5) ..	7 72	7 68	7 56	7.64
Cooper Eng. (100) ..	189 00	195 00	189 00	194 00
Colour Chem. (100) ..	870 00	870 00	860 00	865 00
Hind Cycle (100) ..	94 00	101 50	94 00	101 50
Hindustan Lever (10)..	46 50	47 75	46 50	47 75
Hindusthan Motors (10)	20 92	22 32	20.68	22.20
I. C. & Invest. Corporation (100) ..	71.00	—	—	71.00
Indian Dyestuff (100)..	467 60	485 00	467.50	[illegible]
Indian Copper (2 sh.)..	4 96	5 44	4.92	[illegible]
Ind. Inv. Tr. (100) ..	81 00	—	—	81.00
Killicks (100) ..	99 50	99 50	99 50	99 50
Larsen & Toubro (10)..	39 25	42 00	[illegible]	41 50
Mahindra & Mahindra (10) ..	22 00	22 78	22.00	22 00
New Central Jute (10).	18 00	21.00	18 00	21.00xr
Polson (100) ..	167 00	169 00	167 00	168 00
Pre. Automobiles (100)	168 50	175 00	168.00	172 00
Premier Con. (80) ..	196 50	215 00	104 00	208.00
Scindia (20)	14 96	15 12	14.68	15.00
G. B. Shipping (10) ..	14 68	14 84	14 68	14 68
Shivrajpur (10) ..	90 00	102 00	89 50	95.00
Sirpur Paper (10) ..	16 76	17 28	16 72	16 88
Tata Chemicals (10) ..	18 40	18 80	18 16	18 [illegible]
Tata Locomotive (100).	313 00	342 00	310 00	331 00
Tata Oil (25)	76 00	81 50	76 00	79 50
Texmaco (10) ..	23 60	24 00	23 32	24 00
Voltas (100) ..	270 50	290 00	268 00	278 50
W. I. Match (100) ..	273 00	277 00	270 00	275 00
W. Coast Paper (100)..	195.50	209 00	195 00	206 00

GOVERNMENT SECURITIES	23-2-1961	Gross Yield		1-3-1961
	Rs.	Earlier Redemption	Later Redemption	Rs
2½% 1961	99.35	—	4.10	99.35
2½% 1962	98 10	—	3 90	98.10
2¾% 1976	83 50	—	4 28	83 50
3 % 1964	97 95	—	3 57	98 00
3 % 1963-65 ..	97.80	3.86	3 41	97 00
3 % 1966-68 ..	95 70	3.84	3 65	95 75
3 % 1970-75 1st Dev.	90 70	4 25	3.82	90 00
3 % 1986 Con. Loan.	74 05	—	4 03*	74 05
3½% 1961 N.P. Bonds.	100 00	—	3 50	100 00
3½% 1964 N.P. Loan..	99.45	—	3.65	99.50
3½% 1965 N.P. Bonds.	99 30	—	3.66	99 35
3½% 1962	99 65	—	3 50	99 65
3½% 1967 N.P. Bonds.	98 85	—	3 72	98 85
3½% 1974	99.70	—	3 78	99 70
3½% 1967 N.P. Bonds.	100 75	—	3 63	100.75
3½% 1969 Loan ..	98.75	—	3.69	98.70
3½% 1965 ..	98 80	—	3 70	98 80
3½% 1963 N.P. Bonds.	99 80	—	3 69	99.80
3½% 1968 N.P. Bonds.	100 65	—	[illegible]	[illegible]
4 % 1972 Loan ..	100.50	—	[illegible]	[illegible]
4 % 1973 Loan ..	100 40	—	[illegible]	[illegible]
4 % 1979 Loans ..	100.10	—	3 99	100.10
3½% 1966 Bonds ..	99 50	—	3 65	[illegible]
4 % 1980 Loan ..	99.95	—	4 01	[illegible]

* Current Income. xd—Ex-dividend. X.R.—[illegible]

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2605 BOMBAY, 11th MARCH 1961 PRICE Rs. 2

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

Contents

	PAGE
LEADING ARTICLES—	
Import and Export Policies	409
Fresh Imposts on Cotton Textiles ...	410
MARKET GOSSIP	411
ROUND THE EXCHANGES	412
THIS WEEK'S SURVEY	414
SPECIAL FEATURES—	
London Letter	412
American Letter	413
On the Arena	415
Implications of Taxation Proposals ...	416-420
The World Facing a Liquidity Crisis?	421
Manchester Letter	423
Capital Outlay in Central Budget ...	424-426
CHAIRMEN'S SPEECHES—	
The Premier Automobiles, Ltd. ...	430-431
Deccan Sugar and Abkhari Co., Ltd. ...	434
State Bank of India	438
COTTON	422
ENGINEERING	428
NEW PRODUCTS AND PROCESSES	429
MONEY AND BANKING	433
LABOUR	440-441
COMPANY AFFAIRS	444-445
COMPANY REPORTS	446
MARKET REPORTS	451-454
STOCKS AND SHARE QUOTATIONS	457-462
MISCELLANEOUS STATISTICAL INFORMATION	455-456
WEEK'S STOCK EXCHANGE TREND	463

Comments on the working of companies are based on such facts and figures as are available in the published reports and accounts of the companies concerned. We do not accept responsibility in respect of conclusions drawn from such sources, if the information supplied should prove to have been inadequate.

No responsibility for the safety of articles, etc., can be accepted, but, if accompanied by stamped and addressed envelopes, every effort will be made to return the unsuitable MSS.

The Editor does not necessarily agree with, or hold himself responsible for, the views expressed by contributors.

SUBSCRIPTION

India		Abroad	
Yearly rate ...	Rs. 65	Yearly rate ...	Rs. 70
Half-yearly rate	„ 35	Half-yearly rate	„ 40

Including Postage

Single Copies, Rs. 2, obtainable from all bookstalls, or from the Publishers.

Back numbers, if available, from Rs. 4 onwards.

ADVERTISEMENT

Contract and other terms on application to the Advertisement Manager.

Advertisements intended for publication in the current issue cannot be accepted after midday on Monday.

Company and Public Notices cannot be accepted after midday on Wednesday in each week.

A representative will be pleased to call upon intending advertisers, on request.

All remittances, cheques, money orders, etc., should be made payable to:—

"COMMERCE" (1935) LTD.
Brady House
Veer Nariman Road, Fort, BOMBAY

Calcutta Representative: Mrs. S. P. CHATTERJEE, 4, Netaji Subhas Road, 3rd Floor, Room No. 30, Calcutta-1
Madras Representative: Mr. P. N. SRINIVASAN, 15 V. S. Mudali Street, Saidapet, Madras-15.

IMPORT AND EXPORT POLICIES

THE Import Advisory Council and the Export Promotion Advisory Council discussed matters of moment early this week at New Delhi against the background of two sombre facts—an adverse balance of trade of about Rs. 365 crores in 1960, the second highest on record, and a low level of sterling balances at Rs. 157 crores as on 17th February 1961. The background no doubt imparted a sense of urgency to the deliberations in either Council on the eve of the third Plan which will be even more exacting in its foreign exchange requirements than the second. But the discussions, unfortunately, conformed only to the familiar pattern of mutual twitting by Government spokesmen and representatives of industry—the former finding fault with industry on the export side and the latter taunting the Government on the import side. This routine performance, however, was not wholly barren of some results on this occasion. One of these was the emergence of a near-identity of approach to the crucial question of maintenance imports (that is, imports of industrial raw materials and components) on the part of both Government and industry, although it was by no means a heart-to-heart agreement. Another was the official announcement of a committee, under the chairmanship of Dr. A. Ramaswami Mudaliar, to review the working of the import and export control organisation and the system of priorities for imports in the context of the difficult foreign exchange position. This decision, however, meant in effect that there was no consensus of opinion in either Council on some outstanding policy issues. And the third outcome was the announcement of an official committee to deal with the problems of import and distribution of iron and steel.

The question of maintenance imports, while it brought the Government and the representatives of industry nearer each other, did, however, raise some ticklish issues. For instance, there was the issue whether expansion of existing units should take precedence over establishment of new units—an issue on which there was consensus of opinion among the representatives of industry but which provoked the Industry Minister, Mr. Manubhai Shah, to say that, in a vast country like India, new industries had to be set up, particularly in backward regions. Another issue was whether licences for importing raw materials could be based on current production or on anticipated production in the next six months, instead of on past production. Issues such as these were raised at the Import Advisory Council meeting to no effect, for the Commerce and Industry Minister, Mr. Lal Bahadur Shastri, did not seem to favour any substantial reduction in development imports for the sake of a corresponding increase in maintenance imports. What, on the other hand, he favoured were the proposal to secure, in the form of 'untied' loans for financing maintenance imports, *a part* of the expected assistance from the 'Aid India Club' and the continuance of a *high* priority for such imports on normal trade account. The italicised words in the foregoing sentence would appear to convey that some improvement could be expected in the current year in the matter of maintenance imports required for a fuller utilisation of existing industrial capacities, even though it might not be as much as was expected by the spokesmen of industry.

At the same time, the Government's attachment to the idea that maintenance imports should be curtailed, as far as possible, through indigenous production of more intermediate goods and components meant, in effect, a relatively greater accent currently on development imports (that is, capital goods and machinery) for establishing their manufacture. Mr. Lal Bahadur Shastri's reference to the need for according priority to development imports for establishing units for producing rayon grade pulp and automobile and machinery parts was an instance in point. The Minister could have mentioned other cases—oil refining, fertilisers, intermediates for dyes and chemicals, petro-chemicals, etc.—where indigenous manufacture in the private sector is possible to a still greater extent with the active assistance of foreign capital. If, as Mr. Manubhai Shah said, there is no inherent conflict between maintenance imports and development imports, would it not be wiser to encourage private enterprise—foreign and domestic alike—to take care of such development imports for establishing refinery units, fertiliser factories and so on? Only in such cases would there be no conflict between maintenance imports and development imports for the simple reason that the latter would be financed through an inflow of foreign private capital, thereby reducing the strain on the country's foreign exchange resources secured in other ways. This, however, is an issue of higher policy—something that raises questions of inter-ministerial co-ordination such as, for instance, between the Industry Ministry and the Oil Ministry. The dog-in-the manger policy of the latter Ministry is one of the important reasons for the aggravation of the foreign exchange problem. It is surprising to find that none of the representatives of the private sector raised this point at the aforesaid meetings. Where both development imports and maintenance imports are expected to increase in the coming years, the extent to which the former are financed by foreign private capital, especially in lines where indigenous manufacture of intermediate goods and components is to be established, will not only enable maintenance imports for existing industries to be maintained, currently and in the near future, at the required level but also reduce, in the long run, the need for such maintenance imports themselves. If the whole question is approached more pragmatically without allowing ideological considerations to come into the picture, the resulting industrial policy is bound to attract more foreign private capital to those fields where the Government is trying to bite more than it can chew.

There is an equal need for eschewing ideological considerations in the sphere of export promotion too. The Government's idea, to which Mr. Lal Bahadur Shastri gave expression at the meeting of the Export Promotion Advisory Council, of assigning a more dominant role to the State Trading Corporation in the export trade seems to be based on the mistaken belief that a single agency can operate better than several private exporters. What is conveniently forgotten here is that this single agency has to

deal in a wide variety of export commodities and to deal with a large number of private parties producing for export and is, therefore, more unwieldy and cumbersome than, for instance, the export promotion organisations of individual industries. It is not unoften that large industrial enterprises operate efficiently their own export organisations. The threat of the S.T.C. ousting the private sector from foreign trade has itself been a discouraging factor. There is no reason to believe, as Mr. Shastri does, that private exporters have not made adequate efforts to export wherever they have found it rewarding to do so. Nor is the Minister's view that industries at present are not making adequate sacrifice for the sake of exports has any point in it, for the State Trading Corporation, too, could be in no position to make any sacrifice. If any sacrifice has to be made for the sake of exports, it can be done only by the country as a whole. That would mean, in the ultimate analysis, loss of some Government revenue and/or an increase in the prices paid by domestic consumers. It is all a question of what incentives are deemed necessary for export promotion. Mr. Lal Bahadur Shastri's impatience with the plea of the Federation of Indian Chambers of Commerce and Industry for export incentives only betrays a lack of clear understanding on his part of the real problem. Private enterprise, it must be borne in mind, has necessarily to operate on the basis of profits. Further, in making a comparison of the S.T.C's performance in recent years with that of the private sector, adequate allowance must be made for the special advantages it enjoys in the Soviet orbit and the virtual monopoly it has in regard to exports of ore.

It may be that the high-powered committee, which Mr. Shastri proposes to set up shortly, for taking quick decisions on export promotion matters would take a different view and give objective consideration to the practical steps outlined in a F.I.C.C.I. note on export promotion. Some of these suggestions are eminently reasonable too. There is, for instance, the suggested scheme (which is based on the schemes operated in countries like Japan and West Germany) for an income-tax rebate to the Indian exporter and the manufacturer-exporter. Under this scheme, if the export turnover of a firm is Rs. 50 lakhs with a gross profit of 5 per cent, a rebate at the rate of 10 per cent on the turnover will mean that Rs. 25,000 out of the gross profit of Rs. 2,50,000 will be tax-free. An alternative suggestion advanced by the F.I.C.C.I. is that profits made on exports be taxed at a lower rate than profits made on internal sales. The Government, thus, must be prepared to sacrifice some income-tax revenue for the sake of export promotion. Equally effective, in our opinion, will be lower rates of interest on export finance. Just as Japan does, the Reserve Bank of India can help exports by rediscounting export bills at, say, 3 or 4 per cent, instead of at 6 per cent. It could also sacrifice the export duty on tea, which makes Indian tea uncompetitive in foreign markets. If tea exports have come down from Rs. 137 crores in 1958 to Rs. 120 crores in 1960, the heavy incidence of the export duty, yielding as it does Rs. 12 crores, should also have been a contributory factor for the decline.

There are quite a number of other worthwhile suggestions in the F.I.C.C.I. note which has been drawn up with great care. But, perhaps, the outstanding emphasis in the note is on the need for stepping up the production of commercial crops like cotton, jute and oilseeds. This is all the more important, because the desired surplus for exports will not otherwise be created and any marginal declines in their production will cause distortions all round as they have done in the past two years. If incentives are provided for an increase in traditional exports, the results may well be immediately more substantial than in the case of newer export industries which are still in the transitional period of making their products known in overseas markets. While the non-traditional exports call for greater effort by way of commercial publicity and the like, what the traditional exports require is, by and large, a scheme of fiscal incentives. Even a general scheme of currency retention (such as in the case of exports of cotton textiles, for which facility is given for import of dyestuffs, chemicals, etc.) is not considered feasible by the F.I.C.C.I. The country will be in no position to achieve a miracle so long as exports are not effected at competitive prices which, in most cases, can only result from lower costs of production brought about by higher productivity and, in others, by lower tax incidence.

FRESH IMPOSTS ON COTTON TEXTILES

WHEN Mr. Lal Bahadur Shastri and his deputies continue to express concern over the high level of cotton textile prices, notwithstanding the voluntary regulation of prices and other steps taken by millowners to bring them down, the Union Finance Minister has heaped a fresh tax load on this essential item of consumption. The basic excise duty on medium 'A' grey mill piecegoods has been raised from 7.2 nP to 9.0 nP per square metre, the excise surcharge on all varieties of processed cloth has been stepped up by 66⅔ per cent, the rate of excise duty on cloth produced on automatic looms has been enhanced by 25 per cent, and an excise duty has been imposed for the first time on cotton yarn: at 10 nP per kilogram (4.55 nP per lb.) for counts below 35s and 15 nP (6.81 nP per lb.) for counts of 35s and above. These duties are applicable to yarns consumed by the composite mills as well as to yarns spun for sale, except yarn of 11s to 40s if issued in hanks—an exemption meant for helping handloom weavers. It is calculated that these measures, together with the levy of duties on the chemicals and dyes which are used in mills also, will raise the price of cloth by an average of 3 to 4 per cent. This is not an inconsiderable burden on the consumer and neutralises a part of the reduction in cloth and yarn prices secured through both persuasion and coercion of the mill industry by the Government.

The reason adduced by the Finance Minister for enhancing the excise duty on medium 'A' grey cloth is that it is intended to reduce the duty gap between 'fine' and 'medium A' with a view to correcting "the major shift" in production from the former to the latter. But this explanation is hardly convincing, as it is not borne out by facts. A study of the actual trend of mill cloth output last year (1960) will show that no such major shift was in evidence. The production of higher medium cloth in 1960 was no doubt higher at 2,075 million yards, as against 1,758 million yards in 1959, but the increase was not so much at the cost of fine varieties as is alleged. The extent of fall in the production of fine cloth was just 13 million yards, the figure for 1960 being 229 million yards. In fact, the production of fine and superfine categories together was more or less unchanged at 531 million yards. The notable rise in the production of higher medium cloth must be attributed partly to the abnormal increase in consumption of foreign cotton necessitated by shortage of Indian cotton and partly to the growing preference of consumers for higher-medium counts *vis-a-vis* course counts, in view of the improvement in the living standards of the masses. This trend is clearly reflected in the persistently downward movement of coarse cloth production from 1,164 million yards in 1957 to 970 million yards in 1958, 892 million yards in 1959 and 705 million yards in 1960.

It is thus obvious that the enhancement of the excise duty on medium 'A' grey cloth, as also that on processed fabrics, is a purely revenue measure. The Finance Minister has simply picked up the most popular among the varieties of cloth as a means of raising a little more money for the Plan. He would have surely carried conviction to the public and, perhaps, even its support, had he stated this plain fact. This higher levy may also have the incidental effect of inducing millowners to sell more for export than they are doing at present. Since in any case the demand for mill-made cloth is increasing faster than supply, a stiffer excise duty may curb the tendency among traders, and even producers to some extent, to squeeze a larger margin of profit from consumers.

But the imposition of an additional duty of 25 per cent on cloth manufactured on automatic looms is surely a retrograde measure. It is tantamount to penalising higher productivity. The millowners fear that, as the additional levy is far in excess of the saving in costs effected through the use of automatic looms, it will discourage modernisation. Further, it is pointed out that, if the same type of cloth produced in the same mills on automatic looms and plain looms is to bear duty at different rates, not only will there be difficulties in marketing the product but suspicions will be aroused in the minds of consumers. These fears are not baseless. The salvation of India's cotton mill industry lies in improving its capacity to produce more cloth at a lower cost. This will be possible only if at least the major portion of its machinery is replaced by automatic, high speed equipment within a very short period of a few years. Such replacement is long overdue and any further delay will only deter India's economic progress.

The principal countries with which Indian textile industry has to compete have completed their efforts at gearing their textile mills to a high degree of efficiency. Even the Lancashire cotton industry, which was very slow in modernising itself, has quickly got rid of redundancy and inefficient units and armed itself with highly efficient machines. In this effort, it has been greatly helped by the British Government which gave special subsidies. In distressing contrast to this development are the Government of India's tardiness in giving permission for the introduction of automatic looms and readiness to tax heavily the cloth produced on such looms. The distinction sought to be made between cloth made for export and that for domestic consumption is quite unrealistic in this case, as an export trade in cloth can be sustained only on a broad-based and strong domestic market. If the industry is first allowed to expand on modern lines and to establish itself firmly in the export markets, the Government will automatically get a much larger revenue from it without having to resort to taxes of a nature that will retard progress.

Another regrettable feature of the imposts on cotton textile industry is the levy of an excise duty even on yarn consumed within the mills to produce cloth. This, in conjunction with the excise on cloth, is a case of double taxation, covering both the raw material and the finished product. One of the factors that enabled the Indian cotton textile industry to overcome competition from Lancashire within the country even during the British regime and finally win sizable export markets is its vertical growth. The proposed levy on all yarn consumed by composite units will undermine that strong feature of the industry. It is an accepted canon of taxation that, generally speaking, raw materials of an industry should not be taxed. For a composite and integrated modern cotton mill, yarn is only a semi-processed material. A departure from this principle is permissible only where such semi-processed material offers a convenient stage at which tax aimed at a large decentralised sector can be collected.

It is common knowledge that the bulk of powerlooms are not bearing the tax burden they can, and ought to, carry. It is equally well known that hosiery, nets and other knitted fabrics are not paying their due to the Exchequer. That the handloom sector is being generously fed with subsidies with no commensurate results is also a well-known fact. It is not easy to collect excises directly from all these consumers of yarn, as witness the way in which even the powerlooms have been successfully managing to escape this levy. It would, therefore, be perfectly understandable, if the yarn sold by mills in the market, which is otherwise known as "free yarn," were to be subjected to excise duty at an appropriate rate. This principle is already being followed in regard to staple fibre and all rayon yarns. And when we commented on taxation proposals in our last issue, we were under the impression that the Government had proposed to tax only the "free yarn" and nothing more. If the Government's idea is to make the mill sector collect still more taxes from the public, as it undoubtedly is, the best thing to do will be to raise the excise duties further on all varieties of cloth. That would be an easier method of collecting the tax than the levy on yarn, the administration of which will cause, as the millowners have rightly pointed out, considerable dislocation in production arrangements of a modern mill and a lot of inconvenience and harassment to the managements of mills, as well as to excise officials. Surely, the reasoning that led the Government to choose this difficult and exasperating method of collecting tax when a simpler system is already in force is beyond our comprehension.

It must, however, be said that the Finance Minister's move to (a) lower the exemption limit for powerlooms for the purpose of excise levy from four to two, (b) reduce the number of slabs and (c) readjust the rates of compounded levy is well conceived. It will doubtless check the deliberate fragmentation of manufacturing units in order to avoid payment of excise duty. Only two weeks ago, we ourselves emphasised in these columns that suitable remedies must be found for overcoming the defects and deficiencies in the organisation and ownership of powerlooms.

MARKET GOSSIP

IT is now almost certain that, with effect from 15th March 1961, banks will pay a little more interest on deposits. It has been obvious for some time that it would be inevitable for banks to raise their deposit rates. In the first place, the gap between the banks' lending rates and the ceilings for the rates on deposits under the inter-bank agreement had widened so substantially as to give the impression of a perceptible imbalance in the structure of interest rates in the country. Secondly, with the introduction of the new system of Bank rate having three tiers and with the effective Bank rate remaining as high as 6 per cent, the prevailing rates appeared to be unrealistically low. Quite a good number of banks themselves began to feel that it was better to offer higher rates of interest in order to attract deposits than to borrow from the Reserve Bank at the high rate of 6 per cent. And, thirdly, the extremely poor rate of growth of deposits since the latter half of 1960 in particular compelled the banks to think afresh on the subject.

Of course, having enjoyed the benefits of protection offered by the inter-bank agreement, the majority of them were reluctant to consider higher interest rates as a solution to the problem. Even now there are some, especially among the big banks which have been the chief beneficiaries of the inter-bank agreement, who are of the view that it is unnecessary to step up the rates of interest as an inducement to depositors to keep more funds with banks. But the force of circumstances has compelled the majority of bankers to yield some ground. Reflecting their opinion, the Executive Committee of the Indian Banks' Association has recommended an increase of one per cent. for "house money" repayable on notice of three days and over but up to one month, ½ per cent for short-term deposits of one month and over but up to 60 months and of ½ per cent for 60 months and over. Besides, the rate of interest on savings bank accounts will be 3 per cent., instead of 2½ per cent. as at present. The revised ceiling rates for call and time deposits are as follows:

Usance	*Rate per cent per annum*
For notice money at a withdrawal notice of 3 days or more	3
For term deposits of:	
3 to 30 days	3
31 to 60 days	3½
61 to 90 days	3½
91 days to 12 months	3½
12 to 24 months	4
24 to 48 months	4½
48 to 60 months	4½
60 months and over	5

The confirmation of all the member-banks to the aforesaid rates is yet to be received, the deadline set for it by the Association being 10th March 1961.

It is not known what policy the State Bank of India, which is not a member of the inter-bank agreement, will follow. But it is significant that it has already raised (from 1st March 1961, to be precise) its rates of interest on savings bank account and savings bank deposits by a straight one per cent to 2½ and 2½ per cent, respectively.

As the proposed increases in the rates are only nominal, they will not be of much help to banks in attracting more deposits. The bankers have, once again, missed the opportunity of eliminating the system of call deposits which facilitates the conversion of large current account deposits into time deposits in order to take full advantage of the higher interest rate, without any inconvenience to the account holders. If at all there should be term deposits for a period less than one month, 15 days are quite ample.

Among the other reasons for the perceptible setback to the growth of bank deposits four stand out prominently: (1) failure of the Palai Central Bank and the adverse effect it has had on the psychology of depositors. This development has been responsible for the marked rise in the deposits of postal savings bank and the improvement in the sale of small savings certificates. (2) A sizable fall in deficit financing last year. (3) A sharp increase in India's adverse balance of trade. And (4) some expansion in the volume of black money during the last two years.

* * * *

W. Germany's "Volte Face"

The revaluation of the D-mark by 4.76 per cent has come as a painful surprise to India. With effect from Monday last, the dollar-mark parity has been 4 D-marks per $, as against 4.25 before. The explanation given by German authorities for taking recourse to this step, which is contrary to the assurances given by them even at the last annual meeting of the International Monetary Fund, is that they have found it absolutely essential for restraining the inflationary trends in their country. It is stated that all other monetary measures adopted by them have by themselves been insufficient to check the boom and that, if they were to raise the interest rates again, it would have aggravated the disequilibrium in international balance of payments, reviving the pressure on the U.S. dollar. A modest revaluation was the only thing they could do without upsetting the economies of other countries.

While it is true that Germany cannot be accused of not having tried other measures to deal with its problem of "embarrassing riches" and that it has wielded the weapon of currency revaluation only gently, it cannot be denied that even an increase of 5 per cent in the external value of its currency will mean a substantial hardship to its debtor countries such as India. This country will have to export more goods to repay its debts to Germany. Secondly, it will make the cost of imports from Germany dearer, unless, of course, the prices of German goods decline to a corresponding extent in the near future. This possibility appears to be very unlikely, as wages in Germany are continuously rising. Thirdly, although revaluation provides an incentive for larger imports into Germany, India may not be able to take full advantage of this situation, as the demand for goods that India can export to that country is not very elastic. Besides, they are affected by import quotas and heavy taxes on consumption. There is, however, likely to be a slight advantage to this country since the purchasing power of the D-mark in other countries is higher now and the German Government has agreed to make all its future aid available in "untied" credits. Nevertheless, revaluation is no substitute to large-scale aid to, and investment in, underdeveloped countries. It is, however, gratifying to hear from authoritative spokesmen of Germany that revaluation does not mean that their Government has decided to reduce the quantum of its aid to needy countries.

Life Insurance—A New Record

New business done by the Life Insurance Corporation of India scaled yet another peak in 1960. At Rs. 496 crores, the new business written during the year is the highest ever reached by life insurance in the country and represents an increase of as much as 90 per cent., as compared with 1955, the record year for life insurance under private management when new business stood at Rs. 261 crores. The Corporation's new business in 1960 missed the Rs. 500-crore mark by only a narrow margin of Rs. 4 crores. The actual performance thus fell short of the target of Rs. 525 crores set for the past year under the Corporation's own five-year plan (1959-63) by Rs. 29 crores. Nevertheless, the Corporation has nearly reached the half-way mark in its target of Rs. 1,000 crores of new business to be reached by 1963.

Of the Rs. 496 crores of new business, Rs. 484.47 crores represented business completed in India, Rs. 9.70 crores foreign business and Rs. 1.82 crore *Janata* business; in 1955, the business done in India was Rs. 240.51 crores, that outside India being Rs. 20.33 crores. It is noteworthy that new business done in India has more than doubled during the five-year period 1956-60. There has, however, been a sharp fall in foreign business, one disadvantage of nationalisation. The figures for 1960 are, however, better as compared with those for 1957 when foreign business was only Rs. 5.40 crores.

The gap between introduced business and completed business continued to be wide last year also. In fact, the percentage of completed business to introduced business declined from 88.2 in 1959 to 87.5 in 1960. This underlines the need for better salesmanship on the part of the agents of the Corporation and more effective closing, so that a larger percentage of the introduced business could be brought firmly to the books of the Corporation. The decision of the Corporation to enforce strictly, with effect from 1st January last, the practice of collecting the first premium in full along with the proposal should go some way towards narrowing the gap, but, if that could be supplemented by a more vigorous effort on the part of the field staff, the percentage of completed business could be increased substantially.

While the 1960 new business figures are quite encouraging, it is a pity that the Corporation has not been able to present its directors' report and statements of accounts for 1960. The annual report of the Corporation usually comes too late to be of any use except for record purposes. Surely, the Corporation should be able to publish its report much earlier than it does now. It is no answer to point out, as the L.I.C. authorities are prone to do in answer to criticism of its activities, that private insurers published their reports more than six months after the close of the accounting year. It is for the L.I.C., enjoying as it does the monopoly of life insurance business in the country and commanding vast resources and talent, to set the pattern for others to follow. Publication of the report within two months of the close of the accounting year is not, after all, so difficult for an institution like the L.I.C. It may be noted that life insurance companies in Canada publish their accounts within two months of the close of the accounting period as required under law. Even in India, the State Bank of India, a public sector enterprise with over 900 branches and total assets exceeding Rs. 600 crores, publishes its statement of accounts and annual report in the third week of February, that is, well within two months.

Equally unforgivable is the delay in the declaration of the second bonus. The first valuation report on the assets and liabilities of the Corporation, as at the end of December 1957, took eighteen months to be completed and was published as late as in May 1959. The delay was explained by pointing out that the valuation in respect of the assets and liabilities of the 245 insurers whose controlled business was taken over by the Corporation, presented many difficulties. No such excuse can be given in respect of the second valuation which should cover the years 1958 and 1959. The Chairman of the L.I.C., Mr. P. A. Gopalkrishnan, stated this week at a Press conference held at the Central Office that the second bonus will be declared in about two months from now, that is, by the end of May 1961. It is difficult to understand why the Corporation should take eighteen months for the second valuation also which, as compared with the first, must be simpler and easier. In its anxiety to show spectacular results in respect of new business, the Corporation seems to be treating lightly the need for promptness and efficiency in other spheres too which are necessary to command the confidence of the insuring public. Attractive bonuses can be used as additional and effective sales aids by agents to attract new business. As for the existing policyholders, they are more interested in their share of the profits of the Corporation, as indicated by the bonus, than in the new business the Corporation has canvassed. It is, however, encouraging to hear from Mr. Gopalkrishnan that the Corporation is in favour of using the surpluses to declare better bonuses rather than to a reduction in the premium rates and that the latter should be altered only over long intervals of eight to ten years, depending upon the results of mortality experience. This is undoubtedly a scientific approach to the utilisation of valuation surpluses.

A Stunt in Cotton?

An intriguing paragraph in the Press Note issued by the *Indian Cotton Mills' Federation* on Wednesday the 8th inst. has set the cotton trade speculating. It reads as follows:

"The Committee (of the Indian Cotton Mills' Federation) gave deep consideration to the problem of stabilising prices of Indian cotton in the interests of the agriculturists and authorised the Chairman to do the needful, including purchase of such quantities and qualities of cotton as he thinks fit in the light of circumstances."

The Committee's decision confirms earlier reports that the Federation is contemplating purchase of cotton for subsequent distribution to mills according to their quotas. In the absence of any elaboration as to how the Federation proposes to buy cotton, if the Chairman so decided, there is a lot of speculation about the ways in which the Federation would support cotton. Does the Federation really mean business? If so, how much cotton would it buy and what would be the quality and types of cotton that might attract its attention? At what price would the Federation buy, where will it buy and when? Questions like these are being asked by everybody in the cotton trade, but nobody seems to know the answer for certain.

The objective of the Federation's decision, obviously, is to prevent a slump in the market as a result of heavy arrivals of new crop. It is, therefore, complementary to the Textile Commissioner's policy of ensuring that the new crop is picked up soon by mills, so that prices do not fall unduly, lest it should adversely affect the cotton farmer and the next year's crop. It is significant that, by associating itself with this policy, the Federation has proved itself mindful of the interests of the farmers, too.

Another point which is implied in the decision of the Federation is that it regards the prevailing cotton prices as the minimum below which they should not be allowed to decline. The current prices, it may be noted, are nearer the ceilings than the floors which are far below the market quotations.

Some traders consider this move of the Federation as a surprising departure from its stand on the question of cotton prices so far and, for that very reason, refuse to take the above-quoted statement and its implication at their face value. Some others are even cynical enough to suggest that it is nothing more than a formal declaration to the effect that the Federation associates itself with and lends its moral support to the Government's policy. It may, perhaps, be due to this cynicism that the cotton market, both spot and futures, has remained unaffected by the Federation's statement. It is true that on Wednesday there was a spurt in the futures market. But it was due to support based on settlement considerations and reports (which proved to be false subsequently) that certain changes in the by-laws of the E.I.C.A., having bullish implications, were under contemplation. The trend of the market at the time of writing (Thursday evening) shows no evidence of any bullish reaction to the Federation's decision to purchase cotton, if need be. Both the April and August Contracts reveal only small gains, as compared with rates prevailing yesterday.

World Silver

Although the trends in the world silver economy do not have any direct effect on the silver market in India because of the continued restrictions on imports and exports and the low level of consumption for industrial uses, they are nevertheless of more than ordinary interest. For, in the first place, the developments abroad have a psychological impact on the silver markets in India. And, secondly, the fluctuations in the industrial demand for the white metal reflect the trends in the industrial uses of silver, a factor that does have a close bearing on India's economy. It is for these reasons that the annual reviews of the world silver market compiled by Messrs. Handy and Harman of the U.S. are always read with much interest. And the forty-fifth review just published is no exception.

The assessment of the outlook—both short-term and long-term—for silver as made by Messrs. Handy and Harman is, indeed, interesting, especially in view of the apprehension of an appreciable rise in prices in the near future. This apprehension is born of the probability of free market supplies falling short of demand, which is steadily expanding. Messrs. Handy and Harman, however, aver that there need not be any concern as to the availability of sufficient silver for industry's future requirements. This view is based on two grounds. One, there will be secondary sources of silver becoming available to the market at different price levels, as, for example, sale of demonetised Cuban silver coin a few years ago and U.S. Treasury silver. Two, the free silver stocks held by the U.S. Treasury are still large, in spite of substantial reductions, and the Kennedy Administration is not contemplating any change in silver policies. As for the long-range outlook, Messrs. Handy and Harman, of course, expect

(*Continued on page* 463)

EQUITIES FIRM AGAIN

VALUES RISE FURTHER

(From Our Own Correspondents)

BOMBAY, *9th March*

THE first post-budget week was a short one for the share market and consisted of only three working sessions, in view of its closure on Friday (*Holi*), Saturday (succeeding day of the Account period's end), Tuesday (passing away of Mr. G. B. Pant), and today (*Ramzan*). During this brief period, the market depicted a distinctly firm trend, with equities continuing to march forward. Induced by the absence of additional direct tax burden, the reduction in tax on bonus issues, and Mr. Lal Bahadur Shastri's assurance regarding maintenance imports at the Import Advisory Council meeting, investors were envincing much interest in buying the scrips of leading companies, while actual offerings were on a small scale. The shares of concerns having large reserves were particularly sought after.

Early in the week, the Stock Exchange authorities fixed special deposit making-up prices for five scrips, namely, Bombay Burmah, Century, Hindustan Motors, National Rayon and Telco, and it was said that the step had been taken "to check excessive speculation." This move was strongly criticised by a section of market circles as highly unwarranted, because the rise in prices of several shares after the budget was, in its opinion, only normal and was not due to excess speculation. The Stock Exchange authorities were reported to have pointed out that the step was taken at the instance of the Finance Ministry's Stock Exchange Directorate and that it would continue to operate so long as "emergency" conditions existed. They, however, assured the dissidents that, whenever such a contingency arose in future, they would give, before the opening of the market on the last day of the Account period, notice as to the possibility of fixing special making-up prices in the counters concerned and that the members of the Governing Body would be informally consulted with regard to the actual fixation of such rates.

In the steel section, Tata Steels improved by 75 nP to Rs. 153.50. Indian Irons rose by 60 nP to Rs. 26.50. Mukund Irons rose from Rs. 27 to Rs. 27.50 on Monday, but declined to Rs. 26.50 yesterday before finishing at Rs. 26.85.

Textiles scored handsome gains, with the exception of a few counters which encountered selling on fears that the fresh tax load on cotton yarn and fabrics (medium) as well as higher duties on dyes and chemicals might cut into the profit margin of mills. Standards advanced by Rs. 34 to Rs. 1,332. Centurys hardened by Rs. 15 to Rs. 537.50. Kohinoors and Finlays put on Rs. 14 each to Rs. 299.50 and Rs. 355, respectively. Gokaks increased by Rs. 7 to Rs. 174, New Greats by Rs. 6 to Rs. 201, Mysores by Rs. 3 to Rs. 70 and Tatas by Rs. 2.50 to Rs. 46.50. Osmans, Shree Niwas and Svadeshis hardened by Rs. 2 each to Rs. 54, Rs. 254 and Rs. 250.50, respectively. Bombay Dyeings, which had receded from Rs. 65.70 to Rs. 64.10 on Thursday the 2nd inst., recovered subsequently to Rs. 65.90 on Monday. After easing to Rs. 65 later, they finished higher at Rs. 65.50. Khataus, however, were subjected to selling and retreated from Rs. 535 to Rs. 515. B.R. Cottons declined by Rs. 3.50 to Rs. 35.50, Simplex by Rs. 3 to Rs. 177, Podars by Rs. 2 to Rs. 143 and Central Indias by Re. 1 to Rs. 108.

Sugar shares were well favoured. Belapurs moved up by Rs. 8 to Rs. 292. Kesars strengthened by Rs. 10 to Rs. 235. Phaltans put on Rs. 3.50 to Rs. 148.50. Maharashtra Sugars rose by Rs. 2 to Rs. 198. But Walchandnagars drifted downward, from Rs. 228.75 to Rs. 225.50, due to a cut in the dividend for 1959-60 from Rs. 20 per share taxable to Rs. 15 per share taxable.

Under the impetus of good buying enquiries, cement shares recorded further additions to values. Digvijays advanced by Rs. 10 to Rs. 187. Associated Cements were bid Rs. 2 higher at Rs. 156. Ashokas gained Re. 1.52 to Rs. 10.52, Jaipur Udyogs 84 nP to Rs. 12.48 and Dalmias 72 nP to Rs. 12.24. Sone Valleys gathered 28 nP to Rs. 5.60. Orissas improved by a like amount to Rs. 14.16.

Among automobiles, Premiers attracted support and spurted by Rs. 8.50 to Rs. 180.50, following the statement by the Chairman that the Company might have to finance a part of the Rs. 25-crore expansion scheme through raising fresh capital. Hindustan Motors, however, shed 12 nP to Rs. 22.08. Shipping shares were firm, Scindias rising by 74 nP to Rs. 15.32 *ex-div.* and Great Easterns by 32 nP to Rs. 15.

Engineering shares evoked renewed support. Alcocks hardened by Rs. 5 to Rs. 292. Telcos jumped up from Rs. 331 to Rs. 337 yesterday before closing at Rs. 335.50. Cooper Engineerings improved by Rs. 4.50 to Rs. 198.50. Premier Constructions strengthened by Rs. 3 to Rs. 211. Larsen and Toubros increased by Rs. 2.50 to Rs. 44. Texmacos gained 52 nP to Rs. 24.52, Mahindras 24 nP to Rs. 22.24 and Kamanis 12 nP to Rs. 20.12. In contrast, Khandelwals declined by Rs. 2.50 to Rs. 93 and New Standards by Re. 1 to Rs. 189.

There was a further sharp rise of Rs. 26 in the quotations for Bombay Burmahs which were done at Rs. 635.50 yesterday. On hopes of bonus issues, Wimcos firmed up by Rs. 28 to Rs. 303 and Shivrajpurs by Rs. 6 to Rs. 101. Voltas strengthened by Rs. 9 to Rs. 287.50. West Coast rallied from Rs. 206 to Rs. 225. Ceat Tyres spurted by Rs. 16.25 to Rs. 261.25, Indian Hume Pipes by Rs. 8 to Rs. 183 and Laxmi Starches by Rs. 7.50 to Rs. 200.50. Standard Batteries rose by Rs. 5 to Rs. 210. Tata Oils gathered Rs. 4 to Rs. 83.50, Hindustan Levers Rs. 4.25 to Rs. 52 and Greaves Cottons Rs. 5 to Rs. 170. Chemicals and dyes, however, drifted lower on fears of lower profits as a result of additional taxation. Colour Chems and Poly Chems fell by Rs. 10 each to Rs. 355 and Rs. 237.50, respectively. Citrics suffered a loss of Rs. 6 to Rs. 62. Dhrangadhras eased by a like amount to Rs. 130. Alembics shed Rs. 2.50 to Rs. 255. Synthetics declined by Rs. 2 to Rs. 155. Amar Dyes were neglected at Rs. 385, as also India Dyestuffs at Rs. 472.50. Rayon shares were irregular. National Rayons improved by Rs. 5 to Rs. 542 and Gwaliors by Re. 1.50 to Rs. 46.50, while Indian Rayons shed Re. 1.50 to Rs. 67.50 and Barodas 50 nP to Rs. 140.

• • • •

Madras Stock Exchange

MADRAS, *8th March*

Barring a few coffee and bank shares which came in for some selling, equities on the Madras Stock Exchange ruled distinctly steady during the week under review, reflecting the general satisfaction of operators over the Central Government budget for 1961-62. The reduction in the bonus tax from 30 to 12½ per cent was particularly welcomed. The gesture of the Finance Minister to lower the export duty on tea and excise duty on packed tea was appreciated, and there were hopes that the Minister would concede the request of the tea industry for reducing the heavy increase in excise duty on loose tea. The upward revision in the rates of import duty on plant and machinery was noted but it was not expected to have any pronounced effect on the cost structures of industries. Despite the increase in excise duty on mill textile industry, there was good demand for textile scrips. Rubbers moved up on reports that the Government of India had agreed to extend financial assistance to meet fully the expenditure on rubber cultivation on 4,000 acres, proposed to be undertaken by the Kerala Government and that the Reserve Bank would meet 75 per cent of loans given to small holders. Sugars and electricals were well supported. Miscellaneous industrials ruled firm on better investment buying. Bank shares, however, ruled quiet. Coffee shares, as noted at the outset, evoked selling. The increase in excise duty on coffee was considered unjustified and it was feared that it might tend to restrict offtake which was already lagging far behind supply both in India and abroad.

In the textile section, Dhanalakshmis spurted by Rs. 7 to Rs. 223. Coimbatore Spinnings picked up Rs. 4 to Rs. 59. Buckinghams rose by Rs. 2.50 to Rs. 197.50. Travancore Rayons rose from Rs. 36.50 to Rs. 37.50. Maduras scored a gain of 65 nP to Rs. 37.15. Kotharis put on 15 nP to Rs. 12.50. Lakshmis were full steady at Rs. 157, Bangalore Woollens at Rs. 196.50, Cannanores at Rs. 144, Coimbatore Cottons at Rs. 172.50 and Coimbatore Pioneers at Rs. 340. South Indias, however, fell by Rs. 11.50 to Rs. 152.50 owing to liquidation by some operators.

Among teas, Periakaramalais improved by 27 nP to Rs. 4.15, following the announcement of an interim dividend of 7.5 per cent, taxable, for the year ending 31st March 1961. Nonsuchs strengthened by 25 nP to Rs. 27. Peermades and Chembras gained 20 nP each, the former to Rs. 22.80 and the latter to Rs. 3.75. Haileyburias were higher by 10 nP at Rs. 14.25. Twyfords gathered a like amount to Rs. 12.15. Blue Mountains hardened by 4 nP to Rs. 3.92. The Directors of the Company have proposed to issue 1.05 million equity shares of Rs. 2 each at the rate of one share for three shares held (as on 5-4-1961) at a premium of 45 nP per share. Devasholas were unchanged at Rs. 31, as also Parksides at Rs. 28.37. But United Nilgiris declined by 37 nP to Rs. 23.75. Kil Kotagiris shed 17 nP to Rs. 5.55.

In the rubber section, Cochin Malabars rose by 22 nP to Rs. 7.90. Rajagiris moved up by 5 nP to Rs. 18.80. Kailas picked up a naya paisa to Rs. 5.11. Malankaras were firm at Rs. 18. Midlands at Rs. 12 and Travancores at Rs. 9.87.

Among coffees, Consolidated Coffees fell by 75 nP to Rs. 24. Coffee Lands eased by 37 nP to Rs. 21. Mysores were neglected at Rs. 5.45. Amalgamateds at Rs. 13.65 and Anaparais at Rs. 4.70. Ouchterlony Valleys, however, gathered 4 nP to Rs. 4.60 on special support.

East India Distilleries, in the sugar section, increased by 50 nP to Rs. 41.25. Cauverys rose by a like amount to Rs. 135.50. Indias and Mysore ruled firm at Rs. 12.75 and Rs. 58.25, respectively. United Breweries changed hands at Rs. 112. Andhras were fully steady at Rs. 28. The Directors of the Company have announced a dividend of 20 per cent, taxable, for the year ended September 1960, same as last year. Deccans, however, sagged from Rs. 14.35 to Rs. 14.08.

Chemicals and cements were in the forefront in the miscellaneous section. Among chemicals, F.A.C.Ts rose by 30 nP to Rs. 10.80. Mysore Fertilisers strengthened by 27 nP to Rs. 11.22 and Travancores by 25 nP to Rs. 15.25. Mysore Chemicals were fully steady at Rs. 25.37. Among cements, Dalmias spurted by 65 nP to Rs. 11.90. Andhras were higher by 10 nP at Rs. 10.10. Travancores were held firm at Rs. 8.80. Indias, however, shed 4 nP to Rs. 6.20. Among others, Textools were marked up by Rs. 2 to Rs. 175. Aluminium Industries advanced by 85 nP to Rs. 24.55. Ashok Leylands put on 7 nP to Rs. 9.35 and Parrys by 5 nP to Rs. 5.20. Sen-Raleighs were firm at Rs. 25. The Company has maintained the dividend for the year ended September 1960 at the previous year's level of 8 per cent taxable.

STERLING ON THE TURN?

(From Our Own Correspondent)

LONDON, *3rd March*

LONDON LETTER

WHILE the Minister of State has been busy in Paris trying to negotiate his way into the Common Market without negotiating his way out of Commonwealth agreement, the City has been preoccupied with the change in the fortunes of sterling. The dollar rate, which almost to the end of 1960 had enjoyed an unprecedented strength for twelve months, moved back and finally this last week it has actually dropped below the parity of $2.80.

This was before the announcement of the fall in the gold reserves of about £18 million, but there were many tipsters who had already forecast some fall, though no one seems to have anticipated that it would be quite so heavy. So everybody is asking what it means, especially as, in February, payments on trade account usually make sterling strong and bring gold in. What may be termed the "official" opinion is that, since the balance of trade is traditionally in Britain's favour, this time the weakness of sterling and loss of gold can only be due to a substantial outflow of American hot money. Some say: look at the American gold position. In February, the American reserves stopped going down, but, on the other hand, they have not yet moved up, so gold withdrawn from Britain is certainly not swelling the stocks of the Federal Reserve system. Instead, the gold has gone to Europe and there can be no doubt that, in spite of high London short-term rates, hot money has preferred to go to Europe.

Although the argument here is all about just how much hot money is going, and where it is going, and why it is going, one cannot ignore the other possibility that the balance of payments is really not as healthy as it should be. All the world knows that the rise in Britain's gold stocks last year was made against an adverse balance of payments.

In 1960, our sterling balances rose by £224 million. This figure conceals the significant fact that *non-sterling countries* actually increased their balances over the year by £600 million. That may be some measure of the inflow of hot money. On the other hand, the sterling countries, to cover their own external deficits, reduced their balances by about £220 million and the sterling held by international institutions dropped by £150 million as a result of repayments by the U.K. to the I.M.F. of its debts. These repayments were made possible only by the inflow of hot money. It is important in studying these sterling balance figures not to look at the total, but to look at its component parts which reveal the influences at work.

Turning to the last quarter's figures, we see this pattern generally repeated. The total of sterling balances increased by some £90 million. Non-sterling hot money or other short-term investment swelled them by £240 million. The sterling countries drew down their balances by nearly £100 million, and the balance with international organisations dropped by more than £50 million. Admittedly, the non-sterling figure is artificial, because it includes £130 million or so of sterling purchased by the American Ford to buy up the British Company, and in January that figure would have been cancelled out with the transfer of the money to British nationals. Excluding this, we are left with about £110 million inflow, of which North America accounts for only about £40 million. There was a small increase in the balances of the Latin American countries and the rest was hot money coming in via Europe. It is probably this last increase which is now being reversed.

To sum up, it is doubtful whether, taking the month of February as a whole, the outflow of hot money can really be responsible for the month's drop in the reserves. It may well have been the most important factor in the latter part of the month, but not over the month as a whole. The trade figures, when they are published, may reveal the truth—meanwhile the supposition must be that the commercial balance is a good deal more adverse than is generally supposed. Continued pressure by the Government to encourage exporters reveals the Treasury's appreciation of the weakness in the country's external trade position, in part a reflection of the strength of domestic production and trade. But the Treasury must by now be asking itself what short-term measures it will take, if the pressure against sterling continues and exports do not expand quite fast enough.

AMERICAN LETTER

RECESSION BEING EXAGGERATED

DR. CASTRO HAS BROUGHT ABOUT 50 PER CENT FALL IN NATIONAL INCOME

From Our Special Correspondent

NEW YORK, *27th February*

PRESIDENT Kennedy is moving fast. There are lots of pronouncements, but there has not been enough time for any real action. The domestic and international problems are real. On the scene in the United States, Mr. Kennedy has come out for bigger and better Government spending all around.

It is a familiar line. There is a continual talk of a recession which is being blamed on the previous Administration. Statements are made that about 100 regions of the U.S. are now "distress areas." This is nonsense, as I know from my own travels and experience.

Once one gets out of the large U.S. population centres, peoples have their own farms which provide their food and, even if they have lost their jobs, there is no real distress. But semantics of "distress" and so on always provide a politician with a *raison d'etre* and with an excuse for more spending which will help more people so that he may be re-elected at the end of his term.

Although the inaugural message of President Kennedy was well received in the United States, as mentioned in one of my earlier despatches, subsequent messages of the new President did not leave such a favourable impression. The "State of the Union" message to Congress was held to be entirely too pessimistic. The stress was on the bleak, rather than on the bright spots. Mr. Kennedy, it seemed, was trying to establish himself as the saviour of this country. He singled out slightly increasing unemployment as a great national menace without mentioning the fact that in the neighbourhood of 70 million people are gainfully employed.

Despite declarations that price rises would be held in check, there are strong inflationary implications in the other suggestions of the new Administration. These include higher hourly wage rates, lower short-term interest rates and an increase in the social security system which, at this point, is already in a precarious financial position.

It is unfair, perhaps, at this time, to predict what the new Administration is going to do in the ensuing four years of its constitutional existence—even for one year. There will always be evolutionary processes.

Striking examples are the change-over from propeller to jet planes and to missiles and from the battleship to the aircraft carrier. All this means changing industrial and financial requirements to which adjustments have to be made.

Cross-currents

Barring unforeseen circumstances, I cannot share Mr. Kennedy's gloomy predictions about the American economy. There will always be strong spots and soft spots. That is inevitable. One of the major soft spots still is steel. Without any sustained pick-up in automotive steel orders, an increase in output is unlikely. The industry now operates at about 55 per cent of its capacity.

There are several factors involved here. One is the creeping inventory of unsold cars which is due, in part, to the unwarranted pessimism of Mr. Kennedy. It results in uncertainty and deters the public from buying.

Layoffs have occurred among the automobile makers. Sales of durable goods, generally have been lower, including major appliances and construction projects. Beyond the official pessimism, there were below normal temperatures this winter and abnormally heavy snowfalls throughout most of the industrial areas of the U.S. which stymied transportation. At the height of the weather disturbance, cities, including New York, Detroit and Washington were virtually paralysed.

March is likely to see the low for steel shipments from this country, based on the level of current orders. Inventory liquidation has been proceeding and a build-up is inevitable. A recovery in steel industry is, therefore, in sight.

There are, however, many anomalies in the U.S. economy at the present time. While the gross national product, on an annual basis, has shown a slight decline, personal savings have been going up. This could be interpreted as a sign of caution on the part of the public regarding the future.

Government purchases of goods and services have risen sharply, providing a prop for employment in many industries. Retail sales are on a relatively even keel. Consumer credit, particularly on the hire-purchase arrangement, are still rising, but corporate profits after taxes are falling and new plant and equipment expenditures have decreased. Nevertheless, there are also some encouraging expectations, as expressed by industry. One is that commercial printing will see an increase this year to a new high. Photographic production and sales will be higher.

Machine tool shipments will increase. Scientific and process control instruments are anticipated to gain substantially. Lumber output should be higher. Even cotton goods expect an upward trend. Farm machinery, too, is looking forward to a boost and so is air-conditioning and refrigeration, despite the fact that the U.S. electric industry is in deep trouble—with several of its top officials in jail—for price fixing. It justifies the existence of the U.S. Attorney General and his staff, but it does not make too much sense in the light of current economic conditions.

In fine, while there has been much crying about a U.S. recession, as stated above, there has been improvement in several areas. Confidence in the future is widespread, particularly in the second half of this year.

The stock markets in the U.S. are running at an amazing trading volume. Most experts now say that the security markets are on the threshold of a substantial upturn.

A Unique Strike

The strike of Flight engineers on major U.S. airlines created havoc. About 12 million passengers were stranded and long-distance mail piled up at the post offices and at the airports. Now that the strike is over, it is being moved to the designated destinations.

The irony of the situation is and was that the engineers, actually, had no quarrel with the airlines, nor with anybody else. Under U.S. Government rules, any four-engined commercial airliner, either propeller driven or jet, must have a flight engineer. There is no such requirement for two-engined planes.

The pilots have taken the position that there is no requirement for flight engineers on any airplane and that the engineers should become pilots as well. This would place them on the junior list in the Pilots' Union and would have to make them forgo the benefits of their years of standing in the Engineers' Union. It is part of the development of the jet age where twice the number of passengers are being carried in one plane than 10 years ago.

This was the basic reason for the strike. The engineers were afraid to lose their jobs and to lose seniority. They and their families are apprehensive of losing their careers.

So far as can be seen now, the foreign trade and foreign policy line has not altered materially with the change of the Washington Administration. Mr. Kennedy called Premier Nikita Krushchev's bluff off in regard of the Congo affair. He also upheld Dag Hammerskjoeld as Secretary-General of the United Nations whom Mr. Krushchev wanted to resign. The Soviet Premier tried to frighten the new President of the United States, but he did not succeed. Outside of the Congo, there are other trouble spots, such as Arabia, Cuba and Latin America, generally.

All these have grave economic implications and the new President will have his problems, particularly with the balance of payments and the outflow of gold which is mentioned in every paper here.

Cuba

The trouble spot nearest the United States—only 90 miles—remains Cuba. Premier Fidel Castro's expropriations of foreign property cut Cuba's national income in half. Anti-U.S. policies cost each man, woman and child in Cuba more than $150 a year. That is about one half of the average income. The most crippling blow to the Cuban economy was the ending of sugar sales to the U.S. They constituted 53 per cent of all Cuban exports in 1959.

In reverse, it might be said that U.S. sugar producers expect a very good year. There are lagging supplies. In the opinion of most Americans, Dr. Castro is mentally sick and a psychoanalyst's dream. The people who are really suffering from his perversions are the Cuban people.

United Nations News

The Communistic-inspired demonstrations at the United Nations were disgusting. I was there. The New York City police have no jurisdiction in the U.N. area. The U.N. security force, outnumbered, was finally able to get the demonstrators out of the building and the Police Department of this city took over. The area is still heavily patrolled.

The Indian delegation was of particular help in the U.N. discussions of the African questions. Western diplomats paid a good deal of attention to what India had to say. This is not a statement to please readers in India, but, I think, an honest appraisal of the position of India in the U.N.

There is a good deal of discussion, too, about the economic planning of India. Mr. S. T. Sadasivan, General Manager of the United Commercial Bank, Ltd., Calcutta, has been quoted widely here on the results of economic planning for India. At the same time, there was a disquietude over inflation and the price situation.

Much discussion is also being held at the U.N. about the plans for over-all national development. In this respect, correspondents to the U.N. quote Mr. N. K. Karanjia, General Manager of the Central Bank of India, Ltd., Bombay. What is of particular interest here is that banks in India are being asked to pay attention to the requirement of small business.

As I said in previous despatches, the U.S. and the U.N. have become very much pre-occupied with India as one of the most stabilising forces in that part of the world. While U.S. developments are subject to many criticisms, India has been singled out here for the great strides its economy has been making and the advent of its third Five-year Plan.

Mr. S. P. Puri, Managing Director of the State Bank of India, Bombay, wrote a very interesting article which was published here. All such measures greatly help one country to understand another country.

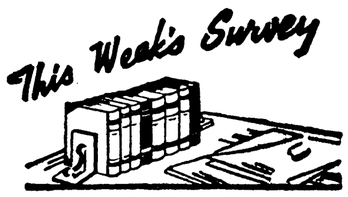
India's Resolution

The representative of India at the United Nations has introduced a resolution on the accelerated flow of capital and technical assistance to the developing countries. The resolution has the support of Afghanistan, Burma, Ceylon, Ghana, Indonesia, Iraq, Nigeria, the United Arab Republics, Yugoslavia, Chad, Nepal, Pakistan, Sudan and Yemen. It urges the urgency and importance of accelerating the economic and social development of the developing countries for the maintenance of world peace and security and the promotion of better understanding among peoples. It has been very well received.

The resolution suggests that all countries, as a matter of national policy, contribute about one per cent of their national income to aid the developing countries. This outflow of funds, according to the resolution, "could be through private or public channels, either bilaterally, or multilaterally, or through international organisations, such as the U.N." It suggests that the present contributions of fully industrialised countries is insufficient to quiet the nerves of the developing countries and to keep peace. It reiterates several times that the outflow of international assistance to the developing countries should be increased substantially to reach as soon as possible about one per cent of the combined national incomes of the economically advanced countries. (*Delayed in transit*).

STATE BUDGETS—A CORRECTION

On page 380 of our last issue, figures relating to the budgets of eight State Governments were presented in a tabulated form. The figures of total receipts and expenditure pertain to both capital and revenue accounts. In the case of Andhra, the total expenditure is Rs. 122.18 crores and not Rs. 112.18 crores as printed therein. As regards the deficits shown in the table, the deficits of Andhra, W. Bengal, Jammu and Kashmir and Bihar are overall deficits. In the case of other States, the exact resources on the capital account are not clear from the Press reports on which our analysis had been based.



ECONOMIC SURVEY OF ASIA

THE United Nations Economic Commission for Asia and the Far East (E.C.A.F.E.), which is now holding its seventeenth session in New Delhi, has issued its usual economic survey of the region. The present survey covering 1960 highlights the significant uptrend in industrial production which registered an increase of 15 per cent in the first half of 1960 over the average level of 1959. As compared with the second half of 1959, this represented an increase of 11 per cent. What, however, detracts from the significance of this industrial performance in the region as a whole is that it was due mostly to two countries—Japan, accounting for more than half of the increase, and India, for about a quarter. The gains made by other countries were, therefore, relatively modest. Even such modest gains do not seem to have been secured by most of these countries in the sector of agricultural production, for the increase here in 1959-60 was only about one per cent as compared with 1958-59, when production had increased by 7 per cent over the previous year. It is, however, found that, in recent years, food production as such has risen a little faster than population. This finding is, however, accompanied by the statement that "the *per capita* levels of total food supply in the region are still far too low, and are inadequate to maintain the health and welfare of the population." The statement underlines the need for greater effort in producing more and better food from the nutritional point of view.

The E.C.A.F.E. survey this time is more notable for its special study covering public finance in the region in the post-war period. A major finding of this study is that State participation in economic development has increased significantly since 1950 under varying conditions of planning in the different countries. The share of the public sector in overall national expenditures, for instance, rose from 16 per cent in 1950 to 20 per cent in 1958 in Ceylon, from 16 to 33 per cent in Mainland China, from 25 to 31 per cent in Taiwan, from 8 to 14 per cent in India, from 16 to 19 per cent in Japan, from 10 to 10.5 per cent in the Philippines, and from 11 to 12 per cent in Thailand. There are some variations, albeit slight, in these figures when Government expenditure is presented as a percentage of gross national product as in the following table:

Country	1950 or the year within brackets	1958 or the year within brackets
Burma	15	28
Cambodia	12 (1951)	14 (1957)
Ceylon	19	26
China (Mainland) ..	16	33
Taiwan	25 (1951)	33
Malaya	9	19 (1957)
India	9	16
Indonesia	16 (1951)	20
Japan	24	26
Korea (South)	13	24
Pakistan	10	15
Philippines	11	11
Thailand	11	14

Noteworthy in the above figures is the fact that the share of the public sector in the gross national product in India is relatively less than in Japan which is a free enterprise economy although in either country this share has nearly doubled since 1950. It must, however, be noted here that the growth of public expenditure in Japan has been due to the high proportion (30 per cent) of expenditure on social services. India, on the other hand, has economised on social spending and devoted a higher proportion of public expenditure to transport, communications, irrigation, power and industrial undertakings. In the region as a whole, public investment in the 'infra structure' and expenditure on social services have increased considerably; only Mainland China and India have given priority to the development of heavy industries. In Burma, Taiwan and the Philippines, there has even been an opposite trend in recent years—a trend away from Government investment in favour of private enterprises.

While, by and large, Government expenditure in the E.C.A.F.E. countries has been on the increase, Government revenue, too, has increased in volume between 1951 and 1958. This latter increase is the greatest in the centrally-planned economy of Mainland China where Government revenue now accounts for a third of the country's national product. In Burma, Ceylon, Taiwan and the Federation of Malaya, Government revenue represents anything between one-sixth and one-quarter of national income, while, in the rest of the E.C.A.F.E. region, it is only between 11 per cent and 13 per cent of national income. The progress in revenue collection is, therefore, described as generally unimpressive. The E.C.A.F.E. study has the following to say in this context:

"Contrary to what has been generally believed, taxable limits—whatever they are—have not been reached in the newly developing countries which indeed possess a revenue potential sizably greater than what they have so far exploited. . . . The failure of Governments of the region to increase revenue in proportion to the increase in their expenditure resulted in most countries in the emergence or enlargement of their budget deficits. Under certain limited conditions budget deficits were in no way antithetical to the pursuit of the objectives of long-term economic growth; but, in many countries and over most of the post-war period under consideration, budget deficits were a contributory factor to inflationary conditions."

The conclusion of the E.C.A.F.E. study, so far as tax effort is concerned, is not applicable to India, which, it is acknowledged even by the authorities of the World Bank, has been taxing its people at a heavy rate.

The policy of financing budget deficits by money creation undoubtedly carries with it an element of risk—the risk of increases in the cost of living, wages and cost of production—unless, of course, the magnitude of such deficits is kept within reasonable limits and is adjusted periodically to take the changing economic climate into account. At the same time, the E.C.A.F.E. study has also warned against the fiscal objective of reducing inequalities of income and wealth through excessive taxation of the rich. Such taxation, it is conceded, has led to extremes in some cases and seems to have encouraged tax avoidance. The conclusion, it would appear, is that, if income taxes are pitched at a moderate level, there will be less tax evasion and tax avoidance and greater incentive for saving, investment and production, all leading to more revenue to Government.

WEST GERMAN AID TO INDIA

West Germany's offer of DM 400 million (Rs. 45.5 crores approximately) as aid to India during the first year of the third Plan is yet another evidence of that country's continuing interest in India's development efforts. Although W. Germany joined the ranks of nations giving assistance to India only lately, since 1958 to be precise, it has already become the fourth largest helping country, next only to the U.S., the U.S.S.R. and the U.K. Total assistance pledged by W. Germany to India so far, including the present one, aggregates Rs. 155.67 crores, mostly in the form of credits to facilitate payment for import of machinery and equipment from W. Germany.

A distinguishing feature of the present offer, the agreement relating to which is yet to be signed, will be that a part of it will be "untied" loans which could be utilised for purchases in any part of the world. Out of the DM 400 million, about DM 230 million would be for repayment of loans which India owes to certain W. German firms participating in the Rourkela steel project. India could pay back this loan to the W. German Government after eight years. Of the remaining DM 170 million, as much as DM 100 million would be made available immediately and would be repayable over a period of fifteen years. The balance of the credit would be made available in due course.

W. Germany is also reported to have promised to help India to obtain the necessary credit for the second stage of the expansion of the Rourkela steel plant which is estimated to require a foreign exchange expenditure of DM 450 million. It would appear that the green signal for going ahead with placing orders for machinery and equipment has already been given by W. German authorities.

Since India receives aid from various countries, there is an understandable temptation to compare the terms and conditions of aid received from one country with those obtained from another. Surely, one cannot measure the degree of friendship between the aid-giving and receiving countries in terms of the rate of interest charged on loans or the conditions of repayment, because these are determined by the capacity of the individual countries and the level of interest rates in them. But, as a debtor country, which intends to repay every cent it borrows, India has surely got to keep an eye on repayment obligations too. Looked at from this angle, W. German credits have been costlier than those given by others. West German credits to India have usually carried an interest rate of over 6 per cent, as compared with those charged even by the World Bank which have ranged from 3½ to 6 per cent. This is because of the high rates of interest prevailing in the German capital market. It must, however, be admitted that West German plant and machinery have been highly competitive in terms of price and quality, though a part of this advantage may now be lost by the revaluation of the D-mark by nearly 5 per cent early this week. Then, there is also the possibility of a decline in West German interest rates in future.

AUTOMOBILE INDUSTRY

In his speech at the sixteenth annual general meeting of the Premier Automobiles Ltd., Mr. Lalchand Hirachand, Chairman, touched on some problems pertaining to the automobile industry in general, besides dealing, at some length, with the progress, present and prospective, of his own company. While referring to the general problems of the industry, Mr. Hirachand welcomed the new automobile policy recently enunciated by Mr. Manubhai Shah, Minister for Industry, with particular reference to commercial vehicles. The chief elements of this policy, incidentally, are that the existing vehicle manufacturers who are not producing their own diesel engines at present will be allowed to manufacture them, that the licence of Automobile Products of India Ltd. for manufacturing Meadows diesel engine will be transferred to Premier Automobiles, while Simpson & Co., now manufacturing the Perkins diesel engine, will be given a manufacturing licence for commercial vehicles, that each of the five commercial vehicle manufacturers will have the freedom to expand its production and make any model it likes, and that the Government will provide enough foreign exchange for capital investment in regard to the expansion programme while restricting the foreign exchange requirement for importing parts and components and raw materials to the present level. Mr. Hirachand's welcome to this policy is also appropriate from the point of his own company, for it will be able to manufacture not only the Meadows engine but another engine of its own choice which will be more suitable for its vehicles. The new policy has also encouraged the company to decide in favour of expanding its present production capacity of 3,000 trucks per annum on single-shift basis to 15,000.

But the policy regarding car manufacture is not yet fully clarified and so Mr. Hirachand was unable to say definitely at the meeting whether the company would be allowed to produce 100 cars a day in two shifts so that it might be able to bring down substantially the price of the Fiat car. In this context, his plea "that the existing manufacturers should be afforded every opportunity to utilise the growing demand for an increased volume of production and consequent lowering of prices" was understandable. But it did not amount to a strong condemnation of the Government's project to produce a low-cost car in the public sector. Obviously, Mr. Hirachand thought that any further criticism of the small car project would be pointless, all the more so because the Government had categorically stated that the project would be implemented in the public sector. His own company, according to him, can look forward to a share of 20,000 cars a year in the estimated total production in the third Plan period, of 40,000 units of the present models.

That takes the subject from the general level of the automobile industry to the particular level of the Premier Automobiles. Mr. Hirachand's reference to the expansion project of his Company in respect of both trucks and cars shows that this project would involve a further capital expenditure to the tune of Rs. 25 crores. He said that it was rather too early to indicate the exact manner in which finances of this order would be found. He, however, thought that a part of the resources might be obtained from the U.S. Development Loan Fund and that the Company might increase its capital too. It is to be hoped that the Company will succeed in its endeavours to launch the expansion project for increasing its installed capacity fourfold in respect of cars and fivefold in respect of trucks. That the Company is in a favourable position now to attract fresh capital is indicated by its good financial performance in the past year and a half and the popularity which the Company's shares have been enjoying in recent months among investors.

ON THE ARENA

By The Archer

Consumer Co-operative Societies

THERE seems to be a great deal of confused thinking on the role of consumer co-operative societies in holding the price line for consumer goods, and acting as the only available corrective for the anti-social activities of dealers and retailers who take advantage of every convenient situation to charge unwarranted premiums on the prices of articles. During the course of his speech in Parliament on 20th April 1960, the Finance Minister is reported to have said: "As mentioned in my budget speech, the exemption (from income-tax) hitherto enjoyed by co-operative societies rested on the consideration that the societies were formed for the promotion of thrift and self-help among agriculturists, artisans and persons of limited means. However, of late, co-operative societies have widened their fields of activity and are carrying on business transactions on a large-scale with non-members." Arising from this view, the Finance Act of 1960 made consumer co-operative societies whose business profits were in excess of Rs. 15,000 per year, liable to income-tax. The theory that "business profits" should be taxed, whatever be the nature of the enterprise, is, I concede, an orthodox one in the field of public finance, but many such orthodox theories have undergone modification in the light of the modern concept of a Welfare State. The entire scheme of co-operative enterprise is based on the twin assumptions of self-help and service above self, and envisages the management of such enterprises by experienced honorary workers of proven integrity and competence, free from the profit motive. The increasing emphasis on encouragement of co-operative enterprises in every sector of national and economic activity in a Welfare State is directly traceable to the assumption that the baser motives arising from greed and avarice which lead to economic exploitation will not have free play in such enterprises. And, theoretically at any rate, it is possible to ensure this, provided the right type of people are found to undertake their management, and the spirit of co-operative endeavour is kept alive.

Viewed against this broad background, the levy of income-tax on the business profits of consumer co-operative societies is not unassailable, because (*a*) such societies are brought into existence only to carry on trading activities on as large a scale as is necessary to meet the needs of the area which they serve and each situation as it arises, and there can be no absolute or arbitrary standards for the size of their transactions, which should be purely relative to the effective achievement of social objectives; (*b*) as the societies will be working on the barest of profit margins, they should be allowed to retain them in entirety, limiting dividends to shareholders to a low percentage, and allowing accumulations of profits as reserves to mop up losses or provide subsidies, and (*c*) the management, which will consist of honorary workers, most probably of a mature age group should be free from having to undertake responsibility for submitting time-consuming tax returns, while the paid executives should concentrate on effective performance of routine duties relating to procurement, sale and distribution which can be extremely onerous during most of the year.

A second item of confused thinking is in regard to the scope of operation of these societies. The view appears to be that they should confine their sales only to their members and exclude outsiders. This view could, perhaps, be sustained on the basis that that is one effective way of increasing membership strength, but there are weightier considerations which should be taken into account for permitting unlimited scope for the operations of consumer co-operatives. I have already stated that they are the surest correctives to artificially inflated prices, provided their operations are properly conducted. Secondly, the best way to make them broad-based in membership is to widen their activities and scope, restricting a share of profits to members only. The larger their trading activities, the better will they be accepted by the community and the lesser will be their overhead charges per transaction. Further, in normal day-to-day working, it would be impossible to shut out most articles (except those that are rationed) from reaching non-members through purchases made in the names of members. In accordance with the wise principle that no rule should be promulgated, unless it can be effectively enforced, it would seem advisable to lift the embargo on consumer co-operatives effecting sales to non-members.

In pursuance of the policy of restricting operations to members, it would seem that, in some of the States of the Union, consumer co-operative societies are not allowed import licences for more than Rs. 20,000 per year and, within this limit, for not more than Rs. 2,000 per item. These small limits would appear to be based on the assumption that the societies serve only persons of slender means and need not, therefore, be enhanced. The fallacy in this assumption is that co-operative enterprises are looked upon as intended for the poor and indigent only, while, in a Welfare State aiming at a socialist pattern of society, they can, indeed, be used to set the pattern for a way of life which will be free from the wickednesses resulting from artificial manipulations in supply and prices of commodities. In this context, it would seem that the ceiling fixed at Rs. 20,000 is much too small, and, in any case, the condition that sales of imported commodities should not be effected to non-members is unsustainable. Subject to the need for conserving foreign exchange being observed, consumers in general feel that there is a good case for liberalising imports of essential articles to the larger consumer co-operative societies and allow them to play their part in holding the price line of commodities, and evenly distributing them. The "established trade channels" have, in most cases, forfeited the confidence of consumers to such an extent that all reference to "best years' imports" and such like to fix import quotas seem out of place under existing conditions.

* * * *

Bankers to Meet

Leading bankers in the country have been invited to Delhi to meet the Finance Minister and discuss ways and means of strengthening the banking structure to meet the increased demand for credit during the present busy season. It is the view of the Governor of the Reserve Bank that one of the reasons why the money market was very tight was that deposits of commercial banks were not advancing as rapidly as they should. Government and the Reserve Bank are both anxious to have the banking industry so organised (reorganised?) as to instil sufficient confidence in the public to deposit their surplus moneys into banks. One of the schemes being considered in this context is to effect the amalgamation of small banks with large ones, and another is to have the capital of banks and their reserves to be so increased as to bear a better proportion than at present to their total deposits. I hope some fruitful discussion will take place at the conference and that representatives of banks who attend the meeting will give out their experiences, assessments and suggestions and not sit tongue-tied. Most of our bankers are strong and silent men—a little too silent even when they know that their cause will suffer by default of representation.

I have been keeping my ears and eyes open and find that there are two reasons for the depletion of deposits in the banking system. One is a general lowering of confidence in all but the top few banks as a result of the frequent public discussion of the "strengthening measures" which the Government and the Reserve Bank propose to undertake. No one who deals with any bank would like to face a moratorium. Everybody likes the feel of money and what gives most satisfaction to anyone is assurance of access to his savings without any impediment. The recent promulgation of moratoriums in the case of some banks, however justifiable they may be to suit the exigencies of the situations which necessitated them, has resulted in making many people take steps to avoid being caught unawares. These have been aggravated by persistent suggestions of more amalgamations being inevitable for purposes of rationalisation. Amalgamations may be one way of securing depositors' interests, but not the only way; and, in any case, moratoriums are available, if the preceding steps are taken secretly, cautiously and swiftly. Time was when thinking on the subject of small banks to serve the limited needs of small areas was very different from what it is now. And, even now, there is a very knowledgable section which believes that small banks can be very effectively administered, if restraint is observed on their expansion and scope of advances. Several of the considerations that apply for promoting small-scale industrial units apply to small-scale banks also. A doctrinaire approach to the question, influenced by recent happenings, is therefore not advisable. A second reason for depletion of bank deposits is the increasing practice of investors to offer time deposits to industrialists at rates much higher than what banks offer. On the one hand, industrial enterprises are unable to obtain their full requirements of finance from banks, and, on the other, rates for advances made by banks keep on increasing by half per cent every now and then, current rates ranging from six per cent to eight and a half per cent on acceptable security of raw materials, commodities or finished goods. A private depositor is easily content with a six per cent return for his money payable annually. The arrangement is mutually advantageous, the loser being the banker who is left with a shrinkage in deposits as well as in advances.

The question of deposit insurance is also expected to be discussed at the Delhi meeting. It would be a good thing, if an agreement is reached on the view that the scheme should effect the creation of an integrated organisation which would undertake periodical inspection, control interest rates, approve or disapprove proposals for branch expansion, consolidation or amalgamation, and generally take over all the regulatory and supervisory functions which are now vested in the Reserve Bank. Opinion appears to be divided on the question of charging premium rates according to the ability to pay, but there is no getting away from the fact that pragmatic considerations point to a system under which the larger banks will have to bear the brunt of subscribing to the insurance fund.

One matter which needs clarification relates to Section 45 of the amended Banking Companies Act which, briefly stated, empowers the Reserve Bank to prepare a scheme (in the national interest or in the interests of the country's banking system) for the amalgamation of one bank with another, make such modifications in it as it considers necessary in the light of suggestions and objections received from both banks, and, on the final sanction of the Central Government, the scheme shall be binding on both banks and on all the members and creditors thereof. There is nothing in this section to indicate that compulsion may not be used, and while one can reconcile oneself to compulsion as being inevitable in the case a bank in distress, one cannot view with equanimity the possibility of a contended and conservative bank being forced to enter into an alliance of one-sided convenience, even in the national interests or in the interests of the country's banking system. I feel that the Reserve Bank should be required to observe the normal proprieties of a good parson, and ask the question "Wilt thou, AB bank take this woman XY bank, to be thy lawful wife, etc.," and obtain a loud "Yes" as answer before pronouncing them as man and wife.

* * * *

Barking Dogs Don't Bite!

Mr. Morarji Desai's assurance to the Finance Consultation Committee about certain excise duties reminds me of the well-known story of the dog owner that told the visitor who was frightened when his dog barked at him that barking dogs don't bite, and got the answer "You know the proverb, I know the proverb, but does the dog know the proverb?" The excise duty on superior kerosene was increased by 46 per cent, and the Finance Minister is reported to have given the assurance that the common type of oil used as cooking fuel in stoves will not be affected. And yet, we see that prices have gone up for all grades of oil, and the oil companies seem to be doing nothing about this. Dealers are collecting unauthorised excess profits of about seven per cent on the common grade of kerosene. The same is the case with all brands of cigarettes, coffee and tea, and the increases which have taken place seem to bear no relation to the increase in duty proposed in the budget. What is happening now is nothing new, and it will be much worse in the years to come when more and more articles are subjected to excise duties. The wise man of the future will be the one who stockpiles most of the excisable articles early in February each year so as to be able to carry on without fresh purchases during March. Intelligent anticipations will have their due reward.—*All Rights Reserved.*

IMPLICATIONS OF TAXATION PROPOSALS

INDIRECT TAXES INFLATIONARY—NEED FOR PROMOTING PERSONAL SAVINGS AND ENTREPRENEURSHIP IGNORED

By Professor Russi Jal Taraporevala

THIS article analyses the economic, legal and other implications of the changes in indirect and direct taxation proposed by the Finance Minister of the Government of India, Mr. Morarji Desai, in his Budget for the year 1961-62 and introduced in the Finance Bill, 1961.

According to the *Draft Outline of the Third Five-Year Plan,* the Central Government is expected to raise Rs. 1,100 crores through additional taxation during the coming five years. The Finance Minister has made a start in attempting this huge target of additional taxation by proposing in the Budget for 1961-62 new taxes which are expected to bring in additional revenue amounting to Rs. 63.87 crores during the coming year. Thus, the cumulative effect over the next five years of the new taxes imposed in the Budget will be to raise revenues of more than Rs. 300 crores during the third Plan period, if the yields from the new taxes in the coming years do not diminish from the estimated levels for 1961-62. Indeed, in the author's opinion, the revenues from the new taxes are likely to exceed the Budget estimates by a substantial margin.

Additional Indirect Taxation

The Finance Minister has proposed additional indirect taxation through the levy of customs duties and excise duties which are expected to yield additional revenue of Rs. 60.87 crores. Thus, most of the additional revenues sought to be raised during the coming year is through indirect taxation. The emphasis on indirect taxation during the third Plan has become inevitable, because the level of direct taxation has been raised to the point at which there is no scope and certainly hardly any revenue potential in the field of direct taxation left for exploitation during the coming years.

The Finance Minister has imposed indirect taxes on a large number of goods and commodities. His main goal has been to raise the revenues necessary for the third Plan. He has also attempted to tailor his indirect taxation measures to promote certain other goals of economic policy. Thus, in the case of certain commodities, he has attempted to restrain consumption by the imposition of indirect taxes in the hope presumably of introducing an element of forced personal savings thruogh this fiscal measure among the masses in the country. In the case of those commodities where a restraint on the consumption has been attempted, it is expected that the prices of these commodities will rise as a result of the levy of indirect taxes on them, so that new taxes will have a definite inflationary effect on the internal price levels. In the case of certain other commodities, where there is an acute scarcity and where the traders and manufacturers are supposed to be making excessive profits as a result of scarcity by charging the maximum prices which the market will bear, the Finance Minister has imposed duties in the hope that the burden of such indirect taxation will fall on the traders and manufacturers in so far as they will not be able to increase further the prices of such commodities. It is, however, rather doubtul if the Finance Minister's expectations in this respect are likely to be fulfilled. It is quite likely that some of the indirect taxes imposed with this end in view may, nevertheless, be passed on to consumers in the form of higher prices of such commodities. The Finance Minister has also realigned and adjusted certain other indirect taxes, in order to prevent certain arbitrary and undesirable economic effects which were occurring as a result of the existing structure of indirect taxes. Overall, the Finance Minister has spread his net wide and has tried to introduce indirect taxes which, he hopes, will cause the minimum economic hardships to the masses and yet raise the resources for the third Plan.

Customs Duties

The Finance Minister has raised the rates of customs duties on no less than 41 items. He has lowered the export duty on tea in order to stimulate the exports of this commodity, which earns substantial foreign exchange for the country. The additional revenue expected as a result of the increase in the rates of duty on various items is Rs. 31.27 crores. If the loss of Rs. 2 crores in revenue as a result of the reduction in the export duty on tea is taken into account, the net additional revenue, taking all the Budget proposals into account, is expected to be Rs. 29.27 crores. Table A shows the different goods and commodities on which customs duties have been increased together with the additional revenue expected during 1961-62 as a result of the Budget proposals. The table includes only such items as are expected to yield additional revenues in excess of Rs. 10 lakhs during the year. The various goods and commodities have been classified under three broad categories, namely, consumption goods, industrial raw materials and capital goods. The table includes items from which the total additional revenue expected comes to Rs. 27.57 crores, so that it excludes only a few miscellaneous items which are expected to yield less than Rs. 10 lakhs each in revenue and altogether around Rs. 3.70 crores in total revenue during the coming year.

Table A shows that the total additional burden of new customs duties on consumption goods amounts to Rs. 7.24 crores, on industrial raw materials to Rs. 10.14 crores and on capital goods to Rs. 10.19 crores. Thus, less than one-third of the total burden of the new customs duties will fall on consumption goods, so that the immediate inflationary impact of these duties will be minimised to that extent. However, two-thirds of the total burden of the additional customs duties will fall on industrial raw materials and on capital goods which will thus substantially inflate the cost structure of Indian industry. An inflation of the cost structure of Indian industry to the extent of over Rs. 20 crores per year in respect of industrial raw materials and capital goods is bound to exert a substantial upward pressure on domestic price levels and also hamper the export ability of Indian industry by raising its costs to excessively high levels in the long run.

Excise Duties

The Finance Minister has proposed increases in the excise duties on 14 commodities and has levied excise duties on 17 new commodities. The total additional revenues expected as a result of these changes during 1961-62 comes to Rs. 30.90 crores.

Table B shows the various goods and commodities on which the burden of new or additional excise duties will fall during 1961-62 as a result of the Budget proposals. The table classifies the various items under three broad categories, namely, consumption goods which are necessities, consumption goods which are luxuries and amenities, and industrial raw materials and capital goods. The table shows that the total additional burden of excise duties on consumption goods which are necessities of life comes to Rs. 11.20 crores or a little more than a third of the total burden of the new excise duties. The excise duties on necessities are bound to result in an increase in the prices of these goods and commodities and will have an inflationary impact on the economy. The table shows that the total burden of the new excise duties on consumption goods which are luxuries and amenities comes to Rs. 3.57 crores in the year. Therefore, the total burden of the new excise duties on all types of consumption goods comes to Rs. 14.77 crores, or approximately half of the total additional revenue sought to be raised through excise duties. The table shows that the additional burden of excise duties on industrial raw materials and capital goods amounts to Rs. 16.13 crores for the coming year. It will be seen that the list of items under this classification constitutes almost entirely industrial raw materials so that these levies will have an annual impact of pushing up the costs of Indian industry in excess of their existing levels. Such an upward movement in industrial costs is bound to lead to inflationary pressures in the economy and may also hamper exports.

The new indirect taxes proposed by the Finance Minister are bound to involve certain hardships and sacrifices for the masses in the country through their inflationary impact on domestic price levels. The Finance Minister has justified his new taxation proposals and the sacrifices which they may involve as being necessary to promote the economic development of the country and put through the third Five-year Plan. It must be admitted that he has chosen his indirect taxation measures skilfully, has spread his net very wide by covering a large number of goods and services so that incidence of indirect taxation on any particular product or commodity has been kept at the minimum. Thus, the burden of the new indirect taxes will be thinly spread over vast segments of the economy and will not penalise or hurt only one industry or commodity. To this extent, the Finance Minister must be congratulated for having produced indirect taxation proposals which are relatively moderate in their likely impact on various classes of the community.

Additional Direct Taxation

The Finance Minister has proposed certain changes in the direct taxation levied on individuals and corporations which are expected to bring in an additional revenue of Rs. 3 crores. Whilst the figure of Rs. 3 crores may, on cursory reading, appear small, especially in relation to the total burden of additional indirect taxes imposed in the Budget amounting to Rs. 60.87 crores, it must be stressed that the increase in direct taxation is being imposed on top of a structure of direct taxation of which the burden had already become so excessive that the reasonable limit of taxable capacity had been passed long ago. Indeed, even the official *Draft Outline of the Third Five-Year Plan* has recognised that the rates of direct taxation has reached an excessively high point at which further increases in revenue could not be attempted on any substantial scale by increasing the rates of tax. It thus states that "as regards income and corporation taxes, further increases in yields will have to be sought mainly through a tightening of tax administration, watch on the expenditure accounts of companies, and other measures to check tax evasion." Thus, when viewed in the context of the existing structure of direct taxation, the increase in the burden of direct taxation on individuals and companies amounting to Rs. 3 crores as proposed by the Finance Minister, will result in a substantial increase in the marginal burden of direct taxation. This could lead to important adverse economic effects on savings, investment and the growth of entrepreneurship in the country. The various detailed changes in direct taxation as proposed by the Finance Minister and contained in the Finance Bill, 1961, may now be examined.

Increase in Personal Income-tax

When the wealth and expenditure taxes were introduced in 1957, the rates of income-tax (including super-tax) payable by individuals were lowered by a token amount and differential rates were introduced in respect of earned and unearned incomes. Thus, the maximum rate of income-tax and super-tax payable on earned income of individuals was fixed at 77 per cent and the maximum rate in the case of unearned income was fixed at 84 per cent. The differential between the rates of tax on earned and unearned incomes was introduced by the levy of a surcharge and the then Finance Minister, Mr. T. T. Krishnamachari, had defended his Budget proposals for these rates by stating that "it is necessary to recognise that the basic rates should apply to the person who earns his income, that is, sweats and toils for it, and that others who derive their income from property and investments, that is, without making any direct effort, should be made to pay more by a surcharge." In the latest Budget, Mr. Morarji Desai has proposed an increase in the maximum rate of income-tax and super-tax on earned income above Rs. 1 lakh from the existing rate of 77 per cent, introduced in 1957, to a new rate of 80.5 per cent. In his Budget speech, he has tried to defend this increase in the burden of income-tax on individuals by stating that "the justification for a differential treatment in favour of earned income, however, diminishes as the income and with it the capacity to pay increase and I consider that earned incomes above Rs. 1 lakh should be subjected to tax at a rate nearer to that at which unearned income is taxed." This claim of the Finance Minister is, however, inapplicable in the context of the present structure of direct taxation levied on individuals in India, besides being in conflict with the claims of Mr. T. T. Krishnamachari in the Budget speech of 1957.

As a result of the introduction of various direct taxes on individuals, such as the Wealth Tax, the Expenditure Tax, the Capital Gains Tax and the gift tax, during the second Plan period, the total burden of these direct taxes has today reached a point at which it confiscates the entire annual income and in some cases even portions of the capital of persons in the upper slabs of income and wealth. Statistical computations, which I had published in various articles contributed to *Commerce* and other papers since 1957, clearly show that the maximum amount which an individual can retain out of his unearned income after paying only the income-tax and the wealth tax amounts to between Rs. 25,000 and Rs. 30,000 per year. These maxima are reached in the case of individuals owning between Rs. 10 and Rs. 15 lakhs net wealth. Persons having income and wealth in excess of these amounts retain out of their annual incomes progressively decreasing total amounts after paying only income-tax and wealth tax. Beyond a certain point, the income-tax and wealth tax not only confiscate the entire annual income but also portions of the capital of individuals in the upper slabs of income and wealth. Moreover, the levy of Expenditure Tax, the Capital Gains Tax, the Gift Tax and Estate Duty, in addition to this burden of direct taxes imposed on individuals, has created a situation in which the mere capacity to save, to invest and to take risks or undertake entrepreneurial activities of the upper classes has been extinguished. A further increase in income tax levied on earned incomes in the top slabs as now proposed by the Finance Minister is totally unjustified in the context of the prevailing taxation of individuals. It is bound to have further disincentive effects in relation to personal savings and investment in the economy.

Changes in Computation and Tax Treatment of Income

The Finance Minister has proposed a number of detailed changes in the computation and tax treatment of the income of individuals and companies for the purposes of the Indian Income-tax Act. The detailed implications of these various changes are outlined in the following paragraphs:

Tax Exemption for Foreign Technicians

The Finance Minister has proposed two changes which are aimed at encouraging the flow of technical know-how and personnel into the country, in order to stimulate its industrial development. Under the existing Income-tax Act, foreign technicians whose contracts of services had been approved by the Central Government before they commenced working in India were exempt from tax in respect of salaries received by them for the financial year of their arrival in India and two subsequent financial years. This exemption could apply for periods ranging from 24 to 36 months depending upon the arrival of the foreign technicians in India. The Finance Bill, 1961, proposes that the exemption from tax of salaries received by such foreign technicians be available for a period of three years from the date of their arrival in India. It is also provided that for a further period not exceeding 24 months, if the tax in respect of the salaries of such foreign technicians is paid to the Central Government by their employers, such tax will not be included in the technicians' total incomes for the purposes of the Indian Income-tax Act. These changes are welcomed as necessary, in order to ensure the flow of essential technical personnel needed for the industrialisation of the country.

It may, however, be pointed out that these exemptions have become all the more necessary, in view of the fact that the burden of direct taxation of personal incomes in India far exceeds that prevailing in most other countries of the world, so that it would probably be impossible for us to attract essential technical personnel into the country without such concessions. Perhaps, it would have been desirable to include within this exemption a limited number of essential management personnel and staff, especially at the present time, when we are keen to attract foreign capital and enterprises into the country. One of the important deterrents to the setting up of new manufacturing enterprises in India by foreign companies is their difficulty in attracting to India suitable managerial personnel and staff, in view of the excessive burden of direct taxation imposed within the country, especially as compared with the tax burdens prevailing in other countries of the world.

Reduced Tax on Foreign Royalties

The Finance Minister has proposed a small concession in respect of the income-tax and super-tax levied on royalties paid by Indian enterprises to foreign companies. The present rate of tax on such royalty payments is 63 per cent, which, as the Finance Minister has admitted in his Budget speech, "is higher than the rate in any other country." The Finance Minister stated that "the incidence of this high rate of tax is borne in the last analysis by our own industry, because the foreign interest concerned naturally asks for a rate of royalty which would give an adequate return to it after deduction of taxes. In order to enable Indian industry to secure technical collaboration on more favourable terms. I propose to reduce the tax on royalties payable on agreements approved by the Central Government after the 31st March 1961, to 50 per cent. This is a step in the right direction, though the quantum of the concession is not substantial.

The reduction in the rate of tax on foreign royalties to 50 per cent still leaves the rate at a level far in excess of that prevailing in most countries of the world. Thus, a report on *Taxation and Foreign Investment* of the National Council of Applied Economic Research shows that, out of 33 important countries, only two levy a rate of tax of 50 per cent or more on foreign patent royalties, excluding India. The National Council had, therefore, recommended that taxation of foreign patent royalties be reduced to around 30 per cent of such royalty payments. Whilst welcoming the reduction in the rate of tax on such payments as proposed by the Finance Minister, it is regretted that the rate has not been reduced to a point which would make it comparable with the rates of tax levied on such payments prevailing in other countries. It must be recognised that the levy of tax on foreign patent royalties at the high rate of 50 per cent will act as a very substantial obstacle in the country's efforts to attract essential technical "know-how" for industrialisation.

Sports Associations

The Finance Bill, 1961, provides for exemption from tax on incomes of associations or institutions established in India totally for controlling, supervising, regulating or encouraging the games of cricket, hockey, football, tennis and such other games or sports as may be specified by the Central Government from time to time in the official *Gazette.* This tax concession for the promotion of sports was overdue and the Finance Minister must be congratulated for having introduced it.

Gratuities of Defence Services

The Finance Bill, 1961, provides for the exemption from tax in respect of retiring gratuity received after 1st June 1953 by members of Defence services under the New Pension Code. This concession to members of our Defence services who risk their lives for the security and safety of the nation will be heartily welcomed. It is, however, regrettable that, in amending Section 7 of the Indian Income-tax Act to provide for this exemption, the Finance Minister has not yet remedied the very serious injustice under which employees in the private sector suffer from having to bear the full burden of tax levied under this section on their retirement gratuities. The present discrimination under the section as between Government employees who are not taxed on their gratuities and employees in the private sector who shoulder the full tax burden on such gratuities paid to them by their employers is totally unjustified. It imposes an inequitable burden of tax on many poor and middle class employees in the private sector on their retirement when they are in most need of money and should have been removed.

Housing

The Finance Minister has recognised the urgent need to stimulate the growth of housebuilding activity in the country. He has, therefore, provided that the annual value of each residential unit comprised in a building should be reduced by the amount of the annual value or Rs. 600 whichever is less for a period of three years from the time of completion of the building in the case of new buildings constructed after 31st March 1961 and let out to tenants. Since income from buildings is taxed on the basis of the annual value for the purposes of the Indian Income-tax Act, the new provision represents a small concession in the burden of income-tax on rentals received by landlords in respect of new buildings constructed after 31st March 1961. This concession is introduced through clause 5 in the Finance Bill, 1961. Unfortunately, the drafting of the clause is rather vague, in so far as the definition of the "residential unit" within a building is concerned. Presumably, the residential unit could refer either to different flats or even to different rooms in the same building which are let out to different tenants. Further, it is doubtful if this small concession is likely to stimulate the growth of building industry which has been retarded in recent years as a result of the tremendous rise in the land values, substantial increases in the cost of building materials, the fixation of rents at uneconomically low level in many of the urban areas, through various pieces of legislation like the Rent Acts and heavy taxation by the local authorities.

Houses for Low-Paid Employees

In a laudable effort to encourage business undertakings to provide residential accommodation for their low-paid employees, the Finance Minister has proposed the allowance of an initial depreciation at the rate of 20 per cent. of the actual cost of buildings constructed for providing accommodation to employees drawing not more than Rs. 200 per month. This allow-

TABLE A: *New Customs Duties,* 1961-62

CONSUMPTION GOODS	Additional annual revenue expected 1961-62 (Rupees in lakhs)	INDUSTRIAL RAW MATERIALS	Additional annual revenue expected 1961-62 (Rupees in lakhs)	CAPITAL GOODS	Additional annual revenue expected 1961-62 (Rupees in lakhs)
Fruits, dried (salted and all other kinds) not otherwise specified ..	17	Tobacco, unmanufactured ..	89	All sorts of iron and steel manufactures thereof not otherwise specified ..	1,05
Cardamoms, Cassia, Cinnamon, Cloves, Nutmegs and Pepper ..	11	Sulphur ..	13	Aluminium manufactures, not otherwise specified ..	30
Betelnuts ..	57	Certain chemicals, drugs and medicines (mainly chemicals) ..	18	Machinery not otherwise specified..	3,00
Brandy, Gin, Whisky and other spirits ..	16	Paints, colours and painters' materials all sorts not otherwise specified ..	10	Textile machinery and apparatus..	21
Textile manufactures not otherwise specified ..	68	Rubber, raw ..	32	Component parts of machinery ..	2,50
Hardware ..	31	Paper, all sorts not otherwise specified ..	40	Electrical instruments, apparatus and appliances not otherwise specified ..	55
Kerosene ..	4,80	High carbon steel strips of thickness .5 mm. or below ..	13	Motor cars including taxi cabs ..	13
Patent and proprietary medicines not containing alcohol ..	16	Railway material for permanent way and rolling stock ..	46	Instruments, apparatus and appliances other than electrical all sorts not otherwise specified ..	45
Refrigerators and parts thereof ..	28	Component parts of railway material ..	47	Certain types of machinery and component parts thereof ..	2,00
		Newsprint in reels, unglazed or machine finished ..	38		
		Paper and paper board ..	16		
		Rayon and synthetic fibres and yarn ..	4,01		
		Soda ash ..	27		
		Caustic soda ..	56		
		Coal tar dyes ..	120		
		Plastics, all sorts and cellophane ..	37		
		Certain manufactures of copper and copper alloys ..	11		
Total ..	7,24	Total ..	10,14	Total ..	10,19

TABLE B: *New Excise Duties,* 1961-62

CONSUMPTION GOODS: NECESSITIES	Additional annual revenue expected 1961-62 (Rupees in lakhs)	CONSUMPTION GOODS: LUXURIES AND AMENITIES	Additional annual revenue expected 1961-62 (Rupees in lakhs)	INDUSTRIAL RAW MATERIALS AND CAPITAL GOODS	Additional annual revenue expected 1961-62 (Rupees in lakhs)
Cotton fabrics ..	4,97	Silk Fabrics ..	3	Unmanufactured tobacco ..	2,18
Kerosene ..	2,84	Woollen fabrics ..	16	Diesel oil, not otherwise specified..	1,33
Tea ..	1,98	Rayon and artificial silk fabrics ..	35	Paints and varnishes ..	30
Coffee ..	38	Cosmetics and toilet-preparations..	40	Rayon and synthetic fibres and yarn ..	1,69
Vegetable Product ..	80	Glass and glassware ..	95	Soda ash ..	19
Matches ..	3	China and porcelainware ..	65	Caustic soda ..	28
Patent of proprietary medicines ..	20	Wireless receiving sets ..	35	Glycerine ..	7
		Refrigerators and parts thereof ..	28	Coal tar dyes ..	67
		Manufactured tobacco ..	40	Plastics ..	40
				Cellophane ..	10
				Cotton twist, yarn and thread ..	5,20
				Woollen yarn ..	35
				Copper and copper alloys ..	72
				Zinc ..	8
				Air-conditioning machinery ..	20
				Paper ..	2,37
Total ..	11,20	Total ..	3,57	Total ..	16,13

ance will be given as a deduction for computing the taxable income or profits of business undertakings which construct such buildings after 31st March 1961. This fiscal measure for encouraging the private sector to build residential accommodation for its poorer employees deserves to be welcomed.

Tax Reform to Promote Building

Whilst welcoming the two concessions outlined above, introduced by the Finance Minister to stimulate the construction of new buildings for residential accommodation in the country, it must be pointed out that these *ad-hoc* concessions are likely to have only a limited impact. Since the necessity for promoting the rapid construction of new residential buildings, especially for the middle and poorer classes, is now recognised, it is essential that the entire taxation of property or buildings under the Indian Income-tax Act, be reconsidered and reformed. The present method of taxing income from buildings on the basis of the annual value should be abandoned. The income derived from buildings by landlords should be computed in a fashion similar to the computation of income or profits from a business. In order to stimulate the construction of new buildings, tax exemption of income derived from new buildings upto say, 6 per cent of their total cost per year may be allowed for the first five years after their construction as is done in the case of new industrial undertakings under Section 15C of the Indian Income-tax Act. Accelerated depreciation allowances can be given in respect of buildings in computing the taxable income of landlords. In short, if the growth of building construction in the country is to be stimulated, what is needed is not so much short-term and *ad-hoc* concessions as a complete reappraisal of the direct taxation of incomes and even wealth from the ownership of properties by individuals and companies. Construction of houses should be treated as an important industry and put on the same footing for tax purposes as other industries in the country.

Development Rebate

Under the existing Income-tax Act, a development rebate at the rate of 25 per cent of the cost of new plant and machinery installed after 31st March 1954 was allowed as a deduction for computing the taxable profits of a business. The rate of development rebate in the case of ships was fixed at 40 per cent of the cost of the ships. The Finance Minister has now proposed that the development rebate be allowed at a reduced rebate of 20 per cent of the actual cost of new plant and machinery installed after 1st April 1961. However, ships acquired after that date will continue to get a development rebate at the same rate as before, that is, 40 per cent. The Finance Minister has given no reason or justification for this arbitrary reduction in the development rebate allowed to businesses and industries. The development rebate was originally introduced in order to encourage the rapid expansion of industry and the setting up of new industrial units in order to accelerate development within the country. The reduction in the rate of development rebate as proposed by the Finance Minister will increase the burden of direct taxation on business profits by increasing the taxable profits as computed under the Indian Income-tax Act. Moreover, this step, combined with the increase in the duties levied on machinery under the indirect taxes proposed in the Budget, will hit industries simultaneously in an adverse fashion in two respects: Their capital costs of new plant and machinery will increase on account of the enhanced duties levied on machinery and, simultaneously, the tax burden will increase as a result of the reduction in development rebate. The reduction in the rate of development rebate can only be explained as a pure revenue measure and has no economic justification.

An improvement in the granting of development rebate in certain special cases has been proposed in the new budget. Under the existing Income-tax Act, the benefit of development rebate was lost if the assessee transferred the plant and machinery on which the rebate was allowed before expiry of ten years from the date when it was installed. Unfortunately, plant and machinery was deemed to have been transferred even where companies amalgamated and in cases where firms were converted into limited companies. Thus, the benefit of development rebate was lost merely on account of a reorganisation in the form of business enterprise in such cases. This was obviously inequitable and, under the 1961 Finance Bill, it is provided that, subject to certain conditions, where a company is amalgamated with another company or where a firm is converted into a private limited company, plant and machinery on which development rebate was admissible to the predecessor will now be allowed to be transferred by the predecessor to the successor. This means that the development rebate already allowed to a company will not be lost if it amalgamates with another company but will be transferred to the new company with which the amalgamation takes place. Similarly, where a firm is converted into a private limited company, the latter will get the benefit of any development rebate which would have been admissible in respect of the plant and machinery taken over from the original firm. The new Finance Bill thus removes a defect in the original provision of the sub-section granting development rebate. As amalgamations between companies and conversion of firms into private companies usually lead to adoption of better forms of organisation in order to improve the efficiency of businesses and industries, it is wrong to penalise such changes in organisation by withholding the benefit of development rebate as is done under the existing law. The new provisions of the Finance Bill are, therefore, to be welcomed as being in keeping with the ends for which the development rebate was introduced, namely, to promote the growth of industry, especially on efficient and modern lines.

There is, however, an odd omission in the new sub-section proposing this reform, in so far as it does not cover the cases of firms which are converted not into private limited companies but into public limited companies. It is necessary that the exemption for allowing transfer of the benefits of development rebate be extended also to cases where firms are converted into public limited companies. It is hoped that the Finance Minister will take note of the need to introduce such an amendment when the Finance Bill comes up for discussion.

Concessions for Financial Corporations

The Finance Minister has proposed that, in the case of approved financial corporations engaged in providing long-term finances for industrial development in India, an amount not exceeding 10 per cent. of the total income will be allowed as a deduction in computing their taxable income if such an amount is appropriated to a special reserve account. This concession will be available to the financial institutions only so long as their paid-up capital (excluding capitalised reserves) exceeds the amounts carried to the reserve account from time to time. This is a welcome step, in that it recognises the essential role played by various financial institutions and also the need for them to build up substantial reserves over a period of time. The need of these institutions for getting certain tax concessions was lucidly stated by Mr. G. L. Mehta, Chairman of the Industrial Credit and Investment Corporation of India Limited, in his latest annual statement to shareholders, thus:

> "We have represented to the Government that the present tax system bears heavily on finance institutions of which there are about twenty at present, which do not benefit from the various tax incentives like development rebate and tax holiday made available to manufacturing concerns. It would, therefore, be equitable to extend to these institutions tax concessions as has been done in some countries. In view of the need to encourage the saving and investment habit in the country and in recognition of the catalytic impact of finance institutions on industrial development, I trust the Government will see its way to extending these reliefs to finance institutions."

Presumably, this concession will only apply to a few financial institutions like the Industrial Finance Corporation of India, the various State Finance Corporations and the Industrial Credit and Investment Corporation of India Limited. However, in order to encourage the growth of financial corporations for providing long-term capital to Indian industry, the Government should consider extending the concessions granted in this section even to companies like the Investment Corporation of India Limited and the Industrial Investment Trust Limited, which, in their role as investment companies, provide a substantial volume of funds for new industries through underwriting the shares of new companies and also subscribing to the shares of various new industrial companies in which a substantial waiting period is inherent before any returns can be expected. There is an urgent need in India today not only to encourage the growth of companies and institutions which provide investment funds for industries but also for the creation of newer forms of organisation like unit trusts for channelling the savings of the community, especially small savings, into investment in sound industrial enterprises. It is, therefore, to be hoped that the scope of this concession will be extended to investment companies in the private sector and also that new tax concessions will be announced which are necessary in order to promote the growth of unit trusts in India.

Entertainment Expenditure

In his Budget speech, the Finance Minister observed:

> "During recent years, there has been a growing tendency on the part of companies and their directors and executives to entertain on a lavish scale at the expense of companies. While a certain amount of entertainment is unavoidable and indeed necessary in the interest of the business of the company, such expenditure quite often is out of all proportion to the benefit to the company. This ostentation and extravagance have an unhealthy effect on the society and go ill with the need for economy and our ideal of social equality. This state of affairs is partly facilitated by the fact that such expenses are counted as business expenditure for the purpose of tax. In order to correct the situation, without penalising expenditure on a reasonable scale, I have proposed that entertainment expenses in the case of companies should be admissible within specified limits as expenditure for the purpose of tax."

In a poor country like India, it would be universally agreed that flagrant ostentation, extravagance and unnecessary entertainment expenses should be curtailed as far as possible. Nevertheless, it must be pointed out that, under Section 10 of the existing Income-tax Act, entertainment expenditure is allowed as a deduction in computing the taxable profits or gains of any business, profession or vocation only if it is proved by the assessee that such expenditure was "laid out or expended wholly and exclusively for the purposes of such business, profession or vocation." Thus, in cases where entertainment expenditure is out of all proportion to the benefit therefrom to the business, profession or vocation, as suggested by the Finance Minister, the tax officials have the power and indeed used it vigorously to disallow such entertainment expenses.

It is now proposed under the Finance Bill, 1961, to place severe limits on entertainment expenditure allowed as deduction for computing taxable profits or gains. The relevant clause in the Finance Bill, 1961, provides that "no expenditure in the nature of entertainment expenditure shall be allowed in the case of an assessee other than a company." This represents a totally unjustified discrimination in favour of companies against other forms of business organisations like sole proprietorships, partnerships and all other professions and vocations. As a result of the changes proposed by the Finance Minister, sole proprietorships, partnerships and professional persons will not be allowed to deduct entertainment expenses for computing their taxable incomes, even though the nature of their trade, business or profession may necessitate the incurring of such entertainment expenditure, whereas their rivals who have adopted a corporate form of organisation will enjoy a special advantage in this respect under the provisions of the Finance Bill, 1961.

Moreover, it must be borne in mind that, in a number of professions and in certain types of businesses, it is impossible to adopt a corporate form of organisation, because of certain professional or institutional restrictions. The new tax provisions discriminate heavily against all such cases in respect of the deduction of legitimate entertainment expenses. If entertainment expenditure is to be limited for the purposes of taxation, there is no reason or justification for restricting the benefit of allowing entertainment expenditure as a deduction for tax purposes only to companies. Such a deduction should be allowed to all businesses, professions and vocations.

Limits Too Low

The Finance Bill under reference lays down the maximum amounts of expenditure in the nature of entertainment expenses which will be allowed as deductions for computing the taxable incomes of companies. It is provided that, on the first Rs. 10 lakhs of the profits or gains of the business, entertainment expenditure at the rate of 1 per cent or Rs. 5,000 whichever is higher will be allowed. On the next Rs. 40 lakhs of profits and gains of the business, entertainment expenditure will be allowed at the rate of ½ per cent and on the next Rs. 1.20 crores of profits and gains of the business, entertainment expenditure at the rate of ¼ per cent will be allowed. Thus, the minimum allowance for companies is fixed at Rs. 5,000 in respect of entertainment expenditure. Companies making Rs. 10 lakhs profits will be allowed entertainment expenditure of only Rs. 10,000, companies making Rs. 50 lakhs profits will be allowed a maximum expenditure on entertainment of Rs. 40,000 and companies earning profits of as much as Rs. 1.70 crores or more will be allowed entertainment expenses amounting to a total of only Rs. 1 lakh per year. It is apparent that the maximum limits fixed for the allowance of entertainment expenditure in computing taxable profits are extremely low and indeed niggardly. They are totally inadequate, considering the normal expenditure which most companies would have to incur as the bare minimum necessary for the continuation and progress of their business. The application of the proposed limits of entertainment expenditure will merely mean an arbitrary increase in the taxable income of companies through the disallowance of entertainment expenditure which may be absolutely necessary for their business.

Again, the new provisions restrict the deduction of entertainment expenditure for computing taxable profits only to those companies which make profits or gains in the particular assessment year. Companies making losses will not be allowed to deduct entertainment expenditure for computing their tax losses to be carried forward to subsequent years. There are many businesses and industries in which a certain minimum level of entertainment expenditure is necessary annually whether they make a profit or a loss and where the nature of the business is such as to involve substantial fluctuations in profits over a period of time so that there may be substantial profits in some years and even losses in other years. It is obviously incorrect to link entertainment expenditure as a legitimate deduction for tax purposes to the profits of a particular year. Such a provision will severely and adversely affect many companies making losses in certain years, especially new companies which, in the first few years of their operation, can rarely show profits and yet which may need a high level of entertainment expenditure merely in order to get a foothold in their markets or in their respective industries.

It is, therefore, recommended that the sub-section restricting entertainment expenditure in the Finance Bill, 1961, be amended on the following lines:

Entertainment expenditure should be allowed as deduction for tax purposes not only to companies but also to other forms of business, professions and vocations. A minimum amount of entertainment expenditure should be allowed as a deduction irrespective of the accounts showing a profit or a loss in a particular year. The limits of entertainment expenditure should be revised upwards substantially in excess of the limits presently provided. Whilst they may be linked with profits and size of the business, as measured by the capital invested in it and/or the turnover, special provisions should also be made for giving allowances for entertainment expenditure in the case of certain types of businesses which may involve a higher level of entertainment expenditure as being necessary in view of either competitive conditions or acute selling problems or other special circumstances. Even though some steps may be initiated to curb ostentatious or excessive entertainment expenditure, the approach to the problem should not be rigid but should be flexible enough to take into account the legitimate and necessary needs of various businesses, professions or vocations for such expenditure.

Incentives for Building Hotels

The Finance Minister has extended the benefit of the five years' tax holiday under Section 15C of the Indian Income-tax Act which was available for new industrial undertakings to the hotel industry which has so far not been covered by the section. Hotels which start functioning after 1st April 1961 will be able to get the benefit of this tax concession, provided they satisfy certain conditions laid down in the Finance Bill, 1961. It may be pointed out that some of these conditions are rather onerous and unnecessary. Thus, to get the benefit of this tax exemption, a new hotel must be owned and run by a company registered in the taxable territories and with a paid-up capital of not less than Rs. 5 lakhs. This condition discriminates in favour of hotels run by companies and excludes from the scope of tax concession new hotels which may be set up by sole proprietorships or partnerships. There is no justification whatever for this discrimination. It has also been provided that, in order to qualify for the new tax exemption, a hotel must be run in premises owned by the company, must have such number of types of guest rooms and provide such amenities as may be prescribed, having regard to the population and the tourist importance of the place in which the hotel is located, and be for the time being approved for the purpose of the new sub-section by the Central Government. These provisions, therefore, give considerable scope for arbitrary application of the new tax exemption on the part of the Government.

The new tax concession to the hotel industry must be welcomed as it is expected to provide an incentive for the building of hotels which are intended to cater mainly to the tourist traffic earning foreign exchange. It is, however, recommended that some of the arbitrary and onerous provisions which have to be fulfilled by a hotel in order to get the benefit of the tax concession be amended so as to include within its scope all *bona fide* new hotels in the country.

Taxation of Dividends Covered by Section 15C

Under sub-section 4 of Section 15C of the Indian Income-tax Act, personal income-tax and super-tax were not payable by shareholders on dividends received by them from the industrial undertakings where such dividends were paid out of profits covered by Section 15C. The new Finance Bill has proposed the insertion of an explanation under the sub-section which now states that the amount of dividend in respect of which the tax is not payable under this sub-section shall be computed in accordance with such rules as may be made in this behalf by the Central Board of Revenue. The official notes on the clauses of the Finance Bill 1961 and the other budget papers do not give any reason why this explanation has been inserted. The original sub-section 4 of Section 15C of the Indian Income-tax Act was quite clear and it is hoped that, by the insertion of this extension, the Government will not assume discretionary powers which will deprive shareholders of the advantages of tax exemption available under this section, especially in the case of companies of which only a portion of the taxable income is covered by Section 15C.

Charities and Section 23A

The Finance Bill 1961 provides that, with effect from 1st April 1960, the provisions of Section 23A of the Indian Income-tax Act under which the private companies and closely controlled public companies are forced to distribute statutory percentages of that taxable profit annually, or in the case of a default, to pay a severe penalty super-tax, will not apply to companies of which at least 75 per cent of the share capital is held by an institution or fund established in the taxable territories for charitable purposes. Presumably, it has now been realised that where such companies as have hitherto been covered by Section 23A are controlled up to three-fourths of their capital by charitable institutions or funds, there is no point in applying the provisions of Section 23A to them, since these provisions were aimed at preventing evasion of personal income-tax which would not occur in the case of such companies. The exclusion from Section 23A of these companies is welcome.

Section 23A and Small Companies

It is regrettable that the Finance Minister has not amended the provisions of Section 23A of the Indian Income-tax Act in order to exclude from its scope small and medium-sized companies. The application of Section 23A retards the normal growth of many of these companies by forcing them to distribute large percentages of their annual profits. Moreover, it even places a virtual ceiling on the growth of such companies, because it provides that, in the case of companies where the accumulated reserves exceed the paid-up capital or the actual cost of the fixed assets whichever is greater, almost the entire annual profits have to be distributed by way of dividends. These companies find it extremely difficult, if not impossible in many cases, to raise fresh capital from the new issue market. Their borrowing powers are also limited. The main source of fund for the expansion of such companies is through ploughing back their profits into the business. To the extent Section 23A prevents them from freely ploughing back their profits into the business, it places them in a seriously disadvantageous position as compared with the large public companies which are free to plough back their profits unfettered by the provisions of Section 23A.

It is one of the accepted goals of Governmental and planning policy in India that small business should be encouraged to grow so as to check any undue concentration of economic power in the country. If this goal is to be pursued seriously, the Government must amend Section 23A of the Indian Income-tax Act so as to exclude from its scope at least small and medium-sized companies. It should be provided that the provisions of the section would not apply to companies having a paid-up capital of, say, less than Rs. 10 lakhs. This reform is urgently needed in the context of the third Five-year Plan in which the Government has announced its intention of creating conditions under which a large number of comparatively small and medium *entrepreneurs* will be able to avail themselves of the new business opportunities during the next five years.

Refractories Included Under Section 56A

The Finance Bill, 1961, has proposed a change under which refractories will be added to the list of industries covered by Section 56A of the Income-tax Act under which dividends received by companies from other companies are totally exempted from corporation tax, if the paying companies are included within the list of industries specified in the section. This amendment recognises the importance of refractory industry to the Indian economy and is to be welcomed as a measure which will encourage its future growth and progress.

Corporate Taxation

In the field of corporate taxation, the Finance Minister has introduced two important changes: the bonus tax on companies has been reduced and the super-tax on inter-corporate dividends from subsidiary companies has been increased.

Bonus Tax

The Finance Minister has proposed that the rate of tax payable by the companies on the value of bonus shares issued by them is to be reduced from 30 per cent to 12½ per cent. While this reduction in the rate of tax is welcome as it is a step in the right direction, it must be stressed that the continuation of bonus tax on the statute book is a grave injustice in company taxation. There is no justification whatever for the levy of the bonus tax on companies, except, perhaps, on grounds of revenue consideration and it is regretted that the Finance Minister has missed the opportunity of abolishing this tax.

The bonus tax was originally introduced in 1956 by Mr. C. D. Deshmukh, the then Finance Minister, who had justified it at that time on the ground that it was necessary in order to prevent companies from evading the excess dividend tax by increasing their paid-up capital through capitalisation of their reserves by issuing bonus shares. It was pointed out that even this official justification for the bonus tax was unsound, because the provisions of the excess dividend tax could have been so framed as to prevent the evasion of the tax during the issue of bonus shares. The excess dividend tax on companies was abolished last year, so that today the original official justification for the bonus tax has ceased to exist. Nevertheless, the Finance Minister has stubbornly refused to abolish the bonus tax, even though its inequity and its various adverse consequences have been repeatedly pointed out by many, including research bodies, economists, tax experts, etc. The bonus tax discourages the ploughing back of profits into the business and the building up of large reserves. Even the Finance Minister in his latest Budget speech has said that "capitalisation of reserves and of premium on shares is an important device to ensure that a company does not dissipate its reserves through higher dividends. The super-tax payable by companies on bonus issue has, it would appear from recent experience, discouraged this process." Even though the Finance Minister has thus admitted the adverse economic effects of the bonus tax and the need for encouraging companies to plough back their profits, he has only made a half-hearted attempt to remedy the existing unsatisfactory situation by reducing the tax on bonus shares from 30 per cent to 12½ per cent. The continuation of bonus tax even at the rate of 12½ per cent is totally unjustified and only revenue considerations continue to make the abolition of this tax unpalatable to the Government. It is to be hoped that the glaring injustice of the bonus tax will be soon fully recognised by the Government, so that it is swept away from the statute book.

Inter-corporate Taxation

The Finance Minister has proposed to abolish the existing difference in the rates of super-tax as between inter-corporate dividends received from subsidiary and non-subsidiary companies. In explaining the rationale of his new tax proposals in this respect, he said in the Budget speech:

> "Under the law as it stands, there is a concessional rate of super-tax on dividends received by a parent company from its subsidiary, while inter-corporate investment on a minority basis is taxed at a higher rate. I feel that we should not, through our tax laws, encourage the formation of subsidiaries. Consistently, with our broad social objectives, our tax laws should help to enlarge rather than restrict the scope for public participation in all joint-stock companies. I have one more consideration in mind. Because of the more favourable treatment given to income derived from subsidiaries, foreign investors in Indian companies are tempted to ask for a majority holding. The

tax on a minority share-holding by a foreign company is substantially higher than on an Indian company with a minority investment. The investment of foreign capital can make a major contribution to our programmes of industrial development. We do not, rightly, give any tax concessions to the foreign investor as such. At the same time, we should not impose a higher tax on inter-corporate investment from outside which comes in with Government's approval than on similar Indian investment. Having regard to all these considerations, I propose that the rate of super-tax on dividends paid on inter-corporate investment, whether Indian or foreign, and whether on a majority basis or a minority basis, should be fixed at 20 per cent. In order that this change does not affect investments already made under different assumptions, the new rate of taxation will apply to investment in companies formed after 1st April 1961."

The Finance Minister's step in abolishing the discriminatory rates of inter-corporate taxation as between dividends received from subsidiary companies and non-subsidiary companies is welcome, as there is no justification for the position that has been obtaining in this respect.

As a result of the abovementioned changes companies receiving dividends from other companies will continue to pay the normal 20 per cent non-refundable income-tax on them. But no super-tax will be payable on dividends received from companies covered by Section 56A of the Income-tax Act which exempts from super-tax dividends received from companies operating in certain specified industries. In all other cases, super-tax will have to be paid in respect of inter-corporate dividends. The effective rates of super-tax on dividends received by various companies are summarised thus:

Dividends received from	Rates applicable to companies which have made the prescribed arrangements for declaration and payment of dividends in India		Rates applicable to companies which have not made the said prescribed arrangements
	Companies in which public are substantially interested and whose total income does not exceed Rs. 25,000	Other companies	
1	2	3	4
1. A subsidiary Indian company formed and registered before 1-4-1961	10	10	10
2. An Indian company, other than a subsidiary, formed and registered on or after 1-4-1959 but before 1-4-1961	15	20	33
3. An Indian company, other than a subsidiary, formed and registered before 1-4-1959	20	25	43
4. Any Indian company formed and registered on or after 1-4-1961	15	20	20

Item 4 above states the change introduced in the Finance Bill, 1961.

It will be seen from the above table that there are different rates of super-tax on inter-corporate dividends and that far from simplifying the structure of inter-corporate taxation, the change proposed by the Finance Minister has merely added a new rate of tax to companies registered after 1st April 1961. As a result of the adoption of this new rate of super-tax of 20 per cent applicable to dividends received from any Indian companies formed and registered after 1st April 1961 (except companies where the public are interested and whose total income does not exceed Rs. 25,000 for which a lower rate of 15 per cent is fixed), the total burden of inter-corporate taxation will not be reduced to any extent. Indeed, the change is more in the nature of increasing the rate of super-tax paid on inter-corporate dividends from subsidiary companies to a higher level similar to the rate of tax paid on dividends from non-subsidiary companies.

There was an urgent need to simplify the structure of inter-corporate taxation and to substantially reduce the burden of tax on dividends received from inter-corporate investments. Even as a result of the change proposed in the Finance Bill, 1961, the structure of inter-corporate taxation will remain as complex as ever, with the continuation of a number of different rates of super-tax for various companies as shown above. What should have been done was abolition of all these different rates of super-tax and adoption of one rate of super-tax payable on all dividends from inter-corporate investments, applicable as from 1st April 1960.

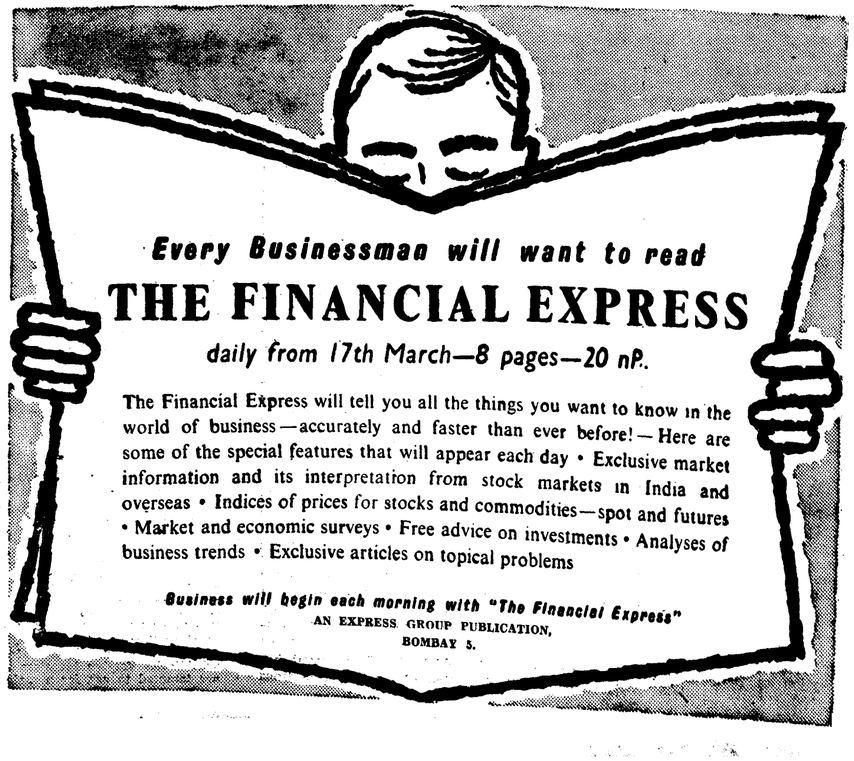
Tax on Inter-corporate Investment Excessive

The existing rates of tax on dividends received in respect of inter-corporate investment are excessive and strongly penalise the investment of surplus funds by companies in other companies. Even taking into consideration the new rate of super-tax on inter-corporate investment of 20 per cent, as fixed by the Finance Minister for companies formed on or after 1st April 1961, the total burden of tax, including the tax paid by the companies declaring their dividends and the tax paid on dividends by the receiving companies, comes to 67 per cent of the original gross profits of the companies declaring the dividend. The total tax burden of 67 per cent, and even more in some cases, is obviously of a magnitude which strongly discourages inter-corporate investments. There is a great need in the country today to encourage inter-corporate investments in various companies, and not necessarily in subsidiary companies, so as to stimulate the setting up and growth of new industrial units. Moreover, as a result of the recently adopted policy of the Government under which companies are not freely allowed to extend own fixed block assets in order to enter lines of manufacture different from their original field of activity, it is essential that inter-corporate investments should be encouraged, so that companies having surplus funds will invest the same in new industrial companies without being excessively penalised by the tax structure. It is, therefore, recommended that an overall rate of 10 per cent be adopted for the super-tax payable by companies on all dividends received by them in respect of their inter-corporate investments.

Most other countries of the world offer substantial tax concessions in respect of inter-corporate dividends, in order to stimulate the setting up of new industrial companies in their countries. Thus, the tax levied in the U.S.A. is only at 15 per cent on inter-corporate dividends. The United Kingdom and Canada have totally exempted inter-corporate dividends from tax in the case of receiving companies. In West Germany, inter-corporate dividends are totally exempted from tax if the investing companies own at least 25 per cent of the capital of the companies paying the dividends. Thus, whereas most countries of the world have explicitly recognised the need for giving tax concession to inter-corporate dividends, we continue to penalise this form of investment. This must act as an important factor retarding the growth of new industrial companies. A reform in the structure and burden of inter-corporate taxation is urgently required, in order to stimulate the growth of the private sector during the third Plan period.

Conclusion

An attempt has been made in this article to show that, while the Finance Minister has made a substantial effort to raise additional taxation to finance the third Plan, he has unfortunately missed the opportunity of introducing a number of reforms in the structure of taxation, especially in direct taxation, which are urgently required for stimulating a larger rate of personal savings and their investment in industries. It is to be hoped that such reforms will be introduced at the earliest possible opportunity. The article also shows that the provisions of the Finance Bill, 1961, require amendment in a number of respects, with a view to making the tax proposals reasonable and equitable. The Finance Minister will, therefore, be well advised to amend the Bill appropriately.



THE WORLD FACING A LIQUIDITY CRISIS?

AN AMERICAN ANALYSIS

[For sometime past, some eminent American economists have been asserting that, apart from the current balance of payment difficulties of the U.S., the world as a whole may soon be confronted with a liquidity crisis, which would hamper the growth of international trade. Even President Kennedy referred to these fears in his message to the Congress on balance of payments and gold on 6th February and disclosed that he had given instructions to the top-level officials of the U.S. Treasury to examine measures for improving the existing international financial institutions. In view of the crucial importance of the subject, we are reproducing on this page a comprehensive discussion of the problem from the latest Monthly Letter (March 1961) of the First National City Bank of New York. Besides analysing the relevant issues, the Monthly Letter subjects to a close scrutiny the views of Professor Robert Triffin and others, who are the main propounders of the "liquidity crisis" idea.—ED.]

ONE hears more and more discussion of the idea that the world is facing a liquidity crisis or, in plainer English, running short of money. President John F. Kennedy, in his 6th February message on balance-of-payments and gold, took note of these apprehensions and directed that the Secretary of the Treasury promptly initiate studies of measures to improve international monetary institutions:

> Increasing international monetary reserves will be required to support the ever-growing volume of trade, services and capital movements among the countries of the free world. Until now the free nations have relied upon increased gold production and continued growth in holdings of dollars and pounds sterling. In the future it may not always be desirable or appropriate to rely entirely on these sources.
>
> We must now, in co-operation with other lending countries, begin to consider ways in which international monetary institutions—especially the International Monetary Fund—can be strengthened and more effectively utilised, both in furnishing needed increases in reserves, and in providing the flexibility required to support a healthy and growing world economy.

At the same time, the President observed that the United States has never made use of its rights to draw on the International Monetary Fund (I.M.F.) to meet deficits in its balance of payments and stated that: "If and when appropriate, these rights should and will be exercised within the framework of Fund policies." These drawing rights provide a ready-made device for checking excess dollar accumulations by specific other countries. The United States could draw out of the Fund, in exchange for dollars, the currencies of such countries, for sale in the foreign exchange market. This would be a way of exploiting the new strength of European currencies and economising on gold reserves. The I.M.F., thus, would become the holder of the excess dollars for use when nations abroad run short again.

Foreign Governments and their central banks, in the aggregate, have gold and dollar reserves swollen beyond any previous experience—a result of the oversized U.S. balance-of-payments deficits. The recent worry has been that the United States itself would run short of reserves. But there is not yet any critical shortage here. As the President explained, the U.S. gold reserve is more than 1½ times foreign official dollar holdings, more than 90 per cent of all foreign dollar holdings, and some two-fifths of the gold stock of the entire free world. Beyond this, as he pointed out, we have the drawing rights on the I.M.F. of $4.1 billion, debts of strong European countries to the U.S. Government of $2.9 billion, and private short-term assets abroad estimated at $4.5 billion.

A Plentiful Supply

In short, the world has a plentiful supply of reserves. In time, of course, the shoe may pinch, particularly if the nations indulge inflation as a way of life. But in that eventuality something ought to pinch, to remind governments of their responsibilities to protect the value of money and to awaken business and trade-union leaders to the follies of wage-price spiraling.

Nevertheless, the idea has been bruited about for some years now that governments and central banks as a general matter lack sufficient reserves to tide them over temporary periods of adversity in their balances of payments. The I.M.F., as the responsible world organisation in this area, published a reassuring study of *International Reserves and Liquidity* in August 1958. Despite a subsequent 50 per cent increase in the Fund's resources, and enlarged deficits in the U.S. balance of payments leading to excess dollar accumulations in a number of countries abroad, people keep on saying that the world is headed for a liquidity crisis. To avert this, Professor Robert Triffin of Yale proposes that the 68 members of the I.F.M. should shift more of their gold and all of their exchange reserves into an expanded I.M.F. which would become a supercentral bank with powers to issue its own money to be held by member countries as official reserves.

News despatches report that the question is being discussed actively among Treasury officials and central bankers in Europe as well as in Washington. The Congressional Joint Economic Committee has displayed an eager interest. Heads of at least two leading British banks have expressed themselves favourably.

The International Chamber of Commerce, on the other hand, in a report adopted 22nd February, expressed confidence in the stability of the U.S. dollar and, while continuing study of the question, went on record against any "far-reaching" revisions in the present monetary system. The Managing Director of the I.M.F., Dr. Per Jacobsson, writing on 6th November 1959 to Senator Paul Douglas, Chairman of the Joint Economic Committee, stated that he could detect no overall problem as far as international liquidity is concerned, although some individual countries have still to achieve balance in their international accounts:

> Such balance cannot, in my opinion, be attained or even facilitated by the introduction of any new expedients, but only by the appropriate measures being taken by the countries concerned, together with such international assistance as may be needed in individual cases.

Referring to the super-central bank plan offered by Professor Triffin, Dr. Jacobsson confessed that he personally could not see any value in the scheme and expressed the opinion that it was "impractical" and might even be "positively harmful."

The Triffin Plan

Professor Triffin has a substantial reputation as a student of international finance and has served as financial advisor to a number of Latin American countries and also to the European Payments Union. He regards the Western world as facing an awkward dilemma: if the United States should fail to straighten out its balance of payments, confidence in the dollar would be shattered and a run on gold provoked; if we succeed in balancing our payments, the main source from which the rest of the world has been rebuilding its gold and dollar reserves would be dried up. If the world escapes the Scylla of an American liquidity crisis, it is bound to fall into the Charybdis of an international liquidity crisis.

Professor Triffin has testified before the Joint Economic Committee on two occasions and a year ago published a book fearfully entitled *Gold and the Dollar Crisis*. In testimony before the Joint Economic Committee in December, however, Professor Triffin expressed confidence that the U.S. balance-of-payments problem would be solved and switched emphasis to a coming liquidity crisis for the rest of the world. He would greatly enlarge the functions and the powers of the I.M.F. and make it more definitely a super-central bank.

The I.M.F. we already have was conceived during World War II to provide a flexible new machinery for accommodating international financial settlements. It actually serves as a supercentral bank, although it has the structure of a clearing union. Funds contributed by member countries are called "subscriptions" rather than "deposits." In borrowing, a nation puts in more of its own currency and takes out other currencies. The I.M.F. lacks formal power to create money but nevertheless has wide latitude to make funds available to its members.

Dr. Oscar Altman, of the I.M.F., who has written a scholarly critique has identified Triffin's proposed fund as "X.I.M.F." Its currency, for brevity, we might label X-dollars. These X-dollars would be held only by central banks and used among them in settling balances of international payments. The 68 member nations would be required to put reserve funds on deposit with X.I.M.F. For the United States this would mean turning over gold. For other nations it would mean turning over gold and convertible currencies, principally dollars. Thus short-term liabilities of the United States to foreign governments and central banks would become liabilities to X.I.M.F., subject to gradual repayment. The idea is that the dependence of the world monetary system on the dollar and sterling as reserve currencies would first be reduced and, with the passage of time, eliminated.

The X.I.M.F., thus launched, would proceed to create X-dollars to permit a controlled increase in total currency reserves, perhaps 3 to 5 per cent a year. The X.I.M.F.'s loans and investments would create income to permit payment of interest on deposits.

Ratios of Reserves to Imports

Professor Triffin rests his arguments that reserves are inadequate on an analysis of percentages of currency reserves to imports. He figures that the proportion of reserves to imports for countries outside the United States and the United Kingdom reached a hundred-year low of 25 per cent in 1957, having been declining "at a rather alarming pace" since the end of 1954. Including the U.S. and the U.K., Professor Triffin states that the ratio in 1957 was at its lowest point since the Twenties, and at only half the level of the late Thirties. Of course, as Triffin observes, the ratio in the Thirties was abnormally high, resulting from widespread devaluations and catastrophic decline in the value of world trade.

It should be noted in passing that one lesson of the Thirties is that higher reserves do not of necessity mean more trade. And one lesson out of the period before World War I is that the world of finance can function efficiently under low ratios of reserves to trade if resistance to inflation is sufficiently strong.

Triffin insists that radical changes which have taken place in the world economy in the past thirty years demand that the ratio of reserves to imports be higher than previously. The opposite conclusion would seem more appropriate. The history of these ratios does not have much real relevance to the present international monetary order. Gold has ceased to circulate as money. Governments and their central banks deal in gold but only the United States does so on a large scale and at firmly posted prices. The twentieth century world, in practical effect, is on a dollar standard much as the nineteenth century world was on a sterling standard.

Furthermore, the I.M.F., invented at the Bretton Woods conference in 1944, has been set up with huge resources to economise on gold and lend reserves to nations in need of funds to correct imbalances in their international payments.

The idea that world trade depends directly on some aggregate of monetary reserves is of dubious validity. It overlooks the essential fact that the great bulk of trade is financed by reverse trade and capital flows. More trade does not necessarily imply more instability and thus need for more reserves. On the contrary, post-war experience suggests that world trade, having grown by leaps and bounds, is much better balanced today than has been true for a generation. Trade and other current payments are much freer, more orderly, and more multilateral. Removals of exchange controls permit private capital—the reserves of the business community—to do more of a job. In fact, a creditworthy country can carry on balanced trade without any official reserves at all.

Potentials Under the Present I.M.F.

Nothing, of course, will spare nations the trouble of balancing up their international accounts over a period of years. But it is curious that critics of the I.M.F. should be so eager to supplant the institution without first evaluating its full potential for supporting further expansion of world trade. And, if the world is so illiquid, how is it that so small a part of the I.M.F.'s assets are being called into use?

The Fund's present resources are impressive. It holds over $10 billion in gold, dollars, and other externally convertible currencies. As the *London Times* comments: "There is much more liquidity available from the I.M.F. as it is now than has ever been utilised."

Granted a ready will of the nations to cooperate, and to keep their fiscal houses in order, the possibilities of accommodating trade growth through the I.M.F. are almost unbounded. The limits on world trade are limits imposed by protectionist measures, failures of competitive power, and localised indulgences of inflation. There is no escape in new international monetary machinery from facts of life.

The course of the I.M.F. is its complexity, its statutes with a jargon of "drawings" and "currency repurchases" replacing intelligible words like loans, repayments, and deposits. It is a pity that it was made a storehouse not only of key, internationally useful currencies like dollars but also of dozens of minor currencies rarely used for international settlements. The saving grace has been the flexibility of the statutes and the wisdom of the Managing Directors. The I.M.F. has in fact been operated as a super-central bank, primarily in U.S. dollars as the table on drawings in various currencies suggests.

Gross Drawings from the I.M.F., 1947-1960

(In millions of dollars)

U.S. dollars	$3,203
Pounds sterling	297
Deutsche mark	116
Guilders	23
French francs	18
Canadian dollars	15
Belgian francs	11
Danish kroner	1
Total	$3,684

Source: International Monetary Fund.

The dollar has been the only important currency convertible over this whole period. As other currencies are made convertible, the horizon widens for drawings of other currencies.

The dream at Bretton Woods was that all currencies would be made freely convertible into one another for current transactions. If this were ever achieved the I.M.F. could never run out of money; it could finance an infinite expansion of trade. This dream has never been realised, but there has been a dramatic broadening of convertibility just within the past two or three years. The I.M.F. can take in dollars, pay out marks, and still have the same total of convertible currency reserves as before.

Only last month, the major European currencies accepted obligations under the I.M.F.'s Article VIII, which precludes members subject to its provisions from imposing restrictions on current transactions, except with the prior approval of the Fund. These currencies, along with gold and dollars, may henceforth be used to repay drawings from the I.M.F.

Professor Triffin commends an X.I.M.F. to create money to lend for economic development purposes. The I.M.F. could do this but not without wrecking its solvency. At Bretton Woods the task of financing economic development was entrusted to the I.M.F.'s sister organisation, the International Bank for Reconstruction and Development, which has extended some $5 billion of loans since its beginning in 1947. Even greater sums for development have been put up by private capital, American and European.

It was and is the I.M.F.'s job, not to finance development, but to help nations tide themselves over periods of strain on their balances of payments and to advise them on domestic fiscal and monetary policies to sustain the relative values of

(*Continued on page* 454)

COTTON PRICE POLICY FOR 1961-62

IS UPWARD REVISION OF CEILINGS NECESSARY?

AT its eighty-third meeting held at Bombay on 25th February, the Indian Central Cotton Committee considered in detail the question of cotton price policy for the 1961-62 season, the first year of the third Plan. While decontrol of cotton was not considered desirable at the present juncture with carryover stocks at a low level, the Committee agreed that revision of prices upwards would provide an incentive to farmers and thereby help the country to achieve the target set for the third Plan. The raising of the floor and ceiling prices and narrowing down the differences between floors and ceilings was suggested as having a psychological effect on the cultivator, in that he will be assured of a fair minimum return. It was, however, finally agreed that the whole question should be considered on a broader basis and not from the point of view of cotton alone. It is doubtful whether the Committee is the proper body for consideration of the question in the larger context of the price policy for all other commodities. It can, however, examine the factors that should be taken into consideration in deciding upon a particular price policy for cotton and make the necessary recommendations to the Government.

If at all there was a time appropriate for the examination of the question of cotton priee policy, it is the present one, when the current season, 1960-61, the last year of the second Plan for cotton, is fast drawing to a close and the first year of the third Plan is about to start in six months' time. It is necessary, therefore, to reconsider the question of price in the light of developments that have taken place in the past, especially in the first and second Plans, and finalise a price policy which should hold good at least for the third Plan period. The demand for an upward revision of the floor and ceiling prices has been widespread and insistent in recent years. It has been urged in some quarters that cotton should be decontrolled. It has even been suggested, in certain other quarters, though by implication, that control on cotton prices had something to do with successive failure of cotton production to reach the target. One of the most cogent arguments for decontrol of cotton was presented by Mr. R. G. Saraiya, a member of the Indian Central Cotton Committee, in his speech at the eighty-first meeting of the Committee held in February 1960. He argued that there was no justification for controlling cotton prices when there was no control on the prices of *kapas* or of cloth or of competitive crops. Quoting figures, he pointed out that, in the past few years, raw cotton prices had not gone up in proportion to the rise in the price of other commodities. The railway freight rates had also gone up, so that the net ceiling price, after deduction of freight, was Rs. 10 per candy less than the statutory ceiling. He also questioned the utility of control on cotton prices as an anti-inflationary measure. His argument was that there were no controls on the price of *kapas*, cotton seed, cloth and yarn and that railway freight and transport cost were allowed to rise. Control on cotton alone, therefore, had little effect in checking the rise in the general level of prices.

After the aforesaid points were made, the Committee, though it did not endorse the suggestion for decontrol, decided to recommend that the floors and ceilings should be raised suitably for 1960-61. This recommendation was, however, not accepted by the Government which decided only to maintain, by and large, the *status quo* in respect of the floor and ceiling prices. A few weeks ago, however, the Government raised the ceiling prices for certain varieties of higher medium-long staple.

It is common knowledge that, almost throughout the 1960-61 season, prices of ready cotton were well above the ceilings and the farmers received good prices. This sharp rise in the price of raw cotton during the last season (the index number of raw cotton prices, which was 102 in September 1959, rose to 112 in September 1960, after having touched a peak of 115 in January 1960) made up, to some extent, for the lag in cotton prices, as compared with those of other commodities. But, as production comes back to normal and prices find lower levels as they have tended to do since the commencement of the present season, the case for ensuring higher prices for cotton has been brought to the fore. But, in considering the question, it is necessary to bear in mind that the ceiling is meant to protect the interests of consumers of cotton and that the floor is designed to safeguard the legitimate interests of growers. There is no point in raising the ceilings when production is well above the demand. As for the floors, the ruling prices are far above these levels. If, however, the farmer needs to be assured that, in case production goes up still higher in the next season, he would get a minimum price that would provide a better margin of profit than is afforded by the existing floor prices, it is a matter that could be examined. In that case, the real issue to be considered pertains to the floors and not to the ceilings.

It must also be borne in mind that, unlike in the 1960-61 season, the prices of cloth and yarn for domestic consumption are also subject to price controls, that the world prices of cotton have shown a tendency to decline and that Indian cotton textiles have to compete in the world markets.

The object of raising the price of cotton is to ensure to the cultivator a higher return per acre of cultivated area. But higher return need not necessarily be the result of higher prices alone. It can as well be achieved by a rise in the yield per acre and by improving the quality of the staple. Higher yield will benefit not only the farmer, who will no doubt get a higher return from the land, but also the consumers of cloth, in that it will bring down the price of cotton as well as of cloth. It will, indeed, be a short-sighted and, in the long run, a dangerous, policy which seeks to raise the farmers' income through an inflationary rise in the price of the crop. It is not denied that the price of cotton should be such as is consistent with the rise in the cost of cultivation and the price of other commodities and the goods and services which the farmer has to buy. But it should not be forgotten that a rise in price alone would not help the farmer to improve his economic position. This was amply proved by the experience of last year when the rise in price was neutralised by the decline in output, so that the net income per acre must have remained unchanged, if not actually declined. The Indian Central Cotton Committee should, therefore, bend its energies to enable the farmer to raise the yield per acre. If it succeeds in doing that, it will have ensured the farmer a higher return, more cotton for the industry and more cloth for internal consumption and exports without adding momentum to the inflationary trends in the economy.

COTTON SCHEMES

The Indian Central Cotton Committee approved, at its eighty-third meeting held at Bombay on 25th February, the following cotton schemes:

(1) A comprehensive, model agronomic scheme each for Mysore, Uttar Pradesh, Rajasthan, Orissa and Punjab to draw up manurial schedules for recommendation to cotton growers in the respective areas.

(2) Multiplication and distribution of Cocanadas-2, a coloured cotton grown in Andhra Pradesh.

(3) The organisation of cotton research in the State of Rajasthan and centralisation of work in Ganganagar area.

(4) Establishment of a national centre at Poona for screening the cotton strains for wilt resistance.

The Committee took note of the report of the delegation of cotton research workers sent to the U.S.S.R. and decided to publish it. The success of Russian cotton growing, according to the delegation, was due mainly to two factors: (1) climatic conditions under which the cotton crop was sown and (2) adoption of improved cultivation methods.

Two methods which particularly struck the delegation were (1) the very close spacing of plants which admitted of a population of 100,000 to 120,000 per hectare (about 2½ acres) and (2) the withholding of irrigation until the plants reached the flowering stage.

The Committee decided that regions in India which possess the same or nearly the same conditions as in the U.S.S.R. might be discovered and similar methods of cultivation adopted. It was also decided that seeds of Russian cotton varieties might be obtained for trial in the different cotton-growing States.

ASSISTANCE TO SMALL INDUSTRIES

Are you a small industrialist or wish to start a small scale industry ? Various agencies have been set up to assist you in this regard as indicated below:—

1. The National Small Industries Corporation, Rani Jhansi Road, New Delhi.

- Supply of machines on easy instalment payment basis (for full details, please contact the National Small Industries Corporation (Bombay) Private Ltd., Janmabhoomi Chambers, 5th floor, Fort Street, Bombay-1).
- Securing contracts from D.G.S. & D. and Railways (for full particulars please contact the Regional Liaison Office, National Small Industries Corporation Ltd., Janmabhoomi Chambers, 5th floor, Fort Street, Bombay).
- Marketing assistance.
- Training of Artisans at P.T.C., Rajkot.

2. Small Industries Service Institute, 40/40A, Cawasjee Patel Street, Fort, Bombay-1.

- Technical advice on matters pertaining to planning, production and selection of industry including model schemes thereof.

3. State Director of Industries

- Assistance in acquiring land or factory-building in the Industrial Estate, if any, securing raw material, power, import licences etc.
- Loans under the State Aid to Industries Act.

4. State Bank of India and State Finance Corporation

- Short, medium and long term loans.

SMALL SCALE INDUSTRIES FOR THE NATION'S PROSPERITY

DA 60/868

LABOUR FORCE IN INDUSTRY SHRINKS

PROBLEM OF FINDING MEN TO KEEP EQUIPMENT WORKING TO FULL CAPACITY

From Our Special Correspondent

MANCHESTER, *28th February*

AMID the many complications of trading of cotton goods at the moment, probably the most universal headache affecting mill managements in Lancashire is the labour situation.

MANCHESTER LETTER

Considering the fears which were so widely expressed when the reorganisation scheme was launched about its effect on manpower, the whole position has been reversed. Far from a threat of unemployment, many more operatives could be given work if they were available.

Most of the big groups, as well as the smaller concerns, are in urgent need of workers; the Lancashire Cotton Corporation, for instance, has put its vacancy figure at more than 700 and other companies are searching far and wide for additional workpeople. Looking back on the manpower situation as it existed ten years ago, when the post-war boom was reaching its peak, very substantial changes have taken place in the numbers employed in the industry, as the following table shows:

	Total	Spinning	Waste spinning	Doubling	Weaving
1951					
November ..	320,680	124,630	7,330	32,240	156,680
December ..	317,750	123,820	7,320	31,650	154,960
1952					
June ..	266,050	101,400	6,610	24,360	132,680
December ..	272,230	106,070	6,970	24,490	134,700
1953					
June ..	277,970	108,310	6,990	25,800	137,370
December ..	288,180	113,190	7,250	26,780	140,960
1954					
June ..	288,580	113,120	7,100	26,470	141,890
December ..	286,460	113,410	7,150	25,210	140,690
1955					
June ..	267,350	103,820	7,050	23,080	133,400
December ..	256,080	100,130	7,070	22,250	126,630
1956					
June ..	247,900	97,640	7,250	21,580	121,480
December ..	243,330	97,780	7,300	20,900	117,350
1957					
June ..	243,460	98,590	7,580	20,980	116,380
December ..	241,160	98,750	7,630	20,560	114,380
1958					
June ..	224,380	91,810	7,320	17,600	107,580
December ..	207,990	85,920	7,420	16,270	98,380
1959					
March ..	208,540	88,320	7,200	16,070	96,450
June ..	201,520	83,280	7,060	16,370	94,860
September ..	198,780	80,490	7,050	16,770	94,490
December ..	192,220	75,510	7,280	16,730	92,710
1960					
March ..	188,890	72,890	7,310	16,710	87,480
June ..	184,450	71,870	7,220	16,780	89,100
September ..	184,410	71,210	7,270	16,460	89,470
December ..	184,790	71,580	7,250	16,080	89,880

Several points stand out in the sectional changes which have occurred since 1951. Perhaps the most interesting is the fact that, in waste spinning, the labour force has scarcely altered throughout the decade, once the 1952 setback was surmounted. On the other hand, the numbers employed in doubling have been roughly halved and current conditions in this particular branch do not indicate any early improvement. The fall of over 50,000 in the labour force available for spinning is roughly in line with the general trend throughout this period. Weaving mills have seen their manpower decline by nearer 70,000, but the original figure was comparatively larger. The manufacturing section, in fact, still represents almost half the total labour force, just as it did ten years ago.

Mill Output Up

In spite of a shrinking labour force, Lancashire spinning mills increased production appreciably last year. The Master Spinners' Federation, representing owners of about 400 spinning mills, said in its annual report that the mills had an average output of 15,390,000 lbs. of single yarn weekly at the end of the year, as compared with an average of 14,140,000 lbs. at the beginning of the year. Spinners' order books had lengthened at prices showing a fair margin of profit.

The Federation said that the improved output had been achieved, in spite of a reduction of about 7,000 in the number of spinning workers in the industry. Contrary to the fears expressed that contraction in the cotton industry would create considerable unemployment, the mills had found it difficult to attract enough labour to keep all spindles working to full capacity. The result was that, in some instances, firms wishing to introduce shift working had found it impossible. This was a problem which may be alleviated as the number of school-leavers increase when the "bulge" began to have effect.

The report stated that certain sections of the spinning industry had experienced difficulty in securing orders at remunerative prices, because of competition from duty-free imports of yarns from Asian Commonwealth countries, and imports from certain other countries whose exports attracted indirect or concealed subsidies. The Cotton Board, with the backing of the Federation and other trade organisations, was taking every possible action to safeguard the position.

Bigger and Bigger

No clearer warning could be given about the likely trend of imports in a year which seems destined to be overshadowed by this particular question than that offered by the January overseas trade returns. In a bound the figures for arrivals of cotton cloth into British ports jumped by practically 15 million square yards to a new monthly record of 82,936,000 square yards. On such a basis, a simple arithmetical calculation gives an annual inflow of over 1,000 million yards.

Yet the big rise in shipments from abroad is not the result of any marked expansion in the cargoes arriving from those Eastern producing areas within the Commonwealth with whose leaders talks are scheduled. Grey cloth imports during the month amounted to 65,677,000 square yards as against 43,216,000 square yards in January 1960, but the major increase came from the undesignated "other foreign countries" outside France, China and Japan, whose shipments of 20,131,000 square yards, as compared with below 6 million square yards in the same month last year. A minor point of interest was the higher figures from Japan, which aggregated 6,683,000 square yards, as against 2,907,000 square yards.

Arrivals of grey cloth from India showed a further expansion, reaching 21,801,000 yards during the month, as against 19,714,000 yards in January last year, but there was a sharp decline in takings from Pakistan, which fell from 4,949,000 yards to 1,820,000 yards. Shipments from Hong Kong were some 600,000 yards bigger at 7,256,000 yards. Other countries in the Commonwealth, however, stepped up their sales to Britain on a substantial scale, sending 2,014,000 yards of grey cloth, as against only 67,000 yards in January 1960.

Imports of finished fabric continued the broadening trend unmistakable throughout the market; they amounted to 17,259,000 yards, as against 9,931,000 yards in the same month last year. Arrivals of man-made fibre cloth were also higher at 6,780,000 yards, as against 4,259,000 yards. A similar movement took place in the quantities of cotton yarn supplied from abroad, the January 1961, total at 3,708,000 lbs., being practically 1,000,000 lbs. up on last year.

Against these figures, exports from the United Kingdom make a paltry showing. Although cotton cloth shipments, at 29,481,000 square yards, were the highest since April last year they are now completely overshadowed by the huge purchases from abroad. Cotton yarn exports barely exceeded 1,500,000 lbs. and at this level were less than half comparable arrivals.

The cost of all these imports soared by over £3,000,000 compared with January 1960, the current figure being £7,726,286. Earnings from exports, despite being the best monthly total since December 1959, could only muster £5,826,639.

Raw Cotton Pipelines

Like many other branches of the textile industry, the raw cotton pipelines had been allowed to fall to extremely low levels by the middle of 1959, so that the need for replenishing supplies of the raw material was paramount at the beginning of last season. As a result, substantial arrivals came into British ports in the first half of the 1959-60 season when the mills, working at full pressure, increased their consumption. Subsequently, there has not been the same necessity to build up stocks and spinners have continued to purchase as and when they require additional quantities of cotton. Incoming supplies during the first half of the current season have, therefore, been sharply reduced and imports over the whole season to the end of July are likely to be very much smaller than in the previous twelve months.

Man-made Fibre Production

The January production of man-made fibres fell by 2,190,000 lbs. to 48,610,000 lbs. as compared with the record monthly output achieved in January last year of 50,800,000 lbs., according to statistics issued by the British Man-Made Fibres Federation. The lower total is attributed to a fall in production of staple fibre which aggregated 25,260,000 lbs., as compared with 29,010,000 lbs. for January last year, reflecting an adjustment of production to conditions in sharp contrast to those prevailing a year ago, when there were elements of unhealthy overbuying and stock-building. Filament yarn production, however, in January was a record for the month at 23,350,000 lbs., comparing with 21,530,000 lbs. in December and 21,790,000 lbs. in January last year.—*All Rights Reserved.*

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES

* DEMAND DRAFTS * LEDGERS

* PAY-IN SLIP BOOKS * PASS BOOKS

* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone : 26-3261/2

"The Art of Modern Industrial Management is not inherited. It has to be learnt."

NATIONAL PRODUCTIVITY COUNCIL

Offers YET ANOTHER SERVICE

Through courtesy of T.C.M. of U.S. Government. It presents at specially low prices to industries excellent publications comprising

- Series of Manuals in fields of INDUSTRIAL MANAGEMENT
- INDUSTRIAL ENGINEERING AND INDUSTRIAL RELATIONS
- PLANT REQUIREMENT REPORTS
- FACTORY PERFORMANCE REPORTS
- CAPITAL REQUIREMENT AND OPERATING RATIO REPORTS
- COTTAGE INDUSTRIES REPORTS
- INDUSTRIAL DEVELOPMENT GUIDES, etc. etc.

Free price list may be obtained on demand from :

Information Officer, National Productivity Council
38, Golf Links, New Delhi

DA 60/747

CAPITAL OUTLAY IN CENTRAL BUDGET

SEVERAL INDUSTRIAL DEVELOPMENT SCHEMES TO BE IMPLEMENTED

SIGNIFYING the increasingly dominant role played by the Central Government in the economic development of the country in recent years is the continuously expanding use of its budgetary resources to the creation, sustenance and development of capital assets. Over the second Five-year Plan period (1955-56 to 1960-61), the total net capital formation out of the budgetary resources rose by as much as Rs. 423.6 crores, from Rs. 448.5 crores in 1955-56 to Rs. 872.1 crores in 1960-61, according to the *Economic Survey*, 1960-61 published along with the budget papers this year. The extent of the rise was much more than what was recorded in the first Plan period, namely, Rs. 350.0 crores. The total net capital assets in 1950-51 (base year of the first Plan) amounted to no more than Rs. 98.5 crores. Thus, in the decade between 1950-51 and 1960-61, there has been a ninefold expansion in annual capital formation. While the pace of expansion is thus quite notable, one wonders whether it would not have been more substantial, if, instead of the marked incursion of the State into the economic activities, the private sector had been allowed more freedom and greater incentives than it has received so far.

The current financial year (1960-61) has witnessed a notable increase of Rs. 76.90 crores in net capital formation out of the Centre's budgetary resources. The major portion of the rise—Rs. 46.20 crores, to be precise—is accounted for by fixed assets directly created by the Government. The financial assistance for net capital formation given to the State Governments in the form of loans and grants showed a rise of Rs. 31.60 crores. The details of net capital assets created out of the Central Government's resources during the first and second Plan periods are given in the table at the bottom.

Public Expenditure

The rising trend of capital formation has followed the large expansion in public expenditure. The total expenditure of the Central and State Governments, which was just Rs. 998 crores in 1951-52, rose to Rs. 1,470 crores in 1955-56 and further to Rs. 2,587 crores in 1960-61. The larger part of this increase is accounted for by the rise in development expenditure, the proportion of which has gone up from 48 per cent in 1951-52 to 60 per cent in 1955-56 and 66 per cent in 1960-61, whereas the percentage of non-development expenditure has declined from 51.9 to 39.9 and 34.2, respectively.

The pace of increase in capital formation out of the Central Government budgetary resources is expected to be accelerated further in the ensuing financial year (1961-62), the first year of the third Plan, in view of the heavy capital expenditure estimated for the year, that is, Rs. 1,201.63 crores, as against Rs. 1,076.23 crores in 1960-61. This is made up of direct capital outlay by the Centre of Rs. 454.00 crores (Rs. 416 crores in 1960-61), loans to State Governments Rs. 409.22 crores (Rs. 356.07 crores), loans to other parties, including Port Trusts, Government-owned corporations and foreign Governments Rs. 170.60 crores (Rs. 174.37 crores), and debt repayment Rs. 167.81 crores (Rs. 129.79 crores). The capital expenditure of Rs. 1,202 crores is proposed to be met to the extent of Rs. 235 crores from public borrowings, Rs. 105 crores from small savings, Rs. 421 crores from foreign assistance, Rs. 176 crores from loan revenues, Rs. 96 crores from the investment of P.L. 480 funds and Rs. 104 crores from miscellaneous receipts, leaving a deficit of Rs. 64 crores on capital account which will be met by the expansion of Treasury Bills.

The direct capital outlay of Rs. 454.00 crores by the Centre in 1961-62 shows an increase of Rs. 38.00 crores over the revised estimate for the current year (1960-61). This increase is spread over a number of heads and reflects the additional requirements in the first year of the third Plan. The Railways will be spending Rs. 36.38 crores more for their capital outlay, while the net expenditure on purchase of foodgrains will go down by Rs. 26.00 crores. Of the other major increases, mention may be made of Rs. 7.7 crores under border roads, Rs. 8.46 crores for industrial development, Rs. 5.2 crores for the development of land acquired by the Delhi Administration and Rs. 2.83 crores for construction of food storage godowns.

The Central Government budget for 1961-62 includes a provision of Rs. 943 crores for implementing the third Plan—Rs. 181 crores on revenue account and Rs. 762 crores as capital outlay including loans. This total is exclusive of the spill-over from the second Plan. In addition, the Railways will provide Rs. 23 crores from their own resources. These estimates include a provision of Rs. 352 crores for assistance to States, Rs. 90 crores in the revenue budget and Rs. 262 crores in the capital budget. It is expected that the States will find Rs. 200 crores from their own funds, thus making up an outlay of Rs. 552 crores for the State plans. The outlay on the Central portion of the Plan will aggregate to Rs. 614 crores. In all, the total Plan outlay in the first year of the third Plan for both the Centre and the States will be of the order of Rs. 1,166 crores. A substantial portion of the provision during the coming year relates to the second Plan projects which will be carried forward to the third Plan and a relatively modest provision has been made for the new projects which require much preparatory work.

Important Programmes

A sizable portion of the capital expenditure in 1961-62 will be spent on the expansion of the Government's industrial programmes, the provision made being Rs. 107.15 crores, as against the revised estimate of Rs. 98.70 crores for 1960-61. The large investments—in crores of rupees—with figures in brackets indicating the revised estimate for 1960-61, include, among others, the following:

Neyveli Lignite Corporation 22.00 (20.80); Oil and Natural Gas Commission Rs. 21.50 (16.44); Heavy Engineering Corporation 20.00 (5.00); National Coal Development Corporation 9.00 (11.73); Department of Atomic Energy 5.24 (3.81); Indian Refineries Ltd. 4.00 (6.00); Council of Scientific and Industrial Research 3.10 (2.31); Western Shipping Corporation 2.50 (5.65); Eastern Shipping Corporation 2.00 (1.80); Air-India International 2.05 (1.71); Indian Airlines Corporation 1.87 (1.76); National Mineral Development Corporation 1.75 (1.40); Indian Oil Company Ltd. 1.50 (0.55); Oil India Ltd. 1.42 (2.00); Hindustan Shipyard 1.20 (0.28); Heavy Electricals Ltd. 1.00 (9.50); Hindustan Organic Chemicals 0.65 (0.40); Hindustan Photo Film Manufacturing Company 0.65 (0.15); Hindustan Machine Tools 0.70 (0.30); investment in British India Corporation 0.51 (*nil*); Hindustan Salt 0.55 (*nil*); Drugs Corporation 0.60 (*nil*); second shipyard 0.60 (0.20); Hindustan Teleprinters 0.50 (0.09).

Besides the provisions noted above, the Government has allocated large sums to be given as loans. The actual allocations—in crores of rupees—are:

Hindustan Steel 40.00 (88.00); Railway Development Fund 14.77 (3.58); foreign Governments 11.97 (16.85); Heavy Electricals 10.00 (*nil*); Industrial Finance Corporation 10.00 (9.00); Shipping Development Fund 7.00 (5.94); I.C.I.C.I. 3.00 (1.00); Refinance Corporation 5.00 (5.00); *Khadi* industries 2.25 (4.95); Ambar Charkha 2.12 (2.72); village industries 1.70 (1.70); National Industrial Development Corporation 2.50 (2.15); Port Trusts 3.00 (2.00); Delhi Municipal Corporation 8.02 (4.12); Coal Corporation 9.00 (4.31); India Refineries 5.00 (*nil*); and Fertilisers Corporation 7.85 (1.25).

Public Debt

A reference to the debt position of the Central Government may now be made. The total outstanding public debt is expected to amount to Rs. 4,970.85 crores at the end of the current month (31st March 1961) and Rs. 5,554.09 crores a year later; it was no more than Rs. 949.77 crores at the end of 1938-39. Out of the estimated total of Rs. 5,554.09 crores at the end of next year (31st March 1962), rupee loans will account for Rs. 4,348.80 crores, as against Rs. 4,124.63 crores towards the close of the current year, sterling loans for Rs. 141.40 crores, as against Rs. 143.15 crores, and "other loans" for Rs. 1,063.89 crores, as against Rs. 703.07 crores. The item "other loans" includes the following, figures in brackets representing the position at the end of March 1961.

(In crores of rupees)

U.S. 446.81 (316.36); U.S. Eximp Bank 83.33 (35.73); World Bank 167.76 (155.24); Canada 11.83 (14.07); U.S.S.R. 88.30 (61.53); West Germany 108.21 (108.17); Japan 25.62 (11.97); Czechoslovakia 1.03; Poland 4.00; Yugoslavia 4.00; Switzerland 3.00; loans to be negotiated 120.00.

Excluding the war contribution, the liability in respect of which remains suspended, the total outstanding debt will be Rs. 4,950 crores at the end of the current year and Rs. 5,533 crores at the end of 1961-62. At the end of the budget year, the outstanding debt would, as compared with the figure at the end of 1938-39, have risen by Rs. 4,604 crores.

In addition, the Government is liable to repay the investments of the deposits of the P.L. 480 counterpart funds, the balances in the various provident funds, the post office savings bank, the post office cash, national savings, national plan, national plan savings, and treasury savings deposit certificates, deposits under the cumulative time deposits scheme, the depreciation and reserve funds of the Railways, Post and Telegraphs, etc., and certain other deposits, mainly relating to deposits of income-tax, super-tax, etc. These balances are estimated to amount to Rs. 1,620 crores at the end of the current year and Rs. 1,869 crores at the end of 1961-62.

This outstanding debt may be analysed with reference to the purpose on which the money has been utilised or the assets by which it is covered. An analysis is given below:

(In round crores of rupees)

	As on 31st March 1961	1962
Railways	1,556	1,716
Posts and Telegraphs and other commercial departments (including Damodar Valley Corporation)	220	244
Investment in commercial concerns (Industrial Development)	621	728
Loans and advances to States and others	2,521	2,902
Amounts recoverable from the U.K. and the States on account of purchase of annuities for sterling pensions	19	19
Subscription to the International Monetary Fund	282	282
Purchase of shares of the I.B.R.D.	37	37
Subscription to the International Development Association	4	8
Debt due from Pakistan	300	300
Cash and other investments	54	52
Total	5,614	6,288

Allowing for these, the uncovered debt will amount to Rs. 1,114 crores at the end of the budget year, as against the pre-war figure of Rs. 188 crores. The whole of this cannot, however, be called unproductive, since the large grants to State Governments for development in recent years which increase the productive capacity of the country as a whole are not entirely unremunerative. Similarly, the large capital outlay on Central property, the value of which is either not shown at all in the Government's accounts or is shown as non-commercial (such as the Delhi capital outlay and Defence capital outlay) is not without value. Besides, a considerable portion of the capital outlay has also been incurred on schemes of State trading such as foodgrains, fertilisers, iron and steel, etc., of which there are reserve stocks, particularly of foodgrains.

The aggregate interest-bearing obligations of the Government of India are expected to rise from Rs. 6,280.60 crores at the end of the current month to Rs. 7,110.13 crores as on 31st March 1962. As against the rise of Rs. 829.53 crores thus, the interest-yielding assets are expected to increase only by Rs. 636.31 crores, that is from Rs. 5,089.65 crores to Rs. 5,725.96 crores, so that the total of interest-bearing obligations not covered by assets at the end of the coming year will be higher at Rs. 1,311.30 crores, as against

Net Capital Formation

(In crores of rupees)

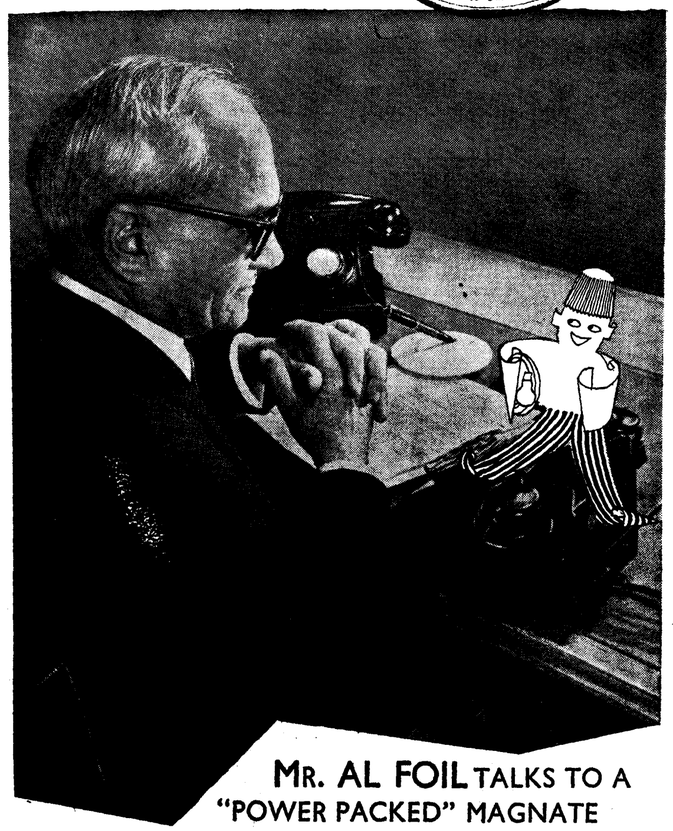
	1950-51 (Accts.)	1951-52 (Accts.)	1952-53 (Accts.)	1953-54 (Accts.)	1954-55 (Accts.)	1955-56 (Accts.)	1956-57 (Accts.)	1957-58 (Accts.)	1958-59 (Accts.)	1959-60 (R.E.)	1960-61 (B.E.)
A. *Net capital formation by the Central Government:*											
(a) Fixed assets	49.2	49.4	43.2	67.5	86.8	127.8	188.7	202.9	179.9	205.7	251.9
(b) Works stores	9.9	5.0	—1.0	8.2	—2.5	5.1	33.0	37.2	21.0	—19.8	—19.1
(c) Increase in policy stocks of foodgrains, etc.	—9.3	10.4	—15.7	—24.4	68.1	—12.5*	—9.2*	21.8*	28.1	18.6	38.7
Total	49.8	64.8	26.5	46.3	152.4	120.4	197.5	261.9	224.0	205.0	271.5
B. *Financial assistance for net capital formation*											
(a) To State Governments	41.1	76.3	98.8	130.4	230.7	272.7	206.0	261.6	288.1	315.3	346.9
(b) To non-departmental commercial undertakings	5.2	11.4	8.5	9.5	19.7	22.0	60.6	170.3	256.0	241.0	218.4
(c) To others	2.4	10.6	8.2	18.4	35.3	33.4	33.9	42.9	31.8	38.9	40.8
Total	48.7	98.3	115.5	158.3	285.7	328.1	299.5	474.8	570.9	590.2	606.6
C. *Total net capital formation out of the budgetary resources of the Central Government (A+B)*	98.5	163.1	142.0	204.6	438.1	448.5	497.0	736.7	794.9	795.2	878.1

Note:—Worked out from the budgets of the Central Government. * Revised.

ALLAHABAD BANK
LIMITED
Established 1865
Affiliated to
The Chartered Bank
•
Head Office: CALCUTTA
14, India Exchange Place
•
BANKING BUSINESS
OF ALL DESCRIPTIONS
TRANSACTED
•
Branches and Correspondents
throughout India and in all
Principal Cities of the World.
•
M. J. Maclaren,
General Manager.
AB-3.

THE SOUTH INDIA
INSURANCE CO., LTD.
Incorporated in India
(Established 1934)
FIRE, MARINE, ACCIDENT
AND MISCELLANEOUS
INSURANCE BUSINESS
Head Office:
Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

STATE BANK OF TRAVANCORE
(Subsidiary of the State Bank of India)
Now offers, with the co-operation of the State Bank of India, complete Banking services in connection with the trade and commerce of the industrially fast developing State of Kerala.
CURRENT ACCOUNTS AND SAVINGS BANK ACCOUNTS opened and FIXED DEPOSITS AND SHORT-TERM DEPOSITS received on attractive terms.
THREE-YEAR AND FIVE-YEAR CASH CERTIFICATES are issued at 4% and 4½% compound interest respectively.
All types of Internal and International Banking Business transacted.
For further particulars, please apply to nearest Branch or Head Office.
Branches at Bombay and all important commercial centres in South India.



MR. AL FOIL TALKS TO A "POWER PACKED" MAGNATE

'Profit', thundered the Magnate insulating himself against sales talk, "Profit's what I am interested in."
"And profit, sir", replied the unabashed Mr. Foil, "profit's what foil insulation ensures in the heavy electrical equipment industry. In transformers, cables or condensers, wherever you need effective insulation, and/or superior dielectric properties aluminium foil is the lightweight answer for a big job. We do a really first class job of 'wrapping up' electrical energy, allowing no leakage come rain or shine. Fact is, aluminium foil foils damp damage for long periods... and no helping hand required... and that's profit for you... low initial outlay, low maintenance and no leakage."

Don't be isolated by your insulation problem. No foiling problem is difficult enough to foil Al Foil.

VENESTA FOILS LTD.
KAMARHATI, 24 PARGANAS, WEST BENGAL
Selling Agents: Indian Aluminium Co. Ltd., Calcutta Bombay Madras and New Delhi
VFC-8

Rs. 1,116.41 crores on the 31st of this month. The details of the assets are given below:

(In crores of rupees)

	At the end of		
	1938-39 (Pre-war year)	1960-61 (Revised)	1961-62 (Budget)
Capital advanced to Railways	725.24	1,555.90	1,715.90
Capital advanced to other commercial departments (including Damodar Valley Corporation)	27.42	219.69	243.76
Investment in commercial concerns (industrial development)	..	473.35	545.75
Capital advanced to States	123.28	1,905.69	2,179.39
Other interest-bearing loans	20.71	615.59	722.34
Amount recoverable from the U.K. and the States on account of purchase of annuities for sterling pensions	..	19.43	18.82
Debt due from Pakistan	..	300.00	300.00
Total—Interest-yielding Assets	896.65	5,089.65	5,725.96
Cash and securities held on Treasury account	30.30	54.01	52.34
Balance of total interest-bearing obligations not covered by above assets	274.63	1,116.41	1,311.30

Although the balance of uncovered debt is fairly large amounting to Rs. 1,311.30 crores at the end of 1961-62, the whole of it cannot be regarded as unproductive debt. For the loans and grants made to State Governments go to increase productive capacity and the investments made in Central Government's property, the value of which is either not shown at all or treated as non-commercial item, are not without value.

Notices

THE BANK OF MAHARASHTRA LIMITED, POONA-2

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 26th Annual General Meeting of the shareholders of the Bank will be held at the Registered Office of the Bank, Maharashtra Bank Building, 1177 Budhwar Peth, Poona City, on Tuesday the 28th March, 1961, at 2-30 p.m. (I.S.T.), to transact the usual business such as adoption of Balance Sheet, Profit and Loss Account etc., declaration of Dividend, election of Directors in place of those retiring by rotation, appointment of Auditors and other special business, details of which will be circulated to the shareholders separately by a notice along with the Balance Sheet and the Profit and Loss Account and the Directors' Report for the year ended 31st December, 1960.

By Order of the Board,
C. V. JOAG,
General Manager.

POONA CITY,
21st February, 1961.

The Transfer Books of the Bank shall remain closed from 15th March, 1961 to 29th March, 1961, both days inclusive.

The Dividend, when declared, will be payable on and after Friday the 7th April, 1961 and the Dividend Warrants will be posted to the registered addresses of the shareholders.

Change of address, if any, should immediately be communicated to the Bank.

THE BRITISH INDIA CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Corporation will be closed from 27th March, 1961 to 26th April, 1961, both days inclusive.

By Order of the Board,
K. M. WILCOX,
Director/Secretary.

KANPUR, *6th March*, 1961.

New avenues of progress

The rapid development of India's road transport has opened up new avenues of progress. Diesel trucks, lorries and buses now link every part of the country...carry goods and people to once-remote areas. With the growth of road transport has grown demand for High Speed Diesel Oil. Today over 1 million tons are consumed. By the end of the Third Plan the country's needs will be 3 million tons—three times as much as they are today. There can be no question that the first priority should be the exploration and production of indigenous crude oil; the second priority must be to expand refining capacity in India. Oil is essential to economic growth, and Burmah-Shell believes that

for tomorrow's needs we must act today

Going Abroad?

Just tell us where you want to go and when, and we shall draw up your itinerary with a choice of routes and stop-overs to suit your requirements.

INDIAN AIRLINES

★ IAC CAN BOOK YOU ON ANY AIRLINE

HINDUSTHAN MERCANTILE BANK LTD.

Head Office:
10, CLIVE ROW, CALCUTTA-1

Chairman: SRI M. L. JALAN

CAPITAL

Authorised	Rs. 2 Crores
Issued and Subscribed	Rs. 1 Crore
Paid-up	Rs. 50 Lakhs

Interest allowed on Savings Bank account at 3% per annum.

All types of Banking business transacted.

Branches and Agencies throughout India.

Deposits received on various terms. Special concession on deposits from Widows and Orphans.

Loans granted on approved securities.

Terms on application.

G. L. MAHAJANI
Manager (H.O.)

THE UNITED COMMERCIAL BANK LIMITED

Head Office: CALCUTTA

Authorised Capital	Rs. 8,00,00,000
Subscribed Capital	Rs. 4,00,00,000
Paid-up Capital	Rs. 2,00,00,000
Reserve Fund	Rs. 2,05,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.

Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.

AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, *Chairman.*
S. T. SADASIVAN, *General Manager.*

MORE and MORE PEOPLE SHARE THIS SECURITY

Wise investors and wise savers are among the many far-sighted people growing in number day by day who rely on the security of a Bank Deposit Account with Lombard Banking. Every day earns interest for Lombard Banking Depositors—you cannot afford to wait another day to put your funds to work in the security of the Bank.

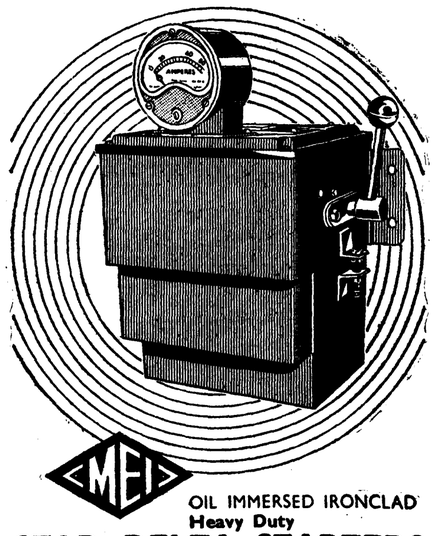
Interest paid without deduction of United Kingdom Income Tax.

Write today to General Manager for your copy of "Bank Deposit Account" booklet No. A.O.91.

OPEN A 5% BANK DEPOSIT ACCOUNT WITH LOMBARD BANKING LIMITED BANKERS

Head Office
LOMBARD HOUSE, CURZON STREET, PARK LANE, LONDON, W.1. GRO 4111 (30 lines)

A World-Wide Banking and Finance Organisation



OIL IMMERSED IRONCLAD
Heavy Duty
STAR-DELTA STARTERS
Type NSD for motors upto 100 H.P.

Sales & Service:
IAEC (BOMBAY) PRIVATE LTD.
43, Forbes Street, Bombay 1.

Branch: 'K' Block, Chawdhary Bldg., Connaught Circus, New Delhi
Associated Offices at: CALCUTTA • MADRAS • BANGALORE • HYDERABAD

ELECTRIC MOTOR INDUSTRY POISED FOR FURTHER PROGRESS

CONTINUANCE OF PROTECTION UNDER STUDY

THE present scheme of protection to electric motor industry, which has been enjoying protection since 1948, covers squirrel cage motors of ½ h.p. to 100 h.p., slip ring motors of 1 h.p. to 100 h.p., and their component parts excluding control gear. The rate of protective duty is 15 per cent on complete motors and 20 per cent on their component parts. This scheme of protection will expire on 31st December 1961, unless, of course, the Tariff Commission, which is now inquiring into the circumstances of the industry, recommends its continuance in an increased, or a decreased, or a modified form. The industry's own desire is that protection should be continued and extended to cover motors above 100 h.p. as they are already manufactured in the country.

The industry's plea for continuance of protection for a further period of not less than three to five years is sought to be justified on the following grounds:

(i) The industry has plans to expand and diversify production so as to meet the growing demand for motors of higher voltage as well as different categories in the years to come.

(ii) The cost of production of Indian motors is very high, and so the industry cannot compete with imported motors in the home market as well as in the export market.

(iii) In foreign countries, there is mass production of motors as against the limited size of market in this country, which also does not allow of better standardisation.

(iv) The costs of raw materials are comparatively high.

(v) Labour costs have been going up steadily, while the productivity of an Indian worker is also low.

Supply and Demand

The industry has made rapid progress since 1958, when there were 15 units in the large-scale sector with a total annual capacity of about 600,000 h.p. on single shift. There are at present 27 large-scale units with an annual installed capacity of 1,129,040 h.p. on single shift. Sanction has also been accorded now for installation of an additional capacity of 821,900 h.p. which will mean 25 new large-scale units. Actual production in the large-scale sector in the last three years was as follows:

	H.P.
1958	641,083
1959	592,049
1960*	750,000

* The figure for 1960 is an estimate based on the January-October actual of 612,171 h.p.

In the small-scale sector, there were 31 units in 1958, with a capacity of 130,000 h.p. per annum. In 1959, there were 74 units, with a production capacity of 266,204 h.p. Information for 1960, however, is not yet available. Actual production in the small-scale sector for the two years, 1958 and 1959, was as follows:

	H.P.
1958	51,533
1959	70,064

The bulk of production in both the sectors —large-scale and small-scale—continues to be in the range of 1 to 30 h.p. Production of higher horse-power motors has, however, been increasing. For instance, in 1959 and in 1960 (January-October), production of motors of 100 h.p. and above was 7,485 h.p. and 7,265 h.p., respectively, as against 2,410 h.p. in 1957. It would thus appear that some progress has been made in the production of motors of higher ratings. Some progress in the diversification of the patterns of production and production techniques is also said to have been made. Actual production in recent years does not also seem to have lagged behind the estimate of demand at 750,000 h.p. to 800,000 h.p., made by the Commission in 1958. Only in 1959 and in 1960 did imports account for 38,695 h.p. and 131,268 h.p. (for the January-October period), because of import liberalisation. In terms of value, imports of motors in the two years were Rs. 2.5 crores and Rs. 2.2 crores respectively. Since imports of squirrel cage three-phase motors are totally banned and those of other types of motors are much restricted, such imports as have been made in recent years have generally been only marginal. By and large, indigenous production seems to have nearly satisfied demand.

As for future demand, there are two different estimates—one by the Development Council for Heavy Electrical Industries and the other by the Indian Electrical Manufacturers' Association. The Development Council's estimate is based on the likely additions in power generation from year to year. It also makes full allowance for increased demand for the expanding machine tools and industrial machinery manufacturing industries. This estimate of the Development Council has been endorsed by two manufacturers, namely, the Hindustan Electric Company, Ltd., and Kirloskar Electric Company, Ltd. The two estimates of demand for motors upto 300 h.p. are as follows:

(Million h.p.)

Year	Development Council's estimate.	I. E. M. A.'s estimate
1961-62	1.6	1.0
1962-63	1.6	1.1
1963-64	2.0	1.5
1964-65	2.2	1.5
1965-66	2.5	1.8

Mr. K. R. P. Aiyangar, Chairman of the Tariff Commission, who presented the aforesaid facts and estimates while opening the Commission's recent public inquiry into the question of continuance of protection to the electric motor industry, outlined the industry's future prospects in these words:

"The industry is now on the threshold of further large-scale expansion and diversification of output. With much larger increases in the availability of power envisaged during the third Plan, the electric motor industry will be called upon to fulfil an important role in quickening the pace of industrialisation. It should be in a position to offer component motors to the manufacturers of industrial machinery so that complete dependence on imports for this purpose may be halted. . . . As the indigenous industry is getting firmly established, it will also be expected to enter foreign markets to earn precious foreign exchange for the country. Rarely is an infant industry faced with such favourable circumstances and opportunity."

Mr. Aiyangar impressed on the manufacturers the need to develop a more dynamic attitude in adopting the latest designs and techniques followed by their counterparts in foreign countries for improving the quality of their products and effecting all possible economies in costs of production, so that they could serve better the customers at home and abroad. To what extent economies in costs of production can be achieved is a moot question, for the raw material costs are stated to be high. Since the percentage of indigenous contents of raw materials and bought-out components used by manufacturers ranges from 85 per cent to 95 per cent, the question of raw material costs has not much to do with imports. The prices paid by manufacturers for raw materials are stated to be comparatively higher than the prices prevailing in other countries for such materials. One way of compensating for the higher cost of indigenous raw materials and components would be to switch over to a new range of motors based on class 'E' insulation resulting in considerable saving in raw material cost as more output is available from a given frame. It is also stated that adoption of modern practice to use aluminium cast rotors would result in economies of labour and material. But these developments, which have taken place in foreign countries, are yet to be adopted in this country.

Raw Material Availability

Apart from the question of costs of raw materials, there is the question of how easily they are obtained indigenously and to what extent they have to be imported, if at all. The principal raw materials required by the industry are electrical steel stampings, synthetic enamel wires, copper strips and cast rings, aluminium steel rods and bars, foundry grade pig iron, insulating materials and varnishes and paints. In addition, a number of parts and components like ball bearings, slip ring and brush holder assemblies, terminal boards and brushes are required, and these are generally procured by the industry from indigenous sources. As for the indigenous availability of different raw materials, the position is as under:

(1) **The bulk of the present requirements of electrical steel required for stampings is produced by the only indigenous producer, Tata Iron and Steel Company, Ltd., which has a present capacity of 18,000 tons. But its production of about 12,000 tons in 1959 and 13,000 tons in 1960 (January-October) has not been quite adequate. So, some quantity of electrical steel for motor stampings is also imported.**

(2) The bulk of the demand for stampings is now supplied by the Sankey Electrical Stampings Private Ltd., Bombay, which has three factories, with an aggregate capacity of 4,600 tons, located in Bombay, Calcutta and Bangalore. It has plans to increase this capacity to 6,000 tons by 1962. Messrs. Devdayal Stainless Steel Industries Private Ltd. has also been given an industrial licence for the manufacture of stampings to the extent of 6,000 tons; its production is likely to commence presently.

(3) Although the entire requirement of electrolytic copper is now imported, enamel wire is produced by several indigenous firms which are able to meet the requirements of the industry. Synthetic enamel base is also now available from Indian producers. Copper strips are also available indigenously.

(4) The industry has to depend mainly on imports for its requirements of class D steel for making shafts.

(5) Foundry-grade pig iron and insulating varnishes and paints are available from indigenous sources without difficulty.

(6) The bulk of the requirements of insulating material continues to be imported. But certain types of insulating material like empire cloth, empire tape and varnished cambric are being manufactured indigenously. Steps are now under way to establish the manufacture of paper-based insulating material like leatheroid, presphan and micanite sheets.

While thus the raw materials required are mostly available from indigenous sources, their quality is stated to be rather poor in relation to their prices. Manufacturers have attributed such defects or shortcomings in their motors as have been pointed out, to the poor quality of raw materials and components. Unless there is an improvement in the quality of Indian motors alongside of a reduction in their costs of production, there will be no early prospect of the industry making any appreciable progress in the matter of exports which are now practically negligible, in spite of concessions granted under the export promotion scheme. The expanding domestic market may not also permit any substantial export of electric motors.

FOUNDRY INDUSTRY'S PROBLEMS

The Indian foundry industry in the private sector has made rapid progress in the last decade. It is estimated that there are now nearly 2,000 iron and steel foundries, with an aggregate installed capacity of 1.4 million tons. The big casting projects coming up in the public sector are, however, causing some anxiety to the industry in the private sector. Even now, many of the existing foundries have idle capacities which they cannot utilise for want of orders or of materials. It is, therefore, expected of the industrial policy makers that they should allow the foundries in the private sector full scope to co-exist with the public sector units.

Mr. P. N. Ghosh, President of the Indian Foundry Association (Calcutta), expressed this view in his address at the ninth annual general meeting of the Association. He also dwelt at length on the difficulties of the industry. The first difficulty is that foundry grade pig iron is not available in adequate quantities, although there is no dearth of pig iron as such. This difficulty can be overcome only if and when the public sector steel projects take a wider and more realistic view of the national economy and start producing more graded pig iron. Otherwise efforts to produce castings of high quality would be of no avail. Another difficulty is the non-availability of adequate quantities of hard coke. This can be overcome only if the Government takes immediate steps to set up more coke ovens. There is also the acute problem of transport, which is reflected in the shortage of wagons both for moving the raw materials and for despatching the finished products, in the imposition of booking restrictions, without proper notice, on certain routes and in the pilferage of valuable raw materials by organised gangs of wagon-lifters. The railway authorities, it is to be expected, will be more considerate to the foundry industry which is passing through difficult days.

The foundry industry deserves to have a better deal for two other reasons, namely, that it is doing the work of a valuable recovery industry by utilising iron and steel scrap and that it has an export potential. Mr. Ghosh's pleas in this regard are simple and reasonable. First, his suggestions in the matter of scrap utilisation are that the Railway Ministry should arrange, for the benefit of the foundries, regular allotment of scrap directly to the foundaries or through their Association and that the Government should set up a project for processing the steel skull scrap which is now being almost entirely exported to other countries. Secondly, the undoubted export potential of the industry (as evidenced by the frequent inquiries received by some of the major industries from foreign traders in the neighbouring countries of Asia and Africa and also in highly industrialised countries like the United States) can be actually realised, if the cost of production of Indian foundry products is cut down through a reduction in the present high price of pig iron. At the same time, it will be necessary to supply graded pig iron to the foundries, so that they can produce goods of uniform standard quality inferior to none of the foreign goods. At least from the point of view of export promotion, the requirements of the foundry industry would need to be met without any further delay.

NEW PRODUCTS AND PROCESSES

Tin-copper Alloy Deposits

AS a result of investigations conducted at the Indian Institute of Science, Bangalore, tin-copper alloy deposits which are adherent, smooth and fire-grained have been prepared using the pyrophosphate bath. Aside from its non-poisonous character and stability, the electrolytic bath has special advantage as compared with the commercial stannate-cyanide bath. It operates at lower bath voltage and higher current density, the range of deposit-composition is wider (10-96 per cent copper), and cathode efficiency is up to 100 per cent, which is about twice that of stannate-cyanide bath.

New Fabric

A new British fabric developed by Courtauld's Ltd., London, is to be launched on the market early this spring. It is a blend of "Tricel" and "Durafil," and its main uses will be for children's wear and women's wear, especially skirts and slacks. "Durafil" is a new fibre which, when blended with "Tricel" in the correct deniers, produces a fabric requiring no resin finish. The makers claim results in a fabric that has a warm handle, is crease resistant, and can be permanently pleated. The new fabric will make its first major appearance in the field of children's wear. It is planned to introduce this new blend in the men's wear field in the near future.

Cleaning Barrels

Up to 400 metal beer barrels, with capacities ranging from 5 gallons to 18 gallons, can be cleaned and sterilised every hour, by a new machine developed by Dawson Brothers, of Dewsbury Road, Gomersal, near Leeds. The whole operation is automatic. It involves a preliminary internal and external wash detergent cleansing of the inside, a warm rinse inside and out, a hot water rinse or the inside, a cold water rinse of the inside, and a final inside steaming and draining, the barrels then being ready for re-use.

Spark Plug

A new low-tension spark plug suitable for use in internal combustion engines has been invented recently by a French concern. It is claimed to have a much longer working life than many other plugs of similar design. The plug contains two electrodes separated from each other by an insulator over which the sparks are said to "glide." One electrode, filled with glass or some other insulating material, fits tightly in the body of the plug; the other, the one carrying the current, consists essentially of a metal disc. This is flushly fitted against the outer face of the insulator.

Blending Flax with Man-made Fibres

A means has been found of producing bleached flax suitable for blending with acrylic man-made fibres intolerant to the processes used for bleaching linen yarns and cloth as a result of extensive research at the Linen Industry Research Institute at Lambeg, Northern Ireland. The new blend, which will be suitable for most light clothing purposes, from fine shirtings to dress fabrics, may well give Northern Ireland a new impetus in the manufacture of shirt fabrics, and open up important possibilities for the textile industry in Northern Ireland. This new textile development will be given its first public showing at an exhibition of yarns and fabrics based on Courtaulds fibres and yarns, which is to be held at Lambeg in May next.

Electronic Typewriter

A typewriter which prints words spoken into a microphone has been developed by a major American communications company. The spelling is only phonetic and the output is not good enough for letters. However, the printed record is reported to be accurate enough to give adequate information for such purposes as file memoranda. The first commercial use is expected to be as a voice-controlled adding machine for supermarket checkout clerks. The clerk would pronounce the price of each item into a microphone and the machine would automatically total the bill. The speech analysis of the machine records an "electronic picture" of the syllables, finds the corresponding syllables in its "memory" and sends the electrical impulses to the typewriter. It is stated that the output looks like this: "The ultimit object is too develup a tipwriter which tips in response too wurds spoken intoo a mikrophon."

Wood Screws

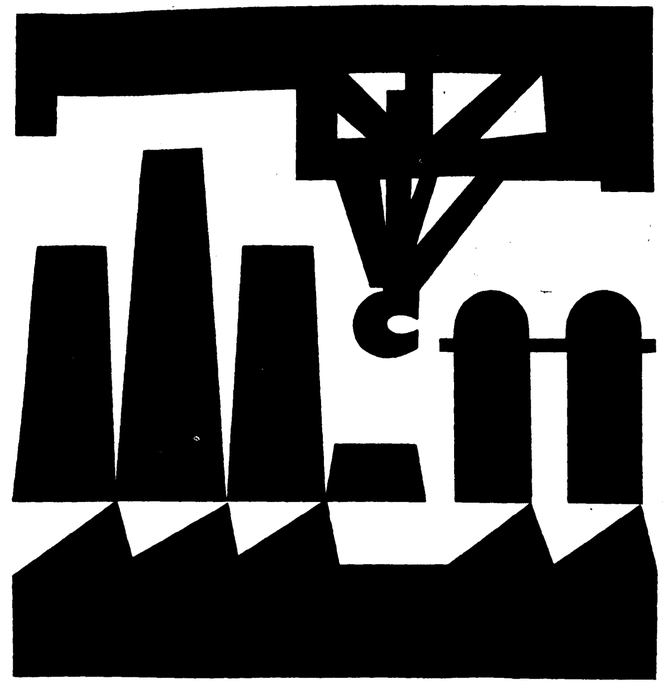
A machine for the production of wood screws, developed over a period of 20 years by a swiss engineer, Walter Trurnit, is now being manufactured in Britain. The British company, Crossley Brothers of Manchester has world manufacturing and sales rights. The machine saves 15 to 20 per cent of material and there is no swarf. The screws, it is claimed, are some 20 per cent stronger than those made by other processes because they are work-hardened during manufacture and they have a favourable grain flow. The screws are made by cold hammering. There are two parts to the process. The first is pointing. A cone is made on the tip of the cylindrical blank and a couple of threads cut. The hammering machine then takes over, picks up the tread and continues it by hammering. During the process the screw gets longer. There are considerable savings in labour and material.

Novel Plastics

Recent developments in both the U.S. and in Russia have seemed to indicate that an entirely new group of plastics may prove to be not only "winners" for plastics manufacturers and the big chemical manufacturing companies but also materials of considerable and growing importance for engineers in many different fields of industry. The new compounds, based on acetal resins, are not only expected to be exceptionally cheap in price but have a high melting point, an excellent dimensional resistance to friction and are rigid while not being brittle. At the same time, they are said to be tough and resilient and are expected to replace metal, in many applications, including aspects of automobile manufacture. They are also very resistant to chemical attack. The reason acetal resins are cheap is that acetone costs about 7d. a pound delivered by tanker, which enables a pound of the unfinished material to be produced by the maker at around 4s. or just over, and sold at less than 5s. Apart from the U.S., both Japan and the U.K. are known to be actively interested in the development of acetone-based plastics, or polyacetone.

Smoke and Smut-free Combustion

Smoke and smut-free combustion with any grade of liquid fuel—including the heaviest residual oils—has been achieved with the development of a completely new combustion chamber and firing system by one of Britain's leading oil burning specialists. The unit is the result of several years of research and six months intensive development on an aerodynamic toroidal system which gives high combustion intensity and completeness of mixing through a wide range of fuel/air and turn-down ratio variations. Complete burning of liquid fuels has been achieved with flexibility and full control and the firm claim that any size, shape and type of flame can be provided to suit any furnace or boiler. In tests, all grades of oil from 'Gas Oil' to '3,500 seconds' residual oil were used. With suitable air settings, Smoke Numbers down to 1 and below on the Shell/Baccarach Scale were readily obtained for oil rates from 20 per cent to 100 per cent of the full nominal rating of 35 million British Thermal Units per hour. These readings justify the description 'Zero Smoke,' and the results indicate a complete burning of even the heaviest residual oils. Independent tests, conducted by the B.P. Fuel Laboratory at Sunbury-on-Thames, verified the tests by the firm. These results have been achieved, basically, by a specially designed cylindrical refractory chamber which enables the bulk of the combustion air to enter in reverse flow to the fuel. A toroidal flow pattern is generated and sustained in the chamber. The atomised fuel and combustion air circulate in the toroid, thoroughly mixing and burning to completion within the combustion chamber. A considerable amount of pre-heating is achieved in this system; the high velocity reverse flow air draws partly burned products into the toroid and these are heated as they mix with the air; in addition, the air scrubs against the walls, is heated up, and keeps the refractory temperature down. As each particle of oil leaves the atomiser it is subjected to intense radiation from the flame. This results in virtually instantaneous vaporisation and cracking, and vapour-phase burning in the highly pre-heated air develops immediately, with consequent smoke-free combustion.



We assist you
in the industrial development
of your country

by granting and acquiring industrial licences,
industrial property rights, technical documentations,
and by scientific-technical aid.

LIMEX

Aussenhandelsgesellschaft m.b.H.
Berlin W 8, Taubenstrasse 4-6
German Democratic Republic

THE PREMIER AUTOMOBILES LIMITED

CHAIRMAN, MR. LALCHAND HIRACHAND ON RS. 25-CRORE EXPANSION PROGRAMME

CAPITAL MAY BE INCREASED AGAIN

A LARGE-SCALE expansion programme, involving a total capital expenditure of Rs. 25 crores, is proposed to be undertaken by the Premier Automobiles Limited. Some details of the programme were given by Mr. Lalchand Hirachand, Chairman of the Company, in his speech at the Sixteenth Annual General Meeting of the Company held at Bombay on Monday, 6th March 1961. The programme, Mr. Lalchand disclosed, envisages an increase in the capacity (on single shift) of the Company to 15,000 trucks and 15,000 cars per annum, as against the present capacity of 3,000 and 4,000 respectively. He did not indicate as to how the large capital outlay would be financed. He, however, said that a part of the scheme would be financed through loans obtained from the U.S. Development Loan Fund or through other organisations. He further anticipated that the Company might have to increase its capital too.

The following is the full text of Mr. Lalchand Hirachand's speech:

"GENTLEMEN,

"I am very happy to extend a warm welcome to you all today on the occasion of the sixteenth annual general meeting of the Company held here in this spacious Walchand Hirachand Hall.

"There has been a steady rise in the attendance of the shareholders at the general meetings since the last two years which is an indication of the increasing interest taken by them in the affairs of the Company. The recent issue of new shares has been responsible for swelling the number of shareholders on our register and anticipating a larger attendance at this year's meeting, your Directors decided to hold the meeting in this Walchand Hirachand Hall to provide accommodation for more persons.

"On an occasion like the annual general meetings, one is inclined to look back on the achievements of the past and review the prospects ahead. Further, you will also like to know the Company's progress during the year under report and its programme for future expansion.

"The Directors' report and the statement of accounts for the year ended 30th June 1960 have been in your hands for some time past and, with your permission I will take them as read.

Larger Turnover

"During the year under review the Company's turnover increased to Rs. 20.94 crores, as against Rs. 17.42 crores for the last year; 5,729 cars and 5,797 trucks were sold during the year.

"The working of the Company during the year under report resulted in a profit of Rs. 42,18,839 after providing Rs. 44,22,788 for depreciation, Rs. 34,00,000 for taxation and Rs. 22,50,000 for development rebate. Adding thereto the balance of Rs. 2,64,263 of the previous year's 'carry forward' (after adjusting the amount of dividend paid on forfeited shares now annulled) and the net surplus of excess provisions and claims received in respect of past years, namely, Rs. 9,65,360, the total comes to Rs. 54,48,462. Out of this, your Directors have made the following appropriations:

General reserve	Rs.	15,27,071
Dividend equalisation reserve ...	Rs.	5,00,000

"The Directors have recommended a dividend of Rs. 9 per share (subject to deduction of tax) which will absorb Rs. 30,97,469, leaving a balance of Rs. 3,23,922 which is proposed to be carried forward.

"While the larger turnover during the year under review has resulted in a higher profit, the overall margin of profit is not proportionate to the turnover. This can be primarily attributed to the increased wage bill which had a steep rise from Rs. 1,29,59,274 last year to Rs. 1,76,47,108 in the current year, on account of upward revision of grades and higher dearness allowance paid to the workers.

"Despite the higher profit this year, your Directors have decided to recommend the same dividend as last year, viz. Rs. 9 per share (subject to deduction of tax), as the dividend is payable on an increased capital and bearing in mind the necessity to conserve available resources for the anticipated expansion programme.

"I shall now deal with the progress made by the Company during the year under review.

"All the items of the Fiat engine which it is possible for the Company to produce are being made in the factory now. As for the Fiat transmission and axles, all the necessary machine tools have been received and are erected. As stated in the Directors' report, satisfactory progress is being made in the manufacture of components for transmission and axles under the supervision of Fiat technicians who have been good enough to help us in the early implementation of this project. The progress in regard to the manufacture of front and rear axles for trucks is also equally satisfactory. We are making all the important components, including differential gears, planatory gears, carriers, half shafts, cases, brake drums, and pinion, etc., of these axles.

"The heat treatment equipment and the generators which were installed last year are now in full operation. The Chrysler experts who had specially come down here have been satisfied with the performance of the same and the benefits which we are deriving from the use of the furnaces are really considerable. The quality of gears and other components which require various types of heat treatment has immensely improved. It will not be an exaggeration, if we say that this equipment which we have set up in the factory is probably of a unique type in India for this kind of work and, besides improving the quality of production to a great extent, it has also contributed to minimising the wastage in production that was being caused hitherto.

D.L.F. Loan

"As stated in the Directors' report, a complete study has been made in joint consultation with Chrysler Corporation and Fiat Corporation of matters in respect of equipment, dies, plant, structural work, foundation, layout, etc., required for the project of sheet metal components for Dodge trucks and Fiat cars and this has received Government's approval. We then represented to the Development Loan Fund of the Government of U.S.A. in the United States. Our application in the matter of foreign exchange for the above project was accepted by them. I am glad to state that the D.L.F. authorities, having been satisfied with the soundness of our scheme, have sanctioned a loan of $7,200,000 to the Company. The loan will be guaranteed by our bankers, the Bank of Baroda Ltd., and it will carry interest at the rate of 5¾ per cent. per annum. The loan will be repayable in rupees in twenty-seven six-monthly instalments, the first instalment to be paid within 18 months after the first interest payment is due. This is one of the biggest loans given directly in the private sector by the D.L.F. and we are, indeed, obliged to the Government of India for using their good offices and supporting our application for the loan. We are grateful to the Bank of Baroda Ltd. for agreeing to give guarantee for this loan.

"In view of the expanding activities, we approached our bankers for increasing the cash credit limit from Rs. 3.50 crores to Rs. 5.00 crores. The Bank of Baroda Ltd. and the Devkaran Nanjee Banking Company Ltd., have agreed to this and our thanks are due to them for this timely assistance.

Jha Committee

"The report of the *Ad Hoc* Committee on Automobile Industry, popularly known as the Jha Committee, has already been published. The report has emphasised that the restricted volume of production is the primary reason for the high cost of automobiles. The report has also recommended release of adequate foreign exchange to the existing manufacturers in order to enable them to complete their existing programmes and expansion plans. An increase of output will bring in its wake a reduction in the cost of production. The relation between quantity of output and cost of production is more pronounced in the case of the automobile industry than in a majority of other industries. When the question of cost of production of cars was examined by the *Ad Hoc* Committee, the automobile industry based their estimates at a volume of 10 to 15 thousand motor cars. If any unit of the industry were given the freedom to produce 50,000 cars or more, there would have been a substantial reduction in the estimated original price. In fact, this Company had offered a substantial reduction in the price of Fiat cars, if we were permitted an annual production of 25,000 cars. Based on this volume, we had offered to bring down the price ex-factory from Rs. 9,780 to Rs. 8,500. With the limited volume available at present, diversification of production and/or increasing the number of units of production centres will result in a reducing volume per product which in turn will make it difficult to bring down prices.

Low-cost Car

"As regards the proposal for manufacture of a low cost car in the public sector, it is regretted that, in spite of the qualified recommendations of the Jha Committee, the Government have come out with a decision that a low cost car should be produced in the public sector and have appointed a technical committee under the chairmanship of Shri G. Pande. The Tariff Commission in 1956 was not at all in favour of the introduction of a low cost car but the Jha Committee in their report have recognised that there is demand for the low cost car. While conceding the demand for the low cost car, the Jha Committee, however, laid down certain principles under which the production of the low cost car should be undertaken. Being aware of the acute foreign exchange position, the Committee recommended that the present vehicle manufacturers should first be given the facility to expand their production fully and, after that was done, the proposal for production of a low cost car may be considered. Since the demand for cars is increasing, it is but fair that the existing manufacturers should be afforded every opportunity to utilise the growing demand for increased volume of production and consequent lowering of prices.

"Efforts are being made by the Government as well as interests concerned to promote rapid development of a healthy automobile industry in the country. In this connection, it will not be out of place to mention that, for formulating the Co-operative Research Body for the Automobile Industry, the Council of Scientific and Industrial Research has recently appointed a committee consisting of automobile manufacturers and the representatives of the different Ministries and Development Wing under my chairmanship.

Third Plan Target

"The production of automobiles has been increasing at a rapid rate. Total production in 1959 was 36,903 and in 1960 it was 52,115, showing an increase of more than 46 per cent over the previous year and over 65 per cent when compared with the production in 1956. The increase in production has been possible with the allocation of the same foreign exchange as was allocated in 1959. In other words, the indigeneous content in the different vehicles under manufacture has gone up. In the programme chalked out by the Planning Commission and the Development Council for Automobiles, it is estimated that the car production should reach 30,000 to 40,000 of the present models per year. Besides the present models, there is a possibility of the light car being produced in the public sector. Assuming that the Planning Commission will allow a total production of 40,000 units of the present models, our share will be around 20,000 cars a year.

"The Planning Commission has emphasised that, to reach the targets of production of automobiles without excessive and continued strain on foreign exchange resources, it will be necessary to achieve at least 85 per cent indigenous content by 1965-66 and our endeavour will be to accomplish this objective. It is difficult to give any correct assessment of the local contents, because different formulas are being used by different persons. However, I am giving these percentages as quoted by Shri Manubhai Shah, Minister for Industry, at the recent annual meeting of the Ancillary Industries Association.

	Per cent
Ambassador	76.40
Fiat	64.00
Standard	50.70
Jeep	73.60
Dodge truck	80.00
Mercedes-Benz truck ...	76.80
Leyland Comet truck ...	65.70

"I may, however, mention here that the formula followed in working out the above figures does not reflect an accurate picture of the progress of manufacture. It would be more useful, if either the old formula followed by the Development Wing or that recommended by the Jha Committee is accepted by all concerned including the Defence Ministry.

New Automobile Policy

"At a conference held in New Delhi on 16th January 1961, the Minister for Industry, Shri Manubhai Shah, enunciated a new policy with regard to automobile manufacture, particularly in relation to the commercial vehicles.

"(a) It has been laid down that the existing vehicle manufacturers who have not got their own diesel engine and who have been buying their requirements of diesel engines from diesel engine manufacturers, will be allowed to manufacture the diesel engines themselves.

"(b) That of the two diesel engine manufacturers who have no vehicles manufacturing licence, the licence of Automobile Products of India for manufacturing Meadows engine, will be transferred to Premier Automobiles, while Simpson & Co., who are manufacturing the Perkins engine, will be given a manufacturing licence for commercial vehicles.

"(c) In this manner, there will be five commercial vehicle manufacturers. Each one of these will be given freedom to expand its production freely and each one will have freedom to produce any model it likes. In other words, the vehicle manufacturer can produce a heavy vehicle, a medium vehicle and/or a small wheel base vehicle as it likes.

"(d) The Government will endeavour to provide enough foreign exchange for the capital investment in regard to the expansion programme. However, foreign exchange requirement for importing parts and components and raw materials will be restricted to the present level only. Within this foreign exchange, each manufacturer will have to undertake the expansion of its production capacity.

"I am glad that the Government have broadened the automobile policy in the above manner.

"As a result of the above policy, your Company will have the right to manufacture the Meadows engine, which at present is being produced by Automobile Products of India. In addition to this, we will be permitted to manufacture another engine of our own choice which will be more suitable for the vehicles that we are producing or are likely to produce in future.

"The policy with regard to car manufacture is not yet fully clarified. We have, however, submitted an application to the Government to allow us to produce 100 cars a day in two shifts, which will enable us to meet the requirements of the market as also bring down substantially the price of the car. The matter is still under consideration and the Government's approval is awaited.

Expansion of Capacity

"To meet the increased demand for cars and trucks during the third Five-year Plan which is expected to exceed a figure of 1,00,000 vehicles, the Company has decided to step up production by increasing the present capacity of trucks from 3,000 to 15,000 per annum on single shift and that of cars from 4,000 to 15,000 per annum on single shift. It is estimated that this programme of expansion will involve considerable capital expenditure amounting to about Rs. 25 crores or more. It is yet too early to indicate as to how we shall obtain the resources for these projects. But it can be said roughly that part of the scheme will have to be financed through loans obtained from the D.L.F. of the American Government or through other organisations. We may have to increase our capital too. It will take some time before a clear and complete picture can be prepared.

"The present paid-up capital of the Company as on date is Rs. 5,55,01,300 which is almost equal to the authorised capital of the Company, namely, Rs. 6 crores. The Company has not issued any preference shares so far. It is proposed to amalgamate the preference shares into equity shares and increase the present authorised capital to Rs. 25 crores divided into 15,00,000 'A' ordinary shares of Rs. 100 each and 10,00,000 unclassified shares of Rs. 100 each as and when circumstances permit.

"I have now immense pleasure in referring to the two memorable functions held in our factory premises in the latter half of 1960. On 23rd September 1960, we paid our homage to that great visionary and a pioneer of Indian industry, *Bharat Ratna* Dr. M. Visvesvaraya, by unveiling his portrait on the occasion of his attaining the hundredth year. The portrait was unveiled by another illustrious industrialist, Lala Sir Shri Ram. The second memorable function marked a golden chapter in our history. The 9th of December 1960 was a red-letter day in our annals. On this day, the President of India, Dr. Rajendra Prasad, visited our factory and unveiled the bust of late Seth Walchand Hirachand, the founder of the Indian automobile industry, the founder of this Company and a pioneer *par excellence* of Indian enterprise and Indian industry. In his speech, the President while paying glowing tributes to Seth Walchand Hirachand, said:

'He was one of those great men of this country who had dreamt of an industrialised India and who established one by one, many undertakings not only in one field but in various fields of industrial development. I remember the day when in 1942, by the order of Mahatma Gandhi, I went to Vizagapatam to lay the foundation of Shipbuilding Yard. My acquaintance with Seth Walchand thereafter grew more intimate and I would like to say that I started taking great interest, although from a distance, in all the big projects he undertook. It was a great achievement at that time, but its importance is all the greater today when we realise that crores of rupees are spent merely because we have no ships of our own.

'Nor did Seth Walchand neglect agriculture. He not only started the sugar factory but, in order to get a better produce of sugarcane, he started the sugarcane farms wherever the factories were established. He not only started the Indian Hume Pipe Company and the Premier Automobiles, which we are seeing today, but also undertook large construction works all over the country. Besides, the industries started by him are rendering valuable help to all the national projects in the country.

'There is absolutely no need to be afraid or worried about the industrialisation. Though, on one side, the Government is establishing and will continue to establish large industries, the private enterprisers, on the other hand, are also getting equal opportunities.'

Latest Production Figures

"You will be interested to know the up-to-date figures of production in the factory. The production figures for the six months ended 31st December 1960 have already been released in the press and I may state that the Company produced 3,886 cars and 3,690 trucks and sold spare parts of the value of Rs. 92,09,606 during the seven months ended 31st January 1961, as against 3,050 cars and 3,210 trucks and spare parts of the value of Rs. 84,83,535 sold in the corresponding period for the preceding year.

"The business of the Premier Auto Electric Private Limited, subsidiary of this Company, for the year under report was satisfactory. With a view to expanding its business, this subsidiary has taken up the distributorship of certain indigenous products like batteries, spark plugs, wires, fanbelts and cables.

"I would refer to a statement made by one of the shareholders at the last annual general meeting that he had heard that this subsidiary company was selling goods imported by it at much less than the margin which was being obtained by others. I was to enquire into the matter.

"Accordingly I made enquiries with the assistance of our solicitors and auditors. The shareholder was also present and I am satisfied that the complaint was not justified. There had been also no infringement by Premier Auto Electric Private Ltd. of the conditions of its licence.

"The India Steering Gears Private Ltd., the other subsidiary of this Company, could not commence business during the period under review due to reasons mentioned in the Directors' report. The position continues to remain the same and, if there is no reasonable prospect of that Company starting business in the near future, your Directors may have to take steps for the closing down of this subsidiary company.

"As stated in the Directors' report, 1,52,564 debentures were converted into 'A' ordinary shares upto the end of the year under review out of 1,60,000 of Rs. 100 each convertible debentures issued by the Company in the year 1958. The debentures converted as at 28th February 1961 are 1,53,107.

"The issue of 1,84,600 new shares made early last year was fully subscribed.

Taxation

"As regards taxation the position is as follows:

"The income-tax assessments of the Company upto the end of the financial year 30th June 1954 are completed.

"The assessments of the Company as agents of Chrysler Corporation have also been completed upto 30th June 1959. In respect of the assessments for the years 1948 to 1956, the Company had filed appeals to the Income-tax Appellate Tribunal against the order of the Appellate Assistant Commissioner. The Tribunal partly allowed our appeals. The Company then filed an application to the Tribunal for reference of our case to the High Court and the Tribunal's decision is awaited. The Company has also filed appeals in respect of the assessments for the subsequent years, viz., for the years 1957 to 1959.

"The assessments of the Company as agents of Fiat Corporation have been completed upto the financial year 30th June 1958 and the Company has preferred appeals against these assessment orders also.

"Before concluding, I take this opportunity to express my thanks to the management, staff and the workers for their co-operation and the good work put in by them during the year under review:

"With these words, I beg to move:

'That the Directors' report and audited balance-sheet as at 30th June 1960 and profit and loss account for the year ended 30th June 1960 be and they are hereby approved and adopted.'"

N.B.—*This does not purport to be a report of the proceedings of the annual general meeting.*

Swiss Industries Fair Basle

15th April to 25th April 1961

An impressive parade of products spotlighting Swiss Manufacturers' Skill and Craftsmanship in Plastics, Electrical and Watch Industries, Mechanical Handling Equipment and Textile Machinery will be on display at the 45th Swiss Industries Fair.

For information write to:
Swiss Embassy, P.O. Box 392, New Delhi
Swiss Consulate General, 127, Mahatma Gandhi Road, Bombay
Swiss Consulate, P.O. Box 47, Calcutta
Swiss Trade Commissioner, P.O. Box 102, Bombay

FLY THERE BY

SWISSAIR

THE UNION BANK OF INDIA LIMITED

(REGISTERED 11TH NOVEMBER, 1919)

APOLLO STREET, FORT, BOMBAY 1

FORTY-FIRST REPORT

GENTLEMEN,

The Directors beg to submit to the Shareholders the audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1960.

	Rs.	nP
The net profit for the year, including the sum of Rs. 97,246.82 nP. brought forward from last year's account, amounts to	28,13,188	57
The following amounts have been appropriated for the undermentioned purposes :—		
Amount transferred to Reserve Fund under Section 17 of the Banking Companies Act, 1949	6,50,000	00
Amount written off Premises Account	50,000	00
Amount set apart towards payment of Taxation	8,00,000	00
Amount provided for Bonus to Staff	5,36,484	96
	20,36,484	96
The balance of Rs. 7,76,703 61, the Directors propose to dispose of as follows :—		
To pay a dividend of 57 nP. per share, or 11.2/5 per cent. per annum subject to deduction of Tax on 12,00,000 shares	6,84,000	00
To carry forward to next year's account	92,703	61
	Rs. 28,13,188	57

The business of the Bank during the year under review continued to show satisfactory progress. The Bank opened one Local Branch in Greater Bombay and one each in Poona, Kolhapur, Gauhati, Bhiwandi and Delhi.

The Directors beg to report that the deposits which were Rs. 24,60,00,000 as at the end of December, 1958, rose to Rs. 32,17,00,000 at the end of December, 1959, and stood at Rs. 28,30,00,000 at the end of December, 1960. Advances increased from Rs. 15,78,00,000 as at the end of December, 1958, to Rs. 20,57,00,000 at the end of December, 1959, while at the end of December, 1960, the advances stood at Rs. 17,31,00,000. During the same years, viz., 1958, 1959 and 1960, the net profit of the Bank increased successively from Rs. 14,75,000 to Rs. 24,27,000 and to Rs. 27,15,000 respectively.

Under the provisions of Section 256 of the Companies Act, 1956, three of the Directors of the Company, Shri Jal Hormusji Mehta, Shri Devji Rattansey and Shri Ratilal Nathalal retire by rotation, but being eligible for re-election, offer themselves accordingly.

You will be required to appoint Auditors for the ensuing year and fix their remuneration.

By Order of the Board,

K. R. P. SHROFF,
Chairman.

BOMBAY, 14*th February*, 1961.

BALANCE SHEET AS AT 31st DECEMBER, 1960.

CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
1. Capital—				
AUTHORISED—				
20,00,000 Shares of Rs. 5 each	1,00,00,000	00		
ISSUED, SUBSCRIBED AND PAID-UP—				
12,00,000 Shares of Rs. 5 each Fully Paid-up			60,00,000	00
2. Reserve Fund and Other Reserves			53,50,000	00
3. Deposits and Other Accounts—				
Short, Fixed, Cumulative Deposits and 3-Year Cash Certificates	12,80,74,791	86		
Savings Bank Deposits	2,36,87,987	64		
Current Accounts, Contingency Accounts, etc.	13,32,56,552	42		
			28,50,19,311	92
4. Borrowings from Other Banking Companies, Agents, etc.—				
(i) In India	Nil			
(ii) Outside India	Nil			
			Nil	
PARTICULARS—				
(i) Secured	Nil			
(ii) Unsecured	Nil			
	Nil			
5. Bills Payable			19,12,009	10
6. Bills for Collection being Bills Receivable as per contra—				
(i) Payable in India	1,91,34,024	86		
(ii) Payable outside India	1,33,71,064	96		
			3,25,05,089	82
7. Other Liabilities			42,55,817	75
8. Acceptances, Endorsements and Other Obligations per contra			6,13,63,474	98
9. Profit and Loss Account—				
Balance as per Balance Sheet as at 31st December, 1959	7,81,246	82		
LESS—Dividend at 57 nP. per share (subject to deduction of tax) for the year ended 31st December, 1959	6,84,000	00		
Balance brought forward	97,246	82		
Profit for the year ended 31st December, 1960, brought from the Profit and Loss Account	27,15,941	75		
	28,13,188	57		
LESS—	Rs	nP		
Amount transferred to Reserve Fund	6,50,000	00		
Amount written off Premises Account	50,000	00		
Amount set apart towards payment of Taxation	8,00,000	00		
Amount provided for Bonus to Staff (including Rs. 6,800 payable to the General Manager)	5,36,484	96		
	20,36,484	96		
			7,76,703	61
10. Contingent Liabilities—	Rs.	nP		
(a) On Investments in Shares of Joint Stock Companies	7,98,700	00		
(b) Claim against the Banking Company not acknowledged as debts	Nil			
(c) Money for which the Banking Company is contingently liable	Nil			
(d) Liability on account of outstanding Forward Exchange Contracts	7,39,96,675	61		
(e) Liability on Bills of Exchange re-discounted—				
Sterling Bills re-discounted entire amount have run off to date.	£ 8,013-16-0			
(f) Guarantees given on behalf of Customers.	3,43,59,297	16		
Total .. Rs.			39,71,82,407	18

NOTE :—Provision to the full extent for future gratuities to staff has not been made, the liability for which has not been ascertained.

PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
1. Cash—				
In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)			4,10,40,704	25
2. Balances with Other Banks in Current Account—				
(i) In India	15,51,573	71		
(ii) Outside India	34,88,978	70		
			50,20,551	41
3. Money at Call and Short Notice			10,00,000	00
4. Investments (at or under Market Value)—				
(i) Securities of the Central and State Governments and other Trustee Securities	7,13,25,871	52		
(ii) Shares—	Rs.	nP		
(a) Preference Shares Fully Paid	8,57,581	00		
Preference Shares Partly Paid	4,05,625	00		
	12,63,206	00		
(b) Ordinary Shares Fully Paid	8,00,779	31		
Ordinary Shares Partly Paid	2,49,975	00		
	10,50,754	31		
(c) Deferred Shares Fully Paid	16,871	31		
	11,30,000	00		
(iii) Debentures	Nil			
(iv) Other Investments	Nil			
(v) Gold				
(Part of Investments lodged with other Banks for borrowing and other arrangements)			7,47,86,703	14
5. Advances—				
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)				
(I) Loans, Cash Credits, Overdrafts, etc.—	Rs.	nP		
(i) In India	13,70,78,806	58		
(ii) Outside India	44,274	82		
	13,71,23,081	40		
(II) Bills Discounted and Purchased—				
(i) Payable in India	2,31,65,619	96		
(ii) Payable outside India	1,28,93,042	65		
	3,60,58,662	61		
(Particulars of Advances as per separate Schedule attached)			17,31,81,744	01
6. Bills Receivable Being Bills for Collection as per contra—				
(i) Payable in India	1,91,34,024	86		
(ii) Payable outside India	1,33,71,064	96		
			3,25,05,089	82
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra			6,13,63,474	98
8. Premises Less Depreciation—				
At Cost	24,77,591	73		
Additions during the year	Nil			
	24,77,591	73		
Deductions during the year	Nil			
	24,77,591	73		
LESS—Balance of Set-back Compensation transferred from other Assets—Value of Land	Nil			
	24,77,591	73		
LESS—Total amount written off for depreciation	2,25,000	00		
			21,52,591	73
9. Safe Deposit Vaults, Furniture and Fixtures Less Depreciation—				
	Rs.	nP		
Safe Deposit Vaults	8,47,390	97		
Additions during the year	1,04,987	58		
	9,52,378	55		
Deductions during the year	Nil			
	9,52,378	55		
LESS—Total amount written off for depreciation	3,05,927	64		
Office Furniture and Fittings	20,36,790	38		
Additions during the year	9,19,165	57		
	33,55,955	95		
Deductions during the year	19,189	54		
	33,36,766	41		
LESS—Total amount written off for depreciation	8,04,164	53		
			6,46,450	91
			30,32,601	80
10. Other Assets—				
(i) Interest accrued on Investments	7,25,888	71		
(ii) Tax deducted at source on Interest/Dividend on Investments	10,73,566	74		
(iii) Stock of Printing	6,22,078	33		
(iv) Stamps and Library	21,961	26		
(v) Silver	Nil			
			36,79,052	80
11. Non-Banking Assets Acquired in Satisfaction of Claims			24,43,495	04
			Nil	
Total .. Rs.			39,71,82,407	18

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December 1960.

	Loans, Cash Credits, Overdrafts, etc.		Bill Discounted and Purchased		Total Advances 31-12-1960	
	Rs.	nP	Rs.	nP	Rs.	nP
(i) Debts considered good in respect of which the Banking Company is fully secured	10,87,18,741	69	2,50,51,286	94	13,37,70,028	63
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	1,48,10,006	67	34,74,394	42	1,82,85,001	09
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,35,93,733	04	75,32,981	25	2,11,26,714	29
(iv) Debts considered doubtful or bad, not provided for	Nil		Nil		Nil	
Total .. Rs.	13,71,23,081	40	3,60,58,662	61	17,31,81,744	01

	Loans, Cash Credits, Overdrafts, etc.		Bills Discounted and Purchased		Total Advances 31-12-1960	
	Rs.	nP	Rs.	nP	Rs.	nP
(v) Debts due by directors or officers of the Banking Company or any of them either severally or jointly with any other persons	1,54,385	75	Nil		1,54,385	75
(vi) Debts due by companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	1,44,62,821	68	74,376	69	1,45,37,198	37
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Banking Company or any of them either severally or jointly with any other persons	459,504	74	600	00	1,60,104	74
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	1,44,62,821	68	74,376	69	1,45,37,198	37
(ix) Due from Banking Companies	1,36,515	24	Nil		1,36,515	24

(Continued on next page)

UNION BANK'S PROFIT RISES

RESERVES ENHANCED

NOTWITHSTANDING a sizable drop in aggregate deposits from Rs. 32.17 crores to Rs. 28.50 crores, the profit of the Union Bank of India Ltd. (General Manager: Mr. F. K. F. Nariman, Bombay) has recorded a handsome rise of Rs. 2.88 lakhs to Rs. 27.16 lakhs for the year ended 31st December 1960. The business of the Bank during the year under review continued to show satisfactory progress and the Bank opened one local branch in Greater Bombay and one each in Poona, Kolhapur, Gauhati, Bhiwandi and Delhi. The entire improvement in profit is the result of banking business pure and simple and does not include any income of a capital nature, such as profit on sale of investments, revaluation of investments and income from non-banking assets.

The provision for taxation has been kept unchanged at Rs. 8 lakhs but the amount transferred to reserves and contingencies has been substantially stepped up from Rs. 4.0 lakhs to Rs. 6.50 lakhs and the amount set apart for bonus to staff is slightly higher at Rs. 5.36 lakhs, as against Rs. 5.11 lakhs in the previous year. The premises account absorbs Rs. 50,000 which is the same as in 1958 and 1959. The Directors have recommended a dividend at the rate of 11.4 per cent, subject to tax, which would give a tax-free return of 7.98 per cent per annum which is the same as that for 1959. For the years 1957 and 1958 however the shareholders of the Bank had received a tax-free dividend of 8.75 per cent. In other words, the Bank has not yet been able to restore the dividend to the level that was prevailing before the present corporate tax system became effective. The current dividend gives a yield of 6.5 per cent tax-free, at the prevailing market rate of Rs. 6.52 *cum-div.* for the Rs. 5 fully paid-up shares.

A *bird's-eye view* of the Bank's progress can be had from the comparative table in the next column.

It will be observed from this table that both the principal sources of revenue have yielded more income, the rise in commission and exchange earned being more marked. Thus, whereas the income by way of interest and discount has recorded a rise of Rs. 4.49 lakhs to Rs. 133.42 lakhs, commission and exchange earned has increased by as much as Rs. 9.72 lakhs to Rs. 41.03 lakhs. The drop in interest paid from Rs. 67.97 lakhs to Rs. 63.19 lakhs is primarily due to the fall in deposits noted earlier. It is also due, to some extent, to the inter-bank agreement on rates of interest which effectively prevented the rates from rising as a result of competition among banks for deposits. The expenses have risen sharply from Rs. 73.11 lakhs to Rs. 89.91 lakhs and, of this rise, salaries, and allowances alone account for Rs. 11.77 lakhs. Rent and taxes have gone up by Rs. 1.57 lakhs, stationery and printing by Rs. 0.50 lakh, and other expenditure by Rs. 1.47 lakhs. While a part of the rise in expenses may be attributed to the expansion of branch banking which takes time to yield a satisfactory return, the general cost inflation in the country appears to be the main cause of this rise.

A notable feature disclosed by the table is that, in a short period of two years, the profit has nearly doubled itself. The Bank's fixed deposits have dropped from Rs. 13.50 crores to Rs. 12.81 crores and the current deposits from Rs. 16.85 crores to Rs. 13.33 crores. Only the saving deposits have shown a sizable improvement from Rs. 1.83 crores to Rs. 2.37 crores. In consonance with the decline in total deposits, the advances have registered a fall from Rs. 20.58 crores to Rs. 17.32 crores. Investments, however, have slightly gone up by Rs. 11.27 lakhs to Rs. 7.48 crores and the ratio of investments to deposits has gone up from 22.9 per cent to 26.2 per cent. It will be noted from the table that the reserves have gone up from Rs. 47 lakhs to Rs. 53.50 lakhs, following the addition made out of the net profit for the year under review. In three years, the Bank has raised its reserves by Rs. 13.20 lakhs, or by nearly 34 per cent. The owned resources of the Bank, as disclosed in the balance-sheet, now amount to Rs. 113.50 lakhs. The total number of offices of the Bank now amounts to 53. Of these, 14 centres offer safe deposit facilities.

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Interest and discount earned	133.42	128.93	103.14	74.86
Commission and exchange	41.03	31.31	21.34	19.26
Interest paid	63.19	67.97	64.37	44.36
Expenses	89.91	73.11	51.72	37.87
Depreciation	2.87	2.18	1.56	0.88
Profit	27.16	24.28	14.75	14.72
Provision for taxation	8.00	8.00	4.00	4.00
To reserves and contingencies	6.50	4.00	3.50	4.00
„ premises account	0.50	0.50	0.50	1.00
„ bonus to staff	5.36	5.11	3.15	2.50
Dividend	6.84	6.84	3.96	3.53
	11 2/5 per cent*	(11 2/5 per cent*	(8¾%)	(8¾%)
Carry forward	0.93	0.97	1.15	1.50

	As on 31st December			
	1960	1959	1958	1957
Capital	60.00	60.00	60.00	40.00
Reserves	53.50	47.00	43.00	40.00
Deposits	28,50.19	32,17.42	24,62.29	20,78.19
Borrowings from other banks		10.00	70.00	
Advances	17,31.82	20,57.78	15,77.96	10,40.87
Investments	7,47.87	7,36.60	6,95.32	5,00.94
Cash	4,70.70	5,58.59	3,47.88	5,96.93
Balance sheet total	39,71.82	43,08.78	33,73.66	26,81.56
Ratio to deposits of—	%	%	%	%
Advances	60.7	64.0	64.1	50.1
Investments	26.2	22.9	25.4	24.2
Cash	16.5	16.4	14.1	28.8

* Subject to deduction of tax.

I.F.C. TO INVEST IN EQUITY SHARES

The Directors of the International Finance Corporation (I.F.C.) have submitted, for the approval of its Board of Governors, an amendment of the I.F.C.'s charter to enable this foremost international investment institution to make investments in equity capital. Under its charter, the I.F.C. is at present prohibited from investing in capital stocks or shares. The I.F.C.'s experience during the four and a half years of its existence (it was established in July 1956) has shown that this restriction is, in practice, a serious handicap both to the growth of its operations and the mobilisation of private capital for foreign investment, one of the main objectives of the I.F.C.

The proposed amendment, if approved by the Board of Governors, would enable the I.F.C. to: (1) strengthen, by its own investment, the capital structure of enterprises. (2) encourage private investors to join it in providing either equity or preference capital, (3) share in the risks and profits of an enterprise in traditional form, (4) negotiate investment terms on simpler and more acceptable lines, (5) make more effective use of options and convertible securities, and (6) co-operate with local institutions in the development of capital markets by underwriting issues of convertible securities and share capital for public subscription.

Announcing the submission of the amendment in Washington last week, Mr. Robert L. Garner, President of the I.F.C., observed that "the ability to do equity financing, where appropriate, would provide wide flexibility of financing, so as to meet the varying needs of private enterprise in the developing countries and to attract private investors to participate with I.F.C. It would substantially assist the I.F.C. in increasing the scale of its operations and thus increase its contribution to economic development." Mr. Garner, however, made it clear that the I.F.C. would not go into the business of selling shares to the public; that would be done by private bankers and brokers. It is emphasised by the authorities of the I.F.C. that its participation in equity capital would not be followed by exercise of control over, or participation in, the management of concerns in which it invests. For the I.F.C. is strongly against both. It has not so far participated in management or even named a director on the board of any enterprise to which it has provided financial assistance. It would not ordinarily seek to exercise the voting rights attached to the shares held by it. Its purpose would be served if it could invest in stocks without exercising voting rights, except when deemed necessary for the protection of its interest in the event of default or jeopardy. The sole purpose of the proposed amendment is said to be to enable the I.F.C. to meet more adequately the need of worthwhile private business in forms more acceptable to businessmen and investors.

Explaining the *raison d'etre* of the amendment, the management of the I.F.C. points out that, if the I.F.C. made loans only on fixed interest terms, as it does now, it would seldom be able to attract private investors and, by selling its investments to them, revolve its funds as is required under its Articles. Being prohibited from making normal equity investments, the I.F.C. has been forced into patterns of financing which sometimes appear complicated and unusual. Further, since its own capital is small, as compared with that of other international and national financial institutions, it has always been obvious that the I.F.C. could make an important impact, only if it could encourage private investment capital to participate in its investment. Such private capital is particularly needed for, and interested in, equity investment. But so long as I.F.C. takes a creditor position, it cannot encourage others to join with it in making equity investments, nor can it demonstrate the advantages of equity investment.

I.F.C. investment in equity capital, it is said, would not call for any increase in the capital subscription by member-countries. Total subscriptions at the end of January last aggregated $96.21 million (all paid in U.S. dollars) from 58 member-countries. Investment commitments have been made in 35 enterprises in 17 countries amounting to nearly $42 million, of which private participation aggregated $6 million. The I.F.C.'s net commitment, therefore, works out to about $36 million. Actual disbursements exceed $29 million.

THE UNION BANK OF INDIA LIMITED—*(Continued)*

Profit and Loss Account for the year ended 31st December, 1960.

EXPENDITURE	Rs.	nP	Rs.	nP
1. Interest paid on Deposits, Borrowings, etc.			63,19,351	82
2. Salaries and Allowances and Provident Fund—	Rs.	nP		
(i) To the General Manager	40,800	00		
(ii) To the Staff	59,12,719	11		
	59,53,519	11		
	21,125	00		
3. Directors' and Local Committee Members' Fees and Allowances	9,24,192	70		
4. Rent, Taxes, Insurance, Lighting, etc.	29,713	24		
5. Law Charges	2,25,207	82		
6. Postage, Telegrams and Stamps	6,500	00		
7. Auditors' Fees	2,86,636	98		
8. Depreciation on and Repairs to the Banking Company's Property	7,29,617	65		
9. Stationery, Printing, Advertisement, etc.	Nil			
10. Loss from Sale of or Dealing with Non-Banking Assets	11,00,865	27		
11. Other Expenditure	27,15,941	75		
12. Balance of Profit Carried to Balance Sheet				
Total .. Rs.	1,83,12,871	29		

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	nP
1. Interest and Discount	1,33,42,233	60
2. Commission, Exchange and Brokerage	41,03,417	73
3. Rents on Buildings	2,73,713	25
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil	
7. Other Receipts	5,93,506	68
Total .. Rs.	1,83,12,871	29

This Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Companies Act, 1949.

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of The Union Bank of India, Ltd., as at 31st December, 1960, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the unaudited Returns from all the Branches not visited by us for the purposes of this Report. The Central Government have, by an order dated the 3rd February, 1961, exempted all the Branches of the Bank from being audited in accordance with the provisions of Section 228 of the Companies Act, 1956, in respect of the year ended 31st December, 1960.

We report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice, have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law have been kept by the Bank, so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank;

(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for Banking Companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

BOMBAY, 14*th February*, 1961.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

F. K. F. NARIMAN,
General Manager.

D. A. BIJOOR,
S. D. FARDIWALA,
Deputy General Managers.

K. R. P. SHROFF,
DEVJI RATTANSEY,
BALKRISHNA HARIVALLABHDAS,
JAL HORMUSJI MEHTA,
RATILAL NATHALAL,
PALLONJI SHAPOORJI MISTRY,
GOPALDASS TULSIDASS,
RATANSI MULJI,
HAMIR KARSONDAS VISSANJI,
Directors.

DECCAN SUGAR AND ABKHARI COMPANY LTD.

MR. C. R. SRINIVASAN'S SPEECH AT ANNUAL MEETING

ADEQUATE RETURN AND REHABILITATION ALLOWANCE NEEDED

PRESIDING over the Sixty-fourth Annual General Meeting of The Deccan Sugar and Abkhari Company Limited, held at Madras on Monday, 27th February 1961, Mr. C. R. Srinivasan, Chairman of the Company, said that, although the net profit after taxation for the financial year ended 31st May 1960 was about Rs. 3 lakhs more than that of the previous year, the Directors had decided to maintain the dividend on the ordinary share capital at the same level as last year.

The following are extracts from Mr. C. R. Srinivasan's speech:

"The net profit after taxation was about Rs. 3 lakhs more, but the Board considered it expedient to take further sums to general reserve and to place a sizable sum to dividend equalisation reserve. In this connection, I would draw your attention to note 12 of the notes on the accounts headed 'contingent liability.' Unless and until we see the final shape in which the price linking formula emerges from the Tariff Commission's inquiry, the sugar industry cannot tell with exactitude what price it will have to pay for cane delivered from the 1958-59 season onwards. As we have stated in this note, a reasonable provision for this factor has been made in the accounts, but the possibility of a further contingent liability exists and, in all prudence, we must maintain a margin out of which, if it arises, it can be met. Another major factor which must be borne in mind is that, during the current year, owing to the all-India increase in production, sugar stocks at our factories are likely to build up, and we must husband our cash resources to help carry this additional load.

Preference Dividend

"The enactment of the Preference Shares (Regulation of Dividends) Act, 1960, behoves us to declare dividends totalling 9.1 per cent on the preference share capital of the Company. Unfortunately, this was enacted too late to enable us to pay the final dividend of 2.1 per cent subject to deduction of tax for the year ended 31st May 1960, together with the interim dividend for the current year. We have now made arrangements to pay it tomorrow.

Pugalur Factory Expansion

"In my speech at the last annual general meeting, I told you that we had applied to the Government of India for permission to expand the capacity of Pugalur factory from 1,000 tons to 1,250 tons cane per day. I am glad to say that permission has been received and orders placed for almost all the necessary equipment. The scheme is expected to cost between Rs. 25 and Rs. 30 lakhs and, if the required plant and machinery is delivered in time, the new capacity will be effective from the 1962-63 season. Against the background of rising sugar stocks, a doubt may be raised in the minds of some of our shareholders as to the wisdom of going ahead with this expansion. I believe that the law of supply and demand must operate, and the fact that we have more sugar than this country requires will mean that prices will come down, and it is only those factories who can manufacture cheaply who will be able to continue to make a profit. It is estimated that the expanded factory will produce sugar at approximately Rs. 17 per ton more cheaply than is currently possible. On a production of some 28,000 tons per annum, this Rs. 17 assumes considerable significance. Incidentally, in the last two years, we have been able to link the special and main seasons, thus eliminating the idle period between the two. In the current combined season, it is hoped to produce 22,400 tons of sugar, as against 18,429 tons in the previous combined season.

Tariff Commission's Report

"I will now deal with the general problems of the sugar industry as they present themselves to us in the South. The most important events in the interval of time since I addressed you last were, first, the publication in April 1960 of the Tariff Commission's report on the cost structure of sugar and, second, the reference in October 1960 by the Government of India to the Tariff Commission of the egregious price linking formula for sharing with the cane grower the price realised for sugar.

"The outcome of the report on the cost structure of sugar is that the country has been divided into four sugar regions, the Southern region comprising the States of Andhra Pradesh, Madras, Mysore and Kerala, with recommendations as to the basis on which fair ex-factory prices are to be fixed for each region. While we have no serious quarrel with the structure of the ex-factory price suggested for the Southern region, subject to certain obvious lacunæ being redressed, the main drawbacks of the recommendations are that (*a*) the Commission considers that a fair return to the industry is 12 per cent on employed capital within which to meet commitments under bonus and gratuity, interest on borrowed capital, dividend on preference shares, managing agents' commission and income-tax and 'finally leave a residue to a large majority of the units in all the regions to declare reasonable dividends' and (*b*) no rehabilitation allowance has been granted in the cost structure, in spite of the fact that the Supreme Court has freely conceded the necessity for it in industry when machinery prices have increased five to six times in the short space of a decade.

"The recommendations of the Commission have been accepted by Government, but I can only hope that, before fixing any ex-factory price in the South, where as yet there is only self-imposed control to sell at the same price as the average landed cost of North Indian sugar, Government will give due consideration to the representations made on the utter inadequacy of the 'fair' return and the need for a rehabilitation allowance.

Price Linking Formula

"This brings me to the question of the freight advantage accruing to the Southern factories by reason of the Southern region being still on the whole somewhat deficit in sugar. It is obvious that this advantage can last only so long as the need for importing North Indian sugar continues and our selling price is influenced by the landed cost of North Indian sugar. We in the South have for long voluntarily parted with the lion's share of the freight advantage to the growers in the shape of the S.I.S.M.A. formula or a negotiated settlement, keeping for ourselves only a little over one-third of the net ex-factory price realised for sugar. The price linking formula in the form in which it was placed on the statute book would upset this fine balance and reduce the factory's share to the point where profits would dwindle and the sugar industry would cease to attract the middle class investor who is still the backbone of the private sector. Perhaps a timely realisation of the ill-effects of the formula prompted the Government to refer it to the Tariff Commission. It is to be hoped that a solution will emerge from the findings of the Commission that will do justice to the industry, the cane grower and the worker in the factory. Proper representations have been made on behalf of the industry.

Sugar Production

"The overall sugar situation in the country is that there is a large surplus, part of which must be exported, albeit at a huge loss, if internal prices are to be maintained at economic levels. All-India production in the current season is likely to reach an all-time record of 27 lakh tons, the South contributing as a whole 30 per cent more than the production in the last season. We in the South are fast attaining not only self-sufficiency but, owing to the unrestricted expansion that seems to be on the anvil, reaching a state of affairs in which disposal of the substantial surplus after making due allowance for increased *per capita* consumption will present a problem that cannot be solved by exports which involve heavy loss all round, namely, to the industry, the exchequer and the grower. It behoves Government not to lose sight of the implications of over-expansion and its attendant evils, despite the exhortations of our planners and the pressure of the new vested interests.

"Planners should realise that the bulk of next year's sugar crop is already in the ground. This sugarcane must be milled and any intention Government may have of curbing the expansion of sugarcane production can only show any effect on the production of the 1962-63 season.

"Our relations with labour during the year under review have been satisfactory and I wish to record my appreciation and that of my fellow-Directors of the loyal work put in by them and the staff."

The report and accounts for the year ended 31st May 1960 were adopted, the retiring Directors, Mr. M. J. Edwards, Mr. G. N. Noel-Tod and Mr. P. Hadfield were re-elected and the retiring Auditors, Messrs. Lovelock and Lewes, were re-appointed on the same remuneration as for the previous year.

N.B.—*This does not purport to be a report of the proceedings of the annual general meeting.*

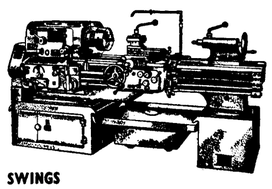
BLUE MOUNTAIN ESTATES LTD.

Within three months after the allotment of 525,000 equity shares as bonus shares (of Rs. 2 each) (in December 1960), the Blue Mountain Estates Ltd. has announced the decision to issue right shares of 1,050,000 equity shares of Rs. 2 each in the proportion of one share for every three held. A premium of 45 nP per share will be charged in accordance with the consent order of the Controller of Capital Issues. The price payable per share will thus be Rs. 2.45 and the shares are to be issued only to such shareholders as are on the book of the Company on 5th April 1961. The register of members and the transfer books of the Company will be closed for the purpose from 28th March to 5th April.

With the proposed right issue, the paid-up ordinary capital of the Company will increase from Rs. 63 lakhs to Rs. 84 lakhs.

Kirloskar

Machine Tools
for Precision plus Production
IMPROVED MODEL 'RL' LATHES



SWINGS
OVER BED DIA
375 mm to 570 mm

These versatile Lathes possess the qualities of ruggedness and outstanding performance which distinguish all Mysore Kirloskar products.
The all-geared headstock of these heavy duty, sliding, surfacing and screw cutting Lathes transmits maximum power throughout the spindle speeds. All the gears are made of specially selected alloy steel, hardened and ground to give long service.
These high speed, precision Lathes have several other special features described in an illustrated literature. Please send for it today.

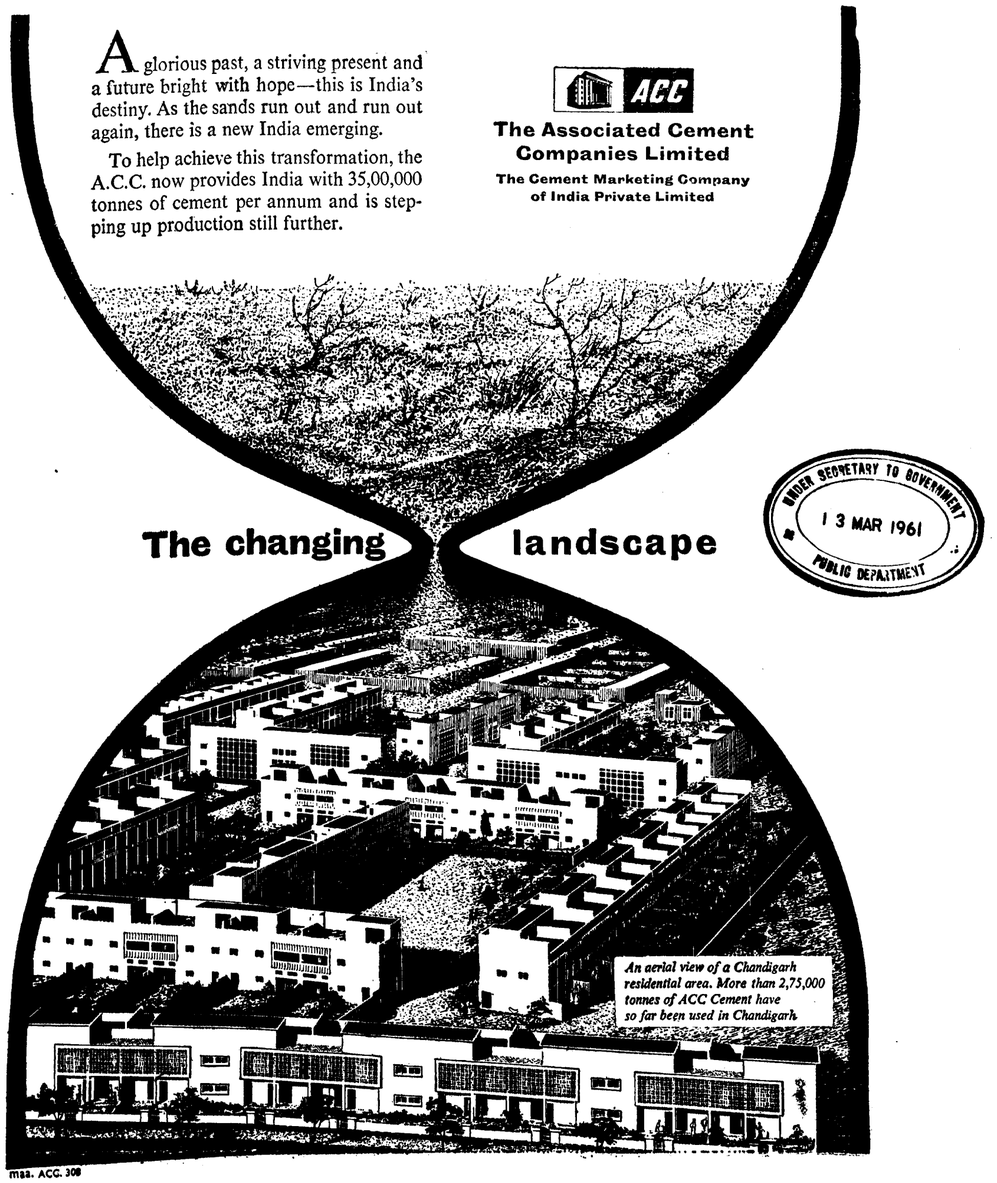
MANUFACTURERS: THE MYSORE KIRLOSKAR LTD.,
YANTRAPUR P.O., (MYSORE STATE).
(PROPRIETORS: BHOGILAL LEHERCHAND PRIVATE LTD.)
AHMEDABAD, BOMBAY, CALCUTTA, COIMBATORE, DELHI, KANPUR, MADRAS, SECUNDERABAD, VIJAYAWADA, ASSOCIATE BANGALORE.
SUB-AGENTS: BATLIBOI & CO.

BATLIBOI mk 460 HP

A glorious past, a striving present and a future bright with hope—this is India's destiny. As the sands run out and run out again, there is a new India emerging.

To help achieve this transformation, the A.C.C. now provides India with 35,00,000 tonnes of cement per annum and is stepping up production still further.

ACC
The Associated Cement Companies Limited
The Cement Marketing Company of India Private Limited



An aerial view of a Chandigarh residential area. More than 2,75,000 tonnes of ACC Cement have so far been used in Chandigarh.

mss. ACC. 308

UNDER SECRETARY TO GOVERNMENT
13 MAR 1961
PUBLIC DEPARTMENT

DULL BUSINESS?

Counters like this with tarnished brass railings are generally deserted. But the outlook is always bright when your counter railings are clean and shining. Polish them regularly with Brasso, the metal polish that shines and beautifies brass.

polish your brassware with
BRASSO
once a week, every week

Atlantis (East) Ltd. (Incorporated in England)

JWTBR 42378

THE STATE BANK

(SUCCESSORS TO THE IMPERIAL

Incorporated in India under the State Bank of India Act, 1955.

BALANCE SHEET OF THE STATE BANK

As at 31st December, 1959 Rs.	nP	Rs.	nP	CAPITAL AND LIABILITIES	As at 31st December, 1960 Rs.	nP	Rs.	nP
				1. Capital—				
		20,00,00,000	00	AUTHORISED CAPITAL— 20,00,000 Shares of Rs. 100 each	20,00,00,000	00		
				ISSUED, SUBSCRIBED AND PAID-UP CAPITAL— (Pursuant to Section 5 (1) of the State Bank of India Act, 1955)—				
5,62,50,000	00			5,62,500 Shares of Rs. 100 each			5,62,50,000	00
7,20,00,000	00			**2. Reserve Fund and Other Reserves**			7,45,00,000	00
1,68,86,841	00			**2A. ‡Integration and Development Fund** (maintained under Section 36 of the State Bank of India Act, 1955)			1,97,79,687	00
				3. Deposits and Other Accounts—				
		343,23,53,629	33	Fixed Deposits	312,81,16,767	56		
		36,47,68,527	22	Savings Bank Deposits	41,84,40,699	64		
		201,45,71,943	20	†Current Accounts, Contingency Accounts, etc.	221,66,74,334	90		
581,16,94,099	75						576,32,31,802	10
				4. Borrowings from Other Banking Companies, Agents, etc.—				
		10,00,00,000	00	§ (i) In India	8,17,00,000	00		
		1,95,50,000	00	(ii) Outside India	1,79,50,000	00		
11,95,50,000	00			§ Includes an amount of Rs. 17,00,000 borrowed from the Refinance Corporation for Industry (Private) Ltd. as per contra.			9,96,50,000	00
				PARTICULARS—				
		11,95,50,000	00	(i) Secured by Government Securities, Bills Discounted and other securities assigned for refinance per contra	9,96,50,000	00		
				(ii) Unsecured				
		11,95,50,000	00		9,96,50,000	00		
8,52,13,974	01			**5. Bills Payable**			8,22,64,096	72
				6. Bills for Collection being Bills Receivable as per contra—				
		3,07,36,405	25	(i) Payable in India	1,66,33,235	63		
		25,88,096	30	(ii) Payable outside India	28,01,139	50		
3,33,24,501	55						1,94,34,375	13
				7. Other Liabilities—				
		56,25,000	00	*Final Dividend for the year	71,71,875	00		
		29,319	87	Unclaimed Dividends	29,870	74		
		2,50,36,683	84	Inter-Office Adjustments (including Rs. 3,70,240.52 due to Imperial Bank of India)	6,18,31,562	35		
3,06,91,003	71						6,90,33,308	09
1,46,42,202	08			**8. Acceptances, Endorsements and Other Obligations** per contra			1,55,77,893	37
				9. Profit and Loss—				
		55,73,153	56	Balance brought forward from last year	55,87,498	79		
		1,87,10,445	23	Profit for the year	2,17,59,083	29		
		2,42,83,598	79		2,73,46,582	08		
		1,12,50,000	00	Amount set aside for payment of Dividend (made up of Interim Dividend Rs. 56,25,000 and Final Dividend Rs. 71,71,875)	1,27,96,875	00		
		20,00,000	00	Amount transferred to Reserve Fund	25,00,000	00		
		6,96,100	00	Amount transferred to Pension Funds	7,25,000	00		
		40,00,000	00	Bonus to Staff	‡2,00,000	00		
		2,50,000	00	Amount transferred to Staff Welfare Fund	5,00,000	00		
		5,00,000	00	Amount transferred to Staff Co-operative Housing Fund	10,00,000	00		
55,87,498	79						56,20,677	08

Rs.	nP		Rs.	nP
3,45,142	25	Claims against the Bank not acknowledged as debts	3,81,924	52
		Bills of Exchange re-discounted	20,66,45,220	79
22,70,59,142	18	Outstanding Forward Exchange Contracts	2,54,00,000	00
2,54,00,000	00	On partly paid-up shares	98,650	00
44,00,150	00	Guarantees given on behalf of Directors, Local Board Members or Officers of the Bank	131,66,89,818	83
122,37,74,757	92	Guarantees given on behalf of others		

10. Contingent Liabilities—

‡ In addition to the credit of Rs. 30,93,750 pertaining to the final dividend for 1959, a sum of Rs. 30,93,750 was credited to this Fund on account of the interim dividend declared in July 1960. A sum of Rs. 35,94,554 was appropriated from this Fund during the year, under the authority of the Reserve Bank of India, in respect of the losses for the year 1959 of the new branches established under Section 16 (5) of the State Bank of India Act, 1955, *vide* item 7 of the Profit and Loss Account.

† Includes Staff Welfare Fund and Staff Co-operative Housing Fund, ownership whereof vests in the Bank.

* Of which Rs. 39,44,531.25 is to be credited to the Integration and Development Fund (item 2A above) bringing the amount in the said Fund to Rs. 2,37,24,218.25.

				Total .. Rs.				
624,58,40,120	89						620,58,41,839	49

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1960

Year ended 31st December, 1959 Rs.	nP	EXPENDITURE	Year ended 31st December, 1960 Rs.	nP	Year ended 31st December, 1959 Rs.	nP	INCOME (Loss provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Year ended 31st December, 1960 Rs.	nP
7,87,89,963	94	1. Interest paid on Deposits, Borrowings, etc.	8,05,03,580	04	*14,52,93,668	06	1. Interest and Discount	14,86,91,173	33
		2. Salaries and Allowances and Provident Fund (including Salaries and Allowances of Chairman Rs. 44,405.76 and Managing Directors (Rs. 73,102.00 for the year)	7,31,66,616	32	3,00,58,940	07	2. Commission, Exchange and Brokerage	4,28,68,496	31
6,99,66,433	92				3,76,024	20	3. Rents	4,80,322	94
1,02,090	00	3. Directors' and Local Board Members' Fees and Allowances	97,320	00	....		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets	....	
37,47,864	34	4. Rent, Taxes, Insurance, Lighting, etc.	42,96,224	16	....		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets	....	
1,73,455	82	5. Law Charges	1,91,995	53			6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets	....	
23,85,206	66	6. Postages, Telegrams and Stamps	31,77,878	49	....		7. Other Receipts—Recoveries from the Integration and Development Fund for the year 1959	....	
75,000	00	7. Auditors' Fees	75,000	00			8. Loss		
20,47,474	31	8. Depreciation on and Repairs to the Bank's Property	23,05,596	70					
36,62,962	06	9. Stationery, Printing, Advertisement, etc.	39,62,789	07	35,31,909	00		32,94,654	00
....		10. Loss from Sale of or Dealing with Non-banking Assets	....		....			....	
51,02,864	08	11. Other Expenditure	58,97,543	48					
1,87,10,445	23	12. Balance of Profit	2,17,59,083	29					
		Total .. Rs.					Total .. Rs.		
18,52,62,541	33		19,53,84,647	08	18,52,62,541	33		19,53,84,647	08

* Consequent upon the new procedure of deduction of tax at source introduced by the Finance Act, 1959, credit had been taken in the accounts for the year 1959 for anticipated tax refunds; previous year's figures are, therefore, not strictly comparable.

REPORT OF THE AUDITORS

TO THE PRESIDENT OF INDIA,

We, the undersigned Auditors of the State Bank of India, appointed under Section 41 (1) of the State Bank of India Act, 1955, do hereby report to the Central Government upon the Balance Sheet and Accounts of the Bank as at the 31st December, 1960.

We have examined the above Balance Sheet and the Profit and Loss Account and the Accounts relating thereto of the Central Office and the Local Head Offices at Bombay and Calcutta and the Returns submitted and certified by the Secretaries and Treasurers of the Local Head Offices at Madras and New Delhi, by the Manager, Pakistan Branches and by Branch Agents, which Returns have been incorporated in the above Balance Sheet and Accounts, and reflect (i) that, in our opinion, the Balance Sheet is a full and fair one, containing all the necessary particulars and properly drawn up so as to exhibit a true and correct view of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the Books of the Bank; (ii) that where we have called for any explanation or information such explanation and information have been given to us and have been satisfactory; (iii) that the transactions of the Bank which have come to our notice have been within the powers of the Bank; (iv) that the Returns received from the Local Head Offices at Madras and New Delhi and from the Branches of the Bank have been found adequate for the purpose of our audit; (v) that the Profit and Loss Account shows a true balance of profit for the period covered by such account; (vi) that, in our opinion, the Balance Sheet and Profit and Loss Account are drawn up in conformity with the law; and (vii) that, in our opinion, Books of Account have been kept by the Bank as required by law.

The audit of the Books and Accounts of the Central Office has been carried out jointly by Messrs. S. B. Billimoria & Co. and Messrs. Ray and Ray. The audit of the Books and Accounts of the Local Head Offices has been carried out at Bombay by Messrs. S. B. Billimoria & Co. and at Calcutta by Messrs. Ray and Ray

9th *February*, 1961.

S. B. BILLIMORIA & CO.,
RAY AND RAY, } *Auditors.*

OF INDIA

BANK OF INDIA)

The Liability of Members is Limited.

OF INDIA AS AT 31st DECEMBER 1960

As at 31st December, 1959 Rs.	nP	Rs.	nP	PROPERTY AND ASSETS	As at 31st December 1960 Rs.	nP	Rs.	nP
				1. Cash—				
60,31,65,943	66			In hand and with Reserve Bank (including Foreign Currency Notes)			65,19,88,908	59
				2. Balances with Other Banks—	On Current Account Rs. nP	On Deposit Rs. nP		
		....		(i) In India	....	....	....	
		4,52,19,135	53	†(ii) Outside India	2,72,71,799 03	....	2,72,71,799	03
4,52,19,135	53			† Including Rs. 32,36,828.64 held abroad under special arrangement.				
2,46,66,666	66			**3. Money at Call and Short Notice**			1,73,33,333	33
				4. ‡Investments (Securities valued in accordance with Regulation 73; shares, debentures or bonds at or below cost)—				
		362,84,44,192	92	(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments			285,05,72,241	50
				(ii) Shares authorised under the State Bank of India Act, 1955—	Rs. nP			
		1,50,24,368	43	Fully paid-up	79,24,368 43		1,55,24,368	43
				Partly paid-up	76,00,000 00		3,35,69,911	50
		2,80,64,225	50	(iii) Debentures or Bonds			9,74,05,654	56
		9,97,37,136	82	(iv) Other Investments—Pakistan and other Government Securities, etc.				
377,12,69,923	67			‡ Of which investments of the face value of India Rs. 9,00,00,000 and Pakistan Rs. 2,99,69,400 are pledged against borrowings from other Banks, Agents, etc., per contra.			299,70,75,175	99
				5. Advances—				
				§(I) Loans, Cash Credits, Overdrafts, etc.—	Rs. nP			
				(i) In India	213,10,98,337 20			
				(ii) Outside India	3,43,22,572 29			
		152,25,18,737	20	§ Include term advances amounting to Rs. 3,42,93,786.67, of which refinance has been obtained from the Refinance Corporation for Industry (Private) Ltd. to the extent of Rs. 17,00,000 as per contra.			216,54,20,909	49
				¶ (II) Bills Discounted and Purchased—				
		14,62,86,972	26	(i) Payable in India	11,18,31,687 37			
166,88,05,709	46			(ii) Payable outside India	4,51,84,337 24		15,70,16,024	61
				¶ Of which bills of the value of Pakistan Rs. 1,50,00,000 are held by the State Bank of Pakistan as security against borrowings as per contra.			232,24,36,934	10
				PARTICULARS OF ADVANCES: See separate Statement appended.				
				6. Bills Receivable Being Bills for Collection as per contra—				
		3,07,36,405	25	(i) Payable in India			1,66,33,235	63
		25,88,096	30	(ii) Payable outside India			28,01,139	50
3,33,24,501	55						1,94,34,375	13
1,46,42,202	08			**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra			1,55,77,893	37
				***Premises Less Depreciation—**				
				Total Cost up to the 31st December, 1959			1,35,32,359	88
		1,32,62,953	72	Additions (Rs. 56,74,668.06) less Deductions (Rs. 291.00) during the year			56,74,372	06
		2,69,406	16				1,92,06,731	94
		1,35,32,359	88	Depreciation written off up to the 31st December, 1960, less depreciation previously provided on property which has passed out of the Bank's possession			16,35,897	00
		13,33,868	00				1,75,71,334	94
1,21,98,491	88							
				9. *Furniture and Fixtures Less Depreciation—				
		1,22,41,085	73	Total Cost up to the 31st December, 1959			1,50,81,285	00
		28,40,199	27	Additions (Rs. 31,54,035.44) less Deductions (Rs. 30,987.68) during the year			31,23,047	76
		1,50,81,285	00				1,82,04,332	76
		38,72,475	78	Depreciation written off up to the 31st December, 1960, less depreciation previously provided on property which has passed out of the Bank's possession			52,22,718	78
1,12,08,809	22						1,29,81,613	98
				10. Other Assets, including Gold and Silver—				
				Bullion			....	
		2,85,09,359	96	Adjusting Account of Interest, Commission, etc.			3,10,92,142	37
		2,48,27,377	22	Stationery, Stamps, Suspense, Tax Recoverable, etc.			2,20,10,827	85
		80,02,000	00	Shares in Subsidiaries			7,05,68,000	80
6,13,38,737	18						12,36,70,471	03
....				**11. Non-Banking Assets Acquired in Satisfaction of Claims**			....	
....				**12. Profit and Loss**			....	
				NOTE.—Includes Rs. 1,80,705.58 (against which a sum of Rs. 46,231.00 is still to be received) being written down value of certain Pakistan assets sold, pending completion of formalities.				
				Total .. Rs.				
624,58,40,120	89						620,53,41,839	49

PARTICULARS OF ADVANCES

As at 31st December, 1959 Rs.	nP		As at 31st December, 1960 Rs.	nP	As at 31st December, 1959 Rs.	nP		As at 31st December, 1960 Rs.	nP
150,59,99,960	34	(i) Debts considered good in respect of which the Bank is fully secured	204,74,39,712	80	9,28,755	88	(v) Debts due by Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons	11,65,956	94
2,31,96,147	45	(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	2,69,27,335	70	43,78,72,500	68	(vi) Debts due by companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	63,16,82,276	36
13,96,09,601	67	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	24,80,69,886	10	....		(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons	13,15,204	01
....		(iv) Debts considered doubtful or bad, not provided for	....		11,91,419	55	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	63,61,88,703	70
			232,24,36,934	10	8,07,58,498	20	(ix) Due from banking companies	9,08,99,356	30
166,88,05,709	46				60,47,64,641	27			

P. C. BHATTACHARYYA, *Chairman.*

D. G. KARVE, *Vice-Chairman.*

S. P. PURI, *Managing Director.*

PRATAPSINH MATHURADAS,
M. H. HASHAM PREMJI,
RAMNATH A. PODAR,
B. VENKATAPPIAH,
SACHINDRA CHAUDHURI,
TRIGUNA SEN,
K. RAMUNNI MENON,
BHARAT RAM,
K. P. MATHRANI, } *Directors.*

THE STATE BANK OF INDIA

MR. P. C. BHATTACHARYYA'S SPEECH AT ANNUAL MEETING

BANKS URGED TO PLAY ACTIVE ROLE IN MOBILISING RESOURCES

A CALL to the banking system to play a continuously active role in the overall mobilisation of resources was made by Mr. P. C. Bhattacharyya, Chairman of the State Bank of India, when he addressed the Sixth Annual General Meeting of the shareholders of the Bank, held at Bombay on Monday, 6th March 1961. Mr. Bhattacharyya felt that there was considerable scope for securing more bank deposits from the rural and semi-urban areas. Stating that the possibilities should be explored with vigour, he stressed the necessity for employing new techniques from time to time. He referred to the view expressed by some that the low rate of interest on deposits had been an inhibiting factor and revealed that his Bank had raised the interest rates on savings bank accounts and deposits with effect from 1st March 1961.

The following is the full text of Mr. Bhattacharyya's speech:

"GENTLEMEN,

"I have much pleasure in welcoming you all to this sixth annual general meeting of the State Bank of India. The report of the Central Board of Directors for the year 1960, together with the Bank's balance-sheet as on 31st December 1960, and the profit and loss account for the year ended 31st December 1960, has already been circulated to you and has been taken as read.

"I am happy to say that, in marked contrast to the position in 1959, the Bank recorded good progress in its traditional business during the year under review. As a result, the Bank's net profit, after the usual and necessary provisions have been made, shows an increase from Rs. 1.87 crores to Rs. 2.18 crores. We have been able thereby not only to strengthen our reserve fund and other funds to a greater extent than last year but also to declare a dividend of Rs. 22.75 per share for the year, thus restoring practically the net dividend that was previously available to the shareholders.

Reasons for Higher Earnings

"There are two reasons for the increase in the Bank's net profit for the year: the increase in the level of the Bank's advances and the rise in the Bank's lending rates after 1st October 1960. The Bank's advances (including bills), which had stood at Rs. 156.5 crores in December 1959, increased sizably in the course of the busy season and reached a peak of Rs. 215.7 crores in July 1960. They continued to remain at a high level during the slack season and rose further after the commencement of the current busy season. On 17th February 1961, the Bank's advances stood at Rs. 259.2 crores. Secondly, consequent on the Reserve Bank's directive of 21st September 1960, asking all scheduled banks to charge a minimum rate of 5 per cent on advances and to raise their average lending rates by half a per cent, the State Bank of India advance rate was raised from 4½ per cent to 5 per cent with effect from 1st October 1960 and other lending rates of the Bank were also increased suitably. This has obviously added to the Bank's earnings during the year.

"The total deposits of the Bank declined during 1960 by Rs. 6.0 crores. This was solely due to the fact that no deposits of U.S. P.L. 480 funds accrued to the Bank after 12th May 1960 and a sum of Rs. 72.0 crores out of the amounts previously deposited was transferred to the Reserve Bank of India during the year. If the U.S. P.L. 480 deposits are kept out of account, the average deposits of the Bank increased by Rs. 27.9 crores in 1960, as compared to an increase of Rs. 122.0 crores in the total deposits of other scheduled banks. However, the growth of deposits of the State Bank of India as well as other scheduled banks slowed down in the latter half of 1960. This decline in the rate of growth of deposits is a matter of some concern, especially in the context of an increasing demand for bank credit. The slack season contraction in bank credit was also much smaller during the last two years. If, therefore, the demand for bank credit continues to rise and to remain high throughout the year, all efforts will have to be made by banks to increase deposits.

"One point deserves to be mentioned in this context. The banking system must continuously play an active role in the overall mobilisation of resources. For this purpose, it is necessary that new techniques be employed from time to time. Hitherto, banks have depended more on urban areas and industrial and commercial centres for collection of deposits. I feel that the possibilities of securing more deposits from rural and semi-urban areas should now be explored with vigour. Upto the end of 1960, we have opened 429 branches mostly in the rural and semi-urban areas of the country. The total deposits at these branches have increased from Rs. 29.32 crores in 1959 to Rs. 37.03 crores in 1960; and the average deposits per new branch have risen from Rs. 8.17 lakhs to Rs. 8.63 lakhs. I feel, however, that there is still considerable scope for increasing bank deposits in these areas. It has been said that the low rates of interest that we pay on deposits have been an inhibiting factor. In order to reduce the influence of this factor, we have raised, as a measure of experiment, the Bank's interest rate on savings bank accounts to 2½ per cent per annum and that on savings bank deposit accounts to 2¾ per cent with effect from the 1st of this month. I do hope that this experiment will produce the desired effect and that it will be possible to report better progress next year.

Developmental Activities

"I would now refer to the Bank's developmental activities. I am happy to say that, with the opening of the Bank's branch at Kairana in Uttar Pradesh on 1st June 1960, the Bank's statutory obligation to open 400 branches in five years was fulfilled before time. This is an achievement which has no parallel in the history of Indian banking. Twenty-nine more branches have been opened between 1st June and 31st December 1960.

"The Branch Expansion Programme has placed a heavy strain on our staff resources at all levels. The problem of manning new branches was particularly difficult. In addition to taking in many direct recruits, a large number of persons with limited experience had to be promoted; and all these persons had to be appointed to hold charge of branches and other supervisory posts as quickly as possible after giving them the minimum training necessary for the purpose. The programme has also put a heavy strain on the local head offices as well as the Central Office of the Bank. Your Directors, therefore, thought that the position should be reviewed comprehensively before deciding on the Bank's future branch expansion policy. A committee of the Central Board, under the chairmanship of Professor D. G. Karve, has been constituted for this purpose. I understand that the work of the Committee has been progressing well and that it will submit its report shortly.

"In regard to the other two developmental activities, viz., the financing of small-scale industries and provision of rural credit, the Bank has made further progress during the year. The credit limits granted by the Bank to small-scale industries and to co-operative institutions went up to Rs. 7.8 crores and Rs. 22.4 crores, respectively, during the year. There has been one development to which I may make a special reference. This is the introduction by the Government of India of a Credit Guarantee Scheme for small-scale industries. We have been taking full advantage of this scheme.

Subsidiary Banks

"I now come to the subsidiary banks. I am happy to say that the process of integration of the eight State-owned or State-associated banks with the State Bank of India, started on 1st October 1959 has been completed. The complicated and arduous task of determining the compensation payable to shareholders of the old banks has also been completed. It is gratifying that the shareholders of all the old banks have accepted the compensation determined by the State Bank of India as final, without any demur. The total compensation payable in the case of all the eight subsidiary banks amounts to Rs. 8.05 crores, out of which Rs. 6.86 crores have been paid upto 17th February 1961. I may also mention here that part of the compensation is payable in the form of shares of the new bank at the option of the shareholders of the old bank and, in the case of two subsidiary banks, as many as about 1,100 shareholders in each case have taken shares of the respective new bank.

"The annual reports of the subsidiary banks have been sent to you and these show that all the eight subsidiaries have shown improved working results in 1960. The State Bank of Hyderabad, the State Bank of Mysore and the State Bank of Travancore have declared dividends for the year at 6 per cent, 9 per cent and 5 per cent, respectively. In the case of two subsidiaries, no dividend was declared, as no compensation had been paid during the year. Regarding the rest, profits were not sufficiently large to justify declaration of dividends. In two of these cases, profits of the corresponding old banks were not subject to income-tax previously, whereas provision had to be made for taxation in 1960. This reduced considerably the profits available for distribution. I have every hope that the transitional difficulties in all these cases will soon be overcome and all the subsidiary banks will show better operational results in future.

Strike

"The annual report refers to a strike from 4th March to 25th March 1960 by the members of the clerical and subordinate staff of the Bank. The essential business of the Bank and Government was carried on during the period, with the assistance of supervising staff and non-striking members of the clerical and subordinate staff. I must commend the way in which they worked, under very trying conditions, and served the Bank during the strike. I extend to them my special thanks and I am sure, the shareholders and the Directors would also like me to convey their thanks to them. As you are aware, the dispute has been referred to and is pending before the Tribunal. The present position in this regard is that the Tribunal has given its award on the question of interim relief; it has not granted any of the demands put forward by the employees on this account. The hearing on the main demands is continuing.

"I have pleasure to acknowledge that, while the dispute is pending before the Tribunal, our relations with the employees have been generally good. I take this opportunity to record my appreciation of the work put in by all the grades of our staff during the year and convey to them my sincere thanks.

"I would like to mention here that our staff has recently been active in organising several sports activities and social gatherings, etc. We believe that these are very good activities for developing and promoting closer contacts among all the categories of staff. We have, therefore, been lending our support to these activities and I do hope that the number as well as the variety of these activities will increase at all the branches and offices of the Bank so as to lead to the promotion of congenial staff relations which are so necessary for every organisation.

"Before concluding, I would like to place on record my sincere thanks to Shri Mangaldas Pakvasa who rendered valuable service to the Bank as its Vice-Chairman between 25th February 1959 and 16th April 1960. I would also like to express my sincere thanks to Shri B. P. Patel for the good work that he did as a Managing Director of the Bank for over four crucial years between April 1956 and June 1960."

★ CONSULT

FOR INTERNATIONAL AND DOMESTIC BANKING SERVICE

THE BANK OF TOKYO LIMITED

(Incorporated in Japan under the special law

32 Overseas branches and representative offices and 1 Associate Bank

1 Affiliate Bank 1 Trust Company

All information concerning foreign trade available

All the latest information in respect of the Japanese pattern of industry and business and the names of all the principal industrial manufacturers and manufactured commodities available for your ready reference.

★

K. Hashimoto
Manager
Bombay Office

Bombay Office:
"Jeevan Prakash", Sir Phirozshah Mehta Road
P.O. Box 1762, Bombay-1 Tel: 253857/58 & 253848
Office at Calcutta Representative at Delhi

FORWARD MARKETS BULLETIN
(Monthly)
Published by Forward Markets Commission
Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription: In India .. Rs. 24.00; Abroad .. Rs. 40.00
Single copy: In India .. Rs. 2.50; Abroad .. Rs. 4.00

For further particulars please apply to:
The Secretary, Forward Markets Commission
"Everest," 100, Marine Drive, Bombay-2

For all your requirements in:-
OIL SEALS, 'O'—RINGS
BUCKET SEALS AND ALL TYPES OF PRECISION MOULDED ITEMS MADE FROM SYNTHETIC RUBBER

Please Contact:—
M/s. OIL SEALS MFG. CO. INDIA,
(Mfrs. of Famous OMCO Brand Oil Seals)
Ratan House, (2nd Floor), Tribhuvan Rd., Bombay-4.

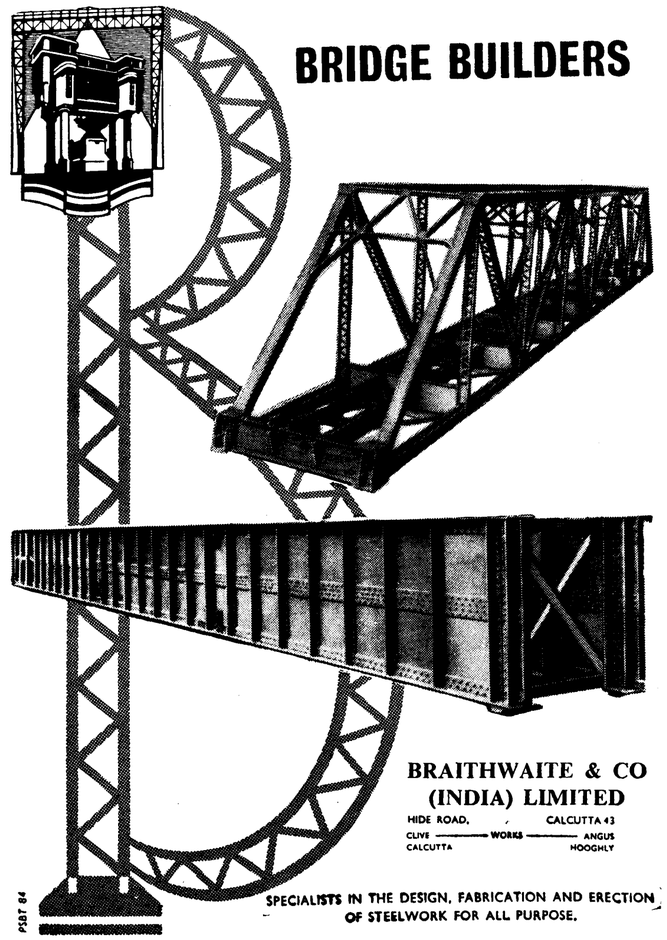
'BEHAR' the dependable name in FIRECLAY & SILICA Refractories

For over 35 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cocoon Mills and other Industries in the country.

Phone: 22-5952
22-3101
Gram: "BANCO"

BEHAR FIREBRICKS & POTTERIES LTD
TRANK ROAD, CALCUTTA-2.

BRIDGE BUILDERS



BRAITHWAITE & CO (INDIA) LIMITED
HIDE ROAD, CALCUTTA 43
CLIVE CALCUTTA — WORKS — ANGUS HOOGHLY

SPECIALISTS IN THE DESIGN, FABRICATION AND ERECTION OF STEELWORK FOR ALL PURPOSE.

PSBT 84

A VERY PROFITABLE INVESTMENT

Small Monthly Deposits steadily growing into a substantial saving after 46 months.

VSK-6

HERE ARE THE SALIENT FEATURES!

★ SAVING BY MONTHLY INSTALMENTS—Minimum Rs. 10/- and Maximum Rs. 500/-.
★ LOANS GRANTED AGAINST RECURRING DEPOSITS IN CASE OF NEED.
★ Accounts can be opened in joint names and in the names of minors.
★ Standing instructions for payment of monthly instalments accepted.
★ Instalments accepted free of charge at any of the 137 Branches of the Bank in India.

BUILD A FORTUNE THROUGH RECURRING DEPOSIT SCHEME.

APPLY FOR PARTICULARS TO THE NEAREST BRANCH OF THE BANK.

G. S. SUNDARAM,
SECRETARY.

THE INDIAN BANK LTD.,
(Head office: FIRST LINE BEACH, MADRAS-1.)

POSITION OF TRADE UNIONS IN RUSSIA

FINDINGS OF I.L.O. MISSION

WHILE the military might of the U.S.S.R. and its acknowledged lead in such spheres as rocketry and space research are fairly widely known, the actual working and living conditions in Soviet Russia, which are of more direct interest to the outside world, have been an enigma so far. A particular aspect of Soviet life, which has excited the curiosity of the outside world, is the trade union situation in the U.S.S.R. Do the workers in the Soviet Union enjoy freedom of association, in the sense the term is commonly understood in the free world? Are Soviet workers free to organise unions as they please or join the unions of their choice? Are the unions really independent? What is the position of trade unions *vis-a-vis* the Communist Party and the Government? Do the Soviet workers enjoy the right to strike? Have they any voice in industrial management? These and a host of other questions asked by a curious world have not so far received satisfactory answers.

The claim of Soviet spokesmen in various international forums, including the I.L.O., that the trade unions in the U.S.S.R. had more rights and greater freedom and opportunities than those in any other country in the free world, has failed to carry conviction. In fact, popular conceptions of Soviet trade unionism are as hazy as they are divergent. For instance, there is, on the one hand, the impression that trade union membership in the Soviet Union is compulsory and, on the other, that large categories of workers in the Soviet Union are prohibited from organising into unions. Again, the view is widely held that Soviet trade unions are not independent organisations set up by the free choice of workers themselves and having the forms they choose to give them. On the contrary, it is thought that the Soviet trade unions are, in effect, organs of the State and that their structure, policies and activities are fixed for them by the Government and the Communist Party. Another widely held belief is that the workers in the Soviet Union are not free to withhold their labour, if they are dissatisfied with the terms or conditions of work. Again, many people think that collective agreements between workers and management in the U.S.S.R. are fundamentally different in form and content from those arrived in the West and that they neither govern the wages and conditions of work nor are they arrived at by a free process of collective bargaining. This is only an illustrative list of the endless queries asked about Soviet trade unions; it is by no means exhaustive. There is, in fact, a vacuum in which almost anything could pass for truth. Viewed against this background, the report of a Mission sponsored by the International Labour Office, Geneva, just released, is a timely publication.* It goes some way to make available authentic information about certain aspects of the trade union situation in the U.S.S.R., though it does not fill the vacuum completely. The report is based on an on-the-spot survey of freedom of association in the Soviet Union undertaken by the Mission at the invitation of the Government of U.S.S.R. as part of a new effort by the I.L.O. to ascertain the facts relating to freedom of association in a continuing manner and on a world-wide basis. It is the second report in the series. The first related to the U.S.

Rapid Growth

The I.L.O. Mission, after its tour of the U.S.S.R., was left in no doubt about the existence of trade unions in the country. It received visible evidence of the extent of their organisation and functions. Trade unions in Soviet Russia, it points out, are not a creation of the post-Revolutionary period. They came into existence before the First World War as they did in other countries of Europe and for similar reasons. They grew rapidly after the revolution of 1905 and subsequently went through a period of depression. It was during the years before 1917 that they developed their relations with the political parties, linked their industrial action with political action and took on their revolutionary character. After 1917, having participated in the Revolution and having assisted in the overthrow of Tsarism and capitalism, they became essential to the defence and subsequent development of the Soviet regime. But they were not set up by the State, they had had existed already.

The fact that private ownership of the means of production in the Soviet Union was abolished after the Revolution is, according to the Mission, of cardinal importance for an understanding of the trade union situation and the problems of freedom of association. Although there are no private employers in the U.S.S.R., the factories and farms nevertheless need labour and workers need employment. Their work must be organised and supervised, their working conditions must be settled and arrangements for their remuneration must be devised. Various methods for dealing with this situation has been adopted in the Soviet Union. The net result has been that trade unions have come to occupy a prominent position in the Soviet State.

Because of the particular conditions prevailing at the time of the Russian Tsars, namely, delayed arrival of the industrial revolution, a predominantly agricultural population, illiteracy and administrative and police repression, the organisation of workers was intimately bound up with political activity. In fact, political and economic action were regarded as parts of the same process and the conviction had grown in strength that no solution to the economic problem could be found without the abolition of the Tsarist system. The struggle for economic betterment and social progress soon became identified with the struggle for political freedom. From the very outset, trade unions were political-minded and constituted the main rank and file of the revolutionary parties. Unity of purpose and action, and also, to some extent, identity of leadership between trade unions and revolutionary parties, were among the chief factors which accounted for the close link which was forged between the trade unions and the Communist Party. However, according to the Mission, to the Soviet mind, the nature of the relations between the Communist Party and the trade unions rules out any idea of subordination imposed from above. The Party exercises its influence on trade unions through members of the unions who are also members of the Party.

Legal Situation

The legal situation of trade unions has been a subject of much curiosity and speculation in the outside world. Article 126 of the Constitution of the U.S.S.R. guarantees all citizens the right to organise themselves into trade unions. Article 151 of the Labour Code stipulates that the Unions shall be entitled to appear before the various authorities as parties to collective agreements and to represent them in all matters relating to work and conditions of life.

To be able to style itself a trade union and claim the rights attached to that status, the organisation concerned must be registered with an inter-union body. The law does not actually stipulate which inter-union body trade unions must register with; it simply states that registration shall be effected in a manner prescribed by the U.S.S.R. Congress of Trade Unions, the supreme body of trade unions in Soviet Russia. The All-Union Central Council of Trade Unions, the central body of the Congress, is the highest inter-union body in the U.S.S.R. and registrations are to be effected with it. The principle had been laid down early that trade unions must be industrial in character (that is, organised vertically) and that there should not be more than one trade union organisation in any one undertaking. The rules adopted by the U.S.S.R. Congress of Trade Unions state that all persons employed in the same factory or office belong to the same union. Each trade union comprises the employees of one branch or several branches of the natural economy. This principle has to be accepted by all trade unions registered with the A.U.C.C.T.U. Hence there is no possibility of the simultaneous existence of more than one union in any undertaking.

Explaining the legal status of trade unions in the U.S.S.R., the I.L.O. Mission points out that, according to the Labour Code, trade unions are entitled to acquire and manage property and to conclude contracts, agreements, etc. This *implies* that trade unions and the inter-union bodies have a legal personality.

Participation in Management

Have trade unions representation in the administration of a concern? The Mission says that the Soviet trade unions exercise considerable influence on the administration of undertakings. It then goes on to add:

"Their participation in management has its roots in the traditions of the revolutionary and early post-revolutionary years, when some factories were taken over and run by the workers themselves. In recent years, this participation has been extended. The legal instrument that enables the unions to take an active and continued interest in the operation of an undertaking was put in their hands in 1958, when legislation on the factory, works and local trade union committees and the standing production conferences was passed. The latter—as emphasised by the Central Committee of the Party, at its plenary meeting held in December 1957—would make it possible to combine observance of the principle that management must remain in the hands of a single chief with effective supervision of management by the personnel. Bearing in mind that the enterprise is operated in the planned economy of a Socialist State, the responsibility and authority of the Soviet manager are very wide and his freedom to run the plant is a basis of the whole concept of Soviet management.... The exercise of the wide powers of the Soviet manager is somewhat mitigated by the tenet that he is a worker placed in the position of a trustee for the State and that thus, while his principal duty is to organise production and ensure the progress of his plant, he also has to take care of and bear responsibility for the welfare of his fellow workers. A conflict that arose between the director and the workers might, if carried to the extreme, result in the director's dismissal."

It may, however, be noted that the director of an undertaking is appointed by the regional economic council with the concurrence of the Minister concerned and all the supervisors in a factory are appointed by the director.

The right to strike is one of the fundamental rights enjoyed by workers in all democratic countries. It is interesting to examine whether this privilege exists in the U.S.S.R. According to the Mission, it is true that at no time has Soviet legislation prohibited recourse to strike but the exact legal situation, according to it, is not quite clear. The following observation of the Mission regarding strikes is relevant:

"One form of strike is political, for instance, a strike involving the government. In all countries strikes of this kind are frowned upon. In view of the way in which the Soviet system is organised and of the interlocking relationships between the trade unions, the Party and the Government, it is improbable that a situation would arise in which a trade union, much less the A.U.C.C.T.U., would call upon the workers to strike against the Government.

"Another form of strike is that which is directed against the management. Here again it is unlikely that a set of circumstances in which it would be necessary for a union to call a strike would be allowed to arise in the U.S.S.R. because of the place which the unions occupy in the economic organisation of the Soviet State. Provision is made for the unions to be associated with management in the running of the plants, in solving the problems of production and in ensuring that due attention is paid to the welfare of the workers. Provision is also made for the unions and the managements to be continually in touch with each other, to have every opportunity of discussing points of disagreement and to appeal, if necessary, to higher authorities.

"Strikes against the management may also, of course, be spontaneous outbreaks with which the union may or may not be in sympathy. It may be assumed that stoppages of work of this kind sometimes take place. Various means exist for the workers to obtain consideration of their grievances through their union or through the management; if strikes of this kind do take place, it must be expected that the necessary machinery for dealing with the problem is immediately set in motion."

The Mission observes that it did not hear of any specific instances of collective stoppages of work to defend the interests of workers and to obtain better working conditions. Those with whom the Mission discussed this matter simply stated that strikes were not prohibited by law in the Soviet Union and that, in any case, the workers did not have to resort to strike action and there was nobody for them to strike against since the means of production belonged to them.

Organisation

Trade Unions in the Soviet Union are organised vertically on two basic principles: (1) all persons employed in any one factory, State farm or other institution belong to the same union, and (2) each union comprises the employees of one segment of the national economy. There are 22 trade unions with a total membership of 53 million in the U.S.S.R. The supreme body of the trade union movement in the U.S.S.R. is the U.S.S.R. Congress of Trade Unions which elects the central body of the trade union organisation, namely, the All-Union Central Council of Trade Unions (A.U.C.C.T.U.). The permanent organ of the Council is a presidium of elected members. Trade union membership is not compulsory but membership brings with it a number of privileges which act as a powerful incentive. Trade union members have, in addition to their rights and privileges, certain precise and positive duties in regard to the promotion of production, observance of labour discipline, the development of the country's economy and safeguarding of people's property. The work of the trade unions has been developing with increasing membership participation and, with the raising of the educational level, there is a growing tendency to regard the individual member as a person whose co-operation is necessary.

The functions of trade unions range from legislative initiative and participation in national economic planning to negotiation of collective agreements and administration of cultural and recreation facilities. The subjects dealt with in collective agreements include the obligation of the management and the factory committee to fulfil production plans, conditions and methods of wage payment and the fixing of output standards, training, labour indiscipline, labour protection and safety technique, housing and welfare, catering arrangements and cultural facilities.

Freedom of Association

The I.L.O. Mission was, as mentioned earlier, specially interested in investigating the extent of freedom of association for workers in the Soviet Union. The relationship of the trade unions to the Communist Party and the Government is of fundamental importance to such an assessment. The facts of the situation, says the Mission, are clear enough; it is the interpretation that leads to differences of opinion. In its view, there is no doubt that, in accordance with their rules, the trade unions, like all other bodies in the Soviet Union, have to follow the leadership of the Communist Party in their policies and activities.

As far as relations with the Government are concerned, it is evident, says the Mission, that the Government has its own sphere of responsibility and the trade unions have theirs. The trade unions do not exercise any of the traditional functions of Government but they do carry out certain functions which are the concern of the Government in some other countries. While trade unions are distinct from the Government, they nevertheless play a prominent part in helping to run the country, especially in the sphere of industrial organisation and the social services. This dual position accounts for the considerable power and influence which the Soviet trade unions enjoy. While continuing to be organisations which represent and speak for the workers, the unions are participating, to an even greater extent, in running and strengthening the Soviet State. In their defence of the workers' interest and welfare, the unions continue to urge the workers to make the greatest possible contribution towards the strengthening of the economy and raising the general standard of living. By virtue of their role in regard to the planning and organisation of production and the protection and welfare of workers, the unions, concludes the Mission, remain one of the pillars of the Soviet system.

*The Trade Union Situation in the U.S.S.R. Report of a Mission from the International Labour Office, Geneva. Pages: 136. Price: $1.25 or 7s. 6d.

ANDHRA BANK LTD.

Head Office: MASULIPATAM

Authorised Capital	Rs. 1,00,00,000
Paid-up Capital	Rs. 41,64,945
Reserves	Rs. 19,73,220
Working Funds Exceed	Rs. 17,00,00,000

HAVING 74 BRANCHES IN ANDHRA, MADRAS, MYSORE, ORISSA AND MAHARASHTRA STATES

All kinds of Banking business including Foreign Exchange transacted

DEPOSITS ACCEPTED AT ATTRACTIVE RATES OF INTEREST

T. SRIRAMULU, *Managing Director.*

T. R. BHAGAVAT, *General Manager.*

THE JAVA BENGAL LINE'S OFFICE AT CALCUTTA

LIGHTING BY PHILIPS

When one enters the recently renovated offices of the Java Bengal Line in Calcutta's premier business area, there is an almost breathless hush of amazement at the unusual elegance which presents itself. The reason is, at once, obvious. The evenly spread out and gentle lighting lends an atmosphere of dignity and efficiency.

And naturally, the lighting is by Philips.

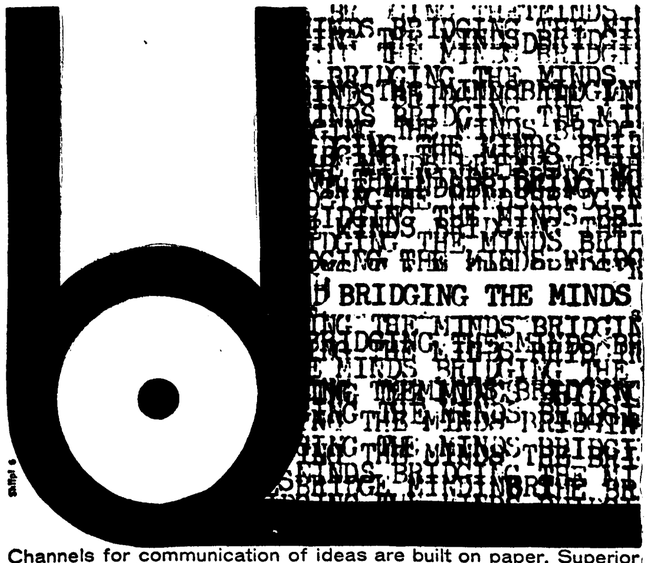
The diffuse and even high level lighting, free from shadows and glare, has been achieved through recessed fluorescent lamp fittings. These Philips' exclusive fittings produce lighting that totally eliminates eye-strain and increases staff efficiency.

Philips' exclusive lighting consisting of lamps, fittings and accessories ensures ultimate economy by providing the maximum illumination level at lowest running cost and gives longer, trouble-free performance. Philips' scientifically designed equipment is the result of experience as well as research and development aimed to meet the evergrowing demands of better lighting. And hand-in-hand with Philips' unrivalled quality goes the invisible *plus* of Philips' international experience and know-how.

FREE: *For planned lighting, designed economically to suit your specific need—whether it is industrial, commercial or any other specialised application—consult Philips Lighting Service Bureau.*

PHILIPS quality lighting for ultimate economy

IWTP 4440 PHILIPS INDIA LIMITED



Channels for communication of ideas are built on paper. Superior in texture and composition, paper comes to you for your personal use from Dandeli Plant of The West Coast Paper Mills Limited.

THE WEST COAST PAPER MILLS LTD.

Registered Office: Shree Niwas House, Waudby Road, Bombay-1 Mills: Dandeli, North Kanara Dist. Telegrams: KAGAJMILL • Telephone: 268241

Notices

BENGAL POTTERIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Bengal Potteries Limited will be held at the Registered Office of the Company, 45, Tangra Road, Calcutta-15, on Wednesday, the 22nd March 1961, at 11-00 a.m., to transact the following items of business:—

To consider and if thought fit to pass the following Resolutions which shall be proposed as Special Resolutions:—

1. "Resolved that this meeting consents under Section 314 of the Companies Act, 1956, to the reappointment of Messrs. Allied Distributors & Co., a Co-partnership Firm of which Bharat Ram Charat Ram Private Ltd., Shri S. K. Agarwal, Shri R. K. Agarwal, Gupta Collective Farms Private Ltd., Hindusthan Selling Agencies Private Ltd., and K. L. Poddar and Sons Private Ltd., are partners, as the Sole Selling Agents of the Company for a period of five years commencing from the 1st day of April, 1961 and on the terms and conditions mentioned in the draft Agreement expressed to be made between the Company of the one part and the said Messrs. Allied Distributors & Co. of the other part subscribed by the Chairman of the Board of Directors of the Company at its meeting held on the 23rd day of February 1961, and also subscribed by the Chairman of this meeting and otherwise holding an office of profit as such selling agents of the Company."

2. "Resolved that consent be and is hereby given for continuance of Messrs. Allied Distributors & Co., a co-partnership firm of which Bharat Ram Charat Ram Private Ltd., Shri S. K. Agarwal, Shri R. K. Agarwal, Gupta Collective Farms Private Ltd., Hindusthan Selling Agencies Private Ltd. and K. L. Poddar and Sons Private Ltd. are partners, in the office of profit in spite of the fact that any partner of the firm may be deemed to have become a relative of any Director of the Company by virtue of the Companies (Amendment) Act, 1960."

Explanatory Statement Under Section 173(2)

Re: Resolution No. 1:—Allied Distributors & Co., is a co-partnership firm and it appeared that Shri S. K. Agarwal and Shri R. K. Agarwal are sons of Lala Bishen Swarup, a Director of the Company, and are sons of a brother of the mother of Lala Shri Dhar, a Director of the Company.

As such they are the relatives of Lala Bishen Swarup and Lala Shri Dhar within the meaning of the Companies Act of 1956.

Save as aforesaid none of the other Directors of the Company or the Managing Agents has any concern or interest in the aforesaid Resolution.

Accordingly, previous consent of the Company accorded by a special resolution is required under Section 314 of the Companies Act, 1956, for reappointment of the said Messrs. Allied Distributors & Co. as the Sole Selling Agents of the Company.

Re: Resolution No. 2:—The Companies (Amendment) Act 1960, which came into force from 29th December 1960, has enlarged the definition of relatives in some respects with the result that Shri S. K. Agarwal and Shri R. K. Agarwal, partners in Allied Distributors & Co., are now deemed to be relatives of Lala Shri Dhar, which was not the case previously. The Company is advised that this does not affect the appointment of the firm under Section 314 of the Companies Act, 1956, but for abundant precaution, shareholders' consent is being sought by the Resolution.

Save as aforesaid none of the other Directors of the Company or the Managing Agents has any concern or interest in the aforesaid Resolution.

The draft Agreement referred to in the above Resolutions can be inspected by any member at the Registered Office of the Company, 45, Tangra Road, Calcutta, on any working day of the Company, during the hours of 2 p.m. to 4 p.m.

A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

By Order of the Board of Directors,
BHARAT RAM BHAGAT & CO.,
Managing Agents.

45, TANGRA ROAD,
CALCUTTA, *Dated, 25th February*, 1961.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors have decided to declare a second Interim Dividend on 24th March 1961 (additional to the Interim Dividend of 2½%, subject to tax, declared on 5th August 1960) in respect of the Company's financial year ending 31st March 1961, of 2½%, subject to tax, payable on or after 12th April 1961 to registered shareholders whose names appear in the Register on 24th March 1961 or to their mandatees.

Transfers received at the Company's Registered Office before close of business on 21st March 1961 will, if in order, be registered in time for the transferees to receive the Dividend.

By Order of the Board,
B. GRANGER PEARSON,
Secretary.

VIRGINIA HOUSE,
37 CHOWRINGHEE,
CALCUTTA, *7th March* 1961.

N.B.—Shareholders should inform the Registrar of any changes in their registered addresses.

THE MILLOWNERS' ASSOCIATION BOMBAY

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of the MEMBERS of the MILLOWNERS' ASSOCIATION, BOMBAY, will be held in the rooms of the Association (Second Floor, Elphinstone Building, Veer Nariman Road, Fort), at 11-30 a.m. on Wednesday, the 15th March 1961, to transact the following business:—

(1) To receive and adopt the Committee's Report and Statement of Accounts for the year 1960;

(2) To appoint Auditors of the Association's Accounts for the current year and to fix their remuneration;

AND any other business that may be brought forward.

By Order of the Committee,
R. L. N. VIJAYANAGAR,
Acting Secretary.

BOMBAY, *7th March* 1961.

THE KESAR SUGAR WORKS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-seventh Annual General Meeting of the shareholders of THE KESAR SUGAR WORKS LTD. will be held on Thursday the 23rd day of March 1961 at 4 p.m. (S.T.) at the Registered Office of the Company, 45-47, Apollo Street, Fort, Bombay, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st July, 1960.
2. To sanction payment of Dividend to Preference Shareholders.
3. To sanction payment of Additional Dividend for the year 1958-59 to Preference Shareholders as required by the Preference Shares (Regulation of Dividend) Act, 1960.
4. To declare a Dividend to Ordinary Shareholders.
5. To elect a Director in place of Shri Tulsidas Kilachand who retires by rotation under Article 143 of the Articles of Association of the Company, but being eligible offers himself for re-election.
6. To elect a Director in place of Shri Ramdas Kilachand who retires by rotation under Article 143 of the Articles of Association of the Company, but being eligible offers himself for re-election.
7. To appoint Auditors for the current year and fix their remuneration and also to fix the amount of travelling and out of pocket expenses for going to audit the accounts at the factory.
8. To consider and if thought fit to pass the following Resolution.

"RESOLVED that consent be and is hereby accorded with effect from the commencement of the Companies Act 1956 to the Directors of the Company borrowing and continuing to borrow moneys (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) for and on behalf of the Company upto Rupees three crores."

The Transfer Books of the Company will be closed from 9th day of March 1961 to 23rd day of March 1961 (both days inclusive).

By Order of the Board of Directors,
K. D. SHETH,
Acting Secretary.

Bombay, 17th February, 1961.

A member entitled to attend and vote is entitled to appoint a Proxy, or when that is allowed, one or more Proxies, to attend and vote instead of himself. A Proxy need not be a member.

N.B.—Ordinary and Preference Share Dividends when declared will be made payable at the State Bank of India, Bombay on and after the 29th day of March 1961. Dividend Warrants will be posted to those Ordinary and Preference Shareholders whose names stand on the Register on 23rd day of March 1961.

Shareholders are requested to kindly notify any change of address.

The necessary explanatory statement as required by Section 173 of the Companies Act 1956 has been sent along with the Notice posted to each shareholder.

RAMPOORIA COTTON MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighteenth Annual General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, 147, Cotton Street, Calcutta, on Friday the 24th March 1961, at 1 p.m.

(a) To receive and pass the Directors' Report and Audited Accounts for the year ended 30th June, 1960.

(b) To declare dividend on Equity shares.

(c) To elect Directors.

(d) To appoint Auditors of the Company and to fix their remuneration.

(e) To transact any other business that may be brought forward.

The Share Transfer Register will be closed from 10th March 1961 to 24th March, 1961, both days inclusive.

By Order of the Board of Directors,
JAICHANDLAL RAMPURIA,
Director.

147, COTTON STREET,
CALCUTTA, *1st March* 1961.

Note: A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

TENDER No. S-13 OF 1961
Global Tender Enquiry for Steel Materials

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to purchase from established and reliable producers a quantity of about 43,000 tons of steel materials such as Plates, Sheets, Structurals, Spring Steel and Turnout Sleeper Bars.

The schedule of requirements in five groups has been despatched already to those who have quoted earlier for Board's Tender No. S-8. Any other prospective tenderers who may like to participate may obtain the schedule free of cost from any of the following offices during working hours.

1. Director, Railway Stores, Ministry of Railways (Railway Board), Room No. 337, Rail Bhavan, Raisina Road, New Delhi.
2. Director General, India Stores Department, Government Buildings, Bromyard Avenue, Acton, London W-3.
3. Director, India Supply Mission, 2536, Massachusetts Avenue, N.W., Washington 8 D.C.

Tenders will be received by the undersigned upto 12.00 Hours on the 27th and 28th March, 1961, and opened in the office of the Railway Board on the respective dates.

G. P. BHALLA,
Director, Railway Stores,
Railway Board.

NEW DELHI, *dated 22nd February* 1961.

THE MYSORE SUGAR COMPANY LIMITED
BANGALORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-SEVENTH Annual General Meeting of the Mysore Sugar Company, Limited, will be held at the Registered Office of the Company at Sri Jayachamaraja Wadiyar Road, Bangalore City, at 4 p.m., on Thursday the 30th March 1961, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th June 1960.
2. To declare a Dividend.
3. To elect a Director in place of Sri S. R. Aswath, who retires by rotation and, being eligible, offers himself for re-election.
4. To elect a Director in place of Sri B. M. Abu Baker, who retires by rotation and, being eligible, offers himself for re-election.
5. To consider and if thought fit to pass the following Resolution as a Special Resolution:—

"RESOLVED that, subject to the consent of the Central Government being obtained, Directors of the Company who served as members of two Committees, which were not strictly Committees of the Board, during the years 1958-59 and 1959-60, be remunerated for their services by payment of sitting fees for the meetings of the Committees at the rates applicable for meetings of the Board."

The Share Transfer Register of the Company will be closed from the 16th March to the 30th March 1961 (both days inclusive).

By Order of the Board,
T. HANUMIAH,
Secretary.

BANGALORE, *24th February* 1961.

Note:—(1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(2) The Dividend, when declared, will be made payable at the State Bank of Mysore, Bangalore, on and after the 8th April 1961. The Dividend Warrants will be posted to those Shareholders whose names stand on the Company's Register on the 15th March 1961.

(3) The explanatory statement under Section 173 of the Companies Act, 1956, in respect of item No. 5 above is being sent separately to the members.

THE UNITED COMMERCIAL BANK LIMITED

Registered Office:
2, India Exchange Place,
CALCUTTA-1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH ANNUAL GENERAL MEETING of the Members of THE UNITED COMMERCIAL BANK, LIMITED, will be held at the Registered Office of the Bank at 2, India Exchange Place, Calcutta, on Wednesday, the 5th April, 1961, at 4 p.m., to transact the following business:

1. To receive and adopt the Report of the Directors and the Audited Balance Sheet as on 31st December, 1960 and Profit and Loss Account for the year ended 31st December 1960;
2. To declare a dividend;
3. To appoint four Directors in place of Mr. I. P. Goenka, Mr. Y. N. Mafatlal, Mr. R. L. Nopany and Mr. M. L. Tapuriah who retire under Article 92 of the Articles of Association of the Bank and, being eligible, offer themselves for re-appointment.
4. To appoint Auditors for Bank and its branches for the current year and to fix their remuneration;
5. To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:

"That the Articles of Association of the Company be altered in manner following:

(a) The first paragraph of Article 87 of the existing Articles shall be deleted and the following paragraph inserted in its place:

Each Director shall be paid out of the funds of the Company by way of remuneration for his services a sum not exceeding Rs. 100 for each Meeting of the Board or any Committee of the Board attended by him.

(b) At the end of the second paragraph of Article 87 the following sentence shall be added:

The Directors shall further be entitled to be reimbursed and/or paid all expenses that may be incurred or paid by them in connection with any business of the Company."

Note:—1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

2. (a) The transfer books of the Bank will be closed from Monday, the 20th March, 1961 to Wednesday, the 5th April, 1961, both days inclusive.

(b) The dividend, if sanctioned, will be payable on and after the 6th April, 1961, to those Members whose names appear on the Company's Register on the 5th April, 1961.

(c) Dividend Warrants will be posted to the Members at their registered addresses or in accordance with their mandates. Members are requested to advise change in their addresses, if any.

Explanatory Statement Required by Section 173 of the Companies Act, 1956

The item of Special Business to be transacted at the Annual General Meeting to be held on the 5th April, 1961, is to consider and pass a Special Resolution seeking to alter Article 87 of the Articles of Association of the Company.

By a special resolution passed on the 9th April, 1958 the remuneration of a Director was changed from a fee not exceeding Rs. 100 for each Meeting of the Directors or any Committee of the Directors attended by him to a fixed remuneration of Rs. 500 per month. By virtue of Section 309(2) of the Companies Act as amended by the Companies (Amendment) Act, 1960, monthly payments to Directors are prohibited. The proposed alteration is to bring the Article in conformity with the provisions of the Companies Act by reinstating the method of remuneration in force prior to the 9th April, 1958.

The second paragraph of Article 87 as it stands at present refers only to expenses incurred in connection with Meetings. It is proper that other expenses, e.g. charges for trunk telephone calls and cost of cables, which may be incurred by the Directors in connection with the business of the Company should be defrayed by the Company. The proposed addition at the end of the second paragraph is intended to enable this to be done.

All the Directors are interested in the proposed amendments to the extent that they relate to the payment of Directors' fees and expenses.

By virtue of Section 35(B)(1)(*a*) of the Banking Companies Act, 1949, the present amendments regarding the remuneration payable to the Directors require the approval of the Reserve Bank of India, which will be sought after the Company gives its consent to the Special Resolution.

By Order of the Board,
S. T. SADASIVAN,
General Manager.

CALCUTTA, *1st March*, 1961.

ANGLO-INDIA JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors have sanctioned payment of an additional dividend of 2.10 per cent to Preference Shareholders of the Company in pursuance of the Preference Shares (Regulation of Dividends) Act, 1960 in respect of the year ended 31st March, 1960.

The dividend will be paid on 27th March, 1961 to those Shareholders (or their mandataries) whose names appear in the Company's books on 25th March, 1961.

The Preference Share Transfer Books of the Company will be closed from 17th March to 25th March, 1961, both days inclusive.

By Order of the Board,
ANGLO-INDIA JUTE MILLS CO., LTD.,
DUNCAN BROTHERS & CO., LTD.,
Managing Agents.

31, NETAJI SUBHAS ROAD,
CALCUTTA, *3rd March*, 1961.

THE ANDHRA SUGARS LIMITED
Venkatarayapuram,
Post Box No. 2,
TANUKU
Andhra Pradesh

NOTICE IS HEREBY GIVEN THAT THE Thirteenth Annual General Meeting will be held on Wednesday the 5th April 1961, at 3.00 p.m. at the Registered Office at Tanuku.

Notice is also hereby given that the Share Registers of the Company will be closed from 28th March 1961 to 10th April 1961, both days inclusive.

By Order of the Board,
For THE ANDHRA SUGARS LTD.,
For RANGA RAO & CO.,
(Sd.) M. HARISCHANDRA PRASAD,
Managing Partner,
Managing Agents.

VENKATARAYAPURAM,
TANUKU,
February 28, 1961.

BURRAKUR COAL EARNS SLIGHTLY MORE

DIVIDEND, HOWEVER, UNCHANGED

FOR the fifth year in succession, the financial results of the Burrakur Coal Company Ltd. (Managing Agents: Messrs. Bird & Co. Private Ltd., Calcutta) have shown an upward trend, the year under reference being the 12 months ended 30th June 1960. Production, despatches, sales, and profit have all gone up. The rate of growth, however, has only been small. Thus, as compared with the achievements in 1958-59, the Company's raisings of coal have increased from 1,170,123 tons to 1,285,954 tons and the despatches have improved substantially by 93,728 tons to 1,265,155 tons. This improvement in output and marketed supplies has enabled the Company to report better earnings. The sales proceeds from coal have registered a rise of 10.2 per cent, having jumped up from Rs. 295.12 lakhs to Rs. 324.95 lakhs. Sales of by-products and others have also risen from Rs. 46.43 lakhs to Rs. 52.78 lakhs. But, since expenses, too, have increased by about 8 per cent from Rs. 328.40 lakhs to Rs. 352.98 lakhs, the gross profit has recorded only a modest increase of Rs. 4.52 lakhs to Rs. 52.37 lakhs. Actually, the percentage of profit to total sales has come down a little, from 14 to 13.7, so that whatever improvement there has been in gross profit is the result of a larger turnover and not of a better profit margin. No wonder, then, that it has not been possible for the Directors to pay the shareholders anything more than they did last year.

After making a slightly higher provision of Rs. 12.19 lakhs for depreciation (as against Rs. 11.00 lakhs in 1958-59) and of Rs. 17.30 lakhs for taxation (nearly Rs. 2 lakhs more than in the previous year), the net profit works out to Rs. 18.37 lakhs and shows an increase of only Rs. 1.25 lakhs over the net profit for the preceding year. This is supplemented by Rs. 1.42 lakhs being the provision for payment against appellate award written back and by Rs. 1.11 lakhs being the balance from the previous years' profit, making available for distribution an amount of Rs. 20.90 lakhs.

The Directors have set aside Rs. 1 lakh to the general reserve and Rs. 1.50 lakhs to the reserve for bad and doubtful debts. Besides, the development rebate reserve gets Rs. 2.28 lakhs. Making allowance for the sum of Rs. 1.42 lakhs written back from the provision of previous years the net amount saved by the Company during the year under review amounts to Rs. 3.06 lakhs. In 1958-59, the net amount ploughed back aggregated Rs. 3.30 lakhs.

The Directors had already distributed Rs. 80,493 on first preference shares at 3½ per cent, Rs. 10,800 on second preference shares at 2.2/8 per cent and Rs. 4,54,624 on ordinary shares at 5 per cent as interim dividends. Now they have recommended a dividend at the rate of 5.60 per cent on first preference shares and 2.928 per cent on second preference shares and a final dividend on ordinary shares at the rate of 8 per cent, all requiring Rs. 8.69 lakhs. The total distributions during the year under review thus aggregate Rs. 14.63 lakhs. In effect, the dividend on ordinary shares remains unchanged at 13 per cent subject to tax, which corresponds to a tax-free return of 9.1 per cent and is only a shade higher than the tax-free dividend at the rate of 8¾ per cent per annum for 1957 and 1958.

It will thus be seen that, notwithstanding the increase in the selling price of coal permitted by the Government, the increase in the Company's profit has only been small and that it has not been possible for its Directors to reward the investors better. In other words, the results of the Burrakur Coal, which is one of the best colliery companies in this country, fully bear out the coal industry's contention that the Government's policy of fixing the selling price of coal has been niggardly and unremunerative, providing no room for financing even a part of the expansion in production targetted for in the third Plan.

The Directors' report indicates that the Company's raisings, excluding those from the Loyabad coke plant, during the year ended 30th June 1959, were 1,017,096 tons, as against 1,285,954 tons during 1959-60, representing an increase of over 26 per cent. The production of metallurgical coal from the Loyabad coke plant in 1959-60 was slightly lower than in the previous year, but despatches showed a rise of more than 12,000 tons. The transport position, however, was not very satisfactory.

As a result of representations made by the industry, the Government has now agreed to grant subsidies to those collieries specially handicapped by adverse factors such as depth, gas and the heavy incidence of pumping. This subsidy has been introduced as an incentive to increase coal production, with retrospective effect from 1st September 1960. The Burrakur Coal, its Directors say, will benefit by the payment of this subsidy, which should appear in its next year's accounts.

The Company's financial position is impressive. The paid-up capital of Rs. 118.42 lakhs is supplemented by reserves and surplus of Rs. 141.71 lakhs. The borrowings (including debenture loan of Rs. 20 lakhs) aggregate Rs. 49.88 lakhs and current liabilities and provisions Rs. 118.09 lakhs. The assets other than the fixed assets amounting to Rs. 219.29 lakhs (stores, spare parts, loose tools, stock-in-trade Rs. 145.73 lakhs, loans and advances to firms under the same management Rs. 39.70 lakhs, cash Rs. 3.70 lakhs, and investment Rs. 30.16 lakhs) far exceed the borrowings and current liabilities. The gross block of the value of Rs. 432.67 lakhs (including additions of Rs. 15.35 lakhs during the year) has been written down to Rs. 203.90 lakhs.

The Directors have stated that, in order to remove the qualification which the Auditors have been making on depreciation in view of the revaluation of assets made in 1948 and to bring the fixed assets of the Company back to their actual written down value, they have now authorised the writing down of assets by a sum of Rs. 40.69 lakhs by debiting the revaluation of fixed assets reserves in the year under review in the same proportion as the assets were written up in 1948. The figures pertaining to reserves and surplus and fixed assets quoted above are after this adjustment.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 20.31 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 4.69 per cent per annum, free of tax.

The comparative table below shows at a glance the results for the past four years.

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sales proceeds	324.95	295.12	256.14	220.32
Sale of by-products and others	52.78	46.43	46.03	32.23
Other income	33.86	34.70	24.61	31.42
Closing stocks	19.25	15.71	11.96	8.10
Expenses	352.98	328.40	286.61	251.72
Gross profits	52.37	47.85	40.17	40.35
Managing Agents' remuneration	4.51	4.38	4.13	2.95
Provision for—				
Depreciation	12.19	11.00	10.52	11.08
Taxation	17.30	15.34	17.19	17.09
Net profit	18.37	17.12	8.33	9.23
Provisions and reserves written back	1.42	2.81	4.72	11.85
To reserves and provision	2.50	2.61	1.94	11.19
Development rebate reserve	2.28	3.50	1.32	0.65
Dividend—				
Preference	2.81	1.88	1.79	1.79
Ordinary	11.82	11.82	7.96	6.82
	(13%)*	(13%)*	(8¾%)	(7½%)
Carry forward	1.49	1.11	0.99	0.95
Raisings of coal (tons)	1,285,954	1,170,123	1,037,484	949,985
Despatches (tons)	1,265,155	1,171,427	1,019,418	963,347

* Subject to tax.

RAZA BULAND SUGAR FARES WELL

RESERVES REPLENISHED

THE performance of the Raza Buland Sugar Company, Ltd., Rampur (Uttar Pradesh) (Managing Agents: Messrs. Govan Bros. (Rampur) Private Ltd.) for the year ended 31st October 1960 is encouraging, showing as it does a marked recovery from the depressed conditions witnessed in the previous two years. Sale proceeds were a crore of rupees more at Rs. 3.48 crores. The gross profit at Rs. 36.79 lakhs is Rs. 25 lakhs over that for the previous year. The increased profit may be attributed to the record quantity of cane crushed during the period and better realisation. The net profit has nearly trebled to Rs. 12.03 lakhs, after providing for depreciation (Rs. 2.75 lakhs) and taxation (Rs. 18.92 lakhs), as against a mere Rs. 4.09 lakhs for the previous year. The Directors have recommended a slightly higher (taxable) dividend of 12½ per cent on its equity shares, as against 12 per cent for the previous year.

While reviewing the working of the Company for 1953-59 we had commented on the reduced crop and diversion of cane to *gur* and *khandsari* production, thereby adversely affecting the output as well as the profit of the Company for that period. In view of inadequacy of profits, the Company had to withdraw last year a sum of Rs. 7.63 lakhs from the reserves even to pay a dividend of 12 per cent taxable on its ordinary shares. In refreshing contrast to this depletion of reserves, the Company has been able not only to pay a dividend (absorbing Rs. 8.12 lakhs) which is fully covered, but also to appropriate Rs. 5.76 lakhs to the general reserve. A part of the amount withdrawn from the reserves last year has thus been made good.

The Company's progress in the last four years is detailed in the following table:

(In lakhs of rupees)

	For the year ending 31st October			
	1960	1959	1958	1957
Sale proceeds	348.75	245.29	310.64	363.95
Closing stock	60.43	12.00	29.98	37.13
Expenses	266.02	190.03	209.27	239.99
Excise duty	92.45	70.07	84.80	56.70
Gross profit	36.79	11.23	23.47	28.98
Depreciation	2.75	2.80	3.33	4.07
Taxation	18.02	3.50	31.05	12.50
Managing Agents' commission	3.09	0.84	1.98	1.45
Net profit (+) or loss (—)	+12.03	+4.09	—13.80	+10.06
Provision for—				
General reserves	5.78			
Development rebate	0.27	0.43	0.14	
Dividends declared	8.13*	7.63*	7.95	0.54
	(12½%)	(12%)	(12½%)	(15%)
Carry forward	0.66	3.01	0.07	0.80
(Raza and Buland Factories)				
Total cane crushed (in '000 maunds)	11,552	6,103	8,592	10,173
Quantity of sugar made (in '000 maunds)	1,098	600	884	1,027
Recovery (%)	9.67	9.69	10.29	10.10

* Dividends for 1958-59 and 1959-60 subject to deduction of tax. Other years tax-free.

The overall supply position of sugarcane during the year was comparatively higher than last year. For the season 1959-60, the price of cane was fixed by the Government of India at Re. 1.62 per maund as compared to Re. 1.44 per maund in the last year. This was done to induce the cane growers to supply large quantities of cane to sugar factories and to check diversion of such cane to *gur* and *khandsari*. The cane price linking formula meant for enabling cane growers to share the excess profits of the industry, was also kept in force. During the period under review, a total quantity of about 114 lakh maunds of sugarcane was crushed in both the Raza and Buland factories of the Company. This is a record crushing for the last few years and reveals an increase of about 84 per cent over the previous year. The average recovery in the Buland factory was lower at 9.64 per cent against 9.79 per cent in the previous year. In the Raza factory, however, the recovery was higher at 9.70 per cent (as against 9.60 per cent in 1958-59). Apart from the fact that the sugarcane crop in West U.P. in the year under review was a bumper one, the Company was also greatly benefited by the incentive schemes for higher production announced by the Central Government as also by the rebate in cess given by the Uttar Pradesh Government.

The realisation from sales of sugar and molasses produced by the Company was encouraging. The previous year had witnessed a fall of about Rs. 75 lakhs in sales. But the sale proceeds for 1959-60 showed a marked increase of over a crore of rupees to reach Rs. 348.75 lakhs. Besides, the closing stocks also were five times higher. The controlled sale price of sugar was correspondingly increased by the Government of India with the increase in the minimum price of sugarcane. In addition to delivering the basic quota quantity fixed for the two factories to the Indian Sugar Mills' Association, the Company delivered a further quantity of 33,763 bags of 100 kg. each for export at the controlled rates fixed by the Government of India for internal sales. The sugar manufactured by the Company appears to be in good demand in foreign countries.

The Company propose to reappoint for another five years Messrs. Beopar Sahabak Private Ltd., the sole selling agents for the Company since 1950, and whose term of office will expire by the end of March 1961.

The paid-up capital of the Company at Rs. 65 lakhs is supplemented by reserves and surplus of the order of Rs. 28.04 lakhs. The borrowings of the Company in the form of cash credit account with the State Bank of India, Rampur, were to the tune of Rs. 1.4 crores in the season 1959-60, as against a sanctioned limit of Rs. 1.5 crores. It is proposed to increase the borrowing limit to Rs. 3 crores to cover the increased financial requirements of the Company. At the end of October last, the outstanding amount of secured loans was only Rs. 36.70 lakhs. All current liabilities, including secured loans, were Rs. 89 lakhs, for which there was ample coverage in the form of current assets of the order of Rs. 121.93 lakhs, besides investments in shares and securities valued at Rs. 13.55 lakhs. Gross block is shown at Rs. 85.30 lakhs, as against which depreciation provided is Rs. 39.46 lakhs.

The appeals of the Raza Sugar Company Ltd. and Buland Sugar Cane Ltd. (since their amalgamation late in 1955 into the present Raza Buland Sugar Company, Ltd.) against income-tax assessment in certain years have now been decided by the authorities. The main relief granted pertain to the additional income-tax levy and also in the matter of calculation of depreciation, etc. The reliefs mentioned have not been included in the accounts for the year under review as the orders were received only recently and will be given effect to in the next year. No indication of the extent of relief is, however, given in the Directors' report.

Important among the contingent liabilities not provided for is the extra price payable to canegrowers for the 1958-59 and 1959-60 seasons when the formula is finalised by the Government.

The Rs. 10 fully paid shares are now commanding a premium of only Rs. 3.75 and give a yield of 6.4 per cent. per annum.

(Concluded from next column)

Rs. 135.29 lakhs. This may be the cumulative result of lower interest rates on deposits and smaller borrowings from other banks. As at the end of the year, this item shows a substantial decline, from Rs. 127.64 lakhs to Rs. 10.82 lakhs.

The rising trend of deposits, witnessed during the preceding four years, was maintained in the year under review, but the rate of growth of deposits was smaller. Thus, whereas the average annual rise in deposits in the three-year period ended 31st December 1959 works out to Rs. 472 lakhs, the rise in 1960 is of the order of only Rs. 182 lakhs. Of this rise, the increase in fixed deposits accounts for Rs. 36.98 lakhs, savings bank deposits for Rs. 68.71 lakhs and demand deposits for Rs. 76.65 lakhs. Advances, too, have maintained their upward trend between 1959 and 1960; this portfolio has jumped up from Rs. 28.36 crores to Rs. 31.93 crores. Consequently, the advances ratio (to deposits) shows a rise from 56.6 per cent to 61.4 per cent. The increase in advances in 1959, it may be noted, was slightly lower at Rs. 3.31 crores. Investments, on the contrary, have gone down from Rs. 14.63 crores to Rs. 12.59 crores and cash, too, is lower by Rs. 95 lakhs at Rs. 9.09 crores.

There has been no change in the owned resources of the Bank, capital remaining unchanged at Rs. 45.50 lakhs and reserves at Rs. 106 lakhs. The undistributed surplus, however, has gone up from Rs. 3.86 lakhs to Rs. 5.03 lakhs. The Bank has opened two new branches, one at Bangalore and the other at Hyderabad, taking the total number of branches to 73. In addition, the Bank operates 11 pay offices at important trading centres in the North.

The Rs. 100 fully paid-up shares of the Bank are being currently quoted at Rs. 347 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to no more than 3.7 per cent, per annum, free of tax.

I.F.C. INVESTS IN K.S.B. PUMPS

The International Finance Corporation has announced a commitment to invest U.S.$210,000 in K.S.B. Pumps Private Ltd. of Bombay, to help finance the construction and operation of a plant at Pimpri near Poona for the manufacture of special-purpose pumps. The investment is in unsecured dollar notes bearing 7 per cent interest payable in dollars and maturing between 1966 and 1971. The I.F.C. will also be entitled to receive additional interest in rupees related to profits.

The principal shareholder is Klein, Schanzlin & Becker A.G. (K.S.B.) of Frankenthal, Germany. This firm was formed in 1871 and is today a leading manufacturer of a wide range of pumps, compressors, and valves. The other shareholders are the Industrial and Prudential Investment Company, Ltd., of Bombay, the New India Development Corporation (Private) Ltd., and a private investor. The K.S.B. will be responsible for construction of the plant and for the Indian company's management and technical direction.

Production is planned at about 800 pumps annually and is expected to begin in 1962. Total cost of the project is estimated at $630,000 in U.S. dollars and dollar equivalent.

ALLAHABAD BANK'S PROFIT IMPROVES SLIGHTLY

MARKED RISE IN ADVANCES

THE results of the Allahabad Bank Ltd. (General Manager: Mr. M. J. Maclaren, Calcutta) for the year ended 31st December 1960 reveal a distinctly encouraging picture. Thus, the gross income of the Bank has gone up from Rs. 275.95 lakhs to Rs. 293.84 lakhs, on top of a rise of Rs. 25.47 lakhs experienced in 1959. Its deposits have also maintained their rising trend, albeit at a slower rate, having increased from Rs. 50.13 crores to Rs. 51.95 crores over the year. But, as expenses have increased by a sizable magnitude, thanks mainly to the high cost of staff, the net profit, after providing for depreciation (at Rs. 2.65 lakhs as against Rs. 2.55 lakhs for 1959) and taxation, has recorded a rise of only Rs. 1.08 lakhs to Rs. 17.35 lakhs.

As in the previous four years, the Bank has not been able to set aside any part of its profits to strengthen the reserves further. The chief explanation for this is that payments to staff, such as provision for pension fund and staff bonus, have been absorbing a large slice of the Bank's earnings. In the year under review, for example, these two outlets have taken up Rs. 9.30 lakhs, an amount which is equal to 54 per cent of the net profit. Consequently, the Directors have only succeeded in maintaining the dividend to the equity shareholders unchanged at 18 per cent, subject to tax, composed of a dividend of 12 per cent and a bonus of 6 per cent, requiring Rs. 5.49 lakhs in all. On a net basis, the return to equity holders works out to 12.6 per cent. The dividend on preference shares is being paid in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act 1960. Thus, in addition to the interim dividend (already paid) at 6 per cent per annum for the six months ended 30th June 1960, the preference shareholders will be paid at the enhanced rate of 7.8 per cent for the remaining six months of 1960 and also additional dividends at 1.8 per cent per annum representing arrears for the half-years ended 30th June 1959, 31st December 1959 and 30th June 1960. Altogether, the preference dividend absorbs a sum of Rs. 1.44 lakhs out of the distributable profit for 1960 and, after deducting the tax, the preference shareholders get a yield of 5.46 per cent. Before the new system of corporate taxation came into force, they were getting a clear yield of 6 per cent.

The following comparative table shows at a glance the progress of the Bank since 1957:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Interest and discount	2.52.92	2,38.66	2,16.46	1,76.92
Commission and exchange	38.76	35.84	32.24	28.45
Interest paid	1,35.29	1,35.38	1,23.54	89.20
Expenses	1,38.55	1,21.75	1,10.91	1,01.89
Depreciation	2.65	2.55	2.31	2.20
Net profit*	17.35	16.27	13.71	13.68
To staff pension fund	1.00	2.00		1.00
bonus to staff	8.30	7.60	7.32	6.37
Dividends—				
6 per cent. preference	1.44†	0.90†	0.90	0.90
Ordinary	5.49† (D. 12% +B. 6%)	5.49† (D. 12% +B. 6%)	(D. 12% +B. 6%)	5.49 (D. 12% +B. 6%)
Carry forward	5.03	3.86	3.54	3.54
	As on 31st December			
	1960	1959	1958	1957
Capital	45.50	45.50	45.50	45.50
Reserves	1,06.00	1,06.00	1,06.00	1,06.00
Deposits	51,95.00	50,12.66	45,82.16	40,76.17
Borrowings from other banks	10.82	1,27.64	2,31.89	13.90
Advances	31,93.25	28,36.40	25,05.88	23,12.37
Investments	12,58.61	14,62.86	14,66.72	8,77.27
Cash	9,09.25	10,04.13	9,46.08	10,64.43
Balance-sheet total	59,84.50	59,19.74	53,45.83	47,30.26
Ratio to deposits of—	%	%	%	%
Advances	61.4	56.6	55.8	56.7
Investments	24.2‡	28.2‡	32.4‡	21.5
Cash	17.5	20.0	20.9	26.1

* After taxation, the provision for which is not shown separately.
† Subject to deduction of tax.
‡ Taking into account only the unencumbered investments.

It will be seen from the table that expenses have gone up from Rs. 121.75 lakhs for 1959 to Rs. 138.55 lakhs. Of the rise of Rs. 16.80 lakhs, salaries, allowances and provident fund account for as much as Rs. 8.84 lakhs, and rent, taxes, insurance and lighting for Rs. 6.20 lakhs. Stationery and printing, and other expenditure have increased only fractionally, by Rs. 0.52 lakh and Rs. 0.87 lakh respectively. One notable feature of the expenses side is the absence of increase in "interest paid." Actually, it has gone down a little, from Rs. 135.38 lakhs to

(Continued in previous column)

COMPANY MEETINGS AND DIVIDENDS

SHREE KRISHNA GYANODAY SUGAR LTD. Annual General Meeting, Dalmianagar, 17th March 1961. Dividend: Re. 1.50 per ordinary share, subject to deduction of tax. Transfer books remain closed from 7th to 17th March 1961, both days inclusive.

ALKALI AND CHEMICAL CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 22nd March 1961. Dividend: 12 per cent or Re. 1.20 per ordinary share, subject to deduction of tax, payable on or before 30th March 1961. Transfer books will remain closed from 18th to 22nd March 1961, both days inclusive.

INVESTMENT CORPORATION OF INDIA LTD. Annual General Meeting, Bombay, 24th March 1961. Dividend: Rs. 8.50 per ordinary share, subject to deduction of tax, payable on and after 27th March 1961. Transfer books remain closed from 8th to 24th March 1961, both days inclusive.

BANK OF INDIA LTD. Annual General Meeting, Bombay, 27th March 1961. Dividend: Rs. 20.00 per share, subject to deduction of tax (includes interim dividend of Rs. 7.50 per share), on ordinary shares and Rs. 10.00 per share, subject to deduction of tax (includes interim dividend of Rs. 3.75 per share), on 'A' ordinary shares, payable on and from 28th March 1961. Transfer books remain closed from 6th to 27th March 1961, both days inclusive.

WEST COAST PAPER MILLS LTD. Annual General Meeting, Bombay, 28th March 1961. Dividend: Rs. 6.00 per ordinary share, subject to deduction of tax, payable on and after 1st April 1960. Transfer books will remain closed from 13th to 28th March 1961, both days inclusive.

CENTRAL BANK OF INDIA LTD. Annual General Meeting, Bombay, 28th March 1961. Dividend: Rs. 3.00 per share, final (includes Jubilee bonus of Re. 0.50 per share), subject to deduction of tax. Transfer books remain closed from 4th to 28th March 1961, both days inclusive.

KAYCEE INDUSTRIES LTD. Annual General Meeting, Bombay, 29th March 1961. Transfer books will remain closed from 16th to 29th March 1961, both days inclusive.

INDOCO REMEDIES LTD. Annual General Meeting, Bombay, 29th March 1961. Transfer books will remain closed from 13th to 29th March 1961, both days inclusive.

COIMBATORE COTTON MILLS LTD. Annual General Meeting, Singanallur, Coimbatore District, 30th March 1961. Dividend: 12 per cent or Rs. 12.00 per share, subject to deduction of tax. Transfer books will remain closed from 16th to 30th March 1961, both days inclusive.

MYSORE SUGAR CO., LTD. Annual General Meeting, Bangalore City, 30th March 1961. Dividend: 30 per cent or Rs. 3.00 per share, subject to deduction of tax, payable on and after 8th April 1961. Transfer books will remain closed from 16th to 30th March 1961, both days inclusive.

ORISSA MINERALS DEVELOPMENT CO., LTD. Taxable final dividend of 21 per cent or Rs. 2.10 per ordinary share (making a total of 3.6 per cent or Rs. 3.60 per ordinary share) for the year ended 30th June 1960.

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD. Taxable final dividend of 14-2/7 per cent (making a total of 21-3/7 per cent), for the year ended 30th September 1960. Transfer books will remain closed from 15th to 29th March 1961, both days inclusive.

KIL KOTAGIRI TEA AND COFFEE ESTATES CO., LTD. Taxable final dividend of 17 per cent or Re. 0.34 per ordinary share (making a total of 25 per cent or Re. 0.50 per ordinary share), for the year ended 31st October 1960. Transfer books will remain closed from 18th March to 7th April 1961, both days inclusive.

MERCARA RUBBERS LTD. Taxable dividend of 20 per cent or Re. 1.00 per ordinary share, for the year ended 30th June 1960. Transfer books will remain closed from 23rd to 31st March 1961, both days inclusive.

PANDYAN BANK LTD. Taxable dividend of 10 per cent or Rs. 2.50 per share, for the year ended 31st December 1960. Transfer books will remain closed from 12th to 25th March 1961, both days inclusive.

BIRDS INVESTMENTS LTD. Taxable dividend of 9¼ per cent or Re. 0.95 per share, for the year ended 30th September 1960.

SEN-RALEIGH INDUSTRIES OF INDIA LTD. Taxable dividend of 8 per cent or Re. 0.80 per ordinary share, for the year ended 30th September 1960.

ANDHRA SUGARS LTD. Taxable dividend of 20 per cent or Rs. 2.00 per ordinary share, for the year ended 30th September 1960.

NATIONAL AND GRINDLAYS BANK LTD. Second interim dividend of 7 per cent for the year ended 31st December 1960, less income-tax at 7s. 9d. in the pound. The dividend is payable on 5th April 1961.

PARRYS CONFECTIONERY LTD. Taxable interim dividend of 10 per cent or 10 nP per share, for the year ending 31st March 1961. Transfer books will remain closed from 25th March to 6th April 1961, both days inclusive.

UNION CARBIDE INDIA LTD. Final dividend of Re. 1.05 per share (making a total of Re. 1.80 per share), subject to deduction of tax, for the year ended 25th December 1960.

SYNOPSES OF COMPANY REPORTS

Coonoor Tea Estates Co., Ltd.

THE directors of the above Company (Secretaries and Treasurers: Messrs. Matheson, Bosanquet & Co., Private Ltd., Belmont, Coonoor) present the audited accounts of the Company for the year ended 30th September 1960.

Working Results: The Company has completed the year with a record crop of 4,04,655 lbs. made tea. The average sale price though lower than for the previous season was more than compensated by the increase in crop and as a result the season has produced very satisfactory working results. The net profit for the year after making provision for taxation and depreciation is Rs. 1,47,124 (Rs. 1,14,067). To this is added the balance brought forward from the previous season of Rs. 29,120 (Rs. 22,060) and excess provision for bonus made in 1956/57 not required of Rs. 743 (*nil*) making a total available surplus of Rs. 1,76,987 (Rs. 1,36,127). The directors have transferred to dividend equalisation reserve Rs. 15,000 (*nil*) and to development rebate reserve Rs. 20.975 (*nil*) leaving a balance of Rs. 1,41,012 (Rs. 1,13,684 after transferring Rs. 22,443 to general reserve). The dividend on preference shares at 6 per cent absorbed Rs. 9,000 (Rs. 9,000). The interim dividend on ordinary shares at 10 (10) per cent paid subject to deduction of tax on 1st October 1960 absorbed Rs. 56,642 (Rs. 37,782). The directors proposed payment of a final dividend on ordinary shares at 7½ (10) per cent, subject to deduction of tax, which will absorb Rs. 42,482 (Rs. 37,782) leaving a balance to be carried forward to next year of Rs. 32,888 (Rs. 29,120). The total ordinary dividend for the year comes to 17½ per cent subject to tax compared with 20 per cent subject to tax paid for the previous year. The recommended dividend, therefore, is lower by 2½ per cent than that paid last year but due to the increase in capital arising from the issue of additional ordinary shares at par during the season 1958-59, the amount appropriated as dividend has actually increased by Rs. 23,560.

Acreage: Total area of the Estate is 441.25 acres distributed as follows: Tea in full bearing 384.50 acres, tea in partial bearing 7.50 acres, fuel clearings 15.75 acres and buildings, roads and waste land 33.50 acres. The small reduction in acreage shown this year follows the exchange of an isolated plot of 7.72 acres of fuel clearing situated some distance from the estate for an area of 4.93 acres belonging to the Blue Mountain Estates Ltd. plus suitable cash compensation for the difference in acreage. This new area which adjoins Kodamalai Division, is suitable for planting in tea.

Crop: As stated earlier a record crop of 4,04,655 (3,52,549) lbs. of made tea was secured as against an estimate of 3,50,000 lbs. The Estate cost of production for the year was Re. 1.55 per lb. against the estimate of Re. 1.49 per lb. Bonus paid to labourers amounting to Rs. 15,926 is not included in the estimates and is equivalent to 4 nP per lb. The net average selling price for the season was 261.28 (277.61) nP per pound.

Estimates for the season 1960-61 have been approved by the Board of directors and provide for 3,60,000 lbs. of made tea to cost 154.60 nP per lb. including 18.81 nP per lb. for manuring.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	8,19,786	Gross block	23.20.475
Reserves ...	12.20,975	*Less*—Depreciation ...	1.95,657
Provision for taxation ...	63,510		
Liabilities ...	2.69,137	Net block ...	21,24,818
Profit and loss account (surplus) ...	32,888	Stock-in-trade	1,96,164
		Stores, etc. ..	28,454
		Book debts ...	30.105
		Investments	2,500
		Cash ...	24,255
Rs.	24,06,296	Rs.	24,06,296

Phosphate Co., Ltd.

The directors of the above Company (Secretaries and Treasurers: Messrs. Bangur Brothers Ltd., Calcutta) present the audited accounts of the Company for the year ended 30th June, 1960.

The profit for the year is Rs. 16,42,591 (Rs. 16,47,366) to which is added the amount brought forward from the previous year of Rs. 1,02,494 (Rs. 86,712) making a total of Rs. 17,45,085 (Rs. 17,34,078). Out of this amount depreciation absorbs Rs. 1,12,941 (Rs. 1,09,474), provision for taxation Rs. 6,90,000 (Rs. 8,30,000) and development rebate Rs. 49,428 (Rs. 42,110) leaving an available balance for appropriation of Rs. 8,92,716 (Rs. 7,52,494). This amount the directors recommend should be appropriated as under: To general reserve Rs. 2,00,000 (Rs. 2,00,000), to reserve for bad and doubtful debts Rs. 50,000 (*nil*) and in payment of dividends as follows: On 10,000 fully paid up shares at Rs. 35 (Rs. 45) per share, subject to deduction of tax, absorbing Rs. 3,50,000 (Rs. 4,50,000) and on 5,000 partly paid up shares at Rs. 17.50 (*nil*) per share, subject to deduction of tax, absorbing Rs. 87,500 (*nil*) leaving a credit balance to be carried forward to next year of Rs. 2,05,216 (Rs. 1,02,494).

Licence has been received from the Central Government for installation of an additional Sulphuric Acid Plant which will increase the production of Sulphuric Acid from 8,250 tons to 24,750 tons per annum. It is expected that the plant will be put into commission by the end of 1961. This will make the Company self-sufficient in Sulphuric Acid.

The directors attribute the sales results to the improved economic conditions prevailing during the period and to the intensified sales efforts. In spite of the reduction in price of the Super Phosphate by the Government the Company's total turnover remained unaffected owing to increased demand. The "Lakshmi" Brand Fertilisers of the Company have become very popular and are well received in the market as the same have proved much superior resulting in better yield per acre.

During the later half of 1960 the offtake of Super Phosphate was not satisfactory but this position remained only for a short period and the sales are going up gradually.

The scheme for renovation and modernisation of the Super Phosphate Plant has already been taken in hand and it is expected that the production of Super Phosphate will increase.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	12,50,000	Gross block	32,78,588
Reserves ...	9,22,174	*Less*—Depreciation ...	20,63,157
Provision for taxation ...	9,91,474		
Liabilities ...	21,99,847	Net block	12,15,431
Profit and loss account (surplus)	2,05,216	Stock-in-trade	11,04.850
		Raw materials ...	13.88.487
		Stores, etc.	3,19,576
		Book debts	14,81,870
		Investments	34,439
		Cash ...	24,058
Rs.	55,68,711	Rs.	55,68,711

Thirumbadi Rubber Co., Ltd.

The directors of the above Company (Secretaries and Treasurers: Messrs. Peirce Leslie and Co., Ltd., Calicut) submitted the audited accounts of the Company for the year ended 30th September 1960.

After providing for depreciation and all charges except taxation the accounts show a profit of Rs. 2,23,023 (Rs. 3,03.752) to which is added the balance brought forward from last season of Rs. 7,572 (Rs. 30,075) making a total of Rs. 2,30,595 (Rs. 3,33,827). After deducting provision for taxation of Rs. 1,21,695 (Rs. 1.64,753) and transfer to general reserve of Rs. 30,000 (Rs. 25,000) leaving an available sum of Rs. 78,900 (Rs. 71,643 after transferring Rs. 50,000 to debenture redemption reserve). The directors recommend payment of a dividend of 7 (7) per cent subject to tax on the ordinary stock of Rs. 9,15,300, absorbing Rs. 64,071 (Rs. 64,071) leaving a balance to be carried forward to next year of Rs. 14,829 (Rs. 7,572).

Provision for Taxation.—The Supreme Court of India recently held that upkeep charges on immature areas are an allowable expenditure under the Kerala Agricultural Income-tax Act. But the Governor of Kerala has promulgated an Ordinance amending the Act with retrospective effect from 1st April 1951 and as a result of this, upkeep charges on immature areas will no longer be an allowable expenditure for the purpose of computation of the agricultural income. In view of this, provision for taxation for this year has been made on the same basis as for the previous year.

Rubber Crops and Costs:—The comparative figures are as follows:—

Season	*Crop kg.*	*Estate cost of Production per kg.*	*Average Price realised per kg.*
			Rs.
1957-58 ...	3,22,002	2.54	4.05
1958-59 ...	3,28,991	2.59	3.95
1959-60 ...	3,23,807	2.83	4.06

The Crop for 1960-61 is estimated at 3,52,000 kg. to be produced at an all-in-cost of Rs. 2.98 per kg. The reports of the visiting agent indicate that the Estates are in good order and that the new clearings are developing well.

The Board has under consideration the sale of Calicut Estate and if a sale materialises, it is expected that the financial position and future prospects of the Company will be considerably improved.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	9,15,300	Gross block	24,54,542
Debentures ...	5,00,000	*Less*—Depreciation ...	2,19,470
Reserves ...	6,05,000		
Provision for taxation ...	2,54,953	Net block ...	22,35,072
Liabilities ...	2,61,176	Stock-in-trade	1,52,202
Profit and loss account (surplus) ...	14,829	Stores, etc. ...	91,655
		Book debts ...	44,190
		Cash	28,139
Rs.	25,51,258	Rs.	25,51,258

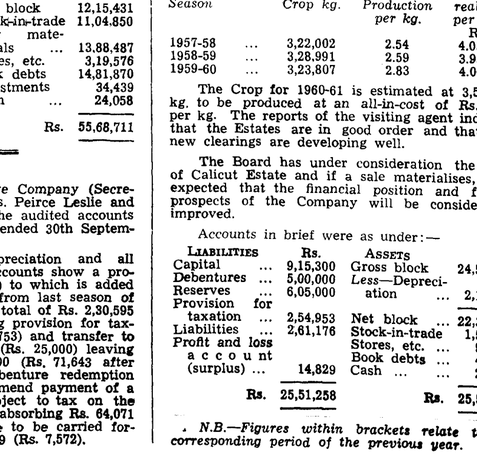
N.B.—Figures within brackets relate to the corresponding period of the previous year.

STRENGTH-SECURITY-SERVICE

Capital Authorised ... Rs. 5,50,00,000
Capital issued & Subscribed ... Rs. 5,50,00,000
Capital Paid-up ... Rs. 3,00,00,000
Reserve Fund ... Rs. 3,10,00,000

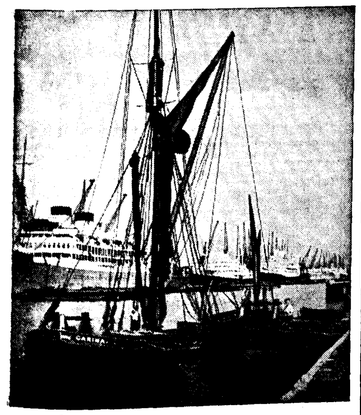
DIRECTORS :

SIR COWASJEE JEHANGIR, Baronet, G.B.E., K.C.I.E., Chairman
MR. A.D. SHROFF, Vice-Chairman
MR. AMBALAL SARABHAI
MR. MADANMOHAN MANGALDAS
MR. RAMNIWAS RAMNARAIN
MR. N.K. PETIGARA
MR. BHAGVANDAS C. MEHTA
MR. JUGMOHAN PRASAD GOENKA
MR. KRISHNARAJ M.D. THACKERSEY
MR. JAISINH VITHALDAS
MR. GIRDHARILAL MEHTA
General Manager:- MR. T. D. KANSARA



All kinds of Banking business transacted including Foreign Exchange.

THE BANK OF INDIA LIMITED



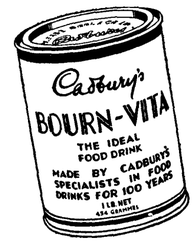
Ship via London
BRITAIN'S PREMIER PORT
EQUIPPED FOR ALL TYPES OF SHIPS AND CARGOES
The PORT OF LONDON AUTHORITY
A Self-governing Public Trust for Public Service
For full particulars apply
The General Manager
PORT OF LONDON AUTHORITY, LONDON, E.C.3

GUIDE TO COMPANY MANAGEMENT
By
Messrs. JOHN & ROW
An Indispensable Guide to all persons concerned with Company Management, including Managing Agents, Directors, Secretaries, Auditors.
Price Rs. 5
EXPRESS PUBLISHERS (PRIVATE) LIMITED
33, BROADWAY, MADRAS-1

INSTRUMENTS
NEED
INSTALLATION
SERVICING
REPAIR
MAINTENANCE
CONTACT
TOSHNIWALS
198, Jamshedji Tata Road
BOMBAY-1
Workshop
8-Mohatta Bhavan
Haines Road, Worli, Bombay-18.
AJMER, CALCUTTA, DELHI, MADRAS

Cadbury-Fry in India

DRINKING CHOCOLATE
A palatable beverage and an all-time pleasing drink.



BOURN-VITA
An ideal food drink for strength and vigour.

COCOA
A smooth and satisfying drink, made from highest quality beans.

MILK CHOCOLATE
An essential food for young and old. Tastes so delicious.

HAZEL NUTS AND SCORCHED ALMONDS
Delicious Roasted Hazels and Almonds in rich Milk Chocolate. Packed in attractive tins.

CADBURY HOUSE, BOMBAY

CADBURY MEANS QUALITY

Special No 1 A Nourishing Tonic For HAIR, BRAIN & BLOOD
RAMTIRTH
BRAHMI OIL.
(AVURVEDIC MEDICINE)
New Bottle WITH Un Breakable Seal
Useful for Eyes, Memory and Sound Sleep. Ramtirth Brahmi Oil is being prepared scientifically with various precious Ingredients. Useful to everybody in all seasons.
Available everywhere.
Price: Big Bottle Rs. 4/-. Small Rs. 2/-.
YOGIC ASANA CHART
is also available from here on payment of Rs. 2/50 nP including Postage to be sent by M. O. only.

SHRI RAMTIRTH YOGASHRAM, DADAR, BOMBAY 14

ALLAHABAD BANK, LIMITED

(AFFILIATED TO THE CHARTERED BANK)

DIRECTORS' REPORT

The Directors of the Allahabad Bank, Limited, have pleasure in submitting the Accounts, duly audited, showing the position of the Bank's affairs as on the 31st day of December, 1960, together with their report.

The result of the working for twelve months, including the balance from former Account, and after making allowance for taxation and depreciation, is a profit of .. .. Rs. 21,26,568 72

Out of this there has been paid Dividend and Bonus on the Ordinary Shares and Dividend on Preference Shares at the rates of 18 per cent. and 6 per cent. per annum respectively (both subject to deduction of tax in accordance with the provisions of the Finance Act, 1960) for the six months ended 30th June, 1960, absorbing .. .. Rs. 3,19,500 00

Transferred to Staff Pension Fund .. .. 1,00,000 00 — 4,19,500 00

Leaving an available balance of 17,07,068 72

which your Directors recommend should be disposed of as follows:

In payment of Dividends (subject to deduction of tax in accordance with the provisions of the Finance Act, 1960) on the Preference Shares for the six months ended 31st December, 1960, at the rates of 7.80 per cent. per annum and 1.80 per cent. per annum representing arrears for the half-years ended 30th June, 1959, 31st December, 1959, and 30th June, 1960 .. .. 99,000 00

Note: The increase in the rate of dividend on the Preference Shares from 6 per cent. per annum to 7.80 per cent. per annum and arrears of dividend at the rate of 1.80 per cent. per annum for the three half-years to 30th June, 1960, are in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960.

In payment of a Dividend (subject to deduction of tax in accordance with the provisions of the Finance Act, 1960) on the Ordinary Shares for the six months ending 31st December, 1960, at the rate of 12 per cent. per annum 1,83,000 00

In payment of a Bonus (subject to deduction of tax in accordance with the provisions of the Finance Act, 1960) on the Ordinary Shares at the rate of 6 per cent. per annum for the six months ending 31st December, 1960 .. .. 91,500 00

Provision for bonus to Staff .. .. 8,80,000 00 — 12,03,500 00

Carry forward to next account 5,03,568 72

Of the four offices expected to be opened during 1960, two were established for the first time in South India at Hyderabad, the capital of Andhra Pradesh and at Bangalore, the capital of Mysore State, on the 6th and the 28th October, 1960, under the charge of Sarvashri Jagat Narain Sharma and Ram Saran Das Narang respectively, two of the Bank's most able and experienced officers. The opening of another office has been postponed owing to building delays and the other project was abandoned for reasons outwith the Bank's control. Negotiations are in progress for the opening of further offices.

The continued improvement in working results has been due mainly to a higher level of advances, although increasing overheads have again narrowed the profit margin. As hitherto, investments are shown in the Balance Sheet at less than the actual market value.

Under Article 115, Maharajadhiraja Bahadur Sir Uday Chand Mahtab, K.C.I.E., B.A., of Burdwan, retires from office by rotation but is eligible for re-election. Sir Iqbal Ahmad also retires from office by rotation but is not offering himself for re-election.

Mr. I. G. Thomson and Mr. G. D. Longhurst were appointed Directors to fill the vacancies caused by the resignations of Mr. W. F. MacDonald and Mr. J. W. Anson.

Mr. W. Smith was appointed a Director to fill the vacancy caused by the resignation of Mr. M. J. Maclaren, *consequent on his departure to the United Kingdom on furlough. On return from furlough* Mr. M. J. Maclaren was re-appointed to fill the vacancy caused by the resignation of Mr. W. Smith.

Auditors will have to be appointed for the year ending 31st December, 1961.

By Order of the Board,

I. G. THOMPSON,
Chairman.

M. J. MACLAREN,
General Manager.

CALCUTTA, *the 24th February*, 1961.

BALANCE SHEET AS ON 31st DECEMBER, 1960

31-12-1959 Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
	1. Capital—		
	AUTHORISED CAPITAL—		
85,00,000	85,000 Ordinary Shares of Rs. 100 each	85,00,000 00	
15,00,000	15,000 6 per cent. Cumulative Preference Shares of Rs. 100 each	15,00,000 00	
1,00,00,000			1,00,00,000 00
	ISSUED AND SUBSCRIBED CAPITAL—		
60,00,000	60,000 Shares of Rs. 100 each	60,00,000 00	
	AMOUNT CALLED UP—		
16,00,000	16,000 Ordinary Shares of Rs. 100 each fully paid in cash	16,00,000 00	
14,50,000	29,000 Ordinary Shares of Rs. 100 each, Rs. 50 paid in cash	14,50,000 00	
15,00,000	15,000 6 per cent. Cumulative Preference Shares of Rs. 100 each fully paid in cash	15,00,000 00	
Nil	LESS—Calls Unpaid	Nil	
Nil	ADD—Forfeited Shares	Nil	
45,50,000			45,50,000 00
	2. Reserve Fund and Other Reserves—		
1,08,00,000	Reserve Fund (includes Rs. 45,50,000 as identifiable as premiums received on issues of shares in past years)		1,08,00,000 00
	3. Deposits and Other Accounts—		
33,78,29,465	Fixed Deposits	34,10,27,539 46	
16,04,01,788	Savings Bank Deposits	6,72,72,906 40	
10,35,35,323	Current Accounts, Contingency Accounts, etc. ..	11,11,99,158 92	
50,12,66,576			51,94,99,604 78
	4. Borrowings from Other Banking Companies, Agents, etc.—		
1,27,64,217	(i) In India	1,23,333 92	
Nil	(ii) Outside India	9,58,437 88	
1,27,64,217			10,81,771 30
	PARTICULARS—		
48,01,052	(i) Secured by part of the Bank's Investments ..	.....	
Nil	(ii) Secured by bills negotiated under credit ..	9,56,437 38	
79,63,165	(iii) Unsecured	1,23,333 92	
1,27,64,217		10,81,771 30	
66,63,379	**5. Bills Payable**		54,86,450 62
	6. Bills for Collection Being Bills Receivable as per contra—		
2,40,34,721	(i) Payable in India	2,59,39,094 83	
30,02,615	(ii) Payable outside India	18,56,122 15	
2,70,37,336			2,72,95,216 98
	7. Other Liabilities—		
72,277	Unclaimed Dividends	72,699 49	
5,000	Deposit by Nominee Subsidiary	5,000 00	
77,277			78,699 49
2,73,50,000	**8. Acceptances, Endorsements and Other Obligations per contra**		2,79,51,048 06
	9. Profit and Loss Account—		
14,05,458	Balance as per last Balance Sheet	14,65,511 95	
	LESS—Appropriations—	Rs. nP	
2,74,500	Paid to Shareholders, Dividend at 12 per cent. per annum and Bonus at 6 per cent. per annum on Ordinary Shares for 6 months ending 31st December, 1959 (subject to deduction of tax in accordance with the provisions of the Finance Act, 1959)	2,74,500 00	
45,000	Dividend on Preference Shares for six months ending 31st December, 1959 (subject to deduction of tax in accordance with the provisions of the Finance Act, 1959) ..	45,000 00	
7,27,623	Bonus to Staff (General Manager Rs. 8,000. Last year Rs. 8,000) ..	7,54,877 97	
10,47,123		10,74,377 97	
3,58,335		3,91,133 98	
18,36,677	ADD—Profit for the year brought from Profit and Loss Account	17,35,434 74	
22,05,012		21,26,568 72	
59,05,08,794	(Carried over) ..		59,67,42,791 24

31-12-1959 Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
	1. Cash—		
4,26,09,787	In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		4,12,68,320 50
	2. Balances with Other Banks—		
1,11,337	(i) In Current Accounts in India	87,091 97	
1,91,246	(ii) In Current Accounts outside India	69,894 56	
5,50,00,000	(iii) In Deposit Accounts in India	4,50,00,000 00	
5,53,02,583			4,51,56,986 53
25,00,000	**3. Money at Call and Short Notice**		45,00,000 00
	4. Investments, below Market Value—		
14,32,68,805	(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments; of which Rs. 7,00,000 (Last year Rs. 7,00,000) has been lodged as security for guarantees given to Government Departments	12,53,08,954 64	
5,50,000	(ii) Partly paid Ordinary Shares	5,50,000 00	
24,66,810	(iii) Debentures or Bonds	2,500 00	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
14,62,85,615			12,58,61,454 64
	5. Advances—		
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
	(i) Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
25,39,17,088	(i) In India 28,10,11,079 97		
Nil	(ii) Outside India .. Nil		
25,39,17,088		28,10,11,079 97	
	(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— Rs. nP		
2,72,30,185	(i) Payable in India .. 2,10,11,822 71		
24,92,958	(ii) Payable outside India 73,02,254 84		
2,97,23,143		2,83,14,078 55	
28,36,40,231			31,93,25,158 52
25,69,12,086	PARTICULARS OF ADVANCES—		
	(i) Debts considered good in respect of which the banking company is fully secured	28,32,96,252 27	
1,67,48,261	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	1,77,65,622 82	
99,84,884	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,32,32,282 43	
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil	
28,36,40,231		31,92,25,156 52	
Nil	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons ..	Nil	
1,21,95,352	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	1,35,71,730 20	
Nil	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to the directors or managers or officers of the banking company or any of them either severally or jointly with any other persons ..	Nil	
	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members ..	1,59,47,373 00	
1,52,81,475	(ix) Due from banking companies	8,78,589 89	
8,93,885			
	6. Bills Receivable Being Bills for Collection as per contra—		
2,40,34,721	(i) Payable in India	2,59,39,094 83	
30,02,615	(ii) Payable outside India	18,56,122 15	
2,70,37,336			2,72,95,216 98
2,73,50,000	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra**		2,79,51,048 06
59,47,25,561	Carried over ..		59,19,74,306

31-12-1959 Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
58,47,25,561	Brought forward ..		59,13,58,185 23
	8. Premises Less Depreciation—		
61,69,383	Total cost to 31st December, 1959	65,62,277 45	
3,92,894	ADD—Additions for the year to 31st December, 1960	4,623 86	
65,62,277		65,66,901 31	
Nil	LESS—Sales for the year to 31st December, 1960 ..	17,703 50	
65,62,277		65,49,197 81	
33,27,838	LESS—Total depreciation to 31st December, 1959 ..	34,03,163 97	
32,34,439		31,46,033 84	
75,326	LESS—Depreciation for the year to 31st December, 1960	79,514 99	
31,59,113			30,66,518 85
	9. Furniture and Fixtures Less Depreciation—		
30,45,281	Total cost to 31st December, 1959	32,81,531 84	
2,60,046	ADD—Additions for the year to 31st December, 1960.	2,52,776 22	
33,05,327		35,34,308 06	
23,795	LESS—Sales for the year to 31st December, 1960 ..	20,367 84	
32,81,532		35,13,940 22	
16,15,796	LESS—Total depreciation to 31st December, 1959 ..	17,34,265 34	
16,65,736		17,79,674 88	
1,18,469	LESS—Depreciation for the year to 31st December, 1960	1,31,330 78	
15,47,267			16,48,344 10
	10. Other Assets including Silver—		
18,98,914	(i) Interest accrued on Investments but not collected	16,26,926 27	
6,14,286	(ii) Stationery at cost	7,16,914 26	
24,165	(iii) Stamps	27,971 25	
5,000	(iv) Nominee Company	5,000 00	
25,42,365			23,76,811 78
	The net assets of the Nominee Company amount to Rs. 5,000 represented by deposit with the Bank, per contra.		
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims**	Nil	
Nil	**12. Profit and Loss**	Nil	
59,19,74,306	Grand Total .. Rs.		59,84,49,859 96

ALLAHABAD BANK, LIMITED—*(Contd.)*

Balance Sheet as on 31st December, 1960—(contd.)

Profit and Loss Account for the year ended 31st December, 1960

31-12-1959 Rs.	EXPENDITURE	Rs. nP
1,35,38,496	1. Interest paid on Deposits, Borrowings, etc.	1,35,28,701 58
87,62,038	2. Salaries and Allowances and Provident Fund (General Manager Rs. 72,400 Last year Rs. 72,400)	96,46,003 36
15,000	3. Directors' and Local Committee Members' Fees and Allowances ..	15,000 00
17,51,287	4. Rent, Taxes, Insurance, Lighting, etc.	23,70,624 99
66,256	5. Law Charges	61,023 45
4,41,291	6. Postage, Telegrams and Stamps	4,78,504 45
10,000	7. Auditors' Fees	15,000 00
2,54,685	8. Depreciation on and Repairs to the Banking Company's Property ..	2,65,577 57
3,89,817	9. Stationery, Printing, Advertisement, etc.	4,41,670 95
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
7,39,640	11. Other Expenditure	8,26,823 12
16,26,677	12. Balance of Profit	17,35,434 74
2,75,95,187	Grand Total .. Rs.	2,93,84,464 21

31-12-1959 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP
2,33,05,954	1. Interest and Discount	2,52,92,841 40
35,33,038	2. Commission, Exchange and Brokerage	38,75,575 42
1,83,822	3. Rents	1,94,864 33
Nil	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
11,723	7. Other Receipts	21,183 06
Nil	8. Loss (if any)	Nil
2,75,95,187	Grand Total .. Rs.	2,93,84,464 21

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Allahabad Bank, Ltd., as at 31st December, 1960, and also the foregoing Profit and Loss Account of the Bank, for the year ended upon that date, in which are incorporated the audited returns of Calcutta and Bombay Branches and the unaudited returns of all other branches which have not been visited by us. Permission for exempting those branches not visited by us from audit as required by the Companies Amendment Act, 1960, has been obtained by the Bank from the Central Government.

We report that:

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank;

(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

A. F. FERGUSON & CO.,
Chartered Accountants.

CALCUTTA,
Dated 24th February, 1961.

I. G. THOMSON,
U. C. MAHTAB,
IQBAL AHMAD,
M. R. DAS,
G. D. LONGHURST,
M. J. MACLAREN,
General Manager.
} *Directors.*

A. GHOSH,
Accountant.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

The Profit and Loss Account of the Allahabad Bank, Limited, for the year ended 31st December, 1960, does not include any profit or loss of its subsidiary, the Allahabad Bank Nominees Private Limited, as no profit was made and no loss was sustained by that subsidiary. All expenses incurred were borne and paid by the Allahabad Bank, Limited. The shares of the subsidiary are wholly owned by the Bank.

I. G. THOMSON,
U. C. MAHTAB,
IQBAL AHMAD,
M. R. DAS,
G. D. LONGHURST,
M. J. MACLAREN,
General Manager.
} *Directors.*

A. GHOSH,
Accountant.

CALCUTTA,
The 24th February, 1961.

ALLAHABAD BANK NOMINEES PRIVATE LIMITED

DIRECTORS' REPORT

The Directors of the Allahabad Bank Nominees Private Limited submit the audited Balance Sheet for the year ended 31st December, 1960, together with their report.

A Profit and Loss Account is not submitted as no profit was made nor loss sustained. The Company is a wholly owned subsidiary of the Allahabad Bank Limited by whom the entire expenses of the Company have been paid.

M. J. MACLAREN,
W. SMITH,
LOKNATH,
} *Directors.*

CALCUTTA,
The 21st February, 1961.

ALLAHABAD BANK NOMINEES PRIVATE LIMITED

BALANCE SHEET AS ON 31ST DECEMBER, 1960

Capital Authorised and Fully Paid up—	Rs. nP		Rs. nP
50 Ordinary Shares of Rs. 100 each Paid in Cash	5,000 00	Deposited with the Allahabad Bank, Ltd.	5,000 00
	5,000 00		5,000 00

M. J. MACLAREN,
W. SMITH,
LOKNATH,
} *Directors.*

We have audited the foregoing Balance Sheet as at 31st December, 1960, of the Allahabad Bank Nominees Private Limited. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account as required by the law in force have been kept by the Company so far as appears from our examination of those books. The Company's Balance Sheet is in agreement with the books of account and in our opinion and to the best of our information and explanations given to us the said Balance Sheet gives the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view of the state of the Company's affairs as on 31st December, 1960.

No Profit and Loss Account has been prepared as the Company has no income and the expenses are paid by the Holding Company.

A. F. FERGUSON & CO.,
Chartered Accountants.

CALCUTTA,
The 21st February, 1961.

Notices

ORIENT PAPER MILLS, LIMITED

Registered Office:

BRAJRAJNAGAR (ORISSA)

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Orient Paper Mills Ltd. will be held at the registered office of the Company at Brajrajnagar in the district of Sambalpur (Orissa) on Thursday, the 30th March, 1961, at 4-30 p.m., to consider and if thought fit to pass, with or without modification, the following resolutions:—

AS SPECIAL RESOLUTION:

1(*a*). "RESOLVED that the Company hereby approves of purchasing from Century Spinning and Manufacturing Company, Ltd., and Gwalior Rayon Silk Manufacturing (Wvg.) Company, Ltd., associates of Messrs. Birla Brothers Private Ltd., the Managing Agents of the Company, Salt Cake, Sodium Sulphate, Glauber Salt, Sulphuric Acid and other chemicals and also supplying paper and board to the said associate companies from time to time upon the terms:

(i) that the prices or amounts charged to or received by the Company shall be at rates current in the market at the time of supply;

(ii) that payment for the goods purchased and/or supplied shall be made within one month from the date of supply or sale of the goods."

AS ORDINARY RESOLUTIONS:

1(*b*). "RESOLVED that (1) the letting out of Company's Electric Fan Manufacturing Factory situate at 6, Ghore Bibi Lane, Narkeldanga, Calcutta, to its subsidiary, Orient General Industries Ltd., be and is hereby approved and the same shall be deemed to have been granted with the approval of this Company in general meeting and (2) the Directors of the Company be and they are authorised from time to time to vary, modify and/or abrogate any of the terms of the tenancy for the time being in force as the Directors may consider proper."

1(*c*). "RESOLVED that the Board of Directors be and they are hereby empowered to borrow from time to time moneys upto a total of Rs. 15 crores remaining outstanding on account of principal at any time for the purposes of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say the reserves not set apart for any specific purpose."

1(*d*). "RESOLVED that the Board of Directors be and they are hereby authorised to contribute and/or subscribe to any institution or fund for any national, charitable, benevolent, public or general purposes, not directly relating to the business of the Company or to the welfare of its employees, from time to time, such amounts upto a total of Rs. 10 lacs in any financial year notwithstanding that such amounts in any financial year will exceed Rs. 25,000 or 5 per cent of the Company's average nett profits as determined in accordance with the provisions of the Companies Act, 1956 during the three financial years immediately preceding whichever is greater."

By Order of the Board,

B. K. VYAS,
Secretary.

8, INDIA EXCHANGE PLACE,
CALCUTTA, *the 28th February*, 1961.

N.B.—(1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(2) Explanatory Note under Section 173 of the Companies Act, 1956 in respect of the items stated in the above Notice has been forwarded to the members of the Company.

THE CENTRAL BANK OF INDIA LIMITED

Registered Office:

Central Bank Building, Mahatma Gandhi Road
FORT, BOMBAY-1.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fiftieth Annual General Meeting of the Shareholders of The Central Bank of India, Limited will be held at the Registered Office of the Company, in the Central Bank Building, Mahatma Gandhi Road, Fort, Bombay-1, on Tuesday, the 28th day of March, 1961, at 4 p.m. (S.T.), to transact the following business:—

1. To receive, consider and adopt the Report of the Directors and the Audited Accounts for the period ended 31st December, 1960.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Cooverji H. Bhabha, who retires by rotation under Article 92 of the Company's Articles of Association read with Section 256 of the Companies Act, 1956, and is eligible and offers himself for re-appointment.
4. To appoint a Director in place of Mr. Dharamsey M. Khatau, who retires by rotation under Article 92 of the Company's Articles of Association read with Section 256 of the Companies Act, 1956, and is eligible and offers himself for re-appointment.
5. To appoint a Director in place of Sir Jamsetjee Jejeebhoy, Bart., who retires by rotation under Article 92 of the Company's Articles of Association read with Section 256 of the Companies Act, 1956, and who is eligible and offers himself for re-appointment.
6. To appoint Auditors to audit the accounts of Head Office and such of the Branch Offices of the Company as the Meeting may determine and to fix their remuneration.
7. (*a*) To consider and, if thought fit, to pass with or without modifications the following Resolution for audit of your Company's 17 Branch Offices mentioned in the following Resolution by persons qualified to act as Auditors other than the Company's Auditors.

"RESOLVED that the Board of Directors be and is hereby authorised to appoint such persons qualified to act as Auditors of the Company in consultation with the Company's Auditors, on such terms and conditions, for audit of the accounts for the year ending 31st December, 1961, of the following 17 Branch Offices of the Company as the Board of Directors may decide upon from time to time."

Names of the 17 Branch Offices above referred to

Ballygunge,	Jalpaiguri,
Barabazar,	Karachi,
Bhowanipore,	Lahore,
Calcutta,	London,
Chittagong,	Narayanganj,
Dacca,	New Market,
Hatkhola,	Rangoon,
Howrah,	Shambazar.
Hyderabad (Sind),	

(*b*) To consider and, if thought fit, to pass with or without modifications the following Resolution for applying for exemption from audit of the accounts of the Company's Branch Offices other than those resolved to be audited by the Company's Auditors and by other persons qualified to act as Auditors.

"RESOLVED that the Board of Directors be and is hereby authorised to apply to the Central Government under the Companies (Branch Audit Exemption) Rules, 1961, for exemption from audit of the accounts for the year ending 31st December, 1961, of all Branch Offices, now existing and which may be opened hereafter during the said year ending 31st December, 1961, other than those resolved to be audited by the Company's Auditors and by other persons qualified to act as Auditors, from the provisions of Section 228 of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1960, and to agree to such terms and conditions as the Central Government may prescribe in this behalf, and in the event of such exemption being not granted in respect of any of such Branch Offices, then and in such event the Board of Directors be and is hereby authorised to appoint such persons qualified to act as Auditors of the Company in consultation with the Company's Auditors and on such terms and conditions as the Board of Directors may decide upon from time to time for audit of the accounts of such Branch Offices."

8. To consider and, if thought fit, to pass the following Resolution required by Section 293 of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1960, an Explanatory Statement in respect of which is annexed hereto as prescribed by Section 173 of the said Act.

"RESOLVED that the consent of the Company under the provisions of Section 293 (1) (*d*) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1960, be and is hereby accorded to the borrowings by the Board of Directors of the Company from time to time of all moneys deemed by it to be requisite or proper for the purpose of carrying on the business of the Company but not exceeding Rupees 40 Crores notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans, if any, obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

9. To consider and, if thought fit, to pass the following Resolution with or without modifications as a Special Resolution.

"RESOLVED that pursuant to Section 314 of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of Messrs. A. F. Ferguson & Co., a Partnership firm, one of whose Partners, viz. Mr. Naval Rustomji Mody, is a relative of Sir Homi Mody, a Director and Chairman of the Company, as Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting held in 1961 to the conclusion of the next Annual General Meeting, and for attending to such other work as may be entrusted to the said firm of Messrs. A. F. Ferguson & Co. during the period of their appointment by the Board of Directors of the Company, on remuneration higher than that paid to them at the time when the Special Resolution for their appointment was passed at the Forty-fifth Annual General Meeting of the Company held on the 29th day of March, 1956, according the Company's consent to the said firm of Messrs. A. F. Ferguson & Co. continuing to act as Auditors of the Company and holding an office of profit under the Company as aforesaid in spite of the said relationship."

By Order of the Board,

N. K. KARANJIA,
General Manager.

BOMBAY, *2nd March*, 1961.

Note:—A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(*a*) The Transfer Books of the Company will be closed from Saturday, the 4th day of March, 1961, to Tuesday, the 28th day of March, 1961 (both days inclusive).

(*b*) Dividend Warrants for the half-year ended 31st December, 1960, will be posted to the Shareholders at their registered address on and after the 29th day of March, 1961. Shareholders are requested to intimate to the Company their change of address, if any, immediately.

(*c*) The Explanatory Statement required under Section 173 of the Companies Act 1956, has been forwarded to the members of the Company.

DEPOSIT RATES TO GO UP

(*From Our Own Correspondent*)

BOMBAY, *8th March*

There have been no significant changes in the short-term money market. The stringency which has been a persistent feature of the market for quite some time has continued unabated. In fact, it has become even more stringent, with the demand for bank accommodation pressing hard against a severely limited supply. With the movement of crops in full swing and with industrial production continuously rising there appears to be no immediate possibility of any relief. With their cash reserves strained to the limit, banks are reported to be relying more and more on the Reserve Bank for accommodation.

The short-term interest rates have continued to rule firm at the ceiling rates under the inter-bank agreement. We give them below for ready reference:

Inter-bank call money: Exchange and larger Indian banks: 5½ per cent borrowers. Smaller Indian banks: 5¾ per cent borrowers.

House Money: (i) Notice of 3 days upto and including 21 days: 2 per cent nominal (ii) Notice of more than 21 days: 3 per cent.

Term Money: (i) 31 days and over but and inclusive of 60 days: 3½ per cent. (ii) 61 days and over but less than 12 months: 3¾ per cent. (iii) 12 months: 3¾ per cent.

It is reported that the sub-committee of the Indian Banks' Association in charge of the inter-bank agreement on interest rates has recommended an upward revision in the present ceilings and that the increased rates would be given effect to shortly. Details of the proposed changes are given on page 411.

The results of the sale of 91-days Treasury Bills through weekly tenders showed that, as against an invitation for Rs. 2 crores, the total amount offered and accepted was the same. The average rate of accepted tenders remained unchanged at Rs. 2.750. Two weeks before, it was 2.650 per cent. During the period 1st March to 4th March, there were no sales of 91-days intermediate treasury bills. But their sales are being continued.

The statement of the Reserve Bank of India for the week ended 3rd March 1961 shows, as compared with that for the previous week, an expansion of Rs. 21.82 crores in notes in circulation bringing their total to Rs. 1,947.16 crores. The notes held in the Banking Department have dropped by Rs. 23.63 crores and, consequently, the total notes issued have fallen by Rs. 1.80 crores. The foreign securities held by the Issue Department are still unchanged at Rs. 128 crores, but, as balances held abroad have come down by Rs. 2.20 crores the aggregate foreign assets have shrunk by that amount to Rs. 157.30 crores. The deposits of banks with the Reserve Bank have contracted by Rs. 5.12 crores to stand at Rs. 71.86 crores. The other loans and advances given by the Reserve Bank which include accommodation to the Scheduled banks also have risen by Rs. 7.89 crores. Of this rise, Rs. 1.40 crores represents advances against usance bills which now aggregate Rs. 27.55 crores. A year ago they were of the order of Rs. 6.76 crores only.

The Scheduled Banks' statement for the week ended 24th February 1961 discloses a net increase of Rs. 2.94 crores in total deposits. Borrowings from banks of demand and time variety have gone up by Rs. 1.97 crores and Rs. 37.92 lakhs respectively, whereas their borrowings from the Reserve Bank have come down by Rs. 2.13 crores. They have also borrowed Rs. 1.17 crores less from the State Bank of India. Of this decline, borrowings of demand nature account for Rs. 1.12 crores. Advances and bills (bank credit) have registered a rise of Rs. 3.59 crores, on top of an increase of Rs. 5.72 crores in the preceding week, taking their total to Rs. 1,263.47 crores. A year ago, this portfolio stood at Rs. 1,060.93 crores. Of the rise during the week under review, the share of the State Bank of India was only Rs. 1.79 crores. The investments of the Scheduled banks have continued to decline, the drop during the week under review being Rs. 1.15 crores, on top of a decline of Rs. 11.58 crores in the preceding week. As the investments of the State Bank of India have slightly gone up, by Rs. 27 lakhs to be precise, the drop in this portfolio of the commercial banks in the private sector is actually of the order of Rs. 1.42 crores. The cash balances of Scheduled banks have as a whole jumped up by Rs. 4.54 crores. This is due solely to the State Bank, the cash balances of which have risen by Rs. 5.08 crores.

Some activity was noticeable in the Gilt-edged market. Short-dated loans, both Central and State Governments were in demand. As part of its plans for facilitating repayment of loans the maturity of which is near, the Reserve Bank stepped up its buying rates by 10 nP for 2½ per cent 1961, 2¾ per cent 1962 and 3¼ per cent 1962. In the Central loans section, 3 per cent non-terminable recorded the highest gain of 75 nP and closed at Rs. 72. Other Central issues showed a relatively modest improvement. Thus, 2¾ per cent 1962, 3 per cent 1970-75 First Development Loan, moved up by 15 nP. 3 per cent 1963-65, 3½ per cent 1963 and 1964 have risen by only 5 nP each. 3¼ per cent 1965 and 3¼ per cent 1962 closed 10 nP higher.

In the State loans section, 4 per cent issues registered further improvement on buying by the L.I.C., sinking funds in the public sector and provident funds. The turnover, however, was limited due to scarcity of sellers. 4 per cent 1967 and 1971 Maharashtra issues went up by 10 and 20 nP respectively. Some of the 4 per cent medium-dated loans of Madras, Andhra, Uttar Pradesh and Mysore also showed advances ranging between 5 and 25 nP.

In the foreign exchange section the major event of the week was the upward revaluation of the German Mark by about 4.75 per cent. With effect from Monday the 6th inst., the par value of D. Mark has been reduced from 4.20 to 4.00 Marks per U.S. dollar. This has been brought forth a corresponding adjustment in the value of rupee in terms of D. Mark. Prior to revaluation, the banks' selling rate for T.T. on Frankfurt was 86.90 Marks for 100 rupees. The latest available rate is 82.60 Marks for 100 rupees. Similarly, the banks' buying rate has been brought down from 87.90 D.M. per Rs. 100 to 84.10 D.M. per Rs. 100.

Following the revaluation of German Marks, Holland, too, has raised the par value of its currency. Consequently, the value of rupee in terms of Dutch guilders has come down. The banks' selling rate for T.T. is now 75.50 guilders per Rs. 100, as against 79.20 a week ago their buying rate being 77.00, as against 80.10 per Rs. 100.

In the New York market the sterling has weakened still further. The latest available rates are 279.260-279.290 cents per £ for spot and 278.460-278.490 per £ for three months forward. As compared with the rates a week ago, there is a decline of 0.26 cent and 0.36 cent, respectively. The banks' buying and selling rates for ready T.T. on New York show a slight weakening of the rupee. The latest available rates are Rs. 479.25 and Rs. 476.00 per 100 dollars for buying and selling respectively, as against Rs. 479.00 and Rs. 475.50 a week ago.

GOLD SCALES FRESH PEAK

(*From Our Own Correspondent*)

BOMBAY, *8th March*

Both gold and silver made a strident advance during the week under review. Ready gold scaled the all-time peak of Rs. 124.40 per 10 grams (0.85 tola) early on Monday the 6th inst., a rise of Rs. 2.80 as compared with the closing rate of Rs. 121.60 on Tuesday last week. Ready silver also forged ahead from Rs. 206.30 to Rs. 208.20 per kilogram (85.7 tolas) on the same day; this quotation was below the previous peak of Rs. 209.30 touched on 10th February by Re. 1.10. The spurt in prices followed expectations of larger offtake during the marriage season. It was reported that some interests in South India as well as at Delhi and Calcutta were already trying to absorb all the readily available stocks. The seizure of some contraband gold from a ship in Bombay also imparted strength.

The daily average offtake of gold and silver during the week, however, was the same as that last week, being 3,000 tolas and 9 bars, respectively. Daily arrivals were at an average of 6,700 tolas and 22 bars, as against 4,500 tolas and 23 bars. The floating stocks of gold are estimated at 40,000 tolas and those of silver are reported to be around 600 bars.

Adjustment rates fixed today were Rs. 123.90 per 10 grams for gold and Rs. 207.75 per kilogram for silver. The corresponding rates for Tuesday last week were Rs. 121.50 and Rs. 206.30, respectively.

The *Chaitra* (April) settlement in gold met with good support and rallied from Rs. 121.70 on the 1st inst. to Rs. 124.50 on Monday. At this level, profit-taking set in and the settlement declined to Rs. 123.75. It, however, rose again to Rs. 124.40 today before finishing at Rs. 124.20. The net gain over the week was Rs. 2.50. *Fagun* settlement went off the board at Rs. 121.35 on the 1st inst., as against the previous close of Rs. 121.75. The rate for transferring commitments from *Fagun* to *Chaitra* settlement was against bulls to the extent of 35 nP.

In silver, *Fagun* settlement, which stood at Rs. 206.55 on Tuesday last week, improved to Rs. 206.75 on the 1st inst. and ran out at Rs. 206.15 on the following day. *Chaitra* settlement climbed up from Rs. 206.40 to Rs. 208.45 on Monday the 6th inst. After easing to Rs. 207.65 today, it recovered to close at Rs. 208. The carry-forward rate was in favour of bulls—the actual rate was 45 nP on the 2nd inst.—whereas it was against them to the tune of 15 nP last week-end.

Ready gold commanded a premium of 20 nP over the *Chaitra* settlement on Saturday the 4th inst. The premium, however, yielded place to a discount of 25 nP on Monday and the rate of discount increased to 85 nP today. In silver, spot was quoted at a discount under the forward (*Chaitra*) throughout the week, except on the 4th inst. when it commanded a premium of 10 nP. The actual discount today was 5 nP; it was higher at 35 nP on the 2nd inst.

The world price of gold in the London bullion market eased further during the week from $35.08¾ to $35.07½. This rate is 1.25 cent below the price of $35.08¾ at which the U.S. Treasury sells gold to central banks. Ready gold declined from 251*s.* on 27th February to 250*s.* 11*d.* on the 1st and 2nd inst., but recovered to 251*s.* 2*d.* yesterday. Ready and forward silver were unaltered, the former at 79¼*d.* and the latter at 80¾*d.* Silver in New York was also unchanged at 91.375 cents.

The following table shows the trend of the market during the week:

	3-3-1961 (closing)	High	Low	28-2-1961 (closing)
GOLD				
Ready .99 fine)	Rs. 124.15	Rs. 124.40	Rs. 121.40	Rs. 121.60
Forward:				
Chaitra*	124.20	124.50	121.65	121.95
Sovereign	94.25	94.25	94.00	94.00
SILVER				
Ready (.996 fine)	207.50	208.20	206.15	206.30
Forward:				
Chaitra†	208.00	208.45	206.40	206.40
London-	7-3-1961			27-2-1961
Silver Ready	79¼d.	—	—	79¼d.
Silver Forward	80¾d.	—	—	80¾d.
Gold	251*s.* 2*d.*	251*s.*2*d.*	250*s.*11*d.*	251*s.*
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 3rd April settlement. † 4th April settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram(85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES RALLY AT CLOSE

(*From Our Own Correspondent*)

BOMBAY, *8th March*

Under the impact of the Central Budget, which contained, *inter alia*, proposals for raising the excise duty on medium (A) grey cloth as also on cotton yarn, cotton futures market ruled easy during most part of the week under review. In fact, the market's reaction to the rise in duty was evident in the post-Budget session held on 28th February wherein both the Jarilla April and the newly-started August contract declined, the former by Rs. 1.25 and the latter by Rs. 1.50, as compared with their opening quotations. Subsequent sessions witnessed an acceleration of the downward trend. It is feared that the enhancement of excise duties would affect mill demand for cotton. The steady trend of new crop arrivals and deterioration in the quality of certain varieties also imparted weakness to the market.

Pressure of selling by both local and upcountry operators resulted in a break in values. Both the Jarilla April and August contracts declined steadily, till yesterday. Today, however, there was a complete reversal of the trend, thanks to reports that certain amendments to the by-laws of the E.I.C.A., which will have bullish implications, are under the consideration of the Board. Heavy bull support lifted both the contracts. Not only have the earlier losses been completely wiped out but the contracts closed Rs. 6 higher than the last week-end quotations.

The following table indicates the trend of prices of the contracts during the week:

(In rupees per three quintals)

	3-3-61	*High*	*Low*	28-2-61
I.C.C. Jarilla April 1961 ...	582	583.25	565.75	576
I.C.C. Jarilla August 1961 ...	594	595.00	581.50	588

Demand for ready cotton, too, is dull. This is due partly to the fact that several mills have exhausted their quota and partly to the dampening effect of the increased excise levies on yarn and cloth. However, popular varieties such as L.147, CO2, Khandesh, Vijay and Digvijay, Laxmi, etc., are receiving moderate attention.

Obviously not satisfied with the rate of purchase of new crop by mills, the Textile Commissioner has informed the Indian Cotton Mills' Federation that the fourth instalment of Indian cotton quota would be issued to mill only after the quotas so far issued have been fully absorbed. The Federation has, accordingly, advised its member mills to speed up purchases as further quotas of Indian cotton would be available only to those mills who have fully utilised their quotas. Quotas equal to 75 per cent of last year's consumption of 4.4 million bales (Indian cotton) has so far been issued to mills in three instalments.

Interest in foreign cotton has revived since mills have received their import entitlements against their export performance in the last quarter of 1960. East African and Sudan varieties evoked the attention of spinners.

The likelihood of the trade being given a chance to participate in the import of 300,000 bales of U.S. cotton under P.L. 480 has come as a pleasant surprise to the trade. The Textile Commissioner is understood to have consulted leading importers about the trade's participation in the aforesaid imports.

Export interest was confined to Zoda and yellow pickings. Hopes of a fresh export quota are receding fast. Efforts are being currently made by some shippers to obtain the permission of the Joint Chief Controller of Exports to complete the shipments against the left out portion of the shipping bills submitted for shipment against the first and second export quotas.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from Sewri: Berar Jarilla 25/32" 870-880; Khamgaon 910-920; Kalyan 820-830; Vijay 28/32" 970; B.P. 52 1.310-1,315; B.P. (U.N.U.G.) 1,345; Sudan XG3S 1.900; G2L 1,590-1,592.

The Karachi cotton futures market depicted a divergent trend during the week under review. While the maturing March contract receded on selling based on settlement consideration, the May contract ruled steady, thanks to speculative buying. The former declined from Rs. 69.15 last week-end to Rs. 68.95 while the latter was unchanged at Rs. 69.05. Karachi cotton traders have viewed with concern the raising of the subsidy rate on U.S. cotton from 6 cents per lb. to 8½ cents per lb. announced last week. It is feared that the subsidy, which works out to 25 per cent of the present foreign price of U.S. cotton, will affect other cotton exporting countries.

The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties prevailing at Karachi:

Sind *Deshi* 104; Punjab Deshi 103; 4F Punjab Roller 88.15; L.S.S. Punjab Roller 88.15; N.T. Roller 90.15.

Quiet conditions prevailed in the Alexandria cotton futures market during the week. Since domestic interest was subdued and export demand sluggish, prices have tended to show a declining trend. The raising of the U.S. subsidy rate also gave rise to fears that competition from U.S. cotton would be more. Spot prices also tended to ease, thanks to pressure of new crop. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week-end quotations:

Karnak: March 69.02 (69.74); May 70.14 (70.74); July 70.90 (71.35).

Ashmouni: April 59.50 (59.62); June 60.25 (59.62); August 60.60 (—).

The firmness noted in the Liverpool cotton futures market last week, after the announcement of the U.S. support level, gathered momentum during the week under review. Anticipation of

higher prices for U.S. cotton following the enhancement of the support level brought forth support for both the American and American types contracts which rallied. Sudan contracts were quietly steady. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: March 24.10; May 24.70.

Sudan: March, May, July 34.00.

New York cotton futures market continued to be firm during the week under review also. Commission House buying and the firm advices from the spot market pushed values higher. The influencing factor was, as during the last week, the higher support level (82 per cent of parity, as compared with 70 per cent for the present season) for the 1961-62 U.S. crop announced by the Secretary of Agriculture on 22nd February. It is estimated that the new parity figure on middling cotton would give most producers an increase of 0.62 cent a pound, or about $3 a bale more than what they get at present.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	7-3-61	28-2-61	21-2-61
Spot	33.20	33.00	32.55
March	32.83	32.57	32.32
May	33.25	33.03	32.83
July	33.77	33.52	33.33

POOR DEMAND FOR PEPPER

(Messrs. Parekh and Co.)

BOMBAY, *8th March*

Malabar black pepper scored some gain in the earlier part of the fortnight under review, in view of steadier advices from Singapore and small selective purchases by New York at prices ranging from $0.43 to $0.44. In the later part, however, the gain was erased as Singapore exporters lowered their selling price and sold some parcels at $0.42½ to $0.43¾. The news that the Kerala Government would collect purchase tax on the closing stock of pepper, ginger, turmeric, lemongrass oil, etc., with traders as on 31st March 1961 brought forth rather aggressive selling and had a depressing effect. Ungarbled Malabar pepper came down from Rs. 379 to Rs. 370 and garbled from Rs. 391 to Rs. 384. March delivery receded from Rs. 401 to Rs. 394. Calicut fell from Rs. 375 to Rs. 365.

At the time of writing, however, small improvement was noticed in sympathy with New York where spot improved from $0.46½ to $0.49. As a consequence, New York dealers were reported bidding at $0.43. Despite poor foreign enquiries, Singapore was reported steady but quiet, as holders there were resisting lower prices. Most of the traders there are closely watching the attitude of the semi-Government agency of Indonesia at Singapore which is expecting to receive from Sumatra about 2,000 tons of Lampong black as consignments.

In view of the surplus production of pepper in the world, the pattern of the trade in both supplying and consuming markets seemed to have undergone changes. In India, pepper has become a trading market with narrow fluctuations for want of any aggressive foreign buying. New York is selective buyer, while Russia and the East European countries being price-conscious, buy after haggling. They make purchases without exciting the sellers as they are confined to a few selected parties.

In Singapore, the same is the tale to tell. Most of the traders are bearishly inclined. They switch their bear sales from month to month. In New York, most of the grinders buy their requirements on the New York Exchange in future delivery, as prices for futures are always at a discount. They buy spot only to cover their immediate requirements. As such, fluctuations are narrow. Dealers who sell spot buy early shipment for replacement only. Outside and, speculative interest is at a low ebb for want of incentives.

The noteworthy feature of the season is that most of the stock of Malabar pepper is carried by growers and not by dealers as was the case last year, as hedging facilities on the Cochin Exchange are restricted since last year's debacle. Turnover on the Exchange has fallen very much to the detriment of growers. A second ring in Bombay is, therefore, an urgent necessity in the interest of both the growers and the export trade.

Demand in ready pepper in Bombay is poor, in view of holidays. The currently prevailing rate is Rs. 205 per 50 kilos.

YARNS AND THE BUDGET

(From Our Own Correspondent)

BOMBAY, *8th March*

In our last week's review of the yarn market prepared just before the Union Finance Minister presented the budget for 1961-62, it was stated that there were apprehensions of possible increases in the rates of excise duty on indigenous art silk yarn and import duty on foreign yarn. These apprehensions were fully justified. For the budget contained proposals for enhanced tax imposts not merely on art silk yarn and staple fibre but also on cotton and rayon fabrics and imposition of an excise duty on cotton yarn. The following are the changes effected:

(In rupees per kilo)

	Excise Duty		Customs Duty	
	Revised	Old	Revised	Old
Rayon Yarn				
Below 75 deniers	3.00	1.80	8.10	5.10
75-100 deniers	2.25	1.35	5.85	3.70
Above 100 deniers	1.50	0.90	4.60	3.10
Staple Fibre	0.75	0.45	25% ad valorem plus 0.75 nP. per kilo	25% ad valorem plus 0.45 nP. per kilo

Cotton yarn: The proposed rate of duty is 15 nP per kg. on cotton twist yarn and thread of 35 counts or more and 10 nP per kg. on those of less than 35 counts. Hitherto, cotton yarn was completely exempted from payment of excise levy. In order to give relief to the Common varieties of fabrics produced on handlooms, cotton yarns of counts 11 to 40, if issued in hanks, are exempted.

Immediately after the above proposals were announced prices in the yarn market staged a sharp rally. The rise was particularly marked in the case of art silk yarn. Compelled by such a rise, the Yarn Merchants' Association and Exchange Ltd., declared a special interim clearing on Saturday the 4th inst., the rates fixed being Rs. 2,550 (per case of 100 kg.) for 60/1 Cupressa Bemberg yarn and Rs. 2,890 for 40 JPs. The Association also fixed the ceiling prices for these at Rs. 2,600 and Rs. 2,950, respectively, with a view to arresting a further increase in prices.

Yarn traders are somewhat intrigued at the move of the customs authorities to levy countervailing import duty equivalent to the full excise duty on indigenous yarn as it stands today, without taking into consideration the fact that import duty has been raised from stage to stage to keep pace with the increase in the excise duty on indigenous yarn. This method is considered to be erroneous. In the course of a communication addressed to the Union Finance Minister, the Board of the Bombay Yarn Merchants' Association and Exchange Ltd. gives the following illustration in support of its contention:

In 1959, the import duty below 75 deniers of rayon yarn was raised from Rs. 2 to Rs. 2.30 per lb. Similarly, there was increase in the countervailing excise duty and, as such, the excise duty below 75 deniers was raised from 50 nP to 80 nP per lb. The intention of the Government then was to *add the increased duty and not the whole amount of duty*. In the present case, the import duty on yarns below 75 deniers has been raised from Rs. 5.10 to Rs. 8.10 per kilo, of course, as per the interpretation of the Customs authorities at Bombay, adding the full amount of excise duty of Rs. 3 per kilo, whereas, *in fact, the increased duty of Rs. 1.20 ought to have been added*. The same position remains with regard to rayon yarns above 75 deniers to 100 deniers and also above 100 deniers. If the interpretation of the customs authorities is taken as true, there will be an increase of Rs. 300 per case of rayon yarns below 75 deniers which, it is said, cannot be the intention of the Government, as it is exhorbitantly high.

The Association emphasises that only the increased rate of excise duty should be added to the existing import duty on rayon yarn and not the full amount of excise duty.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with those prevailing prior to the Budget:

	8-3-1961	28-2-1961
	Rs.	Rs.
***Art silk yarn*—**		
60/1Cupressa Bemberg (100 kg.) April	2,550.00	2,500.00
60/1 Cupressa Bemberg spot	2,585.00	2,507.00
120 Japan (per 100 kg.)	1,501.00	1,446.00
150 Japan (per 100 kg.)	1,722.00	1,667.00
120 Italy (per 100 kg.)	1,459.00	1,378.00
***Staple fibre yarn*—**		
40×2 April (per 90.72 kg.)	868.00	832.00
40×2 Century (per kg.)	10.32	9.86
40×2 Kohinoor (per kg.)	10.25	10.75
***Cotton yarn* (per bundle of 10 lbs.)—**		
10s Modern	18.75	18.70
20s New Great	21.75	21.75
30s New Great	27.00	26.25
40s Madura	32.25	32.00
60s Finlay	67.00	65.65
80s Mahendras	68.68	70.70

OILSEEDS BUOYANT

(From Our Own Correspondent)

BOMBAY, *8th March*

The Forward Markets Commission is reported to be considering the question of regulating business in non-transferable specific delivery contracts in groundnut and groundnut oil through imposition of restrictions designed to curb unhealthy speculation. The move of the Commission is a sequel to complaints that a section of traders continues to indulge in large-scale illegal business in non-transferable contracts, particularly after the virtual cessation of trading in groundnut forward contract, which has touched the ceiling level of Rs. 220. Even the official warnings against such business have not been of much avail, as is evident from the fact that the premium commanded by spot groundnut over the forward (May contract) is as high as Rs. 40.

The oilseeds market ruled buoyant during the week under review under the leadership of groundnuts. The absence of any fresh imposts in the Central Budget on oilseeds and oils came as pleasant surprise to the trade. Spot groundnuts touched new high levels today, thanks to reduced arrivals and reluctance of upcountry interests to part with whatever stocks they had. The co-operative societies were said to be helping producers to hold back supplies. The stock position itself was considered to be tight. Keen buying by *vanaspati* manufacturers and crushers who feared a further increase in prices also fanned the bullish fervour of the market. Groundnut oil attracted good attention presumably in view of the marriage season. Nizam bold spurted by Rs. 2 to Rs. 52.75. Khandesh quality rose by Re. 1.75 to Rs. 53.25. Oil ex-mill hardened by Re. 1.30 to Rs. 22.25. Railway receipts were higher by 95 nP to Rs. 21.90. Groundnut May 1961 contract was quoted at Rs. 220, that is ceiling rate. February 1961 went off the board on 28th February last month.

Distinctly firm conditions prevailed in the castorseed section as well, in contrast to the trend noted last week. There were, no doubt, some arrivals of new crop, but they were readily absorbed. Reports that the current season's castor crop in Gujarat would be much less than the earlier estimate initially, imparted considerable strength. Fresh enquiries for castor oil from the U.K. and some Communist countries, particularly East Germany, also imparted strength. There were, however, no enquiries for oil from the U.S. on account of pressure of Brazilian supplies. Castorseed May 1961 contract made headway from Rs. 170.25 to Rs. 174.12. Madras small gathered 63 nP to Rs. 34.25 Oil Commercial put on 20 nP to Rs. 14.20 and B.S.S. 15 nP to Rs. 15.15.

In sympathy with groundnuts and castors, linseeds moved up. May 1961 contract closed higher at Rs. 35.81 today, as against Rs. 35.06 last week-end. Bold ready was maintained at Rs. 35.25. Linseed oil improved by 20 nP to Rs. 16.40.

Cottonseeds, too, firmed up particularly towards the close of the week, on better advices from the raw cotton market. February 1961 contract rose by Rs. 2 to Rs. 94.75. February contract expired last week-end. Whites put on 60 nP to Rs. 19.10. Both Berars and Non-whites gathered 25 nP to Rs. 19.25.

The sesame section ruled buoyant. Arrivals were meagre. There was good demand, especially from the South. Bold variety was marked up by Rs. 20 to Rs. 355. Sesame oil spurted by Re. 1.25 to Rs. 27.25

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	8-3-1961	28-2-1961	22-2-1961
	Rs.	Rs.	Rs
Groundnut			
May 1961	220.00	220.00	220.00
Nizam bold	52.75	50.75	51.00
Coromandel ready	53.50	51.62	51.75
Khandesh quality	53.25	51.50	51.75
Oil ex-mill ready*	22.25	21.05	21.25
Railway receipts*	21.90	20.95	21.00
Castorseed			
May 1961	174.12	170.25	172.87
Ready Madras	34.25	33.62	33.75
Ready Kanpur	32.87	32.50	32.75
Oil B.S.S.†	15.15	15.00	15.15
Oil commercial†	14.20	14.00	14.10
Linseed			
May, 1961	35.81	35.06	35.87
Bold ready	35.25	35.25	36.25
Oil ready†	16.40	16.20	16.40
Cottonseed			
May 1961	94.75	92.75	91.25
Niger seed	39.50	37.00	39.00
Kardi seed	27.25	27.00	26.50

* Rates include excise duty, but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

STRONG DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, *7th March*

Strong demand for tea was in evidence in the export sale held here yesterday. This was the last big export sale to be held, and with a sale each in the coming two weeks, when offerings are expected to be much smaller, the season's export sales will come to an end. Inquiries for liner space declined and, after the forthcoming two or three weeks, tea bookings would be insignificant. Bookings for direct participation in the U.K. auctions are now over.

Trade circles have welcomed the reduction of 9 nP per kg. or about 10 per cent. in the tea export duty. This reduction is a belated recognition by the Government of the tea industry's just claim for consideration in this regard. It is now a few years since the industry and trade with one voice have been demanding the total abolition of the duty. The better-placed producing countries such as Africa, China and Indonesia, where the cost of production is lower than in India, are levying no export duty, and it is common knowledge that Indian tea is finding it difficult to compete in world markets despite the claim by Mr. Satish Chandra, Union Deputy Minister for Commerce and Industry, that India is not losing its export markets, that all exportable surplus is being exported, and that the problem for the industry is one of increasing production. It is to be hoped that the reduction in the duty is a step towards its complete abolition.

The reduction of 6 nP per kg. in the excise duty (from 46 nP to 40 nP) on package duty has also been welcomed. It is thought that the increase in the excise duty on loose tea by 3 nP per kg. (from 5 nP to 8 nP) is of no consequence. Inasmuch as loose tea constitutes 60 per cent of internal consumption, the increased duty is expected to compensate the loss in revenue as a result of the concession for package tea. Other excise duties which have been increased are as follows:

(per 1 kg.)

Zone	*Existing* nP	*Proposed* nP
I	4.5	10
II	9	15
III-A	18	25
III-B	27	35

Offerings in the internal sale held last week, amounting to 22,980 packages of dust, met with good general demand, and the strongest feature of the sale was the bright C.T.C. tea which met with keen competition. The poor and medium sorts, however, eased by 15 nP. The best C.T.Cs were irregular in line with quality, while the brighter teas recorded a modest gain in prices. Orthodox teas eased by 10 nP. Legg-cut teas also eased, while the few flavoury Darjeelings elicited good support. The quotations per 1 kg. inclusive of excise duty were: good Assam C.T.C. dust Rs. 6.20 to Rs. 6.60; medium Assam C.T.C. dust Rs. 5.50 to Rs. 5.90; legg-cut dust Rs. 5.00 to Rs. 5.40; medium Assam dust Rs. 4.75 to Rs. 5.15; and plain orthodox dust Rs. 4.65 to Rs. 4.90.

Leaf offerings amounting to 1,028 packages evoked good general demand.

Most of the offerings during yesterday's export sales amounting to 70,359 packages consisted of

end-of-the-season teas. There was strong general demand at irregular rates. A strong feature of the sale was the good support accorded to stylish whole leaf grades. The rest of this category were irregular. Darjeelings were fully steady, as were tippy teas. Another strong feature was the best C.T.C. teas possessing bright liquors, prices of which recorded modest gains. On the other hand, the plainer liquoring teas eased. The second C.T.C. grades were unchanged. Good support was accorded to medium Assams with bright liquors, the B.O.Ps and O.Fs receiving special attention. Dooars B.O.Ps attracted good support, while similar O.Fs declined. Plain B.Ps and teas for price recorded some addition to prices, while plain fannings shed 10 nP. Legg-cut teas eased irregularly. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. fannings Rs. 5.90 to Rs. 6.40; clean black pekoe Rs. 5.20 to Rs. 5.50; medium fannings Rs. 4.80 to Rs. 5.10; medium B.P. Rs. 4.70 to Rs. 4.90; plain fannings Rs. 4.60 to Rs. 4.80; and plain B.P. Rs. 4.60 to Rs. 4.70.

TEA EASY

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, *1st March*

Offerings in Sale No. 9 held on 28th February amounted to 450,000 kilograms. Quality was well maintained and in some cases showed slight improvement. There was good general demand but prices were irregularly easier for most of the descriptions. Plain, low medium and medium brokens, although meeting useful enquiry, declined up to 10 nP. Similar fannings, however, met better support and were steady and occasionally easier. There was less demand for good mediums and these were easier by 20 to 30 nP. Highgrowns again met a restricted enquiry and sold at considerably lower rates than last. There were some withdrawals under this category. There was useful support for C.T.C. and legg-cut types which sold at slightly easier rates than last. Well-made whole leaf grades were firm whilst others tended easier.

	1961 Rs.	*1960* Rs.
Low medium	4.70-4.80	4.41-4.52
Medium	4.85-5.15	4.52-4.85
Good medium	5.20-5.60	5.07-5.62
Quality	5.40-8.40	6.39-9.80

The average price realised in *Sale No. 9* was Rs. 5.18 per kilo, as against Rs. 5.21 last week and Rs. 5.71 in the corresponding sale last year.

Dust Sale No. 9: 218,000 kilograms were offered in Dust Sale No. 9 which was held on 2nd inst. The market opened to fair general demand at lower rates and prices weakened considerably as the sale progressed. Low mediums and mediums declined by 20 nP and in some cases up to 30 nP. Residuals were again in less demand and were the weakest feature of the sale. Highgrowns met with useful support but tended lower. C.T.C. and legg-cut types sold well although these were slightly easier.

The average price realised in Dust *Sale No. 9* was Rs. 4.75 per kilo, as compared with Rs. 4.94 in the previous week, and Rs. 4.61 in the corresponding sale last year.

Export Quota: The market remains rather quiet and at the time of writing there are large sellers at ½ nP per kilo with no buyers.

Colombo: Approximately seven million pounds were offered this week. The market met with rather less demand. Broken grades from the Dimbula and Dickoya districts were generally easier. Mediums were lower by 5 to 10 cents. Low grown teas met with less enquiry and were often easier. There was good support for liquoring fannings which were the strongest feature of the sale.

London: *North Indian and other growths*: In Monday's auction there was strong general demand and prices were a penny to 3d. dearer for all kinds.

Ceylon and South Indians: 24,483 packages were offered in Tuesday's sale and of this quantity 7,488 packages were from South India. The market met with strong demand and prices were often dearer by a penny to 2d.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire as follows:

"*Sale* 10: 385,000 kilograms. Good general demand. Plain and low medium fully firm. Medium demand. Plain and low medium fully firm. Highgrowns very and good medium barely steady. Highgrowns very irregular."

MEASURES TO CHECK RISE IN JUTE PRICES

(From Our Own Correspondent)

CALCUTTA, *7th March*

The decision by the Government of India to fix maximum prices for raw jute, to be enforced by the Indian Jute Mills Association as a voluntary effort, was an important development in the jute world during the week. Following this, both fibre and goods eased. With the decline, buyers of jute goods did not rush to the market, but continued to buy on a hand-to-mouth basis only. That was what stabilised the prices at each stage of the decline. Offerings of gunnies in export liners were insignificant. The maximum prices for raw jute based on Rs. 62 per maund for Assam bottoms with other grades and qualities in proportion, as announced by the I.J.M.A., became effective as from Tuesday last. The maximum price of Rs. 62 per maund compares with the Rs. 65 that existed on the day prior to the announcement. That offers were forthcoming at maximum prices was a good indication, but, at the same time, it should be noted that the maximum prices are in practice the minimum prices now. The latter development had been foreseen by mills, and is the weakest aspect of any system of ceilings, whether voluntary or statutory. Other difficulties are not ruled out. A dangerous situation may arise, if mills which are not members of the I.J.M.A. purchase at above are maximum prices of the I.J.M.A. Possibly, foreseeing such a development, the Government of India is stated likely to fix statutory maximum prices for raw jute and jute goods under the Essential Commodities Act.

It is, however, felt that action on the part of the Government would depend upon the I.J.M.A. scheme now in operation proving a success or otherwise. If the severity of the fibre crisis deepens rather than mitigates, the Government would not only fix statutory maximum prices but inaugurate a scheme for the licensing of raw jute dealers. The I.J.M.A.'s scheme, now in operation, provides for compulsory registration of all contracts for raw jute with the I.J.M.A. Inasmuch as these contracts are already being registered with the East India Jute and Hessian Exchange Ltd., registration of the contracts once again with the I.J.M.A. would only increase work without serving any useful purpose. Moreover, such registrations alone may not be able to detect if any buyers pay more than the maximum prices. Virtually the fixation of maximum prices not only becomes minimum prices but gives rise to occasions for payment of even higher prices (black market to use a war-economy jargon) thereby raising the cost of goods output. Another feature of the scheme is that, as and when necessary, the Jute Commissioner would requisition raw jute stocks from sellers and, if necessary, from mills also. As and when the Government finds the issuance of regulations under the Essential Commodities Act is necessary, a scheme for the licensing of raw jute dealers would also be introduced. In an attempt to increase the availability of fibre supplies, the Union Commerce Ministry, at its recent meeting with the representatives of the industry, offered to license freely imports of jute from Pakistan for delivery in July and August. This is aimed to take advantage of the earlier crop in Pakistan.

Jute goods have been given an entirely different treatment. For no voluntary maximum price has been fixed but it is understood that the I.J.M.A. would impose limits on the amount of unsold ready goods. Goods in excess of this limit can be requestioned by the Jute Commissioner who will also intervene if mills do not abide by the voluntary agreement. As already stated, the voluntary controls now imposed apply only to members of the I.J.M.A. Since the mills outside the I.J.M.A. are outside the system, it is necessary that they also fall in line. Otherwise, there is the danger of defeating the very purpose of the present scheme. The I.J.M.A. representatives when they met the Union Commerce Ministry officials pointed to this aspect, and they were assured that the matter would receive prompt and effective attention. The only way by which non-member mills can be brought within the scheme lies in the fixation of statutory maximum prices. How far such a course would assist the industry to solve the problem of acute shortage of fibre and high prices was difficult to be said in the market. Prices of fibre have declined to the maximum levels and opinion in market circles is that some more time should be afforded to assess the trend before Government takes any further measure. There is, however, no gainsaying that the coming three months will be crucial for the jute industry and it is strongly felt that, in view of the gulf between maximum prices here and prices in Pakistan, preventive measures against smuggling across the border to Pakistan should be strengthened.

Against the background of the fears of smuggling, it must be noted that, during the week fully steady conditions were in evidence in the Narayanganj markets and, with imports in the baling centres being conspicuous by their absence, sellers were reserved and were in no mood to make offers. European consumers of Pakistan jute were reported as lacking behind their purchases and, unless jute is available at reasonable prices, they may reduce production in the months ahead. Cuttings were quoted as high as Rs. 285 per bale and export firsts at Rs. 435 per bale. The small arrivals in the Narayanganj markets suggested that the marketing of the crop was almost complete.

With the free licensing of imports of Pakistan jute in July and August and the possibility of an early crop in India, it may be possible for mills to restore the cut in working hours as from June. The Union Commerce Minister, Mr. Kanungo, in a statement in Parliament also shared this view. As he pointed out, the lasting solution to the problems being faced by the industry was increased fibre output. It is to be hoped that his Ministry's determined efforts to increase jute and mesta output in 1961-62, to which he referred, would include measures for improving quality of the fibre.

The announcement of the decision by the I.J.M.A. to introduce voluntary control of fibre prices caused a decline in prices of both fibre and goods on Tuesday last. Assam bottoms fell to Rs. 64 per maund from Rs. 65 on the previous day and, in line with this decline, easier conditions were in evidence in the goods market. Ready hessian 40" 10 oz. fractionally eased to Rs. 67.75 from Rs. 68, while B. twills, after recording an easing trend, picked up to Rs. 202.50 from Rs. 202 following some amount of covering business. On the following day, quiet conditions were in evidence, as there were more sellers in goods, and this led to a fall in B. twills to Rs. 200 and 40" 10 oz. hessian to Rs. 66.60. However, actual business passing was small. In fibre, there were more sellers. However, mills were reserved and were waiting for more details of the I.J.M.A. price control scheme. This contributed to the fall in the price of Assam bottoms to Rs. 62.50. The market was closed on Thursday on account of *Holi*. On Friday, fibre prices eased further and touched the maximum price levels as fixed by the I.J.M.A. Assam bottoms thus moved down to Rs. 62, northern bottoms to Rs. 61 and daissee bottoms to Rs. 64. In goods, little business was passing, and the resulting quietness took down 40" 10 oz. hessian to Rs. 66.50 and B. twills to Rs. 199. Over the week-end, fibre prices were maintained. B. twills at Rs. 198.50 and hessian 40" 10 oz. at Rs. 66 marked further declines.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, *6th March*

There was no change in the kip market during the week under review. Export trading was quite good. Inland demand for lower grade kips was brisk. Cow hides, cow calf, buff hides, and buff calf remained firm. Importers in the U.S.A. were interested in heavier averages of buff calf.

Tanned goat and sheep were steady. The tanners' efforts to obtain higher prices slowed down export sales.

The next tanned skins London auctions take place on the 13th inst. when 120,000 skins each of goat and sheep will be offered for sale.

Shipments during the month of February were: 1,114 bales tanned cow hides, 81 cow calf, 36 buffs, 239 buff calf, 107 goat and 140 sheep to the U.K.; 6 cow hides, 71 cow calf, 61 buff calf, 464 goat, 203 sheep, 94 buffs, 185 buff calf, 144 goat and 6 sheep to the U.S.A.; 7 goat and 214 sheep to Japan.

It will be noticed that the quantity of cow hides, goat and sheep skins exported to the U.K. last month were very small.

NEW EXCISES ON METALS

(From Our Own Correspondent)

CALCUTTA, *7th March*

The levy of excise duty on copper and zinc products at Rs. 300 per metric tonne in the case of sheets and circles, and 10 per cent *ad valorem* in the case of pipes and tubes was the main talking point in the metal market during the week under review. As the budget proposals were available, there was much confusion as to whether the levy was on all copper alloys and if alloys denoted those having 50 per cent or more copper content. However, it was soon known that the levy was only on zinc sheets, copper and brass pipes, and copper strips and flats. Since all hollows of copper and brass are subjected to duty, it has been interpreted that gunmetal bush castings of a hollow nature, despite their insignificant length, are liable for duty. Considered against the present development of the non-ferrous metals industry as a whole, the rates of the duty are thought to be too high. This industry is in an infant stage, and it will take several years before it can be compared with other industries such as chemicals, toilet preparations, cotton textile industry, vegetable products, paints and varnishes, tobacco and tobacco manufactures, etc. The consensus of opinion in the market is that the industry should be spared from excises at least for some time more to come. If duties should be levied they are to be at a much lower rate. Excise duties once introduced would only be revised to higher and higher rates from time to time. Market circles point out that the best that can be done now is for Parliament to seek for smaller rates, if not dropping the proposal altogether.

A steady trend was in evidence in the metal market during the week under review. Copper scrap continued to be in short supply. Electrolytic zinc and tin were firmer. Lead continued to be quiet and unchanged. The fall in the price of electrolytic copper to £225½ per ton from £227 on the London Metal Exchange was noted. Tin in London was irregular, as, after the fall to £800½ per ton from £801 the price rose to close at £802½.

FOODGRAINS DECLINE

(From Our Own Correspondent)

HAPUR, *6th March*

A downward trend in prices was witnessed in the foodgrains market during the week, thanks to prospects of bumper *rabi* crop and heavy stocks with the Government. The last *Sawani* crop was also fairly heavy. Wheat here eased by about 50 nP a maund to be quoted on Monday at Rs. 16.25 a maund for average quality, while superior farm produce was quoted at Rs. 17.50 a maund. The wheat imported from the Punjab was also quoted at Rs. 17.50 and that sold by the U.P. Government, being of inferior quality, was being lifted at Rs. 16 a maund. Daily arrivals of wheat in the market were poor at an average of 50 to 75 maunds, but demand was being met from Government-sponsored ration shops. Crop prospects were very bright as a result of favourable weather conditions and harvesting of wheat was expected to begin after one month.

Superior quality rice improved fractionally during the week, but inferior quality was almost stagnant. New rice was still reaching the markets of the producing areas of east U.P. The week-end prevailing prices here were: rice *sela* Rs. 28 to Rs. 30; *basmati kutcha* Rs. 33; *ramajwayan* Rs. 24; *raimunia* Rs. 25.50 and *gainda* Rs. 20 a maund.

Gram eased by 37 nP a maund during the week to Rs. 15.75 to Punjab variety, although local stocks left were poor at 2,000 maunds, but poor demand in face of good crop prospects was the main influencing factors. Barley and *bejhar* were nominally quoted at Rs. 12.50 and Rs. 12.87 to Rs. 13 per maund, as stocks left at fag-end of season were meagre. Maize stocks were poor at 2,000 mds., but prices eased fractionally to Rs. 13.25 to Rs. 14 a maund. *Bajra* continued unchanged at Rs. 14.87 to Rs. 15.12 a maund, with poor stocks left with trade. *Jowar* white was quoted at Rs. 12.87 and brown at Rs. 12.37 a maund and *guwar* continued to be quoted at Rs. 13.25 a maund.

Pulses were featureless during the week in the absence of any developments. Stocks of peas and

arhar were poor. Demand, too, was almost dormant. Crop prospects, however, were very bright and harvesting of early peas would begin by the week-end and new grain would reach the market by mid-March. Latest prevailing prices in the local market (in rupees per maund) were: peas *dara* 12.87; farm 13.12; peas *dal* 14.12; *arhar* 13.25; *arhar dal* 16.50 to 17; *urd* 19.87; *urd dal* 23; *moong* 21; *moong dal* 24; *massor* 13; *massor dal* 14.25.

SUGAR DEPRESSED

(*From Our Own Correspondent*)

HAPUR, *6th March*

Sugar was quietly depressed during the week, as, contrary to earlier expectations, the budget proposals did not cover any increase in excise duty. Despite Government's efforts, sugar export prospects were not very clear. Production of sugar was continuing in almost all the factories and was expected to touch new heights this year. Week-end prevailing prices here were: Rs. 111.25 per bag and retail Rs. 1.09 per *seer* in open market.

After an early rise on revival of hopes of exports to the U.S., coupled with rumours of an increase in excise duty, sugar declined by Rs. 1.50 to Rs. 2 per bag in the Muzaffarnagar market towards the week-end. The absence of any increase in sugar excise in the Union budget was the main influencing factor for the fall in sugar which was quoted at Rs. 108 to Rs. 109 per bag, very near to the controlled price. Old damaged moist sugar sold by State Government's order was quoted low at Rs. 103 to Rs. 105 per bag.

Following brisk demand from Rajasthan on rumours of an increase in sugar excise duty, *khandsari* improved by Re. 1 to Rs. 2 per maund but eased by about 50 nP after the announcement of budget proposals. Daily arrivals of *khandsari* in the Muzaffarnagar market were about 4,000 to 5,000 maunds and the stock was put at 70,000 maunds. Production is still being continued and week-end prevailing prices were: inferior Rs. 25 to Rs. 30; superior Rs. 31 to Rs. 34.25; crystal Rs. 33 to Rs. 36; *Boora* Rs. 33 to Rs. 36; *galawat* Rs. 17 to Rs. 21; old stuff Rs. 23 to Rs. 26 a maund.

Ready *gur* ruled quiet during the week. Arrivals which were small in the earlier part of the session due to *Holi* festival, increased and were now about 2,000 to 2,500 mds. daily. Demand was reported to be poor and, apart from Sunday which was being recorded as free loading day, loading on all other days was completely restricted. Offtake on Sunday was twelve wagonloads. Local stock mounted to 60,000 mds. the corresponding figure last year being 35,000 mds. Total arrivals here during the current season were however small at 4.45 lakh maunds, as against 5.45 lakhs maunds in the corresponding period of last year and 5.25 lakh maunds in 1959. Latest prevailing prices were: *pansera* Rs. 13.25 to Rs. 13.50 and *shakker* Rs. 15 a maund. *Pansera* was quoted at Rs. 16.50 on the corresponding date of last year and Rs. 17.25 a maund in 1959.

In the Muzaffarnagar market, *gur chaku* continued to rule steady at Rs. 14.50 to Rs. 16 a maund on brisk buying support from Gujerat, M.P. and Punjab. *Pansera* improved fractionally with restricted arrivals and good demand. *Shakker* advanced by 50 nP a maund on good Rajasthan and Punjab support. Arrivals during the week were 45,000 mds. and prevailing prices were: *pansera* Rs. 14.37 to Rs. 15.50; *laddo* Rs. 14 to Rs. 15; *shakker* Rs. 15 to Rs. 19 according to quality.

Gur biaskah delivery moved both ways. Opening at Rs. 14.17 last Monday, it declined to Rs. 13.96 on 1st March as sugar excise was not increased, but then spurted to touch new heights on vigorous bull support after formation of bull syndicate of operators in Northern India markets and touched highest at Rs. 14.63. It is presently quoted at Rs. 14.40, due to profit-taking at highest level.

Sowing of cane is being done vigorously.

WORLD FACING LIQUIDITY CRISIS?

(*Concluded from page 421*)

their currencies and avoid necessities for exchange and import controls as methods of keeping their international accounts in order.

A New World Money

In the United States there is a natural sympathy for the point of view that there is an international liquidity problem. We heard so much so long about "dollar shortages" abroad. And now the succession of balance-of-payments deficits—acting to enlarge reserves abroad—has led to an important decline in the U.S. gold stock and a worrisome increase in short-term liabilities to foreigners. As President Kennedy has pointed out, "the United States has a strong solvent position" in any reckoning of international assets and liabilities. Nevertheless it is somewhat painful to recognise that there are limits to what we can afford to spend abroad as a nation. The temptation is great to unload our gold and foreign short-term debts onto the shoulders of some kind of X.I.M.F., accepting a point of view expressed in *The Economist* that:

> . . . the long range problem is to take on the uncompleted work of Bretton Woods by altering the dollar exchange standard so that the ability of the United States to follow an independent monetary policy is never again in doubt.

The proposal for a new world money—X-dollars—suggests a further probing among monetary students for ways around recurrent shortages of gold. Professor Triffin's scheme calls to mind J. M. Keynes' proposal in 1943 for a new international money to be named "bancor" and to be issued by an International Clearing Union. Keynes accepted the alternative of the I.M.F. and urged approval of the I.M.F. plan as "the exact opposite of the gold standard." Whatever this was intended to mean, it did appeal to British desires to keep freedom from the discipline of gold.

Under Keynes' plan, gold would have been acceptable in exchange for bancor but bancor would not have been exchangeable for gold. In other words, gold would be drawn away from use of central banks just as, in the United States and elsewhere, it has been drawn away from use by the citizen. Paper credits in bancor would have constituted the means for financial settlements among the nations.

The bank could never go broke because its obligations—bancor—would be inconvertible. Individual countries could have their financial crises—if the bank saw no other way to get them to face facts and straighten out their finances. But the bank would always be free to create more money at its own discretion. The world's gold—disparaged by Keynes as a "barbarous relic"—would be accumulated and put back in a specially constructed mine.

This always seemed a devious way to cut loose from gold and also wasteful since people could find uses for the metal in protecting themselves from paper money inflation. It is this quality of gold that so far has required some tie of world monies to gold. Some governments have found it necessary, at times, to offer the metal on their free markets, to protect confidence in paper. This is the ultimate need for a national gold stock.

Cutting Loose from Gold

The X.I.M.F. would be less neat than Keynes' Clearing Union in cutting loose from gold. Encumbered by a network of gold guarantees, it would offer member nations a right to redeem, in metal, deposits in excess of minimum requirements. But risk of insolvency from this side could be avoided by the expedient of raising to 100 per cent the proportion of official reserves required to be kept on deposit with X.I.M.F. Carried to this logical extreme, the member countries would be required to turn all their gold over to X.I.M.F. and be denied rights to hold any at all. The X.I.M.F., with a vast gold hoard as a facade of security, would issue inconvertible paper money, lending it out to member countries on a basis of calculated need and with special attention to underdeveloped countries. The only way a member nation could keep a gold reserve would be to sell it out of official reserves into the hands of its own citizens.

With gold gone as a limit upon currency issues, the value of money would come to depend upon the will of the X.I.M.F.'s management. In the judicious exercise of their powers they would need to pass judgment on spending and borrowing decisions of governments the world over. Whether proud nations would ever consent to such an unprecedented concentration of money power seems dubious.

In any case it is the United States, architect and financier of post-war reconstruction, which has the most at stake. Adoption of X.I.M.F. would seem a confession of inability to keep a dollar that people can trust, the world over, as a standard of value.

Yet any X.I.M.F., and its X-dollars, still would have to rest on the integrity of American fiscal and monetary policies. As the distinguished scholar, Dr. Alexander Sachs, comments: "The Triffin Plan is a venture to establish an Esperanto currency. It will no more succeed than efforts of the past half century to spread an Esperanto language. Only a living language can become an international language. Only a successful mighty currency can be an international currency."

One of the allures of the X.I.M.F. is that it would offer to pay interest on deposits protected with gold guarantees. But gold is a sterile asset. To rely on a gold clause is to take a credit risk for there is no such thing as interest-bearing gold. Thus, anyone who would believe that the elaborate system of gold guarantees embraced in the X.I.M.F. could have tangible meaning over an indefinite future would only be practicing self-deception.

An International Conference?

Voices are heard commending the idea of an international conference to deal with all these questions. The vital thing, initially, is to obtain broad areas of common understanding among the nations which embrace the main money markets of the world. The proposed Organisation for Economic Co-operation and Development (O.E.C.D.), now before the Senate for ratification, could provide a useful forum for this purpose. It will include, besides the old 18-nation O.E.E.C. group, the United States and Canada.

The most sensitive question is the relationship of the U.S. dollar to the precious metals. There are many ambiguities to be cleared up, including the one of definition: are we on a gold standard or not? Should the free markets in precious metals be suppressed or liberalised?

U.S. Treasury policy puts us on a limited gold bullion standard. On the other hand, we may read in the April 1960 *Business Review* of the Federal Reserve Bank of Philadelphia that: "By Executive Proclamation on 4th March, 1933, the United States officially left the international gold standard." In the same *Review* we are reminded that "society will not permit gold movements to dictate domestic economic policy." Yet gold today is in fact influencing domestic economic policy, advising against fiscal extravagance and excesses of cheap money to get us out of a slump.

Certainly, as William Jennings Bryan prematurely advised, back in 1896, we must not "crucify mankind upon a cross of gold." But of this there seems to be little present danger. What the gold outflow has done is communicate a sense of hard reality to the need to keep our house in order. It is easier to accept this warning from an impersonal metal than from a council of financial dictators gathered in an X.I.M.F.

Notices

UPPER GANGES SUGAR MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-eighth Annual General Meeting of the Upper Ganges Sugar Mills Ltd. will be held at 8, India Exchange Place, Calcutta, on Monday, the 27th March, 1961, at 4 p.m., for the following purposes:—

1. To receive and consider the Report of the Directors and to adopt the Audited Accounts of the Company for the year ended 30th June, 1960.
2. To declare Dividends.
3. To appoint a Director in place of Shri R. K. Kanoria who retires by rotation and is eligible for re-election.
4. To appoint Auditors and fix their remuneration.

By Order of the Board,
S. N. GUPTA,
Secretary.

14, RADHA BAZAR LANE,
CALCUTTA-1, *the 22nd February,* 1961.

Notes:—1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

2. Shareholders are requested to notify any change of address failing which the dividend warrants will be posted to their addresses as registered with the Company.

3. The dividends, when declared, will be payable to the registered shareholders as on the 27th March, 1961.

4. The Register of Members of the Company will remain closed from the 17th March, 1961 to the 27th March, 1961, both days inclusive.

THE ALKALI & CHEMICAL CORPORATION OF INDIA LTD.

ANNOUNCEMENT

THE ANNUAL GENERAL MEETING OF THE Members of the Company will be held on Wednesday the 22nd March 1961 at 2.30 p.m., at the Registered Office, 34 Chowringhee, Calcutta, 16.

Notice of the Meeting together with the Annual Report and Accounts have already been posted to the Shareholders direct.

The Ordinary Share Registers of the Company will remain closed from the 18th March 1961 to 22nd March 1961, both days inclusive.

By Order of the Board,
IMPERIAL CHEMICAL INDUSTRIES (INDIA) PRIVATE LIMITED,
Secretaries.

1st March 1961.

THE GWALIOR SUGAR COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will remain closed from the 15th day of March 1961 till the 30th day of March 1961, both days inclusive, in connection with the Annual General Meeting of the Company to be held on the 30th March, 1961 at the Registered Office of the Company at Dabra (Madhya Pradesh).

By Order of the Board,
For THE GWALIOR SUGAR COMPANY LTD.,
J. COOMAR,
Secretary.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 3rd March, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	51,43,63,000
(2) Other Governments	14,70,31,000
(b) Banks	71,86,28,000
(c) Others	90,74,71,000
Bills Payable	29,33,49,000
Other Liabilities	46,34,64,000
Rupees	434,43,06,000

ASSETS	Rs.
Notes	11,34,43,000
Rupee Coin	1,68,000
Subsidiary Coin	6,82,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	23,35,01,000
Balances held abroad*	29,28,96,000
Loans and Advances to Governments†	41,62,32,000
Other Loans and Advances	155,53,27,000
Investments	154,11,54,000
Other Assets	19,09,03,000
Rupees	434,43,06,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item 'Other Loans and Advances' includes Rs. 27,55,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,34,43,000	
Notes in circulation	1947,15,56,000	
Total Notes issued	....	1958,49,99,000
Total Liabilities	....	1958,49,99,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	128,00,89,000	
Total of A		245,76,92,000
B. Rupee Coin		120,45,81,000
Government of India Rupee Securities		1592,27,26,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1958,49,99,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept., 1939 (pre-war)	24th Feb.,* 1961	17th Feb.,* 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1925.33	1940.66	1909.49	1798.98
Notes held in Banking Department	35.05	34.07	18.70	22.89	25.95
Foreign Securities	59.50	128.01	128.01	128.01	163.01
Rupee Securities	37.39	1592.28	1592.28	1562.03	1417.30
Banking Department					
Deposits of:					
Government of India	14.39	61.04	72.77	53.05	51.76
Other Governments	..	18.39	21.30	21.47	30.22
Balances held abroad	10.06	31.49	29.55	19.66	25.99
SCHEDULED BANKS					
Demand Liabilities	134.36	702.58 (19.98)†	786.98 (18.02)†	786.05 (17.84)†	757.09 (14.82)†
Time Liabilities	102.24	1075.87 (10.50)†	1078.53 (10.12)†	1084.88 (9.53)†	1154.56 (23.62)†
Borrowings from Reserve Bank	..	52.14 (26.15)‡	54.27 (26.90)‡	44.49 (18.81)‡	41.49 (5.68)‡
Borrowings from State Bank	..	13.84	15.01	14.90	14.78
Cash in India	6.70	45.20	46.03	47.61	46.83
Balances with Reserve Bank	25.17	72.91	67.53	74.54	74.55
Balances with other banks in current account in India	..	14.77	14.09	14.37	14.50
Money at call and short notice in India	..	27.72	26.37	27.48	24.76
Investments (at book value)	..	584.42	585.57	610.19	764.14
Advances and bills	105.9	1263.47	1200.17	1225.29	1060.93
STATE BANK					
Deposits	87.76	553.45	550.48	554.36	604.82
Investments	51.99	260.83	260.56	282.63	392.42
Advances	30.35	264.88	263.09	249.83	190.49
Cash	14.69	28.98	24.31	28.87	34.72

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.
† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.
‡ Borrowings against usance bills and/or promissory notes.
R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.11	3.36
Ceylon	18th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	[illegible] Jan., 1944	..	2
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1950	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec., 1960	5.50	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug., 1960	2.50	3
West Germany	20th Jan., 1961	4	3.5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 3rd March, 1961

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		554,77,60,000
Borrowings from Other Banking Companies, Agents, etc.		92,00,000
Bills Payable		8,64,04,000
Bills for Collection being Bills receivable as per contra		1,74,89,000
Acceptances, Endorsements and Other Obligations per contra		1,18,82,000
Other Liabilities (including Inter-Office Adjustments)		2,78,99,000
Total .. Rs.		583,13,84,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		20,81,60,000
Balances with other Banks		3,59,94,000
Money at Call and Short Notice		2,32,00,000
INVESTMENTS:		
Government and other Trustee Securities	251,05,29,000	
Other Authorised Investments	9,69,65,000	260,74,94,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	250,29,90,000	
Bills Discounted and Purchased	17,23,80,000	267,53,70,000
Bills Receivable being Bills for Collection as per contra		1,74,89,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,18,82,000
Premises less Depreciation		1,77,49,000
Furniture and Fixtures less Depreciation		1,31,98,000
Other Assets (including Inter-Office Adjustments)		22,08,48,000
Total .. Rs.		583,13,84,000

Scheduled Banks*

Statement of Affairs for the week ended 24th Feb., 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	44,27,63
*(2) From others	698,21,24
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	19,98,16
(c) Other demand liabilities	50,09,12
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	14,84,91
(2) From others	1039,44,41
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	10,49,68
(c) Other time liabilities	21,57,46
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	12,08,64
(b) Time liabilities	1,75,00
(iv) Borrowings in India from the Reserve Bank of India (A)	52,13,93 (26,15,00)
(v) Cash in India	45,19,55
(vi) Balances with the Reserve Bank in India	72,90,55
(vii) Balances with Other Banks in Current Account in India	14,77,43
(viii) Money at call and short notice in India	27,72,43
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	584,41,61
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1062,97,31
(b) Due from Banks in India	12,13,65
(xi) Inland Bills purchased and discounted in India.	139,57,53
(xii) Foreign Bills purchased and discounted in India.	48,78,16
(xiii) Total of items (x), (xi) and (xii)	1263,46,65

Notes:—
* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.
A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 17th Feb., 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	6,81,86,000
(b) Provincial Governments	2,17,60,000
(c) Banks	17,84,71,000
(d) Others	119,85,12,000
Bills Payable	15,07,000
Other Liabilities	13,85,68,000
Rupees	168,85,04,000

ASSETS	Rs.
Notes	14,22,40,000
Rupee Coin	65,000
Subsidiary Coin	35,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	42,84,37,000
Loans and Advances to Governments	6,21,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	41,15,98,000
Investments	54,20,80,000
Other Assets	10,19,49,000
Rupees	168,85,04,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,22,40,000	
Notes in circulation	386,84,28,000	
Total Notes issued	....	401,06,68,000
Total Liabilities	....	401,06,68,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	81,09,01,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	148,77,44,000
B. Rupee Coin	3,13,44,000	
Government of Pakistan Securities	243,25,74,000	
Internal bills of exchange and other commercial paper	....	246,39,18,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	401,06,68,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 38.49 per cent.

EXCHANGE RATES

		8th March 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5[illegible]	1-5[illegible]
Sellers T. T. D.D. upto six months	s.	1-5[illegible]	1-5[illegible]
Buyers T.T. spot to nine months	s.	1-6[illegible]	1-6[illegible]
Buyers T.T. 10 to 12 months	s.	1-6[illegible]	1 6[illegible]
Bombay on New York—			
Sellers T.T. D.D.	Rs.	479.25	478.75
Buyers T.T.	Rs.	476.00	475.50
London on New York	$	2.7930-2.7932	2.7948-2.7951
London on Paris	Fcs.	13.70-13.70[illegible]	13.70[illegible]-13.70[illegible]
London on Berne	Sw. Fcs.	12.1075-12.1100	12.1085-12.1112
New York on London	$	279.260-279.290	279.520-279.550

CLEARING HOUSE RETURNS

Centre	Week ended 3rd March, 1961		Week ended 24th Feb., 1961	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,49,027	78,38,86,000	3,95,026	93,94,43,000
Calcutta	1,75,000	85,58,00,000	1,95,000	81,40,00,000
Madras	1,02,129	13,94,62,179	94,564	13,05,94,763
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	46,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
Jan. 1960	..	..	4,392,000	998,20,00,000
Nov. "	..	..	4,695,000	1078,36,00,000
Dec., "	..	..	4,829,000	1118,52,00,000
Jan., 1961	..	..	4,875,000	1,100,37,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	18th Feb., 1961	11th Feb., 1961	20th Feb., 1960	January 1961	January 1960	Percentage of Increase (+) or Decrease (—) in Jan., 1961 as compared with Jan., 1960	Annual Average 1960	Annual Average 1959
Food Articles	504	115.9	116.5	118.3	116.4	117.5	— 0.9	120.3	118.2
Cereals	192	99.9	99.4	104.2	99.1	101.7	— 2.6	105.3	104.3
Pulses	43	92.7	92.2R	94.6	94.9	91.7	+ 3.8	92.6	99.8
Fruits and Vegetables	23	103.7	103.7	116.5	105.8	109.6	+ 3.5	121.0	127.6
Milk and Ghee	84	109.8	111.4	100.1	109.8	106.8	+ 2.8	115.5	112.2
Edible Oils	47	160.8	159.6R	137.6	159.6	131.1	+21.7	143.8	126.9
Fish, Eggs and Meat	17	122.7	120.7R	109.1	123.2	114.4	+ 7.8	121.1	110.4
Sugar and *Gur*	48	117.8	120.6R	145.8	122.4	144.1	—15.1	138.6	143.0
Others	50	166.7	170.7	167.8	168.1	184.1	— 8.7	168.6	163.4
Liquor and Tobacco	21	112.2	111.6	95.8	111.2	100.9	+10.2	106.4	100.7
Tobacco	—	110.8	110.3	94.0	109.8	99.5	+10.4	104.8	99.3
Fuel, Power, Light and Lubricants	30	120.2	120.1	117.3	120.2	116.8	+ 2.9	119.0	116.1R
Industrial Raw Materials	155	159.4	160.3R	131.7	154.6	130.9	+18.1	138.8	119.7
Fibres	61	179.5	182.9R	123.3	166.0	126.5	+31.2	139.3	110.2
Oilseeds	60	158.0	156.5R	140.9	158.8	136.0	+16.8	144.9	130.0
Minerals	2	95.0*	95.0*	95.2*	95.5	95.2	+ 0.3	97.5	100.0
Others	32	128.0	128.7	132.8	129.1	132.2	— 2.3	129.0	117.3
Manufacture	290	129.3	129.6R	116.3	127.6	116.0	+10.0	120.8	109.7
Intermediate Products	41	134.3	133.8	120.5	133.9	121.6	+10.1	127.1	111.1R
Finished Products	249	128.4	129.0	115.6	126.6	115.1	+10.0	119.8	109.5
Textiles	147	134.7	135.5	115.3	131.4	114.2	+15.1	121.2	104.6
Cotton	—	126.1*	126.4*	125.6*	127.6	123.4	+ 3.4	127.5	113.5
Jute	—	167.7	171.9	96.3	154.9	96.4	+60.7	115.2	87.2
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	107.6	104.6
Silk and Rayon	—	113.2*	109.5*	102.9*	103.8	104.9	— 1.0	102.6	93.7R
Metal Products	12	146.9	146.9	145.2	146.9	145.2	+ 1.1	147.0	143.7
Chemicals	20	104.2	104.2	105.3	104.2	106.8	— 2.4	104.7	108.2
Oil Cakes	10	148.6	140.7	144.2	150.4	146.2	+ 2.9	140.2	143.7
Machinery and Transport Equipment	31	112.6	112.6	106.5	112.6	106.4	+ 5.8	110.7	105.9R
Others	30	116.8	116.6R	112.5	116.7	112.4	+ 3.8	115.0	113.6R
All Commodities	1,100	126.6	127.1	119.3	125.6	118.8	+ 5.7	123.0	115.5

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.
R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Contd.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	1958-59	(In thousand tons) 1959-60	1958-59
Cereals—					
Rice	final	81,343	81,437	29,338	30,354
Wheat	final	31,508	31,141	9,734	9,772
Jowar	final	41,602	42,584	7,866	8,714
Bajra	final	26,699	27,999	3,484	3,789
Barley	final	8,220	8,248	2,605	2,672
Maize	final	10,457	10,457	3,615	3,381
Ragi	final	6,211	6,192	1,860	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,380	220,470	60,514	62,631
Pulses—					
Gram	final	25,046	24,865	5,390	6,881
Tur	final	5,843	5,931	1,589	1,671
Other Kharif pulses§	final	16,075	15,597	1,567	1,559
Rabi pulses‡	final	12,788	12,992	2,690	2,761
Total pulses	final	59,752	59,385	11,236	12,872
Total foodgrains		278,132	279,855	71,750	75,503
Oilseeds—					
Groundnut	final	15,305	14,575	4,390	4,812
Castorseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	final	3,921	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6,907
Fibres—					
Cotton*	final	19,252	19,926	3,835	4,686
Jute A.	final	1,707	1 811	4,548	5,158
Mesta A.	final	706	825	1,098	1,488
Sannhemp	final	813	807	80	81
Other crops—					
Potato	final	885	858	2,719	2,327
Sugarcane	final	5,178	4,808	75,038	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	232	230	25	26
Chillies (Dry)	final	1,499	1,471	339	326
Tobacco	final	934	897	281	261

Source: Ministry of Food and Agriculture. § Excluding Tur
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur
A.—In thousand bales of 400 lbs. each. R.—Revised
†Final estimate of 1958-59.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	30	339	52	190
1957-58	14,314	2,389	1,229	214	105	52	219	25	212	503	39	476	47	194
1958-59	14,366	2,655	1,296	206	92	36	221	23	184	483	36	514	45	113
1959-60	15,292	2,628	1,343	199	84	34	223	24	163	579	81	522	49	181
October 1959	8,462	1,520	792	109	49	21	118	13	111	320	43	290	34	76
January 1960	12,477	2,184	1,111	165	70	30	195	20	155	473	62	427	47	108
February "	13,847	2,399	1,226	182	77	32	208	22	169	522	72	471	48	119
March "	15,292	2,628	1,343	199	84	34	223	24	188	579	81	522	49	181
April "	1,350	226	122	22	7	3	12	2	15	51	10	42	1	11
May "	2,640	443	254	39	14	5	22	3	31	105	19	87	3	23
June "	3,875	667	373	54	22	8	27	5	49	154	27	130	6	33
July "	5,011	858	495	67	27	10	37	6	63	196	32	165	12	46
August "	6,258	1,102	600	78	32	12	40	7	79	245	40	215	17	60
September "	7,490	1,348	698	89	34	15	58	8	94	291	48	261	27	71
October "	8,804	1,618	796	99	38	17	80	10	107	344	56	309	28	82
November "	10,185	1,889	886	117	44	20	101	13	120	397	66	357	36	94

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.=2 M. G.) and incorporate revision in respect of earlier months. *Source*:—Ministry of Railways.

INDUSTRIAL PRODUCTION

Industries.		1958	1959	January to September 1959	January to September 1960	July* 1960	August* 1960	September* 1960	September* 1959
Major Industries—									
Coal	million tons	45.34	47.08	35.33	38.10	4.04	4.19	4.20	3.93
Steel (Ingots and Metal for castings)	thousand tons	1,818	2,438	1,543†	2,023†	243	271	—	195
Yarn	million lbs.	1,685	1,723	1,379	1,285	148	150	146	148
Cloth	million yds.	4,927	4,925	3,686	3,761	432	435	425	412
Cement	million tons	6.07	6.82	4.98	5.68	0.61	0.62	0.59	0.55
Jute	thousand tons	1,060	1,051	782	819 K	88 K	96 K	91 K	93
Paper and paper boards	thousand tons	253	294	183†	228 K†	28 K	29K	—	26
Matches§	thousand cases	626	648	480	493	54	56	55	58
Sugar	thousand tons	1,957	2,083	944†	1,283†	5	16	—	10
Engineering and Electrical Industries—									
Machine tools	Value in lakhs of Rs.	376	438	286†	346†	38	35	—	34
Electric lamps	millions	30.47	34.84	3.25†	26.44†	3.10	3.46	—	2.91
Dry cells	millions	168.24	187.3	136.04	148.07	16.25	16.89	17.45	16.28
Power transformers	k.v.a.	1,126,800	1,016 400	662.00†	737,900†	89,000	99,400	—	96,800
Electric Motors	H.P.	624,000	576,000	399,600†	434 800†	71,400	62,000	—	43,800
Electric fans	Nos.	636,000	727,200	473,900†	637,900†	76,500	87,600	—	63,200
Radio receivers	Nos.	198,108	213,864	136,951†	160,615†	21,310	23,080	—	18,883
Storage batteries	Nos.	355,200	442,200	294,900†	345,100†	45,200	45,000	—	36,900
Copper conductors	tons	7,488	6,708	4,516†	6,246 K†	893 K	842 K	—	598
Winding wires	tons	2,076	2,832	1,980†	2,743 K†	337	339	—	203
Rubber and plastic Ins. cables and flexibles	million yds.	128.76	166.08	108.67†	1,318J†	178.0J	180.1J	—	149.2
Insulators—H.T.	Nos.	751,200	982,800	738.000†	—	109I.T.	122 I.T.	—	93,500
Insulators—L.T.	million Nos.	5.07	6.25	3.60†	—	308I.T.	310 I.T.	—	0.50
Diesel engines—Vehicular	Nos.	4,260	8,712	6.22	7,549	809	758	858	775
Diesel engines—Stationary	Nos.	25,764	30,836	22,744	29,810	3,587	3,739	3,636	2,011
Chemical Industries—									
Salt	million mds.	112.55	85.14	80.41	80.61	12.86	3.56	3.89	2.79
Caustic soda	tons	57,192	69,876 K	47,324 K	72,206 K	8,037 K	8,200 K	7,850K	6 090 K
Soda ash	tons	89,436	95,328 K	72,102 K	104,919 K	10,602 K	12,715K	13,252K	7,550 K
Chlorine liquid	tons	20,064	24,780 K	14,904 K†	20,847 K†	2,635 K	2,591 K	—	2,388 K
Bleaching powder	tons	6,504	5,184 K	4 119 K	4,352 K	323 K	458 K	430K	389 K
Bichromates	tons	3,444	4,332	2,698†	3,476K†	358	400	—	402
Sulphuric acid	tons	226,584	292,164	183,674†	239,186†	29,000	30,000	—	26,002
Superphosphate	tons	166,848	247,680	155,765†	229,826†	26,040	29,000	—	21,892
Non-ferrous Metals—									
Aluminium	tons	8,182	17,249	11,126†	12,275K†	1,650 K	1,586 K	—	1,536
Antimony	tons	527	664	429	605	45	92 K	71K	85
Copper (virgin metal)	tons	7,841	7,642	5;853	5,294	772	757 K	747K	701
Lead (virgin metal)	tons	3,335	3,895	2,980	2,683	225	350 K	279K	314
Gold	ozs.	170,112	165,812	122,070ozs.	3,695Kgs.	391Kgs.	409Kgs.	428Kgs.	13,986 ozs.
Miscellaneous (Minor) Industries—									
Sewing Machines	Nos.	205,212	252,612	166,780†	194,285†	23,370	24,615	—	21,151
Bicycles	Nos.	912,600	990,744	680,653†	685,811†	88,300	89,990	—	88,419
Automobiles	Nos.	26,796	36,468	25,694	37,597	4,293	4,647	4,181	3,075
Cycle tyres and tubes	million Nos.	16.11	19.57	15.06	17.45	2.06	2.13	1.82	1.69
Motor tyres and tubes	million Nos.	1.95	2.26	1 68	1.94	0.28	0.28	0.21	0.21
Cigarettes	million Nos.	29,840	32,166	20,966†	25,293†	2,887	3,118	—	2,723
Plywood—Tea chests	million sq. ft.	87.50	98.67	70.17†	6,5898†	6148	5118	—	6.86
Plywood—Commercial	million sq. ft.	37.68	54.06	37.30†	3,3738†	1498	2428	—	4.36
Sheet glass	million sq. ft.	78.86	80.57	58.44†	50.07†	5.49	6.58	—	4.31
§Woollen manufactures—Worsted Fabrics	million yds.	19.88	15.04	9.45†	9.98†	1.34	1.42	—	1.37
§Woollen manufactures—Worsted Yarn	million lbs.	28.60	29.59	19.50†	18.56†	2.67	2.87	—	2.86
Footwear—Western type (Leather)	million pairs	4.28	4.14	3.16	4.03	0.41	0.43	0.45	0.27
Footwear—Indigenous type (Leather)	million pairs	3.29	4.10	3.04	2.80	0.27	0.32	0.33	0.33
Alcohol—Industrial	million Bulk galls.	9.88	12.72	7.97†	41.02T†	5.29T	5.17T	—	0.84
Alcohol—Power Absolute	million Bulk galls.	8.82	8.07	5.69†	39.22T†	3.84T	4.73T	297T	0.58
Railway Wagons	Nos.	13,512	10,044	6.910†	4,365†	574	569	—	950
General Index—(Base 1951=100 Revised)		139.7	151.9	148.4‡	166.7‡	162.1	172.1	—	156.3

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.
K—Figures in Metric Tons. Kgs=Kilograms. J=In lakh metres. S=In thousand square metres. T=In million litres.
† Upto August only. I.T. Figures in tons for Insulators H.T. and L.T. ‡ Average for the first 8 months only.

FOREIGN TRADE OF INDIA
(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	Jan. to Dec. 1959	Eleven months ended Nov. 1959	Eleven months ended Nov. 1960
Exports	570,56	615,78	546,77	557,98
Re-exports	8,40	6,96	6,41	11,19
Total Exports	578,96	622,74	553,18	569,17
Imports	864,18	887,38	817,64	866,46
Overall Balance of Trade	—285,22	—264,64	—264,46	—297,29
Exports—				
Tea	136,54	126,39	108,28	104,39
Jute yarns and manufactures	103,82	110,75	102,85	127,82
Cotton yarns and manufactures	52,63	66,14	57,81	58,17
Metallic ores and metal scrap	30,35	34,42	31,32	36,61
Cotton, raw and waste	21,20	16,37	14,99	8,32
Oils—vegetable, mineral and animal	12,35	17,96	14,06	15,61
Fruits and vegetables	21,16	21,08	19,70	23,37
Tobacco	16,29	13,91	13,61	14,95
Mica	9,34	10,31	9,36	9,03
Wool and other animal hair	9,35	12,22	10,75	7,95
Gums, resins and lac	7,16	7,95	7,27	7,83
Spices	8,83	10.17	8,24	15,85
Hides and skins, raw	7,35	10,95	9,62	9,24
Imports—				
Machinery of all kinds	188,92	196,21	175,36	206,90
Iron and Steel	97,80	84,01	76,90	106,70
Oils—vegetable, mineral and animal	80,23	82,62	74,96	71,44
Chemicals, drugs and medicines	65,28	85,20	79,57	69,36
Electrical goods and apparatus	49,04	50,01	44,51	47,71
Vehicles (excluding aircraft, ships and boats)	52,53	60,10	55,71	48,48
Cotton, raw and waste	80,66	34,76	31,07	71,39
Fruits and vegetables	17,43	16,52	13,21	14,46
Paper, pasteboard, etc.	8,26	9,67	8,58	9,89
Dyes and colours	8,76	9,54	8,75	11,21
Spices	2,84	2,52	2,31	2,11
Woollen and worsted fabrics	30	23	19	23
Cotton fabrics	1,05	1,19	1,12	75
Rice	44,02	9,12	8,32	9,98
Wheat	102,65	109,86	104,62	59,58

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During January 1961	86.2
	Corresponding month, 1960	86.7
	Seven months ended Jan. 1961	617.7
	Corresponding period. 1960	625.3
Stocks	At the end of January 1961	74.6
	Corresponding month, 1960	71.8
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1958-1959	854.9
	July-June, 1959-1960	833.5
	Dec., 1959	71.9
	Dec., 1960	62.9
For Internal Consumption	July-June, 1958-1959	220.0
	July-June, 1959-1960	248.3
	Dec., 1959	27.1
	Dec., 1960	29.0
	RAW JUTE	(In 000 bales)
Consumption by Mills	January 1961	500
	Corresponding month, 1960	506
	Seven months ended Jan., 1961	3,594
	Corresponding period, 1960	3,650
	1957-58	6,134
	1958-59	6,014
	1959-60	6,291R

R=Revised

ELECTRIC ENERGY GENERATED AND SOLD*
(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1555-56	715	8,305.8	7,185.8
1956-57	760	9,377.8	8,103.1
1957-58	834	11,176.9	9,011.1
1958-59	813	12,837.0	10,360.7
1959-60	850	15,029.2	12,130.8
January 1960	815	1,297.4	1,055.5
February "	850	1,252 1	1,022.5
March "	850	1,324.4	1,071.0
April "	850	1,325.3	1,081.7
May "	850	1,387.9	1,119.4
June "	850	1,379.8	1,113.9
July "	850	1,360.5	1,106.0
August "	1,012	1,404.2	1,140.9
September "	1,012	1,380.7	1,129.5
October "	1,012	1,422.3	1,134.7
November "	1,012	1,390.2	1,140.5

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. *Source*:—Central Water and Power ...
§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES
(Base: 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	119	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
January 1960	102	97	119	125	72	207	107	127	154	100	115	144†	131	168	135	96	123†	140
February "	105	98	121	128	80	196	113	127	156	94†	114	134	139	140	135	96	125†	146
March "	106	94	117	123	74	180	111	127	149	94†	113	141	141	132	135	98	125†	148
April "	108	91	121	122	76	184	119	127	147	102	113	154	144	130	140	108	125	148
May "	113	87	123	126	78	194†	123	127	145	108	113	198	139	129	140	117	125	148
June "	114	87	127	128	80	187	125	127	144	111	112*	187	146	128	140	113	126†	148
July "	115	92	130	132	89	207	126	127	148	111	112	155	150	130	140	107	129	148
August "	115	90	127	129	88	212	121	127	146	107	112	166	140	130	140	115	131	148
Sept. "	114	90	129	132	90	215	127	127	146	104	113	181	140	130	141	116	132	147
October "	111	90	125	137	91	216	117	127	142	116	114	225†	142	129	141	136	130	147
November "	106	90	126	135	92	218	111	127	141	120	111	232	139	130	141	142	129	147
December "	102	89	119	131	93	210	111	127	127	114	110	226	143	126	141	143	129	147
January 1961	99	91	114	132	94	208	108	127	120	113	111	248	151	125	141	155	128	147

† Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	In Quintals of 100 kilograms
Bombay Island— Cotton Receipts	Week ended 2nd March, 1961	14,755§(J)
	Corresponding week, 1960	20,727§(J)
	1st Sept. to 2nd March, 1960-61	2,070,240*
	Corresponding period, 1959-60	1,159,452*
Cotton Exports	Week ended 2nd March, 1961	3,750§
	Corresponding week, 1960	4,075§
	1st Sept., to 2nd March, 1960-61	182,904
	Corresponding period, 1959-60	246,455
Mill Consumption (Estimated)	1st Sept. to 2nd March, 1960-61	1,095,522
	Corresponding period, 1959-60	1,131,631
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 2nd March, 1961	1,198,227
	Corresponding date, 1960	683,060
		In Bales of 392 lbs. nett.
Consumption of Cotton— Indian	November 1960	817,234
Foreign	November 1960	117,650
Indian	Three months ended Nov., 1960	924,481
Foreign	Three months ended Nov., 1960	852,106
Indian	Same Period 1959	1,175,365
Foreign	Same Period 1959	118,910
Stocks (Mills and Elsewhere)— Indian	As on 30th November 1960	606,946
Foreign	As on 30th November 1960	405,840
Indian	As on 30th November 1959	....
Foreign	As on 30th November 1959	135,444

Particulars	From 1st Sept. to 27th Feb. 1960-61 In quintals of 100 kilograms	From 1st Sept. to 27th Feb. 1959-60 In quintals of 100 kilograms
From Bombay Cotton Shipments to—		
United Kingdom	180	2,326
Continent	6,906	10,777
Hongkong	10,637	5,276
China	—	—
Japan	101,571	124,171
U.S.A.	90	8,547
Other countries	—	2,265
Total to all foreign countries	119,384	153,362
Coastal Ports	55,680 (a)	55,394(b)
Total	115,391	208,756

Particulars	Period	
Cotton Exports from Bombay (by sea)		(Bales of 180 Kgs.)
	During Oct., 1960	868
	During Oct., 1959	9,893
	1st Sept., to 31st Oct., 1960	2,891
	1st Sept., to 31st Oct., 1959	25,818
Cotton Pressed in India † (In running bales)		(Bales of 392 lbs.)
	Week ended 10th Feb. 1961	
	Corresponding week, 1960	82,723
	1st Sept., to 10th Feb. 1960-61	1,017,736
	Corresponding period, 1959-60	1,348,955
Karachi (Pakistan)— Receipts	1st Sept. to 9th Feb. 1960-61	660,970
	Corresponding period, 1959-60	706,047
Exports	1st Sept. to 9th Feb. 1960-61	294,196
	Corresponding period, 1959-60	291,766

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. I.—Interim Dividend. f—Dividend for first half of the year.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
					BOMBAY CITY AND ISLAND											
17,33,200	9,11,732	38,69,225	22,51,328	3,251	Maganlal Bhagwandas & Co.			Ambika Silk Mills Co., Ltd.	152.00	100	15.00	12.00	12.00		12	Y.
50,00,000	..	1,14,24,372	44,03,340	—46,65,476	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.50	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,99,481	1,18,20,963	77,24,952	—13,00,519	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	39.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
2,50,98,000	3,40,77,968	9,34,84,561	4,90,54,873	36,929	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	65.50	25	2.50	2.50	3.50		12	Y.
10,00,000	30,76,210	86,14,262	52,94,709	64,016	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	115 00	50	15 00	7.50	5.00	5.00	3	Y.P.
1,22,95,200	3,37,07,587	9,42,76,189	3,75,31,119	1,22,111	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	537.50	100	22.00	22.00	31.50		12	Y.P.
26,00,000	29,15,005	1,21,99,369	78,24,358	75,815	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	131 25	100	12.50*	12.50*	7.50	11.00	3	Y.
28,00,000	26,12,714	97,68,522	63,68,559	3,64,674	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	126 00	50	7.50F	5.00	10.00	15.00	3	Y.
34,00,000	20,44,712	87,46,739	65,30,990	—14,31,027	Puranmal Bubna Sons	47,356	928	Edward Textiles	262 50	200	15.00	15.00(c)	18.00		12	Y.P.
29,98,050	27,57,616	1,51,25,544	80,35,174	23,591	B. L. Jalan, Esq. (Chairman)	46,620	886	Elphinstone Spg. & Wvg.	67 00	50	*Nil*	*Nil*	7 00		12	Y.
50,00,000	65,75,469	1,96,09,118	1,09,41,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	355 00	100	20.00	16.00	23.00		12	Y.
50,00,000	52,35,257	1,02,35,144	68,62,337	10,233	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	265.00	100	15.00	15.00	21.50		12	Y.
11,84,000	1,19,31,192	2,16,82,316	1,42,90,523	....	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	4,750.00xd	1,000	350.00*	350.00	350.00(c)	500.00	3	Y.P.
16,000									992.50	250	87.50*	87.50	87.50(c)	125.00		
O. 2,00,00,000	3,38,578	5,10,28,798	3,68,18,422	—19,79,270	Agarwal & Co.	2,47,092	5,984	India United Mills	14.12	10O.	*Nil*	*Nil*	*Nil*		12	Y.
D. 50,00,000									1 64	1D.	*Nil*	*Nil*	*Nil*			
18,30,000	91,23,291	1,84,94,644	1,39,55,204	10,633	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	1,950 00	1,000	325.00*	325 00	200.00(c)	232.00	3	Y.P.
D. 70,000									1,050.00N	500	162.50*	162.50	100 00(c)	116.00		
59,85,000	82,79,165	3,76,13,105	2,68,91,560	38,751	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	515.00	100	10.00(c)	10.00	16.00	32.00	6	Y.P.
1,00,00,000	1,00,60,096	3,81,90,145	2,95,67,372	27,909	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	299.50	100	18.00	10.00	9.50		12	Y.
46,47,350	38,85,220	1,43,57,502	70,49,840	23,992	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	85.50	50	5.00'C'	3.00	5.00		10	Y.
51,75,000	50,69,550	3,02,81,993	2,16,99,596	42,652	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	350 00	100	14.00(c)	15.00	21.50	21.50	6	Y.P.
									542.00	100	14.00	14.00	22.00		12	Y.P.T.
1,41,12,100	1,72,11,640	11,70,25,574	5,26,37,085	1,66,270	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	—	100	..	11.20	21.27			
24,00,000	11,16,837	83,71,883	48,70,077	—11,98,634	W. H. Brady & Co., Ltd.	45,944	480	New City of Bombay Mfg.	150.00	100	5.00	*Nil*	*Nil*		12	Y.
30,00,000	77,589	1,10,42,353	63,37,035	—10,72,122	Sahu S. P. Jain, Esq. (Chairman)	49,012	963	New Great Spg. & Wvg.	201.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
48,00,000	54,85,829	1,81,28,534	1,22,58,132	2,82,604	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	147 50	100	12.50F	10.00	10.00	15.00	3	Y.
45,00,000	42,97,687	80,65,529	31,95,108	16,195	Podar Sons Private Ltd.	32,600	930	Podar Mills	143 00	100	10.00	18 00*(c)	12.00*		12	Y.P.
75,00,000	19,70,000	1,69,60,794	81,75,000	57,378	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	116.00	100	..	8.00	11.50		12	Y.P.
10,00,000	....	20,94,246	16,74,307	—1,52,005	R. A. Podar, Esq. (Chairman)			Sassoon & Alliance Silk Mills	14 88	10	0.25	*Nil*	*Nil*		12	Y.
87,70,100	1,21,80,082	2,81,69,010	1,64,24,391	215	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	56.80	10	2.00	2.00	2.50		12	Y.
30,00,000	51,53,455	1,74,14,168	73,40,872	41,961	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	254 00	100	8.00	10.00	15 00		12	Y.P.
50,40,000	15,53,956	2,27,78,338	1,00,86,574	—3,49,633	M.	49,340	1,114	Simplex Mills	177 00	50	8.50	8.50	5.00(c)	7.50	3	Y.T.
1,09,75,000	2,51,54,908	3,87,61,421	2,23,24,758	91,528	Mafatlal Gagalbhai & Sons	97,583	2,409	Standard Mills	1,332 00	100	22.50*	20.00	29 00*		12	Y.P.
3,00,00,000	96,94,067	3,16,61,974	1,74,64,096	1,506	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	250 50	100	9.00	10.00	14 00		12	Y.P.
36,00,000	76,44,279	1,98,34,474	1,09,47,826	26,062	James Finlay & Co., Ltd.	40,328	550	Swan Mills	502 50	100	25.00	25.00	36 00		12	Y.
65,57,875	50,22,987	2,58,77,176	1,04,22,639	17,925	Tata Industries Private Ltd.	61,572	1,775	Tata Mills	46 50	25	2.00	1.50	2.50		12	Y.T.
16,00,000	64,52,368	1,08,96,173	64,84,479	76,869	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	301.25	100	23.00*	20.00*	20 00		12	Y.P.
12,00,000	1,02,12,489	1,79,02,964	1,20,98,754	—17,05,239	Mr. K. M. D. Thackersey (Chairman)	54,664	1,262	Western India Spg. & Mfg.	3,725.00	1,000	325.00	325.00	325.00(c)	70.00(	12	Y.P.
					AHMEDABAD											
40,00,000	87,96,894	2,09,06,549	90,57,515	12,482	Tata Industries Private Ltd.	49,168	1,016	Ahmedabad Advance Mills	168.00	100	5.00	5.00	4 90(c)	10.00	6	Y.P.B.
20,00,000	97,23,117	1,52,08,567	87,79,332		Hutheesing Sons & Co.	44,220	920	Aruna Mills	462.50	100	25.00	25.00	25.00'C'		12	Y.P.
60,00,000	2,95,20,296	2,85,00,200	1,40,42,300	1,58,312	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,235 00	100	35.00*	28.00'C'	40.00		12	Y.P.
26,40,000	45,04,840	1,24,95,613	83,06,442	58,595	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	375.00	200	*Nil*	25.00'C'			12	Y.P.
20,00,000	1,27,06,477	1,51,11,023	73,11,023	....	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	620.00	100	30.00	20.00'C'	25 00		12	Y.P.
3,06,25,000	2,91,51,534	7,72,08,320	3,30,53,664	21,88,804	Karamchand Premchand Pvt. Ltd.	1,39,120	2,330	Calico	1,035 00	125	30.00	25 00	22.00	31.00	3	Y.P.
63,00,000	27,76,707	1,57,37,865	1,12,77,222	6,366	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	580.00	250	25.00*	27 00*	36 00		12	Y.P.
52,00,000	1,42,42,748	1,92,08,548	1,22,21,300	1,63,425	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,740.00	125	30 00	35.00*	55.00*		12	Y.P.
15,00,000	63,45,614	83,34,671	44,35,941	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	425.00	100	20 00	20 00	25.00		12	Y.P.
30,00,000	96,88,684	1,29,66,793	76,35,644	....	Lalbhai Dalpatbhai & Co.	32,828	640	Raipur Mfg.	677.50	100	35 00*	25.00'C'	35 00		12	Y.P.
48,75,000	23,78,557	1,49,91,313	85,09,730	14,294	Rohitbhai Chinubhai, Esq. (Chairman)	33,156	648	Rohit Mills	227.50	100	8.00*	8.00*	10.00		12	Y.P.
63,75,900	2,95,76,027	2,43,70,561	1,45,91,824	59,271	Harivallabhdas Kallidas & Co.	94,128	1,819	Shri Ambica Mills	1,257.00	100	25.00	30.00*	45.00		12	Y.P.
20,25,000	82,40,408	1,24,24,481	83,25,307	23,321	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,828	720	Shorrock Spg. & Mfg.	530.00	100	20.00	22.00*	30.00*		12	Y.
35,00,000	89,43,859	1,84,94,632	92,66,120	25,810	Haridas Ashratlal & Co., Ltd.	41,056	780	Vijaya Mills	600.00	500	40.00*	40.00*			12	Y.P.
					WEST BENGAL											
15,00,000	2,39,480	40,13,953	26,20,603	....	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	8.31	10	0.60	0.50	*Nil*		12	Y.P.T
7,11,280 / 1,30,620 / 1,70,000	2,44,733	89,51,451	62,49,897	—3,26,008	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35 00N	40	4.00	*Nil*	*Nil*	*Nil*	3	Y.P.
24,00,000	5,14,800	1,26,22,986	56,02,346	60,410	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	200 00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
28,50,000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	26 37	10	*Nil*	*Nil*	1 00		12	Y.T.
50 08,000	8,02,433	88,00,719	43,00,719	34,072	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	16 31	10	0.50	0.65	0.80		12	Y.T.
1,60,00,000	2,07,51,444	4,18,09,599	1,42,09,599	76,764	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	31.37	10	0.75	0.25	0.25		3	Y.P.
P.O. 19,47,750	78,492	50,99,822	32,33,579	—5,21,450	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	10.12N	10	1.00	0.50	*Nil*		6	Y.
5,00,000									2.37N	1D	0.15	*Nil*	*Nil*			

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
					SOUTH INDIA AND OTHER CENTRES											
29,92,692	5,43,855	73,05,068	7,21,196	31,634	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	9.80	10	*Nil*	*Nil*	*Nil*		12	Y.
30,00,000	2,25,..0	85,28,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	131.00	100	6.00	6.00	11.00		12	Y.P.
11,98,600	4,50,000	49,07,709	26,15,654	3,044	Setna & Co.	25,984	..	Asher Textiles Ltd.	204.05	100	12.50	6.00	6.00	12.50	6	Y.
72,00,000	16,98,790	1,92,55,835	68,19 240	2,681	The Industries (I.F.) Department, Government of Andhra Pradesh	36,136	725	Azam Jahi Mills	71.00	100	3.50	*Nil*	4.00		9	Y.
1,21,50,000	1,58,99,679	3,79,67,112	3,06,18,958	2,69,251	Binny & Co. (Madras), Ltd.	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	196.50cd	100	10.00'C'	10.00	10.00		12	Y.P.
3,23,25,000	....	....	....	....	..	..	..	Baroda Rayon Corporation	140.00	100	..	..	..		12	Y.
35,00,000	78,10,478	1,66,23,840	1,20,16,290	83,509	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	17.50N	10	1.50	0.75	*Nil*	1.00	3	Y.
1,76,47,800	8,24,73,971	8,05,80,469	4,78,98,275	2,31,371	Binny & Co. (Madras), Ltd.	1,20,288	2,758	Buckingham & Carnatic	197 00cd	100	10.00	10.00	10.00		12	Y.P.T.
20,00,000	18,500	51,23,580	26,05,678	—2,79,050	G. Sam & Co.	37,536	4	Cambodia Mills	10.10	10	0.50(c)	*Nil*	*Nil*		12	Y.P.
15,00,000	5,29,316	53,92,782	33,76,104	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	144.00	100	20.00	12.50	15.00	17.00	3	Y.
30,00,000	81,64,314	81,45,632	66,08,685	—3,29,080	Begg, Sutherland & Co. Private Ltd.	27,624	589	Cawnpore Textiles	7 31	5	0.25	*Nil*	*Nil*		12	Y.
9,41,068	6,61,000	68,26,050	33,32,807	15,034	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	13 15	10	0.90	0.90	0.90	1.30	3	Y.P.
35,99,600	28,90,147	1,11,51,577	41,62,473	....	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	172 50cd	100	9.00'C'	6.00	6 00		12	Y.
17,85,800	4,06,710	49,14,591	26,55,487	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	106 50	100	7.50	*Nil*	7.50		12	Y.P.
30,00,000	22,23,665	97,89,504	54,27,110	1,28,494	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills	340 00	100	20.00	20.00	25 00		12	Y.P.
20,76,900	5,076	1,35,77,639	89,09,035	—12,57,670	A. V. Srinivasalu Naidu, Esq. (Ch.)	70,268	307	Coimbatore Spg. & Wvg.	58 00	50	*Nil*	*Nil*	*Nil*		12	Y.
46,87,500	10,75,722	4,64,86,602	1,50 60,898	—90,16,850	Tata Industries Private Ltd.	1,15,188	2,064	Central India	108 00	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
29,66,711	28,72,302	1,21,27,978	57,71,091	9,000	R. Hanumanthappa & Son	40,032	300	Davangere Cotton Mills	116.50	100	9.00	9.00	9.00	12 00	3	Y.
3,36,36,225	4,64,48,622	14,46,03,946	8,37,58,780	2,72,401	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	39.25	25	2.00	2.00	2.50†	2.50	6	Y.P.W.
1,00,563										2½	0.16	0.16	0.25†	0.30		
48,60,000	29,65,006	1,31,45,544	61,00,929	1,006	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	223.00cd	100	10.00'C'	10.00	17 50		12	Y.
63,00,000	1,40,58,814	2,13,31,287	1,58,72,559	88,973	The British India Corporation Ltd.	48,452	1,194	Elgin Mills	20 62	10	1.00	0.75	1.15	1.15	9	Y.P.
48,81,000	28,48,948	1,87,03,402	91,62,727	1,321	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	174 00XB	100	8.00	8.00	6.00		12	Y.
40,00,000	56,44,510	1,28,49,778	85,83,203	24,751	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	215.00	100	10.00	10.00	16.00		12	Y.
2,50,00,000	2,39 47,000	6,42,53,523	4,12,24,000	20,81,106	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	46.50	10	*Nil*	*Nil*	1.00	2.00	3	Y.P.
78,36,500	....	7,35,878	....	—76,663	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	67.50	62.50	..	..	..	*Nil*	2	Y.P.
50 00,000	1,96,680	1,64,52,347	1,21,05,178	....	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	140.00	100	6.00	5.00(c)	7.00		12	Y.
8,90,000	6,18,770	36,26,185	22,28,141	—5,61,231	G. V. Naidu & Co., Ltd.	28,784	..	Janardana Mills	58.50	50	3.00	*Nil*	*Nil*		12	Y.
15,54,000	11,26,682	66,77,134	35,48,365	....	Mr. Bhairuratan Damani (Managing Director)	21,176	512	Jam Shri Ranjitsinghji	1,500.00	1,000	40.00	*Nil*	*Nil*	60.00	6	Y.
35,00,000	30,48,856	4,87,56,355	1,21,19,213	52,757	Padampat Singhania, Esq.	45,000	1,000	J. K. Cotton Spg. & Wvg.	16.52	10	..	..	0.90		12	Y.P.
16,86,170	13,17,947	82,44,540	41,48,200	1,507	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	12 35	5	1.25	0.75	0.75		12	Y.
43,65,800	3,07,35,097	4,65,60,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	15 60	10	0.35	0.25	0.07		3	Y.P.
67,20,000	25,71,768	1,69,79,996	49,33,767	55,806	Kothari & Sons	67,192	300	Kothari Textiles	12 50	10	1.00	*Nil*	1.00		12	Y.P.
32,00,300	54,31,394	1,98,63,685	1,48,17,868	26,609	M.	51,908	1,243	Lakshmi Cotton Mfg.	505 00	250	15.00	15.00	25.00		12	Y.P.
71,00,000	83,80,960	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	157.00	50	10.00	6.00	6.00	10.00	3	Y
35,50,000									77.00	25	5.00	3.00	3.00	5.00		
56,00,000	1,42,22,827	2,18,43,649	1,46,79,309	6,549	Navinchandra Purshotamdas & Co. Ltd.	51,996	806	Mafatlal Fine Spg. & Mfg. Co. Ltd.	885.00	100	15.00	18.00	20.00*		12	Y.P.
78,02,480	4,63,85,125	6,70,44,167	4,43,21,834	7,21,441	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	37 15cd	15	2.25	*Nil*	1.875	2.25	12	Y.
60,00,000	29,59,000	68,45,576	51,49,267	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	867.00	100	20.00	20.00	25.00	30.00	3	Y.
29,80,884	5,71,940	1,05,10,931	50,74,411	....	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	74 00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
94,91,850	21,56,148	1,71,94,769	78,81,528	1,85,008	M.	52,408	952	Model Mills (Nagpur)	35 00	250					6	Y.
29,78,100	44,97,618	1,17,73,699	69,34,817	24,962	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	70 00	50	9.00*	5.00	5.00	7.00	3	Y.P.
31,50,000	48,76,391	66,34,980	44,19,186	1 368	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	216 25	100	12.00	12.00	12.00		12	Y.P.
42,00,100	....	2,37,94,145	1,20,34,420	—37,45,965	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9 30	10	*Nil*	*Nil*	*Nil*		3	Y.P.
37,23,800	19,78,217	1,77,24,075	67,40,513	....	Bansilal Bisesardas Pvt. Ltd.	37,788	902	Osmanshahi Mills	52 50	100	*Nil*	*Nil*	*Nil*		9	Y.
4,00,000	16,56,928	78,14,710	36,35,788	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	250.00	50A	9.00	10.00	15.00		12	Y.P
6,00,000									300.00	75B	13.50	15.00	22.50			
15,00,000	....	37,30,105	19,70,043	—21,28,862	..	27,980	..	Pankaja Mills Ltd.	58.00	100	*Nil*	*Nil*			12	Y.
63,10,600	18,67,447	1,10,86,808	66,04,305	2,661	A. G. Gurusamy Naidu & Co.	60,704	301	Radhakrishna Mills	80.00	25.00	3.00	1.50	2.25		12	Y.
28,21,000	22,65,286	1,22,00,423	53,26 619	1,286	Mukundlal Bansilal & Sons	25,420	567	Raja Bahadur Motilal Mills	92 00	100	*Nil*	*Nil*	*Nil*		12	Y.
30,00,000	23,53,800	92,98,175	42,76,744	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	79 00	50	4.50	3.00'C'	3.75		12	Y.P.
16,14,300	17,87,061	63,86,578	27,79,402	....	Ramco Agencies Private Ltd.	36,036	..	Rajapalayam Mills	130.00	100	12.00	8.00	6.00(c)	9.00	3	Y.
15,36,390	2,69,111	33,59,281	50,04,126	....	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	224.00	100	16.00	10.00	16.00	23.00	3	Y.
22,23,300	11,20,088	56,78,526	28,55,667	958	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	120 00	100	10.00	10.00	10.00		12	Y.
10,00,000	6,93,527	54,79,569	33,71,779	3,264	S. R. P. Ponnuswamy Chetty & Sons.	25,088	..	Sivanandha Mills Ltd.	28 25	10	1.20	1.50	2.20		12	Y.
50,00,000	....	....	....	....	M.	..	..	South India Viscose Ltd.	154.00XB	100	..	..	..	..	12	Y.
13 17 124	6,47,786	45,36,978	12,34,344	....	K. Ramachandran, Esq. (Mg. Director)	16,516	..	Sri Kannapiran Mills Ltd.	9.75	10	1.00	0.60	1.00	..	12	Y.
36,69,700	23,00,037	1,01,95,864	72,23,021	30,822	D. B. Viswambhariah, Esq. (Mg. Director)	42,924	340	Sri Krishnarajendra Mills	68.00	50	7.00	4.50	4.00	5.50	3	Y.
15,02,500	9,69,325	58,07,042	29,96,235	13 376	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning, Spg. & Wvg. Mills Ltd.	47.00	50	2.00	*Nil*	2.50	..	12	Y.
18,00,000	3,99,30,629	1,17,10,444	91,98,176	3,97,888	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	90 00	10	6.00	6.00	6.00	8.57	3	Y.
17,50,000	2,42,28,071	6,42,05,504	1,96,78,129	9,04,312	M.	1,12,216	2,090	Swadeshi Cotton (Kanpur)	12.00	100.	0.75	*Nil*	*Nil*		12	Y.P
27,50,000									8.37	10P.O.	1.15	0.40	0.571			
12,78,210	1,20,000	46,55,675	7,75,459	22,842	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	11 00	10	..	*Nil*	*Nil*	0.60	3	Y.P.
[illegible]06,205	70 91,584	4,47,94,206	2,70,17,829	2,29,084	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	37 20	10	1.00	1.25	2.00		12	Y.P.T.
[illegible]94,730	8,64,000	20,41,565	15,00,441	661	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11 95	10	0.90	0.75	1.25		12	Y.
[illegible]00,000	38,41,000	91,30,605	57 96,375	17,796	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	242.00	100	12.00	12.00	16.00		12	Y.P.
[illegible]10,340	3,96,626	24,95,648	13 64,648	—2,74,043	Thiagaraja Chetty & Sons Private Ltd.	..	200	Virudhunagar Textile Mills Ltd.	49 50	50	2.25	3.00	3.00	..	12	Y.P.
[illegible]66,000	12,58,816	1,94,82,373	1,33,00,940	—11,21,284	The Bombay Co. (Private) Ltd.	49,880	1,369	Vishnu Cotton	114 00	100	*Nil*	*Nil*	*Nil*		12	Y.P.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	64,31,970	1,47,43,249	50,81,902	36,065	B. N. Elias & Co. Private Ltd.	879	Agarpara	11.62	10	0.25	0.25	0.50	1.00	3	Y.P.T.
6,00,000	13,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	148.00	100	10.00	10.00	15.00		12	Y.P.T.
80,00,000	5,43,950	1,41,02,373	1,01,60,589	1,16,925	McLeod & Co., Ltd.	1,264	Alliance	90.00	100	Nil	Nil	Nil	6.00	5	Y.P.
49,20,700	85,41,000	2,63,90,624	1,74,73,587	2,26,168	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	202.00	100	7.00	10.00	12.50	20.00	3	Y.P.
40,00,000	21,83,168	1,36,05,736	76,49,894	34,111	Bird & Co. Private Ltd.	810	Auckland	160.00	100	Nil	5.00	20.00	27.00	3	Y.P.T.
20,00,000	34,53,528	1,46,13,222	77,61,622	28,486	Birla Brothers Private Ltd.	959	Bally	197.00	100	2.00	6.00	10.00	25.00	3	Y.P.
£275,000	£803,923	£1,601,226	£1,065,825	—£92,399	Sir John H. Burder (Chairman)	1,889	Barnagore	136.00	£5	Nil	Nil	10sh.	£1.10sh	3	Y.P.
28,00,000	30,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	154.00	100	2.50	7.50	13.50		12	Y.P.
48,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	8.00	10	Nil	0.50			6	Y.P.T.
91,26,000	2,82,25,130	7,34,86,439	2,26,35,926	93,079	Birla Brothers Private Ltd.	1,373	Birla	32.12	10	1.00	1.00	1.00	1.50	3	Y.P.
36,00,000	23,36,695	1,19,81,167	72,84,779	62,431	Andrew Yule & Co., Ltd.	991	Budge-Budge	132.00	100	Nil	5.00	15.00		10	Y.P.
7,47,380	4,000	45,18,657	34,32,120	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil			12	Y.P.T.
18,00,000	27,51,530	84,60,059	49,11,673	80,163	M.	616	Caledonian	124.00	100	Nil	15.00	12.00		11	Y.P.
59,16,400	81,81,976	2,17,74,524	1,17,03,511	1,66,730	James Finlay & Co., Ltd.	600	Champdany	103.50	100	Nil	Nil	7.00	10.00	3	Y.
15,95,000	23,19,096	86,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	14.00	10	Nil	5.00	12.50‡		11	Y.P.
30,15,000	38,42,500	1,09,52,980	59,87,035	2,33,594	McLeod & Co., Ltd.	500	Chitavalsah	13.37	10	1.10	1.25	1.50		7	Y.P.T.
24,00,000	9,00,000	81,39,934	67,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	10.50	10	Nil	Nil			3	Y.P.
31,49,200	13,05,418	1,06,95,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	106.00	100	Nil	Nil	Nil	1.00	3	Y.P.T.
28,00,000	41,39,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	162.00	100	Nil	6.00	14.00		11	Y.P.
15,00,000	37,20,000	1,07,39,530	70,08,837	93,729	McLeod & Co., Ltd.	500	Empire	14.50	10	0.75	1.00	1.25		7	Y.P.T.
21,00,000 21,00,000	88,65,324	8,41,69,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	814.00 275.00	100 Old 50 New	10.00 ..	20.00 ..	20.00 10.00	25.00 12.50		Y.P.T.
21,00,000	19,81,948	1,32,23,393	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	23.09	10	1.50	1.50	1.50	2.25	3	Y.P.T.
84,32,100	5,16,898	2,24,66,716	1,48,00,382	56,359	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	11.12	10	Nil	Nil	Nil	1.00	3	Y.P.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd.	40.00	10	2.00	2.00	4.00		12	Y.T.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	336.00	100	2.50	20.00	25.00	30.00	3	Y.P.
40,00,000	31,69,633	1,33,64,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	119.00N	100	5.00	5.00	6.00	6.00	3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,718	49,754	Baijnath Bajoria	720	Hooghly	14.44	10	Nil	Nil	0.60		3	Y.P.
65,62,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	22.37	10	Nil	Nil	1.00	1.25	3	Y.P.T.
52,50,000	38,25,000	3,18,43,014	1,77,68,014	1,63,175	Ramdutt Ramkissendas	2,272	Hukumchand	19.56	7.50	1.50	1.50	1.50	2.15	3	Y.P.
87,30,000	21,78,965	1,74,80,629	1,00,24,542	4,94,235	M.	790	India	15.00	12.50	9.37	15.62‡	1.24	1.75	3	Y.
24,00,000 'B'19,20,000	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	155.00 136.00	100 'B' 100	Nil Nil	5.00 5.00	20.00 20.00		12	Y.P.T.
30,00,000 'B'24,00,000	10,09,817	1,76,28,517	1,12,70,060	—13,68,526	Jardine Henderson Ltd.	1,527	Kankinarrah	79.00 73.00	100 'B' 100	Nil Nil	Nil Nil	Nil Nil		12	Y.P.T.
28,00,000	52,06,000	1,51,65,797	1,03,30,320	1,21,384	McLeod & Co., Ltd.	703	Kelvin	149.00	100	9.00	12.50	14.00'C'	15.00	5	Y.P.
54,00,000	23,62,520	2,16,94,951	1,32,38,732	74,405	Anderson Wright Ltd.	1,530	Khardah	17.50	10	0.80	0.80	2.00	2.00	3	Y.P.
59,80,150	42,30,583	1,99,43,494	1,24,97,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	148.00	100	Nil	5.00	10.00	20.00	3	Y.P.T.
24,48,000	10,76,201	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	108.00	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	11,08,592	69,04,728	41,03,722	10,530	Bird & Co. Private Ltd.	840	Lawrence	121.00	100	Nil	Nil	2.00	15.00	3	Y.P.
31,65,200	34,63,931	2,70,91,429	1,55,68,005	56,999	M.	1,294	Megna	12.06	10	0.50	1.75	1.00	1.20	3	Y.
29,96,900	34,36,392	1,64,53,185	94,33,205	—11,60,635	M.	815	Naihati	63.00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	13,14,376	36,84,253	24,27,490	4,929	Howrah Trg. Co. Private Ltd.	425	Naskarpara	9.00	10	0.25	0.25			10	Y.T.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	22.50N	10	0.75	0.75			10	Y.P.
26,25,000	31,71,872	59,70,247	26,86,043	1,38,623	McLeod & Co., Ltd.	816	Nellimarla Jute	12.06	10	0.90	1.00	1.40		7	Y.P.T.
1,70,82,810	2,27,33,274	9,80,93,375	1,86,54,171	....	Sahu Jain Ltd.	1,765	New Central	19.87	10	..	1.50	1.50'C'	1.50	3	Y.P.T.
16,79,880	38,39,763	1,21,83,607	71,21,536	27,631	Bird & Co. Private Ltd.	567	Northbrook	23.25	10	Nil	Nil	1.25	3.00	3	Y.P.T.
66,79,500	38,53,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	48.50	50	Nil	2.50	3.00	4.00	3	Y.
25,00,000	10,23,000	99,89,888	72,61,540	68,437	McLeod & Co., Ltd.	400	Presidency	5.75	5	0.30	0.37½	0.50		7	Y.T.
20,00,000	42,629	33,96,467	12,06,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	8.00	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	14,07,546	1,24,96,816	66,97,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	6.69	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£438,130	£1,484,376	£840,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	9.50N	£1	Nil	5%†	10%†		12	Y.P.
30,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	26.50	10	0.50	0.50	0.60		3	Y.P.
14,00,000	12,59,725	72,57,128	52,50,728	63,633	Hindustan Investment Corpn. Ltd.	401	Soorah	17.56	10	1.50	1.50	2.50		12	Y.P.
£600,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.50N	£1	Nil	3%†	10%†		12	Y.P.
35,98,600	37,29,990	89,38,439	50,59,464	35,993	Bird & Co. Private Ltd.	1,326	Union	160.00	100	Nil	15.00	20.00	25.00	3	Y.P.T.
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9.50N	£1	3%†	5%†	10%†		12	Y.P.
2,50,000	6,70,000	82,62,805	45,53,966	1,94,094	McLeod & Co., Ltd.	447	Waverley	3.62	1	Nil	Nil	0.25	0.30	5	Y.P.T.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
10,96,990	4,16,126	17,25,120	3,33,737	3,942	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	16.40	10	1.75*	1.75	1.50	1.50	3	Y.P.
63,00,000	18,91,207	79,01,776	13,65,987	2,83,908	Kothari & Sons (Ags.) Pvt. Ltd.	1,329	Blue Mountain	8.92CR	2	0.25	0.25	0.25	0.25	6	Y.
5,50,000	5,09,091	16,46,405	3,40,184	18,637	K. Anantarman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.95	2	0.30	0.24	0.24	0.20	6	Y.P.
14,00,100	11,19,898	26,32,979	3,15,911	1,38,960	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	8.75	2	0.40	0.20	0.30	0.40	3	Y.
5,66,420	12,20,975	23,20,475	1,95,657	32,888	Matheson Bosanquet & Co. Pvt. Ltd	392	Coonoor Tea	28.50cd	10	2.00	2.00	2.00	1.75	9	Y.P.
4,80,000	4,76,798	12,48,672	2,12,224	2,580	Srinivas Agencies	441	Coorg Tea	5.35	2	0.40	0.40	0.40	0.40	3	Y.P.
6,00,000	4,82,155	12,25,902	3,38,531	1,259	R. A. Jenkins, Esq. (Mg. Director)	344	Devashola (Nilgiri) Tea	31.00cd	10	1.75	2.50	2.50		12	Y.
6,74,620	3,25,938	10,81,247	2,29,577	4,312	Young India Agencies Private Ltd.	465	Devon Tea	14.87	10	1.75	1.75	1.50	1.50	3	Y.P.
5,00,000	1,26,500	4,04,217	65,265	2,027	Parkins Private Ltd.	198	Emerald Valley Estates	6.00	5	0.30	0.30	0.40		12	Y.
25,00,000	17,77,500	47,06,209	9,26,271	1,765	Parkins Private Ltd.	1,495	Halleyburia	14.15	10	1.50'C'	2.00	1.25'C'		12	Y.P.T.
6,00,000	7,65,696	14,87,744	3,33,844	48,233	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	4.87	2	0.30	0.25	0.30		3	Y.T.
17,17,076	18,94,704	32,75,491	4,84,787	28,103	Peirce, Leslie & Co., Ltd.	781	Kil Kotagiri Tea	5.75cd	2	0.30	0.30	0.70		10	Y.P.
3,45,000	5,10,000	11,44,396	98,799	306	Ipe Oommen & Co. Pvt. Ltd.	800	Kurchermala Plant. Ltd.	8.20CR	10	0.75	0.625	0.80	Nil	3	Y.P.
5,00,000	70,556	9,28,291	61,272	35,512	Matheson Bosanquet & Co. Pvt. Ltd.	267	Lucky Valley	13.82	10	1.00	1.00	1.00		12	Y.
3,50,000	26,500	8,21,318	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.70	2	0.18	0.24	0.10		3	Y.
3,00,000	6,23,100	12,48,190	2,88,717	1,418	Eapen Thomas, Esq. (Mg. Director)	524	Mlamallay	38.50	25	4.50	3.75	5.00		3	Y.P.
36,00,000	21,32,880	81,96,144	14,03,832	5,225	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	4.50xd	5	0.37	0.37	0.37	0.37	3	Y.P.
12,00,000	6,37,638	27,51,637	5,74,549	5,656	A. V. Thomas & Co., Ltd.	1,648	Nelliampathy	2.60	2	0.40	0.30	0.20	0.26	6	Y.P.
14,06,250	7,45,346	39,87,155	6,83,351	26,790	A. V. George & Co., Ltd.	1,628	Nilgiri Tea	7.70	10	0.75	0.60	0.50	0.80	3	Y.P.T.
28,10,000	9,22,309	32,15,349	3,63,585	35,375	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	27.00	10	2.00	3.50	2.00		6	Y.
14,88,960	17,53,825	32,40,997	5,53,242	47,411	Mr. P. S. M. Molyneux (Chairman).	579	Parkside	28.37	10	1.75	2.50	2.75	2.75	6	Y.
6,00,000	3,06,284	3,47,69[illegible]	63,188	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninsular Plantations Ltd.	21.35	10	2.50	1.50	2.00		3	Y.
17,00,000	10,41,753	41,24,957	14,46,521	44,631	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	22.80	10	2.50	1.62½	2.25		12	Y.P.
57,94,880	28,17,245	1,10,00,168	34,84,596	80,253	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	4.18cd	2	0.70	0.20'C'	0.25		3	Y.P.
13,50,000	3,06,500	11,40,782	1,24,998	907	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.85xd	2	0.15	0.15	0.125	0.18	6	Y.
9,00,000	12,06,478	27,35,063	7,62,652	3,656	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	14.78	10	1.40V	0.80	0.60		6	Y.T.
1,25,000	15,000	1,98,241	7,968	4,289	M.	216	Swinton Estates	3.12	2	..	0.15	0.15	0.25	3	Y.
12,50,000	10,87,828	36,51,137	3,53,187	997	Srinivas Agencies	1,787	Talayar Tea	1.73	2	0.20	0.12	0.10	0.16	3	Y.P.
15,75,000	16,00,500	27,37,319	3,29,820	565	Parkins Private Ltd.*	1,214	Twyford	12.05	10	1.50'C'	1.50	1.00'C'		12	Y.
21,93,280	12,29,689	44,14,672	15,67,621	1,08,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	23.75xd	10	1.77	1.60	1.95	2.10	3	Y.
47,25,000	12,42,245	63,68,910	8,97,362	1,94,353	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	3.81	2	0.25	0.25	0.25	0.25	6	Y.P.
1,00,000	53,757	3,51,001	80,901	689	Goodall & Co.	93	Woodcote Estates Ltd.	1.65		0.09	0.06	Nil	Nil	6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957	1958	1959	1960	Accounts Closed	Reference
6,00,000	5,52,435	16,68,612	4,21,741	8,855	Ramani & Co., Pvt. Ltd.	878	Alageswar Estates Ltd.	2.53	2	0.20	0.20	0.15	0.15z	3	Y.
6,75,000	1,60,527	19,03,351	2,97,284	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	13.65	10	0.40	0.60	0.75	1.00	3	Y.P.T.
2,50,000	5,78,758	13,39,788	1,24,737	30,922	A. V. George & Co., Ltd.	620	Anandam Rubber Co., Ltd.	14.87	10	1.50	1.00	1.50	..	12	Y.P.
12,07,838	2,28,040	19,28,285	1,92,147	27,812	Associated Planters Private Ltd.	1,264	Anaparai Estates Ltd.	4.70	2	0.80	0.70	0.50	..	6	Y.T.
4,25,000	4,00,000	8,56,375	92,884	25,796	Young India Agencies Pvt. Ltd.	554	Badra Coffee Estates Ltd.	3.75	2	0.85	0.85	0.85		5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,833	2,438	A. V. Thomas & Co. (Mysore)	570	Bababudin Coffee & Produce	8.75cd	5	1.25	1.25	0.625	0.40	6	Y.P.
3,00,000	2,35,000	4,24,393	50,457	583	Planting Agencies (Private) Ltd.	319	Balmadies Plantations	2.50	2	0.25	0.25	0.15	0.15	3	Y.P.
3,66,115	3,36,253	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)	1,135	Be Be Rubber Estates Ltd.	2.90	5	0.25	0.25	0.25		3	Y.P.
36,91,279	18,00,000	52,49,279	3,16,788	21,669	Peirce, Leslie & Co., Ltd.	7,093	Cochin Malabar	7.93xd	2	0.45	0.30'C'	0.45	0.525	3	Y.P.
22,50,000	31,10,963	53,64,399	18,19,804	92,379	Cons. Coffee Estates (Secretaries).	2,799	Coffee Lands and Industries	21.00	10	4.00	2.00	2.50	0.60	3	Y.P.
71,55,000	66,04,294	5,58,60,009	40,89,751	60,720	C. I. Machia, Esq. (Mg. Director)	8,169	Consolidated Coffee	24.12	10	4.00	2.00	2.50	2.00	6	Y.P.
6,00,000	5,32,423	13,68,760	74,628	1,482	Associated Planters Private Ltd.	1,439	Cottanad Plantations	11.40xd	10	1.75	1.50	1.50	1.00	3	Y.P.
4,08,560	2,00,000	8,12,568	76,968	27,670	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffees).	5.06	2	1.00	1.30	0.50	0.50	6	Y.
18,00,000	9,86,402	31,48,370	6,93,094	24,694	A. V. Thomas & Co., Ltd.	886	Highland Produce	14.80	10	0.75	1.50	1.50		12	Y.P.
1,20,000	49,000	1,64,450	5,148	2,033	Young India Agencies Pvt. Ltd.	220	Kadur Coffee Estates Ltd.	2.85	2	0.15	0.15	0.15	0.15	5	Y.P.
11,85,700	10,77,705	30,90,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kailas Rubber, Co., Ltd.	5.11	2	0.60	0.50	0.50	0.40	2	Y.
8,00,000	8,86,553	17,97,748	3,49,814	1,330	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	13.10	10	2.00	1.00'C'	1.25	1.25	4	Y.P.
4,00,000	3,75,000	9,82,417	1,85,014	14,690	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.90cd	2	0.50	0.40'C'	0.40	0.40	10	Y.T.
13,50,000	4,85,241	25,39,476	4,08,190	9,942	K. T. Thomas Kathanar, Esq.	1,663	Malankara Rubber	18.00	10	2.25	1.70'C'	1.60	1.50	3	Y.
3,25,000	2,50,000	7,67,594	9,954	10,168	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.80cd	5	0.75	1.00	1.00	1.00	6	Y.P.
40,50,000	14,21,444	90,79,614	11,84,844	66,364	A. V. Thomas & Co., Ltd.	4,683	Midland Rubber	12.00	10	2.00	1.00'C'	1.00	1.25	3	Y.P.
3,35,000	4,13,450	16,31,926	2,76,266	46,475	A. V. George & Co., Ltd.	1,229	Nenmeny Rubber	20.65	10	0.75	1.50	1.50		12	Y.P.
2,00,000	4,79,543	7,96,900	55,892	3,026	Associated Planters Private Ltd.	906	Nilambur Rubber Co.	16.50	10	1.50	2.00	1.50		12	Y.P.T.
19,45,980	22,83,423	48,92,125	16,66,950	3,088	Peirce, Leslie & Co., Ltd.	4,395	Ouchterlony Valley Estates	4.63cd	2	0.60	0.20	0.30		10	Y.P.T.
6,50,000	5,71,464	7,75,530	67,539	42,437	Peirce, Leslie & Co., Ltd.	546	Oosoor Estates Ltd.	3.37	2	0.30	0.26	0.30	0.30	3	Y.
16,50,000	2,29,315	21,56,112	5,52,520	72,398	Aspinwall & Co., Ltd.	1,607	Pullangode Rubber	1.93	2	0.10	0.08	0.10		3	Y.P.
13,50,000	8,87,644	48,91,065	4,79,542	19,045	A. V. Thomas & Co., Ltd.	2,988	Rajagiri Rubber	18.80	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,14,963	3,70,345	43,569	774	Associated Planters Private Ltd.	422	Rajendra Coffees Ltd.	12.90	5	1.25	2.00	2.50	1.25	3	Y.P.
5,50,170	3,00,000	8,87,752	1,22,319	12,609	Peirce, Leslie & Co., Ltd.	492	Savamalai Estates Ltd.	3.55	2	0.30	0.25'C'	0.30		11	Y.
12,00,000	1,85,000	18,80,245	1,09,554	10,753	Patco Agencies	1,162	Sangameshwar Coffee Estates	2.26	2	..	0.18	0.18	0.12	3	Y.P.T.
10,00,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	6.10	10	0.60	0.60	0.60	Nil	3	Y.P.T.
2,50,000	2,75,000	6,13,713	47,038	28,430	A. V. George & Co., Ltd.	467	Thamarapally Rubber	28.00	10	3.00	3.00	3.00		12	Y.P.
9,15,300	6,05,000	24,54,542	2,19,470	14,829	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd	1.87xd	1	0.05	0.10	0.07	0.07	9	Y.T.
6,00,000	44,742	11,54,891	5,03,490	2,248	Eapen Thomas, Esq. (Mg. Director)	1,203	Travancore Rubber	9.87	10	1.50	1.00	1.00		12	Y.
41,00,000	15,07,458	86,13,006	18,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.	4,671	Travancore Rubber & Tea	9.15	10	0.40	0.50	0.75		12	Y.P.
20,00,000	1,36,000	32,13,459	8,67,958	11,924	P. T. Thomas, Esq. (Mg. Director)	2,359	Tropical Plantations Co.	20.00	25	1.00	1.50	2.00		12	Y.
6,00,000	4,96,000	17,68,416	1,27,428	10,663	P. I. J. Joseph, Esq. (Chairman)	1,360	Velimalai Rubber & Co.	5.48	5	0.62½	0.50	0.50	0.60	3	Y.P.T.
2,20,000	4,20,600	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd.	458	Udayagiri Rubber Co., Ltd.	20.00	10	0.60	0.75	1.50		12	Y.P.
3,80,010	2,91,970	9,65,557	38,718	585	M.	738	Valkundam Rubber Co., Ltd.	31.25cd	10	3.50J	3.00	2.50	1.50‡	12	Y.
12,00,000	11,90,982	15,34,580	1,19,640	1,15,433	Peirce, Leslie & Co., Ltd.	1,027	Wartyhully Estates Ltd.	3.42	2	0.15	0.30	0.30	0.30	3	Y.
6,95,000	6,33,238	13,55,991	91,882	2,962	M.	844	Woodland Estates	7.65	10	1.00	0.50	0.50	1.00	3	Y.P.T.

J—Final dividend of Rs. 1.50 is on the increased capital. V— Includes 60 nP for 30-6-1954. 'C'—On increased Capital. Z.—Dividend for nine months ended 31st March 1960. ‡—On old capital.
* Includes bonus. M.—Managed by Board of Directors. † Less income-tax. N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	Accounts Closed	Reference
4,45,700	13,84,978	22,94,476	8,53,312	....	McLeod & Co., Ltd.	325	Amluckie	22.50	10	5.00	1.00	1.50	1.50	12	Y.P.
2,76,500	3,01,500	12,10,619	4,33,800	2,091	M.	456	Ananda (Assam) Tea	19.50	10	2.00	1.00	2.00		12	Y.
7,03,250	7,55,753	16,41,189	5,01,215	54,204	Gillanders Arbuthnot & Co., Ltd.	481	Ananda Bag	27.00	10	1.25	0.50	1.00	1.75	12	Y.
5,50,000	14,38,941	26,06,181	10,04,021	19,953	McLeod & Co., Ltd.	573	Baghmari	20.00	10	2.50	1.50	1.50	1.50	12	Y.
5,10,000	11,57,780	18,49,824	6,86,011	43,644	Andrew Yule & Co., Ltd.	377	Basmatia	27.00	10	2.00	1.75	2.00	3.00	12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Bateli	21.00	5	3.00	1.50	1.50		12	Y.
6,40,000	10,74,426	15,66,305	5,60,306	37,706	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	21.50	10	2.50	1.50	1.50	2.50	12	Y.
33,00,000	18,32,500	73,96,221	31,20,921	3,83,877	Williamson Magor & Co., Ltd.	3,425	Bishnauth	23.75	10	2.00	1.00	Nil	1.30	12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	14.00	10	0.50	Nil	0.50		12	Y.
7,50,000	9,06,475	14,41,597	4,34,307	70,351	McLeod & Co., Ltd.	450	Bormah Jan Tea	17.87	10	1.50	Nil	0.75	1.25	12	Y.P.
35,00,000	17,26,071	94,38,743	34,17,209	2,53,984	M	2,834	Brooke Bond B.	18.19	10	1.25	1.75	1.00	1.25	6	Y.
1,20,000	8,09,581	11,64,943	3,93,553	35,405	McLeod & Co., Ltd.	282	Dejoo Valley	51.00	10	3.00	2.00	3.00	4.00	12	Y.
8,40,000	5,49,948	33,10,828	20,05,150	—2,40,732	Jardine Henderson Ltd.	1,332	Dessal & Parbuttia	137.00	100	10.00	Nil	Nil	Nil	12	Y.
17,53,440	10,53,350	31,54,422	92,50,98	17,329	James Warren & Co., Ltd.	770	Dhelakhat	22.12	10	2.50	2.50	2.50	2.00	12	Y.P.
7,00,000	6,85,000	24,04,227	6,47,434	10,086	H. P. Dhanuka, Esq. (Chairman)	1,349	Dhunseri	15.25	10	1.25	2.00	2.00	2.30	12	Y.
4,50,000	12,09,644	18,71,655	3,98,875	68,960	McLeod & Co., Ltd.	458	Dibrugarh	33.06	10	3.00	2.50	3.00	3.00	12	Y.P.
4,73,400	7,15,000	17,09,184	7,61,684	1,56,834	Williamson Magor & Co., Ltd.	632	Dimakusi	24.25	10	3.00	3.00	2.50	3.00	12	Y.P.
7,00,620	11,66,000	27,54,322	14,69,122	3,83,571	Williamson Magor & Co., Ltd.	635	Dufflaghur	33.62	10	4.00	3.00	4.50	3.50	12	Y.
10,00,000	9,57,600	33,05,749	12,63,049	1,31,213	Williamson Magor & Co., Ltd.	1,166	East India Tea	18.12	10	1.00	0.50	0.50	1.00	12	Y.
5,03,760	6,42,879	17,74,219	6,37,020	8,855	M.	465	Gillapukri	26.50	10	3.00	2.50	2.50	2.50	12	Y.
6,76,000	4,90,000	22,56,199	10,31,899	1,31,256	Williamson Magor & Co., Ltd.	552	Gohpur	16.75	10	2.50	2.00	0.50	1.00	12	Y.
23,29,085	36,34,739	67,30,725	20,38,780	61,970	Octavius Steel & Co., Ltd.	2,494	Grob	12.56	5	1.62	1.25	1.50	0.70	12	Y.
5,00,000	6,86,998	11,97,176	4,67,668	14,369	M.	488	Hoograjuli	24.00N	10	1.50	1.00	0.50‡	2.50	12	Y.
8,70,000	13,90,841	32,83,007	14,80,249	75,669	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	170.00	100	15.00	12.50	17.50	20.00	12	Y.P.
58,56,900	62,00,087	1,90,58,048	67,58,048	45,698	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	20.00	10	1.00	1.00	1.00	1.40	12	Y.
9,00,000	8,62,200	20,23,965	5,82,195	51,110	Gillanders Arbuthnot & Co., Ltd.	876	Jutlibari	29.00	10	1.00	1.75	1.00	1.00	12	Y.
8,60,000	13,02,500	16,52,939	7,79,490	91,530	M.	1,166	Kingsley-Golaghat (Assam)	227.00	100	25.00	25.00	25.00		12	Y.P.
1,80,000	7,000	20,18,041	3,18,798	—2,30,952	Duncan Bros. & Co., Ltd.	1,201	Kotamullai Tea	10.50	5	Nil	Nil	Nil	Nil	12	Y.P.
6,50,000	6,53,734	14,09,076	4,30,863	22,109	Duncan Bros. & Co., Ltd.	634	Ledo	17.00	10	0.75	Nil	Nil	Nil	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	19.25	10	2.00	1.50	1.00‡		12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	11.50	10	Nil	Nil	Nil		12	Y.P.
1,50,000	13,65,825	1,16,088	10,450	30,504	Kettlewell Bullen & Co., Ltd.	410	Mothola	475.00	100	60.00	40.00	40.00	25.00	12	Y.
1,75,000 P.O. 2,00,000	8,36,947	16,59,105	6,59,981	37,858	Andrew Yule & Co., Ltd.	373	Murphulani	23.00 23.25	O. 10 P.O. 10	2.00 2.50	1.75 2.25	2.00 2.50	2.00 2.50	12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	12.87	10	1.50	1.50	Nil		12	Y.
5,00,000	20,000	7,66,315	3,69,599	35,282	Duncan Bros. & Co., Ltd.	728	New Cinnatolliah	81.00	100	Nil	Nil	Nil	Nil	12	Y.
2,00,000	8,46,039	13,39,252	5,27,546	45,190	Andrew Yule & Co., Ltd.	390	Rajgarh	40.50	10	4.00	2.50	2.50	3.50	12	Y.
9,00,000	2,56,006	32,81,411	13,29,355	20,383	M.	958	Sapoi	20.50	10	2.50	1.50	1.50	2.00	12	Y.
2,49,000	4,30,000	12,83,249	6,96,549	91,288	Williamson Magor & Co., Ltd.	501	Seajuli	25.50	10	1.50	2.25	2.25	1.75	12	Y.
5,98,000	13,64,556	19,34,492	6,32,207	7,126	McLeod & Co., Ltd.	495	Teloijan	28.00	10	3.50	3.00	2.50	2.50	12	Y.
8,00,000	5,97,055	14,42,247	5,27,787	64,646	Gillanders Arbuthnot & Co., Ltd.	521	Tengpani	38.00N	10	1.00	1.50	1.50	1.75	12	Y.P.T.
19,82,880	15,86,078	51,14,115	22,83,115	53,844	Shaw Wallace & Co., Ltd.	2,347	Tezpore	17.87	10	1.25	Nil	1.25	2.00	12	Y.
5,20,000	25,00,315	50,60,323	16,66,525	1,05,020	McLeod & Co., Ltd.	1,050	Tyroon	30.00	10	4.50	3.00	1.50	3.00	12	Y.P.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
3,00,000	....	5,16,444	1,83,505	—2,43,041	M.	362	Arcuttipore	7.00	10	Nil	Nil	Nil		12	Y.
7,00,000	....	7,66,139	1,03,460	—3,49,181	M.	649	Eastern Cachar	2.87N	10	Nil	Nil	Nil		12	Y.
12,60,000	13,00,000	31,05,555	13,86,347	60,217	Octavius Steel & Co., Ltd.	2,208	Hattikhira	11.00	10	0.50	Nil	0.50	0.50	12	Y.
3,60,000	1,10,000	6,48,924	2,68,020	3,889	Duncan Bros. & Co. Ltd.	629	Kunchunpore	7.75	10	Nil	Nil	Nil		12	Y.
7,00,000	8,73,960	21,37,538	3,98,015	1,37,903	Assam Trading Co.	2,205	North-Western Cachar	160.00	100	15.00	15.00	20.00	30.00	12	Y.
2,60,000	3,32,179	12,84,475	3,70,957	—76,413	McLeod & Co., Ltd.	638	Roopacherra	12.62	10	0.50	Nil	Nil	Nil	12	Y.
5,25,000	10,97,014	14,64,650	4,63,459	41,094	Duncan Bros. & Co., Ltd.	720	Rungamattee	60.00	50	10.00	3.75	1.25	3.75	12	Y.
4,00,000	3,36,980	10,68,284	3,68,708	1,199	M.	662	Sonai River	8.00	10	Nil	Nil	Nil		12	Y.P.T.

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
2,79,900	1,05,000	4,30,792	92,592	18,735	Williamson Magor & Co., Ltd.	408	Chamong	9.50	10	0.75	Nil	Nil	Nil	12	Y.
2,00,000	1,68,526	3,89,734	1,69,880	—893	M.	433	Dilaram	86.00N	100	5.00	Nil	7.50		12	Y.
2,00,000	2,18,765	8,67,216	3,43,216	—82,998	Davenport & Co., Ltd.	507	Gielle	9.12	10	Nil	Nil	Nil	Nil	12	Y.P.
1,59,000	3,51,372	5,41,385	2,25,788	12,425	Andrew Yule & Co., Ltd.	463	Mim	205.00	100	10.00	Nil	Nil	10.00	12	Y.
2,99,900	4,43,000	7,30,361	2,14,761	1,29,955	Willamson Magor & Co., Ltd.	690	Nagari Farm	23.12	10	3.50	2.50	3.00	2.00	12	Y.
1,00,000	1,11,500	4,70,736	2,49,237	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	500.00	100	Nil	Nil	32.50	32.50‡	12	Y.P.
3,00,000	3,500	6,09,868	2,51,814	—86,025	Duncan Bros. & Co., Ltd.	478	Poobong	6.00	10	Nil	Nil	Nil	Nil	12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	8.00	10	Nil	Nil	Nil		12	Y.P.
1,40,000	5,02,500	4,63,373	2,11,663	30,085	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	335.00	100	35.00	25.00	30.00	10.00	12	Y.
3,00,000	3,27,462	5,50,875	1,96,085	3,514	M.	389	Seeyok	10.50	10	Nil	1.00	1.50		12	Y.
9,00,000	65,000	11,65,737	2,38,715	7,369	Goenka & Co.	583	Singtom	5.75	10	0.50	0.50	0.50‡		12	Y.P.
3,00,000	4,45,000	7,56,966	3,49,266	1,75,267	Williamson Magor & Co., Ltd.	554	Soom	31.87	10	4.00	4.00	5.00	3.00	12	Y.
6,25,000	9,54,667	17,84,113	5,20,111	58,721	McLeod & Co., Ltd.	745	Sungma	14.62	10	1.50	0.75	1.50	1.00	12	Y.
3,20,000	7,28,815	14,29,114	3,98,614	—80,294	Davenport & Co., Ltd.	718	Teesta Valley	13.00	10	2.50	1.00	Nil	Nil	12	Y.
9,01,350	2,61,038	16,07,038	3,76,038	—2,94,248	Willamson Magor & Co. Ltd.	1,666	Tukvar	7.50	10	Nil	Nil	Nil		12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
27,00,000	29,62,946	63,67,156	26,80,596	93,115	Andrew Yule & Co., Ltd.	2,540	Banarhat	325.00	100	40.00	20.00	20.00	32.50	12	Y.P.
12,00,000	18,39,305	47,37,495	26,67,822	68,917	Jardine Henderson Ltd.	948	Baradighi	27.12	10	2.00	1.50	1.50	2.50	12	Y.
9,00,000	17,95,074	27,34,742	13,24,580	6,018	McLeod & Co., Ltd.	1,112	Bhatkawa	17.44	10	3.00	1.50	Nil	1.00	12	Y.
9,00,000	17,47,500	28,48,801	9,90,295	40,081	Duncan Bros. & Co., Ltd.	1,348	Birpara	175.00	100	25.00	7.50	12.50	22.50	12	Y.P.
6,00,000	8,36,000	14,66,180	5,09,072	21,500	Duncan Bros. & Co., Ltd.	602	Carron	163.00	100	10.00	5.00	Nil	15.00	12	Y.
9,00,000	13,87,385	25,34,091	10,16,841	98,628	Andrew Yule & Co., Ltd.	903	Choonabhutti	285.00	100	35.00	20.00	22.50	30.00	12	Y.P
3,00,000	4,36,000	9,76,473	4,70,943	22,233	Duncan Bros. & Co., Ltd.	478	Ellenbarrie	155.00	100	5.00	Nil	Nil	5.00	12	Y.
1,20,000	2,04,475	4,90,213	2,85,581	—59,525	Andrew Yule & Co., Ltd.	265	Engo	196.00	100	Nil	Nil	Nil		12	Y.
4,90,000	61,299	10,37,477	3,14,730	—35,008	M.	447	Ethelbarrie	9.87	10	1.00	0.75	Nil	Nil	12	Y.
7,50,000	6,75,164	18,93,292	11,88,007	89,367	Gillanders Arbuthnot & Co., Ltd.	1,129	Gairkhata	155.00	100	10.00	Nil	Nil	12.50	12	Y.
36,00,000	38,35,750	71,46,533	23,70,874	80,081	Duncan Bros. & Co., Ltd.	2,528	Hantapara	153.00	100	7.50	Nil	Nil	12.50	12	Y.P.
32,00,000	60,61,255	1,15,51,655	58,85,226	2,60,071	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	23.75	10	2.25	0.75	0.75	1.25	12	Y.P.
8,25,000	21,63,678	29,07,639	12,14,639	86,987	Davenport & Co., Ltd.	1,452	Huldibari	23.94	10	2.50	1.25	1.50	2.25	12	Y.
7,00,000	5,12,873	11,09,391	5,33,855	16,262	Andrew Yule & Co., Ltd.	607	Jaybirpara (Dooars)	13.50	10	0.60	Nil	Nil	0.50	12	Y.
9,00,000	18,16,000	24,52,378	7,53,905	42,315	Duncan Bros. & Co., Ltd.	937	Killcott	19.62	10	2.00	1.50	0.75	1.75	12	Y.
2,00,000	5,72,564	10,14,554	3,56,190	3,318	M.	578	Manabarrie	59.00N	10	2.00	1.50	0.50	0.50	12	Y.
9,60,000	19,87,000	26,78,567	9,58,041	28,611	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	185.00	100	15.00	7.50	5.00	17.50	12	Y.
14,00,000	20,80,530	34,00,520	12,34,687	52,126	Andrew Yule & Co., Ltd.	1,163	New Dooars	310.00	100	35.00	20.00	25.00	32.05	12	Y.P.
2,50,000	3,80,000	5,69,606	2,08,922	10,819	Duncan Bros. & Co., Ltd.	348	Phaskowa	140.00	100	7.50	Nil	Nil	Nil	12	Y.
6,00,000	9,10,472	16,36,533	7,19,903	—1,96,926	McLeod & Co., Ltd.	764	Rajabhat	14.06	10	1.25	Nil	Nil	Nil	12	Y.
7,65,000	15,51,570	30,13,553	15,15,626	43,739	McLeod & Co., Ltd.	1,035	Ranicherra	20.75	10	2.00	0.50	0.75	1.00	12	Y.
14,92,800	29,39,216	61,42,087	35,18,973	42,452	Jardine Henderson Ltd.	1,763	Rydak	31.25	10	3.00	2.00	2.50	3.00	12	Y.

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
8,00,000	17,95,000	10,31,473	3,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	23.50	10	Nil	Nil	Nil		12	Y.
6,00,000	11,04,551	9,36,429	2,61,464	45,770	Duncan Bros. & Co., Ltd.	610	Dauracherra	17.94	10	1.50	0.75	0.50	1.50	12	Y.
4,00,000	12,06,200	18,63,895	7,18,394	2,77,118	Shaw Wallace & Co., Ltd.	985	New Samanbag	24.00	10	2.00	3.00	Nil	Nil	12	Y.P.
36,00,000	66,24,901	65,50,842	27,50,049	2,25,758	Duncan Bros. & Co., Ltd.	4,151	Patrakola P.	153.00	100	10.00	10.00	20.00	40.00	12	Y.P.
9,00,000	22,94,827	21,07,338	7,06,843	31,974	Duncan Bros. & Co., Ltd.	1,190	Tellapara	104.00	100	15.00	6.00	12.50	17.50	12	Y.

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1956	1957	1958	1959	Accounts Closed	Reference
4,50,000	65,000	4,45,710	3,67,922	8,509	Goenka & Co.	667	Atal	8.31	10	0.50	0.50	0.25		12	Y.P.T.
2,50,000	4,15,000	4,13,655	2,24,210	35,493	National Tea Corporation	522	Belgachi	24.00	10	4.00	2.00	2.50		12	Y.
18,44,000	22,46,000	27,80,130	11,43,606	29,724	Duncan Bros. & Co., Ltd.	1,611	Gungaram	154.00	100	10.00	7.50	Nil	15.00	12	Y.
5,90,000	11,12,294	14,91,443	5,03,408	18,957	Duncan Bros. & Co., Ltd.	530	Hansqua	18.00	10	1.00	1.00	Nil	1.75	12	Y.
3,00,000	8,07,700	10,27,925	4,27,249	62,299	Davenport & Co., Ltd	514	New Chumta	34.00	10	2.50	1.25	1.00	1.50	12	Y.
2,20,000	3,75,250	13,61,474	5,52,735	33,691	McLeod & Co. Ltd.	549	Tirrihannah	60.00	10	2.50	3.00	4.00‡		12	Y.P.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
71,39,880	6,89,303	1,60,52,590	69,38,639	22,879	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.00	B. 10	1.00	0.75	1.00		12	Y.P.
59,90,093	6,05,000	1,74,94,366	13,63,509	4,434	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	10.52	10	Nil	Nil	0.45	0.70	3	Y.T.
43,14,600 4,70,976D.	12,14,532	1,51,44,736	81,04,633	....	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.69 0.69	O. 10 D. 1	Nil Nil	Nil Nil	Nil ..	..	3	Y.T.
20,06,27,783	10,78,46,227	42,05,40,586	16,70,69,557	42,021	Cement Agencies (Private) Ltd.	Associated Cement Companies	156.00	100	9.00	8.50'C'	11.00	12.00	7	Y.T.
84,54,023	66,000	2,26,19,399	31,88,694	1,652	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.00	10	0.60	0.70	0.80		12	Y.
1,66,00,000 5,00,000	57,31,922	2,63,50,468	60,48,714	25,287	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	11.75 2.43	O. 10 D. 1	1.20 0.12	1.00 0.10	1.20 0.12		12	Y.P.T.
2,24,79,135	59,98,450	4,42,25,287	1,03,39,730	79,496	Essen Private Ltd.	India Cements Ltd.	6.23	5	0.41	0.45	0.45	0.55	3	Y.P.
2,00,00,000	49,62,184	7,98,62,040	1,92,20,939	1,44,304	Sahu Jain Ltd.	Jaipur Udyog Ltd.	12.24	10	1.25	1.25	Nil	0.60	3	Y.P.T.
2,25,00,000	63,61,275	5,39,55,507	1,86,50,770	8,77,321	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.16	10	1.50	1.50	1.10		12	Y.P.
1,34,51,675	54,91,876	4,15,40,234	1,68,22,549	48,939	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	167.00	100	9.00	9.00	9.00		12	Y.P.
75,00,000	18,30,000	2,25,10,113	1,58,76,362	62,048	M.	Sone Valley Portland Cement	5.60	5	0.30	0.30	Nil		12	Y.
50,00,000	11,77,360	1,37,88,664	57,99,082	29,086	Essel (Private) Ltd.	Travancore Cements Ltd.	8.80	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.
N.B.—Dividends paid since 31st March, 1959 are shown as taxable. "P"—Patrakola Tea—Dividends for 1958 and 1959 are payable only when funds are available from Pakistan.
B.—Brooke Bond Estates—Dividend for the year ended 30th June 1960 is Rs. 1.50 per share taxable.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
30,00,000	....	37,43,382	16,26,068	32,615	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	11 25	10	*Nil*	*Nil*	*Nil*	0.60i	3	Y.
16,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21 52	10	1.50	3.50	2.00		9	Y.P.
55,23,146	15,49,326	1,57,35,785	51,99,681	14,572	Bharat Ram Bhagat & Co.	Bengal Potteries	8 06	2½	0.25	0.25	0.356		12	Y.
10,00,000	36,69,030	77,31,751	41 17 891	35,599	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	40.00	10	1.75	1.75	1 87	3 00	3	Y.
14,17,800	10,55,247	33,58,584	15 31 858	9,761	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	185 50	100	9 00	10 00	12.86	12.86	9	Y.P.
39,80 700	14,19,759	1,19,21,208	18,96,171	—25,65,524	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	110.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
£1,371,300	£1,705,275	£3,271,480	£1,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	5 40	Sh. 2	0 24	0 24	0 36		12	Y.
O.15,00,000 F.5,00,000	25,89,686	44,79,153	13,16,190	2,61,727	Bird & Co. Private Ltd.	Karanpura Development	20.19	10	*Nil* *Nil*	*Nil* *Nil*	1 50 0 50		12	Y.
50,00,000	....	14,32,400	....	—12,618	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	93 00	50	..	*Nil*	*Nil*		12	Y.P.
30,00,000	33,05,445	1,10,40,017	59,85,195	39,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26 00N	10	1.25	1.25	1.80		12	Y.P.T.
50,00,000	10,01,024	1,16,80,530	59,85,620	—19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd.	0.94	10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
6,00,000	5,26,433	13,40,693	7,63,285	7,276	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	14 62	10	1 00	1 00*	1 00*	1 428	3	Y.
20,00,000	54,00,644	64,43,150	31,99,595	88,340	Bird & Co. Private Ltd.	Orissa Minerals	43 50	10	2 00	2 50	3 60	1.50i	6	Y.
3,50 000	15,45,335	88,24,228	46,03,569	7,911	Ganpule Jasani & Co.	Parshuram Pottery Works Co., Ltd.	67.00	25	3.75	3.75	3.75	5.36	7	Y.P.
10,46,370	65,42,410	1,02,15,679	38,53,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate	101.00	10	8.00*	8.00*	5.00		11	Y.
CHEMICAL														
12,11,000	....	....	....	....	....	Adarsh Chemicals	62 00	50	..	..	..		12	Y.P.
35,00,000	51,37,800	1,87,07,072	65,76,481	9,770	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	255.00	100	12.00	12.00	16 00		12	Y.P.
3,10,00,000	1,57,00,273	6,04,78,062	1,23,50,512	1,33,819	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	37.25	10	0.80	0.80	0 95	1.20	9	Y.P.
80,00,000	30,78,579	86,90,417	21,21,588	35,088	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	385 00	100	*Nil*	*Nil*	12 00		12	Y.P.
29,89,400	24,94,426	1,18,63,272	49,89,005	47,108	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	675 00	100	20.00*	20 00*	28 00*		12	Y.P.
2,00,00,000	39,08,362	3,56,03,722	1,05,40,064	72,946	Lalbhai Sons & Co.	Atul Products Ltd.	511 50	100	8 00	10 00	12 00		12	Y.
50,92,900	52,95,445	1,47,57,610	71,89,268	13,89,611	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	109 00	100	6.00	6 00	7 00	7.00	3	Y.P.T.
1,00,00,000	6,00 000	1,07 91,843	4,82,147	—42,985	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	355 00	100	..	*Nil*	*Nil*	*Nil*	3	Y.
22,73,150	26 99,000	77,57,031	36,10,218	44,349	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	243 75	50	5 00	6.00	10 00		12	Y.
64,49,032	56,78,075	1,69,27,890	67,30,529	—1,11,025	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	130 00	100	7.50	6 00	4 00(c)		3	Y.P.
3,46,06,075	14,62,000	5,13,68,593	2,80,28,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	10 78	10	*Nil*	0 40	0 60		12	Y.
1,50,00,000	23,35 000	51,41,000	15,22,000	10,072	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	472 50	100	*Nil*	*Nil*	*Nil*	6.00	3	Y.P.
12,00,000	6,37,883	27,43,796	14,20,459	47,412	Jal H. Mehta	Kemp & Co.	820 00	200	15 00	15 00	20 00	25 00	3	Y.
60,00,000	22,36,430	1,43,65,801	73,81,045	12,716	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13 25cd	10	0.75	0 87½	0 88	1 25'C'	3	Y.P.T.
24,81,220	10,04,155	55,64,434	40,80,625	11,452	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	11 22	10	0.50	0 50	0 50	1 00	3	Y.
8,00 000	4,52,189	11,19,269	5,96,880	85,186	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	25 37	10	2.00	2 00	2.00	2.00'C'	3	Y.P.
40 00 000	20,96 379	58,16,750	11,97,185	27,844	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	237 50	50	..	*Nil*	3.00	5 50	3	Y.P.
12,50,000	9,22,174	32,78,588	20,63,157	2,05,216	Bangur Brothers Ltd.	Phosphate Co., Ltd.	330.00	100	15.00	25.00		35.00	6	Y.
15,00,000	14,69,737	24,40,260	15,05,655	98,591	C. A. Buxton	Smith Stanistreet & Co.	12 75	5	1.00	0.80'C'	1.25	1.25	6	Y.P.
3,37,50,000	....	....	....	....	Tulsidas Kilachand, Esq., (Chairman)	Synthetics & Chemicals Ltd.	155 00	75	..	..	..	..		Y.
1,39,95,990 1,11,91,270	42,17,119	5,89,52,538	2,06,73,886	14,509	Tata Industries Private Ltd.	Tata Chemicals	18 80 16 80	10Old 10New	0.80 ..	0 75 0.03	0 525 0 618	0 60 0.60	6	Y.P.T.
13,00,000	1,07,599	18,05,082	6,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director).	Travancore Chemical Mfg. Co., Ltd.	15.00cdcR	10	0.60	0.70	1.00	1.50	3	Y.P.
ELECTRIC (Bombay State)														
8 74,78,370	1,17,08,657	15,23,94,046	4,04,47,092	638	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	86 00	100	3.25	6 50	6.75	7.00	3	Y.T.
81,28,750	21,63,386	2,36,72,375	59,65 971	15,69,279	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.08	10	0.42'	0.85	0 90	1.00*	3	Y.P.
3,02,76,250	96,81,201	9,66,03,356	2,69,10,919	22,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	992.50	1,000	56 00	80.00*	80 00*	85 00*	3	Y.P.T.
1,75,00,000	78 52,280	4,06,37,564	98.09,329	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply	87.00	100	7.00	7.00	7 50	8 00	3	Y.
7,07,020	1,03,967	16,97,265	8,70,266	1,536	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6 00	10	*Nil*	0.50	0.60	0 66	3	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	108 50	100	2.50	7 50	8 00	9.50	3	Y.P.T.
60,62,500	23,52,407	1,43,50,560	46,79,945	5,210	Killick Industries Ltd.	Surat Electricity	86.50	100	8.75	7.00	7.00		3	Y.P.
2,39,99,575	1,01,57,424	7,01,96,885	1,89,09,886	25,281	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	101 25	100	5.52	8.00*	8.00*	8.50*	3	Y.P.
5,15,35,750	2,60,85,771	17,16,28,967	3,93,66,464	33,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,022.50	1,000	56.25	80.00*	80.00*	85.00*	3	Y.P.
West Bengal and Other Centres														
19,99,600	51,38,028	18,39,99,790	39,25,042	47,389	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	114.50	100	10.00	10.00	10.00	11 00	3	Y.T.
3,00,000	15,23,375	63,42,780	22,28,800	23,612	Martin Burn Ltd.	Bareilly Electric Supply	11 94	10	1 25	1.00	1.00	1 10	3	Y.T.
17 00,000	47,66,354	1,71,05,214	47 49,307	45,563	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12 62	10	1.25	1.00	1.00	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	7 12	8	0.62	0.40	0.40	0.64	3	Y.
£4,262,646	£10,126,973	£33,604,377	£13,302,118	£108,138	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	15.00	£1	8½%	7%	7%	7½%	3	Y.P.T.
6,60,090	6,73,784	31,45 751	10,61,553	76,838	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	7 62	10	1.00Z	0.65	0.65	0.75	3	Y.
43,20,000	24,38,968	1,02,37,174	38,05,104	4,38,960	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	93 00	100	6.50	7.00	7.50	10 00	3	Y.P.
5,34,640	1 24,635	34,43,088	14,37,084	2,947	Moonna Lall & Sons	Jhansi Electric Supply	6.50N	10	0.86Z	0.62½	0 62	0.70	3	Y.T.
22,49,550	27,02,877	1,07 31,716	40,42,273	80,296	Martin Burn Ltd.	Jubbulpore Electric Supply	11.56	10	0 92	0.92	0 98	1.00	3	Y.
5,82,390	4,52,535	87,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	9 60	10	1.25Z	1.00	1.00	1.25	3	Y.
35,07 880	40,44,800	1 41,84 880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.12	10	1 25Z	0 75	0.75		3	Y.T.
9,10,000	2,37,616	12,60,524	5,84,092	5,200	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6 25	10	*Nil*	0.50	0.50	0.625	3	Y.
16,80,000	13 87 254	78,27,858	44,06,906	2,037	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9 50	10	0.94	0.68	0 75	1.00	3	Y.T.
68,99,680	13,06,142	2,06,37,818	67,68,084	3,028	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10 05	10	1.28	0.87	0.90	0 90 C'	3	Y.P.T.
5,00,000	11,62,458	52,32,335	12,25,684	86,698	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	16 25	10	1 25	1.25	1.25	1 35	3	Y.
56,01,185	78,57,136	4,08,85,812	1,45,66,727	85,399	Martin Burn Ltd.	U. P. Electric Supply Co.	114 00	100	10.00	10.00	10.00	11 00	3	Y.T.
4,00,000	9,34,990	40,87,637	11,42,884	2,58,269	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.10	10	1.00	1.00	1.00	1.50	3	Y.P.
ENGINEERING (Bombay)														
33,42,200	49,44,187	75,65,494	60,70,287	28,009	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	202.00	100	12.50	12.50	17.00		12	Y.
19,96,360	2,81,926	20,32,188	7,13,262	2,319	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	70 00	80	3.00	3.00	4.00		12	Y.
45,19,800	25,03,443	93,35,767	46,96,997	75,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	108 50	100	7.00	10.00*	13 00*	13.00*'C'	6	Y.
40,00,000	26,000	1,05,86,590	9,91,658	—3,47,543	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.48	10	*Nil*	*Nil*	*Nil*		9	Y.
40,00 000	4,14,207	62,24,434	21,98,624	57,385	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	99.00	100	6 00	7 00	10 00		4	Y.P.
59,99,900	84,82,780	2,25,73 362	1,37 51,802	70,946	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	183 00	100	9.00	9.00	13 00	13.00'C'	6	Y.P.T.
6,00,000	4,15,000	1,58,191	1,20,312	3,288	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	80 00	50	5.00	5 00	5 00	4.00	3	Y.
44,96,250	4,05,653	62,45,798	27,13,547	2,467	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	20.00	10	*Nil*	0.50	0 775		9	Y.P.
42 96 023	78,89,668	1,21,65,928	66,66,471	11,866	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	62.00	25	0.20	0.25	0.30	0 25	7	Y.
25,00,000 12 50,000	15,59,000	1,02,91,000	29,35,000	....	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	19.76 —	10 (10 New)	0.90 ..	1.00 ..	1.00 ..	1.43 1.43	3	Y.
10,53,725	2,17,037	22,14,424	2,62,435	2,50,491	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	154 50	100	..	..	..	*Nil*	3	Y.P.
80,00,000	27,05,928	78,01,690	28,52,816	56,253	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	44 00	10	1.00	1.25	1.25	1.80'C'	3	Y.P.
1,32,00,000	42,63,182	1,34,87,855	31,17,630	1,18,237	M.	Mahindra & Mahindra Ltd.	22.24	10	1.75	2.20	1 25		10	Y.P.
11,00,000	3,45,914	40,22,575	24,15,196	1,016	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	130 00	100	*Nil*	*Nil*	*Nil*		7	Y.P.
60,15,060	45,30,000	1,21,27,185	40,92,378	3,253	Jeewan Private Ltd.	Mukand Iron & Steel	26.85	10	1.00	1.20	1.00*	1.20	3	Y.P.
25,00,000 14,99,250	40,76,797	1,06,26,418	51,58,671	6,625	Kirloskar Associates	Mysore Kirloskar Ltd.	100.00 —	100 100 New	6.00 ..	7.50 ..	12 00 6.00	12 00 12 00	6	Y.
22,27,700 22,72,000	5,36,616	47,79,336	14,99,037	92,426	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	108 00 189 00	100 (75 New)	.. ..	.. ..	9.00 ..	12.00 0.50	3	Y.P.
22,50,000	1,34,42,446	8,81,298	1,40,789	1,36,108	Walchand & Co. Private Ltd.	Premier Construction	211 00xR	30	10.00	12.00	18 00		12	Y.P.
29,95,100	41,01,156	1,02,33,025	42,88,746	12,134	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	220 00xd	100	18.00	18.00	17 00	12.00	6	Y.P.
37,53,21,325	27,01,22,014	1,67,40,64,801	54,97,16,236	3,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	153 50	75 Old	9.50	8.25	6 80	9 72'C'	3	Y.P.
7,99,99,200	1,71,91,786	21,41,33,116	9,39,94,684	2,24,171	Tata Industries Private Ltd.	Tata Locomotive	835.50	100	8.00	9.00	9.00	12.50	3	Y.P.T.
10,00,000	3,35,000	23,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg., Co.	800.00	100	5.00	10.00	14.00	18.50	5	Y.
2,55,00,000	71,75,426	1,07,45,948	24,35,557	4,24,809	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	287.50	100	9.00	9.00	13.00	13.00	3	Y.
17,50,000	....	....	....	....	M.	Zenith Steel Pipes Ltd.	2.52	2.50	..	..	..	..	6	Y.
West Bengal and Other Centres														
6,00,000	34,571	20,51,215	15,01,865	—4,45,520	North Bihar Trading Co. Ltd.	Arthur Butler & Co.	10.50	10	*Nil*				10	Y.P.T.
50,00,000	29,49,221	1,55,21,495	39,56,973	3,60,479	M.	Bhartia Electric Steel	11.94	10	1.25	1.28	1.50		12	Y.
56,59,790	70,94,966	77,33,705	12,79,388	2,27,080	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	81 75	10	3.00	1.25	2.25		12	Y.
12,00,000	32,12,634	79,76,063	44,83,942	1,72,548	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	55 00N	10	2.00	2.00'B'	3.00		12	Y.P.
19,38,670	7,04,341	39,97,530	14,03 635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	5.12	10	0.50	0.50	0.60		3	Y.P.
40,00,000	41,48,365	98,27,511	48,02,704	1,82,481	McLeod & Co., Ltd.	Britannia Engineering	14.75	10	0.60	0.60	1.00		12	Y.
5,00,000	7,72,971	24,63,921	14,48,244	74,493	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	22.62	10	2.00	2.00	2.50		12	Y.P.T.
34,00,000	2,33,60,602	4,96,65,264	3,04,73,871	1,24,616	Martin Burn Ltd.	Burn & Co.	508 00	100	20.00	20.00	28.50	28 50	4	Y.T.
50,00,000		35,75,759	95,632	1,03,035	M.	Calcutta Steel Co., Ltd.	18 12	10	..	..	..	0 50	3	Y.
1,00,00,000	12,33,028	1,89,66,744	10,15,000	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10 00N	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
1,60,00,000	2,54,07,647	6,74,59,338	2,15,47,390	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	44.75	10	2 00	2.00	2.40		12	Y.T.
12,50,000	23,60,000	60,91,575	40,46,109	7,047	Martin Burn Ltd.	Hooghly Docking	107.00	50	5.00	5.00	6 00		12	Y.
[illegible],44,08,990	21,14,27,025	71,57,58,772	14,60,01,060	11,49,767	Martin Burn Ltd.	Indian Iron and Steel	26.50	10	1.00	1.00'C'	1 00	1.50	3	Y.
38,98,500	61,33,742	1,23,74,955	72,85,332	48,708	Martin Burn Ltd.	Indian Standard Wagon	100.00	25	7.50*	5.00	5 00	7.125	3	Y.
96,53,160 26,580	2,52,04,628	2,22,05,589	1,52,64,925	10,91,465	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	43.00 17 12	0.10 0 1	4.00 0 40	4.00 0 40	1 62½ 0 16¼	2.30 0 23	3	Y.
23,78,580	2,50,222	32,73,943	15,88,341	2,977	C. R. Srinivasan, Esq. (Chairman)	Indian Steel Rolling Mills Ltd.	10.00	10	1.00	0.70	0.70	0.501	12	Y.P.
31,12,500	75 99 306	3,71,15 564	1,40,36,750	6,322	Madan Mohanlall Shriram & Co. Pvt Ltd.	Jay Engineering Works, Ltd.	31.00	10	1.50	1.20	1.20	1.715	3	Y.P.T.
20,00,000	23,32,313	76,16,494	17,47,993	75,109	J. K. Industries Private Ltd.	J. K. Steel Ltd.	23.81	10	1.25	1.25	1.25		6	Y.P.
1,01,99,000	1,02,40,815	2,77,47,845	84,30,378	63,747	B. P. Singh Roy, Esq. (Chairman)	Jessop & Co.	22 62	10	*Nil*	0.60	0.858		10	Y.P.
27,64,800	43,74,683	90,13,956	33,28,450	31,233	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	6 97	3	0 45	0 30	0.30'C		11	Y.P.T.
10,50,000	1,90,990	18,32,345	14,72,111	8,513	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	5 12	2	0.40	0.40	0 20		6	Y.
49,96,000	13,28,439	1,37,17 076	81 10,264	—1,08,083	M.	National Iron and Steel Co., Ltd.	7.25	10	0 62	0 62	0 75	*Nil*	3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,10,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.44N	10	*Nil*	*Nil*	*Nil*		3	Y.P.
6,00,000	11,05,251	31,29,091	21,37 426	17,915	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	6 94	4	0.40	0.40	0.25	0.25	6	Y.
1,50,00,000	55,23,079	4,19,73,529	1,96,95,885	37,204	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	24.20	10	1.50	1 50	2.00		12	Y.P.T.
39,84,400	14,67,750	69,49,005	26,20,291	4,566	Balasundaram & Co.	Textool Co., Ltd.	175.00	100	20.00	12.00	15.00	15.00	4	Y.
INSURANCE (x)														
13,50,000	46,52,425	1,45,73,387	....	23,040	N. M. Cole, Esq. (Mg. Director)	Concord of India	10 37	5	1.00	1.00	1.00		12	Y.
10,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	81 00	50	3.00	3.00	2.00		12	Y.
24,00,000	71,01,264	1,40,68,520	....	3,62,182	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	23 00	10	2.00	2.00	2 00		12	Y.
15,92,240	37,17,768	88,96,037	....	4,17,528†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	48.25	40	3 50	3 75	5.85		12	Y.
20,00,000	63,51,546	1,74,97,768	....	45,112	M. G. Mody, Esq. (General Manager)	New Great Insurance	19 76	20	2.00	2.00	2 50		12	Y.
1,56,91,590 36,61,000	8,27,40,502	14,89,78,776	....	44,28,397	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	56 00 56 00	15 15New	3.00 ..	4 00 4.00	5 70* 5.70*		12	Y.
32,00,000	92,52,493	1,29,48,849	....	8,214	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	8.37	8	0.62	0 62	0.80		12	Y.
5,75,000	67,12,673	1,13 08,489	....	1,88,129	Sir John Brown (Mg. Director)	Triton Insurance	143 00	25	11.25	11.25	11.25		12	Y.
15,99,270	39,15,382	1,02,06,244	....	10,014	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	16.48	10	1.50	1 50	2 00		12	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Rights.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors. Z.—Dividend is for fifteen months ended 31st March 1960.

x—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
OIL														
£562,500	£212,932	£745,697 §§	....	£1,003	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	2.24	Sh. 3	*Nil*	2%	*Nil*	8%	3	Y.
35 00,000	86,35,342	89,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7 00N	7	0.60	*Nil*	0.60		12	Y.P.
1,00,00,000	1,59,93,684	1,00,77,425	52,21,479	4,47,887	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	25.00	10	2.00	2.00	2.50	1.00i	12	Y.P.
70,07,475	49,40,586	2,47,94,315	1,56,70,926	46,303	Tata Industries Private Ltd.	Tata Oil Mills	83.50	25	2.50	2.50	3.25	5.75	3	Y.P.T.
6,00,000	9,39,137	2,55,770	1,73,025	82,687	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	17.50	10	1.25	1.50	2.20	0.70i	10	Y.
PAPER														
57,43,031	37,55,249	2,76,44,249	2,15,86,003	3,30,769	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	42.25	25	*Nil*	*Nil*	2.50	3.575	6	Y.P.
40,00,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	93.00	25	3.12	5.50	8.00		12	Y.P.T.
38,20,000	80,25,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	20.31	10	1.40	1.00	1.00	1.50'C'	3	Y.
12,50,000	....	....	....	....	M.	Jayant Paper Mills Ltd.	70.00	75	....	....	....	....	3	Y.
1,40,00 000	....	1,04,58,852	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	10.12	10	....	....	....	....	6	Y.P.
25,00,000	37,42,800	1,54,04,003	1,03,95,960	51,968	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	23.75	10	1.00*	1.00	1.25*	1.50	3	Y.
1,46,82,500	3,21,50,238	10,01,40,260	3,07,78,182	4,22,620	Birla Brothers Private Ltd.	Orient Paper	42.60	10	1.50	1.50	1.50	2.25	3	Y.P.T.
1,75,00,000	....	....	....	....	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	4.60	5	....	....	....	....	3	Y.
1,35,51,420	1,09,54,433	3,40,18,914	1,26,74,532	1,36,712	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	28.87	10	1.25	1.25	1.78		12	Y.P.T.
50,00,000 A.10,00,000	8,39,123	77,35,854	43,04,384	6 122	Bajoria & Co.	Star Paper Mills	13 00 13.00	O. 10 A. 10	0.60 0.60	0.60 0.60	0.30 0.30		9	Y.P.
2,18,55,210	56,23,786	5,27,98,634	1,40,50,912	72,313	Birla Brothers Private Ltd.	Sirpur Paper Mills	17.72	10	0.50	0.65	0.65		6	Y.P.
A.56,00,000 B.86,04,800 P.O.4,37,500	3,51,39,745	8,81 10,708	4,28,97,712	2,48,642	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	36.25 36.25 3.75	A. 10 B. 10 P.O. 2½	2.38* 2.38* 0.24	2.38* 2.38* 0.24	2.50* 2.50* 0.25*	2.50 2.50 0.295	3	Y.P.T.
1,49,55,400	45,00,000	5,41,73,787	35,40,616	53,348	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	225.00	100	*Nil*	*Nil*	*Nil*	6.00	6	Y.P.
SAW MILLS AND TIMBER														
13,99,998	19,59,360	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.50	3	†*Nil*	*Nil*	....	....	9	Y.
89,25,080 42,00,000	3,46,95,997	5,74,47,341	2,67,52,541	1,47,502	Wallace & Co.	Bombay-Burmah Trading Corpn.	635.50 226.25	Old125 New50	47.50K 19.00K	22.50 9.00	23.75 9.50	37.50 15.00	5	Y.
20,00,000	20,50,362	21,44,636	16,69,639	1,05,936	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	26.81	10	2.75	2.50	2.50	1.00i	9	Y.
SUGAR (U.P. and Bihar)														
13,00,905	9,93,823	£31,10,427	19,27,489	48,466	M.	Balrampur Sugar	2.94	2.50	0.25	0.25	0.40‡	0.20	6	Y.
12,00,000A. 3,00,000B.	36,05,704	66,14,329	42,19,339	10,00,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	125.00N 11 60N	A.100 B. 10	10.00 1.00	10.00 1.00	10.00 1.00		4	Y.T.
10,49,050	10,53,726	43,95,189	27,45,553	41,303	Bangur Bros., Ltd.	Belsund Sugar	11.11	7½	1.00	1.00	1.40		9	Y.
35,00,000	14,08,556	23,95,027	15,95,390	4,173	Cotton Agents Private Ltd.	Bharat Sugar	16 25	10	1.50	1.00	1.50	1.50	6	Y.P.
32,00,000	30,06,740	1,52,64,278	1,05,44,575	14,180	Gladstone Lyall & Co., Ltd.	Carew & Co.	9.50	10	*Nil*	0.25	*Nil*		6	Y.P.T.
90,00,000	35,53,414	1,66,89,434	1,04,13,264	—16,86,179	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	13.19	10	*Nil*	*Nil*	*Nil*		10	Y.P.
18,00,000	45,46,234	84,73,277	64,52,904	27,068	British India Corporation, Ltd.	Champarun Sugar	19 44	10	*Nil*	1.00	1.50	1.50	6	Y.
6,56,252	6,10,632	32,39,842	20,22,495	6,101	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9 00	10	0.50	0.50	1.25		8	Y.T.
30,00,000	32,58,160	71,38,945	44,96,828	3,29,729	M.	Durbhanga Sugar Co., Ltd.	17.25	10	2.00	1.50	2.00		3	Y.
60,00,000	78,32,600	2,29,19,973	1,18,95,836	52,021	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	341 25	100	15.00	15.00	15.00	29.00*	6	Y.P.
22,50,000	14,41,216	88,56,210	54,42,213	9,576	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	223.75	40	7.00	4.00	4.20		7	Y.P.
7,80,100	30,31,969	57,67,807	33,25,497	34,691	Cotton Agents Private Ltd.	New India Sugar Mills	32 00	10	2.50	2.50	3.65	3.65	6	Y.P.
11,00,000	4,58,234	49,29,289	29,86,570	10,502	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.25	0.37		5	Y.
13,59,375	63,73,211	83,62,456	32,23,024	20,512	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	360.00	100	20.00	20.00	29.00	29.00	6	Y.
77,52,210	89,76,949	2,77,58,474	1,49,52,234	24,386	Cotton Agents Private Ltd.	Oudh Sugar	197.00	100	12.50	12.50	18.25	20.00	7	Y.P.
12,00,000	13,65,315	37,56,130	22,83,412	1,62,250	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00N	100	*Nil*	6.00	15.00		10	Y.
9,00,000	23,02,670	51,19,941	35,72,535	4,006	M.	Purtabpore Co.	12 50	10	*Nil*	*Nil*	*Nil*		10	Y.P.
20,00,000	2,92,000	25,30,109	14,67,024	2,192	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.37	10	0.30	0.30	0.30	0.40	3	Y.
65,00,000	27,38,845	85,30,103	39,46,664	65,217	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	14.00	10	1.50	1.25	1.20	1.25	10	Y.
8,00,000	6,30,752	29,27,567	23,93,295	4,779	M.	Ryam Sugar	13.75	10	1.50	1.50	0.50		6	Y.P.
11,99,000	16,90,877	48,13,634	26,03,230	20,614	M.	Samastipur Central Sugar	13.37	10	*Nil*	0.25			6	Y.
39,99,000	29,62,184	1,30,01,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	14.62	10	1.00	1.00	1.50	1.50	7	Y.P.T.
10,02,115	24,460	34,19,315	15,98,051	1,196	H. K. Ghosh, Esq. and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	5.94	10	*Nil*	*Nil*	*Nil*		6	Y.
15,89,962	16,10,752	39,27,180	22,85,030	21,350	M.	Shri Sitaram Sugar	12 00	10	0.50	0.50	0.90		8	Y.
7,00,035	10,42,692	28,89,883	15,99,355	19,286	M.	Tulsipur Sugar	5.62	5	....	....	....	0.62	6	Y.
8,00,000	43,66,902	1,83,27,976	97,43,200	44,480	Cotton Agents Private Ltd.	Upper Ganges Sugar	68.00N	10	5.00	5.00	7.25		6	Y.P.
10,00,000	14,52,294	36,53,170	26,80,100	1,06,870	M.	United Provinces Sugar	17.00	10	0.75	1.00	1.50		9	Y.
Other Centres														
30,00,000	46,85,000	91,38,886	36,74,622	22,95[illegible]	Rangarao & Co.	Andhra Sugars Ltd.	28.00cd	10	1.25	1.50	2.00		9	Y.
40,00,000	14,50,088	95,55,530	9,60,276	73,721	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	135.50	100	100	*Nil*	*Nil*	6.00	6	Y.P.
70,44,650	1,52,02,875	1,63,95,390	1,10,08,264	82,986	W. H. Brady & Co., Ltd.	Belapur Company	292.00	50	18.00	20.00*	21.00	29.00	9	Y.
17,50,000	16,67,724	47,71,723	29,36,405	93,383	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	29 00	10	2.00	2.00	2.50	2.25	9	Y.P.
37,50,000	19,13,467	88,31,932	61,54,483	61,719		Shree Changdeo Sugar	26.00	12.50	2.25	2.25	2.90	2.50	9	Y.
39,84,000	58,53,634	1,45,32,270	78,22,738	1,29,253	Parry & Co., Ltd.	Deccan Sugar & Abkhari	14.10	5	0.72½'C'	0.90	0.90	1.28	5	Y.P.
£800,000	£1,575,453	£1,950,379	£1,101,544	£82,296	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	41.00	£1	Sh. 3	Sh. 4	Sh. 4		6	Y.P.T.
15,93,900	25,45,860	48,87,880	29,79,997	30,235	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	10.00	10.00	10.00		6	Y.P.
63,97,650	9,79,348	81,86,670	27,89,256	5,62,866	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12 75	10	1.00	1.00	1.25		9	Y.P.
32,45,572	18,99,861	1,46,85,331	24,18,708	2,090	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.60cd	10	0.60	0.60	1.00		6	Y.P.
58,57,410	96,15 290	4,17,50,138	73,54,583	23,450	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	24.53cd	10	0.75	0.75	1.50	1.50	6	Y.P.
17,00,000	10,65,215	74,23,052	30,91,993	—10,90,954	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	76 50	100	*Nil*	*Nil*	*Nil*		6	Y.P.T.
67,50,000	49,93,558	1,46,05,021	66,20,929	1,61,904	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	199.00	50	20.00	17.00	21.00		9	Y.P.
21,79,280	99,00,189	1,62,19,219	1,01,73,932	45,172	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	58.25cd	10	2.00	3.00*	3.00		6	Y.
1,10,02,130	89 38,252	3,02,63,580	1,85,42,024	2,521	Industries (I.F.) Dept., Govt. of Andhra Pradesh	Nizam Sugar Factory Ltd.	66 00	25	4.50	4.50	5.40		6	Y.P.
50,00,000	54,16,691	1,38,37,313	77,64,979	21,809	Mafatlal Apte and Kantilal Pvt. Ltd	Phaltan Sugar	148.50	50	12.00*	10.00	13.50	12.00	9	Y.
16,59,820	41,08,386	78,05,159	39,38,780	59,442	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	26.12	10	1.50	1.50	2.14		8	Y.P.T.
20,95,750 D-4,00,000	44,47,953	1,58,38,095	66,84,343	12,211	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	80 00 30 00	O. 50 D. 50	12.00 3.50	12.00 3.50	8.50 3.50	5.00 3.50	9	Y.P.T.
30,00,000	21,96,500	69,10,952	33,56,496	1,46,735	Parry & Co. Ltd.	Travancore Sugars	10.62	10	1.00	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,94,16,022	3,47,34,595	1,29,06,496	1,77,732	Walchand & Co. Private Ltd.	Walchandnagar Industries	225.50	100	21.00	21.00	20.00		9	Y.P.T.
UNCLASSIFIED (Bombay)														
30,00,000	16 33,754	£80,65,990	12,43,589	966	Jolly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	299.50	100	..	*Nil*	*Nil*	6.00§	3	Y.P.
49,04,125	....	1,87,535	....	11,765	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	120.00	100	..	..	*Nil*	..	12	Y.
39,50,000	....	1,10,78,000	19,68,000	....	..	Automobile Products	13 00	10	..	..	..	..	7	Y.
7,50,000	2,00,060	22,10,441	9,?1,437	3,466	The Associated Agencies (Pvt.) Ltd.	Associated Rubber Industries Ltd.	105 00	100	7.00	7.00	10.00		11	Y.P.T.
25,00,000 6,25,000	1,50,000	17,32,985	5,64,037	6,664	Jamnalal Sons Private Ltd.	Bajaj Electricals	109.50 53.00	100 50 New	7.50 ..	9.00 ..	5.00 ..	8.10 2.70	3	Y.P.
14,96,840	3,27,709	37,56,956	23,15,699	17,694	Cheonilal Manilal Private Ltd.	Estrela Batteries	61 00	50	3.50*	3.00	3.50*	4.50	3	Y.P.
16,00,000	9,40,683	10,20,495	4,90,761	31,694	Aero-Auto Private Ltd.	Bombay Cycle & Motor	23.52	20	1.75	1.00	2.00	2.50	3	Y
1,14,90,000	13.000	1,08,24,000	15,000	27,205	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	261.25	100	..	..	*Nil*	..	12	Y.
1,35,00,000	50,12,115	21,25,643	7,05,848	44,119	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	170.00	100	7.50	10.00	7.50	11.00	3	Y.P.
4,00,000 51,66,500	....	9,14,417	11,195	39,813	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N 50 00N	100 50	.. ..	..	..	..	10	Y.
31,07,000	3,75,592	1,23,44,460	76,81,774	—9,49,324	Birla Brothers Private Ltd.	Hind Cycles	106.00	100	12.50F	7.00	*Nil*	*Nil*	3	Y.P.
15,00,000		3,17,049	....	....	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	8.52	7.50	..	..	..		12	Y.
3,57,00,000	1,46,48,754	5,77,10,152	40,19,200	2,09,69,272	S. H. Turner, Esq. (Chairman)	Hindustan Lever	52.00	10	1.40	1.50	2.40		12	Y.
21,17,500	7,73,396	27,73,828	21,27,149	4,342	Forbes Forbes Campbell & Co., Pvt. Ltd.	Indian Vegetable Products Ltd.	135 00	100	10.00	10.00	15.00	17.00	9	Y.
5,00,00,000	38,93,823	5,94,58,227§§	....	99,763	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	71.00	100	4.00	4.00	5.00		12	Y.
99,99,250	20,22,470	1,31,66,987	....	58,613	Premchand Roychand & Sons	Industrial Investment Trust	80.00	100	5.50	6.00	6.00		12	Y.
1,70,22,100	1,04,80,782	4,62,31,978§§	....	16,810	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	117.00	100	9.25	6.50	9.25	8.50	6	Y.P.
19,55,900	8,40,945	48,67,187	19,20,438	7,498	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	134.50	100	5.00	6.00	8.50		12	Y.P.T.
20,00,000	1,30,912	83,42,718	49,35,398	5,912	Kamani Brothers Private Ltd.	Kamani Metals & Alloys Ltd.	10.00N	10	..	0.50	0.75		6	Y.P.T.
1,00,00,000 24,82,500	33,17,365	48,22,945	16,84,812	6,237	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	99.00	100	11.00	13.00	9.00		11	Y.
12,50,300	2,13,870	19,92,555	15,00,469	85,265	Bhogilal H. P. Patel, Esq.	Laxmi Starch Factory Ltd.	200.50	100	5.00	6.00	9.00	13.00	3	Y.
11,25,100	30,000	13,42,154	4,06,142	2,85,198	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	89.50	100	3.00	7.00	6.00	10.00	3	Y.P.
27,60,000	40,51,233	82,24,133	43,83,594	1,37,051	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	410 00	100	15.00	18.00	25.00		12	Y.
26,99,200	24,59,766	65,97,395	18,34,590	30,136	Polson Agencies Private Ltd.	Polson Ltd.	170.00	10	10.00	10.00	15.00		12	Y.P.
4,73,28,625	1,17,81,972	5,94,80,033	2,64,36,782	3,23,922	Aero-Auto Private Ltd.	Premier Automobiles	180 50	100	6.00	4.00	9.00	9.00	6	Y.T.
4,73,200 5,13,400	1,71,915	30,66,967	9,69,029	29,056	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50 00N	100 50	6.00 3.00	6.00 3.00	6.00 3.00	9.00 4.50	3	Y.P.
70,00,000	....	....	....	....	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	110.00	50	..	..	..		12	Y.
37,50,000	18,80,743	67,28,501	34,94,295	15,405	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	210 00	100	8.00	8.00	14.00'C'	15.00	6	Y.
13,57,000	1,97,040	24,69,860	3,09,912	1,939	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	52.50	50	..	..	*Nil*		3	Y.P.
6,22,100	2,73,159	8,45,582	2,39,183	2,859	Modi & Co.	Supreme Industries Ltd.	157 50	100	6.00	7.50	9.00	13.00	3	Y.P.
3,75,00,000	1,77,50,354	4,62,08,135	1,92,16,142	4,20,613	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co. Ltd.	303.00	100	11.00*	11.00*	16.00*		12	Y.
17,00,000	2,86,719	29,42,802	15,42,187	20,699	Hasham Premji	Western India Vegetable Products Ltd.	122 50	100	7.00	8.00	8.00		3	Y.
66,00,000	66,42,390	11,56,665	5,47,970	1,56,267	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	400.00	150	25.00	25.00	35.00		12	Y.

M.—Managed by Board of Directors. ‡ On old capital. * Includes bonus. § Exempt from tax. † Subject to taxation. K.—Includes an additional dividend of Rs. 7.00 per old share and Rs. 3.00 per new share. §§ Investments at cost.

MISCELLANEOUS COMPANIES—*Continued.*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
62,50,000	2,03,52,495	3,95,14,452	1,19,43,880	1,13,745	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	18.44	O. 10	0.90	0.90	1.00	1.20	3	Y.P.S.
80,00,000	39,83,750	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	24.50cd	10	1.25	1.25	1.25	1.80	3	Y.
30,00,000	37,04,326	37,09,127	26,34,530	2,22,752	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	22.44	10	1.80*	1.50	2.00	2.50*	8	Y.
3,02,87,658	26,63,610	2,20,70,296	60,76,913	20,076	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	9.37	5	0.30	0.30	0.40		12	Y.
20,00,000	20,24,770	40,25,468	21,84,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	20.00	10	1.25*	1.25*	1.80		12	Y.
1,18,00,000	..	..	..	..	H. M Cox..	Associated Battery	37.50	10	1.50	2.40	4.00	1.501	3	Y.
20,00,000	39,46,521	1,09,70,996	44,86,334	1,55,433	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	6.25	10	0.60	0.60	*Nil*	*Nil*	3	Y.P.T.
80,01,400	83,06,880	77,88,003	41,34,215	5,14,649	A. T. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	226.00	100	12.50	20.00	25.00	7.001	12	Y.
18,00,000	22,70,218	85,44,873	30,14,273	2,19,995	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	42.37	10	2.50	2.50	4.50	1.501	12	Y.
50,00,000	1,77,308	59,03,167	96,073	—4,55,649	H. R. Sugla, Esq. (Mg. Director)	Bharat Commerce & Industries Ltd.	22.25	10	*Nil*	*Nil*	*Nil*		12	Y.P.
20,00,000	7,79,721	64,19,086§§	....	55,032	Lovelock & Lewis	Birds Investment Ltd.	13.37	10	0.50	0.70	1.10		9	Y.P.
48,97,020	55,50,348	1,22,49,277	53,59,788	2,13,638	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	38.25	10	1.00	1.20	1.40	2.50	3	Y.P.S.
3,25,00,000	1,58,58,664	1,08,09,000	2,65,54,909	74,442	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	7.72	5	*Nil*	*Nil*	*Nil*		12	Y.P.
1,58,80,000	14,44,228	1,90,82,924§§	....	2,16,378	Andrew Yule & Co., Ltd.	Clive Row Investment	8.87	10	0.75	0.75	0.83H		12	Y.
5,60,000	16,00,000	39,64,879	26,56,156	3,266	M.	Delhi Flour Mills, Co., Ltd.	15.00N	10	1.00	1.00	..		10	Y.P.T.
3,60,00,000	5 11,37,509	9,62,38,758	3,45,33,270	24,03,447	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	46.87	10	1.62	1.62	2.15		12	Y.P.S.
27,27,165	1,20,49,803	59,73,067	23,80,820	26,402	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	30.75	5	0.60	0.75	0.80	1.25	3	Y.
51,26,000	59,19,702	1,63,50,496§§	....	3,49,092	Bird & Co. Private Ltd.	Eastern Investment Ltd.	137.00	100	9.00	9.00	14.00	14.00	12	Y.P.
24,99,000	3,52,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	15.00	10	*Nil*	*Nil*	0.50		12	Y.P.
48,90,137	77,72,810	95,23,776	52,36,250	4,07,338	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	16.75	12.50	1.50	1.50	1.60		9	Y.P.
14,00,000	14.48.121	87,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	218.00	100	12.00	15.00	17.00	17.50	3	Y.
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	11.06	10	0.80	1.25	1.25		3	Y.
65,00,000	36,24,200	80,57,755	15,91,667	1,71,222	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	13.44	10	1.00	1.00	1.00	1.00	3	Y.P.
40,00,000	4,78,500	70,95,493	41,39,847	10,40,721	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	24.75N	10	1.50	2.00	2.60		12	Y.P.
80,00,000	15,67,354	84,64,988	38,51,718	59,181	B. P. R. Syndicate	Great Eastern Hotel	235.00	250	5.00				3	Y.
4,96,13,275	49,51,450	7,36,56,187	3,25,48,254	3,63,217	Birla Brothers Private Ltd.	Hindustan Motors	22.08	10	*Nil*	*Nil*	0.50	0.90	3	Y.P.
80,00,000	16,64,523	99,48,487	33,67,174	1,31,125	Lalukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	28.19	10	0.60	0.60	1.20		10	Y.
15,16,00,000	9,64,76,893	11,81,66,117	2,88,76,995	24,77,765	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	12.12	10	0.70	0.70	0.60	0.80	3	Y.
2,97,67,760	2,01,79,740	9,72,38,273	3,00,11,654	33,42,051	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	33.12	10	0.60	0.70	1.20		12	Y.P.S.
2,35,77,700	2,02,99,648	2,95,48,176	1,37,19,570	45,64,364	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	36.25	10	1.50*	1.50*	1.50*	2.25	3	Y.P.S.
2,00,00,000	1,28,81,493	5,99,68,652	2,48,66,248	13,78,431	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	38.87	10	1.00	1.00	1.50	1.50	9	Y.
29,88,250	70,550	51,92,992	17,57,026	33,618	M.	Indian Plastics Ltd.	10.31	10	0.37	*Nil*	*Nil*	*Nil*	3	Y.P.
5,27,970	6,14,570	17,46,166	10,03,558	97,031	M.	Indian Rubber Manufacturers	18.00	10	0.62				3	Y.P.
2,00,00,000	73,10,723	42,66,244	15,92,103	5,21,494	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	66.00	100	2.50	2.50	5.00	7.00	3	Y.P.
15,00,000	12,02,095	18,79,279	13,27,977	17,262	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	11.56	10	2.00	3.50	2.00	1.00	3	Y.P.
1,46,96,250	1,19,32,546	82,41,470	18,18,524	2,60,369	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	28.44	10	2.12*	2.12*	2.75	2.75	9	Y.P.
6,00,000	4,20,000	14,85,526	6,66,994	1,49,226	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	31.25cd	10	2.40	2.00	3.00	..	12	Y
40,00,000O. / 5,60,000D.	74,10,730	31,01,156	12,70,257	2,42,718	M.	McLeod & Co.,	214.00 / —	O. 100 / D.O.10	12.50 / 0.75	12.50 / 0.75	15.00 / 1.90		12	Y.P.
1,80,00,000	1,64,75,151	3,36,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	46.50	10	1.75	1.75	1.75	2.50'C'	3	Y.P.
14,05,000	5,79,891	13,30,194	6,28,269	4,324	N. G. Ayyangar Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	217.00	100	8.00	11.00	15.00	24.00	3	Y.
6,86,250	6.92,500	11,29,680	5,97,362	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	24.90	10	1.25	1.50	1.60		3	Y.P.
10,00,000	8,16,884	17,88,367	10,32,038	622	M. Mallaraj Urs. (Mg. Director)	Mysore Tobacco	11.85	10	1.50	1.25	1.25	1.00	3	Y.
90,00,000	1,37,56,692	1,31,19,135	51,35,368	86,889	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	33.62	10	2.00	2.00	2.00	2.50'C'	3	Y.P.
30,00,000	17,70,000	49,56,249	25,37,459	37,684	Do.	National Pipes & Tubes Co., Ltd.	24.87	10	2.00	1.25	1.50		9	Y.P.
40,00,000	80.19,000	83,22,477	35,76,949	1,31,135	Do.	National Rolling & Steel Ropes	21.00	10	0.60	1.00	1.00	1.30	6	Y.
49,97,064	9,15,876	33,55,363	33,67,559	14,523	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	16.63	10	1.00	0.60'C'	0.85		12	Y.
79,97,000	1,02,10,381	1,36,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	22.69	10	0.90	1.10	1.60		12	Y.P.S.
28,31,100	11,02,391	40,65,244§§	....	45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	48.00N	75	2.50	3.75	4.50		12	Y.
10,00,000	5,52,000	12,55,663	6,00,215	1,51,607	Parry & Co., Ltd.	Parrys Confectionery Ltd.	5.20cd	1	0.20	0.20	0.20	0.30	3	Y.
2,80,00,000	50,68,956	1,48,74,355	48,82,803	47,214	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	29.00	10	0.34	0.85	1.20		12	Y.
62,50,000	..	..	..	..	Duncan Brothers & Co., Ltd.	Phillips Carbon..	18.87	5	..	..	..		12	Y.
15,00,000	1,09,431	8,39,781	2,90,184	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	4.00	5	0.45	0.375	..		12	Y.
24,39,344	2,28,127	33,81,124	18,21,778	42,739	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.15	10	1.50	1.60	1.60		3	Y.
2,25,00,000	6,09,614	70,38,972	33,98,189	4,49,497	Badridas Goenka, Esq., (Chairman)	Rallis India Ltd.	146.00cd	100	*Nil*	*Nil*	*Nil*	4.00	S	Y.P.
2,50,80,000	2,49,55,000	14,76,38,674	6,18,95,237	1,93,085	Sahu Jain Ltd.	Rohtas Industries	22.25	10	....	2.00	1.50	2.00	3	Y.P.S.
70,00,000	33,73,198	2,58,69,675	52,19,131	1,60,686	M.	Sen-Raleigh Industries	26.25	10	0.60	0.60	1.50		9	Y.P.
75,00,000	45,73,890	1,17,50,536	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	24.81	10	1.00	1.00	0.30		12	Y.P.
60,00,000	91,26,201	1,53,82,019	78,19,485	7,55,863	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	21.86xd	10	1.50	1.50	1.30	1.80	6	Y.P.
37,90,180	20,65,000	1,17,02,171	30,48,561	3,869	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.75	10	0.75	0.75	0.90		12	Y.P.
35,00,000	95,24,802	1.18,49,116	28,52,132	53,431	J. K. Agents Private Ltd.	Straw Products Ltd. S	12.32N	10	1.25	1.25	1.50		12	Y.
22,30,270	16,32,608	14,76,453	3,93,694	14,13,847	M.N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	34.00	10	2.00	2.25	3.00	3.00	6	Y.
9,83,930	24,035	16,75,093	6,66,618	12,418	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.25	10	*Nil*	0.40	0.50		12	Y.
31,56,300	15,37,168	13,62,490	7,38,592	40,519	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	35.00cd	10	2.00	2.00	2.75	3.25*	9	Y.P.
2,49,98,600	1,26,10,316	3,46.95,651	65,94,797	3,04,545	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	294.00	100	10.00	10.00	10.00	10.00	7	Y.
30,58,950	29,686	66,68,938	17,68,838	56,308	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	9.75	10	*Nil*	*Nil*	*Nil*		9	Y.T.
2,00,00,000	1,15,35,565	3,35,11,692	95,31,873	43,63,429	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	53.75	10	1.40	1.40	1.30	0.751	12	Y.
20,00,000	47,50,000	59,48,867	18,86,024	1,24,443	Vital Mallya, Esq. (Chairman)	United Breweries	112.00	10	2.00	3.00	3.00(c)		3	Y.
5,00,000	6,80,591	8,62 017	5,62,017	9,780	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	33.00N	10	4.00	3.75	5.25		11	Y.
31,29,500	25,59,364	98,81,836	25,54,518	5,401	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	240.00	100	10.00	10.00	10.00	10.00'C'	3	Y.P.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
20,00,000	96,44,220	1,16,86,916	20,83,068	26,410	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	95.00	100	5.00	0.00	3.00		10	Y.P.
1,80,00,000	94,64,072	3,90,21,508	2,05,16,725	—7,10,928	Dinshaw (Private) Ltd.	Bharat Line	6.28	10	1.20*	1.20*	*Nil*		12	Y.
60,00,000 / 25,00,000	2,17,74,568	8,51,80,151	2,15,53,555	1,32,018	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	15.00 / 8.40xd	10 / 5(New)	1.50	1.30 / 0.90	1.50 / 0.525	1.00 / 0.50	6	Y.P.
£655,550	£936,735	£5,311,271	£2,538,391	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	76.00	£10	*Nil*	*Nil*			12	Y.P.
2,47,50,000	2,89,74,088	22,68,81,851	4,96,14,634	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	9.25	10	1.00	1.00	1.00	1.00	3	Y.P.
11,28,19,208	11,82,52,989	35,02,81,320	9,83,12,870	—16,13,456	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	15.32xd	20	1.25	1.25	1.30	0.60	6	Y.T.
2,40,000 / 2,18,500P.O.	21,45,796	13,10,577	9,08,867	1,07,197	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.85 / 2.25	O. 1 / P.O. 1	0.14 / 0.12	0.14 / 0.12	0.20 / 0.15		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
26,50,000	35,44,760	1,28,77,423	80,99,858	11,999	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	28.75	10	1.25	1.25	1.50	1.00	3	Y.
12,00,000	2,96,358	38,08,529	34,12,329	—5,53,532	Jardine Henderson Ltd.	Barraree Coke	14.44	10	0.37	0.50	*Nil*	*Nil*	3	Y.
6,49,350	88,000	9,25,102	5,69,580	1,817	Kalyanji Mavji & Co.	Bengal-Bhatdee	6.00	10	0.90	0.60			12	Y.
1,00,00,000	1,84,79,081	6,98,53,688	4,68,54,445	10,20,411	Andrew Yule & Co., Ltd.	Bengal Coal	822.00	100	17.50	17.50	25.00	10.001	10	Y.P.
2,25,000	4,90,671	29,57,603	21,45,467	—24,902	Andrew Yule & Co., Ltd.	Bengal-Nagpur	22.00	10	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	61,200	1,47,66,411	60,25,554	2,25,971	Sahu Jain Ltd.	Bharat Collieries	4.59	10	0.60	0.60	*Nil*		6	Y.P.S.
7,15,000	14,93,844	57,66,346	36,78,757	—6,96,032	M.	Bhulanbararee	6.50N	10	*Nil*	*Nil*	*Nil*		12	Y.P.
7,50,000	20,32,392	45,36,993	28,95,896	19,830	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.00	10	0.75	0.75	1.00		12	Y.P.
50,92,880	1,40,21,423	4,32,66,766	2,28,76,540	1,49,292	Bird & Co. Private Ltd.	Burrakur	20.56	10	0.75	0.875	1.30	1.30	6	Y.P.S.
49,97,000	4,62,979	74,82,076	25,32,605	27,542	Hindustan Investment Corpn. Ltd.	Central India	14.44	10	0.50	0.50	0.50	0.50	3	Y.
3,00,000	12,90,590	49,56,445	38,71,352	28,320	M.	Central Kurkend	7.00N	10	0.70	0.50			12	Y.
6,00,000	1,54,873	6,36,341(k)	....	941	F.W. Heilgers & Co. (Private) Ltd.	Churulia	3.50	4	0.20	0.20	0.12		12	Y.
16,00,000	....	57,45,962	32,76,326	—28,095	Macneill & Barry Ltd.	Dhemo Main	9.00	10	*Nil*	*Nil*			12	Y.
£240,000	£3,52,069	£1,124,710	£812,966	£7,006	Jardine Henderson Ltd.	East Indian	33.00	21	1.50	1.00	1.25	1.00	4	Y.
20,63,760	1,07,01,492	4,76,99,617	3,33,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	31.37	10	1.50	1.50	0.75		12	Y.P.S.
10,00,000	40,000	24,58,595	8,45,200	—5,80,078	Bhatter's Agency Ltd.	Ghusick and Muslia	13.50	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
12,00,000	1,27,964	43,44,376	27,68,441	—1,87,129	Killick Industries Ltd.	Hingir-Rampur	28.00	50	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
3,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	11.00	10	*Nil*	*Nil*			12	Y.
20,00,000	5,37,341	40,32,438	10,76,764	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	208.00	100	*Nil*	5.00	5.00	7.50	3	Y.P.
4,00,000	21,66,090	56,77,095	40,80,864	1,31,658	Andrew Yule & Co., Ltd.	Katras Jherriah	41.50	10	6.50	6.50	6.50	0.50	1	Y.
11,00,240	68,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	8.25	10	*Nil*	*Nil*			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	14.00N	10	0.12	1.00			4	Y.
7,48,240	2,50,000	13,59,878	10,13,358	17,140	Tantia Brothers Private Ltd.	Nazira	6.00	10	0.75	0.75	1.00		12	Y.
17,76,250	28,50,325	1,52,03,775	1,01,87,915	61,185	Andrew Yule & Co., Ltd.	New Beerbhoom	22.12	10	0.75	1.00	1.50	0.001	10	Y.P.
6,00,000	2,88,645	28,54,261	19,79,034	56,603	Octavius Steel & Co., Ltd.	New Manbhoom	15.50	10	0.50	0.50	0.50	0.75	3	Y.
1,15,000 / 1,57,500	3,84,525	12,96,898	9,60,464	23,053	Andrew Yule & Co., Ltd.	North West	21.09N / 19.00N	10 / 7.50	1.50 / 1.12	1.50 / 1.12	1.50 / 1.12	2.00 / 1.50	3	K.
7,50,000	16,65,465	2,62,538	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman)	Ondal	11.00	10	0.50	0.50	0.70		12	Y.P.
6.34.000	1,82,527	28,59,807	12,11,228	1,026	Deepchand Kishenlall	Parasea	17.50N	10	0.50	0.50	0.62		12	Y.P.
15,75,000	22,88,200	76,91,776	47,81,408	14,547	Shaw Wallace & Co., Ltd.	Pench Valley	20.06	10	2.00	2.00	[illegible]	1.00	9	Y.
20,99,500	34 89,802	1,52,74,208	1.05.98,171	8,664	M.	Raneegunge	17.50	10	0.75	1.00	[illegible]	1.50	9	Y.
13,50,000	6,38,885	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	24.00	10	1.00	1.00	[illegible]	0.751	12	Y.
37,50,000	36,62,940	1,08,14,676	34,23,229	—6,560	M.	Samla Collieries	9.25N	10	0.90	0.50	0.70	..	12	Y.
13,00,000	2,82,010	22,73,864	7,51,427	2,609	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries.	119.00	100	9.25	12.50	14.00		12	Y.
2,80,000	10,58,529	30,26,230	20,57,654	45,262	Andrew Yule & Co., Ltd.	Seebpore	33.00	7	1.75	1.75	3.00	1.00	12	Y.P.
3,60,000	4,54,665	11,88,309(k)	....	5,451	F. W. Heilgers & Co. (Private) Ltd.	Sendra	10.00	10	0.25	*Nil*	0.25		12	Y.
66,21,450	1,24,58,755	7,11,84,167	3,19,11,631	90,858	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	9.75	10	1.50	0.75	0.75		12	Y.P.
[illegible]	3,47,303	41,74,967	19,33,899	19,733	Bird & Co., Private Ltd.	South Karanpura	12.69	10	0.75	0.75	0.90		6	Y.
[illegible]	15,46,229	24,33,605(k)	....	24,361	F. W. Heilgers & Co. (Private) Ltd.	Standard	12.75	10	1.00	1.25	1.50		12	Y.
[illegible]	2,81,000	20,49,970	15,40,057	23,484	B. M. Varma, Esq. (Mg. Director)	Union	12.00	10	0.37	0.25	*Nil*		12	Y.
[illegible]	3,56,533	36,96,251	32,75,632	12,536	Hindustan Investment Corpn. Ltd.	Western Bengal	6.87	10	0.50	0.40	0.40	0.90	12	Y.
7,50,000	....	50,74,151	29,16,909	—4,85,709	Macneill & Barry Ltd.	West Jamuria	8.00	10	*Nil*	*Nil*			12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 68,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955. §§ Investment [illegible]

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes [illegible]

[illegible] the Board of Directors. [illegible] as taxable. (k) Investments. [illegible]

MARKET GOSSIP

(*Concluded from page* 411)

higher levels of silver prices eventually, in view of the upward trend of demand (without compensating increases in new production), following the persistent expansion in world economic conditions. To quote them: "Additional sources of secondary silver presumably will appear only at more attractive prices, and the natural forces of supply and demand will inevitably exert their influence on the market."

The forecast that the long-term outlook for silver is bullish appeals to commonsense. The experience of the past few years shows that world silver consumption has been well ahead of new production. Actually, the gap between the two has widened lately; it was 116.8 million ounces in 1960, as against 115.0 million ounces in 1959 and 64.3 million ounces in 1958. The total free world consumption of silver in 1960 was 319.3 million ounces, representing a rise of 20.3 million ounces as compared with 1959 and 49.3 million ounces as compared with 1958. As against this level of consumption, the quantity of newly mined silver in 1960 was only 202.5 million ounces. Although this was higher than the previous year's output of 184.0 million ounces by 18.5 million ounces, it was below the production in 1958, namely, 205.7 million ounces. The country-wise breakdown of free world silver production and consumption during 1960 is given below (figures in brackets relate to 1959 and 1958, respectively):

(In million ounces)

Production: Mexico 44.0 (44.1—47.6); U.S.A. 39.0 (23.0—36.8); Canada 32.5 (31.9—31.2); Peru 25.0 (24.8—25.9); Bolivia 5.0 (4.5—6.1); other South and Central American countries 7.0 (6.9—7.2); outside the Western Hemisphere 50.0 (48.8—50.9).

Consumption: *Industrial uses*: India 1.5 (2.0—3.3); U.S.A. 100.0 (103.0—85.0); Canada 4.2 (4.4—4.6); Mexico 4.0 (5.4—4.4); U.K. 16.5 (17.5—14.8); France 13.0 (10.6—14.1); West Germany 40.2 (33.3—31.1); Japan 21.6 (13.6—8.2); other countries 25.0 (25.0—25.0); total industrial 226.0 (224.8—190.5); *Coinage*: U.S.A. 46.0 (40.6—38.2); Canada 7.5 (5.7—4.7); Mexico 2.6 (1.4—2.2); France 12.2 (6.4—nil); other countries 25.0 (30.0—34.4); total coinage 93.3 (84.2—79.5).

The total free world consumption of silver during 1960, as already noted, was higher at 319.3 million ounces, as against 299.0 million ounces in 1959, representing a rise of 20.3 million ounces or 7 per cent. The rise was accounted for by both industrial uses and coinage purposes. The former increased by 5 per cent to 226.0 million ounces and the latter by 11 per cent to 93.3 million ounces. In both categories, nearly half the increase was noted in the U.S., where consumption of silver for coinage was larger by 5.4 million ounces.

Newly mined silver is only one source of supply. The other sources, with figures in brackets referring to their actual contribution to supply in 1960, are as follows:

Demonetisation of coins (10.0 million ounces), U.S. Treasury free silver (67.5 million ounces), official stocks of other countries (12.0 million ounces), sales by Communist China (9.7 million ounces) and miscellaneous (17.6 million ounces).

Reviewing the silver market in Bombay, Messrs. Handy and Harman observe that this market is almost completely an internal market, due to import and export restrictions. Silver prices were higher than in other centres, and the volume of business was restricted. In terms of U.S. currency, quotations ranged from a low of $1.18 per troy ounce on 20th January to a high of $1.29 on 9th November. Total consumption in India amounted to about 45 million ounces. Receipts of Tibetan coin, according to the U.S. firm, appear to have dwindled to insignificant quantities, owing to the trouble between India and China. The quarternary silver rupee coins are still in the process of being withdrawn, and about 20.00 million coins were retired since the last report. This would leave a balance of about 340.00 million coins in the hands of the public with an estimated silver content of 63.50 million ounces.

The U.S. made further progress last year in receiving back lend-lease silver. By the end of 1960, it had received 379.3 million ounces out of 410.8 million ounces it had lent. India, the largest beneficiary of lend-lease arrangement, had returned the entire amount of 172.5 million ounces. Only Saudi Arabia and Pakistan have outstandings, the former of the order of 21.3 million ounces and the latter 9.2 million ounces. Pakistan, which has already returned 44.3 million ounces, has agreed to settle the balance in two more equal annual instalments. Arrangements are under way for the settlement of Saudi Arabian obligation.

Changes in U.S. Monetary Policies

The most perplexing problem facing the Kennedy Administration today is that of checking the recession and initiating a process of rapid expansion in industrial production, employment and national income. In spite of some signs of improvement in the economic situation, industrial production slipped another point in the month of January and new orders for durable goods have continued to sag. Unemployment also has increased to 5.4 million, of whom 1.3 million persons are reported to have been out of job for as many as fifteen weeks or more. Trade even in the heavily populated regions is still depressed.

It is no wonder then that, in the face of these distressing facts, the major preoccupation of President Kennedy's economic advisers is to initiate measures which will bolster up business confidence and usher an era of sustained prosperity. By far the most important monetary remedy suggested by the new administration for this purpose is the familiar device of increasing the supply and cheapening the cost of credit without unduly cheapening short-term interest rates and thereby encouraging movement of hot money to other countries. Under the Eisenhower Administration, the Federal Reserve Bank discount rates were cut in June last, and, in the second half of 1960, the Federal Reserve Bank changed the cash reserves requirements of the member-banks with a view to adding substantially to the banks' lending capacity. But the low short-term rates spelt certain undesirable repercussions on the balance of payments. In his message on economic recovery and growth early last month, the President himself very succinctly outlined the goals of monetary policy, namely, achieving economic recovery and checking at the same time the flow of short-term funds to foreign countries. Mr. Kennedy suggested that long-term rates should be induced to decline for domestic purposes, but that further drop in short-term rates should not be allowed; if possible, they should be kept up at a little higher levels.

In order to achieve these policy objectives and to impart firmness to short-term rates, the Federal Reserve Bank has decided to supply bills whenever market demand tends to drive the yields down towards 2 per cent. Secondly, for supplying additional funds to the money market, the Bank is depending on buying less of short-dated Treasury Bills and more of short-dated Treasury certificates, notes and bonds. The Treasury, too, has been working towards the same end and has added some $500 million to the supply of Treasury Bills.

But this policy of maintaining firmness in Treasury Bill yields seems to have brought about some undesirable consequences. When short-term money rates are high, the Corporations have less incentive to keep money in demand deposits with the banks. In due course, therefore, the effect would be less resources with the member-banks and their power of lending would be hampered.

Another controversial issue has been raised by the Kennedy Administration's desire that the Federal Reserve Bank should, once again, resume the practice of dealing in long-term U.S. Government bonds. It will be recalled that, after a period of sharp controversy between the Treasury and the Federal Reserve Bank, this practice was suspended in 1951 and the Federal Reserve Bank completely stopped the transactions in bonds by 1953. One of the top advisers of the present President, Mr. Allan Sproul, is, however, of the view that such operations should be resumed. In his report, Mr. Sproul has argued that "action to provide bank reserves through purchases of short-term securities (as has been done by the Eisenhower Administration) may magnify declines in money market rates of interest and provide an undesirable incentive for short-term funds to move abroad." His report further maintains that there are occasions when it is necessary to exert some influence directly on long-term rates of interest by way of open market operations. While these discussions are proceeding in the highest quarters, the Federal Reserve Bank has already announced (on 20th February 1961) its decision to purchase U.S. Government notes and bonds of varying maturities. Some money market observers, however, have expressed doubts whether the Bank would be able to get sufficient amount of U.S. Treasury securities around the existing price levels. They, therefore, feel that this operation will drive up bond prices and bring down yields. The very expectation that, over a period, the yields on long-term bonds will go down will lead to speculative buying and quick capital gains to speculators. But the authorities, it is said, are alert to these perils and the Bank would make only occasional small purchases to tone up the firmness of the bond market.

NEW COMPANIES FORMED

Over 5,600 new companies have been formed since the enforcement of the Companies Act in April 1956, according to the latest data made available by the Department of Company Law Administration. In the calendar year 1960 itself, a record number of 1,641 new companies, with a total authorised capital of Rs. 288 crores, were registered all over the country, as against 1,399 new companies, with a total authorised capital of Rs. 169 crores, registered in the preceding year, that is, 1959. The authorised capital of the 5,638 new companies registered between April 1956 and December 1960 aggregated Rs. 983 crores. Of the total registrations, 406 were public companies and 5,232 private companies.

The new company registrations during this period accounts for about one-fifth of the total number of companies at work in the country.

The total paid-up capital of the companies at work increased by about Rs. 625 crores between April 1956 and December 1960. Of this increase, about Rs. 425 crores were in the Government corporate sector.

Of the new registrations in 1960, 141 were public companies, with authorised capital of Rs. 158 crores. The other 1,500 companies were private companies and had a total authorised capital of Rs. 130 crores. The States of West Bengal, Bombay, Madras and Delhi accounted for the bulk of the new registrations in 1960. Statewise, 418 new companies were registered in West Bengal, 397 in the Bilingual State of Bombay, 335 in the State of Madras and 184 in the Union Territory of Delhi. Of the new registrations in 1960, as many as 81 companies had an authorised capital of Rs. 1 crore or more. As regards the forms of management, 1,038 companies have proposed to be run directly by the board of directors and 574 companies managed by managing directors. Only 22 companies expressed themselves in favour of appointing managing agents. The number of companies chosen to be managed by secretaries and treasurers and managers, was three and four, respectively.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 8th March, 1961:

	Closing quotations 1-3-1961	High	Low	Closing quotations 8-3-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	168.00	—	—	168.00
Apollo (2) ..	1.50	1.52	1.48	1.50
Baroda Rayon (100)..	140.50	144.00	139.00	140.00
Bombay Dyeing (25)..	65.70	65.90	64.10	65.50
Bradbury (50) ..	117.50	117.50	112.50	115.00
Central India (100) ..	109.00	109.00	105.00	108.00
Century Mills (100) ..	522.50	539.00	514.00	537.50
Coorla Sp. (100) ..	131.25	—	—	131.25
Dawn (50) ..	124.00	126.00	124.00	126.00
Edward Textile (200)..	262.50	—	—	262.50
Elphinstone (50) ..	66.00	67.00	66.00	66.50
Finlay (100) ..	341.00	355.00	340.00	355.00
Gokak (100) ..	167.00	174.00	164.00	174.00
Gold Mohur (100) ..	257.50	266.25	257.50	265.00
Gwalior Rayon (10) ..	45.00	46.50	45.00	46.50
Ind. Untd. Defd. (1)..	1.68	1.66	1.60	1.64
Ind. Untd. Ord. (10)..	14.40	14.32	13.92	14.12
Indian Rayon (62.50)	69.00	69.30	67.50	67.50
Indore Malwa (100) ..	140.00	140.00	136.00	140.00
Khatau (100) ..	535.00	525.00	500.00	515.00
Kohinoor (100) ..	285.50	299.50	280.00	299.50
Lakshmi (250) ..	502.50	505.00	502.50	505.00
Mafatlal (100) ..	895.00	895.00	880.00	882.50
Minerva Mills (100) ..	74.00	—	—	74.00
Model Nagpur (250) ..	35.00	—	—	35.00
Morarji (100) ..	356.00	352.00	335.00	350.00
Mysore (50) ..	67.00	70.00	67.00	70.00
National Rayons (100).	537.00	544.00	532.00	542.00
New City (100) ..	150.00	—	—	150.00
New Great (100) ..	195.00	205.00	197.00	201.00
Phoenix (100) ..	144.00	147.50	144.00	147.50
Podar Mills (100) ..	145.00	144.50	143.00	143.00
Raymond Woollen (100) ..	107.50	120.00	108.50	116.00
Sassoon Silk (10) ..	14.88	—	—	14.88
Sassoon Spg. (10) ..	57.00	57.00	56.50	56.50
Shrinivas (100) ..	252.00	255.00	246.00	254.00
Simplex (50) ..	180.00	180.00	176.00	177.00
Standard (100) ..	1,298.00	1,344.00	1,250.00	1,332.00
Svadeshi (100) ..	248.50	250.50	243.50	250.50
Swan (100) ..	502.50	—	—	502.50
Tata Mill (25) ..	44.25	47.00	43.00	46.50
Vishnu (100) ..	114.00	—	—	114.00
Western India (1,000).	3,725.00	—	—	3,725.00
BANKS				
Bank of India (50) ..	119.50	120.00	119.00	120.00
Do. (New) (50) ..	125.50	126.00	125.50	126.00
Bank of Baroda (50)..	96.50	97.00	95.50	97.00
Central (25) ..	57.00	57.50	56.50	57.50
Central 'A' (25) ..	59.00	59.50	58.70	59.50
Dena Bank (50) ..	60.00	—	—	60.00
Punjab National (10)..	20.68	21.24	20.68	21.00
Union Bank (5) ..	6.52	6.56	6.48	6.56
United Com. (50) ..	85.50	—	—	85.50
ELECTRIC COS.				
Ahmedabad (100) ..	87.50	87.50	85.00	86.00
Amalgamated (10) ..	10.08	—	—	10.08
Andhra Valley (1,000).	992.50	992.50	985.00	992.50
Bom. Sub. El. (100) ..	86.00	87.00	86.00	87.00
Surat (100) ..	87.50	87.50	86.00	86.50
Tata Hydro (100) ..	101.50	101.50	101.00	101.25
Tata Power (1,000) ..	1,047.50	1,025.00	1,017.50	1,017.50
INSURANCE COS.				
British India (10) ..	12.04	12.40	12.04	12.40
Indian Mercantile (20).	43.25	—	—	43.25
New India (15) ..	54.30	56.00	54.30	56.00
New India 'A' (15) ..	54.00	56.00	54.00	56.00
Vulcan (10) ..	16.48	—	—	16.48
STEEL COS.				
Ind. Iron (10) ..	25.90	26.50	25.75	26.50
Mukand Iron (10) ..	27.00	27.50	26.25	26.85
Tata Steel Ord. (75) ..	152.75	153.50	151.50	153.50
SUGAR COS.				
Belapur (50) ..	284.00	292.50	280.00	292.00
Bhopal (10) ..	29.00	—	—	29.00
Changdeo (12.50) ..	26.00	—	—	26.00
Phaltan (50) ..	145.00	148.50	145.00	148.50
Walchand Ind. (100)..	228.75	230.00	217.50	225.50
CEMENT COS.				
Associated Cts. (100)..	154.00	156.25	152.75	156.00
Digvijay (100) ..	157.00	169.00	156.50	167.00
Orissa (10) ..	13.88	14.16	13.64	14.16
MISCELLANEOUS				
Alcock Ashdown (100).	287.00	295.00	284.00	292.00
Bom. Burmah (125) ..	609.50	637.00	602.50	635.50
Do. (New) (50) ..	205.00	227.50	206.25	226.25
Br. B. Petrol (4 sh.) ..	2.08	2.34	2.04	2.24
Br. I. Corpn. (5) ..	7.64	7.76	7.64	7.72
Cooper Eng. (100) ..	194.00	198.50	194.00	198.50
Colour Chem. (100) ..	365.00	362.50	353.75	355.00
Hind Cycle (100) ..	101.50	106.00	101.50	106.00
Hindustan Lever (10)..	47.75	52.00	47.50	52.00
Hindusthan Motors(10)	22.20	22.20	21.72	22.08
I. C. & Invest. Corporation (100) ..	71.00	85.00	71.00	85.00
Indian Dyestuff (100)..	472.50	475.00	460.00	472.50
Indian Copper (2 sh.)..	5.24	5.56	5.24	5.40
Ind. Inv. Tr. (100) ..	81.00	—	—	80.00
Killicks (100) ..	99.50	100.00	98.70	99.00
Larsen & Toubro (10)..	41.50	44.00	40.75	44.00
Mahindra & Mahindra (10) ..	22.00	22.76	22.00	22.24
New Central Jute (10).	21.00xr	21.00	20.00	20.00xr
Polson (100) ..	168.00	170.00	168.00	170.00
Pre. Automobiles (100)	172.00	181.50	170.00	180.50
Premier Con. (60) ..	208.00	213.50	204.00	211.00
Scindia (20) ..	15.00	15.40	14.88	15.32xd
G. B. Shipping (10) ..	14.68	15.00	14.60	15.00
Shivrajpur (10) ..	95.00	104.00	95.00	101.00
Sirpur Paper (10) ..	16.88	17.72	16.52	17.72
Tata Chemicals (10) ..	18.44	18.88	18.36	18.80
Tata Locomotive (100).	331.00	337.00	325.50	335.50
Tata Oil (25) ..	79.50	83.50	78.50	83.50
Texmaco (10) ..	24.00	24.72	24.00	24.52
Voltas (100) ..	278.50	289.00	275.00	287.50
W. I. Match (100) ..	275.00	304.00	272.00	303.00
W. Coast Paper (100)..	206.00	228.00	207.00	225.00

GOVERNMENT SECURITIES	1-3-1961	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	8-3-1961
	Rs.			Rs
2½% 1961	99.85	—	4.10	99.85
2½% 1962	98.10	—	3.90	98.10
2½% 1976	88.50	—	4.23	88.50
3 % 1964	98.00	—	3.55	98.10
3 % 1963-65 ..	97.90	3.87	3.46	98.00
3 % 1966-68 ..	95.75	3.86	3.65	95.75
3 % 1970-75 1st Dev.	90.90	4.17	3.82	90.90
3 % 1986 Con. Loan..	74.05	—	4.03*	74.00
3½% 1961 N.P. Bonds.	100.00	—	3.50	100.00
3½% 1964 N.P. Loan..	99.50	—	3.63	99.55
3½% 1965 N.P. Bonds.	99.35	—	3.66	99.35
3½% 1962	99.65	—	3.46	99.75
3½% 1967 N.P. Bonds.	98.85	—	3.72	98.85
3½% 1974	99.70	—	3.78	99.70
3¾% 1967 N.P. Bonds.	100.75	—	3.63	100.75
3½% 1969 Loan ..	98.70	—	3.69	98.70
3½% 1968	98.80	—	3.70	98.80
3½% 1968 N.P. Bonds.	99.80	—	3.60	99.80
3¾% 1968 N.P. Bonds.	100.65	—	3.66	100.65
4 % 1972 Loan ..	100.50	—	3.95	100.50
4 % 1973 Loan ..	100.40	—	3.95	100.45
4 % 1979 Loans ..	100.10	—	3.99	100.10
3½% 1966 Bonds ..	99.30	—	3.65	99.30
4 % 1980 Loan ..	[illegible]	—	4.01	99.95

* [illegible]. xd—Ex-dividend. X.R.—Ex-Right.

PREFERENCE SHARES

BANK

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	102.00	100

BREWERIES AND SUGAR

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sep.	92.50	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	114.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	5.58xd	5
East India Distilleries T.F.C.	£200,000	1897	7.00	Jan.	July	17.00	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec.	..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	62.00	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	12.00	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	84.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	62.50	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	7.40	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	118.00	100

COAL

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Borrea T.F.C.	14,00,000	1896-97	6.50	Oct.	Apr.	79.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-19	7.00	Apr.	Oct.	92.00	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	7.12	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	75.00	100½
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	56.00	75½
††Khas Kajora C.	1,93,000	1931	5.00	Mar.	Sept.	7.50	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	11.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr.	Oct.	80.00	100

COTTON

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Ahmedabad Advance T.F.C.	10,00,000	1929	5.00	Apr.	Oct.	78.00	100
Bangalore C.T.F.	6,00,000	1934	6.00	Jan.	July	111.64	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	8.25	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	160.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	53.50	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	113.42	100
Cambodia C.T.F.	1,00,000	1922	7.00	Apr.	..	108.00	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	375.50	495
Century Spg. & Mfg. Co. T.F.R.C.	1,25,00,000	1956	6.00	Dec.	..	112.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1935	6.50	June	..	85.00	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	114.00cd	100
Elgin 'B' T.F.C.	4,20,000	1942	5.00	July	..	7.00cd	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	61.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June	Dec.	103.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	72.00	10
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	9.05	5
Kothari 'B' (Pref.) T.F.C.	6,00,000	..	6.00	..	..	10.00N	250
Lakshmi Cotton (Bombay) C.	16,00,000	1896	5.00	..	..	150.00	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	70.30	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	22.76	50
National Rayon C.	1,74,64,700	1947	5.00	..	..	70.50	100
New Great	8,00,000	1918	5.50	Mar.	..	99.50	200
Podar Mills T.F.C.	10,00,000	1943	4.00	Feb.	..	65.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr.	..	47.00	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	66.00	100
Sholapoor T.F.C.R.	32,00,000	1943	3.00	..	..	78.25	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	88.00	100
Swadeshi (Kanpur) T.F.C.	35,00,000	1927	6.00	June	..	71.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.60	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	96.75	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	96.75	100
Vishnu C.	15,68,500	1908	7.00	Apr.	..	422.50	500

ELECTRICS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Andhra Valley Power Supply C.	49,84,000	1917	7.00	May	Nov.	1,055.75	1,000
Amalgamated Electric T.F.C.	24,15,000	..	5.50	..	..	77.00	100
Calcutta Electric T.F.C.	19,00,000	1906-11	5.00(s)	June	Dec.	9.37	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	8.10	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50			8.25	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	108.50	100
Tata Hydro Electric Power C.	89,25,000	1907	7.00	May	Nov.	102.75	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,105.00	1,000
Vellore C.	1,25,000	1929	6.00	Dec.	..	6.33	10

ENGINEERING

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Arthur Butler (Muzafferpore) T.F.C.	1,30,000	1919	7.00	Mar.	..	11.00	10
Burn & Co. Ltd. (1st) T.F.C.	18,00,000	1896-98	7.00	Feb.	Aug.	115.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	106.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	92.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	113.00	100
Jessop T.F.C.	20,00,000	1941	6.00	May	Nov.	80.00	100
Kamani Engineering C.R.	15,00,000	1946	5.50	July	..	53.00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	83.00N	100
Larsen and Toubro Ltd. T.F.R.	18,00,000	1946-47-51	5.00	..	..	93.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	97.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	86.00	100
Premier-Construction (1st) C.	10,00,000	..	6.25	..	..	76.00	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	73.00	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	5.36	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov.	..	186.00	150
Do. do. (2nd) C.	6,98,81,900	1908	7.50	May	..	107.50	100

JUTE

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	87.00xd	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	85.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	64.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	92.00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	72.00	100
Do. (2nd) (i) C.	15,00,000	1945	4.50	June	Dec.	66.00	100
Bally T.F.C.	20,00,000	1913	7.00	Apr.	Oct.	92.50	100
Barnagore C.	£200,000	1906	5.00	May	Nov.	36.00	£5
Belvedere T.F.C.	7,00,000	1906	7.00	Jan.	July	90.00	100
Birla C.	23,64,200	1919	7.50	June	Dec.	89.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1924	6.50	Jan.	July	51.00N	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	88.00	100
Clive (1st Pref.) T.F.C.	6,00,000	1900	6.00	May	Nov.	87.00	100
Do. (A) (2nd Pref.) T.F.C.	6,00,000	1905	7.00	May	Nov.	77.00	100
Dalhousie T.F.C.	15,00,000	1903-12	7.00	May	Nov.	91.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	72.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	85.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	119.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	70.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	110.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	90.00	100
Gourepore T.F.C.	26,50,000	1895-94	6.00	May	Nov.	80.00	100
Hastings T.F.C.	25,00,000	1925	6.00	Mar.	Sept.	82.00	100
Hooghly T.F.	11,75,000	1918	10.00	May	Nov.	10.00	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	93.00	100
Do. T.F.C. (f)	17,50,000	1902-6	7.00	May	Nov.	91.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	95.50	100
Kamarhatty T.F.C.	16,00,000	1896-94	6.00	Feb.	Aug.	75.00	100
Kankinarrah T.F.C.	10,00,000	1906	6.00	Feb.	Aug.	90.50	100

JUTE—*Continued*

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	77.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	89.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	94.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	90.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	62.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	110.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	78.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	88.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	79.50	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	87.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	72.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	82.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	98.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	93.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	90.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	5.00	Mar.	Sept.	39.00	50

RAILWAYS; STEAMSHIP AND TRAMWAYS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	52.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.75	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5.50	Dec.	..	91.00	100
Indian General Nav. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	78.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	80.00	100

TEA

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May	Nov.	81.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	101.00	100
Birpara T.F.C.	1,00,000	1900-03	8.00	Jan.	..	104.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	101.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	75.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	104.00	100
Hasimara T.F.C.	8,00,000	1904	7.00	Mar.	..	101.00	100
Kingsley Golaghat T.F.C.	2,40,000	1897	6.00	Dec.	..	89.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	8.25xd	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan.	July	100.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	91.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	94.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	92.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan.	..	10.50	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May	Nov.	13.25	100

PLANTING

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Be Be Rubber C.	1,43,005	1944	6.25	..	..	2.43	5
Do. R.C.	2,85,570	1944	6.25	..	..	5.71	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	51.25	50
Coffee Lands C.T.F.	10,40,600	..	5.00	..	..	74.00	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	85.00cd	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	10.12xd	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	95.00	100
Highland Produce C.T.F.	8,00,000	..	6.00	July	Jan.	7.06	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	6.81xd	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	8.75	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar.	..	8.00	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	7.00	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.85	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	8.40	10

MISCELLANEOUS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	81.20	100
Do. do. (2nd) T.F.R.C.	5,00,000	..	5.00	June	..	86.00	100
Alkali & Chemicals T.F.C.	31,90,000	1937	5.00	Apr.	..	94.50	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	94.00	100
Andhra Cement C.T.F.	2,48,800	1937	6.00	Feb.	June	100.00	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	48.00xd	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	12.50	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	51.00	50
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	104.00	100
Do. "B" T.R.C.	20,00,000	1948	6.00	..	..	65.00	100
Bengal Timber Trading T.F.C.	8,00,000	1896	8.00	Aug.	..	6.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	14.50xd	10
British Ceylon Corporation C.	17,50,000	1918	6.00	Feb.	Aug.	8.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	118.00	100
Dalmia Cement (Bharat) C.T.F.	61,58,210	1937	6.00(f)	Sept.	..	8.25	10
Dhrangadhra Chemicals T.F.C.R.	31,91,900	1956	6.00	..	..	82.00	100
Shree Digvijay Cement T.F.R.C.	70,93,875	1944	5.00	Dec.	..	81.20	100
Dunlop Rubber Co. (1st) T.F.C.	30,00,000	1926	6.00§	June	Dec.	112.00xd	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	6.00	Apr.	..	88.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	58.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	40.00	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr.	Oct.	57.00	100
Hindustan Motors T.F.R.C.	1,60,07,250	1956	6.00	Mar.	..	204.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	7.12	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	87.67	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	71.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	88.00xd	33
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	81.00	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.	..	62.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	58.00	100
Kettewell and Bullen (1st) C.	20,00,000	..	5.50	May	..	57.00	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May	..	54.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1916	7.00	June	Dec.	68.00N	100
Martin Burn (k) T.F.C.R.	80,00,000	1946	5.00	Apr.	Oct.	85.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	51.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	62.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	66.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb.	Sept.	9.70xd	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	8.50	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	5.95	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	75.00	100
Do. do. (New) (q) T.F.C.R.	19,08,000	..	4.50	Mar.	Sept.	68.50	100
Orient Paper T.F.C.R.	20,00,000	1936	5.50	Jan.	..	84.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	63.00	100
Rohtas Industries (Old) T.F.C.	20,00,000	1936	7.00–9.00	Apr.	..	112.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	55.50	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	67.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	8.00	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	10.25	10
Standard-Vacuum C.	75,00,000	1955	6.00	June	Dec.	91.50	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	74.00	100
Tata Chemicals T.F.C.	50,07,000	..	5.00	June	..	85.50	100
Tata Oil Mills C.	20,88,800	1946	4.50	July	..	57.00	100
Titagur Paper Mills T.F.C.	11,50,000	1898	8.00	Jan.	June	112.50	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	77.50	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1962 on 6 months' notice. (m) Rank pari passu with ordinary shares after ordinary shares receive 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1964. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. pp—Fully paid.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2606 BOMBAY, 18th MARCH 1961 PRICE Rs. 2

A CRITIQUE ON INDIAN PLANNING

A MASTERLY critique on the country's economic planning has just been published by the Associated Chambers of Commerce of India, Calcutta. The author of this study is Sir Theodore Gregory, who, as Economic Adviser to the Government of India between 1938 and 1946, had something to do with the planning effort of the later years of that period, when the late Sir Ardeshir Dalal was the Member in charge of the portfolio. As one who has attained eminence on economic and financial matters and handled similar assignments in some other countries, Sir Theodore has tackled the subject of Indian planning with perceptivity and realism and done ample justice to it within the general framework of the terms of reference determined by the sponsors of the study. In the result, he has covered a vast field pertaining to the principles and progress of planning, agricultural development, balance of payments in the light of long-term foreign commitments, deficit financing and its effects and, above all, the contribution of the private sector to economic growth, with special reference to that section of it which is based on foreign enterprise. It in no way detracts from the value of his report, which carries the most appropriate title, *India on the Eve of the Third Five-year Plan*, that it has dealt with only some aspects of that Plan. If anything, its greater merit lies in its stimulating and positive contribution to the general thinking on the Plan.

This thought-provoking character of Sir Theodore's study is discernible even in the preliminary phase of his analysis. There is, for instance, his interpretation that the "Harrod-Domar" Model of economic growth, based on the concept of the "capital output ratio," and the "Rostow" Model, laying down the "take-off" stage for more or less automatic growth, have something of a Marxian determinist quality about them. The cocksure presentation of the idea in growth economics that, "if any economy desires a higher rate of growth of national income, *then all that it has to do is to manipulate economic forces* in such a way that both the proportion of savings and the average productivity of capital are raised," is too much for Sir Theodore Gregory, who rightly asks: "What if economic forces prove to be of a kind, in whole or in part, which are not amenable to manipulation?" His scepticism, almost bordering on iconoclasm, cannot be lightly dismissed as cynicism, for one of his pregnant sentences, carrying with it that rare attribute of perceptiveness, is as follows:

"...reformers and planners are apt to be impatient people, and, faced with the tangible facts of the Indian situation, poverty and unemployment in particular, it is not difficult to understand why 'Models' of the kind discussed above, with their implications of inevitability, should lead to an emphasis on authoritarian methods of achieving acceptable ends."

Sir Theodore does not doubt or underrate for one moment the devotion and the public spirit of those directly responsible for the task of formulating and implementing the successive phases of planning in India. What he means, on the contrary, is that, whilst the concepts of the present-day growth economics "do not *necessarily* lead to forcible methods of planning, they *encourage*, unless carefully interpreted, action of such kind." There is in all this no insinuation to the effect that Indian planning, as of today, partakes of the characteristics of totalitarian planning. His meaning should become clearer when some of his reflections on planning at the end of the report are taken into account. Here the emphasis is on such factors as truthful propaganda, practicability of particular plans, avoidance of arbitrary interference with the private sector "in all kinds of detailed ways," and pragmatism and flexibility in the application of industrial policy—all of which will further strengthen the democratic character of Indian planning. The relevant observations deserve to be quoted *in extenso*:

"The practical conclusions to be drawn are that propaganda in India should be severely truthful; that no advantages arise from drawing up plans which are not capable of realisation, and that insufficient attention has been paid to explaining to the Indian people as a whole what are the kinds (and consequences) of totalitarian methods employed to bring about the results which some, if not all, Indian intellectuals stress without harping upon their dehumanising and debasing character...

"So long as the official policy of the Government of India is adherence to the 'socialist pattern of society,' these extensions of State activity in the sphere of productive enterprise are probably unavoidable: it does not follow that they are necessary in the light of the fundamental objective of raising the standard of living and the productive potential of the country. There is no reason why the principle of joint undertakings by private enterprise and the State should not be extended: nor why 'State' enterprise, if successful financially, should not be offered to the investing public, nor, indeed, why further encouragement should not be given to direct borrowing by private enterprise—with a Government guarantee if necessary—from institutions such as the World Bank and its affiliated institutions.

"In any case, the danger to economic and political liberty arises ... far more from unnecessary and arbitrary interferences with the 'private sector' in all kinds of detailed ways (such as under some sections of the Industries Act bearing on management, supply and price of certain articles, etc., under the Essential Commodities Act, under the Companies Act of 1956, and under the Tariff Commission's price 'determinations,' from 'State Trading' and from the indirect political pressures that may arise from Community Development Schemes and from possible experimentations with 'co-operative farming' projects. It is in *these* directions, and not in the State ownership and operation of coal mines or of steel or machine-tool plants, that a real threat exists."

These observations are perfectly understandable in the context of Sir Theodore Gregory's basic proposition that, while "planning in some form must and will continue," there is room for doubt on the issues of detailed priorities and relative magnitudes and of general direction and execution of plans. Moderation is not necessarily conservatism, nor need planning involve increasing State intervention of an exasperating character in economic affairs. A freer role for private enterprise may well impart greater dynamism to the mechanism of production, resulting in a larger rate of economic growth. If Sir Theodore Gregory's approach can be interpreted in this manner, his detailed analysis of the inhibiting factors in the situation has a compelling logic of its own. While there is no threat of general nationalisation in the present situation, there is at least the inhibiting factor of what Sir Theodore calls "the *doctrinaire use of existing powers by the State*" in four leading cases, namely, the future growth of the manufacture of motor cars, the future relation between the oil industry and the Government, the future of road transport undertakings, and the role of the private sector in the coal industry. Since the automobile and oil industries are in the fortunate position of being able to secure the collaboration of financially powerful firms abroad and can, therefore, help to meet the scarcity of financial resources in India, the Government's doctrinaire approach in these fields is tantamount to folly. Such an approach, to the extent it prevails in particular fields, is a negation of the "pragmatic approach" which, though vaguely accepted by the Planning Authorities of today, is yet to be spelt out in all its bearings. What this "pragmatic approach" could and should mean has been admirably expressed in one of the finest passages in Sir Theodore Gregory's report:

"Firstly, it may mean that there is no longer an *a priori* assumption (as there was in the first and second Plans) that there must be a 'progressive widening' of the scope of the public sector. Secondly, it may mean that *the choice* of whether a *particular* productive operation is to be carried on by the State or by private enterprise is a matter of expediency in the sense that the advantages and disadvantages of either alternative must be weighed against one another. But, if this is so, it means, also, that the existence of a mixed economy is no longer to be regarded as a mere temporary and transitional stage, but as a *permanent* feature of the Indian situation. Thirdly, given that the existence of the private sector is likely to be permanent, the emphasis has shifted from speculation as to what *should* in contradiction to what *does*, motivate the business classes, to a consideration of what they can *do* in the way of increasing productivity and of improving the efficient working of the economy. From this point of view, it does not matter whether the business classes desire *only* to make a profit or whether they are also moved by other motives as well; pride in achievement, desire for prestige and a desire to serve the country. What matters are *results*: not motives. It may be 'reprehensible' to desire to make profits—though it is now becoming fashionable to harp upon the profit-making possibilities of the new State industries—but whatever the motives that impel the business classes, it is quite certain that the private sector cannot exist without making profits. And, if the *private sector is not merely to be tolerated*, but

Contents

LEADING ARTICLES—	PAGE
A Critique on Indian Planning	465
E.C.A.F.E. Session	466
MARKET GOSSIP	467
ROUND THE EXCHANGES	468
NEWS IN BRIEF	469
PERSONAL	469
THIS WEEK'S SURVEY	470-471
SPECIAL FEATURES—	
On the Arena	472
London Letter	473
Manchester Letter	477
Super-Tax on Inter-Corporate Dividends	479-480
Central Budget	483
Heartening Decisions in the U.S.	495
Reinsurance Business	496
Safety and Economy in Air Transport	500
CHAIRMEN'S SPEECHES—	
Canara Industrial and Banking Syndicate Limited	490
Asian Cables Corporation Ltd.	502
MONEY AND BANKING	473-475
TEXTILES	478
PLANTING	484
NEW PRODUCTS AND PROCESSES	490
INSURANCE	504
COMMERCE AND INDUSTRY	506-507
COMPANY AFFAIRS	508-510
COMPANY REPORTS	511
MARKET REPORTS	515-517
MISCELLANEOUS STATISTICAL INFORMATION	518-519
WEEK'S STOCK EXCHANGE TREND	519

accepted as a permanent feature of the landscape, profits must also be accepted as an indispensable proof of success in achieving ends.... The 'pragmatic approach', if it were officially and explicitly accepted, though in welcome contrast to dogmatism, would not, in and of itself, settle the concrete issues, but it would profoundly modify the manner in which they are handled."

What obtains today, under the Industrial Policy Resolution of 1956, can only be described as a "halfway house" between the purely dogmatic and the purely pragmatic approaches. This, perhaps, accounts for the confusing and contradictory interpretations to which parts of this resolution are subjected from time to time. Even in this "halfway house," things are by no means easy for private business which has to refer to a multiplicity of organisations for specific authorisations for specific purposes—for establishing or extending an enterprise, or widening the scope of its activities, for obtaining import licences, for capital issues, for securing foreign exchange, and so on. These occasion much expense and delay, especially where businessmen in the main industrial and commercial centres like Calcutta, Bombay and Madras have to await the "last word" from Delhi. What is still worse, the present mechanism of controls (under which direct controls on prices cover commodities which have nearly 25 per cent of the total weightage in the wholesale price index and influence, directly or indirectly, about half the weights in the index) is constantly disturbing the relationship between the production of certain commodities which are being price-controlled and that of other commodities which are not price-controlled. Given rising costs, a fixed price for a product also works in inequitable fashion in the sense of inadequacy of profit-margins. These, then, are some of the "detailed ways" in which official interferences with the private sector take place and act as a drag on its further growth and expansion. In calling pointed attention to this inhibiting factor, Sir Theodore Gregory has given the finding that the present degree of control on the private sector is really not necessary even in the given context of a planned economy.

The growth potential of the private sector will be greater still if other related elements of Sir Theodore Gregory's approach are given the consideration they undoubtedly deserve. The need for curbing the State's monopoly power which, as in the case of S.T.C's trading in cement and of the Steel Equalisation Fund, is exercised to secure extra-Parliamentary sources of taxation, is one of them. There is, secondly, the case for reducing the incidence of direct taxation, so as to encourage the process of "self-financing" of the organised industrial sector. The suggestion for reviewing the whole issue of monetary policy so as to achieve relative price stability has also been emphasised by Sir Theodore Gregory. The issues bearing on deficit financing, credit-expansion and interest rates are approached here as much from the point of view of maintaining a climate of monetary stability so very necessary for attracting foreign private investment as from that of avoiding inflationary distortions all round. It is in this context that Sir Theodore has considered it necessary to utter a note of warning about the likely lag between intent and performance in the third Plan.

E.C.A.F.E. SESSION

THE seventeenth session of the United Nations Economic Commission for Asia and the Far East (E.C.A.F.E.), which began at New Delhi on 8th March 1961, has so far discussed a number of subjects covering the complex gamut of Asia's economic and social problems. The discussions pertaining to economic situation, regional economic co-operation, trade, industry and natural resources, and transport and communications were based on appropriate reports drawn up for the session. By far the most important discussion centred on the economic situation in Asia. The basis for this discussion was provided by the *Economic Survey of Asia and the Far East* 1960, which was covered in this journal last week, and the discussion itself was notable for the contributions made by the representatives of the U.K., the U.S.A., and the U.S.S.R. in particular. As these are the most significant countries which have been aiding Asian development, the speeches of their representatives at the E.C.A.F.E. session partook of the characteristics of policy pronouncements on behalf of their respective Governments. The Duke of Devonshire, Parliamentary Under-Secretary of State for Commonwealth Relations, for instance, reiterated the U.K. Government's policy of assisting the underdeveloped countries and gave the pledge that this would be continued, though the demands on Britain's resources were growing faster than the resources themselves. Already, within the E.C.A.F.E. region, Britain's commitments by way of capital aid and technical assistance in the past ten years had reached £170 million, and the annual rate of capital expenditure for development purposes had risen to £45 million in 1959-60; this did not include private investment which must have been much greater. The Duke was confident that, in spite of the unsatisfactory position of the U.K.'s balance of payments, maximum possible assistance would continue to be provided to the less developed countries even while maintaining the strength of sterling.

The British delegate's speech was also notable for its balanced approach to Asian economic conditions and requirements. The need to stimulate investment, to increase exports and to mobilise domestic resources, according to him, will be as real in ten years' time as they were ten years ago, for outdated techniques, insufficient numbers of trained people in administration, management and production, and shortage of food are deficiencies that cannot be remedied overnight. The less developed countries in Asia will have to tackle some baffling and intractable problems, namely, how to strike a balance between the ever competing and often conflicting demands on national resources—demands for both social improvement and economic growth—and how to overcome domestic instability and external imbalance which occur when the movement towards economic development has to take place against a background of increasing populations. The population problem, incidentally, is already acute in South and South-East Asia alone, with their 765 million people, and will be even more acute by 1980 when there will be a billion mouths in the region. The Duke of Devonshire in presenting these and other problems of the E.C.A.F.E. region, could only say in broad terms that they would have to be solved by co-operation both between the countries concerned and between them and the industrialised nations. The elements of such co-operation between the E.C.A.F.E. countries themselves, in the British delegate's view, would be exchanges of technical information and of training facilities and other practical measures of mutual assistance, for the forms suitable for European countries grouped in the E.E.C. and the E.F.T.A. may not necessarily be the most effective in an Asian context. As for co-operation between the E.C.A.F.E. countries and the industrialised nations, it will be more enduring and mutually beneficial when it is based on expanding trade and the less developed countries and those dependent on the export of a small range of primary commodities are able to sell more of their products at stable and remunerative prices in the expanding markets of industrialised countries. The Duke of Devonshire, who attached greater importance to trade than to aid as such, appropriately touched on the question of capital movement from the advanced countries to the less developed ones. His wise words, quoted below, would need to be seriously pondered:

> "I cannot emphasise too strongly the real, practical importance of creating a favourable climate for investment in the region so as to attract outside capital. Such emphasis is not just a way of trying to evade responsibility by a government anxious to reduce the calls upon itself. I am confident that the United Kingdom's record is an adequate guarantee against such an imputation. But risk-taking, experimentation with market possibilities, determination of the most efficient scales and forms of enterprise by pragmatic experience, the measurement of efficiency against the cost of assets employed—these are only some of the many advantages which constitute the major contribution of private business to development."

The Russian approach to Asian development, on the contrary, has always laid greater emphasis on bilateral aid than on trade. There is also no question of private capital investment in the context of co-operation between a Communist country like the U.S.S.R. and the E.C.A.F.E. region. So, whatever aid is given by Russia—it has so far granted a total of over two billion roubles worth of loans (in new roubles) to 14 countries of Asia and Africa—is Government-to-Government aid. Whether or not such aid has political strings attached to it, there can be no denying that it has the political objective of neutralising the influence of the other industrialised nations which have been assisting Asian countries. Otherwise, it is difficult to understand why the Russian delegate chose the E.C.A.F.E. forum to say that "one of the major ways of obtaining resources for speeding up the progress of the underdeveloped countries and for helping them to overcome their economic backwardness within the shortest period of time would be by implementing general and total disarmament." Reference to this controversial political issue at the E.C.A.F.E. session would have been more appropriate, if it had been made in its economic bearings by an uncommitted Asian country rather than by Soviet Russia which was deeply interested in securing propaganda advantage.

The United States delegate, Mr. Avery F. Peterson, was, therefore, in the right when he regretted that political and controversial issues had been raised during the proceedings of a purely economic commission. Still, it redounded to his credit that he conceded the economic significance of the disarmament question when he referred to the U.N. study, now under way, on the economic and social consequences of disarmament. While the United States has made immense contribution to industrial growth in the E.C.A.F.E. region, its role can no longer be so very outstanding as in the past, unless, of course, disarmament enables it to release greater resources for Asian development. But disarmament, if it is to come about, will depend almost entirely on the willingness of Communist countries to abandon their goal of world domination. Since all this is doubtful, the immediate prospects for expanded aid to the E.C.A.F.E. region as a whole are not excessively bright. If, in the alternative, trade between the region and the advanced countries of the West can somehow be expanded, it will be very good indeed. It is in this context that the U.S. delegate's reiteration of his Government's intention not to allow the country's deteriorating balance of payments position to be a pretext for returning to protectionism is to be welcomed.

Since both the U.S.S.R. and the U.S.A. are in no position to release vastly large resources for Asian development in the absence of disarmament, the accent in the years to come will have to be on private capital investment and expansion in trade. While it will be the responsibility of the Asian countries themselves to create the political and economic climate for attracting more foreign capital—in the latter respect India has still not done all it should and could—it should be the duty of the advanced countries to bring about a situation in which the underdeveloped or primary producing countries can improve their terms of trade with them. Since the import requirements of all the underdeveloped countries in the world are likely to go up from $20 billion at present to $60 billion by 1980, and since two-thirds of the E.C.A.F.E. region's total trade in particular are with the rest of the world, the key to future economic expansion in the region as a whole is to be found in a possible change in the pattern of international trade. Whether long-term contracting (as in the case of India's agreements with Japan for the supply of iron ore to the latter's steel industry, with Australia for the supply of bauxite to the latter's aluminium industry, and with the U.S.S.R. for the supply of some other products) represents a fruitful way of enlarging trade and laying a firm basis for development, is a question that has come up in this context. At the E.C.A.F.E. session, Mr. Satish Chandra, India's Deputy Minister for Commerce and Industry, expressed the view that long-term contracting would expand trading opportunities. This view seems to be sound, for such long-term contracting provides a reasonable guarantee to the primary producers and enables them to plan their production rationally and improve the quality and regularity of their export products. At the same time, a quantity-wise agreement of the kind, though on a long-term basis, does stipulate annual supplies and the prices to be settled from time to time and thus provides an elastic basis for both the exporting and the importing countries to adjust their plans and take advantage of world price levels. This technique of long-term contracting is illustrative of the possibilities of evolving a new approach to international trade so as to find a more natural way of financing the developing countries' requirements of imports and technical know-how from the advanced countries. Greater resourcefulness and creative thinking, rather than mere improvisations, are called for in this crucial field.

MARKET GOSSIP

E.P.T.—A Bad Tax

ONE of the major highlights of the four-day debate in the Rajya Sabha on the general budget was the suggestion made by some prominent members to revive the excess profit tax (E.P.T.). While airing the view that indirect taxation in the country had reached saturation point, Mr. Khandubhai Desai, a trade unionist and a former Labour Minister, said that the corporate sector had now reached a position at which it must be made to make a major contribution to the exchequer and suggested that the Government should reintroduce the E.P.T. Even an eminent member like Dr. H. N. Kunzru, known for his level-headedness, supported this plea. His justification was that the tax could be used to reduce the gap between the haves and have-nots. This demand was voiced in the Lok Sabha also and that too by two ex-Union Ministers, Mr. A. P. Jain and Mr. A. C. Guha.

The Finance Minister, Mr. Morarji Desai, has very boldly and rightly turned down the aforesaid suggestion. His assertion in the Rajya Sabha that this form of taxation would amount to penalising efficiency and enterprise showed his profound insight into the working of the excess profit taxes.

It is well known that two types of excess profits taxes can be conceived. E.P.T. is generally levied in times of war. The idea here is that the profits earned by a particular concern in war-time may be in excess of normal, in the sense that they are more than what were earned by the same company in times of peace. They may be abnormal in quite a different sense, too, namely, that they represent a higher rate of return on capital than is common in industry, or more than what is generally supposed to be a reasonable rate. This second type is called the high profit tax—a tax which may be levied in any contingency other than war, say, an inflationary period in a developing economy.

The point now at issue is whether excess profit tax of the second variety should be a normal feature of the tax system like income-tax and corporate tax. In the past, both war profit tax and high profit tax have been levied. Experience with the working of such taxes has shown that, whenever there is an active market in stocks and shares, the high profit tax falls to a considerable extent upon the wrong people. This happens because some of the original subscribers may have sold out their shares to the present holders at high prices, so that these new shareholders would be subjected to the penalty of higher taxation, even though they would not be securing any abnormal return on the capital they actually invested. Thus, the differentiation among concerns which the high profit tax imposes does not offer any rational basis for equitable distribution of the tax burden among shareholders of companies which are making excessive profits and of those which are not. The most effective method of taxing profits equitably is by a general proportional tax on profits, and this is exactly the function which the corporate tax is performing in the Indian tax system. The differentiation between low profits and high profits earned by companies should be properly introduced at the income stage, that is, when dividends are distributed and become liable to income-tax in the hands of shareholders.

No E.P.T., however carefully evolved, can achieve the objective of penalising the rich shareholders or those who secure an excessive return on their investment, because it is quite likely that investors holding shares of companies subject to E.P.T. may also belong to low-income brackets. Further, personal income taxation, based on the principles of progression, effectively takes care of bringing about a reduction in income disparities between individuals. And this is already being done with a vengeance in this country, where individuals in high-income group are subjected to highest rates of taxation in the world. In any case, E.P.T. is not an equitable instrument for reducing disparities among individuals, as Dr. Kunzru seems to think.

The Finance Minister was on firm ground when he stated that the proper time for excess profit taxation was only war. For, during war-time, a standard period from which the excess could be measured can be conveniently selected. If the tax is introduced immediately after the outbreak of war, the interval between the imposition of the tax and the base year can be fairly short, thus giving little opportunity for exchange of shares. In that case, the tax will fall on those who were the gainers from the windfall profits of war. In a developing economy, even though it may be subject to inflationary pressures, it would be difficult to devise an equitable excess profit tax, similar to war profit tax, because all the companies and industries would not be making high gains at the same time and there would always be the possibility of transfer of shares induced by expectations of prospective profits, all of which may not turn out to be correct.

Another powerful argument against the imposition of the tax is its adverse repercussion on the efficiency of production. Some restrictive effect is inherent in all taxes on profits. But the adverse effect of excess profit tax on efficiency and economy is more glaring. An excess profit tax is very conspicuous in damaging efficiency, because it falls with its full force upon all extra profits, including those that are deservingly made. Every business man knows that an additional enterprise means that capital of the company is exposed to an additional risk and such risk would only be undertaken if it is counterbalanced by some positive reward. And it is one of the most conspicuous drawbacks of E.P.T. that it cuts deeply into this positive reward.

E.P.T. is defective from another angle as well. It sets a premium on all kinds of wasteful expenditure. This follows from the fact that businessmen can spend money to suit their convenience at no cost to themselves, if they can satisfy the tax authorities that it is a genuine business expenditure. Experience all over the world has shown that this is not a difficult condition to fulfil.

Apart from the theoretical considerations against E.P.T. mentioned above, the fact is that there are not many industries in this country which are making abnormal profits. The ex-factory prices of several industries—coal, cement, iron and steel, textiles, paper, sugar, and staple fibre, to name only some—are strictly controlled by the Government. Then, there is compulsion on companies to provide for development rebate. On top of it, there is a capital gains tax on both companies and individuals. The ignorance displayed by some of the Members of Parliament on this point is shocking. And it is even more shocking to find that Mr. Khandubhai Desai (who pleaded for the reintroduction of E.P.T.) himself is guilty of this lapse. The State Trading Corporation is another device through which the Government has been trying to prevent excess profits in certain lines of trade also. Again, unlike in war years, world trade has become highly competitive and world markets are in favour of buyers, thereby ruling out the prospect of exporters and export industries making enormous profits. A lot of abnormal profit is, of course, being made in black markets. But it is for the Administration to catch the black marketeers, if they can. E.P.T. will be simply useless for this purpose. It will only strengthen their hands.

Needs of Tea Industry

"The Indian tea industry is the biggest producer of tea in the world; it is the largest employer of organised labour in the country; and over the last ten years, it has earned more foreign exchange for India than any other industry. Indeed, it is to the established industries like tea, jute, and cotton that so many of the new industries are indebted, for these three giants produce the bulk of the foreign exchange which is being used for the establishment of new undertakings and which will be used for the servicing of the debts which have inevitably been incurred." This was how Mr. N. S. Coldwell, Chairman of the Indian Tea Association, brought out the importance of tea industry to the national economy and it was against this background he stated the needs of the tea industry. And it was a good beginning, indeed, for the I.T.A. Chairman's speech. There is undoubtedly nothing new about it, for any student of Indian economy must be fully aware of this elementary feature. But it requires to be reiterated from time to time, because, in their anxiety to promote new industries, the authorities are inclined either to underestimate the importance of old industries or to relegate them to the back row of the chorus. *Commerce* has time and again pointed out that more foreign exchange, as well as internal resources, can be found by encouraging the established industries to improve their performance than by making heroic efforts to push up the exports of products of new industries which have yet to establish themselves firmly in this country and fully meet its demands. This journal has, therefore, no hesitation in recommending a careful and dispassionate study of Mr. Coldwell's address by the powers-that-be. They will find in it certain claims of industry which should be effectively and expeditiously met, if this goose that lays golden eggs is not to suffer from anæmia.

In the Draft Third Plan, a production target of 850 million lbs. per annum to be reached in 1966 is assigned to tea industry, as compared with a production of about 720 million lbs. in 1959 and a little less than 700 million lbs. in 1960. The Union Minister for Commerce and Industry, it will be recalled, had expressed dissatisfaction with this target on the ground that it was insufficient to cover India's need for exporting more tea and to meet its growing demand for domestic consumption. It is not known whether the final version of the Plan will provide for a bigger target, but, significantly enough, Mr. Coldwell said that there were talks of a target of even 900 million lbs. Mere target-setting, however, is not enough. It must be tackled by appropriate fiscal, transport, import-export, and labour policies. It is to these vital aspects, therefore, that Mr. Coldwell devoted the bulk of his speech.

The first point that must be realised, in this connection, is that, since it takes five years for a new tea bush to yield production, the increase in production envisaged in the Plan has to be secured from bushes which are already in the ground. This means that productivity of existing bushes has to be increased. One of the prerequisites for this purpose is the strengthening of the bushes by timely application of the right type of fertilisers in right doses. But, unfortunately, this item is in short supply. In 1960, the tea gardens in the North could get only 50,000 tons of sulphate of ammonia, in the place of 71,000 tons which they needed. Scientists have established that a single year's failure to apply fertilisers may result in a loss of 30 per cent of a year's normal production before the damage done can be made good. It is thus obvious that, if tea production is to be stepped up the supply of fertilisers to tea gardens must be increased and made available at the right time. Until domestic production of fertilisers expands to the requisite level, more imports of this commodity would have to be given a high priority.

Secondly, transport facilities for taking fuel, fertilisers, stores, etc., to the gardens and for bringing back made-tea must be expanded. Even as things are at present, these facilities are inadequate and many factories in North India have been experiencing shortage of coal. Several new industries, such as oil refineries, oil prospecting, and paper are being established in this region, not to mention the defence arrangements in the North-East. All these activities are competing for essential services with tea-makers. Unless, therefore, steps are taken to improve and expand these services, it will not be possible to increase the production of tea. Speaking of transport, it must be borne in mind that India's competitors—Ceylon, for instance—have the advantage of short lines of communications between the gardens and the sea. Some of the North Indian teas have to travel 1,200 miles before they even reach Calcutta.

Thirdly, there is multiplicity of taxation on tea—Central, State and Local. Some of the taxes, as, for example, the Assam carriage tax which was recently declared illegal by the Supreme Court, are *ultra vires* the Constitution and capable of doing irreparable damage to the economic unity of India and, therefore, to the political unity itself. Mr. Coldwell disclosed the interesting information that the Assam carriage tax alone has deprived the gardens in the State of a sum of Rs. 12 crores. Will the Assam Government bow to the Supreme Court's verdict and return this amount to the tea gardens or get fresh legislation enacted to validate the tax and legalise its past collections? No clear answer to this question is available in Mr. Coldwell's speech. In one place, he describes the tea industry's success in the Supreme Court as transcient and in another place he says that another long struggle lies ahead of it. But the sum of Rs. 12 crores is so large for a highly deficit State like Assam that its return to the industry is inconceivable, even though justice is on the planters' side. It is, however, to be hoped that the Assam Government will not try to perpetuate this unconstitutional levy. It is further to be hoped that the Government of Bengal will be gracious enough to abide by the spirit of the Supreme Court's judgment on Assam carriage tax by withdrawing the octroi on tea. The industry has already taken up this issue to the Court.

While welcoming the relief given in the export duty on tea by the Finance Minister in his budget proposals for 1961-62, Mr. Coldwell strongly deplored the increases in excise duties. He was, of course, not unmindful of the fact that, while the reduction in export duty would cost the exchequer Rs. 200 lakhs, the rise in excise levy would bring in only Rs. 198 lakhs. Nevertheless, he regarded the latter step as a disincentive to the planters for increasing production, as the enhanced duty would cut into their profits. He argued that, unlike the excise duties on tobacco, wines and spirits, and petrol, which were quickly passed on to the consumers, the increase in tea excise was not automatically transferable. On this point, however, Mr. Coldwell is not on solid ground. Apart from the fact that every manufacturer of products affected by the excise duties, including tobacco—*vide* the speeches of the Chairman of the Imperial Tobacco Company of India—has put forward identical arguments, Mr. Coldwell must quote actual facts and figures to show that the excise duty is not being passed on to consumers. It is our belief that, ultimately, it is the consumer who bears the excise burden and the trend of tea prices seems to confirm this belief. In any case, so far as one can see, there is, for some years to come, no prospect of a glut of tea for domestic consumption and the present sellers' market may persist. It should not, therefore, be difficult for the planters to pass on the incidence of the increase in excise duty to consumers. From the observations of the Finance Minister in Parliament, it is clear that he wants them to do so. Further, the effect of the rise in the duty on per cup of tea is not very considerable and the industry, as well as consumers, will have to put up with it as a contribution to the economic development of India which, by itself, will lead to a broadening of the domestic market for tea, as witness the experience of the past ten years. Mr. Coldwell is, however, perfectly right and reasonable when he says: "If money is to be collected (from industry), it should be collected with a minimum degree of administrative dislocation. Where the country's largest earner of foreign exchange is concerned, taxation is obviously inevitable, but it should be convenient and the industry should be given the right to indicate the manner in which the money required from it should be paid." It would be a good thing, if the Union Ministry of Commerce and Industry could sponsor a meeting of the Finance Ministries of the Centre and the States concerned with the spokesmen of the industry where this issue could be thrashed out to the satisfaction of all.

Steps for increasing production are not the only needs of tea industry. Equally important is the need for ensuring that consumption keeps pace with production. This aspect formed the final theme of Mr. Coldwell's speech. His observations show that he is also one of the planters in this country who feel that world production of tea may expand faster than consumption. And the much-talked-of F.A.O.'s projections into the future appear to have only confirmed his misgiving. Naturally, therefore, he harped on the old theme, namely, the necessity for reviving international agreement on tea in some form or other, not as a restrictive practice to the detriment of consumers but as a safeguard for producers against depression induced by overproduction. The political feasibility of such concerted action by all the producing countries is, however, in greater doubt than at any time in recent years. Will Pakistan, for instance, agree to toe the line? Will China be willing? Will Indonesia concede Mr. Coldwell's inference that its capacity to regain its pre-war status is extremely doubtful? Will East Africa or Argentina submit to a scheme of restricted or regulated growth? Even Ceylon may seek to drive a hard bargain with

(*Continued on page* 520)

SHARE MARKET CHEERFUL

TEXTILES AND SUGARS WELL FAVOURED

(From Our Own Correspondents)

BOMBAY, *16th March*

BARRING a few scrips which suffered a set-back to values as a result of liquidation by tired bulls, the share market continued to put on a cheerful appearance during the week under review. Buying support was well sustained, thanks to persistent hopes of bonus issues by companies with large reserves following the reduction in bonus tax from 30 to 12½ per cent and bullish interpretation of the Finance Minister's reply to the debate in Rajya Sabha on Monday the 13th inst. Operators noted with gratification the Minister's categorical rejection of the plea for reimposition of excess profits tax on the ground that it would only amount to penalising the more efficient units in the industry. Also noted was his declaration that wealth tax on companies "should not be there." Reports of Chinese incursion into Sikkim failed to have any decisive effect. Nor was the statement of the Reserve Bank Governor that monetary stringency as a general pattern would persist for quite a few years of much avail. Business put through was on a large scale and further additions to values were recorded. The improvement over the week would have been more notable but for the corrective profit-taking in several counters which had touched high levels after the budget was presented. The undertone of the market was distinctly firm.

Among steel shares in the equity section, Tata Steels began the week firm at Rs. 154.25, as against the previous close of Rs. 153.50, and, after easing to Rs. 153 on Saturday, recovered to Rs. 155 today. The net gain over the week was Re. 1.50. Indian Irons rose from Rs. 26.50 to Rs. 26.90 on Monday. Opening at Rs. 26.60 today, they improved to Rs. 26.80 but finished slightly lower at Rs. 26.75. Mukand Irons hardened from Rs. 26.85 to Rs. 27.25, after being higher still at Rs. 27.50 on Friday the 10th inst.

Under the impetus of excellent buying orders, textiles forged further ahead. The extent of the rise in prices of a few important scrips is indicated below:

	16-3-1961	*A week ago*	*Net rise*
	Rs.	Rs.	Rs.
Standard	1,423.00	1,332.00	91.00
Swan	545.00	542.50	42.50
Khatau	540.00	515.00	25.00
Podar	157.00	143.00	14.00
Century	550.00	537.50	12.50
Shree Niwas ...	266.00	254.00	12.00
Central India ...	119.00	108.00	11.00
Gokak	185.00	174.00	11.00
Elphinstone ...	73.00	76.50	6.50
Morarjee	355.00	350.00	5.00
Finlay	359.00	355.00	4.00
Svadeshi	254.50	250.50	4.00
New Great ...	205.00	201.00	4.00
B.R. Cotton ...	39.00	35.50	3.50
Simplex	179.50	177.00	2.50
Kohinoor	301.00	299.50	1.50
Bombay Dyeings ...	66.60	65.50	1.10

Sugar shares scored handsome gains. Belapurs climbed up from Rs. 292 to Rs. 309 today, or a rise of Rs. 17. Walchands advanced by Rs. 15.70 to Rs. 241.25. Kesars spurted by Rs. 15 to Rs. 250, reflecting the satisfaction of operators over the announcement of a higher dividend of 9 per cent (taxable) for the year ended July 1960, as against 6 per cent paid in the previous year. Phaltans strengthened by Rs. 6.50 to Rs. 155. Maharashtra Sugars hardened by Rs. 3 to Rs. 201. Ravalgaons, however, eased by Re. 1.80 to Rs. 78.20. Bhopals were unchanged at Rs. 29, despite the optimistic assessment of the outlook for the Company held out by the Chairman at the annual meeting last week.

In the cement group, Associated Cements improved by Re. 1.50 to Rs. 157.50. Digvijays gathered a rupee to Rs. 168. Ashokas rose by 76 nP to Rs. 9.76. Jaipur Udyogs were better by 8 nP at Rs. 12.36. Dalmias, however, eased by 24 nP to Rs. 12 and Orissas by 16 nP to Rs. 14.

Shipping shares evoked good support. Great Easterns improved by Re. 1.04 to Rs. 16.04. Scindias gained 68 nP to Rs. 16. Among automobiles, Premiers advanced by Rs. 4.50 to Rs. 185, while Mahindras receded by 88 nP to Rs. 21.36, in view of the Directors' decision to maintain the dividend for the year ended October 1960 at the previous year's level of Re. 1.25 per share subject to tax.

Persistent buying support lifted up the values of engineering shares. Alcock Ashdowns scored a gain of Rs. 20, today's closing rate being Rs. 312. Bradys Engineerings advanced by Rs. 18.50 to Rs. 88.50. Premier Constructions spurted by Rs. 16 to Rs. 227. Standard Engineerings rose by Rs. 9.50 to Rs. 219.50. Telcos increased by Rs. 6.50 to Rs. 342. Coopers put on Rs. 5.50 to Rs. 204. Asian Cables gathered Re. 1 to Rs. 121, on reports that the Company proposes to finance its expansion scheme by raising fresh capital of Rs. 1 crore through the issue of shares in the ratio of two for every one held. Larsen and Toubros improved by a like amount to Rs. 45. Khandelwals, however, receded by Rs. 2 to Rs. 91. Texmacos lost 52 nP to Rs. 24. Shivrajpurs fell by Rs. 11 to Rs. 90 on reports suggesting delay in the issue of bonus shares.

A sharp rise in the quotations for dyes and chemicals characterised trading in the miscellaneous section during the week under review. Amar Dyes were taken up to Rs. 440, a rise of Rs. 55 as compared with the last week-end rate. India Dyestuffs forged ahead from Rs. 472.50 to Rs. 572.50, a rise of Rs. 100. Colour Chems spurted by Rs. 30 to Rs. 385. Poly Chems by Rs. 18.75 to Rs. 256.25 and Dharamsis by Rs. 17.50 to Rs. 261.25. Alembics improved by Rs. 6.25 to Rs. 261.25. Synthetics increased by Rs. 2 to Rs. 138. Tata Chemicals (new) gathered Re. 1.16 to Rs. 18.80, Dhrangadhras Re. 1 to Rs. 131 and Citrics 50 nP to Rs. 62.50. But Adarsh Chemicals were neglected at Rs. 85, as against Rs. 90 last week.

Rayon shares registered a further improvement in prices, notwithstanding the reported move of the Government to ensure that the increase in excise duty on rayon yarn is absorbed by the spinning units themselves. Over the week, South Indian Viscose jumped up by Rs. 18 to Rs. 172. Barodas strengthened by Rs. 7.25 to Rs. 147.25, Indian Rayons by Re. 1 to Rs. 68.50 and Gwaliors by 50 nP to Rs. 47. National Rayons, however, dropped Rs. 6 to Rs. 536, on account of profit-taking by some bulls. Among other miscellaneous industrials, Ceat Tyres were well fancied and spurted by Rs. 26.25 to Rs. 287.50, after being higher still at Rs. 300. The Directors of the Company propose to issue 161,000 new shares of Rs. 100 each at a premium of Rs. 25 each in the proportion of seven shares for every five shares held. Laxmi Starchs rose by Rs. 18.25 to Rs. 218.75, Anil Hardboards by Rs. 14 to Rs. 305.50 *ex-div.*, Voltas by Rs. 10.50 to Rs. 298, Greaves Cottons by Rs. 7.50 to Rs. 177.50, Killicks by Rs. 6 to Rs. 105, Premier Tyres by Rs. 2.50 to Rs. 112.50, Philips Carbons by 64 nP to Rs. 19.12 and Tata Oils by Re. 1.68 to Rs. 84. West Coasts were firm at Rs. 225. But Bombay Burmahs were subjected to liquidation and fell by Rs. 14.50 to Rs. 621. Wimcos shed Rs. 3 to Rs. 300. Hindustan Levers eased by a rupee to Rs. 51, despite the excellent working results for the year 1960. The net profit is higher at Rs. 2.50 crores, as against Rs. 2.08 crores in 1959 and the gross dividend per share has been raised from Rs. 2.40 to Rs. 2.60.

• • • •

Calcutta Stock Exchange

CALCUTTA, *15th March*

Although the steady upward trend of prices on the Stock Exchange during the week under review was marked by profit-taking here and there, buying interest was active. Operators and investors were optimistic, and the undertone was healthy. The fixation of special "marking-up" prices in Bombay checked bulls and, since speculative exuberance mellowed down, the market could not claim a similar situation here, as in Bombay, to call for restrictions on trading. Also, the Finance Minister's statement that a strict watch would be maintained by the Controller of Capital Issues over bonus issues changed investors' expectation of any spate of bonus issues. Further, the retention of the bonus tax of 12½ per cent was considered to act as a check. The decision of banks to increase deposit rates would, it was thought, attract more loanable funds to banks and contribute to easing of the tightness in the money market. Mr. Morarji Desai's hope that revenues from direct taxes would go on increasing even at existing rates was construed as official admission that the direct tax structure had reached a high level and that further increase would mean hampering of progress. This assisted sentiment. Measures for easing fibre shortage were a pointer to the revival of interest in jutes, while, although teas were steadier, the realisation that the Government, by raising excise duties, would be claiming more than revenue loss as a result of the export duty cut checked activity. Miscellaneous industrials recorded several buoyant counters, following hopes of improved working results and some bonus issues in the near future. Under the leadership of Indian Irons, engineerings forged ahead and the increased availability of steel for fabrication was a constant reminder of greater prosperity for the industry. Industry's criticism of the inability of the railways to provide adequate transport and the World Bank's concern drew attention to coals. Textiles met with modest support, as, with the improvement of cotton supplies, production in mills was bound to increase.

Coals met with profit-taking, thus reducing gains. Burrakurs closed at Rs. 20.19, after hardening from Rs. 20.56 to Rs. 20.62. At Rs. 31.62, Equitables were higher by 12 nP on balance, while Raneegunges eased to Rs. 17.12, as against the opening of Rs. 17.50. Central Indias closed at Rs. 14, after opening at Rs. 14.37, while East Indians at Rs. 34.56 recorded a small rise.

Jutes were better all round. Dalhousies were pushed up to Rs. 111 from Rs. 108.50 previously. At Rs. 140, Budge Budges gained Rs. 2. Barnagores were forced up from Rs. 128 to Rs. 135, and Aucklands from Rs. 160.10 to Rs. 181. Belvederes were as high as Rs. 168, as against Rs. 151 previously. Caledonians increased by Rs. 6 to Rs. 130. Unions picked up Rs. 17 to Rs. 176. Deltas had buyers at Rs. 167, as against Rs. 162. Kamarhattis were better at Rs. 155, but Howrahs were unchanged at Rs. 22.37 and New Centrals eased from Rs. 19.81 to Rs. 19.50.

Engineerings, following the general trend, recorded handsome gains, but, on profit-taking, gains stood reduced. Indian Irons opened at Rs. 26.30 and, after rising to Rs. 26.75, finished at Rs. 26.46. Indian Standard Wagons closed higher at Rs. 106, as against Rs. 102.50, while Texmacos at Rs. 23.60 closed lower on balance. Guest, Keen, Williams were better at Rs. 47.62, but Jay Engineerings, after being higher at Rs. 31.75, wound up at Rs. 31.06. J.K. Steels closed at Rs. 25.69, after rising from Rs. 24.25 to Rs. 26.19.

Among miscellaneous industrials, the listing of British Paints was hailed by the scrip rising from Rs. 23.25 to Rs. 28.81. National Pipes were fully steady at Rs. 25.69 and, at Rs. 39.12, National Cables, following rumours of an imminent issue, added a substantial gain. Isaac Holdens were another strong feature for the steady rise from Rs. 10.06 to Rs. 11.69. Associated Batteries scored to Rs. 39.31 from Rs. 37.25 and General Tyres to Rs. 7.15 from Rs. 6.50. Indo-Burma Petroleums were as high as Rs. 29, as against Rs. 25 previously. Hindustan Aluminiums were lifted up from Rs. 8.81 to Rs. 10.06. Martin Burns were fractionally higher at Rs. 30, Indian Coppers giving way from Rs. 5.46 to Rs. 5.34. Orient Papers eased from Rs. 42.40 to Rs. 41.45 and Rohtas Industries from Rs. 22.06 to Rs. 21.44.

Tea shares were better. Hasimaras closed at Rs. 25.06, after opening at Rs. 23.75 and scoring to Rs. 25.50. Dufflaghurs gained from Rs. 33.62 to Rs. 34.75, but Tezpores eased from Rs. 17.87 to Rs. 17.36.

• • • •

Madras Stock Exchange

MADRAS, *15th March*

The Stock Exchange displayed a distinctly firm tone during the week under review. Scrips in both forward and cash lists made headway, thanks mainly to enlarged investment buying. Turnover was quite large. Textiles moved up on better enquiries from local as well as upcountry centres. The improvement in raw cotton supply also imparted strength. The plantation section ruled steady. Teas were well maintained on encouraging advices from auction centres. Coffees put on a better appearance this week. Rubbers were favoured at higher levels. Operators noted the statement of the Madras Home Minister at the meeting of the Rubber Board last week here that another 300,000 acres would be brought under rubber plantation by 1967 in the State. Sugars were well fancied, as also banks. Electricals were steady. Cements and chemicals were in the limelight in the miscellaneous section.

Among textiles, South India Viscose provided the bright spot, the quotation advancing by Rs. 20.50 to Rs. 173, following sustained support by certain Bombay interests. Lakshmis rallied from Rs. 157 to Rs. 166 on prospects of bonus share issue and enhanced dividend to commemorate the golden jubilee year of the Company. Bangalore Woollens were marked up by Rs. 3.50 to Rs. 202. Travancore Rayons rose by Re. 1.30 to Rs. 38.80 on expectations of higher dividend. Maduras spurted by Re. 1.15 to Rs. 38.30. Janardanas gained a rupee to Rs. 12.85. Buckinghams strengthened by 50 nP to Rs. 198. Kotharis put on 35 nP to Rs. 12.85. Trichinopolys hardened by 30 nP to Rs. 12.25. A higher dividend of 13.5 per cent, taxable, has been recommended for the year 1960, as compared with 12 per cent paid in the previous year. Vasantas were firm at Rs. 242, following the announcement of a dividend of 20 per cent taxable for 1960, which compares well with 16 per cent last year. Cannanores were fancied at Rs. 144. Coimbatore Cottons at Rs. 172.50, Metturs at Rs. 367, Premiers at Rs. 242 and Radhakrishnas at Rs. 30. Coimbatore Pioneers, however, lost Rs. 5 to Rs. 335, as the operators were disappointed at the lower dividend of 16 per cent, taxable, proposed for 1960, as against 25 per cent last year.

In the tea section, Nonsuchs attracted good attention and improved by Re. 1.35 to Rs. 28.35. The Company has declared an interim dividend of 10 per cent for the year ending June 1961. United Nilgiris rose by 60 nP to Rs. 12.75. Haileyburias were higher by 30 nP at Rs. 14.55. Devasholas gained a like amount to Rs. 30.30 *ex-div.* Parksides gathered 13 nP to Rs. 28.50. Chembras picked up 5 nP to Rs. 3.80.

Among coffees, Cowcoodys hardened by 14 nP to Rs. 5.20. Mysore Coffees were higher by 5 nP at Rs. 5.50. Consolidated Coffees fell initially from Rs. 24 to Rs. 23.65, but wound up at the last week's closing level. Ouchterlony Valleys were fully steady at Rs. 4.60, although the quotation had declined to Rs. 4.57 early in the week. Coffee Lands were maintained at Rs. 21, as also Anaparais at Rs. 4.70.

In the rubber group, Malankaras rose by 25 nP to Rs. 18.25. Travancore Rubbers were higher by a similar amount at Rs. 10.12. Midlands improved by 15 nP to Rs. 12.15. Cochin Malabars sagged from Rs. 7.90 to Rs. 7.87, but recovered to Rs. 7.92, also moved up by 2 nP to Rs. 5.13. Rajagiris were firm at Rs. 18.80.

East India Distilleries were in forefront in the sugar section, the quotation advancing by Rs. 4.15 to Rs. 45.40. The support followed rumours of a fresh right issue as well as the impressive working of the Company shown in its latest annual report. United Breweries increased by Rs. 3.25 to Rs. 115.25. Deccans strengthened by 37 nP to Rs. 14.45, following the announcement of an interim dividend of 7½ per cent., taxable, for the year ending May 1961.

Chemicals were particularly strong in the miscellaneous section. Travancores rose by Re. 1.25 to Rs. 16.50. Metturs hardened by 35 nP to Rs. 13.60. F.A.C.Ts by 25 nP to Rs. 11.05 and Mysore Fertilisers by 3 nP to Rs. 11.25. Among cements, Indias scored a gain of 22 nP to Rs. 6.42. Andhras and Dalmias put on 15 nP each, the former to Rs. 10.25 and the latter to Rs. 12.05. Among others, Textools spurted by Rs. 2.50 to Rs. 177.50. Indian Steel Rollings were higher by 40 nP at Rs. 10.40. Ashok Leylands rose by 18 nP to Rs. 9.53.

NEWS IN BRIEF

A TELEVISION centre is proposed to be established in Bombay during the third Plan period, subject to availability of foreign exchange.

The Bihar Government proposes to set up during the third Plan period a low temperature carbonisation plant capable of processing about a million tons of coal annually.

A proposal for growing coffee in the Agency tracts of Andhra Pradesh is being considered by the Government of India, according to Mr. Satish Chandra, Deputy Minister for Commerce and Industry.

Oil has been struck in well No. 8 in the village of Digas in Ankaleshwar area, Gujarat State. The final indication of the commercial possibility of the oil in this area will, however, be available only after the drilling of half a dozen more wells.

Smuggled watches valued at Rs. 32.96 lakhs were seized by the customs and excise authorities in 1960, as against Rs. 17.99 lakhs, in 1959, Rs. 9.60 lakhs in 1958, Rs. 7.56 lakhs in 1957 and Rs. 1.34 lakhs in 1956.

The ways and means of encouraging the use of furnace oil and other substitute fuels by industries located at places distant from coal fields currently facing coal shortage are being explored by the Central Government.

The Union Minister for Industry, Mr. Manubhai Shah, disclosed in the Lok Sabha that the Government had rejected the suggestion of the U.S. economist, Prof. Galbraith, that no Government employee should be appointed as a director in any public sector commercial enterprise.

The wide strip mill, the third and last unit of the Rourkela steel plant, will be inaugurated by Prime Minister Nehru on the 28th inst. The mill will produce 600,000 tons of wide steel strips per year. Steel strips form the basis for a number of industries in the country.

The Indian Airlines Corporation proposes to introduce shortly Fokker Friendship planes on its various routes from Calcutta. In the meantime, it will commence operation of two new routes from Calcutta with Dakotas, one to Ranchi and the other to Jamshedpur.

The working of the Indo-Pakistan trade agreement will be reviewed at New Delhi next week, by the official representatives of the two Governments. The question of enlarging the scope of trade between the two countries under rupee payment agreement is also expected to be examined.

The proposed all-India supergrid for power generation is unlikely to be set up during the third Plan period, according to Mr. J. L. Hathi, Deputy Minister for Irrigation and Power. The southern grid, comprising Andhra Pradesh, Kerala, Madras and Mysore, will, however, come into being by the end of the third Plan.

The total quantity of natural gas obtained at Naharkotiya in Assam upto the end of last January was 8,414 million cubic feet. The gross proved gas reserves are estimated at 511 billion c. ft. and indicated reserves at 189 billion c. ft. Out of the gas so far produced 5,000 million c. ft. of gas was supplied to the Assam Oil Company and the balance was utilised by the Oil India (Private) Ltd.

The oil refinery in the public sector at Nunmati, Gauhati, Assam, with an annual capacity of 750,000 tons, will be in full production by the end of 1961. As regards the proposed Barauni refinery in Bihar, for which a detailed project report has been submitted by Soviet experts, the first one million-ton unit of the project will be operated by October 1962, and another million-ton unit by March 1963. Both will go into full production by the end of 1963.

The Government of India has approved of the Rs. 25-crore thermal station scheme at Cambay in Gujerat. The scheme envisages the construction of a power house with an installed capacity of 200,000 kw. at Dhurwaran, near the Gulf of Cambay. Initially, this thermal station will have three turbo alternator sets. Each unit will be connected to two boilers while there will be a third stand-by boiler. These boilers will be designed to use coal, oil or gas.

India's exports in January 1961, according to preliminary figures, amounted to Rs. 54.54 crores, as compared with Rs. 51.35 crores in the corresponding month of 1960. The rise in exports was more than offset by the marked increase in imports which amounted to Rs. 83.42 crores, as against Rs. 70.71 crores in January 1960. Consequently, the adverse balance of trade during the month was larger at Rs. 28.88 crores, as against Rs. 19.36 crores.

An agreement for the purchase of refinery gas for the public sector fertiliser plant at Trombay is expected to be signed by the end of this month between the Fertiliser Corporation of India, which manages all the fertiliser factories in the public sector, and the Burmah Shell. A similar agreement for the purchase of naphtha from the Stanvac is also likely to be reached soon. The Trombay plant, which will produce fertilisers of about 90,000 tons in terms of nitrogen, is being set up with a D.L.F. loan of $30 millilion.

An official Bill to amend the Minimum Wages Act, 1948 has been introduced in the Lok Sabha. It seeks to do away with the time-limit of one year for wage fixation from the date of notification in respect of any employment added to the schedule of the Minimum Wages Act. Another amendment provides that no minimum rates of wages be fixed or revised in respect of employees in a scheduled employment during the pendency of any dispute before a tribunal over the rates of wages payable to them or during the period an award by a tribunal is in operation.

• • • •

From Abroad

The International Tin Council has decided not to fix any total permissible export quota for the second quarter of this year.

A recent survey of savings deposits with banks in West Germany showed that 43 per cent of all persons below 21 years of age had savings accounts.

The view that Russia has started a trade war in sugar in world markets as part of a general plan to gain world supremacy in the economic field has been expressed by Sir Edmund Bacon, Chairman of the British Sugar Corporation.

Cotton is one of the principal crops that will be cultivated on large-scale co-operative farms proposed to be established shortly in Ghana. The samples of cotton grown in Ghana have already been tested in England with satisfactory results. Only the most suitable types are being selected.

In a bid to liberalise the import policy, the Government of Pakistan has placed ten essential commodities under Open General Licence, for the first time since the O.G.L. was withdrawn in 1952. The items include iron and steel, drugs and medicines, cement (for East Pakistan only), tyres and tubes, spare parts for automative vehicles, milk food and typewriters.

The first productivity seminar for the Asian Region of the International Labour Organisation commenced its 13-day session at Tokyo on Monday this week. Discussions at the seminar cover such subjects as structure of industrial enterprises, reasons for lower productivity and studies of a system for achieving maximum results. About 30 representatives from 14 nations, including India, Pakistan and Ceylon, are attending the meeting.

The employees of the General Motors Corporation, Detroit, U.S., received over $5 million in 1960 for submitting 111,203 suggestions to increase safety and efficiency of operations, almost $1 million more than in 1959 for the 87,264 suggestions adopted by the Company. About one of every four suggestions submitted during 1960 were accepted. Since the system began in 1942, General Motors paid $46 million for suggestions adopted.

The production of a new high-strength plastic, which is expected to replace millions of pounds of metals as well as other plastics, has been commenced at New York by the Celanese Corporation of America. The new plastics, called "celcon" plastic, manufactured by a new process, will have wide uses in automobiles, appliances, industrial equipment containers, piping and hardware. The Company claims that the market for "such high performance engineering plastic as celcon" would triple in the next three years and will reach a level of 200 million pounds a year by 1970."

Pakistan and the Soviet Union have signed an agreement providing for Soviet credit and technical assistance for exploration for oil in Pakistan. Under the agreement, Pakistan will receive a 12-year credit of $30 million carrying interest at 2½ per cent. Repayment will be in rupees which will be used mostly for the purchase of Pakistani goods. The credit, the first instance of economic co-operation between the Soviet Union and a member of C.E.N.T.O., will be utilised by Pakistan for purchasing Soviet equipment and material and for paying salaries to technicians and specialists to be deputed by the Soviet Union for prospecting of oil.

PERSONAL

MR. Ellsworth Bunker, U.S. Ambassador to India, is scheduled to leave for the U.S. on 23rd inst., after four years of distinguished service in this country. He is due to arrive in Bombay from New Delhi on 21st inst.

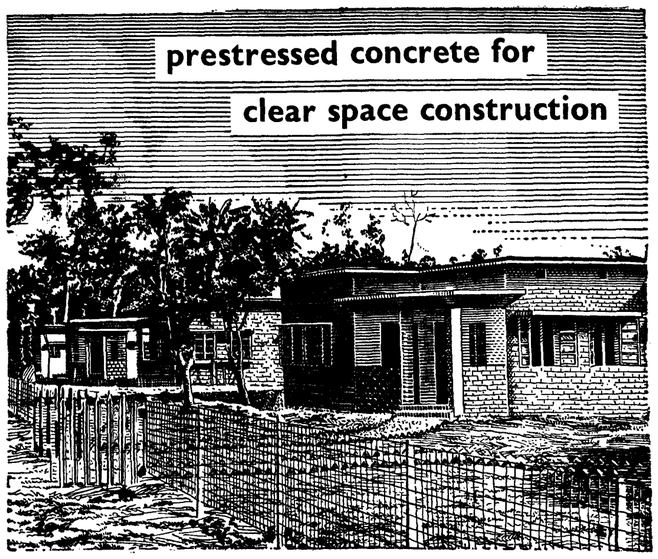
Mr. W. Averell Harriman, U.S. Ambassador-at-large, arrived in New Delhi on Wednesday the 15th inst., as a special representative of President Kennedy, with the object of meeting informally the delegation of over 20 countries to the seventeenth session of the E.C.A.F.E. and convey to them the President's interest in the work of the E.C.A.F.E. and the contribution it can make towards the economic progress of the region. He will also meet Prime Minister Nehru and other Government of India officials.

Mr. Richard S. Perkins, Chairman of the Executive Committee of the First National City Bank of New York and Chairman of the First National City Trust Company, was on a visit to Bombay this week as part of his inspection tour of the Far Eastern branches of the Bank.

Mr. Vallabhadas V. Mariwala and Mr. Javerchand Padamshi Shah have been elected President and Vice-President, respectively, of the Pepper and Ginger Merchants' Association for the current year.

Mr. Pratapsinh Mathuradas, Mr. S. M. Shah, Mr. Ratansi Champsi and Mr. Naval H. Tata have been elected representatives of the Indian Merchants' Chamber on the Board of the Bombay Port Trust for a term of two years from 1st April 1961.

Mr. F. Rozario and Mr. P. C. R. Coates have been elected to represent the Bombay Chamber of Commerce and Industry on the Board of the Port Trust of Bombay for the next two years.



Economy and Speed of Construction at a New Township

At the New Township at Nahorkatiya being built by Oil India Private Limited, the flat roofs of the buildings consist of 2" to 2½" thick x 14" wide precast prestressed concrete planks of span 12 to 20 ft. placed butting against each other. In-situ concrete 1" to 2" thick was laid over the planks to form a composite roof slab of 3" to 4½" thick. Foam concrete 2" to 4" thick was laid over the roof for additional heat insulation. The roof was finally waterproofed with Stp "Tarfelt"

Precasting and absence of shuttering have enabled each bungalow to be completed in all respects within a month.

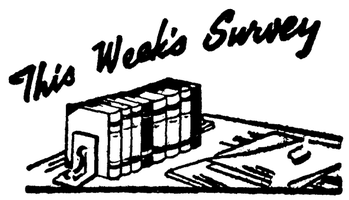
Stp

SHALIMAR TAR PRODUCTS (1935) LIMITED

CALCUTTA • NEW DELHI • BOMBAY • LUCKNOW • CHANDIGARH

Agents: The Bombay Co. Private Ltd., Madras-1 • R. C. Abrol & Co. (Private) Ltd., New Delhi-1

7577



JUTE PRICES

SOON after we went to press last week, the Government of India assumed powers for enforcing certain control measures designed to bring down the prices of raw jute and jute goods. By an order promulgated on the 10th inst. under the Essential Commodities Act—the order is called the Jute Licensing and Control Order—the Government has invested the Jute Commissioner with the following powers:

To issue licences to dealers in raw jute and jute goods from year to year, after taking into consideration the stocks available in the locality, the business ordinarily carried on by the applicant and other relevant factors; to fix the maximum and minimum prices for purchase and sale of raw jute and jute textiles; to prescribe the maximum quantity of raw jute that the manufacturers of jute textiles may buy or have in their possession; to requisition stocks, with a view to ensuring an equitable distribution of both the raw material and the finished products; and to enter and inspect the places concerned, in order to ensure compliance with the Order.

The Government has clearly warned that those who contravene the provisions of the Order or fail to carry out directions or requisitions made under it shall be liable to punishment as prescribed under Section 7 of the Essential Commodities Act.

The promulgation of the Order is not surprising, in that it is in accordance with the understanding reached at New Delhi on 24th February 1961 when the representatives of the Indian Jute Mills Association (I.J.M.A.) met the officials of the Union Ministry of Commerce and Industry. The Government did not, it was stated at the meeting, intend to use the powers assumed under the Order, except those in respect of requisitioning raw jute and, in certain circumstances, jute goods, provided the I.J.M.A. would effectively operate a voluntary scheme for a maximum price for raw jute. Without any delay, the I.J.M.A. announced, on 28th February, (*a*) maximum prices for raw jute based on Rs. 62 per maund for Assam bottoms with other grades and qualities in proportion; (b) compulsory registration of all contracts for raw jute with the I.J.M.A., reinforced by requisitioning of raw jute stocks by the Jute Commissioner from both sellers and, if necessary, from mills; and (*c*) a move to limit the quantity of unsold ready goods that may be held by its members, the quantity in excess of the limit being requisitioned by the Jute Commissioner, if the mills fail to abide by the voluntary arrangement. It is clear now that, if this arrangement fails to serve the purpose for which it is intended, the Government can and will intervene to enforce the control effectively.

In pursuance of the aforesaid Jute Control Order, the Jute Commissioner is reported to be already discussing the steps in regard to licensing raw jute dealers with the officials of the West Bengal, Assam, Bihar, Orissa, Uttar Pradesh and Tripura State Governments. He is also keeping a close watch on forward sales. Meanwhile, he has asked the jute mills to inform him about the stock position of raw jute and directed the Calcutta jute dealers with large holdings to file within a week the returns on the existing stocks.

Thanks to the aforesaid measures, the prices of both raw jute and jute goods have suffered a setback, though the currently ruling levels are still very much above those a year ago, as will be seen from the quotations given below:

	Latest available	Before the New Delhi meeting	A year ago
Raw jute (per maund)—	Rs.	Rs.	Rs.
Assam bottoms	62.00	64.50	30.35
Northern bottoms	61.00	63.50	31.60
Dalsee bottoms	64.00	66.50	33.25
Jute goods —			
B. twills (per 100 bags) ..	201.00	208.50	111.45
Hessians 40" 10 oz. (per 100 yds).	66.75	67.50	41.05

It is thus evident that there has not been any appreciable decline in prices of raw jute and jute goods. Nor can one expect such a decline in the next few weeks or months. For the supply position of raw jute continues to be tight. That it would be so was known even as far back as April 1960 when the prospects for the 1960-61 season's crop had become highly unfavourable, owing to the unprecedented hot and dry spell that hit India's jute belt. Naturally, speculators exploited the situation and prices forged ahead, notwithstanding the steps, albeit halting, taken by the Indian Jute and Hessian Exchange.

If the Government had taken stringent action, instead of merely issuing warnings, and abolished all forms of forward dealings, the position would not have deteriorated to the same extent it has done. But the Government continued to proceed on the wrong assumption that the crop would not be so badly affected as was being made out and that only the speculators were to be blamed. It failed to realise that speculators are adept at getting advance information and that they cannot succeed in their attempts unless the basic trend was in their favour. The Government did not have any means of knowing the real size of the crop. Nor would it listen to those who had superior crop intelligence and warned the Government that a serious shortage of crop was in the offing. It would not open its eyes even when it was told that large quantities of jute were being smuggled into Pakistan and exported overseas. It simply dismissed these reports as mere speculators' tales. Even now, it is stated that large quantities of jute are being smuggled into Pakistan almost every day. In view of the fact that the maximum prices in India are well below those in Pakistan, preventive measures against smuggling across the border to Pakistan must be strengthened. Simultaneously, the non-member mills of the I.J.M.A. should be brought within the I.J.M.A. scheme. The I.J.M.A. representatives, it may be noted, pointed out to the official spokesmen at New Delhi the inequity of its members having to reduce working hours and accept other restrictions in respect of raw jute purchase, etc., while non-members were free from any controls over their manufacturing or purchasing activities. And they in turn were assured that this matter would receive "prompt and effective attention." It remains to be seen what steps the Government will take in this direction.

SOME LABOUR PROBLEMS

Since the composition and terms of reference of the Bonus Commission still remain unsettled issues, it is only natural that Mr. B. A. Forsyth, Chairman of the Employers' Federation of Southern India, Madras, should have thought it fit to devote a good part of his speech at this year's annual meeting of the Federation, held this week at Madras, to these controversial issues. Mr. Forsyth reviewed the disconcerting developments that preceded and followed the announcement of the personnel of the Bonus Commission and fully endorsed the opposition to the appointment of Mr. M. R. Meher as Chairman of the Commission. Mr. Forsyth pointed that, in view of the vital question which the Commission was called upon to decide, only a high power body, as recommended by the Supreme Court, with all the interests concerned represented on it, could find a satisfactory solution. He felt that the Commission's terms of reference should be exhaustive so as to include in it not only the two major issues contained in the draft terms prepared by the Union Ministry of Labour, namely, (1) the conditions under which bonus should be paid and the method of determination of prior charges and (2) the appropriate machinery for the settlement of bonus claims, but also many others such as merger of a part of dearness allowance with wages, the abolition of annual bonus altogether by substituting it with another less cumbersome system.

The Chairman appreciated the firmness with which the Government dealt with the general strike of its employees last year. One beneficial effect of the strike, he said, was that strikes had fallen into disfavour. He felt that, henceforth, the Government would view the intermeddling of outside office-bearers of trade unions with suspicion, and that trade union leaders would be more cautious and their followers less precipitate in their actions. These inferences, however, appear to err on the side of optimism. It is true that present signs justify them, but there is no certainty that the prevailing mood of sobriety will be sustained.

Commenting on the principle of "no work, no wages," which is currently under study by the Standing Labour Committee with a view to examining its applicability to India, Mr. Forsyth said that the principle was fair and reasonable. It had been accepted in other countries and there was no reason why India, too, should not follow suit. He was of the opinion that unions should be held responsible for loss of production resulting from illegal and unjustified strikes. This is a logical attitude to take, but its feasibility in practice is doubtful even if the Government is prepared to give the necessary backing.

Among the other problems touched upon by Mr. Forsyth, special mention must be made of his pertinent and incisive remarks about the Code of Conduct. In the absence of effective sanctions to back it, the Code, according to him, remained a mere dead-letter, admonitions incapable of being enforced. He cited instances where the implementation machinery of the Code had to remain practically silent when the unions called strikes even though the relevant disputes were under conciliation or adjudication. Incidentally, this instance only reinforces our concluding remark in the previous paragraph. Mr. Forsyth, however, did well to pinpoint this aspect of the Code, because it is the violation of the Code with impunity that undermines the faith of the parties in the Code and leads to its eventual failure. Another factor which discredits the Code is the scant respect shown to it by the various employing Ministries of the Government. If the Code is to succeed, it is therefore necessary to ensure that it is universally honoured and not respected at convenience as is the case now.

HINDUSTAN STEEL

The record of the State-owned Hindustan Steel (Private) Ltd., which manages the three giant steel plants in the public sector at Rourkela, Bhilai and Durgapur, cannot, by any standards, be regarded as exemplary, even after making allowance for the fact that it has been in existence only for a few years. Neither from the point of view of managerial efficiency nor of the much-vaunted progressive labour policy which the State undertakings profess to follow has the Hindustan Steel seemed to have set standards worthy of emulation by others. Comments about Hindustan Steel's disregard of labour laws in the Press, Parliament and elsewhere have been so extensive and adverse that its management itself had to admit, albeit indirectly, some lapses and try to make amends. While the welfare side of its activities has not thus been above board, the business side, too, has not fared any better.

This conclusion is confirmed by two recent reports on the working of the three steel plants under the management of Hindustan Steel, one on Durgapur steel project by a Colombo Plan team of experts, headed by Sir Eric Coates, and the other by the Public Accounts Committee of the Lok Sabha on the Bhilai and Rourkela steel projects. The Colombo Plan experts' report was submitted nearly a year ago, in May 1960 to be precise. But for some mysterious reasons, it does not seem to have been officially published so far. Judging by the excerpts from it published in a section of the daily Press, it appears that the experts found themselves constrained to point out quite a few unpleasant things about the way the work was organised and carried out at Durgapur. Two of the more serious defects, on which the team turned the spotlight, are the absence of devolution of authority to functional heads and the lack of cost-consciousness. Striking a note of urgency, the team urged remedial action in the following words:

"We counsel as rapid action as possible to clear detail from the General Manager's immediate control and effective delegation of authority.... Any one of these problems by itself could be tackled without much difficulty but, coming together and interacting as they do, they are liable to reduce the works to a state of chaos. Too much is at stake to hesitate too long. The necessity for the economic operation of the plant has hitherto hardly been considered by works or general management, apart from finance. At present, works management is fully occupied with getting the plant operating, whether economically or not. But the cost factor clearly cannot be ignored because Durgapur running at a loss will be a liability to the country instead of an asset.... In general we believe that failure to act is yet another expression of the absence of managerial responsibility and initiative."

Lack of co-ordination between the different departments has also attracted the critical attention of the team which found that the administrative and works departments existed in separate worlds and that there was "almost a state of guerilla warfare between them." That this lack of co-ordination has cost the Hindustan Steel and the taxpayer dearly is evident from the financial reviews on the Durgapur project published from time to time. Absence of advance planning has resulted in piecemeal and uneconomic purchases. Rush purchases based on a single tender and spot quotations (or no quotations at all) have been made on grounds of extreme urgency. The non-commissioning of the arc-furnace in the foundry for lack of electrodes since March 1960 has been attributed to the purchase branch's delay in processing the indent. To give an instance. Although a firm requisition was placed in June 1959 for the purchase of 600 electrodes, final orders were placed by the purchase branch only as late as in June 1960.

Similar findings have been recorded by the Public Accounts Committee in respect of the Bhilai and Rourkela plants in its thirty-fourth report presented to the Lok Sabha on the 13th inst. The Committee points out that, in both the plants, the third blast furnaces had been ready for some weeks, but they were not commissioned. Consequently, production has been much below what it should have been. At Rourkela, for instance, output of pig iron was less than 30,000 tons a month during the period April-August 1960, though the rated capacity was double this figure. Steel production, too, was below capacity.

The most deplorable feature of the situation is that no one is prepared to accept responsibility for the shortcomings. The projects administration points out that poor and irregular supplies of coal, in addition to the frequent breakdowns in dolomite calcining plant (at Rourkela), has been responsible for this state of affairs. But the Ministry of Mines and Fuel denies that there has been any shortage of coaking coal at the pithead and blames the railways for its failure to move the coal regularly and in adequate quantities. The Railway Ministry defends itself by arguing that the wagon allotments for the steel plants could not be met in full owing to certain operational difficulties and track doubling works, besides inadequate allocation of resoures made in the second Plan.

The extent to which the bungling on the part of the authorities of Hindustan Steel has affected the Company's financial position is disclosed by the audit report on Hindustan Steel for the year ended 31st March 1960. In addition to disclosing serious accounting irregularities and grave discrepancies in the evaluation of production and stocks, the audit report has highlighted quite a few acts of negligence and heavy overpayments which are not of an unavoidable nature. None expected the Hindustan Steel to show a profit for 1959-60. It would not be anything extraordinary even if it does not report a profit for a couple of years more, for everyone knows that it takes some years for a new company engaged in a heavy industry to make a net profit and pay the maiden dividend. It must also be readily conceded that the job undertaken by the Company is a tremendous one which has to be finished as fast as is humanly possible. But all this does not mean that those in charge of the Company could expect the public to refrain from criticising them, if they are found guilty of complacency, carelessness and avoidable financial irregularities.

GRAPE INDUSTRY

It looks as though the Indian farmer shares the proverbial fox's taste for grapes. But, unlike the crafty quadruped adventurer, the farmer seems to have concluded that grapes are sour without having tried to reach at it. There is perhaps no other reason why our farmers should have neglected the cultivation of this most profitable cash crop for such a long period. There are, however, instances of sporadic attempts to take to this crop and these have shown highly impressive results, both in terms of yield and quality. This has exploded the myth that the good quality grapes are best grown only under temperate and sub-tropical conditions, and not under tropical climate which prevails over the bulk of India. It is not well known that grape-growers at Hyderabad (Andhra Pradesh) are earning a net income of upto Rs. 25,000 per acre annually. At least a net profit of Rs. 3,000-4,000 per acre is usually derived from grape cultivation. That there is tremendous scope for cultivating grapes in India is vindicated by the yield derived from experimental orchards, set up by the Agricultural College and Research Institute, Coimbatore in Madras State. Each vine of *anab-e-shahi* species of eight years old is now carrying a crop of about 800 bunches and are expected to yield this year an aggregate of 75,000 to 80,000 lbs. per acre for one crop alone. This will probably be a world record. The average yield in other countries, such as the U.S., Australia and France, ranges from 4,000 to 8,000 lbs. only. Although the average yield in India varies from place to place, it compares well with that of other countries. Mysore, which accounts for half of India's total acreage under grape cultivation, has shown yields ranging from 12,000 to 20,000 lbs. in different areas. The total area covered by this crop in India is only 10,000 acres, which is negligible as a proportion to the total area under cultivation. The major producing States are, in the order of importance, Mysore, Maharashtra, Andhra Pradesh and Madras. Possibilities are being explored to introduce grape cultivation at Chini in Himachal Pradesh, where the Indian Council of Agricultural Research has established a Raisin Grape Fruit Station to facilitate the work. It will be interesting to note, in this connection, that vineyards in the world as a whole have taken up about 26 million acres, the largest area under any single fruit. The grape is grown in almost all countries of Europe, the U.S., parts of Africa, Palestine, Iran, Turkey, Afghanistan and Russia.

Fruits, especially grapes, are a class of protective foods, which give energy to the body in the form of sugar and starches. Grapes, in particular, are a rich source of calcium and iron and contain a fair amount of vitamin B, in addition to small quantities of vitamins A and C. It is only natural to expect a rise in the consumption of grapes in India, as the national income goes up. A large part of the demand is met by imports now, mainly from Afghanistan. In 1960, the total imports of grapes, it is estimated, aggregated around 7,000 tons (valued at about Rs. 65 lakhs), as against 7,800 tons (Rs. 71 lakhs) in 1959 and 4,100 tons (Rs. 33 lakhs) in 1958. Imports (which are now restricted) can be fully dispensed with only if production of the sweeter varieties of grapes goes up. One of the major difficulties of prospective grape growers is the need for large initial investment, without the prospect of any immediate return (that is until vines bear fruit). It is only in the fitness of things, therefore, that the Council of Agricultural Research should have pleaded for granting credit of Rs. 1,000 per acre of vine yards to newcomers in the field. Already the Government is granting loans to the tune of Rs. 300 per acre. This is obviously too small an amount to be of any use for those who wish to raise grapes.

Another important point to be borne in mind is that there is an urgent need for disseminating information on the results of researches carried out on new techniques of production, etc., either in some parts of this country itself or abroad. This object may be served, at least to some extent, by organising such exhibitions as the All-India Grape Show held at Poona on Tuesday and Wednesday this week. The Poona exhibition was of particular significance in that it provided Maharashtra, which is lagging far behind the South in the matter of yield per acre of grapes, an opportunity to acquaint its farmers with the new methods of production employed elsewhere.

Side by side with stepping up production, due attention must also be given to ensure a sustained demand for grapes. As Mr. M. Bhaktavatsalam, Minister for Agriculture, Madras, observed, while inaugurating the State Grape Society at the Agricultural College and Research Institute, Coimbatore, the other day, there is good scope for establishing industries in India, based on grapes, such as dried grapes or raisins, grape juice and other non-alcoholic drinks. Such efforts should be supplemented by introducing scientific canning, storage facilities and adequate transport of the right type for expeditious movement of grapes and its products from the producing centres to the major cities and towns.

INDIA'S FOOD PLAN: A CLARIFICATION

Apropos the article entitled "India's Plan for Food Unbalanced," published in *Commerce* of 4th February, 1961, Dr. P. V. Sukhatme, its author, writes as follows:

"The article was based on the material which I used in my public talk on "Food Problem in India" at Vigyan Bhavan, New Delhi. While the contents of the article generally agree with the analysis presented by me in my talk, the title of the article gives a somewhat exaggerated impression about my views regarding India's food plan. In actual fact, I consider the plan to be perfectly sound, except that a larger target for milk production was called for.

"I hope, however, that the publication of the article will lead to a reconsideration of the target for milk production at the hands of the Planning Commission. I propose to contribute to you a fuller analysis of the problem for publication in your journal at a later date.

"I would appreciate it if you would be good enough to publish this letter in your next number in order to avoid possible misunderstanding."

AN important feature of the educational facilities at Jamshedpur is the leisure-time training of employees. Instruction provided, after hours, helps steelmen like J. P. Pathak to acquire wider knowledge and new skills.

Pathak, who started his career in Tata Steel as an office boy in 1929, passed his matriculation examination from the Company night school in 1944. Pathak next took up an evening course in basic mechanical drawing at the Jamshedpur Technical Institute. In 1957, he was selected for overseas training, and went to Canada, the U.S.A., West Germany and Holland, to learn techniques of operating a sinter plant. Today, Pathak is operator-in-charge of the sinter plant added under the two million ton expansion programme.

Notwithstanding initial handicaps, enterprising men like Pathak have the opportunity to better their prospects through further education and training at Jamshedpur, where industry is not merely a source of livelihood but a way of life.

JAMSHEDPUR

THE STEEL CITY

JWTTN 4660

The Tata Iron and Steel Company Limited

ON THE ARENA

By The Archer

The Passing Away of Pandit Pant

SOME of the finest tributes that were ever paid to any Indian national leader have been paid to the memory of Pantji, especially by his close contemporaries, President Rajendra Prasad and Prime Minister Jawaharlal Nehru. The quality that received greatest praise in him was his lofty serenity which has been compared to that of a rock of the Himalayas. As the President said of him: "He was never perturbed in the midst of difficulties and differences and maintained an equilibrium of mind which was remarkable." The Prime Minister has bemoaned his loss with great depth of feeling and sense of personal desolation. Having had to go away to the United Kingdom a few hours before Pantji's end arrived, the Prime Minister's sorrow was particularly poignant. There were tears in his eyes when he was interviewed by Press reporters at London Airport and he was unable to keep his great sorrow to himself.

All Eastern nations talk of the art of gracefully growing old with increasing serenity and poise as the years go by, but the tragedy of old age does present itself when others of the same age or younger people pass out and memories come crowding in, memories of troubles and thoughts shared, kindnesses received and achievements partnered in. The symphony of life does not always end with a grand finale of peace and serenity and material comfort or spiritual contentment. Perhaps, the Prime Minister was in such a mood of reminiscence when he landed from his plane at London, and so he was found to be in the depth of grief. It would have been a gesture of kindness and human sympathy to the sensitive person that Mr. Nehru is if the papers had desisted in flashing the news with headlines that he was found 'weeping.' Moments like those when, under the stress of great mental emotion, he was found to be in tears, are too sacred to be made public, and it seems to be a tragic development of modern publicity that every such personal incident should be pulled out into the open and laid bare to the world to satisfy the public craze for 'news.'

Another incident which troubles my mind in regard to journalistic handling of obituaries is the publication of the photograph of Pantji's corpse which almost every newspaper has carried. It seems to be the inescapable penalty which our national leaders have to suffer for being idols of the nation, to be photographed in death with flowers and garlands covering all but the face. One can understand the cortege being photographed in procession and pictures being taken of the vast concourse of mourners and State regalia, but one is unable to see anything but a crude attempt to satisfy vulgar curiosity in the publication of photographs of the corpse or the funeral pyre in flames. Indeed, it is time we stressed a national taboo against these two practices. The humility and respect with which Indians all over the country treat the bodies of their departed ones, and the sanctified significance of our funeral rites, deny any place or merit to the practice of photographing the dead body, and it is nothing short of sacrilege to indulge in it.

Pantji was a grand person when he was alive and at work, physically, mentally and morally. Would it not be infinitely better to sustain ourselves on that memory of him, instead of on a poor photographic reproduction of that grand old figure extinguished in death?

* * * *

Suggestions Galore

Three suggestions are reported to have been made in the Rajya Sabha by lady members: (*a*) to have compulsory registration of marriages, past and future, with a fee levied for such registration; (*b*) to enforce compulsory sterilisation of persons having two or three children; and (*c*) to levy a tax on parents with more than two children. The fiscal implication of the sterilisation suggestion has not been indicated. Suggestion (*a*) is highly regressive and aims at digging up the pasts (and bitter memories in some cases, perhaps) of millions of persons who were married twenty, thirty or forty years ago, and who would not like to go through even the shadow of a matrimonial ceremony before a Registrar after all that lapse of time, and pay a fee in the bargain. To those men who have more than one wife living, legally married in the bad old days when polygamy was not a penal offence, it might be embarrassing to record the extravagance (or indiscretion?) in a formal document and be stung with a fee for doing so. Why be so cruel as to rake up their past? As regards suggestion (*b*), which indicates that the lady who made it is deeply concerned about the dangers of unchecked growth of population, it is not clear whether sterilisation has been suggested for the male or the female or both. It would be interesting to know if she has realised the great dangers to family life if the male is sterilised and the female is left fertile. I am reminded of the story of a middle-aged widow with ten children, the youngest of whom was two years old, who was asked by a census enumerator when her husband had died, and answered that the sad event occurred eight years before. When the enumerator looked puzzled and asked how that could have happened with children aged six, four and two, the widow answered, almost with indignation, "My dear man, I said that my husband died eight years ago, but can't you see that I have been alive all that time and am still alive?" However, no democratic State in this world appears to have taken concrete steps towards eugenics of human population, positive or negative, and it is very surprising indeed that there is an open suggestion for the imposition of scientific tyranny in a country like ours where the freedom of the human spirit has been controlled by religion almost from the dawn of history. As for suggestion (*c*) which calls for a tax on every child born to parents who have already more than two, if a couple is not deterred from increasing the strength of its family by the stress and strain of modern life, it is certainly not likely to get frightened by taxation; further, there are as many good reasons for having a large number of children as there are for family limitation, as is indicated by the Biblical saying, "Blessed is the man who hath his house full of children for he shall not be afraid of the enemy at the gate."

Having discussed the above suggestions, I shall satisfy my vanity by making a positive proposal, but this is in serious vein. There is a theory, perhaps well founded, that marriages of couples after the ages of twenty-five and round about thirty, tend to lessen the growth of large families for them. At any rate, men and women belonging to professional classes in those age groups, are likely to have a better appreciation of the economic advantages of limited families and plan their lives accordingly. In many communities in India, marriages between boys and girls is the business of the parents and family members, and they take place even while they are in their teens and before they are set up in life. Such couples start having children even before they realise the full extent of the responsibilities they have undertaken in doing so. To discourage this, Government should establish a rule that no married young man or woman will be considered for appointment in any of the administrative or technical services, and will not be confirmed in his or her appointment, if he or she gets married before the completion of the first five years of service. Such a rule was in force in many foreign banks (also the Imperial Bank of India) and business houses in India in pre-independence days and it applied to all European personnel, the underlying principle being that, if the officer started on a basic salary of Rs. 500 per month and worked his way to Rs. 750 in five years, he could not maintain a wife or rear a family before the end of that period during which he was not economically viable. A similar consideration should now apply to present-day recruits in Government service and, if marriage is treated as a disqualification for initial recruitment, there would be a progressive decline in the number of junior officers getting financially embarrassed at the start of their career, and perhaps, as we may hope, a postponement of parenthood. If all enlightened employers in the private sector also adopt a similar policy and impose it as being applicable to all grades of employees (except specialists enlisted at middle age) who seek initial employment as a career, we may have a progressive improvement in peoples' views on the responsibilities resulting for marriage and parenthood, and the sociological need for planned parenthood and family limitation.

* * * *

Bonus—Why, What and How?

Several years ago, I attended a performance by a group of American Negro entertainers—I think they called themselves "Wilbur's Blackbirds"—and, during an interlude, heard two of the troupe talk to each other in a lighthearted banter. One bit was like this:

George: You know, Robin, there is a proverb which says that the early bird catches the worm.

Robin: Haven't heard of it. What does it mean?

George: Well! It means that, when a bird gets up early in the morning, it has a chance of getting a worm for breakfast.

Robin: That's a stupid bird. Why get up early only to catch a worm? I should say, get up comfortably late and get something better for breakfast.

George: Perhaps you are right. I never thought of that.

And the banter went on in this strain, every statement of George being challenged in its fundamental assumptions, leaving him confused and unable to proceed further. I should think it will be good for most of us to be like Robin, not to accept any assumption as inviolable, and think with some measure of virility on many of the burning topics of the day, including, for instance, the subject of bonus to industrial labour. It is somewhat refreshing to observe that at least one person advocates a "scientific approach" to the whole question of the what, why and how of bonus. He is the Chairman of the Employers' Federation of South India, Mr. B. A. Forsyth. He is of the view that, while bonus, as it exists in India today, is almost unknown in the West, the annual problem of a profit-sharing bonus in this country, mooted by labour, has been the headache of almost every well-established industrial enterprise. Like Robin of Wilbur's Blackbirds, Mr. Forsyth asks: What about the many other questions (besides the appropriate machinery for the settlement of labour claims) such as the merger of a part of the dearness allowance with wages, and the abolition of the annual bonus altogether by substituting a less cumbersome method of payment along with wages every month. The anomalies between the State and the Central Acts with reference to the definition of 'worker,' and the absence of any sense of finality in the recommendations of Wage Boards have also been raised by Mr. Forsyth with a hope that the Bonus Commission will start its investigation from 'scratch' and adopt a scientific method of inquiry.

It has puzzled me to find that, so far, no one has asked or answered the question whether there should be such a thing as 'bonus' in industry, and whether that form of payment which has given rise to a great deal of industrial unrest in the past, could not be substituted by something less unpredictable and less contentious. Should it be related to profits (and, if so, at what stage of computation) or to productivity? Should it be considered as deferred wage, and if so, why defer it and why not integrate it with wage? (Why rise early and catch a worm?) If a deferred wage is the only incentive to increased productivity, why not rationalise such a system of payment, to each worker according to his performance, instead of clinging to an outmoded form of wholesale disbursement from the annual profits of the enterprise? These are problems which raise doubts about the relevance of even certain basic assumptions and only when an investigation is undertaken with that measure of scientific freedom which is necessary to assail fundamentals, can we hope to achieve lasting results.—*All Rights Reserved.*

INDIA'S POPULATION

According to the provisional figures based on the latest census, population of Kerala rose by about 25 per cent to 16.88 million during 1961, as compared with 1951. The percentage of literates was 46.2 per cent, as against 40.7 per cent a decade ago. In Maharashtra, population went up by 23.44 per cent to 39.5 million. Of this, 30 per cent were literates, as against only 21 per cent in 1951. In Mysore, there was an increase of 21.4 per cent in population, that is, from 19.4 million to 23.6 million. The proportion of literates in the State was higher at 25 per cent, as compared with only 19 per cent. The growth of population in Andhra Pradesh was slightly lower at 16 per cent, bringing the total to 36 million.

THE MERRY-GO-ROUND

PRESSURE ON STERLING

From Our Own Correspondent

LONDON, *10th March*

LONDON LETTER

IT was bound to happen. The buoyancy of sterling in the latter part of last year supported on a wave of gold was always precarious. But it was not expected that the wave would break on the rocks of a token German revaluation. For many months, Germany has been under pressure to bring her currency into line with its true external value, and estimates of what that would be have varied from between 10 and 20 per cent over its recent parity. But Dr. Adenauer, dizzy with the success of the German export drive and under pressure from the German industrialists, refused to budge until the new American President began to put his pressure on. Now that the dollar has stopped being a weak currency—although perhaps not yet a strong one—and now that Mr. Kennedy has shown himself a man of purpose, the German Chancellor felt he could not maintain his adamant stand which was steadily sucking gold into the German vortex.

But the step he has taken of a mere 5 per cent upward valuation, a step described by the Americans as simply one in the right direction, has done more harm than good. Dr. Adenauer probably means it to be the last step. He gives away a little now in the hope it will satisfy his international colleagues. Very likely he is right. But those whose business it is to shift hot money about where it can make most profit, still see investment in D-marks as worthwhile. The fact that the Dutch florin immediately followed started a wider speculative wave as to who might be next. The Swiss were the first obvious candidates, and, with less justification, the Italians. But the real malaise of European currencies has centred in the D-mark. If only Dr. Adenauer had taken a proper plunge and revalued the D-mark up by, say, one-eighth, and no one else had moved, that would have done Europe and sterling, a power of good.

As it is, all the uncertainties bear *against* sterling. It is even suggested that sterling ought to be devalued. This is upside down thinking, since it is not sterling which is overvalued in terms of many other currencies, and this point of view is recognised by those who suggest that the dollar perhaps should be devalued as well. If one is to think on those lines, then there is justification for a general devaluation in terms of gold to make up for what the Germans would not do by themselves. France, Belgium and the Scandinavian countries would also come along. There is a great deal to be said for such a wholesale movement, and the I.M.F. would be the right place for working out such a plan. Unfortunately, international co-operation has not yet reached that advanced stage and most countries are concerned with their own immediate positions.

Sterling has withstood the pressure against it only by dint of heavy sales of gold and dollars by the Bank of England. The Bank's action has been quick and firm and has done more than the statements of the Chancellor of the Exchequer to maintain confidence in sterling. There is one further step that could be taken: the Bank could arrange with the I.M.F. to borrow as much as is necessary to meet the outflow of hot money which is now embarking on its Continental adventures.

This is all the more necessary, since the Government drive of exhortation to exporters is bearing fruit, and there is a great deal of industrial keenness to sell more abroad. But how can one maintain an export drive if there is doubt as to whether the currency may be devalued? Importers will be bound to defer their orders. Fortunately, this uncertainty about sterling has not yet taken hold and, provided adequate and public measures are taken by the Bank and the Treasury, the country may come out of the present turmoil with nothing worse than a little gold letting.—*All Rights Reserved.*

The view that the U.S. would welcome the British move towards joining the Common Market of the Six was given by Mr. Averell Harriman, President Kennedy's roving ambassador, during his recent visit to Italy. He observed that the U.S. policy in the post-war period had been to encourage the formation of the largest possible trading groups of European nations.

PROGRESS OF CENTRAL BANK NOTABLE

INCOME RISES—PROFIT IMPROVES—DIVIDEND STEPPED UP

THE shareholders of the Central Bank of India Ltd. (General Manager: Mr. N. K. Karanjia, Bombay), which is the country's biggest commercial bank in the private sector, have every reason to feel gratified at the remarkable progress made by the Bank since its inception fifty years ago; it was founded in 1911, one year after *Commerce* was brought into existence. The balance-sheet total of the Bank as on 31st December 1960 stood at as high as Rs. 268.33 crores. During the year 1960, the year that marks its golden jubilee, the Bank's working funds aggregated Rs. 225 crores, deposits alone accounting for Rs. 200 crores. The credit made available by the Bank to trade and industry as at the end of the year amounted to over Rs. 151 crores. The gross income of the Bank for the year was Rs. 10.78 crores and the profit was of the order of Rs. 1.94 crore. The Bank has in all 195 branches (186 in India, 7 in Pakistan, one in Burma and one in the U.K.) and 122 pay offices.

These figures are quite impressive and the management of the Bank can certainly look back on its career with considerable satisfaction and pride. Appropriately enough, the Directors have proposed to distribute a special jubilee bonus of 2.0 per cent per share (subject to tax) for the year 1960, which, together with the taxable dividend of 18.4 per cent, including the final dividend of Rs. 2.50 per share, makes the total dividend 20.4 per cent. The net distribution without taking into account the special jubilee bonus comes to 12.88 per cent. This is higher than the 12.04 per cent paid for 1959, though it is below the 14 per cent level of the three years preceding it. The staff, too, is being paid a special jubilee bonus equivalent to one month's pay.

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Gross income	10,77.79	8,99.95	8,51.27	7,80.12
Interest and discount earned	9,00.27	7,42.63	7,05.83	6,41.83
Commission and exchange..	1,67.78	1,38.23	1,30.42	1,30.14
Interest paid	4,33.98	3,86.34	3,68.34	3,25.01
Expenses	4,44.58	4,03.01	3,77.02	3,42.28
Depreciation	5.01	4.27	8.41	8.07
Profit	1,94.27	1,01.33	1,02.50	1,09.76
Provision for taxation ..	60.00	..	16.50	18.00
To sinking fund on property ..	1.22	1.15	1.08	1.02
„ contingency fund ..	8.00	..	..	15.00*
„ development rebate reserve	..	0.75	..	..
„ bonus to staff	51.00	33.75	32.00	30.00
„ staff gratuity fund ..	10.00	10.00	10.00	6.50
„ Dividend	64.26 (D. 18.4% +I.B. 2%)†	54.18 (17.20%)†	44.04 (14%)	44.04 (14%)
Carry forward	18.61	18.82	17.32	18.44

	As on 31st December			
	1960	1959	1958	1957
Capital	3,15.00	3,15.00	3,14.55	3,14.55
Reserves	4,16.85	4,07.63	4,04.55	4,03.01
Deposits	199,52.09	180,25.98	161,97.67	154,86.73
Borrowings from other banks	15,76.50	2,81.24	1,43.21	1,98.02
Advances	150,78.21	119,91.51	99,87.36	101,49.39
Investments	56,60.06	54,91.98	52,92.52	49,46.97
Cash	22,69.68	22,29.23	23,52.80	18,30.27
Balance-sheet total ..	268,33.33	228,03.01	199,06.89	191,90.56
Ratio to deposits of—	%	%	%	%
Advances	75.5	66.5	61.6	65.5
Investment	21.4‡	30.0‡	32.7	31.9
Cash	11.3	12.3	14.5	11.9

* To investment account.
† Subject to deduction of tax.
‡ Only unencumbered securities are taken into account.

The gross income of the Bank in 1960 is substantially higher, exceeding for the first time in the Bank's history of half century the Rs. 10-crore mark. To be precise, it is Rs. 1,077.79 lakhs, as against Rs. 899.95 lakhs in 1959, or a rise of Rs. 177.84 lakhs. The rise is accounted for by both interest and discounts earned and commission and exchange, the former being higher by Rs. 157.64 lakhs and the latter by Rs. 29.56 lakhs. A large part of the improvement in income is, of course, neutralised by the marked increase of Rs. 47.64 lakhs in interest paid on deposits and borrowings and of Rs. 36.52 lakhs in administrative and other expenses. Even so, the profit of the Bank for 1960 after providing for depreciation (Rs. 5.02 lakhs) but before taxation is considerably larger than that for 1959, being Rs. 194.27 lakhs, as against Rs. 101.33 lakhs. The improvement (of Rs. 92.94 lakhs) is in distinct contrast to the decline of Rs. 1.17 lakh suffered in 1959 and of Rs. 7.26 lakhs in 1958. In view of this perceptible improvement, the ratio of profits to gross income stands as high as 18.0 per cent; the ratio, it will be recalled, had dropped from 16.1 per cent in 1956 to 12 per cent in 1958 and 11.3 per cent in 1959.

The working results of the Bank and the balance-sheet for 1960 are compared with those for the preceding three years in the table in column two.

Despite the notable increase in profit, the Bank has again not found it possible to add to its reserves to any significant extent; only the contingency fund has been provided with Rs. 8 lakhs, as against nothing last year, and the sinking fund on the Bank's property has received a few thousands more at Rs. 1.22 lakh. This is apparently due to the Government and the staff taking away the bulk of the profit. The provision for taxation has absorbed Rs. 60 lakhs; a year ago nothing was set apart for this purpose due to a change in the system of corporate taxation following the abolition of grossing. Besides Rs. 10 lakhs transferred to staff gratuity fund, same as last year, bonus to staff has taken up Rs. 51 lakhs, an increase of Rs. 17.25 lakhs. In total, these two items of staff benefits alone have taken up Rs. 61 lakhs or 46 per cent of the net profit.

Although the pace of growth in the deposits of scheduled banks as a whole in 1960 was smaller than in 1959, the Central Bank was able to gather more deposits than it did in the previous year. Thus, the deposits of the Bank registered an increase of Rs. 19.26 crores to Rs. 199.52 crores which is Rs. 1 crore more than the expansion in 1959. Of the rise of Rs. 19.26 crores, the share of fixed deposits and cash certificates alone was Rs. 12.58 crores, the total of these as at 31st December 1960 being more than Rs. 101.33 crores. Savings bank deposits were also higher by Rs. 3.13 crores at Rs. 35.56 crores and current accounts, call deposits, contingency accounts, etc., by Rs. 3.55 crores at Rs. 62.62 crores. Notwithstanding this sizable improvement, the Bank found it necessary to increase borrowings from the Reserve Bank and other banks, in order to meet the heavy demand on it for accommodation from trade and industry. Accordingly, there was a sharp rise of nearly Rs. 13 crores to Rs. 15.77 crores in the borrowings from other banks. Reflecting the expansion in bank credit in the country, the total advances of the Bank were higher by almost Rs. 31 crores at Rs. 150.78 crores; the rise in advances during 1959 was of the order of just Rs. 20.05 crores. Since the rise in advances is much higher than that in deposits, the credit ratio has gone up to touch the all-time peak of 75.5 per cent, from 66.5 per cent in 1959 and 61.6 per cent in 1958. The Bank's investments, too, are higher but by only Rs. 1.68 crore at Rs. 56.60 crores. The investments are, as usual, shown at book value, the market value thereof being Rs. 56.34 crores, showing a small depreciation of Rs. 26,000. The cash balances of the Bank have increased by about Rs. 40 lakhs, but the ratio of total liquid assets (cash *plus* investments) to deposits has fallen sharply from 42.3 per cent to 32.7 per cent. But even the latter level is well above the limit considered necessary as the minimum.

During the year 1960, the Bank opened one new branch, seven sub-branches and four pay offices at various centres. One pay office had to be closed down, since it was found to be unremunerative. The total number of employees of the Bank is nearing the 12,000-mark, as against a little over 10,000 at the beginning of the second Plan.

In view of the fact that the Bank has just completed its fiftieth year, the following comparative figures showing its progress since its inception will be of added interest to readers:

(Figures in thousands of rupees)

Year	*Deposits*	*Advances*	*Working Funds*
1912 ..	87,56	80,93	1,09,95
1922 ..	13,25,44	8,63,74	14,06,66
1932 ..	20,11,52	6,10,80	22,59,96
1942 ..	59,79,77	16,09,40	63,65,09
1952 ..	123,37,18	56,33,20	132,33,41
1960 ..	200,07,47	150,95,51	225,41,85

BANK OF INDIA'S PERFORMANCE IMPRESSIVE

ALL-ROUND IMPROVEMENT

IN refreshing contrast to the declining trend of profit witnessed during the past two years, the working results of the Bank of India Ltd. (General Manager: Mr. T. D. Kansara, Bombay) for the twelve months ended 31st December 1960 show a welcome, and substantial rise in profit (before providing for taxation) from Rs. 82.63 lakhs (for 1959) to Rs. 103.37 lakhs. It may be recalled here that between 1957 and 1959, the profit had contracted by Rs. 10.79 lakhs. The main reason for the impressive rise in the profit for the year under review is the all-round improvement in its activities and intensive utilisation of resources. The gross income has jumped up by 15 per cent from Rs. 455.09 lakhs to Rs. 523.21 lakhs. Of this, the income by way of interest and discount shows a marked expansion of nearly Rs. 50 lakhs and that from commission and discount has gone up by Rs. 18.36 lakhs. On the expenditure side, the interest paid by the Bank on its deposits has expanded by Rs. 17.49 lakhs and other expenses have risen by Rs. 24.77 lakhs to Rs. 196.77 lakhs. Taking both the outgoings, it is found that they have increased from Rs. 371.54 lakhs to Rs. 413.80 lakhs or by 11 per cent, which is appreciably well below the increase of 15 per cent in gross income noted above. Consequently, the Bank's profit margin in 1960 was distinctly better.

In consonance with the improvement in profits, the Directors of the Bank have decided to raise the rate of dividend from 16 per cent (taxable) to 20 per cent (taxable), which is equal to a net return of 14 per cent. Even after this increase, the net dividend is less than the rate the shareholders used to get before investors were denied the grossing facility. It is necessary to mention this point, lest the critics of the private sector should jump to the unwarranted conclusion that the Bank has sought to fritter away the improvement in its profit by raising the dividend. At the current market value of Rs. 120 *cum-div.*, the ordinary shares (partly paid Rs. 50) provide a yield of 6.3 per cent per annum, free of tax.

The following comparative table shows at a glance the progress of the Bank since 1957:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Gross income	5,23.21	4,55.09	4,46.30	4,10.95
Interest and discount earned	4,40.02	3,90.76	3,86.45	3,86.45
Commission and exchange	75.32	56.96	52.34	67.40
Interest paid	2,17.03	1,99.54	1,94.81	1,65.51
Expenses	1,96.77	1,72.00	1,64.59	1,51.32
Depreciation and repairs	6.04	0.87	1.13	0.65
Profit	1,03.37	82.63	85.77	93.47
Provision for taxation	25.00	18.00	25.00	30.00
Bonus to staff	18.00	17.00	16.00	15.00
To reserve fund				
Dividend	60.00	48.00	48.00	48.00
	(20%)*	(16%)*	(16%)	(16%)
Carry forward	12.85	12.48	12.79	16.02

	As on 31st December			
	1960	1959	1958	1957
Capital	3,00.00	3,00.00	3,00.00	3,00.00
Reserves	3,10.00	3,10.00	3,10.00	3,10.00
Deposits	109,43.92	100,69.17	88,27.73	82,60.32
Borrowings from other banks	0.42	3,00.00		1,50.00
Advances	88,86.02	67,94.02	58,99.20	59,37.84
Investments	20,37.15	29,81.87	24,49.89	19,66.39
Cash	12,08.51	12,19.63	10,53.99	11,94.88
Acceptances, endorsements, etc.	14,11.08	6,53.91	5,07.52	4,99.18
Balance-sheet total	133,34.30	118,77.06	101,98.46	98,47.62
Ratio to deposits of—	%	%	%	%
Advances	76.6	67.5	66.8	71.9
Investments	18.6	29.6†	27.7	23.8
Cash	11.0	12.1	11.9	14.5

* Subject to deduction of tax.
† After taking into account investments earmarked against borrowings.

It will be seen from the above table that the provision for taxation has been stepped up from Rs. 18.00 lakhs to Rs. 25.00 lakhs and the bonus to staff absorbs Rs. 18 lakhs, as against Rs. 17 lakhs in 1959. The Directors have again not transferred any sum to reserve fund. It may be noted that, since 1951, the Bank has enhanced its reserves by transfers from profit only twice, once Rs. 3 lakhs in 1955 and then Rs. 8 lakhs in 1956. It is, of course, true that the reserves at Rs. 3.10 crores are already in excess of the paid-up capital at Rs. 3.00 crores. Even so, there is a strong case for ploughing back at least some part of the profit to reserves in order to serve as a cushion against risks and vicissitudes in future. The total amount allocated for distribution to shareholders is Rs. 60 lakhs, an increase of Rs. 12 lakhs over the previous year. The Directors had already paid an interim dividend at the rate of 7.50 per cent subject to tax, for the six months ended 30th June 1960. They have now proposed a final dividend at the rate of 12.50 per cent for the second half of 1960.

An analysis of the profit and loss account of the Bank shows that of the rise of Rs. 24.77 lakhs in expenses other than interest paid, salaries, allowances and provident fund alone account for as much as Rs. 12.47 lakhs or more than half; rent, taxes, insurance and lighting for Rs. 4.59 lakhs; stationery and printing for Rs. 2.04 lakhs and other expenditure for Rs. 4.50 lakhs. Another major expense incurred during the year under review is the repairs to Bank's property included under the provision for depreciation, which has increased from Rs. 0.86 lakh (in 1959) to Rs. 6.04 lakhs.

Judging from the rise in gross income the turnover of the Bank must have recorded a marked increase during 1960. The balance-sheet total as at the end of the year, which has moved up from Rs. 118.77 crores to Rs. 133.34 crores, also confirms that inference. The deposits of all categories have recorded an expansion; but such has been quite marked in the case of fixed and savings bank deposits. Thus, fixed deposits have grown from Rs. 45.50 crores to Rs. 51.26 crores, and savings bank deposits from Rs. 13.89 crores to Rs. 16.36 crores, while the current deposits have risen only nominally from Rs. 41.30 crores to Rs. 41.82 crores.

In spite of the improvement in the profit noted earlier, the profit margin (ratio of profit to gross income) has not shown any marked rise, having gone up from 18.2 per cent in 1959 to 19.7 per cent only in 1960. Four years back, it was 26.2 per cent and, in 1949, it stood at as high a percentage as 42. Even the fractional improvement achieved in 1960 might not have been there but for the inter-bank agreement, which reduced the overall interest outgoings, and the acute stringency in the money market which enabled the Bank to secure better rate on its advances.

In fact, one of the arresting features of the Bank's latest balance-sheet is the very sharp rise in advances from Rs. 67.94 crores to Rs. 83.86 crores, or by more than 23 per cent. This growth is quite in keeping with the general trend of advances and bills of the scheduled banks as a whole, the total of which rose by Rs. 207 crores or nearly 22 per cent in 1960. The Bank of India has thus fully shared in the general expansion in bank credit witnessed during the year under review. Another noteworthy feature is that the Bank seems to have mainly depended on its deposit resources and investments in gilt-edged securities for meeting the tremendous demand for accommodation. Significantly enough, its borrowings from other banks at the end of the year were only nominal at Rs. 42,000; a year ago, this item stood at Rs. 3 crores. The advances (to deposits) ratio has increased from 67.5 per cent to 76.6 per cent. The investments of the Bank, which are shown at below market value, have gone down substantially from Rs. 29.82 crores to Rs. 20.77 crores and their ratio to deposits has consequently declined from 26.6 per cent to 18.6 per cent. The high ratio of advances and lower ratio of investment show how the Bank made the adjustments in its two main income-earning portfolios in order to improve its profitability. The Bank's acceptances, endorsements, etc. have more than doubled, from Rs. 6.54 crores to Rs. 14.11 crores, on top of a rise of Rs. 1.46 crores in the previous year. Cash shows only a slight decline from Rs. 12.20 crores to Rs. 12.09 crores. The total of liquid assets (investments plus cash) still gives a ratio of nearly 30 per cent. This has been possible because the Bank's owned resources are over Rs. 6 crores.

The Bank continued its branch expansion programme during 1960, having opened six new branches, as against four in the previous year. Of the six new branches, only one was opened abroad, at Hongkong, the boom town of Asia. The rest were at Calcutta, Madras, Delhi, Indore, and Bombay.

DENA BANK'S PROFIT UP

RESERVES STRENGTHENED FURTHER

THE financial results of the Devkaran Nanjee Banking Company Ltd. (Managing Director: Mr. Pravinchandra V. Gandhi, Bombay) for the twelve months ended 31st December 1960 are highly encouraging, disclosing as they do a distinct improvement over those for the previous year which themselves were better than the achievements in 1958. Thus, the balance-sheet total has jumped up from Rs. 45.86 crores to Rs. 48.71 crores and the gross earnings have risen by Rs. 43.62 lakhs to stand at the impressive figure of Rs. 2 crores. The management of the Dena Bank, as it is popularly known, has continued to follow the policy of extending its activities to new areas and, in 1960 it opened 13 new branches, taking the total number of its offices to 96. The number of accounts has also gone up sizably from 175,000 to 200,000.

During the previous two years, the profit has shown a downward trend, declining from Rs. 18.77 lakhs for 1957 to Rs. 15.30 lakhs for 1959. The profit for 1960, however, shows that this trend has been reversed, as it is no less than Rs. 26.20 lakhs, an increase of Rs. 7.43 lakhs even over that for 1957. Apparently, more of the Bank's branches must have attained the stage of yielding a net gain. And, secondly, the Bank must have benefited considerably by the widening in the spread between the rates of interest on deposits and those on advances. The Directors have provided Rs. 9 lakhs for taxation (as against *nil* in the previous year) and have stepped up the amount to be transferred to reserves from Rs. 6 lakhs to Rs. 8 lakhs. They have also decided to distribute a handsome amount of Rs. 2.65 lakhs as bonus to the staff. After making these necessary provisions and adding the amount of Rs. 5.69 lakhs from the previous year's account, the Directors have recommended a final dividend at the rate of Rs. 2.52 per share subject to tax for the half-year ended 31st December 1960. Together with the interim dividend at the rate of Re. 1.86 per share, the total dividend for the whole year works out to 8.76 per cent subject to tax. Net of corporate tax at the rate of 30 per cent, the return is equal to 6.13 per cent, same as that for 1959 but slightly higher than the 6 per cent per annum (net) declared for 1957 and 1958.

It will be seen from the aforesaid review of the appropriation account that the Central Government and the staff of the Bank have greatly profited by the improvement in the Bank's working and that, of the balance of profit available, the major proportion has been used to strengthen the reserves, which, as we shall show presently, are 20 per cent higher than the paid-up capital.

A bird's-eye view of the progress of the Bank since 1957 can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Interest and discount earned	1,68.53	1,26.83	1,07.60	75.53
Commission and exchange	27.21	22.01	17.71	18.83
Interest paid	93.05	79.44	66.85	39.10
Expenses	81.06	61.99	49.74	42.42
Depreciation	2.54	2.10	1.70	1.54
Profit	26.20	15.30	16.02	18.77
Provision for taxation	9.00		10.02	8.00
To reserves	8.00	6.00	6.00	6.00
„ bonus for staff	2.65	2.25	1.80	1.60
„ dividend	4.38	4.38	3.00	3.00
Carry forward	(8.76%)* 7.86	(8.76%)* 5.69	(6%) 3.02	(6%) 2.80

	As on 31st December			
	1960	1959	1958	1957
Capital	50.00	50.00	50.00	50.00
Reserves	60.00	52.00	46.00	46.00
Deposits	35,80.59	35,38.49	30,12.23	23,32.12
Borrowings from other bankers				
Advances	4,00.00	2,50.00		
Investments	24,34.12	19,45.84	14,04.87	10,52.61
Cash	12,80.91	15,86.27	13,94.82	9,11.15
	4,77.17	4,32.46	3,52.66	4,85.86
Balance-sheet total	48,70.97	45,86.37	37,40.88	27,68.30
Ratio to deposits of—	%	%	%	%
Advances	67.9	55.0	46.7	46.1
Investments	29.7†	37.8†	46.8	39.1
Cash	18.8	12.2	11.7	20.8

* Subject to deduction of tax.
† Only unencumbered investments are taken into account.

It will be observed from the table that the income from interest and discount has risen by Rs. 36.70 lakhs to Rs. 1.64 crores and that from commission and exchange from Rs. 22.01 lakhs to Rs. 27.21 lakhs. The expenses of the Bank show an increase of Rs. 19.07 lakhs and interest paid has gone up by Rs. 13.61 lakhs.

(Continued on page 520)

SMART RISE IN BARODA BANK'S PROFIT

GOVERNMENT IS THE CHIEF GAINER

FOR the third year in succession, the progress of the Bank of Baroda Ltd. (General Manager: Mr. N. M. Chokshi, Baroda) has been very impressive. Thus, for the twelve months ended 31st December 1960, the financial results of the Bank reveal a distinct all-round improvement, deposits, advances and profits all being higher. The turnover of the Bank, as indicated by the total income and balance-sheet total, is substantially larger, thanks to the policy of vigorous branch expansion pursued by the management in the more recent years and the improvement in industrial and agricultural production in the country. In 1959, the balance-sheet total rose by some Rs. 20 crores and the gross income by Rs. 57 lakhs. In 1960, the expansion in the corresponding items has been Rs. 5.42 crores and Rs. 75 lakhs, respectively. In other words, on a smaller increase in total assets, a larger rise in income has been brought about. This means that, during the year under review, the Bank's resources found more profitable outlets than in the previous year. It also reflects the relatively larger spread between the borrowing and lending rates that prevailed during the year for reasons well known to our readers.

Over the year, the deposits have gone up by only Rs. 3.99 crores, as compared with Rs. 13.88 crores in 1959. This is in keeping with the general trend of bank deposits, but they still stand at the impressive figure of Rs. 84.98 crores. In 1956, that is, the beginning of the second Plan period, they were only of the order of Rs. 45.14 crores. The advances have also recorded a sharp rise of Rs. 9.30 crores during 1960 and the profit (before providing for taxation) has jumped up from Rs. 33.46 lakhs to Rs. 70.85 lakhs, that is, by more than cent per cent. The greatest beneficiaries of this strident rise in profit have been the Government and the Bank's staff. Thus, the provision for taxation has taken up as much as Rs. 30 lakhs, as against a mere Rs. 4 lakhs and that for payment of bonus to staff is Rs. 17.10 lakhs, as against Rs. 9.40 lakhs last year. The Directors have no doubt increased the dividend from 14 per cent (taxable) to 17 per cent (taxable) and that on a higher paid-up capital. Nevertheless, the amount required to pay this dividend at Rs. 23.49 lakhs is only Rs. 6 lakhs more than the sum disbursed to shareholders last year. This year, too, the Bank has not been able to set aside anything for reserves, excepting a fractional amount by way of development rebate.

A synoptical view of the progress of the Bank since 1957 can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Gross income	4,61.14	3,55.88	3,28.89	2,85.28
Interest and discount earned	3,85.55	3,11.54	2,78.19	2,33.40
Commission and exchange	73.37	68.79	49.97	51.15
Interest paid	2,22.24	2,04.00	1,85.45	1,40.05
Expenses	1,62.50	1,47.50	1,12.96	99.47
Depreciation	5.55	4.92	3.06	1.91
Profit	70.85	33.46	27.43	43.85
Provision for taxation	30.00	4.00	5.50	21.00
Bonus to staff	17.10	9.40	8.00	9.50
Development rebate	0.19	0.57		
Dividend	23.49* (17%)	17.50 (14%)†	15.00 (12%)‡	14.00 (14%)
Carry forward	1.09	1.03	3.04	4.11

	As on 31st December			
	1960	1959	1958	1957
Capital	1,50.00	1,25.00	1,25.00	1,00.00
Reserves	1,61.15	1,60.07	1,59.50	1,28.00
Deposits	84,98.24	80,98.73	67,10.39	52,82.81
Borrowings from other banks	2,71.98	4,96.11	2,44.79	0.63
Advances	60,17.78	50,87.66	49,11.24	34,99.62
Investments	23,13.23	30,92.10	26,72.75	11,87.32
Cash	8,16.75	7,84.30	6,51.68	8,71.49
Balance-sheet total	109,86.21	104,43.76	84,66.52	64,32.58
Ratio to deposits of—	%	%	%	%
Advances	70.8	62.8	59.8	66.2
Investments	24.4§	33.0§	36.8§	22.5
Cash	9.6	9.7	9.7	16.5

* Includes Rs. 2.24 lakhs for paying final dividend at the rate of 20 per cent. on equity shares of the new issue of Rs. 50 lakhs.
† Subject to deduction of tax.
‡ On the increased capital of Rs. 1.25 crores.
§ Only unencumbered investments are included.

It will be noticed from the table that the gross income has increased substantially by Rs. 75.26 lakhs to Rs. 461.14 lakhs. Of this rise, the bulk of the increase, Rs. 74.01 lakhs, to be precise, is accounted for by the income from interest and discount. The income from commission and exchange has risen from Rs. 68.79 lakhs to Rs. 73.37 lakhs. The interest paid by the Bank on deposits and borrowings has gone up at a relatively smaller pace than in 1959, from Rs. 204 lakhs to Rs. 222.24 lakhs and other expenses by Rs. 15 lakhs to Rs. 162.50 lakhs. Together the increase in these two outgoings aggregates Rs. 33.24 lakhs, as against the sharp rise in gross income of Rs. 75.26 lakhs. This explains the remarkable improvement in profit from Rs. 33.46 lakhs to Rs. 70.85 lakhs as noted earlier. The profit margin has consequently registered a good rise from 8% to 15.4%.

The table further reveals that the total deposits have gone up from Rs. 80.99 crores to Rs. 84.98 crores. Of this rise, the increase in savings bank deposits and current deposits is Rs. 2.85 crores and Rs. 1.81 crores respectively. The fixed deposits, however, have actually gone down from Rs. 49.14 crores to Rs. 48.47 crores. The changes in the pattern of assets of the Bank of Baroda closely resemble the general trend for the scheduled banks as a whole. Thus, advances, the most remunerative of all assets, have gone up from Rs. 50.88 crores to Rs. 60.18 crores, taking the advances (to deposits) ratio from 62.8 per cent to 70.8 per cent. The investments, on the contrary, have dropped from Rs. 30.92 crores to Rs. 23.13 crores and their ratio (taking into account only the unencumbered portion) has fallen from 33.0 per cent to 24.4 per cent. These higher and lower ratios of advances and investments clearly reflect the changes made by the Bank in its structure of assets in order to maximise the profitable utilisation of resources, availing itself of the opportunity presented by the increased demand for bank accommodation resulting from larger economic activity in the country. In addition, the Bank appears to have also relied upon borrowed resources to augment its lending capacity. The borrowings from other banks are of the order of Rs. 271.98 lakhs. This includes an amount of Rs. 54 lakhs borrowed from the Refinance Corporation of India. A year ago, however, these were actually greater at Rs. 4.96 crores. The decline only goes to show that the Bank has tried to keep down inter-bank borrowings and dependence on the Reserve Bank to the minimum, in view of their high cost.

The Bank is continuing the policy of branch expansion and during the year under review, in all five new branches were opened, taking the total number of offices to 100, of which ten are in foreign countries.

The Rs. 50 paid-up shares of the Bank are currently quoted in Bombay at Rs. 97.50 and, at the current rate of dividend, the yield works out to 6.49 per cent per annum, free of tax.

MODERNISING WOOLLEN INDUSTRY

WORKING GROUP'S PROPOSALS

THE development of woollen textile industry in India during the third Five-year Plan period will be modernisation-oriented, rather than expansion-oriented. For the programme drawn up for the industry under the Plan does not envisage the installation of any additional spindles and looms, since the present installed capacity is considered to be more than sufficient to produce the entire requirements of woollen-worsted yarn and cloth, inclusive of export demand. The capacity calculated on the basis of two shifts and 300 working days is estimated at 67 million lbs. of yarn and 48 million yards of cloth, whereas the anticipated demand in the last year of the third Plan (1965-66) is put at 45 million lbs. and 30 million yards, respectively. The existing capacity is proposed to be utilised more intensively by increased shift working and through rehabilitation and modernisation. The Government of India is broadly in agreement with the Working Group on Woollen Industry which has recommended in its report that the industry must be rehabilitated and modernised within a period of five or six years. The Working Group, it will be recalled, was constituted in January 1960 by the National Industrial Development Corporation.

The need for modernising the woollen textile industry is very urgent. The Working Group has highlighted the fact that some of the woollen machinery installed is so dilapidated that it would ultimately be more economical to replace the entire machinery rather than to replace parts. Indeed, some of the mills are finding it increasingly difficult to procure spare parts, as the original makers of some of these machines are either not in existence now or have changed their lines of manufacture. The Group has clearly warned that, unless the country keeps pace with the many-sided technological developments, the progress so far achieved in the expansion of the industry will not be of much avail. And it has done well to point to the move of the machinery manufacturers everywhere to embody the principles of automation and electronic controls which make it possible not only to have greater productivity and efficiency and to reduce the cost of manufacture but also to reduce (at the same time) the stress and strain on operatives, to improve quality of production, to save floor space for housing the machines, and to cut down wastage of raw materials.

Lower Cost, Higher Earnings

It will be interesting to note here that the installation of the latest type of machinery by a woollen mill in India has lowered the cost of manufacturing fine worsted yarn by 20 per cent after making due allowance for providing full depreciation on machinery and for enhanced wages to operatives to compensate for additional workload. Similarly, the introduction of the latest type of box looms, a pair of which can be operated by one worker, has resulted in a saving of about 30 per cent in production cost. One operative with the helper, we are told, can attend from six to ten Texmaco tape looms converted into semi-automatic looms, with the addition of George Fisher shuttle changing equipment, and this will raise the workers' daily basic wage by an average of 71 nP.

The specific lines on which the working group wants the rehabilitation and modernisation to take place are as follows:

Worsted spinning sector: Although the sector should be free to install the latest type of machinery the objective will be better served if suitable modifications are made in the existing plants by having auto-levellers and super-drafting equipment fixed in the existing machinery.

Woollen spinning sector: Some of the new innovations can be easily incorporated in the existing plants with minor adjustments. The urge for replacement in this sector, it is found, has not been great, because it is not as prosperous as the worsted sector and does not have the necessary monetary resources to meet any large-scale programme of rehabilitation. Nor have technological advancement in machinery designs been so outstanding as in the worsted sector.

Woollen mill having less than fifty powerlooms: Replacement of looms by automatic looms is not advantageous. The establishments will do well to replace the old looms by drop box or any other type of powerloom which will enable them to produce specialised and varied types of fabrics.

The Working Group has estimated the aggregate outlay on the complete rehabilitation of woollen industry at Rs. 11.25 crores, of which the cost of plant and machinery accounts for Rs. 10.25 crores, the balance representing the expenditure on land and building (installation of machinery, better ventilation and lighting facilities, etc.). The foreign exchange component of the plant and machinery cost is put at Rs. 8.50 crores. The Group does not think that it will be difficult for the industry to finance 75 per cent of the total outlay, either out of its own resources or through its own banking arrangement, and it is felt that there should be no insuperable difficulty in meeting the additional charges, that is, interest on loan to finance the rehabilitation programme. It suggests that the industry may get loan assistance from the National Industrial Development Corporation to meet 25 per cent of the rehabilitation cost. Apropos this suggestion, the Government points out that it cannot accept it at present, particularly because the cotton textile and jute industries are getting prior call on the limited loan facilities available.

Foreign Exchange Allocation

The Government has, however, accepted in principle the recommendation of the Group that essential expenditure on spare parts must have first charge on foreign exchange resources. It has also agreed with the view that, while efforts must be made to manufacture within the country certain preparatory and finishing machinery during the third Plan period, spinning, power-weaving and other finishing machinery will have to be imported. A Committee has already been set up to examine the extent to which the requirements of textile machinery can be met from indigenous sources and to explore the possibility of manufacturing all wool preparatory and finishing machinery.

Forming part of the woollen industry rehabilitation programme recommended by the Working Group are the following suggestions:

1. A suitable scheme be devised to enable the spinning sector which produces yarn going into carpets to import machinery; if any other link between supply of yarn to export of carpets can be devised, it may be left to the exporters of carpets to nominate the spinners who can get the licences for import of machinery.

2. The question of liberalising import incentives against exports till such time as the industry's products are well introduced in the overseas markets needs to be examined. It may be necessary to raise the present incentive for import of machinery from 10 per cent to 20 per cent of the f.o.b. value of exports to enable the industry to carry out its rehabilitation programme in a period of five to six years. A suitable scheme be devised by the Woollen Development Council as modification of the existing scheme.

3. The spinning mills can be accommodated in the export promotion link by their obtaining certificates of exports effected by hosiery and shawl manufacturers with the proviso that the latter will pass on to the spinners some portion of the incentive, so that, by such a link, the spinning mills are able to procure licences for machinery against replacement. It may also be stipulated that the spinners provide the yarn to hosiery units at fair prices. The Woollen Development Council should, *inter alia*, consider this aspect while formulating a new scheme in collaboration with the Textile Commissioner.

4. There are no encouraging signs of export of old machinery, but this cannot be entirely ruled out. If any firm succeeds in exporting its old machinery, the benefits of foreign exchange thus earned be made available to such units against replacement of their old machinery.

5. The development of wool combing and establishment of shoddy wool making plant will result in some saving in foreign exchange resources.

6. It is of the utmost importance so to coordinate planning and rehabilitation of the industry as to relate to the targets and means of production.

7. In the general interest of the woollen industry, the disparity in the application of excise duty should be narrowed.

Presumably in pursuance of the last mentioned suggestion, the Union Finance Minister has reduced, as part of his budget proposals, the exemption limit for purpose of excise duty from four looms to one loom. The reduction will surely check the deliberate tendency towards fragmentation which suffers from two disadvantages, namely, deterioration in the quality of products manufactured and the inability of small units to take full advantage of latest machinery that are available.

Jet your goods to LONDON

Take advantage of our 5 Boeing flights every week to the Middle-East, Continent and the U.K. Jet your goods in the modern manner to the great markets of the West in a matter of hours!

Air transportation ensures streamlined distribution of goods — an important factor in business today...it eliminates incidental charges including heavy warehousing costs. That's why flying your goods on Air-India means less tied-up capital, quicker turnover and larger profits.

Plan your exports now...jet-speed them in the holds of Air-India's Boeing 707s, which have a 5 ton capacity for cargo.

Special reduced rates applicable to a number of commodities. Contact our local Booking Office/Cargo Agent.

AIR-INDIA

Cargo Department, Esplanade Mansion, Mahatma Gandhi Road, Bombay. Tel: 259191

IN ASSOCIATION WITH B.O.A.C. AND QANTAS

FOREIGN CLOTH ARRIVALS LARGE

EGYPT'S BID TO RECAPTURE ITS TRADITIONAL COTTON MARKETS

From Our Special Correspondent

MANCHESTER, *7th March*

MANCHESTER LETTER

THE Directors of the City Centre Properties Ltd, have made their £2,400,000-bid for the Manchester Royal Exchange unconditional. Later they refused to disclose the percentage of acceptances they had received. This was in answer to a direct request from the Board of the Manchester company which controls a valuable site and building in the city containing the trading floor of the Exchange, claimed to be the biggest commercial meeting place in the world, and a large number of offices.

In a statement, Mr. Edward G. Speakman, Secretary of the Exchange, said: "The Directors consider that this information which is, in their opinion, of considerable importance to those stockholders who have not hitherto accepted the offer, ought to be immediately made available to the public."

Pulse of the Market

Although regarded by many as an anachronism, the habit of foregathering on the Manchester Royal Exchange for discussion of trade affairs is a longstanding feature of carrying on business in Lancashire-made textiles. Even those who have never used its facilities are inclined to regard the building as an institution and, in consequence, regret that its ownership now looks like passing into hands which have no valid reason to value the history or current predicaments of the cotton industry in this country.

Pledges have been given that the members of the Royal Exchange will still be provided with the opportunity of contacting their colleagues and competitors in suitable surroundings. It is, however, scarcely surprising that traders are chary of accepting such statements at their face value, in view of the obviously lucrative nature of the site itself and the possibility of providing more commercial accommodation within the building. The Directors of the Exchange had themselves drawn up plans for the conversion of more of the trading floor into offices.

The contraction of the industry, especially within the past couple of years, has inevitably led to a reduction in the number of those using the Exchange. Others who have condemned its existence as "the biggest talking-shop in the country" may have received more ammunition for their arguments as a result. There are still, however, numerous people engaged in textile production and distribution in Lancashire who would heartily regret the abandonment of its functions, which have provided a forum for ideas and permitted those who used its boards intelligently an opportunity to test the atmosphere of the market at any particular time. If the new owners plan at a later date to dispense with this historic Manchester landmark, which is still symptomatic of Lancashire's heyday, they are certain to meet with strong opposition.

From the Four Corners

A postscript to the astonishing rate of foreign cloth arrivals in 1960 comes in the final figures illustrating imports of cotton grey fabrics, which make it clear that the cargoes were, in fact, shipped from the ends of the earth. While they did not actually stretch from China to Peru, they certainly came from as far afield as Formosa and Chile, Ghana and Greece, Australia and Afghanistan, covering all five continents.

In all, 46 countries shared in the 600 million yards of loomstate cloth shipped to Britain last year at a cost of nearly £37,000,000. The major suppliers are already known through the Board of Trade returns, but the gaps in the "other foreign countries" total can now be filled. These show, as suspected, that the chief continental source of imports was the Iberian peninsula.

Arrivals from Spain amounted to 57,689,686 square yards, exceeding the quantities shipped from Japan, China and Pakistan. They were, in fact, third in the list, coming after India and Hong Kong only. Portugal sent 15,065,860 square yards. Other countries which supplied more than 5,000,000 yards were the United States, Yugoslavia, the Irish Republic, Canada, France, the Soviet Union and Egypt.

Egypt As A Seller

The belief that Egypt will make a real effort next season to recapture its traditional markets for raw cotton is expressed by Mr. W. Williams, President of the Manchester Cotton Association, in a report made following a visit sponsored by the Egyptian Cotton Promotion Committee. Eventually, he believes, the only sellers will be those favoured by the Government, and all non-Egyptians will gradually be squeezed out of business.

Egypt's commercial outlook has undergone considerable changes in recent years. During the economic blockade after the Suez incident, the Government signed bilateral agreements with the Eastern European countries and thereby succeeded in opening new markets for its raw cotton, which is the main export cash crop, averaging rather more than 75 per cent of total shipments.

There are now 42 markets open to Egyptian cotton, whereas there were only six before Suez. According to Mr. Williams, the Government is now anxious to resume more normal trading operations with its former customers. Its current selling programme aims at eliminating the barter system, stopping the re-export of cotton, modifying prices by dropping the export tax on all types except Ashmouni and limiting the quota provided for exporters, according to their capacity and past activities. At the same time, the Ministry of Agriculture is doing its best to maintain and, if possible, improve the quality of Egyptian cotton. Although complaints are received that desirable cotton is not obtainable in the quantities required, there are now many more users than in the past and competition is therefore keener.

Pre-cleaning of some grades is liable to be overdone, the report continues, destroying the whole character of the cotton. Another reason for higher grades not being available in sufficient quantities is that the pickings of the crop have been reduced from three to two, while the replacement of upcountry classers, most of them European experts who have now returned to their own countries, is proving a serious problem and threatening to lower the standards of Egyptian cotton.

Stocks And Sales

Considering the very marked difference in climatic conditions in Britain during the summer months of 1959 and 1960, the way in which textiles maintained their rate of progress through distributive channels was highly satisfactory and enabled the mills in Lancashire to keep running at near maximum levels for long periods. Official figures relating to sales and stocks for the past year have now been issued by the Wholesale Textile Association which reflect the rising movement of supplies.

Total sales in 1960 over the year as a whole were the highest since 1951, the average of monthly index numbers, based on 100 in 1950, being 104.2. Sales of women's and children's wear at 105.5 were the highest for any year in the current series. Although the disposal of goods in December was 5½ per cent lower than in the same month of 1959, the annual average sales increased by 6.8 per cent over the previous year. Total stocks held at the end of each year are generally on the low side. The index number in 1960 fell from 119.8 in November to 109.8 a month later, but the end-of-the-year was still the highest since 1951. Supplies held by wholesalers throughout 1960 were the largest for any year covered by the current series of index numbers and averaged 120.5. As compared with 1959, the total stocks at the end of December were up by 10.9 per cent.

Board of Trade index numbers, however, show that orders on hand in the textile and clothing industries at the end of last year were slightly higher than twelve months previously. The rate of new orders received in December dropped by 27 per cent, as compared with the same month in 1959, but the decrease in contracts placed during the final quarter of last year was only 8 per cent compared with the final three months of 1959 when buying was exceptionally heavy.

Although deliveries showed a seasonal reduction in December as compared with the previous two months, they remained at practically the same level as in December 1959. Orders on hand, based on the figure 100 as at April 1959, were 136, as against the peak index number of 142 in November and 137 in October 1960.—*All Rights Reserved.*

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES
* DEMAND DRAFTS * LEDGERS
* PAY-IN SLIP BOOKS * PASS BOOKS
* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

SHILCO'S

Precision-made

PAPER TUBES AND CONES

for all Textile Purposes

Specialists in Mule Paper Tubes

for Wool Industry and Cardboard Boxes

for All Trades

WE WELCOME YOUR ENQUIRIES

SHILCO INDUSTRIES

Palkhewadi, Off Cadell Road

Bombay-28

Telegrams: "SHILCOIND Telephone: 61056

DEVKARAN NANJEE BANKING COMPANY, LIMITED

Head Office: **Devkaran Nanjee Buildings, Horniman Circle, BOMBAY-1**

AUTHORISED CAPITAL .. **Rs. 1,00,00,000** ISSUED AND SUBSCRIBED CAPITAL .. **Rs. 50,00,000** RESERVE FUNDS .. **Rs. 60,00,000**

BRANCHES

MAHARASHTRA—Bombay: *Horniman Circle—Head Office, Andheri, Bhuleshwar, *Borivli, Chembur, *Colaba, *Dadar, *Ghatkopar, Gol Deval, Goregaon, Kalbadevi, Kandivli, Khar, Kurla, *Malabar Hill, *Malad, Mandvi, Kharek Bazar, *Matunga, *Mulund, Sandhurst Bridge, *Santa Cruz, *Share Bazar, Sion, Tardeo, Thakurdwar, *Vile Parle (East), *Vile Parle (West), Worli, *Zaveri Bazar, Ahmednagar, Baramati, Malegaon, Manmad, Nasik: Nasik City, Nasik Road, Poona: Budhwar Peth, *Camp, *Raviwar Peth, Sholapur, Walchandnagar.

GUJARAT—Ahmedabad: *Delhi Chakla, *Ellis Bridge, *Gandhi Road, Maskati Market, Manek Chowk, *Maninagar, Saraspur, Amreli, *Anand, Bardoli, Baroda, *Bhavnagar, Borsad, Botad, Broach, Bulsar, Cambay, Damnagar, Dharmaj, Dhorajl, Dhrangadhra, Godhra, Gondal, Jamnagar, Junagadh, Lunawada, Mahuva, Morvi, Nadiad, Nandurbar, Navsari, Padra, Palanpur, Patan, Porbandar, *Rajkot, Savarkundla, Sidhpur, Sihor, Surat, Surendranagar, Umreth, Upleta, Veraval, Viramgam, Wankaner.

CALCUTTA—Brabourne Road, Burra Bazar, *Bhowanipore.

NEW DELHI—Connaught Place.

DELHI—Chandni Chowk.

MADRAS—China Bazar.

BANGALORE—65, Avenue Road.

COCHIN—Mattancherry.

MANGALORE—Bunder Road.

BURHANPUR (M.P.)—Lal Baug.

* Has Safe Deposit Vault.

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER, 1960

To

THE MEMBERS OF

DEVKARAN NANJEE BANKING CO., LTD.

1. Your Directors beg to submit herewith the audited Balance Sheet and the Profit and Loss Account of the Company, hereinafter called the Bank, for the year ended 31st December, 1960. The Auditors' Report is also annexed.

2. The Bank has, during the year, made generally good all-round progress. The Bank's deposits at the end of the year were over Rs. 35 crores, the total working funds about Rs. 42 crores, and the number of accounts over two lakhs. Thirteen branches were opened during the year—at Worli, Sion and Mulund (in Bombay), Cambay, Nandurbar, Palanpur, Umreth, Botad, Gondal, Dhoraji, Upleta, Sihor and Wankaner (in State of Gujarat)—bringing the total number of the Bank's branches to 96 at the end of 1960. Two Safe Deposit Vaults were opened—at Mulund (in Bombay) and Anand (in Gujarat)—bringing the total number of Safe Deposit Vaults to 23. Steps were also taken to expand the activities of the present branches. Your Directors are also happy to state that the Reserve Funds of the Bank have now reached the figure of Rs. 60 lakhs.

Since the end of the financial year to which the annexed Balance Sheet relates, till the date of this report, one branch was opened at Ellis Bridge, Ahmedabad, the present capital of the State of Gujarat, along with a Safe Deposit Vault, raising the total number of our branches to 97 and of our safe deposit vaults to 24.

3. The Bank has made a net profit of Rs. 26,19,731.96, which, together with the sum of Rs. 5,69,301.47 brought forward from last year's account, amounts to Rs. 31,89,033.43. Out of this, your Directors have made the following appropriations:

	Rs. nP
To Ad-Interim Dividend for the half-year ended 30th June 1960 at the rate of Rs. 1.86 per share	1,86,000.00
To Amount of Provision for Bonus to Staff	2,85,000.00
To Reserve Fund under Section 17 of the Banking Companies Act	8,00,000.00
To Provision for Taxation	9,00,000.00
and propose to appropriate the balance as under:	
To Pay a Final Dividend for the half-year ended 31st December 1960 at the rate of Rs. 2.52 per share (making in all 8.76 per cent. per annum, subject to deduction of tax)	2,52,000.00
and To Carry Forward	7,86,033.43
Total .. Rs.	31,89,033.43

4. In accordance with Article 100 of the Articles of Association, Shri Lalitchandra C. D. Nanjee, Prince Udaybhan of Porbandar and Shri Natvarlal S. Choksey retire from the Board of Directors by rotation but being eligible offer themselves for re-appointment.

5. You are requested to appoint Auditors for the ensuing year and to fix their remuneration.

Yours faithfully,
For the Board of Directors,
LALITCHANDRA C. D. NANJEE,
Chairman.

BOMBAY, *9th February*, 1961.

Balance Sheet as at 31st December, 1960

CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
1. Capital—		
AUTHORISED— 2,00,000 Ordinary Shares of Rs. 50 each	1,00,00,000.00	
SUBSCRIBED— 1,00,000 Ordinary Shares of Rs. 50 each fully paid		50,00,000.00
2. Reserve Fund and Other Reserves (Including Shares Premium Account, Rs. 9,00,000)		60,00,000.00
3. Deposits and Other Accounts—		
Fixed Deposits	15,98,34,924.17	
Savings Bank Deposits	8,69,90,636.63	
Current Accounts, Contingency Accounts, etc.	11,12,33,305.55	
		35,80,58,766.35
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	4,00,00,000.00	
(ii) Outside India	Nil	
		4,00,00,000.00
PARTICULARS—		
A. Secured—		
(i) By part of Investments as per contra	1,65,00,000.00	
(ii) By Bills Discounted	2,20,00,000.00	
(iii) Under the Refinance Scheme	15,00,000.00	
B. Unsecured	Nil	
5. Bills Payable		27,82,054.66
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	1,98,17,789.98	
(ii) Payable outside India	1,97,410.81	
		2,00,15,200.79
7. Other Liabilities—		
(a) Branch Adjustments	83,34,362.78	
(b) Unclaimed Dividends	69,580.46	
(c) Rebate	22,238.06	
		84,26,181.30
8. Acceptances, Endorsements and Other Obligations as per contra		4,57,76,724.78
9. Profit and Loss—		
Profit as per last Balance Sheet	8,21,301.47	
LESS—Appropriations for Dividend	2,52,000.00	
	5,69,301.47	
ADD—Profit for the year as per the Profit and Loss Account	23,54,731.96	
	29,24,033.43	
LESS—Ad-interim dividend paid	1,86,000.00	
	27,38,033.43	
LESS—Transferred—		
1. To Reserve Fund under Section 17	8,00,000.00	
2. To Provision for Taxation	9,00,000.00	
	17,00,000.00	
		10,38,033.43
10. Contingent Liabilities—	Rs. nP	
(i) Claims against the Banking Company not acknowledged as debts	2,700.00	
(ii) On Investments in shares of Joint Stock Companies and Banks, etc.	8,44,750.00	
(iii) On Letters of Guarantee on behalf of Constituents (including Rs. 4,000 on behalf of Directors)	1,89,18,679.13	
(iv) On account of outstanding Forward Exchange Contracts	42,48,584.80	
(v) On Bills of Exchange Rediscounted	Nil	
Total .. Rs.		48,70,96,961.81

NOTE:—Provision to the full extent for future gratuities to Staff has not been made, the liability for which has not been ascertained.

PROPERTY AND ASSETS	Rs. nP	Rs. nP
1. Cash—		
In hand and with Reserve Bank and State Bank of India and notified Banks (including Foreign Currency Notes)		4,20,84,796.75
2. Balances with Other Banks—		
(i) In India on Current Accounts	24,12,423.60	
(ii) Outside India on Current Accounts	30,64,037.75	
(iii) Outside India on Deposit Account	1,64,606.94	
3. Money at Call and Short Notice		56,31,068.29
		Nil
4. Investments: At or below Market Value—		
(i) Securities of the Central and State Governments and other Trustee Securities	11,56,68,268.00	
(ii) Shares—		
(a) Fully paid Preference Shares	13,19,306.50	
(b) Fully paid Ordinary Shares	12,37,020.00	
(c) Partly paid Preference Shares	16,800.00	
(d) Partly paid Ordinary Shares	2,10,750.00	
(iii) Debentures or Bonds	46,30,467.60	
(iv) Other Investments	Nil	
(v) Gold	Nil	
5. Advances—		12,30,91,092.00
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
I. Loans, Cash Credits, Overdrafts, etc.—		
(i) In India	18,03,65,537.46	
(ii) Outside India	Nil	
	18,03,65,537.46	
II. Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India	5,97,41,023.51	
(ii) Payable outside India	33,04,492.43	
	6,30,46,415.94	
PARTICULARS OF ADVANCES—		24,34,11,953.40
(i) Debts considered good in respect of which the Banking Company is fully secured	21,66,88,693.84	
(ii) Debts considered good for which the Banking Company holds no other security than the debtor's personal security (the above includes Rs. 57,29,149.57 debts for which more than one person is liable on the pro-note)	1,73,28,000.28	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of debtors	93,95,160.28	
(iv) Debts considered doubtful or bad, not provided for	Nil	
	24,34,11,953.40	
(v) Debts due by Directors or officers of the Banking Company or any of them either severally or jointly with any other persons	9,413.00	
(vi) Debts due by the companies or firms in which the Directors of the Banking Company are interested as directors, partners or Managing Agents or, in the case of private companies, as members	1,04,33,680.20	
(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the Banking Company or any of them either severally or jointly with other persons	9,786.00	
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or Managing Agents or in the case of private companies, as members	1,26,03,679.66	
(ix) Due from Banking Companies	47,962.11	
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	1,98,17,789.98	
(ii) Payable outside India	1,97,410.81	
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,00,15,200.79
8. Premises—Less Depreciation—		4,57,76,724.78
At cost as per last Balance Sheet	32,71,714.75	
Additions during the year	7,000.00	
	32,78,714.75	
LESS—Depreciation to date	5,50,000.00	
9. Furniture and Fixtures—Less Depreciation—		27,28,714.75
At cost as per last Balance Sheet	25,06,729.89	
Additions during the year	5,45,025.55	
	30,51,755.44	
LESS—Sales during the year	46,852.75	
	30,04,902.69	
LESS—Depreciation to date	10,71,797.52	
10. Other Assets including Silver—		19,33,105.17
(a) Advance Payment of Tax	11,10,978.18	
(b) Interest accrued on Investments	10,04,882.06	
(c) Small Silver Bars	32,856.00	
(d) Stamps and Stationery	1,30,789.16	
(e) Sundry Deposits	1,44,899.08	
11. Non-Banking Assets Acquired in Satisfaction of Claims		24,23,405.38
		Nil
Total .. Rs.		48,70,96,961.81

(Continued on next page)

SUPER-TAX ON INTER-CORPORATE DIVIDENDS

FINANCE MINISTER'S ARGUMENTS NOT CONVINCING

By George Carvelho

THE proposals relating to taxation of inter-corporate dividends are intended to remove two anomalies in the present system. One is that formation of subsidiary companies by Indian and foreign companies is encouraged by the concessional rate of super-tax on dividends received by a parent company from its subsidiary, as compared with the rate of super-tax, where the dividend income is received by a company which is a minority shareholder. The other anomaly is that the tax on dividend income received by a minority-shareholding foreign company is substantially higher than on an Indian company with a minority investment. It is, therefore, proposed that the rate of super-tax on dividends paid on inter-corporate investment, whether Indian or foreign and whether on a majority or a minority basis, should be fixed at 20 per cent.

While admirable in principle, the proposals are open to criticism on the following points:

The uniform rate of super-tax on inter-corporate dividends is to be fixed at 20 per cent in all cases, whether the dividend receiving company is Indian or foreign and whether it holds a majority or minority interest in the dividend-paying company. At present, the rate of super-tax in the case of dividends paid by subsidiary to parent companies is 10 per cent. It is a pity that uniformity is to be attained by raising this rate to 20 per cent, instead of reducing the rate in the case of minority shareholding companies to 10 per cent. The present rates of tax on inter-corporate investment are extremely high, except in cases covered by Section 56A of the Income-tax Act, which exempts completely from super-tax, the dividends received from companies engaged in any of the industries specified in the section. In all other cases of inter-corporate investment, the tax burden is heavy, as the following examples show:

If a company uses its funds to create a subsidiary, the return on its investment is subject to taxes at two stages. First, the subsidiary company pays income-tax and super-tax on its profits. Then, the profit after tax, passed on to the parent company as dividend is further subject to income and super-tax. Assuming that the entire profit, after taxation is distributed as dividend, we get the following:

	Rs.
Income of subsidiary company ...	100
Income-tax and super-tax at 45% ...	45
Net income after tax	55
Dividend paid to parent company ...	55
Tax at 30% (20% income-tax, 10% super-tax)	16.5
Net income after tax of parent company ...	38.5
Total tax ...	61.5

In the case of a non-subsidiary company formed and registered *after* 1st April 1959, the position will be:

	Rs.
Income of non-subsidiary company ...	100
Income-tax and super-tax at 45%	45
Net income after tax	55
Dividend paid to minority shareholding company	55
Tax at 40% (20% income-tax, 20% super-tax)	22
Net income after tax of minority shareholding company	33
Total tax ...	67

In the case of a non-subsidiary company formed and registered *before* 1st April 1959:

	Rs.
Income of non-subsidiary company ...	100
Income-tax and super-tax at 45% ...	45
Net income after tax	55
Dividend paid to minority shareholding company	55
Tax at 45% (20% income-tax. 25% super-tax)	24.75
Net income after tax of minority shareholding company	30.25
Total tax ...	69.75

In case where there are more than two companies in the chain of inter-corporate investment, a further slice of the profit is taken away at each stage, till the ultimate shareholders are reached. These individuals are then liable to income-tax and super-tax on their dividend income and since such receipts are treated as unearned income for tax purposes, this income could attract an 84 per cent rate of tax. The eventual yield to the ultimate shareholders or entrepreneurs at the end of the chain is relevant to a study of inter-corporate taxation, because it is they who have the final decision-making power regarding the whole chain of investment.

To those who question the economic utility of inter-corporate investment, whether involving two or more companies, the National Council of Applied Economic Research points out, in its study of "Taxation and Private Investment," that the two-tier corporate structure was found necessary in the industrialisation of developed countries. "A great merit of the corporate form is that the entrepreneur can gather together resources of many savers, including the earnings of the company itself and invest them, either in the expansion of the same enterprise or in starting new ventures. If a new venture is to be started as a company with pooled resources, the two-tier structure becomes inevitable."

More Complicated

A great limitation of the budget proposals relating to inter-corporate dividends is that the position described above remains substantially unchanged. For one thing, the new rates are to apply only in the case of dividends from companies formed and registered after 1st April 1961. The crushing burden of taxation on inter-corporate investment in existing companies is thus to continue. Furthermore, even with regard to dividends from companies to be formed and registered after 1st April 1961, the new rates are lower than the old only with regard to dividends received from an Indian company by a foreign company who is a minority shareholder. In such a case, the new rate of super-tax on dividends is 20 per cent, as compared to 33 per cent at present on companies formed and registered after 1st April 1959 and 43 per cent on companies formed and registered before that date. Where the dividends are received from non-subsidiary Indian companies by Indian companies in which the public are substantially interested and whose total income does not exceed Rs. 25,000, the new rate of 15 per cent is the same as the present rate on dividends from companies formed and registered after 1st April 1959 and lower than the 20 per cent rate on dividends from companies formed and registered earlier. Where dividends are received by other Indian companies, the new rate of 20 per cent is again the same as the present rate on dividends from companies formed and registered after 1st April 1959 and lower than the present rate of 25 per cent on dividends from companies formed and registered earlier.

An already needlessly complicated state of affairs is thus, again needlessly, to become even more bewilderingly complex. There will henceforth be three different schedules of rates for taxation of inter-corporate dividends, one for dividends paid by companies formed after 1st April 1961, another for companies formed before this date but after 1st April 1959 and a third for companies formed earlier than that.

Assumptions Unreal

The Finance Minister's explanation for limiting the applicability of the new rates to companies formed after 1st April 1961 is that such limitation was necessary "in order that this change does not affect investments already made under different assumptions." The importance of not changing the assumptions under which investments have already been made seems to have been exaggerated. For one thing, in cases where the new rates are lower than the old, as in dividends received by foreign companies from Indian companies which are not their subsidiaries, no one will object to the alteration of the earlier assumptions. The only case in which the new rate is higher is that of dividends received by a parent company, Indian or foreign, from an Indian subsidiary. The additional complexity could, therefore, have been avoided, if the rate of super-tax in such cases were not raised to the level of the rates on dividends from non-subsidiary companies, but instead the latter were reduced to the level of the former.

DEVKARAN NANJEE BANKING COMPANY, LIMITED—*(Continued)*

Profit and Loss Account for the year ended 31st December 1960

EXPENDITURE	Rs. nP	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP
1. Interest paid on Deposits, Borrowings, etc.	93,04,935.15	1. Interest and Discount	1,63,52,574.10
2. Salaries, Allowances and Provident Fund (Includes Rs. 60,750 to Managing Director)	55,84,399.53	2. Commission, Exchange and Brokerage	27,21,344.27
Directors' and Local Committee Members' Fees and Allowances	40,075.00	3. Rents	1,23,451.25
3. Rent, Taxes, Insurance, Lighting, etc.	6,72,583.30	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves, or any particular Fund or Account)	2,248.29
4. Law Charges	50,575.12	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves, or any particular Fund or Account)	Nil
5. Postage, Telegrams and Stamps	4,51,212.35	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
6. Postage, Telegrams and Stamps	11,190.00	7. Other Receipts	8,20,732.97
7. Auditors' Fees	2,53,900.78		
8. Depreciation on and Repairs to Banking Company's Property	7,43,560.83		
9. Stationery, Printing, Advertisement, etc.	Nil		
10. Loss from Sale of or Dealing with Non-Banking Assets	5,53,526.86		
11. Other Expenditure	23,54,731.96		
12. Balance of Profit (subject to Taxation)			
Total .. Rs.	2,00,20,350.88	Total .. Rs.	2,00,20,350.88

NOTE:—1. Remuneration received by three Directors for their own use from other companies by virtue of nomination by the Bank on the Board of other companies amounted to Rs. 2,205 during the year.
2. During the year the Bank has contributed a sum of Rs. 1,001 to Bombay Pradesh Congress Committee.
3. In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisions to sub-sections (1) and (2) of Section 211 and sub-sections (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956; they are, therefore, drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the foregoing Balance Sheet of the DEVKARAN NANJEE BANKING CO., LTD., as at 31st December, 1960, and also the foregoing Profit and Loss Account of the Bank for the year ended on that date in which are incorporated the audited returns of 4 branches and the unaudited returns from all the other branches not visited by us for the purposes of this report. Exemption from audit of these Branches has been obtained by the Bank from the Department of Company Law Administration, Ministry of Commerce and Industry, Government of India, New Delhi.

We report that—

(a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of these books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank;
(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;
(e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the affairs of the Bank as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

K. S. AIYAR & CO.
DALAL & SHAH } *Chartered Accountants.*

BOMBAY, *11th February*, 1961.

HARIDAS K. SWALI, *Deputy Manager.*
CHANDRAKANT K. KOTHARI, *Assistant Manager.*
C. V. SUBRAMANIAM, *Chief Accountant.*
RATILAL R. MERCHANT, *Superintendent of Advances.*
B. RAGHAVENDRA BALIGA, *Chief Inspector.*

LALITCHANDRA C. D. NANJEE *Chairman.*
UDAYBHAN
NATVARLAL S. CHOKSEY
JAYANTILAL R. TRIVEDI
LAXMIKANT S. DABHOLKAR
M. A. MASTER
HARSHADRAI B. PAREKH
D. N. MEHTA
PRAVINCHANDRA V. GANDHI *Managing Director.*
} *Directors.*

In any case, it cannot be seriously argued that the assumptions under which investments were made in the past should, under no circumstances, be disturbed. When investments are made in Indian companies, whether by individuals or companies, Indian or foreign, there is no question of any sort of assurance or guarantee against future changes in tax rates. The risk of a future increase in taxation in the country in which capital is invested is one of the unavoidable risks that any investor must be willing to take. It will probably be found that intending investors are quite prepared to face such risks, which will, in all likelihood, be found to influence their decisions less than others, arising from the general economic, social and political conditions in the country.

Besides, the assumptions to which the Finance Minister attaches so much importance have, in fact, been substantially changed through the adoption of the new system of company taxation, under which shareholders have been deprived of the "grossing-up" facility in regard to dividend income. The change to the new system involves, for the majority of shareholders, Indian and foreign, in Indian companies, a reduction in the net dividends received by them. Mr. Morarji Desai's indifference to this radical alteration of the assumptions under which past investments were made does not accord with his present concern over the inviolability of these assumptions.

Other Serious Consequences

There are other consequences that are likely to follow from the limitation of the new rates of super-tax on dividends to new companies. One of the most serious of these is that foreign companies will henceforth try to avoid investments in existing companies, because the rate of tax on dividends from new companies will be lower. Foreign equity participation is needed not only in the case of new companies but for expansion of the activities of existing companies. There is no justification for what amounts to a fiscal deterrent to foreign participation in such schemes.

Another danger is that, while formation of new subsidiary companies in future will lose the advantage it enjoyed in the past, there will continue to be a tax benefit in acquiring a controlling interest over existing companies.

Yet another consideration is that those foreign companies that responded to India's efforts to attract foreign private capital in the past and became minority shareholders in Indian companies are now to be deprived of the lower tax rates on dividends payable by foreign companies that will invest in new Indian companies. They must be regretting that they were in such a hurry to come in and wishing that they had held off until the tax rates changed in their favour. Those who have been hesitating and holding off till now will congratulate themselves on their foresight and may be tempted to delay their investments in India even more, in the hope that some further advantages may ensue. It seems all wrong to deprive past investors of tax concessions that will be enjoyed by new-comers on the ground that assumptions that governed past investment should not be disturbed.

The corollary to this cavalier treatment of companies which are minority shareholders in existing Indian companies is that the companies that acquired subsidiaries in the past are to continue to enjoy a tax advantage. Thus, those who acted in a manner that we consider socially undesirable and contrary to the official policy on foreign capital (which disapproves of foreign controlling interests in Indian enterprises) are to be rewarded by being allowed to retain their tax benefit, while those that fell into line with Government policy and came in as minority shareholders are to be penalised by being deprived of the concessions we intend to extend to those who do so in future. The whole situation is somewhat incongruous.

All these incongruities and paradoxes can be avoided if two simple changes are made in the Finance Bill. First, the rate of super-tax in the case of dividends paid by a subsidiary to a parent company should remain unchanged at 10 per cent and the super-tax rates on all other inter-corporate dividends should be reduced to the same rate of 10 per cent. Second, the new rates of super-tax on inter-corporate dividends should apply to all companies old and new, irrespective of the date on which they were formed and registered.

CAR INSURANCE BASED ON MILEAGE

A new system of car insurance, which relates premium to the distance driven, the age of the licence-holder and the car engine output, has been introduced by the insurance companies in Sweden. The scheme will cover about 70 per cent of all private cars in Sweden and has been developed on the basis of an inquiry among some 65,000 car-owners in Stockholm. For the majority of the car-owners, about 60 per cent of whom drive between 6,200 and 15,500 miles a year, there will be no change in premium charged. The estimated 30 per cent of the motorists, who drive less than 6,200 miles, will obtain a rebate of 20 per cent on the premium, while a surcharge of the same percentage will be added to the premium for those who drive more than 15,500 miles a year.

At the same time, the present bonus groups have also been reshuffled. One of the effect of this reshuffle will be that it will favour experienced drivers at the expense of inexperienced and young drivers. Thus, drivers of at least 25 years of age and holding a licence three years old will directly obtain a 20 per cent bonus. The highest bonus obtainable remains unchanged at 70 per cent. Investigations made by the companies are said to have shown that there exists a direct relation between the distance driven and the accident rate. This disproves the theory that the heavy mileage consumer is a safer motorist than the Sunday driver from an insurance point of view. Cars with low engine power have also been found to cause fewer accidents than bigger cars. Consequently, all cars have been divided into five insurance groups: the lowest with an engine power up to 20 h.p. and the highest in excess of 80 h.p.

A giant 16,000-ton Russian tanker carrying 9,600 tons of superior kerosene and 1,000 tons of top-quality high-speed diesel oil arrived in Bombay last week. This is the third shipment of Soviet petroleum products to India under the Indo-Soviet trade agreement. The first consignment of 11,390 tons of diesel oil was received in August last, followed by 10,784 tons of kerosene oil in November last. The oil products have been bought by the Government-owned Indian Oil Company. The total quantity of Soviet oil products to be imported by the I.O.C. is 1.5 million metric tons over a period of four years.

DIRECTORY OF INDIAN ENGINEERING EXPORTERS

FOURTH REVISED EDITION

We are glad to inform that material for publication of the fourth revised edition of the Directory is now being collected by the Council. The Directory will contain names and addresses of Indian manufacturers and exporters, who are members of the Council, along with the details of exportable engineering goods, an illustrated chapter on important brands and trade marks in Indian engineering goods and other useful news and information such as addresses of Indian trade representations in foreign countries and foreign trade representations in India, list of Showrooms, Showcases maintained by the Government of India in foreign countries, etc.

The book will be printed on imitation art paper and will contain hundreds of illustrations of exportable products in the engineering line.

This Publication provides very good media for the manufacturers/exporters of engineering goods for carrying their advertisement. Advertisement rates are as follows:—

Full Page	...	**Rs. 500/-**
Half Page	...	**Rs. 300/-**
Quarter Page	...	**Rs. 160/-**

For your space requirement please write immediately to:—

The Publicity Department
ENGINEERING EXPORT PROMOTION COUNCIL,
India Exchange (7th floor)
Calcutta-1

We Share Your Disappointment too!

The overwhelming demand for Philips Quality Lamps is pleasing to us, but what a pity we can't meet it. And how disappointing it is for our dealers who, with sad faces, do their best!

All of us know that the lamp industry is more self-sufficient than many others. Yet there is a small but vital content in lamp manufacture which has to be imported. That is where foreign exchange restrictions creep in. So the supply becomes difficult.

Certain positive steps are being taken in the Third Five-Year Plan to ease the position. Until supplies become plentiful again we request you to bear with us.

Meanwhile, while wishing you happy lighting, here is a list of our retail prices to help you the next time you want to buy Philips Quality Lamps:

		Retail price per piece
25W. Vacuum clear	...	Rs. 1.25
40W. Gasfilled clear	...	Rs. 1.44
60W. Gasfilled clear	...	Rs. 1.56
100W. Gasfilled clear	...	Rs. 2.00
150W. Gasfilled clear	...	Rs. 3.50
200W. Gasfilled clear	...	Rs. 5.12
60W. Argenta (inside white)	...	Rs. 1.75
100W. Argenta	...	Rs. 2.25
150W. Argenta	...	Rs. 3.94
4 ft. 40-Watt Fluorescent	...	Rs. 9.69

These prices are inclusive of excise duty but exclude sales tax and local taxes

PHILIPS

PHILIPS lamps

THERE ARE NONE BETTER

PHILIPS INDIA LIMITED

IWTF 4040

Notices

THE BRADY ENGINEERING COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifteenth Annual General Meeting of the Shareholders of the Brady Engineering Company, Limited, will be held at the Company's Registered Office, "Brady House," 12/14 Veer Nariman Road, Fort, Bombay, on Wednesday the 12th day of April, 1961, at 4.00 p.m. (S.T.), to transact the following business:

1. To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1960.
2. To sanction the declaration of Dividend.
3. To appoint a Director in place of Mr. Nanabhoy B. Jeejeebhoy who retires by rotation and is eligible for re-appointment, and, if thought fit, to pass the following Resolution as a Special Resolution in respect of which a Special Notice, as required by Section 261 of the Companies Act, 1956, has been received by the Company.

   RESOLVED that pursuant to Section 261 of the Companies Act, 1956, Mr. Nanabhoy B. Jeejeebhoy who retires by rotation and who is a Director, Member and an Associate of W. H. Brady & Company, Limited, the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint two Directors to the Board) be and is hereby re-appointed a Director of the Company liable to retire by rotation.
4. To appoint a Director in place of Mr. Bhagvandas C. Mehta who retires by rotation in accordance with Article 156 of the Articles of Association of the Company and being eligible offers himself for re-election.
5. To appoint a Director in place of Mr. J. N. Guzder, who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom the Company has received a Notice in writing from some members proposing his candidature for the office of Director.
6. To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   RESOLVED that pursuant to provisions of Section 359 of the Companies Act, 1956, the Company hereby authorises W. H. Brady & Company, Limited, the Managing Agents of the Company, to retain all commissions or other remuneration earned or to be earned by them as Agents of Home Insurance Company at any time during the period they continue to act as Managing Agents of the Company in respect of services rendered by them in regard to all contracts of Insurance (Policies) which have been or which may at any time hereafter during the period aforesaid be entered into by the said Insurance Company with the Company, provided always that the amounts charged to this Company in respect of such insurances are at rates which are not less favourable than the market rates or which are otherwise reasonable.
7. To appoint Auditors for the current year and fix their remuneration.

By Order of the Board of Directors,
W. H. BRADY & COMPANY, LIMITED,
V. MATHALONE,
Secretary,
Managing Agents.

BOMBAY, 23rd *February*, 1961.

"BRADY HOUSE",
12/14 VEER NARIMAN ROAD,
BOMBAY-1.

Notes: 1. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items (3), (5) and (6) set out above are annexed to the Notice forwarded to the individual members of the Company.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

3. The Transfer Books of the Company will be closed from Friday, the 24th March, 1961, to Friday the 14th April, 1961, both days inclusive.

4. If Dividend on shares as recommended by the Directors is passed at the Meeting, payment of such Dividend will be made through the Bank of India, Limited, Bombay, on and after 28th April, 1961, to those Members whose names are on the Company's Register on the 14th day of April, 1961.

THE EMPIRE DYEING AND MANUFACTURING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixty-first Annual General Meeting of the Shareholders of The Empire Dyeing and Manufacturing Company, Limited, will be held at the Registered Office of the Company, Brady House, 12-14, Veer Nariman Road, Fort, Bombay, on Wednesday the 12th April, 1961, at 11-30 a.m., to transact the following business:—

1. To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1960.
2. To sanction payment of Dividend.
3. To appoint a Director in place of Mr. Kantilal Nahalchand who retires by rotation in accordance with the Articles of Association of the Company and, being eligible, offers himself for re-election and to consider and if thought fit to pass the following Resolution as a Special Resolution in respect of which a Special Notice as required by Sections 190 and 261 of the Companies Act 1956 has been received by the Company:

   "RESOLVED that pursuant to Section 261 of the Companies Act, 1956, Mr. Kantilal Nahalchand, an Associate of Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company (who by the Articles of Association of the Company and the Managing Agency Agreement are entitled to appoint two Directors), be and he is hereby re-appointed a Director of the Company liable to retire by rotation."
4. To appoint a Director in place of Mr. Nanabhoy B. Jeejeebhoy who retires by rotation and, being eligible, offers himself for re-election and to consider and if thought fit to pass the following Resolution as a Special Resolution in respect of which a Special Notice as required by Sections 190 and 261 of the Companies Act, 1956, has been received by the Company:

   "RESOLVED that pursuant to Section 261 of the Companies Act, 1956, Mr. Nanabhoy B. Jeejeebhoy, a Director and as such an Associate of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company (who by the Articles of Association of the Company and the Managing Agency Agreement are entitled to appoint two Directors), be and he is hereby re-appointed a Director of the Company liable to retire by rotation."
5. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors,
W. H. BRADY & CO., LTD.,
V. MATHALONE,
Secretary,
Managing Agents.

BOMBAY, 27th *February* 1961.

BRADY HOUSE,
12-14, VEER NARIMAN ROAD,
BOMBAY. 1.

Notes.—1. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of items (3) and (4) for which Special Notices have been received by the Company are annexed to the Notice posted to the individual Shareholders.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.

3. The notice under Section 190 referred to in items Nos. 3 and 4 mentioned in the notice are available for inspection of the members at the Registered Office of the Company between the hours of 11 a.m. and 1-30 p.m. on any working day except Saturdays and between the hours of 11 a.m. and 1 p.m. on Saturdays except Sundays and Holidays when the books and registers are closed under provisions of the Companies Act, 1956, or the Articles of Association of the Company.

4. The Transfer Books of the Company will be closed from Friday the 24th March, 1961 to Friday the 14th April, 1961 both days inclusive.

5. The Dividend when declared will be made payable at the Registered Office of the Company on and after Friday the 28th April, 1961. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 14th April, 1961.

G. CLARIDGE AND COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-first Annual General Meeting of the Shareholders of G. Claridge & Company, Limited, will be held at the Company's Registered Office, "Brady House, 12-14 Veer Nariman Road, Fort, Bombay, on Wednesday the 12th April 1961, at 12.30 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1960.
2. To sanction payment of Dividend.
3. To appoint a Director in place of Mr. Jehangir P. Patel who retires by rotation and being eligible offers himself for re-election.
4. To appoint a Director in place of Mr. Kishore D. Khatau who retires by rotation and being eligible offers himself for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.
6. To consider and if thought fit to pass the following Resolution as Ordinary Resolution:—

   "RESOLVED that subject to the approval of the Central Government being obtained the Company doth hereby authorise the holding by the Company of 500 Equity Shares in Commerce (1935) Limited of Rs. 10 each which are in excess of the 10 per cent of the subscribed capital of Commerce (1935) Ltd., the said Company having fallen under the same group as this Company by virtue of the Companies Act 1956 as amended by the Companies Amendment Act 1960."

By Order of the Board of Directors,
W. H. BRADY & CO., LTD.,
V. MATHALONE,
Secretary,
Managing Agents.

BOMBAY, 23rd *day of February* 1961.

Notes: (1) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under Item (6), set out above is annexed to the Notice posted to the individual Shareholders.

(2) A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself and a proxy need not be a member.

(3) The Transfer Books of the Company will be closed from Friday, the 24th March 1961, to Friday the 14th April, 1961, both days inclusive.

(4) The Dividend when declared will be made payable at the Registered Office of the Company on and after Friday the 28th day of April 1961. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 14th day of April 1961.

THE BANK OF INDIA LIMITED

(ESTABLISHED 7TH SEPTEMBER, 1906.)

REGISTERED OFFICE — 70/80, MAHATMA GANDHI ROAD, FORT, BOMBAY.

CAPITAL AND RESERVES

CAPITAL AUTHORISED .. .. **Rs. 5,50,00,000** **CAPITAL PAID-UP** .. .. **Rs. 3,00,00,000**
CAPITAL ISSUED AND SUBSCRIBED .. .. **Rs. 5,50,00,000** **RESERVE FUND** .. .. **Rs. 3,10,00,000**

BOMBAY LOCAL BRANCHES: ANDHERI, BANDRA

OTHER BRANCHES: AHMEDABAD BHADRA (MAIN OFFICE), AHMEDABAD, ELLIS BRIDGE, AHMEDABAD, GANDHI ROAD, AHMEDABAD, MANEK CHOWK, AHMEDABAD, MANINAGAR, AHMEDABAD, NAVRANGPURA, AHMEDABAD, STATION, BULLION EXCHANGE CHURCHGATE, AMRITSAR, BANGALORE, BARODA, BHUJ, CALCUTTA, NETAJI SUBHAS ROAD (MAIN OFFICE), CALCUTTA, BARA BAZAR, CALCUTTA, BHOWANIPUR, COLABA FORT, CALCUTTA, CHOWRINGHEE SQUARE, CALICUT, COCHIN, COIMBATORE, DELHI, NEW DELHI, AJMERE GATE EXTENSION, KALBADEVI MALABAR HILL, NEW DELHI, CONNAUGHT PLACE, GANDHIDHAM, HYDERABAD, INDORE, JAMSHEDPUR, JUNAGADH, KANPUR, MADRAS, ARMENIAN STREET (MAIN OFFICE), MADRAS, MOUNT ROAD, MADRAS, SOWCARPET, NAGPUR, NAGPUR CITY, PALANPUR, SANTA CRUZ SION, WALKESHWAR, POONA, POONA CITY, RAJKOT, SHOLAPUR, SURAT, VERAVAL, VISAKHAPATNAM

LOCAL COMMITTEES:

AHMEDABAD—
MR. NAROTTAM LALBHAI.

AMRITSAR—
LALA DEWAN CHAND MEHRA.

BANGALORE—
HIS HIGHNESS Y. R. GHORPADE, RAJASAHEB OF SANDUR.
MR. P. K. SARANGAPANY MUDALIAR.
MR. V. T. VELU.

BARODA—
MR. BHUPATIRAI MAGANLAL GHIA.
MR. RAMANBHAI B. AMIN.

CALCUTTA—
MR. N. B. ELIAS.

CALICUT—
MR. U. K. SANKUNNI.
MR. LILADHAR N. MEHTA.

ADEN —
MR. DINSHAW HORMUSJEE COWASJEE DINSHAW, O.B.E.
MR. ZAINOOL HUSSENALLY KARACHIWALA.
MR. GULABCHAND GOPALDAS SIRAJ.
MR. AMIN KASSEM MOHAMED SULTAN.

COCHIN—
MR. L. D. KILIKAR.
MR. B. V. D. MENON.
MR. S. S. KODER.
MR. JAWAHRILAL ANANDJEE.

COIMBATORE—
MR. S. R. P. PONNUSWAMY CHETTIAR, M.L.C.
MR. R. VENKATASWAMY NAIDU.

DELHI—
LALA CHARAT RAM.
MR. SRI NARAIN ANDLEY

HYDERABAD—
MR. MUKUNDASS MOHANLAL MALANI.

JAMSHEDPUR—
SARDAR AJAIB SINGH.
MR. RANGLAL AGARWALA.
MR. DHARAMCHAND NARBHERAM KAMANI.

JUNAGADH—
MR. CHITTARANJAN R. RAJA.
MR. ISHWARDAS NAROTTAMDAS.

MADRAS—
DEWAN BAHADUR SIR ARCOT LAKSHMANASWAMI MUDALIAR.
MR. M. S. M. M. MEYYAPPA CHETTIAR.
MR. D. C. KOTHARI.
MR. A. M. M. MURUGAPPA CHETTIAR.

NAGPUR —
SETH RAMANLAL RATHI.
MR. D. P. R. CASSAD.
MR. R. V. KALIKAR.

POONA—
KHAN BAHADUR SIR MANEKJI N. MEHTA, C.I.E., M.B.E.
MR. S. H. RATHI.

KARACHI —
MR. MAHOMED SULEMAN CASSUM MITHA.
MR. ABDUL KARIM HAJI ADAM.
MR. EDDIE MINOCHER DINSHAW.

RAJKOT—
MR. RATILAL NYALCHAND CHITALIA.
MR. DULABHJEE SHAMJEE VIRANI.

SHOLAPUR—
RAO SAHEB SHRIKISAN N. BHAYYA.
MR. MADEAPPA BANDAPPA KADADI.

SURAT—
MR. LALITMOHAN C. GANDHI.
MR. MOIZ S. VASI.
MR. MANSUKHLAL C. KAPADIA.

VERAVAL—
MR. HARGOVINDDAS L. SANGHVI.

VISAKHAPATNAM—
MR. A. SURYANARAYANA RAO.
MR. P. L. NARASIMHARAJU.

LONDON—
MR. W. P. CRUICKSHANK.
MR. I. D. GREENWELL.
MR. A. E. HOUSEMAN, D.F.C.
MR. B. S. SAKLATVALA.
MR. H. C. WATERS, O.B.E.

FOREIGN BRANCHES:

LONDON BRANCH :—17, MOORGATE, LONDON, E.C. 2. ADEN. DAR-ES-SALAAM. *HONG KONG.* JINJA. KAMPALA. KARACHI. MOMBASA. NAIROBI. OSAKA. SINGAPORE. TOKYO.

AGENTS IN ALL THE PRINCIPAL COUNTRIES OF THE WORLD.

ANNUAL REPORT

To be submitted to the Shareholders at the Fifty-fifth Annual General Meeting to be held at the Registered Office of the Company at 70/80, Mahatma Gandhi Road, Fort, Bombay, on Monday, the 27th day of March, 1961, at 4 o'clock in the afternoon.

Directors' Report for the year ended 31st December, 1960

The Directors submit to the Shareholders the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1960. The Auditors' Report is also annexed.

Ther tansactions for the past year have resulted in a profit of Rs. 1,03,37,098.89. To this has been added the balance of Rs. 12,47,743.19 brought forward from the previous year, making a total sum of .. .. **Rs. 1,15,84,842.08**

An interim dividend was paid for the half-year ended 30th June, 1960, at the rate of 7.50 per cent., subject to deduction of tax at the prescribed rates, on the Paid-up Capital of *Rs. 3,00,00,000*, which absorbed **22,50,000 00**
Provision made for Income-tax and Super-tax for the year **25,00,000 00**
Bonus to Staff **18,00,000 00**
The Directors now propose :—
To pay a final dividend for the half-year ended 31st December, 1960, at the rate of 12.50 per cent., subject to deduction of tax at the prescribed rates, making 20 per cent. for the year, on the Paid-up Capital of Rs. 3,00,00,000, which will absorb .. **37,50,000 00**
To carry forward to the next account **12,84,842 08**
Total .. Rs. **1,15,84,842 08**

The Company's business continued to function satisfactorily.
The Bank Rate remained stationary at 4 per cent.

Branches were opened during the year abroad at Hong Kong and in India at Bhowanipur in Calcutta, at Mount Road in Madras, at Ajmere Gate Extension in Delhi, at Indore and at Walkeshwar in Bombay.

Under the provisions of Section 256 of the Companies Act, 1956, the following Directors of the Company retire by rotation, but are eligible and offer themselves for re-election :—

Mr. A. D. Shroff, Mr. Ramniwas Ramnarain, Mr. Bhagvandas C. Mehta, Mr. Krishnaraj M. D. Thackersey.

The Shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration.

COWASJEE JEHANGIR, *Chairman.*
A. D. SHROFF, *Vice-Chairman.*
AMBALAL SARABHAI, RAMNIWAS RAMNARAIN, BHAGVANDAS C. MEHTA, K. M. D. THACKERSEY, MADANMOHAN MANGALDAS, N. K. PETIGARA, JUGMOHAN PRASAD GOENKA, JAISINH VITHALDAS, GIRDHARILAL MEHTA, *Directors.*

T. D. KANSARA, *General Manager.*
H. A. CURRIMBHOY, *Chief Accountant.*

BOMBAY, 16*th February*, 1961.

BALANCE-SHEET AS AT 31st DECEMBER, 1960.

CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
1. Capital—				
AUTHORISED CAPITAL—				
(a) 5,00,000 Shares of Rs. 100 each	5,00,00,000	00		
(b) 1,00,000 "A" Shares of Rs. 50 each	50,00,000	00		
	5,50,00,000	00		
ISSUED AND SUBSCRIBED CAPITAL—				
(a) 5,00,000 Shares of Rs. 100 each paid for in cash	5,00,00,000	00		
(b) 1,00,000 "A" Shares of Rs. 50 each credited as fully paid bonus shares	50,00,000	00		
	5,50,00,000	00		
AMOUNT CALLED UP on 5,00,000 Shares of Rs. 100 each at Rs. 50 per share	2,50,00,000	00		
AMOUNT FULLY PAID UP on 1,00,000 "A" Shares of Rs. 50 each	50,00,000	00		
	3,00,00,000	00		
LESS—Calls unpaid	Nil			
	3,00,00,000	00		
ADD—Forfeited Shares	Nil			
			3,00,00,000	00
2. Reserve Fund and Other Reserves—				
Reserve Fund (includes Rs. 1,50,00,000 received as premiums on issues of shares in past years)			3,10,00,000	00
3. Deposits and Other Accounts—				
Fixed Deposits	51,25,85,402	90		
Savings Bank Deposits	16,35,76,609	58		
Current Accounts, Contingency Accounts, etc.	41,82,29,985	27		
			1,09,43,91,997	75
4. Borrowings from Other Banking Companies, Agents, etc.—				
(i) In India	Nil			
(ii) Outside India	42,241	28		
			42,241	28
PARTICULARS—				
(i) Secured by part of the Bank's Investments	Nil			
(ii) Unsecured	42,241	28		
			37,89,758	70
5. Bills Payable				
6. Bills for Collection Being Bills Receivable as per contra—				
(i) Payable in India	1,08,67,981	07		
(ii) Payable outside India	76,81,991	12		
			1,85,49,972	19
7. Other Liabilities—				
(i) Unexpired Discounts	77,655	03		
(ii) Branch Adjustments	90,45,070	38		
(iii) Unclaimed Dividends	3,89,822	96		
			95,12,548	37
8. Acceptances, Endorsements and Other Obligations per contra			14,11,06,269	89
9. Profit and Loss—				
Balance as per Balance Sheet as at 31st December, 1959	42,47,743	19		
LESS—Final Dividend at 10 per cent., making 16 per cent. for the year 1959, subject to deduction of tax at the prescribed rates	30,00,000	00		
	12,47,743	19		
ADD—Profit for the year ended 31st December, 1960	1,03,37,098	89		
	1,15,84,842	08		
LESS—	Rs.	nP		
Provision for Income-tax and Super-tax for the year	25,00,000	00		
Interim Dividend at 7.50 per cent. for the half-year ended 30th June, 1960, subject to deduction of tax at the prescribed rates	22,50,000	00		
Provision for Bonus to Staff for the year	18,00,000	00		
	65,50,000	00		
			50,34,842	08
Carried forward ..			1,33,34,29,680	26

PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
1. Cash—				
In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)			9,69,77,532	97
2. Balance with Other Banks on Current Account—				
(i) In India	11,47,842	13		
(ii) Outside India	2,27,25,846	49		
			2,38,73,688	62
3. Money at Call and Short Notice			Nil	
4. Investments at below Market Value—				
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments			16,70,21,083	19
(ii) Shares—				
(a) Fully paid Preference Shares			30,06,377	00
(b) Fully paid Ordinary Shares			71,49,578	39
(c) Partly paid Preference Shares			5,43,900	00
(d) Partly paid Ordinary Shares			5,05,950	00
(iii) Debentures or Bonds			2,29,59,825	00
(iv) Other Investments—				
Pakistan Government and Trustee Securities			25,28,733	40
(v) Gold			Nil	
			20,37,15,446	98
5. Advances—				
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)				
(I) Loans, Cash Credits, Overdrafts, etc.—	Rs.	nP		
(i) In India	71,89,11,162	23		
(ii) Outside India	4,03,88,043	24		
			75,92,99,205	47
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—				
(i) Payable in India	2,68,87,160	78		
(ii) Payable outside India	5,24,15,818	40		
			7,93,02,979	18
PARTICULARS OF ADVANCES—				
(i) Debts considered good in respect of which the banking company is fully secured			72,91,68,589	46
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security			3,95,47,148	57
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors			6,98,86,446	62
(iv) Debts considered doubtful or bad, not provided for			Nil	
			83,86,02,184	65
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons			21,75,710	40
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members			20,85,66,894	08
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons			21,75,710	40
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members			20,85,66,894	08
(ix) Due from banking companies			2,14,603	83
6. Bills Receivable Being Bills for Collection as per contra—				
(i) Payable in India	1,08,67,981	07		
(ii) Payable outside India	76,81,991	12		
			1,85,49,972	19
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra			14,11,06,269	89
Carried forward ..			1,32,28,27,095	80

(Continued on next page)

CENTRAL BUDGET

ACCOUNTING STRUCTURE RATIONALISED

AN important aspect of the Central Government budget for 1961-62 that deserves special mention is the modification of the accounting structure. The Finance Ministry's decision to rationalise and recast the budget in the light of constitutional changes and the rising tempo of Government developmental expenditure must be widely welcomed. Indeed, this accounting reform was long overdue. Ever since the presentation of the first Central budget over a century ago, the accounting procedure adopted for showing the financial transactions of the Government has remained practically unchanged. A new accounting structure was, of course, drawn up at the time of the introduction of the Government of India Act 1935, but it was more or less the same as before, excepting that some changes were incorporated so as to suit the exigencies of the provincial autonomy inaugurated in 1937. The budgets merely give the receipts and expenditure of the Government under one or other of the major heads either in the Consolidated Fund or in the Public Account in accordance with the prescribed rules of classification. Although the estimates are fairly detailed, they lack a rational classification of receipts and disbursements on both revenue and capital accounts. All kinds of development—economic, social and cultural—are mixed up, with the result that one finds it difficult to assess the magnitude and direction of the types of development. How can a budget which is intended primarily to serve the accountability purpose and which does not adequately recognise the importance of fiscal policy aspect be looked upon as an instrument of economic development and a powerful tool for carrying out social objectives?

All this has now been changed. With effect from the budget for 1961-62, the Finance Ministry, has, in consultation with the Comptroller and Auditor-General, recast the budget so as to reflect the changed role of the State more effectively than hitherto. A notable change is the splitting up of the group head "Civil Administration" into two groups, namely, "Administrative Services" and "Social and Developmental Services." The group head "Civil Administration," it will be recalled, was both defective and misleading, in that it included not only budget heads dealing with administration such as general administration, audit, police and jails but also major heads pertaining to developmental activities like education, agriculture and health. The combined total of both the items of expenditure gave an exaggerated idea of the growth in the cost of administration to lay people and provided a convenient stick to beat the Government with. Accordingly, the Union Government was the worst sufferer under this arrangement. With the splitting up of the two heads, the public is now enabled to assess more correctly the growth of administrative expenditure. The only disadvantage arising from this change is that comparison of the figures for the coming year with those for the current and previous years will not be easy, if not impossible. But this is an inconvenience inherent in any rationalisation and cannot be helped.

The above modification has necessitated a regrouping of the major heads in the section Civil Administration. Inasmuch as the expenditure on community development projects, national extension service and local developmental works has now become a regular feature, it cannot be treated as an extraordinary item of expenditure. It has accordingly been transferred to the new section "Social and Developmental Services." Similarly, the expenditure on labour and employment, which was hitherto

(*Continued on page* 520)

THE BANK OF INDIA LIMITED—*(Continued)*

Balance-Sheet as at 31st December, 1960—(Continued)

CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
Brought forward ..			1,33,34,29,680	26
10. Contingent Liabilities—	Rs.	nP		
(i) On partly paid Shares	35,41,050	00		
(ii) Claims against the banking company not acknowledged as debts	48,488	37		
(iii) Guarantees given on behalf of customers	18,24,93,844	60		
(iv) Bills of Exchange Re-discounted :— U.S. Dollar Bills Re-discounted $15,600.06, of which $5,940.22 have run off as at 16-2-1961.				
(v) Outstanding Forward Exchange Contracts	17,58,63,009	75		
NOTE :—The Profit and Loss Account includes expenses of The Bank of India (U.K.) Nominees Ltd., a subsidiary company of this Bank.				
Total .. Rs.			1,33,34,29,680	26

PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
Brought forward ..			1,32,28,27,095	30
8. Premises, Less Depreciation—				
At cost as at 31st December, 1959	1,26,58,249	15		
Additions during the year	18,26,577	81		
	1,44,84,826	96		
LESS—Written off to date	80,84,301	64		
			64,00,525	32
9. Furniture and Fixtures, Less Depreciation			Nil	
10. Other Assets—				
(i) Shares of The Bank of India (U.K.) Nominees Ltd., at cost	1,385	65		
(ii) Advance Payments of Tax	22,87,020	02		
(iii) Stamps	22,937	11		
(iv) Interest accrued on Investments	18,90,716	86		
(v) Silver	Nil			
			42,02,009	64
11. Non-Banking Assets Acquired in Satisfaction of Claims			Nil	
Total .. Rs.			1,33,34,29,630	26

NOTE :—The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Companies Act, 1949

Profit and Loss Account for the year ended 31st December, 1960.

EXPENDITURE	Rs.	nP	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	nP
1. Interest paid on Deposits, Borrowings, etc.	2,17,02,962	67	1. Interest and Discount	4,40,02,148	13
2. Salaries and Allowances and Provident Fund (Salary and Allowances to General Manager Rs. 75,475.00*)	1,48,36,094	46	2. Commission, Exchange and Brokerage	75,32,324	28
3. Directors' and Local Committee Members' Fees and Allowances	1,52,070	00	3. Rents	2,78,220	42
4. Rent, Taxes, Insurance, Lighting, etc.	19,46,347	37	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
5. Law Charges	49,975	92	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
6. Postages, Telegrams and Stamps	2,50,431	86	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil	
7. Auditors' Fees	45,000	00	7. Other Receipts	5,13,063	49
8. Depreciation on and Repairs to the Banking Company's Property	6,03,744	59			
9. Stationery, Printing, Advertisement, etc.	11,36,792	17			
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil				
11. Other Expenditure	17,60,238	39			
12. Balance of Profit (subject to Taxation)	1,03,37,098	89			
Total .. Rs.	5,23,20,756	32	Total .. Rs.	5,23,20,756	32

* Includes allowances calculated in accordance with the Income-tax Rules.

Note :—The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Companies Act, 1949.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the foregoing Balance Sheet of The Bank of India Ltd. as at 31st December, 1960, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated unaudited returns from all the Branches in India not visited by us for the purposes of this Report and the audited returns of all Branches outside India audited by other Auditors.

The Central Government have, by an order dated 3rd February, 1961, exempted all the Branches of the Bank from being audited in accordance with the provisions of Section 228 of the Companies Act, 1956, in respect of the year ended 31st December, 1960.

We report that :—

(*a*) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory ;

(*b*) the transactions of the Bank which have come to our notice have been within the powers of the Bank ;

(*c*) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank ;

(*d*) the Bank's Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account and the returns ;

(*e*) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

A. F. FERGUSON & CO., *Chartered Accountants.*
S. B. BILLIMORIA & CO., *Chartered Accountants.*

BOMBAY, 16*th February*, 1961.

Statement pursuant to Section 212 of the Companies Act, 1956.

The Profit and Loss Account of The Bank of India Ltd. for the year ended 31st December, 1960, does not include any profit or loss of its subsidiary. The Bank of India (U.K.) Nominees Ltd. (a nominee company incorporated and operating in the United Kingdom), as no profit was made and no loss was sustained by that subsidiary. All expenses incurred were borne and paid by The Bank of India Ltd. The shares of the subsidiary are wholly owned by the Bank.

Having regard to the fact that no Profit and Loss Account of the said subsidiary is prepared in the circumstances aforesaid and that its Balance Sheet and the Reports of its Board of Directors and Auditors are drawn up in accordance with the law in force in the United Kingdom, an application was made to the Central Government under sub-section (8) of Section 212 of the Companies Act, 1956, and, in exercise of the powers conferred by the said sub-section (8) of Section 212 of the Companies Act, 1956, the Central Government, being satisfied that it is necessary so to do, have directed that, in relation to The Bank of India (U.K.) Nominees Ltd., a subsidiary of the Bank, the provisions of Section 212 of the said Act shall apply only to the extent that The Bank of India Ltd. shall be required to attach to its Balance Sheets copies of the Balance Sheets and of the Reports of the Board of Directors and of the Auditors of the said subsidiary made out in accordance with the provisions of the English Companies Act for the time being in force in the United Kingdom and that The Bank of India Ltd. is exempted from attaching to its Balance Sheets a copy of the Profit and Loss Account of the said subsidiary.

THE BANK OF INDIA (U.K.) NOMINEES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 1960

The Directors submit the Balance Sheet for the year ended 31st December, 1960. The Auditors' Report is also annexed.

No Profit and Loss Account is submitted as none has been prepared. No profit was made and no loss was sustained. The expenses of the Company have been paid by The Bank of India Ltd., of which the Company is a wholly-owned subsidiary.

S. C. KOTHARI,
S. H. BRADFORD, } *Directors.*

LONDON, 1*st January*, 1961.

THE BANK OF INDIA (U.K.) NOMINEES LIMITED

Balance-Sheet as at 31st December, 1960.

Capital Authorised and Fully Paid-up : 100 Ordinary Shares of £1 each	£100	Cash at Bankers	£100
	£100		£100

Signed on behalf of the Board,
S. C. KOTHARI,
S. H. BRADFORD, } *Directors.*

REPORT OF THE AUDITORS

We have obtained all the information and explanations which we have required and which to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion proper books of account have been kept by the Company. We have examined the above Balance Sheet which is in agreement with the books of account. In our opinion such Balance Sheet gives the information required by the Companies Act, 1948, in the manner so required and is properly drawn up so as to exhibit a true, correct and fair view of the state of the Company's affairs at 31st December, 1960, according to the best of our information and the explanations given to us and as shown by the books of the Company.

No Profit and Loss Account has been prepared as the Company has no income and the expenses are paid by the Holding Company.

FERGUSON, ROWLAND & DAVIES, *Chartered Accountants, Auditors.*

LONDON, 1*st January*, 1961.

COWASJEE JEHANGIR, *Chairman.*
A. D. SHROFF, *Vice-Chairman.*
AMBALAL SARABHAI, RAMNIWAS RAMNARAIN, BHAGVANDAS C. MEHTA, K. M. D. THACKERSEY, MADANMOHAN MANGALDAS, } *Directors.* { N. K. PETIGARA, JUGMOHAN PRASAD GOENKA, JAISINH VITHALDAS, GIRDHARILAL MEHTA,

T. D. KANSARA, *General Manager.*
H. A. CURRIMBHOY, *Chief Accountant.*

BOMBAY, 16*th February*, 1961.

TRENDS IN WORLD COFFEE

SOME SUGGESTIONS FOR IMPROVING EXPORTS FROM INDIA

IN view of the marked increase in coffee production in recent years, the slow growth of domestic consumption and the need for earning more foreign exchange, it is natural that increasing emphasis should be laid on maximising exports of coffee. Even at current world prices, every ton of coffee exported by India will fetch approximately Rs. 2,500 and, if this country could export, say, 20,000 tons, the foreign exchange earned will be Rs. 5 crores, not a small amount by any means in these days of foreign exchange scarcity. But mere emphasis is of no avail. Concrete measures must be taken to put the export trade in coffee on a permanently stable footing. This aspect is to be specially stressed in the present context of the growing competition in world markets, particularly from Africa and Latin American countries. Evidence of such competition is provided by the fact that, as compared with the pre-war years, the percentage share of Africa in the aggregate world coffee exports has gone up markedly from just 7.8 (1934-38) to 22.5 (1954-58), of Colombia from 14.1 to 15.6 and of other Latin American countries from 18.0 to 19.0, while that of India has remained almost constant at 0.5.

How an Indian coffee successfully withstand the keener and keener competition that is emerging in world markets? An attempt has been made to study the issue by Mr. C. B. Madhava Rao of the Coffee Board, Bangalore. The study was carried out in the International Research Department of Messrs. J. Walter Thompson Company's New York office. The findings of the study are quite useful, in that they are based on the valuable documents made available by the Department, its knowledge of world marketing and experience in marketing surveys, as well as by taking the assistance rendered by the Pan American Coffee Bureau in New York, the U.N. Food and Agricultural Organisation in Rome, the World Bank and the Indian Embassy at Washington. The report highlights the place of India on the world coffee map—both as a producer and consumer—brings into focus certain factors in the present markets conducive to their expansion, suggests new markets, and formulates a model for analysing study in market research at the Coffee Board's headquarters which will promote a closer liaison between its marketing and advertising functions.

Three comparative tables showing the world trend of coffee are given on this page. The first two tables are based on the data provided in the aforesaid publication. As these figures do not give a picture of the latest position, we have given a third table showing the trend of production and exportable surplus, as compiled by the U.S. Department of Agriculture.

Production and Exports

It will be seen from Table I that, over the period from 1934-38 to 1954-58, world output of coffee has risen by 17 per cent. The increase in exports has been more marked, being 27 per cent. Production of coffee in India has been steadily increasing. Coffee production in Latin America has caught up with pre-war levels, though its share in world total has declined as a result of growing competition from Africa. Production in Indonesia, which had declined owing to war and plant diseases, has picked up lately. Latin America and Africa together account for 95 per cent of the total world output and cover between them almost the entire world market, their percentage share in 1954-58 being 97.4. French West Africa and Madagascar have increasingly claimed a share in Africa's exports at the expense of (*a*) Angola, (*b*) Belgium Congo, Ethiopia and (*c*) East Africa (Kenya, Tanganyika and Uganda). Nevertheless, the share of all the three groups in world exports has risen, so that the whole of Africa has been having a much larger share of world exports than it did during mid-thirties. In Latin America, the position is different. Its share in world total has been falling, though, quantitatively, pre-war levels have been surpassed by 11 per cent. Brazil has been a steady loser. It is from Colombia and other Latin American countries (Costa Rica, Cuba, Mexico and Ecuador) that there has been a considerable increase in exports during the post-war years.

There are three main types under which coffee is recognised in the world markets. They are: (1) Milds. These are the arabicas grown in Latin America, except in Brazil, and among other countries including Kenya, India, Yemen and Hawaii. They are mostly washed coffees. (2) Brazils—mainly arabicas which are cured in the dry manner. (3) Robustas—exported from Asia and Africa. In more recent years, the robustas have been gaining on the arabicas, in view of their greater suitability to the manufacture of soluble coffee, as will be evident from the figures given below:

Varieties	1958-59		Pre-war average	
	Production (Metric tons)	Share in world total (Per cent.)	Production (Metric tons)	Share in world total (Per cent.)
Robusta	567,000	17	195,000	9
Milds	1,009,000	29	639,000	28
Brazil and other arabicas	1,868,000	54	1,433,000	63

In trend, India has followed the world pattern. The percentage share of robusta in the total Indian output has increased from 25.8 in 1948-52 (annual average output of 5,336 tons) to 41.3 in 1960-61 (blossom estimate of 22,015 tons), whereas that of arabica has declined from 74.2 (15,345 tons) to 58.7 (31,340 tons).

Analysing the recent position in respect of world coffee supplies and distribution, Mr. Madhava Rao's report says: "Exports have not been increasing as fast as production. Domestic distribution in producing areas has actually fallen. Supplies have outstripped demand and closing stocks are accumulating. These stocks are held obviously in the producing countries among which Latin America and Africa are leading.... The surplus offer meeting internal requirements is exported from India." An idea of the imports of coffee by the more important consuming countries and the *per capita* consumption in them can be had from Table II.

Nearly three-fifths of the world's imports of coffee are for the U.S. and Canada. India has practically had no share in these markets.

It is against this background that the report assesses the outlook for Indian coffee exports. According to the report, India's place in world coffee markets has been on the basis not of quantity but quality. It is because of quality that its coffees are fetching attractive prices and this position has to be guarded against increasing competition from other countries. To quote the report:

"The customers have to be wooed. Priorities in advertising dictate a prescience of local markets. These vary in developed economies from country to country and even region to region. The nuances of market research will be of some use.... The aid of an international advertising agency in an execution of publicity schemes seems equally axiomatic."

Indian coffee, as already noted, has practically no share in the U.S. and Canadian markets.

(*Continued on page* 504)

TABLE I

World Coffee Production and Exports

(Annual averages in metric tons)

Countries	Production			Exports		
	1934-38	1948-52	1954-58	1934-38	1948-52	1954-58
India	16,300 (0.7)	21,600 (1.0)	38,500 (1.4)	8,760 (0.5)	2,080 (0.1)	9,980 (0.5)
Africa	140,000 (5.8)	280,000 (12.4)	497,600 (17.5)	127,040 (7.8)	281,800 (14.7)	465,680 (22.5)
Colombia	251,200 (10.4)	359,000 (16.0)	375,800 (13.2)	230,980 (14.1)	303,541 (15.8)	323,440 (15.6)
Brazil	1,466,100 (60.6)	1,076,600 (47.8)	1,295,100 (45.6)	874,780 (53.8)	1,006,500 (52.5)	824,000 (39.9)
Other Latin American Countries ..	394,700 (16.3)	449,400 (19.9)	544,700 (19.1)	292,400 (18.0)	298,760 (15.6)	401,300 (19.4)
Indonesia	123,700 (5.1)	39,000 (1.7)	55,920 (2.0)	86,260 (5.2)	12,460 (0.7)	40,160 (1.9)
Rest of the world	28,000 (1.1)	24,400 (1.2)	34,980 (1.2)	7,900 (0.5)	12,320 (0.6)	4,480 (0.2)
Grand world total ..	2,420,000	2,250,000	2,842,000	1,627,100	1,917,460	2,069,040

Note :—Figures in brackets relate to percentage share in the world total.

TABLE II

World Coffee Consumption

(Annual averages)

Countries	Net imports (in metric tons)			*Per capita* consumption (in lbs.)		
	1934-38	1948-52	1954-58	1934-38	1948-52	1954-58
Belgium and Luxembourg	49,300	63,000	47,500	12.5*	15.4*	11.2*
Denmark	27,900	16,200	30,800	16.5*	8.4*	15.2*
Finland	20,800	14,600	30,400	12.5	8.1	15.6
Norway	17,700	17,200	22,100	13.4	11.7	2.7
Sweden	48,100	38,600	55,900	16.9*	12.1*	16.7*
United States	786,600	1,217,100	1,172,400	13.4	17.2	15.2
Canada	17,200	41,200	49,960	3.3	6.4	6.8
Algeria	14,600	16,600	25,000	4.40	4.2	5.5
France	184,600	124,100	181,100	9.9*	6.6*	9.0*
Netherlands	36,000	19,900	35,900	9.2*	4.4*	7.3*
Switzerland	15,600	21,400	20,820	8.11	10.1	9.0
West Germany	165,800	32,000	133,400	5.5	1.3	5.5
Argentine	22,800	29,800	31,175	3.53	3.8	3.52
Italy	37,100	54,200	75,400	1.9	2.6	3.4
United Kingdom	14,100	48,000	37,800	0.66	1.9	1.5

* Figures relate to *per capita* net imports in lbs.

TABLE III

World Production and Exportable Production of Coffee

(In million bags of 60 kilos)

Countries	Production				Exportable production*			
	Average 1950-51/ 1954-55	1958-59	1959-60	1960-61†	Average 1950-51/ 1954-55	1958-59	1959-60	1960-61†
Brazil	19.0	31.0	44.0	33.0	14.7	26.0	37.0	25.0
Colombia	6.3	7.7	8.0	8.0	5.6	6.9	7.2	7.6
Rest of South America ..	1.3	1.8	1.8	2.5	1.0	1.2	1.2	1.4
North America	6.8	7.9	9.4	9.3	4.9	6.1	7.4	7.2
Africa	5.9	10.9	11.9	12.9	5.7	10.4	11.5	12.4
Asia and Oceania	1.7	2.3	2.9	3.2	0.7	1.3	1.6	1.8
World Total ..	41.0	61.5	78.1	68.9	32.6	51.8	65.9	55.5

Because of rounding, totals may not agree with the sums of the individual items.

* Broadly, production less domestic consumption.

† Preliminary estimate.

1 metric ton = 1,000 kilograms.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

(Incorporated in Hong Kong with Limited Liability)

Capital Authorised .. .. **HK. $100,000,000 (Rs. 8,33,33,333)**

Capital Issued and Fully Paid .. .. .. **HK. $ 79,046,125 (Rs. 6,58,71,771)**

Reserve Fund (including Share Premium Account) .. .. **Stg. £ 15,000,000 (Rs. 20,00,00,000)**

Head Office: **HONG KONG**

THE HON. MICHAEL W. TURNER, C.B.E.
Chairman and Chief Manager

BRANCHES

BORNEO — Colony of North Borneo: Jesselton, Labuan, Sandakan, Tawau; State of Brunei: Brunei Town, Kuala Belait, Seria; Colony of Sarawak: Kuching, Sibu
BURMA — Rangoon
CAMBODIA — Phnom-Penh
CEYLON — Colombo
CHINA — Shanghai
FRANCE — Paris
GERMANY — Hamburg
HONG KONG — Hong Kong, Kowloon, Mongkok, North Point, San Hui, Sheung Shui, Taipo, Tsuen Wan
INDIA — Bombay, Calcutta
INDONESIA — Djakarta
JAPAN — Kobe, Osaka, Tokyo, Yokohama
FEDERATION OF MALAYA — Bukit Terendak, Cameron Highlands, Ipoh, Johore Bahru, Kuala Lumpur, Malacca, Muar, Penang, Sungai Patani, Taluk Anson
PHILIPPINES — Iloilo, Manila
SINGAPORE — Collyer Quay, Orchard Road, Tanglin
THAILAND — Bangkok, Suapah Road, Bangkok
U.K. — London
U.S.A. — New York, San Francisco
VIETNAM — Saigon

Correspondents Throughout the World

Banking Business of Every Kind Transacted

A COMPREHENSIVE SERVICE AS TRUSTEES AND EXECUTORS IS ALSO UNDERTAKEN BY THE BANK'S TRUSTEE COMPANIES IN HONG KONG, LONDON AND SINGAPORE

LONDON OFFICE: **9, Gracechurch Street, E.C. 3**
NEW YORK OFFICE: **72, Wall Street**
CALCUTTA OFFICE: **31, Dalhousie Square — S. F. T. B. LEVER,** *Manager.*
BOMBAY OFFICE: **16, Veer Nariman Road — B. O'D. PATERSON,** *Manager.*

Affiliated Company:
THE HONGKONG AND SHANGHAI BANKING CORPORATION OF CALIFORNIA
Offices in San Francisco and Los Angeles

FORWARD MARKETS BULLETIN

(Monthly)

Published by Forward Markets Commission
Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription — In India .. Rs. 24.00; Abroad .. Rs. 40.00
Single copy — In India .. Rs. 2.50; Abroad .. Rs. 4.00

For further particulars please apply to:
The Secretary, Forward Markets Commission
"Everest," 100, Marine Drive, Bombay-2

THE UNITED COMMERCIAL BANK LIMITED

Head Office: **CALCUTTA**

Authorised Capital .. **Rs. 8,00,00,000**
Subscribed Capital .. **Rs. 4,00,00,000**
Paid-up Capital .. .. **Rs. 2,00,00,000**
Reserve Fund .. .. **Rs. 2,05,00,000**

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.

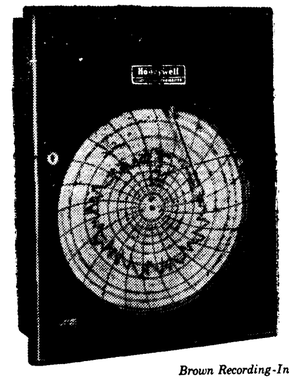
Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.

AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, *Chairman.* — **S. T. SADASIVAN,** *General Manager.*

Accurate cost accounting begins with

HONEYWELL FLOW METERS



HONEYWELL FLOW METERS HANDLE THESE AND MANY OTHER FLUIDS

Chemicals
Steam
Fuel oil
Air
Water
Fluid materials

Brown Recording-Integrating Flow Receiver

What is the cost of process flows for the various production departments of your plant? You must have accurate records of the quantities of steam, water, air, chemicals, fuel oil and other fluids supplied to each department to know where your money goes and why. Honeywell Flow Meters aid cost accounting by providing the information you need.

Honeywell is the recognized world's leader in the design and manufacture of automatic control equipment. An organization of more than 30,000 persons, with factories in the United States, Canada, France, Germany, Holland, Japan and the United Kingdom, Honeywell products are used in scores of widely diversified fields.

Honeywell products—more than 13,000 of them—fall into these three principal categories:

Heating and air conditioning controls and control systems for residences and industrial, commercial, public and educational buildings.
Instruments and instrumentation systems, process controls and control systems, valves, precision switches and data processing systems for business and industry.
Precision electronic instruments and control systems for aircraft and missiles.

For information on any control or instrumentation problem, contact

Exclusive Distributors

BLUE STAR
BLUE STAR ENGINEERING CO. (Bombay) Private LTD.
LOTUS COURT
JAMSHEDJI TATA ROAD, BOMBAY 1
Also at CALCUTTA · DELHI · MADRAS

Honeywell — First in Control

PSBS-100/1-6

The Madras Industrial Investment Corporation Ltd.

38, Whites Road, Madras, 14

Financial Position as on 30th June, 1960

LIABILITIES	Rs.	ASSETS	Rs.
AUTHORISED CAPITAL	2,00,00,000	INVESTMENT at cost	1,14,40,437
Subscribed and paid-up capital	1,32,11,000	Constituents' liability for guarantees given to machinery suppliers and Banks as per contra	7,32,645
Reserves and surplus	4,34,976	Loans considered good	3,41,71,056
Fixed deposits and cash certificates ..	2,93,10,080	Advance payment of income-tax	5,46,854
Bonds	1,36,14,400	Cash and Bank balances	1,16,25,577
Current Liabilities	2,59,643	Miscellaneous	2,88,426
Guarantees given to machinery suppliers and Banks on behalf of Constituents, as per contra	7,32,645		
Provision for taxes	6,51,921		
Proposed dividends	5,90,330		
Total ..	5,88,04,995	Total ..	5,88,04,995

The Madras Industrial Investment Corporation Limited, incorporated in 1949, has been helping industries by giving long-term loans for acquisition of fixed assets. Latterly it has been underwriting and subscribing for the ordinary and preference shares of new Issues. The Corporation obtains its funds mainly by means of fixed deposits, which are guaranteed unconditionally as to principal and interest by the Government of Madras.

For terms please apply to:

S. RAJARATNAM,
Secretary.

Consent of the Central Government has been obtained to this issue by an Order of which a complete copy is available for public inspection at the Head Office of the Company. It must be distinctly understood that in giving this consent the Government of India do not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinions expressed with regard to them.

A copy of this Prospectus having attached thereto the documents specified below has been delivered to the Registrar of Companies, West Bengal, for registration as required by Section 60 of the Companies Act, 1956.

Application is being made to the Calcutta Stock Exchange for permission to deal in the Debenture Stock now being offered and for an official quotation.

The Subscription List will open at 10 a.m. on Wednesday the twenty-second day of March, 1961 and will remain open until the close of banking hours on Friday the twenty-fourth day of March, 1961 or later at the discretion of the Directors.

THE BENGAL COAL COMPANY, LIMITED

(REGISTERED AS A JOINT STOCK COMPANY UNDER ACT No. XLIII OF 1850)

SHARE CAPITAL

AUTHORISED		ISSUED & FULLY PAID UP
Rs.		Rs.
20,00,000	20,000 4½ per cent. Cumulative Preference Shares of Rs. 100 each	20,00,000
1,20,00,000	1,20,000 Ordinary Shares of Rs. 100 each	1,20,00,000
1,40,00,000		1,40,00,000

LOAN CAPITAL

Rs. 60,00,000 6½ per cent. Debenture Stock 1964-75 now being issued.

The Company has no other loan capital outstanding but it has bank overdrafts (secured by hypothecation of stocks of coal and coke and consumable stores and book debts outstanding monies receivable claims bills contracts engagements securities investments rights and assets) which amounted on 22nd February, 1961 to Rs. 7,70,107.

ISSUE OF

Rs. 60,00,000 6½ PER CENT. DEBENTURE STOCK 1964-75

AT PAR

PAYABLE IN FULL ON APPLICATION

Of the above issue firm applications have been received, including an application for Rs. 5,00,000 of stock from the Life Insurance Corporation of India, and will be accepted in full in respect of a total of Rs. 30,00,000 stock.

REGISTERED OFFICE

8, CLIVE ROW, CALCUTTA-1.

DIRECTORS

MR. N. STENHOUSE, 26, Ballygunge Park, Calcutta-19, *Managing Director*—ANDREW YULE & Co., LTD.

MR. A. D. OGILVIE, 24, Lee Road, Calcutta-20, *Managing Director*—ANDREW YULE & Co., LTD.

MR. G. C. BANGUR, 7, St. George's Gate Road, Calcutta-20, *Landlord and Merchant.*

MR. R. R. IYER, 49, Jatindas Road, Calcutta-29, *Landlord.*

SIR A. K. ROY, 3, Upper Wood Street, Calcutta-16, *Barrister-at-law.*

LORD SINHA OF RAIPUR, 7, Lord Sinha Road, Calcutta-16, *Barrister-at-law.*

TRUSTEES FOR THE DEBENTURE STOCKHOLDERS

DALHOUSIE HOLDINGS LIMITED, 29, Netaji Subhas Road, Calcutta-1.

BANKERS

THE STATE BANK OF INDIA, 1, 2, 3, & 4, Strand Road, Calcutta-1.

MERCANTILE BANK LIMITED, 8, Netaji Subhas Road, Calcutta-1.

SOLICITORS

ORR, DIGNAM & CO., 29, Netaji Subhas Road, Calcutta-1.

BROKERS

PLACE, SIDDONS & GOUGH PRIVATE LIMITED, 6, Lyons Range Calcutta-1.

LEWIS & JONES, Bank of Baroda Buildings, Apollo Street, Fort, Bombay-1.

BATLIVALA & KARANI, Union Bank Building, Dalal Street, Fort, Bombay-1.

PATERSON & CO., Badsha Building, 22, Errabalu Chetty Street, P.O. Box No. 48, Madras-1.

HARBANS SINGH MEHTA & CO., 33, Regal Building, Parliament Street, P.O. Box No. 33, New Delhi.

AUDITORS

PRICE, WATERHOUSE, PEAT & CO., B-4, Gillander House, Calcutta-1.

MANAGING AGENTS

ANDREW YULE & COMPANY LIMITED, 8, Clive Row, Calcutta-1.

The Debenture Stock now being issued was created by a Resolution of the Board of Directors of the Company passed on the twenty-third day of February, 1961 and will be constituted and secured by a Trust Deed in favour of Dalhousie Holdings Limited as Trustees for the Stockholders. Interest will be payable on 1st May and 1st November in each year in respect of the half-yearly periods ending on the previous day. The initial payment of interest will be made on 1st November, 1961 and will amount to Rs. 38 per Rs. 1,000 of stock (subject to deduction of Income Tax).

The Trust Deed will contain *inter alia* the following provisions:—

1. SECURITY

(*a*) Payment of principal and interest will be secured by a floating charge upon the whole of the Company's undertaking and assets.

(*b*) The Company shall be at liberty however to hypothecate pledge and create mortgages or charges over its stock of coal and coke, consumable stores and book debts outstanding monies receivable claims bills contracts engagements securities investments rights and assets ranking in priority to the said floating charge to secure sums borrowed from or obligations incurred to Banks in the ordinary course of business of the Company and for the purpose of carrying on the same but save as aforesaid and save as mentioned below the Company may not create any hypothecation, pledge, mortgage or charge over its properties ranking in priority to or *pari passu* with the floating charge. The existing hypothecation and any hypothecation supplemental thereto in favour of The State Bank of India will take priority over the floating charge to be created by the Trust Deed.

(*c*) The principal amount of the Stock to be issued pursuant to the Trust Deed is limited to Rs. 60,00,000 but the Company is to be at liberty from time to time to issue further stock ranking *pari passu* in point of security with (but not in priority to) the said Rs. 60,00,000 Stock carrying such rights as to interest, redemption and otherwise as the Directors may determine provided that:

(i) The amount outstanding of the Stock or any stock ranking *pari passu* therewith (including such further issues) shall not exceed 50 per cent of the value of the Company's fixed assets as certified by its Auditors and

(ii) The average of the combined profits of the Company and its subsidiaries (if any) calculated before charging depreciation, taxes on income and development rebate (or its equivalent) but after charging all expenses of working and management, including maintenance and repairs, for the three financial years for which accounts have been audited last preceding the date of any such further issue, was sufficient to cover twice the amount required to pay the aggregate of one year's interest and the contribution (if any) to the Sinking Fund on the total sum outstanding in respect of the Stock and all stock ranking *pari passu* therewith, including any such further issues. A certificate by the Company's Auditors as to any of the foregoing matters shall be conclusive.

2. REDEMPTION

(*a*) Such part of the Stock as has not been previously redeemed or purchased will mature for repayment at par plus accrued interest on 31st October, 1975. The Stock will be redeemable as to Rs. 5,00,000 in each year from and after 1964 inclusive by the annual operation of a Sinking Fund hereinafter mentioned.

(*b*) The Company will constitute a Sinking Fund to which during the year ending 31st October, 1961 and during each succeeding year the Company will contribute out of its distributable profits (as defined in the draft Trust Deed) a sum of not less than Rs. 4,00,000. Any excess sum which may be set aside in any one year may be applied in reduction of the Company's obligation to contribute for any later year. The Sinking Fund will be applied annually commencing from 31st October, 1964 in the redemption of Stock selected by drawings plus accrued interest. The Fund may be utilised in the purchase of Stock in the market at a price not exceeding par plus accrued interest or may be invested in trustee securities or deposited with a Bank till required for redemption.

(*c*) The Company may at any time purchase Stock in the market at any price not exceeding par or at a higher price with the consent of the Trustees (which consent is not to be unreasonably withheld) plus accrued interest but exclusive of expenses and may in lieu of or in partial satisfaction of its Sinking Fund obligations in each year surrender to the Trustees Stock so purchased by it; such stock to be accepted by the Trustees at par plus accrued interest. All stock purchased or redeemed out of the Sinking Fund or tendered to the Trustees shall be cancelled.

3. ADDITIONAL PROVISIONS

(*a*) The rights of stockholders may be modified or compromised by a Special Resolution passed at a meeting of stockholders held in accordance with the Trust Deed, a quorum for this purpose being five stockholders present in person. On a show of hands each stockholder present in person will have one vote and on a poll each stockholder present in person or by proxy (who need not be a stockholder) will have one vote for every Rs. 1,000 of stock held.

(*b*) A register of the Stock will be kept at the registered office of the Company. It may be closed for any periods not exceeding a total of 45 days in any year and not exceeding 30 days at any one time.

(*c*) Stockholders will be entitled to their stock free from equities or cross claims by the Company against the original or any intermediate holder.

(*d*) The Stock will be registered and transferable in amounts and multiples of Rs. 1,000.

HISTORY AND BUSINESS

The Company was formed in 1844 and has been carrying on business as colliery proprietors for the last 116 years. The Company is at present working 17 collieries, most of which are in the Raniganje field, whose raisings during the financial year ended 31st October, 1960 were over 3 million tons of coal. The coal reserves of the collieries at present being worked by the Company are estimated to be in the region of 300 million tons.

DEVELOPMENT

In the context of the third Five-Year Plan it is estimated that an additional 8,000,000 tons of superior grades of non-coking coal will be required from Ranigunge field alone by 1965-66. The Company has plans to increase its raisings from the present level to over 4,000,000 tons per annum at the end of 1965.

FINANCE

It is estimated that the capital expenditure required for the development of the Company's existing collieries to attain the increased production planned therefrom will amount to Rs. 1,56,35,000. An offer of 20,000 shares of Rs. 100 each as rights shares was made to members of the Company on 8th December, 1960 at a premium of Rs. 100 per share. The issue was fully taken up and provided the sum of Rs. 40,00,000. The present offer of Debenture Stock will provide the sum of Rs. 60,00,000 subject to payment thereout of the expenses of the issue (estimated at Rs. 3,00,000 as mentioned below) and the balance of the capital expenditure will be met from the Company's internal resources.

AUDITORS' REPORT

The following is a copy of a Report which has been received from Price, Waterhouse, Peat & Company, Chartered Accountants, the Company's Auditors:—

THE DIRECTORS,
THE BENGAL COAL CO., LTD.
8, CLIVE ROW,
CALCUTTA-1.

B-4, GILLANDER HOUSE,
CALCUTTA-1.
14th February, 1961.

Dear Sirs,

We have examined the books and accounts of The Bengal Coal Co. Ltd. as kept in Calcutta in which are incorporated the certified returns from the Collieries and the agents at Madras, Visakhapatnam and Chittagong, for the five years ended 31st October 1959 and for the six months ended 30th April 1960, and report that the profits of the Company are as set out below. The accounts for the financial year ended on 31st October, 1960, in which the transactions now included in the interim accounts for the half-year to 30th April, 1960, will be taken in, have not been prepared.

The profits set out below have been arrived at after charging all expenses of working and management including provision for normal depreciation on the basis allowable for taxation and after making such regroupings and adjustments, subject to the notes given below, as are, in our opinion, material and appropriate.

	Year ended 31st October, 1955	*Year ended 31st October,* 1956	*Year ended 31st October,* 1957	*Year ended 31st October,* 1958	*Year ended 31st October,* 1959	*Half-year ended 30th April,* 1960
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INCOME—						
Sales of Coal and Fireclay (less freight, etc.)	4,41,32,890	4,22,44,323	5,97,52,924	6,27,59,264	6,38,13,445	3,44,11,071
Closing Stocks of Coal	16,00,374	13,92,389	17,78,670	15,83,342	14,05,235	16,52,688
Interest and Dividends	1,39,026	1,41,472	1,02,108	1,16,218	1,36,157	17,305
Miscellaneous	8,75,392	3,44,036	4,39,264	2,72,765	2,29,810	1,16,044
	4,67,47,682	4,41,22,220	6,20,72,966	6,47,31,589	6,55,84,647	3,61,97,103
EXPENDITURE—						
Opening Stocks of Coal	16,78,161	16,00,374	13,92,389	17,78,670	15,83,342	14,05,235
Coal purchases and Fireclay expenses	41,70,735	31,51,370	54,43,679	34,68,122	43,02,981	21,06,220
Colliery Expenses (Net)	2,98,16,172	3,13,83,054	4,19,51,459	4,60,63,672	4,76,83,433	2,50,87,868
Establishment, Selling and Administrative Expenses	23,28,955	23,87,602	28,55,429	24,09,611	25,55,455	13,12,551
Interest to Bank and Managing Agents	1,81,809	74,023	39,344	96,487	2,52,759	1,46,420
Managing Agents' Allowance	1,00,000	41,758	....	....	....	....
Managing Agents' Commission on adjusted profits	5,16,185	2,98,972	6,63,955	6,95,687	5,63,458	3,89,951
Directors' Remuneration (including commission on adjusted profits)	85,075	55,233	1,01,745	1,02,584	87,806	59,185
Bad Debts written off	....	....	....	1,13,319	....	2,202
	3,88,77,092	3,89,92,386	5,24,48,000	5,47,28,152	5,70,29,234	3,05,09,632
Net Profits before Depreciation and Taxation	78,70,590	51,29,834	96,24,966	1,00,03,437	85,55,413	56,87,476
Depreciation—Normal (See Note 2 below)	15,04,313	14,42,507	14,36,186	14,23,294*	16,06,097*	8,78,079†
Net Profits before Taxation	63,66,277	36,87,327	81,88,780	85,80,143	69,49,316	48,09,397
Taxation (See Note 3 below)	32,56,000	23,11,000	47,66,000	52,19,000	33,91,000	23,43,000
NET PROFITS	31,10,277	13,76,327	34,22,780	33,61,143	35,58,316	24,66,397

Notes:

1. The above statement does not take the following into consideration:—

Initial Allowance and/or Development Rebate	5,50,108	3,42,638	5,24,432	6,38,211*	7,90,844*	4,06,288*
Double Allowance	11,03,555	10,43,694	9,51,484	DISCONTINUED		
	16,53,663	13,86,332	14,75,916	6,38,211	7,90,844	4,06,288
Wealth Tax	....	1,56,342	1,91,158	1,84,289	DISCONTINUED	
2. Calculated at Income Tax rates (normal) the depreciation on the book values of the Fixed Assets (which are, in aggregate, higher than the Income Tax written down values) is estimated as below:	18,05,000	17,51,000	18,48,000	17,92,000	19,35,000	10,00,000

* Estimated. † Estimated at old rates.

3. The tax liabilities have been calculated in the light of the previous assessment orders and after making adjustments as embodied above and charging normal depreciation for Income Tax purposes.

4. The Company's trading results during the year ended 31st October, 1956 were affected by a strike at the Company's collieries in West Bengal for a period of about four weeks.

5. The commission payable to the Managing Agents has been calculated at the rate of 7½ per cent. of the profits. According to the new agreement effective from 15th August, 1960 the Managing Agents are entitled to commission, on a sliding scale basis, at rates varying from 7½ per cent. to 4 per cent.

We also report that the assets and liabilities of The Bengal Coal Co. Ltd., as at 30th April, 1960, which is the last date to which the Company's accounts were made up prior to the date of this report, are as set out below. These assets and liabilities have been arrived at after making such regroupings as, in our opinion, are appropriate.

	Rs.	Rs.	Rs.
ASSETS—			
Fixed Assets—(including Development Expenses Rs. 44,24,697) At net book value			2,48,26,269
Investments—At Cost—In Government Securities and in Ordinary Shares, fully paid—Quoted (Market Value Rs. 6,62,985).		9,06,745	
In Preference Shares and Debentures, fully paid —Unquoted		4,32,900	
			13,39,645
Current Assets—			
Stock of Stores (including Plant in transit or pending installation)		1,60,87,799	
Stock of Coal—At Cost		16,52,688	
Book Debts—Considered Good—			
Secured	15,573		
Unsecured	1,47,01,693		
	1,47,17,266		
Considered Doubtful	2,32,870		
	1,49,50,136		
Less : Provision	2,32,870		
		1,47,17,266	
Advances and Deposits		19,52,408	
Cash in hand and at Banks		7,56,283	
			3,51,66,444
			6,13,32,358
Less : **LIABILITIES—**			
Loans—State Bank of India on Current Account, Secured	42,97,065		
Managing Agents on Current Account, Unsecured	2,769		
		42,99,834	
Sundry Creditors (including provisions)		1,78,94,770	
Dividends		26,59,200	
Provision for Taxation		36,14,472	
			2,84,68,276
NET ASSETS—As at 30th April, 1960			3,28,64,082

REPRESENTED BY—	Rs.
*20,000 4½ per cent. Cumulative Preference Shares of Rs. 100 each fully paid in cash	20,00,000
50,000 Ordinary Shares of Rs. 100 each fully paid in cash	50,00,000
50,000 Ordinary Shares of Rs. 100 each allotted as fully paid Bonus Shares	50,00,000
Premium on Shares	10,00,000
Capital Reserve	10,075
Development Rebate Reserve	13,24,363
Other Revenue Reserves	1,64,59,692
Profit and Loss Account (balance)	20,69,952
	3,28,64,082

Note : Contingent Liabilities. 1. In respect of guarantees given to Mercantile Bank Ltd., Colombo and Chartered Bank, Colombo, for Rs. 1,50,000 in each case.
2. In respect of Bills discounted by Mercantile Bank Ltd., Calcutta, amounting to Rs. 6,40,128.

We further report that the dividends paid by The Bengal Coal Co., Ltd., out of profits on its paid-up capital are as follows :—

Ordinary Shares

		Rs.
Year ended 31st October, 1955	On 50,000 Shares of Rs. 200 each @ Rs. 35.00 per share (including bonus and without deduction of Tax)	17,50,000
Year ended 31st October, 1956	On 50,000 ,, ,, 200 ,, @ Rs. 15.00 per share (without deduction of Tax)	7,50,000
	On 1,00,000 ,, ,, 100 ,, @ Rs. 10.00 per share (without deduction of Tax)	10,00,000
Year ended 31st October, 1957	On 1,00,000 ,, ,, 100 ,, @ Rs. 17.50 per share (without deduction of Tax)	17,50,000
Year ended 31st October, 1958	On 1,00,000 ,, ,, 100 ,, @ Rs. 17.50 per share (without deduction of Tax)	17,50,000
Year ended 31st October, 1959	On 1,00,000 ,, ,, 100 ,, @ Rs. 25.00 per share (Gross)	25,00,000
Year ended 31st October, 1960	On 1,00,000 ,, ,, 100 ,, Interim Dividend @ Rs. 10.00 per share (Gross)	10,00,000

***20,000 4½% Cumulative Preference Shares of Rs. 100 each**

Year ended 31st October, 1955	@ 4½% (less Tax)	....
Year ended 31st October, 1956	@ 4½% (less Tax)	66,375
Year ended 31st October, 1957	@ 4½% (less Tax)	64,013
Year ended 31st October, 1958	@ 4½% (less Tax)	61,650
Year ended 31st October, 1959	@ 4½% (Gross)**	61,650
Year ended 31st October, 1960	....	90,000
		....

*Subject to deduction of Indian Income Tax from dividends declared.

**The Preference Dividend in respect of the year to 31st October, 1959 has been paid after deduction of tax under Section 18 only of the Income Tax Act.

Yours faithfully,
PRICE, WATERHOUSE, PEAT & CO.

STATUTORY AND GENERAL INFORMATION

The main objects specified in the said Deed of Settlement dated 8th June, 1844 and Supplementary Deed of Settlement dated 24th September, 1853 were described as chiefly consisting in digging, trenching, working and winning the mines, seams and veins and carrying on all other operations for the effectual working of the Company's collieries and in manufacturing and transporting to market and selling of coals and other materials raised in the said collieries and in purchasing coals when deemed expedient or necessary; in sinking coal pits or mines for minerals erecting buildings, making tram, rail and other roads for the conveyance of coals etc. or anything connected with the efficient working of the mines and property of the Company and in the cultivation or letting of the lands held with, or appertaining to the said collieries and properties or any of them and expressly including the acquisition by lease or purchase of such fresh collieries, Talooks or zamindaries, lands, hereditaments and premises as might be deemed advisable for the benefit of the Company, and the sale of all or any portion of the collieries, properties, mines, plants, engines, implements, lands, Talooks, hereditaments and premises then belonging or at any time thereafter to belong or appertain to the Company or held and enjoyed therewith.

No share or loan capital is under option or agreed to be put under option.

The Company has not issued any Redeemable Preference Shares nor is there any present intention to do so. No shares or debentures have been issued or agreed to be issued within the two years preceding the date of this prospectus as fully or partly paid up otherwise than in cash.

On 8th December, 1960 the Company offered 20,000 Ordinary Shares of Rs. 100 at a premium of Rs. 100 for subscription by existing members of the Company. No consideration for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for those shares or any other shares in or debentures of the Company has been paid within the two years preceding the date of this prospectus nor is any such consideration intended to be paid other than the underwriting commission and brokerage on the present issue of Debenture Stock referred to below.

No amount or benefit has been paid or given within the two years preceding the date of this prospectus or is intended to be paid or given to any officer of the Company save as remuneration for services as a Director or Employee of the Company.

Messrs. N. Stenhouse and A. D. Ogilvie, Directors of the Company, are Directors and Mr. R. R. Iyer and Lord Sinha of Raipur, Directors of the Company, are members of Andrew Yule & Co., Ltd., the Company's Managing Agents and as such are interested in Contract No. 1 below.

No Director of the Company is directly or indirectly interested in any property acquired by the Company within two years of the date of this prospectus or in any property proposed to be acquired by it.

On 17th March, 1950 Rs. 50,00,000 of the Company's reserves were capitalised and applied in paying up in full 50,000 Ordinary Shares of Rs. 100 each which were issued to members of the Company as Bonus Shares.

The qualification of a Director is the holding in his own name or jointly shares of the face value of Rs. 1,000.

The remuneration payable to a Director is Rs. 200 per meeting attended by him and a share of a commission of one per cent of the net profits of the Company computed in accordance with Sections 349 to 351 of the Companies Act, 1956. The Directors are entitled to be paid reasonable travelling and hotel and other expenses incurred in the execution of their duties as Directors.

The Managing Agents are entitled to appoint Directors in terms of the Companies Act, 1956 and such Directors are not liable to retirement by rotation.

The Managing Agents have been appointed to hold office until 15th August, 1970, on the following terms as to remuneration:

(a) a sum of, or in respect of any period of less than a year calculated at the rate of Rs. 50,000 per annum and

(b) such further sum, if any, as together with the said sum payable under (a) shall make up an amount equal to:—

(i) 7½ per cent on the first Rs. 50 lacs of the net profits as defined in Sections 349 to 351 of the Companies Act, 1956 or any fraction thereof.

(ii) 5½ per cent on the next Rs. 25 lacs of the net profits as defined in Sections 349 to 351 of the Companies Act, 1956 or any fraction thereof.

(iii) 5 per cent on the next Rs. 25 lacs of the net profits as defined in Sections 349 to 351 of the Companies Act, 1956 or any fraction thereof.

(iv) 4 per cent on net profits over Rs. 1 crore.

The Managing Agents are a Public Limited Company. Their issued and subscribed capital is Rs. 1,80,00,000 consisting of 90,000 4½ per cent Preference Shares of Rs. 100 each fully paid and 90,000 Ordinary Shares of Rs. 100 each fully paid.

The share capital of the Company is Rs. 1,40,00,000 divided into 1,20,000 Ordinary Shares of Rs. 100 each and 20,000 Preference Shares of Rs. 100 each. The Preference Shares confer the right to a fixed cumulative preferential dividend at the rate of 4½ per centum per annum (subject to deduction of Indian Income-Tax therefrom at the rate from time to time current) and in a winding up to payment off of capital and arrears of dividend up to the commencement of the winding up in priority to the ordinary shares but no further right to participate in profits or assets.

All or any of the rights and privileges attached to each class of shares may be modified, commuted, affected, abrogated or dealt with by Agreement between the Company and any persons purporting to contract on behalf of that class provided such agreement is (a) ratified in writing by the holders of at least three-fourths in nominal value of the issued shares of that class or (b) confirmed by a Special Resolution passed at a separate meeting of the holders of shares of that class and supported by the votes of the holders of not less than three-fourths of those shares.

On a show of hands every member present in person or by general proxy shall have one vote and upon a poll every member present in person or by proxy shall have one vote for every share, whether Ordinary or Preference, held by him. Provided that the Preference Shares shall not confer any right to vote at any Meeting of the Company on any question affecting the disposal of the surplus profits available in any year after payment of the preferential dividend on the Preference Shares.

The Directors may decline to register a transfer of shares upon which the Company has a lien or, in the case of shares not fully paid up, to a transferee of whom they do not approve.

The Directors may borrow and secure the payment of money for the purposes of the Company within the limitation imposed by Section 293 of the Companies Act, 1956 in such manner and upon such terms and conditions in all respects as they think fit.

Every Director, Managing Agents, Manager or Officer of the Company or Auditor shall be indemnified by the Company against all liability incurred by him in such capacity in defending any proceedings in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Companies Act, 1956 in which relief is granted to him by the Court.

The Trust Deed will contain provisions to the following effect among other provisions for the indemnification of the Trustees.

(a) The Trustees shall not be bound to take any steps to ascertain whether any event has happened upon the happening of which the security constituted under the Trust Deed becomes enforceable or to give notice to any person of the execution thereof.

(b) The Trustees shall not be responsible for the money subscribed by applicants for the Stock or any part thereof or be bound to see to the application thereof.

(c) The Trustees shall not be bound or concerned to examine or enquire into nor be liable for any defect in or insufficiency of the Trust Deed.

(d) No Trustee shall be liable for anything whatever except a breach of trust fraudulently committed by such Trustee; provided nevertheless that nothing in any of the foregoing shall exempt a Trustee from or indemnify him against any liability for breach of trust where such Trustee has failed to show the degree of diligence and care required of him as a Trustee having regard to the provisions of the Trust Deed conferring on him any powers, authorities or discretions.

CONTRACTS

The following contracts not being contracts in the ordinary course of business which are or may be material have been entered into by the Company within two years of the date of this prospectus.

(1) Dated 26th May, 1960 between the Company and Andrew Yule & Co., Ltd. appointing Andrew Yule & Co., Ltd. to be Managing Agents of the Company to hold office until 15th August, 1970 on the terms as to remuneration stated above and with the normal powers and duties.

(2) Dated 23rd February, 1961 between the Company and Place, Siddons & Gough Private Limited relating to the underwriting of Rs. 50,00,000 Debenture Stock for a commission of 2 per cent of the par value thereof.

(3) Dated 24th February, 1961 between the Company and the Life Insurance Corporation of India relating to the underwriting of Rs. 10,00,000 Debenture Stock for a commission of 2 per cent of the par value thereof.

UNDERWRITING

The entire issue is being underwritten as to Rs. 50,00,000 by Place, Siddons & Gough Private Limited and as to Rs. 10,00,000 by the Life Insurance Corporation of India for a commission of 2 per cent of the par value thereof. In the opinion of the Directors the resources of the Underwriters are sufficient to discharge their obligations.

BROKERAGE

Brokerage of one half of one per cent will be paid by the Company on the nominal value of allotments made in respect of applications bearing the stamp of a recognised Broker.

EXPENSES

The expenses of the issue including underwriting commission and brokerage are estimated not to exceed Rs. 3,00,000 and are payable by the Company.

CONSENTS

The consents in writing of the Auditors, Solicitors, Brokers and Bankers to the Company to act in the capacities stated have been obtained. Price, Waterhouse, Peat & Company have given and have not, up to the date of delivery of the Prospectus for registration, withdrawn their written consent to the issue of this Prospectus with the inclusion therein of their report set out above in the form and context in which it appears.

The foregoing written consents have been attached to the copy of this Prospectus which has been delivered to the Registrar of Companies, West Bengal, for registration together with copies of Contracts 1, 2 and 3 above.

DOCUMENTS

Copies of the Articles of Association of the Company, draft Trust Deed constituting the Stock now being issued (subject to modification), audited accounts for the five years to 31st October, 1959 the Auditors' report contained herein, the Consent Order of the Controller of Capital Issues and copies of other contracts, agreements and documents herein mentioned can be inspected between 10 a.m. and 12 noon on any business day till the expiration of 14 days from the date of publication of this Prospectus or until the subscription list closes whichever is the earlier at the Registered Office of the Company, 8, Clive Row, Calcutta.

APPLICATIONS

Applications must be for amounts of Rs. 1,000 Stock or multiples of Rs. 1,000 and must be made on the accompanying form. All application forms properly completed must be lodged, together with the full amount payable, with one of the following offices of State Bank of India:—

Calcutta Local Head Office,
No. 3, Strand Road,
Calcutta, 1.

Bombay Local Head Office,
Apollo Street, Fort,
Bombay, 1.

Madras Local Head Office,
1st Line Beach,
Madras, 1.

New Delhi Local Head Office,
Parliament Street,
New Dehi, 1.

Payment should be made by cheque or draft drawn on a bank in Calcutta, Bombay, Madras or Delhi in favour of "State Bank of India A/c Bengal Coal Co., Ltd. Debenture Stock" and crossed "A/c payee only." Cheques or bank drafts drawn on banks elsewhere WILL NOT BE ACCEPTED.

No receipt will be issued in respect of moneys paid but an acknowledgment will be forwarded by post in due course by Letter of Allotment or Letter of Regret and, where allotment is not made in full, by return of any surplus application money paid, in which latter event any bank commission will be payable by the applicant. Allotment Letters along with Refund Orders, if any, will be despatched within two months of the closing of the subscription list. Due intimation will be given when these Letters of Allotment should be surrendered to the Company in exchange for Debenture Stock Certificates.

Debenture Stock Certificates will be ready for despatch by registered post within four months from the date of allotment. Pending the issue of Certificates the Company will register transfers against Letters of Allotment accompanied by duly completed forms of Transfer.

N. STENHOUSE
A. D. OGILVIE
G. C. BANGUR
R. R. IYER
ASOKA K. ROY
SINHA
} *Directors*

8, CLIVE ROW,
CALCUTTA,
Dated 27th February, 1961.

CANARA INDUSTRIAL AND BANKING SYNDICATE LIMITED

STATEMENT OF CHAIRMAN, DR. T. M. A. PAI

SUGGESTION FOR RESTORING PUBLIC CONFIDENCE IN BANKING

IN his annual statement to shareholders on the working of the Canara Industrial and Banking Syndicate Ltd., Udipi, Mysore State, during the year ended 31st December 1960, Dr. T. M. A. Pai, the Chairman, dealt at length with the trends in, and problems of, banking in the country. Referring particularly to the collapse of some banks last year and its impact on banking habit, Dr. Pai underlined the need for restoring the confidence of the public in the stability of banks and put forward some suggestions for improving the position. He suggested, for instance, the formation of a special bank, jointly owned by the Reserve Bank of India, the State Bank and all the scheduled banks, which should guarantee the safety of every depositor of small banks that find themselves in difficulties and be prepared to take over all their assets and liabilities. He also urged suitable changes in banking legislation so as to make such securities given against loans as landed property easily realisable without having to go to courts of law.

The following is the full text of Dr. Pai's statement:

"Nineteen sixty was a year of record progress and accomplishment for The Canara Industrial and Banking Syndicate Ltd. with an all-time high in net income, deposits and loans.

Deposits and Advances

"Total deposits of the Syndicate increased from Rs. 17.09 crores to Rs. 18.87 crores during the year, in spite of the adverse conditions of the money market. The increase represents a 10.4 per cent rise over the previous year's figures. It is noteworthy that, during the last five years, the deposits have shown a very substantial improvement each year, and the deposit figures as on 31st December, 1960 were more than double of the 1956 figures. The pattern of deposits has almost remained the same, the preponderance of time deposits over demand deposits being a feature of our deposits. Time deposits were 67 per cent of our total deposits in 1960 against 68 per cent in 1959 and 66 per cent in 1958. The percentage of savings deposits to total deposits has risen from 17 per cent in 1959 to 19 per cent in 1960, which is a welcome feature as providing an index to the response of the people to the efforts that the Bank has been making to pool small savings.

"The total advances including bills discounted stood on 31st December, 1960 at Rs. 12.24 crores and were Rs. 134 lakhs higher than last year's figures, and represent a rise of 12 per cent. The total advances have been maintained judiciously at about 60 per cent of the aggregate of capital, reserves and deposits of the Bank, the percentage for the three years 1958, 1959 and 1960 being 59 per cent, 61 per cent and 62 per cent respectively. The proportion of secured advance to total advance has registered a rise during the year from 80 per cent for 1958 and 1959 to 84 per cent in 1960 which is again a welcome feature, in the light of the recent directives regarding clean credit. Our advances now make up 60 per cent of our earning assets and our investments in Government and other securities and shares which stood at Rs. 6.17 crores, form 30 per cent of our earning assets.

Earnings and Dividend

"Gross earnings for 1960 amounted to Rs. 1.34 crores against Rs. 1.10 crores for 1959, and were 22 per cent higher than in 1959 due to the improvement under advances. Interest received on advances and investments and discount on bills discounted together account for 91 per cent of the Bank's earnings, the percentage being the same as in 1959. The earnings under commission, exchange and brokerage were 6 per cent of the total earnings, and registered an increase of 20 per cent over last year's earnings under the head, reflecting another welcome feature of an increase in collection business handled during the year. The net earnings of the Bank, which were at Rs. 25.22 lakhs, amounted to 19 per cent of the gross earnings as against 18 per cent last year and were 26 per cent higher than last year's figures. Interest paid on deposits and borrowings accounts for a smaller proportion of the gross income at 39 per cent for 1960 as against 42 per cent for 1959, reflecting particularly the Bank's relying more on its own funds for investments and advances and relying less on borrowings from other sister institutions. Establishment charges have taken up a higher percentage of the gross income at 30 per cent for 1960 against 28 per cent for 1959. The rise of Rs. 9.40 lakhs over 1959 figures under this head reflect both a growth in the number of staff, which rose from 1,402 in 1959 to 1,606 in 1960, as well as increases in salaries paid from the previous year. Out of the net earnings for the current year, 30 per cent amounting to Rs. 7.50 lakhs has been transferred to reserves and 25 per cent amounting to Rs. 6.35 lakhs is to be paid out as dividends to shareholders and 38 per cent amounting to Rs. 9.63 lakhs is set apart for payment of taxes. This represents 6 per cent, 5 per cent and 7 per cent respectively of the gross earnings as against 7 per cent, 4 per cent and 5 per cent under the same heads for 1959. The dividends payable to the shareholders, as a percentage of the capital and reserves, will be 7 per cent this year as against 6 per cent for 1959.

"The capital and reserves of the Bank now stand at Rs. 89.71 lakhs, as against Rs. 55.46 lakhs as on 31st December, 1958 and constitute 4.8 per cent of the total deposits against 4.2 per cent as on 31st December 1958. As providing an improvement in protection to depositors and a source of strength for the Bank, the increase in the percentage of capital and reserves to deposits is another feature which is welcome.

Investors' Agency Department

"During the year, the Bank pioneered a unique investment service, the first of its kind to be introduced by any bank in India. A separate department known as the Investors Agency Department was inaugurated on the 30th April 1960 for rendering this investment service. The department aims at giving to the investor expert financial guidance through its specially trained personnel to enable him to invest his surplus funds in sound and remunerative shares and securities and envisages accumulation of the periodical income thereon to be reinvested similarly. The investment scheme, which works on compound interest tables, would enable a building up of an investment of Rs. 1,38,000 for an annual investment of Rs. 1,000 over 35 years with the yield at 7 per cent. The response to the scheme has been very encouraging, particularly from middle-class investors who have been quick to appreciate the merits of an organised investment programme with expert guidance.

"The Staff Training College of the Bank has been doing very useful work in the training of young men and women for absorption into the Bank's service. During the year, 83 candidates trained by the college were taken up by the Bank into regular service. Since its inauguration in July 1957 the college has been able to train up 272 persons seeking services in the Bank, and its services in providing these men and women with the necessary technical knowledge and inculcating in them a spirit of service have been most invaluable. Attention is also being given to training of the higher personnel. Mr. H. N. Rao, a Divisional Manager of the Bank was sent abroad to participate in the deliberations of the 13th International Summer School held in Noordwijh, Holland, and to receive advance training in banking.

Banking Trends

"Coming now to the general banking conditions in the country, I would like to make the following observations:

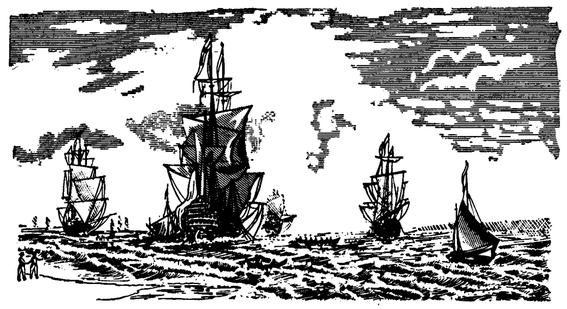
"The failure of one or two banks during the year was not only a failure of these banks but of the Indian banking system as well to some extent, which after the Banking Companies Act and the control and regulations of the Reserve Bank of India had considerably toned up and continued to build up growing public confidence in itself over the past decade. This resulted in a number of smaller banking institutions in some parts of the country coming to grief and brought about a state of mind in the vast majority of the people which is not conducive for the development of banking in the country. In spite of all efforts that all the banks in this country have put in over the last several decades, even now 85 per cent of the people in this country have little to do with modern banking. Growth in the habit of thrift and accumulation of savings and channelising them through an organised banking system continues to be a task and responsibility of the banking system in this country as well. Anything, therefore, that comes in the way of this should be considered as a setback. Banks in India have failed to keep up the tempo of rising deposits in the year 1960 which they experienced in the earlier years of 1958-59. Nor have the State Bank of India or the State subsidiary banks been successful in diverting large deposits from the banks in the private sector to themselves. As long as banks have to work in the private sector, it is their duty to see that they voluntarily assume responsibility for any weakness inherent in the banking system at present. Failure to do so would be to make the people of this country feel that safety of their funds could only be guaranteed by the banks being taken over by the public sector and identify safety and security only with the idea of State management. Judged from that point of view, I have often reflected whether the tragedy that befell the banking system in Kerala could have been possibly averted or mitigated by the bigger banks in India willingly coming forward and helping the Reserve Bank of India to formulate a constructive policy in rescuing them.

Amalgamations

"Confidence that has been shaken now in the system deserves to be reinforced and could be done not only by thinking of reorganisations and amalgamations, merely with the idea of eliminating the smaller substandard units so that the recrudescence of the trouble that we experienced this year might not be repeated, but through a positive assumption of the responsibility by all the bigger banks in this country that they stand guarantee for the safety of every rupee in the banking system in this country. This should be done by the Indian Banks' Association speaking for all the major banks in this country with the active assistance and guidance of the Reserve Bank of India. Recently there have been attempts in certain amalgamations of the smaller banking units with bigger banking units. One of the major problems facing this process would be the integration of the staff of these varoius units. These amalgamations also should not result in the bigger banking units closing down offices in the smaller places as, with the increased emoluments given to the new staff and the maintenance of their own standards of management, many of the branches might become uneconomic. If the mergers and amalgamations are to result in closing down such uneconomic branches, many of the places, which are now served by banking institutions, however inadequately, would be deprived of this facility. The mergers also should take place in an atmosphere of goodwill and perfect understanding. The smaller banking institutions have had their own place in the scheme of things. Unless the bigger banking institutions, which take them over, are willing to adapt themselves to the needs of the smaller places and the small type of accounts, which are now being catered to by the smaller institutions, the vast majority of the people would not consider amalgamations favourably. There has been an unconscious fear among the public that they might even be deprived of normal banking facilities which they are now enjoying.

"By the very nature of the business transacted by the banks in this country, no bank can develop by identifying itself exclusively with any region or caste. With the growth of industry and commerce in dynamic proportions in recent years, banks are being called upon increasingly to handle different types of business with ever-increasing resources. And it is only big institutions, with larger resources, that are finding themselves at an advantage in discharging these responsibilities. With the increasing control of the Reserve Bank of India and the Companies Act there is no attraction for running smaller banking institutions nor are there the prospects of the shareholders getting more attractive dividends through the maintenance of their small size. They have to be competitive, offering higher rates of interest on deposits and enter into fields of losing competition in the

(Continued on page 514)



a hundred years in India

An East Indiaman in the last century brought young Robert Stanes to Madras in 1857. His name was to become famous over a century in South India long after he began business in 1861 in Coimbatore. Few could have imagined that the independence and resolution of youth were to bear such fine fruit in the years to come.

Pioneering in Coffee and Tea in the Nilgiris, Robert Stanes started the first Coffee Curing Works in Coimbatore in 1861, the first Cotton Mill in 1888, and in 1862—as a young man of 21—laid the first foundations of Stanes High School.

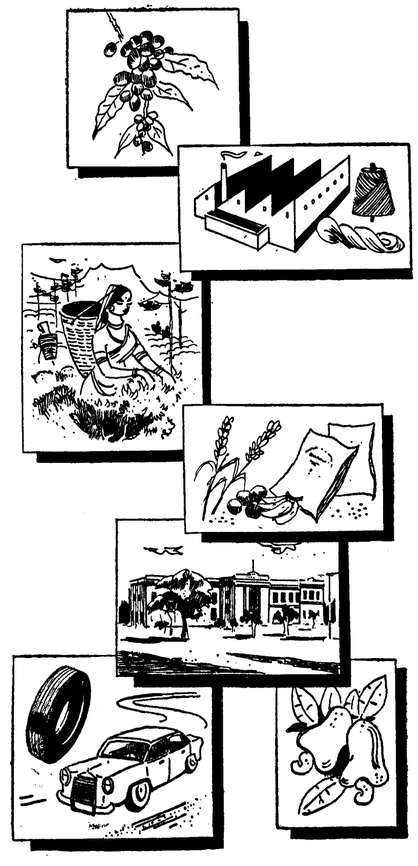
Tea and Coffee Estates and their requirements have always formed a large part of the business, besides Fertiliser Factories, Coffee Roasting and Sales through The United Coffee Supply Company Limited, and now the manufacture of Instant Coffee.

With the arrival in India of the Motor Car—Robert Stanes held the registration number C.O.1—also developed Stanes Motors (South India) Limited, with its many activities and branches throughout the South,—including "Tyresoles" and "Vaculug" for reconditioning of all sizes of Tyres—and a model bus service in Coimbatore.

Robert Stanes, knighted in 1920, was the first Chairman of the Coimbatore Municipal Council, and until his death in Coonoor in 1936, took a keen interest in the social welfare problems of all communities, and in particular in Stanes High Schools, both in Coimbatore and Coonoor.

The present Estate business includes The United Nilgiri Tea Estates Company Limited and Stanes Amalgamated Estates Limited, manufacturing 2½ million pounds of Tea per year.

Celebrating the Centenary of the start in Coimbatore in 1861 and Golden Jubilee of the Limited Company, the Stanes Group look forward with a sense of achievement to continued service to the community and to the nation.



T. Stanes & Company Limited, Coimbatore

202 B

THE CENTRAL BANK

SIXTY-SIXTH REPORT OF THE

GENTLEMEN,

The Directors beg to place before the Shareholders the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1960.

The Net Profit for the year, including the sum of Rs. 18,82,560.07 brought forward from the previous year's account, amounts to		Rs.	1,51,87,470 96
The following appropriations have been made :—			
An ad-interim Dividend was paid for the half-year ended 30th June, 1960, at the rate of Rs. 2.10 per share subject to tax on 12,60,000 shares		Rs.	26,46,000 00
Amount transferred to Staff Gratuity Fund		,,	10,00,000 00
Amount transferred to Contingency Fund		,,	8,00,000 00
Amount provided for Bonus to Staff, including Special Jubilee Bonus		,,	51,00,000 00
		Rs.	95,46,000 00
The balance of Rs. 56,41,470.96 the Directors propose to recommend to the Shareholders to dispose of as follows :—			
To pay a final Dividend for the half-year ended 31st December, 1960, at the rate of Rs. 2.50 per share subject to tax on 12,60,000 shares (making in all 12.88 per cent. net for the whole year)		Rs.	31,50,000 00
To pay a Special Jubilee Bonus of 2 per cent. per annum per share, subject to tax		,,	6,30,000 00
To carry forward to next year's account		,,	18,61,470 96
		Rs.	1,51,87,470 96

The Bank's business during the year under review showed satisfactory progress. During the year one Branch, seven Sub-Branches and four Pay Offices were opened at various centres, and one Pay Office had to be closed down as it was found to be uneconomic.

The Directors record with deep regret the death which took place on the 16th August, 1960, of their colleague, Mr. Framroze J. Guzdar. Mr. Guzdar took a very keen interest in the affairs of the Bank and his advice and guidance were greatly valued by his colleagues. The Board desire to place on record their appreciation of the very valuable services rendered by him to the Bank.

BALANCE SHEET AS AT

CAPITAL AND LIABILITIES

		Rs.	nP	Rs.	nP
1. CAPITAL :—					
AUTHORISED CAPITAL—					
(a) 10,50,000 Ordinary Shares of Rs. 50 each		5,25,00,000	00		
(b) 4,20,000 Ordinary 'A' Shares of Rs. 25 each		1,05,00,000	00		
		6,30,00,000	00		
ISSUED AND SUBSCRIBED CAPITAL—		Rs.	nP		
(a) (i) 4,72,528 Ordinary Shares* of Rs. 50 each Issued as paid up to the extent of Rs. 25 without payment in cash in exchange for 9,45,056 shares of the Tata Industrial Bank Ltd.		2,36,26,400	00		
				1,18,13,200	00
(ii) 5,77,472 Ordinary Shares of Rs. 50 each Issued for payment in cash Rs. 25 per share paid up		2,88,73,600	00		
				1,44,36,800	00
		5,25,00,000	00		
(b) 10,50,000 Ordinary Shares of Rs. 50 each, Rs. 25 per share paid up				2,62,50,000	00
2,10,000 Ordinary 'A' Shares* of Rs. 25 each fully paid up issued as bonus shares for consideration other than cash		52,50,000	00	52,50,000	00
		5,77,50,000	00	3,15,00,000	00
* The above include 338 Ordinary Shares and 774 Ordinary 'A' Shares which were allotted pursuant to the Resolution passed at the Annual General Meeting held on 30th March, 1959, at premium received in cash.					
AMOUNT RECEIVED on 31 Shares Forfeited				530	00
RESERVE LIABILITY OF SHAREHOLDERS—					3,15,00,530 00
		Rs.	nP		
Rs. 25 per Share on 10,50,000 Shares		2,62,50,000	00		
2. RESERVE FUND AND OTHER RESERVES :—					
Reserve Fund				3,16,28,500	00
Contingency Fund				50,00,000	00
Development Rebate Reserve				75,000	00
Share Premium Account				1,05,134	65
					3,68,08,634 65
3. DEPOSITS AND OTHER ACCOUNTS :—					
Fixed Deposits and Cash Certificates				1,01,33,23,006	09
Savings Bank Deposits				35,56,39,324	22
Current Accounts, Call Deposits, Contingency Accounts, etc.				62,62,46,343	04
					1,99,52,08,673 35
4. BORROWINGS FROM OTHER BANKING COMPANIES, AGENTS, ETC. :—					
(1) In India—		Rs.	nP		
(i) Secured by part of Investments per Contra		11,89,27,213	19		
(ii) Unsecured		1,58,25,000	00		
				13,47,52,213	19
(2) Outside India—					
(i) Secured by part of Investments per Contra		1,94,74,360	00		
(ii) Unsecured		34,23,908	76		
				2,28,98,268	76
5. BILLS PAYABLE					15,76,50,481 96
6. BILLS FOR COLLECTION BEING BILLS RECEIVABLE as per Contra :—					2,27,08,530 76
(I) Payable in India				12,79,26,552	60
(II) Payable outside India				1,08,69,996	80
					13,87,96,549 49
7. OTHER LIABILITIES :—					
Branch Adjustments				6,37,66,072	68
Amounts owing to Subsidiary Company				49,82,538	68
Unclaimed Dividends				10,41,960	00
Rebate on Bills Discounted and on Treasury Bills				2,50,212	06
Sinking Fund in respect of Lands and Buildings				48,76,222	79
					7,48,56,906 21
8. ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS as per Contra					22,01,51,515 06
9. PROFIT AND LOSS ACCOUNT:—					
Balance as per last Balance Sheet				49,06,560	07
Less—Final Dividend at the rate of Rs. 2.40 per Share subject to tax paid for the half-year ended 31st December, 1959				30,24,000	00
				18,82,560	07
Profit for the year ended 31st December, 1960				1,33,04,910	89
				1,51,87,470	96
Less—		Rs.	nP		
Ad-interim Dividend paid for the half-year ended 30th June, 1960, at the rate of Rs. 2.10 per Share subject to tax		26,46,000	00		
Amount transferred to Contingency Fund		8,00,000	00		
Amount transferred to Staff Gratuity Fund		10,00,000	00		
Amount provided for Bonus to Staff, including special Jubilee Bonus		51,00,000	00		
				95,46,000	00
10. CONTINGENT LIABILITIES :—		Rs.	nP		56,41,470 96
(i) Claims against the Banking Company not acknowledged as debts		62,10,041	37		
(ii) On Investments in shares of Joint Stock Companies and Banks		53,12,617	50		
(iii) On Letters of Guarantee on behalf of Constituents (including Rs. 19,250.00 on behalf of Directors or Officers)		10,80,63,226	08		
(iv) Liability on account of outstanding Forward Exchange Contracts		12,70,12,963	24		
(v) Liability on Bills of Exchange Re-discounted—					
(i) On Inland Bills of Exchange		6,36,459	54		
(ii) On Foreign Bills of Exchange		....			
	Total .. Rs.				2,66,33,33,382 48

Notes :—

(1) The actual amount of the liability arising from future gratuities payable to staff has not been ascertained but is greater than the amount provided.

(2) In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the proviso to sub-sections (1) and (3) of Section 211 and sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960

EXPENDITURE	Rs.	nP	Rs.	nP	INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	nP	Rs.	nP
1. Interest paid on Deposits, Borrowings, etc.			4,33,97,594	56					
2. Salaries and Allowances at Head Office and Local Branches	76,07,725	19			1. Interest and Discount			9,00,27,066	57
Salary and Allowances to General Manager Rs. 70,200.00									
Salaries and Allowances at Up-country Branches	2,72,19,001	48							
Contributions to Provident Fund	17,61,778	74							
			3,65,88,505	41					
3. Directors' Fees and Allowances	72,974	00			2. Commission, Exchange and Brokerage			1,67,78,356	53
Committee Members' Fees and Allowances	7,665	00							
			80,639	00					
4. Rent, Taxes, Insurance, Lighting, etc.			35,62,501	29	3. Rent on Bank's Premises (excluding Rent on Premises used by the Bank)			6,51,343	40
5. Law Charges			97,198	23					
6. Postage, Telegrams and Stamps			11,93,088	33					
7. Auditors' Fees			92,000	00	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)			....	
8. Amount transferred to Sinking Fund on Banking Company's Property	1,21,593	18							
Repairs to Banking Company's Property	64,376	26			5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)			....	
Other Charges on Banking Company's Property	3,82,919	14							
Depreciation on Furniture, etc.	5,01,645	69							
			10,70,534	27					
9. Stationery, Printing and Advertisements, etc.			19,42,298	61	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets			3,12,971	66
10. Loss from Sale of or Dealing with Non-Banking Assets									
11. Other Expenditure			3,59,757	91	7. Transfer Fees			9,290	88
12. Amount transferred to Development Rebate Reserve									
13. Provision for Taxation			60,00,000	00					
14. Balance being Net Profit subject to Provision for Bonus			1,33,04,910	89					
Total .. Rs.			10,77,79,029	05	Total .. Rs.			10,77,79,029	05

Notes :—1. In view of the changes in the basis and rates of deduction of tax at source introduced by the Finance Act, 1959, the previous year's figure of "Interest and Discount" is not strictly comparable.

2. Total remuneration to General Manager, including Salaries and Allowances (shown under Item 2 of "Expenditure") and Bonus Rs. 81,800.

3. Remuneration received by Directors for their own use from other companies by virtue of nomination by the Bank on the board of other companies amounted to Rs. [illegible] during the year.

OF INDIA, LIMITED

BOARD OF DIRECTORS

Three of your Directors, Mr. Cooverji H. Bhabha, Mr. Dharamsey M. Khatau, and Sir Jamsetjee Jejeebhoy, Bart., retire under Article 92 of the Articles of Association, read with Section 256 of the Companies Act, 1956, and are eligible and offer themselves for re-appointment.

Shareholders are requested to appoint the Auditors for the ensuing year and to fix their remuneration.

The attention of the Shareholders is also drawn to the Directors' Report of the previous year regarding the dissolution of the Bank's Subsidiary, The Depositors' Benefit Insurance Co., Ltd. Though the tax liabilities of the aforesaid Subsidiary have now been finalised, the necessary Certificate from the Ministry of Finance, Government of India, allowing the dissolution of the Subsidiary Company which has been applied for, has not yet been received.

H. P. MODY,
Chairman.

BOMBAY, *2nd March*, 1961.

Statement Pursuant to Section 212 of the Companies Act, 1956

(*a*) The Bank's interest in its Subsidiary, The Central Bank Executor and Trustee Company, Private Limited, as at 31st December, 1960, comprised 1,998 shares of the face value of Rs. 1,000 on each of which Rs. 500 per share has been paid up.

(*b*) The undistributed balance of profit of the Subsidiary Company as at 31st December, 1960, after a transfer of Rs. 20,000 to General Reserve, amounted to Rs. 20,197.50 which has been carried forward in the accounts of the Subsidiary.

(*c*) The net aggregate amount of Rs. 11,76,322.50 received as dividends from the Subsidiary Company for its previous financial years, since its inception as a Subsidiary Company, have been dealt with in the Profit and Loss Account of the Bank in the relevant years.

H. P. MODY, *Chairman.*
C. H. BHABHA, *Vice-Chairman.*
D. M. KHATAU, C. P. WADIA, CHIMANLAL B. PARIKH, JAMSETJEE JEJEEBHOY, *Directors.* J. M. SCINDIA, JAYKRISHNA HARIVALLABHDAS, S. KHAMBATA,

BOMBAY, *2nd March*, 1961.

N. K. KARANJIA, *General Manager.*

31st DECEMBER, 1960

PROPERTY AND ASSETS				
	Rs.	nP	Rs.	nP
1. CASH :—				
In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)			21,05,01,968	44
2. BALANCES WITH OTHER BANKS :—				
On Current Accounts—				
(i) In India	21,22,756	99		
(ii) Outside India	1,32,10,561	92		
			1,53,33,318	91
3. MONEY AT CALL AND SHORT NOTICE			11,33,333	33
4. INVESTMENTS (at Book Value) :—				
(i) Securities of the Central and State Governments and other Trustee Securities — Face Value Rs. 49,56,08,778 00 — Market Value Rs. 46,84,46,641 30			47,10,56,498	73
Treasury Bills of the Central and State Governments			....	
	Fully Paid Rs. nP	Partly Paid Rs. nP		
(ii) Shares—				
(*a*) Preference	1,77,66,983 15	10,32,315 00		
(*b*) Ordinary	2,05,55,850 52	22,04,971 64		
(*c*) Deferred	59,406 87	....		
(*d*) Other Classes	67,798 75	....		
	3,84,50,039 29	32,37,286 64	4,16,87,325	93
	Market Value Rs. 4,16,93,580 99			
(iii) Debentures or Bonds — Face Value Rs. 1,53,57,300 00 — Market Value Rs. 1,49,98,043 50			1,49,95,014	12
(iv) Other Investments—	Rs. nP			
(*a*) Pakistan Loans	2,41,36,276 75			
(*b*) Foreign Securities including Treasury Bills	1,12,85,230 23			
(*c*) Other Municipal Debentures	28,46,035 05			
	Face Value Rs. 3,89,35,168 80 — Market Value Rs. 3,82,78,469 55		3,82,67,542	03
(v) Gold			....	
			56,60,06,380	81
5. ADVANCES :—				
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)				
(I) Loans, Cash Credits, Overdrafts, etc.—	Rs. nP			
(i) In India	1,23,76,43,099 71			
(ii) Outside India	5,30,63,577 97		1,29,07,06,677	68
(II) Bills Discounted and Purchased—				
(i) Payable in India	19,16,26,871 33			
(ii) Payable outside India	2,54,87,969 57		21,71,14,840	90
			1,50,78,21,518	58
PARTICULARS OF ADVANCES—	Rs. nP			
(i) Debts considered good in respect of which the banking company is fully secured	1,26,61,42,190 44			
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	11,58,37,569 94			
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	12,68,41,758 20			
(iv) Debts considered doubtful or bad, not provided for	....			
Total .. Rs.	1,50,78,21,518 58			
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	10,14,524 00			
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	9,93,09,762 62			
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	10,72,891 90			
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	9,93,09,762 62			
(ix) Due from banking companies	36,97,636 10			
6. BILLS RECEIVABLE BEING BILLS FOR COLLECTION as per Contra :—				
(i) Payable in India	12,79,26,552 69			
(ii) Payable outside India	1,08,69,996 80		13,87,96,549	49
7. CONSTITUENTS' LIABILITIES FOR ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS per Contra			22,01,51,516	06

8. LANDS AND BUILDINGS :—	Bank Premises Rs. nP	Investment in Properties Rs. nP	Non-Banking Assets acquired in satisfaction of claims Rs. nP
Cost as per last Balance Sheet	87,87,173 31	33,75,392 19	3,84,221 45
Less—Cost of Properties sold during the year	....	....	....
	87,87,173 31	33,75,392 19	3,84,221 45
Add—Cost of Additions made during the year	3,747 47	....	4,986 43
Cost of Properties purchased or taken over during the year	40,220 00	....	....
	88,31,140 78	33,75,392 19	3,89,207 88
Less—Amount written off	10,00,000 00	15,00,000 00	2,08,624 98
	*78,31,140 78	†23,75,392 19	‡1,80,582 90
(Further Provision in Sinking Fund as per Contra)			1,08,87,115 87

The above includes properties, with a book value of Rs. 73,711.75 which are carried forward pending settlement of the consideration to be received on sale or acquisition.

9. FURNITURE AND FIXTURES :—				
As per last Balance Sheet	1,03,08,390	52		
Add—Additions less Sales made during the year	11,77,168	79		
	1,14,85,559	31		
Less—Amount written off to date for Depreciation	61,96,386	86		
			52,89,172	45
10. OTHER ASSETS :—				
Shares of the Central Bank Executor and Trustee Co. Private Ltd., at Cost	9,99,000	00		
Interest accrued on Investments	38,01,455	45		
Silver	....			
Stamps, Stationery, Stock of Home Savings Safes and Safe Deposit Boxes	26,12,054	04		
			74,12,509	49
Total .. Rs.			2,68,33,33,382	43

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the foregoing Balance Sheet of The Central Bank of India, Ltd., as at 31st December, 1960, and also the foregoing Profit and Loss Account of the Bank for the year ended on that date in which are incorporated the returns of the 57 branches audited by us, in respect of which the Central Government has made an order granting exemption from audit pursuant to Section 228 of the Companies Act, 1956.

We report that :—

(*a*) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory ;

(*b*) The transactions of the Bank which have come to our notice, have been within the powers of the Bank ;

(*c*) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the Bank not visited by us ;

(*d*) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns ;

(*e*) The reports on the accounts of the branches audited by other Auditors have been forwarded to us and the same have been considered in preparing our report ;

(*f*) In our opinion, and to the best of our information and, according to the explanations given to us, the said accounts read along with the notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the Profit, for the year ended upon that date.

A. F. FERGUSON & CO., *Chartered Accountants.*
S. B. BILLIMORIA & CO., *Chartered Accountants.*

BOMBAY, *2nd March*, 1961.

H. P. MODY, *Chairman.*
C. H. BHABHA, *Vice-Chairman.*
D. M. KHATAU, C. P. WADIA, CHIMANLAL B. PARIKH, JAMSETJEE JEJEEBHOY, J. M. SCINDIA, JAYKRISHNA HARIVALLABHDAS, S. KHAMBATA, *Directors.*

N. K. KARANJIA, *General Manager.*
F. C. COOPER, *Deputy Manager.*
V. C. PATEL, *Deputy Manager.*

.. .. 1,58,25,000 00 | 13,47,52,213 19
1,94,74,360 00

THE BANK OF BARODA, LIMITED

(ESTABLISHED: 20TH JULY, 1908)

FIFTY-SECOND ANNUAL REPORT OF THE DIRECTORS.

To be presented to the Shareholders at the Annual General Meeting to be held at the Registered Office of the Bank at Mandvi, Baroda, on Friday, the 24th March, 1961, 11-30 a.m.

The Directors beg to submit to the Shareholders the Balance Sheet and Profit and Loss Account of the Bank duly audited for the year ended 31st December, 1960.

	Rs.	nP
The net profit for the year 1960, after providing for taxes, including Rs. 1,02,800·87 nP. brought forward and after taking Rs. 5,33,157·84 nP. towards depreciation on buildings and furniture amounts to	41,68,551	98
An ad-interim dividend at the rate of 14 per cent. per annum subject to deduction of income-tax at the appropriate rates was paid for the half-year ended 30th June, 1960, which absorbed	8,75,000	00
Provision for bonus to Staff	17,10,000	00
	25,85,000	00
The Directors now recommend—		
(a) To pay a final dividend at the rate of 20 per cent. per annum per Equity (Ordinary) share (i.e., Rs. 5 per share of old Ordinary issue and Consolidated "B" Ordinary issue) subject to deduction of income-tax at the appropriate rates for the half-year ended 31st December, 1960, making in all 17 per cent. per annum for the year amounting to	12,50,000	00
(b) To pay a final dividend at the rate of 20 per cent. per annum per Equity (Ordinary) share of the new issue of Rs. 50,00,000 in proportion to the period commencing from the 1st day of the month following the date of receipt of application money subject to deduction of income-tax at the appropriate rates for the portion of the year ended 31st December, 1960, amounting to	2,24,194	17
(c) and to carry forward to the next account	1,09,357	81
Rs.	41,68,551	98

The business of the Bank during the year under review continued to be satisfactory.

The issue of 50,000 Equity shares of Rs. 100 each (Rs. 50 paid) at par issued during the year in terms of Resolution No. 8 (C) passed at the Fifty-first Annual General Meeting of the shareholders was allotted in full. Out of the 50,000 shares offered, 46,830 shares were taken up by the shareholders entitled thereto and the remaining 3,170 shares not applied for upto the extended date, viz., 30th day of November, 1960, were in terms of clause (m) of the aforesaid resolution, disposed of by the Board of Directors at a premium of Rs. 28 per share. The sum of Rs. 88,760 so realised has been credited to the "Share Premium" account.

Although exemption from audit under Section 228 of the Companies Act was obtained in respect of 84 branches, 9 branches outside India and 4 branches in India were audited by the Bank's local auditors as in the past. Auditors' reports on some of the East African Branches had not been received at the time of signing of the Balance Sheet (although audited returns were duly received) and these will be sent to the Bank's Auditors as and when received.

The Bank has opened branches during the year at Delhi-Chakla (Ahmedabad), Khanderao Market (Baroda), Kakinada and Vile Parle (West), (Bombay). A branch of the Bank was opened at Chandigarh on the 18th of January, 1961.

On his appointment as a Director of the Local Board of the Reserve Bank of India, Shri Arvind Navinchandra Mafatlal tendered resignation of his office as Director of the Bank which the Board of Directors have accepted with effect from 16th December, 1960, with very great regret. The Board put on record their sincere appreciation of the valuable services rendered by Shri Arvind N. Mafatlal and for the able guidance and help received from him from time to time during his tenure as Director.

In accordance with the Article 145 (1), four Directors, Shri Durgaprasad S. Laskari, Shri R. D. Birla, Shri Chinubhai Chimanbhai and Shri B. K. Daphtary, retire by rotation and being eligible, offer themselves for re-appointment.

Under the provisions of Article 140 of the Bank's Memorandum and Articles of Association, Shri Rasesh Navinchandra Mafatlal, who has been appointed as an additional Director during the year, will hold office upto the date of the Annual General Meeting. He being eligible offers himself for re-appointment.

Shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration.

By Order of the Board,
TULSIDAS KILACHAND,
Chairman.

BOMBAY, *27th January*, 1961.
7, Magha 1882 Saka.

BALANCE SHEET AS AT 31st DECEMBER, 1960.

31-12-1959 Rs.	CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
	1. Capital—				
	AUTHORISED CAPITAL—				
2,50,00,000	(a) 3,50,000 Equity Shares of Rs. 100 each ..	3,50,00,000	00		
1,00,00,000	(b) 2,00,000 'B' Ordinary Shares of Rs. 50 each. (Now consolidated into 1,00,000 Equity Shares of Rs. 100 each in terms of Resolution No. 8 (A) and (D) passed at the Annual General Meeting held on 26th March, 1960)	Nil			
3,50,00,000		3,50,00,000	00		
	ISSUED AND SUBSCRIBED CAPITAL—				
2,00,00,000	(a) 3,00,000 Equity Shares of Rs. 100 each (Including 50,000 shares issued in consolidation of 1,00,000 'B' Ordinary Shares in terms of the above Resolution and 50,000 shares issued and allotted for cash in terms of Resolution No. 8 (C) passed at the Annual General Meeting held on 26th March 1960).	3,00,00,000	00		
	(b) 1,00,000 'B' Ordinary Shares of Rs. 50 each issued in terms of the Scheme of Amalgamation				
50,00,000	(NOTE :—7,127 'B' Ordinary Shares have not been so far surrendered for consolidation into Equity Shares)	Nil			
2,50,00,000		3,00,00,000	00		
1,00,00,000	(a) Amount called up at Rs. 50 per Equity Share.	1,50,00,000	00		
25,00,000	(b) Amount credited at Rs. 25 per 'B' Ordinary Share	Nil			
1,25,00,000				1,50,00,000	00
	2. Reserve Fund and Other Reserves—				
1,27,75,000	Reserve Fund under Section 17 of the Banking Companies Act, 1949	80,75,000	00		
31,75,000	Share Premium Account .. .. (Including transfer of the sum of Rs. 47 lacs previously shown under Reserve Fund under Section 17 of the Banking Companies Act, 1949)	79,63,760	00		
56,625	Development Rebate	76,100	00		
1,60,06,625				1,61,14,860	00
	3. Deposits and Other Accounts—				
49,14,01,068	Fixed Deposits .. .. (Including employees' security deposits Rs. 2,37,525)	48,46,99,148	33		
12,36,74,982	Savings Bank Deposits	15,21,96,707	19		
19,47,97,472	Current Accounts, Contingency Accounts, etc. ..	21,29,28,013	16		
80,98,73,522				84,98,23,868	68
	4. Borrowings from Other Banking Companies, Agents, etc.—				
4,96,00,000	(i) In India .. .. (Includes an amount of Rs. 54,00,000 borrowed from the Refinance Corporation for Industry (Private) Ltd.)	2,64,40,330	76		
10,812	(ii) Outside India	7,57,766	67		
4,96,10,812				2,71,98,097	43
	PARTICULARS—				
	(i) Secured—				
4,20,00,000	(a) By part of Investments and Bills per contra	1,80,81,444	96		
55,00,000	(b) Under the Refinance Scheme vide 5. I. (i) per contra	54,00,000	00		
21,10,812	(ii) Unsecured	37,16,652	47		
60,50,417	**5. Bills Payable**			94,87,092	63
	6. Bills for Collection Being Bills Receivable as per contra—				
3,26,00,483	(i) Payable in India	6,24,10,921	39		
2,48,08,946	(ii) Payable outside India	2,41,53,326	14		
5,74,09,429				8,65,64,247	53
1,65,88,606	**7. Other Liabilities** .. .. (Including Branch Adjustments Rs. 86,15,613·81)			1,34,95,975	29
7,53,58,709	**8. Acceptances, Endorsements and Other Obligations** per contra			7,93,52,890	76
	9. Profit and Loss—				
10,53,522	Profit as per last Balance Sheet	9,77,800	87		
7,50,000	Less—Appropriations	8,75,000	00		
3,03,522		1,02,800	87		
28,89,279	ADD—Profit for the year brought from the Profit and Loss Account	40,65,751	11		
31,92,801		41,68,551	98		
	LESS—	Rs.	nP		
	Ad-interim dividend paid at 14 per cent. per annum for the half-year ended 30th June, 1960 (subject to tax)	8,75,000	00		
8,75,000	Provision for Taxation	4,00,000	00		
4,00,000	Bonus to Staff	17,10,000	00		
9,40,000		25,85,000	00		
9,77,801				15,83,551	98
1,04,43,75,921	Carried over .. Rs.			1,09,86,20,584	30

31-12-1959 Rs.	PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
	1. Cash—				
5,59,38,815	In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes) ..			6,33,57,625	28
	2. Balances with Other Banks in Current Account—				
7,40,725	(i) In India	7,68,077	68		
90,74,431	(ii) Outside India	61,48,122	96		
98,24,156				69,17,100	64
1,26,66,667	**3. Money at Call and Short Notice**			1,14,00,000	00
	4. Investments at or below Market Rate—				
	(i) Securities of the Central and State Governments and other Trustee Securities				
27,81,66,017		20,27,19,532	10		
	(ii) Shares—				
52,52,232	(a) Fully Paid Preference Shares	41,68,378	80		
84,87,926	(b) Fully Paid Ordinary Shares	27,31,944	12		
Nil	(c) Partly Paid Preference Shares	5,41,000	00		
6,70,517	(d) Partly Paid Ordinary Shares	6,41,845	00		
1,44,67,350	(iii) Debentures or Bonds	70,63,157	50		
	(iv) Other Investments—				
21,66,419	Foreign Government Loans and Treasury Bills	1,84,61,945	83		
Nil	(v) Gold	Nil			
30,92,10,461				23,13,27,798	35
	5. Advances—				
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)				
	I. Loans, Cash Credits, Overdrafts, etc.—	Rs.	nP		
38,57,80,727	(i) In India .. .. (Includes an amount of Rs. 55,01,751·67 nP. relating to medium term advances in respect of which finance has been obtained from the Refinance Corporation for Industry (Pr.) Ltd. as per contra)	44,36,28,486	69		
3,73,39,015	(ii) Outside India ..	4,36,89,457	79		
				48,73,17,944	48
	II. Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—				
4,52,30,710	(i) Payable in India ..	7,49,18,723	30		
4,04,06,882	(ii) Payable outside India.	3,95,41,245	70		
50,87,66,334				11,44,59,969	00
	PARTICULARS OF ADVANCES—				
	(i) Debts considered good in respect of which the banking company is fully secured ..			60,17,77,913	48
38,03,31,754	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security			46,76,42,158	13
7,26,70,952	This includes—	Rs.	nP		
	Advances under joint and several Promotes,	4,55,53,092	50	7,64,27,086	47
	Advances to individual parties ..	3,08,73,993	97		
	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..				
5,57,63,628	(iv) Debts considered doubtful or bad, not provided for			5,77,08,668	88
Nil				Nil	
50,87,66,334				60,17,77,913	48
1,04,338	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons ..			1,62,112	79
10,87,84,381	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members			10,48,18,375	54
1,04,397	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons ..			1,65,728	73
11,42,57,676	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members			12,47,71,104	95
16,65,961	(ix) Due from banking companies			20,49,129	77
	6. Bills Receivable Being Bills for Collection as per contra—				
3,26,00,483	(i) Payable in India	6,24,10,921	39		
2,48,08,946	(ii) Payable outside India	2,41,53,326	14		
5,74,09,429				8,65,64,247	53
95,38,15,862	Carried over .. Rs.			1,00,13,44,685	28

(Continued on next page)

HEARTENING DECISIONS IN THE U.S.

MAJOR CHANGE IN SENTIMENT IN FOREIGN EXCHANGE MARKETS

By W. T. C. King

EDITOR, *THE BANKER*, LONDON

IN the realm of international finance, by far the most important development in this past month (February) has been the announcement by President Kennedy of the broad lines of policy to be followed by his administration in dealing, on the one hand, with the recession in the domestic economy of the United States and, on the other hand, with the pressures on the dollar and the American balance of payments. The two principal messages to the Congress on these themes, which were transmitted by the President early in February, have calmed down most of the fears that had been worrying international financial circles about the likely course of American economic policy.

The new administration is determined to start the American economy moving upwards again as soon as possible and, on a longer view, it will aim at a bigger growth rate than has been achieved in recent years; but it seems well aware of the dangers of rushing into excessive "pump priming" expenditures and other measures of stimulation. Some risk of inflation must always lurk in any policy of re-expansion; what is important is that over-hasty action, or an anxiety to get very rapid results, should not make this risk greater than it need be, and that the responsible authorities stand ready to dilute their stimulating action, or even to swing over to restraining action, as soon as there is any reason to suspect that the resultant expansion may be going too fast. In this sense, neither the technical merits of a reflationary policy nor the wisdom of those who administer it can be fully praised until they come to this ultimate test; but, in this first month of exposition and discussion of Mr. Kennedy's essay in reflation, most of the portents have been reassuring.

External Payments Problem

Even more obviously heartening have been the new administration's first decisions about its approach to the problem of America's balance of external payments. So far from turning back towards some new protectionism, President Kennedy and his advisers see America's balance of payments problem against the background of their desire to promote an expanding world economy. While attaching great importance to the long-run stability of the dollar, they will not attempt to reduce the current pressures against it by sweeping cuts in America's expenditures overseas—and especially not in its overseas aid programmes. Instead, they put their emphasis upon promoting further expansion of American exports, on encouraging still closer co-operation between the monetary authorities of the principal industrial countries of the free world (notably with the aim of "avoiding excessive short-term money flows") and on strengthening the international monetary institutions.

Hence, while the President gave a categorical denial of any intention to devalue the dollar (remarking incidentally that "those who hope, for speculative reasons, for an increase in the price of gold will find their hopes in vain"), he equally denied that there would be any recourse to exchange controls over trade or international investment. The whole of the United States' gold stock—including the portion at present earmarked as statutory cover for the federal reserve note issue and deposits—is pledged to sustain the dollar parity, and the 4.1 billion dollars of the United States drawing rights at the International Monetary Fund are to be regarded as part of its international reserves. Notable among several technical measures intended to give quick relief is the decision to amend the law fixing maximum interest rates allowable on bank deposits: to discourage overseas monetary authorities from converting their dollar holdings into gold, and perhaps to encourage them to switch from other currencies into dollars, separate (and higher) maxima are

(Continued on page 510)

THE BANK OF BARODA, LIMITED—*(Continued)*

BALANCE SHEET AS AT 31st DECEMBER, 1960—(*Continued*)

31-12-1959 Rs.	CAPITAL AND LIABILITIES—*(contd.)*	Rs.	nP	Rs.	nP
1,04,43,75,921	Brought forward .. Rs.			1,09,86,20,584	30
	10. Contingent Liabilities—	Rs.	nP		
19,30,425	(i) On partly paid shares of Joint Stock Companies ..	35,48,625	00		
10,31,776	(ii) Claims against the banking company not acknowledged as debts	1,01,638	54		
11,82,58,599	(iii) Money for which the banking company is contingently liable (Including Rs. 2,30,444·53 nP. for guarantees given on behalf of the officers of the Bank)	13,49,82,668	50		
1,65,945	(iv) Liability on Bills of Exchange re-discounted ..	Nil			
Nil	(v) Liability on account of outstanding Forward Exchange Contracts	6,08,25,573	01		
3,40,00,155					
1,04,43,75,921	Total .. Rs.			1,09,86,20,584	30

NOTES :—

(1) Provision to the full extent for future gratuities to the Staff has not been made—the liability for which has not been ascertained.

(2) The Balance Sheet and Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Companies Act, 1949, and are not required to be and are therefore not drawn up in accordance with Schedule VI of the Companies Act, 1956.

31-12-1959 Rs.	PROPERTY AND ASSETS—*(contd.)*	Rs.	nP	Rs.	nP
95,38,15,862	Brought forward .. Rs.			1,00,13,44,685	28
7,53,58,709	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra			7,93,52,890	76
	8. Premises Less Depreciation—				
59,17,124	Premises at cost to 31st December, 1959	68,71,056	60		
9,53,932	Additions during the year	24,12,087	98		
68,71,056		92,83,144	58		
Nil	LESS—Sales during the year	56,781	04		
68,71,056		92,26,363	54		
12,03,371	LESS—Total depreciation to date	13,85,852	00		
56,67,685				78,40,511	54
	9. Furniture and Fixtures Less Depreciation—				
44,81,527	Furniture and Fixtures at cost to 31st December, 1959	53,82,312	36		
9,37,129	Additions during the year	11,33,863	64		
54,18,656		65,16,176	00		
36,344	LESS—Sales during the year	32,938	13		
53,82,312		64,83,237	87		
13,87,328	LESS—Total depreciation to date	17,28,212	63		
39,94,984				47,55,025	24
	10. Other Assets—				
19,99,845	(i) Advance Payments of Tax	16,66,211	70		
19,55,835	(ii) Interest accrued on Investments	17,51,663	17		
10,96,243	(iii) Stamps and Stationery	13,10,866	22		
4,86,759	(iv) Advances recoverable in cash or in kind ..	5,98,730	39		
Nil	(v) Silver	Nil			
55,38,681				53,27,471	48
Nil	**11 Non-Banking Assets Acquired in Satisfaction of Claims or at below cost**			Nil	
1,04,43,75,921	Total .. Rs.			1,09,86,20,584	30

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960.

31-12-1959 Rs.	EXPENDITURE	Rs.	nP	Rs.	nP
				2,22,23,590	22
2,04,00,449	1. Interest paid on Deposits, Borrowings, etc.				
	2. Salaries and Allowances and Provident Fund—	Rs.	nP		
73,479	(i) To General Manager	72,229	00		
1,08,19,623	(ii) To other members of the Staff	1,19,35,414	20		
				1,20,07,643	20
1,08,93,102	3. Directors' and Local Committee Members' Fees and Allowances ..			62,131	91
78,003	4. Rent, Taxes, Insurance, Lighting, etc.			13,61,733	81
11,52,680	5. Law Charges			1,07,466	03
83,653	6. Postages, Telegrams and Stamps			6,22,761	65
5,45,628	7. Auditors' Fees			24,000	00
24,000	8. Depreciation on and Repairs to the Banking Company's Property ..			5,54,682	71
4,92,226	8. Depreciation on and Repairs to Non-Banking Assets			9,75,273	49
9,48,024	9. Stationery, Printing, Advertisement, etc.			Nil	
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets			10,91,589	88
10,24,747	11. Other Expenditure			19,475	00
56,625	12. Development Rebate			80,00,000	00
*	13. Provision for Taxation			40,65,751	11
28,89,279	14. Balance of Profit				
	Total .. Rs.			4,61,14,098	51
3,85,88,416				3,85,88,416	

31-12-1959 Rs.	INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	nP
3,11,54,483	1. Interest and Discount	3,85,54,771	06
68,78,971	2. Commission, Exchange and Brokerage	73,36,664	11
1,40,920	3. Rents	2,15,890	34
3,90,559	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets	Nil	
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets	Nil	
Nil	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil	
23,483	7. Other Receipts	6,773	00
3,85,88,416	Total .. Rs.	4,61,14,098	51

Note :—The General Manager is allowed the use of the Bank's Motor Car free of cost.

* Rs. 4,00,000 by way of appropriation from profit as shown in the previous year's figures in the Balance Sheet.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the foregoing Balance Sheet of The Bank of Baroda, Limited, as at 31st December, 1960, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the returns from 10 Branches audited by us, 18 Branches audited by other Auditors and unaudited returns from 71 Branches. Exemption from the provisions of Section 228 of Companies Act, 1956, has been obtained from the Central Government for all the Branches except those audited by us.

We report that :—

(*a*) we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory ;

(*b*) the transactions of the Bank which have come to our notice have been within the powers of the Bank ;

(*c*) in our opinion, proper books of account as required by law have been kept by the Bank, so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank ;

(*d*) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns ;

(*e*) the reports on the accounts of the Branch offices audited by other Auditors, so far as were received till the date of our audit, have been dealt with in the manner considered necessary by us ; and

(*f*) in our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

K. S. AIYAR & CO.,
N. M. RAIJI & CO., } *Chartered Accountants.*

BOMBAY, *16th February*, 1961.

TULSIDAS KILACHAND, *Chairman.*

D. S. LASKARI,
KANTILAL NAHALCHAND,
N. R. TATA,
ANANDLAL HIRALAL,
CHINUBHAI CHIMANBHAI,
B. K. DAPHTARY,
R. N. MAFATLAL, } *Directors.*

GOPAL CH. BASU, *Accountant.*

N. M. CHOKSHI, *General Manager.*

REINSURANCE BUSINESS

SOME COMMENTS ON GOVERNMENT'S LATEST STEP

By "Insurer"

THE Bill seeking to amend the Insurance Act of 1938 pertains to reinsurance and is expected to be passed by the Lok Sabha in the course of this week. Indeed, it may be adopted even before these lines appear in print. The introduction of the Bill in the Lower House a few days ago was very similar to the circumstances that prevailed at the time of nationalisation of life insurance. Not only were these two events kept closely guarded secrets, but some people were almost led to believe that these expected events might not be enacted for quite sometime.

In the case of nationalisation of life insurance, the private sector was preparing a detailed memorandum to be submitted to, and discussed with, the Government almost a day before nationalisation. All approaches made to the Government then had evoked the assertion that the Government would like to take the interests concerned into confidence before taking any important decision. But it was never respected. In the present instance, scenting that something was in the offing, the Indian Insurance Companies Association had recently sent a representation to the Ministry of Finance, analysing the available statistics from Government publications and showing that the drain on account of foreign exchange was mostly due to hull and aviation insurances which were being handled by Government's own companies. No reply seems to have been received by the Insurance Association to this representation. Nor is it known whether spokesmen of general insurance were given an opportunity to discuss this memorandum which they had sent to the Government after a great deal of detailed work. Thus, in this case also, the Government has acted on its own.

The statement of objects and reasons attached to the Amendment Bill makes it clear that the Bill is intended to "foster the growth of Indian reinsurance companies and also to save foreign exchange." The Bill seeks to provide that every insurance company operating in India must reinsure a certain percentage of its Indian business with Indian reinsurance companies approved by the Central Government. Under the Bill, the government has power to fix a maximum percentage of thirty, but this power will be exercised only after consulting the Advisory Committee which has to be constituted. This Committee will consist of five persons having specialised knowledge and experience of insurance business. It will be within the Central Government's power to allocate compulsory reinsurance among the approved Indian reinsurance companies.

Immediate Purpose

The immediate purpose of this Bill is to give substantial support to the State-owned company, namely, the Indian Guarantee, which already has a good base for operations consisting of the reinsurances of Government companies. The "Government" companies are the three general insurance subsidiaries of the Life Insurance Corporation which are placing all their reinsurances with the Indian Guarantee. It may be recalled here that the Indian Guarantee, which is also a subsidiary of the Life Insurance Corporation and now does only reinsurance business, approached the general insurance companies in the private sector generally for their support. It, however, received a poor reception and what could not be done by negotiations is now being done through legislation. In this situation, however, the individual insurance companies have come off second best, as now all their terms of exchange are fixed for them by the Government and they have to accept them as they are.

It is expected that all companies will have to reinsure 20 per cent of their fire and marine insurance in India. Of this, 10 per cent each will go to the Indian Guarantee and the India Reinsurance Corporation, respectively. The latter is a co-operative venture, in that it was brought into being with the consent and co-operation of all companies operating in this country. The present move means that cessions inside India are being doubled with effect from 1st April 1961, because 10 per cent is already being ceded to the India Reinsurance Corporation for some years now.

Whilst at the moment all the compulsory reinsurance inside India is sought to be divided equally between the India Reinsurance Corporation and the Indian Guarantee, it is very likely that further increases will go only in favour of the Indian Guarantee, the profits of which will ultimately go to the Government through the L.I.C. As for the miscellaneous business, 5 per cent each will have to be ceded to both the reinsurance companies, but it is expected that the Government may ultimately make use of the wide margin of 30 per cent provided for in the Bill and raise the extent of compulsory cessions by stages for all types of business.

Net Retention Accounts

The net retention accounts of individual insurance companies will be adversely affected by the Government's proposal of asking for a share of each and every policy. The industry has made a case for the amount of the premium required to be made good by way of a first surplus treaty, instead of a fixed quota share arrangement as initially proposed by the Government. This would mean that the same amount of premium would be made good by way of excess reinsurances of larger risks rather than a fixed share in each and every risk. It is expected that the Government will agree to this suggestion, at least for those companies which are at present ceding to the India Reinsurance Corporation by way of a first surplus treaty arrangement.

The biggest worry of general insurance business in India is not the extent of compulsory reinsurance, but the terms on which this reinsurance may be purchased. The insurance companies buy their business at a high cost and, if this high price is not again paid by the reinsurance companies to them, they are likely to be the net losers for that part of the business which is compulsorily acquired. Some companies are rebating heavily and their acquisition cost is higher and it was expected that the Government might be tempted to fix a low commission rate at least to cut down the resources available for payment of rebates. Whilst this possibility is not ruled out, at the moment the Government has agreed to allow the Indian Guarantee to give the same commission rates to individual insurance companies which they have obtained from the India Reinsurance Corporation in the past.

The legislation now on the anvil is a very short piece and appears to be simple, but it is not without its complications in actual working. The Central Government, for example, is to constitute an advisory committee consisting of not more than five persons having special knowledge and experience of insurance. The advice of the Advisory Committee will normally be accepted by the Government but not necessarily so in all cases. Again, the Advisory Committee will consist of representatives of the Department of Insurance, the two reinsurance companies, and Indian and Foreign insurance companies. It will thus be quite easy for this Committee to give advice which might be against the interest of direct-business-writing insurance companies which will be in a minority. It is also likely that this Advisory Committee will be something like the General Insurance Council which carries on discussions for years but never arrives at any decision. If each member is supposed to represent the interests of any association or corporation, then, he is not necessarily appointed for his knowledge and experience of the business. Putting the Controller of Insurance on the Committee would make it more like the Government machinery which is out of touch with real general insurance business. The Controller and his office are mainly equipped for life business and all moves on their part would appear to be efforts to create vacancies for all their surplus staff.

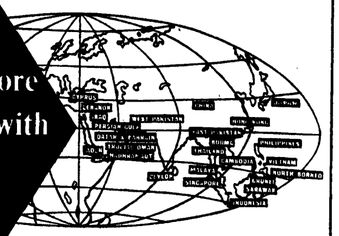
Indirect Effect

One indirect and immediate effect of the aforesaid legislation is the revival, with a fanfare of publicity, of the efforts made by the Indian Insurance Companies Association to form five big groups of companies. This and similar ideas were already put forward from many chairs for quite some time, but they now seem to have gathered strength, because of the initiative taken by the bigger companies. The smaller insurance companies have realised that they are not economic units and that it will be in their own interest to have joint offices which will do underwriting, etc., on an approved basis. The main advantage, of course, will be the non-diversion agreement, under which the companies would agree not to steal each other's business. But it is worth noting, in this connection, that the present provisions of the Code of Conduct regarding complaints of loss of business have been quite ineffective, as it is almost impossible to prove who stole whose business and how. It is expected under the new agreement that any company getting new business from members of the agreement will automatically reinsure the new business with the old company at the low reinsurance commission of 30 per cent.

All these matters are still in the discussion stage and it will be at least one year before anything comes out. It is to be hoped in the meantime that the premature publicity given to these discussions will not encourage any of the smaller companies to ask for a higher price for their co-operation.

Trade with Eastern countries is ever on the increase. An efficient world wide banking service with expert knowledge of market conditions is essential to develop trade. The associated banks, The Chartered Bank and The Eastern Bank Ltd. with branches in almost every commercial centre in the Middle East, South East Asia and the far East are fully equipped to provide complete Banking facilities to every trade and industry.

More and more trade with the East

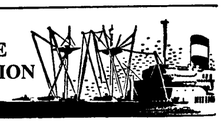


THE CHARTERED BANK
Bombay office : 23-25 Mahatma Gandhi Road, Bombay-1.

THE EASTERN BANK LTD.
Bombay office : Dadabhay Naoroji Road, Bombay-1.

which together have a complete branch service in The East extending from Cyprus to Japan.

TRADE PROMOTION ...is our business



Australia, New Zealand, and Fiji offer opportunities to exporters and importers and the International Division of the Bank of New South Wales can help those interested.

The Bank's complete banking service includes such specialized facilities as trade and industrial enquiries, economic and trade information, and a complete travel service. The Bank, through more than 1,000 branches and agencies, is closely and constantly in touch with industry, business, and agriculture in the areas it serves.

Enquiries may be made through your own bankers or direct to

BANK OF NEW SOUTH WALES
INTERNATIONAL DIVISION
John W. McEwen, Chief Manager
HEAD OFFICE: SYDNEY, AUSTRALIA

First and largest commercial bank operating in Australia, New Zealand, Fiji, Papua and New Guinea, with three branches in London.

IP6001b

FOR
SAMPLING • ANALYSIS • TESTING
Ores, Minerals, Metals, Alloys and Residues; Oils, Oilseeds and Cakes; Foods, Drugs, Pharmaceuticals and Biological Specialities; Chemicals, Waters, Paints and Varnishes, Fertilisers, Manures and Insecticides, Industrial and Commercial Commodities, etc.

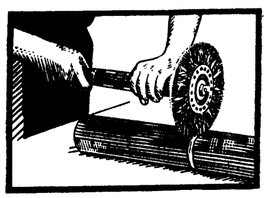
Contact:
THERAPEUTICS CHEMICAL RESEARCH CORPORATION
95, Morland Road, Byculla, Bombay 8
Grams : THERASERCH Phone : 74631

Managing Director: Dr. RAMAN C. AMIN, M.S., Ph.D. (U.S.A.), Sigma XI, F.A.A.A.S. (U.S.A.)

Branch Laboratories :
● Morey Bhuvan, Mount Road Extn., NAGPUR 1 Phone : 3485 & 4882
● Rustam Mahal, 2nd Line Beach, MADRAS 1 Phone : 36478
● 9/5, Kumarpark West Extension, BANGALORE 20 Phone : 70823
● 11B/54, Main Road, VISAKHAPATNAM Phone : 50

BRANCH OFFICES AT ALL PORTS OF INDIA

"SCCO"



These brushes are invaluable for buffing and cleaning exceptionally severe scaling or rust from structural work, also specially adapted for weld cleaning, and other tough scaling propositions and rough Castings. "TWISTKNOTS" may be operated at considerably higher speeds than ordinary wire wheels and a comparatively light pressure increases both the efficiency and life of the brush in addition to lightening the work of the operator.

India Brushware
72, CANNING STREET,
CALCUTTA-1.
Phone : 34-1985

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories

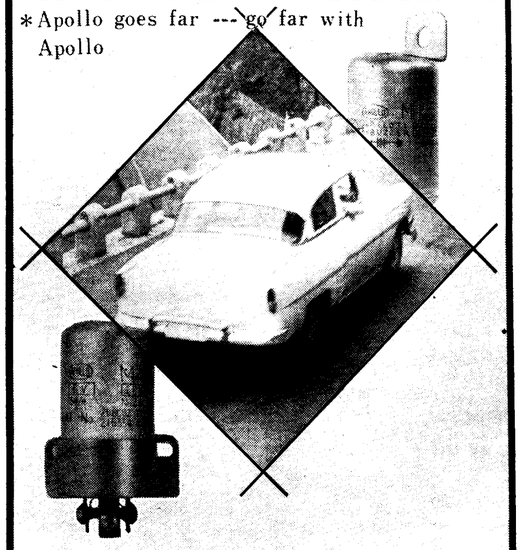
For over 15 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cotton Mills and other industries in the country.

Phone : 22-8962
22-3108
Gram : "BANCO"

BEHAR FIREBRICKS & POTTERIES LTD

APOLLO FLASHER

*Apollo goes far --- go far with Apollo



*Apollo manufactures Direction Indicators, Signal Flashers, Lamps, Switches, Automatic Headlights, and Controllers, all in various styles.
If you wish to market the finest quality safety devices, send today for our brochures.

SOLE DISTRIBUTOR: SUN-WAVE INDUSTRIAL CO., LTD
Head Office: #5, 4-Chome, Yaesu, Chuo-ku, Tokyo
Tel. (281) 5311 – 8
Sales Section: #18, 2-Chome, Marunouchi, Chiyoda-Ku, Tokyo Tel. (281) 4917 – 8

APOLLO MFGR. APOLLO INDUSTRIES CO., LTD.
Head Office: #18, 2-Chome, Marunouchi, Chiyoda-Ku, Tokyo (Kishimoto Bldg.)

YOU'LL LOVE TO *possess such* LOVELY HAIR!

A turn, a look and you notice her lustrous, lovely hair — you then begin to feel to possess such lovely hair for yourself!

Exquisitely perfumed KESHA, enriched with rich ingredients, promotes abundant growth of lovely hair and puts a completely new look into your hair—the new look which you yearn for!

START YOUR 'HAIR CARE' plan today with

Kesha

Another quality Product from the HOUSE OF LOMA

Sole Agents:
M. M. KHAMBHATWALA
Ahmedabad 1
Agents:
C. NAROTAM & CO.
Bombay 2

Balance Sheet of the State Bank of Hyderabad as at 31st December 1960

31-12-1959 Rs. nP.	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
	1. Capital—		
1,00,00,000.00	Authorised Capital—1,00,000 Shares of Rs. 100/- each	1,00,00,000.00	
50,00,000.00	Issued Capital (pursuant to Section 10 (1) of the State Bank of Hyderabad Act, 1956 as amended by Part VII of the Third Schedule to the State Bank of India (Subsidiary Banks) Act, 1959)—50,000 Shares of Rs. 100/- each		50,00,000.00
	2. Reserve Fund and Other Reserves—		
26,00,000.00	As per last Balance Sheet	27,00,000.00	
1,00,000.00	ADD—Amount transferred from the profit for the current year	1,85,000.00	
27,00,000.00			28,85,000.00
	3. Deposits and Other Accounts—		
8,24,95,451.14	Fixed Deposits	9,27,52,224.14	
1,87,34,768.48	Savings Bank Deposits	2,26,50,024.99	
8,66,38,876.54	Current Accounts, Contingency Accounts, etc.,	7,35,61,831.52	
18,78,69,096.16			19,39,73,080.65
	4. Borrowings from Other Banking Companies, Agents, etc.—		
Nil	(i) In India	39,68,387.45	
Nil	(ii) Outside India	Nil	
Nil			39,68,387.45
	PARTICULARS—		
Nil	(i) Secured by Government Securities per contra	39,68,387.45	
Nil	(ii) Unsecured	Nil	
66,30,829.18	**5. Bills Payable**		93,06,615.93
	6. Bills for Collection Being Bills Receivable as per contra—		
38,22,280.04	(i) Payable in India	63,91,890.29	
47,758.31	(ii) Payable outside India	1,13,032.72	
38,69,988.35			65,04,923.01
11,201.80	**7. Other Liabilities—** Rebate on Bills Discounted	16,721.97	
1,13,70,743.82	Inter-Office Adjustments (inclusive of unadjusted items on account of Agency and Currency Chest transactions due to Reserve Bank of India)	1,52,78,142.14	
1,13,81,945.62			1,52,94,864.11
18,27,953.98	**8. Acceptances, Endorsements and Other Obligations** per contra		54,32,185.41
Nil	**9. Profit and Loss—** Balance of Profit as per last Balance Sheet	4,687.00	
4,99,687.00	ADD—Profit for the year ended 31st December, 1960	9,14,719.96	
4,99,687.00		9,19,406.96	
	LESS: Appropriations thereof— Rs. nP.		
Nil	Amount set aside for payment of dividend 3,00,000.00		
1,00,000.00	Amount transferred to Reserve Fund 1,85,000.00		
1,20,000.00	Amount transferred to Pension Fund 1,20,000.00		
5,000.00	Amount transferred to Staff Welfare Fund 5,000.00		
2,70,000.00	Bonus to Staff 3,00,000.00		
4,95,000.00		9,10,000.00	
4,687.00			9,406.96
	10. Contingent Liabilities—		
55,275.00	Claims against the Bank not acknowledged as debts	55,275.00	
9,38,306.19	Bills of Exchange rediscounted (The liability has run off by Rs. 90,155.67 as at the 25th January 1961)	91,154.54	
Nil	Outstanding Forward Exchange Contracts	Nil	
Nil	Guarantees given on behalf of Directors or Employees of the Bank	Nil	
2,74,806.00	Guarantees given on behalf of others	10,91,897.38	
8,70,000.00	On partly paid shares (Rs. 70,000 in respect of 100 shares of the Central Warehousing Corporation and Rs. 8,00,000 in respect of 10 shares of the Re-finance Corporation for Industries Private Ltd.)	8,70,000.00	
21,92,84,500.29	Total .. Rs.		24,23,74,463.52

31-12-1959 Rs. nP.	PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
	1. Cash— In hand and with the Reserve Bank and State Bank of India (including Foreign Currency Notes and cash in transit)		1,49,87,466.71
	2. Balances with Other Banks on Current Account—		
1,24,734.00	(i) In India	5,60,622.92	
2,37,432.92	(ii) Outside India	5,09,725.85	
3,62,166.92			10,70,348.77
1,74,00,000.00	**3. Money at Call and Short Notice**		Nil
	4. *Investments—		
8,62,20,068.77	(i) (a) Securities of the Central and State Governments and Trustee Securities (at or below market value)	9,31,22,448.44	
	(b) Other Trustee Securities—		
35,95,000.00	(1) Shares and Bonds (at cost—for which there are no market quotations)	40,95,000.00	
99,500.00	(2) Land Mortgage Bank Debentures (at market value)	99,500.00	
30,000.00	(3) Partly paid shares	30,000.00	
	(ii) Shares (at cost—for which there are no market quotations)—		
50,000.00	(1) Fully paid shares of State Bank of Pakistan	50,000.00	
2,00,000.00	(2) Partly paid shares	2,00,000.00	
1,00,000.00	(iii) Debentures or Bonds (at cost—for which there are no market quotations)	1,00,000.00	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold *Of which Government securities of the face value of Rs. 4,75,53,142.86 nP. are pledged against borrowings as per contra.	Nil	9,76,96,948.44
9,02,94,508.77			
6,10,01,448.85	**5. Advances** (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)— (i) Loans, Cash Credits, Overdrafts, etc.— Rs. nP. (i) In India 8,23,99,050.43 (ii) Outside India Nil	8,23,99,050.43	
1,91,75,736.85	(ii) Bills Discounted and Purchased— (i) Payable in India 2,39,82,130.37 (ii) Payable outside India 7,41,222.51	2,47,23,352.88	
8,01,77,185.20	PARTICULARS OF ADVANCES: See separate Statement appended.		10,71,22,403.31
38,22,280.04	**6. Bills Receivable Being Bills for Collection as per contra—** (i) Payable in India	63,91,890.29	
47,758.31	(ii) Payable outside India	1,13,032.72	
38,69,988.35			65,04,923.01
18,27,953.98	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		54,32,185.41
	8. Premises Less Depreciation—		
28,92,702.14	Total cost upto 31st December, 1959	26,30,999.41	
33,581.27	Additions during the year	11,890.16	
29,26,283.41		26,42,799.57	
2,95,174.00	Less: Sales during the year	Nil	
26,30,909.41		26,42,799.57	
3,21,298.14	Total depreciation written off upto the 31st December, 1960	3,78,930.41	
23,09,611.27			22,63,869.16
	9. Furniture and Fixtures Less Depreciation—		
25,30,716.38	Total cost upto the 31st December, 1959	28,82,846.50	
1,52,667.66	Additions during the year	3,21,843.12	
26,83,384.04		30,04,689.62	
737.54	Less: Sales during the year	487.73	
26,82,646.50		30,04,001.89	
16,14,288.15	Total depreciation written off upto the 31st December, 1960	17,54,744.00	
10,68,358.35			12,49,257.89
	10. Other Assets including Silver—		
342.00	Silver	567.00	
18,76,740.85	Adjusting Account of Interest, Commission, etc.	36,49,520.44	
6,13,656.89	Stationery, Stamps and Suspense	5,57,702.43	
25,05,080.89	Advance Payment of Income-tax	16,40,210.95	
49,95,820.63			58,78,060.82
10,000.00	**11. Non-Banking Assets Acquired in Satisfaction of Claims**		1,60,000.00
21,92,84,500.29	Total .. Rs.		24,23,74,463.52

Particulars of Advances

31-12-1959 Rs. nP.		31-12-1960 Rs. nP.	31-12-1959 Rs. nP.		31-12-1960 Rs. nP.
5,22,70,920.26	(i) Debts considered good in respect of which the Bank is fully secured.	8,12,86,538.12	35,148.85	(v) Debts due by directors or officers of the Bank or any of them either severally or jointly with any other persons	28,146.42
1,57,32,758.75	(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	1,11,03,386.85			
1,21,73,506.19	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,46,67,478.34	1,64,65,584.28	(vi) Debts due by companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members (including Rs. 1,08,70,732.90 on account of advances made to companies, which are guaranteed by the Government of Andhra Pradesh)	2,00,17,313.32
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil	55,742.73	(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the bank or any of them either severally or jointly with any other persons	40,157.74
			1,98,99,439.23	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members (including Rs. 1,08,70,732.90 on account of advances made to companies, which are guaranteed by the Government of Andhra Pradesh)	2,00,17,313.32
8,01,77,185.20	Total .. Rs.	10,71,22,403.31	4,35,514.72	(ix) Due from banking companies	6,25,728.83

(Continued in next page)

NEW PRODUCTS AND PROCESSES

Instrument to Test Resilience of Fabrics

A NEW instrument which will test with close precision and at high speed, the elongation and resilience of fabrics used in the clothing industry, has been designed by a U.K. firm, Kelston Engineering Company. It will also carry out similar tests on plastic film, paper and a variety of other materials. The machine is housed in a cabinet of moulded plastic material, containing a pneumatically operated mechanism and a motor-driven air compressor, which enables the unit to be used on any power point. Two "arms," or spindles, are mounted in front of the machine at an angle of 45 degrees. The spindle on the left can be adjusted by a hand wheel on its horizontal track, and its setting is shown on a clear vision scale. The spindle on the right also indicates its movement on a scale, but is always returned to zero, from which it is moved to the right by power from the pneumatic cylinder. A large gauge mounted in the centre indicates the air pressure and the effect of pull in pounds (weight) as the operating cylinder has a working area of one square inch. The air pressure is controlled from zero to 70 lbs. per square inch for most purposes, but higher pressures can be arranged as required.

This machine enables a new approach to be made to the control of power net and other similar fabrics, because it allows testing of basic materials and garments to be carried out with speed and accuracy in all stages of manufacture, so that every product can be guaranteed correct to size, sound in materials, seams and fastenings. The machine can also be used for the testing of cellophane and plastic film and tube; the testing of paper, the inspection and measurement of springs; the measurement of endless driving belts or ropes, and the comparison of heavier fabrics, such as those used in the manufacture of gloves or furnishings.

Two-Chamber Furnace for Non-Ferrous Metals

A new type of two-chamber mains-frequency furnace, for the simultaneous melting and holding of non-ferrous metals, has been designed and launched on the market by Asea, Sweden's large electrical engineering company. Claimed to be particularly useful in conjunction with die-casting of aluminium and its alloys as well as brass, the new furnace may also be used for melting both ferrous and non-ferrous metals for mould casting. The two chambers of the furnace are accommodated in a robust sheet-steel casing and are connected to one another by means of two melting ducts, between which the air-cooled furnace transformer is mounted. The charging material in the form of ingots or scrap is placed in the charging or melting chamber, while the molten metal is taken out with a ladle from the holding or casting chamber and transferred to the die-casting machine or mould. The temperature in the holding chamber is regulated automatically to the desired value. Provided that the melting chamber is not charged to irregularly, a continuous supply of molten metal will always be available at the desired temperature. One of the advantages of this two-chamber furnace—besides doing away with troublesome and costly transport of molten metal—is that the bath movement in the melt ensures an almost pure surface, since the greater part of the oxides and impurities will remain in the melting chamber. If any impurities should penetrate into the holding chamber they tend to accumulate on the inside of the bath surface, close to the centre of the furnace. The furnace does not require any special foundation and it can be placed direct on the floor, even when it is fitted with a special tilting arrangement.

Purification of Salt Water

A new process for extracting salt from sea water has been developed by the General Electric Company of Schenectady, New York, U.S. The distillation system, if used in ships, will require about half the space and weigh about half as much as conventional distillation systems. If used on land, the new system could be designed for low-cost operation. The new process makes water salt-free within one part of salt per million parts of water—42 pounds of fresh water from each 100 pounds of sea water. Boiling of the salt water which could seriously diminish purity, has been eliminated. The bubble-free distillation, it is claimed, produces fresh water of exceptionally high purity by avoiding the carry-over of mineral particles. The evaporator in the distillation system consists of two vertical tubes, one inside the other. Sea water is fed into an assembly where slowly revolving wiper blades spread the salt water on the inner surface of the inside tube in a film scarcely one-thousandth of an inch thick. Steam-produced heat going through the outer tube makes the salt water evaporate. The pure water leaves the evaporating chamber as vapour, and the concentrated brine is drained off. The heat transfer rate, a critical factor in the process, is at least four times higher with the double tube system than with any other distillation unit now in commercial use. The process, it is claimed, is applicable to salt, brackish or polluted water.

Foambacked Fabrics

Lightweight foamed polyurethane is being used by the Plastics Group of the Calico Printers' Association, St. James's Buildings, Oxford Street, Manchester 1, England, as a backing for a variety of fabrics to give warm but lightweight materials for outerwear. An 8-oz. dress, for instance, is said to take on the bulk and warmth of a 24-oz. coating. Use of the foamed backing is also claimed to give a crease-resistant material which "breathes" despite the extra thermal insulation. The variety of materials which can be treated is apparently unlimited, although at the moment the majority produced by the association's Plastics Group consist of cotton-knits. There are also synthetic fibres such as long-haired brushed Orlon, and a rayon gaberdine. The backing is washable but it is expected to take some weeks before it is possible to offer one which is suitable for dry-cleaning by all known methods.

Fibre for Industrial Use

An entirely new fibre based on fluorocarbon resins has been developed in the United Kingdom. It can be produced, it is claimed, in two sizes—250 denier (with a cross-section diameter equivalent to five-thousandths of an inch) and 1,200 denier. This latter size is equivalent to a cross-section diameter of eleven-thousandths of an inch. It is expected to be espedially useful in chemical engineering fields, where wires manufactured from precious metals have now to be used as, for example, in certain distillation processes. It can also be used in gas demisting plant and for the production of vacuum filters. This latter application is of particular interest in that the caking of residues is currently a problem, and the non-sticking characteristics of the new fibre should make the cleaning of these filters exceptionally quick and easy. The new fibre is also expected to find a number of applications in mechanical engineering, where high-strength, non-sticking characteristics and high-temperature resistance are important, together with exceptional resistance to abrasion.

Device to Detect Worn-out Screws

A novel device which can be fitted to a standard micro-calibration unit, and which can be operated by one hand, has been developed for checking-up on the amount of wear experienced by screws in Britain. It is said to be capable of measuring the pitch diameter of screw threads with exceptional accuracy. At the same time, because it can be used by one hand, it is expected to be especially useful for maintenance purposes. This should enable worn screws to be tested and replaced far more readily than is at present possible. It can also be used for checking screws before they are used, and can be readily adapted to fit into an automatic production control system. The device is expected to find widespread applications in the engineering industry, as well as being of vital importance in such fields as atomic energy and guided weapons. It is believed to be the first device of its kind to be developed in the world.

Filter Material

The United Wire Works of Granton, Edinburgh 5, U.K., is to introduce a filter medium made of extremely fine wire which it is thought will be of particular value in fuel and hydraulic systems in aircraft and in highly specialised applications. Known as 352/2,300 mesh Stainless Steel Micro-Hollander, the material is described as a wirecloth woven with 0.001-inch diameter wire whose cross-sectional area is about 10 times less than a human hair. A square inch of the material has 325 wires running lengthwise and these are interwoven with 2,300 cross wires. This provides 747,500 openings per square inch, the dimension of each opening being of the order of 0.00039 inch. In spite of its delicate texture the mesh is said to be robust and, at first glance, to resemble sheet steel. The maker says that a wire-cloth to this specification has not previously been produced in this country.

Hardness of Water

A new apparatus which, it is claimed, makes it possible to measure and record continuously, and completely automatically, the hardness of industrial or domestic water supplies has been developed by a Czechoslovakian concern. Chemicals which bring about a colour change (from wine-red to blue), dependent upon the percentage of calcium and magnesium salts present, are added to a sample of the water. This colour change is then measured with the aid of a photo-electric cell, converted into an electrical quantity and recorded with the aid of a device for measuring small voltages. Accurate, automatic sampling of water and dosage of chemicals is made possible, says the company, by the use of electronic controls.

Safety Bottle Top

A "safety top" has been introduced in America to keep children from unscrewing the tops of bottles or jars containing poisons. It may also be used in factories and laboratories where precautions are necessary. The device consists of an inner cap with internal threads mating with threads on the bottle or jar. An outer cap turns freely on a flange on the inner one. To open, the outer top is forced down against the pressure of plastic springs until a dog, or catch, on it engages with a catch on the inner cap. The inner cap can then be unscrewed with a combined pressing and turning movement. It is stated that small children are expected to be unable to combine these movements.

Paste Compound for Aluminium

A specially formulated paste compound for joining aluminium at low temperature. Auto-Chemic 990, has been introduced by the Eutectic Welding Alloys Company Ltd. This compound is said to give high strength, corrosion resistant joints on virtually all types of aluminium and aluminium alloys and requires no finishing or after treatment. No filler alloy is required. The compound is merely painted on where required, facilitating pre-placement on multiple or production joining applications, and giving great economy in use. Auto-Chemic 990 is claimed to be admirable for all fine work such as wire and cable joining, instrument parts, cans, small wave guides, floats and other small fabrications. A neat fillet easily cleaned in warm water is produced by applying the compound and heating indirectly. A series of chain-type reactions takes place terminating in metallic reduction at the reaction temperature of 400°C.

State Bank of Hyderabad—*Continued*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1960

31-12-1959 Rs. nP	EXPENDITURE	31-12-1960 Rs. nP
35,59,941.35	1. Interest paid on Deposits, Borrowings, etc.	38,60,749.00
38,91,221.93	2. Salaries and Allowances and Pension and Provident Funds (including Salary and Contributions towards retiral benefits of the General Manager Rs. 36,335.15) (Previous year Rs. 32,700)	41,34,580.28
10,184.87	3. Directors' Fees and Allowances	7,404.57
2,48,700.68	4. Rent, Taxes, Insurance, Lighting, etc.	2,56,787.60
9,473.81	5. Law Charges	10,448.79
1,85,973.49	6. Postage, Telegrams and Stamps	2,29,993.85
4,000.00	7. Auditors' Fees	5,000.00
	8. Depreciation on and Repairs and Other Charges to the Bank's Property	2,37,412.99
2,45,763.27	9. Stationery, Printing, Advertisement, etc.	1,99,345.75
1,28,785.81	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
Nil	11. Other Expenditure	2,80,276.80
2,35,764.82	12. Balance of Profit	9,14,719.96
4,99,687.00		
	Total .. Rs.	1,01,36,669.59
90,14,497.03		

31-12-1959 Rs. nP	INCOME (Less provisions made during the year for bad and doubtful debts and other usual or necessary provisions after taking credit for Income-tax deducted at source)	31-12-1960 Rs. nP
68,89,760.46	1. Interest and Discount	76,30,440.21
18,86,121.24	2. Commission, Exchange and Brokerage	22,96,885.94
56,351.25	3. Rent	61,583.92
	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	
1,81,454.08		Nil
	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	
Nil		Nil
	6. Income (net) from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	
Nil		5,965.86
	7. Other Receipts (including Subsidy from the State Bank of India in terms of Section 48 of the State Bank of India (Subsidiary Banks) Act, 1959, Rs. 1,41,213.66)	
810.00		1,41,843.66
90,14,497.03	Total .. Rs.	1,01,36,669.59

REPORT OF THE AUDITORS

To THE STATE BANK OF INDIA:

We, the undersigned Auditors of the State Bank of Hyderabad, appointed under Section 41 (1) of the State Bank of India (Subsidiary Banks) Act, 1959, report on the Balance Sheet and Accounts of the Bank as at the 31st December, 1960.

We have examined the above Balance Sheet of the State Bank of Hyderabad as at the 31st December, 1960, and the Profit and Loss Account for the year ended upon that date with the Accounts and Vouchers relating thereto of Head Office and with the Returns submitted and certified by the Branch Managers, which Returns have been incorporated in the above Balance Sheet and Accounts, and report:

(i) that, in our opinion the Balance Sheet is a full and fair one, containing all the necessary particulars and properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank;

(ii) that, where we have called for any explanation or information such explanation and information have been given to us and have been satisfactory;

(iii) that, the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(iv) that, the Returns received from the Branches of the Bank have been found adequate for the purpose of our audit;

(v) that, the Profit and Loss Account shows a true balance of profit for the year covered by such Account;

(vi) that, in our opinion the Balance Sheet and the Profit and Loss Account are drawn up in conformity with the law, and

(vii) that, in our opinion Books of Account have been kept by the Bank as required by law.

HYDERABAD (A.P.)
Dated: 10th February, 1961.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

SATYA DEV,
General Manager.

M. H. LATIF,
Secretary.

C. S. VENKAT RAO,
Superintendent, Advances and Investments.

P. C. BHATTACHARYYA, *Chairman.*

PANNALAL BANSILAL
S. N. SEN GUPTA
T. S. RAGAVACHARI
A. BAKSI
R. N. CHETTUR
I. SYAMAL RAO
RAJA RAMDEV RAO
LLAKAT JUNG
A. H. VENKAT RAO
} *Directors.*

SAFETY AND ECONOMY IN AIR TRANSPORT

TOO MUCH EXTRAVAGANCE EVERYWHERE

By Wing Commander R. Vaughan-Fowler, R.A.F. (Retd.)

SAFETY and economy should be the first two policy objectives of every airline operator. Speed is the third objective. For some unexplained reason, speed has been given first priority, whilst comfort and luxury service play prominent parts in airline propaganda.

It is very difficult to say how this has come about. Probably, there are several reasons, amongst which Government's anxiety to use air transports as military aircraft vehicles must take first place. Then, there is competition encouraged by manufacturers who not unnaturally wish to keep the airlines in a state of perpetually purchasing new equipment.

In order to analyse the problem, it is necessary to lay down, in simple language exactly what are the public requirements of air transport services. First, as well as above all other considerations, the public expect the maximum possible safety. Secondly, the cost per seat-mile or ton-mile must be as low as possible, so that as many as possible may enjoy the advantages of air travel, also the use of airlift for freight and mails.

Speed is the third important requirement. This has to be judged not as the speed of the aeroplane but the lapsed time for the journey from start to finish. For example, the journey between London and Paris requires less than one hour flight time plus little short of one hour fifteen minutes at each end to get between the airport and the city including formalities, customs and clearance. It would be absurd to employ faster and more costly aircraft to save ten minutes' flight time. The real answer from the public's point of view, to improve a journey between any two cities within three hundred miles of each other, is to use aircraft capable of operating from city centres. The flight time may increase to as much as one and a quarter hours London to Paris, but the overall journey time would be less than two hours, which is the important convenience from the traveller's angle. But aircraft capable of operating from city centres have not been developed. Luxury service and spacious accommodation are best described as "frills" which can be supplied for those who are prepared to pay for them.

Safety

Every form of transport contains a certain element of risk. The degree can be calculated by the number of fatal accidents per million miles of travel. There are several yardsticks that can be used but none gets down to the fundamental question: "Is air travel as safe as it could be?"

No matter how the record is dressed up for public consumption, the final conclusion must be that air transport could be considerably safer than it is and almost certainly safer than other forms of transport. The truth of the matter is that Government authorities, as well as air transport operators, have come to accept certain conditions because they have always existed. The fact that science and aerodynamic design have progressed, so that it is possible to eliminate or reduce these risk conditions, is ignored.

Another factor is that aircraft performance has advanced faster than the capabilities of equipment used to control and aid air traffic. For example to aid the big jet airliners in their approach to airports and the final let-down, radar coverage from the airport control tower should have a 300-mile range, whereas for slower aircraft a 50-mile radar coverage has been adequate. Very few airports have the necessary radar coverage to handle jet air transport traffic. Now the point is this: Was it wise or safe to introduce 600 m.p.h. airliners into an air-traffic system which is not capable of handling them?

Communications play a vital part in air traffic control. The existing systems are so out of date, and is being so overloaded with messages that airliners arrive at their next airport of call before the A.T.C. has received particulars of their departure from the airport from which they started! This can produce dangerous situations, and may deprive the aircraft commander of vital information, such as changes in weather conditions and wind direction. Again, I ask, would it not have been wiser and safer to have developed the communications systems to a level capable of handling so much air traffic, including such fast airliners?

Hardly anywhere in the world are the meteorological services capable of giving accurate weather forecasts for the upper air above 20,000 feet. The jet airliners' most economical cruising altitude is 30,000 to 40,000 feet. A friend of mine in aviation only a few weeks ago was flying non-stop across the U.S.A. He spent a good deal of time in the cockpit. The commander called for upper wind direction and force at 35,000 ft. so as to check his navigation. The control replied that they had no information above 20,000 ft. Over the North Atlantic, pilots rely on reports from other aircraft flying ahead of them.

Is this good enough? Imagine ships putting to sea with charts that only show the currents or rocks up to five or ten miles of land. Navigation would become an impossibility, or at best it would be a hazardous business. Yet, similar conditions are accepted as normal for air transport.

Aerius, in *The Log*, the official journal of the British Air Line Pilots' Association, December 1960, discussing the problem of excessive noise created by the big jet airliners, remarks: "Most jet airliners have plenty of power and manœuvrability, but, in my estimation, some of the procedures which operators have asked of their pilots in order to record good scores at the listening posts have reduced safety margins alarmingly." The point is, jet take-offs have had to be restricted, because the noise level is unacceptable, and the authorities are liable to take action against an operator whose aircraft make excessive noise above an agreed level. Cutting down power on take-off is one method of reducing noise, *plus* steep climb out, but this kind of thing is dangerous.

Surely, before jets were introduced or even ordered, their operational advantages and disadvantages should have been carefully assessed and any problems discovered, such as objectionable noise, should have been solved before the aircraft were certificated as safe for public transport. Since introduction, the operators have had to fit noise suppressors to each engine, which impose a heavy financial penalty both in capital outlay and hourly operating cost. It does not make sense adopting a class of vehicle for commercial air transport without knowing all the facts about it before it is purchased.

Rate of Accidents

What does all this sum up to? Taking the 1960 record from Lloyd's List and the previous years record from the International Civil Aviation Organisation, the accident record for 1960 was the worst since 1954. The statistics show a 1.27 passenger fatality for every 100 million passenger-miles.

The breakdown of accidents discloses alarming facts that conclusively prove that air navigation and air traffic control have been outstripped by aircraft performance. For example, twelve aircraft flew into the ground, hit hills or mountains. There were eight collisions on descent or approach to land. A part from this, there were twenty-five approach accidents. During take-off, fourteen accidents occurred, mostly to piston-powered types of aircraft.

Such a record clearly indicates that the authorities, together with the operators, have failed to develop air transport as a whole and that the essential aids and facilities are inadequate or entirely lacking. The effort has been to improve the aircraft so as to carry bigger loads at faster speeds but the control and navigation systems have not kept pace with these advances. There is no other explanation.

Those best qualified to judge, such as the pilots and air traffic control officers associations, have warned the authorities time and again but the only answer given to them is: *"the necessary equipment is being designed and is expected to be complete and in service within ten years."* Jet airliners have already been in service for more than two years. These same authorities are lavishing money on the design, development and building of supersonic airliners which may come into service by 1968 *or before the ground aids have been brought up to date to cope with subsonic air transport.*

If this is maintaining air navigation safety at a proper level, then I fail to understand aviation.

One of the great advantages of the turbine jet aero-engine is that it can use kerosene which is a much safer fuel than gasoline which has had to be accepted for piston engines in spite of the great risk of fire. There was no option in the case of the piston-powered type of aircraft. Believe it or not, but it is a fact that some operators have accepted the use of a fuel known as JP4, which is a mixture of gasoline and kerosene and which has combustion qualities nearly as dangerous as pure gasoline. Here is a totally avoidable risk which is being accepted, merely because JP4 is more readily available and also it is generally cheaper! Is it right to accept this unnecessary risk?

Storm Warning Radar (S.W.R.) an indispensable aid to safe air navigation of all turbine-powered aircraft, and almost as essential for all piston-powered aircraft, is not compulsory. Many operators do not equip their aircraft with S.W.R. Some have gone so far as to paint the aircraft noses black to give the experienced air traveller the impression that S.W.R. is fitted. This is sheer deception and should not be allowed. In fact, S.W.R. should be mandatory equipment. Aircraft have been lost in storms, others have been seriously damaged only escaping by luck or the skill of the pilot. The navigation aid exists that enables this risk to be eliminated, but it is not in general use!

Do these facts indicate that the authorities and the air transport operators are genuinely out to make air transport as safe as it could be?

Economy

The factor that controls the decision of the individual whether to use air transport in preference to other means of travel is, in ninety-nine cases out of a hundred, the cost. For the vast majority, the use of air transport, even for posting a letter over long distances, is far too expensive. It is estimated by a competent authority in America, where incomes are the highest in the world, that more than seventy per cent of the population has never even given air transport a thought, let alone used it for travel. In other words, the whole structure of air transport is planned to serve a small fraction of the richer classes, *plus* the businessman who has to pay whatever price asked, so as to procure quick travel to meet his business commitments.

Is this serving the general public or the needs of the average man? I fail to see that it is, especially when aircraft could be built to carry passengers at 30 to 40 per cent of the present air fares.

The astounding fact remains: not one aircraft operator in the world has ever gone to an aircraft manufacturer and asked him to produce an aeroplane that would carry the largest possible number of passengers for a distance of 1,000 miles for the lowest possible cost per seat-mile. The average air passenger journey is less than 700 miles so the thousand-mile range aircraft is adequate for most of the world's air traffic. Nobody wants such an airliner. Why? I am unable to explain, because such an aircraft makes a lot of sense to me.

The whole system of airline administration reeks with extravagance. The very ticket is an indication that the whole system is totally removed from practical business methods. Our domestic airline handles more than 700,000 passengers a year on scheduled air routes; for every one of these passengers a ticket has to be written out by hand, with carbon copies, and in addition passenger lists have to be prepared. Every bit of paper has to be double-checked and audited within the area, again centrally. Hundreds of clerks are permanently employed filling in all this waste-paper, when a cardboard ticket like the railways use would do perfectly well.

If perchance the passenger has excess luggage, the whole process has to be repeated for the luggage, instead of ringing up the amount charged on a cash register and handing the passenger the receipt slip, in the same way as the telegraph offices give receipts for telegrams.

This method of handling passengers is only an example of the totally unnecessary expenditures, all of which must be included in the air fares and cargo rates. Is there any wonder air travel is so fabulously costly. From anywhere in India to any capital in Europe the return air fare should not exceed Rs. 1,200. This would give the passenger a comfortable seat, but all meals and drinks would be extra, as they should be.

Air fares are internationally agreed. The operators maintain the International Air Transport Association which holds "Traffic Conferences" to decide the air fares and cargo rates,

(*Continued on page 507*)

THE COLONEL COMPLAINED ABOUT TROUBLESOME **PILES** UNTIL HE STARTED USING **HADENSA**

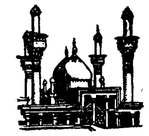
HADENSA promptly cures Piles, Haemorrhoids and Fissures; relieves pain and itching and is an excellent lubricant.

HADENSA contains no narcotics and is non-staining.

Z-445A

STEARIC ACID
(Double Distilled)
Manufactured by:
THE MODI VANASPATI MFG. CO.
Bombay State Distributors:
RAMJILAL LAKHMICHAND
Head Office: 333, Kalbadevi Road, Bombay-2 Phone: 39361
Branch: 695, Reid Road, Ahmedabad Phone: 2665
Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

A tale of Twenty-two Cities



From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them—in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to 1889 and closely associated with the rapid development taking place today.

India; Aden; Dubai; Sharjah and Abu Dhabi, Muscat; Qatar; Bahrain; Kuwait; Saudi Arabia; Jordan; Iraq; The United Arab Republic (Syrian Region); Lebanon; Libya, and Tunisia: these are territories where The British Bank of the Middle East operates. It has intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

THE BRITISH BANK OF THE MIDDLE EAST

Incorporated in England by Royal Charter 1889 *with Limited Liability.*
HEAD OFFICE: 7 King William Street, London E.C. 4.
BOMBAY OFFICE: 314 Dr. Dadabhai Navroji Road, Fort, Bombay.
Tel. Add.: BACTRIA. Telephone: 25-2267
Capital and published reserves £4,473,000
ASSOCIATED WITH
THE BANK OF IRAN AND THE MIDDLE EAST
Capital Rials 250,000,000
HEAD OFFICE: TEHERAN, IRAN (PERSIA). (P.O. BOX 1680)

"Pyramid" Brand
GRADE I QUALITY HAND TAPS

DIES

ACCESSORIES

& TOOL BITS

AVAILABLE EX-STOCK

"Pyramid" TAPS & DIES ARE PRODUCTS OF SKILL. FROM INITIAL MATERIAL SELECTION TO FINAL INSPECTION & PACKING "Pyramid" PRODUCTS ARE SUBJECTED TO INDUSTRY'S HIGHEST QUALITY CONTROL STANDARDS. "Pyramid" OFFERS A COMPLETE RANGE OF THREADING TAPS & DIES FOR EVERY INDUSTRIAL APPLICATION.

INDIA TAP & DIE CO. PRIVATE LTD.
C. S. TRACK ROAD, BALINA, BOMBAY 55 | 524, SADAR BAZAR, JHANSI (U. P.)

ASIAN CABLES CORPORATION LIMITED

CHAIRMAN, MR. G. B. KOTAK'S SPEECH AT FIRST ANNUAL MEETING

PRODUCTION TO COMMENCE IN ABOUT FIVE MONTHS

THE L.T. insulated wires and cables manufacturing plant of the Asian Cables Corporation Limited will commence operation within the next five months. This was disclosed by the Chairman of the Company, Mr. Girdharlal B. Kotak, when he addressed the First Annual Meeting of shareholders held at Bombay on Friday, 10th March 1961. Mr. Girdharlal Kotak also disclosed that the Company had planned to take up the production of L.T. plastic covered wires, for which the Government had already granted a licence and the Industrial Credit and Investment Corporation had agreed to give an additional foreign exchange loan of Rs. 5 lakhs. He further disclosed that foreign technical collaborators, Messrs. Enfield Cables Ltd., and their business associates, Messrs. Phelps Dodge Copper Products International Corporation of the U.S., had agreed to invest substantially in equity capital for the manufacture of H.T. paper insulated and P.V.C. power cables and super enamelled copper wires. Referring to the increasing demand for various kinds of electric cables following the expansion of the electricity generating capacity, he said that the Company's products, which would be manufactured strictly in conformity with the relevant Indian and other standard specifications, were assured of a very good market.

The following is the full text of Mr. Kotak's speech:

"GENTLEMEN,

"It is a matter of great pleasure to my colleagues and to me to welcome you all to this first annual general meeting of the Company. The Directors' report and the balance-sheet and the profit and loss account along with the auditors' report have been with you for some time and, with your permission, I shall take them as read.

"I wish, at the very outset, to thank you all for coming to this meeting which is a sign of the keen interest which you have in the progress of the Company. Let me assure you, on behalf of the Board of Directors, that the confidence which you have reposed in the management will be fully justified by the sustained progress of the Company's undertaking which is soon expected to start yielding results.

Intense Activities

"The year under review have been a period of intense activities for the planning of the Company's plant for L.T. insulated wires and cables and overcoming various bottlenecks and hurdles. However, thanks to the wholehearted efforts of all concerned, I am glad to inform you that the construction of the buildings and the erection of the plant are either completed or are in an advanced stage of implementation and the Company's plant will go into operation in about five months. Plans have also been made to add the manufacture of L.T. plastic covered wires to the present plant for which the Company has already received an industrial licence and the Industrial Credit and Investment Corporation of India Limited have agreed in principle to grant an additional loan of foreign exchange of Rs. 5,00,000 to enable the Company to import the required machinery from abroad. This additional plant will result in a much fuller utilisation of a considerable portion of the other plant and equipment of the first project and the increased production will provide a larger spread for overhead expenses and thus further augment the profit-earning capacity of the Company from their first project.

"Besides implementing the first project, our efforts have been directed towards achieving the establishment of the second project for the manufacture of H.T. paper insulated and plastic insulated power cables and enamelled copper wires, which your Directors consider most timely and promising in the context of the economic dynamism generated in the country today.

"Our nation, spear-headed by the national Government, has embarked on a bold and ambitious programme of industrial and economic development of the country to remove the poverty and unemployment as well as underemployment of the vast masses inhabiting this country. The development plans for both the public and private sectors involving an investment of nearly Rs. 10,000 crores are given a concrete and effective shape now in the third Five-year Plan. Although some critics feel that the investment target in the third Five-year Plan is over-ambitious, the consensus of responsible and well-informed opinion both in India and abroad is that the Plan targets are not only practical but also the minimum required to keep our march of economic progress comparable to that of another great Asian country, China, which is following the path of totalitarianism against that of social democracy followed in India.

Growth of Electrification

"The rapid industrial and economic progress under the impact of the first and second Five-year Plans has resulted in a phenomenal growth of electrification in this country. The total installed capacity of electricity generating plants has increased from 2.3 million kw. in 1950 to 6.9 million kw. in 1960-61 during the first and second Five-year Plans. The quantum of electricity generated in the year 1950 was 5,110 million kw. hrs. only, as against the estimated electricity generation of 20,700 million kw. hrs. in the year 1960-61 (the end of the second Five-year Plan).

"During the third Five-year Plan, the electricity generating capacity will be doubled and new power plants with an installed capacity of over 6 million kw. will be established. This means that the expansion during the next five years in electricity will be equal to what has been achieved during the last fifty years. Moreover, by the end of the third Plan a total of 38,520 towns and villages are proposed to be electrified. As a result of the programme of rural electrification, there is a tremendous spurt in the growth of small-scale and medium-size industries. The natural outcome of all this is an increasing demand for various kinds of electric cables. This, therefore, ensures a very good market for the Company's products which will be manufactured strictly in conformity with the relevant Indian and other standard specifications.

Project II

"After sending the Directors' report, a new development has come about which might necessitate revising some of our views on Project II, as has been mentioned in the report. Recently, the Government of India has directed that aluminium should be substituted, wherever technically feasible, in place of copper in the manufacture of cables. Our technicians and our collaborators are studying this question with a view to co-operating with the Government in this matter. It may, however, necessitate some changes in the project inasmuch as this change-over from copper to aluminium in the bulk of the cable conductors might obviate the necessity for the copper rod mill and, in its place, we will include an aluminium rod mill of the Properzi type. These changes, however, would not affect the equity capital to be issued.

"Our present technical collaborators, Messrs. Enfield Cables Ltd. have evinced a keen interest in the proposed Project II for the manufacture of the H.T. paper insulated and P.V.C. power cables and super enamelled copper wires. They, along with their business associates, Messrs. Phelps Dodge Copper Products International Corporation, one of the biggest cable manufacturers in America, have shown their willingness to invest substantially in the equity share capital of the Company. The terms of this foreign collaboration agreement, covering both capital participation and technical assistance, are under the scrutiny of the Government of India. Your Directors are actively pursuing the matter and the shareholders can rest assured that, immediately on getting the Government's approval, steps will be taken to implement the expansion scheme of Project II.

"Before I conclude, it is my pleasant duty to express thanks on behalf of the Board and on my own behalf to the two Managing Directors, Shri P. B. Kotak and Shri N. H. Kotak, who have been all along working tirelessly and without receiving any remuneration, Dr. C. A. Mehta, Executive Director, Shri S. R. C. Poti, the Technical and Commercial Manager, and all the other members of the Company's staff, for the hard work they have put in to establish the industry.

"Gentlemen, I now move that the Directors' report and audited statement of accounts for the period ended 31st December 1960 be adopted."

Swiss Industries Fair Basle

15th April to 25th April 1961

An impressive parade of products spotlighting Swiss Manufacturers' Skill and Craftsmanship in Plastics, Electrical and Watch Industries, Mechanical Handling Equipment and Textile Machinery will be on display at the 45th Swiss Industries Fair.

For information write to:
Swiss Embassy, P.O. Box 392, New Delhi
Swiss Consulate General, 127, Mahatma Gandhi Road, Bombay
Swiss Consulate, P.O. Box 47, Calcutta
Swiss Trade Commissioner, P.O. Box 102, Bombay

FLY THERE BY
SWISSAIR

GUIDE TO COMPANY MANAGEMENT

By

Messrs. JOHN & ROW

An Indispensable Guide to all persons concerned with Company Management, including Managing Agents, Directors, Secretaries, Auditors.

Price Rs. 5

EXPRESS PUBLISHERS (PRIVATE) LIMITED

33, BROADWAY, MADRAS-1

INSTRUMENTS

FOR

INDUSTRY

SCIENCE

ENGINEERING

•

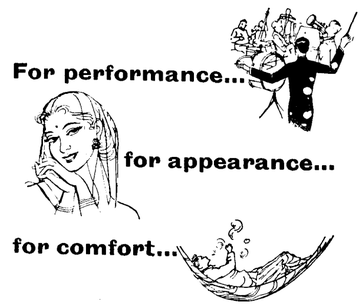
CONTACT:

TOSHNIWALS

198, Jamshedji Tata Road

BOMBAY-1

AJMER - CALCUTTA - DELHI - MADRAS

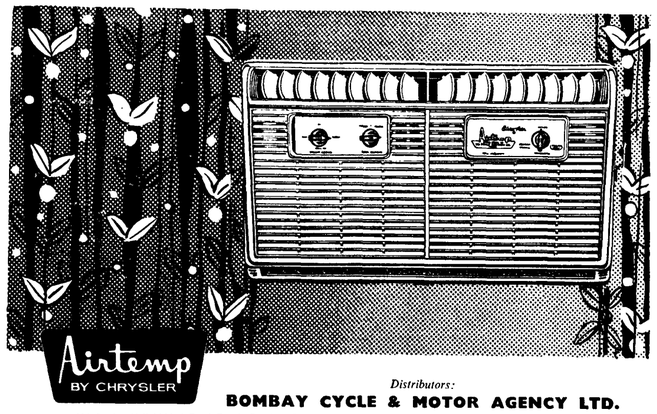


Airtemp rates tops

The Chrysler *Airtemp* rates *tops in performance*—with its remarkably quick cooling and absolute noiselessness; *tops in appearance*—with its beautiful exterior finish and flush-fit; *tops in comfort*—with its even distribution of air. All this plus a five-year warranty too.

Install an *Airtemp* today and get the best in room air conditioners.

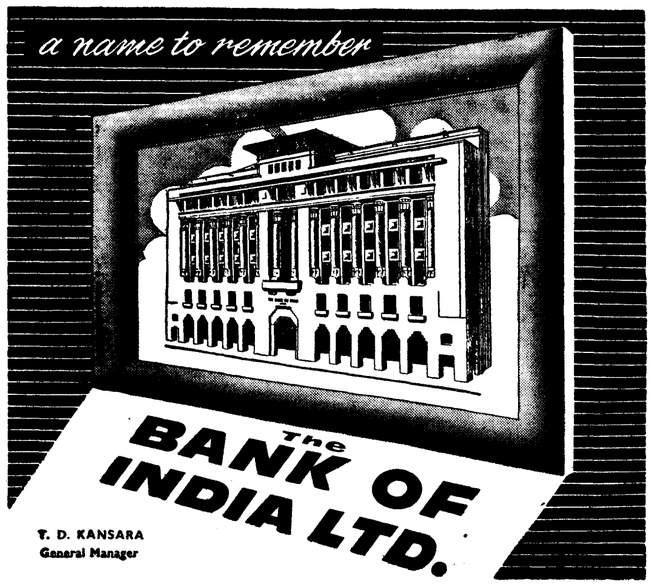
✳ *Buy outright or on easy payment terms*



Distributors:
BOMBAY CYCLE & MOTOR AGENCY LTD.
534 Sardar Vallabhbhai Patel Road, Bombay 7 ★ Phone: 70684 - Grams: "CYCLOSTERS Grant Road, Bombay"

SISTA'S-BCM-46

DEALERS:
Messrs. Himalaya Mfg. & Sales Company, DELHI-7.
Messrs. Blue Star Engineering Company (Madras) Private Limited, MADRAS-1.
Messrs. Auto Distributors Limited, CALCUTTA-16.
Messrs. Electro Air Conditioning Corporation, AHMEDABAD-1.
Messrs. Atlas Engineering Corporation, BOMBAY-1.
Messrs. Narbheram & Company Private Limited, JAMSHEDPUR-1.
Messrs. Natural Gas Company Private Limited, POONA.



T. D. KANSARA
General Manager

MORE ON L.I.C.'S NEW BUSINESS

SOUTHERN ZONE LEADS OTHERS

WRITING in the January 1960 issue of the *Yogakshema* on the prospects for new business in 1960, Mr. P. A. Gopalkrishnan, I.C.S., Chairman of the Life Insurance Corporation of India, stated: "1960 is a crucial year for the progress of life insurance in India. The Corporation has consolidated its position and is well poised to reach greater heights of achievement in its efforts to offer the benefit of life insurance protection to every eligible person in the whole of India." The new life insurance business done in 1960, the details of which are now available, shows that the Chairman's estimate of the Corporation's ability to meet the challenge of life insurance has been largely correct. Although new business booked during the year failed, as was briefly reported in our last issue, to reach the target of Rs. 525 crores fixed for the year under the Corporation's five-year plan, the performance must be regarded as encouraging, inasmuch as the new business written rose by an impressive Rs. 68 crores, or over 15.4 per cent, as compared with the previous year. Business in India, as usual, accounted for the bulk of the new underwriting, Rs. 484.47 crores, as against Rs. 429.17 crores in 1959. Foreign business recorded only a modest increase of Rs. 0.23 crore to Rs. 9.70 crores, as against Rs. 9.47 crores in 1959. The reasons for this poor increase are: (1) political situation in certain countries where the Corporation operates, leading to a flight of capital, (2) migration of Asian and Indian population from these areas and uncertainty amongst those remaining behind.

The following table gives the zone-wise break-down of new business done in India, foreign business in 1960 and the percentage of completion, as compared with the previous year:

(In crores of rupees)

Zone	1960 (completed business)		1959 (completed business)	
	Total	Percentage of completion	Total	Percentage of completion
Northern	72.96	85.6	54.66	86.8
Central	63.51	83.2	54.61	83.4
Eastern	118.34	91.9	97.27	91.4
Southern	122.85	89.0	113.02	90.7
Western	113.46	86.1	100.24	86.6
Total(Indian'business ..	486.29	87.7	419.70	88.8
Foreign business ..	9.70	82.3	9.47	84.6
Grand Total ..	495.99	87.5	429.17	88.2

From the point of view of total business, the southern zone, with Rs. 122.85 crores of completed business, topped the list, followed by the western and eastern zones accounting for Rs. 113.46 crores and Rs. 111.74 crores, respectively. But from the point of view of increase in business over the 1959 figures, the northern zone, comprising Rajasthan, Delhi, Punjab, Himachal Pradesh and Kashmir, has the distinction of the first place, by showing an increase of 34.8 per cent. In respect of percentage of completion of business, however, the eastern zone, comprising Bengal, Assam, Orissa and Bihar holds the pride of place, by completing 91.9 per cent of introduced business, as is evident from the following table:

(Sum assured in crores of rupees)

Zone	1960		1959	
	Sum assured	Percentage of completion	Sum assured	Percentage of completion
Southern	122.85	89.0	113.01	90.7
Western	113.46	86.0	99.96	86.6
Eastern	111.74	91.9	96.15	91.3
Northern	72.92	85.5	54.09	86.7
Central	63.50	83.2	54.48	83.4
Foreign	9.7	82.3	9.47	84.5
Total* ..	494.17	87.5	427.16	88.2

* Excluding *Janata* business.

The average sum assured per policy in respect of business in and outside India during 1960 showed an increase over that of 1959 and 1958. The average sum assured per policy for the total business of the Corporation was Rs. 4,008 in 1960, as compared with Rs. 3,805 in 1959 and Rs. 3,666 in 1958. The average for business in India itself was higher at Rs. 3,954, as against Rs. 3,747 in 1959 and Rs. 3,627 in 1958. Zone-wise, the northern zone has maintained its first position in this respect. The western, central and eastern zones have ranked second, third and fourth, respectively. The southern zone continues to be at the bottom of the list, with the average sum assured per policy aggregating no more than Rs. 3,488 which is below the average for both the total business (Rs. 4,008) and Indian business of the Corporation (Rs. 3,954). These trends broadly reflect the economic status of the people in the various zones of India.

The following table gives the average sum assured per policy in different zones:

Zones	1960	1959	1958
	Rs.	Rs.	Rs.
Northern	4,794	4,531	4,693
Western	4,169	3,987	4,022
Central	4,020	3,992	4,056
Eastern	3,832	3,667	3,642
Southern	3,488	3,266	2,894
Total (in India)	3,954	3,747	3,627
Foreign	12,534	11,069	10,409
Grand Total ..	4,008	3,805	3,666

With the completion of Rs. 496 crores of new business in 1960, total life insurance business in force at the end of the year amounted to about Rs. 2,400 crores, as compared with Rs. 1,862 crores at the end of the previous year. Although total business in force at the end of 1960 is more than double that at the close of 1955, it still accounts for only about 19 per cent of the national income (Rs. 12,470 crores in 1958-59 at the then-current prices). It is true that this figure compares favourably with the percentage of 11 that obtained in 1955, but it is very much below the percentages obtaining in other countries. For instance, in Canada and the U.S., to mention only two countries, life insurance business in force actually exceeds the national income. In the former country, it exceeds by as much as 157 per cent. India is, by comparison, a poor country and the saving potential of the people is consequently low. Nevertheless, the present coverage is quite meagre even after making allowance for the low standard of living and *per capita* income.

Announcing the new business figures for 1960, the Chairman of the Corporation, Mr. P. A. Gopalkrishnan, referred to some of the main developments during the year which have a bearing on the new business figures for 1961. One was the stoppage of issuing joint life policies and the reimposition of certain restrictions on female lives. This decision was taken, the Chairman explained, because the experience in respect of joint life policies was adverse. The mortality of female lives had shown an alarming increase of 150 per cent in three years. It was found that, in many cases in which joint policies were issued, there was no real need for insurance on the female life, the motive being purely speculative. Consequently, the Corporation decided to stop issuing policies under the joint life plan, except in the case of proposers who were partners in business. Moreover, most of the restrictions, subject to which policies on female lives were issued and which were removed in 1957, were reintroduced, because it was found that a considerable measure of adverse selection was being exercised against the Corporation in respect of such business. A revised schedule of ratings, containing extra charges on account of sex to certain categories of female lives, has also been drawn up.

The aforesaid actions, it must be said, were wise and in the larger interests of the policyholders as a whole. The adverse selection exercised against the Corporation was due partly to the overenthusiasm on the part of the field force to increase the volume of business and partly to the failure of the Corporation's medical examiners to adhere strictly to the standards of physical fitness laid down. Unless there was some form of collusion between the proposers and the Corporation's field and medical staff, it is difficult to understand how so fantastic a rise in mortality of 150 per cent during three years could have happened. This only underlines the need for stricter discipline and more integrity on the part of agents and medical staff, which alone can safeguard the Corporation from the speculative manœuvrings of unscrupulous clients.

One of the avowed objectives of the Corporation is to carry the message of insurance to rural areas, so that every man and woman, who has need for life insurance and who can afford to pay for it, is enabled to obtain it. The fact that the Corporation's activities are increasingly penetrating into rural areas is evident from the share of rural business in the total which has shown a steady improvement over the past few years. From 37 per cent in 1957, the percentage of rural insurance to the total business has risen to 46 per cent in 1960. The *Janata* scheme, which has been specially tailored to suit the needs of the small man, has, however, not proved popular, except in some areas. Nevertheless, the Corporation has decided to continue the scheme, albeit only in areas where it has been found worthwhile. The Corporation will do well to undertake a special study of the *Janata* scheme, with a view to assessing the degree of success or failure in different areas and the reasons for them. The cost of the scheme also needs to be kept under constant scrutiny, so that, should it be found uneconomical, steps could be taken to mend or end it. The important point to be borne in mind, in this connection, is that it should not prove a drag on other sound and profitable plans.

PLANTING

(*Concluded from page* 484)

The report, however, considers that prospects of exports to these markets are quite good, subject to three considerations. In the first place, continuity in supplies should be assured. Secondly, price is an important consideration with the geographical and political proximity of Latin America. Thirdly, building up of a "quality image" direct with the consumer can have long-range marketing potentialities for washed arabicas. In this connection, the report says:

"Many of the larger American coffee manufacturing concerns operate in both the countries. India as a sister member of the Commonwealth is entitled to import concessions as in the case of Canada. Soluble coffee has come to stay in these markets. The Indian robustas could, perhaps, compete with the Africans for this portion of the markets. Any characteristic to our advantage that could be assessed on a scientific basis is sure to have an advertising value in these educated markets. This would apply to the United Kingdom and Australia too."

Among the West European countries, mention is made of Italy, the U.K., and Finland. The latest position is summed up thus:

"India's exports to Italy have been increasing; in the U.K., however, they have lost to the British territories in Africa; in Finland, their foothold is loose. Price is once more the dominating factor. The other considerations which seem to weigh with the trade are the ambiguity about supplies and a lack of proper classification."

The report commends for acceptance some suggestions put forward by a trader in Italy. Among them, three stand out prominently, namely (*a*) specific mentioning of the name "Indian robusta"; (*b*) a more detailed classification of coffees according to types and prices; and (*c*) removal of the minimum prices at public auctions for large, sampled lots. Promotional activities in Italy, it is felt, cover first trade promotion, followed by consumer promotion and then personal contacts by meeting propagandists followed up by monthly illustrated brochures giving up-to-date information on crops, prices and refinement in cultural practices. Further, it is stressed that the creation of a prominent local restaurant of an Indian blend will promote popular taste, and this will have to be supported by a tie in advertising programme in suitable media. It is also stressed that a public relations programme with articles of general interest in weekly magazines will help create an atmosphere for Indian coffee with the consumer.

With regard to Finland, the report expects that negotiation for a possible change in Finnish customs rates may prove fruitful and emphasises the need for personal approach. In the case of Lebanon, it suggests the distribution of free samples for tasting by a leading importing firm there. Speaking of Continental Europe generally, the report says that, with an expanding economy and plans for improved standards of living in this part of the Western Hemisphere, the promotional activities of the recently formed European Coffee Bureau augurs well. In its opinion, a "Coffee Congress" for Indian coffee under the auspices of this Bureau in a few central places will promote contacts with importers.

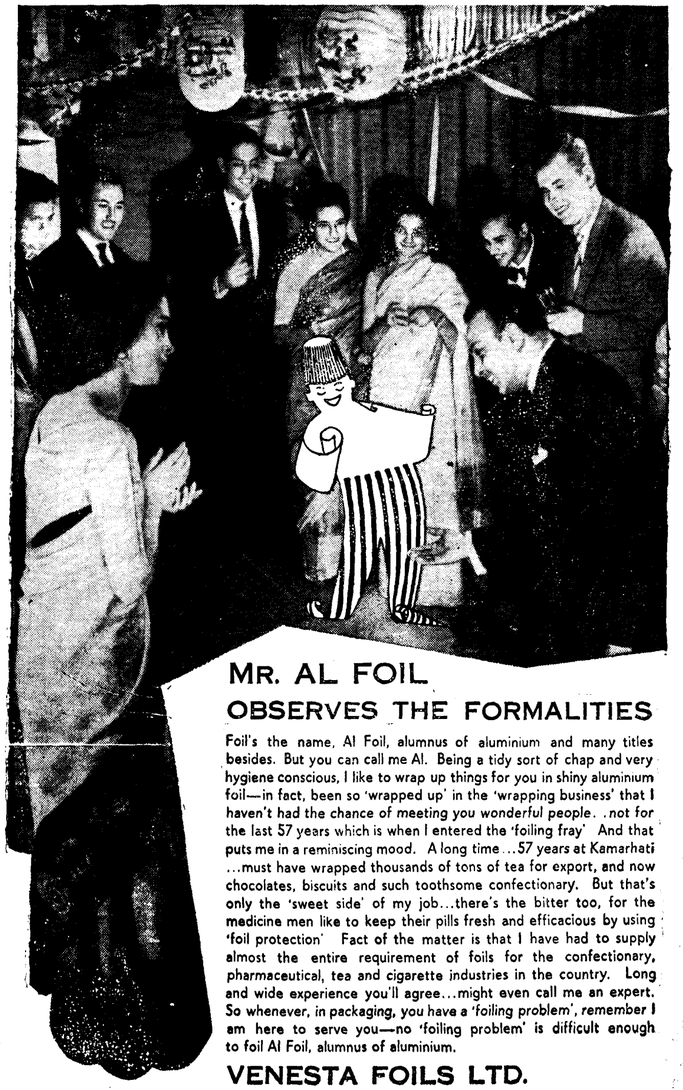
The foregoing account will show that the author of the report has concentrated only on the situation obtaining at the importers' end and offered some suggestions. He has not indicated what measures are required to improve conditions at the exporting end, that is, within the country. It is this lacuna that limits the importance of the survey. On more than one occasion in the past, this journal has drawn the pointed attention of the authorities to the urgency of reforms in spheres such as the constitution of Coffee Board, weird and outdated multi-channel sales, auction by closed bids, and export sales by calling tenders, and restricting the trade only to registered dealers.

The
Union Bank
of India Limited.
(ESTD: 1919)
Head Office:
Union Bank Building
Apollo Street
BOMBAY-1
★
WITH WORLD-WIDE CONNECTIONS WE ARE FULLY EQUIPPED TO HANDLE EVERY KIND OF FOREIGN EXCHANGE BUSINESS
★
F. K. F. Nariman, *General Manager*

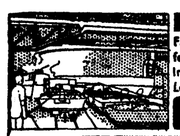
THE SOUTH INDIA
INSURANCE CO., LTD.
Incorporated in India
(Established 1934)
FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS
Head Office:
Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

OBTAIN FREE BROCHURE ON PATENTS & TRADE MARKS
Contact:
PURUSHOTTAMDAS GOKULDAS
Patent Attorneys
39D, People's Building, Ground Floor,
Sir Pherozshah Mehta Road, Bombay-1.
Telephone: 245914—258172.

Advertiser holding Import Licence for Rupee payment for High Tension Insulators from German Democratic Republic. Those who can arrange supply against this licence 'post type insulators' only from 11 kv to 110 kv need alone reply to Post Box No. 6, Trivandrum-1.



MR. AL FOIL
OBSERVES THE FORMALITIES
Foil's the name, Al Foil, alumnus of aluminium and many titles besides. But you can call me Al. Being a tidy sort of chap and very hygiene conscious, I like to wrap up things for you in shiny aluminium foil—in fact, been so 'wrapped up' in the 'wrapping business' that I haven't had the chance of meeting you wonderful people. . .not for the last 57 years which is when I entered the 'foiling fray' And that puts me in a reminiscing mood. A long time . . . 57 years at Kamarhati . . . must have wrapped thousands of tons of tea for export, and now chocolates, biscuits and such toothsome confectionary. But that's only the 'sweet side' of my job . . . there's the bitter too, for the medicine men like to keep their pills fresh and efficacious by using 'foil protection' Fact of the matter is that I have had to supply almost the entire requirement of foils for the confectionary, pharmaceutical, tea and cigarette industries in the country. Long and wide experience you'll agree . . . might even call me an expert. So whenever, in packaging, you have a 'foiling problem', remember I am here to serve you—no 'foiling problem' is difficult enough to foil Al Foil, alumnus of aluminium.
VENESTA FOILS LTD.
KAMARHATI, 24 PARGANAS, WEST BENGAL
Selling Agents: Indian Aluminium Co. Ltd., Calcutta Bombay, Madras and New Delhi
VFC-3



FERRO-MANGANESE *Vital alloy for steel*
FACOR manufactures high carbon standard grade ferro-manganese, enough to feed every plant and foundry in India . . . and for export that will earn vital foreign exchange
Local and export enquiries solicited
FACOR *laboratory ensures quality*

FERRO ALLOYS CORPORATION LTD. Shreeram Bhavan, TUMSAR (Bombay State), India. Tel: FACOR Phone: 33

WILL BRITAIN JOIN COMMON MARKET?

CHANGES IN COMMONWEALTH PREFERENCE LIKELY

THE major preoccupation of the Commonwealth Prime Ministers at their conference this week at London is bound to be international political affairs, such as *apartheid*, disarmament and the Congolese imbroglio. Nevertheless, some of the latest developments in the European economic and commercial scene are too important to escape their attention. It may be recalled that, at last year's conference, the U.K. presented to the other Commonwealth Prime Ministers the blue-print of the Outer Seven (E.F.T.A.), a new trading bloc in Western Europe (which came into being in July 1960). No less significant is the new trends in the British thinking *vis-a-vis* the rest of Europe which confront the Commonwealth Prime Ministers now. The U.K. proposes to join the Common Market of the Six (France, West Germany, Italy and Benelux countries), albeit with certain reservations. Mr. Edward Heath, Lord Privy Seal and British Minister for European questions, put forward the present British stand a few days ago at Paris at a meeting of the West European Union—the only body at present with both the U.K. and the Six as its members. Mr. Heath's suggestions are particularly important, in that it is the first official exposition of the new turning point in British thinking. If the Six could somehow reconcile themselves to Britain's obligations to the Commonwealth and its agriculture, Mr. Heath observed, the U.K.'s entry into the Common Market could be facilitated. In such an event, he said, the U.K. would consider a system based on a common or a harmonised tariff on raw materials and manufactured goods imported from countries other than the Seven or the Commonwealth. In effect, this means that, if the latest suggestions of Britain were accepted by the Six, the Seven would continue to exist side by side with the Six, with the U.K. having preferential trade ties with both the blocs. Accordingly, the U.K. will have, for some time to come at least, a four-tier tariff structure with different tariffs on some goods, in ascending order, first the Commonwealth, then the Seven, third the Common Market and fourth the rest of the world.

U.K. and Commonwealth

From what transpired at the Paris meeting, which was held *in camera*, it would appear that, so far as Commonwealth preference is concerned, the U.K. is willing to sacrifice the advantages which it derives from Commonwealth preference. But, at the same time, it will not, it is averred, impose common tariffs against imports from the Commonwealth countries even though the latter will be free to import, for instance, French cars, at the same tariff as the British. Mr. Heath hoped that this arrangement would be welcome to the Commonwealth countries. He added, significantly enough, that the U.K. would not stand in the way of direct negotiations with the Six by any of the Commonwealth countries on reductions in tariff preferences which the U.K. still enjoyed.

Giving an insight into the merits, as well as limitations, of Mr. Heath's proposals, the London *Economist* observes as follows:

"The proposals show that British European policy has taken two steps forward. Either would have been regarded as pure heresy a year ago. It is true that in practice the two concessions mean less than appears at first sight. Study has shown that the total British tariff against third countries is remarkably similar to the common market tariff with which it would need to be harmonised. Still, harmonisation would involve considerable changes for particular items (including sharp cuts for some manufactured goods), and the idea of allowing our tariff against, say, Japanese goods to be fixed for all time by somebody other than the British Parliament itself is pretty revolutionary. Since the preferences in the Commonwealth are declining steadily in value, it is no more than common sense to use what is left to bargain a way into Europe. But here again a political sacred cow is being sacrificed, and the common sense is welcome. So is the new political attitude Mr. Heath expressed in Paris. The Government no longer excludes membership of the Common Market. It has an open mind. The new interest British opinion has been showing in Europe during the past year has now found some articulate reflection in Government policy."

France Invites U.K.

While the British proposals do reflect its unmistakable desire to associate itself with the Six, subject to certain conditions, they amount to nothing more than a new "approach" rather than any cut and dried plan on the basis of which the U.K. would join the Six. It has not been made clear, for instance, whether the U.K. is prepared to accept the basis of the Rome Treaty, with all its political implications. Be that as it may, it is significant that France, one of the leading members of the Six, which until recently was almost hostile to any plan for associating the U.K. with the Six, has tended to reciprocate the British proposals in a conciliatory attitude. Following close on the heels of Mr. Heath's statement, M. de Murville, French Foreign Minister, made it clear in a speech at the Consultative Assembly of the Council of Europe at Strasbourg, that it would welcome any new European country desirous of joining the Common Market. He added that, in expanding the Common Market, the character of each country and the ties or particular obligations contracted by it in certain respects must be taken into account. M. de Murville's speech is considered as a virtual invitation to the U.K. to join the Six. France, however, maintains that it is upto the U.K., if it decides to join the Six, to propose solutions which will fit in with the Rome Treaty and be acceptable to the French and Common Market opinion. The other members of the Six, too, have generally welcomed the British proposals. Mr. Luns, the Dutch Foreign Minister, considered to be an ardent advocate of closer union of the Six with the U.K., for instance, has expressed the view that the new proposals were "extremely important and opened up new prospects." A clear picture of the probable solutions will be available only after the proposed discussions between the French and the U.K. officials scheduled to be held at London in next May.

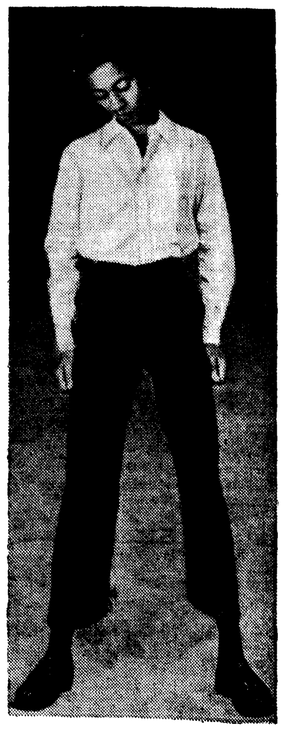
The growing enthusiasm of the leading members of the Six, as also of the U.K. itself, over the question of the latter's participation in the Common Market, seems to have side-tracked, at least for the time being, the major issue now confronting the Western Europe, namely, the need for bridging the gulf between the two trading blocs, which have come to stay as separate and well-defined entities. While lip-service is being paid to the importance of avoiding a schism in Western Europe, there has hardly been any attempt to reach an amicable settlement based on a positive programme. In fact, both the blocs have been taking determined steps to accelerate the pace of integration among themselves. The Ministerial Council of the Seven, which met at Geneva in the middle of last month, (a short report on which appeared in *Commerce* dated 28th February 1961) decided to put into effect a further tariff reduction of 10 per cent on 1st July next, even though it was originally scheduled, under the Stockholm Treaty, to take place only on 1st January 1962. It may be recalled that the Seven had reduced tariffs by 20 per cent on 1st July 1960, for the first time. By the middle of this year, tariffs within the E.F.T.A. will have thus been brought down by 30 per cent.

Tariff Reduction

The process of speeding up the cut in E.F.T.A. tariffs is welcome to the extent that it will enable this bloc to keep in step with its confrere, that is, the Common Market. With an additional 10 per cent cut in internal tariffs on industrial goods in the beginning of this year, the Common Market has already reduced its tariffs by 30 per cent—the previous two cuts of 10 per cent each were made in January 1959 and July 1960, respectively. According to the revised time-table, the Six will have completely removed internal tariff barriers by 1965, as against the original year of 1970. The next tariff cut of 20 or 10 per cent will, it is said, be made in January 1961, and the E.F.T.A. is likely to follow suit, unless means are found to bring the two blocs together before the current year is out. Another important measure implemented by the Six from the beginning of this year is the move towards a common external tariff in respect of industrial goods. By 1965, all the members of the Six will have identical customs duties on imports from countries outside the bloc. The common external tariff, it may be noted, was to be the arithmetic average of the duties among the Six, but this arrangement has been so revised as to reduce this level further, that is, the arithmetical average minus 20 per cent.

The Birthday Gift

Mother stitched a pair of trousers for his birthday and sent them to the laundry so that they would look fresh, crisp, new. But they shrunk—she had forgotten to look for the label 'Sanforized'!



If only she'd taken a little more care in the selection of the fabric, these trousers would have retained their immaculate fit even after many, many washings.

Make certain you get the full measure of value of the material you buy—
Look for
'SANFORIZED' REGD TD'MK
on the label
and your clothes will never shrink out of fit!

Issued by Cluett, Peabody & Co. Inc., (Incorporated in the U.S.A. with limited liability) proprietors of the Registered Trade Mark 'Sanforized'. The use of the trade mark 'Sanforized' is permitted only on fabrics that meet this Company's rigid anti-shrinkage requirements.

For information: 'Sanforized' Service, 95 Marine Drive, Bombay 2

UNION CARBIDE ENTERS PLASTICS FIELD

TROMBAY PLANT COMMISSIONED

TROMBAY, once a forlorn and desolate suburb of Bombay, is at present humming with industrial activity. With two petroleum refineries, a thermal power station and an atomic reactor already functioning and many more plants springing up every year, Trombay is fast becoming a solid base for a vast industrial complex. The latest addition to this list of industries is the Rs. 4.5-crore plant of Union Carbide India Ltd., located on a 61-acre site, which was inaugurated by Mr. Manubhai Shah, Union Minister for Industry on Saturday the 11th inst. The Trombay plant marks the entry of Union Carbide, for the first time in this country, into the chemicals and plastics manufacturing fields—fields in which the Company's parent body, the Union Carbide Corporation, U.S., is an acknowledged leader. This brings the total number of the Company's manufacturing units in India to five. The Trombay plant has an annual capacity to produce about 15 million lbs. of polythylene resins and organic chemicals, such as acetic acid, butyl alcohol, butyl acetate and ethyl acetate, worth Rs. 2.5 crores. The indigenous production of these important raw materials, which caters to the needs of a wide range of industries, it is claimed, will help save the country Rs. 2 crores in foreign exchange annually. An important feature of the Trombay plant is that all the products manufactured there are based almost exclusively on the indigenously available industrial alcohol as the primary raw material. Its anticipated requirement of about three million gallons of alcohol annually will be met by the Government of Maharashtra's Chitali Distillery, situated about 200 miles from Trombay. The management of the Union Carbide is already contemplating expansion in the sphere of other new chemicals, entailing an additional capital outlay of Rs. 10 crores.

Mr. J. R. Galloway, Managing Director of Union Carbide India Ltd., considered the new venture a shining example of Indo-American co-operation at its best. He added that the new plant was the contribution of the Union Carbide towards India's economy in its onward march to the take-off stage. Mr. Manubhai Shah, in his inaugural speech, complimented the management of the Company on their new venture. He made an impassioned plea to other foreign entrepreneurs also to help industrialise India by providing both financial and technical collaboration. He assured all assistance and encouragement to prospective entrepreneurs from abroad.

With the commissioning of the new plant, the happy association of Union Carbide India Ltd., with this country, which extends over the last half century, has taken deeper roots. It was as far back as 1905 that the Company—then under the name Ever Ready Company—commenced business on an indent basis in India. In 1926, it started manufacturing operations in India under the name Ever Ready (India) Company. Its first unit was the Canal Road Works which was located in Calcutta with an annual production capacity of 6 million flash-light cells. Business continued to boom and, in 1934, the Ever Ready Company (India) Ltd. was incorporated in India as a private company. Within a year, the Company's installed capacity was increased to 15 million cells. The next development was the formation in 1938 of the United Battery Distributors Limited which was appointed the sole selling agent in India for the Ever Ready Company (India) Limited and National Carbon Company Inc., with sales offices in Bombay, Calcutta, Karachi and Madras.

In 1940, the Company established at Camperdown, near Calcutta, India's first modern dry battery plant with an annual capacityi of 40 million cells per year, which was subsequently raised to 100 million cells. The following year Ever Ready Company (India) Limited changed its name to National Carbon Company (India) Limited and assumed the selling functions of United Battery Distributors Limited. The headquarters of this newly-formed company was located in Calcutta with regional sales offices in Bombay, Delhi and Madras. In 1949, the Company installed a manganese ore crushing and grinding mill—the first of its kind in India—enabling the Company to use basic raw materials direct from the mine in bulk for further processing. In 1952, it established a second battery plant with an annual capacity of 25 million cells at Madras, and the following year special equipment was installed at Camperdown Works to produce Mini-Max flat cell batteries for radios, telecommunications equipment and other specialised applications with an annual capacity of 35 million cells. In 1956, the Company erected a zinc rolling mill—India's first—at Kidderpore, Calcutta, for the production of high quality zinc alloy strips, which had been wholly imported until then. From 1948 onwards, the Company started operating as distributor in India for a wide range of chemicals, plastics and allied products manufactured by its American associates as well as certain other reputed international manufacturers.

The organic chemicals, now being manufactured at the Trombay plant, serve as raw materials, intermediates and aids in the processing and manufacture of a whole host of products for industry and the home—from paints to printing inks to pharmaceuticals and antibiotics and from foodstuffs to furniture and photographic films. End-products made from the other primary product of the Trombay plant—polyethylene resins and compounds—find equally diverse uses in the agricultural, industrial and domestic fields.

Attached to the Trombay plant is the Polyethylene Service Laboratory, which seeks to help convertors in technology and engineering matters as well as to widen the usage of polyethylene. The Union Carbide Corporation, U.S., in its 28 research laboratories located all over the world, is already spending annually the equivalent of about Rs. 35 crores on research. It is to be hoped that the Indian Company and consumers of its products will benefit from the parent Company's rich experience in technology and research in the sphere of organic synthetic chemicals.

AIR TRANSPORT

(*Concluded from page* 500)

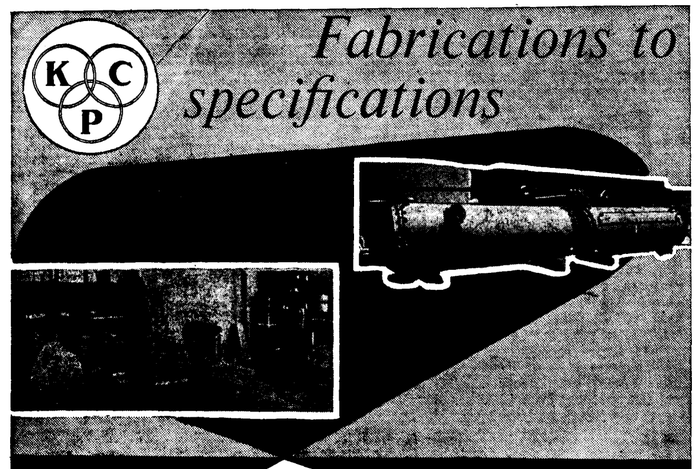
which are then submitted to Governments for approval. By adopting this device, the operators can loudly proclaim that they are not responsible for "fixing" air fares. Many of the operators are owned by their Government, so it is a foregone conclusion that any air fare submitted for approval will be accepted by Government, who rubber stamp the proposal, probably without even looking at it.

There are operators who are very far from satisfied with this state of affairs. Over the last two years, the I.A.T.A. conferences have been conflicts. The 1958 one broke down completely and only a last minute settlement on a compromise basis saved I.A.T.A. from disintegration. Now the 1961 Paris conference on cargo rates has broken down, and both Panam and B.O.A.C. have announced cargo rate reductions over the North Atlantic ranging between sixty and seventy per cent, to come into operation from 10th April 1961, if no agreement is reached beforehand. The North Atlantic is the gold-ribbon route of the air and other routes are tuned to it. So, if cargo rates come down in April this year, it may be expected that lower rates will be applied to other routes within a year.

The vital thing is this: if no I.A.T.A. agreement is reached, this virtually means the break-up of I.A.T.A. air fare and cargo rate fixing machinery. Nothing could be better for the progress of air transport. Some operators will go down in the struggle, but the law of supply and demand will find the correct economic level for air fares and cargo rates. The public will benefit by reasonably priced air travel and cargo carriage.

There are powerful influences behind I.A.T.A. so, perhaps, it is too much to hope that open rates will prevail, safeguarded with moderate controls such as exist throughout the shipping world. The air transport industry is comparatively inexperienced, being a newcomer in the field of world transportation, but the sooner it learns that keen competition is the way to prosperity and that monopoly is a dangerous umbrella under which to shelter, the better it will be for all concerned.—*All Rights Reserved.*

Fabrications to specifications



Under licences
from Messrs Fives-Lille-Cail,
France, who built the largest sugar and cement plants in the world and have supplied Soviet Russia in 1959 a five thousand ton daily capacity cement plant, we manufacture machinery and equip complete sugar and cement plants.

We also manufacture and supply complete sulphuric acid and super phosphate plants. We have secured orders for five complete sugar plants, of one thousand tons daily sugar cane crushing capacity.

Consult us with confidence

THE K.C.P. LTD.
Regd. Office: 38, MOUNT ROAD, MADRAS-6
'Phone: 84442 (3 Lines) Telegrams: KECEPE
KCP-9-SA

ALKALI CHEMICAL ACHIEVES RAPID PROGRESS

SUBSTANTIAL ADDITION TO RESERVES—ONLY MODEST RISE IN DIVIDEND

THE financial record of the Alkali and Chemicals Corporation of India Limited (Secretaries: Imperial Chemical Industries (India) Private Limited) is a matter of pride for this premier chemical company in the country, which produces a wide range of products. The sale proceeds of the Company have been continuously rising in recent years. During the year ended 30th September 1960, the latest year for which accounts have been published, sales fetched Rs. 539.89 lakhs as against Rs. 343.93 lakhs in the previous year and Rs. 263.10 lakhs in 1957-58. Thus, in two years' time, the sales have doubled, a striking achievement indeed. This rapid progress has fulfilled the optimism of shareholders in the higher earning potentialities of the Company. The quotation for ordinary shares have steadily moved up, from a low of Rs. 22.81 last year to Rs. 38.25 at the time of writing.

The closing stocks of finished and semi-finished products and work in process is higher at Rs. 79.58 lakhs, as against Rs. 56.01 lakhs in the previous year, but the stocks as percentage of sales is lower at about 14 per cent, as against about 16 per cent in the previous year. The manufacturing expenses have increased by Rs. 98.93 lakhs to Rs. 292.51 lakhs, the notable increase being in raw materials consumed of Rs. 65.75 lakhs. The selling expenses have risen by Rs. 19.56 lakhs to Rs. 65.08 lakhs on account of rise in selling commission from Rs. 38.98 lakhs to Rs. 54.85 lakhs, but this only reflects the higher sales. It is significant to note that the total of expenses charged to the profit and loss account has increased by only 46 per cent, as against an increase of over 57 per cent in sales. The net profit at Rs. 104.32 lakhs is about 170 per cent higher as compared with that for the previous year. The net profit, it may be noted, has risen to this extent after higher provision for depreciation of Rs. 33.12 lakhs as against Rs. 19.91 lakhs in the previous year and for taxation at Rs. 25 lakhs, as against *nil*. The bulk of the increase in profit has been utilised to strengthen the reserves. Thus, the Directors have transferred a bigger amount of Rs. 78 lakhs to reserves as against Rs. 35 lakhs last year. After allowing for retransfers from previous year's accounts, the net amount ploughed back is Rs. 65.50 lakhs, as against a mere Rs. 5.80 lakhs last year. The Directors have, of course, recommended a higher gross dividend of 12 per cent as against 9.5 per cent for 1958-59 and a net of 8 per cent for 1957-58. This means that the net dividend, which works out to 8.40 per cent, is only a shade better than that paid two years ago, despite the strident expansion in sales and profit. Apparently, the management wants to follow a cautious policy of distribution that is in keeping with the country's current economic needs and thinking.

The following comparative table for the last four years shows at a glance the progress made by the Company.

(In lakhs of rupees)

	For the year ended 30th September			
	1960	1959	1958	1957
Sale proceeds	539.89	343.93	263.10	225.46
Other income	5.03	2.75	5.56	2.84
Closing stocks	79.58	56.00	66.80	47.96
Manufacturing expenses	292.51	193.58	172.77	124.43
Other expenses	113.55	85.12	66.60	64.61
Gross profit	162.48	57.68	47.62	48.46
Provision for—				
Depreciation	33.12	19.91	11.99	12.18
Taxation	25.00		22.35	18.30
Net profit	104.32	37.77	13.28	17.98
Transfer from reserves and provisions	13.50	29.20	13.70	2.65
Transfer to reserves	78.00	35.00	0.75	18.84
Dividends—				
5% tax-free preference	2.01‡	2.21†	1.55	1.55
Ordinary	37.20‡ (12%)†	29.45† (9.5%)†	24.80 (8%)*	4.96 (8%)
Carry forward	1.34	1.40	1.09	1.20

* On the increased capital of Rs. 3.10 crores, raised by the rights issue of Rs. 2.48 crores in the ratio of 4 shares for 1.
† Subject to deduction of tax.

The paid-up capital of the Company stands at Rs. 341 lakhs, comprising Rs. 31 lakhs in 31,000, 5 per cent cumulative preference shares of Rs. 100 each and Rs. 310 lakhs in 31 lakh ordinary shares of Rs. 10 each. Out of the total ordinary capital of Rs. 310 lakhs, nearly Rs. 235.34 lakhs or over 75 per cent is held by the Imperial Chemical Industries (India) Private Ltd., a subsidiary of the ultimate Holding Company. Reserves and surplus have risen from Rs. 92.90 lakhs to Rs. 158.34 lakhs. The building up of large revenue reserves indicates a very healthy state of affairs. It is of interest to note that the secured loan is lower by Rs. 21.55 lakhs at Rs. 124.48 lakhs. The net block of the Company stands at Rs. 481.28 lakhs after providing Rs. 123.51 lakhs for depreciation. The capital work in progress at cost is of Rs. 30.55 lakhs. The total of current assets at Rs. 231.80 lakhs is well above the current liabilities and provisions amounting to Rs. 119.81 lakhs. It will thus be seen that the overall financial position of the Company is quite sound.

The "Financial Statistical Record" given in the Directors' report and statement of accounts reveals an increase of Rs. 101 lakhs to Rs. 572 lakhs in the total funds applicable to ordinary shareholders. This gives the break-up value of ordinary shares (Rs. 10 paid-up) at Rs. 18.45, as against the current market price of Rs. 38.25. The difference between the two figures reflects the large measure of confidence of investors in the Company. This confidence is not unwarranted. It is fully supported by the significant increase in income before taxation as a percentage of total net assets employed, which has risen to 17.9 as compared to 5.8 in the previous year.

During 1959-60, production in the various departments of the Company was satisfactory, as can be seen from the following extract from the Directors' report:

"The successful operation of the polythene plant for the whole 12-month period has made a significant contribution to the increase in the year's turnover. The plant achieved a high rate of production with remarkable facility, testifying to the excellent assistance received from the Technical Consultants, Imperial Chemical Industries Limited, London, throughout this period.

"The paints plant ran well and a high level of production was achieved, despite inadequate supplies of imported raw materials. Extensions to the plant were taken in hand during the year and are nearing completion. The demand for Pre-Treatment Chemicals continued to rise.

"The chlorine and caustic soda unit has worked at full capacity. The profit margin was, however, restricted by the price ceiling fixed by the Government and by the increasing cost of salt —the major raw material used in this process.

"Production of 'Gammexane' Technical BHC recorded an increase over the previous year along with the formulations made from it.

"The 'Alfloc' unit went into production during the year and ran satisfactorily.

"Development work in the rubber chemicals plant on site is in progress. Modifications to the plant design are being made to permit greater operational flexibility."

In order to meet the increasing demand for the Company's products and to maintain the competitive position, the Directors are thinking of extending the capacity of most of the units. The growing demand for polythene is proposed to be met by expanding the capacity threefold, plans for which are well advanced now. The proposal of the Company has been accepted by the Government of India and application has been made for a licence. The cost of extension planned is placed at about Rs. 3 crores.

The current quotation of Rs. 10 paid-up ordinary shares at Rs. 38.25 *cum-div.* gives a net yield of 2.2 per cent on a net dividend of 84 nP per share.

BOMBAY POTTERIES AND TILES

The results of the Bombay Potteries and Tiles Limited (Chairman: Mrs. Kusumbai Motichand Shaha) for the year ended 30th September 1960 are encouraging. The Company made record sales during the year of Rs. 33.32 lakhs, an increase of Rs. 3.29 lakhs over the previous year; they have nearly doubled in five years' time.

A study of the accounts for the last few years reveals steady progress by the Company. The gross profit has risen in four years by about 122 per cent to Rs. 13.65 lakhs, while expenses, including raw materials consumed, have increased by only 57 per cent in the same period. The Company's production in this period shows a rise of only 720 tons to 18,480 tons. This means that the profit margin of the Company has expanded considerably, presumably through a change in the types of products manufactured by it. During these four years, the gross block has risen by only Rs. 6.65 lakhs. The paid-up capital has remained at the same level, while reserves and surplus have moved up from Rs. 4.29 lakhs to Rs. 10.55 lakhs. The dividend at 12.86 per cent per annum, taxable, is the same as that for the preceding year and, on a tax-free basis, is only a fraction better than the dividend for 1957.

(*Continued on next page*)

T. STANES CELEBRATES GOLDEN JUBILEE

SPECIAL BONUS TO SHAREHOLDERS

IT is heartening to find that the golden jubilee year of T. Stanes and Company Limited (Chairman: Mr. E. H. Stanes, Coimbatore), which coincides with its accounting year ended 30th September 1960, has turned out to be a year of improved trading results. The results for the year under review are the best, since the reconversion of the Company into a public limited concern in 1956. The receipts from sales improved during the year by Rs. 12.84 lakhs or over 18 per cent to Rs. 80.88 lakhs. The gross receipts from coffee curing and shipping improved from Rs. 2.86 lakhs to Rs. 3.57 lakhs. An increase was also recorded in dividends from subsidiary companies from Rs. 2.28 lakhs to Rs. 3.33 lakhs. The gross profit has gone up from Rs. 7.15 lakhs to Rs. 8.90 lakhs, an increase of nearly 24 per cent. Besides the expansion in sales and income from subsidiaries, the improvement in profit is also due to a relatively lower increase in expenses and smaller closing stocks. Thus, the total expenses have risen from Rs. 70.95 lakhs to Rs. 79.47 lakhs, an increase of only 12 per cent as against the increase of 18 per cent in sales. The closing stocks are lower at Rs. 7.40 lakhs as against Rs. 9.84 lakhs in the previous year.

As against an increase of Rs. 1.75 lakhs in gross profit, the net profit has increased by Rs. 0.76 lakh only to Rs. 5 lakhs. This is due to a rise of Rs. 0.90 lakh to Rs. 3.25 lakhs in the provision for taxation. The depreciation account, too, has received a slightly higher amount of Rs. 65,000.

The calculation of dividend on preference shares has once again been changed, this time strictly in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act 1960. Thus the dividend on 7 per cent taxable preference shares is calculated at 6.216 per cent per share. The ordinary shareholders will celebrate the jubilee year by a special bonus of 5 per cent over and above the dividend of 27½ per cent taxable. Thus, the total amount of dividend will be 32½ per cent taxable, that is, Rs. 3.25 per share gross or Rs. 2.275 per share net.

The comparative results of the Company's working during the last four years are given in the following table:

(In lakhs of rupees)

	For the year ended 30th September			
	1960	1959	1958	1957
Sale proceeds	80.88	68.04	55.89	53.60
Other income	9.96	7.94	9.15	9.99
Closing stocks	7.40	9.84	7.79	8.41
Expenses (including raw materials consumed)	79.47	70.95	59.02	58.03
Gross profit	8.90	7.15	5.41	6.96
Provision for—				
Depreciation	0.65	0.58	0.51	0.46
Taxation	3.25	2.35	2.00	2.50
Net profit	5.00	4.24	2.90	4.00
Transfer from reserves	0.04	0.98		0.20
To reserves and provisions	1.19	1.76	0.62	1.41
Dividends—				
7 per cent. preference	0.09†	0.11†	0.07	0.07
Ordinary	3.76† (32½%)†*	3.18† (27½%)†	2.31 (20%)	2.31 (20%)
Carry forward	0.41	0.42	0.46	0.52

* Includes centenary bonus of 5 per cent, subject to tax.
† Subject to deduction of tax.

The paid-up capital of the Company stands at Rs. 13.06 lakhs, comprising Rs. 1.50 lakhs in 1,500 seven per cent taxable cumulative preference shares of Rs. 100 each and Rs. 11.56 lakhs in 115,630 ordinary shares of Rs. 10 each. The reserves and surplus at Rs. 16.06 lakhs exceed the ordinary capital by over Rs. 4 lakhs. The gross block of Rs. 13.62 lakhs stands well depreciated at Rs. 6.24 lakhs. The book value of total investments of Rs. 13.39 lakhs consists of Rs. 2.55 lakhs in quoted investments (market value of which is Rs. 4.65 lakhs), and Rs. 10.84 lakhs in unquoted investments. The total current assets exclusive of investments are Rs. 31.01 lakhs and well above the current liabilities aggregating Rs. 21.55 lakhs.

The current market quotation of Rs. 10 paid-up ordinary shares is Rs. 35 *cum-div.* (final Rs. 1.575 net). On an *ex-div.* basis, the net yield is 6.8 per cent per annum.

With effect from 1st October 1960, the controlling interest of the Company has passed into the hands of Messrs. Simpson and Co. Ltd., a progressive industrial house of Madras under the energetic leadership of Mr. S. Anantharamakrishnan. This change in ownership augurs well for the Company's future.

SIRPUR PAPER REPORTS HIGHER TURNOVER

WILL THERE BE A RIGHTS ISSUE?

A STRIKING increase of over 70 per cent in production, that is, from 17,600 tons in the previous year to over 30,000 tons for the year ended 30th June 1960, is revealed by the Sirpur Mills Limited (Managing Agents: Messrs. Birla Brothers Private Limited). In spite of such a sharp increase in production, the gross profit has risen by only about 31 per cent to Rs. 75.19 lakhs. This is due to a reduction in prices in the wake of the revised prices for paper and board which came into force from 1st January 1960 in accordance with the recommendations of the Tariff Commission. The relatively lower increase in profit was also due to labour unrest, serious indiscipline and acts of violence which have become a deplorable feature of labour in Andhra Pradesh. As a result, the Company's production suffered, both in quantity and quality. For the third year in succession, the Company's dividend is no more than 6½ per cent per annum, and that too taxable.

The net receipts from the sale of paper, after payment for commission, railway freight and excise duty, improved from Rs. 288.73 lakhs to Rs. 433.19 lakhs. The closing stocks of finished goods and in process are also substantially higher at Rs. 15.76 lakhs, as against opening stocks of Rs. 6.56 lakhs. The excise duty paid increased by Rs. 26.03 lakhs to Rs. 66.53 lakhs. The purchases of raw materials during the year amounted to Rs. 102.24 lakhs, as against Rs. 57.84 lakhs in the previous year and consumption of stores, materials, chemicals, etc., cost Rs. 117.45 lakhs, as against Rs. 67.11 lakhs in the previous year. The closing stocks of Rs. 33.44 lakhs of raw materials is about one and a half times higher than the opening stocks at Rs. 22.61 lakhs. The expenses for power and fuel have also gone up by Rs. 19.85 lakhs to Rs. 67.71 lakhs. The bill for salaries, wages and bonus has gone up by Rs. 16.46 lakhs to Rs. 61.75 lakhs. All these increases reflect partly the expansion in production and partly the cost inflation which became particularly marked in the year under review.

The following comparative table provides at a glance a picture of the progress made by the Company since 1956-57:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sale proceeds (gross)	5,23.10	3,48.94	3,41.92	2,61.82
Other income	6.16	6.70	6.15	6.99
Closing stocks of finished goods and in process	15.76	6.56	6.71	7.35
Raw materials, stores, etc., consumed	2,08.86	1,16.29	1,08.11	86.06
Power and fuel consumed	67.71	47.86	44.38	39.41
Excise duty	66.53	40.50	46.85	26.99
Other expenses	1,30.15	93.59	85.73	1,00.09
Gross profit	75.19	57.14	62.87	33.59
Managing Agents' commission	2.88	2.98	4.38	0.81
Provision for—				
Depreciation	46.82	30.00	35.00	17.63
Taxation			4.00	0.88
Net profit	25.50	24.21	19.54	14.33
To reserves	6.00	23.00	2.77	
Issue and other expenses written off	0.22	0.37		1.26
Transfer from reserves		18.00		
Dividends—				
6% preference (tax-free)	5.46*	4.10†	2.48	2.25
Ordinary	14.21 (6½%)†	14.21 (6½%)†	14.21 (6½%)	10.88 (5%)
Carry forward	0.85	0.72	0.19	0.05

* 7.80 per cent. taxable. † Subject to deduction of tax.

Out of the gross profit of Rs. 75.19 lakhs, the Managing Agents' commission has absorbed a small sum of Rs. 2.88 lakhs and depreciation Rs. 46.82 lakhs, an increase of over 50 per cent on the provision made in the previous year. Because of this sharp rise in the allocation for depreciation, the net profit shows only a fractional rise from Rs. 24.21 lakhs to Rs. 25.50 lakhs. The transfer to development reserve is only Rs. 6 lakhs, as compared with Rs. 23 lakhs last year, even though the additions to block account in the year under review (at Rs. 129.56 lakhs) were almost as much as those (Rs. 135.05 lakhs) were almost as much as those (Rs. 135.05 lakhs) were almost as much as those (Rs. 135.05 lakhs) in 1958-59. There is, however, one important difference, namely, that, whereas last year a sum of Rs. 18 lakhs was written back from reserves, this year no such withdrawal has been effected. The balance of net profit has just been sufficient to maintain the dividend on ordinary shares at 65 nP per share, subject to tax. According to the Preference Shares (Regulation of Dividends) Act 1960, the Directors recommend payment of dividend on 6 per cent tax-free cumulative redeemable preference shares at the enhanced rate of 7.80 per cent, subject to deduction of tax, under the Income Tax Act.

The paid-up capital of the Company at Rs. 289.97 lakhs consists of 2,185,524 ordinary shares of Rs. 10 each and 70,926 preference shares of Rs. 100 each. Reserves and surplus aggregate Rs. 62.91 lakhs. The gross block of Rs. 657.32 lakhs has been written down to Rs. 470 lakhs, the depreciation provided so far being Rs. 187.32 lakhs. It is important to note that additions to the block account in the last two years alone amounted to Rs. 264.61 lakhs. The total of current assets at Rs. 180.37 lakhs is well below the total of loans and current liabilities amounting to Rs. 320.61 lakhs.

Two points emerge from a study of the Company's balance-sheet. One, the block account is well over Rs. 2 crores higher than the paid-up capital. And, two, borrowings from banks are large, well in excess of Rs. 2 crores. In other words, there is a case for increasing the share capital of the Company. This becomes even more obvious, when account is taken of the Company's plan for manufacturing special varieties of lightweight papers. It has been successful in obtaining a development licence for a plant with a rated capacity of 950 tons per month. The Directors have, however, given no idea of the capital cost of the project.

It is not known whether the Company intends to issue new capital in the near future. But, in the past one week, its equity shares have jumped up from Rs. 16.52 *c.d.* to Rs. 18.36 *c.d.*, bringing down the net yield to as low as 2.5 per cent per annum. The spurt in prices may have been due to prospects of a better profit for the current year. There has been some improvement in the labour situation, but there is a probability of the wage bill going up when the disputes pending before the Andhra High Court, Industrial Tribunal and Supreme Court are decided. The Company's Chairman will be rendering a distinct service to investors if he throws clear light in his speech at the forthcoming annual meeting of the Company on the pros and cons for assessing its future.

(*Concluded from previous page*)

The paid-up capital of the Company of Rs. 24.54 lakhs, comprises Rs. 1.13 lakhs in 6½ per cent cumulative first preference taxable shares of Rs. 100 each, Rs. 8.63 lakhs in 4½ per cent cumulative second preference tax-free shares of Rs. 100 each and Rs. 14.18 lakhs in ordinary shares of Rs. 100 each. Over and above this, the Company holds nearly Rs. 0.60 lakh in forfeited shares account making a total of Rs. 24.54 lakhs. The net block of the Company stands at Rs. 18.27 lakhs after providing Rs. 15.32 lakhs for depreciation. The financial position of the Company is quite sound, inasmuch as the cash and bank balances alone stand at a very impressive figure of Rs. 22.52 lakhs out of the total of current assets amounting to Rs. 32.75 lakhs and the current liabilities are no more than Rs. 14.98 lakhs.

The expansion programme of the Company for the manufacture of glazed tiles and sanitarywares, for which there is a great demand, is well under way. The necessary permission for expansion under the Development Regulation Act was obtained last year. The building operations have now been completed. On receipt of the import licence for a value of Rs. 10.22 lakhs, the Technical Adviser was deputed to the U.S.A. to select the machinery for the proposed expansion. The machinery and furnace are expected by the end of April 1961 and the plant is due to go into production by the end of 1961. The demand for white glazed tiles and sanitarywares is so great that the Company is booked for delivery well in advance.

The following table reveals at a glance the trend of financial results since 1956-57:

(In lakhs of rupees)

	For the year ended 30th September			
	1960	1959	1958	1957
Sale proceeds	83.82	80.03	23.42	19.13
Finished stocks	1.02	1.02	1.37	2.93
Raw materials consumed	3.59	4.00	2.88	2.65
Expenses	16.96	15.64	17.68	10.89
Gross profit	18.65	13.05	7.62	6.14
Provision for—				
Depreciation	1.08	0.98	1.06	1.13
Taxation	6.00	5.60	4.00	2.88
Net profit	6.57	5.47	2.56	2.23
To reserves and provisions	4.11	3.14	0.69	0.75
Dividends—				
6½ per cent. preference	0.07*	0.07*	0.07	0.07
4½ per cent. preference	0.55*	0.55*	0.39	0.39
Ordinary	1.82* (12.86 %)*	1.88* (12.86 %)*	1.48 (10%)	1.26 (9%)
Carry forward	0.10	0.04	0.05	0.02

* Subject to deduction of tax.

The Rs. 100 fully paid-up ordinary shares of the Company are currently quoted at Rs. 185.50 *cum*-dividend. This gives a net yield of 5.1 per cent.

MARTIN BURN REPEATS THE DIVIDEND

LOWER INCOME FROM TRADING DEPARTMENTS

THE sales of Martin Burn Limited (Chairman: Mr. T. Leslie Martin, Calcutta) in the year ended 30th September 1960, have dropped, once again, to Rs. 749.31 lakhs from Rs. 767.50 lakhs in the previous year and Rs. 904.49 lakhs in 1957-58. The results of the Company for the year under review must, however, be considered to be satisfactory in view of higher closing stocks and work-in-progress and slightly better gross profit. An appreciable increase, during the year, by way of managing agency allowance and commissions from Rs. 50.87 lakhs to Rs. 61.74 lakhs has been offset by a decline in profit earned by the trading departments. Lower earnings were particularly perceptible in the building, electrical and engineering departments, due to restrictions on imports and shortages of cement and steel, involving increased costs and overheads. The net income from trade investments increased by only Rs. 0.14 lakh to Rs. 13.08 lakhs.

On the expenditure side, the purchases of raw materials show an increase of Rs. 30.13 lakhs to Rs. 98.42 lakhs while that of general merchandise has decreased by Rs. 51.85 lakhs to Rs. 579.39 lakhs. Salaries, wages and bonus, exclusive of Directors' remuneration, account for an increase of Rs. 13.86 lakhs to Rs. 88.15 lakhs. The total remuneration, including perquisites, of three Directors, one Governing and two Managing, amounts to Rs. 8.10 lakhs as against Rs. 7.96 lakhs in the previous year. In view of the ever-increasing volume of business which requires personal attention and guidance, the Directors have decided to appoint an additional Managing Director. Mr. N. R. Pillai, ex-Secretary-General to the Ministry of External Affairs, Government of India, has taken up this post from 1st March 1961.

The gross profit, which had gone down from Rs. 93.65 lakhs to Rs. 86.30 lakhs, has improved a little to Rs. 87.22 lakhs. But the net profit of the Company at Rs. 49.37 lakhs is slightly lower by Rs. 0.12 lakh as compared with the previous year, because of higher provisions for depreciation (Rs. 0.54 lakh more at Rs. 2.35 lakhs) and taxation (Rs. 0.50 lakh more at Rs. 35.50 lakhs). Out of the net profits, the transfer to general reserve has been maintained at Rs. 5 lakhs. After payment of dividend on preference shares, under the Preference Shares (Regulation of Dividends) Act 1960, the dividend on ordinary shares has been comfortably maintained at Rs. 2.75 per share subject to deduction of tax, or a net of Re. 1.925.

The following table depicts the Company's achievements on the financial side:

(In lakhs of rupees)

	For the year ended 30th September			
	1960	1959	1958	1957
Sales	749.31	767.50	904.49	767.86
Closing stocks and work-in-progress	197.07	159.88	126.77	284.15
Other income	113.97	101.68	106.79	98.59
Expenses	777.41	782.88	917.63	778.97
Gross profit	87.22	86.30	93.65	91.98
Provision for—				
Depreciation	2.35	1.81	1.36	2.04
Taxation	35.50	35.00	35.00	30.50
Net profit	49.37	49.49	39.29	39 44
Provisions written back			23.16	
To reserves	5.00	5.00	28.50	6.00
Dividends—				
5% tax-free preference	3.90*	4.28*	3.90	3.90
Ordinary	40.41*	40.10* (D. 17½%	30.86 (D. 17½%	30.79 (D. 15%
	(D. 27½%)*	27½%)*	+Int. 33%)	+Int. 61%)
Carry forward	2.60	2.55	2.43	2.35

* Subject to deduction of tax.

The Company, which carries on business as general merchants, managing agents, contractors, constructional and mechanical engineers, etc., has a wide range of trading and manufacturing activities. The following extract from the Directors' report will be read with interest:

"On the expiry of all managing agency agreements on the 15th August 1960, in terms of the provisions of the Companies Act, 1956, the Company was re-appointed managing agents for 10 public companies (the statutory maximum number) and one private company, and appointed secretaries and treasurers for seven companies as from 16th August 1960. With the reduced scale of remuneration applicable to the new appointments, the total remuneration under this head is likely to decline in future except to the extent that the decline is offset by improved earnings of the managed companies.

"In regard to the companies managed by the Company, those in the engineering group have

shown good results and, in the context of the planned industrial development of the country, there is ample scope for their future progress. The group of electricity supply companies have barely maintained their profits, despite their progressively increasing gross revenue, their profitability and future capacity for self-financing expansion being inhibited by the onerous restrictions imposed by the Electricity (Supply) Act, 1948. The group of light railway companies have shown some improvement in working results.

"Apart from the remuneration received from the managed companies, the other sources of revenue of the Company are merchandising and processing of various lines of foreign and indigenous products, contracts for the construction of buildings, medium and light structures and electrical installations and the manufacture of certain products in the electrical engineering line. With the present serious decline in imports in view of the balance of payments position of the country, efforts continue to be made by the Directors in the direction of widening the range of indigenous items handled, and participating in the manufacture of certain engineering products in collaboration with foreign manufacturers. One instance of such participation is the formation and commencement of production of the Vaughan Burn Crane Company Private Limited for the manufacture of cranes, pulley blocks, etc. in collaboration with Vaughan Crane Company Limited of England and Burn & Company Ltd."

The Company's financial position is strong. It has a paid-up capital of Rs. 206.96 lakhs, comprising Rs. 60 lakhs in 5 per cent tax-free redeemable preference shares of Rs. 100 each and Rs. 146.96 lakhs in ordinary shares of Rs. 10 each. The paid-up capital shows an increase of Rs. 1.13 lakhs during the year, on account of conversion into ordinary shares of convertible notes of Rs. 0.32 lakh, the total outstandings of such notes being Rs. 4.94 lakhs. Reserves and surplus stand at Rs. 118.93 lakhs, as against Rs. 112.74 lakhs in the previous year. The net block of the Company stands at Rs. 64.23 lakhs after providing Rs. 18.19 lakhs for depreciation. The market value of the quoted investments at Rs. 286.12 lakhs is Rs. 109.15 lakhs higher over the book value of Rs. 176.97 lakhs. The total of current assets exclusive of trade investments amount to Rs. 734.83 lakhs and are substantially above the current liabilities of Rs. 545.63 lakhs.

The current market quotation of the Rs. 10 paid-up ordinary shares of the Company at Rs. 29.87 cum-dividend gives a net yield of 6.9 per cent per annum.

HEARTENING DECISIONS IN THE U.S.

(*Concluded from page 495*)

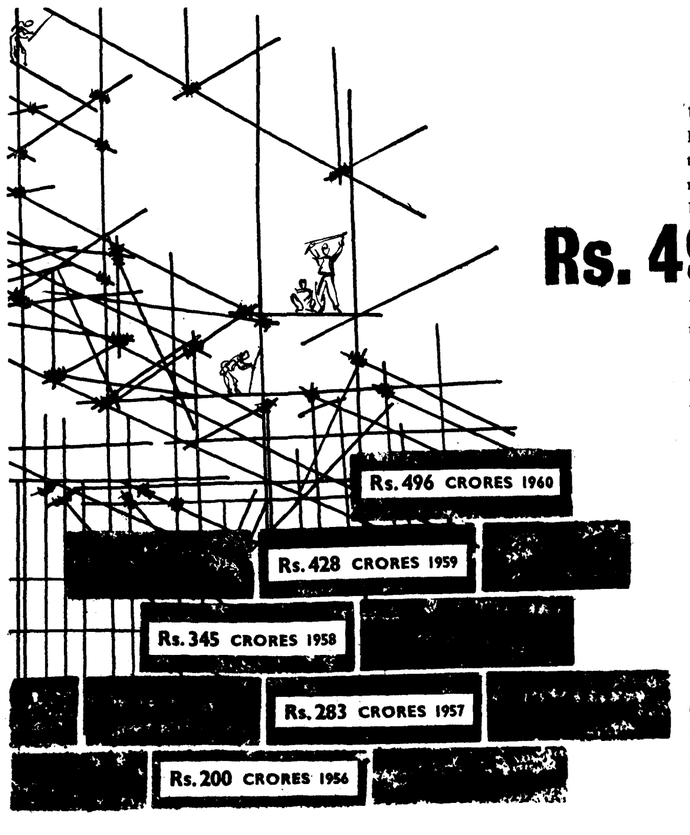
to be fixed for the rates payable on official balances.

The world's approval of these general lines of policy can be very clearly seen in the behaviour of the principal financial markets since the Kennedy administration took over the reins. Distrust of the dollar had been diminishing significantly in the early weeks of this year; but, in spite of that noteworthy progress, few people expected the restoration of confidence to go so far or so fast as it has done in this past month. The President's assurances about the dollar quickly floated it off its support points in the exchange markets; and the outflow of gold diminished sharply. In the last week of February, as the President himself announced, there was no outflow at all—for the first time since last July. Equally significant was the performance in the London bullion market. The London gold price, which had registered in spectacular fashion the fears for the dollar when the run was at its height last October, returned for the first time since then to within the limits set by the New York parity—at the moment of writing the quotation is 35.07—35.12 dollars.

It is no coincidence that, over this same period, there has been a marked weakening of sterling. The New York rate has dipped below the 2.80 dollars parity for the first time since the short-lived fall last June, and, towards the end of February, it touched 2.79½, in spite of intervention from time to time by the exchange equalisation account. In consequence, the monthly statement of Britain's holdings of gold and convertible currencies—that is, the central first line reserve for the sterling area as a whole—showed the first decline for more than 12 months (there would have been a decline last December, however, but for the special receipt of $367,000,000 transferred by Ford, Detroit, for the purchase of the remaining "outside" shareholdings in Ford, England). At 28th February, the reserves stood at 3,195 million dollars, or $50,000,000 less than at end January. This outflow, at a time when seasonal factors normally work in sterling's favour, can be presumed to reflect some repatriation of dollar funds in response to the revival of confidence, or at least some covering of commercial requirements of dollars that had been left open on the chance that the dollar might be allowed to slip from its moorings.

Inevitably, there is much discussion in city circles at present about the extent of the pressure that might be put upon the sterling area reserves if the restoration of confidence in the dollar is fully consolidated. It is hard to draw any reliable conclusions about that, however, from the experience of these past few weeks: in this period, it is important to bear in mind, the markets have been facing the impact effect of a major change in sentiment. Britain will certainly have to be prepared for a further outflow of funds, but the authorities have repeatedly affirmed that, since the reserves were swollen last year by the large inflow of funds, they are prepared to let the reserves fall when mobile funds flow out again. Hence, although the change in the tone of sterling caused banking circles, and especially the discount market, to abandon their hopes of an early reduction of Bank rate (now standing at five per cent), it does not follow that further strain of this kind will force the Bank rate up again. The London Treasury Bill rate, having risen in this past month almost as much as has the New York Treasury Bill rate (following the decision of the U.S. authorities to drop their "bills usually" policy for open market operations, in order to enable them to depress long rates while raising short rates), still shows an excess over that rate of not far short of two per cent though it is more than half per cent below the Bank rate. Even after arranging forward exchange cover, the interest rate cost of which is now a little over one per cent per annum, compared with just under one per cent a month ago, it still pays to shift funds from New York to London—on the basis of the Treasury Bill average allotment rates, the new margin of profit is just over ¾ per cent (a month ago it was nearly one per cent). In this phase of newly revived confidence in the dollar, relative interest rates are obviously not the dominant factor in determining the capital flows.

Meanwhile, the quarterly figures of overseas holdings of sterling have shown that, in the fourth quarter of 1960, balances held by non-sterling countries rose even faster than in the third quarter—by no less than £241,000,000, as compared with £226,000,000, to £1,407,000,000, making a growth of no less than £604,000,000 over the year as a whole. Of the latest accretion, however, £131,000,000 was attributable to the Ford deal, so that, as expected, the inflow of mobile funds proved to be much less than in the quite exceptional third quarter.



Up and up soars the edifice of Life Insurance.
In the second year of its Five-Year Plan,
the Life Insurance Corporation is at the half-way
mark to its target of Rs. 1,000 crores in
1963, with yet another new business record of

Rs. 496,00,00,000

Year after year, the L.I.C. has improved
upon past records. In 1960, it advanced by
Rs. 68 crores upon its 1959 high of Rs. 428 crores.

Thus, since 1956, the L.I.C. has multiplied
its new business intake nearly two and a half times.
From Rs. 200 crores to close on Rs. 500 crores
..in five years.

Figures speak volumes—they point to the increasing trust and confidence placed in the L.I.C. as an institution. They speak of the growing belief by the average breadwinner that Life Insurance—and Life Insurance alone—can provide his family with the complete security he wishes for them—a security in which funds are guaranteed for a man's old age, for his son's education, his daughter's marriage, or for his family in case they should lose him.

Life Insurance Corporation of India

SYNOPSES OF COMPANY REPORTS

Mercara Rubbers Ltd.

THE directors of the above Company (Managing Agents: The Associated Planters Private Ltd., Madras) present the audited accounts of the Company for the year ended 30th June 1960.

The result of the Company's working for the period under review is a profit of Rs. 1,27,371 (Rs. 1,35,162). Out of this depreciation written off on buildings, machinery, etc., amounts to Rs. 9,955 (Rs. 10,588) and the Company's contribution to provident fund to Rs. 7,834 (Rs. 7,011). There is left a net profit of Rs. 1,09,582 (Rs. 1,17,563) to which is added the amount brought forward from last year of Rs. 11,686 (Rs. 9,123) making a total of Rs. 1,21,268 (Rs. 1,26,686). Provision for agricultural income-tax and Central income-tax absorb Rs. 23,600 (Rs. 27,000). The directors recommend payment of dividends as follows: A dividend of 20 (20) per cent subject to deduction of tax, on ordinary shares, absorbing Rs. 65,000 (Rs. 65,000) and a dividend of 6 per cent tax-free on preference shares and income-tax thereon, absorbing Rs. 22,500 (Rs. 23,000) leaving a balance of Rs. 10,168 (Rs. 11,686) to be carried forward to next year.

Working.—The results for the year ended 30th June 1960 have been very satisfactory. A crop of 2,60,146 (2,70,020) pounds was harvested during the year under review against the estimated crop of 2,60,000 lbs. The average price realised for 1960 rubber is: Sheets 154.20 (155.56) cents and scrap 120.75 (115.82) cents.

The estimate for 1960-61 provides for a rubber crop of 2,60,000 pounds.

The cost of production during the year has gone up mainly due to extra bonus paid to labourers and labour and staff welfare expenses. The planters have been agitating for an increase in the controlled prices of raw rubber and the matter is under enquiry by the Central Government. In view of the steep rise in the cost of labour wages and staff salaries, the demand by planters is justified and the directors hope the Government would increase the prices suitably.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,75,000	Gross block	7,67,594
Reserves ...	2,50,000	*Less*—Depreciation	9,954
Provision for taxation ...	48,542		7,57,640
Liabilities ...	1,72,482	Net block ...	7,57,640
Profit and loss account (surplus)	10,168	Rubber stock	1,64,395
		Stores, tools, etc. ...	33,111
		Book debts	53,143
		Cash ...	47,903
Rs.	10,56,192	Rs.	10,56,192

Kumergode Estates Ltd.

The directors of the above Company (Managing Agents: Messrs. Peirce Leslie & Co., Ltd., Mangalore) submit the audited accounts of the Company for the year ended 31st October 1960.

After providing for depreciation and all charges except taxation the accounts show a profit of Rs. 2,31,540 (Rs. 1,79,272). With the balance brought forward from last year of Rs. 12,518 (Rs. 44,346) and surplus transferred from reserves for taxation no longer required of Rs. 1,152 (*nil*), there is a total amount of Rs. 2,45,210 (Rs. 2,23,618). After providing for taxation reserve Rs. 75,520 (Rs. 51,100) and for greater reserve Rs. 75,000 (Rs. 80,000), there remains a balance of Rs. 94,690 (Rs. 92,518). The directors recommend payment of a dividend of 20 (20) per cent subject to deduction of tax, absorbing Rs. 80,000 (Rs. 80,000) leaving a balance to be carried forward of Rs. 14,690 (Rs. 12,518).

Coffee Crop and Costs.—These are given in the following table with corresponding figures for the previous two years:

Year	Crop (metric tonnes)	Estate expenditure: Per acre	Estate expenditure: Per metric tonne	All-in cost per metric tonne
		Rs.	Rs.	Rs.
1957-58 ..	190.665	644	2,054	2,530
1958-59 ..	172.481	607	2,138	2,679
1959-60 ..	193.192	564	1,781	2,190

The entire crop for the season was delivered to the Coffee Board and was awarded 2,87,869 points. The valuation taken is Rs. 2.15 per point which is equivalent to Rs. 3,203 per metric tonne, and payments received to-date amount to Rs. 2.00 per point. Final payment on the 1958-59 crop has been received making a total of Rs. 2.45 per point or Rs. 3,387 per metric tonne for that year.

The estimates of crop and costs and estimated capital expenditure for the current year, i.e., 1960-61 are as follows:

Crop metric tonnes	Estate expenditure: Per acre	Estate expenditure: Per metric tonne	All-in cost per metric tonne
183.000 ..	Rs. 590	Rs. 1,976	Rs. 2,332

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Gross block	9,82,417
Debentures	63,500	*Less*—Depreciation ...	1,85,014
Reserves ...	3,75,000		7,97,403
Provision for taxation ...	1,06,466	Net block ...	7,97,403
Liabilities ...	1,28,545	Coffee value receivable	1,20,054
Profit and loss account (surplus)	14,690	Cardamom stock ...	175
		Stores, etc.	24,177
		Book debts	5,180
		Investments	250
		Cash ...	1,40,962
Rs.	10,88,201	Rs.	10,88,201

Jeypore Sugar Co., Ltd.

The directors of the above Company (Managing Agents: R. S. Industrial Corporation Private Ltd., Madras) present the audited accounts of the Company for the year ended 30th June 1960.

The accounts show, after providing for depreciation and bonus to the staff at Rayaghada, a profit of Rs. 5,01,789 (Rs. 6,14,416) to which has to be added the amount brought forward from 1958-59 of Rs. 2.090 (Rs. 156), excess provisions made during last year for bonus and doubtful debts written back 7,345 (*nil*), refund on cane cess received Rs. 3,017 (*nil*) and excess provision made during last year for payment of dividends Rs. 11,994 (Rs. 184) making a total of Rs. 5,26,235 (Rs. 6,16,579 including Rs. 1,823 being receipts not relating to the year). Out of the same, appropriations have been made as under:—Donations paid Rs. 550 (Rs. 2,241), provision for taxation (Agricultural) Rs. 10,000 (Rs. 15,000) and transfer to development rebate reserve Rs. 3,60,000 (Rs. 4,55,000) leaving an available balance of Rs. 1,55,685 (Rs. 1,12,640 after writing off Rs. 31,698 for capital issue expenses). To this is added the amount transferred from general reserve No. 1 of Rs. 3,00,000 (Rs. 2,20,000) and from general reserve No 2 of Rs. 54,084 (Rs. 57,000) making a total of Rs. 5,09,769 (Rs. 3,89,640). The directors recommend the payment of the following dividends:—A dividend of 7.623 (6 per cent tax free) per cent less tax on cumulative first preference shares, absorbing Rs. 15,246 (Rs. 12,000), a dividend of 8.8935 (7 per cent free of tax) per cent less tax on cumulative second preference shares, absorbing Rs. 88,935 (Rs. 70,000) and a dividend of 12.5 (10) per cent on equity shares less tax [subject to the consent of the Industrial Finance Corporation of India], absorbing Rs. 4,05,406 (Rs. 2,70,407) leaving a balance to be carried forward to the next year of Rs. 182 (Rs. 2,090 after making a provision of Rs. 35,143 for grossing up of preference dividends).

Preference Dividends for 1958-59.—Since the last balance sheet, the position regarding preference dividends was clarified by Central Act No. 63 of 1960, according to which, the dividend on preference shares for 1958-59 has to be grossed up by 28.23 per cent of the stipulated dividend. Provision has already been made for the extra payment and supplemental dividend warrants totalling Rs. 23,149 will be posted to holders of Preference shares.

Issue of Capital.—During the year of report, Rs. 3,86,300 was drawn, mostly out of the capital reserve, for distribution of bonus equity shares in the ratio of one equity share of Rs. 10 paid for every six shares held by the equity shareholders; after which, "Right" shares were issued to equity shareholders in the ratio of one share of Rs. 10 paid for every five equity shares held, bringing up the equity share capital to Rs. 32,43,250.

The sugar factory at Rayaghada started crushing on 5th December 1959 and closed on 20th March 1960 after crushing 30,101 (29,786) tons of cane and producing 2,786 (2.814) tons of sugar with a recovery of 9.27 (9.45) per cent. The price realised for sugar during the year was satisfactory.

Sugar Factory at Nagaram.—For the reasons stated in the directors' previous report, the factory at Nagaram did not crush any sugarcane. Some loss had to be incurred on this factory because of the maintenance of staff, etc. Some of the machinery installed at this factory has been shifted to Chagallu in the West Godavari district where the Company has acquired an industrial undertaking from the Krishna Industrial Corporation Ltd., and is now erecting, in two stages, a sugar factory with a daily crushing capacity of 1,250 tons of sugarcane. The new factory at Chagallu will not suffer under any disability due to non-availability of sugarcane.

Plantations.—8,887 (9,076) tons of sugarcane was produced on the Company's own farms at Rayaghada, which was wholly crushed at the factory or used as seed.

Mining Division.—14,442 tons (13,604) of manganese ore was mined in the Company's own mines, out of which 9,295 (18,365) tons were sold and 4,109 (3,622) tons were utilised in the ferro-manganese plant. The profit on manganese ore suffered a further decline because of the changes made in the method of levying royalty on the ore removed from our mines.

Ferro-manganese.—The Company's second Electric furnace was commissioned only in June 1960, the delay being due to the non-arrival of the German experts whose presence was considered necessary at the start of the furnace. A total of 5,994 (4.988) tons of ferro-manganese was produced during the year, out of which 2,880 (1,702) tons was sold to Hindustan Steel Limited and another. The Company had to pay large amounts as interest to Banks because of the delay in the shipment of the product by the State Trading Corporation of India. The average cost of production was also higher during the year as the Company had to purchase large quantities of low phosphorous manganese ore from Madhya Pradesh to blend with its own ore in order to produce the maximum amount of U.S. standard grade ferro-manganese.

Early in January 1961 the Company despatched 10,200 tons of ferro-manganese of United States standard grade to the U.S.A. through the State Trading Corporation of India. The Company has contracted to ship 20,000 tons of ferro-manganese before the end of June 1961. The Company had guaranteed a minimum annual consumption of electricity for its electric furnaces but it could not consume that amount in 1959-60 because of the delay in commissioning the second furnace caused by reasons beyond control, amounting to *force majeure*.

COMPANY MEETINGS AND DIVIDENDS

KESAR SUGAR WORKS LTD. Annual General Meeting, Bombay, 23rd March 1961. Dividend: Rs. 9.00 per ordinary share, subject to deduction of tax, payable on and after 29th March 1961. Transfer books remain closed from 9th to 23rd March 1961, both days inclusive.

RAMPOORIA COTTON MILLS LTD. Annual General Meeting, Calcutta, 24th March 1961. Transfer books remain closed from 10th to 24th March 1961, both days inclusive.

SITALPORE SUGAR WORKS LTD. Annual General Meeting, Calcutta, 25th March 1961. Dividend: 4 per cent or Re. 0.40 per share, subject to deduction of tax. Transfer books remain closed from 10th to 25th March 1961, both days inclusive.

KUMERGODE ESTATES LTD. Annual General Meeting, Mangalore, 25th March 1961. Dividend: 20 per cent or Re. 0.40 per share subject to deduction of tax. Transfer books remain closed from 12th to 25th March 1961, both days inclusive.

JEYPORE SUGAR CO., LTD. Annual General Meeting, Rayaghada, Koraput District, Orissa State, 27th March 1961. Dividend: 12.5 per cent or Re. 1.25 per ordinary share, subject to deduction of tax. Transfer books remain closed from 13th to 27th March 1961, both days inclusive.

UPPER GANGES SUGAR MILLS LTD. Annual General Meeting, Calcutta, 27th March 1961. Transfer books remain closed from 17th to 27th March 1961, both days inclusive.

MERCARA RUBBERS LTD. Annual General Meeting, Tamaracherry, Pudupadi P.O., Kerala State, 29th March 1961. Dividend: 20 per cent or Re. 1.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 23rd to 31st March 1961, both days inclusive.

ORISSA MINERALS DEVELOPMENT CO., LTD. Annual General Meeting, Calcutta, 30th March 1961. Dividend: 36 per cent or Rs. 3.60 per share (includes interim dividend of 15 per cent or Re. 1.50 per share), subject to deduction of tax, payable on or after 12th April 1961. Transfer books remain closed from 15th to 30th March 1961, both days inclusive.

ANAPARAI ESTATES LTD. Annual General Meeting, Balehonnur, Mysore State, 30th March 1961. Dividend: 20 per cent or Re. 0.40 per share, subject to deduction of tax. Transfer books will remain closed from 23rd to 30th March 1961, both days inclusive.

CAREW AND CO., LTD. Annual General Meeting, Calcutta, 30th March 1961. Dividend: *Nil*. Transfer books will remain closed from 23rd to 30th March 1961, both days inclusive.

GWALIOR SUGAR CO., LTD. Annual General Meeting, Dabra, Madhya Pradesh, 30th March 1961. Dividend: 12.5 per cent or Rs. 12.50 per ordinary share, subject to deduction of tax. Transfer books remain closed from 15th to 30th March 1961, both days inclusive.

INDIA MACHINERY CO., LTD. Annual General Meeting, Calcutta, 30th March 1961. Transfer books will remain closed from 23rd to 30th March 1961, both days inclusive.

ANDHRA SUGARS LTD. Annual General Meeting, Tanuku, Andhra Pradesh, 5th April 1961. Dividend: 20 per cent or Rs. 2.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 28th March to 10th April 1961, both days inclusive.

BOMBAY DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 6th April 1961. Dividend: Rs. 3.50 per share (includes the interim dividend of Re. 1.00 per share), subject to deduction of tax, for the year ended 31st December 1960. The final dividend is payable on or after 27th April 1961. Transfer books remain closed from 10th to 29th March 1961, both days inclusive.

IMPERIAL TOBACCO CO. OF INDIA LTD. Second interim dividend of 2½ per cent or Re. 0.25 per share. This makes a total dividend of 5 per cent or Re. 0.50 per share for the year along with the first interim dividend of 2½ per cent or Re. 0.25 per share), subject to deduction of tax, for the year ending 31st March 1961, payable on or after 12th April 1961.

SWADESHI COTTON MILLS CO., LTD. Taxable interim dividend of 5.2 per cent or Re. 0.52 per share, on preferred ordinary shares, for the year 1960, subject to deduction of tax.

SAMNUGGUR JUTE FACTORY CO., LTD. Dividend of 3 per cent on the ordinary shares (making a total 6 per cent for the year along with the interim dividend), less income-tax at 7s. 9d. per £, for the year ended 31st December 1960.

TITAGHUR JUTE FACTORY CO., LTD. Dividend of 3 per cent on the ordinary shares (making a total of 6 per cent for the year along with the interim dividend), less income-tax at 7s. 9d. per £, for the year ended 31st December 1960.

VICTORIA JUTE CO., LTD. Dividend of 3 per cent on the ordinary shares (making a total of 6 per cent for the year along with the interim dividend), less income-tax at 7s. 9d. per £, for the year ended 31st December 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	41,73,042	Gross block	1,56,55,795
Reserves ...	15,18,785	*Less*—Depreciation ...	27,43,633
Provision for taxation ...	19,438		
Liabilities ...	1,97,74,893	Net block ...	1,29,12,162
Profit and loss account (surplus) ...	182	Stock-in-trade	83,82,768
		Stores, etc. ...	21,70,274
		Other assets	2,43,195
		Book debts ...	16,20,286
		Investments	66,393
		Cash ...	91,262
Rs.	2,54,86,340	Rs.	2,54,86,340

N.B.—Figures within brackets relate to the corresponding period of the previous year.

Notices

JARDINE HENDERSON, LIMITED

NOTICE IS HEREBY GIVEN THAT A general meeting of the Members will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta-1, on Thursday the thirtieth day of March 1961, at 11 o'clock in the forenoon, to consider and if thought fit, to pass with or without modification, the following Resolutions:

1 (*As a Special Resolution.*) "That subject to the sanction by special resolutions passed at separate meetings of the holders of the issued Preference Shares of the Company and of the holders of the issued Ordinary Shares of the Company respectively being obtained within three months from the date of passing of this resolution, Article 4 of the Articles of Association of the Company be deleted and the following Article 4 be substituted in place thereof:—

"The Capital of the Company is Rs. 3,50,00,000 divided into 3,00,000 Ordinary Shares of Rs. 100 each and 50,000 Preference Shares of Rs. 100 each, and the said Preference Shares shall confer the right to a fixed cumulative preferential dividend at the rate of 5 per cent per annum without deduction therefrom on account of income-tax payable by the Company but subject to deduction of tax under Section 18(3D) of the Indian Income-tax Act 1922, or any statutory modification thereof, on the capital for the time being paid up thereon, and the right in a winding-up to payment off of capital and arrears of dividend, whether declared or not up to the commencement of the winding-up in priority to the Ordinary Shares, but shall not confer any further right to participate in profits or assets, nor confer any voting rights."

2 (*As an Ordinary Resolution.*) "That for the purpose of giving effect to the modification of rights in the manner specified in the foregoing special resolution an Agreement be entered into between the Company of the first part, Mr. Girdharilal Mehta representing the holders of Preference Shares of the Company of the second part and Mr. Chhedi Lal Gupta representing the holders of Ordinary Shares of the Company of the third part in terms of the draft placed before and approved by this meeting and for purposes of identification signed by the Chairman thereof and that the Board is hereby authorised to affix the Common Seal of the Company to the Agreement and that such Agreement be executed on behalf of the Company in the manner provided in the Articles of Association of the Company."

3 (*As an Ordinary Resolution.*) "That the Board is hereby authorised to take the necessary steps to obtain sanction to the Agreement and to the modification of rights envisaged therein at separate meetings already convened of the holders of the issued Preference Shares and the holders of the issued Ordinary Shares of the Company respectively to pass the necessary special resolutions thereat."

4 *As an Ordinary Resolution of* which special notice as required by section 281 of the Companies Act, 1956, has been received by the Company, viz.:—

"That pursuant to the provisions of Section 281 of the Companies Act, 1956, the Hon. Sushil Kumar Sinha who has attained the age of sixty-five years in June 1960 and who in accordance with the provisions of Section 280 of the said Act (prior to its amendment) vacated his office as a Director of the Company on 22nd December 1960, be and is hereby appointed a Director of the Company and it is hereby specifically declared that the age limit for directors prescribed by Section 280 of the said Act shall not apply to him and that he be remunerated by way of a fee of Rs. 600 for each Meeting of the Board attended subject to a maximum in the aggregate of Rs. 6,000 per annum."

5 (*As Special Resolutions*)—

(a) "That with effect from the commencement of the Companies (Amendment) Act, 1960, and in compliance with the provisions of Section 314 of the Companies Act, 1956, as amended thereby consent be and is hereby accorded to Mr. Sree Lal Mehta, a relative of Mr. Girdharilal Mehta, a Director and a Managing Director of the Company, holding and continuing to hold an office or place of profit as an Assistant in the Company carrying a total monthly remuneration of five hundred rupees or more, viz:—

Basic Salary in the time scale: Rs. 350—25—500—50—1,000 per month (with annual increments).

Basic Allowance—Rs. 200 p.m.

Dearness Allowance—65% of the aggregate of Basic Salary and Basic Allowance.

Provident Fund—up to 15% of Basic Salary, the Company making a similar contribution limited to 10% of Basic Salary."

(b) "That with effect from the commencement of the Companies (Amendment) Act, 1960, and in compliance with the provisions of Section 314 of the Companies Act, 1956, as amended thereby consent be and is hereby accorded to Mr. Surendralal Girdharilal Mehta, a relative of Mr. Girdharilal Mehta, a Director and a Managing Director of the Company, holding and continuing to hold an office or place of profit as an Assistant in the Company carrying a total monthly remuneration of five hundred rupees or more, viz:—

Basic Salary in the time scale: Rs. 225—25—500—50—1,000 per month (with annual increments).

Basic Allowance—Rs. 200 p.m.

Dearness Allowance—40% of the aggregate of Basic Salary and Basic Allowance.

(in the event of his marriage he would be entitled to receive 60% of the aggregate of Basic Salary and Basic Allowance up to and including Basic Salary of Rs. 250 p.m. and thereafter at 65% of the aggregate of Basic Salary and Basic Allowance).

Provident Fund—up to 15% of Basic Salary, the Company making a similar contribution limited to 10% of Basic Salary."

6 (*As Ordinary Resolutions*)—

(a) "That pursuant to the provisions of Section 294 of the Companies Act, 1956, the appointment of Messrs. R. Donaldson & Co., in terms of an agreement executed by the Board on 18th October 1960 as the Company's sole selling agent for jute goods in Australia be and is hereby approved."

(b) "That pursuant to the provisions of Section 294 of the Companies Act, 1956, the appointment of Gollin and Company Limited, in terms of an agreement executed by the Board on 9th February 1961 as the Company's sole selling agent for jute goods in New Zealand be and is hereby approved."

(c) "That pursuant to the provisions of Section 294 of the Companies Act, 1956, the appointment of Aldo Luzzati S.R., Ltda., 25, De Mayo 294 Buenos Aires 3, in terms of an agreement executed by the Board on 23rd February 1961 as the Company's sole selling agent for jute goods in Argentina, Uruguay and Paraguay be and is hereby approved."

Notice is also given that the Share Transfer Books of the Company will be closed from the 27th March to the 30th March 1961, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the Company.

By order of the Board,
D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA, *24th February* 1961.

An Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956, is annexed to the Notice issued to the Members of the Company.

JARDINE HENDERSON, LIMITED

NOTICE IS HEREBY GIVEN THAT A separate meeting of the holders of Ordinary Shares in the capital of the Company will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta-1, on Thursday the thirtieth day of March 1961, at 11-30 o'clock in the forenoon, to consider and, if thought fit, to pass the following resolution as a special resolution, pursuant to Article 65 of the Articles of Association of the Company and Section 106 of the Companies Act, 1956, viz.:—

"That this separate general meeting of the holders of Ordinary Shares of Jardine Henderson, Limited, hereby confirms an Agreement dated the thirtieth day of March 1961, made between Jardine Henderson, Limited of the first part, Mr. Girdharilal Mehta on behalf of the holders of Preference Shares in the capital of the Company of the second part and Mr. Chhedi Lal Gupta on behalf of the holders of the Ordinary Shares in the capital of the Company of the third part (which Agreement has been produced to this meeting and for the purpose of identification initialled by the Chairman thereof) and sanctions and approves of the rights attached to the Preference Shares in the capital of the Company being modified and varied in accordance with the said Agreement."

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the Company.

By order of the Board,
D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA-1, *24th February* 1961.

An Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956, is annexed to the Notice issued to the Members of the Company.

JARDINE HENDERSON, LIMITED

NOTICE IS HEREBY GIVEN THAT A separate meeting of the holders of Preference Shares in the capital of the Company will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta-1, on Thursday the thirtieth day of March 1961, at 11-40 o'clock in the forenoon, to consider and, if thought fit, to pass the following resolution as a special resolution, pursuant to Article 65 of the Articles of Association of the Company and Section 106 of the Companies Act, 1956, viz.:—

"That this separate general meeting of the holders of Preference Shares of Jardine Henderson, Limited, hereby confirms an Agreement dated the thirtieth day of March 1961, made between Jardine Henderson, Limited of the first part, Mr. Girdharilal Mehta on behalf of the holders of Preference Shares in the capital of the Company of the second part and Mr. Chhedi Lal Gupta on behalf of the holders of the Ordinary Shares in the capital of the Company of the third part (which Agreement has been produced to this meeting and for the purpose of identification initialled by the Chairman thereof) and sanctions and approves of the rights attached to the Preference Shares in the capital of the Company being modified and varied in accordance with the said Agreement."

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the Company.

By order of the Board,
D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA-1, *24th February* 1961.

An Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956, is annexed to the Notice issued to the Members of the Company.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

TENDER No. S-13 OF 1961
Global Tender Enquiry for Steel Materials

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to purchase from established and reliable producers a quantity of about 43,000 tons of steel materials such as Plates, Sheets, Structurals, Spring Steel and Turnout Sleeper Bars.

The schedule of requirements in five groups has been despatched already to those who have quoted earlier for Board's Tender No. S-8. Any other prospective tenders who may like to participate may obtain the schedule free of cost from any of the following offices during working hours.

1. Director, Railway Stores, Ministry of Railways (Railway Board), Room No. 337, Rail Bhavan, Raisina Road, New Delhi.
2. Director General, India Stores Department, Government Buildings, Bromyard Avenue, Acton, London W-3.
3. Director, India Supply Mission, 2536, Massachusetts Avenue, N.W., Washington 8 D.C.

Tenders will be received by the undersigned upto 12.00 Hours on the 27th and 28th March, 1961, and opened in the office of the Railway Board on the respective dates.

G. P. BHALLA,
Director, Railway Stores,
Railway Board.

NEW DELHI, *dated 22nd February* 1961.

SWADESHI COTTON MILLS COMPANY LIMITED

Registered Office
Swadeshi House, Civil Lines
KANPUR

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books and the Register of Members of the Company will be closed from 25th March to 2nd April, 1961, both days inclusive.

By Order of the Board,

FOR SWADESHI COTTON MILLS COMPANY LIMITED,
M. L. BAGLA,
Secretary.

28th *February*, 1961.

THE BOMBAY DYEING AND MANUFACTURING COMPANY, LIMITED

NOTICE

THE ANNUAL GENERAL MEETING OF THE Bombay Dyeing and Manufacturing Company, Limited, will be held at the Registered Office of the Company, Neville House, Ballard Estate, Bombay, on Thursday, the 6th April 1961, at 4-30 p.m., to transact the following business:—

1. To adopt the Directors' Report and the audited Balance Sheet and Profit and Loss Accounts for the year ended 31st December 1960.
2. To sanction the declaration of a Dividend.
3. To appoint a Director in the place of Mr. Maneklal Premchand who retires by rotation and is eligible for re-election, and to consider, and if thought fit to pass, the following Resolution, of which a Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company (and the relative Explanatory Statement for which is annexed hereto as required by Section 173 of the said Act):—

"RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, Mr. Maneklal Premchand, who has attained the age of 71 years and who retires by rotation, be and he is hereby re-elected a Director of the Company, and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

4. To appoint a Director in the place of Mr. N. K. Petigara who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

SPECIAL BUSINESS

6. AND for the purpose of considering, and if thought fit to pass (with or without amendment as may be permissible), the following Resolutions as Special Resolutions and/or Ordinary Resolution as specified below:—

SPECIAL RESOLUTIONS

I. "RESOLVED that, pursuant to the provisions of Section 360 of the Companies Act, 1956 (as amended), and subject to the approval of the Government of India being obtained, the approval of the Company be and it is hereby accorded to a contract being entered into in terms of the draft placed before the Meeting, and for the sake of identification initialled by the Chairman, purporting to be between the Company and Messrs. Airfreight Private Limited, Bombay (who are or may be deemed to be 'associates' of the Managing Agents of the Company), to be operative as from the date of this Meeting until determined by one month's notice given by either side to the other, in respect of the supply or rendering of any service by Messrs. Airfreight Private Limited to the Company including the rendering of service as carriers of goods and travel agents; and in respect of the sale or supply of any property or any article produced, dealt in or owned by the Company and the supply or rendering of any service by the Company to Messrs. Airfreight Private Limited, subject to the condition that all payments to be made to the Company by Messrs. Airfreight Private Limited shall be made within one month from the date of the sale or supply of any property or article or the supply or rendering of any service by the Company to Messrs. Airfreight Private Limited."

II. "RESOLVED that, pursuant to the provisions of Section 360 of the Companies Act, 1956 (as amended), and subject to the approval of the Government of India being obtained, the approval of the Company be and it is hereby accorded to a contract being entered into in terms of the draft letter placed before the Meeting, and, for the sake of identification, initialled by the Chairman, purporting to be from Messrs. Gherzi Eastern Private Limited, Bombay (who are or may be deemed to be 'associates' of the Managing Agents of the Company), to the Company, for the rendering of services by the former to the latter by way of planning a complete reorganisation of the Spinning and Weaving Departments of the Spring Mills of the Company adopting modern processing and working methods, in consideration of which services the Company will pay a fixed fee of Rs. 1,97,800, and also a daily fee of Rs. 100 per technician actually employed by Messrs. Gherzi Eastern Private Limited on the work, and conveyance and medical expenses as set out in the draft aforesaid."

III. "RESOLVED that, pursuant to Section 360 of the Companies Act, 1956 (as amended), and subject to the approval of the Government of India being obtained, the approval of the Company be and it is hereby accorded to a contract being entered into in terms of the draft placed before the Meeting, and for the sake of identification initialled by the Chairman, purporting to be between the Company and Messrs. Gherzi Eastern Private Limited (who are or may be deemed to be 'associates' of the Managing Agents of the Company), to be operative as from the date of this Meeting until determined by three months' notice given by either side to the other, in respect of the supply or rendering of services as Textile and Engineering Consultants and Experts, by Messrs. Gherzi Eastern Private Limited to the Company; and in respect of the sale or supply of any property or any article produced, dealt in or owned by the Company and the supply or rendering of any service by the Company to Messrs. Gherzi Eastern Private Limited, subject to the condition that all payments to be made to the Company by Gherzi Eastern Private Limited shall be made within one month from the date of the sale or supply of any property or article or the supply or rendering of any service by the Company to Messrs. Gherzi Eastern Private Limited, and that payments made by the Company to the said Messrs. Gherzi Eastern Private Limited for services to be rendered by them shall be such as are deemed reasonable by the Board of Directors having regard to the nature of the services asked for."

ORDINARY RESOLUTION

IV. "RESOLVED that, pursuant to Clause (*d*) of sub-section (1) of Section 293 of the Companies Act, 1956 (as amended), and all other enabling provisions (if any), the consent of the Company be and is hereby granted to the Board of Directors of the Company borrowing moneys for the purposes of the Company, from time to time, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but so that the total amount up to which moneys may be borrowed by the Board of Directors shall not at any time exceed Rupees ten crores."

Explanatory Statement under Section 173 *annexed in respect of the above Resolutions*

The drafts of the contracts and letter referred to in Special Resolutions Nos. I, II and III are open for inspection by any member at the Registered Office of the Company on all working days from 10-30 a.m. to 1-00 p.m.

By Order of the Board,

NOWROSJEE WADIA & SONS (PRIVATE) LTD.,
NEVILLE N. WADIA,
Director,
Managing Agents.

BOMBAY, 6*th March*, 1961.

Note:—(*a*) A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and a proxy need not be a Member.

(*b*) The Share Transfer Books of the Company will remain closed from Friday, the 10th March 1961, to Wednesday, the 29th March 1961, both days inclusive.

(*c*) The dividend when declared will be made payable at the National and Grindlays Bank Limited, Bombay, on or after the 27th April 1961, to those Members whose names stand on the Register of the Company on the 29th March 1961, and the Dividend Warrants will be duly posted to them.

(*d*) The Members are requested to notify immediately any change of address to the Company.

(*e*) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business set out above is annexed to the Notice of the Annual General Meeting posted to the Members.

UNITED BANK OF INDIA LIMITED

Registered Office:

United Bank Buildings

4, CLIVE GHAT STREET, CALCUTTA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE next Annual General Meeting of the shareholders of UNITED BANK OF INDIA LIMITED will be held at the Registered Office of the Bank at the UNITED BANK BUILDINGS, 4, Clive Ghat Street, Calcutta, on Monday, the 10th April, 1961 at 11 a.m., to transact the following business:—

1. To receive the Directors' Report and Audited Accounts for the year ended 31st December, 1960;
2. To declare a Dividend;
3. To elect a Director in place of Sri J. M. Dutt who retires but offers himself for re-election and to consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "Resolved that Sri J. M. Dutt who has completed 73 years of age be and is hereby elected and appointed a Director of the Company and it is specifically declared that the age limit of Directors prescribed under Section 280 of the Companies Act 1956 shall not apply to him."

   Special notice of intention to propose the foregoing Resolution has been received by the Company.
4. To elect a Director in place of Sri N. C. Datta who retires but offers himself for re-election and to consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "Resolved that Sri N. C. Datta who has completed 82 years of age be and is hereby elected and appointed a Director of the Company and it is specifically declared that the age limit of Directors prescribed under Section 280 of the Companies Act 1956 shall not apply to him."

   Special notice of intention to propose the foregoing Resolution has been received by the Company.
5. To elect a Director in place of Dr. S. B. Dutt who retires but offers himself for re-election and to consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "Resolved that Dr. S. B. Dutt who has completed 66 years of age be and is hereby elected and appointed a Director of the Company and it is specifically declared that the age limit of Directors prescribed under Section 280 of the Companies Act 1956 shall not apply to him."

   Special notice of intention to propose the foregoing Resolution has been received by the Company.
6. To elect a Director in place of Nawab Sir K. G. M. Faroqui, Kt., who retires but offers himself for re-election;
7. To elect a Director in place of Sri S. N. Ray who retires but offers himself for election and to consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "Resolved that pursuant to the relevant provisions of the Companies Act, 1956, Sri S. N. Ray be and is hereby elected and appointed a Director of the Company."

   A notice in writing under Section 257(1) of the Companies Act, 1956, has been received by the Company in this connection.
8. To appoint Company's Auditors and fix their remuneration and to authorise the Board to appoint Branch Auditors and fix their remuneration under Section 228(3) of the Companies Act, 1956 as amended by Companies (Amendment) Act No. 65 of 1960.

SPECIAL RESOLUTION

The following Resolution will be moved as Special Resolution:—

9. "Resolved that the Board is hereby permitted if they so desire, to appoint Sri C. R. Sen, Chartered Accountant of 4, Clive Ghat Street, Calcutta, who is a relative of Sri B. K. Datta, Managing Director of the Company, as one of the Branch Auditors to audit some of the branches on a remuneration as paid in the last year or at a higher remuneration as may be considered necessary by the Board from time to time.

By Order of the Board,

A. K. ROY,
Secretary.

Dated, Calcutta,
The 4th March, 1961.

Note: (i) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

(ii) The Transfer Books of the Company will remain closed from Monday, the 27th March, 1961 to Monday, the 10th April, 1961 (both days inclusive).

(iii) The dividend, when sanctioned, will be payable on and after the 1st May 1961 to those shareholders whose names stand on the Register on the 10th April, 1961 and who are entitled to participate in the distribution of dividend in terms of Article 149 of the Company's Articles of Association.

(iv) Dividend Warrants will be posted to shareholders at their registered addresses or in accordance with their mandates. Such mandate, if not already given, and intimation of any change of address should be given to the Bank early in time.

The Explanatory Statement required under Section 173 of the Companies Act, 1956, has been forwarded to the members of the Company.

CANARA INDUSTRIAL AND BANKING SYNDICATE

(*Concluded from page* 490)

matter of advances. The desire of the bank personnel to be treated alike wherever they are serving, be it in a smaller or bigger institution, cannot be resisted for long, unless the smaller institutions are willing to lose their able personnel for the bigger ones by and by. All these difficulties should help smaller banks to make up their minds to lose their identity with bigger ones voluntarily at the present stage of development of banking in this country, so that the adjustments that are brought about are smooth, effective and to the advantage of all.

"If we have to get all the smaller institutions to merge with bigger institutions now, my own suggestion is to have another bank floated specifically for this purpose, the capital of which could be shared equally between the Government of India, the Reserve Bank of India, State Bank of India and all the scheduled banks. Each scheduled bank may be asked to contribute, by law if necessary, capital proportionate to its own capital and reserves. This institution must see that every depositor of smaller institutions, which find themselves in difficulties, sometimes not of their own making, is assured of the safety of his deposits by taking over all assets and liabilities of these institutions, guaranteeing their deposits in full and taking over their staff. This might facilitate the integration of the staff also and create immediately the confidence in the banking system itself. I wish the Indian Banks' Association takes a lead in this matter.

"Banking in this country has to evolve itself in a manner most advantageous to the economic and industrial development of this country; consistent with safety, it has to continuously adapt itself to the changing conditions and changing values. In a rapidly developing economy things which had no value before, are getting economic values and the banker has to play a more effective role in national reconstruction through his intimate knowledge, experience and enterprise of men and matters. Very often trouble has arisen because the banking system in this country has either identified itself with the interests of the shareholder, which of course is regulated through the Companies Act, or with the depositor which is sought to be looked after by the Banking Companies Act, but nothing positive has been done to identify it with national interests. It has to be realised that only through a well organised, effective and efficient banking system, the country's needs, which are ever changing and complex, could be met and therefore whenever the State Governments enact legislations like the Debt Relief Acts or similar legislation effects of such legislations on the banking system should not be lightly treated. It is the Kerala Debt Relief Act that was to a very large extent responsible for some of the grief of banks in Kerala which overnight found frozen the security and the advances in several cases, making many transactions sticky and converted short-term advances to long-term ones.

"The concept of liquidity is the ability of the banker to realise the security readily without loss in the market. Now this concept of liquidity could be varied by necessary changes in law. In several parts of this country, one cannot ignore that the people's savings are preserved mostly through investment in landed property and their habits in investing in shares or Government securities, however desirable it may be from many other points of view, have been slow-growing. Therefore, very often, whether it be the industrialist or business man, whenever he has to provide any security for advance, what he offers is the landed property or buildings that he has. Banks are finding it difficult to accept them because of the difficulties of realisation of these assets which could be done only by going to a court of law, involving themselves in very lengthy and costly legal processes. I do wish necessary changes in legislation are brought about which could enable such securities like landed property given to banks easily realisable without recourse to a court of law. It is also necessary that wherever litigation for the realisation of the dues to the banks are involved, delay involving court orders, as it often happens nowadays, should be cut short, so that the security may not depreciate in value or the ability of the borrower is not adversely effected on account of this delay. In short, there should be a better appreciation of the role that banks play in the economic development of this country and help them to do so effectively. They should be thought of not only to keep people's moneys safe, but as a dynamic organisation to canalise them for productive purposes in the country.

"I wish to express my sincere thanks to our valued customers for their continued patronage and to the Bank's Directors, shareholders and employees for their loyalty and efforts. I am also deeply appreciative of the enthusiasm, ability and hard work that our General Manager, Mr. T. A. Pai, as given to the institution and the continued support and co-operation which our employees have shown during the year, but for which our progress during 1960 might not have been as encouraging as it has been. I am confident that, with this continued support and zeal, the Syndicate will reach yet another landmark in the coming year."

SLOW PROGRESS OF IRRIGATION

The Union Ministry of Food and Agriculture has just published the statistics pertaining to irrigated area in 1957-58. Even these figures are described as provisional. Still, they must be deemed more reliable than the estimates of the Irrigation Ministry, since they (the former) are based on the returns of the State Revenue Departments which maintain the irrigation statistics and records:

(In million acres)

	1957-58	1956-57
Net area sown	317.6	322.5
Total cropped area	359.2	368.4
Net area irrigated	57.1	55.7
Details of irrigated area:		
(i) Government canals	20.3	19.6
(ii) Private canals	3.3	3.3
(iii) Tanks	11.2	11.1
(iv) Tube-wells	1.1	..
(v) Other wells	15.8	16.2
(vi) Other sources of irrigation ..	5.4	5.5
Total ..	57.1	55.7

Why the Ministry continues to take three years to assemble and publish the irrigation statistics pertaining to an agricultural year defies explanation. Is it so very difficult to get timely returns from the State Revenue Departments which maintain the irrigation statistics? The usefulness of the figures will be enhanced if the irrigated area in an agricultural year is published at least before the close of the following agricultural year.

PRELIMINARY WORK ON SOME POWER PROJECTS

The Government of India has authorised preparatory work in the current financial year, that is, 1960-61, on seven power projects which are included in the third Plan. The names of these projects and their proposed capacities are as follows:

	Capacity in thousand kilowatts
Kundah Stage III, Madras	240
Mettur Tunnel Power Scheme, Madras ...	100
Pamba-Kakki Hydel Scheme, Kerala ...	300
Cambay Thermal Station, Gujarat ...	150
Khaperkheda Thermal Station extension, Maharashtra	30
Naharkatiya Power Station, Assam ...	50
Barauni Thermal Station, Bihar	15
Total ...	885

It is stated that the power generated at these stations will be largely used for industrial development.

MONEY STILL TIGHT

(From Our Own Correspondent)

BOMBAY, 15*th March*

The most outstanding development in the money market during the week under review was the decision of the bankers to revise the ceiling rates of interest for various categories of deposits under the inter-bank agreement, as for details given in our last issue. The new rates came into force with effect from 15th March and are applicable to banks the deposits of which exceed Rs. 25 crores. Banks with smaller deposits will be permitted to pay ½ per cent more than the prescribed rates. It is reported that the subsidiaries of the State Bank have also agreed to the maximum rates prescribed. They have, however, reserved the right of charging ¼ per cent more, in case their deposits tend to go down.

The general tone of the short-term money market remains unchanged. The demand for funds is greater than the available supply and the stringency continues, with no sign of relief in the near future. The inter-bank call money rate remains unchanged at 5½ per cent. House money repayable on 3 to 30 days notice was offered 3 per cent from Wednesday. Other deposits too, fetched the aforesaid increased ceiling rates. These are given below for purposes of ready reference:

Usance	*Rate per cent per annum*
For notice money at a withdrawal notice of 3 days and more	3
For term deposits of:	
3 to 30 days	3
31 to 60 days	3½
61 to 90 days	3¾
91 days to 12 months	3¾
12 to 24 months	4
24 to 48 months	4½
48 to 60 months	4¾
60 months and over	5

The result of the 91-days Government of India Treasury Bills sold through weekly tenders, disclosed the usual trends and showed plainly that the market was not interested in locking up their funds in these Bills. The total amount offered was Rs. 2.25 lakhs only, the amount actually invited and accepted being Rs. 2 crores. The average rate of accepted tenders was unchanged at Rs. 2.750 per cent per annum. There were no sales of 91-days Intermediate Treasury Bills during the week, but they are being continued.

A rise of Rs. 32.80 crores in notes in circulation is disclosed by the Reserve Bank of India's statement for the week ended 10th March 1961. As the notes held in the Banking Department have also gone up by Rs. 5.68 lakhs, the total notes issued have increased by Rs. 32.86 crores. Foreign securities held by the Issue Department are constant at Rs. 128 crores, but, as the balances held abroad have expanded by Rs. 1.55 crores, the total foreign assets are better by that amount to stand at Rs. 158.85 crores. The deposits of the banks with the Reserve Bank show an accretion of Rs. 2 crores and appear at Rs. 73.87 crores. There has been an increase of Rs. 2.70 crores in other loans and advances given by the Reserve Bank, which include borrowings by the scheduled banks also. The advances against usance bills alone show a rise of Rs. 1.75 crores and their total stands at Rs. 29.30 crores. A year ago, they were only Rs. 7.49 crores.

The scheduled banks' statement for the week ended 3rd March 1961 discloses a drop of Rs. 77.79 lakhs and of Rs. 1.84 crore in demand and time deposits respectively. Since the deposits of the State Bank of India went up by Rs. 1.33 crore during the week, the actual decline in the deposits of commercial banks other than the State Bank of India must have been much larger. It is in the context of this trend of falling deposits that the bankers' suggestions to raise the rates on deposits have to be seen. The decision to introduce insurance of deposits may also help in arresting the downward tendency. The scheduled banks' borrowings from the Reserve Bank during the week under review went up by as much as Rs. 10.32 crores, the share of those against usance bills being Rs. 1.40 crore. The borrowings from the State Bank of demand nature have increased by Rs. 93.09 lakhs, while those of time nature are down by Rs. 31 lakhs. A marked rise of Rs. 11.85 crores is noticed in advances and bills (bank credit) on top of a rise of Rs. 3.59 crores in the preceding week, bringing their total to Rs. 1,277.91 crores. A year ago, they were of the order Rs. 1,070.73 crores. Of the rise of Rs. 11.85 crores in bank credit, the State Bank's share is to the tune of Rs. 2.65 crores. The investment of the scheduled banks have dropped by Rs. 3.01 crores, the fall in those of the State Bank alone being Rs. 8 lakhs only.

In the Gilt-edged market, short-dated issues were in demand mostly from special quarters, such as the sinking funds, local authorities and provident funds. Among the Central loans 3 per cent 1963-65, 3 per cent 1964, 3½ per cent 1963, 1964 and 1965 gained 10 nP each; 2½ per cent 1961 closed 5 nP higher. The rest of the Central loans remained unchanged. In the State loans section, the 4 per cent and 4½ per cent medium-dated loans of only a few States moved up. Thus 4 per cent 1963, 1964, 1969, 1970 and 1971, and 4½ per cent 1970 and 1971 Maharashtra Government loans showed improvement ranging between 5 nP and 10 nP. 4 per cent 1969 Gujarat showed a rise of 20 nP and 4 per cent 1968 and 1969 Madras issues closed 5 nP and 10 nP higher. The 4 per cent 1968, 1969 and 1971 Mysore loans registered increases ranging from 30 nP to 50 nP and 4 per cent 1969 U.P. loan gained 5 nP. The rest of the State issues remained steady.

In the foreign exchange section, the rupee has slightly firmed up in tune with the pound sterling. The banks' selling and buying rates for ready

BULLION PRICES RECOVER AFTER DECLINING EARLIER

(From Our Own Correspondent)

BOMBAY, 15*th March*

The bullion market ruled distinctly easy during the first four sessions of the week, but staged a recovery yesterday which gathered further momentum today. The earlier easiness was due to heavy arrivals and reports that the Bullion Association had decided to introduce a six-monthly contract, instead of monthly contracts. Consequently, selling ensued and prices tended to recede. On Monday, the selling pressure was pronounced in silver which followed reports in Calcutta, as also a local, daily to the effect that the Government of India was contemplating to sell in the open market about 3,200 bars of silver out of the holdings of pre-war coins. Prices, as a result, suffered a severe setback. In sympathy, gold was quiet. Yesterday, however, the market picked up considerable strength, thanks to reports that the Reserve Bank of India was not aware of the Central Government's move to sell silver, as well to the decision of the Bullion Association Board to commence, subject to the approval of the Forward Markets Commission, business simultaneously in *Vaisakh* and *Jeth* settlements. Under the impetus of fresh bull support and short-covering, both gold and silver scored handsome gains. Further additions in values were noted today. Nevertheless, the closing rates were well below those prevailing on Wednesday last week.

The daily average offtake of gold at 3,000 tolas during the week was the same as that in the previous week, while arrivals were slightly lower at 6,000 tolas, as against 6,700 tolas. In silver, both offtake and arrivals were at an average of 14 bars; last week, they amounted to 9 bars and 22 bars, respectively. The floating stocks of gold are reported to be around 40,000 tolas and those of silver are estimated at 700 bars.

Adjustment rates fixed today were Rs. 122.75 per 10 grams for gold and Rs. 205.40 per kilogram for silver. The corresponding rates on Wednesday last week were Rs. 123.90 and Rs. 207.75, respectively.

The question of switching over from monthly to six-monthly settlements in bullion was considered by the Board of the Bullion Association at a meeting held on Friday the 10th inst. The proposal was approved by the Board and the same has been sent to the Forward Markets Commission for its sanction. Although the Commission is said to be in favour of six-monthly settlements, actual business is not expected to commence for at least another two months, in view of the time required for the completion of formalities. At the Board meeting, it was generally felt that business might be permitted only in the first *Jeth* settlement and that trading in *Vaisakh* settlement need not be allowed. No final decision was taken. The Board, however, decided at the meeting held yesterday to start business simultaneously in both *Vaisakh* and *Jeth* (first) settlements.

A feature of trading in the bullion market during the week was that ready silver which was quoted at a discount of 85 nP under the forward (*Chaitra* settlement) last week-end, commanded a premium of 20 nP today. Ready gold continued to be quoted at a discount under the forward. The actual discount today was 35 nP, as against 5 nP last week.

The world price of gold in the London bullion market eased further during the week from $35.07¼ to $35.07 per fine ounce. In view of the continued easiness of world gold and following a slight recovery in the value of the pound sterling *vis-a-vis* the dollar, ready gold in London declined from 251s. 2*d.* to 250s. 7*d.* Forward silver shed ⅛*d.* to 80*d.*, while ready was unchanged at 79⅝*d.* Silver in New York stood at 91.375 cents, same as last week.

The following table shows the trend of the market during the week:

	15-3-1961 (closing)	High	Low	8-3-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	123.00	123.95	121.90	124.15
Forward:				
Chaitra*	123.35	124.10	122.20	124.20
Sovereign	95.25	95.25	94.50	94.25
SILVER				
Ready (.996 fine)	205.40	207.50	202.75	207.50
Forward:				
Chaitra†	205.20	207.75	202.80	208.00
London—	14-3-1961	—	—	7-3-1961
Silver Ready	79¼d.			79⅝d.
Silver Forward	80d.	80⅛d.	80d.	80⅛d.
Gold	250s.7d.	251s.1¼d.	250s.7d.	251s. 2d.
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 3rd April settlement. † 4th April settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

T.T. on New York have moved down, the former from Rs. 479.25 to Rs. 478.50 and the latter from Rs. 476.00 to Rs. 474.75 per 100 dollars. In the New York market, there has been a further slight improvement in the value of pound sterling due to continued support by the Bank of England and the rate came up nearly to parity. The latest available rates are 279.910-279.950 cents per £ for spot and 278.660-278.700 cents per £ for three months forward. Over the week the gain is 0.65 cent and 0.20 cent respectively.

COTTON FUTURES STEADY

(From Our Own Correspondent)

BOMBAY, 15*th March*

The firm trend witnessed in the cotton futures market towards the close of last week gathered further momentum during the week under review. The inspiration for the keen bidding noted on Wednesday last, which persisted during the week under review also, and the consequent spurt in futures prices, especially that of the maturing April contract, came from the bullish twist which was sought to be given, in some quarters, to by-law 61 of the East India Cotton Association, Bombay, relating to invoicing back rates in respect of cotton rejected in tender. It was argued by this section that cotton rejected in tender under this by-law on or after the twenty-fourth day of the delivery month had to be invoiced back at the spot rate *plus* a penalty of Rs. 3 per quintal. As the spot rate is already about Rs. 100 per candy above the futures quotations, it was feared that those who tendered cotton towards the end of the delivery month were running the risk of having to make sacrifices substantially higher than those prevailing at present. This prompted those who had gone short to rush to cover. Bulls applied the squeeze to take advantage of this opportunity. The Board of the East India Cotton Association could not throw any light on the issue and decided, at its weekly meeting held on Friday, to seek legal opinion on the interpretation of by-law 61. The Board also decided that the delivery dates for the maturing Jarilla April contract should be increased from two to three in a week and that the time granted to the buyers for survey and appeal should not be extended.

Another factor which imparted strength to the market this week was the expectation that tenders against the April contract would be small in volume. The signing of the agreement, according to which 300,000 bales of U.S. cotton will be imported under P.L. 480, failed to produce any adverse effect on the market immediately. This is attributed to the fact that, both price-wise and quality-wise, American cotton is not attractive. Sustained support pushed the maturing Jarilla April contract to as high as Rs. 592. The August contract showed, by comparison, only moderate improvement, the rise being mainly sympathetic. Even this small gain was erased towards the end of the week. Consequently, the spread between the two contracts, which was as much as Rs. 15 a fortnight ago, has narrowed down to Rs. 6.50 today. The trend of the market is steady at the time of writing.

The following table indicates the trend of prices of the contract during the week:

(In Rs. per three quintals)

	15-3-61	*High*	*Low*	8-3-61
I.C.C. Jarilla:				
April 1961 ...	588	592	580	582
August 1961 ...	594.50	596	590.50	594

The spot section reported brisk activity by mills. Spinners from all centres showed interest in popular varieties like CO2, L.147, Surti, Laxmi, Kalyan, Vijay, Digvijay, Berar, etc. There are rumours that the fourth, and perhaps final, instalment of India cotton quota will be issued shortly. This seems to have influenced mills to show better interest in all new crop varieties. Export demand was noted for *zoda* and yellow pickings. Shippers were also interested in Kalagin, Wagad and Bengal *Deshi* cotton in anticipation of a quota.

Interest in foreign cotton was confined to higher grade Egyptian and selected East African quotas. As mills were not particularly enthusiastic about the agreement concluded for importing 300,000 bales of U.S. cotton, the trade also did not show much interest in participating in the imports for which it is understood to have been specifically invited. The reason is the same as in the case of mills' lack of interest, namely, the higher price of U.S. cotton and the uncertain quality.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from Sewri:

Jarilla 880; Khamgaon 900; L.147 1,000; Laxmi 1,042; B.P. 52 1,290; CO2 1,040-1,427; B.P. (U.N.U.G.) 1,295; Sudan XG35 1,900.

The Karachi cotton futures market ruled firm during the week under review. The March contract rallied further on good support prompted by the expectation of meagre tenders from Rs. 68.95 last week-end to Rs. 70.15 yesterday. The May contract rose in sympathy from Rs. 69.05 to Rs. 69.15.

An erratic trend was witnessed on the Alexandria Cotton Exchange during the week. Support was selective, being confined only to certain delivery months of both the long-staple Karnak and medium-staple Ashmouni contracts. Consequently, gains were interspersed with losses. The export price discount rate remained unchanged this week also. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: March 69.15; May 70.07; July 71.20.

Ashmouni: April 59.05; June 60.15; August 60.89.

Cotton futures in Liverpool recorded modest gains during the week under review. Strong advices from New York and moderate support from local traders were responsible for the rise in price. Sudan cotton futures at Liverpool were subdued. Values, however, remained changed. The following are the latest available quotations—in pence per lb. —from Liverpool:

American cotton one inch staple contract: March 24.15; May 24.65; July 24.95.

American cotton mixed growths contract: March 24.50; May 25.05; July 25.30.

Sudan: March, May, July 33.50.

The firmness witnessed in the New York cotton futures market during the past two weeks gathered further momentum during the week under review also. Values advanced further on speculative buying based on expectation of holding back of supplies in anticipation of higher prices later this season. The strength of the spot market imparted further firmness to futures.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	14-3-61	7-3-61	28-2-61
Spot	33.25	33.20	33.00
March	—	32.83	32.57
May	33.37	33.25	33.03
July	33.78	33.77	33.52

ART SILK YARNS RALLY

(From Our Own Correspondent)

BOMBAY, 15*th March*

There was a rally in the prices of art silk yarns during the week under review. *Good* buying support was in evidence, thanks to fears of a shortage of supplies developing in the next few weeks, owing to the continued restricted import policy. Even reports indicating the possibility of many weaving mills cutting down production in view of the steep increase in rates of excise and import duties on yarns and excise duty on fabrics failed to have any effect. In sympathy with art silk yarns, staple fibre yarns also tended to move up. Cotton yarn ruled quiet, as operators were not inclined to enlarge their commitments pending a clear picture regarding the effect of the newly imposed excise duty on cotton yarn on the offtake by handlooms and powerlooms.

Imports of art silk yarn into Bombay port during February 1961 amounted to 1,198,416 kg., as against 1,151.192 kg. in the previous month. During the same month, 93,452 kg. of synthetic yarn (76,931 kg. in January 1961), 1,707 kg. of staple fibre yarn (616 kg.) and 4,365 kg. of cotton yarn (8,727 kg.) were imported. Exports of cotton yarn and cotton sewing thread from Bombay port aggregated 316,466 kg. and 42,607 kg., respectively. The corresponding figures for January were 377,194 kg. and 21,890 kg.

In the course of a communication addressed to the Union Finance Minister, the Silk and Art Silk Mills Association has pleaded for the reconsideration of the proposal to raise taxes on art silk yarn and staple fibre. The proposal, it is pointed out, "affects the weaving sector only, since the excise duty is passed on to it by spinners, due to scarcity of yarn, and as such the incidence of the increase cannot be shifted to consumers owing to market conditions. In its opinion, the countervailing import duty on yarn is not necessary, because the indigenous yarn is assured of market and no protection is needed by indigenous spinners who are well protected by scarcity conditions. The proposed change in the rates of excise duty on rayon fabrics, the removal of slab exemptions, the equalisation of rates of duty for first and second shifts, and the increase in third shift rates, it is feared, will all act as deterrents to higher productivity. It is also feared that the export trade will be affected by the increase in costs and that the result will be more yarn shortage. To quote the Association: "Weaving sector will be financially ruined, if proposals are implemented."

Addressing a Press conference on Monday the 13th inst., Mr. D. N. Shroff, Chairman of the Association, declared that the powerloom weaving sector of the rayon industry had been burdened with multiple and crushing imposts and hence its protest was not perfunctionary but it was a protest of the greatest vehemence. He said that the effect, apart from the "incidence" of the taxation proposals, would be the ruination of the rayon weaving sector and added:

"The net incidence of the taxation proposals, both in respect of yarn and fabrics, is that the rayon weaving sector will have to bear an additional impost of Rs. 8,99,34,900, making a total impost of Rs. 24,11,79,607. In comparison with the expectation of an additional revenue of Rs. 60.87 crores in 1961-62, the net additional incidence on the rayon weaving sector is Rs. 8,99,34,900, which is 14.77 per cent of the total, an incidence which is out of all proportion, specially taking into consideration the investment in the sector, its structure, its difficulties in obtaining raw materials, the price at which it obtains its raw materials, its machinery, its wage bill, etc. ... The realisation of the weaving sector from sales of fabrics being about Rs. 60 crores per annum, the total incidence of taxation comes to 40 per cent of the realisation."

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with the previous week.

	15-3-1961	8-3-1961
	Rs.	Rs.
Art silk yarn—		
60/1 Cupresa Bemberg (100 kg.)		
April	2,600.00	2,550.00
60/1 Cupresa Bemberg spot	2,645.00	2,595.00
120 Japan (per 100 kg.)	1,515.00	1,501.00
150 Japan (per 100 kg.)	1,735.00	1,728.00
120 Italy (per 100 kg.)	1,488.00	1,469.00
150 Italy	1,708.00	—
Staple fibre yarn—		
40×2 April (per 90.72 kg.)	867.00	868.00
40×2 June	870.00	—
40×2 Century (per kg.)	10.32	10.42
40×2 Kohinoor (per kg.)	10.38	10.25
Cotton yarn (per bundle of 10 lbs.)—		
10sModern	18.75	18.75
20s New Great	21.75	21.75
30s New Great	27.00	27.00
40s Madura	32.00	32.25
60s Finlay	66.40	67.00
80s Mahendras	68.68	68.68

SEEDS FORGE AHEAD

(From Our Own Correspondent)

BOMBAY, 15*th March*

The firmness of oilseeds noted last week gathered further *momentum* during the week under review, with the major seeds and oils scaling new peaks. Bulls lent considerable support and the bears were covering their positions. Groundnuts continued to be in the forefront on reports of an acute scarcity of offerings, particularly from the main sources of supply such as Kathiawad. Despite high prices, local demand for groundnut oil for edible purposes was steadily on the increase, owing to seasonal factors. Encouraged by such demand, crushers and *vanaspati* manufacturers, whose stocks were fast dwindling, were keen buyers of seeds.

Spot groundnuts Nizam bold spurted by Rs. 2.50 to Rs. 55.25. Coromandels and Khandesh quality advanced by Rs. 2 each to Rs. 55.50 and Rs. 55.25, respectively. Among oils, railway receipts rose by Re. 1.10 to Rs. 23.25. Ex-mills gained a rupee to Rs. 23. There was hardly any transaction in the forward (May 1961) contract.

Castorseeds and oil ruled distinctly firm. While arrivals were limited, there was good demand for oil from shippers, following sustained enquiries from the U.K. and some communist countries. The devaluation of the Brazilian currency was not considered to affect adversely India's competitive position. For, since Brazilian stocks were said to be limited, a section of traders felt that it might not have much to offer in the open market after meeting its contractual obligations. May 1961 contract advanced by Rs. 5.38 to Rs. 179.50. Ready Madras improved by 87 nP to Rs. 35.12. Oil commercial put on 90 nP to Rs. 15.10 and B.S.S. 65 nP to Rs. 15.80.

Linseeds met with keen half support induced by high level oil offtake in the wake of relatively scarce arrivals, partly for purposes for adulterating with dearer edible oils. The export section for oil however, continued to be dull with the domestic prices remaining out of parity with world prices. Linseed May 1961 contract made headway from Rs. 35.81 to Rs. 38.25. Bold ready strengthened by Rs. 4.25 to Rs. 39.50. Linseed oil was marked up by Rs. 2.20 to Rs. 18.60.

In sympathy with the general trend and on sustained buying by *vanaspati* interests, cottonseeds staged a smart rally. May 1961 *contract* firmed up by Rs. 3.25 to Rs. 98. Whites gathered 90 nP to Rs. 20. Both *non-whites* and Berars were quoted higher by 50 nP at Rs. 19.75.

Sesame continued to put on distinctly cheerful appearance, thanks to enlarged enquiries from the South in the face of tight statistical position. Bold variety spurted by Rs. 15 to Rs. 370 (per 250 kg.). Sesame oil rose by Re. 1.75 to Rs. 29.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	15-3-1961	8-3-1961	28-2-1961
	Rs.	Rs.	Rs.
Groundnut			
May 1961	—	220.00	220.00
Nizam bold	55.25	52.75	50.75
Coromandel ready	55.50	53.50	51.62
Khandesh quality	55.25	53.25	51.50
Oil ex-mill ready*	23.25	22.25	21.06
Railway receipts*	23.00	21.90	20.96
Castorseed			
May 1961	179.50	174.12	170.25
Ready Madras	35.12	34.25	33.62
Ready Kanpur	33.50	32.87	32.50
Oil B.S.S.†	15.80	15.15	15.00
Oil commercial†	15.10	14.20	14.00
Linseed			
May, 1961	38.25	35.81	35.06
Bold ready	39.50	35.25	35.25
Oil ready†	18.60	16.40	16.30
Cottonseed			
May 1961	98.00	94.75	92.75
New seed	42.00	39.50	37.00
Kardi seed	28.50	27.25	27.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

TEA WELL MAINTAINED

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.)

COCHIN, 7*th March*

A total of approximately 385,000 kilograms was offered in Sale No. 10 held today. Quality from all districts was well maintained. There was good general demand. Low medium and medium descriptions met useful support and sold at firm to sometimes slightly dearer rates. Good mediums sold well at around last prices with buyers following quality closely. Highgrowns were very irregular; the best sold at about last rates but others were again irregular and easier, and there were some withdrawals. Black leaf brokens and fannings were steady whilst the plainest kinds were generally slightly lower. Whole leaf grades met with fair support at slightly easier levels. C.T.C. and legg cut types met active demand at dearer rates.

	1961	1960
	Rs.	Rs.
Low medium	4.70-4.90	4.30-4.52
Medium	4.90-5.20	4.52-4.96
Good medium	5.20-5.60	5.18-5.73
Quality	5.30-7.85	6.39-10.47

The average price realised in sale No. 10 was Rs. 5.20 per kilo, as against Rs. 5.18 a week ago and Rs. 5.42 in the corresponding sale last year.

Dust Sale No. 10: 183,000 kilograms were offered in dust sale No. 10 held on Thursday, 9th inst. The market opened to strong active demand which slackened as the sale progressed. Medium and low medium descriptions were well supported at the opening at 10-20 nP above last rates although closing at an advance of 5-10 nP. Good coloury mediums sold well. Residuals met keen enquiry at the beginning of the sale but towards the end they were a weak feature and were generally slightly easier. Highgrown dusts came to an irregular market; where quality was improved they sold at dearer rates but other types were lower. Legg cut and C.T.C. types were the strongest features of the market selling at fully 20 nP above last prices.

The average price realised in dust sale No. 10 was Rs. 4.87 per kilo as compared with Rs. 4.75 a week ago and Rs. 4.59 in the corresponding sale last year.

Export quota: The market has been extremely quiet and the quotation stands nominally at ½ nP per kilo at which rate there are heavy sellers.

Colombo: In this week's export sale there was strong general demand. Best highgrowns were appreciably dearer following quality but others were about steady. Uvas and mediums brokens were ½ cents easier following less activity from Australia. Liquoring fannings, however, sold well. Lowgrowns registered a slight drop in price. Tippy fannings met much less interest and were considerably easier.

London—North Indian and other growths: In Monday's auction there was good general demand and the better liquoring Assams were firm to dearer. All others were steady. Plain BP is quoted at 3-10d.

Ceylon and South Indians: In Tuesday's offerings 25,897 packages were offered and of this quantity 7,824 packages came from South India. There was fair general demand although prices tended a little easier.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wires:

"*Sale No.* 11:—463,000 kilograms. Good general demand. Plain and low medium barely steady. Medium and good firm and sometimes dearer. Nilgiris very irregular."

STRONG DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, 14*th March*

Steady demand at firm rates was in evidence during yesterday's export sales. The price trend followed quality. During last week's internal sales, prices eased and there were some withdrawals.

Trade circles have felt, on second thoughts, that the increased rates of excise duty on tea would not only compensate the Government fully for the loss of revenue of the order of Rs. 2 crores as a result of the export duty cut but would in fact also bring to Government increased revenues. Since gardens have to pay the excise duty to Government on production and the increased rates are steep, the industry cannot expect the consumer to reimburse it in full through higher price for tea.

As such, it is felt that the brunt of the increase would have to be borne by the gardens. When output cost increases and the increase cannot be passed on in full to a specific class of consumers the result would be that attempts would be made to pass on the burden equally to all consumers which would mean that prices of export tea would also be raised. Viewed thus, it can hardly be said that the reduction in the export duty would mean that prices of export tea could be reduced to that extent and that Indian tea would gain more competitive strength in world markets.

In his presidential address to the annual meeting of the Indian Tea Association held here on Friday last, Mr. N. S. Coldwell dealt with the several problems faced by the tea industry. Referring to the proposed changes in the excise duties, he said that the duty, as applicable to the Cachar district gardens, had been increased by as much as 110 per cent. The output in Cachar was less by 25 per cent last year as a result of the earlier drought and when the industry was struggling to overcome the financial strain resulting from lower output, the increase in excise duty was hardly justified.

Since the duty is paid at production point, the gardens would now have to increase cash in hand in the first instance whether the duty is passed on to the consumers or not. Conditions in the money market are already tight and this additional burden would only add to the problems of the tea industry and increase the cost structure further.

In the internal sales held last week, dusts on offer aggregated 23,149 packages. Except for good C.T.Cs prices of which were dearer, rates realised were generally lower. Demand was, however strong. Orthodox teas declined by 10 to 20 nP, while the small types were firm. Legg-cut teas eased by 20 nP; some withdrawals were reported. Irregular trend was in evidence in the medium C.T.Cs having clean leaf appearance. Fibrous teas were difficult to sell. Quotations per 1 kg., inclusive of excise duty, were: good Assam C.T.C. dust Rs. 6.20 to 6.60, medium Assam C.T.C. dust Rs. 5.50 to 5.90, legg-cut dust Rs. 4.90 to 5.30, medium Assam dust Rs. 4.70 to Rs. 5.10, and plain orthodox Rs. 4.60 to Rs. 4.80.

Leaf grades amounting to 2,351 chests met with good demand at dearer rates.

At export sale No. 34 held yesterday, offerings were only 36,173 packages, as was usual at this time of the season. There was good demand, but prices were irregular. Strong competition was offered to all clean and well-made orthodox teas and "teas for price" and prices gained. The few bright best liquoring C.T.Cs also advanced; residual teas of this category were about firm. On the other hand, a decline of 5 to 10 nP in prices of the poorer plain fannings was recorded. In view of the meagre quantity, there were no quotations.

LICENSING OF JUTE DEALERS

(From Our Own Correspondent)

CALCUTTA, 14*th March*

While offers of raw jute at the I.J.M.A. maximum prices tended to fall during the week under review, prices of jute goods moved upward, the

rise being slow and often interrupted. The maximum prices became minimum prices and the sellers of fibre were not many in number during the week. Indeed, there were doubts as to whether the system of ceiling would work after all. It is, however, too early to be pessimistic. The fact that prices have now settled at the controlled rates and that offers are forthcoming should be taken as an encouraging sign to hope that, given time and patience, the foundation of the system may become sound.

During the week, the Jute Commissioner was empowered, through the issuance of a Government order under the Essential Commodities Act, to control jute prices by licensing dealers in raw jute and jute goods, fixation of maximum and minimum prices for both fibre and goods, regulation of stocks of raw jute held by mills and requisitioning fibre stocks and goods. It was indicated here that the Commissioner would at present introduce the system of licensing dealers only. Thus, sufficient time would be afforded to give a fair trial to the voluntary scheme of the I.J.M.A. which, it must be said, from the progress made so far, has made a good start indeed. It is expected that the licensing system will come into being as from the end of this month.

Market circles felt that, since the periodic returns on stocks received by the Jute Commissioner would provide the Government with all market and trade details, there would be no further need for the Government to fix maximum prices and/or to requisition stocks. For, if only these returns are checked properly and investigated periodically, such a course would be a damper for any unscrupulous tendencies. For the present, the Commissioner does not propose to requisition raw jute stocks, but he will do so if he has sufficient reasons to believe that fibre is held back to push up prices.

In the meantime, the sowing time for the next crop is heralding, and the prevailing high prices are a guarantee that the farmers would bring under jute as much land as possible. They may even convert a portion of their foodgrains land to grow jute. It is considered that the next season would be an appropriate time for the mills to organise a central combined purchasing organisation of their own and to hold a buffer pool under the ægis of the I.J.M.A. Rumours current during the week make the market believe that the mills are already considering such a proposal. The financial problem involved in implementing such a proposal will be tremendous and this would be a sphere where the Government can lend a helping hand. A buffer pool would be beneficial not only to mills but also to cultivators. The fag end of the season has invariably been a trying time for the mills as well as for the Government.

The uncertain fibre supply position is fully reflected in the lack of an adequate number of offers in goods for forward delivery. It is but natural that the mills are disinclined to enter into forward commitments without covering for fibre. This is a situation which exasperates the foreign buyer and lends a helping hand to substitutes. If bag manufacturers in the U.S. or consumers of hessian and heavy goods in Europe and other countries are to be kept in suspense thus, it is no wonder if India stands to lose markets. The problems of mills are acute, and an unofficial pool would alone be a remedy. Plans can be made even from now and the I.J.M.A. should create a central buying organisation. A few years ago, the Government had set up a Jute Board for this purpose and it was a failure. The problems faced by the Board were many. The same problems would again present themselves and a non-official organisation would be better placed to tackle the same than a Government arm.

A disturbing feature of the present situation has been the steady trend in fibre prices at Narayanganj. Prices there are higher by about Rs. 15 a maund as compared with the maximum prices ruling at Calcutta. Pakistan prices were firm during the week, but it was reported that the fall in Calcutta prices caused anxiety to stockists. Further, there had been reports of rains aiding sowing in lowland areas. According to a preliminary estimate, production in these lowland areas would be as much as double. If only the jute mills were able to maintain world markets, production of goods would increase. Against this background, it is good news that Pakistan proposes to raise the target of 4,000 looms in the next five years to 6,000 looms. This was announced this week by Mr. A. Khan, the Pakistan Minister for Industries.

The jute goods market opened very firm on Wednesday the 8th inst. A fair number of inquiries for hessian as well as heavy goods was received from overseas countries, but offers from mills were few and far between in view of the uncertain fibre outlook. Ready B. twills were firm at Rs. 203.75 and ready hessian 40" 10 oz. at Rs. 68.25. The fact that at the maximum prices offers of fibre had dwindled caused anxiety to mills. It was feared that, if this situation were to continue, their production would be hampered inasmuch as their stock position is vulnerable. The existence of the quota system, although it helped to check the rising trend in fibre prices, had restricted buying by mills. Business passing in goods was insignificant and, with B. twills at Rs. 203 and hessian 40" 10 oz. at Rs. 68, prices were fractionally lower. Market reports from the U.S. indicated that buyers there were content to continue the hand-to-mouth position and reluctant to enter into forward commitments at the prevailing high prices. At this stage, figures relating to goods in stock with mills at the end of February were released. The total at 83,800 tons showed a small decline of 900 tons. Hessian at 24,000 tons accounted for a big drop of 4,500 tons, while sacking and miscellaneous constructions at 47,600 tons and 12,200 tons rose by 1,300 tons each. On Friday, B. twills were firm at Rs. 203.50 and hessian 40" 10 oz. at Rs. 68.00. Over the week-end, with B. twills and hessian 40" 10 oz. at Rs. 201 and Rs. 66.75, prices declined by a little, following the announcement that the Jute Commissioner had been armed with power by the Government to take steps to control the fibre situation. Although business passing yesterday was little, B. twills eased to Rs. 199.00 and hessian 40" 10 oz. to Rs. 67.00.

Fibre prices were firm at the maximum levels during the week, Assam bottoms quoting at Rs. 62, northern bottoms Rs. 61, and daissee bottoms Rs. 64 per maund. However, at one time, no offers were forthcoming at the maximum prices. The week-end announcement that the Jute Commissioner would introduce a system of licensing of raw jute dealers shortly imparted quietness and cautioned stockists.

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, 13*th March*

A steady trend was noted in the foodgrains market during the week. Arrivals of *rabi* grains were small due to the end of the season, and new grain arrivals had still not commenced. The Union Food Ministry was reported to be anxious to remove zonal restrictions on movement of wheat and this would be finally decided as soon as the results of wheat crops were known, perhaps in a few weeks. The standing crop prospects were very bright and, while harvesting of wheat would begin by the end of the current month in east U.P., it would be late by another fortnight in west U.P.

Wheat recorded modest gains during the week to be quoted on Monday at Rs. 17 a maund for *dara* quality and upto Rs. 18 for better farm produce. Wheat bought here from Punjab, however, was quoted at Rs. 17.25 and inferior quality sold by the U.P. Government was being resold at Rs. 16.25 a maund. Daily arrivals of wheat were small, but consumers were using reserves expecting a fall in prices following new wheat arrivals. It was reported that stocks in the Punjab were heavy and the Centre was giving all possible facilities to dispose of those stocks.

Rice ruled quietly steady with increasing seasonal demand. Local rice stock was put at 5,000 maunds. Prices were: rice *sela basmati* Rs. 28 to Rs. 30; *basmati* superior Rs. 35.50; *mainpuri* Rs. 20.75; *ramajwayan* Rs. 24; *raimunia* Rs. 25.50 a maund.

Gram recorded fractional gains during the week to be quoted at Rs. 16 a maund for Punjab variety. Stocks left with the trade were small and new grain arrivals would begin towards the end of April. Barley and *bejhar*, however, were stationary around Rs. 13 a maund, with poor stocks left, but harvesting of *bejhar* would soon begin. Maize had lost its seasonal demand and, as stockists were anxious sellers, prices drifted lower to be quoted at Rs. 13 to Rs. 13.50 a maund according to quality. Local stock was put at 2,000 maunds. While *guwar* stayed steady at Rs. 13.25 to Rs. 13.50, *jowar* was quoted lower at Rs. 11.75 to Rs. 12.75, thanks to easy advices from the producing areas of the South. *Bajra* was stagnant at Rs. 14.87 and stocks left were meagre.

In pulses, arrivals of peas had begun in small quantity, but as the quality reaching the market was poor and damp, prices sought lower levels at Rs. 12.50 a maund for *dara* quality, Rs. 13 for better farm produce and Rs. 14 a maund for peas *dal*. Arrivals of new peas will soon mount, as harvesting is in full swing and new arrivals are fairly good in east U.P. *Arhar* lay flat at Rs. 13.25 a maund, as demand was dormant and local stock was unchanged at 8 *khatties* and new crop prospects were bright. Harvesting of *arhar*, however, would begin after six weeks. Other pulses were steady on good consumer demand in the face of poor stocks and prevailing prices were: *Urd* Rs. 20 to Rs. 21; *urd dal* Rs. 24; *moong* Rs. 21 to Rs. 22; *moong dal* Rs. 25; *massoor* Rs. 14; *massoor dal* Rs. 16.

SUGAR SUPPLY EASY

(From Our Own Correspondent)

HAPUR, 13*th March*

Sugar ruled quietly steady in the local market, though the supply position was easy, but prospects of early export kept the prices steady. Production was still going on vigorously, as cane supplies to factories was still adequate and production by the end of current season was expected to touch new heights. Prevailing prices in the week-end here were: Rs. 112.75 per bag and Rs. 1.09 per *seer* in the open market.

Sugar drifted lower in the Muzaffarnagar market during the week, as the supply position eased further with the release of heavy quantity of damaged sugar of 1959-60 season for open sale and its prices were far below the controlled price at Rs. 102 to Rs. 105 per bag. A heavy quantity of sugar against allotment made by the State Government to its nominee for the month of January remained undelivered, because the lifting speed was very low. Some factories, however, were faced with an acute shortage of coal and coke and were apprehending closure any moment if supplies were not rushed in time. The prevailing price of sugar was Rs. 108 to Rs. 109 per bag which is very near the controlled price.

Khandsari suffered a fall of 50 nP to Rs. 1.25 per maund during the week, thanks to the downward trend of sugar. Slackness in demand from the Punjab, Rajasthan, Gujerat and east U.P. were the main influencing factors. Daily arrivals of *khandsari* in Muzaffarnagar market were 5,000 maunds and stock was put at 40,000 maunds, the corresponding figure last year being 100,000 maunds. *Khandsari* manufacturers reduced cane purchasing price to Rs. 1.25, as cane growers were again diverting supplies to them as the season was becoming warm and standing cane crop was likely to be affected. Week-end prevailing prices were: *khandsari* inferior Rs. 25 to Rs. 29; superior Rs. 30 to Rs. 33; crystal Rs. 33 to Rs. 33.50; *boora* Rs. 33 to Rs. 36; *galawat* Rs. 22.50 to Rs. 23.50; old Rs. 25 to Rs. 29 a maund.

Ready *gur* eased further, as demand was reported to be slack from the consuming areas of Gujerat, M.P. and the Punjab as it was being met from the producing areas of the South where quality offered was better and more solid. Loading, too, continued completely stopped except on Sunday when, due to free loading day, twelve wagons were loaded. Local stock has mounted to 75,000 maunds, as against 42,000 maunds last year, although this year total arrivals at 4.56 lakh maunds were much lower than 5.57 lakh maunds in the corresponding period last year. *Gur* arrivals here were about 2,000 maunds but were reported still better in *mofussil* markets of Gulaoti, Sinana and other centres and stocks in these centres are estimated at 5 lakh maunds. Prevailing prices here were: *pansera* Rs. 12.37 to Rs. 12.75; *shakker* Rs. 14.50 a maund.

Barring superior *chaku gur* which registered fractional gains in the Muzaffarnagar market during the week on good demand from the stockists of Gujerat, M.P. and the Punjab, other qualities sought lower levels there, following slack demand in the face of increasing stocks and heavy arrivals at an average of 10,000 maunds daily. Total arrivals of *gur* and *shakker* during the current season in the Muzaffarnagar market were 10.37 lakh maunds, the corresponding figures last year being 12.97 lakh maunds and 11.75 lakh maunds in 1959. Local stock was now put at 1.5 lakh maunds and prevailing prices in the week-end were: *Chaku* Rs. 14.25 to Rs. 15.25; *pansera* Rs. 14 to Rs. 14.50; *ladoo* Rs. 14 to Rs. 14.37 a maund.

Gur futures ran down sharply. Although gains were about 62 nP in *baisakh* delivery prices last week following formation of bull syndicate and their support, prices sagged heavily this week on active bear pressure. *Baisakh* opened at Rs. 14.40 last Monday and, after touching the highest of the week the same day at Rs. 14.52, declined in successive sessions to the lowest of the week at Rs. 13.28. It is currently quoted at Rs. 13.39, due to profit-taking at low levels.

Sowing of cane is still in progress. The land recently vacated from peas crop is now available for cane sowing and it can be predicted that cane acreage would increase further.

METALS FIRM

(From Our Own Correspondent)

CALCUTTA, 14*th March*

Firm conditions prevailed in the metal market during the week under review. The confusion created by the imposition of excise duties on specified semi-manufactures of zinc, copper and brass (10 per cent *ad valorem* on pipes and tubes and Rs. 300 per metric tonne on sheets, strips and circles) has now been worse confounded. As mentioned in these columns last week, the first category had been interpreted by local excise authorities to include gunmetal bushes, castings also and the latter to include strips and flats. It is now rumoured that brass square rods and copper square rods—and perhaps sectional rods also—will come under the term "strip" and thus attract the 10 per cent *ad valorem* duty! No official clarification has been issued yet. This confusion has adversely affected normal business activities. It is hoped that New Delhi will issue clear instructions as to the items that are to be included in the two categories above stated.

Meanwhile, industrial circles have pleaded that the Finance Minister should consider the dropping of the proposal to levy excise on non-ferrous metal industry at the present time. This industry, it is pointed out, is in its teens in India and a good portion of semis and the end-products made of non-ferrous metals is still imported. The excise duties would only add to the cost structure of the industry, and it is easy to see that the output cost in India would be higher than in the advanced countries. It has hitherto been thought that only the fully developed industries would be called upon to pay excise duties. Hence the inclusion of non-ferrous metals in the Finance Minister's list of dutiable goods has taken the industry by surprise. It is hoped that the Finance Minister will sympathise with the industry and drop the proposal altogether. If for any reason the Finance Minister considered that the proposal should remain, it is suggested by industry spokesmen that the possibility of proposing the duty on pipes and tubes on tonnage basis instead of as at present at, *ad valorem* should be examined. The revision of the proposal in this manner, it is pointed out, would not lower revenue receipts. At the same time it would reduce much paper work.

Although the price of electrolytic copper on the London Metal Exchange fell to £224 per ton from £225-1/8, after rising to £226, local prices for copper scrap were fully firm. Berry quality scrap was quoted at Rs. 462.50 per 100 kgs. and utensil scrap at Rs. 450. Electrolytic zinc was in good demand, and hence the shortage was more acutely felt. However, the price here gave way to Rs. 328.75 per 100 kgs. after opening at Rs. 331.75 but recovered to Rs. 330.75. In London, electrolytic zinc was higher at £85½ per ton against opening of £84⅜. Lead here was unchanged at Rs. 124 per 100 kgs. Tin was steady at Rs. 1,279.50 per 100 kgs. On the London Metal Exchange, the price gained to £808 per ton from £803.

KIPS HARDEN

(From Our Own Correspondent)

MADRAS, 11*th March*

Arrivals of kips were of the usual volume and demand kept pace with arrivals at firmer prices. There was good demand from the U.K. for light and medium weight cow hides and prices hardened further. There was no change in the cow calf, buff hides and buff calf sections.

Inquiries for tanned goat skins from the U.S.A. and Continent were more pronounced. Prices at raw centres advanced sharply due to competitive buying by tanners. Tanned sheep also ruled firmer in sympathy.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 10th March, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	55,42,16,000
(2) Other Governments	6,26,66,000
(b) Banks	73,87,09,000
(c) Others	88,94,66,000
Bills Payable	23,94,16,000
Other Liabilities	46,45,59,000
Rupees	424,90,32,000

Assets	Rs.
Notes	11,40,11,000
Rupee Coin	2,19,000
Subsidiary Coin	5,75,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	37,74,69,000
Balances held abroad*	30,84,03,000
Loans and Advances to Governments†	48,71,31,000
Other Loans and Advances	158,23,76,000
Investments	118,71,23,000
Other Assets	19,17,25,000
Rupees	424,90,32,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 29,30,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	11,40,11,000	
Notes in circulation	1979,96,02,000	
Total Notes issued	....	1991,36,13,000
Total Liabilities	....	1991,36,13,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	128,00,89,000	
Total of A		245,76,92,000
B. Rupee Coin		118,32,45,000
Government of India Rupee Securities		1627,26,76,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1991,36,13,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept., 1939 (pre-war)	3rd March* 1961	24th Feb.,* 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1947.16	1925.33	1929.25	1820.91
Notes held in Banking Department	35.05	11.34	34.97	11.29	21.42
Foreign Securities	59.50	128.01	128.01	128.01	163.01
Rupee Securities	37.39	1592.27	1592.28	1572.28	1437.14
Banking Department					
Deposits of:					
Government of India	14.39	51.44	61.04	52.70	50.37
Other Governments	..	14.70	18.39	22.05	34.27
Balances held abroad	10.06	29.29	31.49	19.25	33.73
SCHEDULED BANKS					
Demand Liabilities	134.36	791.80 (18.71)†	792.58 (19.98)†	784.48 (16.56)†	753.63 (13.60)†
Time Liabilities	102.24	1074.03 (9.77)†	1075.87 (10.50)†	1085.28 (9.74)†	1159.27 (24.48)†
Borrowings from Reserve Bank	..	62.46 (27.55)‡	52.14 (26.15)‡	58.72 (22.35)‡	46.69 (6.70)‡
Borrowings from State Bank	..	14.46	13.84	14.31	10.94
Cash in India	8.70	44.91	45.20	45.77	47.06
Balances with Reserve Bank	25.17	69.92	72.91	74.05	79.39
Balances with other banks in current account in India	..	14.43	14.77	14.69	14.40
Money at call and short notice in India	..	24.62	27.72	23.91	22.57
Investments (at book value)	..	581.40	584.42	605.97	757.49
Advances and bills	105.9	1277.91	1263.47	1234.82	1070.73
STATE BANK					
Deposits	87.76	554.78	553.45	558.41	607.80
Investments	51.99	260.75	260.83	278.81	393.12
Advances	30.35	267.54	264.88	253.03	189.80
Cash	14.69	24.42	28.98	24.66	34.31

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R = Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.11	3.36
Ceylon	18th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July., 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	8.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec. 1960	5.50	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug, 1960	3.50	3
West Germany	20th Jan., 1961	4	3.5

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 10th March, 1961

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		557,36,36,000
Borrowings from Other Banking Companies, Agents, etc.		88,75,000
Bills Payable		8,46,57,000
Bills for Collection being Bills receivable as per contra		1,74,83,000
Acceptances, Endorsements and Other Obligations per contra		1,17,11,000
Other Liabilities (including Inter-Office Adjustments)		2,93,05,000
Total .. Rs.		585,64,17,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		20,94,31,000
Balances with other Banks		4,17,49,000
Money at Call and Short Notice		2,32,00,000
Investments:		
Government and other Trustee Securities	242,63,20,000	
Other Authorised Investments	9,84,65,000	
		252,47,85,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	256,74,13,000	
Bills Discounted and Purchased	17,52,87,000	
		274,27,00,000
Bills Receivable being Bills for Collection as per contra		1,74,83,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,17,11,000
Premises less Depreciation		1,78,31,000
Furniture and Fixtures less Depreciation		1,34,14,000
Other Assets (including Inter-Office Adjustments).		25,41,13,000
Total .. Rs.		585,64,17,000

Scheduled Banks*

Statement of Affairs for the week ended 3rd March, 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	46,01,09
(2) From others	696,75,38
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	18,70,95
(c) Other demand liabilities	49,03,73
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	13,30,55
(2) From others	1038,91,98
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	9,76,78
(c) Other time liabilities	21,80,19
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	13,01,73
(b) Time liabilities	1,44,00
(iv) Borrowings in India from the Reserve Bank of India (A)	62,45,63 (27,55,00)
(v) Cash in India	44,91,40
(vi) Balances with the Reserve Bank in India	69,92,06
(vii) Balances with Other Banks in Current Account in India	14,42,67
(viii) Money at call and short notice in India	24,62,31
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	581,40,12
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1071,41,59
(b) Due from Banks in India	14,72,48
(xi) Inland Bills purchased and discounted in India.	142,27,27
(xii) Foreign Bills purchased and discounted in India.	49,49,29
(xiii) Total of items (x), (xi) and (xii)	1277,90,63

Notes :—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 3rd March, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	2,95,98,000
(b) Provincial Governments	2,34,85,000
(c) Banks	17,70,40,000
(d) Others	123,54,54,000
Bills Payable	24,60,000
Other Liabilities	12,44,90,000
Rupees	167,40,27,000

Assets	Rs.
Notes	9,18,05,000
Rupee Coin	62,000
Subsidiary Coin	41,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	43,93,48,000
Loans and Advances to Governments	4,78,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	39,66,01,000
Investments	59,48,66,000
Other Assets	10,35,04,000
Rupees	167,40,27,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	9,18,05,000	
Notes in circulation	386,71,48,000	
Total Notes issued	....	395,89,53,000
Total Liabilities	....	395,89,53,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	81,09,01,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		148,77,44,000
B. Rupee Coin	2,96,29,000	
Government of Pakistan Securities	238,25,74,000	
Internal bills of exchange and other commercial paper	....	
		241,22,03,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	395,89,53,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 39.00 per cent.

EXCHANGE RATES

		15th March 1961	Previous Week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 [illegible]	1-5 [illegible]
Sellers T. T. D.D. upto six months	s.	1-5 [illegible]	1-5 [illegible]
Buyers T.T. spot to nine months	s.	1-6 [illegible]	1-6 [illegible]
Buyers T.T. 10 to 12 months	s.	1-6 [illegible]	1-6 [illegible]
Bombay on New York—			
Sellers T.T. D.D.	Rs.	478.50	479.25
Buyers T.T.	Rs.	474.75	476.00
London on New York	$	2.7985-2.7987	2.7930-2.7932
London on Paris	Fcs.	13.7100-13.7150	13.70-13.70¼
London on Berne	Sw. Fcs.	12.1100-12.1200	12.1075-12.1100
New York on London	$	279.910-279.950	279.260-279.290

CLEARING HOUSE RETURNS

Centre	Week ended 10th March, 1961		Week ended 3rd March, 1961	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,85,040	89,67,64,000	3,49,027	78,38,86,000
Calcutta	2,04,000	94,77,00,000	1,75,000	85 58,00,000
Madras	1,02,618	13,23,00,228	1,02,129	13,94,62,179
All Centres—				
1957-58	..	..	41,672,000	89,54 80,00,000
1958-59	..	..	46,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
Jan. 1960	..	..	4,392,000	998,20,00,000
Nov. „	..	..	4,695,000	1078,36,00,000
Dec., „	..	..	4,829,000	1118,52,00,000
Jan., 1961	..	..	4,875,000	1,100,37,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	25th Feb., 1961	18th Feb., 1961	27th Feb., 1960	January 1961	January 1960	Percentage of Increase (+) or Decrease (—) in Jan., 1961 as compared with Jan., 1960	Annual Average 1960	Annual Average 1959
Food Articles	504	115.6	116.0R	113.6	116.4	117.5	— 0.9	120.3	112.2
Cereals	192	100.4	99.9	103.3	99.1	101.7	— 2.6	105.3	104.3
Pulses	43	92.9	92.7	92.9	94.9	91.1	+ 3.3	92.6	99.3
Fruits and Vegetables	28	103.3	103.7	116.1	105.8	109.6	+ 3.5	121.0	127.6
Milk and Ghee	84	107.8	109.8	114.6	109.8	106.8	+ 2.8	115.5	112.2
Edible Oils	47	161.6	160.8	136.4	159.6	131.1	+21.7	143.8	126.9
Fish, Eggs and Meat	17	121.7	124.2R	108.1	123.2	114.4	+ 7.8	121.1	110.4
Sugar and Gur	48	115.8	117.8	145.4	122.4	144.1	—15.1	138.6	143.0
Others	50	166.9	166.7	167.8	168.1	184.2	— 8.7	168.6	163.4
Liquor and Tobacco	21	109.4	112.2	95.8	111.2	100.9	+10.2	106.4	108.7
Tobacco	—	107.9	110.8	94.0	109.8	99.5	+10.4	104.8	99.3
Fuel, Power, Light and Lubricants	30	120.0	120.0R	117.2	120.2	118.3	+ 2.0	119.6	116.1R
Industrial Raw Materials	155	159.7	159.5R	131.1	156.6	130.3	+18.1	138.6	119.7
Fibres	61	179.4	179.5	123.6	166.0	126.5	+31.2	139.3	110.2
Oilseeds	60	158.8	158.0	139.0	158.8	136.0	+16.8	144.9	130.0
Minerals	2	95.0*	95.0*	95.2*	95.5	95.2	+ 0.3	97.5	100.0
Others	32	128.2*	128.2R	133.2	129.1	132.2	— 2.3	129.0	117.2
Manufacture	290	129.3	129.2R	118.3	127.6	116.0	+10.0	120.8	109.7
Intermediate Products	41	134.9	134.3	120.7	133.9	121.6	+10.1	127.1	111.1R
Finished Products	249	128.4	128.4	115.6	126.6	115.1	+10.0	119.8	109.5
Textiles	147	134.4	134.5R	115.5	131.4	114.2	+15.1	121.2	104.6
Cotton	—	125 9*	126.1*	125.6*	127.6	123.4	+ 3.4	127.5	113.5
Jute	—	167.3	167.7	97.2	154.9	96.4	+60.7	115.2	87 2
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	107.6	104 6
Silk and Rayon	—	113.2*	113.2*	102.9*	103.8	104.9	— 1.0	102.6	95.7R
Metal Products	12	146.9	146.9	145.2	146.9	145.2	+ 1.1	147.0	143.7
Chemicals	20	103.9	104.2	105.3	104.2	106.8	— 2.4	104.7	108.2
Oil Cakes	10	148.0	148.6	140.8*	150.4	146.2	+ 2.9	140.2	143.7
Machinery and Transport Equipment	31	112.6	112.6	106.5	112.6	106.4	+ 5.8	110.7	105.9R
Others	30	117.9	116.8	112.5	116.7	112.4	+ 3.8	115.0	113.6R
All Commodities	1,100	126.4	126.9	119.3	125.6	118.3	+ 5.7	123.9	113.3

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Cont.*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
	(1949=100)	Base June (1934=100)	Base 1949=(100)	Base January (1928=100)	Base (1949=100)	Base (1949=100)	Base August (1939=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)
1952 Average	103	337	104	310	92	101	351	102	108	108	111	112	99	115
1953 „	106	363	111	323	95	103	349	109	106	104	102	112	109	114
[illegible]	101	359	98	294	85	99	327	106	105	91	95	102	98	106
„	96	338	87	246	78	96	321	99	99	83	87	98	88	106
„	105	353	98	316	89	105	347	111	109	95	96	106	109	114
„	111	369	104	339	94	112	364	116	114	99	103	115	107	126
1958 „	116	395	110	313	98	120	384	124	113	103	103	123	109	131
1959 „	121	412	125	340	98	132	384	133	120	106	98	125	108	140
Dec., 1959	122	420	125	362	96	136	389	137	119	107	99	127	108	144
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February „	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March „	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April „	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May „	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June „	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July „	126	423	122	362	101	137	406	145	121	109	108	119	109†	146
August „	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept. „	125	418	122	364	101†	138	403	146	122	108	102	122	108	147
Oct. „	125	421	123	365	102	137	396	148	122	108	105	119	108	147
Nov. „	124	423	..	367	102	135	392	150	121	110	102	122	..	147
Dec. „	124	419	..	362	100	134	..	151	121	110	102	121	..	148
January 1961	122†	..	..	..	..	..	..	..	122	111	103	120	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Outstandings	Cumulative Time Deposits 10-Year J Outstandings	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	10-Year Treasury Savings Deposit Certificates 4% G Receipts	10-Year Treasury Savings Deposit Certificates 4% G Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings H
1956-57	..	..	3,00	6,01	163,68	..	..	176,97	196,56	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	..	..	2,22	4,78	143,45	71,45	71,45	179,36	212,91	23,11	—39,73	43,58	586	547	63	1,87	264,35	509,79
1958-59	..	..	1,76	3,80	119,10	37,45	152,78	191,76	234,91	21,02	—40,67	42,57	635	11,63	67	2,41	286,27	590,08
1959-60	..	..	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,70	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,36
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19.96	—41,27	41,84	1,18	19,77	5	2,81	23,59	638,52
February „	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,27	41,75	1,05	20,79	6	2,86	25,71	644,99
March „	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41,29	41,68	96	21,76	6	2,90	43,47	667,36
April „	57	34	1,51	3,11	97,35	6,47	226,14	17,37	253,58	19,68	—41,35	41,58	1,63	23,16	9	2,98	26,16	670,00
May „	64	38	1,50	3,07	95,55	6,45	231,20	17.00	251,94	19,55	—41,41	41,50	1,06	24,19	5	3,01	24,67	672,53
June „	73	42	1,48	3,02	93.84	5,76	235.58	17,35	253,22	19,50	—44 46	41,41	84	25,05	5	3,04	24,13	677,33
July „	81	47	1,45	2,98	92,30	5,83	240,30	15.25	255,92	19.44	—41 49	41,32	1,11	26,09	4	3,07	22,36	684,15
August „	89	52	1,43	2,91	90,90	6,78	245,82	19.75	261,00	19,38	—41,54	41,21	1,17	27,23	9	3,14	27,92	694,43
Sept. „	98	57	1,41	2,84	89,45	7,16	251,77	18,76	265,34	19 28	—41,60	41,14	1,52	28,71	6	3,18	27 64	704,67
October „	107	62	1.39	2,79	88.02	7,05	257,63	16,90	267,22	19,20	—41,64	41,09	1,42	30,27	5	3,22	25.56	712 52
Nov., „	117	68	1,36	2,73	86,80	6,21	262,71	17,90	269,23	19,13	—41,67	41.02	1.49	31.73	5	3.25	25.81	719,81
Dec., „	129	74	1,32	2,67	85,42	6,75	268,19	19,04	272,04	18,98	—41,74	40,97	1,28	32,88	5	3,29	27,30	727,84
January 1961	..	..	..	..	..	..	..	..	..	..	..	40,90	1,04	34,15	6	3,32	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued fro m July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of November 1960 amount to 10,89 lakhs of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1935-39	116,17,46,000	1963-65	98.10
3 % Loan	1950	30,33,10,000	1964	98.10
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	95.75
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90 90
2¾% Loan	1946	57,00,69,000	1961	99.40
2½% Loan	1946	14,77,48,000	1976	83 50
2¾% Loan	1947	75,36,72,000	1962	98 25
3½% N. P. Bonds	1953	75,29,00,000	1961	100 00
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.70
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.50
3½% Loan	1956	1,07,27,36,000	1962	99.85
3½% N. P. Bonds	1956	93,81,83,000	1967	98.85
3½% Loan	1956	86,63,53,000	1974	99.70
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100 50
4 % Loan	1957	49,17,27,000	1972	100 45
3½% Loan	1958	58,05,92,000	1968	100.00
3½% Loan	1958	70,00,00,000	1968	98.80
3½% Loan N.P.B.	1958	84,33,90,000	1968	100 50
4 % Loan	1958	49,51,44,000	1978	100.40
3½% Loan	1959	1,37,90,93,000	1969	98.70
4 % Loan	1959	81,06,38,000	1979	100.10
4 % Loan	1960	97,64,00,000	1980	99.90
3½% Bonds	1960	82,66,00,000	1966	99.30
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	72 00
3 % Loan	1946	2,48,91,33,000	K.	74.00
STATE LOANS				
4 % Andhra	1955	5,60,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98 30
4½% Andhra	1958	5,48,81,000	15th July 1970	101 00
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	97.75
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	98 30
3 % Bombay	1949	5,29,97,000	1st Aug. 1962	98.20
3½% Bombay	1951	2,82,97,000	17th Sept. 1962	99.60
4 % Bombay	1953	5,10,80,000	15th July 1963	99 80
4 % Bombay	1952	3,40,34,000	1st Aug. 1964	99.80
4 % Bombay	1955	9,56,29,000	1st Sept. 1967	99.25
4 % Bombay	1956	7,82,20,000	3rd Sept. 1970	99.10
4½% Bombay	1957	6,57,23,000	16th Sept. 1969	101.20
4½% Bombay	1958	6,58,21,000	15th July 1970	101.20
4½% Bombay	1958	4,35,25,000	15th July 1971	101.20
4 % Bombay	1959	6,58,13,000	19th Aug. 1971	99.00
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97 50
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97.50
4½% Bihar	1958	2,76,71,000	15th Oct. 1970	101.05
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	97.50
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	99.00
3½% Howrah Bridge (New)	1936-37	1,77,65,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98 00
4 % Hyderabad	1956	2,13,02,000	3rd Sept. 1968	98 00
3½% Madras	1946	3,81,77,000	1st Sept. 1961	99.05
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99 00
4 % Madras	1953	10,33,71,000	15th July 1963	99.70
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.70
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.50
4 % Madras	1956	13,33,56,000	3rd Sept. 1968	98.40
4½% Madras	1958	5,55,57,000	15th July 1970	101.10
4 % Madras	1959	5,72,72,000	19th Aug. 1971	98.00
4 % Madras	1960	12,00,00,000	29th Aug. 1969	99 40
4% Maharashtra	1960	10,00,00,000	29th Aug. 1969	99.20
4 % Mysore(f)	1953	2,95,35,200	1st Dec. 1958-63	101.40
3 % Mysore(f)	1936	5,99,73,000	30th Apr. 1956-61	99.80
4 % Mysore	1953	3,33,47,000	15th July 1963	99.50
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.40
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	101.10
4½% Mysore	1958	5,51,61,000	15th July 1970	101.10
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	98.40
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.00
3½% M.P.	1951	1,02,19,100	17th Sept. 1962	98.50
4 % M.P.	1953	1,10,18,000	15th July 1963	99 00
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.65
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97.65
4½% M.P.	1958	2,21,80,000	15th July 1970	101.05
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	97.50
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	98.85
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	98.85
4 % Kerala	1953	3,25,61,000	15th July 1963	99.00
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	97.50
4½% Kerala	1958	3,27,10,000	15th July, 1970	100.75
4 % Kerala	1959	4,47,05 000	19th Aug., 1971	97.20
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.90
3½% U.P.H.A.	1952	44,93,89,000	..	48.70Z
4 % U.P.	1955	1,55,31,000	15th Sept. 1961-66	92.25
3 % U.P.	1946	2,12,62,000	1st Sept. 1961	98 50
3½% U.P.	1951	1,96,22,000	17th Sept. 1962	99 10
4 % [illegible]	1952	5,30,14,000	1st Aug. 1964	99 50
4 % [illegible]	1953	5,58,25,000	15th July 1963	99.50
4 % [illegible]	1955	9,10,71,000	1st Sept. 1967	98.50
4 % [illegible]	1956	8,48,28,000	3rd Sept. 1968	98.50

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
86,50,000	4	1904	1964	97.00
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	97.00
86,25,000	4	1914	1975	97.00
10,00,000	4	1915*	1960	D
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
13,25,000	3½	1926*	1960	
85,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1961	144.00N
60,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	99.25
1,00,00,000	4	1960	1970	99.25
STERLING LOANS				
£892,600	5	1923	1953-83	£63
£901,000	5	1924	1954-84	£68
£855,100	5½	1932	1962	£96½
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
9,36,000ff	3	1947	1977	
3,00,000ff	3	1949	1979	
45,00,000ff	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1901	1961	97.75 N
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	97.50 N
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	96.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£333,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	91.75
50,00,000	3	1937	1962	96.00
20,00,000	3	1938	1963-68	91.75
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
26,00,000	4	1913-18	1974	97.00
10,00,000	5	1920	1980	113.00N
8,25,00,000	3½	1947	1977	86.50
2,18,14,500	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,84,000	3½	1951	1966	98.00
1,30,00,000	4	1953	1963	99.00
92,19,00,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.00
1,57,50,000	4	1956	1968	99.00
1,74,00,000	4½	1957	1969	99.50
4,75,00,000	4½	1958	1970	99.50
3,30,00,000	4	1959	1971	97.00
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1932	1962	108.00
33,91,000	3½	1925	1965	95.00
60,00,000	3	1936	1966	91.00
47,50,000	3	1938	1968	91 00
21,10,000	3½	1942	1972	92 00
16,33,000	3½	1951	1961	99.25
66,86,000	3½	1951	1966	98 50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1965	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	101.10
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	98.40
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	101.05
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	97.60
4 % Rajasthan	1960	5,00,00,000	29th Aug. 1969	98 00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.00
4½% Orissa	1958	3,26,58,000	15th July 1970	101.05
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.50
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.00
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97.75
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.25
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.40
4 % W. Bengal	1953	3,60,23,000	15th July 1963	99.60
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	101.10
4 % W. Bengal	1959	7,60,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,00,00,000	29th Aug. 1969	99·00
4 % Assam	1960	2,74,49,000	19th Aug. 1971	98.00
4 % Punjab	1959	2,13,57,000	19th Aug. 1971	97.00

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 16th March, 1961.

	Closing quotations 8-3-1961	High	Low	Closing quotations 16-3-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	168.00	—	—	168.00
Apollo (2)	1.50	1.52	1.46	1.46
Baroda Rayon (100)	140 00	151.00	140.00	147.25
Bombay Dyeing (25)	65.50	66.90	65.20	66.60
Bradbury (50)	115 00	118.50	115.00	118.50
Central India (100)	108.00	120.00	108 00	119.00
Century Mills (100)	537.50	555.00	535.00	550.00
Coorla Sp. (100)	131.25	—	—	131.25
Dawn (50)	126.00	131.00	126.00	131.00
Edward Textile (200)	262.50	—	—	262.50
Elphinstone (50)	66.50	74.00	68.00	73.00
Finlay (100)	355.00	359.00	353.00	359.00
Gokak (100)	174.00	188.00	175.00	185.00
Gold Mohur (100)	265.50	270.00	266.25	267.50
Gwalior Rayon (10)	46.50	48.50	46.00	47.00
Ind. Untd. Defd. (1)	1.64	1.64	1.60	1.64
Ind. Untd. Ord. (10)	14.12	14.44	14.08	14.44
Indian Rayon (62.50)	67.50	69.00	66.50	68.50
Indore Malwa (100)	140 00	141.00	136.00	141.00
Khatau (100)	515.00	555.00	517.50	540.00
Kohinoor (100)	299.50	305.00	294.50	301.00
Lakshmi (250)	505.00	—	—	505.00
Mafatlal (100)	882.50	885.00	870.00	870.00
Minerva Mills (100)	74.00	—	—	74.00
Model Nagpur (250)	35.00	—	—	35.00
Morarji (100)	350.00	355.00	335.00	355.00
Mysore (50)	70.00	70.00	66.00	70.00
National Rayons (100)	542.00	547.50	532.00	536.00
New City (100)	150.00	150.00	149.00	150.00
New Great (100)	201.00	205.00	201.00	205.00
Phœnix (100)	147.50	147.00	144.00	145.00
Podar Mills (100)	143.00	157.00	144.00	157.00
Raymond Woollen (100)	116.00	125.50	120.00	122.00
Sassoon Silk (10)	14.88	14.88	14.76	14.88
Sassoon Spg. (10)	56.50	56.50	54.00	55.00
Shrinivas (100)	254.00	270.00	252.00	266.00
Simplex (50)	177.00	179.50	176.00	179.50
Standard (100)	1,332.00	1,425.00	1,335.00	1,423.00
Svadeshi (100)	250.50	256.75	247.00	254.50
Swan (100)	502.50	550.00	502.50	545.00
Tata Mills (25)	46.50	47.25	46.00	47.00
Vishnu (100)	114.00	126.25	114.00	122.50
Western India (1,000)	3,725.00	—	—	3,725.00
BANKS				
Bank of India (50)	120 00	123.00	120.00	122.50
Do. (New) (50)	126.00	126.50	126.00	126.00
Bank of Baroda (50)	97.00	98.50	97.50	98.50
Central (25)	57.50	58.30	57.30	58.00
Central 'A' (25)	59.50	60 00	59 00	60.00
Dena Bank (50)	60.00	60.50	60.00	60.00
Punjab National (10)	21 00	21 76	21.04	21.76
Union Bank (5)	6.56	6.72	6.60	6.72
United Com. (50)	85.50	90.00	85.50	89.50
ELECTRIC COS.				
Ahmedabad (100)	86.00	86.50	85.50	86.00
Amalgamated (10)	10 08	10.16	10.00	10.00
Andhra Valley (1,000)	992.50	995.00	990.00	991.25
Bom. Sub. El. (100)	87.00	87 00	86.00	87.00
Surat (100)	86.50	86.50	86.00	86.50
Tata Hydro (100)	101.25	101.50	101.00	101.50
Tata Power (1,000)	1,017.50	1,027.50	1,017.50	1,025.00
INSURANCE COS				
British India (10)	12.40	12.52	12.28	12.52
Indian Mercantile (20)	43.25	—	—	43.25
New India (15)	56 00	58.50	56.00	58.50
New India 'A' (15)	56.00	59.00	56.20	59.00
Vulcan (10)	16.48	—	—	16.24
STEEL COS.				
Ind. Iron (10)	26.50	26.90	26.40	26.75
Mukand Iron (10)	26.85	27.50	26.50	27.25
Tata Steel Ord. (75)	153.50	155.00	153.00	155.00
SUGAR COS.				
Belapur (50)	292.00	310.00	293.00	309.00
Bhopal (10)	29.00	—	—	29.00
Changdeo (12.50)	26.00	—	—	26.00
Phaltan (50)	148.00	155.00	147.00	155.00
Walchand Ind. (100)	225.50	241.25	227.50	241.25
CEMENT COS.				
Associated Cts. (100)	156.00	159 00	156 00	157.50
Digvijay (100)	167.00	170.00	167.00	168.00
Orissa (10)	14.16	14.32	13.96	14.00
MISCELLANEOUS				
Alcock Ashdown (100)	292 00	317.00	295.00	312.00
Bom. Burmah (125)	635 50	636.50	618 00	621.00
Do. (New) (50)	226.25	227 50	216.25	222.50
Br. B. Petrol (4 sh.)	2.24	2.44	2 20	2.26
Br. I. Corpo. (5)	7.72	7 84	7.72	7.80
Cooper Eng. (100)	198 50	205 00	199 00	204.00
Colour Chem. (100)	355 00	387 50	355.00	385.00
Hind Cycle (100)	106 00	114.00	106.50	114.00
Hindustan Lever (10)	52 00	52.50	50.50	51.00
Hindustan Motors (10)	22.08	21.96	21.40	21.80
I. C. & Invest. Corporation (100)	85.00	—	—	85.00
Indian Dyestuff (100)	472.50	577.50	480.00	572.50
Indian Copper (2 sh.)	5.40	5.52	5.32	5.40
Ind. Inv. Tr. (100)	80.00	81.00	80.00	81.00
Killicks (100)	99.00	105.00	99 20	105.00
Larsen & Toubro (10)	44.00	45.50	43.75	45.00
Mahindra & Mahindra (10)	22.24	22 52	21.36	21.86
New Central Jute (10)	20.00xd	19.76	19.00	19.00
Polson (100)	170.00	176 25	170 50	175.00
Pre. Automobiles (100)	180.50	186 50	180 00	185.00
Premier Con. (80)	211.00	227 00	210.00	227.00
Scindia (20)	15.32xd	16 04	15.20	16.00
G. B. Shipping (10)	15 00	16.12	14.96	16.04
Shivrajpur (10)	101.00	105 00	85.00	90.00
Sirpur Paper (10)	17.72	19.12	17.88	18.68
Tata Chemicals (10)	18.80	20 84	18.84	20.40
Tata Locomotive (100)	335.50	343.50	333 50	342.00
Tata Oil (25)	83.50	85.30	83.50	84.00
Texmaco (10)	24.52	24.76	23.72	24.00
Voltas (100)	287.50	299.50	288 00	298.00
W. I. Match (100)	303.00	307.00	293.00	300.00
W. Coast Paper (100)	225.00	230.00	218.00	225.00

GOVERNMENT SECURITIES	8-3-1961 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	16-3-1961 Rs.
2½% 1961	99.35	—	4.16	[illegible]
2½% 1962	98.10	—	3.83	[illegible]
2½% 1976	83.50	—	4.21	[illegible]
3 % 1964	98.10	—	3.64	[illegible]
3 % 1963-65	98.00	3.77	3.49	[illegible]
3 % 1966-68	95.75	3.86	3.65	[illegible]
3 % 1970-75 1st Dev.	90.90	4.17	3.82	[illegible]
3 % 1986 Con. Loan	74.00	—	4.05*	[illegible]
3½% 1961 N. P. Bonds	100.00	—	3.50	[illegible]
3½% 1964 N. P. Loan	99.55	—	3.61	[illegible]
3½% 1965 N. P. Bonds	99.35	—	3.63	[illegible]
3½% 1962	99.75	—	3.36	[illegible]
3½% 1967 N.P. Bonds	98.85	—	3.71	[illegible]
3½% 1974	99.70	—	3.78	99.70
3½% 1967 N.P. Bonds	100.75	—	3.66	100.80
3½% 1969 Loan	98.70	—	3.68	98.70
3½% 1968	98.80	—	3.68	98.80
3½% 1963 N.P. Bonds	99.80	—	3.50	100.00
3½% 1968 N.P. Bonds	100 65	—	3.67	100.50
4 % 1972 Loan	100.50	—	3.95	100.45
4 % 1973 Loan	100.45	—	3.96	100.40
4 % 1979 Loan	100.10	—	3.99	100.10
3½% 1966 Bonds	99.30	—	3.64	99.60
4 % 1980 Loan	99.95	—	4.01	99.90

* Current Income. xd—Ex-dividend. X.R.—Ex-Rights.

MARKET GOSSIP

(*Concluded from page 467*)

India. The best thing for this country, therefore, is to launch a vigorous export drive and try hard to improve its position as the world's largest producer and exporter of tea. For this purpose, the industry and the Government must join hands and put up a united front.

Insurance-cum-Investment

The search for new methods of investment suited to the needs and abilities of the small investor is an essential part of the growing efforts now being made in the advanced countries of the West to popularise the savings and investment habit. Many novel forms of, and agencies for, investments have already been evolved to help the small investor in spreading his investments over a considerable variety and number of investments which would have been impossible for him without their help.

The latest addition to this list of ingenious schemes was announced recently in London by M. and G. group of unit trusts. A new savings scheme evolved by the group seeks to combine the investment advantages provided by a unit trust with the tax advantages of endowment assurance. The scheme is simple. An insurance company sponsored by the group will issue endowment policies maturing in 10 to 35 years. The premium on these policies will be invested in the unit shares of M. and G. General Trust Fund. The return on them will, in turn, be used to buy more shares and so on. On the maturity of a policy, the policyholder will receive, not the sum assured as in conventional insurance, but the unit shares bought with the premium paid by him and the income from it. In case the insured dies before the policy matures, his nominee will get the unit shares bought up to that date *plus* the cash sum equal to the amount of premiums unpaid.

This two-in-one scheme offers the tax advantages common to all life insurance policies in Britain, such as tax relief (within limits) on premium paid, freedom from surtax on the investment income which goes to increase the value of the policy and the possibility of reducing estate duty if the policy is taken out for the benefit of wife or children. At the same time, it has also the advantages of investment such as capital appreciation and dividend which could be ploughed back.

Considered in relation to the advantages it offers, the cost of the scheme is low. In fact, the reasonably low and fixed nature of the charges is said to be one of the attractions of the scheme. The charges are low because neither the sponsoring company nor the London Life Association which reinsures the life risks pay commission for the business introduced under this scheme. Policies issued under the scheme will also have a much higher surrender value during the first few years of their life than ordinary endowment policies.

The price which the policyholder pays for all these advantages is the risk he takes on the share prices during the period in which the policy is in force. It has, therefore, attractions only for those who believe in the long-term advantages of equity investments. Further, the tax advantages offered by the scheme might constitute a sufficient attraction only for those who bear heavy tax burdens. Precisely for this reason, the scheme could be expected to prove popular in countries like India where taxation is high, at least among those sections of the population which have become investment-minded. It may be worthwhile for the Life Insurance Corporation of India to examine whether the scheme, with suitable modifications, could be adopted in India. This, of course, implies that, to begin with, there must be unit trusts. The case for formation of such institutions in this country has already been put forward in this journal. It has also been ably presented in an article in a recent issue of the Reserve Bank of India *Bulletin*. It deserves to be acted upon at an early date, as part of the drive for stimulating savings in the country.

Import of U.S. Cotton

The agreement signed on the 9th inst. at New Delhi by the representatives of the Governments of India and the U.S., under which India will import 800,000 bales (of 500 lbs. each) of U.S. cotton under Public Law 480, has failed to enthuse both the mills and the trade. The lack of interest on the part of mills is attributed to the fact that the cotton will be mostly shorter staples (1" and below) in which mills are not interested now as much as they used to be this time last year. U.S. cotton of this staple range is about Rs. 150 higher than Indian cotton of identical quality and staple length. Ample supplies of domestic cotton of almost every description are now available, thanks to the good crop this season. Moreover, in view of the monetary stringency, not many mills are willing to go in for U.S. cotton even for the purpose of building up stocks.

Since mills are not very much interested, the reaction of the trade to the news has also been lukewarm, notwithstanding the fact that, after the lapse of over six years, it has been allowed to participate in cotton imports on its own. It has been the constant complaint of the trade that, since 1954, the Government has almost completely overlooked the existence of the trade and that, by allowing imports only on the basis of actual-user licence, professional importers, who had once played a prominent role in getting foreign cotton on the most advantageous terms, have been reduced to the status of mere commission agents. Importers are disheartened that the Government has made up its mind to give them a share only in respect of cotton which is difficult to sell. They, therefore, seem to have decided to decline the offer politely.

The prospects for quick import of cotton under the latest agreement thus appear to be gloomy. But this cotton has got to be purchased in any case. How to get this done seems to be the current headache of the Textile Commissioner. Some experts think that, if mills are not prepared to import this cotton voluntarily, they may be compelled to do so. One possible way of doing this, it is said, is to link the issue of the remaining 25 per cent of Indian cotton quota to imports of U.S. cotton. But this solution is not generally favoured, because of the element of compulsion in it. A more satisfactory method, it is suggested, would be to extend the shipment period beyond 31st July fixed at present so that mills can spread their purchases over a longer period and also take advantage of the higher U.S. export subsidy of 8½ cents per lb. available from 1st August next, as against the present subsidy rate of 6 cents per lb. It is also suggested, as an alternative, that imports of longer staple cotton (1.1/16" and above) for which there is good demand and which is relatively attractive in price, should be permitted. One difficulty in regard to this suggestion is that, if it is put into practice, it might lead to the violation of the undertaking given by the Government of India that imports under the present agreement will be over and above the usual commercial imports during the U.S. fiscal year 1962 of not not less than 420,000 bales (of 400 lbs.) of U.S. cotton.

It is not known whether the U.S. Government would be agreeable to this suggestion, for it might require Congressional approval as the period might extend into the next financial year.

In any case, if the trade and industry are not prepared to take up the cotton, the Government should consider the feasibility of using it for building up a buffer stock on its own for balancing supplies in lean seasons. Last two seasons' experience of acute shortage of supplies and shooting prices should not be allowed to repeat. If, however, the Government does not have the guts to take this step, it should try to persuade the U.S. Government to permit the financial allocation made under this agreement to be used for importing oils and fats in which there is a growing shortage in this country. It will, however, strike the outside world as something odd that a Government should want to make such a change within a few days of signing the agreement. But losing face is certainly a less important consideration than doing things that are most useful, economical and far-sighted.

Bengal Coal's Debenture Issue

The buoyancy of equities in the past two years has somewhat relegated to the background the debenture-stocks of companies. Not only have the fresh issues of debentures been limited but some companies have even converted the debentures into equities by raising capital through issue of new shares. While such a development is a healthy one, it is well to recognise the importance of debentures. For debentures serve two notable purposes. One, they provide funds to companies for financing a part of the expansion and development programme that may be undertaken without resulting in overcapitalisation. From this point of view, the importance of debentures is all the greater to a company which is engaged in exploiting wasting assets such as coal. Two, the debentures form an essential constituent in the investment portfolio of individual and institutional investors. It would be foolish for an investor to have all his savings in equities. He must always balance his portfolio by having some fixed-yielders as well. Debentures are repayable on a specified date, carry a fixed rate of interest and are fully secured. They are, therefore, more readily marketable than equities.

The aforesaid purposes will be well served by the proposed issue of 6,000 6½ per cent Rs. 1,000 debenture-stock 1964-75 announced by the Bengal Coal Company Ltd., which ranks as the largest, oldest and soundest coal company in India. The subscription list will open on Wednesday the 22nd inst. and be closed on the 24th or later at the discretion of the Directors. The issue will be at par, that is, Rs. 1,000 per stock, payable in full on application, and the rate of interest is subject to deduction of income-tax. Interest will be payable half-yearly on 1st May and 1st November, the initial payment of Rs. 38 per stock being made on 1st November 1961. The stock will mature for repayment at par plus accrued interest on 31st October 1975. It will be redeemable at Rs. 5 lakhs in each year from and after 1964 by the annual operation of a sinking fund.

Of the proposed debenture issue amounting to Rs. 60 lakhs, firm applications in respect of Rs. 30 lakhs have already been received by the Company and it has been announced that these will be accepted in full. The applications received include one for Rs. 5 lakhs from the Life Insurance Corporation.

The main object of the debenture issue is to raise a part of the finance for the implementation of the expansion programme which envisages an increase in the Company's coal raisings from the present level to over four million tons per annum by the end of 1965. The actual output in 1960 was more than three million tons. The total capital outlay on the programme is estimated at Rs. 156.35 lakhs. It will be recalled that, in the second week of December 1960, the Company issued to the shareholders 20,000 shares of Rs. 100 each at a premium of Rs. 100 per share. The issue was fully taken up and provided the sum of Rs. 40 lakhs. The proposed offer of debenture-stock will yield Rs. 57 lakhs (after excluding expenses). The balance of outlay—Rs. 59.85 lakhs—is to be met from the Company's internal resources.

Founded way back in 1844, the Bengal Coal Company today ranks, as already stated, as the largest coal company in the private sector. It is at present working 17 collieries—most of them are in the Raniganje field—with total reserves estimated at 300 million tons. A full picture of the Company's finances can be had from the prospectus published on pages 468-469 of this issue.

CENTRAL BUDGET

(*Concluded from page 483*)

classified under "Miscellaneous," has been transferred to this section as a separate new major head. This is only as it should be, considering the importance assumed by labour and employment in the context of economic development.

Another notable change effected pertains to the adjustment of all grants given by the Centre to the States under one major head, "Grants-in-aid to States," but the various types of grants—statutory, Plan and non-Plan—will be indicated separately according to the Ministries administering them. This arrangement rectifies the defect in the old procedure which inflated not only the receipts of State Governments under the major head concerned but also the total expenditure of the Central and State Governments together in any particular field. Surely, the new arrangement, as the Finance Minister claimed, will give at one place the total of the grants from the Centre to the States, besides facilitating an integrated control over their utilisation. The usefulness of this arrangement is enhanced by the inclusion of the provision for all grants to the States in a composite demand for the next year under the control of the Finance Ministry, the grants debitable to revenue and capital accounts being shown under separate sub-heads according to the subjects to which they relate and portions thereof placed at the disposal of the Ministries concerned.

Further, the payments to States of their share of Union excise duties, hitherto shown as expenditure under the major head "Union Excise Duties," will hereafter be shown under a distinct major head "States' Share of Union Excise Duties," since these payments also represent the resources transferred to the States. Likewise, the payments to local bodies of the net proceeds of certain duties and taxes, such as terminal taxes, entertainment taxes and taxes on vehicles, which, too, represent transfer of revenue from the Centre, will be adjusted in the accounts of both Central and State Governments instead of treating them as just cost of collection of the taxes and adjusted under the major heads concerned in the section "Direct Demands on Revenue" as at present.

The aforesaid changes are quite valuable, giving as they do a clearer idea of the purposes for which sums are being provided in the Central Government budget. But this alone is not sufficient. The entire financial position of the Government of India, together with a consolidated picture of India's finances as a whole (including the States), should be presented in a manner which a layman can understand, just as well as he is able to understand and appreciate the position of a joint-stock company from its balance-sheet and profit and loss account. This can be done in a separate paper or by devoting a special chapter to it either in the Explanatory Memorandum or in the Economic Survey.

BANKING

(*Concluded from page 474*)

The greater expansion in gross earnings, as compared with the rise in outgoings, has enabled the Bank to improve its profit by Rs. 10.90 lakhs. The profit-margin (the ratio of profit to gross income) has gone up from 9.7 per cent to 11.7 per cent.

The total deposits show only a small rise of Rs. 42 lakhs, from Rs. 35.38 crores to Rs. 35.80 crores, but the fixed deposits have actually declined from Rs. 17.45 crores to Rs. 15.98 crores. It is mainly the savings deposits that have prevented a drop in total deposits by staging a substantial accretion of Rs. 1.10 crores. Current accounts are better by Rs. 0.78 crore. The Bank's advances to trade and industry have gone up from Rs. 19.46 crores to Rs. 24.34 crores. Consequently, the advances (to deposits) ratio has shown a smart increase from 55 per cent to 67.9 per cent which is the highest on record since 1948. The demand for more accommodation from its clients has been met by larger borrowings from other banks and by a reduction in investments.

The paid-up capital of the Bank is Rs. 50 lakhs, divided into 100,000 ordinary shares of Rs. 50 each fully paid-up, supplemented by reserves of Rs. 60 lakhs. Although the reserves are in excess of paid-up capital, the Directors have followed the prudent policy of transferring substantial amounts to reserves. At a time when the banks in India have to assume increased responsibilities, the building up of adequate reserves is a sound policy and must be continued in future also.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2607 **BOMBAY, 25th MARCH 1961** **PRICE Rs. 2**

U. S. PRESIDENT GIVES A BOLD LEAD

EVEN during the first two months of office as the President of the United States of America, Mr. John F. Kennedy has provided enough evidence to show that he is a man not merely of imagination and foresight but also of dynamic action. While his inaugural address and the State-of-the-Union Message reflected the former characteristic, his messages to the Congress on revival of economic buoyancy at home and reducing the balance of payments deficit to a manageable proportion constituted a testimony to the latter. These messages showed that he meant business. The drain on the U.S. gold reserves has been checked to a considerable extent and confidence in the stability of the U.S. dollar has been visibly restored, as witness the return of the dollar price of gold in the European bullion markets to its normal level. There are, of course, still some doubting Thomases who are not free from misgivings about the efficacy of President Kennedy's proposals, but they belong to the class of speculators who are prepared to take the chance of making a profit even on the basis of very remote possibilities. It suits these "financiers" to give public expression to their "doubts." Obviously, this sort of talking the world into a crisis is one of the inconvenient freedoms which the free world has to suffer even in this era of planning for the future. The risk inherent in this freedom can, however, be minimised if Governments practise wise economic policies in the domestic sphere and if there is mutual cooperation between the surplus and deficit countries. The free world is certainly moving in that direction and President Kennedy has been zealously and vigorously trying to accelerate the pace of this movement. His special message to the Congress on foreign aid to underdeveloped countries, sent on 22nd March 1961, is one more proof of his transparent sincerity and the readiness of his Administration to play its part in solving the economic problems confronting the world. It is also a proof of his determination to translate into early practice the ideas he propounded before and after he became President. Those who thought—and there were many both within and outside the U.S.—that Mr. Kennedy as President would be different from Mr. Kennedy as a Senator in the Opposition have now been trounced.

The programme of aid to underdeveloped countries outlined by President Kennedy in the aforesaid message is very gratifying, for it is so designed as to suit the needs and aspirations of the countries that deserve to be helped better than is the case with the existing arrangements. If the U.S. Congress fails to respond to it, despite the President's powerful advocacy, there will be widespread disappointment in all the underdeveloped countries. What is more, the Congress will emerge as an unenlightened body, incapable of viewing the world events in their proper perspective even after it has been vividly presented by the President. The only people who will feel delighted at such an outcome will be the rulers in the Communist countries and the Communist Party in India. The more we read President Kennedy's message the more we feel that it will come as a rude shock to the people of underdeveloped countries if it does not succeed in winning the support of the Congress, for there can be no better cogently argued case than this message. It is so packed with reason and emotion and so full of human angle that only a Shylock can remain unmoved.

Three first class points have been made by the President in his attempt to bring out the importance of assisting the economic and social progress of the less developed areas of the world. These are:

1. "Existing foreign aid programmes and concepts are largely unsatisfactory and unsuited for our needs and for the needs of the underdeveloped world as it enters the sixties.

2. "The economic collapse of those free but less developed nations which now stand poised between sustained growth and economic chaos would be disastrous to our national security, harmful to our comparative prosperity and offensive to our conscience.

3. "There exists in the 1960's an historic opportunity for a major economic assistance effort by the free industrialised nations to move more than half the people of the less developed nations into self-sustained economic growth, while the rest move substantially closer to the day when they, too, will no longer have to depend on outside assistance."

The programme which President Kennedy has recommended for the approval and acceptance of the Congress is noteworthy for the new set of eight basic concepts and principles. These, in the words of the President himself, are:

1. *Unified administration and operation*—a single agency in Washington and the field, equipped with a flexible set of tools, in place of several competing and confusing aid units.

2. *Country plans*—a carefully thought-through programme tailored to meet the needs and the resource potential of each individual country, instead of a series of individual, unrelated projects. Frequently, in the past, the development goals and projects have not been undertaken as integral steps in a long-range economic development programme.

3. *Long-term planning and financing*—the only way to make meaningful and economical commitments.

4. *Special emphasis on development loans repayable in dollars*—more conducive to business-like relations and mutual respect than sustaining grants or loans repaid in local currencies, although some instances of the latter are unavoidable.

5. Special attention to those nations most willing and able to mobilise their own resources, make necessary social and economic reforms, engage in long-range planning, and make the other efforts necessary if these are to reach the stage of self-sustaining growth.

6. *Multi-lateral approach*—a programme and level of commitments designed to encourage and complement an increased effort by other industrialised nations.

7. *A new agency with new personnel*—drawing upon the most competent and dedicated career servants now in the field, and attracting the highest quality from every part of the nation.

8. *Separation from military assistance*—the U.S. programme of aid to social and economic development must be seen on its own merits, and judged in the light of its vital and distinctive contribution to its basic security needs.

The President has proposed that the various agencies through which aid is being administered such as the I.C.A., D.L.F., P.L. 480, the local currency lending activities of the Export-Import Bank, the Peace Corps and the donation of agricultural surpluses be brought under a single administration in Washington which will work through a single mission chief in each country under the U.S. Ambassador. He is of the view that this arrangement will enhance the utility of foreign aid as an effective instrument of the overall efforts of the U.S. for securing world peace and security. The President has further proposed that the Congress should authorise the new aid agency to make long-term commitments for not less than five years and vest it with borrowing authority also for five years, so that it can make available loans repayable in dollars. Thirdly, he has suggested that, out of the total foreign aid (military and non-military) budget of $4 billion previously requested for 1961-62, $2.4 billion be earmarked for economic aid, as against $2.2 billion intended by the Eisenhower Administration, and that military assistance be reduced correspondingly. (These figures do not reflect P.L. 480 operations.) The President is confident that this readjustment can be effected without any adverse effect on the military commitments to its Allies abroad. And, fourthly, the President has proposed that, henceforth, an increasing proportion of aid should be in long-term loans at low or no rates of interest repayable in dollars rather than in local currency. The terms of repayment will vary from as long as 50 years for those countries just starting on the road to development to a much shorter period of time for those countries that are nearing the stage of self-sufficient growth. In the coming year, $900 million out of the proposed $2.4 billion will be available in long-term low or interest-free development loans repayable in dollars. Again, of the total, $2 billion will be spent directly for goods and services benefiting the U.S. economy. To those who may object to the long-term loans on easy repayment terms on the ground that they will undercut the other normal lending institutions, Mr. Kennedy has provided the telling reply that lending on the terms suggested by him is not a normal banking practice.

From the point of view of underdeveloped countries, every one of the proposals, concepts and principles is welcome. Some may feel that the shift in the emphasis from loans repayable in local currency to loans repayable in dollars will mean a hardship to the recipient countries. But it need not be so, as the rates of interest will be *nil* or only small and the repayment will begin after a very long period. Further, loans repayable in local currency are not proposed to be given up altogether. In any case, as such loans virtually amount to charity in actual practice, they are repugnant to those who value self-respect. Sentiment apart, availability of loans the repayment problem of which is passed on to the

Contents

		Page
LEADING ARTICLES—		
U.S. President Gives a Bold Lead	...	521
Jute Prices and Exports	...	522
MARKET GOSSIP	...	523
ROUND THE EXCHANGES	...	524
NEWS IN BRIEF	...	525
PERSONAL	...	525
THIS WEEK'S SURVEY	...	526-527
SPECIAL FEATURES—		
On the Arena	...	528
American Letter	...	529
London Letter	...	529
Economic Trends in Western Europe	...	532
Manchester Letter	...	533
Defects in Agricultural Statistics	...	542
Company Law Administration's Report		554
CHAIRMEN'S SPEECHES—		
The Chartered Bank	...	546-552
Braithwaite and Company (India) Ltd.		556-557
Union Bank of India Ltd.	...	561
MONEY AND BANKING	...	530
TEXTILES	...	534
SUGAR	...	536
LABOUR	...	538
COAL	...	540
NEW PRODUCTS AND PROCESSES	...	541
COMPANY MATTERS	...	558-559
COMPANY REPORTS	...	563
MARKET REPORTS	...	564-566
MISCELLANEOUS STATISTICAL INFORMATION		567-568
STOCK AND SHARE QUOTATIONS	...	569-576
WEEK'S STOCK EXCHANGE TREND	...	575

lender to be tackled is not conducive to fostering good economic habits, such as efficiency, thrift and rectitude among the receiving countries. Moreover, this change may serve as an easier example to be followed by other industrially advanced countries in rendering economic aid to the developing countries. None of them, it may be noted, is now favourably inclined to adopt the U.S. practice of giving loans repayable in local currencies.

The most valuable of all the proposals of the U.S. President is that aid should be authorised on a long-term basis. Whenever spokesmen of India put forward this proposal, their U.S. confreres used to say that the Congress would not agree to give up its right for sanctioning the budget only for one year. The same explanation was offered by other countries also. President Kennedy has, therefore, taken a bold step in trying to break fresh ground in this respect and blaze a trail for other countries. He has shown that his suggestion does not in any way materially reduce the rights and privileges of the Congress. Thus, close consultation and co-operation with the Congress, according to him, will still be essential, including an annual review of the programme. And the Administration will still need annual appropriations of those amounts needed to meet requirements for which loans repayable in dollars will be unsuitable. The reasons advanced by President Kennedy in favour of long-term authorisations are worth quoting. He said:

"A programme based on long-range plans instead of short-run crises cannot be financed on a short-term basis. Long-term authorisation, planning and financing are the key to the continuity and efficiency of the entire programme. If we are unwilling to make such a long-term commitment, we cannot expect any increased response from other potential donors or any realistic planning from the recipient nations.... No other step (than long-term authorisation) would be such a clear signal of our intentions to all the world. No other step would do more to eliminate the restrictions and confusions which have rendered the current foreign aid programme so often ineffective. No other step would do more to help obtain the service of top-flight personnel. And in no other way can we encourage the less-developed nations to make a sustained national effort over a long-term period. For, if we are to have a programme designed to brighten the future, that programme must have a future. Experience has shown that long-range needs cannot be met evenly and economically by a series of one-year programmes. . . . The new continuity and flexibility this kind of long-term authority will bring cannot help but result in more productive criteria, a greater effort on the part of the developing nations, greater contributions from our more prosperous allies, and more solid results and real long-run economy to the taxpayers. The new emphasis on long-term plans and realistic targets will give both the Congress and the Executive a better basis for evaluating the validity of our expenditure and progress."

It would thus be seen that President Kennedy is vigorously pleading the cause of India and underdeveloped countries both in the U.S. Congress and in the rest of the developed countries in the free world. Simultaneous with the delivery of the aforesaid message to the Congress, he has deputed the Under-Secretary of State, Mr. George W. Ball, to confer with the representatives of the O.E.C.D. countries on a specific formula for stepping up the foreign aid contribution of his European partners. It is now for the underdeveloped countries to render the task of President Kennedy easier by drawing up their plans realistically. "It is essential," as the President pertinently said, "that the developing countries set for themselves sensible targets, that these targets be based on balanced programmes which use their own resources to the maximum, and that each recipient Government seriously undertakes to the best of its ability on its own those efforts of resource-mobilisation, self-help and internal reform—including land reform, tax reform, improved education and social justice—which its own development requires and which would increase its capacity to absorb external capital productively." India satisfies in full measure most of these requirements. Only, the Government has to be a little more pragmatic in framing and practising its economic policies and a lot more efficient in drawing up its development projects.

JUTE PRICES AND EXPORTS

THE jute industry was India's biggest earner of foreign exchange in 1960, having brought in Rs. 134 crores as compared with the tea industry's earning of Rs. 120 crores. While the volume of jute goods exports during the year fell by 6 per cent as compared with 1959, their value had increased by about 21 per cent over the latter year's figure of Rs. 111 crores. It would thus appear that the higher export earnings of the jute industry in 1960 were obtained not through an increase in the volume of exports but through an increase in the prices of jute goods. In a sense, this was not quite a healthy export performance, for, when buyers were called upon to pay anything from 30 per cent to 50 per cent more for their requirements of jute goods, some degree of consumer resistance came into play, leading to a fall in the volume of exports. Since the higher prices were, in the main, caused by a 100 per cent increase in the cost of raw material, namely, raw jute, any prolongation of this situation would only spell further consumer resistance, leading to a permanent loss of some foreign markets for jute goods through substitution. Mr. D. C. B. Pilkington, Chairman of the Indian Jute Mills Association, was, therefore, on no alarmist ground when he said, in his speech at the annual general meeting of the Association at Calcutta last week-end, that the higher value for a lower volume of exports was only a temporary advantage and that, unless prices fell, export earnings, too, would ultimately decline.

Mr. Pilkington's speech thus had the central theme of raw material cost. The prices of raw jute, which began rising since the close of 1959, nearly doubled during 1960. This price rise was *basically* caused by an acute shortage of raw jute and not by speculation. If anything, speculation—from which the jute market no doubt suffers more than most other commodity markets—was an effect of the price rise caused initially by the shortage of raw jute and, as such, did exaggerate the price movement. Where the price trend was determined, in the ultimate analysis, by the size of the jute crop which, in 1960, turned out to be a partial failure due to drought at the time of its sowing, Nature, more than man, was responsible for the difficulties of the industry in that year. Still, it is an undeniable fact that the industry's difficulties would have been mitigated to some extent, if it had been able to import all the jute and cuttings then deemed necessary and if two lakh bales of the best quality Indian jute had not been exported in 1959. That at least man-made mistakes should have been avoided is the lesson learnt from the experience of the last two years.

It is in the light of this lesson that Mr. Pilkington laid down two sound requirements—one, a substantial increase in the Indian jute crop which, given normal weather conditions, can fully meet the industry's needs and even leave a small surplus for export, and the other, building up a buffer stock of jute to cushion the mills against a temporary shortage due to unfavourable weather. As far as the second requirement is concerned, it is heartening to know that the I.J.M.A. has on hand a buffer stock scheme which can be implemented as soon as there is again a surplus of jute. And it is noteworthy that this scheme is designed not only to build up a reserve stock of jute for the mills but also to prevent jute prices from falling to levels which would be unremunerative to the cultivators. As for the first requirement, it is all a question of how the yield of jute can be increased without expanding further the acreage under that crop. The yield in India, it may be noted in this connection, averages only about 2½ bales per acre, as compared with about 3½ bales in Pakistan which itself is by no means a high yield and is capable of further improvement. Much remains to be done in this field and it is, therefore, gratifying to know that the recently constituted Jute Development Section of the I.J.M.A. has been actively supplementing the work of the Central and State Governments by establishing areas of intensive cultivation in the jute growing districts to demonstrate to the cultivators the use of improved seeds, modern cultivation techniques and proper application of fertilisers. As the Section has also been collaborating with the Governments concerned in the development of seed multiplication farms and in the distribution of both seeds and fertilisers, the chances are that the next jute crop will be bigger than the last, provided Nature does not let the country down again. If this happens, the credit therefor can certainly be claimed by the I.J.M.A. which has adopted a practical and constructive approach towards the raw material question. Essentially, this approach is aimed at ensuring a bigger and better jute crop year after year.

But the industry cannot hope to be entirely independent of the vagaries of Nature, and so it will have to adopt some suitable approach towards the price question, if only to maintain its overseas markets in the face of competition from substitutes and competition from Pakistan. Such an approach cannot possibly be in the nature of temporary expedients and improvisations of the kind adopted in the last year to adjust the industry's consumption of jute to the available supplies. The steps taken by the industry to reduce, by stages, the working week to 42½ hours with 12 per cent of looms being sealed, the measures instituted by the East India Exchange to curb or temporarily suspend futures trading in jute and the Reserve Bank's directive to the scheduled banks to restrict advances against jute and jute goods—all these were of no avail, relatively speaking, because the price rise was a genuine reflection of the statistical position of raw jute. If, in these circumstances, the powers-that-be began to think in terms of imposing statutory maximum prices on jute and jute goods, it was not altogether surprising. But, if they had actually resorted to such price control, it would have been a remedy worse than the disease, ignoring the lessons of control attempted ten years ago. What these lessons are and how any such control is inadvisable are better described in the words of Mr. Pilkington himself:

"We all know what happened when this was attempted ten years ago. Black marketing in jute goods was rife, the export trade was diverted from the established channels to unscrupulous dealers and the industry suffered a substantial loss of markets to paper and bulk handling, most of which have never been recovered. The fact is that, for an international commodity like jute goods, it is quite impracticable for any one producing country to impose an artificial price below the market level; and there is no doubt that, if this were again attempted today, the consequences would be equally disastrous."

But, at the same time, "price stability at economic levels and continuity of supply" are most essential, if the overseas markets are to be maintained and expanded in the face of fierce competition from substitutes. Since such price stability can be ensured for jute goods only by keeping the prices of raw jute within bounds, the question is whether voluntary price fixing can be more effective than statutory control. The I.J.M.A. seems to think that it can operate successfully a voluntary scheme of maximum prices for raw jute. It has, in fact, drawn up a schedule of maximum prices related to current market conditions and also extended the quota system so as to limit the purchases of jute by the mills not only to the quantities but also to the maximum prices fixed by the Association. Mr. Pilkington's hope, in this connection, is that, so long as consumption of raw jute by mills is kept in line with available supplies, the I.J.M.A.'s maximum prices for raw jute would remain realistic. If imports of early Pakistan jute are freely licensed in terms of the Governments recent announcement, it may also be that production will not be curtailed for want of raw material. In that case, the maintenance, by the I.J.M.A., of maximum prices for raw jute at a level fair to the industry and the cultivator alike may well make for an increase in the volume of jute goods exports through a possible return to more stable and competitive prices. That only an increase, so brought about, in the volume of exports can be a sound basis for a lasting rise in the jute industry's export earnings requires to be emphasised again.

Fortunately for the country, the export prospects are not gloomy, for, in many markets, consumers have curtailed their purchases and drawn heavily on stocks thus far, in the hope that prices of jute goods will fall with the arrival of the next jute crop. In fact, this is the opinion of an I.J.M.A. delegation which visited a number of foreign countries last year and found no widespread tendency towards a switch from jute to other substitutes. But these export prospects should not be allowed to be marred by any increase in labour costs unrelated to higher productivity or by any arbitrary limitation of modernisation to the preparing and spinning processes alone. Mr. Pilkington's warning that the Indian jute industry might be left behind if it were prevented from adopting the emerging new techniques in weaving would need to be taken seriously. Let not the mistakes made in cotton textile industry in this respect, mistakes which have dearly cost the country's export trade in cloth without any tangible benefit to labour or handloom industry, be repeated in jute industry, too.

MARKET GOSSIP

The Pragmatic Approach

THE word 'pragmatic,' like the other word 'realistic,' is more often intuitively understood than precisely defined. With varying emphasis in different contexts, the word is yet to carry a generally acceptable connotation. But there is at least one definition which is reasonably eligible for general acceptance on the score of its pregnant brevity. To be pragmatic, according to this definition, is "not to allow the attainment of agreed ends to be deferred by doctrinaire preferences in the selection of means." This was the definition which a former President of the Bombay Chamber of Commerce and Industry offered in 1956 while moving a resolution on the subject of private enterprise and investment at the then annual general meeting of the Associated Chambers of Commerce of India. While recalling this significant definition in his presidential address at the annual general meeting of the Bombay Chamber of Commerce and Industry held on 23rd March 1961, Mr. C. H. Campbell did well to recall, at the same time, the no less significant context in which his predecessor had used that word.

What Mr. Campbell's predecessor had said was to the effect "that, if, within the limitations imposed by the Government's policy statements, Government adopted a pragmatic approach towards individual propositions and if that pragmatic approach were more widely demonstrated by decisions of the Government of India, it would have a profoundly good effect on the volume and variety of foreign investment." This was something in the nature of a prophecy which, in the words of Mr. Campbell, is "slowly, much too slowly, coming true." Obviously, the Chamber's President, though gratified by the certain manifestation of pragmatism in at least three recent instances (namely, the decision to allow private collieries to mine adjacent as well as non-contiguous or proximate areas, the official clarification to the effect that the private sector is free to establish new fertiliser factories in collaboration with foreign capital, and the declaration of the Union Commerce and Industry Ministry that industry would be allowed to exceed the capacity licensed under the Industries Act in so far as this could be done by using indigenous raw materials and spares and incurring no further liability for foreign exchange), desired a faster and surer pace of pragmatism from the point of view of greater production and economic growth.

Much remains to be done or undone, if the economy is to be taken further on the pragmatic road. For instance, the Union Ministry of Oil is yet to discard its doctrinaire preference in regard to the means to be selected for *refining* oil in India, though foreign companies have been invited, albeit in a half-hearted manner, to discuss *prospecting* for oil. In order to drive home his point, Mr. Campbell could not have done better than recall that one refinery unit, namely, Burmah-Shell, had offered to expand, without involving this country in any foreign exchange commitment, its capacity to four million tons within 18 months and also to complete a lubricating oil manufacturing complex of between 60,000 and 100,000 tons annual capacity within a further year. If this offer, which carries with it the promise of a net saving in foreign exchange of Rs. 6 crores per annum, is yet to be accepted, though it is nearly a year since it was made, it can only mean that pragmatism is still not strong enough to assert itself in the field of oil. Again, in the case of textiles, the pragmatic approach is nowhere in evidence, what with the many deterrents to the mill sector. And there is the more recent instance of the Maharashtra Land Ceilings Bill in which the pragmatic approach is conspicuous by its absence, for the proposal to take over the most efficiently managed and integrated sugarcane farms operated by sugar factories is more likely to decrease than increase production. By any pragmatic test, the need of the hour is for greater and still greater production. There can, therefore, be no two opinions on Mr. Campbell's plea for a more vigorous assertion of pragmatism in the evolution of economic and industrial policies or in their interpretation and implementation.

Cement Shortage

The current shortage of cement, which seems to have forced the Government to decide in favour of reintroducing the permit system of sale enforced only in war-time, is the result of its own shortsighted approach to the question of cement production right from the beginning. Cement is a basic commodity which, both literally and metaphorically, holds together the entire construction programmes under the Plan—whether it be building of dams or construction of factories, houses and roads. Cement production cannot be stepped up overnight. It requires elaborate production planning, sustained execution and careful management to keep costs under control and prices reasonable. The fact that, in the past, surpluses and shortages of cement have alternated indicates that cement production needs to be more carefully planned, so that the gap between supply and demand is narrowed.

Considering the present shortage which has become so acute as to necessitate introduction of permit system, it looks as though the demand for cement has been terribly underestimated. The second Plan target is 10 million tons capacity and 8.8 million tons production. The shortage has occurred in spite of the fact that the second Plan production target has been very nearly reached. It may be noted that the second Plan target was originally proposed at 15 million tons. This was, however, regarded as unrealistic, on the ground that it was far above any conceivable rise in demand during the Plan period and impossible of achievement. Foreign exchange difficulties and a temporary lull in demand owing to slowing down of the execution of projects lent weight to this argument. The targets were consequently revised in a downward direction, an unwarranted action as has been proved by the current shortage.

The Draft Third Plan has set a capacity target of 15 million tons and production target of 13 million tons to be reached by 1965-66. Demand is estimated to reach 13.50 million tons at the end of the third Plan. If production increases as expected, this demand would be largely met. But judging from the experience of the second Plan period, this estimate could well turn out to be an underestimate. It is necessary, therefore, to plan for an expansion of capacity that will be ahead of all possible increases in demand.

One thing that needs to be borne in mind in planning cement production is the great potential demand for cement. With the pressing need for more housing, better and more roads, cement requirement is capable of continuous rise. The apparent lack of demand, which at times emerges, is due more to higher prices and the lull in construction activities brought about by extraneous influences, than to supply outstripping actual requirements. In other words, higher cement prices tend to discourage demand. If, on the other hand, prices are not sufficient to cover costs and to ensure a fair return on the capital employed, producers will have no incentive to increase or even maintain production. It is from this angle that the Tariff Commission should look at the problem of prices which it has been asked to investigate. Cement producers have, with considerable force and justification, been pressing for a higher ex-factory price for cement which will offset, to some extent at least, the increase in cost of production.

Ensuring a higher return to producers is the best encouragement for higher production. At present, the difference between the price which the consumer pays and that which the producer receives is too large. The price structure certainly admits of a judicious readjustment which, while ensuring a higher price to the producer, will keep the price for the consumer at a reasonable level. But no inducement, however attractive, can lead to higher production through full utilisation of existing capacity or installation of new capacity, unless shortage of essential raw materials for cement production is made good and adequate transport facilities are provided.

Hot Money in W. Europe

The modest revaluation of the D-mark still seems to be having quite an unsettling effect on the European currency system. There is a general feeling in the foreign exchange markets of most of the continental nations that, in spite of the denials of Dr. Erhard, there may be a further upward revision of the external value of D-mark. And such a feeling or a calculated possibility is disturbing the currencies of other countries too. It is believed that, if D-mark were revalued again, other continental currencies, too, might undergo a revaluation. This factor is chiefly responsible for a fresh movement of short-term funds to Germany, the Netherlands, Italy and Switzerland, the countries which have been able to increase their foreign currency reserves substantially in the past two to three years. The Swiss Central Bank alone, for instance, has had to absorb some $300 million in the first trading days, since revaluation of the D-mark. The German Central Bank is reported to have gained $125 million in the week ended 7th March, a period covering only the first two days after revaluation. Although these figures are expressed in dollars, it should not be thought that the pressure is only on the U.S. dollar. Actually, traders switching out of the pound sterling into continental currencies tend to do it through dollars, as it is more readily taken by the European central banks.

The movement away from sterling has taken two forms. In one case, it pertains to spot transactions of the kind associated with the exodus of investment funds. The other involves forward transactions. When the external stability of the sterling was not in question, the importers in the U.K. and other sterling area countries did not care to cover themselves against exchange risks. But now they seem to be adopting a more cautious attitude and these importers have entered the exchange market as forward buyers against sterling of the foreign currencies they are going to need afterwards.

It was against this background that the Bank for International Settlement, the annual meeting of which was held at Basle a few days back, issued a statement, endorsed by all its member-banks, to the effect that the European central banks were fairly confident of counteracting any large 'hot' money movements in the period ahead. Further, the statement announced that the central banks were co-operating closely in the exchange markets and that fairly extensive provisions for mutual aid had in fact been made. It remains to be seen how far this revelation by the B.I.S. will effectively discourage speculative movement of funds. It is believed in knowledgeable financial circles in Britain that the Basle *communiqué* actually implies that, in case hot money movement out of sterling went too far, other European central banks would hold agreed sums of sterling and not convert them for some time to come into gold or other convertible currencies. It is stated that the sums agreed to are large enough to cope with any likely hot money movements in the next few months. Even this move is considered as only of a stop-gap nature. For it does not include the U.S. dollar. A lasting solution to the problem of present currency maladjustment must, it is said, await the decision regarding the future scope of the I.M.F. itself. As is well known, there are proposals which are being discussed in the highest quarters in the U.S., the U.K. and several other countries, for widening the scope of the I.M.F. so as to make it a central bank of central banks. There are, however, many opponents to this view also. They feel that the real trouble is not inadequacy of international liquidity, but its maldistribution. They, therefore, contend that only the sustained co-operative efforts of the major European and other nations that can end the existing sense of uncertainty about the stability of Western currencies.

Atlantic Air Cargo Freights

The problem of bringing about an agreed reduction in the air cargo freight rates of the scheduled airlines has been hanging fire for quite some time. Almost all members of the International Air Transport Association (I.A.T.A.) have felt the need for this change. It is being increasingly realised that the fuller utilisation of the existing capacity can only be achieved if the airlines charge lower rates to their customers. In fact, several experts, who have made a close study of the existing freight structure, the pattern of demand for the freight services and the freight rates prevailing in international shipping, have unanimously concluded that the existing high air cargo freights are primarily responsible for inhibiting the growth of demand. There is, therefore, a general consensus that a downward revision of freight rates would go a long way towards opening up the potentialities of the market.

It will be recalled that it was in this context that the representatives of the scheduled airlines met in Paris last month to reach an agreement over freight rates. To begin with, the conference was concerned with only the Atlantic route. But it did not succeed in evolving a convention acceptable to all the parties on this limited objective. Some of the prominent airlines, however, immediately announced their intention of reducing their rates unilaterally, if the other airlines failed to settle their differences before 10th April 1961. Notable among them was Pan-American Airways. There are no signs of an agreed understanding emerging within this specified date.

Meanwhile, the B.O.A.C., too, has now decided to go ahead with price cuts in air cargo rates between the U.K. and the U.S.A. It has proposed a reduction in freight rates ranging from 32 to 76 per cent in general rates. The B.O.A.C. is even today charging concessional rates to special commodities. These will continue to remain in force. But, in addition, the B.O.A.C. intends to introduce even lower rates for some of the commodities, including textiles, shoes, books, automobiles, agricultural machinery and parts, china and glassware, chemicals, drugs and medicines. Some of the rate reductions are quite substantial. For example, the freight for certain sizes of consignments of textiles has been lowered from 5*s.* 2*d.* a kilo to 4*s.* 6*d.* a kilo. The rates on agricultural machinery, automobiles, china and glassware, also show considerable reduction. B.O.A.C. is also understood to be contemplating to bring down the rates for special commodities flown from the U.S. to Britain This category includes automobiles, agricultural machinery and parts, and such would be given the same preferential rates as on the westbound routes. It also proposes to reduce the rates for traffic between the U.K. and Canada. Since Air-India International is working in collaboration with the B.O.A.C., it is reasonable to presume that the A.-I.I.'s rates also will be tuned to those of the B.O.A.C.

The new rate structure is bound to have widespread repercussions on trade and commerce, as other airlines are bound to follow suit with a view to maintaining their share of the total freight. To the extent that the cheaper rates attract more and more cargo traffic to the airlines, the shipping interests are likely to be affected. Some time lag, of course, may be expected to intervene before trade and industry come to appreciate the potentialities and the benefits which quicker movement of cargo can confer on them. In this connection, Mr. Ralph Cohen, the Public Relations Officer of the I.A.T.A., while doing some crystal gazing on the possibilities of airline companies reducing their cargo rates, stated at Calcutta a few days ago that the real importance of carrying cargo by air lay in the revolution of distribution methods which it was bringing about. Mr. Cohen appropriately quoted the example of a manufacturer of electronic equipment in the U.S.A. who had done away with regional warehouses, because he could send supplies by air against orders from all his dealers in the United States. This helped to release an enormous amount of working capital tied up in inventories. Such effects could not be limited only to the internal distribution system in the U.S. In due course, as air cargo freights come down over most of the main inter-continental routes, the system of distribution of even internationally traded commodities is bound to be affected. It will also come into vogue in the internal air services of countries of continental sizes such as India, provided the domestic airlines have foresight and the necessary drive. Has the I.A.C. any concrete plan for expanding its cargo services in India by bringing them within the reach of a larger section of the business community?

A SHORT WEEK FOR SHARE MARKET

PRICES EASE AFTER INITIAL RISE

(From Our Own Correspondents)

BOMBAY, *23rd March*

THE share market had only three working sessions during the week under review, as it remained closed on Friday (*Gudi Padva*), Saturday (succeeding day of the Account period's ending) and Tuesday (*Jamshedi Navroz*). The three-week new account period, as against the normal fortnightly settlements, commenced on Monday the 20th inst. The market depicted a distinctly firm trend, notwithstanding higher carryforward charges at the previous settlement. The firmness was engendered by persistent investment support and scarcity of offerings. The scrips of companies having large reserves were particularly favoured on hopes of bonus issues. Most of the company reports published during the week were highly encouraging and this too helped to sustain the bullish trend. Consequently, quite a number of counters in both cash and forward lists scored handsome additions to values. The upward trend was, however, halted on Wednesday following liquidation by tired bulls and profit-taking at higher levels. The easy trend gathered further momentum today, as buyers were reserved, though some shares staged a recovery induced by expectations regarding grant of liberal financial assistance from the U.S., West Germany and other countries. The scrips of a few newly floated companies were bid at higher rates on expectations of rights issues to raise capital for financing expansion schemes.

So far as the share market at Calcutta is concerned, this week witnessed buoyant conditions, thanks to continued support from genuine investors and reluctance of holders to part with their possessions. Encouraging working results of several companies led to hopes of greater industrial activity. The impetus to exports of light engineering products and the prospects in this regard against the background of improvement in the supply of steel caused engineerings to rise further. The fall in prices of jute goods, coupled with the prospects of a bumper fibre crop in the next season, resulted in increased activity in jutes. Coals were favoured at hardening rates, since it was held that the present crisis of shortage of fuel might prompt New Delhi to be sympathetic to coal industry. Paper shares were firm. Tea shares were quiet on fears that the increased excise duties would raise the cost of output; however, a late recovery was in evidence.

To revert to the Bombay market. In the steel section, Tata Steels advanced from Rs. 155 to Rs. 156.25 on Monday the 20th inst. and, after declining to Rs. 153.75 today, recovered to finish at Rs. 154.25. The net loss over the week was 75 nP. Indian Irons increased from Rs. 26.75 to Rs. 27.25 before closing at Rs. 26.95. Mukand Irons eased by 25 nP to Rs. 27, after being higher at Rs. 27.50.

Among textiles, Kohinoors provided a bright spot, the quotation moving up by Rs. 11 to Rs. 312. At one time, they had gone up to as high as Rs. 318. Simplex also attracted good support and spurted by Rs. 10.50 to Rs. 190. Centurys advanced by Rs. 10 to Rs. 560, reflecting the operators' satisfaction over the excellent results for 1960 which show a notable rise in gross profit to Rs. 2.85 crores from Rs. 1.76 crores for 1959. The net dividend for 1960 is also higher by Re. 1 at Rs. 22. Swans hardened by Rs. 5 to Rs. 550. Shreeniwas gathered Rs. 4.50 to Rs. 270.50. The Directors of the Company have recommended a higher taxable dividend of Rs. 18 per share (net of Rs. 12.60) for 1960, as against Rs. 15 (net of Rs. 10.50) paid in the previous year. Gokaks improved by Rs. 3 to Rs. 188, Svadeshis by Rs. 2.50 to Rs. 257 and Osmans by Rs. 2 to Rs. 59. Bombay Dyeings and Tata Mills put on 50 nP to Rs. 67.10 and Rs. 47.50, respectively. India Uniteds gained 16 nP to Rs. 14.60. New Greats were firm at Rs. 205 and Indores at Rs. 141. Standards, however, were subjected to long liquidation and dropped Rs. 15 to Rs. 1,408. Central Indias declined by Rs. 8 to Rs. 111, Finlays by Rs. 6 to Rs. 353. B. R. Cottons by Rs. 4 to Rs. 35, Khataus by Rs. 2.50 to Rs. 537.50, Morarjis by Rs. 2 to Rs. 353, and Elphinstones by Re. 1.50 to Rs. 71.50. The Directors of Finlay group of mills have maintained the dividends (taxable) for 1960 at the previous year's level of Rs. 23 for Finlay, Rs. 36 for Swan and Rs. 21.50 for Gold Mohur.

Sugar shares encountered selling, as the hopes that the Joint Committee of the Maharashtra Legislative Assembly would recommend the exclusion of cane farms attached to sugar mills from the purview of the Land Ceilings Bill were belied; the Committee has not suggested any radical change in the provisions of the Bill that are applicable to sugar companies. Belapurs receded from Rs. 309 to Rs. 292 yesterday, but recovered to Rs. 300.50 today. The net loss over the week was Rs. 8.50. Maharashtra Sugars and Phaltans fell by Rs. 5 each to Rs. 196 and Rs. 150, respectively. Walchandnagars lost Re. 1.25 to Rs. 240. The Company has sought the official permission for the issue of 50,500 equity shares of Rs. 100 each to existing shareholders in the proportion of one share for every two held.

Cements were generally easy. Digvijays slipped down by Rs. 5.50 to Rs. 162.50. Associated Cements shed 75 nP to Rs. 156.75, after being higher at Rs. 158.75 yesterday. Sone Valleys lost 12 nP to Rs. 5.08 and Jaipur Udyogs 4 nP to Rs. 12.52. Bagalkots, however, were well fancied and improved by Re. 1.08 to Rs. 9.60.

Among automobiles, Premiers were done at Rs. 177 *ex-div.*, as against Rs. 185 *cum-div.* Hindustan Motors rose by 51 nP to Rs. 21.68 *ex-div*; the *cum-div.* quotation last week was Rs. 21.80. In the shipping group, Scindias eased by 12 nP to Rs. 15.88. Great Easterns softened by 4 nP to Rs. 16.

A sharp rise of Rs. 40 to Rs. 340 in the quotation for T. Maneklals was the feature of trading in the engineering section during the week. Josts Engineerings jumped up by Rs. 21 to Rs. 102. Jyotis spurted by Rs. 7 to Rs. 185. Telcos advanced from Rs. 342 to Rs. 351 on Monday. Thereafter, they slided down and touched Rs. 341.50 today before finishing at Rs. 343.50. New Standards rose by Rs. 3 to Rs. 191. Coopers and Khandalwals gathered a rupee each to Rs. 205 and Rs. 92, respectively. Larsen and Toubros were firm at Rs. 45. Mahindras spurted by 88 nP to Rs. 22.24. But Structurals were hammered down from Rs. 235 to Rs. 207.50. Premier Constructions fell by Rs. 7 to Rs. 220. Alcocks receded by Rs. 5 to Rs. 307. Texmacos shed Re. 1 to Rs. 23. Shivrajpurs were unchanged at Rs. 90.

In the dyes and chemicals section, Alembics evoked very good support and were marked up by Rs. 21.25 to Rs. 282.50. Synthetics and Chemicals spurted by Rs. 7 to Rs. 165. Poly Chems advanced by Rs. 6.25 to Rs. 262.50. Chemo Pharmas put on Re. 1.75 to Rs. 28.30, Citrics Re. 1.50 to Rs. 64, Dharamsis Re. 1.25 to Rs. 262.50, Dhrangadhras 50 nP to Rs. 131.50 and Tata Chemicals 28 nP to Rs. 19.08. Adarshs were fully maintained at Rs. 85. Colour Chems, however, encountered selling and fell by Rs. 20 to Rs. 365. Amar Dyes declined by Rs. 17.50 to Rs. 422.50. India Dyestuffs receded by Rs. 15 to Rs. 557.50.

There was a further rise in the values of rayon shares this week. National Rayons advanced by Rs. 9.50 to Rs. 545.50; they were quoted at as high as Rs. 558 at one time on the 20th inst. Barodas strengthened by Rs. 5.75 to Rs. 153. The Directors of the Company have decided to raise the issued equity share capital from Rs. 3.50 crores to Rs. 4.90 crores by issuing at par 140,000 shares of Rs. 100 each. Indian Rayons rose by Rs. 5 to Rs. 73.50. Gwaliors picked up Re. 1.50 to Rs. 48.50. South Indian Viscose rallied from Rs. 172 to Rs. 176 today but lost the gain to finish at Rs. 172.

Among other miscellaneous industrials, Ceat Tyres shot up by Rs. 22.50 to Rs. 310, Premier Tyres rising by Rs. 3.50 to Rs. 116. New India Fisheries spurted by Rs. 12.50 to Rs. 102. Killicks improved by Rs. 5 to Rs. 110. Bombay Burmahs began the week at Rs. 630, as against the previous close of Rs. 621, and advanced to Rs. 635 yesterday. After declining to Rs. 168 today, they finished higher at Rs. 625. Wimcos hardened by Rs. 3 to Rs. 303. The dividend for the year 1960 is Rs. 16 per share subject to tax, as against Rs. 16 inclusive of Re. 1 as bonus paid in 1959. Anil Hardboards gathered Rs. 2 to Rs. 307.50. Standard Batteries gained Rs. 3.50 to Rs. 212.50 *ex-div.* Tata Oils were firm at Rs. 84. Indian Hume Pipes rose by Re. 1.50 to Rs. 184. West Coasts, however, fell by Rs. 10 to Rs. 215. Voltas declined by Rs. 6 to Rs. 292, following the statement of the Chairman at the last annual meeting that the management had no intention whatever to issue fresh share capital. Laxmi Starchs eased by Rs. 4.30 to Rs. 214. Hindustan Levers shed 30 nP to Rs. 50.70, Greaves Cottons 50 nP to Rs. 177 and Philips Carbons 12 nP to Rs. 19.

• • • •

Madras Stock Exchange

MADRAS, *22nd March*

The Stock Exchange put on a distinctly cheerful appearance during the major part of the week under review, thanks to enlarged buying support from both investors and professional operators. Higher levels, of course, attracted profit-taking, but still the closing prices were generally well above those at the end of last week. Textiles were firm, in view of the impressive working results of several units for the year 1960. On encouraging advices from auction centres, teas attracted good attention. Coffees moved up following reports of larger crop in the major plantations during this season. Active conditions prevailed in the sugar section. Banks also evoked support and registered handsome gains. Electricals ruled steady. Chemicals and cements were particularly firm in the miscellaneous section.

ASHOK PAPER MILLS LTD.

A new company, the Ashok Paper Mills Ltd., proposes to enter the capital market in the first week of April, with an offering at par of 115,000 equity shares of Rs. 10 each and 20,000 redeemable cumulative preference shares (6.25 per cent free of Company's tax, but subject to deduction of tax at prescribed rate) of Rs. 100 each. This offer represents only a part of the total issue of equity and preference shares of the face value of Rs. 2.25 crores; for the Directors and their friends have subscribed to equity shares to the tune of Rs. 51.4 lakhs and their friends have further agreed to take up equity shares of Rs. 8.6 lakhs. A French participant, Messrs. Cogemic, will subscribe to the equity capital to the extent of Rs. 30 lakhs.

The Company will put up an integrated paper and pulp mill, with a daily production capacity of 50 tons of writing and printing paper, at Rameshwaranagar, near Darbhanga in north Bihar. The estimated cost of the project is Rs. 6 crores. The plant will utilise sugarcane bagasse as the chief raw material, with variable quantities of bamboo and sabai grass. A French group of manufacturers, Messrs. E.M.P.A.C.E.I., will give technical collaboration and carry out the erection of the plant.

PROGRESS OF CHARTERED BANK

FROM STRENGTH TO STRENGTH

A FURTHER expansion in business taking the balance-sheet total to a fresh peak, a high degree of liquidity, and a notable rise in profit—these are the outstanding features disclosed by the Directors' report and accounts of the Chartered Bank for the year ended December 1960. The balance-sheet aggregate as at the end of 1960 stood at over £316.20 million, which represents a rise of more than £45.81 million as compared with the previous all-time record total of £270.39 million a year before. The figure will be higher still at £362.76 million if account is taken of the Bank's wholly owned subsidiaries as well. The Bank maintained a high degree of liquidity as evidenced by an improvement of 1.47 per cent to 19.55 per cent in the ratio of cash to demand and time liabilities. The Bank and its subsidiaries together earned during 1960 a total profit of £761,916, as against £619,696 in the previous year, or an increase of £142,220. This profit figure has been arrived at after the allocations to premises account and pensions and other staff funds, the sums actually provided under these two heads being £250,000 (same as in 1959) and £155,000 (£145,000 in 1959), respectively.

Thanks to the larger profit earned by the Bank thus, the dividend to shareholders has been stepped up from 15 to 15½ per cent. The interim dividend paid on 30th September 1960 was 8 per cent less income-tax, as against the interim dividend of 7½ per cent paid for 1959. And the Directors have recommended a final dividend of 7½ per cent less income-tax on the enhanced capital of £5.5 million, the corresponding rate of dividend distributed on the old capital of £5.0 million in 1959 being the same. It will be recalled that, in October 1960, the issued capital of the Bank was increased from £5.0 million to £5.5 million by capitalising £500,000 out of the reserve fund. The total amount required for paying the dividend for 1960 is £497,656, as against £459,375 for 1959 and £405,375 for 1958. A larger sum of £250,000 has been allocated to reserve fund; in 1959, only £150,000 had been allocated as reserves for contingencies.

The statement below compares the Bank's main items of liabilities and assets as on 31st December 1960 with those at the close of the preceding three years.

(In thousand £ sterling)

	As on 31st December			
	1960	1959	1958	1957
LIABILITIES (MAIN)				
Capital	5,500	5,000	5,000	4,400
Reserve fund	5,700	5,500	5,500	5,700
Undistributed surplus	470	463	455	412
Current and other accounts	181,455	183,655	176,296	178,329
Fixed deposits	108,802	59,578	42,338	26,842
Notes in circulation	4,732	3,869	3,806	3,731
Bills payable	2,337	1,668	1,557	1,810
Acceptances (contra item)	7,524	10,396	7,365	10,143
ASSETS (MAIN)				
Cash	57,085	44,289	48,783	47,458
Investments—				
Government and other securities	69,431	63,821	57,857	47,458
Securities lodged against note issue	4,706	3,945	3,882	3,876
Advances	144,436	116,587	98,809	97,784
Bills of exchange	23,734	22,699	24,180	18,382
Bank premises	3,310	3,190	2,887	2,621
Holdings in subsidiaries	2,897	2,899	2,895	2,883
Trade investments	416	385	197	8
Balance-sheet total	316,208	270,390	243,118	231,623

The rise in the profit of the Bank for 1960 must be attributed to the marked expansion in its advances and bills business. Over the year, the total advances have gone up by £27.85 million to as much as £144.44 million. The bills of exchange have also gone up, albeit by £1.04 million to £23.73 million. The increase in bank credit has been rendered possible by the substantial rise of £46.52 million to £289.76 million in total deposits. The rise is solely accounted for by fixed deposits which have jumped up from £59.58 million to £108.30 million. A part of this remarkable increase has been neutralised by the fall of £2.20 million to £181.46 million in current and other accounts, including reserves for contingencies and provision for taxation. The spectacular growth in the time deposits of this Bank, operating in several countries of the world, suggests that the feature is not confined to India alone but is of a world-wide character. Unlike in the case of advances and bills, there has been a drop of £2.87 million to £7.52 million in acceptances on account of customers; this is also in contrast to the improvement of 3.03 million noted in the previous year.

The Bank has maintained, as stated earlier, a high degree of liquidity. This has been due to the significant expansion in cash balances from £44.29 million in 1959 to £57.09 million in 1960. Not only was the previous year's fall of £4.49 million completely made good but the total of £57.09 million is the highest on record. The Bank's investments have also risen quite perceptibly, the total at the end of 1960 being £74.14 million, as against £67.77 million a year before and £61.74 million two years before.

NEWS IN BRIEF

ISRAEL and also the United Arab Republic have asked the Government of India whether it will be possible to supply iron ore to them.

The question of setting up a new factory for the manufacture of telephones is being examined by the Government of India, in consultation with the Planning Commission.

The stocks of foodgrains with the Government of India amounted to 2,153,000 metric tons as on the 5th inst., as against only 793,000 tons in the beginning of 1960. Besides, stocks with State Governments early this month aggregated 800,000 tons.

Licences have been issued by the Government of India for establishing eight new sugar factories, each with a crushing capacity of 1,000 tons per day, in the Madras State. Of these, three will be in the co-operative sector and the rest in the private sector.

The Integral Coach Factory, Perambur, Madras, has undertaken a new line of production, namely, electric multiple unit coaches. It will turn out 64 E.M.U. four-unit coaches at a cost of about Rs. 15 crores. The order has been placed by the Railway Board on behalf of the Calcutta Railway Electrification Project authorities.

The Caltex Oil Company, it is learned, has decided not to give up the duty protection on diesel and fuel oil, both of which are products of its refinery at Vizag, Andhra Pradesh. Its reluctance is attributed to certain "physical difficulties" associated with the location of the plant and also with the shipping of the products to other marketing centres.

A licence for the establishment of a Rs. 1.5-crore plant at Coimbatore for the manufacture of ball and roller bearings in the private sector, has been granted by the Central Government. The annual capacity of the plant will be 600,000 of ball bearings on an eight-hour shift basis. The project, which is likely to get foreign collaboration, will commence production by the middle of next year.

A team of Russian refractory experts is now touring the country in order to examine the possibility of setting up a refractory plant in the public sector, with an annual capacity of 120,000 tons of firebricks and basic bricks. It has already visited Mysore, and Salem in Madras State, where large deposits of magnesite are being worked. The team is expected to submit to the Government of India a preliminary project report shortly.

The Government of India has approved of a scheme for setting up a new plant at Coonoor in Madras State for the manufacture of 300,000 watches annually in collaboration with a West German firm. Disclosing this in the Lok Sabha last week, Mr. Manubhai Shah, Union Minister for Industry, stated that the Government had also approved of four schemes in the small-scale sector, three of them to be located at Ludhiana and one at Chandigarh in the Punjab. Each of these units will have a capacity of 12,000 watches per annum.

An agreement for the manufacture in India of heavy duty 10-ton trucks is expected to be signed shortly between the Union Defence Ministry and a Japanese firm, the Mitsubishi-Nippon Heavy Industries Company. Under the proposed agreement, the Japanese firm will initially sell 100 trucks for final assembly in India. Subsequently, a progressively increasing proportion of the truck parts and components will be manufactured in India each year.

The population of Assam has gone up by 34.3 per cent—perhaps the highest rate of growth in India—over a decade, that is, from 8.83 million in 1951 to 11.86 million, according to provisional figures of the latest census. The rate of growth of population of West Bengal during the same period was about 33 per cent, with the total number of persons increasing from about 26 million to 35 million. Population of Orissa at 18 million and that of Bihar at 46 million showed an increase of 19.94 per cent and 19.78 per cent, respectively.

• • • •

From Abroad

The text of an agreement seeking to admit Finland into the European Free Trade Area has now been prepared and submitted for ratification to the countries concerned.

The G.A.T.T. has set up a working party to carry out a review of the application of the escape clause under Article 35 by a number of countries in their trade with Japan.

Britain's sixteenth census (the first was in 1801) will be taken on 2nd April. It is expected to show a total population of 53 million—an increase of over 3 million, or 6 per cent., as compared with 1951.

Pakistan and the U.K. have signed an agreement under which the latter will provide a loan of £3 million to be used for the purchase of British railway wagons. With this new agreement, the total loan assistance given by the U.K. to Pakistan has reached £28 million.

The International Nickel Company, U.S., subsidiary of the International Nickel Company of Canada, has developed a new "18 per cent nickel alloy steel," which is expected to pave the way for a new family of high-strength steels with advanced engineering design possibilities for civilian and defence applications, where exceptionally high pressure and stress requirements are desirable.

A £1-million rayon factory is being set up by a new company, called Kenya Rayon Mills, at Mombasa, the first of its kind in East Africa, in collaboration with the Japanese textile manufacturer, Mitsubishi. The Japanese firm will provide technical assistance and a substantial part of the capital. Production is expected to start in July 1962. The plant will have a capacity to produce 15 million square yards annually.

The view that recessionary trends in the U.S economy are "bottoming out," with prospects of improvement in the second half of 1961, which will culminate in a great prosperity in 1962, has been expressed by Mr. Butler, Vice-President and Economist of the Chase Manhattan Bank of the United States. According to him, the current recession, which started in May 1960, is the "second mildest one" in recent history and is due almost wholly to inventory adjustments. He has added that a decline in the rate of inventory liquidation now is causing the "bottoming out" of the recession.

An agreement has been reached between France and the former French West African franc-zone countries—Ivory Coast, Upper Volta, Niger, Dahomy, Mali, Togo, Mauritania, Senegal—on the question of the formation of a single central bank for the eight countries, following talks at Paris last week. The agreement lays down that (1) the monetary union of (French) West Africa should be maintained, (2) West African currency, to be managed by a multi-lateral central bank, should continue to be backed by the French Treasury and (3) each State should have its own credit policy, taking into account the common good.

(*Concluded from next column*)

Saxena, Assistant to the Managing Director of the State Bank of India, have been invited by the Chase Manhattan Bank, New York, to participate in a credit seminar for banks in Asia which it has arranged to be held at New York next month.

PERSONAL

MESSRS. R. C. Shah and P. V. Hazarat have been elected President and Vice-President, respectively, of the All-India Importers' Association for the year 1961.

Mr. K. Santhanam, M.P., a former Union Minister for Railways and Transport, has left for Malaya as the leader of a three-man team, selected under the auspices of the Colombo Plan, to advise the Malayan Government on transport problems.

Mr. K. J. Cleetus, who retired last month as the Sales Manager of the Tata Iron and Steel Company Ltd., has been appointed one of the nine Directors of the Hindustan Steel (Private) Ltd., which manages the three steel plants in the public sector. He will be in charge of sales and planning.

Dr. Raja Ramanna, head of the Nuclear Physics Division of the Atomic Energy Establishment, Trombay, has been selected by the International Atomic Energy Commission to be the Chairman of the Managing Committee, which will determine the joint research programme in Norway in reactor physics utilising zero power reactor.

Mr. S. Gulta, until recently *Charge d'Affaires*, Bucharest, Rumania, has taken over as Joint Secretary in the Ministry of External Affairs. He succeeds Mr. S. K. Banerji, who has been appointed Chief of Protocol in the place of Mr. R. A. Baig, India's Ambassador-designate to Iran.

Mr. T. N. Ramamurthy, Assistant Manager of the Central Bank of India Ltd., and Mr. J. N.

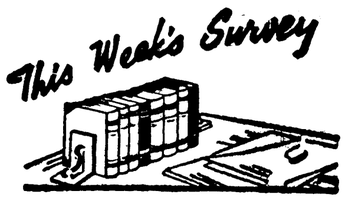
(*Continued in previous column*)

ONLY
B·O·A·C
OFFERS
37*
COMETS
WEEKLY
INDIA
DIRECT TO

BAGHDAD	DUSSELDORF	RANGOON
BAHRAIN	FRANKFURT	ROME
BANGKOK	HONG KONG	SINGAPORE
BEIRUT	ISTANBUL	SYDNEY
CAIRO	KARACHI	TEHERAN
COLOMBO	KUALA LUMPUR	TOKYO
DARWIN	LONDON	ZURICH

DJAKARTA MELBOURNE

WITH CHOICE OF STOPOVERS AT THESE
AND MANY OTHER EXCITING PLACES
AT NO EXTRA FARE
*EFFECTIVE 1ST APRIL 1961
FLY
B·O·A·C
IN SUPREME JET COMFORT
BRITISH OVERSEAS AIRWAYS CORPORATION
IN ASSOCIATION WITH AIR-INDIA AND QANTAS



BUNKER AND GALBRAITH

AFTER four years of unremitting work in the cause of Indo-American understanding and co-operation, Mr. Ellsworth Bunker has just left for his country, ending his tenure as U.S. Ambassador to India. This great "emissary between the world's two largest democracies" did constant travelling throughout India during the period of his service—a period longer than that of any of his predecessors—and thereby helped bring Indo-American friendship to a more understanding and enduring level. In contributing greatly to American appreciation of India's role in world affairs and to Indian awareness of this appreciation, this deeply religious and unassuming envoy had played a truly outstanding role. This role had much to do with the historic visit of President Eisenhower to India in December 1959, and with the fifth and largest P.L. 480 Agreement signed in May 1960, for the supply, over a period of four years, of 17 million tons of American foodgrains to this country. These were, indeed, the highlights of his long and varied career in many fields—in the sugar industry and in insurance business, in education and social research, in the humanitarian work of the American National Red Cross and, above all, in diplomacy since 1951. His success in India was due, in no mean measure, to his "diplomatic temperament" leavened with a "warm interest in human problems." Both the United States and this country owe a great deal to Mr. Bunker and to his ideal partner in life, Mrs. Bunker, for having brought the two countries nearer each other.

It is this nearness and warmth in current Indo-American relations that the incoming U.S. Ambassador, Professor John Kenneth Galbraith, has the good fortune to inherit and avail of for furthering the cause which was so dear to Mr. Bunker's heart. The new American envoy is not unknown to this country. As an economist belonging to the pragmatist school in the United States, he had been invited to India on two occasions since 1956 for consultation on some planning problems. The Government of India and its Prime Minister have thus already known and valued him as an unofficial ambassador of his country. Like Mr. Bunker, Prof. Galbraith carries a warm interest in human problems. As he himself has just stated, his "larger task is to get on with the problems which our two republics share with all mankind—the tasks of helping to ensure peace, helping to eliminate misery and disease, and helping to enhance the literacy, learning, and individual dignity of all men." Again, like Mr. Bunker, Prof. Galbraith is a Democrat of long standing and may, therefore, be expected to carry on his work in the best traditions of the Democratic Party which had always taken a lively interest in the problems of India. His tenure as U.S. envoy, it is to be hoped, will strengthen the edifice of Indo-American friendship.

STEEL SHORTAGE AND ENGINEERING INDUSTRIES

The Indian Engineering Association—not to be confused with the Engineering Association of India—has as its members many of the leading civil, structural, mechanical, electrical and chemical engineering companies. This Association, which claims to represent firms having a quarter of a million men on their pay-rolls and an employed capital of Rs. 350 crores, recently held its fiftieth annual general meeting at Calcutta under the chairmanship of Mr. P. Bhattacharji. In his address at the meeting, the Chairman referred to the threefold expansion of general, electrical and chemical engineering industries since 1951, saying that their achievements deserved greater publicity and recognition. Impressive as this expansion was, it would have been still greater if the persistent shortages of raw materials like steel, pig iron and scrap had not been there. And so Mr. Bhattacharji had to cover familiar ground and deal with the most acute problem of raw material availability.

It is revealing to know from the Chairman's address how the shortage of steel supplies in recent years had curtailed production in the engineering industries. For instance, four leading wagon building units, which had increased their capacity at Government's request and produced 13,000 wagons in the year ended June 1958, had to curtail their production to 6,500 wagons and 6,200 wagons, respectively, in the following two years for want of steel. This shortfall in wagon production has aggravated the railway transport difficulty which, in turn, has affected the movement of raw materials to the steel plants and other industries. It may be recalled here that the Railway Minister, too, in his recent Railway Budget speech, had admitted that there was a shortfall in the second Plan target of wagons. If the railways are unable to allot more wagons now for coal movement, it is partly due to the fact that new wagons have not wholly made up for the number of wagons condemned in recent years. That wagon building has been mostly seriously affected by steel shortage is beyond dispute.

Mr. Bhattacharji's suggestions for relieving the shortage of steel and pig iron are, therefore, quite appropriate in the present situation. His basic idea is that, as in the United States, steel-making capacity in the country should always keep ahead of the steel requirement, thus enabling full utilisation of its fabricating capacity. So the target of 10 million ingot tons for the third Plan is by no means ambitious in his view. But, before the big overall shortage of steel can be completely overcome, some measures to relieve the present shortage as much as possible are called for. One of these, as suggested by Mr. Bhattacharji, is that if coal and other raw materials now available for the steel plants are not of the requisite quality, a specification for a lower quality steel in place of "untested" steel could be laid down. Such a lower quality steel could be used by the engineering industries till the present difficulties are over. Secondly, adequate imports of specific types of steel like Cl. III and IV Lloyds tested plates for ship repair and building, tin plates and alloy and tool steels would have to be licensed. Thirdly, there should be no export of any pig iron when the production of foundries all over the country is suffering on account of pig iron shortage, both in quantity and in quality. And, lastly, a complete ban is suggested on the export of steel scrap which is not available in any substantial quantity now for use in electric furnaces. The two last suggestions would involve the sacrifice of some foreign exchange that is now earned from pig iron and scrap exports. Since much larger expenditure of foreign exchange will be involved in the suggested imports of special types of steel, it will be very difficult to persuade the powers-that-be to stop the exports of scrap or of those grades of pig iron which may not be wanted in the country. As the Engineering Association is not also optimistic on the score of possible exports of capital and semi-capital engineering goods which will all be required for the implementation of Plan schemes, the foreign exchange problem may continue to cause anxiety to the engineering industries, unless, of course, some maintenance imports come to be financed by 'untied' foreign loans in the third Plan period. The chances are that they will be so financed.

ROPE INDUSTRY

A cogent plea for liberalising the import policy in respect of manila and sisal fibres was made by Mr. H. D. Wahi, Chairman of the Rope Manufacturers Association, in his address to the tenth annual general meeting of the Association held at Calcutta over the week-end. While indigenously available fibres, such as aloe, coir, cotton, jute and sunn hemp are used for making rope, the industry also depends upon imports for other important raw materials like manila and sisal. Actual users alone are now permitted to import these two raw materials. Since 1956, when the import of these fibres was removed from the Open General Licence, as Mr. Wahi pointed out, the industry has not been given licence for import of its full requirements. Consequently, most of the units have been working much below their installed capacity.

The restrictive import policy on Manila and sisal would appear to result in a foreign exchange saving to the tune of only Rs. 20 lakhs annually. If this restriction on imports is removed as suggested by Mr. Wahi, the industry would be able to expand its production and channel a part of it for exports, thereby securing a substantial net addition to foreign exchange earnings. It may be recalled, in this connection, that exports of ropes have fallen to an annual rate of about Rs. 2 lakhs now, as against about Rs. 11 lakhs six years ago, mainly as a result of the shortage and high prices of raw materials, which adversely affect the competitive position of the industry in world markets. In view of the hope held out by official spokesmen at the recent Import Advisory Council that a portion of the foreign aid might be earmarked for maintenance imports, it is to be hoped that the rope industry's plea for liberalisation of import policy will receive due consideration.

Mr. Satish Chandra, Union Deputy Minister for Commerce and Industry, who inaugurated the rope manufacturers' meeting, disclosed that, presently, the Jute Commissioner, who had recently been authorised to deal with matters concerning the rope industry, would make a detailed study of the industry's problems. On the basis of the proposed study, Mr. Satish Chandra observed, the Government's policy would be formulated. While the proposed study is to be welcomed, it should not be forgotten that a permanent solution to the shortage of imported fibres can be found only in their cultivation, on a large scale, within the country itself. Mr. Wahi, therefore, rightly drew pointed attention to the need for developing indigenous sources of fibres. How important this is may be recognised from the following passage in his speech:

"The industry's requirements of sisal and aloe fibres are about 10,000 to 12,000 tons per year. Out of this, hardly 4,000 tons aloe fibres are available from indigenous sources. For sisal, the industry has to depend solely on imports. The supplies of indigenous aloe fibre are irregular and inadequate, since it is not grown in India on commercial scale. Unless cultivation of this fibre is done under Government's supervision, I am afraid, even the present availability may dwindle resulting in the factories to depend more and more for their requirements of fibres on imports. With regard to sisal, except for the planting of 1,000 acres in West Bengal Government sisal farm at Rajnagar, nothing much appears to have been done. Even in respect of this farm harvesting of leaves for fibre extraction is not likely to be ready before the middle of 1962. In this connection, the Central Government had appointed a Sisal Sub-Committee in April 1959 to go into the question of production and usage of sisal fibre to achieve self-sufficiency. The Sub-Committee, I understand, met only on few occasions. I am not aware of the recommendations made by it for the development of sisal industry in India, but at the present rate of progress it looks as if it will not be possible for the industry to do away with the import of sisal fibre for some more years to come. The saving in foreign exchange, which would be effected by a large-scale venture to grow sisal, would be an adequate compensation to the investment and the effort would prove sufficient inducement to the Government to give such a proposal favourable consideration."

The Association itself or some of the major producers of rope in Calcutta will also do well to make a start by encouraging the cultivation of these fibres in selected areas, without waiting for official agencies to do it. Such efforts are bound to get the assistance of Government in due course. In effect, this will mean co-operation between the Government and the industry in the matter of growing sisal fibre—the kind of co-operation which Mr. Wahi himself envisaged.

The rope industry is already in a position to meet the entire requirements of the country. The combined installed capacity of the constituent members of the Association for the manufacture of ropes and cordages of manila, sisal and aloe is about 19,800 tons annually. They are also capable of producing a further 10,000 tons of ropes and cordages every year from coir, jute, hemp, etc. Where there is so much installed capacity and such capacity, too, cannot be fully utilised for want of raw materials, the Government would do well to heed Mr. Wahi's advice and rather encourage the growing of sisal fibre in India than add to the industry's difficulties by licensing new units both in the organised and the small-scale sector without regard to the already available surplus capacity.

REINSURANCE

What the Government could not get by consent it has at last got by compulsion. The efforts made by the State-owned Indian Guarantee to persuade insurance companies in the private sector to cede to it voluntarily a percentage of their Indian reinsurance business having failed, it has now secured what it wanted through legislation. The Insurance (Amendment) Bill, 1961, passed by the Lok Sabha on the 20th inst., empowers the Government to compel every insurer to reinsure with approved Indian reinsurers up to a maximum of 30 per cent of the sum assured under each policy or renewal thereof, with effect from 1st April. Power is also vested in the Government to specify the proportions in which the said percentage shall be allocated among the approved Indian reinsurers.

The approved Indian reinsurers are those who carry on reinsurance business exclusively and are approved as such by the Government. There are only two insurers who meet this test, namely, the Indian Guarantee and General Insurance Company Ltd., a subsidiary of the Life Insurance Corporation of India, and the India Reinsurance Corporation, a co-operative venture of general insurers in the private sector.

Although, under the Bill, 30 per cent has been fixed as the maximum, the Government is understood to have given a verbal assurance to insurance companies that, in practice, care will be taken to see that the percentage does not exceed 20. This assurance is of little value as long as it is not statutorily recognised. It looks as though this 20 per cent will be shared equally between the India Reinsurance Corporation and the Indian Guarantee. Since insurance companies already cede 10 per cent of their business to India-Re, the Government might take this as constituting its share of the 20 per cent. Companies might, therefore, be asked to cede an equal percentage to the Indian Guarantee. In other words, if the assurance stated above is observed in practice, the present legislation will have given effect to the original suggestion of the Indian Guarantee for voluntary cession.

The objectives of the Bill are stated to be (1) to strengthen Indian reinsurance companies and (2) to reduce the foreign exchange drain on account of reinsurance. Neither the statement of objects and reasons of the Bill nor what Mrs. Tarakeshwari Sinha, Deputy Minister for Finance, who piloted the Bill, said in the Lok Sabha has made it clear how exactly these objectives would be served by the Bill. The Indian Insurance Companies' Association, Bombay, in its well-documented memorandum on the Indian Guarantee's suggestion for voluntary cession of business, had argued that such a step would not serve any of these objectives. It had pointed out that marine cargo and miscellaneous reinsurance business had caused no drain on foreign exchange resources and that the drain was only in respect of fire, marine hull and aviation business. The drain on account of fire business was small and was certain to be eliminated in due course. Aviation reinsurance business was handled entirely by the Indian Guarantee. The only other section which did cause a drain, though this too, was showing a declining trend, was the marine hull business. This is regarded as unavoidable, because of the limited retentive capacity of the Indian reinsurance market, the need for reinsurance cover abroad and the time lag in obtaining suitable reciprocity. Fixed cessions to the Indian Guarantee, voluntary or compulsory, the memorandum had averred, would not solve the problem of foreign exchange drain.

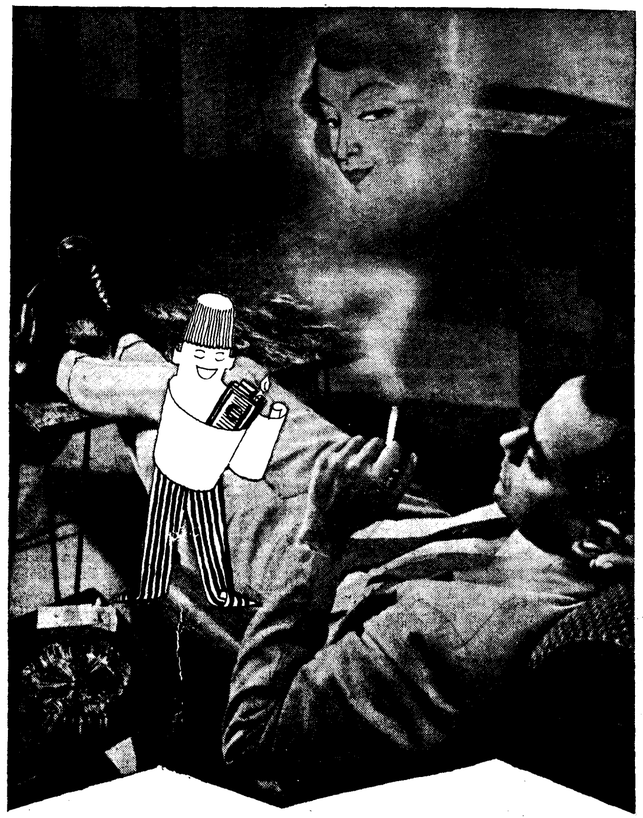
The Government has not cared to answer these arguments or to show how the enactment now made will save foreign exchange. If reducing the foreign exchange drain is the objective, that could be achieved, if it all it could be, by surplus reinsurance, for the drain arises, from the disposal of the surplus, and not by quota share cession to Indian Guarantee which, except in the case of fire insurance, has now been made compulsory under law. If the Government could accept, as it has now done, the former basis in respect of fire business, why did it not do so in respect of other sections, too? Obviously, this concession in regard to fire business has been made, because the India Reinsurance Corporation permits companies to cede fire insurance on a surplus basis under the stipulation that the premiums so ceded will not be less than what it would have got on a quota share basis. It is evident, therefore, that the real objective of the Government in bringing forward this legislation is to see that the companies treated the State-owned Indian Guarantee in the same way as they did the India Reinsurance Corporation. But it has very conveniently forgotten that the India-Re is jointly owned by all the insurance companies and that what they lose on the swings is made up on the roundabout. The Government's concept of equality seems to be very strange. For it wants equal treatment from insurance companies for the Indian Guarantee over and above the facilities which this company enjoys as a Government-owned enterprise. And these are by no means insignificant. Thus, the Indian Guarantee receives all the reinsurances of the Government-controlled companies and also the bulk (as much as 75 per cent) of the reinsurance business of the Pool, in addition to the entire aviation reinsurance business. According to the estimate of the Indian Insurance Companies' Association, the Indian Guarantee is already having a premium base of over Rs. 3 crores, as against Rs. 2 crores which was considered an adequate base for India-Re to ensure which the companies had agreed to cede 10 per cent of their business. On top of this, the Indian Guarantee will now receive that percentage allotted to it under the present enactment, which could range between a minimum of 10 and a maximum of 20 per cent. Thus, nothing can conceal the fact that the present legislation is designed to bolster the State-owned Indian Guarantee and dwarf the India-Re which is co-operatively owned by the insurance companies in the private sector. Any resulting foreign exchange savings will only be marginal.

In actual practice, the compulsory cession to the Indian Guarantee will only adversely affect the insurance companies, because the terms they obtain from it may not be as favourable as those which they could otherwise get by skilful bargaining based on their profit position from year to year. In fine, their bargaining position *vis-a-vis* the Indian Guarantee is rendered weak because they are legally obliged to cede the specified percentage to that company. The Indian Guarantee will, therefore, always have the upper hand. Further, the fact that a substantial percentage of their business will be absorbed by the two reinsurers will tend to encourage less prudent underwriting by the ceding companies.

EXPORT PROMOTION

A new turning point in the Government's policy on export promotion appears to be an imminent possibility. The Union Minister for Commerce, Mr. Nityanand Kanungo, disclosed at a meeting of the World Trade Department of the Indian Chamber of Commerce last week at Calcutta that the Government of India was examining a proposal to entrust prominent businessmen with the task of export promotion. A meeting of business leaders would be called shortly at New Delhi for thrashing out a workable scheme. This move is welcome, as it seems to reflect the Government's growing realisation of the indispensable role of industry and trade in the promotion of exports. But it will be naive to assume that businessmen possess the magic wand, the mere tilting of which will open out new vistas for India's export trade. Generally speaking, businessmen are already taking active part in export promotion activities. Not all their efforts, however, have uniformly been successful. Reasons for this are not far to seek. They include, among others, defective industrial and labour policies which have retarded modernisation of industries and growth in their productivity, transport bottlenecks, failure to ensure rapid expansion of agricultural production (cotton, raw jute and oilseeds, for instance), shortage of raw materials, fuels as well as machinery for industrial development, and the growing pressure of domestic consumption—all of which tend to raise cost of production, and, thereby, reducing the competitive capacity of Indian-made goods. Heavy export duties on products like tea over a number of years have encouraged establishment of competitive producers abroad. Absence of an appropriate system for giving prompt refund of excise duties has also been a big handicap. The impact of these factors cannot be easily and quickly got over, but can be softened to some extent, if the Government takes businessmen into full confidence and redresses their legitimate grievances. The Government will do well to realise that, if immediate steps are not taken to rectify the defects in its economic policies which have been cumulatively responsible for pricing out Indian goods abroad,

(*Continued on page* 531)



MR. AL FOIL GIVES A LIGHT

Fifty seven years' experience as Manufacturers of Aluminium Foils for packaging goods in Cigarette, Pharmaceutical, Confectionary, Tea and many other industries.

"Delightfully fresh, my Lady Nicotine . . . just as I like her." "Naturally," replied Mr. Foil with a knowing smile, "these are the virtues of the lady in question. Think of the protection she enjoys. Snugly wrapped in aluminium foil from tip to toe, the flavour of her tobacco, the freshness and fragrance are sealed within. Her foil wrap, as decorative as mink, protects her from dirt too. Sufficient reasons you'll agree, sir," finished Mr. Foil, "for the lady to insist on a foil wrap, whether she comes to you as a pipe smoke or a slender cigarette !"

VENESTA FOILS LTD. KAMARHATI, 24 PARGANAS, WEST BENGAL

Selling Agents :

TEA CHEST LININGS : Williamson, Magor & Co. Ltd., Calcutta.

FOILS AND CONTAINER SHEET : Indian Aluminium Co. Ltd., Calcutta Bombay Madras and New Delhi

VFC-10

ON THE ARENA

By The Archer

Alarm Chains in Trains

WE live and learn something every day. We have just learnt the phrase "blank off" which in effect, means "cut off without cutting"; the chain is there with a handle of some sort to pull, but, when you pull, nothing happens and you look blank. The instruction to immobilise the chain is called a "blank-off order"; so, I believe the whole operation may be called "blanking of alarm chain." When Mr. Jagjivan Ram approved of the order to such blanking on the Dinapur section of the Eastern Railway, he had also blanked off Section 62 of the Indian Railways Act, which provides that "the Central Government *may* require any Railway Administration to provide and maintain in proper order in any train worked by it which carries passengers, such *efficient means of communication* between the passengers and the railway servants in charge of the train as the Central Government has approved." (Italics mine.) My lawyer friends tell me that 'may' in the above section means 'must', and that, according to its wording, the provision of an efficient means of communication in proper order should be considered mandatory. When Members of Parliament questioned the wisdom of railways in blanking off alarm chains for their own failure to check unauthorised pulling, the Railway Minister said that it was a matter of opinion, meaning, perhaps, that there can be more than one opinion about the wisdom or unwisdom of blanking off, and about the failure or success to check unauthorised pulling. He added that instructions had been issued that, where there was large-scale unauthorised pulling of chains, the apparatus should be blanked off, and that that constituted very good reason; one or two persons might be inconvenienced by this, but unauthorised chain pulling on a large-scale caused inconvenience to hundreds or thousands.

Some people misuse pavements on the sides of roads, and vendors occupy them much to the inconvenience of pedestrians; so let us dig up all pavements and efface them from existence. Some people prefer false complaints in police stations and waste the time of police officers; so let them refuse to accept any complaints from anybody. Some people send false alarms to the fire brigade through telephone; so let us blank off all telephonic calls to fire-fighting units. Some neurotic people waste the time of doctors in hospitals with imaginary complaints of sickness; so let us authorise all doctors to drive away all persons suffering from nervous diseases. Some men beat their wives; so let us say that marriages shall not take place, at any rate not between men and women. On the Dinapur section, some people pulled chains for fun or mischief, in spite of the increase of the fine from Rs. 50 to Rs. 250 and, since this was found to be a blankety blank nuisance, all chains were blanked off.

The mandatory provision in Section 62 of the Indian Railways Act can be brought home to the Railway Administration by a writ directing them to comply with the statute. The wisdom or unwisdom of the blank-off order will be adjudged by a court of law, and there will be no two opinions on the question. However, one reason why lapses often occur in the discharge of duties and obligations to members of the public by administrative personnel is that they are not, except in rare cases, sued for damages in torts. If members of the public are eternally vigilant about establishing their rights as citizens (under law) and if officials entrusted with specific performance of duties are kept on their toes all the time by fear of being made liable in torts, there would be less of responsibility in both sectors and a greater measure of public co-operation in the maintenance of a healthy administration. Article 300 of the Indian Constitution states that the Government can be sued and sue as if the Constitution were not passed. This only means that the law relating to the liability of the State remains unaffected by Independence, thus leaving the vast body of case law prior to Independence unaffected. The Constitution does envisage legislation in this regard but none has been promulgated so far.

There was an old case in 1861 decided in the Privy Council by Sir Barnes Peacock, called the *P. & O. Steam Navigation Co.* versus *The Secretary of State for India*. This has been the leading case on the law relating to the liability of Government for the torts of its servants. In that case, the Company sued the Government for damages for the negligence of its servants at the Hooghly dockyard where the plaintiff's horse was injured. Damages were ultimately awarded against the State and the principle was recognised that the State (in India) was liable for the torts of its servants committed *in the course of trading or other commercial and non-sovereign activities*. This case has been followed in India for the last 100 years, and has always been applied only to the restricted extent indicated above. The large body of case law which has arisen from the application of the principle enunciated by Sir Barnes Peacock may be summarised briefly thus:

(a) Government is liable for the torts of its servants committed in the course of such transactions as may be undertaken by private persons, e.g. commercial, transportation of person and property, carriage of freight, etc., subject to such specific statutory exemptions from liability as may have been laid down.

(b) Government cannot be sued for torts committed by its servants in the exercise of *sovereign functions*. What these sovereign functions are is not clearly defined. Some decisions have held that commandeering goods during war, recovery of fines through courts, restoration of order, etc., come under sovereign functions, and these seem reasonable enough; but there are also some judicial verdicts which have included maintenance of a road or a hospital, or the management of an estate by a Court of Wards in sovereign functions and these call for further examination. It is now left to a judge to decide whether an activity in the course of which a tort was committed was a sovereign activity or non-sovereign.

(c) The State will not be liable, unless it had expressly authorised or ratified the tort. This is an unsatisfactory rule, as, in many cases, the plaintiff will fail in proving that the State had given ratification or authorisation. In an old case from Bombay (1904), 62,500 bundles of hay were seized from the plaintiff by the Chief Constable on the ground that it was stolen property; the complaint failed, and, when the plaintiff demanded return of the property, only 14,700 bundles were handed back, the rest having been lost through negligence of the officer in charge of its safe custody. The plaintiff's suit for recovery of the value of the hay was, however, dismissed by the High Court, which observed that the seizure of the hay was not in obedience to any express order of Government, nor did the Government expressly ratify what he had done.

(d) The State is liable for torts relating to illegal detention of property, etc., under cover of the authority of a statute.

In the United Kingdom, the position that the "King can do no wrong" has been abrogated by the enactment of the Crown Proceedings Act of 1947, Section 2 of which says that the Crown shall be subject to all those liabilities in tort to which, if it were a private person of full age and capacity, it would be subject. The present position in the U.K. is that the Crown is answerable for the torts of all its servants committed in the course of their work, provided they are paid out of the Consolidated Fund of the State. Curiously, however, the police in the U.K., who are not paid wholly out of that fund, escape, and the Crown is not liable for the torts of its policemen. The position of statutory bodies and other bodies of Government like the Transport Commission is not clear and their wrongs may not expose the Crown to damages. Even so, the present law of the U.K. does open a wide field of liability for the State for the civil wrongs committed by Government servants.

There is, therefore, a need for comprehensive legislation in India on the subject of torts, clearly delimiting the exceptions to the general rule, which should be as it exists in the U.K., viz., universal liability of Government for the torts of its servants. We continue to apply the 1861 dictum of Sir Barnes Peacock, ignoring the fact that even in the U.K., the Crown Proceedings Act of 1947 has made great changes. Public opinion should demand that a democratic Welfare State should claim to be judged by the same standards as are applicable to private citizens, and that the connotation of the terms 'rights' and 'responsibilities' do not vary between members of the public and officers in charge of the administration, otherwise called the 'public servants.' Public opinion should also bring about the establishment of a vigilant all-India organisation, maintained by public contribution, for the filing and conduct of all legal actions relating to 'Torts' solely with a view to instilling a sense of responsibility among all classes of public servants. If the organisation is manned by eminent lawyers with public spirit, every such legal action could be examined and scrutinised for its content of social purpose before its conduct is undertaken.

• • • •

All About Census Figures

Mr. C. Subramaniam, Minister of Finance in Madras State, has dropped a brick on the floor of the Madras Legislative Council. As a result, Dr. B. C. Roy, Chief Minister of Bengal, has come down on him like a ton of bricks. Mr. Subramaniam complimented the Tamils on being more prudent than others in the country in the matter of production of children with a population increase of only 11.7 per cent over the last decade. So far no one can quarrel with him, he is welcome to pat the Tamils on their backs for being less prolific than others. But he pointed to West Bengal's increase of 33 per cent and thought that this figure needed verification. The Minister is reported to have stated that West Bengal appeared to claim this increase as due to a fall in the death rate to 8.5 per thousand of population which figure, in his view, was much less than the 10 per thousand death rate in the U.K. and, hence, needed to be looked into a little.

Explaining why he found it necessary to comment on West Bengal's census figures, Mr. Subramaniam is reported to have said: "Normally the West Bengal census figures would not be the concern of Madras, but they might be so regarded, because, in allocating finances, the population of the several States might be taken into consideration by the Finance Commission." Dr. B. C. Roy is amazed at Mr. Subramaniam's statement and feels that the Madras Minister has shown bad taste. The Census Superintendent of Bengal described the phenomenal increase in population figures as a "population explosion." In his view, though the influx of refugees was a contributory factor, natural growth in the birth rate itself accounted for between 21.9 to 25.5 per thousand, while the death rate between the years 1951 and 1961 fell from 13 to 8.5 per thousand. Dr. B. C. Roy is reported to have called upon the people of Bengal to be prepared to fight on all fronts—the Centre, the Planning Commission and the Finance Commission—for more money. It is not known if he also sent out a call to fight on the most important front, namely, family limitation; I think he should.

One would wish that this argument between two clever Ministers had been carried on in private correspondence rather than in public discussion. To the many acrimonious controversies between various States in the Union on such matters as boundary disputes, sharing of river waters, establishment of industrial enterprises, etc., need we add another one on the entitlement to Central revenues on the basis of population figures? As for the people of Tamil Nad, their feelings must be very mixed; glad that they have done well in population control, but sorry that they might miss the bus by doing so! Life is, indeed, complicated!

• • • •

Would You Believe It?

Dr. B. V. Keskar is reported to have stated in the Lok Sabha on 14th March that, subject to foreign exchange being available, a television centre would be established in Bombay during the third Plan period. Dr. Thomas Balogh, the Oxford economist, declared that the idea of producing a low-cost "peoples' car" in India was absolute madness. Of course, the Government did not agree with this view and is going ahead with the project. Another eminent foreign economist or broadcasting expert may come along and, perhaps, call Dr. Keskar's television project by something equally rude. What does he care? Or who cares? Perhaps, television has gone up in priorities, because the eventual manufacture of television sets in India might add one more item to excisable luxuries and our fiscal revenues may be augmented. Some such subtle reasoning must be behind the decision to find foreign exchange for the project, while many established industries, including newspapers, are being starved of essential raw materials and machinery, and many expansion projects in export-promoting industries are held up for the same reason. The subtle reasoning may not be based on adult logic, but should it be?

AMERICAN LETTER

LABOUR AND POLITICAL LEADERS SHORT-SIGHTED

GOVERNMENT SUPPORT TO SMALL INVESTORS

From Our Special Correspondent

NEW YORK, *17th March*

THE business situation continues more or less unchanged. The First National Bank of Chicago, located in one of the most industrialised areas of the United States, says, in its latest bulletin, that "almost all indicators of current activity show declining trends."

This decline, however, has been modest and evidence indicates that the downward movement will be mild. The trouble with all such prognostications and the appraisal of current affairs is that, unless spot checks are made, the analysts go on the basis of figures which are anywhere from six to eight weeks old. The same is true, of course, so far as the decisions of the Federal Reserve banks are concerned. By the time reports from the 12 districts have reached Washington and New York, the picture may have changed.

In my own contacts and travels, I have detected a good more optimism than is shown in official reports. Obviously, the recent inventory liquidation has just about reached its end. The extraordinarily severe winter did not stimulate consumer buying in the sense that people just stayed home, instead of fighting snowdrifts, windstorms and below freezing temperatures.

The weather killed incentives. The automobile industry, for example, began 1961 with about one million unsold cars on hand. This was almost twice the level of the like 1960 period. The U.S. railroads in the East were hit hard by harbour strike, by snow removal and maintenance problems which added to their already existing financial difficulties.

But there has been some improvement in steel output. The percentage gain was relatively small and it was the first one in almost a year. The industry, as a whole, has not yet recovered from the last steel strike, during which foreign competition gained a firm foothold.

The net result is that there is more and more emphasis on automation. In the meantime, workers are being laid off which creates the so-called "distressed" areas which are a great political argument for politicians who want to spend money to alleviate the situation.

Squeeze on Profit

In addition to automation, there is the U.S. tax situation. Coupled with trade unions' demands, which are supported by the present Administration by legislative demands to boost the minimum hourly wage from $1 to $1.25 an hour, the squeeze on the profit of business and industry has been increased.

Trade union leaders support this, of course, because their jobs depend on ever higher benefits for their members, but they lose sight of the fact, and have no inclination to recognise, the reality that jobs are receding because domestic and world markets are being lost.

I had a meeting the other evening with the President of Manhattan Shirt Company which produces both men's and ladies' shirts of very good quality. The shirts manufactured in the U.S., he told me, he cannot sell under between $7 and $8 each. He has curtailed his export operations severely but has now licensees in 18 countries who can manufacture them. The same shirt, made according to U.S. specifications, can be sold in Japan for about $3.95 (U.S.). This is just an example of what is happening throughout U.S. industry.

Unfortunately, there have been continual reiterations about the U.S. recession from Washington. In a country like the U.S. with its rapid communications, such as newspapers, magazines, radio and television, it is quite easy to talk the people into a recession. Such talk instils fear. It postpones consumer buying, because of apprehension of the future. It is thus a deterrent to buying.

Politically, though, it justifies, or seeks to justify, more Government spending to make the people happy. In this respect, two major areas of expenditures, according to the Kennedy Administration, have come to light. One is a new housing programme and the other is more emphasis on ground force defence and lesser reliance on missiles. The new armed forces' programme should mean more tanks which should help the steel industry.

These implements would be used in "little wars" like Korea. Other equipment will be required, too, and additional manpower. It may help employment, but also inflation.

United Nations News

The greatest concern these days in the United Nations is over Africa. It does not concern the Congo alone, but South West Africa and the Union. Developments as have happened on that Continent have been expected here for some time. Yet, the rapidity and violence with which they happened were not anticipated. There are plenty of African spokesmen here, beautifully educated and most articulate. What is missing is a cohesion. And that is where the debates break down. "Africa for the Africans" is a fine motto, but there are so many and different from one another.

The role of the U.N. in the Congo is, obviously, disputed widely. The choice of troops of various racial origins is also questioned. In the meantime, trade and commerce with that area and the rest of the world have been damaged gravely. In my opinion, and after talking with many of the delegates here, it will be a long time before the African question can be settled.

World's Fastest Air-liner

India and the rest of the world will benefit later this year by service of the intercontinental Convair 990 Coronada. It is now being tested. The jet has a maximum cruising speed of 640 miles, the equivalent of 1,028 kilometers, close to the speed of sound. It will facilitate both passenger and freight service.

The plane is being built at San Diego, California, and orders from four large airlines are on hand. The maiden flight of the pilot model was made on 24th January 1961.

Small Investment Companies

Something new has been added to the U.S. financial scene. The U.S. Small Business Administration, with Congressional authority, has licensed 145 small business investment companies with capital funds exceeding $142 million. About 270 more applications for such companies are being processed. The main purpose of these concerns is to provide equity capital and unsecured loans of five years or more which cannot be obtained from any other sources. Only about 27 per cent of the present capital is provided by the Federal Government. The balance is from private investors, including commercial banks, which cannot indulge in such investments directly, since they are limited more or less to orthodox short-term loans.—*All Rights Reserved.*

SHILCO

The name that Guarantees . . . .

Lasting Satisfaction
Supply Every Type of
PAPER CONE and TUBE

All Textile Paper Cones and Tubes are precision products made to the exact requirements of Spinners, Winders and Knitters. Ideal for perfect fit, balance and true running.

Textile Cones and Tubes are as accurate as the machines on which they are used.

Now being used by the leading Textile Mills in India

SHILCO INDUSTRIES
Palkhewadi, off Cadell Road
BOMBAY-28

Telephone: 61056 Telegrams: "SHILCOIND"

THE COMMONWEALTH CONFERENCE AND TRADE

(From Our Own Correspondent)

LONDON, *18th March*

LONDON LETTER

"THE Commonwealth is a vital, dynamic thing." So said Prime Minister Nehru at his Press Conference which marked the end of an historic week in London. He was referring to the matter which occupied the minds of most present at the secession of South Africa. Mr. Nehru's own feelings were of relief. The whole process he saw as following a course with one inevitable end; that end might come cleanly or tortuously, bitterly or with a relative understanding. The argument was over, and it was over with far less bitterness of feeling than had been anticipated when the Conference opened. As to the Commonwealth, it has emerged, in Mr. Nehru's view, strengthened, more vital, more dynamic.

This meeting of Prime Ministers was not concerned with economic matters, though it is in this field that the values of the Commonwealth link to the various members can be most observed. And, oddly enough, it is this aspect—the economic one—which is unlikely to be disturbed by the decision that South Africa should withdraw. There is already a precedent: the position of the Irish Republic *vis-a-vis* the Commonwealth both as regards the free movement of persons and trade relations. Eire is in no different position from that in which it would be as a member. The same, therefore, is likely to apply to South Africa. After all, the purpose of excluding South Africa was political. Its value to the Commonwealth is political and the same sharp eye of public criticism does not bear on economic relations. Not, of course, that South African economic relations with the other member-countries will go unscathed. But such restrictions of trade as may follow through some countries boycotting or excluding South Africa's goods will be taken as private measures of disapproval. They will not be part of a Commonwealth policy.

A Costly Victory

The sharp pressure against sterling has been relieved this week and, with the publication of happier trade figures for February which showed a narrowing of the trade gap as compared with January, it begins to look as if the Bank of England will have got off lightly. Last week your correspondent commented that the Bank had had to spend gold and dollars to hold the sterling rate. That was simply as a result of the speculation to move into other currencies which might be ripe for revaluation. The next thing that happened was the devaluation rumours and that started off a much heavier offensive which forced the Bank to spend lavishly buying up all sterling offered. It may have been an expensive victory for the Bank, but a victory there is no doubt it is.

Views differ as to how good the February figures are. Official hints indicated that something even better was coming. But, after all, views based on one month should never be given too much weight. It is, therefore, encouraging to find that, allowing for seasonal variations, U.K. exports in the *three months* December-February were 5¼ per cent more than in the preceding three months, and 4¼ per cent more than the average for 1960.

Re-exports have shown virtually no change on the rate at which they ran all through last year. Imports, on the other hand, were 1 per cent less in December-February than in the preceding three months, and only 2 per cent above the 1960 figure.

Expressing these figures quantitatively, exports and re-exports (*f.o.b.*) total £964 million over the last three months (these are seasonally adjusted figures) and imports (*c.i.f.*) on the same basis £1,162 million. If we correct this latter figure to an *f.o.b.* basis, we arrive at £1,035 million for imports, giving an adverse visible balance over the three months of £70 million. At this rate, the overall balance should be favourable.

The seal on this turn of events has been placed by the statement issued by the Bank for International Settlements that all members should co-operate closely in the exchange markets, and the German Finance Minister made it clear that he thought sterling was perfectly reliable. This is praise indeed!

CANARA INDUSTRIAL AND BANKING SYNDICATE

ALL-ROUND PROGRESS REPORTED

FOR the third year in succession, the Canara Industrial and Banking Syndicate Ltd. (Managing Director: Mr. T. M. A. Pai, Udipi, Mysore State) has made remarkable progress. The profit of the Bank, as disclosed by its audited accounts for the year ended 31st December 1960, has staged a sharp rise from Rs. 20.2 lakhs for 1959 to Rs. 25.23 lakhs. This expansion reflects the growth in gross income which has been substantial from Rs. 110.17 lakhs to Rs. 135.85 lakhs. Almost the whole of this increase is due to larger turnover of banking business proper. Thus, income by way of interest and discount has gone up by Rs. 21.75 lakhs to Rs. 121.40 lakhs and that by way of commission, exchange and brokerage has risen by Rs. 1.24 lakh to Rs. 7.46 lakhs. The bulk of the increase in profit has been offset by a higher provision for taxation at Rs. 9.63 lakhs as against Rs. 5.50 lakhs in the previous year. A sizable sum of Rs. 7.50 lakhs, same as last year, has been used to strengthen the reserves. The return to shareholders also remains unchanged at 20 per cent, composed of 10 per cent dividend and 10 per cent bonus on A, B and C class equity shares. This requires Rs. 4.80 lakhs. In addition, the dividends at 7.8 per cent per annum on six per cent cumulative preference shares and at 6.5 per cent per annum on five per cent cumulative preference shares absorb Rs. 1.56 lakhs. The provision for bonus to staff has been slightly reduced from Rs. 2 lakhs to Rs. 1.75 lakhs. The gross dividend for 1960 is equal to the dividend declared in the previous year and would give a tax-free return of 14 per cent. As compared with the tax-free dividend of 15 per cent paid for 1958, the dividend for the year under review is clearly still on the low side. The Rs. 100 ordinary shares of the Bank are currently quoted at Rs. 188, *cum*-dividend. On an *ex-div.* basis, they will give a net return of 8 per cent per annum.

A bird's-eye view of the progress of the Bank can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Interest and discount	1,21.40	99.65	74.11	56.47
Commission and exchange	7.46	6.22	5.05	4.52
Interest paid	52.38	46.53	35.40	25.01
Expenses	54.06	42.05	35.01	26.12
Depreciation	2.18	1.57	1.45	1.46
Profit	25.23	20.02	10.22	10.42
Provision for taxation	9.63	5.50	4.00	4.00
To reserves	7.50	7.50	3.20	3.75
,, bonus to staff	1.75	2.00	1.00	0.80
Dividends—				
Preference	1.56	1.70	1.17	1.15
Ordinary	4.80	3.10	0.91	0.90
	(D. 10% +B. 10%)	(D. 10% +B. 10%)	(D. 10% +B. 5%)	(D. 10% +B. 5%)
Carry forward	0.28	0.29	0.13	0.19

	As at 31st December			
	1960	1959	1958	1957
Capital	47.21	47.02	28.96	28.47
Reserves	42.50	35.00	26.50	22.00
Deposits	18,86.89	17,08.32	13,11.30	10,31.07
Borrowings from other banks		1,46.14	1,56.00	25.00
Advances	12,23.61	10,89.52	8,00.63	6,34.41
Investments	6,16.94	7,85.06	6,09.72	3,94.19
Cash	1,71.94	1,49.18	1,39.35	1,14.99
Balance-sheet total	22,96.89	22,07.49	17,08.01	12,31.66
Ratio to deposits of—	%	%	%	%
Advances	64.8	63.7	61.1	61.5
Investments	32.7	36.0	35.9	35.7
Cash	9.1	8.7	10.6	11.1

A study of the profit and loss account of the Bank shows that expenses other than interest paid have gone up by Rs. 12.01 lakhs to Rs. 54.06 lakhs and interest paid less markedly by Rs. 5.75 lakhs to Rs. 52.38 lakhs. Of the increase in expenses, as much as Rs. 9.35 lakhs is accounted for by staff (salaries, allowances and provident fund) and Rs. 1.06 lakh by rent, taxes, lighting and insurance. Depreciation, including repairs to Bank's property, has been increased from Rs. 1.57 lakhs to Rs. 2.18 lakhs.

The changes in the balance-sheet items more clearly reflect the impressive performance of the Bank in the year under review. The turnover of the Bank, as indicated by the balance-sheet total, shows an expansion of Rs. 89.40 lakhs. The deposits of all categories have recorded a handsome increase. Of the expansion of Rs. 178.07 lakhs in aggregate deposits, the shares of fixed and savings deposits are Rs. 93.71 lakhs and Rs. 65.85 lakhs. The current deposits, however, have increased only slightly by Rs. 18.51 lakhs. Over the year the advances have moved up from Rs. 10.90 crores to Rs. 12.24 crores representing a rise of 12 per cent. The proportion of secured advances to total advances has recorded a rise from 90 per cent in 1958 and 1959 to 84 per cent in 1960, which is a welcome feature. Investments, on the contrary, have been reduced from Rs. 7.35 crores to Rs. 6.17 crores, and the ratio of investment to deposits has declined from 36 per cent to 32.7 per cent. Further, as the Bank's deposits expanded substantially, even more than the growth in advances, the Bank did not have to rely on borrowings from other banks to meet the growing demand for funds from its clients and such were *nil*, as against Rs. 146 lakhs in the previous year. The Bank's capital at Rs. 47.21 lakhs is supplemented by reserves of Rs. 42.50 lakhs. Thanks to the judicious policy pursued by the Bank to rep'enish its reserves, the reserves have doubled themselves between 1957 and 1960.

The Bank continues to open new offices. Thus, during 1960, it opened in all eight new branches, bringing its total branches to 140. In addition, the Bank absorbed one bank functioning in Kerala State, namely, the Asiatic Mercantile Bank Limited having branches at Trichur and Ernakulam. Another noteworthy feature of the Bank's working is the unique investment service, which it has pioneered. Under this scheme, a separate department of the Bank gives expert financial guidance to investors, so that they may be able to invest their surplus funds in sound and remunerative shares and securities. It is stated that the response to the scheme, especially from the middle class investors, has been very encouraging.

STATE BANK OF HYDERABAD

FIRST DIVIDEND AFTER NATIONALISATION

ENCOURAGING progress is disclosed by the report of the State Bank of Hyderabad (General Manager: Mr. Satya Dev, Hyderabad) for the twelve months ended 31st December 1960. The Bank has been functioning as a subsidiary of the State Bank of India with effect from 1st October 1959. The profit has staged an impressive rise from Rs. 5 lakhs (for 1959) to Rs. 9.15 lakhs. This improvement is due to the substantial rise in the quantum of advances and the better terms on which the Bank granted accommodation to trade and industry. The balance sheet total shows a rise of Rs. 2.31 crores to Rs. 24.24 crores. The deposits have, however, shown only a modest rise from Rs. 18.79 crores to Rs. 19.40 crores. The quantum of advances has gone up by more than 33 per cent to Rs. 10.71 crores. As a result of this, the Bank's gross income has recorded an expansion of Rs. 11.23 lakhs to Rs. 101.37 lakhs and, as the expenses and interest paid to depositors did not rise by the same proportion, the Bank fared much better in 1960 than in the previous four years. The Directors have thus succeeded for the first time since the nationalisation of the Bank in declaring a dividend, albeit only at the modest rate of 6 per cent subject to tax, or a net return of 4.2 per cent. This dividend requires a sum of Rs. 3 lakhs. The Directors have transferred Rs. 1.85 lakhs to the general reserve (as against Rs. 1 lakh in 1959). In addition, the staff pension fund and the staff welfare fund have been provided with Rs. 1.20 lakhs and Rs. 50,000 respectively.

The progress of the Bank since 1957 can be seen from the following comparative table:

(In lakhs of Rs.)

	For the year ended 31st December			
	1960	1959	1958	1957
Interest and discount	76.30	68.90	55.03	51.64
Commission and exchange	22.97	18.86	10.71	21.73
Other income	2.10	2.38	0.60	0.49
Interest paid	38.61	35.60	25.43	23.51
Expenses	51.24	47.09	41.03	37.14
Depreciation	2.37	2.46	2.78	2.90
Profit	9.15	5.00	3.50	5.29
Provision for taxation	..	..	..	..
To reserve fund	1.85	1.00	1.00	2.94
,, other funds	1.25	1.25	1.25	1.25
,, bonus to staff	3.00	2.70	1.25	1.10
,, dividend	3.00 (6%)	Nil	Nil	Nil
Carry forward	0.10	0.05	..	..

	As on 31st December			
	1960	1959	1958	1957
Capital	50.00	50.00	50.00	50.00
Reserves	28.85	27.00	26.00	25.00
Deposits	19,39.73	18,78.69	15,27.27	12,77.55
Advances	10,71.22	8,01.77	7,73.09	7,41.96
Investments	9,76.97	9,02.94	4,83.01	3,10.76
Cash	1,60.66	3,47.31	4,06.79	3,75.90
Balance-sheet total	24,23.74	21,92.84	18,04.50	15,79.25
Ratio to deposits of—	%	%	%	%
Advances	55.2	42.7	50.6	58.9
Investments	48.8†	48.0	31.6	22.6
Cash	8.3	18.4	26.6	27.3

† Only the unencumbered portion is taken into account.

As noted earlier, the gross income has risen from Rs. 90.14 lakhs to Rs. 101.37 lakhs during the year under review. The increase in gross income is primarily due to the enhanced earnings by way of interest and discount which went up by Rs. 7.20 lakhs to Rs. 76.30 lakhs. The income from commission and exchange has risen by Rs. 4.11 lakhs, to stand at Rs. 22.97 lakhs. The expenses of the Bank (interest paid and other outgoings) have increased more slowly from Rs. 82.69 lakhs to Rs. 99.83 lakhs. Thus, the increase in gross income is of the order of Rs. 11.23 lakhs which is comfortably higher than the rise in the total outgoings. This explains the distinct improvement in the profit margin of the Bank from 5.5 per cent to 9 per cent.

The relatively modest rise in deposits is in tune with the general trend of banking and so also the vigorous expansion in advances and bills. The credit ratio has jumped up from 42.7 per cent to 55.2 per cent but it is very much below the general average. The investments ratio is still actually near 50 per cent, the liquidity ratio being as high as 56.6 per cent. These figures suggest that the Bank could have provided more credit than it did.

The Bank's capital is unchanged at Rs. 50 lakhs, and is supplemented by reserves aggregating Rs. 28.85 lakhs.

The Bank has continued to extend its activities to new trading centres in Andhra Pradesh. During the year under review, it opened nine additional offices and upgraded two pay offices into full-fledged branches. A noteworthy feature of the Bank's activities is the grant of credit against the security of warehouse receipts, such accommodation has risen from Rs. 6.58 lakhs to Rs. 18.22 lakhs. The Bank has relaxed the terms and conditions against warehouse receipts and simplified them to encourage a wider use of the warehouses. The Bank is also giving special attention to the needs of small-scale industries. Following the agency agreement concluded with the Andhra Pradesh State Financial Corporation, the Bank will be acting as the agent of the Corporation for dealing with the applications of small-scale industries.

STATE BANK OF MYSORE

RESULTS IMPRESSIVE

THE accounts of the State Bank of Mysore (General Manager: Mr. A. Krishna Murthi, Bangalore), which is functioning as a subsidiary of the State Bank of India with effect from 1st March 1960, for the ten months ended 31st December 1960, give sufficient ground for the inference that the Bank's progress, since nationalisation, has been satisfactory. The profit of the Bank for the ten months' period amounted to Rs. 28.05 lakhs, as against Rs. 23.65 lakhs for the whole of 1959. The gross income at Rs. 106.10 lakhs (as against Rs. 109.25 lakhs in 1959) cannot be considered as worse, when it is realised that it pertains to only ten months. For the full year, the proportionate gross income could have amounted to Rs. 126 lakhs. The following figures regarding income from interest and discount, commission and exchange, expenses, interest paid, depreciation, and profits, etc. would give a fair idea of the working of the Bank since 1957. The figures for 1960, being only for ten months, are not strictly comparable. Even so, they would be helpful for appraising the progress of the Bank.

(In lakhs of rupees)

	For 10 months 1-3-60 to 31-12-60	For the year ended 31st December		
		1959	1958	1957
Gross income	1,06.10	1,09.25	97.25	82.73
Interest and discount	86.81	94.61	84.84	69.84
Commission and exchange	17.22	12.50	10.58	11.50
Interest paid	46.41	50.51	43.46	29.20
Expenses	29.68	33.55	30.72	28.04
Depreciation	1.06	1.54	1.50	1.42
Profit	28.05	23.65	22.58	24.08
Provision for taxation	12.50	4.50	3.60	4.00
To reserves	3.40	3.29	4.75	12.96
,, bonus to staff	3.85	3.80	3.44	3.20
Dividend	7.50 (D. 9%)	11.50 (D. 23%)	8.00 (D. 16%)	8.00 (D. 16%)
Carry forward	0.80	5.82	4.76	1.87

It will be observed from the above statistics that the Bank's profit margin has gone up substantially from 21.6 per cent in 1959 to 26.4 per cent. This is due to the sharp increase in income from interest and discount as well as from commission and exchange. The two outgoings, interest paid and expenses, have fortunately not risen commensurately. The slightly better margin between the interest rates on deposits and the rates charged to the borrowers has obviously helped the Bank to earn handsome profit. But the accretion in the profit has not benefited the shareholders, as a large slice of the profit has been utilised for the provision for taxation which has been almost trebled from Rs. 4.50 lakhs to Rs. 12.50 lakhs. The payment of bonus to staff has taken up Rs. 3.85 lakhs, which is only slightly higher than the previous year's appropriation for this purpose. The amount transferred to reserve is also only a shade higher at Rs. 3.40 lakhs (as against Rs. 3.29 lakhs in 1959). There has been a marked cut in the rate of dividend from 23 per cent for 1959 to 9 per cent per annum. This is due to two reasons. The larger provision for taxation is one; the other is the constitution of the Bank as a subsidiary of the State Bank which has brought about an increase in the capital of the Bank by reducing the reserves. Capital now stands at Rs. 1.00 crore as against Rs. 50 lakhs in previous years. Thus the dividend is on a capital which is higher by 100 per cent. Even after making allowance for this fact, the dividend level is lower.

The substantial progress made by the Bank is more clearly revealed by the variations in some of the items in the balance-sheet. The following table shows at a glance the trends in deposits and the disposition of funds:

(In lakhs of rupees)

	As on 31st December			
	1960	1959	1958	1957
Capital	1,00.00	50.00	50.00	50.00
Reserves	68.40	1,00.00	96.71	91.96
Deposits	19,94.21	19,58.59	16,72.14	12,88.22
Borrowings from banks	44.75	47.00		80.00
Advances	12,48.54	11,47.06	10,04.57	9,79.44
Investments	5,82.88	5,60.26	6,35.90	4,22.38
Cash	1,16.23	2,14.25	2,37.50	1,10.57
Balance sheet total	26,72.50	25,81.45	21,94.13	17,00.40
Ratio to deposits of—	%	%	%	%
Advances	62.3	58.6	60.1	76.0
Investments	43.2	43.9	30.8	30.4
Cash	5.8	10.9	14.1	8.6

The balance-sheet total has moved up from Rs. 25.81 crores to Rs. 26.73 crores. On the liabilities side, the deposits have registered an expansive level of Rs. 19.94 crores. The fixed and savings deposits have increased by Rs. 61 lakhs and Rs. 32 lakhs respectively, but current deposits have declined by Rs. 55 lakhs. On the assets side, the advances and bills discounted and purchased show an accretion of Rs. 98 lakhs to Rs. 12.43 crores with the result that the credit ratio has gone up from 58.6 per cent to 62.3 per cent.

The investment portfolio shows only a nominal rise from Rs. 8.60 crores to Rs. 8.63 crores. Borrowings from other banks are a shade lower at Rs. 44.75 lakhs. The Bank thus seems to have relied mainly on the expansion in its deposit resources to meet the rising demand for accommodation for its clients.

The Bank has continued its programme of branch expansion, opening nine new branches in the year under review. This brings the total number of offices to 52. In addition, the Bank has obtained licences for opening two more branches from the Reserve Bank of India. In accordance with the Government's directive, the Bank has been giving special attention to financing small-scale industries; during 1960, it gave financial assistance to 104 small-scale units in all, accounting for a total credit limit of Rs. 36.27 lakhs. The Bank is also increasing its advances against warehouse receipts.

SURVEY

(Concluded from page 527)

the problem of expanding their exports will become even more difficult in the coming years.

The new stress on securing the co-operation of businessmen by the Government is understandable, coming as it does soon after the publication of the figures of exports for the whole year 1960, which are none too satisfactory. The foreign exchange earnings from exports of merchandise amounted to no more than Rs. 635 crores—an amount which is Rs. 8 crores less than the previous highest amount earned as early as in 1957. This is in depressing contrast to the expansion in the world export trade as a whole.

While exports have thus been lagging behind, imports have been making a strident advance. They reached Rs. 1,000 crores last year and the adverse balance of trade rose from Rs. 264 crores in 1959 to Rs. 365 crores—or a trade deficit of exactly Rs. 1 crore per day. It is true that, in 1957, the adverse balance of trade was heavier still—Rs. 382 crores to be precise—but in that year India still had foreign balances of the order of Rs. 293 crores, as against the irreducible minimum of only about Rs. 158 crores now.

Apart from the slow rate of growth of exports, in general, it is a matter for no little concern that the performance of India's major traditional commodities should have fallen short of expectations. In particular, tea, jute goods and cotton textiles, which together account for 50 per cent of India's exports, have been confronted with various difficulties. Pointed attention to these difficulties was drawn by Mr. K. P. Goenka, in his presidential address at the aforesaid meeting. While he had no grudge against the policy of diversifying the pattern of exports, he maintained that, for a long time to come, the traditional items had to be relied upon for the bulk of earnings from exports. To some extent, the difficulties in the way of exports of traditional commodities, he granted, were due to factors beyond human control, but he stressed that "there is no doubt that our own fiscal measures have not been helpful in making Indian goods more competitive in world markets." Dealing in particular with the problem in the way of exports of tea, Mr. Goenka observed as follows:

"For the past several years, the various trade delegations that had gone abroad as well as the associations of tea trade and industry had been urging the removal or reduction of the excessive burden of taxation on tea and also to intensify publicity in foreign countries, particularly in Britain, our biggest market, but action in these directions has not been prompt or effective. I welcome the reduction of export duty on tea as announced in the latest Central Budget, but, at the same time, the excise duty on tea has been steeply raised and since the latter is not refundable, the encouragement to export is not appreciable. I feel that as in most other commodities, the excise duty on tea should also be refundable. Moreover, Government has not yet taken a decision in regard to the levy of a single, simple and consolidated tax on tea. A study recently undertaken by the World Trade Department has brought out the importance of certain other steps to be taken for export promotion, such as improvement in the yield per acre, supply of more fertilisers, development of new markets and avoidance of further increase in costs of production unless they were directly related to productivity."

Mr. Goenka's suggestions for helping producers and exporters of tea deserve sympathetic consideration at the hands of the authorities, especially in view of the declining trend in exports of Indian tea. Exports of tea were lower at Rs. 120 crores in 1960, which compares unfavourably with Rs. 126 crores in 1959 and Rs. 137 crores in 1958. In this connection, Mr. Goenka urged that there should be better co-ordination between the Ministries of Finance and Commerce and Industry. He appealed to the Government not to impose fresh taxation on raw materials and industrial products which have a potential overseas market. He made the notable suggestion that both the Ministries should examine the desirability of introducing tax incentives for export promotion more or less on the lines prevailing in Japan, West Germany and elsewhere. In the absence of positive assistance of this nature, it will be futile to expect any substantial improvement in exports simply by asking businessmen to shoulder the responsibility for stepping up exports. What is of compelling urgency now is that necessary environments should be created in the economy, which will enthuse businessmen to put in their best efforts to expand production, bring down costs, improve quality and launch effective propaganda and salesmanship. There is, indeed, no short cut to export promotion.

The Flying Sherpa

AIR-INDIA's own cargo service, The Flying Sherpa, between India and U.K. via the Middle East and Europe.

The Flying Sherpa is a specially designed Super Constellation freighter aircraft with a total capacity of 12 tons. It has double doors and reinforced flooring for the uplift of heavy and bulk cargo.

Pressurized and heated cabin for livestock, with trained attendants on board.

Ideal for imports of heavy machinery and spare parts at attractive charter rates. Please apply.

BOMBAY · CALCUTTA · DELHI · BEIRUT · ROME · FRANKFURT · LONDON

AIR-INDIA

IN ASSOCIATION WITH B.O.A.C. AND QANTAS

GVT-AR. 1532

ECONOMIC TRENDS IN WESTERN EUROPE

U.N. SURVEY SUGGESTS SOLUTION TO U.S. PAYMENTS PROBLEM

"THE West European economy prospered in 1960—the second year of vigorous expansion. Like the early phase of the preceding boom, the past two years have been distinguished by four major features: a vigorous growth of both export and domestic demand, high elasticity of supply, relative stability of prices and an easy reserve position in most countries." These opening sentences of the *Economic Survey of Europe in* 1960, prepared by the Secretariat of the Economic Commission for Europe, puts, in succinct form, the outstanding features of the economic trends in West Europe during the past year.

Whereas overseas export demand slackened in the course of the year, domestic demand—private investment in particular—was generally buoyant and few sectors of West European economy, according to the *Survey,* were affected by the measures of restraint adopted very early in the upswing. Output responded more flexibly to surging demand than was generally expected. During the year as a whole, the rate of increase in total and industrial output was faster than that achieved from 1958 to 1959, thanks to productivity-raising investment, which continued to grow, and important sectoral shifts of manpower. While it is true that the very high rate of industrial expansion moderated from the second to the third quarter, the upturn in the fourth quarter in a number of countries, adds the *Survey,* points to a continuing upward course.

In many countries, the tight labour market, generating mounting wage pressures, caused renewed concern about the possible imminence of a wage-price spiral. But there is not enough evidence as yet to determine whether the recent or prospective wage increases exceed the rate of growth of productivity. Exports from West European countries to the U.S. and the primary producing countries declined in the course of the year, and the short-term outlook is not promising. But intra-West European trade was maintained at a high level and most West European countries have large enough foreign exchange reserves to withstand some worsening in their balance of trade.

The outstanding occurrence of 1960, according to the *Survey,* was the *apparent* rather than *real* foreign exchange crisis of the U.S., caused largely by short-term capital movements. It threw into the limelight the potential threat that such movements can pose to Western payments system under present conditions and underlined the external drawback of discount rate policies which are pursued primarily for purposes of internal balance. Domestic developments in W. Europe, too, cast further doubt on the efficacy of interest-rate policy as a means of restraining excess demand.

"Dollar Crisis in Reverse"

The *Survey* devotes considerable space to a diagnosis of what it calls the "dollar crisis in reverse," certifies the exact state of health of the dollar and makes some suggestions for easing the strain on it. It notes that a tendency towards increasing deficit in the U.S. balance of payments—with its obverse in a growing surplus in the balance of West Europe and West Germany in particular—had been evident for some years. That the problem exploded into a brief crisis in 1960 was, in a sense, "paradoxical." For the basic U.S. balance of payments situation improved substantially, as compared with the exceptionally adverse situation of 1959; and there was evidence, too, of some movement towards equilibrium in the balance of payments of West Germany. The explanation for the paradox lies partly in the lagged confidence reactions in international financial circles and partly in the effects, on international short-term capital movements, of the use of interest policy for domestic purposes in the major countries.

The dollar crisis of 1960 has been generally attributed to a fundamental imbalance in the Western payments system, of which an ever-growing surplus in the West German balance of payments and ever-growing deficit in the U.S. balance of payments appear as the central features. West German balance of payments during the fifties shows a gain of international liquid assets of nearly DM 30 billion, resulting from a very large current account surplus, quite inadequately offset by capital exports. The U.S. balance of payments accounts, on the other hand, reveal a steadily declining current account surplus during the period. From nearly $12 billion in 1947, the surplus declined to *nil* in 1959 and showed a loss of international liquid assets of over 20 billion during the period 1951-60.

The ever-rising flow of Western (chiefly U.S.) military expenditures themselves contributed to the rise in West German commercial surplus until 1957 and have almost entirely offset its fall since then. In 1960, they accounted for almost two-thirds of W. Germany's current account surplus. These military expenditures are, according to the *Survey,* almost wholly responsible for the present imbalance in West Germany's balance of payments. This situation, the *Survey* points out, should be borne in mind, when West Germany is alleged to be playing the part of the "bad creditor country" for which the U.S. was reproached during the inter-war years. As long as these military expenditures are, in economic terms, a datum and, as long as they constitute a drain on the U.S. balance of payments, they represent a problem for the Western payments system to which some adjustments must be made. But the problem should be recognised as arising not primarily from a maladjustment of comparative cost conditions in Western countries, but, not unlike the reparations problems of the twenties, though in reverse, from the introduction into the payments system of a large and indigestible politically motivated factor.

A Possible Solution

The *Survey* suggests a novel solution for tackling this problem, created by military expenditures. According to it, even if the volume of these outlays and West German refusal to assume their cost are accepted as political facts, a compromise solution on the lines of the wartime lend-lease arrangement is feasible. It maintains that, if the U.S. continued to finance these expenditures in dollars and the West German Government agreed to place equivalent amounts each month in frozen dollar accounts, the current burden placed on the Western payments system by these outlays would be eliminated. The U.S. would, no doubt, still accumulate foreign liabilities, but, since these would not be subject to sudden withdrawal, they would not need to cause concern. Another advantage would be that the West German Government would escape the domestic political difficulties involved in assuming financial responsibility for these military expenditures and might, at a later stage, be willing to negotiate a disposal of its frozen dollar assets, perhaps even to the point of making a substantial portion available for aid to developing countries.

If this suggestion were not acceptable and if U.S. military expenditures in West Germany continue on the present scale and the West German balance of payments has to be adjusted to them, there are, in the opinion of the *Survey,* only two other alternatives, namely, either the West German commercial surplus must be eliminated or W. German capital exports must be further increased to the point where they balance the commercial surplus as well as military receipts. The authors of the *Survey* hope that 1961 and 1962 may bring about such adjustment in both ways. They also believe that there is no likelihood of a revaluation of the Deutschemark (this belief has turned out to be unfounded, as is shown in a later paragraph), a course which the West German authorities have consistently rejected. Nor, indeed, according to them, is it easy to make a case for revaluation, now that the surplus is almost entirely attributable to military receipts. Further trade liberalisation will hardly make significant inroads into the trade surplus, for the forces behind protection of domestic agriculture are strong, and West German commitments under the Rome Treaty are certain to lead to a rise, rather than a fall, in West German tariffs on industrial imports.

On the other hand, West Germany has clearly come to the end of the period during which rapid growth and stability could be reconciled by drawing on large reserves of labour. Wages have recently been rising faster than productivity. Even official determination to resist domestic inflation is unlikely to avoid increased pressures of domestic demand on the balance of trade and some decline in competitive superiority, which W. German exports enjoyed during the exceptionally favourable conditions of the fifties. Hence it would be surprising, avers the *Survey,* if the downward trend in West German commercial surplus witnessed during the past three years did not continue.

Contrary to the expectation of the *Survey,* the Deutschemark has been revalued by 4.76 per cent with effect from Monday 6th March. This, however, does not affect the conclusions in the previous paragraph. If anything, it adds further weight to that conclusion, for the revaluation of the Deutschemark will only serve to accelerate the downward trend of W. German commercial surplus.

Another factor which works in the same direction is the prospect of larger West German aid to developing countries which that country has agreed to provide. If the development fund, now formed, is treated not as a "once-for-all" effort but supplemented by a programme of regular aid and larger direct foreign investment by German industry, argues the *Survey,* the gap in the external accounts could be substantially closed.

Modified Picture

Tracing the post-war developments of the United States' balance of payments, the *Survey* presents the other side of the picture. It points out that, when military expenditures are taken out of the balance of payments on current account, the picture of a steadily deteriorating U.S. balance of payments is greatly modified. It is true that the huge U.S. commercial surpluses of the late forties were not repeated in the fifties and that the overall balance on the current and long-term capital account has been in deficit throughout the past decade. But there is little evidence, the *Survey* points out, of a continuing worsening of the U.S. commercial balance that might be ascribed to declining competitiveness of American industry. On the contrary, subject to considerable fluctuations, due not so much to business fluctuations in the U.S. in the past as to extraneous factors such as the post-Suez export bulge and the unusual circumstances of 1959, the U.S. commercial balance has more than held its own.

Nor have private overseas investment and Government loans and grants expanded unduly in relation to the commercial surplus. The picture is, however, spoiled—leaving short-term capital movements aside—by U.S. military expenditures. Over the decade of the fifties, they have almost exactly equalled in the aggregate the total loss in international liquidity experienced by the U.S. The *Survey* admits that to present the U.S. balance of payments situation in this way is somewhat arbitrary, because, in one sense, these military expenditures have been no different from American purchases abroad. While they remain part of U.S. policy and have to be financed by the U.S., the resulting overall deficit, however, poses an economic problem that has to be solved somehow. It is, again, important to recognise that the source of the difficulty is political rather than economic, if only to caution against wrong policy conclusions.

Not Alarming

Even when the U.S. military commitments are taken for granted, the *Survey* maintains, the disequilibrium in its balance of payments is not alarming and should be capable of gradual correction over a period of years. The current accounts surplus in U.S. balance of payments should be restored, sooner or later, to a level at which it covers an outflow of long-term capital (both private investment and Government loans and grants) commensurate with the responsibilities of the richest country in the world which is the U.S. This could be achieved partly by the acceptance by the relatively rich countries of Western Europe (and other parts of the world) of something nearer their fair share of the burdens of both aid to underdeveloped countries and joint defence responsibilities and partly by a gradual improvement in the commercial balance of payments of the U.S. to be secured, not by any drastic measures in a setting of expanding world trade, but by further trade liberalisation in the rest of the world and by greater export consciousness among American business firms.

In fine, according to the *Survey,* there is no "dollar problem in reverse" so urgent as to call for a radical solution. It, however, concedes that the events of 1960 have demonstrated that the U.S. balance of payments must not only be healthy but also *appear* healthy in the eyes of nervous foreign owners of dollar balances. Emphasising this point, it observes:

"It is most important that the underlying soundness of the United States balance of payments position be appreciated both within and without the United States. Within, so that there shall be no resort to destructive panic measures. Without, so that there shall be no repetition of the confidence crisis in international financial circles which played a major part in the money muddles of 1960."

(*Continued on page* 563)

HOW LABOUR CAN BE ATTRACTED TO MILLS

CAMPAIGN FOR LIMITING IMPORTS REVIVED

From Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 14*th March*

A CALL to Lancashire cotton trade to end the era of "dark satanic mills" and replace them with every modern incentive to recruit labour was made by Mr. P. J. Blake, Chief Personnel Officer of Fine Spinners' and Doublers' Ltd., at the Cotton Board's spring productivity conference held at Southport. "It seems to me," he said, "that this phrase has done a real disservice to our industry—a kind of signature tune in reverse, building up over the years in the public mind a gloomy and miserable image of the places in which we spin, weave, or otherwise go about our businesses."

There was no need, Mr. Blake said, for colour schemes to be miserable and gloomy. The workers' opinions, especially the younger ones, mattered. "Don't forget," he told the conference, "that the youngsters of today have grown up among the modern ideas of decoration in their schools. They will feel quite happy with magenta doors and ceilings in panels of different pastel shades." In order to attract recruits to the mills, he urged that their approaches should be tidied up and brightened with flower beds, window boxes or shrubs in tubs. The entrance through which the operatives passed should be just as imposing as the office entrance, and once inside the mill a show-case should be installed to display the company's products and garments made from the yarn or cloth produced on the mill machinery.

Mill Amenities

Air conditioning was another essential, Mr. Blake continued, and mill amenities should include sufficient accommodation to give the operatives a chance to clean up at the end of the day. "They take a poor view of going home covered with fly and dust which proclaims them mill girls for all to see," he added. Some ideas, he pointed out, might be considered "eccentric," but they drew attention to the mills as a form of employment. "May be it is stretching the argument a good deal to think of a mill cat as a mill improvement," he said, "but the odd puss or two roaming round the mill usually have quite a following of fans among the workers. I believe there is a mill with a small aviary near the entrance. A few little budgies can quite easily brighten things up. Fish tanks may fit equally comfortably into the context, but it probably wouldn't be wise to go much further."

"We firmly believe," Mr. Blake continued, "that we are at a stage now at which the trade as a whole must find ways and means of attracting to it a worthwhile flow of youngsters. We have got to convince the lads and lasses, young and old, and in all walks of life, that there is a new spirit abroad in the cotton trade which is sweeping away the old notions and ideas. There are far too many potential workers or parents or teachers of potential workers who believe that we have little to offer them. The crucial part is to convince them that we have set our houses in order now, however belatedly."

Royal Exchange Bid

Stockholders in the Manchester Royal Exchange Ltd. have now been advised by the Board to dispose of their holdings or accept the offer made by City Centre Properties Ltd., the London group controlled by Mr. Charles Clore and Mr. Jack Cotton. This follows the announcement that City Centre Properties have acquired more than a 50 per cent interest in the Exchange. In a statement, the Directors say that they cannot recommend stockholders to retain their holdings out of a sense of loyalty to the Board. They suggest that the stockholders should consult their business advisers as to the best course to adopt in their individual circumstances.

Mr. Dennis N. Midwood, the Chairman, observes: "The Board still do not know the actual percentage acquired by City Centre Properties except that it exceeds 50 per cent. We are gratified with the support we have received, but we felt that stockholders should be notified of the position as soon as possible."

The cash and share exchange deal puts a value of more than £2,500,000 on the Manchester Royal Exchange Ltd. The Company consists of a valuable site in the centre of Manchester and includes numerous offices, shops and the city's air terminal.

More Contraction Danger

It becomes difficult to escape reiterated discussion of the import situation in practically every report now being made, whether by the heads of companies, spokesmen for official organisations, trade unions or unattached observers. On all sides, concern is expressed at the possibility of even larger inroads being made on the home market in cotton textiles by the huge arrivals of goods from abroad. What began as merely a whisper is now being openly said—that, if the Government allows completely unrestricted flow of Asian imports, a further contraction of the industry is inevitable.

Such an unqualified view is expressed by Mr. Oliver L. Jacks, in his final statement as Chairman of Ashton Brothers and Co. Ltd., before his retirement. The time factor, he asserts, is extremely important, as the Hong Kong agreement is due to end early next year, while the Government re-equipment scheme covers machinery ordered up to the end of 1962. The full impact of modernisation will, therefore, not be felt before 1964.

In line with some other companies which have read "the writing on the wall," Ashton Brothers has lately been concentrating on the production of specialities to the exclusion of the cheaper plain fabrics coming from Asia. At the same time, the firm has virtually maintained its export trade, in contrast to the general trend. An improvement, says Mr. Jacks, has been recorded in shipments to all the E.F.T.A. markets except Norway, and a freer business has also been done with members of the Common Market.

Foreign Machinery Wanted

One aspect of the re-equipment programme, which has not perhaps received the publicity it deserves, is the problem encountered by forward-looking firms which have been trying to buy their textile machinery requirements abroad. "No obstacle should be placed in the way of a spinner or manufacturer who wishes to install the most up-to-date labour-saving equipment so as to maintain his competitive position in foreign markets," says Mr. Jacks, "yet present regulations apparently exclude the factor of labour economy when applications for duty-free importations are under consideration. Since price is a primary factor in obtaining export business, the Government could best assist industry by lending the maximum encouragement to the installation of machines which will lower production costs."

Returning to the theme of cloth arrivals, the trade union viewpoint, as put forward by Mr. J. W. Whitworth, Secretary of the Operative Spinners' Amalgamation, is almost alarmist in character. "We are firmly of the opinion," he says, "that, unless action is taken, and taken soon, to limit these imports, the present prosperity of the industry will be undermined, with its consequences of short-time working and possible mass unemployment."

Short-time working is already in operation in the doubling section, with heavy imports of doubled yarn the main contributory factor. The Yarn Doublers' Association has declared that no company can be expected to invest capital in new machinery, unless there is some reasonable degree of stability for the future—an opinion apparently shared by Mr. Whitworth, who adds: "The consequences to the employees of this logical reaction by the companies is serious, but what is equally alarming to the trade unions is that this may well be the forerunner of similar setbacks in other sections of the industry."

Trading With Africa

One of the few consolations available for Lancashire shippers of cotton textiles in 1960 was the fact that purchases made by several African territories showed some increase. These, in fact, were the only instances where an improvement in overseas trade was secured, the countries involved including South Africa, Nigeria, Ghana, and Sierra Leone. Political and economic conditions in the African continent are, needless to say, in the melting pot and it would be unwise to suggest that this more encouraging trend would be maintained while the outlook remained so obscure. On the other hand, indications are not lacking that the purchasing power of the native, no less than the white African population, is being steadily raised.

Many of the trade reports from industrial areas in Africa carry references to the pressure for supplies obviously coming from the local population, who have money to spend on consumer goods such as textiles. Basically, however, the continent is still predominantly agricultural, so that crop failure or successes play an overwhelming part in creating purchasing power. This situation is unlikely to be altered in the foreseeable future.

On the other hand, the gradual industrialisation of such countries is equally certain to follow and already there are plenty of instances of factories being built to provide local employment and cater for the domestic market. The latest of these is a textile mill being erected in the western region of Nigeria, aimed at employing nearly a thousand local workers. Target production is 18 million yards of cloth annually and operations are expected to start in about a year's time. The mill will have spinning, weaving, bleaching, printing and finishing capacity. Nigerian cotton will be used for the whole range of its products.—*All Rights Reserved.*

IDEAS IN BLINDS

Householders reluctant to buy venetian blinds because of the cost will appreciate a Dutch range now being marketed in the U.K. Retailing at 30s for an average sized room, modern and luxurious in appearance and of proven wearing quality, these can be bought complete with fixing screws and installed in ten minutes. Thousands of ultra-fine slots keep out excessive heat and glare and, thanks to the unique construction, cleaning is reduced to an absolute minimum, and dust being shaken clear when the blind is raised or lowered.

Sleeping bag or quilt at the pull of a zip .... this is one of the newest possibilities in household textiles that are being made in Britain. Easily opened out for airing or quick drying, the bag can be used as a quilt for a double bed if desired. Supplied with matching pillow and attached pillow case, it is available in navy, bush green, tan, blue or tomato.

DEVIDAYAL

STAINLESS STEEL INDUSTRIES PRIVATE LIMITED

BOMBAY-10

P. O. Box 6224

Telegrams DEVISTEEL Telephones: 73586-70001

are glad to ANNOUNCE that

their STAMPINGS FACTORY at Kanjur Village Road, Bhandup,

equipped with the most up-to-date machinery

has now commenced with the production of

ALL GRADES OF LAMINATIONS

for Motors, Transformers, Generators, etc.

to British and Indian Standards or to customers' specifications.

ENQUIRIES CORDIALLY INVITED

giving details of watt-loss, insulation material and the specific purpose.

MILLS *VERSUS* POWERLOOMS

By P. K. Bhaumik

Deputy Director (Economics), Office of the Textile Commissioner

THE article "Mills *versus* Powerlooms," which appeared in *Commerce* dated 25th February 1961, has, in brief, reviewed the Indian Cotton Mills' Federation's recent publication, *Third Plan Targets for Handlooms, Powerlooms and Mills.* However, the main controversial issues discussed in the report of the Federation and pointedly brought out in your article are the relative claims of cloth production by the handloom and powerloom sectors and the position of official statistics in this regard. In the recent past, some similar controversial issues were also brought out by a correspondent in the *Times of India.* It is also noticed that the same set of data has found place in the Federation's independent study referred to above. It is not correct, as stated by you, that the office of the Textile Commissioner has accepted the position by remaining silent in the matter. We, therefore, recall our Press release in this regard dated 28th November 1960 wherein it was mentioned among other things, that steps were under way to conduct All India Surveys to assess the quantum of production in the handloom and powerloom sectors of the textile industry. Sample surveys have already begun in six different States to assess the production in the handloom sector. Other States are expected to be covered shortly. While some learned correspondents have recently criticised handloom and powerloom statistical data, they have not yet thrown any independent and reliable set of data. What they have done is mere use of the incomplete statistical data furnished by the industry to the Government for estimation of the entire field or the population, as they are usually called.

Difficulties of Getting Statistical Data

As you may be aware, there are as many as 27 lakhs and odd handlooms in the country widely distributed throughout the length and breadth of the country. Handloom industry is primarily a household one. Therefore, it is very difficult, if not impossible, to contact all these households regularly for purposes of collecting statistical data. Even if such a scheme is visualised, this will need a very gigantic organisation involving a lot of public money. Thus, in the early years of the All-India Handloom Board, when there were other pressing problems to be tackled on a priority basis, the Handloom Board had to rely on the empirical formula based on yarn delivered to the market for estimation of handloom production. This empirical formula was arrived at on the basis of yarn consumed by powerloom and handloom sectors respectively during the yarn control days. It may also be pertinent to reproduce here what the Federation's original study says in this regard: "Although the division of yarn between handloom and powerloom sectors in the proportion of 76 per cent to 14 per cent may have been correct when this method of calculating the production of two sectors was first introduced. . . ." When the handloom sector got a larger share of the additional cloth requirement during the second Five-year Plan, the All-India Handloom Board realised (long before it was realised by the Federation) the need for collecting statistical data on a direct and systematised basis. For this purpose, the All-India Handloom Board appointed an Expert Committee with a representative from the Central Statistical Organisation, Cabinet Secretariat, to advise it in this regard. The Expert Committee recommended collection of handloom data on a certain sample basis and this report has been published by the All-India Handloom Board along with its fourth annual report.

The Government of India has approved of the various recommendations of this Expert Committee and authorised the Handloom Board to give the necessary financial assistance (25 nP per registered loom) to the various States for purposes of collecting statistical information. So far, the statistical schemes have been sanctioned for nine States having with them 18 lakh commercial looms. This covers 70 per cent of the commercial looms in the handloom industry. The statistical schemes for the remaining States are now under process and it is hoped they will be sanctioned very soon. It will thus be seen that the Government did not wish to rely permanently on the estimated production in the handloom sector based on yarn availability on a certain percentage basis. However, estimation on yarn basis, as mentioned earlier, has to continue till the present statistical schemes are fully implemented by all the States so as to get an overall estimated production in the handloom sector in the interim period. So, the charge of deliberateness or complacency in this regard is not correct. When these statistical schemes, as mentioned above, are fully implemented by the various State Governments, there will be a continuous flow of reasonably accurate statistical information, to the extent possible, on sampling basis. Size of the samples needs to be limited, because of administrative and financial considerations.

Powerloom Industry

At the beginning of the second Five-year Plan, the powerloom industry was known to consist of about 6,000 units, having with them 27,000 and odd looms. As this industry is also widely scattered and the majority of the units (about 5,000) are of smaller size having less than five looms working on cottage basis, the response from the units for furnishing statistical returns, *although statutorily required*, remains very poor due to the fact that most of the owners are illiterate and they cannot fill the return. With a view to facilitating the filling up of the returns, return forms were supplied in various regional languages; despite this, the response still remains very poor. You may, perhaps, be aware that the present response to getting production returns relates to a mere 600 units, as against the expected returns of 6,000 units having 27,000 and odd looms. Perhaps, the Federation is not aware of the total frame of the powerloom industry from whom production returns are expected *statutorily* and the actual number of returns received. On unit basis, the response now works out to no more than 10 per cent.

Valid Estimation Procedure Needed

As the structure of powerloom industry is manifold, considering its varied size, and as the production returns submitted by the industry are very scanty and, therefore, incomplete, it is statistically impossible to estimate the overall production with any *known precision* based on this truncated and incomplete data made available by the industry to the Government. The returns received, it may be noted, are statistically non-random, coverage being poor, and, what is more, they are not coming proportionately equally from units of all sizes. Because of these obvious limitations, this office never attempted to estimate powerloom production on this basis. However, for public information this incomplete data, as made available by the powerloom sector from time to time, was published in our *Bulletin*. As it was recently noticed that this information is not properly understood in many quarters, the publication of this information has been withdrawn. In passing, it may be mentioned about our *Statistical Bulletin* that its timely publication entirely depends on timely receipt of the production returns from the mill sector. Although the scheduled date for furnishing these returns is 10th of each month, it is noticed that many mills continue to send these returns as late as by the end of the month.

Coming back to the estimation procedure, the inadequacy of the estimation procedure adopted by the Federation may be illustrated from the following:

Instead of estimating the powerloom production from the incomplete information supplied by the industry, if we first try to estimate the handloom production from the equally incomplete information as given in the Federation's publication, to which you have also referred, we will get another estimate of powerloom production on a residual basis. The Federation's data in respect of handlooms as referred to above is reproduced below for ready reference:

Year			* Average number of looms reporting (lakhs)	Production (Million yds.)	Average annual production per loom (yds.)
1956	...	...	2.52	239.6	951
1957	...	...	4.50	359.6	799
1958	...	...	6.48	463.8	717
1959	...	...	6.18	374.7	606

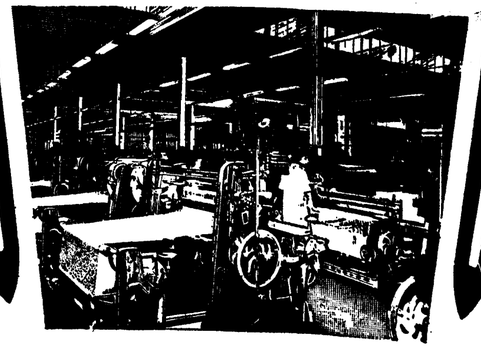
* This relates to total handlooms including both active and idle. (Asterisk ours.)

Lower productivity noticed in the later years is due to existence of proportionately more idle looms in the reporting fold. From the above table, it will be safe to take the average loom production to be at 800 yards per annum (inclusive of both co-operative and non-co-operative folds) and it is known that there are altogether about 23 lakh commercial looms in the country (excluding about 5 lakh domestic looms for which a lower productivity can be assumed); on this basis, the total production in the handloom sector would come out in the neighbourhood of 2,000 million yards. The overall aggregate production of cloth in the decentralised sector including both powerloom and handloom, according to the Federation's study, is of the order of 2,165 million yards on the basis of 90 per cent of yarn delivered to the market being consumed by handlooms and powerlooms together (here for total production, the Federation, obviously, has no objection even today to reckon the empirical formula on yarn basis). Thus, the estimated cloth production in the powerloom sector on a residual basis will now come to a bare figure of 165 million yards. This amply demonstrates the weakness and inadequacy of a linear estimation procedure adopted on scanty, incomplete and unplanned data.

It may also be mentioned, in this connection, that the Central Board of Revenue are also collecting output data for all excisable commodities. Powerloom units having five looms or above bear excise duties. The excise authorities while collecting excise levies collect information regarding production, clearance, etc., and they have got a network of field agency for the purpose of contacting individual powerloom units as and when necessary for collection of revenues. The excise authorities also collect statistical information from the units outside the excise fold in order to keep a vigilant eye on their growth. From the information available from them, it is noticed that the total production in the authorised sector of the powerloom industry may not exceed 300 and odd million yards. This figure also, incidentally, more or less tallies with the estimated figure based on the empirical formula on yarn basis.

BOMBAY, 2nd *March* 1961.

THE SWATANTRA BHARAT MILLS
AT DELHI



LIGHTING BY PHILIPS

The Swatantra Bharat Mills, one of the well-known D.C.M. Group of Textile Mills, have used Philips lighting. The Management of this mill has been so impressed with the performance of Philips lighting that they have, as before, relied exclusively on Philips to refit the entire unit, covering the large area of over 3½ lakh square feet and maintaining the high efficiency of nearly 5,000 workers.

Philips' exclusive lighting consisting of lamps, fittings and accessories ensures ultimate economy by providing the maximum illumination level at lowest running cost and gives longer, trouble-free performance. Philips' scientifically designed equipment is the result of experience as well as research and development aimed to meet the ever-growing demands of better lighting. And hand-in-hand with Philips' unrivalled quality goes the invisible *plus* of Philips' international experience and know-how.

FREE: *For planned lighting, designed economically to suit your specific need—whether it is industrial, commercial or any other specialised application—consult Philips Lighting Service Bureau.*

JWTP 4441

PHILIPS quality lighting for ultimate economy

PHILIPS INDIA LIMITED

Announcing the start of another foreign exchange saving project:

TATA P&H
EXCAVATORS

Tata Engineering & Locomotive Company Limited have the pleasure to announce the commencement of the progressive manufacture of Tata-P&H Excavators with the collaboration of the well-known American firm of Harnischfeger International Corporation.

Initial manufacture will be of the Tata-P&H Model 955A of 2½ cu. yds. capacity. From the very start, as much as 58% of the value of the unit will be manufactured in India. (Units will be ready for delivery ex Telco Works, Jamshedpur from December, 1961).

Tata-P&H equipment will be distributed in India by Voltas Limited who have a nation-wide service and spare parts organisation.

SOLE DISTRIBUTORS:
VOLTAS
VOLTAS LIMITED

TATA ENGINEERING & LOCOMOTIVE COMPANY LIMITED, BOMBAY

INDIA AND WORLD SUGAR ECONOMY

CHANCES OF EXPORTS TO U.S. IMPROVING

IT is now almost certain that India will export sugar to the U.S., though details regarding the quantity that will actually be sold, the price payable for it, the mode of payment and the delivery period, as well as the question whether the exports will be a regular feature every year are still not known. The U.S. has, of course, not so far agreed to import Indian sugar, but the two-member delegation (Mr. D. D. Puri and Mr. M. N. Pittie, President and Vice-President, respectively, of the Indian Sugar Mills' Association), which recently returned from the U.S. after exploring the possibilities of sugar exports to that country, seems to be convinced that the chances of such exports are very bright. It would appear that the Indian sugar industry and the Government are depending upon Mr. Elsworth Bunker, the retiring U.S. Ambassador in India, who left for the U.S. on Thursday this week, after a four-year stay in India. Mr. Bunker has full sympathy for India and, with the enormous influence he commands among the sugar interests in the U.S. and official spokesmen, he can surely be expected to help India secure a permanent quota in the U.S. market.

The most important issue connected with the sale of Indian sugar to the U.S. pertains to the price. Mr. A. M. Thomas, Union Deputy Minister for Food and Agriculture, stated in the Lok Sabha last week that, if the U.S. were to grant an export quota for Indian sugar, the loss would be considerably less, about Rs. 7 per maund (exclusive of excise duty and cane cess) as against the loss of Rs. 13 per maund currently being incurred on exports to other destinations. Mr. Thomas stated that the total U.S. consumption of sugar was 8.41 million tons per annum, of which only 4.20 million tons were produced domestically, and asserted that, if a quota was granted to India, the "country will be in a position to supply the type of sugar required by the U.S."

U.S. Sugar Act

That the prospects of India getting a share of the sugar market in the U.S. are quite encouraging will be evident from the nature of the amendments to the U.S. Sugar Act, 1948, proposed in a Bill moved in the U.S. Congress by the Chairman of the House of Representatives Agricultural Committee. By seeking to amend the Act in such a way as to relieve the President of the obligation to buy any part of sugar sold formerly by Cuba from any country with which the U.S. has no diplomatic relations, the Bill excludes the Dominican Republic from a share of Cuban quota. Further, the Bill specifically directs the President to consider, while redistributing the quota given to Cuba, the claims of countries in the Western hemisphere and of countries purchasing American agricultural commodities. This provision will help India to get a quota along with West Indies (British and French), Brazil and Australia, provided an understanding can be reached with the U.S. Government on the question of price. Another factor in favour of India is the inability of some of the countries to fulfil the obligation of special quotas earmarked after the embargo on Cuban sugar. According to a recent report from Washington, the Administration can allocate at its discretion about 1.2 million short tons of sugar to countries during 1961. In India, it may be noted here, the supply position of sugar is very comfortable. The estimated total supply available in the current season (November 1960-October 1961) is as much as 3.3 million tons, as against the anticipated domestic requirements of 2.3 million tons and the 100,000 tons released for exports to destinations other than the U.S.

The anxiety of both the powers-that-be and sugar circles in India to secure as big an export quota as possible in the U.S. is understandable, considering that the scope for India competing effectively in world markets is very limited, in view of the surfeit of supplies and low prices abroad. In the London market, for instance, sugar is now quoted at no more than Rs. 357 (£26¾) per ton, as against the Indian price of about Rs. 1,035 (£78) ex-factory, or a difference of Rs. 678. Even after the full remission of excise duty and cane cess together amounting to Rs. 343, the loss on exports will come to Rs. 135 per ton. It will be actually a little more if regard is had to the cost of freight, insurance, interest and handling charges.

The recent move of the International Sugar Council to reduce supplies reaching the free market in 1961 by about 150,000 tons through a further cut of 2½ per cent to 82½ per cent in the basic export tonnages of member-countries and a further quantity of 700,000-850,000 tons through its decision not to redistribute any shortfalls of allotted quotas to other members has not led to any improvement in prices. Even if the Council effects a further cut of 2½ per cent in export quota, thereby reducing the total to the lowest permitted level of 80 per cent., no significant rise in prices is expected, in view of the huge undisposed stocks lying with the producing countries. Here is what the Food and Agricultural Organisation of the U.N. says in its monthly bulletin on agricultural economics and statistics:

"The upward trend in the world production of sugar, interrupted by adverse weather in 1959-60, will be resumed in the present season. Consumption, however, is growing at a slower rate and the tendency is for stocks to rise. Furthermore, as the major gains in production are expected in the importing areas, the volume of sugar moving into international trade may decline in 1961. . . . The dominant aspects of the world sugar economy have affected prices adversely. Representative quotations declined by about one-sixth in the period August-December 1960 and show no signs of recovery in the immediate future."

Production and Consumption

Preliminary estimates for the current season (1960-61) place the aggregate world sugar production at 54.25 million metric tons —an all-time peak—as against 50.21 million tons in 1959-60, representing a rise of as much as 4.04 million tons. Consumption, however, is expected to be higher by only 2.30 million tons at 51.00 million tons. The area-wise statistical position of world sugar is indicated below:

(In million metric tons—raw value)

Region	Production		Consumption	
	1960-61	1959-60	1961	1960
Asia (excluding Mainland China)	7.4	6.9	7.5	7.3
China, Mainland	1.4	1.3	2.0	1.5
Cuba	6.0	5.9	7.0	6.8
Other Latin American Countries	11.6	11.1		
U.S.S.R.	7.0	6.5	7.5	7.0
United States	2.8	2.6	8.6	8.5
Western Europe	8.9	7.8	11.2	10.9
Eastern Europe	4.1	3.1	2.8	2.8
Africa	2.8	2.6	2.8	2.7
Others	2.6	2.6	1.6	1.6
Total ..	54.0	49.9	51.0	49.1

It will be seen from the above table that sugar production has gone up quite significantly in Western Europe, by as much as 23 per cent. All the countries, with the exception of Italy where the area under sugar-beet was restricted, have shared in the increase. Production in Soviet Russia and Eastern Europe is also estimated to be higher by 13 per cent. The rise in output in the U.S. is relatively small, in spite of the removal of area restrictions. The position regarding the sugar crops of other regions is summed up below:

Cuba: The final size of the crop will depend very largely on the number of technical factors and policy decisions the combined effect of which cannot yet be properly assessed. It is tentatively anticipated that the crop will be higher by about 100,000 tons.

Other Latin American countries: Most of them expect larger crops, the largest absolute increase being in Brazil. Production in Argentina is, however, said to have suffered a setback on account of damage caused by frost.

Asia: Improvement expected is modest. Production in India is stimulated by higher cane prices paid to farmers. Cane plantations in Taiwan have recuperated from the typhoon damage of last season.

Turkey: Output continues to increase.

Indonesia: Structural problems continue to disturb the sugar industry.

Africa: Production is expected to be less entirely because more than half the crop in Mauritius has been lost as a result of cyclones.

Reviewing the trend of world sugar consumption, the F.A.O. *Bulletin* points out that offtake of centrifugal sugar continues to rise, mainly under the influence of increasing population and larger disposal incomes, though the rate of increase has tended to decline in the last few years. In higher income areas, we are told, sugar consumption is nearing the saturation level and, in the low-income countries, the early increases appeared larger in relative terms, owing to the very low initial consumption level. Nevertheless, it is stated the less developed areas continue to show better prospects for expanding sugar consumption, in view of the greater response of consumption to rising incomes at low levels of income. The *Bulletin*, however, feels, on a comparative study of production and consumption figures, that, if present trends persist, the problem presented by the disparity between production and consumption will become increasingly serious.

The F.A.O. *Bulletin* expects that the expected large increase in production in some major importing areas during 1960-61 will tend to reduce the volume of world trade in sugar during 1961, while the new trade flows, resulting from the recent purchases of Cuban sugar by China and Soviet Russia, will have the opposite effect. It, therefore, concludes that the reduction in international sugar trade may well be considerably smaller than the decline in the import requirements of traditional importers would lead one to expect.

SUGAR STATISTICS

The production of sugar during February 1961, was 490,000 tons, as against 473,000 tons during the corresponding month of last season. This brings the total production for the season 1960-61 upto the end of February to 1,788,000 tons, as against 1,613,000 tons produced last season by this date.

The offtake of sugar from factories during the month of February 1961, was 174,000 tons, as against 157,000 tons during the corresponding month of last season. The total despatches including despatches for exports upto February end were 654,000 tons, as against 629,000 tons by the same date last season.

The closing stocks of sugar with factories as on 28th February 1961, were 1,675,000 tons, as against 1,125,000 tons on the same date last season.

12 - 27 April 1961

MILAN TRADE FAIR

According to the opinion of the experts, the world's greatest international sample market
14,000 exhibitors - Over a million samples - 54 participating Countries - Buyers from five continents.

Information:

Delegate for India: Mr. Pietro Lizioli - Pharmed Private Ltd. « Pharmed House » - 141, Fort Street - Phone 261141/2 - BOMBAY 1 ● Manager of Pharmed Private Ltd. « Mercantile Building » - 10, Lall Bazar - Phone 22-3074 - CALCUTTA ● Mr. K. Raman Pharmed Private Ltd. - « Mohan Mansion » - 19, Govindappa Naicken Street - Phone 4275 - G. T. MADRAS ● Mr. M. G. Maikhijani - Pharmed Private Ltd. - « Mehta Building » - Outside Turkman Gate - Phone 24928 - NEW DELHI

Personalised

SERVICE

With specialised knowledge acquired through long experience, the Punjab National Bank is in a unique position to-day to be of positive help in providing PERSONALISED SERVICE.

EVERY DESCRIPTION OF BANKING BUSINESS IS UNDERTAKEN.

THE PUNJAB NATIONAL BANK LTD.

Established 1895
Head Office : New Delhi.

THE SOUTH INDIA INSURANCE CO., LTD.
Incorporated in India
(Established 1934)

FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office:

Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

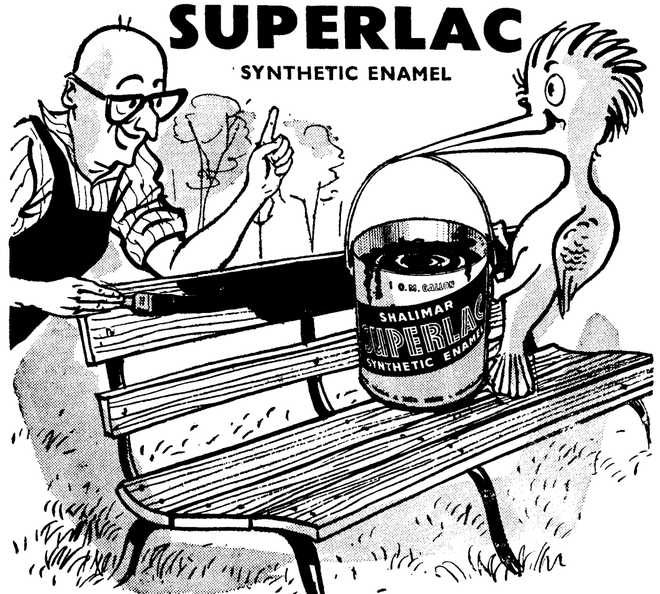
SCIENTIFIC INSTRUMENTS FOR TEACHING RESEARCH ENGINEERING MEDICAL STUDY

CONTACT:

TOSHNIWALS
198, Jamshedji Tata Road
BOMBAY-1
AJMER, CALCUTTA, DELHI, MADRAS

almost any surface can be painted BRIGHT with

SHALIMAR SUPERLAC
SYNTHETIC ENAMEL



- A quick-drying, hard-drying, high-gloss synthetic enamel.
- For interior or exterior use.
- Can be brushed, sprayed or dip applied.
- In 38 intermixable colours.

SHALIMAR PAINT, COLOUR AND VARNISH COMPANY, LIMITED
CALCUTTA ● BOMBAY ● MADRAS ● NEW DELHI ● KANPUR
(Agents overseas)

TSPW 585

National and Grindlays Bank Ltd.

(Amalgamating National Bank of India Limited, Grindlays Bank Limited and the Eastern Branches of Lloyds Bank Limited).
Registered in London under the Companies Act of 1862 on the 23rd March 1866. The liability of members is limited

Bankers to the Government in Aden, Kenya Colony, Zanzibar and Uganda

Authorized Capital . . . . . £ 5,702,925
Subscribed and Paid-up Capital . . £ 4,562,400
Reserve Funds . . . . . £ 3,000,000

Head Office: 26 BISHOPSGATE, LONDON, E.C.2,
London Branches:
54 Parliament Street, S. W. 1: 13 St. James's Square, S. W. 1.

BRANCHES throughout India, Pakistan, Ceylon, Burma, Aden, Somali, Zanzibar Island, Kenya, Uganda, Tanganyika Territory and Northern and Southern Rhodesia.

The Bank conducts all classes of Banking and Exchange Business throughout the world. Trusteeships and Executorships are undertaken.

Bombay Branches: 90, Mahatma Gandhi Road; Mint Road (Corner of Mint Road and Sir P. M. Road); 270/272 Dr. Dadabhoy Naoroji Road (Lloyds Branch); 21/29 Princess Street (Lloyds Branch).

TRAINING OF TECHNICAL PERSONNEL

NEED FOR CO-OPERATION BETWEEN GOVERNMENT AND INDUSTRY

THERE is no exaggeration in the view unanimously endorsed at the "conference of development aid experts" recently held at Berlin that the training of man-power is the greater need of developing countries. The conference, which was sponsored by the German Foundation for Developing Countries with the assistance of the Ford Foundation, was attended by a large number of experts from countries of Asia, Europe and America. India was represented by Dr. P. S. Lokanathan, Director-General of the National Council of Applied Economic Research. Delegates included Mr. Paul G. Hoffman, Managing Director, U.N. Special Fund, and Mr. B. R. Sen, Director-General of F.A.O. A resolution passed at the conference emphasised the crucial importance of training of manpower in the following words:

"Training of skilled workers in the developing countries is the most important aspect of the aid to these countries and consequently such training is of far greater importance than the investment of capital goods."

It is obvious that machines, without men to operate them, can be of little use. In fact, the entire pace of Plan progress could be held up, if properly trained men are not available in sufficient numbers. That shortage of technical personnel could act as a crippling bottleneck is clearly borne out by the experience of Hindustan Steel. Paucity of technical skill has caused delay in the completion of all the three steel projects and the working of completed departments according to schedule. The delay, it is reported, will be as much as one year in the case of Rourkela, six months in the case of Bhilai and a few weeks in the case of Durgapur.

Since the shortage of skilled personnel is not confined to this country alone but is a world-wide phenomenon, the scope for recruitment of staff from abroad is also limited. This is also confirmed by the experience of Hindustan Steel which still needs about 70 experts for its Rourkela plant alone. It is reported that although the Company is prepared to offer higher pay to attract German steel experts and technicians, it is not able to get the requisite personnel.

Shortage World-wide

In an earlier issue of this journal (*vide* page 322 of *Commerce* dated 25th February, 1961), we referred to the shortage of technical personnel in Western Europe and Britain. The United States is no exception to this. In fact, that country now presents the spectacle of mounting unemployment on the one side and acute scarcity of skilled workers on the other. According to *Time* news magazine, even in such critical jobless areas as Detroit, jobs are going abegging for lack of skilled workers to fill them. The U.S. industry is hard put to find enough trained men and the problem is getting worse. For every hundred skilled workers which the country had in 1955, it will need 122 in 1965 and 145 in 1975. Yet the training programme in the U.S., according to the aforesaid journal, is not yielding enough craftsmen to replace those who retire. Almost every good industrial concern has apprenticeship programmes but they are sufficient to cover only one-tenth of the craftsmen needed for the 1960s. Lack of interest among students in apprenticeships and management apathy are said to be the principal reasons for the failure of supply of skilled personnel to catch up with demand. A study of employment training in the heavily industrialised New Jersey, undertaken by the U.S. Labour Department, showed that only 16 per cent of the companies had any kind of training programmes.

If this be the situation in so highly developed a country as the U.S., the apathy of employers in India is understandable but not excusable. Barring a few progressive concerns, the vast majority of industrial firms in this country do not have any kind of training programme. The Government has consequently been forced to bear the brunt of the burden. Many still seem to regard the provision of training facilities as the sole concern of the Government. It is perhaps for this reason that the Ministry of Labour and Employment has decided to enforce, through legislation, an apprenticeship scheme which will make the training of a specified number of apprentices obligatory on all employers. It is, however, not known as to when this legislation will be introduced. Even the draft Bill has not been published.

Unlike the employers, the Government and the Planning Commission have shown a welcome awareness of the importance of providing adequate training facilities for technical personnel. In addition to engineering colleges, technical institutes and polytechnics for turning out degree and diploma-holders in engineering, emphasis has also been laid on creating facilities for training personnel below the degree and diploma levels. Thanks to the importance given in the plans on technical education, there has been a rapid increase in the number of colleges and polytechnics and their annual intake. The number of engineering colleges has increased from 49 in 1950 to 97 in 1960 and their annual intake more than trebled from 4,119 to 13,165 during the same period. The number of polytechnics has more than doubled, from 86 to 1950 to 197 in 1960 and the annual intake has quadrupled from 5,905 to 24,020 in 1960. The following table indicates the growth of technical educational institutions in the country during the years 1950-60:

	Colleges			Polytechnics		
	Number	Annual intake	Outturn	Number	Annual intake	Outturn
1950	49	4,119	2,198	86	5,903	2,478
1955	65	5,888	4,017	114	10,484	4,499
1960	97	13,165	5,310	197	24,020	10,397

It is evident from the above table that there is a wide gap between the annual intake and the outturn, both in the case of engineering colleges and polytechnics. If this could be narrowed by a more careful selection of students and higher standards of instruction, the same number of institutions could turn out a larger number of qualified young men.

The requirements of engineering personnel in the different sectors of the economy in the third Plan period and probable supply have been estimated by the Planning Commission in the Draft Outline of the Third Plan as follows:

	Degree-holders		Diploma-holders	
	Demand	Supply	Demand	Supply
Civil	12,500	16,700	40,000	40,000
Mechanical ..	11,500	13,000	17,500	16,500
Electrical	11,000	12,700	14,000	12,500
Telecommunication .	2,500	2,100	500	400
Chemical	2,300	2,300	..	..
Metallurgical ..	1,100	1,000	800	100
Mining	1,800	1,500	4,000	2,500
Others	2,800	2,400	3,300	4,000
Total ..	45,500	51,700	80,100	76,000

It will be seen that, if the supply were of the magnitude estimated above, the Plan demand for degree- and diploma-holders will be generally met; surpluses and shortages will be marginal and capable of adjustment as the Plan proceeds. The demand for degree- and diploma-holders during the fourth Plan period, however, is estimated at 75,000 and 120,000 respectively, as against a supply of 57,000 degree-holders and 94,000 diploma-holders on the basis of existing training facilities. For meeting the entire demand, additional training facilities for about 18,000 graduates and 20,000 diploma-holders have to be provided during the third Plan period.

Training of Craftsmen

Sufficient supply of adequately trained craftsmen is no less important than availability of engineers and technologists. The Planning Commission estimated, in the Draft Outline, that for the industrial and other programmes, there will be need for about 750,000 craftsmen in en-

(*Continued on page* 566)

A PASSENGER FROM CALCUTTA WRITES:

. . . Just a line to thank you and KLM for looking after us so well prior to our departure from Dum Dum, and during the flight to London. The service on the plane was excellent and the hostess charming . . .

This extract is from an unsolicited letter: a photocopy can be obtained from KLM, Calcutta.

For that extra personalised service, there's nothing like flying "the Golden Circle"

to **EUROPE** on **KLM** *DC-8 JET*

DEPARTURE: Calcutta Thursday 17.25 hrs. DEPARTURE: Delhi Saturday 22.35 hrs.
Excellent Prop-Jet connections from Amsterdam to the U.K.
ARRIVAL: London Friday 10.00 hrs. ARRIVAL: London Sunday 13.50 hrs.

For further information, contact your Travel Agent.

Sincerely yours

KLM

KLC-30A

Swiss Industries Fair Basle

15th April to 25th April 1961

An impressive parade of products spotlighting Swiss Manufacturers' Skill and Craftsmanship in Plastics, Electrical and Watch Industries, Mechanical Handling Equipment and Textile Machinery will be on display at the 45th Swiss Industries Fair.

For information write to:
Swiss Embassy, P.O.Box 392, New Delhi
Swiss Consulate General, 127, Mahatma Gandhi Road, Bombay
Swiss Consulate, P.O. Box 47, Calcutta
Swiss Trade Commissioner, P.O. Box 102, Bombay

FLY THERE BY

SWISSAIR

For Banking Facilities Please Bank on
THE BANK OF MAHARASHTRA LIMITED

Established 1935 **Scheduled Bank**

CAPITAL STRUCTURE
Paid-up Capital: **Over 35,00,000 Rupees.**
Reserve Fund and Other Reserves: **17,10,000 Rupees.**
Working Funds: **Over Rupees Fifteen Crores.**

- Travellers Cheques in Sterling and Dollar Currencies issued.
- Foreign Letters of Credit opened.

52 Branches all over Maharashtra, Andhra and Mysore States.

- All sorts of Banking Business transacted.

Subsidiary: The Maharashtra Executor and Trustee Company, Private Limited

Head Office: **Bajirao Road, Poona 2**

C. V. JOAG, *General Manager.*

Paramount.

THE UNITED COMMERCIAL BANK LIMITED
Head Office: **CALCUTTA**

Authorised Capital	..	Rs. 8,00,00,000
Subscribed Capital	..	Rs. 4,00,00,000
Paid-up Capital	..	Rs. 2,00,00,000
Reserve Fund	..	Rs. 2,05,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.

Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.

AGENTS ALL OVER THE WORLD. PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, *Chairman.* **S. T. SADASIVAN,** *General Manager.*

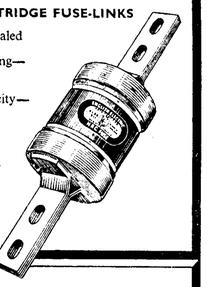
'ENGLISH ELECTRIC'

HIGH RUPTURING CAPACITY HEAVY DUTY

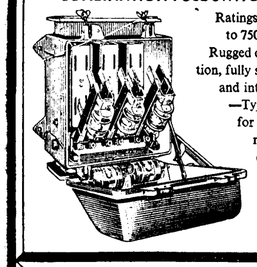
FUSEGEAR

H. R. C. CARTRIDGE FUSE-LINKS

Hermetically sealed construction—Non-deteriorating—ASTA certified for 35 MVA rupturing capacity—Visible indication of operation—Ratings up to 300 amps.



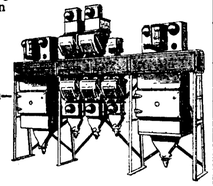
COMBINATION FUSE-SWITCHES



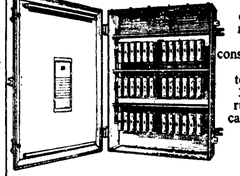
Ratings from 30 to 750 amps—Rugged construction, fully shrouded and interlocked—Type tested for 35 MVA rupturing capacity.

COMBINATION FUSE-SWITCHBOARDS

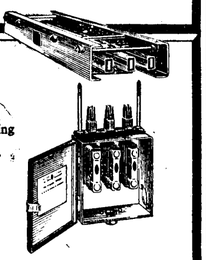
Incorporating Combination Fuse-Switches upto 750 amps—Robust and compact construction—Readily modified and extended—Type tested for 35 MVA rupturing capacity.



DISTRIBUTION FUSE-BOARDS



Robust, dust and moisture proof construction—Type tested for 35 MVA rupturing capacity—Ratings from 15 to 100 amps.



Flexibility of power distribution—Can be installed without disturbing existing layout or production—Avoids chasing of floors for ducting—Approved by Fire Insurance Authorities.

OVERHEAD BUSBAR EQUIPMENT

A complete range of distribution equipment manufactured at the Madras Works of The English Electric Company of India (Private) Ltd.

DISTRIBUTORS

THE ENGLISH ELECTRIC COMPANY LIMITED
(Incorporated in England. Liability of Members Limited)

Post Box 207	Post Box 2224	Post Box 752	Post Box 117
NEW DELHI	CALCUTTA	BOMBAY	LUCKNOW
'Phone 45801	'Phone 223991	'Phone 242061	'Phone 4901

Agents for South India: BINNY & COMPANY (MADRAS) LTD., MADRAS, Post Box 66, 'Phone : 21271

EEC-71

BANKERS

It will pay you to consult us

FOR YOUR

- CHEQUES
- SHARE CERTIFICATES
- DEMAND DRAFTS
- LEDGERS
- PAY-IN SLIP BOOKS
- PASS BOOKS
- LETTERHEADS
- ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone : 26-3201/2

CRISIS IN COAL MOVEMENT

RESULT OF DEFECTIVE TRANSPORT PLAN

THE second Plan targets of coal production, namely, 45 million tons in the private sector and 15 million tons in the public sector in 1960-61, will not be fully achieved. It is estimated now, on the basis of production trends in the first quarter of 1961, that the private sector will have produced nearly 44 million tons in the whole of 1960-61 while the public sector will have contributed just under 9 million tons in the same year. There will thus be a shortfall of about 7 million tons as compared with the target, though this shortfall is somewhat lower than the 9 million tons anticipated last year. This happy result may be attributed to the speed-up of work in the N.C.D.C. collieries in the latter half of 1960-61.

While all this is good in so far as it goes, it is, indeed, distressing to find that the enthusiasm displayed by the industry in the closing months of the last year of the second Plan has all but run out. The reason for this setback is not far to seek. It is to be found in what Mr. S. B. Goenka, Chairman, Indian Mining Federation, has called "the most frustrating problem of shortage of transport"—a problem which is making it very difficult for even the existing tempo of production to be maintained, let alone its acceleration. While speaking over the week-end at the forty-eighth annual general meeting of the Federation, Mr. Goenka revealed how bad the position was—with the stocks of coal lying at the pitheads having mounted from month to month "till almost literally they have become mountainous." According to his calculations, at the end of 1960 unmoved coal carried by all the collieries in India amounted to 3.4 million tons, out of which just over 3.0 million tons were accounted for by the Bengal and Bihar coalfields, the corresponding figures for 1959-end being 2.7 million tons and 2.5 million tons. These stock figures cover both the public and the private sectors, the share of the private sector, proportionate to the raisings, being heavier than that of the public sector. But, even after discounting the difference, the disadvantages of the private sector will be found to be greater, for coal stocks in terms of locked-up capital means a much more acute problem to the private than the public sector. Huge stocks of coal piled up at pitheads, undergoing deterioration, entail higher cost of production and loss in efficiency. Shortage of transport and, consequently, slower movement of coal will thus cause losses as much to the collieries as to the industries which are forced to slow down production. How some industries have been affected in recent years would need to be illustrated. Production of ammonium sulphate at Sindri, for instance, fell to 2.85 lakh tons in 1959-60 from 3.30 lakh tons in the previous year. This decline was chiefly due to the poorer quality of coal supplies which, too, were not adequate. Production of pig iron at Rourkela during the months of April-August 1960 was less than 30,000 tons per month, as against the rated capacity of 60,000 tons per month at that time. This unsatisfactory performance, according to the Public Accounts Committee of Parliament, was due to the fall in coal supplies, for the daily receipt of coal even during the period of low production of pig iron at Rourkela had not been equal to the daily consumption. At Bhilai as well as at Jamshedpur and Burnpur, the position was no less unsatisfactory.

Wagon Shortage a Fact

Mr. Goenka, therefore, did well to deal with the controversy about the shortage of wagon supply for the movement of coal. The facts presented by him relate to the requirements of wagons for the movement of coal and the actual performance by the railways—facts which should help remove the confusion created by the statements and counter-statements made by various bodies, official and non-official. The position is brought out in the following passage from Mr. Goenka's presidential address:

"It is now known that the total production of coal during 1960 was approximately 52 million tons. After deducting collieries' own consumption, including that for boilers, and also coal despatched by road, the total amount of coal to be despatched by rail and the total number of wagons which are required for the movement of coal are matters of simple arithmetic which can be easily worked out. After deducting collieries' own consumption, including that for the boilers which, on the average, is about 5 per cent. it comes to 49.5 million tons, and after deducting 4 per cent therefrom despatched by road, the available coal for despatches by rail, inclusive of the coal stocks of 3.40 million tons as in December 1960, comes to about 51 million tons. Taking into account the maximum carrying capacity of 22 tons for a wagon, the total wagon requirement in a year would be 2,318,181. If we divide the number of wagons by 360 days, assuming loading even on Sundays, the total daily wagon requirement would come to 6,439 wagons. I may recall, in this connection, that the Coal Controller's Organisation estimated the number of wagons that would be required daily for moving coal during the second Plan period to be of the order of 6,804 wagons. Let us now see what is the actual performance of the railways for movement of coal in the country. The daily average allotment of coal wagons for the whole year 1960 was 4,474 wagons and the daily loading average was 4,335 wagons in the Bengal and Bihar coalfields. After deducting the requirement of the outlying fields, which has been assessed at 1,000 wagons, it will be evident that there is a shortfall in the supply of wagons for the movement of coal to the extent of about 1,000 wagons daily. The position is, indeed, alarming, and it does not lie in anybody's mouth to say that slow coal movement is not due to wagon shortage."

Mr. Goenka has taken a grim view of the situation which has arisen—a situation in which many industries and homes will be half starved of their coal requirements at least for a year to come even if the utmost efforts are made from now on to improve the position. But there is little prospect of the railways being able to catch up with coal production in the near future. The implication of it, according to Mr. Goenka, is not merely that, while the collieries will go on increasing production at a steady rate, the railways will lag just a little way behind. It may even be that the failure of the railways will inevitably react on production itself and slow down its rate. Already in the public sector collieries, such a slow-down is stated to be setting in, particularly in the Kurasia mines in Madhya Pradesh and the Karanpura collieries in Bihar. This, incidentally, brings out the fact that more additional coal has been produced in the Bengal-Bihar area than from the Central India collieries as was planned—a development which underlines the unforeseen character of the transport problem in the former area.

Rearrangements

The authorities, too, have just come to realise the seriousness of the transport situation in the Bihar-Bengal area. According to the Deputy Minister of Railways, steps are being taken to step up the transport capacity for the movement of coal above Moghalsarai, which served the needs of Uttar Pradesh, from 1,900 wagons to 2,100 wagons per day with effect from 1st July 1961, and also to divert some of the Moghalsarai coal traffic for Western India by sea. Steps are also being taken to switch over some of the coal supplies from the Bengal-Bihar coalfields to the Central India coalfields, so that coal now being transported via Moghalsarai for consumers in Western India could be diverted for use in U.P., Punjab, Rajasthan and Delhi. Here it is not only a question of sufficient wagon availability but one of capacity at Moghalsarai for handling the additional traffic. The railways are, therefore, taking steps to increase this capacity so as to transport more coal above Moghalsarai. This latter effort is bound to take some time. Anything like complete relief from the present coal shortage in the U.P., Rajasthan and Punjab cannot, in the circumstances, be expected. Such improvement as is brought about in coal supplies to these States will only be marginal.

What about Western India and Madras? Here, again, the likely improvement in coal availability expected from the present official proposal to move an additional million tons of coal by coastal shipping may only be marginal. In any case, the cost of transport by sea will be greater, being double that of transport by rail. This additional cost, according to present indications, may be partly met by a Government subsidy. As far as Western India, as distinct from South India, is concerned, greater improvement in coal availability is likely to result from the proposal to move coal from the Central India collieries than from movement by coastal shipping.

Long-term Solution

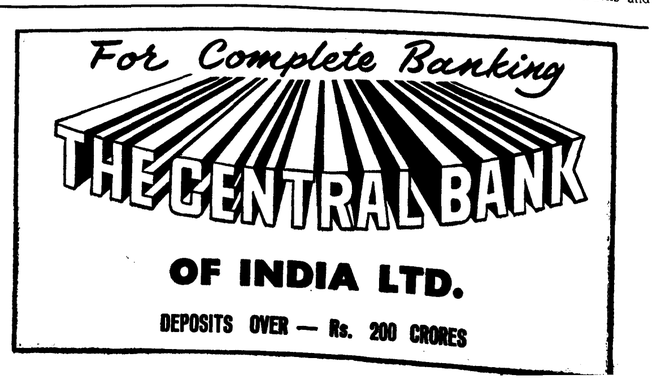
Such improvisations as are proposed at present may only bring about some short-term improvement in coal movement. Any longer-term solution will have to provide for speedier clearance of coal stocks from the pitheads and for a larger net addition to the stock of coal wagons. As for the first which alone is considered here, it would be relevant to recall that, in other countries, movement of coal from the pithead is normally guaranteed. In fact, in many places there are sufficient stable wagons available for at least two or three days in a week and there are also facilities for mechanical loading to avoid delays. It is said that the loading conditions in India—the timing for the supply of wagons, the number of wagons to be supplied and the so-called five-hour daylight loading time—are far from advantageous from the point of view of speedier clearance of coal stocks from the pitheads. As the British coal expert, invited by the Government of India last year, has stated, where a very highly mechanised colliery unit is established, it is essential that by some means or other the coal should be moved and the machinery kept running. Perhaps, in this context, Mr. Goenka's suggestion that adequate steps be taken to activise the road transport system may have to be seriously considered for action. His idea is that road permits be freely granted to the extent of the amount of cess deposited in advance by the collieries. It is also emphasised in this connection that the existing roads in the coalfields, many of which are in a scandalous state of disrepair, should be repaired and maintained in good condition as much for facilitating movement of coal by road as for the transport of sand from the river-beds to the collieries.

If, in such ways, speedier clearance of coal from the pitheads can be ensured, the way will also be cleared for a leap forward in production. As far as the private sector is concerned, it is confidently expected that, in the third Plan period, it will be in a position to achieve its target of coal production at a much lower rate of investment than the rate of Rs. 65 per ton of additional coal production annually in the public sector. But this expectation can be fulfilled only if the private sector is permitted to raise coal from the existing leasehold areas of the collieries without any restriction and if such basic requirements as adequate transport facilities, provision of assisted sidings and an economic price-structure (with a rehabilitation allowance) are met to the satisfaction of the industry.

HOUSE MOVING IN NEW ZEALAND

House moving in New Zealand is now a big business. What is novel here is that the complete house is lifted bodily from the ground and hauled by truck to its new site. One of the specialists in this tricky business is Mr. T. R. Parry, of Upper Hutt, who uses a fleet of seven Leyland Retrievers of World War II vintage. Normally, Mr. Parry's fleet of old Leylands tackle smaller buildings such as houses.

But a recent task performed by him was the removal of a 13,000 sq. ft. hangar at Rongotai Airport to a site 500 yards away. Corrugated covering and doors were removed from the hangar sides, leaving it like a giant umbrella. Four main girders supporting the roof and embedded in concrete were then cut through with an oxy-acetylene torch and the structure jacked up on to 12 trailers and trucks. Any tendencies for the structure to be lifted by wind were counteracted by welding some 50 tons of girders to the bottom of the structure and tying the hangar supports to the trucks and trailers.



NEW PRODUCTS AND PROCESSES

Air Storage System

DESIGN of a compressed air storage system required for studies in the fields of high speed aerodynamics and propulsion has been completed and detailed specifications drawn up at the National Aeronautical Laboratory, Bangalore. The system essentially consists of four cylindrical receivers each of 12 ft. diameter made of mild steel plate of thickness 1¼". Each receiver is supported on saddle supports mounted on rollers. It has a nominal length of 225 ft. and overall capacity of 100,000 ft. Temperature stabilisation of the compressed air during a blowdown is achieved by using a 75-ton tubular matrix stacked at the exit ends of the inner pair of receivers. The outer pair of receivers can be disconnected from the inner pair by means of isolating valves.

Milk Clotting Agent

Scientists of the Central Food Technological Research Institute at Mysore have successfully isolated a milk clotting agent from the latex of semi-ripe fruits of the fig variety. The clotting agent can be used in the production of cheddar and processed cheese. Large-scale trials have been carried out with the processed fig latex at the Kaira Co-operative Milk Producers' Union, Anand, and at the Regional Station of the National Dairy Research Institute, Bangalore. It has been found that fig latex is a good substitute for the commonly-used animal rennet. In India, processed cheese and animal rennet are largely imported. The total cost of cheese manufacture with the vegetable rennet (fig latex) works out to about Rs. 7.70 per kg., as against Rs. 12.22 per kg. for imported cheese.

Hardening Carbon Steel

A big advance in the hardening of carbon steels has been made by a British firm manufacturing induction heating equipment. The firm was asked to produce equipment for a company of motor car manufacturers with special application to the hardening of gears and spline shafts. The result was so successful that it has now been decided to make the equipment available to the general engineering industry. In the hardening of carbon steels the ideal result is to have the outside hard, for its desirable wearing qualities, and the core soft to be more resistant to fracture. Heating by induction is better suited to produce this effect than any other method, because it is easier to localise the heat; the heating takes place initially only on the surface of the metal while the interior is cold, and the heat is applied only where it is needed, effecting an economy in power consumption.

Radio Telemetering System

A radio telemetering system, which is particularly suitable for diesel engine and gas-turbine application, has been developed by the British Internal Combustion Engine Research Association. The new system overcomes all the disadvantages of previous methods of obtaining information from moving parts on the variation of physical qualities, such as strains, temperatures, relative displacements and the like. The B.I.C.E.R.A. system is made of transistor circuits encapsulated in an epoxy resin which cures at room temperature and gives protection against oil, dirt and humidity. Additionally it gives great mechanical strength. It has already been successfully tested in three applications—strain gauging, temperature measurement and needle-lift pick-up. The system has the advantage that connecting cables are dispensed with and it can be employed on oscillating as well as rotating parts. It is suitable for transmitted signals indicating a wide range of physical qualities.

Hydraulic Gear Pumps

A new range of hydraulic gear pumps, incorporating many advanced design features, has been developed by Joseph Young and Sons, Lancashire. The units are of the constant displacement type and are primarily intended for heavy duty applications involving either continuous or intermittent operation such as mechanical handling equipment, coal mining appliances, earth moving vehicles and hydraulic control systems of all kinds. There are four basic models in the new range, each being available with side or end ports. The capacities are 12.5 g.p.m. (gallons per minute), 18 g.p.m., 24 g.p.m. and 30 g.p.m., at 1,000 r.p.m. All have square flange mounting and are interchangeable. An important new feature of the pumps, which are said to be robust, precision-built, units designed to give a long and reliable working life with a minimum of maintenance, is that the direction of rotation can be changed simply by inverting the end plate. Another new development is an ingenious system of grooves formed in the end cover which relieves the build-up of pressure caused by the trapping of oil at the bottom of the gear teeth, and eliminates pressure on the oil seals and joint faces.

Fire-proof Curtain Fabric

A curtain fabric that never wrinkles, stretches, shrinks or fades, never needs ironing, is completely fireproof and can be washed, dried and rehung in seven minutes, was one of the highlights of the National Household Textiles and Soft Furnishings Fair held at Earls Court, London, from 27th February to 3rd March. Curtains in this unique material, a glass fibre, can be bought ready to hang in three drop-lengths, representing 60 per cent of average requirements, and planned to fit the normal 48 to 52-inch wide window.

Writing and Printing Papers from Mango Wood

Unbleached and bleached chemical pulps in 48 and 42 per cent yield respectively can be prepared from mango wood by the sulphate process developed at the Forest Research Institute, Dehra Dun. The pulp can be used in admixture with 50-70 per cent of bleached bamboo pulp, to produce writing and printing papers of good quality. The mango tree is found in almost all the forests of India and is widely cultivated for its luscious fruit.

Better View for Motorists

An invention based on an optical illusion which makes it possible to create a "wrap-around" effect without the use of curved glass for car windscreens has been made by a Swede, Dr. Alf Heimer, a Gothenburg physicist. The invention is based on the use of a prisma-cut 16 mm glass in the front side windows. In his experiments Dr. Heimer has used a Volkswagen in which the side stanchions between the windscreen and the side windows have been removed and replaced by narrow steel struts. Through the optical effect of the prisma-cut side-window glass the struts become invisible to the driver, who experiences the sensation of driving a car with an unobstructed 180 degree front view.

Plastics Coating for Power Dams

Tests with duro plastics for reinforcing and caulking concrete power plant dams carried out in Sweden over the past few years, have given satisfactory results, according to the Swedish State Power Board. Theoretically, says the Board, it would be possible to build dams of low-grade concrete with a tight surface layer of plastics. it is stated. The type of plastics used in the Swedish experiments has primarily been epoxy, which is claimed to have extraordinary adhesive properties, high elasticity, tensile strength and water resistance. Though still being relatively expensive, epoxy plastics are expected to become considerably cheaper over the next few years. One of the tests carried out at present concerns the Suorva dam in Arctic Sweden, which was first built in the early 1920s and extended just before the outbreak of World War II. Temperature variations have caused horizontal cracks in the concrete in the older parts of the dam, through which water is leaking. During the past summer a surface of 15 sq. m. (160 sq. ft.) on the upstream side of the dam was clad with epoxy and three layers of glass-fibre fabric. The caulking will be closely studied, early this summer when it will also become known whether the plastic coating has been able to resist the mechanical impact of the heavy ice. If the results prove satisfactory, further sections of the dam will be coated with plastics. Previous attempts to caulk the dam with reinforced or reinforced spray grouting or with moraine filling have proved unsuccessful, while the casting of a new 25-cm. (10-inch) layer of concrete outside an intermediate layer of asphalt has given good results. However, the latter method is considerably more expensive than using plastics. Experimental caulking of expansion and other construction joints and of local cracks has also been carried out by means of plastics. Moreover, sand mixed with plastics has been found to render a good putty for repairing concrete with surface defects.

Sulphur from Gypsum

Pilot plant studies undertaken at the Regional Research Laboratory, Hyderabad, have shown the possibilities of commercial production of sulphur using gypsum as the raw material. These results are of significance because we rely on imports for our requirements of this important industrial chemical. A large amount of sulphur goes into the production of sulphuric acid. Other uses of sulphur are in the manufacture of wood pulp, insecticides, rubber and in metallurgy and petroleum refining. In India, a major sulphur-bearing mineral is gypsum which occurs abundantly in Rajasthan, Gujarat and Madras. The process, developed by the Regional Research Laboratory, Hyderabad, now covered by a patent, consists of three stages: reduction of gypsum to calcium sulphide, using coke or lignite; production of hydrogen sulphide by the action of steam on calcium sulphide and combustion of hydrogen sulphide to yield sulphur. The salient features of the process are use of lower temperature 900°C compared to 1,400°C required in the conventional methods and the efficiency of the third stage (98 per cent).

A pre-design cost estimate, based on a 100-ton-a-day plant, has indicated the new process to be commercially feasible.

Wash and Wear Paper

One of the latest developments in papermaking is a twisted, knitted paper that can be boiled, washed or dry-cleaned and re-used as many as 30 times. It is produced by a single mechanical operation which converts paper into yarns narrow enough to be knitted into fabrics. Suggested uses for the paper are as hats, bags and heat-shielding materials. It was developed by Ronald H. Maks, Dallas, Texas, U.S.

MORRIS & BRADY PRIVATE LTD.

Associates:

HERBERT MORRIS LTD., ENGLAND

W. H. BRADY & CO. LTD., BOMBAY

NOW OFFER

MORRIS HAND OPERATED CRANES

MORRIS PULLEY BLOCKS

MORRIS TRAVELLING TROLLIES

MORRIS ELEVATING TRUCKS

MORRIS PORTABLE CONVEYORS

MADE IN INDIA TO MORRIS DESIGNS & SPECIFICATIONS

●

MORRIS & BRADY PRIVATE LTD.

"BRADY HOUSE"

12-14, VEER NARIMAN ROAD, FORT, BOMBAY-1

TELEPHONE No. 251331

DEFECTS IN AGRICULTURAL STATISTICS

SOME SUGGESTIONS FOR RECTIFYING THEM

By Dr. P. S. Lokanathan

DIRECTOR-GENERAL, NATIONAL COUNCIL OF APPLIED ECONOMIC RESEARCH, NEW DELHI

[All is still not well with agricultural statistics pertaining to India. Last week, a Member of Parliament drew attention to the existence of two sets of data on food production in the 1960-61 crop year, the National Sample Survey (N.S.S.) estimate of 96 million tons and the Union Ministry of Food and Agriculture estimate of 75 million tons. There is a similar disparity in regard to consumption of food also. Who is right? Or are both wrong? In fact, such discrepancies exist in regard to almost all data relating to our rural economy. One can get an idea of the extent of these discrepancies and the reasons for them from this article which is an adaptation of Dr. Lokanathan's address at the recent annual meeting of the Indian Society of Agricultural Statistics, New Delhi. The learned author has also indicated the lines on which the agricultural statistics can be made more reliable and published expeditiously. The problem dealt with by the author is a very important one and deserves early attention at the hands of the authorities.—ED.]

SINCE the inauguration by Rashtrapati Rajendra Prasad in December 1956, the National Council has been engaged in a number of research activities, the most important of which have been the Techno-Economic Surveys of various States and supply and demand projections of agricultural commodities in India. The N.C.A.E.R., therefore, has been a large user of agricultural statistics for various purposes. I shall refer here to some of the difficulties that we have encountered (*a*) in getting reliable statistics and (*b*) in interpreting them.

If my observations are critical, I should not be understood as, in any way, minimising the great efforts that have been made in recent years to improve the quality of statistics in the agricultural field. In fact, the improvements achieved recently have been substantial. But all efforts should be directed towards securing further rapid improvements so essential for policy making.

Plans for agricultural development can be based only on reliable and comprehensive agricultural statistics. With each Plan, the economy becomes more complex and the problems of allocation of resources, the balance between different sectors of the economy and evaluation of results call for more and comprehensive data and for employment of a wider range of methods and techniques of study. The lack of essential and meaningful statistical data will cripple the efficient formulation and execution of Plans.

The progress in the application of scientific methods to agricultural research and data collection owes a good deal to the pioneering efforts of the Indian Council of Agricultural Research. Eminent agricultural statisticians who have been or are currently associated with this work have played a praiseworthy part in the progress registered in the application of statistical methods to agricultural experimentation and research particularly in the field of improving the quality of yield estimates.

The Directorate of Economics and Statistics of the Ministry of Food and Agriculture has been the chief co-ordinator of agricultural statistics and it has given valuable guidance to the States. The marked improvement in the sphere of agricultural statistics bears ample testimony to the well planned and sustained efforts made by the Directorate, and the Organisation deserves the compliments of all engaged in using agricultural statistics. Much, however, still remains to be done by way of systematisation and refinement before we could say that we have a body of usable and classified data, covering the entire range of needs in the sphere of agricultural statistics.

Many Defects

The defects in agricultural statistics are many. Complete absence of data on some important topics is a matter of serious consequence. Coverage is insufficient and data are deficient, because of lack of uniformity in definition and classification; they also suffer from non-comparability over space and time. The divergence in figures supplied by various agencies leads to defects in planning and co-ordination. The method of presentation of data is also at times defective. In addition, there are defects of tabulation and processing. These shortcomings, together with the delay in collection and publication of the data, diminish their utility to both the Government and the people.

In regard to areas, first of all, we must have complete coverage which is, as yet, inadequate. The coverage of acreage statistics was extremely limited before World War II. The former princely States did not have proper administrative machinery for the purpose. Secondly, information regarding acreage is also poor on account of historical and other circumstances. Thirdly, the National Sample Survey (N.S.S.) and the official series present data which are not comparable. Also the N.S.S. sampling procedure is, in our judgment, inappropriate for area reporting, especially as we have large reporting arrangements in most of the States. What is required now is an improvement in these arrangements rather than a switch over to a sampling technique.

There are differences between the figures of total area given by the Surveyor-General and those given in land records. In some States, e.g., West Bengal, the Punjab and Rajasthan, the geographical area, according to the Surveyor-General, is less than the area reported according to the village papers.[1] The two sets of figures are misleading. Even in the case of States where the whole State is reporting (e.g. Madras), the area figures obtained from the two sources differ.

Two series of acreage statistics are available at present, namely, (*a*) official series, and (*b*) N.S.S. series. The N.S.S. series, started very recently, relate mainly to the statistics of area under different crops.

The data in the official series are more comprehensive, but, owing to the lack of uniformity in regard to concepts used, comparison becomes difficult. The term "culturable waste," for instance, is used in different senses in different places, with the result that a considerable portion of the area at present shown as culturable waste is not really cultivable.[2]

The non-comparability of concepts and definitions creates difficulties in the way of determining land utilisation trends over a period of time.

Land-holdings

The absence of information on cultivator's holdings is another serious gap in agricultural statistics. Some information is available on this topic,[3] but it does not go far enough; they are in any case not so detailed as to enable planning at lower levels.

India is co-operating with the F.A.O. for purposes of Agricultural Census by undertaking a survey of land holdings during the 16th round of N.S.S. This survey, welcome, as it is, will provide data at regional, State and all-India levels. It is very important, however, to have data below the regional level for purposes of micro-level planning and the question of tabulating some information from village records in respect of some of the important items should be seriously looked into.

Indeed, any measure of reform which the State may wish to push through in the sphere of agricultural development can, in the final analysis, be implemented only by the cultivator himself, and the Extension agencies can advise the farmers effectively when clear statistical picture of the farm characteristics in the region is available, say, in relation to the pattern of land use, crop production, etc. Detailed and realistic planning at the macro-level also cannot be done in the absence of data on these farm characteristics. We would like to have information about Farm Management. Studies have been made under the auspices of I.C.A.R., but these studies have not been fully collated and no comprehensive account is available for the country as a whole.

Under the present land classification, the suitability of land for various purposes is not indicated, to say nothing of the economic and allied considerations that should find an important place in a system of meaningful and useful classification. In U.S.A., for example, some advanced work has been done in this regard, using income-expectancy as a criterion.[4] In the interests of agricultural planning, land use capability and some important economic considerations should be introduced in the Indian land classification system without too much delay.

Information in regard to holdings is becoming very important because of policy reasons. One would like to know more, and have more information especially in the context of legislation for ceilings, co-operative farming and so many other economic and social changes which are on the anvil as it were. Some more precise data in respect of holdings will be essential and we do not have them.

The N.S.S. also collects information on areas under different crops during the regular rounds. The estimates are given for all-India and the population zones, and are based on random sampling. There are differences in these estimates and the official estimates of area under crops. Because of the difference in methods and techniques (differences in coverage of crops/seasons, non-comparability of the experience in the field work between the two agencies, misclassification of area under the grain crop and the fodder crop, differences in the methods of allocation of area under mixed crops and possible sampling errors), followed by N.S.S. and the regular agencies, it is difficult to know the amount of unreliability in the official figures. Not to be able to assess the degree of unreliability is a pity indeed!

The pre-final estimates of crop acreages are based mainly on the impressions of the primary reporters. Sample surveys have been initiated by the N.S.S. since 1955-56 for improving the pre-final estimates, but the results are subject to large sampling errors and generally become available too late to serve the purpose in view. Of late, the results are being expedited to some extent.

Data on Yields

As in the case of acreage statistics, two series of statistics on yield are currently available, namely, the official series and the N.S.S. series. The official series relate to a very large number of crops, but the N.S.S. series is at present limited only to cereals.

Under the traditional method, subjectivity is introduced in ample measure, normal yield and condition factor both depending upon personal judgment. Besides, the average of the condition factors taken over a series of years works out at a figure less than the corresponding anna equivalent of the normal. This might suggest that estimates based on this method are underestimates; this is, however, counteracted by the fact that the normal yields which were fixed a long time ago are pitched at a higher level than what they should be. How much off the normal yield can be, may be judged from the fact that, as a result of experiments conducted, the standard outturn of ragi was lowered from 981 to 459 lbs. and of sesamum from 353 to 200 lbs. in Mysore during the quinquennium ending 1941-42.[5] This method is, however, being gradually replaced by the method of crop cutting surveys based on random sampling.

The conduct of these surveys and the supervision from outside agencies also leave a lot to be desired. The agencies for the conduct of these surveys are generally over-burdened with other duties and do not fully realise the importance of this work. Effective central supervision over State Crop cutting surveys is at present of the order of 1 to 2 per cent only; the supervision over the conduct of surveys needs strengthening and the minimum scale of supervision, both State and Central, should be such as to yield independent yield estimates at the State level.

The methods and techniques followed by various States are not uniform, for example, the type of cut is not always the same.

Statistics of yield are available at present in respect of cereals, pulses, other crops, oilseeds and fibres, and also for some of the plantation crops like tea, coffee and rubber and for some minor crops such as indigo, tapioca, etc. The absence of production estimates in respect of a number of minor crops, including fruits and vegetables, is a serious limitation. Even though the area under such crops and the quantum of production may be small, their importance from the point of view of export trade and, also, owing to the part these products play in human

(Continued on page 560)

[1] Abstract of Agricultural Statistics, Ministry of Food and Agriculture, Government of India, 1957, p. 8.

[2] "Indian Agricultural Statistics—A critical Review." *Agricultural Situation in India*, Annual Number, Aug. 1960, p. 531.

[3] From *Farm Management Investigations*, Akola Survey into Cost production of Crops, N.S.S. Survey of Agricultural Holdings, Agricultural Labour Enquiry, and the Rural Credit Survey Reports.

[4] H. E. Conklin. "The Cornell System of Land Classification." *Journal of Farm Economics*, Vol. XLI, No. 3, August 1959.

[5] *The Average Yield per acre of Principal Crops in India*, 1937-38 to 1946-47, D.E.S. Ministry of Food and Agriculture, 1950, p. 2.

THE CANARA BANKING CORPORATION LTD.

ESTABLISHED : 1906

Registered Office : UDIPI, S. I.

(As on 31st December 1960)

Paid-up Capital
Rs. 25,00,000

Reserves
Rs. 19,35,000

Deposits
Rs. 8,72,72,000

Working Capital
Rs. 10,84,17,000

(Rounded off to the nearest thousand)

With a fine network of 62 branches spread over the States of Mysore, Madras, Kerala, Andhra Pradesh, Maharashtra and West Bengal and agency arrangements throughout the country, the Bank offers you the best banking facilities.

Branches of the Bank in Bombay City :

(1) FORT, (2) MANDVI, (3) SHIVAJI PARK, and (4) KALBADEVI

FORWARD MARKETS BULLETIN

(Monthly)

Published by Forward Markets Commission Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription		Single copy	
In India	Rs. 24.00	In India	Rs. 2.50
Abroad	Rs. 40.00	Abroad	Rs. 4.00

For further particulars please apply to:

The Secretary, Forward Markets Commission
"Everest," 100, Marine Drive, Bombay-2

For all your requirements in:-

OIL SEALS, 'O'—RINGS

BUCKET SEALS AND ALL TYPES OF PRECISION MOULDED ITEMS MADE FROM SYNTHETIC RUBBER

Please Contact:—

M/s. OIL SEALS MFG. CO. INDIA,

(Mfrs. of Famous OMCO Brand Oil Seals)

Ratan House, (2nd Floor), Tribhuvan Rd., Bombay-4.

New power in industry

On a 600-acre site at Durgapur, amidst intense activity, the scene is being set for yet another vitally important contribution to India's industrial growth—a contribution made possible through the vast technical knowledge of ACC-VICKERS-BABCOCK LTD. (A.V.B.), a new and powerful industrial group formed by The Associated Cement Companies Limited, Vickers Limited and Babcock & Wilcox Limited.

Already, considerable progress has been made in erecting this new Industrial Plant. Workshops are rapidly taking shape and foundations are being prepared for some of the most up-to-date machinery in the world. Very soon now the A.V.B. Plant will be ready to make its contribution to Indian industry, and to help Indian engineers overcome some of the difficulties which have faced them for so long.

MODERN EQUIPMENT

Some of the most up-to-date industrial equipment of its kind in the world is being installed in the new A.V.B. Plant, from the radio-active cobalt X-ray equipment capable of X-raying steel plates up to a thickness of 6" to the vast 3,000-ton hydraulic press, the largest in Asia, designed to bend steel plates of up to 5" thickness. The workshops of A.V.B. are thus fully equipped to manufacture machinery for the cement-making and mining industries, thermal power plant and industrial steam-raising equipment equal to the best in the world.

VITAL ROLES

THERMAL POWER: A.V.B. have the technical knowledge, the men and the machinery to participate in the supply of vital plant to be installed in Thermal Power Stations throughout India. They will make a notable contribution towards the target set by the Government of erecting boiler plant and thermal power plant to the value of Rs 34 crores per year by the end of the Third Five Year Plan.

CEMENT-MAKING MACHINERY: A.V.B. are already discussing projects which will enable them to supply machinery to help increase the output of cement for which the Government's target is 13 millon tons per year at the end of the Third Five Year Plan. Not only will A.V.B. help to meet the exigencies of industrial expansion but they will ultimately contribute towards the earning of valuable foreign exchange through export.

SITE STRATEGICALLY LOCATED

A.V.B. have shown considerable foresight in the location of Durgapur as their base for operation. Close to the now well-known Durgapur Steel Project, they are within what is fast developing into the industrial heart of India. They are within easy reach of India's coal and general mining centres. The Port of Calcutta is only a hundred miles away, a factor which is of tremendous advantage for the import of special raw materials.

EFFICIENT STAFF

The new company has adopted a far-sighted policy regarding the housing of the staff at Durgapur. Resulting from this the AVB housing colony which is situated but a short distance from the factory site is one of the finest in India. The houses are modern and the colony itself will be completely self-contained with its own dispensary and its own shops, parks and playgrounds. Here will live the workers of the A.V.B. group from the man of the shop floor to the skilled engineers and advanced technicians, a team that will keep a close watch on this modern plant which will harness such a vital and powerful new force to Indian industry.

AVB

...a Powerful Partnership for Progress

ACC-VICKERS-BABCOCK LTD.

16, Queen's Road Estate, Bombay 1

CALCUTTA OFFICE:
Ilaco House, 1 & 3 Brabourne Road, CALCUTTA 1

WORKS: Durgapur, West BENGAL

IVT-AVB. 2049

STATE BANK OF MYSORE

Subsidiary of the State Bank of India under the State Bank of India (Subsidiary) Banks Act, 1959

THE LIABILITY OF MEMBERS IS LIMITED

Head Office: **AVENUE ROAD, BANGALORE-9**

BRANCHES:

1. ARSIKERE
2. BANGARPET
3. BASAVANAGUDI, BANGALORE
4. BAZAAR SUB-BRANCH, SHIMOGA
5. BELLARY
6. BHADRAVATI
7. BOMBAY
8. CHALLAKERE
9. CHANNAPATNA
10. CHICKBALLAPUR
11. CHICKMAGALUR
12. CHICKPET, BANGALORE
13. CHINTAMANI
14. CHITRADURGA
15. CITY, BANGALORE
16. COCHIN
17. COIMBATORE
18. DAVANGERE
19. FORT, BANGALORE
20. GULBARGA
21. HASSAN
22. HINDUPUR
23. HOSPET
24. KOLAR
25. KRISHNARAJANAGAR
26. LADY CURZON ROAD, BANGALORE
27. MADANAPALLE
28. MADRAS
29. MALLESWARAM, BANGALORE
30. MANDYA
31. MANGALORE
32. MARKET BRANCH, MYSORE
33. MYSORE
34. NANJANGUD
35. OORGAUM
36. SAGAR
37. SAKLESPUR
38. SHIMOGA
39. SOUTH PARADE, BANGALORE
40. TIPTUR
41. TUMKUR

DIRECTORS OF THE BANK AS ON 31st DECEMBER, 1960

1. SHRI P. C. BHATTACHARYYA, Chairman, State Bank of India.
2. SHRI S. K. MUKHERJEA, Deputy Chief Officer, Reserve Bank of India, Department of Banking Operations, Bangalore.
3. SHRI S. M. RAMAKRISHNA RAO.
4. SHRI V. H. CHANNABASAVIAH.
5. SHRI T. S. RAGAVACHARY, Jt. Managing Director, State Bank of India.
6. THE SECRETARY AND TREASURER, State Bank of India, Madras.
7. SHRI S. J. W. CHASE, Agent, State Bank of India, Bangalore-1.
8. SHRI S. RAMANATHAN.
9. SHRI M. V. VEERAPPA.

Report of the Board of Directors to the State Bank of India and the Reserve Bank of India in terms of Section 43 (1) of the State Bank of India (Subsidiary Banks) Act, 1959

PERIOD COVERED BY THE REPORT: 1st MARCH 1960 TO 31st DECEMBER 1960

With effect from 1st March 1960, the Bank has been constituted as a Subsidiary of the State Bank of India under the State Bank of India (Subsidiary Banks) Act, 1959. As a consequence, the Board of Directors was re-constituted with effect from 1st March, 1960, under Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959. The names of the Directors as on 31st December 1960 are listed in the annexure.

ACCOUNTS

The Balance Sheet and Profit and Loss Account for the period of 10 months ended 31st December 1960 as approved by the Board of Directors are annexed.

The working of the Bank resulted in a net Profit of Rs. 28,05,442.47 (including Tax deducted at source Rs. 5,68,074) which the Board of Directors have appropriated as under :—

Transfer to provision for Taxation	Rs.	12,50,000 00
Transfer to Reserve Fund	Rs.	3,40,000 00
Bonus to Staff	Rs.	3,85,000 00
Dividend for 10 months at 9 per cent. per annum (subject to tax)	Rs.	7,50,000 00
Carried forward	Rs.	80,442 47
	Rs.	28,05,442 47

The accounts of the Bank have been audited by Messrs. Fraser and Ross, Chartered Accountants, who were appointed as Auditors by the State Bank of India in exercise of the powers conferred by sub-section (i) of Section 41 of the State Bank of India (Subsidiary Banks) Act, 1959, with the approval of the Reserve Bank of India.

CAPITAL AND RESERVES

In terms of Section 7 (1) of the State Bank of India (Subsidiary Banks) Act, 1959, the State Bank of India with the approval of the Reserve Bank of India, have fixed the Issued Capital of this Bank as on 1st March 1960 as Rs. 1,00,00,000 (Rupees One crore) divided into fully paid-up shares of Rs. 100 (Rupees One Hundred) each.

In terms of Sections 8 (1) (a) of the State Bank of India (Subsidiary Banks) Act, 1959, the State Bank of India with the approval of the Reserve Bank of India determined Rs. 50,00,000 (Rupees Fifty lakhs) as the sum which the Reserve Fund of the State Bank of Mysore shall consist of, as on the appointed day, viz., 1st March 1960.

The Capital of the old Bank was Rs. 50 lakhs and Reserves including premium on shares Rs. 100 lakhs.

DEPOSITS AND OTHER ACCOUNTS

The Deposits and other accounts of the Bank as on the day immediately preceding the date of reconstitution as a Subsidiary of the State Bank of India, viz., 29th February 1960 and as on 31st December 1960 were as under :—

	29-2-1960 (In lakhs of rupees)	31-12-1960 (In lakhs of rupees)	Difference: Increase (+) Decrease (—)
Fixed Deposits	9,71	10,32	+ 61
Thrift and Savings Deposits	2,63	2,98	+ 35
Call Deposits	1,84	1,15	— 69
Current Accounts, Contingency Accounts, etc...	5,79	5,49	— 30
Total ..	19,97	19,94	— 3

The pace of growth in the Deposits was satisfactory until about September, whereafter there was a decline, particularly in Call Deposits, because of the reduction in the rate of interest in pursuance of the directive of the Reserve Bank.

CASH BALANCES AND MONEY AT CALL AND SHORT NOTICE

	29-2-1960 (In lakhs of rupees)	31-12-1960 (In lakhs of rupees)	Difference: Increase (+) Decrease (—)
Cash with Branches and Head Office	58	51	— 7
Balances with Reserve Bank of India	59	50	— 9
Balances with the State Bank of India and other Subsidiaries..	14	15	+ 1
Total ..	131	116	—15
Balances with other Banks	21	22	+ 1
Money at Call and Short Notice	1	..	— 1
Total ..	153	138	—15

The small shrinkage in the Cash balance reflects the decrease that the Bank's Deposits have suffered while there has been a small increase in Loans and Advances.

The ratio of Cash and Bank balances to Demand Liabilities was 20.26 per cent.

INVESTMENTS

The total of the Bank's investments, which consist of Government and other Trustee Securities, recorded a small increase of Rs. 20.2 lakhs during the period covered by the report. The market value, however, was lower than the book value by Rs. 9.06 lakhs as on 31st December 1960. But, this difference has been fully provided for.

Date	Face Value Rs.	Book Value Rs.	Market Value Rs.	Difference: Increase (+) Decrease (—)
29- 2-1960	8,46,18,000	8,42,58,000	8,46,24,000	+ 3,71,000
31-12-1960	8,66,89,000	8,62,83,000	8,53,77,000	— 9,06,000

The ratio of Investments to Deposits was 44 per cent.

ADVANCES

	29-2-1960 (In lakhs of rupees)	31-12-1960 (In lakhs of rupees)	Difference: Increase (+) Decrease (—)
Loans, Cash Credits and Overdrafts	1,083	1,121	+ 38
Bills Discounted and Purchased	149	122	— 27
(i) Payable in India	142	116	
(ii) Outside India	7	6	
Total ..	1,232	1,243	+ 11

The increase in advances of a total of Rs. 11 lakhs is spread over a large number of small accounts.

The proportion of Loans and Advances to Bank's Deposit was 62.34 per cent.

PROFIT AND LOSS

The gross income of the Bank for the 10 months amounted to Rs. 1,06,10,007.51 (including Tax deducted at source : Rs. 5,68,074) as against Rs. 1,09,25,000 for the 12 months ending 31st December 1959.

After making the usual and necessary provisions, the net profit of the Bank amounted to Rs. 28,05,442.47 (including Rs. 5,68,074 being tax deducted at source) for the 10 months as against Rs. 23,05,000 (excluding tax deducted at source) for the 12 months ending 31st December 1959.

While making appropriations out of the net profits, the Board of Directors of the Bank considered that a bonus of an amount equal to two months salary which generally is the maximum bonus that public sector institutions functioning under the Central Government allow to their staff should be ordinarily payable. However, having regard to past practice they decided to sanction the payment of an additional *ad hoc* bonus of one month's salary on the present occasion.

GOVERNMENT AND AGENCY BUSINESS

The Bank was already conducting Government business as Agent of the Reserve Bank of India before it was reconstituted, under a tripartite agreement between the Government of Mysore, the Reserve Bank of India and the old Bank. This agreement lapsed on 1st October 1960 and the Government business is now being conducted by the Bank on behalf of State Bank of India in pursuance of the agreement entered into with the latter Bank in terms of Section 36 of the State Bank of India (Subsidiary Banks) Act, 1959.

Currency Chests were being managed and Treasury work conducted already in 16 places on the date of reconstitution, and Small Coin Depots in 7 Centres. Subsequent to 29th February 1960 Currency Chests and Treasury work was taken over at two more centres, bringing the total number of Branches doing Currency work to 18.

BOARD AND EXECUTIVE COMMITTEE MEETINGS

Five Meetings of the Board and Twenty Meetings of the Executive Committee were held during the 10 months ending 31st December 1960.

OFFICES OF THE BANK

Including Central Office and Head Office, the Bank had in all 43 offices as on the 29th February 1960. Names of these offices are given in the annexure. To these, 9 offices were added during the current year in the following centres :

1. Somwarpet
2. Hunsur
3. Doddaballapur
4. Shikaripur
5. Sira
6. Kuppam
7. Haveri
8. Coondapur
9. Channarayapatna

DEVELOPMENTAL ACTIVITIES

(a) Expansion Programme

In addition to the 9 Branches opened during the period under report, licences for opening two more Branches have been obtained from the Reserve Bank of India. Investigations of the business possibilities in 15 centres have been made and the opening of Branches and Pay-offices at 4 centres have been approved by the State Bank of India. Licences for opening these Branches and Pay-offices are pending consideration with the Reserve Bank of India. In terms of Section 48 of the State Bank of India (Subsidiary Banks) Act, 1959, the State Bank of India has agreed to subsidise the Bank's development programme by reimbursing to it the full amount of losses of new offices set up after 4th March 1959 for a period of 5 years and thereafter in a descending scale at 80 per cent., 60 per cent., 40 per cent. and 20 per cent. of the losses for each of the following years. The terms on which the losses have to be assessed have also been agreed upon. The Subsidy expected to be received to the end of 1960 is Rs. 0.65 lakh, the credit for which has been taken into the Profit and Loss Account of the year.

(b) Small Scale Industries

The Bank was extending assistance to Small Scale Industries in pursuance of a special arrangement even before its reconstitution. The total units that were in receipt of assistance as on the 29th February 1960 were 64 and the aggregate limit placed at their disposal was Rs. 46,11,000. During the period under report, assistance was afforded to 40 more units accounting for a total limit of Rs. 36,26,850. This brings up the total of units assisted as on 31st December 1960 to 104 and the aggregate limit available to them to Rs. 82,37,850.

(c) Warehouses

There are 12 warehouses in the State of Mysore established by the Mysore State Warehousing Corporation and the Central Warehousing Corporation in places where the Bank has Branches. Of the advances made against commodities warehoused in these centres, a major portion is by the Bank's Branches. The total outstandings against Warehouse Receipts was Rs. 10,57,268 as on 31st December 1960 (limit Rs. 20,43,950).

(d) Co-operative Institutions

The total advances made to Co-operative Institutions during the year was Rs. 66,86,550 and the number of institutions helped 23. As on 31st December 1960, the amount outstanding under this head was only Rs. 17,93,515, because of a large payment made on the last day of the month by one such institution.

STAFF

The strength of the Staff was 1,113 on 29th February 1960. At the close of the year, the strength had increased to 1,201 consequent on the opening of new Branches.

The relationship of the staff with the management was cordial and co-operative.

By Order of the Board,

A. KRISHNA MURTHI,
General Manager.

STATE BANK OF MYSORE—*(Continued)*

BALANCE SHEET AS AT 31st DECEMBER, 1960

CAPITAL AND LIABILITIES	Rs.	np	Rs.	np
1. Capital—				
AUTHORISED— 2,00,000 Shares of Rs. 100 each	2,00,00,000	00		
ISSUED, SUBSCRIBED AND PAID-UP [Pursuant to Section 7 (1) of the State Bank of India (Subsidiary Banks) Act, 1959]— 1,00,000 Shares of Rs. 100 each			1,00,00,000	00
2. Reserve Fund and Other Reserves—				
Reserve Fund as on 1st March 1960 [Pursuant to Section 8 (1) (a) of the State Bank of India (Subsidiary Banks) Act, 1959]	50,00,000	00		
ADD Transferred during the period from the Profit and Loss Account	3,40,000	00	53,40,000	00
3. Deposits and Other Accounts—				
Fixed Deposits	10,32,01,097	29		
Thrift and Savings Bank Deposits	2,98,18,132	85		
Current Accounts, Contingency Accounts, etc. (including provision for Depreciation on Investments : Rs. 10,48,949.84)	6,64,08,442	67	19,94,30,672	81
4. Borrowings from Other Banking Companies, Agents, etc.—				
(i) In India	44,74,922	63		
(ii) Outside India	....		44,74,922	63
PARTICULARS— (i) Secured by Government Securities per contra	10,25,000	00		
(ii) Unsecured	34,49,922	63		
5. Bills Payable			21,73,974	51
6. Bills for Collection Being Bills Receivable per contra—				
(i) Payable in India	1,35,82,953	46		
(ii) Payable outside India	1,72,220	12	1,37,55,173	58
7. Other Liabilities—				
Provision for Taxation	20,09,792	68		
Staff Gratuity Fund	13,02,106	93		
Unclaimed Dividends	1,17,670	73		
Sundries Payable	4,32,522	24		
Rebate on Bills Discounted	32,224	88		
Branch Adjustments	40,80,312	00		
Dividend for the Period	7,50,000	00	96,24,629	55
8. Acceptances, Endorsements and Other Obligations per contra			2,23,69,704	16
9. Profit and Loss—				
Profit for the period as shown in the Profit and Loss Account			28,05,442	47
LESS—Appropriated during the period as follows—	Rs.	np		
Provision for Taxation	12,50,000	00		
Bonus to Staff	3,85,000	00		
Reserve Fund	3,40,000	00		
Dividend	7,50,000	00	27,25,000	00
			80,442	47
10. [Contingent Liabilities—	Rs.	np		
Claims against the Bank not acknowledged as debts	2,45,087	18		
Guarantee given on behalf of Directors or Officers of the Bank	....			
Guarantee given on behalf of others	1,07,39,059	65		
On Bills of Exchange rediscounted	....			
On outstanding Forward Exchange Contracts.	....			
Total .. Rs.			26,72,49,519	71

PROPERTY AND ASSETS	Rs.	np	Rs.	np
1. Cash—				
In hand and with the Reserve Bank of India, and the State Bank of India and its subsidiaries (including Foreign Currency Notes)			1,16,23,552	74
2. Balances in Current Accounts with Other Banks—				
(i) In India	13,46,846	89		
(ii) Outside India	9,01,454	65	22,48,301	54
3. Money at Call and Short Notice			....	
4. Investments (at or below Cost)—				
Rs. 8,66,38,950.15 of the Central and State Government Bonds and other Trustee Securities (Market Value Rs. 8,53,76,706.60) .. (Of the above, Investments of the Face Value of Rs. 10,25,000 are pledg-ed against borrowings from other Banks per contra)			8,62,83,453	87
Full provision for the difference between the Market Value and the cost of the Investments has been made per contra.				
5. Advances— (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)				
I. Loans, Cash Credits, Overdrafts, etc.—	Rs.	np		
(i) In India	11,21,35,849	77		
(ii) Outside India	....		11,21,35,849	77
II. Bills Discounted and Purchased—				
(i) Payable in India	1,16,50,103	18		
(ii) Payable outside India	5,68,140	97	1,22,18,249	15
PARTICULARS OF ADVANCES—See separate Statement appended.			12,43,54,098	92
6. Bills Receivable Being Bills for Collection per contra—				
(i) Payable in India	1,35,82,953	46		
(ii) Payable outside India	1,72,220	12	1,37,55,173	58
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra			2,23,69,704	16
8. Premises Less Depreciation—				
At cost as at 1st March 1960	33,10,595	91		
Additions during the period	....			
	33,10,595	91		
LESS—Depreciation to date	11,27,940	16	21,82,655	75
9. Furniture and Fixtures Less Depreciation—				
At cost as at 1st March 1960	11,70,095	14		
Additions during the period	1,50,354	97		
	13,20,450	11		
LESS—Deductions during the period	2,865	71		
	13,17,580	40		
LESS—Depreciation to date	5,86,424	69	7,31,155	71
10. Other Assets—				
Other Properties—				
At cost as at 1st March 1960	91,771	75		
Balance with Mysore Government Treasuries	2,30,941	28		
Advance Payment of Income Tax (including Tax deducted at source)	10,46,827	08		
Interest accrued on Investments and Commission accrued	10,43,751	29		
Stationery, Stamps, Suspense Accounts, etc.	3,88,132	04	37,01,423	44
11. Non-Banking Assets Acquired in Satisfaction of Claims			....	
Total .. Rs.			26,72,49,519	71

PARTICULARS OF ADVANCES	Rs.	np
(i) Debts considered good in respect of which the Bank is fully secured	10,10,68,200	02
(ii) Debts considered good for which the Bank holds no other security than the Debtors' personal security	2,12,05,423	40
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the Debtors	20,80,470	41
(iv) Debts considered doubtful or bad, not provided	....	
Total .. Rs.	12,43,54,098	02

PARTICULARS OF ADVANCES	Rs.	np
(v) Debts due by Directors or Officers of the Bank or any of them either severally or jointly with any other persons (Fully Secured : Rs. 8,45,595.52 ; Unsecured due by Officers : Rs. 49,703.30)	8,95,298	82
(vi) Debts due by Companies or firms in which the Directors of the Bank are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as members	52,40,401	07
(vii) Maximum total amount of advances, including temporary advances made at any time during the period to Directors or Officers of the Bank or any of them either severally or jointly with any other persons (Fully Secured : Rs. 9,00,191.21 ; Unsecured due by Officers : Rs. 55,358.22)	9,55,549	43
(viii) Maximum total amount of advances, including temporary advances, granted during the period to the Companies or firms in which the Directors of the Bank are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as members	68,34,136	66
(ix) Due from Banking Companies	2,28,643	09

PROFIT AND LOSS ACCOUNT FOR THE TEN MONTHS ENDED 31st DECEMBER, 1960

EXPENDITURE	Rs.	np
1. Interest paid on Deposits, Borrowings, etc.	46,41,273	17
2. Salaries and Allowances, Provident Fund and Gratuity Fund Contributions (including General Manager's Salary and Allowances Rs. 24,016.70)	24,16,040	38
3. Directors' Fees and Allowances	7,154	17
4. Rent, Taxes, Insurance, Lighting, etc.	1,54,864	89
5. Law Charges	13,024	71
6. Postages, Telegrams and Stamps	80,399	02
7. Auditors' Fees and Expenses	6,500	00
8. Depreciation on and Repairs to the Bank' Property	1,95,667	16
9. Stationery, Printing, Advertisement, etc.	1,73,173	53
10. Loss from Sale of or Dealing with Non-Banking Assets	....	
11. Other Expenditure	1,07,468	01
12. Balance of Profit before providing for Taxation carried to Balance Sheet	28,05,442	47
Total .. Rs.	1,06,10,007	51

INCOME (Less provision made during the period for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	np
1. Interest and Discount	86,81,183	68
2. Commission, Exchange and Brokerage	17,22,377	03
3. Rents	1,27,991	84
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	11,316	82
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	....	
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets.	....	
7. Other Receipts (including Subsidy from the State Bank of India Rs. 64,954.38)	67,138	14
Total .. Rs.	1,06,10,007	51

REPORT OF THE AUDITORS

We, the undersigned Auditors of the State Bank of Mysore, appointed under Section 41 (1) of the State Bank of India (Subsidiary Banks) Act, 1959, do hereby report to the State Bank of India upon the Balance Sheet and Accounts of the Bank as at 31st December 1960.

We have examined the above Balance Sheet and the Profit and Loss Account and the Accounts relating thereto of the Central Office, and the Head Office and the Returns submitted by the Branch Managers, which returns have been incorporated in the above Balance Sheet and Accounts, and report (i) that, in our opinion, the Balance Sheet is a full and fair Balance Sheet, containing all the necessary particulars and properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank ; (ii) that where we have called for any explanation or information such explanation and information have been given to us and have been satisfactory ; (iii) that the transactions of the Bank which have come to our notice have been within the competence of the Bank ; (iv) that the Returns received from the Branches of the Bank have been found adequate for the purpose of our audit ; (v) that the Profit and Loss Account shows a true balance of Profit for the period covered by such account ; (vi) that, in our opinion, the Balance Sheet and Profit and Loss Account are drawn up in conformity with Law and (vii) that, in our opinion, Books of Account have been kept by the Bank as required by Law.

FRASER & ROSS,
Chartered Accountants.

BANGALORE, *28th January*, 1961.

S. M. RAMAKRISHNA RAO,
S. RAMANATHAN,
M. V. VEERAPPA,
S. J. W. CHASE,
V. H. CHANNABASAVIAH,
S. K. MUKHERJEA,
} *Directors.*

A. KRISHNA MURTHI,
General Manager.

BANGALORE, *28th January*, 1961.

THE CHARTERED BANK

ANNUAL STATEMENT OF CHAIRMAN, MR. V. A. GRANTHAM

IMPACT ON INTERNATIONAL TRADE OF ECONOMIC POLICIES OF UNDERDEVELOPED COUNTRIES

A COMPREHENSIVE review of the main economic trends and developments in Asia, the principal region of the operations of the Chartered Bank, is provided by Mr. Vincent Alpe Grantham, Chairman of the Bank, in his statement to shareholders circulated along with the Directors' report and statement of accounts of the Bank for the year ended 31st December 1960. In this statement, Mr. Grantham has clearly brought out the heavy dependence of the countries of the East upon foreign aid and investment for the success of their development plans and drawn attention to some serious defects in the economic policies of these countries which not only hinder the inflow of capital and technical know-how but also tend to slow down the rate of their economic growth by aggravating their difficulties. Excessive restrictions on imports by the Asian countries on balance of payment considerations may, he warns, make it increasingly difficult for them to find buyers for their own export products.

The following is the full text of Mr. Grantham's statement and by reading it one can get a fairly good picture of the state of affairs in some two dozen nations in West Asia, the Indian Subcontinent, South-East Asia and the Far East. The one hundred and seventh Annual General Meeting of the Bank is scheduled to be held at 38 Bishopsgate, London, on 29th March 1961:

"During the accounting period to which this statement relates, the Bank has continued to make steady progress and our subsidiary, The Eastern Bank Limited, has contributed to the favourable results which have been achieved by the group. Later in this statement I have reviewed recent economic and political developments which have influenced the operations conducted by both banks in the numerous countries to which the two branch organisations extend, but, before doing so, I must make a reference to the extent to which we are indebted to our staff everywhere for the favourable picture I am able to present to the stockholders. Success in banking ventures finally depends upon service to the public and the quality of that service depends largely upon professional competence at the executive centre sustained by the devotion and skill of a numerous and widely diffused establishment and the Chartered Bank group is, indeed, fortunate that it can rely so fully on the ability, integrity and zeal of those by whom it is served.

"Mr. John Shewan, an Assistant General Manager, has been promoted to the rank of Joint General Manager in anticipation of the impending retirement of Mr. G. A. Leiper, whose services we shall be very sorry to lose. The Court of Directors have appointed Mr. R. A. S. Lane to be an Assistant General Manager. Mr. Lane has served in our Eastern branches in a succession of executive appointments and has recently undertaken an extensive tour of inspection of the oversea establishment.

"Throughout its history, the Bank has maintained intimate business relations with the Australian banks and, last spring, the Chief General Manager, Mr. W. G. Pullen, visited these institutions from whom he received a warm welcome. During the autumn also Mr. Pullen undertook an extensive tour of North America and he was enabled to discuss with leaders of American and Canadian finance and industry many international economic problems in which Great Britain, the United States and Canada have a common concern. Early in 1960, Mr. G. A. Leiper undertook a tour of the Far Eastern branches and resumed his acquaintance with customers of the bank in Japan, Hong Kong and the Philippine Republic. Mr. David Beath, who was accompanied by Mr. Goldsmith, General Manager of The Eastern Bank Limited, has lately returned from a tour of the Middle East.

The Irano British Bank

"For our associate in Iran, the year under review has been a period of consolidation rather than expansion, but the proposed branch at Ahwaz, to which I referred in my last address, is now functioning successfully and a small sub-office, for the convenience of private customers, has been opened in the northern part of Tehran. Trading conditions during most of the year were difficult and the general tightness of money in the bazaar was reflected in a shortage of working funds available. However, the accounts at the end of the Iranian half-year disclosed an all round increase in business and the trading result was not unsatisfactory. A report on Iran is included in the Oversea Survey.

The Bank's Balance Sheet

"The record figure of £270,390,101 set up in last year's balance-sheet total has soon been outstripped, for the accounts now placed before you reflect the further expansion of the Bank's business by an increase of £45,813,097, producing a new record total of £316,203,198. We have also been able to maintain a high degree of liquidity as evidenced by a slight increase of 1.47 per cent in the ratio of cash to our demand and time liabilities, which now stands at 19.55 per cent.

"The fall of £2,200,280 in Current and Other Accounts is small in relation to the increase of £48,723,430 in our Fixed Deposits. Bills Payable are higher by £569,466 but there has been a reduction in our Acceptances of £2,872,556.

"Our assets are all higher, with increases of £12,795,970, £5,609,575, £1,035,300 and £27,848,337 in our Cash in Hand at Call and at Bankers, Government and Other Securities, Bills of Exchange and Advances to Customers and Other Accounts respectively.

"The Consolidated Balance Sheet total of £362,759,636 shows an increase of £45,737,927 over that of last year.

Consolidated Profit and Loss Account

"Stockholders will have noticed that we have adopted the practice of the leading banks in the City of London by making all allocations to Premises Account, Pensions and other Staff Funds, before arriving at our published profits and last year's figure has been adjusted accordingly.

"In the current year, our profit of £761,916 is arrived at after deducting £155,000 (1959—£145,000) on account of Pension Fund and Widows' and Orphans' Fund and £250,000 (1959—£250,000) on account of Bank Premises, so that, in comparison with 1959, the profit shown has been increased by £142,220.

"Next year our published profit should be compared with the published figure for 1960, viz., £761,916. In September last, we paid an interim dividend of 8 per cent, less income-tax, absorbing £245,000 and it is now proposed that, out of the balance available, a final dividend of 7½ per cent less income-tax, on a capital which has been increased during the year to £5,500,000 be now paid at a net cost of £252,656.

"We have transferred £250,000 to Reserve Funds, bringing the total of those Funds up to £5,750,000, and there remains to be carried forward a balance of profit of £506,254, an increase of £14,260 over that for last year.

Oversea Survey

"During 1960, international trade continued on a substantial scale. A rising standard of living in the world, an ever-increasing population and increased industrial development everywhere, would appear to point to continued trade expansion, but certain signs are appearing which indicate a possible halt in this trend and perhaps the most important immediate factor is the likelihood that business turnover in the United States may not increase as quickly as anticipated. Unless conditions in the American market improve in the coming year and stimulate demand for industrial raw materials, the export earnings of the primary producing Asian countries, in which the Chartered Bank group is established, must be adversely affected. Another deterrent to the growth of international trade is the chronic shortage of foreign exchange in many countries, particularly in the East, which, with a desire to protect new manufacturing industries, has led to the imposition of far-reaching import restrictions. Often these restrictive measures are imposed by force of circumstances, but one cannot view with equanimity efforts to protect local manufacturing units which have little hope of ever becoming economic propositions able to compete on equal terms in international markets. In fact, for some years, it has seemed likely that the emphasis placed on industrialisation by the younger countries in particular, and often at the expense of agriculture on which their economies depend, designed primarily to have the effect of reducing imports, may in these coming days of balanced trade, make it increasingly difficult for them to find buyers for their own export products.

"It is within this involved situation that our Government, like that of the United States and many other highly-industrialised countries, is now launching an export drive, but we find that the growing awareness in this country of the necessity to export is not, so far, being translated into efforts to find new markets. It is a common complaint by officials and businessmen in a number of Eastern countries that the United Kingdom shows little interest in their markets, which they point out is in marked contrast to the attitude of the Germans, the Japanese and others. There is undoubtedly some truth in what is said, for it often seems that either our good and usual exporters have already sufficient buyers for their products, and cannot devote the time to smaller and less known markets, or there is an instinctive feeling that too much risk is involved. Sometimes there is risk but, usually, with competitive prices and a willing buyer, means can be found to arrange shipments on a satisfactory basis and by its advice on this, and, with the knowledge of markets gained from one-hundred and ninety branches in twenty-six countries, it is felt that the Chartered Bank group should be able to do much to aid materially the efforts of our exporters.

Cyprus

"Following the successful conclusion of the prolonged negotiations between Cypriot leaders and the British Government, the Republic of Cyprus was inaugurated last August. The success of the new independent state will obviously depend on the willingness and ability of the various interests concerned to work together. If, as is hoped, a 'Cypriot Nation' is to emerge, this co-operation will be particularly necessary in the next few years when memories are still vivid of the long drawn out suffering and bitterness of the island. As it is, to obtain agreement between the two main communities, it has been necessary to devise an over-elaborate and politically expedient, will impose a heavy fiscal burden on the population.

"Economic prospects are, perhaps, more promising than might appear from the substantial trade deficit, for the Republic's export earnings, equivalent to less than half the total imports, are substantially supplemented by British Government expenditure on its armed services based on the island. To some extent, the trade deficit has been aggravated by merchants accumulating large stocks of imported goods for fear that the currency might be devalued or increased import duties imposed. Unfortunately, too, exports have suffered from the smaller supplies of agricultural products available, owing to the drought during the last two years. Financial grants to be received from the British Government between now and 1965, with the American grant recently announced of supplies of wheat and barley, should reinforce the Republic's finances until such time as the economy becomes more self-supporting.

"The new Government has wisely refrained from introducing any extreme measures to meet the economic situation with which it was confronted and is evidently hoping for a return of confidence which will be reflected in a general improvement in business. It undoubtedly realises, too, that, after the first few years of independence, it will be necessary for the Republic's economy to be self-supporting, and to achieve that substantial capital will be required for long-term development: capital which will only be forthcoming both from indigenous and foreign sources in conditions favourable to business enterprise.

Lebanon

"A special report on the social and economic situation in the country submitted to the President in September predicts a large increase, amounting perhaps to fifty per cent in the present population of one-million-six-hundred-thousand over the next fifteen years and recommends that agriculture and industry rather than commerce should receive more official attention. At present, only one-fifth of the national revenue is derived from agriculture and this year has seen below average harvests due to drought. If production is to be increased, an extension of irrigation will be needed.

"Trade continued to improve and customs receipts suggest that there is a gradual return to the volume handled before the 1958 disturbances. Modest industrial expansion, building activity and interest in the tourist trade continued throughout the year, but Beirut, in particular, needs a greatly improved road system and indications are that, because of the municipalities' low budget, the country, like many other Middle East states, is looking towards Kuwait for a long-term loan for this purpose.

"A 'transit agreement' covering goods and tourism, between the Lebanon, the United Arab Republic, Jordan and Saudi Arabia, was signed in March 1960.

"The thirty-inch pipeline of the Iraq Petroleum Company, when completed, will increase the flow of oil through Tripoli by three million tons per year.

Iraq

"The return towards normal trading conditions continued throughout 1960. Increased royalties from oil brought I.D. 95 millions to the Government, against I.D. 86.5 millions in 1959, but, unfortunately, this was to a great extent offset by another poor harvest, the third such in succession. Notwithstanding this setback, which meant very small exports of barley, and wheat having to be imported, the Government adopted a more liberal import policy. This led to some diminution of foreign assets but, with buoyant oil revenues and the promise of good grain and date harvests, there should be no foreign exchange difficulties and the long-term economic outlook is favourable.

"The intentions of Government in respect of industrial development have not yet been clearly defined, but it seems likely that heavy industry will be reserved for the public sector, with light industry in the main being left to Iraqi private enterprise. The provisional four-year development plan sanctioned at the end of 1959 provided for an expenditure of nearly I.D. 400 millions, of which the sum of I.D. 48 millions approximately was to be for agriculture, I.D. 39 millions for industry and the balance for communications, public buildings and social services. This level of expenditure seems very high and it is probable that the plan will be merged into a larger plan covering perhaps seven years.

The Gulf

"No general economic changes took place in this area during 1960. Last year, I mentioned reports that the Government of Kuwait was contemplating the issue of a separate Kuwaiti currency. The necessary decree was passed in October last and appointments to the new Currency Board have been made.

"It is understood that the Kuwaiti dinar, equivalent to the pound sterling, will not be brought into circulation until April or May at the earliest. The effects of this change on the area as a whole will be watched with interest.

"*Bahrain:* The year 1960 was uneventful, with trade on the whole rather dull owing to past overstocking. Local oil production during 1960 was steady at about the 1959 level, but, with an increase in crude imports, refining throughout rose by ten per cent. The Bahrain Petroleum Company continued exploratory marine drilling and the modernisation of Sitra Wharf to take tankers up to forty-five-thousand tons is well in hand.

"Of the Government works in progress, the deep water pier is expected to be completed in September, and the high level bridge at the Muharraq Causeway in June. Work on the new airport buildings, the Municipal buildings and roads continued.

"*Doha:* H.H. Sheikh Ali bin Abdulla Althani abdicated on 17th October 1960 and was succeeded by his son H.H. Sheikh Ahmad bin Ali, his nephew Sheikh Khalifa bin Hamad becoming Deputy Ruler and Minister of Finance.

"The year 1960 was calm and uneventful, but business was dull throughout the year, merchants generally being overstocked and short of funds.

"Oil exports were at about the same level as in 1959 and marine drilling made good progress.

"*Sharjah:* There was little change in business conditions during the year. Oil prospecting continues at Tariff.

Hadhramaut

"*Mukalla:* Business showed some slight improvement, as more merchants are now trading direct with foreign countries instead of doing their business through Aden. Oil has not, however, been found in the Northern desert, and exploration there has ceased on the breakdown of the negotiations for the renewal of the concession. On the long term, therefore, no startling change in Mukalla is probable. The Government are considering a port development project, costing approximately £400,000.

Aden

"Last year, I suggested that persistent strikes and labour unrest presented a serious challenge to the new legislative assembly, the outcome of which would be fundamental to the future of the Colony's trade and industry. It is satisfactory to record that the challenge appears to have been successfully met for the time being. Since last August, when new legislation came into force withdrawing the right to strike and setting up an industrial court for the settlement of trade disputes, there have been no strikes. This was in sharp contrast to the earlier months of the year when a serious strike in the oil refinery resulted in a setback in the Colony's trade. Fortunately figures for the second half show a marked improvement, particularly in connection with oil.

"This merely emphasises that freedom from labour trouble is essential for the well-being of the Colony, for, with no natural advantages other than its geographical situation and faced with a continuing reduction in its entrepot trade because of improved facilities in other ports in the area, Aden is becoming increasingly dependent on its oil refinery and bunkering business.

"Generally, there is a feeling of prosperity in the Colony, but this to a substantial extent stems from the expenditure by the armed forces and from a high level of activity in the building industry; favourable factors which will not necessarily continue indefinitely. Politically, it was a quieter year and, at the end of the year, it was announced that more administrative responsibility was to be transferred to elected members of the legislative assembly, an indication that the measure of self-government already introduced is working well. In the Western Protectorate, the federation whose formation I mentioned last year now comprises ten of the eighteen States in the Protectorate. As a political unit, the federation should gain in administrative authority after the Federal Government takes up residence at Al-Ittihad, the new capital. The situation on the border between the Protectorate and the Yemen has continued without incident, possibly because of internal difficulties in the Yemen.

Iran

"Despite the cut in posted prices of crude oil announced in August last, it is estimated that increased production should provide the currency with oil revenue in excess of £100 millions in the current Iranian year. The field at Gachsaran, one-hundred-and-fifty miles from Abadan, continues to be developed and is now linked by a hundred-mile gravity-fed land and submarine line with the new shipping terminal at Kharg Island which went into operation in July. This project adds substantially to Iran's capacity to export crude oil.

"Long-term Government development schemes are going ahead and one of them, the dam at Karaj, near Tehran, when completed shortly will, amongst other benefits, provide a more satisfactory water supply for the capital. Industrial developments in the non-oil sector are progressing favourably and many undertakings are expected to come into production shortly.

"On the economic side, the country is passing through a difficult period. Excessive imports over the last three years have caused balance of payment difficulties, with a consequent running down of foreign exchange reserves. For a short period in the summer, authorised dealers were forced temporarily to suspend remittances in payment of imports, as they were unable to obtain sufficient foreign exchange cover from the authorities. Throughout the year, however, Government have been progressively tightening their control, with a view to stabilising both the external financial position and the internal economy. Very high import taxes on non-essentials were imposed in September; strict regulations have been laid down prohibiting borrowings by Government departments and municipalities during the next three years; and the Bank Melli have very severely curtailed their advances to the private sector. The resultant credit squeeze is already very apparent in the Tehran bazaar but its effect in the long run will, it is hoped, be beneficial.

"The monetary and banking law of Iran, ratified on 20th May 1960, provides the authorities with important powers for the control of the internal economy. It set up the Monetary and Credit Council as the top financial authority and it provided for the splitting of the old Bank Melli into two parts: the Bank Markazi, which is now the central bank, and the new Bank Melli, which will continue to transact commercial business.

"All these measures seem to have had the approval of the International Monetary Fund, whose assistance has been obtained to bridge current exchange difficulties. There seems good reason for confidence that further financial help from international monetary authorities will be forthcoming provided Iran continues to endeavour to put its own house in order.

India

"India is now on the threshold of the third Five-year Plan, which starts in April. It is no exaggeration to say that the critical phase has been reached in the enormous task of raising, within the constitutional framework of parliamentary democracy, the living standards of a population, now estimated to number approximately four-hundred-and-thirty millions. It is generally agreed that the first and second Five-year Plans have successfully laid the foundations necessary for further economic advance, and the various criticisms so often voiced of this or that aspect of Indian planning policy must not be allowed to obscure the magnitude of what has already been achieved. Perhaps, industrial development has been allowed to outrun the supply of power and the provision of transport and is, therefore, partially nullified and no doubt undue emphasis has so far been placed on the development of heavy industry rather than increasing agricultural output, but agriculture is to receive a more prominent place in the new plan. The target for foodgrains has been raised by twenty-five million tons and a further twenty million acres is to be brought under irrigation. Soil conservation and an increased use of fertilisers are important planning features and, provided the practical work required to implement the plan is carried out, it is hoped that there will be a sufficient production of foodgrains for the country within the next five years. The Central Government will have to obtain the co-operation of the individual States in its plans as agriculture is a State subject under the constitution. The success of the third Five-year Plan, not only in agriculture but in all aspects covering industrial development, transport, power and communications, can only be relative to India's ability to raise the necessary foreign exchange, for the point has now been reached where future development is dependent upon external credits and aid funds. The comfortable cushion of foreign exchange reserves available at the beginning of the second Plan has been spent and the sterling balances are now only adequate for current needs. So far, official visits abroad have resulted in pledges covering approximately one-quarter of the external cost of the projects in the Plan, but no doubt considerably larger grants will be forthcoming as it seems clear that the Governments of the West will have to help India for many years to come. Encouraging, too, is the noticeable increase in enthusiasm, particularly from America, for investment of private capital, although Britain, privately and as a country, continues to make valuable contributions to India's development. Private investment from the United Kingdom, which in 1958 was estimated to be about £300 millions, is probably much higher now, whilst since that date official loans amount to £110 millions.

"India can itself contribute to the success of its ambitious plan by increasing exports, but can save little on imports which are now no more than sufficient to keep industry going. In time, the manufacturing industries developed under previous plans can be expected to make

a useful contribution to export earnings, providing costs can be kept down, but, for some time to come, reliance for help in this direction will have to be placed on the traditional exports, tea and jute. With the country's future development so dependent upon exchange earnings, it is all the more surprising that there should be increased interference by officialdom in commercial trading, particularly as experienced Government servants are so badly needed in the ordinary administrative duties for which their training suits them. Their handling of commercial undertakings, which can only suffer from lack of commercial training and knowledge, must prove costly to the country at a time when it can least afford it and the tendency to increase their activities is a further manifestation of the see-saw between public management and private enterprise. The private sector, which still accounts for ninety per cent of the total output of the economy, is, in the third Five-year Plan, once again to play a smaller part and only forty-two per cent of the total investment is allotted to it.

"The only other source of foreign exchange lies in India's hidden gold, but the authorities must by now despair of getting this into official hands and their endeavours seem more directed to the prevention of further hoarding by making savings more popular and curtailing the money supply. This is no doubt one of the factors enabling the Reserve Bank to go contrary to the Government's desire for cheap money; the other is an endeavour to contain inflation due to speculation, and, to achieve this, the Reserve Bank called on banks for special statutory deposits and has put considerable limitations on the amounts that banks may borrow from the central authority at bank rate against Government securities or under the bill market scheme.

"By bringing into effect a system of selective credit control, the Reserve Bank seems to have succeeded in introducing a dearer money policy without, on paper, increasing the cost of Government borrowing. This position may not continue, unless banks keep a reasonable interest differential between borrowing and lending, for, if unrealistic rates continue to be quoted for bank deposits, investors will be inclined to switch from Government securities. The quotation of unduly high deposit rates by indigenous banks nullifies the aim of the Reserve Bank, shown in its fixing of minimum lending rates, to enable those banks to make reasonable profits in order to build up their reserves. This concern of the Reserve Bank over the economic state of the indigenous banks, particularly the relation of capital and reserves both published and undisclosed, can be well understood after the banking failures in India in the current year and so can the Reserve Bank's desire that the smaller banks merge into stronger units.

Pakistan

"Sound leadership, political stability and a pragmatic approach to its problems made 1960 a good year for Pakistan. The Government continues to have the firm support of the mass of the people and progress has been made in establishing a system of semi-elective Local Government designed to inculcate a sense of civic responsibility in a population previously unaccustomed to participating in Local administration. This essay in what is termed basic democracy is seen as a move towards the restoration of some form of representative Government, but power for some time to come is likely to remain fundamentally with the Central Government. Martial law is still in force, but the Government wields its considerable powers with benevolence.

"The authorities have shown a welcome flexibility in meeting current economic problems. Foreign aid is still required, but, generally, the situation is favourable. Agricultural production has increased, partly due to weather conditions favouring crop production, but, for some years to come, the country's export earnings will continue to depend on raw jute and, to a lesser extent, cotton. It is, therefore, a little disquieting that, during 1959-60, foreign exchange receipts in respect of both these commodities showed a reduction. The recent sharp rise in world prices for jute, due to a reduced crop, is of doubtful benefit, as further impetus will be given to the efforts in the U.S.A. and elsewhere to find substitutes.

"An improvement in the level of exchange reserves has enabled the Government to liberalise imports in furtherance of its policy of reducing the price of consumer goods and of providing raw materials sufficient to keep industry operating on the basis of a one shift capacity. There has been continued expansion in industrial production and the demands made on the banks for advances in this connection, and the increased seasonal advances required for financing higher priced crops of jute and wheat, have placed all banks under strain and resulted in high rates in the inter-bank money market. An official restrictive credit policy is difficult to administer in an expanding economy with exceptional seasonal demands and, perhaps, a little more flexibility is required in the monetary management.

"In the long run, the future living standards of the population are going to depend very much on the success or otherwise of the second Five-year Plan, to which I referred last year and which came into effect last July. Laying the emphasis as it does on agricultural development, the Plan is a realistic effort to meet present needs in the light of the domestic financial resources available and of the foreign aid that is likely to be forthcoming. The emphasis in the Plan on raising agricultural production should help to avoid in future the strain imposed on the exchange reserves by continued importations of large quantities of foodgrains to meet deficiencies in home production. The official encouragement given to foreign investment and the wide scope being given to the private sector of the economy should have the effect of accelerating the already rapid industrial expansion. The reductions in company taxation announced during the past two years will also encourage enterprise. A most heartening feature of the past year has been the improvement in relations with India, the most important result of which, so far, has been the signing of the canal waters agreement.

"Last May, our Lyallpur branch moved into new office premises constructed for the Bank to give improved accommodation for our expanding business there.

Ceylon

"This time last year, there seemed reason for hoping that the general election about to take place in March would have the effect of providing Ceylon with a period of political stability, in which the new Government would have an opportunity of tackling the serious economic problems that confronted the country, but, unfortunately, a second general election was necessary in July and thus the unsettling effect of electioneering was felt for the first seven months of the year. Consequently, little or no action was taken during that time to deal with the two most serious aspects of the situation, the budget deficit and the continuing reduction in the foreign exchange reserves. The new Government, on taking office in July, was confronted, therefore, with a situation which was anything but promising and measures were taken to restrict imports and credit and to curtail foreign remittances. In the circumstances, such expedients were to be expected, as were the raising of interest rates and the tightening of hire purchase terms. It is somewhat surprising, therefore, that, despite increases in the existing rates of taxation and the imposition of a range of new taxes, the Government still finds it necessary to budget for an increased deficit. It appears unlikely that any substantial improvement will be effected in the general economic situation, until steps are taken to bring Government expenditure more into line with revenue.

"Foreign exchange reserves, which have shown a downward trend for four years, are reaching the point where there is no longer any surplus available for financing the development programme, although a more encouraging feature has been the reduction in the trade deficit shown by the latest available figures. A marked improvement in the production and shipment of tea, which is still the country's principal exchange earner, and an increase in the volume and value of rubber shipments have enabled exports to cover increased imports: not so encouraging is the fact that the increase in imports is largely accounted for by consumer goods at perhaps the expense of capital goods required for the expansion of production. Labour last year was less unruly, although it is possible that the elections have merely had the effect of postponing union demands. With freedom from strikes, the situation in the port of Colombo was a good deal better, but the freight surcharges, although reduced, have not yet been completely removed and shipping operators consider there is room for further general improvements in conditions.

"Looking to the future, the tea and rubber industries will be heartened by the Government's statement that the country would gain no advantage by nationalising estates and plantations. Having received a decisive mandate from the electorate, the Government is now in a position to put the country's trade and finances on a satisfactory footing and thus create conditions in which a programme of economic development to raise the living standards of the population might be undertaken. To achieve this, particularly in view of the present state of the exchange reserves, the Government welcomes investment of foreign capital but the high level of taxation imposed on existing foreign investment, the general uncertainty overshadowing existing business and the threats of greater participation by Government-controlled institutions in the import and export trades will not encourage potential investors, and, in these circumstances, it will be unfortunate, if the Government persists in its determination to introduce legislation to establish a State petroleum corporation, with power to acquire compulsorily the property of the foreign oil companies now operating in Ceylon.

Burma

"U Nu took office again as Prime Minister after elections held in February, in which his party gained an overwhelming majority. The outgoing caretaker Government, headed by Ne Win, had brought about many improvements in conditions in Burma, an outstanding feature being the success achieved in curbing terrorist activities in upcountry areas. This improvement in internal security, which will have to be maintained if further economic progress is to be made, enabled this bank to extend its operational area in rice milling business. In addition to financing millers in the Rangoon and Bassein area, we are now assisting customers in districts along the Prome and Mandalay railway lines.

"In this, the mainstay of our banking business in Burma, we have to meet more and more competition and the State Agricultural Marketing Board this year set aside the increased sum of Kyats 20 millions for lending to rice millers through certain indigenous banks. The Board has stated that, in order to improve the milling of rice for export, it will build twelve modern mills of one-hundred tons capacity in ten towns and will also finance the repair and modernisation of other mills owned by private millers. Most of the eleven-hundred-and-fifty rice mills in Burma were built between 1902 and 1913 or 1924 and 1939. These efforts to improve rice exports are understandable, for the country still depends on rice for seventy per cent of its export earnings, and, although production is gradually coming back to pre-war level, the area under paddy is still two million acres less than in earlier years. Fortunately, however, oversea demand seems as strong as ever and it is reported that the 1961 rice crop has practically all been sold, with buyers including China, India, Pakistan and Indonesia.

"Before the war, there were various products, apart from rice, which made significant contributions to Burma's export earnings, but, so far, progress in restoring output of these has been disappointingly slow and shipments of minerals such as tin, wolfram, lead and zinc are barely equivalent to half the pre-war level. Timber production is almost back to pre-war level, although teak output is still lagging. Petroleum production continued to increase, but at a rate insufficient to meet the expansion of domestic demand; a situation which led the Government to authorise the importation of Russian oil.

"Despite good export figures in 1960, increased imports, particularly in textiles, resulted in a reduction in the exchange reserves, which nevertheless, still remain at a comfortable level. The United Kingdom's performance in this market was disappointing: whilst its imports from Burma increased by £2 millions its exports fell by nearly £3 millions and trade between the two countries is now almost balanced at £10 millions each way annually.

"The Government has given a welcome indication that there is no intention of nationalising foreign banks in Burma, having no wish to discriminate against institutions contributing to the country's economic stability. In trade, the activities of the Defence Services Institute, an army organisation, and other State-trading agencies which continue to expand must dampen private enthusiasm and commercial activities, generally. Foreign import agencies are being transferred to Burmese nationals, although, in terms of the Nu-Attlee Agreement, the Burmese Government should consult with the British Government before action is taken in respect of British agency business. The authorities are showing themselves increasingly aware of the importance to the country's future of investment from abroad and it hardly needs emphasising that foreign interest in this field will be largely determined by the treatment of existing foreign investment.

Singapore

"The fundamental economic problem in Singapore is to provide adequate employment opportunities for a rapidly increasing population, approximately half of which is under the age of twenty-one. To meet at all successfully the coming demand, it is essential that the entrepot trade, long the mainstay of the economy, be maintained. It is unfortunate that the improvement, which I mentioned last year, in relations with Indonesia has not, so far, resulted in any significant increase in trade. From the negotiations, which are still continuing, it appears that there is a genuine desire for co-operation and now that an official trade representative from Singapore has been appointed to Djakarta perhaps agreement will be reached for a resumption of trade on a large-scale between the two States. Talks have continued between Singapore and the Federation of Malaya on a commodity common market and, if negotiations are to be successful, perhaps some modifications in Singapore's free port status will be necessary, and also a measure of co-ordination between the industrial development programmes which both Governments have in hand.

"The other important factor for the provision of employment will be the measure of progress made in Singapore's own industrial development, and, in this connection, it is promising that the Government has been strong enough to come to grips with what have hitherto been major obstacles to progress, that is, irresponsible trade union activities and bad labour relations generally. The introduction of an Industrial Relations Ordinance providing for compulsory arbitration by a special court is evidence of the Government's determination that prolonged labour disputes should not be allowed to paralyse trade and industry and prejudice local living standards by driving business enterprise elsewhere.

"The Government is also assisting by taking active steps to encourage more rapid industrialisation and a major feature of its five-year plan for capital investment is the provision of a site for an industrial estate in Jurong. This project, in which Japanese enterprise is showing interest, involves the development of an iron and steel mill and other ancillary industries. A site at Redhill is also being developed for small and medium scale manufactures and it is possible that a number of factories on this estate will be in operation within a year or so. Unfortunately, the Economic Development Board, whose proposed formation I mentioned last year, has not yet commenced operations, owing to difficulties in recruiting skilled and experienced personnel. This may now be overcome by assistance from the World Bank and the Board may soon be in action. It is not so much an abundance of planning that is required at this stage, however, but rather determined action to build and run the manufacturing units which are to produce the good quality goods for home consumption and for abroad.

"I do not think that anyone would deny that the record of the present Government in Singapore over nearly two years of office is of a high order and has shown a realistic approach to a situation, political and economic, which at times must have been far from easy to handle.

Federation of Malaya

"For the Federation of Malaya, the past year has been saddened by the death within the space of five months of two reigning Paramount Rulers. The loss of men of their calibre, well respected by all races and political parties, is a serious one to the country. In most other respects, however, fortune favoured the Federation during 1960. Abroad, the Government's decision to send a contingent to join the United Nations' forces in the Congo was evidence of growing interest and influence in international affairs. At home, the official ending of the emergency in July after twelve years, an increased trade surplus and the first overall budgetary surplus since 1956 were all notable features in an exceptional year.

"The ending of the emergency has enabled the Finance Minister to halve, in his 1961 budget, the estimate for expenditure on internal security, a fortunate saving which can now appropriately assist in financing the increasing Government expenditure required for the second five-year plan. Last year, the buoyancy of the revenue, largely because of higher export earnings, and the fact that expenditure did not reach the original estimates, produced a surplus on current budgetary account more than sufficient to cover development expenditure. Fiscally, therefore, the Federation enters 1961 in a strong position, but, as last year's prosperity in the rubber and tin industries was due to factors in international markets which may well prove to have been fortuitous, the Government is wisely taking a conservative view on future revenue. Steps have been taken to administer the tax system more efficiently, but the scope for increased revenue from income and company taxation is limited and, for a long time to come, the Federation is likely to be dependent upon the rubber and tin industries, which not only supply the major part of its revenue, but account for eighty-five per cent. of the export earnings on which the Federation's prosperity depends.

"World trends, prices of and demands for these commodities are, therefore, of vital interest to the Federation and, in the international market for rubber, prices during the year rose to a peak in May, from which time there was almost a continuous steady downward trend. This decline reflects a lack of oversea demand and, as a result, stocks in the Federation and Singapore have increased over the year. The tin industry regained much of its former prosperity and prices in the international markets were remarkably steady, notwithstanding increases in export quotas and the lifting of all restrictions in October. Another industry that is making a favourable contribution to exports is iron-ore and the year showed marked increases in production, particularly in Perak although Trengganu is still by far the largest producing area. The latest figures available show an increase of sixteen per cent. in the country's oversea trade surplus for the year and it is noticeable that the Federation's share of total Pan-American trade is also tending to rise. Fortunately, all this has been achieved with very little inflation.

"There has been considerable progress in industrial development and a wide range of industries and products are benefiting under the Pioneer Industries (Relief from Income Tax) Ordinance. The whole of the area of Petaling Jaya set aside for industry has been taken up and new industrial zones are planned in Johore, Ipoh and Butterworth. Progress in these areas will depend a great deal on adequate electrical power, largely from the Cameron Highlands hydro-electric scheme, which is ahead of schedule and is expected to cost less than originally estimated. Work on the North Klang Straits scheme to provide modern wharf facilities at Port Swettenham is now well under way and there are also proposals to improve and develop port facilities elsewhere. When these schemes are completed, the Federation will be less dependent on Singapore for handling oversea trade, but, at the present rate of progress, it will be many years before Federation ports are in a position to handle all the country's trade.

"Relations between the commercial banks and the Central Bank of Malaya continue to be excellent and there is close co-operation in this field. The Central Bank has steadily increased its influence in the country's financial affairs and among other functions has now taken over the duties of servicing the public debt. The new Currency Agreement to which I referred last year comes into force this year. This provides for the Malayan dollar continuing in circulation in the Federation, Singapore and the Borneo territories and remaining linked to sterling at the 2/4*d*. parity. The official affirmation by the Federation Government that the strength and stability of the Malayan dollar will always remain a principal objective is a welcome indication of official awareness of the importance to the Malayan currency area as a whole of one sound and stable monetary unit.

"In spite of the fall of rubber prices, the Federation enters 1961 with favourable prospects, but, in the long-term, the country's future depends very much on steady expansion of production to the extent necessary to maintain already good living standards for a population whose rate of natural increase is one of the highest in the world.

North Borneo

"Indications are that, when final figures are available, North Borneo's trade turnover in 1960 will have exceeded $400 millions; a considerable increase over 1959 figures which were themselves a record. Timber was again the Colony's most valuable export and also the largest source of Government revenue. Substantial revenue was also received from the rubber industry and, although shipments were down, world prices were good and valuable exchange was earned. The barter trade in copra with the Philippines and Indonesia continues and exports of this commodity from North Borneo have shown a satisfactory increase. Small exports of cocoa have started as a result of the development of production in the Tawau area.

"Better communications are still the prime need for the Colony's development and a good financial year has enabled the Government to intensify its policy of building new roads. One cross-country road from the east to the west coast will facilitate development of the Labuk Valley, where surveys are being aided by a United Nations' grant. Labuan airport is being brought up to full international standard and elsewhere existing airstrips are being improved and new ones provided. Port facilities, too, at Jesselton and Tawau have been improved.

"It is encouraging to find local agriculturalists taking more and more advantage of the rubber re-planting scheme and development should no longer be hindered by a shortage of unskilled labour as the immigration policy, although not an unqualified success, has enabled demand generally to be met.

"I would not wish to end this brief survey of North Borneo without adding a tribute to the late Sir Roland Turnbull. During the period of his Governorship of the Colony from 1954 until his retirement last year, Sir Roland gave unsparingly of his health and energy. It is in no small way due to his efforts and vision that the economic future of North Borneo seems to be set fair. We wish the new Governor, Sir William Goode, all success during his term of office.

Brunei

"Provision was made in the Constitution announced in September 1959 for an elected majority in the Legislative Council, but the first election was to be delayed for two years. It has now been announced that next September elections will be held for district councils, which will themselves elect the sixteen unofficial members of the Legislative Council hitherto appointed by H.H. the Sultan. There will still be a narrow nominated majority in the Legislative Council, but the new Constitution, when it is in full operation, will go a long way towards representative Government.

"Virtually, the whole of the country's earnings accrue from oil royalties, which are paid direct to the Government. Therefore, in the absence of a large-scale programme of public works to spread a proportion of these royalties among the population, there is apt to be a shortage of purchasing power locally. Last year, no new development schemes were initiated and not all those already planned were completed. In consequence, trading conditions generally have not been easy within the country. Because of falling production and the lower level of prices in international markets, the State's income from oil has been reduced, but oil reserves are estimated to be adequate for about another twenty years and the Government is in the happy position of having in addition to the oil royalties, an investment income roughly equivalent to recurrent expenditure. The present position, therefore, is more than comfortable, but in the long run, a planned programme will be necessary to develop a more broadly based economy and so lessen the present almost complete dependence on the oil industry.

Sarawak

"Rubber continues to provide more than half Sarawak's export earnings and the increased shipments in 1960, with continued favourable world prices, ensured good oversea trading figures for the second year in succession. The other substantial contribution was from timber exports which have more than doubled in value since 1958. There was some reduction in Japan's demand in the second half of the year, but world demand in general for ramin continues at a high level and prospects for the industry appear good. The tonnage of pepper exported was, on the other hand, disappointing, being only approximately half that shipped in the previous year but the difference in world prices between black and white pepper encouraged production of the latter, so that the reduction in quantity exported was offset to a great extent by the higher value of the white pepper shipments. There is evidence also that producers, aided by the Government's storage scheme, have been marketing their output more gradually and thereby obtaining better average prices.

"With exports well above normal, Government revenue from commodity duties reached a record figure last year and this allowed the appropriation of a further $25 millions for development purposes. As a result, Government has been able to approve increases in the 1959-63 programme. With recurrent expenditure tending to exceed the natural growth in revenue, and with the need to provide for increased debt charges, it has been found necessary to introduce direct taxation from the beginning of 1961.

"At present, the improvement of communications is a major feature of the development

schemes in progress. The various road projects which are being carried out will open up new areas in the hinterland and the new port at Kuching is expected to be in operation about the middle of the year. The Government-assisted coconut planting scheme launched in 1959 makes satisfactory progress and experiments are being made to see if oil palms can be successfully grown. If large-scale production of these two commodities were to prove possible, the range of products from which the Colony's export income is derived would be materially widened. Agricultural development in Sarawak is clearly the most promising line of advance for the future, particularly as the search for new sources of oil has so far proved unsuccessful. On the other hand, the mining of bauxite has continued to expand and a number of small factories ancillary to the rubber and timber industries are coming into operation.

Indonesia

"Political and economic developments in Indonesia during the year are difficult to follow, unless one has an understanding of the national aims of this still new independent nation and sympathy with its ideals. Internal politics witnessed a return towards the type of Government of the early days of the unitary state, often now referred to as the 1945 concept. This has probably meant the lessening of parliament's influence and importance, although the "Gotong Rojong" (mutual assistance) parliament, including elected members of five parties, still sits. Two parties, the once strong Muslim Masjumi party and the former socialist P.S.I. party, were banned from political activities and dissolved. Affecting both internal and external relations were the problems which have arisen over the Chinese population and their exclusion from commercial activities. Perhaps through expediency, or perhaps through a lessening in the tense relations with China, official views seem a little more tolerant towards the question of dual nationality, but there are still decided reservations on Indonesia's part in respect of the extent to which citizens of Chinese origin will be allowed to enter the national life. West Irian continues to remain a thorny international problem and increased political activity over this issue has caused an intensification of feeling against the Dutch.

"The concept of guided democracy, although political in origin, clearly influences, if not dominates, the economic scene. It would, taken to its ultimate, mean complete governmental control of the economy and finance and I can only here reiterate my views that controls and restrictions are not finally advantageous to a young, independent nation, and express my hope that, as the economy becomes stable, more and and more relaxations will be permitted. At the moment, most of the country's international business is conducted by Government or semi-Government organisations, but private enterprise is still capable of playing a large part and giving great assistance in the country's fight for economic independence if allowed to do so.

"An analysis of the country's external position suggests that exports should continue to balance essential imports and that foreign aid from a number of sources should care for industrial development. In 1960, final figures will probably show exports to be slightly down on 1959, mainly due to a reduction in earnings from petroleum and to disappointing rubber shipments at a time when good world prices were obtainable. This disappointing performance in respect of rubber may continue, unless yields are improved and costs lowered, and, to effect this, some action seems to be necessary to allay the uncertainty in the industry over the renewal of titles and to free funds now blocked in order that replanting programmes can be continued. Tin earnings have increased, following the abolition of the export quotas imposed by the International Tin Council.

"The Indonesian authorities are keenly interested in expanding existing and developing new international markets for the country's staple exports, and realise that an improved monetary situation at home will help to make their products more competitive abroad. Steps are, therefore, being taken to curb Government spending in excess of budgetary revenue and, in April, a budget was introduced in which revenue was estimated to cover expenditure. Unfortunately, thirty-seven per cent of the revenue was needed for armed forces and, until the internal security problem is finally resolved, it is going to be extremely difficult to stop official borrowing from the Central Bank and prevent further increases in the note circulation. The halting of inflation which has done so much harm to the Republic's economy, may be possible in the coming year and, if sustained, would have a decisive effect in promoting the economic recovery of, potentially, the richest country in South East Asia.

Thailand

"Politically, Thailand again enjoyed a year of internal stability, but, in the second half of the year, the situation in the neighbouring State of Laos obviously caused the Government considerable anxiety. The energetic endeavours of Field-Marshal Sarit's administration not only improved conditions generally within the country, but thereby assisted in the record exports, which allowed the retention of that rarity, a free economy with unrestricted imports. The export figures owe much to good world prices for rubber and earnings from this commodity are now greater than from rice. The tonnage of rice shipped last year was higher than in 1959, but world prices were lower and finding oversea buyers is becoming increasingly difficult and Thailand is taking steps to get rid of future exportable surpluses by improving the quality of its rice. The United States action to see that surplus American rice shipped under Public Law 480 will not be allowed to prejudice the position of exporters in South East Asia will also aid to this end.

"In common with neighbouring countries, Thailand is anxious to encourage industrial development and the country's first development plan, covering a period of six years and based on recommendations by an International Bank of Reconstruction and Development team, is to begin in October 1961. In the meantime, much is being done to publicise investment opportunities and examine proposals for industrial projects and already approval for the establishment of a number of light industries has been given. There is, however, an acute shortage of local capital, with consequent high interest rates, which prevents any enterprise of size being set up without either Government support or foreign investment. This makes it all the more important that the limited resources available be used in the development of agriculture, from which the country's foreign exchange earnings are derived, and the new plan recognises this by placing the emphasis on agriculture and communications rather than on power and manufacturing industry. The Bank of Thailand is gradually emerging as a strong independent central bank, which is essential in a country like Thailand, where politics can have a detrimental effect on the economy. The liberal exchange policy followed has, in recent years, proved vastly more effective than rigid exchange controls and the economy as a whole has benefited considerably from the absence of restrictions. Exchange rates, too, have been kept steady and credit for this is largely due to the successful operation of the Exchange Equalisation Fund, which has now been working most effectively for more than five years.

"No review of the country would be complete without mentioning the goodwill generated in all directions, including this country, by the extensive and exhausting series of royal visits carried out by their Majesties the King and Queen of Thailand.

Vietnam

"For more than six years, President Ngo Dinh Diem has been responsible for the Government of Vietnam, first as Prime Minister and then as President, and it is largely due to his firm leadership that law and order have replaced chaos, the country has been saved from communism and great strides forward have been made in agricultural and industrial development. It is perhaps all the more surprising to the outside world therefore that there was in November an attempted coup d'etat, although here again it was the President's characteristic courage and determination that was largely instrumental in overcoming the attempt to oust his Government. Although the communists did little to exploit the situation, there is no doubt that their subversive activities tended to increase during the year, but their efforts to undermine the present regime are likely to be unsuccessful unless there is a general feeling that austerity and controls are bearing too heavily on the people. The long border with North Vietnam and the survival of remnants of the private armies suppressed in 1955 makes sporadic acts of terrorism inevitable, which is perhaps all the more reason for the easing of general controls for it would be tragic if the encouraging progress made in recent years in restoring the national economy were to be jeopardised by political instability.

"An indication of the extent of this progress is the reduction in American aid, for, whereas a few years ago, export earnings represented only about twenty per cent of the import bill, in 1960, they represented about thirty-eight per cent and, with present progress, there is no reason why a year from now the figure should not be fifty per cent. This improvement in the trade situation has been brought about by the continued good exports of rubber and by a very marked increase in the exports of rice which, at 350,000 tons, makes the best year since the war and is in marked contrast to 1956, when there were no exports at all. The favourable balance of payments has been reflected in a steady rise in the exchange reserves, but, last year, American aid was cut by U.S.$30 millions and Vietnam had to pay for a wider range of imports from her own exchange earnings. It is possible that further cuts in American aid will be made in 1961, but, notwithstanding this pattern, it is hoped that Vietnam will be able to maintain her present reserves, which, at a figure of roughly U.S.$200 millions, provide the cushion necessary for the country's foreign trade.

"I have already mentioned that excessive controls are liable to cause discontent amongst the population. They will, too, stultify economic progress, if imposed too harshly on the activities of the business community and, if the industrialisation programme is to be carried through successfully, then possibly the time has arrived for some relaxation.

Cambodia

"For the Cambodian people, the year has been saddened by the death in April of King Norodom Suramarit. The late King did not nominate a successor and, following a referendum in June, Prince Norodom Sihanouk took office as Chief of State. Later, at the unanimous request of the National Assembly and Royal Council, he accepted the post of Prime Minister. The Prince is exceedingly popular with all sections of the community and under his leadership the country should continue to prosper.

"Pursuing its policy of strict neutrality between the major international power blocs, Cambodia continues to receive aid from any source, provided it is free from political conditions. The generous help so received has contributed much to the feeling of prosperity in Phnom Penh, the capital, where new building proceeds apace and roads and water supply are being rapidly improved, and in the country where better communications and new industries already in operation and will, in time, make the country less dependent on an economy based on agriculture only.

"The country's major sources of export earnings are still rubber and rice and, to a lesser extent, maize. With favourable prices in international markets, rubber shipments have increased significantly in value and the latest figures available show that the overall value of exports has been running at a higher level than in 1959. On the other hand, imports have increased to an even greater extent, particularly from France and from countries such as Japan and the Soviet bloc with which Cambodia has bi-lateral trading agreements. Foreign aid has more than covered the trade deficit, however, and the country's exchange reserves increased over the year.

"Business in Cambodia continues to give an impression of expanding prosperity and, given political stability, prospects in the immediate future would seem to be promising.

The Philippines

"By April, continuing improvement in the economic situation in the Philippines allowed the monetary authorities to embark on the first phase of a decontrol programme. This was a system of dual rates of exchange whereby the official rate of two pesos to one United States dollar was to be used for all essential imports under quota while all other imports, profit remittances, etcetera, were permitted at the "free market" rate of exchange of Pesos 3.20 to U.S.$1. Free market is perhaps a misnomer, as rates in both categories are controlled by and dealt in through the Central Bank. On these quoted rates, there was an exchange margin of twenty-five per cent, which constituted a weakness in the system, as it created too wide a gap between buying and selling rates of exchange and made black market operations possible. In September, with the international reserves once more at U.S.$200 millions, the second phase of decontrol was introduced, bringing the free market rate to three pesos to one United States dollar, widening its application and reducing the exchange margin to twenty per cent. This exchange tax, which transferred Pesos 273 millions in the year to official funds, is undoubtedly being retained as part of the Government's policy of endeavouring to control inflation. The introduction of a better flexible tax for this purpose is no doubt difficult, but the present exchange tax unduly intensifies the effects on the banks and the business community of the government's already drastic tight money policy.

"Although a favourable showing in exports, particularly sugar shipments to the U.S.A., assisted by a quota readjustment in respect of Cuba, helped to build up the international reserves, there is a growing realisation that a greater diversification of international trade is necessary. Many prominent officials visited Europe during the year in search of increased markets in that area. Determined efforts too, were made to attract foreign investment and many official pronouncements were directed to allay the fears of established and intending foreign investors. The emphasis is on joint ventures, with the foreigner holding a minority interest, but the present application of the Filipino first policy will need tempering and a foreign investment law introduced giving sufficient safeguards and guarantees to the investor if the much needed foreign capital is to come to the country.

"Industrialisation has shown continued progress and attention is being given to developing areas outside Luzon, and in Mindanao for example, the government are going ahead with schemes to provide power and communications in order to give more employment opportunities for the population of that island. Unfortunately, the Philippines was hit by a series of severe typhoons during the year which affected crops and, in some cases, reduced exportable surpluses. There are prospects of better crops for the coming year and, as the Government is now able to reduce its expenditure on capital goods and will probably obtain a very substantial loan from Japan under reparations agreement, the immediate outlook must be considered favourable.

Hong Kong

"The dominant impression the visitor receives of Hong Kong is still of a bustling, thriving community, crowding through the streets with an object in life and this impression would correctly reflect the vitality and the intensive application to the task in hand of a people that once again have given the Colony a prosperous year with increased exports and trade turnover. An indication of the remarkable industrial progress of recent years is that locally manufactured products now account for over seventy per cent of export earnings and the range of local manufactures is steadily widening and finding expanding markets abroad. There are weaknesses in the economy and the tendency of some of the new under-capitalised and ill-equipped manufacturers to lower standards of shipments may affect Hong Kong's good name in oversea markets and have serious repercussions. An example of this was to be seen in the garment industry which, after meteoric expansion, faced claims and large cancellations of orders in the middle of the year. The textile industry generally has, however, been outstanding in increasing its productive capacity and textile exports as a whole showed an appreciable rise during the year.

"There has been bitter criticism in Hong Kong of the way in which the restriction on local textile exports to the United Kingdom has worked out. The main result of this restraint, voluntarily exercised by the Hong Kong manufacturers, appears to be that an opportunity has been provided for European and other new competitors, who are in direct competition with Hong Kong manufacturers, to penetrate the British market at Hong Kong's expense. This is a vital matter for the Colony, since industrial expansion is progressing at such a pace that finding markets for the products of the additional manufacturing capacity, and in the face of keen competition from neighbouring countries, may well become a major problem in the future. Now that shortage of semi-skilled labour is tending to force wage rates up and heavier taxes may have to be faced because of increased Government expenditure and budgetary deficits, a progressive improvement in the price, quality and range of local products will be all the more important, if exports are to expand further. The Federation of Hongkong Industries, which was inaugurated at the end of the year and is representative of every substantial industry, should be of considerable assistance in this connection and should enable more organised and articulate representations to be made from the Colony, which imports considerably more from the United Kingdom than it exports.

"One of the major problems posed by the industrial expansion in Hong Kong is finding the land on which to build new factories. Industrial development continues apace at Kwun Tong and various other major reclamation schemes are under consideration by Government. Private building development continues on a most impressive scale on both sides of the harbour and has had the effect of stimulating a considerable increase in the price of land in all parts of the Colony. It is a notable achievement on the part of the Hong Kong Government that, in spite of the shortage of land and difficulties over water supplies, almost half a million refugees have been resettled since 1952 and the cost of housing them has been met from Local revenue. The Shek Pik reservoir project on Lantao Island is expected to be completed in 1963 and, meanwhile, Hong Kong is receiving a supply of water from the Shum Chun reservoir in mainland China. There are also plans for an integrated water supply for the New Territories. Consistent with this expansion in all sectors of the Colony's economy has been the large increase in the number of banks established in Kowloon and the New Territories during the past year. We ourselves opened a new office at Tsuen Wan last August and hope to open our main Kowloon office and also one at Shamshuipo shortly.

China

"Recent official announcements confirm that food crops in China, for the second year in succession, have suffered extensive damage from floods and drought. In fact, in 1960, the fall in food production from these causes has presented a real threat to the life of the people, which would have been worse but for the extent to which volunteers in the more populous areas aided the agricultural workers in their stubborn fight against threatened famine.

"The effect of these national disasters was probably the main reason for the shift of official emphasis from industrial to agricultural development. The change was, however, no doubt assisted by the completion of the industrial development associated with the second large Russian loan if we can judge by the return of Russian technicians loaned under that agreement.

"Much has been done to improve the transport system in recent years but it is still inadequate for the commercial needs of the country and to deal with emergencies, such as large movements of food from surplus to stricken areas.

"The necessity of supplementing food supplies by grain imports will impose additional strain on the country's foreign exchange reserves and thereby reduce the hoped for expansion of trade between China and countries outside the Soviet bloc. The United Kingdom's share of this increased fifty per cent during 1960 but is still only two per cent of China's total trade.

"Our Shanghai office continues to work smoothly.

Japan

"Serious disorders, largely instigated by students, in opposition to the Mutual Security Treaty with the United States led to the eventual resignation of Mr. Kishi's ministry. However, a new liberal democratic Government under the leadership of Mr. Ikeda was confirmed by the general elections in November and with a majority which showed clearly that the Japanese people as a whole repudiated the subversive elements responsible for jeopardising law and order.

"The impressive development of the Japanese economy in recent years has raised the general standard of living to an extent which was unknown in even the best of pre-war years. Once again, a record rice harvest has made the country virtually self-sufficient in this staple foodstuff, an achievement of vital importance, in view of the rapidly expanding population which has now reached ninety-three millions, and particularly meritorious in view of the scarcity of good agricultural land. Exports for the year rose to a record level, the most notable aspect of which was the doubling of shipments to the United States.

"The success of Japan's trade and industry in expanding exports has not led the authorities to minimise the stiffening competition in international markets. The reduction in European industrial costs, which is to be anticipated within the next few years as the European Economic Community comes into full operation, emphasised the importance of a progressive improvement in the quality of Japanese products and a widening of their range. The wage differential between industry in Japan and elsewhere, which is often taken as a measure of Japan's competitive advantage in international markets, is not nearly as wide as generally supposed and by no

THE ANDHRA BANK LTD.

ESTD. 1923

Head Office: Masulipatam

Paid-up Capital ... Rs. 41,64,945 — Statutory and other Reserves ... Rs. 19,73,220

74 Branches in the States of Andhra, Madras, Mysore, Orissa and Maharashtra.

Savings Bank Accounts	..	Interest allowed at 2½ per cent per annum. Withdrawals permitted by cheques.
Cash Certificates	..	For 3 and 5 years issued at Rs. 88 and Rs. 80.50 per cent respectively.
Recurring Deposits	..	For Rs. 10 and multiples thereof for 24, 48 and 72 months are accepted.
Fixed Deposits	..	Attractive rates of interest offered.

ALL TYPES OF BANKING INCLUDING FOREIGN EXCHANGE TRANSACTED.

T. SRIRAMULU, *Managing Director.* T. R. BHAGAVAT, *General Manager.*

CHARL

means all sections of Japanese industry are enjoying the present prosperity. In the shipbuilding industry, for instance, new orders are now dwindling to the point where the more progressive shipyards are finding it necessary to diversify their activities.

"In general, however, industrial capacity is still increasing and there are extensive plans for new investment in plant and equipment, which should benefit from the lower level of interest rates now in force. The remarkable effort which has been made in opening up new markets for Japanese goods all over the world still continues with undiminished vigour, while connections are also being developed with areas such as the Persian Gulf and South America, which can provide the oil and iron ore required in increasing quantities by Japanese industry.

"The recent steps taken by the United States Government to strengthen their country's payments position seems likely to have considerable adverse effects on Japan's dollar earnings and this may force Mr. Ikeda's Cabinet to tackle one of its biggest problems, which is whether or not Japan should recognise the Peking regime, with the possibility of substantial trade between the two countries eventuating.

New York

"The new President of the United States has lost no time in announcing positive policies to remedy his country's payments deficit, which has been caused mainly by the generous scale of American aid but was also considerably aggravated last year by an outflow of short-term funds to take advantage of higher interest rates in other financial centres. The loss of gold over the last three years, which has been the result of this deficit, has attracted world-wide attention and has led to much exaggerated and misguided speculation about the stability of the dollar. Such thinking does not take sufficient account of the enormous strength of the American reserve position.

"It is proposed that the burden of financing defence and economic assistance, the major part of which has hitherto been borne by the United States should be more evenly shared by allied countries with the necessary productive capacity. Any significant reduction in American Government expenditure abroad will have marked repercussions in the many countries whose economies at present benefit from it.

"In many respects, last year proved disappointing for trade and industry in the United States, because the boom, which had been so confidently predicted, failed to materialise. Nevertheless, there was a strong demand for American goods in foreign markets and the trade surplus increased from $900 millions in 1959 to $4,500 millions last year. Now that the Government has announced a renewed export drive, American competition in the international field is likely to increase, particularly as industry is not at present working at full capacity.

"Last October, the Bank's agency in New York moved to new and more advantageously situated ground-floor premises in the heart of the financial district.

Hamburg

"The political situation in West Germany is dominated by the unresolved question of Berlin's future and the outcome of the general election to be held in September. German exports and imports have continued to expand, but, so far, the differences which stand in the way of reconciling the European Economic Community and the European Free Trade Association seem as wide as ever. A considerable proportion of German trade is, however, conducted with the countries comprising E.F.T.A. and the German Government is known to be exerting its considerable influence towards bringing about agreement between the two trading groups.

"There is little, if any, unemployment in West Germany and, with wage levels and personal incomes rising and industrial expansion continuing at a rapid pace, the authorities have been at pains to check incipient inflation. Unfortunately, the orthodox expedient in such circumstances of raising interest rates caused an influx of foreign funds, which reinforced the trade surplus to the extent that the country's accumulation of foreign exchange has become a major international problem. This gave rise to conjecture as to the possibility of the exchange value of the currency being raised, but the official view is that revaluation would not be justified by what is essentially a matter of temporary imbalance. The recent lowering of the central bank discount rate will help to bring German rates more into line with those in other financial centres, but the effect may be gradual, as the general structure of interest rates in the Federal Republic is not so directly dependent on the discount rate as elsewhere.

"The increased business handled by our Hamburg agency necessitated a move last December to more modern and convenient premises.

Conclusion

"This review emphasises the extent to which most of the countries of the East are dependent upon foreign aid and investment for the success of their development plans. It indicates, too, the tendency of these countries to hem themselves in with trade and other restrictions but what it does not show is the repercussion of these policies on the ordinary trading activities of foreign business. The Chartered Bank which has operated in many of these countries for nearly one-hundred years and has always identified itself with the local economy, is prepared, as I am sure other British enterprises are, to co-operate with the authorities and assist in their national aspirations and it is all the more disappointing, therefore, to find increasing discrimination against our participation in trade and commerce. On the sanctity of existing capital and the treatment of existing commercial undertakings must largely depend the advent of new capital, for new capital can be expected mainly from those who know the territory and have confidence in it, i.e., existing investors and traders. To add to the difficulties encountered through Governmental action is the excessive competition arising from the over-banking of many cities in the area. In not all places is this as chronic as in Hong Kong, where there are now over eighty banks, but the general tendency of international banks to open branches in our territory and of small local banks to spring up overnight, often with the encouragement of large banking interests in this country, means a regrettable lowering of banking standards. This trend must finally be to the disadvantage of the country concerned, for, not only is encouragement given to the under-capitalised and often inefficient to set up industries, usually to become poor shippers and bring the country a bad name in oversea markets, but the general lowering of commercial standards may unfortunately mean losses on the part of the public."

JUST OUT

INVESTORS ENCYCLOPÆDIA

1960 EDITION

Contains details of a precise nature of most of the public limited companies in India, giving details about the date of registration, nature of business carried on, managing agents' name and address, directors and their share qualifications, details of capital and shares, capital history, share registration fees, names of auditors, period to which the accounts close, date of meeting, summary of latest balance sheet, progressive statement for last seven years giving information about taxation, depreciation, allocation to reserves, net profit, dividend declared, amount carried forward and highest and lowest prices. Also information of a general interest, viz., Government and Public Bodies Loans, Income and Super Tax, Agricultural Tax, Estate Duty, Capital Control Order, Promotions of the companies under the new set up and various other information of general interest, maps showing the location of various industries in various states.

It is also included in the above year book, the details about the procedure involved in applying for industrial license, both at State and Central Government levels, incentives available for foreign investment in India, double taxations relief, details of foreign capital participation and industrial classification of Government-controlled companies.

Industries are classified as under :—

1. Banks
2. Cements
3. Coal
4. Electrics
5. Engineering
6. Insurance
7. Investment Trusts
8. Jute
9. Mining and Chemicals
10. Miscellaneous Companies
11. Paper Mills
12. Plantings
13. Public Sector
14. Railways
15. Sugar
16. Shipping
17. Textiles
18. Vegetable Oils
19. General Information

For easy reference purpose, there are sectional thumb indexes. The sections are also interspaced with charts, graphs, diagrams and maps.

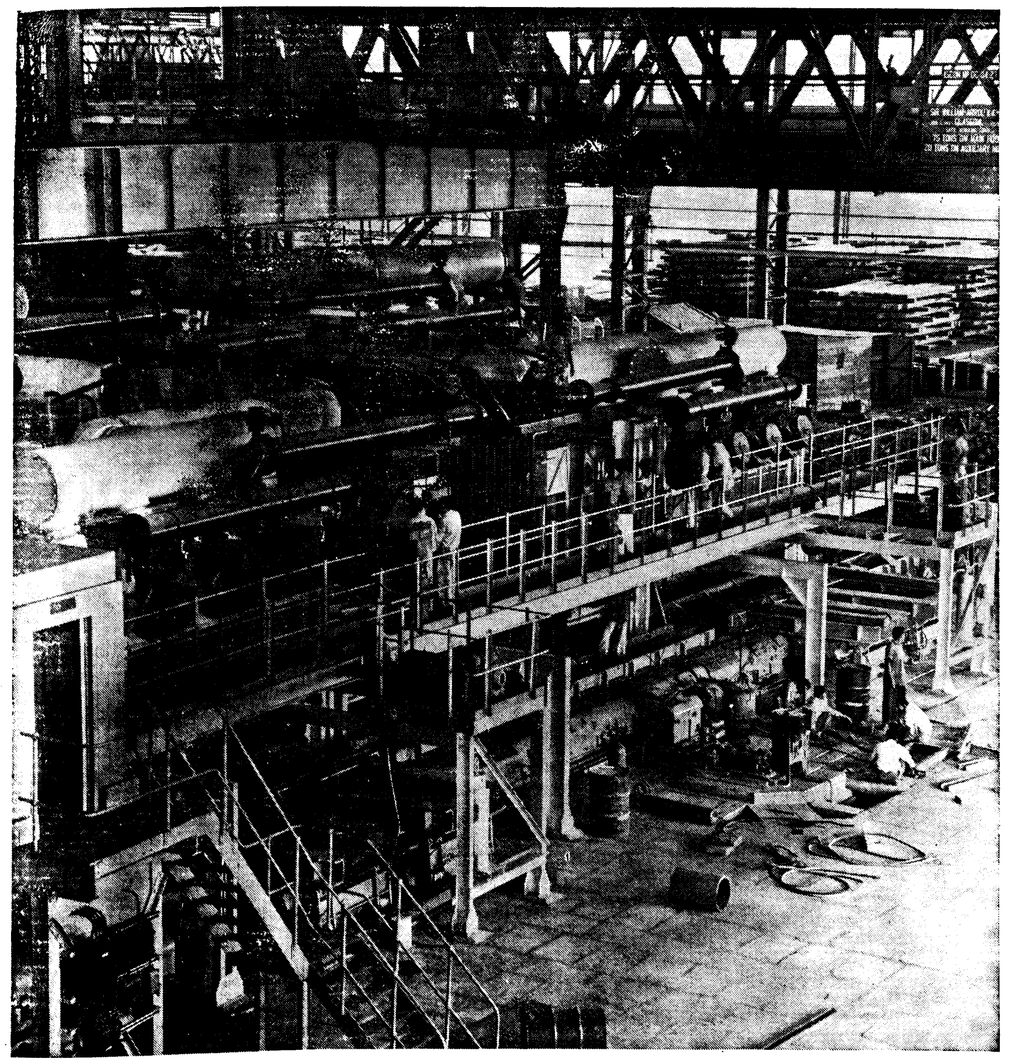
The book is thoroughly revised, enlarged and re-written from page to page.

Printed on thin Bible paper. Size: Crown Octavo.

Price **Rs. 30** (Postage Rs. 7), foreign **$10**.

Copies available at:

KOTHARI & SONS
ORIENTAL BUILDINGS
ARMENIAN STREET, MADRAS-1



AHEAD OF SCHEDULE ONCE MORE

Durgapur's 24" Medium Section Mill has beaten the target date and has now commenced rolling. It will produce a range of products required for structural work and for the railways.

This is the fourth unit of the Rolling Mill plant at Durgapur Steelworks and the fifth and final unit—the Merchant Mill—is also well on the way to completion.

ISCON

INDIAN STEELWORKS CONSTRUCTION CO LTD.

Davy and United Engineering Company Limited. Head Wrightson & Company Ltd. Simon-Carves Ltd. The Wellman Smith Owen Eng. Corp. Ltd. The Cementation Company Ltd. Associated Electrical Industries (Rugby) Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Associated Electrical Industries (Manchester) Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. Iscon Cable Group.

BRITISH COMPANIES WORKING FOR INDIA

COMPANY LAW ADMINISTRATION'S REPORT

TRENDS IN NEW REGISTRATIONS

THE year 1959-60, for which the Department of Company Law Administration of the Union Ministry of Commerce and Industry issued the report a few days ago, had a record number of company registrations since the new Companies Act came into force on 1st April 1956. As many as 1,452 new companies were formed during the year as compared with 1,095 in the year 1958-59. The new registrations in the year under review were also the highest in eight years. This steady upward trend in the formation of new companies was, however, accompanied in the last four or five years by a steady decline in the total number of companies at work from 29,874 in 1955-56 to 26,921 in the year under review. The reason for this fall is to be seen in the rapid increase in the number of companies struck off the registers as being moribund or carrying on no business at all. However, in spite of the fall in the number of companies at work, their total paid-up capital had increased, at the same time, from Rs. 1,024 crores in 1955-56 to Rs. 1,593 crores in 1959-60.

But this increase, to the tune of Rs. 569 crores, or 55 per cent in the total paid-up capital of all companies in the period 1956-60 was largely accounted for by companies in the public sector, their share being no less than Rs. 403 crores. If, however, out of the latter figure the paid-up capital of the Hindustan Steel Company Ltd., which is a class by itself, is excluded, the total increase in the paid-up capital of the Government companies during the same period was only Rs. 102 crores, working out to an average annual increase of about Rs. 25 crores. On the other hand, the share of non-Government companies in the total increase of paid-up capital during the period was Rs. 166 crores, working out to an average of about Rs. 41 crores a year.

In terms of aggregate authorised capital, the 69 new Government companies formed during the same period (1956-61) accounted for Rs. 261.70 crores. Of these new Government companies, as many as 22 were "giant-sized" companies with an authorised capital of Rs. 1 crore and above, accounting for 96.9 per cent of the relevant aggregate authorised capital of Rs. 261.7 crores. As for new non-Government companies, as many as 4,287 were formed during the period, with an aggregate authorised capital of Rs. 496.6 crores. Of these, as many as 87 were "giant-sized" companies with an authorised capital of Rs. 1 crore and more, accounting for 63.2 per cent of the relevant aggregate authorised capital of Rs. 496.6 crores.

It may be seen from Table 1 that new "giant-sized" companies accounted for more than 50 per cent of the aggregate authorised capital of all new companies in each of the four years. The more significant trend, however, is that the aggregate authorised capital of new non-Government companies accounted for the larger part of the aggregate authorised capital of all new companies in the last three years, 1957-58, 1958-59 and 1959-60. It would appear from the statistics pertaining to the increases in both authorised capital and paid-up capital in the private corporate sector that there has been a steady revival of market confidence in recent years. Another statistical proof of the revival of market confidence is provided by the increase in the number of applications for availability of names for new companies proposed to be formed from 1,296 in 1956-57 and 1,883 in 1957-58 to 4,132 in 1958-59 and 4,108 in 1959-60. Since applications for new names of companies are indicative of intentions on the part of company promoters to set up new business undertakings, it may be broadly taken that the maintenance, in 1959-60, of the number of applications of this type at last year's level shows that promotional activities in the corporate sector have continued to remain unaffected.

The other trends emerging from the statistics presented in the report of the Company Law Administration pertain to the size pattern of new companies, the distribution of new companies according to industrial groups and the regional distribution of new companies. From Table 2 it will be seen that there are two distinct trends in continuous operation. One of these is that new companies are overwhelmingly private limited ones. And the other is that small companies, with an authorised capital of Rs. 10 lakhs and below, continue to predominate among the private limited companies. Such small companies are nearly half of even public limited companies.

It will be seen from Table 3 that, out of the total new company formations numbering 1,452 during the year under review, 614 new companies were formed for purposes of processing and manufacturing foodstuffs, textiles, leather, chemicals and other industrial goods. The total authorised capital of these companies accounted for 74 per cent of the total authorised capital of all new companies registered during the year. The proportionate share of the new companies belonging to this group of processing and manufacturing industries during the two previous years, 1958-59 and 1957-58, was 59 and 67 respectively. The trend is thus unmistakable that by far the greatest expansion has taken place in the sector of processing and manufacturing. This shows that greater enterprise has been in evidence in the sector of industrial production as such, as distinct from commerce or transport.

But the trends in regard to regional distribution of new companies formed in the period 1956-60 are not quite so encouraging. This is because new companies continue to be concentrated heavily in four States—West Bengal, Bombay, Madras and Delhi. The figures within brackets in Table 4 pertain to the relevant State in the particular region. For instance, Madras State alone accounted for as many as 345 new companies out of the 433 companies formed in the Southern region as a whole in 1959-60. In the same way, Bombay in the Western region, West Bengal in the Eastern region and Delhi in the Northern region accounted for the larger proportion of new companies formed in the respective regions. While the prevailing pattern of distribution of new registrations need not necessarily mean a corresponding concentration of factories in terms of actual location in particular areas, it must nevertheless be true that new industries continue to be concentrated in the above four States. It is noteworthy that new companies formed in the four States together in 1959-60 accounted for 81.1 per cent of all new companies formed in the country as a whole, as compared with 77.4 per cent in 1958-59, 77.7 per cent in 1957-58 and 79.5 per cent in 1956-57.

TABLE 1

Government and Non-Government Companies

(Authorised capital in Rs. crores)

	1956-57		1957-58		1958-59		1959-60	
	No.	Authorised Capital	No.	Authorised Capital	No.	Authorised Capital	No.	Authorised Capital
All new Government companies	12	124.9	18	8.4	16	98.3	23	30.1
All new non-Government companies	836	85.8	943	94.3	1,079	186.1	1,429	130.4
A. Total	848	210.7	961	102.7	1,095	284.4	1,452	160.5
New giant companies (with authorised capital of Rs. 1 crore and above)—								
Government	7	119.0	2	8.0	6	98.0	7	28.5
Non-Government	21	51.5	26	58.0	16	141.2	24	63.0
B. Total	28	170.5	28	66.0	22	239.2	31	91.5
B. Total as per cent of A. Total	3.3	80.9	2.9	64.3	2.0	84.1	2.1	57.0

TABLE 2

Size Pattern of New Companies

Size group according to authorised capital	1956-57		1957-58		1958-59		1959-60	
	Public Ltd.	Private Ltd.	Public Ltd.	Private Ltd.	Public Ltd.	Private Ltd.	Public Ltd.	Private Ltd.
Below Rs. 1 lakh	4	167	4	227	3	249	2	344
Rs. 1 lakh to Rs. 5 lakhs	16	291	15	359	14	428	15	534
Rs. 5 lakhs to Rs. 10 lakhs	19	211	15	214	12	262	18	316
Rs. 10 lakhs to Rs. 25 lakhs	11	59	6	60	8	55	12	110
Rs. 25 lakhs to Rs. 50 lakhs	12	14	5	19	5	19	15	21
Rs. 50 lakhs to Rs. 1 crore	7	9	3	6	7	11	7	27
Rs. 1 crore and above	15	13	17	11	9	13	18	13
Total	84	764	65	896	58	1,037	87	1,365
Small companies (with authorised capital of less than Rs. 10 lakhs) as per cent of total	46.4	87.6	52.3	89.3	50.0	90.5	40.2	87.1

TABLE 3

Distribution of New Companies According to Industrial Groups

(Authorised capital in Rs. crores)

Major industrial group	1956-57		1957-58		1958-59		1959-60	
	No.	Authorised Capital	No.	Authorised Capital	No.	Authorised Capital	No.	Authorised Capital
Agriculture and allied activities	28	2.24	39	1.01	33	0.84	40	2.87
Mining and quarrying	31	78.78	17	1.94	22	71.59	21	6.10
Processing and manufacturing	330	88.20	427	68.89	502	167.69	614	119.10
Construction and utilities	17	3.99	37	1.30	26	1.21	30	2.13
Commerce (trade and finance)	292	23.56	281	17.15	302	37.39	367	16.80
Transport, communications and storage	66	11.34	70	10.21	104	2.97	283	5.36
Services of all kinds	84	2.54	90	2.21	106	2.67	97	8.18
Total	848	210.65	961	102.71	1,095	284.36	1,452	160.54

TABLE 4

Regional Distribution of New Companies

Region	1956-57	1957-58	1958-59	1959-60
Northern (a)	192 (112)	191 (117)	211 (130)	242 (141)
Eastern (b)	334 (301)	420 (359)	424 (364)	459 (399)
Western (c)	175 (170)	198 (191)	254 (240)	318 (293)
Southern (d)	147 (91)	152 (80)	206 (113)	433 (345)
Total (e)	848 (674)	961 (747)	1,095 (847)	1,452 (1,178)

(a) Figures within brackets pertain to Delhi.
(b) " " " " West Bengal.
(c) " " " " Bombay.
(d) " " " " Madras.
(e) " " " " are totals of figures pertaining to the above four States.

RUBBER MACHINERY
MIXING MILLS
Sizes:
16" × 42", 14" × 36", 12" × 30"
with imported chilled rolls, reduction gear and motor
★
EXTRUDER
2" Scroll, 3" Scroll & 4" Scroll
24" × 24", 18" × 18", 14" × 14"
VULCANISING PRESS
Hydraulic system Hand Pump
Manufactured under the strict supervision of
INDIAN EXPELLER WORKS
17-G, SITAFAL WADI, MAZGAON
BOMBAY-10
R.P.C.

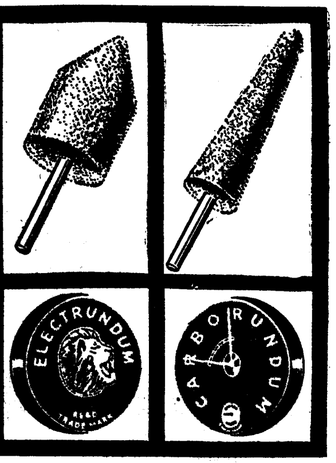
If it is...
COTTON TAPES
Look To Sunshine Products
There is a difference!
SUNSHINE SUPPLIES:
★ SPINDLE TAPES,
★ EGYPTIAN COTTON TAPES,
★ ZIP TAPES,
★ VENETIAN BLIND TAPES,
★ WEBBINGS,
★ BLEACH TAPES,
★ METALLIC TAPES,
★ LISTINGS AND BANDINGS.
We would welcome your enquiries for immediate execution.
SUNSHINE TRADERS
Manufacturers and Suppliers,
3, Hamam Street, Bombay, 1.
Phone: 251631 Gram: "SUBHMANGAL."

STATE BANK OF TRAVANCORE
(Subsidiary of the State Bank of India)
INVEST IN
our THREE YEARS and FIVE YEARS CASH CERTIFICATES and earn compound interest at 4% and 4½% p.a. respectively.
●
Our THRIFT DEPOSIT SCHEME enables those with limited income to save systematically.
SAFE DEPOSIT LOCKERS
in different sizes are available at our Trivandrum Branch.
All types of Internal and International Banking Business transacted.
Branches at Bombay and all important centres in South India.

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories

For over 35 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cotton Mills and other Industries in the country.
Phone: 22-8952
22-3101
Gram: "BANCO"
THE BEHAR FIREBRICKS & POTTERIES LTD
22, STRAND ROAD, CALCUTTA 1

This Age of Sillimanite
WITHOUT REFRACTORIES
the WATER we drink cannot be purified by lime and chlorine, both produced with the aid of Refractories. FOOD is obtained with the aid of potash, phosphates and nitrogenous fertilizers, none of which can be produced in adequate quantities without Refractories. CLOTHING cannot be produced in sufficient quantities if Refractories are not available for the power plant. Power plants using Refractories provide your home with heat for COOKING, LIGHT for comfort, and power for essential domestic appliances. It would be impossible to construct FURNACES to extract metal from ORES or to operate Rail Road LOCOMOTIVES. There will not be high octane AVIATION spirit nor LUBRICANTS as suitable furnaces cannot be constructed. STEEL plates cannot be produced for building SHIPS. It will be impossible to make LORRIES TANKS GUNS SHELLS Invasion BARGES BATTLESHIPS even. ALUMINIUM and MAGNESIUM used in the manufacture of AEROPLANES cannot be produced. CHEMICALS used in explosives cannot be manufactured. The large POWERPLANTS supplying power, heat and light cannot operate
ORDERS NOW UNDERTAKEN:
To Sizes .... Shapes .... Specifications .... Requirements for
Sillimanite Cement ★ Powder Spray ★ Mortars & Mixes
Sillimanite Glass-Tank Blocks ★ Pots ★ Tubes
OUR SPECIALISED PRODUCTS:
Sillimanite Crucibles and Thermo-Couple Sheaths
THE ASL REFRACTORY WORKS
RAMGARH
THE SUPER REFRACTORY
NATURAL KHASI SILLIMANITE
ASSAM SILLIMANITE LTD.
U.P.C.C.
Managing Agents :
THE UNITED PROVINCES COMMERCIAL CORPORATION
6 GANESH CHANDRA AVENUE
CALCUTTA 13
PPS/45-4/60.

GRINDING WHEELS AVAILABLE IN WIDE RANGES OF VARIETIES & SIZES

GRINDWELL ABRASIVES LTD.
Army & Navy Bldg., Bombay 1
ELECTRUNDUM
CARBORUNDUM

BRAITHWAITE AND COMPANY (INDIA) LIMITED

STATEMENT BY SIR JOHN BROWN

ACTIVITIES BEING DIVERSIFIED—SHORTAGE OF STEEL TELLS ON PRODUCTION

A SUCCINCT account of the present activities and expansion plans of Messrs. Braithwaite and Company (India) Ltd. is given by Sir John Brown, Chairman of the Company, in his annual statement to shareholders circulated along with the Directors' report and statement of accounts for the year ended 31st December 1960. While the structural shop at the Clive Works showed a record turnover in 1960, there was decline in production, for the third year in succession, at the wagon shop. This setback, according to him, was due to shortage of steel of weldable quality and lack of supplies of components to be imported on behalf of the Company by the Railway Board. As for 1961, he has struck a note of cautious optimism.

The following is the full text of Sir John's statement:

"In order that shareholders may be given a more detailed account of the Company's activities and its development plans, it has been considered desirable to circulate with the balance-sheet as at 31st December last and the accounts for the year then ended, this statement by myself as Chairman. It is felt that this is a more satisfactory way of acquainting the general body of shareholders with the Company's position and prospects, than through the Chairman's speech at the annual general meeting since that meeting is normally attended by only a handful of shareholders and it is possible, in a statement such as this, to deal with a number of matters more adequately than can be done in the formal statutory report of the Directors which is, of course, also circulated with the accounts.

Profits

"The profits for the year, after providing Rs. 4,01,566 for depreciation, Rs. 17 lakhs for taxation and transferring to development rebate reserve the sum of Rs. 72,859 as required by explanation 2 to Section 10(2) (vib) of the Indian Income-tax Act, 1922, amounted to Rs. 20 72,316. This represents an increase of some Rs. 3.5 lakhs over the corresponding figure for the previous year when, however, the transfer to development rebate reserve was Rs. 2.04 lakhs. As forecast in the report of the Directors which accompanied the 1959 accounts, production in the structural shop at Clive Works was maintained at a satisfactory tempo throughout the year and, in fact, resulted in a record tonnage output. So far as railway wagons are concerned, we were severely handicapped by a shortage of steel of weldable quality and by lack of supplies of components to be imported on our behalf by the Railway Board so that the tonnage output in the Wagon Shop showed a decline for the third year in succession. The other principal activity of the Company heretofore, viz., the production of pressed steel tanks, continued and towards the end of the year a record production was being obtained. As plates become more freely available from indigenous sources, it is expected that the output can be still further increased in the future. The profit for the year may be considered satisfactory, having regard to the interruptions to production in the wagon shop and to the fact that nothing was contributed to profits from the Company's Angus Works, to which I shall make more detailed reference later in this statement. The balance-sheet and the profit and loss account figures reflect the increasing scale of the Company's activities.

"You will see that an increased dividend of Rs. 2.50 per share is proposed to be paid out of the year's profits, as compared with Rs. 2.25 for the previous year. This is equivalent to a net dividend of Re. 1.75, after deducting tax at 30 per cent which, it will be noted, is still less than the net dividends totalling Rs. 2.25 paid immediately before the revised corporate tax structure was introduced. Payment of the increased dividend will still permit the transfer to reserves of Rs. 6 lakhs and a small increase in the amount to be carried forward. There is no doubt that investment in buildings and machinery during the next few years will require a lot of money and, in these circumstances, it is necessary to retain out of profits each year a substantial sum. In this connection, I would observe that the amounts transferred to reserves and set aside as depreciation during the five years ended 31st December last aggregated no less than Rs. 48.57 lakhs; during the same period the Company's capital expenditure has amounted to Rs. 43.00 lakhs.

Production, Development and Expansion

Clive Works: "The structural shop was principally engaged in the fabrication of structural steelwork for the wheel, tyre and axle plant at Durgapur and for the adjacent A.V.B. project for the manufacture of water-tube boilers, cement-making machinery and other heavy plant. Both of these orders embodied the new heavy rolled section beams, imported into India for the first time. Fabrication of the larger standard bridge spans required for railway development, particularly in North-East India, continued throughout the year but apart from the making of the necessary jigs, fabrication of our share of the steelwork for the new Brahmaputra bridge between Pandu and Amingaon was delayed through shortage of the necessary high quality steel. The same shortage retarded development of the use of welding as opposed to riveting for structural fabrication generally but nevertheless the trend towards this practice was increasingly evident during the year.

"In the first half of 1960, production in the wagon shop consisted principally of bogie underframes for railway passenger coaches. In May, we turned over to the production of the new heavy mineral wagons, popularly known as BOX wagons, each of which carries 55 tons of coal or ores. These have a vital role to play in solving the problem of transporting the huge quantities of raw materials required for the country's expanding iron and steel industry. After initial difficulties to which I have already referred, production is developing satisfactorily. We have continued to produce tank wagons of various types.

"As I have already stated, the tonnage output of railway wagons has been falling in recent years, but this has been compensated by the fact that the wagons which are being produced have a higher cost and sale value; apart from anything else, they are very much bigger and this has necessitated the extension of the production bays. This work will be completed this year but there is in addition a certain amount of balancing machinery and welding equipment required if an uninterrupted flow of work is to be achieved. We are endeavouring to obtain the necessary import licences.

"The fitting shop has been re-sited and is now equipped to serve more adequately the increasing requirements of these works. The opportunity has been taken to increase garage capacity and work is at present in hand to expand the stores. We are badly pressed for office space and extensions to the general office and to the works time office have been sanctioned, together with an extension to the workers' canteen which is necessitated by the increased numbers now being employed and also by the fact that night-shift working has increased.

Angus Works: "The Company took over the running of the Angus Works on the 1st February 1960 and the terms of a 99-years' lease have recently been agreed. It is our intention to develop these works as a first class mechanical engineering works. We have recently had a visit from our Foundry Consultants and steps will be taken to give effect to their recommendations. We have submitted or are in the process of submitting applications for licences under the Industries (Development and Regulation) Act for the manufacture of various types of cranes and we expect to receive a number of licences shortly. In addition we have applied for an increase in our licensed capacity for the fabrication of heavy structurals. We are in the process of finalising our plans for crane manufacture, which is proposed to be undertaken in collaboration with two well-known United Kingdom companies. We are also in negotiation with a foreign manufacturer of ancillary blast furnace equipment, while some useful orders have recently been received for components for machinery, the manufacture of which has been undertaken by an associate company. We have in the past year been developing the manufacture at Angus of components for the railway wagons which we are manufacturing at Clive Works. This has proved of great assistance in eliminating bottlenecks which have frequently in the past restricted wagon output through failure to obtain delivery of bought-out components.

"From the number of enquiries which we have received from foreign companies which are interested in undertaking manufacture of their products in India in collaboration with a company such as ours, it is clear that we shall have no difficulty in finding work; the problem rather is to devise a pattern of production which will ensure, as far as possible, that the maximum use is made of our machinery and that management effort is not dissipated over the production of relatively small numbers of too many products.

"We have already paid for the stocks and work in progress which we took over from the Angus Company Ltd., and are in the process of completing orders which were outstanding at the date when we took possession. Although the machinery which we have leased is in good condition, much of it is old and it will be necessary to replace some of it with modern machines to enable us to satisfy the exacting standards demanded for the products which we shall manufacture. We shall also have to extend the buildings at these works and modernise the electrical installation as well as install a range of additional machinery. Much of the preparatory work involved in all this is already in hand but it is not yet possible to state with any degree of exactness the estimated overall cost. It is anticipated, however, that during the coming year plans for the development of these works will be finalised. Our financial position is a strong one and I do not anticipate undue difficulty in raising the necessary funds for expansion.

Exports

"As was mentioned in the Directors' report for 1959, an encouraging start was made during that year with the export of some of the Company's products. Progress in this field was sustained during 1960 when an increased tonnage of plates for the manufacture of pressed steel tanks was exported. We are intensifying our export effort and in recent months have dealt with an enquiry for a bridge in Thailand as well as for railway wagons in other countries. The principal difficulties which face us as exporters are concerned with supplies of raw materials and components which are products of allied industries. I feel that if the export drive in manufactures such as your Company's is to succeed, much more will have to be done to provide manufacturers with the raw materials and components which they require at prices which are not inflated by duties and levies, which must be considered as appropriate only in the case of materials for internal consumption. Like a number of other companies endeavouring to develop new exports, it is already evident that we cannot expect to make large profits or even any profits at all on that proportion of our production which we export; but we fully accept our obligation to do what we can to augment the country's export earnings and you may be sure that we shall continue to do our utmost in this direction.

Labour

"The year that has passed has not been without its difficulties so far as relations with our labour force are concerned. This was almost inevitable in the circumstances in which we were working at times but, on the whole, there was a satisfactory measure of co-operation between labour and management and where production schedules were not met, it was more often due to lack of materials or components than to any fault on the part of our workers. To them I extend on your behalf our thanks for the part they have played in achieving the results which are before you.

"A few weeks ago we learned of the outcome of our appeal to the Supreme Court against the award by the Labour Tribunal of five months' basic wages as bonus to our workers for 1957. Our reason for contesting this award was that on an average, in respect of the year 1957, the equivalent of some 14½ months' basic wages was paid as production bonus: in the case of our lowest rated workers the equivalent was no less than 19 months. We felt that the large sum of money involved should be taken into account in determining the overall distribution of surplus between the workers on the one part and the Company and its shareholders on the other. Unfortunately, the decision of the Supreme Court was against us. I cannot, however, help observing that if bonuses on this scale are to continue, combined with the comparatively high level of corporate taxation to which we are subject, much of the incentive to management to improve production methods and so increase the earnings on the Company's fixed assets as well as the opportunities for workers to earn more from production is thereby removed. As you all know, this question of bonus to workmen has blighted employer-employee relations in India for a good many years now and I feel it is a step in the right direction that a Bonus Commission has been set up by the Government of India to go fully into the matter. I trust that the terms of reference of the Commission and also its composition, when finally settled, will enable an objective survey of the whole position to be undertaken and in particular that the effect of bonuses on the scale which I have mentioned on the ability of the industry to finance its development in the long term will be fully reviewed.

Management and Personnel

"We have for some years been building up our resources of administrative and technical personnel and we now have a young team of engineers whose pride it is to maintain the standards of workmanship for which this Company is well known. For their assistance in training some of our young men at their works in the United Kingdom, we are indebted to our friends, Braithwaite and Co. Engineers Ltd. The acquisition of Angus Works and their development imposes new demands on our senior staff and on your behalf I would assure Mr. J. E. Bingham, our Managing Director, and his colleagues that we are very grateful to them for their efforts in challenging circumstances.

"Apart from their assistance in training personnel, Braithwaite and Co. Engineers Ltd. have continued to serve us as our Technical Consultants and we are grateful to them for their advice and assistance in various directions. It was a particular pleasure to welcome back to Calcutta recently Mr. H. W. T. Hain, a former Managing Director of our Company and now on the Board of Braithwaite and Co. Engineers Ltd. Mr. Hain's visit afforded us the opportunity for a full exchange of views on the subject of future development and was most valuable.

Prospects

"We face 1961 with a satisfactory order book so far as the wagon shop is concerned, but already it is clear that the activity in the structural shop at Clive Works must be on a reduced scale for most of the year. We have plenty capacity but we are short of orders and the steel to fabricate them. However, this is, I hope, a temporary phase as a number of tenders in which we are concerned either directly or through our associates. The Braithwaite Burn and Jessop Construction Co. Ltd., have recently been opened and we have good hopes that the competitive prices quoted will result in a number of useful orders. This will absorb our drawing office staff later in the year, but I fear that none of these orders can be translated into output by the end of it.

"Our experience during the past year has emphasised the necessity for the Company to concentrate on the fabrication of the heavy and more specialised steelwork to the highest standards. Competition from the many smaller concerns entering the structural engineering field is making it difficult for an organisation such as ours which maintains a large specialist staff and a completely integrated design and drawing office to keep our costs competitive in order to obtain an adequate share of the lighter type of work. The implications of this situation are, I can assure you, engaging the attention of the management.

"We are building up our organisation at Angus Works and, while I cannot foresee a spectacular increase in turnover this year, I am hopeful that before it is out, subject to our receiving import licences for the necessary plant, we will have made substantial progress in reorganising the foundry and increasing its output as well as getting ourselves set up for the manufacture of at least some types of cranes.

"While it is early in the year to make any forecast, we would expect increased activity in the wagon shop at least to offset the reduced tempo in the structural shop and, therefore, provided raw materials and wagon components are available, to maintain our profits. It will be some years yet before we can expect that Angus Works will make any material contribution to profits, but we can foresee steady progress there. So far as the further future is concerned, from what I have already stated, you will appreciate that the policy of the Board is to achieve a measure of diversification of its activities, without, however, sacrificing the homogenity of the business or diluting standards of management and supervision."

Here's Another Way to

MAKE YOUR TRUCK TYRES LAST LONGER !

At its present maximum output the Tyre Industry in India cannot manufacture sufficient truck and bus tyres to accommodate the needs of every vehicle owner.

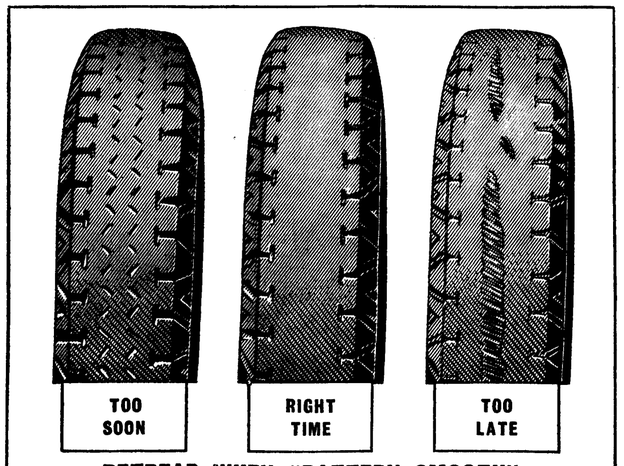
It is not a matter of distribution. Throughout the country, authorized Tyre Dealers have taken the proper action to ensure that tyres are allocated at the published retail prices on a strict priority basis to those whose need is greatest.

Some time will still elapse before new tyre factories start production and before the expansion schemes of the present manufacturers bear fruit.

In the meantime, what-?

WE BELIEVE that this scarcity condition can be eased if every truck tyre user takes greater care of his tyres—so that they can be RETREADED for further mileage and longer life. Remove tyres from service for retreading before it is too late!

THE PICTURES TELL THE STORY



RETREAD WHEN "PATTERN SMOOTH"

WATCH OUT FOR MORE TYRE SAVING INFORMATION FROM

Firestone

RESULTS OF BOMBAY DYEING SATISFACTORY

AN ENTERPRISE WORTHY OF EMULATION

IN spite of a significant rise in expenses, improved trading conditions have made the results of the country's premier textile unit, the Bombay Dyeing and Manufacturing Company Ltd. [Managing Agents: Messrs. Nowrosjee Wadia and Sons (Private) Ltd., Bombay] for the year ended 31st December 1960 quite satisfactory. The gross sale proceeds have steadily improved to Rs. 11,44.48 lakhs from Rs. 10,80.33 lakhs in the previous year and Rs. 9,57.03 lakhs in 1958. The gross sales include receipts under export incentive scheme for cloth, but the exact figure is not shown, though it is known that, in the previous year, such were Rs. 34.55 lakhs. It would have been better if the Directors had shown the receipts under this item separately in the profit and loss account, as they had done in the previous year. The receipts under other income have improved by Rs. 7.97 lakhs to Rs. 26.26 lakhs mostly on account of profit on sale of land, higher profit on sale of machinery and higher dividend on shares of National Peroxide Ltd. The dividend income from National Peroxide Ltd., which is under the same management and which manufactures hydrogen peroxide, is steadily improving, giving a return of 18 per cent for the year under review. The closing stocks at Rs. 5,52.52 lakhs are fairly high by Rs. 2,16 lakhs over the opening stocks of Rs. 3,36.52 lakhs and accounted for by an increase of Rs. 1,42.26 lakhs in raw materials (cotton, dyes and chemicals) and Rs. 68.06 lakhs in finished goods and Rs. 5.68 lakhs in cloth and yarn in process.

The expenses of the Company, which have crossed the Rs. 10-crore mark now, have increased by Rs. 60.23 lakhs to Rs. 10,10.85 lakhs. This higher increase in expenses was on account of several factors, for which the Company was not directly responsible. The increase in expenses was on account of the following factors:

1. An increase in the wage bill by approximately Rs. 10 lakhs per year on account of an additional burden of Rs. 14 crores per annum saddled on the textile industry, as the result of recommendations of the Central Wage Board to increase the wages of mill workers from 1st January 1960.

2. High prices of cotton on account of low crop of 37.50 lakh bales only as against the forecast of 52.00 lakh bales. The shrinkage of 10 lakh bales was due to unfavourable climatic conditions in the cotton-growing areas causing considerable damage and a deterioration in quality. High prices were also prevailing for imported cotton.

3. Reduction in the prices of cloth and yarn from 1st August 1960 at the request of the Government of India.

The comparative results of the Company's working for the last four years are tabulated below:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds (gross)	11,44.48	10,80.33	9,57.03	8,33.01
Other income	26.26	18.29	14.70	15.48
Closing stocks	5,52.52	3,36.52	2,91.60	2,42.43
Expenses	10,10.85	9,50.62	8,31.99	7,09.36
Excise duty	35.40	44.17	49.04	28.62
Gross profit	1,24.49	1,03.84	90.70	1,10.31
Managing Agents' remuneration	6.27	6.00	5.03	8.18
Provision for—				
Depreciation	63.25	54.64	51.43	48.12
Taxation	4.50	13.30	6.50	14.32
Net profit	50.47	29.90	27.74	39.69
To reserves and provisions	29.50	7.20	20.00	45.80
Transfer from reserves	14.45	12.30	17.00	29.65
Dividends	35.14*	35.14*	25.10	25.10
	(14%)*	(14%)*	(10%)	(10%)
Carry forward	0.66	0.37	0.50	0.86

* Subject to deduction of tax.

It is noteworthy that the gross profit of the Company has improved by Rs. 20.65 lakhs to Rs. 1,24.49 lakhs. The provision for depreciation has been stepped up from Rs. 54.64 lakhs to Rs. 63.25 lakhs, but that for taxation is lower at Rs. 4.50 lakhs, as against Rs. 13.30 lakhs. The net profit at Rs. 50.47 lakhs shows an improvement of nearly 68 per cent over that for 1959. But the dividend has only been maintained at 14 per cent per annum, subject to taxation. The transfer to development rebate has taken up as much as Rs. 29.50 lakhs, instead of only Rs. 7.20 lakhs for 1959. The Directors have, therefore, had to withdraw Rs. 14 lakhs from the dividend equalisation reserve for maintaining the dividend.

The gross block of the Company has increased by Rs. 1,68 lakhs to Rs. 11,03.32 lakhs and the net block stands at Rs. 5,57.96 lakhs, the depreciation provided so far being about 49 per cent of the gross block. The increase in fixed assets has been financed by secured loans from banks, which have gone up from Rs. 1,82.24 lakhs to Rs. 3,33.74 lakhs. In spite of sharp increase in fixed assets in recent years, the paid-up capital of the Company has been stationary since 1951 at Rs. 2,50.98 lakhs all in 1,003,920 ordinary shares of Rs. 25 each. Reserves and surplus are standing at an impressive level of Rs. 3,56.93 lakhs, showing a net rise of Rs. 15.50 lakhs over the year. On the assets side, the total investments of Rs. 38.77 lakhs include Rs. 10.21 lakhs in quoted investments. Of the latter, Rs. 10 lakhs in 5½ per cent. Burmah-Shell Debentures have been sold since the end of the year. Among the unquoted investments, National Peroxide accounts for Rs. 15 lakhs and National Machinery Manufacturers for Rs. 8.58 lakhs. The current assets aggregate Rs. 6,74.66 lakhs, exclusive of investments. These are only marginally above the current liabilities at Rs. 6,63.47 lakhs.

The Bombay Dyeing has been known for its conservative management. Its annual dividends have always been modest but steady with a good part of the profit being used for expansion and modernisation. Even then, the Company could go in for the introduction of automatic looms only with the help of large bank credit and acceptance of fixed deposits which over the year have gone up from Rs. 3 lakhs to Rs. 31.08 lakhs. With bank credit costing more and with no signs of stringency in the money market easing in the near future, the Directors will do well to consider raising fresh capital from the market by the issue of equity shares in the proportion of one share for every two shares. The maintenance of dividend on the increased capital should pose no problem, as the annual obligation for development rebate will progressively go down, now that the modernisation programme is practically over.

The Company's contribution to the foreign exchange earnings of the country increased from Rs. 5.65 crores in the previous year to Rs. 6.25 crores, though the quantum of exports was lower at 59.6 million linear yards as against 63 million linear yards in 1959. This was due partly to better price realisation in the export markets, which in turn was the result of higher proportion of finished goods to the total. As against the export figures of 38 per cent finished and 62 per cent grey in 1959, the corresponding figures for the year under review are 50 per cent each. The achievements of the Company on the export front are really creditable as compared with the country's overall performance. Whereas India's cotton textile exports declined from 814 million yards in 1959 to 693 million yards in 1960, with the foreign exchange earnings remaining almost steady at a little over Rs. 54 crores, the Company was able to bring in more foreign exchange than it did in the previous year. The Company's share in India's cloth exports has increased, in terms of value, from 10.3 per cent to 11.5 per cent. The Company's performance on the export front is clear proof that India can maintain its status as one of the three largest exporters of cotton textiles, provided the cotton mill industry is allowed to modernise itself, diversify its production and improve the quality. Is it too much to hope that the example set by the Company will open the eyes of our policymakers and the rest of the millowners?

The installation of new machinery is in full swing, which during the year under review was of the value of Rs. 1,67.65 lakhs. The Company ordered during the year 576 automatic looms, out of which 468 have been already installed and gone into production. An additional 192 automatic looms have been ordered for export promotion. The mills will have 1,974 automatic looms in all, when the present capital expenditure programme is completed during the current year. With the machinery already installed and with import licences in hand for modernising the spinning department also, the Company will be able to manufacture a wider range and variety of fabrics and will be in a unique position to introduce new lines of manufacture which are likely to meet with good consumer support, particularly in export markets. In this context, the following extract from the Directors' report will be read with interest:

"The new blow room, combers, ring spinning and doubling frames will improve considerably the quality of carded yarns and introduce combed yarns for the first time in our history. This will enable the mills to produce cloth of finer and superior texture. The new automatic looms are already producing high grade damask tablecloths and napkins, fancy mattress fabrics and terry towels in a variety of patterns and colours. The addition of the open width bleaching range will not only increase the production of processed goods, but will also enable the mills to turn out high quality dyed fabrics. With the screen printing plant, it will be possible for the Company to produce furnishings, curtain material and dress fabrics in a wide range of designs.

"The Company hopes to enter shortly into an agreement with Tootal Broadhurst Lee Company Ltd. of Manchester, U.K., for the technical know-how and use of their patented crease-resistant and minimum ironing processes, under which the Company will be permitted to brand its goods with the well-known marks 'Tebilized' and 'Tebilized double tested.' Negotiations with Heberlein & Co. of Wattwil, Switzerland, have reached the final stages for the right to use their famous 'Hecowa' finish on processed goods, and Government's formal sanction is awaited.

"The Company is continuing with its plans of renovation and organisation of the various departments of its two mills. It proposes to enter into an agreement with Gherzi Eastern Private Ltd., Bombay (a subsidiary of Messrs. Gherzi Textile Organisation of Zurich, Switzerland), for a complete survey of the spinning and weaving departments of the Spring Mills, with a view to improving the layout and suggesting economies and improvements in the process of manufacture. Pending the formal execution of the contract with Gherzi Eastern Private Ltd., the technicians of that Company have already commenced work on a preliminary survey of the Spring Mills.

"Considerable renovation of the machinery of the Spring and Textile Mills has been effected during the last 10 years. Consequently capital expenditure is likely to diminish in future years."

At the current market value of Rs. 66.90, the Rs. 25 paid-up ordinary shares give a net yield of 3.6 per cent per annum.

All in all, the Bombay Dyeing is an enterprise worthy of emulation by India's businessmen. Its management has shown single-minded devotion to cotton textiles, and has tried hard to augment India's export capacity by following a farsighted policy in regard to plant re-equipment and marketing. The material reward has, of course, been relatively modest, as compared with the gains that are being made by some other cotton mills that took to other lines of manufacture, including rayon, which is causing a heavy drain on India's slender foreign exchange resources. But the blame for this rests with the Government, the policies of which have been defective in many respects. The Company's management, however, can have the moral satisfaction of having pursued policies and practices which are in the larger interests of the country and which will stand the test of time.

INVESTORS FANCY ASSOCIATED BATTERY

It will be recalled that the Associated Battery Makers (Eastern) Limited (Managing Director: Mr. H. R. Gregson, Calcutta) which is the largest producer of storage batteries in India, changed its legal status to a public limited company during the year ended 31st August 1960. The capital structure was enlarged in January 1960, in order to increase the self-sufficiency of the factory. The issued capital was increased by Rs. 68 lakhs to Rs. 118 lakhs by the issue of 6.8 lakhs equity shares of Rs. 10 each at a premium of Rs. 5 per share. Out of the issue of 6.8 lakh shares, the then existing shareholders took up 2 lakh shares, of which 0.65 lakh shares were in part payment of the Company's indebtedness on loan account to the existing shareholders, and 1.36 lakh shares were in settlement of the purchase price of the entire issued share capital of the Chloride and Exide Batteries (Eastern) Private Ltd. The balance of the issue of 4.80 lakh shares received an extremely satisfactory response from the public. It was heavily oversubscribed, the Company having received nearly 65,000 applications.

The results of the Company's working during the year ended 31st August 1960 are not upto expectations. Nevertheless, the share market has taken a bullish view of the outlook for the Company. Its hope is that, in the current and subsequent years, the Company will fare better than it has done in 1959-60.

The total sales of the Company for 1959-60 were lower by about 9 per cent to Rs. 206.23 lakhs. The year witnessed a distinct change in the pattern of the Company's production, inasmuch as there was considerable progress towards completion of indigenous manufacture of articles which had to be imported previously. The implementation of this programme met with some initial technical problems, but results began to be seen by the end of the year. In view of this, the fall in sales is not discouraging as a firm basis has been laid for the future.

The sales for the year under review, though lower than those in the previous year, are

Rs. 17.79 lakhs higher than those of 1957-58. The closing stocks are the highest on record, showing a rise of Rs. 28.30 lakhs to Rs. 86.48 lakhs which constitute nearly 41 per cent of the total sales. This should have a favourable effect on the results for 1960-61. The total expenses have risen from Rs. 160.89 lakhs to Rs. 171.66 lakhs. In consonance with lower sales, the gross profit has come down by 9 per cent, from Rs. 65.93 lakhs to Rs. 59.86 lakhs. The provision for depreciation has been stepped up from Rs. 5.38 lakhs to Rs. 7.79 lakhs, but, apparently because of lower profit, a smaller amount has been set apart for taxation, Rs. 23.77 lakhs as compared with Rs. 27.49 lakhs last year. The net profit has fallen from Rs. 33.06 lakhs to Rs. 28.30 lakhs, a drop of nearly 15 per cent. Naturally, both dividend and the transfers to reserves have suffered. The dividend has been reduced from 40 per cent (subject to tax) to 25 per cent (subject to tax). Although a part of the dividend is on increased capital, the total amount actually distributed to shareholders is lower by Rs. 0.70 lakh at Rs. 19.30 lakhs. This year's dividend of 25 per cent includes an interim of 15 per cent on the old capital of Rs. 50 lakhs and the final of 10 per cent, the latter being on the enhanced capital of Rs. 118 lakhs. The amount ploughed back has been sharply reduced from Rs. 20.83 lakhs to Rs. 5.70 lakhs, but the undistributed surplus at Rs. 8.73 lakhs is almost twice as large as the sum brought in.

The paid-up capital is in 11.80 lakh ordinary shares of Rs. 10 each, of which seven lakh shares are held by the holding company. The share premium income of Rs. 34 lakhs received on issue of 6.80 lakh shares now stands at Rs. 28.63 lakhs after setting off the expenses of the issue amounting to Rs. 5.37 lakhs. In addition, there are reserves and surplus at Rs. 60.85 lakhs, showing an increase of Rs. 10.06 lakhs over the year. The whole item of Rs. 32.26 lakhs representing unsecured loans has been wiped out following the new issue of capital. The gross block of the Company at Rs. 93.47 lakhs stands depreciated at Rs. 44.79 lakhs, so that about 52 per cent of the original cost of assets has been written down. The total investments have risen from a mere Rs. 0.10 lakh to Rs. 20.40 lakhs on account of an investment of Rs. 20.25 lakhs in the equity shares of a subsidiary company, the Chloride and Exide Batteries (Eastern) Private Ltd. The total of current assets exclusive of investments at Rs. 196.77 lakhs, is well above the current liabilities at Rs. 54.48 lakhs, showing a very healthy financial position, inasmuch as the current assets are nearly three and a half times over the current liabilities.

It is stated in the Directors' report that Exide, Dagenite and other automotive batteries, which the Company manufactures, continue to be in strong demand throughout India and that the Company achieved significant improvement in production during the year. Motor vehicle manufacturers in the country, to whom the Company is original equipment-suppliers for a number of years, continue to give strong support. The management is making every endeavour to introduce improvements in design and construction to keep the products in line with the best in world markets.

The Company has a bright future, as it is reasonably certain that the demand for its products will expand in the coming years, following the growth in road transport and industrialisation. In view of this factor, the equity shares of the Company, which were in the neighbourhood of Rs. 36 before the budget, have been receiving sustained support and the price has risen to Rs. 39.35 *cum*-dividend. In the fourteen months' time since the issue was made public, the rise in value has been about two and a half times. At the current market quotation, the net yield on this scrip works out to 4.5 per cent per annum.

ASSAM HARDBOARDS LTD.

Assam Hardboards Ltd., which has its registered office in Calcutta, has finalised its plans for the installation of a hardboard mill at Gauhati with a capacity of 15,000 tons per annum. It is understood that the Company has been granted a loan of the equivalent of Rs. 60 lakhs in dollars by the D.L.F. through the Industrial Finance Corporation of India and has also received a request from American suppliers for allotting to them equity shares worth Rs. 10 lakhs out of the proposed issue of Rs. 50 lakhs equity and Rs. 10 lakhs 9 per cent. taxable preference shares. The directors and their friends will take up equity shares worth Rs. 15.5 lakhs. The remaining Rs. 24.5 lakhs equity and Rs. 10 lakhs preference shares are available for public subscription. Mr. Lekhram Periwal and Mr. Basudeo Somani are the sponsoring directors of the Company. The fixed capital expenditure is estimated at Rs. 1 crore and the plant is expected to go into production before the end of 1962.

MYSORE SUGAR PERFORMS WELL

DIVIDEND COMFORTABLY MAINTAINED

BETTER realisation and increased earnings have been reported by the Mysore Sugar Company Ltd. (Chairman and Managing Director: Mr. Venugopal Naidu, Bangalore), for the year ended 30th June 1960. The gross profit of the Company shows an increase of about 20 per cent and stands at Rs. 34.50 lakhs, as against Rs. 28.60 lakhs for the previous year. The net profit also is a little higher at Rs. 13.60 lakhs. These profits have been arrived at after providing in the accounts a sum of Rs. 14.22 lakhs towards the payment of deferred sugarcane price at an interim rate of Rs. 4.5 per ton, pending the final determination of the exact liability on this account. This is expected to be known only on the submission of the Tariff Commission report to the Central Government and the latter's decision thereon. Further, a sum of Rs. 3.54 lakhs has been charged to the year's accounts towards deferred price for sugarcane purchased during the previous year over and above the provision made thereunder. In addition, a sum of Rs. 3.74 lakhs pertains to the amount of additional bonus for workers settled during the year. It will thus be seen that the normal performance during the year under review was encouraging and the profits would have been still more but for the aforesaid provisions.

For the year under review, the Company has provided Rs. 7.4 lakhs (Rs. 7.8 lakhs) for depreciation and Rs. 13.5 lakhs (Rs. 8.0 lakhs) for taxation. For the third year in succession, the dividend has been maintained at the rate of 30 per cent, subject to deduction of tax. Of the profits a sum of Rs. 5 lakhs has been carried to the rehabilitation reserve and Rs. 36,000 to development rebate reserve and Rs. 1 lakh to the employees' gratuity fund. The balance of Rs. 1.15 lakhs has been carried forward.

The working of the Company in the last four years is compared in the following table:

(In lakhs of rupees)

	For the year ending 30th June			
	1960	1959	1958	1957
Sales—				
Sugar and distillery products	4,41.47	3,92.11	3,80.07	2,41.23
Farm supplies	13.82	12.02	10.24	12.24
Closing stock	17.99	55.21	55.54	37.18
Expenses	2,84.20	2,53.42	2,92.33	1,85.79
Excise duty on sugar	1,14.74	1,04.26	95.84	54.22
Gross profit	34.50	28.60	35.88	11.45
Provision for—				
Depreciation	7.40	7.78	7.22	7.12
Taxation	13.50	8.00	15.00	..
Net profit	13.60	12.82	13.65	4.33
Transfer to—				
Rehabilitation reserve	5.00	5.00	5.00	..
Development rebate reserve	0.36	1.27	1.78	..
Dividend	6.54	6.54	6.54	4.36
	(30%)	(30%)	(30%)	(20%)
Carry forward	1.15	0.46	1.44	2.10
Sugarcane crushed (tons)	816,100	854,742	888,814	224,228
Sugar produced (tons)	81,550	85,771	89,930	21,513
Average recovery (%)	9.98	10.08	10.29	9.64

It will be seen that the main reason for the negligible rise in net profit is the marked rise in the provision for taxation. A noteworthy feature is that not only has the dividend been steadily maintained but also the transfer to rehabilitation reserve. Another point worthy of note is the comfortable coverage of dividend by the net profit.

Larger sales and better yield from the Company's products have been mainly responsible for the improvement in the working of the Company during the year under review. The total sale proceeds were higher by about Rs. 50 lakhs at Rs. 4.41 crores. Of this, the sale of sugar accounted for a rise of about 12 per cent. The distillery products fetched an income which was higher by about 75 per cent.

The gross block, as at the end of June 1960, is Rs. 163.27 lakhs; this has been written down in the books to as low as Rs. 55.87 lakhs, the depreciation provided being Rs. 107.40 lakhs. During the year assets of about a lakh of rupees were added (net). In addition, the capital works in progress are about Rs. 2.55 lakhs.

The current liabilities and provisions of the Company amount to about Rs. 157.07 lakhs (including the sum of Rs. 14.22 lakhs towards the payment of extra cane price for 1959-60 pending determination). This is well covered by current assets of the order of Rs. 226 lakhs. The Company had liquidated, during the year, secured loans amounting to Rs. 23.21 lakhs. Of the current assets, cash balances alone amount to Rs. 42.74 lakhs and gilt-edged investments to the tune of Rs. 32.54 lakhs.

Against a paid-up capital of Rs. 21.79 lakhs, all in ordinary shares of Rs. 10 each, the total reserves created out of the profits from time to time exceed Rs. 105 lakhs. The general reserves alone amount to over Rs. 62 lakhs, nearly three times the capital of the Company.

The Company has a plan to establish a plant at Mandhya for the manufacture of cellulose acetate. The industrial licence for this project has already been granted by the Central Government and the capacity of the plant is expected to be about 3,300 tons per annum. It is proposed to sponsor a separate company to undertake this project, which requires huge capital outlay. Nevertheless, this would be part of the programme of the Mysore Sugar Company to manufacture acetic acid from alcohol and supply the same to the proposed new company on a long-range basis.

At the prevailing market price of Rs. 58.25 *cum*-dividend, the Rs. 10 shares of the Company provide a yield of 3.8 per cent free of tax.

MADURA MILLS EARN MORE—RESERVES REPLENISHED

Keeping pace with the generally favourable trend enjoyed by the textile industry last year, the Madura Mills Company Ltd., (Managing Agents: Messrs. A. & F. Harvey Ltd., Madurai), the pioneer spinners of the South, has reported profitable results for the year ended 31st December 1960, showing a marked improvement over its working in the previous few years. The gross profit of the Company for 1960 (at Rs. 197.34 lakhs) has nearly trebled as compared with that for the previous year. The net profit is also sharply higher at Rs. 85.30 lakhs which is more than twice as much as the profit for 1959. It is necessary to add here that neither 1959 nor the two years prior to it were normal ones for the Company, as they were marked by prolonged labour troubles and its consequences, followed by adverse trading conditions. The following table shows at a glance the Company's progress in recent years:

(In lakhs of rupees)

	For the year ending 31st December			
	1960	1959	1958	1957
Sales of yarn and waste (gross)	17,40.52	12,40.01	15,37.41	13,09.22
Closing stock	1,36.52	50.85	84.67	2,15.42
Raw material consumed	11,09.14	7,85.11	9,78.35	9,64.14
Other expenses	4,61.56	3,72.17	4,68.95	4,58.67
Gross profit (+) or loss (—)	+1,97.34	+66.24	—31.08	+88.68
Depreciation	25.72	19.94	22.05	19.67
Taxation	71.71*	..	2.86	45.15
Managing Agents' commission	14.61	5.79	..	6.07
Net profit (+) or loss (—)	+85.30	+40.51	—55.99	+ 0.74
Provision for—				
General reserves	40.00	4.55	—49.07	..
Development rebate	6.38	8.33	..	..
N.I.D.C. loan redemption reserve	7.50	7.50	..	..
Dividend	26.25	21.88	..	26.25
	(15%)†	(12½%)†	..	(15%)
Carry forward	7.21	2.05	..	6.92

* Includes Rs. 1.19 lakhs relating to the previous year.
† Dividends for 1959 and 1960 are subject to tax deduction.

The Company has provided larger sums for depreciation and taxation. The provision for depreciation is higher by Rs. 6 lakhs which may, to an extent, be attributed to the additions to the block made during the year. The provision for taxation amounts to as much as Rs. 71.71 lakhs of which Rs. 1.19 lakh pertains to the previous year. In spite of the increased earnings for the year, the Directors have only slightly raised the dividend from 12½ per cent taxable to 15 per cent taxable. They have, however, prudently carried large sums to reserves which had been depleted earlier. It will be recalled that, two years ago, the Company had to meet the heavy loss of Rs. 56 lakhs suffered in 1958 by debiting it to the reserves and surplus. The whole of this depletion has been made good now.

The gratifying increase in the earnings of the Company during the year under review may be attributed to the uninterrupted working of its mills, despite cotton shortage, and the higher prices fetched for the mills' products. The gross sales of yarn and waste went up by over 40 per cent to the record sum of Rs. 17.41 crores. The closing stocks were also higher by nearly Rs. 86 lakhs. The Company earned during the year a sum of nearly Rs. 22 lakhs on account of the export incentive schemes of the Government of India, as against Rs. 10 lakhs in the previous year.

Following the additions from the profit for the year under review, the financial position of the Company has greatly improved. The following synopsis of the balance-sheet as at 31st December 1960 indicates the latest position:

(In lakhs of rupees)

Liabilities		Assets	
Capital	175.02	Gross block	687.42
Reserves and surplus	470.56*	*Less*—Depreciation	448.22
Secured loans	56.52		
Other current liabilities and provisions	185.45	Net block	244.20
		Investments	52.77
		Other current assets	594.95
		Cash	5.63
Total	887.55	Total	887.55

* Includes Rs. 1 crore as a result of revaluation of assets in 1953.

During the year under review, the net additions to the block account amounted to about

(*Continued on page 566*)

DEFECTS IN AGRICULTURAL STATISTICS

(*Concluded from page* 542)

nutrition, makes it imperative to collect reliable information regarding these products on a regular basis.

Data on yield of major cereal crops is also being collected on a sampling basis by the N.S.S. during their regular rounds through the agency of general purpose investigators who collect all sorts of data on diverse topics such as on consumer expenditure and incomes, population and over-population, family planning and farm planning and so on. This peripatetic agency does not appear to be very suitable for crop cutting surveys.

A comparison between N.S.S. estimates and the official estimates (which also are based on crop estimation surveys conducted by State Governments under the overall supervision of N.S.S.) reveals a wide divergence in the two sets of figures even at the all-India level. It is obvious that, in regard to yield, we are still very much in the sphere of uncertainty. We still do not know how much food we really produce. How much we have to import? Whether the country has sufficient for its domestic consumption, whether we can export—we have no absolutely reliable data and I think for a country like ours which had a long background of problems and statistical work, the lacuna is rather disturbing.

In respect of crop forecasts, usually two or three forecasts are issued (except in the case of wheat and cotton for each of which five estimates are issued) which contain information on area sown and quantitative estimates of the outturn expected to be harvested. Yield estimates obtained on this basis were not very reliable, as recourse had to be taken to the traditional methods of estimating the average yield, either directly on the basis of visual observation or as a product of normal yield and the condition factor. In spite of the recent improvements in the procedure for determining normal yield and the condition factor, the pre-harvest estimates of production still remain largely undependable.

With a view to imparting objectivity to these estimates, it is recommended that suitable systems of physical measurements during the various stages of crop growth be introduced;* this step would be amply justified in view of the importance of pre-harvest estimates in the context of price policies and food administration.

It is necessary to extend the scope of the all-India crop forecasts to such important crops as are not already covered and the coverage of forecasts should be extended to all areas.

An Important Lacuna

Marketable surplus has become another very crucial thing. The information about it is still inadequate. We do not have sufficient information as to what proportion of the producers have any surplus at all; it is not known as to how much is simply consumed by the subsistence farmers. We should also know what are the retail prices, wholesale prices and so on and the price data is also required to be greatly improved.

Much work has been done in regard to the difference between the price on which the farmers sell the goods and the price at which it is finally taken by the consumer, but there is no authoritative and certain information about it. We are still groping rather than being sure about it. Data on retail prices will also be helpful for several other purposes, for example, to determine the relationship between quantities demanded and the changes in relative prices.

Not much information is available on agricultural wages either. Statistics on agricultural wages are collected only from a few selected centres in the various States.

An important lacuna in agricultural statistics is the absence of data on area under the various improved agricultural inputs and practices and the extent of benefits accruing therefrom. It is very important that such work is done on a more comprehensive and regular basis to yield data on the present methods and practices and input-output coefficients for each input and practice. We know of new facilities that have been provided by way of irrigation and provision of improved seeds, fertilisers and so on and yet we have no data as to the precise amount of these inputs being utilised by different types of farmers for different crops in various regions. This is a serious lacuna. What responses have resulted from these new inputs? In the absence of such data, we have to go by guesses and by generalised ratios which may or may not hold good. The greatest obstacle in assessing the future production potential (in connection with the Study on "Long-term Projections of Supply and Demand for Selected Agricultural Products," in progress in the National Council) has been the absence of reliable and detailed techno-economic data on production aspects.

The lack of information on crops movement within the same State or principal trade blocks, has been a serious handicap, and, an unfortunate statistical lacuna.

Data on stocks and reserves of foodgrains relate only to Government stocks and offtake from the same. For commercial products like cotton, jute, etc., information on stocks held by trade is also available. Stock data ought to be collected in respect of all important agricultural commodities on a more comprehensive and regular basis.

Costs and Savings

Data on the cost of production of crops is scanty, but it is even more so in the case of livestock products for which only a very limited amount of information is available. Data on cost of production are important for purposes of price-fixation about which so much is being heard. In view of the anticipated success of agricultural development plans and the realisation of increased agricultural production, with a possible tendency for a fall in agricultural prices, the need for data which would enable a clear analysis of the interests of the producers and the need for a stable price level is apparent.

The lack of sufficient and high quality data in regard to production costs was felt by N.C.A.E.R. while working out the profitability of crops (which would determine the allocation of input-resources) and determining the expected inter-crop relationships in connection with our long-term supply projections of selected agricultural commodities.

Very little information is available at the moment in regard to savings and their disposal in the rural sector. Some data are available in the Rural Credit Surveys conducted by the Reserve Bank of India, but these give limited information for a few regions only. The problems of measurement and analysis of rural savings, and of determining the intra-sector and inter-sector flows, are quite complicated and call for the devising of suitable concepts and the use of specialised techniques and methods of data collection and their interpretation.

These problems arise because of the nature of the rural economy and the socio-economic complex of the rural population and particularly owing to the behaviourial patterns of rural people in regard to savings. That non-monetary savings in rural areas are an important part of total savings is recognised by all, but we have no means of knowing their magnitude. A study of rural saving—both in respect of monetary and non-monetary components, would be useful in the context of overall plans of economic development and social progress and particularly from the point of view of capital formation, present and potential, for achieving the goal of increased agricultural production.

There has been a general feeling that India's rural economy has sufficient margin of savings not only to finance further programmes of agricultural improvements but even to finance the expansion of the other sectors of the economy. No one has the remotest idea as to the percentage of the savings in the agricultural sector. Particularly we know that the richer landlords and larger farmers save, but it is not known as to how they dispose of their savings and so on.

In regard to investment, we have very little definite data. This can be illustrated from the fact that the Planning Commission made an estimate for the Second Plan which was so totally in variance with the like estimates made by the Reserve Bank and we must add that neither the Reserve Bank estimates nor the Planning Commission estimates are in the region of certainty.

I may add that the National Council of Applied Economic Research is undertaking a pilot survey of rural savings which is expected to throw light on most aspects of the problem. The pilot survey would be followed by a bigger survey to be launched sometime around the middle of 1961.

N.S.S.

The introduction of the N.S.S. was a welcome step inasmuch as it obviated the need to work through the States for obtaining statistics at the national level in regard to many topics, such as expenditure and consumption patterns. However, the setting up of N.S.S. has had a dampening effect on the enthusiasm for implementation of measures decided upon under the earlier plan to develop statistics at the source. A feeling was evidenced in certain quarters that any type of data can be collected through a sample survey. The net result was that the data collected through primary agencies lacked the support and confidence of those concerned, while the N.S.S. supplied estimates on an *ad hoc* basis at the national and regional levels.

At present, the situation is that both area and yield statistics are not being scientifically collected, although some beginning has been made in respect of the yield statistics. In principle, it is necessary that area be enumerated by complete coverage and not by sampling. The estimates of yield for different crops should be obtained by scientific crop cutting experiments. If the area statistics are also obtained by sampling, further errors will be introduced in the estimates of agricultural production, because, according to the sampling techniques, the errors in sample estimates of areas and sample estimates of yields will add up. Area enumeration is actually being done by complete coverage in a number of States and, where it is not so done, sample estimates of areas may be useful up to a point, but there is no justification for making sample estimates of areas under crops for the whole of India even when for a large part of the country estimates by complete enumeration are available.

While the N.S.S. is, indeed, making a great effort in our country and all of us are proud of its work and achievements, we must recognise its limitations. In the first place, while great attention has been paid to the sampling techniques and minimising sampling errors, less than necessary attention has been given to the avoidance of non-sampling errors which, indeed, are much more serious, especially in socio-economic enquiries for savings, consumption, income and so on, where the methods of enquiry have to be on household basis using personal interview techniques. Secondly, the N.S.S. attempts to do too many things at a time. It is really a multipurpose agency. While for some purposes their techniques may be found satisfactory, by the very nature of the economic data, the multipurpose agency cannot meet the requirements of specific enquiries into specific types of economic data. For this specialised purpose, different methods and techniques will have to be employed.

Expert Scrutiny Wanted

Also the N.S.S., because of its multipurpose nature, is not able to deal thoroughly and satisfactorily with particular types of information which one may seek. For example, although the N.S.S. has been collecting data on incomes, it has not been possible so far to get any idea of the income distribution in our country which is so essential for our planning. In this sense, it attempts too much and the results are too little. I would also like to recommend that a conference be convened at expert level to examine critically the methods and results of N.S.S. "expenditure surveys" and suggest improvements. Instead of repetitive once-a-year multipurpose expenditure surveys, it may, for instance, be desirable to experiment with other procedures, including continuous cross-section surveys.

The *patwari* system—a local permanent agency system—on the whole has operated well in providing acreage statistics. Experience shows that land records agency being resident (stationary) is also more suitable for obtaining information on items like the yield rate. The existing land record agency, therefore, supplemented by the agency being set up under the Ministry of Community Development appear to provide promise in the collation and collection of statistics required for successful planning.†

Several years have been lost under the wrong notion that some kind of an all-purpose sample survey will provide all the data that we need in planning and that detailed statistics at the village level are unnecessary.‡ It is high

---

* Some of the advanced countries have evolved suitable methods for this purpose. See for example, "Crop Forecasting in Japan," *Agricultural Situation in India*, March, 1959.

† This is also the view of Dr. P. V. Sukhatme. See "Statistics for Agricultural Planning: Developments in Agricultural Statistics during the last fifteen years." (Address delivered at the Twelfth Annual Meeting of the Indian Society of Agricultural Statistics at Gwalior on 28th January 1959). *Journal of the Indian Society of Agricultural Statistics*, Vol. XI, Nos. 1-2 1959, pp. 23-24.

‡ V. G. Panse "Agriculture with special reference to Statistical Aspects in the Third Plan: Symposium held during the Twelfth Annual Meeting of the Indian Society of Agricultural Statistics," *Journal of the Indian Society of Agricultural Statistics*, Vol. XI, Nos. 1 and 2. 1959, 1 and 2.

time to come to grips with the problem and thus improve our basic agricultural statistics, which at present are quite unsatisfactory.

As a minimum programme, we should try to ensure that:

(*a*) the Statistics of land utilisation and area under different crops become available in respect of the entire geographical area of the country.

(*b*) the estimates of production are made available for all the important crops, including fruits and vegetables and minor commercial crops, and are based on sample crop-cutting experiments for all parts of the country.

The above steps would help clear the confusion in the public mind where nobody knows for sure whether agricultural production has increased as planned and whether the setting of targets and the method of arriving at them have any validity.

There is no need to change radically the structure of machinery for the collection of agricultural statistics in areas where land records staff is doing the work. For the present, it would be enough to reinforce the existing machinery as was suggested in the report of the Technical Committee on Co-ordination of Agricultural Statistics presided over by Dr. W. R. Natu.

That qualified people should be appointed for the job of data collection, processing, interpretation and presentation of agricultural statistics need not be stressed here. Training on a more comprehensive basis ought to be given to the field staff engaged in the collection of agricultural statistics. This should include refresher courses from time to time. It is equally important that proper training is given to the supervisory staff. Supervision over the work of primary agencies should be improved in nature and quality. Time lag in the collection of data and its release in a usable form should be reduced.

There should be a consolidated plan for the improvement of agricultural statistics wherein the relationship of different components to each other and to the total plan should be carefully thought out and specified. It may not be possible to implement all the suggestions given here because of organisational or financial considerations. So priorities for the various measures should be worked out.

Simplification

Allied to the issue of the simplification of administrative procedure is the question of simplifying some statistical procedures; the latter is also important from the point of view of timely compilation and release of information. The estimation of data for small areas or for items of minor importance when actual figures are wanting, is an example of the type of difficulties which lead to delays in the release of agricultural statistics.

Extension of the work under schemes (sponsored by the Ministry of Food and Agriculture) launched during the second Plan, e.g., computation of index number series relating to agricultural economy, survey of culturable waste-lands, diagnostic studies for reconciliation of statistics collected by more than one agency, etc., is recommended on a more intensive basis.

Efforts should simultaneously be made to educate the officials engaged in data collection and supervision in regard to the importance of agricultural statistics; it is equally important for other officials whose co-operation is generally sought in the matter. The significance of reliable and timely information is not realised in all quarters and a change in the attitude of officials is a *sine qua non* for improved agricultural statistics. Some organisational changes would also be needed to make these effective.

The improvement in the organisation of the machinery for data collection should comprise: (i) improvement in the conditions of service—reasonable salaries, established scales of pay and security of tenure, (ii) expansion of the scheme of rationalised supervision—checking based on random sampling methods, (iii) appointment of suitable senior staff and, finally, (iv) there should be delegation of power to the proper persons.

In conclusion, I must add, in fairness to all those concerned with it, that there is a steady and consistent effort to improve agricultural statistics; we have also got a body of highly trained and competent statisticians. With these additions, we may legitimately hope that, within a very short time, our country should also compare favourably with other countries where agricultural data are more adequate and reliable.

UNION BANK OF INDIA LTD.

CHAIRMAN'S SPEECH AT FORTY-SECOND ANNUAL MEETING

INTER-BANK AGREEMENT ON INTEREST RATES NEEDS MODIFICATION

ADDRESSING the shareholders of the Union Bank of India Limited at their Forty-second Annual General Meeting held at Bombay on Monday, 20th March, 1961, Mr. K. R. P. Shroff, Chairman, dealt with the problems raised by the contraction in bank deposits in recent months. Referring to the all-India inter-bank agreement on deposit rates, he said that it was not helpful to medium-sized and small banks, as they had to compete with bigger banks for deposits on the same terms. Alluding to the new section of the Indian Companies Act dealing with the branch audit of banking companies, the Chairman stated that the Union Bank had made quite satisfactory arrangements for the audit of its branches.

The following is the full text of Mr. Shroff's speech:

"GENTLEMEN,

"The Directors' report for the year ended 31st December 1960, together with the audited balance-sheet and the profit and loss account as at that date, have been in your hands for some time and with your permission, I take them as read.

"The business of the Bank continued to be satisfactory. During the year, the Bank opened six branches, one each in Greater Bombay, Bhiwandi, Poona, Kolhapur, Delhi and Gauhati and at the end of the year the total number of branches was 17 local and 35 upcountry. Since then, we have opened branches in Nagpur, Delhi Chakla (Ahmedabad) and New Delhi. I am happy to report that we continue to receive encouraging response at both our old and new branches.

Decline in Bank Deposits

"The figures of current, savings, fixed and other deposits which were Rs. 24.60 crores at the end of 1958 and Rs. 32.17 crores at the end of 1959, stood at Rs. 28.50 crores at the end of the year under review. For over a decade, there has been a continuous increase in bank deposits. Between 1951 and 1959, the total bank deposits increased by nearly 125 per cent. This pattern continued upto August last year when the banks' aggregate deposit liabilities stood at Rs. 1,971 crores. Since then there has been a change in this trend and at the end of the year the aggregate deposit liabilities stood at Rs. 1,892 crores. This serious problem facing the banking industry on the eve of our third Five-year Plan is having serious attention of the Finance Ministry, Reserve Bank of India and both the Indian and Foreign Banks' Associations. Banks in this country will be called upon to play an increasingly important role in the third Plan and unless their resources are sufficiently strengthened, the banking structure will not be in a position to bear any additional strain. In these changed conditions, medium-size banks like ours amongst 'A' class banks, i.e., banks with deposits of Rs. 25 crores and over, are at a definite disadvantage since at present, under the all-India Inter-bank agreement on maximum rates of interest on deposits, we have to compete for deposits with bigger banks, both foreign and Indian, on the same terms. This aspect is also engaging the attention of both the Indian and Foreign Banks' Associations.

Credit Ratio Satisfactory

"The money market remained very tight throughout the year and even during the slack season the maximum reduction in bank credit was less than 4 per cent. During the year the total bank credit expanded by Rs. 216 crores and stood at Rs. 1,181 crores at the end of December 1960. The credit-deposit ratio of all banks excluding P.L. 480 deposits stood at 71.4 per cent. Despite heavy and insistent demand for bank credit, your Directors considered it prudent to keep down advances and at the end of the year 1960 our advances, including bills purchased, stood at Rs. 17.31 crores, maintaining the credit-deposit ratio of 60.7 per cent which can be considered quite satisfactory.

"We continued to keep a liquid position and cash on hand and balances with banks, together with our investments in Government and other trustee securities, aggregating Rs. 11.84 crores, bear a ratio of 41.5 per cent to the total deposits against 38 per cent in the previous year.

"Investments in Central Government, State Government and other trustee securities stood at Rs. 7.13 crores at the end of the year as against Rs. 6.92 crores at the end of 1959. Your Directors, fully realising the effect of various credit restrictive measures taken by the Reserve Bank on the security market, decided to convert longer and medium-dated securities to shorter-dated securities to the extent possible, 61 per cent of these securities mature within a period of five years, 36 per cent between five and eight years and the balance of 3 per cent after eight years but within a period of eleven years.

Expansion in Business

"Our foreign exchange business continued to develop satisfactorily and our outstanding acceptances, endorsements, etc., which mainly represent foreign letters of credit opened by us, increased from Rs. 5.53 crores to Rs. 6.13 crores at the end of the year. The outstanding contingent liabilities in respect of forward exchange contracts also increased from Rs. 4.94 crores to Rs. 7.39 crores.

"Interest and discount earned during the year rose to Rs. 1.33 crores against Rs. 1.29 crores in the previous year. Commission, exchange, etc., showed a substantial increase from Rs. 31 lakhs to Rs. 41 lakhs. Under the all-India inter-bank agreement on maximum rates of interest on deposits, the rates of interest on deposits were reduced by about ½ per cent at the end of 1959 and you will observe that the figure of interest paid on deposits at Rs. 63 lakhs was lower than that of the previous year by nearly Rs. 5 lakhs.

Increase in Staff Expenditure

"The figure of salary and allowances paid to the staff during the year under review went up from Rs. 46 lakhs to Rs. 59 lakhs and this increase of about Rs. 13 lakhs can be ascribed to the undermentioned reasons:—

(*a*) 64 per cent of the total increase is due to additional expenditure over salary and wages paid to new staff recruited for the new branches, additional hands taken up at the fag end of the year 1959 to cope up with the increase in the Bank's volume of business.

(*b*) 16 per cent is due to the increase caused by graded increments, D.A. and provident fund.

(*c*) 20 per cent by way of increase due to part adjustment in salary and allowances following the upgrading of the Bank from 'B' class to 'A' class and also due to overtime earned by the staff.

"The net profit of the year is higher at Rs. 27.15 lakhs as against Rs. 24.27 lakhs for the previous year. I can assure you that every possible effort is being constantly made by the management in keeping down the expenses, without impairing the efficiency and high standard of service rendered to our customers.

Branch Audit

"Under Section 228 of the Companies Act 1956 as amended by Section 70 of the Companies (Amendment) Act 1960, the accounts of every branch of a company have to be audited either by the company's auditors appointed under Section 224 of the Companies Act or by a person qualified for appointment as an auditor of the company under Section 226 of the Act. In order to avoid hardship, delays and heavy expenses which a company having several branches may have to undergo or incur, sub-Section 4 of the Amendment Act provides that the Central Government may exempt any branch of a company from these provisions. As

(*Continued on page 563*)

Notices

INDIAN ALUMINIUM COMPANY LIMITED

31, Chowringhee Road
CALCUTTA

NOTICE IS HEREBY GIVEN THAT THE Twenty-third Annual General Meeting of Indian Aluminium Company, Limited, will be held at the registered office, 31 Chowringhee Road, Calcutta 16, on Thursday, April 27th, 1961, at 11 a.m., for the following purposes.

1. To receive and adopt the Balance Sheet as at December 31st, 1960, and the Profit and Loss Account for the year ended December 31st, 1960, together with the reports of the Auditors and Directors.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.
5. As special business, to consider and if thought fit to pass with or without modification the following resolutions:

(i) As special resolution:

"That it is hereby approved that the register and index of members, the register and index of debenture-holders and copies of all annual returns prepared under Sections 159 and 160 of the Companies Act, 1956 as amended, together with the copies of certificates and documents required to be annexed thereto under Sections 160 and 161 of the said Act may, at the option of the Directors, be kept at the office of Andrew Yule & Company Limited, 8 Clive Row, Calcutta, instead of at the registered office of the Company."

(ii) As ordinary resolution:

"That the powers given to the Directors to borrow moneys on behalf of the Company by resolution No. 5 passed at an Extraordinary General Meeting of the Company held on November 12th, 1956, be limited to the sum of Rs. 15 crores."

(iii) As ordinary resolutions:

"That each Director, other than a Director in the employ of the Company, do receive as remuneration for his services under Article 104 of the Company's Articles of Association Rs. 400 for each meeting of the Board of Directors he may attend or which his Alternate Director, not being in the employ of the Company, may attend in his place or stead.

That the aforesaid resolution will have retroactive effect from January 1st, 1961."

The share transfer register of the Company will be closed from April 6th to April 27th, 1961, both days inclusive.

Payment of any dividend declared will be made only to those members whose names are registered in the books of the Company on April 27th, 1961, or to their mandatories. No application for warrants will be necessary. Claims on behalf of holders of shares held on blank transfer will not be entertained.

Any member of the Company who is entitled to attend and vote at the Meeting convened by this Notice is also entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

By Order of the Board,

T. D. SINHA,
Secretary.

March 6th, 1961.

The Explanatory Statement relating to Item No. 5 above in terms of Section 173(2) of the Companies Act 1956 has been forwarded to the members of the Company along with the Notice.

BRAITHWAITE & CO. (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-first Annual General Meeting of Braithwaite & Co (India) Limited will be held at the Registered Office, 4, Clive Row, Calcutta-1, on Thursday the thirteenth day of April, 1961, at 11-45 a.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1960.
2. To declare a Dividend.
3. To elect Directors in place of those retiring.
4. To appoint Auditors and fix their remuneration.
5. To consider and, if thought fit, to pass with or without modification, the following resolution which will be proposed as a Special Resolution:—

"That Article 95 of the Articles of Association be deleted and the following Article substituted in its place:—

"95. Unless otherwise determined by the Company in General Meeting, each Director, other than the Managing Director, shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board, a fee of Rs. 350 per meeting of the Board attended by him subject to a maximum of Rs. 3,000 for each Director per annum and the Chairman shall similarly be entitled to receive Rs. 550 per meeting of the Board attended by him subject to a maximum of Rs. 4,800 per annum."

The Transfer Books of the Company will be closed from the 30th March to the 13th April, 1961, both days inclusive.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member.

Payment of such Dividend as may be declared will be made on or after the 21st April, 1961 to those members whose names are on the Company's Register on the 13th April, 1961.

By Order of the Board,

Y. S. TAYAL,
Secretary.

CALCUTTA, *3rd March*, 1961.

An Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956, is annexed to the Notice convening the meeting.

HINDUSTAN LEVER LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of the Company will be held at the INDIAN MERCHANTS' CHAMBER HALL, 76, Veer Nariman Road, Bombay 1, on Tuesday, 18th April 1961, at 4 p.m., to transact the following business:—

1. To receive and consider the Accounts and Balance Sheet, and the Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration for the year ending 31st December 1961.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member.

The transfer books of the Company will be closed from 22nd March to 25th March 1961 (both days inclusive) and again from 12th April to 18th April 1961 (both days inclusive).

By Order of the Board,

S. H. GURSAHANI,
Secretary.

INDIA HOUSE, FORT STREET,
BOMBAY 1, *22nd March* 1961.

To all shareholders of the Company and in particular Unilever Ltd., London.

THE DURBHANGA SUGAR COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-ninth Ordinary General Meeting, being the Annual General Meeting, of The Durbhanga Sugar Company, Limited, will be held at the Registered Office of the Company at Lohat, on the 20th day of April, 1961, at 10.30 a.m., for the following purposes:

(1) To receive and adopt the Directors' Report and Accounts for the year ended the 31st August, 1960, and Balance Sheet and Report of the Auditors thereon.

(2) To declare a Dividend.

(3) To elect a Director in place of Shri Kanhaiya Jha, who retires under Article 107 and, being eligible, offers himself for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

As Special Business

(5) To transact any other business which may be brought forward at the Meeting with the permission of the Chairman.

By Order of the Directors,

W. F. MALDEN,
Secretary.

LOHAT,
DISTRICT DARBHANGA,
9th February, 1961.

Note.—(1) A member of the Company, who is entitled to attend and vote, is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member.

(2) The Share Transfer Books of the Company will be closed from the 2nd April to the 20th April, 1961, both days inclusive.

(3) Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 20th April, 1961.

DUNCAN BROTHERS AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors have sanctioned payment of an additional dividend of 1.2 per cent to Preference Shareholders of the Company in pursuance of the Preference Shares (Regulation of Dividends) Act, 1960, in respect of the year ended 31st December 1959.

This dividend will be paid on 18th April 1961 to those Shareholders (or their mandataries) whose names appear in the Company's books on 15th April 1961.

The Preference Share Transfer Books of the Company will be closed from 5th to 15th April 1961, both days inclusive.

By Order of the Board,

DUNCAN BROTHERS & CO., LTD.,

S. K. MITRA,
Secretary.

31, NETAJI SUBHAS ROAD,
CALCUTTA, *14th March* 1961.

THE PULLANGODE RUBBER AND PRODUCE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 31st March 1961 to the Registered holders as at that date, interest due on the Preference Shares for the year ended that date at the rate of 6.131 per cent per annum calculated in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act 1960.

Preference Share Transfer Register will be closed from 28th March 1961 to 31st March 1961, both days inclusive.

By Order of the Board,

ASPINWALL & CO., LTD.,
Managing Agents.

COCHIN, *16th March*, 1961.

SYNOPSES OF COMPANY REPORTS

Kesar Sugar Works Ltd.

THE directors of the above Company (Chairman: Mr. Tulsidas Kilachand, Bombay) presented the audited accounts of the Company for the year ended 31st July 1960.

The working of the year, after charging the amount of Rs. 70,54,732 (Rs. 51,96,987) for excise duty and Rs. 11,02,943 (Rs. 7,93,677) for cane cess, shows a gross profit of Rs. 23,75,977 (Rs. 11,23,105). After providing for depreciation Rs. 3,16,106 (Rs. 2,45,914), for development rebate Rs. 2,10,000 (Rs. 40,000), and for taxation Rs. 7,90,000 (Rs. 3,90,000) there remains a net profit of Rs. 10,59,871 (Rs. 4,47,191). After providing for taxation in respect of previous years Rs. 60,000 (Rs. 60,000) there remains a balance of Rs. 9,99,871 (Rs. 3,87,191). With the balance brought forward from the last year of Rs. 9,576 (Rs. 74,885) there is a total amount available for disposal of Rs. 10,09,447 (Rs. 4,62,076). This amount the directors recommend should be disposed as under: To payment of a dividend at 6.105 per cent i.e. 5¼ per cent as increased by 11 per cent as required by the Preference Shares (Regulation of Dividend) Act, 1960 on preference shares, subject to deductions of tax, absorbing Rs. 91,575 (Rs. 82,500) to payment of additional dividend on preference shares for the year 1958-59, at .605 per cent as required by the abovementioned act, subject to deduction of tax, absorbing Rs. 9,075, to payment of dividend at Rs. 9 (Rs. 6.00) per share subject to deduction of tax, on ordinary shares of Rs. 50 each, absorbing Rs. 4,05,000 (Rs. 2,70,000) and to transfer to general reserve fund Rs. 4,00,000 (Rs. 1,00,000) leaving a balance to be carried forward to next year's account of Rs. 1,03,797 (Rs. 9,576).

The factory started operations from the 20th November 1959. The quantity of cane crushed was 58,82,023 (42,32,944) maunds during 201 (150) days of crushing. The sugar production during the year under report was 5,65,077 (4,04,236). The recovery per cent was 9.60 (9.55). The quantity of cane crushed and the quantity of sugar produced by the Company's factory were thus much larger than the previous year and with improved recovery the result of the Company's working during the year under Report has been quite satisfactory.

Crushing for the current season has been commenced from the 10th November 1960. The area under sugarcane this year is reported to be larger as compared to last year and the prospects of crushing for the current season are considered satisfactory.

The production in the distillery increased during the year and has been the highest on record. The production would have been still higher had the factory not remained closed for some time for want of sufficient and timely offtake and also for installation of the additional plant. The work of doubling the capacity of the Distillery which could not be completed last year owing to some materials having not arrived in time is now expected to be completed this year. A large portion of the additional plant has however already been commissioned and the production of Alcohol this year is therefore expected to be higher than last year.

It was mentioned in the last year's report that a Project to manufacture Synthetic Rubber at Bareilly using Alcohol as basic raw material was sanctioned by the Government. The said Synthetic Rubber factory is being established by Synthetics & Chemicals Ltd., and to it a considerable portion of the increased production of the Company's Distillery will be supplied in future. The directors have thought it fit to invest in 60,000 equity shares of Rs. 100 each of the said Company.

India has now started exporting alcohol to other countries. The Company has invested in 4,800 equity shares of Rs. 100 each in Distillers' Trading Corporation Private Ltd. [Of these, 4,200 shares are purchased after the date of the balance-sheet.] This company has erected storage installations at Kandla Port for the purpose of exporting alcohol.

Production and sales of the Company's Chemical factory increased further during the year. During the current year, however, the Government's policy of allowing imports under export promotion scheme has affected demand of some of the chemicals manufactured by the Company.

The directors have called up the remaining amount of Rs. 10 per share on the equity shares of the Company and the equity shares have now been fully paid up.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,00,000	Gross block	95,42,332
Reserves ...	20,51,626	*Less*—Depreciation ...	57,58,319
Provision for taxation ...	15,92,235	Net block ...	37,84,013
Liabilities ...	1,48,16,988	Machinery under erection ...	4,84,927
Carry forward ...	1,03,797	Stock-in-trade	1,14,26,127
		Stores, etc. ...	13,07,354
		Standing crop ...	4,00,296
		Book debts	24,33,370
		Investments	18,36,096
		Cash ...	1,32,563
Rs.	2,18,64,646	Rs.	2,18,64,646

Gwalior Sugar Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. J. P. Srivastava & Sons (Madhya Bharat) Private Ltd., Kanpur] submit the audited accounts of the Company for the year ended 30th June 1960.

After meeting the usual expenses including bonus and providing Rs. 1,76,741 (Rs. 1,98,256) for depreciation and Rs. 3,96,000 (Rs. 3,50,000) for taxation, there remains a balance of Rs. 4,50,519 (Rs. 3,39,439) to which has to be added a sum of Rs. 30,235 (Rs. 9,164) brought forward from the previous year. The amount available at credit of the profit and loss account is Rs. 4,80,754 (Rs. 3,98,603) which the directors recommend to dispose of as follows: By payment of dividend at 7.77 (7.00) per cent on 6,750 redeemable cumulative preference shares of Rs. 100 each, subject to deduction of income-tax payable by the Company and deduction of tax under section 18(3D) of the Income Tax Act, absorbing Rs. 52,448 (Rs. 47,250), by payment of dividend at 7.77 (7.00) per cent on 5,000 cumulative preference shares of Rs. 100 each, subject to deduction of income-tax payable by the Company and deduction of tax under section 18(3D) of the Income Tax Act, absorbing Rs. 38,850 (Rs. 35,000), by payment of dividend at 12.5 (10) per cent on 15,939 equity shares of Rs. 100 each, subject to deduction of tax under section 18(3D) of the Income Tax Act, absorbing Rs. 1,99,237 (Rs. 1,59,390), by transfer to development rebate reserve of Rs. 2,625 (Rs. 26,728), by transfer to reserves for redemption of redeemable cumulative preference shares Rs. 1,00,000 (Rs. 50,000) and by transfer to general reserve of Rs. 75,000 (*nil*) leaving a balance to be carried forward to next year of Rs. 12,594 (Rs. 30,235 after transferring Rs. 50,000 to dividend equalisation reserve). It will be observed that the dividend on redeemable cumulative preference shares and cumulative preference shares stands increased from seven per cent to 7.77 per cent in accordance with the provisions of Preference Shares (Regulation of Dividends) Act 1960.

The directors report that there was an all round improvement in the working of the factory This is largely reflected in the better recovery, 9.85 (9.48) per cent and marked improvement in the quantity of cane crushed, 30,90,858 (20,99,500) maunds and good realisations from the sales of sugar. The duration of the season was 143 (102) days.

The implementation of the scheme for extension of capacity of the factory has been making good progress as a result of which the factory has now attained a crushing capacity of approximately 900 tons per day. The directors are taking effective steps to implement the next phase of the extension scheme so as to achieve the full licensed capacity of 1,100 tons per day. In view of the new policy of the Central Government in the matter of licensing of additional capacity to the existing sugar factories, the directors have been encouraged to consider a further phased extension of the factory and the Company has accordingly applied to the Central Government for a licence to cover a further increase in the capacity of its factory from 1,100 to over 1,250 tons per day. The directors have also under their active consideration the financial implications of carrying out the full extension scheme of the Company and are hopeful of being able to make adequate arrangements for long term credit from its Bankers and other finance agencies.

The factory started crushing sugarcane during the current season on 5th December 1960. The prospects of the factory crushing sufficient quantity of cane and obtaining a fair recovery appear to be good. The Company's efforts to maximise production have unfortunately been retarded due to the recent Stay-in-Strike lasting eleven days carried out by its workmen on the issue of Bonus and other demands. Although the Company suffered a great deal due to dislocation and wastage of cane supplies and other acts of harassment on the part of the workers it took a firm stand and did not yield to the unreasonable demands of the workers.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	27,68,900	Gross block	48,72,029
Reserves ...	13,26,242	*Less*—Depreciation ...	31,28,903
Provision for taxation ...	19,31,488	Net block ...	17,43,126
Liabilities ...	58,27,918	Stock-in-trade	55,96,001
Carry forward ...	12,594	Stores, etc.	10,36,809
		Book debts ...	10,60,458
		Investments	11,40,100
		Cash	12,90,648
Rs.	1,18,67,142	Rs.	1,18,67,142

N.B.—Figures within brackets relate to the corresponding period of the previous year.

Notice

THE ALKALI AND CHEMICAL CORPORATION OF INDIA LIMITED

NOTICE

THE PREFERENCE SHARE REGISTERS OF the Company will be closed from 4th April 1961 to 8th April 1961, both days inclusive.

By Order of the Board,

IMPERIAL CHEMICAL INDUSTRIES
(INDIA) PRIVATE LIMITED,
Secretaries.

CALCUTTA, *27th February* 1961.

ECONOMIC TRENDS IN WESTERN EUROPE

(*Concluded from page* 532)

Commenting on the prospects for the West European economy in 1961, the *Survey* points out that some slowing down in the pace of overall expansion is to be expected, thanks to a decline in the rate of expansion of exports. Even so, the estimated increases of gross national product are high. Exports to the U.S. are unlikely to fall below the level of the latter part of 1960 and may rise towards the end of the year if American economic activity revives. No increase in exports to primary producing countries is, however, expected; on the contrary, a decline is possible on account of the lower foreign exchange reserves of many of these countries. And with economic expansion in W. Europe continuing, the countries whose exports are concentrated on West European markets would be least affected by any temporary stagnation of overseas export demand. Total domestic demand, except perhaps in the case of the U.K., shows no sign of slackening. Again, with the sole exception of the U.K., balance of payments developments are unlikely to cause concern in any of the industrial countries of West Europe.

At the same time, the *Survey* strikes a note of warning. Although fears of renewed inflationary tendencies in a number of countries, particularly in W. Germany, may prove groundless, there is danger that the authorities, prompted by anxiety about possible price increases, may take measures which are liable, as in the period 1955-58, to retard the growth of output without checking wage increases. If this happens, points out the *Survey*, wage costs per unit of output will rise even faster for a time. If private investment were ultimately checked by excessive reliance on credit restraint to prevent a wage-price spiral, both continued growth and price stability would be jeopardised in present conditions of labour scarcity.

UNION BANK OF INDIA LTD.

(*Concluded from page* 561)

it is almost impracticable to have all the branches of the Bank audited by the Company's Auditors or other authorised persons within the available time, the Bank will be applying to the Central Government for exemption and a suitable resolution is being moved in this meeting. By virtue of another resolution, the Directors seek authority to make arrangements, in case of necessity, for audit of the branches either by the Auditors of the Company or by such other persons as are duly qualified for the purpose. I may here inform you that your Bank has made quite satisfactory arrangements for surprise inspections from time to time by the statutory auditors and other established and well-known firms of chartered accountants, of all important branches of the Bank where a major portion of the business is being transacted. In addition, the Bank has also appointed on its staff, a number of chartered accountants and other qualified and experienced officers who at regular intervals scrutinise and check accounts of all the branches of the Bank. Moreover, at big centres a system of daily internal audit by competent officers has been devised. Your Directors are, therefore, thoroughly satisfied on the control and check exercised by the head office on the branches through a system of regular and periodical audit and inspections both by statutory and other auditors as well as by the Bank's own inspection and audit teams. They, therefore, commend for your acceptance the relevant resolution under Section 228 of the Companies Act 1956 as amended by Section 70 of the Companies (Amendment) Act, 1960.

"You are requested to re-elect three of the Directors of the Company, Mr. Jal H. Mehta, Mr. Devji Rattansey and Mr. Ratilal Nathalal, who retire by rotation and being eligible, offer themselves for re-election.

"You are also requested to appoint Auditors for the ensuing year.

"I should like to record our appreciation of the services rendered by our Local Committees at Calcutta and Ahmedabad. I also take this opportunity to thank on behalf of the Board and on your behalf, our General Manager Mr. F. K. F. Nariman for the very capable manner in which he has discharged his heavy responsibilities during the year. Our thanks are also due to the Deputy General Managers, Mr. D. A. Bijoor and Mr. S. D. Pardiwalla and other officers and members of the Bank's staff at the head office and branches for the good work they have all done."

NO CHANGE IN MONEY

(From Our Own Correspondent)

BOMBAY, 22*nd March*

The conditions in the short-term money market reveal no new features. With the pressure of seasonal demand for bank funds still outstripping the available supply, there are no signs of any relief in monetary stringency. It is too early to expect the new rates of interest to bring in more deposits to banks. Some bankers are of the view that in due course the deposits are bound to expand, as a result of the measures already taken by the bankers. Further, the steps like deposit insurance, contemplated in official circles, are also expected to impart a measure of strength to the banking structure by inspiring confidence among depositors. In the meantime, the demand for funds for crop movements and tax payments (as the official financial year is drawing to its end) are keeping the interest rates firmer than ever before. The seasonal demand is not likely to taper off this year before the middle of June. The return of advances may begin to take place only much longer afterwards. The current rates of interest are as follows:

Inter-bank call money: (i) Exchange and larger Indian banks: 5¼ per cent. (ii) Other banks: 5¼ per cent.

Notice Money: 3 days or more 3 per cent.

Term deposits: (i) 3 to 30 days (inclusive): 3 per cent. (ii) 31 to 60 days (inclusive): 3¼ per cent. (iii) 61 to 90 days (inclusive): 3¼ per cent. (iv) 91 days and more but less than 12 months: 3¾ per cent. and (v) 12 months: 4 per cent.

The results of 91 days' Treasury Bills of the Government of India, sold through weekly tenders, show that the total amount offered and accepted was unchanged at Rs. 2 crores, against an invitation of an equivalent amount. The average rate of accepted tenders was also unchanged at Rs. 2.750 per cent per annum. 91-days' intermediate Treasury Bills, sold from 15th March to 17th March, amounted to Rs. 5 lakhs only. Their sales are being continued.

The Statement of the Reserve Bank of India for the week ended 17th March 1961 shows that the notes in circulation have declined by Rs. 7.99 crores to Rs. 1,971.96 crores. As the notes held in the Banking Department have gone up by Rs. 8.48 crores, the total notes issued have risen by Rs. 49.32 lakhs only. On the assets side, the foreign securities held in the Issue Department have remained steady at Rs. 128 crores. But, as balances held abroad show an expansion of Rs. 1.35 crore, the total foreign assets are higher by that amount at Rs. 160.20 crores. The deposits of the banks with the Reserve Bank have declined by Rs. 2.11 crores and are of the order of Rs. 71.76 crores. Over the week, there has been an expansion in other loans and advances of Rs. 10.57 crores, which include borrowings by the scheduled banks also. Advances against usance bills alone have gone up by Rs. 5.98 crores to Rs. 35.28 crores. A year ago, they were only Rs. 12.58 crores. It is thus clear that banks are increasingly resorting to usance bills for obtaining funds from the Reserve Bank.

The scheduled banks' statement for the week ended 10th March 1961 discloses an expansion of Rs. 6.89 crores and Rs. 58.58 lakhs in demand and time deposits respectively. Of this rise, the State Bank of India accounts for Rs. 2.58 crores. Their borrowings from the Reserve Bank of India went up by Rs. 4.33 crores, and the borrowing from the same source against usance bills expanded by Rs. 1.75 crore. The scheduled banks' borrowings from the State Bank of India of demand nature increased by Rs. 79.04 lakhs, while those of time nature actually declined by Rs. 12 lakhs. Advances and bills (bank credit) have registered a substantial increase of Rs. 14.04 crores, on top of a rise of Rs. 11.85 crores in the preceding week, bringing their total to Rs. 1,292.64 crores. A year ago, they were of the order of Rs. 1,089.17 crores only. Of the expansion in bank credit during the week under review, the State Bank's share is Rs. 6.73 crores. The investments of scheduled banks as a whole have fallen by Rs. 7.54 crores. But as the investments of the State Bank of India have dropped by Rs. 8.27 crores, those of other scheduled banks must have actually risen by Rs. 73 lakhs.

Prices in the gilt-edged market hardened further in the case of short and medium dated issues. Some institutional investors are reported to be switching from the near-maturity loans to 3 per cent and 3½ per cent short and medium dated issues, which are quoted below par. In the Central loans section, the prices of 3 per cent 1963-65, 1964 and 1966-68 have registered increases of 15 nP., 15 nP and 5 nP. respectively. The 3½ per cent 1964 first National Loan and 3½ per cent 1965 second National Plan loans closed 5 nP and 15 nP higher at Rs. 99.75 and Rs. 99.65, respectively. In the State loans section, there was keen demand from sinking fund accounts for 3½ per cent short-dateds and 4 per cent. medium-dateds. In the case of these issues, there are more buyers than sellers with the result that their prices have firmed up. Thus 3½ per cent 1962 Madhya Pradesh, 3½ per cent. 1962 Madras and 3½ per cent 1962 U.P. loans gained by as much as Re. 1.75 nP and 60 nP respectively. The 4 per cent medium-dated loans of Maharashtra, Gujarat, U.P. and Madras showed gains ranging from 10 nP to 20 nP.

In the foreign exchange market, the rupee has remained almost steady. The banks' selling rate for ready T.T. on New York has remained unchanged at Rs. 478.50 per 100 dollars, the buying rate, however, shows some weakening having moved up from Rs. 474.75 to Rs. 478.00 per 100 dollars. In the New York exchange market, in spite of the decision of the European central bankers who met recently at Basle to prevent speculators from undermining the position of the sterling and other European currencies, the sterling has shown some weakening. Thus, the latest available rates are 279.800-279.840 cents per £ for spot and 278.400-278.440 cents per £ for three months' forward. Over the week, the sterling has lost ground by 0.11 cent and 0.26 cent, respectively.

BULLION LOOKS DOWN

(From Our Own Correspondent)

BOMBAY, 22*nd March*

This has been a week of downward trend for bullion. The bears had a free reign during the major part of the week and exploited the lurking suspicion that the Government might unload a part of the silver salvaged from demonetised coins. In their attempts, they were also helped by larger arrivals, especially of silver coins, a lower offtake by upcountry centres and the persisting uncertainty about the intentions of the Forward Markets Commission in regard to the next settlement. The Commission is yet to give its consent to the application made by the Bombay Bullion Association for allowing trading in both *Vaisakh* and *Jeth* contracts. The bulls were cautious. With money and credit being extremely tight, they were in no mood to adopt an aggressive attitude. Silver saw the lowest levels of the week on Monday. Since then, there has been some recovery, but this is due more to bear covering than to buying by the bulls. Gold, however, has continued to slide down, with the lowest levels for the week having been registered today. A section of the market is apprehensive that, following the proposed relaxation of trade restrictions with Goa, arrivals of contraband gold may increase.

Arrivals and offtake of silver averaged 25 bars and 14 bars per day, as against 14 bars in the case of both last week. In gold, arrivals rose from 6,000 tolas to 8,000 tolas and offtake from 3,000 tolas to 4,000 tolas only. Over the week, there has been a loss of Rs. 2 in ready silver and of Rs. 2.25 in forward (*Chaitra*) silver. In gold, the loss is Rs. 2.20 in spot and Rs. 2.80 in forward. It will thus be seen that speculators have been extremely cautious this week, though the market is right in the midst of the usual busy season.

The following table shows the trend of the market during the week under review:

	22-3-1961 (closing)	High	Low	15-3-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	120.80	122.60	120.65	123.00
Forward:				
Chaitra*	121.55	123.15	121.40	123.35
Sovereign	95.00	95.25	95.00	95.25
SILVER				
Ready (.996 fine)	208.20	205.55	201.45	205.40
Forward:				
Chaitra†	202.95	205.45	201.30	205.20
London—	21-3-1961			14-3-1961
Silver Ready	79¾d.	—	—	79¾d.
Silver Forward	80d.	—	—	80d.
Gold	250s. 7d.	—	—	250s.7d.
New York—				
Silver	91.875 cents	—	—	91.375 cents

* 3rd April settlement. † 4th April settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COPPER AND TIN RISE, ZINC EASY

(From Our Own Correspondent)

CALCUTTA, 21*st March*

Steadier conditions were in evidence in the metal market during the week under review. The levy of excise duties on some of the products of the non-ferrous metals industry still remained the talking point in market and industry circles, and it was not yet clear if the excise duties imposed by the Finance Minister on copper and brass pipes and tubes, and copper and brass sheets and circles, and zinc sheets are applicable to these products of the rolling mills' industry, or if these products manufactured through extrusion process are also liable for the duties. Since the extrusion process of the non-ferrous metals industry is in its teens in India, and it will take several years before either it can be compared to its contemporary industry in the United Kingdom or its capacity can be increased to meet India's full requirements, the consensus of market opinion is that the extrusion process of the non-ferrous metals industry should be spared the country's "development tax" which the excise duties are stated to be. Only if an industry is fully developed and has been able to stand on its own feet, that is, without subsidy and/or without tariff protection, can it be asked to contribute to the country's exchequer.

On the London Metal Exchange, electrolytic copper opened at £223½ a ton spot and gained to close at £226. The revaluation of the Deutsche mark made buyers for the Continent a little hesitant. Locally, berry quality scrap at Rs. 468 per 100 kgs. was firm, but utensil scrap declined to Rs. 438.75 per 100 kgs. from Rs. 450. Demand was lower than usual, and although the supply position was tight the lower demand was due to recent arrivals of the virgin metal. The recent notification, which requires that zinc and copper unwrought, imported from abroad should bear (a) an indication of the country or place in which they are produced, or of the name and address of the manufacturer, or (b) where they are made by one person for another, who are both beyond the limits of India, either an indication of the maker's name or of the name and address of the person for whom they are made, was considered unwarranted by trade circles. Tin opened here at Rs. 1,287.75 per 100 kgs. and rose to close at Rs. 1,299.25. The rise was attributed to tightness in supplies. The lower rate in Bombay diverted motussil business to that centre. In London, spot tin opened at £813 per ton and after gaining to £820½ closed at £817. Electrolytic zinc opened here at Rs. 340.50 per 100 kgs. and the price fell to Rs. 331.75 to recover to Rs. 336.50. The decline was due to the resistance of buyers to higher prices. In London, electrolytic zinc closed at £88-5/8 a ton against opening of £86-1/8. Lead was unchanged here at Rs. 124 per 100 kgs. while in London the rate picked up to £87-5/8 a ton from £86¾.

COTTON FUTURES REACT TOWARDS CLOSE

(From Our Own Correspondent)

BOMBAY, 22*nd March*

The cotton futures market had a short week of only four trading days. It was closed on Friday the 17th inst. on account of *Guddi Padva*, and on Tuesday the 20th, due to *Jamshedi Navroz*. During this short period, the market ruled distinctly firm, though there was a reversal of the trend today. Earlier in the week, there were extensive short-covering by local and upcountry interests and fresh support by both mills and investors. Under pressure of persistent buying, both the maturing Jarilla April 1961 contract and Jarilla August contract firmed up. Expectation of reduced tenders was primarily responsible for the strength of the April contract. With little scope of hedging in this contract, delivery against which will start in a week's time, operators turned their attention to the August contract which rallied as a consequence and touched the highest level of its career of Rs. 605 today. Although the expectation that the enhanced duty on cloth proposed in the Budget will be removed did not materialise and the exemption of cotton yarn of 1 to 10 counts from duty granted by the Finance Minister was regarded as too inadequate to be of any help, they did not adversely affect market sentiment, thanks to the presence of other bullish factors. Prominent among these was the good demand for cloth, a steep decline in cloth stocks and strong rumours that export quotas for both Bengal *Deshi* and short-staples like Kalagin and Wagad would be announced at any moment. These rumours have not so far proved correct. The disappointment of the trade over the delay is, perhaps, reflected in the downward trend which set in towards the close of today's session. It is, perhaps, also an indication that the rise in prices was carried too far. Both the April and August contracts consequently shed their earlier gains and closed nearer the day's lowest levels. These are, however, appreciably higher than the last week-end quotations as the following table will indicate:

(In Rs. per three quintals)

	22-3-61	*High*	*Low*	15-3-61
I.C.C. Jarilla				
April 1961 ...	592.25	599.25	584.50	588
August 1961 ...	603	605	594	594.50

Demand for ready cotton was well maintained. Popular varieties such as L147, Surti, Laxmi, Vijay, Khandesh and Kalyan attracted the attention of mills who did not mind paying higher prices, in view of the brisk offtake of cloth and absence of much consumer resistance. Although about 60 per cent of the crop has been marketed, arrivals, especially from Gujerat and Saurashtra areas and the South are good. The busy season in cotton has almost come to an end. At the most, it will last 10 days from now.

Owing to rumours of export quota, shippers were interested in Bengal *Deshi*, Kalagin and Wagad. Foreign cotton was generally neglected. Some interest was noted in U.S. growths and also selected East African varieties. Egyptian and Sudan cotton attracted little attention from mills.

The Karachi cotton futures market, after having ruled subdued during the most part of the week under review, firmed up towards the close. Renewed support to the expiring March contract prompted by considerations of tenders, lifted the contract to Rs. 71 from last week's closing rate of Rs. 70.15. The May contract rallied in sympathy from Rs. 69.15 to Rs. 70. The reduction in crop estimate and some speculative support were the influencing factors.

Supply position of Pakistan cotton during the season is fairly comfortable. The crop, according to present estimate, has turned out to be not only smaller than expected but also below last year's production. The latest estimate is 1,620,000 bales (of 400 lbs.), as compared with 1,678,000 bales last year. If domestic mills absorb as much as 1,300,000 bales, as estimated, the exportable surplus will be about 320,000 bales against 473,000 bales exported last year.

The following are the latest available spot quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton, prevailing at Karachi: Sind Deshi 104; Punjab Deshi 103*; 4F Roller 88.25; S.G. 89.75; L.S.S. Punjab 92.25.

Steady conditions prevailed in the Alexandria cotton futures market. Although export demand for Egyptian cotton continued to be slow, domestic mill buying and local support imparted strength to the market. Values of both the Karnak and Ashmouni contracts were well maintained. The discount rate remained unchanged.

The reduced demand for Egyptian cotton is reflected in the export sales so far during the season. Total sales up to end of February amounted to only 635,537 bales, as against 908,273 bales in the corresponding period of the previous season. The unsold crop has been hanging heavily on the market which explains the failure of the market to improve.

The following are the latest available quotations—in tallaries per lb.—from Alexandria:

Karnak: March 69.08; May 70.13; July 70.15.

Ashmouni: April 59.30; June 60.12; August 60.79.

Firm conditions continued to prevail in the Liverpool cotton futures market. Commission House buying and mill fixings found offerings inadequate. Higher spot advises offset the easier communications from New York. Both the American and American type contracts advanced. The Sudan contracts were, however, a shade easy. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple: March 14.35; May 24.85; July 25.15.

American cotton mixed growth contract: March 24.70; May 25.25; July 25.50.

Sudan: March, May and July 35.25.

Cotton futures values in New York receded during the week under review. The strength of the market witnessed during the past few weeks seemed to have spent itself. In spite of the continued firmness in spot market and the higher loan rate for the next year crop, cotton futures values declined, thanks to speculative selling prompted by favourable reports.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	21-3-61	14-3-61	7-3-61
Spot	33.35	33.25	33.20
March	—	—	32.83
May	33.12	33.37	33.25
July	33.64	33.78	33.77

FURTHER RISE IN ART SILK YARN

(From Our Own Correspondent)

BOMBAY, 22*nd March*

The upward trend of prices of art silk yarns witnessed during the past few weeks gathered further momentum during the week under review. The Finance Minister's refusal to give any relief in respect of excise levy and import duties on rayon yarn and increased fears of shortage of supplies, thanks to the restrictive import policy were sufficient inducement for speculators to push up prices. The rise in the case of some descriptions were so steep that their prices even pierced the ceilings fixed by the Bombay Yarn Merchants' Association. In the second half of the week, however, prices receded to the ceilings, thanks to corrective selling and profit-taking. Staple fibre yarns, too, firmed up on sustained buying. Cotton yarns were steady. Prices remained practically unchanged at last week's levels. The Finance Minister's decision to exempt cotton yarns of one to ten counts and cotton carpets woven on handloom from the payment of excise duty proposed in the Budget was welcomed by the trade, though the concession was considered inadequate as long as the duty on higher counts remained.

The Textile Commissioner has notified that the allocation of indigenous art silk yarn to the art silk powerloom weaving units for the April-June 1961 period, will be made on the basis of the number of loom-shifts worked by the units during October-December, 1960. The allocation will only be made to such units as are holding valid installation permit or registration certificates to work powerlooms on art silk staple fibre yarn.

Cupressa Bemberg Yarn (60×1) April delivery, after having risen from Rs. 2,600 to Rs. 2,620, Rs. 20 above the ceiling (per 100 kg.), receded to Rs. 2,600 today. Spot Cupressa improved from Rs. 2,645 to Rs. 2,810. Foreign art silk yarns also hardened. 120 Japan rose from Rs. 1,515 to Rs. 1,556. 120 Italys were marked up from Rs. 1,488 to Rs. 1,543.

Staple fibre (40×2) April rose from Rs. 887 (per 90.72 kg.) to Rs. 994 and the June position from Rs. 870 to Rs. 930. Spot Kohinoors were done at Rs. 10.78 per kilogram, as against Rs. 10.38 last week-end. Cotton yarns, as noted above, were practically unchanged.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with the previous week.

	22-3-1961	15-3-1961
Art silk yarn—	Rs.	Rs.
60/1 Cupressa Bemberg (100 kg.)		
April	2,600.00	2,600.00
June	2,600.00	—
60/1 Cupressa Bemberg spot	2,810.00	2,645.00
120 Japan (per 100 kg.)	1,556.00	1,515.00
150 Japan (per 100 kg.)	1,777.00	1,735.00
120 Italy (per 100 kg.)	1,543.00	1,488.00
150 Italy	1,764.00	1,708.00
Staple fibre yarn—		
40×2 April (per 90.72 kg.)	944.00	887.00
40×2 June	930.00	870.00
40×2 Century (per kg.)	10.58	10.32
40×2 Kohinoor (per kg.)	10.78	10.38
Cotton yarn (per bundle of 10 lbs.)—		
10sModern	18.44	18.75
20s New Great	21.70	21.75
30s New Great	27.00	27.00
40s Madura	32.25	32.00
50s Tinlay	66.40	66.40
80s Mahendras	68.68	68.68

GROUNDNUTS REACT

(From Our Own Correspondent)

BOMBAY, 22*nd March*

An important feature of trading in the oilseeds market during the week under review was the distinct pause in the rally of groundnuts witnessed in the previous few weeks. In fact, there was a marked setback in values in the groundnut section, following steadily increasing arrivals, particularly from the South. At the same time, the demand from *vanaspati* manufacturers and crushers tapered off at higher levels. Fears of probable official intervention to curb speculation in groundnuts, too, acted as a damper. Traders noted that, under the revised incentive scheme for *vanaspati* exports, announced this week, the manufacturers-cum-exporters would be allowed to import only one ton of copra (as against the previous quota of 1.7 ton) against each ton of *vanaspati* shipped. There was heavy bull liquidation in castorseeds towards the close, thanks to enlarged offerings from upcountry centres. Traders were disappointed at the protracted absence of U.S. enquiries for castor oil. With the lack of follow-up support, linseed ruled easy. The export front for linseed oil continued to be dull with Indian prices remaining distinctly out of parity with ruling world market prices. In sympathy with other seeds and oils, cottonseeds came in for selling. The sesame section, however, was well maintained as a result of continuing scarcity of supply coupled with sizable demand from the South.

In the groundnut section, Nizam bold suffered a setback of 75 nP to Rs. 54.50. Coromandels eased by 25 nP to Rs. 55.25. Oil railway receipts lost 20 nP to Rs. 22.80. Oil ex-mill reacted by 10 nP to Rs. 23.15. There was no trading in the forward contract (May 1961), since prices continued to rule above the ceiling level of Rs. 220.

In the castorseed section, although the May 1961 contract improved from Rs. 179.50 to Rs. 181 earlier in the week, it attracted selling subsequently and the quotation was pushed down to Rs. 176.87 today. Madras small initially rose from Rs. 35.12 to Rs. 35.87, but fell to Rs. 35.25 towards the close. Oil commercial, which had risen from Rs. 15.10 to Rs. 15.60, eased to Rs. 15.45.

Linseed was quite weak. Linseed May 1961 contract drifted lower by Re. 1.6 to Rs. 37.19. Bold ready gave way from Rs. 39.50 to Rs. 38.37. Oil was marked down by Re. 1.10 to Rs. 17.50.

Among cottonseeds, May 1961 contract closed lower by 75 nP at Rs. 97.25, after fluctuating between Rs. 98 and Rs. 99.50. In the spot section, Non-whites were neglected at Rs. 19.75. Whites and Berars were dull at Rs. 20 and Rs. 19.75, respectively. Cottonseed oil dropped 5 nP to Rs. 21.70.

In contrast, sesame continued to elicit sizable support. Sesame bold rose by Rs. 10 to Rs. 380 (per 250 kgs.). Oil was maintained at Rs. 29.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	22-3-1961	15-3-1961	8-3-1961
Groundnut	Rs.	Rs.	Rs.
May 1961	—	—	220.00
Nizam bold	54.50	55.25	52.75
Coromandel ready	55.25	55.50	53.50
Khandesh quality	55.25	55.25	53.25
Oil ex-mill ready*	23.15	23.25	22.25
Railway receipts*	22.80	23.00	21.90
Castorseed			
May 1961	176.87	179.50	174.12
Ready Madras	35.25	35.12	34.25
Ready Kanpur	34.12	33.50	32.37
Oil B.S.P	16.10	15.80	15.15
Oil commercial†	15.45	15.10	14.20
Linseed			
May, 1961	37.19	38.25	35.81
Bold ready	38.37	39.50	35.25
Oil ready†	17.50	18.60	16.40
Cottonseed			
May 1961	97.25	98.00	94.75
Niger seed	42.00	42.00	39.50
Kardi seed	28.50	28.50	27.25

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

PEPPER DULL

(Messrs. Parekh and Co.)

BOMBAY, 22*nd March*

Malabar black pepper firmed up during the earlier part of the fortnight under review, in sympathy with New York and Singapore. New York spot improved to $0.50 in view of smaller stock and pressure of buying at advanced prices by grinders who in anticipation of still lower prices allowed their inventory to drop to low levels. Improvement in New York had had its reflection on India as well as on Singapore. All offers for Malabar for March shipment from $0.43½ to $0.45 were accepted. Singapore also sold fair-sized parcels at prices ranging from $0.43 to $0.44½. Grinders, having refused to follow the advance, New York dealers withdrew. Immediately on the withdrawal of foreign buyers, the growers in India and holders in Singapore came out to press. In the meantime, exporters in India went long in anticipation of further improvement in prices in New York. They bought sizable quantity from the growers who wanted to liquidate their holdings under loans. In the latter part of the fortnight, growers having remained continuous sellers at around Rs. 370 per quintal, the market became soft. Absence of fresh foreign buying had a weakening effect on the market.

Weakness in white at Singapore and monetary crisis in Malabar, following the closure of Palai Bank and the moratorium for other four or five banks in Kerala, proved a depressing factor. Though New York was reported to have bought a sizable quantity of Lampong at prices ranging from $0.43 to $0.44½ from Singapore, the market there failed to improve as stocks of Lampong were accumulating and arrivals from Sarawak improving. White and black at Singapore are nominally quoted at Str.$180 and Str.$145, respectively. As the price difference between spot in New York and shipment is increasing, there are chances of exporters from India and Singapore sending consignments to New York which on their arrival may prove a drag on the market if not disposed of earlier.

Ungarbled at Cochin, after rallying to Rs. 385, came down to Rs. 365. Garbled dipped down to Rs. 378 from Rs. 396. Calicut was continuous sellers at around Rs. 360. March delivery on the Exchange was squared up at around Rs. 383. Business in new account for May and July was very much restricted for want of speculative support. The market appears uncertain as with the proximity of monsoon, growers in India are likely to become anxious sellers. Unless some outstanding feature appears to upset the trend, it is difficult to foresee any early recovery in the prices. Bulls are spreading rumours of large buying orders from Russia and other East European countries but these have so far remained unconfirmed. The size of the coming crop of Sarawak and Lampong will be the real arbiter of the future prices of pepper in the world market. Ready pepper in Bombay is quoted at Rs. 204 per 50 kilos with demand poor.

EASIER TONE IN TEA

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, 14*th March*

Offerings in sale No. 11 held today amounted to 463,000 kilograms. Quality of teas from the Nilgiri district was barely maintained whilst a slight decline was noticeable among other teas. The market met with good general demand. Plain and low mediums, although meeting a useful enquiry, were barely steady and occasionally easier. Medium and good medium descriptions were well supported and were firm and in some cases dearer. Prices for these types inclined easier towards the close of the sale. Demand for Nilgiri teas continued very irregular. A few selected invoices sold at around last week's rates whilst others were considerably easier and at times declined by more than a rupee per klio. Flowery pekoe grades sold at firm rates whilst orange pekoes were irregularly easier. C.T.C. and legg-cut descriptions continued in demand although these sold at slightly easier rates than last.

	1961 Rs.	1960 Rs.
Low medium	4.70-4.90	4.29-4.41
Medium	4.90-5.20	4.41-4 85
Good medium	5.20-5.60	5.18-5.73
Quality	5.30-8.25	6.39-10.58

The average price realised in sale No. 11 was Rs. 5.15 per kilo, as against Rs. 5.20 a week ago and Rs. 5.67 in the correspondng sale last year.

Dust Sale No. 11: A total quantity of 252,000 kilograms was offered in Dust Sale No. 11 held on Thursday, 16th inst. A useful selection of dust was on offer. The market met with good general demand. All descriptions were in good demand and sold at firm rates. Mediums however, were in less enquiry and declined by 5 to 10 nP. There was good demand for high-grown dusts but these tended a little easier. Legg-cut and C.T.C. types sold well at firm rates.

The average price realised in Dust Sale No. 11 was Rs. 4.83 per kilo as compared with Rs. 4.87 a week ago, and Rs. 4.70 in the corresponding sale last year.

Export quota: The market remains unchanged with large sellers at ¼ nP per kilo with no buyers.

The last date for the filing of applicatons for registration of transfers of tea export quota rights in respect of the year 1960-61 is the 20th March 1961. Quota transfers will not be registered unless the necessary transfer forms from both the parties to the transfer are received by the Joint Controller of Licensing, Tea Board, Cochin.

Colombo: 7 million pounds were offered during the week. Plainer and medium descriptions were in strong demand and were dearer by 5 cents. Useful liquoring fannings were also dearer. The broken grades from Western districts met an irregular market and were often easier.

London—North Indian and other growths: In Monday's auction there was a good demand. Best liquoring Assams sold at firm rates, whilst others were irregular and sometimes declined by 1d. to 2d.

Ceylon and South Indian: 21,560 packages were offered in Tuesday's sale. There was rather an irregular market with prices generally easing by 1d. to 3d.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale No.* 12: 431,000 kilograms. Good demand at lower rates. Plain and low medium 10 to 20 nP lower. Medium and good medium 10 nP. easier. Nilgiris neglected, black leaf firm.

RELIEF TO TEA INADEQUATE

(From Our Own Correspondent)

CALCUTTA, 21*st March*

There was good demand at the internal sale held last week. Prices, however, eased following decline in quality. There was no export sale yesterday.

Trade circles noted that, while speaking in Parliament in defence of the new levies, the Finance Minister, Mr. Morarji Desai, disclosed that the recent increases in the excise duty on coffee and tea were aimed at restricting their consumption at home because of their export potential. This statement was made on 13th inst. On the 16th inst., that is, 3 days after the Finance Minister's statement—Mr. Desai worked out the increase in effect as being 1 nP for 10 cups of coffee and 1 nP for 20 cups of tea—the Coffee Board, Bangalore, which is an organisation whose activities are either controlled or looked into by New Delhi, displayed a bold two-column advertisement in a daily here carrying, *inter alia*, the following slogan: "Drink More Coffee. It is Good for You." Mr. Desai's case for lower internal consumption of the beverages and at the same time the Coffee Board's attempt to increase consumption—local it should be inferred since the propaganda advertisement appeared in Calcutta—are at best a paradox!

Such contradictions as above only go to show that whether more exports or otherwise. New Delhi desires to get more revenues from the plantation industry and from internal consumers. Apart from the above paradox, it is a poor argument that the increased duties would keep down internal consumption. It may be pointed out that *biris* and cigarettes and tobacco in any other form have been items on which succeeding Finance Ministers, including Mr. Desai have relied for increasing the revenue from excise duties year after year, and it would be interesting to know if consumption of these had fallen as result of the imposts. In conclusion, it should be said that excises on tea and coffee and other items would only increase the cost of living within the country, irrespective of whether the country earns more

from exports or otherwise. This in turn may lead to demands from industrial workers, as the vicious circle, when once let loose, goes on to move round and round. It sometimes mulcts the industry, more often the consumer, but, perhaps, seldom the Government, which, as experience has shown, only benefits in the motion!

What else can also be the conclusion from the phenomenon of actual revenue collections of the Government far exceeding original estimates? Trade and industry circles here felt that, in several heads in this year's budget also, revenues had been grossly underestimated and perhaps expenditure overestimated, in an attempt to justify the new levies whech after taking into account the concessions as announced during the week would claim about Rs. 56 crores a year.

In a statement, the U.P.A.S.I. President, Mr. H. C. Kothari, has given a studied analysis of the duty changes to justify his declaration that inasmuch as there is no drawback of excise duty on exported teas, the increase in excise duty from 5.5 nP to 7 nP, which is also payable on exportable teas, only neutralizes most of the benefit of the reduction of 9 nP per kg. in export duty. Taking the two together, the effectual decrease in export duty will be 3.5 nP for zone I, 3 nP for zone II, and 2 nP each for zones IIIA and IIIB. This only shows how wrong it is to claim that the export duty reduction means a substantial concession of 17 per cent in duty to the industry, points out the U.P.A.S.I. President.

The Calcutta Tea Merchants' Association has pointed out that the competitive position of the tea industry can be improved only by reducing the total imposition on tea, particularly on producers. Trade circles here said that, if, in fact, Government desired to increase exports and reduce internal consumption, as the Finance Minister would appear to be aiming, the only way to do it was to abolish the export duty altogether and give a sympathetic hearing to the industry's plea for increasing tea acreage. It is common knowledge that taxes on the tea industry have had an adverse effect on its finances for development and only removal of these difficulties, leading to decreasing cost of production, would result in greater competitive strength to Indian tea in world markets.

Dusts on offer during last week's internal sale amounted to 21,994 packages. There was a good general demand at lower prices. An irregular trend was recorded in C.T.Cs. Those lots having leaf were favoured, while the poorer sorts were neglected. Clean mediums, though eased by 15 nP, met with ready buyers. The small and powdery descriptions met with good support. Keen competition was offered to the good and the best C.T.Cs. whose prices increased. Orthodox teas lost by 10 to 15 nP, while the small and selected teas were firm. Legg-cut teas eased, and prices of whole leaf grades fell by 20 nP. The quotations per 1 kg. inclusive of excise duty were: good Assam C.T.C. dust Rs. 6.20 to Rs. 6.60, medium Assam C.T.C dust Rs. 5.40 to Rs. 6.00, legg-cut dusts Rs. 4.85 to Rs. 5.20, medium Assam dust Rs. 4.65 to Rs. 5.00, and plain orthodox dust Rs. 4.55 to Rs. 4.70.

Leaf on offer amounting to 1,603 chests were irregular.

JUTE PRICES WELL MAINTAINED

(From Our Own Correspondent)

CALCUTTA, *21st March*

Raw jute was offered to mills at the I.J.M.A. maximum prices and deals at these levels were also put through during the week under review. There were reports that mills who are non-members of the Association paid higher prices. However, it was considered that, since the majority of the mills are members of the I.J.M.A., the non-member mills, which are small in number, would find it uneconomic to pay higher prices. Against such a background, the I.J.M.A.'s voluntary scheme should be considered as working satisfactorily. There were a few deals in specialities, which were paid higher prices as permitted by the I.J.M.A. Since Government's threat to interfere with the movement in fibre became a reality with the measures now being taken to inaugurate a system of licensing of raw jute sellers, fibre offers at the maximum prices have increased. Reports of deals at prices higher than the maximum prices referred to above would no doubt encourage interested hoarding, but, as prices of goods have fallen, it would be meaningless for anybody to pay disproportionately higher prices for fibre. It may be noted that the vigilance of the customs authorities in Calcutta has earned the admiration of the trade. For, the customs recently seized jute goods worth Rs. 50 lakhs on the ground that the goods were being shipped without a declaration of their proper exportable value.

The possibility of Government requisitioning unsold stocks with dealers was referred to by Mr. T. Kanoria in his address at the annual meeting of the Jute Balers' Association held on Thursday last. He said that such stocks were too low and after the Government completes the allotment of these stocks, the difficulties of the industry would only increase since, in the event of requisitioning, dealers would not be permitted to buy again. Mr. Kanoria thought that the fibre availability was not as low as is reflected in the prices. He reckoned that a total of about 1.4 million bales was still lying with mill agencies dealers and growers, 3½ million bales reached mills up to February and about 500,000 bales would account for domestic consumption at raw stage This would mean that the crop would amount to 5.4 million bales. Since mills' consumption would be of the order of 6.4 million bales and import of Pakistani cuttings would amount to 400,000 bales, the actual shortage would be only 600,000 bales which would be met from stocks as at the opening of the current season. The supply position thus being none too bad, the pessimistic view of the Indian Central Jute Committee that there might not be enough jute to enable mills to carry on for the rest of the season was surprising.

Although prices of goods fell during the week, overseas buyers did not rush to the market. This was evident from the poor inquiries for liner space during the week. A fall in U.S. burlap consumption in February to 72.9 million yards from 73 million yards was reported. That U.S. stock of burlap at the end of the month had fallen to 246.4 million yards from 257 million yards showed that fresh purchases by importers had been much lower than consumption. Now that prices of goods have started to decline in Calcutta, it was believed that U.S. buyers would soon enter the market for larger quantities. Trade circles here, however, did not expect that foreign buying as a whole was likely to improve in the near future, in view of the anticipation of a bumper fibre crop. The fact that mills' output in February amounted to only 77,400 tons as against 86,200 tons in January, did not cause an uptrend, should be attributed to earlier anticipation of lower output in view of the shorter working month and the loss of production due to the strike on 13th February as protest against the reduction in working hours as from early February.

On Tuesday last, prices of goods picked up a little following the publication of a fall in mills' output in February. Although the fall had been anticipated by trade circles, prices improved. Ready B. twills rose to Rs. 200 from Rs. 199 and ready hessian 40" 10 oz. to Rs. 67.25 from Rs. 67. Overseas buyers showed little interest. On Wednesday, the news of the fall in U.S. burlap stocks, as at the end of February, led to hopes of U.S. interest for greater quantities in the near future. These pushed up 40" 10 oz. hessian to Rs. 67.50 and B. twills to Rs. 201. Local operators soon became active, but no fresh business with overseas buyers was reported. B. twills hardened to Rs. 202.50 and hessian 40" 10 oz. to Rs. 67.85 on Thursday. In the absence of following support B. twills were marked down to Rs. 200 and hessian 40" 10 oz. to Rs. 67.50 on Friday. The easier tendency took deeper roots over the week-end, when B. twills reacted to Rs. 198 and 40" 10 oz. declined to Rs. 67.00. Following the tendency shown by mills to sell as much as possible, conditions eased yesterday. Hessian 40" 10 oz. dropped to Rs. 65.75 and B. twills to Rs. 194.50. Business put through was however limited.

Fibre prices were quoted at the I.J.M.A. maximum. Scattered business with mills was reported at the maximum prices. The quotations based on the maximum prices for the different varieties are as follows against March-April delivery:

	Per maund	*Per quintal*
	Rs.	Rs.
Daissee bottoms	64.00	171.30
Northern bottoms ...	61.00	163.25
Assam bottoms	62.00	166.00
Desal	60.00	162.00
Assam tossa	62.50	167.50
Mesta:		
Jungli	58.00	155.50
Assam-Northern ...	59.50	159.50
Desal-Daissee	59.00	158.00
Indian cuttings	Rs. 306 per bale.	

"GUR" AND SUGAR QUIET

(From Our Own Correspondent)

HAPUR, *20th March*

Sugar prices ruled quietly steady during the week at Rs. 112 to Rs. 112.50 per bag wholesale in the open market and Rs. 1.06 per *seer* retail. Sugar production was still being continued with vigour as cane supply position to factories is reported satisfactory, but some of the factories are faced with coal shortage. Factories are also faced with accumulation of stocks.

Sugar prices ruled quiet in the Muzaffarnagar market during the week, thanks to easy supply position as damaged sugar of last season's production is available in ample quantity at a discount over the control price. Factories in the district were working to their maximum capacity and week-end prevailing prices were: Rs. 108 per bag, damaged sugar Rs. 102 to Rs. 104 per bag.

Khandsari prices eased by 50 nP to Re. 1 per maund in the absence of active demand from the consuming areas. Daily arrivals of *khandsari* in Muzaffarnagar market were put at 5,000 maunds and with daily offtake of about 2,000 maunds, local stock there has mounted to 60,000 maunds, with week-end prevailing prices quoted at: *khandsari* inferior Rs. 25 to Rs. 30, superior Rs. 31 to Rs. 33, crystal Rs. 32 to Rs. 35, *boora* Rs. 33 to Rs. 36 a maund.

Ready *gur* prices ruled quiet during the week as demand is slack and consuming areas all over the country attracting supplies from the producing areas of the South where prices were comparatively lower and the quality offered was better. Daily arrivals here have gone down to about 1,000 maunds and local stock has mounted to 76,000 maunds which is about 75 per cent more than the corresponding figure last year. Loading continues restricted except on Sunday which is free loading day for all 'E' class booking and eight wagons wer despatched on that day. Week-end prevailing prices were: *gur pansera* Rs. 12.75 to Rs. 13.12, *balti* Rs. 12.87, *shakker* Rs. 14.50 a maund.

Ready *gur* prices registered a downward trend during the week in the Muzaffarnagar market due to lack of consumer demand. The *Chaku* quality lost 75 nP to Re. 1 per maund, while fall in *pansera* and *laddoo* quality was 50 nP and Re. 1.25 per maund respectively. Despatches during the week totalled 40 wagonloads and daily arrivals were about 7,500 maunds of *gur* and *shakker* and latest prices were: *gur Chaku* Rs. 14 to Rs. 15, *pansera* Rs. 13.50 to Rs. 14.50, *laddoo* Rs. 13.62 to Rs. 14.25 a maund.

Future *gur* prices moved both ways during the week, undertone was bearish in the week as bears predominated the market. *Gur Baisakh* having opened at Rs. 13.39 nP last Monday, touched the highest of the week at Rs. 13.48 the same day and then eased to touch the lowest of the season at Rs. 13.10 and is now quoted at Rs. 13.23 due to profit-taking at lowest levels. Large-scale sowing operations for cane for next season are still being carried and it is predicted that cane acreage would further increase. There is every likelihood that cane price for next season would remain stationary and this would further stimulate the sowing trend of cane.

HIDES AND SKINS FIRM

(From Our Own Correspondent)

MADRAS, *20th March*

Due to *Ramzan* holidays, arrivals of E.I. tanned hides and calves were restricted. Stocks in the market met with good clearance, and prices ruled firm. Tanners were quoting higher prices than last week against export inquiries. Supplies of cow calf, buff calf and buff hides were small and the market here also continued firm.

Inquiries for tanned goat skins other than light weights were free and prices are hardening further. Demand for sheep was good at slightly increased levels. In the London tanned skins auctions held last week, prices realised for goat skins were nearly in line with c.i.f. levels.

LABOUR

(Concluded from page 538)

gineering trades and about 350,000 in non-engineering trades. There were 59 training centres for craftsmen in 1956, with training facilities for about 10,500. The number is expected to have increased to 152, with training facilities for 43.000, at the end of the second Plan. The programme of expansion proposed for the third Plan include the creation of additional training facilities for 55,000 under the scheme for craftsmen and 14,000 under the national apprenticeship scheme. The number of training institutes is expected to be increased to about 250 by the end of the third Plan and the total outturn will be about 200,000 per annum which will very nearly meet the demand.

The success of the scheme for expansion of training facilities depends, to a large extent, on the availability of teachers and instructors of the requisite calibre and in sufficient numbers. The third Plan proposes to expand the training facility for teachers substantially. Two schemes were introduced in the second Plan period for increasing the supply of teachers. The first is the teacher-training programme under which fellowships are offered to selected graduates who are then given further training. The second is training of teachers abroad. For the training of craft instructors, four training institutes (in addition to the two already existing) are proposed to be established during the third Plan period, with a total training capacity of 1,000 per annum. The outturn of instructors from these institutions and under other schemes during the third Plan period is expected to be 8,000.

Mere quantitative sufficiency, it is needless to add, is not enough. The standard of training imparted should be high. Care should also be taken to see that the training includes adequate instruction in both theory and practice. This can be achieved only if there is close co-operation and co-ordination between the managements of training institutes and of factories in both the private and public sectors.

COMPANY AFFAIRS

(Concluded from page 559)

Rs. 45 lakhs, nearly two-thirds of which being accounted for by plant and machinery. Though there has been some delay in the delivery of machinery, the modernisation programme embarked upon by the Company continues to make steady progress. Firm orders for capital commitments placed and outstanding as at 31st December 1960 amount to Rs. 134 lakhs. Further orders under consideration approximate to Rs. 152 lakhs. No drawing has yet been made against the loan of Rs. 75 lakhs sanctioned by the National Industrial Development Corporation of the Government of India. The Company has, however, been providing for the last two years a sum of Rs. 7.5 lakhs each year towards the redemption of this loan, in accordance with the terms of the loan.

The Company would appear to have definitely left behind the unfavourable and unremunerative working which fell to its lot after 1955. The inroads made into the reserves have been made good. The fruits of heavy investments on modernisation of the mills will be felt in the coming years. It is, however, not yet certain how soon the Company will be able to return to that stage of profits when it was paying a net dividend of Rs. 3 per ordinary share of Rs. 15 each (or 20 per cent net). But investors seem to be optimistic, as witness the improvement in the market value of the scrip to the neighbourhood of Rs. 40; a year ago, it was nearer Rs. 30. At the current market value, the yield is about 4.5 per cent per annum net.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 17th March, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	72,69,68,000
(2) Other Governments	18,11,53,000
(b) Banks	71,75,92,000
(c) Others	90,09,78,000
Bills Payable	29,76,78,000
Other Liabilities	48,42,26,000
Rupees	460,85,95,000

ASSETS	Rs.
Notes	19,88,54,000
Rupee Coin	2,53,000
Subsidiary Coin	5,89,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	38,73,19,000
Balances held abroad*	32,18,77,000
Loans and Advances to Governments†	50,99,57,000
Other Loans and Advances	168,80,56,000
Investments	130,72,07,000
Other Assets	19,44,83,000
Rupees	460,85,95,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 35,28,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	19,88,54,000	
Notes in circulation	1971,96,91,000	
Total Notes issued	....	1991,85,45,000
Total Liabilities	....	1991,85,45,000

ASSETS	Rs.	Rs.
A Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	128,00,89,000	
Total of A		245,76,92,000
B. Rupee Coin		118,86,52,000
Government of India Rupee Securities		1627,22,01,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1991,85,45,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1939 (pre-war)	10th March* 1961	3rd March* 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1979.96	1947.16	1948.81	1837.90
Notes held in Banking Department	35.05	11.40	11.34	10.17	8.67
Foreign Securities	59.50	128.01	128.01	128.01	163.01
Rupee Securities	37.39	1627.27	1592.27	1592.28	1442.11
Banking Department					
Deposits of: Government of India	14.39	55.42	51.44	59.86	50.64
Other Governments	..	6.27	14.70	21.85	29.76
Balances held abroad	10.06	30.84	29.29	24.47	32.27
SCHEDULED BANKS					
Demand Liabilities	134.36	798.70 (18.90)†	791.80 (18.71)†	778.82 (15.57)†	761.99 (14.72)†
Time Liabilities	102.24	1074.61 (9.64)†	1074.03 (9.77)†	1088.20 (10.29)†	1160.66 (24.12)†
Borrowings from Reserve Bank	..	66.79 (29.30)‡	62.46 (27.55)‡	61.40 (24.26)‡	56.38 (7.49)‡
Borrowings from State Bank	..	15.13	14.46	14.70	12.40
Cash in India	6.70	47.07	44.91	44.83	56.94
Balances with Reserve Bank	25.17	70.38	69.92	69.77	68.41
Balances with other banks in current account in India	..	15.95	14.43	14.76	17.73
Money at call and short notice in India	..	25.61	24.62	22.45	23.61
Investments (at book value)	..	573.87	581.40	597.13	760.08
Advances and bills	105.9	1292.64	1277.91	1255.31	1089.17
STATE BANK					
Deposits	87.76	557.36	554.78	560.41	609.28
Investments	51.99	252.48	260.75	270.70	397.73
Advances	30.85	274.27	267.54	262.24	195.27
Cash	14.69	25.12	24.42	23.24	22.81

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1959	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.11	3.36
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec., 1960	5.50	5
U.S.S.R.	1st July, 1936	8	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	20th Jan., 1961	4	3.5

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 17th March, 1961

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		542,82,91,000
Borrowings from Other Banking Companies, Agents, etc.		71,75,000
Bills Payable		9,48,85,000
Bills for Collection being Bills receivable as per contra		1,84,71,000
Acceptances, Endorsements and Other Obligations per contra		1,13,42,000
Other Liabilities (including Inter-Office Adjustments)		3,08,16,000
Total .. Rs.		572,17,30,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		21,45,38,000
Balances with other Banks		2,91,22,000
Money at Call and Short Notice		2,45,33,000
INVESTMENTS:		
Government and other Trustee Securities	229,40,41,000	
Other Authorised Investments	9,83,74,000	239,24,15,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	260,42,48,000	
Bills Discounted and Purchased	16,68,49,000	277,10,97,000
Bills Receivable being Bills for Collection as per contra		1,84,71,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,13,42,000
Premises less Depreciation		1,78,33,000
Furniture and Fixtures less Depreciation		1,34,27,000
Other Assets (including Inter-Office Adjustments)		22,89,52,000
Total .. Rs.		572,17,30,000

Scheduled Banks*

Statement of Affairs for the week ended 10th March, 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	44,80,43
(2) From others	704,42,09
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	18,89,58
(c) Other demand liabilities	49,47,24
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	13,74,75
(2) From others	1039,09,88
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	9,64,18
(c) Other time liabilities	21,76,67
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	13,80,77
(b) Time liabilities	1,32,00
(iv) Borrowings in India from the Reserve Bank of India (A)	66,78,88 (29,30,00)
(v) Cash in India	47,06,60
(vi) Balances with the Reserve Bank in India	70,37,80
(vii) Balances with Other Banks in Current Account in India	15,94,73
(viii) Money at call and short notice in India	25,61,41
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	573,86,52
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1084,75,66
(b) Due from Banks in India	15,41,84
(xi) Inland Bills purchased and discounted in India.	144,12,38
(xii) Foreign Bills purchased and discounted in India.	48,34,61
(xiii) Total of items (x), (xi) and (xii)	1292,64,49

Notes :—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 3rd March, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	2,95,98,000
(b) Provincial Governments	2,34,85,000
(c) Banks	17,70,40,000
(d) Others	123,54,54,000
Bills Payable	24,60,000
Other Liabilities	12,44,90,000
Rupees	167,40,27,000

ASSETS	Rs.
Notes	9,18,05,000
Rupee Coin	62,000
Subsidiary Coin	41,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	43,93,48,000
Loans and Advances to Governments	4,78,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	39,66,01,000
Investments	59,48,66,000
Other Assets	10,35,04,000
Rupees	167,40,27,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,18,05,000	
Notes in circulation	386,71,48,000	
Total Notes issued	....	395,89,53,000
Total Liabilities	....	395,89,53,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	81,09,01,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	148,77,44,000
B. Rupee Coin	2,96,29,000	
Government of Pakistan Securities	238,25,74,000	
Internal bills of exchange and other commercial paper	....	241,22,03,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	395,89,53,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 39.00 per cent.

EXCHANGE RATES

		22nd March 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1–5[illegible]	1–5[illegible]
Sellers T. T. D.D. upto six months	s.	1–5[illegible]	1–5[illegible]
Buyers T.T. spot to nine months	s.	1–6[illegible]	1–6[illegible]
Buyers T.T. 10 to 12 months	s.	1–6[illegible]	1–6[illegible]
Bombay on New York—			
Sellers T.T. D.D.	Rs.	478.50	478.50
Buyers T.T.	Rs.	475.00	474.75
London on New York	$	2.7980–2.7982	2.7985–2.7987
London on Paris	Fcs.	13.7125–13.7150	13.7100–13.7150
London on Berne	Sw. Fcs.	12.0875–12.0900	12.1100-12.1200
New York on London	$	279.800–279.840	279.910-279.950

CLEARING HOUSE RETURNS

Centre	Week ended 17th March, 1961		Week ended 10th March, 1961	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,56,967	96,51,09,000	3,85,040	89,67,64,000
Calcutta	2,24,000	102,78,00,000	2,04,000	94,77,00,000
Madras	90,280	11,97,86,709	1,02,618	13,23,00,228
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	46,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
Jan. 1960	..	..	4,392,000	998,20,00,000
Nov. "	..	..	4,695,000	1078,36,00,000
Dec., "	..	..	4,829,000	1118,52,00,000
Jan., 1961	..	..	4,875,000	1,100,37,00,00

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	4th March 1961	25th Feb., 1961	5th March 1960	January 1961	January 1960	Percentage of Increase (+) or Decrease (—) in Jan., 1961 as compared with Jan., 1960	Annual Average 1960	Annual Average 1959
Food Articles	504	116.5	115.9 R	117.5	116.4	117.5	— 0.9	120.3	118.2
Cereals	192	100.3	100.4	103.4	99.1	101.7	— 2.6	105.3	104.3
Pulses	43	92.8	92.9	92.0	94.9	91.1	+ 3.3	92.6	99.8
Fruits and Vegetables	28	107.7	103.8	121.4	105.8	109.6	+ 3.5	121.0	127.6
Milk and Ghee	84	111.5	107.8	109.7	109.8	106.8	+ 2.8	115.5	112.2
Edible Oils	47	161.6	161.6	136.7	159.6	131.1	+21.7	143.8	126.9
Fish, Eggs and Meat	17	121.3	121.7	110.6	123.2	114.4	+ 7.8	121.1	110.4
Sugar and *Gur*	48	118.5	118.5 R	143.2	122.4	144.1	—15.1	138.6	143.0
Others	50	165.7	166.9	164.2	168.1	184.2	— 8.7	168.6	163.4
Liquor and Tobacco	21	112.8	109.4	96.3	111.2	100.9	+10.2	106.4	100.7
Tobacco	—	110.2	107.9	94.0	109.8	99.5	+10.4	104.8	99.3
Fuel, Power, Light and Lubricants	30	120.3	120.0	117.9	120.2	116.8	+ 2.9	119.0	116.1R
Industrial Raw Materials	155	159.0	159.7	131.2	154.6	130.9	+18.1	138.8	119.7
Fibres	61	178.4	179.4	123.4	166.0	126.5	+31.2	139.3	110.2
Oilseeds	60	157.9	158.8	140.2	158.8	136.0	+16.8	144.9	130.0
Minerals	2	95.2	95.2*R	95.2	95.5	95.2	+ 0.3	97.5	100.0
Others	32	128.1*	128.2*	131.6	129.1	132.2	— 2.3	129.0	117.3
Manufacture	290	129.0	129.3	116.8	127.6	116.0	+10.0	120.8	109.7
Intermediate Products	41	136.1	134.9	121.7	133.9	121.6	+10.1	127.1	111.1R
Finished Products	249	127.8	128.4	116.0	126.6	115.1	+10.0	119.8	109.5
Textiles	147	133.7	134.4	115.0	131.4	114.2	+15.1	121.2	104.6
Cotton	—	126.6*	125.9*	124.7*	127.6	123.4	+ 3.4	127.5	113.5
Jute	—	161.4*	167.3	97.1	154.9	96.4	+60.7	115.2	87.2
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	107.6	104.6
Silk and Rayon	—	115.7*	118.2*	102.6*	103.8	104.9	— 1.0	102.6	93.7R
Metal Products	12	146.0	146.9	146.0	146.9	145.2	+ 1.1	147.0	143.7
Chemicals	20	104.2	103.9	104.9	104.2	106.8	— 2.4	104.7	108.2
Oil Cakes	10	144.6	148.0	141.6	150.4	146.2	+ 2.9	140.2	143.7
Machinery and Transport Equipment	31	112.6	112.6	111.0	112.6	106.4	+ 5.8	110.7	105.9R
Others	30	117.9	117.9	113.8	116.7	112.4	+ 3.8	115.0	113.6R
All Commodities	1.100	126.7	126.6 R	119.0	125.6	118.8	+ 5.7	123.0	115.5

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 11th March 1961	4th Mar., 1961	11th Feb., 1961	12th Mar. 1960
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total**	100.9	100.9	100.7	101.3
2. Government of India	100 9	100 8	100 7	101 2
3. State Government	101 6	101 5	101 4	102 7
4. Municipal, Port Trust, etc.	99.7	99.7	99.7	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total**	100.5	100.6	100.7	101.4
PREFERENCE SHARES—ALL INDIA.				
6. **Total**	85.7	85.6	85.3	91 2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. **Total**	179.1	175.4	168.5	168.8
8. *Agriculture and Allied Activities; Total**	171 9	168.3	160 3	178.4
9. Tea Plantations	165 0	162 4	153 1	172 7
10. Coffee Plantations	195.1	197 2	193 5	212 0
11. Rubber Plantations	172 7	171 9	169 5	183 7
12. *Mining and Quarrying: Total*	171 9	167 1	157 7	158 2
13. Coal	129 5	127 5	121 2	120 5
14. Other Mining	201 1	194.3	182 8	184.1
15. *Processing and Manufacturing: Total*	192.8	188.6	180.7	178.0
16. *Processing and Mfg. (Food-stuffs, Textiles, etc.): Total**†	192.6	189.3	182.1	174.0
17. Sugar	174 2	172 2	171 9	185 5
18. Cotton Textiles	157 7	155 9	149 1	147 9
19. Jute Textiles	90 5	86 8	84.3	97.8
20. Silk and Woollen	1131.6	1106 5	1057.7	865.1
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	208 2	202 6	192 2	191 9
22. Iron and Steel	168 8	165 3	158 1	160.6
23. Transport Equipment	422 6	417 0	392 0	363 4
24. Electrical Machinery	160 5	151 6	142 5	136.8
25. Machinery other than Transport and Electrical	227 4	217 8	203.5	214.7
26. Basic Industrial Chemicals	211 0	209 6	202 2	193.7
27. *Processing and Mfg. (Others): Total**	165.0	160 2	154.9	164 1
28. Cement	146.1	140 9	135 4	145 6
29. Paper	221.7	218 5	214 0	218 2
30. *Other Industries: Total**	109.9	108.3	105.9	113.3
31. Electricity Generation and Supply	80 2	80 5	79 5	86.1
32. Trading	129 4	123 3	117.8	117.6
33. Shipping and Other Transport	102 8	101 2	99 1	116.2
34. Construction	298.4	282.9	269 5	311.3
35. *Financial: Total*	187.7	186.1	183 0	180 4
36. Banks	211 3	209 8	206 0	200 3
37. Insurance	139 5	137 6	135 5	139 9
38. Investment Trusts	92 3	91.1	91.2	99 3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	185.6	181 4	174.0	171.9
40. Calcutta	165 1	161 6	155.1	158.5
41. Madras	193.5	191 6	186.9	187.0
42. Delhi	243.6	239.6	226 9	216.6

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base 1949=(100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	104	310	92	101	351	102	108	109	111	112	99	115
1953	106	363	111	323	95	108	349	109	106	104	102	112	100	114
1954	101	359	98	294	85	99	327	106	105	91	95	102	98	106
1955	96	338	87	246	78	96	321	99	99	83	87	98	88	108
1956	105	353	98	316	89	105	347	111	109	95	96	106	100	114
1957	111	369	104	339	94	112	364	116	114	99	103	115	107	126
1958	116	395	110	313	98	120	384	124	113	103	103	128	109	131
1959	121	412	125	340	98	132	384	133	120	106	98	125	108	140
Dec., 1959	122	420	125	362	96	136	389	137	119	107	99	127	108	144
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July	126	423	122	362	101	137	406	145	121	109	108	119	109†	146
August	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept.	125	418	122	364	101†	138	403	146	122	108	102	122	108	147
Oct.	125	421	123	365	102	137	396	148	122	108	105	119	108	147
Nov.	124	423	..	367	102	135	392	150	121	110	102	122	..	147
Dec.	124	419	..	362	100	134	..	151	121	110	102	121	..	148
January 1961	122†	..	..	..	..	..	..	..	122	111	103	120	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Outstandings	Cumulative Time Deposits 10-Year J Outstandings	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	10-Year Treasury Savings Deposit Certificates 4% C Receipts	10-Year Treasury Savings Deposit Certificates 4% C Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings H
1956-57	..	..	3,00	6,01	163,68	..	..	176,97	196,56	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	..	..	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	264 35	509,79
1958-59	..	..	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	635	11,68	67	2,41	286 27	590,08
1959-60	..	..	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,36
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19 96	—41,27	41,84	1,13	19,77	5	2,81	23,59	638,52
February	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,27	41,75	1,05	20,79	6	2,86	25,71	644,99
March	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41,29	41 68	96	21,76	6	2,90	43.47	667,36
April	57	34	1,51	3,11	97,35	6,47	226,14	17,87	253,58	19,68	—41,35	41,58	1,63	23,16	9	2,98	26,16	670,00
May	64	38	1,50	3,07	95,55	6,45	231,20	17 00	251,94	19,55	—41,41	41,50	1,06	24,19	5	3,01	24,67	672,53
June	73	42	1,48	3,02	93,84	5,76	235,58	17,35	253,22	19,50	—44 46	41,41	84	25,05	5	3,04	24.18	677,33
July	81	47	1,45	2,98	92,30	5,83	240,30	15,25	255,92	19,44	—41 49	41,32	1,11	26,09	4	3,07	22,86	684,15
August	89	52	1,43	2 91	90,90	6,78	245,82	19 75	261,00	19,38	—41,54	41,21	1,17	27,23	9	3,14	27,92	694,43
Sept.	98	57	1,41	2,84	89,45	7,16	251,77	18,76	265,34	19 28	—41,60	41,14	1,52	28,71	6	3,18	27 64	704 67
October	107	62	1,39	2.79	88.02	7,05	257.63	16,90	267.22	19,20	—41,64	41,09	1,42	30,27	5	3,22	25.56	712 52
Nov.	117	68	1,36	2.73	86,80	6.21	262 71	17,90	269,23	19,13	—41,67	41.02	1,49	31,73	5	3,25	25 81	719.81
Dec.	129	74	1,32	2,67	85,42	6,75	268,19	19,04	272,04	18,98	—41,74	40,97	1,28	32,88	5	3,29	27,30	727,84
January 1961	..	..	..	..	..	..	..	..	..	..	..	40,90	1,04	34,15	6	3,32	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of November 1960 amount to 10,89 lakhs of rupees.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957*	1,630	889,371	6,429,319
1958*	1,524	928,566	7,797,585
1959*	1,523	692,514	5,605,079
July 1959	146	61,098(144)	741,781(144)
Aug., „	141	63,716(130)	396,789(130)
Sept., „	137	65,153(127)	220,586(126)
Oct., „	168	68,371(158)	273,181(156)
July 1960	125	168,407(100)	748,651(100)
Aug., „	50	16,993(46)	69,951(47)
Sept., „	129	32,170(124)	242,901(126)
Oct., „	86	40,484(83)	205,419(83)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevant information is available.

* Figures relate to all States and centrally administered areas after reorganisation.

IRON AND STEEL PRODUCTION (In Tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	1,155,500	1,073,600	797 500
Do. 31st March, 1958	1,098,300	1,106,800	786,900
Do 31st March, 1959	1,137,500	1,149,900	884,700
Do 31st March, 1960	1,568,400	1,533,700	1,215 100
Jan., 1959	97,700	96,200	89,700
Feb. „	106,500	107,300	84,800
Jan., 1960	140 700	140 100	109,800
Feb. „	134,400	130,400	103,600
Jan., 1961	144,200K	149,300K	117,600K
Feb. „	125,900K	126,500K	94,200K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	608,205	496,217
Do. 31st March, 1960	1,053,612	827,072	660,695
Jan., 1959	73,728	43,569	45,698
Feb. „	83,715	61,987	50,202
Jan., 1960	91,790	77,043	59,108
Feb. „	92,715K	71,494K	57,260K
Dec., „	111,516K	86,424K	61,395K
Jan., 1961	112,649K	83,787K	71,540K
Feb. „	96,791K	72,839K	70,966K

K—Figures in Metric Tons.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1961					
3rd January	2.00	2.40	2.00	2.556	99.365
10th Jan.	2.00	2.60	2.00	2.576	99.360
17th Jan.	2.00	2.30	2.00	2.580	99.355
18th to 21st Jan.*	1.14	—	1 14	—	99.371
24th Jan.	2.00	2.00	2.00	2.580	99.355
25th to 28th Jan.*	0.05	—	0 05	—	99.371
31st Jan.	2.00	2.00	2.00	2.585	99.350
1st to 4th Feb.*	0.07	—	0.07	—	99.371
7th Feb.	2.00	2.00	2.00	2.585	99.350
8th to 11th Feb.*	0.05	—	0.05	—	99.371
14th Feb.	2.00	2.00	2.00	2.590	99.350
15th to 18th Feb.*	0.05	—	0.05	—	99 371
21st Feb.	2.00	2.00	2 00	2.650	99.335
22nd to 25th Feb.*	1.02	—	1.02	—	99.356
28th Feb.	2.00	2.00	2.00	2.750	99.310
8th Mar.	2.00	2 00	2.00	2.750	99.310
14th March	2.25	2.00	2.00	2.750	99.315
15th to 17th Mar.*	0.05	—	0.05	—	99.331
20th Mar.	2.00	2.00	2.00	2.750	99.310

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1963-65	98.25
3 % Loan	1950	80,33,10,000	1964	98 25
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	95 80
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90 75
2¾% Loan	1946	57,00,69,000	1961	99.40
2¾% Loan	1946	14,77,48,000	1976	83 50
2¾% Loan	1947	75,86,72,000	1962	98 25
3½% N. P. Bonds	1953	75,29,00,000	1961	100 00
3¾% N. P. Loan	1954	1,58,17,94,000	1964	99.75
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99 65
3½% Loan	1956	1,07,27,36,000	1962	99 85
3½% N. P. Bonds	1956	93,81,83,000	1967	98 85
3¾% Loan	1956	86,63,53,000	1974	99.70
3¾% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100 50
4 % Loan	1957	49,17,27,000	1972	100 45
3½% Loan	1958	58,05,92,000	1963	100.00
3½% Loan	1958	70,00,00,000	1968	98.80
3½% Loan N.P.B.	1958	84,33,90,000	1968	100 50
4 % Loan	1958	49,51,44,000	1973	100 40
3½% Loan	1959	1,37,90,93,000	1969	98 70
4 % Loan	1959	81,06,38,000	1979	100.10
4 % Loan	1960	97,64,00,000	1980	99.90
3½% Bonds	1960	82,66,00,000	1966	99.30
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,03,33,000	M.	72 00
3 % Loan	1946	2,48,91,33,000	K.	74.00
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98 30
4½% Andhra	1958	5,48,81,000	15th July 1970	101 00
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	97 75
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	98 30
3 % Bombay	1949	5,29,97,000	1st Aug. 1962	98.20
3½% Bombay	1951	2,82,97,000	17th Sept. 1962	99.85
4 % Bombay	1953	5,10,80,000	15th July 1963	99 90
4 % Bombay	1952	3,40,34,000	1st Aug. 1964	99.90
4 % Bombay	1955	9,56,29,000	1st Sept. 1967	99.45
4 % Bombay	1956	7,82,20,000	3rd Sept. 1970	99.10
4½% Bombay	1957	6,57,23,000	16th Sept. 1969	101.20
4½% Bombay	1958	6,58,21,000	15th July 1970	101.20
4½% Bombay	1958	4,35,25,000	15th July 1971	101.20
4 % Bombay	1959	6,58,13,000	19th Aug. 1971	99.00
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97 50
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97 50
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	101.05
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97 00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	97 50
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	99.40
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98 00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98 00
2¾% Madras	1946	3,81,77,000	1st Sept. 1961	99.05
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99 75
4 % Madras	1953	10,33,71,000	15th July 1963	99.80
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.80
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.60
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	101.10
4 % Madras	1959	5,72,72,000	19th Aug. 1971	98.00
4 % Madras	1960	12,00,00,000	29th Aug. 1969	99 40
4% Maharashtra	1960	10,00,00,000	29th Aug. 1969	99.40
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	101.40
3 % Mysore(f)	1936	5,99,73,600	30th Apr. 1956-61	99 80
4 % Mysore	1953	8,38,47,000	15th July 1963	99.50
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.40
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	101.10
4½% Mysore	1958	5,51,61,000	15th July 1970	101.10
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	98.40
3 % M.P.	1948	2,08,29,000	15th Sept. 1964	96.50
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	99 50
4 % M.P.	1953	1,10,18,000	15th July 1963	99 00
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97 65
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97.65
4½% M.P.	1958	2,21,30,000	15th July 1970	101.05
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	97 50
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	98.85
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	98.85
4 % Kerala	1953	3,25,61,000	15th July 1963	99 00
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	97.50
4½% Kerala	1958	3,27,10,000	15th July, 1970	100.75
4 % Kerala	1959	4,47,05 000	19th Aug., 1971	97 20
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.90
2½% U.P.Z.A.	1952	44,93,89,000	..	48.70Z
3 % U.P.	1936	1,55,31,000	15th Sept. 1961-66	92 25
2¾% U.P.	1946	2,12,62,000	1st Sept. 1961	98 50
3½% U.P.	1951	1,86,22,000	17th Sept. 1962	99 70
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99 65
4 % U.P.	1953	5,58,25,000	15th July 1963	99 70
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.60
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.50

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs. 36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1966	97.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	97.00
86,25,000	4	1914	1975	97.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				Rs.
Rs. 90,24,300	4	1914	1974	99.00
76,00,100	4	1915	1975	99 00
50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	93.00
60,00,000	3¾	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1955	1985	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	99.25
1,00,00,000	4	1960	1970	99.25
STERLING LOANS				
£892,600	5	1923	1953-83	£63
£901,000	5	1924	1954-84	£63
£835,100	5½	1932	1962	£96½
MADRAS				Rs.
Rs. 28,48,275	3½	1947	1977	
9,86,000‡	3	1947	1977	A
3,00,000‡	3	1949	1979	
45,00,000‡	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs. 30,00,000	4	1901	1961	
80,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	97.75 N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1956-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£335,000		1910	1970	£95.50N
CALCUTTA				Rs.
Rs 50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	91.75
50,00,000	3	1937	1962	96.00
20,00,000	3	1938	1963-68	91.75
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1968	101 00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs. 26,00,000	4	1913-18	1974	97.00
10,00,000	5	1920	1980	113.00N
8,25,00,000	3½	1947	1977	86.50
2,13,14,500	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,34,000	3½	1951	1966	98 00
1,30,00,000	4	1953	1968	99.00
92,19,00,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99 00
2,50,00,000	4	1955	1966	99 00
1,57,50,000	4	1956	1967	99 00
1,74,00,000	4½	1957	1969	99.50
4,75,00,000	4½	1958	1970	99.50
3,30,00,000	4	1959	1971	97.00
CALCUTTA				Rs.
Rs. 10,00,000	5½	1932	1962	108 00
33,91,000	3½	1935	1965	95.00
60,00,000	3½	1936	1966	91.00
47,50,000	3	1938	1968	91 00
21,10,000	3½	1942	1972	92 00
16,33,000	3½	1951	1961	99 25
66,33,000	3½	1951	1966	98 50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,900	4	1955	1985	97.25N
73,36,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1978	101.00N
MADRAS				Rs.
Rs. 15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	101.10
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97.75
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	98.40
4 % Rajasthan	1956	8,14,19,000	3rd Sept. 1968	98.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	101 05
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	97 00
4 % Rajasthan	1960	5,00,00,000	29th Aug. 1969	98 00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.00
4½% Orissa	1958	3,28,58,000	15th July 1970	101 05
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.50
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.00
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99 00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97 75
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	90 50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99 50
4 % W. Bengal	1953	3,60,23,000	15th July 1963	99 70
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	101.10
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,00,00,000	29th Aug. 1969	99 00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	93 00
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00

STOCK & SHARE QUOTATIONS

Abbreviations :—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. I.—Interim Dividend. f—Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
BOMBAY CITY AND ISLAND																
17,33,200	9,11,732	38,69,225	22,51,328	3,251	Maganlal Bhagwandas & Co.	..	..	Ambika Silk Mills Co., Ltd.	152.00	100	15.00	12.00	12.00		12	Y.
50,00,000	..	1,14,24,372	44,03,340	—46,65,476	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.48	2	Nil	Nil	Nil		12	Y.
40,00,000	10,99,481	1,18,20,968	77,24,952	—13,00,519	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	39.00	100	Nil	Nil	Nil		3	Y.P.
2,50,98,000	3,56,27,968	11,03,32,121	5,45,36,135	65,826	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Z	66.50	25	2.50	2.50	3.50	3.50	12	Y.
10,00,000	30,76,210	86,14,262	52,94,709	64,016	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	123 00	50	15.00	7.50	5.00	5.00	3	Y.P.
1,22,95,200	3,37,07,587	9,42,76,189	3,75,31,119	1,22,111	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	558.00	100	22.00	22.00	31.50		12	Y.P.
26,00,000	29,15,005	1,21,99,369	78,24,358	75,815	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	131 25	100	12.50*	12.50*	7.50	11.00	3	Y.
28,00,000	26,12,714	97,68,522	63,68,559	3,64,674	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	131 50	50	7.50F	5.00	10.00	15.00	3	Y.
84,00,000	20,44,712	87,46,739	65,30,990	—14,81,027	Puranmal Bubna Sons	47,356	928	Edward Textiles	262.50	200	15.00	15.00(c)	18.00		12	Y.P.
29,98,050	27,57,616	1,51,25,544	80,85,174	23,591	B. L. Jalan, Esq. (Chairman)	46,620	886	Elphinstone Spg. & Wvg.	76.00	50	Nil	Nil	7.00		12	Y.
50,00,000	65,75,469	1,96,09,118	1,09,41,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	358 00	100	20.00	16.00	23.00		12	Y.
50,00,000	52,35,257	1,02,35,144	68,62,387	10,233	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	270.00	100	15.00	15.00	21.50		12	Y.
11,84,000 16,000	1,19,31,192	2,16,82,316	1,42,90,523	....	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	4,750.00xd 992.50	1,000 250	350.00* 87.50*	350.00 87.50	350.00(c) 87.50(c)	500.00 125.00	3	Y.P.
O.2,00,00,000 D. 50,00,000	3,38,578	5,10,28,798	3,68,18,422	—19,79,270	Agarwal & Co.	2,47,092	5,984	India United Mills	14.52 1.60	0 10O. 0 1D.	Nil Nil	Nil Nil	Nil Nil		12	Y.
18,30,000 D. 70,000	91,23,291	1,84,94,644	1,39,55,204	10,633	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	1,950 00 1,050.00N	1,000 500	325.00* 162.50*	325 00 162.50	200.00(c) 100 00(c)	232.00 116.00	3	Y.P.
59,85,000	82,79,165	3,76,13,105	2,68,91,560	38,751	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	547.50	100	10.00(c)	10.00	16.00	32.00	6	Y.P.
1,00,00,000	1,00,60,096	3,81,90,145	2,95,67,372	27,909	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	311.00	100	18.00	10.00	9.50		12	Y.
46,47,350	43,32,220	1,51,49,443	75,23,486	32,765	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	85.00	50	5.00'C'	3.00	5.00	6.00	10	Y.
51,75,000	50,69,550	3,02,81,993	2,16,99,596	42,652	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	353 00	100	14.00(c)	15.00	21.50	21.50	6	Y.P.
1,41,12,100	1,72,11,640	11,70,25,574	5,26,37,085	1,66,270	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	547.00 —	100 100	14.00 ..	14.00 11.20	22.00 21.27		12	Y.P.T.
24,00,000	11,16,837	83,71,883	48,70,077	—11,98,634	W. H. Brady & Co., Ltd.	45,944	480	New City of Bombay Mfg.	150.00	100	5.00	Nil	Nil		12	Y.
30,00,000	77,589	1,10,42,353	63,37,035	—10,72,122	Sahu S. P. Jain, Esq. (Chairman)	49,012	963	New Great Spg. & Wvg.	205 00	100	Nil	Nil	Nil		12	Y.P.
48,00,000	54,85,829	1,81,28,534	1,22,58,132	2,82,604	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	145 00	100	12.50F	10.00	10.00	15.00	3	Y.
45,00,000	42,97,687	80,65,529	31,95,108	16,195	Podar Sons Private Ltd.	32,600	930	Podar Mills	155 00	100	10.00	18 00*(c)	12.00*		12	Y.P.
75,00,000	19,70,000	1,69,60,794	81,75,000	57,378	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	120.00	100	..	8.00	11.50		12	Y.P.
10,00,000	....	29,94,246	16,74,307	—1,52,005	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14 88	10	0.25	Nil	Nil		12	Y.
87,70,100	1,21,80,082	2,81,69,010	1,64,24,391	215	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	56.00	10	2.00	2.00	2.50		12	Y.
80,00,000	51,53,455	1,74,14,168	73,40,872	41,961	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	271.00	100	8.00	10.00	15.00		12	Y.P.
50,40,000	15,53,956	2,27,78,338	1,00,86,574	—3,49,633	M.	49,840	1,114	Simplex Mills	185.00	50	8.50	8.50	5.00(c)	7.50	3	Y.T.
1,09,75,000	2,51,54,908	3,87,61,421	2,23,24,758	91,528	Mafatlal Gagalbhai & Sons	97,538	2,409	Standard Mills	1,432 00	100	22.50*	20.00	29.00*		12	Y.P.
1,00,00,000	96,94,067	3,16,61,974	1,74,64,096	1,506	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	259 00	100	9.00	10.00	14 00		12	Y.P.
86,00,000	76,44,279	1,98,34,474	1,09,47,826	26,062	James Finlay & Co., Ltd.	40,328	550	Swan Mills	545 00	100	25.00	25.00	36.00		12	Y.
65,57,875	50,22,987	2,58,77,176	1,04,22,689	17,925	Tata Industries Private Ltd.	61,572	1,775	Tata Mills	47.75	25	2.00	1.50	2.50		12	Y.T.
16,00,000	64,52,368	1,08,96,173	64,84,479	76,869	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	301.25	100	23.00*	20.00*	20 00		12	Y.T.
12,00,000	1,02,12,489	1,79,02,964	1,20,98,754	—17,05,239	Mr. K. M. D. Thackersey (Chairman).	54,664	1,262	Western India Spg. & Mfg.	3,725.00	1,000	325.00	325.00	325.00(c)	70.00(c)	12	Y.P.
AHMEDABAD																
40,00,000	37,96,894	2,09,06,549	90,57,515	12,482	Tata Industries Private Ltd.	49,168	1,016	Ahmedabad Advance Mills	168.00	100	5.00	5.00	4.90(c)	10.00	6	Y.P.D.
20,00,000	97,23,117	1,52,08,567	87,79,332	....	Hutheesing Sons & Co.	44,220	920	Aruna Mills	473.75	100	25.00	25.00	25.00'C'		12	Y.P.
60,00,000	2,95,20,296	2,85,00,200	1,40,42,300	1,58,312	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,372 00	100	35.00*	28.00'C'	40.00		12	Y.P.
26,40,000	45,04,840	1,24,95,613	83,06,442	58,595	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	440.00	200	Nil	25.00'C'			12	Y.P.
20,00,000	1,27,06,477	1,51,11,023	73,11,050	....	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	665.00	100	30.00	20.00'C'	25.00		12	Y.P.
2,06,25,000	2,91,51,534	7,72,08,320	3,80,53,664	21,88,804	Karamchand Premchand Pvt. Ltd.	1,39,120	2,380	Calico	1,085.00	125	30.00	25.00	22.00	31.00	3	Y.P.
68,00,000	27,76,707	1,57,37,865	1,12,77,222	6,366	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	575.00	250	25.00*	27.00*	26.00		12	Y.P.
52,00,000	1,42,42,748	1,92,98,548	1,22,21,800	1,63,425	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,815.00	125	30 00	35.00*	55.00*		12	Y.
15,00,000	63,45,614	83,34,671	44,35,941	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	462.50	100	20.00	20 00	25.00		12	Y.P.
30,00,000	96,88,684	1,29,66,793	76,85,644	....	Lalbhai Dalpatbhai & Co.	32,828	640	Raipur Mfg.	700.00	100	35.00*	25.00'C'	35.00		12	Y.P.
48,75,000	23,78,557	1,49,91,313	85,09,730	14,294	Rohitbhai Chinubhai, Esq. (Chairman)	33,156	648	Rohit Mills	250.00	100	8.00*	8.00*	10.00		12	Y.P.
63,75,900	2,95,76,027	2,43,70,561	1,45,91,824	59,271	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,322.00	100	25.00	30.00*	45.60		12	Y.P.
29,25,000	82,40,408	1,24,24,481	83,25,307	28,321	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,828	720	Shorrock Spg. & Mfg.	800.00	100	20.00	22.00*	30.00*		12	Y.
65,00,000	89,43,859	1,84,94,632	92,66,120	25,810	Haridas Ashratlal & Co., Ltd.	41,056	780	Vijaya Mills	650.00	500	40.00*	40.00*			12	Y.P.
WEST BENGAL																
15,00,000	2,39,480	40,13,953	26,20,603	....	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	8.31	10	0.60	0.50	Nil		12	Y.P.T.
7,11,280 1,30,620 1,70,000	2,44,733	89,51,451	62,49,897	—3,26,098	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	Nil	Nil	Nil	3	Y.P.
24,00,000	5,14,800	1,26,22,986	56,02,346	60,410	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	198.00	100	Nil	Nil	Nil		12	Y.P.T.
28,50,000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	29 00	10	Nil	Nil	1 00		12	Y.T.
50,08,000	8,02,433	88,00,719	43,00,719	34,072	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	17.19	10	0.50	0.65	0.80		12	Y.T.
1,60,00,000	2,07,51,444	4,18,09,599	1,42,09,599	76,764	Birla Brothers Private Ltd.	75,040	1,902	Kesoram Cotton Mills	32.50	10	0.75	0.25	0.25		3	Y.P.
O. 19,47,750 D. 5,00,000	78,492	50,99,822	32,38,579	—5,21,450	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	10.12N 2.37N	10 1D	1.00 0.15	0.50 Nil	Nil Nil		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,92,692	5,43,855	73,05,065	7,21,196	31,634	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	10.00	10	Nil	Nil	Nil		12	Y.
30,00,000	2,25,000	85,28,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	141.00	100	6.00	6.00	11.00		12	Y.P.
11,98,600	4,50,000	49,07,709	26,15,654	3,044	Setna & Co.	25,984	..	Asher Textiles Ltd.	204.05	100	12.50	6.00	6.00	12.50	6	Y.
72,00,000	16,98,790	1,92,55,835	68,19 240	2,681	The Industries (I.F.) Department, Government of Andhra Pradesh	36,136	725	Asam Jahi Mills	71.00	100	3.50	Nil	4.00		9	Y.
1,21,50,000	1,58,99,679	3,79,67,112	3,06,18,958	2,69,251	Binny & Co. (Madras), Ltd.	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	205.00cd	100	10.00'C'	10.00	10.00		12	Y.P.
3,23,25,000	....	....	....	....	..	..	..	Baroda Rayon Corporation	158 00	100	..	..	..	..	12	Y.
35,00,000	78,10,478	1,66,23,840	1,20,16,290	33,509	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	20 00	10	1.50	0.75	Nil	1.00	3	Y.
1,78,47,800	8,24,73,971	8,05,80,469	4,78,98,278	2,31,871	Binny & Co. (Madras), Ltd.	1,20,288	2,758	Buckingham & Carnatic	205 00cd	100	10.00	10.00	10.00		12	Y.P.T.
30,00,000	18,500	51,23,580	26,05,678	—2,79,050	G. Sam & Co.	37,536	4	Cambodia Mills	10.50	10	0.50(c)	Nil	Nil		12	Y.P.
15,00,000	5,29,316	53,92,782	33,76,104	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	146.00	100	20.00	12.50	15.00	17.00	3	Y.
80,00,000	81,64,314	81,45,632	66,08,685	—3,29,080	Begg, Sutherland & Co. Private Ltd.	27,624	580	Cawnpore Textiles	7.94	5	0.25	Nil	Nil		12	Y.
9,41,068	6,61,000	68,26,050	33,32,807	15,034	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	13.15	10	0.90	0.90	0.90	1.30	3	Y.P.
35,99,600	81,66,212	1,21,98,355	51,67,340		R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	171.50cd	100	9.00'C'	6.00	6.00	12.00	12	Y.
17,65,300	4,06,710	49,14,591	26,55,487	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	106.50	100	7.50	Nil	7.50		12	Y.P.
30,00,000	22,23,665	97,39,504	54,27,110	1,28,494	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills	340 00cd	100	20.00	20.00	25.00		12	Y.P.
30,76,900	5,076	1,35,77,639	89,09,035	—12,57,670	A. V. Srinivasalu Naidu, Esq. (Ch.)	70,268	307	Coimbatore Spg. & Wvg.	58.00	50	Nil	Nil	Nil		12	Y.
46,67,500	10,75,722	4,64,86,662	1,50,60,898	—90,16,850	Tata Industries Private Ltd.	1,15,188	2,064	Central India	116.00	100	Nil	Nil	Nil	Nil	6	Y.P.
29,66,711	28,72,302	1,21,27,978	57,71,091	9,000	R. Hanumanthappa & Son	40,032	300	Davangere Cotton Mills	116.50	100	9.00	9.00	9.00	12.00	3	Y.
3,38,36,225 1,00,563	4,64,48,622	14,46,03,946	3,37,58,780	2,72,401	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	42.75	25 2½	2.00 0.16	2.00 0.16	2.50† 0.25†	2.50 0.30	6	Y.P.Z.
48,60,000	29,65,006	1,31,45,544	61,00,929	1,006	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	223.00cd	100	10.00'C'	10.00	17.50		12	Y.
63,00,000	1,40,58,814	2,13,31,287	1,58,72,559	36,979	The British India Corporation Ltd.	48,452	1,194	Elgin Mills	20 44	10	1.00	0.75	1.15	1.15	9	Y.P.
48,81,000	23,48,948	1,87,03,402	91,62,727	1,321	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	189.50	100	8.00	8.00	6.00		12	Y.
40,00,000	56,44,510	1,28,49,778	85,83,203	24,751	J. H. Mehta, Esq. (Chairman)	29,572	660	Gaekwar Mills Ltd.	215.00	100	10.00	10.00	16.00		12	Y.
2,50,00,000	2,39 47,000	6,42,53,523	4,12,24,000	20,81,106	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	48.25	10	Nil	Nil	1.00	2.00	3	Y.P.
78,86,500	....	7,35,873	....	—76,663	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	72.00	62.50	..	..	..	Nil	3	Y.P.
30,00,000	1,96,680	1,64,52,347	1,21,05,123	....	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	141.00	100	6.00	5.00(c)	7.00		12	Y.
3,90,000	6,13,770	36,26,185	22,28,141	—5,61,231	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	59.50	50	3.00	Nil	Nil		12	Y.
15,54,000	11,26,682	66,77,134	35,48,365	....	Mr. Bhairuratan Damani (Managing Director)	21,176	512	Jam Shri Ranjitsinghji	1,500.00	1,000	40.00	Nil	Nil	60.00	6	Y.
1,25,00,000	30,48,856	4,87,56,355	1,21,19,213	52,757	Padampat Singhania, Esq.	45,000	1,000	J. K. Cotton Spg. & Wvg.	19.62	10	..	..	0.90		12	Y.P.
16,36,170	13,17,947	32,44,540	41,48,200	1,507	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	12.25	5	1.25	0.75	0.75		12	Y.
4,63,65,300	2,07,35,097	4,65,60,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd.	56,184	1,625	Jiyajeerao Cotton	15.60	10	0.35	0.25	0.07		3	Y.P.
67,20,000	25,71,768	1,69,79,996	49,33,767	55,806	Kothari & Sons	67,192	300	Kothari Textiles	12.95	10	1.00	Nil	1.00		12	Y.P.
32,00,000	54,31,394	1,98,63,685	1,48,17,868	26,609	M.	51,906	1,243	Lakshmi Cotton Mfg.	505 00	250	15.00	15.00	25.00		12	Y.P.
A. 71,00,000 28,50,000	33,30,960	3,03,40,881	1,58,77,256	17,676	G. K. Naidu & Co.	1,10,800	800	Lakshmi Mills	176.00 87.00	50 25	10.00 5.00	6.00 3.00	6.00 3.00	10.00 5.00	3	Y
33,00,000	1,42,22,327	2,18,43,649	1,46,79,309	6,549	Navinchandra Purshotamdas & Co. Ltd.	51,986	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	900.00	100	15.00	18.00	20.00*		12	Y.P.
1,75,02,490	4,68,35,125	6,70,44,167	4,43,21,834	7,21,441	A. & F. Harvey Ltd.	4,52,000	..	Madura Mills	40 25cd	15	2.25	Nil	1.875	2.25	12	Y.
60,00,000	29,50,000	68,46,576	51,49,267	1,57,220	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	367.00	100	20.00	20.00	25.00	30.00	3	Y.
29,30,284	5,71,940	1,05,10,931	50,74,411	....	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	74.00	100	Nil	Nil	Nil		12	Y.P.T.
94,91,880	21,58,148	1,71,94,769	78,31,523	1,85,008	M.	52,408	952	Model Mills (Nagpur)	35.00	250					6	Y.
28,73,100	44,97,618	1,17,73,699	60,34,817	24,962	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	72 00	50	9.00*	5.00	5.00	7.00	3	Y.P.
81,50,000	48,76,391	66,34,960	44,19,189	1,868	J. H. Mehta, Esq. (Chairman)	18,772	446	Navsari Cotton & Silk Mills Ltd.	216.25	100	12.00	12.00	12.00		12	Y.P.
66,00,100	....	2,37,94,148	1,20,34,420	—37,45,965	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9 25	10	Nil	Nil	Nil		3	Y.P.
87,23,800	19,78,217	1,77,24,075	67,40,513	....	Bansilal Bissardas Pvt. Ltd.	37,788	902	Osmanshahi Mills	57 00	100	Nil	Nil	Nil		9	Y.
A. 4,00,000 B. 6,00,000	16,56,922	78,14,710	36,35,788	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	250.00 300.00	50A 75B	9.00 13.50	10.00 15.00	15.00 22.50		12	Y.P
15,00,000	....	37,30,105	19,70,048	—21,28,862	..	27,980	..	Pankaja Mills Ltd.	58.00	100	Nil	Nil			12	Y.
66,10,600	18,67,447	1,10,86,808	66,04,305	2,661	A. G. Gurusamy Naidu & Co.	60,704	301	Radhakrishna Mills	30.25	25.00	3.00	1.50	2.25		12	Y.
28,21,000	22,65,286	1,22,00,423	53,26,619	1,286	Mukundlal Bansilal & Sons	25,420	567	Raja Bahadur Motilal Mills	92 00	100	Nil	Nil	Nil		12	Y.
30,00,000	28,53,800	92,98,175	42,76,744	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	81 00	50	4.50	3.00'C'	3.75		12	Y.P.
16,14,300	17,87,061	63,86,578	27,79,402	....	Ramco Agencies Private Ltd.	36,036	..	Rajapalayam Mills	180.00	100	12.00	8.00	6.00(c)	9.00	3	Y.
15,36,350	2,69,111	83,59,281	50,04,126	....	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	224.00	100	16.00	10.00	16.00	23.00	3	Y.
22,33,300	11,20,038	56,78,526	28,55,667	958	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	120 00	100	10.00	10.00	10.00		12	Y.
10,00,000	6,93,527	54,79,563	33,71,779	3,264	S. R. P. Ponnuswamy Chetty & Sons.	25,088	..	Sivanandha Mills Ltd.	28 25	10	1.20	1.50	2.20		12	Y.
3,50,00,000	....	....	....	....	M.	..	..	South India Viscose Ltd.	173.00XR	100	..	..	..	..	12	Y.
13,17,124	6,47,786	45,36,078	12,34,344	....	K. Ramachandran, Esq. (Mg. Director)	16,516	..	Sri Kannapiran Mills Ltd.	9.75	10	1.00	0.60	1.00	..	12	Y.
36,69,700	23,00,037	1,01,95,864	72,23,021	30,822	D. B. Viswambhariah, Esq. (Mg. Director)	42,024	340	Sri Krishnarajendra Mills	68.00	50	7.00	4.50	4.00	5.50	3	Y.
15,02,500	9,60,325	58,07,042	29,96,295	18,376	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning, Spg. & Wvg. Mills Ltd.	48.00	50	2.00	Nil	2.50	..	12	Y.
15,00,000	3,99,30,629	1,17,10,444	91,93,176	3,97,888	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	85 00	10	6.00	6.00	6.00	8.57	3	Y.
O. 17,50,000 P.O. 1,57,50,000	2,42,28,071	6,42,05,504	1,96,78,129	9,04,312	M.	1,12,216	2,090	Swadeshi Cotton (Kanpur)	12.00 8.37	10O. 10P.O.	0.75 1.15	Nil 0.40	Nil 0.571		12	Y.P
12,78,210	1,20,000	46,55,675	7,75,450	22,842	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	11 25	10	..	Nil	Nil	0.80	3	Y.P.
1,00,06,205	70,91,584	4,47,94,206	2,70,17,829	2,29,084	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	40 60	10	1.00	1.25	2.00		12	Y.P.T.
28,96,730	8,64,000	20,41,565	15,00,441	661	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	12 25cd	10	0.90	0.75	1.25		12	Y.
21,00,000	35,41,000	91,30,605	57,98,375	17,798	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	252.00cd	100	12.00	12.00	16.00		12	Y.P.
[illegible]	3,96,626	24,95,648	13,64,648	—2,74,043	Thiagaraja Chetty & Sons Private Ltd.	..	200	Virudhunagar Textile Mills Ltd.	50 00	50	2.25	3.00	5.00	..	12	Y.P.
[illegible]	12,55,816	1,94,82,373	1,33,00,940	—11,21,294	The Bombay Co. (Private) Ltd.	49,880	1,369	Vishnu Cotton	120 00	100	Nil	Nil	Nil		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.

Z—Bombay Dyeing & Mfg. Co. shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. N.B.—All dividends paid since 31st March 1959 are shown as taxable. 'O'—On increased Capital ‡ On Old Capital.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	64,81,970	1,47,43,249	50,81,902	36,065	B. N. Elias & Co. Private Ltd.	879	Agarpara	11.62	10	0.25	0.25	0.50	1.00	3	Y.P.T.
6,00,000	13,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	160.00	100	10.00	10.00	15.00		12	Y.P.T.
80,00,000	5,43,950	1,41,02,373	1,01,60,589	1,16,925	McLeod & Co., Ltd.	1,264	Alliance	93.00	100	Nil	Nil	Nil	6.00	5	Y.P.
49,20,700	85,41,000	2,63,90,624	1,74,73,587	2,26,168	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	224.00	100	7.00	10.00	12.50	20.00	3	Y.P.
40,00,000	21,83,168	1,36,05,736	76,49,894	34,111	Bird & Co. Private Ltd.	810	Auckland	182.00	100	Nil	5.00	20.00	27.00	3	Y.P.T.
20,00,000	34,53,528	1,46,13,222	77,61,622	23,486	Birla Brothers Private Ltd.	959	Bally	222.00	100	2.00	6.00	10.00	25.00	3	Y.P.
£275,000	£803,923	£1,601,226	£1,065,825	—£92,399	Sir John H. Burder (Chairman)	1,889	Barnagore	138.00	£5	Nil	Nil	10sh.	£1.10sh	3	Y.P.
28,00,000	30,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	176.00	100	2.50	7.50	13.50		12	Y.P.
48,00,000	29,71,745	56,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	8.00	10	Nil	0.50			6	Y.P.T.
91,26,000	2,82,25,130	7,34,86,430	2,26,35,926	93,079	Birla Brothers Private Ltd.	1,373	Birla	35.81	10	1.00	1.00	1.00	1.50	3	Y.P.
36,00,000	23,36,695	1,19,81,167	72,34,779	62,431	Andrew Yule & Co., Ltd.	991	Budge-Budge	141.00	100	Nil	5.00	15.00		10	Y.P.
7,47,380	4,000	45,18,657	34,32,120	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil			12	Y.P.T.
18,00,000	27,51,530	84,60,059	49,11,673	30,163	M.	616	Caledonian	130.00	100	Nil	15.00	12.00		11	Y.P.
59,16,400	81,81,976	2,17,74,524	1,17,08,511	1,68,730	James Finlay & Co., Ltd.	600	Champdany	112.00	100	Nil	Nil	7.00	10.00	3	Y.
15,95,000	23,19,096	36,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	17.37	10	Nil	5.00	12.50‡		11	Y.P.
30,15,000	38,42,800	1,09,82,980	59,87,035	2,33,594	McLeod & Co., Ltd.	500	Chitavalsah	14.06	10	1.10	1.25	1.50		7	Y.P.T.
24,00,000	9,00,000	81,89,934	67,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	11.00	10	Nil	Nil			3	Y.P.
31,49,200	13,05,418	1,06,95,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	109.50	100	Nil	Nil	Nil	1.00	3	Y.P.T.
28,00,000	41,39,378	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	174.00	100	Nil	6.00	14.00		11	Y.P.
16,00,000	37,20,000	1,07,89,530	70,06,837	93,729	McLeod & Co., Ltd.	500	Empire	17.44	10	0.75	1.00	1.25		7	Y.P.T.
63,00,000	88,65,324	3,41,69,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	351.00	100 Old	10.00	20.00	20.00	25.00		Y.P.T.
21,00,000	19,81,946	1,32,23,393	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	24.50	10	1.50	1.50	1.50	2.25	3	Y.P.T.
34,32,100	5,16,898	2,24,66,716	1,48,00,382	56,359	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	11.19	10	Nil	Nil	Nil	1.00	3	Y.P.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd.	41.00	10	2.00	2.00	4.00		12	Y.T.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	355.00	100	2.50	20.00	25.00	30.00	3	Y.P.
40,00,000	31,69,638	1,33,64,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	119.00N	100	5.00	5.00	6.00	6.00	3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,713	49,754	Baijnath Bajoria	720	Hooghly	16.25	10	Nill	Nil	0.60		3	Y.P.
65,62,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	20.00	10	Nil	Nil	1.00	1.25	3	Y.P.T.
52,50,000	38,25,000	3,18,43,014	1,77,68,014	1,63,175	Ramdutt Ramkissendas	2,272	Hukumchand	20.69	7.50	1.50	1.50	1.50	2.15	3	Y.P.
37,30,000	21,78,965	1,74,80,629	1,00,24,542	4,94,285	M.	790	India	15.87	12.50	9.37	15.62‡	1.24	1.75	3	Y.
24,00,000 'B'19,20,000	28,86,885	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	154.00 146.00	100 'B' 100	Nil Nil	5.00 5.00	20.00 20.00		12	Y.P.T.
36,00,000 'B'24,00,000	10,09,817	1,76,28,517	1,12,70,060	—13,66,526	Jardine Henderson Ltd.	1,527	Kanknarrah	81.50 73.00	100 'B' 100	Nil Nil	Nil Nil	Nil Nil		12	Y.P.T.
28,00,000	52,06,000	1,51,65,797	1,03,30,320	1,21,384	McLeod & Co., Ltd.	703	Kelvin	161.00	100	9.00	12.50	14.00'C'	15.00	5	Y.P.
54,00,000	23,62,520	2,16,94,951	1,32,38,732	74,405	Anderson Wright Ltd.	1,530	Khardah	19.00	10	0.80	0.80	2.00	2.00	3	Y.P.
59,80,150	42,80,583	1,99,43,494	1,24,97,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	180.00	100	Nil	5.00	10.00	20.00	3	Y.P.T.
24,48,000	10,76,201	1,06,86,990	67,18,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	113.00	100	Nil	Nil	Nil	Nil	3	Y.P.
26,00,000	11,08,592	69,04,728	41,03,722	10,530	Bird & Co. Private Ltd.	840	Lawrence	130.00	100	Nil	Nil	2.00	15.00	3	Y.P.
31,65,200	34,63,931	2,70,91,429	1,55,68,005	56,999	M.	1,294	Megna	13.06	10	0.50	1.75	1.00	1.20	3	Y.
29,96,900	34,36,392	1,64,53,185	94,33,205	—11,60,635	M.	815	Naihati	82.00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	13,14,376	36,84,258	24,27,490	4,929	Howrah Trg. Co. Private Ltd.	425	Naskarpara	9.00	10	0.25	0.25			10	Y.T.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	21.50N	10	0.75	0.75			10	Y.P.
26,25,000	31,71,872	59,70,247	26,86,043	1,38,623	McLeod & Co., Ltd.	316	Nellimarla Jute	12.50	10	0.90	1.00	1.40		7	Y.P.T.
1,70,82,810	2,27,83,274	9,30,93,375	1,36,54,171	....	Sahu Jain Ltd.	1,765	New Central	19.00	10	..	1.50	1.50'C'	1.50	[illegible]	Y.P.T.
16,79,880	38,39,763	1,21,83,607	71,21,536	27,631	Bird & Co. Private Ltd.	567	Northbrook	27.37	10	Nil	Nil	1.25	3.00	3	Y.P.T.
66,79,500	38,58,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	53.75	50	Nil	2.50	3.00	4.00	3	Y.
25,00,000	10,23,000	99,89,888	72,61,540	68,437	McLeod & Co., Ltd.	400	Presidency	5.62	5	0.30	0.37½	0.50		7	Y.T.
20,00,000	42,629	33,96,467	12,06,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.00	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	14,07,546	1,24,96,816	66,97,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	6.56	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£488,130	£1,484,376	£840,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	9.50N	£1	Nil	5%†	10%†		12	Y.P.
30,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	26.00xd	10	0.50	0.50	0.60		3	Y.P.
14,00,000	12,59,725	72,57,128	52,50,728	63,633	Hindustan Investment Corpn. Ltd.	401	Soorah	21.00	10	1.50	1.50	2.50		12	Y.P.
£600,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.50N	£1	Nil	3%†	10%†		12	Y.P.
35,98,600	37,29,990	89,38,439	50,59,464	35,993	Bird & Co. Private Ltd.	1,326	Union	176.00	100	Nil	15.00	20.00	25.00	3	Y.P.T
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9.50N	£1	8%†	5%†	10%†		12	Y.P.
2,50,000	6,70,000	82,62,805	45,53,966	1,94,094	McLeod & Co., Ltd.	447	Waverley	4.00	1	Nil	Nil	0.25	0.30	5	Y.P.T.

SOUTH INDIAN PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
							TEA COMPANIES								
10,96,990	4,16,126	17,25,120	3,38,787	3,942	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	16.40	10	1.75*	1.75	1.50	1.50	3	Y.P.
63,00,000	18,91,207	79,01,776	13,65,987	2,83,908	Kothari & Sons (Ags.) Pvt. Ltd.	1,329	Blue Mountain	3.65XR	2	0.25	0.25	0.25	0.25	6	Y.
5,50,000	5,09,091	16,46,405	8,40,184	18,637	K. Anantarman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.80	2	0.30	0.24	0.24	0.20	6	Y.P.
14,00,100	11,19,898	26,32,979	3,15,911	1,36,960	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	3.80	2	0.40	0.20	0.30	0.40	3	Y.
5,66,420	12,20,975	23,20,475	1,95,657	32,888	Matheson Bosanquet & Co. Pvt. Ltd	392	Coonoor Tea	28.50cd	10	2.00	2.00	2.00	1.75	9	Y.P.
4,80,000	4,76,793	12,48,672	2,12,224	2,580	Srinivas Agencies	441	Coorg Tea	5.73	2	0.40	0.40	0.40	0.40	3	Y.P.
6,00,000	4,82,155	12,25,902	3,38,531	1,259	R. A. Jenkins, Esq. (Mg. Director)	344	Devashola (Nilgiri) Tea	30.30xd	10	1.75	2.50	2.50		12	Y.
6,74,630	3,25,933	10,81,247	2,29,577	4,312	Young India Agencies Private Ltd.	465	Devon Tea	14.37	10	1.75	1.75	1.50	1.50	3	Y.P.
5,00,000	1,26,500	4,04,217	65,265	2,027	Parkins Private Ltd.	198	Emerald Valley Estates	6.20	5	0.30	0.30	0.40		12	Y.
25,00,000	17,77,500	47,06,209	9,26,271	1,765	Parkins Private Ltd.	1,495	Halleyburia	15.15	10	1.50'C'	2.00	1.25'C'		12	Y.P.T.
6,00,000	7,65,696	14,87,744	2,33,844	48,253	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	4.84	2	0.30	0.25	0.30		3	Y.T.
17,17,076	12,12,245	33,15,743	5,71,179	15,600	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	5.50cd	2	0.30	0.30	0.70	0.50	10	Y.P.
8,45,000	5,10,000	11,44,396	98,799	806	Ipe Oommen & Co. Pvt. Ltd.	800	Kurchermala Plant. Ltd.	8.20CR	10	0.75	0.625	0.80	Nil	3	Y.P.
5,00,000	70,556	9,28,291	61,272	35,812	Matheson Bosanquet & Co. Pvt. Ltd.	267	Lucky Valley	14.00	10	1.00	1.00	1.00		12	Y.
3,50,000	26,500	3,21,318	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.70	2	0.18	0.24	0.10		3	Y.
3,00,000	6,23,100	12,48,190	2,88,717	1,418	Eapen Thomas, Esq. (Mg. Director)	524	Mlamallay	38.50	25	4.50	2.75	5.00		3	Y.P.
36,00,000	21,32,880	81,96,144	14,03,832	5,225	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	4.65	5	0.37	0.37	0.37	0.87	3	Y.P
12,00,000	6,37,638	27,51,637	5,74,549	5,656	A. V. Thomas & Co., Ltd.	1,648	Nelliampathy	2.61	2	0.40	0.30	0.20	0.26	6	Y.P.
14,06,250	7,45,346	39,87,155	6,33,351	26,790	A. V. George & Co., Ltd.	1,628	Nilgiri Tea	8.30	10	0.75	0.60	0.50	0.80	3	Y.P.T.
28,10,000	9,22,309	32,15,349	3,63,586	35,375	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	28.35cd	10	2.00	2.50	2.00		6	Y.
14,88,960	17,53,325	82,40,997	5,58,242	47,411	Mr. P. S. M. Molyneux (Chairman)	579	Parkside	28.50	10	1.75	2.50	2.75	2.75	6	Y.
6,00,000	3,06,284	8,47,690	63,133	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninsular Plantations Ltd.	21.35	10	2.50	1.50	2.00		2	Y.
17,00,000	10,41,753	41,24,957	14,46,521	44,631	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	22.80	10	2.50	1.62½	2.25		12	Y.P.
57,94,880	28,17,245	1,10,00,166	34,84,596	39,253	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	4.12cd	2	0.70	0.20'C'	0.25		3	Y.P.
13,50,000	3,06,500	11,40,782	1,24,998	907	A. V. Thomas & Co. (India) Ltd.	365	Sheveroy Estates Ltd.	1.88	2	0.15	0.15	0.125	0.18	6	Y.
9,00,000	12,06,473	27,35,093	7,62,652	3,656	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	14.80	10	1.40V	0.80	0.60		6	Y.T.
1,25,000	15,000	1,98,241	7,968	4,289	M.	216	Swinton Estates	3.12	2	..	0.15	0.15	0.25	3	Y.
12,50,000	10,87,328	36,51,137	3,53,187	907	Srinivas Agencies	1,787	Talayar Tea	1.78	2	0.20	0.12	0.10	0.16	3	Y.P.
15,75,000	16,00,500	27,87,319	3,29,820	565	Parkins Private Ltd.	1,214	Twyford	13.15	10	1.50'C'	1.50	1.00'C'		12	Y.
21,98,280	12,29,680	44,14,672	15,67,621	1,02,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	24.55	10	1.77	1.60	1.95	2.10	3	Y.
47,25,000	12,42,245	63,68,910	8,97,362	1,94,353	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	3.23	2	0.25	0.25	0.25	0.25	6	Y.P.
1,00,000	53,757	3,51,001	39,901	689	Goodall & Co.	93	Woodcote Estates Ltd.	1.65		0.09	0.06	Nil	Nil	6	Y.P.
							RUBBER AND OTHERS			**1957**	**1958**	**1959**	**1960**		
6,00,000	5,52,485	16,68,612	4,21,741	3,655	Ramani & Co., Pvt. Ltd.	878	Alageswar Estates Ltd.	2.75	2	0.20	0.20	0.15	0.15Z	3	Y.
6,75,000	1,60,527	19,03,351	2,97,284	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	13.65	10	0.40	0.60	0.75	1.00	3	Y.P.T.
2,50,000	5,78,753	13,39,783	1,24,737	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14.37	10	1.50	1.00	1.50	..	12	Y.P.
12,07,838	2,28,040	20,59,620	2,33,207	34,372	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	4.70cd	2	0.80	0.70	0.50	0.40	6	Y.T.
4,25,000	4,00,000	8,56,375	92,884	25,796	Young India Agencies Pvt. Ltd.	554	Badra Coffee Estates Ltd.	8.75	2	0.85	0.85	0.85	..	5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,833	2,438	A. V. Thomas & Co. (Mysore)	570	Bababudin Coffee & Produce	8.75cd	5	1.25	1.25	0.625	0.40	6	Y.P.
3,00,000	2,35,000	4,24,393	50,457	583	Planting Agencies (Private) Ltd.	319	Balmadies Plantations	2.50	2	0.25	0.25	0.15	0.15	5	Y.P.
8,66,115	3,36,253	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)	1,195	Be Be Rubber Estates Ltd.	2.90	5	0.25	0.25	0.25		3	Y.P.
26,91,279	18,00,000	52,49,279	3,16,786	21,669	Peirce, Leslie & Co., Ltd.	7,093	Cochin Malabar	8.05	2	0.45	0.30'C'	0.45	0.525	3	Y.P.
22,50,000	31,10,963	53,64,399	13,19,304	92,879	Cons. Coffee Estates (Secretaries).	2,799	Coffee Lands and Industries	21.10	10	4.00	2.00	2.50	0.60	6	Y.P.
71,55,000	66,04,294	5,58,60,009	40,89,751	60,720	C. I. Machia, Esq. (Mg. Director)	8,169	Consolidated Coffee	24.15	10	4.00	2.00	2.50	2.00	6	Y.P.
6,00,000	5,32,423	13,68,760	74,628	1,482	Associated Planters Private Ltd.	1,439	Cottanad Plantations	11.40	10	1.75	1.50	1.50	1.00	3	Y.P.
4,08,560	2,00,000	3,12,568	76,968	27,670	Peirce, Leslie & Co., Ltd.	605	Cowoody Estates (Coffees)	5.30	2	1.00	1.30	0.50	0.50	6	Y.
18,00,000	9,86,402	31,48,370	6,93,094	24,694	A. V. Thomas & Co., Ltd.	886	Highland Produce	15.75	10	0.75	1.50	1.50		12	Y.P.
1,20,000	49,000	1,64,450	5,148	2,033	Young India Agencies Pvt. Ltd.	220	Kadur Coffee Estates Ltd.	2.85	2	0.15	0.15	0.15	0.15	5	Y.P.
11,85,700	10,77,705	30,90,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kalias Rubber, Co., Ltd.	5.10	2	0.60	0.50	0.50	0.40	2	Y.
3,00,000	8,36,553	17,97,748	3,49,814	1,330	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	13.00	10	2.00	1.00'C'	1.25	1.25	4	Y.P.
4,00,000	3,75,000	9,82,417	1,85,014	14,690	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.90cd	2	0.50	0.40'C'	0.40	0.40	10	Y.T.
13,50,000	4,85,241	25,39,476	4,08,190	9,942	K. T. Thomas Kathanar, Esq.	1,663	Malankara Rubber	13.40	10	2.25	1.70'C'	1.60	1.50	3	Y.
3,25,000	2,50,000	7,67,594	9,954	10,168	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.80cd	5	0.75	1.00	1.00	1.00	6	Y.P.
40,50,000	14,21,444	90,79,614	11,84,844	66,364	A. V. Thomas & Co., Ltd.	4,683	Midland Rubber	12.18	10	2.00	1.00'C'	1.00	1.25	3	Y.P.
3,35,000	4,13,450	16,31,926	2,76,266	46,475	A. V. George & Co., Ltd.	1,229	Nenmeny Rubber	20.65	10	0.75	1.50	1.50		12	Y.P.
2,00,000	4,79,543	7,96,900	55,892	3,026	Associated Planters Private Ltd.	906	Nilambur Rubber Co.	16.25	10	1.50	2.00	1.50		12	Y.P.T.
19,45,980	22,33,423	48,92,125	16,66,950	3,088	Peirce, Leslie & Co., Ltd.	4,395	Ouchterlony Valley Estates	4.50cd	2	0.60	0.20	0.30		10	Y.P.T.
6,50,000	5,71,464	7,75,530	67,539	42,437	Peirce, Leslie & Co., Ltd.	546	Ossoor Estates Ltd.	3.30	2	0.30	0.26	0.30	0.30	3	Y.
16,50,000	2,29,315	22,68,070	6,46,200	17,195	Aspinwall & Co., Ltd.	2,017	Pullangode Rubber	1.90	2	0.10	0.08	0.10	0.10	3	Y.P.
15,50,000	8,37,644	48,91,065	4,79,542	19,045	A. V. Thomas & Co., Ltd.	2,988	Rajagiri Rubber	18.80	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,14,963	3,70,345	43,569	774	Associated Planters Private Ltd.	422	Rajendra Coffees Ltd.	12.90	5	1.25	2.00	2.50	1.25	3	Y.P.
5,50,170	3,00,000	8,87,753	1,22,319	12,609	Peirce, Leslie & Co., Ltd.	492	Savamalai Estates Ltd.	3.55	2	0.30	0.25'C'	0.30		11	Y.
12,00,000	1,85,000	18,80,245	1,09,554	10,753	Patco Agencies	1,162	Sangameshwar Coffee Estates	2.35	2	..	0.18	0.18	0.12	3	Y.P.T.
10,00,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	6.10	10	0.60	0.60	0.60	Nil	3	Y.P.T.
2,50,000	2,75,000	6,13,713	47,038	28,430	A. V. George & Co., Ltd.	467	Thamarapally Rubber	28.00	10	3.00	3.00	3.00		12	Y.P.
9,15,300	6,05,000	24,54,542	2,19,470	14,829	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd	1.85	1	0.05	0.10	0.07	0.07	9	Y.P.
6,00,000	44,742	11,54,391	5,03,490	2,248	Eapen Thomas, Esq. (Mg. Director)	1,203	Travancore Rubber	10.37	10	1.50	1.00	1.00		12	Y.
41,00,000	15,07,453	86,13,606	13,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.	4,671	Travancore Rubber & Tea	9.25	10	0.40	0.50	0.75		12	Y.P.
20,00,000	1,36,000	22,13,459	3,67,958	11,924	P. T. Thomas, Esq. (Mg. Director)	2,359	Tropical Plantations Co.	20.87	25	1.00	1.50	2.00		12	Y.
6,00,000	4,96,000	17,68,416	1,27,428	10,653	P. I. J. Joseph, Esq. (Chairman)	1,360	Velimalai Rubber & Co.	5.48	5	0.62½	0.50	0.50	0.60	3	Y.P.T.
2,20,000	4,29,600	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd.	458	Udayagiri Rubber Co., Ltd.	20.50	10	0.60	0.75	1.50		12	Y.P.
3,30,010	2,91,970	9,65,557	38,718	585	M.	788	Vallundam Rubber Co., Ltd	31.25cd	10	3.50J	3.00	2.50	1.50‡	12	Y.
12,00,000	11,90,982	15,34,580	1,19,640	1,15,433	Peirce, Leslie & Co., Ltd.	1,027	Wartyhully Estates Ltd.	8.36	2	0.15	0.30	0.30	0.30	3	Y.
6,95,000	6,33,233	13,55,991	91,882	2,962	M.	844	Woodland Estates	7.65	10	1.00	0.50	0.50	1.00	3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital. V— Includes 60 nP for 30-6-1954. 'O'—On increased Capital. Z.—Dividend for nine months ended 31st March 1960.

* Includes bonus. M.—Managed by Board of Directors. † Less income-tax. N.B.—All dividends paid since 31st March 1959 are shown as taxable. ‡—On old capital.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	Accounts Closed	Reference
							ASSAM								
4,46,700	13,84,978	22,94,476	8,53,312	....	McLeod & Co., Ltd.	325	Amluckie	22.50	10	5.00	1.00	1.50	1.50	12	Y.P.
2,76,500	3,01,500	12,10,619	4,33,800	2,091	M.	456	Ananda (Assam) Tea	20.75	10	2.00	1.00	2.00		12	Y.
7,03,250	7,55,753	16,41,189	5,01,215	54,204	Gillanders Arbuthnot & Co., Ltd.	481	Ananda Bag	27.00	10	1.25	0.50	1.00	1.75	12	Y.
5,50,000	14,38,941	26,06,181	10,04,021	19,953	McLeod & Co., Ltd.	573	Baghmari	21.00	10	2.50	1.50	1.50	1.50	12	Y.
5,10,000	11,57,780	18,49,824	6,86,011	43,644	Andrew Yule & Co., Ltd.	377	Basmatia	30.00	10	2.00	1.75	2.00	3.00	12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Bateli	21.00	5	3.00	1.50	1.50		12	Y.
6,40,000	10,74,426	15,66,305	5,60,306	37,706	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	28.44	10	2.50	1.50	1.50	2.50	12	Y.
38,00,000	18,32,500	73,96,221	31,20,921	3,83,877	Williamson Magor & Co., Ltd.	3,425	Bishnauth	25.06	10	2.00	1.00	Nil	1.30	12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	14.00	10	0.50	Nil	0.50		12	Y.
7,50,000	9,06,475	14,41,597	4,34,307	70,351	McLeod & Co., Ltd.	450	Bormah Jan Tea	18.06	10	1.50	Nil	0.75	1.25	12	Y.P.
35,00,000	17,26,071	94,38,743	34,17,209	2,53,984	M	2,834	Brooke Bond B.	17.56	10	1.25	1.75	1.00	1.25	6	Y.
1,20,000	8,09,581	11,64,943	3,93,553	35,405	McLeod & Co., Ltd.	282	Dejoo Valley	51.00	10	3.00	2.00	3.00	4.00	12	Y.
8,40,000	5,49,948	33,10,828	20,05,150	—2,40,732	Jardine Henderson Ltd.	1,332	Dessal & Parbuttia	139.50	100	10.00	Nil	Nil	Nil	12	Y.
17,53,440	10,53,350	31,54,422	92,50,98	17,329	James Warren & Co., Ltd.	770	Dhelakhat	22.37	10	2.50	2.50	2.50	2.00	12	Y.P.
7,00,000	6,85,000	24,04,227	6,47,434	10,086	H. P. Dhanuka, Esq. (Chairman)	1,349	Dhunseri	15.25	10	1.25	2.00	2.00	2.30	12	Y.
4,50,000	12,09,644	18,71,655	3,98,875	68,960	McLeod & Co., Ltd.	458	Dibrugarh	33.50	10	3.00	2.50	3.00	3.00	12	Y.P.
4,73,400	7,15,000	17,09,184	7,61,684	1,56,884	Williamson Magor & Co., Ltd.	632	Dimakusi	26.75	10	3.00	3.00	2.50	3.00	12	Y.P.
7,00,620	11,66,000	27,54,322	14,69,122	3,83,571	Williamson Magor & Co., Ltd.	635	Dufflaghur	34.75	10	4.00	3.00	4.50	3.50	12	Y.
10,00,000	9,57,600	33,05,749	12,68,049	1,31,213	Williamson Magor & Co., Ltd.	1,166	East India Tea	18.50	10	1.00	0.50	0.50	1.00	12	Y.
5,03,760	6,42,879	17,74,219	6,37,020	8,855	M.	465	Gillapukri	26.00	10	3.00	2.50	2.50	2.50	12	Y.
6,76,000	4,90,000	22,56,199	10,31,899	1,31,256	Williamson Magor & Co., Ltd.	552	Gohpur	17.25	10	2.50	2.00	0.50	1.00	12	Y.
23,29,085	36,34,739	67,30,725	20,38,780	61,970	Octavius Steel & Co., Ltd.	2,494	Grob	12.12	5	1.62	1.25	1.50	0.70	12	Y.
5,00,000	6,86,998	11,97,176	4,67,668	14,369	M.	488	Hoograjuli	24.00N	10	1.50	1.00	0.50‡	2.50	12	Y.
8,70,000	13,90,841	32,83,007	14,80,249	75,669	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	197.00	100	15.00	12.50	17.50	20.00	12	Y.
58,56,900	62,00,087	1,90,58,048	67,58,048	45,698	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	23.12	10	1.00	1.00	1.00	1.40	12	Y.P.
9,00,000	8,62,200	20,23,965	5,82,195	51,110	Gillanders Arbuthnot & Co., Ltd.	876	Jutlibari	28.50	10	1.00	1.75	1.00	1.00	12	Y.
3,60,000	13,02,500	16,52,939	7,79,490	91,530	M.	1,166	Kingsley-Golaghat (Assam)	227.00	100	25.00	25.00	25.00		12	Y.P.
1,80,000	7,000	20,18,041	3,18,798	—2,30,952	Duncan Bros. & Co., Ltd.	1,201	Kotamullai Tea	10.62	5	Nil	Nil	Nil	Nil	12	Y.P.
6,50,000	6,53,734	14,09,076	4,30,863	22,109	Duncan Bros. & Co., Ltd.	634	Ledo	17.37	10	0.75	Nil	Nil	Nil	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	19.31	10	2.00	1.50	1.00‡		12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	11.50	10	Nil	Nil	Nil		12	Y.P.
1,50,000	13,65,825	1,16,088	10,450	30,504	Kettlewell Bullen & Co., Ltd.	410	Mothola	526.00	100	60.00	40.00	40.00	25.00	12	Y.
1,75,000 P.O. 2,00,000	8,36,947	16,59,105	6,59,981	37,858	Andrew Yule & Co., Ltd.	372	Murphulani	23.00 23.25	O. 10 P.O. 10	2.00 2.50	1.75 2.25	2.00 2.50	2.00 2.50	12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	13.12	10	1.50	1.50	Nil		12	Y.
5,00,000	20,000	7,66,315	3,69,599	35,282	Duncan Bros. & Co., Ltd.	728	New Cinnatolliah	102.00	100	Nil	Nil	Nil	Nil	12	Y.
2,00,000	8,46,039	13,39,252	5,27,546	45,190	Andrew Yule & Co., Ltd.	390	Rajgarh	47.00	10	4.00	2.50	2.50	3.50	12	Y.
9,00,000	2,56,006	32,81,411	13,29,355	20,383	M.	958	Sapoi	20.62	10	2.50	1.50	1.50	2.00	12	Y.
2,49,000	4,30,000	12,83,249	6,96,549	91,288	Williamson Magor & Co., Ltd.	501	Seajuli	26.00	10	1.50	2.25	2.25	1.75	12	Y.
5,98,000	13,64,556	19,34,492	6,32,207	7,126	McLeod & Co., Ltd.	495	Teloijan	28.00	10	3.50	3.00	2.50	2.50	12	Y.
3,00,000	5,97,055	14,42,247	5,27,787	64,646	Gillanders Arbuthnot & Co., Ltd.	521	Tengpani	38.00N	10	1.00	1.50	1.50	1.75	12	Y.P.T.
19,82,880	15,86,078	51,14,115	22,83,115	53,844	Shaw Wallace & Co., Ltd.	2,347	Tezpore	17.25	10	1.25	Nil	1.25	2.00	12	Y.
5,20,000	25,00,315	50,60,323	16,66,525	1,05,020	McLeod & Co., Ltd.	1,050	Tyroon	30.00	10	4.50	3.00	1.50	3.00	12	Y.P.
							CACHAR								
3,00,000	....	5,16,444	1,88,505	—2,43,041	M.	362	Arcuttipore	7.00	10	Nil	Nil	Nil		12	Y.
7,00,000	....	7,66,139	1,03,460	—3,49,181	M.	649	Eastern Cachar	2.75N	10	Nil	Nil	Nil		12	Y.
12,60,000	13,00,000	31,05,555	13,86,347	60,217	Octavius Steel & Co., Ltd.	2,208	Hattikhira	11.00	10	0.50	Nil	0.50	0.50	12	Y.
3,60,000	1,10,000	6,48,924	2,68,020	3,889	Duncan Bros. & Co. Ltd.	629	Kunchunpore	7.75	10	Nil	Nil	Nil		12	Y.
7,00,000	8,73,960	21,37,538	3,98,015	1,37,903	Assam Trading Co.	2,205	North-Western Cachar	166.00	100	15.00	15.00	20.00	30.00	12	Y.
3,60,000	3,32,179	12,84,475	3,70,957	—76,413	McLeod & Co., Ltd.	638	Roopacherra	12.62	10	0.50	Nil	Nil	Nil	12	Y.
5,25,000	10,97,014	14,64,650	4,63,459	41,094	Duncan Bros. & Co., Ltd.	720	Rungamattee	63.50	50	10.00	3.75	1.25	3.75	12	Y.
4,00,000	3,36,980	10,68,284	3,68,708	1,199	M.	662	Sonai River	8.25	10	Nil	Nil	Nil		12	Y.P.T.
							DARJEELING								
2,79,900	1,05,000	4,30,792	92,592	18,736	Williamson Magor & Co., Ltd.	468	Chamong	9.25	10	0.75	Nil	Nil	Nil	12	Y.
2,00,006	1,68,526	3,59,734	1,69,380	—893	M.	433	Dilaram	86.00N	100	5.00	Nil	7.50		12	Y.
2,00,000	2,18,765	8,67,216	3,43,216	—32,998	Davenport & Co., Ltd.	507	Gielle	10.00	10	Nil	Nil	Nil	Nil	12	Y.P.
1,59,000	3,51,372	5,41,385	2,25,783	12,435	Andrew Yule & Co., Ltd.	463	Mim	205.00	100	10.00	Nil	Nil	10.00	12	Y.
2,99,900	4,43,000	7,30,861	2,14,761	1,29,955	Williamson Magor & Co., Ltd.	690	Nagari Farm	26.50	10	3.50	2.50	3.00	2.00	12	Y.
1,00,000	1,11,500	4,70,736	2,49,237	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	500.00	100	Nil	Nil	32.50	32.50‡	12	Y.P.
3,00,000	3,500	6,09,868	2,51,814	—86,025	Duncan Bros. & Co., Ltd.	478	Poobong	6.00	10	Nil	Nil	Nil	Nil	12	Y.
2,05,000	2,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	8.00	10	Nil	Nil	Nil		12	Y.P.
1,40,000	5,02,500	4,63,373	2,11,663	30,086	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	340.00	100	35.00	25.00	30.00	10.00	12	Y.
2,00,000	3,27,462	5,50,875	1,96,085	3,514	M.	389	Seeyok	12.25	10	Nil	1.00	1.50		12	Y.
9,00,000	65,000	11,65,737	2,38,715	7,369	Goenka & Co.	583	Singtom	5.75	10	0.50	0.50	0.50‡		12	Y.P.
2,00,000	4,45,000	7,56,966	3,49,266	1,75,267	Williamson Magor & Co., Ltd.	554	Soom	32.00	10	4.00	4.00	5.00	3.00	12	Y.
6,25,000	9,54,667	17,84,113	5,20,111	58,721	McLeod & Co., Ltd.	745	Sungma	14.00	10	1.50	0.75	1.50	1.00	12	Y.
3,20,000	7,28,815	14,29,114	3,98,614	—80,294	Davenport & Co., Ltd.	718	Teesta Valley	13.50	10	2.50	1.00	Nil	Nil	12	Y.
9,01,850	2,61,033	16,07,038	3,76,038	—2,94,248	Williamson Magor & Co. Ltd.	1,666	Tukvar	8.25	10	Nil	Nil	Nil		12	Y.
							DOOARS								
27,00,000	39,62,946	63,67,156	28,80,596	93,115	Andrew Yule & Co., Ltd.	2,540	Banarhat	326.00	100	40.00	20.00	20.00	32.50	12	Y.P.
12,00,000	18,39,305	47,37,495	26,67,822	68,917	Jardine Henderson Ltd.	948	Baradighi	30.37	10	2.00	1.50	1.50	2.50	12	Y.
9,00,000	17,95,074	27,34,742	13,24,580	6,018	McLeod & Co., Ltd.	1,112	Bhatkawa	22.00	10	3.00	1.50	Nil	1.00	12	Y.
9,00,000	17,47,500	28,48,801	9,90,295	40,081	Duncan Bros. & Co., Ltd.	1,348	Birpara	166.00	100	25.00	7.50	12.50	22.50	12	Y.P.
6,00,000	8,36,000	14,66,180	5,09,072	21,500	Duncan Bros. & Co., Ltd.	602	Carron	160.00	100	10.00	5.00	Nil	15.00	12	Y.
9,00,000	18,87,365	25,34,091	10,16,841	98,628	Andrew Yule & Co., Ltd.	908	Choonabhutti	300.00	100	35.00	20.00	22.50	30.00	12	Y.P.
3,00,000	4,36,000	9,76,473	4,70,943	22,233	Duncan Bros. & Co., Ltd.	478	Ellenbarrie	155.00	100	5.00	Nil	Nil	5.00	12	Y.
1,20,000	2,04,475	4,99,218	2,35,581	—59,525	Andrew Yule & Co., Ltd.	265	Engo	196.00	100	Nil	Nil	Nil		12	Y.
4,90,000	61,299	10,37,477	3,14,730	—35,008	M.	447	Ethelbarrie	9.87	10	1.00	0.75	Nil	Nil	12	Y.
7,50,000	6,75,164	18,93,292	11,86,007	39,367	Gillanders Arbuthnot & Co., Ltd.	1,129	Gairkhata	175.00	100	10.00	Nil	Nil	12.50	12	Y.
36,00,000	38,35,750	71,46,533	23,70,874	80,081	Duncan Bros. & Co., Ltd.	2,528	Hantapara	144.00	100	7.50	Nil	Nil	12.50	12	Y.P.
32,00,000	60,61,255	1,15,51,655	58,85,226	2,60,071	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	26.44	10	2.25	0.75	0.75	1.25	12	Y.P.
3,25,000	21,63,678	29,07,639	12,14,639	86,987	Davenport & Co., Ltd.	1,452	Huldibari	25.50	10	2.50	1.25	1.50	2.25	12	Y.
7,00,000	5,12,873	11,09,391	5,33,855	16,262	Andrew Yule & Co., Ltd.	607	Jaybirpara (Dooars)	18.75	10	0.60	Nil	Nil	0.50	12	Y.
9,00,000	18,16,000	24,52,378	7,53,905	42,315	Duncan Bros. & Co., Ltd.	937	Killcott	20.62	10	2.00	1.50	0.75	1.75	12	Y.
2,00,000	5,72,564	10,14,554	3,56,190	2,318	M.	578	Manabarrie	59.00N	10	2.00	1.50	0.50	0.50	12	Y.
9,60,000	19,87,000	26,78,567	9,58,041	23,611	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	192.00	100	15.00	7.50	5.00	17.50	12	Y.
14,00,000	20,80,530	34,00,529	12,34,687	52,126	Andrew Yule & Co., Ltd.	1,168	New Dooars	306.00	100	35.00	20.00	25.00	32.05	12	Y.P.
2,50,000	3,80,000	5,69,606	2,08,922	10,819	Duncan Bros. & Co., Ltd.	348	Phaskowa	140.00	100	7.50	Nil	Nil	Nil	12	Y.
6,00,000	9,10,472	16,36,533	7,19,903	—1,96,926	McLeod & Co., Ltd.	764	Rajabhat	17.12	10	1.25	Nil	Nil	Nil	12	Y.
7,65,000	15,51,570	30,13,553	15,15,026	43,739	McLeod & Co., Ltd.	1,035	Ranicherra	20.50	10	2.00	0.50	0.75	1.00	12	Y.
14,92,800	29,39,216	61,42,087	35,18,973	42,452	Jardine Henderson Ltd.	1,768	Rydak	33.00	10	3.00	2.00	2.50	3.00	12	Y.
							SYLHET								
3,00,000	17,95,000	10,31,473	3,93,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	22.50	10	Nil	Nil	Nil		12	Y.
6,00,000	11,04,551	9,36,429	2,61,464	45,770	Duncan Bros. & Co., Ltd.	610	Dauracherra	8.00	10	1.50	0.75	0.50	1.50	12	Y.
4,00,000	12,06,200	13,63,395	7,13,394	3,77,118	Shaw Wallace & Co., Ltd.	985	New Samanbag	24.00	10	2.00	3.00	Nil	Nil	12	Y.P.
38,00,000	66,24,901	65,50,842	27,50,049	2,25,758	Duncan Bros. & Co., Ltd.	4,151	Patrakola P.	156.00	100	10.00	10.00	20.00	40.00	12	Y.P.
9,00,000	22,94,227	21,07,333	7,06,343	31,974	Duncan Bros. & Co., Ltd.	1,190	Tellapara	102.00	100	15.00	6.00	12.50	17.50	12	Y.
							TERAI								
4,50,000	65,000	4,45,710	3,67,926	3,500	Goenka & Co.	667	Atal	8.31	10	0.50	0.50	0.25		12	Y.P.T.
2,50,000	4,15,000	4,13,655	2,24,210	35,498	National Tea Corporation	532	Belgachi	24.25	10	4.00	2.00	2.50		12	Y.
18,44,000	22,46,000	27,80,130	11,43,606	29,724	Duncan Bros. & Co., Ltd.	1,611	Gungaram	158.00	100	10.00	7.50	Nil	15.00	12	Y.
5,00,000	11,12,394	14,91,443	5,03,408	18,957	Duncan Bros. & Co., Ltd.	530	Hansqua	18.87	10	1.00	1.00	Nil	1.75	12	Y.
3,60,000	8,07,700	10,27,925	4,27,240	62,299	Davenport & Co., Ltd	514	New Chumta	33.75	10	2.50	1.25	1.00	1.50	12	Y.
2,20,000	3,75,250	13,61,474	5,52,735	33,691	McLeod & Co. Ltd.	549	Tirrihannah	60.00	10	2.50	2.00	4.00‡		12	Y.P.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
						CEMENT								
71,39,880	6,39,303	1,60,52,590	69,38,639	22,879	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.25	B. 10	1.00	0.75	1.00		12	Y.P.
59,90,098	6,05,000	1,74 94,366	13,63,500	4,434	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	9.76	10	Nil	Nil	0.45	0.70	3	Y.T.
43,14,600 4,70,976D.	12,14,532	1,51,44,736	81,04,633	....	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	6.31 0.75	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil	.. ..	3	Y.T.
10,06,27,783	10,78,46,227	42,05,40,586	16,70,69,557	42,021	Cement Agencies (Private) Ltd.	Associated Cement Companies	157.00	100	9.00	8.50'C'	11.00	12.00	7	Y.T.
24,54,023	66,000	2,26,19,399	31,88,694	1,652	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	9.48	10	0.60	0.70	0.80		12	Y.
1,66,00,000 5,00,000	57,31,922	2,63,50,468	60,48,714	25,287	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	12.00 2.43	O. 10 D. 1	1.20 0.12	1.00 0.10	1.20 0.12		12	Y.P.T.
2,24,79,135	59,98,450	4,42,25,287	1,03,39,730	79,496	Besen Private Ltd.	India Cements Ltd.	6.43	5	0.41	0.45	0.45	0.55	3	Y.P.
2,00,00,000	49,62,184	7,98,62,040	1,92,20,939	1,44,304	Sahu Jain Ltd.	Jaipur Udyog Ltd.	12.56	10	1.25	1.25	Nil	0.60	3	Y.P.T.
2,25,00,000	63,61,275	5,39,55,507	1,86,50,770	3,77,321	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.32	10	1.50	1.50	1.10		12	Y.P.
1,34,51,675	54,91,876	4,15,40,234	1,68,22,549	48,939	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	164.00	100	9.00	9.00	9.00		12	Y.P.
75,00,000	18,30,000	2,25,10,113	1,58,76,362	62,048	M.	Sone Valley Portland Cement	5.28	5	0.30	0.30	Nil		12	Y.
50,00,000	11,77,360	1,37,88,664	57,99,082	29,086	Basel (Private) Ltd.	Travancore Cements Ltd.	8.80	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. cR—Cum-Right.

N.B.—Dividends paid since 31st March, 1959 are shown as taxable. "P"—Patrakola Tea—Dividends for 1958 and 1959 are payable only when funds are available from Pakistan.

B.—Brooke Bond Estates—Dividend for the year ended 30th June 1960 is Re. 1.50 per share taxable.

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
30,00,000	....	37,43,382	16,26,068	32,615	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	11.50	10	Nil	Nil	Nil	0.60	3	Y.
18,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.52	10	1.50	3.50	2.00		9	Y.P.
35,23,146	15,49,326	1,57,35,785	51,99,681	14,572	Bharat Ram Bhagat & Co.	Bengal Potteries	7.56	2½	0.25	0.25	0.356		12	Y.
30,00,000	36,69,030	77,31,751	41,17,891	35,599	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	44.44	10	1.75	1.75	1.87	3.00	3	Y.
14,17,800	10,55,247	33,58,584	15,31,858	9,761	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	185.50	100	9.00	10.00	12.86	12.86	9	Y.P.
39,80,700	14,19,759	1,19,21,208	18,96,171	—25,65,524	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	190.00	100	Nil	Nil	Nil		12	Y.P.
£1,371,300	£1,705,275	£3,271,480	£1,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	5.40	Sh. 2	0.24	0.24	0.36		12	Y.
O.15,00,000 P.5,00,000	25,89,686	44,79,158	13,16,190	2,61,727	Bird & Co. Private Ltd.	Karanpura Development	20.00	10	Nil Nil	Nil Nil	1.50 0.50		12	Y.
50,00,000	....	14,32,400	....	—12,618	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	91.00	50	..	Nil	Nil		12	Y.P.
30,00,000	33,05,445	1,10,40,017	59,85,195	39,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26.00N	10	1.25	1.25	1.80		12	Y.P.T.
50,00,000	10,01,024	1,16,80,530	59,85,620	—19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd.	11.69	10	Nil	Nil	Nil		3	Y.P.T.
6,00,000	5,26,433	13,40,698	7,63,285	7,276	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	15.00	10	1.00	1.00*	1.00*	1.428	3	Y.
20,00,000	55,85,984	68,91,304	28,26,317	1,10,697	Bird & Co. Private Ltd.	Orissa Minerals	43.62	10	2.00	2.50	3.60	3.60	6	Y.
8,50,000	15,45,335	88,24,228	46,03,569	7,911	Ganpule Jasani & Co.	Parshuram Pottery Works Co., Ltd.	67.00	25	3.75	3.75	3.75	5.36	7	Y.P.
10,46,370	65,42,410	1,02,15,679	38,53,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate	90.50	10	8.00*	8.00*	5.00		11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
12,11,000	....	....	....	....	Agri-Chem-Engineers	Adarsh Chemicals & Fertilisers	85.00	75	..	..	..		12	Y.P.
85,00,000	81,37,800	1,87,07,072	65,76,431	9,770	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	282.50	100	12.00	12.00	16.00		12	Y.P.
8,10,00,000	1,57,00,273	6,04,78,062	1,23,50,512	1,33,819	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	39.37	10	0.80	0.80	0.95	1.20	9	Y.P.
80,00,000	30,78,579	86,90,417	21,21,588	35,088	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	440.00	100	Nil	Nil	12.00		12	Y.P.
20,80,400	24,94,426	1,18,63,272	49,89,005	47,108	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	730.00	100	20.00*	20.00*	28.00*		12	Y.P.
2,00,00,000	39,06,362	3,56,08,722	1,05,40,064	72,946	Lalbhai Sons & Co.	Atul Products Ltd.	559.00	100	8.00	10.00	12.00		12	Y.
50,92,900	52,95,445	1,47,57,610	71,89,268	13,89,611	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	111.00	100	6.00	6.00	7.00	7.00	3	Y.P.T.
1,00,00,000	6,00,000	1,07,91,843	4,82,147	—42,985	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	370.00	100	..	Nil	Nil	Nil	3	Y.
22,73,150	26,99,000	77,57,031	36,10,218	44,349	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	262.50	50	5.00	6.00	10.00		12	Y.
64,40,082	56,78,075	1,69,27,890	67,30,529	—1,11,025	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	131.50	100	7.50	6.00	4.00(c)		3	Y.P.
3,46,06,075	14,62,000	5,13,68,593	2,80,26,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	11.35	10	Nil	0.40	0.60		12	Y.
1,50,00,000	23,35,000	51,41,000	15,22,000	10,072	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	565.00	100	Nil	Nil	Nil	6.00	3	Y.P.
12,00,000	6,37,883	27,43,796	14,20,459	47,412	Jal H. Mehta	Kemp & Co.	320.00	200	15.00	15.00	20.00	25.00	3	Y.
60,00,000	22,36,480	1,43,65,801	78,81,045	12,716	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.85	10	0.75	0.87½	0.88	1.25'C'	3	Y.P.T.
24,81,220	10,04,155	55,64,434	40,80,625	11,452	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	11.35	10	0.50	0.50	0.50	1.00	3	Y.
8,00,000	4,52,189	11,19,269	5,96,880	85,186	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	25.50	10	2.00	2.00	2.00	2.00'C'	3	Y.P.
40,00,000	20,96,379	58,16,750	11,97,186	27,844	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	270.00	50	..	Nil	3.00	5.50	3	Y.P.
12,50,000	9,22,174	32,78,588	20,63,157	2,05,216	Bangur Brothers Ltd.	Phosphate Co., Ltd.	360.00	100	15.00	25.00	45.00	35.00	6	Y.
15,00,000	14,69,787	24,40,260	15,05,655	98,591	C. A. Buxton	Smith Stanistreet & Co.	13.00	5	1.00	0.80'C'	1.25	1.25	6	Y.P.
3,37,50,000	....	....	....	....	Tulsidas Kilachand, Esq., (Chairman)	Synthetics & Chemicals Ltd.	168.00	75	..	..	..	..	..	Y.
1,39,95,990 1,11,91,270	42,17,119	5,89,52,538	2,06,78,886	14,509	Tata Industries Private Ltd.	Tata Chemicals	20.32 18.80	10Old 10New	0.80 ..	0.75 0.08	0.525 0.618	0.60 0.60	6	Y.P.T.
13,00,000	1,07,599	18,05,082	6,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	17.62cdCR	10	0.60	0.70	1.00	1.50	3	Y.P.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
3,74,78,370	1,17,08,657	15,23,94,046	4,04,47,092	688	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	86.30	100	3.25	6.50	6.75	7.00	3	Y.T.
81,28,750	21,63,386	2,36,72,375	59,65,971	15,69,279	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.04	10	0.42	0.85	0.90	1.00*	3	Y.P.
3,02,76,250	96,81,201	9,66,03,356	2,69,10,919	22,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	995.00	1,000	56.00	80.00*	80.00*	85.00*	3	Y.P.T.
1,75,00,000	78,52,280	4,06,37,564	98,99,329	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply	86.20	100	7.00	7.00	7.50	8.00	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6.00	10	Nil	0.50	0.60	0.66	3	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	108.50	100	2.50	7.50	8.00	9.50	3	Y.P.T.
70,00,000	10,75,000	1,64,79,000	51,54,000	....	Killick Industries Ltd.	Surat Electricity	86.50	100	8.75	7.00	7.00	7.50	3	Y.P.
3,39,99,575	1,01,57,424	7,01,96,985	1,89,09,886	25,281	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	101.75	100	5.52	8.00*	8.00*	8.50*	3	Y.P.
6,15,35,750	2,60,85,771	17,16,28,967	3,93,66,464	33,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,032.75	1,000	56.25	80.00*	80.00*	85.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
19,99,600	51,88,028	18,39,99,790	39,25,042	47,389	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	123.00	100	10.00	10.00	10.00	11.00	3	Y.T.
3,00,000	15,23,875	63,42,780	22,28,800	23,612	Martin Burn Ltd.	Bareilly Electric Supply	11.87	10	1.25	1.00	1.00	1.10	3	Y.T.
17,00,000	47,66,354	1,71,05,214	47,49,307	45,563	Martin Burn Ltd.	Benares Electric Light & Power Co.	12.37	10	1.25	1.00	1.00	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	7.12	8	0.62	0.40	0.40	0.64	3	Y.
£4,262,646	£10,126,973	£33,604,377	£13,302,118	£106,138	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	14.94	£1	8¼%	7%	7%	7½%	3	Y.P.T.
6,60,090	6,73,784	31,45,751	10,61,558	76,838	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8.00	10	1.00Z	0.65	0.65	0.75	3	Y.
43,20,000	24,38,968	1,02,37,174	38,05,104	4,38,960	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	93.00	100	6.50	7.00	7.50	10.00	3	Y.P.
5,34,640	1,24,635	34,43,088	14,37,084	2,947	Moonna Lall & Sons	Jhansi Electric Supply	6.50N	10	0.86Z	0.62½	0.62	0.70	3	Y.T.
22,49,550	27,02,877	1,07,81,716	40,42,273	30,296	Martin Burn Ltd.	Jubbulpore Electric Supply	11.75	10	0.92	0.92	0.92	1.00	3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	9.62	10	1.25Z	1.00	1.00	1.25	3	Y.
35,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.37	10	1.25Z	0.75	0.75		3	Y.T.
9,10,000	2,37,616	12,60,524	5,84,092	5,200	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6.44	10	Nil	0.50	0.50	0.625	3	Y.
16,80,000	13,87,254	78,27,858	44,96,906	2,087	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.50	10	6.94	0.68	0.75	1.00	3	Y.T.
69,99,680	13,96,142	2,06,37,818	67,68,084	3,023	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.06	10	1.28	0.87	0.90	0.90'C'	3	Y.P.T.
5,00,000	11,62,458	52,32,335	12,25,684	36,698	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	16.25	10	1.25	1.25	1.25	1.35	3	Y.
56,91,185	78,57,136	4,08,85,812	1,45,66,727	35,399	Martin Burn Ltd.	U. P. Electric Supply Co.	116.00	100	10.00	10.00	10.00	11.00	3	Y.T.
4,00,000	9,84,990	40,87,637	11,42,884	2,88,269	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.20	10	1.00	1.00	1.00	1.50	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
38,42,200	49,44,187	75,65,494	60,70,287	28,009	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	308.00	100	12.50	12.50	17.00		12	Y.
19,99,060	3,10,174	21,70,025	8,07,662	19,184	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	88.50	80	3.00	3.00	4.00	5.50	12	Y.
45,19,800	25,03,443	93,35,767	46,96,997	75,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	205.00	100	7.00	10.00*	13.00*	18.00*'C'	6	Y.
40,00,000	25,000	1,05,86,590	9,91,658	—8,47,543	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.80	10	Nil	Nil	Nil		9	Y.
40,00,000	4,14,207	62,24,434	21,96,624	57,365	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	99.00	100	6.00	7.00	10.00		4	Y.P.
59,99,900	84,82,780	2,25,73,362	1,87,51,802	70,946	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	184.00	100	9.00	9.00	18.00	18.00'C'	6	Y.P.T.
6,00,000	4,15,000	1,58,191	1,29,312	3,288	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	81.00	50	5.00	5.00	5.00	4.00	3	Y.
44,96,250	4,05,652	62,45,798	27,18,547	2,467	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	20.12	10	Nil	0.50	0.775		9	Y.P.
42,96,023	78,89,668	1,21,65,928	66,66,471	11,866	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	62.00	25	0.20	0.25	0.30	0.25	7	Y.
37,50,000	15,59,000	1,02,91,000	29,35,000	....	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	19.72	10	0.90	1.00	1.00	1.48	3	Y.
10,58,725	2,17,037	22,14,424	2,62,435	2,50,491	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	154.50	100	..	..	..	Nil	3	Y.P.
80,00,000	27,05,928	78,01,690	25,52,916	56,253	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	45.25	10	1.00	1.25	1.25	1.80'C'	3	Y.P.
1,32,00,000	42,63,182	1,34,87,855	31,17,630	1,16,237	M.	Mahindra & Mahindra Ltd.	22.52	10	1.75	2.20	1.25		10	Y.P.
11,00,000	3,45,914	40,22,575	24,15,196	1,016	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	130.00	100	Nil	Nil	Nil		7	Y.P.
60,15,060	45,30,000	1,21,27,185	40,92,378	3,253	Jeewan Private Ltd.	Mukand Iron & Steel	27.25	10	1.00	1.20	1.00*	1.20	3	Y.P.
25,00,000 14,99,250	40,76,797	1,06,26,418	51,58,671	6,625	Kirloskar Associates	Mysore Kirloskar Ltd.	190.00 —	100 100 New	6.00 ..	7.50 ..	12.00 6.00	12.00 12.00	6	Y.
22,27,700 22,72,000	5,36,616	47,79,336	14,99,087	92,426	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	108.00 191.00	100 (75 New)	.. ..	.. ..	9.00 ..	12.00 0.50	3	Y.P.
22,50,000	1,34,42,446	3,81,298	1,40,789	1,36,103	Walchand & Co. Private Ltd.	Premier Construction	223.50	80	10.00	12.00	18.00		12	Y.P.
29,95,100	41,01,156	1,02,83,025	42,88,746	12,184	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	220.00	100	18.00	18.00	17.00	12.00	6	Y.P.
27,58,21,325	27,01,22,014	1,67,40,64,801	54,97,16,286	8,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	154.95	75 Old	9.50	8.25	6.80	9.72'C'	3	Y.P.
7,99,99,200	1,71,91,786	21,41,33,116	9,39,94,684	2,24,171	Tata Industries Private Ltd.	Tata Locomotive	843.00	100	8.00	9.00	9.00	12.50	3	Y.P.T.
10,00,000	8,35,000	23,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg., Co.	800.00	100	5.00	10.00	14.00	18.50	5	Y.
2,55,00,000	71,75,426	1,07,45,948	24,35,557	4,24,809	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	292.00	100	9.00	9.00	13.00	13.00	3	Y.
17,50,000	....	....	....	....	M.	Zenith Steel Pipes Ltd.	8.86	2.50	..	..	..	..	6	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co. Ltd.	Arthur Butler & Co.	12.25	10	Nil				10	Y.P.R.
50,00,000	20,49,221	1,55,21,495	39,56,978	3,00,479	M.	Bhartia Electric Steel	12.62	10	1.25	1.25	1.50		12	Y.
56,59,790	70,94,966	77,33,705	12,79,388	2,27,080	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	36.50	10	3.00	1.25	2.25		12	Y.
12,00,000	32,12,684	79,76,068	44,83,942	1,72,548	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	58.00N	10	2.00	2.00'B'	3.00		12	Y.P.
19,88,670	7,04,341	39,97,580	14,08,855	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	5.00	10	0.50	0.50	0.60		3	Y.P.
40,00,000	41,48,365	98,27,511	48,02,704	1,82,481	McLeod & Co., Ltd.	Britannia Engineering	14.87	10	0.60	0.60	1.00		12	Y.P.T.
5,00,000	7,72,971	24,63,921	14,48,244	74,493	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	25.00	10	2.00	2.00	2.50		12	Y.
84,00,000	2,33,60,602	4,96,65,264	3,04,73,871	1,24,616	Martin Burn Ltd.	Burn & Co.	526.00	100	20.00	20.00	28.50	28.50	4	Y.P.
50,00,000	....	35,75,759	95,682	1,08,085	M.	Calcutta Steel Co., Ltd.	17.69	10	..	..	..	0.50	3	Y.
1,00,00,000	12,38,028	1,89,66,744	10,15,000	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	Nil	Nil	Nil	Nil	3	Y.P.T.
2,00,00,000	2,54,07,647	6,74,59,338	2,15,47,390	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	44.87	10	2.00	2.00	2.40		12	Y.T.
12,50,000	28,60,000	60,91,575	40,46,100	7,047	Martin Burn Ltd.	Hooghly Docking	125.00	50	5.00	5.00	6.00		12	Y.T.
12,44,88,990	21,14,27,025	71,57,58,772	14,60,01,060	11,49,767	Martin Burn Ltd.	Indian Iron and Steel	27.05	10	1.00	1.00'C'	1.00	1.50	3	Y.T.
38,96,500	61,38,742	1,28,74,955	72,85,332	46,798	Martin Burn Ltd.	Indian Standard Wagon	106.00	25	7.50*	5.00	5.00	7.125	3	Y.T.
96,58,160 26,580	2,52,04,628	2,22,95,589	1,52,64,925	10,91,465	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	47.00 17.12	0.10 0. 1	4.00 0.40	4.00 0.40	1.62½ 0.16½	2.30 0.23	3	Y.
23,78,580	2,50,222	32,73,943	15,88,841	2,977	C. R. Srinivasan, Esq. (Chairman)	Indian Steel Rolling Mills Ltd.	10.45CR	10	1.00	0.70	0.70	0.501	12	Y.P.
91,12,500	75,99,306	3,71,15,564	1,40,36,750	6,832	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	81.06	10	1.50	1.20	1.20	1.715	3	Y.P.T.
20,00,000	23,52,813	76,16,494	17,47,908	75,109	J. K. Industries Private Ltd.	J. K. Steel Ltd.	28.44	10	1.25	1.25	1.25		6	Y.P.
1,01,99,000	1,02,40,815	2,77,47,345	84,20,378	68,747	B. P. Singh Roy, Esq. (Chairman)	Jessop & Co.	22.37	10	Nil	0.60	0.333		10	Y.P.
27,64,800	46,74,683	90,18,956	38,28,450	31,233	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	6.25	3	0.45	0.30	0.20'C'		11	Y.P.T.
10,50,000	1,90,990	18,32,345	14,72,111	3,513	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	5.56	2	0.40	0.40	0.20		6	Y.
40,96,000	13,28,489	1,37,17,076	81,10,264	—1,08,088	M.	National Iron and Steel Co., Ltd.	7.37	10	0.62	0.62	0.75		3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,813	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.44N	10	Nil	Nil	Nil	Nil	6	Y.P.
6,00,000	11,05,251	31,29,091	21,37,426	17,915	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	7.44	4	0.40	0.40	0.25	0.35	3	Y.
1,50,00,000	55,28,079	4,10,73,529	1,96,95,885	37,204	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	22.55	10	1.50	1.50	2.00		12	Y.P.T.
39,84,400	14,67,750	60,40,005	26,20,291	4,506	Balasundaram & Co.	Textool Co., Ltd.	178.00	100	20.00	12.00	15.00	15.00	4	Y.

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
13,50,000	46,52,425	1,45,73,387	....	23,040	N. M. Cole, Esq. (Mg. Director)	Concord of India	10.56	5	1.00	1.00	1.00		12	Y.
10,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	31.00	50	3.00	3.00	2.00		12	Y.
24,00,000	71,01,264	1,40,68,520	....	3,62,182	B. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	28.50	10	2.00	2.00	2.00		12	Y.
16,92,240	87,17,768	88,96,037	....	4,17,522†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	48.25	40	3.50	3.75	5.25		12	Y.
20,00,000	63,51,546	1,74,97,763	....	45,112	M. G. Mody, Esq. (General Manager)	New Great Insurance	19.76	20	2.00	2.00	2.50		12	Y.
1,96,81,500 35,61,000	3,27,40,502	14,89,78,773	....	44,28,297	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	60.20 61.00	15 15New	3.00 ..	4.00 4.00	5.70* 5.70*		12	Y.
30,00,000	92,52,408	1,29,48,849	....	3,214	B. K. Setalvad Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	8.25	8	0.62	0.62	0.80		12	Y.
5,75,000	67,12,673	1,13,08,489	....	1,38,129	Sir John Brown (Mg. Director)	Triton Insurance	144.00	25	11.25	11.25	11.25		12	Y.
15,00,270	39,15,382	1,02,06,244	....	10,014	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	16.24	10	1.50	1.50	2.00		12	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. B.—Includes a distribution of Rs. 0.75 per share for the year 1954 and Rs. 1.00 for 1955.

N.B.—All dividends paid since 31st March 1960 are shown as taxable. M.—Managed by the Board of Directors.

x—For these companies reserves include balances of various funds and under gross block are given the total assets.

X.R.—Ex. Right.

Z.—Dividend is for fifteen months ended 31st March 1957

MISCELLANEOUS COMPANIES—*Continued*

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
£562,500	£212,932	£745,697§§	....	£1,003	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	1.46XR	Sh. 3	Nil	2%	Nil	8%	3	Y.
35,00,000	86,35,342	89,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0.60	Nil	0.60		12	Y.P.
1,00,00,000	1,59,93,684	1,00,77,425	52,21,479	4,47,887	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	20.25	10	2.00	2.00	2.50	1.00‡	12	Y.P.
70,07,475	49,40,586	2,47,94,315	1,56,70,926	46,303	Tata Industries Private Ltd.	Tata Oil Mills	84.50	25	2.50	2.50	3.25	5.75	3	Y.P.T.
6,00,600	9,39,137	2,55,770	1,73,025	82,687	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	21.00	10	1.25	1.50	2.20	0.70§	10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
57,43,031	37,55,249	2,76,44,249	2,15,86,003	3,30,769	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	42.00	25	Nil	Nil	2.50	3.575	6	Y.P.
48,00,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	92.50	25	3.12	5.50	3.00		12	Y.P.T.
38,20,000	80,25,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	19.75	10	1.40	1.00	1.00	1.30'C'	3	Y.
12,50,000	....	....	....	....	M.	Jayant Paper Mills Ltd.	70.00	75	....	....	....	....	3	Y.
1,40,00,000	....	1,04,58,852	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	10.24	10	....	....	....	....	6	Y.P.
35,00,000	37,42,800	1,54,04,003	1,03,95,960	51,968	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	27.00	10	1.00*	1.00	1.25*	1.50	3	Y.
1,46,82,500	3,21,50,238	10,01,40,260	3,07,78,182	4,22,620	Birla Brothers Private Ltd.	Orient Paper	41.50	10	1.50	1.50	1.50	2.25	3	Y.P.T.
1,75,00,000	....	....	....	....	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	4.75	5	....	....	....	....	3	Y.
1,35,51,420	1,09,54,433	3,40,18,914	1,26,74,532	1,36,712	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	28.00	10	1.25	1.25	1.75		12	Y.P.T.
30,00,000 A.10,00,000	8,39,123	77,35,854	43,04,384	6,122	Bajeria & Co.	Star Paper Mills	13.12 13.12	O. 10 A. 10	0.60 0.60	0.60 0.60	0.30 0.30		9	Y.P.
2,18,55,240	62,55,990	6,57,32,220	1,87,32,220	34,582	Birla Brothers Private Ltd.	Sirpur Paper Mills	17.72	10	0.50	0.65	0.65	0.65	6	Y.P.
A.56,00,000 B.56,04,990 P.O.4,87,500	3,51,39,745	8,81,10,708	4,28,97,712	2,48,642	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	37.25 37.25 3.75	A. 10 B. 10 P.O. 2½	2.38* 2.38* 0.24	2.38* 2.38* 0.24	2.50* 2.50* 0.25*	2.50 2.50 0.295	3	Y.P.T.
1,49,55,400	45,00,000	5,41,73,787	35,40,616	53,348	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	220.00	100	Nil	Nil	Nil	6.00	6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
18,99,998	19,59,360	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.44	3	Nil	Nil	....	....	9	Y.
89,25,960 42,00,000	3,46,95,997	5,74,47,341	2,67,52,541	1,47,502	Wallace & Co.	Bombay-Burmah Trading Corpn.	621.00 223.75	Old125 New50	47.50K 19.00K	22.50 9.00	23.75 9.50	37.50 15.00	5	Y.
30,00,000	20,50,362	21,44,636	16,69,639	1,05,936	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	32.00	10	2.75	2.50	2.50	1.00§	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
18,00,905	9,93,823	31,10,427	19,27,489	48,466	M.	Balrampur Sugar	3.00	2.50	0.25	0.25	0.40‡	0.20	6	Y.
12,00,000A. 3,00,000B.	36,05,704	66,14,329	42,19,339	10,00,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	130.00 11.60N	A.100 B. 10	10.00 1.00	10.00 1.00	10.00 1.00		4	Y.T.
10,49,050	10,53,726	43,95,189	27,45,553	41,303	Bangur Bros., Ltd.	Belsund Sugar	12.19	7½	1.00	1.00	1.40		9	Y.
15,00,000	14,03,556	28,95,027	15,95,890	4,173	Cotton Agents Private Ltd.	Bharat Sugar	14.75	10	1.50	1.00	1.50	1.50	6	Y.P.
32,00,000	32,26,224	1,51,27,711	1,08,91,665	2,75,591	Gladstone Lyall & Co., Ltd.	Carew & Co.	11.81	10	Nil	0.25	Nil	Nil	6	Y.P.T.
30,00,000	35,53,414	1,66,89,434	1,04,13,264	—16,86,179	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	12.87	10	Nil	Nil	Nil		10	Y.P.
18,00,000	45,46,234	84,73,277	64,52,904	27,968	British India Corporation, Ltd.	Champarun Sugar	18.62	10	Nil	1.00	1.50	1.50	6	Y.
9,36,252	6,10,632	32,39,842	20,22,495	6,101	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.06	10	0.50	0.50	1.25		8	Y.T.
36,00,000	32,58,160	71,38,945	44,96,828	3,29,729	M.	Durbhanga Sugar Co., Ltd.	17.75	10	2.00	1.50	2.00		3	Y.
60,00,000	78,32,000	2,29,19,973	1,18,95,886	52,021	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	326.25	100	15.00	15.00	15.00	29.00*	6	Y.P.
22,50,000	20,51,626	95,42,332	57,58,319	1,03,797	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	257.50	50	7.00	4.00	4.20	9.00	7	Y.P.
27,89,100	30,31,969	57,67,867	33,25,497	34,691	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	2.50	2.50	3.65	3.65	6	Y.P.
11,00,000	4,58,234	49,29,280	29,86,570	10,502	K. C. Thapar & Bros. Private Ltd.	New Savan	5.59	10	0.37	0.25	0.37		5	Y.
13,59,375	63,73,211	83,62,456	32,23,024	20,512	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	330.00	100	20.00	20.00	29.00	29.00	6	Y.
77,52,210	89,76,949	2,77,58,474	1,49,52,234	24,386	Cotton Agents Private Ltd.	Oudh Sugar	188.00	100	12.50	12.50	18.25	20.00	7	Y.P.
18,00,000	15,65,815	37,56,130	22,83,412	1,62,250	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	130.00	100	Nil	6.00	15.00		10	Y.
9,00,000	23,02,870	51,19,941	35,72,585	4,006	M.	Purtabpore Co.	12.44	10	Nil	Nil	Nil		10	Y.P.
20,00,000	2,92,000	25,30,109	14,67,024	2,192	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.37	10	0.30	0.30	0.30	0.40	3	Y.
65,00,000	27,38,845	85,30,103	39,46,664	65,217	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar	13.50	10	1.50	1.25	1.20	1.25	10	Y.
8,00,000	6,80,752	29,27,567	23,93,295	4,779	M.	Ryam Sugar	13.75	10	1.50	1.50	0.50		6	Y.P.
11,89,900	16,90,877	48,13,634	26,63,230	20,614	M.	Samastipur Central Sugar	12.37	10	Nil	0.25			6	Y.
39,99,000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13.06	10	1.00	1.00	1.50	1.50	7	Y.P.T.
10,02,115	24,460	30,18,156	17,25,281	5,174	H. K. Ghosh, Esq. and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	5.94	10	Nil	Nil	Nil	4.40	6	Y.
15,89,962	16,10,752	39,27,180	22,85,030	21,350	M.	Shri Sitaram Sugar	12.00	10	0.50	0.50	0.90		8	Y.
17,00,035	10,42,602	28,39,553	15,99,355	19,286	M.	Tulsipur Sugar	5.56	5	....	....	....	0.62	6	Y.
4,00,000	43,66,993	1,83,27,976	97,43,200	44,480	Cotton Agents Private Ltd.	Upper Ganges Sugar	67.00	10	5.00	5.00	7.25		6	Y.P.
16,00,000	14,52,294	36,53,170	26,80,100	1,06,870	M.	United Provinces Sugar	17.00	10	0.75	1.00	1.50		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
30,00,000	28,05,000	1,13,99,115	33,48,654	25,153	Rangarao & Co.	Andhra Sugars Ltd.	28.00cd	10	1.25	1.50	2.00	2.00	9	Y.
40,00,000	14,50,088	95,55,530	9,60,276	73,721	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	135.00	100	100	Nil	Nil	6.00	6	Y.P.
70,49,650	1,52,02,875	1,63,95,390	1,10,63,264	82,986	W. H. Brady & Co., Ltd.	Belapur Company	297.00	50	16.00	20.00*	21.00	29.00	9	Y.
17,50,000	16,67,724	47,71,723	29,36,495	93,383	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	29.00	10	2.00	2.00	2.50	2.25	9	Y.P.
37,50,000	19,18,467	88,31,982	61,54,483	61,719	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	26.00	12.50	2.25	2.25	2.90	2.50	9	Y.
39,84,000	58,58,634	1,45,32,270	78,22,738	1,29,253	Parry & Co., Ltd.	Deccan Sugar & Abkhari	14.80	5	0.72½'C'	0.90	0.90	1.28	5	Y.P.
£800,000	£1,575,458	£1,950,379	£1,101,544	£82,296	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	45.25cd	£1	Sh. 3	Sh. 4	Sh. 4		6	Y.P.T.
15,99,900	18,26,242	48,72,029	31,28,903	12,594	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	90.00N	100	10.00	10.00	10.00	12.50	6	Y.P.
62,97,650	9,79,348	81,86,670	27,39,256	5,62,866	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.25	10	1.00	1.00	1.25		9	Y.P.
32,43,250	15,18,785	1,56,55,795	27,43,633	182	B. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.60cd	10	0.60	0.60	1.00	1.25	6	Y.P.
58,57,410	96,15,290	4,17,59,138	78,54,583	23,450	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	23.48xd	10	0.75	0.75	1.50	1.50	6	Y.P.
17,00,000	10,65,215	74,23,052	80,91,993	—10,90,954	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	77.50	100	Nil	Nil	Nil		6	Y.P.T.
67,50,000	49,93,556	1,46,05,021	66,20,929	1,61,904	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	200.00	50	20.00	17.00	21.00		9	Y.P.
21,79,290	1,04,89,084	1,63,27,085	1,07,89,878	1,15,228	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	58.25cd	10	2.00	3.00*	3.00	3.00	6	Y.
1,10,06,835	1,18,38,279	3,20,25,800	1,92,92,230	3,527	Industries (I.F.) Dept., Govt. of Andhra Pradesh	Nizam Sugar Factory Ltd.	62.00	25	4.50	4.50	5.40	5.75	6	Y.P.
50,00,000	54,16,691	1,33,87,313	77,64,979	21,809	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	152.00	50	12.00*	10.00	13.50	12.00	9	Y.
18,59,820	41,08,386	78,05,159	39,33,790	59,442	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	27.00	10	1.50	1.50	2.14		3	Y.P.T.
29,95,750 D-4,00,000	44,47,953	1,58,38,005	66,84,343	12,211	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	78.20 30.00	O. 50 D. 50	12.00 3.50	12.00 3.50	8.50 3.50	5.00 3.50	9	Y.P.T.
30,00,000	21,96,500	69,10,952	33,56,498	1,46,735	Parry & Co., Ltd.	Travancore Sugars	10.75	10	1.00	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,94,16,022	3,47,34,595	1,29,06,496	1,77,733	Walchand & Co. Private Ltd.	Walchandnagar Industries	237.50	100	21.00	21.00	20.00		9	Y.P.§

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
30,00,000	16,33,754	30,65,990	12,43,589	966	Jolly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	307.50	100	..	Nil	Nil	6.00§	3	Y.P.
49,04,125	....	1,87,535	....	11,765	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	121.00	100	..	..	Nil	..	12	Y.
39,50,000	....	1,10,78,000	19,68,000	....		Automobile Products	13.00	10	..	..	..	..	7	Y.
7,50,000	2,00,000	22,10,441	9,31,437	3,466	The Associated Agencies (Pvt.) Ltd.	Associated Rubber Industries Ltd.	105.00	100	7.00	7.00	10.00		12	Y.P.T.
25,00,000 6,25,000	1,50,000	17,32,985	5,64,037	6,664	Jamnalal Sons Private Ltd.	Bajaj Electricals	112.50 56.00	100 50 New	7.50	9.00	5.00	8.10 2.70	3	Y.P.
14,08,840	5,27,700	37,56,956	23,15,699	17,694	Cheonilal Manilal Private Ltd.	Estrela Batteries	62.80	50	2.50*	3.00	2.50*	4.50	3	Y.P.
16,00,000	8,40,683	19,20,495	4,90,761	31,694	Aero-Auto Private Ltd.	Bombay Cycle & Motor	27.00	20	1.75	1.00	2.00	2.50	3	Y.
1,14,99,000	12,000	1,08,24,000	15,000	27,205	F. Acutis, Esq. (Mg. Director)	Coat Tyres of India Ltd.	300.00	100	..	..	Nil	..	12	Y.
1,35,00,000	50,12,115	21,25,643	7,05,846	44,119	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	177.50	100	7.50	10.00	7.50	11.00	3	Y.P.
4,00,000 51,66,600	....	9,14,417	11,195	39,813	P. H. Serine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N 50.00N	100 50	..	..	..	..	10	Y.
21,07,000	3,75,000	1,32,44,400	76,81,774	—9,49,324	Birla Brothers Private Ltd.	Hind Cycles	114.00	100	12.50	7.00	Nil	Nil	3	Y.P.
15,00,000	....	2,17,040			Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	12.48	10.00	..	..	..	..	12	Y.
6,67,00,000	4,34,46,754	6,18,54,846	2,32,69,768	24,38,955	S. H. Turner, Esq. (Chairman)	Hindustan Lever	51.00	10	1.40	1.50	2.40	2.60	12	Y.
11,17,500	7,73,896	27,73,828	21,27,149	4,342	Forbes Forbes Campbell & Co., Pvt. Ltd.	Indian Vegetable Products Ltd.	135.00	100	10.00	10.00	15.00	17.00	9	Y.
5,00,00,000	72,70,946	6,77,45,143§§	....	77,287	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	87.00	100	4.00	4.00	5.00	5.75	12	Y.
99,99,250	20,22,470	1,21,66,987	....	58,613	Premchand Roychand & Sons	Industrial Investment Trust	80.00	100	5.50	6.00	6.00		12	Y.
1,70,22,100	1,04,80,782	4,62,21,978§§	....	16,810	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	117.50	100	9.25	6.50	9.25	8.50	6	Y.P.
19,55,900	8,40,945	46,67,187	19,20,438	7,498	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	5.00	6.00	8.50		12	Y.P.T.
20,00,000	1,30,912	33,42,718	49,25,398	5,912	Kamani Brothers Private Ltd.	Kamani Metals & Alloys Ltd.	10.00N	10	..	0.50	0.75		6	Y.P.T.
1,00,00,000 24,82,500	33,17,365	48,22,945	16,84,812	6,257	A. N. Hakser, Esq. (Mg. Director)	Killick Industries	108.00	100	11.00	13.00	9.00		11	Y.
12,50,300	2,18,870	19,92,555	15,00,469	85,265	Bhogilal H. P. Patel, Esq.	Laxmi Starch Factory Ltd.	214.00	100	5.00	6.00	9.00	13.00	3	Y.
11,25,100	30,000	13,42,154	4,06,142	2,35,199	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	89.50	100	3.00	7.00	6.00	10.00	3	Y.P.
27,00,600	40,51,233	82,24,133	43,82,504	1,37,651	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	412.50	100	15.00	18.00	25.00		12	Y.
26,99,200	24,59,766	65,97,396	18,34,596	30,196	Polson Agencies Private Ltd.	Polson Ltd.	176.00	10	10.00	10.00	15.00		12	Y.P.
4,73,28,625	1,17,81,972	5,94,80,033	2,64,36,782	3,23,922	Aero-Auto Private Ltd.	Premier Automobiles	180.00	100	6.00	4.00	9.00	9.00	6	Y.T.
4,73,200 5,13,400	1,71,915	30,66,967	9,60,029	29,056	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	6.00 3.00	6.00 3.00	9.00 4.50	3	Y.P.
70,00,000	....	....	....	....	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	119.00	50	..	..	..		12	Y.
37,50,000	18,80,748	67,28,501	34,94,295	15,405	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	220.00	100	3.00	3.00	14.00'C'	15.00	6	Y.
13,57,000	1,97,040	24,69,860	3,09,912	1,339	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	51.00	50	..	..	Nil		3	Y.P.
6,22,100	2,73,159	8,45,582	2,39,188	2,550	Modi & Co.	Supreme Industries Ltd.	157.50	100	6.00	7.50	9.00	13.00	3	Y.P.
2,75,00,000	1,77,59,354	4,63,06,135	1,92,16,142	4,20,613	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co. Ltd.	308.00	100	11.00*	11.00*	16.00*		12	Y.
17,00,000	3,56,719	29,42,802	15,42,187	20,699	Hasham Premji	Western India Vegetable Products Ltd.	122.50	100	7.00	3.00	3.00		3	Y.
45,00,000	66,42,390	11,56,665	5,47,970	1,56,367	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	400.00	150	25.00	25.00	35.00		12	Y.

M.—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. K.—Includes an additional dividend of Rs. 7.00 per old share and Rs. 3.00 per new share.

§ Exempt from tax. §§ Investments at cost.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					UNCLASSIFIED (Other Centres)									
62,50,000	2,03,52,495	8,95,14,452	1,19,43,880	1,13,745	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	19.87	O. 10	0.90	0.90	1.00	1.20	3	Y.P.T.
80,00,000	39,83,750	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	24.75cd	10	1.25	1.25	1.25	1.80	8	Y.
30,00,000	37,04,326	37,09,127	26,34,530	2,22,752	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	24.19	10	1.80*	1.50	2.00	2.50*	8	Y.
8,02,87,658	35,63,610	2,20,70,296	60,76,913	20,076	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	9.80	5	0.30	0.30	0.40		12	Y.
80,00,000	26,24,770	46,25,468	21,84,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	19.75	10	1.25*	1.25*	1.80		12	Y.
1,18,00,000	80,75,137	93,46,580	48,96,447	8,73,110	A. W. Browne, Esq., (Mg. Director)	Associated Battery	39.56	10	1.50	2.40	4.00	2.50	8	Y.
20,00,000	39,46,521	1,09,70,996	44,86,334	1,55,433	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	6.25	10	0.60	0.60	Nil	Nil	3	Y.P.T.
30,01,400	83,06,880	77,88,003	41,84,215	5,14,649	A. T. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	226.00	100	12.50	20.00	25.00	7.00I	12	Y.
12,00,000	22,70,218	35,44,873	30,14,273	2,19,995	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	43.00	10	2.50	2.50	4.50	1.50I	12	Y.
50,00,000	1,77,808	59,03,167	96,073	—4,55,649	H. B. Sugla, Esq. (Mg. Director)	Bharat Commerce & Industries Ltd.	22.25	10	Nil	Nil	Nil		12	Y.P.
20,00,000	7,79,721	64,19,086‡‡	....	55,032	Lovelock & Lewis	Birds Investment Ltd.	13.37	10	0.50	0.70	1.10		9	Y.P.
45,97,020	55,50,348	1,22,49,277	53,59,783	2,18,638	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	44.00	10	1.00	1.20	1.40	2.50	3	Y.P.T.
8,25,00,000	1,56,58,664	1,08,09,000	2,65,54,909	74,442	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	8.20	5	Nil	Nil	Nil		12	Y.P.
1,88,80,000	14,44,228	1,90,82,924‡‡	....	2,10,878	Andrew Yule & Co., Ltd.	Clive Row Investment	8.75	10	0.75	0.75	0.83H		12	Y.
5,60,000	10,00,000	39,64,879	26,56,156	3,266	M.	Delhi Flour Mills, Co., Ltd.	15.00N	10	1.00	1.00	..		10	Y.P.T.
8,00,00,000	5 11,37,509	9,62,33,758	3,45,33,270	24,03,447	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	49.50	10	1.62	1.62	2.15		12	Y.P.T.
27,27,165	1,20,49,803	59,73,067	23,80,820	26,402	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	33.00	5	0.60	0.75	0.80	1.25	8	Y.
51,26,000	59,19,702	1,63,50,496‡‡	....	3,49,092	Bird & Co. Private Ltd.	Eastern Investment Ltd.	128.00	100	9.00	9.00	14.00	14.00	12	Y.P.
24,99,000	3,52,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	14.87	10	Nil	Nil	0.50		12	Y.P.
45,90,187	77,72,810	95,23,776	52,86,250	4,07,338	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	16.75	12.50	1.50	1.50	1.60		9	Y.P.
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	229.00	100	12.00	15.00	17.00	17.50	3	—
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	10.75	10	0.80	1.25	1.25		3	Y.
65,00,000	86,24,200	30,57,755	15,91,667	1,71,222	P. R. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	13.56	10	1.00	1.00	1.00	1.00	3	Y.P.
40,00,000	4,78,500	70,95,493	41,39,847	10,40,721	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	24.25	10	1.50	2.00	2.60		12	Y.P.
30,00,000	15,67,354	84,64,988	38,51,718	59,181	B. P. R. Syndicate	Great Eastern Hotel	235.00	250	5.00				3	Y.
4,96,13,275	49,51,450	7,36,56,187	3,25,48,254	3,63,217	Birla Brothers Private Ltd.	Hindustan Motors	21.48	10	Nil	Nil	0.50	0.90	3	Y.P.
80,00,000	16,64,528	99,48,437	33,67,174	1,31,125	Lalukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	31.50	10	0.60	0.60	1.20		10	Y.
15,16,00,000	9,64,76,893	11,31,66,117	2,88,76,995	24,77,765	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	11.50	10	0.70	0.70	0.60	0.80	3	Y.
5,87,67,760	2,01,79,740	9,72,38,273	3,00,11,654	33,42,051	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co.. Ltd.	33.50	10	0.60	0.70	1.20		12	Y.P.T.
2,35,77,700	2,02,99,648	2,95,48,176	1,37,19,570	45,64,364	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	37.00	10	1.50*	1.50*	1.50*	2.25	3	Y.P.T.
2,00,00,000	1,28,81,493	5,99,68,652	2,48,66,248	13,78,431	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	38.37	10	1.00	1.00	1.50	1.50	9	Y.
29,88,250	70,550	51,92,992	17,57,026	33,618	M.	Indian Plastics Ltd.	10.94	10	0.37	Nil	Nil	Nil	3	Y.P.
3,27,970	6,14,570	17,46,166	10,03,556	97,031	M.	Indian Rubber Manufacturers	18.00	10	0.62				3	Y.P.
2,00,00,000	78,10,723	42,66,244	15,92,103	5,21,494	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	65.50	100	2.50	2.50	5.00	7.00	3	Y.P.
15,00,000	12,02,095	18,79,279	13,27,977	17,262	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	13.50	10	2.00	3.50	2.00	1.00	3	Y.P.
1,46,96,250	1,19,32,546	82,41,470	18,18,524	2,60,369	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	28.81	10	2.12*	2.12*	2.75	2.75	9	Y.P.
6,00,000	4,20,000	14,85,526	6,66,994	1,49,226	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	31.25cd	10	2.40	2.00	3.00	..	12	Y.
40,00,000O. / 5,00,000D.	74,10,730	31,01,156	12,70,257	2,42,718	M.	McLeod & Co.,	210.00 / —	O. 100 / D.O.10	12.50 / 0.75	12.50 / 0.75	15.00 / 1.00		12	Y.P.
1,60,00,000	1,64,75,151	3,36,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	47.87	10	1.75	1.75	1.75	2.50'C'	3	Y.P.
14,05,000	5,79,891	13,30,194	6,28,269	4,324	N. G. Ayyangar Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	219.00	100	8.00	11.00	15.00	24.00	3	Y.
6,56,250	6,92,500	11,29,680	5,97,362	3,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	25.25	10	1.25	1.50	1.60		3	Y.P.
10,00,000	3,16,864	17,88,367	10,32,038	622	M. Mallaraj Urs. (Mg. Director)	Mysore Tobacco	11.85	10	1.50	1.25	1.25	1.00	3	Y.
90,00,000	1,37,56,692	1,31,19,135	51,35,368	86,389	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	37.62	10	2.00	2.00	2.00	2.50'C'	3	Y.P.
30,00,000	17,70,000	49,56,249	25,37,459	87,684	Do.	National Pipes & Tubes Co., Ltd.	25.92	10	2.00	1.25	1.50		9	Y.P.
40,00,000	30,19,000	83,22,477	35,76,949	1,31,135	Do.	National Rolling & Steel Ropes	21.00	10	0.60	1.00	1.00	1.30	6	Y.
49,97,064	9,15,876	33,55,363	23,67,559	14,523	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	16.37	10	1.00	0.60'C'	0.85		12	Y.
79,97,000	1,02,10,381	1,86,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	22.75	10	0.90	1.10	1.60		12	Y.P.T.
23,32,100	11,02,391	40,65,244‡‡	....	45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	48.00N	75	2.50	3.75	6.50		12	Y.
10,00,000	5,52,000	12,55,063	6,00,215	1,51,607	Parry & Co., Ltd.	Parrys Confectionery Ltd.	5.80cd	1	0.20	0.20	0.20	0.80	3	Y.
2,20,00,000	50,68,956	1,46,74,855	46,82,803	47,214	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	32.25	10	0.34	0.85	1.20		12	Y.
62,50,000				..	Duncan Brothers & Co., Ltd.	Phillips Carbon	18.87	5	..	..	..		12	Y.
15,00,000	1,09,431	8,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	4.00	5	0.45	0.375	..		12	Y.
24,89,344	2,28,127	33,81,124	18,21,778	42,789	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.30	10	1.20	1.60	1.60		3	Y.
3,25,00,000	6,09,614	70,38,972	33,98,189	4,49,497	Badridas Goenka, Esq., (Chairman)	Rallis India Ltd.	145.00cd	100	Nil	Nil	Nil	4.00	8	Y.P.
2,50,30,000	2,49,55,000	14,76,38,674	6,18,95,237	1,93,085	Sahu Jain Ltd.	Rohtas Industries	22.19	10	....	2.00	1.50	2.00	3	Y.P.T.
70,00,000	33,73,198	2,58,69,675	52,10,131	1,60,666	M.	Sen-Raleigh Industries	26.25	10	0.60	0.60	1.50		9	Y.P.
75,00,000	45,73,890	1,17,50,536	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	25.50	10	1.00	1.00	0.30		12	Y.P.
60,00,000	91,26,201	1,53,82,019	78,19,485	7,55,863	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22.5	10	1.50	1.50	1.80	1.80	6	Y.P.
37,90,180	20.65,000	1,17,02,171	30,48,561	3,869	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.70	10	0.75	0.75	0.90		12	Y.P.
15,00,000	95,24,302	1.18,49,116	28,52,132	53,431	J. K. Agents Private Ltd.	Straw Products Ltd. S	12.32N	10	1.25	1.25	1.50		12	Y.
22,20,270	16,32,608	14,78,453	8,93,694	14,18,847	M.N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	37.00	10	2.00	2.25	3.00	3.00	3	Y.
9,28,980	24,035	16,75,093	6,64,618	12,418	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.25	10	Nil	0.40	0.60		12	Y.
11,56,300	15,37,168	13,62,490	7,38,592	40,519	B. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	34.50cd	10	2.00	2.00	2.75	3.25*	9	Y.P.
2,49,98,600	1,26,10,316	3,46 95,651	65,94,797	3,04,545	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	292.00	100	10.00	10.00	10.00	10.00	7	Y.
80,58,950	29,686	66,68,938	17,68,838	56,308	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	9.75	10	Nil	Nil	Nil		9	Y.T.
2,00,00,000	1,15,35,505	3,85,11,692	95,31,872	48,63,429	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	57.00	10	1.40	1.40	1.30	0.75I	12	Y.
20,00,000	47,50,000	59,48,867	18,86,024	1,24,443	Vital Mallya, Esq. (Chairman)	United Breweries	115.25	10	2.00	3.00	3.00(c)		8	Y.
5,00,000	6,80,591	8,62 017	5,62,017	9,780	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	33.00N	10	4.00	3.75	5.25		11	Y.
31,29,500	25,59,264	93,81,836	25,54,513	5,401	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	244.00	100	10.00	10.00	10.00	10.00'C'	3	Y.P.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
20,00,000	96,44,320	1,16,36,916	29,88,063	36,410	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	95.00	100	5.00	6.00	3.00		10	Y.P.
1,00,00,000	94,04,072	3,99,21,508	2,05,16,725	—7,10,928	Dinshaw (Private) Ltd.	Bharat Line	6.86	10	1.20*	1.20*	Nil		12	Y.
80,00,000 / 25,00,000	2,17,74,568	8,51,80,151	2,15,53,555	1,32,013	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	16.00 / 8.40xd	10 / 5(New)	1.50	1.80 / 0.90	1.50 / 0.525	1.00 / 0.50	6	Y.P.
£655,580	£936,735	£5,811,271	£3,538,391	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	74.00	£10	Nil	Nil			12	Y.P.
2,47,50,000	2,89,74,088	22,68,81,851	4,96,14,634	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	9.06	10	1.00	1.00	1.00	1.00	3	Y.P.
11,28,19,293	11,32,52,989	35,02,81,320	9,83,12,870	—16,13,456	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	15.96xd	20	1.25	1.25	1.30	0.60	6	Y.T.
2,40,800 / 1,10,200P.O.	21,45,738	13,10,577	9,03,867	1,67,197	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.50 / 2.25	O. 1 / P.O. 1	0.14 / 0.12	0.14 / 0.12	0.20 / 0.15		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
28,50,000	85,44,700	1,23,77,423	80,99,858	11,999	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23.56	10	1.25	1.25	1.50	1.00	3	Y.
12,00,000	2,96,358	38,08,529	34,12,329	—5,53,532	Jardine Henderson Ltd.	Barraree Coke	14.12	10	0.37	0.50	Nil	Nil	3	Y.
4,49,850	88,000	9,25,102	5,09,580	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48	10	0.90	0.60			12	Y.
1,90,00,000	1,64,79,081	6,98,53,686	4,66,54,445	10,20,411	Andrew Yule & Co., Ltd.	Bengal Coal	358.00	100	17.50	17.50	25.00	10.00I	10	Y.P.
2,25,000	4,90,871	23,57,602	21,45,467	—24,902	Andrew Yule & Co., Ltd.	Bengal-Nagpur	22.00	10	Nil	Nil	Nil		12	Y.
40,00,000	61,200	1,47,66,411	80,25,554	2,25,971	Sahu Jain Ltd.	Bharat Collieries	4.44	10	0.60	0.60	Nil		6	Y.P.T.
7,15,000	14,93,844	57,66,346	36,78,757	—6,96,032	M.	Bhulanbararee	6.50N	10	Nil	Nil	Nil		12	Y.T.
7,50,000	20,32,392	45,36,993	23,95,396	19,830	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.75	10	0.75	0.75	1.00		12	Y.P.
90,02,450	1,40,21,423	4,32,66,766	2,28,76,540	1,49,292	Bird & Co. Private Ltd.	Burrakur	20.44	10	0.75	0.875	1.30	1.30	6	Y.P.T.
49,97,000	4,62,979	74,82,076	25,32,605	27,542	Hindustan Investment Corpn. Ltd.	Central India	14.12	10	0.50	0.50	0.50	0.80	8	Y.
3,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Central Kurkend	6.06	10	0.70	0.50			12	Y.
6,00,000	1,54,878	6,36,341(k)	....	941	F.W. Heilgers & Co. (Private) Ltd.	Churlia	3.69	4	0.20	0.20	0.12		12	Y.
16,00,000	....	57,45,962	32,76,326	—28,095	Macneill & Barry Ltd.	Dhemo Main	8.50	10	Nil	Nil			12	Y.
£240,000	£3,52,069	£1,124,710	£812,966	£7,006	Jardine Henderson Ltd.	East Indian	34.50	£1	1.50	1.00	1.25	1.00	4	Y.
90,63,760	1,07,01,492	4,75,99,617	3,33,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	82.19	10	1.50	1.50	0.75		12	Y.P.T.
10,00,000	40,000	24,58,595	8,45,200	—5,80,078	Bhatter's Agency Ltd.	Ghusick and Muslia	15.12	10	Nil	Nil	Nil	Nil	3	Y.
12,00,000	1,27,964	43,44,376	27,68,441	—1,87,129	Killick Industries Ltd.	Hingir-Rampur	22.00	50	Nil	Nil	Nil	Nil	6	Y.P.
3,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	14.87	10	Nil	Nil			12	Y.
30,00,000	5,37,841	40,32,438	10,76,764	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	208.00	100	Nil	5.00	5.00	7.50	3	Y.P.
5,00,000	21,66,090	56,77,095	40,80,864	1,31,658	Andrew Yule & Co., Ltd.	Katras Jherriah	42.25	10	6.50	6.50	6.50	9.50	1	Y.
11,00,240	68,356	16,86,967	10,94,163	12,871	H. V. Low & Co. (Private) Ltd.	Kuardi	8.25	10	Nil	Nil			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	14.00N	10	0.12	1.00			4	Y.
7,48,240	2,50,000	13,59,878	10,12,353	17,140	Tantia Brothers Private Ltd.	Nazira	6.00	10	0.75	0.75	1.00		12	Y.
17,76,280	22,60,325	1,52,08,775	1,01,37,915	31,135	Andrew Yule & Co., Ltd.	New Beerbhoom	22.00	10	0.75	1.00	1.50	0.60I	10	Y.P.
6,00,000	2,88,645	28,54,261	19,79,034	56,603	Octavius Steel & Co., Ltd.	New Manbhoom	16.00	10	0.50	0.50	0.50	0.75	3	Y.
1,15,000 / 1,57,500	3,34,525	12,96,396	9,60,464	23,053	Andrew Yule & Co., Ltd.	North West	21.00N / 19.00N	10 / 7.50	1.50 / 1.12	1.50 / 1.12	1.50 / 1.12	2.00 / 1.50	3	Y.
7,50,000	16,65,465	2,62,536	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman)	Ondal	11.00	10	0.50	0.50	0.70		12	Y.P.
3,34,000	1,82,527	28,59,307	12,11,228	1,026	Deepchand Kishenlall	Parasea	16.82	10	0.50	0.50	0.62		12	Y.P.T.
15,75,000	22,83,200	76,91,776	47,81,408	14,547	Shaw Wallace & Co., Ltd.	Pench Valley	19.87	10	2.00	2.00	1.00	1.00	3	Y.
29,96,500	34,89,802	1,52,74,203	1,05,98,171	8,664	M.	Raneegunge	17.12	10	0.75	1.00	1.00	1.50	3	Y.
13,50,000	6,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	25.87	10	1.00	1.00	1.00	0.75I	12	Y.
37,50,000	36,62,940	1,08,14,676	34,23,229	—6,560	M.	Samla Collieries	9.75	10	0.90	0.50	0.70		12	Y.
12,00,000	2,83,010	22,73,864	7,51,427	2,609	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries.	130.00	100	9.25	12.50	16.00		12	Y.
2,80,000	10,58,529	30,28,230	20,57,054	45,362	Andrew Yule & Co., Ltd.	Seebpore	36.12	7	1.75	1.75	3.00	1.00	12	Y.P.
8,00,000	4,54,665	11,88,809(k)	....	5,451	F. W. Heilgers & Co. (Private) Ltd.	Sendra	10.50	10	0.25	Nil	0.35		12	Y.
66,21,450	1,24,58,755	7,11,84,167	3,19,11,631	90,858	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	9.75	10	1.50	0.75	0.75		12	Y.P.
17,50,000	8,47,303	41,74,967	19,33,899	19,738	Bird & Co., Private Ltd.	South Karanpura	12.62	10	0.75	0.75	0.90		8	Y.
3,00,000	15,46,229	24,83,605(k)	....	24,861	F. W. Heilgers & Co. (Private) Ltd.	Standard	12.50	10	1.00	1.25	1.50		12	Y.
3,50,000	2,81,000	20,49,970	15,40,057	28,484	B. M. Varma, Esq. (Mg. Director).	Union	11.87	10	0.37	0.25	Nil		12	Y.
40,98,000	3,56,533	86,93,251	32,75,682	12,536	Hindustan Investment Corpn. Ltd.	Western Bengal	8.94	10	0.50	0.40	0.40		3	Y.
7,00,000	....	59,74,151	29,16,909	—4,85,709	Macneill & Barry Ltd.	West Jamuria	7.25	10	Nil	Nil		0.80	12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. 'C'—On increased Capital. ‡‡ Investment at cost. * Includes bonus.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,00,000	5,03,569	Allahabad Bank	347.00 / 172.50	100 / 50	18.00‡ / 9.00‡	18.00‡ / 9.00‡	18.00‡ / 9.00‡	18.00‡ / 9.00‡	12	Y.P.
1,01,000 / 40,78,300	19,73,220	10,301	Andhra Bank	100.00 / 86.50	100 / 85	6.00 / 5.10	6.00 / 5.10	8.02 / 6.40		6,12	H.
1,50,00,000	1,61,14,860	1,09,358	Bank of Baroda	99.00	50	7.00	6.00	7.00	8.50	12	Y.
2,50,00,000 / 50,00,000'A'	3,10,00,000	12,84,842	Bank of India	123.00 / 126.00	50 / 50'A'	8.00 / 8.00	8.00 / 8.00	8.00 / 8.00	10.00 / 10.00	6,12	R.L.Y.
80,71,820 / 67,08,155	13,22,881	27,745	Bharat Nidhi Ltd.	10.25 / —	10 / 2.50	0.50 / ..	0.60 / ..	‡‡	..	12	
36,00,000	59,80,000	45,000	Canara Bank Ltd.	85.00cd	50	5.00	5.00	7.50	7.50	12	Y.P.
12,50,000	19,35,000	11,250	Canara Banking Corporation Ltd.	80.00cd	50	5.00‡	5.00	7.50	7.50	12	Y.P.
'A' 5,99,620 / 'B' 16,00,000 / 'C' 2,00,000	42,50,000	29,000	Canara Ind. & Bkg. Syndicate Ltd.	188.00cd / 18.50cd / 1.88cd	100 'A' / 10 'B' / 1 'C'	15.00 / .. / 0.15	15.00‡ / .. / 0.15‡	20.00‡ / 2.00‡ / 0.20‡	20.00 / 2.00 / 0.20	12	Y.
2,62,50,000 / A.52,50,000	3,68,08,635	18,61,471	Central Bank of India Ltd.	58.50 / 60.00	25 / 25	3.50 / 3.50	3.50 / 3.50	4.30 / 4.30	5.10‡ / 5.10‡	12	R.L.Y.
50,00,000	60,00,000	7,86,033	Devkaran Nanjee Banking Co.	60.00xd	50	3.00	3.50	2.52	4.38	12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank	16.50	50	Nil	Nil			12	Y.
50,00,000	2,30,000	5,519	Hindustan Merchantile Bank	15.00	50			Nil		12	Y.
60,60,000 / 22,40,000	84,01,884	80,143	Indian Bank	170.00cd / 143.50cd	100 / 80	15.00‡ / 12.00‡	13.00‡ / 10.40‡	12.00 / 15.00‡		12	Y
74,53,000	68,86,660	1,92,435	Indian Overseas Bank	190.00cd	100	10.00	10.00	12.00	14.00	6, 12	R.L.Y.
15,00,000	12,00,000	28,839	Pandyan Bank Ltd.	32.75cd	25	1.87	2.50	14.75		12	
1,25,00,000	1,58,50,000	4,18,000	Punjab National Bank—K	21.76	10	5.00	2.00	2.00	2.00	12	Y.
5,62,50,000	7,45,00,000	56,20,525	State Bank India	323.75	100	16.00	16.00	20.00	22.75	12	Y.
60,00,000	53,50,000	92,704	Union Bank of India	6.72	5	0.44	0.44	0.57	0.57	12	Y.
2,00,00,000	1,75,00,000	1,04,096	United Commercial Bank	90.00	50	3.75	3.75	5.50		12	H.
2,68,43,647	83,70,000	1,81,565	United Bank of India	5.19	10	0.30	0.30	0.43		12	R.L.Y

PRINCIPAL EXCHANGE BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	1957	1958	1959	1960	Accounts Closed	Reference
						Dividend (per cent.)					
£5,500,000	£5,700,000	£506,254	Chartered Bank	£2-16-3	£1	15†	15†	15†	15½†	12	Y.
H.K.$.79,046,125	£15,000,000	£138,000	Hongkong and Shanghai Banking Corporation	£93½	H.K. $125	3¼*Z	3*	3*	3¼*	12	Y.
£34,809,506	£24,950,000	£569,125	Lloyds Bank	£3-4-0	£1	13†	12½'C'	12†	6†I	12	Y.
£4,562,400	£3,000,000	£301,488	National and Grindlays Bank Ltd.	£1-15-6	sh.15	15†	15†	12½†	6½†I	12	Y.

‡ Includes bonus. † Less tax. (I) Interim. xr—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital. C—On increased Capital. * £ per share free of tax.
K—Punjab National Bank—Dividends for 1956 and 1957 are on shares of Rs. 25 each.
‡‡ Bharat Nidhi Ltd. One Punjab National Bank share for 20 fully paid up ordinary shares or 80 partly paid up ordinary shares of the company for the year 1959 as a specie dividend. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
17,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1968
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	99.75	1st August .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November .. 1959-64
			COAL			
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December .. 1968 (a)‡
			COTTON			
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (b)
64,72,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	99.75	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959		1st July .. 1967-70
30,00,000	6½	1st January and 1st July	Shree Nivas	1958	100.00	31st December .. 1970
65,27,900	6½	1st April and 1st October	Simplex	1959	100.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Vishnu	1955	94.50	1st June .. 1966-70
39,51,000	5	1st June	Tata Mills	1951	92.00	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	97.75	15th June .. 1965-70
93,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	99.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.75	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½T	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	100.00	1st July .. 1970
2,50,00,000	4	1st January and 1st July	Tata Power	1949	86.00	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	104.50	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	98.25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.50	1st October .. 1960-65
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
30,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,80,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1959
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	95.00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	82.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.00	31st March‡ .. 1967
10,00,000	6½	31st January and 31st July	Waverley	1925	80.00	31st August .. 1972
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par on every seventh year thereafter
£139,051	5	1st April and 1st October	Calcutta Tramways	1933	£74.10N	1st October .. 1974
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£84N	Any time on six months' notice (a)
3,54,76,000	4½	1st March and 1st September	‡Scindia Steam Navigation	1949	97.00	1st December .. 1968
			PLANTING			
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-63†
8,75,000	6T.F.	‡1st January and 1st July	Kallas Rubber Co., Ltd.	1955	100.00	1st July .. 1958-63
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee]	..	99.00	1st April .. 1960-67
			MISCELLANEOUS			
10,00,000	5	1st January and 1st July‡	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1968
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	99.75	1st September .. 1964-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	100.00	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	82.00	30th September .. 1970
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1956	106.00	1st January .. 1973 (a)†
97,80,000	6½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50	30th June .. 1969 (a)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	102.75	1st January .. 1975
12,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
6,07,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	525.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00	31st December .. 1972 (a)
					(per note)	30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100.00	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	91.00	31st March .. 1961 (a)
7,43,350	6½	1st January and 1st July	Premier Automobile	1958	125.50	31st March .. 1969-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96.00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
30,00,000	6	16th Feb. and 16th August	Shree Gopal Paper Mills Ltd.	1955	98.00	16th February .. 1961 (a)
8,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1956	99.75	1st April .. 1964-68 (a)‡‡
5,31,000	5	31st January and 31st July	Tata Chemicals Ltd.	1945	97.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co., Ltd.	1959	100.00N	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 15 years. §Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent. on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 23rd March, 1961.

	Closing quotations 16-3-1961 Rs.	High Rs.	Low Rs.	Closing quotations 23-3-1961 Rs.
TEXTILES				
Ahm. Adv. (100)	168.00	—	—	168.00
Apollo (2)	1.46	1.50	1.46	1.48
Baroda Rayon (100)	147.25	160.00	152.00	153.00
Bombay Dyeing (25)	66.60	67.10	66.20	67.10
Bradbury (50)	118.50	123.00	118.50	123.00
Central India (100)	119.00	124.00	111.00	111.00
Century Mills (100)	550.00	568.00	554.00	560.00
Coorla Sp. (100)	131.25	—	—	131.25
Dawn (50)	131.00	131.50	126.50	126.50
Edward Textile (200)	262.50	—	—	262.50
Elphinstone (50)	73.00	78.00	71.50	71.50
Finlay (100)	359.00	359.00	353.00	353.00
Gokak (100)	185.00	194.00	186.00	188.00
Gold Mohur (100)	267.50	—	—	270.00
Gwalior Rayon (10)	47.00	48.50	47.00	48.50
Ind. Untd. Defd. (1)	1.64	1.70	1.62	1.68
Ind. Untd. Ord. (10)	14.44	14.68	14.48	14.60
Indian Rayon (62.50)	68.50	73.50	66.00	73.50
Indore Malwa (100)	141.00	141.00	138.00	141.00
Khatau (100)	540.00	560.00	533.75	537.50
Kohinoor (100)	301.00	318.00	306.00	312.00
Lakshmi (250)	505.00	—	—	505.00
Mafatlal (100)	870.00	900.00	875.00	875.00
Minerva Mills (100)	74.00	—	—	74.00
Model Nagpur (250)	35.00	—	—	35.00
Morarji (100)	355.00	360.00	353.00	353.00
Mysore (50)	70.00	72.50	70.00	72.00
National Rayons (100)	536.00	558.00	541.50	545.50
New City (100)	150.00	—	—	150.00
New Great (100)	205.00	—	—	205.00
Phœnix (100)	145.00	145.00	144.00	145.00
Podar Mills (100)	157.00	160.00	155.00	155.00
Raymond Woollen (100)	122.00	121.00	117.50	120.00
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	55.00	56.30	55.50	55.50
Shrinivas (100)	266.00	274.00	267.00	270.50
Simplex (50)	179.50	190.00	180.00	190.00
Standard (100)	1,423.00	1,475.00	1,377.00	1,408.00
Svadeshi (100)	254.50	264.50	256.00	257.00
Swan (100)	545.00	550.00	545.00	550.00
Tata Mills (25)	47.00	48.00	47.00	47.50
Vishnu (100)	122.50	122.50	120.00	120.00
Western India (1,000)	3,725.00	—	—	3,725.00
BANKS				
Bank of India (50)	122.50	123.00	122.00	123.00
Do. (New) (50)	126.00	127.00	125.00	127.00
Bank of Baroda (50)	98.50	100.00	98.50	100.00
Central (25)	58.00	58.50	58.00	58.50
Central 'A' (25)	60.00	—	—	60.00
Dena Bank (50)	60.00	—	—	60.00
Punjab National (10)	21.76	—	—	21.76
Union Bank (5)	6.72	—	—	6.72
United Com. (50)	89.50	91.00	89.50	91.00
ELECTRIC COS.				
Ahmedabad (100)	86.00	87.00	86.00	86.00
Amalgamated (10)	10.00	10.08	10.00	10.04
Andhra Valley (1,000)	991.25	997.50	992.50	996.25
Bom. Sub. El. (100)	87.00	86.50	85.00	86.20
Surat (100)	86.50	87.50	86.50	87.50
Tata Hydro (100)	101.50	101.75	101.00	101.75
Tata Power (1,000)	1,025.00	1,027.50	1,020.00	1,027.50
INSURANCE COS				
British India (10)	12.52	—	—	12.52
Indian Mercantile (20)	43.25	—	—	43.25
New India (15)	58.50	60.50	58.50	60.20
New India 'A' (15)	59.00	61.00	60.00	61.00
Vulcan (10)	16.24	—	—	16.24
STEEL COS.				
Ind. Iron (10)	26.75	27.25	26.90	26.95
Mukand Iron (10)	27.25	27.50	26.75	27.00
Tata Steel Ord. (75)	155.00	156.25	153.75	154.25
SUGAR COS.				
Belapur (50)	309.00	322.00	298.00	300.50
Bhopal (10)	29.00	—	—	29.00
Changdeo (12.50)	26.00	—	—	26.00
Phaltan (50)	155.00	158.00	149.50	150.00
Walchand Ind. (100)	241.25	246.25	237.50	240.00
CEMENT COS.				
Associated Cts. (100)	157.50	158.75	156.25	156.75
Digvijay (100)	168.00	166.00	160.00	162.50
Orissa (10)	14.00	14.48	14.08	14.36
MISCELLANEOUS				
Alcock Ashdown (100)	312.00	322.00	292.00	307.00
Bom. Burmah (125)	621.00	635.00	618.00	625.00
Do. (New) (50)	222.50	224.00	220.00	220.00
Br. B. Petrol (1½ sh.)	2.26§	1.60	1.32	1.40
Br. I. Corpo. (5)	7.80	8.86	8.12	8.24
Cooper Eng. (100)	204.00	205.00	202.50	205.00
Colour Chem. (100)	385.00	390.00	365.00	365.00
Hind Cycle (100)	114.00	116.00	113.00	114.00
Hindustan Lever (10)	51.00	51.50	50.70	50.70
Hindustan Motors (10)	21.80	21.84	21.08	21.68xd
I. C. & Invest. Corporation (100)	85.00	—	—	85.00
Indian Dyestuff (100)	572.50	585.00	550.00	557.50
Indian Copper (2 sh.)	5.40	5.44	5.32	5.36
Ind. Inv. Tr. (100)	81.00	—	—	80.00
Killicks (100)	105.00	110.00	106.00	110.00
Larsen & Toubro (10)	45.00	46.50	45.00	45.00
Mahindra & Mahindra (10)	21.36	22.52	21.12	22.24
New Central Jute (10)	19.00	—	—	19.00
Polson (100)	175.00	176.00	174.50	176.00
Pre. Automobiles (100)	185.00	184.00	177.00	179.00xd
Premier Con. (80)	227.00	234.50	216.00	220.00
Scindia (20)	16.00	16.16	15.72	15.88
G. B. Shipping (10)	16.04	16.28	16.00	16.00
Shivrajpur (10)	90.00	93.00	89.00	90.00
Sirpur Paper (10)	18.68	18.92	18.48	18.52
Tata Chemicals (10)	20.48	21.12	20.28	20.36
Tata Locomotive (100)	342.00	351.00	341.50	343.50
Tata Oil (25)	84.00	86.80	84.00	84.00
Texmaco (10)	24.00	23.00	22.68	23.00
Voltas (100)	298.00	301.00	288.50	292.00
W. I. Match (100)	300.00	314.00	302.00	303.00
W. Coast Paper (100)	225.00	223.00	209.00	215.00

GOVERNMENT SECURITIES	16-3-1961 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	23-3-1961 Rs.
2½% 1961	99.35	—	4.10	99.35
2½% 1962	98.25	—	3.84	98.25
2½% 1976	83.50	—	4.23	83.50
3 % 1964	98.10	—	3.51	98.20
3 % 1963-65	98.10	3.73	3.40	98.25
3 % 1966-68	95.80	3.85	3.64	95.85
3 % 1970-75 1st Dev.	91.00	4.16	3.82	90.90
3 % 1986 Con. Loan	74.00	—	4.03*	74.00
3½% 1961 N. P. Bonds	100.00	—	3.50	100.00
3½% 1964 N. P. Loan	99.65	—	3.60	99.70
3½% 1965 N. P. Bonds	99.50	—	3.61	99.55
3½% 1962	99.85	—	3.37	99.85
3½% 1967 N.P. Bonds	98.85	—	3.72	98.85
3½% 1974	99.70	—	3.78	99.70
3¾% 1967 N.P. Bonds	100.75	—	3.63	100.75
3¾% 1969 Loan	98.70	—	3.69	98.70
3¾% 1968	98.80	—	3.60	98.80
3¾% 1963 N.P. Bonds	99.95	—	3.52	99.95
3¾% 1968 N.P. Bonds	100.65	—	3.66	100.65
4 % 1972 Loan	100.50	—	3.98	100.50
4 % 1973 Loan	100.45	—	3.95	100.45
4 % 1979 Loan	100.10	—	3.99	100.10
3½% 1966 Bonds	99.35	—	3.64	99.35
4 % 1980 Loan	99.95	—	4.01	99.95

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.
§ On a paid up value of sh. 3 per share.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar. Sept.	102.00	100
BREWERIES AND SUGAR						
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec. ..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April ..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar. Sep.	92.50	100
Cawnpore Sugar Works T.F.C.	10,00,900	1905-24	8.00	Feb. Aug.	114.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July Apr.	5.58xd	5
East India Distilleries T.F.C.	£200,000	1897	7.00	Jan. July	17.10	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec. ..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec. ..	62.00	100
Partabpore Co. C.	6,00,000	1922	10.00	Oct. ..	12.00	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug. ..	84.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct. Apr.	62.50	100
South Behar Sugar	5,00,000	1936	7.00	Oct. ..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec. ..	7.40	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec. ..	90.00N	100
Do. C.R.C.	15,00,000	1946	5.00	Dec. ..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April May	118.75	100
COAL						
Borrea T.F.C.	14,00,000	1896-97	6.50	Oct. Apr.	79.00	100
Burrakur (1st) T.F.C.	22,90,800	1901-10	7.00	Apr. Oct.	101.00	100
Do. (2nd) C.	4,50,000	1946	6.00	.. ..	7.25	10
Equitable T.F.	4,00,000	1905	6.00	Mar. Sept.	75.00	100½
Karanpura Collieries C.	9,89,500	1946	5.50	.. ..	56.00	75p.
††Khas Kajora C.	1,93,000	1931	5.00	Mar. Sept.	7.50	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan. July	11.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr. Oct.	80.00	100
COTTON						
Ahmedabad Advance T.F.C.	10,00,000	1900	5.00	Apr. Oct.	78.00	100
Bangalore C.T.F.	6,00,000	1934	6.00	Jan. July	111.64	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov. ..	8.25	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb. Aug.	160.00	100
Do. 'B' T.F.	6,90,000	1900	7.00	Feb. Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June Dec.	53.50	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan. July	113.42	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr. ..	108.00	100
Central India T.F.	50,00,000	1912	5.00	Apr. Oct.	875.00	495
Century Spg. & Mfg. Co. T.F.R.C.	1,25,00,000	1958	6.00	Dec. ..	111.50	100
Coimbatore Pioneer C.T.F.	1,00,000	1935	6.50	June ..	85.00cd	100
Elgin T.F.C.	11,00,000	1912	8.00	May ..	114.00cd	100
Elgin 'B' T.F.C.	4,20,000	1948	5.00	July ..	7.00cd	10
Elphinstone C.	25,00,000	1919	7.00	May Nov.	63.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June Dec.	103.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov. ..	72.00	10
Kothari C.T.F.	18,00,000	1937	6.00	Dec. ..	9.12	5
Kothari 'B' (Pref.) T.F.C.	6,00,000		6.00	.. ..	10.00N	250
Lakshmi Cotton (Bombay) C.	18,00,000	1936	5.00	.. ..	150.00	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan. ..	70.30	100
Mysore Spg. C.	7,45,050	1944	4.50	.. ..	22.76	50
National Rayon C.	1,74,64,700	1947	5.00	.. ..	70.00	100
New Great	8,00,000	1913	5.50	Mar. ..	105.00	200
Podar Mills T.F.C.	10,00,000	1942	4.00	Feb. ..	65.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr. ..	47.00	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	.. ..	66.00	100
Sholapoor T.F.C.R.	32,00,000	1943	3.00	.. ..	78.25	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr. Oct.	88.00	100
Swadeshi (Kanpur) T.F.C.	35,00,000	1927	6.00	June ..	71.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May ..	7.70cd	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr. Oct.	96.75cd	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	.. ..	96.75cd	100
Vishnu C.	15,66,500	1906	7.00	Apr. ..	422.50	500
ELECTRICS						
Andhra Valley Power Supply C.	49,24,000	1917	7.00	May Nov.	1,055.00	1,000
Amalgamated Electric T.F.C.	24,15,000	..	5.50	.. ..	73.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June Dec.	9.19	£1
Poona Electric C.	4,00,000	1935	7.00	June Dec.	102.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50 }	Sept. Dec.	{ 8.10	100
Do. (2nd) C.T.F.	3,00,000	1940	5.50 }		8.25	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr. ..	108.50	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May Nov.	101.25	100
Tata Power T.C.	86,97,000	1918	7.50	May Nov.	1,110.00	1,000
Vellore C.	1,25,000	1928	6.00	Dec. ..	6.33	10
ENGINEERING						
Arthur Butler (Muzafferpore) T.F.C.	1,30,000	1919	7.00	Mar. ..	11.00	10
Burn & Co. Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb. Aug.	110.00	106
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb. Aug.	106.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec. ..	92.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June ..	112.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May Nov.	80.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July ..	53.00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June Dec.	88.00N	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	.. ..	93.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May ..	97.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	.. ..	86.00	100
Premier-Construction (1st) C.	10,00,000	..	6.25	.. ..	76.00	100
Do. do. (2nd) C.	15,00,000	1936	6.25	.. ..	73.00	100
Do. do. (3rd) C.	56,25,000	1947	4.50	.. ..	5.44	10
Tata Iron and Steel (1st) C.	75,00,000	1906	6.00	Nov. ..	136.00	150
Do. do. (2nd) C.	6,93,81,900	1906	7.50	May ..	107.50	100
JUTE						
Agarpara T.F.C.	10,00,000	1927	7.00	Jan. July	87.00xd	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb. Aug.	85.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar. Sept.	64.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May Nov.	92.00	100
Auckland C.	10,00,000	1909	5.50	May Nov.	72.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June Dec.	80.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr. Oct.	92.50	100
Barnagore C.	£200,000	1896	5.00	May Nov.	86.00	£5
Belvedere T.F.C.	7,00,000	1906	7.00	Jan. July	90.00	100
Birla C.	28,64,200	1919	7.50	June Dec.	89.50	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May Nov.	90.90	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan. July	50.25N	100
Caledonian T.F.C.	10,00,000	1915	7.00	June Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar. Sept.	88.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May Nov.	67.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May Nov.	77.00	100
Dalhousie T.F.C.	15,00,000	1902-12	7.00	May Nov.	91.00	100
Delta T.F.C.	5,00,000	1897	5.00	June Dec.	72.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb. Aug.	85.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May Nov.	110.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	.. ..	70.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May Nov.	110.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June Dec.	90.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May Nov.	80.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar. Sept.	82.00	100
Hooghly T.F.	11,76,000	1913	10.00	May Nov.	10.44	10
Howrah T.F.C.	8,75,000	1890	7.00	May Nov.	90.00	100
Do. T.F.C. (f)	17,50,000	1903-6	7.00	May Nov.	90.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June Dec.	95.50	100
Kamarhatty T.F.C.	16,00,000	1896-04	6.00	Feb. Aug.	75.00	100
Kankinarrah T.F.C.	10,00,000	1900	6.00	Feb. Aug.	90.50	100
JUTE—*Continued*						
Kelvin T.F.C.	10,00,000	1907	7.00	Mar. Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May Nov.	77.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May Nov.	89.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May Nov.	94.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May Nov.	90.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec. ..	62.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May Nov.	110.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June Dec.	78.00	100
National T.F.C.	5,00,000	1917	7.00	May Nov.	88.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr. Oct.	79.50	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan. July	87.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May Nov.	72.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May Nov.	82.00	100
Samnuggur C.	£150,000	1901	6.00	Feb. Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb. Aug.	98.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar. Sept.	93.00	100
Titaghur C.	£150,000	1897	6.00	Feb. Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May Nov.	90.00	100
Victoria C.	£150,000	1898	6.00	Feb. Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1918	5.00	Mar. Sept.	89.00	150
RAILWAYS, STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov. ..	52.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr. Oct.	7.75	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5.50	Dec. ..	91.00	100
Indian General Nav. & Rly. C.	£244,030	1899	6.00	Mar. Nov.	77.20	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	.. ..	81.00	100
TEA						
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May Nov.	81.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan. July	101.00	100
Birpara T.F.C.	1,00,000	1900-03	8.00	Jan. ..	104.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan. July	101.00	100
Gielle C.	2,00,000	1894	6.00	Sept. ..	75.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan. ..	104.00	100
Hasimara T.F.C.	8,00,000	1904	7.00	Mar. ..	101.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec. ..	89.00	100
Moheema T.F.C.	8,20,000	1929	6.00	May Nov.	8.25xd	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan. July	100.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov. ..	91.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec. ..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan. ..	94.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May ..	92.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan. ..	10.50	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May Nov.	18.25	100
PLANTING						
Be Be Rubber C.	§1,48,005	1944	6.25	.. ..	2.48	5
Do. R.C.	2,85,570	1944	6.25	.. ..	5.71	10
Cochin Malabar C.T.F.	1,13,800	1932	7.00	June ..	51.25	50
Coffee Lands C.T.F.	10,40,600	..	5.00	.. ..	74.00	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr. ..	85.00cd	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov. ..	10.12xd	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July ..	95.00	100
Highland Produce C.T.F.	8,00,000	..	6.00	July Jan.	7.96	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan. July	6.81xd	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July ..	3.80	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar. ..	8.00	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar. Sept.	7.05cd	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June Dec.	8.85	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov. ..	8.40	10
MISCELLANEOUS						
Alembic Chemicals (1st)	5,00,000	..	6.25	June ..	91.20	100
Do. do. (2nd) T.F.R.C.	5,00,000	..	5.00	June ..	86.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr. ..	94.75	100
Aluminium Corpn. (1st) C.	20,00,000	1933	7.00(f)	.. ..	94.00	100
Andhra Cement C.T.F.	2,48,800	1937	6.00	Feb. June	100.00	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar. Sept.	48.00xd	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug. ..	19.50	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar. Sept.	51.00	50
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar. Sept.	104.00	100
Do. "B" T.R.C.	20,00,000	1948	6.00	.. ..	65.00	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug. ..	6.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb. Aug.	14.50xd	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb. Aug.	8.00N	5
British India Corporation T.F.C.	81,00,000	1930	8.00	Feb. ..	117.00	100
Dalmia Cement (Bharat) C.T.F.	61,58,210	1937	6.00(f)	Sept. ..	8.12	10
Dhrangadhra Chemicals T.F.C.R.	81,91,900	1956	6.00	.. ..	82.00	100
Shree Digvijay Cement T.F.R.C.	79,98,875	1944	5.00	Dec. ..	81.20	100
Dunlop Rubber Co. (1st) T.F.C.	80,00,000	1926	6.00§	June Dec.	112.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	6.00	Apr. ..	88.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb. Aug.	58.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb. Aug.	49.00	100
Gillanders Arbuthnot(f) R.C.	25,00,000	..	5.00	Apr. Oct.	57.50	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6.00	Mar. ..	201.50	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	.. ..	7.12	100
India Cement C.	29,85,000	1946	7.50	Oct. ..	88.00	10
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June ..	71.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan. July	88.00xd	100
Indian Cable (m) C.	12,87,750	1923	6.00	June Dec.	34.00	32
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr. ..	68.00	10
Jardine Henderson C.	50,00,000	1946	5.50	Dec. ..	57.00	100
Kettewell and Bullen (1st) C.	30,00,000	..	5.50	May ..	57.50	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May ..	54.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June Dec.	68.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr. Oct.	88.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July Jan.	51.50	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July Jan.	60.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	.. ..	86.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb. Sept.	9.70xd	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June ..	8.50	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug. ..	5.95	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar. Sept.	75.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar. Sept.	68.50	100
Orient Paper T.F.C.R.	20,00,000	1936	5.50	Jan. ..	84.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr. Oct.	68.00	100
Rohtas Industries (Old) T.F.C.	20,00,000	1936	7.00-9.00	Apr. ..	117.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr. ..	55.25	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb. Aug.	67.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan. July	8.00	10
Do. "B" C.	36,80,000	1922	8.50	Jan. July	10.15	10
Standard-Vacuum C.	75,00,000	1955	6.00	June Dec.	91.50	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar. Sept.	74.00	100
Tata Chemicals T.F.C.	59,97,000	..	5.00	June ..	85.00	100
Tata Oil Mills C.	29,88,800	1946	4.50	July ..	60.50	100
Titagur Paper Mills T.F.C.	11,50,000	1890	8.00	Jan. June	112.50	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan. July	77.50	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. pp—Partly paid.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2608 BOMBAY, 1st APRIL 1961 PRICE Rs. 2

GOOD AUGURY FOR THIRD PLAN

THE second Plan period has just ended and the third Plan period has begun from today, 1st April 1961. But the second Plan as such is incomplete, with quite a few projects yet to be finished. The third Plan, too, is still in the draft frame; the final version is yet to be published and presented to Parliament. Nevertheless, a serious beginning has been made by the Centre with schemes for raising funds for that Plan and brisk talks are going on with foreign countries for finding the foreign capital required. Several projects have been sanctioned in the public and private sectors alike. President Kennedy's message to Congress on foreign aid last week contains an implied approval of India's third Plan, of its aspirations and basic objectives. Although the foreign balances of India are at rock-bottom level which is less than half of the annual balance of payments deficit, the Indian Government is courageously and confidently launching the Rs. 12,000-crore third Plan. Nearly a fourth of the cost of this Plan represents expenditure in foreign exchange. If anything, this proportion may turn out to be higher and certainly not lower. Further, the price level is menacingly high and the threat of inflation is more serious than it was five years ago. The Government has had warnings in plenty from those who feel that India is essaying a task far beyond its capacity in terms of money, technical and skilled manpower, and administrative ability. At the same time, it has also had encouragement to go ahead with a plan of the aforesaid size from a large section of economists and industrialists in this country, not to mention politicians. From abroad, support has come from a group of eminent economists in the U.S. and the U.K., including the American Ambassador-designate to India, Prof. J. K. Galbraith. The third Plan has undoubtedly a larger backing of public opinion both at home and abroad than the second Plan had at its commencement.

The reasons for this favourable psychological atmosphere are well known, but they are worth recalling. In the first place, the Government's economic policies are less doctrinaire than they were in 1957. Secondly, barring a few Ministers in the Centre and the States, the others are beginning to realise the importance of the private sector for the rapid progress of the economy and are willing to recognise that one of the criteria for the success of a commercial concern is profit. Thirdly, the acute shortage of foreign exchange has opened the eyes of the Government and businessmen alike to the crucial role foreign capital can play in the economic progress of an underdeveloped country endowed with rich natural resources. Fourthly, the population pressure has become even more acute than at the beginning of the second Plan. Fifthly, there is a better understanding in the Western world of the problems confronting India and the urgency of tackling them for preserving peace and democracy in this part of the world. India's policy of non-alignment with power blocs is no longer suspect in their eyes. On the contrary, the real value of this policy has come to be keenly appreciated. There are hardly any international political problems which are capable of straining India's relations with the developed countries in both the power blocs. The powers that count in the West have completely renounced colonialism and colour bar, thereby bringing themselves closer to India. Soviet Russia and its European satellites have also sobered down. The likelihood of a crisis similar to the Suez episode, which threatened to bring about an unbridgeable cleavage between India and Britain—France is very, very remote. And, sixthly, in the developed countries, the stress on economic aid to underdeveloped nations, as opposed to military aid, is growing.

The signs that augur well for the success of India's third Plan thus outnumber those that are inauspicious. And the chances of success can definitely be enhanced, if the third Plan is modified in certain directions before it is too late. Appropriately enough, it is to this aspect that the thirty-fourth annual session of the Federation of Indian Chambers of Commerce and Industry held at New Delhi last week-end and early this week paid much attention. It formed the main theme of the presidential address of Mr. A. M. M. Murugappa Chettiar, as well as of the speeches of movers and seconders of the various resolutions adopted at the session. It is noteworthy that there was not a single speaker who wanted the size of the Plan to be cut, as has been voiced by some of the conservative-minded bank chairmen in Bombay this week. Fortunately for this country, the weaknesses in certain spheres of its economy have so clearly emerged in the last few months that they should help the Planning Commission to perfect the third Plan and avoid the pitfalls that retarded the progress of the second Plan. These weaknesses are: (*a*) shortage of power, (*b*) failure of railways to come up to expectations, (*c*) shortfall in coal production, (*d*) insufficiency of steel and cement, (*e*) stagnancy in exports, (*f*) acuteness of the problem of maintenance imports *versus* developmental imports, and (*g*) inadequacy of raw materials, agricultural and mineral alike. These deficiencies, as well as the results of the 1961 Census, analysed in a subsequent article in this issue, unmistakably warrant a re-examination of the third Plan targets, the allocation of resources to the various projects, and the shares of the public and private sectors. The presidential speech and deliberations at the Federation's meeting this week contain much useful thought and many suggestions for this purpose. There is, of course, nothing novel about them. How could they be, since the same things have been said by the spokesmen of the business community from various other platforms? But they carry added weight when officially adopted by the apex body of Indian businessmen.

Contents

	PAGE
LEADING ARTICLES—	
Good Augury for Third Plan	577
Some Aspects of Coal Policy	577
The Galloping Population	578
MARKET GOSSIP	579
ROUND THE EXCHANGES	580
NEWS IN BRIEF	581
PERSONAL	581
THIS WEEK'S SURVEY	582-583
SPECIAL FEATURES—	
Mr. C. H. Bhabha on Indian Banking ...	580
On the Arena	584
Manchester Letter	589
Raising Sugar Output Per Acre ...	611
CHAIRMEN'S SPEECHES—	
Alkali & Chemical Corporation of India Ltd.	598
Bank of India Ltd.	607
MONEY AND BANKING	586-587
TEXTILES	588
COTTON	591
JUTE	592
ENGINEERING	599
LABOUR	600-601
COMMERCE AND INDUSTRY	602
COMPANY MATTERS	604-606
MARKET REPORTS	612-614
MISCELLANEOUS STATISTICAL INFORMATION	615
WEEK'S STOCK EXCHANGE TREND	616

Broadly speaking, the Federation's suggestions, as crystallised in the address of its President and the resolutions passed at the meeting, are: (1) agriculture must take a high place in the scheme of economic development; (2) consumer goods industries should be given greater importance than they have received; (3) the provision for power supply must be raised; (4) similarly, more sums must be earmarked for expanding all modes of transport and railways should treat road transport as an ally rather than a vicious competitor; (5) coal industry should be enabled to go ahead and all parts of India must be assured of adequate supply of this vital fuel and raw material; and (6) a larger role should be given to the private sector.

All those who wish to see that the rapid economic development of this country proceeds smoothly and with stability will find nothing to quarrel about in the aforesaid suggestions. Their implementation will require, in the first place, an appropriate frame of mind in the powers-that-be. This was aptly described by Mr. Murugappa Chettiar in the following words:

> ". . . . unless economic resources are utilised and harnessed economically, our efforts will not yield the optimum results. I do not consider the narrow sectoral approach as important or even relevant. Rather, we should focus our eyes on the total process of economic expansion and the general weal of people. To ensure the latter, economic policy must concern itself with the growth of national income and employment, the substitution of import by domestic production, improvement in techniques, etc., by sparking off the different economic incentives to save, to work and to bear risk. In the operation of this policy, it should be of less concern whether a particular project falls in this sector or that, rather than whether it can be effectively put through or not which, in its manifold effect, will not only lead the economy to a higher degree of productivity, but also to a better distribution of income."

It follows from the foregoing quotation that there should be a change in the fiscal policy that will be favourable for encouraging individual savings and self-financing by corporations. Another prerequisite is the removal of restrictions on inter-corporate investments that are now being applied through the Income-tax Act and Company Law. And the third prerequisite, which seems to have escaped the attention of the Federation, is a plan for successfully bringing down the price levels, by stages, at least to the extent to which they have gone up during the second Plan period. The Government must aim at achieving this object by the end of the third Plan period.

SOME ASPECTS OF COAL POLICY

AT least two cheering pieces of news of interest to the coal industry and the country alike were given by Mr. R. H. Wright, Chairman, Indian Mining Association, in his speech at the sixty-ninth annual general meeting of the Association held at Calcutta on 24th March 1961. The first is that the actual coal output of the private sector during the 12-month period ended 28th February 1961 was of the order of 44.5 million tons—something very nearly corresponding to its second Plan target of 45 million tons for the fiscal year 1960-61. Sardar Swaran Singh, too, who spoke at the meeting of the Association, took note of this and ungrudgingly complimented the private sector for achieving its target. It would appear from this happy result that the private sector might even have exceeded its target if the acute foreign exchange position during the second Plan period had not denied to the industry sufficient licences for the

import of spare parts and new plant and machinery.

As for the other news relating to the visit of the World Bank Team, it is heartening to know from Mr. Wright that the Team had carried out a vigorous and detailed examination of the requirements of the private sector in coal industry for expansion in the third Plan period. Here the inference is possible that the industry is now confidently looking forward to assistance from the World Bank. It may be that the figure of Rs. 28 crores mentioned by Mr. Wright in this connection will be found reasonable and necessary for financing the imports of spare parts, plant and machinery that will be required by the private sector of the industry for achieving an additional production of 17 million tons of coal per annum by 1965-66. As far as the Government is concerned, there seems to be full awareness on its part of the need to enable the private sector to get the required foreign exchange. In fact, it is already exploring the possibilities of getting foreign assistance for the purpose either from the World Bank or from other lines of foreign credit and, according to the Minister himself, no serious difficulty is likely to arise in this connection. The chances seem to be that the World Bank itself will take a rosier view of the prospects for the industry, now that it has been permitted to expand into certain proximate virgin areas.

Much, however, will remain to be done if the likely assistance from the World Bank is to be turned to good account. For instance, the recent decision of the Government to permit the industry to work non-contiguous and proximate areas would have to be promptly implemented by the issue of the licences required both to reopen collieries and to work the neighbouring areas. That the process of implementation is very slow could be inferred from a resolution just passed on the subject by the Federation of Indian Chambers of Commerce and Industry at its annual session this week. The relevant resolution points out that the implementation of the new coal policy is vitiated by serious shortcomings and avoidable delays and restrictions. The restrictions on the development of new mines for producing better grade coals are said to be particularly irksome. There is also the obstacle in the form of non-availability of power to collieries which have drawn up their expansion plans; this power shortage seems to be particularly serious in areas where the authorities have already earmarked the additional generating capacity that is being installed for other industrial requirements.

Even after these obstacles to speedy implementation of the new coal policy are removed, there will remain the vital problem of coal prices. The present price structure, it is stated, does not cover the cost of working difficult seams from which high grade coals are produced. These selected grade coals are produced predominantly in the private sector which accounts for 98 per cent of the country's output of such coals. According to one assessment, it will be cheaper to mine selected grade coals than to beneficiate low grade coals by washing them to 15 per cent ash, for the cost of the former to the consumer, even with a substantial incentive in the form of higher prices, will be much less than that of the latter. Since the private sector, unlike the National Coal Development Corporation which has so far confined itself to exploiting deposits at shallow depths, has had, and will have, to work deep and difficult seams, in old as well as new areas, the case for an economic price structure is as good as proved. Unless this price incentive is given, it would be unrealistic to expect all the collieries to exploit deep mines and difficult seams containing high grade coals, especially when many of them are in a position to make adequate profits from open-cast quarries and shallow seams. Again, unless high grade coal is mined in larger quantities, the technical efficiency of railways, iron and steel plants, fertiliser units and other industrial establishments requiring such superior coking coals is bound to deteriorate. Of course, inferior coals with higher ash content can be washed to lower ash content and thus rendered suitable for metallurgical and railway purposes. This is already being done to some extent, but the problem is one of establishing more washeries to meet all the requirements. Since, however, an adequate number of washeries cannot be established in the short term, there is really no alternative to mining high grade coal which will require no washing.

It is in this context that the question of coal prices becomes all important. If this question cannot be immediately tackled, the industry would at least have to be assured that the subsidy scheme covering deep, gassy and difficult seams will be effectively and speedily implemented to provide partial relief to collieries. It is rather distressing to know from Mr. Wright's speech that even this subsidy scheme, which will meet only a small fraction of the extra cost of working such difficult seams normally yielding high grade coal, has been unconscionably delayed in implementation. To have an idea of bureaucratic delays, it would be better to quote the following passage from Mr. Wright's speech:

> "The recommendation to subsidise difficult workings was made by the Coal Prices Revision Committee as long ago as December 1958; although it was accepted by Government in August 1959, the arrangement for the distribution of the subsidy was not finalised until October 1960, and collieries eligible for assistance submitted their claims many months ago. The finalised scheme envisages the reference of each and every application to New Delhi, where the Ministry is already overburdened, whereas the implementation of this agreed policy could so easily be undertaken by the Coal Board in Calcutta. Today, 27 months after the scheme was proposed by the Coal Prices Revision Committee, not a single colliery has received one naya paisa from the cess, already collected from consumers to the extent of well over Rs. 1 crore."

There cannot be a more depressing commentary on the way in which the Government handles matters pertaining to the coal industry. If even the subsidy scheme cannot be worked satisfactorily, it is high time the authorities recognised the need for a straight incentive in the form of a higher price for high grade coal. What is wanted is a more dynamic approach to this and other problems of the coal industry which is called upon to perform even more onerous tasks in the third Plan period than in the second. Among the other problems, the most pressing one pertains to transport—a subject on which Mr. Wright had much to say by way of constructive criticism and about which this journal has written repeatedly in recent weeks. The immediate need here is speedier clearance of pithead stocks of coal so as to enable the collieries to increase the raisings which they have been forced to restrict in recent weeks by as much as 30 per cent for want of transport facilities. There cannot be a more telling example of how the transport bottleneck, besides causing a shortage in coal supplies at the consuming ends, sooner or later brings down the rate of production itself. The various suggestions made by Mr. Wright to ease the transport situation deserve to be considered for expeditious implementation.

THE GALLOPING POPULATION

THE provisional tabulation of the 1961 Census figures has just revealed that India's population now is 438 million. This is seven million more than the population forecast of 431 million (as on 1st March 1961) made by the Central Statistical Organisation late in 1959 and 30 million more than the earlier second Plan estimate for the year 1961. This staggering figure, while it has very nearly confirmed the remarkably accurate forecast of the C.S.O., and has thus not come as a total surprise to the country, is nevertheless in the nature of a shock, for it is a painfully convincing reminder of the fact that the population has been galloping in recent years. 'Galloping' is the right word, for the decennial growth rate of population in the 1951-61 period is now shown to be 21.5 per cent, as compared with 11.0 per cent, 14.2 per cent, and 13.3 per cent in the periods 1921-31, 1931-41 and 1941-51, respectively, within the present boundaries of India. The more rapid increase in numbers in the latest decennial period could not have been caused by a higher birth rate, for the registration data relating to the reputedly good registration areas have throughout revealed an almost constant level of birth rate at 42 per thousand. The net increase in population could only have been due, on the other hand, to a steep fall in the death rate which, according to the Census Actuary's calculation, was 27.4 per thousand around 1951. That the various health development programmes like malaria eradication, B.C.G. vaccination, use of antibiotics and general improvement in medical facilities have largely brought about a reduction in the mortality rates may be rightly inferred in this context. While the present mortality trends are salutary in the sense that they will increase the expectation of life at birth to about 50 years in 1966 as compared with 32 years in 1946, they may also mean that, in that year, the country's population will be round 490 million on the assumption of a constant level of birth rate.

This assumption of a constant level of birth rate upto 1966 would be a reasonably valid one, for the results of surveys on attitude towards and practice of family planning and birth control are stated to have shown that family planning as a potential force in bringing down birth rate exists, if at all, only in highly urbanised cities. Industrialisation and consequent urbanisation, which have been the most potent factors in the decline of fertility in the Western countries, do not seem to have been of any great significance so far in bringing down fertility in India. The fact that the urban population is only 17.8 per cent of the general population in 1961 as compared with 17.4 per cent in 1951 may well be noted in this connection. Equally noteworthy is the twin fact that literacy, too, has registered only a small increase from 16.6 per cent. in 1951 to 23.7 per cent in 1961 and that female literacy continues to be far below male literacy. If literacy presupposes a certain level of education at which family planning can be more effectively propagated through persuasive literature, it is obvious that this factor is not yet operative on any considerable scale. Still, an absolute increase of about 16 million in urban population over the last decade and the fact that roughly one out of every four Indians can read and write

1961 CENSUS DATA

All India and States	Population in million	Percentage increase 1951-61	Density	Literacy Percentage
All-India	**438.0**	**21.5**	**384**	**23.7**
Andhra Pradesh	36.0	15.6	289	20.8
Assam	11.9	34.3	252	25.8
Bihar	46.5	19.8	691	18.2
Gujarat	20.6	26.8	286	30.3
Kashmir	3.6	0.7	N.A.	10.7
Kerala	16.9	24.6	1,125	46.2
Madhya Pradesh	32.4	24.8	189	16.9
Madras	33.7	11.7	671	30.2
Maharashtra	39.5	23.4	332	29.7
Mysore	23.6	21.4	318	25.8
Orissa	17.6	19.9	292	21.5
Punjab	20.3	25.8	431	23.9
Rajasthan	20.2	26.1	158	14.7
Uttar Pradesh	73.8	16.7	550	17.5
West Bengal	35.0	32.9	1,031	29.1
Delhi	2.6	51.6	4,614	51.0
Himachal Pradesh	1.4	21.6	124	14.6
Other Territories*	2.4	N.A.	N.A.	N.A.

* Other territories are Andamans and Nicobar, Tripura, Manipur, Laccadives, N.E.F.A., Nagaland and Sikkim.

with understanding will not be of negligible importance if from now onwards the family planning movement comes to be characterised by greater vigour and purposefulness. Even then, the movement is not likely to have any perceptible effect in the short run of five years; if anything, its effect in terms of, say, a 25 per cent fall in the birth rate can be reasonably expected only in the next quinquennium, namely, 1966-71.

It would be realistic, therefore, to proceed on the basis that India's population will be round 490 million by the end of the third Plan. To adopt this basis would be to revise certain basic physical targets in respect of food, cloth and employment, to mention only three. Since the absolute increase in rural population in the decade has been as much as 63 million and may be expected to be still greater in the coming decade in spite of further industrialisation, the problem will continue to be one of providing more employment to the rural labour force. That labour-intensive methods in agriculture, reclamation, road-building, irrigation and the like will be increasingly required, should be clear. Intensive cultivation practices, which require more labour, will also spell greater production of food and raw materials like cotton. Since more food and clothing will be needed by the end of the third Plan than what has been estimated in the Draft Outline, there is happily a note of urgency in the Planning Commission's latest proposal to appoint a study group to examine the economic implications of the population increase as revealed by the Census and to reappraise the essential physical goals of the third Plan. The mounting population pressures call for a more concerted drive not only to propagate family planning practices in the rural areas but also to mobilise the surplus manpower in projects directly connected with agriculture, reclamation, irrigation and afforestation. If, to begin with, the rural occupational statistics of the Census are expeditiously processed and made available to the planners and the public alike it will greatly help in the evolution of suitable schemes for greater rural employment and agricultural production. The Census authorities would, therefore, do well to [illegible] the publication of occupational data as a matter of [illegible] and complete it at the very earliest.

MARKET GOSSIP

Progress at Rourkela

THE Rourkela Steel Project—a monument to Indo-German co-operation—has just commissioned its wide strip mill which is its unique feature. The significance of the commencement of this line of production is that it will provide the much needed strips for the mudguards of cars and bicycles and for refrigerator bodies. With the inauguration of this mill, which is stated to be the most modern and biggest of its kind in Asia, by Prime Minister Nehru this week, the Rourkela Project is nearly completed. The word 'nearly' is advisedly used here, because, in the rolling mills section, the cold rolling mill and the hot-dip tinning plant are yet to be completed. When these two mills also go into production by the middle of this year as now scheduled, the Rs. 200-crore Rourkela Steel Project, with its integrated sections producing coke, pig iron, ingot steel, blooms and slabs, and plates, hot strips, and cold rolls, will be fully completed. The speed with which the Project has been constructed since its first blast furnace—also the first in the public sector—was inaugurated in February 1959, brings a deal of credit to German engineers as well as to the German firm of DEMAG which has designed and supplied the L.D. steel converters and the wide strip mill which is the hub of rolling mills at Rourkela. It is even more heartening to know that, by the end of 1960, the Rourkela Plant had produced 580,000 tons of pig iron, 218,000 tons of ingot steel, 80,000 tons of slabs and 11,000 tons of plates. As the different sections have been commissioned by stages at different dates in the last two years, the full production potential of the plant in terms of finished steel products (200,000 tons of heavy plates, 300,000 tons of hot-rolled medium-plates and wide strips, 170,000 tons of cold rolled sheets and strips and 50,000 tons of tin-plate per year) may not, however, be reached till next year. But next year is not far off, and many an engineering industry may now look forward to more adequate supplies of finished steel for operating to fuller capacity.

D.A.G.

By the time these lines appear in print, the decisions taken by the Development Assistance Group—D.A.G. for short—at its fourth meeting held in London from 27th to 29th March 1961, will have probably been officially announced. That these decisions are awaited with much interest in all the underdeveloped countries striving for rapid economic growth is only to be expected considering that they will constitute a major step towards "internationalisation" of all free world aid commitments. Indicative of the utmost importance attached to the deliberations of the meeting was the presence of the senior official spokesmen of member-countries—the U.S., the U.K., West Germany, France, Italy, Portugal, Belgium, Canada, Japan and the Netherlands—as well as the Commission of the European Economic Community (six-member Common Market). The U.S., for instance, was represented by Mr. George W. Ball, Under Secretary of State for Economic Affairs. And the first session of the Group was presided over by Mr. Selwyn Lloyd, Britain's Chancellor of the Exchequer. President Kennedy has evinced keen personal interest in the deliberations of the D.A.G.'s meeting, as is borne out by the following extract from his statement issued after he signed the O.E.C.D. Convention on Thursday last week:

"Next week, the Development Assistance Group, which is soon to become the Development Assistance Committee of the O.E.C.D., will meet in London. As an indication of the importance I attach to all phases of the work of O.E.C.D. I have instructed George W. Ball, our Under Secretary of State for Economic Affairs, to represent the United States at this meeting. The subject matter of this meeting represents one of the central tasks of O.E.C.D. I look forward to the development of joint approaches and joint solutions, in which each of the member-countries will assume its fair share of our common responsibility. I am confident that this meeting will represent a substantial forward step in this effort."

The D.A.G., it will be recalled, was created as a result of discussions at the special meeting of the O.E.C.C. members and associate members at Paris in January 1960. It is an informal body for consultation among nations providing aid to underdeveloped countries. It has also the important aim of stimulating the flow of capital to these countries.

At the London meeting this week, the D.A.G. members gave detailed expositions of their aid programmes and policies. There were, besides, discussions of various general questions in the field. The U.S. approach to the problem of aiding underdeveloped countries was clearly spelt out by Mr. George Ball in the working paper submitted to the meeting. The salient features of the proposal are as follows:

One per cent of the gross national product of all non-communist industrial nations should be set aside annually for aid to underdeveloped countries. In determining the amount of aid to be given, account must be taken of a donor nation's military programme contributions and balance of payments. As a general rule, the loans are to be untied (at low or nominal rates of interest), though countries with payments deficits will be allowed to tie their aid. The other details of the proposal are said to conform broadly to the programme of aid outlined by President Kennedy in his special message to the Congress and on the March, which was editorially commented upon by us last week.

The earmarking of one per cent of gross national production for aid to underdeveloped countries is along the lines first mentioned by a Harvard Study Group sometime ago. The reaction of the other members of the D.A.G. to this proposal is not known. The acceptance of the proposal, it is calculated, will yield a total world aid contribution aggregating $8,000 million annually, of which the share of the U.S. alone is put at $5,000 million. Surely, such a rate of contribution will considerably accelerate the pace of economic growth in the capital-scarce underdeveloped countries, not to speak of the fact that it will "represent a major effort to meet the challenge of aid from the communist bloc" which, though on a much smaller scale than the aid made available by the free countries, is making proportionately greater impact.

It is, indeed, gratifying to be told that, at the London meeting of the D.A.G., the representatives of Britain and West Germany assured increased aid to underdeveloped countries. The U.K.'s aid in 1961 is estimated at £180-200 million, as compared with £150 million in 1960 and £80 million in 1957-58. On behalf of W. Germany, it was revealed that plans were being drawn up for an aid fund of 5,000 million D-marks, to be made available by the end of 1962 subject to ratification by Parliament.

Considering that the countries represented in the D.A.G. have a common interest and a common responsibility in the task of ensuring world-wide prosperity, this important wing of the O.E.C.D. will doubtless tackle successfully what the U.S. President has aptly called the challenging problem of helping the less developed countries in their quest for economic growth and stability. The best tests of any aid scheme from now on will, of course, be, as our London contemporary, *The Economist*, pointedly stresses, "how wide its bounds increase, how far it makes a wide variety of currencies available, instead of vividly pre-planning who shall aid whom with what, and how far individual powers can escape from undue emphasis on particular traditional spheres of interest."

Germany and the I.M.F.

The British Chancellor of the Exchequer has just concluded his financial discussions with the German Finance Minister, Dr. Erhard, and the outcome has been a little more sequeezing out of German currency reserves for the assistance of sterling. But what the meeting has done of greater importance is to set the seal on the much larger degree of co-operation between central banks that was so strikingly in evidence after the revaluation of the German mark when sterling came so heavily under pressure.

The general thinking in London is that quite a new slant is being given to the operations of the International Monetary Fund, as a result of the quite clear cut nature of the recent and continuing movements of hot money. Usually, it is difficult to disentangle hot money movements which are due to special currency factors from those due to balance of payments factors and general confidence in currency. In the latter cases, while central banks are in principle prepared to help, they are still dominated by the traditional feeling that balance of payments problems are primarily for the countries themselves to resolve. If there is a sickness in the commerce of a country, no central bank co-operation can replace the remedial measures which that country must itself take to put its trade right.

But, in this recent instance, the vast movements of money—it is reckoned that in the first ten days after the German revaluation the Swiss alone received some 300 million dollars—are only due to extra-national factors. As a result, the I.M.F. has actually begun to think like an International Monetary Fund, and central banks seem to have been saying to themselves that it was time that a world central banking system began to operate in reality as well as in theory.

Of course, the main difficulty is the tradition of openness regarding reserves which has been built up in nearly all countries in recent years. Let us suppose, for instance, that central banks through the I.M.F. will give all accommodation necessary to cover these special money movements; the individual countries will still not be spared the embarrassment of having to disclose the effect on their individual reserves.

One example of the way in which this central bank co-operation has worked out is the action of the Swiss National Bank which, as the largest recipient of the funds switched out of sterling, took those funds in on their books only without converting into gold on the reasonable assumption that the flow would be reversed in due course. The Bank of England could have made a similar arrangement for part of the inflow of funds which the United Kingdom received last year, though not for the whole of them. But a large part of the inflow into the U.K. went to finance the balance of payments deficit.

To come back to the German position, Dr. Erhard has undertaken to repay the whole of the outstanding German debt to the U.K. in one lump sum payment right away. The gross amount is £67 million, but about one-third of this has been deposited in the U.K. for some time; so the net gold gain cannot be larger than £44 million and it is a once for all payment. Germany is also proposing to assist the international currency position by making gold or D-marks available to the I.M.F., thus enabling the latter to lend to debtor countries. Whether the amount of what will be so given will be commensurate with Germany's ability is another matter. The long-term disquieting feature is that it is doubtful whether Germany will not go on absorbing gold and dollars in spite of the revaluation.

Development Insurance Fund

Experience throughout the post-war years has strikingly demonstrated that instability in world trade of primary commodities is a major flaw in the fabric of the international economy. Violent swings, particularly steep fall in commodity prices, have been found to have serious social and economic consequences in countries which are heavily dependent on the exports of primary commodities. They affect the rate of economic development, levels of existing employment and wages and these in themselves are sufficient to throw out of gear the economy of these countries whether they are planned or unplanned. Because of its overriding importance, this problem has received considerable attention at national and international levels. The U.N. has shown special interest in the problem of instability of trade in primary commodities in view of its serious repercussions on countries which constitute a good majority of its members.

The U.N. Commission on International Commodity Trade, for instance, is expected to make a fresh examination of the problem at a meeting scheduled to be held in May next. In order to assist the Commission in its consideration of the international commodity problems, the U.N. Secretary General, Mr. Dag Hammarskjold, had appointed a group of six experts to prepare a working report. The group was asked to consider international measures of a compensatory nature—that is, those not directly affecting prices or the volume of international trade in raw materials and foodstuffs. The group's report was published early this week.

The most important recommendation, which the experts have made in their report, is that a Development Insurance Fund be established to help compensate underdeveloped countries for losses they suffer on account of wide fluctuations in their commodity exports. The Fund is to be financed by annual contributions of participating nations. The experts feel that a situation which calls for such international action on the commodity problem exists at present. The main characteristic elements of the situation are the following:

1. There has been serious instability in primary commodity markets in recent years and there is no good reason, short of international action in one form or other, for expecting the situation to change.

2. The production of, and demand for, primary commodities are not readily responsive to variations in price. It is because they operate in this setting that disequilibrating forces give rise to instability in both prices of and volume of trade in primary commodities. The impact of this instability is particularly severe upon underdeveloped countries. On an average, according to the experts, year-to-year instability in export proceeds of primary producing countries during the post-war years was in the range of 9 to 12 per cent.

3. While the trade in manufactures was expanded, the share of primary commodities in world trade has dropped and, when prices of manufactures entering international trade have edged upward, those of primary commodities have generally tended to weaken.

4. The adverse effects of instability in commodity trade, particularly on the less developed countries, are numerous. For instance, fluctuations in external purchasing power add greatly to the difficulties of maintaining stable internal economies and this sets in train a series of undesirable economic developments.

The experts maintain that existing sources of international liquidity, such as reserves of foreign exchange in the various countries supplemented by possible drawings on the I.M.F., the World Bank and the International Development Association, are not likely to offer an adequate solution to the problem of export instability. The Development Insurance Fund suggested by them represents a new and different type of approach based on the principle of insurance and is a further refinement of certain ideas considered by the U.N. Economic and Social Council some years ago.

The most feasible insurance arrangement, according to the experts, would be a kind of social insurance (unemployment insurance, for example) in which the more vulnerable participants obtain more than they contribute and the more secure participants less than they contribute. Since the export proceeds of the underdeveloped countries tend to be substantially volatile than those of the advanced countries, the former would naturally be the main claimants under the insurance scheme.

Any kind of insurance postulates the presence of a risk. The basic risk to be insured in this case is a possible decline in a country's export earnings caused by instability in its export trade. In defining the risk to be covered, the first key element in any insurance arrangement, the experts consider that the most satisfactory basis would be a shortfall in the insured country's export proceeds in any year below the average level of its exports in a recent period, the three preceding five years, for example. With a view to discouraging any attempt at manipulation of exports, it is suggested that coverage of the shortfall by insurance benefits should be only partial. This would also avoid weakening of the incentive of participating countries to adapt their economy to commodity

(Continued on page 614)

EQUITIES DRIFT LOWER

FRESH BUYING SUPPORT POOR

(From Our Own Correspondents)

BOMBAY, 29*th March*

EQUITIES on the Stock Exchange drifted to lower levels during the week under review, excepting on Tuesday when there was short-lived recovery. There were, of course, no bearish factors at work. But the continuance of special making-up deposits, increase in carry-forward charges at the last settlement and larger deliveries induced some of professional bulls to lighten their holdings to some extent, while fresh buying support was at a low ebb. Investors were also keeping back. Some of them were conserving their resources for taking up new issues expected in the near future, while others felt that prices were too high.

Among iron and steels, Tata Steels encountered selling and receded from Rs. 154.25 to Rs. 152.25. Indian Irons dropped 25 nP to Rs. 26.70. Mukand Irons declined from Rs. 27 to Rs. 25.75 on Monday. Thereafter, it moved up gradually and touched Rs. 26.50 today before finishing at Rs. 26.40. The net loss over the week was 60 nP.

Textiles lacked support, notwithstanding the grant of some concessions in excise duties announced by the Government and the announcement of bonus issues by some of the leading cotton mills in Ahmedabad. Morarjis fell by Rs. 11 to Rs. 342. Swans dropped Rs. 10 to Rs. 540. Shreeniwas receded by Rs. 5.50 to Rs. 265, despite encouraging results shown by the Directors' report for 1960. Khataus eased by Rs. 5 to Rs. 532.50. Gokaks and Podars shed Rs. 2.50 each to Rs. 185.50 and Rs. 152.50, respectively. Finlays lost Rs. 2 to Rs. 351. Osmans declined by a similar amount to Rs. 57. Mysores were lower by a rupee at Rs. 71. Bombay Dyeings slided back from Rs. 67.10 to Rs. 66.60, after being lower still at Rs. 66.20 on Monday. Apollos were subdued at Re. 1.48, as also Indores at Rs. 141. Standards, however, were well fancied and shot up by Rs. 50 to Rs. 1,458; they had touched a high of Rs. 1,480 at one time today. Similarly, Centurys evoked sustained speculative support and advanced by Rs. 16 to Rs. 576. Svadeshis and B.R. Cottons hardened by Rs. 5 each, the former to Rs. 262 and the latter to Rs. 40. Simplex rose by Rs. 4 to Rs. 194, Central Indias by Rs. 3 to Rs. 114 and Elphinstones by Re. 1.50 to Rs. 73. Tata Mills gathered a rupee to Rs. 48.50.

The sugar section did not depict any definite trend. Belapurs began the week at Rs. 302, as against the previous close of Rs. 300.50, and, after improving to Rs. 307, moved down to Rs. 297.50 today before finishing at Rs. 301. Walchandnagars gained Re. 1.25 to Rs. 241.25. Kesars Rs. 7.50 to Rs. 265 and Maharashtra Sugars Re. 1 to Rs. 197. Oudhs, however, were subjected to selling pressure and fell by Rs. 16 to Rs. 178. Phaltans declined by 50 nP to Rs. 149.50.

Under the impact of large offerings, cements suffered a setback to prices. Digvijays dropped Rs. 5.50 to Rs. 157. Associated Cements eased by 75 nP to Rs. 156. Ashokas shed 28 nP to Rs. 9.48. Orissas, Bagalkots and Sone Valleys lost 4 nP each to Rs. 14.32, Rs. 9.56 and Rs. 5.04, respectively.

Among Shippings, Scindias declined by 20 nP to Rs. 15.68. Great Easterns were neglected at Rs. 16. In the automobiles group, Premiers were on offer at Rs. 177.50, as against Rs. 179 last week-end. Hindustan Motors shed 32 nP to Rs. 21.36.

Engineerings were irregular. Premier Constructions fell by Rs. 15 to Rs. 205. Telcos receded by Rs. 4 to Rs. 339.50. Khandelwals dropped a like amount to Rs. 88. Kamanis shed Re. 1.72 to Rs. 18.40. Larsen and Toubros lost a rupee to Rs. 44. Mahindras eased by 72 nP to Rs. 21.52 and Texmacos by 20 nP to Rs. 22.80. But T. Maneklals spurted by Rs. 15 to Rs. 355. Alcocks strengthened by Rs. 12 to Rs. 319. Indian Tools improved by Rs. 5 to Rs. 130. Brady Engineerings rose by Rs. 3.50 to Rs. 92, Josts by Rs. 2.50 to Rs. 104.50 and Goopers by Re. 1 to Rs. 206. New Standards were firm at Rs. 191. Shivrajpurs gained 50 nP to Rs. 90.50.

Dyes and chemicals suffered a distinct setback to values. India Dyestuffs clinched down from Rs. 557.50 to Rs. 530. Alembics slumped by Rs. 17.50 to Rs. 265. Amar Dyes fell by Rs. 12.50 to Rs. 410. Dharamsis and Poly Chems dropped Rs. 7.50 each to Rs. 255 and Rs. 255, respectively. Synthetics declined by Rs. 3 to Rs. 162. Colour Chems shed Rs. 2.50 to Rs. 362.50, Dhrangadhras Re. 1.50 to Rs. 130 and Citrics Re. 1 to Rs. 63. Tata Chemicals lost 8 nP to Rs. 19. Adarsh Chemicals were quiet at Rs. 85, as also Chemo Pharmas at Rs. 28.50.

Rayon shares also drifted downward. National Rayons retreated by Rs. 7.50 to Rs. 538. South Indian Viscose receded by a like amount to Rs. 164.50. Barodas eased by Re. 1.50 to Rs. 151.50 and Gwaliors by Re. 1.25 to Rs. 47.25. Indian Rayons, however, gathered 50 nP to Rs. 74.

Among miscellaneous industrials, Anil Hardboards fell by Rs. 15 to Rs. 292.50. Laxmi Starchs decreased by Rs. 14 to Rs. 200. Bombay Burmahs receded from Rs. 625 to Rs. 605 on Monday, but recovered to Rs. 616 today, a net loss of Rs. 9 over the week. Hind Cycles were done lower at Rs. 105, as against Rs. 114 last week. Ceat Tyres dropped Rs. 10 to Rs. 300. Premier Tyres shed a rupee to Rs. 115, Robtas declined by Rs. 3 to Rs. 21.44, Voltas by Rs. 2 to Rs. 290 and Bombay Cycles by Re. 1 to Rs. 26. Wimcos and Tata Oils lost 50 nP each to Rs. 302.50 and Rs. 83.50, respectively. Philips Carbons softened by 24 nP to Rs. 18.76. Greaves Cottons were dull at Rs. 177, Jyotis at Rs. 185 and Killicks at Rs. 110. McKenzies, however, attracted good attention and advanced by Rs. 10 to Rs. 140, following the announcement of a dividend of 10 per cent, subject to deduction of tax, for the year ended July 1960 after an interval of 14 years. The last equity dividend was 6 per cent (tax-free) and that was for the year 1945-46. The dividend on first preference and second preference shares at 5½ per cent plus 30 per cent thereof (subject to deduction of tax) is also proposed to be paid.

• • • •

Madras Stock Exchange

MADRAS, 28*th March*

Easy conditions prevailed on the Stock Exchange during the week under review due to stale bull liquidation and profit-taking. Teas were listless, despite reports of better offtake at auction centres. Coffees were neglected. The endorsement of the Mysore Government's decision to exclude plantations from the purview of the Land Ceiling Bill by the Joint Committee of the State Legislature failed to have any effect. In sympathy with other plantation shares, rubbers drifted lower. Textiles ruled dull in the absence of follow-up support, notwithstanding the concession in excise duty. Sugars were depressed, with the trade awaiting the final outcome of India's attempts to sell sugar to the U.S. Activity in banks and electrics was moderate. In the miscellaneous section, chemicals and cements encountered selling.

Among teas, United Niligiris dropped 17 nP to Rs. 24.50. Haileyburias declined by 15 nP to Rs. 14.95. Waterfalls and Kil Kotagiris shed 3 nP each, the former to Rs. 3.17 and the latter to Rs. 5.47. Blue Mountains were lower by 3 nP at Rs. 3.55. Periakaramalais initially improved from Rs. 4.04 to Rs. 4.06, but fell subsequently to Rs. 4.02. Peermades were quiet at Rs. 22.80, Devasholas at Rs. 30.30 and Chembras at Rs. 3.85. Lucky Valleys were unchanged at Rs. 14. The Directors of the Company have recommended a dividend of 10 per cent (taxable) for the year 1960, same as that paid in the previous year. But Nonsuchs hardened by 32 nP to Rs. 28.62. Emerald Valleys gathered 15 nP to Rs. 6.50. The Company proposes to issue 50,000 equity shares of Rs. 5 each at par to holders as on 20th April 1961 in the ratio of one for every two shares.

In the coffee section, Consolidated Coffees declined by 30 nP to Rs. 23.70. Coffee Lands eased by 25 nP to Rs. 20.85. Ouchterlony Valleys sagged by 7 nP to Rs. 4.45. Anaparais were neglected at Rs. 4.70 and Cowcoodys at Rs. 5.30.

Among rubbers, Highlands declined by 25 nP to Rs. 15.75. T.R. and Ts lost 10 nP to Rs. 9.30. Cochin Malabars softened by 8 nP to Rs. 7.97. Midlands were quiet at Rs. 12.05 and Travancores at Rs. 10.37. Malankaras, however, picked up 10 nP to Rs. 18.60.

In the textile section, Bangalore Woollens suffered a loss of Re. 1 to Rs. 204. A final dividend of 6 per cent for 1960 has been proposed, bringing the total for the year to 10 per cent, taxable. The dividend distributed was the same as in 1959. South India Viscose gave way from Rs. 172 to Rs. 171. Travancore Rayons fell by 93 nP to Rs. 39.37. Maduras lost 90 nP to Rs. 39.50. Loyals shed 25 nP to Rs. 41.75. Kotharis dropped 20 nP to Rs. 12.75. Cannanores were unchanged at Rs. 146, as also Coimbatore Pioneers at Rs. 340, Dhanalakshmis at Rs. 223 and Metturs at Rs. 367. Kannapirans were unaltered at Rs. 9.75, despite the announcement of a higher dividend of 15 per cent, taxable, for 1960, which compares favourably with 10 per cent in the previous year. Buckinghams rose by 50 nP to Rs. 205.50. The Directors of the Company have declared a final dividend of 6 per cent, making a total of 10 per cent, taxable, for 1960, same as in 1959. Radhakrishnas put on 50 nP to Rs. 30.75 on hopes of a higher dividend. Lakshmis gained a like amount to Rs. 174.

Among sugars, Cauverys were marked down by Re. 1.50 to Rs. 132.50. East India Distilleries lost Re. 1.30 to Rs. 44.20. Deccans retreated from Rs. 14.60 to Rs. 14.30. Indias wede lower by 15 nP at Rs. 12.10. Travancores were unchanged at Rs. 10.75. Mysores, however, rose by 75 nP to Rs. 59 on special support.

In the miscellaneous section, Aluminium Industries eased by 35 nP to Rs. 24.40. Ashok Leylands sagged by 23 nP to Rs. 9.57. Among cements, Indias lost 13 nP to Rs. 6.17. Andhras shed 10 nP to Rs. 10.40. Orissas were quiet at Rs. 14.10. But Dalmias gathered 15 nP to Rs. 12.20. Among chemicals, F.A.C.Ts and Metturs lost 10 nP each to Rs. 11.20 and Rs. 13.85. Mysore Chemicals were unaltered at Rs. 25.50 and Mysore Fertilisers at Rs. 11.35. Among others, Enfields were firm at Rs. 14.87. The Company proposes to issue 233,300 equity shares of Rs. 10 each. Of this issue, 33,000 shares are reserved for allotment to foreign collaborators and the balance of 200,000 shares will be issued at par to holders as on 11th April 1961 in the ratio of 4 shares for every five held.

Already over 350 firms from thirteen countries have agreed to display their products at the International Plastics Exhibition INTERPLAS 61—in London to be held from 21st June to 1st July next. Displays of fabricating and ancillary equipment demonstrated by the major machine-builders will highlight the latest advances in plastics moulding, vacuum forming, extrusion and blow moulding. The complex array of modern plastics materials will include an extensive range of typical end uses, both current and potential, and many new materials now under development. The Exhibition, sponsored by the Iliffe journals, *British Plastics* and *International Plastics Engineering* with the co-operation of the British Plastics Federation, has been held every other year since 1951.

MR. C. H. BHABHA ON INDIAN BANKING

GOVERNMENT PARTIAL TO STATE BANKS

ADDRESSING the fourteenth annual general meeting of the Indian Banks' Association, held at Bombay on 23rd March, Mr. C. H. Bhabha, the retiring Chairman of the Association, comprehensively dealt with the problems confronting the banking business. Examining the banking trends in 1960, Mr. Bhabha rightly pointed out that, even though it was a fruitful year for Indian banking and steady efforts were being made by the banks to mobilise the savings of the community and putting them into proper productive channels, the deposits of Scheduled banks showed some reduction towards the close of the year. He attributed this decline to the new policy that was followed in respect of P.L. 480 funds. As readers are aware, under the new policy, the counterpart funds which were being held with the State Bank of India, are being deposited in a special account with the Reserve Bank of India. Even the past accumulations of the P.L. funds are being gradually transferred from the State Bank of India to the Reserve Bank of India in monthly instalments of Rs. 12 crores from July 1960. While not wishing to comment on these trends, Mr. Bhabha merely stated that they are receiving the attention of the Central banking authorities.

Alluding to the upward trend in bank credit, Mr. Bhabha said that, in the context of downward trend in deposits, it imposed a good deal of strain on the total resources of the banking system resulting in the ratio of advances to deposits exceeding the normal limits. Mr. Bhabha also drew attention to the sluggish growth in the portfolio of bills discounted. In this connection, Mr. Bhabha declared that the measures of credit restraints introduced by the Reserve Bank of India, which also included curbs on the clean advances, led to certain difficulties, because many customers did not like to obtain secured advances against their fixed and floating assets. But an even more serious repercussion of the policy of credit squeeze was its effect in discouraging banks from opening new offices in the interior of the country. Pointing out how the credit and monetary stringency was adversely affecting the productive sectors of the economy, Mr. Bhabha observed that the present high rates at which the Reserve Bank was acting as a lender of last resort to the banking institutions called for very careful vigilance on the part of the authorities. He was inclined to believe that the long-term effects of these measures would not be very desirable and that they had already adversely affected the gilt-edged market. He seemed to be more concerned than the Union Finance Minister himself about the success of the Government's borrowing programme. Thus, he observed:

"Apart from the reduction in the total Government securities held by scheduled banks from Rs. 760 crores at the beginning of the last year to Rs. 650 crores at the end of the year, many small investors as well as believers in gilt-edged securities have become chary of going in for them, unless compelled by one reason or another. This may produce adverse repercussions on the large borrowing programme of the Government, particularly in the context of our big third Five-year Plan."

Laws Affecting Banks

Turning to the modifications in the legal framework within which the Banks have to function, Mr. Bhabha offered some thought-provoking comments. His fundamental opposition to banking companies being subjected to the same restrictions as apply to trading and manufacturing companies under the Companies Act is quite understandable. When a separate Banking Act is there on the statute book, avowedly intended to regulate the activities of the banks, why should the banks be forced to submit themselves to the strait-jacket of other regulatory measurers? Whatever new provisions are needed to be introduced for the purpose of checking any malpractices in the banking sector could be easily incorporated in the banking law. Two special difficulties of the banks to which Mr. Bhabha made pertinent reference relate to the branch audit of banks and the recent amendment to the Income-tax Act under which any person on payment of Rs. 10 can obtain information about the qauntum of tax paid by any assessee, including a banking company. With regard to the first,

(*Continued on page 616*)

NEWS IN BRIEF

A PROPOSAL from a Ludhiana firm for the manufacture of scooters with Japanese collaboration has been accepted by the Government of India.

An agreement has been signed between the Praga Tools Corporation and the C.E.K.O.P., an organisation of Polish machine tool makers, for collaboration in setting up a new factory at Hyderabad for the manufacture of light and medium varieties of machine tools. This is the first project to be undertaken under the Indo-Polish Economic Agreement signed in May 1960. The cost of the project is estimated at about Rs. 1.5 crores.

The three-man official committee, headed by Mr. G. Pande, former Chairman of the Hindustan Steel, is said to have favoured French "Renault" for proposed production of baby car in the public sector. The retail price of the car is estimated to be less than Rs. 6,000. The French firm has agreed to give credit for the foreign exchange component in the project. Royalty rate in respect of "Renault" is said to be more favourable than that contained in the Japanese Nissan Motor's offer.

The Central Board of Trustees of the Employees' Provident Fund has recommended to the Government of India that interest at the rate of 3¾ per cent be paid on the provident fund accumulations of subscribers for 1961-62. The Employees' Provident Funds Act now applies to 47 industries and establishments. At the end of December 1960, 2.82 million workers were getting the benefit of provident fund. The total provident fund contributions till the end of last year amounted to Rs. 258.81 crores.

The Indian rupee, which had been the currency in Kuwait for a long time, will be replaced by local Dinars from 1st April 1961. An agreement has been reached between the Government of India and Kuwait regarding the manner in which and the period over which Indian currency now in circulation in Kuwait, is to be exchanged with the local Dinars and the terms on which India's liability in sterling in respect of the notes and coins so exchanged is to be liquidated. The agreement contemplates an initial payment to Kuwait soon after the Indian notes and coins now in circulation in Kuwait have been redeemed, and the balance of India's liability will be discharged in annual instalments over a period of ten years extending up to 1971.

Over Rs. 151.5 crores of goods, the bulk from indigenous sources, were purchased by the Government through the Directorate-General of Supplies and Disposals in the period April 1960-31st January 1961. The value of purchases made from the indigenous manufacturers amounted to Rs. 122.76 crores, of which the small-scale industries accounted for Rs. 5.93 crores. The value of leather goods purchased from small-scale industries in this period was Rs. 84.70 lakhs, that of tentage items Rs. 57.19 lakhs and that of woollen hosiery Rs. 41.83 lakhs. The total value of *khadi* purchased aggregated Rs. 76.38 lakhs. The question of supplying woollen and *khadi* uniforms to some categories of Government employees was under examination. Other important items purchased from the small-scale industries in the period were: tarpaulin and water-proof goods—Rs. 31.73 lakhs, paint and varnish—Rs. 18.55 lakhs, cottonwaste—Rs. 23.58 lakhs, and bandages—Rs. 22.32 lakhs.

• • • •

From Abroad

A Chinese delegation headed by Le Shuchang, Vice-Minister for Foreign Trade, is now in Ghana discussing with the Government representatives there on questions relating to the expansion of trade between the two countries.

Pakistan has raised the outlay on its second Plan (1960-65) from Rs. 1,900 crores, as originally laid down, to Rs. 2,200 crores. This was announced by Mr. Sholab, Pakistan Finance Minister, who recently returned from the U.S.

The Mutsuo Mining Company of Japan proposes to establish a mining company in Southern Rhodesia to develop tantalite and beryl mines in that country. It is currently seeking the approval of the S. Rhodesian Government for the proposal.

The U.S. Government is reported to have decided to build a 700,000-kw. capacity atomic power plant, probably the largest in the world, and to expand the plutonium-producing reactor at Hanford in Washington to produce atomic weapons, besides supplying power to consumers.

President Kennedy signed last week a legislation which sought to set apart $1,000 million for unemployment aid. The amount will be used for giving benefits to 700,000 new entrants to workless category in the U.S. and also to continue those on about 2.5 million who have already been receiving benefits.

France has lowered all customs duties by 5 per cent with effect from the 1st inst. The move is made in anticipation of the 10 per cent Common Market tariff reduction due at the end of the year. The reduction will apply to all countries, provided the new duties are not below the common external tariff of the Common Market.

The West German Government has sent a six-man trade mission to Tanganyika to examine the possibility of providing financial and technical aid for its economic development. During its one-month stay in Tanganyika, the mission will visit industrial centres and study the details of the development projects.

A G.A.T.T. working party has arrived in Rome in connection with investigations on import restrictions imposed by the Italian Government. The restrictions are considered to be no longer justifiable on the score of balance of payments difficulties. The working party consists of 15 members, representing India, the U.K., the U.S., Japan and other countries.

The African republic of Mali will receive a long-term credit of 40 million roubles (£16 million) from Soviet Russia. An agreement to this effect was signed at Moscow last week. The credit will be used by the Soviet organisations for giving technical assistance in prospecting oil, gold and diamonds. A part of it may be used for the construction of a cement factory and for improving the navigation facilities on the River Niger.

A new nickel plant of the Thompson Nickel project, put up by International Nickel Company of Canada at North Manitoba, was declared open by the Premier of Manitoba, Mr. Duff Robbin, last week. The plant is the first to combine nickel mining and processing in a single plant. It will attain the full capacity of 385 million lbs. by the end of this year, thus ranking as the world's second largest nickel manufacturing unit.

The World Bank has sent a 16-member mission to Spain to work out a long-term economic development plan for the country. The mission is headed by Sir Hugh Ellis-Rees of Britain, a former Chairman of the Organisation for European Economic Co-operation (O.E.E.C.). The World Bank will shortly send a similar mission, with Mr. Amjad Ali, a former Finance Minister of Pakistan, as Chairman, to Kuwait to advise the Government on matters relating to development.

The Olin Mathieson Company of the U.S. has announced that it is possible to make aluminium from ordinary clay as cheaply as that made from bauxite. According to the Company's process, alumina can be extracted from clay or coal shale by separating aluminium sulphite from these raw materials with the aid of sulphuric acid. It is claimed that the process will be competitive in cost *vis-a-vis* the conventional techniques.

If the U.K. joined the Common Market, it will be possible to reconcile its agricultural policies with the common agricultural policy of the Six, perhaps by retaining farm subsidies on a reduced scale. This important modification in the generally accepted version of the agricultural philosophy of the Six was put forward by Dr. Mansholt, Vice President of the Common Market Commission, who is in charge of its agriculture, at Paris last week-end.

Steel output in the U.K. reached the record level of 24.3 million tons in 1960, and the performance in the year confirmed the recovery from the 1958 recession which was under way in the fourth quarter of 1959. Crude-steel production in 1960 was, in fact, nearly 20 per cent higher than in the previous year, and about 12 per cent above the previous record set in 1957. Steel exports at 4.1 million in 1960 were also a record.

Rumania has given a £800,000 contract to the British concern, the Petrocarbon Developments, for the supply of a polystyrene plant. This is the first major order for chemical plastics plant placed with any British firm since the signing the Anglo-Rumanian trade agreement last autumn. The plant will produce a wide range of general purpose and toughened grades of polystyrene and will employ the suspension polymerisation process developed by the Petrocarbons.

In the current Geneva International Motor Show, British cars are stated to have made a big impression. Roots, spearheading the British drive by cutting prices on the whole Hillman range, have had more orders than ever this year. Rolls-Royce and Bentley claim that this is without doubt the most successful year they have ever experienced. All eight Rolls-Royce and Bentley models have been sold for a total cost of about £48,000. Among the most popular British cars with the huge crowds at the show are the Sunbeam-Alpine, and the Austin and Morris Minicars.

A Policy Issued By
The
Bombay Fire & General Insurance Company, Ltd.
(Incorporated in India)
Your Symbol of Security in the Event of
FIRE, ACCIDENT OR A MARINE PERIL
Head Office:
Henley House, Graham Road Ballard Estate, BOMBAY 1
Represented in
INDIA, BURMA & PAKISTAN

PERSONAL

MR. A. S. Bam, a former Iron and Steel Controller, took over charge as the Chairman of the Tea Board on Tuesday this week.

Mr. S. K. Khan and Mr. P. J. Engineer have been elected President and Vice-President, respectively, of the Association of Merchants and Manufacturers of Textile Stores and Machinery in India for the year 1961.

Mr. Rama Row Macherla and Mr. Jaychand D. Lohade have been elected President and Vice-President, respectively, of the Federation of Andhra Pradesh Chambers of Commerce and Industry for the current year.

Mr. B. P. Agarwalla, Mr. M. Sen Gupta and Mr. S. N. Mookherjee have been elected Chairman, Vice-Chairman and Junior Vice-Chairman, respectively, of the Indian Mining Federation, Calcutta, for the year 1961.

Mr. Tulsidas Kilachand (Chairman of the Bank of Baroda Ltd.), Mr. T. D. Kansara (General Manager of the Bank of India Ltd.) and Mr. C. E. Kamath (Manager of the Canara Bank Ltd.) have been elected Chairman, Deputy Chairman and Honorary Secretary, respectively, of the Indian Banks' Association for the current year.

Mr. Howard L. Roach and Dr. Jake J. Krider, President and Vice-President, respectively, of the Soyabeen Council of America Inc., who were on a 12-day tour of India as part of their Asian tour to make a first-hand study of the fats and oils economy here, have left for Middle East and Europe, where they will make similar studies.

Mr. Charles C. Tillinghast Jr., Vice-President, International Operations for Bendix Aviation Corporation has been elected President and Chief Executive Officer and a Member of the Board of Directors of the Trans World Airlines. Mr. Tillinghast will assume his new duties on 17th April, succeeding Mr. Charles S. Thomas, who resigned as T.W.A. President last July.

Mr. Lala Karamchand Thapar, Director of Messrs. Karam Chand Thapar and Sons Ltd., Calcutta and Mr. Shriyans Prasad Jain, Chairman of the Dhrangadhra Chemical Works Ltd. and the New Great Eastern Spinning and Weaving Co., Ltd., Bombay, have been elected President and Vice-President, respectively, of the Federation of Indian Chambers of Commerce and Industry for 1961-62.

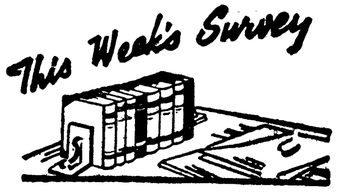
Mr. Mohie Ranjan Das has been appointed Chairman and Managing Director of Messrs. Mackinnon Mackenzie and Co., Calcutta and Bombay, *vice* Mr. G. D. Longhurst, who is retiring. Mr. Das is the first Indian to be appointed Chairman of this Company in its history of over 100 years. Joining the Company in 1933, he became member of the Board of the Company in 1957 and has been Chairman of the Calcutta Liners Calcutta/Continental and the Bay of Bengal/Japan Conferences.

The U.S. and Austria are expected to sign shortly an agreement which will delegate the administration of the counterpart funds (received from the U.S. aid) exclusively to the Austrian Government. These Funds are proceeds out of American donations given to Austria in the post-war years now lying at the Austrian National Bank, and have been used to finance investments credits, etc. In accordance with the original agreement, the appropriation of counterpart funds in Austria was subject to the approval of the U.S. which reserved a right of co-decision.

The U.S. Export-Import Bank has decided to grant a loan of $13 million to the Spanish State-owned steel plant, *Ensidesa*, for the completion of its installations in Aviles and commencement of the processing of pig iron there itself to make it an integrated unit. The Aviles plant, which has two blast furnaces already in operation (two more will be added ultimately), had received a loan of about $30 million previously from the Bank, in addition to about $12 million made available by the International Co-operation Administration.

The Government of Saudi Arabia has accepted the obligations of convertibility for its currency, as set forth in Article VIII of the Articles of Agreement of the International Monetary Fund. This step was preceded by a similar move on the part of ten other members of the Fund on 15th February 1961, and brings to 21 the total number of countries now accepting the Article VIII provisions. Under Article VIII, the members are required to avoid the use of restrictions on current payments, multiple exchange rates and discriminatory currency practices, unless they have obtained the prior approval of the Fund.

The U.K. Government has decided to set up a Department of Technical Co-operation (which will be in the charge of a Minister with the rank of Minister of State) to consider requests for aid from the Governments of the less developed countries, both inside and outside the Commonwealth. Announcing this in the House of Commons on 21st March 1961, the Prime Minister said that the new Department would take over the responsibility for the provision of technical assistance other than capital projects which is at present undertaken by the three overseas departments. It would be concerned with much of the technical assistance provided with the help of the U.K. through international organisations as well as the technical assistance given to recipient countries direct. It is hoped that the Department will start functioning before the summer recess.



LAND CEILINGS

WITH all the weight of authority it commands as the most representative and apex organisation of businessmen in this country, the Federation of Indian Chambers of Commerce and Industry has urged that the State and Central Governments should not, in the name of land reform, proceed with measures which will undermine agricultural productivity and, therefore, of industry, with serious repercussions on production and export programmes. That the Federation is considerably agitated over the land reform measures adopted by some State Governments and is greatly anxious to get the whole issue reconsidered afresh is borne out by the fact that a special resolution to the effect was adopted at its annual meeting last week-end and that the resolution was moved by the retiring President himself. In particular, the resolution emphasised the need for exempting certain categories of farms from the operation of ceilings. It said:

"... the Planning Commission has .... recommended that certain categories of farms should be exempted from the operation of ceilings, especially the efficiently managed farms with compact blocks on which heavy investment and permanent structural improvements have been made and whose break-up is likely to lead to a fall in production. It is a matter of regret, therefore that some State Governments are adopting measures which offend the principles enunciated by the Planning Commission. In this connection, the Federation has to refer to the Maharashtra Agricultural Land (Ceilings on Holdings) Bill, 1961, which seeks to apply ceiling, *inter alia*, to organised sugar farms and farms attached to sugar factories."

It is, indeed, a pleasant coincidence that, as the resolution was being adopted at the Federation's meeting (on Saturday, 25th March), the Joint Select Committee of the Mysore Legislature on the Mysore Land Ceiling Bill, which presented its report on the same day, endorsed the proposal in the Bill for excluding from the purview of the ceiling legislation all existing plantations, excepting areca and coconut, as well as the plantations (sugarcane, coffee, rubber, tea, cardamom and pepper) to be acquired in future. The Committee clearly declared: "The ceiling will not apply to land cultivated for plantation crops, land used for orchard where it constitutes a reasonably compact area, land used for specialised farms set apart for livestock breeding, dairying, wool raising and such allied operations, land used as sugarcane farms operated by sugar factories, and land utilised by an efficiently managed farm which consists of a reasonably compact area on which heavy investment or permanent structural improvements have been made, and whose break-up, in the opinion of the tribunal (to be appointed for this purpose), is likely to lead to a fall in production."

The aforesaid decision of the Mysore State Legislature to exempt plantations and sugarcane farms from the ceiling legislation is a commendable one and it is deplorable that neither the Government of Maharashtra nor the State Legislature has conceded the demand for similar exemption in this State. When the Bill was referred to the Maharashtra Legislature's Joint Committee, it was hoped that wiser counsels would prevail on the Committee and that exemption would be recommended. But this hope has completely been shattered. For the Committee, in its report submitted on 20th March, has endorsed the Government's move, though it has raised the levels of ceilings to some extent and enhanced slightly the quantum of compensation payable for the lands acquired.

The course adopted by the Maharashtra Government is, we reiterate, a retrograde one, in the fullest sense of that word. Mr. Lalchand Hirachand was certainly not exaggerating when he declared, in his speech on the resolution at the F.I.C.C.I. meeting, that the Government had set on a dangerous course and that the legislation would lead to fragmentation of holdings and lower efficiency. It would also be quite pertinent to quote here what Mr. C. H. Campbell averred at the meeting of the Bombay Chamber of Commerce and Industry last week, for he had summed up the implications of the move pithily and precisely:

"....there is one unanswerable reason why the sugar farms should be exempted. It is that the interests of agricultural production in Maharashtra and in India should be paramount and even to jeopardise, let alone diminish, the production of any well administered and expanding industry, whoever owns or runs it, should be avoided even at the cost of tidiness in land reform. I suggest the situation has its parallels with what I have described in the case of oil, coal and fertilisers. There is no disagreement about ends. Production of sugarcane must be maintained. Government have given assurances, however optimistic and theoretical they may be, about that, but let us not imagine that the landless are going to benefit from the Ceiling on Holdings Bill in so far as the sugarcane farms are concerned. These farms are to be kept as units, but run as State farms and later by co-operatives formed from the workers of the land and certain others. And to whose advantage? Will the workers of these farms be any better off than they are now? Will production be maintained in practice? Will there be any incentive still further to improve production under State farms? There will be different answers to these questions. My point is that all the answers will be guesses. Guesses are to replace facts."

Neither Mr. Lalchand Hirachand nor Mr. Campbell could be accused of having championed the cause of vested interests. The case against ceilings on sugarcane farms is pure and simple economics: The farms lend themselves admirably to the operation of cane culture as an industry with the utilisation of modern methods. This is the only effective way in which productivity of land can be maintained at the highest level possible. It is inconceivable how the application of ceiling to the efficiently managed cane farms attached to sugar mills—these farms have come to be recognised as model farms—will ensure continued high productivity. It is equally inconceivable that any social betterment can be secured when the overall economic efforts are adverse. This aspect was admirably brought out in the F.I.C.C.I. resolution. By ignoring all the protests and the sound piece of advice given sincerely by many, the Maharashtra Government is only using a move with economic implications to achieve political ends. This is deplorable in the extreme.

A WELCOME TREND

Some of the Southern State Governments have of late shown a commendable sense of realism in their approach to industrialisation of their respective States. The coalition Government of Kerala, under the inspiration and guidance of its dynamic Governor, Mr. V. V. Giri, has formulated a positive policy of encouraging the establishment of new industrial enterprises in the State and the expansion of existing ones. It has also launched a systematic campaign to advertise the attractions of Kerala to prospective entrepreneurs from outside the State. Recently, a conference was held in the City, with the support and blessings of the Government of Kerala, which aimed at giving the business community in the country a better idea of the industrial opportunities available in Kerala. The Government has also been trying, with a fair measure of success, to create conditions conducive to sustained industrial activity. For this purpose, a five-year industrial truce is being tried in the State in pursuance of which long-term agreements are reported to have been signed by the managements and workers of many industrial undertakings.

Kerala is not the only State in the South which has realised that a doctrinaire approach will only put back the clock of industrial development. Madras and Andhra Pradesh, too, have shown ample evidence of a welcome touch of pragmatism in their policy. For instance, speaking on behalf of the Government of Madras, Mr. R. Venkataraman, Minister for Industry and Labour, stated in the State Legislative Assembly, that the Government was not bothered whether new industries were started in the private or public sector. There was no time, he went on to add, for this controversy now. When the country was industrially backward, the Government could not afford to reduce the pace of development by insisting that only one sector should be encouraged. Mr. Venkataraman went one step further. He said that his Government, if continued in power, would pursue this policy during the third Five-year Plan period also and that it was even prepared to make it the main issue in the coming general elections.

Similar views were also expressed by Mr. D. Sanjivayya, the Chief Minister of Andhra Pradesh. He said that, in order to encourage new industries, his Government proposed to standardise electric power rates in the State, grant sales tax concessions and make available suitable industrial sites having all amenities on long-term lease. It was found, according to Mr. Sanjivayya, that lack of an industrial climate, adequate incentives and facilities for financial and technical aid were responsible for the slow pace of industrial growth in his State and that the Government was determined to remove all these. It is not clear what exactly the Chief Minister had in mind when he said "lack of an industrial climate." If he was referring to the labour situation he was perfectly correct. For labour in Andhra Pradesh is not particularly known for discipline and industriousness. There have been frequent complaints by industrialists, who have invested in the State, of labour being unduly militant and utterly irresponsible. To take but one instance, the Board of Directors of Sirpur Paper Mills Ltd., one of the largest paper mills in the country situated in Andhra Pradesh, in their annual reports to shareholders have repeatedly referred to loss of production resulting from labour unrest, serious indiscipline and acts of violence. The Government would, therefore, do well, as a first step towards promoting a better industrial climate, to be firm in handling labour. We would also suggest that the Government examine whether, as in Kerala, it could persuade trade union leaders in the State to agree to an industrial truce for a specified period.

THE SETBACK TO SINDRI

All has not been well with the Sindri Fertilisers for some time. In this mammoth fertiliser unit owned and operated by the Government of India, the total production of ammonium sulphate in the fiscal year 1959-60 was only 285,248 tons, as compared with 330,122 tons in the preceding year. The average monthly production in the five months, May-September 1960, was 22,727 metric tons, as compared with a monthly average of 24,148 metric tons in the whole of 1959-60. That the average monthly production of 27,646 metric tons in the five months, October 1960 to February 1961, is still less than the monthly average of 27,947 metric tons in the whole of 1958-59 shows that Sindri continues to work below capacity. The increase in the monthly average in the latest five-month period as compared with the preceding five-month period, however, conceals the continued decline in production from the original plant which has been in a state of disrepair. It looks as though this state of affairs will continue for another 18 months, for, according to the Deputy Minister for Commerce and Industry, it will take two to two and a half months to overhaul, one by one, the seven generators now working at a relatively low level of technical efficiency. All this is disquieting, for the decline in fertiliser production at Sindri since 1959 has meant, in effect, a lesser additional food production potential. The news about the unsatisfactory state of affairs at Sindri is also no less disquieting than the news that India's population now, according to the provisional tabulation of the 1961 Census, is in the range of 440 million. The serious demographic situation, more than anything else, underlines the need for greater fertiliser, and thus food, production.

But what are the chances of reversing the trend of declining production of ammonium sulphate at Sindri? According to the Deputy Minister for Commerce and Industry, the gradual overhaul of generators and compressors in the factory and the supply of inferior coal have been responsible for the decline in production. Since it is said that the complete overhaul and repair of the original plant will take 18 months, it is obvious that, to that extent, this old plant will necessarily be worked below capacity during that period. Any improvement in production, at a time of phased overhaul of the plant, can come about only if at least coal of the requisite coking quality is supplied to the factory. The quality of coke is all important here, for the kind of coke produced in the coke ovens at Sindri from inferior coals in recent years has meant slower production of synthetic gas in the gas plant and thus lower production of ammonium sulphate caused by lower production of ammonia. While the Deputy Minister for Commerce and Industry has just indicated that coals of the requisite quality are now being supplied to Sindri, it is not known whether the other raw material, namely, gypsum, will also be supplied according to quality specifications. It is deplorable that the quality of gypsum supplies has deteriorated in recent years due to higher moisture content resulting from haulage in open wagons during monsoon season, lower purity ranging round 83 per cent as against 87 per cent purity in earlier years and higher silica content of 8.5 per cent as against the specified figure of 3.0 per cent. If, in these circumstances, production from the old plant continues to decline, it will not be surprising. Any such shortfall in production may or may not be made good by the new plant which, too, is not working to full capacity to produce urea and double salt.

The difficulties at Sindri are mostly of a technical nature, arising from the poor quality of raw materials. Where, thus, the technical performance of the plant originally designed to handle raw materials of specified quality has been seriously affected by their poorer quality in recent years, the management of Sindri Fertilisers may be partly absolved of blame for the decline in production. In fact, the management will be in a position to defend itself strongly before the Estimates Committee, to which the Speaker of the Lok Sabha has just referred the Sindri affair, on the ground that it had drawn attention to the poor quality of coal even by the end of 1959 and that, in its latest annual report, it has similarly drawn attention to the poor quality of gypsum supplies. But, at the same time, the Sindri management may find it difficult to give a convincing explanation of its acquiescence in the use of inferior quality raw materials which have damaged the technical efficiency of sensitive plants. Nor will it be easy for it to cover up its failure to overhaul the plants strictly in accordance with the golden maxim that a stitch in time would save nine.

The Estimates Committee will, of course, ascertain all the technical details and other relevant facts bearing on the matter—facts which may well open the eyes of the powers-that-be to the difficulties of operating industrial enterprises in the public sector. These difficulties, in so far as they pertain to technical inadequacies, poor quality of raw materials, insufficient and delayed supply of such raw materials, etc., are common to both public and private sectors. But, when the private sector draws attention to these practical difficulties, they are probably thought of as exaggerated. Now that practical difficulties of the kind will be presented before the Estimates Committee by a public sector enterprise itself, both Parliament and Government may come to appreciate the problems of private enterprise more fully. If, incidentally, the Estimates Committee's enquiries lead to an appreciation of the need for encouraging fertiliser production in the private sector on a far larger scale than is now proposed, it will be a very salutary development indeed. The compelling need now is for more fertiliser production, so that food production may keep in step with the galloping population. Of course, fertilisers alone will not do the trick, if, at the same time, progress in the field of irrigation is dreadfully slow. It will be an additional impetus to fertiliser production, especially in the private sector, if the manufacturers are satisfied that what they produce will be increasingly used by an agriculture receiving the benefits of secure irrigation on a wider scale than is the case at present.

ADVERTISING AND EXPORT DRIVE

More often than not, goods are sold but not bought. This is particularly true of international trade, which has come in for a good deal of competition especially since 1957. Price, quality, prompt delivery and sound packing are, no doubt, essential for finding ready and sustained markets for one's products. But these factors will yield better results if they are supplemented by effective salesmanship and judicious advertisements. Therefore, developing countries such as India, which are making frantic efforts to explore new avenues of export markets, have necessarily to devote special attention to win consumers abroad. This is easier said than done. What is needed is a scientific system of market research and advertising programme which will serve to link the irrepressible exporter with the potential consumer overseas. The advertising conference, held under the auspices of the Indian Society of Advertisers this week at New Delhi, was aimed at bringing home to the businessmen of this country the vital role of advertising in export promotion. Mr. Chinubhai Kilachand, a leading industrialist of Bombay and the President of the Society, in his address to the conference, drew pointed attention to the importance of advertisements for boosting India's exports. He remarked that, in the face of increasing competition, artificial restrictions on foreign trade, increases in the prices of raw materials and growing manufacturing costs, the performance of even India's traditional exports had been none too satisfactory. He felt that much greater effort was, therefore, called for "to step up exports of a wider range of goods and that, too, to a larger number of countries" than is the case at present.

There is no room for differences of opinion on the need for systematic and effective publicity for Indian goods in the overseas markets. But the value of some of Mr. Chinubhai's suggestions as to the means to be adopted for this purpose are dubious. No less a person than Prime Minister Nehru, who inaugurated the conference, categorically and quite appropriately, rejected the proposal made by Mr. Chinubhai, for the establishment of a commercial radio station. The Prime Minister added that trends in advanced countries were not in favour of commercial broadcasting. His impression was that even advanced countries were not going in for it. He revealed that a number of gadgets had been invented and were actually being used by some of them to shut off the listening part from the commercial television system as it had become a nuisance to listeners. It is regrettable that Mr. Chinubhai should have been so outdated on this point as to be reminded by the Prime Minister of the latest trends and developments in the field of broadcasting. He was certainly ill-advised in voicing an idea which has become obsolete, and certainly repugnant to sensitive minds. Commercial broadcasting is, indeed, a cheap form of propaganda quite unsuited particularly for export promotion. It may be noted here that it is not with the help of commercial broadcasting system that some of the world's adventurous exporters, such as those of Japan, West Germany, and the U.K., have penetrated into the far corners of the world. It is the efficiency of domestic production and ability to serve buyers and coupled with a vigorous export promotion drive organised by the industry and trade in active co-operation with the Governments concerned that have accounted for their success in the field of world trade. Instead of resorting to wild-goose-chase methods like commercial radio broadcasting, it would be more paying if they were to spend their resources and time on an intensive study of consumer preferences and produce goods for export on the basis of such studies.

Another suggestion made by Mr. Chinubhai relates to the establishment of a central organisation to co-ordinate the activities of all export promotion councils. It is not quite clear what kind of co-ordination he has in mind. It must be remembered that the problems facing textiles, engineering goods, or spices in the export markets are of a different nature and, therefore, need to be dealt with separately. Besides, no authentic account has yet been given on how far these export promotion councils themselves have been useful in relation to the money spent on them. If a new administrative machinery is to be created, it should at least be preceded by a dispassionate assessment of the exact contribution these councils have made towards export promotion so far. The suggestion made by Mr. Chinubhai is not novel. It will be recalled that a suggestion to establish a central organisation for export promotion had been suggested five years ago by the Export Promotion Committee (Chairman: Mr. V. L. D'Souza). This has not been accepted by the Government so far, presumably because it thinks that the present centralised direction given by the Directorate of Export Promotion and Export Promotion Advisory Council, etc., is adequate. This observation is meant neither to discredit the existing export promotion councils—some of them, the Engineering Export Promotion Council, for instance, are indeed doing good work—nor to belittle the importance of Mr. Chinubhai's suggestion. What is sought to be stressed here is that no new machinery need be added to the multiplicity of organisations already in the field, until and unless it is found to be absolutely necessary and capable of yielding a return commensurate with the expenditure incurred on it.

UNDER SECRETARY TO GOVT. OF INDIA
3 APR 1961
PUBLIC DEPARTMENT

Your
Income tax affairs need not worry you

Preparation of Income tax returns is a complicated matter these days. This need not, however, worry you.

You will find it to your advantage to place your Income tax affairs in the hands of your bank.

The State Bank of India will be pleased to undertake the preparation of returns, the checking of assessments and the submission of claims for refund of tax at moderate charges. The Bank will ensure that you obtain all the refunds to which you are entitled.

Why not talk things over with your nearest Bank Agent or write for information?

The State Bank's local head office at Bombay, one of more than 909 offices waiting to serve you throughout India.

STATE BANK OF INDIA
INDIA'S LEADING BANK.

SISTA'S-58-47

ON THE ARENA

By The Archer

Company Finance

WRITING from Delhi, the financial correspondent of a leading newspaper has stated that Government proposes to regulate company finance in the third Plan period on the basis that reliance on loans from banks should not be unduly large, and, in any case, they should not exceed twice the sum mobilised by way of share capital. It is believed that the policy of insisting that a reasonable ratio of loan to equity finance be maintained in industrial undertakings is the result of the present state of the capital market, in which there is pronounced avidity for equity participation among the public, on the one hand, and very tight credit conditions in the banking system, on the other. The Company Law Department is reported to be of the view that the difficulties felt by banks in recent months in regard to meeting the needs of industry is the result of their policy, which has been in force for the last few years, of encouraging industries to borrow from them even for a part of their capital requirements. The practice which was in force in the twenties and thirties whereunder no commercial bank of good calibre would sanction credit limits for an industrial enterprise until it had reached the stage of production, and thereafter, only for working capital needs, that is, against raw materials, processed goods in stock or in transit for marketing, etc., has been a thing of the past for some years now. As a result, many companies have come into being with just enough capital for purchase of land and erection of buildings, and have been finding it necessary to ask their bankers to pay for machinery pending collection of fresh calls of additional capital. It would appear that one reason mentioned in Government circles for the change of policy in regard to regulation of company finance is that an unduly high ratio of loan to equity capital can make the yield to the lending banker unfair as compared to that for the shareholder. This reasoning is cock-eyed, and is based on the assumption that a company can make large profits with the aid of large loans bearing relatively low rate of interest, that the credit system should have strained itself to grant the loans, and that the risks undertaken by the equity participants are comparatively less than those borne by the lending institutions. These fallacious reasonings apart, one may straightaway admit that the move to insist on new companies providing themselves (in staggered manner) with enough equity and preference share capital to go through phased programmes of establishment of the enterprises without recourse to bank finance is a very wholesome one, all the more necessary in the years to come when banks are likely to be faced with chronic paucity of funds in their hands.

The policies pertaining to the regulation of equity capital, preference capital and loan capital, should be related essentially to their financial implications. To start with, an enterprise should be launched with *adequate* resources—adequate in the complete sense—to be able to pay for land, buildings, equipment and machinery without any loss of time, and such resources should be raised in the form of capital from shareholders. What proportion preference capital should bear to equity issue is largely a question of assessment on the basis of individual requirements and working, but, broadly speaking, a ratio of one-third preference to two-thirds equity may be considered reasonable, bearing in mind the facts that (a) cumulative interest has to be paid on preference capital from the day of subscription, as a second charge on disbursable profits, the first being full depreciation on all fixed assets, (b) it may be possible, at some period of affluence, to discharge preference liability, and therefore provision should be made for the right of repayment, (c) equity capital will wait for its return till the profit-earning stage is reached, and is thus the wisest form of capital from the point of view of an honest *entrepreneur*, (d) social justice and the philosophy of a Welfare State demand that the equity distribution should be thoroughly broadbased and there should be no concentration of shares in select hands or groups. Loan capital is in a sense the antithesis of equity capital, for it will bear interest from the date of availability, and provision has to be made for its amortisation in annual instalments even prior to making provision for depreciation or preference dividend.

A classic example of how faulty financial arrangements can create considerable difficulties to a good venture is given in the Report of the Tariff Commission (1959) on price fixation of acetate yarn produced by Sirsilk Ltd. As on 30th September 1958 (provisional), this company had an equity capital of Rs. 94.27 lakhs, as against a loan capital of Rs. 317 lakhs and preference capital of Rs. 200 lakhs. The value of the block assets was Rs. 573.68 lakhs which included a sum of Rs. 120.60 lakhs being pre-production expenses capitalised. The result of this unbalanced capital structure was that, every year, the Company had to provide for interest on and amortisation of loan amounting to about Rs. 32 lakhs; no interest had been paid since the beginning. There was, in addition, a contingent liability of Rs. 48.59 lakhs, being accumulated dividend on preference shares, while every year Rs. 12 lakhs were added to this figure. No provision had been made for depreciation on fixed assets which was in arrears to the extent of Rs. 312.28 lakhs. There was also a carry-forward of loss to the tune of Rs. 6.48 lakhs. The Company was started with great expectations of quick profitability in two or three years, and the decision to have a small equity capital base was taken, as plenty of loan finance was forthcoming, and it was confidently expected that the loans would be repaid in a short period, whereafter the return to the shareholders would be handsome. Indeed, such might have been the case but for the political upheavals that took place in Hyderabad, changes in management, technical teething troubles, etc; but these only go to show that theoretical assumptions relating to time factor and profitability can land enterprises in extremely uncomfortable situations and that, once financial liabilities start accumulating, what were woods once become dense shrub jungle, and getting out of them call for heroic efforts of enterprise.

The moral of all this is threefold. To *entrepreneurs*, I would say, get as much equity capital as you can, planning right from the start on the basis of self-sufficiency, and do not resort to loan finance, except for very temporary periods and transitory purposes. To commercial banks, I would say, do not enter into the field of long-term industrial finance, but restrict your lending arrangements to industrial enterprises for their working capital needs and normal business requirements. There is a very thin dividing line between medium-term loans and long-term loans and the former have acquired, more and more, the nasty habit of sliding into long-term commitments with unsavoury repercussions on liquidity. Finally, to the Government of India, I would say, let not policy decisions be based on hunches of your (undoubtedly highly qualified) officers, but only after the careful scrutiny of returns obtained from individual enterprises established during the last seven years, furnishing (i) the amount of equity and preference capital issued at different periods, (ii) the amount of industrial finance obtained as loans on long-term basis, (iii) the amount of bank loans or other private loans obtained with details of repayment, (iv) the total amount of funds spent from date of laying the foundation-stone to date of start of production, (v) the balance-sheets at the end of each year with details of appropriations and allocations, (vi) the details of financial arrangements with commercial banks for working capital and other business requirements, (vii) other proposals for amortisation of deferred payment loans and other commitments. It should not be difficult to obtain these returns at short notice and it should be a simple matter for a set of trained chartered accountants to draw conclusions from a survey of this type. I have used the word 'hunch' in the last sentence, because it is nothing short of that to presume that an industrial venture can make big profits on loan capital (even at low rate of interest) if the loan has to be repaid by regular amortisation, as against collection of adequate equity capital which will wait for its dividend for a reasonable period, unless the venture is in a position to make fantastic and unrestricted profits.

• • • •

Wanted: A S.P.C.B.

I vote for the establishment of a society for the protection of cruelty to bankers. I have been seeing some of them during the past few weeks, looking very worried, running round in circles like dogs chasing their own tails and exhausting themselves in such locomotion. All of them are agreed that something must be done to stop the decline in scheduled banks' deposits, which, according to the Chairman of the Indian Banks' Association, registered a fall of Rs. 68 crores between December 1959 and December 1960, of which Rs. 38 crores was in time deposits and Rs. 30 crores in demand deposits. Bankers seem to feel that an increase in interest rates for deposits might stop the decline, but I doubt it. It is easy to see that there has been a definite swing from the conventional method of depositing savings in banks to the newly discovered method of investing in company shares, buying and selling being taken up as an absorbing and remunerative hobby by most people who have such savings—pensioners, professional men and women, landowners and such like. To them, the yield from interest-bearing deposits does not provide the hedge that they require to protect them from the continued fall in purchasing power of the rupee from inflation.

The dog chasing its tail technique comes into the picture when you see all banks, including the State Bank of India, increasing their interest rates for deposits, and the various categories of banks below the A plus groups, the A class, B class and lower class banks, all increasing their rates a little more than their more affluent leaders, and then coming out with proposals to increase their lending rates, which is, of course, inevitable to meet higher operational costs. But increase in lending rates might drive away good borrowers to the bigger banks whose rates are somewhat lower, leaving the troublesome ones behind. On top of all this comes the reported desire of Government to have a tight money policy, which, perhaps, will mean a slow-down of the Bill Market scheme, leaving bankers in a jam. On the one hand, they cannot call up their advances, for such a move might precipitate a crisis, and, on the other, they cannot liquidate their holdings in Government securities, as that will mean much loss, and, if they cannot borrow from the Reserve Bank of India, where will they be?

The Chairman of the Bank of Baroda seems to think that everything is so screwy in the trend of deposits,—a slow-down, a preponderance of small amounts, and more of them in the rural than in the urban centres—that banks should think of opening branches in rural areas and face the consequential increase in operational costs. I am not sure if this will be a solution to the problem, but I see one merit in it, namely, a few poky little branches in the behind the beyond may provide good punishment stations to lazybones among the staff and, even if they indulge in cries of "*Zindabad*" and "*Muradabad*," their voices may be so far away that they will not be heard.

• • • •

Ambassador-designate J. K. Galbraith

Professor Galbraith is reported to have asked for his assignment as the only one in which he was interested, out of intellectual curiosity. In an off-the-record article which he wrote recently (the on-the-record policy statements will follow after his arrival in India), he criticised U.S. Agencies of the previous administration in Washington for stressing that U.S. aid should be channelled more through the private sector than through the public sector. In his view, the form of Indian economic development is an internal affair and should not be influenced, directly or indirectly, through aid programmes. For a start, this is eminently satisfactory *vis-a-vis* our concepts of mixed economy, but we must remember that Prof. Galbraith is a hard hitter and an uncompromising critic of all factors which lack a positive social purpose. While we have reason to remember his recent remarks on "Post Office Socialism," we might also note one or two observations of his in *The Affluent Society*, such as:

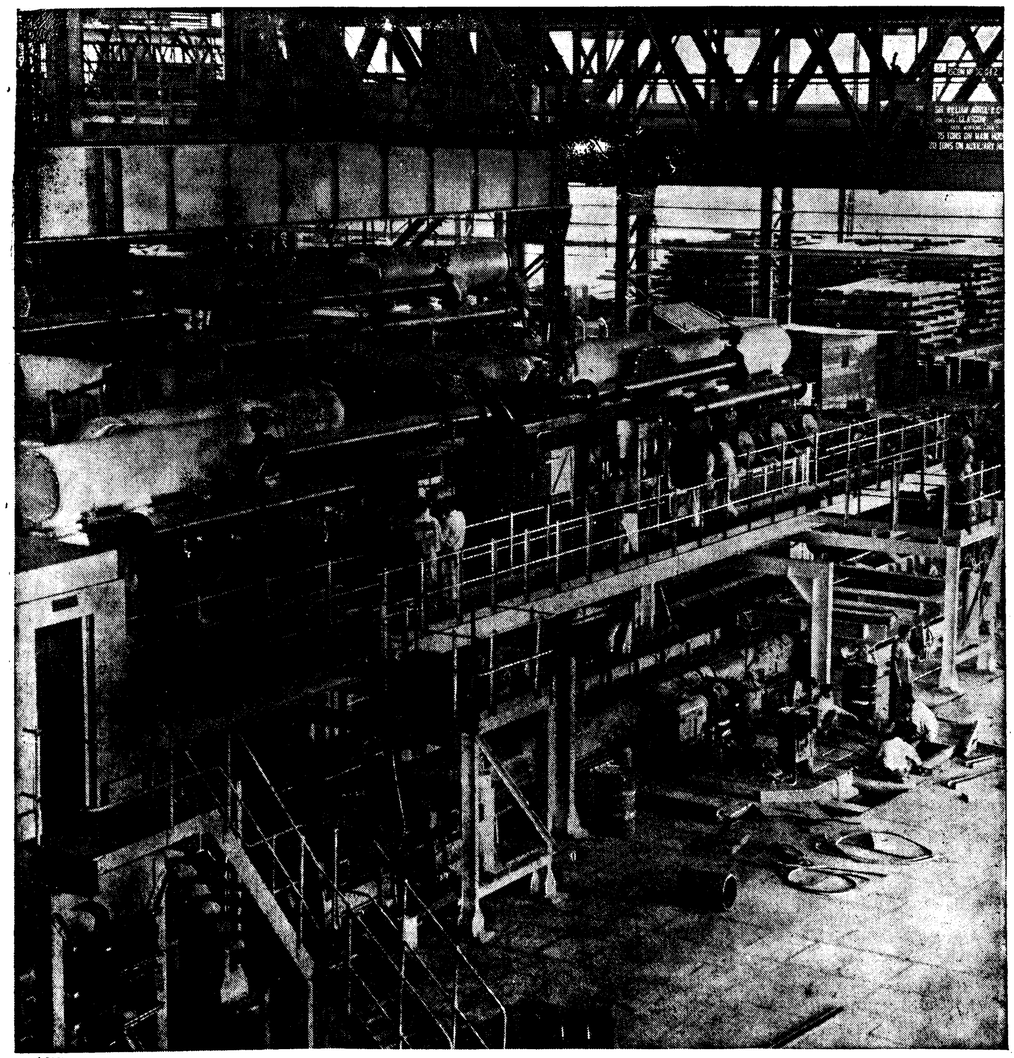
"To the landless worker in an Indian village, one of the world's most unfortunate individuals, unemployment is not even a misfortune. It is his normal fortune." (Page 107.)

"Poverty, grim, degrading and ineluctable, is not remarkable in India." (Page 333.)

Do our planners agree that our poverty is ineluctable?

A MISPRINT

In Archer's comments on "Alarm Chains in Trains" appearing in these columns last week, the word "responsibility" in paragraph three, twelfth line from the bottom should be "irresponsibility." That part of the sentence should read thus: "there would be less of irresponsibility in both sectors."



AHEAD OF SCHEDULE ONCE MORE

Durgapur's 24" Medium Section Mill has beaten the target date and has now commenced rolling. It will produce a range of products required for structural work and for the railways.

This is the fourth unit of the Rolling Mill plant at Durgapur Steelworks and the fifth and final unit—the Merchant Mill—is also well on the way to completion.

ISCON

INDIAN STEELWORKS CONSTRUCTION CO LTD.

Davy and United Engineering Company Limited. Head Wrightson & Company Ltd. Simon-Carves Ltd. The Wellman Smith Owen Eng. Corp. Ltd. The Cementation Company Ltd. Associated Electrical Industries (Rugby) Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Associated Electrical Industries (Manchester) Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. Iscon Cable Group.

BRITISH COMPANIES WORKING FOR INDIA

LESSONS OF 1960 MONEY MUDDLE

EUROPEAN ECONOMIC SURVEY ON EFFICACY OF INTEREST RATE POLICY

REVIEWING the trends in West European economy in the past year, the *Economic Survey of Europe*, 1960, prepared by the Secretariat of the Economic Commission for Europe (briefly referred to in our last issue) characterises the foreign exchange crisis of the U.S. as the outstanding occurrence of 1960. The crisis brought into the limelight the potential threat that short-term capital movements, which largely brought about the crisis, could pose to Western payments system and underlined the external drawback of discount rate policies which are primarily pursued for maintaining internal balance. The *Survey* is of the view that even domestic developments in the countries of W. Europe strengthened the doubts on the efficacy of interest rate policy as a means of restraining excessive demand.

The cause of the U.S. payments crisis, according to the *Survey*, was a combination of two factors, first, speculation in favour of the D-mark (and gold) against the dollar and, second, the difference between W. European and U.S. interest rates brought about by reliance on monetary policy for domestic purposes in divergent domestic economic conditions. Since both the factors happened to work in the same direction—and the flows caused by interest rate differentials reinforced the fears and hopes of the speculators—it is impossible to say, according to the *Survey*, how much of the flow of hot money should be attributed to each. The first factor, namely, speculation in favour of D-mark against dollar was a typical case of delayed reaction. Speculation against dollar provoked by the deterioration of U.S. balance of payments during 1959, developed during 1960, while the U.S. balance of payments was already improving. Few are likely to have expected a devaluation of the dollar in terms of other currencies, but there were renewed rumours of a revaluation of the D-mark and renewed hopes among seasoned campaigners for an increase in the world price of gold that the U.S. might devalue the dollar in terms of gold. By the end of the year, speculative hot money flows, induced by these speculations, had subsided after patently demonstrating the risks to which complete freedom of international financial transfers exposes the main international financial centres.

The second factor, namely, interest rates differentials, arose from the simultaneous use of an active interest-rate policy in West Germany and the U.K. to restrain domestic booms and, in the U.S., to counter the gathering recession. In W. Germany the official discount rate was raised from 2.75 per cent to 4 per cent in the last quarter of 1959 and further to 5 per cent in April 1960. In November, the rate was reduced to 4 per cent and again to 3½ per cent in January 1961. In London, the Bank rate was raised from 4 per cent to 5 per cent in January 1960 and 6 per cent in June, though the rate was lowered to 5½ per cent in October and to 5 per cent in December 1960. In the U.S., on the other hand, the discount rate was reduced from 4 per cent to 3½ per cent in June 1960 and to 3 per cent in August. As a result of these changes, during the most part of the second quarter of 1960, short-term funds invested in Treasury Bills could earn more than twice as much in London as in New York.

The *Survey* observes that the problems raised by this experience represents a new and disturbing aspect of the difficulties of reconciling external and internal balances which have been a major issue of economic policy throughout the fifties. It probes this problem deeper in the light of last year's experience and suggests its policy implications for the future.

Not a New Problem

The effect of domestic discount rate policy on international short-term capital movement, it points out, is not, in itself, a new problem. It was, for instance, implicit in the operations of the Bank Rate policy of the Bank of England even before 1914. Another aspect, namely, money "flowing uphill," led to the abandonment of traditional discount rate policy during the inter-war period. 1960, it is said, has furnished new object lessons, because discount rate policy now operates in an institutional and policy environment which is more normal than in the inter-war years, but very different from pre-1914 days.

The Bank of England's pre-1914 Bank Rate policy was an adjunct to the operation of the gold standard. A rise in the Bank Rate was prescribed for a situation of external deficit almost regardless of the state of internal balance. In such a situation, the rise in the Bank Rate would both attract international short-term funds and induce domestic monetary contractions which, on the basis of flexible costs and prices, would contribute to external balance through price adjustments. Discount rate policy thus aimed at external balance and was liable to disturb internal balance.

When attempts were made, after 1925, to revive the use of discount rate policy, according to these principles, the main difficulty, particularly after the onset of the depression, proved to be that a rise in the Bank Rate came increasingly to be interpreted as a danger signal, because, instead of attracting short-term capital, it led to disequilibrating speculation on a possible devaluation of the threatened currency. During the last few years, discount rate policies has again been used intensively, but with the important difference, namely, that its chief aim has been internal balance. As a major weapon of monetary policy, it has been used, in varying degrees, in conjunction with fiscal policy for domestic stability. In some countries, especially the U.K., the position has allowed favourable short-term balance of payments effects to be hoped for at the same time. In others, however, discount rate policy has been used just as readily, even though the effects on external balance were bound to be undesirable.

U.K's Experience

The U.K. has had to face, in recent years, a problem of domestic inflationary pressures coupled with strains on the balance of payments which were, at least in part, due to these same pressures of excess demand. In this situation, the advocates of an active interest rate policy, observes the *Survey*, were on firm ground, because, whatever its merits as a domestic policy instrument, any effects of resulting interest differentials on British balance of payments were likely to be favourable. An inflow of short-term funds attracted by higher interest rates in London, would help to cover temporary balance of payments deficits.

In W. Germany and the U.S., on the other hand, the opposite has been true. Discount rate policy in the former country has been used for domestic restraint in a situation of fundamental balance of payments surplus. In such conditions, a rise in interest rates, aimed at restraining a domestic boom, caused disequilibrating international short-term capital movements because the resulting interest differentials attracted an inflow of funds. These capital movements, by aggravating existing balance of payments pressures, provoked further speculative movements. In the U.S., the same phenomenon was experienced in reverse. Domestic monetary policy was aimed at providing some stimulus to business at home in a situation where the balance of payments was under pressure. Here, again, an active domestic interest rate policy induced disequilibrating short-term capital movements both through interest differentials and through speculation.

Divergent Effects

The effects of discount rate policy on external balance in 1960 were, therefore, in principle, favourable to the U.K. but unfavourable to W. Germany and the U.S. The short-term capital movements caused by discount rate policy, designed primarily for domestic ends, also reacted rather unfavourably on the monetary situation in all the three countries. All flows of short-term capital induced by discount rate policy tended to defeat the objects of that policy. In W. Germany and (to a less extent) in the U.K. high interest rates calculated to enforce domestic monetary restraint induced in flows of short-term funds which increased domestic liquidity. In the U.S., on the other hand, easing of interest rates, intended to relax domestic restraint, promoted outflows which directly diminished domestic liquidity and indirectly, through their balance of payments effects, inhibited resort to other expansionary measures. In other words, according to the *Survey*, the experience of the past year suggests that an active interest-rate policy for domestic objectives is liable to be rendered partly self-defeating through its effects on international short-term capital movements.

Implications For Policy

The *Survey* then goes on to examine the implications of this experience for future monetary and economic policies. An active interest rates policy designed to cause equilibrium in the domestic sphere, it maintains, has nothing to fear from the balance of payments effects of induced international capital movements if the country's external accounts (and those of other major countries) are close to structural equilibrium. A possible remedy for the problems which arose in 1960 might, therefore, be found in more determined efforts to correct structural disequilibria in the balance of payments position. No doubt, the underlying W. German-U.S. imbalance made the effects of divergent discount rate policies much worse in 1960 than they would otherwise have been. But it is unrealistic to expect, avers the *Survey*, that the balance of payments of the major trading countries will not, from time to time, exhibit temporary or even more lasting disequilibria due to factors other than domestic business fluctuations. In these circumstances, the disadvantages of short-term capital movements induced by adoption of active discount rate policies for domestic purposes cannot be avoided. Moreover, too severe domestic fluctuations are equally damaging to the case for an active discount rate policy.

The experience of the inter-war years had shown conclusively that attempts to cure severe balance of payments difficulties, caused by violent domestic fluctuations, by adopting an active discount rate policy are certainly doomed to failure, since the resultant short-term capital movements will be disequilibrating. Viewed thus, the discount rate policy for establishing domestic balance emerges as a doubly "fair weather system." Its repercussions on short-term capital movements can be dismissed as harmless, only if external imbalances are mainly due to domestic fluctuations and provided these fluctuations are not too great.

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES
* DEMAND DRAFTS * LEDGERS
* PAY-IN SLIP BOOKS * PASS BOOKS
* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

Exchange Control

A second line of approach to the problem, according to the *Survey*, is exchange control. It argues that, in principle, quite a strong case can be made out for a return to drastic exchange controls specifically to prevent disequilibrating short-term capital movements. The Bretton Woods Conference had accepted the need to prevent such movements as the one clear-cut exception to the general desirability of freedom in international trade and finance and incorporated not only the right but also the obligation to impose exchange control for this purpose in the Charter of the I.M.F. There is, the *Survey* points out, no reason to believe that the advantages of freedom for international short-term capital movements outweigh the disadvantages. Unfortunately, the post-war experience has shown how difficult it is to enforce effectively exchange control for this purpose. Whenever there are exchange controls, the traders have found effective ways and means of escaping them through "leads and lags," that is, shortening and lengthening in the credit terms on ordinary commercial transactions.

An Alternative

A possible alternative to exchange control, suggests the *Survey*, is a widening of the margins within which exchange rates are permitted to move. The solution suggested here is not equivalent to a fluctuating exchange rate, but only a slight expansion in the present rate of margin. It is said that even a margin as small as 3 to 5 per cent should do much to discourage international movements of short-term capital induced by interest differentials. Provided adequate forward-exchange facilities are made available to enable traders to escape the exchange risk, the disadvantages of such a modest degree of exchange flexibility would, in the opinion of the *Survey*, be small. If, however, both these do not commend themselves to the countries concerned, there is a third alternative. And this is that short-term capital movements in response to divergent domestic discount rate policies might be discouraged by measures designed to weaken the link between domestic interest rates and the international money markets. This, in effect, was the purpose of various steps taken by W. German, Swiss and U.S. authorities last year. Thus, in West Germany, the central bank tried to discourage the inflow of money in several ways: by the imposition of specially high minimum-reserve ratios on foreign-owned bank deposits and a ban on interest on such deposits, by prohibition of purchases of Government securities by foreign residents, and by special inducements to western German banks to leave their liquid funds abroad. The Swiss central bank, by agreement with the commercial banks, secured the imposition of three months' notice of withdrawal and a commission charge—negative interest—on foreign deposits with Swiss banks. The United States Federal Reserve Board, in the last months of 1960, tried to reduce medium and long-term rates without widening still further the international differentials in short-term rates. Yet, experience has shown that this approach too runs into practical difficulties. In so far as the flows of funds are a flight from a particular currency, attempts by other countries to repel the inflows merely concentrate the flows on centres which have not taken measures or, in the last resort, on gold. It is believed that measures taken by West German and Swiss authorities in June and August 1960 contributed to the larger flows of speculative funds to London in the summer and to the gold panic of October.

Another Question

Another question raised by the adverse repercussions of interest-induced short-term capital movements on the efficacy of domestic monetary policies themselves, the *Survey* points out, is whether the liquidity of the domestic economy cannot, to a greater degree, be insulated from the effects of international short-term capital movements. One possible way of doing this is to ensure that the monetary authorities obtain direct control, wherever possible, over any short-term funds attracted by higher interest rates. This is, in effect, the position in the U.K. where overseas short-term capital is largely invested in Treasury Bills. That too, however, does not provide a perfect solution for even such investments may have indirect expansionary effects on domestic liquidity, besides inflating the cost of interest charges which have to be borne by domestic taxpayers. Nevertheless, the *Survey* considers the price worth paying, as the balance of advantage will be in favour of the country concerned. How much can be done in these various ways to minimise the hot money difficulty is problematical. If, and to the extent that the problem remains insoluble, it presents a factor weighing heavily in the balance against reliance on active interest rate policy for internal balance.

Objections to Interest Rate Policy

One of the major objections to adoption of interest-rate policy as an instrument of restraint has been that it tends to discriminate against investment in favour of consumption, for, of all forms of consumption, only expenditure on durables is at all affected by changes in the terms of credit. Interest-rate policy has been thought to have the further disadvantage, from the point of view of growth, of tending to discriminate against long-term and development investment in favour of quick-yielding investments many of which have a much lower social priority. Even those who have acknowledged these long-run disadvantages, have argued that, in conditions of inflationary boom, not only consumption but also investment needs to be restrained. Although not unaware of the possible conflict between internal balance and growth, they believe that the short-run need to avoid inflation may be overriding. But the experience of 1960, especially in the U.K. and W. Germany, points out the *Survey*, tends to strengthen doubts about the usefulness of interest-rate policy even as a short-term measure. It, however, concedes that these doubts about the efficacy of an active interest rate policy as a positive instrument of short-term policy in no way constitute a case for stable, low-interest rate. On the other hand, it maintains that a policy of permanently "cheap money" is quite incompatible with effective control of inflation. It is suggested, rather, that interest-rate policy should be treated as an adjunct and support of direct measures of liquidity control and budgetary measures with interest rates reflecting relative changes in supply and demand in the capital market.

Non-Bank Financing

An important point brought out by the *Survey* is that, following the creation of non-bank financial intermediaries, such as hire purchase finance companies, investment banks, trusts, housing and other mortgage institutions, the new issue market, and trade credit, in the post-war years, and the consequent declining share of the ordinary banking system in total business credit, the traditional forms of direct controls on bank credit (conventional or legal reserve requirements, for example) have become less effective than they were expected to be. Invariably, such restraints have been offset by expansion of credit by non-bank financial intermediaries.

After studying the experience of the W. European countries and the U.S. which have endeavoured to restrain inflation through monetary controls in various ways, the *Survey* has drawn three conclusions: first, effective measures of direct control over the major non-bank financial intermediaries are needed; second, once these controls are available, interest rate policy can and should be relegated to its proper place as a subsidiary, and largely passive, adjunct of direct liquidity controls—and third, even with these improvements, monetary policy cannot be expected to provide an effective instrument of policy for internal balance, unless strongly supported by a determined use of fiscal policy.

ATLAS

ASSURANCE CO., LTD.

The liability of Members of the Company is limited

Incorporated in England

A.D. 1808

Bombay Agents:

N. SIRUR & CO. PRIVATE LTD.
TULSIDAS KHIMJI.
MACKINNON MACKENZIE & CO. PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALJI THAKERSEY & CO.

Branch Offices:

Dougall Road, Ballard Estate, Bombay.
Indra Palais, Connaught Place, Delhi.
2-L, Mahatma Gandhi Road, Bangalore.
Vijaya Bank Building, Mangalore.
7, Armenian Street, Madras.
4, Clive Row, Calcutta.

FIRE — MARINE — ACCIDENT

INDIAN BANK'S GOOD PROGRESS

DIVIDEND MAINTAINED

THE progress made by the Indian Bank Ltd. (Secretary: Mr. G. S. Sundaram, Madras) during the year ended 31st December 1960 as reflected in the statement of accounts for that year, is quite satisfactory. Though its profit has not improved as sharply as in the preceding year, its gross income has registered an expansion of Rs. 18.68 lakhs to Rs. 285.67 lakhs. This suggests that its turnover must have been of a high order. The income by way of interest and discount has gone up by Rs. 13.82 lakhs to Rs. 229.67 lakhs. Commission and exchange earned has also improved from Rs. 46.91 lakhs to Rs. 51.02 lakhs. The expenditure, other than interest paid, has risen by Rs. 14.29 lakhs, and the interest paid to depositors has actually declined by Rs. 1.61 lakhs. The profit (before providing for taxation) has staged a rise of Rs. 3.48 lakhs to Rs. 40.32 lakhs. Between 1957 and 1960, the Bank's profit has almost doubled itself.

After making the essential provisions, which will be indicated presently, the Directors have decided to maintain the dividend unchanged at the level of 15 per cent (taxable) paid for 1959. The net dividend of 10.5 per cent is less than the tax-free dividend of 15 per cent and 13 per cent declared for 1957 and 1958, respectively.

The progress of the Bank since 1957 is indicated in the following comparative table.

In lakhs of Rupees

	For the year ended 31st December			
	1960	1959	1958	1957
Interest and discount earned	2,29.67	2,15.85	1,80.36	1,43.17
Commission and exchange	51.02	46.91	44.15	44.15
Other income	4.98	4.22	5.54	5.54
Interest paid	1,14.87	1,16.48	1,07.76	1,07.76
Expenses	1,25.34	1,11.05	98.48	98.48
Depreciation	3.14	2.62	2.50	2.50
Profit	40.32	36.84	21.31	21.31
Provision for taxation	23.00	23.00	6.50	6.50
To reserves	4.00	1.00	7.30	7.30
To other appropriations	0.31	0.50	0.30	0.30
Dividend	12.45	12.45	8.64	8.64
	(D. 10% +B 5%)*	(D. 10% +B 5%)*	(D. 10% +B 3%)	(D. 12% +B 3%)
Carry forward	1.36	0.80	0.61	2.04

	As on 31st December			
	1960	1959	1958	1957
Capital	82.99	82.99	66.24	66.15
Reserves	88.32	84.02	98.02	1,00.00
Deposits	39,48.06	43,92.73	40,93.17	35,21.02
Borrowings from other banks	4,47.13	1,55.25		
Advances	27,26.87	28,84.67	23,14.53	19,97.54
Investments	15,01.81	14,38.03	14,19.36	10,03.54
Cash balances	4,98.90	4,99.66	6,34.92	8,18.37
Balance-sheet total	54,37.89	56,83.54	50,12.20	44,69.05
Ratio to deposits of—	%	%	%	%
Advances	69.0	65.7	56.5	56.7
Investments	28.6†	29.2†	34.7†	28.5†
Cash	12.6	11.4	15.5	23.2

* Subject to deduction of tax.
† Only unencumbered investments.

It will be observed from the above table that the Directors have substantially stepped up the amount transferred to reserve from Rs. 1 lakh last year to Rs. 4 lakhs. The Bank's building account is also credited with a larger amount, namely, Rs. 31,000, as against Rs. 20,000 in the previous year.

Coming to the balance-sheet items, it is seen on the liabilities side that total deposits have shrunk by Rs. 4.45 crores to Rs. 39.48 crores. Of these, only current deposits have gone up and that, too, only by Rs. 30.79 lakhs to Rs. 12.90 crores; fixed and savings deposits have suffered a decline of Rs. 146.83 lakhs and Rs. 71.36 lakhs, respectively. The Bank has another classification, namely, short-term deposits which, too, have contracted by Rs. 211.80 lakhs. Borrowings from other banks have risen from Rs. 1.55 crores to Rs. 4.47 crores. This has enabled the Bank to maintain its business at a relatively higher level than would have been possible with depleted deposits. Thus, on the assets side, the advances show a decline of only Rs. 1.58 crores to stand at Rs. 27.27 crores. As deposits have declined more sharply, the advances (to deposits) ratio has shown an improvement from 65.7 per cent to 69.0 per cent. The investments also have increased from Rs. 14.39 crores to Rs. 15.02 crores, but the ratio of unencumbered investments to deposits has fallen slightly from 29.2 per cent to 28.6 per cent, due to the larger borrowing from other banks.

The capital of the Bank is unchanged at Rs. 82.99 lakhs, and is surpassed by reserves amounting Rs. 88.32 lakhs. The Bank opened three new branches in 1960.

The Rs. 100 fully paid-up shares of the Bank are quoted on the Madras Stock Exchange at Rs. 170 c.d. On the basis of the current dividend, they give a net return of 6.57 per cent per annum.

SMALL RELIEF IN EXCISE DUTIES ON COTTON TEXTILES

ADMINISTRATION MADE EASIER

THE plea of millowners for relief in additional taxation on the cotton textile industry imposed in the Central Budget for 1961-62 has been conceded to some extent by the authorities. The credit for this partial success must go to the Chairman and Vice-Chairman of the Indian Cotton Mills' Federation. They held a series of meetings with the Finance Minister, the Commerce Minister and other official spokesmen at New Delhi on 22nd March and convinced them of the justness of their case. In the light of the discussions at these meetings, the Government of India has announced certain modifications in the proposals. The Committee of the Federation has fully endorsed them and taken decisions with regard to the consequential changes to be made in the price regulation scheme.

An important modification announced by the Government relates to the excise duty on cloth manufactured on automatic looms. The Finance Minister had proposed a surcharge of 25 per cent on such cloth. It has now been decided to exempt from payment of surcharge the first 70 per cent of the production of automatic looms. Further, it has agreed to refund the surcharge on the part of cloth which is exported out of the remaining 30 per cent output. One wonders whether the Government cannot abolish the surcharge a together, especially considering that the cost of installing automatic looms is pretty high. True, if the mills export 30 per cent or more of their cloth production from automatic looms, they will not have to pay any excise duty on such production. But does this not entail several administrative difficulties, since the same type of cloth woven in the same mills on automatic looms and plain looms and then exported is to bear excise duty at different rates? Fairly elaborate arrangements will have to be made not only by mills but also by shippers to show separately the varieties and quantities of cloth manufactured on automatic looms which are exported outside. So far as the consumer is concerned, the surcharge of 25 per cent on the 30 per cent of automatic loom cloth production will not lead to an increase in price, because the mills have given the assurance that they would bear the incidence themselves and not pass it on to the consumer. What this half-hearted concession amounts to is this: The Government thinks that the margin of profit on cloth made on automatic looms is higher and that it must have a part of that profit. But no attempt should be made by mills to pass on the burden to consumers. Again, the Government wants the industry to use the improved productivity arising from automatic looms for earning foreign exchange and not for pleasing domestic consumers.

Excise on Yarn

Another important modification covers yarn. The Government has agreed to compound the duty on yarn produced and consumed in the same mills for the manufacture of cloth into a duty on cloth at the uniform rate of 1.2 nP per square metre for all categories. Exported cloth will be exempted from this duty. As regards sales in internal markets, it has been decided that 0.2 nP per square metre should be borne by the mills and 1.0 nP is to be passed on by amalgamating it with the excise duty stamped on cloth. The resulting rates of duty per square metre to be stamped on grey cloth will, therefore, be at the rate of 47.7 nP for superfine, 34.6 nP for fine, 16.7 nP for higher medium, 13.7 nP for lower medium and 11.3 nP for coarse varieties.

By raising the excise duty on all categories of grey cloth thus, the Government has made the mill sector collect still more taxes from the public. May be, this is an easier method of collecting the tax than the levy on yarn, the administration of which would have caused considerable dislocation in production arrangements of a modern mill and a lot of inconvenience and harassment to the managements of mills, as well as to excise officials. And may be, the increase of 1 nP per square metre in excise duty on cloth is negligible. But the additional revenue that the Government gets will come to as much as Rs. 5.20 crores. The Government could easily net in this money if only the yarn sold by mills in the market—otherwise known as "free yarn"—were to be subjected to excise duty at an appropriate rate. This principle is already being followed in regard to staple fibre and all rayon yarns. The Finance Minister had himself stated in his budget speech that the step (imposition of specific duty on mill-made cotton yarn) would bring within the excise net hosiery and certain other fabrics which did not bear any duty. One fails to understand as to why the handlooms, the powerlooms and the hosiery, net and other knitted fabrics manufacturers should not be made to shoulder the tax burden by paying an excise duty on all the yarns supplied to them.

The Cotton Mills' Federation has decided that the mills should bear the increased cost of production through the levy of duty on coal tar dyes (15 per cent *ad valorem*), caustic soda and soda ash. There will, therefore, be no change on this account in the ex-mill prices of processed cloth, and the excise duty to be stamped on processed cloth will be inclusive of processing surcharges at the rates levied by the Government, namely, one naya paisa for bleaching, 3 nP for dyeing, printing, mercerising and other chemical processing, and 6 nP for shrink-proofing and organdie processing, all rates being per square metre. The attention of the mills has been drawn to the fact that the prices and dimensions of cloth meant for internal consumption are to be stamped in terms of per linear metre only.

Cloth Stocks

The stocks of both processed cloth and higher medium cloth lying in bonded warehouses of mills as on 28th February 1961 will have to pay duties at enhanced rates. Since, however, it is not practicable to get the stocks back from the warehouses, reopen the bales and re-stamp cloth with new duties, the mills are permitted to recover from merchants duties at new rates, and it will be in order for merchants to pass on the higher incidence to the buyer by calculating it at the rate (per square metre) of 1.8 nP on grey higher medium cloth, 0.4 nP on bleached higher medium counts, 1.2 nP on dyed and printed fabrics, and 2.4 nP on shrink-proofed or organdie processed cloth of all categories.

All this still leaves open procedural questions such as those pertaining to the date from which the Excise Department will collect yarn compounded duty on cloth, the rates to be levied on fents, and the method of recording and charging production on automatic looms. But the mills have been asked immediately to carry out the instructions regarding stamping, etc.

The foregoing account will reveal that the changes which the Government has agreed to make in the budget proposals are only of a modest nature and will not afford any significant relief to the consumer. The total additional revenue accruing to the Exchequer during 1961-62 is estimated at nearly Rs. 10 crores, Rs. 5.20 crores under yarn excise and Rs. 4.72 crores under enhanced duty on medium 'A' fabrics and processing surcharges. It is calculated that the price of cloth will be higher by an average of 3 to 4 per cent. How heavy is the incidence of excise on mill cloth has been well brought out by the Cotton Mills' Federation in the course of an interesting brochure entitled *Facts Relating to Cloth Prices* published by it a fortnight ago. The brochure gives the following figures:

(In crores of rupees)

Year	Basic excise duty including handloom cess	Additional excise duty in replacement of sales tax	Total
1955-56	28.10	..	28.10
1956-57	51.86	..	51.86
1957-58	64.00	..	64.00
1958-59	57.40	5.22	62.62
1959-60 (Revised)	48.00	20.49	68.49
1960-61 (Budget)	48.00	20.49	68.49
1960-61 (Revised)	37.85	19.96	57.81
1961-62 (Budget)	47.92	19.96	67.88

The brochure recalls that the sharp increase in the excise burden on mill cloth in September 1956 had been justified on the ground that it was necessary to inhibit the consumption of cloth till the balance between supply and demand was restored, and observes: "While no effective steps were taken to help the mills to raise their output, the increased excise, which was primarily designed to restrain consumption, was not suitably scaled down in time, although the growing food problem had begun to reduce the demand for cloth. The crushing character of the impost was belatedly realised and, when remedies were applied in the scope of a slightly reduced excise, the smooth working of the industry had already been upset. In this connection, the brochure gives the following statement relating to the revenue contributed by the mill sector to the Central and State exchequers:

	Rs. crores
Income-tax and super tax	10.49*
Excise duty on cloth	47.92
Additional excise duty in replacement of sales tax ..	10.96
Excise duty or staple fibre	0.71
Excise duty on fuel oil	0.61
Cess on cotton consumed	0.13
Sales tax on raw materials and stores consumed	4.58
Electricity duty	0.74†
Municipal taxes	1.143
Total ..	86.25

* Relates to 1958-59. † Relates to Bombay State. § Relates to Bombay City.

The brochure has sought to acquaint the public with the facts relating to cloth and yarn prices. Since enough has been written about these facts in our issue, it is unnecessary to refer to them again. Suffice it to say that the industry has practically no control over the important elements in the cost of production, namely, prices of cotton and mill stores and wage bill, and that the industry is suffering from cost inflation, which has led to low profitability. It is, therefore, finding it hard to attract new capital for purposes of rehabilitation and modernisation. The brochure has admirably highlighted, once again, the fact that the most vital need is to achieve higher production of textiles which alone will help prices to be kept at reasonable levels. This would, as the Federation's Chairman, Mr. Krishnaraj M. D. Thackersey, emphasises in his foreword to the brochure, call for a judicious allocation of production targets among the mills, the handlooms and the powerlooms.

EXCISE ON WOOLLEN GOODS

The only concession to woollen industry announced by the Union Finance Minister in his reply to the Lok Sabha debate on the budget was the grant of full drawback of excise duty on woollen yarn used in woollen carpets. And so, the imposition of an *ad-valorem* excise duty at 10 per cent on worsted yarns and 5 per cent on woollen yarns, with the exception of yarns spun from shoddy wool, remains unchanged. The woollen industry is somewhat surprised that the Finance Bill provides for the levy of excise duty on *ad-valorem* basis, whereas the Minister had clearly stated in his budget speech that "it is proposed to levy a small specific duty on mill-made cotton and woollen yarn."

In a statement issued jointly to the Press, the All-India Woollen Mills Association and the Federation of Woollen Manufacturers in India have urged the imposition of excise duty on the basis of weight (specific) and not on that of value (*ad valorem*). The acceptance of the plea, it is said, will eliminate various difficulties regarding the valuation of goods. It has been worked out by the industry that a specific duty at the rate of 23 nP per pound on worsted yarns and 4 nP on woollen yarn will fetch the required revenue of Rs. 35 lakhs. In order to avoid the difficulties of composite mills, it is suggested that the weight of yarn used in manufacturing cloth and hosiery goods by these mills should be worked back to the yarn stage from the finished weight of cloth and hosiery goods at the clearance point. The industry has also pleaded for (a) option to spinners to pay the duty on spindle shift worked (instead of on their production), as in the case of cotton, rayon and silk fabrics; (b) exemption from duty on the yarn produced from 100 per cent Indian wool on the ground that such yarn is used mainly to manufacture carpets, which are exported mostly by poor people; and (c) drawback of duty on yarn exported as well as on yarn used in the manufacture of fabrics meant for export.

On its part, the small sector of the woollen industry feels that the levy of excise duties on coarse woollen yarn and rugs will hit people with low incomes. In a letter to us, Mr. M. Ananthagets in Bangalore, puts the additional incidence of the levies at Re. 1.71 per coarse rug costing Rs. 11. This is worked out as follows:

	nP
4 lbs. of coarse woollen yarn at Rs. 2 per lb. for the manufacture of 1 rug at Rs. 5 per cent excise duty	40
Coarse woollen rug costing Rs. 11:	
Excise duty at 6¼ per cent	69
Additional excise duty at 5 per cent ...	55
Cess at 1.9 nP per square metre	7
	Re. 1.71

Since the incidence is heavy, the plea is made that coarse woollen yarn of 60 counts and below and coarse woollen rugs costing less than Rs. 13 be completely exempted from payment of excise duty.

CONCESSION TO ART SILK MILLS

As a sequel to the representations made by the art silk weaving industry, the Government of India has announced a reduction in the basic rates of import duty on art silk yarns, from Rs. 5.10 per kg. to Rs. 4.45 for yarns below 75 deniers, from Rs. 3.70 to Rs. 3.15 for 75 to 100 deniers and from Rs. 3.10 to Rs. 2.75 for yarns above 100 deniers. The countervailing import duty rates however, continue at the levels mentioned in the Finance Bill, the actual rates per kg. on the aforesaid three denier groups being Rs. 3.00, Rs. 2.25 and Re. 1.50, respectively.

REDUNDANCY SCHEME IN FINISHING

COST WILL CERTAINLY BE HEAVIER

From Our Special Correspondent

MANCHESTER, 21*st March*

MANCHESTER LETTER

EVEN those people in the trade who are closely connected with the affairs of the reorganisation scheme in the finishing sections have confessed themselves baffled by certain of the developments which have taken place since the plan was first put forward last August. The slow rate of scrapping and the response from the trade to the opportunities for disposing of surplus plant was in marked contrast to the big rush to dismantle machinery under the earlier scheme. Perhaps understandably, the Cotton Board has been forced into adopting a secretive attitude about the progress of the scheme, broken only occasionally by brief and inconclusive statements about the percentage of capacity accepted for scrapping. It was obvious at the end of January that the Government targets had barely been reached and that a great deal depended on how the realisation companies conducted the negotiations which were still proceeding with interested parties.

The fact that the margin was so narrow clearly gave those firms which were hesitating on their scrapping policy a big bargaining point in the final stages of their discussions. The realisation companies had power to offer better terms than the basic Government rates and it must be assumed that the sellers were in a very strong position. All this is amply borne out in the statement made by Mr. James Ewing, Chairman of Bradford Dyers' Association, who disclosed the latest position prior to any official announcement being made by the authorities. "To the best of my knowledge, the Government's minimum figure in each section has been achieved," he said, "and the overall minimum has just been reached. This means that plant representing approximately 20 per cent of the piece finishing industry's total capacity will be scrapped under the scheme, which is a disappointing result, as it has long been our conviction that the elimination of 25 to 30 per cent of capacity was required."

Cost to be Heavier

The cost of the redundancy plans in finishing to those remaining in the trade will certainly be heavier in ratio than those incurred by firms in the spinning and weaving branches. The same system is being adopted, whereby the Government pays two-thirds of the compensation for scrapping—but only on the basic rates. The amounts paid by the realisation companies over and above the basic rates have to be met wholly by the trade. Compensation to displaced workers is also the entire responsibility of the remaining firms, who will contribute by an annual levy. Much rests on how generous the realisation companies have been in their final efforts to induce the laggards to enter the scrapping arena. It is fair to assume that the payments made to the final few will be well above the basic rates, but Mr. Ewing's assessment of the situation is very drastic. He goes so far as to suggest that the final outcome may be that all firms continuing to operate may have to pay two-thirds of the cost of the compensation under the statutory levy, while the Government's share may be as low as one-third!

Uncertainty Over Modernisation

Some of the problems facing those responsible for making important decisions about re-equipment are pin-pointed by Mr. S. S. Hammersley, Chairman of Cotton and Rayon Spinners, Ltd., in his annual report. Although he refers specifically to the particular mills in the group, the attitude is one which must find a ready response among many other firms which are contemplating modernisation. "We have before us," he says, "the date-lines of July 1962, before which orders for new machinery must be placed, and July 1964, before which new machinery must be installed, if we are to take advantage of the Government grant of 25 per cent of the cost of re-equipment."

The factors governing the choice, as outlined by Mr. Hammersley, are:—(1) Experiments made with the latest machinery indicate that the cost per spindle is at least twice as great as standard re-equipment costs in 1959; (2) there is no knowledge of the wage rates which the mills would be required to pay to attract sufficient labour for the full utilisation of this machinery, if and when it is installed; and (3) it is known that export markets are to be subjected to increased tariff barriers but the trade does not know whether its home market is to receive any measure of protection.

Owing to labour shortages, many firms in Lancashire have been unable to build up production to the same extent as the Cotton and Rayon Spinners group, which increased its output by about 30 per cent above the previous year. "The pretext of late deliveries has been the reason assigned by some merchants and manufacturers for ordering large quantities of imported yarns and cloth from countries with low wage rates and able to obtain more efficient machinery utilisation than Lancashire can," says Mr. Hammersley. "These complaints about late deliveries are largely special pleading." Lancashire, he continues, can produce all the yarn and cloth required, but not at the low price of present imports, if the mills are restricted to working their machinery fewer hours than any other textile producing country in the world.

No Throat-cutting Urged

It may not be entirely a coincidence that two big cotton organisations have decided to hold their 1961 annual meetings in Japan during the same month. Osaka is to be the venue in May of conferences promoted separately by the International Cotton Federation, representing the millowners, and the International Cotton Advisory Committee, representing producers and distributors of the raw material. These events and their timing have received due prominence in the series of statements despatched to the All-Japan Cotton Spinners' Association from many parts of the world in its assessment of international textile conditions. The importance of the meetings, it is suggested, lies in their fundamental acceptance of the basic question: "How can the textile industries in the East and West live and prosper together without cutting each other's throats?"

Among the messages reaching Japan on this occasion is one from Dr. Mario Ludwig, Director of the International Cotton Federation, who points out that, for the first time in history, the two world "cotton parliaments," one industrial and the other governmental, will assemble in the major textile industrial nation of the Far East. Japanese cotton leaders, he adds, have in recent years given many indications of their statemanship and sound judgment. Their restraint, as far as the volume of export trade is concerned, the "mothballing" of excess capacity and the efforts to banish the copying of textile business are only a few examples.

Constructive Moves Ahead?

The ground for a "rapprochement" between the cotton textile industries of East and West is well prepared, Dr. Ludwig asserts. The climate is properly conditioned for a constructive discussion of the mutual problems and existing difficulties. Another contributor from Britain is Lord Rochdale, Chairman of the Cotton Board, who writes on the effect and progress of the reorganisation of the Lancashire trade. "The British cotton industry," he says, "because it was, up to the first world war, the oldest and largest of all textile industries, has been the most seriously affected by the adjustments which have had to be made as new textile industries emerged in what were once mainly agricultural countries. During the last two years, it has made what I sincerely hope and trust will be the last major re-adjustment which will be necessary."

Lord Rochdale, too, is convinced that the key to the future prosperity of the established textile industries of both East and West lies in fostering goodwill and an appreciation of each other's problems. "Lancashire's experience since the first world war underlines the dangers of over-expansion of a particular industry within a nation's economy," he points out and says: "With industrialisation taking place throughout the world at such astonishing speed, no country can expect more than a short-lived advantage, if it concentrates too great a part of its resources on too narrow a range of products. I believe that Japan, like Britain, has recognised this fact and I trust it will also be appreciated in the newly emergent countries of the world."

Smaller Mill Output

Output in Lancashire mills during January was distinctly lower than in the same month a year ago. Then, it will be recalled, the redundancy schemes in spinning and weaving had not been completed and every effort was being made to use all available machinery to cope with the almost unprecedented demand which had arisen during the previous autumn. The volume of yarn spun, at 14,210,000 lbs. weekly, was higher than in December but represented a fall of more than 1,000,000 lbs. on January 1960. Both cotton and man-made fibre yarns were involved in the reduction in output. A similar situation arose in the manufacturing section where cloth woven amounted to a weekly average of 37,240,000 yards. This was more than 1,500,000 yards higher than in the previous month but compared with 39,740,000 yards produced weekly in January 1960. Again the fall was equally split between both cotton and man-made fibre cloth.

Virtually no change took place in the number of operatives on the books of employers. The manpower total declined by only 30 to 184,760, but this was due to a revised method of computing the labour force in waste spinning, which has now been brought into line with the other sections in counting part-timers as halves. Slight increases were reported in the labour force in single spinning and weaving, but manpower in doubling fell to below 16,000 for the first time for many years past.

Empire Cotton Supplies

The quantity of raw cotton grown in the countries covered by the British Cotton Growing Association, which comprise the Sudan and the Commonwealth, but not India and Pakistan, showed a small decline in the 1959-60 season. The total, however, exceeded 1,500,000 bales for the second year running. The main features were a reduction of 56,000 bales in Uganda and Tanganyika and a fall of 15,000 bales in South Africa. These setbacks were to some extent offset by increases in the Sudan and Aden. Long-staple cotton grown in the Sudan, in fact, reached the highest level yet recorded, because of further areas brought under cultivation in Gezira. Crop variations, as is almost inevitable, were mainly the result of weather conditions and pests, to which all agricultural products are exposed.

Always of interest to Lancashire spinners is the minute, but highly important, crop grown in the West Indies. Continued uncertainty as to prices last season resulted in a further drastic reduction in both acreage and output of Sea Island cotton. The acreage fell from over 10,000 to barely 6,000 acres and production of only 2,236 bales was the lowest for very many years, being little more than half the previous season's crop.

Trade With South Africa

The withdrawal of South Africa from the Commonwealth is unlikely to have any immediate important effect on trading activity in the Lancashire area, according to industrialists. Although it is estimated that firms in the region did business worth over £20 million with Union buyers last year, the change in status is mainly political and will have little economic effect on the trend of transactions. Among those who believed that the position would be virtually unaltered was Mr. Frank Rostron, former President of the Manchester Chamber of Commerce and a Director of Ferranti Ltd., the Oldham electrical firm. "Trade benefits between this country and South Africa are mutual," he declared, and said: "The Union could cancel those preferential privileges which Britain enjoys but they are hardly likely to do so."

In 1960, United Kingdom exports to South Africa exceeded £150 million and goods worth £100 million were imported from the Union. Cotton cloth shipments from Lancashire mills aggregated more than 40 million yards at a value of £4,700,000. South Africa has lately been the second biggest market for Lancashire-made cotton textiles, and it is hoped that no interference with this level of shipments will take place as a result of the change in the situation.—*All Rights Reserved.*

THIS IS ONLY AN ANNOUNCEMENT, NOT A PROSPECTUS. APPLICATIONS ARE INVITED ON THE BASIS OF THE PROSPECTUS

A copy of the Prospectus together with documents required to be endorsed on or attached to under Section 60 of the Companies Act, 1956, has been delivered to the Registrar of Companies, West Bengal.

CONSENT OF THE CENTRAL GOVERNMENT has been obtained to this issue by an order a copy of which together with all amendments thereto is open to public inspection at the Registered Office of the Company.

LICENCE FROM THE CENTRAL GOVERNMENT has been obtained for the establishment of this new Industrial undertaking, a copy of which together with copies of all orders amending the same is open to public inspection at the Registered Office of the Company.

CERTIFICATE OF COMMENCEMENT OF BUSINESS has been obtained on 10th September 1958.

Applications will be made to the Calcutta and Bombay Stock Exchanges for permission to deal in and for official quotations for the Shares of the Company.

The subscription list will open at the commencement of banking hours on 3rd April 1961 and will close at the close of banking hours on 15th April 1961 or earlier at the discretion of the Directors but not before the close of banking hours on 5th April 1961.

The Company has been promoted by Messrs. SHREE BAIDYANATH AYURVED BHAWAN PRIVATE LIMITED, 1, Gupta Lane, Calcutta-6. They obtained for the Company a Licence dated 4th December 1956, from the Government of India under the Industries (Development and Regulation) Act, 1951 for the establishment of this new integrated Paper Mill in Bihar with a manufacturing capacity of 15,000 tons per annum of Writing and Printing Papers and Pulp required therefor.

ASHOK PAPER MILLS LIMITED

(INCORPORATED UNDER THE COMPANIES ACT, 1956)

		Rs.
AUTHORISED CAPITAL		
25,00,000	Equity Shares of Rs. 10 each	2,50,00,000
50,000	6.25% free of Company's tax but subject to deduction of tax at the prescribed rate cumulative redeemable Preference Shares of Rs. 100 each	50,00,000
	Total	3,00,00,000
ISSUED CAPITAL		
20,50,000	Equity Shares of Rs. 10 each	2,05,00,000
20,000	6.25% free of Company's tax but subject to deduction of tax at the prescribed rates cumulative redeemable Preference Shares of Rs. 100 each	20,00,000
	Total	2,25,00,000
SUBSCRIBED CAPITAL		
	Out of the above issue, the signatories to the Memorandum, the Directors and their friends have already subscribed amongst themselves partially paid 5,14,000 Equity Shares of Rs. 10 each	51,40,000
	Directors and their friends have further agreed to subscribe for 86,000 Equity Shares of Rs. 10 each	8,60,000
	Messrs. COMPAGNIE GENERALE DE MATERIELS ET MATIERES PREMIERES POUR LES INDUSTRIES DE LA CELLULOSE (COGEMIC) a French Company of Paris has agreed to subscribe 3,00,000 (Three Lakhs) Equity Shares of Rs. 10 each in terms of the agreement entered into	30,00,000
	Total	90,00,000
SHARES NOW OFFERED FOR SUBSCRIPTION		
11,50,000	Equity Shares of Rs. 10 each	1,15,00,000
20,000	6.25% free of Company's tax but subject to deduction of tax at the prescribed rate cumulative redeemable Preference Shares of Rs. 100 each	20,00,000
	Total	1,35,00,000

ARE OFFERED FOR PUBLIC SUBSCRIPTION AT PAR FOR CASH in terms of the Prospectus payable as follows:—

	Equity Shares Rs.	*Preference Shares* Rs.
On Application	2.50 per share	25.00 per share
On Allotment	2.50 „ „	25.00 „ „
On call or calls to be made by the Directors at their discretion but not earlier than three months after the date of allotment	5.00 „ „	50.00 „ „

UNDERWRITERS AND GUARANTOR

The entire aforesaid issue now offered to the public has been underwritten and/or guaranteed as follows:—

Underwritten by :—

	Rs.
1. Messrs. Industrial Credit and Investment Corporation of India Ltd., 163, Backbay Reclamation, Bombay-1: 3,00,000 Equity Shares of Rs. 10 each	30,00,000
2. Life Insurance Corporation of India: 1,00,000 Equity Shares of Rs. 10 each	10,00,000
3. Messrs. Devkaran Nanjee & Co., 17, Horniman Circle, Bombay-1: 2,50,000 Equity Shares of Rs. 10 each	25,00,000
4. The Darbhanga Investments (P.) Ltd., Darbhanga: 1,50,000 Equity Shares of Rs. 10 each	15,00,000
5. Messrs. Kanak Investments (P.) Ltd., Calcutta: 50,000 Equity Shares of Rs. 10 each	5,00,000
Guaranteed by :—Government of Bihar, Patna: 3,00,000 Equity Shares of Rs. 10 each 20,000 Preference Shares of Rs. 100 each	30,00,000 20,00,000
Total	1,35,00,000

DIRECTORS

Proposed Director:

SIR A. RAMASWAMI MUDALIAR, K.C.S.I., D.C.L. (Oxon), M.P., India Steamship Co. Ltd., Old Court House St., Calcutta-1, Industrialist.

Existing Directors:

1. MAHARAJADHIRAJA SIR KAMESHWARA SINGH Bahadur of Darbhanga, K.C.I.E., D. LITT., M.P., (*Chairman*), The Palace, Darbhanga, Bihar, Landholder and Industrialist.
2. SIR BIJOY PRASAD SINGH ROY, KT., K.C.I.E., 5/1A, Hungerford St., Calcutta-16, Industrialist.
3. MR. FRANCOIS ROBERT POLACK, 9, Place des Terres, Paris-17, France, Businessman.
4. SRI KAMAL SINGH Maharaja Bahadur of Dumraon, Bhojpur House, P.O. Dumraon, E. Rly., Dt. Shahabad, Bihar, Landholder.
5. PANDIT GIRINDRA MOHAN MISRA, Girindramohan Road, Darbhanga, Bihar, Advocate and Adviser to Maharajadhiraja of Darbhanga.
6. MR. J. L. ESPLEN, C/o Bengal Club Ltd., 33, Chowringhee, Calcutta, Stockbroker.
7. SRI H. V. GANDHI, Jyoti Sadan, Netaji Subhas Road, Bombay-2, Sharebroker.
8. SRI PREMCHAND AGRAWAL, 181/A, Chittaranjan Avenue, Calcutta-7, Merchant and Businessman.
9. SRI D. P. SHARMA, Baidyanath Bhawan Road, Patna-1, Bihar, Industrialist.
10. SRI B. L. SHARMA, M.B.A. (Col.) (*Managing Director*), 1, Gupta Lane, Calcutta-6, Industrialist.

REGISTERED OFFICE

2, BRABOURNE ROAD, CALCUTTA-1.

BROKERS

Calcutta

MESSRS. PLACE, SIDDONS & GOUGH (PRIVATE) LTD., 6, Lyons Range, Calcutta-1.

MESSRS. STEWART & CO., 14, India Exchange, Place, Calcutta-1.

MESSRS. CHUNILAL T. MEHTA, 8, Lyons Range, Calcutta-1.

Madras

MESSRS. PATERSON & CO., 22, Errabalu Chetty Street, Madras-1.

MESSRS. CHITRA & CO., 322/323, Linghi Chetty Street, Madras-1.

Bangalore

MESSRS. M. NANJAPPAIAH JAHGIRDAR, 181, Cavalry Road, Bangalore-1.

Bombay

MESSRS. DEVKARAN NANJEE & CO., 17, Horniman Circle, Fort, Bombay-1.

MESSRS. BATLIVALA & KARANI, Union Bank Building, Dalal Street, Fort, Bombay-1.

MESSRS. LEWIS & JONES, 45, Apollo Street, Bombay-1.

MESSRS. HARKISONDASS LUKHMIDASS, 5, Hamam Street, Bombay-1.

MESSRS. A. B. PANDIT & CO., 32, Apollo Street, Bombay-1.

MESSRS. DHIRAJLAL MAGANLAL PURSHOTTAMDAS, Stock Exchange New Building, Dalal Street, Bombay-1.

New Delhi

MESSRS. HARBANS SINGH MEHTA & CO., 33, Regal Building, New Delhi-1.

BANKERS

STATE BANK OF INDIA.
UNITED BANK OF INDIA LTD.
NATIONAL & GRINDLAYS BANK LTD.
DEVKARAN NANJEE BANKING CO. LTD.
UNITED COMMERCIAL BANK LTD.

SOLICITORS

MESSRS. KHAITAN & CO., Solicitors, 1-B, Old Post Office Street, Calcutta-1.

AUDITORS

1. MESSRS. S. VAIDYANATH AIYAR & CO., Chartered Accountants, Thapar House, 124, Janpath, New Delhi.
2. MESSRS. THAKUR & CO., Chartered Accountants, 2, India Exchange Place, Calcutta-1.

OBJECTS

The main object of the Company is to manufacture and deal in all kinds of pulp, paper, paperboards and paper products, and the particular immediate object is to construct and erect near Darbhanga (State of Bihar) a factory for the purpose of manufacture and production of 15,000 tons per annum of Writing and Printing Papers and necessary Pulp therefor.

SITE

The Pulp and Paper Mills will be located at (RAMESHWARA NAGAR) about five miles to the south of Darbhanga township in North Bihar.

Land measuring about 320 acres is under acquisition proceedings as per Declaration and Memorandum of Agreement published in the Bihar Gazette Extra-Ordinary dated 10th September 1960, and will be delivered to the Company soon.

RAW MATERIALS

The main fibrous raw materials to be used are sugarcane bagasse and bamboo. Some quantities of Sabai grass will also be used.

The large number of sugar mills in the vicinity of the site of the proposed Mills can supply adequately the present and future requirements of bagasse for the Mills. The Company has entered into an agreement with The Darbhanga Sugar Co., Ltd., Lohat, situate within 25 miles from the Mills, for supply of at least 18,000 tons per annum of bagasse.

PROSPECTS

There is a great demand for paper in the country at present. The demand is likely to increase in future. Considering the capacity of the existing concerns in India the prospects for paper industry are quite bright.

START OF THE MILLS

The Mill is expected to go into production in 1963.

PROFITS

The potentiality of the Paper Industry in India for earning profits is appreciably high. Having the advantage of up-to-date plant and machinery and modern methods and processes of manufacture, the Company should have substantial savings in the costs of production. The Directors are, therefore, of the opinion that on the basis of the existing prices and market conditions, and in the absence of any unforeseen circumstances, the Company should be in a position to make sufficient profits so as to pay reasonable dividends to the Shareholders after meeting all costs and overheads.

IMPORT LICENCES OBTAINED: FOREIGN EXCHANGE ARRANGED

The Company has been granted by the Government of India Licence for import of machinery valued at Rs. 255 lakhs C.I.F. from France and Rs. 50 lakhs C.I.F. from the U.S.A. respectively.

PLANT AND MACHINERY

Messrs. ETUDES ET MATERIELS POUR L'INDUSTRIE DU PAPIER ET DE LA CELLULOSE (EMPACEL) Paris, France, reputable French Consultants and Engineers, have signed an agreement dated 23rd September 1959 with the Company for supply of major portion of plant and machinery and for the design and layout of the entire plant.

Messrs. EMPACEL have undertaken to guarantee the output of the whole integrated pulp and paper plant using a variable combination of bagasse, bamboo and sabai grass, with a 24 hours production capacity of 50 long tons of good commercial grade Writing and Printing Papers.

TECHNICAL COLLABORATION: ERECTION; PLANT MANAGEMENT

The Company has entered into a separate agreement dated 23rd Septemper 1959 with Messrs. EMPACEL for the erection and installation of the whole plant.

Messrs. EMPACEL have also undertaken to depute trained and qualified Engineers for the purpose of erection of the Mills, planning and supervising the entire erection work who will remain at the Mills till the fulfilment of the guarantees for the erection, performance and production.

FOREIGN INVESTMENTS: DEFERRED PAYMENTS

Messrs. COGEMIC have agreed to invest Rs. 30,00,000 (Rupees thirty lakhs) in the Share Capital of the Company by subscribing 3,00,000 Equity Shares of Rs. 10 each. These Equity Shares will be allotted to them against payments by them to Messrs. EMPACEL of an equivalent amount against the delivery of the plant and machinery to be supplied to the Company by Messrs. EMPACEL.

The Company has obtained reasonable terms of payment from Messrs. EMPACEL for the plant and machinery of £17,25,000 (pound sterling seventeen lakhs and twenty-five thousand) equivalent to approximately Rs. 2,30,00,000. The sum of £15,00,000 (pound sterling fifteen lakhs) equivalent to approximately Rs. 2,00,00,000 is payable in ten equal six-monthly instalments the first of which being payable nine months after the date of consignment of the last shipment of the plant and machinery. The balance of £2,25,000 (pound sterling two lakhs and twenty-five thousand) equivalent to rupees thirty lakhs will be paid to Messrs. EMPACEL by Messrs. COGEMIC in French Francs in France.

Permission has been granted by the Exchange Control Department, Reserve Bank of India, for the above foreign investment. The said two agreements of the Company with Messrs. EMPACEL and the said one agreement with Messrs. COGEMIC have been approved by the Government of India and France.

GUARANTEE OF DEFERRED PAYMENT AND LOAN OF Rs. ONE CRORE BY THE I.F.C.

The Industrial Finance Corporation of India has agreed to guarantee on behalf of the Company to Messrs. EMPACEL the payments of the instalments of the aforesaid deferred payments and of the interest thereon aggregating to £17,70,000 (pound sterling seventeen lakhs seventy thousand) but not exceeding Rs. 2,36,00,000 (Rupees two crores thirty-six lakhs).

The Company has received also the I.F.C.'s sanction for a loan of Rs. one crore and the necessary documents therefore are expected to be executed in due course. The rate of interest is 7% per annum with rebate facility of ½% in case of due and punctual repayments of the respective instalments by the Company.

CAPITAL OUTLAY

The Capital outlay is estimated as follows:—

	Rs.
1. Land, Buildings etc.	75,00,000
2. Plant, Machinery and equipments and spares including freight, customs dues, insurance, import duty, erection expenses, etc.	4,52,75,000
3. Other fixed assets	5,00,000
4. Preliminary and Issue expenses including brokerage and underwriting commission	8,00,000
5. Provision for contingencies	4,25,000
6. Working capital	50,00,000
Rs.	5,95,00,000

UNDERWRITING COMMISSION

Underwriting and/or guaranteeing commission at the rate of 2½% of the face value of the shares underwritten or guaranteed is payable to the Underwriters and Guarantor.

BROKERAGE

A brokerage at the rate of 10 nP per Equity Share and Re. 1 per Preference Share will be paid on allotments in respect of application forms bearing the Stamp of a Bank or a member of recognised Stock Exchange.

APPLICATIONS AND SUBSCRIPTION FOR SHARES

Application for Equity Shares must be made for a minimum of fifty shares or a multiple of fifty shares and application for Preference Shares must be made for a minimum of five shares or a multiple of five shares.

Application for shares must be made on the application Form enclosed with the Prospectus or on a printed copy thereof and must be delivered, accompanied by the full amount payable on application, to any of the Bankers to the Company at their Offices set out on the back of the Application Form during banking hours on any working day before the close of the subscription list. The application money must be paid separately for each application by cheque or bank draft. Money Orders and postal orders shall not be accepted. Cheques drawn on Banks at places other than those mentioned in the Application Form must include a sum (minimum 75 nP) at the rate of 25 nP per cent of the amount remitted to cover Bank commission and charges.

Copies of the Prospectus and Application Form can be had from the offices of the Brokers as mentioned herein and of the Bankers at Calcutta, Bombay, Madras, Delhi, Ahmedabad, Allahabad, Bangalore, Nagpur, Lucknow, Patna and Muzaffarpur.

N.B.—The Company is happy to announce that the land for the Mill Site has been acquired by the Government of Bihar and delivered to the Company.

PRICE OUTLOOK FOR U.S. COTTON

UPWARD TREND IN PROSPECT

COMMENTING on the reaction in mill circles to the agreement signed between India and the U.S. under which India would import 300,000 bales of U.S. cotton under P.L. 480, we pointed out, in *Commerce* dated 18th March 1961, that the mills and trade were not enthused over the prospect of importing more U.S. cotton. There are, as we pointed out, at least two reasons for the lukewarm reception to the news. First, mills do not have the same difficulty in securing ample supplies as they had at this time of year last season. Second, cotton imported under this agreement will mostly be of short staples of 1" and below which is not attractive price-wise for Indian spinners to go in for it in a big way. The current trends in U.S. cotton are, nevertheless, of interest to millowners in India as they have to compete in export markets for cloth.

The most important development of the year which has a direct effect on U.S. cotton prices, is the announcement on 22nd February, of higher support rate for the 1961-62 crop and higher export subsidy rate for U.S. cotton with effect from 1st August. Although the new support rate and the higher export subsidy will be effective only from next season, they have already influenced the price trend of American cotton in New York and Liverpool. In New York, both spot and future prices rallied soon after the announcement. The trend has been consistently upward since then, as will be evident from the following table:

(In cents per lb.)

	23-3-1961	28-2-1961	21-2-1961
CURRENT CROP:			
May	33.35	33.00	32.83
July	33.85	33.54	33.33
NEW CROP:			
October	34.47	34.10	33.80
December	34.78	34.34	34.09
New York spot	33.45	32.90	32.55

The higher support rate and enhanced subsidy have also affected the Liverpool cotton market where both spot and futures prices of cotton have displayed a firm trend. The spot price of American one inch middling cotton, a standard grade of cotton, has risen since the announcement and, at the present price of about 24.10 pence per lb., it is 65 points higher than a month ago and is the highest since December 1958.

The new support rate is 82 per cent of the January parity price of 38.83 cents, as against 70 per cent for the present season. The effect of the new rate is to raise the minimum support price by 3 cents a pound which is counterbalanced by the rise of 2½ cents in the export subsidy from 6 cents to 8.50 cents per lb. so that the export price will show a net rise of only ½ cent per lb.

These two measures, according to the Department of Agriculture, have a twofold advantage to foreign countries. First, textile mills abroad would be able to buy the same American cotton that U.S. mills use at 8.5 cents per lb. less. This will give their finished goods an advantage over the products of U.S. mills. Second, cotton cultivation in other countries is likely to be stimulated, since the cost of U.S. cotton exported, notwithstanding the subsidy, will probably be still 1.5 cents higher than the prevailing world price of 24 cents a pound.

Foreign buyers of U.S. cotton, however, do not believe that the 8.5 cents subsidy will make the export price cheaper than the domestic price by the full amount of the subsidy. This is because the Department of Agriculture did not specify whether this new subsidy will be payable in cash or whether, like the current subsidy, it will be in the form of payment in kind certificates redeemable by the holders only by purchases of C.C.C.-owned stocks. C.C.C. stocks are expected to be sold, after 1st August 1961, at 115 per cent of loan or market price as determined by the C.C.C., whichever is higher. Consequently, if the new subsidy is payable in kind only, the fact that it will be redeemable only through the purchase of cotton at 115 per cent of loan, or more, will deflate the subsidy rate to just over 7 cents per lb. only. Further, considering that only undesirable or unpopular qualities may eventually remain available with C.C.C., the true value of the subsidy, it is said, could well fall below 7 cents. To that extent, therefore, the actual export price will be higher than what the 8.50 cents per subsidy rate suggests. In view of the doubts expressed in trade circles as to the exact value of the 8½ cents subsidy to be effective from 1st August, the U.S. Department of Agriculture has given an assurance to exporters that a real value of 8½ cents will be maintained and that, if necessary, there will be a combination of cash payment and payment-in-kind in order to preserve this principle.

A clarification of several other details of the new policy is, however, yet to be made. Traders are now inclined to believe that the minimum support prices are not based on any specific percentage of the January parity figure but simply fixed *ad hoc* in cents per lb., regardless of percentage and therefore not subject to further alteration if the parity figure changes between January and August. Further, the final figure of support for middling inch has not yet been determined. The figure of 33.04 cents at average location (that is, 82 per cent of the January parity of 38.83 cents) was given as a guidance. Opinion is, therefore, still divided on the likely effects of the new policy on the price of U.S. cotton in world markets. There is, however, general agreement that prices will go up, but by how much cannot be predicted at present.

The statistical position of cotton too seems to favour an upward, rather than downward, trend of prices. With the general recovery in textile industry throughout the world, production and consumption of cotton have moved much more closely into balance in recent years. This change in the statistical position had already induced a firmer tone in cotton even before the support rate was announced. The latter has given a fillip to the upward trend which is unlikely to be reversed in the near future, unless, of course, textile activity both within and outside the U.S. slackens.

ANNOUNCEMENT

STATE BANK OF TRAVANCORE

(Subsidiary of the State Bank of India)

have pleasure to announce that, in pursuance of their objective to promote savings and encourage rural deposits

THE INTEREST RATES ON SAVINGS BANK ACCOUNT

in all their offices

HAVE BEEN RAISED

as from the 1st April, 1961, as under:—

FROM 2½% TO 3%

T. R. KRISHNASWAMI,
General Manager.

COTTON CONSUMPTION

Preliminary figures relating to consumption of cotton by mills in India show that during the first five months of the current 1960-61 season, that is, from 1st September 1960 to 31st January 1961, Indian mills consumed 2.18 million bales of cotton (of 400 lbs. each), as compared with 2.17 million bales in the corresponding period of the previous season. The following table indicates the monthly consumption of Indian and foreign cotton during the period:

(In lakh bales of 400 lbs. each)

		Indian Cotton		Foreign Cotton	
		1960-61	1959-60	1960-61	1959-60
September	1960	3.14	3.96	1.11	0.42
October	„	2.93	3.95	1.23	0.40
November	„	3.17	3.84	1.18	0.37
December	„	3.52	4.08	1.07	0.41
January	1961	3.64	3.93	0.86	0.43
	Total ..	16.40	19.76	5.45	2.03

It is evident from the above table that, while consumption of Indian cotton is steadily improving, thanks to ample supplies, that of foreign cotton is correspondingly declining. Nevertheless, foreign cotton consumption during the five-month period was more than double that in the same period last season.

JUTE GOODS OUTPUT AND DESPATCHES

FUTURE DEPENDS ON AVAILABILITY OF ADEQUATE RAW JUTE

JUST three months have passed since the current calendar year began, so that it is too premature to forecast with any degree of certainty as to what would be the level of jute goods output for the whole year. But reports available regarding the quantity of goods actually produced so far point to the possibility of a setback to production. The total output of gunnies in the first two months of 1961 is estimated at no more than 163,600 tons, which compares unfavourably with the 172,200 tons produced in the corresponding period of 1960. The declining tendency is attributable to shortage of raw jute and the high levels of prices for the raw material. There are surmises that the jute crop will turn out to be bumper in the 1961-62 crop year, but it is too early even to speculate about it. Even assuming that a much bigger crop than in the 1960-61 season will materialise, it will not be of much help for the 1961 calendar year. For mills will start receiving the 1961-62 season crop of jute only after August 1961. The present shortage of raw material will, therefore, restrain production of jute goods almost upto the fourth quarter of 1961.

During the first two months of 1960, the fall in jute goods production had occurred solely in hessians; their output was lower by as much as 16,800 tons at 56,100 tons. The fall was made good to some extent by the rise of 4,100 tons in sacking and of 3,600 tons in other manufactures; the actual production of these two categories during January-February 1961 was 88,600 tons and 18,900 tons, respectively. This improvement may not persist in the coming months, in view of the reduction in the working hours of mills having more than 220 looms from 45 to 42½ a week with effect from 30th January 1961 and the continued sealing of 12 per cent of looms. The fall in the total production of all jute goods in March and subsequent months may, therefore, be even more perceptible.

Production of Sacking Higher

The drop in the output of hessian, in particular, is a continuation of the trend noted last year (1960), when it amounted to 422,200 tons, as against 458,000 tons in 1959. If, despite this sharp setback, the total production of jute goods was higher at 1,667,000 tons, as against 1,051,500 tons, the increase was due to the marked expansion of 37,000 tons in the output of sacking and of 14,400 tons in other manufactures, as is indicated below:

Production of Jute Goods

(In tons)

	Hessian	Sacking	Others	Total	Equivalent Jute consumption (In bales)
1957	414,300	548,700	66,900	1,029,900	6,158,000
1958	407,100	598,400	72,900	1,051,500	6,145,000
1959	458,000	608,700	80,300	1,051,500	6,127,000
1960	422,200	649,700	104,200	1,667,100	6,224,000
Jan. to Feb., 1961	56,100	88,600	18,900	163,600	946,800
Jan. to Feb., 1960	72,900	84,500	15,300	172,700	1,018,000

The downward trend in the production of jute goods must not only be arrested but energetic measures should be taken to step it up as soon as opportunity permits. Otherwise, the country would, as Mr. N. L. Kanoria, the retiring Chairman of the Calcutta Jute Fabrics Shippers Association, aptly warned, in his speech at the Association's annual meeting last week, be in "very real danger" of losing the confidence of customers abroad and, worse still, losing their customers to suppliers of alternative packaging materials or to bulk handling. As the table at the end of the article shows, exports of jute goods suffered a distinct setback in 1960, the actual shipments being 771,500 tons, as against 864,300 tons in 1959. This was due, among other causes, to a steep increase in prices. How important is export business to the prosperity of the jute industry will be evident from the fact that, out of every 100 tons produced, as much as 70 to 75 tons are sold outside, thereby earning for the country quite a bit of much precious foreign exchange.

The performance of jute goods export trade during 1961 was examined in some detail by Mr. N. L. Kanoria. His analysis reveals that the major decline in hessian exports occurred in the case of Argentine and the U.S., "which," to quote him, "have kept out of the market as far as possible owing to the high prices and attempted a wait and see policy." Argentine took only 36,162 tons, as against 51,470 tons in 1959, and the U.S. 194,588 tons, as against 205,172 tons. The offtake by Canada and the U.K., two other large consumers of hessian, showed little or no change. The drop in exports was steeper in sacking goods. The loss was accounted for mainly by China, hit by one of the worst famines in its history, and, to some extent, by Burma and a few West Asian countries. The exports to Soviet Russia, United Arab Republic, Cuba and some of the West European countries were, however, better. Exports to Australia, India's biggest export market for sacking, were well maintained as compared with 1959.

In the opinion of Mr. Kanoria, the West Asian and African countries offer great potentiality for increasing exports of Indian jute goods. He says: "Once the political climate in these areas is more settled and their economic position is strengthened, by planned efforts to improve the living standards of the masses, the demand for jute goods should rise considerably. This will present a unique opportunity to Indian shippers to explore and cultivate vast new markets. But, as India no longer enjoys a monopoly in the production of jute goods, imagination and drive on the part of Indian shippers will be called for in order to capture this business."

More Urgent Now

The need for setting the export trade in jute goods on a sound and solid footing is more urgent now than even before, what with the competition from Pakistan (which is continuing to follow an active policy of increasing its jute loomage), growing resort to bulk handling and expanding use of paper and plastic bags. No effort must be spared to enhance the competitive capacity of Indian jute goods in world markets through quantitative and qualitative improvement in production, as well as maintenance of stable, reasonable prices. To quote Mr. Kanoria again:

"It is high time that a proper assessment was made of the causes of the present unsatisfactory state of affairs and long-term remedies devised. The problem is likely to be even more complicated if we go on chasing illusions and fail to take practical steps in the right direction. I venture to say that, from the long-term point of view, the jute industry and trade need nothing so much as, first, a substantial increase in the production of raw jute by improving the yield per acre; second, a guarantee of minimum prices to the cultivators so that they are given sufficient inducement and incentive to raise their output; third, the creation of a buffer stock of raw jute on which the industry can fall back in times of adversity; and, fourth, a policy of production based on anticipated demand, instead of production after demand has materialised."

(*Continued on page* 609)

Despatches of Jute Goods

(In 000 tons)

	Total Despatches	For export purpose				For Internal Consumption			
		Hessian	Sacking	Others	Total	Hessian	Sacking	Others	Total
1957	1,043.3	385.0	440.8	38.7	864.5	23.2	135.4	20.7	179.3
1958	1,021.3	396.1	388.2	31.5	815.8	20.8	154.8	29.9	205.5
1959	1,096.4	427.6	379.0	57.7	864.3	25.1	180.5	26.5	232.1
1960	1,038.0	383.1	317.1	71.3	771.5	32.7	208.5	25.3	266.5
January 1961	82.6	29.7	23.8	4.8	57.3	3.0	19.8	2.5	25.3
January 1960	74.8	28.9	17.8	2.9	49.6	3.2	19.7	1.8	24.7

APOLLO FLASHER

*Apollo manufactures Direction Indicators, Signal Flashers, Lamps, Switches, Automatic Headlights, and Controllers, all in various styles. If you wish to market the finest quality safety devices, send today for our brochures.

SOLE DISTRIBUTOR: SUN-WAVE INDUSTRIAL CO., LTD
Head Office: #5, 4-Chome, Yaesu, Chuo-ku, Tokyo
Tel. (281) 5311 – 5
Sales Section: #16, 2-Chome, Marunouchi, Chiyoda-Ku, Tokyo Tel. (281) 4917 – 8

APOLLO MFGR: APOLLO INDUSTRIES CO., LTD.
Head Office, #18, 2-Chome, Marunouchi, Chiyoda-Ku, Tokyo (Kishimoto Bldg.)

THE
BRITISH INDIA CORPORATION LTD.
KANPUR

BRANCHES DIVISION
Cawnpore Woollen Mills Branch
New Egerton Woollen Mills Branch
Cooper Allen Branch
North West Tannery Branch
London Office

BEGG SUTHERLAND DIVISION
Secretaries and Treasurers:
The Elgin Mills Company, Limited
Cawnpore Textiles Limited
Brushware Limited
Cawnpore Sugar Works Limited
Champaran Sugar Company, Limited
Saran Engineering Company, Limited

Secretaries for:
Beta Picker & Co. Private Ltd.

Agents for:
Royal Exchange Assurance

MERCANTILE BANK LIMITED
(INCORPORATED IN ENGLAND)
(Liability of Shareholders Limited)
Authorised Capital - - £4,000,000
Issued and Fully Paid Capital - - £2,940,000
Reserve Fund - - £2,200,000
Head Office:
15, GRACECHURCH ST., LONDON, E.C. 3
West End Office:
123, PALL MALL, LONDON, S.W. 1
Agents in New York: BANK OF MONTREAL AND THE CHASE MANHATTAN BANK
Branches and Agencies:
INDIA, PAKISTAN, CEYLON, BURMA, MAURITIUS, SINGAPORE, MALAYAN FEDERATION, HONGKONG, THAILAND AND JAPAN
The Bank transacts banking business of every description.
Current Accounts are opened and Fixed Deposits are received on terms which may be ascertained on application.
Trusteeships and Executorships accepted.
Safe Deposit Lockers available.
52/60, Mahatma Gandhi Road, Bombay. H. MAITLAND, Manager.

THE
UNITED COMMERCIAL BANK
LIMITED
Head Office: CALCUTTA

Authorised Capital .. Rs. 8,00,00,000
Subscribed Capital .. Rs. 4,00,00,000
Paid-up Capital .. .. Rs. 2,00,00,000
Reserve Fund .. .. Rs. 2,05,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.
Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.
AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.
G. D. BIRLA, Chairman. S. T. SADASIVAN, General Manager.

STEARIC ACID
(DOUBLE DISTILLED)
Manufactured by:
THE MODI VANASPATI MFG. CO.
Maharashtra State Distributors:
RAMJILAL LAKHMICHAND
333, Kalbadevi Road, Bombay-2
Office Phone:—39361 Residence: 88346
Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

RAMTIRTH (HINDI MONTHLY)
Editor: Yogiraj Shri Umeshchandraji
Published every month by Shri Ramtirth Yogashram — Bombay
MORE THAN 160 PAGES PER ISSUE
THE MAIN IDEA BEHIND THIS MAGAZINE IS TO DEVELOP THE PHYSICAL, MENTAL AND MORAL ASPECT OF THE COMMON MAN
Annual Subscription Rs. 5/- only. Single Copy 65 nP. only.

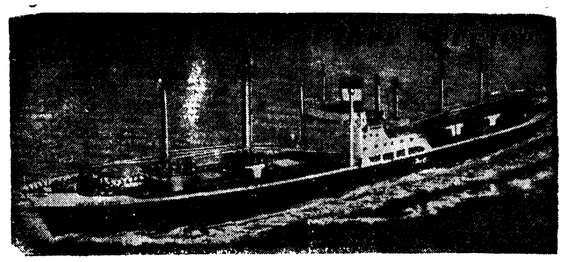
UMESH YOGA DARSHAN
(First Part)
In Four Languages: English, Hindi, Gujarati and Marathi
(Author: Shri Yogiraj Umeshchandraji)
An excellent and highly readable book written by Shri Yogiraj Umeshchandraji is one of the best known treatises on the true meaning of Yoga. A best guide to methods of intestinal exercise and control, the book contains over 108 descriptive photographs of various Asanas explained according to the Age, Season, Country and Time.
It is one of the excellent volumes published so far depicting different aspects of Yoga, and containing different photographs of Asanas and Neti Dhoti Functions. It also contains Yoga Therapy, Diet Therapy, Chromopathy, Psycho Therapy and many other Therapies. It also contains many an important remedy for various diseases. The book is best of its kind and useful for all men and women, healthy and unhealthy, and hence should be preserved in all libraries and homes.
Price: Rs. 15/- Plus Postage Rs. 2/- extra.

YOGASANA CHART
A Chart printed on art-glazed papers and fully illustrated with attractive pictures is also available from here. You can perform Asanas shown therein at your home, which will keep you fit and healthy.
Price: Rs. 3/- including Postage to be sent by M.O. only.

YOGIC CLASSES
are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Yogic and natural treatment are given for diseases. Diseases are also remedied.

RAMTIRTH BRAHMI OIL Special No. 1 Registered
An invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cool brain, improve system, and let sleep sound. Most ideal for body massage. It is useful to every one in all seasons.
Price: Rs. 4.50 for big bottle and Rs. 2.25 for small. Available everywhere.

SHRI RAMTIRTH YOGASHRAM
Dadar, Central Railway, Bombay-14
Telephone: 62899



Our fleet of twenty modern freighters offers fast, regular and dependable service between
INDIA—U. K. & THE CONTINENT • INDIA/EAST PAKISTAN—SOUTH AMERICA
INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS
INDIA—POLAND. Also around the INDIAN COAST
INDIA STEAMSHIP CO., LTD.
"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1
Managing Agents: — LIONEL EDWARDS (PRIVATE) LTD.

COMMERCE
India's Premier Financial, Commercial and Industrial Journal
Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION
COMMERCE (1935) LTD.
BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY
Telephone No. 253505

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS. APPLICATIONS FOR SHARES ARE INVITED ON THE BASIS OF PROSPECTUS.

Licences have been obtained from the Central Government for effecting substantial expansion to this existing industrial undertaking at Calcutta for manufacture of different types of Wood Working Saws, Slitting Saws, Slotting Cutter, Tool Bits and Hacksaw Frames, of which copies are open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting the licences the Government of India do not undertake any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

A copy of the prospectus with all the relevant documents has been delivered to the Registrar of Companies, West Bengal, for registration as required by Section 60 of the Companies Act, 1956.

Subscription List will open at the commencement of banking hours on Saturday, the 8th April 1961 and will remain open upto the close of banking hours on Saturday, the 22nd April 1961. The Directors at their discretion may close the subscription list earlier but not before the close of banking hours on Monday the 17th April 1961.

STEEL & ALLIED PRODUCTS LIMITED

(INCORPORATED ON 14TH MAY, 1951, UNDER THE INDIAN COMPANIES ACT, 1913)

AUTHORISED SHARE CAPITAL

Divided into :

(1) 80,000 Equity Shares of Rs. 100 each	Rs.	80,00,000.00
(2) 20,000 9 per cent. Redeemable Cumulative Preference Shares of Rs. 100 each	Rs.	20,00,000.00
	Rs.	1,00,00,000.00

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

5,450 Equity Shares of Rs. 100 each fully called and paid up	Rs.	5,45,000.00

PRESENT ISSUE

9,550 Equity Shares of Rs. 100 each	Rs.	9,55,000.00

The Shares now being issued will be entitled to participate in dividend in respect of the year commencing from 1st July 1961.

OUT OF THE PRESENT ISSUE

(1) The existing shareholders or their nominees will be offered 2,180 Equity Shares of Rs. 100 each at par as 'Right Shares' (This offer will remain open upto 22nd April 1961 after which the shares not subscribed will be allotted by the Directors in such manner as they may think fit)	Rs.	2,18,000.00

NOW OFFERED AT PAR FOR PUBLIC SUBSCRIPTION

(2) 7,370 Equity Shares of Rs. 100 each	Rs.	7,37,000.00
	Rs.	9,55,000.00

APPLICATIONS, SUBSCRIPTION AND TERMS OF PAYMENT

Application must be for a minimum of 5 shares or multiples of 5, payable as follows:—

On Application	Rs.	50 per share
On Allotment	Rs.	50 per share
	Rs.	100 per share

DIRECTORS

1. HIS HIGHNESS MAHARAJA SIR PRATAP CHANDRA BHANJA DEO, 3, Rainey Park, Ballygung, Calcutta-19. Industrialist and Businessman.
2. SRI S. K. MAZUMDAR, P.78/14, "E" Block, New Alipur, Calcutta. Industrialist and Businessman.
3. SRI T. BANERJI, J.P., 6, Old Post Office Street, Calcutta-1. Solicitor and Notary Public.
4. SRI B. K. BHOWMICK. 20, Mullen Street, Calcutta. Industrialist and Businessman.

REGISTERED OFFICE

17, BRABOURNE ROAD, CALCUTTA-1.

MANAGING DIRECTOR

SHRI S. K. MAZUMDAR.

TECHNICAL COLLABORATORS :
(For Wood Working Saws)

MESSRS. SANDVIKENS JERNVERKS AKTIEBOLAG, Sandviken, Sweden.

BANKERS

THE UNION BANK OF INDIA LTD., 6, Clive Row, Calcutta.

BROKERS

MESSRS. N. L. ROY & CO., 7, Lyons Range, Calcutta.

AUDITORS

MESSRS. G. BASU & CO., Chartered Accountants, 6, Hastings Street, Calcutta.

OBJECTS OF THE COMPANY

The Company was incorporated on 14th May 1951 with the objects mentioned in the Memorandum of Association of the Company and in particular to manufacture and/or fabricate Wood Screws, Screws, Wire Nails or other allied and/or associated products including ferrous and non-ferrous articles of any size, description or specification and to prepare for the market, sell, export or otherwise deal with the same for any purpose for which the same may be used.

HISTORY OF THE COMPANY

Steel & Allied Products Ltd., was incorporated in Calcutta on 14th May 1951 as a Private Company and started with a pilot plant, the manufacture of Wood Screws towards the end of 1952. Successful operation of the pilot plant led to its triplication in 1956 after the Company had been converted into a Public Company in 1954.

The Company commenced the manufacture of Hacksaws towards the end of 1957 with Plant and Machinery purchased from Sandvikens Jernverks Aktiebolag together with their technical assistance. Towards the middle of 1960, Tool Bits was added to the manufacturing programme of the Company.

The achievements of the Company are reflected in the profits that it had earned and distributed among its shareholders—as will be apparent from the Auditors' report—in spite of restricted production during the initial stage.

IMPORT LICENCE

The Government of India has already issued Import Licences for the import of requisite Plant and Machinery for manufacture of different types of Wood Working Saws, Slitting Saws and Slotting Cutters and other machineries for the expansion of our existing capacities from Sweden, West Germany, Switzerland and Italy. Only a few of the Licences for import of machineries for these expansion projects are awaited.

PLANT AND MACHINERY AND TECHNICAL COLLABORATION

The complete Wood Working Saw Plant will be acquired from Messrs. SANDVIKENS JERNVERKS AKTIEBOLAG, the world-famous Swedish manufacturers, under a deferred payment agreement, which includes, *inter alia*, provisions for technical assistance, supervision of erection of the plant, putting the plant into operation and training of Indian personnel for which a sum of Sw. Kr. 3,52,000 is payable.

OTHER PLANT AND MACHINERIES

Additional machineries required for the manufacture of Wood Working Saws are being secured from other Swedish manufacturers as also from other sources according to the advice of Sandvikens. Plant and Machineries for the manufacture of Slitting Saws, Slotting Cutters, Metal Cutting Band Saws and Hacksaw Frames, including the expansion of our present installations for Hacksaws and Tool Bits are being secured by Direct negotiations with the manufacturers and/or importers.

BUSINESS PROSPECTS VIS-A-VIS MARKET POSSIBILITIES

The Directors have carefully weighed the prospects of the additional capital outlay envisaged for this expansion project. On a conservative estimate of sales it is estimated that the gross turnover after one year of completion of this project alone would be Rs. 40 lacs per annum approximately. It is expected that there will be no difficulty in disposing of the entire production as the demand for Wood Working Saws in the country is estimated to be well over 2 crores of rupees, more so as a result of the rise in the tempo of industrialisation. Furthermore, the high quality of products the Company expects to turn out as a result of technical collaboration with Sandvikens of international repute, can be exported to the neighbouring countries.

At present, import of some items of Wood Working Saws is restricted to 12½ per cent while other items are restricted to 50 to 60 per cent. By the time the Company is scheduled to go into full production it is expected that there will be total ban in the importation of all the different items of Wood Working Saws.

Thus in the result it can be expected that a reasonable dividend would be available to the shareholders participating in this issue.

MINIMUM SUBSCRIPTION, CAPITAL OUTLAY AND SOURCES OF FINANCE

Minimum subscription in respect of the present issue on which the Directors will proceed to allot, is Rs. 9,55,000, being the whole of the share capital now offered for subscription.

The capital outlay required for this project will be as follows:

Building, Water Supply, Sanitation, Electric Installation and other fittings		Rs. 5,50,000
Cost of Plant, Machinery and Equipments, including technical assistance fee and installation expenses—	Rs.	
To be imported	6,30,000	
To be locally procured	6,35,000	
		12,65,000
Other Fixed Assets including cost of Furniture, Motor Car, etc.		60,000
Expenses of the Issue		25,000
Working Capital		10,00,000
	Rs.	29,00,000

SOURCES OF FINANCE		Rs.
Out of the present issue		9,55,000
Loan from Industrial Finance Corporation of India		10,00,000
Deferred Payment		2,55,000
Loan from Bank		6,90,000
(An application has already been made to the Industrial Finance Corporation of India for sanction of the above loan.)	Rs.	29,00,000

EXPENSES OF ISSUE AND BROKERAGE

Brokerage will be paid to Brokers at Re. 1 per share on allotments made in respect of applications bearing their stamps. The total brokerage so payable is estimated at Rs. 7,000.

Total expenses of the issue are estimated at Rs. 25,000 and will be paid by the Company.

INTEREST OF DIRECTORS

(1) Mr. S. K. Mazumdar, the Managing Director of the Company, is interested in (a) the remuneration payable to him as the Managing Director of the Company, and (b) the interest payable to him in respect of an unsecured advance of Rs. 19,000 made by him to the Company.

(2) His Highness Maharaja Sir Pratap Chandra Bhanja Deo, the Chairman of the Company, is interested in (a) the interest payable to him in respect of an unsecured advance of Rs. 7,08,088 made by him to the Company, (b) the rent payable to him in respect of the factory land leased to the Company, of which he is the owner and (c) the 1 per cent commission on the net profits of the Company payable to him subject to the approval of the Central Government and the Industrial Finance Corporation of India.

(3) No other Director of the Company is interested in the Company in any other manner except being a Director and/or Shareholders of the Company.

MATERIAL CONTRACT

The following contracts not being in the ordinary course of business, which are material, have been entered into by the Company:

(1) **An agreement with Messrs.** Sandvikens Jernberks Aktiebolag, **Sweden,** for sale and supply of complete Wood Working Saw Plant, providing technical assistance, supervision and guidance to assembly for installation of plant, running in of the plant, providing drawing for factory layout, training Indian Labour and technicians in India and/or Sweden and providing payment for the same on deferred basis, in terms of the memorandum of agreement entered into on 6th October 1958.

(2) Agreements with Maharaja Sir Pratap Chandra Bhanja Deo for lease of additional Factory land at 2/1, Hossain Shah Road, Calcutta, dated 12th January and 19th July 1960.

(3) Agreement with Messrs. Union Bank of India Ltd., for guaranteeing deferred payment to Sandvikens Jernverks Aktiebolag, Sweden, dated 6th May 1960.

(4) Agreement with Shri S. K. Mazumdar dated 28th January 1961 appointing him as the Managing Director of the Company for a term of five years from 1st July 1959, at a remuneration of 5 per cent of the net profit of the Company, subject to a minimum of Rs. 30,000 per annum and with all powers for conducting the business of the Company subject to the supervision and control of the Board.

INSPECTION

A printed copy of the Memorandum and Articles of Association of the Company, Licences issued by the Central Government for substantial expansion of the existing Factory, Import Licences in respect of Plant, Machinery, etc., copies of material contracts listed herein, the report of Auditors, consent of the Central Government to the appointment of the Managing Director, and copies of the Balance Sheets and Profit and Loss Accounts of the Company for the last five years can be inspected at any time on working days during usual office hours at the Registered Office of the Company from the date of publication of this Prospectus until the date of closing of the subscription list.

APPLICATION FOR SHARES AND ALLOTMENT

Application for shares must be for a minimum of 5 shares or a multiple of 5 shares and must be made in the form accompanying the Prospectus, which can be had from the Company's Bankers or Brokers or from the Company itself.

The application forms duly completed must be lodged together with the sum of Rs. 50 per share applied for, with the Union Bank of India Ltd., at any of its offices at Calcutta, Bombay, Madras, Delhi, Kanpur, Ahmedabad, Nagpur, Bangalore, Cochin, Hyderabad and Gauhati or with the Company at its registered office at 17, Brabourne Road, Calcutta-1.

The remittance should be made by cheque or draft payable on any Calcutta Bank and in case of outstation cheques bank-collection commission shall be added at the rate of 25 nP per cent. All cheques or drafts shall be crossed and made payable to "Steel & Allied Products Ltd., New Issue Account."

Allotment will be notified by despatch of an Allotment letter but Directors reserve the right of accepting or rejecting any application in whole or in part without assigning any reasons whatsoever. Should any application be rejected in whole or in part, the whole or the balance of application money shall be refunded but Bank Commission payable, if any, shall be paid by the applicant.

Share Certificates will be issued in exchange of letters of allotment within six months of the date of allotment.

Dated, the 24th March, 1961.

EXTRACTS FROM THE AUDITORS' REPORT
Summary of working results for the last 5 years

	Year Ended 30th June				
	1956	1957	1958	1959	1960
	Rs.	Rs.	Rs.	Rs.	Rs.
Sales (net)	4,33,409	6,32,792	10,96,189	23,33,922	34,31,308
Cost of Sales	3,60,940	4,85,971	5,85,199	13,96,533	18,73,909
Depreciation as charged in the Accounts	57,388	56,557	1,75,377	1,41,202	1,40,469
Selling, Financial and Management Expenses	1,09,808	1,37,161	2,27,968	4,32,146	6,45,001
Profit before Taxation	43,456 (Loss)	6,571	1,01,597	4,80,441	8,14,035
Profit after Taxation	43,456 (Loss)	6,571	1,01,597	4,80,441	4,89,035
Dividend	Nil	Nil	Nil	23%	40%

Assets and Liabilities as at 30th June 1960

FIXED ASSETS		Rs.	15,47,153
CURRENT ASSETS		Rs.	21,41,334
Less :			
Total Assets		Rs.	36,88,487
SECURED LOAN (I. F. C.)	Rs. 5,25,000		
UNSECURED LOAN	Rs. 7,78,088		
CURRENT LIABILITIES AND PROVISIONS	Rs. 13,88,458		
NET ASSETS as at 30th June 1960		Rs.	9,96,941
NET ASSETS Represented by—			Rs.
5,450 Ordinary Shares of Rs. 100 each			5,45,000
Reserves and Profit			4,51,941
		Rs.	9,96,941

Notice

McKENZIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-fifth Annual General Meeting of the Company will be held on Saturday, the 22nd day of April, 1961, at 4-00 p.m. (S.T.), at the Registered Office of the Company, Sewri, Bombay-15, to transact the following business:—

(1) To consider the Accounts, Balance Sheet and the Reports of the Board of Directors and Auditors for the year ended 31st July, 1960.

(2) To declare dividends on Ordinary and Preference Shares as recommended by the Directors in the Report.

(3) To elect a Director in the place of Shri Maneklal Premchand, who retires by rotation and is eligible for re-election, and to consider and, if thought fit, to pass the following resolution as an ordinary resolution, of which special notice has been given as required by Sections 190 and 281 of the Companies Act, 1956:—

"RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, Shri Kaneklal Premchand, who has attained the age of 71 years and who retires by rotation, be and he is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

(4) To elect a Director in the place of Shri R. D. Birla, who retires by rotation and is eligible for re-election, and to consider and, if thought fit, to pass the following resolution as an ordinary resolution, of which special notice has been given as required by Sections 190 and 281 of the Companies Act, 1956:—

"RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, Shri R. D. Birla, who has attained the age of 69 years and who retires by rotation, be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

(5) To appoint Auditors for the ensuing year and to fix their remuneration.

By Order of the Board,

PURSHOTAMLAL JHUNJHUNWALA,
Managing Director.

BOMBAY, 24*th March* 1961.

Note:—(1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member.

(2) The dividends, when declared, will be made payable at the Bank of India Ltd., Fort, Bombay-1, on and after the 12th day of May, 1961. Dividend Warrants will be posted to the respective shareholders whose names stand on the respective registers as on 22nd day of April, 1961.

(3) Explanatory Statements as required by Section 173(2) of the Companies Act, 1956, are annexed hereto, in respect of item Nos. 3 and 4.

(4) Notice is hereby given that the Transfer Books of the Company will remain closed from 10th April 1961 to 22nd April 1961 both days inclusive.

(5) Change of address, if any, should be notified to the Company immediately.

Explanatory Statement Annexed to the Notice

Item 3 of the Notice.

Shri Maneklal Premchand, who retires by rotation and is eligible for reappointment, has attained the age of 71 years, he having been born on 7th September, 1889. Hence, he cannot be appointed a Director of the Company except by a resolution in respect of which a special notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a notice from a member intimating his intention to move the resolution, as set out in the said item. Shri Maneklal Premchand joined the Board of Directors of the Company in 1928. He has wide and varied experience and during his association with the Company as Director, he has rendered very valuable services to the Company. As it is in the interest of the Company that the Board should continue to receive the benefit of his advice as a member of the Board, it is desirable that he be appointed a Director.

Item 4 of the Notice.

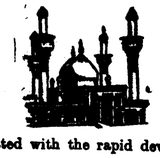
Shri R. D. Birla, who retires by rotation and is eligible for reappointment, has attained the age of 69 years, he having been born on 4th May, 1892. Hence, he cannot be appointed a Director of the Company except by a resolution, in respect of which a special notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a notice from a member intimating his intention to move the resolution, as set out in the said item. Shri R. D. Birla joined the Board of Directors of the Company in 1946. He has wide and varied experience, and during his association with the Company as Director he has rendered very valuable services to the Company. As it is in the interest of the Company that the Board should continue to receive the benefit of his advice as a member of the Board, it is desirable that he be appointed a Director.

By Order of the Board,

PURSHOTAMLAL JHUNJHUNWALA,
Managing Director.

BOMBAY, 24*th March*, 1961.

A tale of Twenty-two Cities



From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them—in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to 1889 and closely associated with the rapid development taking place today.

India; Aden; Dubai; Sharjah and Abu Dhabi, Muscat; Qatar; Bahrain; Kuwait; Saudi Arabia; Jordan; Iraq; The United Arab Republic (Syrian Region); Lebanon; Libya, and Tunisia: these are territories where The British Bank of the Middle East operates. It has intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

THE BRITISH BANK OF THE MIDDLE EAST

Incorporated in England by Royal Charter 1889 with Limited Liability.
HEAD OFFICE: 7 King William Street, London E.C. 4.
BOMBAY OFFICE: 214 Dr. Dadabhai Navroji Road, Fort, Bombay.
Tel. Add.: BACTRIA. Telephone: 25-2287
Capital and published reserves £4,473,000
ASSOCIATED WITH
THE BANK OF IRAN AND THE MIDDLE EAST
Capital Rials 250,000,000
HEAD OFFICE: TEHERAN, IRAN (PERSIA). (P.O. BOX 1680)

THE INDIAN BANK LIMITED, MADRAS

(ESTABLISHED 1907)

Registered Office: "INDIAN BANK BUILDINGS," 17, NORTH BEACH ROAD, MADRAS-1

To be placed before the shareholders at the ensuing Fifty-fourth Annual General Meeting to be held on 7th April, 1961, at the Registered Office of the Bank, "The Indian Bank Buildings," 17, North Beach Road, Madras-1.

DIRECTORS' ONE HUNDRED AND SEVENTH REPORT

The Directors have the pleasure to submit a statement of Assets and Liabilities and of Profit and Loss Account of the Bank for the year ended 31st December 1960. The Auditors' Report is also annexed.

2. The Net Profit of the Bank for the year amounts to Rs. 40,32,080.89 and together with the sum of Rs. 80,143.18 carried from the previous year's account, makes a total of Rs. 41,12,224.07.

	Rs.	np.
3. Out of this sum, the Directors have made the following interim appropriations :—		
An ad-interim dividend at the rate of 5 per cent and a Bonus of 2½ per cent. (subject to deduction of tax at the prescribed rates) was paid which absorbed	6,22,500	00
To transfer to Sinking Fund	2,00,000	00
The Directors now recommend that the following further appropriations may be made :		
To pay a final dividend of 5 per cent. and a Bonus of 2½ per cent. (subject to deduction of tax at the prescribed rates) thereby making the dividend and bonus for the year amount to 15 per cent.	6,22,500	00
To provision for taxes	23,00,000	00
To transfer to Sinking Fund	30,988	00
To transfer to Bank's buildings account	1,36,236	07
To carry forward	41,12,224	07

4. The Bank rate remained unchanged at 4 per cent.

5. Offices of the Bank were opened during the year at Muthialpet (Madras) Neyveli, Vishakapatnam and Willingdon Island.

6. In accordance with Articles 92 and 93 of the Articles of Association of the Bank read with Section 256 of the Companies Act, 1956, four Directors, Messrs. R. Sundram Iyer, T. S. Kachapikesa Mudaliyar, Kumararajah M. A. M. Muthiah Chettiar of Chettinad and R. K. Venkatachalam retire this year by rotation and they, being eligible, offer themselves for re-election.

7. Sri K. Arunachala Mudaliar resigned his seat on the Board on 2nd December 1960. In his place, Sri C. Ramasubban was co-opted as a Director on 20th January, 1961.

BALANCE SHEET AS AT 31st DECEMBER, 1960

Corresponding Figures 31st Dec. 1959 Rs. np.	CAPITAL AND LIABILITIES	Rs. np.	Rs. np.
1,00,00,000.00	**1. Capital—**		
	AUTHORISED CAPITAL—		
	1,00,000 Shares of Rs. 100 each	1,00,00,000.00	
	ISSUED AND SUBSCRIBED CAPITAL—		
72,00,000.00	(a) 72,000 Shares of Rs. 100 each for payment in cash	72,00,000.00	
16,60,000.00	(b) 16,600 Shares of Rs. 100 each issued as fully paid bonus shares	16,60,000.00	
88,60,000.00		88,60,000.00	
	AMOUNT CALLED UP—		
44,00,000.00	On 44,000 Shares of Rs. 100 each	44,00,000.00	
22,40,000.00	On 28,000 Shares at Rs. 80 per share	22,40,000.00	
66,40,000.00		66,40,000.00	
1,010.00	LESS—Calls unpaid	565.00	
66,38,990.00		66,39,435.00	
16,60,000.00	16,600 Shares of Rs. 100 each issued as fully paid bonus shares	16,60,000.00	
82,98,990.00		82,99,435.00	
Nil	ADD—Forfeited shares	Nil	
82,98,990.00			82,99,435.00
14,57,800.00	SHARE PREMIUM ACCOUNT		14,57,800.00
	2. Reserve Fund and Other Reserves—		
68,44,583.78	(i) Reserve Fund under Section 17 of the Banking Companies Act, 1949	68,44,583.78	
Nil	(ii) Sinking Fund	3,30,000.00	
68,44,583.78			71,74,583.78
	3. Deposits and Other Accounts—		
16,44,81,586.77	Fixed Deposits	14,97,99,052.99	
6,56,32,647.77	Short-term Deposits	4,44,52,585.90	
7,87,34,175.18	Savings Bank Deposits	7,15,97,666.88	
12,58,76,519.86	Current Accounts, Contingency Accounts, etc.	12,89,56,355.26	
43,47,24,929.58			39,48,05,661.03
	4. Borrowings from other Banking Companies, Agents, etc.—		
1,55,25,095.89	(i) In India	4,47,12,986.31	
Nil	(ii) Outside India	Nil	
1,55,25,095.89			4,47,12,986.31
	PARTICULARS— Rs. np.		
Correspond- ing figures 31st Dec.1959 1,55,25,095.89	(i) Secured (Secured by part of investments in Central and State Governments securities as per contra)	3,70,12,986.31	
Nil	(ii) Unsecured	77,00,000.00	
1,93,86,661.50	**5. Bills Payable**		94,45,913.70
	6. Bills for Collection being Bills receivable as per contra—		
2,14,20,109.51	(i) Payable in India	2,11,53,006.31	
93,74,915.24	(ii) Payable outside India	1,35,13,719.70	
3,07,95,024.75			3,46,66,726.01
	7. Other Liabilities—		
1,01,748.05	(i) Rebate on Bills	21,611.86	
1,09,528.79	(ii) Unclaimed Dividends	1,08,832.75	
7,17,748.45	(iii) T. Ta. Payable	6,14,930.04	
12,18,541.37	(iv) Sundries Payable	13,05,896.54	
12,27,900.11	(v) Provision for Taxes	1,17,631.88	
43,02,036.35	(vi) Branch Adjustment	66,15,465.52	
41,482.27	(vii) Interest Realisable	53,469.58	
32,00,356.32	(viii) Interest on Deposits	24,88,088.45	
13,47,925.48	(ix) Other Deposits	16,70,037.94	
1,23,37,265.19			1,29,70,864.56
4,49,11,273.54	**8. Acceptances, Endorsements and Other Obligations** per contra		2,69,65,893.89
	9. Profit and Loss—		
	Profit as per Balance Sheet as at 31st December 1959	31,22,643.18	
	LESS—Appropriations— Rs. np.		
	(i) Final dividend of 5 per cent and a Bonus of 2½ per cent. (both subject to tax) 6,22,500.00		
	(ii) Provision for taxes 23,00,000.00		
	(iii) Transfer to Sinking Fund 1,00,000.00		
	(iv) Transfer to Bank's Buildings account 20,000.00		
		30,42,500.00	
		80,143.18	
	ADD—Profit for the year brought from the Profit and Loss account	40,32,080.89	
		41,12,224.07	
	LESS—Interim Appropriations— Rs. np.		
	Ad-Interim dividend at the rate of 5 per cent. and a bonus of 2½ per cent. (both subject to tax) 6,22,500.00		
	Sinking Fund 2,00,000.00	8,22,500.00	
31,22,643.18			32,89,724.07
	10. Contingent Liabilities—		
16,65,675.00	(1) On partly paid up shares of Banks and other Companies Rs. 16,65,675.00.		
25,000.00 or 670.69 69,157.85	(2) Claims against the Bank not acknowledged as debt Rs. 3,24,507.85.		
6,34,54,878.37	(3) On guarantees given on behalf of constituents Rs. 7,41,45,072.00. (Includes guarantees given on behalf of Directors or Officers Rs. 24,69,767.76).		
7,75,96,274.13	(4) On Forward Exchange contracts Rs. 10,07,31,726.46		
	Note : The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Companies Act 1949 read with Section 211 of the Companies Act 1956. Owing to regrouping of the accounts, previous year's figures have been recast.		
56,83,53,767.41	Total Rupees		54,37,89,088.35

Corresponding Figures 31st Dec. 1959 Rs. np.	PROPERTY AND ASSETS	Rs. np.	Rs. np.
3,74,70,390.46	**1. Cash—** In hand and with Reserve Bank and State Bank (including foreign currency notes)		3,78,95,419 18
	2. Balances with other banks—*		
	On Deposit Account / In Current Account	Rs. np.	
17,69,995.29	(i) In India Nil / 21,78,517.59	21,78,517.59*	
94,25,981.37	(ii) Outside India Nil / 85,72,827.44	85,72,827.44	
1,11,95,976.66	* (Includes Rs. 14,986.48 with a Bank under moratorium)		1,07,51,345 03
13,00,142 47	**3. Money at call and short notice**		12,44,000 00
	4. Investments (At cost)—**		
	(i) Securities of the Central and State Governments (Terminable loans) and other Trustee Securities, including Treasury Bills of the Central and State Governments		14,44,94,915.57
13,84,19,387.07	Face Value Rs. np. / Market Value Rs. np.		
	Quoted .. 14,47,47,800.00 / 14,18,17,568.45		
	Unquoted 4,71,465.00 / 4,71,465.00 (Nominal value)		
	(ii) Shares (quoted)—		
	Preference (other than Banking companies) Fully paid Rs. 66,900.00		
	Ordinary (Banking and other companies)		
	Fully paid— Rs. np. / Rs. np.		
	Quoted .. 26,402.00		
	Unquoted .. 3,00,000.00 / 3,26,402.00		
	Partly paid—		
	Quoted .. 1,18,019.50		
	Unquoted .. 4,00,000.00 / 5,18,019.50		
18,13,321.50	(Quoted shares Market Value Rs. 1,42,240.00) (Unquoted shares paid-up value Rs. 7,00,000.00)		9,11,321.50
3,83,500.00	(iii) Debentures : Face Value (Unquoted) Rs. 3,83,500.00		3,83,500.00
25,71,711.47	(iv) Other Investments:—(Quoted)— Malayan and F. M. S. Terminable Loans Face Value St. $20,86,000 (Market Value Rs. 29,58,457.48)		31,93,711.48
1,62,035.51	British 3 per cent. 1960-70 Loan Face Value £14,724-12-2 (Market Value Rs. 1,54,185.19)		1,62,035.51
10,01,011.00	Ceylon Government Terminable Loan— Face Value Rs. 10,01,000 (Market Value Rs. 9,91,241.25)		10,01,011.00
42,500.00	Ceylon Development Finance Corporation Shares Paid up Value Rs. 50,000.00 (Market Value Rs. 35,000.00)		35,000.00
Nil	(v) Gold		Nil
14,38,93,466.55	**5. Advances—** (Other than bad and doubtful debts for which provision has been made to the satisfaction of auditors		15,01,81,495 06
	(1) Loans, Cash Credits, Overdrafts etc.— Rs. np.		
20,68,88,441.24	(i) In India .. 20,37,65,560.88		
1,42,91,746.52	(ii) Outside India .. 1,43,31,766.89	21,80,97,327.77	
	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
	(i) Payable in India .. 3,86,74,234.94		
4,73,14,163.48	(ii) Payable outside India .. 1,58,95,742.47	5,45,69,977.41	
2,04,72,383.53	Particulars of Advances : See separate Statement appended.		27,26,67,305 18
28,84,66,734.77	**6. Bills Receivable being Bills for Collection** as per contra—		
	(i) Payable in India ..	2,11,53,006.31	
	(ii) Payable outside India	1,35,13,719.70	
		3,46,66,726 01	
3,07,95,024.75	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		2,69,65,893 89
4,49,11,273.54	**8. Premises—** Rs. np.		
	At cost as at 31st December 1950 .. 20,15,587.16		
16,20,581.27	Additions during the year .. 1,49,295.00		
3,95,055.89		21,64,882 16	
20,15,587.16	LESS—Depreciation written off to date ..	7,08,010 81	
6,31,791.67			14,56,871 35
13,83,795.49	**9. Safes, Furniture, Fixtures, etc.—** Rs. np.		
	At cost as at 31st December, 1959 .. 20,22,056.50		
18,26,925.33	Additions during the year .. 3,33,594.66		
2,39,006.79		23,55,651 16	
20,65,932.12	LESS—Deductions during the year ..	32,412 21	
43,875.62			
20,22,056.50	LESS—Depreciation written off to date	23,23,238 95	
9,73,071.97		11,72,043 87	
10,48,984.53			11,51,195 58
	10. Other Assets, including Stivor—		
8,75,421.07	Books and Stationery	10,49,761 82	
	Sundries Receivable (including advance Income-tax amounting to Rs. 34,34,116.59) ..	39,38,886 29	
51,61,512.84	Interest Accrued on Investments	16,45,180 92	
15,41,870.37	Stamps and Drafts	26,456 09	
49,411.96	Silver	Nil	
Nil			
76,28,216.24			66,55,285 12
2,59,761.95	**11. Non-Banking Assets Acquired in Satisfaction of Claims** (At Cost—Either reserve price fixed by Court or purchase price paid at public auction).		1,53,601 95
	** Includes investment of Staff Security Deposits		
56,83,53,767.41	Total Rupees		54,37,89,088 35

THE INDIAN BANK LIMITED, MADRAS—*Continued*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960.

Corresponding figures 31st Dec. 1959 Rs. np.	EXPENDITURE	Rs. np.	Rs. np.
1,16,48,216 16	1. Interest paid on deposits, borrowings, etc.	1,14,86,963 10	
80,09,106 41	2. Salaries and allowances, Provident Fund, Bonus, etc.	91,83,041 55*	
	*Includes gratuity of Rs. 48,000 paid to Ex-Secretary (Salary and Allowances etc. to Secretary Rs. 30,266 nP. 67 Ag. Secretary Rs. 8,027 nP. 13 Ex-Secretary Rs. 4,465 nP. 21)		
1,31,661 12	3. Directors' and Local Committee members' fees and allowances	1,32,238 02	
7,38,632 62	4. Rent, Taxes, Insurance, Lighting, etc.	8,88,593 41	
11,838 56	5. Law Charges	45,545 51	
5,66,970 43	6. Postage, Telegrams and Stamps	6,05,365 50	
26,581 65	7. Auditors' Fees	32,852 75	
2,61,957 87	8. Depreciation on and repairs to the banking company's property	3,13,562 24	
6,32,734 15	9. Stationery, Printing, Advertisement, etc.	7,32,648 16	
Nil	10a. Loss from sale of or dealing with non-banking assets	Nil	
Nil	10b. Net loss on sale of investments	Nil	
8,96,732 95	11. Other Expenditure	11,14,055 39	
36,84,210 42	12. Balance of Profit (Subject to taxation)	40,32,080 89	
2,66,98,702 34	Total .. Rs.	2,85,66,946 61	

Corresponding figures 31st Dec. 1959 Rs. np.	INCOME (Less provisions made during the year for Bad and Doubtful Debts and other usual or necessary provisions.)	Rs. np.
2,15,84,797 75	1. Interest and Discount	2,20,67,387 69
46,91,459 08	2. Commission, Exchange and Brokerage	51,02,375 30
89,279 76	3. Rents	1,20,312 86
38,376 49	4. Net profit on sale of investments, gold and silver, land, premises and other assets. (Not credited to Reserves or any particular fund or account)	984 15
Nil	5. Net profit on revaluation of investments, gold and silver, land, premises and other assets. (Not credited to Reserves or any particular fund or account)	Nil
9,531 57	6. Income from non-banking assets, and profit from sale of or dealing with such assets	6,072 75
2,85,257 69	7. Other receipts	3,69,813 86
2,66,98,702 34	Total .. Rs.	2,85,66,946 61

PARTICULARS OF ADVANCES referred to on the Assets side of the Balance Sheet as at 31st December, 1960.

31-12-1959 Amount Rs. np.	PARTICULARS	Amount Rs. np.
22,25,21,142 77	(i) Debts considered good in respect of which the Banking Company is fully secured	23,56,45,333 82
5,18,31,836 23	(ii) Debts considered good for which the Banking Company holds no other security than the debtor's personal security	3,45,27,371 64
	Advances under Joint and several Promotes/ liabilities including Bills Discounted and Purchased Rs. 2,47,60,636 08	
	Advances to individual parties including Bills Discounted and Purchased 97,66,735 56	
1,26,59,559 74	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	19,07,848 50
14,54,196 03	(iv) Debts due on temporary overdrafts and other advances	5,86,751 22
Nil	(v) Debts considered doubtful or bad not provided for	Nil
28,84,66,734 77	Total .. Rs.	27,26,67,305 18

31-12-1959 Amount Rs. Rs.	PARTICULARS	Amount Rs. np.
1,71,141 78	(vi) Debts due by Directors or officers of the Banking Company or any of them either severally or jointly with any other persons (of which Rs. 2,45,334 24 is fully secured)	2,77,215 93
1,80,28,565 97	(vii) Debts due by companies or firms in which the Directors of the Banking Company are interested as directors, partners or managing agents or in the case of private companies, as Members (of which Rs. 53,54,368 51 is fully secured)	66,56,430 60
1,84,634 23	(viii) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or officers of the Banking Company or any of them either severally or jointly with any other persons (of which Rs. 2,70,035 46 is fully secured)	3,10,991 64
	(ix) Maximum total amount of advances, including temporary advances granted during the year to companies or firms in which the directors of the Banking Company are interested as Directors, partners or Managing Agents or in the case of private companies, as members [of which (a) Rs. 50,25,890 09 is fully secured and (b) Rs. 1,60,76,655 48 is due by a company where a director of the Banking Company is an *ex-officio* director and the advance is guaranteed by a State Government]	2,24,12,735 00
2,02,51,220 45	(x) Due from Banking Companies	5,36,656 23
7,01,399 55		

We have audited he above Balance Sheet of the Indian Bank Limited as at 31st December 1960 and also the above Profit and Loss Account of the Bank for the year ended on that date with the books of account of the Head Office and Branches other than those in in Malaya and Singapore. The accounts of the Branches in Malaya and Singapore were audited by auditors qualified under the laws of those countries and appointed by the Board of Directors before the Companies (Amendment) Act 1960 came into force. The Bank has applied for necessary exemption to the Central Government. We report that :—

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;

(b) Such information and explanations have been found to be satisfactory ;

(c) The returns received from the Malayan and Singapore branches have been found adequate for the purpose of our audit ;

(d) The transactions of the Bank as have come to our notice have been, in our opinion, within the powers of the Bank ;

(e) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required, subject to the note appended to the Balance Sheet.

(f) In our opinion,
(i) the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December 1960,
(ii) the Profit and Loss Account gives a true and fair view of the Profit and Loss for the year ended that date and shows a true balance of profit for the period covered by the audit ; and
(iii) proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books ; and

(g) The Bank's Balance Sheet and the Profit and Loss Account dealt with by the Report are in agreement with the books of account and returns.

B. PURUSHOTTAM & CO.
SUNDARAM & SHINIVASAN
V. SOUNDARARAJAN & CO.
BRAHMAYYA & CO.
KARRA DAKSHINAMURTHY
Chartered Accountants. } *Auditors.*

MADRAS, Dated 6th *March*, 1961.

M. A. M. MUTHIAH CHETTIAR
R. K. VENKATACHALAM
R. SUNDRAM IYER
T. S. KACHAPIKESA MUDALIYAR
O. M. SP. L. M. MEYYAPPA CHETTIAR
M. A. MUTHIAH CHETTIAR
Directors.

C. RAMASUBBAN
RAMDOSS PURUSHOTHAMDOSS
L. ALAGUSUNDARAM CHETTIAR
P. V. RM. KULANDAYAN CHETTIAR
K. BALASUBRAMANIA IYER
E. M. MUTHAPPA CHETTIAR

S. MUTHUSWAMI, *Ag. Chief Accountant.*
T. RAMAKRISHNA RAO, *Dy. Secretary.*
G. S. SUNDARAM, *Secretary.*

CHAIRMAN'S SPEECH

THE ALKALI & CHEMICAL CORPORATION OF INDIA LIMITED

RECORD PRODUCTION AND PROFITS

MR. J. M. LALL ON THE ROLE OF RETAINED PROFITS

THE following is the full text of the speech delivered by the Chairman, Mr. J. M. Lall, at the Twenty-fourth Annual General Meeting of the Alkali & Chemical Corporation of India Ltd., held at Calcutta on Wednesday, 22nd March 1961:

"GENTLEMEN,

"The audited accounts and Directors' report have been in your hands for sometime, and with your permission, I shall take them as read.

"The results shown by these accounts need no emphasis from me; the figures speak for themselves as evidence of the most successful year in the Company's history so far. How have these highly satisfactory results been achieved?

Production

"In the year under review we had the benefit of a full year's production of polythene granules for the first time. The polythene plant, you will remember, has an installed capacity of 3,500 tons but, largely as a result of a methodical, scientific study of the working of the plant, we were able to achieve an output of 4,000 tons. A notable increase was also achieved in the output of paints and here again scientific study of the processes and increased efficiency in production planning were largely responsible. Even more paint could have been produced had it been possible to import a larger quantity of raw materials. We must expect this scarcity of imported materials to continue and we are, therefore, constantly seeking and evaluating raw materials produced in this country.

"While the major increases in production have come from the two plants I have mentioned, all other plants also contributed.

Sales

"Sales which, as you know, are made through our selling agents, Imperial Chemical Industries (India) Private Limited, kept pace with this increased production and the final figures achieved were Rs. 5.4 crores, as against Rs. 3.4 crores in the previous year. Throughout the year, demand for all our products was in excess of our ability to supply and a ready market exists for any increases in output which we are able to achieve this year. An important part in the development of demand for our products, and particularly such materials as polythene and high quality paints, is played by the technical service organisation of our selling agents which provides a comprehensive service to all our customers and helps them to use our products economically and with good and sound technical results.

Appropriations

"Let me turn now to the proposals your Directors have made as to the use to which the available surplus of approximately Rs. 88.5 lakhs is to be put. They have recommended allocations of Rs. 48 lakhs to reserves and Rs. 39.2 lakhs to dividends.

"Some of you may well ask why the Board have not recommended distribution of a larger part of the profits in dividends. The Board considered this matter very thoroughly and in their deliberations were guided by the following factors:

(*a*) Last year we withdrew from the dividend equalisation account Rs. 13.8 lakhs, the entire amount standing to the credit of that account. In addition, a sum of Rs. 10 lakhs was withdrawn from general reserves to make up the amount required for dividend on ordinary share capital. The Board are of the opinion that these withdrawals should now be made good and the reserves brought up to levels commensurate with the Company's activities.

(*b*) The Company's indebtedness to banks stood at Rs. 1.24 crores at the end of the year.

(*c*) We have on hand a large programme of expansion which will require about Rs. 6 crores during the next three years or so.

(*d*) A progressive but consistent dividend policy is essential for the strength of the Company and prestige of its stock in the market.

"Your Directors believe that self-generation of resources is as important for the growth of a company as it is for the economy of a country. In reaching the 'take-off' stage, as the modern economist puts it, retained profits have a very important role to play. Nevertheless, your Board are fully conscious of their duty to the shareholders and hope that you will not regard a dividend of 12 per cent, before tax, as inadequate.

"The provisions in the recent Budget, if accepted by Parliament will materially affect your Company in the current year and in the future. Apart from the reduction from 25 per cent to 20 per cent in development rebate and increases in duty on the import of plant and machinery, substantial new excise duties have been imposed on polythene and caustic soda, and the duty on paints has been increased. For the year to September 1960, your Company paid excise duty amounting to approximately Rs. 12 lakhs. For the current year, which will only have seven months of the new and enhanced duties, the excise bill will be Rs. 45 lakhs and, for a full year's operations, the total excise duty may amount to as much as Rs. 70 lakhs. As you will appreciate, no company can absorb such a large debit and the bulk of this must perforce be passed to consumers. We must realise, however, that competition in these products is growing and to increase prices to recover such a large amount from consumers is not likely to be easy.

"I would like, at this stage, to refer briefly to the delay which occurred in the payment of the half-yearly preference dividend which normally occurs in April and October of each year. The withdrawal of Section 18(3E) of the Indian Income-tax Act, 1960, raised certain difficulties in connection with the payment of preference dividends and there arose also considerable uncertainty as to Government's intentions regarding the treatment of tax-free preference dividends. In these circumstances, your Board thought it prudent to defer payment until the position was clear beyond doubt, but this clarification took a long time to achieve and amending legislation was not passed until the end of 1960. A full year's dividend has now been paid in conformity with this legislation but my colleagues and I would like to express to preference shareholders our regret at the considerable inconvenience which was caused to them.

"All our shareholders will, I think, be glad to hear that we have now been able to arrange with our bankers that all future dividends can be paid at par at any of their branches.

Prospects

"So much for the past. What of the future? Production and sales in the current year have been satisfactory so far and in line with the increased targets which we have set ourselves. Methodical studies of the working of each of our plants and improvements in preventive maintenance are enabling us to increase production still further. In our caustic soda business, Government has taken note of our difficulties arising from the substantial rise in the price of salt and has acted promptly to authorise us and other caustic makers to charge a higher price.

"I referred in my speech last year to our plan for making various chemicals for the rubber industry at Rishra at a cost of Rs. 2 crores. Work is proceeding steadily on this project.

"I have already referred to increases in output of polythene granules achieved by the application of work study techniques without any additional capital investment. Demand for polythene in India has grown so quickly that it has become urgently necessary to extend our capacity. Government has now agreed that we may expand our capacity by more than two and a half times and this expansion is being pushed forward as matter of the highest priority. As with the first plant, our technical consultants are Imperial Chemical Industries Limited, London, and I would like to record our gratitude for the prompt and effective help which they have given and are giving us, in order to bring this extra capacity into production within the shortest possible time.

"I have also referred to the substantial increases which we have been able to achieve in the output of our high quality paints. Despite this, demand within India is increasing so rapidly as a result of the country's general industrialisation, that it is urgently necessary to put in a substantial increase in capacity. This extra capacity will enable us to meet internal demand and, what is equally important, help us to expand the valuable export business in paints which we have been able to develop over the last year or so. Our proposals to increase our paints capacity are at present under discussion with the Government and we have every hope that the outcome will be successful.

"In addition to these projects we are also actively investigating plans to increase our production of chlorine, caustic soda and hydrochloric acid.

"These plans for new projects or substantial expansion of existing projects are made possible largely because of the readiness of our associates in the U.K., Imperial Chemical Industries Limited, to provide sterling finance for the import of plant and machinery.

"Shortage of foreign exchange is one of India's major problems. I know that the Government of India are doing everything possible to find a solution to this problem and are meeting with a fair measure of success in arranging Government-to-Government or World Bank loans. I would like to suggest, however, that the private sector of the economy also is playing a very important role in this endeavour. Willingness of foreign private investors to come into a country without any political pressures is indicative of the strength and stability of the economy of the country. Admittedly, the aggregate of such foreign private investment in any one of the years of the second Plan is small in comparison with governmental aids but I maintain that the real effect of this foreign private investment in these years is seen not in the quantum but in the climate it has created. Governmental thinking overseas must be influenced to quite an extent by the independent expression of confidence by the foreign private investor.

Staff and Workers

"May I turn now to the most valuable asset which your Company possesses, although you will not find it in the balance-sheet: I refer of course to our staff and workers, without whose loyal support and conscientious work, machines, no matter how efficient or well designed, can achieve nothing.

"Throughout the year we have laboured to build up a team spirit and a sense of common purpose among all sections of our employees. On the whole these efforts have been successful and the relationship between management and workers has been reasonably good. Differences there have been, and still are, but they are all, in my view, capable of a right and just solution if they are approached by both sides in a spirit of goodwill and with a genuine desire to find agreement. That such solutions should be found and found quickly is of importance not only to the employees themselves, to the Company and to its shareholders but, above these three, to the country as a whole.

"During the year we were able to complete improved amenities for our workers by building

(*Continued in next page*)

Australia, New Zealand, and Fiji offer opportunities to exporters and importers and the International Division of the Bank of New South Wales can help those interested.

The Bank's complete banking service includes such specialized facilities as trade and industrial enquiries, economic and trade information, and a complete travel service. The Bank, through more than 1,000 branches and agencies, is closely and constantly in touch with industry, business, and agriculture in the areas it serves.

Enquiries may be made through your own bankers or direct to

BANK OF NEW SOUTH WALES
INTERNATIONAL DIVISION
John W. McEwen, Chief Manager
HEAD OFFICE: SYDNEY, AUSTRALIA

First and largest commercial bank operating in Australia, New Zealand, Fiji, Papua and New Guinea, with three branches in London.

IP6051

IRRIGATION AND POWER IN SECOND PLAN

UNION MINISTRY'S REVIEW OF PERFORMANCE

IN the report for 1960-61 just issued by the Union Ministry of Irrigation and Power, there are to be found some interesting details which add up to a more or less complete picture of physical performance in the fields of irrigation and power in the second Plan period. As far as irrigation is concerned, it is claimed that, as a result of the various measures taken to speed up the utilisation of irrigation potential created by the major and medium projects of the first and second Five-year Plans, there has been a marked improvement in the utilisation of irrigation benefits towards the latter half of the second Plan period. From the figures compiled for the report, it is seen that, in the first Plan period, an additional area of 2.9 million acres was brought under irrigation by major and medium projects and that, in the second Plan period, a further additional area of 6.1 million acres will have been brought under irrigation from such projects. These figures, it is stated, represent actual utilisation in terms of net irrigated acreage which means the actual area irrigated irrespective of the number of crops grown on that irrigated area. A consolidated picture of new irrigation potential and its utilisation is given in the following table:

(In million acres)

End of year	Potential at channel outlets for gross irrigation	Utilisation	
		Gross	Net
1955-56	6.5	3.3	2.9
1956-57	7.3	4.1	3.4
1957-58	8.1	5.7	4.9
1958-59	9.6	6.4	5.9
1959-60 (estimated)	11.7	8.6	7.4
1960-61 (anticipated)	14.0	10.5	9.0

It may be worked out from the above figures that, whereas actual utilisation represented only about 50 per cent of new potential at the end of the first Plan, as much as 75 per cent of the new potential will have been actually utilised by the end of the second Plan. If the estimates of utilisation for the last two years of the second Plan turn out to be true, it will be a very creditable performance indeed. But, at the same time, it must be remembered that this performance is under major and medium projects only. If the progress of irrigation from all sources is considered, the results do not seem to be so very flattering. In this context, it may be recalled that the net area irrigated from all sources at the end of 1950-51 (that is, at the beginnning of the first Plan) was 51.5 million acres. In 1957-58, the latest year for which the Union Ministry of Food and Agriculture has just published the statistics pertaining to irrigated area, the net area irrigated from all sources was 57.1 million acres. These figures must be deemed reliable, for they are based on the returns of the State Revenue Departments which maintain the irrigation statistics and records.

It would appear from these figures that the increase in net irrigated area between 1950-1951 and 1957-58 was to the tune of 5.6 million acres. If the Irrigation Ministry's figure, in the above table, of 4.9 million acres of additional net irrigated area in 1957-58 is deducted from the said 5.6 million acres, it is found that only 0.7 million acres of additional area must have been irrigated from tanks, wells and other minor irrigation sources. This figure of 0.7 million acres, which is an index of poor performance in the field of minor irrigation, can only mean that either the vaunted progress therein is very much exaggerated or the development of new minor irrigation sources has been accompanied by the non-use or disuse of older sources. Since thus *practically* no *net* addition to the area under minor irrigation is taking place, it may be broadly estimated that the entire net irrigated area in the country in the end-year of the second Plan will be in the neighbourhood of 61 million acres only, representing just 19 per cent of the net sown area. At this rate of progress, one wonders how many Five-year Plans will be required to bring at least 50 per cent of the entire cultivated area under irrigation. It may also be noted here that the expenditure incurred on major and medium irrigation projects alone in the 10-year period (1951-61) will have come to a total of about Rs. 750 crores and that the amount required in the third Plan period for completing the major and medium schemes taken up in the first and second Plans will be about Rs. 470 crores. This latter figure of Rs. 470 crores on account of major and medium projects only is included in the total outlay of Rs. 635 crores envisaged under the irrigation head in the third Plan.

The report of the Ministry of Irrigation and Power is more notable for the succinct account it has given of the progress in the field of power generation. At the end of the first Plan, according to this review, the installed generating capacity of power plants in the country was 3.4 million kw. The second Plan, as originally formulated, provided for an increase of 3.5 million kw. in installed generating capacity. Of this, 2.9 million kw. was planned in the public sector, 0.3 million kw. in the private sector and 0.3 million kw. in self-generating industrial establishments. The Plan also envisaged the construction of 35,000 miles of high voltage transmission lines and an adequate number of transformer stations and the electrification of about 10,000 villages. This programme had, however, to undergo some changes from time to time, mainly because of the paucity of foreign exchange for import of plant and equipment, resulting in curtailment of the target by 1.2 million kw.

During the first four years of the second Plan, the installed capacity rose only by about 1,387,300 kw., bringing the total by the end of 1959-60, to 4.80 million kw. (comprising 3.87 million kw. in the public and private sectors and 0.93 million kw. in the self-generating industries). A total of 895,000 kw. will have been added in 1960-61, that is, in the fifth and last year of the second Plan. The total generating capacity added under the second Plan will thus come to 2,282,800 kw. as against the original target of 3,500,000 kw. As for transmission lines and rural electrification, it is noteworthy that 36,000 miles of 11 kV and above lines were constructed in the first four years of the second Plan and about 11,000 villages (each with a population below 10,000) will have been electrified by the end of that Plan.

As for the third Plan, the proposed power schemes, involving a total revised outlay of Rs. 1,112 crores, are expected to add about 7.6 million kw. (3.7 million kw. from hydro schemes and 3.9 million kw. from thermal schemes) to the installed generating capacity, raising it to 13.3 million kw. at the end of the Plan. The additional capacity to be created includes 2.8 million kw. to be yielded by schemes continuing from the first and second Plans. The transmission network is proposed to be extended by about 80,000 circuit miles of 11 kV and over. It is estimated that about 20,000 small towns and villages will also be electrified during the third Plan.

It may be mentioned here that power development in the 10-year period (1951-61) has involved an outlay of Rs. 720 crores in the public sector, Rs. 70 crores in the private sector and Rs. 40 crores in self-generating industrial establishments. In all, therefore, an outlay of about Rs. 830 crores was made during the 10-year period for adding 3.4 million kw. to installed generating capacity. It is a moot question whether an additional generating capacity of 7.6 million kw. can be added in the third Plan period with an outlay of no more than Rs. 1,110 crores. Further, unless the private sector's share of Rs. 50 crores or so in the proposed outlay is increased and that sector is permitted to expand existing plants and establish new ones, the country may be heading for a relatively greater disappointment than in the second Plan period when the original target of 3.5 million kw. of additional generating capacity had to be cut down to 2.3 million kw. There can be no room for complacency in this basic field of power.

SEA WATER CONVERSION PLANT IN THE CARIBBEAN

St. Thomas, a tourist centre in Virgin Islands in the Caribbean, will have, by the end of this year, a sea water conversion plant, designed by Bechtel Corporation, an international engineering firm. The plant is presently under construction and will cost $2.5 million. It is designed to remove all traces of salt from sea water and supply 275,000 gallons of perfectly pure drinking water per day at a cost of $1.75 per 1,000 gallons.

Sea water will be purified in the plant by the multi-stage flash process. In this process, the incoming salt water is heated by low pressure steam and is passed through a number of successive compartments or stages in a large evaporator tank. As the heated salt water goes from stage to stage, it losses some of its heat, dropping approximately two to three degrees (Fahrenheit) at each stage. As the temperature drops, a part of the water evaporates. This water vapour, completely free of salt, is condensed in each stage and the condensate is extracted from the final compartment. It is then pumped to a community reservoir for distribution to homes, hotels and other users.

The St. Thomas plant will use a total of 28 stages of distillation. Steam for heating the salt water will come from two 30,000-lb. per hour boilers. The plant has been designed in such a way that it will be possible to add another water treatment section at a later time without having to enlarge the Steam supply phase. When completed, the conversion plant will be very nearly automatic in operation. Only two men will be required to keep it running.

The St. Thomas plant, incidentally, will be useful in the generation of electric power as a sideline. Part of the steam which the plant will require for purification of the salt water will be used to drive a Worthington Corporation (U.S.A.) turbine-generator. This will turn out about 2,500 kw. of power for domestic and commercial use in St. Thomas and also for driving the pumps and other electrically driven equipment in the conversion plant.

PARSONS TURBO-GENERATORS

Four 500,000-kw. single-line turbo-generators are to be supplied by Messrs. C. A. Parsons and Co. Ltd. of Newcastle-upon-Tyne to the Central Electricity Generating Board of the United Kingdom, according to a Press release issued by the Company. These four machines alone are equivalent to an increase of more than six per cent. in the total capacity of generating plant at present installed in that country. The value of the order, which will include the associated feed-heating plant and turbo-driven boiler feed pumps, will be about £13 million.

This new order will make a total of six machines of 500,000 kw. capacity (and over) to be constructed by Parsons for service in the U.K. and overseas. One of these a 550,000-kw. machine, was the first of such a size to be ordered in Great Britain and is to be installed in the Thorpe Marsh Generating Station in Yorkshire. It will be commissioned early in 1963. Another 500,000-kw. machine under construction now, is intended for installation in the Colbert Steam Plant of the Tennessee Valley Authority of the United States. This machine will be the largest ever to be exported by any country.

'DRACONE' CONTAINER FOR SEA TRANSPORT

The Dracone Developments Ltd., London, has just tested in Southampton waters a 200-ft. 'Dracone,' containing 100,000 gallons of kerosene. This, the latest 'Dracone,' is a flexible, towed container for sea transport and is coated on the outside with neoprene synthetic rubber which resists abrasion, flex fatigue, sunlight, ozone, salt water and grease. It is two hundred feet long and ten feet in diameter. It is made of woven nylon, proofed on the inside with acrylonitrile rubber and coated on the outside with neoprene synthetic rubber manufactured by Du Pont Company. The nylon material, with its inside proofing and outside coating, has a thickness of 0.237 inch.

This 'Dracone' can carry any liquid that is more than two per cent lighter than sea water. There is no need for an air space to keep it afloat and thus no risk of an explosive mixture building up inside. When loaded, it has a freeboard above the water level of 22 inches and a draught of 63 inches, carrying a liquid load of 350 tons. When empty, it weighs 6.3 tons. Filling is done through one connection at the tail end and unloading is carried out by suction pump.

ALKALI & CHEMICAL CORPORATION OF INDIA LIMITED

(*Concluded from previous page*)

more quarters for them, and arranging for subsidised accommodation in the West Bengal Government's housing project at Baidyabati.

Training Schemes

"Training is, of course, of vital importance to your Company and indeed to the country as a whole at this time of rapid development. To help meet the need for trained fitters and the like we have established a Craft Apprentice Training School, the aim of which is to provide your Company with a steady supply of skilled craftsmen. We have also undertaken to train such men, on behalf of the Government of India, as a contribution to the country's needs. Our policy of appointing Indian staff to responsible management positions has been assiduously pursued and I am happy to be able to report to you that, with the exception of the Technical Director at Rishra, the entire management of that complex chemical manufacturing site is in the hands of Indian staff and they are discharging their responsibilities most efficiently.

"We had the privilege, a few weeks ago, to welcome to Rishra Mr. S. P. Chambers who is now the Chairman of Imperial Chemical Industries Limited, London. You will, I know, be pleased to hear that he was greatly impressed by all he saw at your factory and paid particular tribute to the high morale and enthusiasm which he found there.

"These then were the achievements of your Company in the year ended September 1960. The years ahead hold out a great challenge to all who are concerned with the development of a vigorous and prosperous chemical industry in this country. They will bring their problems and their difficulties but they will also, I am sure, bring great achievements. In the building of this chemical industry your Company has an important part to play. We face that future with sober confidence."

NOTE: This does not purport to be a record of the proceedings.

THE CASE FOR INDUSTRIAL PARTNERSHIP—A THEORETICAL APPROACH

By B. N. Mehrotra

THE term "worker-participation" has gained wide currency in recent years, but the idea is not a new one. It had enthusiastic supporters in the past as well. In its elementary form, it has been practised in a number of countries for the last four decades. The Second World War gave impetus to it. The emergency caused by the war highlighted the importance of human element in industry. It required a national crisis to remind us of the "man behind the wheel," but, fortunately, the interest in this aspect of labour-management relations survived the war and, practically in every country, the workers are being associated in one form or another with the general operation of the industrial undertakings. Various terms are used to represent this idea such as Joint Consultation, Co-determination, Auto-management, etc. The names borne by the agencies executing the idea and the quality and content of 'participation' also vary from country to country; but the underlying idea is always the same.

Worker-participation is expected to serve certain definite purposes in a modern society which can be broadly classified under two heads—economic and social. Economic purposes are: to increase production, enhance productivity and improve industrial relations. Social purposes are: to recognise the dignity of man as man, to save the worker from the inferiority of status, to satisfy his urge for self-expression and to make democracy really democratic. Each one of these purposes is important in itself and they are all closely related.

Productivity

Nations live as they produce. In the ultimate analysis, a nation's standard of living is determined by the amount of goods and services that it is capable of producing. Productivity is the key to industrialisation of underdeveloped countries. Productivity is a function of many factors, such as technological development, quality of raw material, efficiency of management, attitude of labour, etc. The last factor is now receiving considerable attention and a vital problem facing all managements is: How to get the most out of their men?

In the early stages of industrial revolution, the management followed the policy of coercion and threat. The workers were coerced to do the day's work under threats of severe penalties. It is not surprising that that policy worked. The worker knew that the only alternative to the employer's threatening and dictatorial attitude was unemployment and starvation. This philosophy is now completely out of date and outmoded. The workers can no longer be driven to higher output by fear of the sack. High morale and high productivity go hand in hand. In actual practice the theory of creating a fear of unemployment was discarded long ago. The inhuman treatment to which the workers were subject stirred the conscience of men. A number of factors, prominent among which were the pressure of public opinion, the awakening of labour, the recognition of the right to collective bargaining and State regulation of conditions and terms of employment drastically curtailed the arbitrary powers of management. The search for other methods to secure workers' maximum co-operation led to the 'discovery' of "incentive methods." It was believed, and rightly so, that workers will be tempted to more and better work by higher wages and other economic benefits and a number of incentive schemes and gain-sharing plans were evolved. The carrot worked better than the stick. But in the present-day world even these monetary incentives are proving inadequate for the purpose. Money is not everything. Men want to be happy in the earning of money. In advanced countries, the workers take higher wages and other economic benefits for granted and the possibility of earning a little more provides no temptation. In underdeveloped countries financial incentives still have some limited utility. Incomes are low and standard of living miserably poor. Monetary incentives, therefore, cannot be altogether ignored. Moreover, it is always better to rely on several incentives working in the same direction rather than on one single incentive.

Human Behaviour

Human behaviour in industry is influenced by a complex of economic, psychological and social forces. There are certain broad drives which profoundly influence human conduct. The more important of these are: man's sense of dignity, the need for the esteem of others, the instinct of survival, the desire for security and social consciousness.[1] The important thing is to give men a sense of purpose, a sense of status and function and a feeling of participation. Efficiency can only be obtained if the workers can be induced to accept responsibility for helping to make it efficient; but they cannot be expected to undertake that responsibility, unless they are entitled to play some part in the determination of that responsibility. If the workers realise that the industry belongs to them as much as to the owners of capital, they will throw their heart and soul into the work. This realisation can come only if they are treated as partners in industry. Where workers are totally excluded from policy-making, they may have to watch the mistakes of management and avoidable wastes as silent spectators without any right to intervene to improve matters. This feeling was expressed by a mine worker in the following words: "My employer does not give us wages and bonus simply saying his business has a deficit. If he would try to explain us the reasons for the deficit and how large it is, we would spare no efforts to solve the problem.[2] Such a situation is obviously not conducive to healthy co-operation between employers and employees.

The association of workers with management to increase production is necessary not only on psychological grounds but also on technical grounds. It provides the management with an opportunity to benefit by the collective and cumulative wisdom of workmen. It may be said that the enterprise which has in employment a number of technical experts can expect nothing new or useful from an ordinary worker. This view, however, is not correct. The man on the spot is expected to know better. "All push buttons and gimmicks of automation will never replace the robust commonsense and acumen of man—the worker." Moreover, two opinions are always better than one. No one can think of everything and it is unwise to refuse the help of several hundreds of active brains who spend their days right next to the job. "Mind your business" or "you are paid to work and not to think" attitudes damp the enthusiasm of the workmen. The result is "the sapping of the fountain of initiative and flow of ideas."

"Second Industrial Revolution"

The last decade has witnessed some important technological developments which will have profound repercussions on the whole field of productivity. I refer to the discovery of nuclear energy and the movement towards automation. Both of them go together. The significance of this development can be judged by the fact that even competent observers describe it as "Second Industrial Revolution." The movement is bound to grow, because of its manifold advantages, but, at the same time, it will raise a host of technical and human problems such as the transfer of workmen displaced as a result of the introduction of automatons to the new jobs, the retraining of men, reclassification and re-evaluation of jobs, the determination of a new wage structure, etc. In addition to these, there will be some social problems. As Elton Mayo observed, "When groups change ceaselessly as jobs and mechanical processes change, the individual invariably experiences a sense of loss." (Elton Mayo—*Social Problems of an Industrial Civilisation.*)

The future prosperity depends on a successful solution of these problems. Can the industry meet this challenge single-handed without the co-operation and consent of those who are affected by the proposed changes? Men are by nature conservative and their resistance to change is proverbial. There is always the fear of the unknown. "With no opportunity to participate in a discussion of the proposed changes or to co-operate in introducing new methods, workers will fear that their interests will suffer for a change." (Lester R. A.—*Economics of Labour.*) This resistance and fear can be toned down only by a co-operative effort on the part of labour and management. If the workers are taken into confidence, the matter is discussed with them and their opinion on the possible courses of action is sought, some solution acceptable to both parties is bound to emerge. Any attempt to solve these problems in an arbitrary manner will disturb industrial relations most gravely.

It will not be out of place to mention that, after the First World War, nationalisation of the means of production was strongly advocated as the best method for securing workers' co-operation. But the experiments in nationalisation since the Second War and the manner in which nationalised industries have been functioning have not justified this optimism. The productivity in public enterprises is not higher nor are the industrial relations better. Nationalisation has not brought about any fundamental change in the psychology of workers. The change of heart hoped for has not come about. The plain truth is that the workers' attitude to work has not much to do with ownership; it is more a function of the quality of management. If management is democratic, the relations will be cordial and the workers' morale high; if it is autocratic, there will be confusion and chaos. "Management by consent" is a more effective and more reliable method than nationalisation for securing workers' wholehearted co-operation.

An Essential Prerequisite

The establishment and maintenance of harmonious relations between employers and employees is an essential prerequisite for productive efficiency and industrial progress. Apparently, industrial conflicts arise because of a clash of interests between the two main working groups in industry, that is, owners of capital and suppliers of labour; yet, there are other aspects of the problem which are equally, if not more, important. Psychological and social factors have as much bearing on the problem of industrial relations as the economic factors; recent trends indicate that these other factors are actually getting the upper hand and the economic forces are being relegated to the background. Till very recently, it was generally believed that "industrial antagonism" was caused by economic distress. But now we find that, even in its absence, a surprising amount of unrest prevails. Discontentment is rather more among the higher paid workers. The steel workers of U.S.A.—the highest paid in the world—are reported to be the most 'aggressive.' Crosland's analysis is that "antagonism has not an economic but a sociological origin ... resentment against social inequality ... the discrepancy between the new economic and the old social status."[3] The worker of today in the developed nations has a larger income, a better standard of living and a higher economic status than was the case a decade or two ago. He is conscious of this improvement in his economic position. As a citizen also he has equal rights. But when he goes to the factory, he finds no change in his status; he is still a "wage earner." He finds it difficult to reconcile himself to this glaring contrast in his status between the hours of work and the hours of leisure. The result is resentment and discontentment. There is thus a clear case for reducing, if not eliminating altogether, non-pecuniary inequalities and removing the disparity between the workers' economic and social status. This can be done by giving the worker the status of partner in industry. Kind and sympathetic attitude is not enough. "Mere benevolence," said Lord Leverhume, "deriving from no principles other than a sentimental feeling of sympathy for the worker was worse than useless." The main thing is "to play square with them. They do not want you to do things for them; they like to join in doing things with you." As a partner, therefore, he should be given a share in the determination of managerial policies.

Workers' association with management will also eliminate an important cause of many a conflicts, that is, misunderstanding and misrepresentation. If there is no direct communication between management and workers, they are bound to believe in "a lot of rumours and are hopelessly misinformed." Acting on inadequate and incorrect knowledge, they develop an attitude of hostility. If there is a regular system through which the workers can collect information and verify facts, conflicts based on rumours and hypothetical fears will easily be avoided.

Social Purpose

It is not for economic reasons alone that worker-participation is advocated. In its social purposes, the concept is far more ambitious. Industry, as a dominant factor in our society, has a social obligation to those whom it employs.[4] An institution can justify its existence only if it is consistent with the full and free development of human personality. One of the deepest rooted of all human desires, according to Walpole, is the recognition of dignity of man as man. "It is not a matter," he points out, "of a man being accorded the privilege, although an employee, of stating a complaint or offering a suggestion, but of having a recognised responsibility for doing so, because he is an employee and therefore a joint partner in the enterprise in which he is investing not money but his life."[5] The modern economic system will be judged not merely by economic results but in philosophic terms—in terms of what it can do to the dignity of men and quality of their lives. "The workers' claim to be consulted by management," Flanders believes, "is fundamentally a moral one. It rests on its merits regardless of economic results. As human beings, they have dignity and are entitled to "self-respect." (Allen Flanders—*Trade Unions.*) Human dignity is enhanced through democratic participation in the organisation. Workers are very sensitive to anything and everything that affects their self-respect. They are highly "status conscious." For example, at the coal pits, where there were no baths, the miners complained not about the appalling physical condition but about the appalling social condition. Their (baths') absence was seen as a social stigma rather than a physical inconvenience.[6] This question of status, G. D. H. Cole considers as the most important and pleads that the worker must be rescued from the inferiority of status. "The need of the individual for status and function," observed J. A. C. Brown "is the most significant of his traits and, if this remains unsatisfied, nothing else can compensate for its lack." There is a natural desire on the part of every person to assert his individuality and make his presence felt. His feelings are deeply injured, if he is treated as if he did not matter, as if he was a mere 'cipher.'

The "mass production world revolution" has depressed the worker's technical status at work. He has become just one more "sloppily designed machine." The factory system has deprived the workman of the pleasure and pride of workmanship. The product does not reflect his personality. Repetitive and monotonous productive processes make the work dull and lifeless. The worker must be compensated for this "spiritual loss"—the loss of psychic satisfaction. If we can succeed in developing in the worker a feeling of belonging, he will certainly be compensated, partly if not wholly.

Industrial democracy is described by the Planning Commission as a prerequisite for the establishment of a socialist state. Cole expressed almost similar views when he stated "recognition of this partnership is an essential element of a socialist society resting on the basic principles of social equality. Equality in its essence is a matter more of social status than the abolition of differences in income."[7] We may, therefore, say with some justification that, if the socialist pattern is to be realised in practice in our country, industrial democracy should become a living phenomenon.

India and Underdeveloped Countries

India is a sovereign democratic republic; we want to build an economic and social order based on the values of freedom and democracy. Efforts are being made to establish democratic institutions; reliance is placed on the village *panchayat* and village co-operative to make effective village democracy possible. If properly conceived and directed worker-participation can also become an important instrument for strengthening our infant democracy. Industry is a part of democracy and democracy is made up of human beings. "No society," emphasised Cole, "can rest on a really democratic basis, unless it applies the democratic methods to its industrial as well as to its political affairs."[8] A situation in which people are called upon to obey instructions and execute policies which were framed without their consultation and consent is "basically undemocratic and wrong." Democracy means participation. It is not enough to be told that one is ruled by law and not by discretion; what matters is the feeling that he had played some part in the formulation of laws by which he is governed.

(Continued on page 607)

[1] E. Daya—"Human Relations in Industry"—*International Labour Review*, May 1952.

[2] *Guide Book for Productivity Drive.* Published by Japan Productivity Centre.

[3] C.A.R. Crosland—*The Future of Socialism.*

[4] Lawshey, C.H.—*Psychology of Industrial Relations.*

[5] Walpole, G.S.—*Management and Men.*

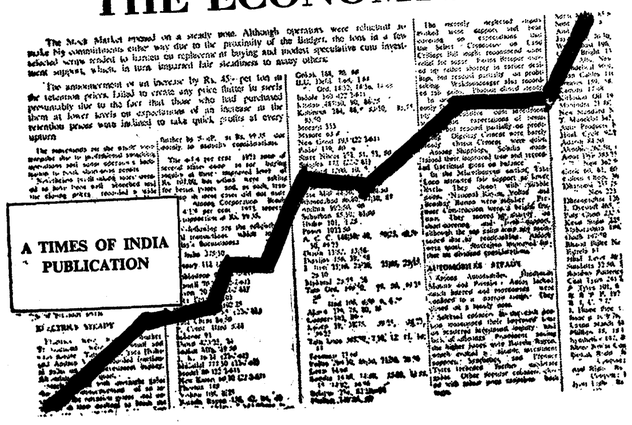
[6] Acton Society Trust—*The Workers' Point of View.*

[7] Cole, G.D.H.—*The Case for Industrial Partnership.*

[8] *Ibid.*

NOW
For your day-to-day business
a new, authoritative
financial daily—

THE ECONOMIC TIMES



A TIMES OF INDIA PUBLICATION

EVERY day of the week, **The Economic Times** will keep you informed with the latest happenings in every corner of your business world...guide your daily business-thinking with the vital first-hand news and balanced views that shape our economic times!

The Economic Times is a fully-fledged financial *daily*...with an alert staff of highly-trained experts to watch every move in all the major markets *of the world*...give you news *promptly*...interpret with the precision that rules the business world!

The Economic Times is first with economic news—of business and commerce, of trade and financial enterprise *everywhere*! It returns to you a high yield on a small investment.

Book your copy of **The Economic Times** today!

SUBSCRIPTION RATES:-

Local and through authorised agents:
Yearly Rs 73.00; Half-yearly Rs 36.50; Quarterly Ry 18.25

By post in India, Pakistan and Ceylon:
Yearly Rs 80.50; Half-yearly Rs 40.25; Quarterly Rs 20.25.

By post to Aden, Burma and other countries:
Yearly Rs 102.25; Half-yearly Rs 51.25; Quarterly Rs 25.50.

20 nP per copy every day of the week

IWT-ET 2031

THE ECONOMIC TIMES, Dr. Dadabhoy Naoroji Road, Bombay 1

EXPORTS MOVE UP AT SNAIL'S PACE

TEA AND COTTON TEXTILES FALL

EXPORTS from India rose from Rs. 621 crores in 1959 to Rs. 635 crores in 1960—an increase of just 2 per cent., which compares unfavourably with 7 per cent. in the previous year. Imports rose at a faster pace from Rs. 887 crores to Rs. 1,000 crores, the rate of increase being as much as 13 per cent., as against just less than 3 per cent. in 1959. With the rate of growth of imports outstripping exports, the adverse balance of trade rose markedly from Rs. 266 crores in 1959 to Rs. 365 crores. In 1960, the adverse balance of trade was thus the highest, with the exception of 1957 when it had touched Rs. 383 crores. The widening of the gap last year is rather disappointing, viewed against the low level of India's foreign balances. Today, they are no more than Rs. 158 crores, as against Rs. 530 crores at the commencement of 1957. The following table shows at a glance the trend of India's foreign trade during the last five calendar years since 1956:

(Value in crores of rupees)

	Imports	*Exports*	*Balance of trade*
1960	1,000	635	−365
1959	877	621	−266
1958	864	597	−285
1957	1,026	643	−383
1956	821	619	−202

In this article, it is proposed to examine the major trends in India's export trade in 1960, based on provisional figures released by the Department of Commercial Intelligence and Statistics, Calcutta. The trend in selected items of exports is shown in Table I. The world economic activity, particularly that of India's major customers, was at a high level last year. The U.S., of course, showed symptoms of a mild business recession, but this did not have any perceptible effect on India's trade with that country. World exports rose from $101,660 million in 1959 to an annual rate of $112,500 million (an increase of over 12 per cent) by the second quarter of 1960—the latest period for which data are available. It may be interesting to note here that in 1957, the world export trade was of the order of $100,860 million.

While there has been some increase in India's aggregate foreign exchange earnings in 1960, some of its staple exports, such as tea, cotton textiles, raw jute and cotton, suffered a setback. This loss was, however, made good by handsome gains attained by a wide range of other commodities and manufactures. Among those items which put on a better performance, mention may be made of jute manufactures, iron ore and concentrates, manganese ore, spices, cashewnut kernels, chemicals, machinery and equipments, footwear, etc. Earnings from the export of jute manufactures (including jute yarn, bags, webbings, carpets, etc.) went up from Rs. 111 crores in 1959 to Rs. 142 crores in 1960. Thus, jute goods have stolen a march over tea to rank as India's largest foreign exchange earner. The larger earnings were the result of higher prices rather than any increase in quantity exported. In fact, there was a decline in the volume of exports by 6 per cent over the previous year. The rise in prices of various jute goods, varying between 30—50 per cent, was the result of an inflation in the price of raw jute caused by a pronounced fall in jute crop. There was a notable improvement in the exports of iron ore, that is, by about Rs. 3.4 crores to Rs. 16 crores, thanks to larger offtake mainly by Japan and by Czechoslovakia under long-term contracts. Exports of manganese ore rose modestly from Rs. 13 crores to Rs. 15.4 crores. Among spices, shipments of pepper went up by as much as 150 per cent to Rs. 10 crores, following shortage in world supply on account of lower production in Ceylon and Indonesia. Coffee fared better, unlike in the previous year, despite increased competition from Brazil and East Africa in world markets. Cashew kernels, one of India's leading dollar earners, brought foreign exchange to the tune of Rs. 18.4 crores, as compared with Rs. 15.2 crores in the previous year. Exports of raw tobacco were higher by Rs. 1.8 crores at about Rs. 15 crores.

Another important feature of export trade was the marked rise in export earnings from petroleum products, that is, from Rs. 3 crores to Rs. 4.7 crores. Among vegetable oils, exports of castor oil made much headway from Rs. 4.9 crores to Rs. 8.9 crores, in contrast to the downward trend in groundnut and linseed oil. Chemicals as a whole fetched Rs. 7 crores in 1960 in foreign exchange, an increase of about Rs. 2 crores over 1959. India's light engineering goods, such as diesel engines, electric fans, sewing machines also made a larger contribution to export earnings, but their share in the total exports continued to be small. Exports of iron and steel staged an impressive rally from Rs. 2 crores to Rs. 8 crores, thanks to the commencement of production in the new steel plants in the public sector.

Among the commodities, which showed a downward trend in their exports, tea and cotton textiles stand out prominently. The setback in teas was due mainly to a smaller offtake by the U.K., India's largest customer, following keen competition from Ceylon and East Africa. The fall in production of tea in North India was also a contributory factor. Export of cotton textiles, in terms of quantity, was only about 670 million yards, which is quite disappointing considered against the background of the second Plan export target at 1,000 million yards. Exports of raw cotton and raw jute were distinctly lower, on account of a marked decline in production and increase in domestic demand. The value of exports of mica came down, despite some increase in its volume, largely as a result of growing pressure of Brazilian supplies in world markets. Exports of sugar fell from Rs. 2.5 crores to Rs. 1.7 crores. The situation in respect of sugar may be recouped this year, if the efforts now being made for securing an import quota from the U.S. bear fruit.

Exports of groundnut oil suffered a perceptible setback, owing to the failure of the incentive scheme to work as in the previous year, following a pronounced rise in prices of seeds, oilcakes and also oils within the country. Linseed oil prices were out of parity with world prices during the major part of the year, and, consequently, its exports, too, declined considerably. Similarly, hides and skins, wool, silk, fish, cement, coal, paper and paperboard also sustained a fall.

Country-wise, India's major customers, such as the U.K. and the U.S., bought more than they did in 1959, thereby making good the fall recorded in trade with several other countries. The U.K. continued to be the largest market for India's goods. Its purchases from India were worth Rs. 174 crores (including re-exports) in 1960 (27 per cent of total exports), as against Rs. 172 crores in 1959. India's shipments to the U.S. rose from Rs. 95 crores to Rs. 102 crores. Japan imported from this country goods worth Rs. 34.28 crores which were almost the same as in 1959. Soviet Russia's imports from India were a shade lower at Rs. 29.94 crores, as compared with Rs. 30.05 crores. India's exports to West Germany were almost unchanged having gone up by just Rs. 3 lakhs to Rs. 19.56 crores.

Among Asian countries, India exported more to Pakistan, Afghanistan, Iran, Saudi Arabia, Iraq, Philippines, Indonesia, as also Japan. But it is disconcerting to find that most of India's immediate neighbours, such as Ceylon and Burma, as also Malaya, Singapore, Cambodia, Thailand, South Viet-Nam and Democratic Republic of Viet-Nam should have bought less merchandise from this country. The declining trend in exports to these countries is due mainly to restrictive import policies pursued by most of them, apart from keen competition from China, Japan and also the U.K. and West Germany in a wide range of products. India's exports to East Africa, Sudan and Ethiopia, too, were lower. Some of the African countries, such as United Arab Republic (Egypt and Syria), Ghana and Nigeria, however, imported more from India.

Table II on this page gives a detailed picture of the pattern of destination of India's exports in 1960, as compared with the previous year. It will be noted therefrom that about four countries, namely, the U.K., the U.S., Japan and Russia, in that order of importance, accounted for about 50 per cent of India's total exports. If we include the next half a dozen importers, namely, Australia, West Germany, Ceylon, Canada, the U.A.R. and Pakistan, the proportion goes upto 65 per cent (for all the first ten countries together). The balance of 35 per cent is shared by innumerable countries in Asia, Africa and Latin America.

TABLE I

Exports (including re-exports)

(Value in rupees lakhs)

	1960	1959
Food Materials	193,16	193,61
Of which : Tea	120,04	126,39
Coffee	6,70	6,25
Live animals and meat	1,03	93
Eggs	37	43
Fish	4,25	6,09
Fruits and Vegetables	24,71	21,01
Sugar	1,67	2,54
Oilseed Cakes	16,12	19,46
Spices (including pepper)	17,06	10,19
Pepper	10,11	4,27
Cashewnut Kernels	18,38	15,18
Tobacco	15,67	13,85
Of which : Tobacco unmanufactured	14,63	12,85
Tobacco manufactured	1,04	1,00
Manufactured goods	287,19	246,19
Of which : Textile yarn and fabrics	215,18	201,45
including, Cotton yarns	4,44	5,43
Cotton fabrics	58,43	61,56
Woollen fabrics	41	61
Jute manufactures	141,98	110,75
Iron and Steel	8,19	2,05
Cement	72	99
Glass and Glassware	27	25
Rubber manufactures	38	25
Paper and paperboard	61	72
Metal manufactures	2,24	190
Crude materials	111,28	116,85
Of which :		
Raw Cotton	10,78	16,37
Hides and Skins	10,18	10,70
Wool and other animal hairs	8,67	12,23
Silk	37	28
Jute cutting and waste	24	3,11
Oilseeds, nuts and kernels	4,37	2,62
Mica	9,81	10,81
Iron ore and concentrates	16,31	12,03
Iron and steel scrap	5,37	4,61
Manganese ore and concentrates	15,39	12,74
Mineral Fuels	5,78	7,79
Of which :		
Coal	4,09	4,76
Petroleum products	4,69	3,04
Animal and Vegetable Oils	11,09	14,77
Of which :		
Vegetable oils	9,92	13,85
including, Groundnut oil	25	5,74
Castor oil	8,85	4,92
Linseed oil	100	2,66
Chemicals	6,97	4,88
Chemical, elements and Compounds	93	68
Essential Oils	3,82	2,16
Pigments and paints	29	26
Medicinal products	1,02	84
Miscellaneous Chemicals (including plastics)	19	37
Machinery and Transport	6,06	4,15
Of which :		
Electric machinery, etc.	1,12	72
Other Power-generating machinery	3,59	3,06
Metal working machinery	6	8
Road motor vehicles	16	11
Bicycles and parts	8	12
Aircraft	1,97	34
Textile machinery	19	20
Diesel engines	25	14
Electric ceiling fans	67	32
Sewing machines	43	32
Miscellaneous Manufactures	11,60	11,40
Of which :		
Footwear	3,14	2,94
Furniture and fixtures	27	37
Total (including others)	634,87	620,73

TABLE II

Exports (including re-exports) to selected countries

(Value in rupees lakhs)

	1960	1959
EUROPE		
E. P. T. A. Countries	180,43	176,22
U.K.	174,40	171,71
Switzerland	1,28	98
Sweden	1,56	1,42
Denmark	1,80	2,32
Norway	1,11	1,28
Austria	80	24
Portugal	18	99
Common Market	48,96	47,65
West Germany	19,59	19,56
France	8,99	8,95
Italy	8,33	5,58
Belgium	5,04	5,14
Netherlands	7,25	8,03
Luxembourg	6	9
Commercial Countries	49,36	45,05
Russia	29,94	30,05
East Germany	3,97	2,50
Poland	3,35	3,59
Czechoslovakia	6,00	4,17
Hungary	1,12	74
Rumania	1,44	2,01
Bulgaria	15	24
Yugoslavia	3,39	1,75
Others		
Turkey	3,07	4,20
Finland	25	31
Irish Republic	5,50	6,07
Spain	99	39
Greece	-9	26
AMERICAS		
U.S.	101,84	95,23
Canada	16,94	15,19
Argentina	6,13	7,91
Cuba	5,84	2,53
Chile	1,32	87
Peru	1,26	1,17
OCEANIA		
Australia	21,72	19,15
New Zealand	7,92	4,73
ASIA		
Japan	34,28	34,21
Ceylon	18,48	22,23
Burma	6,89	12,48
Pakistan	10,12	6,34
Afghanistan	6,08	4,55
Iran	4,81	4,43
Saudi Arabia	4,42	3,79
Malaya	4,78	4,90
Singapore	6,93	7,65
Indonesia	4,80	3,88
Thailand	2,37	2,44
Philippines	1,09	1,02
Aden	5,09	5,62
Iraq	3,27	3,98
Bahrein	2,16	2,39
Kuwait	3,40	3,90
Hongkong	2,81	2,82
Cambodia	96	1,09
South Vietnam	77	1,03
Democratic Republic of Viet Nam	1	37
China	5,60	7,53
AFRICA		
Egypt	14,54	8,84
Syria	91	80
Kenya	4,72	4,89
Uganda	48	60
Tanganyika	2,25	2,71
Ghana	1,70	1,15
Nigeria	4,99	3,97
Sudan	8,14	14,58
Ethiopia	2,28	2,37
Zanzibar and Pemba	36	40
Mozambique	91	60
Total (including others)	634,87	620,73

Swiss Industries Fair Basle

15th April to 25th April 1961

An impressive parade of products spotlighting Swiss Manufacturers' Skill and Craftsmanship in Plastics, Electrical and Watch Industries, Mechanical Handling Equipment and Textile Machinery will be on display at the 45th Swiss Industries Fair.

For information write to:
Swiss Embassy, P.O. Box 392, New Delhi
Swiss Consulate General,
127, Mahatma Gandhi Road, Bombay
Swiss Consulate, P.O. Box 47, Calcutta
Swiss Trade Commissioner,
P.O. Box 102, Bombay

FLY THERE BY

SWISSAIR

"SCCO"

For removing heavy scale from large metal surfaces, such as rust, old paint, and incrustations giving the metal renewed surface for painting, etc. These cup brushes are used on high speed flexible shafts electric or pneumatic tools and can be driven at higher speeds being of sturdier construction than the lighter crimped wire types. A good friend for Foundry man.

India Brushware

72, CANNING STREET.
CALCUTTA-1.
Phone : 34-1985

OBTAIN **FREE** **BROCHURE** ON **PATENTS & TRADE MARKS**

Contact:

PURUSHOTTAMDAS GOKULDAS

Patent Attorneys

39D, People's Building, Ground Floor, Sir Pherozshah Mehta Road, Bombay-1.

Telephone: 259814—258172.

Hastings Belting

BIRKMYRE BROTHERS LIMITED

JUST OUT

INVESTORS ENCYCLOPÆDIA

1960 EDITION

Contains details of a precise nature of most of the public limited companies in India, giving details about the date of registration, nature of business carried on, managing agents' name and address, directors and their share qualifications, details of capital and shares, capital history, share registration fees, names of auditors, period to which the accounts close, date of meeting, summary of latest balance sheet, progressive statement for last seven years giving information about taxation, depreciation, allocation to reserves, net profit, dividend declared, amount carried forward and highest and lowest prices. Also information of a general interest, viz., Government and Public Bodies Loans, Income and Super Tax, Agricultural Tax, Estate Duty, Capital Control Order, Promotions of the companies under the new set up and various other information of general interest, maps showing the location of various industries in various states.

It is also included in the above year book, the details about the procedure involved in applying for industrial license, both at State and Central Government levels, incentives available for foreign investment in India, double taxations relief, details of foreign capital participation and industrial classification of Government-controlled companies.

Industries are classified as under :—

1. Banks
2. Cements
3. Coal
4. Electrics
5. Engineering
6. Insurance
7. Investment Trusts
8. Jute
9. Mining and Chemicals
10. Miscellaneous Companies
11. Paper Mills
12. Plantings
13. Public Sector
14. Railways
15. Sugar
16. Shipping
17. Textiles
18. Vegetable Oils
19. General Information

For easy reference purpose, there are sectional thumb indexes. The sections are also interspaced with charts, graphs, diagrams and maps.

The book is thoroughly revised, enlarged and re-written from page to page.

Printed on thin Bible paper. Size: Crown Octavo.

Price **Rs. 30** (Postage Rs. 7), foreign **$10**.

Copies available at:

KOTHARI & SONS
ORIENTAL BUILDINGS
ARMENIAN STREET, MADRAS-1

Ask your Banker

Should you require banking service anywhere in Canada, The West Indies, Central or South America, ask your banker about the facilities we provide in these important trading areas. The Royal Bank of Canada is always glad to co-operate fully with your local bank to serve you.

London Offices—6 Lothbury, E.C.2. B. Strath, Manager.
2-4 Cockspur Street, S.W.1. R. B. Murray, Manager.

THE ROYAL BANK OF CANADA

Incorporated in Canada in 1869 with limited liability

Over 980 branches in Canada, the Caribbean area and South America

HEAD OFFICE, MONTREAL OFFICES IN NEW YORK AND PARIS

Assets Exceed $4,000,000,000

ONLY A MODEST RISE IN HINDUSTAN LEVER'S PROFIT

DIVIDEND SLIGHTLY HIGHER

A TYPICAL example of the effects of cost inflation is provided by the financial results of Hindustan Lever Limited (Chairman: Mr. S. H. Turner, Bombay) for 1960. The Company, as readers are aware, is one of the largest industrial concerns in India, producing soaps, detergents, *vanaspati* and several kinds of toilet preparations. During the twelve months ended 31st December 1960—the fourth year since the conversion of Lever Brothers (India) Private Limited into the present public limited company—its turnover jumped up by Rs. 436.67 lakhs to reach the impressive level of Rs. 46.22 crores. But as the cost of raw materials and other expenditures, including excise duty, also recorded sharp rises of Rs. 345.18 lakhs and Rs. 79.78 lakhs respectively, the gross profit shows only a very modest expansion of Rs. 11.19 lakhs taking it to Rs. 515.33 lakhs. In other words, an increase of nearly Rs. 4½ crores in sales has meant an increase of only Rs. 11 lakhs or a little over 2 per cent in gross profit. This increase is so small that there is nothing to feel enthused about it. Accordingly, this journal is inclined to feel that the recent rise in the market value of the Company's share is unmerited. There is no sign of the cost inflation being curbed, let alone reversed. On the contrary, the latest increase in the excise duty on toilet and *vanaspati* will only strengthen the cost inflation.

After allowing for the essential allocations: depreciation at Rs. 35.33 lakhs (as against Rs. 42 lakhs in the previous year) and taxation at Rs. 208 lakhs (Rs. 208.50 in 1959), the net profit works out to Rs. 272 lakhs. This represents an increase of Rs. 18.36 lakhs or just 7 per cent over that for the preceding year. The improvement would have been much less but for the cut of about Rs. 7 lakhs in the amount set apart for depreciation. The net profit, it will be interesting to note, is equal to no more than 6 per cent of sale proceeds. In fact, it is a shade less.

As for the appropriation of profit, the Directors have reduced the provision for staff provident fund and gratuity from Rs. 19.29 lakhs in 1959 to Rs. 17.48 lakhs. The transfer to development rebate reserve is also lower at Rs. 5 lakhs, as compared with Rs. 9 lakhs set aside last year. The provision for contingencies, which, a year ago, had absorbed as much as Rs. 17 lakhs, has received nothing this year. Thus, as compared with 1959, the total amount ploughed back by the Company to the different reserves is substantially lower by Rs. 22.81 lakhs. The distribution to the shareholders, however, has been stepped up from Rs. 133.68 lakhs to Rs. 144.82 lakhs, to give a taxable dividend of 26 per cent. as against the taxable dividend of 24 per cent declared in 1959. The net dividend works out to 18.2 per cent. and compares favourably with the tax-free dividends of 14 and 15 per cent for 1957 and 1958 respectively. One may wonder as to why the Company has raised the dividend level while reducing the share of profit ploughed back. The answer probably lies in the fact that it comes within the mischief of Section 23A of the Income-tax Act. This may be a good thing for Indian shareholders who are in a small minority, but it is a fortuitous factor and provides no protection against lean years.

The following table would give the reader a clear idea of the progress of the Company since 1957:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	46,11.80	41,75.19	36,72.99	33,19.24
Other income	10.72	15.45	13.30	9.71
Consumption of raw materials	30,04.52	26,59.34	23,86.98	21,87.23
Other expenditure	11,31.76	10,31.97	9,38.65	8,51.00
Of which—				
Salary bill	278.96	256.38	241.55	216.37
Excise duty	269.72	257.92	257.92	236.22
Gross profit	515.33	504.14	468.66	393.68
Provision for—				
Depreciation	35.33	42.00	34.66	34.34
Taxation	208.00	208.50	177.75	138.92
Net profit	272.00	253.64	151.14	122.42
To reserves	5.00	9.00	8.72	7.28
Provision for provident fund and gratuity ..	17.48	19.29	13.79	15.32
Provision for contingencies	..	17.00	..	..
Dividend	144.82	133.68	85.68	77.46
	(26%)*	(24%)*	(15%)	(14%)
Retained in business ..	104.78	74.67	44.06	22.34

* Subject to deduction of tax.

How the various products manufactured by the Company fared during the year will be evident from the following comparative figues:

(In lakhs of rupees)

	1960	1959	1958	1957
Soaps and detergents ..	19,05.36	17,83.27	16,24.00	14,31.00
(Quantity in tons) ..	(85,027)	(75,072)	(70,894)	(64,775)
Vanaspati, margarine edible fats, etc. ..	22,34.88	20,46.02	17,71.00	16,50.00
(Quantity in tons) ..	(82,286)	(82,432)	(74,436)	(69,672)
Toilet preparations ..	97.40	86.12	73.00	64.00
Glycerine and other products	167.72	149.51	122.00	107.00
Groundnut cake	116.50	114.19	83.00	67.00

It will be seen that soaps and detergents and *vanaspati* and edible fats are the principal lines of business for the Company. In both, there is keen competition and this is bound to persist for as long a period as one can foresee, a point which investors in the Company's shares will do well to bear in mind.

During the year under review, however, the Company made a substantial recovery in sales of soaps and other detergents. Due to severe competition, which Hindustan Lever had to face from its rivals, the growth in the sales of soaps and other detergents in the previous year was less marked. Another notable feature, in this connection, is the continued adoption by the Company of new techniques of sales promotion and marketing. It has just introduced, for instance, a new range of colours for Lux toilet soap. This change has been made to adjust the Company's product to the changing preferences of the consumers. In respect of *vanaspati*, the higher turnover has not benefited the Company much, because the high prices of raw materials have substantially cut down the profit margin. Hair oils, talcum powder and shaving sticks, however, made rapid progress.

The export performance of the Company was, however, not very bright. The only items whose exports displayed a most remarkable expansion were oilcake, oils and hardened groundnut oil. Their exports went up from Rs. 2.5 lakhs in 1959 to Rs. 17 lakhs. The exports of soaps and toilet preparations were maintained unchanged at their previous level, bringing in foreign exchange equivalent to Rs. 4 lakhs. In the case of *vanaspati*, the exports of the Company actually suffered a decline from 1,721 tons valued at Rs. 41 lakhs to 1,719 tons valued at Rs. 35 lakhs. Exports of glycerine registered the sharpest contraction, from 1,749 tons to 834 tons, bringing down the foreign exchange earned from Rs. 40 lakhs to Rs. 21. lakhs.

The following extracts from the Directors' report will give some idea of the Company's expansion programme:

"The Company has already obtained a licence for the manufacture of skimmed milk powder, ghee and casein. Experimental collection of milk has been started at three centres in the Etah region in Uttar Pradesh where the factory is to be located. Other preparatory work for the setting up of the factory is also making satisfactory progress.

"Investigations were made during the year regarding the possibilities of manufacturing animal feeding stuffs and, based on the findings, a pilot project has been started at Bombay since the close of the year.

"The pilot project at our Ghaziabad factory for dehydrated peas did not make the anticipated progress during the year due to the failure of the crops in the experimental farms. However, we have gained additional valuable experience in regard to all aspects of this project and we intend to proceed with it during 1961 and bring it to the planned semi-large scale."

The aforesaid plans have been one of the factors used to boost the market value of the Company's shares. But these, by their very nature, are unlikely to turn out to be the major lines of the Company's business for at least quite a few years to come.

The Company has made progress with the construction of the new head office building at Bombay, the new Engineering building at the Calcutta factory and the expansion of the *vanaspati* factory at Ghaziabad. The total estimated cost of the capital projects approved during 1960 was Rs. 40 lakhs, but the actual expenditure on projects of a capital nature exceeded this sum by Rs. 9.4 lakhs. This brings the gross block to Rs. 6.19 crores. As the depreciation provided so far amounts to Rs. 2.33 crores, the net book value of the fixed assets is Rs. 3.86 crores. The current assets aggregate Rs. 12.61 crores (loans and advances Rs. 85.97 lakhs, stores and spares Rs. 54.83 lakhs, stock-in-trade Rs. 8.27 crores, sundry debts Rs. 1.60 crore, cash Rs. 1.87 crore) and more than adequately cover current liabilities and provisions standing at Rs. 6.41 crores. The paid-up capital of Rs. 5.57 crores is supplemented by reserves and surplus amounting to Rs. 4.49 crores. The Company's Rs. 10 fully paid-up shares are quoted currently at Rs. 50.70 *cum-div.* On an *ex-div.* basis, the latest quotation provides a net yield of 3.72 per cent per annum. It may be noted in passing that, as 90 per cent of the Company's shares are held by Unilever Ltd., the floating supply of its shares in the market is always restricted. Since the scrip is regarded as a blue chip with growth prospects, it is strongly fancied by investors, thereby imparting to it a strong element of scarcity value. Consequently, the low yield on it is compensated by ready marketability.

BRADY ENGINEERING'S DIVIDEND STEPPED UP

The working of the Brady Engineering Company Ltd. (Managing Agents: Messrs. W. H. Brady & Co. Ltd., Bombay) for the year ended 31st December 1960 was satisfactory. The proceeds from engineering work, which had remained steady since 1957, reveal a distinct improvement during the year, being Rs. 16.25 lakhs, as against Rs. 10.28 lakhs in the previous year, a rise of 58 per cent over the year. This satisfactory performance was due to a substantial rise in the output of pulley blocks and elevating trucks. The production of other lifting equipment is expected to improve further during the current year. Better results are also due to the change in the nature of work since 1959 from general engineering to a more specialised nature.

The Company, which has a well-equipped modern machine shop and foundry, has ample orders in its books. This is reflected in higher proceeds of work done and closing work-in-process. The latter item shows a rise of over 200 per cent to Rs. 3.07 lakhs. The increase in activity can also be seen from the raw materials and stores consumed which in 1960 amounted to Rs. 8.56 lakhs, as against Rs. 3.70 lakhs in the previous year or a rise of 131 per cent in a year. Other expenses have risen by Rs. 0.84 lakh to Rs. 5.46 lakhs mostly on account of a rise of Rs. 0.64 lakh in salaries and wages. The gross profit has staged a rise of 79 per cent to Rs. 4.34 lakhs. Out of the gross profits, larger provisions have been made for depreciation and taxation at Rs. 0.94 lakh and Rs. 1.32 lakh, as against Rs. 0.75 lakh and Rs. 0.37 lakh, respectively, in the previous year. Even so, the net profit has risen from Rs. 1.13 lakh to Rs. 1.74 lakh. The better results have prompted the Directors to step up the dividend from Rs. 4 per share, taxable, to Rs. 5.50 per share, taxable.

The following comparative table provides at a glance the progress of the Company since 1957:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Proceeds of engineering work ..	16.25	10.28	10.04	10.88
Work-in-process	3.07	1.01	0.71	0.58
Raw materials and stores consumed	8.56	3.70	2.47	2.92
Other expenses	5.46	4.62	3.79	3.35
Gross profit	4.34	2.43	3.89	3.84
Managing Agents' commission ..	0.34	0.17	0.26	0.28
Provision for—				
Depreciation	0.94	0.75	0.47	0.66
Taxation	1.32	0.37	1.20	1.24
Net profit	1.74	1.13	1.07	0.77
To reserves	0.35	0.04	0.59	0.20
Transfer from reserves	0.10	0.50	..	..
Dividend	1.57†	1.09†	0.75	0.75
	(5½%)†	(5%)†	(5%)	(5%)
Carry forward	0.10	0.02	0.03	0.04

† Subject to deduction of tax.

The gross block of the Company is Rs. 21.70 lakhs, on which a depreciation of Rs. 8.08 lakhs has been provided so far, bringing the net block to Rs. 13.62 lakhs. During the year, net additions to block account amounted to Rs. 1.47 lakh. The paid-up capital of the Company stands at Rs. 20 lakhs. It may be recalled here that the Company made a call of Rs. 25 per share in April 1959 by raising the paid-up value of a share from Rs. 60 to Rs. 80. Reserves and surplus stand at Rs. 3.10 lakhs. The balance-sheet of the Company presents a sound picture, inasmuch as the current assets at Rs. 16.17 lakhs are well over current liabilities aggregating no more than Rs. 6.51 lakhs.

The Directors report that the completion of First Prover Bread plant which was expected during 1960 was delayed, owing to non-receipt of essential components from the U.K. It is, however, expected to be ready by the middle of the current year. The Company at present is in possession of good orders and the outlook for the current year is promising, provided no unforeseen difficulties arise. Notwithstanding the improvement witnessed last year, it will still be true to say that the progress made by the Company has been clearly slow as compared with the achievements of the vast majority of other engineering companies in this country. Although the Company has been in existence for the last fifteen years, its sales are of modest proportions and have not reached even the level of its paid-up capital. Further, the paid-up capital itself remains partly paid upto now, whereas other engineering companies have had to supplement their fully called up capital by borrowing heavily and taking right chances to finance their rapidly expanding activities.

The Rs. 60 partly paid-up shares, which had remained neglected around Rs. 70 until recently, have shot up to Rs. 84.50 *cum-div.* On an *ex-div.* basis, the yield works out to 4½ per cent, taking the net dividend at Rs. 3.80 per share.

EXCELLENT PERFORMANCE OF NIZAM SUGAR

DIVIDEND SLIGHTLY HIGHER

THE financial results of the Nizam Sugar Factory Limited, Hyderabad (Chairman: Mr. R. D. Krishnaswamy, I.C.S., Hyderabad) for the year ended 30th June 1960 are gratifying. The gross profit has jumped up from Rs. 57.58 lakhs in 1958-59 to Rs. 112.77 lakhs—an increase of more than 95 per cent—and the net profit has more than doubled from Rs. 26.18 lakhs to Rs. 55.18 lakhs. Even as compared with 1957-58, which was a better year for the Company than 1958-59, the achievements in 1959-60 are highly remarkable. The Directors have decided to pay a slightly higher dividend at the rate of 23 per cent (taxable), as compared with the rate of 21.6 per cent (taxable) for the previous year. The net dividend, however, has not yet come up to the level prevailing before the abolition of the grossing system. Thus, after deducting tax, the net dividend for the year under review works out to only 16.1 per cent, which is lower than the tax-free dividend of 18 per cent for 1957-58 when the net profit was actually lower by some Rs. 14 lakhs. The Company could have distributed a more handsome dividend, if it had not to make a very heavy provision for taxation. Thus, in addition to the amount of Rs. 30.25 lakhs, provided for tax liability of the current year, the Directors had to allocate a further sum of Rs. 9.25 lakhs for taxation pertaining to previous years for which appeals have been filed.

In view of the higher level of profit, commission to Managing Agents has also increased substantially from Rs. 4.91 lakhs to Rs. 10.52 lakhs. Depreciation on plant and machinery, including agricultural implements, however, is slightly lower by Rs. 1.47 lakhs at Rs. 7.57 lakhs. The Directors have followed a judicious policy of conserving a sizable part of the net earnings for the year under review for future expansion and contingencies. Thus, they have transferred Rs. 26.35 lakhs to the general reserves and Rs. 51,000 to the development rebate reserve. In the previous year, no amount was set aside for the general reserves. Only the development rebate reserve was credited with Rs. 90,000 in 1958-59. In addition, the Directors have also provided this year Rs. 81,000 for doubtful debts. The proposed ordinary dividend takes up Rs. 25.39 lakhs, as against Rs. 19.87 lakhs in 1957-58. It will be noted that, though the net dividend is lower, the Company has to set apart a larger sum for this purpose.

During the year under review, the Company's farms and factory functioned satisfactorily and sugar production was higher, in spite of the fact that one crushing plant had suffered a major breakdown. The cane crushed went up from 443,219 tons to 491,777 tons and the recovery of sugar improved from 10 per cent to 10.41 per cent. The better recovery was due to improved quality of cane obtained from the Company's own farms and more efficient working. The production of sugar has registered a sizable increase from 44,336 tons in 1958-59 to 51,199 tons in 1959-60. The output of sugarcane on the Company's own farms also displayed a substantial rise from 187,513 tons to 224,407 tons and the average yield per acre recorded a marked improvement from 35.95 tons to 40.38 tons. The progress of the Company during the past three years can be seen at a glance from the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June		
	1960	1959	1958
Sales proceeds of sugar, molasses etc	599.12	580.54	588.58
Proceeds of cane, etc	118.91	85.09	107.35
Stocks of sugar	224.08	209.44	291.61
Other income	17.46	16.60	20.94
Manufacturing expenses	352.46	285.92	324.01
Cane cultivation expenses ..	88.30	79.76	93.22
Management and other expenses	28.77	25.55	26.72
Excise duty and sugar cess ..	171.19	151.86	180.37
Gross profit	112.77	57.58	88.49
Managing Agents' commission ..	10.52	4.91	7.99
Depreciation	7.57	9.04	9.95
Provision for taxation (current year)	30.25	17.45	29.00
Provision for taxation (previous years)	9.25	..	..
Net profit	55.18	26.18	41.55
Provision for donations	..	1.00	..
To reserves	26.35	..	10.00
To development rebate reserve	0.51	0.90	1.12
Provision for doubtful debt ..	0.82	0.61	..
Dividend—			
Preference	2.11	1.82	1.56
Ordinary	25.39	23.85	19.87
	23½%*	(21.6%)*	(18%)
Carry forward	0.03	0.02	1.02
Cane crushed (in tons)	491,777	443,219	525,040
Sugar produced (in tons) ..	51,199	44,336	55,987
Recovery %	10.41	10.00	10.66

* Subject to deduction of tax.

It will be observed from the table that the sale of sugar and molasses has gone up from Rs. 580.54 lakhs to Rs. 599.12 lakhs. The manufacturing expenses, excluding the sugar cess and excise duty, have risen more sharply from Rs. 285.92 lakhs to Rs. 352.48 lakhs. The cane cultivation expenses and management and other expenses have, however, increased only somewhat moderately by Rs. 5.34 lakhs and Rs. 3.22 lakhs respectively. During the year under review, the factory had to pay a cane cess of Rs. 24.59 lakhs and excise duty of Rs. 146.60 lakhs. As stated earlier, there was a major breakdown in one of the sugarcane crushing plants of the Company, which affected its production for about a month. The Directors took very prompt steps to put the plant in commission again.

The Company's financial position is quite satisfactory. The paid-up capital of Rs. 145.87 lakhs comprises Rs. 12 lakhs in 48,000 five per cent (tax-free) cumulative preference shares Rs. 25 each, Rs. 23.84 lakhs in 95,348 four per cent (tax free) cumulative preference shares and Rs. 110.03 lakhs in 440,386 ordinary shares of Rs. 25 each, of which 164,700 are bonus shares. This capital is supplemented by reserves and surplus of Rs. 113.33 lakhs. The gross value of fixed assets of the Company stand at Rs. 320.25 lakhs and their net book value is shown at Rs. 127.33 lakhs, the depreciation provided being Rs. 192.92 lakhs. The total book value of investments is Rs. 3.43 lakhs, of which Rs. 2.26 lakhs are in quoted investments. The total current assets at Rs. 375.95 lakhs (stores and spares Rs. 75.04 lakhs; standing crop Rs. 60.02 lakhs, stock-in-trade Rs. 224.60 lakhs and sundry debtors—Rs. 7.23 lakhs) and bonus and advances at Rs. 206.83 lakhs, together with the investments of Rs. 3.43 lakhs, are far in excess of the current liabilities (Rs. 349.18 lakhs), provisions (Rs. 12.87 lakhs) and secured and unsecured loans (Rs. 92.66 lakhs).

The Rs. 25 fully paid-up ordinary shares of the Company are currently quoted at the Hyderabad Stock Exchange at Rs. 62 *cum-div.* On an *ex-div.* basis, this gives a net yield of 6.9 per cent per annum.

(*Concluded from next column*)

year under review. Further, to meet the increased needs of working capital, the Company has increased its bank borrowings which reveal a steep rise from about Rs. 60 lakhs in 1958-59 to Rs. 161 lakhs at the end of the year under review. The sharp increase in the borrowings of the Company is reflected in enhanced interest payments, from Rs. 4.88 lakhs in 1958-59 to Rs. 8.32 lakhs during the year under review. Apparently, with a view to reducing this heavy dependence on borrowed funds, the Company has decided to raise fresh equity capital to the tune of Rs. 50 lakhs in shares of Rs. 100 each. An application has been made to the Controller of Capital Issues for sanction. Since the Company now has an equity capital of Rs. 101 lakhs, it should be possible to give new shares in the proportion of one for two. The premium at which this issue will be made will depend on the Government's view on the subject.

The Company has recently undertaken the manufacture of industrial mouldings in its plastics factory. Further, there are plans under way for setting up a plant for the manufacture of Hammer Tips, the necessary licence under the Industries (Development & Regulation) Act 1951 for the same having been already obtained.

The current liabilities amount to Rs. 3.15 crores (excluding the debentures aggregating Rs. 1 crore which are secured on the fixed assets). These are adequately covered by current assets of Rs. 4.10 crores. In addition, that are investments amounting to Rs. 9 lakhs. The reserves and surplus aggregate Rs. 135.70 lakhs against a paid-up capital of Rs. 151 lakhs, of which Rs. 50 lakhs are in preference shares.

The Rs. 100 equity shares of the Company are currently quoted at Rs. 240. This would give a tax-free yield of 4.37 per cent at the present rate of net dividend.

WALCHANDNAGAR CUT DIVIDEND AGAIN

HEAVY BORROWINGS TO FINANCE EXPANSION

FOR the third year in succession, the earnings of Walchandnagar Industries Ltd. (Managing Agents: Messrs. Walchand & Co. Ltd., Bombay) have dwindled consequent on a fall in sugar output. The gross profits for the year ended 30th September 1960 at Rs. 51.75 lakhs is by far the lowest for the last several years. The profit for 1958-59 was Rs. 52.73 lakhs. The provision for depreciation is higher at Rs. 17.90 lakhs (Rs. 13.25 lakhs), but the taxation provision is only Rs. 45,000, as against Rs. 8.50 lakhs last year. This has evidently pushed up the net profit of the Company by about 15 per cent to Rs. 30.14 lakhs from Rs. 27.21 lakhs for 1958-59.

Once again, the dividend to ordinary shareholders has been reduced to 15 per cent taxable, as compared with 20 per cent for the previous year. This cut has been necessitated by insufficiency of profit, after providing Rs. 10.22 lakhs for the statutory development rebate and the preference dividend at 10 per cent (taxable) requiring Rs. 5.00 lakhs. After providing for the dividend on equity shares as stated above, which needs Rs. 15.15 lakhs, the balance carried forward as surplus is Rs. 1.61 lakhs only. Even in the previous year, in order to pay a taxable dividend of 20 per cent, the Company had to draw a sum of Rs. 5 lakhs from the dividend equalisation reserves. The dividend for the year under review is the lowest for the last ten years, if not more.

The following table reveals the comparative results of the Company's working in the last four years:

(In lakhs of rupees)

	1960	1959	1958	1957
Sales of sugar distillery products	291.33	348.66	315.50	247.16
Sales of sugar machinery	105.22	58.39	39.41	
Closing stock of finished goods and process	111.91	64.29	70.31	86.21
Crops in progress at close ..	67.75	58.66	48.31	45.76
Expenses	282.81	272.59	233.11	128.62
Excise duty and cess	70.41	90.79	71.27	56.27
Gross profit	51.75	52.73	60.57	71.07
Depreciation	17.90	13.25	11.90	8.00
Taxation	0.45	8.50	11.35	18.75
Managing Agents' remuneration	3.26	3.77	4.87	6.24
Net profit	30.14	27.21	32.45	38.08
Development rebate	10.22	8.20	4.84	..
Dividends:				
Preference shares ..	5.00 (10%)*	3.77 (10%)*	0.24 (7%)	0.24 (7%)
Equity shares	15.15 (15%)*	20 20 (20%)*	21 21 (21%)	21.21 (21%)
Carry forward	1.61	1.76	1.74	1.75
Quantity of sugarcane crushed (in tons)	186,618	205.509	227.487	206,118
Quantity of sugar produced (in bags)	218,422	238,861	262,509	..
Average recovery	11.82%	11.76%	11.66%	12.22%

* Subject to deduction of tax.

It will be seen that the Company's sugar sales were considerably less than in 1958-59 which is contrary to the general trend of sugar industry as a whole. The reason for this will be found in the lower production of sugar which in turn was the result of a reduction in the supply of cane. The average recovery, however, recorded a rise to 11.82 per cent from 11.76 per cent in 1958-59 and 11.66 per cent in 1957-58. Sales of sugar machinery, however, nearly doubled during the year under review and exceeded a crore of rupees. The Company has orders on hand for the supply of sugar machinery worth about Rs. 2.5 crores to three co-operative sugar factories.

In the course of the last few years the Company, under its ambitious expansion programmes, has added substantial assets to its stock. In the last four/five years assets at the cost of over Rs. 2 crores have been added. During 1959-60 alone, a record addition of about Rs. 80 lakhs has been made, of which plant and machinery accounts for over Rs. 50 lakhs and buildings Rs. 26 lakhs. This is all the result of various new lines of production undertaken by the Company. The gross block as at the end of September 1960 exceeds Rs. 4.26 crores, on which a sum of Rs. 1.46 crores has been provided by way of depreciation.

The large-scale expansion programmes of the Company have been financed to a great extent by the issue of debentures. In addition to the then existing 4½ per cent debentures of Rs. 25 lakhs, additional 6 per cent mortgage debentures for Rs. 75 lakhs were issued during the

(*Continued in previous column*)

RECORD POST-WAR SALES BY MODERN MILLS

EXPANSION PROGRAMME WELL UNDER WAY

THE year ended 31st October 1960 is undoubtedly the best post-war year for the Modern Mills Limited (Managing Agents: Messrs. N. Sirur & Co., Private Ltd.). During the year, there was a brisk demand for both yarn and cloth at remunerative prices. The improvement in the trading results is quite satisfactory. The sale proceeds of yarn, cloth and waste were at their highest for last ten years at Rs. 192.29 lakhs, as compared with Rs. 167.46 lakhs in the previous year and the previous high of Rs. 186.31 lakhs in 1955-56. The improvement in sales of Rs. 24.83 lakhs during the year under review was shared by yarn, cloth and waste by Rs. 4.18 lakhs, Rs. 20.47 lakhs and Rs. 0.18 lakh respectively. The closing stocks, including stock-in-process, at Rs. 83.80 lakhs, are also the highest for last ten years, as against the previous high of Rs. 67.36 lakhs last year, thus indicating increased activity. The other income of Rs. 11.13 lakhs includes receipts from premium on cotton quotas under Export Incentive Scheme of Rs. 3.54 lakhs. Thus, in two years, receipts from this item have amounted to Rs. 4.79 lakhs.

The gross profit of the Company has improved from Rs. 17.41 lakhs for the previous year to Rs. 29.12 lakhs, an improvement of Rs. 11.71 lakhs or 67 per cent. The net profit at Rs. 14.12 lakhs has improved by Rs. 2.63 lakhs after providing Rs. 7.89 lakhs more for taxation and after maintaining the provision for depreciation at Rs. 4.62 lakhs. The dividend to shareholders has been stepped up from 10 per cent to 12 per cent (both subject to tax) or an increase of Re. 1 per share. The net dividend amounts to Rs. 4.20 per share of Rs. 50 each, as against Rs. 3.50 per share for the previous year.

The comparative figures for the last four years, indicating the progress of the Company, are shown below:

(In lakhs of rupees)

	For the year ended 31st October			
	1960	1959	1958	1957
Sales of cloth, yarn and waste	192.29	167.46	170.78	162.81
Closing stocks of cloth, yarn and waste	83.80	67.36	60.05	65.29
Other income	11.13	9.87	4.60	1.62
Expenses	190.74	166.73	165.11	168.70
Gross Profit	29.12	17.41	5.03	8.65
Managing Agents' commission	2.13	1.30	0.44	0.54
Provision for—				
Depreciation	4.62	4.36	3.37	3.37
Taxation	8.25	0.36	0.43	0.44
Net profit	14.12	11.49	0.79	4.30
Excess provisions written back	0.85	4.27	0.12	1.00
Transfer from reserves			5.15	
To reserves	4.47	8.81	2.19	1.00
To gratuity provision	3.52	1.28	1.20	1.09
Dividend	6.56†	4.65†	2.79	3.32
	(12%)†	(10%)†	(6%)	(10%)
Carry forward	0.33	0.29	0.32	0.43

† Subject to deduction of tax.

The gross block of the Company has increased by Rs. 7.91 lakhs to Rs. 151.49 lakhs and the net block stands at Rs. 76.26 lakhs, the depreciation provided being Rs. 75.23 lakhs. The investments have risen from Rs. 0.60 lakh to Rs. 2.07 lakhs mostly on account of investment in the equity shares of the Sundatta Foods and Fibres Ltd., a company belonging to the same group. As against the paid-up capital of Rs. 46.47 lakhs (all in ordinary shares of Rs. 50 each fully paid-up), reserves and surplus stand at Rs. 43.65 lakhs. The current assets, exclusive of investments, at Rs. 148.88 lakhs are well above current liabilities of Rs. 137.09 lakhs.

During the year under report, a set of Barber-Colman spooler and warper machines, costing about Rs. 5 lakhs, was installed at Mill No. 2, and brought into use. The Company has received a licence to install 144 automatic looms by way of expansion. The Company's application for acquiring more spindles, in order to feed these automatic looms and balance the production at Mill No. 2, is also under consideration by the Textile Commissioner, and it is expected to be granted as soon as effective steps are taken by the Company to install the automatic looms. A new Ruti sizing machine, which was ordered last year to augment the sizing capacity, has also just arrived and is in course of erection. The spinning department at Mill No. 1 also needs considerable renovation, and the necessary licences have been applied for to import the requisite machinery to replace the existing old machinery. The scheme of modernisation and expansion is intended to ensure better operational efficiency and achieve more economic working and larger output.

In view of the large expansion programme, a fresh issue of equity capital of Rs. 46.47 lakhs is proposed to be shortly offered at par in the proportion of one new share for every share held. The consent of the Controller of Capital Issues for this purpose has been received and the shares will be issued at a suitable date to be decided by the Directors. Over and above this right issue, the Directors consider it desirable to capitalise Rs. 23.24 lakhs from the shares premium account and general reserve and issue bonus shares at a later date. The consent of the Controller of Capital Issues for this purpose is yet to be obtained. The proposal means that one bonus share will be available for every four shares, taking into account the proposed new issue. Thus, during the course of the current year, the paid-up capital of the Company can be expected to rise from the present figure of Rs. 46.47 lakhs to Rs. 116.18 lakhs. This proposed issue has made it necessary to increase first the authorised capital of the Company. The management is availing itself of this opportunity to raise the authorised capital to Rs. 5 crores, so as to make room also for any further issues of capital, that may have to be made, as and when required, if the Company's rayon project, which is under advanced stage of negotiation with foreign collaborators, materialises. The Rayon Project for which the Company has already secured an industrial licence, is based on the raw material to be produced by the Sundatta Foods and Fibres Ltd. In view of this interest, it is the intention of the Directors to hold at least 10 per cent of the capital of the Sundatta Foods and Fibres and they have already taken the necessary steps.

At the current market quotation of Rs. 94 c.d., the Rs. 50 paid-up shares give a net yield of 4.4 per cent per annum.

STEEL AND ALLIED PRODUCTS LTD.

The Steel and Allied Products Ltd. of Calcutta has launched upon a substantial expansion programme, envisaging manufacture of different types of wood working saws, slitting saws, slotting cutters, tool bits and hacksaw frames, in addition to the present production of wood screws and hacksaw blades for power and hand uses. The programme is estimated to cost Rs. 29 lakhs, of which the foreign exchange component is Rs. 6.30 lakhs, being nearly 50 per cent of the cost of plant, machinery and equipment, inclusive of technical assistance fee and installation expenses. The major portion of the outlay, amounting to Rs. 19.45 lakhs, is proposed to be raised by way of (1) a loan (Rs. 10 lakhs) from the Industrial Finance Corporation, (2) deferred payment (Rs. 2.55 lakhs) and (3) bank credit (Rs. 6.90 lakhs). The balance of Rs. 9.55 lakhs represents the amount to be raised by the issue of 9,550 equity shares of Rs. 100 each. The existing shareholders or their nominees will be offered 2,180 shares at par as right shares and the remaining 7,370 shares will be offered at par for public subscription; the list for this issue will open on Saturday the 8th inst.

Details of the issue are given on pages 594-95. It will be seen therefrom that Messrs. Sandvikens Jernveks Aktiebolag of Sweden will supply a complete wood working saw plant on deferred payment basis, as well as plant and machinery for the production of various types of working saws, provide technical assistance, supervise erection of plant, put the plant into operation, and train Indian personnel. The gross turnover after a year of completion of this project alone is expected to be of the order of Rs. 40 lakhs annually. The wood working saws to be produced by the Company will find, it is stated, a ready market not merely within the country but also abroad. The working results of the Company for the past five years show that the sales have risen quite perceptibly, from just Rs. 4.23 lakhs in 1955-56 (year ended June) to over Rs. 34.31 lakhs in 1959-60. Following the rise in sales, the profit (after taxation) has risen from Rs. 6,571 in 1956-57 (there was a loss of Rs. 43,456 in 1955-56) to Rs. 4.89 lakhs in 1959-60. The dividend declared for the year 1959-60 was 40 per cent, as against 23 per cent in the previous year.

In view of the notable progress made by the Company and considering the encouraging demand for its products as a result of the growing tempo of industrialisation and restricted import policy, the proposed issue of the Company will doubtless prove a success.

PROFITS OF COIMBATORE COTTON BETTER

MORE SPINDLES WORKED

THE equity shareholders of the Coimbatore Cotton Mills Ltd., Singanallur, will receive a higher dividend this year, as a result of better working of the mill and higher realisation on sales during the year ended 31st December 1960. In declaring a taxable dividend of 12 per cent for 1960 the management have doubled the rate as compared with that for 1959. The profits of the Company (Managing Agents: Messrs. R. Bheema Naidu & Co.) have recorded a substantial increase for the year. The gross profit is higher by nearly Rs. 16 lakhs at Rs. 27.09 lakhs against Rs. 10.70 lakhs for 1959. This is mainly the reflection of a larger turnover of the mills' products at higher prices in a favourable market. The net profit of the Company is also higher at Rs. 13.04 lakhs which is nearly treble the previous year's profit of Rs. 4.70 lakhs. The Company has made increased provisions for depreciation Rs. 10.12 lakhs (Rs. 5.46 lakhs last year) and taxation of Rs. 2.3 lakhs (*nil*). The amount taken to the development rebate reserve is also more at Rs. 7.76 lakhs as against Rs. 3.56 lakhs a year ago. As in the earlier year, no amount has been carried forward from the profits of the Company.

The yarn market in general witnessed favourable trend during the year under review, with increasing prices and larger offtake. The realisation from the mills' production at Rs. 1.55 crores is higher by about Rs. 42 lakhs, or 38 per cent over the previous year. The Company's performance on the export front appears to have been satisfactory. The export incentive schemes announced by the Central Government with a view to promoting yarn exports have been availed of by the Company. The stocks of finished goods and goods in process were little more at the end of the year.

The comparative working of the Company in the last few years is shown below:

(In lakhs of rupees)

	1960	1959	1958	1957
Sale proceeds	155.09	113.18	82.90	81.81
Closing stocks	13.88	12.73	6.85	3.53
Raw materials consumed	97.56	82.99	57.68	49.29
Expenses	18.64	12.78	21.40	20.50
Gross profits	27.09	10.70	7.46	12.11
Depreciation	10.12	5.46	4.50	1.85
Taxation	2.30		0.11*	4.00
Managing Agents' commission	1.68	0.54	0.50	1.02
Net profits	13.04	4.70	2.46	5.74
Gratuity reserves	0.28			0.28
Development rebate reserve	7.76	3.56	1.25	
Dividends	4.82	2.10	2.13	1.98
	(12%)†	(6%)†	(6%)	(9%)

* Relates to wealth tax for 1958 in excess of provisions made and paid in 1959.
† Dividends for 1959 and 1960 subject to deduction of tax.

There was a sharp rise in the wage bill during the year. This may partly be due to the incidence of the recommendations of the Wage Board for the Textile Industry which entailed increased basic wages and dearness allowance to workers. In 1960, the salaries, wages and bonus recorded a 30 per cent increase to Rs. 17.30 lakhs. The mill was able to utilise a larger proportion of its capacity. Out of the 12,800 new spindles intended to spin cotton yarn, nearly 70 per cent worked during the year. This higher capacity resulted in increased output with the distribution of overhead costs over increased production. The management expects to put into commission the remaining 4,000 spindles before the end of June next.

The net additions to the block during the year amounted to Rs. 10.47 lakhs, of which machinery alone exceeded Rs. 9.50 lakhs. Four Reiter combers were installed in the mill and are working for the last six months. The Company has placed orders for eight American combers and they are expected shortly. The gross block as at the end of 1960 amounts to Rs. 121.98 lakhs. The depreciation provided so far on the block is Rs. 51.67 lakhs. There are also sufficient funds to the credit of the machinery replacement reserves now standing at Rs. 10.08 lakhs. The liabilities of the Company (including the gratuity reserve Rs. 2.83 lakhs) amount to about Rs. 66 lakhs, some Rs. 13 lakhs more than a year earlier. This increase in the liabilities of the Company is mainly under borrowings from the banks amounting to Rs. 42.85 lakhs (Rs. 33 lakhs). While the loan on equitable mortgage has been liquidated to the extent of Rs. 4 lakhs, the borrowings on the pledge of stocks have increased much; this has probably been necessitated to cover the working capital requirements of the Company, which must have expanded as a result of large additions to capital assets made during the year. The current assets (excluding investments) at Rs. 57.82 lakhs

(Continued in previous column)

(Concluded from next column)

do not bear adequate coverage to the liabilities of the Company. Investments stand at Rs. 5.51 lakhs of which Rs. 50,000 in National Savings Certificates and Rs. 5 lakhs are in 5,000 ordinary shares of the South India Viscose Ltd., a company with considerable promise. The reserves and surplus of the Company are about Rs. 31.66 lakhs supplementing the paid-up capital of Rs. 36 lakhs all in equity shares of Rs. 100 each. The general reserves alone stand at Rs. 9 lakhs. The Company's shares (of Rs. 100 fully paid) are currently quoted at Rs. 172 c.d. The yield on c.d. basis works out to about 8 per cent taxable, or 5.1 per cent tax-free.

THE BANK OF INDIA LTD.

FIFTY-FIFTH ANNUAL GENERAL MEETING

SIR COWASJEE JEHANGIR ASKS GOVERNMENT TO CUT EXPENDITURE ON RASH PROJECTS

INCREASED corruption and lack of efficiency and competent technical personnel in Government service were highlighted by Sir Cowasjee Jehangir, Baronet, Chairman of the Bank of India Ltd., while addressing the shareholders of the Bank at the Fifty-fifth Annual General Meeting held at Bombay on Monday, 27th March 1961. At the root of all the trouble, Sir Cowasjee declared, was the policy of the Planning Commission which had allowed its imagination to run wild without calculating the disastrous financial consequences of their rash projects. He asked the Government to reduce capital expenditure on rash projects which have no prospects of yielding good value for the money spent.

The following are extracts from the speech of Sir Cowasjee:

"LADIES AND GENTLEMEN,

"I have great pleasure in welcoming you to this our fifty-fifth annual general meeting.

"In 1960, as in other years, the Reserve Bank of India have been vigilant in their efforts towards the proper development of banking in the country. We very much appreciate the consideration which the Reserve Bank of India have extended to banks. It is no small task to endeavour to watch and guide the large number of banking units—big and small—throughout the country. I would express the gratitude of my colleagues on the Board and myself for prompt information, advice and guidance given to our Bank from time to time by the Reserve Bank of India.

Taxation

"I am personally of opinion that the recent budget is framed on a fair basis. I am sure the Finance Minister expects to be criticised whatever he does by one school of thought or the other. A pertinent question has been asked as to how the Finance Minister was to raise funds for the Government, if he did not do so by indirect taxation. My answer is that the Government should reduce their capital expenditure on rash projects which have no prospects of yielding good value for money spent. It is believed by many that this is due to the increase of corruption in the last few years and lack of efficiency and competent technical personnel in Government service. At the root of all the trouble is the policy of the Planning Commission who have allowed their imagination to run wild without calculating the disastrous financial consequences of their rash projects. Really good and efficient planning will enable the Government to spend less and to borrow less money from all parts of the world and thus reduce the demand for maintaining the high levels of taxation already imposed and for levying other taxes on all classes of the people.

"The Government were spending crores of rupees and claiming that they had raised the annual income of the common man. I do not vouch for the accuracy of this claim, but, if this is well-founded, it forms a very reasonable argument for indirect taxation. The Finance Minister must not forget that India is the heaviest taxed country in the world and that a certain class of people are made to pay almost the whole of their hard-earned income in taxation leaving little or nothing to live upon. Most of them are at present living on their capital. Highly placed officers, both in public and private enterprises, are made to pay a large portion of their hard-earned salaries in taxation leaving little for the maintenance of themselves, their families and their dependents. The only class of people that appears to be comparatively well off under present conditions is factory labour.

"The main necessities of life are food, housing and clothes. Food and housing are the responsibility of the Government. Clothing is supplied by the private sector and, although the textile industry supplies cloth to the public at a cheaper price than supplied by many countries of the world to their people, the Government insist upon lowering the prices because it only affects the private sector, but they do very little effectively to reduce the price of food or housing.

"In my last two annual speeches, I have mentioned the all-India inter-bank agreement for maximum rates of interest on deposits which the larger commercial banks, about 40 in number, other than the State Bank of India, entered into from October 1958. Changes in the maximum rates of interest were made during the year from 22nd August 1960 and from 1st October 1960. I would like to see the State Bank of India, as the largest commercial bank in the country, also joining in the agreement. I understand that the Indian Banks' Association have been making endeavours in that direction. In this connection, I have to inform you that our General Manager, Mr. T. D. Kansara, has recently been elected Vice-Chairman of the Indian Banks' Association.

The Bank in 1960

"The Bank's profit of over Rs. 103 lakhs for the year 1960 is about Rs. 20½ lakhs more than the 1959 profit of about Rs. 82½ lakhs. These figures of profit for the two years cannot be exactly compared. Part of the difference between them is because, during the bulk of 1960, tax at an appreciably lower rate than in 1959 has been deducted at source from the Bank's investment income.

"Before arriving at the profit figure, we have, as usual, made appropriate prudent provisions. Sound banking calls for the setting aside of provisions relative to our commitments. Our business is appreciably growing. Our liabilities are increasing. Prudence dictates that, in such circumstances, adequate provisions should be made at all stages.

"A final dividend of 12½ per cent, subject to deduction of tax at the prescribed rates, is proposed. This will absorb Rs. 37½ lakhs. An interim dividend of 7½ per cent subject to deduction of tax was paid in August last. The amount of that interim dividend was Rs. 22½ lakhs. The total dividend for the year is 20 per cent or Rs. 60 lakhs, subject to deduction of tax. This compares with 16 per cent, *subject to deduction of tax*, for 1959 and with 16 per cent, *free of income-tax*, for 1958. I think shareholders will be pleased at the dividend we are recommending.

"The increase in the dividend proposed for 1960 goes to offset only to some extent the reduction in the net payment caused by the changes made by the Finance Act of 1959.

Audit

"The Companies (Amendment) Act, 1960, materially amended the Companies Act, 1956. Section 228 of the main Act, as amended, makes audit of all branches of the Bank obligatory. The Central Government have power to exempt branches from being audited as required by the amended Section 228. For 1960, we applied to the Central Government for such exemption and it was granted. For 1961, we do not intend to seek any exemption. My colleagues on the Board and I are, on this point, at one with the legislature. We have a high regard for the safety provided by frequent audit.

Branches

"The Bank has a programme of considerable branch expansion.

Staff Relations

"During 1960, staff relations in the Bank have been on a reasonably tranquil basis, but difficulties have not been absent.

General Manager

"It is with great regret that I refer to the death during the year of Mr. T. R. Lalwani, General Manager of the Bank. He served the Bank for nearly 43 years, the last three years as General Manager. He enjoyed the confidence of the Board to a marked degree. In Mr. Lalwani's place, the Board have appointed Mr. T. D. Kansara as General Manager.

Local Committees and Staff

"I would express our appreciation of the aid given to us by our Local Committees at branches.

"I express our thanks to our General Manager, Mr. T. D. Kansara, for his able management of our affairs and for his unremitting application to the Bank's business. Our thanks are tendered to the staff who have assisted in the Bank's working during the year."

Note: *This does not purport to be a report of the proceedings of the annual general meeting.*

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories

For over 25 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Alloy Factories, Fertiliser, Sugar and Cement Mills and other industries in the country.

Phone: 22-5955
22-3205
Grams: "BANCO"

BEHAR FIRE BRICKS & POTTERIES LTD.
TRANK ROAD CALCUTTA-1

LABOUR

(Concluded from page 601)

Lastly, the concept of worker-participation is comparatively more relevant to an underdeveloped country than to advanced countries. In an underdeveloped economy, the responsibility of labour increases. Due to scarcity of capital and abundance of manpower, more reliance is naturally placed on labour-intensive programmes and economic progress, to a considerable extent, depend on what labour does or does not do. It is wrong to think of economic development only in terms of more capital. Higher productivity can be obtained through better organisation of human material. An underdeveloped country cannot afford to pay higher wages and other economic benefits to secure workers' wholehearted co-operation. It has to depend on non-pecuniary incentives among which worker-participation occupies a prominent place.

These advantages of worker-participation clearly establish a case for co-operation and close consultation between employers and employees on all issues affecting the enterprise. I hasten to add, least I should be misunderstood, that worker-participation is not a panacea for all our economic and social ills. I have only attempted to place in a proper perspective all the aspects of the problem and to indicate the directions in which the concept can be fruitful and useful.

Critics Answered

The idea is, however, not without its critics. There are two main planks of opposition. First, it is pointed out that a large majority of workmen have no desire to participate and, secondly, that they do not possess the required knowledge to make any useful contribution. It will readily be conceded that the workers are mainly interested in the pay packet and most of them will not like to be bothered about managerial responsibilities. But there must be some enthusiastic and enterprising young men who will gladly undertake the responsibility and there is no reason to deprive them of the opportunity to play their full part in the administration of the undertaking. If we are convinced of the manifold advantages that will follow the introduction of such a measure, then the indifference of the general body of workmen, far from being an excuse for leaving the matters as they are, is a strong reason for desiring and trying to make them different.

To the critics who assert that democracy is not possible in industry because industrial management is a technical task which can and should be handled only by experts, there is a very simple reply: if, as an ordinary citizen, the worker is considered competent to participate in political affairs which are more complex and vital, why can he not participate in industrial matters about which he can claim to have some knowledge—at least more than what he has about political issues. Moreover, to deny the workers a share in management on the plea that they have no technical or managerial ability, no knowledge of the complex problems of business management and no administrative experience and training, shows a basic lack of understanding of the entire problem of worker-participation. Participation does not envisage an equally knowledgeable class at the very outset, nor does it imply that the workers should necessarily be associated with management at all levels and in all matters. A number of factors will have to be taken into account in determining the degree of participation and the form it should take in a particular country, industry or undertaking. But these are problems of implementation of the scheme. If approached with faith and determination, it should be possible for us to find appropriate solutions to these problems.

Notices

WALCHANDNAGAR INDUSTRIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-third Annual General Meeting of the Company will be held at the Registered Office of the Company at Construction House, Ballard Estate, Fort, Bombay, on Wednesday, the 26th day of April, 1961, at 4-30 p.m. (S.T.), for the purpose of transacting the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th September, 1960.

(2) To declare dividends on Preference and Equity Shares.

(3) To appoint a Director in place of Shri Gulabchand Hirachand who retires by rotation and who is eligible for re-appointment.

(4) To appoint a Director in place of Shri Lalchand Hirachand who retires by rotation and who is eligible for re-appointment.

(5) To appoint a Director in place of Shri Phoolchand R. Gandhi who retires by rotation and who is eligible for re-appointment.

(6) To appoint a Director in place of Shri V. M. Meswani who was appointed an Additional Director of the Company and who ceases to hold office under Section 260 of the Companies Act, 1956, and who offers himself for reappointment. The Company has received a notice in writing proposing his candidature for office of Director as required under Section 257 of the said Act.

(7) To appoint Auditors for the current year and to fix their remuneration.

(8) To consider and, if thought fit, to pass the following resolution:—

"In supersession of the previous resolution, resolved that the consent of the Company under Section 293(1)(*d*) of the Companies Act, 1956, be and is hereby granted to the Board of Directors of the Company for borrowing moneys for the purposes of the Company from time to time even though the moneys so borrowed together with the moneys already borrowed by the Company and remaining outstanding or the amounts for the time being and from time to time remaining undischarged of the moneys so borrowed together with the moneys already borrowed may be in excess of the aggregate of the paid-up Capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose and provided that such excess shall not be more than Rs. 10 crores at any one time and provided further that in computing the amounts or borrowings whether already made or to be made the amounts of temporary loans obtained from the Company's Bankers in the ordinary course of business shall be excluded."

(9) To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"Resolved that approval be and is hereby given to the Company for taking advances and/or loans from Managing Agents, Messrs. Walchand & Co. Private Ltd., and their Associates, and making payment of interest on such advances and/or loans made or to be made from time to time to the Managing Agents and their Associates at such rate as may from time to time be determined by the Board of Directors."

The Transfer Books of the Company are closed as from Saturday, 25th February, 1961, to Friday, 24th March, 1961 (both days inclusive).

By Order of the Board,
S. S. BORKAR,
Acting Secretary.

CONSTRUCTION HOUSE,
BALLARD ESTATE, FORT,
BOMBAY 1.
7th March, 1961.

Note: (1) A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member.

(2) The Dividends, if sanctioned, will be paid at the Bank of India Ltd., Fort, Bombay, on and from Monday, the 22nd May, 1961, to those Members whose names stand on the Company's Register as on Friday, the 24th March, 1961.

(3) Explanatory Statement as required by Section 173 of the Companies Act, 1956 has been separately sent to all Members of the Company.

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE TWENTY-NINTH ANNUAL GENERAL MEETING of the Members of Jessop & Co., Ltd., will be held in the Committee Room No. 2 of the Bengal Chamber of Commerce and Industry at 6, Netaji Subhas Road, Calcutta-1, on Thursday, the 20th April, 1961, at 11.00 a.m., for the transaction of the following business:—

1. To receive and consider the Accounts, together with the Reports of the Board of Management and Auditors for the year ended 31st October, 1960.
2. To declare a Dividend.
3. To appoint Auditors and fix their remuneration.
4. To transact any other business of an Ordinary General Meeting.

The Ordinary Share Transfer Registers of the Company will be closed from 8th April to 20th April, 1961, both days inclusive.

By Order of the Board,
K. S. BASU,
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA, *9th March*, 1961.

Note:—A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

W. H. BRADY & COMPANY, LIMITED

Registered Office:
"Brady House"
12/14 Veer Nariman Road,
BOMBAY, 1.

NOTICE

To

THE SHAREHOLDERS OF
W. H. BRADY & COMPANY LIMITED.

NOTICE IS HEREBY GIVEN THAT THE Forty-eighth Annual General Meeting of the Company will be held on Wednesday the 26th day of April 1961, at 11.30 a.m., at the Registered Office of the Company, "Brady House," 12-14, Veer Nariman Road, Bombay 1, to transact the following business:

(1) To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1960.

(2) To sanction the payment of Dividend.

(3) To appoint a Director in place of Mr. Nanabhoy B. Jeejeebhoy who retires by rotation in accordance with Article 156 and, being eligible, offers himself for re-election.

(4) To appoint a Director in place of Mr. Vasant S. Velinker who retires by rotation in accordance with Article 156 and, being eligible, offers himself for re-election.

(5) To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,
V. MATHALONE,
Secretary.

BOMBAY, 10*th March*, 1961.

Note: (1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, OR PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.

(2) The Transfer Books of the Company will be closed from Thursday the 6th day of April to Thursday the 27th day of April 1961, both days inclusive.

(3) The dividend when declared will be made payable on and after the 15th May 1961. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register of Members on the 27th day of April, 1961.

THE DUNLOP RUBBER CO. (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE 35th Annual General Meeting of the Company will be held at the Registered Office, "Dunlop House," 57-B, Free School Street, Calcutta, on Thursday the 27th day of April 1961, at 10.30 a.m., for the following purposes:

1. To consider the Profit and Loss Account for the year ended 31st December 1960, the Balance Sheet as at that date and the Reports of the Directors and Auditors of the Company.
2. To declare dividends.
3. To appoint Directors in the place of those who retire by rotation.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit to pass, with or without modification, the following resolutions of which number 5 will be proposed as an ordinary resolution and the remainder as special resolutions:

5. (*As an ordinary resolution*): "That Mr. Sachindra Chaudhuri be and is hereby appointed a Director of the Company."
6. (*As a special resolution*): "That subject to the approval of the Central Government under Section 269 of the Companies Act, 1956, Mr. Michael Laurence Bexon, an executive officer in the whole-time employment of the Company, be and is hereby appointed a Director and Deputy Managing Director (Sales) of the Company upon the terms and conditions presently governing his employment, as evidenced in a letter dated 1st March 1961, issued by the Company and addressed to him, and that he will continue to be entitled to the remuneration presently paid or authorised to be paid to him."
7. (*As a special resolution*): "That consent be and is hereby accorded to Mr. Prakash Narain Haksar, a Director of the Company, holding and continuing to hold, with effect from the 28th December 1960, an office or place of profit under the Company as a Deputy Managing Director (Purchasing) with remuneration in that capacity as approved by the Company in General Meeting on 29th April, 1957."
8. (*As a special resolution*): "That consent be and is hereby accorded to Mr. James Alexander Moore, a Director of the Company, holding and continuing to hold, with effect from the 28th December, 1960 an office or place of profit under the Company as a Deputy Managing Director (Finance) with remuneration in that capacity as approved by the Company in General Meeting on 23rd April, 1959."
9. (*As a special resolution*): "That consent be and is hereby accorded to Mr. Kenneth Claud Ferguson, a Director of the Company, holding and continuing to hold, with effect from the 28th December, 1960 an office or place of profit under the Company as a Deputy Managing Director (Works) with remuneration in that capacity as approved by the Company in General Meeting on 23rd April, 1959."

By Order of the Board,
P. B. SEN GUPTA,
Director & Secretary.

DUNLOP HOUSE,
57B, FREE SCHOOL STREET,
CALCUTTA,
30*th March*, 1961.

Note: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

In terms of Article 4 of the Company's Articles of Association no Preference Shareholder as such is entitled to attend the meeting.

A Debenture Stockholder as such is also not entitled to attend the meeting.

The Transfer Books and Registers of Members in respect of the Ordinary and Second Preference shares of the Company will be closed from 17th April, 1961 to 8th May, 1961, both days inclusive. As any dividends that may be declared will be paid only to shareholders registered in the Company's Registers of Members, those holding shares on blank transfers are advised to register the transfers prior to 17th April, 1961.

An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed to the Notice issued to the members of the Company.

THE CENTURY SPINNING AND MANUFACTURING COMPANY, LTD.

Registered Office:
Industry House,
159 Churchgate Reclamation,
BOMBAY 1.

NOTICE IS HEREBY GIVEN THAT THE Sixty-fourth Annual General Meeting of the Shareholders will be held at the above address on Tuesday the 25th April 1961, at 4-30 p.m., for transaction of the following business:

1. To adopt the Directors' Report, the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1960.
2. To sanction the declaration of dividend on the Preference shares for the year ended 31st December 1960.
3. To sanction the declaration of a dividend on Equity shares for the year ended 31st December 1960.
4. To appoint a Director in place of Shri Madanmohan R. Ruia who retires from office by rotation but being eligible offers himself for re-election.
5. To appoint a Director in place of Shri Rasesh N. Mafatlal who retires from office by rotation but being eligible offers himself for re-election.
6. To appoint a Director in place of Shri Navalchand T. Shah who has attained the age of 65 years and who retires from office by rotation, but being otherwise eligible, offers himself for re-election and to consider and if thought fit to pass the following resolution of which special notice under Section 281 of the Companies Act, 1956, has been received by the Company:

"RESOLVED that pursuant to the provisions of Section 281 and other relevant provisions, if any, of the Companies Act, 1956, Shri Navalchand T. Shah who has attained the age of 65 years and who retires from Office by rotation, be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit prescribed for Directors under Section 280 of the said Act shall not apply to him."

7. To appoint Auditors to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting, and fix their remuneration.

To consider and if thought fit to pass with or without modification the following resolutions:—

8. As a Special Resolution:

"RESOLVED that all loans taken by the Company from the Managing Agents, Birla Gwalior Private Ltd. and from Birla Brothers Private Ltd., ex-Managing Agents of the Company and the Cotton Agents Private Ltd., both of which are associates of the Company's Managing Agents, from time to time since after January 1957 and the payments of interest thereon be and are hereby approved and ratified."

9. As a Special Resolution:

"RESOLVED that the Company hereby accords its approval to the Board of Directors borrowing money as and when required for the purpose of the Company from the Managing Agents, Birla Gwalior Private Ltd. and/or from their associates Birla Brothers Private Ltd. and the Cotton Agents Private Ltd. as clean loan on current account and pay interest thereon at the ruling State Bank Advance rate provided that the moneys so borrowed and outstanding at any time from any one or more of them in the aggregate shall not exceed Rs. 75 lacs."

10. As a Special Resolution:

"RESOLVED that the Company hereby accords its approval to a contract or contracts being entered into between the Company and the Eastern Economist Ltd., New Delhi, an associate of the Company's Managing Agents, for advertisement of the Company's products for a period of two years in the *Eastern Economist*, a leading economic weekly published by the said Eastern Economist Ltd., subject to the condition that the rates charged by the Eastern Economist Ltd. for such advertisements shall not exceed their ruling rates and the total cost of the advertisements to the Company in the said *Eastern Economist* in any year comprised in the period of contract or contracts shall not exceed Rs. 17,000."

By Order of the Board,
J. J. ASHAR,
Director.

BOMBAY, 16*th March*, 1961.

N.B.—A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

NOTICE IS ALSO GIVEN that the Register of Members and Transfer Books of both Equity and Preference Shares of the Company will be closed from Wednesday the 29th March 1961 to Tuesday the 25th April 1961, both days inclusive.

The Dividends when sanctioned will be made payable at the United Commercial Bank Ltd., Churchgate Reclamation Branch, Bombay, on or after 3rd May 1961, to those shareholders whose names stand on the Register on 25th April 1961 to whom dividend warrants will be posted.

The relevant Explanatory Statement pursuant to Section 173 of the Companies Act 1956 is being posted to all the shareholders individually along with the notice of the aforesaid meeting.

J. J. ASHAR,
Director.

16*th March*, 1961.

THE KOHINOOR MILLS COMPANY LIMITED

NOTICE

AT A MEETING OF THE BOARD OF Directors of The Kohinoor Mills Company, Limited, held on 27th March, 1961, it was decided to recommend a final Dividend for the year ended 31st December, 1960, at the rate of Rs. 10 per Share, subject to deduction of tax, to those shareholders whose names stand on the Register on 10th May, 1961.

Intimation of changes of address and Tax exemption certificates, if any, should be sent so as to reach the Share Department of the Company on or before 8th May, 1961.

For the purpose of this payment the Transfer Books of the above Company will be closed from Tuesday, 18th April, 1961 to Wednesday, 10th May, 1961, both days inclusive.

By Order of the Board,
For THE KOHINOOR MILLS COMPANY, LIMITED,
KILLICK INDUSTRIES LIMITED,
A. N. HAKSAR,
Managing Director,
Managing Agents.

KILLICK HOUSE,
HOME STREET,
FORT,
BOMBAY-1, *27th March*, 1961.

If it is...

COTTON TAPES

Look To Sunshine Products
There is a difference!

SUNSHINE SUPPLIES:
★ SPINDLE TAPES,
★ EGYPTIAN COTTON TAPES,
★ ZIP TAPES,
★ VENETIAN BLIND TAPES,
★ WEBBINGS,
★ BLEACH TAPES,
★ METALLIC TAPES,
★ LISTINGS AND BANDINGS

We would welcome your enquiries for immediate execution.

SUNSHINE TRADERS
Manufacturers and Suppliers,
3, Hamam Street, Bombay, 1.
Phone: 251431 Gram: "SUBHMANGAL".

STANDARD-VACUUM REFINING COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent Debentures 1964-68 will be closed for transfers from 18th April 1961 to 30th April 1961, both days inclusive.

N. A. KRISHNAN,
Secretary & Treasurer,
State Bank of India.
Agents for the Standard-Vacuum Refining Company of India Ltd., for the management of the debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 1*st April* 1961.

JUTE

(*Concluded from page* 592)

It would be appropriate to recall here the statement of Mr. D. C. B. Pilkington at the recent annual meeting of the Indian Jute Mills Association—his speech was dealt with in detail in the course of an editorial last week—that, given a good jute crop this year, much of the loss to substitutes can be recovered. An interesting assessment of the demand for Indian jute goods was made by Mr. Pilkington. According to him, the demand can be divided into two broad categories—(1) usages where consumers can switch quickly from one material to another, the choice being determined solely by the relative price, and (2) usages where a switch from jute to a substitute would mean a conversion of existing plant.

The losses to substitutes, it is felt, will be mainly to the first type and most of the losses can be recovered, provided, of course, prices of Indian jute goods are competitive. Consumers in the second category, Mr. Pilkington says, do not lightly incur the heavy capital outlay involved in converting their plants and, provided they are not scared away by statutory controls over jute goods, indications are that most of them will stick to jute at least until they have seen how the market reacts to this year's jute crop, even though goods prices may temporarily rise still further. He, however, warns that, should any plants be converted to paper or bulk, the damage would be serious, because there would then be no return to jute. Although no such new conversions have so far been reported since the present scarcity of raw jute started, a sense of complacency should not prevail. For much will, as Mr. Pilkington stressed, obviously depend on the size of the coming jute crop and on the extent to which India can retain the confidence of its customers in the intervening months. Another short raw jute crop in succession to the one witnessed in the 1960-61 season will provide a strong backing to forces that cause a permanent loss of markets for jute manufactures.

A novel airbus service on three routes in East Pakistan has been introduced by the Pakistan International Airlines in order to provide quick transport within the Province at subsidised fares. The fare is placed at Rs. 7.50 for a short half-hour flight. The Dakota fleet, now rendered surplus with the introduction of the Fokker Friendship turbojets on the regular scheduled routes, is being used for the new airbus service.

BENGAL POTTERIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extra-Ordinary General Meeting of the Shareholders of the Bengal Potteries Limited will be held at the Registered Office of the Company at 45 Tangra Road. Calcutta-15, on Monday, the 17th April, 1961, at 3-30 p.m., to transact the following items of business:—

1. To consider and if thought fit to pass the following Resolutions which shall be proposed as Ordinary Resolutions:—

A. "Resolved that consent be and is hereby given to the Board of Directors of the Company, borrowing upto a total amount of Rs. one crore (excluding temporary loans from time to time obtained by the Company from its Bankers in ordinary course of business), in excess of the aggregate of the paid-up Capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, as the Board may from time to time deem necessary for the purpose of the Company."

B. "Resolved that this meeting approves of the reappointment by the Board of Directors of the Company of Messrs. Allied Distributors & Co., as the sole selling agents of the Company for a period of five years commencing from the 1st April 1961, at the remuneration and upon the terms and conditions contained in the agreement dated 22nd March 1961, made between the Company of the one part and the said Messrs. Allied Distributors & Co. of the other part laid before the meeting and subscribed by the Chairman of the meeting for the purpose of identification."

2. To consider and if thought fit to pass the following Resolution which shall be proposed as a Special Resolution:—

Resolved that the Articles of Association of the Company be altered in manner following:—

A. Subject to approval by the Central Government, the following Article shall be inserted after Article 96B:—

"96C. So long as any money remains due by the Company to the Industrial Credit and Investment Corporation of India Limited, the Industrial Credit and Investment Corporation of India Limited, shall have and may exercise the following rights and powers:—

"To appoint from time to time any person or persons to be a Director or Directors of the Company but so that not more than two persons shall at any time hold Office by virtue of appointment made under this Article. Any person or persons so appointed shall not be subject to retirement by rotation but may at any time be removed from office by Industrial Credit and Investment Corporation of India Limited, who may from the time of such removal or in case of death or resignation of the person appointed, appoint any other or others in his or their place. Any such appointment or removal shall be by a writing signed by the Industrial Credit and Investment Corporation of India Limited, and served on the Company."

B. Sub-clause (17) of Article 131 of the Articles of Association of the Company shall be deleted and the following new sub-clause shall be substituted therefor:—

"Article 131 (17). Subject to the provisions of the Companies Act, 1956, to delegate all or any of the powers hereby conferred upon them to the Managing Agents of the Company as they may from time to time see fit."

EXPLANATORY STATEMENTS
Under Section 173(2) of the Companies Act, 1956

Item No. 1A of the Agenda:

The Company has entered into a Collaboration Agreement with Messrs. Rosenthal Isolatoren GMBH of West Germany, for the manufacture of Porcelain Insulators.

For the purpose of giving effect to the said Agreement, the Company will have to undertake substantial expansion of the Insulator Section of its factory by installing new machinery which will require capital expenditure (including foreign exchange facilities) which is estimated at Rupees Forty-eight lakhs and Fifty thousand.

Negotiations are proceeding with Industrial Credit and Investment Corporation of India Limited of Bombay for a loan of 242.000 dollars equivalent to Rs. Eleven lakhs and fifty-five thousand, and Rs. 25 lakhs in Indian Currency.

A Resolution was passed by the Company in General Meeting on the 23rd June 1959, consenting to the Directors borrowing moneys in excess of the limit placed by Section 293(1)(d) of the Companies Act, 1956. This Resolution did not specify the total amount upto which moneys might be so borrowed by the Directors as was not necessary under the Companies Act then in force. By Section 99 of the Companies (Amendment) Act of 1960, Explanation No. 1 was inserted to sub-section (1) of Section 293 of the Companies Act, 1956 which *inter alia* provides that every resolution shall specify the total amount upto which moneys may be borrowed by the Board of Directors.

Industrial Credit and Investment Corporation of India Limited in view of the abovementioned amendment requires that another Resolution should be passed complying with the provisions of Explanation No. 1 to Section 293(1), of the Companies Act, 1956.

It may be mentioned that the proposed loan from Industrial Credit and Investment Corporation of India Limited together with the amounts already borrowed will exceed the aggregate paid-up Capital of the Company and its free reserves.

None of the Directors or the Managing Agents has any concern or interest in the abovementioned resolution, except as a Director or Managing Agents of the Company.

Item No. 1B of the Agenda:

Messrs. Allied Distributors & Co., is a co-partnership firm of which Bharat Ram Charat Ram Private Limited, Shri S. K. Agarwal, Shri R. K. Agarwal, Gupta Collective Farms Private Limited, Hindusthan Selling Agencies Private Limited and K. L. Poddar & Sons Private Limited are partners.

The said Messrs. Allied Distributors & Co. was appointed sole selling agents of the Company for a period of 5 years commencing from 1st April 1956, and the period of such appointment is to expire on the 31st of March 1961.

At an extraordinary general meeting of the Company held on the 22nd March 1961, at 11 a.m. the Company accorded its consents by a special resolution under Section 314 of the Companies Act, 1956, to the reappointment of the said Messrs. Allied Distributors & Co., as the sole selling agents of the Company for a period of five years commencing from the 1st April 1961, at the remuneration and on the terms and conditions, mentioned in the draft agreement expressed to be made between the Company of the one part and the said Allied Distributors & Co. of the other part subscribed by the Chairman of the Board of Directors of the Company at its meeting held on the 23rd February 1961 and also subscribed by the Chairman of the extraordinary general meeting held on the 22nd March 1961.

The said Messrs. Allied Distributors & Co. have also made a declaration under the provisions of Section 314(2) of the Companies Act, 1956.

INTRODUCING .....

NON-DESTRUCTIVE ULTRASONIC FLAW DETECTOR

EX: M/S. DR. LEHFELDT & CO.,
G.m.b.H. GERMANY

ECHOSKOP

could be used during works inspection, during working and manufacture, during research and development.

For further particulars write to:
SOLE AGENTS:
TOSHNIWAL BROTHERS (PRIVATE) LIMITED
198, Jamshedji Tata Road, Bombay-1
Branches: AJMER, CALCUTTA, DELHI, MADRAS.

The Board of Directors at its meeting held on the 22nd March 1961, at 11-45 a.m. after the said special resolution was duly passed, reappointed the said Allied Distributors & Co. as sole selling agents of the Company for a period of five years commencing from the 1st April, 1961 at the remuneration and upon the terms and conditions mentioned in the said draft agreement placed before the extraordinary general meeting on the 22nd March 1961, subject nevertheless to the condition that such reappointment of Messrs. Allied Distributors & Co. as such sole selling agents shall cease to be valid if it is not approved by the Company in the first general meeting held after the date of such reappointment. The said draft agreement was thereafter duly completed and executed.

The resolution therefore is for the purpose of obtaining the approval of the Company in general meeting under the provisions of Section 294(2) of the Companies Act.

Allied Distributors & Co. is a co-partnership firm and it appeared that Shri S. K. Agarwal and Shri R. K. Agarwal are sons of Lala Bishen Swarup, a Director of the Company and are sons of a brother of the mother of Lala Shri Dhar, a Director of the Company. As such they are the relatives of Lala Bishen Swarup and Lala Shri Dhar within the meaning of Companies Act of 1956.

Lala Sri Dhar a Director of the Company, is a Director and Shareholder of Bharat Ram Charat Ram Private Ltd., also a partner of Messrs. Allied Distributors & Co., Shri S. K. Agarwal and Shri R. K. Agarwal, partners of Messrs. Allied Distributors & Co. are also Directors in private companies (not concerned in this arrangement) in which either Shri Bishen Swarup or Lala Shri Dhar, two of the Directors of the Company, are Directors.

Save as aforesaid none of the other Directors of the Company or the Managing Agents has any concern or interest in the aforesaid Resolution.

Item No. 2(A) of the Agenda:

For reasons as explained in the Explanatory Statement relating to item No. 1A of the Agenda, the Industrial Credit and Investment Corporation of India Limited requires the Company to amend Articles of Association of the Company to provide for the appointment of nominee of the Industrial Credit and Investment Corporation of India Limited on the Company's Board, who shall not be required to hold qualification shares prescribed by Article 97, nor shall he be liable to retire by rotation. Under the provisions of the Companies Act, 1956, the proposed amendment of the Article by inserting the new clause 96C will require the approval of the Central Government.

Item No. 2(B) of the Agenda:

Under Sub-clause (17) of Article 131 of the Articles of Association of the Company, the Directors have power *inter alia* to delegate all or any of the powers thereby conferred upon them to any Manager, Managing Director or Managing Directors, but not Managing Agents. The Company at present has no Manager, Managing Director or Managing Directors but only Managing Agents. Further under the provisions of Section 197A of the Companies Act, 1956 as inserted by Section 55 of the Companies (Amendment) Act, 1960, no Company shall after the commencement of the Companies (Amendment) Act, 1960, appoint or employ at the same time or after the expiry of six months from such commencement continue the appointment or employment at the same time of more than one of the following categories of Managerial personnel, namely, (a) Managing Director, (b) Managing Agent, (c) Secretaries and Treasurers and (d) Manager.

None of the Directors or the Managing Agents has any concern or interest in the abovementioned resolution, except as a Director or Managing Agents of the Company.

The agreement dated 22nd March 1961, referred to in the Resolution No. 1B can be inspected by any member at the registered office of the Company, 45, Tangra Road, Calcutta, on any working day of the Company, during the hours of 2 p.m. to 4 p.m.

A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

By Order of the Board of Directors,
BHARAT RAM BHAGAT & CO.,
Managing Agents.

45, TANGRA ROAD,
CALCUTTA, *Dated 22nd March*, 1961.

RAISING SUGAR OUTPUT PER ACRE
MR. D. M. DAHANUKAR'S OBSERVATIONS

THE view that only maximisation of sugar production per acre of land would enable the industry to run on economic lines and thus compete in the world market was expressed by Mr. D. M. Dahanukar, Director of the Maharashtra Sugar Mills Ltd., in the course of his speech at a reception held in honour of Mr. S. K. Patil, Union Minister for Food and Agriculture, during his visit to the factory at Tilaknagar in Maharashtra State on 18th March 1961. Mr. Dahanukar was confident that, if all the cane plantations in India, big or small, were to adopt scientific methods of farming, the production of sugar could be stepped up to four million tons annually. The surplus then, he said, could be exported and valuable foreign exchange earned. He put such earnings from the sale abroad of 300,000 tons at Rs. 20 crores.

At the outset, Mr. Dahanukar extended a hearty and cordial welcome to Mr. Patil and other guests who had responded to his invitation. Tracing the history of his Company, he said:

"In the early thirties, this Company was founded by Mr. Babasaheb Dahanukar, Chairman of this Company. In those days, this part of the country was deserted and devoid of any vegetation except for a few babul trees here and there. This town of Tilaknagar, which has sprung up here, is associated with the memory of *Lokamanya* Bal Gangadhar Tilak, who had pioneered the independence movement in our country. *Lokamanya* Tilak was also a strong advocate of the cause of industrialisation of our country. He advocated an all-round economic development of the country and visualised that, given proper encouragement and opportunities, Indian economy could become a self-sufficient one. It is not surprising, therefore, that he came to be interested in the sugar industry, an industry completely pushed to the background because of the apathy of foreign rulers. The *Lokamanya* had pleaded for Government aid, by way of protective tariff, subsidies, procurement of requisite machinery, etc. Writing in *Kesari* on 22nd September 1903, he spoke of the Government's indolence to encourage industrial development of India and said: 'India must be able to grow all the sugarcane she needs and manufacture all the sugar she requires, but this is a matter of planning and pursuing a well-defined policy of encouragement and protection.' The enthusiasm of *Lokamanya* Tilak in this regard (as reported in the *Times of India*) was so overwhelming that once he went to the extent of ordering a little machinery to experiment in producing *gur* and sugar from sugarcane juice. It is our good fortune that the Founder and Chairman of our Company, Mr. Babasaheb Dahanukar, received blessings and inspiration to start this industry from *Lokamanya* Tilak. To commemorate this ideal cherished by him and also as a mark of respect to this illustrious leader, this industrial town has been named as 'Tilaknagar.'"

Scientific Farming

Mr. Dahanukar complimented Mr. Patil on his various achievements, particularly in the sphere of food and sugar. He observed:

"Understanding the basic need of our country, you have, from time to time, urged the necessity of achieving self-sufficiency in food and of making use of the U.S. food loan only as a buffer-stock to meet any emergency. Your all-out efforts to achieve self-sufficiency in food in our country deserve all praise. After you have taken over the reins of the Food Ministry, by your most tactful approach to the problems of maximisation of sugar production, you offered incentives like excise rebate on excess production. By this practical approach, immediate results were obtained and it is gratifying to see that within a year the production of sugar has gone up from 19.7 lakh tons to about 24 lakh tons during the season 1959-60. This, indeed, is a proud record for our country. We feel that, if all the cane plantations in our country, big or small, adopt scientific methods of farming, it can reasonably be expected that our country's average production can be stepped up to four million tons. The surplus then can be exported to earn valuable foreign exchange. If we export three lakh tons of sugar, our country can earn foreign exchange to the tune of 20 crores of rupees.

"Some days back, explaining the Government's stand on a motion raised by a member of the Lok Sabha regarding production, distribution and supply of sugar, you have rightly placed your finger on the crux of the problem by stating that the long-term solution to the problem lies only in the increased production of sugarcane. Available statistics indicate that there has been a steady increase in the average as a result of which cane output is also likely to show a proportionate rise. But more than that, in order to ensure a permanent remedy, it is necessary to increase the yield of sugarcane per acre. In this context, you will be gratified to note that, with lesser area, more intensive and scientific technique adopted by our Company in cane cultivation, selection of disease-free seeds for which this company maintains a special nursery, and experimental farm, we have been able to cultivate cane economically and with encouraging results. We have long realised that the maximisation of sugar production per acre of land would alone enable the industry to run on economic lines and thus produce sugar to compete in world market. Our average per-acre production of cane and sugar during the last season was above 62 tons and 7.8 tons, respectively. A special reference must be made of the yield in some of our selected plots where production of cane and sugar was even around 80 tons of cane and 10 to 13 tons of sugar per acre, respectively. I am happy today to mention that this achievement is significant which the private sector under joint-stock companies can proudly claim."

Land Ceilings

Proceeding, Mr. Dahanukar referred to the Maharashtra Land Ceilings Bill and said:

"At the moment, our minds are deeply concerned over the State Government's Bill seeking to impose ceilings on holdings of land. The Government proposes to apply the provisions of this Bill to sugar farms of joint-stock companies. The application of this Bill will, indeed, have adverse and undesirable effects, and we are afraid, will disrupt the highly efficient sugar farms which have been developed after three decades of hard work and against risks of various hazards of Nature's pests and diseases. At a time when our unit of sugar industry has gained phenomenal achievements and peak efficiency and is being developed as a model in our country and as the second best industry in the world, it is unfortunate that the State Government should propose to apply the Lands Ceilings Bill to these companies. In fact, the State and Central Governments should be proud of such farms and they should be preserved as precious treasures of the nation.

"When I mention the sugar industry as the second best in the world, I am not giving expression to my own opinion, but it was a remark made by Mr. Henry A. Walker, Vice-President and General Manager of the American Factors Associates Ltd., Hawaii, who was on a brief visit to our factory on 2nd February 1959, after his extensive tour of the various sugar producing countries in the world. Mr. Walker was impressed with our achievements and offered to send his technical experts to our plantations for further improvements. Actually, we ourselves wanted to bring in these experts on our own account, but the Reserve Bank was very reluctant in granting even the 7,000 dollars in foreign exchange which was essential for their visit. In view of the necessity of all-round efforts to step up cane production in our country in lesser area, it would be worthwhile on the part of the Government to consider the feasibility of inviting these technicians to our country under the United Nations Technical Assistance Programme and thus making their services available to sugarcane research stations in the country and industry.

"Our research laboratory and experimental farm need special mention. Our technicians are putting in continuous efforts with all zeal, in the application of latest techniques with a constant thought of further progress. Their untiring efforts have been rewarded. I pay my tributes to our technicians for their perseverance, zealous efforts, planning with vision and imagination. With all these achievements, still our ambitions have no bounds, and we are eager to go ahead with better performance and, therefore, are looking forward to various experiments in application of hormones and others, with a view to increasing sucrose content in the sugarcane. The use of radio-active isotopes, when released by the Government for use in the field of agriculture, with the object of studying the requirements of nutrients of sugarcane is also contemplated. Methods of moisture determination with use of souquouys blocks to rationalise the use of water for sugarcane crops are some of the problems of highly intricate character, but those have been successfully solved and practised to advantage in Hawaii."

A brief review of the Company's progress was made by Mr. Dahanukar. He observed:

"Beginning with a modest production of 7,242 bags of sugar in 1934-35, the Company achieved a production of 250,846 bags in 1959-60. Similarly, in the field of agriculture, we produced 179,696 tons of cane on 3.789 acres of land in 1940-41, resulting in 188.512 bags of sugar and, in 1958-59, we produced 160.350 tons of cane on an area of only 2,495 acres which commanded a production of 191,600 sugar bags. This means that the average yield of 47.5 tons of cane per acre has increased to 64.3 tons per acre. Similarly, our production in 1943-44 was as low at 3.6 tons of sugar per acre (when pests and diseases prevailed). But due to our continuous and planned efforts, we have more than doubled it in little over a decade when we reached a sugar production of 7.8 tons per acre in 1959-60. We consider this as a significant achievement particularly when compared with the general average of only 1.5 tons sugar per acre in our country. This season, we expect to make further progress and hope to reach an estimated average of 70 tons of sugarcane on all kinds of crops and 8.5 tons of sugar per acre. This, so far as our information goes, is the highest figure ever achieved in our country on a composite and mechanised sugarcane farm."

Mr. Patil's Speech

Speaking on the occasion, Mr. S. K. Patil alluded to the issue of controls over sugar and stated:

"Sugar price has gone down, but, I am afraid, it must not go down even more than this. Many people are asking why I am keeping this control. As much as 70 per cent of the produce is controlled in the U.P., Bihar and the Punjab. If the controls exist, it is because I do not want the prices to fall. I want them (controls) in the interests of the producers, so that the producers will be getting Re. 1.62 to Rs. 2 or even more for their cane, and they can do so only if I have some controls to regulate the prices, and it is not because millowners should be assisted. I am sure that the millowners are also afraid of abolition of controls. Something will have to be done during the next few years, and whatever will be done will be in the larger interest of the industry."

Mr. Patil emphasised the need for improving the productivity of cane lands and said:

"The average per acre yield of sugarcane is 15 tons. You may talk of 60 to 70 tons per acre. There may be factories in Maharashtra giving as much as 66 tons or even 75 tons. Recently, I gave a prize to a farmer from Coimbatore who gave the highest yield of 146 tons per acre. But these are individual achievements. Even if the average yield of cane is raised by 1.4 ton or something, I would be happy. It deserves great commendation for the above farmer, and he was awarded Rs. 5,000 with a gold medal for his achievement. If we are able to produce 40 to 50 tons per acre in India, sugar will be marketable at competitive prices. The world produces 45 million tons of sugar. Of this, our production of 2½ million tons represents about 4 per cent. But, if you take the production of *gur* and *khandsari*, you will find that one-third of sugarcane is going for the production of sugar and two-thirds for the manufacture of *gur* and *khandsari*. If you take the whole thing, it comes to 10 per cent of the world production of sugarcane. It is not a small thing. . .

"For the last six months, my mind has been heavily taxed to find out some practical solution, so that the production per acre yield is higher and higher, that is, from 15-20 tons to 25 tons, with a view to making it competitive even to have some method by which at least 500,000 tons must be sold in the international market, in order that the precious foreign exchange of 50 million dollars from America must be achieved. Therefore, you must be well prepared for some sacrifice. With your technical and scientific knowledge, which has proved to be so excellent, surely you will have better results year after year, I hope, whenever such results are obtained, they should be made available to other agriculturists, so that their production, too, may go up in a similar manner. I am glad you are already doing this."

Apropos Mr. Dahanukar's reference to the Maharashtra Land Ceilings Bill, Mr. Patil disclosed that his Ministry had suggested grant of exemption to those farms which are mechanically cultivated and give maximum results, as, for instance, tea and coffee plantations, sugarcane farms, and rice and wheat fields. He, however, mentioned that there was a proviso for the exemption so suggested, namely, that the imposition of ceiling on any farms should not adversely affect production. "It is natural," he said, "that, if production remains the same, as an Agriculture Minister, I cannot say anything. I am talking here not as a politician but as a simple Minister for Agriculture." Mr. Patil alluded to the Maharashtra Government's assurance that, as a result of the inclusion of sugarcane farms in the land ceiling legislation, production of sugar would not suffer and said that he had to take the word of the Government. He added that the solution to the problems of Deccan sugar millowners did not rest with him but with the State Government.

GUJARAT STEEL TUBES LTD.

A new company, the Gujarat Steel Tubes Ltd., Ahmedabad, will enter the capital market some time in the middle of April. The Company has an authorised capital of Rs. 3 crores, but initially it intends to issue a capital of Rs. one crore only, all in ordinary shares of Rs. 100 each. Of this, Rs. 51 lakhs will be taken up by the promoters and their friends. The remaining amount of Rs. 49 lakhs divided into 49.000 shares of Rs. 100 each, will be offered for public subscription.

The main object of the Company is to manufacture galvanised steel pipes of the diameter of ¼ to 4 inches. The Company has already obtained the necessary licence to manufacture 24,000 tons of pipes annually and has also secured a loan of Rs. 45 lakhs in foreign exchange from the I.C.I.C.I. for importing plant and machinery from West Germany. It is reported that the tube mill will be supplied by the well-known firm of Mannesmann-Meer of West Germany, who will also erect and commission the plant and train the Indian staff and labour. Raw materials for the manufacture of the tubes will be supplied by the Rourkela steel plant. The Company is being established by the well-known Ahmedabad firm of Jesinghbhai Ujamshibhai which will be its managing agents, headed by Mr. Shantilal Mangaldas, a leading industrialist of Gujarat and a former President of the Federation of Indian Chambers of Commerce and Industry.

As the demand for tubes and pipes is running ahead of the supply, the promoters believe that the Company can earn reasonable profits. The plant is expected to go into production by about the middle of 1962.

The Government of Maharashtra has set up a committee to examine the system of ownership flats in all its aspects. The Committee is expected to suggest measures for preventing malpractices and irregularities and ensuring security for buyers of ownership flats. This information was given by Mr. S. G. Kazi, the State Minister for Civil Supplies, in the Legislative Assembly this week.

MONEY STILL TIGHT

(From Our Own Correspondent)

BOMBAY, 28*th March*

No new developments have occurred in the short-term money market. The demand for funds for meeting the growing requirements of industry and trade continued at a high level throughout the week. As there is no sign yet of any perceptible expansion on the supply side, the interest rates have been ruling firm at the same levels as those that prevailed last week. For purposes of record we give them below:

	Per cent.
Inter-bank call money—	
Exchange and larger Indian banks ...	5½
Other banks	5¼
Notice money:	
3 days or more	3
Term deposits:	
(i) 3 to 30 days (inclusive)	3
(ii) 31 to 60 days	3½
(iii) 61 to 90 days	3½
(iv) 91 days and more but less than 12 months	3¾
(v) 12 months	4

The results of 91-day Treasury Bills of the Government of India sold through weekly tenders showed no new features. Thus, the total amount offered and accepted was Rs. 2 crores, same as last week, against an invitation of an equivalent amount. The average rate of accepted tenders remained unaltered at Rs. 2.750 per cent per annum. 91-day intermediate Treasury Bills sold from 21st to 25th March fetched Rs. 70 lakhs. Their sales are being continued.

The statement of the scheduled banks for the week ended 17th March 1961 discloses a decline of Rs. 3.95 crores and Rs. 17.89 crores in the demand and time deposits respectively. Of this fall, the share of the State Bank of India is Rs. 14.53 crores. Thanks to the heavy pressure on the demand for funds, their borrowings from the Reserve Bank of India increased by Rs. 11.51 crores, of which Rs. 5.98 crores are against usance bills. The Scheduled banks' borrowings from the State Bank of India of demand variety expanded by Rs. 1.28 crore and those of time nature by Rs. 16 lakhs. On the assets side, the advances and bills portfolio registered a sharp rise of Rs. 14.43 crores, on top of an almost equal rise in the preceding week. This brings the total bank credit to Rs. 1,307.17 crores, as against Rs. 1,114.63 crores a year ago. Of the rise in Scheduled bank credit, the State Bank of India accounted for Rs. 2.84 crores. Over the week, the investments of the Scheduled banks as a whole have fallen by Rs. 14.98 crores, but as the investments of the State Bank of India have declined by as much as Rs. 13.24 crores, the actual contraction in this portfolio of the other scheduled banks is only of the order of Rs. 1.74 crores. The reduction in the deposits and investments of the State Bank is clearly due to the monthly transfer of P.L. 480 funds to the Reserve Bank.

Prices in the gilt-edged section hardened further during the week, on account of keen enquiries for short and medium-dated issues from certain official funds. These institutional investors seem to be switching their holdings of near-maturity securities for short and medium-dated loans. As a consequence, several Central loans have moved to higher levels. Thus, 2½ per cent 1962 and 3¼ per cent 1964, National Plan Bond Loan closed 15 nP higher each at Rs. 98.40 and Rs. 99.90 respectively, the prices of 3 per cent 1964, 1966-68, 3½ per cent 1965 and 1966 hardened by 10 nP each. 3 per cent 1970-75, 3½ per cent 1967 and 1968 went up slightly by 5 nP each. In the State loans section, the gains recorded were much greater. Thus, 4 per cent 1963, 1967, 1968, 1969, 1971 Madhya Pradesh, 4 per cent 1968 Kerala, 4 per cent 1968 Punjab, 4 per cent 1971 U.P., 4 per cent 1967, 1968 and 1969 Bihar showed gains ranging between 35 nP and 90 nP. Some of the State issues the prices of which had already moved up last week, displayed modest rises. Thus, 4 per cent 1969 Gujarat, 4 per cent 1963 and 1964 Madras, and 4 per cent 1967 and 1969 Maharashtra loans showed improvements ranging from 5 nP to 10 nP only.

In the foreign exchange market the rupee did not show any marked fluctuations. Thus, the banks' selling rate for ready T.T. on New York has remained steady at Rs. 478.50 per 100 dollars; the buying rate shows some strengthening, having moved from Rs. 475.00 to Rs. 474.25 per 100 dollars. In the New York exchange market, the pound sterling has remained steady. The latest available rates (28th March) are: 279.830-279.860 cents per £ for spot and 278.330-278.380 cents per £ for three months' forward. Over the week, the sterling has gained by 0.03 cent in the spot and lost 0.07 cent in the forward.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, *27th March*

Madras kip market ruled firmer than last week. Stocks were arriving in large quantities from the tanneries and were taken up at increased prices. Inquiries from U.K. were well spread and at firm prices. Shippers were quoting very high prices and were reserved in anticipation of higher prices.

In the tanned skins section, prices ruled firm. Certain top marks in goat skins were booked at higher prices. There was good demand for heavier weights lower selections from the Continent. Prime tanned sheep ruled steady; other classes were firm.

BULLION DECLINES FURTHER

(From Our Own Correspondent)

BOMBAY, 28*th March*

There was a further drop in bullion prices during the week under review. This followed persistent selling pressure induced by the delay in the commencement of business in *Vaisakh* and *Jeth* settlements, heavy arrivals and lower advices from Calcutta. Rumours regarding increased inflow of contraband stocks also imparted weakness. The decline in prices would have been more marked but for the support lent by some interests at lower levels on hopes of enlarged demand for both gold and silver during the marriage season.

The daily average offtake of gold was unchanged at last week's level of 4,000 tolas, while arrivals were of the order of 6,000 tolas. In silver, offtake and arrivals were 16 bars and 19 bars, respectively; the corresponding figures for last week were 14 bars and 25 bars. The floating stocks of gold are reported to be around 60,000 tolas and those of silver are estimated at 600 bars.

Ready gold continued to be quoted at a discount under the forward (*Chaitra*) settlement, the actual discount today being 70 nP as against 75 nP last week end. Over the week, ready gold dropped 96 nP to Rs. 119.85 and forward Re. 1 to Rs. 120.55. The premium of 25 nP commanded by ready silver over the forward on Wednesday last gradually declined during the week and disappeared today when it was quoted on par, namely, Rs. 201.65. The actual loss over the week was Re. 1.55 in ready silver and Re. 1.30 in the forward.

Adjustment rates fixed today were Rs. 119.60 for gold and Rs. 201.65 for silver, as against Rs. 120.95 and Rs. 203.20, respectively, on Wednesday last week.

The following table shows the trend of the market during the week under review:

	28-3-1961 (closing)	High	Low	22-3-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	119.85	121.25	119.60	120.80
Forward:				
Chaitra*	120.55	121.80	120.20	121.55
Sovereign	94.75	95.00	94.75	95.00
SILVER				
Ready (.996 fine) ..	201.65	203.20	200.70	203.20
Forward:				
Chaitra†	201.65	20.310	200.70	202.95
London—	27-3-1961			21-3-1961
Silver Ready	79¼d.	—	—	79¼d.
Silver Forward	80d.	—	—	80d.
Gold	250s.9d.	250s. 9d.	250s. 7d.	250s. 7d.
New York—				
Silver	91.875 cents	—	—	91.875 cents

* 3rd April settlement. † 4th April settlement.

N.B.—The quotation for gold is per 10 grams (about 0.86 tola) and that for silver is per kilogram (85.7 tolas). London and New York quota itemsare perounce.

NEW CROP GRAIN ARRIVALS

(From Our Own Correspondent)

HAPUR, *27th March*

Quiet to easy trend was witnessed in the foodgrains market during the week under review, following the commencement of new crop grain arrivals. Demand, too, was poor, as consumers expected further fall in prices as soon as new wheat reached the market. Stock position with both Central and State Governments was very sound and trade stockists were now anxious sellers.

Wheat ruled almost unchanged at Rs. 16.50 a maund for average quality and Rs. 17.75 for better farm produce. Special quality imported from Punjab was quoted at Rs. 17.50 and red inferior quality at Rs. 15 a maund. Daily arrivals were poor at about 50 maunds, but bumper crop prospects, harvesting of which would begin after ten days, acted as a check on the rising trend of prices. The weather is now sunny and is being considered best for harvesting.

Rice was stationary, thanks to easy supply position, following continued arrivals from producing areas of east U.P. Local stocks was put at 5,000 maunds and week-end prevailing prices were:—rice mainpuri Rs. 20.75; *gainda* Rs. 20; *ramjawayan* Rs. 24; *raimunia* Rs. 25.50; *basmati sela* Rs. 28 to Rs. 30; superior Rs. 33 to Rs. 37 a maund.

Gram registered a heavy fall of about Rs. 1 per maund to be quoted at Rs. 14.75 to Rs. 15 a maund for better Punjab variety and inferior quality was quoted at Rs. 14.25 a maund. Bright crop prospects and consequent easy advices from the Punjab were main influencing factors. New barley and *bejhar* began arriving in the market and prices sought lower levels at Rs. 12.50 and Rs. 11.25 a maund, respectively. Harvesting and winnowing operations were in full swing and arrivals would soon mount. Maize sought lower levels at Rs. 12.50 for best quality, as demand ran down, and *bajra* was quoted at Rs. 15 due to some demand for seed purposes. *Juwar* was depressed at Rs. 11.50 to Rs. 12.50, as local stocks mounted to 5,000 maunds, *guwar* ruled unchanged at Rs. 13.25 to Rs. 13.50.

Among pulses, peas dara declined to Rs. 9.75 to Rs. 10, as daily arrivals rose to about 1,500 maunds, and better farm produce was quoted at Rs. 12. Although some demand was reported from the consuming areas of Madras side, loading to those destinations was not available. Since the quality reaching the market was still poor, stockists were reluctant to enter the market. Arrivals would mount further, as harvesting is nearing completion and weather is favourable for winnowing operations. Peas *dal* was quoted at Rs. 12.

COTTON RECEDES

(From Our Own Correspondent)

BOMBAY, 28*th March*

The most important development of the week concerning the cotton futures market was the fixation, by the Special Committee appointed by the East India Cotton Association, Bombay, on the 23rd inst., of the tendering differences in respect of Jarilla April 1961 contract. The rates fixed are generally considered fair and just. Hence very few appeals are expected to be filed against them.

On Thursday the 23rd inst., prior to the fixation of the tendering differences, the market depicted an easy trend, thanks to selling induced by anticipation of a large volume of tenders. The actual rates fixed were, however, such as to discourage large tenders. Reacting to the news, both the Jarilla April and August contracts rallied the next day. Sentiment was also favourably influenced by the concessions announced by the Finance Minister in the excise duty on yarn and cloth. Consequently, a part of the earlier losses was made up. This trend towards a recovery was, however, reversed when the market opened on Monday, after having remained closed on Saturday owing to *Ram Navmi*. Easier upcountry advices and lower spot communications were responsible for the decline in futures prices. The downward trend of prices persisted till the close of today. The prospect of greatly increased arrival of U.S. cotton is also a contributory factor. Although those foreign growths are dearer than comparable. Indian cottons, the fact that they will swell the supplies has made mill buyers cautious and selective in their support to the market. Over the week, futures prices have declined by Rs. 7.25 to Rs. 13.

Attention is now centred round the possible volume of tenders. Although none takes a large volume of tenders for granted, tenders are expected to be more in such varieties as Buri-American, Berar 0394, Laxmi A. Jaydhar A and B, the tendering differences for which are said to be favourable to sellers.

The following table indicates the trend of prices of the contract during the week:

(In rupees per three quintals)

	28-3-61	*High*	*Low*	22-3-61
I.C.C. Jarilla:				
April 1961 ...	579.25	592.50	577	592.25
August 1961 ...	593	599	590.50	600.25

In the spot section, mill demand for ready cotton slackened. Mill buyers are inclined to postpone purchases until they get some definite indication of the probable size of tenders against the April contract. For this they have to wait till the first notice day. Nevertheless, needy mills showed interest in such varieties as Laxmi, CO2, Surti, Vijay, Khandesh and Kalyan. Prices were well maintained.

Interest in foreign cotton was mainly confined to Sudan cotton owing to its cheapness relative to comparable Egyptian cotton. Stray interests was noticed in East African varieties while U.S. cotton was neglected. It is said in trade circles that in order to expedite the import of the 300,000 bales of U.S. cotton, which India agreed to take as per the recent agreement, mills might be compelled to take up the quantity in full. For this purpose, Indian cotton quota is likely to be linked to U.S. cotton.

Export demand for Bengal *Deshi*, especially Fine and above qualities, was well maintained. Shippers bought sizable quantities, in anticipation of a quota which has yet to materialise. In fact, traders are disappointed that, in spite of the very favourable supply position of Bengal *Deshi* and the urgent need for earning foreign exchange, the Government could not persuade itself to release a further quantity of Bengal *Deshi* which the country can safely spare. Meanwhile, it is said that a Japanese trade delegation, which is expected to visit India some time later this year, will also consist of representatives of Japanese cotton traders. The latter will suggest some modification in the export policy of cotton which will include (1) issue of export quota in bulk of the beginning of every season, (2) simplify the export procedure and making it less cumbersome, and (3) provision of facilities for longer shipments. The procedure followed in respect of exports in the current season, especially the linking of exports to sales to mill in India is said to have caused much inconvenience to overseas buyers who are consequently reluctant to buy cotton on a subject-to-licence basis.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Laxmi 1,050; CO2 1,220-1,285; Kalyan 800; B.P. 52 1,320; Sudan P.L. 1,625; XP2L 1,585.

In the Karachi cotton futures market, the March 1961 contract having gone off the board on 25th March (the last known quotation for it was Rs. 72.10 as against Rs. 70 a week ago), trading interest was centred round the May contract. Consequently, it improved from the last week-end rate of Rs. 70 to Rs. 70.90 yesterday. The July 1961 contract registered a sympathetic rise from Rs. 70.15 to Rs. 70.60. Spot prices ruled fully steady.

Alexandria cotton futures market depicted a divergent trend during the week under review. While the prices of long-staple Karnak contracts were well maintained, thanks to a revival of export interest and local demand, the medium-staple Ashmouni contracts tended to recede owing to absence of foreign demand. The export price discount remained unchanged for the current week also. The latest available quotations—in tallaris per lb.—are as under, the figures in brackets being last week-end rates:

Karnak: March 69.50 (69.08); May 70.25 (70.13); July 70.70 (70.51).

Ashmouni: April 59.29 (59.30); June 59.78 (60.12); August 60.20 (60.70).

Quiet conditions prevailed in the Liverpool cotton futures market during the week. Values remained practically unchanged in thin trading. A limited volume of hedge offering and profit-taking was readily absorbed. Continued firm advices from New York failed to have any bullish effect on prices in Liverpool. The more distant positions of Sudan cotton contracts in Liverpool, however, firmed up, thanks to local support. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one-inch staple contract: March 24.35; May 24.85; July 25.15.

American cotton mixed growth contract: March 24.70; May 25.25; July 25.50.

Sudan: March 31.50; May, July 31.75.

The declining trend noted in the New York futures market last week after a period of sustained firmness proved shortlived. The market again rallied during the week under review. The bullish outlook for cotton, thanks to the higher support price for upland cotton, the enhanced C.C.C. resale price for its stocks with effect from 1st April, and the explosive situation in Laos touched off a wave of buying which pushed the contracts to higher levels. Spot prices too continued to be firm.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	27-3-61	21-3-61	14-3-61
Spot	33.50	33.35	33.25
May	33.18	33.12	33.37
July	33.72	33.64	33.73

YARNS WEAK

(From Our Own Correspondent)

BOMBAY, 28*th March*

The yarn market depicted a distinctly easy trend during the week under review. Art silk yarns encountered selling by tired bulls who had bought large quantities at high prices in the past fortnight. The reduction in the rates of basic import duty on art silk yarn announced by the Government early in the week failed to have any significant effect. The import duty per kilogram has been cut from Rs. 5.10 to Rs. 4.45 on yarns below 75 deniers, from Rs. 3.70 to Rs. 3.15 on 75-100 deniers and from Rs. 3.10 to Rs. 2.75 on yarns above 100 deniers; the countervailing import duty rates, however, continue unchanged at Rs. 3.00, Rs. 2.25 and Re. 1.50, respectively. Staple fibre yarns also came in for selling, in view of the low level of offtake from consuming centres. Cotton yarns lacked support in the absence of any encouraging development.

The Art Silk Yarn Distribution Committee of the Development Council for Art Silk Industry has decided that card holders for indigenous yarn will be allotted their balance quota of yarn, if any, for April-June 1960, July-September 1960, and October-December 1960 quarters in full. All art silk powerloom weaving units having balance quotas of yarn are required to forward their cards so as to reach the Committee not later than 5th April 1961.

Spot Cupressa Bemberg yarn (60 x 2) moved down from Rs. 2.870 to Rs. 2.755. April delivery was knocking at the official ceiling of Rs. 2.600. Among imported art silk yarns, 150 Italy shed a rupee to Rs. 1.793. 120 Italy were subdued at Rs. 1.543 and 150 Japan at Rs. 1.777. 120 Japan, however, met with special support and advanced by Rs. 14 to Rs. 1.570. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade fell by 40 nP to Rs. 15. 150 Bt. cones 1st grade eased by 9 nP to Rs. 13.46.

Staple fibre yarn (40 x 2) June delivery receded by Rs. 25 to Rs. 905. April delivery declined by Rs. 16 to Rs. 928. Spot Kohinoors lost 7 nP to Rs. 10.71. Centurys were dull at Rs. 10.58.

In the cotton yarn section, ten counts Gokaks were quiet at Rs. 21.75, while Moderns spurted by 56 nP to Rs. 19. Twenty counts New Greats were unchanged at Rs. 27.12. Thirty counts Simplex and New Greats were quoted at last week's level of Rs. 27.12 and Rs. 27, respectively. Forty counts Maduras were lower by 25 nP at Rs. 32. Sixty counts Gokaks improved by 25 nP to Rs. 51. Eighty counts Finlays and Mahindras were unaltered, the former at Rs. 82.25 and the latter at Rs. 68.68.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with the previous week.

	28-3-1961	22-3-1961
	Rs.	Rs.
Art silk yarns—		
60/1 Cupressa Bemberg (100 kg.) April	2,600.00	2,600.00
60/1 Cupressa Bemberg spot	2,755.00	2,810.00
120 Japan (per 100 kg.)	1,570.00	1,556.00
150 Japan (per 100 kg.)	1,777.00	1,777.00
120 Italy (per 100 kg.)	1,543.00	1,543.00
150 Italy	1,793.00	1,764.00
Staple fibre yarns—		
40 x 2 April (per 90.72 kg.)	928.00	944.00
40 x 2 June	905.00	930.00
40 x 2 Century (per kg.)	10.58	10.58
40 x 2 Kohinoor (per kg.)	10.71	10.78
Cotton yarns (per bundle of 10 lbs.)—		
10s Golden	19.00	18.44
20s New Greats	21.75	21.75
20s Simplex	27.12	27.12
40s Maduras	32.00	32.25
60s Finlay	66.40	66.40
80s Mahendras	68.68	68.68

OILSEEDS DEPRESSED

(From Our Own Correspondent)

BOMBAY, 28*th March*

For the second week in succession the oilseeds market ruled depressed with the exception of castorseeds which moved up on speculative support. Groundnuts were subjected to renewed long liquidation. Reports suggesting tight statistical position were of no avail. The *vanaspati* manufacturers and crushers declined to lend active support on hopes of a further fall in groundnut prices. There were, besides, reports from Madras indicating that the summer crop there would come to market in the immediate future. The growing supplies of oil from Nizam after the lapse of about a year, following the recent weakness in Delhi and Calcutta markets, further dampened the enthusiasm of bulls. Yet another bearish factor was the marked setback to values of *kardi* seed and oil, another edible oil, thanks to substantial arrivals from Nizam. The weakness in rapeseed, too, adversely affected the sentiment. Export business in H.P.S. was dull on account of Indian prices being out of parity with world prices. Linseed ruled distinctly easy in the absence of any overseas enquiries for oil. The domestic demand was also at a low ebb, in the wake of arrivals of linseeds from major producing centres, such as the U.P. and Nizam. The pronounced weakness in rapeseed, too, acted as a damper for linseeds. In sympathy with other edible oils, sesame turned listless. Cottonseeds gave way in the absence of follow-up support.

As already mentioned, castorseed put on a cheerful appearance this week. The spurt in castorseeds was induced by sustained buying by a prominent business house and a few shippers who expected that Brazilian supplies would taper off shortly, thereby opening out prospects for Indian castor oil in the U.S. market. There were rumours of enquiries from some Communist countries. But for larger arrivals, prices would have moved up still further.

In the groundnut section, Nizam bold fell from Rs. 54.50 to Rs. 52.50 by yesterday, but improved to close at Rs. 53.25, with a net loss of Re. 1.25 over the week. Khandesh suffered a setback of Re. 1.75 to Rs. 53.50.

Groundnut oil ex-mill closed lower at Rs. 22.60 today, as against Rs. 23.15 last week-end. Railway receipts eased by 40 nP to Rs. 22.40. There was no official trading in respect of May 1961 hedge contract, with prices continuing to rule above the ceiling level.

Among linseeds, May 1961 contract declined by 57 nP to Rs. 36.62 on stale liquidation by upcountry interests. Bold ready lost 87 nP to Rs. 37.50. Oil was marked down by a rupee to Rs. 16.50.

In the cottonseeds section, May 1961 contract fell by Re. 1.50 to Rs. 95.75. Whites sagged by 25 nP to Rs. 19.75. Both non-whites and berars dropped a like amount to Rs. 19.50.

In the sesame group, sesame bold variety was neglected at Rs. 370 (per 250 kgs.), in distinct contrast to the trend in the previous week. Sesame oil was lower by 75 nP at Rs. 28.25.

In the castorseed section, May 1961 contract rose from Rs. 176.39 to Rs. 180.50 by Friday, but moved down slightly thereafter to Rs. 179.50. Ready Madras rose by 37 nP to Rs. 35.62. Oil B.S.S., which had improved from Rs. 16.10 to Rs. 16.85, closed today at Rs. 16.65. Oil commercial gathered 45 nP to Rs. 15.90.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	28-3-1961	22-3-1961	15-3-1961
Groundnut	Rs.	Rs.	Rs.
May 1961	—	—	—
Nizam bold	53.25	54.50	55.25
Coromandel ready	53.50	55.25	55.50
Khandesh quality	53.50	55.25	55.25
Oil ex-mill ready*	22.60	23.15	23.25
Railway receipts*	22.40	22.80	23.00
Castorseed			
May 1961	179.50	176.87	176.50
Ready Madras	35.62	35.25	35.12
Ready Kanpur	33.87	34.12	33.50
Oil B.S.S.†	16.65	16.10	15.80
Oil commercial†	15.90	15.45	15.10
Linseed			
May, 1961	36.62	37.19	38.25
Bold ready	37.50	38.37	39.50
Oil ready†	16.50	17.50	18.00
Cottonseed			
May 1961	95.75	97.25	98.00
Niger seed	41.00	42.00	42.00
Kardi seed	27.75	28.50	28.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

BLACK PEPPER STEADY

(Messrs. Parekh and Co.)

BOMBAY, *28th March*

Despite pressure of distressed selling by stockists who were eager to escape double levy of sales tax as the Kerala sales tax law provided for assessing closing stocks with dealers as on 31st March, the last day of the financial year, Malabar black pepper ruled steady after an earlier decline. The steadiness was due to deterioration in Laos political situation; ending of the main harvesting season in India; the belief that nearly half the production is already marketed either for export or for internal consumption; possibility of good demand from America in the near future as New York dealers have been so far buying sparingly in expection of still lower prices; and short positions created in a declining market in white and black pepper by Continental dealers.

Ungarbled at Cochin moved between Rs. 370 and Rs. 356 and garbled from Rs. 384 to Rs. 369. May delivery was held around Rs. 381. Calicut was quoting Rs. 350. Arrivals from interiors are getting poorer. Growers are resisting lower prices and are unwilling to part with the quantity unless at their price.

Singapore, after touching the lowest at Str.$170 for white and Str.$142½ for black, improved to Str.$175 and Str.$147½, respectively, in view of short-covering and under the support by the new Syndicate. The new Syndicate is reported to have among its members parties influential in Sarawak and Indonesia. They are holding majority of the stock of both black and white pepper in Singapore, as well as at the origins. It is also reported that they are allowing with a purpose a creation of short positions in world market. The Syndicate is marking time for some "firework" if the political situation in Laos deteriorates and New York grinders get excited to action which is very likely, in view of the present tightness of spot and short positions created in forward deliveries and on the New York Exchange.

New York spot is steadily held at $0.47½, with business thin, as stockists are awaiting new development.

The future of the market is uncertain inasmuch as the short positions are being created in the world's important markets. The reports of the prospect of new crop Sarawak are said to be not promising. Crop reports from Indonesia are too early to believe, but the general consensus of opinion is that the new crop will be poorer as compared with last year's, as the bumper crop, as a rule, is generally followed by a poorer crop in the subsequent year. The market is likely to turn the corner during the next few weeks, provided Singapore and India hold back in the meantime.

Ready pepper in Bombay is nominally quoted at Rs. 200 per 50 kilos, with demand thin.

EASY UNDERTONE IN TEA

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, 21*st March*

431,000 kilograms were offered in Sale No. 12 held today. Quality from all districts generally showed a seasonal decline. There was good general demand with more activity being seen from internal sources. Low medium and medium descriptions were well supported although prices were generally 10-20 nP lower. Good mediums met with less activity and registered a decline following quality. Nilgiris were again a weak feature and were irregular and easier. Black leaf brokens were well competed for and sold at about steady prices. Whole leaf grades were easier with F.Ps selling better than similar O.Ps. C.T.C. and legg cut types, although in good demand, were irregular and lower.

	1961 Rs.	1960 Rs.
Low medium	4.60-4.80	4.19-4.41
Medium	4.80-5.05	4.41-4.85
Good medium	5.10-5.45	5.07-5.73
Nilgiri B.O.P.	5.20-6.25	

The average price realised in Sale No. 12 was Rs. 4.99 per kilo as against Rs. 5.15 a week ago and Rs. 5.73 in the corresponding sale last year.

Dust Sale No. 12: Offerings totalled 219,000 kilograms in Dust Sale No. 12 held on Thursday, 23rd inst. The selection was generally a little inferior. There was good general demand. Medium descriptions were well supported at generally firm prices although the plainer types and those containing fibre were often somewhat easier. Highgrown descriptions met selective enquiry and occasional lines sold well although the majority were easier. Legg cut and C.T.C. kinds were a good feature of the market but sold at occasionally lower levels.

The average price realised in Dust Sale No. 12 was Rs. 4.87 per kilo as compared with Rs. 4.83 a week ago and Rs. 4.54 in the corresponding sale last year.

Export Quota: The price is quoted nominally at ¼ nP per kilo. The Tea Board is now closed for finalising the year's accounts and business only opens in Special Licence from 1st April.

Colombo: In this week's export sale demand was less general and there was little or no activity from South African sources. Highgrowns were irregularly easier whilst Uvas declined by 15 to 20 cents. Mediums were 10 to 15 cents easier and lowgrowns were barely steady. Liquoring fannings were also distinctly easier.

London—North Indian and other growths: In Monday's auction there was strong demand and best Assams were fully firm to dearer. Thin liquoring stalky kinds were irregular and easier. Plain broken is quoted at 3/9*d.*

Ceylon and South Indians: In Tuesday's sale there were 22,490 packages on offer of which 9,060 packages were from South India. There was less demand and prices were generally 1*d.* to 3*d.* easier with number of withdrawals.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire as follows:

"*Sale No.* 13.—490,000 kilograms. Good but irregular demand. Plain and low medium 10 to 20 nP easier. Medium and good medium upto 30 nP lower. Better enquiry for Nilgiri and B.O.Ps. Best quality whole leaf strong."

METALS IRREGULAR

(From Our Own Correspondent)

CALCUTTA, 28*th March*

The feature in the metal market during the week under review was that the price of lead, which had remained stationary for several months due to the comfortable supply position, recorded a marked gain following rumours that the import policy for the six months commencing 1st April would announce a cut in the import quota for lead. Demand was naturally higher. Opening at Rs. 124 per quintal, the metal steadily gained to finish at Rs. 130. On the London Metal Exchange, the price was unchanged at £67 per ton. Tin here opened at Rs. 1,289.25 per 100 kgs. and eased to Rs. 1,275.50 as arrivals improved the supply position. Further arrivals were anticipated. In London, the price closed higher on balance at £824 per ton against £817½ opening. Traders took note of the announcement by the International Tin Council that, in the second quarter beginning April also, there would

be no export restriction on tin. This was interpreted in market circles here as continued recognition by the Council that world production is now equal to demand.

Demand for non-ferrous scraps was mostly on the low side. This was due to closure of factories in several upcountry centres in Rajasthan and Punjab as a protest against the levy of excise duty on brass sheets and circles. In a representation to the Finance Minister, the Northern Indian Metal Manufacturers' Association has pointed out that the levy of excise duty on brass sheets and circles would hit hard the utensil industry which at Jagadhri, Batala, Jandiala, and Amritsar, employs thousands of workers.

Copper scrap prices firmed up during the week on fairer demand. Utensil scrap moved up to Rs. 442 from Rs. 438.75 per 100 kgs. and berry quality scrap to Rs. 474.25 from Rs. 465.50 per 100 kgs. The price on the London Metal Exchange hardened to £226 from £225 per ton, thanks to greater West German demand. Electrolytic zinc opened here at Rs. 333.75 per 100 kgs. and after being higher at Rs. 334.75 closed at Rs. 331.75.

RAW JUTE DROPS BELOW I.J.M.A. PRICE

(From Our Own Correspondent)

CALCUTTA, *28th March*

The striking feature of trading in the jute markets during the week under review was that fibre prices declined to well below the I.J.M.A. maximum prices, with sellers keen for business, and prices of goods recorded a gradual decline. Both these developments greatly impressed foreign buyers of goods and, though export business continued to be small and gunnies occupied an insignificant portion of space offering in foreign-going vessels, the omens were stated to be that the change in the market trend would stir foreign buyers to activity. That prices of fibre have now passed down the maximum levels has been hailed as a welcome development by industry and trade circles alike. However, whether this fall has been due to Government's threat of greater control is open to question. There should be no doubt that fixation of maximum prices by the I.J.M.A. and the adoption of voluntary control by mills in the membership of the I.J.M.A. set in the decline. With the decline, offers were falling. Read in this context, this week's decline in fibre prices should be attributed to firmer possibilities of a bumper crop. Heavy showers over this part of the country during the week and most of the jute districts derived benefit. These, together with the earlier rains, were considered sufficient to complete sowing operations. The high prices of fibre should be taken as a guarantee that greater land would go under jute and earlier sowing has also brought forth expectations of an earlier crop.

Those cultivators and other stockists who have been holding on to portions of their stocks in anticipation of high prices should now be convinced that the climax of the rising trend is over. Naturally, therefore, they have come out as sellers and it should be said to the credit of mills that, since they exercised greater caution and continued to buy small quantities here and there, the lower trend was sustained. Reports from Pakistan also indicated the recrudescence of good rains during the week. The recent storm has no doubt raised difficulties, but the rains have enabled sufficient progress for sowing in highland and midland areas also. The sowing in lowland areas was completed a few weeks ago. Arrivals into the Narayanganj markets recorded a handsome increase, and balers were inviting business at discounted rates. Export firsts declined by about £5 to £10 to £410 a ton, but overseas buyers rejected the offers on the plea that, unless the price declined by at least another £10 a ton, even a part of their losses on earlier purchases at highly inflated prices could not be made good. The price of cuttings was quiet at Rs. 270 a bale. Business at this price was hard to be found.

Notwithstanding the decline in prices of goods, business passing with overseas buyers remained low during the week. This naturally caused a certain amount of anxiety to traders and the industry alike. Market circles would consider that the absence of increased interest on the part of foreign buyers had been due to the need for prices to decline further. However, it was also apprehended whether this had been due to a switchover to substitutes and consumers' greater dependence on their existing stocks of jute goods. Prices of goods have declined greater in proportion to the fall in fibre prices and, at current levels, sales of goods by mills must be considered unprofitable. This is also the reason why mills have shown little interest in fibre even after the fall in prices during the week. Prices of fibre must decline further to enable economic production in mills.

This week's rapid decline in fibre prices would suggest that conditions have so changed in the course of the last two to three weeks that no further attempt at control is necessary. According to the Bharat Jute Sellers' Association, the proposal to introduce a system of licensing jute dealers should be dropped, since it felt that such a system would affect the flow of fibre and aggravate the position. After all is said and done, the time has now come for the I.J.M.A. to finalise its proposal to create a buffer-stock. With the possibility of a bumper crop, a situation where the cultivators may demand a price support scheme cannot be ruled out. If mills avail themselves of the coming bumper crop and create a buffer-stock in all earnestness, many a problem facing the industry as well as cultivators can be solved. As with the tin buffer-stock in London, the buffer-stock manager should be authorised to sell if the price moved up a certain level and to desist from selling if the price went down a floor level. The following are the opening (which are the I.J.M.A. maximum prices) and closing levels for the principal varieties of fibre during this week. The quotations are per maund of jute against March-April delivery:

	Opening Rs.	*Closing* Rs.	*Loss* Rs.
Assam bottoms ...	62.00	57.50	—4.50
Daissee bottoms ...	64.00	61.00	—3.00
Northern bottoms ...	61.00	58.50	—2.50

In the goods market, some covering business was done on Tuesday last, following which ready B. twills recovered from Rs. 194.50 to Rs. 195.00 and ready hessian 40" 10 oz. from Rs. 65.75 to Rs. 66.25. However, foreign buyers displayed only small interest. Prices on Wednesday remained unchanged. On the following day, there were reports of low interest in the U.S. burlap market and a consequent fall in prices there. Selling pressure was in evidence here and, in the absence of adequate real interest, B. twills eased to Rs. 190 and hessian 40" 10 oz. to Rs. 65.00. With the decline in fibre prices, sellers in goods increased, but buyers were out of the market. This caused a further decline in B. twills to Rs. 189, hessian 40" 10 oz. remaining unchanged at Rs. 65 on Friday. These prices were maintained over the week-end, interest from overseas buyers remaining low nevertheless. It was known earlier in the week that uneconomic working has forced the management of the Champdany Jute Mill to plan closing the mill as from 1st May. The mill's looms and workers will be transferred to the Wellington Mill under the same management. More sellers appeared during yesterday and mills invited business in forward positions. However, buyers were reserved, and this forced down B. twills ready to Rs. 182.50 and ready hessian 40" 10 oz. to Rs. 63.25. In view of anticipations regarding a bumper crop, buyers thought that the price level for forward positions must decline by several points before they could show interest. Early in the week, April-June B. twills were quoted at Rs. 193.50 to decline to Rs. 180.50. At Rs. 63, hessian 40" 10 oz. disclosed a loss of Rs. 2.50.

SUGAR SUPPLY EASY

(From Our Own Correspondent)

HAPUR, *27th March*

Sugar ruled quietly depressed to be quoted on Monday at Rs. 108.50 to Rs. 109 per bag of one quintal and retail Rs. 1.06 per *seer*. The supply position was easy, as the damaged sugar of last year's production was being sold in heavy quantity which was quoted low at Rs. 102 to Rs. 103 per bag. The market sentiment was also influenced by bleak prospects of sugar exports. Production was still in full swing in west U.P. and the mills were expected to continue their crushing season till May. Some factories, however, were facing coal shortage.

In Muzaffarnagar market, sugar continued to rule easy and reports that India was allotted an *ad hoc* export quota of 150,000 tons of sugar to the U.S. did not cheer the market. Supply position became further easy on receipt of orders to release unsold sugar for free sale in the open market. The recent statement of the Union Food Minister again belied hopes of sugar decontrol. The week-end prices were: D-29 Rs. 108 per bag, as against the controlled price of Rs. 107.69.

Khandsari showed improvement towards the week-end on brisk demand from east U.P., coupled with support from M.P., Maharashtra, Rajasthan and the Punjab. Cane crushers raised their cane purchasing price to attract cane. Daily arrivals in the Muzaffarnagar market were around 4,000 to 5,000 maunds and local stock there was put at 50,000 maunds, as against 150,000 maunds on the corresponding date last year. Week-end prevailing prices were: *khandsari* inferior Rs. 27 to Rs. 30; superior Rs. 31 to Rs. 33.50; crystal Rs. 33 to Rs. 36.

Ready *gur* registered modest gains in the week-end as daily arrivals dropped to about 500 maunds and local stock was now put at 80,000 maunds, the corresponding figure last year being 43,000 maunds. Stocks were reported heavy to the tune of 600,000 maunds in the mofussil areas. Loading continued to be restricted and, even on Sunday, the free loading day, one wagon was despatched as empties were not available. Prevailing prices were: *pansera* Rs. 13.75 to Rs. 14; inferior Rs. 13.25; *shakker* Rs. 14.87 a maund.

STRONG DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, *28th March*

Strong demand was in evidence at the internal sale No. 35 held here a week ago. This and the fact that the prices of the good varieties rose markedly only went to counter the argument of the Finance Minister, Mr. Morarji Desai, that the increase in excise duty was designed to reduce consumption of this beverage within the country and to release a greater quantity of tea for export. Whether exports increased or not, the increase in excise duty would bring in greater revenue to Government and it is becoming clearer and clearer day by day that the increase would fetch far greater revenue than the modest sum of Rs. 1.98 crores estimated by the Finance Minister while extending the benefit of Rs. 2 crores to the industry as a result of the cut in export duty.

Trade circles wondered whether the claim of the Deputy Commerce Minister, Mr. Satish Chandra, that India had not lost export market for tea had been made on the basis of statistics or on merely sentimental grounds designed to derive passing psychological satisfaction! For, figures now available reveal that, in 1960, India exported only 430 million lbs., as against 472.5 million lbs. in 1959. It should be noted that the decline in North East Indian output was 34 million lbs., thanks to a severe drought earlier in the season. On the other hand, South Indian production was impressively higher by about 14 million lbs. Total tea output was, consequently, lower by only about 20 million lbs. whereas exports were down by more than double the shortfall in output, that is, 42.4 million lbs.

Trade circles would very much like Mr. Satish Chandra to review his estimate in the light of the above analysis. Tea exports in 1960 earned for the country Rs. 121 crores, Rs. 5 crores less than in 1959. The fact that India's traditional customers, such as the United Kingdom and the United States, lifted less tea from India in 1960 should add to the concern being felt in trade circles here.

During the week, only little tea claimed liner space. Inquiries for space would, however, show that the industry expected export of the new season's teas to begin much earlier than usual, possibly some time next month. It was noted that the tea stocks in the U.K. increased to 152 million lbs. in the week ended 17th March from 151 million lbs. in the previous week.

Dusts on offer during the internal sale held last week amounted to 22,648 chests. There was good demand, and prices for the better varieties gained. The strongest feature of the sale was good C.T.C. teas, prices of which rose remarkably. Medium C.T.Cs were fully steady, while fibrous teas were a weak feature. Orthodox descriptions eased by 10 to 15 nP but the smaller and brighter teas were firm on better support. Legg-cut teas met with a quiet market, but the small and brighter kinds were steady. The quotations per 1 kg., inclusive of excise duty, were: good Assam C.T.C. dust Rs. 6.40 to Rs. 7.00, medium Assam C.T.C. dust Rs. 5.60 to Rs. 6.20, legg-cut dust Rs. 4.70 to Rs. 5.20, Medium Assam dust Rs. 4.55 to Rs. 4.90, and plain orthodox dust Rs. 4.55 to Rs. 4.60.

Leaf on offer, amounting to 405 chests, met with good demand.

With the sale held yesterday, the 1960-61 season's export sales came to a close. Offerings amounted to 14,331 packages, which met with strong and general demand. Prices for all kinds rose impressively. As assortments were several and the quotable teas were insufficient in quantity, no quotations were issued.

MARKET GOSSIP

(Concluded from page 579)

problems that have their origin in adverse, long-term changes in supply and demand.

The experts have suggested several alternatives for ignoring shortfalls in export earnings smaller than some agreed amount, for example, 2.5 to 10 per cent of average proceeds in three preceding years and for paying compensation equal to, say, 50 per cent of the shortfall so calculated.

Two main alternatives have been considered in regard to the terms under which claims might be settled. Under the first, the settlement would be similar to the form usual to any kind of insurance, namely, a payment in cash. The experts estimate that, if such a scheme had been in force during the period 1953-59 and, assuming compensation equal to 50 per cent of the shortfall [illegible] proceeds adjusted by a minimum deduction ranging from 2.5 per cent to 10 per cent of the base value of the proceeds, the underdeveloped countries would have had annual claims ranging, on an average, between £246 million and £466 million. For industrial and high-income, primary producing countries, claims would have averaged between $12 million and $142 million. The latter group would, however, have made a net contribution to the fund, even though this would not have been true of every individual country in the group. For the low-income primary-producing countries, the benefits, on the basis of a 2.5 per cent minimum deduction, would have covered about 40 per cent of the computed shortfall in the three years of greatest loss—1953, 1954 and 1958.

Under the second alternative, claims would be settled by payment of benefits in the form of contingent loans. Claimant countries would agree to repay compensation received in the event of their export proceeds recovering sufficiently within a stated period. A combination of these two methods is also possible, according to the experts. Thus, a part of the shortfall could be covered under the first alternative and the balance under the second.

In order to permit a steady rate of contribution, it is suggested that the proposed Fund would have to be started with an initial capital subscription large enough to enable it to face a series of bad years if necessary even at the outset. The initial subscription, in their opinion, may be the equivalent of three years' contributions.

The financial outlay involved in such a scheme, though it might appear substantial in absolute terms, is not that big relative to world trade or national income. To support benefits under the first or second alternatives mentioned above, contributions required for the period 1953-59 would have been no more than seven-tenths of one per cent of the exports of all countries, or less than one-tenth of one per cent of the gross national product of all industrial countries combined.

The experts believe that, given the necessary political acceptance, this scheme would prove to be workable in practice. They are convinced of the need for some such scheme to help primary producing countries to sustain and speed up their development efforts. For, even if more adequate compensatory financing than is now available is provided for through the I.M.F. and other agencies, such would offer no more than a partial solution to the problem of stability and growth in primary commodity trade. They concede that international action to deal directly with the problem of instability—through commodity agreements and other less formal arrangements—should have an important place in promoting stability in world trade. But such agreements, they maintain, are not likely to hasten any comprehensive contribution to the stability which is necessary for the trade and development of underdeveloped countries.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 24th March, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	53,36,85,000
(2) Other Governments	33,63,19,000
(b) Banks	74,46,64,000
(c) Others	98,51,31,000
Bills Payable	34,65,76,000
Other Liabilities	50,20,35,000
Rupees	474,84,10,000

Assets	Rs.
Notes	24,09,30,000
Rupee Coin	2,23,000
Subsidiary Coin	6,09,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	30,04,45,000
Balances held abroad*	25,53,71,000
Loans and Advances to Governments†	42,18,25,000
Other Loans and Advances	173,17,04,000
Investments	160,34,02,000
Other Assets	19,39,01,000
Rupees	474,84,10,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 37,14,50,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	24,09,30,000	
Notes in circulation	1968,70,17,000	
Total Notes issued	....	1992,79,47,000
Total Liabilities	....	1992,79,47,000

Assets	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	128,00,89,000	
Total of A		245,76,92,000
Rupee Coin		119,80,54,000
Government of India Rupee Securities		1627,22,01,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1992,79,47,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1939 (pre-war)	17th March* 1961	10th March* 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1971.97	1979.96	1940.66	1841.93
Notes held in Banking Department	35.05	19.89	11.40	18.70	14.51
Foreign Securities	59.50	128.01	128.01	128.01	163.01
Rupee Securities	87.39	1627.22	1627.27	1502.28	1451.93
Banking Department					
Deposits of:					
Government of India	14.39	72.70	55.42	72.77	52.62
Other Governments	..	18.12	6.27	21.30	60.45
Balances held abroad	10.06	32.19	30.84	29.55	31.96
SCHEDULED BANKS					
Demand Liabilities	134.36	794.74 (16.17)†	798.70 (18.90)†	786.98 (18.02)†	770.52 (12.33)†
Time Liabilities	102.24	1056.73 (9.80)†	1074.61 (9.64)†	1078.53 (10.12)†	1153.55 (21.61)†
Borrowings from Reserve Bank	..	78.29 (35.28)‡	66.79 (29.30)‡	54.27 (26.90)‡	76.38 (12.58)‡
Borrowings from State Bank	..	16.57	15.18	15.01	14.84
Cash in India	6.70	44.39	47.07	46.03	62.82
Balances with Reserve Bank	25.17	66.80	70.38	67.53	80.77
Balances with other banks in current account in India	..	15.03	15.95	14.09	18.68
Money at call and short notice in India	..	23.65	25.61	26.37	19.54
Investments (at book value)	..	558.49	578.87	585.57	729.38
Advances and bills	105.9	1307.16	1292.64	1260.17	1114.63
STATE BANK					
Deposits	87.76	542.83	557.36	550.48	612.54
Investments	51.99	239.24	252.48	260.56	268.87
Advances	30.35	277.11	274.27	263.09	201.97
Cash	14.69	24.37	25.12	24.31	32.38

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	5.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1959	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.41	3.58
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	23th Jan., 1960	5	5.50
Ecuador	9th May, 1948	7	10
Egypt	15th Nov., 1952	2.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1960	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	24th Mar., 1961	6	7
Norway	15th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	19th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., [illegible]	2.50	[illegible]
Thailand	[illegible]	[illegible]	[illegible]
Turkey	6th June, [illegible]	4.50	[illegible]
United Kingdom	8th Dec., [illegible]	5.50	5
U.S.S.R.	1st July, [illegible]	[illegible]	[illegible]
U.S.A.	11th Aug., 1960	3.50	3
West Germany	20th Jan., 1961	[illegible]	[illegible]

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 17th March, 1961

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		542,82,91,000
Borrowings from Other Banking Companies, Agents, etc.		71,75,000
Bills Payable		9,48,85,000
Bills for Collection being Bills receivable as per contra		1,84,71,000
Acceptances, Endorsements and Other Obligations per contra		1,13,42,000
Other Liabilities (including Inter-Office Adjustments)		3,08,16,000
Total .. Rs.		572,17,30,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		21,45,38,000
Balances with other Banks		2,91,22,000
Money at Call and Short Notice		2,45,33,000
Investments:		
Government and other Trustee Securities	229,40,41,000	
Other Authorised Investments	9,83,74,000	239,24,15,000
Advances:		
Loans, Cash Credits, Overdrafts etc.	260,42,48,000	
Bills Discounted and Purchased	16,68,49,000	277,10,97,000
Bills Receivable being Bills for Collection as per contra		1,84,71,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,13,42,000
Premises less Depreciation		1,78,33,000
Furniture and Fixtures less Depreciation		1,34,27,000
Other Assets (including Inter-Office Adjustments)		22,89,52,000
Total .. Rs.		572,17,30,000

Scheduled Banks*

Statement of Affairs for the week ended 17th March, 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	45,76,76
(2) From others	698,27,01
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	16,17,25
(c) Other demand liabilities	50,70,66
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	13,79,84
(2) From others	1021,12,66
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	9,79,92
(c) Other time liabilities	21,80,05
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	15,69,03
(b) Time liabilities	1,48,00
(iv) Borrowings in India from the Reserve Bank of India (A)	78,29,48 (35,28,00)
(v) Cash in India	44,38,60
(vi) Balances with the Reserve Bank in India	66,79,61
(vii) Balances with Other Banks in Current Account in India	15,02,67
(viii) Money at call and short notice in India	23,65,10
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	558,88,69
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1095,27,41
(b) Due from Banks in India	15,51,03
(xi) Inland Bills purchased and discounted in India.	145,91,22
(xii) Foreign Bills purchased and discounted in India.	50,46,79
(xiii) Total of items (x), (xi) and (xii)	1307,16,45

Notes :—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 17th March, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	3,25,92,000
(b) Provincial Governments	50,86,000
(c) Banks	17,24,08,000
(d) Others	125,58,73,000
Bills Payable	32,47,000
Other Liabilities	13,71,61,000
Rupees	168,78,67,000

Assets	Rs.
Notes	6,66,64,000
Rupee Coin	66,000
Subsidiary Coin	44,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	43,19,08,000
Loans and Advances to Governments	4,55,00,000
Provincial Governments' Debtor Balances	39,86,000
Other Loans and Advances	43,73,46,000
Investments	59,69,57,000
Other Assets	10,53,96,000
Rupees	168,78,67,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	6,66,64,000	
Notes in circulation	388,65,50,000	
Total Notes issued	....	395,32,14,000
Total Liabilities	....	395,32,14,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	81,09,01,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	148,77,44,000
B. Rupee Coin	2,38,90,000	
Government of Pakistan Securities	238,25,74,000	
Internal bills of exchange and other commercial paper	....	240,64,64,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	395,32,14,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 89.05 per cent.

EXCHANGE RATES

		28th March 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5$\frac{31}{32}$	1-5$\frac{31}{32}$
Sellers T. T. D.D. upto six months	s.	1-5$\frac{15}{16}$	1-5$\frac{15}{16}$
Buyers T.T. spot to nine months	s.	1-6$\frac{1}{32}$	1-6$\frac{1}{32}$
Buyers T.T. 10 to 12 months	s.	1-6$\frac{1}{16}$	1-6$\frac{1}{16}$
Bombay on New York—			
Sellers T.T. D.D.	Rs.	478.50	478.50
Buyers T.T.	Rs.	475.00	475.00
London on New York	$	2.7983-2.7986	2.7980-2.7982
London on Paris	Fcs.	13.7115-13.7185	13.7125-13.7150
London on Berne	Sw. Fcs.	12.0915-12.0935	12.0875-12.0900
New York on London	c.	279.830-279.860	279.800-279.840

CLEARING HOUSE RETURNS

Centre	Week ended 24th March, 1961 Number of Cheques	Amount Rs.	Week ended 17th March, 1961 Number of Cheques	Amount Rs.
Bombay	4,07,651	1,05,42,10,000	3,56,967	96,51,09,000
Calcutta	2,19,000	1,05,67,00,000	2,24,000	102,78,00,000
Madras	1,10,175	16,49,36,914	90,280	11,97,86,700
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	46,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
Jan. 1960	..	..	4,392,000	998,20,00,000
Nov. "	..	..	4,695,000	1078,36,00,000
Dec., "	..	..	4,829,000	1118,52,00,000
Jan., 1961	..	..	4,875,000	1,100,37,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	11th March 1961	4th March 1961	12th March 1960	February 1961	February 1960	Percentage of Increase (+) or Decrease (—) in Feb., 1961 as compared with Feb., 1960	Annual Average 1960	Annual Average 1959
Food Articles	504	118.3	118.8 R	118.7	116.3	118.6	— 2.1	123.3	118.2
Cereals	192	100.4	100.3	103.2	99.8	104.4	— 4.4	105.3	104.3
Pulses	43	93.1	92.8	90.6*	92.9	95.1	— 2.3	92.6	99.8
Fruits and Vegetables	23	109.2	108.9 R	124.6*	104.2	113.1	— 7.9	121.0	127.6
Milk and Ghee	84	111.4	111.5	109.1	109.5	111.5	— 1.8	115.5	112.2
Edible Oils	47	163.4	161.6	137.5	160.4	137.8	+16.4	148.8	126.9
Fish, Eggs and Meat	17	126.7	121.8	115.3	121.8	110.5	+ 9.8	121.1	110.4
Sugar and Gur	48	116.9	118.5	138.9	119.9	145.2	—17.4	138.6	143.0
Others	50	165.1	165.7	159.8	169.3	168.6	+ 0.4	168.6	163.4
Liquor and Tobacco	21	114.2	112.3	98.1	111.2	96.0	+15.8	108.4	100.7
Tobacco	—	111.7	110.2	93.8	109.8	94.2	+16.6	104.8	99.2
Fuel, Power, Light and Lubricants	30	120.3	120.3	117.9	120.0	117.3	+ 2.3	119.9	118.1R
Industrial Raw Materials	155	159.1	158.9 R	131.8	159.2	131.6	+21.0	138.8	119.7
Fibres	61	177.0	178.3 R	124.6	179.0	123.0	+45.5	130.3	110.3
Oilseeds	60	159.2	157.7 R	140.4	157.9	140.8	+12.1	144.9	100.0
Minerals	2	95.2	95.2	95.2	95.2	95.2	+ —	97.5	100.0
Others	32	128.8*	128.4 R	131.6	128.3	133.2	— 3.7	120.9	117.8
Manufacture	290	129.8	129.1 R	119.9	129.2	116.3	+11.1	120.2	108.7
Intermediate Products	41	137.7	138.1	121.2	134.2	120.5	+11.4	127.1	111.1R
Finished Products	249	128.5	127.9 R	118.2	128.0	115.6	+11.1	119.9	109.5
Textiles	147	134.6	133.7	115.1	134.4	115.1	+16.8	121.2	104.6
Cotton	—	126.6*	128.6*	124.7	126.1	125.2	+ 0.7	127.5	112.5
Jute	—	165.0	161.4*	97.8*	167.7	96.4	+74.0	111.2	87.3
Woollen	—	110.1*	110.1*	104.2	110.1	104.2	+ 5.7	107.6	104.6
Silk and Rayon	—	115.7*	115.7*	102.6*	111.4	103.4	[illegible] 7.7	102.6	98.7R
Metal Products	12	146.9	146.0	148.5*	146.9	145.2	+ 1.2	147.0	129.7
Chemicals	20	104.6	104.2	101.9	104.2	105.6	— 1.3	104.7	103.3
Oil Cakes	10	144.5*	144.6	[illegible]	144.1	144.6	[illegible]	143.2	133.7
Machinery and Transport Equipment	31	112.5	112.6	101.0	112.6	106.5	+ 5.7	110.7	105.9R
Others	30	[illegible]	118.0 R	112.6	117.4	112.7	[illegible]	116.9	113.6R
All Commodities	[illegible]	[illegible]	[illegible] R	[illegible]	126.1	[illegible]	[illegible]	123.9	115.5

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

R—Revised.

* Estimated.

MR. C. H. BHABHA ON INDIAN BANKING

(Concluded from page 580)

the Chairman of the Indian Banks' Association stated that the present rules providing for exemption from branch audit, impose the hardship of applying for the exemption from year to year. Mr. Bhabha's suggestion that this could be easily changed to a longer period is eminently sensible. With regard to the second, he pointed out how inconsistent it was with the provisions of the Banking Companies Act. His exact observations on this point deserve to be quoted:

"This (the amendment) will enable any person, inclined to mischief, to obtain information regarding the undisclosed profits of a banking company and to give publicity to it, thereby causing much harm to the banking company, in spite of the fact that the Banking Companies Act, for very sound reasons, gives a certain amount of latitude to a banking company in publishing its profits. It is unfortunate that such long-term repercussions are not kept in mind at the time of making hasty changes in legislation. Would it be asking too much of the central banking institution and our national Government that they should consider such aspects carefully before adopting measures affecting banking?"

He is certainly not asking for too much.

Tax Exemption of Reserves

Mr. Bhabha also made another judicious suggestion, which, if accepted by the authorities, would go a long way towards strengthening the banking structure. In the case of many banking companies, it is a common experience that the present high level of taxation is reducing the profits available for appropriation. This hampers their capacity to build up adequate reserves. In order to encourage the banks to strengthen their reserves, Mr. Bhabha has recommended that a certain percentage of the gross profits which a banking company may credit to its inner reserves should be exempted from all taxes. It is a fact that such a concession is given in many economically advanced countries and has brought incalculable benefits to the nation's economy.

Unfair Methods of the State Bank

One of the major highlights of Mr. Bhabha's address was the outspoken manner in which he alleged that the State Bank of India was employing unfair methods for attracting business towards itself. Equally candidly he averred that the Government itself was extending favoured treatment to the State Bank of India and its subsidiaries in regard to the application of various legislations, as though the commercial banks were not doing work of national importance. A third point made by him on the State Bank was that it was not as helpful to commercial banks as it should be as a bankers' bank. Here is what he said on these points:

"Whilst speaking about legislation, I may mention here the differentiation made even in legislation, between a semi-autonomous corporation, such as the State Bank of India in which the Government is interested, and the other banking companies of our country. It does not seem to be quite logical that whereas the State Bank of India is allowed to acquire eight subsidiaries by enacting special legislation, no such facility is granted to other banking companies in the country. This is indeed a handicap on the latter, for which there would appear to be no reasoning. Such acquisition of controlling interests, which would develop a healthy banking system, is not unknown in countries which are developed economically on sound lines. Another feature which I may point out is the common members of the Central and Local Boards of the Reserve Bank of India and the State Bank of India. From an examination of the lists of members of the Boards, one finds that three members of the Central Boards of the Reserve Bank of India and the State Bank of India are the same and that four members of the Local Boards of the two Banks are also the same. One wonders whether this is a healthy policy especially in view of the fact that such common directorates are forbidden by law for other banking companies. Moreover, the accounts of the State Bank do not conform strictly to the provisions of the Banking Companies Act, and in making provisions and allocations, it enjoys certain facilities, which are not available to other banks. Further, on a previous occasion, I had referred to the unfairness of making gratuities paid to the members of the staff of the State Bank of India tax-free by law, while denying this benefit to the staffs of other banks, in spite of the fact that all of them do the same work. I repeat that this anomaly is unjust and should be remedied immediately and that the above benefit should be extended to the staffs of all banks.

"Furthermore, during the past year, the Indian Banks' Association on several occasions pointed out the unfair methods employed to divert business to the State Bank of India. One wonders whether such attempts could be considered wholesome for the development of banking and of our economy. It is surprising that, although the attention of the Reserve Bank of India has been drawn to this unhealthy feature, nothing has been done so far to remedy the situation. In this connection, it should be appreciated that the banking industry wholeheartedly helps all developmental plans and enterprises of the State, apart from subscribing liberally to the Government's borrowing programme year after year.

"While recognising the important role of the State Bank of India in our country's economy, I feel it necessary to express some dissatisfaction at its failure to play its proper role in relation to other banking institutions. A good deal of healthy competition by all is welcome in the banking field, but, unfortunately, one finds the attitude of the State Bank of India towards other banks somewhat unhelpful. One such distinct case, which may be mentioned, is that the State Bank of India often charges higher rates for rendering certain services to banks than to its other customers. It should not be forgotten that the State Bank of India, as the agent of the Reserve Bank, holds large balances of other banks and also enjoys free remittance and other facilities. In short, it is expected to perform the role of a bankers' bank and one feels that it should reach the stature and status consonant with this role and show its warmth and consideration to its confreres. I have no doubt that those in charge of this great institution will show the necessary foresight and readjust its policies so as to endear it to the general banking community in our country."

While it is for the State Bank to reply to Mr. Bhabha's allegations of unfair practices, this journal has no hesitation in endorsing his other observations pertaining to discrimination by the Government against banks in the private sector *vis-a-vis* the State Bank and its subsidiaries.

Bank Failures

Turning to the most crucial question of bank failures, Mr. Bhabha dwelt at some length on the various suggestions made so far for ensuring a healthy working of the banking system. Referring to the scheme of deposit insurance, the Chairman of the Banks' Association stated that, while it would impose a heavy burden on well-managed units, it was bound to inspire public confidence in banking in India. He, however, averred that the exact details of the scheme should be considered very carefully. He also thought that the strengthening of the capital structure of banking companies by suitable increases in the capital resources of the banks was sound in principle. But he wondered how the shareholders of banks would react to this proposal, as bank shares had gone out of favour with investors. He wanted this problem to be examined carefully. He maintained that, despite the faster planned economic development of India, the benefits reaped by Indian banking had not at all been commensurate with its untiring efforts to prove its worth under all conditions of stress and strain and to support official programmes and policies.

Inter-Bank Agreement on Rates

In his concluding remarks, Mr. Bhabha alluded to the inter-bank agreement on deposit rates and remarked:

"There is no doubt that the agreement has strengthened the banking structure. It has now secured support even in those quarters which had first doubted the feasibility as well as the desirability of this attempt. I may, however, point out that, for the first time in October 1960, the Reserve Bank regulated the deposit interest rates by issuing the directive that no scheduled bank shall pay interest at a rate higher than 2 per cent per annum below the bank rate on any deposit repayable at notice or on the expiry of a period not exceeding 21 days from the date of the deposit. Towards the end of February 1961, the Reserve Bank withdrew this directive. In the U.S.A., rates of interest on deposits are determined by the regulations of the Federal Reserves Board. In contrast to this, in the U.K., there are no official regulations, but by a gentlemen's agreement among banks, deposit rates have been fixed at 2 per cent below the prevailing bank rate. By and large, both these methods have proved wholesome and have in no way affected adversely the growth of deposits. Further, the competitive spirit inherent in a free economy has been kept alive in these countries by prompt and efficient service and by the grant of other facilities without any charge and even at some loss to the banks concerned. I suggest that, in India also the present system should be suitably improved so as to be helpful to the banking industry to fulfil its mission, at the same time fostering the saving habit so essential in a developing economy such as that prevailing in India at present."

The aforesaid quotation shows that, like the critics, Mr. Bhabha, too, has toned down his attitude to the agreement, in that he implies that the rates of interest on deposits should not be rigidly pegged at unattractively low levels and that they should be such as to foster the saving habit. Another implication is that he has an open mind now on the question whether it would not be desirable for the rates to be fixed by the Reserve Bank, instead of by the members of the Association, as the latter does not cover all the banks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 29th March 1961.

	Closing quotations 23-3-1961	High	Low	Closing quotations 29-3-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	168.00	—	—	168 00
Apollo (2)	1.48	1.50	1.46	1.48
Baroda Rayon (100)	153.00	144.00	148.00	151.50
Bombay Dyeing (25)	67.10	67.10	66.20	66.60
Bradbury (50)	123.00	123.75	122.50	123.75
Central India (100)	111.00	114.00	111.00	114.00
Century Mills (100)	560 00	583.50	554.00	576.00
Coorla Sp. (100)	131 25	—	—	131 25
Dawn (50)	126.50	131.00	127.50	128 50
Edward Textile (200)	262.50	—	—	262.50
Elphinstone (50)	71.50	73.00	71.00	73 00
Finlay (100)	353 00	354.00	351.00	351 00
Gokak (100)	188.00	187.00	183.00	185 50
Gold Mohur (100)	270 00	267.50	265.00	265.00
Gwalior Rayon (10)	48.50	49.00	46.75	47 25
Ind. Untd. Defd. (1)	1.68	1.76	1.66	1 76
Ind. Untd. Ord. (10)	14 60	15.20	14.60	15.08
Indian Rayon (62.50)	73.50	76 50	73 00	74 00
Indore Malwa (100)	141.00	141.00	138.00	141 00
Khatau (100)	537.50	540.00	515 00	532 50
Kohinoor (100)	312.00	316.00	306.00	311.00
Lakshmi (250)	505.00	—	—	505 00
Mafatlal (100)	875.00	950.00	[illegible]	950 00
Minerva Mills (100)	74 00	—	—	75 00
Model Nagpur (250)	35 00	—	—	35 00
Morarji (100)	353 00	350.00	333.00	342 00
Mysore (50)	72.00	71.00	70.00	71.00
National Rayons (100)	545 50	546.50	535.00	[illegible]
New City (100)	150.00	—	—	[illegible]
New Great (100)	205.00	—	—	[illegible]
Phœnix (100)	145 00	—	—	144
Podar Mills (100)	155.00	155.00	152.50	152 50
Raymond Woollen (100)	120.00	120.50	119.00	120.50
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	55 50	56.20	55.50	56 00
Shrinivas (100)	270.50	274 00	263.00	265 00
Simplex (50)	190.00	195.00	188.00	194 00
Standard (100)	1,408.00	1,430.00	1,388.00	1,458 00
Svadeshi (100)	257.00	262 50	254 00	262 00
Swan (100)	550 00	550.00	540.00	540 00
Tata Mills (25)	47.50	48.50	46.75	48 50
Vishnu (100)	120.00	122.00	110.00	110.00
Western India (1,000)	3,725.00	—	—	3,725.00
BANKS				
Bank of India (50)	123 00	125.00	120.00	120.00xd
Do. (New) (50)	127 00	—	—	127 50xd
Bank of Baroda (50)	100 00	100 50	97.00	97 00xd
Central (25)	58 50	61 50	58.50	61 00
Central 'A' (25)	60 00	62.00	60.50	62 00
Dena Bank (50)	60.00	60.00	58.20	58 20
Punjab National (10)	21 76	—	—	21.76
Union Bank (5)	6 72	6.82	6.20	6 20xd
United Com. (50)	91 00	91.00	90.50	90.50
ELECTRIC COS.				
Ahmedabad (100)	86.00	85.80	84.80	85.20
Amalgamated (10)	10 04	10.08	10.04	10.08
Andhra Valley (1,000)	996 25	995.00	990.00	992 50
Bom. Sub. El. (100)	86.20	86 20	86.00	86 00
Surat (100)	87.50	87.50	86.50	86.50
Tata Hydro (100)	101.75	101 75	101.50	101 50
Tata Power (1,000)	1,027.50	1,025.00	1,017.50	1,020.50
INSURANCE COS.				
British India (10)	12.52	12.24	12.12	12.24
Indian Mercantile (20)	48 25	—	—	48 25
New India (15)	60 20	60.50	60.00	60 00
New India 'A' (15)	61.00	61.30	60.50	60.50
Vulcan (10)	16.24	—	—	16.24
STEEL COS.				
Ind. Iron (10)	26.95	26 95	26.60	26.70
Mukand Iron (10)	27 00	27 00	25 75	26.40
Tata Steel Ord. (75)	154.25	154.50	152.00	152.25
SUGAR COS.				
Belapur (50)	300 50	307.00	297.50	301.00
Bhopal (10)	29.00	—	—	29 00
Changdeo (12.50)	26 00	—	—	26 00
Phaltan (50)	150.00	150 00	147.50	149.50
Walchand Ind. (100)	240.00	250.00	240.00	241.25
CEMENT COS.				
Associated Cts. (100)	156 75	156 75	154.50	156.00
Digvijay (100)	162 50	162 50	156.00	157 00
Orissa (10)	14.36	14.40	14.32	14.32
MISCELLANEOUS				
Alcock Ashdown (100)	307 00	324.00	308.00	310 00
Bom. Burmah (125)	625 00	625.00	605 00	616 00
Do. (New) (50)	220.00	220 00	216.25	216 25
Br. B. Petrol (1½ sh.)	1 40	1.52	1.42	1.42
Br. I. Corpo. (5)	8 24	8 20	7 92	7 92
Cooper Eng. (100)	205.00	207 00	204.00	206 00
Colour Chem. (100)	365 00	365 00	360.00	362 50
Hind Cycle (100)	114 00	114 00	102.00	105.00
Hindustan Lever (10)	50 70	49.50	49 35	49 50
Hindustan Motors (10)	21.68xd	21.68	21.20	21 36
I. C. & Invest. Corporation (100)	85.00	—	—	85.00
Indian Dyestuff (100)	557 50	547.50	510.00	530.00
Indian Copper (2 sh.)	5 36	5 40	5.28	5.32
Ind. Inv. Tr. (100)	80 00	80.80	80.00	80 80
Killicks (100)	110.00	112 00	109 50	110 00
Larsen & Toubro (10)	45 00	45.00	43.25	44 00
Mahindra & Mahindra (10)	22 24	22 76	21.00	21 52
New Central Jute (10)	19 00	19.24	18.24	18 24
Polson (100)	176 00	177 00	175 00	177.00
Pre. Automobiles (100)	179 00xd	179 25	174 00	167 50
Premier Con. (80)	220 00	213 00	198.00	205 00
Scindia (20)	15 88	16 00	15.48	16.68
G. B. Shipping (10)	16 00	16.04	15 92	16 00
Shivrajpur (10)	90 00	92 50	89 00	90 50
Sirpur Paper (10)	18 52	18 28	17 56	17 84
Tata Chemicals (10)	20 36	20 52	19 76	20 08
Tata Locomotive (100)	348 50	347.50	335 50	339 50
Tata Oil (25)	84 00	84.50	82.50	83 50
Texmaco (10)	28 00	22 80	22.40	22 80
Voltas (100)	292 00	293.00	286 00	290 00
W. I. Match (100)	303 00	304.50	299.50	302 50
W. Coast Paper (100)	215.00	219 00	214.00	214.50

GOVERNMENT SECURITIES	23-3-1961 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	29-3-1961 Rs.
2½% 1961	99 35	—	4.30	99.40
2½% 1962	98.25	—	3.80	98 40
2¾% 1976	83.50	—	4.23	83.50
3 % 1964	98.20	—	3.51	98.20
3 % 1963-65	98.25	3.69	3.40	98.25
3 % 1966-68	95.85	3.85	3.63	95.90
3 % 1970-75 1st Dev.	90 90	4.17	3.82	90.90
3 % 1986 Con. Loan	74.00	—	4.08*	74.00
3½% 1961 N. P. Bonds	100 00	—	3.50	100.00
3½% 1964 N. P. Loan	99.70	—	3.56	99.80
3½% 1965 N. P. Bonds	99.55	—	3.58	99.70
3½% 1962	99.35	—	3.37	99.85
3½% 1967 N.P. Bonds	98.35	—	3.69	98.75
3½% 1974	99.70	—	3.78	99.70
3½% 1967 N.P. Bonds	100.75	—	3.63	100.75
3½% 1969 Loan	98.70	—	3.68	98.75
3½% 1968	98 80	—	3.68	98.90
3½% 1963 N.P. Bonds	99.95	—	3.50	100 00
3½% 1968 N.P. Bonds	100.65	—	3.66	100 65
4 % 1972 Loan	100.50	—	3.93	100.50
4 % 1973 Loan	100.45	—	3.95	100.45
4 % 1979 Loan	100.10	—	3.99	100.10
3½% 1966 Bonds	99 35	—	3.63	99.40
4 % 1980 Loan	99.95	—	4.01	99.95

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2609 BOMBAY, 8th APRIL 1961 PRICE Rs. 2

INDUSTRIAL CONCENTRATION: A BOGEY?

THE Constitution of India has laid down that the State shall direct its policy towards securing "that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment." This directive principle of State policy has presumably served as the basis for statements, repeatedly made by the party in power, to the effect that concentration of economic power should be prevented. The subject has, on occasion, figured in Parliamentary debates too. It is also one of the terms of reference of the Mahalanobis Committee which has been asked "to ascertain the extent to which the operation of the economic system has resulted in concentration of wealth and means of production." While this Committee is yet to finish its labours, the Estimates Committee of Parliament has just made its own contribution to the subject by suggesting "that a survey of holdings in the industrial field by the various groups of industries and business houses may be undertaken" to get an idea of the results achieved by the Development Wing of the Union Commerce and Industry Ministry in checking monopolistic tendencies. The Committee's recommendation that "positive and more concrete measures" be taken to prevent the growth of "industrial empires" is also of a piece with the usual Socialist approach of seeing the 'evil' of concentration of economic power in the private sector while turning a blind eye to the similar evil in the public sector. All this, in normal circumstances, may not be invested with any alarming significance, but in the pre-election year it is bound to be transformed into a politically exploitable issue.

As it is also a controversial issue, the Estimates Committee's full report will be awaited with interest. But pending its arrival, the most that can be done here is to examine the Committee's views and suggestions which newspapers have carried in summary form this week. What immediately strikes one in this examination is the role that is supposed to have been assigned to the Development Wing—the role of checking monopolistic tendencies. This Wing, it may be noted, discharges the primary function of assisting and advising the Ministry "in formulating and executing plans relating to the control and regulation of industries whose development would strengthen the country's economy." Presumably the Wing has something to do with the process of approving, under the Industries (Development and Regulation) Act, applications from private industry for establishing new undertakings or for effecting substantial expansion of existing ones. But this is not quite clear from the recent annual reports of the Ministry of Commerce and Industry, for it is also known that such applications are scrutinised by a Licensing Committee set up under the Industries Act. And there are also the Development Councils set up under the Act for the more important industries to discuss ways and means of accelerating progress. The Development Wing, however, discharges one specific function of forwarding, with its recommendations, to the Chief Controller of Imports the applications of Actual Users borne on its list. The Wing, thus, seems to have been discharging only a general advisory function under the Industries Act and a specific function of certifying the applications of actual users for import licences. How could the Development Wing, in discharging these functions in a period of rapid industrial development, have ever arrogated to itself the role of "checking monopolistic tendencies"?

It is, however, a different thing to say, as the Estimates Committee does, that the licensing procedure under the Industries Act should be changed for the purpose of "checking monopolistic tendencies" in future. The kind of change visualised by the Committee will make it obligatory for applicants to declare the particulars of various firms, companies or groups of industries wherein they hold interest, as also particulars of licences pending utilisation. The Committee's idea that the authorities could then select the applications of those who have no industries or relatively few industries seems to be based on the belief—as yet unverified—that there is already a lot of industrial concentration in a few hands. Even the Company Law Administration's latest factual presentation of long- and short-term trends in the corporate sector throws practically no light on this question of concentration. The only significant information contained therein pertains to companies managed by managing agencies. The position emerging from the data presented in the study is that, of the number (919) of managing agents as on 16th August 1960, as many as 776 manage only one company each, whereas the number of managing agents having ten managed companies each is just seven. While these data have only a restricted significance for the reason that most of the companies at work are under other forms of management, still they are a broad index of a probable wider distribution of industrial wealth and more even dispersal of economic power. The spectacular increase in the number of shareholders of some leading joint-stock companies since 1952 may also lend some support to the view that there is probably not much concentration even of shareholding, let alone concentration of industries in the hands of a few individuals or managing agencies.

In any case, until such time as reliable statistical surveys are completed, there will be no justification for changing the licensing procedures under the Industries Act which have been happily liberalised in some respects in the last one or two years. The Estimates Committee's view that "there could be no objection to the granting of licence to an applicant who has many industries if there are no reliable applicants from among those who have no big industrial undertakings" is tantamount to a recognition of the fact that an applicant having one or more industries is already an experienced *entrepreneur*. Where such *entrepreneurial* experience will most certainly stand a new industry in good stead, it would be patently unwise to adopt the general rule of selecting the applications of only those who have no industries or relatively few industries and then to make some exceptions to it. The rule itself should not be there, for the Estimates Committee's recommendation is obviously not based on the pragmatic consideration of accelerating industrial progress with the help, as far as possible, of experienced firms and individuals.

Contents

	PAGE
LEADING ARTICLES—	
Industrial Concentration: A Bogey? ...	617
Modernising Cotton Mills	617
Urban Housing	618
MARKET GOSSIP	619
ROUND THE EXCHANGES	620
NEWS IN BRIEF	621
PERSONAL	621
THIS WEEK'S SURVEY	622-623
SPECIAL FEATURES—	
On the Arena	624
American Letter	625
London Letter	625
Galloping Inflation Sounding the Siren?	627
Manchester Letter	629
Administrative Problems of Third Plan	650-651
CHAIRMEN'S SPEECHES—	
The United Commercial Bank Ltd. ...	634-635
Madura Mills Co., Ltd.	637
National and Grindlays Bank Ltd. ...	644-646
Praga Tools Corporation Ltd.	646
The Bank of Maharashtra Ltd. ...	647
East India Distilleries & Sugar Factories Ltd.	648-649
MONEY AND BANKING	626-627
TEXTILES	628
SUGAR	632
ENGINEERING	636
NEW PRODUCTS AND PROCESSES	637
LABOUR	652
COMMERCE AND INDUSTRY	653
COMPANY MATTERS	654-658
MARKET REPORTS	660-662
MISCELLANEOUS STATISTICAL INFORMATION	663-664
STOCK AND SHARE QUOTATIONS	665-672
WEEK'S STOCK EXCHANGE TREND	671

MODERNISING COTTON MILLS

MUCH water has flowed in the rivers of India since the Working Party for Cotton Textile Industry (Chairman: Mr. A. Ramaswamy Mudaliar) submitted its report in July 1952. To all intents and purposes, the report seems to have been pigeon-holed, for no action has been taken to give effect to its major recommendations. The only satisfaction is that the authorities have gone on repeating that they fully recognise the need for raising the cotton mills' productivity through modernisation and rationalisation! This need is all the greater now, for the deplorable conditions which obtained in the industry at the time of the first Working Party's report have since deteriorated further. It is this fact which has been forcefully highlighted in the report, presented to Parliament last week, of the N.I.D.C.'s Working Group for the Cotton Textile Industry which was presided over by Mr. D. S. Joshi, I.C.S., former Textile Commissioner and now Additional Secretary in the Union Ministry of Commerce and Industry.

The cotton mill industry is, perhaps, the only industry which has not benefited by the two Five-year Plans, thanks to the Government's non-expansion-of-capacity policy based on the dubious consideration of developing the decentralised sector and its unhelpful attitude towards modernisation and rationalisation born of its exaggerated solicitude for the cause of labour. The result of this shortsighted policy is obvious: low level of production. The *per capita* output of mill cloth is at present no more than 11.50 yards, as against 14.06 yards in 1956 and 12.50 yards in 1951. Even before the first Five-year Plan was formulated, this journal had drawn pointed attention to the supreme urgency of permitting the mill sector to augment the installed capacity, to rehabilitate plant and machinery,

and to rationalise the methods of production, in keeping with the growing pressure of demand for cloth emerging from the continuously rising trend of population and the improvement in the living standards of the masses. These words, which fell on deaf ears then, have even greater relevance today when the mill industry is handicapped by insufficient plant and machinery, much of it obsolete, by a number of weak operating units barely able to pay their way, by a smaller proportion of up-to-date machinery than in other countries, and by the fact that a large part of its capacity is not as efficiently worked as comparable machinery elsewhere.

The aforesaid handicaps have inevitably led to a loss of confidence on the part of the industry in its future. Unless these problems are tackled vigorously and without delay, the cotton mill industry will continue to decline. This aspect must be specially stressed in the context of the rapidly expanding clothing needs of the teeming millions, not to mention the importance of enhancing the industry's capacity successfully to weather the increasing competition in world textile trade. Viewed thus, the Working Group has certainly struck a note of realism when it says that "the essential needs of clothing have to be adequately and efficiently met" and that "the industry has to be geared for this." And it has also done well to drive home the point that the industry cannot count on the continued advantage on the side of cheap cotton or low labour cost, inasmuch as the unit labour costs are already very high *vis-a-vis* those in many other countries. It will be pertinent to quote here the Group's own observations:

"... Failure to modernise in time may bring about the very conditions of distress and unemployment in industry that labour is so anxious to avoid. It is a well-known fact that several mills in India today are running with old and obsolete equipment. Some of them have been in difficulties and a few have closed down altogether, resulting in total and permanent unemployment of workers in these concerns. If this state of conditions is to be prevented from spreading to other units also, then modernisation is rendered inevitable. Another factor that is relevant to this discussion is the considerable variation in technological and managerial efficiency that exists in the textile industry today. In any large industry comprised as it is of over 480 units—some of which are very large and others extremely small—some differences in efficiency and cost of production between the best and the worst units is inevitable. But this difference today is abnormally wide. While we have in India some mills which can stand comparison with the good mills in other parts of the world, there are many others whose efficiency is so low and production methods so inefficient that they are a drag on the national economy. Therefore, one of the first objectives of any scheme of modernisation should be to ensure that these inefficient units are brought up to a minimum standard of efficiency and the gap between the most and the least efficient unit is considerably reduced."

The Working Group has clearly spelt out what it means by modernisation of cotton mill industry. Modernisation, as it envisages, is not only the replacement of old machinery by new but the bringing about of those conditions and practices in industry which would enable it to be so strong and efficient as to withstand successfully competition as well as any changes in market conditions. No one can find fault with the Group for not having recommended a wholesale programme of modernising the industry lock, stock and barrel. For the implementation of any such programme would entail a heavy capital outlay, estimated at Rs. 800 crores by the Group, which the country cannot at all afford for some years to come. Even the modest programme of modernisation and rehabilitation suggested by the Group would involve a fairly large outlay of Rs. 180 crores. Of this, no less than Rs. 80 crores, the Group expects, would be raised by the industry itself from out of its own resources.

It is, however, doubtful whether even this much money (Rs. 80 crores) can, in fact, be raised by the industry over a period of five years. For, barring a few units here and there which are somewhat in an affluent financial position, the industry generally is reeling under the impact of a severe cost inflation that leaves very little margin of profit. Raw cotton continues to account for a high percentage of manufacturing cost, as much as 50 per cent. What is worse, the incidence of taxation is quite heavy, the wage bill is high, and the prices of machinery, stores and spare parts have risen markedly. Being caught as they are between cost inflation, on the one side, and voluntary pegging of prices for finished products, on the other, the capacity of the vast majority of mills to raise sizable funds for modernisation is severely restricted.

The Working Group has not indicated how exactly the industry can raise, from its own resources, the funds required for modernisation. All that it has said is merely this: "The resources are already tied up in the gross block, but the industry *may* be in a position to gather about Rs. 60 crores which, *with sustained effort*, might go up to Rs. 80 crores." (Italics ours.) But its recommendations regarding the ways and means of providing the balance of Rs. 100 crores for modernisation are happily more specific. Noteworthy here are its suggestions for ensuring grant of adequate loan capital by institutions, like the National Industrial Development Corporation and the Industrial Finance Corporation, at very reasonable rates of interest and with liberal concessions in the matter of repayment instalments.

It is not surprising, in view of the none-too-happy financial position of the Union Government, that the Group has not advocated direct help from public funds, as in the case of the British Government's £30-million aid scheme for rehabilitating the textile industry. But the Group could at least have made out a case for some relief in taxation and reasonable depreciation allowance. The prices of machinery and equipment have risen so abnormally that the present rates of depreciation allowance for income-tax purposes are too inadequate. Considering that funds have been locked up in fixed assets and large amounts are required for working capital, the need for providing, in the alternative, an appropriate allowance in textile prices for rehabilitation purposes may also be recognised. It is to be hoped that the Tariff Commission, to which the question of determining fair prices of cotton textiles has been referred, will take this factor into account.

The total foreign exchange component of the modernisation programme suggested by the Working Group is Rs. 60 crores, exclusive of Rs. 23 crores representing the cost of spare parts for existing machinery and components required by the indigenous manufacturers. The Government must readily make available the exchange required, so that the pace of implementation of the programme is not hindered frequently by lack of foreign exchange facilities. After all, it must be remembered that the cotton mill industry earns for the country quite a bit of foreign exchange every year and a large number of ancillary industries, as the Working Group has aptly stressed, depend and flourish on this major industry.

It must, indeed, be said to the credit of the Group that it has drawn attention to the inevitability of a certain amount of rationalisation in the process of modernisation. It is, however, somewhat difficult to agree with its recommendation, which has been accepted by the Government, that a suitable machinery be set up to analyse and help each individual mill to resolve its problems. May be, the problems of rationalisation differ from mill to mill. But there is no gainsaying the fact that the issue of rationalisation should be approached from the point of view of the industry as a whole by laying down some general criteria and not with reference to each unit.

Whatever be the nature of the programme of modernisation and rehabilitation, it must be emphasised in conclusion that its ultimate success will depend almost entirely on the maintenance of harmonious labour-management relations. The industry should, as the Group rightly remarks, provide (*a*) initiative to labour to contribute to the efficiency of mills, (*b*) training within the industry and (*c*) healthy service conditions for technicians. For its part, labour must lend its wholehearted support and co-operation. At the same time, the authorities, too, should give greater freedom to the mill industry by removing some of the vexatious regulations and controls, based on ideological considerations, such as those on production of certain varieties of cloth.

URBAN HOUSING

THE housing problem that confronts the country, as the latest annual report of the Union Ministry of Works, Housing and Supply says, is stupendous, for, apart from the huge carry-over shortage of about eight million housing units in urban areas, the additional demand is estimated to be of the order of some six million units in the next five years. The present shortage of urban housing accommodation, according to another estimate, that of the Bombay Housing Commissioner, is about 10 million units over the whole country, or a minimum of five million units if the dilapidated or sub-standard slummy structures are to continue, as they obviously will. Even this minimum requirement, according to him, will involve a total cost of about Rs. 4,000 crores. These are staggering (and depressing) figures, but the only consolation that the urban folks can have is that their lot is any day better than that of the ruralites who would need to rebuild completely or improve substantially as many as 50 million houses. Otherwise, the urban population, which has increased by about 25 per cent over the last decade and may well increase by a larger percentage in the next, will not cheerfully reconcile itself to the continuation of a situation in which privation and suffering is widespread. That a situation of the kind which is fraught with explosive possibilities calls for remedy within a reasonable period of time is generally recognised. But what is not so well recognised is that incentives are required for urban housing construction which is expected to take place predominantly in the private sector.

The contribution expected from this sector during the third Plan period is upwards of Rs. 1,000 crores in terms of investment, as compared with an estimated Rs. 500 crores in the second Plan period. On the other hand, the public sector will be responsible for an outlay of Rs. 120 crores in the third Plan period, as compared with Rs. 95 crores in the second Plan. These figures of public sector outlay do not include the expenditure on houses constructed or proposed to be constructed for their personnel by State Governments, by Central Government departments such as the Railways, Posts and Telegraphs, Rehabilitation, Defence, etc., and by the steel plants. If these other outlays are also taken into account by collecting the relevant data, it will be found that the total outlay on housing in the public sector has been substantially more than the aforesaid second Plan figure of Rs. 95 crores and will, again, be substantially more than the third Plan allotment of Rs. 120 crores for the purpose. Still, the position has been and will continue to be that the private sector's role in housing construction is dominant and, thus, crucial.

That this dominant role has so far been performed by the private sector in spite of certain disincentives does not mean that incentives are not required. If only it is recognised that private investment has been scared away, to some extent, by the disincentives, the need for giving certain incentives so as to draw out the potentialities of the private sector more fully will become apparent. The disincentives now in operation are said to be: (i) inadequate return on the investment due to heavy Central and State taxation, (ii) certain restrictive provisions in the Rent Control Act, (iii) existing heavy municipal taxation and levy of further betterment charges, (iv) inadequate transport facilities by rail and road, (v) lack of developed building sites with roads, water-supply mains, drainage sewers, etc., (vi) unpopular town planning schemes and delays in finalising acceptable schemes, and (vii) scarcity and high prices of essential building materials. To remove these disincentives would be to provide as many incentives. For instance, some relief in Central taxation should be possible. The restrictive provisions in the Rent Control Acts can also be modified so as to make it possible for landlords to evict tenants from old houses which would have to be rebuilt at higher costs.

Besides these, some positive incentives have also been suggested by Mr. C. R. Desai, Bombay Housing Commissioner. One of these is that, in the case of new houses carrying rent upto Rs. 100 per month occupied by low-income group families, the income accruing therefrom should be exempt from Central taxes for a period of ten years, and the local authority and the State Government concerned should give rebate of 50 per cent of the General taxes and the Urban Immovable Property tax for a period of ten years. If the suggested tax incentives are accompanied by suitable steps to make developed sites available at reasonable price and in reasonable time, they may go a long way towards drawing greater private investment into the sector of urban housing. Otherwise, the private sector in the next decade may not be in a position to perform better than it did in the last decade when its total outlay on housing accounted for about the same amount (Rs. 1,000 crores) as is now expected of it in the five-year period 1961-66 alone.

MARKET GOSSIP

Banks' Resources

MR. G. D. Birla has certainly put the finger on the right spot when he declares, in his statement to the shareholders of the United Commercial Bank presented at the annual meeting, held at Calcutta on Wednesday this week, that, with the accrual of deposits slowing down, a high level of advances has imposed a considerable strain on banks under conditions of restricted liquidity. This is a development which is rather disquieting and must be corrected at the earliest. Otherwise, there is the danger of a distinct setback to industrial and commercial activity. How can the banks go on expanding advances in the absence of a sustained rise in deposits? There is a limit, dictated by considerations of liquidity and prudence, to the ability of banks to do so. This aspect has been impressively brought out by Mr. Birla.

What is the slow pace of increase in deposits due to? The chief causes, according to Mr. Birla, are, fall in agricultural production in 1959-60, adverse movement in balance of payments position, buoyancy in Central Government revenues, perceptibly heavier tax collection and reduction in the quantum of deficit financing. Few would disagree with him when he says that, while the Government expenditure "itself should normally be expected to provide a fillip to bank deposits, the manner of financing disbursements is such as to reduce greatly the impact of Governmental payments on the rise in deposits." Nor would one greatly differ from him on the point that "the various measures of credit control instituted by the Reserve Bank may well have had the effect of diverting financial resources from the organised money market into the unorganised non-banking sector of finance."

But even with all these factors, the pace of accrual of deposits to the organised banking sector could be accelerated if the interest rates on deposits were suitably raised. A specific suggestion to this effect has also been made by Mr. Birla. He says: "If the rate of interest on deposits is raised reasonably, this will help the banks in getting more money." Mr. Birla has also thrown three other interesting suggestions which, if implemented, will help mobilise resources and channelise them into the banking system. One, money rates in the non-banking sector must be brought down through larger credits to banks by the Reserve Bank under the Bill Market Scheme and liberal lending policy by commercial banks. Two, commercial banks must be granted the same concession allowed to public financial institutions, namely, tax exemption in respect of transfers to a special reserve account of sums not exceeding 10 per cent of the total income of each year till the amount carried to the reserve fund equals the paid-up capital. And three, it is necessary to open more branches; agricultural resources must be tapped by opening small branches in rural areas.

New Import Policy

The import policy for the half-year period, April-September 1961, announced on Saturday last, has not come as a surprise to those who had closely followed the deliberations of the Import Advisory Council which met only in the first week of March. It looks as if the stubborn realities of the external financial situation with which the country is confronted today—the chronic imbalance between imports and exports and the extremely depleted reserves of foreign exchange—would not allow any scope for relaxing the existing restrictions on imports. In fact, quotas are now further slashed in respect of 127 items for established importers and the import of 20 other items are totally prohibited. The main categories for which quotas are reduced include: (1) articles manufactured from iron and steel, such as tubes, screws, rivets, tools and cutters and wire ropes; (2) electrical insulatores, cable accessories and electric motor starters; (3) chemicals; (4) motor vehicle parts; and (5) miscellaneous hardware and scientific instruments and appliances. In the case of some consumer goods, notably powdered milk, cotton piecegoods and fabrics, also the quotas have been reduced. Twenty articles, imports of which are totally banned, include various types of industrial components, spare parts and a few chemicals.

It is true that the import cuts of as many as 127 articles and the total banning of 20 articles which include important raw materials, accessories, components, and spares may reduce their availability and thus lead to some rise in the already inflated cost structure of some of the important industries. But it is heartening to note that, in applying the axe to such a wide assortment of intermediate goods and raw materials, the progress made by the indigenous industries, the existing stock with the industries, the availability of goods against rupee payment and under loan programmes have been taken into consideration. Further, it is claimed in the *communique* announcing the import policy that an attempt has been made to sustain industrial activity and to ensure adequate utilisation of installed capacities. Whether this implies that imports for more fully utilising existing capacity will be given precedence over developmental imports it is difficult to gauge. But the policy of expanding the items for which actual users' licences will be granted should be welcome to industry, although the items now included in this category, such as German silver and nickel silver and electro-medical apparatus, may only be of marginal importance. All in all, however, the broad estimate that the overall import bill for the current licensing period may be about the same as that of the October 1960-March 1961 period is hardly calculated to substantiate the official claim that the new import policy will, by itself, sustain a higher level of industrial production.

Even the new policy has had to permit a few relaxations. The most conspicuous example is the import of newsprint quota. The licences for this item will be subject to a cut of only 10 per cent on entitlement, as against 20 per cent in the last licensing period. Another welcome feature of the new policy which is calculated to benefit existing industries is the change made in the provision for licensing of emergency spare parts, which are defined as spare parts required on an immediate basis to overcome an emergency breakdown of any production machinery. Under the new policy the amount for this purpose has been increased from Rs. 750 to Rs. 2,500 in an individual case.

The manufacturers may also be expected to appreciate the extension of the basic period, which has been done with regard to a number of important items such as tools, cutters, milling cutters, industrial exhaust fans, blowers, component parts of textile machinery, bicycles and automobiles. The extension of the validity period in respect of a number of essential raw materials will facilitate production in several lines. On the procedural side, the scheme of repeat licensing introduced during October 1959-March 1960 is being continued and is expected to help the manufacturers in avoiding delays in securing essential materials.

One feature of the new import policy which has evoked wide criticism pertains to the linking of import licences with the performance on the export front. While there may be some merit in inducing industry to export more through the incentive of the grant of licences of essential raw materials, stores, spares, etc., the impact of such a policy on industries mainly catering to the home market needs to be studied continuously. It is feared that the new policy would compel industrialists to export at a loss and encourage the growth of a new class of middlemen, who would trade in import entitlements at a high premium.

The currency-wise classification of imports has been abolished and there will be no formal distinction in import licences between the dollar and soft currency areas. In normal circumstances this should have meant that the licence-holder can buy in the cheapest market and secure his goods at the most economic rates. The fact that a large part of the foreign aid is still in the shape of 'tied' credits would, however, reduce the beneficial effect of this change.

Automobile Production and Prices

The automobile industry in India produced commercial vehicles, cars, jeeps, vehicular diesel engines, motor cycles, scooters and three-wheelers of an aggregate value of Rs. 97.0 crores in 1960, as compared with Rs. 70.5 crores in the previous year. And the ancillary industries also increased their production from Rs. 7.5 crores in 1959 to Rs. 9.0 crores in 1960. The automobile and ancillary industries together were thus responsible for a total production of the value of Rs. 106 crores in 1960, as compared with Rs. 78 crores in the previous year. This was pretty good performance which was commended by Mr. Manubhai Shah, Union Minister for Industry, while inaugurating the first annual general meeting of the Association of Indian Automobile Manufacturers held early this week at New Delhi. The Minister's expectation was that, in the current year, the industry would perform still better, producing 22,000 cars, 32,000 commercial vehicles, 6,000 jeeps and 25,000 motor cycles, scooters and three-wheelers, respectively, as against 19,100, 27,500, 5,500 and 17,400 in 1960. The anticipated expansion in the production of automobiles in particular is also likely to be accompanied by a further increase in the percentage of indigenous content from the present 75. It is estimated that the indigenous content in the case of commercial vehicles will increase to 85 or 90 per cent by the end of 1962.

All this is good news. But there is no early prospect of reductions in the manufacturing costs as well as prices of the various makes and types of automobiles produced in the country. These prices, as Mr. Lalchand Hirachand, President, admitted in his speech at the meeting of the Association, are higher than those of similar vehicles produced in the more advanced countries. The unfortunate fact in this connection is that the heavy incidence of taxation on the automobile industry tends inevitably to increase the manufacturing costs. Certain enhanced rates, new levies and countervailing import duties envisaged in the Finance Bill of 1961, it is rightly feared, may have the effect of increasing the manufacturing costs and, thus, necessitating an approach to the Government for increases in selling prices. It is in this context that Mr. Lalchand Hirachand's criticism of the proposed additional imposts has been made. His considered view is that until such time as the automobile industry can secure its iron and steel castings, steel forgings and steel pressings and also machinery indigenously, the proposal to increase the duty on iron and steel manufactures from 35 per cent to 50 per cent and the duty on machinery from 10 per cent to 15 per cent will only result in an increase in the landed cost of the finished and semi-finished components, and in that of the finished product.

No exception can be taken to this view, for the effect of additional taxation will be that the reduction in prices expected from expanding production will not materialise. If a possible reduction in automobile prices were to be offset through the levy of additional taxes, the consumer would continue to suffer in spite of greater production. It has been rightly said in this connection that the ultimate satisfaction of consumers should be the principal concern of governmental policy and the primary responsibility of the industry. But if the industry is unable to discharge its responsibility towards the consumer, the Government's policy will at least be partly responsible for it. The least that the Government can and should do is to consolidate the many and different taxes on the automobile industry and make them uniform all over the country. There is also a case for the abolition of local levies imposed by municipalities and other local bodies.

Tax Burdens in Different Countries

President Kennedy's message to the Congress on budget and fiscal policy clearly indicates that, in view of the limited scope for the use of monetary policy, especially the lowering of interest rate in the context of the deficit on the external account of the U.S., greater reliance will be placed on fiscal, that is, budget and tax policies to stimulate economic growth. Detailed tax recommendations have yet to be made by the President. Although it is clear by now that the President will not make any proposal which will involve a material change in overall revenues, some tax concessions designed to stimulate economic growth are expected.

There have been frequent complaints in business and financial circles in the U.S. that the slow rate of growth of the U.S. economy, as compared with that of some other countries, has been due to the heavy incidence of taxation. The following words of a prominent U.S. Congressman, Mr. Herlong, co-author of a Bill containing a new tax formula presented to the current session of the Congress, reflects the view generally held by the critics of the present tax system:

"By use of capital-destroying tax rates and methods, we have prevented our economy from achieving anything like its potential for progress. This means that we have fewer and less productive jobs than should be available. Our total production is far short of our national capability for progress and the standard of living of our people is correspondingly less than it should be. It also means that failure to effect fundamental reform of our tax structure quickly would put in jeopardy the industrial supremacy on which our national security depends."

Several studies have been made of late in the U.S. to show how heavy is the tax burden in that country by international comparison. One of the most recent is that made by the economists of the First National City Bank of New York. On the basis of a series of comparisons of the federal income-tax rates in the U.S. with those imposed by Governments in other countries, the economists of the Bank have claimed that the U.S. has the highest personal income-tax rate in the world. They have shown that the U.S., in a list of 20 countries, has the highest marginal rate of personal income taxation (91 per cent) and, in a list of 14 countries, the highest maximum tax rate (52 per cent) on undistributed corporate profits. In respect of tax rate on corporate profits distributed as dividends, the U.S. ranked third in the list of countries having the highest tax rate arranged in descending order, the first and second places being occupied by France and the Netherlands.

The following consolidated table gives a comparison of taxation by Central Governments of corporate profits—both distributed and undistributed:

(In percentages)

Countries	Distributed as Dividends		Undistributed (Maximum)
	Maximum rate paid and withheld by corporation	Credit allowed individual shareholder	
France	62	24	50.98
Netherlands	54.95	15	47
United States ..	52	4	52
United Kingdom ..	51.25	38.75	51.25
Canada	50	20	50
Belgium	45.31	30	40
Germany	42.58	25	51
Sweden	40	0	40
Australia	40	0	40
Switzerland	35.60	27	8
Japan	35.20	17.5–25	38
Norway	30	0	34
Union of South Africa.	25	33.33–100	25
Italy	20	8	20

A few other countries of the West have in the past claimed the distinction of being the highest taxed ones. For instance, the British people have fancied themselves to be the most heavily taxed in the world. An international comparison of tax burdens contained in the latest issue of the *National Institute Economic Review*, however, shows that the tax burden in the U.K. is not as heavy as is generally supposed. Of the 20 countries whose tax burdens are compared, in seven, total taxation, as a proportion of the gross national product, is found to be higher than in Britain. Although the overall position is this, certain income groups are found to be more heavily taxed in Britain than in others. The tax burden on those earning an income of £10,000 and over a year is found to be heavier than in all the other 19 countries, whereas people earning £1,000 and below come in for lenient treatment at the hands of the tax authorities.

Zonal Curb on Wheat Goes

The restrictions on zonal movement of wheat throughout the country have been removed with effect from Wednesday the 5th inst. The move

(*Continued on page 662*)

EQUITIES MOVE DOWN

TEXTILES, HOWEVER, FIRM

(From Our Own Correspondents)

BOMBAY, *6th April*

BARRING textiles which presented a firm front, equities on the Stock Exchange generally moved down during the week. Operators noted the continuance of the restricted import policy during the first half of the current financial year, with a reduction in quotas in respect of 127 items and complete ban on import of 20 other items. There were, besides, fears that, in view of higher production cost, thanks to the probability of a heavier wage bill, dividends might not be maintained at current levels in the coming years. The continued monetary stringency also restricted investment support. Expectation of higher carryover charges and absence of any sign of improvement in the Laos situation discouraged speculative enterprise. Textiles, however, met with good support induced by the issue of bonus shares by some leading cotton mills and hopes of others following suit.

Steel shares encountered selling prompted by the report that a wage board would be constituted for the purpose of wage fixation. Even the news that production of iron and steel in March was higher, as compared with the previous month, failed to lift up values. After improving from Rs. 152.25 to Rs. 154.25, Tata Steels declined to Rs. 151.50, showing a net loss of 75 nP over the week. Mukand Irons improved fractionally from Rs. 26.50 to Rs. 26.75 but receded later to Rs. 26.25. Indian Irons, on the other hand, showed a net gain of 70 nP over the week, thanks to special support following news of higher output in March.

Textiles, as already stated, provided a bright spot. Standards spurted by Rs. 49 to Rs. 1,507, thanks to the bonus announcement. Centurys attracted buying support and rose from Rs. 576 to Rs. 596 before finishing lower at Rs. 588 due to profit-taking. The net gain over the week was Rs. 12. Tata Mills were well fancied on higher dividend expectation and spurted by Rs. 5.5 to Rs. 54. Podars gained a like amount to Rs. 158. Svadeshis were marked up by Rs. 8.50 to Rs. 270.50. Swans hardened by Rs. 25 to Rs. 565. Khataus were quoted Rs. 7.50 higher at Rs. 540, after having risen to Rs. 550. Central Indias recorded a further rise of Rs. 3 to Rs. 117. Finlays and Indores recorded a modest increase of Rs. 2 each to Rs. 353 and Rs. 143, respectively. Bombay Dyeings improved from Rs. 66.60 last week-end to Rs. 68.50. But the closing rate was a shade lower at Rs. 67.80. Gokaks firmed up by Rs. 3.50 thanks, to the announcement of a higher dividend of 14 per cent as against 6 per cent last year. Shree Niwas, however, declined by Rs. 5 to Rs. 260. Mysores receded by Rs. 3 to Rs. 68. Simplex lost Rs. 2 to Rs. 192.

Sugar shares suffered a setback in spite of sporadic support. Belapurs met with good support early in the week and firmed up from Rs. 301 to Rs. 309 but retreated thereafter to touch Rs. 296 today. Walchandnagars receded from Rs. 241.25 Rs. 236.25. Phaltans softened by Rs. 3.50 to Rs. 146. Kesars and Maharashtra Sugars, however, met with special support, the former improving by Rs. 1.25 to Rs. 266.25 and the latter by Rs. 7 to Rs. 204.

Cement shares depicted a divergent trend. Associated Cements showed a modest improvement of Re. 1 over the week, rising from Rs. 156 to Rs. 157. Orissas were fractionally higher at Rs. 14.52. But Digvijays came under selling pressure and dropped Rs. 1.50 to Rs. 155.50. Bagalkotes shed 20 nP to Rs. 9.36. Dalmias were unchanged at Rs. 12.24.

Shipping shares lacked support. Scindias declined further by 40 nP to Rs. 15.28. Great Easterns lost 24 nP to Rs. 15.76.

Engineering shares presented a mixed pattern. Premier Constructions reacted by Rs. 5 to Rs. 200. New Standards receded by Rs. 3 to Rs. 188. Larsen and Toubros shed 50 nP to Rs. 43.50. Texmacos softened by 28 nP to Rs. 22.52. Telcos, however, were well favoured and firmed up from Rs. 341.50 to Rs. 344, a net rise of Rs. 4.50 over the week. T. Maneklals were bid up to Rs. 440, as against Rs. 355 last week-end. Alcocks were unchanged at Rs. 319.

Trading in rayon shares were featureless. National Rayons moved irregularly and finished unchanged at Rs. 538. Indian Rayons declined by Re. 1.50 to Rs. 72.50. Baroda Rayons lost a rupee at Rs. 150.50. Gwaliors receded by 25 nP to Rs. 47. South India Viscose, however, improved fractionally by Re. 0.50 to Rs. 165.

Dyes and chemicals suffered a further setback. India Dyestuffs slumped by Rs. 10 to Rs. 520. Colour Chems were marked down by Rs. 5 to Rs. 357.50. Poly-Chems receded by Rs. 3 to Rs. 252. Synthetics dropped Rs. 1.50 to Rs. 160.50. Dharamsi Chemicals, both old and new, improved, the former by Rs 8.75 to Rs. 263.75 and the latter by Rs. 14.50 to Rs. 259.50 Amar Dyes was unchanged at Rs. 410.

Selected miscellaneous scrips met with support. Bombay Burmahs attracted speculative support on expectation of a bonus issue and improved from Rs. 616 to Rs. 636.50 before closing lower at Rs. 622.50 on profit-taking. Voltas gained a rupee to Rs. 291. Killicks improved by Rs. 1.50 to Rs. 108.50. Hindustan Levers gained 50 nP to Rs. 50. Ceat Tyres were unchanged at Rs. 300, while Premier Tyres dropped Rs. 2 to Rs. 113. Anil Hard Boards were unchanged at Rs. 292.50. Wimcos changed hands Rs. 2.50 higher at Rs. 305. Tata Oils were unchanged at Rs. 83.50. Greaves Cottons receded by 50 nP to Rs. 176.50. Philips shed a like amount to Rs. 18.24.

• • • •

Madras Stock Exchange

MADRAS, *5th April*

Equities on the Stock Exchange ruled steady during the week under review, thanks to revival of some investment support. The import policy for the current half-year was generally welcomed on hopes that it would facilitate larger maintenance imports. Textiles made headway due to sustained upcountry buying. Teas were well maintained on encouraging advices from auction centres. Coffees and rubbers moved up in sympathy. Sugars were generally well sought after. Banks and electricals were quietly steady. Chemicals and other miscellaneous industrials put on a cheerful appearance.

In the textile section, Metturs advanced by Rs. 13 to Rs. 380. Coimbatore Pioneers were marked up by Rs. 10 to Rs. 350. Coimbatore Cottons hardened by Rs. 8 to Rs. 180. Dhanalakshmis rose by Rs. 6.50 to Rs. 212 *ex-div.* Vijayalakshmis went up from Rs. 96 to Rs. 100, following the announcement of a new issue and the dividend for 1960. The dividend of 12 per cent for 1960 announced this week compares well with 7½ per cent for 1959. The Company will issue new shares at par in the ratio of one for two shares held as on 6th May 1961. Lakshmis strengthened by Rs. 3 to Rs. 180, following the announcement of a dividend of 10 per cent to commemorate the golden jubilee year of the Company. Buckinghams strengthened by a rupee to Rs. 206.50. Adonis gathered 50 nP to Rs. 10.70, following the announcement of a maiden dividend of 8 per cent, taxable, for 1960. Kotharis picked up 12 nP to Rs. 12.87. The Directors of the Company have declared a dividend of 10 per cent, taxable, for the year 1960, same as in the previous year. Travancore Rayons rose by 63 nP to Rs. 40 and Maduras by 10 nP to Rs. 39.60. Balaramavarmas fully paids and partly paids were steady at Rs. 94 and Rs. 9.50, respectively. The Company has announced a dividend of 9 per cent, taxable, for 1960, as against 7½ per cent for 1959. South India Viscose, however, came in for selling and lost Rs. 5 to Rs. 166.

Among teas, Haileyburias and Peermades were in the limelight, with the quotation moving up by 20 nP each to Rs. 15.15 and Rs. 23, respectively. Periakaramalais were higher by 8 nP at Rs. 4.10. Chembras gained a like amount to Rs. 3.93. Neelamalais gained 5 nP to Rs. 4.69. Blue Mountains were maintained at Rs. 3.55. Parksides, however, shed 13 nP to Rs. 28.62, despite the announcement of an interim dividend of 7½ per cent for the year ending June 1961.

In the coffee group, Consolidated Coffees rose by 5 nP to Rs. 23.75. Sangameshwars improved by 4 nP to Rs. 2.40. Kumergodes and Waterfalls picked up 3 nP each, the former to Rs. 4.55 and the latter to Rs. 3.20. Ossoors were fully steady at Rs. 3.22, following the announcement of an interim dividend of 5 per cent. Coffee Lands were unchanged at Rs. 20.85. Wartyhullys lost 15 nP to Rs. 3.20, despite the interim dividend of 5 per cent announced this week.

Among rubbers, Travancores rose by 33 nP to Rs. 10.70. T.R. and Ts gathered 10 nP to Rs. 9.40 and Midlands 5 nP to Rs. 12.10. Cochin Malabars were held firm at Rs. 7.97.

In the sugar section, Indias improved by 50 nP to Rs. 12.60. Deccans rose by 20 nP to Rs. 14.50. Mysores were maintained at Rs. 59, Travancores at Rs. 10.75 and United Breweries at Rs. 115.50. East India Distilleries closed today at Rs. 43.75, *ex-div.*, as against Rs. 44.20 *cum-div.* last week-end. Among miscellaneous industrials, Textools gained 75 nP to Rs. 178.75. Parrys were higher by 30 nP at Rs. 6.10. Travancores hardened by 15 nP to Rs. 17.75 and Metturs by 10 nP to Rs. 14.10. Mysore Chemicals and Mysore Fertilisers were firm at Rs. 25.50 and Rs. 11.35, respectively. Ashok Leylands put on 2 nP to Rs. 9.75. Aluminium Industries were fully maintained at Rs. 24.70, Indian Steel Rollings at Rs. 10.62 and Standard Motors at Rs. 16.65. Ogale Glasses were steady at Rs. 5.30. The Company has raised its dividend from 8 per cent, taxable, in 1959 to 10 per cent for last year. Travancore Ogales maintained the dividend for 1960 at the previous year's level of 6 per cent, taxable, the scrip was quoted at Rs. 7.20.

INDIA FIREBRICKS AND INSULATION CO., LTD.

The India Firebricks and Insulation Company Ltd. has announced the issue of 750,000 equity shares of Rs. 10 each and 25,000—7½ per cent. cumulative redeemable preference shares of Rs. 100 each. Of this, 475,000 equity shares and 15,000 preference shares will be offered for public subscription, the balance being taken up by the promoters, directors and their friends (250,000 equity shares), as also the Company's foreign British collaborators, Messrs. Thomas Marshall and Co. (25,000 equity shares and 10,000 preference shares). The entire public issue is underwritten, among others, by the I.C.I.C. Ltd., L.I.C. and the Government of Bihar. The list for public subscription will open on Tuesday the 18th inst.

The Company has secured a licence to put up a plant to manufacture firebricks, insulating bricks, high alumina bricks and shapes. A reputed West German firm will supply machinery and equipment to the Company. It will also provide technical collaboration and train Indian personnel.

NATIONAL AND GRINDLAYS BANK

PROFIT HIGHER—DIVIDEND RAISED

SUBJECT to no unpredictable contingency, the shareholders of National and Grindlays Bank Ltd. (General Manager : Mr. G. T. Gillespie, London) can expect to receive a dividend of 14 per cent on the increased capital for the current year, as against 13⅓ per cent (on capital) proposed for 1960. This is the outlook held out by the Chairman of the Bank, Mr. J. K. Michie, in his customary annual statement to be submitted to the Bank's annual meeting on the 11th inst. The assessment is based on the belief that overall conditions for banking business in the territories where the Bank operates continue to be favourable as was the case in 1960. Indeed, the Chairman states that the Directors would not have stepped up the second interim dividend for 1960 from 6⅔ to 7 per cent making the total distribution 13⅓ per cent unless they had felt justified in promising to consolidate this rate of dividend.

The consolidated net profit of the Bank for 1960, after providing for taxation and transfers to contingency reserves, is higher at £479,276, as against £404,708 for 1959. This amount, together with the previous year's carry-forward of £301,488, gives a total of £780,764 available for distribution, as compared with £756,057 in 1959. The distributions absorb a larger sum of £277,706 than in the previous year when they took up £261,987. The allocations to premises account and reserve fund have been increased further from £125,000 and £37,582 to £145,000 and £50,000, respectively. No provision has been made for contingency reserve, whereas in 1959 a sum of £30,000 had been provided for this. After the above appropriations, the balance of £308,058 has been carried forward, as against £301,488. Of this, the amount retained in subsidiary companies is £28,274, as against £18,122 a year ago.

The salient features of the Bank's balance-sheet as at the close of the last four years are given in the following comparative table :

(In thousands of £s sterling)

	As on 31st December			
	1960	1959	1958	1957
LIABILITIES—(Main)				
Capital	3,422	3,422	2,852	2,852
Reserve funds	3,050	3,000	3,168	3,168
Unappropriated Surplus ..	280	283	287	301
Current and other accounts† ..	112,121	107,752	106,415	113,223
Fixed and short deposits ..	61,727	48,016	38,417	41,466
Acceptances for customers ..	762	401	140	899
ASSETS—(Main)				
Cash balances	32,986	16,966	20,758	20,683
Investments	90,596	29,389	27,981	28,676
Bills of exchange (including Treasury Bills)				
Advances and loans	33,925	29,466	28,504	23,686
Fixed assets	23,683	79,896	69,127	85,747
	3,837	3,935	3,840	3,814
Balance-sheet total	181,509	163,005	151,409	163,033

†Include bills payable.

It will be seen from the above figures that the advances and loans granted by the Bank have risen quite markedly, from £79.90 million to over £98.68 million, reflecting the growing demand for finance in the territories in which the Bank operates. Current deposit and other accounts are higher by more than £18 million as compared with 1959, but the pressure of demand for seasonal finance, it is said, has had the effect of reducing the Bank's liquidity. Fixed and short deposits alone at £61.73 million account for a rise of £13.71 million. Cash balances have increased by £3.94 million and investments by £1.26 million, while there has been a decline of £5.94 million in bills of exchange.

Following largely the notable rise of over £18 million in deposits and other accounts, the balance-sheet total of the Bank as at 31st December 1960 stands at the impressive level of £181.51 million, a rise of £18.50 million over the previous year. The total will be much higher in the current year. For, consequent on the merging of the business of Lloyds Bank's Eastern Branches, a further 19 branches in India, Pakistan and Burma have been added to the list of the Bank's overseas branches. During 1960, branches of the Bank were opened on full-time basis at seven more centres.

At the extraordinary general meeting on 15th November 1960, the capital of the Bank was increased from £4,562,000 (divided into 6,083,200 shares of 15*s.* each of which 4,562,500 were issued and paid-up in full) to £5,702,925 (divided into 7,603,900 shares of 15*s.* each) by the creation of 1,520,700 new shares of 15*s.* each.

NEWS IN BRIEF

HUNGARY has offered a Rs. 8-crore long-term credit for the development of India's aluminium, pharmaceutical and flour mills industries.

The Planning Commission's proposal to alllow limited private participation in the share capital of selected State undertakings is reported to have been shelved for the time being.

The annual installed capacity of the Bhilai steel plant is proposed to be raised from one million tons to 2.5 million tons. A project report for the purpose is being prepared by Soviet experts.

The Dooars Tea Research Institute, put up by the Indian Tea Planters' Association at Rupali tea estate, Hahaipatha in West Bengal, is scheduled to be inaugurated by Dr. B. C. Roy on the 8th inst.

The 50,000-spindle Kalyani Spinning Mills, established at Kalyani by the West Bengal Government, was inaugurated by Dr. B. C. Roy last week. The mill is designed to produce only fine count yarns from 60*s* to 100*s* single and folded yarn 2/80 to 2/100.

India's shipping tonnage touched 885,850 g.r.t. at the end of last month, or just short of the second Plan target of 900,000 tons. The actual tonnage will, however, exceed the target when the ships already under construction at Visakhapatnam and at foreign shipyards are put into service.

The Indian Airlines Corporation proposes to start a number of cargo services with Dakotas covering the whole country. The National Council of Applied Economic Research, on behalf of the Corporation, is already making a study of the prospects of such a scheme.

Japan has agreed to India's suggestion for fixing the price of iron ore for three successive years, instead of every year as has been the case hitherto. The price for the next three years is fixed at 82 shillings per ton for the first one million tons and 80 shillings per ton for the remainder. India supplies iron ore of about 1.75 million tons annually to Japan.

An agreement providing for Poland's collaboration in the development of coal industry in India is expected to be signed shortly between the two countries. Under the agreement, services of Polish experts will be made available to a large coal mine at Jharia for a number of years in order to acquaint the experts of the National Coal Development Corporation with more efficient and modern techniques of production.

The representatives of India and the U.S. signed on Monday this week six project agreements allocating a total sum of Rs. 46 crores, out of the loan portion of the P. L. 480 counterpart funds available to India. The agreements cover the local costs of thermal power station at Chandrapura (Rs. 20.5 crores) and Barauni (Rs. 1.3 crores), a hydro-electric project at Barauni (Rs. 6.4 crores), extension in thermal plants at Durgapur (Rs. 3.4 crores) and Kanpur (Rs. 95 lakhs) and the Trombay fertiliser plant (Rs. 13.4 crores). Repayment will be in rupees.

• • • •

From Abroad

Pakistan has decided to set up a new oil refinery with an annual capacity of ¼ million tons, in East Pakistan with foreign collaboration.

Hong Kong has declined to place voluntary controls on exports of certain textiles to Canada on the lines of the restrictions already imposed by Japan. Disclosing this in the Canadian House of Commons, the Finance Minister stated that the Government would now consider "what steps need to be taken."

The South African Reserve Bank has reduced from 10 to 6 per cent the minimum reserve balances which commercial banks must maintain against demand liabilities payable in the Union. This move is expected to release about £17.5 million of statutory cash reserves when the banks and money market experience great strain as a result of transfers of Government deposits from commercial banks to the Reserve Bank for accounting purposes at the end of the financial year.

An official Bill seeking to create a Petroleum Stabilisation Board has been introduced in the Philippine Senate. The proposed Board is expected to allocate annual quotas of finished petroleum products to local distributors. Those distributors, which are not 100 per cent Filippino-owned, will have their quotas cut back to the 1957 level of trade. Caltex, Stanvac, Tidewater and Shell will be affected by the new Bill, if it receives the Senate's approval.

Two big iron ore deposits are claimed to have been discovered by Soviet geologists in the vicinity of the city of Serov in the Urals. One of these is estimated at 100 million tons. The ore body extends over a large area and, in places, is up to 90 metres thick. The other deposit consists of magnesite ore which can go into the smelting furnace without beneficiation. In the past and the beginning of this year, 43 mineral deposits, in particular, of copper and polymetallic ores have been discovered in the Urals.

The *per capita* steel supply in West Germany in 1960 was higher than in any other comparable country. Crude steel supply per head of population was 433 kgs. in the first three quarters of 1960 (the figure represents the addition of production and imports with exports deducted and changes in inventories taken into account). This was 21 per cent more than in the same period in 1959. The corresponding figures for the first three quarters was 401 kgs. in the U.S., 332 kgs. in the U.K., 229 kgs. in France and 221 kgs. in Belgium-Luxemburg.

The Chairman of the Soviet Petroleum Trading Corporation, Mr. E. P. Gurov, is currently on a tour of Tokyo. He is expected to negotiate the sale of 10 million tons of crude oil to Japan in exchange for a large quantity of steel pipes required for the construction of a pipeline in Siberia and two 35,000-ton tankers for Japan. Under the trade pact between the two countries, 1.2 million tons of Russian oil were to be imported by Japan; but this import has already been covered by the long-term import contracts concluded by the Idemitsu Kosan and Asia Oil companies of Japan.

An association agreement providing for the membership of Greece in the Common Market was signed at Brussels last week-end. The agreement is based on a customs union with an initial transition period of 12 years. The agreement contains special exceptions to protect new Greek industries from Common Market competition over a 22-year period. These cover about 40 per cent of the export trade with the Six. Both for leaf tobacco and for currants, there will be an immediate cut of 50 per cent in the Common Market countries' import duties. The duty on tobacco will be abolished completely in due course. The agreement also provides for grant of loans aggregating $125 million to Greece during the initial five years.

Finland and the Outer Seven have signed an agreement for the creation of a new free trade association, E.F.T.A.-Finland Association (E.F.A.). Under the agreement, which represents a compromise formula, Finland has been included in the Stockholm Convention, establishing the E.F.T.A. Like the original Seven, Finland will eliminate trade barriers by 1970. Finland has, however, secured two exceptions to the convention. First, while the general reductions in tariffs will be 30 per cent on 1st July next, in respect of certain selected industries, such as varnishes, polishes, leather, footwear and textiles, the percentage will be only 20. Besides, for the latter group of industries, the second reduction will not be due until 1965. Secondly, the agreement permits Finland to maintain existing quantitative restrictions on a long list of items imported from Russia. There is also a reservation concerning the liberalisation of invisible transactions. The new agreement will be supervised by a joint council comprising the E.F.T.A. Council and the Finnish delegate.

PERSONAL

PROF. J. K. Galbraith was sworn-in as the new U.S. Ambassador to India on Monday this week at Washington.

Mr. P. A. Patel, General Manager, Rajasthan Ceramic Industries Ltd., is proceeding to the U.K. and the Continent on a business tour.

Mr. A. K. Brohi, High Commissioner of Pakistan to India, left for Karachi over the week-end on relinquishing his post after 14-month term.

Mr. Jagjivandas H. Joshi has been elected President of the Indian Chemical Manufacturers' Association for the current year. He succeeds Dr. K. A. N. Rao.

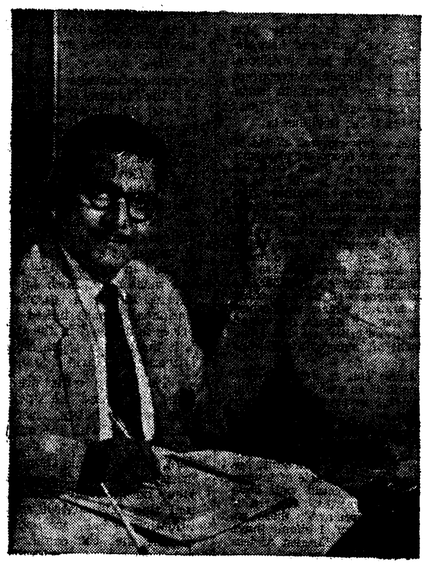
Mr. B. Gopala Reddy, Minister of State for Revenue and Expenditure, has been appointed Minister of State in charge of the Union Ministry of Works, Housing and Supply.

Mr. Robert L. Garner, President of the International Finance Corporation, is due to retire on 15th October next. This post will be taken up by Mr. Eugene R. Black, in addition to his duties as the Chairman of the I.F.C. and President of the World Bank.

Mr. Subimal Dutt, Secretary to the Union Ministry of Foreign Affairs, has been appointed Ambassador of India to Soviet Russia and concurrently to Hungary *vice* Mr. K. P. S. Menon, who is due to retire soon. Mr. Dutt will assume charge of his new assignment in June next.

Mr. K. C. Reddy, until recently Union Minister for Works, Housing and Supply, formally took over charge on Wednesday this week as the Minister for Commerce and Industry *vice* Mr. Lal Bahadur Shastri, who has assumed charge as the Minister for Home Affairs succeeding the late Mr. G. B. Pant.

Mr. V. Venugopal Naidu, Chairman and Managing Director of the Mysore Sugar Company Ltd., and Mr. T. Shamanna, the Director of Industries and Commerce, Government of Mysore, have left on a tour of the U.S., the U.K. and the Continent. They will negotiate for the supply of the plant and machinery for a new project for the manufacture of cellulose acetate, sponsored by Mysore Sugars, to be located at Mandya.



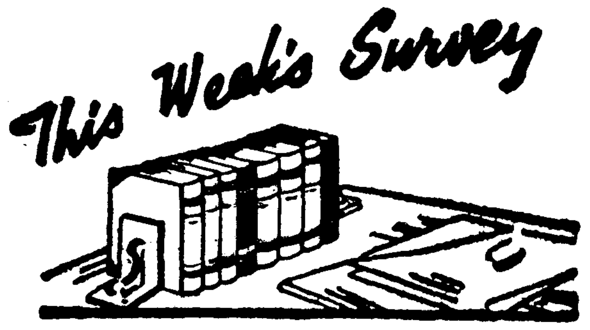
Throughout India prompt and efficient Banking Service

And in London, British East Africa and East Pakistan

Correspondents in Principal Cities of the World

THE BANK OF BARODA
LIMITED
(Estd: 1908)
Head Office: Baroda

JWT-BB. 676



EUROPE AND COMMONWEALTH

THE virtual cold war between the Common Market Six and the E.F.T.A. Seven in Western Europe has taken an exciting turn, following the U.K.'s recent announcement of its unmistakable desire to join the Six, without at any rate dissociating itself from the bonds of the Seven and the Commonwealth. The U.K. seems to be in favour of a common or harmonised tariff with the Six on raw materials and manufactured goods imported from countries other than the Seven or the Commonwealth. Still, in its eagerness to pacify the protagonists of the Rome Treaty, it is willing to make the concession of forgoing some of its own advantages derived from Commonwealth preferences. This new European policy of the U.K. has tended to raise a flutter in the dovecots of the Commonwealth coterie, for it implies the first dent in the citadel of Commonwealth preferences.

Nevertheless, there is a school of thought which believes that the changing pattern of trade relations in Europe is not of much consequence to the trade within the Commonwealth. In a spirited defence of the U.K.'s European policy, Sir Paul Gore-Booth, the U.K. High Commissioner in India, while speaking at a luncheon meeting of the Federation of Indian Chambers of Commerce and Industry over the week-end at New Delhi, observed that he did not anticipate any immediate change of direction and nature of trade with the Commonwealth, if the U.K. succeeded in entering into an association with the Six. On the contrary, he felt that, since the basic objective of the two blocs was to raise the general economic activity in Europe, this must serve to promote both increased acceptability in Europe of goods from less developed countries, such as India, and increased resources available for investment by Europe in these countries. The following passage from Sir Gore-Booth's speech elaborates these arguments:

"I may now mention a few general effects of an association in Europe on the economic prospects of the Commonwealth countries. First, such an association would, to my mind and in the mind of a great many Europeans, further strengthen the economies of the European countries. This would have two effects. In the first place, it would increase their ability to buy from the outside world. Secondly, it would, I feel, result in their being more prepared to take the risks which a more liberal attitude towards imports from the less developed countries seems to involve. Further, an association of this kind might well do something to mitigate the discrimination which will otherwise arise between some parts of Africa, associated with the Common Market, and other less developed countries in the treatment of imports into Europe of their products.

"Secondly, and I think this is very directly important, the achievement of an association would check a somewhat wasteful investment tendency prevalent at the moment. At the moment, there is a tendency for countries of the Seven to invest in the Six and the Six to invest in the Seven and third parties to invest in both, in order to ensure against a tariff barrier, difficult to surmount, between the two. This is an obvious waste of investment resources, some of which could well have come to the less developed countries. Clearly, if this possible obstacle can be removed, these resources will become available and I should have thought it was very much in the interest of less developed countries that this should be so."

Sir Gore-Booth's speech was also notable for its treatment of the more specific effects of the tariff walls in Europe on the trade with Commonwealth countries. In the case of tropical products, he felt that there was little likelihood of a disturbance in the existing channels and possibilities of trade. Referring in this connection to the agreed tariff of 16 per cent duty on coffee in the Common Market, he pointed out that in any negotiations for reducing the duty, the U.K.'s views, "which would be developed in close consultation with the Commonwealth," would be bound to have an impact on the thinking of the Six. This was quite an encouraging approach although it did not amount to an assurance on behalf of the U.K.

But in respect of the possible tariff discrimination against industrial goods, such as textiles, in which India has vital interests, Sir Gore-Booth was frankly (and understandably) not in a position to hold out any definite hope of the kind. The most he could say in this connection was that, in the interplay of negotiations, the U.K. would influence its Continental friends towards a liberal attitude. Such an attitude, he stressed, should in the end offer to India and other Commonwealth countries "a better prospect than perhaps they now enjoy of increased exports to the Continent of Europe." Since the British, as practical men, are not in the habit of making wild promises, Sir Gore-Booth's cautious approach to the question of manufactures is understandable. It is equally clear that trade blocs in Europe have come to stay. No amount of hair-splitting discussion on their merits or demerits, therefore, can succeed in putting the clock back. What the developing countries like India must do in the circumstances is to strive to step up the productivity of their own industries and raise the competitive capacity of their products in world markets. This, however, does not mean that faith in either negotiations or in the liberal-minded approach of the British be given up. It may be that even in "the most unpredictable zone" of imports of manufactures from the Commonwealth, negotiations through the good offices of the U.K. Government will be productive of some good to this country which is developing an export potential for a variety of manufactured goods.

SUGAR INDUSTRY

The case for the provision of adequate rehabilitation allowance in the fixation of prices for sugar was briefly but impressively presented by Mr. C. R. Srinivasan, Chairman of the East India Distilleries and Sugar Factories Ltd., in his speech at the annual meeting of the Company held at Madras on Thursday last week. Alluding to the 12 per cent return on employed capital allowed by the Tariff Commission, Mr. Srinivasan declared that there was no margin with which the directors of sugar companies can rehabilitate their plant at costs that would absorb depreciation allowances four or five times over. And he added: "It was precisely this point, namely, the refusal of the Tariff Commission to take this in, that urged manufacturers to prevail on Government to make a second reference. I can only hope that the Tariff Commission will see facts as they are."

One may, of course, point to the marked expansion in sugar production of late and say that the industry is earning sufficient profit. But it must not be forgotten that the production is on high-cost base over which the industry has no control, thanks to the high minimum prices fixed for sugarcane and the heavy taxes levied by the Governments (Central and State alike). Nor is the industry in a position to make adjustments in price structure, because sugar prices are subjected to control. If, therefore, the industry is to maintain a consistently high level of output at a reduced cost, it must at least be enabled to improve the productivity of plant and machinery. Such an improvement can be effected only if a reasonable amount of depreciation allowance linked to the current market prices is allowed in the fixation of sugar prices. It is these facts which Mr. Srinivasan apparently wants the Tariff Commission to bear in mind.

The sugar mills are at present carrying large stocks and the stocks are expected to be considerably heavy towards the close of the season, what with the anticipated output of 2.7 million tons. When the supplies are so abundant, there is the anomaly that controls over price and distribution continue. Mr. Srinivasan's views on the issue of control are: "To the extent that this control restricts sales, this continuation is bad, but one must, in fairness, recognise that the complete removal of control will increase the problems of arranging export of the surplus stocks and might well lead to forced sales at low prices by the financially weak units. Government's task is to retain control without allowing it to restrict offtake in any way. Furthermore, for the exports even under adverse conditions to be maintained to the extent of 500,000 tons per annum, some control of production will have to be exercised."

There is, no doubt, some substance in the argument that a complete removal of control on sugar may well lead to forced sales at low prices by the financially weak units, especially those which are greatly feeling the impact of high production costs and pegging of cane prices at a level that actually requires an increase in the ex-mill selling price of sugar. But the continued retention of controls for a long time is not conducive to the healthy growth of sugar industry or in the interests of consumers. If controls on sugar are removed, the normal forces of supply and demand will operate in sugar markets, facilitating the building up of pipeline stocks with traders; one estimate places such stocks at 200,000 tons. The removal of controls will also result in higher consumption of sugar. Further, freedom from controls to consumers will compel sugar manufacturers to improve their quality and the traders to take good care of the stocks. As for the justification of controls on the ground of exports, it must only be said that sugar exports involve, as Mr. Srinivasan himself pointed out, a large measure of sacrifice to Government revenues, factory profit and consumer prices.

D.A.G.'S DECISIONS

The meeting of the Development Assistance Group (D.A.G.), about which a reference was made in the "Market Gossip" columns of this journal last week, has just reached a number of welcome decisions—welcome from the point of view of the underdeveloped countries. The *communique* issued at the end of the meeting clearly indicates that the Group has now agreed to recommend to the member-governments, as a common objective, an increase in the aggregate volume of aid going to the less developed countries. The Group has also accepted the principle that assistance provided on an assured and continuing basis would make the greatest contribution to economic growth in the recipient countries. Another agreed decision is that more aid should be provided in the form of grants and long-term loans on favourable terms. The decision to have a full-time Chairman to co-ordinate the activities of the Group conveys that the D.A.G. means serious business.

If the aforesaid decisions are given effect to in the near future, there can be little doubt that the flow of aid to capital-hungry underdeveloped countries will expand substantially. What is more, granting aid on a continuing basis would facilitate the formulation of economic programmes in the underdeveloped countries when they know in advance what exactly the quantum of external aid will be. The suggested greater reliance on grants and on long-term credits is also calculated to bring about development in the poorer countries with a minimum of stress and strain. In fact, this approach is agreeably in accord with the conclusion of a recent study made by the economic staff of the World Bank. This study, it may be recalled, has pointed out that short-term loans, by their very nature, impose the burden of repayment too early and strain the balance of payments of the receiving countries, even before the external aid has enabled these countries to improve the productivity of their economy. This danger is all the more acute in a period of instability in international trade, when the terms of trade of the primary producing countries deteriorate, and their debt-servicing capacity is reduced.

It looks as though the developing countries cannot, for the present, hope for anything more than an assurance of continuing long-term aid. Still, the absence of a reference in the Group's *communique* to the formula, canvassed in recent months, for channelising one per cent of the gross national product of each aid-giving country to the economically backward countries is bound to come as something of a disappointment. In fact, some circles in this country have already expressed their disappointment on this score. It may be that this formula will be ultimately accepted in some form or other. After all, the Group has merely completed the preliminaries now and it is expected to finalise the details in July in Tokyo where its final meeting is scheduled to be held. It is at this meeting that the intricate problem of sharing the burden of economic aid to backward countries will be discussed. The news that in the meantime the Group has decided to study the problem of burden-sharing is an encouraging pointer to the possibility of some reasonable formula being devised. The object of this study, it is stated, is to discover whether principles can be established on the basis of which Governments might most equitably determine their respective contributions to the common aid effort, having regard to the circumstances of each advanced country. It is to be hoped that this study will pave the way for a final agreement on the exact magnitude of aid to be given by the different members of the Development Assistance Group.

WAGE BOARDS

The Union Labour Minister, Mr. Gulzarilal Nanda, announced in the Lok Sabha this week that a Wage Board would be set up for the iron and steel industry on the pattern of the Wage Boards for cotton textiles, cement, sugar,

etc. He also indicated that the question of Wage Boards for the engineering and other industries would be taken up for consideration. The Wage Board for the iron and steel industry, when constituted, will thus bring the number of industries for which wage boards have been set up to six, of which the other five are cotton textiles, cement, sugar, jute and plantations. The Wage Boards for cotton textiles, cement, and sugar have already submitted their reports. Pending the finalisation of its final report, the Wage Board for the jute industry has submitted its recommendations on the workers' demand for interim relief. A Wage Board has been set up for the tea plantations and similar boards are to be formed for coffee and rubber.

Seventy-five per cent of the cotton textile mills in the country have implemented the recommendations of the Textile Wage Board. Many cement factories have put into effect the recommendations of the Cement Wage Board and the remaining units are working out details of the implementation in consultation with labour unions.

The Government has made known its decision to make the recommendations of the Wage Board for cotton textile industry statutorily binding so that the remaining mills will also be forced to implement them. It is, therefore, a safe inference that if the recommendations of the other Wage Boards are not implemented, the Government will not hesitate to compel, by law, their acceptance. Perhaps, the fear that the Government would resort to legislation might obviate the need for such legislation.

An important point that has not yet been fully recognised by the wage-fixing authorities is the need for relating wages to productivity. The Wage Board for cement industry had stressed the need for a scientific study of workloads with a view to ensuring that a fair day's work is secured for a fair wage. The Government has accepted the recommendations of the Board and workload studies have already been initiated in selected factories. In fact, such studies should have preceded the constitution of the Wage Board and should have been the basis for wage fixation for cement workers. If the workload studies now undertaken reveal the need for readjustment of the wage level, yet another wage revision will be unavoidable.

SIR THEODORE GREGORY

In a communication to us, Prof. C. N. Vakil writes as follows on Sir Theodore Gregory:

"In your leading article entitled 'A Critique on Indian Planning,' published in your issue of 18th March, 1961, you have reviewed the recent report of Sir Theodore Gregory on 'India on the Eve of the Third Five-Year Plan' published by the Associated Chambers of Commerce. In referring to the author, you have mentioned that 'as Economic Adviser to the Government of India between 1938 and 1946, (he) had something to do with the planning effort of the later years of that period, when the late Sir Ardeshir Dalal was the Member in charge of the portfolio'.

"It will interest your readers if you publish the following correction of your statement and other relevant information. After the publication of the Bombay Plan, as it was then called, of which Sir Ardeshir Dalal was one of the signatories, Lord Wavell created the Department of Planning and Development sometime in 1944 and invited Sir Ardeshir Dalal to take charge of it. The Secretary of the Department was Sir Thomas Hutton; though known for his military career he was obviously not suited for planning. It was good, however, that Mr. H. V. R. Iengar, now Governor, Reserve Bank of India, was the Joint Secretary. Sir Ardeshir naturally expected help from the Economic Adviser, Dr. Gregory who was attached to the Department of Commerce. He was, however, surprised when in a confidential note, Dr. Gregory pointed out that Planning was not possible in India, one of the reasons being that there was no adequate data for the purpose. It was thereafter that at the request of Sir Ardeshir my services were lent by the University of Bombay to the Government of India from February 1945 for one year in the first instance, as Economic Adviser to the Department of Planning and Development. I may say that the planning effort of the period was done in spite of the adverse attitude of Dr. Gregory.

"Sir Ardeshir Dalal resigned in January 1946. I am not aware of the exact reasons, but if I may guess, he could not have been satisfied with the response that he received from the Government of India of the time. Realising that progress was not possible, I preferred to return to the University at the end of the first year in February 1946. The Planning Department was gradually wound-up thereafter."

(Prof. Vakil's comment, based on his personal knowledge of what transpired in Government circles in 1944, is welcome. But it does not amount to a correction, for it was reasonably valid on our part to presume that, as Economic Adviser to the Government, Sir Theodore Gregory had made some contribution or other to the planning effort of that period, say, by way of ideas, advice, information and the like. We certainly did not seek to convey that he had any major or decisive role to play in the sphere of planning in war-time.—ED.)

THE DIRGE OF THE
DISAPPOINTED GARDENER.

"With care the seeds of flowers did I sow
And with my own hands laboured them to grow
And this was all the harvest that I reaped
A quarter of an inch of ugly weed."

(With Apologies to OMAR KHAYYAM)

And a message:

DUNLOP WATER HOSE

can change all this,
make sprinkling a pleasure,
gardening a bliss.

DRAC-90

ON THE ARENA

By The Archer

The Unwilling Peer

THE case of Viscount Stansgate fighting a relentless battle to remain a commoner in order to retain his seat in the House of Commons brings to light the existence of extreme conservatism in a country which has always upheld the best in democratic traditions. Whatever may be the political virtues in insisting on the son of a peer continuing to be a peer and staying in the House of Lords, it seems somewhat unreasonable to make a son reconcile himself to the decision of a father to so great an extent as to submit to his expulsion from a political career of his own choice and as suits his own temperament. Time was when the honorific of a peerage was valued so enormously that it was, perhaps, unnecessary to speculate on the possibility of the progeny developing other views on the subject, but time is that values have changed, and a resilient Parliament should indeed find a way out for unwilling peers like Lord Stansgate. It would seem that there are quite a few others of his way of thinking like Lord Hailsham, Lord Banliel, son and heir to the Earl of Crawford, Lord Hinchingbrooke, son and heir to the Earl of Sandwich, and Mr. Christopher Woodhouse, younger brother of Baron Terrington. All these estimable gentlemen are reported to be backing a new Bill called the Peerage (Renunciation) Bill, sponsored by Sir Lynn Ungoed-Thomas which, if passed, will enable peers who wish to remain commoners, to renounce their peerage for life.

All this will perhaps seem very funny and meaningless to many of us in this country where titles have been prized as valuable possessions for decades as they constituted distinguishing marks of superiority over the common rabble. Such ancient and colourful titles as 'Manne-Sultan Bahadur,' 'Meharbani-Dostum' and 'Shamshere-Jung' which were relics of the Moghul days and had been recognised by the East India Company and the British Indian Government stayed put till after independence and until the abolition of the princely order. But Knighthoods and hereditary titles of 'Rajah' are still on parade, although the Government of India has withdrawn official recognition for them. The die-hards among the old title-holders are still a tenacious lot, and there continue to be in circulation some cheerful old fogeys who carry visiting cards and printed letterheads indicating pathetic honorifics like 'Rao Sahib' conferred on them in the dim distant past for meritorious services to the community as executive office-bearers of, say, a Discharged Prisoners' Aid Society, the S.P.C.A., or the King George V Memorial Fund. I know of a charming old 'Diwan Bahadur' who held an influential office after retirement from Government service, and was prepared to give much weight to any recommendatory epistle on behalf of an under-dog if only he was addressed as 'My dear Diwan Bahadur,' and if not, consign it to the w.p.b. To all such people who cling to a tradition of vanity and exhibitionism, the case of the unwilling peer is likely to seem like the antics of a crank. Which only goes to prove that it takes all sorts to make up this funny world!

• • • •

1961 Census

The British have a national anthem which invokes Divine Grace on their Sovereign. India, as republic, should devise an ancillary national anthem invoking Divine Grace on her people, for there seems to be no other source to turn to for control of the explosive situation that has been revealed by the census figures which are staggering. We have a population of 438 millions according to the provisional figures, and this indicates an increase of 21.49 per cent over the 1951 figure which is stated to have stood at 359.2 millions after inclusion of the figures relating to Jammu and Kashmir which were estimated after the census of 1951 had been completed. The 1961 figure of 438 millions include those of Jammu and Kashmir. The published figures of population, within the present boundaries of India, since 1891 and the percentages of increase during the preceding decade are as under:

1891—235.9 millions	..	—
1901—235.5 millions	..	—0.17% (decrease)
1911—249.0 millions	..	+5.7 % (increase)
1921—248.1 millions	..	—0.4 % (decrease)
1931—275.5 millions	..	+11.0% (increase)
1941—312.8 millions	..	+13.5% (increase)
1951—356.9 millions	..	+14.1% (increase)
1961—438.0 millions	..	+21.6% (increase)

The increase in the rate of growth of population from 14.1 per cent to 21.49 per cent has been explained as being due to fall in death rate, improved public health and control and eradication of diseases and no countervailing reduction in birth rate. Praise be to God in the Highest for the first two factors; as for the third, I have no words of admonition, invocation or benediction. Even if the rate of growth is arrested without a further rise, the country's population may well reach 532 million in 1971 and (perdition to arithmetic!), 650 million in 1981. Mr. Lal Bahadur Shastri does not seem to be alarmed, but I am not as stout-hearted as he is.

In the concluding chapter of his Census Report, Mr. R. A. Gopalaswami, the Census Commissioner in 1951, has stated:

> "Births will get limited to approximate parity with deaths if what has been described as 'improvident maternity' is avoided by all or most married couples. ('Improvident maternity' consists of all births to mothers who have already had three or more children, when at least one of them is alive.)"

He recommends reduction of improvident maternity from over 40 per cent which was its incidence in 1951 to under 5 per cent, and for the attainment of the target of reduction, the creation and permanent maintenance of a nation-wide organisation of maternity and child welfare services. It looks to me that, as a first step, what we need is a nation-wide publicity drive. For this purpose, the All India Radio should organise a daily programme of an hour's duration in all the regional languages, directed principally to rural areas and primarily to the agricultural and working class population, explaining the staggering implications of the census count, the state of our agricultural economy, effect of unrestricted population growth on planned industrial, economic and social progress, and the shape of things to come if we allow our children to be elbowed out of existence. Indeed, what we need is a declaration of emergency, for, at the present rate of growth, we seem to be increasing in numbers by 25,750 per day, over one lakh in four days, and over 7,70,000 per month.

• • • •

Advertising Technique

Addressing the Society of Advertisers last week, the Prime Minister did not seem very enthusiastic about their activities except for their contribution to export promotion. He wondered if the process of advertising, "good as it may be or as it is in some cases, may not impinge on the production of an integrated individual or integrated community by giving far greater emphasis on the material aspects of life, which though not harmful, are not particularly good or useful." He added that it was undesirable to present pictures of beautiful women, often rather unclothed, with consumption articles in order to make them acceptable.

In this context one is inclined to reflect on the over-sophisticated culture that we seem to have borrowed from more affluent societies which results in spending more money on beauty aids, lotions, cosmetic powders and perfumes, night creams, cold creams, vanishing creams, face creams, pore creams, perfumed oils, paints and varnishes, and getting greatly interested in pictorial advertisements whose basis is the commercial exploitation of the female form. Although most of them are irrelevant, these pictorial or photographic advertisements go by the grandiose name of commercial art and hit one in the eye, especially one belonging to a society which has traditionally clung to the concept of respect for women. The theme of "artistic women" is one with which commercial advertisements play about in diverse variations, much to the delectation of the men who wish to flaunt their artistic sense. Is it because the world is essentially man-made and man-ruled that it is not the other way about, or is it because there is no such thing as a body beautiful in the human male?

In the practice of the highly sophisticated advertisement technique of modern times, a frequent casualty is social purpose. The need to inform consumers about the available supply of commodities and their prices, especially under the prevalence of a seller's market or under monopolistic production and distribution, is rarely observed as a primary duty even by advertisers who spend colossal sums of money on verbose advertisements and propaganda. As an example of current topical interest I would mention that when the price of kerosene oil was recently enhanced by retailers ostensibly to meet increased excise duty and allegedly under instructions from suppliers, but not uniformly at all places or by all retailers, there was not a single advertisement in any of the newspapers indicating the permissible scales of retail prices as approved by the oil companies. And yet, the oil companies are among the largest advertisers in the country—of their contribution to the national economy!

I have heard it mentioned as a good joke that advertisers annotate the proverb "Honesty is the best policy" as indicating that the virtue is best only as a *policy*, not as a *technique*. I recently came across three large and lucid advertisements announcing the manufacture of as many makes of transistor radio sets, and got the impression that one of them could be picked up from a dealer's shelf any day. I discovered I was wrong; the sets are in the embryonic stage and the advertisements were inserted only to generate expectancy! It looks as though one has to pine for an article before one gets it!

• • • •

A Novel Suggestion

At a convention of backward classes held a few days ago in Madras, a suggestion was made by the convener that forward communities should withdraw from competition for Government jobs for the next fifteen years "as a measure of goodwill and an act of patriotism." It is reported that three Ministers of the State Government were present at the convention, of whom one supported the suggestion strongly, a second favoured it partially, and the third opposed it on the ground that it was not practical, and would create disunity in the country. To ask for a "measure of goodwill" almost to the point of self-immolation, and that from young men who have been repeatedly assured that ours was a country working for the goal of equal opportunities for all, is an insult to their practical intelligence, and an affront to their concept of 'patriotism.' And, since the suggestion was admittedly made to hundreds of young men belonging to the forward communities, who (in particular) was expected to implement it? Or was it a suggestion to the State Government to try and find a formula for imposing this self-denying ordinance on the competitors? Thinking in terms of preferment to communities has token deep root in one form or another in many of our States and it is almost impossible to foresee what varied forms of elimination it might be developed into for securing the good things of life for backward communities. It is the concession of the principle that is the initial source of trouble, and as the saying goes about floods, what does it matter if the water level sweeps one foot above the head or ten?

Karl Marx says in *Capital* that the battle of competition is fought by cheapening of commodities. Has this saying got an esoteric application in a case like the above?

A further stage in the development of the foundry forge project at Ranchi was reached, with the signing of two agreements between the Heavy Engineering Corporation and Technoexport of Prague at New Delhi last week. The first agreement is for the additional machinery and equipment and spares at f.o.b. value of Rs. 7.6 crores for increasing the output of the different plants in the project to balance it fully with 45,000 tons of heavy machine building plant. The second agreement relates to the spares meant for the machinery and equipment arranged earlier for the first stage of the project, at a cost of Rs. 77 lakhs.

The U.S. Export-Import Bank has decided to broaden its system of guaranteeing credits advanced to U.S. exporters by private commercial banks. The guarantee plan which has so far covered only exports of heavy industrial equipments will now be extended to include smaller goods. The move is designed to offer U.S. exporters the same facilities offered by the U.K. and West German Governments to their respective businessmen.

STEARIC ACID

(DOUBLE DISTILLED)

Manufactured by

THE MODI VANASPATI MFG. CO.

Maharashtra State Distributors

RAMJILAL LAKHMICHAND

333, Kalbadevi Road, Bombay-2

Phone—Office: 39361 Residence: 88436

Importers, Stockists and Suppliers of:

ALL INDUSTRIAL CHEMICALS

AMERICAN LETTER

THE PROS AND CONS OF MR. KENNEDY

PROPOSALS FOR PUMP PRIMING ADVOCATED

From Our Special Correspondent

NEW YORK, *1st April*

THE Kennedy Administration, in its short existence, has left both favourable and unfavourable impressions. On the plus side, there were two Ambassadorial appointments, one to India, and the other to Japan. The chief United States envoy to New Delhi is a knowledgeable former university professor who combines conservatism, liberalism and realism. The chief representative of the U.S. in Tokyo was born in Japan and speaks the language fluently. Besides, he is married to a very pretty Japanese of a very good family. The Ambassador comes from an American family.

Also, Mr. Kennedy has handled himself very well in the periodic televised Press conferences which have grown to such proportions that the somewhat large auditorium of the State Department is being used on such occasions.

The President's stand *vis-a-vis* the so-called Communist block is commendable as well. His proposal that the U.S. should increase ground forces is based on the old Roman proverb, *si vis pacem para bellum*. In the meantime, he has arranged a meeting of the Foreign Ministers of the major nations of the world and he has not shut the door to disarmament talks. He also consulted with former President Eisenhower. Boost in the armed forces may sound, perhaps, political expediency. It has, besides, minus economic connotations, such as spending of money. It is also a form of pump priming to reduce the number of the unemployed.

Although the U.S. shows signs of an upturn in the economy in many lines, other proposals for pump priming have been advocated. They include extension of the highway system, expansion of public housing, coverage of more people under the Social Security System beginning at a lower age rate. The system is in the red already, and it is likely to remain so for the next two years until higher rates come into effect progressively.

Opposition

Congressmen and Senators, even though they have many constituents who would benefit by the proposed changes in Social Security, have lent a deaf ear to nearly all of Mr. Kennedy's expansionary plans, except in the defence area. Even members of the President's own party have turned against him, or they sat on their hands and said nothing.

Essentially, the opposition to the Kennedy plans by these quarters stems from economic reasons. If enacted, the Eisenhower projected Federal surplus of $1,000 million for the fiscal year would be transformed into a deficit of about $2,000 million with all that it implies. Aside from budgetary considerations, an upturn is expected because inventories have run so low that they will have to be replenished very soon.

Foreign aid is high on the legislative agenda with replacement of existing aid agencies by one big aid administration, responsible only to the President and the Secretary of State. It has strong economic connotation.

The same can be said for such controversial measures as aid to schools, increase in minimum wages and unemployment pay. Health insurance is also being considered. Farm legislation is now proposed. Stiff opposition is certain in some quarters. In other words, Mr. Kennedy's programme may have hard sledding because of higher support.

Apropos my previous remarks that things seem to be perking up, or that they will in the future, the stock market last month turned in the best performance in many a moon.

United Nations News

At this writing, the greatest trouble spots in the world is considered by both American and foreign correspondents to be Laos. It explains the strong joint statements by British Prime Minister Macmillan and President Kennedy that the situation "cannot be allowed to continue to deteriorate." They stopped short of saying that they would seek military actions to stop military advances by Moscow which could give them not only political control of the peninsula but also access to rich natural resources and help them undersell and ruin established world markets.

U.N. delegates were pleased hearing from Mr. Harriman after his return on a special mission abroad that India's Prime Minister Jawaharlal Nehru seemed quite co-operative to communicate with Soviet Prime Minister Nikita Khrushchev asking him to accept President Kennedy's invitation for a cease-fire arrangement in Laos. In the meantime, members of the South-East Asia Treaty Organisation are also considering sending troops to Laos, according to information at the U.N. here.

The second biggest trouble spot which engages the attention of the General Assembly is, of course, Africa. Under present world conditions, it is, perhaps, inevitable that the demand would arise "Africa for the Africans." That was expected at the U.N. ever since it was started at San Francisco. But there are also thousands of Moslems who are active traders on the dark Continent. U.N. delegates ask whether they will be considered Africans or if they will be massacred just as the whites. Most deplorable is, naturally, the possibility of a further breakdown of political and economic affairs of Africa. Cuba is ignored by the U.N. for obvious reasons. The U.S. naval station is fully equipped on a war-time basis. Besides, Fidel Castro's tenure as President is held to be short.—*All Rights Reserved.*

Notice

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

NOTICE OF INTERIM DIVIDENDS

THE BOARD OF DIRECTORS HAVE declared on the 29th March, 1961, the following Dividends subject to tax deduction before payment under Section 18(3D) of the Income Tax Act.

Interim Dividends for the year ending 31st March, 1961:

On First Cumulative Preference Shares @ Rs. 4% increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, i.e. making a total of Rs. 5.2%.

On Second Cumulative Preference Shares @ Rs. 2.25% increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, i.e. making a total of Rs. 2.925%.

On Preferred Ordinary Shares @ 12 nP per share, increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, i.e. making a total of 15.6 nP per share.

On 'A' and 'B' Ordinary Shares—Rs. 1 per share.

Additional Dividends for the year ended 31st March, 1960, pursuant to the provisions of the Preference Shares (Regulation of Dividends) Act, 1960:

On First Cumulative Preference Shares @ Rs. 2.4% per annum.

On Second Cumulative Preference Shares @ Rs. 1.35% per annum.

On Preferred Ordinary Shares @ 7.5 nP per share.

These Dividends will be paid on or after 5th May, 1961, to those shareholders (or their mandatees) whose names appear in the Company's books on 22nd April, 1961, as the Registered Holders of the above shares.

The Share Transfer Registers of the Company will be closed from 8th to 22nd April 1961, both days inclusive.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LTD.,

Managing Agents.

CHARTERED BANK BUILDINGS,

CALCUTTA, *30th March*, 1961.

FALL FROM GRACE

EXTERNAL PAYMENTS POSITION

(From Our Own Correspondent)

LONDON, *30th March*

LONDON LETTER

THE Treasury has now revealed the full extent in the change in Britain's external payments position in 1960 compared with 1959. The gold inflow of £177 million over the year is almost the exact equivalent of the net deterioration in the monetary position—that is to say, it is by coincidence almost a net amount by which Britain failed to balance her incomings and outgoings over the year. But the incomings in the form of short-term capital movements alone equal some £377 million, and without these the deficit on the monetary position would have been nearly £545 million.

This figure is made up of £344 million being the deficit on trade account and £201 million being the deficit on capital account. Whether this country can afford it or not, net overseas investment appears to be of the order of around £200 million a year—it was the same in 1959—but what a fall from grace is there in the current account deficit of £344 million compared with the *surplus* of £51 million in 1959, and yet 1959 was the year in which the gold and currency reserves fell by £119 million—which just goes to emphasise the capricious nature of these gold movements. They mean utterly nothing in terms of the U.K. trade, and utterly nothing in terms of her true financial position, and yet they are the mirror on which the world fixes its eyes to see whether the currency is trustworthy or not.

In 1960 imports exceeded £4,000 million which is just about £500 million more than the previous year. Exports and re-exports exceeded £3,700 million which is £200 million better than the year before. So right away there is a worsening on visible trade account of £300 million and a deficit of £366 million. The previous year the deficit had only been £69 million. Here, in plain figures for all to see, is the true measure of Britain's problem.

Overall Deficit

In 1959 income on invisibles netted £120 million. In 1960, largely as a result of increased Government expenditure overseas, the surplus was a mere £22 million. Britain's net shipping income is a minus figure. Only interest on overseas investments, etc. which still brings in about £180 million (though each year is less than that before) and the payments for banking and commercial services manage to offset the heavy drain of Government expenditure overseas.

So 1960 closed with an overall deficit of £344 million. But private capital, in spite of all this, gaily lent about £100 million overseas and new Government loans to the less developed countries were generously increased from £49 million to £61 million, to which must be added about another £40 million of Government advances. So, to swell the deficit on current account, we have these substantial sums of capital account.

Where would the gold reserves have been if these sums had had to be met directly? Fortunately the sterling holdings of foreign countries in the U.K. were swelled by £380 million. This was offset by £156 million being sterling balances being drawn down by the I.M.F., but it did leave the total of sterling balances in London £224 million higher than a year before. An inflow of miscellaneous capital which can be identified helped Britain's position by about £120 million, but the true balancing item which held up the reserves, and indeed enabled the gold inflow to be paid for, was hot money to the tune of £377 million. It is possible to take steps to treat these capital movements as part of long-term banking transactions. It is primarily a technical problem how this is done. The real matter to which the country has to address itself is the vast deficit on current account.—*All Rights Reserved.*

A new British trade delegation (Chairman: Mr. Edward Thompson), jointly sponsored by the Board of Trade and the Federation of British Industries, will leave London early next week on a tour of South-East Asian countries, including Malaya, Singapore Thailand, Burma, Philippines, North Borneo and Indonesia. The delegation will be divided into four groups. After about a fortnight, all the delegates will assemble at Singapore for a two-day conference with the U.K. official trade representatives accredited to all the countries concerned.

UNITED COMMERCIAL EARNS MORE

CREDIT RATIO JUMPS UP—DIVIDEND SLIGHTLY HIGHER

THE results of the United Commercial Bank Ltd. (General Manager : Mr. S. T. Sadasivan, Calcutta) for the year ended 31st December 1960 are gratifying. Thus, the gross income has recorded a substantial improvement from Rs. 490.61 lakhs in 1959 to Rs. 528.98 lakhs, and the profit (before taxation) has gone up from Rs. 60.42 lakhs to Rs. 67.43 lakhs, which is the highest on record in the history of the Bank, which is only 18 years old. The Directors have continued to follow a judicious policy in regard to appropriation of profit. The rise in profit has been equitably distributed; a part to the reserves, another to staff and a third to shareholders. The provision for reserves has been stepped up by Rs. 3 lakhs to Rs. 30 lakhs and the bonus to staff absorbs Rs. 2 lakhs more at Rs. 13 lakhs. The distribution to the shareholders is better by Rs. 2 lakhs, at Rs. 24 lakhs. This latter sum gives a dividend of 12 per cent (taxable), which is only a shade higher than the dividend of 11 per cent. (taxable) for the previous year. After deducting the tax, the net dividend for the year under review is 8.4 per cent and is slightly higher than the tax-free dividend of 7.5 per cent per annum declared for 1957 and 1958.

With the receipt of Rs. 30 lakhs from the profits for 1960, the reserves of the Bank have exceeded the paid-up capital of Rs. 2 crores by Rs. 5 lakhs to stand at Rs. 205 lakhs. In view of this, the year under review may be regarded as an important landmark in the Bank's history. Few banks in the private sector in India can boast of having been able to build up such a sizable reserve within a short period of less than two decades.

The progress of the Bank since 1957 is shown in the following comparative table :

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Gross income	528.98	490.61	423.71	386.19
Interest and discount	379.00	362.39	308.80	257.24
Commission and exchange	141.73	120.94	106.55	107.67
Interest paid	252.34	246.93	217.21	163.12
Expenses	194.08	171.80	153.21	136.72
Depreciation and repairs	15.13	11.46	7.91	6.05
Profit	67.43	60.42	45.38	59.70
Provision for taxation			9.00	18.50
To reserve fund	30.00	27.00	14.00	19.00
Bonus to staff	13.00	11.00	7.25	7.00
Dividend	24.00	22.00	15.00	15.00
	(12%)*	(11%)*	(7½%)	(7½%)
Carry forward	1.47	1.04	0.62	0.49

	As on 31st December			
	1960	1959	1958	1957
Capital	2,00.00	2,00.00	2,00.00	2,00.00
Reserve fund	2,05.00	1,75.00	1,48.00	1,34.00
Deposits	88,93.87	96,67.88	78,27.97	61,07.45
Borrowings from other banks	9,32.28	4,60.07	5,76.21	34.05
Advances	61,38.50	56,25.28	45,15.94	37,69.09
Investments	33,88.29	40,78.53	35,62.87	19,94.21
Cash	9,56.71	10,09.72	8,38.86	8,28.40
Balance-sheet total	149,35.81	145,44.58	114,15.01	90,22.61
Ratio to deposits of—	%	%	%	%
Advances	69.0	58.2	57.7	61.7
Investments†	27.7	37.4	38.3	32.1
Cash	10.7	10.4	10.7	13.5

*Subject to deduction of tax.
†Only the unencumbered investments are taken into account for arriving at the ratio.

It will be observed from the table that the income, by way of interest and discount earned, has jumped up from Rs. 362.39 lakhs to Rs. 379.00 lakhs, and that from commission and exchange has registered an even sharper increase from Rs. 120.94 lakhs to Rs. 141.73 lakhs. But, at the same time, both interest paid and other expenses have gone up quite sizably, the former by Rs. 5.41 lakhs and the latter by Rs. 22.28 lakhs. The profit has, therefore, improved by Rs. 7.01 lakhs only, from Rs. 60.42 lakhs for 1959.

The changes in the balance-sheet items of the Bank are in keeping with the general trends of banking in the country as a whole. Thus, deposits has declined from Rs. 96.68 crores to Rs. 88.94 crores. Fixed and current deposits have both contributed to this fall, the former by Rs. 6.87 crores and the latter by Rs. 2.23 crores. Only saving bank deposits have recorded a rise from Rs. 7.90 crores to Rs. 9.26 crores. This is the first time since 1951 that the upward trend in the Bank's deposits has been reversed. The Bank tried to neutralise the effect of the fall in deposits on its lending activities by increasing its borrowings from other banks, which item has more than doubled from Rs. 4.60 crores to Rs. 9.32 crores. This probably explains why the interest paid at Rs. 2.52 crores is a little higher than that in the previous year, despite the shrinkage in deposits and the lower level of interest rates on deposits brought about by the inter-bank agreement. On the assets side, thanks to the rapid growth of trade and industry and the consequent increase in the demand for bank accommodation, the advances of the Bank have recorded a sizable expansion of Rs. 5.13 crores, taking them to a high level of Rs. 61.39 crores as at the end of the year under review. The credit ratio has risen from 58.2 per cent to 69 per cent. The increase in bank credit has solely been under " loans, cash credits and overdrafts," the bills discounted and purchased being a shade lower. But its collection business has made striking progress, as witness the increase in the outstanding bills for collection from Rs. 9.35 crores to Rs. 10.83 crores and in acceptances, endorsements, etc. from Rs. 26.53 crores to Rs. 31.24 crores. Investments, however, have showed a marked contraction over the year, having fallen by Rs. 7.90 crores to Rs. 33.88 crores, and their ratio to deposits, taking into account only the unencumbered investments, has declined from 37.4 per cent in 1959 to 27.7 per cent in the year under review. But as the cash ratio is higher at 10.7 per cent, the total liquid assets form 38.4 per cent of the deposits, a proportion still well above the conventional limit.

As stated earlier, the reserve fund of the Bank is of the order of Rs. 2.05 crores, and, with the paid-up capital at Rs. 2 crores, the owned resources of the Bank are quite substantial. The confidence of investors in the Bank is well reflected by the ruling prices of its shares (Rs. 50 each partly paid) which are currently quoted on the Bombay Stock Exchange at Rs. 90.50 *cum-div.* On an *ex-div.* basis, the shares give a net yield of 4.8 per cent per annum which is well below the yields on most of the bank shares, the general average being 6 per cent. Evidently, investors would seem to be of the opinion that the Bank could easily raise the rate of dividend further in the coming years, thereby bringing it up to the levels of the older big banks. It may be interesting to note here that, in 1960, the profit per share was Rs. 16.75, as against Rs. 15 in 1959 and Rs. 8.50 in 1950, the dividend actually distributed in these years being Rs. 6, Rs. 5.50 and Rs. 2, respectively. Another noteworthy feature is that the capital funds per share (break-up value) have risen from Rs. 65 in 1950 and Rs. 93.75 in 1959 to Rs. 101.25. The increase in the number of shareholders has, however, been only modest, from 5,645 in 1950 to 5,767 in 1960 ; actually, the number is a little lower as compared with more recent years ; in 1957, for instance, the Bank had as many as 5,883 shareholders. But it must be stated that even the latest number is quite large, viewed from Indian standards.

(*Concluded from next column*)

namely, interest paid and other expenses, increased sharply by Rs. 6.67 lakhs and Rs. 11.94 lakhs, respectively, the profit has risen only slightly. Further, the amount charged to depreciation has almost doubled from Rs. 4.33 lakhs in 1959 to Rs. 8.31 lakhs. As reserves have absorbed Rs. 2.93 lakhs (as against Rs. 2.90 lakhs in the previous year) and the payment of bonus to staff has taken up Rs. 5.77 lakhs (Rs. 5.46 lakhs in the previous year), the Directors have merely succeeded in maintaining the dividend unchanged at the previous year's level of 4.3 per cent (taxable). After deducting the tax, the net return to shareholders works out to 3.01 per cent As the Rs. 10 fully paid-up shares of the Bank are being quoted at a heavy discount at Rs. 5.12 *cum-div.*, the yield on them on an *ex-div.* basis comes to 6.2 per cent per annum.

Thanks to the pressure of demand for funds resulting from the increased tempo in the economic activities in the country, the advances have jumped up by Rs. 4.11 crores to stand at the impressive figure of Rs. 31.62 crores, taking the credit (to deposits) ratio to 61.1 per cent. as against 57.7 per cent in the previous year. Investments which are shown at or below market value, have declined a little, by Rs. 86.59 lakhs to Rs. 16.79 crores. But cash balances have gone up by over a crore of rupees, which, together with the unencumbered portion of investments, give a liquid assets ratio of 45.7 per cent.

UNITED BANK OF INDIA'S FIRST DECADE

NOTABLE EXPANSION IN DEPOSITS

IN these days, when there is a lot of talk of amalgamation as a solution to the problem of sub-standard small banks, it would be useful to recall the formation of the United Bank of India Ltd. in 1950 through an amalgamation of four banks in Bengal, with the full consent and blessings of the Reserve Bank of India. The four Bengal banks were then more or less in the same plight as the small banks in Kerala, Madras and other States of India are today. In that year, too, one of the Bengal banks—the Nath Bank—could not be salvaged and had to be forced into liquidation in the same way as the Palai Bank. Full ten years have gone by and it is gratifying to find that the United Bank of India Ltd. has now grown into a full-fledged, strong bank of Bengal, with branches in several other parts of India. The depositors, the staff and the shareholders of the four banks, which had been in difficulties, following the partition of Bengal were saved and disaster was averted. Thanks to a devoted Board of Directors, under the chairmanship of Dr. N. N. Law, and the energetic Chief Executive, Mr. B. K. Datta, Managing Director, the Bank has now attained a position of great strength and is able to render significant service to the country's economic progress.

The United Bank of India has made impressive progress during the first decade of its existence. Its deposits have almost doubled, from Rs. 26.90 crores as at the end of 1950 to Rs. 51.74 crores at the close of 1960. Its advances have risen by nearly 130 per cent from about Rs. 14 crores to Rs. 31.62 crores. It has opened 24 new branches, many in places where modern banking facility was absent or either inadequate. Further strength has been imparted to the Board of Directors by the addition of Mr. S. Gupta, a Managing Director of Martin Burn and a former Secretary and Treasurer of the State Bank of India, and Mr. S. N. Ray (I.C.S., Retd.) who was the Chief Secretary to the West Bengal Government and is now Chairman of the West Bengal State Electricity Board.

The progress of the Bank since 1957 can be seen at a glance from the following tabulated statement :

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Interest and discount	2,15.59	1,97.58	1,70.55	1,45.22
Commission and exchange	39.02	34.42	33.72	31.75
Other income	15.20	14.56	15.03	12.83
Interest paid	79.15	72.48	62.00	52.05
Expenses	1,01.95	1,50.01	1,36.06	1,15.68
Depreciation	8.31	4.33	7.01	5.86
Profit	20.40	19.75	14.15	16.21
Provision for taxation				4.92
To reserves	2.93	2.90	3.45	3.25
To bonus to staff	5.77	5.46	2.83	
Dividend	11.44	11.39	7.83	8.00
	(4.3%)†	(4.3%)†	(3%)	(3%)
Carry forward	2.07	1.81	1.81	1.77

	As on 31st December			
	1960	1959	1958	1957
Capital	2,68.54	2,68.44	2,68.04	2,66.57
Reserves	86.63	83.70	80.80	77.35
Deposits	51,73.68	47,68.20	45,53.97	38,36.45
Borrowings from other banks	18.01	1.00	1,41.50	0.85
Advances	31,62.21	27,51.59	27,03.78	23,55.74
Investments	16,79.24	17,85.83	15,48.09	12,24.72
Cash	7,04.02	5,76.64	5,06.40	5,87.01
Balance sheet total	67,26.84	60,75.28	56,33.03	48,80.63
Ratio to deposits of—	%	%	%	%
Advances	61.1	57.7	60.5	61.4
Investments	32.1§	37.0§	32.3§	31.9
Cash	13.6	12.1	11.6	15.3

† Subject to deduction of tax.
§ Only the unencumbered portion is taken into account.

An outstanding feature of the Bank's working in 1960 is the continuation of the upward trend in deposits. Contrary to the general trend of scheduled banks as a whole, the Bank's deposits were able to register a bigger increase than in 1959. This enabled the Bank to increase its advances without having to deplete its liquid assets ; the latter have actually gone up, the inter-bank borrowings at the end of the year being only fractional. On the earnings side, too, the performance during the year under review is satisfactory. The Bank's profit (before taxation) has staged a modest rise from Rs. 19.75 lakhs in 1959 to Rs. 20.40 lakhs. But this increase does not fully reflect the substantial improvement in turnover. The income from interest and discount, for instance, has expanded by Rs. 18.01 lakhs to Rs. 215.59 lakhs and that from commission and exchange by Rs. 4.60 lakhs to Rs. 39.02 lakhs. But as the two outgoings,

(*Continued in previous column*)

GALLOPING INFLATION SOUNDING THE SIREN?

INADEQUATE AND ECCENTRIC SUPPLIES ROOT CAUSE

By Prof. S. Kesava Iyengar

LOUD claims of thumping success achieved during the first and second Plan periods apart (in his Budget Speech, the Union Finance Minister has claimed 33 per cent increase in agricultural production and 66 per cent in industrial output), a careful study of production figures leads to the irresistible conclusion that we have been planning for a drift, much more than drifting towards planning. The central problem today is the acceleration in runaway prices, particularly of consumer goods. "Holding the price line" has been much talked of but with little success. Monetary and fiscal policies have been resorted to with a view to checking prices, but the predominant cause for the price spiral is the utter inadequacy of consumer goods, durable and non-durable, and raw material for consumer goods industries, either locally produced or imported. A few relevant indices are given below, but these suffer seriously from defects like unrecognised black market prices, irrational weightages, and the non-inclusion of several items like fruit, vegetables, fish, meat, milk products and the building industry. In the U.S.A. and U.K., they have a general production index including agriculture and industry, although agriculture is more seasonal than industry. Here in India, the index of agricultural production is based on 1949-50 at 100, and the index of industrial production on 1951 (calendar year). It is surprising that, even after 10 years of planning, these indices have not been amalgamated or at least worked on one common base year. Again, such indices do not go far in throwing sufficient light on the root problem for two reasons. Many essential consumer goods were produced in very small quantities in 1950-51, and even high sounding index numbers for 1959 do not mean much progress so far as social welfare is concerned: 300 per cent of 1 is only 3. Secondly, such indices bear no relation whatever to consumption targets that can be considered as respectable for the nation, particularly with regard to items like food, clothing and housing.

Agricultural Production

With all these handicaps and limitations, the following figures present quite a dismal picture of limping production which deserves careful attention at the hands of planning authorities:

TABLE I

Index of Agricultural Production

(1949-50=100)

Item	1958-59	1959-60	% increase: annual average
Foodgrains	130.1	124.3	2.43
Oilseeds	138.4	122.6	2.25
Fibres	175.0	145.2	4.52
Plantation crops	130.0	131.1	3.11
General	133.3	127.2	2.72

It is impossible to understand how Mr. Morarji Desai claimed an increase of 33 per cent when the actual figure is 27.2 only. The annual average increase is derived by dividing the total increase in index numbers by 10, because that is the intervening period between 1949-50 and 1959-60. Wheat bargains with U.S. and glorification of the Food Bank concept are pleasing, but the sorry tale presented by the last column cannot be ignored: anything below 5 per cent annual average increase in agricultural production would not be worth planning for, because the working army marches on its stomach, and non-food crops are the raw material for several consumer goods industries: numerous such units are not working to full capacity like cotton textiles, power units and sugar mills.

Industrial Output

So far as industry is concerned, broad categories are plant and machinery, industrial raw material, durable and non-durable consumer goods, food, clothing and house room forming part of the last class. In some cases, the same item might be classed under more than one category. Index numbers for the whole of 1960 are not available for many products, and monthly indices may not represent annual trends. Therefore, annual indices for 1959 are used for calculation in Table II, the last column showing average annual percentage increase over a block of eight years. The improvement is only 51.9 per cent over eight years, but the Union Finance Minister has claimed 66 per cent which may be passed only as wishful thinking. These indices have been arranged in ascending order, and the overall impression is that drift, not planning, characterised production programmes during the past ten years. On the producer goods side, electricity (and gas and steam), iron and steel, and cement showed fair progress, but this was at the expense of consumer goods like cloth and tea (important earners of foreign exchange) as also sugar, although consumer goods industries like ammonium sulphate, bicycles, sewing machines and paper did not languish. The production of iron ore was promising arithmetically, but connoted so much loss of investment potential at home: iron ore exports, actual and contracted, have sharply increased, a tendency which is contradictory to the special emphasis on iron and steel production.

TABLE II

Index of Industrial Production

(Calendar year 1951=100)

Item	% increase over eight years	Average annual % increase
Gold	—27.0	—3.37
Jute sacking	— 3.2	—0.40
Cloth	3.1	0.39
Matches	12.3	1.54
Tea	13.5	1.69
Yarn	28.2	3.53
Coal	37.1	4.64
Soap	55.8	6.98
Iron and steel	63.1	7.89
Automobiles	63.8	7.98
Vegetable oil products	83.8	10.48
Sugar	86.8	10.85
Iron ore	112.2	14.03
Cement	113.6	14.20
Paper and paper board	122.9	15.36
Electricity, gas and steam	148.5	18.56
Sewing machines	468.2	58.53
Ammonium sulphate	618.2	77.29
Bicycles	767.0	95.87
General	51.9	6.49

Snail's Progress

Reasons for this snail's progress and eccentric improvement along different lines, with no reference either to the country's potential resources or the development of the national standards of life to a decent level, is a further testimony to our planning for a policy of drift during the last ten years. Reasons are not far to seek. First, the planners have proved very niggardly in setting hopelessly low levels as normal standards of consumption, without reference to calorific or vitamin contents of food, and minimum requirements of cloth and housing, or without reference to international standards. As is generally the law of nature, achievements fall short of targets, and it is no wonder that the average annual percentage increase during the last decade has been so low as 2.43 per cent with regard to foodgrains, and 0.39 per cent with regard to cloth. About fruit, vegetables, fish and meat, we have no statistics, nor have we any with regard to residential house construction. In the name of planning, there has been too much of restriction and pin-pricks on domestic private industry, from licensing to taxation, with the result that a great deal of saving has added to hoards. Thirdly, overinvestment on heavy industries involving burdensome foreign exchange liabilities, led to merciless curbs and prohibitions on imports of consumer goods and even industrial raw material. The proof of this lies in several consumer goods industries suffering from unused capacity. Fourthly, it is a complex job to reconcile a socialist society with imports of foreign private capital and enterprise, but there has been a distinct change for the better of late in Government agreeing to a people's car industry with German aid, a watch industry with the help of Japan, the tyre industry financed substantially from the U.S.A., apart from the foreign capitalist finance of Durgapur and Rourkhela. A mixed economy and a socialist society cannot be yoked to advantage. Management of public enterprises has proved inefficient, and, at times of emergency (as in the case of fertilisers and oil refineries), the Government does not

(*Continued on page 659*)

UNDER SECRETARY TO G...

STATE BANK OF TRAVANCORE

ALL-ROUND IMPROVEMENT

THE results of the State Bank of Travancore (General Manager : Mr. T. R. Krishnaswami, Trivandrum) for the year 1960 make encouraging reading. The total deposits of the Bank have jumped up by Rs. 130.23 lakhs to stand at the impressive figure of Rs. 8.27 crores, as compared with an expansion of Rs. 36.72 lakhs only in the previous year. Advances have also registered a substantial improvement of Rs. 54.09 lakhs in 1960, on top of a rise of Rs. 35.19 lakhs in 1959. The increase in the volume of business is clearly reflected in the expansion in income by way of interest and discount which has risen from Rs. 41.96 lakhs in 1959 to Rs. 45.45 lakhs in 1960. Income from commission and discount has increased less sharply from Rs. 4.06 lakhs to Rs. 4.83 lakhs. But, as expenses other than interest paid have risen by just Rs. 1.80 lakh to Rs. 13.90 lakhs and as interest paid has actually declined from Rs. 19.71 lakhs to Rs. 17.76 lakhs, the profit (before providing for taxation) has staged a smart improvement from Rs. 9.95 lakhs in 1959 to Rs. 13.53 lakhs in the year under review. After making necessary allocations, the Directors have declared a dividend of 5 per cent (taxable) as against *nil* in the previous year. The net dividend works out to 3.5 per cent and is still lower than the tax-free dividend of 5 per cent distributed by the former Travancore Bank in the years 1957 and 1958.

The provision for taxation has been stepped up from Rs. 5.15 lakhs to Rs. 6.25 lakhs, while the amount transferred to reserve is less by Rs. 54,000 at Rs. 1.46 lakh. The bonus to staff absorbs Rs. 0.70 lakh; no bonus was given in 1959-60. The Directors have not made any provision for gratuity, unlike in the previous year when the gratuity account was credited with Rs. 1.64 lakh.

A bird's-eye view of the progress of the Bank since 1957 can be had from the following comparative table :

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959†	1958†	1957†
Gross Income	45.45	41.96	40.77	39.07
Interest and discount earned	40.01	37.81	35.98	32.06
Commission and exchange	4.83	4.06	4.78	7.00
Interest Paid	17.76	19.71	18.89	13.51
Expenses	13.90	12.10	11.45	10.83
Depreciation	0.26	0.20	0.19	0.21
Profit	13.53	9.95	10.24	13.82
Transfer from reserve	..	..	3.50	..
To provision for taxation	6.25	5.15	6.50	7.00
To reserves	1.46	2.00	2.05	2.97
To depreciation on investments	..	..	..	0.20
To bonus to staff and gratuity	0.70	1.64	0.05	0.05
Dividend	5.00*	Nil	5.00	5.00
	(5%)		(5%)	(5%)
Carry forward	0.12	..	0.19	0.06

	As on 31st December			
	1960	1959	1958	1957
Capital	1,00.00	1,00.00	1,00.00	1,00.00
Reserves	31.18	29.72	27.72	29.17
Deposits	8,27.31	6,97.08	6,60.36	6,05.48
Borrowings from other banks	0.48	..	..	..
Advances	4,10.23	3,56.14	3,20.95	3,33.60
Investments (less depreciation)	3,44.81	3,24.40	3,02.06	2,44.12
Cash	2,44.60	1,79.89	1,78.83	1,75.28
Balance sheet total	12,19.08	10,37.36	9,18.92	9,05.12
Ratio to deposits of	%	%	%	%
Advances	49.5	51.0	48.6	55.1
Investments††	41.1	46.4	45.8	40.3
Cash	29.5	25.8	27.1	28.9

† The figures relate to the Travancore Bank Ltd.
* Subject to tax.
†† Only unencumbered portion is taken into account.

As indicated earlier, the total deposits of the Bank have gone up by Rs. 130.23 lakhs. Of this rise, saving bank deposits account for Rs. 106.39 lakhs, and current account deposits for Rs. 51.56 lakhs, whereas fixed deposits have actually fallen by Rs. 27.72 lakhs. The improvement in aggregate deposits is, perhaps indicative of the increased public confidence in the Bank, consequent on it having become a subsidiary of the State Bank of India with effect from 1st January 1960. Thanks to the extension in limits granted to the aluminium, tyre and rubber, and chemicals industries, as well as to the better utilisation of limits by other borrowers, the Bank's advances have jumped up from Rs. 356.14 lakhs to Rs. 410.23 lakhs.

The expansion programme of the Bank is progressing smoothly. Thus, during the year under review, the Bank opened seven new offices and licences for opening six additional offices have been obtained from the Reserve Bank of India. The Bank has investigated business potentialities at 17 centres.

MODERNISATION OF COTTON MILLS

GOVERNMENT ACCEPTS WORKING GROUP'S MAIN RECOMMENDATIONS

THE Government of India has accepted the main recommendations of the Working Group for the Cotton Textile Industry, 1960, appointed by the National Industrial Development Corporation in 1959. The Working Group which was asked to study the rehabilitation and modernisation needs of the cotton textile industry, has recommended, in its report just published, a modest scheme of modernisation and rehabilitation estimated to cost Rs. 180 crores. Of this, Rs. 80 crores, it has suggested, could be raised by the industry itself out of its own resources and the balance should be provided by public financing institutions like the National Industrial Development Corporation, Industrial Finance Corporation or similar bodies set up for financing development of industries in the country. The Government has accepted this recommendation and proposes to review constantly the position during the third Plan period so as to expedite the pace of modernisation, rehabilitation and diversification of the cotton textile industry. The Government has also accepted the Working Group's suggestion for setting up a Textile Mills Standing Advisory Group or Committee, consisting of top level representatives of management, labour and technicians to examine causes of closures, losses and unsatisfactory working of less efficiently run textile units. The proposal that five new units with a capacity of 25,000 spindles and 500 looms each and equipped with up-to-date types of machinery should be permitted to be set up for production of faultless, quality cloth entirely or largely for export has also been accepted.

Some of the other recommendations of the Working Group, especially those relating to the part to be played by the N.I.D.C. and other financing agencies in the modernisation and rehabilitation of the textile industry and the suggestion for the creation of a "closure fund" out of which payments could be made to scrapped units as a sort of compensation are under consideration of Government.

The Working Group, it may be recalled, was appointed in August 1959 under the chairmanship of Mr. D. S. Joshi, the then Textile Commissioner. It was asked to study the need for rehabilitation and modernisation of the textile industry and, in particular, to examine the extent of finance necessary, foreign exchange required, the amount which would be provided by the industry and how the balance of the needs may be met from public or private financing agencies, including the N.I.D.C. The Working Group, after an exhaustive study of the question of rehabilitation and modernisation of the industry and all the aspects relevant to it, has recommended the scheme referred to in the beginning.

Level of Modernisation

One of the problems which the group had to consider was the level of modernisation. Its findings in this connection is that modernisation to the maximum possible extent is not feasible, because of the vast amount of finance involved and also because of the large percentage of the labour force that would be thrown out of employment. On the other hand, failure to modernise, it recognises, may bring about the very conditions of distress and unemployment in industry that labour is so anxious to avoid. The level of rehabilitation and modernisation from a national point of view should be governed by three factors: (1) the finance available, (2) the degree of labour displacement, and (3) the need to ensure a minimum standard of efficiency in all units. Taking these three factors into consideration, the working group maintains that there should be a minimum level of modernisation in all units—a level below which no unit should be allowed to exist. Mills which have reached or even exceeded this level of modernisation may also modernise further, provided they have the necessary financial resources and are in a position to accomplish modernisation by following the principles laid down at the Fifteenth Labour Conference.

The level of modernisation envisaged by the Working Group is a modest one which is nearer the minimum level. If the entire organised sector of the mill industry of the present size were to be set anew, according to the Working Group, the cost would be in the neighbourhood of Rs. 800 crores which may be taken as the desirable maximum. Since this has been ruled out in view of the limiting factors regarding both finance including foreign exchange and labour, the Working Group has estimated, in different ways, the cost of modernisation at a bare minimum level. Whichever way the problem is approached, the total figure reached is between Rs. 150 and Rs. 200 crores. The Working Group, therefore, considers that an estimate of about Rs. 180 crores would be a fair guide for the purpose of planning for finance for rehabilitation and modernisation. The programme would entail an annual expenditure of Rs. 30 to Rs. 35 crores during the third Five-year Plan period.

Machinery Required

The Working Group has estimated the proportion of machinery which would have to be imported for the purpose of modernisation. At present, production of the indigenous textile machinery is of the value of about Rs. 10 to Rs. 12 crores per year. It is expected that at least 75 per cent of the machinery requirements at the end of the third Plan would be met by indigenous manufactures. Manufacture of automatic looms will be started shortly. Taking all these factors into consideration, the Group estimates that Rs. 60 crores worth of machinery would have to be imported during the third Plan period ending 31st March 1966 for the purpose of modernisation and rehabilitation. This is exclusive of spare parts for the existing machinery and components required by the indigenous manufacturers of textile machinery which are estimated to cost Rs. 23 crores.

Sources of Finance

The Working Group calculates that, of the estimated cost of Rs. 180 crores, the industry will be in a position to gather a maximum of Rs. 80 crores from its own resources, including borrowings from directors, banks, etc. The balance has to be found for the industry by way of loans from the N.I.D.C., the Industrial Finance Corporation and similar bodies. These financing institutions, it is recommended, should adopt a liberal loan policy. They might also issue sizable amounts by way of equity capital to mills. The possible lines of liberalisation of the terms and conditions of loans suggested by the Group are the following:

Loans may be granted to the extent of cost of machinery installed, construction of new sheds and buildings, compensation to redundant workers and for working capital.

Loans may be granted subject to overall security being available (market value of the block being taken into consideration) and ensuring efficient management.

Conditions such as restricting companies' investments in other concerns and restricting the rights of withdrawing loans advanced by the directors/managing agents may not be imposed.

A climate should be created so that, by and large, all companies who are in need of finance for rehabilitation and modernisation of the mills come forward to the N.I.D.C. for financial assistance.

Legal mortgage may not be insisted upon.

Equitable mortgage or simple deposit of title-deeds may be considered adequate.

Procedure of searching titles, etc., may be made less elaborate.

The pressure on the finances of mills on account of interest having to be paid on the loans could be eased, suggests the Working Group, by readjustment of recovery of interest in such a way that the total interest during the period of pendency of the loan calculated at the prescribed rate will be recovered without causing initial burden to the industry. In this context, the Working Group's comment on the repayment capacity of the mills will be read with interest:

Repayment Capacity

"The turnover of the industry as a whole is round about Rs. 450 crores. The best year for the industry in the recent past was 1956, when the gross profit before allowing for depreciation and taxation worked out to about 9 per cent of the sales. Out of this, the depreciation on the existing machinery would absorb 3 per cent. leaving the remaining 6 per cent of the turnover as net profit, subject to taxation. Taxation will be about 45 per cent of this or, in other words, another 2.75 per cent will be absorbed, leaving a balance of 3.3 per cent as net profit on the sales. On the equity capital, this will work out to 13 per cent which will be available as dividend, reserves, etc. . . .

". . . How far this profit will suffer a reduction on account of the extra liability which will fall on the industry on account of the payment of interest on the borrowings for rehabilitation and repayment of loan instalments. This liability may roughly be worked out on an average of about 10 per cent per annum spread over a period of 15 years on the total borrowing of about Rs. 156 crores. If we take only the first five years, this percentage will be 11.6 in the first year, 11.4 in the second year, 10.9 in the third year, 10.7 in the fourth year and 10.3 in the fifth year. On an average, during the next five years, the liability will be about 11 per cent or about Rs. 16.5 crores per year. . . .

"Working out, on the basis of the net profit after allowing depreciation on the existing assets for the year 1956 of Rs. 27 crores per year, it seems clear that the margins for depreciation, taxation, and profits are small."

It would, therefore, be necessary and advisable, according to the Working Group, for N.I.D.C. and public financing agencies to issue sizable amounts by way of equity capital to mills. It is also obvious that simultaneously mills will have to reduce costs in all directions.

The possibilities of obtaining external finance have also been examined by the Group. According to it, individual agreements by units with their opposite numbers for supply of machinery on credit terms present certain difficulties. It, therefore, considers that, for any tangible results to be achieved, a small committee, consisting of representatives of the industry and Government, should explore and assess the probabilities of securing assistance in different foreign countries.

Closed and "Sick" Units

The question of closed and "sick" units has been specially considered by the Group. At present, there are 39 mills accounting for a total capacity of 680,000 spindles and 11,170 looms, representing about 5 per cent of the total installed capacity of the industry, which are remaining closed. Out of these, 20 mills with 236,000 spindles and 2,900 looms are fit only to be scrapped and so cannot be revived. The question of rehabilitating and bringing back to life the remaining 19 mills, which account for 450,000 spindles and 8,200 looms, should be investigated. It is recommended that the law should be suitably amended so that, in the case of mills whose plant and machinery are irretrievably worn out and outmoded, compulsory scrapping may be enforced. The Working Group is of the view that some inducements should be offered for old units to go out of existence. For this purpose, it has suggested a "closure fund" for paying compensation at the rate of Rs. 10 per spindle and Rs. 400 per loom to such units. This amount should be found by levying some kind of licence fee or premium on new licences for expansion. This is possible in its opinion because there will be need to license additional capacity in the industry during the third Plan period.

Exporting Mills

The minimum economic and workable unit of a textile mill, according to the Working Group, should have at least 12,000 spindles and 300 looms. While this is the absolute minimum, it suggests that the industry should, as far as possible go up to the level of 18,000 spindles and 400 looms in due course and a still higher stage of 25,000 spindles and 500 looms. In fact, the Group has recommended that as an experimental measure, five units with a capacity of 25,000 spindles and 500 looms each and equipped with up-to-date types of machinery, including processing equipment, should be established for producing cloth largely, if not exclusively, for export. The total capital cost of each such unit is estimated at Rs. 2 crores. Each such unit should produce, on a three-shift basis, 15 million yards of cloth per annum, the major portion of which should be compulsorily exported. The necessary licence for establishing these units should be given to such *entrepreneurs* in the private sector as are willing to abide by these conditions. As regards finance for these units, it is suggested that, if the private investors do not respond to the extent necessary, the question of Government or public financing agencies contributing some specified percentage of the share capital should be considered. Highly rationalised spinning mills, which agree to all the terms and conditions regarding exports, may also be allowed to participate in the scheme, subject to adequate safeguards.

Rationalisation

The Working Group recognised that any measures of modernisation must inevitably entail some step towards rationalisation. It has been estimated that 15 per cent of the labour strength is likely to be rendered surplus during the next five years as a result of rehabilitation and modernisation proposed by it. Even if this percentage were to be 20, according to the Group, the problem of absorption of these workers would not be serious because natural wastage of labour resulting from death, old age, superannuation, etc. alone will account for 3 per cent per year. It will help to reduce the size of the problem of surplus labour if provision is made for suitable gratuity on superannuation and compensation for loss of employment result-

(Continued on next page)

COTTON BOARD ON SCRAPPING SCHEME

FINISHING SECTOR QUALIFIES FOR GOVERNMENT FINANCIAL HELP

From Our Special Correspondent

MANCHESTER, *28th March*

MANCHESTER LETTER

LANCASHIRE'S textile finishing works have, after all, qualified for financial help from the Government in reorganising the industry. Preliminary figures had indicated that the bleaching, dyeing and printing sections of the trade had earmarked sufficient machinery for scrapping under the reorganisation scheme to qualify for Government assistance, but the figures included machinery which was still the subject of negotiation and there was just a possibility that more sections might still fall short of the scrapping target.

Any lingering doubts were dispelled by the Cotton Board's announcement that machinery for processing 560,820,000 yards of cloth have been entered for scrapping under the scheme; the minimum target set before the Government would agree to pay two-thirds of the cost of compensation was 534,500,000 yards. All the various sub-sections also passed the target and qualified for Government assistance. The machinery to be scrapped in bleaching has a capacity of 75,850,000 yards (the target was 68,200,000 yards), dyeing, raising and finishing 382,990,000 yards (target 284,200,000 yards), and machine printing 101,971,000 yards (88,800,000 yards). The Board also announced that machinery for dealing with 30,890,000 lbs. of yarn had been accepted for scrapping under the yarn processing scheme where the minimum set was 25,200,000 lbs. before the Government would pay two-thirds of the cost of compensation.

"Anti-Dumping Legislation Inadequate"

With the likelihood of a period of difficult negotiations ahead on the question of large-scale imports of Commonwealth and other cotton textiles into Britain, Mr. Philip Lees, President of the Master Cotton Spinners' Federation, warned that there must be an upper limit covering arrivals of yarn, cloth and made-up cotton goods. "We are not prepared, even if it were practicable, to try to compete by depressing wages and conditions to the level of Eastern countries. It is clear that the present anti-dumping legislation is hopelessly inadequate in form and slow in operation," he said in his presidential address to the annual meeting. Firms which had decided to remain in business under the cotton reorganisation scheme had prepared major modernisation and re-equipment schemes and many orders for new machinery had been put in. "But every month is precious and the volume or orders for equipment would increase enormously if a satisfactory settlement can be reached regarding the import situation for a number of years ahead," said Mr. Lees. The voluntary agreement with Hong Kong, which sets a ceiling on the Colony's cotton shipments to the U.K., is due to lapse at the beginning of 1962 and the agreements with India and Pakistan a year later.

Discussing the need to secure the maximum efficiency in the use of machinery and manpower, Mr. Lees said that many union officials had "co-operated splendidly" on the question of works study, but there were others who did not seem to be fully aware of the advantages that could be gained. "Further opposition is so shortsighted as to be irresponsible," he said, and added: "Only by full co-operation between management and unions can we defeat fair competition from the Continent and come so close to prices quoted by Far Eastern countries as to make it no longer worthwhile for them to exploit our home market. The alternative is further contraction and closing down of mills which could and should be kept open."

European Market Integration

A call for continued efforts at Government level to overcome obstacles in the way of a fully integrated market for the whole of Western Europe is being made by the cotton industries in the various European countries linked either with the "Six" or the "Seven." It follows a conference between delegations representing the cotton and allied textile industries of the European countries, called to consider the prospects of an economic link between the European Economic Community and the European Free Trade Association.

The International Federation of Cotton and Allied Textile Industries announced from its Manchester headquarters that the conference welcomed the proposals for harmonising the tariffs fixed by the two organisations on imports from countries outside the trading areas. This, said the Federation, would be an important first step towards a fully integrated market. They felt that it would be possible to harmonise the tariffs so far as goods produced by the cotton spinning and weaving industries and allied textile fibres were concerned. The variations, generally speaking, were not excessively wide except in the case of man-made fibres. In this instance, special consideration would be needed.

The Federation statement said that the Zurich conference felt that such tariff harmonisation would constitute one of the basic measures with which a link between the E.E.C. and the E.F.T.A. could be formed. It would permit the mutual reduction and eventual abolition of tariffs between the two groups, as soon as problems of origin control, deflections of trade and a co-ordinated commercial policy were solved. It added that the unrestricted flow of imports from countries with completely different economic and social structures, multiple exchange rates or state controlled economies and those which practise dumping, remained the chief threat to the prosperity and even to the existence of the European textile industries. It urged the need to establish a co-ordinated European policy in these matters and said that in the immediate future a system based on quantitative import restrictions provided the only practical solution.

Smaller Shipments—In and Out

The pattern of overseas trade returns this year is very much "the mixture as before," now that the February figures are to hand. Slight variations in the individual movement of imports and exports can be observed, but the trend of growing arrivals and dwindling shipments has not really altered. February being in any case a short working month, accurate comparisons with recent periods are difficult. It is, for example, too early yet to attempt to assess whether arrivals of cloth from abroad have passed their peak or to suggest that a slight lull is in progress. Imports last month, however, were a little lower than in February 1960, whereas throughout last year each monthly total was well in excess of the 1959 level. Due to the big arrivals in January, however, the current 1961 total of 143,692,000 square yards is much higher than the 115,477,000 square yards entering British ports during the same period last year.

A notable feature of this trade is that, although the quantity of grey cloth secured from overseas has increased from 95,422,000 square yards to 113,138,000 square yards, the arrivals of finished fabric have shown a much larger proportionate rise—from 20,055,000 square yards to 30,554,000 square yards. Grey cloth imports from India are slightly down at under 41,000,000 square yards and those from Pakistan are distinctly lower at only 3,773,000 square yards against 11,898,000 square yards. In contrast, arrivals from Japan have gone up from 6,247,000 square yards to 10,813,000 square yards, while the big advance in purchases from "other foreign countries" has continued, last year's level of under 13,000,000 square yards being lifted to nearly 35,000,000 square yards.

Export trade in cotton cloth is still in the doldrums and the two-monthly total has barely exceeded 53,000,000 square yards, as against nearly 59,000,000 square yards in the same period last year. The major outlets of Australia, South Africa, Rhodesia and Nyasaland have all taken smaller quantities of goods, but these losses have to some extent been offset by gains in shipments to Sierra Leone, Ghana and Nigeria.—*All Rights Reserved.*

TEXTILES

(Concluded from previous page)

ing from rationalisation. It also suggests that third-shift working should be encouraged to enable speedier rehabilitation and modernisation. In any case, the Working Group feels that the time has come to cry a halt to any further recruitment of workers in this industry. It suggests that a rigid badli list should be maintained in each area and persons should be put in this list only through Employment Exchanges. Simultaneously, a decasualisation scheme should be applied so that one could take stock of the position to ensure that workers found surplus are found alternative jobs. The Group has also endorsed the recommendation of the Textile Enquiry Committee (1958) that some machinery should be devised to settle questions of rationalisation unit by unit.

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES
* DEMAND DRAFTS * LEDGERS
* PAY-IN SLIP BOOKS * PASS BOOKS
* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

RUBBER MACHINERY

MIXING MILLS

Sizes:

16" × 42", 14" × 36", 12" × 30"

with imported chilled rolls, reduction gear and motor

*

EXTRUDER

2" Scroll, 3" Scroll & 4" Scroll

24" × 24", 18" × 18", 14" × 14"

VULCANISING PRESS

Hydraulic system Hand Pump

Manufactured under the strict supervision of

INDIAN EXPELLER WORKS

17-G, SITAFAL WADI, MAZGAON

BOMBAY-10

R.P.C.

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

CONSENT OF THE CENTRAL GOVERNMENT has been obtained to this issue by an Order of which a complete copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

A LICENCE has been obtained from the Central Government for the establishment of this new Industrial Undertaking at Merar and Hesla Villages of District Hazaribagh, Bihar State, of which a copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting this licence the Government of India do not undertake any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

A COPY OF THE PROSPECTUS together with the copies of the documents specified therein as required under Section 60(2) of the Companies Act 1956, has been filed with the Registrar of Companies, Maharashtra State, for registration.

APPLICATION WILL BE MADE to the Bombay Stock Exchange for permission to deal in and for official quotations of the shares of the Company.

THE SUBSCRIPTION LIST will open at the Commencement of Banking hours on 18th April 1961 and will close at the close of Banking hours on 28th April 1961 or earlier at the discretion of the Directors but not before the mid-day of 21st April 1961.

INDIA FIREBRICKS & INSULATION CO., LTD.

(INCORPORATED UNDER THE COMPANIES ACT, 1956)

AUTHORISED CAPITAL:

	Rs.
7,50,000 Equity Shares of Rs. 10 per share	75,00,000
25,000—7½% (free of Company's Tax but subject to tax deducted at source at prescribed rate from time to time) Cumulative, Redeemable Preference Shares of Rs. 100 per share, with option to subscription to and conversion into Equity Shares	25,00,000
Total	1,00,00,000

ISSUED CAPITAL:

7,50,000 Equity Shares of Rs. 10 per share	75,00,000
25,000—7½% (free of Company's Tax but subject to tax deducted at source at prescribed rate from time to time) Cumulative, Redeemable Preference Shares of Rs. 100 per share, with option to subscription to and conversion into Equity Shares	25,00,000
Total	1,00,00,000
(i) The Promoters, Directors, their friends, associates and the signatories to the Memorandum have subscribed for 2,50,000 Equity Shares of Rs. 10 each to the aggregate value of Rs. 25,00,000	25,00,000
(ii) Messrs. Thomas Marshall & Co. (Loxley) Limited, having their Registered Office at Storrs Bridge Works, Loxley, Near Sheffield, England, have been allotted 25,000 Equity Shares of Rs. 10 each to the aggregate value of Rs. 2,50,000, and 10,000—7½% (free of Company's Tax but subject to tax deducted at source at prescribed rate from time to time) Cumulative, Redeemable Preference Shares of Rs. 100 each to the aggregate value of Rs. 10,00,000 credited as fully paid-up for consideration other than cash as hereinafter mentioned for their services to the Company as Technical Collaborators and Consultants	12,50,000
	37,50,000

PRESENT ISSUE:

	Rs.
Now offered for cash at par for public subscription : 4,75,000 Equity Shares of Rs. 10 each	47,50,000
15,000—7½% (free of Company's Tax but subject to tax deducted at source at prescribed rate from time to time) Cumulative, Redeemable Preference Shares of Rs. 100 each, in terms of the prospectus	15,00,000
Total	1,00,00,000

The entire public issue, viz , 4,75,000 Equity Shares of the aggregate value of Rs 47,50,000 and 15,000 Preference Shares of the aggregate value of Rs. 15,00,000 now offered to the public has been underwritten.

The Company has agreed to the firm allotment of 1,00,000 Equity Shares of Rs. 10 each of the nominal value of Rs. 10,00,000 to the "Life Insurance Corporation of India," Bombay, against underwriting arrangements with them.

TERMS OF PAYMENT OF ABOVE SHARES

EQUITY SHARES:

On application .. .. Rs. 2.50 per share
On allotment .. .. Rs. 2.50 per share

The balance of Rs. 5 in such calls as may be determined by the Directors, provided that no call shall exceed Rs. 2.50 and that there shall be an interval of at least one month between any two calls.

PREFERENCE SHARES:

On application .. .. Rs. 25.00 per share
On allotment .. .. Rs. 25.00 per share

The balance of Rs. 50 in such calls as may be determined by the Directors, provided that no call shall exceed Rs. 25 and that there shall be an interval of at least one month between any two calls.

The share certificates will be issued within nine months from the date of allotment.

DIRECTORS

1. SHRI KANTILAL NAHALCHAND (*Chairman*), "Kantilal House", 14, New Queen's Road, Bombay 4. Businessman.
2. SHRI MAHAVIRPRASAD RAMKUMAR MORARKA (*Governing Director*), 24-B. Carmichael Rd., Bombay 26. Millowner and Banker.
3. MR. ARTHUR MARSHALL (*Ex-officio Director*), Netherfield, Bradfield, Near Sheffield, England. Managing Director of Thomas Marshall & Co. (Loxley) Ltd., England.
4. SHRI UMASHANKAR AGRAWAL, C/o. R. B. Shreeram Durgaprasad, Tumsar, Bhandara. Industrialist.
5. SHRI RAJESHWARA PATEL, M.P., Hajipur, Dist. Muzaffarpur, Bihar. Member of Parliament and Businessman.
6. HIS HIGHNESS MAHARAJA FATEHSINGH RAO GAEKWAD OF BARODA, Laxmi Vilas Palace, Baroda. Ruler and Member of Parliament.
7. SHRI JIVANLAL CHHOTALAL KILACHAND, 135, Vithalbhai Patel Rd., Bombay-4. Businessman.
8. SHRI RAVINDRA MAGANLAL MEHTA, 70, Pochkhanawala Road, Bombay-18. Industrialist.
9. SHRI DAMODARLAL JAIPURIA, Vishnu Mahal, D-Road, Marine Drive, Bombay 1. Millowner.
10. SHRI NAGESHWAR PRASAD SINHA, I.A.S., Senior Officers' Quarters, No. 1, Bailey Road, Patna 1. Director of Industries, Govt. of Bihar.
11. SHRI BADRI NARAIN (*Managing Director*), "Raen Basera," Mithapur, Patna 1, Bihar. Businessman.

REGISTERED OFFICE

139, MEDOWS STREET, FORT, BOMBAY 1.

BANKERS FOR THE ISSUE

1. STATE BANK OF INDIA, Bombay-1.
2. THE BANK OF INDIA LTD., Bombay 1.
3. THE BANK OF BARODA LTD., Bombay 1.
4. UNITED BANK OF INDIA LTD., Bombay 1.
5. DEVKARAN NANJEE BANKING COMPANY LTD., Bombay 1.

UNDERWRITERS

1. THE INDUSTRIAL CREDIT & INVESTMENT CORPORATION OF INDIA LTD., Bombay-1.
2. LIFE INSURANCE CORPORATION OF INDIA, Bombay-1.
3. GOVERNMENT OF BIHAR.
4. STERLING INVESTMENT CORPORATION, Bombay-1.
5. B. M. CHOKSEY & CO., Bombay-1.
6. SHRI JAYANTILAL NAGINDAS PATEL, Bombay-1.
7. SHRI RATILAL KASTURCHAND, Bombay-1.
8. MESSRS. VALJI DHANJI, Bombay-1.
9. MESSRS. MERWANJEE BOMANJEE DALAL, Bombay-1.
10. SHRI K. RAMDUTT, Bombay-1.
11. SHRI JAGANNATH N. TIBREWALA, Bombay-2.

BROKERS FOR THE ISSUE

1. B. M. CHOKSEY & CO., Bombay-1.
2. CHIMANLAL J. DALAL & CO., Bombay-1.
3. SHRI D. S. PARBHOODAS & CO., Bombay-1.
4. SHRI DHIRAJLAL MAGANLAL PURSHOTTAMDAS, Bombay-1.
5. HARISH CHANDRA GUTT & CO., Bombay-1.
6. SHRI JAGANNATH N. TIBREWALA, Bombay-2.
7. JAMNADAS KHUSHALDAS & CO., Bombay-1.
8. JAYANTILAL NAGINDAS PATEL, Bombay-1.
9. JASHWANT V. BHAGAT, Bombay-1.
10. SHRI K. RAMDUTT, Bombay-1.
11. MAHADEVIA BROS., Bombay-1.
12. MERWANJI BOMANJI DALAL, Bombay-1.
13. SHRI P. R. SUBRAMANIAM, Bombay-1.
14. SHRI RATILAL KASTURCHAND, Bombay-1.
15. MESSRS. VALJI DHANJI, Bombay-1.
16. PLACE, SIDDONS & GOUGH (PRIVATE) LTD., Calcutta.
17. SOHANLAL PACHISIA & CO., Calcutta.
18. DALAL & CO., Madras-1.
19. HARBANS SINGH MEHTA & CO., New Delhi-1.
20. RAMANLAL MOHANLAL KHEMCHAND, Ahmedabad.
21. SHRI PHULCHAND CHHAGANLAL, Ahmedabad.

SOLICITORS

MESSRS. BACHUBHAI MUNIM & CO.,
Alli Chambers, Medows Street, Bombay 1.

AUDITORS

1. MESSRS. K. S. AIYAR & CO., Chartered Accountants, East & West Building, Apollo Street, Bombay 1.
2. MESSRS. SALVE & CO., Chartered Accountants, Mount Road, Nagpur.

The consent in writing of the abovenamed Bankers, Solicitors, Auditors, Brokers for the issue to act in their respective capacities has been filed with the Registrar of Companies, Bombay, along with a copy of the Prospectus as required under Section 60(3) (b) of the Companies Act, 1956. The same have not been withdrawn.

OBJECTS OF THE COMPANY

The Company was incorporated on the 21st April 1960 at Bombay generally for the purposes of carrying on all or any of the objects or purposes mentioned in its Memorandum of Association. The particular immediate object is to carry on business in refractories and with that end in view to construct and erect near Ranchi Road Railway Station, District of Hazaribagh in the State of Bihar in India a plant or factory for the purpose of manufacture and production of firebricks, insulating bricks, high alumina bricks and shapes.

PROSPECTS FOR THE REFRACTORY INDUSTRY

With the rapid progress of industrialisation coupled with the development of the Iron and Steel Industry under the second and third Plan periods the refractory industry has received considerable impetus. All industrial operations involving application of high temperature are very much dependent on refractory materials. Besides Iron and Steel, a wide range of industries like Ferro-Manganese, Cement, Glass, Potteries, Ceramics, Soda Ash, etc., need refractory materials. Refractories consist of various types such as Fire-clay, Silica, Basic, High Alumina, Insulating Materials, Fire-Cement and Mortar and Dead-Burnt Magnesite. All these fall in the range of the Company's scope of activities.

India is believed to possess considerable deposits of Fireclay, Bauxite, Magnesite, Silica and Felspar, Dolomite which are the principal raw materials required for the manufacture of refractories. India's requirements of refractories are so large that the existing indigenous manufacturing capacity is unable to cope with them. As a result, large amounts of foreign exchange are being ex-

pended on imports. The Government of Bihar have already granted a certificate of approval to the Company for mining leases on 3rd January, 1961.

When production of all these varieties of refractories goes up to the required capacity i.e. about 1.2 million tons dependence on the import of these materials would have been largely eliminated.

FOREIGN COLLABORATION AND PLANT AND MACHINERY

Shri Badri Narain, one of the Directors of the Company, opened up negotiations with Messrs. KERAMISCHE INDUSTRIE—BEDARFS—KOM.—GES. PAUL GATZKE, BERLIN, Charlottenburg 1. OTTO—Allee, 22-24 (West Germany), a reputed firm of manufacturers of Refractory Plants and equipments and an agreement has been reached by which, besides erecting the complete plant in 18 months and provision of technical assistance during erection and for three years from the date of lighting-up, the West German firm would train Indian Technical Staff in their factory and also give a guarantee for plant performance and against faulty erection.

Simultaneously with these preceding negotiations in respect of the purchase and import of plant from Messrs. KERABEDARF, West Germany, Shri Badri Narain negotiated with Messrs. Thomas Marshall & Co., (Loxley) Ltd., Loxley, Near Sheffield, England, for the benefit of their "Technical Know-how" and collaboration. This negotiation resulted in an agreement which provides that, besides the normal assistance in surveying and analysing raw materials, scrutiny of drawings of plant, machinery and buildings—the collaborators would assist in commissioning the plant in the production of different kinds of refractories including insulating refractories and Carbon bricks and training Indian personnel in plant operations and plant management. It is noteworthy to mention here that this Company has been authorised and permitted under the terms of the agreement to use all trade marks, trade literature and also the use of the name of "MARSHALLS" in all their products. The Company by this Agreement has been appointed the sole selling agent for the products manufactured by the Technical Collaborators in England and sold to India and the Company has appointed the Technical Collaborators its sole selling agents so far as the exports overseas are concerned.

The approval of the Government of India has been obtained for this Technical Collaboration agreement.

PROFITS

On the basis of the existing prices the Directors are of the opinion that in the absence of any unforeseen circumstances, the estimated profits, after providing for dividends on Preference Shares and allocation to reserve, are such that the Company should be in a position to pay reasonable dividends on the issued Equity Shares, once satisfactory manufacture of the products has been established.

INDUSTRIES LICENCE

Industrial Licence No. L/34(2)/7/60 L. IND dated the 8th July 1960 under the Industrial (Development and Regulation) Rules 1952 (as revised) has been issued by the Central Government for the establishment of the industrial undertaking.

PLANT SITE AND POWER

The plant will be located in the Merar and Hesla Villages near Ranchi Road Railway Station where a railway siding to serve the proposed factory would be constructed in due course. It is intended to acquire under the aegis of the Government of Bihar 350 or more acres of land for the purpose of the Company. Out of this, the Government of Bihar have already acquired for the Company blocks of land admeasuring approximately 106.20 acres. Adequate electric power will be available from the Bihar State Electricity Board and the Damodar Valley Corporation. The site is on the bank of the River Damodar thus ensuring ample supply of water at the proposed factory.

CONTRACTS AND AGREEMENTS

Agreement dated the 25th March, 1961, with Shri Mahavirprasad R. Morarka, appointing him as the Governing Director of the Company, subject to the approval of the Central Government. This position does not carry any remuneration.

Agreement dated the 25th March, 1961, with Shri Badri Narain, appointing him as the Managing Director of the Company, subject to the approval of the Central Government. This position carries a remuneration by way of commission at the rate of 2½% of the net annual profits of the Company, subject to a minimum of Rs. 3,000 per month as salary effective from the 1st September, 1960. Applications for approval under Section 269 of the Companies Act for the above appointments have already been made.

TECHNICAL COLLABORATION AGREEMENT
Dated 12-10-1960

MACHINERY AND FACTORY

The Company has already obtained Import Licence No. 998395 dated 9-8-1960 for Rs. 54 lacs. The Plant and Machinery are expected to start reaching the Factory Site by or about October 1961 and the Plant is expected to go into production by the end of 1962.

MINIMUM SUBSCRIPTION AND CAPITAL OUTLAY

The minimum subscription in respect of the public issue on which the Directors will proceed to allot is Rs. 62,50,000.

	Rs.
(a) Land, buildings and cost of engineering acquisition and construction of plant and machinery and other facilities such as railway siding, water supply etc.	2,01,19,900
(b) Cost of "know-how" and Technical Collaboration services (by issue of Equity and Preference shares)	12,50,000
(c) Expenses of the issue, i.e., preliminary expenses ...	5,00,000
(d) Working capital	49,27,000
(e) Pre-operating expenses ...	13,53,500
Rs.	2,81,50,400

The capital structure of the Company as envisaged in the prospectus is as follows:

	Rs.
Equity shares	75,00,000
Preference shares	25,00,000
Rs.	1,00,00,000

Applications made for the following loans from The Industrial Credit and Investment Corporation of India Limited, Bombay, in foreign currencies and the Industrial Finance Corporation of India, New Delhi, in rupees, have been approved and are as follows:

(a) The loan in foreign currencies equivalent to from I.C.I.C.I. Ltd.	54,00,000
(b) The rupee loan from I.F.C.	85,00,000
Rs.	1,39,00,000

It is intended that the balance of Rs. 50,50,400 and any increase there may be in the actual cost over the estimated cost of plant and machinery will be raised as required, by loans from Company's Bankers and if necessary, from other sources, including the Directors and their friends.

PREFERENCE SHARES

Preference Shares will confer upon the holders thereof, besides the right to a fixed cumulative preferential dividend to accrue from the date of allotment at the rate of 7½% per annum (free of Company's Tax but subject to tax deducted at source at prescribed rate from time to time) from out of the profits of the Company, the right to subscribe to Equity shares of equal value at par within a period of four years from 30th September, 1962. Preference shareholders who have not exercised the option mentioned hereinabove before 30th September, 1966 shall be eligible to get their Preference Shares converted into Equity Shares at the time of redemption and such of the Preference Shareholders who have exercised their option by the 30th September, 1966, but not in full shall be eligible to exercise their option to get their Preference Shares converted into Equity Shares to the extent of their not having exercised their option.

UNDERWRITING COMMISSION

Underwriting commission at the rate of 2½% of the nominal value of 15,000 Preference Shares and at the rate of 2½% of the nominal value of 4,75,000 Equity Shares underwritten, is payable to the said underwriters.

BROKERAGE

Brokerage at the rate of 1% will be paid on all allotments made in respect of applications bearing the stamp of a bank or a recognised broker.

Brokerage on the same basis is payable to the Underwriters in addition to the underwriting commission on all allotments in respect of applications made or procured by them and bearing their respective stamps.

APPLICATION FOR SHARES

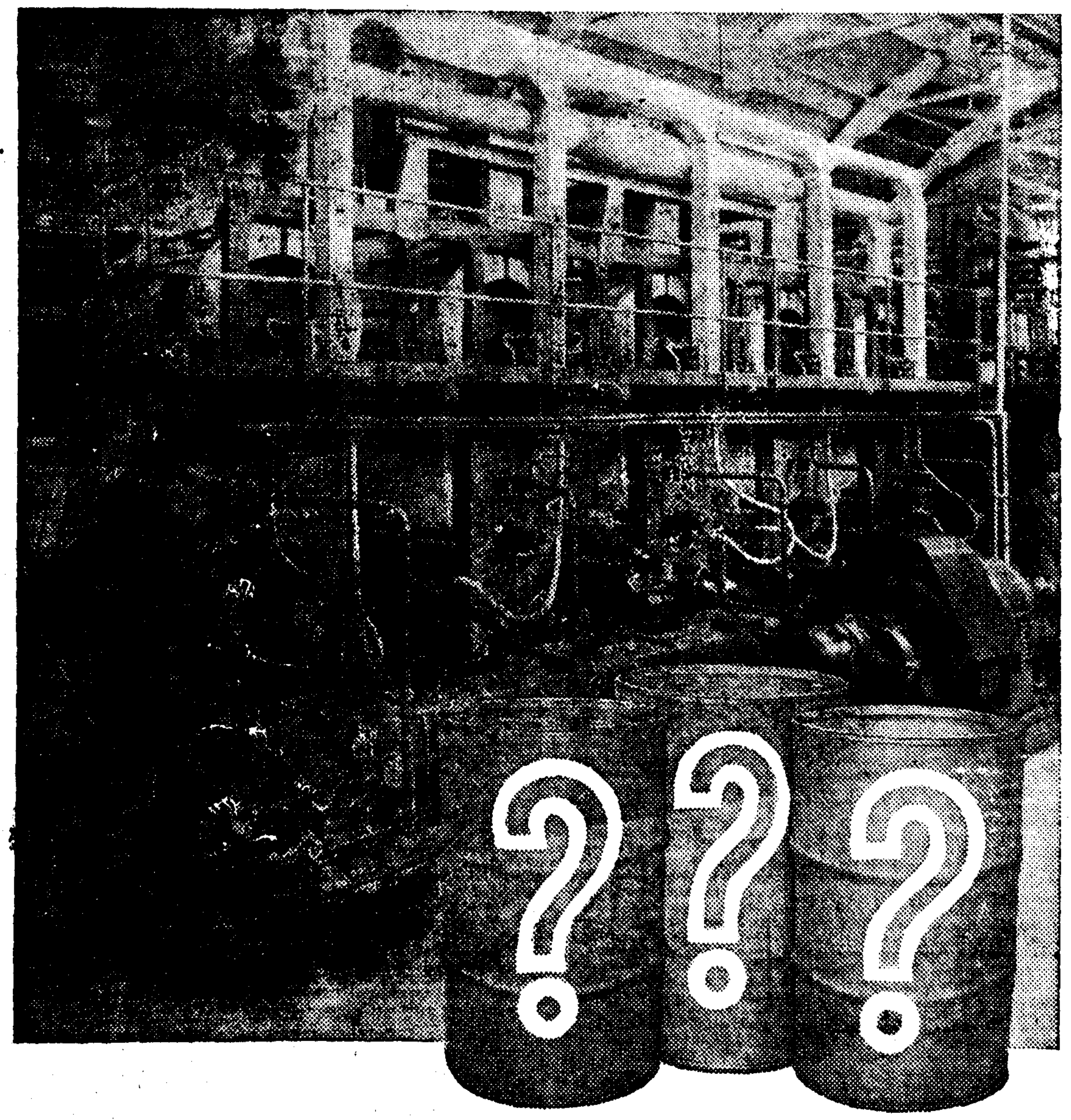
Application for Equity Shares must be for a minimum of 50 shares or multiples thereof.

Application for Preference Shares must be for a minimum of 5 shares or multiples thereof.

All application forms properly completed must be lodged together with amount payable on application before the closing date of the subscription list to the following Banks, viz.,

1. State Bank of India, 2. The Bank of India Ltd., 3. The Bank of Baroda Ltd., 4. United Bank of India Ltd. and 5. Devkaran Nanjee Banking Co. Ltd. at any of their main Branch Offices at the following places:

AHMEDABAD, BOMBAY, CALCUTTA, DELHI, KANPUR, MADRAS, NAGPUR, PATNA and RANCHI.

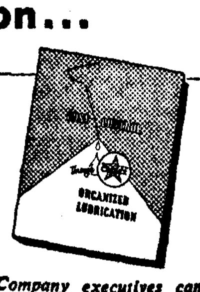


Take the guesswork out of Lubrication...

Chances are you do not use the right lubricant in the right quantity for the right machine. You may be replacing too many costly parts and writing it off as a normal maintenance expense. It isn't really—it is the result of faulty lubrication practices.

Machinery shutdown means loss in production, time and money. Correct lubrication is therefore essential to ensure the protection and efficient operation of costly machinery. Planned lubrication is vital for increased production at lower costs.

The service is yours for the asking—call in your Caltex Lubrication Engineer—arrange for a correct lubrication programme for your plant. Let us help you in conserving parts and money.



Company executives can obtain a free copy of this booklet by writing on their official letterhead to their nearest Caltex office.

PLANNED LUBRICATION—A VITAL FACTOR IN COST CONTROL

CALTEX (INDIA) LIMITED Bombay · New Delhi · Calcutta · Madras

CAL.8.61.P.

HUGE CAPACITY IN CONFECTIONERY INDUSTRY LYING IDLE

MEASURES TO ENSURE FULLER UTILISATION

AMONG the industrial consumers of sugar, the confectionery industry occupies quite an important place. It is true that the actual consumption of sugar by this industry is just 15,000-20,000 tons annually, but it must be stressed that, to the extent the confectionery industry expands and develops, it helps push up the consumption of sugar in various forms. The scope for such expansion is, indeed, vast, as is evident from the fact that the *per capita* consumption of confectionery in India is a bare 1.3 oz., as against an intake of 4 ozs. per week in the U.K. and against a sale of 21,500 million lbs. of hard confectionery worth about $407 million in the U.S. (in 1941).

Viewed thus, it is disquieting to hear that a considerable part of the industry's installed capacity continues to remain idle. The quantity of confectionery actually produced by the 44 units in the organised sector in 1960 was 13,000 tons, whereas the total capacity was more than 51,000 tons. The output of 13,000 tons no doubt well exceeds the second Plan target of 10,000 tons, but there is, as Mr. P. Mohanlal, President of the Indian Confectionery Manufacturers' Association, warned in the course of his speech at the recent annual meeting of the Association held at New Delhi last week, absolutely no room for complacency. It may be noted here that a target of 25,000 tons has been proposed for the third Plan. "Our efforts," to quote him, "should be directed towards utilisation of more and more of the idle capacity, which is possible only by a substantial increase in the demand for quality confectionery both within the country and outside."

Prices must be Reduced

The question, however, is as to how the demand for confectionery can be stepped up so long as the prevailing high prices which are accounted for by the high cost of various raw materials persist. Stating that the industry had no control over this factor, Mr. Mohanlal urged that any appreciable increase in the domestic demand for confectionery could be created only by a drastic reduction in prices. In this connection, he reiterated the plea for sugar supply at a subsidised price or remission of tax on sugar used for making confectionery products. He observed:

"One of the basic raw materials of the industry accounting on an average for about 45 per cent of the total production cost is sugar, the cost of which is as high as Rs. 40 per maund in India, as against approximately Rs. 15 ruling in world markets. In certain foreign countries such as Australia, sugar for industrial purposes as, for instance, use in the preserved fruit industry, is supplied at a subsidised price. A similar policy should be followed in India also in respect of sugar supplies to the confectionery industry. This would enable this industry to reduce its production cost and thereby create an increased demand for its products. If, however, this is not found possible, the least the Government should do is to exempt sugar utilised in confectionery manufacture from all internal taxes, as is the practice in various foreign countries. The principle underlying this proposal is already being acted upon by the Government of India in the case of a number of excisable commodities such as power alcohol, cotton fabrics, tea waste, etc., when used for industrial purposes. What is desired is only an extension of this policy to sugar utilised by the confectionery industry. This would enable this industry to reduce the price of its products to a considerable extent, as excise duty on sugar now amounts to Rs. 10.70 per maund. Apart from this, the various State Governments should also grant remission of cane cess in respect of sugar used in confectionery manufacture, which would further reduce the price of sugar to the industry by another Rs. 2 per maund."

Mr. Mohanlal also emphasised the importance of establishing a stable and permanent export market in neighbouring countries. As he recalled, the country used to export sizable quantities of confectionery products to these countries until 1948-49. The loss of the markets since then has been mainly due to the inability of the industry to compete effectively with their confreres in other countries on account of the comparatively higher cost of manufacture. He urged the Government to arrange for sugar supplies, at the price at which it is exported, in respect of confectionery intended for export, as well as to enable the exporters of confectionery products to obtain their requirements of indigenous raw, packing and wrapping materials at comparable world prices by persuading the producers of these materials to supply the same at subsidised prices. He also suggested for the consideration of the Government that the various concessions available in respect of confectionery exports such as rebate on tin plate, railway freight, sugar subsidy and drawback of excise and import duties on raw materials used, etc., should be clubbed together and passed on to the exporter concerned at one point and in one instalment. "This," he said, "will eliminate procedural delays and enable exporters to effect shipments in a smooth and efficient manner. This will also give them an idea as to the total amount available for meeting the loss on exports."

Preventing Spurious Production

The need for curbing manufacture of confectionery with ingredients of doubtful quality under unhygienic conditions was once again highlighted by Mr. Mohanlal. He averred:

"Although the enactment of the Prevention of Food Adulteration Act by the Central Government in 1954 was a welcome measure and was received with much satisfaction by your Committee with the hope that the enforcement of its provisions would act as a check on the manufacture of spurious and impure brands of confectionery, it is rather unfortunate that this objective could not be achieved so far mainly due to the failure of the State Governments to enforce the provisions of this legislation. The result has been that a large number of unorganised and small manufacturers still continue to flood the markets with their cheap products by using colours, essences and other ingredients injurious to health. As confectionery has achieved an important place in the list of food articles in view of its high nutritional value, and is universally in demand, specially among growing children, it is very necessary in the larger interests of national health that spurious brands of confectionery not conforming to the food laws of the country, are not allowed to be sold in the market and appropriate action is taken to enforce this very useful legislation."

In this context, Mr. Mohanlal warned against the serious effects of the proposed deletion of brilliant black BN, acid magenta 11, blue VRS, red 6B and red FB from the list of permitted colours. He feared that the deletion would cause serious handicap to manufacturers by adversely affecting the shelf life of the product in reference to the colour of the same, severely restrict the quality range and variety of colours attainable in the end confectionery product, and result in a further switch-over from the consumption of quality and wholesome confectionery to that of bazar confectionery, as the hand-made confectioners do not hesitate to use attractive and bright colours. He, therefore, appealed to the authorities to reconsider the matter.

A reference was also made by Mr. Mohanlal to the difficulty experienced by certain confectioners in getting supplies of their requirements of certain materials at fair and reasonable prices. He emphasised the need for adequate and regular supply of tin plates at fair prices; liberal imports of replacement machinery; necessary facilities to import the full requirements of printed waxed paper from abroad till such time as the quality of indigenous product attains a satisfactory standard; and grant of licences for import of skimmed milk powder. The points raised by Mr. Mohanlal would have been appreciated better if he had given some statistical details regarding the actual requirements of the materials concerned and their currently ruling market prices.

GROW MESTA WITH SUGARCANE

Grown on the periphery and along the water channels of a sugarcane field, a crop of mesta (*Hibiscus cannabinus*) can yield 4 to 5 maunds of fibre per acre. This has been established after years of intensive field work by an agricultural scientist in Madhya Pradesh. The object of the experiments was to find ways of supplementing the income from a major cash crop by that from another, cultivated simultaneously on the same land.

The cost of mesta production is generally low, because it is a hardy crop, does not demand much tending and care and seldom fails. The cost of producing mesta as a border crop on a sugarcane plantation will be lower still for no separate land preparation will be necessary. At a very little cost, therefore, the cane grower can earn about Rs. 200 per acre from a *seer* or two of mesta seeds sown on the borders and along the irrigation channels of his field.

SUGARCANE PRICES

The Government of India has announced its decision to continue the present sugarcane prices for the ensuing season (that is, November 1961-October 1962). Accordingly, the basic minimum price payable by vacuum farm sugar factories will be Re. 1.62 per maund for delivery at the gate of the factory, that for cane delivered at outstation producing stations connected by rail being Re. 1.50 per maund. No decision has, however, been taken as to the deferred payment related to the price of sugar realised by factories, evidently because the whole question of evolving a suitable formula to link the price of cane with that of sugar is now being examined by the Tariff Commission.

DENA BANK helps you save and earn

NEW SAVINGS SCHEME
INTEREST
3%
PER ANNUM
WITHDRAWALS BY CHEQUE
UP TO 50 CHEQUES IN A YEAR

OTHER DENA BANK SAVINGS SCHEMES

SAVINGS ACCOUNT — Withdrawals up to 100 cheques a year.
MINOR'S SAVINGS SCHEME — Interest 3%. Attractive savings box given free.
FIXED DEPOSITS — Accepted for 1 to 5 years. Interest from 4% to 5%, payable half yearly.
5-YEAR CASH CERTIFICATES—Interest 4½%.

Dena Bank GIFT CHEQUE solves your gift problem

DENA BANK
DEVKARAN NANJEE BANKING CO. LTD.
Head Office
Horniman Circle, Fort, Bombay 1
97 BRANCHES
AND 24 SAFE DEPOSIT VAULTS

PRAVINCHANDRA V. GANDHI
Managing Director

Ship via London
BRITAIN'S PREMIER PORT
EQUIPPED FOR ALL TYPES OF SHIPS AND CARGOES
The PORT OF LONDON AUTHORITY
A Self-governing Public Trust for Public Service
For full particulars apply
The General Manager
PORT OF LONDON AUTHORITY, LONDON, E.C.3

ALLAHABAD BANK
LIMITED
Established 1865
Affiliated to
The Chartered Bank

SAFE DEPOSIT LOCKERS
are available on moderate terms
at the following offices:

Ahmedabad Maskati Market, Aligarh, Allahabad, Allahabad (Katra), Allahabad City, Ambala Cantt., Auraiya, Bangalore, Bareilly, Bhagalpur, Bhopal, Bombay, Calcutta, Calcutta College St. Market, Calcutta Shambazar, Calcutta South, Chandigarh, Dehra Dun, Faizabad, Firozabad, Ghaziabad, Jabalpur Civil Lines, Jhansi, Jullundur City, Kalpi, Kanpur, Lucknow, Lucknow City, Meerut, Meerut City, Modinagar, Moradabad, Mussoorie, Nagpur, Naini Tal, New Delhi (Karol Bagh), Orai, Patna and Patna University.

M. J. Maclaren,
General Manager.

AB—1.

THE SOUTH INDIA INSURANCE CO., LTD.
Incorporated in India
(Established 1934)

FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office:
Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

READY REFERENCER AND GUIDE TO COMPANIES ACT
1961 Edition
By
JOHN AND ROW, Advocates, Madras

CONTENTS:
A Commentary on the Companies Amendment Act 1960.
Text of the Companies Act 1956 incorporating up-to-date amendments.

Price: Rs. 12.50 (postage extra)

EXPRESS PUBLISHERS
(PRIVATE) LIMITED
33, BROADWAY, MADRAS-1

The Seal of Security

However much money you have to invest, you seek Security as well as a good return. Lombard Banking offers both. 6% interest per Annum is coupled with the finest Security as well as availability.
A Lombard Banking Deposit Account brings you Interest payable twice yearly.

6%

ASSETS EXCEED £100,000,000
Interest paid without deduction of United Kingdom income tax
Write today to the General Manager for your copy of "Bank Deposit Account" Booklet No. A.O. 91.

LOMBARD BANKING
LIMITED
BANKERS
Head Office:
LOMBARD HOUSE
CURZON STREET, PARK LANE, LONDON, W.1
GROsvenor 4111 (30 lines)
A World-Wide Banking and Finance Organisation

ANNOUNCEMENT
THE ANDHRA BANK LTD.
(*Head Office:* MASULIPATAM)
have pleasure to announce that
THE INTEREST RATE
on Savings Bank Accounts in all their offices
is raised from 1st APRIL, 1961
from 2½ per cent to 3 per cent per annum.
Interest Rates on Fixed Deposits are also revised.
Please contact your nearest branch.

T. SRIRAMULU, *Managing Director.*
S. R. Y. SIVARAMA PRASAD BAHADUR, M.L.A. (Rajah of Challapalli) *Chairman.*
T. R. BHAGAVAT, *General Manager.*

Special No. 1 A Nourishing Tonic For HAIR, BRAIN & BLOOD
RAMTIRTH BRAHMI OIL.
(AYURVEDIC MEDICINE)
New Bottle WITH Un Breakable Seal
Useful for Eyes, Memory and Sound Sleep. Ramtirth Brahmi Oil is being prepared scientifically with various precious ingredients. Useful to everybody in all seasons.
Available everywhere.
Price: Big Bottle Rs. 4.50. Small Rs. 2.25.
YOGIC ASANA CHART
is also available from here on payment of Rs. 3/- including Postage to be sent by M. O. only.
SHRI RAMTIRTH YOGASHRAM, DADAR, BOMBAY 14

UNITED COMMERCIAL BANK LIMITED

EIGHTEENTH ANNUAL GENERAL MEETING

MR. G. D. BIRLA URGES EXPANSION OF BANKING SYSTEM'S RESOURCES

THE urgency of mobilising resources and channelling them into the banking system so as to meet the growing needs of an expanding economy was highlighted by Mr. G. D. Birla, Chairman of the United Commercial Bank Limited, in his statement circulated to shareholders at the Eighteenth Annual General Meeting of the Bank held at Calcutta on Wednesday, 5th April 1961. One way of attracting money into the banking system, Mr. Birla declared, was to bring down money rates in the non-banking section through liberal credits to banks by the Central Bank under the bill market scheme and a liberal lending policy by commercial banks. He added that, at the same time, interest rates on fixed deposits with the banks should be raised to wean away funds from the unorganised sector and attract fresh funds from the public. He strongly urged the extension to commercial banks of the concession in favour of public financial institutions providing long-term finance whereby they are enabled to claim a reduction in respect of transfers to a special reserve account of sums not exceeding 10 per cent of the total income of each year till the amount carried to the reserve fund equals the paid-up capital. Such an extension, he said, would enable the banks to strengthen their inner reserves.

The following is the full text of Mr. G. D. Birla's statement:

"GENTLEMEN,

"You will notice from the Directors' report and the accounts of the Bank for the past year now before you that, while the profits have maintained their upward trend and show a satisfactory expansion, our deposits were somewhat down after the rapid increases of the past years.

Deposits

"The deposits at the end of 1960 at Rs. 68.94 crores showed a decline of Rs. 7.74 crores, as against a rise of Rs. 18.40 crores in 1959. The fall is attributable to withdrawals of funds for business purposes, the sustained demand for bank credit and continued stringency of money practically throughout the year. The deposits of the Bank, however, have started going up since the date of the balance-sheet.

Cash and Securities

"Cash on hand and with banks and money at call and short notice were Rs. 9.57 crores and represented 10.8 per cent of the deposit liability. In 1958 and 1959, we made substantial purchases of Government securities with a view profitably to investing funds which would otherwise have remained idle, but, during the year under review, we reversed the process in order to make funds available for advances to our customers. As a result of the realisation of part of our investments, our portfolio of Government securities, shares and debentures declined from Rs. 40.79 crores to Rs. 33.88 crores. There was a further vigorous demand for funds towards the close of the year which was met by resort to loans from the Reserve Bank of India against Government securities and bills.

Advances and Bills

"Our advances rose over the year from Rs. 36.57 crores to Rs. 42.47 crores, while our bills discounted and purchased showed a small reduction from Rs. 19.68 crores to Rs. 18.91 crores. The Bank has been providing credit facilities to various types of small-scale industries. The number of industrial units to which credit facilities have been made available is over 650 of which individuals and partnership firms number nearly 550 and joint-stock companies make up the remainder. The total of limits sanctioned is of the order of Rs. 4 crores and the actual availments exceed Rs. 2.50 crores.

Liquidity

"Our quick assets, viz., cash and free Government securities amounting to Rs. 35.00 crores formed 39.4 per cent of our total deposits. The total of our liquid assets consisting of cash on hand and with banks, money at call and short notice, unencumbered Government securities and bills amounted to Rs. 53.91 crores and represented 60.6 per cent of our deposit liability as compared to 67 per cent twelve months ago.

Profit and Loss Account

"The year's working has resulted in a further rise in profits. This is due in a large measure to the higher average total of our advances and bills throughout the year, the operation for a full year of the reduction in interest rates on deposits which took effect from 1st September 1959 and the increase in the lending rate brought into effect under direction from the Reserve Bank of India in October last. The improvement of porfits attributable to these influences was partially offset by the lock-up of funds in special deposits with the Reserve Bank of India which could otherwise have been used to liquidate the higher-interest-bearing loans from the central banking institution.

"The small rise in charges for interest on deposits and borrowings is due to the higher average level of borrowings from the Reserve Bank of India over the greater part of the year, while working expenses like salaries and other operating costs have continued to rise.

"The increased profits have enabled the Board to transfer Rs. 30 lakhs to the reserve fund and thereby raise it to Rs. 2.05 crores, which is Rs. 5 lakhs more than the paid-up capital of the Bank, and, at the same time, it has been possible to increase the rate of dividend to shareholders from 11 per cent to 12 per cent per annum, subject to tax. The amount allocated for bonus to staff has also risen from Rs. 11 lakhs to Rs. 13 lakhs.

Reserve Fund

"The year 1960 will be remembered as a landmark in the Bank's history, as at the close of this year, the Bank's reserve fund exceeded its paid-up capital. This reserve fund is built up entirely out of the profits within 18 years of the Bank's existence—that too in spite of heavy taxation. It is always the policy of the Directors to strengthen the reserves of the Bank to safeguard the interests of the depositors. I am thankful to the shareholders for their restraint in being content with modest dividends in the early years of the Bank's career to enable the Bank to build up the reserves in order to strengthen its financial position. This is not to say that the shareholders have been starved of reasonable dividends, because, with growing prosperity, the Bank has paid progressively higher dividends.

Industrial Growth

"During the year under review, industrial production grew at an accelerated rate. In the first ten months of 1960, industrial production showed a rise of 11.5 per cent, as compared with 8.7 per cent in 1959 and 1.7 per cent in 1958. The basis of calculation of these index figures themselves requires to be re-cast, inasmuch as it is felt that the weightage given to some of the older industries is not justified in the present circumstances and that the many new industries which have come into existence have not been assigned the importance that is rightly due to them. A provisional re-calculation by foreign experts of the index on a more rational basis would appear to indicate that the increase in production in the first ten months was not 11.5 per cent but 15 per cent.

Money Supply

"Money supply with the public at the end of 1960 was Rs. 2,630 crores, made up of Rs. 1,885 crores of currency with the public and Rs. 745 crores of deposit money, that is, demand deposits of the public with all the commercial banks. The increase in currency was Rs. 144 crores, while the increase in deposit money was only of the order of Rs. 70 crores. Analysing the expansion of money supply in terms of bank credit, there was a sharp rise of Rs. 236 crores in the public's net indebtedness to banks which contrasts with a sizable decline of Rs. 107 crores in 1959. The rise in bank credit to Government was only Rs. 43 crores in 1960, as compared with Rs. 246 crores in 1959. The gold and foreign exchange reserves, inclusive of the balances of Government of India abroad, declined in 1960 from Rs. 387.54 crores to Rs. 319.05 crores. The contractionist effect of the reduction in bank credit to Government and the decline in foreign balances has been severe and is reflected in the reduced liquidity of the banking system.

Money Market

"The monetary climate in 1960 was far from comfortable and, for the best part of the year, the banking system had to operate under various restraints. Credit conditions were stringent, unrelieved by even occassional ease, and there was no sign of any downward tendency in advances during the second half of the year which, by tradition and past experience, is considered as the slack season. Bank credit rose rapidly, as usual, during the first four months of the year and, thereafter, the volume of credit continued, without contraction, at the peak figure of the year right up to the middle of December when the new season's demand made itself felt and advances, once again, resumed their upward trend. The increase in bank credit during January-April 1960 amounted to Rs. 165.89 crores, while, during the same period, the deposit resources of the banks failed to grow to a corresponding extent but rose only by Rs. 102.56 crores. Whereas in 1959 bank credit shrunk by Rs. 97.5 crores in the slack season, there was no such contraction in the slack season of 1960; the return of funds from agricultural and other seasonal advances was obscured by the intervening increase in industrial advances. The exhortation addressed to banks by the Reserve Bank of India in April 1960 to bring about a reduction of Rs. 110 crores in advances by the following October proved impossible of fulfilment by most banks. Borrowings from the Reserve Bank of India and the State Bank of India reached the peak figure of Rs. 96.26 crores in March 1960, as against Rs. 76.65 crores in March 1959. But, whereas in 1959 the banks were practically out of debt with the Central Banking Institution by June, the experience of 1960 was quite otherwise. During the slack season of 1960 the average borrowings of the scheduled banks from the Reserve Bank of India and the State Bank of India were Rs. 46.90 crores, as against Rs. 10 crores in 1959.

Credit Curbs

"Early in March 1960, the Reserve Bank of India, presumably somewhat anxious about the size of the expansion in advances during the 1959-60 busy season, came to the conclusion that there was excess liquidity with the banking system. Consequently, banks were required to maintain with the Reserve Bank of India special deposits amounting to 25 per cent of new deposit resources accruing with them after the specified date. Two months later, in May, the additional deposit requirements were raised to 50 per cent of new accruals. The selective credit controls of the Reserve Bank by directive ensured that banking finance was not available, or was available only upto specified limits, against particular commodities. At the same time, the Reserve Bank of India made it clear that the object of the new measures was by no means to deny bank finance for legitimate productive enterprises. Since industrial production, in fact, grew stridently during the year, the expansion in the advances of the banking system can be seen to have been fully justified. But, with the accrual of deposits slowing down or ceasing altogether to take place, the fact that advances were sustained at a high level imposed a considerable strain on banks under conditions of restricted liquidity.

"By September 1960, it was clear that the banks would be quite unable to bring about a contraction of advances of the order of Rs. 110 crores as desired by the Reserve Bank of India. Indeed, bank credit, which had gone up to Rs. 1,130.38 crores on the last Friday of April, rose still higher to Rs. 1,133.82 crores on the last Friday of September. In this knowledge and with the 1960-61 busy season not far off, the Reserve Bank introduced a fresh set of monetary measures. Banks were directed, with a view, no doubt, to inducing some voluntary restraint on would-be borrowers, that they should raise the average rate charged for their advances by half per cent and prescribed a minimum of 5 per cent for advances. Secondly, on the analogy of regulation Q of the Federal Reserve Board's rules to which I have in earlier years made reference, the Reserve Bank of India set a ceiling on the rates of interest that banks could pay on very short deposits for periods of less than 21 days or repayable at 21 days' notice or less. Thirdly, the Reserve Bank of India also fixed quotas upto a maximum of which alone banks would be permitted to borrow at the bank rate of 4 per cent. Thereafter, in two slabs, the rate of interest payable on borrowings from the Reserve Bank of India was raised to 5 per cent and 6 per cent. This, in effect, set up a three-tier bank rate. Hence, with the level of commercial banks' borrowings from the Reserve Bank of India relatively high for the season, the new regulations induced a fresh wave of disinvestment in Government securities accentuating the weakness in the gilt-edged market already brought about by the mass of State loans pressed for sale on an unwilling market. The investment of scheduled banks in Government securities declined from Rs. 787.52 crores in December 1959 to Rs. 744.86 crores in May in the first phase of disinvestment followed by a further decline to Rs. 633.47 crores in the second phase following the credit curbs. The running down of investments to a low level in relation to deposits would by itself act as a brake on the willingness of banks to sustain the continued upswing of advances except to the extent that the bill market scheme affords relief.

"Since the turn of the year, in view of the pressure upon the resources of the banking system, the Reserve Bank has defrozen the special deposits which had been maintained. However, all that this meant was that, in the relevant week, banks were enabled to reduce their indebtedness to the Reserve Bank of India.

Trend of Deposits

"The fact of the matter is that the deposits of commercial banks are not rising as fast as they should to meet the growing needs of an expanding economy. In fact, of late, they are tending to become stagnant. In this situation, the banks are stretching themselves to their utmost to meet legitimate demands, seasonal and otherwise, of industry and commerce and in so doing are allowing liquidity steadily to go down. Between 31st March 1955 and 31st March 1959, currency in circulation increased by Rs. 424.10 crores, while demand and time liabilities of scheduled banks rose by Rs. 692.41 crores without making allowance for the distortion introduced by the impact of P. L. 480 funds which upto May 1960 flowed into the State Bank of India and which thereafter has not only ceased to flow in but past accretions of which are being diverted to Reserve Bank of India in agreed instalments. Through this fast growth of deposits, the ratio of deposits to notes in circulation went up to 100 per cent. In fact, in June 1959, for the first time in Indian banking history, the total deposits of scheduled banks at Rs. 1,737 crores exceeded the currency in circulation of Rs. 1,714 crores. The trend, however, has now been reversed and the pace of increase in deposits is slower than that of note circulation.

"There have been normal deflationary factors at work. Firstly, agricultural production in 1959-60 was down, owing to climatic conditions. The production of foodgrains was about 5 per cent less than in the previous year, while the outturn of cash crops like cotton, raw jute and oilseeds declined substantially. This setback in the income of the agricultural sector has its inevitable repercussion on deposits.

Balance of Payments

"Secondly, the adverse movement in our balance of payment position gives room for thought; the growth of our exports, in spite of programmes of export promotion, is disappointing, while imports continue to rise. The contractionist influence of a balance of trade deficit is felt, not through a drop in active notes in circulation, but through a decline in bank deposits and a chain of changes in Government deposits and Reserve Bank's holding of Government securities in the Issue or Banking Departments. It seems probable that such an influence was indeed felt during 1960, and that this was the second reason why bank deposits failed to grow at a rate corresponding to the expansion in advances.

"In the third place, Central Government revenues have proved buoyant. The revised estimates for 1960-61 disclose a considerable increase in Government's revenue, union excise duties being expected to fetch Rs. 15 crores more and taxes on income going up by Rs. 22 crores. Such perceptibly heavier tax collections, it is not to be doubted, will prove to be an additional drain on deposits.

"In the fourth place, the very buoyancy of Central Government revenues enabled a reduction in the quantum of deficit financing. Thus, while Government expenditure itself should normally be expected to provide a fillip to bank deposits, the manner of financing of the disbursements was such as to greatly reduce the impact of the governmental payments on the rise in deposits.

"Lastly, it may be permissible to suggest that the various measures of credit control instituted by the Reserve Bank of India may well have had the effect of diverting financial resources from the organised money market into the unorganised non-banking sector of finance. There are reasons to believe that, upto a year ago, the non-banking sector was losing ground and the organised institutions gaining in strength and influence, but it would appear that this trend has now been reversed with detriment to the deposits of the banking system. Neither the Government nor the Reserve Bank of India would welcome such a diversion of resources to the non-banking sector, for, to the extent that the non-banking sector gains in strength, the credit measures of the Government or the Reserve Bank of India will prove even less effective than they have been in recent years.

Mobilisation of Resources

"Everyone realises the vital need to provide not only working capital to industry but also its reasonable medium-term requirements of credit, but the resources of the banking system are inadequate and resort to central bank credit, which can never be a substitute for bank deposits, is discouraged through penal rates of interest and anti-inflationary credit curbs. Demand for bank credits is running at a high level and has outstripped money supply. Lending rates of banks may, therefore, well rise rather than be held at present levels. Banks are being asked not to restrict lending for productive purposes, but, clearly, there is a limit, dictated by considerations of liquidity and prudence, to their ability to go on expanding advances in the absence of a sustained rise in deposits.

"So, if industry is to develop to the full extent and stature visualised in the third Five-year Plan, it will be necessary to take steps to mobilise resources and channel them into the banking system. A solid basis for growth of deposits over a period is increased agricultural, industrial and mineral production. But, apart from this long-term objective, the existing resources should be mobilised. From the response to the new capital issues made in 1960 and on a sample analysis of the applications made, it would appear that a new class of investors is taking interest in new flotations, and this would point to the existence of a considerable amount of untapped resources in the country. This should be gathered and not allowed to go into the non-banking sector or be diverted in the form of direct deposits with industrial concerns or non-banking financial institutions.

"One way of attracting money into the banking system is to bring down money rates in the non-banking section. Through liberal credits to banks by the Central Bank under the bill market scheme and a liberal lending policy by commercial banks, money rates in the unofficial markets could be brought down, and thereby the diversion of funds into the unorganised market could be stopped and the flow of funds thereto reversed. At the same time, interest rates on fixed deposits with the banks should be raised to wean away funds from the unorganised sector and attract fresh funds from the public.

Inner Reserves

"In the recent budget of the Central Government, the Finance Minister has made a valuable concession in favour of public financial institutions providing long-term finance whereby they are enabled to claim a reduction in respect of transfers to a special reserve account of sums not exceeding 10 per cent of the total income of each year till the amount carried to the reserve fund becomes equal to the paid-up capital of the institution. I strongly urge an extension of this concession to commercial banks so that they may be enabled to strengthen their inner reserves. This will have the effect of making banking institutions impregnable.

"Favourable conditions such as elimination of double taxation of dividends should be created for the establishment of Unit Trusts as a medium of saving, so that small savings could be attracted into the capital market and a broader basis of ownership created for industry and finance.

The Third Plan

"The third Plan has got a tremendous task before it. The total investment is expected to be about Rs. 10,000 crores, out of which Rs. 4,000 crores is assigned to the private sector. In order that the private sector may be able to accomplish this assignment, it is essential that there should be availability of adequate finance for the purpose of new investment. The rate of interest is important but not as much as the quantum of available finance. I would, therefore, suggest that we take all necessary fiscal and monetary measures to hold the price-line, bearing in mind always that anything that constitutes an obstacle to production is not going to help us in fighting inflation. The pivot of the whole question, thus, is increased production. This requires investment and adequate finance. Scarcity of finance ultimately must lead to restricted production and consequently to higher prices.

"It would be prudent to keep all these important points before us, because sometimes, in our zeal, we adopt a remedy which defeats its own object. I would, therefore, state that, while the credit restriction policy in the beginning was wise, latterly it was overdone. And the time has now come when we should review the whole position.

"Sufficient finance could not be supplied by banks to industry unless it has got adequate deposits. I have a feeling that the inflow of money into the bank's coffers will be encouraged only by the liberal outflow of it—a well-regulated outflow for productive purposes.

Reserve Bank's Role

"The question, therefore, is which step—lending with a view to attracting deposits or waiting for deposits before lending—is to be taken first. In the present circumstances, the only way is for the Reserve Bank to liberalise the policy of accommodating the commercial banks in respect of bills and allow them to lend freely for industrial purposes. This, in the ultimate analysis, will bring in new deposits. Assistance by the Reserve Bank under the Bill Market Scheme, *inter alia*, will enable the banks to meet the growing demand of funds for industrial development. This may put up the advance-deposit ratio of the banks but would keep their liquidity intact.

"Secondly, if the rate of interest on deposits is raised reasonably, this will help the banks in getting more money.

"Thirdly, it is necessary to open more branches. And in this respect, a planned policy by commercial banks in consultation with the Reserve Bank for at least two years ahead would be very wise.

"Fourthly, it is essential to tap the agricultural resources which can only be done by opening small branches in rural areas. There are difficulties about it. These difficulties have to be tackled.

"The Plan, in order to become a success, has to be supported by all sections of the economy, that is rural, urban, commercial, financial and so forth. The banks have to play an important part in making the Plan a success and the means suggested above, if adopted, would go a long way to create a more balanced and healthy situation."

Note: *This does not purport to be a record of the proceedings at the annual general meeting.*

HINDUSTHAN MERCANTILE BANK LTD.

Head Office:

10, CLIVE ROW, CALCUTTA-1

Chairman: **SRI M. L. JALAN**

CAPITAL

Authorised	.. ..	Rs. 2 Crores
Issued and Subscribed	..	Rs. 1 Crore
Paid-up	.. ..	Rs. 50 Lakhs

Interest allowed on Savings Bank account at 3% per annum.

All types of Banking business transacted.

Branches and Agencies throughout India.

Deposits received on various terms. Special concession on deposits from Widows and Orphans.

Loans granted on approved securities.

Terms on application.

G. L. MAHAJANI
Manager (H.O.)

ITALY'S STATE-OWNED OIL AGENCY

EDGING ITS WAY INTO INTERNATIONAL OIL TRADE

[This article examines the scope and scale of the Italian State-owned Ente Nazionale Indrocarburi (E.N.I) *which, with its natural gas production and oil interests in Italy, is extending its activities overseas in several directions. The E.N.I., it may be recalled, made an offer some months back for participation in India's oil exploration, particularly in the Assam and Kutch areas. The offer was presumably on the lines of E.N.I.'s operation in Iran, Egypt, Libya and Morocco, where the respective Governments have 25 per cent financial and technical participation in exploration and production. In the context of this offer, this article may be read with interest for the light it throws on the structure of the E.N.I. and the nature of its operations.—*Ed.]

THERE are now forty or more oil concerns in the free world, large and small, which are either State-owned or in which the State has a substantial if not dominant stake. Their number has grown in recent years. They have widely varying relationships with their respective national governments ranging from close day-to-day control to virtually complete autonomy. Some are active in all sectors of the oil business and most confine themselves to operations within their own country. A few have extended their operations beyond their national boundaries. The Italian E.N.I. is one of these few but is unique in being wholly State-owned and having a distinctive approach to commercial issues. Now the dominant factor in the oil (and natural gas) industry in Italy, it has in recent years made excursions into the oil industry overseas which have been striking in their boldness though not as yet in actual achievement.

Ente Nazionale Idrocarburi was created in 1953 by the Italian Government as a state agency to absorb all the State's existing oil and natural gas interests. These embraced its direct majority holding in A.G.I.P.—now 60 per cent with 20 per cent held each by two State insurance bodies—which was founded in 1926 by the Mussolini regime as a national importing, refining and distributing company and was destined to be an integrated oil company. E.N.I. also took over the State's majority holding in A.N.I.C. founded in 1936 to operate the new hydrogenation plants at Leghorn and Bari. It also absorbed the wholly State-owned S.N.A.M., formed in 1941 to work the natural gas pipeline and distribution system in northern Italy. After the Second World War, in order to get help in the reconstruction of the plants, A.G.I.P.—which also operates the group's tankers—entered into a refinery partnership with B.P. in respect of the Porto Marghera refinery, while A.N.I.C. entered into an equal partnership with Jersey Standard (S.T.A.N.I.C.) in respect of the Bari and Leghorn plants half of whose crude oil requirements are, under new agreements made last year, supplied by each partner. These three plants (Porto Marghera and Bari are to be expanded) at present account for about 85 per cent of the refining capacity in Italy in which E.N.I. has a stake. E.N.I. itself created in 1953 the wholly State-owned A.G.I.P. Mineraria to serve primarily as the oil and gas exploring and producing company of the group, and in December 1956 A.G.I.P. Nucleare was set up jointly by A.G.I.P. Mineraria and S.N.A.M. to undertake the study and production of nuclear energy. Nuovo Pignone, the group's main plant and engineering company, is owned jointly by A.G.I.P., A.G.I.P. Mineraria and S.N.A.M.

The Dynamic President

The five major operating companies with their sixty or so subsidiaries and partnerships comprise, by and large, E.N.I.'s interests. E.N.I. itself remains essentially a holding and controlling body personified in its now very well-known President, Signor Enrico Mattei. With his blend of high patriotism, political experience, bold enterprise, boundless energy, keen sense of the value of personal publicity and with the surprising number of directions in which he is extending E.N.I.'s interests. Signor Mattei has in recent years certainly brought E.N.I. well on to the international oil map. But the public image he has built up of E.N.I. seems somewhat oversize if matched against the fact that his group is still only a very small producer of crude oil and at present itself sells no more than four to five million tons of petroleum a year, mostly in Italy, a large part of which comes from the U.S.S.R. Signor Mattei makes speeches with much more frequency than leaders of very much bigger oil concerns, and has been bold not only in criticising well-accepted ideas but has embarked on ventures which more widely experienced operators would have rejected.

A.G.I.P. has long been the arch-competitor in the Italian oil market of which, overall, A.G.I.P. holds about a 20 per cent share. Other marketers regard some of its selling activities as unnecessarily aggressive, and some of its extravagant capital investment, notably on service stations, is puzzling to those accustomed to the conventional norms of oil distribution. Some of his competitors believe that Signor Mattei, thwarted in one or two of his major ambitions, not least in his desire for E.N.I.'s inclusion in the Consortium in Persia, is bent on asserting his claim to a place in what he regards as the major oil companies' club. Be that as it may, he is an advocate of extending Government-to-Government dealings in oil, and probably does not mind being regarded as the *enfant terrible* of the international oil industry.

Pursuing The Unusual

However, E.N.I., as already mentioned, still has very little crude oil production of its own. It is exploring at home but now produces in Italy and Sicily only about 300,000 metric tons of crude oil a year while its natural gasoline production from its big natural gas output (now about 5.800 million cu. metres a year) in the Po Valley is about one-quarter of this quantity. Its own entitlement to Egyptian crude oil from its slightly more than 20 per cent stake in Compagnie Orientale des Pétroles would, on the basis of last year's production, now bring it some 400,000 tons a year, but it imports about three times this volume of crude from C.O.P.E. Its production in Sicily, now comparatively insignificant, is destined to rise by 1964 to perhaps some three million tons a year, to match the projected capacity of the complex of refining, chemical and other plants to be built near the Gela oilfield, the first two units of which will be ready in two years' time.

This is a novel kind of venture that will give value to crude oil which, for quality reasons, is otherwise virtually unusable and well exemplifies Signor Mattei's admitted pursuit of social purpose in many of his activities. To this too may be attributed, in part, his departure from the conventional 50:50 arrangements in respect of any future crude oil production in the several overseas countries where the group is, or will be, searching. As a consequence of E.N.I.'s shareholding partnership with the local Governments (who may get, via taxation and the dividends on their 50 per cent shareholding, up to 75 per cent of the profits) he believes that the countries concerned will find more contentment than in the usual 50:50 arrangements. On the other hand, of course, in such ventures (though E.N.I. will bear the whole cost of unsuccessful exploration) it will have to provide much less capital than it otherwise would, so that the benefit is not wholly one-sided.

Beyond Italy

E.N.I.'s only rewarding overseas production venture so far is its 20 per cent partnership in C.O.P.E.'s crude oil production in Egypt. It has, however, entered into a partnership for oil production with the State-owned National Iranian Oil Company, but there is as yet no confirmation of the rumour that it has found oil in an offshore area in the Persian Gulf. There are also partnerships respectively with the Governments of Morocco, Sudan and Tunisia, including in these three latter cases partnership arrangements for refining plants still to be built. E.N.I. has also undertaken to build a refinery in Ghana. It is exploring for its own account in Somalia, and has obtained areas in Libya and a preliminary exploration permit in Syria. As a Government-owned entity it is precluded from acquiring areas in most of Latin America. It is embarking on its own account upon the construction of a pipeline from Genoa to Aigle in Switzerland linked to an Italo-Suisse's refinery there, and will also possibly build another line to, and one or even two refineries in, Southern Germany. It has formed subsidiaries for marketing in several West European countries and in Africa. Outside Italy it now has marketing interests in Somalia, Eritrea and Ethiopia and has a small marketing stake in Libya.

Somewhat incongruously, Signor Mattei has on more than one occasion attacked the pricing of crude oil. He has also advocated, though very vaguely, some kind of multilateral plan to reconcile the interests of producers and consumers. And in Italy, A.G.I.P.'s aggressive marketing practices and its unnecessary price-cutting that springs partly from E.N.I.'s large imports of Russian oil (made despite Mr. Mattei's avowed anti-communism) had done much to undermine market prices for products and therefore of crude oil prices. The recent contract by E.N.I. to import 12 million tons of Russian oil over the next four years is likely to make things worse. The usual result of A.G.I.P.'s price-cutting has been that other distributors in Italy have had to follow suit, determined to keep their acquired share of the Italian market. They have not, however, followed A.G.I.P.'s latest cut in the retail selling price of gasoline to a figure even below that recommended by the Government. A point of resistance may now have been reached to A.G.I.P.'s puzzling behaviour for which it offers no justification.

Features of Its Own

Much of the forcefulness of E.N.I. springs from the high degree of independence, in policies and in deeds which it enjoys. As a State-owned body it has no critically minded individual shareholders to worry about and Signor Mattei's political influence is well able to meet any parliamentary criticism. Many advantages flow from its virtual monopoly of oil and gas exploration in the Po Valley (it recently made important discoveries of gas in Southern Italy) and its highly profitable production of natural gas is a pillar upon which all other activities of E.N.I. can, and do, lean. From this has come the big stake in petro-chemicals which it has created in Italy, notably its large plants at Ravenna. E.N.I. submits its financial accounts annually to the Minister for State Participations and these are laid before the Italian Parliament. But like many holding companies' accounts, these do not reveal the profitability or the financial position of the separate operating companies and to many they appear mystifying. E.N.I.'s accounts for April 1960 show its own (holding company) net profit of Lire 4.6 milliard, or say £2.6 million. This figure was of the same order as the total dividends received by E.N.I. from four of its five main operating companies but coming mostly from S.N.A.M. and A.G.I.P. Mineraria. For the year ended April 1959 the net profit announced was virtually the same. Sixty-five per cent of E.N.I.'s earnings go to the State Treasury, 20 per cent is transferred to ordinary reserve, and 15 per cent goes to technical research and training.

If E.N.I. does not make any massive contribution to the State coffers, nor does it rely upon them. There is a measure of self-financing within the operating companies, and E.N.I. has been able to raise its own loan funds on the Italian market. The group's consolidated balance at 31st December 1959, showed that the funds provided by the Italian Treasury as capital amount to Lire 36.9 milliard while minority shareholders in the group have an interest of about Lire 32.5 milliard. But medium- and long-term loans and bonds amount to no fewer than Lire 236 milliard and bank borrowing to nearly Lire 50 milliard.

Many Critics

Direct financial returns are not, of course, the only criteria of E.N.I.'s achievement or of its value to the Italian economy. Its home and overseas operations create work for Italian personnel and demand for Italian goods. Its own plant and equipment associated companies are exporters of petroleum and other equipment and E.N.I. companies undertake contract work abroad. Drilling contracting undertaken in Spain, France and Argentina, the supply of pipeline materials to Persia, Pakistan, India and Brazil, work and materials for the refinery in Jordan and the sale of synthetic rubber and fertilisers to China, are recent examples of activities which help Italian exports of skill, equipment and manufactures. The recent deal for Russian oil included the supply of Italian pipe and synthetic rubber. With whatever qualifications one may make, there can be no doubt as to E.N.I.'s vigour as a going venture. Its critics in Italy—and it has many—say that as a State enterprise with no responsibilities to individual shareholders, with but little public accountability, and enjoying various tax privileges, E.N.I. too often discards ordinary business considerations and exerts undue political influence in its own favour, an outstanding instance being the favoured position it enjoys under Italy's Petroleum Law. E.N.I.'s critics also aver that, given its virtual monopoly in the Po Valley and its exemption from royalties and concession rents there, it overcharges for its natural gas in the north and uses these profits to cut oil prices. Natural gas bears less than half the taxes borne by fuel oil but selling prices are more or less the same. Another criticism is that E.N.I. exports capital and skill of some highly speculative ventures whereas these resources would be better used at home directly to raise the country's general level of production and standards of living.

But, critics notwithstanding, no Italian Government, whatever its complexion, is likely to be much displeased with an organisation which, although with as yet little concrete results overseas, is edging its way into the international oil trade and so (except for the recent entry of other Italian companies in Libya) alone gaining for Italy a place in a difficult but expanding sector of international trade where American, British, Dutch, French, Belgian, and to some extent German, interests have made their mark. E.N.I.'s recent acquisition (through Cori) of exploration areas in Libya is some consolation for Italy's failure to look for oil there during its 30 years' occupation of the country, while the stakes in Egypt and the Persian Gulf betoken Italian re-entry into Middle East oil after the sale in 1937, owing to its lack of financial resources, of A.G.I.P.'s majority holding in Mosul Oilfields' concession in Iraq.

The Test of Time

To make agreements is one thing; to carry out the work and gain the hoped-for results is another. Today's surplus crude oil productive capacity and increasingly sharp selling competition has altered the optimistic mood that prevailed in 1957 when E.N.I. ventured into Persia and the Persian Gulf. To undertake to search for oil in Morocco, Sudan and Tunisia, is even more speculative, but this has served as bait to gain from the local Governments refining rights which can be used to force an entry into the local market. These and other recent plans for penetration into oil refining and marketing in areas where there are already well-established marketers presage tough competition which may prove unrewarding and even expensive for E.N.I. To realise success is never as easy as planning for it and, in the nature of things, E.N.I. is going to have some disappointments somewhere which its political opponents at home will not be slow to invoke. It has big capital commitments ahead. For the four years 1960-63 it has projects calling for capital investment of some Lire 500 milliard. Its high dependence on borrowing for both its past and its future expansion is a weakness which, under some circumstances, could handicap its growth. Nevertheless, given a modicum of good luck which it is entitled to expect, and while the forceful Signor Mattei is left there by the Government to guide its fortunes, E.N.I. seems likely to remain a harrying competitor, if not a thorn in the side, of many large and small oil companies for some considerable time ahead.—(*By Special Arrangement with the* Petroleum Press Service).

RESEARCH ON TIN IN 1960

The Tin Research Institute's Annual Report for 1960 covers the activities of the Institute at Perivale, Middlesex, England, and of its offices in the United States, Canada and six European countries. Some thousands of industrial users of tin received technical advice and help during the year and the report mentions the main types of inquiries in five categories listed as: tinplate, tin alloys, solders, electrodeposition and compounds of tin. In furtherance of this help to consumers of tin in all countries, many thousands of technical publications were sent to inquirers.

The report deals item by item with the progress of the researches in the various departments of the Institute. Among the new lines of work mentioned are: tin as a deliberate addition to steel and also in cast iron; aluminium-tin bearings; studies on tin-titanium-oxygen and on tin-titanium alloys; the structure of electrodeposited alloys; bright electrotin deposits; the reactivity of surface zones in steel strip used for tinplate; the influence of tin on the hardness of silver; and discoveries in the field of organotin chemistry.

NEW PRODUCTS AND PROCESSES

New Nickel Steel

A REVOLUTIONARY new 18 per cent nickel alloy steel with unmatched toughness at the highest strength levels of traditional alloy steels has been discovered and developed by scientists of The International Nickel Company, Inc. The discovery—made at the Company's Bayonne, New Jersey, Research Laboratory—paves the way for a new family of high-strength "Mar-aged" steels with advanced engineering design possibilities for civilian and defence applications involving exceptionally high pressure and stress. It is claimed to be the only known material which has the ability to achieve a yield strength in excess of 250,000 psi while maintaining a nil ductility temperature below —80 deg. F. Another outstanding characteristic of 18 per cent nickel steel is its excellent notched tensile strength which exceeds 400,000 psi—(measured under the most severe test conditions with a notch radius .0005"). Tests have shown that this new alloy possesses a remarkable resistance to delayed cracking when exposed to a severe corrosive atmosphere in a highly stressed condition.

The new steel develops its high strength while maintaining unmatched ductility and toughness by means of a remarkably easy heat treatment involving age-hardening of martensite. This treatment has been given the abbreviated description of "mar-aging." The mar-aging treatment is noteworthy because of its extreme simplicity. With proper finishing temperature off the mill followed by air cooling to room temperatures, the treatment consists merely of holding for about three hours at 900 deg. F. and air cooling. Solution annealing at 1,500 deg. F. prior to mar-aging is optional. Quenching is not required, and full properties can be developed in heavy sections with no distortion problems. The new steel has a nominal composition of 18 per cent nickel, 7 per cent cobalt, 5 per cent molybdenum and less than .5 per cent titanium with a maximum of .05 per cent carbon. Higher and lower tensile strength can be obtained by modification of this basic composition. There are indications that high strength levels of up to 500,000 psi or even higher may be achieved in this type of steel. A 10-ton commercial heat has been produced by air melting in an arc furnace, and ingots as large as 23 inches by 42 inches from this heat have been rolled into plate on conventional steel mill equipment. Eighteen per cent nickel steel can be readily produced in all commercial shapes. Unusually low work-hardening tendencies permit extensive cold forming and shaping with ease. The machining characteristics of the steel are excellent both as rolled and even as fully hardened. The 18 per cent nickel steel the makers claim can be readily welded by either manual or automatic methods. Sound crack-free welds are achieved, even on material in the fully heat-treated condition, without preheating. Post-weld maraging restores the softened heat-affected zone of the parent plate to full strength and establishes in the weld metal properties closely approaching those of the base plate.

Multi-purpose Porous Plastic

A multi-purpose porous plastic has been developed by Porous Plastics Ltd., England. Known as Vyon, its chief characteristic is its permeability—air, liquid, smoke or gas will pass freely through its surface. It also has the merit of being light in weight, flexible and tough, having considerable tensile strength. It used for filtering acids it will not corrode. It can also be welded. And it is hygienic—suitable for use with food handling equipment—and is inexpensive. It is made from high density polyethylene and the degree of permeability can be adjusted to the users' requirements. It has already been used for many industrial, scientific and medical purposes, but its potential range of uses is unlimited. Extensive tests for its use in orthopaedics were made at the Royal National Orthopaedic Hospital in Middlesex, England. One of the merits for Vyon in this field is that it permits the passage of water vapour and thus allows the evaporation of sweat—in other words, a plastic that breathes! It is also used most successfully in the manufacture of flail arms for poliomyelitis patients. Like many other British industrial inventions the plastic resulted from efforts to solve quite a different problem. It was produced as a result of a search for a new material for separators for batteries. This problem being solved, it was realised after further developments that the new material would have a wide range of other uses and the firm responsible for its origination has set up a separate company to deal with the product.

Delivery Vans that Climb Stairs

A lightweight truck which "walks" up and down stairs has been developed by a U.K. firm. It has been specially built to ease delivery, up steps and staircases, of such loads as safes, refrigerators, stoves and filing cabinets. For loads of up to 2 cwt. it cuts the normal handling team from two to one. And above that weight, to its limit of 10 cwt., its use greatly reduces the element of fatigue to delivery men and consequently increases their turnround. It has been found that in the British market, where it has immediately proved popular, it pays for itself within a short time. The truck is a development of the conventional sack truck design with the addition of flexible tracks which operate in conjunction with the wheels when steps or stairs are being negotiated. The principle is that the truck lays its own track and then rolls over it. It has been built to combine maximum strength with minimum weight and is manufactured from strong aluminium alloys and steel. Special care has been taken in the design to guard against damage to carpeted stairs.

MADURA MILLS COMPANY LIMITED

(Registered Office: New Jail Road, Madurai)

DR. M. A. MUTHIAH CHETTIAR'S SPEECH AT ANNUAL MEETING

TEXTILE WAGE BOARD AWARD RAISES OPERATING COSTS

IN his speech at the Annual General Meeting of the Madura Mills Company Ltd., held at Madurai on 27th March 1961, Dr. M. A. Muthiah Chettiar, Chairman of the Company, pointed out that implementation of the Textile Wage Board Award had materially increased the operating cost of the Company. In spite of this, he said, the Company was able to improve its export performance. The progress in the sphere of rehabilitation and modernisation was slow, according to him, due to factors beyond the control of the Company. The following is the full text of Dr. Chettiar's speech:

"GENTLEMEN,

"The report of the Directors and the audited accounts of the Company for the year ended 31st December 1960, having been circulated in the prescribed manner, I propose, with your permission, to take them as read.

"As had been forecast, the raw material supply position throughout the country during most of 1960 was acute. The total growth for the 1959-60 cotton season, which ended on 31st August 1960, was 38.35 lakh bales, against a consumption requirement of 51.05 lakh bales. Prices were at an all-time high, and it was very difficult indeed to obtain cotton of the proper quality or at the right price. I am glad to be able to say that despite these constant difficulties we were, with the timely help of supplies of American short-staple cotton, able to maintain both production and quality.

"Much of the credit for concluding a settlement on the many problems which arose from implementing the recommendations of the Textile Wage Board must be given to the patient and untiring efforts of the Minister for Labour in Madras. Nevertheless, the additional payments amounting in all to nearly Rs. 22 lakhs, some of which were retrospective to 1st January, materially increased our operating costs. Although there was also a clause in the settlement regarding rationalisation, I am sorry to have to report to you that, so far, little or no progress has been made in discussions with labour on this aspect.

Price Fixation

"Demand for our products was excellent throughout the year. I am particularly pleased to be able to tell you that we have improved upon last year's performance in the export market, and in fact earned over Rs. 2 crores of valuable foreign exchange. In India, prices in the markets began to rise alarmingly in the middle of the year, and we made efforts to introduce a measure of stability. Part of the rise of course was fully justified, resulting, as it did, from the increases in raw material and labour costs to which I have already referred. Our efforts did not meet with the success we had hoped, and, in due course, Government decided that it was necessary to take a hand. The result was an agreement on price ceilings for all mills. While this took no account of the monthly increase in dearness allowance, nor of the premium usually available to quality products such as ours, the latter disadvantage was, to some extent, compensated by a continued steady demand in excess of our production. As you will be aware, as a final result of negotiations over price fixation with Government, the industry agreed to a reference to the Tariff Commission with a view to arriving at yarn and cloth prices fair to producer and consumer alike.

Bonus Agreement

"Towards the end of the year, the Supreme Court considered and gave its decision on our appeal against the award of bonus payable on the profits of 1957. The measure of success can be gauged by the transfer of Rs. 12,07,192 to general reserve out of the provision made in 1958 and now no longer required. I am happy to be able to tell you that a bonus agreement has been signed with twenty-one of the twenty-three unions, covering the three years to 1962, and that agreement was also reached on the bonus for 1959 of one month's average earned basic wages. Let us all hope that this long-term agreement will call a halt to the disputes which have been so frequent, and enable management and labour to work in greater harmony.

"Reference has been made in the Directors' report to the rather slow progress of our rehabilitation and modernisation programme. Let me assure you that no efforts are being spared to increase the pace of carrying this out, delays which occur are beyond our control. Nevertheless, I am sure you will agree with me that the figures are still impressive—a total of nearly Rs. 4 crores, of which over half should be on site by the end of this year. Some of the machinery which is imported is already on the water, and is routed both to Tuticorin and to Calcutta, ports, the latter being for our Tyre Cord factory at Serhampore. Further plans are under consideration by your Directors, in extension of the massive scheme already on hand.

Accounts

"On the accounts themselves, I would like briefly to draw your attention to the gratifying reduction in bank borrowing particularly when read with the satisfactory increase in current assets. The heavy drain which the general reserve suffered in 1958 has now been completely neutralised, but you will readily appreciate from the size of the figures for modernisation, etc., the continued need to conserve resources so as to provide the necessary funds to meet these commitments. The assistance of a loan of Rs. 75 lakhs from the National Industrial Development Corporation which we had hoped to finalise during 1960, has, I am sorry to tell you, not yet been received, in spite of the best efforts of both the N.I.D.C. and ourselves. I would, however, hasten to assure you that the delay is procedural only, and will undoubtedly be overcome shortly. I would also ask you to notice the adjustment in the Managing Agents' commission, which arises mainly because of the change in the depreciation allowance under the Finance Act 1960 granting a full year's depreciation to plant installed for more than 180 days. The provision for taxation includes a sum of Rs. 1,18,500 due on the profits to 31st December 1959, this has arisen because the tax loss carried forward from 1958 accounts has now been reduced by the Supreme Court's award on bonus for 1957, thereby leaving a small taxable profit in the 1959 accounts.

Future Prospects

"Looking to the future, I believe there is every reason to be hopeful. The recent budget, which imposed excise duty on yarn, except for hank yarn below 40s count, will increase the cost to the purchaser, particularly of our industrial products, and the Excise Department's supervision, while being necessary to conform to the new law, has unavoidably made the administration more complex and difficult.

"Before concluding, I must express the Board's appreciation of the efforts of the staff and other employees which contributed so very greatly to these satisfactory results. With their continued efforts behind us I feel sure that we can look forward to the future with sober confidence."

Note.—*The above does not purport to be a report of the proceedings of the meeting.*

For all your requirements in:-

OIL SEALS, 'O'—RINGS

BUCKET SEALS AND ALL TYPES OF PRECISION MOULDED, ITEMS MADE FROM SYNTHETIC RUBBER

Please Contact:—

M/s. OIL SEALS MFG. CO. INDIA,

(Mfrs. of Famous OMCO Brand Oil Seals)

Ratan House, (2nd Floor), Tribhuvan Rd., Bombay-4.

STATE BANK OF TRAVANCORE

SUBSIDIARY OF THE STATE BANK OF INDIA

Incorporated in India under Special Statute. The Liability of the Members is Limited.

BALANCE SHEET AS AT 31st DECEMBER 1960

As at 31-12-1959* Rs.	CAPITAL AND LIABILITIES	As at 31-12-1960 Rs.	nP	Rs.	nP
	1. Capital—				
2,00,00,000	Authorised Capital—2,00,000 shares of Rs. 100 each.	2,00,00,000	00		
1,00,00,000	Issued and Subscribed Capital—1,00,000 shares of Rs. 100 each fully paid up			1,00,00,000	00
29,72,000	**2. Reserve Fund and Other Reserves**			31,18,000	00
	3. Deposits and Other Accounts—				
4,14,53,842	Fixed Deposits, Thrift Deposits and Cash Certificates.	3,86,82,451	38		
52,66,973	Savings Bank Deposits	1,59,06,326	75		
2,29,87,387	Current Accounts, Contingency Accounts, etc.	2,81,42,601	67		
6,97,08,201				8,27,31,379	80
	4. Borrowings from other Banking Companies, Agents, etc.—				
Nil	(i) In India	48,228	37		
Nil	(ii) Outside India	Nil			
Nil				48,228	37
	PARTICULARS—				
Nil	(i) Secured by part of Investments per contra	48,228	37		
Nil	(ii) Unsecured	Nil			
5,52,323					
	5. Bills Payable			9,10,907	54
	6. Bills for Collection being Bills Receivable as per contra :				
40,80,636	(i) Payable in India	53,87,675	25		
3,77,119	(ii) Payable outside India	3,12,874	39		
44,57,755				57,00,549	64
	7. Other Liabilities—				
5,14,711	Provision for Taxes	6,25,000	00		
16,500	Staff Security Deposit	16,000	00		
4,97,505	Interest accrued on Deposits	4,53,483	69		
Nil	Dividend for 1960	5,00,000	00		
58,193	Unpaid Dividends	48,280	91		
26,74,553	Branch adjustments	26,90,095	60		
Nil	Bonus Payable	70,121	98		
1,99,545	Provision towards gratuity	2,24,951	99		
30,548	Sundries	19,199	77		
39,91,554				46,47,083	94
1,18,54,175	**8. Acceptances, Endorsements and other Obligations per contra**			1,47,39,135	53
	9. Profit and Loss—				
19,529	Balance brought from previous year	Nil			
9,953,08	Profit for the year ended 31-12-1960 (Subject to provision for taxes) brought from Profit and Loss Account	13,53,364	57		
10,14,837					
4,50,000	LESS—Transfer to Provision for Taxes	6,25,000	00		
5,64,837	Balance of Profit	7,28,364	57		
	LESS—Appropriations to—	Rs. nP.			
2,00,000	Reserve Fund	1,46,000.00			
Nil	Bonus to Staff	70,121.98			
Nil	Dividend at 5% (Subject to tax)	5,00,000.00			
1,64,500	Gratuity	Nil			
2,00,337		7,16,121	98		
				12,242	59
	10. Contingent Liabilities—				
79,344	(a) Claims against the Banking Company not acknowledged as debts	79,343	94		
	(b) Money for which the Banking Company is contingently liable : —				
	(i) Guarantee given by the Banking Company on behalf of Directors or Officers	Nil			
Nil	Guarantee given on behalf of others	Nil			
Nil					
Nil	(ii) On account of gratuity to employees	88,345.05			
				88,345	05
Nil	(c) Arrears of cumulative preference dividends			Nil	
Nil	(d) Liability on Bills of Exchange re-discounted			Nil	
5,13,487	(e) Liability on account of outstanding Forward Exchange Contracts			14,51,470	95
5,92,831				16,19,159	94
10,37,36,345	Total .. Rs.			12,19,07,527	41

As at 31-12-1959* Rs.	PROPERTY AND ASSETS	As at 31-12-1960 Rs.	nP	Rs.	nP
	1. Cash—				
58,04,728	In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes—Nil)			1,17,38,678	08
	2. Balances with other Banks—				
	On Current Accounts—				
2,42,494	(i) In India	1,45,858	17		
14,25,176	(ii) Outside India	12,59,113	25		
16,67,669		14,04,971	42		
	On Deposit Accounts—				
60,16,500	(i) In India (Staff Security Deposit)	16,000	00		
Nil	(ii) Outside India	Nil			
76,84,169				14,20,971	42
45,00,000	**3. Money at Call and Short Notice**			1,13,00,000	00
	4. Investments at or below Cost:				
3,31,05,403	(i) Securities of the Central and State Governments and other Trustee Securities (Treasury Bills of the Central and State Governments—Nil)	3,54,80,083	45		
	Face Value Rs. nP 3,55,06,800.00				
	Market Value 3,45,78,054.30				
Nil	(ii) Shares	Nil			
Nil	(iii) Debentures or Bonds	Nil			
Nil	(iv) Other Investments	Nil			
Nil	(v) Gold	Nil			
3,31,05,403		3,54,80,083	45		
6,65,000	LESS—Provision for Depreciation on Investments	9,99,061	87		
3,24,40,403	(Securities for the face value of Rs. 4,67,100 are encumbered)			3,44,81,021	58
	5. Advances—				
	(Other than badand doubtful debts for which provision has been made to the satisfaction of the Auditors)				
	I. Loans, Cash Credits, Overdrafts, etc.				
	(i) In India Rs. nP 3,64,76,826.16				
3,29,73,956	(ii) Outside India Nil				
Nil	II. Bills Discounted and Purchased—(excluding Treasury Bills of the Central and State Governments)	3,64,76,826	16		
	(i) Payable in India Rs. nP 45,16,905.41				
60,612	(ii) Payable outside India. 29,218.25				
3,56,14,161		45,46,123	66	4,10,22,949	82
	Particulars of ADVANCES : See separate Statement appended				
	6. Bills Receivable being Bills for Collection as per contra—				
40,80,636	(i) Payable in India	53,87,675	25		
3,77,119	(ii) Payable outside India	3,12,874	39		
44,57,755				57,00,549	64
1,18,54,175	**7. Constituents' Liabilities for Acceptances, Endorsements and other Obligations per contra**			1,47,39,135	53
Nil	**8. Premises less Depreciation**			Nil	
	9. Furniture and Fixtures Less Depreciation—				
3,19,808	At cost as at 1-1-1960	3,33,341	35		
15,499	Additions during the year	56,218	10		
3,35,307		3,89,559	45		
1,965	LESS—Sales and adjustments during the year	3,907	34		
3,33,341		3,85,652	11		
2,63,546	LESS—Depreciation written off to date	2,79,849	11		
69,795				1,05,803	00
	10. Other Assets including Silver—				
13,627	Motor car at cost as at 1-1-1960	13,626	80		
2,198	LESS—Depreciation written off to date	5,604	82		
11,429		8,021	98		
2,819	Balances with Government Treasuries	1,18,048	82		
3,99,804	Interest accrued on Investments	4,28,894	49		
69,395	Books, Stationery and Stamps	83,987	84		
7,38,940	Advance payment of Income-tax (including tax deducted at source)	5,31,472	48		
89,271	Sundries	2,27,993	73		
13,11,158				13,98,418	34
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims.**			Nil	
10,37,36,345	Total .. Rs.			12,19,07,527	41

PARTICULARS OF ADVANCES

As at 31-12-1959* Rs.	PARTICULARS OF ADVANCES	As at 31-12-1960 Rs.	nP
2,97,49,968	(i) Debts considered good in respect of which the Banking Company is fully secured	3,46,59,072	48
57,352	(ii) Debts considered good for which the Banking Company holds no other security than the Debtors personal security	59,480	34
58,06,809	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors.	63,04,397	00
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil	
21,489	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	15,268	60
3,56,14,160		4,10,22,949	82
1,67,37,970	(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies as members	1,74,05,416	28
36,597	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	26,172	17
1,81,22,434	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in the case of Private companies as members	1,89,56,773	88
1,53,934	(ix) Due from Banking Companies	5,54,846	34

* These figures relate to The Travancore Bank Ltd., which became the State Bank of Travancore on 1-1-1960.

STATE BANK OF TRAVANCORE—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1960

Year ended 31-12-1959* Rs.	nP.	EXPENDITURE	Year ended 31-12-1960 Rs.	nP.	Year ended 31-12-1959* Rs.	nP.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Year ended 31-12-1960 Rs.	nP.
19,71,487	90	1. Interest paid on Deposits, Borrowings, etc.	17,75,512	50	37,80,587	70	1. Interest and Discount	40,00,638	64
		2. Salaries and Allowances and Provident Fund and Gratuity (This includes Salaries, allowances and Provident Fund paid to the General Manager for the year ended 31-12-1960 Rs. 22,620)	10,51,803	51	4,05,601	79	2. Commission, Exchange and Brokerage	4,83,044	81
9,12,908	23				Nil		3. Rents	Nil	
7,080	00	3. Directors' and Local Committee Members' Fees and allowances	1,820	00			4. Net Profit on sale of investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular Fund or Account)	570	88
97,545	37	4. Rent, Taxes, Insurance, Lighting, etc.	1,11,351	76	8,660	41			
3,117	57	5. Law Charges	1,586	30			5. Net Profit on revaluation of investments, gold and silver, land, premises, and other assets (not credited to Reserves or any particular Fund or Account)	Nil	
45,545	63	6. Postages, Telegrams and Stamps	68,730	60					
4,250	00	7. Auditors' Fees	4,000	00	Nil		6. Income from non-banking assets and profit from sale of or dealing with such assets	Nil	
20,291	63	8. Depreciation on and repairs to the Banking Company's property	26,537	36					
64,454	92	9. Stationery, Printing, Advertisements, etc.	74,303	36	Nil		7. Other Receipts (including subsidy from the State Bank of India in terms of Section 48 of the State Bank of India (Subsidiary Banks) Act 1959 Rs. 49,320.10)	60,618	60
Nil		10. Loss from sale of or dealing with non-banking assets	Nil						
74,399	76	11. Other expenditure	75,862	97	1,538	78	8. Loss (if any)	Nil	
9,95,307	67	12. Balance of Profit (subject to Provision for Taxes)	13,53,364	57	Nil				
41,96,388	68	Total ..	45,44,872	93	41,96,388	68	Total ..	45,44,872	93

* These figures relate to The Travancore Bank Ltd. which became the State Bank of Travancore on 1-1-1960.

REPORT OF THE AUDITORS

TO THE STATE BANK OF INDIA,

We, the undersigned Auditors of the State Bank of Travancore appointed under Section 41(1) of the State Bank of India (Subsidiary Banks) Act, 1959 do hereby report to the State Bank of India upon the Balance Sheet and Accounts of the Bank as at the 31st December, 1960.

We have examined the above Balance Sheet and the Profit and Loss Account and the Accounts relating thereto of the Head Office and the certified returns from Branches, which Returns have been incorporated in the above Balance Sheet and Accounts, and report :

(i) that, in our opinion, the Balance Sheet is a full and fair one, containing all the necessary particulars and is properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank;

(ii) that where we have called for any explanation or information such explanation and information have been given to us and have been satisfactory ;

(iii) that the transactions of the Bank which have come to our notice have been within the competence of the Bank ;

(iv) that the Returns received from the Branches of the Bank have been found adequate for the purpose of our audit ;

(v) that the Profit and Loss Account shows a true balance of profit for the period covered by such account ;

(vi) that, in our opinion, the Balance Sheet and Profit and Loss Account are drawn up in conformity with the law and

(vii) that, in our opinion, Books of Account have been kept by the Bank as required by law.

VARMA & VARMA,
Chartered Accountants.

T. R. KRISHNASWAMI,
General Manager.

K. C. KURUVILLA,
Asst. General Manager.

P. VASUDEVA KINI,
Offg. Chief Accountant.

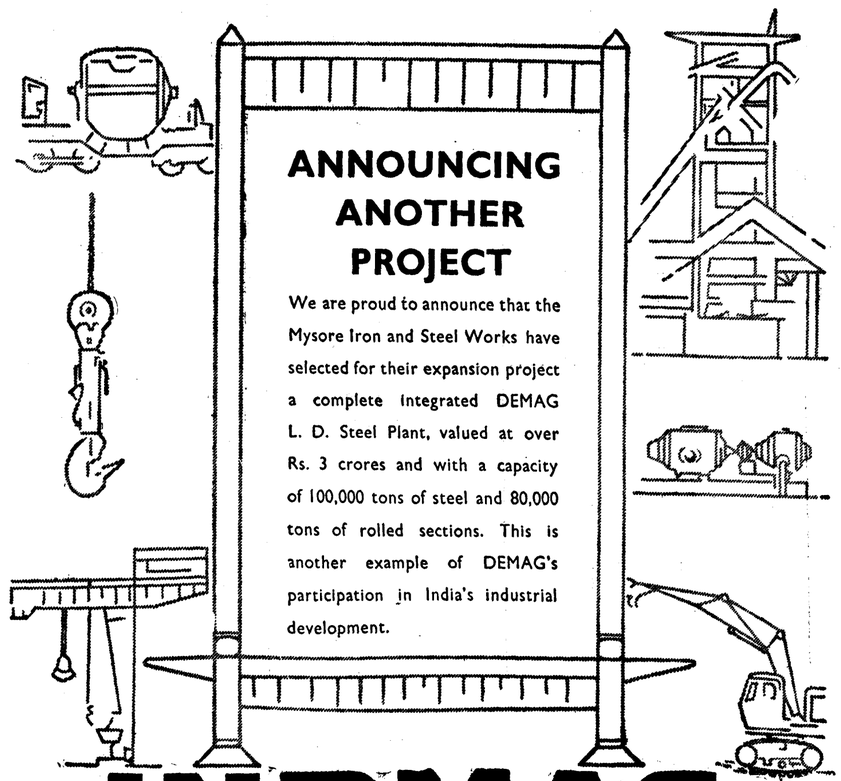
P. C. BHATTACHARYYA, *Chairman.*

T. A. JOSEPH
K. RAMAN NAMBIAR
M. L. GOGTAY
T. S. RAGHAVACHARY
K. SREENIVASA KARAYALAR
S. VAIDYANATHA AIYAR
R. N. CHETTUR
CHAKOLA LONAPPAN PALU
} *Directors.*

TRIVANDRUM, 16th January, 1961.

DEMAG

FOR ENGINEERING EEFICIENCY



INDMAG
PRIVATE LIMITED

BOMBAY—Esplanade House, Waudby Road, Fort, Bombay. DELHI—United Commercial Bank Building, Parliament Street, New Delhi. CALCUTTA—2, Brabourne Road, Calcutta 1.
MADRAS—Sukumar & Company, Vanguard House, 11/12 Second Line Beach, Madras 1.
BANGALORE—Industrial Agencies, Bombay House, Bangalore 4.

THE UNITED COMMERCIAL BANK, LIMITED

(INCORPORATED ON 6TH JANUARY, 1943).

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Eighteenth Annual Report together with the Accounts of the Bank for the year ended 31st December, 1960.

The net profit for the year, after providing for taxes and for all known and anticipated charges, and including Rs. 1,04,096.00 brought forward from the previous account, amounts to .. .. Rs. 68,46,870 98

The Directors have transferred Rs. 30,00,000 to the Reserve Fund and provided Rs. 13,00,000 for bonus to staff. They now recommend the payment of a dividend at Rs. 6.00 per share, subject to deduction of tax, which will absorb Rs. 24,00,000 leaving an unappropriated balance of Rs. 1,46,870.98 to be carried forward.

The Reserve Fund of the Bank now exceeds the paid-up capital and stands at Rs. 2,05,00,000.

The working of the Bank during the year was satisfactory and profit showed an improvement over the previous year's figure.

Stringent conditions prevailed in the money market almost throughout the year.

During the year branches of the Bank were opened at Bhopal, Durgapur, Kota, Maligaon (Gauhati), Mandvi (Bombay), Nagapattinam, Puri and Ranchi.

The Directors are thankful to the Shareholders and the clients of the Bank for their continued support. They also express their gratitude to the Bank's Advisers and Advisory Committees for their able help and guidance.

The Directors place on record their appreciation of the services of the General Manager and the Officers and Staff of the Bank during the year.

The Directors retiring by rotation under Article 92 of the Bank's Articles of Association are Mr. I. P. Goenka, Mr. Y. N. Mafatlal, Mr. R. L. Nopany and Mr. M. L. Tapuriah, who offer themselves for re-appointment.

The Shareholders are requested to appoint auditors for the current year and to fix their remuneration.

On behalf of the Board,
G. D. BIRLA,
Chairman.

CALCUTTA, 1st *March*, 1961.

BALANCE SHEET AS AT 31st DECEMBER 1960

December 31, 1959 Rs.	Rs.	CAPITAL AND LIABILITIES	December 31, 1960 Rs. nP.	Rs. nP.
		1. Capital—		
8,00,00,000		AUTHORISED CAPITAL— 8,00,000 shares of Rs. 100 each ..	8,00,00,000 00	
4,00,00,000		ISSUED AND SUBSCRIBED CAPITAL— 4,00,000 shares of Rs. 100 each ..	4,00,00,000 00	
	2,00,00,000	AMOUNT CALLED UP— 4,00,000 shares at Rs. 50 per share..		2,00,00,000 00
	1,75,00,000	**2. Reserve Fund and Other Reserves—** Reserve Fund (including that under Section 17 of the Banking Companies Act.)		2,05,00,000 00
		3. Deposits and Other Accounts—		
56,10,56,224		Fixed Deposits	49,23,76,841 92	
7,89,64,048		Savings Bank Deposits ..	9,25,54,088 30	
32,67,68,160		Current Accounts, Contingency Accounts, etc.	30,44,56,522 88	
	96,67,88,432			88,93,87,453 10
		4. Borrowings from Other Banking Companies, Agents, etc.—		
4,55,75,000		(i) In India .. .. [Includes an amount of Rs. 70,00,000 (Previous Year—Nil) borrowed from Refinance Corporation for Industry (Private) Ltd. and an amount of Rs. 72,00,000 (Previous Year—Nil) borrowed from Reserve Bank of India under Section 17(4)(c) as per contra.]	9,13,75,000 00	
4,32,552		(ii) Outside India	19,53,110 68	
	4,60,07,552			9,33,28,110 68
		PARTICULARS—		
4,57,23,339		(i) Secured by part of Investments and Advances per contra ..	9,20,14,422 79	
3,84,213		(ii) Unsecured	12,13,687 89	
4,60,07,552			9,32,28,110 68	
	1,37,32,625	**5. Bills Payable**		1,23,50,998 16
		6. Bills for Collection Being Bills Receivable as per contra—		
5,43,23,925		(i) Payable in India	5,99,88,460 45	
3,91,76,617		(ii) Payable outside India	4,88,01,314 62	
	9,35,00,542			10,82,89,775 07
		7. Other Liabilities—		
2,89,13,253		(i) Branch Adjustments	3,44,84,942 29	
3,94,587		(ii) Unclaimed Dividends etc. ..	3,52,887 98	
	2,93,07,840			3,48,37,830 27
		8. Acceptances, Endorsements and Other Obligations per contra		31,24,40,159 47
		9. Profit and Loss—		
15,62,096		Profit as per last balance-sheet ..	23,04,096 00	
15,00,000		Less—Dividend	22,00,000 00	
62,096			1,04,096 00	
60,41,998		ADD—Profit for the year ..	67,42,774 98	
61,04,096			68,46,870 98	
		Less—Appropriations made— Rs.		
27,00,000		To Reserve Fund .. 30,00,000		
11,00,000		To Bonus to Staff .. 13,00,000	43,00,000 00	25,46,870 98
	23,04,096			
		10. Contingent Liabilities—		
		(i) On Partly Paid shares .. .. Rs. 29,93,050 nP 00		
		(ii) Claims against the banking company not acknowledged as debts .. 4,46,772 19		
		(iii) Guarantees given on behalf of Customers and Correspondent Banks 14,22,11,760 41		
		(iv) On Foreign Bills Re-discounted of which upto 25th February 1961 Rs. 17,80,575.63 have run off. 92,29,987 53		
		(v) Forward Exchange Contracts outstanding for the purchase and sale of Bills and Telegraphic Transfers .. 18,79,06,203 76 of which upto 25th February 1961 Rs. 6,77,83,241.49 have been delivered.		
		(vi) There is a liability for outstanding bills, not certified by the architects, in respect of the Bank's buildings.		
		(vii) Additional demands of Rs. 2,61,316.77, Rs. 2,55,451.06 and Rs. 1,46,265.70 were raised for assessment years 1953-54, 1954-55 and 1955-56 respectively by the Income-tax Officer assessing the Bank in India by adopting a totally new method. Appeals have been filed against these assessments. A similar issue for the previous year (viz. assessment year 1952-53) where a demand of Rs. 25,75,850.29 was raised has been decided in favour of the Bank by the Income-tax Appellate Tribunal upholding the method adopted all along which issue has not been agitated further by the Department. Accordingly, no provision has been made for the demands referred to above and provision for all years to date has been made on the basis adopted all along in the past and accepted by the Department.		
1,45,44,58,154		Carried forward ..		1,49,35,81,197 75

December 31, 1959 Rs.	Rs.	PROPERTY AND ASSETS	December 31, 1960 Rs. nP.	Rs. nP.
	6,14,23,967	**1. Cash—** In hand and with Reserve Bank of India and State Bank of India (including foreign currency notes) ..		6,25,63,147 85
25,65,978		**2. Balances with Other Banks** (including Foreign Government Treasuries)— On Current Account— Rs. nP.		
3,26,01,692		(i) In India .. 18,58,325 79		
	3,51,67,670	(ii) Outside India.. 2,08,69,896 14	2,27,28,221 93	
	6,80,000	On deposit account— In India (Staff Security)	6,80,000 00	
	37,00,000			2,34,08,221 93
	10,09,71,637			97,00,000 00
				9,56,71,369 78
		4. Investments (at below market value)—		
		(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	30,92,64,550 76	
		(ii) Shares—		
		(a) Fully Paid Preference Shares	16,85,910 00	
		(b) Partly Paid Preference Shares	6,74,000 00	
		(c) Fully Paid Ordinary Shares ..	25,57,525 00	
		(d) Partly Paid Ordinary Shares.	13,08,472 55	
		(iii) Debentures or Bonds ..	11,96,900 00	
		(iv) Securities of the U.S.A., Burma, Malaya, Singapore and Pakistan Governments and Foreign Trustee Securities	2,91,40,872 62	
		(v) Gold		
	40,78,53,480			33,88,28,630 94
		5. Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
		(I) Loans, Cash Credits, Overdrafts, etc.— Rs. nP.		
		(i) In India .. *33,62,73,756 07		
		(ii) Outside India .. 8,84,59,382 33	42,47,33,138 40	
		(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
		(i) Payable in India .. 18,55,57,553 25		
		(ii) Payable outside India.. 10,35,59,331 45		
			18,91,16,884 70	
				61,38,50,023 10

[*Includes an amount of Rs. 70,00,000 (Previous Year—Nil) relating to medium-term advances in respect of which finance has been obtained from Refinance Corporation for Industry (Private) Ltd.]]

[†Includes an amount of Rs. 72,00,000 (Previous Year—Nil) of Usance Promissory Notes lodged with Reserve Bank of India for advances under Section 17(4) (c).]

		PARTICULARS OF ADVANCES—	
		(i) Debts considered good in respect of which the banking company is fully secured	48,94,32,963 41
		(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security ..	6,17,99,018 84
		(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	6,26,16,020 85
		(iv) Debts considered doubtful or bad, not provided for	Nil
		(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons ..	61,38,50,023 10
		(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members ..	12,10,224 01
		(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons ..	5,09,58,300 89
		(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members ..	13,65,240 10
		(ix) Due from banking companies ..	6,44,81,458 07 56,43,105 90
		6. Bills Receivable Being Bills for Collection as per contra—	
		(i) Payable in India	5,99,88,460 45
		(ii) Payable outside India	4,88,01,314 62
			10,82,89,775 07
		7. Constituents' Liabilities for Acceptances, Endorsements and other Obligations per contra	31,24,40,159 47
		8. Premises Less Depreciation— Cost as per last balance-sheet	60,98,082 27
		Additions (Rs. 37,06,501.23) Less deductions (Rs. Nil) during the year	37,06,501 23
		Less—Depreciation written off to date.	98,59,583 50 13,97,429 36
			84,62,154 14
		9. Furniture and Fixtures Less Depreciation (including vehicles and equipment)— Cost as per last balance-sheet	1,01,59,230 69
		Additions (Rs. 12,11,810.28) Less deductions (Rs. 1,87,287.14) during the year	10,24,523 19
		Less—Depreciation written off to date.	1,11,83,793 88 61,54,723 40
			50,29,071 48
		Carried forward ..	1,48,26,01,083 98

(Continued on next page)

THE UNITED COMMERCIAL BANK LIMITED—*Continued.*

December 31, 1959 Rs.	Rs.	CAPITAL AND LIABILITIES	December 31, 1960 Rs. nP.	Rs. nP.
	1,45,44,58,154	Brought forward ..		1,49,35,81,197 75
	1,45,44,58,154	Total .. Rs.		1,49,35,81,197 75

December 31, 1959 Rs.	Rs.	PROPERTY AND ASSETS	December 31, 1960 Rs. nP.	Rs. nP.
	1,44,03,43,561	Brought forward ..		1,48,26,01,083 98
21,04,866		**10. Other Assets, including Silver—** (i) Land and Buildings— Rs. nP. Cost as per last Balance-sheet 42,83,467 54		
21,78,601		Additions during the year .. 7,51,624 42		
42,83,467			50,35,091 96	
....		Less—Transfer to Premises account. 14,78,090 35		
16,470		Less—Depreciation written off to date.		
42,66,997			35,57,001 61	
31,40,662		(ii) Interest accrued on Investments	29,12,832 34	
		(iii) Estimated amount of refund of Income-tax and Advance payment of Tax	36,15,515 84	
57,57,114		(Income-tax assessment for six years 1955 to 1960 not yet completed)		
40,350		(iv) Stamps and Stationery	48,463 98	
....		(v) Silver	....	
	1,32,05,123			1,01,33,813 77
		11. Non-Banking Assets Acquired in Satisfaction of Claims—		
	9,09,470	Land and Buildings (at below cost) ..		8,46,300 00
	....	**12. Profit and Loss**		....
	1,45,44,58,154	Total .. Rs.		1,49,35,81,197 75

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960.

Year ended Dec. 31, 1959 Rs.	EXPENDITURE	Year ended Dec. 31, 1960 Rs. nP.	Rs. nP.
2,46,93,105	1. Interest paid on Deposits, Borrowings, etc.	2,52,33,901 45	
1,25,50,591	2. Salaries and Allowances and Provident Fund .. .. (Salary and Allowances of General Manager Rs. 54,000)	1,40,35,124 98	
88,428	3. Directors' (Rs. 78,000) and Local Committee Members' Fees and Allowances	87,838 00	
		17,44,328 88	
15,45,149	4. Rent, Taxes, Insurance, Lighting, etc.	1,31,713 89	
65,516	5. Law charges	7,94,639 81	
6,80,146	6. Postage, Telegrams and Stamps	1,41,794 50	
1,20,143	7. Auditors' Fees for Statutory and Periodical Audits ..	15,12,866 03	
11,45,813	8. Depreciation on, and Repairs to, the Banking Company's Property	12,56,476 51	
15,91,663	9. Stationery, Printing, Advertisement, etc.		
....	10. Loss from Sale of, or Dealing with, Non-Banking Assets	11,67,010 60	
10,88,986	11. Other Expenditure	67,42,774 98	
60,41,998	12. Balance of Profit		
	Total .. Rs.	5,28,98,269 63	
4,90,60,847			

Year ended Dec. 31, 1959 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Year ended Dec. 31, 1960 Rs. nP.	Rs. nP.
3,62,39,181	1. Interest and Discount	3,79,00,091 73	
1,20,04,399	2. Commission, Exchange and Brokerage	1,41,72,721 75	
7,26,001	3. Rents	8,08,390 22	
	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)		
....	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	....	
....	6. Income from Non-Banking Assets, and Profit from Sale of, or Dealing with, such Assets	15,479 98	
1,266	7. Other Receipts	1,586 00	
....	8. Loss	....	
4,90,60,847	Total .. Rs.	5,28,98,269 63	

The above Accounts have been drawn up in accordance with the provisions of Section 29 of the Banking Companies Act, 1949.

REPORT OF THE AUDITORS TO THE MEMBERS OF THE UNITED COMMERCIAL BANK, LIMITED

We have audited the attached Balance-sheet of The United Commercial Bank, Limited, as at 31st December, 1960, and the annexed Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the Branch returns audited by the Statutory or other Auditors. The reports on the accounts of the Branches audited by other Auditors have been dealt with in preparing our report in the manner considered necessary by us.

We report that :

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory ;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank ;

(c) in our opinion, proper books of account, as required by law, have been kept by the Bank so far as appears from our examination of those books, and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank ;

(d) the Bank's Balance-sheet and Profit and Loss Account, dealt with by this report, are in agreement with the books of account and the returns ;

(e) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and, on such basis, the said Balance-sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

G. P. KAPADIA & CO.,
K. N. GUTGUTIA & CO.,
RAY & RAY. } *Chartered Accountants.*

CALCUTTA, 1st *March*, 1961.

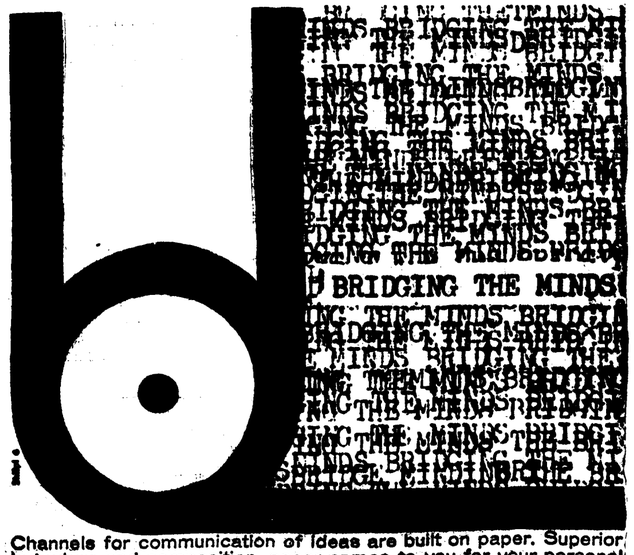
S. T. SADASIVAN,
General Manager.

G. D. BIRLA, *Chairman.*
I. P. GOENKA,
A. C. LAW,
G. L. BANDUR,
P. D. HIMATSINGKA
R. L. NOPANY
M. L. BHAR,
M. S. RUIA,
M. L. DAHANUKAR,
M. L. TAPURIAH,
Y. N. MAFATLAL,
G. D. KOTHARI,
T. S. RAJAM, } *Directors.*

As per our report annexed.

G. P. KAPADIA & CO.,
K. N. GUTGUTIA & CO.,
RAY & RAY. } *Chartered Accountants.*

V. R. DESAI,
Chief Accountant.



Channels for communication of ideas are built on paper. Superior in texture and composition, paper comes to you for your personal use from Dandeli Plant of The West Coast Paper Mills Limited.

THE WEST COAST·PAPER MILLS LTD.

Registered Office: Shree Niwas House, Waudby Road, Bombay-1 Mills: Dandeli, North Kanara Dist. Telegrams: KAGAJMILL • Telephone: 268241

PARTICIPATE IN INDIAN INDUSTRIES FAIR "WORLD'S SHOW WINDOW OF INDUSTRIES"

CONSULT ★ FOR INTERNATIONAL AND DOMESTIC BANKING SERVICE

THE BANK OF TOKYO LIMITED

(Incorporated in Japan under the special law)

32 Overseas branches and representative offices and 1 Associate Bank

1 Affiliate Bank 1 Trust Company

All information concerning foreign trade available

All the latest information in respect of the Japanese pattern of industry and business and the names of all the principal industrial manufacturers and manufactured commodities available for your ready reference.

★

K. Hashimoto
Manager
Bombay Office

Bombay Office:
"Jeevan Prakash", Sir Phirozshah Mehta Road
P.O. Box 1762, Bombay-1 Tel: 253857/58 & 253848
Office at Calcutta Representative at Delhi

THIS IS ONLY AN ANNOUNCEMENT FOR INFORMATION AND NOT A PROSPECTUS.

Applications are invited on the basis of the Prospectus, copies of which are available from the Registered Office of the Company, the Company's Bankers to this issue, and the Brokers mentioned herein.

A copy of the Prospectus has been delivered to the Registrar of Companies, West Bengal, for registration, together with the requisite documents attached thereto as required by Section 60 of the Companies Act, 1956.

The Consent of the Central Government has been obtained to this issue. It must be distinctly understood that in giving this Consent the Government of India do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinion expressed with regard to it.

An application is being made to the Calcutta Stock Exchange for permission to deal in and for an official quotation for the Equity Shares of the Company.

The Subscription List will open at the commencement of Banking Hours on the 10th day of April, 1961 and will remain open until the close of the Banking Hours on the 15th day of April, 1961 or earlier as may be decided by the Directors, but not earlier than 13th April, 1961.

APPLICATION MUST BE MADE FOR 25 SHARES OR MULTIPLE THEREOF.

THE BINANI METAL WORKS LIMITED

(Incorporated under the Indian Companies Act, 1913 on the 25th day of February 1941 as a "Private" Company and converted into a "Public" Company on the 16th day of March 1961).

	Rs.	Rs.
Authorised Capital :		
5,00,000 Equity Shares of Rs. 10 each		50,00,000
Issued, Subscribed and Paid Up Capital :		
(a) As on 31st December 1960, 65,000 Equity Shares of Rs. 10 each	6,50,000	
(b) Further taken up by the Directors and their friends, 1,20,000 Equity Shares of Rs. 10 each.	12,00,000	
		18,50,000
Present Issue :		
2,15,000 Equity Shares of Rs. 10 each		21,50,000
Out of the Present Issue :		
(a) 19,000 Equity Shares of Rs. 10 each at par have been agreed to be taken by the Directors and their friends		1,90,000
Available for Public Subscription :		
(b) 1,96,000 Equity Shares of Rs. 10 each at par		19,60,000
Total ..	Rs.	21,50,000

RESERVES AND SURPLUS

The Reserves and Surplus of the Company as on 31st December 1959 were Rs. 2,83,970 against Issued and Paid-up Capital of Rs. 6,50,000.

UNDERWRITING

The whole issue of 1,96,000 Equity Shares offered to the public has been underwritten.

TERMS OF PAYMENT : PAYABLE IN FULL ON APPLICATION.

APPLICATIONS FOR SHARES

Each application must be for a minimum of 25 shares or multiple thereof. All applications must be made on the printed forms. All application forms properly completed must be lodged together with FULL AMOUNT PAYABLE BEFORE the closing date of the Subscription List to the Bankers of this issue or with any of their following Main Branch Offices :—

AHMEDABAD, AJMER ALLAHABAD, AMRITSAR, BANGALORE, BARODA, BHAVNAGAR, BOMBAY, CALCUTTA, COIMBATORE, COCHIN, DELHI, HYDERABAD, INDORE, JAIPUR, JULLUNDUR, KANPUR, LUCKNOW, MADRAS, MADURAI, MIRZAPUR, NEW DELHI, NADIAD, NAGPUR, NAVSARI, PATNA, POONA CAMP, POONA CITY, RAJKOT, SURAT.

The Directors reserve the full uncontrolled right of accepting or rejecting any application in whole or in part. Where an application is rejected or not accepted in full, the whole or any balance of the application money received will be refunded to the applicant within a period of three months from the date of the closing of the Subscriptions List.

The Share Certificate will be issued in exchange for the Letter of Allotment within six months from the date of the allotment.

BOARD OF DIRECTORS

1. SHRI G. D. BINANI, Businessman and Industrialist, 38, Strand Road, Calcutta-1. *Director of*:—Metal Distributors Private Ltd., Nav Bharat Cold Storage & Ice Mills Ltd., Binani Investment Co. Private Ltd., Binani Properties Private Ltd., Jasrup Bejnath Baheti & Sons Private Ltd., Star Metal Refinery Private Ltd., Plastic Moulders Private Ltd., Francis Klein Pharmaceuticals Private Ltd., Francis Klein & Co. (Bombay) Private Ltd.
2. SHRI MOHANLAL L. SHAH, Businessman and Industrialist, 22, Canning St., Calcutta-1. *Director of*:—The United Commercial Bank Ltd., Bengal Jute Mills Co. Ltd., National Pipes & Tubes Co. Ltd., New Central Jute Mills Co. Ltd., Jatia Cotton Mills Ltd., India Safe Deposit Vault Co. Ltd., Jayshree Tea & Industries Ltd., India Exchange Ltd., New Great Insurance Co. of India Ltd., Ruby General Insurance Co. Ltd.
3. SHRI B. D. BANGUR, Landlord and Merchant, 14, Netaji Subhas Road, Calcutta-1. *Director of*:—Shreeniwas Cotton Mills Ltd., The Phosphate Co. Ltd., Indian Wood Products Co. Ltd., The Amalgamated Development Ltd., Clive Buildings (Calcutta) Ltd., Venktesh Co. Ltd., Calcutta Properties Ltd., Gold Mohore Investment Co. Ltd., National Investment Co. Ltd., Star Co. Ltd.
4. SHRI ROHITBHAI CHINUBHAI MEHTA, Businessman and Industrialist, "Ram Nivas," Ellis Bridge, Ahmedabad 6. *Director of*:—Rohit Mills Ltd., Sayaji Mills Ltd., Shri Vivekanand Mills Ltd., The Ahmedabad Electricity Co. Ltd., The Cama Hotels Ltd., C. Doctor & Co. Private Ltd., Mehta Corpn. Private Ltd., Indian Mercantile Insurance Co. Ltd., C. V. Mehta Private Ltd., Mehta & Sons Private Ltd., Industrial Machinery Manufacturers Private Ltd., Spiwafin Private Ltd., Bipin Silk Mills Co. Private Ltd., Oriental Corpn. Private Ltd.
5. MR. F. KLEIN, Businessman, United Diminions House, Eastcheap, London-E.C.3. *Director of*:—Bishopgate Steel Ltd., London, Francis Klein & Co. (Bombay) Private Ltd., Francis Klein Pharmaceuticals Private Ltd.
6. SHRI R. K. BAGRI, Businessman, 38, Strand Road, Calcutta-1. *Director of*:—Metal Distributors (U.K.) Ltd., London.
7. SHRI GHANSHYAMDAS BINANI, Businessman and Industrialist, 38, Strand Road, Calcutta-1. *Director of*:—Metal Distributors Private Ltd., Binani Printers Private Ltd., Binani Properties Private Ltd., Binani Investment Co. Private Ltd., Plastics Moulders Private Ltd., Metal Distributors (U.K.) Ltd., London, Francis Klein Pharmaceuticals Private Ltd., Francis Klein & Co. (Bombay) Private Ltd., Star Metal Refinery Private Ltd.

SECRETARY

SHRI R. BALACHANDRAN, 49/10B, Hindusthan Park, Calcutta 29.

BANKERS TO THIS ISSUE

1. THE BANK OF BARODA LIMITED, India Exchange Place, Calcutta.
2. THE BANK OF INDIA LIMITED, 23B, Netaji Subhas Road, Calcutta.
3. THE PUNJAB NATIONAL BANK LIMITED, Brabourne Road, Calcutta.

UNDERWRITERS

THE BANK OF BARODA LIMITED, Bombay.

AUDITORS

MESSRS. S. R. BATLIBOI & CO., Chartered Accountants, 1B, Old Post Office Street, Calcutta-1.

SOLICITORS

MESSRS. B. N. BASU & CO., 6. Old Post Office Street, Calcutta-1.

BROKERS TO THIS ISSUE

Calcutta

1. MESSRS. G. M. PYNE, 14, India Exchange Place.
2. MESSRS. SOHANLAL PACHISIA & CO., 9, India Exchange Place.

Bombay

1. MESSRS. BATLIVALA & KARANI, Union Bank Building, Dalal Street, Fort.
2. MESSRS. LEWIS & JONES, Bank of Baroda Building, Apollo Street, Fort.
3. MESSRS. HARKISONDASS LUKHMIDASS, 5, Hamam Street, Fort.
4. MESSRS. A. B. PANDIT & CO., 32, Apollo Street, Fort.

New Delhi

1. MESSRS. HARBANS SINGH MEHTA & CO., 33, Regal Building, Parliament Street.

Madras

1. MESSRS. KOTHARI & SONS, Oriental Buildings, Armenian Street.
2. MESSRS. MACONOCHIE & CO., Mercantile Bank Building.

REGISTERED OFFICE

BINANI BUILDINGS, 38, STRAND ROAD, CALCUTTA-1.

OBJECTS, BRIEF HISTORY AND FUTURE PROSPECTS OF THE COMPANY

The Company was established for the purpose set out in the Memorandum of Association and it is at present a leading Metallurgical Engineering unit in India specialising in the manufacture of non-ferrous alloys, non-ferrous castings—both rough and machined. The progressive record of the Company's activities is reflected from the Company's sales and services figures quoted below for the last three years:—

	Rs.
1958	68,34,884
1959	98,61,137
1960	1,44,12,438
	(provisional)

With the increase in the industrialisation of the country and emphasis being placed on the indigenous production of engineering components and plants, the demand for the products of the Company is rapidly increasing. It is estimated that as against the total current estimated consumption of four major non-ferrous metals, viz., copper, zinc, lead and aluminium of 65,000, 60,000, 26,000 and 45,000 tons respectively, the consumption by the end of the Third Five-Year Plan would be in the neighbourhood of 1,70,000, 1.85,000, 65,000 and 1,00,000 tons respectively. Being a premier unit in its line, the Company looks forward to participate in the substantial increase in business which is likely to materialise in the coming years.

Quite apart from the existing lines of manufacture, the Company has undertaken other Projects after obtaining necessary Industrial Licences from the Government of India to manufacture Resign Cored Solder, Pressure Die Casting, Zinc and Aluminium Base Alloys, Tilting Pit and Rotary Furnaces, Iron Castings, Dies for Plastic Injection Machines, Milling Machines, etc.

As has been outlined above, the activities of the Company in its traditional lines of business are steadily on increase. There is also very large uncovered internal demand for the new items of production proposed to be undertaken by the Company. With the Company's development plans and expansion projects gradually materialising, the prospects of growth in the earning capacity of the Company are very encouraging.

DIVIDEND

BARRING ANY UNFORESEEN CIRCUMSTANCES THE DIRECTORS HOPE TO PAY A MINIMUM DIVIDEND OF 10% ON THE INCREASED CAPITAL OF THE COMPANY FOR THE YEAR ENDING 31st DECEMBER 1961. THE BENEFIT OF THIS DIVIDEND WILL ALSO BE AVAILABLE IN FULL EVEN TO THE SUBSCRIBERS TO THE PRESENT ISSUE.

FACTORY

The Company's plant is situated at 44 and 103/24/1 (Upper) Foreshore Road, Sibpur, Howrah, West Bengal, on leasehold lands acquired from the Port Commissioners, Calcutta, and the area of the land at present occupied is approximately 206 cottahs, which includes a big plot of land measuring 129 cottahs very recently acquired to carry out the expansion programme.

MANAGING DIRECTOR

At present Shri Ghanshyamdas Binani is the Managing Director of the Company and application to the Central Government has been made by the Company for the approval of his appointment as Managing Director for a period of 5 (five) years. He is associated with the Company since 1949 and is the Managing Director thereof for the last four years.

DIRECTORS' INTEREST

The Directors will be interested in the remuneration payable to them as fees for the Meetings attended, travelling expenses, if any, for the purpose and a commission of 1 per cent to be shared equally amongst all the Directors (excluding the Managing Director). The Managing Director of the Company will in addition to the fees for the meetings attended and travelling expenses, if any, for the purpose, be interested in the remuneration payable to him as Managing Director.

The Directors and the Managing Director will further be interested to the extent of the Shares subscribed for by and to be allotted to them in the Company.

UNDERWRITING COMMISSION

The Underwriters will be paid an underwriting commission at 2½ per cent of the nominal value of the shares underwritten by them.

BROKERAGE

Brokerage at 1 per cent will be paid on all allotments made in respect of application bearing the stamp of a Bank or Brokers who are members of the recognised Stock Exchanges. Brokerage on the same basis is payable to Underwriters in addition to the Underwriting Commission, on allotments in respect of applications made or procured by them and bearing their respective stamps.

CAPITAL OUTLAY AND WORKING CAPITAL

The requirements of the Company are as under:—

		Rs.
(i)	Working Capital	7,00,000
(ii)	Estimated cost of building and structures on the plot of land taken on lease recently for installation of Machinery and shifting of Machine Shop ...	5,00,000
(iii)	Purchase of Raw Materials to feed the new Plants and Machinery	10,50,000
(iv)	For paying the value of imported new Plants and Machinery	11,00,000
(v)	For repayment of Loans ...	10,00,000
	Rs.	43,50,000

The minimum cash amount required immediately in the opinion of the Directors is Rs. 33,50,000, out of which the Directors and their friends have already taken shares worth Rs. 12,00,000 and this amount has been utilised to repay the loan and to meet the other requirements of the Company. Thus, the balance amount of Rs. 21,50,000 is raised by the issue.

INSPECTION OF DOCUMENTS

Copies of Prospectus and the necessary documents mentioned therein are open for inspection at the Registered Office of the Company during business hours.

APPLICATION FORMS

Copies of the Prospectus and Application Forms may be obtained from the Registered Office of the Company, Brokers, Bankers to this issue and Underwriters.

THE REPUTATION for Quality, Uniformity, Reliability

CLARETTA

THREE GOLDEN HORSES TRADE MARK

High Rayon Fabrics

#1480 Tussore
#3300 Satin
#6750 Habutae
#7200 Sheer Crepe
#0050 Tricot
#3000 Satin
#5050 Habutae
#6300 Georgette Crepe
#7500 De Chine Crepe

Rayon Yarn

Filament Yarn
Spun Yarn
Staple Fibre

Pamphlet available. Please apply to:

KURASHIKI RAYON CO., LTD.

2, Umeda, Kitaku, Osaka, Japan Cable Address: "KURARAY OSAKA"

NATIONAL AND GRINDLAYS BANK LIMITED

MR. J. K. MICHIE, CHAIRMAN, REVIEWS PROGRESS OF BANK'S ACTIVITIES

HIGHER DIVIDEND ON INCREASED CAPITAL LIKELY

THE Annual General Meeting of National and Grindlays Bank Limited will be held on 11th April 1961 at the Bank's premises, 24, Bishopsgate, London, E.C.2. In the course of his statement, circulated along with the Directors' report and accounts for the year ended 31st December 1960, Mr. J. K. Michie, Chairman, says that, whatever the political future, sound banking is a necessity to economic life and "it is that which we aim to provide." Indeed, Mr. Michie agrees with those who argue that sound economics backed by a stable banking system is a necessary background to any country and any Government and should have a high priority. The Board of Management, he declared, do not take a pessimistic view of the future. He tells the shareholders that they can expect, *subject to unpredictable contingency, to receive* 14 per cent dividend on the increased capital for the current year.

The following is the full text of Mr. Michie's statement:

"The principal event in our record of 1960 is not reflected in the balance-sheet—the acquisition by us of the Eastern business and branches of Lloyds Bank Ltd. and, as a part of that bargain, the acquisition by Lloyds Bank Ltd. of just under 25 per cent of our capital. This mutually agreeable arrangement was ratified by you at an extraordinary general meeting held on 15th November 1960. As you will see, it has added 19 to our list of branches and, as will emerge, it means an increase of around £50 million in the total of our next balance-sheet.

"Another concomitant effect was the strengthening of our Board by the addition on 1st January of Sir Jeremy Raisman and Lord Lloyd, appointments which fall to be confirmed at the annual general meeting. Sir Jeremy is Deputy Chairman of Lloyds Bank and both are distinguished names in the realm of Commonwealth affairs. At the same time, Mr. C. Gardner, Chief Manager of Lloyds Bank Eastern Department, joined our executive staff as an Assistant General Manager and Mr. R. J. S. Marsh as Assistant Manager.

Preparation for Merger

"A great deal of time and thought was given to preparation for this merger of interests and your General Manager, Mr. Gillespie, and I have just returned from tours much of which we did in concert, though his was the more comprehensive and strenuous. Our visits covered the principal branches of the combined Bank in India, Pakistan and Aden. In addition, Mr. Gillespie visited Ceylon.

"Our journeys, although covering a wider field, were undertaken with the particular object of seeing that, in every possible respect, the merger should get off to a good start and that there should be no misunderstandings about our future policy in the minds of either our constituents or our staff.

"I am glad to report that our impressions were without exception favourable. Our combined staffs have from the outset shown a most admirable team spirit, while our constituents appreciate that the merger means additional strength to the Bank. There is, too, a realisation in India and Pakistan that banking should be inherently as strong as possible and this was reflected in expressions of approval of the merger made to us by many individuals, including members of the banking fraternity.

"To replace Mr. Lely whose resignation took effect at the termination of the last annual general meeting, we invited Mr. Neville Wadia, Chairman of the Bombay Dyeing and Manufacturing Company Ltd., to join the Board which he did in June last. Mr. Wadia's family connection with the Bank goes back two generations and dates from the earliest days of our branch in Bombay and his wide knowledge of the economy generally and of the industry of India will be of great value to the Board and to our Managers in India. His appointment now falls to be confirmed by you at the annual general meeting and I confidently recommend him.

"The total of our consolidated balance-sheet at 31st December 1960 was £181,551,921—an increase of £18,516,333 over the previous year. The growing demand for finance in the territories in which we operate, the reasons for which I refer to later, has resulted in an increase in advances of just under £19 million. Current, deposit and other accounts are over £18 million higher, but this pressure of demand for seasonal finance has had the effect of reducing our liquidity ratio.

"At £479,276, our net profit was £74,568 higher, reflecting the overall more favourable conditions for banking which obtained in our territories in 1960 in comparison with the previous year—which in turn showed an improvement over 1958.

"Subject to necessary reservations in respect of East and Central Africa and Burma, this better climate for banking generally seems likely to continue and, as a consequence of this view, we have increased our second interim dividend for 1960 from 6¼ per cent to 7 per cent, making the total distribution for the year 13¾ per cent. Further, this action would not have been taken unless we had felt justified in promising to consolidate this rate of dividend—you can, therefore, expect, subject to no unpredictable contingency, to receive 14 per cent on the increased capital for the current year.

National and Grindlays Finance and Development Corporation

"The net profit for the year was £10,152, the reduction being accounted for by the higher rates of interest paid on its borrowings from the Bank.

India

"What particularly struck Mr. Gillespie and myself in our journeyings through India is the surge of industrialisation which is going on, with, it seemed, increasing momentum. The reasons behind this expansion are all excellent and legitimate and, in most cases, the capital in so far as cover for land, buildings and plant are concerned seems to be available. But it is the provision of 'working' capital to carry stocks and outstandings which to our minds poses a real difficulty and, unless more money can be found by or for the banking system, *it seems to me* it will be put under considerable strain within the nert twelve months.

"I know this aspect of the third Five-year Plan is appreciated by the Reserve Bank, which has already taken certain measures to increase the resources of the banks by the release of the special deposits which had been called for in March and May 1960 and by the extension of their Bill Market Scheme for the rediscounting of bills on behalf of banks, although on an escalator scale of interest. The Reserve Bank has also taken steps to strengthen and thereby to increase confidence in banking in India generally—it having unfortunately suffered a setback last autumn. These steps include the merging of some of the smaller banks with stronger units.

"But somehow the hidden cash balances of India must be drawn into the banking system and through it put to work if the latest Five-year Plan is to be—as it must be—a success.

"When it is realised that the total of bank deposits in all India at 30th June 1960 was only Rs. 1,946 crores or £1,459,000,000—or an average sum *per capita* estimated at Rs. 55—it will be realised what the scope and the necessities are, and progress is painfully slow. The portents, therefore, are of a continuance of tight money conditions in the foreseeable future.

"Naturally we are doing all we can to attract further deposits, but our branch system sets limits to our potential progress.

"During 1960, India's external reserves fell by Rs. 68 crores to Rs. 319 crores.

"The Reserve Bank rate remained at 4 per cent throughout the year.

"Tea has had a favourable experience somewhat marred by drought in Assam, though this was largely compensated by good crops in South India areas. Internal consumption continues to rise and the reduction of the export duty by 17 per cent, announced in the 1961 Budget, should benefit exports by making Indian tea prices more competitive in world markets.

"Jute manufacturers and shippers have had an exciting and a difficult year caused by the tremendous rise in prices in India and Pakistan in October last, consequent on the then disclosed shortage of raw jute. These conditions may well react to the detriment of the trade as a whole for consumer countries will be apt to look for substitute materials rather than be at the mercy of such vagaries in cost.

Pakistan

"The impetus of President Ayub's administration continues to be felt and is reflected in a general feeling of confidence individually and nationally.

"The major and much the most important work now in progress is the five rivers water scheme known as the Indus Basin Projects with its tremendous potentials in extending agriculture and, by desalinisation of land, improving it. What I have already said about jute applies even more so to Pakistan where the crop is comparatively a much bigger factor in her economy. The percentage of the crop consumed internally continues to grow.

"For identical reasons, the need for an expansion of bank deposits is at least as urgent as in India; indeed, the ratio of deposits to population is somewhat lower, but that may be in some degree a consequence of the traditional Muslim objection to accepting interest.

"The State Bank rate has remained at 4 per cent and, as I have indicated, money is scarce and, relative to current bank lending rates, expensive.

"External assets of the State Bank of Pakistan rose by Rs. 6 crores during the year.

Ceylon

"Both politically and financially, Ceylon has had a disturbed year.

"Two general elections have been held, the eventual result being a victory for Mrs. Bandaranaike's Sri Lanka Party.

"Despite reasonably good prices for tea and rubber, although other exports were not so fortunate, Ceylon's external resources again fell during 1960—by Rs. 207.6 million—to a figure of Rs. 481.2 million and drastic measures are now being taken to reverse this continued loss by restriction of imports and by raising the Central Bank rate to 4 per cent from the previous inadequate basis of 2½ per cent.

"As I have said before, Ceylon's natural wealth is such that a commonsense economic policy followed consistently would soon put matters right and it is hoped that neither panic nor discriminatory measures will be adopted and that the present penal rates of taxation will be moderated. For these are not the ways to attract foreign investors to the country or indeed to retain existing non-indigenous investment.

"Mercantile Credit Ltd., the Colombo hire-purchase company in which this Bank has an interest, did an expanding business in 1960 and good results are expected. This year import and credit restrictions are almost certain to reduce the volume of trade covered by hire purchase.

Burma

"The pattern of events described last year has continued under U Nu's A.F.P.F.L. Party.

"Burma's foreign exchange reserves rose during the first half of 1960 but were lower by £5½ million by the end of the year, as a result of certain capital disbursements, including a repayment to the International Monetary Fund. There was an increase of rice exports to 2,000,000 tons—which nevertheless is still only about 60 per cent of pre-war figures. Increased internal consumption doubtless partly accounts for this disparity.

"During 1960, the Government of Burma exercised its option to acquire an increased share of the capital of the internal oil industry now run as the Burma Oil Company (1954) Ltd. and its holding is now 51 per cent.

"The attitude to foreign companies operating in Burma continues fundamentally unchanged, although a recent Ministerial Mission to Europe has expressed the wish to encourage new capital to set up industries in the country. The two policies can hardly be said to run parallel.

Aden

"Lack of rain adversely affected the 1960 cotton crop which fell below expectations. However, the prosperity of Aden very largely depends on the activity of the port as a bunkering centre and on the operation of the refinery. In the absence of labour troubles for most of the year, both were fully employed—in fact, the prompt handling of ships is now a pressing problem which is to be met by new installations in the coming year.

"Recently we opened another sub-branch in the Maalla area, bringing the total of our offices to five. We have also been given a licence to operate at Al-Ittihad, the capital of the Federation of Arab Amirates of South Arabia, when this comes into being.

Africa

"For once a generalisation about the considerable area of the Continent of Africa in which we operate appears to be justified.

"From the Somali Republic in the North to Southern Rhodesia in the South since I last addressed you, the political scene has experienced, or is in process of, radical change, and to such an extent that, in several areas, politics completely govern and over-shadow economics.

"Of necessity I am writing while an election under the Lancaster House Constitution is being held in Kenya; while the political future of Uganda is uncertain and when a state of crisis exists in the affairs of both Southern and Northern Rhodesia and of the Federation as a whole. The present picture may well be altered by the time this is despatched to you; I hope for the better.

"The High Commission territories of Kenya, Uganda and Tanganyika, as you know, have a common currency and through the High Commission are linked in regard to transport, communications, customs and excise. Under the leadership of Sir Jeremy Raisman, a three-man Commission recently reported on the working of the High Commission and expressed the view that the present customs system under which Kenya, Uganda and Tanganyika in effect form a common market is beneficial to all three territories and strongly recommended that it should be continued. They also recommended a redistribution between the territories of the income accruing to the High Commission.

"The most serious aspect of the economic picture of this area and which has arisen directly out of political uncertainties is the emigration of European and Asian capital that has taken place over the past ten months. This is reflected in a substantial fall in bank deposits accompanied by a tendency for advances to increase, while the overseas assets of all the banks fell sharply.

"In September last, the banks took steps to stem and reverse this movement by offering higher rates for deposits and by increasing their lending rates to a somewhat less extent, but, while the rate of erosion has slowed down, it has not yet ceased, and it is becoming increasingly difficult to see how the trade and commerce of the area will be financed unless some method is found for providing banks with additional funds and short-term money.

Last year, excepting the cotton crops of Uganda and Tanganyika, yields of the main

FORWARD MARKETS BULLETIN

(Monthly)

Published by Forward Markets Commission Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription	Single copy
In India .. Rs. 24.00	In India .. Rs. 2.50
Abroad .. Rs. 40.00	Abroad .. Rs. 4.00

For further particulars please apply to:

The Secretary, Forward Markets Commission

"Everest," 100, Marine Drive, Bombay-2

NATIONAL AND GRINDLAYS BANK LIMITED

AMALGAMATING

NATIONAL BANK OF INDIA LIMITED, GRINDLAYS BANK LIMITED AND THE EASTERN BRANCHES OF LLOYDS BANK LIMITED

REGISTERED IN LONDON UNDER THE COMPANIES ACT OF 1862 ON THE 23RD MARCH, 1866
THE LIABILITY OF MEMBERS IS LIMITED

AUTHORISED CAPITAL - - - - **£5,702,925** Divided into 7,603,900 shares of 15*s.* 0*d.* each		**RESERVE FUNDS** - - - - - - **£3,050,000**	
ISSUED AND PAID-UP CAPITAL - - **£4,562,400**		**NUMBER OF SHAREHOLDERS** - -	**5,384**

BALANCE SHEET OF NATIONAL AND GRINDLAYS BANK LIMITED 31st DECEMBER 1960

1959 £		£	1960 £	*1959* £		£	1960 £
	Capital—				**Current Assets—**		
	AUTHORISED—			*18,966,475*	Cash on Hand, at Call and Short Notice and at Bankers		22,905,481
4,562,400	7,603,900 Shares of 15*s.* each .. .. (*1959— 6,083,200 Shares of 15s. each*)	5,702,925			Investments at under Market Value—		
	ISSUED AND FULLY PAID—			*11,411,935*	British Government and other Securities quoted on the London Stock Exchange	12,139,789	
3,421,875	4,562,500 Shares of 15*s.* each		3,421,875	*17,696,237*	Indian, Pakistan, Ceylon, East African and Rhodesian Government and other Securities quoted on Overseas Stock Exchanges	18,151,943	
	Reserve Funds—			*231,161*	Unquoted Investments	303,823	
3,000,000	Including Share Premium Account £558,438 (*1959—£558,438*) ..		3,050,000	*29,465,772*	Bills of Exchange, including Treasury Bills		30,595,505 28,524,387
				79,896,137	Advances, Loans Receivable and other sums due to the Bank ..		98,633,457
	Profit and Loss Account—			*400,874*	Customers for Acceptances per Contra		761,614
283,366	Profit unappropriated		279,784	*158,068,591*	Total Current Assets		176,470,904
6,705,241			6,751,659		**Subsidiary Company—**		
				500,000	Shares at cost	500,000	
				501,524	Amounts due	700,581	
							1,200,581
	Current Liabilities, Provisions and Other Accounts—				**Fixed Assets—**		
107,732,205	Current and other Accounts, including provision for diminution in value of assets, taxation on profits to date and reserves for contingencies	112,121,303		*3,934,897*	Bank Premises, Property and Furniture at cost, less amounts written off		3,837,191
48,015,698	Fixed and Short Deposits	61,727,837					
400,874	Acceptances for Customers	761,614					
130,994	Second Interim Dividend less Income Tax for the year ended 31st December, 1960	146,713					
			174,757,017				
£163,005,012			*£181,508,676*	*£163,005,012*			£181,508,676

Notes:

1. There are commitments in respect of Confirmed Credits, Forward Exchange Contracts and Guarantees, including Guarantees to Government Departments in India. Securities to the nominal value of £595,220 (*1959—£595,220*) have been deposited as security for Government and other accounts. There are contingent liabilities on Bills re-discounted amounting to £7,095,309 (*1959—£3,124,989*), of which £6,063,843 has run off at 8th March, 1961.
2. Liabilities have been incurred in respect of building contracts for new premises amounting to approximately £79,660 (*1959—£58,000*).
3. There is a contingent liability relating to uncalled Capital amounting to £139,500 (*1959—£132,000*) in respect of investments.
4. The rupee in India, Pakistan and Ceylon and the kyat in Burma have been converted into sterling at 1/6*d.* and the East African shilling and Rhodesian pound at par. Other currencies have been converted at the rates of exchange ruling on 31st December, 1960.

G. T. GILLESPIE, *General Manager.*
J. F. STEWART, *Deputy Chief Accountant.*

J. K. MICHIE
R. J. MACKENZIE HAY
T. A. R. W. LOW
} *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Branches not visited by us. We have examined the above Balance Sheet which is in agreement with the books of account and returns. In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet gives the information required by the Companies Act, 1948, in the manner thereby authorised for Banking Companies and, on such basis, the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1960.

LONDON, 9th *March*, 1961.

We have also examined the annexed Consolidated Balance Sheet and Consolidated Profit and Loss Account of the Bank and its Subsidiary dealt with thereby with the audited accounts of those Companies. In our opinion such Consolidated Balance Sheet and Consolidated Profit and Loss Account have been properly prepared from such accounts in accordance with the provisions of the Companies Act, 1948, in the manner thereby authorised for Banking Companies and, on that basis, give a true and fair view of the state of affairs and of the profit ascertained in the manner therein indicated of the Bank and its Subsidiary so far as concerns members of National and Grindlays Bank Limited.

COOPER BROTHERS & CO.,
W. A. BROWNE & CO.,
} *Chartered Accountants.*

agricultural products were excellent although coffee prices continued to decline, but particularly in Kenya drought conditions have recently been prevalent and that must put a further strain on the banking system. Budgets, too, are causing anxiety for apart from other reasons the development of democratic forms of Government is invariably found to be an expensive process.

"In Zanzibar, I am glad to say, a sound policy of marketing its large stocks of cloves has been followed and these are now down to manageable proportions.

Federation of Rhodesia and Nyasaland

"Apart from politics, 1960 was a good year for Southern Rhodesia. The tobacco crop was excellent and there was an increase in the value of minerals produced.

"Similarly, Northern Rhodesia benefited from steady and remunerative copper prices.

"The Federation again had a favourable balance of trade which it is estimated will be over £50 million. The Federal Government have just decided to ban the export of capital by residents of the Federation. Other classes are not affected.

"The Bank of Rhodesia and Nyasaland rate was raised from 4½ per cent to 5 per cent in August, mainly to check the increasing demands on the banks for advances. In the circumstances, we are pleased to have been able to maintain our business and to improve results.

"In August last, we opened a branch at Kitwe, Northern Rhodesia.

Republic of Somalia

"With the granting of independence to the Somaliland Protectorate, followed by its immediate union with Italian Somalia, our branches at Hargeisa and Berbera are now in the Republic of Somalia. The currency of the old Protectorate is still the East African shilling, and our branches act as agents for the East African Currency Board. The shilling is, however, being withdrawn during the next few months and replaced by the Somalo. The activities of our branches have not been affected by the political changes and last year's results were satisfactory.

General

"While it is apparent from what I have written that all is by no means plain sailing, it is also true to say that your Board and Management do not take a pessimistic view of our future, otherwise, we should neither have increased our dividend nor have increased the number of our branches and sub-branches from 94 to the present total of 141 in a period of just over a year. We continue to believe that, whatever the political future, sound banking is a necessity to economic life, and it is that which we aim to provide. Indeed, I agree with those who argue that sound economics backed by a stable banking system is a necessary background to any country and any Government and should have a high priority.

"What continues to puzzle me in regard to this country, and I am sure causes concern in many minds, is our apparent inability to achieve a worthwhile favourable balance of trade, in spite of what is to all intents and purposes full employment. It is all very well to argue that the British people prefer 'the good life' to a higher level of savings, but, in the world of today, the problem by no means ends there. We must either have more money to invest abroad, to lend to our Commonwealth friends and particularly to emerging nations, or see our influence and our trade with them steadily wane.

"We incline to claim that we are a special repository of wisdom on international affairs and that others have always been glad to have our counsel, but I feel that would be a more valid argument were we to prove ourselves more successful and more able to help them financially. There is much in the Russian claim that the cold war is now becoming an economic one.

"Finally, our staff—and that includes those we have recently absorbed—have given and are giving us enthusiastic and loyal service and that applies from our General Manager right down the line.

"When Mr. Gillespie and I were recently on tour, we took occasion to meet as many of the staff as was possible and I hope that the friendly exchanges we had—*inter alia* with our Union officials—will bear good fruit."

PRAGA TOOLS CORPORATION LIMITED

CHAIRMAN, MR. S. RANGANATHAN, ON EXPANSION SCHEMES

TECHNICAL COLLABORATION WITH FOREIGN FIRMS

ADDRESSING the Sixteenth Annual General Meeting of the Praga Tools Corporation Ltd., held at Hyderabad on 27th March 1961, Mr. S. Ranganathan, I.C.S., the Chairman, dwelt at length on the expansion schemes undertaken by the Company. He drew particular attention to labour trouble, which manifested itself in such ugly forms as rioting and assaulting of officers, and the consequent decline in the monthly rate of production. He, however, hoped that the workers would not resort to such actions now that a committee had been appointed to examine their demands.

The following is the full text of Mr. Ranganathan's speech:

"GENTLEMEN,

"Since we met last on 19th September 1960, another year, really nine months, of the Company's working is now ready for review. This period ended on 31st March 1960. Under the amended Company Law the annual general meeting of the shareholders of the company should be held within a period of six months from the close of the accounting period. Our office will have to be strengthened to meet this new situation and this is being done. As a Government company our accounts have also to be audited by the Auditor-General and this again requires to be done within this short period. We are suggesting to the Auditor-General as well as to the Company's statutory auditors that they should consider undertaking concurrent audit in order to save time.

"The audited statement of accounts together with the Directors' report thereon have been with you for some time. This year, as suggested by the Government of India, we have also sent you a simplified balance-sheet and profit and loss account, so that those who are very busy and cannot find the time to go through the complete balance-sheet could gain a clear picture of the Company from the simplified data we have given. With your permission I shall take the accounts and the report as read.

New Lines of Production

"When I addressed you on the occasion of the last annual general meeting held on 19th September 1960, I referred briefly to the details of the expansion scheme which your Company was planning. We are glad to report that technical collaboration agreements have been signed with three British firms. The first is with Messrs. Kearney and Trecker-C.V.A. Ltd., of Hove, Sussex, for the manufacture of their well-known range of drill chucks in India. The second is with Messrs. F. Pratt and Co., Ltd., Halifax, for the manufacture, in India, of their range of lathe chucks, pneumatic chucks, magnetic chucks and pneumatic vices. This is a range which should prove very useful to the steel processing industry, as, without these appliances, the machine tools, by themselves, would not be adequately useful. The third agreement is with Messrs. A. A. Jones and Shipman of Leicester, for the manufacture of their cutter and tool grinders in India by your Company. This is a new item to be taken up by the machine tool industry in India and your Company would be the first in the field.

"As you may have read in the Press, the Polish Government have offered a credit to the Indian Government of Rs. 14.3 crores and out of this the Government of India has earmarked one crore for your Company for the purpose of equipping a complete machine tool plant. You would have seen from statistics given that only 20 per cent of our production relates to machine tools; it is the Government of India's intention that our Company should increase the output of machine tools from its present level of about Rs. 12 lakhs per annum to Rs. 120 lakhs per annum. For this huge expansion, the Polish Government would be supplying a major portion of the plant on credit.

"As a first step in this collaboration with the Poles, they have been asked to prepare a complete project report for a machine tool plant, capable of turning out a certain quantum of machine tools per annum. Negotiations have been going on with CEKOP, an organisation in Poland which undertakes the design and supply of complete plants, and I am glad to report that, on 24th March 1961, that is, last Friday, our General Manager signed, on behalf of our Company, an agreement with CEKOP for the supply of this project report at a cost of Rs. 2.5 lakhs. We expect the project report to be in our hands by about September next, but, in the meanwhile, discussions are going on between the respective technicians to enable your Company to book firm capacity in Poland against their 1962 production for the supply of certain general purpose machine tools required for the machine tool plant.

Labour Troubles

"The working results for the nine months period ended 31st March 1960 have not been as encouraging as we had expected. The average production per month does not measure up to last year's performance. As indicated in the Directors' report, this is largely due to the unsettled labour conditions that prevailed in the factory. I had mentioned, on the last occasion, the rioting which took place inside the factory on 27th November 1959 and again in May 1960. In May 1960, some officers of the Company were actually assaulted. I would have preferred not to bring back to memory these unpleasant occurrences, I do so, however, as I feel that the labour has not yet quite settled down and there is still talk of strikes, etc. I shall be the last person to say that labour should not ask for, in an appropriate manner, or be given what is their legitimate due, having regard to all relevant factors. But to create a state of uncertainty in regard to continued and increasing production or about peaceful conditions being available to work in, is not the best way of setting about this business. I do hope that labour will pay heed to this advice and recognise that, in this Board of a Government company, there is really no interest which would wish to deny them their fair share, out of their own production. Having said this, I shall not go into the details of the demands that have been pressed for, from time to time, sometimes, openly flouting mutually accepted settlements, the methods adopted to capture power by rival unions, etc. I shall mention only that your Board has appointed a sub-committee to go into certain demands now made. This sub-committee has met several times and is now currently discussing this subject with the union. I hope the Board will soon have proposals that will be acceptable to labour, that will be within the Company's means and finally that the proposals will ensure a fairly long period of settled conditions which could be utilised to maximise production and take in hand the large expansion schemes with confidence.

"After making the necessary adjustments for depreciation, development rebate, etc., the balance-sheet shows a surplus of Rs. 3,72,667. Your Directors have proposed that this surplus should be carried forward and I feel sure you would find this proposal acceptable.

Stock Evaluation

"The Comptroller and Auditor-General, in his comments, has again invited our attention to the necessity to revise the method of evaluating the stock of finished goods. This has not been possible in the year under review but the revised method is being adopted in the accounts of 1960-61 and consequent on this a certain amount of write-off is expected. In the circumstances, your Board of Directors feel that it would be a prudent step not to distribute the very small surplus the present balance-sheet discloses; it would be more appropriate to get the revaluation of finished goods done on the proper basis in 1960-61 before considering any distribution of dividends. Although the financial position is thus only of a marginal balance having been reached, I feel optimistic about the trends and, given the wholehearted support by labour, the Company should be able to register a leap forward in the next year or two.

"Before I conclude, I wish to thank my colleagues on the Board for their active co-operation and guidance in all our deliberations. I also wish to express my appreciation to the officers and staff of the Corporation, particularly those loyal workers who strove to restore a sense of responsibility in the organisation during a difficult period."

N.B.—*The above does not purport to be the report of the proceedings of the sixteenth annual general meeting of the Company held on 27th March* 1961.

UNDER SECRETARY TO ... 10 APR 1961 PUBLIC DEPARTMENT

THE BANK OF MAHARASHTRA LIMITED

CHAIRMAN, MR. V. P. VARDE REVIEWS RECENT TRENDS IN BANKING

DEPOSIT INSURANCE SCHEME WELCOMED

SOME problems of the banking industry came in for extensive comment by Mr. V. P Varde, Chairman of the Bank of Maharashtra, at the Twenty-sixth Annual General Meeting of the Bank held at Poona on 28th March, 1961. Mr. Varde welcomed the deposit insurance scheme, notwithstanding the heavy burden it might put on banks. The intangible benefits it would provide to the banking system, by way of restoration of the confidence of the public in banks, he declared, would be worth the cost. Referring to the raising of the interest rate on savings deposits by the State Bank of India from 1½ per cent to 2½ per cent, he observed that this was done all of a sudden without considering the repercussion of the change on other banks. He added that in view of its size and the special position it occupied in the banking structure, the State Bank should function in such a way as to assist the younger and smaller banks in the country to grow into sound institutions. The following is the full text of Mr. Varde's speech:

"GENTLEMEN,

"I have great pleasure in welcoming you most cordially to the annual meeting today. The twenty-fifth report of the Board of Directors and the audited statement of accounts for the year ended 31st December, 1960 have been in your hands for some time, and, with your permission, I shall take them as read.

Silver Jubilee

"You are aware that 1960 was the silver jubilee year for the Bank. The occasion was celebrated at a principal ceremony at Poona on 18th December 1960 under the presidentship of the Chief Minister of Maharashtra State, Shri Yashwantrao Chavan. The Bank was indeed privileged to receive encouragement and guidance from Shri Chavan on this occasion. Similar celebrations were held in 1961 at Nagpur, Bombay and Aurangabad. At Nagpur, the function was presided over by the Finance Minister of Maharashtra State, Shri S. Wankhede. At Bombay, Shri C. D. Deshmukh, who was at one time Governor of the Reserve Bank and then Finance Minister of India, presided over the function. At Aurangabad, the function was presided over by the Maharashtra Minister for Irrigation and Power, Shri Shankarrao Chavan.

"The silver jubilee year was marked by certain important developments. A new issue of Rs. 8 lakhs of capital was made by the Bank and this was oversubscribed by the existing shareholders of the Bank, reflecting your confidence in the Board of Directors of the Bank. As a result of this issue, the issued and subscribed capital of the Bank stands at Rs. 40 lakhs, as compared with the authorised capital of Rs. 50 lakhs.

"For the silver jubilee year, the Board of Directors have recommended a special silver jubilee bonus for shareholders at the rate of 2 per cent in addition to the normal dividend of 9 per cent, which is the same as last year. Both these are of course subject to tax. I am sure you will welcome this bonus dividend for the the silver jubilee.

Special Funds

"The Board have also decided this year to constitute two special funds to which I would like to draw your special attention. A provision of Rs. 50,000 out of profits has been made for the purpose this year. It is intended of course to make further contributions to these funds annually. Of the total provision of Rs. 50,000, the sum of Rs. 40,000 is proposed to be put into an Industrial Development Fund, whose general object will be to assist the small man attempting to make a start in business. The formation of this fund is an earnest of the Bank's desire to contribute to the industrial development of Maharashtra in general and to encourage the small industrialist in particular. The balance of Rs. 10,000 is to be allocated to a Staff Benefit Fund. The broad idea of this fund is to provide for the urgent and special needs of the members of the staff and their families. This fund is, of course, in addition to and quite independent of the various direct benefits that the members of the staff are entitled to directly. The Board are eager to do whatever is possible for the benefit of the staff. That is why this fund has been created. Further contributions will be made to this fund also from year to year. I may point out that no rules have been made as yet for the use of these funds. I would welcome suggestions from you with regard to the way in which these funds should be used in the light of their general objects explained above.

"I have great pleasure in informing you that the Reserve Bank has issued a foreign exchange licence to the Bank during the year. The Bank has now entered upon this class of business as well. A further mark of the confidence of the Reserve Bank in the Bank of Maharashtra was provided by the selection of this bank as the bank with which the Bank of Nagpur was to be merged. The scheme of amalgamation drawn up by the Reserve Bank for this purpose has been approved by the Government of India and has already come into effect. The assets and liabilities of the Bank of Nagpur have been taken over by us with effect from yesterday. I am very happy that we shall be paying the depositors of the Bank of Nagpur in full. Your Board have spent a great deal of time and effort in arranging the amalgamation. Though some problems still remain, the Bank of Maharashtra will be strengthened by the merger.

"I would like to discuss briefly at this stage some of the important problems facing the banking system during the year. The banks have been perturbed by the slowing down in the pace of growth of deposits during 1960. Various factors have been responsible for this change. It seems to me that some of these factors were: (1) a slowing down in the volume of deficit financing, (2) some loss of confidence in the banking system as a result of the Palai Bank failure, (3) attraction of funds to the industrial houses, which are accepting deposits directly, (4) a similar attraction of funds into small savings, where interest rates are high and tax-free, (5) the relatively low interest rates maintained by the banks on term deposits during this period in spite of monetary stringency.

Deposit Insurance

"In this context, I cannot but welcome the proposal to introduce a scheme of deposit insurance in the country. It will no doubt put a heavy burden on costs of all the banks in general and of this Bank in particular. The intangible benefits which it will provide to the banking system in the shape of a restoration of confidence may, however, be worth the cost. The assurance which it will give to the depositor of the safety of his funds will, in any case, be welcome. In certain cases at least it may in fact safeguard the small depositor when his bank fails. The scheme is, however, no substitute for measures to strengthen the banking system. The Reserve Bank is already taking steps to weed out unsound banks and ensure that those which continue in existence are run along sound lines. In this context, one would be justified in asking that the premium rates should be kept as low as possible so that the banks may not have to carry an unnecessarily heavy burden.

"It is obvious from what I have said above that the banking system is passing through a period of stresses and strains. It has, therefore, to adjust its policies to meet the requirements of the situation, without sacrificing any of the principles of sound banking. If the banks are to function along sound lines in these circumstances, they must be able to get advice and guidance from the Reserve Bank. They must be encouraged to consult the Reserve Bank on their problems. Past experience in this direction has not been very happy. I am sure that the moratorium now forced on certain banks could have been avoided if they had been guided properly during the past decade. The small banks, I do maintain, have a role to play and the soundness of a bank does not depend upon its size. It seems, however, to have been decided that small banks cannot prosper and we have to bow to the inevitable trend of amalgamations and the creation of bigger banks. I myself particularly regret the disappearance of small banks in Maharashtra, as I have frequently advocated in the past the development of such banks in the interests of small and medium scale industries. I, therefore, take the opportunity of assuring the investing public and entrepreneurs that every attempt will be made by the Bank of Maharashtra to fill the void created by the elimination of many small banks.

Amalgamation

"I need not say that the Bank of Maharashtra has always tried to follow sound traditions of banking. It has, therefore, co-operated with the Reserve Bank in all measures aimed at strengthening the banking system. I would like to state on this occasion that the Bank of Maharashtra is prepared to play its role in helping the development of Indian banking by taking over such banks as the Reserve Bank would like it to. It is abundantly clear from what I have said above that I regret that need should arise for the amalgamation of such banks; but if these banks cannot stand on their own feet, amalgamation may provide a solution for their problems. In such cases, the Bank of Maharashtra, with its sound traditions and strength, can take over such banks to the benefit of banking in the State. The taking over of the Bank of Nagpur, to which reference has been made above, was arranged with these principles in mind.

Unhealthy Competition

"I have to make a reference here to a rather delicate question. Recently, the State Bank of India raised its interest rate on savings deposits from 1½ per cent to 2½ per cent. This was done all of a sudden and without consideration of the effects this step would have on the other banks. The State Bank of India has remained aloof from the Indian Banks Association and its actions do not seem to take into consideration the interests of the other banks in the country. The Sate Bank is the largest bank in the country and occupies a special position in the banking system. It should, therefore, function in such a way as to assist younger and smaller banks in the country. Unhealthy competition between it and the other banks should be avoided. The effect of the increase in interest rates by the State Bank has been to bring about a similar increase in the rates of the other banks. The costs of the other banks have thus increased substantially. There may not be corresponding benefit to the banking system.

"It might be useful, at this stage, to refer to another unhealthy development in the banking field. Some of the larger banks approach the clients of smaller banks with a view to weaning them away from the latter. Such action cannot but affect the development of the banking system. There is plenty of scope for all the banks. It would be better for the banking system if such practices were given up.

"It is normally my practice to deal at some length with developments in the Indian economy. As I have devoted greater attention than usual to the problems of the banking system, which are more directly of interest to us, I propose to take it for granted that you are aware of the salient features of recent developments in the Indian economy.

Bill Market

"There is, however, one point to which I should refer because it affects us as bankers. I mean the stringency in the money market. This is mainly on account of the requirements of rapid industrialisation—which needs larger working capital for raw materials and current assets. Also, the conception of lending has now undergone a change. Formerly, the banks were lending according to the available resources at their command, but now the new conception is that the creditworthy borrower—whether the agriculturist or the industrialist—has to be financed for creditworthy uses. That makes an ever-increasing demand on the banking system and imposes a special responsibility on bankers. One solution that occurs to my mind to liquefy the advances of banks is the creation of a genuine bill market. The industrialist at present supplies goods on credit for two to three months according to the practice of the trade and gets himself reimbursed against it from his bank. This leads to a constant pull on the

(*Continued on page* 659)

THE EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD.

(INCORPORATED IN ENGLAND—THE LIABILITY OF MEMBERS IS LIMITED)

SIXTY-THIRD ANNUAL GENERAL MEETING

MR. C. R. SRINIVASAN'S REVIEW

PRESIDING over the Sixty-third Annual General Meeting of the shareholders of The East India Distilleries and Sugar Factories Limited held at Madras on Thursday, 30th March 1961, Mr. C. R. Srinivasan, Chairman, said:

"GENTLEMEN,

"It is with much pleasure that I welcome you to this the sixty-third annual general meeting of the shareholders of this Company. The accounts for the year ended 30th September 1960, together with the Directors' report thereon, have been in your hands for the statutory period and, with your permission, I will take them as read. You will have observed that, during the year under review, there have been no spectacular advances, but steady progress has been maintained on all fronts. Equally, during the year in which we now are, 1960-61, and in 1961-62, I do not foresee more than steady and sustained progress. In effect, it may well be reckoned as a period of consolidation, if it is borne in mind that we shall be paying interest on the loans raised to finance our ammonium phosphate factory at Ennore and it will only be in the latter part of 1961-62 that we may expect to start receiving compensating revenue coming in from this project.

Company's Progress

"I think it would be appropriate, if I take this opportunity of reviewing the progress your Company has made since the war, and more particularly since 1956. Over this period, the Company's growth has certainly been considerable. In 1948, the year in which the management and control were transferred to India, our capital and reserves totalled £706,736 and our total assets were £1.6 million. At the end of the financial year 1955-56, during which the purchase of the ordinary shares of Parry and Company Ltd. took place, the consolidated capital and reserves of the Group rose to £1.8 million and the total assets to £5.2 million. On 30th September last, these figures were £3.28 million and £7.4 million, respectively. During the same period, the Group excess of current assets over current liabilities has risen from £304,000 in 1948 to £1.56 million on 30th September 1960.

"These figures tell their own story of expansion and needless to say that shareholders' interests have benefited accordingly. Bonus issues have been made and the dividend has been maintained at a satisfactory level. Progressively the emphasis on the Group's expansion has been on the industrial sector and, more and more, the pattern of our business is changing. As a result of this policy, we have been forced with great regret to dispense with some of our agency representations, in order to concentrate more of our finance and management resources on the administrative problems which are tied to the Group's industrial progress.

Problems of Sugar Industry

"Today we own a large and efficient sugar factory at Nellikuppam, crushing over 2,000 tons of cane per crop day and producing, over a season, more than 30,000 tons of white sugar. I am proud to say that the factory is as efficient as any other in India, and continues to show us a satisfactory return on our capital employed there. It is perhaps desirable to draw your attention to the problems which face the sugar industry in this country and South India in particular. The Government of India, in its present phase of expanding economy, is naturally most concerned about the exchange-earning potentials of every industry. The potentials of this industry have not been overlooked, especially after our experiences in 1956 and 1957 under fortuitous conditions. Today, we have an excess of production over consumption of the order of 500,000 tons per annum. Many of you, I expect, will be familiar with the economics of exporting this surplus to foreign countries willing to pay only current world prices; in other words, to pay prices that will yield about Rs. 400 per ton ex-factory. I hope the representatives of the industry currently negotiating for the sale on favoured terms to the United States of America will be able to report some success. Whatever the measure of success, let it be remembered that it involves a large measure of sacrifice also—sacrifice to Government revenues, to factory profit and to consumer prices.

Controls

"Despite the surplus of sugar available, we have the anomaly that control over price and distribution continues. To the extent that this control restricts sales, this continuation is bad, but one must, in fairness, recognise that the complete removal of control will increase the problems of arranging export of the surplus stocks and might well lead to forced sales at low prices by the financially weak units.

"Government's task is to retain control without allowing it to restrict offtake in any way. Furthermore, for the exports even under adverse conditions to be maintained to the extent of 500,000 tons per annum, some control of production will have to be exercised. It may not generally be realised that the cane for the 1961-62 season is already in the ground. The earliest that action taken this year can be effective will be in the 1962-63 season and delay beyond the end of this calendar year would mean one more year's delay with heavily increasing stocks. That the internal offtake may well catch up during the course of the third Five-year Plan is not beyond the bounds of reason, but, until it does, the industry will have this difficulty to face.

"Sugar producers in the South have benefited from the fact that their total production has been less than the demand and the price has been generally fixed by the cost of the sugar procured from North India; in other words, there has been a freight advantage which must inevitably disappear when the production in the South equals consumption. In common with other factories in South India, this Company has shared the freight advantage with the cane growers, so that it is only a relatively small part of the reduction in price that I anticipate will fall on this Company. The balance, I am afraid, will fall on the cane growers in terms of a reduced bonus on the cane price.

Sugar Price

"Finally, the whole question of sugar price is at present before the Tariff Commission. A report was published in April 1960 which divided the country into four regions, the Southern region comprising the States of Andhra Pradesh, Madras, Mysore and Kerala. The Tariff Commission states that a fair return for the industry is 12 per cent on employed capital within which to meet commitments under bonus and gratuity, interest on borrowed capital, dividend on preference shares, Managing Agents' commission and income-tax and, to quote the Commission's words, 'finally leave a residue to a large majority of the units in all the regions to declare reasonable dividends.' Obviously there is no margin with which Directors of sugar companies can rehabilitate their plant at costs which will absorb depreciation allowances four or five times over. It is precisely this point, namely, the refusal of the Tariff Commission to take this in, that urged manufacturers to prevail on Government to make a second reference. I can only hope that the Tariff Commission will see facts as they are. Meantime, dependent on the price fixed, we have a contingent liability on the cane crushed since November 1958 under the price linking formula announced earlier and still hanging in mid-air. For this, provision has been made in the accounts, but there is no means of knowing if this provision is adequate, for we do not know the extent of the ultimate liability, should it eventuate.

"Our Pottery and Chemical Works at Ranipet, which represent the other part of our old-established industrial business, continues to expand and, in pottery particularly, expansion has been considerable over the last few years. Development has been particularly significant in the case of sanitaryware for which, against the background of India's constantly improving standard of living, there is a growing—and I believe—stable market. We are now in the process of arranging for the installation of yet a third kiln in our Pottery Works involving an outlay of about Rs. 22 lakhs, and I hope shortly to be able to announce to you also the conclusion of an agreement for technical co-operation with a British manufacturer of sanitaryware, whose name enjoys world-wide repute.

Fertilisers

"But our largest expansion in recent years has undoubtedly been in the field of fertilisers. Up to date, the bulk of our trade has been the preparation and selling of conventional mixtures suited to particular soils and crops, and of straight superphosphate, and, while I believe our business in these lines will continue, we have, in order to keep abreast of the times and maintain our leading position, to ensure the availability of compound fertilisers which, in the more advanced countries, have virtually replaced the ordinary mixtures.

"As I told you last year, with these thoughts in mind, we ordered a complete ammonium phosphate factory from Messrs. Simon-Carves of Stockport, England, and this is now under construction at Ennore, about eight miles north of Madras. The situation is excellent, work is progressing according to plan, and I have every reason to believe that, subject to no unforeseen obstacles cropping up, the factory will be in production by the middle of 1962. In its first stage, it will produce about 50,000 tons of fertilisers. By modern standards, this is a relatively small output, but it would be as well to compare it with our present annual turnover in fertilisers of all description, including superphosphate from our subsidiary, Andhra Fertilisers Private Ltd., which is in the neighbourhood of 160,000 tons per year. From this you will see that the Ennore Factory will make quite a substantial contribution to our turnover, but there is no doubt that it would be in the best interests of the Company, if the size of this plant and its output could be doubled. With this object in mind, the plant has been laid out in such a way that the additional equipment required to double the capacity can be installed with the minimum inconvenience and your Directors have already started to consider ways and means by which this expansion may be undertaken.

"Additionally, we have just been advised, along with two very well-known American collaborators, of the issue of a licence from the Government of India to erect a fertiliser factory at Visakhapatnam in the State of Andhra Pradesh, to produce more than 300,000 tons of fertiliser per year. In this case, a substantial part of the capital is being found by our American friends, International Minerals and Chemical Corporation of Skokie, Illinois, and California Chemical Company of San Francisco so that our own contribution, although considerable to us, will be small relative to the total capital required. A new company will be promoted in India for the purpose and the public will be invited to participate in the issue in ample measure. Our association in the new company will be clear cut and we bring to the consortium a ready-made fertiliser sales organisation which, suitably expanded, will be available to market the new factory's output. Negotiations with our American friends—to whom I would like to pay this tribute, that they have been most co-operative and understanding—have also been based on our having adequate representation on the Board of the new company. The new company will be Director-managed. This new enterprise marks a great step forward, and I am sure shareholders will share the satisfaction of the Board that we have, in these various ways, been able to consolidate our leading position, in the private sector, in the manufacture and sale of fertilisers.

Finance for Expansion

"All these items of expansion have required, or will require, further finance and as you know a successful 'Rights' issue of ordinary shares was made last September and is reflected in the balance-sheet now before you. In addition, we have arranged the following loans which are being drawn upon as required:

The Commonwealth Development Finance Co., Ltd.	£600,000	=	Rs. 80,00,000
The State Bank of India		=	Rs. 180,00,000
Simon-Carves Limited	£275,157	=	Rs. 36,68,760

"These four items of finance were required specifically for our own new fertiliser factory at Ennore and we are confident that the contribution of equity capital which we have to make to the new Visakhapatnam Fertiliser Factory, to which I have referred to above, will be provided from our own resources.

"To complete the picture of our fertiliser activities, I would mention that the acid and superphosphate plant of our subsidiary, Andhra Fertilisers Private Ltd., at Tadepalle in Andhra State, came into production in November 1960. This plant is designed to produce 50,000 tons of superphosphate per year, for which there is a ready sale in Andhra. While we have experienced the usual teething troubles, the plant can stand comparison, for design and efficiency, with any other similar plant in India. I have been surprised recently to note that remarks have been made in some quarters to the effect that Andhra is being neglected by industrial companies whose head offices may be in other States and, in particular, we appear to be regarded almost as if we were foreigners! I very much deprecate these examples of parochialism. I would remind our good friends in Andhra that this Company and its subsidiary, Parry and Company Ltd., were established with a head office in Madras long before Andhra and Madras became separate States. We have always regarded Andhra, Madras, Kerala and Mysore as the main areas of our operation and the fact that Parry & Co. Ltd. has for many years managed a sugar factory at Samalkot, the fact that we have now established a superphosphate factory at Tadepalle, and finally the fact that we are partners in the enterprise to set up a very much larger fertiliser factory at Visakhapatnam should, apart from the existence for very many years of branch offices in the main cities in Andhra, convince any reasonable person that we are very far from failing to play our part in the industrial development of Andhra.

Central Budget

"It is customary for me to include in this speech some remarks regarding the budget. I am happy to note the budget has generally been well received, and while necessarily austere, has on the whole distributed the burden of additional taxation in even measure. The real test is its reaction on the price level and a lapse of time is necessary to be reassured on this point. Meanwhile, I welcome the adjustments made in taxation of inter-company dividends and the reduction of the tax on royalties payable to foreigners, which will surely encourage the inflow of outside capital which is sorely needed, if we are to achieve the targets of the third Five-year Plan. The tax concession to short-term technical personnel is also welcome. I further welcome the reduction of the rate of tax on bonus shares and express the hope that next year it may be possible for the Finance Minister to take one further step forward and abolish the tax altogether.

"The industrial pace in India today is faster than anything we have previously experienced. We shall, however, always strive to keep in step and, if possible, one step ahead. It follows, therefore—and here I am looking well into the future—that, as soon as we have achieved some measure of consolidation after our two recent fertiliser developments, we shall almost certainly have to consider further programmes of expansion which will again require additional capital and one of which I have already mentioned, namely, the doubling of the capacity of the Ennore Factory, and, when that time comes, I am confident that the goodwill and co-operation of shareholders will be forthcoming in ample measure.

"I conclude these remarks by expressing the sincerest appreciation of the Board of Directors of the excellent work put in during the year under review by all members of the staff and labour, and I personally wish to add to this my thanks to my co-Directors who have sustained me with excellent advice and co-operation."

The Directors' report and the accounts for the year ended 30th September 1960 were adopted and a final dividend on the increased ordinary share capital of the Company at the rate of 14-2/7 per cent subject to deduction of Indian tax, was declared for the year ended 30th September 1960 payable on 30th March 1961.

Messrs. C. R. Srinivasan, T. S. Krishna and A. M. M. Murugappa Chettiar were re-elected to the Board and the Auditors, Messrs. Lovelock and Lewes, were reappointed.

N.B.—This does not purport to be a report of the proceedings of the general meeting.

Personalised

SERVICE

With specialised knowledge acquired through long experience, the Punjab National Bank is in a unique position to-day to be of positive help in providing PERSONALISED SERVICE.

EVERY DESCRIPTION OF BANKING BUSINESS IS UNDERTAKEN.

THE PUNJAB NATIONAL BANK LTD.

Established 1895
Head Office: New Delhi.

Notice

THE INDIAN IRON AND STEEL COMPANY LIMITED

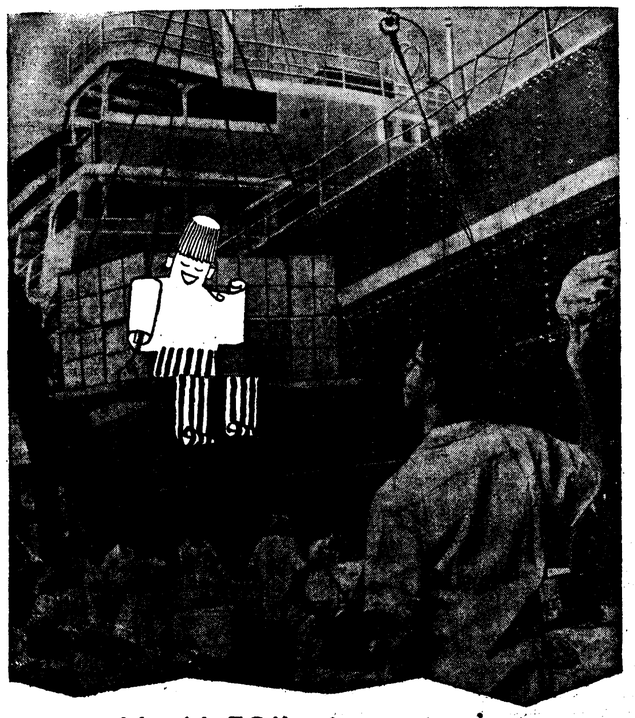
NOTICE IS HEREBY GIVEN THAT THE Board of Directors of the Company has *declared additional dividends on* preference shares in the Company in accordance with the Preference Shares (Regulation of Dividends) Act 1960 in respect of the years ended on 31st March 1960 and 31st March 1961, and sanctioned payment of dividend on the same for the half-year ended 31st March 1961.

The dividends will be paid on or after the 1st May 1961 to those shareholders whose names appear on the Register of Preference Shares on the 17th April, 1961.

The Preference Share Register and Transfer Books of the Company will be closed for this purpose from the 13th April 1961 to the 17th April 1961, both days inclusive.

For THE INDIAN IRON AND STEEL CO. LTD.
MARTIN BURN LIMITED,
S. GUPTA,
Managing Director.
Managing Agents.

12, MISSION ROW,
CALCUTTA 1,
Dated 4th April 1961.



MR. AL FOIL GOES OVERSEAS

"Westward Ho!" shouted Mr. Foil, importantly perched upon a tea chest, "I go as a Protector of Tea (Aluminium lining for tea chests and packages) and come back with foreign exchange. Busy voyage ahead, though," Mr. Foil continued shouting, "What with having to keep out the damp devil and keep in the tea flavour. But I am not worried. Have long experience in the matter of lining tea chests with aluminium foils which stand up to all sorts of ill usage like rough crossings and wet weather (the Bay of Biscay and the Channel y'know) . . . in fact, aluminium foil packaging keeps the tea full flavoursome and factory fresh right up to the tea lover's table . . . to England, America or any place in the world . . . I, Al Foil, alumnus of aluminium, guarantee satisfaction".

Long and extensive experience as Manufacturers of Aluminium Foils for packaging goods in the Cigarette, Pharmaceutical, Confectionery, Tea and many other industries.

VENESTA FOILS LIMITED
KAMARHATI, 24 PARGANAS, WEST BENGAL

Selling Agents:
Tea Chest Linings: Williamson, Magor & Co. Ltd., Calcutta.
Foils and Container Sheet: Indian Aluminium Co. Ltd., Calcutta Bombay Madras and New Delhi

ADMINISTRATIVE PROBLEMS OF THIRD PLAN

HIGH DEGREE OF EFFICIENCY NEEDED FROM TOP TO BOTTOM

By Tirth Raj Sharma, M.Com., Ph.D.

THE third Five-year Plan, like the first and the second plans, has its own problems and prospects. But one thing is important, namely, the resources needed for the Plan have to be generated by the Plan itself. This will automatically require efficient and timely execution of all the Plan programmes, which alone can generate increased production and additional resources, as well as an efficient and effective administrative machinery to implement various policies for the mobilisation of these resources. Broadly speaking, administration, no less important than any other problem, appears to be the keystone of the arch of the third Plan.

Ours is a mixed economy and a large private sector co-exists with a rapidly expanding public sector. It is neither a completely free market economy uninterrupted by the Government nor is it a totally planned economy, where all the economic decisions are taken by the Government itself. We have a segment of economy called the private sector in which the function of the Government is mainly restricted to regulatory devices and another segment, the public sector, where the Government is itself the policy-maker and the administrator. We may define the tasks of administration in the third Plan as consisting of (*a*) the efficient execution of projects in the public sector, (*b*) ensuring timely implementation of the plan targets relating to agriculture, small-scale industries and social services, and (c) mobilisation of resources. For the proper performance of these administrative tasks, we require sufficient trained personnel, on the one hand, and an efficient administrative set-up, free from corruption and other potent evils, on the other.

In regard to the public sector undertakings, it is evident that the scope of the public sector has increased steadily during the first and second Plans. Although the contribution of public enterprises to the national plan is quantitatively small at present, it has to become much more significant in the third Plan. It is now an accepted proposition that the maximum economic returns should be secured from all public enterprises. To ensure that these surpluses will be fully realised and will become available for development in accordance with the national plan, action has to be taken along two main directions.

Freedom of Action

In the first place, the managements of public enterprises should have sufficient freedom of action and should be able to function in all their operations with considerable speed. For this, there should be adequate delegation of administrative and other powers from the Government, Central or State as the case may be, to the boards of enterprises, from the boards to the general manager and at different levels within the management itself. Probably this has been and will remain, at least for some time to come, the most neglected aspect of industrial and social administration of the country. The maintenance of proper relationship between the State and its various projects has assumed considerable importance during the last few years. It has not yet been realised that the fullest autonomy combined with the completest control is absolutely essential. Instances are not lacking where behind a facade of autonomy, companies and statutory corporations have been run as if they were Government departments. The practice of constituting the Board of Directors completely with or a majority of, Government officials has led to serious complaints, irregularities, administrative delays and gross inefficiency. It is not enough to say that, even in such advanced countries like England, a right balance between the autonomy of the public corporations and their public accountability has not been achieved. We have to direct our efforts to achieve it by evolving right conventions and proper attitudes, so that the entire machinery of control may be rationalised from top to bottom and Parliament may exercise its vigilant control over these gigantic enterprises as the owner and the custodian of the consumer's interest.

In the second place, as is emphasised in the Plan, there is need for a systematic audit of physical performance in all public enterprises, both in the construction stage and subsequently. For the purpose of ensuring that the physical assets created are commensurate with the original estimates and designs in the construction phase, it is suggested that there should be independent units to carry out test checks of performance in a limited number of cases. It is further added that, as a rule, these units might exist within the projects themselves, so that they could assist the responsible authorities in enforcing efficiency, economy and integrity at every point. There is no doubt that such a system of internal independent audit, which falls beyond the normal scope of the functions of the Auditor-General, will be a wise step towards achieving the objects set out in the charter or memorandum of association. But it is also important that an effective use of accounting and operational statistics, now known as "management accounting" as a tool of management, would be a prerequisite for the setting up of a more specialised and permanent machinery of audit. Our Prime Minister pointed out a few days back that, when the country was trying to advance in a "biggish" way, there must be a system of accountancy combining audit and performance. In this matter, too, the public sector should give a lead to the private sector. Besides this, it would also be worth trying to carry out an impartial study of all these projects. As a regular course, a team of experts drawn from leading manufacturing establishments from within the country as well as from abroad should be used to go into the working of these units. Such a body would definitely be in a position to suggest improvements and make recommendations in matters of accountancy, audit and physical performance.

Delegation of Power

Another important task of administration relates to carrying out the economic decisions efficiently in agriculture and small-scale industries. Undoubtedly, the decisions relating to improvement in the productivity of land ultimately rest with the farmers themselves, but the Government can help them by supplying credit, technical know-how and other basic materials required for improving agricultural productivity. This clearly involves a regular flow of information form the Government to the farmer and *vice versa*, so that the Government may know about the kind of help that the farmer needs. And for this a rationally conceived machinery of administration with adequate powers at different levels becomes a prerequisite.

Here, again, delegation of power must go hand in hand with decentralisation of responsibility. The Balwantrai Mehta Committee was of the opinion that the present district boards do not have the tradition or resources to take up developmental work. The Committee recommended the establishment of *panchayat samities* at the block level in the community development and N.E.S. areas with a *zila parishad* at the district level to co-ordinate their activities. The second Plan emphasised the need for creating a well-organised democratic structure of administration in which village *panchayats* would be closely linked with popular organisations at a higher level. The National Development Council has examined certain proposals in this regard and has agreed that the foundation of any democratic structure had to be democracy in the village. The two institutions which makes effective village democracy possible are the village *panchayats* and the village co-operatives. The first step, in any area, therefore, should be to establish the network of institutions needed at the village level. Democratic institutions at the district, block and village level should be viewed as parts of one connected structure of administration. Against the background of these considerations, the National Development Council affirmed the objective of introducing the democratic structure of administration within the district above the village level and approved of the general principle of giving responsibility for development to representatives of the people within the village, leaving the precise manner in which the principle should be applied to be worked out by each State according to its conditions.

INDUSTRIAL INSTRUMENTS

EX : M/S. DREYER ROSENKRANZ & DROOP, GERMANY

For

1. Industrial Pneumatic Controls.
2. Indicating or Recording Thermometers.
3. Indicating or Recording Vacuum or Pressure Gauges.
4. Combined Gauges.
5. Engine Indicators, etc.

Contact Sole Agents

TOSHNIWAL BROTHERS PRIVATE LIMITED

198, Jamshedji Tata Road, Bombay-1

Branches :

AJMER CALCUTTA NEW DELHI MADRAS

Special Responsibility

Thus, special responsibility has devolved upon the *panchayats*, co-operatives and *panchayat samities* for the implementation of the development programme in the block. The establishment of these *samities* and co-operatives will undoubtedly make the task of administration much easier in dealing with the smallest of villages. They will be the primary agencies for carrying out the Community Development Programme which aims at the improvement of all aspects of rural life through the efforts of the people. If the *panchayats* and *panchayat samities* are expected to give special attention to measures for raising the level of living of the less privileged sections to the level of other sections in the country, the co-operatives will improve the productive apparatus in the country, generate enthusiasm among the villages for the Plan and pave the way for the creation of a new social order, in which the traditional life of the village community will have been restored.

The role of *panchayat samities* and co-operatives is specially important in the mobilisation of resources and in the implementation of development schemes. A major test to be applied is the manner in which each *panchayat samiti* makes the effort to mobilise local man-power and other resources and seeks the co-operation of the people of the area, while an essential objective of the co-operative movement is the inculcation of the habit of thrift and saving among the people of a particular area, so as to meet all the requirements of credit needs of the members. Thus, the task of administration becomes quite significant in regard to the mobilisation of resources for the plan. The essence of planning is to ensure that adequate real resources are mobilised for the programme of development and to maintain a balance between resources likely to be available and the claims to be made on these resources. For this purpose, too, the administrative machinery has to be effective, efficient and vigilant.

Training

It is usually held that mobilisation of manpower resources through the action of the executive authority of the Government may well amount to regimentation. But the village co-operatives themselves can effectively take up a number of schemes of development, the man-power requirements of which can be provided by the village itself. No doubt, the co-operatives can be in a position to stimulate the savings habit among their members and improve the collection of small savings. But it is a well-known fact that the lack of adequate managerial and organisational skill has been an important factor that has hampered a lot the progress of co-operative movement in this country. It must be clearly realised that any programme of expansion of the co-operative movement has to be preceded by energetic action in the direction of imparting training to the personnel of the co-operatives. If this still remains to be a neglected

aspect in the third Plan period, it will definitely prove to be a real bottleneck in the execution of the Plan programme.

As for the setting up of institutions at the district, block and village levels, it is significant to note that a number of States have already enacted legislation for their establishment and other States are likely to enact similar legislation before the commencement of the third Plan. The establishment of *panchayat raj* is a most significant step forward and represents the fruition of a general approach which was urged in both the former two Plans. The basic idea underlying this seems to be good, but it must be noted that, in the last few years, the experience gained from the working of these *panchayats* has been far from satisfactory. It has given rise to class conflicts, caste distinctions, group rivalries and party feelings. The system itself has no or little impact on the lives of the common people of the village community. It is only through the development of proper attitudes and well-directed efforts that the mass of the people can begin to feel visible signs of change and there can be a sense of participation and the necessary enthusiasm to carry forward the common task waiting ahead.

"Administration" Defined

The present administration is very often defined as:

> Present administration=British administration —efficiency+corruption.

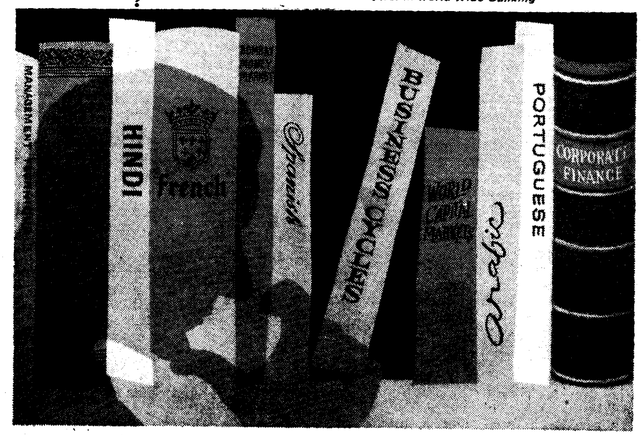
This formula provides, to some extent, a correct definition of the country's administration. The administrative machinery is corrupt, on the one hand, and inefficient, on the other. These are the basic weaknesses which are visible in the entire sphere of administration. How to remove them has been an important issue. The administration can inspire confidence among the people only by being honest and efficient. There has been a widespread feeling that corruption in administration has increased in the last few years at all its levels. It is irrelevant to say that the scope for corruption at higher levels is much more limited than at lower levels. Wherever and at whatever form it is, strictest measures need to be taken to root it out. This will require a cadre of responsible and honest officers free from corrupt practices and above party politics. Vital changes of spirit and character are absolutely essential and more sustained efforts are called for in this direction during the third Plan period.

Lastly, a few words about efficiency. It is essential that the administrative personnel carry out their duties efficiently and without any waste. The administration should accept the democratic decisions of the decentralised agencies and should try to cultivate the spirit of co-operation which will bridge the gulf between the ruler and the ruled. Instances are not unknown where administrative delays have been responsible for the rampant inefficiency in the Government departments. There is the lack of urge on the part of officers to do things quickly. The main reason for such delays, as is often advanced, is the complicated system of Government where responsibility is so spread out as not to touch anybody. The officers should not merely pass orders and take the path of least resistance, but should have the courage to take the initiative so that delays may be reduced to the minimum.

This involves another big problem of decentralisation of authority and delegation of powers from the top level to the lower levels of administration. Decentralisation or delegation is not so important as the execution or exercise of such a power. "Power corrupts and absolute power corrupts absolutely." Power in the hands of those who are technically untrained and incompetent leads to a lot of exploitation and its misuse. Probably, the country is new to this significant phenomenon. Here, again, we have to exercise a lot of caution and care. Some of the States, like Rajasthan and Andhra Pradesh, which are trying this historic experiment in *panchayat raj*, have not been perceptibly successful, if not totally a failure. The Organisation and Methods Division of the Secretariat is taking some concrete steps to improve efficiency at that level and similar arrangements are called for at the lower levels during the third Plan period. Thus, the execution of the Plan is, to a large extent, a matter of efficient organisation. It would be poor organisation to employ wastefully the scarce resources of executive personnel available to the administration.

How many languages should your banker speak ?

The FIRST NATIONAL CITY BANK of New York
First in World Wide Banking



You'll enjoy a unique plus when you bring your CITIBANKER in on your financing deliberations. Naturally, your CITIBANKER is fluent in the language of your business. But also, because his everyday job has world-wide dimensions, he talks to international businessmen around the world, in THEIR OWN TONGUES about Commerce and Finance. When you plan to explore new markets or more imaginative financing, get the benefit of the broader perspective that First National City's world-wide organisation provides. Call your CITIBANKER in Bombay or Calcutta.

Over 160 Branches in 30 countries

PARTNERS IN PROGRESS AROUND THE WORLD

National and Grindlays Bank Ltd.

(Amalgamating National Bank of India Limited, Grindlays Bank Limited, and the Eastern Branches of Lloyds Bank Limited).

Registered in London under the Companies Act of 1862 on the 23rd March 1866. The liability of members is limited.

Bankers to the Government in Aden, Kenya Colony, Zanzibar and Uganda

Authorized Capital . . . . . £ 5,702,925
Subscribed and Paid-up Capital . . £ 4,562,400
Reserve Funds . . . . . £ 3,000,000

Head Office: 26 BISHOPSGATE, LONDON. E.C.2.
London Branches:
54 Parliament Street, S. W. 1: 13 St. James's Square, S. W. 1.

BRANCHES throughout India, Pakistan, Ceylon, Burma, Aden, Somali, Zanzibar Island, Kenya, Uganda, Tanganyika Territory and Northern and Southern Rhodesia.

The Bank conducts all classes of Banking and Exchange Business throughout the world. Trusteeships and Executorships are undertaken.

Bombay Branches: 90, Mahatma Gandhi Road; Mint Road (Corner of Mint Road and Sir P. M. Road): 270/272 Dr. Dadabhoy Naoroji Road (Lloyds Branch); 21/29 Princess Street (Lloyds Branch).

LUXURY OF TOO MANY PUBLIC HOLIDAYS

MR. C. H. BHABHA EXPRESSES CONCERN

THE unusually large number of holidays in March 1961, which have made it perhaps the shortest working month of the year, has again brought to the fore the question whether a developing country like India can afford the luxury of so many holidays. During the past month there were as many as six holidays, excluding Sundays. If account is taken of Saturdays, which are half-holidays, the total number of holidays during the month works out to 12, that is, about 40 per cent of the number of days in the month. Although the incidence of holidays is not as high every month as in March this year, there is no doubt that the total number of holidays in a year in this country is the highest in the world. The Prime Minister, Mr. Nehru, whenever he gets the chance, never fails to remind the people that, at a time when every nerve of the nation needs to be strained to increase production and improve the standard of living of the people, to think of leisure is sinful. And he himself has set an example by following for years an eighteen-hour workday. But, ironically, the Government which he heads has not done enough to reduce the number of holidays in the country. While it is true that the number of public holidays for the Central Government employees other than railway and postal employees has been reduced since 1960 to 16 or 17 from the previous 23 in a year, still the fact remains that the number of paid holidays in this country is substantially higher than in the West. As far as commercial employees of banks, insurance companies, etc. are concerned, they continue to enjoy the same number of holidays as before. This is all the more deplorable especially because the case presented by Dr. P. J. Thomas, in his resolution in the Rajya Sabha two years back, for a drastic reduction in the number of public holidays has still greater validity now in the context of the national effort required for implementing the third Plan. The following passage in the Second Central Pay Commission's report has also not lost its validity in spite of the reduction, referred to above, in the number of holidays for the Central Government employees.

"Compared with other countries, about which we have information, there are certainly far too many public holidays in India: in none of those countries does the number of public holidays exceed nine as against 23 for the office staff and 14 to 16 for the generality of factory and other similar staffs here. The public holidays available to industrial workers in the U.K. are usually only six. It is true that in some Western countries a five-day week has been introduced in offices and even factories, but the hours of work within the shorter week are generally not fewer than those worked by comparable employees under our Central Government, and thus, in effect, employees here continue to have more holidays."

A Bold Lead

The Punjab Government, alone among the State and Central Governments, had the courage and the wisdom to reduce, as early as in 1959, the number of public holidays in the State to 12, as compared with 31 to 33 days allowed by most State Governments. The schedule of work as well as the number of working hours were also rationalised with the result that the number of working hours increased by about 25 per cent from 1,348 to 1,710. The Central Pay Commission commended this bold step, especially the reduction in the number of public holidays, as worthy of emulation by other State Governments.

As for commercial establishments, the present unsatisfactory position in respect of holidays equally calls for remedy. In this connection, Mr. C. H. Bhabha, Chairman of the Indian Banks' Association, has rendered a distinct service in calling attention to the large number of bank holidays in this country at the recent annual meeting of the Association held in Bombay. Quoting statistics of days and hours worked, Mr. Bhabha pointed out that the number of hours of work for bank employees in India was the lowest among the advanced countries while the number of public holidays enjoyed by bank employees in the country was the highest. For instance, he pointed out, the number of public holidays was eight in Belgium, nine in Denmark, 10 in U.K. and Norway, 12 in Sweden, 14 in Italy, 15 in West Germany (plus holidays on every third Saturday of each month) while it was as high as 25 in India. The number of days of privilege leave, to which bank employees are entitled every year, was also larger in India. The number was only 14 in U.S.A., 18 in U.K. and 18 to 24 (according to age groups) in W. Germany, while it was as high as 30 in India for employees of 'A' and 'B' class banks and 22½ for employees of 'C' and 'D' class banks. The number of working hours per week was only 36½ in India, as compared with 43¾ in W. Germany, 42 in the U.K. and 40 in the U.S.A. As a result of these, the number of hours bank employees work in India was only 1,610, as against 1,970 in W. Germany, 1,950 in the U.K. and 1,920 in the U.S.A. Commenting on the situation, Mr. Bhabha observed:

"When the urgent need of our country is to bring about as rapid economic development as possible, it is very unfortunate that among the countries mentioned above, India has the smallest number of hours of work every year for its bank employees. In my opinion, this aspect of banking in India should be considered seriously so that it may fulfil its role properly in the larger interest of our national economy."

Untenable Arguments

The usual arguments advanced against raising, or for reducing, the working hours in India are that the climatic conditions in this country are such as to make work more exhausting than in countries having temperate climates, that extension of working hours beyond a certain point brings only diminishing returns and increased absenteeism and thus becomes self-defeating and that employees should be enabled to have increased leisure for his personal enjoyment, cultural pursuits as well as for the maintenance of health and efficiency. After examining all these arguments and all the relevant circumstances, including climatic conditions and social environment, the Pay Commission, it may be recalled, came to the conclusion that the weekly hours of work of office staff in the Government are on the low side, that claims usually made about heavier strain of work on office staff are exaggerated and that an increase of working hours would be justified. It, however, did not recommend raising of the working hours in the hope that more intensive effort would be put in during the present hours, thus leading to the same result as extension of hours. What the Pay Commission said of Government offices is also true of banks and other commercial establishments. As the Commission rightly pointed out, increased leisure becomes valuable only when the rewards of leisure become more important than the fruits of additional labour. The stage of struggle for a minimum wage needed for a living just above the subsistence level is, perhaps, not the one at which provision of increased leisure, beyond the requirements of health and efficiency, should be the ground or the justification for reduction of working hours. On the other hand, until economic conditions improve substantially—and this can happen only when production increases as a result of more and better effort—what is required is not shorter but longer working days. A country whose *per capita* income is among the lowest in the world surely cannot afford the luxury of its factories and commercial establishments being closed for periods longer than the absolute minimum required to maintain the health and efficiency of the employees.

LABOUR SITUATION

The shift in emphasis from legislation in labour matters to co-operation between parties under Government auspices has been one of the special features of industrial relations in recent times, according to the annual report of the Union Ministry of Labour for 1960-61. The report says that, as a result of a review of the labour policy pursued in the second Plan, it is felt that, while Government's intervention in industrial disputes in the context of planning is unavoidable to a certain extent, real progress can be made only by the development of co-operative arrangements by the parties themselves in response to the changing needs.

The year under review, according to the report, brought tangible results to the working class through the implementation of recommendations of the Wage Boards for cotton textile and cement industries. The recommendations of the Textile Wage Board have been implemented by about 75 per cent of the units in the cotton textile industry. Attempts to secure acceptance of the recommendations by the remaining units are continuing, and, if necessary, suitable legislation will be promoted for the purpose. The recommendations of the Cement Wage Board are also in the process of implementation. The study in regard to workload suggested by the Wage Board, is in progress in a few selected cement factories by the Chief Advisor of Factories.

The report says that the Code of Discipline continued to exercise a restraining influence on industrial unrest by promoting an awareness of mutual obligations among the parties. The tripartite Implementation Committees at the Centre and in the States have been responsible for bringing about settlements in a number of complicated disputes. As a result of efforts made by the Central Implementation machinery, the number of cases settled out of court increased from 41 per cent in 1959 to 54 per cent in 1960. While in 1959 the time-loss was 7.8 million man-days, 1959 registered a decline of about 2.2 million and 1960 a further decline of about 1 million. Considering the increase in the number of industrial workers, the decline, the report maintains, is indicative of greater industrial peace during 1960.

In the field of labour legislation, a number of amendments to existing enactments were carried out either for the purpose of plugging loopholes in the existing legislation or for securing effective implementation. The Indian Trade Unions Act, 1926, and the Plantations Labour Act, 1951, were amended, and the scope of the Employees' Provident Funds Act was extended to cover small establishments employing a minimum of 20 workers. The Motor Transport Workers Bill, 1960, when passed into law, will regulate matters like hours of work, spread-over, overtime, leave with wages, etc., of workers in motor transport undertakings; while the Maternity Benefit Bill, 1960 seeks to reduce the disparities in benefits under the different Maternity Benefit Acts in the country.

The Employees' State Insurance Act was extended during the year to cover about 16 lakhs of workers in 112 centres. Roughly, one-third of this number has been covered along with their families. The Employees' Provident Funds Act, 1952, which initially applied to six industries, covered 4 industries by the end of December 1960, and the number of workers getting the benefit of provident fund was 28.2 lakhs.

The report of the Second Agricultural Labour Inquiry, carried out during 1956-57, was published during the year. In view of the changes in concepts and definitions, the results of this inquiry and the preceding agricultural labour inquiry cannot be strictly compared in all their details. However, adds the report, from a critical examination it would be seen that the picture presented by the second inquiry is perhaps not as gloomy as might appear at first sight from the bare statistics recorded. During the year, there was no significant change in the number of Joint Management Councils set up in various units to promote the scheme of labour participation in management. The workers' education programme, however, launched in 1958, made steady progress under a semi-autonomous board—the Central Board for Workers' Education.

Notices

ISAAC HOLDENS (INDIA) LIMITED

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE register of members and share transfer books of the Company will be closed from 20th April to 6th May 1961, both days inclusive.

By Order of the Board,
DUNCAN BROTHERS & CO., LTD.,
Managing Agents

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has declared an additional dividend on the Preference Shares in the Company in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960 in respect of the year ended 30th September, 1960, and also sanctioned payment of dividend on the same for the half-year ending 31st March, 1961.

The dividends will be paid on or after the 20th April, 1961 to those shareholders whose names appear on the Register of Preference Shareholders on the 18th April, 1961.

The Register of Members and Share Transfer Books for Preference Shares will be closed from the 10th April, 1961 to the 18th April, 1961, both days inclusive.

By Order of the Board,
A. G. GIDLEY,
Secretary.

12, MISSION ROW,
CALCUTTA-1, *1st April*, 1961.

CHEMICALS MAKE HEADWAY

MR. SHAH TELLS INDUSTRY TO BE COST-CONSCIOUS

DESPITE several handicaps, such as shortage of raw materials and imported machinery, India's chemical industry has given a good account of itself during the last decade of planning. Industries which have made substantial progress include sulphuric acid, soda ash, caustic soda, calcium carbide, titanium dioxide, phosphatic and nitrogenous fertilisers, penicillin and hydrogen peroxide. Besides, a wide range of new industries have come into being; these include heavy soda ash, hydrosulphite of soda, industrial explosives, dyestuffs and pigments, polyethelene, saccharine, nicotinic acid, procaine hydrochloride, vitamins A, C, B_6, B_{12}, organic chemicals and fine chemicals. In addition, ambitious schemes are on hand for the manufacture during the third Plan period, of such chemicals as intermediates for synthetic drugs and dyes, streptomycine, phenol, methanol, carbon black, synthetic detergents and synthetic rubber. Thus, while about ten years ago, India was virtually "bottlers and processors" of imported drugs, it is now fast becoming self-sufficient in respect of several basic chemicals and intermediates. Already, the total value of chemicals manufactured in India is Rs. 435 crores, as of 1960. This may be compared with Rs. 340 crores in 1959 and only Rs. 120 crores five years ago. The following table brings out in this connection the trend of increase in production of certain selected chemicals:

(In thousand tons)

	1960 (January-October)	1959	1956
Sulphuric acid	300	269	165
Caustic soda	81*	66	39
Soda ash	110*	94	84
Chlorine liquid	26*	24	15
Bleaching powder	5*	5	5
Bichromates	5*	4	3
Superphosphate	276*	250	81
Ammonium sulphate	314*	339	339
Copper sulphate	3	3	2
Zinc oxide	7	7	6
Paints and varnishes	40	54	42
Glycerine (refined)	5	4	3
Calcium carbide	8*	4	3
Alum	4	5	3
Potassium chlorate	3	3	2
Industrial alcohol ('000 bulk gallon)	45,000†	12,200	7,883
Power alcohol ('000 bulk gallon)	40,000†	7,524	10,243

* In metric tons. † Litres.

All this progress of the chemical industry was not confined merely to the quantum of output, for, as Mr. Manubhai Shah, Minister for Industry, observed in his inaugural speech at the Indian Chemical Manufacturers' Association, held at Bombay last week, there was also marked improvement in the quality of indigenous products. In fact, he added, the quality of Indian chemical products was second to none of the foreign products. It is probably this quality factor that seems to have enabled the industry to increase its exports from Rs. 5 crores in 1959 to Rs. 7 crores in 1960.

Research

While Mr. Shah complimented the industry on its steady progress in various fields, he also made it clear that there was still room for improvement. In this connection, he advised the industry to set up a co-operative research organisation, which would serve to step up the efficiency of the industry. He gave an assurance to the industry that the Government of India would consider granting aid to the tune of Rs. 55 lakhs annually, or even more, for such a research unit. Another important suggestion Mr. Shah made was that the industry should co-operate to establish plants for the fabrication of chemical equipments and components within the country, instead of depending on imports. He emphasised that it was the moral and national duty of every industrialist to see that the prototype of imported unit was built within the country, if possible with further improvement, for subsequent projects. Drawing attention to another major lacuna in the development of chemicals, Mr. Shah said that the growth of coal-based chemicals was too slow. He suggested that every State should have at least a small coke oven battery which would provide a wide range of by-products for the chemical industry.

Mr. Shah made a fervent plea to the industry to be cost-conscious lest it be priced out of international markets. Admittedly, prices of several chemicals in India are not competitive. Analysing the causes of relatively higher prices, Dr. K. A. N. Rao, the retiring President of the Association, observed that this was due to higher cost of inorganics, dependence on imported basic raw materials subjected to higher import duty than the finished products in many cases, the small size of several manufacturing units and, consequently a lower standard of efficiency. Dr. Rao added that the excise duty imposed recently on certain chemicals, dyestuffs as well as patent and proprietary medicines had adversely affected the industry. While the Government had all along been impressing on the manufacturers the need for holding the price line, such duties increased the cost of these items to the consumer not only because of direct levy but also because of the increase in cost of supplies from ancillary industries like chemical raw materials, glass, paperboard, cellophane paper, etc. The classification of patents and proprietary medicines, according to him, was also defective. The Association had already represented to the Union Ministry of Finance for a reduction in the excise duty and for proper classification. Dr. Rao also referred to the shortage of coal, cement and electric power required by the industry.

Procedural Delays

A common complaint of the business community is the procedural delays involved in the sanctioning of licence applications by the Ministry of Commerce and Industry and the Development Wing. The Government, no doubt, has been alive to this problem and it has introduced several measures to minimise the delay. There are, however, still loopholes which can be overcome if earnest efforts are made. Referring in particular to the difficulties faced by the industry seeking foreign collaboration, Dr. Rao observed as follows:

"For securing a licence to start a new industry, where foreign collaboration is envisaged and imported capital equipment is necessary, three separate sanctions have to be obtained from Government: (1) a licence under the Industries (Development and Regulation) Act, (2) approval of collaboration terms, and (3) import licence for capital equipment where such import is necessary. When a company submits an application for an Industries Act licence, it is advised by the Ministry to forward an import licence application for capital equipment to the Chief Controller of Imports and Exports at the same time. In practice, no action is taken by the C.C.I. and E. until after an Industries Act licence is granted and the Capital Goods Committee sanctions the import of capital equipment and the Foreign Collaboration Committee approves of the terms of collaboration where it is necessary. Even in the Ministry, it is only after the Licensing Committee has submitted its recommendation that the C. G. Committee takes up consideration of the other aspects of the scheme. It is believed that even the Licensing Committee would examine the foreign exchange required for import of capital goods and the collaboration terms before recommending the grant of an Industries Act licence. Such being the case, it is for consideration whether all these three stages may not be taken up more or less at the same time, so that the delay in implementing a project may be reduced."

Dr. Rao's suggestion for the expeditious processing of applications for collaboration deserves to be examined by the authorities for implementation. It is to be hoped that avoidable delays of the kind mentioned by Dr. Rao will not hamper the steady growth of the chemical industry.

(*Concluded from next column*)

receive regular visits from the U.K. and Continental manufacturers. It is recommended that the Reserve Bank of India should consider favourably applications from reputable manufacturing organisations for their representatives to visit foreign markets for the purpose of promoting export trade.

5. Commercial secretaries in Indian embassies be advised to submit to the Government a detailed list of the countries where biscuits are imported as well as the annual value of such imports. Such information will be useful in order to gauge potential markets that exist in the respective countries.

The Government of India is making every effort to diversify the pattern of export trade by encouraging export of new industrial manufactures. Mr. Khanna's suggestions, viewed thus, are of added significance and deserve to be given due consideration by the Government of India and Reserve Bank.

INDO-PAK TRADE

Following a review of trade between India and Pakistan under the limited payments agreement signed in 1959 by the representatives of the two countries at New Delhi last week, it has been decided to raise the total value of mutual trade for next year to Rs. 12 crores, including the carry-over (Rs. 3.5 crores) from the unfulfilled part of the amount fixed for last year. The current year's value of trade under the agreement continues to be the same as for last year, namely, Rs. 8.2 crores or Rs. 4.1 crores either way. There was a sizable shortfall in trade under the limited payments agreement last year. As against the ceiling of Rs. 4 crores, India's imports from Pakistan under the limited payments agreement were only about Rs. 2.3 crores in return for goods worth Rs. 2.6 crores.

PROGRESS OF BISCUIT INDUSTRY

PLEA FOR IMPORTS OF MORE MACHINERY

THE biscuit industry has made rapid strides in the last few years. The total output of the industry rose from only 11,578 metric tons in 1955 to 20,069 metric tons in 1959, and further to 23,372 metric tons last year. (These figures exclude "service biscuits" manufactured for Defence Forces.) It is estimated by the Development Council for Food Processing Industries that the domestic demand for biscuits will go up to 25,000 tons by the end of the third Plan. Already, the industry has an annual installed capacity of 30,000 tons on a single-shift basis. If the last year's rate of growth of output is maintained, the industry will have passed the 25,000-ton mark in the current year. The future development of the industry will, therefore, depend largely on its capacity to compete in world markets and secure assured markets for Indian biscuits abroad. The industry, of course, has made some progress in this regard, the value of total exports having gone up from Rs. 2.44 lakhs in 1959 to Rs. 2.55 lakhs in 1960.

Indian biscuit manufacturers are relatively late-comers in the field of world trade and, therefore, have to compete with their counterparts from several advanced countries, such as the U.K. and Australia. It is, therefore, imperative that the Indian industry should spare no efforts to increase its efficiency and reduce the cost of production. Much leeway has to be made up in this field. Machinery installed in most of the factories, for instance, is obsolete and worn out. As pointed out by Mr. A. C. Khanna, President of the Federation of Biscuit Manufacturers of India, at the annual meeting of the Federation held at New Delhi on the 1st inst., machinery and equipments of many units are in such a bad condition that it is more economical to replace the entire machinery rather than the damaged parts, which again are generally not available, as the foreign manufacturers have ceased to produce such parts for obsolete machinery. Mr. Khanna observed that biscuit machinery manufacturers abroad were introducing automation. He added that some of the biscuit manufacturers in the U.K. had electrically-controlled plants, which automatically feed in correct sequence and proportion flour and other ingredients into one end of a bake-house and turn out biscuit at the other. According to him, the industry would need imports of machinery worth about Rs. 30 lakhs during the two years 1961 and 1962. Mr. Khanna called upon the Government to sanction this modest amount for the renovation of the industry. In view of the dire need for modernisation of the industry, it is to be hoped that the Government will consider Mr. Khanna's suggestion sympathetically.

Export Promotion

Mr. Khanna revealed that Indian exporters had been quoting prices lower by 30 to 40 per cent, as compared with domestic prices. If then Indian biscuits have not made much headway abroad, this may be due to the fact that "dealers there prefer to buy well-established brands, popularised after several years of continuous advertisement and propaganda." This only highlights the need for concerted measures for export promotion on the part of Indian exporters and Government. In this connection, it will be interesting to hear from Mr. Khanna certain suggestions for promoting exports. His suggestions are as follows:

1. Sugar and flour used in the manufacture of biscuits for export be supplied at subsidised rates or rebate be allowed on the difference between the internal prices and the prices prevalent in the competing countries, such as the U.K. and Australia.

2. After repeated representation, the Reserve Bank of India has agreed that the rate of commission admissible for foreign agents be raised from 5 per cent to 7½ per cent, but this too is not adequate since we understand that biscuit manufacturers in other countries are allowing their agents abroad a higher rate of commission, that is 10 to 15 per cent.

3. The manufacturers may be allowed to remit for publicity and advertisement, money upto 10 per cent of the sales abroad. All our European competitors regularly advertise in foreign markets, even though they have been established there for the past 50 years. It is, therefore, still more necessary that at least similar facilities be made available to our members.

4. Over the past years, we have experienced exceptional difficulty in obtaining foreign exchange for our representatives who are sent to visit overseas markets, and, if we are to promote our export trade, personal touch with established foreign dealers is essential. In the initial stage, our representatives be permitted to contact and appoint overseas customers or agents who are accustomed to

(*Continued in previous column*)

E.I.D.'S SALES AT ALL-TIME HIGH LEVEL

FINANCIAL POSITION VERY SOUND

THE East India Distilleries and Sugar Factories Limited (Secretaries: Parry's Holding Private Ltd.) is one of the leading sugar producing companies in India with a wide variety of other activities as well. The Company's sugar plant has a capacity to crush 2,200 tons of cane per day and the sugar is produced on double sulphitation process. The Company has a distillery which manufactures various kinds of spirits required for industrial and medicinal purposes. It also owns chemical, ceramics and fertiliser works.

The year ended 30th September 1960 was a fairly good one for the Company. The crushing season was longer—182 days, as against 173 days in the previous year—the quantity of cane actually crushed being 344.648 tons, as against 326,394 tons. Consequent on enlarged crushing operations and in view of a further improvement in the average recovery per cent of sugar (from 8.32 in 1957-58 and 8.67 in 1958-59 to 8.92 in 1959-60), sugar production was higher by 2,468 tons at 30,775 tons. However, the average quantity of cane crushed per day was below the installed capacity to the extent of 300 tons.

The sale proceeds of the Company have touched an all-time high of £11,168,000 in 1959-60, as against £10,472,000 in the previous year and the previous high of £10,851,000 in 1957-58. Other income has also increased from £668,000 to £721,000, due to the expansion of diversified activities. The increase in receipts, however, has been offset by the rise in expenses from £9,744,000, to £10,354,000, with the result that the profit margin has receded from 8.32 per cent to 8.02 per cent. Thus the gross profit shows only a small increase of £24,000 to £896,000. After providing £381,000 for taxation (as against £407,000 in the previous year), the net profit stands higher by £46,000 at £393,000. The total dividend on ordinary shares is slightly lower at 21-3/7 per cent subject to taxation, as against 20 per cent paid in the previous year, but it must be noted that the final dividend of 14-2/7 per cent is on increased capital, following the issue for cash of 550,050 new ordinary shares of £1 each.

There is some difference in the figures relating to the net profit of the East India Distillery. For instance, as against the profit of £331,000 shown in the last year's report, the figure for previous year in the current year's accounts shows an amount of £386,000. Again, the profit of the Holding Company for 1958-59 as shown in this year's report is £338,000, as against £283,000 mentioned in the report for 1958-59. The discrepancy is probably due to the change in the figures for the previous year made in order to conform to the lay-out of the accounts for the current year.

The comparative working of the Company for the last four years is indicated in the following table:

(In thousands of £s sterling)

	For the year ended 30th September			
	1960	1959	1958	1957
Sale proceeds	11,168	10,472	10,851	10,217
Other income	721	668	514	50
Expenses	10,354	9,744	9,986	9,545
Excise duty on sugar ..	693	524	587	867
Gross Profit	896	872	842	841
Provision for—				
Depreciation	122	117	118	100
Taxation	381	407	427	506
Net profit	393	347	302	235
Profit of E.I.D. alone ..	379	331	291	223
To reserves	112	207	160	123
Dividends—				
7 per cent. preference ..	18*	6†	14	14
Ordinary	196*	106	110	82
	(21-3/7%)*	(20%)	(20%)	(15%)
Carry forward	127	82§	71	64
Quantity of cane crushed (tons)	344,648	326,394	350,197	371,291
Sugar Production (tons) ..	30,775	29,807	29,182	33,416
Average recovery ..	8.92%	8.67%	8.32%	9%

* Subject to deduction of tax.
† Interim dividend only after deduction of tax.
§ Subject to payment of final dividend on preference capital.

The balance-sheet shows the increase in the ordinary share capital from £550,000 to £1,100,000 to finance the expansion programme of the Ennore Factory. As already stated, the Company issued 550,050 ordinary shares of £1 each at a premium of 10s. to both ordinary and preference shareholders in the proportion of 11 shares for every 15 ordinary and preference shares held. The share premium account has increased by £275,000 to £355,000. The total reserves of the Company, excluding reserves for future taxation, have gone up from £1,474,000 to £1,861,000. The gross block stands at £1,991,000. As the depreciation provided so far amounts to £1,188,000, the net book value of the fixed assets is £803,000. The financial position of the Company is very sound inasmuch as the current assets (inclusive of investments) at £6,347,000 are well above the current liabilities of £3,675,000 to the tune of £2,672,000; the excess a year before was £1,730,651. A large part of the increase in excess is due to the inclusion in cost and bank balances of the proceeds of the share issue which had not been utilised at the end of the year.

The Directors' report gives some idea of the progress made by the Company in spheres other than sugar production. Sales of spirit, carbonic acid gas and chemicals were at the usual level. In the ceramics division, the year under review was largely free from interruptions to production arising from kiln breakdowns and, therefore, production, sales and profits were maintained at an extremely satisfactory level and made a substantial contribution to Group profits. The emphasis on quality has been maintained. Raschig rings, the production of which was started in 1958, found a good market during the year.

Turnover in the fertilisers division was larger than in the previous year. The increase would, however, have been more marked if the allotments by the Government of nitrogenous fertilisers for incorporation in Parry fertiliser mixtures had been sufficient to meet the expanding demand. Construction work has now commenced on the new ammonium phosphate factory at Ennore near Madras. Substantial progress has been made and production is scheduled to start in June 1962. In merchanting business, the emphasis has remained on the sale of products manufactured in India. During the year, steps were taken to streamline the sales organisation with a view to reducing the amount of capital employed in this side of the business and to offset the tendency towards narrower margins of profit.

The Company has so revised the Articles of Association as to fix the preference shares dividends at 9 per cent taxable, as against 7 per cent tax-free in previous years. It has already made payment at the revised rate for the two years ended 30th September 1960.

The £1 ordinary shares of the Company are currently quoted at Rs. 44.20 and, on the basis of a net dividend of Rs. 2 per share, the net yield works out to 4.5 per cent.

(*Concluded from next column*)

pany had provided for depreciation a sum of Rs. 28.26 lakhs. In addition, the capital works in progress amounted to Rs. 1.04 lakh.

In 1948, consequent on revaluation of fixed assets, with a view to bringing its book value on a par with the then prevalent market value, a sum of Rs. 7.65 lakhs pertaining to the appreciation in the value of block was adjusted in the books by creating a revaluation of fixed assets reserve at Rs. 6.15 lakhs and crediting the balance of Rs. 1.50 lakh to the capital reserves. In view of audit objections in regard to the provision of depreciation on the value of assets, the Company has written down the value of fixed assets by wiping out the revaluation of fixed assets reserve (Rs. 6.13 lakhs) and debiting the capital reserves by Rs. 1.50 lakh.

The reserves and surplus aggregate over Rs. 56 lakhs, which compares well with the paid-up equity capital of the Company amounting to Rs. 20 lakhs. The general reserves exceed Rs. 14.5 lakhs and the sums at the credit of mechanisation reserve (Rs. 21.5 lakhs) and building reserve (Rs. 8.9 lakhs) are adequate.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 43.62 *cum-div.* On an *ex-div.* basis, the approximate yield works out to 9 per cent subject to taxation.

PERMANENT MAGNETS LTD.

Permanent Magnets Ltd. has announced that all formalities in regard to the purchase of land in Borivli, Greater Bombay, have been completed and that possession of the land will be taken shortly. Construction work at the site is scheduled to commence by the middle of next month and be completed by the end of December 1962. Orders for the purchase of machinery and equipment will be placed within three or four weeks, and they are expected to come into India by the end of January 1962. The plant is expected to go into production towards the close of April 1962.

ORISSA MINERAL'S RESULTS SATISFACTORY

RESERVES STRENGTHENED

DESPITE increased earnings, particularly from iron ore sales, the gross profit of the Orissa Mineral Development Company Ltd. [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] for the year ended 30th June 1960 was a shade lower at Rs. 31.65 lakhs, as against Rs. 31.95 lakhs for the previous year. But the net profit is higher at Rs. 17.37 lakhs, as against Rs. 14.66 lakhs. This is due largely to the notable reduction in tax liability, the provision actually made being not more than Rs. 8.40 lakhs, that is Rs. 3.10 lakhs less than that provided in 1958-59. The sum allocated to depreciation is, of course, higher at Rs. 3.59 lakhs, as against Rs. 2.92 lakhs. The net profit is arrived at after adjusting in the accounts for the year a sum of Rs. 2.87 lakhs pertaining to 1958-59. Notwithstanding the handsome improvement in net profit, the Directors of the Company have only maintained the dividend at the previous year's level of 36 per cent taxable, for they have perhaps considered it prudent to strengthen the reserves. Thus, more than half of the net profit—Rs. 9.95 lakhs—has been set apart for reserves. A sum of Rs. 1.11 lakh has been carried forward, as against Rs. 88,340 in 1958-59.

Encouraged by the expanding needs of the steel plants in both private and public sectors, the Company has stepped up its raisings of iron ore. The output in 1959-60 was higher at 702,000 tons, representing an increase of about 20 per cent over the previous year. Despatches also registered an improvement of over 100,000 tons. It is, however, unfortunate that the full advantage of the increasing demand for iron ore raised by the mines, could not be availed of by the Company as the railways could not ensure necessary transport facilities. Similarly, the acute wagon shortage hindered the quick movement of ore from the mines to the docks for being exported. The output and sales of manganese ore and manganese dioxide declined during the year. The Company's deposits of manganese dioxide ore are stated to be nearly on the verge of exhaustion. Even so, there has been an increase of 12 per cent in the sales proceeds of the Company.

The performance of the Company in the last four years is depicted in the statement below:

(In lakhs of rupees)

	1960	1959	1958	1957
Sale proceeds (gross) ..	130.75	119.21	128.14	98.77
Closing stock	9.41	9.52	8.80	18.06
Expenses	109.88	89.50	89.60	67.71
Gross profit	31.65	31.95	47.85	19.28
Depreciation	3.59	2.92	3.17	1.85
Taxation	8.40	11.50	8.30	10.90
Managing Agents' remuneration ..	2.29	2.87	4.07	1.79
Adjustment in respect of previous years ..	2.87	0.31	..	..
Net profit	17.37	14.66	32.01	4.74
Reserves	9.95	8.00	2.76	0.80
Dividends	7.30	7.30	5.00	4.00
	(36%)*	(36%)*	(25%)	(20%)
Carry forward	1.11	0.88	1.42	1.16
	Tons	Tons	Tons	Tons
Raisings of iron ore ..	709,291	587,903	502,970	411,978
Despatches of iron ore ..	693,068	564,193	448,091	411,767
Raisings of manganese ore	61,886	60,067	49,410	34,477
Sales of manganese ore ..	50,966	56,990	56,061	43,477
Manganese dioxide	540	1,404	1,498	..
Sales	966	1,681	3,788	2,981

*Subject to deduction of tax.

In the course of the last three years, the liabilities of the Company have increased by over Rs. 20 lakhs. During 1959-60 alone, the Company borrowed about Rs. 5 lakhs from banks to meet its working capital. The total liabilities at the end of June 1960 amounted to about Rs. 75 lakhs. As against these liabilities, the current assets exceed Rs. 68 lakhs, supplemented by investments, mainly in the shares of sister concerns, of about Rs. 43 lakhs. The holding of the Company in the Bolani Ores (Private) Ltd., an associate concern under the same Managing Agents, alone exceeds Rs. 34 lakhs. Considering the heavy liabilities and financial needs of the Company to meet its own requirements, the investment of heavy sums in outside securities would appear to be a little on the high side. The working of Bolani Ores (Private) Ltd. is stated to be satisfactory and despatches of ores to the Durgapur Steel project commenced in April 1960. Another partnership firm in which the Company had interest is the Eastern Shipping Syndicate which ceased its activities since August 1957. The dissolution proceedings are in progress.

The net additions to block during the year amounted to Rs. 12 lakhs, of which the cost of earth-moving equipment was Rs. 8.6 lakhs. On a gross block of Rs. 68.91 lakhs (after revaluation of fixed assets) at the end of June 1960, the Com-

(*Continued in previous column*)

BRAITHWAITE & COMPANY EARNS MORE

DIVIDEND RAISED AGAIN

BRAITHWAITE and Company (India) Ltd. (Chairman: Sir John Douglas Keith Brown) had very satisfactory trading conditions during the year ended 31st December 1960. Production in the structural shop at Clive Works was well maintained throughout the year, with a record tonnage of 11,990, as against 6,488 tons in 1959. Production of pressed steel tanks was also well maintained and a further increase is considered likely as plates become freely available from indigenous sources. In regard to railway wagons, however, the Company was severely handicapped by a shortage of weldable quality steel and lack of supplies of components to be imported on its behalf by the Railway Board; the output in the wagon shop declined for the third year in succession to 7,563 tons, as against 8,157 tons in the previous year, 10,572 tons in 1958 and 12,685 tons in 1957.

In contrast to the recession in activity noted in 1959, the achievements of the Company during the year under review are quite noteworthy. The contracts invoiced and in progress have risen by Rs. 37.37 lakhs to Rs. 754.08 lakhs. The gross profit, as a consequence, has improved, albeit slightly, from Rs. 38.44 lakhs to Rs. 42.47 lakhs. After providing Rs. 4.02 lakhs for depreciation and Rs. 17 lakhs for taxation, the net profit shows a rise of Rs. 2.15 lakhs to Rs. 21.45 lakhs. The dividend has been stepped up again from 22½ per cent to 25 per cent subject to deduction of tax. Net dividend works out to Re. 1.75 per share, as against Re. 1.575 in the previous year.

The table below shows at a glance the working of the Company since 1957:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Contracts invoiced ..	340.97	341.80	334.84	338.29
Other income ..	10.55	12.73	7.62	7.33
Contracts in progress ..	413.11	374.91	417.76	396.14
Expenses	347.25	269.23	321.91	335.21
Gross profit	42.47	38.44	43.37	43.88
Provision for—				
Depreciation ..	4.02	3.64	2.07	4.31
Taxation	17.00	15.50	22.25	25.55
Net profit	21.45	19.30	16.15	14.02
To reserves	6.78	9.04	9.15	5.87
Dividend	14.15†	12.73†	7.07	11.32
	(25%)†	(22½%)†	(12½%)	(20%)
Carry forward ..	2.84	2.27	1.75	1.82

† Subject to deduction of tax.

N.B.—In 1958, the Company paid a dividend of Re. 1 per share (or 10 per cent) for the two years 1954 and 1955, in order to avoid the mischief of Section 23A of the Indian Income-tax Act.

The financial position of the Company is very sound. As against the paid-up capital of Rs. 56.60 lakhs (all in ordinary shares of Rs. 10), reserves and surplus aggregate Rs. 80.52 lakhs. The net addition to reserves and surplus during the year is Rs. 7.30 lakhs. The net block, including capital work-in-progress, has increased from Rs. 66.16 lakhs to Rs. 72.81 lakhs. The total depreciation provided since December 1955, when the assets were revalued amount to Rs. 16.49 lakhs. Investments amount to Rs. 18.50 lakhs, of which quoted investments account for Rs. 10.81 lakhs and unquoted investments for Rs. 7.69 lakhs. The market value of quoted investments is fractionally above the book value. The total current assets (Rs. 132.11 lakhs) exceed total current liabilities (Rs. 86.30 lakhs) by as much as Rs. 45.81 lakhs.

During the year, the Company took over the Angus Works on a 99 years' lease and satisfactory progress has been made to develop it as a first class mechanical engineering factory. The Company has applied for permission to undertake manufacture of various types of cranes as well as to increase the licensed capacity for the fabrication of heavy structurals. The manufacture of components for railway wagons at this works has removed to a great extent the bottlenecks which have restricted wagon output frequently in the past, due to failure to obtain deliveries of bought out components. Plans for the developments of the works are expected to be finalised in the current year.

The structural shop at the Clive Works was principally engaged in the fabrication of structural steelwork for the wheel, tyre and axle plant at Durgapur and for the adjacent A.V.B. project for the manufacture of water tube boilers, cement making machinery and other heavy plant. Production in the wagon shop consisted mainly of bogie under-frames for railway passenger coaches and the new heavy mineral wagons, popularly known as Box wagons. It is satisfactory to note that, though the tonnage output of railway wagons is falling in recent years, the wagons produced have a higher cost and sale value.

The exports of some of the Company's products were sustained during 1960. An increased tonnage of plants for the manufacture of pressed steel tanks was exported. The Company is intensifying its export effort and has in recent months dealt with enquiries for a bridge in Thailand as well as for railway wagons in other countries.

As for the prospects for the current year, Sir John Brown, the Chairman of the Company, observes:

"We face 1961 with a satisfactory order-book so far as the wagon shop is concerned, but already it is clear that activity in the structural shop at Clive Works must be on a reduced scale for most of the year. We have plenty of capacity, but we are short of orders and the steel to fabricate them. However, this is, I hope, a temporary phase, as a number of tenders in which we are concerned either directly or through our associates, the Braithwaite, Burn and Jessop Construction Company, Ltd., have recently been opened and we have good hopes that the competitive prices quoted will result in a number of useful orders. This will absorb our drawing office staff later in the year, but I fear that none of these orders can be translated into output by the end of it.

"Our experience during the past year has emphasised the necessity for the Company to concentrate on the fabrication of the heavy and more specialised steelworks to the highest standards. Competition from the many smaller concerns entering the structural engineering field is making it difficult for an organisation such as ours which maintains a large specialist staff and a completely integrated design and drawing office to keep our costs competitive in order to obtain an adequate share of the lighter type of work. The implications of this situation are, I can assure you, engaging the attention of the management.

"We are building up our organisation at Angus Works and, while I cannot foresee a spectacular increase in turnover this year, I am hopeful that, before it is out, subject to our receiving import licences for the necessary plant, we will have made substantial progress in reorganising the foundry and increasing its output as well as getting ourselves set up for the manufacture of at least some types of cranes.

"While it is early in the year to make any forecast, we would expect increased activity in the wagon shop at least to offset the reduced tempo in the structural shop and, therefore, provided raw materials and wagon components are available, to maintain our profits. It will be some years yet before we can expect that Angus Works will make any material contribution to profits, but we can foresee steady progress there. So far as the further future is concerned, from what I have already stated, you will appreciate that the policy of the Board is to achieve a measure of diversification of its activities without, however, sacrificing the homogeneity of the business or diluting standards of management and supervision."

The current market quotation for Rs. 10 paid-up shares is Rs. 36.87 *cum-div.* On an *ex-div.* basis, the yield works out to 4.9 per cent, taking the net dividend at Re. 1.75 per share.

J. K. STEEL FORGES AHEAD

The working results of J. K. Steel Limited (Managing Agents: J. K. Industries Private Limited) for the year ended 30th June 1960 are very encouraging. In spite of the 71-day illegal strike (from 18th September to 27th November 1959), the gross profit of the Company has gone up by nearly 64 per cent, from Rs. 18.03 lakhs in 1958-59 to Rs. 29.65 lakhs in 1959-60. The rise has followed a marked increase in sales (including packing and forwarding charges) which amount to Rs. 126.42 lakhs, as against Rs. 96.64 lakhs in the previous year and Rs. 57.83 lakhs in 1957-58. Thus, in two years, sales have more than doubled, quite a notable achievement indeed.

Against an increase of 30 per cent in sales, expenses have risen by only 19 per cent from Rs. 90.51 lakhs to Rs. 107.87 lakhs. Consequently, the gross profit, as already stated, has gone up by nearly 64 per cent to Rs. 29.65 lakhs. Out of the profits, provision for depreciation has been made at Rs. 6.02 lakhs (Rs. 5.12 lakhs in 1958-59) and taxation absorbs Rs. 7.30 lakhs (Rs. 2.02 lakhs). After excluding these sums as well as the Managing Agents' commission of Rs. 2.36 lakhs, the net profit for 1959-60 comes to Rs. 13.97 lakhs, as against Rs. 9.74 lakhs in the previous year. The enlarged profit, together with the writing back of Rs. 5.59 lakhs, on account of excess provisions for depreciation in previous years, has enabled the Directors to transfer to general reserves a larger sum of Rs. 14.30 lakhs, provision in the previous year being Rs. 12.30 lakhs, and to step up the dividend from 12½ per cent to 20 per cent, subject to deduction of tax.

The paid-up capital of the Company is Rs. 30 lakhs: Rs. 10 lakhs in 10,000 seven per cent cumulative redeemable preference shares of Rs. 100 each and Rs. 20 lakhs in 200,000 ordinary shares of Rs. 10 each. As against this, reserves and surplus amount to Rs. 38.92 lakhs. The net block stands at Rs. 59.92 lakhs, after providing Rs. 17.92 lakhs for depreciation. The total investments have risen from Rs. 6.24 lakhs to Rs. 8.28 lakhs, including the investments of Rs. 2.50 lakhs in 50,000 ordinary shares of Straw Products Ltd., on which Rs. 5 each have been paid up. The share of quoted and unquoted investments is Rs. 6.14 lakhs (market value Rs. 6.43 lakhs) and Rs. 2.14 lakhs respectively. The total of current assets at Rs. 78.86 lakhs (inclusive of investments) are well above the current liabilities aggregating Rs. 69.85 lakhs.

The closing stocks have increased by Rs. 12.37 lakhs or over 50 per cent to Rs. 36.92 lakhs. But the rise is accounted for not by finished goods but by raw materials and stock-in-process. This indicates that the Company has thought it better to increase the inventory, in view of higher trading prospects. The supply position of raw materials for the cold rolling wire rope plants has improved, resulting in a higher level of production. Import of wire ropes and cold rolled strips are still being allowed. Every effort is being made by the Company to impress upon the Government the need for further restriction on imports of these products.

In their report the Directors state that the expansion schemes in hand are being pursued. The Company has obtained licences for the manufacture of mild steel wires from the existing available capacity of its plant and for doubling the capacity of the wire rope plant.

The shareholders who had applied for the shares of this Company in 1959 have every reason to feel satisfied not only at the satisfactory rate of dividend for two years but also at the appreciation in share value. The current market quotation for Rs. 10 paid-up shares stands at Rs. 27.50 *cum-div.* On an *ex-div.* basis the net yield works out to 5.3 per cent, taking the tax-free dividend as Re. 1.40 per share.

LYNX MACHINERY LTD.

A new public limited company under the name Lynx Machinery Ltd. has been formed with Mr. C. C. Desai, I.C.S. (retd.), as Chairman, to take over the partnership firm of Lynx Machinery Company as a going concern. The Company, since it was established in June 1957, has been manufacturing concrete vibrators, concrete mixers, roller pan mixers and other equipments used in the building and construction trade. The progress of the Company has so far been quite satisfactory, the total value of production having touched Rs. 18.54 lakhs in 1959-60, as against only Rs. 6.6 lakhs in 1958-59 and Rs. 2.79 lakhs in 1957-58. The new Company plans to diversify production by undertaking manufacture of other items, such as engines, cranes of all types, grinders and tools. It has secured the technical collaboration of several reputed foreign manufacturers on royalty basis. The collaboration extends to making available to the Company blueprints and technical know-how in the manufacture of their respective products in India and the use of their established brand names. The foreign firms concerned are: 1. R. A. Lister and Company Ltd., England, (for the manufacture of D and B type engines), 2. E. P. Allam and Company (India) Private Ltd. in association with E. P. Allam and Company Ltd., England (for the manufacture of Allam range of concrete vibrators), 3. Demag-Zug G.m.b.H. of W. Germany (for the manufacture of overhead travelling cranes Goliath cranes, etc.), 4. Schiess-Defries of W. Germany (for the manufacture of overhead travelling cranes, Goliath cranes, etc.), 5. Flexible Drive and Tool Company Ltd., England (for the manufacture of flexible shaft machines and allied engineering tools), 6. Ofu-Lynx Private Ltd., in association with Ofu-Ofenbau Union G.m.b.H. of W. Germany (for the manufacture of Ofu furnace parts), and 7. Poly Techna of Czechoslovakia for the manufacture of Skoda diesel engines.

The Company has announced the issue of Rs. 60 lakhs (600,000 equity shares of Rs. 10 each). Of this, only half (Rs. 30 lakhs) is offered to the public, the balance being taken up by the promoters, directors, their friends and associates. The capital will be used for financing the purchase of the Lynx Machinery Company and the import of plant and machinery for the expansion of the Company for which it has secured the permission of the Government of India. List for public subscription will open on Tuesday the 18th inst.

ANNOUNCEMENT

STATE BANK OF TRAVANCORE

(Subsidiary of the State Bank of India)

have pleasure to announce that, in pursuance of their objective to promote savings and encourage rural deposits

THE INTEREST RATES ON SAVINGS BANK ACCOUNT

in all their offices

HAVE BEEN RAISED

as from the 1st April, 1961, as under:—

FROM 2½% TO 3% P.A.

T. R. KRISHNASWAMI,
General Manager.

PROGRESS OF SEN-RALEIGH ENCOURAGING

ISSUE OF FRESH CAPITAL LIKELY

FOR the second year in succession, the outout of complete bicycles by Sen-Raleigh Industries of India Ltd., Calcutta (Secretary: Mr. K. D. Ganguli), has registered a substantial improvement, which is clearly reflected in the notable increase in sales proceeds from Rs. 293.57 lakhs in 1958-59 to Rs. 358.38 lakhs during the year ended September 1960. Despite such an improvement, the gross profit of the Company has risen by just Rs. 11.23 lakhs to Rs. 44.50 lakhs. This is evidently because of the increased cost of raw materials consumed, the value of which has gone up from Rs. 158.36 lakhs in 1958-59 to Rs. 203.14 lakhs in 1959-60, as well as the rise in other expenses from Rs. 98.41 lakhs to Rs. 117.40 lakhs. Consequently, and in view of the heavy provision for depreciation (Rs. 20.01 lakhs which is more than double the amount allocated in the previous year), the net profit has increased by a bare Rs. 31,000 to Rs. 24.04 lakhs. The Directors have not made any provision for taxation, excepting that a sum of Rs. 45,000 has been deducted from the gross profit for 1959-60 on account of the tax (30 per cent) payable on preference dividend for the year 1958-59, in accordance with the Preference Shares (Regulation of Dividends) Act 1960.

The Directors have reconstituted the various reserves. Thus the building fund has been merged with capital reserves and the reserve for machinery replacement and rehabilitation with the general reserve. A new reserve, called taxation equalisation reserve, has been created and Rs. 10 lakhs have been transferred to this reserve. The development rebate reserve, the general reserve and the reserve for repayment of loan get Rs. 1.18 lakhs, Rs. 3 lakhs and Rs. 2.75 lakhs respectively, as against Rs. 9.88 lakhs, Rs. 3 lakhs and Rs. 2.75 lakhs in the previous year. In other words, this means that a total of as much as Rs. 16.93 lakhs, or more than two-thirds of the net profit, has been ploughed back for the future expansion of the Company. Dividend on ordinary shares has been maintained at the previous year's level of 8 per cent (taxable). After deducting the tax, the net dividend works out to 5.6 per cent which is less than the tax-free dividend of 6 per cent declared in the years 1956-57 and 1957-58. It is thus clear that the shareholders have not yet begun to enjoy the benefit of improved working results of the Company.

A synoptic view of the progress of the Company since 1957 can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 30th September			
	1960	1959	1958	1957
Sales proceeds	358.38	293.57	212.85	196.58
Closing stocks	66.19	43.43	34.41	30.12
Raw materials consumed	203.14	158.36	119.23	119.49
Tools, stores, and spares consumed	17.57	13.07	8.76	4.77
Other expenses	117.40	98.41	70.36	56.39
Gross profit	44.50	33.27	19.57	23.17
Provision for—				
Depreciation	20.01	9.54	8.29	7.28
Taxation	0.45*	..	0.62	0.63
Net profit	24.04	23.73	10.66	15.28
Tax refunds and excess provision written back	..	0.17	0.01	0.37
Agency commission adjusted	..	..	..	1.90
Reserves (General)	15.75	15.63	5.20	7.85
Development Rebate Reserve	1.18	..	..	..
Dividend—				
5 per cent. preference	1.95	1.50†	1.50*	1.46*
Ordinary	5.60	5.60	4.20	4.06
	(8%)†	(8%)†	(6%)	(6%)
Carry forward	1.17	1.61	0.43	0.66

* On account of 30 per cent. of the preference dividend payable as prescribed by the Preference Shares (Regulation of Dividends) Act 1960 for the year 1958-59.
† Subject to deduction of tax.

The Company is making steady efforts to employ larger and larger quantity of indigenous raw materials and this has enabled it to step up the output of its bicycles. The Company has also succeeded in expanding the production of certain friction parts, the raw materials for which are available within the country. The demand for the Company's products is running ahead of supply. But the biggest single factor still hampering a further expansion of bicycle output is the lack of suitable steel in sufficient quantity, with the result that the factory continues to rely largely on imported steel. Even here, the Company, along with many other importers of steel, was unable to obtain the metal from the Eastern European countries, since the switching of licences in two different currency areas, namely the Eastern European countries and the U.S.A., created complications.

In spite of these difficulties, the Company is going ahead vigorously with its plans of expansion. It has obtained industrial sanctions from the Union Government for the manufacture of house service metres and bicycle dynamo lamps as well as for the expansion of the production of chains. The Directors have stated that the Company's plans for obtaining the requisite additional finance for these schemes will be made known to the shareholders in due course.

The Company has made an addition of Rs. 21.51 lakhs to the block account on top of an increase of Rs. 73.81 lakhs in the previous year, taking the total value of the block account to Rs. 276.13 lakhs as at 30th September 1960. The depreciation provided so far aggregates only Rs. 72.20 lakhs, so that the net book value of fixed assets is of the order of Rs. 203.93 lakhs. The current assets at Rs. 257.82 lakhs (stocks of stores and raw materials Rs. 104.26 lakhs, materials-in-transit, inventories, work-in-progress Rs. 103.39 lakhs, sundry debtors Rs. 17.96 lakhs and cash Rs. 16.28 lakhs, loans and advances Rs. 15.88 lakhs) and investment at Rs. 8.54 lakhs together are less than the secured and unsecured loans and current liabilities amounting to Rs. 313.43 lakhs. The net assets are only Rs. 156.85 lakhs, comprising paid-up capital of Rs. 100 lakhs, and reserves and surplus of Rs. 56.85 lakhs. It would thus appear that there is ample scope for the Company to raise fresh equity capital.

The Rs. 10 fully paid-up shares of the Company are currently quoted at Rs. 26.25 *cum-div.* as against Rs. 20.24 a year ago. On an *ex-div.* basis, the net yield works out to 2.1 per cent per annum. Nevertheless, the shares of the Company are well fancied by investors, in view of excellent growth prospects.

BINANI METAL WORKS

The Binani Metal Works Ltd. which was incorporated as a private company on 25th February 1941 and was converted into a public company on 16th March this year, has announced the issue of Rs. 21.50 lakhs, comprising 215,000 equity shares of Rs. 10 each at par. The Directors and their friends have agreed to take Rs. 1.90 lakhs made up of 19,000 shares of Rs. 10 each, the balance of Rs. 19.60 lakhs (196,000 shares) will be offered to the public. The subscription list will open on Monday the 10th inst. and close on the 15th inst. or earlier as may be decided by the Directors, but not earlier than the 13th inst. The amount payable in respect of each share is to be paid in full on application. The entire issue has been underwritten by the Bank of Baroda Ltd. Details of the proposed offer appear on pages 642-643.

With the above issue, the paid-up capital of the Company will increase from Rs. 18.50 lakhs to Rs. 40.00 lakhs. The authorised capital is Rs. 50.00 lakhs.

The Binani Metal Works is a leading metallurgical engineering firm in India specialising in the manufacture of non-ferrous alloys, and non-ferrous castings both rough and machined. The chief consumers of the Company's products are the Indian railways as well as some other industrial users. The Company's sales have registered a very substantial improvement in the last seven years from Rs. 52.73 lakhs in 1954 to as much as Rs. 144.12 lakhs in 1960. In addition to the existing lines of production, the Company has secured necessary industrial licences for the manufacture of resin cored solder, pressure die casting in zinc and aluminium, base alloys, oil fired rotary and crucible furnaces, iron castings, plastic injection moulds for plastic industry and milling machines —all of which have an assured market in the country, what with the continued development of industries and the increasing emphasis on the expansion of indigenous production of engineering goods. The Company possesses the requisite technical know-how for the efficient production of these items.

The Company has no debenture or other loan capital outstanding at present. It has, however, an overdraft account of the order of Rs. 19.80 lakhs secured by the hypothecation of raw materials and finished goods stocks.

In view of the satisfactory working of the Company in the past and considering the bright prospects in coming years, the proposed issue will doubtless meet with success. The Directors are confident of paying a minimum dividend of 10 per cent on the increased capital for the year 1961. Those who subscribe to the proposed issue will also be entitled to this dividend.

The Company has on its Board of Directors a competent team of experienced industrialists headed by Mr. G. D. Binani, a well-known businessman of Calcutta.

COMPANY MEETINGS AND DIVIDENDS

PREMIER TYRES LTD. Annual General Meeting, Bombay, 11th April 1961. Dividend: *Nil*. Transfer books remain closed from 14th March to 11th April 1961, both days inclusive.

TRICHINOPOLY MILLS LTD. Annual General Meeting, Ramjeenagar, Tiruchirapalli, 15th April 1961. Dividend: 13¾ per cent or Re. 1.35 per share (includes bonus of 1 per cent or Re. 0.10 per share), subject to deduction of tax. Transfer books remain closed from 1st to 15th April 1961, both days inclusive.

SEN-RALEIGH INDUSTRIES OF INDIA LTD. Annual General Meeting, Calcutta, 17th April 1961. Dividend: 8 per cent or Re. 0.80 per ordinary share, subject to deduction of tax, payable on or after 15th May 1961. Transfer books remain closed from 28th March to 17th April 1961, both days inclusive.

HINDUSTAN LEVER LTD. Annual General Meeting, Bombay, 18th April 1961. Dividend: Rs. 2.60 per share, subject to deduction of tax. Transfer books will remain closed from 12th to 18th April 1961, both days inclusive.

JESSOP AND CO., LTD. Annual General Meeting, Calcutta, 20th April 1961. Dividend: 8.58 per cent of Re. 0.858 per ordinary share, subject to deduction of tax. Transfer books remain closed from 8th to 20th April 1961, both days inclusive.

JAY SHREE TEXTILES LTD. Annual General Meeting, Rishra, District Hooghly, West Bengal, 21st April 1961. Dividend: Re. 1.00 per share, subject to deduction of tax. Transfer books remain closed from 1st to 21st April 1961, both days inclusive.

AZAM JAHI MILLS LTD. Annual General Meeting, Hyderabad, Andhra Pradesh, 21st April 1961. Dividend: Rs. 4.00 per share, subject to deduction of tax, payable on and from 25th May 1961. Transfer books will remain closed from 12th to 28th April 1961, both days inclusive.

NEW INDIA INDUSTRIES LTD. Annual General Meeting, Baroda, 24th April 1961. Dividend: Rs. 25.00 per share, subject to deduction of tax, payable on and after 1st May 1961. Transfer books will remain closed from 17th to 24th April 1961, both days inclusive.

BUDGE-BUDGE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 24th April 1961. Dividend: Rs. 10.00 per share, subject to deduction of tax. Transfer books will remain closed from 10th to 24th April 1961, both days inclusive.

CENTURY SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 25th April 1961. Dividend: Rs. 30.00 per share, subject to deduction of tax, payable on or after 3rd May 1961. Transfer books remain closed from 29th March to 25th April 1961, both days inclusive.

WALCHANDNAGAR INDUSTRIES LTD. Annual General Meeting, Bombay, 26th April 1961. Dividend: Rs. 15.00 per ordinary share, subject to deduction of tax, payable on and from 22nd May 1961.

W. H. BRADY AND CO., LTD. Annual General Meeting, Bombay, 26th April 1961. Dividend: Rs. 50.00 per share, subject to deduction of tax, payable on or after 15th May 1961. Transfer books remain closed from 6th to 27th April 1961, both days inclusive.

SWAN MILLS LTD. Annual General Meeting, Bombay, 26th April 1961. Dividend: Rs. 36.00 per share, subject to deduction of tax, payable on and after 27th April 1961. Transfer books remain closed from 14th March to 10th April 1961, both days inclusive.

FINLAY MILLS LTD. Annual General Meeting, Bombay, 27th April 1961. Dividend: Rs. 23.00 per share, subject to deduction of tax, payable on and after 28th April 1961. Transfer books remain closed from 14th March to 10th April 1961, both days inclusive.

INDIAN ALUMINIUM CO., LTD. Annual General Meeting, Calcutta, 27th April 1961. Dividend: Re. 1.50 per share, subject to deduction of tax. Transfer books remain closed from 6th to 27th April 1961, both days inclusive.

MAHARASHTRA SUGAR MILLS LTD. Annual General Meeting, Bombay, 27th April 1961. Dividend: 42 per cent or Rs. 21.00 per ordinary share, subject to deduction of tax, payable on or after 11th May 1961. Transfer books will remain closed from 16th April to 6th May 1961, both days inclusive.

DUNLOP RUBBER CO. (INDIA) LTD. Annual General Meeting, Calcutta, 27th April 1961. Dividend: 21.5 per cent or Rs. 2.15 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 17th April to 8th May 1961, both days inclusive.

CAWNPORE SUGAR WORKS LTD. Annual General Meeting, Kanpur, U.P., 27th April 1961. Dividend: *Nil*.

GOLD MOHUR MILLS LTD. Annual General Meeting, Bombay, 28th April 1961. Dividend: Rs. 21.50 per share, subject to deduction of tax, payable on and after 29th April 1961. Transfer books remain closed from 14th March to 10th April 1961, both days inclusive.

MCKENZIES LTD. Annual General Meeting, Bombay, 29th April 1961. Dividend: 10 per cent or Rs. 10.00 per ordinary share, subject to deduction of tax, payable on and after 12th May 1961. Transfer books will remain closed from 10th to 22nd April 1961, both days inclusive.

BRUSHWARE LTD. Annual General Meeting, Kanpur, U.P., 29th April 1961. Dividend: Re. 0.50 per share, subject to deduction of tax.

JAY SHREE TEA AND INDUSTRIES LTD. Annual General Meeting, Calcutta, 5th May 1961. Dividend: Re. 1.40 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 17th April to 5th May 1961, both days inclusive.

SOORAH JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 10th May 1961. Dividend: Rs. 2.50 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 24th April to 10th May 1961, both days inclusive.

Notices

THE MAHARASHTRA SUGAR MILLS LIMITED

Registered Office:
Industrial Assurance Building,
Opposite Churchgate Railway Station,
Fort, BOMBAY-1.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-SEVENTH ANNUAL GENERAL Meeting of THE MAHARASHTRA SUGAR MILLS, LTD., will be held on Thursday the 27th day of APRIL, 1961, at 4-00 p.m., at the Registered Office of the Company, to transact the following business:—

1. To consider and adopt the audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1960, and the Auditors' Report thereon and the Directors' Report.
2. To declare Dividends.
3. To appoint a Director in place of Shri Dattatreya M. Dahanukar who retires by rotation and is eligible for re-appointment; and to consider and, if thought fit, to pass the following Resolution, in solution as a Special Resolution, in respect of which a Special Notice, as required by Section 261 of the Companies Act, 1956, has been received by the Company from a member.

"RESOLVED that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, Shri Dattatreya M. Dahanukar, who retires by rotation and who is a Director of Messrs. M. L. Dahanukar & Co. Private Ltd., the Managing Agents of the Company and hence an Associate of the Managing Agents, be and is hereby re-appointed a Director of the Company."

The reasons which make the above resolution necessary are more fully set out in the Explanatory Statement which for the purposes of Section 261 be deemed to be incorporated in this Notice.

4. To appoint a Director in place of Shri L. S. Dabholkar who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors for the current year and to fix their remuneration.

Notes:—(*a*) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956, is annexed to the Notice issued to the Members of the Company.

(*b*) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(*c*) The Transfer Books of the Company will be closed from the 16th April to 6th May, 1961, both days inclusive.

(*d*) If dividends as recommended by the Directors are sanctioned at the Meeting, the Dividend Warrants will be posted to those members whose names are on the Company's register on 6th day of May, 1961. The payments will be made on and after 11th May, 1961.

NOTICE IS ALSO HEREBY GIVEN that:—

(1) A SEPARATE MEETING of the holders of the PREFERENCE SHARES of the Company will be held at the Registered Office of the Company on Wednesday the 26th day of April, 1961, at 3-30 p.m.

(2) A SEPARATE MEETING of the holders of ORDINARY (EQUITY) SHARES of the Company will be held at the Registered Office of the Company on Thursday the 27th day of April, 1961, at 3-0 p.m.

(3) AN EXTRAORDINARY GENERAL MEETING of the Company will be held at the Registered Office of the Company on Thursday the 27th day of April, 1961, at 3-15 p.m.

to transact the businesses mentioned in the respective Notices already posted to the Members along with the aforesaid Notice of the 27th Annual General Meeting.

By Order of the Board,
For THE MAHARASHTRA SUGAR MILLS LTD.,
M. L. DAHANUKAR & Co. PRIVATE LTD.,
D. M. DAHANUKAR.
Director,
Managing Agents.

BOMBAY, 3rd *April*, 1961.

McKENZIES LIMITED

NOTICE

Notice given regarding the Fifty-fifth Annual General Meeting appearing in the issue of Commerce *dated 1st April 1961 is withdrawn in its entirety and the following Notice is given.*

NOTICE IS HEREBY GIVEN THAT THE Fifty-fifth Annual General Meeting of the Company will be held on Saturday the 29th day of April, 1961 at 4.30 p.m. (S.T.) at the Registered Office of the Company, Sewri, Bombay-15, to transact the following business:—

(1) To consider the Accounts, Balance Sheet and the Reports of the Board of Directors and Auditors for the year ended 31st July, 1960.

(2) To declare dividends on Ordinary and Preference Shares as recommended by the Directors in the Report.

(3) To elect a Director in the Place of Shri Maneklal Premchand, who retires by rotation and is eligible for re-election, and to consider and, if thought fit, to pass the following resolution as an ordinary resolution, of which special notice has been given as required by Sections 190 and 281 of the Companies Act, 1956:—

"RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, Shri Maneklal Premchand, who has attained the age of 71 years and who retires by rotation, be and he is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

(4) To elect a Director in the place of Shri R. D. Birla, who retires by rotation and is eligible for re-election, and to consider and, if thought fit, to pass the following resolution as an ordinary resolution, of which special notice has been given as required by Sections 190 and 281 of the Companies Act, 1956.

"RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, Shri R. D. Birla, who has attained the age of 69 years and who retires by rotation, be and he is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

(5) To appoint Auditors for the ensuing year and to fix their remuneration.

By Order of the Board,
PURSHOTAMLAL JHUNJHUNWALA,
Managing Director.

BOMBAY, 1*st April*, 1961.

Note: (1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member.

(2) The dividends, when declared, will be made payable at the Bank of India Ltd., Fort, Bombay-1, on and after the 12th day of May, 1961. Dividend warrants will be posted to the respective shareholders whose names stand on the respective registers as on 22nd day of April, 1961.

(3) Explanatory Statements as required by Section 173(2) of the Companies Act 1956, are annexed hereto, in respect of item Nos. 3 and 4, have been forwarded to the members of the Company.

(4) Notice is hereby given that the Transfer Books of the Company will remain closed from 10th April, 1961 to 22nd April, 1961 both days inclusive.

(5) Change of address, if any, should be notified to the Company immediately.

PHILLIPS CARBON BLACK LIMITED

NOTICE IS HEREBY GIVEN THAT THE register of members and share transfer books of the Company will remain closed from 17th April to 5th May, 1961, both days inclusive.

By Order of the Board,
K. P. GOENKA,
Director.

31, NETAJI SUBHAS ROAD,
CALCUTTA.

THE JAIPUR UDYOG LIMITED

Registered Office:
SAWAIMADHOPUR (W. Rly.)

THE BOARD OF DIRECTORS OF THE Company have decided to issue 5,00,000 Ordinary Shares of Rs. 10 each in the capital of the Company and to offer same at par to the holders of Ordinary Shares whose names appear in the Register of Members of the Company on the 13th day of April, 1961 (with the right of renunciation) in the ratio of one new Ordinary Share for every four existing shares.

Circulars of offer to the shareholders will be issued in due course.

The Share Transfer Books of the Company will remain closed from 11th April, 1961 to 13th April, 1961, both days inclusive.

By Order of the Board,
For THE JAIPUR UDYOG LIMITED,
For SAHU JAIN LIMITED,
A. K. JAIN,
Managing Director,
Managing Agents.

Dated the 26th March, 1961.

JAY SHREE TEA AND INDUSTRIES LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extra-ordinary General Meeting of the members of the Company will be held on Friday the 5th May, 1961 at 2.15 p.m., at the Registered Office of the Company at "India Exchange," 2nd Floor, India Exchange Place, Calcutta-1, and its Agenda have been/will be duly circulated to all the members of the Company in time along with the relevant Explanatory Statement thereon.

By Order of the Board,
B. C. BIYANI,
Secretary, Company Law.

"INDIA EXCHANGE,"
CALCUTTA,
The 27th March, 1961.

JAY SHREE TEA AND INDUSTRIES LIMITED

NOTICE IS HEREBY GIVEN THAT SEPArate General Meetings of the holders of Preference Shares and Ordinary Shares in the above Company will be held on Friday the 5th May, 1961 at the Registered Office of the Company at "India Exchange," 2nd Floor, India Exchange Place, Calcutta, at 2.40 p.m. and 2.50 p.m. respectively, and its Agenda have been/will be duly circulated to both class of members of the Company in time along with the relevant Explanatory Statement thereon.

By Order of the Board,
B. C. BIYANI,
Secretary, Company Law.

"INDIA EXCHANGE,"
CALCUTTA,
The 27th March, 1961.

JAY SHREE TEA AND INDUSTRIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifteenth Annual General Meeting of the Shareholders of this Company will be held on Friday the 5th May, 1961 at 3 p.m. at the Registered Office of the Company at "India Exchange," 2nd Floor, India Exchange Place, Calcutta-1, and its Agenda have been/will be duly circulated to all the members of the Company in time along with the relevant Explanatory Statement thereon.

The Share Transfer Registers will remain closed from 17th April, 1961 to 5th May 1961 (both days inclusive).

By Order of the Board,
B. C. BIYANI,
Secretary, Company Law.

"INDIA EXCHANGE,"
CALCUTTA,
The 27th March, 1961.

SYNOPSES OF COMPANY REPORTS

Maharashtra Sugar Mills Ltd.

(*Managing Agents:* M. L. Dahanukar & Co. Private Ltd., Bombay.)

Annual General Meeting—27th April. Dividends payable on or after 11th May.

Working Results :	For the year ended 30th September (In thousand rupees) 1960	1959
Sales	2,92,79	2,81,15
Closing Stock	72,48	16,02
Gross profit	65,75	59,59
Transfer to Managing Agents' commission	6,09	5,42
Transfer to Depreciation	4,60	3,96
Transfer to Development rebate	28	1,41
Transfer to Taxation	16,00	15,50
Net profit	38,78	33,30
Adjustments	1,62	3,17
Appropriations:		
Total available balance	40,40	36,47
Transfer to reserves	11,00	6,00
Transfer to proposed dividends (Taxable)		
Ordinary	28,35 (42% p.a.)	28,35 (42% p.a.)
Transfer to proposed dividends (Taxable).		
Preference	50 (7% p.a.)	50 (7% p.a.)
Carry forward	55	1,02

Note.—Adjustments include the balance brought forward from last year and profit on sale of investments if any.

Extracts from the Directors' report: The working of the factory has been good and high standard of efficiency has been maintained both in the factory and farm. Sugar produced was of superior standard and it was well received in the market. The recovery per cent of sugar has been higher and as a consequence the production of sugar during the year under report has surpassed all previous records of the Company. The performance of the Company's distillery has also been satisfactory.

The directors inform that they are expanding the factory to higher capacity and the proposal for same has been approved by the Government of India. The Company may require for this expansion an aggregate finance of about Rs. 30 to Rs. 35 lakhs. On completion of the expansion the period of the crushing season will be shorter and it would enable the factory to complete the crushing when the sugarcane contains optimum sucrose content. This would result in higher recovery and increased production.

The Central Government continued to regulate the release of sugar stock for sale in the market throughout the year and a new scheme of distribution control was adopted by the State Government. This has at times resulted in large accumulation of sugar stock entailing strain on the working finance.

The plant and machinery has been maintained in good condition. The standing sugarcane crops are progressing well.

Accounts in brief as at 30th September 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	72,50,000	Gross block —Depreciation ...	1,56,07,253 70,66,935
Reserves and surplus ...	60,27,024	Net block ...	85,40,318
Other liabilities ...	1,28,25,944	Current assets ...	1,51,59,610
		Investments	17,68,392
		Cash ...	6,34,648
	Rs. 2,61,02,968		Rs. 2,61,02,968

Cawnpore Sugar Works, Ltd.

(*Secretaries and Treasurers:* The British India Corporation Ltd., Kanpur.)

Annual General Meeting—27th April. Dividend: Nil.

Working Results :	For the year ended 31st October (In thousand rupees) 1960	1959
Sales	3,56,47	3,96,40
Closing Stock	86,45	25,24
Gross profit	20,25	13,08
Transfer to Remuneration to Secretaries and Treasurers	10	
Transfer to Depreciation	6,70	6,30
Transfer to Taxation	10	
Net Profit	13,35	6,78
Adjustments	1,28	2,72
Net deficit balance carried forward	—4,18‡	—16,86

N.B.—Adjustments include profit on sale of fixed assets and other credit items relating to previous years.

‡ This amount is arrived at after taking into account the provisions made for development reserve and expenses and the loss brought forward from the previous year.

Extracts from the Directors' report: The improvement in the trading results over the previous year has been chiefly due to greater quantities of cane crushed at the three factories in U.P., although the recovery was not as good as that of last year due to poorer quality of cane available. The relative figures for cane crushed and extraction, are as under:—

	Cane Crushed Mds.	Yield per cent.
Marhowrah Factory ..	21,64,607 (24,58,881)	10.18 (10 39)
Gauri Factory ..	27,41,394 (26,10,426)	10.37 (10 45)
Padrauna Factory ..	40,23,926 (32,98,729)	9.11 (9 28)
Kathkuiyan Factory ..	30,07,414 (32,91,761)	9.40 (9.60)

Figures within brackets relate to previous year.

The cane crop for the season 1960-61 and the supplies thereof so far have very satisfactory, and it is expected that the production will be at an increased scale at all the four factories.

Due to lack of funds, it has not been possible to carry out the proposed schemes for raising efficiency of Padrauna and Kathkuiyan factories to the extent planned. A sum of Rs. 11,06,037 was, however, spent over additions and overhaul at these factories, and this has resulted in greatly enhanced efficient working of the factories.

Marhowrah Distillery continues to work satisfactorily. A major part of the proposed expansion work at this Unit—referred to in the previous report—has been completed, and the question of further improving its earning capacity is receiving close attention.

It is expected that with the improvements made at the Company's sugar factories, as well as the distillery, the working for the year 1960-61 would record further appreciable improvement and it is anticipated that notwithstanding the increased wage bill and the loss brought forward, there will be a surplus at the end of the year. Since the close of the financial year under review, a capital expenditure of approximately Rs. 2 lakhs has been approved by the directors.

The Company's title in respect of Padrauna factory is still not absolutely clear. The special appeal filed by the previous owners against the order of the single judge, rejecting their writ petition challenging Company's title over the properties, has not yet been decided by the High Court.

In pursuance of Section 330 of the Companies Act, 1956, Messrs. Begg, Sutherland & Co. Private Ltd., ceased to be managing agents of the Company with effect from 15th August 1960 and The British India Corporation, Ltd., have been appointed as the secretaries and treasurers of the Company. This does not, however, involve any material change in the management of the Company as the technical and administrative set up remains unchanged, thereby ensuring continuity of policy and efficient management.

Accounts in brief as at 31st October 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Gross block —Depreciation ...	1,76,06,330 1,00,81,364
Reserves ...	77,17,253		
Other liabilities ...	1,26,74,883	Net block ...	75,24,966
		Block-in-progress ...	6,17,135
		Current assets ...	1,50,91,107
		Investments	2,56,346
		Cash ...	4,84,659
		Loss c/f ...	4,17,923
	Rs. 2,43,92,136		Rs. 2,43,92,136

The Andhra Sugars Ltd.

(*Managing Agents:* Ranga Rao & Co., Tanuku.)

Annual General Meeting—5th April. Dividends payable on or after 30th April.

Working Results :	For the year ended 30th September (In thousand rupees) 1960	1959
Sales	1,17,33	1,53,81
Closing Stock	25,73	17,59
Gross profit	10,84	26,11
Transfer to Managing Agents' commission	4,97	5,14
Transfer to Depreciation	1,45	1,94
Transfer to Taxation	5,50	8,10
Net Profits	7,02	10,93
Adjustments	43	26
Appropriations:		
Total available balance	8,85	11,19
Transfer to:		
Donation and expenses	60	1,81
Reserves	1,50	3,65
Proposed dividends	6,00 (20% f.p.a.)	6,00 (20% p.a.)
Carry forward	25	23
Sugarcane Crushed (Tons)	108,524	132,234
Sugar produced (Tons)	111,620	129,208
Recovery per cent	10.29	9.77

N.B.—Adjustments include the amount brought from the previous year, credits relating to previous years written back and transfer from reserves if any.

Extracts from the Directors' report: During the year under report, the factory commenced sugarcane crushing on 4th December 1959 and stopped on 2nd April 1960. The sugarcane crushed during the season was 1,08,524 tons and sugar manufactured was 1,11,620 bags with a recovery of 10.29 per cent, as against 1,32,234 tons cane, 1,29,203 bags sugar and 9.77 per cent recovery of the last season. The quantity of cane crushed during the season was less, but the recovery was higher than that of the previous season. As stated in the last directors' report, the steps taken by the Directors for improving the quality of the cane by encouraging the ryots to take to plantations with approved seed canes from the seed cane farms (developed under free supply of manure scheme to the seed farms by the factory) and the vigorous propaganda and the scheme of time-scheduled plantations have had their effect to some extent in increasing the quality of the cane. The cane growers have realised the benefits of the scheme and the Directors feel that the cane growers are gradually coming forward to take advantage of this scheme. But every cane grower has not come forward to do so, since the jaggery prices were ruling very high during the season. So, in spite of the best efforts of the Directors, and even in spite of the Directors paying Rs. 4 extra per ton of sugarcane supplied to the factory, much cane could not be attracted to the factory. This is a matter which is beyond the control of the Directors as the high ruling prices for the jaggery during the season were more attractive to the sugarcane growers than the price, including the extra rate offered by the sugar factories to them. As a result the Company could get only 1,08,524 tons during the year 1959-60 and it had to close its factory much earlier. During the current season, the jaggery prices have come down and the Directors expect to crush more than 1,50,000 tons of cane for the season 1960-61.

The sulphuric acid and superphosphate machinery have been imported and the superhosphate factory has gone into production on 30th September, 1960. The sulphuric acid plant, could not be completed by 30th September, 1960 due to the late receipt of some acid resisting lining materials etc. But the sulphuric acid plant has also gone into production in February, 1961. The industrial alcohol plant machinery is being received; the buildings are nearly complete and the plant is expected to go into production before 30th September 1961. Acetic acid and acetic anhydride plant buildings are under construction and the machinery is to be shipped from March to June in 1961 and the plant is expected to go into production in 1961. The caustic soda plant machinery is due for shipments from April 1961 onwards and the plant is likely to go into production in early 1962. Apart from the imported machinery for the sulphuric acid and superphosphate plants, most of the other indigenous plant and machinery have been fabricated in the workshop and both the sulphuric acid and superphosphate plants have now gone successfully into regular production, without experiencing any teething troubles. The import licence for the spun pipe and malleable pipe fittings and railway castings plant is still awaited from the Government of India.

The Company issued 6¼ per cent cumulative Redeemable preference shares to the tune of Rs. 30 lakhs. This issue was fully subscribed and the shares were allotted on 1st October 1960.

Accounts in brief as at 30th September 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Gross block —Depreciation	1,13,99,115 33,48,654
Reserves and surplus ...	28,30,153		
Other liabilities ...	98,71,164	Net block ...	80,50,461
		Current assets	71,44,409
		Investments	2,20,000
		Cash ...	2,86,447
	Rs. 1,57,01,317		Rs. 1,57,01,317

Premier Tyres Ltd.

(*Managing Agents:* Indo Orient Agencies Private Ltd. Bombay.)

First Annual General Meeting: 11th April 1961.

Extracts from the Directors' report: The Company having been incorporated on the 19th October 1959 the accounts for the first period of its working have been made from 19th October 1959 up to 31st December 1960, being the date ending the financial year. Subsequent annual accounts will be made up for the financial year ending 31st December.

During the period under review, the Company has earned a sum of Rs. 2,27,557 by way of interest on deposits with the banks and Rs. 8,302 as transfer fees. Of the total expenditure amounting to Rs. 5,15,451, the directors have transferred a sum of Rs. 4,85,391 as being the expenditure incurred during the construction period, leaving a balance of Rs. 30,060 as expenses for the year. After making a provision of Rs. 1,02,500 for taxation, a balance of Rs. 1,03,299, being the profit, is carried forward to next year.

The first call of Rs. 25 per share on equity and preference shares was made on the 28th November 1960 payable on or before the 19th January 1961. As the amount of first call was due payable after the close of the year, the total paid-up capital is shown after adjusting the call money due in respect of such first call.

Lands and Factory.—The Company has acquired through the Government of Kerala land admeasuring about 35 acres for building the factory, and after excavation and levelling of the land having been completed and plans and layouts for the factory having been made, the construction work of the factory commenced in August 1960. The construction work of the factory has been progressing satisfactorily to schedule.

Machinery.—Machinery have started arriving from abroad and it is expected that the bulk of the imports of plant and machinery will be completed by the middle of 1961. Subject to contingencies and conditions beyond their control, the directors hope to be able to go into production by the end of the current year.

Expansion.—An application has been submitted to the Government of India for expansion of the Company's production capacity and the negotiations in that behalf are in progress and it is expected that this application will meet with favourable response. The directors have also submitted an application to the Government of India for the manufacture at their factory at Kalamassery, V belts, fan belts and other industrial beltings for which there is a vast and lucrative market in India. The negotiations for this are satisfactorily progressing and the directors are confident of having this additional activity materialised very soon. In this connection, they are happy to record that their Technical Collaborators, Messrs. Dayco Corporation, who are the most reputed and largest manufacturers of V belts in the world, have readily extended their offer of technical collaboration.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	95,65,750	Gross block —Depreciation	22,82,068 11,962
Reserves and surplus ...	1,03,299		
Other liabilities ...	2,28,233	Net block	22,70,106
		Book debts	8,183
		Cash ...	66,47,947
		Expenditure during construction	4,85,391
		Miscellaneous expenditure	4,85,655
	Rs. 98,97,282		Rs. 98,97,282

GALLOPING INFLATION SOUNDING THE SIREN?

(*Concluded from page 627*)

appear to know its own mind, or, at any rate, contrary statements have been glaring. The schedule of priorities has not only been flexible but elastic!

Behaviour of Prices

Of late, there has been a lot of discussion on "holding the price line at the present level." The Government benches appear not to worry about the spurt in consumer prices. They seem to think that they have already taken adequate steps to arrest prices and stabilise them more or less at present levels: the third Plan has not taken into consideration any probable further soaring of prices. There are others very much concerned with price trends during the last five years, and they prognosticate that, during 1961-66, the indices of wholesale prices and cost of living may rise by at least another 50 per cent, indicating even now the beginnings of galloping inflation, in view of the fact that the authorities failed miserably in controlling prices between 1955-56 and 1960-61. Table III is worked out from original sources:

TABLE III

Behaviour of Wholesale Prices, Consumer Index and National Income in U.S.A., U.K. and India.

Country	Period	Average annual increase in Wholesale prices	Average annual increase in Consumer prices	Average annual increase in national income at current prices Period	Per cent
U.S.A. ..	11 years	1.75% (1947-49 =100)	2.42% (1947-49 =100)	10 years	7.33
U.K. ..	5 years	N.A.	2.88% (Jan. 17, 1956=100)	10 years	8.55
India ..	5 years	7.89% (1955-56 =100)	6.25% (1955-56 =100)	first 4 years of second Plan	8.03 (at 48-49 prices)

Wholesale prices increased on the average annually at 1.75 per cent in the U.S.A. during eleven years, the consumer index by 2.42 per cent during the same period and the national income at current prices by 7.33 per cent. during ten years. In the U.K., the wholesale price index is not available, the retail price index works at 2.38 per cent during the last five years and the National income at current prices increased annually on the average by 8.55 per cent during ten years. In both these countries, wholesale and consumer prices show a slow raise of 2-3 per cent indicating adequate supplies or successful controls or both. But the national income at current prices increased at a much higher rate of 7-9 per cent per annum, signifying that the *real* incomes of the two countries improved substantially after allowing the due margin for slight upward tilts in prices. In the case of Germany and Japan, the price indices were stabilised even better, and the real national incomes shot up phenomenally as compared with even the U.K. and U.S.A., but figures are not available under the heads in Table III. The situation in India is quite the other way; though the authorities cannot deny that they have been trying to hypnotise themselves and the people into a halo of imaginary stability. The price indices have shot up during the past five years annually by 7.29 per cent (wholesale) and 6.25 per cent (consumer), and yet the proconsuls at New Delhi have been calmly declaring that "the price line would be held more or less at the present levels"! They have forgotten that the two indices were at 92.5 (1952-53 base) in 1955-56, and at 96 (1949 as base) in the same year, and the latest figures are 126.2 and 126, respectively! Economic growth without price stability would be something like the ecstasy of possessing the moon in one's own mirror: the degree of unreality and false exultation would be the same in both cases.

So far as the national income at constant prices is concerned, the Indian performance has not only been unsatisfactory but positively despondent. As shown in Table III, the average annual increase between 1955-56 and 1959-60 works at 3.03 per cent (at constant prices). Since the wholesale and consumer price indices rose by 7.29 and 6.25 per cent, respectively, the national income at 1948-49 prices showed a much smaller annual rise. It should not be surprising, if, *really*, there was a net decrease in national income between 1955-56 and 1960-61 (figures of national income are not available at current prices during 1959-60: no figures are available for 1960-61). A rise of 1 or 2 per cent per annum in price indices is generally passed as congenial to economic activity, but Prof. A. C. Pigou thinks that anything beyond 2 per cent per annum must be considered as a harbinger of galloping inflation which has the same deadening effect as galloping consumption.

Table IV confirms the figures given in Table III with regard to the stability of wholesale prices in three other countries as well, proving that there are other countries like West Germany, Japan and Canada which have succeeded in stabilising wholesale prices marvellously well in spite of the fact that economic growth has been exceptionally speedy in those countries. In the face of the achievements in these five countries, Mr. Morarji Desai and Mr. S. K. Patil have little reason to congratulate themselves on economic stability in India.

TABLE IV

Wholesale Price Index (1953 *as base*)

Country	1958-59	1959-60	July 1960
Canada	104	105	105
Germany	106	106	106
Japan	98	100	100
United States	108	109	109

Cost and Wage Indices

Figures are not available with regard to the wage index (all workers) in the U.S.A. and India, but the U.K. figures are enlightening. Table V shows how, in addition to fairly stable retail prices, the average wage level has been raising at a progressive rate, the difference between the two rates having been 4.2 per cent in 1957, and 8.8 per cent in December 1960.

TABLE V

Retail Price Index and all Inclusive Wage Index in U.K.

Retail price index: January 17, 1956=100.
All inclusive wage index: January 31, 1956=100.

Year	Retail price index (based on monthly averages)	All inclusive wage index (based on weekly wage rates)
1957	105.8	110.0
1958	109.0	114.0
1959	109.6	117.0
1960	111.9*	120.7†

* December 20. † December 18.

What does it mean? Is there wage-induced inflation in the U.K.? Certainly, there is none. It may be argued that the rise in wages between 1956 and 1960 must lead to price inflation during 1961-65 in that country, but that would be only of academic interest. With an efficient system of supplementing home production with adequate imports and of controls at key points, the U.K. has been successful in steadily and quickly raising the *per capita* income implied in the growth of the wage level, and maintaining at the same time the purchasing power of the pound sterling almost intact. The slogan in Germany during World War II was: "the purchasing power of the mark is sacrosanct next only to winning the war: coin clippers should be hanged."

Hope Told a Flattering Tale

Hope lies in the Indian Parliament and the public giving due value to the facts and figures given in this article. Without a recovery of the rupee to the 1955-56 level, the third Plan should prove a wild-goose chase. Is this all planning towards a policy of drift, or a policy of drift towards planning? The experiences of the third Plan period alone can tell.

BANK OF MAHARASHTRA LIMITED

(*Concluded from page 647*)

banks' liquidity. If these current assets could be turned into bills accepted by the parties, the current assets will be self-liquidating. We can then have a real bill market instead of the present one which is just turning the cash credit account into bills to be renewed from time to time. One difficulty that comes in the way of introducing this system is perhaps the higher stamp duty. The point, therefore, requires to be examined; but the genuine bill market has to be encouraged.

"I would now proceed directly to the results achieved by the Bank during 1960. These must be considered highly satisfactory. The Bank's deposits rose during the year from Rs. 13.26 crores to Rs. 15.14 crores. This gain of 14.2 per cent, following one of 25.6 per cent in 1959, came during a year in which deposits of the banking system as a whole were relatively stagnant. This must be considered a sign of the growing confidence of the public in the Bank, which has acquired a definite status in the region which it serves. Some part of the growth of the Bank's deposits must be credited to the steady programme of branch expansion followed by the Bank. During the year, the Bank opened only one branch at Vile Parle in Greater Bombay, bringing the total number of branches of the Bank to 52. The branches opened by the Bank during earlier years made rapid progress during 1960 and contributed their share to the increase in the total deposits of the Bank. The Directors have decided to open new branches at four other places at an early date. It should be noted that the number of branches of the Bank will increase as a result of the merger of the Bank of Nagpur with it. I would like to express my belief that a well organised programme of branch expansion at a steady pace is the best instrument for expanding bank deposits in the long run, though it must necessarily proceed at a slow pace, since a new branch takes some time to stand on its own feet.

High Liquidity Ratio

"The Bank has always followed the practice of maintaining a high liquidity ratio. Though this means that the earnings of the Bank are relatively low, such a high ratio is necessary to maintain stability, particularly when one takes into consideration the area which the Bank serves. The importance of safeguarding the position of the Bank in this way is highlighted by recent developments in the banking system. With minor changes from the previous year, the figures in the balance-sheet reflect this general policy of maintaining rather high liquidity.

"From the profit and loss account, you must have noted that an increase of Rs. 5.26 lakhs in interest paid was accompanied by an increase of Rs. 12.67 lakhs in interest earned. The gross margin, therefore, increased from Rs. 23.36 lakhs in 1959 to Rs. 30.77 lakhs in 1960, that is by Rs. 7.41 lakhs. Almost the whole of this increase in gross margin was absorbed by the increase in establishment costs which mounted by Rs. 7.22 lakhs to Rs. 30.49 lakhs. The bulk of the increase was under cost of management. The net profit, however, increased from Rs. 7.72 lakhs in 1959 to Rs. 9.50 lakhs in 1960 because of an increase in other sources of earnings from banking business.

"Provision for taxation in 1960 amounted to Rs. 3.50 lakhs. As usual, your Board decided to strengthen the reserve fund by appropriating Rs. 2.00 lakhs out of the profit for this purpose. This may be compared with Rs. 1.60 lakhs appropriated for this purpose in 1959. Your Board are of the opinion that this policy of appropriating a large share of the net profits to the reserve fund will have to be pursued vigorously at least until reserves equal the share capital. With the provision for 1960, general reserve fund now stands at Rs. 16.60 lakhs. The issued capital of the Bank, as pointed out earlier, now stands at Rs. 40.00 lakhs. I might point out that as Rs. 50,000 have been allocated out of profits to the two special funds, to which reference has been made earlier, the total contribution to reserves for 1960 amounts really to Rs. 2.50 lakhs. The size of all reserves at the end of the year is, therefore, Rs. 17.10 lakhs.

"As mentioned earlier, your Board have recommended a normal dividend of 9 per cent, subject to tax for 1960, the same as in 1959. Your Board have also recommended a special silver jubilee bonus at the rate of 2 per cent, subject to tax. The dividend is payable on 64,000 shares only. The total amount absorbed by the dividend payment is Rs. 3.52 lakhs.

Staff Relations

"Staff relations during the year have been good. I must extend my heartiest thanks to all members of the staff for their co-operation in carrying on the work of the Bank. I must express our special thanks to the General Manager, Shri C. V. Joag, who has given devoted attention to his duties. Before concluding, I deem it my pleasant duty to thank my colleagues on the Board, members of advisory committees at the branches and you, gentlemen, for the support in building up this institution. I also thank the numerous depositors, clients and well-wishers of the Bank for their support in the past and request them to continue the same in future. The Board have tried to conduct the affairs of the Bank in consonance with the high ideals with which the Bank was started and in line with the high traditions that have been built up during the last quarter of a century. I would like to personally thank you all for your continued confidence in the Board, which has enabled it to proceed with vigour. Thank you."

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, *5th April*

There has been no notable change in the conditions of the short-term money market this week. With the busy season in full swing, monetary stringency is very acute. The demand for funds for tax payment and financing of crop movements continues to be high, but the supply of loanable funds with the banks has not increased. Interest rates, therefore, are ruling firm. For ready reference, they are given below:

	Per cent.
Inter-bank call money—	
Exchange and larger Indian banks ...	5½
Other banks	5¾
Notice money:	
3 days or more	3
Term deposits:	
(i) 3 to 30 days (inclusive)	3
(ii) 31 to 60 days	3½
(iii) 61 to 90 days	3½
(iv) 91 days and more but less than 12 months	3¾
(v) 12 months	4

The results of the 91-day Treasury Bills of the Government of India sold through weekly tenders show that the total amount offered and accepted was Rs. 2 crores, against an invitation of an equivalent amount. The average rate of accepted tender was 2.750 per cent per annum, same as in the previous week. There were no sales of 91 days' intermediate Treasury Bills from 29th March to 4th April. The sales, however, were resumed today.

The Reserve Bank of India's statement for the week ended 31st March 1961 discloses a substantial expansion of Rs. 16.04 crores in notes in circulation, bringing the total to Rs. 1,984.74 crores. As the notes held in the Banking Department have declined by Rs. 16.25 crores, the total notes issued have fallen by Rs. 20.61 lakhs only. On the assets side, foreign securities have gone down by Rs. 5 crores, and balances held abroad by Rs. 12.30 crores. The total foreign assets are thus lower by Rs. 17.30 crores at Rs. 136.25 crores. Over the week the deposits of the bank with the Reserve Bank have receded by Rs. 3.62 crores to Rs. 87.96 crores. Other loans and advances have registered a rise of Rs. 12.33 crores, including borrowings by the scheduled banks. Advances against usance bills are higher by Rs. 8.24 crores at Rs. 45.39 crores. A year ago, they amounted to no more than Rs. 15.21 crores. This clearly shows that the banks are relying to a great extent on usance bills for securing accommodation from the Reserve Bank.

The Scheduled banks' statement for the week ended 24th March 1961 reveals that demand deposits advanced by Rs. 17.66 crores, while time deposits declined further by Rs. 3.51 crores. Due to stringency in the money market, borrowings of Scheduled Banks from the Reserve Bank of India increased by Rs. 4.33 crores. Of this increase, Rs. 1.87 crores are against usance bills. Their borrowings from the State Bank of India of demand nature also went up, though modestly by Rs. 9.34 lakhs. Borrowings of time variety from the same source, however, fell by Rs. 20 lakhs. Advances and bills (bank credit) jumped up by Rs. 9.88 crores, on top of a rise of Rs. 14.43 crores in the last week, taking the total bank credit to Rs. 1,318.05 crores, as against Rs. 1,127.08 crores a year ago. Of the rise of Rs. 9.88 crores in Scheduled bank credit, the State Bank of India accounts for Rs. 3.11 crores. The investments of the Scheduled banks as a whole expanded by Rs. 73.42 lakhs. But as the investments of the State Bank of India improved by Rs. 2.03 crores, the investments of the Scheduled banks other than the State Bank of India actually declined by Rs. 1.30 crore.

In the gilt-edged section, the prices of a few Central loans showed some improvement. 3 per cent 1966-68 funding loan closed 10 nP higher at Rs. 96. 3 per cent 1970-75 first development loan improved by 20 nP to Rs. 91. 3½ per cent 1965 and 1967 National Plan bonds both gained 5 nP each. The Reserve Bank's move to put up the buying rates of 2½ per cent 1961 and 2¾ per cent 1962 loans had no perceptible effect on their prices because the ruling quotations of these loans were already at the enhanced rates. In the State loans section, prices remained unchanged.

In the foreign exchange section, the rupee remained steady throughout the week. The banks' selling and buying rates for ready T.T. on New York remained unchanged at Rs. 478.25 and Rs. 475.00 per 100 dollars, respectively. In the New York exchange market, the pound sterling gained some further ground. The latest available rates are: 279.870-279.900 cents per £ for spot and 278.340-278.370 cents per £ for three months' forward. Thus, over the week, sterling has gained 0.04 cent in spot and 0.01 cent in forward.

LINSEED DECLINES

(Messrs. A. Bradley & Co.)

CALCUTTA, *3rd April*

Ready linseed declined further by over Re. 1 per maund and reached about the level of forward which was held fairly firm. There was increased activity by crushers for forward deliveries, but sellers were reserved at lower prices.

There was some activity in the oil market for forward deliveries with the decline in prices, but sellers were very cautious and not inclined to do much at lower prices till the new crop arrivals of seeds are in full swing.

The oilcake market was dull. Export prices were still unworkable, only local business being transacted for ready goods.

The latest quotation for ready seeds is Rs. 26.25 per maund.

BULLION "JETH" SETTLEMENT

(From Our Own Correspondent)

BOMBAY, *5th April*

The important development of the week is the commencement of trading in gold and silver *Jeth* (June) settlement with effect from Wednesday 29th March, while the *Vaisakh* (May) settlement has been skipped over. The Bullion Association, it will be recalled, had sought the permission of the Forward Markets Commission for starting licences in both the settlements simultaneously. But the Commission approved trading only in *Jeth* settlement in pursuance of the amendments made by the Central Government to By-laws 72 and 88 of the Bullion Association. Trading is subject to the same terms and conditions of special margin as are applicable to the *Chaitra* settlement. If the price of silver in *Jeth* contract exceeds Rs. 187 per kg., a margin shall be payable by the longs who have outstanding positions of more than 160 bars at the rate of Rs. 600 per 10 kgs. on their holdings beyond the exemption limit. With regard to gold, if the rate exceeds Rs. 111 per 10 grams, a margin penalty would be payable by longs at the rate of Rs. 35 per 10 grams on all their holdings beyond 30 kgs. The traders shall have to submit daily to the Association the extent of their net outstanding position.

The denial of official permission for business in *Vaisakh* settlement induced selling pressure which brought about a drop in values on Wednesday. A recovery was, however, in evidence on Friday, 31st March, due to short-covering. The recovery gathered further momentum on Saturday, following reports of enlarged offtake from North India. Thereafter, the sentiment of the market was again affected, thanks to delay in the revival of seasonal marriage demand, rumours of large contraband arrivals, fears regarding sale of silver by the Calcutta Mint. It was reported that about 2.150 tolas of gold valued at Rs. 2.80 lakhs were seized by the Customs authorities from the British liner *Circassia*. Consequently, both gold and silver drifted downward. Today's closing rates were much lower than those at the end of last week.

A feature of trading in the bullion market was the imposition of margins in both silver and gold. On Wednesday, 29th March, the bulls in silver *Chaitra* settlement were required to pay a special margin at the rate of Rs. 750 per bar, since the *badli* payable by bears for transferring commitments from *Chaitra* to *Jeth* settlement was more than Rs. 2—Rs. 2.40, to be precise. Despite the margin, the *badli* widened to Rs. 3.10 on Friday and further to Rs. 3.15 yesterday, when the *Chaitra* settlement went off the board at Rs. 202.35. The margin was applicable in the remaining sessions also. In gold, the bears were in a predominant position on Friday, 31st March. They tried to extract higher carry-forward rates from bulls who sought to switch over from *Chaitra* to *Jeth* settlement. Since the rate widened from 40 nP to 85 nP, a margin of Rs. 8 per 10 grams became effective on bears in *Chaitra* settlement. The rate of margin was raised to Rs. 20 on Monday the 3rd inst., following the increase in carry-forward charge to Re. 1.10. The *Chaitra* settlement ran out on the same day at Rs. 119.75.

Adjustment rates fixed today were Rs. 119.25 for gold and Rs. 201.95 for silver, as against Rs. 120.95 and Rs. 201.65, respectively, on Tuesday last week.

The daily average arrivals and offtake of gold during the week were higher at 8,750 tolas and 4,750 tolas, as against 6.000 tolas and 4.000 tolas, respectively, in the previous week. In silver, offtake and arrivals were lower, the former at 8 bars, as against 16 bars, and the latter at 15 bars, as against 19 bars. The floating stocks of gold are estimated at 50.000 tolas and those of silver are reported to be around 700 bars.

The following table shows the trend of the market during the week under review:

	5-4-1961 (closing)	High	Low	28-3-1961 (closing)
GOLD				
Ready (.99 fine)	Rs. 118.50	Rs. 120.30	Rs. 117.65	Rs. 119.85
Forward:				
Chaitra*	119.75§	120.60§§	119.45	120.55
Jeth**	119.05	121.35	118.55	—
Sovereign	93.50	94.75	93.50	94.75
SILVER				
Ready (.999 fine)	199.50	203.65	198.85	201.65
Forward:				
Chaitra†	202.35	203.90	200.60	201.65
Jeth**	197.95	200.70	197.30	—
London—	4-4-1961			27-3-1961
Silver Ready	79¾d.	—	—	79¾d.
Silver Forward	80d.	—	—	80d.
Gold	250s. 9d.	—	—	250s.9d.
New York—				
Silver	91.875 cents	—	—	91.875 cents

* 3rd April settlement. † 4th April settlement.

** June settlement. § On 3-4-61. §§ On 4-4-61.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, *3rd April*

There was no appreciable change in the kip market. Madras levels ruled higher than importers' ideas, rendering export trading difficult. Buff calf touched 80d. for top marks and 70/72d. for next best marks. Tanners were active buyers in raw centres.

Owing to high prices quoted by E.I. tanners of goat skins, trading was selective during the week. Tanned sheep was unchanged.

In the German tanned skins public auctions, prices obtained for goat skins were unchanged to 6d. advance over c.i.f. levels, while sheep skins were neglected.

FURTHER FALL IN COTTON

(From Our Own Correspondent)

BOMBAY, *5th April*

Cotton futures ruled distinctly easy during the week under review. Although tenders against the Jarilla August contract were lower than expected, the market showed a sagging tendency. This was mainly attributed to the reported reluctance of 'long' interests to 'weigh over' cotton and their willingness to settle their outstanding commitments at a discount. Dull conditions in the spot market, the Textile Commissioner's threat to requisition some Southern crops if their prices did not come down and the failure of the anxiously awaited export quota for Bengal *Deshi* to materialise also imparted weakness to the market. It was only on Saturday that a firm trend was in evidence, thanks to the meagre volume of tenders (200 bales of 216F) issued against the April contract. The firmness, however, proved to be short-lived. The trend of prices was reversed in the subsequent sessions for reasons mentioned earlier. Tenders aggregating only 100 bales of 216F issued on Monday, the second notice day, failed to influence the market favourably. In fact, there was heavy selling by local and upcountry interests, which led to a break in the values of both contracts. The August contract, in particular, was subjected to heavy speculative selling pressure and it suffered a sharp setback. The spread between the two contracts, as a consequence, narrowed down in the course of the week from Rs. 13.75 to Rs. 8. The following table indicates the trend of prices of the contracts during the week:

(In rupees per three quintals)

		5-4-61	*High*	*Low*	28-3-61
I.C.C.	Jarilla				
April	1961	571.50	584	571.50	579.25
August	1961	579.50	595.75	578	593

Trading in the spot market was featureless. Turnover was limited because very few mills had unutilised cotton quota. Those that had quota preferred to wait in expectation of a fall in prices. Needy mills, however, covered their requirements of such popular varieties as L.147, CO2, Laxmi, Khandesh, Kalyan, Wagad and Kalagin at lower prices.

Despite the delay in the quota release for Bengel *Deshi*, shippers continued to cover sizable quantities of this growth in anticipation of quota. Demand for foreign cotton was subdued. Barring some enquiries for Sudan and East African cotton, interest in foreign cotton was limited. Stray buying was reported in Syrian cotton. Mills were not interested in U.S. cotton. They are, however, anxiously waiting how the Government proposed to import 300,000 bales of U.S. cotton agreed to under the recent agreement between India and the U.S.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Hubli Laxmi 1.040; CO2 1.250; Wagad 745; L.147 1,033; Khamgaon Sudan G4L 1,485; Sudan XG 3L 1,541; B.P. (UNUG) 1,335.

Cheerful conditions prevailed in the Karachi cotton futures market during the week. N.T.R.G. May contract showed sustained firmness, thanks to the keen speculative support and investment buying attracted by the contract, following the expiry of the March contract on 25th March. From Rs. 70.90, the May contract improved to Rs. 72.20. The July position moved up in sympathy from Rs. 70.60 to Rs. 71.90. Spot prices were firm. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 193; Punjab *Deshi* 101; 4F Punjab Roller 88.35; S.G. 93.35; L.S.S. Punjab Roller 90.85; S.G. 95.35; N.T. Roller 93.85; S.G. 98.35; 289F Punjab Roller 96.35; S.G. 103.35.

Cotton futures in Alexandria scored handsome gains during the week. Both the Karnak and Ashmouni contracts met with support and were marked up. Buying based on expectation of a revival of foreign demand and local mill fixation was responsible for the firmness. The rise would have been more marked but for the keen competition from Sudan, which continued to act as a deterrent to buying. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: May 70.25; July.

Ashmouni: April 59.75; June 60.20; August 60.35.

Cotton futures in Liverpool receded during the week under review. Cheaper U.S. offers and lack of local demand induced selling which found buyers limited. Prices consequently suffered a setback. Advices from the yarn and piecegoods market were easy. The March deliveries of the American and American type contracts went off the board on the 31st March. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: May 27.70; July 24.95; October 24.10.

American cotton mixed growths contract: May 25.10; July 25.30; October 24.55.

Sudan: May, July, September 31.75.

Quiet conditions prevailed in the New York cotton futures market during the week. Prices tended to recede more due to lack of support than to selling. The steady increase in certified stocks and larger offerings by stockists discouraged buying. Over the week, futures prices showed small losses evenly distributed among the various delivery months. Spot prices, however, ruled steady.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	4-4-61	27-3-61	21-3-61
Spot	33.50	33.50	33.35
May	33.15	33.18	33.12
July	33.68	33.72	33.64

NO CHANGE IN YARN IMPORT POLICY

(From Our Own Correspondent)

BOMBAY, *5th April*

There was nothing of import to the yarn market in the import licensing policy for the current half-year announced by the Government of India early this week. For the policy maintains the *status quo* in regard to imports of art silk yarn, contrary to the fears expressed by some that further restrictions on imports might be imposed. Immediately after the policy was announced, art silk yarns tended to move up. Subsequently, however, prices drifted downward, following rumours regarding grant of actual users' licences to the extent of two-thirds of the value of licences issued previously as an advance for the current licensing period, as well as advance licences to exporting units against exports. Staple fibre yarns ruled listless in the absence of any change in import policy. Prices generally were lower. Cotton yarns were quiet in the absence of any fresh development.

The Bombay Yarn Merchants Association and Exchange Ltd. removed the ceilings fixed for Cupressa Bemberg yarn and 40 JP yarns. It, however, raised the rate of margin on overtrading to Rs. 200 per case of 100 kgs., with free limit to Rs. 200 per case of Cupressa Bemberg and 25 cases of 25 cases of Cupressa Bemberg and 25 cases of 40 JP yarn. Traders are awaiting the outcome of the discussions which the rayon interests had with the Union Finance Minister regarding the budget proposals affecting art silk yarns. It is hoped that the Finance Minister would concede the demand of these interests for some relief in import duty on yarn.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with the previous week.

	5-4-1961	28-3-1961
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.) April	2,800.00	2,800.00
60/1 Cupressa Bemberg spot	2,755.00	2,755.00
120 Japan (per 100 kg.)	1,556.00	1,570.00
150 Japan (per 100 kg.)	1,763.00	1,777.00
150 Italy (per 100 kg.)	1,543.00	1,543.00
150 Italy	1,763.00	1,763.00
Staple fibre yarn—		
40 x 2 April (per 90.72 kg.)	920.00	938.00
40 x 2 June	892.00	906.00
40 x 2 Century (per kg.)	10.55	10.68
40 x 2 Kohinoor (per kg.)	10.55	10.71
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	18.75	19.00
20s New Great	21.75	21.75
30s Simplex	27.12	27.12
40s Madura	31.75	33.00
60s Finlay	66.40	66.40
80s Mahendras	66.66	66.66

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, *5th April*

The oilseeds market ruled easy during the week under review, with the exception of groundnuts which displayed a firm tendency, though early in the week, there was a setback due to pressure of supplies of other edible oils such as rapeseed and mustard. With the recovery in prices of rapeseed subsequently, groundnuts too moved up. Prices at upcountry centres were higher than local prices. Crushers and *vanaspati* manufacturers also made some purchases. Today groundnuts touched the highest of the week, but the business put through continued to be moderate, thanks to overall tight supply position. Castorseeds began the week on a cheerful note, due mainly to covering business by shippers in anticipations of some inquiries for castor oil from communist countries, but turned weak subsequently, as some bulls liquidated a part of their holdings, following heavy arrivals. Prices of Indian castor oil being out of parity with world prices, traders did not expect any immediate inquiries from the U.S. and the U.K. The sesame section was listless. Linseeds were quite easy, thanks to pressure of new crop. The reported decision of the Government of India to release 50,000 tons of linseed oilcake (and also 15,000 tons of coconut oilcake) for export to all permissible destinations during the period April-September 1961 failed to have any effect. Exports against these quotas will be licensed freely by all shippers without any restrictions on maximum shipment by an individual shipper. Cottonseeds ruled easy in sympathy with raw cotton.

The Board of the Bombay Oilseeds and Oils Exchange has decided to allow trading in new contracts in all the important oilseeds with effect from the 8th inst. The existing margins and other restrictions are expected to be maintained for the new crop contracts too.

In the groundnut section, Nizam bold fell initially from Rs. 53.25 to Rs. 51.51, but recovered to Rs. 54.50 today with a net gain of Re. 1.25. Coromandel closed higher at Rs. 54.75, as against Rs. 53.50 last week-end. Oil ex-mill eased from Rs. 22.60 to Rs. 22.30, before improving to Rs. 23. The May contract, which had been unofficially ruling above the ceiling level (Rs. 220) for the last three weeks, was quoted at Rs. 230 today.

Castorseed May 1961 contract finished lower at Rs. 177.62, as compared with Rs. 179.50 last week-end. Ready Madras lost 25 nP to Rs. 33.37. Ready Kanpur shed 12 nP to Rs. 33.75. Oil commercial shed 20 nP to Rs. 15.70.

Linseed bold ready fell by 25 nP to Rs. 37.25. Linseed oil dropped 30 nP to Rs. 16.20. May 1961 contract declined from Rs. 36.62 to Rs. 36.31 earlier in the week, but moved up subsequently to Rs. 36.84.

In the cottonseed section, May 1961 contract suffered a setback of 75 nP to Rs. 95. Whites shed 5 nP to Rs. 19.70. Non-whites and Berars were both quiet at 19.50.

Dull conditions prevailed in the sesame section. Bold variety was neglected at Rs. 370 (per 250 kgs.). Sesame oil was unchanged at Rs. 28.25.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	5-4-1961	28-3-1961	22-3-1961
Groundnut	Rs.	Rs.	Rs.
May 1961	220.00	—	—
Nizam bold	54.50	53.25	54.50
Coromandel ready	54.75	53.50	55.25
Khandesh quality	54.75	53.50	55.25
Oil ex-mill ready*	23.00	22.60	23.15
Railway receipts*	22.85	22.40	22.80
Castorseed			
May 1961	177.62	179.50	176.87
Ready Madras	33.37	33.62	33.25
Ready Kanpur	33.75	33.87	34.12
Oil S.S.S.†	16.70	16.65	16.10
Oil commercial†	15.70	15.90	15.45
Linseed			
May 1961	36.84	36.62	37.19
Bold ready	37.25	37.50	38.37
Oil ready†	16.20	16.50	17.50
Cottonseed			
May 1961	95.00	95.75	97.25
Niger seed	42.00	41.00	42.00
Karsi seed	28.25	27.75	28.50

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

BLACK PEPPER STEADIER

(Messrs. Parekh and Co.)

BOMBAY, *5th April*

Distressed selling with a view to avoiding double sales tax in Kerala State having been finished on the 31st ultimo, Malabar black pepper became steadier, though business continued to be thin, owing to intervening holidays and lack of foreign inquiries. Garbled was quoted at Rs. 374, while ungarbled found buyers at Rs. 363. May delivery improved from Rs. 381 to Rs. 390 and July from Rs. 392 to Rs. 400. Business in the later position was conspicuously thin, as there were few sellers. Calicut was quoted at Rs. 355, with smaller arrivals. During the week, New York was reported to have bought Malabar black for March and early April shipment from $0.42½ to $0.43.

Stock of Malabar black pepper as on 1st April is estimated at 10,000 tons, of which about 5,000 tons will be required for home consumption till the end of October, thus leaving 5,000 tons only as exportable surplus as per the data available from knowledgeable quarters. Opinion as to the final production of Malabar black pepper for the year 1960-61 is divided. One quarter puts it at 24,000 tons and the other at 21,000 tons. We have taken the mean figure at 23,000 tons for statistical purposes:

	Tons	Tons
Estimated carry-over from 1959-60	1,000	
Estimated production 1960-61	23,000	
		24,000
Less:		
Export during November 1960	950	
,, ,, December 1960	1,820	
,, ,, January 1961	1,250	
,, ,, February 1961	2,900	
,, ,, March 1961 (estimated) ..	2,000	
Plus estimated offtake for the inland consumption during the first 5 months	5,000	13,980
Total stock available as on 1st April 1961		10,070
Less: Estimated requirement for inland consumption from April to October 1961 (If the prices are higher, the inland consumption may be reduced to 4,000 tons)		5,000
Available for export as from April to October 1961..		5,070

Out of this quantity of 5,070 tons, there are possibilities of East European countries and Russia taking about 2,500 tons during the coming months, thus leaving the balance of 2,570 tons for export to the U.S.A. and other countries for the remaining months of the seasonal year. (Past record shows that generally Russia and other East European countries buy about 6,000 tons per year.) Usually, the U.S. imports 11,000 tons of black pepper from April to December from all origins, mainly from Singapore and India.

As the stock in India is considered to be insufficient for the autumn requirements of the U.S. Canada and other Continental countries, the future of pepper will depend upon the attitude of Singapore. The control of the world pepper market is now onwards being passed into the hands of Singapore and Indonesia.

Since April 1960, America has been buying hand to mouth. It has taken something like 1,500 tons less than the usual average import during January to March. New York dealers shall have to replenish their stock before the autumn to meet its usual requirements. Autumn is considered to be the best seasonal months in the U.S. At present, there is tug-of-war between New York and supplying countries. One is trying to put down the other. The market appears to be marking time, as approach by both bulls and bears is cautious.

Business was sparse at Singapore, owing to intervening Easter holidays. Prices were firmly held at Str.$145 for black and Str.$180 for white, there being no selling pressure, as almost all the stocks are in strong hands.

Spot in New York, after maintaining a level of $0.47½ for a week, came down to $0.47 under pressure of arrivals. But informed quarters say that this is a passing phase. There are chances of improvement in the premium of spot over shipments as soon as the pressure of arrivals is over.

It is too early to estimate the size of new crop in Sarawak and Lampong. Yet, the informed quarter from Kuching places its first tentative estimate at 8,000 tons (Sarawak pepper) and that from Sumatra places Lampong at 10,000-12,000 tons only.

The present trouble spots like Laos, Congo and West Irian in the world's politics are being watched closely by Singapore and other origins.

In Bombay, ready pepper is nominally quoted at Rs. 200 per 50 kilos.

TEAS DECLINE

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.)

COCHIN, *28th March*

A quantity of 490,000 kilograms was offered in Sale No. 13 held today. Quality in general showed no change compared to last week but there were a few invoices showing slight improvement. The market met a good but irregular demand. Plain and low medium descriptions met useful support but registered a decline of 10 nP to 20 nP whilst mediums and good mediums were in some cases easier by upto 30 nP. There was better demand for high-grown and best liquoring whole leaf grades were a strong feature of the sale. There was useful demand for a small selection of C.T.C. and legg-cut types on offer. Whole leaf grades were firm whilst there was less demand for tippy teas.

	1961	1960
	Rs.	Rs.
Low medium	4.55-4.70	4.20-4.30
Medium	4.70-4.90	4.30-4.65
Good medium	4.95-5.30	4.85-5.60
Nilgiry B.O.P.	Rs. 5.25-8.05	

The average price realised in sale No. 13 was Rs. 4.93 per kilo as against Rs. 4.99 a week ago and Rs. 5.91 in the corresponding sale last year.

Dust Sale No. 13 : 205,000 kilograms were offered in Dust Sale No. 13 held on Wednesday, 29th inst. A fair selection of dusts was on offer. The market met a good general demand. Residuals and low medium descriptions were easier by 5 to 10 nP, mediums and good mediums meeting a better support are quoted about steady. Best liquoring dusts were irregular and often sold at lower rates than last. C.T.C. and legg-cut types were in good demand and were firm.

The average price realised in Dust Sale No. 13 was Rs. 4.73 per kilo as compared with Rs. 4.87 last week and Rs. 4.59 in the corresponding sale last year.

Export Quota : The price is quoted nominally at ¼ nP per kilo.

Colombo : 668,000 pounds were offered during this week. There was less general demand. Highgrown teas from the Western districts were easier. Better liquoring B.O.Ps declined considerably although corresponding fannings were in better demand. Low growns were in good demand at firm rates. At the off-grade sale liquoring fannings sold well whilst others were generally easier. Dusts were irregular ; the best kinds selling at rates below last.

London.—North Indian and other growths : Monday's auction met with fair general demand. Poorer descriptions from Dooars were easier whilst others were firm.

Ceylon and South Indians : 25,433 packages were offered in Tuesday's sale of which 7,971 packages were from South India. There was good demand particularly for better liquoring teas which are quoted fully firm. Others were irregular and easier.

RAW JUTE RECEDES

(From Our Own Correspondent)

CALCUTTA, *4th April*

Prices of both raw jute and jute goods were steady at lower levels during the week under review. Fibre continued to be offered at below the I.J.M.A. prices and earlier in the week a further decline in fibre prices was recorded. At the lowest levels, mills exhibited buying interest and some deals were put through. Following this, prices tended to rise fractionally, but soon receded. More interest was shown in goods and a fair volume of business was transacted. This, again, was only a temporary phase and on the eve of Easter and the week-end holidays interest dwindled and prices moved down.

Satisfaction was expressed at the success of the I.J.M.A. voluntary maximum price scheme but this was considerably aided by rains in most jute districts in both India and Pakistan and the consequent anticipation of a bumper crop. A further decline in prices was reported in the Narayanganj market and this was attributed to good progress in sowing in Pakistan's midland areas. The price of cuttings declined to Rs. 235 a bale from Rs. 270. After the *Id* festival, arrivals into Narayanganj market tended to decline. This should be attributed to the fall in prices.

On Tuesday last, northern bottoms in Calcutta declined from Rs. 58.50 a maund to Rs. 56.00 and daisee bottoms from Rs. 61.00 to Rs. 59. On the following day, northern bottoms recovered to Rs. 56.50 and daisee bottoms to Rs. 59. These rates were maintained on Thursday, although buying support was meagre. Arrivals recorded a decline but this feature did not lend support to prices.

In the goods market, ready B. twills opened at Rs. 182.50 but on Tuesday fell to Rs. 177 in the

absence of adequate buying interest. At this time, reports of the falling trend in the U.S. burlap market were received. In New York, spot hessian 40" 7½ oz. fell to 11.25 cents per yard from 11.40 cents, and the heavier quality to 15.10 cents from 15.50 cents. Reports from Dundee were also discouraging. For, it was stated that, because of high prices, consumers were turning to substitutes. The jute industry there was thought to have lost much skilled labour. On Wednesday, some buying interest was in evidence in the local market, as the low prices attracted buyers. Following a few deals, prices rose, with B. twills recovering to Rs. 179 and hessian 40" 10 oz. to Rs. 62.50. When prices rose, buyers withdrew and on Thursday, B. twills receded to Rs. 177 and hessian 40" 10 oz. to Rs. 61. The market remained closed from Friday. The reopening on Monday was on a quiet tone, soon, however, local buying interest developed and prices began to move up. Hessian 40" 10 oz. thus closed steadier at Rs. 62.00 and B. twills at Rs. 179.00.

TEAS IRREGULAR

(From Our Own Correspondent)

CALCUTTA, *4th April*

Prices during last week's internal sales eased. This was in line with quality, but there was good demand. Dusts on offer totalled 22,994 packages. Medium C.T.Cs recorded an irregular trend. Thus, while the poorer lots, particularly the fibrous ones, eased by 20 nP. the best liquoring sorts were firm at about last rates. Prices for the small and bright lines were higher. The best C.T.Cs were steady. Orthodox teas were supported at 10 to 15 nP below last rates. Legg-cut Dooars were firm. The small and bright lines in this category sold well. The quotations per 1 kg. inclusive of excise duty were: good Assam C.T.C. dust Rs. 6.40 to Rs. 7.00, medium Assam C.T.C. Rs. 5.55 to Rs. 6.20, legg-cut dust Rs. 4.60 to Rs. 5.10, medium Assam dust Rs. 4.50 to Rs. 4.80, and plain orthodox dust Rs. 4.40 to Rs. 4.55.

Leaf on offer amounting to 483 chests met with good demand at irregular prices.

Finance for capital goods and the need to procure more fertilisers would be the problems of Darjeeling planters if they were to realise the target of 20 per cent increase in tea production under the third Plan. These subjects were referred to by Mr. C. W. Emmett in his presidential address to the annual meeting of the Darjeeling branch of the Indian Tea Association held at Darjeeling on 18th March. Mr. Emmett said that, although the target was realisable, he was concerned at the poser if the tea would retain the Darjeeling characteristics.

METALS QUIET

(From Our Own Correspondent)

CALCUTTA, *4th April*

Base metals, which had been fully steady in the earlier part of the week following apprehensions of import cut, turned quiet in the later part of the week under review, since the import policy announced on 1st April maintains the *status quo* in regard to the major base metals, copper, zinc, lead and tin. This had been a disappointment to those who had been seeking an increase in the imports of the different metals. A concession termed as minor in the policy has been the inclusion of German silver and nickel silver scrap in the list of items for import by actual users. At the same time, established importers will no longer be allowed to import these two scraps including their semis. The change announced in regard to the import of copper and brass scrap has been welcomed by the established traders inasmuch as it is a recognition of their useful role in distribution. The change in regard to copper scrap is that quota licences will be valid for import of copper unwrought. Established importers will sell the virgin copper thus imported to permit-holders only, at prices not exceeding 3½ per cent margin over the landed cost. Quota holders of brass scrap can now import unwrought copper and zinc or spelter unwrought. These changes have been welcomed, although this would mean a reduction in the margin of profit permitted from 5 per cent to 3½ per cent. It is to be hoped that permit-holders for the copper imported by the established traders would be mainly the small-scale consumers who are not permitted to import copper direct.

Prices of copper scrap moved up following apprehensions of shortage in view of the country's increased consumption. The berry quality scrap moved up to Rs. 476.50 per quintal from Rs. 462.58, and utensil scrap from Rs. 443.00 to Rs. 453.00. On the London Metal Exchange, in view of the approaching Easter holidays the price eased from £226⅞ per ton to £223¼. Following more arrival, the price of tin eased from Rs. 1,275.50 to Rs. 1,238.00, to close at Rs. 1,250.00. Tin in London was firmer at £825 per ton for a time but eased to close at £823. The firmness earlier was attributed to the rising trend in Singapore. Virgin lead closed here at Rs. 130, which was Re. 1 lower than the opening rate. Electrolytic zinc opened at Rs. 331.75 and eased to Rs. 326.75 per 100 kgs.

SUGAR DEPRESSED

(From Our Own Correspondent)

HAPUR, *3rd April*

Sugar prices eased during the week, thanks to comfortable supply position. Damaged sugar of 1959-60 season is being sold in the open market at Rs. 100 to Rs. 104 per bag, while dry sugar was being quoted at Rs. 108 per bag of one quintal and retail Rs. 1.06 per seer. The Government of India is anxious to arrange exports even at a loss in order to earn foreign exchange, but export prospects are still bleak. Production, however, was still being carried on in all the factories here in west U.P. as cane supplies were adequate, but some factories were reported to be experiencing shortage of coal.

Sugar prices were also depressed during the week in the Muzaffarnagar market as damaged sugar of last year's production was being sold heavily. Prevailing prices are: Rs. 108 per bag dry, damaged and damp Rs. 100 to Rs. 104 per bag.

Khandsari prices ruled quiet during the week in absence of fresh incentives. Demand too was slack. Production was being continued while some units have closed for want of cane supplies. Production on the whole would be much lower than last year. Prevailing prices on Monday were: *khandsari* inferior Rs. 26 to Rs. 29; superior Rs. 31 to Rs. 33.50; crystal Rs. 33 to Rs. 36; boora Rs. 33 to Rs. 36; galawat Rs. 22.50; old Rs. 22 to Rs. 27 a maund.

Ready *gur* prices registered modest gains during the week as daily arrivals dropped to an average of 200 maunds. Loading is restricted, except on Sundays when free loading is allowed but demand is slack. Local stock is heavy, at about 76,000 mds., as against 41,000 mds. on the corresponding date of last year and 88,000 mds. in 1959 when pansera *gur* was quoted at Rs. 16.12 and Rs. 18.75 a maund respectively, as against prevailing price of Rs. 13.75 to Rs. 14 a maund. Total arrivals of *gur* during the current season here were 4.68 lakh maunds, as against total arrivals of 5.87 lakh maunds and 6.61 lakh maunds in 1959. Sowings of cane for next season is being done and land recently vacated from *rabi* crops is being utilised for such sowings.

Gur prices ruled quietly steady in the Muzaffarnagar market as daily arrivals dropped to about 5,000 mds., but loading continued to be restricted and week-end prevailing prices were: *Gur* Chaku Rs. 13 to Rs. 15.50; pansera Rs. 13 to Rs. 14; laddo Rs. 14.50 to Rs. 15.50; rusket Rs. 7 to Rs. 10; shakker dara Rs. 14.50 to Rs. 16; shakker masala Rs. 17 to Rs. 18 a maund.

FOODGRAINS ARRIVALS LARGE

(From Our Own Correspondent)

HAPUR, *3rd April*

Quiet conditions were witnessed in the foodgrains market during the week. Larger arrivals of new *rabi* crop exerted pressure on prices. Expectations of bumper *rabi* crop and large buffer stocks with the Government of India and heavy supplies from U.S.A. under long-term P.L.-480 agreements were additional depressing factors.

Wheat prices here recorded modest fall during the week to be quoted on Monday at Rs. 16.50 a maund for dara quality and Rs. 17.50 for better farm produce. Wheat imported from Punjab was lifted at Rs. 16.50 to Rs. 17 while inferior red quality found buyers at Rs. 14.25 a maund. Daily arrivals of wheat from rural areas were small at about 50 mds., harvesting of wheat has begun here and new wheat would begin to reach the market after a fortnight. Sunny weather now is favourable both for harvesting and winnowing operations. Rice prices were consequently almost at a standstill, inferior quality, however, recorded a downward trend, thanks to better supply position and continued arrivals from east U.P. Week-end prevailing prices were:—rice mainpuri Rs. 20.50, ramajwayan Rs. 24, raimunia Rs. 25.50, *basmati* sela Rs. 28 to Rs. 30, superior Rs. 32 to Rs. 36, *gainda* Rs. 19.75 a maund.

Gram prices continued to be subdued. Week-end ruling prices were Rs. 14.50 to Rs. 14.75 a maund for Punjab variety, inferior quality was being sold at Rs. 14 a maund. Local stocks were poor at 1,500 mds., buy expectations of large arrivals from Punjab mainly influenced market trend. Barley and bejhar sought lower levels and were quoted at Rs. 11.12 and Rs. 10 per maund, respectively. New produce grain is reaching the market in small quantities. Maize was not in demand even at the low price of Rs. 11.50 to Rs. 12.50 a maund. Jowar was quoted fractionally lower at Rs. 11.50 to Rs. 12.50 a maund, while guwar prices were steady at Rs. 13.25 to Rs. 13.50 a maund. *Bajra* was quoted at Rs. 17 a maund due to some demand for seed purposes.

MARKET GOSSIP

(Concluded from page 619)

is mainly a sequal to the improvement in the wheat crop position. Wheat production during this season is expected to touch a peak of 10.0 million tons, as against 9.7 million tons in 1959-60 and 9.8 million tons in 1958-59. Mr. S. K. Patil, Union Minister for Food and Agriculture, disclosed in the Lok Sabha this week that the main factors that influenced the Government to take the above decision were bright prospects of the coming *rabi* crop, availability of large stocks of foodgrains in Central reserves, heavy import programme from abroad and "relatively low prices of wheat" prevailing in the country. The decision must be widely welcomed. For any curbs on free movement of wheat when supply position is comfortable will only result in built-in slump in the major producing States and artificial scarcity conditions in deficit areas.

The supply position of wheat as well as other foodgrains has no doubt improved, but it would appear to have had no perceptible effect on prices so far, as is evident from the following table which shows the prices of foodgrains now ruling at Hapur as compared with those in the beginning of 1961 and a year ago:

(In Rs. per maund)

Foodgrains	Latest available	Beginning of the year	A year ago
Rice Basmati	29	28.50	32.50
Wheat	18.75	18.50	18.75
Gram	14.50	17.00	12.37
Maize	12	14.12	11.12
Jowar	12.50	13.00	12.25
Peas dara green	10.25	13.50	10.25
Moong	22	19.00	19.00
Arhar	12	13.50	14.25
Barley	11.50	12.75	11.00

It will be seen from the above table that, except rice which has tended to recede and wheat which remains unchanged, other important foodgrains are quoted higher than the prices prevailing at this time last year. The present price situation thus gives no room for complacency. With the abolition of control on inter-zonal wheat movement, it remains to be seen whether the prices of this commodity will be stabilised at a reasonable level. As for rice, it is gratifying to be told by Mr. Patil that, if the supply position continues to be so good as now, there is every prospect of the restrictions on it being removed.

Transatlantic Air Fares

Following almost on the heels of the decision of the B.O.A.C. to reduce its transatlantic cargo rates, three American airlines—Pan American World Airways, Trans World Airlines and the Seabound and Western Airlines—recently proposed to bring down the North Atlantic general cargo rates with effect from mid-April 1961. These rate cuts will be based on weightbreaks and not on the current outmoded and expensive commodity rate system. (Here the 'weightbreak' system is to be clearly distinguished from the 'commodity rate' system: the former provides that the heavier the shipment the lower the rate per pound, while the latter provides special rates for specific goods.) Under the proposed rates, a 100-pound shipment between New York and London, for instance, would cost $68.40, as against the current rate of $94.95. A bigger load of 16,000 pounds will secure a reduction of 62 per cent.

But alongside the above plans of important British and American airlines to reduce their freight rates, a movement in the opposite direction has also been mooted recently in Paris for raising the rates. Following the urgent requests from some European airlines to hold an emergency session of the International Air Transport Association to discuss the question of raising the air fares in Europe, a special private meeting of European airlines started deliberations on 23rd March 1961. The initiative of suggesting the upward revision of air fares has primarily come from the smaller European carriers, who have in the past been strong opponents of fares reductions. These smaller airlines have been alarmed at the continually rising costs. The decision of the U.K. Ministry of Aviation to raise landing fees at its airports by about one-third with effect from 1st April 1961 has particularly come as a shock to them. Under the new landing costs tariff, a Comet 4B will have to pay a basic rate of about £59 to land at London airport, if the flight originates within Europe, as against the prevailing rate of £44.

The smaller European airlines are particularly worried because the Cannes Conference of the International Air Transport Association held last autumn had taken the unprecedented step of deciding that the current rates would remain unchanged till 1st April 1963. The smaller airlines are obviously deeply concerned over the prospects of the present rates continuing for such a long period, in the face of the mounting operational costs and the steadily expanding capacity as more and more jets joined the airlines fleets.

Notices

INDIAN RAYON CORPORATION LIMITED

To

THE MEMBERS OF
THE INDIAN RAYON CORPORATION LTD.,
BOMBAY.

PURSUANT TO THE BOARD RESOLUTION, the Transfer Books and the Register of Members of the Company shall remain closed from Monday the 24th April to Saturday the 29th April 1961 (both days inclusive) and the equity right shares being presently issued will be offered to those members whose names appear on the Register of Members as on 29th April 1961.

For THE INDIAN RAYON CORPORATION LTD.,
For VERAVAL RAYON INDUSTRIES (P) LTD.,
LAXMICHAND LALJI,
Director,
Managing Agents.

BOMBAY, *dated 5th April* 1961.

THE SENDRA COAL COMPANY LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Annual General Meeting of the Members the following dividend for the year ended 31st December, 1960, subject to deduction of tax under Section 18(3D) of the Income Tax Act at the time of payment—

On Ordinary Shares @ 5 per cent per annum.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, *30th March*, 1961.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 31st March, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	76,45,78,000
(2) Other Governments	28,38,78,000
(b) Banks	70,84,78,000
(c) Others	87,95,78,000
Bills Payable	43,10,91,000
Other Liabilities	48,27,86,000
Rupees	485,63,89,000

ASSETS	Rs.
Notes	7,84,43,000
Rupee Coin	3,21,000
Subsidiary Coin	6,06,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	39,17,04,000
(c) Government Treasury Bills	13,23,70,000
Balances held abroad*	30,02,49,000
Loans and Advances to Governments†	185,49,73,000
Other Loans and Advances	180,95,09,000
Investments	19,82,05,000
Other Assets	485,63,89,000
Rupees	

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 45,38,50,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,84,43,000	
Notes in circulation	1984,74,43,000	
Total Notes issued	....	1992,58,86,000
Total Liabilities	....	1992,58,86,000

ASSETS	Rs.	Rs.
A Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	123,00,89,000	
Foreign Securities		240,76,92,000
Total of A		119,61,68,000
B. Rupee Coin		1632,20,26,000
Government of India Rupee Securities		....
Internal Bills of Exchange and other commercial paper		1992,58,86,000
Total Assets		

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1939 (pre-war)	24th March* 1961	17th March* 1961	A month ago *R*	A year ago *R*
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1968.70	1971.97	1925.33	1844.90
Notes held in Banking Department	35.05	24.00	19.89	34.97	21.94
Foreign Securities	59.50	128.01	128.01	128.01	163.01
Rupee Securities	37.39	1627.22	1627.22	1592.28	1461.93
Banking Department					
Deposits of:					
Government of India	14.39	53.37	72.70	61.04	63.15
Other Governments		33.63	18.12	18.39	42.97
Balances held abroad	10.06	25.54	32.19	31.49	34.11
SCHEDULED BANKS					
Demand Liabilities	134.86	812.41 (15.64)†	794.74 (16.17)†	792.58 (19.98)†	793.94 (12.62)†
Time Liabilities	102.24	1058.22 (9.88)†	1056.73 (9.80)†	1075.87 (10.50)†	1141.19 (20.50)†
Borrowings from Reserve Bank	..	82.63 (37.14)‡	78.29 (35.28)‡	52.14 (26.15)‡	79.44 (14.03)‡
Borrowings from State Bank	..	16.46	16.57	13.84	16.82
Cash in India	6.70	44.02	44.39	45.20	62.12
Balances with Reserve Bank	25.17	72.30	66.80	72.91	90.79
Balances with other banks in current account in India	..	14.91	15.03	14.77	18.56
Money at call and short notice in India	..	24.73	23.65	27.72	18.20
Investments (at book value)	..	559.62	558.49	534.42	714.73
Advances and bills	105.9	1318.05	1307.16	1263.47	1127.88
STATE BANK					
Deposits	87.76	560.90	542.83	553.45	627.44
Investments	51.99	241.27	239.24	260.83	358.17
Advances	30.35	280.21	277.11	264.88	219.22
Cash	14.69	28.51	24.37	23.98	41.17

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1960	5	6
Burma	Feb., 1948	..	3
Canada †	..	2.41	3.53
Ceylon	18th Aug., 1960	3.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	8
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	5.50
Japan	22nd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.85
Netherlands	16th Nov., 1959	2.75	5.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	19th Jan., 1944	..	3
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec. 1960	5.50	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug., 1960	3.50	4
West Germany	20th Jan., 1961	4	3.5

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 31st March, 1961

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		7,45,00,000
Borrowings from Other Banking Companies, Agents, etc.		573,20,35,000*
Bills Payable		82,00,000
Bills for Collection being Bills receivable as per contra		9,56,97,000
Acceptances, Endorsements and Other Obligations per contra		1,89,17,000
Other Liabilities (including Inter-Office Adjustments)		1,17,73,000
Total .. Rs.		4,17,31,000
		603,91,03,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		17,01,24,000
Balances with other Banks		5,62,75,000
Money at Call and Short Notice		2,85,33,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	233,20,67,000	
Other Authorised Investments	9,83,75,000	
		243,04,42,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	263,92,16,000	
Bills Discounted and Purchased	17,36,78,000	
		281,28,94,000
Bills Receivable being Bills for Collection as per contra		1,89,17,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,17,73,000
Premises less Depreciation		1,77,35,000
Furniture and Fixtures less Depreciation		1,35,80,000
Other Assets (including Inter-Office Adjustments)		6,98,30,000
Total .. Rs.		603,91,03,000

* This includes Rs. 189,79,00,000 of U.S. Funds.

Scheduled Banks*

Statement of Affairs for the week ended 24th March, 1961

		Rs.
(i)	Demand Liabilities in India	(Thousands)
	(a) Demand Deposits—	
	(1) From banks	47,39,77
	(2) From others	712,46,33
	(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	15,63,60
	(c) Other demand liabilities	52,54,59
(ii)	Time Liabilities in India	
	(a) Time Deposits—	
	(1) From banks	13,42,72
	(2) From others	1017,86,01
	(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	9,68,16
	(c) Other time liabilities	21,93,19
(iii)	Borrowings in India from the State Bank of India and/or notified banks:	
	(a) Demand Liabilities	15,18,37
	(b) Time liabilities	1,28,00
(iv)	Borrowings in India from the Reserve Bank of India (A)	82,62,78 (37,14,50)
(v)	Cash in India	44,01,95
(vi)	Balances with the Reserve Bank in India	72,29,54
(vii	Balances with Other Banks in Current Account in India	14,91,20
(viii)	Money at call and short notice in India	24,73,45
(ix)	Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	559,62,11
(x)	(a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1100,51,62
	(b) Due from Banks in India	16,50,50
xi)	Inland Bills purchased and discounted in India.	150,36,66
(xii)	Foreign Bills purchased and discounted in India.	50,66,07
(xiii)	Total of items (x), (xi) and (xii)	1318,04,85

Notes :—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 24th March, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Rural Credit Fund	1,00,00,000
Deposits:—	
(a) Central Government	1,15,71,000
(b) Provincial Governments	64,21,000
(c) Banks	17,54,94,000
(d) Others	127,56,00,000
Bills Payable	33,16,000
Other Liabilities	16,60,40,000
Rupees	171,99,42,000

ASSETS	Rs.
Notes	8,75,43,000
Rupee Coin	67,000
Subsidiary Coin	49,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	43,16,84,000
Loans and Advances to Governments	9,39,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	39,94,00,000
Investments	60,19,57,000
Other Assets	10,53,42,000
Rupees	171,99,42,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,75,43,000	
Notes in circulation	386,48,33,000	
Total Notes issued	....	395,23,76,000
Total Liabilities	....	395,23,76,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion		
Silver Bullion	24,66,79,000	
Foreign Securities	81,03,01,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	148,77,44,000
B. Rupee Coin		
Government of Pakistan Securities	2,30,52,000	
Internal bills of exchange and other commercial paper	238,25,74,000	
	....	240,56,26,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	395,23,76,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued : 39.06 per cent.

EXCHANGE RATES

		5th April 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅛	1-5⅛
Sellers T. T. D.D. upto six months	s.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	s.	1-6⅛	1-6⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	478.25	478.50
Buyers T.T.	Rs.	475.00	475.00
London on New York	s.	2.7987–2.7990	2.7983–2.7986
London on Paris	Frs.	13.7125–13.7150	13.7115–13.7135
London on Berne	Sw. Frs.	12.0940–12.0960	12.0915–12.0935
New York on London	s.	279.870–279.900	279.830–279.860

CLEARING HOUSE RETURNS

Centre	Week ended 31st March, 1961		Week ended 24th March, 1961	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,27,396	69,86,34,000	4,07,851	1,05,42,10,000
Calcutta	1,76,000	87,34,00,000	2,19,000	1,05,67,00,000
Madras	93,012	13,50,16,716	1,10,175	16,49,35,914
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	46,172,000	97,97,12,00,000
1959-60	..	..	50,084,000	109,88,05,00,000
Jan. 1960	..	..	4,392,000	998,20,00,000
Nov. „	..	..	4,695,000	1078,36,00,000
Dec., „	..	..	4,329,000	1118,52,00,000
Jan., 1961	..	..	4,875,000	1,100,37,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	11th March 1961	4th March 1961	12th March 1960	February 1961	February 1960	Percentage of Increase (+) or Decrease (—) in Feb., 1961 as compared with Feb., 1960	Annual Average 1960	Annual Average 1959
Food Articles	504	116.8	116.8 R	116.7	116.3	118.8	— 2.1	120.3	118.2
Cereals	192	100.4	100.3	103.2	99.8	104.4	— 4.4	105.8	104.8
Pulses	43	93.1	93.1	90.6*	92.9	95.3	— 2.3	92.6	99.5
Fruits and Vegetables	23	109.2	106.9 R	124.6*	104.2	113.1	— 7.9	121.0	127.6
Milk and Ghee	84	111.4	111.5	109.1	109.5	111.5	— 1.8	115.5	112.2
Edible Oils	47	163.4	161.6	137.5	160.4	137.8	+16.4	148.8	126.9
Fish, Meat and Meat	17	126.7	121.8	115.3	121.3	110.5	+ 9.8	121.1	110.4
Sugar and Gur	45	116.9	118.5	138.9	119.9	145.2	—17.4	138.6	143.0
Others	50	165.1	158.7	159.8	160.3	155.6	+ 0.4	165.6	163.4
Liquor and Tobacco	21	114.2	112.8	96.0	98.1	111.2	+15.8	109.4	109.7
Tobacco	..	110.2	98.8	100.8	94.2	111.7	+16.6	104.8	99.3
Fuel, Power, Light and Lubricants	39	120.3	120.3	120.3	117.8	120.0	+ 2.3	117.3	119.0	118.1R
Industrial Raw Materials	185	189.1	188.9 R	131.8	158.2	131.6	+21.0	138.8	119.7
Fibres	61	177.0	176.3 R	124.6	179.0	123.0	+45.5	139.8	110.5
Oilseeds	60	159.2	157.7 R	140.4	157.9	140.8	+12.1	144.9	130.0
Minerals	2	95.2	95.2	95.2	95.2	95.2	+ —	97.6	100.0
Others	62	128.3*	128.4 R	131.6	128.3	133.2	— 3.7	129.0	117.3
Manufactures	280	129.8	129.1 R	116.9	129.5	116.3	+11.1	120.8	120.7
Intermediate Products	41	137.7	136.1	121.8	134.2	120.5	+11.4	127.1	111.1R
Finished Products	240	128.5	127.8 R	115.2	128.5	115.6	+11.1	119.2	120.5
Textiles	147	134.6	133.7	115.1	134.4	115.1	+16.8	121.2	104.6
Cotton	—	126.6*	126.6*	124.7	126.1	125.2	+ 0.7	127.5	113.5
Jute	—	165.0	161.4*	97.8*	167.7	96.4	+74.0	115.2	87.3
Woollen	—	110.1*	110.1*	104.2	110.1	104.2	+ 5.7	104.7	104.6
Silk and Rayon	—	115.7*	115.7*	102.6*	111.4	103.4	— 7.7	102.6	93.7R
Metal Products	12	148.0	148.0	143.2*	146.9	145.2	+ 1.2	147.0	143.7
Chemicals	20	104.6	104.2	104.9	104.2	105.6	— 1.3	104.7	105.2
Oil Cakes	10	145.4*	144.6	140.1	149.1	144.6	+ 3.1	140.2	143.7
Machinery and Transport Equipment	21	112.5	112.6	111.0	112.6	106.5	+ 5.7	110.7	105.8R
Others	30	118.2	118.0 R	113.8	117.0	112.7	+ 3.8	115.0	113.6R
All Commodities	1,000	127.2	126.8 R	116.7	126.7	119.5	+ 6.0	123.0	116.5

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

R—Revised.

* Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—Continued

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 25th March 1961	18th Mar., 1961	25th Feb. 1961	26th Mar. 1960
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.0	101.0	100.9	101.3
2. Government of India	100.9	100 9	100 8	101.1
3. State Government	101.8	101 7	101.5	102.7
4. Municipal, Port Trust, etc.	99.7	99.8	99.7	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.7	100.6	100.6	101.4
PREFERENCE SHARES—ALL INDIA.				
6. Total	85.7	85.8	85.6	90.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	182.6	180.6	172.0	161.7
8. *Agriculture and Allied Activities; Total**	175 4	172.0	165.2	172.3
9. Tea Plantations	169.9	165.4	159 0	168 1
10. Coffee Plantations	195.0	195 0	196 3	200 6
11. Rubber Plantations	173 5	173 1	171 2	178 4
12. *Mining and Quarrying: Total*	172 9	171.2	161.4	153.3
13. Coal	129 0	129 0	125.8	116.5
14. Other Mining	203 0	200.1	185.8	178.5
15. *Processing and Manufacturing: Total*	196.8	194.6	184.7	169.8
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	198.7	195.2	186.0	167.3
17. Sugar	178 1	176 7	168 9	180 5
18. Cotton Textiles	162 2	159.6	153 5	141.7
19. Jute Textiles	95 3	93 7	85.8	93.8
20. Silk and Woollen	1166.2	1134.2	1081.2	825.7
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	210.9	209.8	197.2	180.4
22. Iron and Steel	171 2	169 9	161 3	148.1
23. Transport Equipment	427 5	424 4	400 7	344.2
24. Electrical Machinery	165.5	165.5	147.5	129.3
25. Machinery other than Transport and Electrical	227.9	229 0	211.3	203.2
26. Basic Industrial Chemicals	219.1	213 7	205.7	188.1
27. *Processing and Mfg. (Others): Total**	164.5	164 9	157.5	157.7
28. Cement	146.2	146 4	138.5	139 1
29. Paper	218.5	220 0	215 9	213 2
30. *Other Industries: Total**	112.0	111.5	107.1	108.0
31. Electricity Generation and Supply	80 6	80 3	79 8	82.9
32. Trading	131 6	131 1	121.5	111.7
33. Shipping and Other Transport	105 6	105 2	100 1	110.4
34. Construction	313.8	313.3	273 4	278.9
35. *Financial: Total*	191 3	190.0	184.2	176.2
36. Banks	215.9	214 6	207 6	195 8
37. Insurance	142 0	140 3	136.1	136 2
38. Investment Trusts	90.6	90.5	91.3	97.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	189.4	187 0	177.5	161.7
40. Calcutta	168 3	167.0	158.7	153.6
41. Madras	197.6	195 4	189.4	182.2
42. Delhi	245.4	243.5	230.8	210.0

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base 1949=(100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1953 Average	106	363	111	323	95	103	349	109	106	104	102	112	106	114
1954	101	359	98	294	85	99	327	106	105	91	95	102	98	106
1955	96	338	87	246	78	96	321	99	99	88	87	98	86	106
1956	105	353	98	316	89	105	347	111	109	95	96	106	106	114
1957	111	369	104	339	94	112	364	116	114	99	103	115	107	126
1958	116	395	110	313	98	120	384	124	113	103	103	123	109	131
1959	121	412	125	340	98	132	384	133	120	106	98	125	108	140
1960	124	423	120	357	99	136	397†	143	120	107	103	120	109	146
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July	126	423	122	362	101	137	406	145	121	109	108	119	109†	146
August	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept.	125	418	122	364	101†	138	403	146	122	108	102	122	108	147
Oct.	125	421	123	365	102	137	396	148	122	108	105	119	108	147
Nov.	124	423	121	367	102	135	392	150	121	110	102	122	108	147
Dec.	124	419	120	362	100	134	385	151	121	110	102	121	108	148
January 1961	122†	419	..	..	..	..	..	..	122	111	103	120	..	..
February	..	420	..	..	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Outstandings	Cumulative Time Deposits 10-Year J Outstandings	National Savings Certificates 5-Year A Outstandings	N.S.C. 7-Year B Outstandings	N.S.C. 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year N.P.S.C. C Outstandings	Post Office Savings Bank Deposits Receipts	P.O.S.B. Deposits Out standings	10-Year National Plan Certificates D Out standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% G Receipts	4% G Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Outstandings	Total Receipts	Total Outstandings H
1956-57	..	..	3,00	6,01	163,68	..	..	176,97	196,56	25,38	−38,82	44,28	..	..	48	1,32	225,88	440,17
1957-58	..	..	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	−39,78	43,58	588	547	68	1,87	264 35	509,79
1958-59	..	..	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	−40,67	42,57	685	11,68	67	2,41	286 27	590,08
1959-60	..	..	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	−41,29	41,68	10,64	21,76	66	2,90	296,62	667,36
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19 96	−41,27	41,84	1,18	19,77	5	2,81	23,59	638,52
February	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	−41,27	41,75	1,05	20,79	6	2,86	25,71	644,99
March	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	−41,29	41,68	96	21,76	6	2,90	43,47	667,86
April	57	34	1,51	3,11	97,35	6,47	226,14	17,87	253,58	19,68	−41,35	41,58	1,63	23,16	9	2,98	26,16	670,00
May	64	38	1,50	3,07	95,55	6,45	231,20	17.00	251,94	19,55	−41,41	41,50	1,06	24,19	5	3,01	24,67	672,53
June	73	42	1,48	3,02	93.84	5,76	235,58	17,35	253,22	19,50	−44 46	41,41	84	25,05	5	3,04	24,13	677,33
July	81	47	1,45	2,98	92,30	5,83	240,30	15,25	255,92	19,44	−41 49	41,32	1,11	26,09	4	3,07	22,86	684,15
August	89	52	1,43	2 91	90,90	6,78	245,82	19 75	261,00	19,38	−41,54	41,21	1,17	27,23	9	3,14	27,92	694,43
Sept.	98	57	1,41	2.84	89,45	7,16	251,77	18,76	265,34	19 28	−41,60	41,14	1,52	28,71	6	3,18	27 64	704,67
October	107	62	1.39	2,79	88.02	7,05	257,63	16,90	267,22	19,20	−41,64	41,09	1,42	30,27	5	3,22	25.56	712 52
Nov.	117	68	1,36	2,73	86,80	6,21	262,71	17,90	269,23	19,13	−41,67	41,02	1,49	31,73	5	3,25	25 81	719,81
Dec.	129	74	1,32	2,67	85,42	6,75	268,19	19,04	272,04	18,98	−41,74	40,97	1,28	32,88	5	3,29	27,30	727,84
January 1961	..	..	..	..	..	..	..	..	..	..	..	40,90	1,04	34,15	6	3,32	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of November 1960 amount to 10.89 lakhs of rupees.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957*	1,630	889,371	6,429,819
1958*	1,524	928,566	7,797,585
1959*	1,523	692,514	5,605,079
July 1959	146	61,098(144)	741,781(144)
Aug., ,,	141	63,716(130)	396,782(130)
Sept., ,,	137	65,153(127)	220,586(126)
Oct., ,,	168	68,371(158)	273,181(156)
July 1960	125	168,407(100)	748,651(100)
Aug., ,,	50	16,993(46)	69,951(47)
Sept., ,,	129	82,179(124)	242,901(126)
Oct., ,,	86	40,484(83)	205,419(83)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevant information is available.

* Figures relate to all States and centrally administered areas as after reorganisation.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,098,300	1,106,800	786,900
Do 31st March, 1959	1,137,500	1,149,900	884,700
Do 31st March, 1960	1,568,400	1,533,700	1,215 100
Jan., 1959	97,700	96,200	89,700
Feb. ,,	106,500	107,300	84,800
Jan., 1960	140 700	140,100	109,800
Feb. ,,	134,400	130,400	103,600
Jan., 1961	144,200K	149,300K	117,600K
Feb. ,,	125,900K	126,500K	94,200K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	608,205	496,217
Do. 31st March, 1960	1,053,612	827,072	660,695
Jan., 1959	73,728	43,569	45 698
Feb. ,,	83,715	61,987	50,202
Jan., 1960	91,790	77,043	59,108
Feb. ,,	92,715K	7,1494K	57,260K
Dec., ,,	111,516K	86,424K	61,395K
Jan., 1961	112,649K	83,787K	71,540K
Feb. ,,	96,791K	72,839K	70,966K

K—Figures in Metric Tons.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1961					
10th Jan.	2.00	2.60	2.00	2.576	99.360
17th Jan.	2.00	2.30	2.00	2.580	99.355
18th to 21st Jan.*	1.14	—	1·14	—	99.371
24th Jan.	2.00	2.00	2.00	2.580	99.355
25th to 28th Jan.*	0.05	—	0 05	—	99.371
31st Jan.	2.00	2.00	2.00	2.585	99.350
1st to 4th Feb.*	0.07	—	0.07	—	99.371
7th Feb.	2.00	2.00	2.00	2.585	99.350
8th to 11th Feb.*	0.05	—	0.05	—	99.371
14th Feb.	2 00	2.00	2.00	2.590	99.350
15th to 18th Feb.*	0.05	—	0.05	—	99.371
21st Feb.	2.00	2.00	2.00	2.650	99.335
22nd to 25th Feb.*	1.02	—	1.02	—	99.356
28th Feb.	2.00	2.00	2.00	2.750	99.310
8th Mar.	2.00	2 00	2.00	2.750	99.310
14th March	2.25	2.00	2.00	2.750	99.315
15th to 17th Mar.*	0.05	—	0.05	—	99.331
20th Mar.	2.00	2.00	2.00	2.750	99.310
21st to 25th Mar.*	0.70	—	0.70	—	99.331
27th Mar.	2.00	2.00	2.00	2.750	99.310
4th April	2.00	2.00	2.00	2.750	99.310

*Total amount out-

INDUSTRIAL PRODUCTION *

Industries.		1959	January to November 1959	January to November 1960	September 1960	October 1960	November 1960	November 1959
Major Industries—								
Coal	million metric tons	47.78	43.42	47.58	4 21	4.34	4.64	3.85
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	1,079†	2,650†	287	306	—	235
Yarn	million lbs.	1,723	1,426†	1,427†	146	142	—	141
Cloth	million yds.	4,925	4,100†	4,170†	425	409	—	301
Cement	thousand tons	6,826	6,160	6,994	585	676	674	604
Jute	thousand metric tons	1,068	973	993	91	86	87	89
Paper and paper boards	thousand tons	294	236†	286 K†	28 K	80 K	—	28
Matches§	thousand cases	640	591	601	54	50	58	57
Sugar	thousand metric tons	2,117	1,497†	1,865†	16	39	—	20
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	355†	476†	59	56	—	35
Electric lamps	millions	84.84	81 64	37 27	8 10	3.66	3.97	2 93
Dry cells	millions	187 3	167.0	186 2	17 45	16 56	21.61	18 21
Power transformers	k.v.a.	1,016,400	835,200†	986,600†	120,300	129,500	—	76,400
Electric Motors	thousand H.P.	576	480†	547†	63	62	—	37
Electric fans	Nos.	726,000	654,800	889,200	77,900	76,300	95,200	67,600
Radio receivers	Nos.	213,864	101,086	235,335	24,177	23,800	27,312	20,141
Storage batteries	Nos.	442,800	401,100	465,900	36,900	38,300	45,600	35,000
Copper conductors	tons	6,024	5,416†	8,026 K†	934 K	846 K	—	886
Winding wires	tons	2,832	2,376†	3,401 K†	334 K	324 K	—	103
Rubber and plastic Ins. cables and flexibles	million yds.	166 08	137.07†	167,20J†	17.4J	17.7 J	—	14.4
Insulators—H.T.	Nos.	982,800	801,600†	—	197 T	110T	—	63,600
Insulators—L.T.	million Nos.	6.25	4.63	—	257 T	106T	—	0.54
Diesel engines—Vehicular	Nos.	8,712	7,812	9,492	858	897	10,46	879
Diesel engines—Stationary	Nos.	30,336	27,620	37,847	3,783	3,734	3,600	2,414
Chemical Industries—								
Salt	million mds.	85.14	80.41‡	80.61†	3.39	—	—	2.79
Caustic soda	metric tons	69,876	61,972	90,432	7,803	8,123	8,150	7,807
Soda ash	metric tons	95,328	86,984	129,848	13,252	12,183	12,746	7,372
Chlorine liquid	metric tons	24,780	22,157	28,857	2,537	2,768	2,705	2,401
Bleaching powder	metric tons	5,184	4,806	5,324	430	397	575	378
Bichromates	tons	4,332	3,513†	4,376†	450	450	—	413
Sulphuric acid	tons	292,164	234,345†	302,216†	80,000	80,000	—	26,621
Superphosphate	tons	—	—	—	23,480	24,000	—	21,917
Non-ferrous Metals—								
Aluminium	tons	17,240	14,200†	14,957K†	1,585 K	1,507 K	—	1,496
Antimony	tons	664	614	723K	71 K	51 K	75K	45
Copper (virgin metal)	tons	7,642	7,271	8,241 K	747 K	780 K	730K	711
Lead (virgin metal)	tons	3,895	3,590	3,344K	279 K	820 K	870K	330
Gold	ozs.	165,312	151,166	4,102Kgs.†	428Kgs.	407Kgs.	—	14,982 ozs.
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	252,612	225,756	266,018†	21,778	21,525	27,785	23,970
Bicycles	Nos.	990,744	797,083	846,135†	77,805	84,810	—	78,011
Automobiles	Nos.	36,468	32,081	46,595	4,181	4,167	4,831	3,360
Cycle tyres and tubes	million Nos.	19.57	17.76	21.24	1.82	1.56	2.23	1.75
Motor tyres and tubes	million Nos.	2 26	2.05	2.39	0.21	0.19	0.26	0.20
Cigarettes	million Nos.	32,166	26,201†	30,976†	2,916	2,820	—	2,706
Plywood—Tea chests	million sq. ft.	98.68	83.11†	8,077S†	957S	531S	—	6 07
Plywood—Commercial	million sq. ft.	54.06	45.26†	3,724S†	176S	175S	—	3 50
Sheet glass	million sq. ft.	80 57	67.43†	65.61†	701	8.53	—	4 68
§Woollen manufactures Worsted Fabrics	million yds.	15.04	9.45A	9 93A	—	—	—	1.10
Worsted Yarn	million lbs.	29.59	19.50A	18.56A	—	—	—	1.50
Footwear—Western type (Leather)	million pairs	4.14	3.74	4.83	0.45	0.32	0.49	0.36
Footwear—Indigenous type (Leather)	million pairs	4.10	3.61	3.42	0.83	0.23	0 40	0.39
Alcohol—Industrial	million Bulk galls.	12.72	11.35	55.33M	5.15 M	5.14M	4.03M	1.33
Alcohol—Power Absolute	million Bulk galls.	8.07	7.21	44 58M	2.70 M	2.65 M	2.97	0.57
Railway Wagons	Nos.	10,044	9.380†	5,254†	318	405	—	963
General Index—(Base 1951=100 Revised)		151.9	149 8Z	167.6Z	168.6	173.3	—	160.1

* Figures are subject to revision month to month.
K.—Figures in metric tons. Kgs=Kilograms. J=In million metres. § Includes figures for Jammu and Kashmir.
A.—Upto August only. † Upto October only. T—In tons. ‡ Upto September only S=In thousand square metres. Z—Average for the first ten months only. M.=In million litres. —Not Available.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base : 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	108	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	118	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
January 1960	102	97	119	125	72	207	107	127	154	100	115	144†	131	168	135	96	123†	140
February	105	98	121	128	80	196	113	127	156	94†	114	134	139	140	135	96	125†	146
March	106	94	117	123	74	180	111	127	149	94†	113	141	141	132	135	96	125†	148
April	108	91	121	122	76	184	119	127	147	102	113	154	144	130	140	108	125	148
May	113	87	123	126	78	194†	123	127	145	108	113	198	139	129	140	117	125	148
June	114	87	127	128	80	187	125	127	144	111	112*	187	146	128	140	113	126†	148
July	115	92	130	132	89	207	126	127	148	111	112	155	150	130	140	107	129	148
August	115	90	127	129	86	212	121	127	148	107	112	166	140	130	140	115	131	148
Sept.	114	90	129	132	90	215	127	127	146	104	112	181	140	130	141	116	132	147
October	111	90	125	137	91	216	117	127	142	116	114	225†	142	129	141	138	130	147
November	106	90	126	135	92	218	111	127	141	120	111	232	139	130	141	142	129	147
December	102	89	119	131	93	210	111	127	127	114	110	226	143	126	141	143	129	147
January 1961	90	91	114	122	94	[illegible]	108	127	120	113	111	248	151	125	141	155	128	147

STOCK & SHARE QUOTATIONS

Abbreviations :—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. I.—Interim Dividend. f—Dividend for first half of the year.

Shares :—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
BOMBAY CITY AND ISLAND																
17,33,200	9,11,732	38,69,225	22,51,328	3,251	Maganlal Bhagwandas & Co.	..	..	Ambika Silk Mills Co., Ltd.	152.00	100	15.00	12.00	12.00		12	Y.
50,00,000	..	1,14,24,372	44,03,340	−46,65,476	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1 68	2	Nil	Nil	Nil		12	Y.
40,00,000	10,99,481	1,18,20,968	77,24,952	−13,00,519	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	48 00	100	Nil	Nil	Nil		3	Y.P.
2,50,98,000	3,56,27,968	11,03,32,121	5,45,36,135	65,826	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Z	68 10	25	2.50	2.50	3.50	3.50	12	Y.
10,00,000	30,76,210	86,14,262	52,94,709	64,016	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	123 50	50	15 00	7.50	5.00	5.00	3	Y.P.
1,22,95,200	3,37,07,587	9,42,76,189	3,75,31,119	1,22,111	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	594.00	100	22.00	22 00	31.50		12	Y.P.
26,00,000	29,15,005	1,21,99,369	78,24,358	75,815	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Cooria Spg. & Wvg.	131 25	100	12.50*	12.50*	7 50	11.00	3	Y.
28,00,000	26,12,714	97,63,522	63,68,559	3,64,674	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	128 50	50	7.50F	5.00	10 00	15.00	3	Y.
34,00,000	20,44,712	87,46,739	65,30,990	−14,81,027	Puranmal Bubna Sons	47,356	928	Edward Textiles	262 50	200	15.00	15 00(c)	18.00		12	Y.P.
29,98,950	27,57,616	1,51,25,544	80,85,174	23,591	B. L. Jalan, Esq. (Chairman)	46,620	886	Elphinstone Spg. & Wvg.	77 00	50	Nil	Nil	7 00		12	Y.
50,00,000	65,75,469	1,96,09,118	1,09,41,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	354 00	100	20 00	16 00	23 00		12	Y.
50,00,000	52,35,257	1,02,35,144	63,62,387	10,233	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	270.00	100	15.00	15 00	21 50		12	Y.
11,84,000 16,000	1,19,31,192	2,16,82,316	1,42,90,523	....	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	4,750.00xd 992 50	1,000 250	350 00* 87.50*	350.00 87.50	350.00(c) 87 50(c)	500.00 125.00	3	Y.P.
2,00,00,000 50,00,000	3,38,578	5,10,28,798	3,68,18,422	−19,79,270	Agarwal & Co.	2,47,092	5,984	India United Mills	15.16 1 88	0 10O. 0 1D.	Nil Nil	Nil Nil	Nil Nil		12	Y.
18,30,000 70,000	91,23,201	1,84,94,644	1,39,55,204	10,633	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	1,950 00 1,050 00N	1,000 500	325 00* 162.50*	325 00 162.50	200 00(c) 100 00(c)	232.00 116.00	3	Y.P.
59,85,000	82,79,165	3,76,13,105	2,63,91,560	38,751	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	550 00	100	10.00(c)	10.00	16 00	32.00	6	Y.P.
1,00,00,000	1,00,60,096	3,81,90,145	2,95,67,372	27,909	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	309.50	100	18.00	10.00	9 50		12	Y.
46,47,350	43,32,220	1,51,49,443	75,23,436	32,765	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	90 50	50	5.00'C'	3.00	5.00	6.00	10	Y.
51,75,000	50,69,550	3,02,31,993	2,16,99,596	42,652	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Gocouldas Spg. & Wvg.	348 00	100	14 00(c)	15.00	21.50	21.50	6	Y.P.
1,41,12,100	1,72,11,640	11,70,25,574	5,26,37,085	1,66,270	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	543 00 —	100 100	14.00 ..	14.00 11.20	22.00 21 27		12	Y.P.T.
24,00,000	11,16,837	83,71,883	48,70,077	−11,98,634	M.	45,944	480	New City of Bombay Mfg.	150 00	100	5.00	Nil	Nil		12	Y.
30,00,000	77,589	1,10,42,353	63,37,035	−10,72,122	Sahu S. P. Jain, Esq. (Chairman)	49,012	963	New Great Spg. & Wvg.	203 00	100	Nil	Nil	Nil		12	Y.P.
48,00,000	54,85,829	1,81,28,534	1,22,58,132	2,82,604	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	142 00	100	12.50F	10.00	10 00	15.00	3	Y.
45,00,000	42,97,637	80,65,529	31,95,108	16,195	Podar Sons Private Ltd.	32,600	930	Podar Mills	158 00	100	10.00	18 00*(c)	12 00*		12	Y.P.
75,00,000	19,70,000	1,69,60,794	81,75,000	57,378	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	120.00	100	..	8.00	11 50		12	Y.P.
10,00,000	....	29,94,246	16,74,307	−1,52,005	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14 88	10	0.25	Nil	Nil		12	Y.
87,70,100	1,21,80,082	2,81,69,010	1,64,24,391	215	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	57.50	10	2.00	2.00	2.50		12	Y.
80,00,000	51,53,455	1,74,14,168	73,40,872	41,961	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	261 00	100	8.00	10.00	15 00		12	Y.P.
50,40,000	15,53,956	2,27,78,338	1,00,36,574	−3,49,633	M.	49,340	1,114	Simplex Mills	195 00	50	8.50	8 50	5.00(c)	7.50	3	Y.T.
1,09,75,000	2,51,54,908	3,87,61,421	2,23,24,758	91,523	Mafatlal Gagalbhai & Sons	97,533	2,409	Standard Mills	1,530.00	100	22.50*	20.00	29 00*		12	Y.P.
1,00,00,000	96,94,067	3,16,61,974	1,74,64,096	1,506	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	271.50	100	9.00	10.00	14 00		12	Y.P.
86,00,000	76,44,279	1,98,34,474	1,09,47,826	26,062	James Finlay & Co., Ltd.	40,328	550	Swan Mills	562.50	100	25.00	25 00	36 00		12	Y.
65,57,875	50,22,987	2,58,77,176	1,04,22,689	17,925	Tata Industries Private Ltd.	61,572	1,775	Tata Mills	54.20	25	2.00	1.50	2.50		12	Y.T.
16,00,000	64,52,368	1,08,96,173	64,84,479	76,869	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	325.00	100	23.00*	20.00*	20 00		12	Y.P.
12,00,000	1,02,12,489	1,79,02,964	1,20,98,754	−17,05,239	Mr. K. M. D. Thackersey (Chairman).	54,664	1,262	Western India Spg. & Mfg.	3,725.00	1,000	325.00	325.00	325.00(c)	70.00(c)	12	Y.P.
AHMEDABAD																
40,00,000	37,96,894	2,09,06,549	90,57,515	12,482	Tata Industries Private Ltd.	49,168	1,016	Ahmedabad Advance Mills	168.00	100	5.00	5.00	4.90(c)	10.00	6	Y.P.T.
20,00,000	97,23,117	1,52,09,567	87,79,332	....	Hutheesing Sons & Co.	44,220	920	Aruna Mills	565.00	100	25.00	25.00	25.00'C'		12	Y.P.
60,00,000	2,95,20,296	2,85,00,200	1,40,42,300	1,58,312	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,530 00	100	35.00*	28.00'C'	40.00		12	Y.P.
26,40,000	45,04,840	1,24,95,613	83,06,442	58,595	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	440 00	200	Nil	25.00'C'			12	Y.P.
20,00,000	1,27,06,477	1,51,11,023	73,11,050	....	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	750 00	100	30.00	20 00'C'	25 00		12	Y.P.
2,06,25,000	2,91,51,534	7,72,08,320	3,30,53,664	21,88,804	Karamchand Premchand Pvt. Ltd.	1,39,120	2,330	Calico	1,061 00	125	30 00	25 00	22.00	31.00	3	Y.P.
68,00,000	27,76,707	1,57,37,865	1,12,77,222	6,366	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	647 50	250	25 00*	27 00*	36 00		12	Y.P.
52,00,000	1,42,42,748	1,92,98,548	1,22,21,800	1,63,425	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	2,090.00	125	30 00	35 00*	55.00*		12	Y.
15,00,000	63,45,614	83,34,671	44,35,941	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	615.00	100	20 00	20 00	25 00		12	Y.P.
30,00,000	96,88,684	1,29,66,793	76,35,644	....	Lalbhai Dalpatbhai & Co.	32,828	640	Raipur Mfg.	900 00	100	35 00*	25.00'C'	35 00		12	Y.P.
48,75,000	23,78,557	1,49,91,313	85,09,730	14,294	Rohitbhai Chinubhai, Esq. (Chairman)	33,156	648	Rohit Mills	250 00	100	8.00*	8.00*	10.00		12	Y.P.
63,75,900	2,95,76,027	2,43,70,561	1,45,91,824	59,271	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,338.00	100	25.00	30.00*	45.00		12	Y.P.
39,25,000	82,40,408	1,24,24,481	83,25,307	28,321	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,828	720	Shorrock Spg. & Mfg.	800 00	100	20.00	22.00*	30.00*		12	Y.
85,00,000	89,43,859	1,84,94,632	92,66,120	25,810	Haridas Ashratlal & Co., Ltd.	41,056	780	Vijaya Mills	651.25	500	40.00*	40.00*			12	Y.P.
WEST BENGAL																
15,00,000	2,39,480	40,13,953	26,20,608	....	Calcutta Agency Private Ltd.	13,044	856	Basanti Cotton Mills	8.31	10	0.60	0.50	Nil		12	Y.P.T
7,11,280 1,30,620 1,70,000	2,44,733	89,51,451	62,49,897	−3,26,098	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35 00N	40	4.00	Nil	Nil	Nil	3	Y.P.
24,00,000	5,14,800	1,26,22,986	56,02,346	60,410	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	215 00	100	Nil	Nil	Nil		12	Y.P.T.
28,50,000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	28.94	10	Nil	Nil	1 00		12	Y.T.
30 08,000	8,02,433	88,00,719	43,00,719	34,072	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	18.25	10	0.50	0.65	0 80		12	Y.T.
1,60,00,000	2,07,51,444	4,18,09,599	1,42,09,599	76,764	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	33.62	10	0.75	0.25	0 25		3	Y.P.
19,47,750 5,00,000	78,492	50,99,822	32,33,579	−5,21,450	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	10 12N 2.37N	10 1D	1.00 0.15	0.50 Nil	Nil Nil		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,02,692	5,43,855	73,05,065	7,21,196	81,634	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	10 70	10	Nil	Nil	Nil		12	Y.
30,00,000	2,25,000	85,28,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	139 00	100	6.00	6.00	11.00		12	Y.P.
11,98,600	4,50,000	49,07,709	26,15,654	3,044	Setna & Co.	25,984	..	Asher Textiles Ltd.	204.05	100	12.50	6.00	6.00	12.50	6	Y.
72,00,000	16,98,790	1,92,55,835	68,19 240	2,681	The Industries (I.F.) Department, Government of Andhra Pradesh	36,136	725	Azam Jahi Mills	71.00	100	3.50	Nil	4.00		9	Y.
1,21,50,000	1,58,99,679	3,79,67,112	3,06,18,958	2,69,251	Binny & Co. (Madras), Ltd.	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	204 00cd	100	10.00'C'	10.00	10.00		12	Y.P.
3,23,25,000	....	....	....	....	..	..	..	Baroda Rayon Corporation	151 50	100	..	..	..	..	12	Y.
35,00,000	78,10,478	1,66,23,840	1,20,16,290	83,509	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	18.00	10	1.50	0.75	Nil	1.00	3	Y.
1,78,47,800	8,24,73,971	8,05,80,469	4,78,98,275	2,31,371	Binny & Co. (Madras), Ltd.	1,20,288	2,758	Buckingham & Carnatic	206.50	100	10.00	10.00	10 00		12	Y.P.T.
20,00,000	18,500	51,23,580	26,05,678	−2,79,050	G. Sam & Co.	37,536	4	Cambodia Mills	10 25	10	0.50(c)	Nil	Nil		12	Y.P.
15,00,000	5,29,316	53,92,782	33,76,104	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	146.00	100	20.00	12.50	15 00	17.00	3	Y.
80,00,000	81,64,314	81,45,632	66,08,685	−3,29,080	Begg, Sutherland & Co. Private Ltd.	27,624	589	Cawnpore Textiles	8 00	5	0.25	Nil	Nil		12	Y.
9,41,068	6,61,000	68,26,050	33,32,807	15,034	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	13 25	10	0.90	0.90	0.90	1.30	3	Y.P.
35,99,600	31,66,212	1,21,96,355	51,67,840	....	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	180.00cd	100	9.00'C'	6.00	6 00	12.00	12	Y.
17,65,300	4,06,710	49,14,591	26,55,487		T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	110.00	100	7.50	Nil	7.50		12	Y.P.
20,00,000	22,22,665	97,89,504	54,27,110	1,28,494	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills	350 00cd	100	20.00	20.00	25 00		12	Y.P.
20,76,900	5,076	1,35,77,639	39,09,035	−12,57,670	A. V. Srinivasalu Naidu, Esq. (Ch.)	70,268	307	Coimbatore Spg. & Wvg.	56.00	50	Nil	Nil	Nil		12	Y.
46,87,500	10,75,722	4,64,86,662	1,50 60,836	−90,16,850	Tata Industries Private Ltd.	1,15,188	2,064	Central India	119 00	100	Nil	Nil	Nil	Nil	6	Y.P.
29,66,711	28,72,302	1,21,27,978	57,71,091	9,000	R. Hanumanthappa & Son	40,032	300	Davangere Cotton Mills	116.50	100	9.00	9.00	9 00	12.00	3	Y.
3,38,36,225 1,00,563	4,64,48,622	14,46,03,946	3,37,58,786	2,72,401	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	42.75	25 2½	2.00 0.16	2.00 0.16	2.50† 0.25†	2.50 0.30	6	Y.P.T.
48,60,000	29,65,006	1,31,45,544	61,00,929	1,006	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	212.00xd	100	10.00'C'	10.00	17.50		12	Y.
63,00,000	1,40,58,814	2,13,31,287	1,58,72,556	38,973	The British India Corporation Ltd.	48,452	1,194	Elgin Mills	19.81	10	1.00	0.75	1 15	1.15	9	Y.P.
48,81,000	28,48,948	1,87,03,402	91,62,727	1,321	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	189 00	100	8.00	8.00	6.00		12	Y.
40,00,000	56,44,510	1,28,49,778	85,83,203	24,751	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	265.00	100	10.00	10 00	16.00		12	Y.
2,50,00,000	2,39 47,000	6,42,53,523	4,12,24,000	20,81,106	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	47.50	10	Nil	Nil	1.00	2.00	3	Y.P.
78,86,500	....	7,35,878	....	−76,663	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	73 50	62.50	..	..	..	Nil	2	Y.P.
50 00,000	1,96,680	1,64,52,847	1,21,05,123		K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	143 00	100	6.00	5.00(c)	7.00		12	Y.
8,90,000	6,18,770	36,26,185	22,28,141	−5,61,231	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	59.50	50	3.00	Nil	Nil		12	Y.
15,54,000	11,26,682	66,77,134	35,48,365	....	Mr. Bhairuratan Damani (Managing Director)	21,176	512	Jam Shri Ranjitsinghji	1,500 00	1,000	40.00	Nil	Nil	60.00	6	Y.
1,25,00,000	30,48,856	4,87,56,355	1,21,12,213	52,757	Padampat Singhania, Esq.	45,000	1,000	J. K. Cotton Spg. & Wvg.	20 24	10	..	..	0 90		12	Y.P.
16,86,170	13,17,947	82,44,540	41,48,200	1,507	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	12 62	5	1.25	0.75	0.75		12	Y.
4,63,65,300	3,07,35,097	4,65,60,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	12 00	10	0.35	0 25	0.07		3	Y.P.
67,20,000	25,71,768	1,69,79,996	49,33,767	55,806	Kothari & Sons	67,192	800	Kothari Textiles	12 87cd	10	1.00	Nil	1 00		12	Y.P.
32,00,000	54,31,394	1,98,63,685	1,48,17,868	26,609	M.	51,908	1,243	Lakshmi Cotton Mfg.	507 50	250	15.00	15 00	25 00		12	Y.P.
71,00,000 A. 35,50,000	83,80,960	3,08,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	180.00 87.00	50 25	10.00 5.00	6.00 3.00	6.00 3.00	10.00 5.00	3	Y
56,00,000	1,42,22,327	2,18,43,643	1,46,79,309	6,549	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	915.00	100	15.00	18.00	29.00*		12	Y.P.
1,75,02,480	4,63,35,125	6,70,44,167	4,43,21,834	7,21,441	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	39 60cd	15	2.25	Nil	1 875	2.25	12	Y.
60,00,000	29,59,000	68,45,576	51,49,267	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	380 00	100	20 00	20.00	25.00	30.00	3	Y.
29,80,884	5,71,940	1,05,10,931	50,74,411		N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	75 00	100	Nil	Nil	Nil		12	Y.P.T.
94,91,850	21,56,148	1,71,94,769	78,81,528	1,85,008	M.	52,408	952	Model Mills (Nagpur)	35.00	250					6	Y.
29,78,100	44,97,618	1,17,73,699	69,34,817	24,962	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	68 50	50	9.00*	5.00	5.00	7.00	3	Y.P.
31,50,000	48,76,391	86,34,980	44,19,186	1 368	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	216 25	100	12 00	12 00	12 00		12	Y.P.
48,00,100	....	2,37,94,145	1,20,34,420	−37,45,965	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9 50	10	Nil	Nil	Nil		3	Y.P.
67,28,800	19,78,217	1,77,24,075	67,40,513	....	Bansilal Bissesardas Pvt. Ltd.	37,788	902	Osmanshahi Mills	57 00	100	Nil	Nil	Nil		9	Y.
A. 4,00,000 B. 6,00,000	16,56,928	78,14,710	36,35,788	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	250 00 300 00	50A 75B	9.00 13.50	10.00 15 00	15.00 22.50		12	Y.P
15,00,000	....	37,30,105	19,70,043	−21,28,862	..	27,980	..	Pankaja Mills Ltd.	58.00	100	Nil	Nil			12	Y.
63,10,600	18,67,447	1,10,86,808	66,04,305	2,661	A. G. Gurusamy Naidu & Co.	60,704	301	Radhakrishna Mills	31 25	25.00	3.00	1 50	2.25		12	Y.
28,21,000	22,65,286	1,22,00,423	53,26,619	1,296	Mukundlal Bansilal & Sons	25,420	567	Raja Bahadur Motilal Mills	100 50	100	Nil	Nil	Nil		12	Y.
30,00,000	28,53,800	92,98,175	42,76,744	....	B. B. Naidu & Sons	41,896	..	Rajalakshmi Mills	84.50	50	4.50	3.00'C'	3.75		12	Y.P.
16,14,300	17,87,061	63,86,578	27,79,402	....	Ramco Agencies Private Ltd.	36,036	..	Rajapalayam Mills	131.50	100	12.00	8.00	6.00(c)	9.00	3	Y.
15,36,890	2,69,111	83,59,281	50,04,126	....	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	224.00	100	16.00	10.00	16 00	23.00	3	Y.
22,33,300	11,20,038	56,78,526	28,55,667	958	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	132.00cd	100	10.00	10.00	10.00		12	Y.
10,00,000	6,93,527	54,79,563	33,71,779	3,264	S. R. P. Ponnuswamy Chetty & Sons.	25,088	..	Sivanandha Mills Ltd.	28 25	10	1.20	1.50	2.20		12	Y.
3,50,00,000	....	....	....	....	M.	..	..	South India Viscose Ltd.	167 50	100	..	..	..	..	12	Y.
13,17,124	6,47,786	45,36,978	12,34,344	....	K. Ramachandran, Esq. (Mg. Director)	16,516	..	Sri Kannapiran Mills Ltd.	10.00	10	1.00	0.60	1.00	..	12	Y.
36,60,700	23,00,037	1,01,95,864	72,23,021	30,822	D. B. Viswambhariah, Esq. (Mg. Director)	42,924	340	Sri Krishnarajendra Mills	68.00	50	7.00	4.50	4.00	5.50	3	Y.
15,02,500	9,69,325	58,07,042	29,96,285	13,376	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning, Spg. & Wvg. Mills Ltd.	48 00	50	2.00	Nil	2.50	..	12	Y.
15,00,000	3,90,30,629	1,17,10,444	91,93,176	3,97,888	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	100 00	10	6 00	6.00	6.00	3.57	3	Y.
D. 17,50,000 P.O. 1,57,50,000	2,42,28,071	6,42,05,504	1,96,78,129	9,04,312	M.	1,12,216	2,000	Swadeshi Cotton (Kanpur)	12.00 8.37	100. 10P.O.	0.75 1.15	Nil 0.40	Nil 0 571		12	Y.P
12,78,210	1,20,000	46,55,675	7,75,460	22,842	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	11 25	10	..	Nil	Nil	0.80	3	Y.P.
1,00,08,205	70 91,584	4,47,94,206	2,70,17,632	2,29,084	Emerte & Sons (Travancore) Ltd.	..	..	Travancore Rayons	40 00	10	1.00	1.25	2.00		12	Y.P.T.
12,98,730	3,64,000	20,41,505	15,00,441	661	Meolji Ramjee & Sons	18,000	..	Trichinopoly Mills	12 50cd	10	0.90	0.75	1 25		12	Y.
21,00,000	38,41,000	91,30,605	57,96,375	17,798	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	252 00cd	100	12.00	12.00	16 00		12	Y.P.
15,10,240	3,96,626	24,95,648	13,94,546	−3,74,043	Thiagaraja Chetty & Sons Private Ltd.	..	200	Virudhunagar Textile Mills Ltd.	50 00	50	2.25	3 00	5.00	..	12	Y.P.
22,00,000	12,56,816	1,04,82,873	1,33,00,940	−11,21,264	The Bombay Co. (Private) Ltd.	49,666	1,369	Vishnu Cotton	120 00	100	Nil	Nil	Nil		12	Y.P.T.

M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.
a Includes bonus. † Subject to taxation. Z—Bombay Dyeing & Mfg. Co., shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. N.B.—All dividends paid since 31st March 1959 are shown as taxable. 'C'—On increased Capital ‡ On Old Capital.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	64,31,970	1,47,43,249	50,81,902	36,065	B. N. Elias & Co. Private Ltd.	879	Agarpara	11.94	10	0.25	0.25	0.50	1.00	3	Y.P.T.
6,00,000	13,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	162.00	100	10.00	10.00	15.00		12	Y.P.T.
30,00,000	5,43,950	1,41,02,373	1,01,60,589	1,16,925	McLeod & Co., Ltd.	1,264	Alliance	92.00	100	Nil	Nil	Nil	6.00	5	Y.P.
49,20,700	85,41,000	2,63,90,624	1,74,73,587	2,26,168	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	222.00	100	7.00	10.00	12.50	20.00	3	Y.P.
40,00,000	21,83,168	1,86,05,736	76,49,894	34,111	Bird & Co. Private Ltd.	810	Auckland	179.00	100	Nil	5.00	20.00	27.00	3	Y.P.T.
20,00,000	34,53,528	1,46,13,222	77,61,622	23,486	Birla Brothers Private Ltd.	959	Bally	228.00	100	2.00	6.00	10.00	25.00	3	Y.P.
£275,000	£803,923	£1,601,226	£1,065,825	—£92,399	Sir John H. Burder (Chairman)	1,889	Barnagore	137.50	£5	Nil	Nil	10sh.	£1.10sh	3	Y.P.
28,00,000	80,71,190	95,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	180.00	100	2.50	7.50	13.50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,78,255	Sooraimull Nagarmull	600	Bengal	8.00	10	Nil	0.50			6	Y.P.T.
91,26,000	2,82,25,130	7,34,86,430	2,26,35,926	93,079	Birla Brothers Private Ltd.	1,373	Birla	35.87	10	1.00	1.00	1.00	1.50	3	Y.P.
36,00,000	28,36,695	1,19,31,167	72,84,779	62,431	Andrew Yule & Co., Ltd.	991	Budge-Budge	151.00	100	Nil	5.00	15.00		10	Y.P.
7,47,350	4,000	45,15,657	34,82,120	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil			12	Y.P.T.
18,00,000	27,51,530	84,60,059	49,11,673	30,163	M.	616	Caledonian	156.00	100	Nil	15.00	12.00		11	Y.P.
59,16,400	81,81,976	2,17,74,524	1,17,03,511	1,68,730	James Finlay & Co., Ltd.	600	Champdany	127.00	100	Nil	Nil	7.00	10.00	3	Y.
15,95,000	23,19,096	36,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	17.75	10	Nil	5.00	12.50‡		11	Y.P.
30,15,000	33,42,800	1,09,82,980	59,87,036	2,33,594	McLeod & Co., Ltd.	500	Chitavalsah	14.00	10	1.10	1.25	1.50		7	Y.P.T.
24,00,000	9,00,000	81,39,934	67,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	11.00	10	Nil	Nil			3	Y.P.
31,49,200	18,05,418	1,06,95,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	109.50	100	Nil	Nil	Nil	1.00	3	Y.P.T.
33,00,000	41,39,378	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	181.00	100	Nil	6.00	14.00		11	Y.P.
15,00,000	37,20,000	1,07,39,530	70,06,837	93,729	McLeod & Co., Ltd.	500	Empire	20.75	10	0.75	1.00	1.25		7	Y.P.T.
63,00,000	88,65,824	3,41,69,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	352.00	100 Old	10.00	20.00	20.00	25.00		Y.P.T.
21,00,000	19,81,948	1,32,23,393	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	27.25	10	1.50	1.50	1.50	2.25	3	Y.P.T.
84,32,100	5,16,898	2,24,66,716	1,48,00,382	56,359	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	11.56	10	Nil	Nil	Nil	1.00	3	Y.P.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd.	40.00	10	2.00	2.00	4.00		12	Y.T.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	412.00	100	2.50	20.00	25.00	30.00	3	Y.P.
40,00,000	31,69,633	1,33,64,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	119.00N	100	5.00	5.00	6.00	6.00	3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,718	49,754	Baijnath Bajoria	720	Hooghly	18.50	10	Nill	Nil	0.60		3	Y.P.
65,62,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	22.25	10	Nil	Nil	1.00	1.25	3	Y.P.T.
52,50,000	38,25,000	3,18,43,014	1,77,68,014	1,68,175	Ramdutt Ramkissendas	2,272	Hukumchand	21.25	7.50	1.50	1.50	1.50	2.15	3	Y.P.
37,80,000	21,78,965	1,74,80,629	1,00,24,542	4,94,235	M.	790	India	16.62	12.50	9.87	15.62‡	1.24	1.75	3	Y.
24,00,000 *'B'19,20,000	28,36,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	155.00 148.00	100 'B' 100	Nil Nil	5.00 5.00	20.00 20.00		12	Y.P.T.
30,00,000 *'B'24,00,000	10,09,817	1,76,28,517	1,12,70,060	—18,68,526	Jardine Henderson Ltd.	1,527	Kanknarrah	83.00 75.00	100 'B' 100	Nil Nil	Nil Nil	Nil Nil		12	Y.P.T.
28,00,000	52,06,000	1,51,65,797	1,03,30,820	1,21,384	McLeod & Co., Ltd.	708	Kelvin	161.00	100	9.00	12.50	14.00'C'	15.00	5	Y.P.
54,00,000	23,62,520	2,16,94,951	1,32,38,782	74,405	Anderson Wright Ltd.	1,530	Khardah	19.00	10	0.80	0.80	2.00	2.00	3	Y.P.
59,80,150	42,30,583	1,99,43,494	1,24,97,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	183.00	100	Nil	5.00	10.00	20 00	3	Y.P.T.
24,48,000	10,76,201	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	981	Lansdowne	115.50	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	11,08,592	69,04,728	41,03,722	10,530	Bird & Co. Private Ltd.	840	Lawrence	160.00	100	Nil	Nil	2.00	15.00	3	Y.P.
31,65,200	34,63,931	2,70,91,429	1,55,68,005	56,999	M.	1,294	Megna	13.50	10	0.50	1.75	1.00	1.20	3	Y.
29,98,900	34,36,392	1,64,53,185	94,33,205	—11,60,635	M.	815	Naihati	82.00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	13,14,376	36,84,253	24,27,490	4,929	Howrah Trg. Co. Private Ltd.	425	Naskarpara	12.13	10	0.25	0.25			10	Y.T.
30,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	21.37	10	0.75	0.75			10	Y.P.
23,25,000	31,71,872	59,70,247	26,86,048	1,38,623	McLeod & Co., Ltd.	316	Nellimarla Jute	12.62	10	0.90	1.00	1.40		7	Y.P.T.
1,70,82,810	2,27,33,274	9,30,93,375	1,36,54,171	....	Sahu Jain Ltd.	1,765	New Central	20.00	10	..	1.50	1.50'C'	1.50	3	Y.P.T.
16,79,850	38,39,763	1,21,83,607	71,21,536	27,631	Bird & Co. Private Ltd.	567	Northbrook	27.87	10	Nil	Nil	1.25	3.00	3	Y.P.T.
66,79,500	28,53,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	53.75	50	Nil	2.50	3.00	4.00	3	Y.
25,00,000	10,23,000	99,89,888	72,61,540	66,437	McLeod & Co., Ltd.	400	Presidency	5.62	5	0.30	0.37½	0.50		7	Y.T.
20,00,000	42,629	33,96,467	12,06,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.19	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	14,07,546	1,24,96,818	66,97,870	—81,44,478	Jardine Henderson Ltd.	1,276	Reliance	6.87	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£488,130	£1,484,874	£840,162	£06,843	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	9.50N	£1	Nil	5%†	10%†		12	Y.P.
30,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	26.25	10	0.50	0.50	0.60		3	Y.P.
14,00,000	12,59,725	72,57,128	52,50,728	63,633	Hindustan Investment Corpn. Ltd.	401	Soorah	22.00	10	1.50	1.50	2.50		12	Y.P.
£600,000	£421,784	£1,270,961	£738,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.50N	£1	Nil	3%†	10%†		12	Y.P.
35,96,600	37,29,990	89,38,439	50,59,464	35,993	Bird & Co. Private Ltd.	1,326	Union	192.00	100	Nil	15.00	20.00	25.00	3	Y.P.T
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9.50N	£1	3%†	5%†	10%†		12	Y.P.
2,50,000	6,70,000	32,62,805	45,53,966	1,94,094	McLeod & Co., Ltd.	447	Waverley	4.87	1	Nil	Nil	0.25	0.30	5	Y.P.T.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
10,96,990	4,16,126	17,25,120	3,38,787	3,342	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	16.60	10	1.75*	1.75	1.50	1.50	3	Y.P.
63,00,000	18,91,207	79,01,776	18,65,987	2,83,908	Kothari & Sons (Ags.) Pvt. Ltd.	1,329	Blue Mountain	3.55	2	0.25	0.25	0.25	0.25	6	Y.
5,50,000	5,09,091	16,46,405	3,40,184	16,637	K. Anantarman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.78	2	0.30	0.24	0.24	0.20	6	Y.P.
14,00,100	11,19,898	26,32,979	3,15,911	1,38,960	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	3.93	2	0.40	0.20	0.30	0.40	3	Y.
5,66,420	12,20,975	23,20,475	1,95,657	82,888	Matheson Bosanquet & Co. Pvt. Ltd	392	Coonoor Tea	27.75	10	2.00	2.00	2.00	1.75	9	Y.P.
4,80,000	4,76,793	12,48,672	2,12,224	2,580	Srinivas Agencies	441	Coorg Tea	5.80	2	0.40	0.40	0.40	0.40	3	Y.P.
6,00,000	4,82,155	12,25,902	3,38,581	1,259	R. A. Jenkins, Esq. (Mg. Director)	344	Devashola (Nilgiri) Tea	30.30	10	1.75	2.50	2.50		12	Y.
6,74,630	3,25,933	10,81,247	2,29,577	4,312	Young India Agencies Private Ltd.	465	Devon Tea	14.37	10	1.75	1.75	1.50	1.50	3	Y.P.
5,00,000	1,26,500	4,04,217	65,265	2,027	Parkins Private Ltd.	198	Emerald Valley Estates	6.50CR	5	0.30	0.30	0.40		12	Y.
25,00,000	17,77,500	47,06,209	9,26,271	1,765	Parkins Private Ltd.	1,495	Halleyburia	15.15	10	1.50'C'	2.00	1.25'C'		12	Y.P.T.
6,00,000	7,65,696	14,87,744	3,33,844	46,233	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	4.80	2	0.30	0.25	0.30		3	Y.T.
17,17,076	12,12,245	38,15,743	5,71,179	15,600	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	5.40cd	2	0.30	0.30	0.70	0.50	10	Y.P.
3,45,000	5,10,000	11,44,396	98,799	306	Ipe Oommen & Co. Pvt. Ltd.	800	Kurchermala Plant. Ltd.	4.10XR	10	0.75	0.625	0.80	Nil	3	Y.P.
5,00,000	70,556	9,28,291	61,372	35,812	Matheson Bosanquet & Co. Pvt. Ltd.	267	Lucky Valley	13.87cd	10	1.00	1.00	1.00		12	Y.
3,50,000	26,500	3,21,318	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.70	2	0.18	0.24	0.10		3	Y.
3,00,000	6,23,100	12,48,190	2,88,717	1,418	Rapon Thomas, Esq. (Mg. Director)	524	Mlamallay	38.12	25	4.50	3.75	5.00		3	Y.P.
36,00,000	21,82,880	81,96,144	14,03,832	5,225	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	4.69	5	0.37	0.37	0.87	0.87	3	Y.P.
12,00,000	6,87,638	27,51,637	5,74,549	5,656	A. V. Thomas & Co., Ltd.	1,648	Nelliampathy	2.65	2	0.40	0.30	0.20	0.26	6	Y.P.
14,06,250	7,45,346	39,87,155	6,33,351	26,790	A. V. George & Co., Ltd.	1,628	Nilgiri Tea	8.30	10	0.75	0.60	0.50	0.80	3	Y.P.T.
28,10,000	9,22,309	32,15,349	3,63,565	35,375	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	28.37cd	10	2.00	3.50	2.00		6	Y.
14,88,960	17,53,325	32,40,997	5,53,242	47,411	Mr. P. S. M. Molyneux (Chairman).	579	Parkside	28.62	10	1.75	2.50	2.75	2.75	6	Y.
6,00,000	3,06,284	8,47,690	63,188	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninsular Plantations Ltd.	21.35	10	2.50	1.50	2.00		3	Y.
17,00,000	10,41,753	41,24,957	14,46,521	44,631	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	23.00	10	2.50	1.62½	2.25		12	Y.P.
57,94,880	28,17,245	1,10,00,168	34,84,596	30,252	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	4.08	2	0.70	0.20'C'	0.25		3	Y.P.
18,50,000	3,06,500	11,40,782	1,24,998	907	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.88	2	0.15	0.15	0.125	0.18	6	Y.
9,00,000	12,06,473	27,35,098	7,62,652	3,656	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	14.80	10	1.40V	0.30	0.60		6	Y.T.
1,25,000	15,000	1,98,241	7,968	4,289	M.	216	Swinton Estates	3.12	2	..	0.15	0.15	0.25	3	Y.
12,50,000	10,87,328	36,51,137	3,53,187	997	Srinivas Agencies	1,787	Talayar Tea	1.78	2	0.20	0.12	0.10	0.16	3	Y.P.
15,75,000	16,00,500	27,37,319	3,29,820	565	Parkins Private Ltd.	1,214	Twyford	18.15	10	1.50'C'	1.50	1.00'C'		12	Y.
21,93,280	12,29,680	44,14,672	15,67,621	1,02,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	24.50	10	1.77	1.60	1.95	2.10	3	Y.
47,25,000	12,42,245	63,68,910	3,97,362	1,94,353	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	3.20	2	0.25	0.25	0.25	0.25	6	Y.P.
1,00,000	53,757	3,51,001	39,991	689	Goodall & Co.	93	Woodcote Estates Ltd.	1.65		0.09	0.06	Nil	Nil	6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957	1958	1959	1960	Accounts Closed	Reference
6,00,000	5,52,435	16,68,612	4,21,741	3,855	Ramani & Co., Pvt. Ltd.	878	Alageswar Estates Ltd.	2.80	2	0.20	0.20	0.15	0.15z	3	Y.
6,75,000	1,60,527	19,03,351	2,97,284	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	13.65	10	0.40	0.60	0.75	1.00	3	Y.P.T.
2,50,000	5,78,758	13,39,783	1,24,737	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14.87	10	1.50	1.00	1.50	..	12	Y.P.
12,07,833	2,28,040	20,59,620	2,33,207	34,372	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	4.70cd	2	0.80	0.70	0.50	0.40	6	Y.T.
4,25,000	4,00,000	8,56,375	92,884	25,796	Young India Agencies Pvt. Ltd.	554	Badra Coffee Estates Ltd.	3.75	2	0.35	0.85	0.85	..	5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,833	2,488	A. V. Thomas & Co. (Mysore)	570	Bababudin Coffee & Produce	8.47	5	1.25	1.25	0.625	0.46	6	Y.P.
3,00,000	2,85,000	4,24,393	50,457	588	Planting Agencies (Private) Ltd.	319	Balmadies Plantations	2.48	2	0.25	0.25	0.15	0.15	5	Y.P.
8,66,115	3,36,253	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)	1,135	Be Be Rubber Estates Ltd.	3.00	5	0.25	0.25	0.25		3	Y.P.
26,91,270	18,00,000	52,40,279	3,16,788	21,669	Peirce, Leslie & Co., Ltd.	7,098	Cochin Malabar	8.00	3	0.45	0.30'C'	0.45	0.525	2	Y.P.
22,50,000	31,10,963	53,64,899	13,19,804	92,379	Cons. Coffee Estates (Secretaries).	2,799	Coffee Lands and Industries	20.85	10	4.00	2.00	2.50	0.60	6	Y.P.
71,55,000	66,04,294	5,58,60,009	40,89,751	60,720	C. I. Machis, Esq. (Mg. Director)	8,169	Consolidated Coffee	23.75	10	4.00	2.00	2.50	2.00	6	Y.P.
6,00,000	5,32,428	13,68,760	74,628	1,482	Associated Planters Private Ltd.	1,489	Cottanad Plantations	11.40	10	1.75	1.50	1.50	1.00	3	Y.P.
4,93,560	2,00,000	3,12,568	76,968	27,670	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffees)	5.30	2	1.00	1.80	0.50	0.50	6	Y.
12,06,000	9,86,402	31,48,870	6,93,094	24,694	A. V. Thomas & Co., Ltd.	886	Highland Produce	16.00	10	0.75	1.50	1.50		12	Y.P.
1,20,000	49,000	1,64,450	5,148	2,033	Young India Agencies Pvt. Ltd.	220	Kadur Coffee Estates Ltd.	2.85	2	0.15	0.15	0.15	0.15	5	Y.P.
11,85,700	10,77,705	30,90,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kailas Rubber, Co., Ltd.	5.05	2	0.60	0.50	0.50	0.40	2	Y.
3,00,000	8,86,552	17,97,748	3,49,814	1,330	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	13.00	10	2.00	1.00'C'	1.25	1.25	4	Y.P.
4,00,000	3,75,000	9,82,417	1,85,014	14,690	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.55xd	2	0.50	0.40'C'	0.40	0.40	10	Y.T.
13,50,000	4,85,241	[illegible]	4,08,190	9,942	K. T. Thomas Kathanar, Esq.	1,663	Malankara Rubber	18.60	10	2.25	1.70'C'	1.00	1.50	3	Y.
3,25,000	2,50,000	7,67,594	9,954	10,168	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.80cd	5	0.75	1.00	1.00	1.00	6	Y.P.
40,50,000	14,21,444	90,79,614	11,84,844	66,364	A. V. Thomas & Co., Ltd.	4,683	Midland Rubber	12.10	10	2.00	1.00'C'	1.00	1.25	3	Y.P.
2,85,000	4,13,450	16,31,926	2,76,266	46,475	A. V. George & Co., Ltd.	1,229	Nenmeny Rubber	20.65	10	0.75	1.50	1.50		12	Y.P.
2,00,000	4,79,543	7,96,900	55,892	3,026	Associated Planters Private Ltd.	906	Nilambur Rubber Co.	16.25	10	1.50	2.00	1.50		12	Y.P.T.
19,45,980	22,33,423	46,92,125	16,66,950	3,088	Peirce, Leslie & Co., Ltd.	4,895	Ouchterlony Valley Estates	4.87cd	2	0.60	0.20	0.30		10	Y.P.T.
6,50,000	5,71,464	7,75,530	67,539	42,437	Peirce, Leslie & Co., Ltd.	546	Ossoor Estates Ltd.	3.22cd	2	0.30	0.26	0.30	0.30	3	Y.
16,50,000	2,20,315	22,68,070	6,46,200	17,195	Aspinwall & Co., Ltd.	2,017	Pullangode Rubber	1.88	2	0.10	0.08	0.10	0.10	3	Y.P.
13,50,000	8,37,644	48,91,065	4,79,542	19,045	A. V. Thomas & Co., Ltd.	2,988	Rajagiri Rubber	18.90	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,14,963	3,70,345	43,569	774	Associated Planters Private Ltd.	422	Rajendra Coffees Ltd.	12.90	5	1.25	2.00	2.50	1.25	3	Y.P.
5,50,170	3,00,000	3,87,753	1,22,319	12,609	Peirce, Leslie & Co., Ltd.	492	Savamalai Estates Ltd.	3.55	2	0.30	0.25'C'	0.30		11	Y.
12,00,000	1,85,000	18,80,245	1,09,554	10,758	Pateo Agencies	1,162	Sangameshwar Coffee Estates	2.40	2	..	0.18	0.18	0.12	3	Y.P.T.
10,00,000	2,08,130	22,50,803	1,88,857	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	6.10	10	0.60	0.60	0.60	Nil	3	Y.P.T.
2,50,000	2,75,000	6,13,713	47,038	28,430	A. V. George & Co., Ltd.	467	Thamarapally Rubber	28.00	10	3.00	3.00	3.00		12	Y.P.
9,15,800	6,05,000	24,54,542	2,19,470	14,829	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd	1.75	1	0.05	0.10	0.07	0.07	9	Y.T.
6,00,000	66,742	11,54,891	5,03,490	2,248	Espen Thomas, Esq. (Mg. Director)	1,208	Travancore Rubber	10.70	10	1.50	1.00	1.00		12	Y.
41,00,000	15,07,458	86,13,006	13,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.	4,671	Travancore Rubber & Tea	9.40	10	0.40	0.50	0.75		12	Y.P.
20,00,000	1,36,000	32,16,659	3,67,958	11,924	P. T. Thomas, Esq. (Mg. Director)	2,359	Tropical Plantations Co.	20.87	25	1.00	1.50	2.00		12	Y.
6,00,000	4,96,000	17,68,416	1,27,428	10,653	P. I. J. Joseph, Esq. (Chairman)	1,360	Velmalai Rubber & Co.	5.48	5	0.62½	0.50	0.50	0.60	2	Y.P.T.
2,20,000	4,29,600	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd.	458	Udayagiri Rubber Co., Ltd.	21.25	10	0.60	0.75	1.50		12	Y.P.
3,30,010	2,91,970	9,65,557	38,718	585	M.	738	Vaikundam Rubber Co., Ltd.	30.45xd	10	3.50J	3.00	2.50	1.501	12	Y.
12,00,000	11,90,982	15,34,580	1,19,640	1,15,483	Peirce, Leslie & Co., Ltd.	1,027	Wartyhully Estates Ltd.	3.20cd	2	0.15	0.30	0.30	0.30	3	Y.
6,95,000	6,33,233	15,55,991	91,382	2,962	M.	844	Woodland Estates	7.80	10	1.00	0.50	0.50	1.00	3	Y.P.T.

J—Final dividend of Rs. 1.50 is on the increased capital. V— Includes 60 nP for 30-6-1954. 'C'—On increased Capital. Z.—Dividend for nine months ended 31st March 1960.
* Includes bonus. M.—Managed by Board of Directors. † Less income-tax. N.B.—All dividends paid since 31st March 1959 are shown as taxable. ‡—On old capital.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	Accounts Closed	Reference
					ASSAM										
4,45,700	13,84,978	22,94,476	8,53,312	....	McLeod & Co., Ltd.	325	Amluckie	26.87	10	5.00	1.00	1.50	1.50	12	Y.P.
2,76,500	3,01,500	12,10,619	4,38,800	2,091	M.	456	Ananda (Assam) Tea	16.50	10	2.00	1.00	2.00		12	Y.
7,03,250	7,55,753	16,41,189	5,01,215	54,204	Gillanders Arbuthnot & Co., Ltd.	481	Ananda Bag	27.00	10	1.25	0.50	1.00	1.75	12	Y.
5,50,000	14,38,941	26,06,181	10,04,021	19,953	McLeod & Co., Ltd.	573	Baghmari	27.12	10	2.50	1.50	1.50	1.50	12	Y.
5,10,000	11,57,780	18,49,824	6,86,011	43,644	Andrew Yule & Co., Ltd.	377	Basmatia	31.00	10	2.00	1.75	2.00	3.00	12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Bateli	22.25	5	3.00	1.50	1.50		12	Y.
6,40,000	10,74,425	15,66,305	5,60,306	37,706	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	30.56	10	2.50	1.50	1.50	2.50	12	Y.
38,00,000	18,32,500	73,96,221	81,20,921	3,83,877	Williamson Magor & Co., Ltd.	3,425	Bishnauth	25.12	10	2.00	1.00	Nil	1.30	12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	13.70	10	0.50	Nil	0.50		12	Y.
7,50,000	9,06,475	14,41,597	4,34,307	70,351	McLeod & Co., Ltd.	450	Bormah Jan Tea	18.06	10	1.50	Nil	0.75	1.25	12	Y.P.
35,00,000	17,26,071	94,38,743	34,17,209	2,53,984	M	2,834	Brooke Bond B.	17.75	10	1.25	1.75	1.00	1.25	6	Y.
1,20,000	8,09,581	11,64,943	3,93,558	35,405	McLeod & Co., Ltd.	282	Dejoo Valley	51.00	10	3.00	2.00	3.00	4.00	12	Y.
8,40,000	5,49,948	33,10,828	20,05,150	—2,40,732	Jardine Henderson Ltd.	1,332	Dessai & Parbuttia	139.50	100	10.00	Nil	Nil	Nil	12	Y.
17,53,440	10,53,350	31,54,422	92,50,98	17,329	James Warren & Co., Ltd.	770	Dhelakhat	24.12	10	2.50	2.50	2.50	2.00	12	Y.P.
7,00,000	6,85,000	24,04,227	6,47,434	10,086	H. P. Dhanuka, Esq. (Chairman)	1,349	Dhunseri	15.25	10	1.25	2.00	2.00	2.30	12	Y.
4,50,000	12,09,644	18,71,655	3,98,875	68,960	McLeod & Co., Ltd.	458	Dibrugarh	39.75	10	3.00	2.50	3.00	3.00	12	Y.P.
4,73,400	7,15,000	17,09,184	7,61,684	1,56,884	Williamson Magor & Co., Ltd.	632	Dimakusi	26.75	10	3.00	3.00	2.50	3.00	12	Y.P.
7,00,620	11,66,000	27,54,322	14,69,122	3,83,571	Williamson Magor & Co., Ltd.	635	Duffiaghur	35.32	10	4.00	3.00	4.50	3.50	12	Y.
10,00,000	9,57,600	33,05,749	12,68,049	1,31,213	Williamson Magor & Co., Ltd.	1,166	East India Tea	22.75	10	1.00	0.50	0.50	1.00	12	Y.
5,08,760	6,42,879	17,74,219	6,37,020	8,855	M.	465	Gillapukri	26.00	10	3.00	2.50	2.50	2.50	12	Y.
6,76,000	4,90,000	22,56,199	10,31,899	1,31,256	Williamson Magor & Co., Ltd.	552	Gohpur	17.25	10	2.50	2.00	0.50	1.00	12	Y.
23 29,085	86,34,739	67,30,725	20,38,780	61,970	Octavius Steel & Co., Ltd.	2,494	Grob	12.25	5	1.62	1.25	1.50	0.70	12	Y.
5,00,000	6,86,998	11,97,176	4,67,668	14,369	M.	488	Hoograjuli	24.00N	10	1.50	1.00	0.501	2.50	12	Y.
8,70,000	13,90,841	32,83,007	14,80,249	75,669	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	197.00	100	15.00	12.50	17.50	20.00	12	Y.
58,56,900	62,00,087	1,90,58,048	67,58,048	45,698	Birla Brothers Private Ltd.	4,900	Jay Shree Tea & Industries	22.69	10	1.00	1.00	1.00	1.40	12	Y.P.
9,00,000	8,62,200	20,23,965	5,82,195	51,110	Gillanders Arbuthnot & Co., Ltd.	876	Jutlibari	30.25	10	1.00	1.75	1.00	1.00	12	Y.
3,60,000	13,02,500	16,52,939	7,79,490	91,530	M.	1,166	Kingsley-Golaghat (Assam)	227.00	100	25.00	25.00	25.00		12	Y.P.
1,80,000	7,000	20,18,041	3,18,798	—2,30,952	Duncan Bros. & Co., Ltd.	1,201	Kotamullai Tea	10.62	5	Nil	Nil	Nil	Nil	12	Y.P.
6,50,000	6,53,734	14,09,076	4,30,863	22,109	Duncan Bros. & Co., Ltd.	634	Ledo	17.37	10	0.75	Nil	Nil	Nil	12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	20.12	10	2.00	1.50	1.001		12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	11.50	10	Nil	Nil	Nil		12	Y.P.
1,50,000	13,65,825	1,16,088	10,450	30,504	Kettlewell Bullen & Co., Ltd.	410	Mothola	526.00	100	60.00	40.00	40.00	25.00	12	Y.
1,75,000 O. 2,00,000	6,36,947	16,59,105	6,59,981	37,858	Andrew Yule & Co., Ltd.	373	Murphulani	23.00 23 25	O. 10 P.O. 10	2.00 2.50	1.75 2.25	2.00 2.50	2.00 2.50	12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	13.12	10	1.50	1.50	Nil		12	Y.
5,00,000	20,000	7,66,815	3,69,599	35,282	Duncan Bros. & Co., Ltd.	728	New Cinnatolliah	102.00	100	Nil	Nil	Nil	Nil	12	Y.
2,00,000	8,46,039	13,39,252	5,27,546	45,190	Andrew Yule & Co., Ltd.	390	Rajgarh	47.00	10	4.00	2.50	2.50	3.50	12	Y.
9,00,000	2,56,006	32,81,411	18,29,355	20,338	M.	958	Sapoi	20.62	10	2.50	1.50	1.50	2.00	12	Y.
2,49,000	4,30,000	12,83,249	6,96,549	91,288	Williamson Magor & Co., Ltd.	501	Seajuli	27.12	10	1.50	2.25	2.25	1.75	12	Y.
5,98,000	13,64,556	19,84,492	6,32,207	7,126	McLeod & Co., Ltd.	495	Teloijan	34.00	10	3.50	3.00	2.50	3.50	12	Y.
8,00,000	5,97,055	14,42,247	5,27,787	64,646	Gillanders Arbuthnot & Co., Ltd.	521	Tengpani	88.00N	10	1.00	1.50	1.50	1.75	12	Y.P.T.
19,82,880	15,86,078	51,14,115	22,83,115	53,844	Shaw Wallace & Co., Ltd.	2,347	Tezpore	17.00	10	1.25	Nil	1.25	2.00	12	Y.
5,20,000	25,00,315	50,60,323	16,66,525	1,05,020	McLeod & Co., Ltd.	1,050	Tyroon	30.00	10	4.50	3.00	1.50	3.00	12	Y.P.
					CACHAR										
3,00,000	....	5,16,444	1,33,505	—2,43,041	M.	382	Arcuttipore	7.00	10	Nil	Nil	Nil		12	Y.
7,00,000	....	7,66,139	1,05,460	—3,49,181	M.	849	Eastern Cachar	2.75N	10	Nil	Nil	Nil		12	Y.
12,60,000	13,00,000	31,05,555	13,86,847	60,217	Octavius Steel & Co., Ltd.	2,208	Hattikhira	11.62	10	0.50	Nil	0.50	0.50	12	Y.
3,60,000	1,10,000	6,48,924	2,48,020	3,889	Duncan Bros. & Co. Ltd.	629	Kunchunpore	7.75	10	Nil	Nil	Nil		12	Y.
7,00,000	8,73,960	21,37,538	3,98,015	1,87,903	Assam Trading Co.	2,205	North-Western Cachar	200.00	100	15.00	15.00	20.00	30.00	12	Y.
3,60,000	3,32,179	12,84,475	3,70,957	—76,413	McLeod & Co., Ltd.	638	Roopacherra	12.62	10	0.50	Nil	Nil	Nil	12	Y.
5,25,000	10,97,014	14,64,650	4,63,459	41,094	Duncan Bros. & Co., Ltd.	720	Rungamattee	63.50	50	10.00	3.75	1.25	3.75	12	Y.
4,00,000	3,36,980	10,69,284	3,68,706	1,199	M.	662	Sonai River	8.25	10	Nil	Nil	Nil		12	Y.P.T.
					DARJEELING										
2,79,900	1,05,000	4,30,792	92,592	18,735	Williamson Magor & Co., Ltd.	466	Chamong	10.00	10	0.75	Nil	Nil	Nil	12	Y.
2,00,000	1,68,526	3,89,734	1,09,880	—393	M.	433	Dilaram	86.00N	100	5.00	Nil	7.50		12	Y.
2,00,000	2,18,765	3,67,216	3,43,216	—82,098	Davenport & Co., Ltd.	507	Giella	10.00	10	Nil	Nil	Nil	Nil	12	Y.P.
1,59,000	3,51,372	5,41,385	2,25,738	12,425	Andrew Yule & Co., Ltd.	463	Mim	205.00	100	10.00	Nil	Nil	10.00	12	Y.
2,99,900	4,43,000	7,30,361	2,14,761	1,29,955	Williamson Magor & Co., Ltd.	690	Nagari Farm	23.12	10	3.50	2.50	3.00	2.00	12	Y.
1,00,000	1,11,500	4,70,736	2,49,237	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	600.00	100	Nil	Nil	32.50	32.501	12	Y.P.
3,00,000	3,500	6,09,868	2,51,814	—86,025	Duncan Bros. & Co., Ltd.	478	Poobong	6.00	10	Nil	Nil	Nil	Nil	12	Y.
3,05,000	3,07,203	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	8.00	10	Nil	Nil	Nil		12	Y.P.
1,40,000	5,02,500	4,63,273	2,11,663	30,085	Duncan Bros. & Co., Ltd.	341	Rungliee Rungliot	885.00	100	35.00	25.00	30.00	10.00	12	Y.
3,00,000	3,27,462	5,50,875	1,96,085	3,514	M.	389	Seeyok	12.25	10	Nil	1.00	1.50		12	Y.
3,00,000	65,000	11,65,737	2,38,715	7,369	Goenka & Co.	583	Singtom	5.87	10	0.50	0.50	0.501		12	Y.P.
3,00,000	4,45,000	7,56,966	3,49,256	1,75,267	Williamson Magor & Co., Ltd.	554	Soom	36.00	10	4.00	4.00	5.00	3.00	12	Y.
6,25,000	9,54,667	17,84,113	5,20,111	58,721	McLeod & Co., Ltd.	745	Sungma	15.00	10	1.50	0.75	1.50	1.00	12	Y.
3,20,000	7,23,315	14,29,114	2,98,614	—80,204	Davenport & Co., Ltd.	718	Teesta Valley	16.12	10	2.50	1.00	Nil	Nil	12	Y.
3,01,350	2,61,033	16,07,088	3,76,038	—2,94,248	Williamson Magor & Co. Ltd.	1,666	Tukvar	7.31	10	Nil	Nil	Nil		12	Y.
					DOOARS										
27,00,000	29,62,946	63,67,156	26,20,596	93,115	Andrew Yule & Co., Ltd.	2,540	Banarhat	333.00	100	40.00	20.00	20.00	32.50	12	Y.P.
12,00,000	18,39,305	47,37,495	25,67,822	68,917	Jardine Henderson Ltd.	948	Baradighi	32.00	10	2.00	1.50	1.50	2.50	12	Y.
9,00,000	17,95,074	27,34,742	13,24,580	6,018	McLeod & Co., Ltd.	1,112	Bhatkawa	25.25	10	3.00	1.50	Nil	1.00	12	Y.
9,00,000	17,47,500	28,48,801	9,90,295	40,081	Duncan Bros. & Co., Ltd.	1,848	Birpara	172.00	100	25.00	7.50	12.50	22.50	12	Y.P.
6,00,000	3,36,000	14,66,180	5,09,072	21,500	Duncan Bros. & Co., Ltd.	602	Carron	160.00	100	10.00	5.00	Nil	15.00	12	Y.
9,00,000	13,87,365	25,34,091	10,16,841	93,623	Andrew Yule & Co., Ltd.	903	Choonabhutti	271.00	100	35.00	20.00	22.50	30.00	12	Y.P.
3,00,000	4,36,000	9,76,473	4,70,943	22,293	Duncan Bros. & Co., Ltd.	478	Ellenbarrie	157.00	100	5.00	Nil	Nil	5.00	12	Y.
1,20,000	2,04,475	4,99,218	2,55,551	—59,525	Andrew Yule & Co., Ltd.	265	Engo	196.00	100	Nil	Nil	Nil		12	Y.
4,90,000	61,290	10,87,477	3,14,730	—35,008	M.	447	Ethelbarrie	9.87	10	1.00	0.75	Nil	Nil	12	Y.
7,50,000	6,75,164	18,93,292	11,38,007	39,367	Gillanders Arbuthnot & Co., Ltd.	1,129	Gairkhata	190.00	100	10.00	Nil	Nil	12.50	12	Y.
36,00,000	28,25,750	71,46,528	28,70,874	80,061	Duncan Bros. & Co., Ltd.	2,528	Hantapara	150.00	100	7.50	Nil	Nil	12.50	12	Y.P.
32,00,000	60,61,255	1,15,51,655	58,85,226	2,60,071	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	26.44	10	2.25	0.75	0.75	1.25	12	Y.P.
3,25,000	21,63,678	29,07,639	12,14,659	36,987	Davenport & Co., Ltd.	1,452	Huldibari	25.50	10	2.50	1.25	1.50	2.25	12	Y.
7,00,000	5,12,873	11,09,391	5,33,855	16,262	Andrew Yule & Co., Ltd.	607	Jaybirpara (Dooars)	18.75	10	0.60	Nil	Nil	0.50	12	Y.
9,00,000	18,16,000	24,52,378	7,53,905	42,315	Duncan Bros. & Co., Ltd.	937	Killcott	20.62	10	2.00	1.50	0.75	1.75	12	Y.
2,00,000	5,72,564	10,14,554	3,56,190	3,318	M.	578	Manabarrie	59.00N	10	2.00	1.50	0.50	0.50	12	Y.
9,60,000	19,37,000	26,78,567	9,58,041	23,611	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	198.00	100	15.00	7.50	5.00	17.50	12	Y.
14,00,000	20,80,580	34,00,529	12,34,687	52,126	Andrew Yule & Co., Ltd.	1,168	New Dooars	325.00	100	35.00	20.00	25.00	32.05	12	Y.P.
2,50,000	3,80,000	5,60,606	2,08,922	10,819	Duncan Bros. & Co., Ltd.	348	Phaskowa	127.00	100	7.50	Nil	Nil	Nil	12	Y.
6,00,000	9,10,472	16,39,532	7,19,908	—1,96,926	McLeod & Co., Ltd.	764	Rajabhat	19.12	10	1.25	Nil	Nil	Nil	12	Y.
7,65,000	15,51,570	30,13,563	15,15,626	42,729	McLeod & Co., Ltd.	1,035	Ranicherra	24.25	10	2.00	0.50	0.75	1.00	12	Y.
14,92,800	29,39,216	61,42,087	35,18,973	42,452	Jardine Henderson Ltd.	1,768	Rydak	37.00	10	3.00	2.00	2.50	3.00	12	Y.
					SYLHET										
3,00,000	17,95,000	10,31,473	3,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	22.50	10	Nil	Nil	Nil		12	Y.
6,00,000	11,04,551	9,86,439	2,61,464	45,770	Duncan Bros. & Co., Ltd.	610	Dauracherra	8.00	10	1.50	0.75	0.50	1.50	12	Y.
4,00,000	12,06,200	13,63,395	7,18,394	2,77,118	Shaw Wallace & Co., Ltd.	985	New Samanbag	24.00	10	2.00	3.00	Nil	Nil	12	Y.P.
28,00,000	66,24,901	65,50,842	27,50,049	2,25,758	Duncan Bros. & Co., Ltd.	4,151	Patrakola P.	164.00	100	10.00	10.00	20.00	40.00	12	Y.P.
9,00,000	22,94,327	21,07,238	7,06,843	31,974	Duncan Bros. & Co., Ltd.	1,190	Telliapara	112.00	100	15.00	6.00	12.50	17.50	12	Y.
					TERAI										
4,50,000	65,000	4,45,710	2,67,923	3,509	Goenka & Co.	667	Atal	8.31	10	0.50	0.50	0.25		12	Y.P.T.
2,50,000	4,15,000	4,18,655	2,24,210	35,408	National Tea Corporation	522	Belgachi	24.25	10	4.00	2.00	2.50		12	Y.
18,44,000	22,46,000	27,30,130	11,43,606	29,724	Duncan Bros. & Co., Ltd.	1,611	Gungaram	171.00	100	10.00	7.50	Nil	15.00	12	Y.
5,00,000	11,12,394	14,01,443	5,08,408	18,957	Duncan Bros. & Co., Ltd.	580	Hansqua	18.87	10	1.00	1.00	Nil	1.75	12	Y.
3,90,000	3,07,700	10,27,925	4,27,249	62,299	Davenport & Co., Ltd	514	New Chumta	34.75	10	2.50	1.25	1.00	1.50	12	Y.
2,20,000	3,75,250	12,61,474	5,52,735	33,691	McLeod & Co. Ltd.	549	Tirrihannah	60.00	10	2.50	3.00	4.001		12	Y.P.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
71,39,880	6,89,303	1,60,52,590	69,38,639	22,879	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.40	B. 10	1.00	0.75	1.00		12	Y.P.
59,90,093	6,05,000	1,74 94,366	13,63,509	4,434	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	9.48	10	Nil	Nil	0.45	0.70	3	Y.T.
43,14,600 4,70,976D.	12,14,532	1,51,44,736	81,04,633	....	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	6.31 0.75	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil	.. ..	3	Y.T.
19,06,27,783	10,78,46,227	42,05,40,586	16,70,69,557	42,021	Cement Agencies (Private) Ltd.	Associated Cement Companies	156.50	100	9.00	8.50'C'	11.00	12.00	7	Y.T.
34,54,023	66,000	2,26,19,399	31,88,694	1,652	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	9.40	10	0.60	0.70	0.80		12	Y.
1,86,00,000 5,00,000	57,81,922	2,63,50,468	60,48,714	25,287	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	12.25 2.43	O. 10 D. 1	1.20 0.12	1.00 0.10	1.20 0.12		12	Y.P.T.
2,24,79,135	59,98,450	4,42,25,287	1,08,39,780	79,496	Besen Private Ltd.	India Cements Ltd.	6.10	5	0.41	0.45	0.45	0.55	3	Y.P.
2,00,00,000	49,62,184	7,93,62,040	1,92,20,939	1,44,804	Sahu Jain Ltd.	Jaipur Udyog Ltd.	12.48	10	1.25	1.25	Nil	0.60	3	Y.P.T.
2,25,00,000	63,61,275	5,39,55,507	1,86,50,770	8,77,321	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.40	10	1.50	1.50	1.10		12	Y.P.
1,24,51,675	54,91,876	4,15,40,234	1,68,22,549	48,939	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	156.00	100	9.00	9.00	9.00		12	Y.P.
75,00,000	18,30,000	2,25,10,113	1,58,76,362	62,048	M.	Sone Valley Portland Cement	5.12	5	0.30	0.30	Nil		12	Y.
50,00,000	11,77,360	1,37,88,664	57,99,082	29,086	Besel (Private) Ltd.	Travancore Cements Ltd.	8.70	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. cr—Cum-Right.
"P"—Patrakola Tea—Dividends for 1958 and 1959 are payable only when funds are available from Pakistan.
N.B.—Dividends paid since 31st March, 1959 are shown as taxable.
B.—Brooke Bond Estates—Dividend for the year ended 30th June 1960 is Rs. 1.50 per share taxable.

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
80,00,000	....	37,43,382	16,26,068	32,615	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	11.62	10	Nil	Nil	Nil	0.60i	3	Y.
18,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.52	10	1.50	3.50	2.00		9	Y.P.
55,28,146	15,49,326	1,57,35,785	51,99,681	14,572	Bharat Ram Bhagat & Co.	Bengal Potteries	8.00	2½	0.25	0.25	0.356		12	Y.
10,00,000	36,69,030	77,31,751	41,17,891	35,599	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	44.44	10	1.75	1.75	1.87	3.00	3	Y.
14,17,800	10,55,247	33,58,584	15,31,858	9,761	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	185.50	100	9.00	10.00	12.86	12.86	9	Y.P.
39,80,700	14,19,759	1,19,21,208	18,96,171	—25,65,524	Sarat Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	190.00	100	Nil	Nil	Nil		12	Y.P.
£1,371,300	£1,705,275	£3,271,480	£1,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	5.40	Sh. 2	0.24	0.24	0.36		12	Y.
O.15,00,000 / P.5,00,000	25,89,686	44,79,158	13,16,190	2,61,727	Bird & Co. Private Ltd.	Karanpura Development	17.25	10	Nil / Nil	Nil / Nil	1.50 / 0.50		12	Y.
50,00,000	....	14,32,400	....	—12,618	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	87.00	50	..	Nil	Nil		12	Y.P.
30,00,000	33,05,445	1,10,40,017	59,85,195	39,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26.00N	10	1.25	1.25	1.80		12	Y.P.T.
50,00,000	10,01,024	1,16,80,530	59,85,620	—19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd.	12.18	10	Nil	Nil	Nil		3	Y.P.T.
6,00,000	5,26,433	13,40,698	7,73,285	7,276	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	15.00	10	1.00	1.00*	1.00*	1.428	3	Y.
20,00,000	55,85,984	68,91,304	28,26,317	1,10,697	Bird & Co. Private Ltd.	Orissa Minerals	43.87	10	2.00	2.50	3.60	3.60	6	Y.
3,50,000	15,45,335	88,24,228	46,03,569	7,911	Ganpule Jasani & Co.	Parshuram Pottery Works Co., Ltd.	67.00	25	8.75	8.75	3.75	5.36	7	Y.P.
10,46,370	65,42,410	1,02,15,679	38,53,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate	93.50	10	8.00*	8.00*	5.00		11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
12,11,000	....	....	....	....	Agri-Chem-Engineers	Adarsh Chemicals & Fertilisers	85.00	75	..	..	..		12	Y.P.
85,00,000	81,37,800	1,87,07,072	65,76,431	9,770	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	268.00	100	12.00	12.00	16.00		12	Y.P.
8,10,00,000	1,57,00,273	6,04,78,062	1,23,50,512	1,33,819	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	88.75	10	0.80	0.80	0.95	1.20	9	Y.P.
80,00,000	30,78,579	86,90,417	21,21,588	35,088	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	410.00	100	Nil	Nil	12.00		12	Y.P.
29,89,400	24,94,426	1,18,63,272	49,89,005	47,108	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	735.00	100	20.00*	20.00*	28.00*		12	Y.P.
2,00,00,000	39,08,362	3,56,08,722	1,05,40,064	72,946	Lalbhai Sons & Co.	Atul Products Ltd.	537.50	100	8.00	10.00	12.00		12	Y.
50,92,900	52,95,445	1,47,57,610	71,89,268	13,89,611	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	114.00	100	6.00	6.00	7.00	7.00	3	Y.P.T.
1,00,00,000	6,00,000	1,07,91,843	4,82,147	—42,985	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	358.75	100	..	Nil	Nil	Nil	3	Y.
22,73,150	26,99,000	77,57,031	36,10,218	44,349	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	260.00	50	5.00	6.00	10.00		12	Y.
64,49,082	56,78,075	1,69,27,890	67,80,529	—1,11,025	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	135.00	100	7.50	6.00	4.00(c)		12	Y.P.
8,46,06,075	14,62,000	5,13,68,593	2,80,28,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	11.15	10	Nil	0.40	0.60		12	Y.
1,50,00,000	23,35,000	51,41,000	15,22,000	10,072	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	516.25	100	Nil	Nil	Nil	6.00	3	Y.P.
12,00,000	6,37,883	27,43,796	14,20,459	47,412	Jal H. Mehta	Kemp & Co.	820.00	200	15.00	15.00	20.00	25.00	3	Y.
60,00,000	22,36,430	1,43,65,801	78,81,045	12,716	Seshasayee Brothers Private Ltd.	Mettur Chemicals	14.00	10	0.75	0.87½	0.88	1.25'C'	3	Y.P.T.
24,81,220	10,04,155	55,64,434	40,80,625	11,452	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	11.35	10	0.50	0.50	0.50	1.00	3	Y.
8,00,000	4,52,189	11,19,269	5,96,880	85,186	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	25.50	10	2.00	2.00	2.00	2.00'C'	3	Y.P.
40,00,000	20,96,379	58,16,750	11,97,185	27,844	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	250.00	50	..	Nil	3.00	5.50	3	Y.P.
12,50,000	9,22,174	82,78,588	20,63,157	2,05,216	Bangur Brothers Ltd.	Phosphate Co., Ltd.	825.00	100	15.00	25.00	45.00	35.00	6	Y.
15,00,000	14,69,737	24,40,260	15,05,655	98,591	C. A. Buxton	Smith Stanistreet & Co.	13.00	5	1.00	0.80'C'	1.25	1.25	6	Y.P.
3,37,50,000	....	....	....	....	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	161.50	75					..	Y.
1,39,95,990 / 1,11,91,270	42,17,119	5,89,52,538	2,06,73,886	14,509	Tata Industries Private Ltd.	Tata Chemicals	20.28 / 18.80	100ld / 10New	0.80	0.75 / 0.03	0.525 / 0.618	0.60 / 0.60	6	Y.P.T.
13,00,000	1,07,599	18,05,082	6,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	17.60cdcr	10	0.60	0.70	1.00	1.50	3	Y.P.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
8,74,78,370	1,17,08,657	15,23,94,046	4,04,47,092	688	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	84.20	100	3.25	6.50	6.75	7.00	3	Y.T.
81,28,750	21,63,386	2,36,72,375	59,65,971	15,69,279	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.00	10	0.42	0.85	0.90	1.00*	3	Y.P.
8,02,76,250	96,81,201	9,66,03,356	2,69,10,919	22,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	992.50	1,000	56.00	80.00*	80.00*	85.00*	3	Y.P.T.
1,75,00,000	78,52,260	4,06,37,564	98,99,329	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply	85.00	100	7.00	7.00	7.50	8.00	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6.00	10	Nil	0.50	0.60	0.66	3	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	108.50	100	2.50	7.50	8.00	9.50	3	Y.P.T.
70,00,000	10,75,000	1,64,79,000	51,54,000	....	Killick Industries Ltd.	Surat Electricity	87.00	100	8.75	7.00	7.00	7.50	3	Y.P.
2,89,99,575	1,01,57,424	7,01,96,365	1,89,09,886	25,281	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	101.50	100	5.52	8.00*	8.00*	8.50*	3	Y.P.
5,15,35,750	2,60,85,771	17,16,28,967	3,93,66,464	38,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,020.00	1,000	56.25	80.00*	80.00*	85.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
19,99,600	51,38,028	13,39,99,790	39,25,042	47,389	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	128.00	100	10.00	10.00	10.00	11.00	3	Y.T.
8,00,000	15,23,375	63,42,780	22,28,800	23,612	Martin Burn Ltd.	Bareilly Electric Supply	11.62	10	1.25	1.00	1.00	1.10	3	Y.T.
17,00,000	47,66,354	1,71,05,214	47,49,307	45,563	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.25	10	1.25	1.00	1.00	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	7.12	8	0.62	0.40	0.40	0.64	3	Y.
£4,262,646	£10,126,973	£33,604,377	£13,302,118	£106,138	Barry Burn, Esq. (Chairman)	Calcutta Electric Supply	15.06	£1	8¼%	7%	7%	7¼%	3	Y.P.T.
6,60,090	6,73,784	31,45,751	10,61,558	76,838	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	7.62	10	1.00Z	0.65	0.65	0.75	3	Y.
43,20,000	24,38,968	1,02,37,174	38,05,104	4,36,960	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	93.00	100	6.50	7.00	7.50	10.00	3	Y.T.
5,34,640	1,24,635	34,43,088	14,37,084	2,947	Moonna Lall & Sons	Jhansi Electric Supply	6.50N	10	0.86Z	0.62½	0.62	0.70	3	Y.T.
22,49,550	27,02,877	1,07,31,716	40,42,273	30,296	Martin Burn Ltd.	Jubbulpore Electric Supply	11.75	10	0.92	0.97	0.93	1.00	3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	9.69	10	1.25Z	1.00	1.00	1.25	3	Y.
36,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.37	10	1.25Z	0.75	0.75		3	Y.T.
9,10,000	2,37,616	12,60,524	5,84,092	5,200	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6.25	10	Nil	0.60	0.50	0.625	3	Y.
18,80,000	13,87,254	78,27,858	44,96,906	2,087	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.70	10	0.94	0.65	0.75	1.00	3	Y.T.
60,00,000	13,06,142	2,06,37,818	67,66,084	3,023	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.06	10	1.28	0.87	0.90	0.96'C'	3	Y.P.T.
5,00,000	11,62,458	52,32,335	12,25,684	36,698	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	16.00	10	1.25	1.25	1.25	1.35	3	Y.
56,01,185	78,57,136	4,08,85,812	1,45,66,727	35,399	Martin Burn Ltd.	U. P. Electric Supply Co.	116.00	100	10.00	10.00	10.00	11.00	12	Y.T.
4,00,000	9,34,990	40,37,687	11,42,884	2,58,260	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	18.85	10	1.00	1.00	1.00	1.50	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
38,42,200	49,44,187	75,65,494	60,79,287	28,009	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	322.00	100	12.50	12.50	17.00		12	Y.
19,99,060	3,10,174	21,70,025	8,07,662	19,184	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	92.50	50	2.00	2.00	4.00		12	Y.
45,19,800	25,03,443	23,35,767	46,36,997	75,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	212.00	100	7.00	10.00*	13.00*	5.50	[illegible]	Y.
40,00,000	4,14,207	62,24,434	21,36,684	57,385	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	99.00	100	6.00	7.00	10.00	13.00*'C'	[illegible]	Y.P.
59,99,900	84,82,780	2,25,73,862	1,37,51,802	70,946	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	185.50	100	9.00	9.00	13.00		[illegible]	Y.P.T.
6,00,000	4,15,000	1,58,191	1,29,312	2,266	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	106.00	50	5.00	8.00	5.00	13.00'C'	[illegible]	Y.
44,96,250	4,05,653	62,45,796	27,13,547	2,497	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	18.76	10	Nil	0.80	0.775	4.00	[illegible]	Y.P.
42,96,028	78,89,668	1,21,65,928	96,56,471	11,666	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	62.00	25	0.20	0.30	0.30		[illegible]	Y.
37,50,000	15,59,000	1,02,91,000	20,35,000	....	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	10.52	10	0.90	1.00	1.00	0.25	[illegible]	Y.
10,53,725	2,17,037	22,14,424	2,62,435	2,50,491	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	188.75	100	..	..	..	1.45	[illegible]	Y.P.
80,00,000	27,95,928	73,01,690	28,52,816	56,268	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	42.25	10	1.00	1.25	1.25	Nil	[illegible]	Y.P.
1,32,00,000	42,63,182	1,34,87,855	31,17,620	1,16,297	M.	Mahindra & Mahindra Ltd.	21.00	10	1.75	2.20	1.25	1.30'C'	[illegible]	Y.P.
11,00,000	2,45,914	40,22,575	24,15,196	1,014	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	145.00	100	Nil	Nil	Nil		12	Y.P.
60,15,060	45,20,000	1,21,27,185	40,92,378	3,253	Jeewan Private Ltd.	Mukand Iron & Steel	26.25	10	1.00	1.20	1.00*		[illegible]	Y.P.
25,00,000 / 14,99,250	40,76,797	1,06,26,418	51,58,671	6,625	Kirloskar Associates	Mysore Kirloskar Ltd.	146.50 / —	100 / 100 New	6.00 / ..	7.50 / ..	12.00 / 6.00	1.20 / 13.00	6	Y.
22,27,700 / 22,72,000	5,36,616	47,79,336	14,99,687	22,426	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	106.00 / 190.00	100 / (75 New)	.. / ..	.. /	9.00 / ..	13.00 / 13.00	3	Y.P.
22,50,000	1,34,42,446	3,81,298	1,40,799	1,36,106	Walchand & Co. Private Ltd.	Premier Construction	200.00xr	50	10.00	12.00	18.00	0.50	12	Y.P.
20,95,100	41,01,156	1,02,33,625	42,88,746	12,124	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	207.50	100	13.00	18.00	17.00	12.00	[illegible]	Y.P.
27,58,21,325	27,61,22,014	1,67,40,64,801	54,97,16,286	3,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	158.75	75 Old	9.50	8.25	6.80	9.72'C'	[illegible]	Y.P.
7,99,99,200	1,71,91,786	21,41,33,116	9,39,94,664	2,24,171	Tata Industries Private Ltd.	Tata Locomotive	342.50	100	8.00	9.00	9.00	12.50	[illegible]	Y.P.T.
10,00,000	3,35,000	23,97,720	3,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg., Co.	440.00	100	5.00	10.00	14.00	13.50	[illegible]	Y.
2,55,00,000	71,75,426	1,07,45,946	24,35,557	4,24,800	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	291.50	100	9.00	9.00	13.00	13.00	[illegible]	Y.
17,50,000	....	....	....	....	M.	Zenith Steel Pipes Ltd.	3.40	2.50	..	..	..	..	[illegible]	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co. Ltd.	Arthur Butler & Co.	11.75	10	Nil				10	Y.P.T.
50,00,000	30,49,221	1,55,21,495	30,36,972	3,60,479	M.	Bharatia Electric Steel	12.81	10	1.25	1.25	1.50		12	Y.
56,59,790	70,94,966	77,33,705	12,79,336	2,27,030	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	37.00	10	3.00	1.25	2.25		12	Y.
12,00,000	32,12,634	79,76,063	44,83,942	1,72,546	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	58.00N	10	2.00	2.00'B'	3.00		12	Y.T.
19,36,670	7,04,341	39,97,530	14,63,695	36,906	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	5.00	10	0.50	0.50	0.60		3	Y.P.
40,00,000	41,46,365	96,27,511	46,02,704	1,32,451	McLeod & Co., Ltd.	Britannia Engineering	14.94	10	0.60	0.60	1.00		12	Y.P.T.
5,60,000	7,72,971	24,63,921	14,45,244	74,493	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	29.50	10	2.00	2.00	2.50		12	Y.
84,60,000	2,33,60,602	4,96,65,284	3,94,73,871	1,24,616	Martin Burn Ltd.	Burn & Co.	522.00	100	20.00	20.00	25.50	28.50	4	Y.T.
50,00,000	....	35,75,759	95,632	1,62,025	M.	Calcutta Steel Co., Ltd.	17.87	10	..	..	..	0.50	3	Y.
1,00,00,000	12,33,028	1,89,66,744	10,15,909	2,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	Nil	Nil	Nil	Nil	3	Y.P.T.
40,00,000	25,000	1,05,86,590	9,91,658	—3,47,543	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.72	10	Nil	Nil	Nil		9	Y.
2,00,00,000	2,54,07,647	6,74,59,338	2,15,47,390	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	44.25	10	2.00	2.00	2.40		12	Y.P.
12,50,000	23,60,000	60,91,575	40,46,169	7,047	Martin Burn Ltd.	Hooghly Docking	119.00	50	5.00	5.00	6.00		12	Y.P.
12,44,08,996	21,14,27,025	71,57,58,772	14,60,01,060	11,49,767	Martin Burn Ltd.	Indian Iron and Steel	27.55	10	1.00	1.00'C'	1.00		3	Y.P.
36,96,500	61,33,742	1,23,74,955	72,36,332	46,706	Martin Burn Ltd.	Indian Standard Wagon	108.00	25	7.50*	5.00	5.00	1.50	3	Y.P.
96,53,160 / 26,580	2,52,04,628	2,22,95,589	1,52,64,925	10,91,465	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	44.37 / 14.00	O.10 / O. 1	4.00 / 0.40	4.00 / 0.40	1.62½ / 0.16½	7.125 / 2.80	3	Y.
23,78,580	2,50,222	32,73,943	15,88,341	2,977	C. R. Srinivasan, Esq. (Chairman)	Indian Steel Rolling Mills Ltd.	10.62cr	10	1.00	0.70	0.70	0.28	12	Y.P.
91,12,500	75,99,306	3,71,15,564	1,40,36,750	6,322	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	30.50	10	1.50	1.20	1.20	0.50i	3	Y.P.T.
20,00,000	22,52,813	76,16,494	17,47,998	75,109	J. K. Industries Private Ltd.	J. K. Steel Ltd.	26.75xd	10	1.25	1.25	1.25	1.715	6	Y.P.
1,01,99,000	1,02,40,315	2,77,47,845	84,30,278	63,747	B. P. Singh Roy, Esq. (Chairman)	Jessop & Co.	28.50	10	Nil	0.60	0.354		10	Y.P.
27,64,800	43,74,632	90,13,956	33,28,450	31,288	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	6.81	3	0.45	0.30	0.30'C'		11	Y.P.T.
16,50,000	1,90,990	18,32,845	14,72,111	3,513	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	5.50	2	0.40	0.40	0.20		6	Y.
49,96,000	13,28,439	1,37,17,076	81,10,264	—1,08,083	M.	National Iron and Steel Co., Ltd.	7.19	10	0.62	0.62	0.75		3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,313	4,85,188	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.44N	10	Nil	Nil	Nil	Nil	6	Y.P.
4,00,000	11,05,251	31,29,091	21,37,426	17,915	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	7.56	4	0.40	0.40	0.25	0.38	3	Y.
1,50,00,000	55,23,079	4,19,73,529	1,96,95,885	37,204	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	22.60	10	1.50	1.50	2.00		12	Y.P.T.
39,84,400	14,67,750	69,48,005	26,20,291	4,566	Balasundaram & Co.	Textool Co., Ltd.	176.00	100	20.00	12.00	15.00	15.00	4	Y.

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
12,50,000	46,52,425	1,45,73,387	....	23,040	N. M. Cole, Esq. (Mg. Director)	Concord of India	10.62	5	1.00	1.00	1.00		12	Y.
10,00,000	11,65,196	28,43,080	....	66,390	M.	Devkaran Nanjee Insurance	31.00	50	3.00	3.00	2.00		12	Y.
24,00,000	71,01,264	1,40,68,520	....	3,62,182	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	23.75	10	2.00	2.00	2.00		12	Y.
16,92,240	37,17,768	88,96,037	....	4,17,522†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	48.25	40	3.50	3.75	5.85		12	Y.
20,00,000	63,51,546	1,74,97,763	....	45,112	M. G. Mody, Esq. (General Manager)	New Great Insurance	19.75	20	2.00	2.00	2.50		12	Y.
1,06,81,590 / 35,81,000	3,27,40,502	14,89,78,776	....	44,23,897	P. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	60.50 / 61.00	15 / 15New	3.00 / ..	4.00 / 4.00	5.70* / 5.70*		12	Y.
32,00,000	92,52,493	1,29,48,849	....	8,214	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	8.81	8	0.62	0.62	0.80		12	Y.
3,75,000	67,12,673	1,13,08,480	....	1,88,129	Sir John Brown (Mg. Director)	Triton Insurance	148.00	25	11.25	11.25	11.25		12	Y.
15,99,270	39,15,382	1,02,08,244	....	16,014	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	16.24	10	1.50	1.50	2.00		12	Y.

* Includes bonus † Subject to taxation. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Rs. 1.00 for 1955.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors. X.R.—Ex. Right.

x—For these companies reserves include balances of various funds and under gross block are given the total assets. Z.—Dividend is for fifteen months ended 31st March 1959.

MISCELLANEOUS COMPANIES—*Continued*

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
£562,500	£212,932	£745,697§§	....	£1,003	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	1.46xd	Sh. 3	Nil	2%	Nil	8%	3	Y.
35,00,000	36,35,342	39,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0.60	Nil	0.60		12	Y.P.
1,00,00,000	1,59,93,684	1,00,77,425	52,21,479	4,47,887	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	28.12	10	2.00	2.00	2.50	1.00i	12	Y.P.
70,07,475	49,40,586	2,47,94,315	1,56,70,926	46,303	Tata Industries Private Ltd.	Tata Oil Mills	83.00	25	2.50	2.50	3.25	5.75	3	Y.P.T.
6,00,000	9,39,137	2,55,770	1,78,025	32,887	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	19.75	10	1.25	1.50	2.20	0.70i	10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
57,43,031	37,55,249	2,76,44,249	2,15,86,003	3,30,769	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	42.12	25	Nil	Nil	2.50	3.575	6	Y.P.
40,00,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	93.00	25	3.12	5.50	3.00		12	Y.P.T.
33,20,000	30,25,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	19.00	10	1.40	1.00	1.00	1.50'C'	3	Y.
12,50,000	....	....	....	....	M.	Jayant Paper Mills Ltd.	68.00	75	....	....	....	....	3	Y.
1,40,00,000	....	1,04,58,852	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	10.12	10	....	....	....	....	6	Y.P.
25,00,000	37,42,800	1,54,04,003	1,03,95,960	51,968	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	26.50	10	1.00*	1.00	1.25*	1.50	3	Y.
1,46,82,500	3,21,50,238	10,01,40,260	3,07,78,182	4,22,620	Birla Brothers Private Ltd.	Orient Paper	41.70	10	1.50	1.50	1.50	2.25	3	Y.P.T.
1,75,00,000	....	....	....	....	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	4.80	5	....	....	....	....	3	Y.
1,26,51,429	1,09,54,433	3,40,18,914	1,26,74,532	1,36,712	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	27.50	10	1.25	1.25	1.75		12	Y.P.T.
30,00,000 / 10,00,000	3,39,123	77,35,854	43,04,284	6,122	Bajeria & Co.	Star Paper Mills	13.25 / 13.25	O. 10 / A. 10	0.60 / 0.60	0.60 / 0.60	0.30 / 0.30		9	Y.P.
3,16,55,240	62,55,990	6,57,32,220	1,87,32,220	34,582	Birla Brothers Private Ltd.	Sirpur Paper Mills	18.20	10	0.50	0.65	0.65	0.65	6	Y.P.
1,56,00,000 / 36,04,800 / O.4,37,500	3,51,39,745	8,81,10,708	4,28,97,712	2,48,642	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	37.00 / 37.00 / 3.75	A. 10 / B. 10 / P.O. 2½	2.38* / 2.38* / 0.24	2.38* / 2.38* / 0.24	2.50* / 2.50* / 0.25*	2.50 / 2.50 / 0.295	3	Y.P.T.
1,49,55,400	45,00,000	5,41,73,787	85,40,616	58,348	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	210.00xd	100	Nil	Nil	Nil	6.00	6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
18,99,996	19,59,360	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.50	3	Nil	Nil	....	....	9	Y.
36,25,000 / 42,00,000	3,46,95,997	5,74,47,341	2,67,52,541	1,47,502	Wallace & Co.	Bombay-Burmah Trading Corpn.	628.50 / 216.25	Old125 / New50	47.50K / 19.00K	22.50 / 9.00	26.75 / 9.50	37.50 / 15.00	5	Y.
20,00,000	10,50,363	21,44,636	16,69,639	1,05,966	Gillanders Arbuthnot & Co. Ltd.	Indian Wood Products	32.00	10	2.75	2.50	2.50	1.00i	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
18,00,905	9,93,823	31,10,427	19,27,489	48,466	M.	Balrampur Sugar	2.94	2.50	0.35	0.35	0.40‡	0.20	6	Y.
18,00,000A. / 3,00,000B.	36,05,704	66,14,329	42,19,339	10,00,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	130.00 / 11.60N	A.100 / B. 10	10.00 / 1.50	10.00 / 1.00	10.00 / 1.00		4	Y.T.
10,40,080	10,83,726	43,95,180	27,45,853	41,303	Bangur Bros., Ltd.	Belsund Sugar	12.19	7½	1.00	1.00	1.40		9	Y.
15,00,000	14,08,556	23,95,027	15,95,890	4,173	Cotton Agents Private Ltd.	Bharat Sugar	16.25	10	1.50	1.00	1.50	1.50	6	Y.P.
32,00,000	32,26,224	1,51,27,711	1,08,91,665	2,75,591	Gladstone Lyall & Co., Ltd.	Carew & Co.	13.69	10	Nil	0.25	Nil	Nil	6	Y.P.T.
80,00,000	77,17,253	1,76,06,330	1,00,81,364	—4,17,923	British India Corporation Ltd.	Cawnpore Sugar	12.00	10	Nil	Nil	Nil	Nil	10	Y.P.
18,00,000	45,46,234	84,73,277	64,52,904	27,968	British India Corporation, Ltd.	Champarun Sugar	18.62	10	Nil	1.00	1.50	1.50	6	Y.
9,58,252	6,10,632	32,39,842	20,22,495	6,101	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.66	10	0.50	0.50	1.25		8	Y.T.
36,00,000	32,56,160	71,38,945	44,96,828	3,29,729	M.	Durbhanga Sugar Co., Ltd.	15.19	10	2.00	1.50	2.00		8	Y.
60,00,000	78,32,000	2,29,19,973	1,18,95,886	52,021	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	326.25	100	15.00	15.00	15.00	29.00*	6	Y.P.
22,50,000	20,51,626	95,42,332	57,58,319	1,08,797	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	267.50	50	7.00	4.00	4.20	9.00	7	Y.P.
7,89,100	30,31,969	57,67,867	33,25,497	34,691	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	2.50	2.50	3.65	3.65	6	Y.P.
11,00,000	4,56,234	49,29,250	29,36,570	10,502	K. C. Thapar & Bros. Private Ltd.	New Savan	5.69	10	0.37	0.25	0.37		5	Y.
13,59,375	68,73,211	88,62,456	32,23,024	20,512	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	330.00	100	20.00	20.00	20.00	20.00	6	Y.
77,52,210	89,76,949	2,77,58,474	1,49,52,234	24,386	Cotton Agents Private Ltd.	Oudh Sugar	185.00	100	12.50	12.50	18.25	20.00	7	Y.P.
12,00,000	13,65,315	37,56,136	22,33,412	1,62,250	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	130.00	100	Nil	6.00	15.00		10	Y.
9,00,000	23,02,570	51,19,941	35,72,585	4,006	M.	Purtabpore Co.	12.50	10	Nil	Nil	Nil		10	Y.P.
20,00,000	2,92,000	25,30,109	14,67,024	2,192	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.37	10	0.30	0.30	0.30	0.40	3	Y.
65,00,000	37,38,845	85,30,103	39,46,664	65,217	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar	12.00	10	1.50	1.25	1.20	1.25	10	Y.
8,00,000	6,30,752	29,27,567	23,93,295	4,779	M.	Ryam Sugar	12.50	10	1.50	1.50	0.50		6	Y.P.
11,00,000	16,90,377	48,13,684	26,03,236	20,614	M.	Samastipur Central Sugar	11.19	10	Nil	0.25			6	Y.
39,99,000	29,62,184	1,39,61,485	34,50,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12.75	10	1.00	1.00	1.50	1.50	7	Y.P.T.
10,62,115	24,460	36,18,156	17,25,281	5,174	H. K. Ghosh, Esq. and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	5.94	10	Nil	Nil	Nil	4.40	6	Y.
15,89,962	16,10,752	39,27,180	22,85,030	21,350	M.	Shri Sitaram Sugar	12.00	10	0.50	0.50	0.90		3	Y.
7,00,035	10,42,603	25,39,293	15,99,255	19,286	M.	Tulsipur Sugar	5.62	5	....	....	....	0.62	6	Y.
8,00,000	48,66,902	1,33,27,976	97,42,260	44,480	Cotton Agents Private Ltd.	Upper Ganges Sugar	55.09	10	5.00	5.00	7.25		6	Y.P.
10,00,000	14,52,294	26,53,170	28,30,150	1,06,876	M.	United Provinces Sugar	17.00	10	0.75	1.00	1.50		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
30,00,000	28,05,000	1,18,99,115	38,48,654	25,156	Rangarao & Co.	Andhra Sugars Ltd.	28.00cd	10	1.25	1.50	2.00	2.00	9	Y.
40,00,000	14,50,088	95,55,530	9,90,276	78,721	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	132.00	100	100	Nil	Nil	6.00	6	Y.P.
70,49,650	1,52,02,875	1,68,95,390	1,10,68,264	82,986	W. H. Brady & Co., Ltd.	Belapur Company	298.00	50	18.00	20.00*	21.00	20.00	9	Y.
17,50,000	16,67,724	47,71,723	29,36,495	93,383	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	29.00	10	2.00	2.00	2.50	2.25	9	Y.P.
37,50,000	19,18,467	88,31,952	61,54,483	61,719	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	26.00	12.50	2.25	2.25	2.50	2.50	9	Y.
39,24,000	58,58,684	1,45,32,270	78,22,738	1,29,258	Parry & Co., Ltd.	Deccan Sugar & Abkhari	14.45cd	5	0.72½'C'	0.90	0.90	1.28	5	Y.P.
£1,300,000	£1,948,862	£1,990,779	£1,186,091	£126,694	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	48.00xd	£1	15%	20%	28 4/7%	21 3/7%	6	Y.P.T.
15,00,000	13,26,242	48,72,029	31,28,903	12,594	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	90.00N	100	10.00	10.00	10.00	12.50	6	Y.P.
65,37,650	9,79,348	81,36,670	27,00,256	5,62,860	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.40	10	1.00	1.00	1.25		9	Y.P.
32,48,250	15,18,785	1,56,55,795	27,48,683	182	B. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.04xd	10	0.60	0.60	1.00	1.25	6	Y.P.
58,57,410	96,15,290	4,17,59,188	78,54,583	33,450	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	23.48	10	0.75	0.75	1.50	1.50	6	Y.P.
17,00,000	10,65,215	74,22,052	30,91,908	—16,90,964	Kubera Sugar Managers (Pvt.) Ltd.	Kiriampudi Sugar Mills Ltd.	77.50	100	Nil	Nil	Nil		6	Y.P.T.
67,50,000	59,72,055	1,56,07,258	70,66,935	54,969	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	205.00	50	20.00	17.00	21.00	21.00	9	Y.P.
21,79,280	1,04,39,034	1,68,27,085	1,07,39,878	1,15,282	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	59.00cd	10	2.00	3.00*	3.00	3.00	6	Y.
1,10,06,885	1,18,33,279	3,20,25,300	1,92,92,230	3,537	Industries (I.F.) Dept., Govt. of Andhra Pradesh	Nizam Sugar Factory Ltd.	62.00	25	4.50	4.50	5.40	5.75	6	Y.P.
50,00,000	54,16,691	1,28,37,318	77,84,979	21,809	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	147.50	50	12.00*	10.00	12.50	12.00	9	Y.
16,50,820	41,08,985	78,66,150	36,28,730	59,442	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	27.75	10	1.50	1.50	2.14		3	Y.P.T.
29,95,750 / D-4,00,000	44,47,953	1,58,38,095	68,84,343	12,211	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	80.00 / 30.00	O. 50 / D. 50	12.00 / 3.50	12.00 / 3.50	8.50 / 3.50	5.00 / 3.50	9	Y.P.T.
30,00,000	21,96,500	80,10,952	38,56,496	1,44,735	Parry & Co., Ltd.	Travancore Sugars	10.75	10	1.00	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,31,26,520	4,36,39,505	1,46,10,876	1,51,484	Walchand & Co. Private Ltd.	Walchandnagar Industries	237.50	100	21.00	21.00	20.00	15.00	9	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
30,00,000	16,33,754	80,65,990	12,43,589	966	Jolly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	292.50	100	..	Nil	Nil	6.00§	3	Y.P.
49,04,125	....	1,87,585	....	11,765	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	123.00	100	..	..	Nil	..	12	Y.
30,50,000	....	1,10,78,000	19,68,000	....	..	Automobile Products	18.44	10	..	..	..	..	7	Y.
7,50,000	2,00,000	22,10,441	9,31,437	3,466	The Associated Agencies (Pvt.) Ltd.	Associated Rubber Industries Ltd.	105.00	100	7.00	7.00	10.00		12	Y.P.T.
25,00,000 / 6,25,000	1,50,000	17,32,985	5,64,037	6,664	Jamnalal Sons Private Ltd.	Bajaj Electricals	114.00 / 56.00	100 / 50 New	7.50	9.00	5.00	8.10 / 2.70	3	Y.P.
14,98,240	5,27,700	37,56,958	23,15,699	17,694	Chocolal Manilal Private Ltd.	Estrela Batteries	63.00	50	3.50*	3.00	3.50*	4.50	3	Y.P.
16,00,000	3,40,663	10,20,495	4,90,761	31,694	Aero-Auto Private Ltd.	Bombay Cycle & Motor	26.00	20	1.75	1.00	2.00	2.50	3	Y.
1,14,90,000	13,000	1,06,24,000	15,000	27,205	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	297.50	100	..	..	Nil	..	12	Y.
1,35,00,000	50,12,115	21,25,643	7,05,848	44,119	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	176.00	100	7.50	10.00	7.50	11.00	3	Y.P.
4,00,000 / 51,66,500	....	9,14,417	11,195	39,818	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N / 50.00N	100 / 50	..	..	..	..	10	Y.
31,07,000	3,75,592	1,23,44,460	76,81,774	—9,49,324	Birla Brothers Private Ltd.	Hind Cycles	105.00	100	12.50	7.00	Nil	Nil	3	Y.P.
15,00,000	....	3,17,049	....	....	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	13.32	10.00	..	..	..	..	12	Y.
5,57,00,000	4,24,48,754	6,18,54,846	2,32,69,768	24,38,955	S. H. Turner, Esq. (Chairman)	Hindustan Lever	50.00	10	1.40	1.50	2.40	2.60	12	Y.
21,17,500	7,73,396	27,73,828	21,27,149	4,342	Forbes Forbes Campbell & Co., Pvt. Ltd.	Indian Vegetable Products Ltd.	185.00	100	10.00	10.00	15.00	17.00	9	Y.
5,00,00,000	72,70,946	6,77,45,143§§	....	77,237	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	85.00	100	4.00	4.00	5.00	5.75	12	Y.
99,99,250	20,22,470	1,31,66,987	....	58,612	Premchand Roychand & Sons	Industrial Investment Trust	80.80	100	5.50	6.00	6.00		12	Y.
1,70,22,100	1,04,80,782	4,62,31,978§§	....	16,810	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	111.00xd	100	9.25	6.50	9.25	8.50	6	Y.P.
19,55,900	3,40,945	48,67,187	19,20,436	7,498	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	135.00	100	5.00	6.00	3.50		12	Y.P.T.
20,00,000	1,30,912	33,42,718	49,35,396	5,912	Kamani Brothers Private Ltd.	Kamani Metals & Alloys Ltd.	10.00N	10	..	0.50	0.75		6	Y.P.T.
1,24,95,450	81,84,210	49,67,050	18,86,011	10,125	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	108.50	100	11.00	13.00	9.00	8.00	11	Y.
12,50,800	2,13,870	19,92,555	15,00,469	35,265	Bhogilal H. P. Patel, Esq.	Laxmi Starch Factory Ltd.	200.00	100	5.00	6.00	9.00	13.00	3	Y.
11,25,100	30,000	13,42,154	4,06,142	2,85,196	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	102.00	100	3.00	7.00	4.00	10.00	3	Y.P.
27,60,000	41,84,317	87,81,909	47,39,264	1,17,952	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	423.75	100	15.00	18.00	25.00	25.00	12	Y.
26,99,200	24,59,766	65,97,396	18,34,590	30,136	Polson Agencies Private Ltd.	Polson Ltd.	177.00	10	10.00	10.00	15.00		12	Y.P.
4,73,28,625	1,17,81,972	5,94,80,033	2,64,36,782	3,22,922	Aero-Auto Private Ltd.	Premier Automobiles	178.25xd	100	6.00	4.00	9.00	9.00	6	Y.T.
4,78,200 / 5,13,400	1,71,915	30,66,967	9,69,029	29,056	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N / 50.00N	100 / 50	6.00 / 3.00	6.00 / 3.00	6.00 / 3.00	9.00 / 4.50	3	Y.P.
70,78,500	....	22,82,068	11,962	1,03,299	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	114.00	50	..	..	..	Nil	12	Y.
37,50,000	18,80,748	67,28,501	34,94,295	15,405	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	215.00	100	8.00	8.00	14.00'C'	15.00	6	Y.
13,57,000	1,97,040	24,69,860	2,09,912	1,939	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	51.00	50	..	..	Nil		3	Y.P.
6,22,100	2,73,159	3,45,582	2,39,183	2,859	Modi & Co.	Supreme Industries Ltd.	157.50	100	6.00	7.50	9.00	13.00	3	Y.P.
2,75,00,000	1,77,59,354	4,62,08,125	1,92,16,142	4,22,613	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co. Ltd.	301.00	100	11.00*	11.00*	16.00*		12	Y.
17,60,600	2,86,719	29,42,802	15,42,187	29,099	Hasham Premji	Western India Vegetable Products Ltd.	122.50	100	7.00	3.00	3.00		3	Y.
45,00,000	70,71,045	12,17,595	5,69,166	2,85,173	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	400.00	150	25.00	25.00	25.00	50.00	12	Y.

M.—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. K.—Includes an additional dividend of Rs. 7.00 per old share and Rs. 3.00 per new share.

§ Exempt from tax. Investments at cost.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					UNCLASSIFIED (Other Centres)									
62,50,000	2,03,52,495	3,95,14,452	1,19,43,880	1,13,745	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	20.00	O. 10	0.90	0.90	1.00	1.20	3	Y.P.T.
30,00,000	39,83,750	1,35,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	24.70cd	10	1.25	1.25	1.25	1.80	3	Y.
30,00,000	37,04,326	37,09,127	26,34,530	2,22,752	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	24.00	10	1.80*	1.50	2.00	2.50*	8	Y.
3,02,87,658	26,65,610	2,20,70,296	60,76,918	20,076	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	9.73	5	0.30	0.30	0.40		12	Y.
30,00,000	20,24,770	46,25,468	21,34,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	19.75	10	1.25*	1.25*	1.80		12	Y.
1,18,00,000	80,75,137	93,46,580	48,96,447	8,73,110	A. W. Browne, Esq., (Mg. Director)	Associated Battery	37.25xd	10	1.50	2.40	4.00	2.50	8	Y.
20,00,000	39,46,521	1,09,70,996	44,86,334	1,55,433	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	6.25	10	0.60	0.60	Nil	Nil	8	Y.P.T.
50,01,400	33,06,330	77,38,003	41,34,215	5,14,649	A. T. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	241.00	100	12.50	20.00	25.00	7.00i	12	Y.
12,00,000	22,70,218	35,44,373	30,14,273	2,19,095	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	43.00	10	2.50	2.50	4.50	1.50i	12	Y.
50,00,000	1,77,308	59,03,167	96,078	—4,55,649	H. B. Sugla, Esq. (Mg. Director)	Bharat Commerce & Industries Ltd.	23.56	10	Nil	Nil	Nil		12	Y.P.
20,00,000	7,79,721	64,19,086§§	....	55,032	Lovelock & Lewis	Birds Investment Ltd.	13.37	10	0.50	0.70	1.10		9	Y.P.
45,97,020	55,50,348	1,22,49,277	53,59,733	2,13,636	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	45.00	10	1.00	1.20	1.40	2.50	3	Y.P.T.
3,38,60,000	1,56,58,664	1,08,09,000	2,65,54,909	74,442	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	8.48	5	Nil	Nil	Nil		12	Y.P.
1,58,80,000	14,44,223	1,90,82,924§§	....	2,16,878	Andrew Yule & Co., Ltd.	Olive Row Investment	8.62	10	0.75	0.75	0.88H		12	Y.
5,60,000	10,00,000	39,64,879	26,56,156	3,266	M.	Delhi Flour Mills, Co., Ltd.	15.00N	10	1.00	1.00	..		10	Y.P.T.
3,00,00,000	5,11,37,509	9,62,33,758	3,45,33,270	24,03,447	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	50.00	10	1.62	1.62	2.15		12	Y.P.T.
27,27,165	1,20,49,803	59,73,067	23,80,820	26,402	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	32.12	5	0.60	0.75	0.80	1.25	8	Y.
51,26,000	59,19,702	1,63,50,496§§	....	3,49,092	Bird & Co. Private Ltd.	Eastern Investment Ltd.	128.00	100	9.00	9.00	14.00	14.00	12	Y.P.
24,99,000	3,52,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	14.87CR	10	Nil	Nil	0.50		12	Y.P.
48,90,137	77,72,810	95,23,776	52,36,250	4,07,338	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	16.75	12.50	1.50	1.50	1.60		9	Y.P.
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	229.00	100	12.00	15.00	17.00	17.50	3	..
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	10.60	10	0.80	1.25	1.25		3	Y.
65,00,000	56,24,200	30,57,755	15,91,667	1,71,222	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	13.12	10	1.00	1.00	1.00	1.00	3	Y.P.
40,00,000	4,78,500	70,95,493	41,39,847	10,40,721	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	25.75	10	1.50	2.00	2.60		12	Y.P.
30,00,000	15,67,354	84,64,988	38,51,716	89,181	B. P. R. Syndicate	Great Eastern Hotel	235.00	250	5.00				3	Y.
4,96,18,275	49,51,450	7,36,56,187	3,25,48,254	3,63,217	Birla Brothers Private Ltd.	Hindustan Motors	21.68	10	Nil	Nil	0.50	0.90	3	Y.P.
90,00,000	16,64,523	99,48,437	33,67,174	1,31,125	Lalukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	32.62	10	0.60	0.60	1.20		10	Y.
15,16,00,000	9,64,76,893	11,81,66,117	2,88,76,995	24,77,765	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	11.37xd	10	0.70	0.70	0.60	0.80	3	Y.
5,07,67,760	2,01,79,740	9,72,38,273	3,00,11,654	33,42,051	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co. Ltd.	34.62	10	0.60	0.70	1.20		12	Y.P.T.
2,35,77,700	2,02,99,648	2,95,48,176	1,37,19,570	45,64,364	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	37.25	10	1.50*	1.50*	1.50*	2.25	3	Y.P.T.
2,00,00,000	1,28,81,493	5,99,68,652	2,48,66,248	13,78,481	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	36.62	10	1.00	1.00	1.50	1.50	9	Y.
29,88,250	70,550	51,92,992	17,57,026	33,618	M.	Indian Plastics Ltd.	10.81	10	0.37	Nil	Nil	Nil	3	Y.P.
3,27,970	6,14,570	17,46,166	10,03,558	97,631	M.	Indian Rubber Manufacturers	18.00	10	0.62				3	Y.P.
2,00,00,000	73,10,723	42,66,244	15,92,103	5,21,494	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	65.50	100	2.50	2.50	5.00	7.00	3	Y.P.
15,00,000	12,02,095	18,79,279	13,27,977	17,262	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	13.25	10	2.00	3.50	2.00	1.00	3	Y.P.
1,46,96,250	1,19,32,546	82,41,470	18,18,524	2,60,369	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	27.34	10	2.12*	2.12*	2.75	2.75	9	Y.P.
6,00,000	4,20,000	14,85,526	6,06,994	1,49,226	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	31.95xd	10	2.40	2.00	8 00	..	12	Y.
40,00,000O. / 5,00,000D.	74,10,730	81,01,156	12,70,257	2,42,718	M.	McLeod & Co.,	213.00 / —	O. 100 / D.O.10	12.50 / 0.75	12.50 / 0.75	15.00 / 1.00		12	Y.P.
1,60,00,000	1,64,75,151	3,36,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	47.37	10	1.75	1.75	1.75	2.50'C'	3	Y.P.
14,05,000	5,79,891	13,30,194	6,28,269	4,324	N. G. Ayyangar Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	219.00	100	8.00	11.00	15.00	24.00	3	Y.
6,56,250	6,92,500	11,29,680	5,97,362	3,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	25.35	10	1.25	1.50	1.60		3	Y.P.
10,00,000	3,16,884	17,83,367	10,32,038	622	M. Mallaraj Urs. (Mg. Director)	Mysore Tobacco	11.85	10	1.50	1.25	1.25	1.00	3	Y.
90,00,000	1,87,56,692	1,81,19,135	51,35,368	86,889	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	36.62	10	2.00	2.00	2.00	2.50'C'	3	Y.P.
39,00,000	17,70,000	49,56,249	25,37,459	37,684	Do.	National Pipes & Tubes Co., Ltd.	24.50xd	10	2.00	1.25	1.50		9	Y.P.
40,00,000	30,19,000	83,22,477	35,76,949	1,31,155	Do.	National Rolling & Steel Ropes	21.06	10	0.60	1.00	1.00	1.80	6	Y.
49,97,064	9,15,876	33,55,363	33,67,559	14,523	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	16.25	10	1.00	0.60'C'	0.85		12	Y.
79,97,000	1,02,19,381	1,36,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	21.50	10	0.90	1.10	1.60		12	Y.P.T.
23,32,100	11,02,391	40,65,244§§	....	45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	48.00N	75	2.50	3.75	6.50		12	Y.
10,00,000	5,52,000	12,55,063	6,00,215	1,51,607	Parry & Co., Ltd.	Parrys Confectionery Ltd.	5.80cd	1	0.20	0.20	0.20	0.30	3	Y.
2,20,00,000	50,68,956	1,48,74,355	48,52,803	47,214	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	33.50	10	0.34	0.35	1.20		12	Y.
62,50,000	..	..	..	..	Duncan Brothers & Co., Ltd.	Phillips Carbon	19.25	5	..	..	..		12	Y.
15,00,000	1,09,431	8,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.84	5	0.45	0.375	..		12	Y.
24,39,344	2,28,127	33,81,124	13,21,778	42,739	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.30	10	1 30	1.00	1.00		3	Y.
3,25,00,000	6,09,614	70,38,972	33,98,189	4,49,497	Badridas Goenka, Esq., (Chairman)	Rallis India Ltd.	140.50	100	Nil	Nil	Nil	4.00	8	Y.P.
2,50,80,000	2,49,55,000	14,76,38,674	6,18,95,287	1,93,085	Sahu Jain Ltd.	Rohtas Industries	21.56	10	....	2.00	1.50	2.00	3	Y.P.T.
70,00,000	33,73,198	2,56,69,675	52,19,131	1,60,666	M.	Sen-Raleigh Industries	26.25	10	0.60	0.60	1.50		9	Y.P.
75,00,000	45,75,899	1,17,50,536	28,07,280	5,14,701	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	25.56	10	1.00	1.00	0.80		12	Y.P.
40,00,000	91,26,201	1,53,82,019	78,19,485	7,55,863	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	24.25	10	1.50	1.50	1.80	1.80	6	Y.P.
37,90,180	20,65,000	1,17,02,171	30,48,561	3,869	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.65	10	0.75	0.75	0.90		12	Y.P.
15,00,000	95,24,802	1,18,49,116	28,52,132	53,431	J. K. Agents Private Ltd.	Straw Products Ltd. S	10.81	10	1.25	1.25	1.50		12	Y.
22,30,276	16,32,608	14,76,453	3,98,694	14,13,847	M.N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	87.00	10	2.00	2.25	3.00	3.00	6	Y.
9,98,980	24,035	16,75,093	6,66,618	12,416	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.20cd	10	Nil	0.40	0.60		12	Y.
11,56,800	15,37,168	13,62,490	7,38,592	40,519	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	32.92xd	10	2.00	2.00	2.75	3.25*	9	Y.P.
2,49,98,600	1,26,10,316	3,46,95,651	65,94,797	3,04,545	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	292.00	100	10.00	10.00	10.00	10.00	7	Y.
30,53,950	29,686	66,65,938	17,68,838	56,303	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	8.00	10	Nil	Nil	Nil		9	Y.T.
2,00,00,000	1,15,35,505	3,35,11,693	95,31,873	48,68,429	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	55.62	10	1.40	1.40	1.30	0.75i	12	Y.
20,00,000	47,50,000	59,48,867	18,86,024	1,24,443	Vittal Mallya, Esq. (Chairman)	United Breweries	115.50	10	2.00	3.00	6.00(c)		2	Y.
5,00,000	6,80,591	8,62 017	5,62,017	9,780	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	33.00N	10	4.00	3.75	5.25		11	Y.
31,29,500	25,59,264	98,81,836	25,54,513	5,401	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	250.00	100	10.00	10.00	10.00	10.00'C'	3	Y.P.
					TRANSPORT									
30,00,000	96,44,229	1,16,88,916	29,88,968	26,410	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	97.00	100	5.00	6.00	3.00		10	Y.P.
1,00,00,000	94,04,072	3 99,21,508	2,05,16,725	—7,10,928	Dinshaw (Private) Ltd.	Bharat Line	6.80	10	1.20*	1.20*	Nil		12	Y.
60,00,000 / 25,00,000	2,17,74,568	8,51,80,151	2,15,53,555	1,32,018	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	15.92 / 8.76	10 / 5(New)	1.50 /	1.50 / 0.90	1.50 / 0.525	1.00 / 0.50	6	Y.P.
£655,580	£936,735	£5,311,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	74.50	£10	Nil	Nil			12	Y.P.
2,47,50,000	2,89,74,088	22,68,81,851	4,96,14,634	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	9.03	10	1.00	1.00	1.00	1.00	3	Y.P.
11,28,19,298	11,32,52,989	35,02,81,320	9,83,12,870	—16,13,456	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	15.48	20	1.25	1.25	1.30	0.60	6	Y.T.
3,40,800 / 3,10,200P.O.	21,45,786	12,10,577	9,03,867	1,67,197	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.50 / 2.81	O. 1 / P.O. 1	0.14 / 0.12	0.14 / 0.12	0.20 / 0.15		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	35,44,760	1,23,77,423	80,99,852	11,999	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	24.62	10	1.25	1.25	1.50	1.00	3	Y.
12,00,000	2,96,358	38,06,529	34,12,829	—5,53,532	Jardine Henderson Ltd.	Barraree Coke	14.12	10	0.37	0.50	Nil	Nil	3	Y.
4,49,850	36,000	9,25,102	5,09,586	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	8.48	10	0.90	0.60			12	Y.
1,00,00,000	1,84,79,081	6,96,53,686	4,06,54,445	10,20,411	Andrew Yule & Co., Ltd.	Bengal Coal	349.00	100	17.50	17.50	25.00	10.00i	10	Y.P.
2,25,000	4,90,671	23,57,802	21,45,467	—24,902	Andrew Yule & Co., Ltd.	Bengal-Nagpur	22.00	10	Nil	Nil	Nil		12	Y.
40,00,000	61,200	1,47,66,411	80,25,554	2,25,971	Sahu Jain Ltd.	Bharat Collieries	4.44	10	0.60	0.60	Nil		6	Y.P.T.
7,15,000	14,93,844	57,66,846	36,78,757	—6,96,032	M.	Bhulanbararee	6.50N	10	Nil	Nil	Nil		12	Y.P.
7,50,000	20,32,392	45,36,993	28,95,396	19,830	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.75	10	0.75	0.75	1.00		12	Y.P.
96,92,450	1,40,21,423	4,32,66,766	2,28,76,540	1,49,292	Bird & Co. Private Ltd.	Burrakur	20.37	10	0.75	0.875	1.30	1.80	6	Y.P.T.
49,97,000	4,62,979	74,82,076	25,32,605	27,542	Hindustan Investment Corpn. Ltd.	Central India	13.62	10	0.50	0.50	0.50	0.80	8	Y.
3,00,000	12,90,590	49,56,445	33,71,358	23,320	M.	Central Kurkend	6.06	10	0.70	0.50			12	Y.
6,00,000	1,54,873	6,36,341(k)	....	941	F.W. Heilgers & Co. (Private) Ltd.	Churlia	3.25	4	0.20	0.20	0.12		12	Y.
16,00,000	....	57,45,962	32,76,326	—28,095	Macneill & Barry Ltd.	Dhemo Main	7.81	10	Nil	Nil			12	Y.
£240,000	£3,52,069	£1,124,710	£812,966	£7,006	Jardine Henderson Ltd.	East Indian	34.69	21	1.50	1.00	1.25		4	Y.
29,63,760	1,07,01,492	4,76,99,617	3,33,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	32.12	10	1.50	1.50	0.75	1.00	12	Y.P.T.
10,00,000	40,000	24,58,595	8,45,200	—5,80,078	Bhatter's Agency Ltd.	Ghusick and Muslia	15.12	10	Nil	Nil	Nil		3	Y.
12,00,000	1,27,964	43,44,376	27,68,441	—1,87,129	Killick Industries Ltd.	Hingir-Rampur	23.00	50	Nil	Nil	Nil	Nil	6	Y.P.
3,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	14.37	10	Nil	Nil		Nil	12	Y.
20,00,000	5,37,341	40,32,438	10,76,764	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	208.00	100	Nil	5.00	5.00	7.50	2	Y.P.
5,00,000	21,66,090	56,77,095	40,80,864	1,31,658	Andrew Yule & Co., Ltd.	Katras Jherriah	42.62	10	6.50	0.50	0.50	0.50	1	Y.
11,00,240	68,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	8.25	10	Nil	Nil			6	Y.
9,00,000	10,22,762	25,39,712	22,94,628	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	14.00N	10	0.12	1.00			4	Y.
7,48,240	2,50,000	13,59,878	10,13,358	17,140	Tantia Brothers Private Ltd.	Nazira	6.00	10	0.75	0.75	1.00		12	Y.
17,76,220	28,30,325	1,52,03,775	1,01,37,915	31,185	Andrew Yule & Co., Ltd.	New Beerbhoom	22.37	10	0.75	1.00	1.50	0.60i	10	Y.P.
6,00,000	2,88,645	28,54,261	19,79,084	56,603	Octavius Steel & Co., Ltd.	New Manbhoom	15.75	10	0.50	0.50	0.50	0.75	3	Y.
1,15,000 / 1,57,500	3,84,525	12,96,398	9,60,464	23,053	Andrew Yule & Co., Ltd.	North West	21.09N / 19.00N	10 / 7.50	1.50 / 1.12	1.50 / 1.12	1.50 / 1.12	2.00 / 1.50	3	Y.
7,50,000	16,65,465	2,62,538	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman)	Ondal	17.33	10	0.50	0.50	0.70		12	Y.P.
3,34,000	1,82,527	28,59,307	12,11,228	1,026	Deepchand Kishenlall	Parasea	18.00	10	0.50	0.50	0.62		12	Y.P.T.
15,75,000	22,83,200	76,91,776	47,81,408	14,547	Shaw Wallace & Co., Ltd.	Pench Valley	18.87	10	2.00	2.00	1.00	1.00	3	Y.
22,99,500	34,89,802	1,52,74,203	1 05,98,171	8,664	M.	Raneegunge	17.06	10	0.75	1.00	1.00	1.50	3	Y.
18,50,000	6,38,885	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	26.12	10	1.00	1.00	1.00	0.75i	12	Y.
37,50,000	36,62,940	1,68,14,676	34,23,229	—6,560	M.	Samla Collieries	9.75	10	0.90	0.50	0.70	..	12	Y.
13,00,000	2,83,010	22,73,864	7,51,427	2,609	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	132.00	100	9.25	12.50	16.00		12	Y.
2,80,000	10,53,529	30,26,230	20,57,054	45,862	Andrew Yule & Co., Ltd.	Seebpore	37.25	7	1.75	1.75	3.00	1.00	12	Y.P.
8,60,000	4,54,665	11,88,809(k)	....	5,451	F. W. Heilgers & Co. (Private) Ltd.	Sendra	8.44	10	0.25	Nil	0.25		12	Y.
63,21,450	1,24,58,755	7,11,84,167	3,19,11,631	90,858	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	10.87	10	1.50	0.75			12	Y.P.
17,50,000	3,47,303	41,74,967	19,33,899	19,788	Bird & Co., Private Ltd.	South Karanpura	11.75	10	0.75	0.75	0.75		3	Y.
3,00,000	15,46,229	24,83,605(k)	....	24,861	F. W. Heilgers & Co. (Private) Ltd.	Standard	12.50	10	1.00	1.25	0.90		12	Y.
2,50,000	2,81,000	20,49,970	15,40,057	28,484	B. M. Varma, Esq. (Mg. Director).	Union	11.87	10	0.37	0.25	1.50		12	Y.
49,98,000	3,56,533	86,93,251	32,75,682	12,536	Hindustan Investment Corpn. Ltd.	Western Bengal	9.28	10	0.50	0.40	Nil		2	Y.
7,00,000	....	59,74,151	29,16,909	—4,85,709	Macneill & Barry Ltd.	West Jamuria	7.25	10	Nil	Nil	0.40	0.60	12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955.
H.—Olive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.
M.—Managed by the Board of Directors. N.B.—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. 'C'—On increased Capital. §§ Investment at cost. * Includes bonus.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,00,000	5,03,569	Allahabad Bank	347.00 / 172.50	100 / 50	18.00‡ / 9.00‡	18.00‡ / 9.00‡	18.00‡ / 9.00‡	18.00‡ / 9.00‡	12	Y.P.
1,01,000 / 40,78,300	19,73,220	10,301	Andhra Bank	100.00cd / 86.50cd	100 / 85	6.00 / 5.10	6.00 / 5.10	8.02 / 6.40		6,12	H.
1,50,00,000	1,61,14,860	1,09,358	Bank of Baroda	98.00xd	50	7.00	6.00	7.00	8.50	12	Y.
2,50,00,000 / 50,00,000'A'	3,10,00,000	12,84,842	Bank of India	122.00xd / 125.00xd	50 / 50'A'	8.00 / 8.00	8.00 / 8.00	8.00 / 8.00	10.00 / 10.00	6,12	R.L.Y.
80,71,820 / 67,08,155	13,22,881	27,745	Bharat Nidhi Ltd.	10.06 / —	10 / 2.50	0.50 / ..	0.60 / ..	‡‡	..	12	
36,00,000	59,80,000	45,000	Canara Bank Ltd.	79.75xd	50	5.00	5.00	7.50	7.50	12	Y.P.
12.50.000	19,35,000	11,250	Canara Banking Corporation Ltd.	74.75xd	50	5.00‡	5.00	7.50	7.50	12	Y.P.
'A' 5,99,620 / 'B' 16,00,000 / 'C' 2,00,000	42,50,471	27,708	Canara Ind. & Bkg. Syndicate Ltd.	188.00cd / 18.50cd / 1.88cd	100 'A' / 10 'B' / 1 'C'	15.00 / .. / 0.15	15.00‡ / .. / 0.15‡	20.00‡ / 2.00‡ / 0.20‡	20.00 / 2.00 / 0.20	12	Y.
2,62,50,000 / A.52,50,000	3,68,08,635	18,61,471	Central Bank of India Ltd.	61.50 / 62.50	25 / 25	3.50 / 3.50	3.50 / 3.50	4.30 / 4.30	5.10‡ / 5.10‡	12	R.L.Y.
50,00,000	60,00,000	7,86,033	Devkaran Nanjee Banking Co.	59.00xd	50	3.00	3.50	2.52	4.38	12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank	16.50	50	Nil	Nil			12	Y.
50,00,000	2,30,000	5,519	Hindusthan Merchantile Bank	15.50	50	Nil	Nil	Nil		12	Y.
60,60,000 / 22,40,000	84,01,884	80,143	Indian Bank	171.00cd / 143.50cd	100 / 80	15.00‡ / 12.00‡	13.00‡ / 10.40‡	12.00 / 15.00‡		12 / 6, 12	Y / R.L.Y.
74,53,000	68,86,660	1,92,435	Indian Overseas Bank	189.00cd	100	10.00	10.00	12.00	14.00		
15,00,000	12,00,000	28,839	Pandyan Bank Ltd.	31.00xd	25	1.87	2.50	14.75		12	
1,25,00,000	1,58,50,000	4,18,000	Punjab National Bank—K	21.76	10	5.00	2.00	2.00	2.00	12	Y.
5,62,50,000	7,45,00,000	56,20,525	State Bank India	325.00	100	16.00	16.00	20.00	22.75	12	Y.
60,00,000	53,50,000	92,704	Union Bank of India	6.08xd	5	0.44	0.44	0.57	0.57	12	Y.
2,00,00,000	2,05,00,000	1,46,871	United Commercial Bank	91.50	50	3.75	3.75	5.50	6.00	12	H.
2,68,53,718	86,63,000	2,07,685	United Bank of India	5.25	10	0.30	0.30	0.43	0.43	12	R.L.Y

PRINCIPAL EXCHANGE BANKS — Dividend (per cent.)

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	1957	1958	1959	1960	Accounts Closed	Reference
£5,500,000	£5,700,000	£506,254	Chartered Bank	£3-2-6	£1	15†	15†	15†	15½†	12	Y.
H.K.$79,046,125	£15,000,000	£138,000	Hongkong and Shanghai Banking Corporation	£19	H.K. $25	3½*Z	3*	3*	3½*	12	Y.
£34,809,506	£24,950,000	£569,125	Lloyds Bank	£3-8-6	£1	13†	12½'C'	12†	6†i	12	Y.
£3,421,875	£3,050,000	£279,784	National and Grindlays Bank Ltd.	£1-16-9	sh.15	15†	15†	12½†	13½†	12	Y.

‡ Includes bonus. † Less tax. (i) Interim. xr—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital. C—On increased Capital. * £ per share free of tax.
K.—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each.
‡‡ Bharat Nidhi Ltd. One Punjab National Bank share for 20 fully paid up ordinary shares or 80 partly paid up ordinary shares of the company for the year 1959 is a specie dividend. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
17,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1962
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	99.75	1st August .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November .. 1959-64
			COAL			
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December .. 1968 (a)‡
			COTTON			
30,00,000	5½	1st January and 1st July‡	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (b)
64,72,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
46,00,000	6	1st April and 1st October	Gokak Mills	1957	99.75	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
30,00,000	6½	1st January and 1st July	Shree Nivas	1958	100.00	31st December .. 1970
65,27,900	6½	1st April and 1st October	Simplex	1959	100.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Vishnu	1955	94.50	1st June .. 1966-70
39,51,600	5	1st June	Tata Mills	1951	92.00	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.‡	1950	89.60	31st March .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	97.75	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	99.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1976 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½T	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	100.00	1st July .. 1970
3,50,00,000	4	1st January and 1st July	Tata Power	1949	86.60	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	104.50	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	98.25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.50	1st October .. 1960-65
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
3,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	4	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	82.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
10,00,000	6½	31st January and 31st July	Waverley	1925	80.00	31st August .. 1972
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£139,051	5	1st April and 1st October	Calcutta Tramways	1933	£74.10N	1st October .. 1974
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£300,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
3,54,75,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	97.00	1st December .. 1963
			PLANTING			
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
3,75,000	6T.F.	‡1st January and 1st July	Kallas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
6,04,000	7T	1st April and 1st October	Sangameshwar Coffee‡	..	99.00	1st April .. 1960-67
			MISCELLANEOUS			
18,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	99.75	1st September .. 1964-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	100.00	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	82.00	30th September .. 1970
2,55,00,000	6	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	106.00	1st January .. 1973 (a)†
17,50,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50	30th June .. 1969 (a)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	103.00	1st January .. 1975
12,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
6,07,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	500.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a); 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100.00	30th June .. 1965-70
1,50,00,000	6	31st March	Orient Paper Mills Ltd.	1951	92.00	31st March .. 1961 (a)
7,43,250	6	1st January and 1st July	Premier Automobile	1958	125.50	31st March .. 1963-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	98.00	31st December .. 1969
20,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
50,00,000		16th Feb. and 16th August	Shree Gopal Paper Mills Ltd.	1955	96.00	16th February .. 1961 (a)
8,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	99.50	1st April .. 1964-68 (a)‡‡
4,31,000	5	31st January and 31st July	Tata Chemicals Ltd.	1945	97.00	31st July .. 1970-75
80,00,000	5	1st April and 1st October	Tata Oil Mills Co., Ltd.	1959	100.00N	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 30 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent. on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 6th April 1961.

	Closing quotations 29-3-1961	High	Low	Closing quotations 6-4-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	168.00	—	—	168.00
Apollo (2)	1.48	1.74	1.48	1.66
Baroda Rayon (100)	151.50	154.00	150.00	150.50
Bombay Dyeing (25)	66.60	68.50	67.50	67.80
Bradbury (50)	123.75	123.75	123.50	123.50
Central India (100)	114.00	120.00	115.00	117.00
Century Mills (100)	576.00	599.00	583.00	588.00
Coorla Sp. (100)	131.25	—	—	131.25
Dawn (50)	128.50	129.00	127.00	127.00
Edward Textile (200)	262.50	—	—	262.50
Elphinstone (50)	73.00	82.00	72.00	79.00
Finlay (100)	351.00	357.00	350.00	353.00
Gokak (100)	185.50	205.00	187.00	189.00
Gold Mohur (100)	265.00	275.00	265.00	275.00
Gwalior Rayon (10)	47.25	48.00	47.00	47.00
Ind. Untd. Defd. (1)	1.76	2.00	1.82	1.84
Ind. Untd. Ord. (10)	15.08	15.60	14.96	14.96
Indian Rayon (62.50)	74.00	75.50	72.00	72.50
Indore Malwa (100)	141.00	145.00	141.00	143.00
Khatau (100)	532.50	567.50	540.00	540.00
Kohinoor (100)	311.00	316.50	306.00	306.50
Lakshmi (250)	505.00	507.50	505.00	507.50
Mafatlal (100)	950.00	1,120.00	900.00	915.00
Minerva Mills (100)	75.00	—	—	75.00
Model Nagpur (250)	35.00	—	—	35.00
Morarji (100)	342.00	355.00	345.00	350.00
Mysore (50)	71.00	70.00	68.00	68.00
National Rayons (100)	538.00	554.50	538.00	538.00
New City (100)	150.00	—	—	150.00
New Great (100)	205.00	205.00	201.50	203.00
Phœnix (100)	144.00	144.00	141.50	143.50
Podar Mills (100)	152.50	159.00	152.00	158.00
Raymond Woollen (100)	120.50	121.50	120.00	120.00
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	56.00	60.00	54.50	54.50
Shrinivas (100)	265.00	269.00	259.00	260.00
Simplex (50)	194.00	198.00	191.00	192.00
Standard (100)	1,458.00	1,680.00	1,500.00	1,507.00
Svadeshi (100)	262.00	275.00	265.50	270.50
Swan (100)	540.00	565.00	547.50	565.00
S. I. Viscose (100)	164.80	173.00	164.00	165.00
Tata Mills (25)	48.50	55.50	49.00	54.00
Vishnu (100)	110.00	120.50	110.00	120.50
Western India (1,000)	3,725.00	—	—	3,725.00
BANKS				
Bank of India (50)	120.00xd	122.00	120.00	122.00
Do. (New) (50)	127.50xd	127.50	125.00	125.00
Bank of Baroda (50)	97.00xd	98.00	97.00	98.00
Central (25)	61.00	61.50	60.50	61.50
Central 'A' (25)	62.00	63.00	62.50	62.50
Dena Bank (50)	58.20	59.00	58.20	59.00
Punjab National (10)	21.76	—	—	21.76
Union Bank (5)	6.20xd	6.40	6.00	6.08
United Com. (50)	90.50	91.50	87.50	87.50xd
ELECTRIC COS.				
Ahmedabad (100)	85.20	85.20	83.70	84.50
Amalgamated (10)	10.08	10.08	10.00	10.00
Andhra Valley (1,000)	992.50	992.50	988.75	992.50
Bom. Sub. El. (100)	86.00	86.00	84.00	84.50
Surat (100)	86.50	87.00	86.50	86.50
Tata Hydro (100)	101.50	101.50	101.00	101.25
Tata Power (1,000)	1,020.50	1,022.50	1,015.00	1,020.00
INSURANCE COS.				
British India (10)	12.24	12.28	12.24	12.28
Indian Mercantile (20)	43.25	—	—	43.25
New India (15)	60.00	60.50	60.00	60.00
New India 'A' (15)	60.50	61.00	60.50	60.50
Vulcan (10)	16.24	—	—	16.24
STEEL COS.				
Ind. Iron (10)	26.70	27.65	26.50	27.40
Mukand Iron (10)	26.40	26.75	25.75	26.25
Tata Steel Ord. (75)	152.25	154.25	151.50	151.50
SUGAR COS.				
Belapur (50)	301.00	309.00	295.00	296.00
Bhopal (10)	29.00	—	—	29.00
Changdeo (12.50)	26.00	—	—	26.00
Phaltan (50)	149.50	150.50	146.00	146.00
Walchand Ind. (100)	241.25	245.00	235.00	236.25
CEMENT COS.				
Associated Cts. (100)	156.00	158.00	155.25	157.00
Digvijay (100)	157.00	157.00	155.00	155.50
Orissa (10)	14.32	14.56	14.32	14.52
MISCELLANEOUS				
Alcock Ashdown (100)	319.00	326.00	318.00	319.00
Bom. Burmah (125)	616.00	636.50	617.50	622.50
Do. (New) (50)	216.25	218.75	216.25	217.50
Br. B. Petrol (1½ sh.)	1.42	1.50	1.44	1.44
Br. I. Corpo. (5)	7.92	8.56	7.80	8.40
Cooper Eng. (100)	206.00	212.00	206.00	212.00
Colour Chem. (100)	362.50	370.00	357.50	357.50
Hind Cycle (100)	105.00	—	—	105.00
Hindustan Lever (10)	49.50	50.30	49.50	50.00
Hindustan Motors (10)	21.36	21.72	21.16	21.20
I. C. & Invest. Corporation (100)	85.00	85.50	85.00	85.50
Indian Dyestuff (100)	530.00	560.00	510.00	520.00
Indian Copper (2 sh.)	5.32	5.48	5.40	5.40
Ind. Inv. Tr. (100)	80.80	—	—	80.80
Killicks (100)	110.00	110.00	107.00	108.50
Larsen & Toubro (10)	44.00	45.00	42.50	43.50
Mahindra & Mahindra (10)	21.52	21.76	21.00	21.24
New Central Jute (10)	18.24	—	—	18.24
Polson (100)	177.00	177.00	176.00	177.00
Pre. Automobiles (100)	177.50	182.50	177.00	177.25
Premier Con. (80)	205.00	209.00	198.00	200.00
Scindia (20)	16.68	15.88	15.28	15.28
G. E. Shipping (10)	16.00	16.12	15.76	15.76
Shivrajpur (10)	90.50	94.00	91.00	91.50
Sirpur Paper (10)	17.84	18.24	17.64	18.20
Tata Chemicals (10)	20.08	20.72	20.12	20.20
Tata Locomotive (100)	339.50	346.25	338.50	344.00
Tata Oil (25)	83.50	84.50	82.00	83.50
Texmaco (10)	22.80	22.80	22.52	22.52
Voltas (100)	290.00	295.00	290.50	291.00
W. I. Match (100)	302.50	307.00	300.00	305.00
W. Coast Paper (100)	214.50	212.00	207.00	210.50xd

GOVERNMENT SECURITIES	29-3-1961 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	5-4-1961 Rs.
2½% 1961	99.40	—	4.38	99.40
2½% 1962	98.40	—	3.80	98.40
2½% 1976	83.50	—	4.23	83.50
3 % 1964	98.20	—	3.37	98.75
3 % 1963-65	98.25	3.69	3.30	98.65
3 % 1966-68	95.90	3.83	3.60	96.05
3 % 1970-75 1st Dev.	90.90	4.17	3.82	90.90
3 % 1986 Con. Loan	74.00	—	4.03*	73.85
3½% 1961 N. P. Bonds	100.00	—	3.50	100.00
3½% 1964 N. P. Loan	99.80	—	3.56	99.80
3½% 1965 N. P. Bonds	99.70	—	3.58	99.70
3½% 1962	99.85	—	3.37	99.85
3½% 1967 N.P. Bonds	98.75	—	3.69	98.75
3½% 1974	99.70	—	3.78	99.70
3¾% 1967 N.P. Bonds	100.75	—	3.63	100.75
3½% 1969 Loan	98.75	—	3.68	98.75
3½% 1968	98.90	—	3.68	98.90
3¾% 1963 N.P. Bonds	100.00	—	3.46	100.10
3¾% 1968 N.P. Bonds	100.65	—	3.66	100.65
4 % 1972 Loan	100.50	—	3.93	100.50
4 % 1973 Loan	100.45	—	3.95	100.45
4 % 1979 Loan	100.10	—	3.99	100.10
3½% 1966 Bonds	99.40	—	3.63	99.40
4 % 1980 Loan	99.95	—	4.01	99.95

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	103.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sep.	92.50	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-24	8.00	Feb.	Aug.	114.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7.00	July	Apr.	5.60	5
East India Distilleries T.F.C. ..	£200,000	1897	7.00	Jan.	July	17.25	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec.	..	62.00	100
Do. (Non-redeem.) ..	5,00,000	1940	7.00	Dec.	..	62.00	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	12.00	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	84.00	100
Ravalgaon Sugar C.	20,00,000	1948	5.50	Oct.	Apr.	62.50	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	7.40cd	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.C.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	121.50	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	6.50	Oct.	Apr.	79.00	100
Burrakur (1st) T.F.C.	22,90,800	1901-10	7.00	Apr.	Oct.	101.00	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	7.50	10
Equitable T.F.	4,00,000	1905	6.00	Mar.	Sept.	75.00	100½
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	56.00	75p.
††Khas Kajora C.	1,93,000	1931	5.00	Mar.	Sept.	7.50	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	11.00	10
Ondal T.F.C.	2,00,000	1890-99	6.00	Apr.	Oct.	80.00	100
COTTON							
Ahmedabad Advance T.F.C. ..	10,00,000	1930	5.00	Apr.	Oct.	78.00	100
Bangalore C.T.F.	5,00,000	1934	6.00	Jan.	July	111.64	100
Basanti Cotton T.F.	5,00,000	1933	6.25	Nov.	..	8.25	10
Bowreah 'A' T.F.	6,00,000	1909	8.00	Feb.	Aug.	160.00	100
Do. 'B' T.F.	6,00,000	1909	7.00	Feb.	Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	53.50	50
Buckingham & Carnatic C.T.F. ..	21,30,200	1920	7.50	Jan.	July	118.42	100
Cambodias C.T.F.	1,00,000	1938	7.00	Apr.	..	108.00	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	377.50	495
Century Spg. & Mfg. Co. T.F.R.C.	1,25,00,000	1956	6.00	Dec.	..	111.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1935	6.50	June	..	85.00cd	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	114.00cd	100
Elgin 'B' T.F.C.	4,20,000	1948	5.00	July	..	7.00cd	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	68.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June	Dec.	103.00	100
Khatau Makanji (2nd) T.F. ..	20,92,500	1947	4.00	Nov.	..	72.00	10
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	9.12	5
Kothari 'B' (Pref.) T.F.C. ..	6,00,000	..	6.00	..	..	10.00N	250
Lakshmi Cotton (Bombay) C. ..	16,00,000	1936	5.00	..	..	150.00	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	70.30	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	22.76	50
National Rayon C.	1,74,64,700	1947	5.00	..	..	70.00	100
New Great	8,00,000	1913	5.50	Mar.	..	105.00	200
Podar Mills T.F.C.	10,00,000	1943	4.00	Feb.	..	65.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr.	..	47.00	50
Shree Niwas Cotton T.F.C.R. ..	4,80,000	1944	4.00	..	..	66.00	100
Sholapoor T.F.C.R.	32,00,000	1943	3.00	..	..	78.25	100
Swadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	88.00	100
Swadeshi (Kanpur) T.F.C. ..	35,00,000	1937	6.00	June	..	71.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.75cd	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	96.75cd	100
Do. (2nd) C.T.F.	1,50,000	1936	6.00	..	..	96.75cd	100
Vishnu C.	15,66,500	1906	7.00	Apr.	..	422.50	500
ELECTRICS							
Andhra Valley Power Supply C. ..	49,24,000	1917	7.00	May	Nov.	1,065.00	1,000
Amalgamated Electric T.F.C. ..	24,15,000	..	5.50	..	..	73.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June	Dec.	9.19	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F. ..	22,00,000	1940	5.50	Sept.	Dec.	8.10	100
Do. (2nd) C.T.F. ..	8,00,000	1949	5.50	Sept.	Dec.	8.25	10
Surat Electric Co. C.T.F. ..	5,00,000	1939	6.50	Apr.	..	104.00	100
Tata Hydro Electric Power C. ..	89,28,000	1907	7.00	May	Nov.	101.50	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,110.00	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	6.33	10
ENGINEERING							
Arthur Butler (Muzaffarpore) T.F.C.	1,30,000	1919	7.00	Mar.	..	11.00	10
Burn & Co. Ltd. (1st) T.F.C. ..	13,00,000	1895-96	7.00	Feb.	Aug.	110.00	100
Do. (2nd) T.F.C. ..	15,00,000	1902	6.00	Feb.	Aug.	106.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	92.00	100
Indian Standard Wagon T.F.C. ..	19,66,500	1918	7.00	June	..	112.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	80.00	100
Kamani Engineering C.R. ..	15,00,000	1945	5.50	July	..	53.00	100
†††Kumardhubi Engineering T.F.C. ..	12,00,000	1915	4.00	June	Dec.	88.00N	100
Larsen and Toubro Ltd. T.F.R. ..	13,00,000	1946-47-51	5.00	..	..	93.00	100
Mahindra & Mahindra T.F.R.C. ..	25,00,000	1945	6.00	May	..	97.00	100
McKenzies (1st) T.F.C. ..	5,50,000	1907	5.50	..	..	86.00	100
Premier-Construction (1st) C.	10,00,000	..	6.25	..	..	76.00	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	73.00	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	5.32	10
Tata Iron and Steel (1st) C. ..	75,00,000	1906	6.00	Nov.	..	138.00	150
Do. do. (2nd) C. ..	6,96,21,900	1906	7.50	May	..	107.25	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	87.00xd	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	85.00	100
Alliance T.F.C.	15,00,000	1935	6.00	Mar.	Sept.	64.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	94.00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	72.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	60.00	100
Bally T.F.C.	20,00,000	1913	7.00	Apr.	Oct.	92.50	100
Barnagore C.	£200,000	1936	5.00	May	Nov.	36.00	25
Belvedere T.F.C.	7,00,000	1906	7.00	Jan.	July	90.00	100
Birla C.	23,64,200	1919	7.50	June	Dec.	90.00	100
Budge-Budge T.F.C.	9,00,000	1934	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	50.75N	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1923	7.00	Mar.	Sept.	88.00	100
Clive (1st Pref.) T.F.C. ..	8,00,000	1909	6.00	May	Nov.	67.00	100
Do. (A) (2nd Pref.) T.F.C. ..	8,00,000	1905	7.00	May	Nov.	77.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	91.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	72.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	85.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	110.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	70.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	110.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	90.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	80.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	82.00	100
Hooghly T.F.	11,76,000	1913	10.00	May	Nov.	10.00	10
Howrah T.F.C.	3,75,000	1890	7.00	May	Nov.	90.00	100
Do. T.F.C. (f)	17,50,000	1903-6	7.00	May	Nov.	91.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	95.50	100
Kamarhatty T.F.C.	16,00,000	1896-04	6.00	Feb.	Aug.	75.00	100
Kankinarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	90.50	100

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	77.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	89.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	94.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	90.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	62.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	110.00	100
Do. (2nd) (j) T.F.C.R. ..	10,00,000	1945	4.50	June	Dec.	78.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	88.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	79.50	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	87.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	72.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	81.50	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	98.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	93.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	90.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1918	5.00	Mar.	Sept.	39.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C. ..	3,00,000	1895	7.00	Nov.	..	82.00	90
Calcutta Tramways C. ..	£250,000	1906	5.00	Apr.	Oct.	7.75	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5.50	Dec.	..	91.00	100
Indian General Nav. & Rly. C.	£244,080	1899	6.00	Mar.	Nov.	77.20	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	81.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May	Nov.	81.00	10
†††Banarhat Tea T.F.C. ..	4,00,000	1900-02	6.50	Jan.	July	101.00	100
Birpara T.F.C.	1,00,000	1900-02	8.00	Jan.	..	104.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	101.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	75.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	104.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	101.00	100
Kingsley Golaghat T.F. ..	2,40,000	1897	6.00	Dec.	..	89.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	8.25xd	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan.	July	100.00	100
New Samanbagh T.F.C. ..	1,00,000	1908	8.00	Nov.	..	91.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	94.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	92.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan.	..	10.50	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May	Nov.	13.25	100
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	2.48	5
Do. R.C.	2,85,570	1944	6.25	..	..	5.71	10
Cochin Malabar C.T.F.	1,13,800	1932	7.00	June	..	51.25	50
Coffee Lands C.T.F.	10,40,600	..	5.00	..	..	75.00	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	85.00cd	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	10.12	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	95.00	100
Highland Produce C.T.F. ..	3,00,000	..	6.00	July	Jan.	7.96	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	6.15xd	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.80	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar.	..	8.00cd	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	7.05cd	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.95	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	8.40	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	91.20	100
Do. do. (2nd) T.F.R.C.	5,00,000	..	5.00	June	..	86.00	100
Alkali & Chemicals T.F.C. ..	31,00,000	1937	5.00	Apr.	..	94.75	100
Aluminium Corpn. (1st) C. ..	20,00,000	1938	7.00(f)	..	..	94.00	100
Andhra Cement C.T.F. ..	2,48,800	1927	8.00	Feb.	June	100.00	100
Associated Hotels of India C. ..	21,67,000	1916	7.00	Mar.	Sept.	48.00xd	100
Bengal Chemicals T.F.C. ..	9,00,000	1925	7.50	Aug.	..	13.50	10
Bengal Paper Mill T.F.C. ..	2,00,000	1908	7.00	Mar.	Sept.	51.00	50
Do. "A" T.F.C. ..	4,00,000	1923	7.00	Mar.	Sept.	104.00	100
Do. "B" T.R.C. ..	20,00,000	1948	6.00	..	..	65.00	100
Bengal Timber Trading T.F.C. ..	8,00,000	1896	8.00	Aug.	..	6.00N	100
Britannia Biscuit T.F.C. ..	15,450	1921	8.00	Feb.	Aug.	14.50xd	10
British Ceylon Corporation C. ..	17,50,000	1913	6.00	Feb.	Aug.	8.00N	5
British India Corporation T.F.C. ..	81,00,000	1920	8.00	Feb.	..	118.00	100
Dalmia Cement (Bharat) C.T.F. ..	61,58,210	1937	6.00(f)	Sept.	..	8.25	10
Dhrangadhra Chemicals T.F.C.R. ..	31,91,900	1956	6.00	..	..	82.00	100
Shree Digvijay Cement T.F.R.C. ..	79,93,875	1944	5.00	Dec.	..	80.50	100
Dunlop Rubber Co. (1st) T.F.C. ..	30,00,000	1926	6.00§	June	Dec.	112.00	100
Dunlop Rubber Co. (2nd) C. ..	40,00,000	1936	6.00	Apr.	..	84.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	58.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	49.00	100
Gillanders Arbuthnot (f) R.C. ..	25,00,000	..	5.00	Apr.	Oct.	57.50	100
Hindustan Motors T.F.R.C. ..	1,60,67,250	1956	6.00	Mar.	..	203.00	100
Humayan Properties T.F.C. ..	12,00,000	1938	6.00	..	..	7.12	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	88.00	100
Indian Aluminium (g) C.R. ..	40,00,000	1945	5.00	June	..	71.00	100
Indo-Burma Petroleum C. ..	50,00,000	1921	7.00	Jan.	July	88.00xd	25
Indian Cable (m) C.	12,87,750	1922	6.00	June	Dec.	34.00	10
India Rubber Mfrs. (n) T.F.C.R. ..	8,28,000	..	5.00	Apr.	..	60.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	56.00	100
Kettewell and Bullen (1st) C. ..	20,00,000	..	5.50	May	..	57.50	100
Do. do. (2nd) T.F.C. ..	10,00,000	..	4.00	May	..	54.00	100
Kumardhubi Fireclay & Silica C.R. ..	2,00,000	1915	7.00	June	Dec.	63.00N	100
Martin Burn (k) T.F.C.R. ..	30,00,000	1946	5.00	Apr.	Oct.	88.00	100
McLeod and Co. (1st) C. ..	10,00,000	1930	5.00	July	Jan.	51.50	100
Do. (2nd) F.C. ..	40,00,000	1936	5.00	July	Jan.	57.00xd	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	86.00	100
Mettur Chemicals (Old) C.T.F. ..	20,00,000	1903-18	6.00	Feb.	Sept.	9.70	10
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6.00	June	..	8.50	10
Mysore Lamps R.C.T.F. ..	2,50,000	..	4.00	Aug.	..	5.95	10
National Tobacco (Old) (p) T.F.C.R. ..	25,00,000	..	5.00	Mar.	Sept.	75.00	100
Do. do. (New) (q) T.F.C.R. ..	19,98,000	..	4.50	Mar.	Sept.	66.50	100
Orient Paper T.F.C.R. ..	20,00,000	1936	5.50	Jan.	..	84.00	100
Do. (2nd) (r) C.R. ..	60,00,000	..	5.50	Apr.	Oct.	63.25	100
Rohtas Industries (Old) T.F.C. ..	20,00,000	1934	7.00-6.00	Apr.	..	117.00	100
Do. do. (New) T.F.C. ..	85,04,700	..	4.25	Apr.	..	55.00	100
†Smith Stanistreet & Co. T.F. ..	5,00,000	1930	10.50	Feb.	Aug.	67.00	50
Spencer & Co. "A" C. ..	28,20,000	1933	6.50	Jan.	July	8.00	10
Do. "B" C. ..	36,88,000	1932	6.50	Jan.	July	10.06	10
Standard-Vacuum C.	75,00,000	1955	6.00	June	Dec.	91.50	100
Star Paper T.F.C.R.	10,00,000	..	6.00	Mar.	Sept.	74.00	100
Tata Chemicals T.F.C.	56,97,000	..	5.00	June	..	85.00	100
Tata Oil Mills C.	20,22,500	1946	4.50	July	..	60.50	100
Titagur Paper Mills T.F.C. ..	11,56,000	1899	5.00	Jan.	June	112.50	100
Do. do. (2nd) T.F.C. ..	15,00,000	1934	6.50	Jan.	July	77.50	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1958 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1965 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank pari passu with ordinary shares after ordinary shares receive 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. pp—Partly paid.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2610 BOMBAY, 15th APRIL 1961 PRICE Rs. 2

CONCENTRATION OF ECONOMIC POWER—BUT WHERE?

IT is common knowledge that the desire to succeed in General Elections and occupy seats of power, including those in the rows reserved for the Opposition in Parliament and State Legislatures, is the cause for the speeches and actions of most politicians which aim at running down the big businessmen. India is a country of have-nots and a democracy with adult franchise. Big business offers a convenient target for winning the affections of the masses. Jealousy is a human weakness and politicians in this country are becoming quite adept at exploiting it in a subtle fashion for their own benefit. The more one thinks of the reasons for reviving the scare of huge industrial monopolies, industrial empires and concentration of vast economic power in the hands of a few businessmen, the more one is inclined to feel that it is an election stunt. A perusal of the full text of the Estimates Committee report on the Development Wing, to which we made a brief reference in these columns last week, shows that its suggestion for the prevention of the growth of industrial empires in the private sector is only incidental, its major desire being to see that small and new entrepreneurs are encouraged by the Ministry of Commerce and Industry while issuing licences for establishing new industrial units. No fair-minded person can object to this objective, provided it is sought to be attained without causing a setback to, or a slow-down in the pace of, industrial progress. Since there is nothing new in this suggestion, its reiteration by the Estimates Committee implies that the Government's actions in this regard leave much to be desired. The leftists in the Opposition and even some Congressmen openly say that the Government has permitted concentration of economic power in various ways and that a few industrial houses own most of India's industries. Some observers even go so far as to suggest that, for some years to come, no new licences should be given to the first fifteen leading industrial groups for either putting up new industries or expanding the existing ones, asking them to be content with the economic power which they already possess.

It is undoubtedly true that the leading industrial houses have been allowed not only to expand some of their existing industries but also to establish a number of new industries. But they could have been denied these opportunities only at the cost of industrial progress. Again, in the case of several industries, it is more economical to allow the existing units to expand than to permit the establishment of new units. What is, however, ignored by the critics is that a large number of new entrepreneurs has entered the field in the last 10 or 12 years and that an even larger number of entrepreneurs has expanded in size; many small businessmen and industrialists have become medium-sized; and, similarly, several medium-sized businessmen have attained the ranks of big industrialists. In the coming years, this trend is sure to gather further momentum. The task of industrialising India is, indeed, so enormous that big houses such as Tatas, Birlas, Bangurs, Jains, Thapars, Singhanias, Kasturbhais, Mafatlals and Walchands alone cannot do it. It is not suggested that their capacity to contribute further to India's industrial progress has been exhausted. Far from it. Almost every one of them must be having plans for taking up new industrial ventures under the third Plan. Still, there is bound to be scope for hundreds of new entrepreneurs.

A spirited defence of the Government's industrial policy was put up by Mr. Manubhai Shah, Minister of Industry, in the Lok Sabha this week where several Members contended that the Government had not succeeded in preventing concentration of economic power. He convincingly showed that this charge was hollow by placing the issue in its proper perspective. The most important point made by him was that one should not allow "industrial bigness" or "industrial empires" to confuse one's thinking. If a particular industrial house has grown into a big one, it does not mean that it has a monopoly in the manufacture of a particular product. As already stated, when the nation grows industrially, everybody grows with it in some way or other. That is progress. The public must realise that the country has launched on a massive programme of industrialisation and that a further growth of this bigness is inevitable. The total investment in the industrial sector by the end of the third Plan will be Rs. 5,500 crores, as against a mere Rs. 800 crores at the beginning of Independence.

Boldly declaring that there were practically no monopolies in India, Mr. Manubhai Shah said that, among consumer industries, there was not a single group which owned more than three or four per cent of national production. He did admit that there were four exceptions to this statement. One was in the manufacture of containers, the Metal Box Company of India; the next was the Associated Cement Companies in cement industry. The third was the Western India Match Company in match industry. And the fourth was Indian Oxygen in the field of industrial gases. But, in all these cases, their dominance in their respective fields is being rapidly reduced by encouraging the entry of other entrepreneurs, small and big. Today, Metal Box accounts for only 20 per cent of national production of containers, thanks to the Government's deliberate policy of licensing new units outside this particular company. Likewise, in cement, the share of A.C.C. in national production has been brought down from 64 per cent in 1951 to 30.4 per cent in 1960. By the end of the third Plan, it would be no more than 20 per cent. The monopoly of W.I.M.Co. has been brought down to 60 per cent of national production, following the coming into existence of a number of cottage units and 19 big or medium-scale units.

The position in regard to industrial gases is being examined and the Government is trying to see that more new entrepreneurs come in and produce these industrial gases. While thus ownership and control of even these four industries are being spread over a larger number of hands, it is a moot point whether from the consumer's point of view this development has been beneficial. It is a well-known fact that the cost of products made by small industrial units is higher than in the case of bigger units. India's capacity to export at competitive prices would also have been better if theoretical considerations of monopoly had not been allowed to inhibit the growth of bigger units. The Government, too, has had to forgo a sizable amount of revenue as a result of this policy.

Those who have not been satisfied with what the Government has done so far may draw some consolation from the categorical statement of Mr. Manubhai Shah that the Government "is against any type of monopoly in this country" ... it will "tolerate no growth of monopolies at all" and, "if anybody tries to do any mischief by undercutting prices, or tries to dislodge their competitors by dumping goods or indulges in price-racket by controlling the maximum production of the national economy, we shall take measures to guard against him." Again, to those who urge the appointment of a commission to check monopolies and restrict practices as in the U.K., the U.S. and certain other Western countries, Mr. Manubhai Shah's reply is in the negative, and that for a perfectly valid reason. His contention is that, whereas in those countries economic development preceded political and social consciousness, in India the social consciousness has grown, if not overrun, at a much faster rate than economic development. The House and public opinion have, therefore, been vigilant. They have supported the Government in prescribing adequate safeguards against the growth of monopolies. The Government has enough powers to prevent such a growth and attempts to rig up prices. All this is undoubtedly true. Only, this type of bureaucratic control and regulation is not a democratic substitute for the independent judiciary through which monopolies and cartels are being tackled in the West. But, for an underdeveloped country like India, which is trying to raise its living standards through a forced march, there is little choice. The Press and Parliament have to be vigilant enough to see that bureaucracy does not operate harshly and unrealistically. Since Parliament will be dominated by the majority of the ruling party, the Press, in particular, has to carry the brunt of focussing public opinion on the faults of Administration often at the risk of incurring the displeasure of the powers-that-be.

The charge that, in the issue of industrial licences, the new entrepreneurs have not had a fair deal was unequivocally refuted by Mr. Manubhai Shah. He said: "Not a single industrial entrepreneur of a new type, whatever be the definition of new, has been refused a licence." On the contrary, the Government was, he averred, encouraging new entrepreneurs to come forward. Some applicants might have been refused on the ground that the country had enough capacity in the industry which he wished to enter. But this restriction applied to old and new entrepreneurs alike. Whenever or wherever there was room for issuing licences, the newcomer was given preference. Elucidating the Government's policy a little more precisely, he observed:

> "In all the well-developed industries like cotton textiles, jute textiles, cement, paper, sugar, rayon and heavy chemicals, it is our policy to avoid any of the existing houses. Those who have got sizable investment in these industries get very few licences. As far as possible, we have avoided them; in future we are going to be more firm on this point. When these well-established industries come up—and their list can be widened—we shall try to see that only new entrepreneurs and those who do not have units in the particular industry are encouraged as compared with others."

It is to be hoped that, in applying the aforesaid principles, the Government will take a realistic attitude. If suitable types of new entrepreneurs are not forthcoming to take up a project, it should not hesitate to let existing industrialists, even if they are big, to go ahead with that project. While it is desirable to

Contents

	PAGE
LEADING ARTICLES—	
Concentration of Economic Power—But Where?	673
Sugar Situation	674
MARKET GOSSIP	675
ROUND THE EXCHANGES	676
THIS WEEK'S SURVEY	678-679
SPECIAL FEATURES—	
On the Arena	680
London Letter	680
Taxation or Expropriation?	683
Manchester Letter	685
Labour Participation in Management ...	696-697
Supersonic Air Transport	704
The System of Highway Taxation ...	710
MONEY AND BANKING	682
COTTON	684
SUGAR	686
PLANTING	712
COMMERCE AND INDUSTRY	713-717
COMPANY MATTERS	718-720
MARKET REPORTS	720
MISCELLANEOUS STATISTICAL INFORMATION	722-723

broaden the number and range of industrial entrepreneurs, the need for increasing national wealth and employment speedily and economically is equally important, nay, paramount. It is, therefore, gratifying to hear from Mr. Manubhai Shah that the Government is not antagonistic to big industrial houses like Tatas and Birlas and that it feels that these houses have a still bigger role to play. His observations on this particular point are worth quoting:

"... There is a certain amount of inescapable entrepreneurship, better managership, better experience and skill which have also to be deployed in the service of the nation without every time being afraid of a few individuals. After all, what strength have they got? We here have got all the powers of legislation; we have all the powers of investment and finance, with a dominating public sector. ... If we do not deploy the skill of Birlas and Tatas in putting up an aluminium plant (for instance), when it is allowed in the private sector, then we are only the poorer for it."

Apparently, what Mr. Manubhai Shah means is that difficult industries, involving large capital outlay and a tremendous amount of organisation, could be left to the big industrial houses. The latter, too, could voluntarily refrain from applying for licences for small and medium-sized industrial projects, as their contribution to the growth of new entrepreneurs. One of the complaints of the small and relatively new entrepreneurs is that, when big industrial houses compete with them for projects in which they are interested and for which they have the necessary competence, they lose the race, because the foreign collaborator invariably prefers the bigger, well-known houses. There is some force in this argument, for, in view of the acute scarcity of foreign exchange, there are not many new industrial projects which can be established without foreign collaboration. This suggestion may seem to be contrary to our contention in the earlier paragraphs. But really speaking, it is not, for, to the extent the number of entrepreneurs can be increased without seriously upsetting the pace of industrial progress, there is no reason why every effort should not be made in that direction. If, after waiting for a while, the Government finds that there is no response from small or new businessmen for some of the projects that require to be implemented, it can make that fact known to the big industrial houses and allow them to take up those projects. After all, in a democracy, it is necessary for the leaders of the private sector to carry the public with them. If the party in power feels that a particular course of action cannot be helped in order to retain its popularity, what can these leaders do? As they themselves have no following in the public, they have either to educate the political leaders or to help the latter to stay in power by making such concessions as will not cause any material injury to the national welfare. It is obvious that it will be in their own long-term interests for the big industrial houses to have more entrepreneurs than there are today. They should, therefore, consider it as part of their duty to enable the existing small businessmen to get opportunities to expand their activities and to do whatever they can to attract fresh young blood to entrepreneurship.

It is, however, an exaggeration to say, as some politicians are doing, that there is heavy concentration of economic power in the hands of a few industrialists in this country. The so-called industrial empires are just pygmies as compared with the industrial concerns in the U.K. or the U.S. Nor can there be any such concentration in future for a variety of reasons. In the first place, more and more industrial concerns are being established outside, and independent of, the big industrial houses. One has only to go through the prospectuses of companies floated in recent months to find the basis for this statement.

Secondly, the Government is actively encouraging the growth of a large variety of small-scale industries equipped with power-driven modern machinery. In the last two years, as many as 48,000 new small-scale and medium industries have come up and these are exclusive of units that fall under handicrafts, *khadi* and other village industries. During this period, the number of large-scale industrial units, it may be noted, were only 2,000.

Thirdly, the public sector is very rapidly expanding in the industrial field and can, if it so desires, exercise an effective influence over the private sector for the larger benefit of the public. According to figures given by Mr. Manubhai Shah in Parliament this week, in the first Plan, the public sector investment in industries was only Rs. 60 crores; in the second Plan, it is Rs. 720 crores, a twelve-fold increase; and in the third Plan, it will be Rs. 1,550 crores to Rs. 1,650 crores, if not more. The corresponding figures for the private sector are Rs. 330 crores, Rs. 850 crores and Rs. 1,200 crores to Rs. 1,300 crores, respectively. These figures are exclusive of the investments in power projects, which have registered a phenomenal increase in the public sector. From Rs. 260 crores in the first Plan, the public sector outlay on power has gone up to Rs. 460 crores in the second Plan and will be Rs. 1,040 crores in the third Plan. As against this, investments by the private sector in power have actually shrunk. In the third Plan, such will be only Rs. 50 crores, as against Rs. 65 crores in the second Plan, though a shade higher as compared with Rs. 42 crores in the first Plan. Mr. Manubhai Shah could, therefore, well claim that "the basic instruments of production and the tools of economy are all in the hands of the community, so that we can work as guards and sentinels of the public good and for the good of the community."

And, fourthly, the Government has in its possession enormous powers for regulating the private sector from its birth to death. Prices, profits, production, movement, and distribution of goods are all under Government control. Changes in management, as well as remuneration of management, are under Government control. On top of all this, there is high incidence of taxation with a large redistributive element. In the face of all this, it is absurd to say that there is concentration of economic power in the hands of a few industrial houses. On the contrary, it would be no exaggeration to say that, if there is heavy concentration of power anywhere, it is in the hands of a few politicians. The saving grace here is that these few are dedicated leaders, truly faithful to the cause of democracy and to a united India. But these leaders are mortals and their number is steadily declining. What will happen after them? Will their successors use this concentration of power wisely and for the weal of the common people?

SUGAR SITUATION

THE sugar industry is naturally perturbed by the heavy accumulations of stocks. Reports of crushing operations in factories are very encouraging and, if the latest estimates available with the Indian Sugar Mills Association were to prove correct, sugar production in the current season (November 1960-October 1961) would touch the all-time peak of 3.00 million tons. This quantity, together with the previous season's huge carryover stocks of 550,000 tons, gives a total available supply of 3.55 million tons, whereas the actual offtake is estimated at no more than 2.20 million tons (2.10 million tons for domestic consumption and 100,000 tons for exports to countries other than the U.S.). The balance of 1.35 million tons represents the undisposable stocks that will lie with mills at the end of the season.

How serious is the problem confronting the sugar industry was described by Mr. D. D. Puri, President of the Indian Sugar Mills Association, at a Press conference at New Delhi the other day. The industry, he declared, was facing a crisis of the present magnitude for the first time in its history, with the prospect of carrying over to the next season an unimaginable stock of 1.5 million tons of sugar, for which it did not have the requisite financial resources or the storage capacity. Against this, he added, the pressure of cane supplies, specially due to severe slump in *gur* prices, continued unabated and the labour unions had served strike notices to secure the implementation of the Wage Board award. Mr. Puri also pointed out that most of the sugar mills had reached their ceiling in respect of bank accommodation and were not in a position to meet their future commitments unless some way was found to dispose of their stocks.

Few will underrate the gravity of the problem of huge sugar stocks. There is no doubt that these stocks imply immobilisation of several crores of rupees, not to speak of the problem of finding the requisite storage facilities. The need for taking some energetic action to improve the position is certainly urgent. But one wonders whether the remedy suggested by Mr. Puri for tiding over the crisis in sugar industry, namely, upward revision in the ex-factory price of sugar to the extent of Rs. 5.51 per maund, is a sensible one. As it is, the prices of sugar are high in all conscience and any further increase is bound to add to inflation, especially considering that sugar is an essential item of consumption. Moreover, a further rise in the price of sugar will prompt the cane growers to ask for still higher prices.

Looked at from the point of view of consumption also, the suggestion for enhanced sugar price is not justified. It is the continuing high prices that are chiefly responsible for the low level of sugar consumption which will, if anything, suffer a setback through an increase in its price. Mr. Puri no doubt admitted this fact, but explained it away by suggesting that prices and consumption would get stabilised. But he has apparently overlooked the point that the real solution to the problem of disposing of the huge sugar stocks lies not in raising the price but in reducing it. Such a reduction can be brought about by lowering the heavy incidence of taxation. The Central excise duty, the States' cane cess, and the municipal and local taxes together account for as much as 35 per cent of the ex-factory price of sugar. It will be recalled that the former Tariff Board had considered even 18.7 per cent (Rs. 4.62 per maund) as a high rate of commodity tax particularly for an article of food. Would it not be a better proposition to encourage consumption of more sugar through a lower level of taxation and collect a larger sum through higher consumption?

To revert to Mr. Puri's statement. He opposed any move to abolish controls on distribution unless the Government was able to regulate releases according to price variations from time to time. Otherwise, he warned, there would be a sharp decline in the internal prices which the industry would not be in a position to sustain. This attitude is somewhat surprising. Why should the industry want the Government to undertake the task of regulating releases? It would be better if such regulation could be imposed by the industry itself on a voluntary basis. As for the Government, it must build up a buffer stock of sugar which can be used to set right any maladjustment in the supply-demand situation in any particular region. It is ironical that, when the sugar supply position was tight, the industry opposed controls, whereas it wants controls when the position is highly comfortable.

The only consideration which weighed with the authorities in clamping down controls on sugar in 1959 was the need to check the spiralling of prices as a result of the tight statistical position of sugar and the all-round increase in commodity prices; the question of sugar export had not arisen then. On more than one occasion, Mr. S. K. Patil, the Union Minister for Food and Agriculture, reiterated his determination to end controls on sugar. "The sooner controls go," he observed some time last year, "the better. When the time comes, controls will not remain for 24 hours." Welcoming this statement, we had pointed out that controls must be done away with shortly after the commencement of the 1960-61 crushing season. If the Government had done it, the plight in which the sugar industry finds itself today could perhaps have been avoided. The effect of controls on sugar, as, indeed, on any other commodity, is that it restrains consumption. The experience of control days in the past fully confirms this statement. It must also be stated here that the operation of the forces of supply and demand facilitates the building up of pipeline stocks with traders, estimated at 200,000 tons.

The fears that any decontrol of distribution will lead to a sharp decline in internal prices of sugar are unfounded. There will no doubt be some fall in prices, but it will not be sharp. After all, no sugar mill will immediately proceed to make large distress sales. Nor is the argument that controls on sugar are necessary in the context of the need for export fully convincing. Sugar exports impose an additional direct burden on the consumers because of the need to give a sizable subsidy on sales of sugar abroad in the form of higher internal prices. If India succeeds in getting a quota in the U.S. market, the element of subsidy might be lower, as the U.S. pays 50-60 per cent more than the ruling world prices. Yet there will be loss of sizable rupee resources for the Government in the form of remission of excise duty and cane cess. Even assuming that India must export sugar in view of the serious plight in its balance of payments position, such exports will not cut into the quantity available for internal consumption for which the country has enough supply. Inasmuch as the difficulties in developing a profitable export trade are many, the sugar industry can expand and develop on a sound footing only if domestic consumption keeps pace with production. The restoration of normal distribution channels, accompanied by steps to reduce taxes, to link cane prices to both quality and quantity instead of to quantity alone, and to encourage sugarcane production through large-scale plantation, will surely go a long way towards boosting sugar consumption. What is wanted is courage on the part of the authorities to undo the past mistakes.

MARKET GOSSIP

N.I.D.C.

IN the course of the debate on the Ministry of Commerce and Industry in Lok Sabha this week, it was suggested by some members that there was a multiplication of long-term lending agencies in this country, resulting in waste of resources and avoidable overheads. A specific suggestion was that the National Industrial Development Corporation Ltd. (N.I.D.C.) should be wound up, as its functions could be easily performed by the Industrial Finance Corporation of India (I.F.C.). The authors of this proposal—Mr. A. C. Guha, an ex-Minister, was one of them—alleged that the N.I.D.C. was brought into existence by Mr. T. T. Krishnamachari in 1954, the then Minister for Commerce and Industry, as he had no say in the affairs of the I.F.C. and as he wanted a financing agency under his control for carrying out his projects. The implication here is that since there is no rivalry between the existing Finance Minister and the Commerce and Industry Minister, there is no need for a separate financial organisation. They further pointed out that the primary function for which the N.I.D.C. was formed, namely, promotion of new industries by the public sector in order to accelerate the pace of industrialisation, was also not being effectively performed. The third point made was that the N.I.D.C. had become an instrument through which the Ministers could favour industrialists of their choice. The fourth point was that some of the influential industrialists on the Board of Directors of the N.I.D.C. were able to get loans sanctioned for the jute and cotton mills under their control. And the fifth point was that Ministers should not be Chairman and Vice-Chairman of this body, for it was neither proper that they should be heads of autonomous bodies, nor had they the time to control its working effectively. At present, Mr. Lal Bahadur Shastri is the Chairman and Mr. Manubhai Shah is the Vice-Chairman. Now that the former has taken up the Home Ministry, it is possible that Mr. K. C. Reddy, his successor to the Ministry of Commerce and Industry, would take over the chairmanship.

There is a lot of truth in the last point. It is inconceivable that heavily worked and frequently touring Ministers like Mr. Manubhai Shah could get sufficient time to attend to the working of this body. It should, therefore, be placed under the active control of an independent paid chairman as is the case with the I.F.C. In his reply to the debate, Mr. Manubhai Shah disclosed that neither he nor his senior colleague was enamoured of chairmanship and that very soon the Cabinet would be taking a decision on this issue. The third and fourth points are in the nature of allegations, as the first one is, the difference being that the latter is only of historic importance. The allegations of favouritism and the directors sanctioning large loans for their own concerns in preference to those of other applicants are not unusual in this country; they were once made against even the I.F.C. and an inquiry committee was appointed to verify them. This is a device often resorted to by some politicians to drive businessmen out of the boards of public sector undertakings. Prominent among the non-officials on the Board at present are Dr. A. Ramaswami Mudaliar, Mr. G. D. Birla, Mr. S. P. Jain, Mr. Kasturbhai Lalbhai, Mr. B. P. Singh Roy, Mr. J. R. D. Tata and Mr. G. B. Kotak. It is, of course, not known how many of them take active interest in the working of the Corporation; significantly enough, not one of them has signed the latest directors' report and statement of accounts, which is for the 15 months ended 31st March 1960, and a copy of which was released to the public a month and a half after the annual meeting. Nor is any explanation given in the report as to why these directors, as well as quite a few others including officials, have not signed the report. It is common for companies in the private sector to give such an explanation. Be that as it may, the Estimates Committee is there to go into these allegations; indeed, it is already seized of this issue. It would appear from Mr. Manubhai Shah's reply that loans given by the Corporation to companies in which its directors are interested is only 17.4 per cent of the total.

On the question whether the N.I.D.C. should be wound up, allowing the I.F.C. to take over its lending operations, opinion is sharply divided. At present, the N.I.D.C. is providing long-term finance for modernisation and rehabilitation of cotton and jute textile industries; as at the end of March 1960, the loans given to these industries were Rs. 4.63 crores. The latest available data show that, as at 15th March 1961, the Corporation had received 193 applications for a total assistance of Rs. 67.95 crores. Of these, 86 applications for a total sum of Rs. 19.60 crores had been sanctioned. Applications rejected were 38 covering a sum of Rs. 15.64 crores, while those pending were 13 for Rs. 4.79 crores. One view is that the I.F.C. cannot give loans for rehabilitation of an old industry the machinery of which is mere junk, as it has certain statutory obligations to fulfil under its charter in regard to the collateral. The other view is that this is not an insuperable difficulty, as the Charter can easily be amended by Parliament. The issue, however, is not so simple as all that. The pros and cons have to be carefully examined, as the suggestion is not without some merit. We intend doing this in our next issue. Meanwhile, we give below a brief resume of the Corporation's work in regard to preparation of industrial projects meant to be taken up by the public sector:

The projects on which the Corporation undertook preliminary studies, were: organic chemicals and intermediates; sulphur from pyrites; raw film; second and third heavy electrical plants; foundry forge; heavy machine building; coal mining machinery; ophthalmic glass; heavy machine tools; drugs; heavy structural fabricating works; heavy plate and vessel works; phosphorus from rock phosphates; aluminium; precision instruments; pilot plants for bio-gas and fertiliser; newsprint from bagasse and rayon grade pulp. Of these, the first nine projects have already been finalised and have been established in the public sector under different corporations. For the manufacture of drugs, a new company has been registered very recently.

Some of the other projects, namely, the heavy structural fabricating works, heavy plate and vessel works, phosphorus from rock phosphates, aluminium and precision instruments, are being further processed and it is expected that public sector undertakings would be established soon in respect of these projects. The project in respect of bio-gas and fertiliser is already being carried out in the public sector on a pilot basis.

The Corporation had given up two of the projects worked out by it—these relate to newsprint from bagasse and rayon grade pulp. It is said that, in the former case, no satisfactory results were available as a result of trial experiments, while, in the latter case, it was given up because already several units were coming up in the private sector.

The Corporation has recently set up the nucleus of a Technological Consultancy Bureau for serving the various projects under study or in the process of implementation. The functions of this Bureau would include preparation of preliminary studies, investigation and selection of sites, preparation of detailed project reports and the designing of structures. For the present, its work will be confined to the public sector projects of the N.I.D.C. and the Union Ministry of Commerce and Industry.

Role of Banking Sector

There will be a wide measure of agreement over the statement of the Union Finance Minister, Mr. Morarji Desai, reported to have been made at a meeting of the Parliamentary Congress Party's Finance Standing Committee on Tuesday this week, that merger of banks is more advantageous than liquidation from the point of view of depositors. Evidently, Mr. Desai's view is based on the consideration that liquidation involves additional expenses, such as liquidator's fees, which cut into the availability of funds for payment to depositors. He is understood to have remarked: "Where corrosion in any small bank does not go beyond the extent of its share capital and assets, there should be no difficulty in ensuring that the depositors are not put to any loss in the event of merger. ... Liability for any mishandling will attach to directors as much in a bank which is merged as in the case of liquidation."

The merging of banks which are in a financially precarious position with stronger and sound banks is to be preferred to their liquidation not merely from the point of view of depositors but from the larger interest of the country as well. If the banks are to play their due role in the rapidly expanding economy, it is imperative that they must be well organised, effective and efficient. It is only then that the banking system can be expected to foster the growth of the community's savings, channel them properly, and meet the ever-increasing demand for funds from the industrial and commercial sectors. There are three basic criteria for judging the soundness of banks, namely, sizable capital funds, maintenance of reasonable liquidity and adequate profit margin. Banks must, as Dr. N. N. Law, Chairman of the United Bank of India, very aptly stressed in his speech at the Bank's annual meeting held at Calcutta on Monday the 10th inst. (extracts from his speech are published on page 709 of this issue), find out ways and means of stepping up their profitability without jeopardising the basic issues related to the question of liquidity. The basic issues as neatly summed up by him are:

1. The drift from shiftability and short-term self-liquidity needs careful watching and readjustment.

2. Banks must reduce the incidence of their expenses where possible, rationalise their rates of charges and find out newer sources of revenue. "There is," to quote Dr. Law, "an urgent need for a study of the structure of operating costs and operating earnings, with a view to achieving a better differential."

It was in this context that Dr. Law deprecated the recent upward revision in interest rates on deposits. Characterising it as "an extremely undesirable step," he said: "The banks have again postponed the opportunity of raising their low profitability. It is high time that banks took a more realistic view of the situation, kept interest rates under control, and tried other methods of improving their resources and profitability." It is true that higher interest rates on deposits will increase the expenses of banks and is likely to push up the bond rate in regard to future Government borrowings, thus adding to the burden of servicing charges which will have to be met by progressive taxation. It is equally true that the growth of deposits does not depend so much on the rate of interest as on the confidence which the banking system inspires, the availability of banking facilities and the quality of service rendered to the community. But it must not be forgotten that, when there are competing demands for whatever savings that are available in the community—a situation which is bound to persist in the next few years—one of the surest ways of attracting a large part of these savings into the banks' deposit vaults lies in bringing down money rates in the non-banking sector. Such a reduction can be brought about to a great extent by maintaining interest rates on deposits at an attractive level. The need for it is especially urgent what with prospects of reduced deficit financing, continued large adverse balance of trade and expansion in the volume of black money.

Peoples' Shares

The absence of any official denial of the Press report that the proposal to permit limited public participation in the equity capital of State undertakings has been put in cold storage for the present may be taken as an indirect confirmation of the report. The decision, if true, is somewhat intriguing especially to those who have been following with genuine interest and expectation the protracted discussions in official circles for over a year now. At one time, it was understood that the Planning Commission was favourably disposed to the proposal. In fact, it was mentioned in a section of the Press that the Commission had actually recommended acceptance of the proposal and that a concrete scheme was being formulated.

The official study group, headed by Dr. D. L. Mazumdar, Secretary, Department of Company Law Administration, which had been asked to go into the practical aspects of the proposal, expressed the view that it was worth trying in selected public sector undertakings on an experimental basis. After examining all the factors bearing on the issue of public participation in the equity capital of State undertakings, including its strategic as well as economic and psychological implications, the study group laid down some broad criteria for selecting the undertakings where the proposal could be put into practice. There are quite a few undertakings that fulfil these criteria. No one, of course, doubted that the final decision lay with the Government, but there was reason to suppose that the Government might accept the suggestion if for no other reason at least to counter the criticism that it is fostering 'Statism' even in the industrial field.

The reported decision of the authorities to pigeonhole the proposal has given rise to wide speculation on the reasons behind it. Some say that the Government and the Planning Commission have not been able to make up their minds as to whether public participation is good or bad. A few others feel that differences of opinion have cropped up even regarding the suggestion that the scheme should be based on certain principles which initially seemed to have had a large measure of support. The two principles specially mentioned are that only preference shares should be issued to the public and that only individuals should be allowed to subscribe. The opposition to the first is presumably based on fears that preference capital, by virtue of the fact that the return on it is fixed, might ultimately prove to be costlier than equity capital. Issue of equity capital is not favoured by some because they are afraid it may not meet with success, in view of the none-too-satisfactory working results of several State enterprises. It is unwise, according to them, to go by the resounding success of the new issues recently floated by some companies in the private sector. While the opposition of these critics stems from the practical consideration of the chances of success, a considerable body of opinion is said to be against permitting individuals to hold shares in State concerns on the ground that it offers a chance for interested persons fundamentally opposed to the public sector to pry into the affairs of State undertakings and exploit their shortcomings with a view to painting an unfavourable picture of public enterprises in general.

It is difficult to say what precisely are the considerations that have weighed with the Government in deciding to shelve the proposal. The alleged fear of shareholders posing awkward questions at annual meetings could not have been the reason, for such questions can be put even now by Members of Parliament, though, in respect of public corporations, Parliament exercises control only on matters of broad policy. Nor does the argument that interested parties will seek to discredit the undertakings stand to reason. Who will, after all, invest his savings in a company, whether in the public or private sector, and then try to pull it down himself? A more plausible reason is perhaps the fear that, if the experiment were to fail, the prestige of State undertakings would go down. In any case, the Government's reluctance to test the public's confidence in State undertakings will only strengthen the suspicion that all is not well even with the best of them.

Foreign Trade Policy

A heavy and complex task awaits the Committee (Chairman: Dr. A. Ramaswami Mudaliar) which has been asked to suggest measures designed to rationalise import and export policies. The Committee, which is reported to have been asked to submit its report by the end of July this year, will examine the import allocations for raw materials and capital goods and also review the efficacy of the present export promotion measures. It will inquire into the working of the import trade control with particular reference to the procedures followed in the formulation of import policy, methods for dealing with applications for import licences and organisation of the existing machinery for import control. It should thus be clear that the terms of reference of this Committee have been broadly conceived. Indeed, they cover the entire field of India's foreign trade policy so that its report may well constitute an important landmark in the formulation of right policies in the crucial third Plan period. It is not known how the Committee will set about its task. It is, however, to be hoped that the Committee will meet representatives of trade and commercial organisations or at least invite representations from these bodies before it finalises its report. The time given to it is no doubt short, though the problems which it has to tackle are common knowledge. And what is

(*Continued on page 724*)

SHARE MARKET WEAK

ALL-ROUND FALL IN VALUES

(*From Our Own Correspondents*)

BOMBAY, 13*th April*

DISTINCTLY easy conditions prevailed in the share market during the week under review. Selling was pronounced and widespread. Even textiles, which ruled firm last week, were subjected to liquidation. The statement of the Bombay Dyeing Chairman at the annual general meeting of the Company held last week-end that no bonus shares would be issued as long as the tax on bonus shares remained, gave rise to doubts whether the expected bonus issues by other mills would materialise. The high contango charges at the last settlement, heavy deliveries, and the continued stringency in money greatly chilled the enthusiasm of operators. Fresh buying support was lacking, as investors preferred to reserve funds for investment in the forthcoming several new issues. Under pressure of renewed selling, scrips in both cash and forward lists suffered a setback.

Steel shares were depressed. Tata Steels fell from Rs. 151.50 to Rs. 148.50 before finishing higher at Rs. 150, thanks to support at lower prices. The net loss over the week was Re. 1.50. Indian Irons, which were an exception to the downward trend last week, dropped 60 nP to Rs. 26.80. Mukand Irons were quoted 25 nP lower at Rs. 26.

Textiles staged a retreat. Mafatlals slumped by Rs. 45 to Rs. 870. Standards eased by Rs. 22 to Rs. 1,485. Centurys declined by Rs. 18.50 to Rs. 569.50. Kohinoors receded from Rs. 306.50 to Rs. 293—a loss of Rs. 13.50 over the week—reflecting disappointment of operators over working results of the Company for the year 1960. Finlays moved down by Rs. 12 to Rs. 341. Morarjees eased by Rs. 10 to Rs. 340. Despite higher dividend expectations, Svadeshis declined by Rs. 9 to Rs. 261.50. Phœnix eased by Rs. 6 to Rs. 137.50. Gokaks dropped Rs. 5 to Rs. 184. Central Indias and Shree Niwas shed Rs. 4 each to Rs. 113 and Rs. 256, respectively. Simplex lost Rs. 3 to Rs. 189 and Tata Mills Rs. 2.80 to Rs. 51.20. Bombay Dyeings declined from the last week-end closing of Rs. 67.80 to Rs. 65, following the Chairman's remarks on bonus issue. The close was fractionally higher at Rs. 65.30. Khataus and Vishnus, however, evoked special support and improved, the former by Rs. 6.25 to Rs. 546.25 and the latter by Rs. 9.50 to Rs. 130.

Cement shares drifted downward. Digvijays were quoted Rs. 2 lower at Rs. 153.50. Orissas softened by 20 nP to Rs. 14.32. Associated Cements, however, proved an exception, thanks to rumours of a bonus issue, and moved up from Rs. 157 to Rs. 160.75 before closing at Rs. 158. The net gain over the week was Re. 1.

Sugars were subdued. Belapurs were marked down from Rs. 296 to Rs. 283, though, later in the week, a recovery was in evidence, today's closing rate being Rs. 286. The net loss over the week was Rs. 10. The decline in Kesars was even more marked, being Rs. 18.75, the actual rate receding from Rs. 266.25 to Rs. 247.50. Phaltans shed Rs. 3 at Rs. 143. Bhopals lost Re. 1.43 to Rs. 26 *ex-div*. Walchandnagars were done at Rs. 194 *ex-right*. The Company has obtained official sanction for the issue of 50,500 shares of Rs. 100 each at a premium of Rs. 30 per share in the ratio of one share per every two shares held.

Activity in the shipping section was restricted. Scindias dropped 64 nP to Rs. 14.64. Great Easterns receded by 44 nP to Rs. 15.32.

Rayon shares encountered persistent selling. In spite of the proximity of dividend announcement, National Rayons were hammered down from Rs. 538 to Rs. 515.50. They, however, recovered to Rs. 520 today. Baroda Rayons eased by Rs. 8 to Rs. 142.50. South India Viscose changed hands at Rs. 160, as against Rs. 165 last week-end. Gwalior Rayons receded by Rs. 2 to Rs. 45. Indian Rayons found buyers at Rs. 65 *ex-right*, as against Rs. 72.50 *cum-right* last week.

Dyes and chemicals suffered a sharp setback. Amar Dyes were marked down by Rs. 20 to Rs. 390. Colour Chems slumped by Rs. 17.50 to Rs. 340. Indian Dyestuffs lost a like amount to Rs. 502.50. Polychems eased by Rs. 12 to Rs. 240. Synthetics declined by Rs. 5.50 to Rs. 155. Dhrangadhras and Citrics softened by Rs. 2 each to Rs. 132 and Rs. 57, respectively. Dharamsis shed Re. 1.25 to Rs. 262.50. Tata Chemicals were a shade easy at Rs. 19.36.

Engineering shares were no exception to the general trend. Telcos came in for heavy selling and declined from Rs. 344 to Rs. 330.50 on Tuesday the 11th inst. Thereafter, induced by rumours of a possible right issue, they recovered to touch Rs. 338.25 today. The net loss over the week was Rs. 5.75. Cooper Engineerings changed hands Rs. 4 lower at Rs. 208. T. Maneklals shed a part of the gain made last week and were quoted Rs. 15 lower at Rs. 425. Premier Constructions declined by Rs. 8 to Rs. 192. Alcocks, however, provided a bright spot and put on Rs. 7 to Rs. 326.

Miscellaneous counters, too, encountered selling and values dropped. Notwithstanding hopes of a bonus issue, Bombay Burmahs declined from Rs. 622.50 to Rs. 605.50 before finishing at Rs. 613. Wimcos receded by Rs. 9 to Rs. 296. Laxmi Starches fell by Rs. 9.25 to Rs. 190.75. Permanent Magnets lost a like amount to Rs. 67. Voltas were quoted at Rs. 276 *ex-div.*, as against Rs. 291 *cum-div.* Anil Hardboards and Ceat Tyres fell by Rs. 5 each, the former to Rs. 287.50 and the latter to Rs. 295. Premier Tyres and Killicks were both quoted Rs. 4.50 lower at Rs. 108.50 and Rs. 104, respectively. West Coast Papers shed Rs. 3.50 to Rs. 207. Tata Oils softened by Re. 1.80 to Rs. 81.70. Philips Carbons were a shade easy at Rs. 17.24.

* * * *

Madras Stock Exchange

MADRAS, 12*th April*

Equities on the Stock Exchange ruled easy during the week under review, barring textiles and a few miscellaneous industrials which evoked sustained inquiries. Teas were quiet on bearish advices from tea markets. Coffees were listless, despite the improvement in world prices on better seasonal demand. There was selling pressure in rubbers and so their prices moved down. Sugars were subjected to stale liquidation, thanks mainly to reports suggesting heavy accumulation of stocks. Banks and electricals were neglected.

In the tea section. Neelamalais receded 12 nP to Rs. 4.57. Kil Kotagiris lost 8 nP to Rs. 5.32. Chembras dropped 6 nP to Rs. 3.87. Blue Mountains and Periakaramalais were dull at Rs. 3.55 and Rs. 4.10, respectively. United Nilgiris were subdued at Rs. 24.50, Twyfords at Rs. 13.15, Devasholas at Rs. 30.30 and Haileyburias at Rs. 15.15. Peermades, however, hardened by 30 nP to Rs. 23.30. The Directors of the Company have proposed a final dividend of 15 per cent, taxable, making a total of 22½ per cent, taxable, for 1960, same as in 1959. Parksides rose by 25 nP to Rs. 28.87.

Among coffees, Consolidated Coffees eased by 15 nP to Rs. 23.60. Waterfalls shed 3 nP to Rs. 2.17. Mysores were quiet at Rs. 5.55. Anaparais at Rs. 4 and Puthuthottams at Rs. 2.67. Coffee Lands were unchanged at Rs. 20.85. Savamalais were neglected at Rs. 3.55, reflecting disappointment of operators over the announcement of a lower dividend of 14 per cent for the year ended November 1960, as against 15 per cent paid in the previous year.

Among rubbers, Midlands suffered a loss of 30 nP to Rs. 11.80. T.R. & Ts eased by 10 nP to Rs. 9.30 Cochin Malabars shed 5 nP to Rs. 7.92. Malankaras were dull at Rs. 18.60, as also Highlands at Rs. 16 and Travancores at Rs. 10.70.

In the sugar section, Cauverys fell by Rs. 4 to Rs. 128. Deccans moved down by 20 nP to Rs. 14.30. East India Distilleries rose from Rs. 43.75 to Rs. 44.05, but gave way later to Rs. 43.70, with a net decline of 5 nP over the week. Travancores were lower by 13 nP at Rs. 10.62. United Breweries were unaltered at Rs. 115.50, Mysores at Rs. 59 and Indias at Rs. 12.60.

Textiles, as already stated, were well maintained. Buckinghams spurted by Rs. 6 to Rs. 212. Janardhanas rose by Rs. 2 to Rs. 61.50. Anglo-Frenchs hardened by a like amount to Rs. 142. South India Viscos gathered Re. 1.75 to Rs. 167.65. Bangalore Woollens put on a rupee to Rs. 205, Radhakrishnas strengthened by 25 nP to Rs. 31.50. Ramalinga Choodambikais were steady at Rs. 110. The Directors of the Company have announced a dividend of 7½ per cent, taxable, for 1960; no dividend was paid in 1959. Coimbatore Cottons were maintained at Rs. 180, Coimbatore Pioneers at Rs. 350, Dhanalakshmis at Rs. 212, Premiers at Rs. 260 and Metturs at Rs. 380.

In the miscellaneous section, selected engineering scrips put on a cheerful appearance. Kirloskars rose by 20 nP to Rs. 12.90. Textools were higher by 25 nP at Rs. 179. Indian Steel Rollings moved up by 13 nP to Rs. 10.75. Standard Motors picked up 10 nP to Rs. 16.75. Ashok Leylands, however, declined by 32 nP to Rs. 9.43 and Aluminium Industries by 15 nP to Rs. 23.65. Among cements, Orissas and Andhras rose by 10 nP each, the former to Rs. 14.40 and the latter to Rs. 10.50. But Dalmias receded by 35 nP to Rs. 11.85. Travancores drifted lower by 10 nP to Rs. 8.60. Indias shed 5 nP to Rs. 6.06.

A NEW BALL-BEARING FACTORY

The joint move of the Investment Corporation of India Ltd. (belonging to the house of Tatas), the world-renowned Swedish firm of S.K.F. and its subsidiary in the U.K., Skefko Ball Bearing Company Ltd. to establish a new company for manufacturing ball bearings and tapered roller bearings is well conceived. A new company under the name of Associated Bearings Company Limited will be registered with an authorised capital of Rs. 7.50 crores. In the beginning, the Company will issue capital of Rs. 3.25 crores, of which as much as 60 per cent will be taken up by foreign collaborators and 20 per cent will be subscribed by the Investment Corporation of India, the balance of 20 per cent or Rs. 65 lakhs being offered for public subscription some time in autumn this year. For the present, the Company will be floated with an initial and promotional paid-up capital of Rs. 10 lakhs to be subscribed under mutual arrangement by the sponsoring firms.

Besides ball bearings, the Company intends to manufacture the well-known S.K.F. pendulum weighing arms, top roller bearing units for drafting system on speed frames, drawing frames and ring spring frames for the cotton textile industry. The establishment of this new ball-bearing plant with all the benefit of high-level technical efficiency associated with the firm of S.K.F. will surely meet a large part of the growing demand from the manifold industrial users of these important accessories.

A new company, called Chemicals and Fibres of India Limited, has been registered in Bombay, with an authorised capital of Rs. 10 crores, to take care of the I.C.I. manufacturing projects intended for the West Coast of India. It will be a public company in which the Indian public will be invited to participate in due course.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 13th April 1961.

	Closing quotations 6-4-1961	High	Low	Closing quotations 13-4-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	168.00	—	—	168.00
Apollo (2)	1.66	1.68	1.54	1.50
Baroda Rayon (100)	150.50	151.50	141.00	142.50
Bombay Dyeing (25)	67.80	67.00	65.00	65.30
Bradbury (50)	123.50	—	—	123.50
Central India (100)	117.00	117.00	112.00	113.00
Century Mills (100)	588.00	597.00	564.00	569.50
Coorla Sp. (100)	135.50	—	—	135.50
Dawn (50)	127.00	125.00	122.00	122.50
Edward Textile (200)	262.50	275.00	262.50	275.00
Elphinstone (50)	79.00	83.00	77.00	80.00
Finlay (100)	353.00	350.00	341.00	341.00
Gokak (100)	189.00	191.00	183.00	184.00
Gold Mohur (100)	275.00	273.75	272.00	273.75
Gwalior Rayon (10)	47.00	47.00	45.00	45.00
Ind. Untd. Defd. (1)	1.84	1.88	1.78	1.80
Ind. Untd. Ord. (10)	14.96	15.00	14.44	14.44
Indian Rayon (62.50)	72.50	72.00	63.00	65.00xd
Indore Malwa (100)	148.00	145.00	138.00	140.00
Khatau (100)	540.00	552.50	515.00	546.25
Kohinoor (100)	306.50	308.00	290.50	293.00
Lakshmi (250)	507.50	—	—	507.50
Mafatlal (100)	915.00	910.00	870.00	870.00
Minerva Mills (100)	75.00	—	—	75.00
Model Nagpur (250)	85.00	—	—	85.00
Morarji (100)	350.00	348.00	335.00	340.00
Mysore (50)	68.00	69.00	68.00	68.00
National Rayons (100)	538.00	538.00	515.50	520.00
New City (100)	150.00	—	—	150.00
New Great (100)	203.00	209.00	205.00	209.00
Phœnix (100)	143.50	143.00	187.50	137.50
Podar Mills (100)	158.00	159.00	156.00	156.00
Raymond Woollen (100)	120.00	121.00	114.50	115.75
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	54.50	54.50	[illegible]	[illegible]
Shrinivas (100)	260.00	260.00	[illegible]	[illegible]
Simplex (50)	192.00	192.50	[illegible]	[illegible]
Standard (100)	1,507.00	[illegible]	[illegible]	1,485.00
Svadeshi (100)	270.50	271.00	259.00	261.50
Swan (100)	565.00	565.00	560.00	565.00
S. I. Viscose (100)	165.00	165.00	160.00	160.00
Tata Mills (25)	54.00	54.20	51.00	51.20
Vishnu (100)	120.50	130.00	120.50	130.00
Western India (1,000)	3,725.00	—	—	3,725.00
BANKS				
Bank of India (50)	122.00	122.50	121.75	122.00
Do. (New) (50)	125.00	126.00	124.00	125.00
Bank of Baroda (50)	98.00	98.50	98.00	98.50
Central (25)	61.50	61.80	61.00	61.00
Central 'A' (25)	62.50	63.50	63.00	63.00
Dena Bank (50)	59.00	—	—	58.70
Punjab National (10)	21.76	21.76	21.24	21.52
Union Bank (5)	6.08	6.00	5.92	5.92
United Com. (50)	87.50xd	87.50	87.00	87.50
ELECTRIC COS.				
Ahmedabad (100)	84.50	84.50	81.50	84.00xd
Amalgamated (10)	10.00	10.04	10.00	10.00
Andhra Valley (1,000)	992.50	995.00	990.00	992.50
Bom. Sub. El. (100)	84.50	86.00	84.20	86.00
Surat (100)	86.50	87.00	86.00	86.00
Tata Hydro (100)	101.25	—	—	101.50
Tata Power (1,000)	1,020.00	1,025.00	1,015.00	1,023.75
INSURANCE COS.				
British India (10)	12.28	—	—	12.28
Indian Mercantile (20)	43.25	—	—	43.25
New India (15)	60.00	60.50	59.00	60.00
New India 'A' (15)	60.50	61.00	60.00	60.50
Vulcan (10)	16.24	—	—	16.24
STEEL COS.				
Ind. Iron (10)	27.40	27.60	26.05	26.80
Mukand Iron (10)	26.25	27.00	25.50	26.00
Tata Steel Ord. (75)	151.50	152.00	148.50	150.00
SUGAR COS.				
Belapur (50)	296.00	296.00	282.00	286.00
Bhopal (10)	29.00	29.00	26.00	26.00xd
Changdeo (12.50)	26.00	—	—	26.00
Phaltan (50)	146.00	145.00	142.00	143.00
Walchand Ind. (100)	236.25	236.25	194.00	194.00xr
CEMENT COS.				
Associated Cts. (100)	157.00	161.00	157.25	158.00
Digvijay (100)	155.50	156.00	153.25	153.50
Orissa (10)	14.52	14.52	14.24	14.32
MISCELLANEOUS				
Alcock Ashdown (100)	319.00	328.00	314.00	326.00
Bom. Burmah (125)	622.50	623.00	605.50	613.00
Do. (New) (50)	217.50	222.50	216.25	218.75
Br. B. Petrol (1½ an.)	1.44	1.46	1.30	1.34
Br. I. Corpo. (5)	8.40	8.40	8.00	8.12
Cooper Eng. (100)	212.00	211.00	206.50	208.00
Colour Chem. (100)	357.50	357.50	335.00	340.00
Hind Cycle (100)	105.00	107.00	100.00	100.00
Hindustan Lever (10)	50.00	50.50	50.00	[illegible]
Hindustan Motors (10)	21.20	21.20	19.68	19.88
I. C. & Invest. Corporation (100)	85.50	85.50	86.00	84.00xd
Indian Dyestuff (100)	520.00	522.50	[illegible]	[illegible]
Indian Copper (2 sh.)	5.40	[illegible]	[illegible]	[illegible]
Ind. Inv. Tr. (100)	[illegible]	[illegible]	[illegible]	[illegible]
Killicks (100)	[illegible]	[illegible]	[illegible]	[illegible]
Larsen & Toubro (10)	43.50	[illegible]	[illegible]	41.50
Mahindra & Mahindra (10)	21.24	21.30	20.76	21.00
New Central Jute (10)	[illegible]	[illegible]	18.24	19.52
Polson (100)	177.00	177.00	175.00	176.50
Pre. Automobiles (100)	177.25	178.75	169.75	170.25
Premier Con. (50)	200.00	201.00	186.00	192.00
Scindia (20)	15.28	15.28	14.52	14.64
G. E. Shipping (10)	15.76	15.76	15.32	15.32
Shivrajpur (10)	91.50	92.00	89.50	90.00
Sirpur Paper (10)	18.20	18.12	17.32	17.32
Tata Chemicals (10)	20.20	20.20	19.20	19.36
Tata Locomotive (100)	344.00	345.50	330.50	338.25
Tata Oil (25)	83.50	84.00	81.50	81.70
Texmaco (10)	22.52	22.52	21.76	22.00
Voltas (100)	291.00	293.50	274.00	276.00xd
W. I. Match (100)	305.00	305.00	296.00	296.00
W. Coast Paper (100)	210.50xd	210.50	207.00	207.00

GOVERNMENT SECURITIES	6-4-1961 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	13-4-1961 Rs.
2½% 1961	99.40	—	4.20	99.50
2½% 1962	98.40	—	3.73	98.50
2¾% 1976	88.50	—	4.28	88.50
3% 1964	98.75	—	3.84	98.70
3% 1963-65	98.65	3.54	3.30	98.65
3% 1966-68	96.05	3.79	3.60	96.10
3% 1970-75 1st Dev.	90.90	4.17	3.83	91.10
3% 1986 Con. Loan	73.85	—	4.06*	73.75
3½% 1961 N. P. Bonds	100.00	—	3.50	100.00
3½% 1964 N. P. Loan	99.80	—	3.51	99.95
3½% 1965 N. P. Bonds	99.70	—	3.52	99.90
3½% 1962	99.85	—	3.37	99.85
3½% 1967 N.P. Bonds	98.75	—	3.68	99.00
3½% 1974	99.70	—	3.78	99.70
3½% 1967 N.P. Bonds	100.75	—	3.63	100.75
3½% 1969 Loan	98.75	—	3.68	98.75
3½% 1968	98.90	—	3.70	98.80
3½% 1963 N.P. Bonds	100.10	—	3.46	100.10
3½% 1968 N.P. Bonds	100.65	—	3.66	100.65
4% 1972 Loan	100.50	—	3.98	100.50
4% 1973 Loan	100.45	—	3.95	100.45
4% 1979 Loan	100.10	—	3.90	100.10
3½% 1966 Bonds	99.40	—	3.80	99.55
4% 1980 Loan	99.95	—	4.01	99.95

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.

NEWS IN BRIEF

THE Government of India has decided to amalgamate the Eastern and Western Shipping Corporations, both in the public sector, into a single Corporation.

India's first sulphur manufacturing plant in the public sector will be set up in the Sahabad district of Bihar State, in collaboration with a Norwegian firm.

The Ford Foundation has made a grant of $603,000 to help India's education and research on family planning programmes. This grant supplements a 1959 award of $330,000.

The first Indian-made gas turbine jet engine was switched on by Mr. V. K. Krishna Menon, Union Defence Minister, at Kanpur last week. The jet engine was designed and developed by the I.A.F. technicians of the gas turbine research centre at Kanpur.

The first diesel locomotive, incorporating the Indian invention known as "Suri Transmission," has arrived in Bombay from West Germany. This is the first of seven such locomotives which have been built by a West German firm for the Indian railways under an agreement with the Government of India.

The U.S. Development Loan Fund and the Government of India have signed an agreement covering a $10-million loan to the National Small Industries Corporation. The loan, initially approved in June last, will be utilised for procuring equipment to be made available to small-scale industries on rental-purchase plan.

The Planning Commission has decided to set up a Central Advisory Committee on Agricultural Labour. The Committee will advise the Commission on the settlement of landless workers on land and on measures to solve their other problems. Mr. Shriman Narayan, Member of the Commission, will be the Chairman of the Committee.

As a measure of export promotion, the Government of India has decided to allow drawback of customs and Central excise duty paid on raw materials used in the manufacture of beer, toys fitted with magnets, articles made of polyvinyl chloride composition, laboratory glassware, stearic acid and aluminium articles not otherwise specified. Changes have also been made in the items relating to silk fabrics and ready-made garments, articles made from aluminium circles and sheets, glass or glassware, staple fibre yarn and iron nails.

Money remitted to India from out of the accumulated foreign profits by a person who does not reside in India and is 'non-resident' for the purposes of the Indian Income-Tax Act is completely exempt from Indian income-tax, the only exception being the money remitted to the wife residing in India. The Government of India has now decided that, if a non-resident remits any amount to his wife in India and is invested in Government securities, that money will not be included in the total income of the wife.

* * * *

From Abroad

France had a trade surplus amounting to N.F. 2,884 million in 1960, an increase of N.F. 312 million over 1959. Total exports aggregated N.F. 33,900 million and imports N.F. 31,016 million.

Brazil is understood to have entered into an agreement with Yugoslavia to import 36 ships (26 of them with a capacity of 8,500 tons each and the rest of 10,500 tons) in exchange for Brazilian export products.

The U.S. Civil Aeronautics Board has approved of the scheme for the merger of two U.S. airlines, the United Airlines and the Capital Airlines. The proposed merger is the largest in the history of U.S. aviation. The new airline will be called the United.

The Water and Power Development Authority of Pakistan has given a £1-million contract to the British company, Hunting Technical Services, for the investigation and design work connected with the control of drainage and salinity in 10 million acres in Indus Valley in West Pakistan.

Under an agreement signed last week between the Governments of Italy and the United Arab Republic, Italy has secured a contract for the erection of a E£20-million heavy oil carbonisation plant at Suez. The plant will have a capacity of two million tons of various grades of oils. It is expected to be completed in 1963.

The British National Federation of Fruit and Potato Trades has developed a fire and rust-proof and "almost indestructible" container for transporting fruits and vegetables. The container is made of polythene. A prototype of it will be demonstrated at the Federation's conference at Harrogate on the 21st inst.

The Esso (Netherlands) has decided to build a £6½-million plant for the manufacture of aromatic base products for the chemical industry at Rotterdam, Holland, in the grounds of the Esso refinery. The new plant, which will have an annual capacity of 220,000 metric tons, will be the biggest of its kind in Europe. It is expected to go into production by the middle of 1963.

Nigeria and Portugal have become members of the International Monetary Fund and the World Bank. Their quotas in the I.M.F. are $50 million and $60 million, respectively. Nigeria's subscription to the capital stock of the Bank is 667 shares with a total par value of $66.7 million and that of Portugal 800 shares aggregating $80 million.

President Kennedy has abolished the special import fees in the U.S. on groundnut oil, linseed and linseed oil, in pursuance of a report submitted by the Tariff Commission. The special fees were imposed in 1953 in order to prevent imports of these commodities from materially interfering with appropriate support programmes of the Department of Agriculture.

The French State-owned aviation company, Nord-Aviation, has been awarded a $86,000 contract by the U.S. Air Force for a design study to determine the characteristic of a turbojet-ramjet powered aircraft. Nord-Aviation is the only aircraft concern in the world to develop a ramjet-propelled machine using turbojet power for take-off thrust. This technique has the merit of fuel economies at high speed.

Soviet Russia is reported to be making efforts to produce shellac within the country. A permanent experimental station for shellac cultivation has already been set up at Sukhumi, mainly to improve the cultivation of host plants and to popularise the production of this commodity on State and collective farms. Experiments designed to acclimatise the lac-producing insects, brought from South China, have been going on since 1956 at Leningrad, Sukhumi, Patuni and Anaseuli on the Black Sea coast.

A £17-million scheme, providing for the establishment of an international Arab airline to operate on overseas routes, was approval by a conference of aviation experts from the various Arab countries held at Baghdad last week. Iraq and the United Arab Republic will subscribe 20 per cent each of the capital and Kuwait and Saudi Arabia 15 per cent each. Yemen and Lebanon have also agreed in principle to participate in the project. The scheme now awaits the final approval of the Arab Economic Council.

The world Bank has announced the grant of a loan equivalent to $8.4 million to the Protectorate of Uganda for the extension of the electric power transmission and distribution systems of the Uganda Electricity Board. Fourteen banks in the U.S., Belgium and the Netherlands will participate in the loan to the extent of $4,315,000. The loan is for a term of 20 years and bears interest of 5¾ per cent, including the 1 per cent commission which is allocated to the Bank's special reserve. Amortisation will begin on 1st June 1964. The loan is guaranteed by the U.K.

The first stage of the laying of the Commonwealth round-the-world telephone cable—one of the greatest projects of its kind ever undertaken, and estimated to cost £88 million in all—has just started from Oban, on the west coast of Scotland. This phase of the operation entails the laying of 2,100 nautical miles of cable between the Scottish west coast and New Hampden, Newfoundland (Canada), with an extension of 350 nautical miles to the mainland of Canada. The complete world project will involve the laying of some 32,000 nautical miles of cable and will take ten years.

The money value of goods and services produced in the U.K. was 6 per cent higher in 1960 than in 1959. This rise compares with 3½ per cent in 1959. Investment in plant, machinery, and buildings rose by over 9 per cent in 1960. Consumers' expenditure rose by nearly 4½ per cent, about the same as in the previous year. Both exports and imports also rose but, as in 1959, the rise in imports (nearly 13 per cent) was larger than the increase in exports (6 per cent.). The gross national product was valued at £22,292 million in 1960.

The United Nations' economic mission, which investigated the possibilities of economic development in Cyprus, at the request of the Government of this country, has suggested the implementation of a five-year Plan, entailing a capital outlay of £43 million. It has recommended grant of top priority to the exploitation of the island's water resources. Besides, it has suggested reform of land tenures and consolidation of existing fragmented holdings to improve agricultural productivity. The programme for industrial expansion formulated by the mission covers, *inter alia*, production of fertilisers cement, asbestos pipe, beer and cigarettes.

Imperial Chemical Industries of Britain has decided to put up an oil refinery for the first time in its history. The proposed refinery, which will have a capacity to process one million tons of crude oil annually, will be located on the north bank of the River Tees. It will supply light distillate, that is, naphtha, to I.C.I.'s three olefine plants at Wilton, which currently consumes about 600,000 tons for the manufacture of ethylene, used mainly to make polythene and also terylene. The Shell-Mex and the B.P., which so far supplied naphtha to the Wilton plants, will give crude oil for the new plant instead. They have also agreed to market the excess of the refinery's products after I.C.I.'s demand.

The first gas reserves in Afghanistan was found at Hodja-Gunerdag by Soviet geologists. It has been discovered in strata lying 1,618—1,621 metres beneath the surface of the earth. The analysis of the gas has shown that, besides methane, it contains a large quantity of heavy hydro-carbons. In view of this, the Soviet specialists believe that there is oil in this seam. More than 14 strata, promising as regards oil and gas, have been investigated at different depths in the area. Soviet geologists believe that the obtained data proves the possibility of industrial reserves of oil and gas in Northern Afghanistan big enough to satisfy the country's entire requirements of fuel.

Production of world rice in the 1960-61 season now promises to reach a new high level, according to the latest issue of the Commonwealth Economic Committee's *Rice Bulletin*, India's output is expected to reach 31 million tons (47 millions in paddy equivalent). In Pakistan, the second estimate puts production at 14.5 million tons of paddy, as compared with the previous record of 13.9 million tons in the last season. The *Bulletin* says that trade in rice in 1960 so far recorded substantially exceeds the total in 1959. Shipments from Burma and Thailand were large, and there was a marked expansion in exports from Cambodia, South Viet-Nam and the U.S., and those from the United Arab Republic showed a strong recovery.

A system of cultivation ensuring a yield of 35 to 40 metric centners of cotton per hectare on a large area has been developed by the All-Union Cotton Research Institute in Uzbekistan, Russia. After many years of experiments, rational schemes have been worked out for laying out cotton squares and determining the density of seeding on a hectare of land depending on the quality of soil and the depth of ground waters. These ensure earlier ripening of cotton for machine picking. Cotton plantations cover an area of 1.4 millian hectares in Uzbekistan. If the application of the latest recommendations ensures a 10 centner increase in the per-hectare cotton yield, the total increase will amount to 1.4 million tons, which is equivalent to nearly half the Republic's total cotton crop in 1960.

The Soviet Government has approved of a scheme for a project designed to lay a 1,200-mile gas pipeline in its initial phase. When completed, this pipeline, it is claimed, will be the longest and most capacious gas pipeline in the world. The new line will carry natural gas from the Gazly fields, the richest in the Soviet Union, to the industrial belt in the Urals, which is to become completely independent from all but local coal supplies. Some 30 million tons of coal annually will be replaced by natural gas, to be carried to the Ural factories and power stations by two lines of tubes of 1.02 metre diameter. Work on them is to start this coming summer, and the first stretch, from Gazly to Chelyabinsk will be completed by 1963.

PERSONAL

PROF. John Kenneth Galbraith, U.S. Ambassador-designate to India, arrived in New Delhi on the 8th inst.

Mr. Bhawanidas Binani and Mr. Radhakrishna Makharia have been elected Chairman and Vice-Chairman, respectively, of the Western India Chamber of Commerce for the year 1961.

Mr. Rasiklal Worah and Mr. N. L. Jalan have been elected President and Vice-President, respectively, of the Indian Colliery Owners' Association, Dhanbad, for the current year.

Dr. Jagan Nath Khosla, at present Ambassador of India to Indonesia, has been appointed Ambassador of India to Yugoslavia and concurrently as Ambassador to Greece.

Mr. Suku Sen took over charge as General Manager of the Bhilai Steel plant on Monday this week *vice* Mr. N. C. Srivastava, who has been appointed Director of Personnel, Hindustan Steel Ltd., Ranchi.

Mr. K. R. P. Shroff has been elected President of the Governing Board of the Bombay Stock Exchange for the current year. Mr. Kantilal Ishwarlal has been elected Vice-President and Mr. Dhirajlal Maganlal Honorary Treasurer.

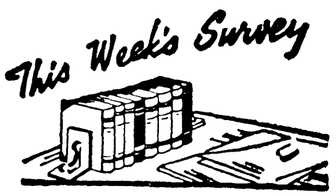
Mr. B. K. Nehru, Commissioner-General for Economic Affairs in the U.S., arrived in New Delhi on Wednesday this week for consultation with the Government of India in connection with the meeting of the Aid India Club scheduled to be held at Washington on the 25th inst.

Mr. K. K. Aalto, a Finnish expert in the manufacture of sulphuric acid, has been assigned by the U.N. Technical Assistance Operations to the Government of Mysore, for a period of one year, under the United Nations Technical Assistance Programme, to advise the Government of Mysore on the establishment of a sulphuric acid plant utilising pyrites.

Mr. John William Dixon and Mr. George Bernard Sibley have been appointed Directors of the British India Steam Navigation Company of the U.K. with effect from the 1st inst. The former was until recently General Manager of the Company and the latter was in charge of the Company's technical side and development of tanker business.

Mr. Leonard B. Rist, Director of the Economic Staff of the World Bank, has been appointed the Bank's Special Representative for Africa. He will maintain liaison with Governments and will explain to them the purposes and operating methods of the Bank and its affiliated organisations, the International Finance Corporation and the International Development Association, in the fields both of investment and technical assistance.

Mr. I. P. M. Cargill, Assistant Director of the World Bank's Department of Operations for the Far East, has been appointed Director of the Department with effect from 1st June 1961 *vice* Mr. Martin M. Rosen, who is leaving the Bank to join the International Finance Corporation as Executive Vice-President. Mr. A. Gasem Kheradjou will succeed Mr. Cargill as Assistant Director.



MR. ROBERT L. GARNER

MR. Robert L. Garner, President of the International Finance Corporation (I.F.C.), will be laying down his office on 15th October next. Although full six months are still to go for the actual retirement of Mr. Garner, it is not too early to acknowledge his distinguished contribution to the I.F.C. No other fitting tribute can be paid to Mr. Garner than the one paid by Mr. Eugene R. Black, President of the World Bank and Chairman of the I.F.C., who has observed:

"In his nine years as the Vice-President of the Bank, he brought to bear on its problems a combination of imaginativeness, financial knowledge and common sense that have left a lasting stamp on that institution. Mr. Garner brought a general measure of these same qualities to the creation of the International Finance Corporation; he was a principal author of I.F.C.'s design, built its staff, pioneered its policies and made it a going concern."

Mr. Garner has been the President of the I.F.C. since its inception on 24th June 1956. Although he reached retirement age two years ago, he agreed to serve until 1961. The remarkable progress of the I.F.C. during the brief period of less than five years has been due to a great extent to the untiring effort of Mr. Garner. The total disbursements up to the end of 1960 amounted to $29.87 million, the number of recipient countries being seventeen; India's share in this amount was $1.37 million. The investments of the I.F.C. are made in productive private enterprises in association with private capital and management and without any Government guarantee. It is clearly associated with the World Bank, but its capital and operations are separate and distinct.

The I.F.C. President has been one of the staunchest advocates of grant of liberal assistance by the economically more prosperous nations in the West to underdeveloped countries. At the same time, he has been urging the aid receiving nations to create conditions congenial to the inflow of more and more private capital. The special interest he has evinced in India's development is, indeed, gratifying. Here is what Mr. Garner said in the course of an article contributed to the 1956 Annual Number of *Commerce*: "No country today is more conscious of the problems of economic development than India, and none is faced with a more challenging task in breaking through the barriers of poverty and realising the possibilities of a better life."

While placing on record the valuable services rendered by Mr. Garner and wishing him well-deserved rest during retirement, we hope that his valuable advice will be available not only to the I.F.C. but also to the World Bank even after retirement.

RAILWAY WEEK

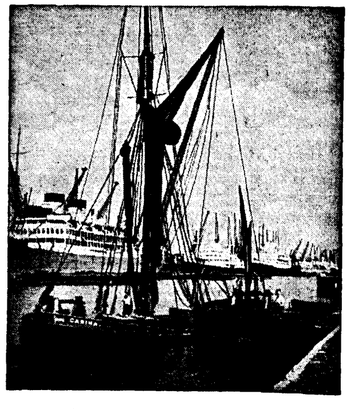
The Railway Week (10th to 16th April 1961), which is being celebrated this week, turns the spotlight of public attention to the vital role the railways play in the economic development of the country. Originally designed to serve the military and administrative needs of an alien government, Indian railways have since independence been called upon to play an entirely different role, that of catering to the expanding transport needs of a fast developing economy. It certainly redounds to the credit of the railways that, in spite of serious limitations, it has, by and large, been able to cope with the increased traffic thrown up by a decade of planning. The change in the general pattern and volume of traffic that has taken place can be taken as an index of the country's economic development during the period. The volume of originating freight traffic, which was 91.4 million tons in 1950-51, reached 154 million in 1960-61. The number of ton-miles more than doubled, from 26,963 million to 54,720 million. The probable volume of originating traffic is estimated to increase to 243.5 million tons at the end of the third Plan period. Passenger traffic has also shown an increase of equal magnitude, the rise during the second Plan period alone having been of the order of 26 per cent. It is noteworthy that the railways have handled this greatly increased traffic not by a commensurate expansion of rolling stock or line capacity but by more intensive utilisation of tracks, locomotives and wagons. In fact, the drive for operational efficiency and economy launched by the railways have substantially improved the utilisation of tracks and wagon capacity as is evident from the following table:

	No. of units required for moving one million net ton-miles of goods per day		Million ton-miles moved per annum per thousand running track miles
	No. of goods locos (all traction) on line (broad gauge)	No. of wagons (in tons of 4-wheelers) on line	
1938-39 ..	66	2,849	749
1950-51 ..	56	2,304	1,212
1955-56 ..	47	1,848	1,572
1959-60 ..	39	1,686	2,056

While the railways have done and are doing a splendid job, there is no room for complacency on the part of either the railway administration or the public which needs to be ever vigilant. It is true that if the railways are unable to devote more resources and attention to mitigating the hardships of railway travel, it is due partly to the greater priority accorded to goods traffic than passenger traffic. It is also true that the problems of passenger traffic have not been altogether ignored. But there is no denying the fact that much more remains to be done. Railway Week should be regarded as an opportunity not so much to take stock of the achievements in the past as to assess the magnitude of the tasks that lie ahead. If it fosters a spirit of *camaraderie* and pride in their work among railwaymen and kindle friendly interest and sympathetic understanding in the public, so necessary for the success of this great national enterprise, Railway Week will have served its purpose.

MORE ON SINDRI

The latest report of the Estimates Committee on Sindri Fertilisers and Chemicals Limited provides sufficient evidence to prove that the management of this giant plant in the public sector has signally failed in raising the production of the much-needed chemical fertiliser. The statistical data furnished by the Committee reveal that the quantity of ammonium sulphate (the principal item of production) actually manufactured has suffered a sharp setback, from 333,700 tons in 1956-57 to 285,000 tons in 1959-60; the percentage of rated capacity utilised in the latter year was 81. Similarly, the production of ammonia, raw gas and coke has come down from the levels reached in 1958-59. The reasons for the decline in output are well known for quite some time. Although the management has not published the results of the expert investigation carried out by Dr. Hussein Zaheer (who submitted his report in April 1960), it is now fairly understood that the clinkering trouble developed by generators was due to the inferior quality coke used in the manufacturing process. The coke actually utilised had a low ash fusion temperature and so it badly corroded all the gas generators. It is feared that some of the generators have actually cracked and that the rated capacity itself has been permanently reduced to 330,000 tons per annum, as against the original capacity of 350,000 tons. The Estimates Committee is clearly of the view that the generators were worked beyond the normally permissible limits in order to keep up the falling output and this has further deteriorated their technical efficiency.



Ship via London
BRITAIN'S PREMIER PORT
EQUIPPED FOR ALL TYPES OF SHIPS AND CARGOES
The
PORT OF LONDON AUTHORITY
A Self-governing Public Trust for Public Service
For full particulars apply
The General Manager
PORT OF LONDON AUTHORITY, LONDON, E.C.3

The findings of the Committee with regard to the expansion scheme (involving an expenditure of slightly over Rs. 9 crores) for raising the output of urea and double salt also make sorry reading. As against the annual target of 24,500 tons of urea and 140,000 tons of double salt, the actual output from the new plant was only 4,658 tons and 22,195 tons, respectively. The shortfall is attributed to various technical difficulties, as a result of which the plant was being operated at half the load. The representatives of the Ministry of Commerce and Industry informed the Committee that the technical difficulties were due to faulty designing and unsatisfactory performance of foreign collaborators. In the interest of raising production, the defects in the expansion plants need to be rectified at the earliest.

Another serious defect in the working of the Sindri Fertilisers which the Estimates Committee has highlighted is the progressive increase in the cost of production per ton of ammonium sulphate, the actual increase over the four-year period from 1954-55 to 1958-59 being Rs. 34. As this has raised the selling price of fertilisers by Rs. 20 to Rs. 290 per ton, the economic repercussions in terms of diminished utilisation by farmers are bound to be serious for the stepping up of agricultural production. The rise in the cost of manufacture is mainly the result of enhanced railway freight, higher royalty on gypsum, enhanced prices of coal and steel, and mounting wages bill. The Estimates Committee has categorically asserted that the increase of over 100 per cent in non-technical supervisory personnel is not justifiable at a time when production is falling. It has, therefore, urged vigorous attempts to rationalise the staff strength. If this is done, at least a part of the rise in production costs will be neutralised.

The physical conditions of the plant and the output performance are disquieting. Equally disquieting is the financial record of Sindri Fertilisers. While sales are maintained more or less at the level obtained in 1958-57—Rs. 10,30 lakhs to be precise—the net profit has declined sharply from Rs. 204.7 lakhs in 1956-57 to Rs. 159.20 lakhs in 1958-59. It is also found that the ratios of total capital, net worth and net working capital to sales are on the high side. Further, the appropriation policy of the Company is obviously not based on accepted canons of financial prudence. Thus, as against the total value of plant and machinery of Rs. 16,75.7 lakhs as on 31st March 1959, the amount of depreciation provided was a bare of Rs. 88.9 lakhs. Reserves and surplus are also inadequate. They together aggregated Rs. 181.77 lakhs at the end of 1958-59, as against the paid-up capital of Rs. 17,00 lakhs. The Estimates Committee observes: "Considering that the Company has been in existence for nearly a decade, the reserves built up by the Company cannot be considered satisfactory."

It is regrettable that, in its representation to the Tariff Commission for deciding the fair price of the products, the management of Sindris has been negligent about this matter. Leaving aside the question of ploughing back sufficient reserves for expansion, the Company has also not cared to set apart enough funds for depreciation and reserves. The most glaring lapse on the part of the management of the Sindri plant which has attracted the attention of the Committee pertains to the losses due to shortage of raw materials and finished goods on physical verification which amounted to Rs. 16.7 lakhs in 1958-59. While this may not be a peculiar feature of Sindri alone, inasmuch as it may be common to all other undertakings which handle large stocks of raw materials, particularly chemical substances, there is much force in the contention of the Committee that the limits of shortages for various items should be fixed without any further delay and that the annual loss to the extent of Rs. 16-17 lakhs is well on the high side. If the declining trend of production in Sindri were allowed to persist, it would seriously affect the implementation of the development programmes in the field of agriculture.

NARMADA PROJECT

The third Five-year Plan of Gujarat has got off well, with the commencement of work on the mammoth Narmada River Valley Project on the 5th inst., when Prime Minister Nehru inaugurated it. Estmated to cost about Rs. 93 crores, the project is one of India's major multipurpose river valley schemes. It is of immense importance to the economic development of Gujarat. Although the economy of this State is predominantly agricultural in character, it is yet dependent on outside sources for almost one-third of its food requirements. Such a state of affairs is attributable to the low productivity of land, thanks, among others, to great dependence of crops on rainfall, which is either insufficient or irregular. Nor are irrigation facilities adequate, notwithstanding the efforts made during the last two Plans to harness the waters of rivers, such as Hathmati, Meshwa, Mahi, Tapi and Bhrahmani. As against the total land area of 40 million acres in Gujarat, cultivable area accounts for about 25 million acres. Even of this, the irrigated area covered no more than 1.1 million acres which, of course, compares very favourably with 150,000 acres before the first Plan. The irrigated land is only 5.6 per cent of the cultivable land in Gujarat, whereas the average for the whole country, which itself is low, is about 17.44 per cent.

The Gujarat State will thus have to go a long way to reach the all-India average. This aspect was well brought out by Mr. Ratubhai Adani, the State's Minister for Public Works, in his welcome speech. Mr. Adani revealed that altogether 50 schemes included in the second Plan now had spilled over into the third Plan, of which 45 schemes would actually be completed, while the major schemes, such as Ukai, Kadana and Narmada would take a longer period for completion.

Considering the poor utilisation of the irrigation potential in Gujarat so far, the Narmada project assumes special significance. Appropriately enough, the project is a multi-purpose one, having for its principal objectives flood control, irrigation, generation of electric power and navigation.

The project will be implemented in two stages. The first stage covers the construction of a 5,275-foot long dam across the river near the Navagam village in Rajpipala taluka (Broach district). The length of the main canal will be 212 miles. Taking off from the reservoir on the right bank of the Narmada, the Canal will irrigate over one million acres of arid lands in Baroda and Broach districts. The outlay on the first stage is estimated at Rs. 43 crores. In the second stage, the height of the dam will be raised further with a view to expanding its capacity for irrigation and also to generate 600,000 kw. of hydro-electric power annually. The extension of the project will make it possible to irrigate the distant region around the valleys of Mahi and Sabarmati rivers, as also the Rann of Kutch. An additional area of 750,000 acres is expected to be brought under cultivation in this region.

CASHEW AND SPICES

The decision of the Central Government to constitute a special commodity committee for the development of cashew and spices, disclosed by Mr. A. M. Thomas, Union Deputy Minister for Food, while declaring open the new building of the India Pepper and Spice Trade Association at Cochin, Kerala State, on Tuesday this week, will be widely welcomed. The proposed committee, we are told, will help undertake extensive plantations based on modern techniques in order to step up the production and to improve the marketing of spices and cashew kernels. Cashew kernels and spices have a significant place in the export trade of India as major dollar earners. Of late, exports of these commodities have made rapid headway. Cashew kernels, for instance, fetched a foreign exchange of over Rs. 18 crores in 1960, as compared with Rs. 15 crores in the previous year. Pepper fared still better in world markets, its total exports rising from Rs. 4 crores in 1959 to as much as Rs. 10 crores. Cardamoms moved up by about Rs. 50 lakhs to Rs. 4 crores. A noteworthy feature of export trade in these commodities is the good beginning made in exploring new markets and that without neglecting the traditional buyers.

It is difficult to say whether the upward trend in exports of cashewnut and spices will persist in the coming years for that would depend on several factors, particularly the level of production, prices and supply-demand position in world markets. This much, however, can be said, namely, that the outlook for exports is quite bright provided, of course, sustained efforts are made to maintain their competitive capacity in regard to prices and quality. For India no longer enjoys the world monopoly it held so far, since several new-comers have entered the field and are offering severe competition to Indian goods. Take the case of cashew kernels. East Africa is said to be setting up cashewnut processing plants. This development will not only affect our exports but also reduce, in due course, the supplies of raw nut to India. It may be noted here that imports of raw cashewnuts from some of the African countries average about 80,000-90,000 tons annually, a quantity which is much larger, than what is grown within the country. It is, however, gratifying that several new buyers, such as Russia and Japan, are evincing keen interest in Indian cashew kernels. At the same time, the pressure of internal consumption of cashews, although negligible at present, is expected to move up with the improvement in the standard of living of the masses. It is thus obvious that exports of cashew kernels cannot be maintained unless India expands the domestic output of raw nuts. It is not surprising, therefore, that the Planning Commission has envisaged an increase of 106 per cent in the output of raw cashewnuts during the third Plan period, that is, from the anticipated output of 73,000 tons in 1960-61 to 150,000 tons by 1965-66. The additional area proposed to be brought under cultivation of cashew is placed at 100,000 acres in Orissa, 95,000 acres in Mysore, 56,500 acres in Andhra, 20,000 acres in Madras, 10,000 acres in Kerala, 5,000 acres each in Assam and West Bengal, 1,000 acres in Madhya Pradesh and 3,600 acres in the Union Territories. Thus, cashewnut cultivation, which was confined to certain parts of Maharashtra and the South, will henceforth be extended to several new regions.

As for spices also, there is evidence of growing competition in world markets. Pepper is facing competition from Borneo and Sarawak, and cardamom from Ceylon and Guatemala. Given proper marketing arrangements and maintenance of proper quality, Indian spices may not be affected adversely in world markets. It is proposed to expand production of cardamom in the third Plan by 16 per cent to 2,260 tons annually and of pepper by 3 per cent to 30,000 tons. Side by side with the expansion of production, it is imperative that the quality of the product is at least maintained, if not substantially improved. The Central Spices and Cashew Committee of the Central Government (Indian Council of Agricultural Research) which met at Calicut last week-end did well, therefore, to draw pointed attention to the importance of promoting agricultural research to aid the growers of cashew and spices. The Committee recommended the appointment of a special committee to draw up a comprehensive scheme for the intensification of research, as well as for helping the growers in developing high-yielding strains, with requisite trade quality factors and resistance to major pests and diseases. Apart from the question of quality, there is, as Mr. E. P. Paulose, Minister for Food and Agriculture, Kerala, rightly stated, need for minimising the impact of fluctuations in the prices of these commodities.

FGI
GLOSTER
CABLES & WIRES
FOR ALL INDUSTRIAL & DOMESTIC PURPOSES

ISI
IS: 434

Every reel of Gloster VIR & CTS cable is manufactured strictly conforming to BSS No. 7 & ISS No. 434 and is stamped with the ISI Certification Mark; your guarantee.

Gloster VIR and weatherproof cables are ACCEPTED by the Fire Sectional Committee of the **INSURANCE ASSOCIATION OF INDIA** as conforming with the safety standards laid down by them.

*ON DGS & D RATE CONTRACT

During and after manufacture, every coil is subject to rigid tests and is further certified by an Inspector of the DIRECTOR OF INSPECTION (Metallurgical), Tatanagar, permanently stationed at the Works.

GLOSTER RUBBER INSULATED CABLE FGI

Manufactured by:
FORT GLOSTER INDUSTRIES LTD.
CALCUTTA.

Sole Selling Agents for Maharashtra & Gujarat:
JAMES FINLAY & CO., LIMITED
(Incorporated in Great Britain with Limited Liability)
CHARTERED BANK BUILDING, BOMBAY—1

ON THE ARENA

By The Archer

Right to Strike

I HAVE mentioned before in these columns of mine that, while we invite foreign experts to study our problems and give us the benefit of their advice, we do not initiate a follow-up or intelligent public discussion thereafter, with a view to correcting any mistakes that we might have made in policy matters. One such recent instance is the visit of Dr. Paul N. Prasow, American specialist in industrial relations in California University, who inaugurated a two-day seminar organised by the Madras Productivity Council and the Madras Institute of Management during the third week of March. Dr. Prasow stated that Government employees or employees in the public sector in the U.S.A. had no right to strike according to law and, if they resorted to strikes, they would automatically lose their jobs; there was no distinction between industrial and non-industrial labour in the public sector; the unions representing employees in public undertakings in America could initiate collective bargaining to settle their differences, but these unions were composed of experts and no outsiders. Unions were allowed some 'lobbying' under which process they could get into touch with members of Congress and other legislative bodies. It was the function and responsibility of elected members of the legislatures to determine the service conditions of employees in the public sector, and the Civil Service Regulations, besides being broad-based, gave adequate protection to employees in that sector.

The last strike of Central Government employees in our country and the partial paralysation of public services during its duration has brought the question of the "inalienable right of workers to strike" to the forefront. Ways and means are being investigated to wean the white-collar class among Government servants from resorting to this dangerous course. And, if a satisfactory solution has been found in so advanced an economic society as in the U.S.A., it should not be difficult to find one for India. Let me add that what would apply to Government employees should also apply to employees in banks, allied financial institutions and the Life Insurance Corporation. Employees of similar institutions in the U.K. or the U.S.A do not resort to the form of pressure which their Indian counterparts have indulged in, and one very good reason why banks in this country have to contend with heavy and continuously mounting establishment charges and working expenses is that the awards under which specified workloads, emoluments and perquisites had to be conceded have deprived the managements of any initiative towards any form of rationalisation. Without being guilty of any sweeping generalisations, I feel justified in saying that the cumulative effect of the 6½ hours' working time, the institution of overtime allowance even for periodical balancing, the grouping of all employees drawing up to Rs. 500 per month under 'workers,' the reluctance of managements to distribute preferment on the basis of merit, the recognition of mere seniority as the inviolable criterion for promotion, and the absence of any system by which it is permissible to separate the sheep from the goats has resulted in most banks having to carry enormous deadweights on their staff, with the result that quick and efficient service to the public is almost a thing of the past. Inefficiency and truculence have to be borne with fortitude by most managements, for a strike is endemic in any situation, and even the reinforced concrete structures of most banks are saturated with full-throated cries of *moradabad* raised by employees and their sympathisers on former occasions. Several banking institutions in the country have, among their senior executive staff, persons who have climbed up merely by virtue of their length of service and age, and quite a few banks display a colourful array of elderly executives who belong to the aristocracy of age, but not the aristocracy of ability, intellect or acumen. It is almost a truism to state that a senior executive who gets elevated to a position of responsibility merely by seniority and not through merit or versatility is bound to perpetuate the criterion that seniority must be the paramount consideration. Indeed, this is the most sinister aspect of what threatens to establish itself as a vicious circle.

In our anxiety to protect the rights and interests of bank employees, we have chosen to give banking the nomenclature of 'industry'; they in the U.K. still call it the 'banking system,' and yet, the bank employees there are, undoubtedly, a thriving, happy and prosperous lot, greatly esteemed by the community, and perpetually concerned with the continuing prosperity of the institutions to which they belong. Banks in India are now passing through a period of shock treatment (shocks administered by depositors, borrowers and the Reserve Bank) and there are several imponderables in the current situation. I feel that the time is opportune for a high level re-examination of all the portents, so that Indian banking is elevated to a 'system' in which the employees will team with managements in full measure, work hard and ungrudgingly, reduce operating charges, increase earnings, avoid loss, and generally, lay less emphasis on their rights, privileges and perquisites and greater emphasis on their responsibilities and obligations.

• • • •

Shareholder or Depositor?

At a select and private gathering of academic people to which I was recently invited, the question was raised about the relative importance of shareholders of banks and depositors, and, unhesitatingly, the conclusion was reached that depositors were the more important of the two, as their stakes in banks were of greater magnitude than those of shareholders, Incidentally, it was also argued that the long and almost pompous speeches made by chairmen at banks' shareholders' meetings, inevitable as such meetings are under the Indian Companies' Act, tended to display disproportionate solicitude to shareholders and their interests as compared to those of depositors; that this appeared to be cock-eyed was illustrated by pointing out that, when ten shareholders unloaded their holdings, the management will not get unduly excited, but when ten large depositors withdrew their deposits it certainly would. Arising out of this, there was a serious suggestion of current topical interest and I think it important enough to mention it here briefly. Most scheduled banks have recorded phenomenal decline in deposits and are facing tight money conditions. Interest rates for deposits have been enhanced, which will result in more money having to be paid out from income. Rates for advances have also been raised, but the area over which such enhancement is possible by rule of thumb is limited, exceptions have to be made, and the resultant increased earnings are not likely to correspond to the increased payment of interest on deposits. Paucity of funds has resulted in liquidation of Government securities by banks (stated to be about Rs. 127 crores up to February 1961, as against an *intake* of Rs. 153 crores in the same period of 1959-60), and the sales must have resulted in losses which have to be provided for from profit earned. Larger borrowings from the Reserve Bank to meet existing commitments will also result in payment of more interest. The cumulative effect of these factors will be that scheduled banks will make very much less profits during 1961 than in 1960, and may adopt one of two courses, namely, reduce allocations for reserves, bad debts, writings off, etc., and make heroic attempts to maintain previous levels of dividend, *or*, make all allocations as are required for ensuring safety and lower the dividends. In the latter case, share prices will fall, a scare may be created, ugly rumours set afloat by irresponsible or mischievous elements, and runs may take place. Undoubtedly, these are possibilities of a grave nature. The suggestion, therefore, is that the Reserve Bank should come to the rescue of banks and issue a *directive* to them to cut their dividends during the current year by half (or even pass over the dividend) and use the money to make adequate provisions all round. It is expected that most banks will be happy to take shelter under this face-saving directive, which, if applied to *all* banks, will avoid the possibility of a crisis to any of them. In such circumstances, there may not be a fall in share values and, even if such a fall does take place, it will be temporary and will not affect the national economy. It seems to me that the Reserve Bank should investigate the practicability of this suggestion almost immediately and come to a decision well in advance of the half-yearly closing of accounts in June. It is, of course, understood that the suggestion does not include the State Bank of India which, apart from having a very strong position not likely to be affected materially by any of the above factors, has 98 per cent of its shares held by the Reserve Bank of India the dividend on which is utilised almost

(*Continued on page* 721)

ECONOMIC SURVEY 1961

NEED FOR MORE EXPORTS DESPERATE

(From Our Own Correspondent)

LONDON, *7th April*

THE central theme of the U.K. Government's Annual Survey of the British economy—published just a short while before the budget is due to appear—is the need, the desperate need for more exports.

LONDON LETTER

Over the year 1960, the pressure of demand for labour of all kinds (but especially of skilled labour) hardly eased; civil employment rose and personal incomes increased more than the post-war average. The effect of this increase on incomes was slightly mitigated by an increase in savings, so that consumption fell slightly. Nevertheless, industrial production remained static for the last three quarters of 1960 and the net effect was that national production was outstripped by pay increases. Though the Government analysis does not use the term, this is the classical form of an inflationary situation.

The Treasury analysis does go as far as to say that, if this process continues, pressure on costs and prices will be intensified and the country's ability to export impaired. But, indeed, this process has already been far advanced. Imports have risen much more steeply than exports, and the balance of payments worsened, so that 1960 produced an adverse balance of £344 million. It is fortunate for the U.K. that the terms of trade have remained favourable to the U.K. in comparison with those obtaining up to three years ago.

The adverse balance on current account of £344 million is not the whole story. There has been a *net* overseas long-term investment of £101 million (made up of U.K. investment abroad of £274 million and overseas investment in the U.K. of £173 million) giving a total deficit of £445 million. To meet such a deficit, it is not enough to resort to temporary expedients such as utilising hot money inflows, for these can be too readily followed by an outflow such as, in March, dropped the gold reserves by a further £62 million.

Gold Movements

Incidentally, it is worth noting that officially very little significance is now being attached to these gold movements. In 1959, the gold reserves went down over the year when the balance of payments was active and in 1960, they went up when the balance of payments was passive. Since the intake of hot money might be as high as £600 million, quite substantial gold outflows could take place as sums are withdrawn.

What is of basic significance is the growth of the economy and the part that exports play in that growth. The Survey comments:

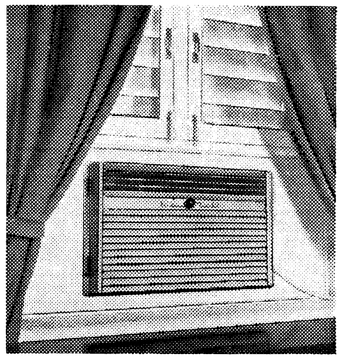
'For a country in the international position of the United Kingdom, it is axiomatic that the growth of the economy must be interlocked with the growth of exports—otherwise the balance of payments situation is bound to frustrate growth and force a reversal of direction. Endeavours by Government and industry to foster the growth of the economy will succeed only if they are also designed to improve the country's competitive power.'

How, though, is the country's competitive power to be improved and how are exports to be increased? Looking at 1961, the Survey expects further increases in real incomes, further expansion in capital investment, and, in all likelihood, a significant increase in the total domestic output. The actual size of the increase will be affected by the extent to which demand is met by additional imports, or to the extent to which additional exports create a need for further production. The Survey also notes that the world situation is favourable to an expansion of exports *provided* "if they are competitive in price and delivery, and if salesmanship is sufficiently vigorous."

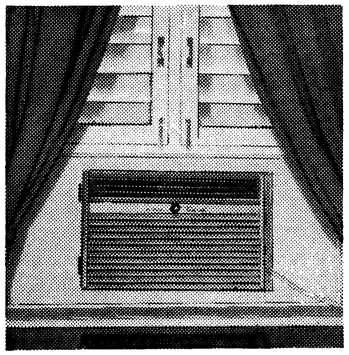
The Survey appears to suggest that all action beyond this analysis is with industry, but Government spokesmen considered that the Government was committed to intervene actively indeed to the limit of its capabilities. Government intervention would cover the encouragement of investment, employment policy and such assistance and exhortation as could be given on exports.

Your correspondent will consider the adequacy of these measures in a succeeding letter.—*All Rights Reserved.*

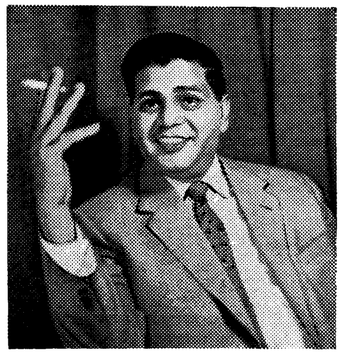
Why do I prefer it?



It has a greater cooling capacity.



Protrudes only 2½" into my room.

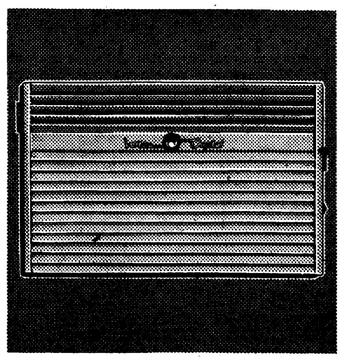


It lasts many years.

And Service is superb,

prompt, efficient and

in fact, the best in India.



Naturally—I prefer a Crystal.

A Voltas Crystal air conditioner cools a room, cuts down outside noise and allows you to work, relax, or sleep undisturbed. It creates a cool climate healthfully free of dust, damp and insects. This hardy machine, specially designed for India's difficult climatic conditions, is built to last you many years.

With a Voltas Crystal you get famous Voltas Service—the best in India.

More people buy a Crystal than any other air conditioner.

Crystal by VOLTAS

VOLTAS LIMITED

Head Office: Ballard Estate, Bombay 1.

CALCUTTA • MADRAS • NEW DELHI
BANGALORE • COCHIN • AHMEDABAD
LUCKNOW • KANPUR • SECUNDERABAD

VTY-3

UNDER SECRETARY TO GOVERNMENT 17 APR 1961 PUBLIC DEPARTMENT

MARKED RISE IN PUNJAB NATIONAL'S PROFIT

TAXATION ABSORBS MAJOR PORTION

IN refreshing contrast to the declining trend of net earnings in the past three years, the financial results of the Punjab National Bank Ltd. (General Manager: Mr. A. M. Walker, New Delhi) for the year ended 31st December 1960 reveal a smart improvement in profit from Rs. 87.70 lakhs in 1959 to Rs. 118.04 lakhs. The level of profit is the highest on record in the last decade of the Bank's working and has been due to the marked expansion in income from interest, discount, commission and exchange. The income by way of interest and discount alone shows a rise of as much as Rs. 67.76 lakhs to Rs. 697.12 lakhs and that from commission and exchange has gone up by Rs. 39.96 lakhs to Rs. 147.87 lakhs, while income from other miscellaneous sources has declined by Rs. 34.10 lakhs to Rs. 26.17 lakhs.

The substantial improvement in earnings has, however, not benefited the shareholders by way of higher dividend, because practically the entire increase in earnings has been eaten by taxation, the provision of which has been raised from Rs. 17.50 lakhs in 1959 to Rs. 53.00 lakhs in 1960. The amount allocated to reserves is also lower at Rs. 11 lakhs, as against Rs. 20.50 lakhs in the previous year. After providing Rs. 27 lakhs for payment of bonus to staff and Rs. 1 lakh for donations, the Directors have recommended a final dividend of Re. 1 per share which together with an equivalent interim dividend, gives a taxable dividend of 20 per cent, same as that paid in the previous year. The net dividend works out to 14 per cent and this is considerably lower than the tax-free dividend of 20 per cent distributed during years 1957 and 1958.

A synoptic view of the progress of the Bank since 1957 can be had from the following comparative table:

(In lakhs of rupees)

	For the Year ended 31st December			
	1960	1959	1958	1957
Interest and discount earned ..	6,97.12	6,29.36	6,08.37	5,18.45
Commission and exchange ..	1,47.87	1,07.91	1,02.57	1,06.42
Other income ..	26.17	60.27	75.63	45.40
Interest paid ..	3,51.38	3,37.31	3,32.56	2,66.72
Expenses ..	3,86.96	3,59.82	3,38.89	2,83.99
Depreciation ..	14.78	12.73	9.61	9.49
Profit ..	1,18.04	87.70	1,06.22	1,11.07
Provision for taxation.	53.00	17.50	33.50	50.00
To Reserves ..	11.00	20.50	17.00	22.50
To bonus to staff ..	27.00	25.00	30.75	18.00
To other appropriations ..	1.00	1.00	..	1.00
To dividends ..	25.00 (20%)*	25.00 (20%)*	25.00 (20%)	21.25 (20%)
Carry forward ..	4.23	3.19	4.49	4.52
	As on 31st December			
	1960	1959	1958	1957
Capital ..	1,25.00	1,25.00	1,25.00	1,25.00
Reserves ..	1,56.50	1,47.50	1,27.00	1,10.00
Deposits ..	139,48.47	141,15.86	129,19.58	124,60.98
Borrowings from other banks ..	4,78.67	3,15.60	5,00.18	16.21
Advances ..	95,58.28	79,51.04	66,76.23	67,95.89
Investments ..	45,80.88	66,28.94	62,54.05	55,38.15
Cash	12,75.28	13,33.95	13,01.77	24,48.48
Balance-sheet total ..	191,52.18	179,55.73	164,15.18	151,98.41
Ratio to deposits of—	%	%	%	%
Advances ..	67.0	51.4	52.4	54.5
Investments†	29.4	44.7	48.7	31.0
Cash ..	9.1	9.4	10.1	19.6

* Subject to deduction of tax.
† Only unencumbered portion is taken into account.

The main reason for the substantial improvement in the earnings by way of interest discount, commission and exchange is the sharp rise in the volume of business, as is clearly reflected in the increase of Rs. 21.02 crores in advances which stood at the record level of Rs. 93.53 crores as on 31st December 1960.

On the liabilities side, the changes in deposits and borrowings from other banks are in keeping with the general trend The aggregate deposits, as already stated, declined by Rs. 1.68 crore to Rs. 139.48 crores. The various classes of deposits show a divergent trend. Thus, fixed and savings deposits have shrunk by Rs. 3.78 crores and Rs. 41 lakhs, respectively, whereas the current deposits and employees' deposits have risen, the former by Rs. 2.49 crores and the latter by Rs. 3 lakhs. In order to secure resources for meeting the expanding demand for loanable funds from clients, the Bank had to reduce its investments and to borrow more from other banks, the sum actually borrowed rising by Rs. 1.38 crore to Rs. 473.67 crores. The Bank's liquidity ratio (investment plus cash), however, stands at 38.5 per cent which is well above the minimum safety limits.

HIGHER EXPENSES AFFECT CANARA BANK

PROFIT, HOWEVER, RISES

DESPITE the marked rise of Rs. 15.72 lakhs to Rs. 172.48 lakhs in the gross income of the Canara Bank Ltd. (General Manager: Mr. P. S. Nayak, Bangalore) during the year ended 31st December 1960, the profit shows a modest improvement of Rs. 2.00 lakhs to Rs. 20.30 lakhs. This has been due to the fact that the rise in income has largely been neutralised by the steep increase in expenses, from Rs. 54.49 lakhs in 1959 to Rs. 71.24 lakhs in 1960. The Bank was able to secure during the year under review larger volume of business. The income by way of interest and discount, for instance, has jumped up from Rs. 119.31 lakhs to Rs. 129.69 lakhs and that from commission and exchange from Rs. 28.16 lakhs to Rs. 32.78 lakhs. The other miscellaneous receipts including profit on sale of different assets, have also increased from Rs. 8.29 lakhs to Rs. 10.01 lakhs.

Thanks to the inter-bank agreement on deposit rates, the interest paid by the Bank has gone down from Rs. 80.83 lakhs to Rs. 78.52 lakhs, despite the accretion of Rs. 1.89 crore to the deposit portfolio during the year.

Out of the profit of Rs. 20.30 lakhs for 1960, taxation absorbs Rs. 7.65 lakhs, as against Rs. 4.75 lakhs in 1959, transfers to reserves (including Rs. 50,000 for development rebate reserve) amounts to Rs. 3.50 lakhs as against Rs. 5.00 lakhs, and bonus to staff has taken Rs. 3.10 lakhs, as against Rs. 2.40 lakhs. After making these provisions, the Directors have proposed a taxable dividend of 15 per cent on ordinary shares, which is the same as that paid in 1959. The net return to shareholders comes to 10.5 per cent a shade higher than the tax-free dividend of 10 per cent received in 1957 and 1958.

The progress of the Bank since 1957 is depicted in the following comparable table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Interest and discount earned ..	1,29.69	1,19.31	91.11	62.06
Commission and exchange	32.78	28.16	24.41	23.75
Other income ..	10.01	8.29	6.13	5.77
Interest paid ..	78.52	80.83	60.63	37.84
Expenses	71.24	54.49	45.00	37.43
Depreciation ..	2.42	2.14	2.08	1.55
Profit ..	20.30	18.30	14.00	15.29
Provision for taxation ..	7.65	4.75	3.91	7.30
To reserves	3.50*	5.00	5.00	4.00
To bonus to staff	3.10	2.40	2.10	1.90
Dividends—				
5 per cent preference ..	0.62†	0.70	0.52	0.52
Ordinary	5.40 (15%)†	5.40 (15%)†	2.55 (10%)	1.50 (10%)
Carry forward	0.45	0.42	0.37	0.45
	As on 31st December			
	1960	1959	1958	1957
Capital	50.00	50.00	49.81	29.00
Reserves	56.30	56.30	51.24	40.00
Deposits	30,81.98	28,93.38	23,76.08	17,84.40
Advances	16,02.85	15,88.01	10,98.02	8,79.87
Investments	10,52.44	11,54.93	10,06.67	5,45.60
Cash	5,41.41	3,01.43	4,11.67	4,60.52
Balance-sheet total ..	40,34.20	39,16.30	30,58.04	23,96.71
Ratio to deposits of—	%	%	%	%
Advances	52.0	54.9	46.0	49.3
Investments	33.1	40.0	42.4	30.6
Cash	17.5	10.4	17.3	25.8

* To inner reserves.
† Subject to deduction of tax.

It will be observed from the above figures that the total deposits have gone up from Rs. 28.93 crores to Rs. 30.82 crores. The savings and current deposits have improved by Rs. 1.32 crores and Rs. 1.97 crores, respectively, whereas fixed deposits have declined from Rs. 16.01 crores to Rs. 14.61 crores. The Bank's advances have expanded from Rs. 15.88 crores to Rs. 16.63 crores, but as the deposits have increased more sharply the credit ratio has declined from 54.9 per cent to 53.9 per cent. Investments have fallen from Rs. 11.85 crores to Rs. 10.22 crores, bringing down the percentage ratio of investments to deposits from 40.9 in 1959 to 33.1 in 1960. This sharp fall explains the move of the Bank to alter the composition of its assets with the object of securing more funds to meet the enlarged demand for bank loans from trade and industry.

The Bank's paid-up capital as on 31st December 1960 stands at Rs. 50.00 lakhs. In order to raise the ratio of capital to deposits, the Directors propose to increase the capital later in the current year. The reserves and surplus aggregate Rs. 56.30 lakhs.

INDIAN OVERSEAS BANK DOES WELL

DIVIDEND MAINTAINED

IN consonance with the general trend of banking profits in 1960, the profit of the Indian Overseas Bank Ltd. (General Manager: Mr. C. P. Doraikannu, Madras) has staged a smart rise of Rs. 11.05 lakhs to Rs. 44.66 lakhs. Such a rise has followed substantial expansion in the volume of business, which is reflected in the increase in gross income from Rs. 201.12 lakhs in 1959 to Rs. 226.63 lakhs in 1960. The income by way of interest and discount has gone up by Rs. 17.68 lakhs to Rs. 159.61 lakhs, and that from commission and exchange by Rs. 7.40 lakhs to Rs. 66.07 lakhs. Since the notable rise in income has not been accompanied by a corresponding rise in expenses—interest paid has risen by a bare Rs. 71,000 to Rs. 87.02 lakhs and expenses other than interest paid by Rs. 12.57 lakhs to Rs. 89.24 lakhs—the profit margin (that is the ratio of profit to gross income) has advanced from 16.7 per cent in 1959 to 19.7 per cent in 1960.

The provision for taxation has been stepped up from Rs. 12.50 lakhs to Rs. 18.50 lakhs, thus absorbing the major share of the increase in profit of Rs. 11.05 lakhs. The Directors have followed the prudent policy of raising the allocation to reserve from Rs. 7 lakhs to Rs. 10 lakhs. This takes the total reserves to Rs. 69.37 lakhs, as against the paid-up capital of Rs. 75.00 lakhs. The bonus to staff is slightly higher by Rs. 50,000 at Rs. 5.50 lakhs. After these necessary provisions and allocations, the Directors have decided to maintain the dividend at the previous year's level of 14 per cent subject to tax, giving a net return of 9.8 per cent. This dividend is still a shade lower than the tax-free dividend of 10 per cent distributed in the earlier years.

A bird's-eye view of the progress of the Bank can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Gross income ..	2,26.63	2,01.12	1,65.38	1,32.28
Interest and discount ..	1,59.61	1,41.93	1,12.82	88.38
Commission and exchange..	66.07	58.67	52.84	46.82
Interest paid	87.02	87.31	65.89	40.65
Expenses	89.24	76.67	67.96	56.69
Depreciation	5.71	4.58	3.37	2.44
Profit	44.66	33.61	28.60	32.49
Provision for taxation ..	18.50	12.50	12.50	16.00
To reserves	10.00	7.00	6.00	7.32
To bonus to staff	5.50	5.00	4.50	3.75
Dividends	10.50 (14%)*	9.88 (14%)*	5.88 (10%)	5.88 (10)%
Carry forward	1.92	1.76	2.08	2.32
	As on 31st December			
	1960	1959	1958	1957
Capital	75.00	74.53	69.48	56.22
Reserves	69.37	59.37	52.37	46.86
Deposits	29,29.13	30,48.65	27,98.69	19,84.41
Borrowings from other banks	3,87.42	1,86.00	66.98	5.96
Advances	19,25.51	19,04.06	15,25.55	11,29.68
Investments	11,54.80	11,37.79	10,79.38	6,52.56
Cash	4,02.78	3,81.21	4,27.41	5,52.39
Balance-sheet total ..	49,48.14	47,42.57	42,70.12	29,01.61
Ratio to deposits of—	%	%	%	%
Advances	65.6	62.4	54.5	56.9
Investments†	39.4	37.3	38.6	32.9
Cash	13.7	12.5	15.3	27.7

*Subject to deduction of tax.
† Only the unencumbered portion is taken into account.

It will be observed from the table that the deposits of the Bank have declined from Rs. 30.49 crores in 1959 to Rs. 29.29 crores. The entire decline is accounted for by fixed deposits which have contracted to the extent of Rs. 1.57 crores. The savings and current deposits have registered an increased of Rs. 18 lakhs and Rs. 20 lakhs, respectively. In order to supplement its loanable funds so as to meet the growing demand for bank accommodation on the part of trade and industry, the Bank has increased its borrowings from other banks sizably from Rs. 1.86 crores to Rs. 3.87 crores. As a result of the rapid expansion of industrial and agricultural production and the policy of extending its activities to new areas pursued vigorously by the management, advances have risen from Rs. 19.04 crores to Rs. 19.33 crores, raising the credit ratio from 62.4 per cent to 65.6 per cent. The Bank's bill business, too, has improved, as is clearly revealed by the expansion in the portfolio of bills for collection from Rs. 5.09 crores to Rs. 6.19 crores. Investments, which are shown at or below market value, have also increased from Rs. 11.38 crores to Rs. 11.54 crores, as at 30th December 1960. The Bank's liquidity ratio is as high as 39.8 per cent which is fairly above the normal requirements.

TAXATION OR EXPROPRIATION?

IMPORTANCE OF INCENTIVES TO SAVE AND INVEST DISREGARDED

By A Special Correspondent

MR. Morarji Desai's admission, in the course of the Budget debate in the Lok Sabha, that there are about 15 to 20 individuals whose tax liability amounted to 120 per cent of their income draws attention to one of the most glaring inequities of the present system of direct taxation. That the number of individuals affected is an almost infinitesimal proportion of the population and that they are very rich cannot be accepted as justification for flouting a universally accepted principle of fiscal equity. A tax system, like a judicial system, must be fair to all, whether they are rich or poor.

Even the number of individuals mentioned by the Finance Minister is misleading. If account is taken of all those who are victims of confiscatory taxation, in the sense that taxes on income and wealth amount to more than 100 per cent of income, the number will be much more than 15 to 20. And a substantially larger number is virtually prohibited to save and acquire income-yielding assets, because, if they do, the additional liability in respect of taxes on income and wealth will be greater than the additional income. In effect, this results in a marginal tax rate of 100 per cent and more, much before the effective tax rate on the entire income reaches 100 per cent.

This anomalous situation is the result of grafting an annual wealth tax on an income-tax system with very high marginal rates. Professor Nicholas Kaldor, on whose recommendations the present system of direct taxation is largely based, was fully aware of this incongruity. While proposing a wealth tax, he was insistent that, "though it is levied on the value of the principal, it is really a tax on accrual and not a tax on the principal itself—as, for example, estate duties or a capital levy are." In order to ensure that the income and wealth taxes together should have no expropriatory effect on owners of property, he desired that the top marginal rate of income-tax should be no more than 45 per cent. This salutary principle was rejected by the Government and the annual tax on wealth was introduced alongside marginal rates of taxes on income which are now 84 per cent in the case of unearned income and 80.5 per cent on earned income (after allowing for the 5 per cent increase in surcharge on earned income over Rs. 1 lakh in the Finance Bill 1961).

Tax Liability Exceeds Income

The present position is that, in the case of persons with high unearned incomes, for example, above Rs. 2.50 lakhs, the combined operation of the income and wealth taxes results in a tax liability that exceeds the entire income, with the result that the taxpayer has not only to hand over his entire income to the exchequer, but, in addition, has to sell part of his property to pay the tax in full. On the assumption of a 6 per cent average return on wealth, the position is as follows:

Income before tax Rs.	*Income and wealth taxes* Rs.	*Disposable income* Rs.
2,54,860	2,54,860	0
3,00,000	3,07,824	—7,824
4,00,000	4,25,164	—25,164
5,00,000	5,42,824	—42,824
10,00,000	11,29,164	—1,29,164

(Source: *Report on Taxation and Private Investment.* National Council of Applied Economic Research, p. 99.)

It is instructive to compare the maximum marginal rates of personal income taxation in India with those of other countries. It will be seen that, of the twenty other countries, whose rates are listed below, only two, namely, the U.S.A. and the U.K., are ahead of India and in neither of these countries is there an annual tax on wealth:

	Per cent.
United States ..	91.00
United Kingdom ..	88.75
India ..	84.00*
Puerto Rico ..	82.95
Canada ..	80.00
Ireland ..	77.50
France ..	78.00†
Netherlands ..	72.50
Japan ..	70.00
Australia ..	66.67
Belgium ..	65.00
Sweden ..	65.00
Greece ..	63.00‡
Austria ..	59.34
Italy ..	58.00
Mexico ..	32—35§
Norway ..	55.00
Germany ..	53.00
Denmark ..	52.33P
Union of South Africa ..	47.50
Switzerland ..	8.00

* For unearned income.
† Includes an 8 per cent complenatary tax on non-wage income.
‡ Includes a 3 per cent tax on investment income.
§ Tax rate applicable depends on source of income.
P Effective maximum, allowing for deductibility of previous year's tax, where income is stable.
(Source: *Monthly Letter* of the First National City of New York, January 1961.

When account is taken of income and wealth taxes, India emerges as the most highly taxed country in the world. Its tax system is the most progressive, in the sense that the tax burden on the upper income ranges is greater than in any other country. Denmark has a 110 per cent top rate, but this is ineffective, since income-tax paid in one year is deductible from taxable income in the next. The highest marginal rate of 91 per cent in the U.S.A. applies to an income almost twenty times as large as the income which attracts the highest marginal rate in India. In Norway and Sweden, where there is an annual tax on wealth, a maximum limit of 80 per cent of income is fixed for the combined burden of taxes on income and wealth. It is only in India that the tax system permits expropriation of property.

A Government that is pledged to socialist economic objectives is not likely to be impressed by the argument that this is a gross violation of the spirit, if not the letter, of the fundamental right of private property. Karl Marx would have approved of the Indian system of direct taxation, for, in the *Communist Manifesto*, he advocated a "heavy progressive or graduated income tax" as a means of making "despotic inroads on the right of property and on the conditions of bourgeois production," though one wonders whether even Marx visualised taxation beyond 100 per cent of income.

Ability Negatived

While rejecting the principle of a ceiling on income, the Government has virtually imposed such a ceiling on the income of those who own property. Rejection of a ceiling on earned income, while acquiescing, implicitly, in a ceiling on "unearned" income, is, perhaps, typical of socialist economic thinking. It is however, open to the criticism that, while recognising the importance of providing incentives to work (at least to the extent of desisting from appropriating the entire income from work), it disregards the importance of incentives to save and invest by those who are already very rich. It is obvious that, when an individual has to pay more in tax than what he earns from his property and investments, his ability to save is negative and his incentive to undertake new activities will have become enfeebled to the point of extinction. The number of those for whom such incentives are completely extinguished is considerably greater than that of the persons whose total income or more is appropriated as tax. Anyone whose marginal increment of income will attract a more than 100 per cent marginal rate of tax, that is anyone who has reached the point of diminishing disposable income with increasing wealth, will be in such a position. It is for the Government to decide whether this entire group is expendable so far as their contribution to saving and investment is concerned.

A Vicious Circle

There is another aspect of this matter. The punitive rates of tax on the higher ranges of personal income constitute an irresistible temptation to tax avoidance and evasion. It is obvious that the willingness to undergo the risk and the trouble of evasion is dependent on the profitability of successful evasion. With a marginal tax rate of 100 per cent of income or more, the gain is so large that almost any cost and risk appears worthwhile. It is common knowledge that, in the battle of wits between the tax collector and the finest legal and accounting talent that money can buy, the Government generally comes off second best. The result is a vicious circle. The higher the rates of tax, the smaller the base to which the higher rates apply. The additional revenue falls far short of expectations, with the result that rates are pushed up still higher and the tax base shrinks further. It is likely that a moderately progressive schedule of rates will result in a weakening of the present assiduous search for ways of avoiding and evading tax. The game will no longer be worth the candle. The revenue may be expected to be the same as now if not greater, because of the wider base to which the lower rates will apply and, in addition, expenditure on enforcement could be substantially curtailed.

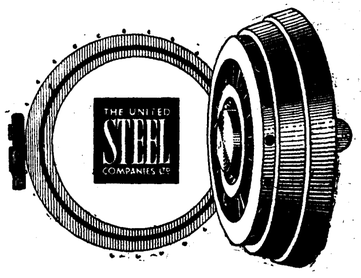
Finally, expropriatory taxation of income and wealth is hardly likely to create a favourable impression in countries from where foreign private investment is sought. Special exemption for foreign technicians and other concessions will not make up for a domestic fiscal policy which seems to reflect a strong ideological antipathy to and scant respect for private property.

Greece and West Germany have signed an agreement under which private investments in each other's countries will be mutually guaranteed against discrimination and expropriation without compensation. At the same time, the agreement will ensure the right freely to transfer earnings and repatriate the original investment. W. Germany has already concluded similar agreements with Malaya, Pakistan and Persia. The W. German Government has powers to issue German investments made abroad against political risks on a system analogous to export credit guarantees. Such insurance may be granted only in countries with which West Germany has treaties along the lines of that now concluded with Greece.

West Germany's private direct investments abroad aggregated DM 504.1 million in 1960—the lowest since 1956. With this, the total of such W. German investments abroad amounted to DM 2,928 million. Of this, about DM 1,570 million, or 53.6 per cent of the total, were invested in north, south and central America and slightly more than DM 1,000 million, or 35 per cent, in Europe. About DM 180 million went to Africa, nearly DM 105 million to Asia and DM 44 million to Australia. The U.S. and Brazil were on the top of the list of individual countries where private German capital was invested.

Bank vaults are always made of steel . . .
because steel is so dependable!

symbol of security!



Through the years Steel has come to be considered the symbol of security . . . not merely physical security, but economic security as well! The larger the amount of steel a country produces, the higher the rung she occupies on the ladder of economically stable countries . . . the greater her credit in the international market. And that is why India today is striving so hard to raise her output of steel — Steel that will endorse her claim to economic stability . . . Steel that she can hold up to the world as a symbol of her security.

THE UNITED STEEL COS. (INDIA) PRIVATE LTD.

Bombay • Calcutta • Madras

ujanta us-27A

ACHIEVING PLAN TARGET FOR COTTON

EMPHASIS SHOULD BE ON IMPROVING YIELD

THE achievement of the Third Plan target of 7.2 million bales for cotton calls for more vigorous effort on the part of the Indian Central Cotton Committee and the States' Departments of Agriculture than has been made by them under the first and second Five-year Plans. The target of 7.2 million bales, to be achieved by 1965-66, represents an increase of 1.8 million bales over the revised second Plan target of 5.4 million bales; the original target was 6.5 million bales.

Past experience has amply demonstrated that despite the increase in the area under irrigation, the progress made in seed multiplication and distribution as well as supply of fertilisers, the production of this sensitive fibre continues to be highly vulnerable to adverse weather. Although scientists have not yet succeeded in controlling weather or in insulating the crop from the adverse effects of sudden shifts and changes in climatic conditions, a reduction in the dependence of agricultural operation on the exigencies of weather has been found to be possible. More irrigation facilities, adequate supply of fertilisers and distribution of better seeds could go a long way towards increasing output. In view of the limited scope for increasing the area under irrigated cotton and, considering the more pressing need for augmenting food output, the additional rise in cotton production envisaged in the third Plan should come largely from the supply of more fertilisers to cultivators, better plant protection measures, etc. So far, not more than 40 to 45 per cent of the cultivators' fertiliser requirements have been met. It is estimated that 25 per cent of the planned increase in production during the third Plan period could be obtained, if supply of fertilisers were stepped up so as to meet the demand for them in full.

In order to plan the production of cotton during the next five years on a realistic basis, it is necessary to take stock of the progress achieved in the past. This is what has been done by Dr. B. L. Sethi, Secretary of the Indian Central Cotton Committee. In the course of an article contributed to the latest issue of the *Indian Cotton Growing Review*, Dr. Sethi reviews the progress of cotton since the I.C.C.C. was established in 1921 with the object of promoting agricultural and technological research on cotton and for the improvement and development of the methods of growing, manufacturing and marketing of Indian cotton. The review reveals that the Committee, with the assistance of the State Departments of Agriculture, has effected vast improvements in the quality of Indian cotton through its research and seed multiplication schemes. It has so far financed 154 research schemes and 89 seed multiplication schemes at a total cost of Rs. 2.2 crores. The achievements of the Committee during the 20 years of its existence are highlighted below:

(i) Research schemes which are mainly concerned with the improvement of the quality of cotton, have resulted in the production of 66 improved varieties, by judicious utilisation of the techniques of selection and hybridisation. These schemes along with those for multiplication and distribution of pure seed of these varieties, have brought about the present self-sufficiency in cotton stapling upto 1-1/16".

(ii) The production of long-staple cotton (1" and above), which was 13 per cent of the production in the quinquennium 1922-27, increased to 42 per cent in 1957-58. The production of short-staple cotton decreased from 58 per cent to 17 per cent during the same period.

(iii) The production of extra long-staple cotton of 1" and above increased from 60,000 bales or 3 per cent of the crop in 1947-48 to 4.5 lakh bales or 10 per cent of the crop in 1958-59.

(iv) 'Andrews' variety of Sea Island cotton having a staple length 1¼" to 1⅜", and capable of spinning 70s counts has been successfully acclimatised on the west coast of India.

(v) The area and production of cotton which had gone down to as low as 10.6 million acres and 2.2 million bales in 1947-48 just after the partition of the country, have increased to 19.9 million acres and 4.7 million bales, respectively, in 1958-59.

(vi) The area under improved varieties increased from 48 per cent of the total in 1947-48 to 70 per cent in 1958-59. At present, there is a suitable improved variety evolved practically for every tract and the question is to expedite its multiplication and distribution to cover the whole tract.

(vii) Based on a modest estimate of Rs. 10 per acre as additional income through growing improved varieties of cotton, the total extra income to the cotton growers in 1958-59 was of the order of Rs. 13.4 crores.

(viii) The area under irrigated cotton, which was about 600,000 acres just after the partition, has increased to 25 lakh acres in 1958-59.

(ix) The average acre yield of 96 lbs. of lint cotton in the quinquennium 1922-27 rose to 102 lbs. in the quinquennium 1942-47, but dropped to 93 lbs. after partition. In 1954-55 it rose to 112 lbs. per acre while in 1958-59 it was only 102 lbs. per acre.

(x) Indian cottons, which constituted only 73 per cent of the total Indian mill consumption in 1951-52, rose to 91 per cent in 1958-59.

The following table indicates the trend and progress of Indian cotton since partition:

	1947-48	1951-52	1955-56	1956-57	1959-60
	1st year after Partition	Beginning of 1st Plan	End of 1st Plan	Beginning of 2nd Plan	Fourth year of 2nd Plan
Area ('000 acres) ..	10,655	16,198	20,230	19,803	19,252
Production ('000 bales)					
Official estimate ..	2,188	3,133	4,020	4,735	3,835
Trade estimate ..	3,020	3,881	4,698	5,086	4,000
Production staple length wise (official estimate)					
Extra Long (1" and above) ..	60	55	305	329	..
Long ..	259	363	1,272	1,559	1,674*
Medium ..	1,124	1,223	1,781	2,144	1,523
Short ..	745	992	662	707	638
Yield per acre (lbs.)—					
Official estimate ..	82	77	80	95	78
Trade estimate ..	113	95	93	102	81

*Including extra long long-staple cotton of 1" staple and above.
Note: Production during 1960-61, the last year of the second Plan, is currently estimated at 5.2 million bales.

It is evident from the above table that the yield per acre of cotton has not shown any substantial improvement. The year-to-year variation in yield both ways shows that the yield of cotton has been influenced more by climatic conditions than by changes in manurial or cultural practices. It is not denied that use of better seeds and more fertilisers did contribute to improve yield. Nevertheless, the yield patterns of Indian cotton have not been materially altered and the crop continues to depend largely on weather. This only confirms the point that higher yield is the key to increased cotton production.

ANOTHER GOOD SEASON FOR WORLD COTTON

When the final results for 1960-61 are tallied, another good season for cotton should go into the record, according to the International Cotton Advisory Committee, Washington. Although individual countries are experiencing difficulties of one form or another, the overall situation continues to be encouraging. With production at the highest level in history and despite the probability that there will be no further increase in consumption this season, there is not likely to be any increase in the end-season carryover. Not only are production and disappearance in balance, but the equilibrium has been reached at a record level in both cases.

Production during the season is estimated at 32.5 million bales (of 478 lbs. each). With the U.S. crop down slightly from last season's total, all the increase, amounting to almost a million and a half bales, has occurred in other countries. The increase in India alone, where yield per acre has recovered from last season's abnormally low level, amounts to about 800,000 bales, but production has also increased in several other major cotton producing countries—Mexico, Egypt and probably Argentina and Brazil. Proportionally, the increase in production in some of the smaller countries has been quite pronounced and record crops are being harvested in Greece, Iran, Israel and El Salvador.

The reduction in opening season stocks to 16.2 million bales as compared with 17.5 million a year earlier, however, goes a long way to offsetting the increase in production so that supply within the free world is only slightly ahead of last season's total.

Supply in the United States, including imports, is estimated at nearly 22 million bales, or about 1.6 million bales less than in 1959-60. With a record crop and increased carryover, supply outside the United States is estimated to be up by about 2 million bales. Consumption during the opening months of the season was running higher than a year ago in most countries. The decline in the United Kingdom is attributed mainly to labour shortages, though the continued growth in textile imports is still of major concern to the industry. Further gains in consumption are apparent on the Continent. Consumption in India moved fractionally lower in the first three months but there was a further marked increase in Japan. In the aggregate, it is thought that consumption outside the United States will exceed last season's record 22 million bales, but because of the sharp contraction in the U.S. industry, the total for the free world may be down slightly.

With few exceptions, the trade outlook in the Committee's opinion, is generally favourable, particularly for American-type cottons. In many countries, the bulk of the new crop has already been committed. Pakistan being the major exception; but, even here, unsold stocks in Karachi are down considerably from a year ago. Demand for Egyptian types, however, has declined appreciably, with exports from Egypt lower by over 30 per cent as compared with last season's rate.

In view of the complex price situation, it is difficult, says the Committee, to forecast trade prospects for the full season. However, given the continuance of the present level of consumption, and assuming that end-season stocks in net importing countries will remain at least at the level obtaining a year earlier, it seems likely that total exports will not be much lower than the record 15.3 million bales shipped last season. If this turns out to be the case, the United States could export up to last season's volume without adversely affecting the export trade of competing countries.

"Pyramid" Brand
GRADE I QUALITY
HAND TAPS

"Pyramid" TRADE MARK

DIES

ACCESSORIES & TOOL BITS

AVAILABLE EX-STOCK

Pyramid TAPS & DIES ARE PRODUCTS OF SKILL. FROM INITIAL MATERIAL SELECTION TO FINAL INSPECTION & PACKING Pyramid PRODUCTS ARE SUBJECTED TO INDUSTRY'S HIGHEST QUALITY CONTROL STANDARDS. Pyramid OFFERS A COMPLETE RANGE OF THREADING TAPS & DIES FOR EVERY INDUSTRIAL APPLICATION.

INDIA TAP & DIE CO. PRIVATE LTD.
C. S. TRACK ROAD, BALIMA, BOMBAY 55 | 524, SADAR BAZAR, JHANSI (U. P.)

FINANCES OF TEXTILE INDUSTRY

PRODUCERS OBTAIN MORE FAVOURABLE MARGINS

From Our Special Correspondent

MANCHESTER, *4th April*

MANCHESTER LETTER

MOST of the results received so far this year from companies in Lancashire whose interests are predominantly in the cotton and allied trades have reflected the much more favourable margins now being obtained by producers in the various sections of the industry. The weight of business recorded throughout 1960 was well in excess of the turnover for nearly a decade before and companies which did not derive benefit from such a situation could hardly expect to gain ground at any other time.

Whether this trend will be maintained is, of course, a matter for conjecture, particularly in view of the lower level of activity which has prevailed, so far as fresh business is concerned, since the beginning of 1961. At all events, the financial accounts published in the first three months of this year can hardly fail to please shareholders.

In each of the different sections, the rise in profits has been unmistakable, but, in weaving particularly, the recovery has shown a marked improvement. The four manufacturing companies concerned have announced average earnings of £53,397, as against only £16,676 in the previous twelve months, and the dividend distributed has increased from 8.25 per cent to 11.5 per cent.

Higher Dividends

The nine firms engaged in spinning and weaving whose results have been published have also done well, their average profits being raised from £79,395 to £144,237. In this case, the dividend has been stepped up from 12.05 per cent to 13.93 per cent on average. Purely spinning companies have shared in the generally better conditions, and their average profit has gone up from £44,016 to £77,266. The dividend paid by these six firms has averaged 14.17 per cent, as against 12.71 per cent in the previous twelve months.

Over the nineteen firms involved, the average profit has nearly doubled. Earnings announced in the first quarter of 1961 aggregated £1,975,308, an average of £103,964 per company, as against £1,045,357 for the same firms in the previous year, an average of £55,019. The dividends distributed have by no means matched the sharp improvement in profits, as they amounted to 13.49 per cent on average, as against 11.46 per cent twelve months previously.

Latest advices from the industry contain more forebodings about the future. Although many people engaged in textiles are still optimistic, the pessimists are still raising their voices. A lull in demand will always bring out some grumbling and the current phase of inactivity is no exception.

Any accumulation of stocks is the signal for some traders to become prophets of gloom, but, in spite of occasional mention of slight surpluses, the situation does not call for undue alarm. Some people are saying that the recent spell of good weather came too soon to have much retail effect, but a continuation of favourable climatic conditions between Easter and Whit week would be of very considerable value to the industry, probably leading to a revival of replacement buying to keep machinery well engaged beyond the second half of the year.

Objectives Reached

As a result of the favourable response to the textile finishing trade's redundancy scheme, the Board of Trade has now agreed that re-equipment grants should be provided in due course for the finishing trades, as in the case of spinners and weavers. The same subsidy will be given, the rate being 25 per cent of eligible expenditure. As in the case of the earlier schemes, the Cotton Board is to act on behalf of the Board of Trade in administering the arrangements. The situation is a little more complicated owing to the fact that many finishing concerns process a variety of textile goods derived from numerous fibres. In consequence, their activities fall partly outside the cotton industry as such, and the Board of Trade is still considering the appropriate subsidy rate which should be provided in these circumstances.

The dates by which orders for new machinery must be placed to qualify for the grant and for the installation of this plant are, however, the same as those in the spinning and weaving sections. The finishers have until 9th July 1962 to order fresh equipment and get their schemes approved, while the machinery must be installed by 9th July 1964.

Small Cotton Debts

Bank advances continue to fluctuate, but the proportion of the indebtedness of the cotton trade remains remarkably steady. For some considerable time, this has been rather less than one per cent of the whole borrowings on industrial and professional account, according to figures issued by the British Bankers' Association. Cotton's share of the advances in February this year amounted to only 0.7 per cent of £3,717,483,000.

The aggregate figure was nearly £500,000,000 higher than twelve months previously and represented a rise of almost £150,000,000 on the November 1960 total. Cotton firms this year, in line with the general trend, had borrowed an additional £2,000,000 during the past quarter, bringing their advances to £25,741,000, a slight increase on the figure twelve months previously.

In the woollen trade, a similar increase took place, the amount involved at over £51,000,000 being twice as big as in cotton. Other textile interests, however, have lately had more recourse to banking facilities, their indebtedness rising from nearly £65,000,000 in November to £73,734,000 in February.

Research Stations Merger

A draft order has been laid before the British Parliament to enable the contribution of man-made fibre users in the cotton industry to the expenses of the new Cotton Industry Joint Research Association to be collected by the Cotton Board. This represents a further amendment to the Cotton Industry Development Council Order 1948.

It follows the decision to merge the two main research organisations dealing with the cotton industry and the man-made fibre industry. This was the first indication of joint collaboration between the users of the different sections under the streamlining plans launched by the redundancy proposals in spinning and weaving.

Cotton Board Chairman

The assurance that his work as Chairman of the Cotton Board will not be adversely affected by his appointment as Chairman to an inquiry into Britain's docks was made by Lord Rochdale following the official announcement of his new position in the House of Commons. The Minister of Transport has decided to establish an inquiry into the country's docks and Lord Rochdale had accepted the appointment as Chairman.

Lord Rochdale said that he recognised how enormously important efficiency in the docks system in the country was to its industries, particularly when considered in relation to the export drive. "Clearly, the work will have to be at the expense of something else," he declared, "but, so far as my chairmanship of the Cotton Board is concerned, I would like to assure my friends in the industry that I do not see it interfering with my efforts on their behalf." Lord Rochdale said that he would not have been asked to undertake the task, if the Government had felt that his work for the Cotton Board would be in any way prejudiced. "I say that, knowing as I do the great importance, they lay on an early and satisfactory solution of the problem created by the massive imports of cotton textiles from certain Commonwealth countries."

Textile Institute

The annual report of the Textile Institute for 1960 records that the organisation starts its second 50-year period with a new peak membership of 7,700. Its sections attracted more than 7,000 members to meetings last year, and membership ranges over 40 overseas countries.

Plans have been put forward for a new scholarship whose emphasis is to be on design. The annual meeting of the Institute is to be held in Edinburgh later this month when the report will be presented. One of the most important aspects of technical work referred to in the document deals with methods of testing flammability. The Technical Committee involved has been reconstituted to consider the possibility of combining the methods of testing for flammable and flame-proof fabrics, so that a single continuous scale of flammability can be used rather than two separate ones.—*All Rights Reserved.*

SPINNING PROCESS FOR CONDENSER YARNS

A new spinning system which, it is claimed, is revolutionary in the process of spinning condenser yarns, is now being marketed by a British company (William Tatham Ltd.). It enables cotton waste, after opening, to go through only a single continuous process on to the ring frame bobbins and it can be adapted for use on English and Continental systems. The quality of yarns produced on the new ring frame compares favourably with condenser yarn spun on a mule and is said to be superior to yarn produced on the conventional ring frame. The system is aimed at reducing labour and at the same time producing a yarn suitable for any given end-use. The manufacturers also claim that the new system produces a saving of 2d. per lb. weight of yarn. The machines of this system are not only cheap to install but cheap to maintain.

BANKERS

It will pay you to consult us

FOR YOUR

★ CHEQUES ★ SHARE CERTIFICATES
★ DEMAND DRAFTS ★ LEDGERS
★ PAY-IN SLIP BOOKS ★ PASS BOOKS
★ LETTERHEADS ★ ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS
CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

If it is...

COTTON TAPES

Look To Sunshine Products
There is a difference!

SUNSHINE SUPPLIES:
★ SPINDLE TAPES,
★ EGYPTIAN COTTON TAPES,
★ ZIP TAPES,
★ VENETIAN BLIND TAPES,
★ WEBBINGS,
★ BLEACH TAPES,
★ METALLIC TAPES,
★ LISTINGS AND BANDINGS

We would welcome your enquiries for immediate execution.

SUNSHINE TRADERS
Manufacturers and Suppliers,
3, Hamam Street, Bombay, 1.
Phone: 251631 Gram: "SUBHMANGAL."

PLACE OF SUGARCANE IN AGRICULTURE

NEED FOR RETHINKING

By C. Muthiah

THERE has been a phenomenal growth in the production of sugar as well as *khandsari* and *gur* during the last decade. Latest statistics indicate that this substantial rise in production continues. But the achievements and prospects have inspired a mixed reaction both in the industry and outside. For some time now, prices of *gur* and *khandsari* have shown a tendency to fall rapidly, while stocks of sugar with mills have been accumulating at an increasing rate. In some quarters, a feeling has been entertained that this industry has attained a stage where it is very difficult either to stabilise or to maintain its present rate of growth. The object of this paper is to peep behind the industry and to study the growth of cultivation and production of cane *vis-a-vis* other crops such as foodgrains, oilseeds and cotton during the last decade, along with the trends in consumption of sugar, so as to form an idea about the measures needed to get rid of the so-called surplus in sugar.

The non-foodgrains crops have expanded at a higher rate than foodgrains during the last decade. While the foodgrains acreage increased by only 13.4 per cent in this period, the area under oilseeds, cotton and sugarcane (the three important crops among the non-foodgrains) registered an increase of 33.9, 58.2 and 42.9 per cent, respectively. But, if we take only the second Plan period into consideration, cane reports a higher rate of growth than even cotton. The cotton acreage during the second Plan period has been stagnating around the levels reached at the end of the first Plan period, while sugarcane acreage has improved by 17 per cent between 1955-56 and 1959-60. The latest estimate under this head for 1960-61 gives a still higher index of 157.3 (Base 1949-50=100) which reveals that this crop has registered during a short period of five years a phenomenal growth to the extent of 31.4 per cent over the acreage at the end of the first Plan period. Among foodgrains, the two important cereals, rice and wheat, have behaved differently during this ten-year period. Whereas the wheat acreage has reported an increase of over 30 per cent, the area under rice has risen only by 8 per cent. If we limit the period to the first four years of the second Plan, we find that the area under all foodgrains has recorded only a nominal increase by two points (rice 4.7 and wheat 4.00). The smaller rate of increase seen in the rice acreage as compared with that of wheat may be explained to some extent by the fact that, in South India, which has recently seen large increases in area under sugarcane, the lands which would have been put under paddy have been devoted to sugarcane.

Index of Productivity

Having seen the differential rate of growth in acreage under different crops, let us now turn towards the index of productivity which is defined as the percentage ratio of index of production to index of acreage. The index of productivity for non-foodgrains has never been above 100 except for the year 1958-59, whereas the index for foodgrains has been above 100 since 1953-54, except for one year during 1957-58. The performance of sugarcane is not much different from that of non-foodgrains and the productivity index has been generally below 100, except for the years 1954-55 and 1958-59 when it reached 105.1 and 105.6, respectively, as is evident from the following table:

Year	All commodities	Foodgrains	Non-foodgrains	Sugarcane
1949-50 ..	100.0	100.0	100.0	100.0
1950-51 ..	95.5	92.3	98.4	98.2
1951-52 ..	96.1	93.2	90.8	92.9
1952-53 ..	97.1	98.3	89.0	86.2
1953-54 ..	103.1	108.4	90.0	93.0
1954-55 ..	104.6	105.9	93.6	105.1
1955-56 ..	101.9	103.5	90.8	95.2
1956-57 ..	106.6	107.4	95.9	99.06
1957-58 ..	101.1	98.6	95.3	96.08
1958-59 ..	113.1	112.9	101.3	105.6

This seems a little perplexing, as there has been a diversion, more than proportionately, of the additional resources created, such as irrigation and fertilisers, towards non-foodgrains, notably sugarcane, because of larger returns from these crops as compared with foodgrains. It is interesting to find that nearly 16 per cent of the additional area brought under irrigation between the years 1949-50 and 1956-57 has been devoted to sugarcane. The area under irrigated sugarcane has risen from 2,462,000 acres in 1949-50 to 3,394,000 acres, whereas the total area irrigated has increased from 49,797,000 acres to 55,682,000 acres during the same period.

The increase of over 40 per cent in the sugarcane acreage between the years 1949-50 and 1959-60 without any increase in the proportion of irrigated sugarcane to total area under the crop should have been an important factor for the low productivity index seen earlier. The additional acreage brought under this crop in any particular year may be of a lower fertility than the hitherto sugarcane cultivated area. Again, the fact that the cultivation of sugarcane requires additional skill and care on the part of a new cultivator must have also been a decisive factor in the productivity remaining low. If after receiving irrigation, a cultivator switches over from wheat or *jowar* to sugarcane, his 'know-how' of sugarcane cultivation will certainly be poorer than that of the farmer growing the crop for some years. The problems created by irrigation such as the demand for larger labour input and more capital for investment on land and for carrying on the day-to-day agricultural operations seem to us as factors which have come in the way of higher productivity.

Consumption of Sugar and "Gur"

Any study on trends in sugar production and consumption in the country in recent years could profitably be divided into that of two periods. The division relates to (1) the years falling upto 1952-53 when there was control in the sale of sugar and (2) the period after that when there was no control in the strict sense of the term. During the first period, the production of sugar increased from 979,000 tons in 1949-50 to 1,497,000 tons in 1951-52 before falling to 1,297,000 tons in the subsequent year. It is, however, from 1954-55 that the industry has taken a definite trend of increase in production, preceded by a severe setback in the year 1953-54, when production fell to the low level of one million tons, a figure close to that of 1949-50.

Before going into the details of consumption of sugar and *gur*, it is pertinent to know the trends in the proportion of cane converted into sugar. The table below shows the position:

(In thousand tons)

Year	Production of cane in terms of *gur*	Production of sugar	% of col. (2) to (1)	*Gur* consumption	Consumption of sugar	Price of sugar per maund
	1	2	3	4	5	6
1949-50 ..	4,938	979	19.8	3,959	943	28.09
1950-51 ..	5,615	1,160	20.6	4,455	1,081	29.09
1951-52 ..	6,006	1,497	24.9	4,509	1,163	29.34
1952-53 ..	5,019	1,297	25.8	3,722	1,652	29.34
1953-54 ..	4,423	1,000	22.6	3,423	1,807	27.00
1954-55 ..	5,782	1,600	27.5	4,192	1,723	29.58
1955-56 ..	5,979	1,862	31.1	4,117	1,941	31.06
1956-57 ..	6,745	2,029	30.1	4,716	1,970	30.43
1957-58 ..	6,801	1,978	29.1	4,823	2,020	30.43
1958-59 ..	7,113	1,912	26.8	5,201	2,061	33.28
1959-60 ..	7,579	2,400	31.5	2,179	2,024	..
1960-61 ..	7,504	2,700	35.9	4,804	2,050	..

Notes:—

1. The assumption here is that *gur* produced during the period has been consumed which is apparently true.
2. The conversion rates from sugarcane to sugar (9.97 per cent) and *gur* (10 per cent) have been taken to be same.
3. In the first four months ended February 1961, internal offtake was only 610,000 tons. At this rate total consumption for current season would be 18.3 lakh tons. Even with the most liberal estimate for the remaining eight months the total consumption was not expected to be more than 20.6 lakh tons.

In the year 1949-50, 19.8 per cent or nearly one-fifth of the total cane produced was converted into sugar and this proportion steadily rose to 31.1 per cent in 1955-56, thereafter it declined slowly to 26.8 per cent in 1958-59. In the current season, it is expected to reach the level of 35.9 per cent. The increase in the percentage of cane supplied to sugar factories has resulted in a higher rate of growth for sugar production than for sugarcane. Between the years 1949-50 and 1960-61, sugar production has increased by about 175 per cent, as against an increase of less than 50 per cent in the production of sugarcane. Again, the increase in acreage under sugarcane (as discussed earlier, the rise in sugarcane production was achieved through extension of acreage rather than through increased yield rates) and larger and larger proportion of sugarcane offered to sugar factories had led to the Plan targets being exceeded every time, as will be seen from the following table:

(In thousand tons)

Year	Production	Plan targets	Production in excess of targets		Consumption
			Actual	Percentage	
1950-51 ..	1,116	..	..	..	1,081
1955-56 ..	1,862	1,500	362	19.4	1,941
1960-61 (anticipated) ..	2,700	2,250	450	16.7	2,050
1965-66 ..	..	3,500	..	..	..

The aforesaid situation has come about mainly due to the higher prices offered to cane growers. To some extent, the encouragement given by the Government by way of rebates in excise duty on additional production shown by the factories has also been responsible for this.

As long as controls remained, consumption was held under check. For instance, in the year 1951-52, in spite of a large production of 14.97 lakh tons, only 11.63 lakh tons were consumed in the country. Under conditions of control, what happens is that there is a backlog of underconsumption. When in 1952-53, controls were relaxed there was a sudden increase (16.52 lakh tons) in the consumption of sugar as if to compensate for the backlog and this rise was still short of the stocks carried forward from the previous years. Moreover, imports were liberally allowed during the next year and this led to a fall in prices in 1953-54 and, consequently, the consumption of sugar registered a further rise. The expenditure elasticity of demand for sugar as found from the N.S.S. Report on Fourth Round is particularly high in the income groups upto Rs. 300. The elasticity shows a steady rise from 0.018 in the income group Rs. 1—50 to 0.025 in the group Rs. 151—300. Since a very large proportion of our people falls within these income (or alternatively expenditure) brackets, it is quite likely that the substantial fall in the price of sugar must have caused further increase in its consumption.

Since 1955-56, however, consumption seems to have more or less stabilised, the increases being very nominal. Many reasons could be attributed to this stagnation in consumption. One way would be to think that, by the year 1955-56, the backlog of underconsumption existing in the community has already been met, and further increases could only be normal. Another way to look at it would be to think that the production of sugar itself was stagnant during the next three years and a sort of scarcity prevailed in the country which raised the price. The rise in price had a twofold effect. In the first instance, it has checked consumption of sugar by a large number of consumers to whom the rise in price had an income effect in the reverse order, the expenditure elasticity of demand being high. There are at the same time indications that the consumption of *gur* has increased during this period. Its consumption may have been accelerated also because of the tendency for the price of *gur* to fall as is indicated by the figures below:

Year	Gur		Sugar
	Ahmednagar	Muzaffarnagar	E-27 (2) Kanpur
1949	100.00	100.00	100.0
1950	155.9	140.9	92.4
1951	120.4	105.3	98.3
1952	58.9	61.4	97.4
1953	104.7	94.2	91.9
1954	88.3	96.9	99.6
1955	43.1	62.8	90.0
1956	66.6	67.6	90.1
1957	70.9	73.6	100.5
1958	79.3	102.7	114.0

Source: *Statistical Abstract of India* 1957-58

Secondly, the rise in the price of sugar (and the relatively higher price offered to cane growers for the cane offered to the factories) resulted in substantial increase in acreage under sugarcane during the years 1959-60 and 1960-61 and, consequently, larger delivery of cane (from 26.8 per cent in 1958-59 to 35.9 per cent in 1960-61) to the sugar factories. It is the record production of 24 lakh tons of sugar in the year 1959-60 which eventually made it necessary to carry over a huge stock of nearly 5.5 lakh tons to the current year. Production in the current season is estimated to reach an all-time record of 27 lakh tons, with consumption remaining around 20.5 lakh tons. Evidently the price is prohibitive from the consumer's point of view and was certainly meant to be so. The industry is now faced with a problem of opening the 1961-62 season with a stock of nearly 12 to 13 lakh tons.

Export

The possibilities for the export of sugar do not seem to be encouraging, as sugar production in the world at present is in abundance and the prospects of getting an assured market are also not quite bright. Moreover, the internal cost of production of Rs. 700 per ton is very much above the world market price of Rs. 400. The gap is certainly too large either to be filled up by Government subsidies or by taxing the internal consumer, through an increase in sugar prices within the country. In fact, the latter will further reduce the level of internal consumption, which is well below the norms suggested by nutritional standards.

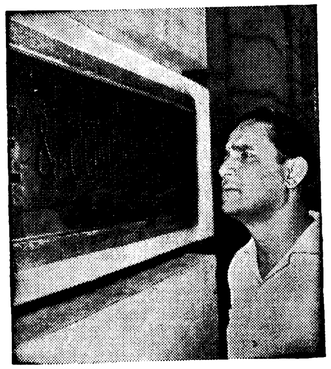
Both from the point of view of increasing consumption within the country and for competing with other countries through higher export it is very essential that the price of sugar is brought down. Reduction in the price of sugar can be achieved in many ways. It is a well-known fact that the prices paid to the grower for his sugarcane form about one half of the cost of sugar production and there is a feeling among the consumers that they are being robbed by way of higher prices in order to pay the sugarcane growers who are well organised and in a position to bargain with the Government. A recent study conducted in the Meerut and Muzaffarnagar districts of U.P. show that the cost of production (including wages for family labour, owned bullock labour, interest on fixed capital and rent for the owned land) per maund of sugarcane in 1954-55 was only 89 nP per maund, as against the price of Re. 1.44 paid to them. This works out to a return of 209 per cent over the expenditure incurred on the production of sugarcane, whereas the corresponding return on irrigated wheat comes to only 129 per cent, the return and expenditure per acre being Rs. 210 and Rs. 163, respectively. If the sugarcane growers were also to receive the same rate of return, the price of sugarcane should have been fixed somewhere around 89 nP.

Chain Reaction

Though there is a case to reduce the price of sugarcane, it may not be feasible for many reasons. In fact, a movement has already been started to demand a further increase in the prices obtained from the present rate of Re. 1.62 per maund for gate delivery. But sugarcane prices can no more be allowed to rise without adversely affecting the consumer and the industry. A further rise in cane prices will have its own chain reaction in raising the sugarcane acreage at the cost of other crops with a likely fall in the demand for sugar from the consumers. The cane growers should be counselled to increase their profit margin through a rise in the production per acre rather than any increase in price or in acreage. One of the possible reasons for the absence of any visible increase in yield rates during the last few years, in spite of the various favourable measures available to the cultivators, is the undue expansion of acreage under sugarcane to areas which are not adequately conducive to its growth. For example, U.P. reports an average yield of about 2,500 lbs. per acre, as compared with 6,000 lbs. in Bombay and Madras, and 8,000 lbs. in Andhra Pradesh. The policy for the future should be to allow limited expansion of acreage for sugarcane and only in areas giving higher

(Continued on page 721)

TURNING AWAY A PROSPECTIVE CLIENT?



That tarnished name plate outside your office may spoil a good chance.

Keep it shining with Brasso. A regular rub with Brasso will keep all your brass articles and fittings gleaming like new. It's so easy and economical.

polish your brassware with

BRASSO

once a week, every week

TBR 4236 ATLANTIS (EAST) LIMITED (Incorporated in England)

STEARIC ACID

(DOUBLE DISTILLED)

Manufactured by

THE MODI VANASPATI MFG. CO.

Maharashtra State Distributors

RAMJILAL LAKHMICHAND

333, Kalbadevi Road, Bombay-2

Phone—Office: 39361 Residence: 88436

Importers, Stockists and Suppliers of:

ALL INDUSTRIAL CHEMICALS

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories

For over 35 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cotton Mills and other Industries in the country.

Phone: 22-5952
22-3101
Gram: "BANCO"

The BEHAR FIREBRICKS & POTTERIES LTD
22, STRAND ROAD, CALCUTTA-1.

CHOOSE *ElectroniK* STRIP CHART CONTROLLERS for detailed, long-term records... and a complete selection of control forms.

CHOOSE *ElectroniK* CIRCULAR CHART CONTROLLERS for ease of scale reading...convenient daily charts; in a full range of electric and pneumatic control forms.

CHOOSE *ElectroniK* CIRCULAR SCALE CONTROLLERS where you want readability and control check at extreme distance...without need for a record.

CHOOSE THE PROTECT-O-VANE SAFETY CUT-OFF for simple dependable excess temperature protection...can be used with any temperature control to prevent furnace shut downs and loss of production.

P585-1431/60

Whatever your furnace needs for control...

There's good reason why more heat-treating furnaces everywhere are controlled by Brown instruments. First, of course, is performance...sensitive, precise control. And equally important is versatility. In this varied line of instrumentation you'll find just about everything a furnace could possibly need in the way of control.

CHOOSE PYR-O-VANE CONTROLLERS where you don't need a record but do need precise vane type snap action electric control by a millivoltmeter instrument...also available with pulse-type time proportioning action, in both vertical and horizontal models.

Honeywell

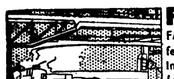
First in Control

SINCE 1888

Sold and serviced in India exclusively by

BLUE STAR

BLUE STAR ENGINEERING CO. (Bombay) Private LTD.
LOTUS COURT
JAMSHEDJI TATA ROAD, BOMBAY 1
Also at CALCUTTA • DELHI • MADRAS

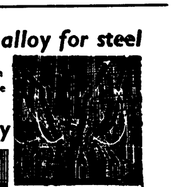


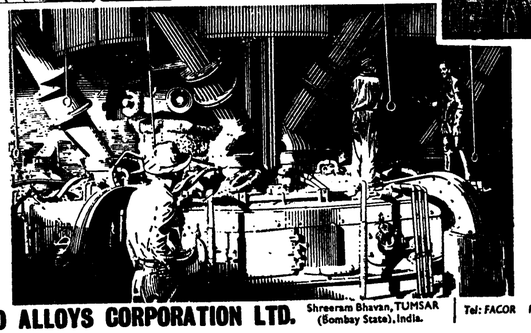
FERRO-MANGANESE *Vital alloy for steel*

FACOR manufactures high carbon standard grade ferro-manganese, enough to feed every plant and foundry in India...and for export that will earn vital foreign exchange

Local and export enquiries solicited

FACOR *laboratory ensures quality*





FERRO ALLOYS CORPORATION LTD. Shreeram Bhavan, TUMSAR (Bombay State), India. Tel: FACOR Phone: 33

READY REFERENCER AND GUIDE TO COMPANIES ACT
1961 EDITION

By JOHN and ROW, Advocates, Madras

Contents: A commentary on the Companies Amendment Act 1960.
Text of the Companies Act 1956 incorporating up-to-date amendments.

Price: Rs. 12.50 (*postage extra*)

EXPRESS PUBLISHERS (PRIVATE) LIMITED
33, BROADWAY, MADRAS-1

PROBLEMS OF TEA INDUSTRY

FINANCIAL ASSISTANCE FROM GOVERNMENT WANTED

THE tea planters who heard Dr. B. C. Roy, Chief Minister of West Bengal, chiding them at the annual meeting of the Indian Tea Planters' Association held at Calcutta last weekend, for fretting too much about taxes on tea with the words, "you want to feed the cow as little as possible and, at the same time, to have from it as much milk as possible," must surely have felt that the boot was on the other foot. For in spite of the fact that the tea industry has proved to be a veritable milch cow (and not the Government as Dr. Roy seemed to imply) providing as it does the largest source of foreign exchange and employment in the country, the Government has been very niggardly in helping the industry to find its succour. The shortcomings of the official policy in regard to tea and the measures of assistance that the Government can adopt to help the industry make an even greater contribution to the economy of the country were detailed at length by Mr. Inamul Hossain, Chairman of the Association.

Mr. Hossain did well to underline the important role played by the tea industry in the country's economy. As a single industry, tea employed the largest number of men and women and earned for the country the largest amount of foreign exchange. The expansion of the industry, according to him, would give scope for providing more employment opportunities and earning still more foreign exchange. He was confident that it was possible not only to reach the third Plan target of 900 million lbs. per annum, suggested by the Working Group of the Planning Commission, as compared with 850 million lbs. set in the Draft Outline, but actually exceed it provided, of course, the Government removed the hardships faced by the industry. Unless this was done, he said, the industry might not be able to achieve the target which he termed as "modest."

Finance

The most disquieting problem confronting the tea industry, to which Mr. Hossain drew pointed attention, pertains to finance. In his opinion, the industry by itself could not raise the necessary funds for development. Hitherto, the chief source of development capital was the plough back of profits, but now there were so many demands on the profits of the industry in the shape of taxes, bonus, etc., that very little margin was left, after paying a modest dividend on the capital invested for building up development resource. There was also little scope for raising loan capital in the open market, as some of the other industries did, because tea planters had to secure the necessary working capital from banks by hypothecating crop and depositing title deeds as additional security. In the circumstance, Mr. Hossain emphasised, it was for the Government to help finance the industry to expand. The possible ways of such assistance, as listed by him, are: (1) supply of the requisite capital; (2) abolition or reduction of taxes so as to leave a bigger margin for the industry and to make tea cheaper to consumers; (3) provision of cement, iron and steel and other building materials for construction purposes required by the industry, and (4) grant of rebate in railway freight to reduce transport costs. He also suggested the creation by the Government of a tea guarantee fund to supply tea plantations the funds necessary for renovation and expansion of plant and machinery. In order that the industry may speed up and expand the replanting scheme, the Chairman urged the Government to grant a loan of Rs. 15 crores to the industry for the purpose during the third Plan period. Unless a systematic programme of replanting was started, Mr. Hossain warned, tea plantations would yield diminishing returns in the coming years.

Exports

The Chairman of the I.T.P.A. put forward a valuable suggestion to step up exports of tea. At present, he declared, the cumulative effect of a number of factors had led to rise in the production cost of Indian tea to a level which was higher than that of its competitors in export markets with the result that this country was being pushed out of foreign markets. The competitive position of Indian tea, as Mr. Hossain rightly suggested, could certainly be enhanced by the withdrawal of the export duty on tea. More effective propaganda financed from the tea cess raised from the industry would, he pointed out, also strengthen Indian tea in foreign markets. The Chairman also pleaded for the abolition of the Assam road tax, which has been held *ultra vires* of the Constitution by the Supreme Court, and the octroi duty levied by the West Bengal Government as a first step towards making tea cheaper to consumers both at home and abroad.

It will be interesting to note here the observations of Mr. Morarji Desai, Union Finance Minister, at the meeting of the Congress Parliamentary Party's Standing Finance Committee at New Delhi on Tuesday this week. Mr. Desai held out the assurance that, if necessary, the Government would come forward with further measures to encourage India's tea export. He is reported to have said: "If it is found that Indian tea is not able to compete in the international market, the Government would either further reduce the export duty on tea or allow an excise drawback on exported tea." Some members of the Committee had earlier expressed the fear that the Finance Minister's decision to reduce the export duty on tea would not help stimulate exports, since the relief was offset by the levy of additional excise duty.

Only Two Ways

The financial needs of the tea industry are large and pressing. There are only two ways of meeting them: either the industry should raise the necessary amount from its own resources or the Government should help by direct loans or grants. Since the industry, as cogently argued by Mr. Hossain, is not in a position to raise funds, there is a clear case for direct Government help. The only other alternative for Government is to give tax relief to the industry, so that it will be in a position to stand on its own for the expansion programmes without having to depend on Government.

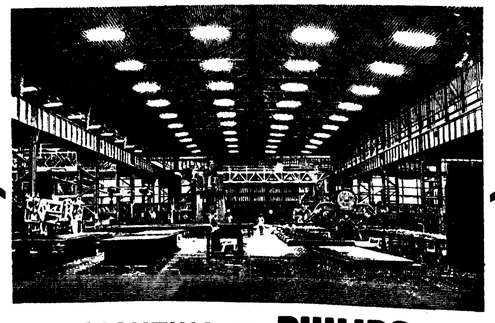
Viewed thus, it is, indeed, gratifying to hear a few words of encouragement from Mr. A. S. Bam, Chairman of the Tea Board. Speaking at the meeting, Mr. Bam, though he did not give any assurance as such of Government financial aid to the industry as suggested by Mr. Inamul Hossain, did assure the Government would do everything possible to enable the industry to achieve the third Plan production target. He said Government would be in a position to supply adequate quantity of fertilisers to tea plantations. Mr. I. F. Morris, the Chairman of the Indian Tea Association, who also addressed the meeting, stated that the present mood of co-operation among the various associations of planters in India should help the Government in formulating a uniform approach to their problem.

SYNTHETIC "NATURAL" RUBBER

Synthetic "natural" rubber is now available in development quantities in the United Kingdom from the Shell Chemical Company, 170, Piccadilly, London, W.1. First produced as a Shell product in the U.S.A., a new plant is being put up at Pernis, Rotterdam.

Natural rubber as produced from the tree is mainly a polymer (that is, a material of high molecular weight produced from the joining together of many identical smaller molecules) of isoprene. Up to recently synthetic "rubbers" were all polymers of some other molecule. Now Shell has succeeded in polymerising isoprene and so producing a very good synthetic equivalent of natural rubber. All rubbers, natural and synthetic, have their own special properties. One synthetic rubber, for example, is better than natural rubber for tyres for small cars, whereas natural rubber, having greater resilience (or bounce), is more suitable for tyres on large vehicles because the resilient action uses up energy that would otherwise appear as damaging heat. The new Shell Isoprene Rubber has the resilience of natural rubber and is at the same time whiter and flows more easily when heated. It is free from contamination.

HINDUSTAN SHIPYARD
AT VISAKHAPATNAM



LIGHTING BY PHILIPS

An area covering more than 67,000 sq. ft. in India's only shipbuilding yard at Visakhapatnam, a project of national importance, has been installed with Philips lighting to ensure round-the-clock, working efficiently and speedily. And, this has been found so satisfactory that Philips fluorescent lighting will shortly be introduced in the rest of the establishment.

Philips' exclusive lighting consisting of lamps, fittings and accessories ensures ultimate economy by providing the maximum illumination level at lowest running cost and gives longer, trouble-free performance. Philips' scientifically designed equipment is the result of experience as well as research and development aimed to meet the ever-growing demands of better lighting. And hand-in-hand with Philips' unrivalled quality goes the invisible *plus* of Philips' international experience and know-how.

FREE: *For planned lighting, designed economically to suit your specific need—whether it is industrial, commercial or any other specialised application—consult Philips Lighting Service Bureau.*

PHILIPS
quality lighting
for ultimate economy

PHILIPS INDIA LIMITED

JWTP 44BA

FOR
MACHINE TOOLS
AND
SPECIAL SWEDISH STEELS

CONTACT
FK FRANCIS KLEIN & CO., PRIVATE LTD.
HEAD OFFICE:
1, INDIA EXCHANGE PLACE
CALCUTTA-1
SHOWROOMS:
13A, GOVT. PLACE EAST
CALCUTTA-1

FORWARD MARKETS BULLETIN
(Monthly)
Published by Forward Markets Commission
Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription		Single copy	
In India	Rs. 24.00	In India	Rs. 2.50
Abroad	Rs. 40.00	Abroad	Rs. 4.00

For further particulars please apply to:
The Secretary, Forward Markets Commission
"Everest," 100, Marine Drive, Bombay-2

THE UNITED COMMERCIAL BANK
LIMITED
Head Office: CALCUTTA

Authorised Capital	..	Rs. 8,00,00,000
Subscribed Capital	..	Rs. 4,00,00,000
Paid-up Capital	..	Rs. 2,00,00,000
Reserve Fund	..	Rs. 2,05,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.
Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.
AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, Chairman. S. T. SADASIVAN, General Manager.

OBTAIN FREE BROCHURE ON PATENTS & TRADE MARKS
Contact:
PURUSHOTTAMDAS GOKULDAS
Patent Attorneys
39D, People's Building, Ground Floor,
Sir Pherozshah Mehta Road, Bombay-1.
Telephone: 265014—258172.

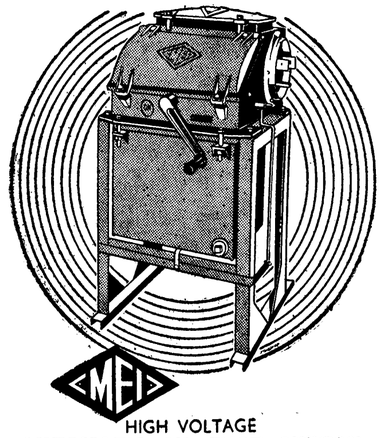
A tale of Twenty-two Cities

From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them—in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to 1889 and closely associated with the rapid development taking place today.

India; Aden; Dubai; Sharjah and Abu Dhabi, Muscat; Qatar; Bahrain; Kuwait; Saudi Arabia; Jordan; Iraq; The United Arab Republic (Syrian Region); Lebanon; Libya, and Tunisia: these are territories where The British Bank of the Middle East operates. It has intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

THE BRITISH BANK OF THE MIDDLE EAST

Incorporated in England by Royal Charter 1889 *with Limited Liability.*
HEAD OFFICE: 7 King William Street, London E.C. 4.
BOMBAY OFFICE: 314 Dr. Dadabhai Navroji Road, Fort, Bombay.
Tel. Add.: BACTRIA. Telephone: 25-2267
Capital and published reserves £4,473,000
ASSOCIATED WITH
THE BANK OF IRAN AND THE MIDDLE EAST
Capital Rials 250,000,000
HEAD OFFICE: TEHERAN, IRAN (PERSIA). (P.O. BOX 1620)



HIGH VOLTAGE
AUTOMATIC OIL FUSE SWITCH
TYPE VL

For Systems upto 13,200 Volts. Breaking capacity 250 MVA. For Indoor or Outdoor service. An economical H-T Gear for Transformer Feeder Control. Manufactured to the design of J. G. Statter & Co. Ltd., England.

Sales & Service:
IAEC (BOMBAY) PRIVATE LTD.
43, Forbes Street, Bombay 1.
Branch: 'K' Block, Chawdhary Bldg., Connaught Circus, New Delhi.
Associated Offices at: CALCUTTA · MADRAS · BANGALORE · HYDERABAD.

THIS IS AN ANNOUNCEMENT AND NOT A PROSPECTUS

TUBE SUPPLIERS LIMITED, MADRAS

(Incorporated as a Private Limited Company on 1st August, 1955 and converted into a Public Limited Company on 25th November, 1960.)

A copy of the Prospectus has been filed with the Registrar of Companies, Madras. Licences have been obtained from the Government of India for the establishment of industrial undertakings by the Company. Copies of these licences are open to inspection at the Registered Office of the Company. It must be distinctly understood that in granting these licences, the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statement made or opinions expressed in regard to it.

The Subscription List will open at the commencement of the banking hours on the 17th day of April 1961, and will close on the 21st April 1961, at 5 p.m. or later, at the discretion of the Board of Directors.

SHARE CAPITAL

	Rs.
AUTHORISED:	
5,00,000 Equity Shares of Rs. 10 each	50,00,000
ISSUED:	
50,000 Equity Shares of Rs. 10 each	5,00,000
SUBSCRIBED AND PAID UP:	
33,000 Equity Shares of Rs. 10 each	3,30,000
PRESENT ISSUE:	
80,500 Equity Shares of Rs. 10 each	8,05,000
OUT OF THE PRESENT ISSUE:	
(a) Reserved for firm allotment in respect of application procured by the underwriters and marked for firm allotment which will be allotted in full—Equity Shares of Rs. 10 each	2,05,000
(b) BALANCE OFFERED TO THE PUBLIC FOR SUBSCRIPTION IN CASH AT PAR—EQUITY SHARES OF RS. 10 EACH	6,00,000

The amounts payable in respect of shares of the present issue are as follows :-

With application	Rs. 2.50 per share
On allotment	Rs. 2.50 „ „

The balance of Rs. 5 in two calls of Rs. 2.50 nP. per share at intervals of not less than three months between each call, the first of such calls being not earlier than three months from the date of allotment of shares. Failure to pay the allotment money or any call on a share when due, will render the share liable to forfeiture.

No shares of the present issue are to be allotted for a consideration other than cash.

Pursuant to the provisions of Section 81 of the Companies Act 1956, the Company in General Meeting has by a Special Resolution decided that the present issue of shares may be offered for subscription to the public without being offered to the existing shareholders.

80,500 Equity Shares of Rs. 10 each offered for subscription inclusive of shares reserved for firm allotment by the Underwriters have been underwritten by the several underwriters named in this Prospectus as per details given herein.

Application for shares must be for a minimum of 50 shares or multiples of 50 shares.

BOARD OF DIRECTORS

1. SHRI M. A. CHIDAMBARAM (*Chairman*), Businessman, Adayar House, MADRAS-25.
2. SHRI V. R. RAJARATNAM (*Managing Director*), Retired Inspector General of Police, Madras, 6, Victoria Crescent, MADRAS-8.
3. SHRI C. S. LOGANATHA MUDALIAR, Landlord and Government Contractor, 6, Vasu Street, Kilpauk, MADRAS-10.
4. SHRI A. NAGAPPA CHETTIAR, Merchant, Uma Bhavan, 44, Spur Tank Road, Chetput, MADRAS-31.
5. SHRI M. C. SUNDARARAJAN, Merchant, Raghava Villa, Sundararajan Road, MADRAS-18.
6. SHRI G. VISWANATHAN (*Managing Director*), Merchant, Guru Bhavan, Dr. Guruswamy Mudaliar Road, MADRAS-10.
7. SHRI S. L. KAPUR, Merchant, 3, Lord Sinha Road, CALCUTTA-16.

UNDERWRITERS AND BROKERS

1. MESSRS. P. R. SUBRAMANYAM, 70-A, Stock Exchange Building, Apollo Street, Fort, BOMBAY.
2. M/s. J. R. MOTISHAW & CO., 32, Apollo Street, Fort, BOMBAY-1.
3. M/s. A. B. PANDIT & CO., 32, Apollo Street, Fort, BOMBAY-1.
4. M/s. G. M. PYNE, 14, India Exchange Place, CALCUTTA-1.
5. M/s. MACONOCHIE & CO., 16, First Line Beach, MADRAS-1.
6. M/s. SOMAYAJULU & CO., Andhra Insurance Buildings, 337, Thambu Chetty Street, MADRAS-1.
7. M/s. M. R. DHAWAN & CO., 4/8, Asafali Road, NEW DELHI-1.

MANAGING BROKERS

M/s. P. R. SUBRAMANYAM, 70-A, Stock Exchange Building, Apollo Street, Fort, BOMBAY-1.

LEGAL ADVISERS

1. MESSRS. R. NARASIMHACHARI and N. VARADARAJAN, Advocates, 4, Dr. Rengachari Road, MADRAS-4.
2. SHRI S. GOVIND SWAMINATHAN, Barrister-at-law, High Court, MADRAS-1.

AUDITORS

MESSRS. FRASER & ROSS, Chartered Accountants, McLean Street, MADRAS-1.

BANKERS

STATE BANK OF INDIA, MADRAS.

MANAGING DIRECTORS

1. SHRI V. R. RAJARATNAM, Retired Inspector General of Police, Madras, 6, Victoria Crescent, MADRAS-8. Son of Shri V. Rajagopal Mudaliar. *Director*: 1. South India Corporation (Agencies) Private Ltd., 2. Southern Industrial Corporation Ltd., 3. India Radiators Ltd.
2. SHRI G. VISWANATHAN, Merchant, Guru Bhavan, Dr. Guruswamy Mudaliar Road, MADRAS-10. Son of Shri M. R. Guruswami Mudaliar. *Director*: 1. Stoneware Pipes (Madras) Ltd., 2. The Madras Co-operative Supply Union Ltd., Madras.

REGISTERED OFFICE

6, ARMENIAN STREET, MADRAS-1.

OBJECTS

The Company was incorporated as a Private Limited Company on 1st August, 1955, for the several purposes set forth in the Memorandum of Association and was converted into a Public Limited Company by a Resolution passed at an Extraordinary General Meeting of the Shareholders held on 14th October, 1960 and obtained a Certificate of change of name on 25th November, 1960. Therefore the Company has no necessity to obtain any Certificate of Commencement of business.

The main object of the Company is to sell and deal in Iron and Steel Pipes, Tubes and fittings materials and to manufacture, import, export and deal in all kinds of electrical bulbs, mercury bulbs, etc., and collapsible and rigid extruded tubes and sections in aluminium, ferrous and non-ferrous metals and alloys and to carry on the manufacture and sale of bricks and refractories.

HISTORY

The Company was incorporated on 1st August, 1955, and was mainly engaged in the distribution of Pipes, Cement and Sanitary Ware. The sales section for these lines were discontinued in order to concentrate the Company's efforts on the various manufacturing projects that it has undertaken.

PROSPECTS

LAMP FACTORY

The proposed lamp factory is situated at Red Hills, Polal Village, in a plot of three acres of land. The factory is on the Northern Trunk Road from Madras to Calcutta and therefore has very easy access by road. Availability of water and electric power make this location ideally suited for this industry.

The factory is designed for a production of 9,000 incandescent lamps per shift of 8 hours, the lamps being of the General Lighting Service category. The imported plant and machinery, which is all automatic, has already been acquired at a cost of Rs. 4 lakhs. Even though imported some time ago the machinery has been found to be in excellent condition on inspection. Some additional equipment will have to be purchased at a cost of approximately Rs. 1 lakh to complete the installation.

The building is nearing completion and the erection of machinery will follow shortly. The building, land and water-supply facilities are expected to cost Rs. 2 lakhs.

Some of the raw material such as filaments for this industry are to be imported. Applications have been submitted to the Government of India for the issue of the necessary Import Licence and no difficulty is anticipated in obtaining the same.

The total production for Incandescent Lamps in India is far from sufficient to meet the increasing demand. It is expected that within a short period, expansion of capacity would have to be considered. Sufficient land for such expansion is available at the site selected as also facilities for more water and power.

We are in correspondence with a leading Japanese electrical firm for technical collaboration for the manufacture of Fluorescent lamps and this project is being actively pursued.

We have also engaged the services of a very experienced and competent Consulting Engineer, Mr. S. V. Devarajan, who is a specialist in this field, to erect and commission our factory. Mr. Devarajan was responsible for the erection of the factory of the Mysore Lamps Works Ltd., Bangalore, and the Radio Lamps Works Ltd., at Karachi and at Shikohabad. Mr. Devarajan has been managing the two latter factories for several years and is considered one of the most experienced consultants in this field.

COLLAPSIBLE TUBES

A licence has been granted in the sum of Rs. 4,08,084, for the import of machinery required for the manufacture of 50,00,000 Collapsible Tubes per annum on single-shift basis. Negotiations have been concluded with M/s. Anderson and Bruun's Fabriker A/S, Copenhagen, (1) for the supply of machinery, (2) for technical assistance, and (3) for facilities to train engineers in Copenhagen at no extra charges. Anderson and Bruun's Fabriker A/S have got a world-wide reputation both in the direct manufacture of collapsible tubes and in the machinery used for the manufacture of Collapsible Tubes.

Demand for collapsible tube packaging exceeds installed capacity in India even if only the current applications for this type of packaging are taken into account. A large variety of other products such as sauces, condiments, and indigenous medicines can be successfully packaged in collapsible tubes when sufficient supplies of these tubes are made available. Manufacturers of cosmetics require large quantities and can be absorbed by any one of them. The factory will be located in Red Hills and will be built according to the suggestion of M/s. Anderson and Bruun's Fabriker A/S of Copenhagen and will be of the most modern design.

VADAPAZHANI REFRACTORY WORKS

The Company manufacture fireclay refractories. The Third Plan requirements of fireclay refractories are estimated over one million tons against the present installed capacity of 5,30,200 tons. An industrial licence under the Industries (Development and Regulation) Act for manufacture of 3,000 tons fireclay refractories per annum has been obtained. It is also intended to produce fire cement, fireclay mortar, insulating bricks and acid-proof bricks. New lines of ceramic manufacture like stoneware pipes and white glazed sanitaryware poducts as well as expansion of present lines can be taken up in due course.

PROGRESS OF WORK

The factory building has been constructed and the plant and machinery erected. The main kiln is expected to be ready by the end of April, 1961, when the factory can go into full-scale production. Electricity has been connected and installed machines have been working since January, 1961, manufacturing firebricks for construction of the main kiln.

CAPITAL COST AND WORKING EXPENSES

Capital Expenditure so far incurred is as under:

	Rs.
Land, Building and Kilns	1,00,000
Plant and Machinery	50,000
Rs.	1,50,000

Estimated requirements of working funds and cost of main kiln ... Rs. 50,000

VADAPAZHANI BRICK WORKS

There is a Brick Kiln of 24 Chambers situated in the same compound and turning out an annual production of over 25 lakhs building bricks. Plans are in hand to increase production to meet the increasing demand.

MANAGEMENT

The Management of the Company will vest with the Board of Directors, Shri V. R. Rajaratnam and Shri G. Viswanathan are Managing Directors of the Company. No remuneration is being paid to Shri V. R. Rajaratnam with effect from 1st January 1961. Shri G. Viswanathan is being paid a salary of Rs. 1,000 per month plus a conveyance allowance of Rs. 250 per month and an entertainment allowance of Rs. 250 per month with effect from 1st January 1961. His appointment is subject to the sanction of the Government of India and the Company in General Meeting.

CAPITAL REQUIREMENT AND MINIMUM SUBSCRIPTION

The minimum subscription on which the Directors will proceed to allotment is Rs. 8,05,000 and it is intended that the proceeds of the present issue will be utilised as follows:

	Rs.
Plant and Machinery	5,75,000
Buildings	1,50,000
Towards Working Capital	30,000
Expenses of the issue	50,000

The Directors are satisfied that adequate additional working capital will be available by means of normal borrowings from Bankers.

BORROWING POWERS

Article 127 of the Articles of Association of the Company provides that the Board may from time to time, at their discretion, subject to the provisions of Sections 292 and 293 of the Act, raise or borrow any sum or sums of money for the purposes of the Company provided that the Board shall not, without the sanction of the Company in General Meeting, so borrow any sum of money which will make the amount borrowed by the Company (inclusive of temporary loans obtained from the Company's Bankers in the ordinary course of business) and then outstanding exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

Article 127(2) of the Articles of Association of the Company provides that the Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture-stock or by any mortgage or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

The Company has no debenture. State Bank of India have sanctioned a Cash Credit Pledge limit of Rs. 4 lakhs on 14th April, 1960, to be renewed every six months against pledge of Bulb manufacturing machinery and on personal guarantee of Mr. M. A. Chidambaram, Chairman and G. Viswanathan, Managing Director of the Company and the loan has been renewed for the second time from 14th October, 1960. Interest is charged at the rate of 1 per cent over the State Bank of India advance rate with a minimum of 5½ per cent per annum. As on date the amount due to State Bank of India stands at Rs. 3,99,141.

EXPENSES OF THE ISSUE

The expenses of the present issue including underwriting commission, brokerage and Managing Brokers' remuneration are estimated to amount to Rs. 50,000 and will be payable by the Company.

UNDERWRITERS

The Shares of the present issue amounting to Rs. 8,05,000 are underwritten by the following underwriters.

	Total Capital underwritten	Capital Reserved for firm allotment	Balance offered unconditionally for public subscription
	Rs.	Rs.	Rs.
1. M/s. P. R. Subramanyam, 70-A, Stock Exchange Buildings, Apollo Street, Fort, BOMBAY-1	2,05,000	55,000	1,50,000
2. M/s. J. R. Motishaw & Co., 32, Apollo Street, Fort, BOMBAY-1	1,00,000	25,000	75,000
3. M/s. A. B. Pandit & Co., 32, Apollo Street, Fort, BOMBAY-1	1,00,000	25,000	75,000
4. M/s. G. M. Pyne, 14, India Exchange Place, CALCUTTA	1,00,000	25,000	75,000
5. M/s. Maconochie & Co., 16, First Line Beach, MADRAS-1	1,00,000	25,000	75,000
6. M/s. Somayajulu & Co., Andhra Insurance Buildings, 337, Thambuchetty st., MADRAS-1	1,00,000	25,000	75,000
7. M/s. M. R. Dhawan & Co., 4/8, Asafali Road, NEW DELHI-1	1,00,000	25,000	75,000
Total	8,05,000	2,05,000	6,00,000

In the opinion of the Directors the resources of the said Underwriters are sufficient to discharge their underwriting obligations.

UNDERWRITING COMMISSION

Underwriting commission at the rate of 2½ per cent of the nominal value of the EQUITY Shares underwritten is payable to the underwriters, Messrs. P. R. Subramanyam, J. R. Motishaw & Co., A. B. Pandit & Co., G. M. Pyne, Maconochie & Co., Somayajulu & Co., M. R. Dhawan & Co., respectively, in accordance with the terms and agreement contained in their letters, from the said underwriters and the Company's acceptance of each of them.

The aforesaid letters from the underwriters setting out the agreement with them provide that in consideration of their agreement to underwrite, the said underwriters shall be entitled to such firm allotment. The names and other particulars of the said persons entitled to such preferential allotment is set out above. The period for which the option is exercisable is the period when the subscription list is open.

BROKERAGE

Brokerage at the rate of 10 nP per Equity Share will be paid on allotments in respect of applications bearing the stamp of a Bank or a Member of a recognised Stock Exchange. Brokerage on the same basis will be payable to the Underwriters, in addition to the underwriting commission, on allotments in respect of applications made or procured by them, provided that the relative forms of applications bear their respective stamps.

Messrs. P. R. Subramanyam are the Managing Brokers to this issue and will be in addition entitled to a Brokerage of 5 nP per Equity Share on 8,05,000 equity shares of Rs. 10 each offered for subscription, i.e., the Managing Broker's remuneration will be Rs. 4,025.

VENDORS OF PROPERTIES AND INTEREST OF DIRECTORS

The Company purchased on 26th November 1959 from the South India Corporation (Agencies) Private Ltd., lands in area about 18.17 acres and the Brick kiln, stores and tools, etc., thereon known as "VADAPAZHANI BRICK WORKS" situated in the village of Virugambakkam village, Saidapet taluk, for a total consideration of Rs. 80,000.

Mr. M. A. Chidambaram, the Chairman and Director and Mr. V. R. Rajaratnam a Managing Director of this Company, are interested in the said sale transaction as follows:—

Mr. M. A. Chidambaram and Mr. V. R. Rajaratnam are Directors and Shareholders of South India Corporation (Agencies) Private Ltd., No. 6, Armenian Street, Madras-1. The Vendors are as such interested in the aforesaid sale transaction.

Mr. G. Viswanathan is interested in the remuneration payable to him as Managing Director of the Company which appointment is subject to the approval of the Company in General Meeting and the Government.

The Directors are interested in the remuneration paid by way of sitting fees for meetings attended besides reasonable travelling expenses.

APPLICATION AND ALLOTMENT

Application for Equity Shares must be made on the form accompanying this prospectus, further copies of which may be obtained from the Registered Office of the Company or from the office of any of the Company's Brokers or Bankers and Underwriters namely herein. It must be completed in accordance with the directions contained therein and delivered before the date of closing of the subscription list together with the remittance of the amount payable on application to:

1. The Company's Bankers at any of their Branches noted below:—(*a*) Bombay, (*b*) Madras, (*c*) Bangalore, (*d*) Coimbatore, (*e*) Delhi, (*f*) Calcutta, (*g*) Madurai, and (*h*) Tiruchirapalli.

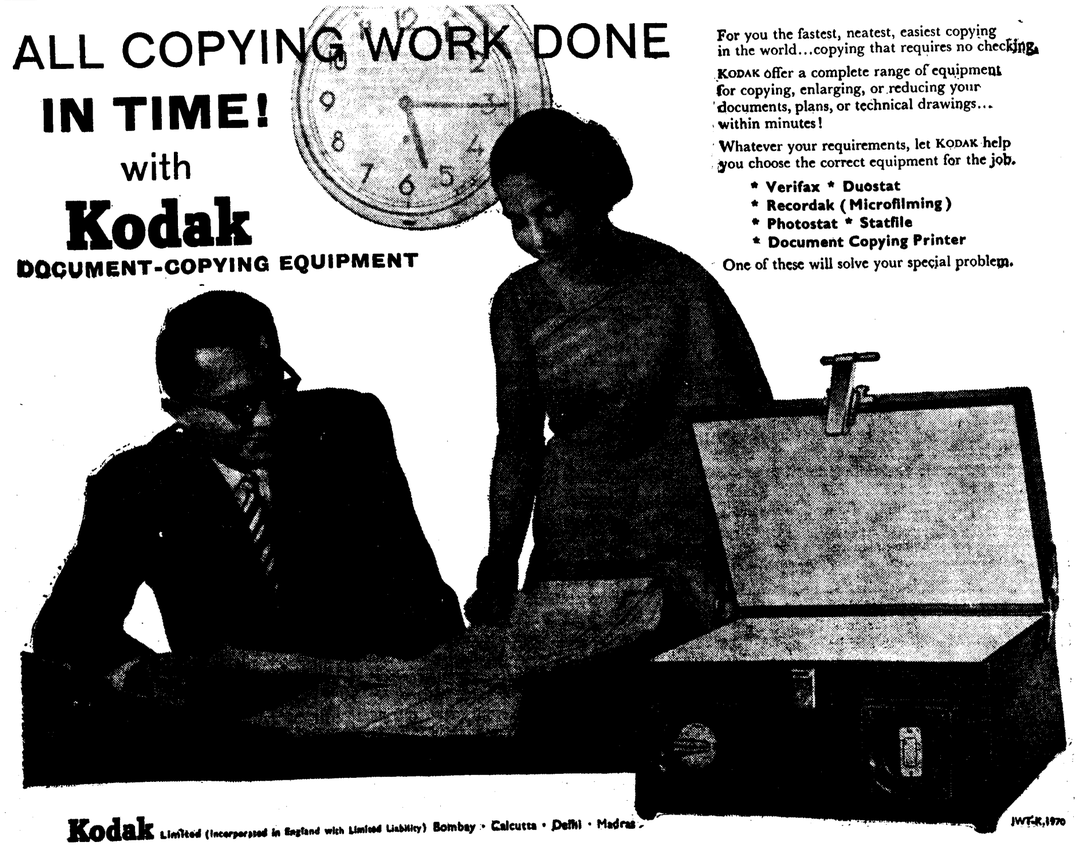
Where no allotment is made, the deposit will be returned in full and where the number of shares allotted is less than the number applied for, the balance deposit will be appropriated towards the amount remaining payable on the shares allotted and any balance remaining thereafter will be returned. The said refunds will be made within two months of the closing of the subscription list. The Directors reserve the right to refuse any application wholly or in part without assigning any reason. Failure to pay any amount due on the shares allotted when due, will render previous payments and shares liable to forfeiture.

The Shares issued shall be subject to the Memorandum and Articles of Association of the Company.

ISSUE OF CERTIFICATE

The Share Certificates will be issued within three months of the date of allotment.

Dated: 8*th April*, 1961.



THE HONGKONG AND SHANGHAI BANKING CORPORATION

FURTHER GRATIFYING PROGRESS

THE HON. MICHAEL W. TURNER'S REVIEW

THE Ordinary Yearly General Meeting of The Hongkong and Shanghai Banking Corporation was held on 10th March 1961, at the Head Office, 1 Queen's Road Central, Hong Kong. The Hon. Michael W. Turner, C.B.E., Chairman, presided. Addressing the shareholders on the occasion, the Chairman said:

"LADIES AND GENTLEMEN,

"As you will see from the accounts before you, the profit for the year amounted to $42,190,060 which is an increase of $14,055,000 over last year. This figure includes the dividends declared by Mercantile Bank Limited and The British Bank of the Middle East and, in accordance with normal banking practice, the profit has been arrived at after making transfers to the credit of our inner reserves, out of which full provision has been made for the depreciation in the value of our investments and for all known doubtful debts and contingencies.

"It is proposed that a sum of $4 million should again be written off Bank premises. After allowing for this provision and the interim dividend of £1 5s. per share your Directors recommend the payment of a final dividend of £2 10s. per share which, on the shares outstanding at 31st December 1960, amounts to $25,400,596 leaving a balance of $2,206,181 to be carried forward to next year.

Balance-sheet Features

"Turning to the balance-sheet of the Bank, the total shows an increase of $400 million over the figure for 1959. The issued share capital has increased by $16,734,750, representing the par value of shares issued during the year to former shareholders of The British Bank of the Middle East. The reserve fund has been increased by $64,813,357 and now stands at the equivalent of £15 million. This increase is made up of the transfer of $20,469,451 from the inner reserves of the Bank and the net increase on the share premium account amounting to $44,343,906.

"Hong Kong currency notes in circulation increased by $64,058,000 due to a rise in the excess note issue and this increase is reflected on the other side of the balance-sheet by a similar increase in Hong Kong Government certificates of indebtedness, current, deposit and other accounts show a rise of $218 million while amounts due to subsidiary companies at approximately $132 million, mainly represent funds placed at our disposal by Mercantile Bank Limited and The British Bank of the Middle East.

"When we turn to the assets side of the balance-sheet we find that cash in hand, trade bills discounted and investments have decreased by $69 million, $9 million and $11 million respectively. Money at call and short notice has risen by $21 million and British and other Government Treasury Bills by $71 million while advances have increased by $252 million.

"The consolidated balance-sheet, which shows the overall position of the Bank and all its subsidiary companies, includes the accounts of The British Bank of the Middle East for the first time and you will note that the total exceeds £445 million.

"On the whole, all members of our Group have had a satisfactory year and it has been very gratifying to your Directors that they have been able to recommend an increased distribution to shareholders. Unfortunately, the hope expressed by my predecessor three years ago that it would be unnecessary to allocate further sums for the purpose of writing down our British Government securities has not been realised and we were obliged to make an additional provision at the end of last year.

"For some years now, we have been conducting hire purchase finance in Hong Kong from our North Point office but the growth has been such that it was no longer convenient for this to be transacted in one of our branch offices. We therefore decided to form a subsidiary company, Wayfoong Finance Limited, with a capital of $5 million, to take over the finance and management of this type of business. This new company has been licensed as a bank and is able to receive deposits from the public. Operations commenced last July, from premises in Shell House, and the accounts have been incorporated in the consolidated balance-sheet of the Group.

Subdivision of Shares

"Shareholders will recall that, at an extraordinary general meeting last July, resolutions were passed whereby the Bank's Ordinance was amended to enable us to dispense with distinguishing numbers on share certificates, to use the common type of share transfer form and to permit the use of mechanically applied signatures. These measures were necessary, not only to simplify and reduce the volume of work which the greatly increased number of shares on our registers has involved, but also to pave the way for the proposals contained in the resolutions which will be put to you at the extraordinary general meeting to be held immediately after this meeting. For some time past, our shares have been considerably higher in price than those of most banking companies and it has been suggested that this results in many small investors being discouraged from buying them. Although there has been no sign of any lack of demand, I think it is very likely that a lower-priced share would be more widely held. Your Directors, therefore, decided that the time had come to divide the shares into smaller units and you will be asked to approve that the existing shares of $125 be subdivided into shares of $25 each and that the maximum individual shareholding should be increased from 10,000 to 50,000 shares. Provided these resolutions are passed, arrangements have been made for dealings in the new shares to start on 20th March both in Hong Kong and in London.

Chairman's Extensive Tour

"Since I addressed you a year ago, I have visited all our offices except those in the Philippines, where I intend to go later in the year, and many of the offices of Mercantile Bank Limited. In November and December I made a very interesting tour of the offices of The British Bank of the Middle East in the company of their General Manager. I was most favourably impressed with all that I saw and heard in the many places I visited and I can assure shareholders that our interests and those of our constituents are in very capable hands. I was most hospitably received by all Branch Managers and by the many friends and customers of the offices of our Group and was able to discuss on the spot the many problems and difficulties that arise from time to time. We have also kept in touch with our banking correspondents and visits were paid by some of our senior officials to both Europe and Canada during the year. Next week, I am going to Australia and New Zealand to call on the head offices of the banks in these two countries. I am sure that the personal relationships which are established by these visits are both useful and helpful in cementing the long and cordial associations between our respective institutions.

"Finally, I should like to convey our thanks to the Branch Managers of the Group and to the staff of all nationalities for their continued loyalty and efficient service.

"Ladies and Gentlemen,

"The report and statement of accounts having been in your hands for the required period I will now formally propose their adoption as presented."

At an Extraordinary General Meeting which followed, resolutions were carried to sub-divide the existing shares of HK$125 into shares of HK$25 each and to increase the maximum individual shareholding from 10,000 to 50,000 shares.

In his statement circulated to the shareholders earlier along with the accounts, the Chairman reviewed the main developments of the year and the economic conditions in the various countries where the Bank operates. Referring to India, he observed:

India

"No progress has been made in resolving the border dispute with China which continues to be a source of friction between the two countries. Some attempts were made to break the impasse, but neither the visit of Mr. Chou En Lai to New Delhi nor the examination of documentary and other evidence by officials of both countries met with any success. An understanding was, however, reached that there should be no military activity in the disputed areas, and this should at least prevent the recurrence of incidents likely to aggravate this problem. China's activities on the borders of Nepal and Bhutan and the harassment of Indian pilgrims and traders in Tibet continue to give cause for resentment.

"There is no indication of any other party being strong enough to challenge the Congress Party in the general elections due to be held next year. The differences between the various factions within the Congress Party are nevertheless becoming more open and embarrassing and although these are seen chiefly as a struggle for control of the party machine in the States, the outcome may well have an adverse effect on the future fortunes and policies of the party as a whole. Concern has been expressed in some quarters over the increasing pressure being brought to bear on the Central Government to form new territorial entities based on language or other special interests. The past year has seen the partition of Bombay into the States of Gujerat and Maharashtra, the decision to create the new State of Nagaland, increasingly vociferous compaigns for separate States for Tamils in South India and for Sikhs in the Punjab and an eruption of violence in Assam over the language issue. These manifestations of local loyalties are, I suppose, understandable in a country the size of India, but they do increase the strains between the Central and State Governments.

"Persistent inflationary trends, the expansion of the money supply and an increase in price levels over the past twelve months led the Reserve Bank of India to impose a number of restrictive measures on the banking system. While these measures were effective in reducing the volume of funds available to the banks, they were less successful in controlling the large amounts of money which were mobilised, when required, for speculation in shares and commodities, and they were subsequently relaxed to ease the pressure during the busy season. The agreement with the United States to supply seventeen million tons of foodgrains over the next four years should do much to stabilize prices and to bring down the cost of living. Nevertheless, the need to ensure supplies of this magnitude shows how far India is from solving her food problems.

"The foreign exchange reserves were under extreme pressure during the second half of the year and had declined to £114 million by the end of December. The level of industrialisation so far achieved has generated a need for more or less essential imports which is greater than can be financed by India's current earnings, despite a drive to increase her exports. Since much of the foreign aid which has been received is for projects of a capital nature, or is 'tied' to the lending country, the full weight of financing the trade gap falls on the now inadequate and diminishing foreign exchange reserves. While some cuts in imports have been made, the margin for further reduction is not large and it is becoming clear that India will require an appreciable amount of 'untied' foreign aid over the next few years to finance imports essential for the maintenance of the economy, if the momentum is not to be slowed down.

"The second Five-year Plan, due to end in March this year, has been broadly successful, but the necessary foreign exchange to cover outstanding orders placed abroad for the last year of the Plan has yet to be found. Production of food, coal and steel has fallen short of the prescribed quantities, the latter being partly due to transport difficulties. The private sector has exceeded what was expected of it by a substantial margin but the public sector has been unable to meet its targets by about 10 per cent. A draft outline of the third Five-year Plan has been published and is under discussion. Total expenditure envisaged is the equivalent of £7,650 million, about 50 per cent more than in the second Plan, but whereas India started the second Plan with foreign exchange reserves of over £500 million, these are now inadequate to cover even maintenance imports. The third Plan is dependent on external assistance to the extent of £2,400 million, of which United States surpluses under Public Law 480 are expected to account for £450 million. This proposed investment is probably not over-ambitious in terms of India's needs and her growing population and, while some of the projects are open to criticism, it is to be hoped that the lending countries will be able to provide the necessary assistance to permit India to travel one stage further along the road to eventual economic independence."

Notice

THE DUNLOP RUBBER COMPANY (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE Transfer Books and Registers of Members in respect of the Ordinary and Second Preference Shares of the Company will be closed from 25th April 1961 to 8th May 1961, both days inclusive, instead of from 17th April 1961 to 8th May 1961 as notified in the Notice of the 35th Annual General Meeting dated 30th March 1961. As any dividends that may be declared at the Annual General Meeting aforesaid will be paid only to shareholders registered in the Company's Registers of Members, those holding shares on blank transfers are advised to register the transfers prior to 25th April, 1961.

By Order of the Board,
P. B. SEN GUPTA,
Director and Secretary.

"DUNLOP HOUSE,"
57B, FREE SCHOOL STREET,
CALCUTTA,
7th April, 1961.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)

STATEMENT OF GROUP CONSOLIDATED PROFIT AND LOSS ACCOUNT AS AT 31st DECEMBER, 1960.

1959 Hong Kong Dollars		Hong Kong Dollars	1959 Hong Kong Dollars		Hong Kong Dollars
			$ 32,122,518	Brought Forward ..	$ 49,732,679
$ 29,402,502	Combined Net Profit of The Hongkong and Shanghai Banking Corporation and its Subsidiaries after providing for taxation on profits earned to date and after making transfers to the credit of inner reserves, out of which provision for diminution in value of assets has been made	$ 46,913,881		*Deduct:*	
			4,000,000	Amount to be written off Bank Premises: Parent Company $4,000,000	
			1,200,000	Subsidiary Companies 2,600,000	
				Amount Transferred to Reserve Fund: Subsidiary Companies 1,800,000	
				Dividends:	
			9,086,418	Interim Dividend of £1-5-0. per share on 632,354 shares paid 15th August, 1960 $790,442-10-0 at 1/2 15/16 .. 12,699,997	
			15,017,302	Proposed Final Dividend of £2-10-0 per share on 632,369 shares $1,850,922-10-0 at 1/2 15/16 25,400,596	46,500,593
Add:					
	Balance Brought forward from previous year:			Balance carried forward:	
2,085,475	Parent Company .. ..$ 2,116,714		$ 2,116,714	Parent Company	2,206,181
634,541	Subsidiary Companies 702,084	2,818,798	702,084	Subsidiary Companies	1,025,905
$ 32,122,518	Carried Forward ..	$ 49,732,679			$ 3,232,086

The annexed Notes form an integral part of these Accounts.

GROUP CONSOLIDATED BALANCE SHEET AT 31st DECEMBER, 1960

1959 Hong Kong Dollars		Hong Kong Dollars	Sterling Equivalent	1959 Hong Kong Dollars		Hong Kong Dollars	Sterling Equivalent
	Share Capital:			$ 347,465,449	Cash in Hand and Balances with Other Banks ..	$ 397,889,897	£ 24,868,119
	Authorised:			245,140,868	Money at Call and Short Notice	341,325,636	21,332,852
$ 100,000,000	800,000 Shares of HK $125 each	$ 100,000,000	£ 6,250,000	259,295,707	British and Other Government Treasury Bills ..	472,655,185	29,540,949
				740,221,491	Trade Bills Discounted	944,140,312	59,008,769
	Issued:			741,883,047	Hong Kong Government Certificates of Indebtedness ..	805,800,000	50,362,500
$ 62,311,875	632,369 Shares of HK $125 each, fully paid	79,046,125	4,940,383				
	Reserve Fund (including Share Premium Account $91,580,549)	240,000,000	15,000,000	527,049,420	Investments, at under market values: British and Other Government Securities: Quoted in Great Britain .. .. $ 1,005,194,462		
175,186,643				285,619,149	Quoted outside Great Britain .. 236,515,673		
					Other Investments:		
2,116,714	Profit and Loss Account	2,206,181	137,886	26,729,410	Quoted in Great Britain 46,766,206		
				9,956,268	Quoted outside Great Britain .. 12,954,111		
$ 239,614,732		$ 321,252,306	£ 20,078,269			1,301,431,452	81,339,466
				1,888,139,406	Advances to Customers and Other Accounts	2,750,648,014	171,915,501
775,459,056	Hong Kong Currency Notes in Circulation	839,101,643	52,443,853	17,604,971	Balance of Remittances, Drafts, etc., in Transit Between Offices	27,423,268	1,713,954
				87,204,498	Liabilities of Customers for Acceptances	33,432,015	2,089,501
	Current, Deposit and Other Accounts,						
3,983,767,480	including Inner Reserves and Provisions. $ 5,901,151,712				Fixed Assets:		
87,204,498	Acceptances on Behalf of Customers ..	33,432,015		3,421,339	Investments in Associated Companies, at cost .. .. .. $ 18,933,600		
19,083,245	Proposed Final Dividend	25,400,596		25,348,488	Bank Premises, at cost less amounts written off 31,606,598		
		5,959,984,323	372,499,020			45,592,498	2,849,531
$5,054,078,961		$7,120,338,277	£ 445,021,142	$5,054,078,961		$7,120,338,277	£ 445,021,142

MICHAEL W. TURNER, *Chief Manager.* P. F. HUTTON, *Chief Accountant.* S. J. COOKE, G. T. TAGG, C. A. WRIGHT } *Directors.*

The annexed Notes form an integral part of these Accounts.

NOTES ON THE ACCOUNTS

1. Confirmed Credits, Guarantees and Endorsements outstanding amount in the case of the Bank to HK $571,520,167 (HK $498,599,005) and in the case of the Group to HK $1,173,517,154 (HK $805,896,556). In addition there are commitments in respect of outstanding Forward Exchange Contracts.

2. Foreign Currency Balances are converted into Hong Kong Dollars at the rates ruling at 31st December, 1960. The Sterling equivalents of the figures shown in the Accounts are converted at the rate of HK $1=1/8d.

3. The Hong Kong Currency Notes in Circulation are secured as to the Authorised Note Issues by the deposit with the Crown Agents of investments having a market value in the case of the Bank of HK $31,499,100 (HK $32,155,504) and in the case of the Group of HK $36,218,100 (HK $37,285,504) and as to the Excess Note Issue by the deposit of funds in respect of which the Hong Kong Government Certificates of Indebtedness are held.

4. Current, Deposit and Other Accounts amounting to HK $47,947,714 (HK$ Nil) in the case of the Bank and to HK $39,909,780 (HK $4,000,000) in the case of the Group are secured by the deposit of assets of the Bank and of the Group respectively.

5. Directors' Fees, London Committee Fees, Chief Manager's Remuneration and Special Administration Expenses of the Bank amounted to HK $1,105,984 (HK $1,095,165).

6. Contracts for outstanding Capital Expenditure amounted in the case of the Bank to HK $3,622,465 (HK $3,429,000) and in the case of the Group to HK $10,764,101 (HK $7,986,176).

7. There are contingent liabilities for uncalled capital in respect of certain of the Investments and Subsidiary Companies of the Bank amounting to HK $4,150,000 (HK $27,000,000).

8. The British Bank of the Middle East became a Subsidiary Company during the year and the Accounts of that Bank and its Subsidiary Company are not included in the comparative figures in the Group Accounts. At 31st December, 1960 the Bank held 99.67 per cent of the Issued Share Capital of The British Bank of the Middle East and for the purposes of the Group Accounts that Bank has been dealt with as a wholly owned subsidiary.

9. The Reserves and Undistributed Profits of the Subsidiary Companies applicable to the period since acquisition have been included with the Inner Reserves in the Group Accounts.

REPORT OF THE AUDITORS TO THE MEMBERS OF THE HONGKONG AND SHANGHAI BANKING CORPORATION

We have examined the annexed Balance Sheet with the books of the Corporation kept in Hong Kong, with the audited Accounts of the London Office and with the Returns received from the other Offices. We have obtained all the information and explanations we have required for the purposes of our examination. In our opinion the said Balance Sheet with the annexed Notes gives the information required by the United Kingdom Companies Act, 1948, in the manner so required for a banking company and on the basis authorised thereby is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs at 31st December, 1960, according to the best of our information and the explanations given to us and as shown by the books kept in Hong Kong and the Returns received from the other Offices.

We have also examined the annexed Consolidated Balance Sheet of the Bank and its Subsidiary Companies with the audited Accounts of those Companies, certain of which have been audited by other firms. In our opinion the said Consolidated Balance Sheet with the annexed Notes gives the information required by the United Kingdom Companies Act, 1948, in the manner authorised for a banking company and on that basis gives a true and fair view of the state of affairs of the Group at 31st December, 1960.

PEAT, MARWICK, MITCHELL & CO., LOWE, BINGHAM & MATTHEWS., } *Chartered Accountants, Auditors.*

HONG KONG, 28th *February*, 1961.

THE PUNJAB NATIONAL BANK LIMITED

HEAD OFFICE: "P. N. B. BUILDING", PARLIAMENT STREET, NEW DELHI

(Established in 1895)

DIRECTORS' 114th REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 31st DECEMBER, 1960

The General Board of Directors begs to submit to the Shareholders the audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1960.

The transactions for the year under report have resulted in a profit of Rs. 1,21,23,141.75 (including Rs. 3,18,830.32 brought forward from the previous year's account) after contributing Rs. 12,81,429.00 to the Employees' Gratuity Fund Trust. The following amounts have been appropriated for the under-mentioned purposes :—

	Rs. nP.
1. Transferred to Provision for Taxation	53,00,000.00
2. Transferred to Reserve Fund	11,00,000.00
3. Transferred to Bonus to Staff Account	27,00,000.00
4. Transferred to Charity Account	1,00,000.00
5. Ad-interim Dividend at Re. 1.00 per share paid	12,50,000.00
Total .. Rs.	1,04,50,000.00

The Directors recommend that the balance of Rs. 16,73,141.75 be disposed of as follows :—

	Rs. nP.
(a) Final Dividend at Re. 1.00 per share making the total at 20 per cent. per annum (Gross)	12,50,000.00
(b) Carry forward to the next year's account	4,23,141.75

The Directors consider that the working of the Bank has been satisfactory.

During the year 16 new offices were opened at various centres and one office was closed.

The Reserve Bank of India in exercise of the powers conferred by section 45(4) of the Banking Companies Act, 1949 prepared a scheme for the reconstruction and amalgamation of the Indo-Commercial Bank Ltd., with our Bank which was sanctioned by the Central Government under Section 45(7) of the said Act. Branches of the Indo-Commercial Bank Ltd., have been functioning as our branches under the above scheme with effect from 25th March, 1961.

The Directors retiring by rotation at this meeting are Shri Ramnath Goenka, Pandit J. N. Bhan and Shri Shital Prasad Jain, who being eligible offer themselves for re-appointment.

Shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration.

By Order of the General Board of Directors,
R. N. GOENKA,
Chairman.

27th March, 1961.

BALANCE SHEET AS AT 31st DECEMBER, 1960

1959 Rs.	CAPITAL AND LIABILITIES	Amount Rs. nP.	Total Rs. nP.	1959 Rs.	PROPERTY AND ASSETS	Amount Rs. nP.	Total Rs. nP.
	1. Capital—				**1. Cash—**		
2,00,00,000	AUTHORISED CAPITAL— 20,00,000 Shares of Rs. 10 each		2,00,00,000.00	11,28,35,549	In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes) ..		12,15,24,320.76
1,25,00,000	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL— 12,50,000 Shares of Rs. 10 each		1,25,00,000.00				
	Of the above shares 3,75,000 shares are issued as fully paid-up by way of bonus shares.			56,38,129	**2. Balances with Other Banks—** Current Account Rs. nP. / Deposit Account Rs. nP.		
	2. Reserve Fund and Other Reserves— Rs. nP.			59,10,441	(i) In India. 12,29,640.54 / Nil		
1,27,00,000	(i) Reserve Fund as on 1-1-1960 1,44,00,000.00 ADD—Amount transferred from Profit and Loss Account 11,00,000.00			1,15,48,570	(ii) Outside India .. 44,68,215.28 / Nil		
17,00,000		1,55,00,000.00			(Includes Rs. 3,88,952.63 with State Bank of Pakistan)		56,97,855.82
1,44,00,000				89,11,098	**3. Money at Call and Short Notice**		3,06,988.12
3,50,000	(ii) Development Rebate Reserve	3,50,000.00	1,58,50,000.00				
1,47,50,000				60,82,42,901	**4. Investments at or below Cost—**		
				4,11,66,425	(i) (a) Securities of the Central and State Governments	40,74,41,739.15	
	3. Deposits and Other Accounts—			64,94,09,326	(b) Other Trustee Securities	3,89,15,770.00	
71,07,22,085	Fixed Deposits	67,29,33,062.22				44,63,57,509.15	
35,10,56,339	Savings Bank Deposits	35,69,59,156.91			(Estimated Market Value Rs. 44,77,60,776) Fully Paid-up / Partly Paid-up		
33,51,76,298	Current Accounts, Contingency Accounts, etc..	36,00,90,496.90			(ii) Shares— Rs. nP. / Rs. nP.		
	Employees' Security Deposits (held by the Bank itself)	48,64,303.71			Preference. 3,000.00 / Nil		
46,31,707			1,39,48,47,019.74	3,000	Ordinary .. 80,39,643.31 / 6,25,000.00		
1,41,15,86,429				86,64,543		36,67,543.31	
	4. Borrowings from Other Banking Companies, Agents, etc.—			50,01,903	(Estimated Market Value Rs. 26,86,341.00)		
3,15,59,579	(i) In India	4,73,66,650.02			(iii) Debentures of Indian Joint Stock Companies (Estimated Market Value Rs. 31,31,475)	34,38,251.40	
Nil	(ii) Outside India	Nil	4,73,66,650.02		(iv) Other Investments— Rs. nP.		
3,15,59,579				45,000	Pre-partition Punjab Bonds held in India. Nil		
	PARTICULARS—				Pakistan Government Securities held in Pakistan .. 13,89,716.87		
	(i) Secured by part of Government Securities lodged	4,73,66,650.02		13,89,717	Burma Government Securities held in Burma .. 30,00,000.00		
3,15,59,579				30,00,000	Rangoon Municipal Debentures held in Burma 1,80,110.00		
Nil	(ii) Unsecured	Nil		1,80,110			
			8,90,87,311.14	46,14,827	(Estimated Market Value Rs. 45,68,195)	45,69,826.87	
9,17,85,325	**5. Bills Payable**			Nil	(v) Gold	Nil	
	6. Bills for Collection being Bills Receivable as per contra—			66,26,93,599			
9,78,72,833	(i) Payable in India	12,15,84,291.53			**5. Advances—**		45,80,33,130.78
61,26,572	(ii) Payable outside India	41,71,717.88			(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)		
			12,57,56,009.41		(1) Loans, Cash Credits, Overdrafts, etc.— Rs. nP.		
10,39,99,405					(i) In India .. 80,19,69,016.20		
	7. Other Liabilities—				(ii) Outside India .. 24,37,143.02		
1,40,009	Dividend and Interest on Advance Calls unclaimed	1,53,293.38				80,44,06,159.22	
75,964	Rebate on Bills Discounted	23,208.89	1,76,502.27		(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
2,15,973					(i) Payable in India. 12,09,34,607.88		
	8. Acceptances, Endorsements and Other Obligations per contra		22,79,56,727.46		(ii) Payable outside India 99,87,519.21		
12,76,06,720						13,09,22,127.09	
	9. Profit and Loss Account—				(Particulars of Advances—As per Schedule attached)		93,53,23,286.81
16,98,690	Profit as per last Balance Sheet	15,68,830.32					
12,50,000 (*free of Income-tax*)	LESS—Final Dividend at Re. 1.00 per share.	12,50,000.00			**6. Bills Receivable being Bills for Collection** as per contra—		
4,48,690		3,18,830.32			(i) Payable in India	12,15,84,291.53	
84,20,141	ADD—Profit for the year brought from the Profit and Loss Account	1,18,04,311.43			(ii) Payable outside India	41,71,717.88	
88,68,831		1,21,23,141.75					12,57,56,009.41
	LESS— Rs.				**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		22,79,56,727.46
12,50,000	Ad-interim Dividend at Re. 1.00 per share 12,50,000.00						
17,50,000	Transferred to Provision for Taxation 53,00,000.00				**8. Premises Less Depreciation—**		
25,00,000	Transferred to Bonus to Staff Account .. 27,00,000.00				Balance on 1st January, 1960 (at cost) ..	89,23,694.81	
17,00,000	Transferred to Reserve Fund 11,00,000.00				Additions during the year	1,26,847.15	
1,00,000	Transferred to Charity Account 1,00,000.00					90,50,541.96	
73,00,000		1,04,50,000.00	16,73,141.75		LESS—Transfers during the year Rs. nP. Nil / Depreciation written off to date 8,87,463.85	8,87,463.85	
15,68,831							81,63,078.11
	10. Contingent Liabilities—				**9. Furniture and Fixture at Cost Less Depreciation—**		
	(i) Claims against the Bank not acknowledged as debts	25,31,550.53			As per last Balance Sheet	1,33,10,444.79	
25,42,723					Additions during the year	11,93,166.69	
	(ii) Guarantees given on behalf of Directors or Officers	18,500.00			LESS—Sales, write offs and adjustments during the year	1,45,03,611.48	
2,000					LESS—Depreciation written off to date ..	7,90,315.30	
4,78,85,176	(iii) Guarantees given on behalf of others ..	8,40,03,618.73				1,37,13,296.18	
2,86,254	(iv) Bills of Exchange re-discounted	3,07,370.03				59,55,789.71	77,57,506.47
8,47,39,768	(v) Outstanding Forward Exchange Contracts .	2,61,27,548.20			**10. Other Assets—**		
25,50,000	(vi) Liability for calls on partly paid Shares ..	25,50,000.00			(a) Interest accrued and outstanding ..		
	NOTE: 1. Contingent liability exists in respect of :—				(b) Prepaid expenses, advance payments and amounts recoverable	58,41,904.25	
	(a) Agreement to purchase a building for bank's use.				(c) Property not used as Bank premises less depreciation	16,95,368.52	
	(b) Compensation and arrears payable relating to labour matters —amount not ascertained.				(d) Land purchased for constructing Bank premises	3,85,979.56	
	2. Bank's status in Pakistan has been determined as an Evacuee by the Custodian of Evacuee Property, West Pakistan and Karachi which is disputed by the Bank. The Bank has filed a writ petition in the High Court of West Pakistan. The matter is sub-judice.				(e) Library, Motor Cars, Cycles and other Vehicles less depreciation	1,86,098.44	
					(f) Stationery and Stamps	3,50,935.57	
					(g) Deposits with Electric Supply Companies and Government Departments	14,75,163.87	
					(h) Amount paid for purchase of Trustee Securities	63,618.35	
					(i) Remittances in transit (since received) ..	3,17,175.00	
					(j) Income-tax deducted at source on yield of investments less provision for taxation ..	28,05,700.00	
						1,14,40,292.79	
					11. Non-Banking Assets Acquired in Satisfaction of Claims—(at or below Cost)		2,45,62,236.35
					Balance as per last Balance Sheet	3,91,795.63	
					ADD—Additions	16,000.00	
						4,07,795.63	
					LESS—(i) Sales 2,80,500.00		
					(ii) Depreciation 18.38	2,80,518.38	1,27,277.25
1,79,55,72,262	Total .. Rs.		1,91,52,13,361.79	1,79,55,72,262	Total .. Rs.		1,91,52,13,361.79

THE PUNJAB NATIONAL BANK LIMITED, DELHI—*Contd.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960

1959 Rs.	EXPENDITURE	Amount Rs. nP.	1959 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Amount Rs. nP.
3,87,31,109	1. Interest paid on Deposits, Borrowings, etc.	3,51,38,038.90	6,29,36,256	1. Interest and Discount	6,97,12,174.47
	2. Salaries and Allowances and Provident Fund (Includes Rs. 66,900.00— previous year Rs. 66,000.00—paid to the General Manager besides payment of bonus amounting to Rs. 8,000.00—previous year Rs. 8,000.00—and use of Bank's Car; includes Rs. 12,81,429.00 being contribution to Employees' Gratuity Fund Trust) ..	3,05,75,393.64	1,07,91,327	2. Commission, Exchange and Brokerage	1,47,86,996.15
2,81,97,075			13,94,816	3. Rents	16,33,345.14
55,302	3. Directors' and Local Committee Members' Fees and Allowances ..	55,672.25		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	2,12,090.14
20,16,524	4. Rent, Taxes, Insurance, Lighting, etc.	25,53,910.09	20,43,899		
2,15,044	5. Law Charges	1,59,575.01		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
16,91,488	6. Postage, Telegrams and Stamps	17,62,424.98	Nil		
12,000	7. Auditors' Fees	12,000.00		6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	21,223.97
	8. (i) Depreciation on and Repairs to the Banking Company's Property .. .. Rs. nP. 14,77,678.75		11,125		
12,72,010	(ii) Amount transferred to Development Rebate Reserve .. .. .. Nil		25,77,416	7. Other Receipts	8,49,430.71
3,50,000		14,77,678.75			
14,12,220	9. Stationery, Printing, Advertising, etc.	25,38,133.58			
16,245	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil			
23,66,972	11. Other Expenditure	10,39,024.96			
84,20,141	12. Balance of Profit (subject to Taxation)	1,18,04,311.43			
7,97,54,839	Total .. Rs.	8,71,16,160.58	7,97,54,839	Total .. Rs.	8,71,16,160.58

Schedule of Particulars required by the Banking Companies Act, 1949 (Act X of 1949), attached to and forming part of the Balance Sheet as at 31st December, 1960

1959 Rs.	PARTICULARS OF ADVANCES	Rs. nP.	1959 Rs.	PARTICULARS OF ADVANCES	Rs. nP.
63,74,54,664	(i) Debts considered good in respect of which the banking company is fully secured	85,42,36,584.95		(v) Debts due by Directors or Officers of the banking company or any of them either severally or jointly with any other persons— Rs. nP.	
5,93,76,304	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	5,79,79,656.05	Nil	Directors .. .. Nil	
2,82,73,126	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	2,31,12,045.31	6,14,739	Officers 6,25,877.10	
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil	6,14,739		6,25,877.10
			8,76,40,650	(vi) Debts due by companies or firms in which the Directors of the banking company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	5,33,31,803.16
			6,20,818	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the banking company or any of them either severally or jointly with any other persons	6,56,762.30
			8,76,40,650	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the banking company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members ..	5,49,23,362.66
72,51,04,094		93,53,28,286.31	70,61,101	(ix) Due from banking companies	1,29,39,233.03

AUDITORS' REPORT TO THE SHAREHOLDERS, THE PUNJAB NATIONAL BANK LIMITED, NEW DELHI.

We have audited the annexed Balance Sheet of the Punjab National Bank Limited, as at 31st December, 1960, and also the annexed Profit and Loss Account of the Bank for the year ended on that date, with the books and accounts kept at the Head Office in New Delhi, in which are incorporated the unaudited returns of the Bank's branches in Indian Union, Pakistan and Burma none of which were visited by us. Under Rule 4 of the Companies (Branch Audit Exemption) Rules, 1961, the Central Government by an Order dated 4th February 1961 has exempted all the branch office of the Bank from the provisions of sub-sections (1) and (3) of Section 228 of the Companies Act, 1956 in respect of the year ended 31st December, 1960.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisions to sub-sections (1) and (2) of Section 211 and sub-section (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The Accounts are, therefore, drawn up in conformity with forms 'A' and 'B' of the Third Schedule to the Banking Companies Act, 1949.

We report that :

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory ;

(b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank ;

(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the bank ;

(d) the Bank's Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns :

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet, read along with the notes appearing thereon, gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

V. SANKAR AIYAR & CO.,
Chartered Accountants.

NEW DELHI, *27th March*, 1961.

S. L. VERMA,
Chief Accountant.
MOHAN SINGH,
Deputy General Manager.
R. L. TULI,
Secretary and Deputy General Manager.
A. M. WALKER,
General Manager.

R. N. GOENKA, *Chairman.*
C. L. BAJORIA,
SHITAL PRASAD,
MAHARAJ KRISHNA KAPUR,
KAMALNAYAN BAJAJ,
MOHAN SINGH,
D. D. PURI,
J. N. BHAN,
ASHOK KUMAR JAIN. } *Directors.*

HIGH REPUTATION
for
Quality, Uniformity, Reliability

CLARETTA

THREE GOLDEN HORSES TRADE MARK

High Rayon Fabrics

#1480 Tussore
#3300 Satin
#6750 Habutae
#7200 Sheer Crepe
#0050 Tricot
#3000 Satin
#5050 Habutae
#6300 Georgette Crepe
#7500 De Chine Crepe

Rayon Yarn

Filament Yarn
Spun Yarn
Staple Fibre

Pamphlet available. Please apply to :

KURASHIKI RAYON CO., LTD.

2, Umeda, Kitaku, Osaka, Japan Cable Address: "KURARAY OSAKA"

LABOUR PARTICIPATION IN MANAGEMENT

STRONG AND RESPONSIBLE TRADE UNION MOVEMENT, A PREREQUISITE

By Dr. J. L. Rastogi

LABOUR participation in management is a psychological approach to the problem of industrial relations. It is democratisation of factory administration in which all those constituting the firm are given wider responsibilities not only in actual performance but also in certain aspects of management. They are provided with opportunities freely to criticise the managerial policies and actions and, at the same time, to offer suggestions for improvement in working, production, techniques and welfare. In this way it brings the management and the employees in close contact with each other and enables them to pursue the industrial objective successfully and in a co-operative manner. It thus aims at removing the lacuna caused by distant relationship and a high degree of specialisation.

The meaning, scope and functions of labour participation vary in different countries according to the degree of industrialisation, quality of industrial relations, enlightenment of the management, and education and consciousness of the working class. In a wider sense, it connotes association of workers in all facets of management. They not only actively participate in affairs dealing with actual performance and labour welfare but are also represented in management boards. Thus, they take part in deciding policy matters and are associated with management of other aspects of production like purchase of raw materials and accessories, sale of finished goods, transport of goods, and arrangements for adequate finances, etc. However, this meaning is too comprehensive to be practicable, particularly in underdeveloped countries where industrialisation has just dawned, management is less enlightened and workers are illiterate, unconscious and unorganised. Even in advanced industrial countries, it has not been possible to grant labour such an extensive association with management. Management retains its sole prerogatives over matters like policy decisions, product to be manufactured, productive processes to be used, types of personnel to be employed, and those dealing with purchases, sales, transport, marketing and finance. In countries where employees have been represented in the boards of management, their representatives have often failed to participate effectively, because management itself is a specialised task and mere technical knowledge of a particular job is not enough. It calls for wider knowledge and experience, qualities of leadership and ability to co-ordinate and consolidate various factors of production, different departments of the concern, efforts of various types of personnel and various aspects of production.

Co-operation and Loyalty

In the narrow sense, labour participation implies association of labour or its representatives in advisory capacity in matters such as welfare, safety, etc. Such a definition, however, completely frustrates the very objectives of the idea, as workers do not feel any enthusiasm for their additional assignment. In fact, it is not rights and authority but additional responsibilities and recognition that are bestowed on workers or their representatives which make them co-operative and loyal.

In India, labour participation is understood as a system and/or philosophy for promoting the common objectives of labour and capital. Industry today is a co-operative venture and different factors contribute in their own way towards its success. Indeed, prosperity of each depends on the success and prosperity of the firm itself. Labour participation is a psychological device which induces workers to extend their unreserved co-operation for achieving the productive pursuits effectively.

The jurisdiction of labour participation does not extend to the resolution of conflicting interests between labour and management. Such matters, it is understood, should be covered under collective bargaining. But the processes under both remains more or less the same. Even in collective bargaining, the representatives of labour and capital negotiate the settlement of various conflicting matters peacefully and in an atmosphere of goodwill and mutual confidence, very often around the table. In fact, collective bargaining is the extension of the principle of labour participation for resolving conflicting interests and points of view.

Different countries have adopted different systems of participation to suit their own needs and circumstances. The most common methods for associating labour with the management are by inviting it to offer free criticism and useful suggestions and by formation of joint worker-management councils. Some also permit the appointment of labour representatives on boards of directors or management, but it is not very popular.

Psychological Approach

A suggestion system is like a direct democracy in which all employees directly take part in administration by offering free criticism and effective suggestions. Workers are primarily human beings capable of holding responsibilities, extending co-operation and achieving objectives. They have their own feelings and emotions, aims and aspirations and bring with them their own needs and interests and their patent and latent abilities. In order to secure their best, therefore, dignity of labour must be accepted, abilities and aspirations recognised, and needs properly and adequately served. A suggestion system aids in satisfying workers' ego and provides them with maximum opportunity for expression. To make the scheme a success, the suggestions are promptly attended to and, if accepted, adequately rewarded. It helps in enlisting workers' loyalty in two ways:

1. They are invited to offer suggestions for improvement in working of the concern, its production, technique and management. Even when any plan is chalked out or changes designed, these are widely publicised in the plant and suggestions invited. In this way, even latent abilities of workers are effectively utilised in fostering industrial objectives.

2. They are provided with an opportunity to criticise managerial policies and decisions. Thus, it enables workers to clear up their grievances, complaints and misunderstanding. Management is informed of inconveniences and needs of workers and the reasons for their frustration, indiscipline and disloyalty. An appropriate action can, thus, be taken to negative the growth of undesirable traits in them.

Even more effective device of labour participation is the formation of joint worker-management councils. These are like representative governments in which the workers choose their representatives to meet those of management around the table to discuss and promote their common interests. The number, size and jurisdiction of such councils vary from unit to unit and from country to country. In smaller establishments, only one council has proved to be effective, while, in concerns with considerable employment beside a committee at the apex, departmental and special sub-committees are formed. The jurisdiction of such councils is generally advisory, but, in some countries, supervisory and executive responsibilities have also been assigned. These councils, besides serving as a regular means of communication, have resulted in better understanding of managerial points of view and decisions on the part of employees' unions and of workers' reactions on the part of management.

DENA BANK helps you save and earn

1 TO 5 YEARS
FIXED DEPOSITS
4% TO 5%
INTEREST
PAYABLE HALF-YEARLY

OTHER DENA BANK SAVINGS SCHEMES

NEW SAVINGS SCHEME — Interest 3%. Withdrawals up to 50 cheques a year.

SAVINGS ACCOUNT — Withdrawals up to 100 cheques a year.

MINOR'S SAVINGS SCHEME — Interest 3%. Free savings box.

5-YEAR CASH CERTIFICATES — Yield 4½% interest.

Dena Bank GIFT CHEQUE solves your gift problem

DENA BANK
DEVKARAN NANJEE BANKING CO. LTD.
Head Office
Horniman Circle, Fort, Bombay 1
97 BRANCHES
AND 24 SAFE DEPOSIT VAULTS

PRAVINCHANDRA V. GANDHI
Managing Director

Experience in India

Efforts to introduce labour participation in management in our country were made first in 1947 when the Industrial Disputes Act provided for the establishment of works committees in concerns employing hundred or more workers. They were to consist of equal number of representatives of employers and workmen. Their main objectives were "to promote measures for securing and preserving amity and good relations between the employer and the workmen and to that end to comment upon matters of their common interest or concern and endeavour to compose any material difference of opinion in respect of such matters." Within this framework, the State Governments were to make their own regulations for setting up joint committees. Accordingly, some of the States started on the new venture and works committees were set up. However, these committees, started under legislative compulsion, failed to bring about the desired results. These could change neither the outlook of management nor the attitude of labour. They were, consequently, abandoned in some, while they are still continuing in others providing much needed experience and knowledge for guidance in future.

The second Five-year Plan, again, emphasised an increased association of labour with management for achieving the industrial targets. In order to gain firsthand knowledge of the experience gained in such participation, a Study Group visited a number of European countries in 1957. The 15th Indian Labour Conference recommended the experiment to be conducted in 50 units in the private and public sectors on a voluntary basis. The Tripartite Conference on Labour-Management Co-operation in January 1958 laid down the size, constitution and other routine details for joint councils. Moreover, Draft Model Agreement regarding the establishment of such committees approved by the seminar laid down precisely the objectives, jurisdiction and responsibilities of joint councils. Accordingly, voluntary joint consultation machinery has been established so far in 24 units—seven in the public sector and 17 in the private sector.

Objectives Restated

With a view to reviewing the working of labour participation in various units and to pooling the experience gained so far, the Government of India convened another Labour-Management Co-operation Seminar in March 1960. It afforded an opportunity to representatives of various units to explain their own experiences and difficulties. In the light of accumulated experience and knowledge, objectives of worker participation in management were restated as follows:

Establishment of cordial relations between management and workers and building up understanding and trust between them;

substantial increase in productivity in the interest of management, workers and the nation;

securing better welfare facilities, etc., for workers; and

training and education of workers to understand and share the responsibilities of management.

Besides, it laid down criteria for judging the effectiveness of joint consultation in different units. The success or failure of any such scheme would be determined by examining the following:

Industrial peace (mandays lost);

increase in productivity both before and after introduction of the scheme and waste reduction;

elimination of outside intervention in disputes, i.e., the number of matters settled mutually;

the amount of general activity undertaken by the joint council;

concrete results achieved in the field of welfare;

the amount of administrative matters that have been handed over to the joint council; and

the number of meetings already held by the joint council and the attendance.

Examining from the above criteria, the scheme has definitely succeeded; particularly industrial relations and productivity have showed a marked improvement.

Works Committees Vs. Joint Councils

Thus, labour participation has been introduced in India by formation of both, statutory works committees and voluntary joint councils. Both of these are formed by equal representation of management and workers and aim at providing a regular means of consultation and to create amity and goodwill. However, the differences between these are obvious. They are:

1. Works committees have been established under statutory compulsion, while joint councils are a result of voluntary efforts. The former have been set up in undertakings employing 100 or more persons irrespective of other conditions. The latter, on the other hand, have been formed only in plants in which relations are more cordial, management enlightened and workers conscious of their responsibilities.

2. Joint councils, being voluntary, are well received by management and workers, while they are, often, hostile and suspicious towards works committees.

3. Works committees, in most of the cases, have tried to redress workers' grievances and investigate their complaints and, only in a few cases, they have tried to improve upon production, techniques, etc., and asked for employees' criticisms and suggestions. On the other hand, the latter are the more important concern of voluntary labour participation.

4. The jurisdiction of works committees is generally advisory. Their decisions are not binding on the management, even though these are unanimous. Joint councils under voluntary participation are usually given wider responsibilities, sometimes in supervision and administration of certain routine matters like safety and welfare. Their unanimous decisions are generally given effect to.

Character and Scope

Although the working of the voluntary joint machinery in India has been very short, an analysis of the set up adopted and experience gained would enable us to improve upon the scheme according to our own industrial set up, needs and circumstances. The common method for labour participation has been the formation of worker-management joint councils with equal representation. Besides the councils at the apex, departmental committees have been formed to deal with departmental problems, while sub-committees are entrusted with specific subjects like production, canteen and welfare. Suggestion schemes have been introduced only in a few plants. However, wherever such a scheme is in vogue, workers have offered a number of suggestions for improving efficiency and production and reducing waste.

Subjects and jurisdiction of joint committees vary from unit to unit. Its area extends usually to measures for improving efficiency and productivity, production problems, etc. But matters which are subjects of collective bargaining or are the sole prerogatives of management are not covered. The jurisdiction of these committees is generally advisory. But they have been given complete responsibility for certain matters which concern workers directly. Thus, they are usually responsible for administration of canteens and welfare measures and supervision of safety operations. In order to induce workers to participate more effectively, they are provided with all such information *required by them* except which is prejudicial to the interest of the firm.

Critical Analysis

No doubt, voluntary labour participation in management has helped in easing industrial tension and in improving efficiency and production in units concerned, a number of shortcomings have marred the purpose of the movement:

1. The speed of the movement is very slow. In spite of the target of 50 units in private and public sectors as set by the 15th Indian Labour Conference, it could extend only to 24 establishments. Thus, management has failed to recognise the need and contribution of such association and is not enthusiastic enough to take it up voluntarily. It is one of the reasons that works committees appointed under law have still not been discarded in some of the States.

There is a complete lack of uniformity in functions and jurisdiction of joint councils organised by different units. Their rights and responsibilities do not extend even to matters given in Draft Model Agreement approved by the 1st Labour-Management Co-operation Seminar, 1958. It gives rise to suspicion and distrust among workers in intentions of the management.

3. In spite of workers' right to receive information on a large number of items under the Draft Model Agreement, they are provided with very little information regarding the affairs of the firm. It prevents them to collaborate effectively with the management.

4. More weight has been attached to consultation around the table through the formation of joint councils rather than to the suggestion system. In such circumstances, workers participate not directly but through their representatives. Thus, their latent abilities and qualities remain largely unutilised.

5. Even where joint councils have been formed or a suggestion scheme is in vogue, due to absence of proper education and training for the purpose, they have failed to collaborate effectively with the management.

6. The jurisdiction of labour participation extends only to matters of common interest and not to conflicting interests which are called matters for collective bargaining. Thus, it has practically failed to change the outdated outlook of management and non-co-operative attitude of employees.

Causes For Slow Growth

Slow progress of the movement can be attributed to a number of causes particularly the following:

The most important cause has been the lack of proper understanding of the concept, purposes and benefits of labour participation by the management and the workers and/or unions.

Joint councils are generally thought of against the interests of the management and trade unions. Management regard them as agencies which would take away its prerogatives and undermine its authority. Trade unions, on the other hand, consider these as their rivals.

Absence of a representative union or presence of more than one union makes it difficult for joint councils to work smoothly. Because, in the former, workers' interests are not properly represented, while, in the latter, union rivalry threatens the very existence of such machinery. However, in some plants, management has succeeded in persuading rival unions to come to an understanding with regard to the selection of workers' representatives for various committees.

Any participation scheme is incomplete unless it is accompanied by collective bargaining. An effort to promote common interests cannot command effective response of workers until conflicting interests have also been satisfactorily resolved. In fact, labour participation and collective bargaining are complementary and help to promote industrial peace and maximum utilisation of resources. In Western countries, both of these are generally important parts of a voluntary collective agreement. Thus, while promoting common interests of labour and management, efforts should be made to induce them to peacefully negotiate and resolve their conflicting interests through collective bargaining.

A suggestion scheme is an integral part of any participation plan. Mere formation of joint councils cannot be effective unless associated with such a scheme. It is easy to install and more useful in making workers conscious of their worth and responsibilities and securing their loyalty. However, the success of any such scheme depends largely on the sincerity with which it is started, the promptness which suggestions are dealt with and the rewards with which they are followed. In order to ensure fairness, each suggestion must be judged by a joint committee. If found suitable, it should be accepted to benefit all rather than to exploit workers. The person whose suggestion is accepted should be promptly rewarded as a token of his knowledge, ability and service to the concern. The amount of reward for each suggestion must bear some apparent relation to the saving it results in. If any suggestion is not accepted, the reasons thereof should be immediately communicated to the person concerned. In order to induce more and more workers to offer suggestions, the scheme should be widely publicised. The progress of the scheme, number of effective suggestions made, probable economies and expected benefits to the employees should also be communicated to the rank and file frequently. Again, periodical organisation of suggestion competitions would make workers suggestion-conscious and enable them to give the best in productive pursuits.

For the success of labour participation, a clear understanding of its concept, purposes and benefits is essential. Seminars on labour-management co-operation should be held more frequently and under different agencies like the Government of India, Federation of Indian Chambers of Commerce and Industry, and Indian Institute of Public Administration to review its working in different units, pool experience and offer solutions to specific problems. The results of joint collaboration, moreover, should be extensively propagated to induce other units to begin with labour participation. Again, statutory works committees wherever in existence should be gradually replaced by voluntary joint worker-management councils.

Change in Attitude

Effective labour participation calls for a fundamental change in the attitude of management and workers' unions. Management must view it in its true perspective. It is not an agency which could undermine its authority but instead would ease its task by enlisting unreserved co-operation of workers. The rank and file should regard it as an agency to ensure justice and fair play rather than for their exploitation. Similarly joint councils are neither alternatives nor competitors of trade unions. Rather their own success largely depends on the willing co-operation of the latter.

At this juncture, education and training of particularly those who are to collaborate around the table need special attention. Technical staff, junior executives and immediate bosses must be trained in principles of human relations, co-operation and participation. Although the Central Board for Workers' Education and its regional offices are doing creditable work in the field of workers' education, special attention should be paid to the needs of those who are to represent employees in joint collaboration.

Each unit would no doubt adopt the system of participation according to its own needs and circumstances. But efforts should be made, as far as possible, to conform to the provisions given in the Draft Model Agreement—to ensure uniformity. Besides, workers should be provided with adequate information regarding the affairs of the firm, its policies and problems to make them feel like true partners in industry and enable them to participate most effectively. Again, a strong and responsible trade union movement is the *sine quo non* for the success of labour participation. Therefore, idea of one union in each establishment should be popularised. However, until such a unified unionism obtains, different unions in a concern should be encouraged to shed their rivalries and come to an understanding in this regard in the interest of their members and industrial progress. These measures would help build up a sound foundation for effective labour participation and harmonious relations—and bring about peace and prosperity to the nation.

raw materials FOR PAINTS, PRINTING INKS AND PLASTICS

SOLVENTS
Amyl Acetate
Butyl Acetate
"Cellosolve"* Solvent
Diacetone Alcohol
Ethyl Acetate
Methyl Amyl Acetate
Methyl Isobutyl Ketone

RESINS
"Union Carbide" * Vinyl resins
"Synres" resins
"Union Carbide"* silicone resins

COUPLERS
Butyl Alcohol
Methyl Amyl Alcohol

PLASTICISERS
Dibutyl Phthalate
Dioctyl Phthalate
Tricresyl Phosphate

DILUENTS
Solvent Naphtha
Benzol
Toluol
Xylol

RETARDERS
Butyl "Carbitol"*
Butyl "Cellosolve"*
"Cellosolve"* Acetate

ALSO AVAILABLE
Carbon Blacks
Formaldehyde
Maleic Anhydride
Pentaerythritol
Phenol
Phthalic Anhydride
Titanium Dioxide

INDUSTRIAL PRODUCTS SALES DIVISION

UNION CARBIDE INDIA LIMITED
Formerly NATIONAL CARBON COMPANY (INDIA) LTD.
BOMBAY • CALCUTTA • DELHI • MADRAS
*Trade marks of Union Carbide Corporation U.S.A.

NCC 3193R1

THIS IS ONLY AN ANNOUNCEMENT FOR INFORMATION AND NOT A PROSPECTUS AND APPLICATIONS ARE INVITED ON THE BASIS OF THE PROSPECTUS COPIES WHEREOF ARE AVAILABLE FROM THE COMPANY'S REGISTERED OFFICE AND THE MANAGING BROKERS, BROKERS, MENTIONED HEREIN.

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Government of India do not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinions expressed with regard to them. The Central Government have granted licences (copies of which are open to public inspection at the Registered Office of the Company) for the industrial undertakings as set out in the Prospectus. It must be distinctly understood that in granting these licences the Government of India do not take any responsibility for the financial soundness of the undertakings or for the correctness of any of the statements made or opinions expressed in regard to it. A copy of this Prospectus having attached to it the documents required by Section 60 of the Companies Act, 1956, specified herein, has been delivered for registration to the Registrar of Companies, Bombay.

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS ON 18th APRIL 1961 AND WILL CLOSE AT THE DISCRETION OF THE DIRECTORS BUT NOT EARLIER THAN THE CLOSING OF BANKING HOURS ON 20th APRIL 1961.

LYNX MACHINERY LIMITED

(INCORPORATED ON 10TH NOVEMBER, 1960 UNDER THE COMPANIES ACT, 1956)

AUTHORISED SHARE CAPITAL .. .. Rs. 2,50,00,000

Divided into

1.	20,00,000	Equity shares of Rs. 10 each	Rs. 2,00,00,000
2.	50,000	9 per cent (free of Company's tax but subject to deduction of taxes at source at the prescribed rates) Cumulative Redeemable Preference Shares of Rs. 100 each..	Rs. 50,00,000
			Rs. 2,50,00,000

ISSUED SHARE CAPITAL:

6,00,000 Equity shares of Rs. 10 each .. .. Rs. 60,00,000

SUBSCRIBED SHARE CAPITAL:

1,41,504 Equity shares of Rs. 10 each fully paid up.. Rs. 14,15,040

CAPITAL AGREED TO BE TAKEN UP:

1,59,496 Equity shares of Rs. 10 each (on which Rs. 5 per share is payable on application and the balance of Rs. 5 is payable on 1st December, 1961 reserved for allotment and agreed to be taken up by Directors, Promoters and their friends and associates) .. Rs. 15,94,960

NOW OFFERED AT PAR FOR PUBLIC SUBSCRIPTION:

2,99,000 Equity shares of Rs. 10 each .. .. Rs. 29,90,000

APPLICATION FOR SHARES BY MEMBERS OF THE PUBLIC MUST BE FOR A MINIMUM OF 50 SHARES OR MULTIPLES THEREOF.

TERMS OF PAYMENT OF THE ABOVE SHARES—ON APPLICATION Rs. 5 PER SHARE, THE BALANCE OF Rs. 5 PER SHARE IS PAYABLE ON 1st DECEMBER 1961.

DIRECTORS

Shri C. C. DESAI, I.C.S. (Retd.), 44, Friends Colony, New Delhi (*Chairman*). Chairman of Sirsilk Limited, Premier Tyres Limited, Shah Construction Co., Ltd., etc. Director of: The Life Insurance Corporation of India, Bombay, The Industrial Finance Corporation of India, Hindustan Motors Ltd., Gujerat State Finance Corporation, etc.

His Highness Sir JIWAJIRAO SCINDIA (MAHARAJA OF GWALIOR), Samudra Mahal Palace, Bombay-18. Director of: The Central Bank of India Ltd., Colour-Chem Ltd., The Gwalior Rayon Silk Mfg. (Wvg.) Co., Ltd., Chase Bright Steel Limited, The National Newsprint & Paper Mills Ltd., The British Burmah Petroleum Co., Ltd., etc.

Dr. ING ERICH DUBOIS, Dusseldorf, Rheinallee 116a, West Germany, Engineer. Director of: Ofu-Ofenbau-Union G.m.b.H., West Germany, Friedrich Siemens Industrie Ofenbau G.m.b.H., West Germany.

Shri B. N. CHATURVEDI, 54 Vivekanand Road, Calcutta. Director of: The United Bank of India Ltd., Rohtas Industries Ltd., The Orient Paper Mills Co., Ltd., The Aluminium Corporation of India Ltd., Chase Bright Steel Ltd., etc.

Shri ANANDILAL PODDAR, M.L.A., 36, Chowringhee, Calcutta, Merchant. Director of: The Calcutta Tramways Co., Ltd., Shaw Wallace & Co., Ltd., Calcutta Credit Corporation Ltd., etc.

Shri S. L. JAJODIA, 7 Lyons Range, Calcutta, Merchant and Industrialist. Director of: Chase Bright Steel Ltd., etc.

Shri K. K. JAJODIA, 10 Clive Row, Calcutta. (*Managing Director*), Merchant and Industrialist. Director of: Kumar Iron and Steel Ltd., Ofu-Lynx Private Ltd.

REGISTERED OFFICE

READYMONEY MANSION, VEER NARIMAN ROAD, FORT, BOMBAY-1.

BANKERS

1. THE PUNJAB NATIONAL BANK LTD.
2. THE ALLAHABAD BANK LTD.
3. THE CENTRAL BANK OF INDIA LTD.

SOLICITORS

1. Messrs. MOTICHAND AND DEVIDAS, Solicitors and Notary Public, 31, Nanabhai Lane, Bombay-1.
2. Messrs. KHAITAN AND COMPANY, 1 & 2 Old Post Office Street, Calcutta.

AUDITORS

Messrs. SINGHI & COMPANY, Chartered Accountants, 25 Parsee Bazar Street, Bombay (also at Calcutta).

MANAGING BROKERS

Messrs. LEWIS & JONES, Bank of Baroda Building, Apollo Street, Fort, Bombay-1.

BROKERS

1. Messrs. BATLIVALA AND KARANI, Union Bank Building, Dalal Street, Fort, Bombay-1.
2. Messrs. HARKISONDASS LUKHMIDASS, 5, Hamam Street, Fort, Bombay-1.
3. Messrs. G. M. PYNE, 14, India Exchange Place, Calcutta.
4. Messrs. PATERSON & CO., 22 Errabalu Chetty Street, Madras-1.
5. Messrs. HARBANS SINGH MEHTA & CO., 33 Regal Building, Parliament Street, New Delhi.

OBJECTS OF THE COMPANY

The Company was incorporated on 10th November 1960 generally with the aims, objects and purposes set forth in its Memorandum of Association and in particular to manufacture engines, cranes, furnace equipments, road and building machinery such as concrete mixers, concrete vibrators, roller pan mixers and asphalt mixers, flexible shaft machines, engineering tools, etc.

BUSINESS AND PROSPECTS

The Company has taken over the business of the partnership firm LYNX MACHINERY COMPANY as from 10th November 1960. The firm was established on 1st June 1957 and since then has been engaged in manufacture of concrete vibrators, concrete mixers, roller pan mixers and other equipment used in the building and construction trade. The firm has been regularly earning profits. The Company has secured the necessary industrial licences under the Industries (Development and Regulations) Act, for the following products:

1. Engines.
2. Concrete Vibrators.
3. Overhead Travelling Cranes and Electric Hoist Cranes.
4. Concrete Mixers.
5. Roller Pan Mixers.
6. Asphalt Mixers.
7. Tar Boilers.

There is today an increasing demand for building, road making and construction equipment, oil engines, cranes of various kinds, grinders and tools which are still being largely imported. The rapid industrialisation in India under the Second and Third Five-Year Plans envisages a large expansion of manufacturing capacities in all these items. Indigenous production of these items will not only help save foreign exchange to an appreciable extent but may also earn foreign exchange, by way of exports to our neighbouring countries.

LISTER ENGINES: The Company has been granted a licence to manufacture 6,000 Lister B & D type Engines per annum in technical collaboration with the world-renowned manufacturers of oil engines, Messrs. R. A. LISTER & CO. LTD., ENGLAND. These Engines are still being imported in India and have numerous applications in the Industrial and Agricultural field. The marketing will be undertaken by Messrs. VOLTAS LIMITED, BOMBAY and Messrs. BALMER LAWRIE & CO. LTD., CALCUTTA.

ALLAM VIBRATORS: India has been regularly importing in considerable quantities concrete vibrators of the world-famous manufacturers Messrs. E. P. ALLAM & CO. LTD., ENGLAND. The Company has been granted licence to manufacture 1,200 Vibrators per annum. The Company will manufacture a wide range of Allam Vibrators which will help to a great extent the construction programme envisaged in the Third Five-Year Plan.

CRANES:—(a) DEMAG ELECTRIC HOIST CRANES: Messrs. DEMAG-ZUG G.m.b.H. OF WEST GERMANY, the world-renowned manufacturers of Cranes, have agreed in principle to grant a licence agreement to the Company for the manufacture of Electric Hoist Cranes in Eastern India. In view of the rapid industrial development outlined in the Third Five-Year Plan, the demand for these Cranes, already large, will further increase.

(b) SCHIESS-DEFRIES CRANES: Besides Electric Hoist Cranes the Company will also manufacture various other types of Cranes including Overhead Travelling Cranes, Goliath Cranes in technical collaboration with Messrs. SCHIESS-DEFRIES, WEST GERMANY, belonging to the well-known industrial group of Messrs. SCHIESS. The cranes will be sold under the Trade Mark of SCHIESS-DEFRIES/LYNX, and the licensed capacity will be fixed after one year of the Company going into production.

LYNX CONCRETE MIXERS: The Company is regularly manufacturing various sizes of Concrete Mixers and already a large number of these machines are in use throughout the country. The Concrete Mixers manufactured by the Company enjoy a high reputation and are marketed by the well-known firm, Messrs. HEATLY & GRESHAM LIMITED. The annual licensed production capacity is 600 numbers.

LYNX ROLLER PAN MIXERS: The Company has been manufacturing two types of Roller Pan mixers and the licensed annual production capacity is 228 numbers. These are also being sold by Messrs. HEATLY & GRESHAM LTD.

LYNX ASPHALT MIXERS AND TAR BOILERS: The licensed capacity of Asphalt Mixers and Tar Boilers is 144 numbers each per annum. The Company will shortly undertake the manufacture of these machines because of the extensive road-making programme envisaged in the Third Five-Year Plan.

OFU-LYNX RE-HEATING FURNACE PARTS: An Agreement has been reached between the Company and OFU-LYNX PRIVATE LTD. for manufacture of OFU-LYNX furnace parts. Since Messrs. OFU-LYNX are currently negotiating for large number of orders for furnaces it is expected that the Company's production in furnace parts will be considerable. "OFU" Furnace being very well known the scope for this business in India is considerable.

BAXTUL FLEXIBLE SHAFT MACHINES: Subject to the approval of the Government whereupon it will become effective, a technical collaboration agreement has been signed with a well-known British firm, THE FLEXIBLE DRIVE & TOOL CO. LTD. ENGLAND, whereby Flexible Shaft Machines like grinders, ship scaling machines, tube scaling machines and other engineering tools will be manufactured and sold under the Trade Name BAXTUL/LYNX. The Company's application for Industrial Licence and collaboration agreement are under the consideration of the Government. This scheme when approved by the Government will be a very profitable addition to the Company's manufacturing programme.

SKODA DIESEL ENGINES: The Company is negotiating for the manufacture of certain types of well-known SKODA Stationary and Marine Diesel Engines in collaboration with the renowned European concern of SKODA, CZECHOSLOVAKIA. The Company in due course will apply for the necessary Government's sanction for the implementation of this scheme. In view of the large popularity enjoyed by SKODA engines the benefits of this technical collaboration when the scheme is implemented will be considerable. Under this collaboration the Company proposes to manufacture higher horse-power Marine and Stationary Engines.

In all these collaborations the Company will have the benefit of their full technical assistance and in most cases the Company will send Indian Engineers for training abroad.

LAND, PREMISES AND PLANT AND MACHINERY: The existing factory premises of the Company are situated in the industrial area of Calcutta and comprises more than 13 Bighas approximately with structures covering an area of approximately 40,000 sq. feet. Adequate power and water-supply is available. The Commissioners for the Port of Calcutta have indicated their willingness to give a long-term lease in respect of the plot of land of about 40 Bighas located in Kidderpore, on their standard terms and conditions. The Company proposes to erect a new factory for the manufacture of new products, that is to say, Engines, Cranes, etc. on this plot of land. The Company has obtained necessary approval of the Ministry of Commerce and Industry for import of Plant and Machinery for a value of Rs. 30 lakhs for the various schemes sanctioned by the Government. As mentioned above, the Company is already manufacturing in its existing factory Concrete Mixers, Concrete Vibrators and other road building machinery.

PAYMENT TO PROMOTERS—PRELIMINARY EXPENSES

1. Shri K. K. JAJODIA, Shri R. K. JAJODIA and Shri M. K. JAJODIA are partners of the Firm whose fixed assets have been acquired by the Company and who will receive the purchase price of Rs. 14,00,000 for the same and a sum of Rs. 7,66,374.49 in respect of the current assets and liabilities which have been taken over by the Company at prices based on the Auditors' report as from 10th November, 1960.

2. The Promoters will be reimbursed of all the expenses incurred by them on behalf of the Company which are estimated at Rs. 50,000.

MANAGING DIRECTOR

The Board of Directors have, subject to the approval of the Central Government, being obtained, entered into an Agreement dated the 23rd March, 1961 with Shri K. K. JAJODIA for the appointment of the said Shri K. K. JAJODIA as Managing Director of the Company.

The Agreement between the Company and Shri K. K. JAJODIA provides *inter alia* that Shri K. K. JAJODIA be paid by way of remuneration an annual commission of 5 per cent on the net profits of the Company as computed in the manner laid down in Section 198(1) of the Act with the usual perquisites and that in the event of the Company having no profits, or its profits being inadequate, in any financial year, he is to be paid a minimum remuneration of Rs. 30,000 per annum with the usual perquisites provided nevertheless the said Shri K. K. JAJODIA shall be entitled to draw a sum of Rs. 2,500 per month towards his remuneration as Managing Director.

ESTIMATED PROFITABILITY

Since the Company has a running business, with the implementation of the expansion programme both in the present and new lines of manufacture, the Company is confident that within a short period the profits will be sufficient to provide an attractive return to the shareholders.

COMMENCEMENT OF BUSINESS

The Company has already obtained a Certificate dated 21st March 1961 for commencement of business from the Registrar of Companies, Bombay.

MINIMUM SUBSCRIPTION AND CAPITAL OUTLAY

The minimum amount which in the opinion of the Directors must be raised by this Issue and upon which the Directors can proceed to allot shares to the public as offered by this Issue has been determined at 1,49,000 Equity Shares (of the nominal value of Rs. 14,90,000) being only a part of this Issue out of which Rs. 12.90 lakhs will be utilised towards part payment of the purchase price of the land, buildings, plant and machinery, motor vehicles, etc. and Rs. 2 lakhs will be for preliminary expenses, brokerage and expenses of this Issue.

Any amount by which the allotment to the public out of the present issue falls short of the amount to be raised from the public will be, as required, met by borrowings from Banks or from other sources in the usual course of business. Likewise, it is intended that the balance of Rs. 24,00,000 required to meet the total capital outlay as detailed below together with any increase there may be in the actual cost over the estimated cost of the plant and facilities will be raised by loans from the Company's Bankers or from other like sources against the fixed and other assets of the Company in the ordinary course of business. For this purpose the Company has already approached the PUNJAB NATIONAL BANK LTD. of Calcutta which has indicated willingness in principle to make available a substantial loan subject to the usual formalities being satisfied.

CAPITAL OUTLAY

The financial requirements of the Company will be made up as under:—

		Rs.
1.	Purchase price of land, plant machinery and equipment including cost of erection of machinery, construction of factory building, power house, etc.	72,00,000
2.	Preliminary expenses including brokerage and expenses of this issue	2,00,000
3.	Working Capital	10,00,000
		Rs. 84,00,000

SOURCES OF FINANCE

The above amount will be provided as under:—

		Rs.
(a)	Subscribed Capital	14,15,040
(b)	Present Issue	45,84,960
(c)	Borrowings from Banks and other sources as and when required in the usual course of business	24,00,000
		Rs. 84,00,000

EXPENSES OF THE ISSUE

The Expenses of the Issue other than brokerage are estimated at Rs. 75,250 and will be payable by the Company.

BROKERAGE

Brokerage will be paid to Registered Brokers on the recognised Stock Exchange in India and Banks at 0.18 nP. per share on allotment made in respect of applications bearing their stamps. Messrs. LEWIS & JONES, BOMBAY, are the Managing Brokers to the Issue and will be in addition entitled to a commission of 0.07 nP. per Share subscribed by the Public.

The total amount of brokerage payable by the Company will be Rs. 74,750.

The following is a condensation of the Auditors' report by the Auditors, Messrs. SINGHI & CO., relating to the figures of sales and profits as published in the Prospectus.]

	Sales Less Commission and Discount	Profit Before Provision for Taxation
	Rs. nP.	Rs. nP.
Year ended 31st May 1958	2,79,165.93	10,044.82
Year ended 31st May 1959	6,59,787.95	54,175.82
Year ended 31st May 1960	18,54,009.38	1,61,380.44
Period from 1st June 1960 to 9th November, 1960 ..	6,23,473.11	2,42,212.88

ALLOTMENT AND SHARE CERTIFICATE

Where an application is rejected, or not accepted in full, the whole or any balance of the application money received will be refunded to the applicant within two months from the date of closing of the subscription list in which case bank commission, if any, will be payable by the applicant.

Share Certificate will be issued in exchange for letters of Allotment within 4 months from the date of allotment.

WEST COAST PAPER MILLS LIMITED

MR. P. D. BANGUR'S SPEECH AT ANNUAL MEETING

REVISION OF PAPER PRICE POLICY URGED

IN the absence of the Chairman, Mr. G. L. Bangur, Mr. P. D. Bangur, one of the Directors, presided over the Fifth Annual General Meeting of the West Coast Paper Mills Ltd., held on 28th March 1961. In his speech delivered at the meeting, Mr. P. D. Bangur discussed the problems of the paper industry in general and the difficulties faced by the Company in particular. He pointed out that the present price of paper was uneconomic and hardly sufficient to enable producers to make adequate provision for depreciation and give a reasonable return to the shareholders. As a result of the levies imposed on chemicals and other materials required for paper production in the recent Central Budget, the cost of production of paper, according to Mr. Bangur, would go up and reduce further the low profit margin of the industry. He, therefore, called for a revision in the price of paper.

The following is the full text of Mr. P. D. Bangur's speech:

"GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to the fifth annual general meeting of the shareholders of the West Coast Paper Mills Ltd.

"The Directors' report, the balance-sheet and the audited accounts for the year ended 30th June 1960 have been in your hands for sometime and with your permission I take the same as read.

"The progress and working of your mills at Dandeli can be considered quite satisfactory, as revealed in the balance-sheet, particularly when this has been the first year of its normal working. As shown in the balance-sheet, after setting aside a sum of Rs. 88,26,362 for depreciation and development rebate reserve, the net balance left with your Company was Rs. 28,74,465 including Rs. 4,70,474 transferred from the development rebate reserve account of the last year. Your Directors have already paid all the arrears of preference dividend and further proposed a dividend of 6 per cent (subject to deduction of tax) on the ordinary shares for the year ended 30th June 1960.

Expansion Schemes

"Encouraged by the good working results your Directors have been giving very careful consideration to the expansion programme of this new unit.

"The Government of India have recently granted to your Company a licence for the manufacture of 27,000 tons of rayon grade pulp and paper and also a licence for setting up a caustic soda plant with a rated annual capacity of 9,000 tons of caustic soda and 7,200 tons of chlorine.

"The Government of India have been very keen to utilise the limited supplies of bamboos for the manufacture of rayon grade pulp so that the drain on foreign exchange for the import of such pulp may be reduced. It is understood that the Government of India have issued a few licences for the manufacture of rayon grade pulp from bamboos. Since the manufacture of dissolvable pulp from bamboos will mean the introduction of absolutely a new process, your Directors have thought it advisable to get the feasibility of this project fully examined and investigated by a competent firm of consultants. They have accordingly appointed Messrs. Sandwell International Ltd., who are consultants of international repute for paper and pulp industry, to investigate the feasibility of this project. Their two senior executives, who have already been to the works at Dandeli and also in Bombay, have carried out a detailed and close examination of the relevant issues pertaining to the rayon grade pulp project as well as the expansion of paper and the installation of caustic soda/chlorine plant. Their detailed survey report on the technical and economic aspects of this huge integrated scheme of expansion is expected to be ready sometime about the end of April. The Directors will then only be in a position to review the whole scheme in the light of their comprehensive survey and come to a suitable decision.

"It may be interesting to mention here that the preliminary remarks conveyed to us by their two senior executives clearly indicate that they have been very much impressed with the layout and fine performance of the factory and they are satisfied that there is no indication of unusual wear and tear or deterioration of equipment and that the maintenance has been found quite satisfactory. They have also paid a tribute to the high calibre of the technical personnel of your Company and placed on record their appreciation of the work that is being done by the departmental heads in solving the various day-to-day problems.

Loans from Abroad

"The necessary total foreign exchange requirements of the entire integrated scheme of expansion has been roughly estimated to be in the neighbourhood of rupees six crores and the Government of India have indicated their willingness to allow us to negotiate a direct loan for a major portion of the resources with the D.L.F. and Export-Import Bank of U.S.A., while they may also allot a small portion of this amount of foreign exchange for import from the sterling area. The way has thus been cleared for the securing of foreign exchange resources and further negotiations will be carried out with the international agencies after the survey report of the consultants is in our hands and properly examined by your Board.

"I would also like to refer to the increased requirements of bamboo due to the expansion programme, especially in view of the fact that the proportion required for the manufacture of rayon grade pulp will be higher than those for paper pulp. Necessary representations have been made to the State Government of Mysore and I hope they will take a favourable decision in due course.

Quality of Paper

"It is a matter of great satisfaction that the qualities of different varieties of paper manufactured by your Company have achieved very great popularity in a very short period and have secured a special position in the principal consuming centres. Constant vigilance and sustained efforts are being made to maintain the high standard already achieved so that the Company may continue to enjoy the high reputation which it has already built in the initial period. I hope you will share with me the pride of special position which your products enjoy in the markets.

"The mill at Dandeli, as you know, is situated in an out-of-the-way place where we have to face very serious bottlenecks of transport ever since the beginning. The long-drawn-out negotiations with the railway Board to take over the Alnavar/Dandeli section have still not been finalised. It is, however, expected that the Railway Board would take over this line in the near future. Your Company, together with other industrial units, which have sprung up in this fast developing area, have represented their difficulties both in regard to the inadequate nature of transport facilities and the inflated freight structure, which has been levied on this route.

"I hope the Railway Board would take definite steps to take over and strengthen this railway line without any further delay.

"Furthermore, inadequate educational and medical facilities along with the difficult condition of the roads in that region continue to pose a problem for the industries and efforts are being made to seek assistance of the State Government and we hope the Mysore Government will pay special attention to the rapid development of this region and create such elementary facilities for the benefit of the people living in that region. We are deeply indebted to the Mysore Housing Board for taking active interest in bringing up the new township at Dandeli and constructing 400 tenements which have recently been completed. We are, however, requesting them to construct additional housing in this township to provide accommodation for all the labour working in that region. Your Company is also undertaking subsidised housing scheme to put up additional houses for various categories of staff and labour.

Shortage of Raw Materials

"The paper industry has been facing the problem of adequate supply of raw material to keep it working to its capacity. Bamboo is one of the main raw materials for this industry in India, but a substantial portion of which have flowered in this region. In order to overcome this problem, your Company is undertaking plantation programme vigorously with the active co-operation of the Forest Department of the Mysore State. To cope with any possible shortage in the supply of bamboo, your Company is planning to diversify the production programme by making use of other possible raw materials and even bagasse, if necessary. Required equipments are being planned in our expansion programme to facilitate the use of such different raw materials.

"The cost of production in the industry will be further adversely affected on account of the increase in the price of chemicals and other levies as announced in the current year's Central Budget. I would like to point out that the increase in the levy of excise duty on certain varieties of paper is excessive. The incidence of excise duty on cheap varieties of packing and wrapping paper works out to about 32 to 35 per cent of the prices of paper. In order to improve the general pattern of packing in the country, wrapping paper has been extensively used as raw materials by the various other industries and there is no justification for such heavy excise duty on the low-graded varieties of paper. Other adverse factors are, increase in the import duty on plant and machinery from 10 per cent to 15 per cent and the reduction of development rebate from 25 per cent to 20 per cent which will increase the capital outlay and thereby slow down the tempo of industrial development in general.

Price Policy

"I would like to emphasise the urgent need for the Government to review the present price regulation policy which is followed on the recommendation of the Tariff Commission. I would also like to clarify that the working results of your Company, though excellent under the circumstances, should not lead to any inference as if the paper industry is doing quite well. As you have seen from the accounts, we have not been able to make adequate provision for depreciation, leave alone to set aside anything for the reserves. Moreover, the dividend, which has been proposed is hardly comparable even to the yield on Government securities and, therefore, the difficulties that even the new units, who have got the most modern and up-to-date plant and machinery, are experiencing in not being able to provide adequate depreciation and reasonable return to the shareholders should be properly appreciated.

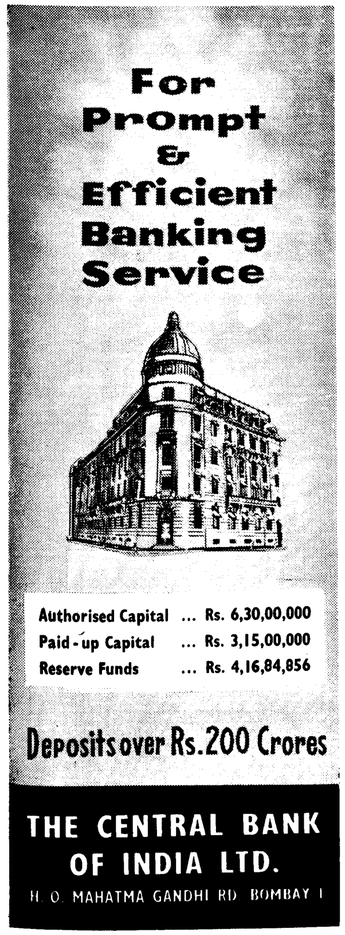
"The prices of manufactured goods of those industries are regulated which are of basic importance to the national economy and it does not seem logical how the development of these industries could be promoted by the enforcement of such uneconomic prices on these industries which do not allow them to have necessary reserves for their expansion. This matter of ensuring adequate and reasonable return to the basic industries, whose prices are controlled and regulated in the national interest, should be revised in a manner conducive to the proper growth and development of these industries.

New Issues Market

"At the end, I would like to point out the significant growth of the issue market in the stock exchanges which has created a healthy tendency to attract investment of a very wide circle of small investors in the industrial enterprises. This trend of mass investment in industrial enterprises should be fostered and encouraged to make our corporate sector really broad-based. Indeed, the recent development in highly industrialised countries clearly indicate the fast growing interest in industrial enterprises and certain figures indicate an impressive increase in the number of shareholders during the last few years. I hope, therefore, the Government of India and the Reserve Bank will not do anything to arrest the dynamic growth of investment in industrial enterprises.

"Before I conclude I would like to give first-hand information about the serious fire which

(Continued on page 707)



THE STATE BANK OF INDIA

OFFER

NEW INCREASED

INTEREST RATES

Open a savings account and/or lodge in fixed deposit with THE STATE BANK OF INDIA and take advantage of these new increased interest rates:

Savings Bank Accounts 2½% p.a. (increased from 1½%)

Savings Bank Deposits 2¾% p.a. (increased from 2½%)

FIXED DEPOSIT ACCOUNTS

for six months 3¼% per annum (increased from 2¾%)

for twelve months 3½% per annum (increased from 3%)

THE STATE BANK OF INDIA also accept CALL DEPOSITS and other SHORT-TERM DEPOSITS at competitive rates.

Full details can be obtained on application.

★

The State Bank's 904 offices in the country are at the Nation's Service.

SISTA'S-58-49

CANARA BANK LIMITED

(INCORPORATED IN INDIA, LIABILITY OF MEMBERS IS LIMITED)
(ESTABLISHED 1906)

Registered Office : MANGALORE
Administrative Office : BANGALORE
Foreign Departments : BOMBAY, MADRAS & CALCUTTA

BOARD OF DIRECTORS:

MR. A. DAMODAR PAI, B.A., B.L., Bangalore (Chairman and Supervising Director).
MR. H. LAXMINARAYANA KAMATH, Merchant, Gangulli, South Kanara.
MR. C. SHRINIVASA RAO, Savkar, Nagar, Mysore State.
MR. S. PUNDLIK NAYAK, Merchant, Bombay.
MR. K. P. J. PRABHU, B.A., Mangalore.
MR. K. BHUJANGA RAO, J.P., Bombay.
MR. U. SRINIVASA MALLIAH, Member of Parliament, New Delhi.
MR. JEENABHAI DAVIDOSS, Merchant, Bangalore.
HIS HIGHNESS SAHDEVJI NARAHARDEVJI, Maharana of Dharampur.

GENERAL MANAGER :
MR. P. S. NAYAK, B.A., B.L., Fellow of the Indian Institute of Bankers.

DEPUTY GENERAL MANAGERS :
MR. A. G. PAI, B.A., C.A.I.I.B.
MR. C. G. KINI, B.A., C.A.I.I.B.
MR. B. V. BHANDARY, B.A., C.A.I.I.B.
MR. C. E. KAMATH, A.C.A.

AUDITOR :
MR. A. UMANATH RAO, B.A., F.C.A., Chartered Accountant.

DIRECTORS' FIFTY-FIFTH ANNUAL REPORT

The Directors have pleasure to submit to the Shareholders the Fifty-fifth Annual Report for the year 1960. After making the necessary provisions a sum of Rs. 17,22,548.78 is available for distribution. The Directors recommend the following appropriations :—

	Rs.	nP
To Provision for Income-tax	7,65,000	00
To Preference Dividend	62,440	00
To Dividend on Equity Shares at 15 per cent.	5,40,000	00
To Bonus to Staff	3,10,000	00
	16,77,440	00
Leaving balance to be carried forward	45,108	78
	Rs. 17,22,548	78

Though the general trend during the year of accounts has been for Bank deposits to remain at last year's level and the advance/deposit ratio to rise, your Directors are glad to report that in the case of your Bank there has been a satisfactory increase in deposits and the liquidity position has been more than maintained.

In order to improve the capital/deposit ratio of the Bank, it is the intention of your Directors to approach you later in the current year with a proposal to increase the Capital and also to seek your approval to set apart a portion of such new issue for subscription by members of the staff as was done on a previous occasion.

Your Directors are also glad to report the appointment by them as an additional Director of His Highness Sahdevji Naraharedevji, Maharana of Dharampur. The experience and guidance of His Highness will be of great advantage to your Bank.

The eight new branches opened during the year, viz., Chamarajpet and Chickpet—Bangalore in Mysore State, Mount Road—Madras and Avanashi Road—Coimbatore in Madras State, Abdul Rehman Street—Bombay, Dombivli, Poona and Sitabuldi—Nagpur in Maharashtra are making satisfactory progress. Two more officers of the Bank underwent refresher courses in Germany this year—one at the Deutsche Bank, Hamburg, and another at the Dresdner Bank, A.G., Hamburg. We are thankful to both these Foreign Bank friends for offering these training facilities.

The construction of the Bank's Administrative Offices in Bangalore has been commenced and the work is making speedy progress.

The Directors thank all shareholders, customers and staff for their co-operation during the year.

ADMINISTRATIVE OFFICE,
BANGALORE-2,
Dated 17th January, 1961.

By Order of the Board,
A. DAMODAR PAI,
Chairman.

BALANCE SHEET AS AT 31st DECEMBER, 1960.

1959 Rs.	nP.	CAPITAL AND LIABILITIES	Rs.	nP.	Rs.	nP.
		1. Capital—				
		AUTHORISED CAPITAL—				
86,00,000	00	1,72,000 Equity Shares of Rs. 50 each	86,00,000	00		
14,00,000	00	28,000—5 per cent. Cumulative Preference Shares of Rs. 50 each	14,00,000	00		
1,00,00,000	00				1,00,00,000	00
		ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—				
86,00,000	00	72,000 Equity Shares of Rs. 50 each fully paid	86,00,000	00		
14,00,000	00	28,000—5 per cent. Cumulative Preference Shares of Rs. 50 each fully paid	14,00,000	00		
50,00,000	00				50,00,000	00
		2. Reserve Fund and Other Reserves—				
50,00,000	00	Reserve Fund	50,00,000	00		
6,30,000	00	Share Premium	6,30,000	00		
56,30,000	00				56,30,000	00
		3. Deposits and Other Accounts—				
16,01,18,638	45	Fixed, Short Term, Cash Certificates and Cumulative Deposits	14,60,52,748	00		
4,21,88,094	27	Savings Bank Deposits	5,64,41,606	88		
8,60,31,470	27	Current Accounts, Contingency Accounts, etc.	10,57,05,529	56		
28,93,38,198	09				30,81,97,884	44
Nil		**4. Borrowings from Other Banking Companies, Agents, etc.**			Nil	
41,14,583	80	**5 Bills Payable**			37,67,574	65
		6. Bills for Collection Being Bills Receivable as per contra—				
3,29,86,819	24	(i) Payable in India	3,80,99,894	08		
28,26,398	73	(ii) Payable outside India	33,41,645	31	4,14,41,539	39
3,58,13,217	97					
		7. Other Liabilities—				
75,982	20	(i) Rebate on Bills	22,629	99		
41,483	17	(ii) Unclaimed Dividends	32,543	14		
1,33,90,029	32	(iii) Branch Adjustments	1,04,04,610	20		
16,85,826	24	(iv) Provision for Taxes	22,64,006	59		
98,737	46	(v) Outstanding Charges and Sundries	1,00,995	52		
1,51,56,558	59				1,28,25,090	24
3,52,10,880	47	**8. Acceptances, Endorsements and Other Obligations as per contra**			2,48,35,462	27
		9. Profit and Loss—				
9,45,008	69	Profit as per last Balance Sheet	13,67,473	71		
		LESS—Appropriations— Rs. nP.				
3,91,000	00	To Provision for Income-tax	4,75,000	00		
2,10,000	00	To Bonus to Staff	2,40,000	00		
3,06,625	00	To Dividends	6,10,000	00	13,25,000	00
37,383	69				42,472	71
18,30,089	02	ADD—Profit for the year brought from Profit and Loss Account			20,30,076	07
18,67,472	71				20,72,548	78
5,00,000	00	LESS—Transfers to Reserve Fund			Nil	
Nil		Transfer to Inner Reserves			3,50,000	00
13,67,472	71				17,22,548	78
		10. Contingent Liabilities—				
1,51,10,090	41	(i) Liability on account of Letters of Guarantee given on behalf of constituents	1,55,57,234	37		
2,18,02,622	19	(ii) Liability on account of outstanding Forward Exchange Contracts	3,98,45,841	26		
32,558	64	(iii) Claims against the Bank not acknowledged as debts	16,100	17		
2,000	00	(iv) Liability on account of guarantees given on behalf of Directors	4,000	00		
29,16,30,411	13	Total		Rs.	40,34,20,099	87

1959 Rs.	nP.	PROPERTY AND ASSETS	Rs.	nP.	Rs.	nP.
		1. Cash—				
2,44,60,489	62	In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)			3,42,56,419	29
		2. Balance with Other Banks—				
18,63,223	49	(a) In Current Account— (1) In India	20,59,762	82		
12,91,096	58	(2) Outside India	18,14,432	28		
27,750	00	(b) In Deposit Account— Deposits with Banks in India	10,750	00		
31,82,140	07				38,84,945	10
25,00,000	00	**3. Money at Call and Short Notice—** (1) In India	1,60,00,000	00		
Nil		(2) Outside India	Nil		1,60,00,000	00
25,00,000	00					
		4. Investments—				
		(i) Securities of the Central and State Governments and other Trustee Securities of the Face Value of Rs. 10,15,57,000 at cost (approximate Market Value as on 31-12-1960 Rs. 10,09,64,461.08)	9,96,34,691	57		
11,50,58,204	28	(ii) Shares of the Bombay State Financial Corporation, the Madras Industrial Investment Corporation Ltd., the Mysore State Financial Corporation and Gujarat State Financial Corporation (fully paid) at cost (Face Value Rs. 6,50,000)	6,49,218	75		
6,24,250	00	(iii) Municipal Debentures (Face Value Rs. 11,36,000) and Other Debentures (Face Value Rs. 4,94,000) at cost (Approximate total Market Value as on 31-12-1960 Rs. 15,90,901.52)	15,16,360	78		
27,69,579	67	(iv) Equity Shares of Joint Stock Companies (fully paid) at cost (Face value Rs. 4,80,410) (Approximate market value as on 31-12-1960 Rs. 4,13,159.60)	4,43,694	95		
Nil		(v) Gold	Nil		10,33,43,975	05
Nil						
11,84,52,033	95					
		5. Advances— (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditor)				
		(i) Loans, Cash Credits, Overdrafts, etc.— Rs. nP.				
10,53,50,392	64	(1) In India	12,15,54,781	23		
Nil		(2) Outside India	Nil			
10,53,50,392	64				12,15,54,781	23
		(ii) Bills Discounted and Purchased—				
4,21,25,609	26	(1) Payable in India	3,59,79,872	97		
1,12,25,262	30	(2) Payable outside India	87,50,124	53		
5,34,50,871	56				4,47,29,997	50
15,88,01,264	20					16,63,84,778
		6. Bills Receivable Being Bills for Collection as per contra—				
3,29,86,819	24	(i) Payable in India	3,80,99,894	08		
28,26,398	73	(ii) Payable outside India	33,41,645	31		
3,58,13,217	97				4,14,41,539	39
3,52,10,880	47	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra**			2,48,35,462	27
3,71,579	01	**8. Premises at Cost**				
21,194	16	ADD—Additions during the year	8,92,778	17		
			8,64,061	95		
8,92,778	17	LESS—Depreciation to date	17,36,835	12		
84,978	17		1,13,717	42		
8,07,795	00				16,23,117	70
14,22,525	66	**9. Furniture and Fixtures at Cost**				
3,63,251	55	ADD—Additions during the year	17,42,931	89		
			5,33,300	52		
17,85,777	21		22,76,232	41		
42,845	32	LESS—Cost of articles sold or fully written off	56,186	11		
17,42,931	89		22,20,046	30		
5,47,303	31	LESS—Depreciation to date	6,56,590	19		
11,95,628	58				15,63,456	12
12,54,257	37	**10. Other Assets—**				
3,98,255	85	(i) Interest accrued on Investments	11,44,240	48		
		(ii) Stock, Stationery and Library	4,35,545	84		
40,20,086	45	(iii) Branch Demand Drafts Paid, Bills Realised by Agent Banks pending adjustment, Cheques pending collection and Clearing Vouchers received	33,40,184	71		
12,79,800	00	(iv) Application Money for Municipal Debentures pending delivery of Securities	9,22,500	00		
9,10,236	93	(v) Prepaid Expenses and Sundries	9,79,408	21		
33,44,574	67	(vi) Taxes paid in advance and Income-tax deducted at source	39,01,276	96		
1,12,07,161	27				1,13,86,156	22
300	00	**11. Non-Banking Assets Acquired in Satisfaction of Claims—** Land and Buildings at or below cost			300	00
29,16,30,411	13		Total	Rs.	40,34,20,099	87

(Continued on next page)

NEW PRODUCTS AND PROCESSES

Mechanical Blacksmith

A MACHINE which can shape metal into any decorative design or scroll, more accurately and in a fraction of the time it would take a blacksmith, has recently been patented by a British manufacturer, Isecut Power Machines Ltd. of Surrey. Powered by a small electric motor it can shape into a variety of designs such as circles, squares, triangles and ellipses by passing it through the appropriate "mandrels." These "mandrels" can be interchanged by an unskilled operator in less than 60 seconds. The machine has automatic stopping, magazine loading and will automatically rectify irregularities of up to 3/16 in. in original cut lengths—so there is no scrap. As all the work is done by cold manipulation, the metal needs none of the "redressing" which is necessary if a metal has been heated and hammered into shape. In tests recently, the machine was matched against the skill of several first-class blacksmiths. It was calculated that a blacksmith, working at top pressure, could produce an average of 40 double-ended S-scrolls in one hour. These scrolls are widely used in wrought iron work and the machine comfortably produced 300 in an hour. And so it was in shaping sheet metal for car silencers, iron rods for pre-stressed concrete supports and many other shapes. In all cases the machine was upwards of eight times faster than the blacksmiths. As far as can be gauged there is no limit to the machine's versatility. In standard form it can accomplish almost any task in multi-purpose steel bending and forming. And where exceptions do occur, specially shaped "mandrels" can be tailor-made at extra cost.

Pelletiser

A compact precision machine, which will enable firms to make pellets for shot blasting from high-tensile steel wire, has been produced by a U.K. firm, Dohm Ltd., London. The manufacturers, already producing a wide range of sizes of cut, high-tensile, steel wire pellets for shot blasting, estimate that to a firm which has to import pellets the new pelletiser would cover its cost after producing the initial 50 tons. The unit, powered by a 1½ h.p. electric motor, produces pellets ranging in size from 0.020 in. to 0.064 in. (0.5 to 1.6 mm.), accurately without tearsons, specifically for use in shot blast cabinets. It can be used to replenish hoppers as required and can be modified to suit any requirements in this field. With compactness as a design feature, the firm are producing two models, one requiring a floor area of 7 ft. x 2 ft. 6 ins. and the other an area of 3 ft. 6 ins. x 1 ft. Each machine is supplied complete with up to five gears to individual users' requirements and it is a simple operation to change the gears to produce different size pellets. Additional gears are supplied at extra cost where a user needs more than five sizes. Pellets are produced in lengths equal to the wire diameter. This is achieved automatically by the predetermined speed of the hardened steel rollers. As an example of their capacity the machines are designed to cut fine wire at speeds sufficiently high to give an average production of 28 lb. (12.7 kg.) of pellets an hour. Sizes of more than 0.040 ins. (1.02 mm.) up to 0.064 ins. (1.63 mm.) can be produced, but the wear on cutting blades is considerably higher.

Versatile Power Transmission Belting

A power transmission belting, combining the flexibility and simplicity of the flat belt with the high speed ratios, shorter centre distances and freedom from slip of the V-belt drives, has been produced by Turner Bros. Asbestos Co. Ltd., Spotland, Rochdale, England. The new belting, claimed to be the biggest advance in the transmission world since the V-belt was introduced more than 30 years ago, has been named the "Poly-V Drive." The concept of the drive is extremely simple. It is in effect a flat belt with a series of parallel V-shaped grooves moulded on its inner side. These ribs form the driving surface of the belt which completely fill the mating grooves on the pulleys. The load-carrying member extends across the full face of the drive unlike the multiple V-belt drive where part of the total drive width available is wasted by the space between belts. The grooved inner face of the belt also has about twice the area in contact with the pulleys compared with multiple belt drives of the same width. These two principal features of the drive mean that it can transmit the same load in less space or a greater load in the same space as the multiple belt drive. In fact, it has been found that the "Poly-V" drive will increase drive capacity by about 50 per cent.

Rubber-base Contact Adhesive

A rubber-base contact adhesive has been successfully developed at National Chemical Laboratory, Poona. Liquid rubber prepared from solid natural rubber is treated with a mixture of phosphorus oxychloride and trichloride under suitable conditions to give a resin which is dissolved in aromatic hydrocarbons or chlorinated solvents to give an adhesive of required consistency. The bond obtained is resistant to dilute acids and alkalies at ordinary temperatures but softens at about 90°C. In the case of metal bonds, shear strengths upto 1,200 lbs./sq. in. have been obtained with this adhesive. The range of its usefulness can be increased by using it in combination with suitable rubbers, like neoprene. The product has been tested by industry and reported equal to or better than some imported adhesives. Apart from its applications as general adhesive, the material can be used as an anchor coat in the manufacture of cellophane adhesive tapes.

Shoes by the Thousand

There are normally about 300 operations in making a shoe by factory methods, but plastic footwear is being made now by machinery in one operation. After the shoe has been made, it has to be trimmed and the buckle attached by hand, but the main process is automatic. These economically priced plastic shoes are selling well in many countries. Polyvinyl chloride (commonly called P.V.C.), coloured in the shades required, is poured in at one end of a machine and shoes comes out at the other. One of the firms making these shoes, Eatoughs Ltd., High Street, Burton-on-Trent, Staffordshire, England, uses nine operators per eight-hour shift, working on seven machines. To these, of course, must be added those engaged on trimming and packing, and the whole team can turn out 70,000 pairs a week. There is little, if any, waste, since faulty shoes can be put into the machine again.

Artificial Lightning Aids Chemistry

Man-made lightning is being used by Sun Oil Company researchers to simplify the study of chemical changes under conditions of high temperature and pressure. They reproduce in a glass tube the conditions present in a stroke of lightning by discharging at least 10,000 volts between electrodes at speeds of miles per second. They can control the type of atmosphere—air, gas, or a gas mixture—in the tube as well as the strength and number of the shocks. The artificial lightning stroke is so short and sudden that it doesn't break the glass, the researchers report, and the rapid heating and cooling of the gas enables chemists to isolate new materials that are formed at high temperatures but which would fall apart again if allowed to cool slowly.

Measuring Heat

A novel instrument designed to measure the effectiveness of radiant heating, either during the air conditioning of offices or in industrial drying processes, has been developed in Australia. The device consists of a radiation "receiver" in the form of two very thin polythene hemispheres which are kept inflated by an inert gas supply and a thermopile—250 thermocouples surrounded by blackened plates. The latter, contained within the "receiver," is thus protected from moisture and from convective heat loss. Radiant heat is absorbed by the thermopile and an electric current, proportional to the intensity of the heat, is generated. This is recorded directly without further amplification, it is stated.

Cow's Milk to Order

The cow, a highly complex milk factory, may some day be specialised to meet specific consumer needs, according to Mr. R. D. McCarthy of the Pennsylvania State University's Department of Dairy Science. He says that by varying the cow's diet scientists may be able to encourage the growth in its stomach of certain bacteria to help produce milk specifically designed for nutrition of adults or of children or to make better cheese or ice cream. In a speech at a recent American Chemical Society meeting he said, "... The future appears bright for 'calling the shot' in producing the type of milk we desire for various reasons."

CANARA BANK LIMITED—*(Contd.)*

Schedule of Particulars required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1960.

1959 Rs.	nP.	PARTICULARS OF ADVANCES	Rs.	nP.	1959 Rs.	nP.		Rs.	nP.
12,14,14,151	01	(i) Debts considered good in respect of which the Banking Company is fully secured	13,67,61,104	17	34,690	57	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	53,008	87
1,93,81,313	50	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security (inclusive of advances on joint and several promotes)	1,79,49,781	41	30,19,715	64	(vi) Debts due by Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	51,87,565	10
1,75,05,790	60	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,15,73,843	15	54,337	51	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	72,069	88
Nil		(iv) Debts considered doubtful or bad not provided for	Nil				(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners, or Managing Agents, or, in the case of private companies, as members	76,77,097	72
15,88,01,264	20		16,62,84,728	73	85,90,768	47	(ix) Due from Banking Companies	1,83,371	63
					3,82,266	23			

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960.

1959 Rs.	nP.	EXPENDITURE	Rs.	nP.	1959 Rs.	nP.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	nP.
80,83,025	16	1. Interest paid on Deposits, Borrowings, etc.	78,52,359	16	1,19,31,395	20	1. Interest and Discount	1,29,63,740	08
37,38,027	44	2. Salaries and Allowances and Provident Fund (inclusive of Salary and Allowances of the General Manager Rs. 31,066.69)	50,21,502	76	28,15,834	77	2. Commission, Exchange and Brokerage	32,78,035	31
		3. Directors' and Local Committee Members' Fees and Allowances (inclusive of remuneration to Supervising Director Rs. 30,000; Rent-free quarters Rs. 2,700; P. F. Contribution Rs. 2,499.96)	74,260	61	30,879	82	3. Rents	38,953	57
76,814	87	4. Rent, Taxes, Insurance, Lighting, etc.	5,38,291	59	54,681	34	4. Net Profits on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to reserves or any other particular Fund or Account)	42,675	10
4,28,777	61	5. Law Charges	28,571	88			5. Net Profits on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
13,690	84	6. Postage, Telegrams and Stamps	3,96,639	93			6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil	
3,25,384	81	7. Auditors' Fees and Travelling Expenses	5,000	00	Nil		7. Other Receipts	9,19,731	43
5,000	00	8. Depreciation on and Repairs to the Banking Company's Property	2,42,324	35					
2,14,212	05	9. Stationery, Printing, Advertisement, etc.	5,87,993	20	Nil				
4,62,130	61	10. Loss from Sale of, or Dealing with Non-Banking Assets	Nil		7,43,422	03			
Nil		11. Other Expenditure	4,73,115	84					
3,99,190	75	12. Balance of Profit	20,30,076	07					
18,30,089	02								
1,55,76,213	16	Total .. Rs.	1,72,48,135	48	1,55,76,213	16	Total .. Rs.	1,72,48,135	48

AUDITOR'S REPORT

I beg to report that I have audited the annexed Balance Sheet of the Canara Bank Limited as on 31st December, 1960, and also the annexed Profit and Loss Account of the Bank for the year ended that date, with the Books and Accounts and certified returns from Branches and report that :—

I have visited twenty-five branches of the Bank and have examined the Books of Account and cash and securities as at the time of my visit of the Branches so visited, twelve Branches have been audited in December 1960 and the other thirteen Branches on 31st December 1960 and after. Adequate and satisfactory arrangements for scrutiny and check at regular intervals of the accounts of the Branch Offices by responsible officers of the Bank are in force and their Inspection reports have been made available to me at the time of audit of the Bank.

By its order No. 1 (7) CL. VI/61, dated 6th February 1961, the Government of India, in pursuance of Sub-Section (4) of Section 228 of the Companies Act with clause (*d*) of Sub-Rule (1) of Rule (4) of the Companies (Branch Audit Exemption) Rules, 1961, has exempted the unmentioned Branches (which, however, include some of the Branches audited by me) from the provisions of sub-sections (1) and (3) of Section 228 of the said Act in respect of the year ended 31st December 1960. (1) Fort Bombay, (2) Mandvi Bombay, (3) Girgaum Bombay, (4) Kalbadevi Bombay, (5) Bandra Bombay, (6) Dadar Bombay, (7) Sion Bombay, (8) Mazagaon Bombay, (9) Worli Bombay, (10) Matunga Bombay, (11) Chembur Bombay, (12) Byculla Bombay, (13) Abdul Rehman Street Bombay, (14) A/cs. Section, Bombay, (15) F. D. Bombay, (16) Kalyan, (17) Ulhasnagar Kalyan, (18) Mohone Kalyan, (19) Dombivli, (20) Ahmedabad, (21) Hawai Nagpur, (22) Sitabuldi Nagpur, (23) Sholapur, (24) Bhavanagar, (25) Hyderabad, (26) Secunderabad, (27) Nizamabad, (28) Warangal, (29) Vijayawada, (30) Adoni, (31) Chickpet Bangalore, (32) Chickmagalur, (33) Shimoga, (34) Davangere, (35) Mandya, (36) Belgaum, (37) Dharwar Market, (38) Dharwar Malmaddi, (39) Hubli, (40) Karwar, (41) Sirsi, (42) Gangulli, (43) Coondapoor, (44) Udipi, (45) Mulki, (46) Karkala, (47) Bantwal, (48) Puttur, (49) City Mangalore, (50) Bunder, Mangalore, (51) Hampanakatta, Mangalore, (52) Mercara, (53) Gulbarga, (54) Tumkur, (55) Bellary, (56) Gadag, (57) Bijapur, (58) Raichur, (59) Foreign Dept., Madras, (60) GN St. Madras, (61) Mount Road, Madras, (62) Salem, (63) Erode, (64) Opp. St. Coimbatore, (65) Avanashi Road, Coimbatore, (66) Tuticorin, (67) Payyanur, (68) Cannanore, (69) Kozhikode, (70) Cochin, (71) Kasargod, (72) Tellicherry, (73) Calcutta.

(*a*) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of audit. (*b*) Such information and explanations have been found to be satisfactory. (*c*) Transactions of the Bank as have come to my notice have been, in my opinion, within the powers of the Bank. (*d*) The Returns received from the branches have been found adequate for the purposes of my audit. (*e*) The Bank's Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the Books of Accounts and Returns. (*f*) In my opinion and to the best of my information and according to the explanations given to me the said Accounts give the information required by the Companies Act, 1956, and the Banking Companies Act, 1949, in the manner so required and the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December 1960 and the Profit and Loss Account gives a true and fair view of the profit for the year ended 31st December 1960. (*g*) In my opinion proper Books of Account as required by law have been kept by the Bank so far as appears from my examination of these Books.

A. UMANATH RAO, B.A., F.C.A.,
Chartered Accountant,
Auditor.

MANGALORE-3, 11th *February*, 1961.

P. SARVOTHUM NAYAK,
General Manager.

A. DAMODAR PAI, *Chairman.*
H. LAXMINARAYANA KAMATH, K. P. J. PRABHU, JEENABHAI DAVIDOSS } *Directors.*

BANGALORE, 17th *January*, 1961.

SUPERSONIC AIR TRANSPORT

ITS RISKS AND DANGERS NOT YET FULLY RECOGNISED

By Wing Commander R. Vaughan-Fowler, R.A.F. (Retd.)

AIR transport having entered the jet air age with the introduction of subsonic air services, the public is now being subjected to propaganda heralding the supersonic air travel age. In view of the fact that subsonic air transports are only now being "bedded down" in the air traffic control systems of the world, and that this process is admittedly going to take ten years, it seems premature to start serious construction of supersonic airliners so as to introduce supersonic air travel within the period of the next ten years. The present air traffic control systems are not unified, neither are they equipped with technical aids for aerial navigation capable of handling air transports travelling at 600 m.p.h., which, to further complicate the problems, have to mix with slower types of aircraft. Existing airliners already cruise at altitudes above the normal weather reporting facilities, which means that essential information regarding force and direction of winds is not available for navigation purposes.

It is not suggested that air transport should not progress through research and planning towards the day when supersonic air travel is introduced. On the contrary, it is believed that in the years to come supersonic air travel will have its proper place in the world transport systems. But, to introduce it before it is fully understood and before its problems have been solved is, in my opinion, an extremely dangerous step which public opinion should oppose.

Before proceeding to explain some of the difficulties and dangers in the path of supersonic air travel it is necessary to look at air transport as it is today. Subsonic vehicles have brought any two points, however far apart on the world's surface, within 48 hours of each other, whilst journeys which used to take two or three days by air are completed in under 20 hours. Only a minute fraction of the world's population is able to use air transport because the cost is too high for the average individual. For those who can afford this form of travel, journeys even so extensive as from London to Tokyo can be completed in jet airliners flying at subsonic speeds without undue fatigue and within a phenomenally short time. There is no economical urgency to introduce faster aircraft. There is no public demand for faster air travel as the public has yet to digest subsonic air travel speeds which are surprising even to the old hand air travellers. Financially the airline operators are burdened with heavy debts to pay for the subsonic airliners they are now using as well as those already on order which they will receive from the manufacturers between now and the end of 1962.

Background Reasons

These operators have yet to step up their sales organisations so as to sell the enormous capacity of seats and cargo space which their fleets are capable of carrying. Unless this air transport capacity is occupied, and it will require loads many times as great as any so far achieved, these operators are going to find themselves with enormous operating debts they are unable to meet. Governments will have to come to the aid of air transport with subsidies and capital assistance. It must be realised that at the present moment we have only before us the record of the first 18 months or so of jet air travel. Those operators with this modern equipment have managed to reap a rich harvest, but as the new equipment is delivered and more operators enter the field with their modern equipment, the available traffic loads are going to be spread with the result that individually the operators will find it extremely difficult to fill their services even to fifty per cent of the load capacity. A few may be fortunate, good salesmanship backed with eye-catching advertising may attract good loads but to arrive at the true profit and loss account of air transport it is necessary to look at the whole picture.

The reason why supersonic air transports are being introduced in such a rush is that they have a military value, and nationally the first country to launch supersonic air transport will have achieved a scientific victory over other nations, which will naturally add prestige to its national record. There are clear indications that the airline operators themselves are not by any means anxious to push ahead with introducing supersonic air transports. To quote Sir William Hildred, Director General of the International Air Transport Association, "If we are pushed into Mach 3 speeds too soon, we will be headed for chaos, if not disaster."

Unfortunately the airline operators are not in any position to express their views strongly or oppose the wishes of Governments because, almost without exception they are at the mercy of Governments. Those fortunate enough to be financially independent still have to conform to Government wishes, they must also obtain Government approvals to operate the routes. In addition the charges they impose upon the travelling public and the shippers of air cargo have to receive the approval of Governments. In the majority the operators are under the control of Government so they have little opportunity to oppose the wishes and the policies put forward by the politicians. These are the background reasons why supersonic air transport is being forced upon the world long before the necessary preparations for its safe and smooth operation have been properly investigated.

Dangers

Very few have given supersonic air travel any deep consideration. The majority, even those in air transport, have accepted supersonic air travel as just another step in the natural progress of the air transport business. The dangers ahead are quite serious and the lack of knowledge regarding them is so great, it can be said, that hardly anything is known about the problems of supersonic air travel. A few scientists are aware of the very real dangers that exist, but their views are unwelcome amongst those who advocate rushing ahead to launch supersonic airliners into the air transport system by the year 1968, or 1970 at the latest.

There are two major dangers which by themselves are more than sufficient to cause responsible individuals to pause and think again. These major dangers are cosmic radiation and the sonic-boom. I will discuss cosmic radiation first. It is admitted by scientists that the biological effects of cosmic radiation at the supersonic cruise altitudes are unknown. The same applies to the sonic-boom. It is claimed that the burden of proof in respect of these dangers, and of course their elimination, rests with those who advocate supersonic air travel.

Professor Martin Wrete of the University of Uppsala, Sweden, has expressed some powerful warnings regarding the dangers of cosmic radiation. Mankind is continuously exposed to this form of danger generally referred to as ionizing. Its dangerous qualities compare with those of X-rays which can have disastrous results on human organisms. According to Professor Wrete the total ionizing influence of cosmic radiation on all animal organisms is at its maximum at an altitude of 75,000 ft. which happens to be the cruising altitude of the supersonic air transports. This is a very solemn thought which in some respects is positively frightening as even shielding does not protect the human being. Cosmic radiation can pass through a shield such as lead and when it emerges is actually intensified, having what is known as a "cascade effect" which is more harmful.

Cosmic Radiation

There are sufficient reasons for believing that cosmic radiation is the cause of cancer. To quote the Professor:

"Civil aircraft personnel, who must obviously spend long periods at relatively high flying altitudes, are subject to an increased exposure to cosmic radiation, which is approximately 40 times stronger at a height of 30,000 ft. than at ground level. In an aircraft, however, the altitude is not the only unfavourable factor as a certain cascade effect developed by the aircraft fuselage is also present. Aircraft personnel must therefore be subject to a somewhat greater risk of injury to the sex-cells, resulting in congenital development irregularities of descendants, than people on average."

He goes on to point out that passengers constantly travelling will be subject to grave risks of bodily injury and adds, "but female passengers in the first months of pregnancy will probably run an acute danger of fetus injuries, resulting in abortion or deformities."

The damaging effect on the individual's sexual life may be carried into future generations; therefore, responsible individuals could hardly contemplate family life if they accept the dangers of cosmic radiation produced by constantly travelling at exceptionally high altitudes. The profession of aircrew is particularly involved and it is for their organisations and associations to ensure that these dangers are not going to be accepted without a complete scientific investigation, which must also produce infallible methods of eliminating the risks involved. Here it is again necessary to quote Professor Wrete:

"The possibility of shielding crews of jet military aircraft, which are already operating at extremely high altitudes, has been seriously discussed, but consideration of this had to be abandoned. Materials that contain considerable amounts of hydrogen atoms, e.g., water and certain liquid fuels, should, it is true, lend themselves as shields, but such thicknesses are required that the practical realisation appears to be impossible. It has been necessary to be satisfied with a recommendation that over-long flight durations at these heights should be avoided."

If shielding is impractical for one or two persons in a military aircraft it will obviously be many times more impractical for protecting a hundred or more passengers in an airliner which has got to carry a sufficiently large load to pay its way.

It is necessary to realise that cosmic radiation is something that exists in the universe and that human life, animal life and plant life only exists on this earth because the Almighty has surrounded the world with a protective envelope of atmosphere which is at least 100,000 ft. thick. Safety is guaranteed by this air protection even though scientists still believe that the 0.3-0.5 per cent of the maximum value of cosmic radiation, experienced at sea level, is possibly the cause of some of our illnesses and physical breakdowns, in particular those experienced by victims of cancer. If these scientists are correct and there is little reason to doubt that they are, the question arises, is it intended that those on this earth to remain alive shall remain on it, and not venture out into upper altitudes or attempt to reach other planets?

The Sonic Boom

The sonic-boom or bang is the other major danger that has to be eliminated if supersonic air transport is to become a common and economic feature in our daily life. A detailed study of this problem is not practical in the space of an article. However, enough can be said to show that unless the sonic-boom is very strictly controlled, or reduced to an acceptable level, it is going to be the cause of great inconvenience to many millions of people, as well as reducing their working efficiency by disrupting their normal life and damaging their nervous systems. Furthermore, it will have a physical effect on some individuals even to the extent of causing premature death.

The first question that requires a direct answer is, "In a democratic age is it right to introduce a class of vehicle that will serve comparatively few but which will cause bodily harm to millions as well as property damage for many?" What is the answer, Yes or No? So far sonic-booms have only been produced by small military aircraft. They have caused alarm, as well as sufficient damage to property in the United Kingdom to create public protest that has resulted in the British Government introducing regulations forbidding military aircraft to fly at supersonic speeds over land!

With air services constantly coming and going there would be a more or less continuous roll of booms along every air-route centreline, and for thirty miles on either side. These strips of country are known as the sonic-boom carpet, but when aircraft are turning they will cast their sonic-boom over a much wider area, so restricting them to air routes does not really help to confine the trouble. Wherever a sonic-boom occurs window glass and tiles are liable to be broken, resulting in thousands of legal actions to recover financial loss for damage to property. The value of house property in a sonic-boom carpet area is bound to fall considerably.

Institutions such as hospitals which already request motorists to refrain from using their horns so as to relieve patients from nervous strain due to noise, would have no protection against the sonic-boom, which bursts upon one as a severe bang, without warning. The very unexpectedness of the bang increases its harmful effect on the nervous system of human beings and animals. Imagine the disturbance and distress caused by glass being shattered in

(Continued on page 724)

The British Bank of the Middle East

(INCORPORATED IN ENGLAND BY ROYAL CHARTER, 1889 WITH LIMITED LIABILITY)

BALANCE SHEET OF THE INDIAN BRANCH AS AT 31st DECEMBER, 1960.

31-12-1959 Rs.	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
20,57,010	1. Capital— Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949	20,52,889·65	
Nil	2. Reserve Fund and Other Reserves		Nil
1,01,92,239	3. Deposits and Other Accounts— Fixed Deposits	46,72,212·73	
1,40,456	Savings Bank Deposits	2,65,969·45	
91,36,849	Current Accounts, Contingency Accounts, etc.	93,63,216·26	
1,94,69,544			1,43,01,398·44
Nil	4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	90,00,000·00	
48,012	(ii) Outside India	17,260·01	
			90,17,260·01
Nil	PARTICULARS— (i) Secured	Nil	
48,012	(ii) Unsecured	90,17,260·01	
6,45,981	5. Bills Payable		4,26,985·08
	6. Bills for Collection Being Bills Receivable (as per contra)—		
31,85,748	(i) Payable in India	44,51,013·28	
55,23,179	(ii) Payable outside India	44,92,854·18	
87,08,927			89,43,867·46
	7. Other Liabilities—		
2,53,84,147	(i) Head Office and Branches outside India	2,58,56,036·82	
Nil	(ii) Inter Branch Adjustment	Nil	
96,430	(iii) Staff Provident Fund	97,631·27	
2,54,80,577			2,59,53,668·09
1,27,16,353	8. Acceptances, Endorsements and Other Obligations (as per contra)		1,61,76,760·37
	9. Profit and Loss—		
2,31,229	Balance of Profit brought forward	Nil	
8,68,182	Profit for the year	6,76,372·76	
10,99,411		6,76,372·76	
	Less— Rs. nP.		
3,05,844	Provision for taxation .. 4,47,866·15		
2,00,969	Remitted to London Office .. 1,51,973·01		
12,96,813		5,99,839·16	
1,97,402	Less— Amount transferred to London Office Account .. Nil		
10,99,411		5,99,839·16	
Nil			76,533·60
3,26,12,725	10. Contingent Liabilities in respect of— (i) On Outstanding Forward Exchange Contracts	1,79,60,513·32	
4,000	(ii) Uncalled liability on partly paid Ordinary Shares held as Investments	4,000·00	
17,000	(iii) Claims against the Bank not acknowledged as debts	Nil	
71,19,899	(iv) On Letters of Guarantee on behalf of constituents	72,65,948·78	
6,70,69,394	Total Rupees		7,48,96,473·05

31-12-1959 Rs.	PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
15,22,867	1. Cash— In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes).		15,63,852·13
	2. Balances with Other Banks on Current Accounts—		
27,454	(i) In India	1,09,026·35	
82,108	(ii) Outside India	2,08,799·93	
1,09,562			3,17,826·28
10,00,000	3. Money at Call and Short Notice		3,00,000·00
	4. Investments (At Book Value)—		
	(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments (Market Value Rs. 33,49,098·99) (Last year Rs. 28,56,710)	32,99,998·00	
27,99,998	(ii) Shares: Fully paid Ordinary Shares—Market Value Rs. 1,77,500 (Last year Rs. 2,20,000)	2,50,000·00	
2,50,000	Partly paid ordinary shares (Not quoted)	2,60,000·00	
2,60,000	(iii) Debentures or Bonds	Nil	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
33,09,998			38,09,998·00
	5. Advances: (Other than Bad and Doubtful Debts for which Provision has been made to the satisfaction of the Auditors)—		
	(1) Loans, Cash Credits, Overdrafts, etc.—		
1,75,61,738	(i) In India Rs. 2,52,27,042·45		
Nil	(ii) Outside India Nil		
	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—	2,52,27,042·45	
1,14,46,771	(i) Payable in India Rs. 86,64,759·54		
1,05,23,686	(ii) Payable outside India „ 97,00,712·57		
2,19,70,457		1,83,65,472·11	
3,95,32,195			4,35,92,514·56
	PARTICULARS OF ADVANCES—		
88,58,441	(i) Debts considered good in respect of which the Banking Company is fully secured	1,20,19,671·98	
1,51,13,315	(ii) Debts considered good for which the Banking Company holds no other security than the Debtors' personal Security	1,96,05,067·78	
1,55,60,439	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal Security of the Debtors	1,19,67,774·80	
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil	
3,95,32,195			4,35,92,514·56
4,100	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	16,340·22	
Nil	(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents, or in the case of Private Companies, as Members	Nil	
8,600	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	20,309·00	
Nil	(viii) Maximum total amount of advances, including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies as Members	Nil	
Nil	(ix) Due from Banking Companies	Nil	
	6. Bills Receivable Being Bills for Collection: As per Contra—		
31,85,748	(i) Payable in India	44,51,013·28	
55,23,179	(ii) Payable outside India	44,92,854·18	
87,08,927			89,43,867·46
1,27,16,353	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		1,61,76,760·37
Nil	8. Promises, Less Depreciation		Nil
Nil	9. Furniture and Fixtures, Less Depreciation		Nil
	10. Other Assets—		
54,395	Stamps, Sundry Deposits, Prepaid Expenses, and Charges Recoverable	62,758·12	
1,15,097	Adjusting Account	1,28,896·13	
1,69,492			1,91,654·25
Nil	11. Non-Banking Assets Acquired in Satisfaction of Claims.		Nil
6,70,69,394	Total Rupees		7,48,96,473·05

PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCH FOR THE YEAR ENDED 31st DECEMBER, 1960.

31-12-1959 Rs.	EXPENDITURE	Rs. nP.
7,08,903	1. Interest paid on Deposits, Borrowings, etc.	12,08,439·10
	2. Salaries and Allowances and Provident Fund (including Salary and Allowances to Manager of Principal Office in India Rs. 58,468·74) (Last year—Rs. 59,625·92)	7,53,389·19
7,51,059	3. Directors' and Local Committee Members' Fees and Allowances	Nil
Nil	4. Rent, Taxes, Insurance, Lighting, etc.	79,340·95
75,715	5. Law Charges	35,877·31
29,781	6. Postage, Telegrams and Stamps	9,155·00
10,189	7. Auditors' Fees	1,700·00
1,700	8. Depreciation on and repairs to Banking Company's Property	29,942·47
12,219	9. Stationery, Printing, Advertisement, etc.	57,548·74
54,338	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
Nil	11. Other Expenditure including proportion of London Office Administration Charges	2,82,787·13
2,02,689	12. Balance of Profit for the year (Subject to taxation)	6,76,372·76
8,68,182		
28,17,768	Total Rupees	31,25,472·65

31-12-1959 Rs.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. nP.
20,99,198	1. Interest and Discount	23,82,888·75
6,60,995	2. Commission, Exchange and Brokerage	7,29,905·90
Nil	3. Rents	Nil
	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any other particular Fund or Account)	Nil
4,797	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other assets (not credited to Reserve or any particular Fund or Account)	Nil
Nil	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	2,675·00
Nil	7. Other Receipts	10,000·00
52,778		
28,17,768	Total Rupees	31,25,472·65

We have audited the foregoing Balance Sheet of the Indian Branch of The British Bank of the Middle East, as at 31st December, 1960, and also the foregoing Profit and Loss Account of the Indian Branch of the Bank for the year ended on that date.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to Sub-Sections (1) and (2) of Section 211 and Sub-Section (5) of Section 211 and Section 227(5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act 1956. The accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Indian Branch of the Bank so far as appears from our examination of those books;

P. E. H. ALEXANDER,
Manager.

(c) the Balance Sheet and Profit and Loss Account of the Indian Branch of the Bank dealt with by this report are in agreement with the books of account; and

(d) In our opinion, and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Indian Branch of the Bank as at 31st December, 1960 and the Profit and Loss Account gives a true and fair view of the Profit of the Indian Branch for the year ended upon that date.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

BOMBAY, 24th March, 1961.

THE MYSORE SUGAR COMPANY, LIMITED

SPEECH OF CHAIRMAN, MR. V. V. NAIDU, AT ANNUAL GENERAL MEETING

HIGHER MINIMUM PRICE FOR CANE ENTAILS ADDITIONAL BURDEN

THE Twenty-seventh Annual General Meeting of the Mysore Sugar Company, Ltd., was held at the Registered Office of the Company at Bangalore on Thursday, 30th March 1961, under the chairmanship of Mr. M. Mallaraj Urs, in the absence of Mr. V. Venugopal Naidu, Chairman and Managing Director, who is on foreign tour. Moving the adoption of the report and the accounts, the Chairman made the following speech at the meeting:

"GENTLEMEN,

"I have great pleasure in welcoming you to this the twenty-seventh annual general meeting of the shareholders of the Mysore Sugar Company, Limited, and in placing before you for adoption the report of the directors and the audited statements of accounts for the year ended 30th June 1960. Copies of these have been in your hands for some time and, with your permission, I shall take them as read.

"Mr. B. M. Krishnan, who was the Chairman and Managing Director of your Company for the last three years, laid down his office on 5th February 1961 on completion of his term and I have taken over from him. The Board of Directors have placed on record their appreciation of Mr. Krishnan's services to the Company. I am happy to report on this occasion that Mr. H. K. Veeranna Gowdh, one of your Directors, has been appointed as a Minister in the Mysore Government and I am sure you will all join me in wishing him a happy and successful term of office as a Minister. I earnestly hope that his rich experience and guidance will be available to the Company whenever they are needed.

Sugar Stocks Heavy

"The year 1959-60 was a notable one for the sugar industry and witnessed a significant rise in sugar production. As against 19.18 lakh tons of sugar produced in the country during the year 1958-59, the production during 1959-60 touched a record level of 24.24 lakh tons, representing an increase of 5 lakh tons in the course of one year. The demand for sugar has not, however kept pace with the rising trend in production. The result is that there is heavy accumulation of sugar stocks with the factories and it is apprehended that the industry will be burdened with a carryover of more than ten lakh tons at the end of this season, unless indigenous demand goes up appreciably or exports take place in sizable quantities. It may be mentioned, in this connection, that export of sugar under the existing conditions is proving to be a costly affair involving loss both to the industry and the State exchequer, though exports have their advantage in earning foreign exchange for the country.

"The target of sugar production for the third Plan is, therefore, tentatively fixed at 30 lakh tons, though there are indications of this figure being revised to 35 lakh tons. Towards this end, new factories are being licensed and set up and several existing units are also being permitted to extend. Our application for rehabilitation and expansion is also now before the Central Government who will, I trust, consider our request very favourably.

Price Linking Formula

"A matter that has been agitating the sugar industry for some years past has been the price linking formula designed to ensure payment of a deferred price for sugarcane by passing on to the growers a share of the sugar price. Although such a payment has become a statutory liability from the 1958-59 season, it has not been an easy matter to notify the formula in its complete form, for various reasons. The Government of India have now referred the formula to the Tariff Commission for examination with a view to modifying the existing formula or suggesting an alternative and simpler formula and at the same time to go into the claim of the industry for including a rehabilitation allowance in the sugar price, before it can be shared. After deep consideration, the industry has submitted to the Tariff Commission an alternative proposal. It is hoped that the Tariff Commission will soon evolve a fair and simple formula acceptable to all.

"Another event of great significance to the sugar industry has been the publication in recent months of the report of the Central Wage Board for the sugar industry which was constituted in 1957 to go into the question of evolving a wage structure for the workers in the industry. The Board has examined the problem of wage fixation in great detail and has made a number of recommendations which have the effect of increasing the emoluments of the several categories of employees with retrospective effect from 1st November 1960. These recommendations have a vital bearing on the finances of the industry and their effect would be an immediate increase in the cost of production of sugar, as the Board itself has admitted. The recommendations have since been accepted by the Government of India, who have requested the employers, workers and the State Governments to take immediate steps to implement them. The Indian Sugar Mills Association has subsequently taken up this question with the Government.

"As you would have seen from the report of the Directors in your hands, our factory at Mandya had a normal season during 1959-60. The factory commenced crushing operations on the 2nd July 1959 and continued up to 7th February 1960, crushing 3,11,524 tons of cane and producing 31,550 tons of sugar. The corresponding figures for the previous season were 3,48,814 tons and 35,771 tons, respectively. The production of sugar would have been higher but for the fact that we did not receive the entire quantity of cane contracted for due to competitive price of *jaggery*. In spite of lower output, the quantity of sugar actually sold was higher than in the previous year and the receipts from sugar sales rose to a record figure of Rs. 430 lakhs. Control over distribution of sugar continues to be exercised by the State Government and with the improvement in the supply position, the public are now assured of plentiful supply of sugar at fair price.

Sugarcane Price

"At a time when our crushing season had well-advanced, the Government of India increased the statutory minimum price of sugarcane by Rs. 5 per ton with effect from the 25th October 1959. This step, intended to give incentive to the cane growers and to maximise production, has, however, affected us adversely. Having paid the usual cane price for cane purchased till 25th October 1959, it was rather inexpedient for us to increase the price for subsequent purchase and thus pay two different prices for one and the same crop. It was the intention of your Directors to pay a uniform average price for all purchases during the entire season. The suppliers insisted upon payment at the enhanced price from the commencement of the season and your Company had to pay this extra price to cane purchased prior to 25th October 1959. Though the selling price of sugar was increased, this increase in respect of stocks held on 25th October 1959 did not accrue to us due to the levy by the Government of India of a special excise duty. Thus, in the result, we had to pay higher price for cane from July 1959, while we lost the benefit of higher sugar price on stocks held, as special excise duty was levied on these stocks. Our representations for refund of excise duty in the peculiar circumstances of our case have not so far been fruitful. Your Directors are, however, hopeful that appropriate relief would be forthcoming and that we would not stand to suffer on this account.

Working Results

"Reflecting the higher tonnage of sugar sold and the higher price realised for sugar and despite the adverse factors referred to above, I am glad to say that the working of the Company during the year under report has yielded a gross profit of Rs. 42.31 lakhs, representing a sizable increase over the profit of Rs. 31.90 lakhs earned during the preceding year. This year too, the exact liability on account of deferred price for sugarcane has not been clearly indicated. Pending determination of the actual amount as a result of the examination of the price linking formula by the Tariff Commission, your Directors have set apart a sum of Rs. 14,22,450, which would allow payment at an interim rate of Rs. 4.50 per ton of cane. Here I may say that the provisional additional price of Rs. 5 per ton for the year 1958-59 did not satisfy the cane growers and consequent on their resorting to a sudden strike and withholding cane supply to the factory, it became necessary to make payment at an increased rate of Rs. 6 per ton. The burden of this additional price, as also that on account of additional bonus paid to employees in respect of the year 1957-58, has fallen on the accounts for the year under review.

"After meeting the above charges relating to previous years and providing Rs. 6,92,253 for depreciation and Rs. 13,50,000 for taxation, and after transferring Rs. 5 lakhs to the reserve for rehabilitation of plant and machinery, we are left with a net profit of Rs. 8,23,840 as against Rs. 6,54,699 in the previous year. Adding the balance brought forward from last year's account, the amount available for distribution comes to Rs. 8,69,012. As in the last year, your Directors recommend payment of dividend at 30 per cent, subject to deduction of tax, so as to ensure for shareholders the same rate of net return that they have been accustomed to receive in the past.

"The proposal for capitalisation of a part of our reserves by the issue of bonus shares is also pending from some time and the recent reduction in the rate of tax on bonus shares should make this easier of implementation. It should, therefore, be possible for your Directors to persuade the Government of Mysore who are the major shareholders of this Government Company to agree to this proposal. Allied to the question of capitalisation of reserves is also the question of writing off the value of certain items of obsolete and unserviceable stores and spares which may tend to inflate the real value of our assets. A solution to this problem is now engaging the earnest consideration of your Directors.

Expansion Scheme

"The scheme for expansion of the capacity of our factory to 3,000 tons of cane per day, of which you were informed last year, has not yet taken a definite shape, as we have not yet received the requisite licence from the Central Government. In consultation with experts, we have finalised the requirements of additional machinery to be installed for serving the threefold objective of rehabilitation, modernisation and expansion. The whole scheme is estimated to cost about Rs. 115 lakhs and orders for machinery are expected to be placed with one of the approved sugar machinery manufacturers in India as soon as the licence is received. The programme is intended to be implemented in a phased manner over a period of three years. By far the greater portion of the expenditure would be on account of rehabilitation of old and overworked machinery, some of which have been in continuous service for over 20 years and are in immediate need of replacement in the interests of continued smooth operation of the factory. Apart from stepping up sugar output to as much as 50,000 tons per annum, the expansion programme would promote efficiency and economy in operation and thus bring about a reduction in the cost of production which is of paramount importance if we are to face the future with confidence.

"We have succeeded in securing a licence from the Government of India for the manufacture of cellulose acetate at Mandya based on our alcohol. Considerable preliminary work in regard to this scheme had been covered by my predecessor, Mr. B. M. Krishnan, including delicate negotiations with representatives of certain leading foreign firms and also financial institutions in the matter of securing suitable technical know-how and collaboration and foreign exchange resources. These had reached a crucial stage when I assumed office last month. I have now taken up the threads of the negotiations and active steps are now being taken for concluding satisfactory arrangements. While, at this stage, it may not be possible to disclose the nature of the arrangements or the details of the scheme, I may broadly say that the project envisages production of cellulose acetate flakes suitable for manufacture of raw-film leaving a portion of the flakes to be processed into moulding powders. The capital cost of the project would be of the order of Rs. 3.5 crores and, as at present, a separate company is proposed to be sponsored for this enterprise.

"Our relationship with our employees continued to be satisfactory and cordial during the year under report, and your Directors have no doubt that the employees will continue to extend their wholehearted co-operation at all times.

"It only remains for me in conclusion to express my sincere thanks to my colleagues on the Board for their valuable guidance and co-operation. The Government of Mysore, and particularly the Chief Minister, have been very sympathetic towards the Company and we are grateful to them. The employees from the General Manager downwards have served the Company in a loyal and efficient manner, under trying conditions, and they deserve to be complimented. Our thanks are also due to the cane growers who form an essential link in our industry."

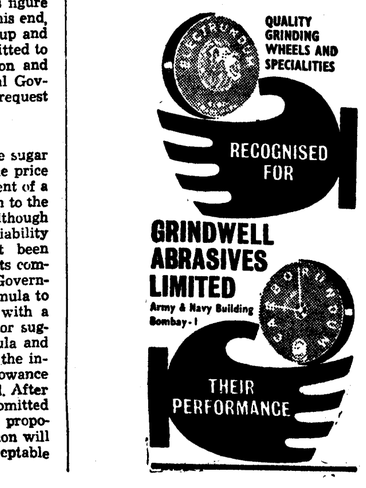
The report and the accounts for the year 1959-60 were adopted and a dividend of 30 per cent subject to deduction of tax was approved. Sriyuts T. Shamanna and Dharmaprakasha L. S. Venkaji Rao were elected as Directors in place of the two retiring Directors.

With a vote of thanks to the Chair, the meeting terminated.

T. HANUMIAH,
Secretary.

BANGALORE, *Dated 31st March* 1961.

Note:—*This does not purport to be a report of the proceedings of the general meeting.*



WEST COAST PAPER MILLS LTD.

(*Concluded from page* 700)

had suddenly taken place at the factory from noon of Sunday the 19th instant till early morning of Monday the 20th.

"The entire stock of 47,000 tons of bamboo, which was duly insured, was destroyed before the fire could be controlled.

"I am, however, glad to inform you that no damage was caused to the buildings, plant and machinery and that the factory has since then resumed its normal working.

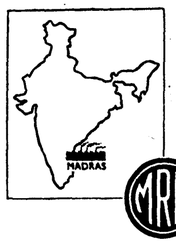
"I, however, regret to mention that both the telephone and telegraph facilities were not available at that time and the management were put to a very awkward situation as they had to send offices to far-away places like Haliyal and Alnavar to communicate with the authorities concerned about the emergency for securing the necessary assistance from Belgaum and other places.

"I hope you will all join with me in placing on record our appreciation of the conscientious and hard work of the staff and labour which has resulted in achieving this success."

Note: *This does not purport to be a report of the proceedings of the fifth annual general meeting of the Company.*

UNDER SECRETARY TO GOVERNMENT
17 APR 1961
PUBLIC DEPARTMENT

A NEW GIANT
TYRE FACTORY



MRF

A gigantic new venture in Indo-American collaboration sets the stage for a major development in India's tyre and tube industry.

The Madras Rubber Factory—India's largest manufacturer of tread rubber compound—and the Mansfield Tyre and Rubber Company, Ohio—one of the oldest, and sixth largest manufacturer of tyres, in terms of units produced, in the United States—have joined hands to manufacture Mansfield truck and car tyres and tubes at Madras.

When in full production, the new factory will be producing over 3,00,000 tyres and tubes per annum. A part of this production will be exported overseas.

MADRAS RUBBER FACTORY LTD.

Dhun Buildings, 175/1 Mount Road, Madras 2.

Branches: Ahmedabad, Bangalore, Bombay, Calcutta, Calicut, Coimbatore, Delhi, Jullundur, Kanpur, Kottayam, Mangalore, Nagpur, Trichur and Vijayawada.

NIZAM SUGAR FACTORY LTD.

CHAIRMAN, MR. R. S. KRISHNASWAMY, ON EXPORT OF SUGAR

SHORTAGE OF CHEMICAL FERTILISERS PERSISTS

ADDRESSING the Twenty-third Annual General Meeting of the shareholders of the Nizam Sugar Factory Limited, held at Hyderabad on 30th March, 1961, the Chairman of the Company, Mr. R. S. Krishnaswamy, suggested that, in view of the huge sugar stocks at the beginning of the current season and the prospect of a good crop, exports of sugar should be stepped up so as to bring down stocks and stabilise prices. He suggested that the export agency section of the Indian Sugar Mills' Association should purchase and stock all the exportable surplus. The following is the full text of Mr. Krishnaswamy's speech:

"I have great pleasure in welcoming you to the twenty-third annual general meeting of the shareholders of the Nizam Sugar Factory Limited. The report of the Directors and the audited accounts for the year 1959-60, together with the comments of the Comptroller and Auditor-General of India thereon under Section 619 (4) of the Companies Act, 1956, have been in your hands for some time and, with your permission, I shall consider them as read.

"Your Company has made a gross profit of Rs. 1,11,65,834 for the year under review. Deducting Rs. 8,07,786 towards depreciation (including development rebate of Rs. 51,118), Rs. 10,52,086 for managing agency commission and Rs. 30,25,000 for taxation, the net profit is Rs. 63,10,962 which is the highest achieved so far, and is two and a half times more than the net profit of Rs. 24,67,062 in the previous year.

Production Up

"The factory commenced crushing operations on the 4th of October 1959, and the season came to a close on the 3rd of May 1960. The duration of the season was 213 days which is longer by 41 days than that in the previous year. This is partly due to the stoppage of the first factory for a period of about one month when the first mill engine was damaged owing to an accident, and partly due to the increased crushing of 48,558 tons. The total quantity of cane crushed was 491,777 tons, as against 443,219 tons of the previous year. The output of sugar increased from 44,336 tons to 51,199 tons, that is, about 16 per cent. The percentage of recovery also went up from 10 to 10.41.

"The factory farms produced and supplied 224,407 tons of cane during the year as against 187,513 tons in the previous year in spite of the disease-affected seed cane, untimely supply of fertilisers, change in irrigation system and unfavourable seasonal conditions. This quantity is equal to what the factory farms produced in 1955-56 when the yield was said to be 43 tons per acre.

Mechanical Breakdown

"I wish to make a reference to the unfortunate accident that occurred on 6th January 1960 to the mill engine No. 1 of the first factory at a time when the crushing season was at its peak. The crank pin gave way causing grave and serious damage to the cylinder head and the connecting rod. As a result of this, the first factory stopped crushing for a period of about one month. However, it resumed operation at a reduced crushing rate during the following period of about one month by running three mills in place of five mills with necessary adjustments and repairs; this was a bold decision taken by your management which has appreciably reduced the loss caused by the mechanical breakdown. In spite of this unfortunate accident, the working results of the year under review are good.

"Government of India earmarked a quota of 50,000 tons of sugar in the month of September 1959 and a further quota of 50,000 tons in January 1960 for export from the 1959-60 production and your factory was allotted a quantity of 2,164.74 tons of sugar. This quantity was not lifted by the Indian Sugar Mills' Association out of 1959-60 production and your factory has been permitted to export this quantity from 1960-61 production. Further, with a huge carryover of sugar stocks at the commencement of this season and also coupled with the estimated production of about 28 lakh tons of sugar, it is felt that the export of sugar should be stepped up with a view to bring down stocks at the end of the year to manageable proportions. This would mean an export of 5 lakh tons of sugar and the Government of India and the Indian sugar industry are making every effort in this direction and it is hoped that if considerable quantity of sugar goes out of this country it will enable us to earn the much needed foreign exchange. At the moment, the sugar factories are saddled with huge stocks which are not moving fast enough into the markets. It would relieve the factories to a great extent if the export agency section of the Indian Sugar Mills' Association purchases and stocks all the exportable surplus. This will also stabilise the price of sugar.

Preference Dividend

"The procedure relating to the payment of dividend on preference shares has again undergone a slight change in accordance with the provisions of the Finance Act, 1960 and the Preference Shares (Regulation of Dividends) Act, 1960. The Section 18(3E) of the Finance Act 1959, which permitted grossing up to the full extent, has been dropped in the Finance Act, 1960 and the dividend on preference shares became payable as per Section 18(3D) of the Indian Income-tax Act which does not allow for grossing up. But the Preference Shares (Regulation of Dividends) Act, 1960 now allows for grossing up to the extent of 30 per cent. Your Company has some agricultural income which is exempt from income-tax and therefore the grossing up will be in the same proportion as the non-agricultural profit bears to the total profits of the Company. Your Directors, therefore, have recommended that the dividends payable on preference shares should be in terms of the Preference Shares (Regulation of Dividends) Act, 1960.

"Dividends on preference shares were paid to the shareholders by the 31st of December 1960 as per Section 18(3D) of the Indian Income-tax Act and the balance now payable in terms of the Preference Shares (Regulation of Dividends) Act, 1960 will be paid after the accounts have been adopted by the shareholders.

"In case of ordinary shares, the dividend has been increased from Rs. 5.40 nP per share to Rs. 5.75 nP which works out to 23 per cent.

Sugar Sales

"The sugar sales during the year totalled 500,516 bags, as against the previous year's sale of 544,692 bags. The minimum price of cane was increased from Rs. 1.44 nP to Rs. 1.62 nP per maund delivered at the factory gate with effect from 25th October 1959. As the factory started crushing from 4th October 1959, cane received from 4th October 1959 to 24th October 1959 (both days inclusive) was paid at Rs. 1.44 nP only. The cane-growers represented that they should be paid the minimum price of Rs. 1.62 nP per maund for supplies of cane during that period. Your Directors have decided to pay at the enhanced rate of Rs. 1.62 nP per maund from the 4th of October 1959 to the 24th of October 1959 for the cane supplied to the factory. This year your Directors have made a provision of Rs. 45,94,502 for 'extra price' for cane at about Rs. 9 per ton.

Expansion Scheme

"I am glad to inform you that our expansion scheme has made good progress. Most of the machinery ordered has arrived at site as per schedule by the first week of January 1961 and erection is also in progress. It is expected that the entire machinery will be erected during the off season and the full capacity of the expanded plant will be available for production in the coming season.

"The working results of the confectionery plant are encouraging. Competition in this line is very keen and steady progress is being made in the sales. During the year 1959-60 the sales have reached the figure of Rs. 3,90,458 while in 1958-59 it was Rs. 29,073. Profit can be expected only when the sales exceed Rs. 12 lakhs per annum and for the year 1960-61 efforts are being made to increase the sales with a view to reach this target.

Agricultural Operation

"The working results of the factory cane plantation have also been good. Agricultural operation account shows a profit of Rs. 32,94,389 as against a profit of Rs. 5,32,958 in the previous year. This is the highest profit so far made by the factory farms.

"The supply position of chemical fertilisers continued to be most difficult and it is hoped that the representations which have been made by the Company to the Government of Andhra Pradesh for adequate allotment will bear fruit. I may add here that timely supply of chemical fertilisers and organic manure, such as oilcake, plays a very important part in raising cane crop.

"The position regarding the availability of new tractors has not improved. The Company had therefore to incur sizable expenditure in re-conditioning the existing tractors with a view to carry on the ploughing operations of our extensive farms satisfactorily and in time. Every effort is being made to obtain a fleet of new tractors as early as possible.

Housing for Workers

"The relations between the management and labour have been satisfactory. Construction of 260 two-room tenements for housing the workers under the Government of India industrial housing scheme is in progress. Apart from this, 160 houses are being constructed purely from Company's own funds and will be made available to workers shortly.

"The CO_2 plant which was acquired from the Hyderabad Construction Company, Ltd., has been erected and it will go into production soon.

"An agreement between the Nizam Sugar Factory Limited and the Government Power Alcohol Factory for the management of the affairs of the Government Power Alcohol Factory by the Nizam Sugar Factory on an agency basis is being finalised. By this arrangement, the Nizam Sugar Factory will manage the affairs of the Government Power Alcohol Factory on behalf of the Government of Andhra Pradesh.

"The details of establishing a paper factory of 100 tons per day capacity for manufacturing printing paper from bagasse have been submitted to the Government of Andhra Pradesh for consideration. The project is being examined by the Government.

"Before I conclude, I would like to express my thanks to my colleagues on the Board of Directors for their abiding interest in the affairs of the Company and to the Officers, staff and workers of all ranks for their continued co-operation, loyalty and efficiency."

N.B.—*This does not purport to be a report of the proceedings of the general body meeting held on 30th March 1961.*

The
Union Bank
of India Limited.
(ESTD: 1919)
Head Office:
Union Bank Building
Apollo Street
BOMBAY-1
★
WITH WORLD-WIDE CONNECTIONS WE ARE FULLY EQUIPPED TO HANDLE EVERY KIND OF FOREIGN EXCHANGE BUSINESS
F. K. F. Nariman, *General Manager*

UNITED BANK OF INDIA LIMITED

CHAIRMAN, DR. N. N. LAW, ON DEPOSIT INTEREST RATES

"PROFIT MARGINS OF BANKS VERY NARROW"

THE view that the recent upward revision of interest rates by banks is an extremely undesirable step was expressed by Dr. N. N. Law, Chairman of the United Bank of India, Ltd., in his speech at the Annual General Meeting of the Bank held at Calcutta on Monday, 10th April 1961. In the opinion of Dr. Law, the growth of bank deposits did not depend so much on the rate of interest as on the confidence the banking system was able to inspire in the public, the banking facilities available and the quality of service rendered. He doubted the validity of the view that a rise in interest rates would stimulate savings which, he said, constituted the basis of bank deposits. On the contrary, he felt that, in the present context, higher interest rate would only add to the operating expenses of the banks. The following are extracts from Dr. Law's speech:

"GENTLEMEN,

"It is my happy privilege to welcome you to this meeting. Last year, your Bank has completed the first ten years of its united existence. It is heartening to note that, during this period, our basic progress has been satisfactory. We have been able to cross the aggregate peak deposits of the pre-merger period. We have closed 55 overlapping branches and opened 24 new branches, a number of which are in previously unbanked areas.

"Coming now to our operations during the last year, the balance-sheet has been in your hands for some time and you would not have failed to notice that despite the tendency of deceleration which marked the growth of bank deposits last year, we have been able to achieve an increase of Rs. 4.06 crores in our deposits, a rise of 8.5 per cent over 1959. Our advances portfolio has also registered an increase of 14.7 per cent over that of 1959.

Monetary Policy

"The past year has been a significant one for Indian banking. On the one hand, it witnessed efforts on the part of the monetary authority in playing its role actively in an attempt to control the effects of various adjustments that were taking place in the economy. On the other, there were certain developments in the country inhibiting banking progress. In the monetary field, by and large, the Reserve Bank showed its alertness and did all that was within its powers to keep the situation under control.

"In a situation where there is a narrow profit margin and a low capital structure of banks, (to which I shall be referring again later in this statement), the directive of the Reserve Bank in prescribing minimum lending rates and limiting the rate of interest on short-term deposits was most appropriate and timely. I have not yet been able to reconcile myself to the appropriateness of the removal thereafter of the ceiling on short-term deposit interest rates, particularly at a time when introduction of a deposit insurance scheme will call for a rigid control in this regard.

Deposit Insurance

"In order to strengthen public confidence in banking, which was adversely affected during the past year, the Reserve Bank by sponsoring a scheme of deposit insurance is removing an important lacuna in the Indian money market mechanism. We now learn with a sense of satisfaction that the Government has, at last, made up its mind to give effect to the scheme. The Governor of the Reserve Bank is to be congratulated for having taken this right step for better development and growth of Indian banking. It is hoped that an appropriate scheme, suiting the needs of the situation, will be given effect to without further loss of time.

"You would no doubt recall that, as early as 1954, your Managing Director gave shape to his earlier suggestion, first made in 1948, that a scheme for deposit insurance be evolved and that over the past few years I have been advocating the establishment of an agency for deposit insurance as well as for rehabilitation of sub-standard units. The importance of deposit insurance lies not only in covering depositors' loss in case of bank failure, but more in its ability, as a tranquilliser, to bring about a general climate of confidence. However, this is not the end in itself. It is only a means to achieve the objectives of a healthy expansion and development of the banking system for sustaining the growth of the economy. Any scheme for deposit insurance, therefore, to be successful, will have to be designed with a view to taking care of the liabilities side of the banking balance-sheet, the Reserve Bank taking care of the assets side.

"The most important thing, in the present context, is to provide a better margin of safety for the depositors. This can only be done by having an adequate capital structure for the deposit insurance agency itself as well as generating operating conditions conducive to gradual growth of the capital structure of the individual banks, and also by ensuring that an amount of liquidity is maintained in the commercial banking system.

Capital Structure

"Increased capital funds can be achieved in two ways, by augmentation of reserves from profits and by issue of fresh capital. I may point out, as the indices of variable dividend securities clearly show, that bank shares are not thought to have growth prospects. In such circumstances, it becomes ruinously expensive—and uneconomic too—for banks to secure capital on the only terms on which such issues can be successful. In other words, the strength secured from an addition to capital is dissipated by the higher quantum of distribution required thereon. It would follow that whether for augmentation of reserves or for issue of fresh capital on equitable terms, the profit margins of bank operations must be enhanced.

"Again, the liquidity position which the banks are required to maintain has an important influence on the profit levels which can be reached. Thus, capital funds, liquidity and profitability of a banking institution are mutually the cause and effect of one another.

Liquidity

"Under compulsion of circumstances liquidity is drifting downward. It is true that the liquidity position of banks in any country, at any point of time, would be a reflection of the state of activity of its national economy, extent of banking habits and coverage and pressure of legitimate demand for credit; the liquidity of banks, in the conventional sense, will reflect the degree of development and integration of the overall economic fabric of the country. In a developing economy like ours with a limited banking habit, banking liquidity will naturally tend to be lower and the pattern comparatively rigid. More so, when massive planned efforts are being made to increase the tempo of economic activities. It is also true that in these days of advanced central banking, immediate liquidity problem no longer has the significance it had in the past. Yet the basic need for liquidity in banking business cannot be ignored or its importance minimised.

"Admittedly, economic expansion calls for greater credit requirements for industry and trade. But that should not eventually lead to bank finance replacing, even partly, the functions of owner capital. In so far as high taxation and low saving rate force this distortion, the phenomenon calls for immediate attention; this is important for the basic need for institutional growth. It seems that the low capital structure in the industry is being sought to be supplemented, to a noticeable extent, with bank funds. In so far as this tendency is responsible for the present expansion of bank advances, pushing up the advances-deposit ratio further, it could be said to be unrealistic and even disturbing; unless of course this is considered to be only a transitory phase.

Profitability

"Another reason, may be the most important one, for the liquidity being placed low is the need for increased profits. The profit margins of the banks are already very narrow. With a number of major banks the profit, after deduction of taxes and bonus to the staff, for 1960, as ratio to deposits, ranges between 0.17 per cent and 0.30 per cent. To match the mounting operating costs, therefore, banks tend to seek better earnings through larger advances. Any increase in the quantum of profit has, thus, been the result of 'double shift' in advances. This can neither be regarded as normal nor be looked upon with complacence. That even such profit has evidently failed to allow for ploughing back and make up for the decline in the investment values, is all the more a matter for concern. There is an urgent need for a study of the structure of operating costs and operating earnings with a view to achieving a better differential.

"It is surprising to note that, while the advances-deposit ratio has been continuing to take an upward turn, the banks have thought it fit further to raise the rates of interest on short and other term deposits. We have been expressing our views against raising of interest rates and we still believe that the recent upward revision has been an extremely undesirable step.

Interest Rates

"Over the years, it has been our confirmed conviction that, by and large, the growth of deposits does not depend so much on the rate of interest as on the confidence which the banking system inspires, availability of banking facilities and the quality of services rendered to the community. While most of the people still live at or below the subsistence level, it would seem incorrect to assume that a feasible rise in interest rates will stimulate savings as the base for bank deposits by curtailment of consumption, particularly when the value of the rupee is declining. The step, on the other hand, will further add to the increasing expenses of the banks. If the increased expenditure were, instead, spent on opening branches in unbanked areas and improving the quality and diversifying the range of services, the banking habit would have been further stimulated resulting in mobilisation of fresh deposits; that would have been a useful investment in the future.

"The influence of rising deposit rates on the relationship between short-term and long-term rates of interest needs more consideration than it has received so far. Any increase in the short-term rates of interest in the organised sector of the money market will, sooner or later, lead to an increase in the long-term rates of interest. The short-term rates in this sense are the rates offered on bank deposits and the long-term rates are those offered on public bonds.

"The higher rates of interest paid on bank deposits may tend to push the bond rate upward in regard to the future borrowings of the Government. This will cumulatively add to the burden of servicing charges, which will, for obvious reasons, have to be met by progressive increase in taxation. Any disturbance on this account is likely to reflect itself by further complicating the difficult funding problem. In order, therefore, to prevent the servicing cost of the public debt from rising sharply, the interest rates prevailing elsewhere in the economy, particularly on bank deposits, will need to be kept under close control. The policy of varying the minimum lending rates of the banks, already initiated by the Reserve Bank, can effectively take care of the adjustments in the economy.

Peg the Rates

"In this connection, I would also point to the danger of uncertainty about the future course of interest rates. It is our considered view that, in the interest of present investment and also in order to bring about a healthy growth of future investment, proper steps should be taken to remove any fears of capital depreciation. To quote Keynes, 'the monetary policy, which strikes public opinion as being experimental in character or easily liable to change, may fail in its objective.'

"I therefore suggest that the desirability of following the U.S. method of imposing a reasonable limit on interest rates on medium-term and long-term public debt should be seriously considered. It may not be necessary, however, to adopt the American method of legislative provision; a stipulation as to the maximum rate of interest to be offered incorporated in the national Plans, may, perhaps, serve the purpose equally effectively.

Tax Concession Necessary

"Returning to the question of profitability, I think that by increasing the rates of interest on deposits, the banks have again postponed the opportunity of raising their low profitability. It

(*Continued on page 724*)

THE SYSTEM OF HIGHWAY TAXATION

A SCIENTIFIC STUDY WANTED

By R. Ramadas

IT was in 1950 that the Dalal Committee made a strong plea for a scientific study of the principles of taxation of motor vehicles. But it was a cry in the wilderness. Such a study is long overdue for the following reasons:

(a) There is a general feeling that motor vehicle taxation in India is excessively high. Official spokesmen have not denounced this view. However, in the absence of an empirical decision on what should be the appropriate share of motor transport out of the total expenditure on roads, the element of "contribution" to general revenues from out of the proceeds of motor taxation remains "guesswork" at the best. The Dalal Committee made an estimate of Rs. 11 crores for the year 1949 and, more recently, the National Council of Applied Economic Research, New Delhi, assessed the "gross" and "net" contribution for the year 1957-58 on certain assumptions. The Salter Commission of 1931 in the U.K. suggested a certain approach so as to enable defining the responsibility of motor transport towards public costs on roads. In the United States, the "predominant use" concept is adopted in such calculations. In the interests of Indian economic growth it is necessary that a formula has to be found whereby the users of roads are made to feel that taxation of road transport is not arbitrary but in line with current trends in other parts of the world.

(b) Co-ordination of transport services requires that the "track cost" should be properly reflected in the costs of operators. Competition cannot be said to be under equal conditions, if the contribution that one set of carriers make by way of fuel tax, licence fees, etc., contains a "tax element," whereas the obligations of the rival carrier are more leniently viewed.

(c) Internal competition may favour particular firms with a "favourable" fleet composition, if fuel and vehicle taxes ignore the actual use made of the roads but base themselves on arbitrary methods like "unladen weight" of the vehicle. Let us discuss the three aspects separately.

Two Basic Facts

By far the most controversial issue in highway financing relates to the "responsibility" of motor vehicle users towards financing the public costs on roads. There are two basic facts to be kept in mind here. First, roads are required not only for use as a track for the operation of motor vehicles but for "community use" as well. By the phrase "community use" is indicated the use of roads for "property access," the use of roads "for the local movement of persons and property in the performance of production, marketing, buying supplies, going to school, and carrying on numerous social and other activities." Road improvements benefit not only users and property owners but also the general public by facilitating Government functions.

The second fact of particular significance to "old" countries like the U.K. or India is what is termed as the "legacy of the past," that present road users enjoy a very substantial heritage in respect of both of the road system existing before the motor era and of the heavy capital expenditure of transformation during the era. In England, the Salter Commission of 1931 suggested an interesting compromise formula whereby the "legacy of the past" should be written off against the community use of the road for other purposes than motor transport *and that motor transport should bear the whole future cost of the roads.* In the U.S., allocation formulæ are usually based on a classification of highways. The three commonly recognised categories are primary or trunk highways, local roads, and city streets. Most authorities are of the view that vehicle operators should bear nearly all the costs of primary (trunk) highways and that large proportion of the costs of local roads should be defrayed from general tax revenues. The Board of Investigation and Research assigned to users 85 per cent of the annual costs of the primary highway system, 30 per cent of the costs of secondary local roads, and 40 per cent of the costs of city streets. In the case of India, the Technical Sub-Committee on Road-Rail Relations recommended in 1943 that only two-thirds of the road expenditures should be charged on motor vehicles.

The Dalal Committee quotes some figures to show "diversion" of motor tax proceeds for non-highway purposes. The total tax collected on registered motor vehicles and the commodities required for their maintenance and working amounted in the year 1949 to about Rs. 23 crores in Part A States, whereas the total expenditure on road maintenance in the same year amounted to Rs. 12 crores. Even debiting motor transport with interest charges on the money invested in the roads after 1914, when the motor vehicle began to appear on the Indian roads, Rs. 9 crores represented the "diversion" for non-highway purposes in 1949. The Committee has not thought it necessary to include costs of construction of National and State highways among the "cost offsets." Instead of debiting interest charges on capital expenditure on roads since 1914, if capital expenditure and road construction were taken into account, the result would have shown whether motor transport contributed in full or the greater percentage of the public costs on roads.

Highway Costs

More recently the National Council of Applied Economic Research, New Delhi, made a "pioneer study" of the financial contribution of road transport to the public exchequer for the year 1957-58. Charging all the cost offsets (including capital expenditure on roads by the Centre and State Governments, cost of traffic Central and administration expenses on road transport) against the gross contribution of Rs. 133.6 crores, it concludes that the overall net contribution of road transport to the exchequer in the year 1957-58 is Rs. 43.3 crores. Whether the "tax" element should be allowed to continue at that level, whether vehicle operators may not legitimately claim that it would have been cheaper if they owned their own track like railways and the "discrimination" inherent in this state of affairs are matters for practical men. This much, however, may be inferred: in India, the principle appears to be tacitly accepted that the funds for road construction and road maintenance should come from the motor vehicle users. The theoretical merits of such a proposition are open to question. But statements about the "heavy burden" of taxation on motor transport mean little unless some agreed formula is accepted so as to determine the share of total road costs which motor transport should bear.

"The problem of an equitable system of highway user charges is not solved when the appropriate share of highway costs which motor vehicles should pay has been determined." The proportionate share of highway costs so determined has to be distributed among the different types of vehicles. It is a fundamental principle here that the taxes should reflect the use made of the road by the different types of vehicles. If certain vehicles require higher construction or maintenance standards, the tax levied on them should reflect this. If certain types of use such as heavy duty trucks or truck-trailers imply greater deterioration of the road, the tax differential must be appropriately higher. The main categories are operators of passenger cars, buses and trucks. Trucks are further divided into sub-groups according to size (e.g., 1-2½ tons, 2½-4 tons, 4-10 tons etc.). Vehicle tax is generally levied in India on the basis of unladen or laden weight, whereas the gross ton-mile system of allocation is favoured in the U.K., and the U.S.A. Using the gross ton-mile system of allocation, the Board of Investigation and Research found that, in 1940, motor vehicle operators as a whole covered all costs with payments. Certain groups did not meet their costs, indicating that some users were subsidising others. The most highly subsidised class was the large tractor-trailer combination, for which the ratio of user payments to assigned costs was only 61 per cent. A study made by Sir Osbert Mance about the relative incidence of fuel tax and licence fees on motor vehicles operating on roads in the U.K. (adopting the gross ton-mile formula) revealed that, "on a ton-mile basis with present taxation, the heavy diesel engine is heavily oversubsidised by the smaller petrol vehicles." Similar statistical probes into the equity of the motor vehicle taxation structure in India may yield valuable results.

A PASSENGER FROM CALCUTTA WRITES:

... Just a line to thank you and KLM for looking after us so well prior to our departure from Dum Dum, and during the flight to London. The service on the plane was excellent and the hostess charming ...

This extract is from an unsolicited letter: a photocopy can be obtained from KLM, Calcutta.

For that extra personalised service, there's nothing like flying "the Golden Circle"

to **EUROPE** on **KLM DC-8 JET**

DEPARTURE: Calcutta Saturday 17.45 hrs. DEPARTURE: Delhi Thursday 22.20 hrs.

Excellent Prop-Jet connections from Amsterdam to the U.K.

ARRIVAL: London Sunday 09.55 hrs. ARRIVAL: London Friday 13.10 hrs.

For further information, contact your Travel Agent.

Sincerely yours

KLM

KLC-28A

THE INDIAN BANK LTD.

INDIAN BANK BUILDINGS
17, NORTH BEACH ROAD
MADRAS-1

HAVE PLEASURE IN ANNOUNCING ENHANCEMENT IN THEIR RATES OF INTEREST ON DEPOSITS

Certain items of enhancement are:

Savings Bank Accounts	From 2½ to 3% p.a. (From 1-4-61)
Deposits fixed for 12 months and over but less than 24 months.	From 3½ to 4% p.a. (From 15-3-61)
Deposits fixed for 60 months and over.	From 4½ to 5% p.a. (From 15-3-61)

For further particulars please apply to the nearest branch of the Bank.

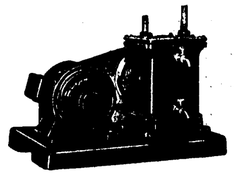
G. S. SUNDARAM,
Secretary.

LABORATORY AND INDUSTRIAL VACUUM EQUIPMENT AND MEASURING INSTRUMENTS

by

M/s. ARTHUR PFEIFFER, GERMANY

Manufacturers of High Vacuum Equipment like Vacuum Pumps, Diffusion Pumps, Electric and Mercury Vacuum Gauges, High Vacuum Evapor Plants for Metal Coating, Etc.



Sole Agents:

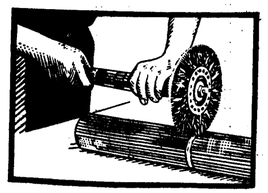
TOSHNIWAL BROTHERS (PVT.) LTD.

198, Jamshedji Tata Road, Bombay 1

Branches:

AJMER CALCUTTA DELHI MADRAS

"SCCO"



These brushes are invaluable for buffing and cleaning exceptionally severe scaling or rust from structural work, also specially adapted for weld cleaning, and other tough scaling propositions and rough Castings. "TWISTKNOTS" may be operated at considerably higher speeds than ordinary wire wheels and a comparatively light pressure increases both the efficiency and life of the brush in addition to lightening the work of the operator.

India Brushware

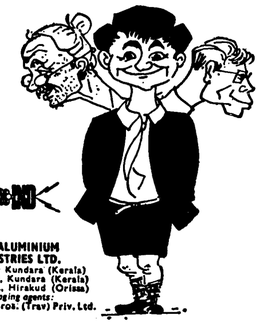
72, CANNING STREET,
CALCUTTA-1.
Phone: 34-1985

HUNCH OR HORSE SENSE?

Call it what you like, but we seem to have had it!

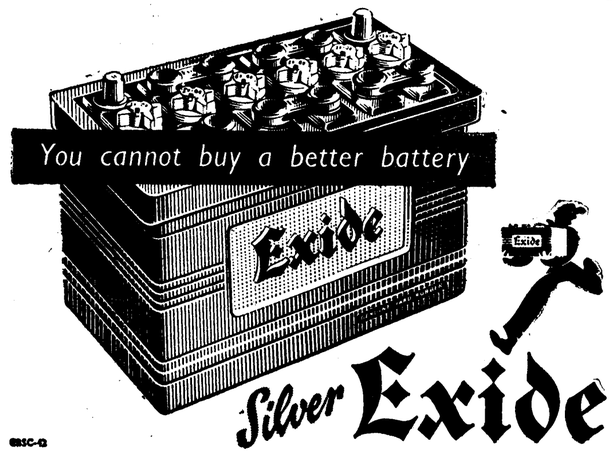
Today, the switch is to aluminium for electricity, a switch we pressed into the nation's service years ago, saving the country something like Rs. 6 crores in foreign exchange and continuing to save nearly Rs. 1.5 crores annually.

ALIND is geared for an annual production of: E.C. grade rod ... 10,000 tons
ACSR & All-Aluminium Conductors 13,000 tons
Covered Aluminium Conductors ... 15 million core yards
Conductor Accessories & Tools



THE ALUMINIUM INDUSTRIES LTD.
Regd. Office: Kundara (Kerala)
Plant No. 1, Kundara (Kerala)
Plant No. 2, Hirakud (Orissa)
Managing agents:
Seshasayee Bros. (Trav) Priv. Ltd.

AL-666



EISC-12

ANNOUNCEMENT

THE ANDHRA BANK LTD.

(*Head Office:* MASULIPATAM)

have pleasure to announce that
THE INTEREST RATE
on Savings Bank Accounts in all their offices
is raised from 1st APRIL, 1961
from 2½ per cent to 3 per cent per annum.

Interest Rates on Fixed Deposits are also revised.

Please contact your nearest branch.

T. SRIRAMULU,
Managing Director.

T. R. BHAGAVAT,
General Manager.

IMPORTS EXCEEDED RS. 1,000 CRORES IN 1960

INTAKE OF RAW MATERIALS HIGHER

INDIA'S total imports exceeded the Rs. 1,000-crore mark during the year 1960. To be precise, they stood at Rs. 1,011 crores, just short of Rs. 15 crores, as compared with the record level of Rs. 1,026 crores touched in 1957, according to the statistics relating to the import trade for the whole of 1960, released by the Department of Commercial Intelligence and Statistics, Calcutta. With the figure for imports in 1959 revised to Rs. 940 crores, imports last year show a rise of about 8 per cent (or Rs. 71 crores), whereas exports registered an increase of no more than 2 per cent. Consequently, the adverse balance of trade widened from Rs. 319 crores in 1959 to Rs. 376 crores. It is, of course, much less than the level of Rs. 386 crores touched in 1957. A detailed reference to the major trends in export trade was made in these columns two weeks ago (*vide* page 602 of *Commerce* dated 1st April 1961). It is now proposed to follow up this study by an analysis of import trade in 1960.

Import Policy

The increase of Rs. 71 crores in the value of imports during 1960, as compared with 1959, was accounted for mainly by industrial raw materials, machinery and other manufactured goods, as is evident from the accompanying Table I. It was the notable rise in the imports of raw materials and machinery that contributed largely to the expansion of about 14 per cent in the industrial production in 1960, which compares well with about 9 per cent in the previous year. In contrast, imports of food materials, particularly wheat, were markedly lower, evidently because of the perceptible improvement in the foodgrains supply position within the country. The general import policy, it may be noted here, was substantially the same as in the previous year. There were, however, marginal adjustments in the import policy which was designed to attain two objectives, namely, (1) to conserve foreign exchange resources for essential imports, and (2) to enable indigenous industry to maintain production at maximum levels so as to sustain the tempo generated by the economic development of the recent past.

The following table shows the percentage share of the major groups of commodities comprising India's imports:

	1960	1959
Food, drink, tobacco	16	19
Crude raw materials, including fuels	22	14
Chemicals	8	9
Manufactures and machinery	51	50

The above table shows that the raw materials group (crude materials and fuels) made considerable headway in 1960. Among crude materials, imports of raw cotton rose by over 100 per cent to Rs. 75 crores. This was necessitated by the pronounced shortage of supplies, following the distinct setback to the crop and good domestic demand. Similarly, the intake of raw jute was higher, thanks to scarcity of domestic supply. Rubber manufactures, particularly synthetic rubbers, also showed a sizable increase in imports, reflecting the growing industrial demand for this commodity. Imports of iron and steel scrap, pulp and waste paper and silk, however, declined slightly.

In the manufactures group, iron and steel as well as non-ferrous metals accounted for the major part of the increase in imports, iron and steel alone rising by Rs. 26 crores to Rs. 111 crores. Imports of copper moved up by Rs. 7 crores to Rs. 23 crores, zinc by about Rs. 4 crores to Rs. 9 crores and aluminium by over a crore of rupees to Rs. 7 crores. Besides, India bought more of paper, paper-board, glass and glassware.

Capital Goods

The total purchases abroad of capital goods by India, too, went up last year. The increase was particularly noticeable in the case of machinery for mining, industrial and metal-working. The value of tractors (other than steam) imported rose from Rs. 2.6 crores to Rs. 5.2 crores, reflecting larger demand for this item from Indian farmers. But there was a sharp fall in imports of railway vehicles as a result of enlarged domestic production. Likewise, the imports of aircrafts and electric and power-generating machinery were lower.

In the chemicals group, there was a strident increase in imports of organic chemicals, dyestuffs, pigments and paints, etc., while those of inorganic chemicals suffered a distinct setback, the value being Rs. 16 crores, as against Rs. 24 crores. Another important item the import of which was curtailed was manufactured fertilisers. Such a curtailment is regrettable, in view of the rapidly expanding demand for fertilisers from the agricultural sector and the inability of the domestic industry to cope with it. The imports of chemicals together fell by Rs. 2 crores to Rs. 86 crores.

Food

There was, as already stated, a marked fall in imports of food materials, especially wheat and spelt (unmilled) which declined by Rs. 31 crores to Rs. 104 crores, and milk and cream by Rs. 4 crores to Rs. 3.55 crores. The imports of rice, on the other hand, increased from Rs. 11 crores to Rs. 19 crores. A slight improvement was also noted in the case of fish, cocoa, cereals and maize.

A country-wise analysis of import trade reveals that the U.S. and the U.K. continued to be the major suppliers of merchandise to India, accounting as they did for about 44 per cent of the total imports in 1960, as against 43 per cent in the previous year. In absolute terms, imports from the U.S. rose by Rs. 22 crores to Rs. 240 crores and those from the U.K. by Rs. 18 crores to Rs. 202 crores.

Among other countries, Japanese supplies moved up by Rs. 12 crores to Rs. 54 crores. There was also a notable increase in imports from Australia, Burma, Pakistan, Malaya, Singapore, the U.A.R., Kenya and Rhodesia, whereas imports from some of the leading Common Market countries suffered a sharp decline. Imports from West Germany, for instance, fell by Rs. 7 crores to Rs. 113 crores, from France by Rs. 4 crores to Rs. 18 crores and from Italy by Rs. 3 crores to Rs. 24 crores. India's imports from Canada declined by as much as Rs. 13 crores to Rs. 15 crores. Purchases from Iran, Saudi Arabia, Ceylon and Sudan, too, suffered a slight decline.

FRENCH QUOTAS FOR INDIAN GOODS

The French Government has announced special quotas for the import of about 20 types of goods from India, the total value of which is expected to exceed Rs. 2 crores. The quotas will be valid for export to France during 1961. Some of the items to be imported by France under this arrangement with their approximate value in the new French currency are: handicrafts including ivory goods and jewellery (700,000 francs), hand-made woollen carpets (600,000 francs), sports goods and frog-legs (500,000 francs each), coir mats, Kashmir rugs, textile articles and items such as shawls and *saris* (200,000 francs each). Other articles to be imported from India are fruits and fruit juices, 1,500 sewing machines and hand-made and mill-made cotton fabrics. Imports of coffee and castor oil with also be effected in terms of the global quota.

TABLE I

Imports—Commodity-wise

(Value in rupees lakhs)

	1960	1959
Food	**156,24**	**181,54**
Of which:		
Wheat	103,51	134,93
Rice	18,66	11,42
Maize	8,05	8,02
Cereals, milled (except wheat)	14	4
Milk and cream (condensed or dried)	3,55	7,45
Dairy products	1,09	1,16
Fish	3,66	2,97
Fruits and vegetables	13,53	16,52
Sugar	8	2
Cocoa	16	15
Spices	2,19	2,52
Beverages and Tobacco	**82**	**1,06**
Of which:		
Alcoholic beverages	57	56
Raw tobacco	23	1,08
Tobacco manufactures	2	1
Mineral Fuels, etc.	**78,44**	**78,33**
Of which:		
Petroleum crude and partly refined	22,01	9,33
Petroleum products	55,48	68,93
Coke, coal, briquettes	5	7
Crude Materials (except fuels)	**150,21**	**94,93**
Of which:		
Raw cotton	75,15	34,77
Raw jute	7,04	1,47
Other vegetable fibres	1,11	86
Silk	22	55
Wool, etc.	10,70	9,17
Fertilisers, crude	2,57	2,54
Hides and skins	2,56	1,78
Rubber manufactures	2,52	1,17
Wood, lumber and cork	5,56	5,54
Pulp and waste paper	6,86	6,94
Iron and steel scrap	76	1,29
Ores of non-ferrous metals	67	52
Non-ferrous metal scrap	2,80	1,54
Oils and Fats	**5,37**	**4,67**
Vegetable oils (olive, palm, etc.)	4,86	3,86
Animal oils and fats	7	54
Oils and fats processed, wax, etc.	14	16
Chemicals	**86,09**	**88,32**
Of which:		
Inorganic chemicals	16,06	24,00
Organic chemicals	23,31	18,16
Coal tar dyestuffs, etc.	9,17	7,14
Dyeing and tanning extracts	1,26	1,20
Pigments and paints	1,77	1,16
Medicines and pharmaceuticals	10,95	8,91
Essential oils and perfumes	1,37	1,01
Fertilisers, manufactured	10,84	15,83
Explosives and miscellaneous	11,59	10,49
Manufactured Goods	**218,45**	**186,78**
Textile yarn and thread	14,85	14,33
Cotton fabrics of standard type	82	1,19
Other textile fabrics (standard type)	1,03	2,39
Special textile fabrics	1,90	88
Iron and steel	110,33	85,11
Copper	23,37	16,45
Nickel	1,35	81
Aluminium	7,26	5,99
Lead	3,61	2,41
Zinc	8,88	4,98
Tin	4,10	4,77
Miscellaneous n-f. base metals	72	57
Silver, platinum	10	8
Precious stones, pearles	1,09	72
Leather and its manufactures	80	41
Rubber manufactures	2,22	28,60
Paper and paperboard	11,71	10,22
Clay and refractory construction goods	2,71	4,13
Glass	55	33
Glassware	62	48
Other mineral manufactures	2,41	2,21
Machinery and Transport	**283,61**	**283,47**
Electric machinery	53,32	54,18
Other power-generators	24,25	28,60
Tractors (other than steam)	5,17	2,55
Metal working machinery	33,59	27,71
Mining construction and other industrial machinery	114,64	91,32
Railway vehicles	17,99	30,33
Road motor vehicles	31,62	30,66
Aircrafts	5,86	14,75
Ships and boats	70	90
Miscellaneous Manufactures	**5,00**	**4,71**
Scientific Instruments, etc.	5,33	5,41
Photographic and cinematographic supplies	4,04	4,57
Exposed cinematographic films	41	39
Watches and clocks	87	39
Books, periodicals, etc.	2,49	2,01
Total (including others)	**1,011,35**	**940,39**

TABLE II

Imports—Country-wise

(Value in rupees lakhs)

	1960	1959
EUROPE		
E. F. T. A. Countries		
U.K.	201 52	184,18
Switzerland	9,78	7,98
Sweden	11,05	10,78
Denmark	2,35	2,02
Norway	2,94	3,04
Austria	2,86	1,96
Portugal	32	39
Finland	2,35	2,60
Common Market		
West Germany	112,70	120,31
France	18,13	21,71
Italy	24,48	26,75
Belgium	15,90	13,60
Netherlands	12,64	13,19
Luxembourg	44	39
Greece	3	10
Communist Countries		
Russia	13,27	17,89
East Germany	2,63	3,21
Poland	2,09	4,14
Czechoslovakia	7,15	8,74
Hungary	1,97	2,42
Rumania	3,82	1,61
Bulgaria	57	25
Yugoslavia	4,40	2,37
Others		
Turkey	1	1
Spain	107	21
Irish Republic	..	2
AMERICAS		
U.S.	240,02	217,85
Canada	14,91	27,37
Argentina	6	7
Chile	8	..
Brazil	26	55
Mexico	6	17
Peru	1,27	55
	8	29
OCEANIA		
Australia	22,43	13,55
New Zealand	1,47	1,06
ASIA		
Japan	54,20	41,74
Ceylon	3,92	6,05
Burma	19,51	15,52
Pakistan	13,76	6,51
Afghanistan	5,02	5,70
Iran	24,18	33,50
Saudi Arabia	19,06	30,10
Malaya	13,56	10,58
Singapore	11,59	9,06
Indonesia	9,97	3,58
Thailand	59	49
Philippines	40	33
Aden	1,88	1,36
Iraq	2,11	2,01
Bahrein	4,66	4,58
Kuwait	6	5,16
Hong Kong	1 68	99
Cambodia	2	..
South Vietnam	4	..
China	3,26	4,90
AFRICA		
Egypt	17,06	8,05
Kenya	1,06	71
Uganda	14,11	11,04
Tanganyika	1,39	94
Ghana	9,75	2,11
Nigeria	58	53
Sudan	51	27
Ethiopia	9,53	10,69
Zanzibar and Pemba	2	2
Mozambique	2,89	2,61
Rhodesia, Northern	2,42	4,37
Rhodesia, Southern	10,05	5,37
Morocco	2,57	4,40
Seychelles	52	70
	54	56
Total (including others)	**1,011,35**	**940,39**

RESULTS OF CENTURY MILLS EXCELLENT

A MOST MODERN PLANT PROPOSED TO BE INSTALLED

THE year ended 31st December 1960 was by far the best year in the history of the Century Spinning and Manufacturing Company Ltd. (Managing Agents: Birla Gwalior Private Ltd.). The total proceeds from sales of cloth, yarn and waste have increased by Rs. 134.53 lakhs to Rs. 1,345.86 lakhs, in continuation of the trend noted in the last five years. The Company maintains two block accounts, one for textile plant and the other for rayon plant, both of which show a persistent increase in earnings since September 1956 when rayon production commenced. The closing stocks of finished goods have increased by Rs. 61.11 lakhs, while those of materials in process have fallen by Rs. 10.26 lakhs. As a result of the rise in the stocks of finished goods, the closing stocks-in-trade stand higher at Rs. 360 lakhs, as against the previous year's figure of Rs. 324.99 lakhs.

On the expenditure side, the cost of raw materials, stores and spares consumed have gone up from Rs. 529.50 lakhs to Rs. 613.26 lakhs, excise duty, rebate, etc., from Rs. 40.22 lakhs to Rs. 56.89 lakhs and other expenses from Rs. 417.51 lakhs to Rs. 463.69 lakhs. The total wage bill of the Company amounts to as much as Rs. 341.29 lakhs, representing nearly one-fourth of the sale proceeds. The gross profit has increased to Rs. 285.54 lakhs from Rs. 176.37 lakhs in the previous year, Rs. 132.58 lakhs in 1958 and Rs. 67.78 lakhs in 1957. Thus, in the four years, the gross profit has improved by more than four times. The extent of the increase in profit is more appreciable than rise in sales.

Whereas the gross profit has gone up by Rs. 109.17 lakhs, the net profit shows a rise of Rs. 87.49 lakhs to Rs. 141.32 lakhs. The handsome rise in profit has enabled the Directors to strengthen the reserves to the extent of Rs. 56.50 lakhs, the provision made in the previous year being a bare Rs. 10.45 lakhs. The dividend declared is 30 per cent subject to taxation, as against 31.5 per cent in the previous year, but the dividend for 1960 is on increased capital. The Directors feel that the Company is eligible for exemption of tax under Section 15C of the Income-tax Act and has applied for the same. The shareholders will get the benefit of this exemption, as well as the proportionate exemptions of tax in respect of dividends. The provision for depreciation has been stepped up by Rs. 26.62 lakhs to Rs. 91.33 lakhs, while that for taxation is reduced by Rs. 5.50 lakhs to Rs. 43 lakhs.

The following comparative table shows at a glance the progress made by the Company in the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sales gross	1,345.86	1,211.33	1,060.99	989.65
Other Income	22.65	17.99	9.07	10.89
Stocks of finished goods and in process	228.49	171.64	287.06	202.78
Raw materials, stores and spares consumed	613.26	529.50	539.90	505.46
Excise duty, rebate etc.	56.89	40.22	24.95	14.58
Other expenses	463.69	417.51	406.92	388.78
Gross profit	285.54	176.37	132.58	67.78
Managing Agents' remuneration	9.89	9.32	8.91	2.92
Provision for—				
Depreciation	91.33	64.71	43.00	37.76
Taxation	43.00	48.50	3.06	7.12
Net profit	141.32	53.83	77.60	19.98
Transfer from reserves and excess provisions written back	0.65	2.71	26.56	24.06
To reserves	56.50	10.45	73.59	18.32
Capital issue expenses	0.31	0.29	3.75	..
Compensation and other expenses	12.18	4.71	..	..
Dividends—				
Preference	10.71†	10.71†	0.62	..
Ordinary	61.17†	58.71†	29.94	24.07
	(30%)†	(31.5%)†	(22%)	(22%)
Carry forward	2.32	1.22	9.58	9.23

† Subject to deduction of tax.

The gross block of the Company has crossed the Rs. 10-crore mark to stand at Rs. 1,053.72 lakhs, which is over three times the paid-up capital, both ordinary and preference. The increase in block account during the year is Rs. 110.96 lakhs, mostly in the rayon division being Rs. 107.67 lakhs. In five years' time, the gross block has increased by Rs. 429.05 lakhs, while paid-up capital has risen by only Rs. 219.48 lakhs. It is satisfactory to note that the gross block has been financed from the Company's own resources. Reflecting this position, the secured and unsecured loans have come down during the same period from Rs. 151.89 lakhs to Rs. 11.81 lakhs.

The net block of the mills division has been heavily written down to Rs. 85.71 lakhs, after providing Rs. 232.07 lakhs for depreciation, while the net block in the rayon division stands as high as Rs. 505.27 lakhs even after providing Rs. 230.67 lakhs for depreciation. The total investments of Rs. 11.32 lakhs comprise Rs. 4.37 lakhs in unquoted investments and Rs. 6.95 lakhs in quoted investments. The paid-up capital of Rs. 328.91 lakhs, consisting of Rs. 203.91 lakhs in ordinary shares and Rs. 125 lakhs in preference shares, has increased during the year by the issue of 81,968 right ordinary shares of Rs. 100 each. These right shares were offered at a premium of Rs. 20 per share in the ratio of two shares for every three shares. The share premium account has moved up from Rs. 4.43 lakhs to Rs. 20.62 lakhs. The Company has no secured loans against hypothecation of stocks which have been written down to *nil*, as against Rs. 90.50 lakhs in the previous year. This may be due to the issue of right shares last year. Unsecured loans have also come down from Rs. 76.75 lakhs to only Rs. 11.81 lakhs. As against the drop of Rs. 155.44 lakhs in secured and unsecured loans, the receipts from right issue (including the premium) amount to Rs. 98.36 lakhs. That the financial position of the Company is sound is borne out by the wide gap of Rs. 150.50 lakhs between current assets (exclusive of investments) at Rs. 434.96 lakhs and current liabilities at Rs. 284.46 lakhs.

Both textile and rayon plants had a normal working during the year and offtake of cloth and yarn was satisfactory. Orders for plant and machinery for expansion of the rayon plant to 18½ tons production per day have been placed with manufacturers in Japan and shipments of machinery have actually started arriving. The full capacity of the rayon plant is expected to be reached by the end of the current year. The outlay on the scheme is estimated at Rs. 3 crores.

Under the Export Promotion Scheme, the Government of India has granted permission to the Company to install 336 automatic looms, in addition to 192 automatic looms in replacement of old plain looms. With all these 528 automatic looms, the Company intends to put up a most modern mill at a suitable place outside Bombay. The plans to set up a new super two-tyre yarn and cord plant employing the latest technique and equipment is expected to be in operation during the second half of 1962. The total cost of the scheme is put at Rs. 4 crores. For this project, the Company has signed a technical collaboration and know-how agreement jointly with the world-famous firms of Algemene Kunstsijde Unie N. V. of Holland (manufacturers of the well-known ENKA brand products) and Vereinigte Glanzstoff-Fabriken AG. of Germany.

The preference shareholders of the Company must have felt gratified at the decision of the Directors to change the 6 per cent tax-free shares to 8.57 per cent subject to deduction of tax. Thus, the preference shareholders will get the same amount of dividend under the new rules also.

The ordinary Rs. 100 paid-up shares of the Company has moved up from Rs. 452 early this year to Rs. 594 *cum-div.* at present, or a rise of nearly 31 per cent in a little over three months' time. At the current market quotation of Rs. 588, the net yield works out to 3.57 per cent on a net dividend of Rs. 21 per share.

(*Concluded from next column*)

The recent reduction in the bonus tax from 30 to 12½ per cent has made it possible for the Company to issue bonus shares, in view of large reserves. It is proposed to issue, subject to the sanction of the Controller of Capital Issues, one bonus share for four ordinary shares. As the proposed issue will increase the ordinary capital to Rs. 87.46 lakhs, which is higher than the authorised ordinary capital, the Directors propose to increase the authorised capital to Rs. 250 lakhs, consisting of Rs. 175 lakhs in ordinary shares of Rs. 10 each and Rs. 75 lakhs in preference shares of Rs. 100 each.

With the announcement of bonus shares issue and the maintenance of dividend on increased capital, the market quotation for ordinary shares has shot up from Rs. 19.62 to Rs. 22.87 in a month's time. The net yield at Rs. 22.87 is 4.3 per cent, taking the net dividend as 98 nP per share.

JAY SHREE TEA AND INDUSTRIES

RECORD PROFIT—BONUS ISSUE

IN view of its diversified industrial activities, besides tea gardens, the name of the Jay Shree Gardens Ltd. (Managing Agents: Messrs. Birla Brothers Private Ltd.) was changed during 1960 to Jay Shree Tea and Industries Ltd. The working results of the Company for the year ended 31st December 1960 reveal a substantial increase in gross profit to Rs. 58.41 lakhs, which compares favourably with Rs. 39.90 lakhs for 1959, Rs. 33.88 lakhs for 1958 and Rs. 29.21 lakhs for 1957. Thus, in four years, the gross profit has doubled, as against the increase of 65 per cent in sale proceeds. This means that the profitability of the Company has increased from 16 per cent to 19 per cent. The sale proceeds aggregate Rs. 296.60 lakhs, as against Rs. 238.77 lakhs in the previous year. The increase in profit is due to better results in other departments. The quality of the tea produced by the Company show a perceptible improvement during the year and better prices were realised.

The following comparative table indicates at a glance the progress of the Company in the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	296.60	238.77	187.30	178.95
Other income	6.57	6.14	2.96	1.85
Stocks	54.71	45.68	21.59	30.38
Expenses	253.79	229.10	147.59	146.01
Gross profit	58.41	39.90	33.88	29.21
Managing Agents' commission	4.10	3.34	2.75	2.26
Provision for—				
Depreciation	8.77	8.19	9.67	8.72
Taxation	21.00	13.75	11.75	9.00
Net profit	24.54	14.62	9.71	9.23
Transfer from reserves and provisions written back	2.30	1.13	1.75	1.33
To reserves	16.25	7.25	5.50	4.70
Dividends—				
Preference	0.31†	0.18	0.12	0.07
Ordinary	9.80†	8.20†	5.86	5.86
	(14%)†	(14%)†	(10%)	(10%)
Carry forward	0.88	0.46	0.91	0.93

† Subject to deduction of tax.

Out of the increase of Rs. 18.51 lakhs in gross profit, taxation has taken Rs. 7.25 lakhs more, the sum actually earmarked being Rs. 21 lakhs. Managing Agents' commission is higher by Rs. 76,000 at Rs. 4.10 lakhs and provision for depreciation by Rs. 58,000 at Rs. 8.77 lakhs. The net profit has increased by Rs. 9.92 lakhs, from Rs. 14.62 lakhs to Rs. 24.54 lakhs. The rise in profit has enabled the Directors to transfer Rs. 9 lakhs to reserves as well as to maintain the dividend of 14 per cent on increased capital.

The paid-up capital of the Company is Rs. 73.42 lakhs, of which ordinary shares of Rs. 10 each account for Rs. 69.97 lakhs and preference shares of Rs. 100 each for Rs. 3.45 lakhs. The ordinary capital was increased during the year from Rs. 58.57 lakhs to Rs. 69.97 lakhs by the issue of one right share for every five shares at par. The reserves of the Company at Rs. 78.25 lakhs are now above the paid-up capital on account of the transfer of Rs. 16.25 lakhs to reserves from profits. The net block of the Company stands at Rs. 128 lakhs, after providing Rs. 76.25 lakhs for depreciation. The investments of Rs. 3.18 lakhs are mostly in unquoted investments, as only about 10 per cent (or Rs. 0.33 lakh) is in quoted investments. The total current assets (exclusive of investments) at Rs. 116.04 lakhs are well above the current liabilities at Rs. 75.01 lakhs by Rs. 41.03 lakhs.

The new extension and replanting programme of the tea gardens has been implemented according to schedule. In the Woodcrafts Assam Plywood Factory, new and better varieties such as decorative plywood, flush doors and block-boards have been successfully introduced. The land purchased by the Company for the installation of superphosphate and sulphuric acid plants at Tribeni has been requisitioned by the Government of West Bengal. This unexpected development has completely upset and delayed the project. Another plot of land at Khardak near Calcutta has been acquired and the construction work has started. This factory will start production during the second half of the current year, as the major portion of the plant has already been received. An industrial licence to install a hard-board plant in Madhya Pradesh has been received, in addition to the letter of indent in hand for another plant in West Bengal. A licence has also been received for the installation of a chipboard plant in Assam with an installed capacity of 1,700 metric tons per annum.

(*Continued in previous column*)

INDIAN ALUMINIUM FORGES AHEAD

SALES AND DIVIDEND HIGHEST ON RECORD

THANKS to the marked all-round improvement in the production operations of the Indian Aluminium Company Ltd. (Secretary: Mr. T. D. Sinha, Calcutta) and brisk demand for its products, the working results of the Company for the year ended 31st December 1960 are quite encouraging. Sale proceeds have registered a rise of more than 13 per cent from Rs. 9.70 crores in 1959 to Rs. 11.25 crores, highest on record. The Company's own products and the agency and distributor products handled by the Company have both contributed to this marked rise. The former increased by Rs. 97 lakhs to Rs. 801 lakhs and the latter by Rs. 58 lakhs to Rs. 324 lakhs. A large part of the improvement in sale proceeds has been offset by the rise in expenses from Rs. 7.27 crores in 1959 to Rs. 8.49 crores in 1960. Even so, the gross earnings show a notable expansion of Rs. 29 lakhs from Rs. 2.52 crores to Rs. 2.81 crores. In view, however of heavier tax commitments, the net profit of the Company has dropped by Rs. 20.85 lakhs to Rs. 126.67 lakhs. The provision for taxation is as high as Rs. 99 lakhs, as against Rs. 52.28 lakhs in 1959. Provision for depreciation is also higher at Rs. 55.26 lakhs, as against Rs. 52.23 lakhs. The net profit of Rs. 126.67 lakhs, together with Rs. 33.42 lakhs, the carry forward from the previous year and Rs. 16.10 lakhs representing the several miscellaneous excess provision of previous years written back, gives a total of Rs. 176.19 lakhs available for distribution.

The Directors of the Company have recommended a higher dividend of 15 per cent (subject to tax)—highest paid so far—on ordinary shares as against 12 per cent (subject to tax) distributed in the previous year. It is a shade higher than even the tax-free dividend of 10 per cent paid in 1956.

The following comparative table shows at a glance the progress of the Company since 1957:

(Rupees in lakhs)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	11,24.77	9,69.68	7,42.97	5,44.39
Other income	5.38	9.07	3.53	4.06
Manufacturing and other expenses	8,49.22	7,26.72	6,04.79	4,52.06
Gross profit	2,80.93	2,52.03	1,41.72	96.39
Provision for—				
Depreciation	55.26	52.43	27.95	26.29
Taxation	99.00	52.28	61.43	38.97
Net profit	1,26.67	1,47.52	52.33	31.13
Excess provision written back	16.10	..	..	..
Capital issue expenses	..	11.33	..	4.81
Adjustment relating to previous years	7.62	..	..	..
Provision for gratuity	4.16	5.19	4.66	4.75
To Development Rebate reserve	2.63	61.50	11.10	..
To general reserves	50.00	..	..	..
Dividend—				
5 per cent Preference	1.78	3.00	1.37	1.37
Ordinary	60.10	48.12	27.78	23.13
	(15%)*	(12%)*	(7%)	(6%)
Carry forward	49.91	33.42	15.55	8.13

*Subject to deduction of tax.

It will be seen from the above table that, as against the development rebate of Rs. 61.50 lakhs provided for in the previous year, the provision made in the accounts for 1960 is only Rs. 2.63 lakhs, but the Directors have considered it prudent to plough back substantial part of the net profit to reserves for future expansion and contingencies. The amount transferred to general reserves is as much as Rs. 50 lakhs, as against *nil* in 1959. Provision for gratuity is lower by Rs. 2.03 lakhs at Rs. 4.16 lakhs.

The production of the various products in the Company's factories during the last four years is indicated below:

(In tons)

	1960	1959	1958	1957
Aluminium ingot	15,901	14,892	5,664	5,448
Rolled products	10,952	10,414	8,884	7,288
Extruded products	1,370	1,240	1,084	746
Aluminium powder and paste	432	429	333	463

The improvement in production achieved in 1960 is attributed to the generally satisfactory relations with employees. During the year under review, a new three-year agreement was signed with the Alupurum union. Bonus agreements were also entered into with Lohardaga and Hirakud unions. In regard to transport, however, the Company faced considerable difficulties particularly in respect of coal supplies. The uncertainty of wagon availability compelled the Company not only to use the more costly mode of road transport but also to maintain the larger inventories which involved the locking up of extra capital.

In the Central Government budget for 1960-61, it will be recalled, duty of 10 per cent was levied on aluminium and in the 1961-62 budget similar excise duties have been imposed on copper and zinc products as well as on pipes and tubes made out of the three non-ferrous metals. These levies, it is feared, will have an adverse effect on the demand for the Company's products in the long run.

The Directors, however, welcome the Government's decision to retain the protective duty at 35 per cent *ad valorem* on aluminium and aluminium manufactures. The Tariff Commission had actually proposed to continue the protection with a reduced duty of 25 per cent *ad valorem*, but the Government decided to retain the duty at the existing rate. It is felt that the recommendations with regard to the freight classification of aluminium and power rates as made by the Tariff Commission would be of considerable assistance to the aluminium industry.

The following extract from the directors' report will give a fair idea of the progress in the expansion projects undertaken by the Company.

"Satisfactory progress was made on the Company's expansion projects at its Alupuram, Belur, Hirakud and Muri Works. Orders for most of the equipment required have been placed. Detailed engineering of all the projects is progressing satisfactorily. Construction work has started at all the sites. Barring any untoward happening, it is expected that the second extrusion press at Alupuram and the additional potline at Hirakud will be ready to go into operation before the end of the year. Expanded facilities at Belur and Muri are likely to be ready by the middle of next year."

Following the conversion of a portion of the loan stock into ordinary shares effected in 1959, the paid-up capital of the Company amounts to Rs. 438.59 lakhs, comprising Rs. 398.59 lakhs of ordinary capital (3,985,948 shares of Rs. 10 each) and Rs. 40 lakhs of preference shares (40,000 five per cent taxable cumulative shares of Rs. 100 each). This is supplemented by reserves and surplus aggregating Rs. 299.65 lakhs. As a result of the issue of 6¼ per cent debenture-stock in 1959 the outstanding secured loans are now of the order of Rs. 415.27 lakhs, as against Rs. 566.78 lakhs in 1959. Over the year, the loans from banks have been considerably reduced from Rs. 262 lakhs to Rs. 86.94 lakhs. The other current liabilities and provisions amounting to Rs. 303.26 lakhs, are more than adequately covered by current assets at Rs. 546.20 lakhs (stocks: Rs. 329.54 lakhs, sundry debtors Rs. 169.06 lakhs; loans and advances: Rs. 10.62 lakhs; cash Rs. 36.85 lakhs). During the year under review, the Company incurred a capital expenditure of Rs. 294.06 lakhs, bringing the gross block to Rs. 12,64.53 lakhs (inclusive of progress payment and advances to suppliers for capital constructions together amounting to Rs. 140.86 lakhs). This is written down to Rs. 910.57 lakhs.

The Rs. 10 fully paid up ordinary shares of the Company are currently quoted at Rs. 34.87 *cum-div.* as against Rs. 26.87 a year ago. On *ex-div.* basis they offer a net yield of 3.1 per cent per annum.

T.W.A.'S EARNINGS IN 1960

Trans World Airlines Inc. earned a consolidated net profit of $6,473,000 in 1960, as against $9,402,000 in 1959. Gross revenues reached an all-time high of $378,350,000, a rise of 8.6 per cent over 1959. The T.W.A. superjets serving the U.S. and 10 European cities accounted for 55.6 per cent of the record passenger revenues of $329,229,000. Total operating expenses were $362,304,000, an increase of 9.4 per cent over 1959. However, major operating economies produced a 7.5 per cent decrease in expense per available ton-mile. Profit from operations was $16,046,000, as compared with $17,263,000 in 1959. The major reason for the 1960 profit was the all-time record results of the international division. The introduction of transatlantic jet service with nine larger Boeing superjets produced record international revenues of $100,958,000, an increase of 35.2 per cent over 1959, and operating income for the division of $17,096,000

(*Concluded from next column*)

assets of the Company. The debit balance of the debenture-stock redemption account (current) with National and Grindlays Bank Ltd. stands at Rs. 28.47 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are currently quoted at Rs. 50.37. The net (tax-free) yield on the shares is approximately 3 per cent.

DUNLOP RUBBER'S SALES AT PEAK LEVEL

DIVIDEND MAINTAINED

THE aggregate sale proceeds of the Dunlop Rubber Company (India) Ltd. (Managing Director: Mr. J. Luckham) touched an all-time peak of Rs. 30,46.56 lakhs during the year ended December 1960, representing a rise of as much as Rs. 459.07 lakhs as compared with 1959. Despite such a rise, the gross profit of the Company has improved by just Rs. 20.84 lakhs to Rs. 264.64 lakhs. This is due to the high cost of imported rubber, higher prices of other raw materials, appreciable rise in excise duty payment (from Rs. 355.29 lakhs in 1959 to Rs. 527.60 lakhs in 1960), and larger amount paid by way of interest. The increase in expenses on account of raw material purchase alone was to the extent of 19 per cent, though the increase was due partly to increased production. The percentage of profits to sales dropped during the year from 4.56 to 4.08.

As against the rise of Rs. 20.84 lakhs in gross profit, the net profit has registered an increase of only Rs. 8.5 lakhs, because of larger provisions for depreciation (Rs. 58.71 lakhs, as against Rs. 50.99 lakhs in 1959) and taxation Rs. 81.37 lakhs (Rs. 74.76 lakhs). The Directors have maintained the dividend at the previous year's level of 21½ per cent. A sum of Rs. 17 lakhs has been allocated to development rebate reserve (same as in previous year) and provision has been made for regular dividend on guaranteed preference shares and second cumulative preference shares. The total dividend distribution absorbs Rs. 68.97 lakhs. The surplus carried forward amounts to Rs. 25.13 lakhs, as against Rs. 24.03 lakhs.

The comparative results of the Company's working in the last four years are given below:

(In lakhs of rupees)

	For the year ending 31st December			
	1960	1959	1958	1957
Sale proceeds	3,046.56	2,587.49	2,227.76	1,997.00
Closing stocks of finished goods and process stock	178.90	156.57	184.79	189.18
Expenses	2,192.01	1,975.11	1,769.12	1,581.62
Excise duty	527.60	355.29	253.08	215.21
Interest payable	26.99	20.86	14.74	9.47
Gross profit	264.64	243.80	202.08	194.87
Depreciation	58.71	50.99	31.47	27.68
Taxation	81.37	74.76	58.15	86.52
Net profit	124.56	118.04	112.43	80.67
Development rebate reserve	17.00	17.00	30.00	..
General reserve	37.50	30.00	..	30.00
Dividends:				
Preference: 6% Guaranteed Preference Shares	2.34	2.57	1.80	1.80
Preference: 6% Second Preference Shares	2.13	2.40	1.64	1.64
Equity Shares	64.50	64.50	48.75	38.25
	(21½%)*	(21½%)*	(16½%)	(16½%)
Carry forward	25.13	24.03	22.46	22.23

*Dividends for 1959 and 1960 subject to taxation.

The financial position of the Company is quite sound. The reserves and surplus aggregate over Rs. 6.04 crores, as against the paid-up capital of Rs. 3.70 crores. A sum of Rs. 70 lakhs stands to the credit of the share premium account alone and the general reserves exceed Rs. 4.32 crores. In 1959, the authorised capital of the Company was raised from Rs. 5.0 crores to Rs. 7.5 crores. Reviewing the working results of the Company in these columns last year, we had pointed to the low capital of the Company and the imbalance between the paid-up capital (Rs. 3.70 crores) and the net block account (Rs. 6.39 crores). The heavy taxation of 30 per cent on capitalisation of reserves had restricted the scope for a bonus issue then. It is heartening that the taxation on bonus issues had recently been reduced to 12½ per cent. The increase in the capital of the Company last year has not yet been utilised. In the light of the growing financial needs of the Company for meeting the cost of its expansion programmes, the issue of bonus shares calls for consideration.

The gross block at the end of 1960 amounted to about Rs. 10.40 crores, on which depreciation of Rs. 4.01 crores has so far been provided for in the books. Additions to the block during the year amounted to over Rs. 77 lakhs, plant and machinery alone accounting for about Rs. 60 lakhs.

The current liabilities of the Company, including secured loans from banks, aggregate more than Rs. 5.16 crores, showing a rise of about Rs. 1.44 crore over the previous year. The increase in borrowings from banks to meet the working capital needs to supplement the expanding production programme accounted for about Rs. 57 lakhs. Current liabilities are doubly covered by current assets exceeding Rs. 10.28 crores. The debentures issued by the Company amount to over Rs. 2.04 crores and these are secured on a floating charge over the

(*Continued in previous column*)

JAY SHREE TEXTILES FARE WELL

DIVERSIFIED ACTIVITIES

THE working results of the Jay Shree Textiles Ltd., Rishra (Managing Agents: Messrs. Birla Brothers (Private) Ltd.) for the year 1960 show an all-round improvement. The Company's sale proceeds (net) have touched the record level of Rs. 121.09 lakhs, representing a rise of over 25 per cent, from Rs. 95.69 lakhs in 1959. The marked improvement has followed diversified activities and introduction of many new products in the last two years. Among the popular products of the Company may be mentioned "Flaxocot" canvas, heavy industrial fabrics, Jacquard twines and linen threads for spindle tape stitching. The increase in the realisations from the Company's sales and the consequent larger profits have benefited the shareholders in the form of higher return. The dividend (taxable) of 10 per cent on equity shares recommended for 1960 compares favourably with the 8 per cent distributed in the previous year. The tax-free dividend comes to 7.0 per cent, as against 5.6 per cent for 1959; the dividend paid in 1956 was no more than 3.75 per cent. On the basis of the tax-free dividend of 7 per cent and taking the current market value of the Company's Rs. 10 paid-up shares at Rs. 18, the net yield works out to about 4 per cent per annum.

The gross profit for the year ended 1960 at Rs. 25.21 lakhs is higher by over Rs. 5 lakhs as compared with the previous year. The net profit after providing for depreciation Rs. 3.99 lakhs (Rs. 13.34 lakhs) and taxation Rs. 8.71 lakhs (Rs. 75,000) amounts to Rs. 11.14 lakhs, as against only Rs. 3.96 lakhs in 1959. It may be added here that the Company had gradually written off in the last few years the arrears of depreciation from the huge balance of over Rs. 340 lakhs at the end of 1956 (including initial depreciation, development rebate, etc.) to Rs. 8 lakhs (excluding the initial depreciation, development rebate, etc.). Incidentally, the provision of Rs. 8.71 lakhs for taxation is the highest for the last several years. A sum of Rs. 5 lakhs has been transferred towards dividend equalisation reserve for the first time and Rs. 1.19 lakh for development rebate reserve, as against Rs. 88,000 in 1959. A sum of Rs. 21,280 has been carried forward, as against Rs. 34,072 in 1959.

The comparative performance of the Company in the last four years is detailed in the following table:

(In lakhs of rupees)

	For the year ending 31st December			
	1960	1959	1958	1957
Net sale proceeds	121.09	95.68	81.75	83.66
Closing stocks of finished goods and process stock	29.24	28.29	22.49	16.48
Raw materials consumed	57.90	46.68	39.43	47.76
Expenses	46.16	41.20	34.28	31.36
Gross profit	25.21	19.72	19.07	11.67
Depreciation	3.99	13.34	5.35	6.94
Taxation (including wealth tax etc.)	8.71*	0.75	0.31	0.45
Managing Agents' remuneration	1.37†	1.07	..	..
Net profit	11.14	3.96	10.44	4.28
Items relating to previous years	0.21	0.16	0.22	0.14
Development rebate reserve	1.19	0.88	0.29	0.86
Dividend equalisation reserve	5.00	..	..	..
Renovation and renewals reserve	..	..	6.00	..
Dividends	4.98‡	3.96‡	3.30	2.46
	(10%)	(8%)	(6½%)	(5%)
Carry forward	0.21	0.34	1.33	0.82

*Includes Rs. 1,306 being wealth tax short provisions for 1958.
†Since 1960 refers to Secretaries and Treasurers remuneration.
‡Dividends for 1959 and 1960 subject to taxation. Others tax-free.

The activities of the Company have expanded in the last few years. Many new lines of production have been undertaken and the new products introduced by the Company appear to be popular and are fetching good prices. The Company, it is stated, is the only one of its kind in the East to produce in the same factory yarn and fabrics made from flax, staple fibre, cotton and wool. The manufacture of reinforced rubberlined hose commenced during the year under review. This project is in collaboration with Messrs. George Angus and Co., Ltd., England. The Company has still not been able to proceed with its scheme for manufacturing high-tension electric insulators, in view of the difficulties in obtaining import licences for the scheme, though the necessary permission was granted by the Central Government last year. The scheme has now been deferred, as the Directors have decided to implement immediately the scheme envisaging the setting up of a cotton spinning plant with 15,200 spindles. The licences for this purpose under the Industries (Development and Regulation) Act has been obtained. The plant, estimated to cost about Rs. 70 lakhs, is expected to go into production in the middle of 1962. Actual work in this regard has already started. Orders have been placed for the supply of most of the plants. In addition, there are plans for the manufacture of synthetic rubber oil seals and malleable castings, steel forgings and steel structurals.

The manifold development programmes of the Company have entailed a large expenditure, necessitating increased borrowings. In 1959, the Company paid off old debentures worth Rs. 13.71 lakhs by issuing fresh 7 per cent mortgage debentures for a sum of Rs. 25 lakhs, with a view to financing its expansion programmes. These are secured against part of the fixed assets and floating charge on other assets. During the year under review, the Company liquidated the bank loan of Rs. 3.05 lakhs. The expansion schemes of the Company would entail large additional financial requirements, a portion of which is expected to be secured through the fresh issue of equity capital to the extent of Rs. 24.59 lakhs. The matter is stated to be under active consideration and the new 'rights' issue is likely to be at par in the proportion of one new share for every existing two shares.

The gross block of the Company at the end of December 1960 exceeded Rs. 96 lakhs, including assets of over Rs. 8 lakhs added during the year. The depreciation provided so far amounts to Rs. 46.96 lakhs. The arrears of depreciation aggregate about Rs. 8 lakhs in accordance with the Indian Income-tax Act on the basis of calculations of the Company. The balance at the credit of renovation and renewals reserve amounts to Rs. 6 lakhs.

The current assets of over Rs. 72 lakhs as at 31st December 1960 doubly covers the current liabilities of the Company amounting to Rs. 33 lakhs. Provision for taxation is Rs. 9.49 lakhs, as against Rs. 78,000. Reserves and surplus are of the order of more than Rs. 14 lakhs, as against the paid-up capital of Rs. 49.18 lakhs, all in equity shares. The amount paid-up on the forfeited shares is Rs. 91,000.

PRAGA TOOLS CORPORATION LTD.

How an indisciplined labour force dominated by two antagonistic unions can adversely affect industrial production is clearly illustrated by the working results of the Praga Tools Corporation Ltd. (General Manager: Mr. B. Venkataraman, Hyderabad) for the nine months ended 31st March 1960. Since the accounting period has been changed to conform to the financial year (April-March), the accounts for 1959-60 cover only nine months. When the Company earned a net profit of Rs. 5.77 lakhs during the year ended 30th June 1959, following the record level of sales amounting to Rs. 73.34 lakhs in that year, it was expected that the Company would show better results in the subsequent year. But, due to the outbreak of serious rioting inside the factory involving the clash of two groups of workers in November 1959 and the unsettled labour conditions in subsequent months, the production in the nine months ended March 1959 was only Rs. 40.51 lakhs or a monthly average of Rs. 4.50 lakhs as against the previous year's average of Rs. 5.21 lakhs. The lower rate of output has adversely affected the sales, which amounted to no more than Rs. 47.89 lakhs in the nine months under review. The figure for the whole of 1958-59 was Rs. 73.34 lakhs. Even at the close of March 1960, labour conditions continued to remain unsettled and a riot actually took place on 3rd May 1960 when a mob attacked certain officers and assaulted them. The situation since then, however, is said to have improved.

The gross profit of the Company for the nine months amounts to Rs. 8.14 lakhs, as against Rs. 11.23 lakhs for the previous year. After providing Rs. 3.89 lakhs for depreciation (Rs. 4.81 lakhs in the previous year), the net profit comes to Rs. 4.25 lakhs, as against Rs. 5.77 lakhs for 1958-59.

No provision has been made for income-tax, as against Rs. 65,000 in 1958-59, because the Company has been advised that there would be no liability for payment of income-tax, in view of the carry forward of past losses and unabsorbed depreciation.

After setting aside Rs. 80,000 to development rebate reserve, the Directors have added to the net profit an amount of Rs. 5.35 lakhs on account of the provision of Rs. 5.29 lakhs made in earlier years for interest on Andhra Pradesh Government loans and excess provision made in previous years for remuneration to Managing Agents, which are now written back. With these allocations and adjustments, the available profit aggregates Rs. 8.80 lakhs. A large part of the profit has been used to wipe out the entire debit balance of Rs. 5.08 lakhs (being the loss as per the balance-sheet as at 30th June 1959). The balance of Rs. 3.72 lakhs has been carried forward.

The Directors are making vigorous efforts to implement the expansion and development programme, which envisages the setting up of an entirely new factory with facilities for developing ancillary industries to feed the main factory with component parts. For this purpose, the Company is trying to acquire an extensive piece of land near Maulali railway station outside Hyderabad City. The Company has signed collaboration agreements with three British firms: Messrs. Kearney and Trecker for drill chucks, Messrs. A. A. Jones and Shipman Ltd. for tool and cutter grinders and Messrs. F. Pratt & Co. Ltd. for lathe chucks. In addition to these, the Company has been permitted to utilise the Polish credit to the extent of Rs. 1 crore for the purchase of plant and machinery required to step up its production.

It would appear that the financial position of the Company requires to be strengthened considerably. As against the paid-up capital of Rs. 136.90 lakhs, the reserves and surplus amount to a bare Rs. 6.21 lakhs. The current liabilities and provisions at Rs. 12.41 lakhs are more than adequately covered by current assets of Rs. 120.15 lakhs (stocks Rs. 55.42 lakhs, sundry debtors Rs. 7.98 lakhs, loans and advances Rs. 3.12 lakhs and cash Rs. 31.65 lakhs). The gross block of the Company stands at Rs. 79.38 lakhs which is written down to Rs. 31.99 lakhs, the depreciation provided so far being Rs. 47.39 lakhs.

Notice

BURN AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has declared additional dividends on 6 per cent and 7 per cent Preference Shares in the Company in respect of the accounting years 1959-60 and 1960-61 as required under the Preference Shares (Regulation of Dividends) Act 1960, and sanctioned payment of dividend on the same for the four months ending on 30th April 1961.

The dividends will be paid on or after 10th May 1961 to those shareholders whose names appear on the Company's respective Registers of Preference Shareholders on 1st May 1961 or to their mandatees.

The Preference Share Registers and Transfer Books of the Company will be closed for this purpose from 24th April, 1961 to 1st May 1961, both days inclusive.

FOR BURN AND COMPANY LIMITED,
MARTIN BURN LIMITED,
S. GUPTA,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA 1,
12th April, 1961.

TOSHNIWAL BROTHERS LTD.

Toshniwal Brothers Private Ltd., a leading firm of Bombay, importing several types of scientific instruments and laboratory test equipments, proposes to set up in collaboration with Messrs. Hartmann and Braun of Frankfurt, Germany, a Rs. 65-lakh plant in Ajmer (Rajasthan) for manufacturing about Rs. 60 lakhs worth of industrial process control and test equipment annually. Industrial licence has already been obtained from the Government of India and the necessary land has been acquired. The factory is expected to be completed within the next six months and a part of the production marketed by the end of 1961. The foreign collaborators will supply technical know-how and will train the requisite personnel both in India and Germany. The foreign exchange required for the proposed plant will be about Rs. 22 lakhs. The Company is allowed to export its products to neighbouring countries such as Burma, Ceylon, Pakistan and Nepal. The equipment to be produced is mainly used by paper, chemical, plastics and iron and steel industries. The Company is likely to enter the market to raise capital to finance the new project.

ROYAL DUTCH-SHELL GROUP'S TRADING RESULTS: 1960

The gross production of crude by the Royal Dutch-Shell Group of companies, including the quantities received under special supply contracts, averaged 2,569,000 barrels daily in 1960, 4 per cent higher than in 1959. Sales of crude oil and oil products, which amounted to 2,667,000 barrels daily, showed an improvement of 7 per cent, while refinery runs were also about 7 per cent higher at 2,549,000 barrels.

The Group's net income amounted to £177,500,000, as against £175,500,000 in 1959, registering an increase of 1.4 per cent. The income was held down by generally lower prices which reflected sharpened competition. Sales and operating income was £2,674 million in 1960, an increase of £95 million over 1959. Operational expenses, purchase of oil, etc., aggregated £1,463 million or £60 million more than the previous year. Sales tax rose by £46 million to £716 million. Depreciation, depletion and amortisation increased from £180 million in 1959 to 187 million in 1960. Taxation on income fell from £148 million to £134 million. Capital and exploration expenditure in 1960 was of the order of £419 million, as compared with £422 million in 1959.

SYNOPSES OF COMPANY REPORTS

Rayalaseema Mills Ltd.

Chairman: M. Narayanappa, Esq., Rayanagar, Adoni.)
Fifteenth Annual General Meeting—28th April.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	90,92	70,54
Closing Stock	2,22	1,53
Gross profit	13,60	6,94
Transfer to Managing Agents' remuneration	77†	52
Transfer to Depreciation	2,48	2,69
Transfer to Taxation	4,48	1,54
Net profit	5,87	2,19
Adjustments	1	6
Appropriations:		
Total available balance	5,88	2,25
Transfer to Donations	1	..
Transfer to Reserves	2,45	1
Transfer to Proposed dividend (Taxable)	3,35 (15% p.a.)	2,23 (10% p.a.)
Carry forward	7	1

Note.—Adjustments include only the previous years balance brought forward.
† For the period from 1st January 1960 to 15th August 1960.

Extracts from the Directors' report: The supply position of Indian Cotton continued to be difficult this year also. However, the year's requirements were covered within reasonable rates. The yarn rates were quite favouable upto 15th August 1960, when the Indian Cotton Mills Federation, Bombay, in consultation with the Government of India reduced the prices.

The Rayalaseema Development Company, ceased to be the managing agents from 15th August 1960. The accounts of the Company has been finalised and profit and loss account for the period ended 15th August 1960 and balance-sheet as at 15th August 1960 were duly audited by the auditors of the Company. The amount charged in the profit and loss account as managing agent's commission is calculated on the actual profits made by the Company upto 15th August 1960. In accordance with the resolutions passed at the extra-ordinary general meeting of the Company held on 25th March 1960, an application was made to Central Government for the approval of the appointment of Rayalaseema Industrial Agencies as the managing agents of the Company from 16th August 1960. The Central Government has so far not accorded sanction for the appointment of managing agents of the Company and the Board of Directors took charge of the administration of the Company from 16th August 1960. Pending the approval of the appointment of the managing agents by the Central Government, the Board of Directors considered it best in the interests of the Company, that management of the affairs of the Company should be entrusted to a managing committee of directors consisting of Sri M. Narayanappa, Chairman, Board of Directors and accordingly an application was made to the Central Government for their approval. The Central Government has approved the appointment of the committee of directors for a year from 31st January 1961. The Committee has begun to manage the affairs of the Company from 18th February 1961.

In view of the space available in the mills for further expansion, and as it would also reduce the cost of production to some extent, the directors felt that further expansion by installing 28,800 spindles were desirable, making the unit one of 50,000 spindles. Accordingly an application has been made to the Central Government for the installation of 28,800 spindles. Another application has also been made for starting a separate unit of 16,000 spindles for spinning yarn of higher counts other than 20s and 26s.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,33,300	Gross block —Depreciation ...	56,78,717
Reserves and surplus ...	13,62,109		31,03,738
Other liabilities ...	19,38,560	Net block ...	25,74,979
		Current assets	16,91,357
		Investments ...	1,39,990
		Cash ...	11,27,643
Rs.	55,33,969	Rs.	55,33,969

Trichinopoly Mills Ltd.

(*Managing Agents:* Mooljee Ramjee & Sons, Ramjeenagar, Tiruchirapalli.)

Annual General Meeting—15th April.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	41,34	34,55
Closing Stock	9,36	15,59
Gross profit	5,61	4,29
Transfer to Managing Agents' remuneration	48	36
Transfer to Depreciation	85	71
Transfer to Taxation	1,95	1,47
Net profit	2,33	1,75
Adjustments	15	11
Appropriations:		
Total available balance	2,48	1,78†
Transfer to:		
Donations	2	2
Development rebate reserve	55	..
Proposed dividends	169 (D.12½% (12½% p.a.) +B1% p.a.)	175
Carry forward	2	1

Note.—Adjustments include the balance brought forward from the previous year and the amount transferred from dividend equalisation fund.
† After deducting taxes amounting to Rs. 8,205.

Extracts from the Directors' report: The result of the year's working after meeting the incidence of Wage Board recommendations in the year is satisfactory. The cotton supply position appears to be improving. There has been voluntary reductions in yarn prices both during the year and also from the 1st January 1961.

The Company has completed 25 years of its existence and in commemoration of this occasion the directors have recommended the declaration of a bonus dividend of 1 per cent to the shareholders. The staff and the workers will be paid a special bonus of 2½ per cent on the basic salary and wages earned by them during the year 1960.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,98,730	Gross block —Depreciation	22,95,738 15,76,070
Reserves and surplus ...	9,07,397		
Other liabilities ...	5,57,285	Net block ...	7,19,668
		Current assets	14,71,170
		Investments	1,25,000
		Cash ...	5,47,574
Rs.	28,63,412	Rs.	28,63,412

Killick Industries Ltd.

(*Managing Director:* Mr. A. N. Haksar, Bombay.)

Annual General Meeting—28th April. Dividends payable on or after 9th May.

Working Results:

	For the year ended 30th November (In thousand rupees)	
	1960	1959
Gross income	68,18	64,13
Gross profit	17,75	18,88
Transfer to Depreciation	60	1,14
Transfer to Taxation	8,50	8,90
Transfer to Development reserve	1	3
Net profit	8,64	8,81
Adjustments	1,46	1,69
Appropriations:		
Total available balance	10,10	10,50
Transfer to new share capital issue expenses	*	6
Proposed dividend	10,00	10,38
Carry forward	10	6

N.B.—Adjustments include the balance brought forward from the previous year and the amount transferred from equalisation of dividends reserve.
* Capital issue expenses for the year was only Rs. 410.

Extracts from the Directors' report: *Share Capital*: As at 30th November 1960, calls amounting to Rs. 750 remained unpaid in respect of the issue of 25,000 new shares.

Investments: During the year under review, the Company was allotted 140 shares in A.C.C.-Vickers-Babcock Limited in respect of which a sum of Rs. 14,000 has been paid. The Company also purchased all the 1,691 shares of A. R. Haseler (Private) Limited, a Company dealing mainly in aircraft spares, for a sum of Rs. 84,550.

Industrial Development: Negotiations with regard to the formation of a new Company for manufacture of *Dexion Slotted Angle* have reached an advanced stage.

John Baker and Sons (Engineers Steel Files): Necessary steps have been taken to modernise the equipment at the File Factory with a view to increasing production and improving the quality of files manufactured.

Managed Companies: *The Kohinoor Mills Co., Ltd.* (31-12-1959): There was an improvement in the cloth and yarn markets this year. The stocks carried by the Company at the end of the year were reasonably low. Continued progress was made in the Company's renovation and rationalisation programmes.

The Ahmedabad Electricity Co., Ltd. (31-3-1960): To meet the growing power needs in Gujarat, the Company was authorised to expand its capacity by the addition of a second 30 MW set. *The C3 Project*, as this is called, has since been finalised and orders placed with overseas manufacturers.

The foreign exchange component of the *C2 Project* is to be financed by a loan aggregating $3.9 million from the U.S. Development Loan Fund. This has made it possible for the Company to finance the *C3 Project* to the extent of Rs. 1,00,00,000 from the money available out of the new debenture issue.

Bombay Suburban Electric Supply Ltd. (31-3-1960): Extensive development has been taking place in the Company's area of supply and expansion is proceeding apace to meet the increasing load.

The Surat Electricity Co., Ltd. (31-3-1960): Power shortage in Gujarat has led to the Company being called upon to maintain and operate its Diesel Station to meet emergencies. The trading relations with the State Electricity Board, from which source the Company derives bulk power for distribution, have continued to be cordial.

The Shivrajpur Syndicate Ltd. (30-11-1960): There was no appreciable improvement during the year in the general condition of the manganese trade. Fortunately, however, this was recognised by Government and a measure of relief has been given to the industry by way of reduction in the rates of royalty as also the introduction of a system of rebate of railway freight in the case of medium grade ore meant for export. The Company's sales during the year well exceeded the figure of the previous year mainly as a result of barter deals.

The Hingir-Rampur Coal Co., Ltd. (30-6-1960): The improvement in production as well as sales continued during the year. The claim against Government for compensation on account of the closure of No. 10 Pit owing to flooding by waters from the Hirakud Dam has not yet come up for final hearing.

The Central Provinces Railways Co., Ltd. (30-9-1960): Operations during the year were more or less normal, although there was a further decline in goods traffic as a result of increased competition from road transport.

Joint Membership: *Cement Agencies Private Ltd.*: By virtue of Section 43A of the Companies Act this Company has become a public Company with effect from 28th March 1961. Management of the Associated Cement Companies Limited continued as usual.

Subsidiary Companies: *Killick, Nixon and Co., Private Ltd.* (31-7-1960): The Company's working for this year has resulted in a profit, to which the export of piece-goods has contributed in no small measure. A factory for the local manufacture of certain engineering products of which the Company acts as Agents, has been set up at Chandivali and is expected to be in production shortly. Negotiations are also in progress for the manufacture of other items.

Stamco Industries (Private) Ltd. (30-6-1960): Efforts to rehabilitate the Company have continued and it is expected that fruitful collaboration with Caribonum Limited, London, will in due course enable the Company to show improved results.

A. R. Haseler (Private) Limited (31-3-1960 *and* 30-9-1960): This Company became a subsidiary of Killick Industries Limited with effect from 30th September 1960.

Snowcem India Private Limited (31-1-1960): Production and sales were satisfactory.

With effect from 28th March 1961 the above subsidiary Companies have become public Companies by virtue of Section 43A of the Companies Act.

Accounts in brief as at 30th November 1960 were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ... Reserves and surplus ...	1,24,95,450 26,94,385	Gross block —Depreciation	49,67,050 18,86,011
Other liabilities ...	1,05,56,413	Net block ...	30,81,039
		Work-in-progress ...	10,23,845
		Current assets	47,23,588
		Investments	1,68,76,619
		Cash ...	41,157
Rs.	2,57,46,248	Rs.	2,57,46,248

New India Industries Ltd.

(*Managing Agents:* Messrs. Distributors (Baroda) Private Ltd.)

Annual General Meeting—24th April. Dividends payable on or after 1st May.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	1,18,72	1,00,82
Closing Stock	5,85	5,77
Gross profit	21,94	25,77
Transfer to Managing Agents' commission	1,81	2,21
Transfer to Depreciation	3,56	3,04
Transfer to Taxation	8,50	9,75*
Transfer to Development rebate reserve	33	79
Net Profit	7,74	9,88
Adjustments	1,37	89
Appropriations:		
Total available balance	9,11	10,97
Transfer to:		
Reserves	1,03	2,00
Proposed dividend	6,90 (25% p.a.)	6,90 (25% p.a.)
Carry forward	1,18	1,37

Note.—Adjustments include the balance brought forward from the previous year.
* After providing Rs. 55,000 for taxation for the previous year.

Extracts from the Directors' report: The decline in profits is mainly accounted for by uneconomic working of the camera factory due to smaller production as explained later. The Company had also to incur higher expenditure on account of wages and salaries as a result of implementation of the recommendations of the Textile Wage Board. The results were further affected by increases in the prices of raw materials and stores.

Camera Factory: During the year under report the camera factory suffered interruptions of production more than once on account of delayed issues of import licences and delayed supplies of raw materials by indigenous manufacturers. For the last 3 or 4 months, in the absence of these difficulties, there has been a marked improvement in production. As against a monthly average of 646 cameras in the year under report the factory has now been producing about 2,000 cameras a month. The Company has submitted a scheme to the Government for the manufacture of Agfa Isolette models.

Photographic Paper Factory: The Company has received an Industrial Licence for the manufacture of photographic printing paper in collaboration with Messrs. Agfa A.G. Leverkusen, West Germany. The Company has also received a licence for import of plant and machinery required for the above factory. Construction work for the factory to be established at Mulund, Bombay has started and it has come up to the plinth level. Fabrication of steel work and erection of the same is in progress. Orders for plant and machinery are being placed. If no unforeseen bottlenecks intervene, it is expected the factory's erection will be completed by March 1962.

The shareholders at the general meeting held on 21st December 1959, have authorised the issue of 8,750 new ordinary shares of Rs. 100 each at a premium of Rs. 100 each to Messrs. Agfa A.G., Leverkusen, in terms of collaboration agreement executed with the said firm. The permission of the Reserve Bank of India has been received for the issue of these shares. Allotment will be made as soon as the necessary formalities are completed.

The Company estimates that it will have to incur a capital expenditure of about Rs. 89 lakhs in the coming months, out of which orders for about Rs. 69 lakhs have been placed against which advances amounting to Rs. 4,70,000 have been paid.

A further order for Rs. 55,000 has been placed since the close of the year.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ... Reserves and surplus ...	27,60,000 43,02,269	Gross block —Depreciation	87,81,909 47,39,264
Other liabilities ...	23,96,472	Net block ...	40,42,645
		Goodwill ...	1,000
		Current assets	48,70,206
		Investments	2,34,988
		Cash ...	3,09,902
Rs.	94,58,741	Rs.	94,58,741

Ouchterlony Valley Estates (1938) Ltd.

(*Managing Agents:* Peirce Leslie & Co., Ltd., Coimbatore)

Annual General Meeting—29th April

Working Results:

	For the year ended 31st October (In thousand rupees)	
	1960	1959
Sales—Tea, Coffee and Timber	52,15	57,31
Gross profit	9,86	5,60
Transfer to Mg. Agents' remuneration	68	40
" Depreciation	2,03	1,08
" Taxation	3,47	1,85
Net Profit	3,63	2,27
Adjustments	3	83
Appropriations:		
Total available balance	3,66	3,10
Transfer to Reserves	1,06	15
Proposed dividend	2,53 (13⅓% p.a.)	2,92 (15⅓% p.a.)
Carry forward	7	3

N.B.—Adjustments include the balance brought forward the previous year, refund of income-tax if any and transfer from reserves if any.

Extracts from the Directors' report: Since 1956 depreciation has been calculated on the statutory basis i.e., on written down values. It has been realised, however, that this basis does not result in assets being fully depreciated by the end of their useful life. It has therefore been considered prudent to calculate depreciation on a percentage of original costs as was done prior to 1956 and that basis has been re-introduced.

T. C. Sales Tax: Tea sales in Cochin Auctions during the years 1952-53 to 1956-57 have been assessed to sales tax under the Travancore-Cochin Sales Tax Rules by the Kerala Sales Tax authorities. The total amount demanded is Rs. 81,477. The assessments have been contested in the Court and are now before the Appellate Tribunal for their decision. The liability has therefore been brought into the year's accounts.

Tea: A total crop of 13,30,106 lbs. was harvested during the year. A comparative statement of the crop, cost of production and prices for the past 3 years is given below:

Year	Crop Lbs.	Estate cost of Production per lb.	Average price realised per lb.
		Rs. nP.	Rs. nP.
1957-58	12,19,238	1 44	2 27
1958-59	11,08,447	1 70	2 24
1959-60	13,30,106	1 41	2 16

The unsold stock in London has been valued at Rs. 2.50 per lb. For the season 1959-60 the Company was allotted 8,52,797 lbs. export quota representing a release of 67 per cent of the estates best crop.

Coffee: A crop of 682.737 tonnes was harvested and delivered to the Coffee Board. A comparative statement of crop, cost of production and points awarded for the past three years is given below:—

Year	Crop Tonnes	Estate cost of production per tonne	Points Awarded
		Rs. nP.	
1957-58	532.308	4,258 00	8,22,972
1958-59	726.250	3,412 00	11,49,145
1959-60	682.737	3,593 00	10,63,380

Final payment has been received in respect of 1958-59 season coffee and the total payments received amount to Rs. 2.45 per point, which is equivalent to Rs. 3,878 per tonne. A bonus payment at 0.0175 nP per point has been received on 1955-56 season coffee. The 1959-60 Coffee has been valued at Rs. 2.15 per point which is equivalent to Rs. 3,947 per tonne. Rs. 2.00 per point has been received to date.

Tea: The 1960-61 crop is estimated at 635,000 kgs. [14,00,000 lbs.] to be harvested at an estate cost of Rs. 3.21 per kg. and an all in cost of Rs. 3.44 per kg.

Coffee: 1960-61 crop is estimated at 790 tonnes to be harvested at an estate cost of Rs. 3,379 per tonne and an all in cost of Rs. 3,563 per tonne.

Accounts in brief as at 31st October 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ... Reserves and surplus ...	19,45,980 22,96,226	Gross block —Depreciation ...	52,58,400 18,70,387
Other liabilities ...	13,05,543	Net block ...	33,88,013
		Current assets	18,55,812
		Cash ...	6,03,924
Rs.	56,47,749	Rs.	56,47,749

Budge-Budge Jute Mills Co., Ltd.

(*Managing Agents:* Andrew Yule & Co., Ltd. Calcutta.)

Annual General Meeting—29th April.

Working Results:

	For the year ended 31st October (In thousand rupees)	
	1960	1959
Sales	1,96,26	1,70,04
Closing stock	17,70	12,13
Gross profit	16,47	16,39
Transfer to Managing Agents' remuneration	92	1,13
" Depreciation	3,54	2,29
" Taxation	3,55	2,65
Net profit	8,46	10,32
Adjustments	1,12	34
Appropriations:		
Total available balance	9,58	10,66
Transfer to:		
Reserves	4,63	4,01
Proposed dividends (Taxable) Preference	1,01† (9.1% p.a.)	63 (7% p.a)
" " " Ordinary	3,00 (10% p.a.)	5,40 (15% p.a.)
Carry forward	34	62

N.B.—Adjustments include the balance brought forward from the previous year, E. P. T. Post war refund; excess provisions written back; profit on sale of assets and transfer from contingency reserve.
† This includes an amount of Rs. 18,900 being supplementary dividend at 2.1 per cent. on preference shares for the year ended 31st October 1959.

Extracts from the Directors' report: Trading conditions were difficult during the year. Prices of raw jute fluctuated widely and by the end of the period had more than doubled. Unfortunately, prices of manufactured goods generally failed to keep in parity with the price of the raw material and profitable simultaneous business was rarely possible. However, the working of the mill during the period was efficient, and full benefit from the rationalisation carried out in 1958 was obtained. The results for the year, therefore, are not unsatisfactory.

Installation of the modern Drawing and Spinning machinery referred to in the directors' last report was not completed as early as had been hoped owing to delay in delivery occasioned by a strike at the manufacturers' works. New machinery to the value of Rs. 25,42,230 was however installed during the accounting period, and the remainder to the value of Rs. 4,85,000 was delivered by the end of December, 1960. This machinery has worked very satisfactorily and further orders have been placed for similar machinery to extend the modernisation of the mill's heavy weft yarn section at a cost of approximately Rs. 4,12,000.

In these circumstances the prospects for the current year are obscure: the results will certainly be adversely affected by the increase in overhead costs which will arise through the lower level of production. In addition, the direct costs will be increased as a result of the extra payments to workers in implementation of the recommendation in respect of interim relief made by the Wage Board for the Jute Industry set up in August, 1960.

Accounts in brief as at 31st October 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ... Reserves and surplus ...	45,00,000 28,06,428	Gross block —Depreciation	1,36,96,070 70,34,735
Other liabilities ...	48,41,142	Net block ...	66,61,335
		Current assets	52,97,636
		Investments	1,37,594
		Cash ...	51,005
Rs.	1,21,47,570	Rs.	1,21,47,570

The Mahendra Mills Ltd.

(*Managing Agents:* Patel & Co., Ahmedabad.)

Annual General Meeting—17th April. Dividends payable on or after 29th May.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	2,18,61	1,46,60
Closing Stock	48,41	24,28
Gross profit	84,93	34,00
Transfer to Managing Agents' remuneration	1,17	1,45
" Depreciation	22,21	18,11
" Development Rebate	1,21	14,44
" Taxation	2,50	..
Net Profit	7,54	..
Adjustments	2	5,87
Appropriations		
Total available balance	7,56	5,87
Transfer to Reserves	3,10	..
Transfer to proposed dividends (Gross) Ordinary	3,60 (12% p.a.)	2,40 (8% p.a.)
Transfer to proposed dividends (Gross) Preference	84 (6.45% p.a.)	87 (6.90% p.a.)
Carry forward	2	2

Note.—Adjustments include the previous years balance brought down; excess provisions written back and transfer from reserves if any.
* Rs. 11s after adjusting Rs. 2,60,000 for taxation short provided

Extracts from the Directors' report: Recent Budget proposal of additional levy of the excise duty on various items of stores and others generally and the raw materials viz. staple fibre and cotton yarn particularly would affect the working of the Company in the current year. Commitment made in respect of forward contracts for sale of yarns would also affect the working of the current year.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ... Reserves and surplus ...	40,00,100 35,29,290	Gross block —Depreciation ...	2,46,22,563 98,27,416
Other liabilities ...	1,77,83,572	Net block ...	1,47,95,147
		Current assets	1,04,66,921
		Cash ...	50,894
Rs.	2,53,12,962	Rs.	2,53,12,962

COMPANY MEETINGS AND DIVIDENDS

DELHI SAFE DEPOSIT CO., LTD. Annual General Meeting, New Delhi, 24th April 1961. Transfer books remain closed from 10th to 24th April 1961, both days inclusive.

BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD. Annual General Meeting, Bangalore, 25th April 1961. Dividend: Rs. 10.00 per ordinary share, free of tax. Transfer books remain closed from 3rd to 25th April 1961, both days inclusive.

BUCKINGHAM AND CARNATIC CO., LTD. Annual General Meeting, Madras, 28th April 1961. Dividend: Rs. 10.00 per ordinary share, free of tax. Transfer books remain closed from 3rd to 28th April 1961, both days inclusive.

BENGAL ASSAM STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 28th April 1961. Dividend: Rs. 7.50 per ordinary share, subject to deduction of tax. Transfer books remain closed from 15th to 28th April 1961, both days inclusive.

TIDE WATER OIL CO., LTD. Annual General Meeting, Calcutta, 28th April 1961. Dividend: Rs. 3.00 per ordinary share (includes interim dividend of Re. 0.70 per share), subject to deduction of tax.

KILLICK INDUSTRIES LTD. Annual General Meeting, Bombay, 28th April 1961. Dividend: Rs. 8.00 per share, (includes interim dividend of Rs. 3.00 per share), subject to deduction of tax, payable on and after 9th May 1961. Transfer books remain closed from 10th to 28th April 1961, both days inclusive.

RAYALASEEMA MILLS LTD. Annual General Meeting, Rayanagar, Adoni, 28th April 1961. Dividend: 15 per cent or Rs. 15.00 per share, subject to deduction of tax. Transfer books will remain closed from 21st April to 5th May 1961, both days inclusive.

ASSOCIATED MINING INDUSTRIES LTD. Annual General Meeting, Calcutta, 28th April 1961. Transfer books will remain closed from 21st to 28th April 1961, both days inclusive.

UNITED FLOUR MILLS CO., LTD. Annual General Meeting, Calcutta, 28th April 1961. Transfer books will remain closed from 21st to 28th April 1961, both days inclusive.

CHITAVALSAH JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 29th April 1961. Dividend: Re. 0.50 per ordinary share, subject to deduction of tax, payable on or after 15th May 1961. Transfer books remain closed from 15th to 29th April 1961, both days inclusive.

SHRI AMBICA MILLS LTD. Annual General Meeting, Ahmedabad, 29th April 1961. Dividend: Rs. 50.000 per ordinary share, subject to deduction of tax, payable from 15th May to 20th May 1961. Transfer books were closed from 11th to 31st March 1961, both days inclusive.

SHRI ARBUDA MILLS LTD. Annual General Meeting, Ahmedabad, 29th April 1961. Dividend: *Nil.*

MODERN MILLS LTD. Annual General Meeting, Bombay, 29th April 1961. Dividend: Rs. 6.00 per share, subject to deduction of tax, payable on and after 15th May 1961.

OUCHTERLONY VALLEY ESTATES (1938) LTD. Annual General Meeting, Coimbatore, 29th April 1961. Dividend: 13 per cent or Re. 0.26 per share, subject to deduction of tax. Transfer books remain closed from 11th to 29th April 1961, both days inclusive.

UNITED MOTORS (INDIA) LTD. Annual General Meeting, Bombay, 5th May 1961. Transfer books will remain closed from 21st April to 11th May 1961, both days inclusive.

ADONI SPINNING AND WEAVING CO., LTD. Annual General Meeting, Madras, 18th May 1961. Dividend: 8 per cent or Re. 0.80 per share, subject to deduction of tax, payable on 19th May 1961. Transfer books will remain closed from 6th to 18th May 1961, both days inclusive.

KOTHARI TEXTILES LTD. Annual General Meeting, Madras, 18th May 1961. Dividend: 10 per cent or Re. 1.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 6th to 18th May 1961, both days inclusive.

CALEDONIAN JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 25th May 1961. Transfer books will remain close from 11th to 25th May 1961, both days inclusive.

SENDRA COAL CO., LTD. Dividend of 5 per cent or Re. 0.50 per share, for the year ended 31st December 1960.

VISHNU COTTON MILLS LTD. Dividend of Rs. 5.71 per ordinary share, for the year ended 31st December 1960. Transfer books will remain closed from 19th April to 10th May 1961, both days inclusive.

GUEST, KEEN, WILLIAMS LTD. Final dividend of Re. 0.80 per share, less income-tax, for the 52 weeks ended 31st December 1960.

Notices

THE WESTERN INDIA MATCH COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-eighth Annual General Meeting of the Shareholders of the abovenamed Company will be held at the Registered Office of the Company at Indian Mercantile Chambers, Nicol Road, Ballard Estate, Bombay, at 4 p.m. on Monday the 15th day of May 1961, to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December 1960.
2. To declare a dividend.
3. To elect a Director in the place of Sir Cowasjee Jehangir, Bart., G.B.E., K.C.I.E., who retires by rotation and is eligible for re-appointment and to consider and if thought fit, to pass the following resolution, of which special notice as required by Section 281 of the Companies Act 1956 has been received by the Company:

   "RESOLVED that Sir Cowasjee Jehangir, Bart, G.B.E., K.C.I.E., who has attained the age of 82 years and who retires by rotation be and he is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit of 65 years prescribed by Section 280 of the Companies Act 1956 shall not apply to him."

4. To elect a Director in the place of Mr. M. G. R. Aitken, who retires by rotation and is eligible for re-appointment and offers himself accordingly.
5. To appoint a Director in the place of Mr. Tulsidas Kilachand, an associate of the Managing Agents of the Company, who was appointed an additional Director of the Company and who under Article 109 of the Company's Articles of Association read with Section 260 of the Companies Act 1956 holds office only up to this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director and who is eligible for appointment and to consider and if thought fit to pass the following resolution as a Special Resolution, of which special notice as required by Section 261 of the Companies Act 1956 has been received by the Company:

   "RESOLVED that Mr. Tulsidas Kilachand, who is an associate of the Managing Agents of the Company, be and is hereby appointed a Director of the Company."

6. To appoint the Company's Auditors and also Auditors for the Branches and to fix their remuneration.
7. To consider and if thought fit to pass the following resolution as a Special Resolution:

   "RESOLVED that this Company hereby approves of sales being made to Vulcan Trading Co. (Private) Ltd., an associate of the Swedish Match Company, the Managing Agents of the Company, of a special variety of Potassium Chlorate manufactured by this Company as per the specifications of Vulcan Trading Co. (Private) Ltd. at a rate equivalent to the cost of manufacturing and processing the said special Potassium Chlorate plus 10 per cent profit and that Vulcan Trading Co. (Private) Ltd. shall pay to this Company the price thereof within one month from the date of supply.

   "FURTHER RESOLVED that this Company hereby approves of purchases being made from Vulcan Trading Co. (Private) Ltd., an associate of the Swedish Match Company, the Managing Agents of the Company, of machinery and spare parts at a rate equivalent to the cost of manufacture plus 10 per cent profit."

8. To consider and if thought fit to pass the following resolution as a Special Resolution:

   "RESOLVED that approval be and is hereby granted to this Company acting as sole selling agents for sale in India of matches manufactured by the Assam Match Co. Ltd., an associate of the Swedish Match Company, the Managing Agents of the Company, on a commission of 5 per cent calculated upon the prices received after deducting all sales charges, excise and other duties or taxes from the gross invoice value and otherwise upon the terms and conditions set out in the draft Agreement placed before this meeting and initialled for identification by the Chairman."

9. To consider and if thought fit to pass the following resolution as a Special Resolution:

   "RESOLVED that this Company hereby approves of a loan of Rs. 6 lakhs being made to Orient Match Co. Ltd. of Karachi, Pakistan, a body corporate which is under the same management as this Company, at a rate of interest of 2½ per cent per annum against a charge on the stocks, raw materials, moveable assets and book debts of the latter Company and against a guarantee for due repayment of the said loan given by the Swedish Match Company, the Managing Agents of this Company."

10. To consider and if thought fit to pass the following resolution as a Special Resolution:

    "RESOLVED that Article 119 of the Articles of Association of the Company be altered in the manner following:

    For the sentence 'Each Director shall be paid out of the funds of the Company, as remuneration for his service, at the rate of Rs. 1,000 per annum' the following sentence shall be substituted, namely:—

    'Each Director shall be paid out of the funds of the Company as remuneration for his service Rs. 150 for each meeting of the Board or Committee thereof attended by him.'"

The Transfer Books of the Company will be closed from the 19th day of April 1961 to the 16th day of May 1961, both days inclusive.

By Order of the Board,
A. HYDARI,
Executive Director.

5th April, 1961.
INDIAN MERCANTILE CHAMBERS,
NICOL ROAD, BALLARD ESTATE,
BOMBAY.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

The dividend when sanctioned will be payable at par at all Indian offices of the Central Bank of India Ltd. on and after the 19th day of May 1961 to those shareholders whose names stand on the Register on the 16th day of May 1961 and warrants will be posted in due course to each shareholder at his registered address. Shareholders are kindly requested to notify immediately any change of address.

A copy of the Explanatory Statement issued under Section 173 of the Companies Act 1956 relative to the items of special business set out in the aforesaid Notice has been forwarded to the members of the Company along with the Notice.

INDUSTRIAL INVESTMENT TRUST LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will remain closed from Monday, the 8th day of May, 1961 to Tuesday, the 30th day of May, 1961, both days inclusive.

By Order of the Board,
PREMCHAND ROYCHAND & SONS,
Secretaries and Treasurers.

BOMBAY, *dated 11th April, 1961.*

THE RAYALASEEMA MILLS LIMITED
ADONI, KURNOOL DISTRICT

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH ANNUAL GENERAL MEETING of the Rayalaseema Mills Ltd. will be held at the Registered Office of the Company at Rayanagar, Adoni-Thungabhadra Road, Adoni, on FRIDAY the 28th April, 1961, at 2-00 p.m. (S.T.), to transact the business, details of which are contained in the Notice separately posted to the Members of the Company. The Share Transfer Books and the Register of Members of the Company shall remain closed from the 21st April, 1961 to 5th May, 1961, both days inclusive.

By Order of the Board of Directors,
M. NARAYANAPPA,
Chairman.

ADONI, *18th March*, 1961.

Note: Any member entitled to attend and vote at the above meeting is entitled to appoint a proxy and a proxy need not be a member.

CHITAVALSAH JUTE MILLS COMPANY, LIMITED

ANNUAL GENERAL MEETING OF MEMBERS

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Share Transfer Register of the Company will be closed from the 15th April to the 29th April, 1961, both days inclusive.

By Order of the Board,
McLEOD & Co. LTD.,
C. HOCKLEY,
Secretary,
Managing Agents.

CALCUTTA, *3rd April*, 1961.

NELLIMARLA JUTE MILLS COMPANY LIMITED

ANNUAL GENERAL MEETING OF MEMBERS

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Share Transfer Register of the Company will be closed from the 15th April to the 29th April, 1961, both days inclusive.

By Order of the Board,
McLEOD & Co. LTD.,
C. HOCKLEY,
Secretary,
Secretaries & Treasurers.

CALCUTTA, *3rd April*, 1961.

THE EMPIRE JUTE COMPANY LIMITED

ANNUAL GENERAL MEETING OF MEMBERS

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Share Transfer Register of the Company will be closed from the 15th April to the 29th April, 1961, both days inclusive.

By Order of the Board,
McLEOD & Co. LTD.,
C. HOCKLEY,
Secretary,
Managing Agents.

CALCUTTA, 3rd *April*, 1961.

MONEY STILL TIGHT

(From Our Own Correspondent)

BOMBAY, *12th April*

Conditions in the Bombay short-term money market continue to be stringent. Demand for funds is heavy as usual, while the supply is still not large despite the return of funds. Interest rates, as a consequence, continue to rule at their recent high levels. For purposes of record, we give them below:

	Per cent.
Inter-bank call money—	
Exchange and larger Indian banks ...	5½
Other banks	5½
Notice money:	
3 days or more	3
Term deposits:	
(i) 3 to 30 days (inclusive)	3
(ii) 31 to 60 days	3½
(iii) 61 to 90 days	3½
(iv) 91 days and more but less than 12 months	3¾
(v) 12 months	4

The results of the 91-day Treasury Bills of the Government of India sold through weekly tenders disclose that as against an invitation of Rs. 2 crores, the total amount offered was Rs. 2.65 crores. Actual acceptance was Rs. 2 crores. The average rate of accepted tenders remained unchanged at Rs. 2.750 per cent per annum. The aggregate amount of 91-days' intermediate Treasury Bills sold was Rs. 1.60 crore. Their sales will be continued again from today.

The statement of the Reserve Bank of India for the week ended 7th April 1961 shows a further rise of Rs. 55.17 crores in notes in circulation, taking the total to Rs. 2,039.91 crores. As the notes held in the Banking Department have increased by Rs. 2.04 crores, the total notes issued have gone up by Rs. 57.21 crores. On the assets side, foreign securities are unchanged at Rs. 123.01 crores. Since, however, the balances held abroad have gone down by Rs. 1.93 crore, the total foreign assets are lower by a corresponding amount at Rs. 134.32 crores. The deposits of the banks with the Reserve Bank have fallen further by Rs. 25.16 lakhs to Rs. 70.60 crores. Other loans and advances have declined by Rs. 38.71 crores. Of this decline, borrowings against usance bills alone account for a fall of Rs. 11.75 crores to Rs. 33.64 crores.

An expansion of Rs. 7.88 crores in demand deposits and of Rs. 9.97 crores in time deposits, is shown in the statement of the Scheduled banks for the week ended 31st March 1961. Of the total increase, the State Bank of India accounts for as much as Rs. 12.30 crores. Borrowings of scheduled banks from the Reserve Bank of India have gone up again, this time by Rs. 11.91 crores, on top of a rise of Rs. 4.33 crores in the previous week. Of this increase, borrowings against usance bills account for Rs. 8.24 crores. Borrowings from the State Bank of India also have registered an expansion of Rs. 94.05 lakhs of demand nature and of Rs. 1.06 crore of time nature. Advances and bills (bank credit) have increased sharply by as much as Rs. 15.84 crores, bringing the total rise over the fortnight to Rs. 25.72 crores. The total bank credit comes to Rs. 1,333.76 crores, as against Rs. 1,132.84 crores a year ago. Of the rise of Rs. 15.84 crores in scheduled bank credit, the State Bank's share is a bare Rs. 1.08 crore. The investments of scheduled banks as a whole have gone up by Rs. 73.42 lakhs. But, as the investments of the State Bank of India have risen by Rs. 1.77 crore, it is obvious that the investments of other scheduled banks have actually fallen by Rs. 1.74 crore.

In the gilt-edged section, the short-dated loans were reported to be in demand during the week under review. In the Central loans section, the 3 per cent. 1966-68 funding loan, 3 per cent. 1970-75 first Development Loan and 3½ per cent. 1967 third National Plan Bonds gained 10 nP each. 3 per cent. 1963-65 closed 5 nP higher at Rs. 93.65. 3½ per cent. 1966 Bonds moved up by 15 nP. State loans remained unchanged at last week's levels.

In the foreign exchange section, the rupee remained steady. The banks' selling for ready T.T. on New York was unchanged at Rs. 478.25 per 100 dollars, whereas the buying rate eased slightly from Rs. 475.00 to Rs. 474.75 per 100 dollars. In the New York exchange market, the pound sterling touched a slightly higher level. The latest available rates are: 279.920-279.950 cents per £ for spot and 278.840-278.870 cents per £ for three months' forward. Thus, over the week the sterling has gained 0.05 cent in the spot and 0.50 cent in the forward.

HIDES FIRM

(From Our Own Correspondent)

MADRAS, *10th April*

Arrivals of E.I. tanned hides and calves were moderate and met with fair clearance at firm prices. Importers were slowly following Madras levels and price increases were registered for important quantities, especially light weights. Cow calf met with selective support. Buff hides and buff calf ruled firm, following U.S. interest.

Tanned skins were firmer. Demand for skins suitable for suede leather and garment trade was brisk and prices improved steadily.

Total shipments during the month of March were: 3,714 bales tanned cow hides, 244 cow calf, 51 buffalo hides, 744 buff calf, 596 goat skins, 536 sheep skins to the U.K.; 9 cow hides, 274 cow calf, 323 buff calf, 1,316 goat and 535 sheep to the Continent; 103 buffs, 261 buff calf and 125 goat to the U.S.A.; 3 goat and 232 sheep to Japan.

BULLION BUOYANT

(From Our Own Correspondent)

BOMBAY, *12th April*

The bullion market which had experienced a shake-out in values last week ruled buoyant during the week under review. Both gold and silver met with good support induced by encouraging trend of offtake and hopes of a further improvement in the coming weeks. It was feared by some that, in view of such enlarged demand and of the negligible contraband arrivals of late, a shortage of supplies might be felt in the not too distant future. The actual floating stocks at present were estimated at no more than 40,000 tolas of gold and 500 bars of silver. Consequently, prices registered a sharp rally.

The daily average offtake of gold during the week was higher at 6,750 tolas as against 4,750 tolas, while arrivals were lower, being 6,000 tolas as against 8,750 tolas. In the case of silver, both offtake and arrivals were larger than those in the previous week; the daily averages were 15 bars and 18 bars, respectively, as against 8 bars and 15 bars.

Adjustment rates fixed today were Rs. 121.30 for gold and Rs. 204.20 for silver. The corresponding rates last week were Rs. 119.25 and Rs. 201.95, respectively.

Reflecting apprehensions regarding a possible shortage of supplies developing in the market, the premium commanded by ready silver over forward (*Jeth* settlement) increased markedly from Re. 1.55 last week-end to Rs. 3.50 today. The actual closing spot rate was Rs. 204.20, as against Rs. 109.50 a week ago. The *Jeth* settlement began the week firm at Rs. 198.60, as against the previous close of Rs. 197.95 and advanced to touch a high of Rs. 200.75 today before finishing at Rs. 200.70.

Ready gold, which was quoted at a discount of 55 nP under forward (*Jeth* settlement) last week and early this week, commanded a premium of 25 nP on Monday this week. The premium widened further to 65 nP yesterday, but declined slightly to 55 nP today. Over the week, ready gold spurted by Rs. 3.05 to Rs. 121.55. The highest level touched today was Rs. 121.75. The *Jeth* settlement was quoted at Rs. 121 today, as against Rs. 119.05 last week, the highest and the lowest levels touched being Rs. 121.20 (today) and Rs. 119.10 (6th April), respectively.

The latest available world price of gold in the London market is $35.08¼. Ready gold eased from 250s. 8¼d. to 250s. 7d. Ready and forward silver were unaltered, the former at 79⅝d. and the latted at 80d. Silver in New York was also unchanged at 91.375 cents.

The following table shows the trend of the market during the week under review:

	12-4-1961 (closing)	High	Low	5-4-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	121.55	121.75	118.40	118.50
Forward:				
Jeth*	121.00	121.20	119.10	119.05
Sovereign	93.75	—	—	93.50
SILVER				
Ready (.996 fine)	204.20	204.25	199.85	199.50
Forward:				
Jethf	200.70	200.75	198.10	197.95
London—	12-4-1961			4-4-1961
Silver Ready	79½d.		—	79⅛d.
Silver Forward	80d.		—	80d.
Gold	250s. 7d.		—	250s. 9d.
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 31st May settlement. † 1st June settlement.

N.B.—The quotation for gold is per 10 grams (about 0.35 tola) and that for silver is per kilogram (35.7 tolas). London and New York quotations are per ounce.

TEA DUST RECEDES

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, *6th April*

Dust Sale No. 14: A total quantity of 220,000 kilograms was offered in Dust Sale No. 14 held today. There was good demand but prices were irregularly easier for all descriptions. Residuals, low mediums and mediums declined by 20 to 30 nP and sometimes more. Good mediums also shared in the downward trend of the market and were easier by 10 to 20 nP. Highgrowns met with better support, but these were also a little easier with quality. The best C.T.Cs. were in keen demand and inclined dearer whilst other descriptions under this category were generally lower. The few clean black leaf teas on offer met with strong competition at dearer rates.

The average price realised in dust sale No. 14 was Rs. 4.61 per kilo, as compared with Rs. 4.73 last week and Rs. 4.74 in the corresponding sale last year.

Export quota: Special licence is nominally quoted at ¼ nP per kilo.

Colombo: There was no sale this week.

London: There was no sale this week.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd., wire:

"*Sale No.* 14:—675,000 kilograms. Good demand. Plain and low medium brokens 10 nP to 20 nP easier. Similar fannings upto 10 nP lower. Medium and good mediums irregular and easier with quality."

COTTON FUTURES DECLINE

(From Our Own Correspondent)

BOMBAY, *12th April*

In contrast to the easy trend noted last week, the cotton futures market put on a cheerful appearance during most part of the week under review. Although the delay in the announcement of export quota for Bengal *Deshi* (the announcement was made only yesterday) and the dull activity in spot market were bearish factors, the meagre volume of tenders (a mere 600 bales till the 10th inst.) and hopes of a quota for not only Bengal *Deshi* but also for Kalagin and Wagad imparted much strength to the maturing April contract. The contract steadily advanced from Rs. 571 in the beginning of the week to Rs. 578 on Monday and further to Rs. 585 on Tuesday, following news of adverse survey results of Laxmi cotton tendered earlier. Traders noted that those who tendered cotton had to pay as much as Rs. 100 per candy as the difference between spot and contract rates plus penalty. It was feared that tenders on subsequent notice days would be lower still. The firmness of the April contract strengthened the August contract which also recorded a rise. The upward trend in prices persisted till the close yesterday. Today, there was a distinct setback, notwithstanding the export quota of 60,000 bales of Bengal *Deshi* announced yesterday. The quota, though it was welcomed, fell short of expectations. The trade was counting on a quota of 100,000 bales of Bengal *Deshi*. The hopes that the scheme for import of short-staple U.S. cotton under the recent P.L.480 agreement would be finished in a day or two acted as a damper.

The following table indicates the trend of prices of the contract during the week:

(In rupees per three quintals)

I.C.C. Jarilla	12-4-61	*High*	*Low*	5-4-61
April 1961 ...	579.50	585	570	571.50
August 1961 ...	576.25	582.50	576.25	579.50

Mill demand for ready cotton was slack, because most spinners had made purchases, subject to the availability of Indian cotton quota for them. Mill buyers were inclined to pick and choose and bargain. Moderate interest was, however, noted in CO2, Laxmi, Vijay, Kalyan and a few other popular varieties. Surti choice quality and L.147 were bought as substitutes for Laxmi Jaydhar and lower Vijay and Digvijay were absorbed in the place of Khandesh and Berar.

The export quota, already steady, fell flat, because the purchases made already by shippers on a subject-to-licence basis exceed 75,000 bales. The quota will be distributed on a first-come first-served basis, subject to a maximum of 2,500 bales per shipper.

Interest in foreign cotton was subdued. Early in the week, some Bombay mills booked a total quantity of 1,400 bales of Sudan XG4S cotton at Rs. 1,725 per candy. In later sessions, Sudan cotton on sample evoked inquiries. It changed hands at Rs. 1,560. East African and Egyptian cotton received stray inquiries. The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

L.147 1.020; Vijay 900; Digvijay 945; Kalyan 840. B.P. (U.N.U.G.) 1,325; B.P.52 1,335.

Cotton futures in Karachi suffered a setback during the week. Speculative buying and investment support, which had imparted strength to the market last week, dried up and values gave way to hedge selling. The absence of any keen interest in Pakistan cotton by foreign buyers and the pressure of new crop in the wake of slack domestic mill demand quickened the downward trend of the market. Both the May and July Contracts were marked down, the former from Rs. 72.20 to Rs. 71.35 and the latter from Rs. 79.50 to Rs. 71.15. Spot prices too tended to ease.

Quiet conditions prevailed in the Alexandria cotton futures market during the week. In spite of the fact that the third estimate put the crop lower at 1,492,300 bales, as against 1,551,600 bales of the second estimate, futures prices tended to recede. Lack of interest on the part of foreign buyers in Egyptian cotton and keen competition from Sudan discouraged fresh buying. Both the Karnak and Ashmouni contracts eased on persistent selling. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: May 69.97; July 70.57.

Ashmouni: April 60.20; June 60.02; August 60.20.

Cotton futures in Liverpool ruled barely steady during the week. Values moved narrowly. Turnover was limited. In the absence of any fresh incentives, trading interest was at a low ebb. Advices from New York contained nothing to cheer up sentiment. Moderate hedge selling was absorbed in Commission House buying and local trade covering. The following are the latest available quotations—in pence per lb.—from Liverpool:

American Cotton One Inch Staple Contract: May 24.70; July 24.95; October 24.10.

American Cotton Mixed Growths Contract: May 25.10; July 24.95; October 24.55.

Sudan: May, July, and September 31.75.

Listless conditions prevailed in the New York Cotton Exchange during the week. Values remained practically unchanged in thin trading characterised mainly by inter-month switching operations. Moderate volume of fresh buying that emerged at times was confined to new crop positions.

Weather reports indicate satisfactory progress of new crop. About 90 per cent of the planting in Lower Rio Grand Valley and South Texas and Coastal Bed areas has been completed. In South

Central area, however, only 60 per cent of planting has been completed.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	11-4-61	4-4-61	27-3-61
Spot	33.50	33.50	33.50
May	33.16	33.15	33.18
July	33.65	33.68	33.72

NEW CROP OILSEEDS CONTRACTS

(From Our Own Correspondent)

BOMBAY, 12*th April*

The outstanding development of the week in the oilseeds market was the commencement of trading in new crop groundnut, castorseed, linseed and cottonseed contracts on Saturday the 8th inst. The new contracts are subject to the same margin regulations as are applicable to the maturing contracts. There was hardly any business in the groundnuts contract since the spot prices commanded a premium of more than Rs. 50 crores over the ceiling of Rs. 220.

The undertone of the market remained easy during the week under review, with the exception of linseed which staged a smart rally in the beginning of the week on better North Indian advices. The reported abolition of import fees on groundnut oil, linseed and linseed oil in the U.S. did not have any effect on the market. For the prices of Indian groundnut and linseed oils continued to be out of parity with world prices, even after taking into account the aforesaid measure. As for linseed, no export from India is permitted. Groundnuts ruled easy owing to the sustained pressure of new crop offerings from the South. The comfortable supply position in respect of rape and mustard, too, acted as a damper. Crushers and *vanaspati* manufacturers were hesitant to enter into new commitments in the hope of a further decline in prices. Castorseeds encountered selling, thanks to larger arrivals and lack of follow-up support. Except for some purchases by Communist countries, castor oil export section remained dull, particularly in the absence of any U.S. enquiries. Cottonseed were listless, in view of the none-too-encouraging advices from the raw cotton market. Sesame suffered a perceptible setback in view of heavy arrivals and slack inquiries. Linseed put on a cheerful appearance early in the week, but lost some ground towards the close on stale liquidation.

Among groundnuts, May contract was dull at Rs. 220. There was no business in the August contract. Nizam bold dropped Re. 1.50 to Rs. 53. Coromandels lost a like amount to Rs. 53.25. Oil Railway Receipts were lower by 85 nP at Rs. 22 and oil ex-mill by 50 nP at Rs. 22.50.

In the castorseed section, May 1961 contract gave way from Rs. 177.62 to Rs. 175.87. The September contract, which was quoted on the opening day at Rs. 182.37, turned weak subsequently to close at Rs. 180.62 today. Ready Madras declined by 62 nP to Rs. 34.75. Oil B.S.S. shed 20 nP to Rs. 33.37. Commercial was dull at Rs. 15.70.

Among cottonseeds, May contract suffered a fall of Re. 1.50 to Rs. 93.50. September contract moved down from Rs. 96 to Rs. 94.50. Spot whites lost 40 nP to Rs. 19.30. Both non-whites and Berars shed 20 nP each to Rs. 19.30.

Sesame bold ready fell by Rs. 10 to Rs. 360. Sesame oil declined by 45 nP to Rs. 27.80.

In contrast, linseed May contract moved up from Rs. 36.84 to Rs. 37.47, before closing at Rs. 36.91. September contract was quoted lower at Rs. 37.37 today, as against Rs. 37.69 on Saturday. Bold ready was, however, higher by 12 nP at Rs. 37.57. Oil too put on 5 nP to Rs. 16.25.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	12-4-1961	5-4-1961	28-3-1961
Groundnut	Rs.	Rs.	Rs.
May 1961	220.00	220.00	—
August 1961	—	—	—
Nizam bold	53.00	54.50	53.25
Coromandel ready	53.25	54.75	53.50
Khandesh quality	53.25	54.75	53.50
Oil ex-mill ready*	22.50	23.00	22.60
Railway receipts*	22.00	22.85	22.40
Castorseed			
May 1961	175.87	177.62	179.50
September 1961	180.62	—	—
Ready Madras	34.75	35.37	35.62
Ready Kanpur	33.37	33.75	33.87
Oil B.S.S.†	16.50	16.70	16.65
Oil commercial†	15.70	15.70	15.90
Linseed			
May, 1961†	36.91	36.84	36.62
September 1961	37.37	—	—
Bold ready	37.57	37.25	37.50
Oil ready††	16.25	16.20	16.50
Cottonseed			
May 1961	93.50	95.00	95.75
September 1961	94.50	—	—
Niger seed	41.50	42.00	41.00
Kardi seed	27.75	28.25	27.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for Niger is contracts are per 250 kilograms, except Linseeds for which rates are per 56 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

BEMBERG YARN FIRM

(From Our Own Correspondent)

BOMBAY, 12*th April*

Traders in yarn are anxiously awaiting the final decision of the Government in regard to the clearing of the additional excise duty on indigenous rayon fabrics. The Textile Commissioner held discussions this week with the representatives of both spinning and weaving sectors and he is reported to have communicated his views to the Government.

Meanwhile, the indigenous Art Silk Yarn Distribution Committee (appointed by the Government) has announced its decision fully to meet with the unbooked quantities of indigenous yarn quotas from the stocks available with spinners. The total stocks are estimated around 1.5 million lbs. The last date for booking quotas for the January-March 1961 quarter is 30th April 1961. In response to the earlier Press note issued by the Committee inviting art silk weaving units to forward their cards if there are any unbooked quantities of indigenous yarn for the April-June 1960, July-September 1960 and October-December 1960 quarters, the Committee received 1,019 cards from various centres in India, the unbooked quantities of yarn being about 1,012,000 lbs.

The allocation of indigenous art silk yarn to art silk powerloom weaving units for the current quarter April-June will be made on the basis of the number of loom-shifts worked by the units during the quarter October-December 1960, according to a Press release of the Maharashtra Government. The allocation will be made only to such units as are holding valid installation permit and/or registration Certificate of the Textile Commissioner, Bombay, to work powerlooms on art silk/staple fibre yarn. The art silk powerloom weaving units may apply and submit their cards for the issue of a fresh allocation card so as to reach the office of the Textile Commissioner, Bombay by 16th April 1961. The art silk weaving units can apply through their respective associations.

This week has witnessed a fall in the prices of imported art silk yarns with the exception of 60/1 Cupressa Bemberg yarns which have tended to rise. The fall in prices has followed selling on fears of reduced offtake from weaving centres, consequent on the reported refusal of spinners to bear any portion of the incidence of additional taxation. Cupressa Bemberg yarns, however, are ruling firm. The firmness is engendered by apprehensions regarding a possible scarcity of supplies. Staple fibre yarns are well supported, thanks to encouraging reports from consuming centres. Cotton yarns are dull. Business put through is limited with values moving narrowly.

Spot Cupressa Bemberg yarn (60/1) met with excellent support and jumped up from Rs. 2,755 to Rs. 2,840. April and June deliveries both advanced by Rs. 15 to Rs. 2,615. Imported art silk yarns, as already stated, drifted downward. 120 Japan receded by Rs. 20 to Rs. 1,536. 120 Japan fell by Rs. 26 to Rs. 1,737. 120 Italy dropped a like amount to Rs. 1,517. 150 Italy was quoted lower at Rs. 1,737, as against Rs. 1,763. Among indigenous yarns, National Rayons 150 bright cones first grade eased by 7 nP to Rs. 14.65, while 120 bright cones first grade evoked some enquiries and gathered 5 nP to Rs. 13.02.

Staple fibre yarn (40 x 2) June settlement was well favoured, the quotation advancing by Rs. 21 to Rs. 911. April settlement picked up Rs. 7 to Rs. 927. Spot Kohinoors were fully firm at Rs. 10.58, as also Centurys at Rs. 10.52.

In the cotton yarn section, ten counts Moderns were maintained at last week's level of Rs. 18.75. Podars were also unchanged at Rs. 21.75. Thirty counts New Greats spurted by 68 nP to Rs. 28. Simplex rose by 25 nP to Rs. 26.75. Forty counts Minaxis were quiet at Rs. 33.25, but Maduras hardened by 25 nP to Rs. 32. Sixty counts Gokaks and Finlays were dull, the former at Rs. 50.75 and the latter at Rs. 66.40. Eighty counts were dull, Moderns being quoted at Rs. 71.50. Finlays at Rs. 82.25 and Mahendras at Rs. 68.68.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with the previous week.

	12-4-1961	5-4-1961
Art silk yarn—	Rs.	Rs
60/1 Cupressa Bemberg (100 kg.) April	2,615.00	2,600.00
60/1 Cupressa Bemberg spot	2,840.00	2,755.00
120 Japan (per 100 kg.)	1,536.00	1,536.00
150 Japan (per 100 kg.)	1,737.00	1,763.00
120 Italy (per 100 kg.)	1,517.00	1,543.00
150 Italy	1,737.00	1,763.00
Staple fibre yarn—		
40 x 2 April (per 90.72 kg.)	927.00	920.00
40 x 2 June	911.00	892.00
40 x 2 Century (per kg.)	10.52	10.52
40 x 2 Kohinoor (per kg.)	10.58	10.58
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	18.75	18.75
30s New Great	21.75	21.75
30s Simplex	26.00	27.12
40s Madura	32.00	31.75
60s Finlay	66.40	66.40
80s Mahendras	68.68	68.68

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 10*th April*

Easy conditions prevailed in foodgrains during the week ended 10th April, thanks to better supply position following increased arrivals of both old and new crop wheat in the market. The Government of India has withdrawn zonal restrictions on the movement of wheat and its products. The main reasons which induced the Government to take this decision were the bright prospects of *rabi* crops, larger stocks in the central reserve, a heavy import programme and relatively low ruling prices of wheat in the country.

Wheat prices at Hapur registered a modest fall in the later part of the week to be quoted on Monday at Rs. 17 to Rs. 18.25 a maund for old crop, while new wheat was quoted at Rs. 16.25 to Rs. 17.25 per maund according to quality. Daily arrivals of wheat have improved to about 200 mds., half of which is new produce. Harvesting of wheat is nearing completion and, as winnowing operations are in full swing, wheat arrivals would soon increase. A further fall in prices is anticipated. Inferior quality rice prices improved slightly during the week on better consumer demand while other sections were listless. Rice is still reaching here from east U.P. and local stock is put at 5,000 mds. Latest prevailing prices were: Mainpuri sela Rs. 20.50, gainda *kucha* Rs. 20.50, ramajwayan sela Rs. 23.50, raimunia sela Rs. 25, basmati sela Rs. 28 to Rs. 30, superior Rs. 32 to Rs. 38 a maund.

The all-India final estimate of rice for 1960-61 puts the current year's area and production of the crop at 83.34 million acres and 33.7 million tons, respectively. This is an all-time record. As compared with the partially revised estimate of 82.8 million acres and 30.96 million tons for 1959-60, the estimates for 1960-61 show an increase of 506,000 acres or 0.6 per cent in area, and 2,737,000 tons or 8.8 per cent in production. The yield per acre for the current year for the country as a whole works out at 906 lbs.—an increase of 8.2 per cent over the revised yield rate of 1959-60.

Gram prices registered a sharp fall of about Re. 1 per maund during the week to Rs. 13.87 a maund for Punjab variety. New gram is reaching the local market in small quantity. But bumper crop expectations from Punjab was the main depressing factor. Barley sought lower levels at Rs. 11 and bejhar new too was quoted lower at Rs. 10.25 for inferior quality and Rs. 11 for moongia variety. Maize was listless at Rs. 11 to Rs. 13, while *jowar* and *guwar* prices were steady due to better demand. Current prices are: *jowar* white Rs. 12.50 to Rs. 13 and *guwar* Rs. 13.25 to Rs. 13.50 a maund.

In pulses, new peas arrivals averaged 1,500 to 2,000 maunds daily. Prices were steady on good outside enquiry and buying by stockists. Loading was, however, restricted to consuming areas of South and small despatches were made by *khatties*. Some demand in the form of *dal* was also reported. Arhar was listless with old stocks of 7 *khatties* lying flat and new crop expected soon. Prices of other pulses were quietly steady on good demand and poor local stocks. Ruling prices on Monday (in rupees per maund) were: peas *dara dal* 15.75, *urd* 19 to 21.25, *urd dal* 24, *moong* 23, *dal* 25, *Massor* 12 to 15, *dal* 15.

SUGAR PRICES DEPRESSED

(From Our Own Correspondent)

HAPUR, 10*th April*

Sugar prices were depressed during the week, thanks to the release of further quantities for sale. The Government of India is, however, very anxious to arrange exports and the Union Food Minister is himself visiting the U.S. with that end in view. Factories all over west U.P. are crushing sugarcane at full speed and a higher output, as compared with the corresponding figures last year, is reported. The recovery is also said to be better. Prevailing prices here are: Rs. 107.50 per bag of one quintal and retail Rs. 1.02 per seer.

Sugar prices also sought lower levels in the Muzaffarnagar market during the week. Prices of damaged sugar of last season's crop declined further by Rs. 2 per bag to Rs. 100 to Rs. 103 per bag, while dry quality was quoted at Rs. 107.09 per bag. Production was still being carried on vigorously. In Kanpur market, poor offtake and mounting stocks were responsible for an easy trend in sugar prices during the week. Stocks swelled to 20,000 bags of crystal sugar and 5,000 bags of *khandsari*. Prices were Rs. 110 to Rs. 111 per bag in the open market and for damaged old sugar Rs. 106 to Rs. 108 per bag.

Khandsari prices were steady as production has almost come to a close and there has been demand from Jammu, Kashmir, East U.P. and Rajasthan. The output on the whole has been much lower than last year. *Khandsari* stocks in Muzaffarnagar market were placed at 65,000 mds., the corresponding figure last year being 1,65,000 mds. week end rates are: crystal *khandsari* Rs. 31 to Rs. 36, inferior Rs. 25 to Rs. 29, superior Rs. 31 to Rs. 33.50 a maund.

Ready *gur* prices recorded fractional gains during the week as daily arrivals dropped to an average of 100 mds.; but loading was restricted, being available only by allotment. Local stock is put at 73,000 mds. *Gur* prices have also improved in the producing areas of the South. Sowing for cane is still going on and the State Government is anxious about increase in cane acreage. Prevailing prices here are: pansera Rs. 14.12 to Rs. 14.62, kotha Rs. 14, shakker Rs. 16 a maund.

Gur prices ruled steady in the Muzaffarnagar market during the week as daily arrivals dropped heavily to about 2,000 mds. due to harvesting of *rabi* crops. The total arrivals of *gur* there during the season were put at 12.08 lakh maunds, the corresponding figure last year being 14.44 lakh maunds and present stocks were put at 2.50 lakh maunds. Prevailing prices at weekend are: Chaku Rs. 13 to Rs. 16, pansera Rs. 14 to Rs. 14.50, ladoo Rs. 14.50, rusket Rs. 7 to Rs. 10, shakker dara Rs. 14.75 to Rs. 16.50, masala Rs. 17.50 to Rs. 18.62 a maund.

Future *gur* prices were bullish on continued bull support. *Gur* Baisakh and Ashad delivery prices are now quoted near the best levels at Rs. 13.66 and Rs. 14.44 respectively, as against week's opening rates of Rs. 13.22 and Rs. 14.07, respectively. Trading in *gur* Fagun next would commence as soon as permission from the F.M.C. is received.

SUGAR

(Concluded from page 686)

yields. This will also help in reducing the cost of maintenance of factories, as, in these areas, generally the number of crushing days is more than in other parts. The acreage may be controlled either by fixing the water rates unfavourable for sugarcane cultivation or by regulating the water supply from canals so as to suit only other crops. If acreage is regulated in this way as extension to take place only in high-yielding areas, it would make it easy to bring down sugarcane prices. Though it is generally thought that the improved methods of production have been adopted in larger measures for commercial crops, there is yet plenty of scope for further increase in yield rates through such measures. The fifth Evaluation Report shows that there was nearly one-fifth (18.9 per cent) of the acreage under sugarcane which was not planted with improved seeds; while nearly one-third (33.5 per cent) of the area was not treated with any type of fertilisers.

Before thinking of any policy on crop planning with respect to this cash crop, it is pertinent to inquire about the factors which helped to attain such growth within the last few years. One of the most important factors is the comparatively remunerative returns received by the farmers. An equally important factor is the phenomenal rise in the extent of irrigated area during the second Plan and later years of the first Plan period. When water comes to a dry tract, there is naturally a change in the crop pattern in any one of the three directions, namely, (1) from coarse to fine food grains; (2) from foodgrains to cash crops; (3) higher intensity of cropping. There is certainly a lack of knowledge at all levels, especially with Government officials at district and tehsil levels and farmers, about the various alternative crop schemes to suit the individual needs and capacities of the farmers which are at least as profitable as that of growing sugarcane. The first thing that strikes most of them is to put as much area as possible under sugarcane when water reaches the village. The factors like comparatively smaller risk involved in growing the crop and lower labour requirements as compared to raising of crops like potatoes and cotton should have also influenced the farmers to go in for sugarcane. Again, the assurance of receiving a fixed price for the crop helps the farmer in choosing it in preference to other crops for which the prices are fixed under free forces of demand and supply and, therefore, susceptible to wide fluctuations.

The third Plan envisages provision of irrigation facilities for an additional area of 14 million acres. When taken with 3.5 million acres of irrigation potential created but remaining unutilised during the second Plan period, new irrigation will be available for 17.5 million acres. If experience is any guide and if there will be no regulation on sugarcane acreage, a good proportion of this areas will be put under sugarcane resulting in further abnormal and unplanned rise in production of *gur* and sugar. It is not the aim of this paper to put a complete ban on further expansion of the *gur* and sugar production but only to plead for a regulated growth of these industries.

Some Probable Alternative Crops

If any regulation is to be imposed on sugarcane acreage, the farmers should be advised by Governmental and extension agencies about the different crops which can be grown profitably over the areas awaiting new irrigation during the coming years. Encouragement by way of timely and adequate supply of improved seeds and fertilisers to grow such crops should also be extended to the farmers. Though the selection of alternative crops will differ from area to area and largely be determined by the needs and capacities of individual farmers, an attempt is made in the following paragraphs to suggest a few major crops which may be raised profitably.

Rice is one of the most suitable crops for raising over a large area to be brought under irrigation. This crop, though grown most extensively than any other crop, is still short of consumption requirement both within the country and outside. Even its imports on large scale, as in the case of wheat, are not possible. Cotton, the most extensively grown commercial crop within the country as well as in the rest of the world, is another crop which is commended for growing on a large scale. We have been spending huge foreign exchange (over Rs. 40 crores in 1959-60) for many years on the import of cotton, largely of long-staple varieties, which are capable of being raised in irrigated tracts. In spite of its importance as a commercial crop and the huge foreign exchange involved in the import of long-staple varieties and sizable earnings realised by exporting *deshi* varieties, the performance during the second Plan was far from encouraging. The production of cotton in 1954-55 was 5.3 million bales which is also the figure estimated for 1960-61. In fact, the production in 1959-60 was only 3.8 million tons and the hardships that arose on account of this are too well known to recapitulate here. Another crop which should receive more attention is oilseeds which is grown at present all over the country. The earnings from animal and vegetable oils, sources of valuable foreign exchange, have recently been falling down mainly due to lower production. This fall in production has resulted in the index of prices of edible oils which is the cheapest and only source of fat for the common man, shooting up by nearly 30 points within one year ending with February 1961. Oilseeds production is expected to reach only 6.4 million tons in 1960-61, and this represents a shortfall of 1.1 million tons from the second Plan targets. In the absence of a sustained drive, it will be difficult to reach the target of 9.2—9.5 million tons set for the third Plan. Oilseed cakes, cottonseeds and oils (including that of cottonseed) also have a very good market within and outside the country.

It is not necessary to work out here the comparative economics of sugarcane and other crops. But it may be pointed out that, if the sugarcane growers are also to receive the price for their crop with the same margin of profit obtained by the wheat growers in the two districts of Muzaffarnagar and Meerut, the other crops grown in these districts are found to yield higher returns than sugarcane. Even if prices of sugarcane are to be fixed with a slightly higher margin of profit, any combination of two of the other crops grown in the districts (paddy, wheat, maize, cotton and gram), are still found to be paying at least as much as sugarcane.

U.N. MISSION ON FERTILISER INDUSTRY

The U.N. Technical Assistance Board mission, which recently visited India and made a survey of the prospects for developing fertiliser industry, has recommended the establishment of four new fertiliser factories, each with a capacity of 85,000 tons of nitrogen, during the third Plan period. The places of location suggested are Gorakhpur, Ankaleswar, Ennore or Tuticorin, and Mangalore. The mission has pointed out that on technical and other considerations the fertiliser projects at Visakhapatnam (private sector) and Kothagudem in Andhra Pradesh should be operated jointly, preferably by the same party. The Namrup plant in Assam, based on natural gas, should be built immediately as it was a project where the manufacturing cost should be quite low. The mission has, however, not approved of the proposals for establishing units in the private sector in Rajasthan, Madhya Pradesh and the Koyna area in Maharashtra in the immediate future. It feels that these could be taken up in the fourth Plan. The economics involved, the relatively lesser demand for fertilisers in these areas and the availability to them of nearer sources of fertilisers from projects already planned, did not indicate urgency for taking up these proposals immediately, according to the mission.

ON THE ARENA

(Concluded from page 680)

mainly for subvention of its unremunerative branches.

• • • •

Cement Price Fixing Arrangement in U.K.

The price of cement to consumers in the U.K. are fixed by the Cement Makers' Federation, and their present practice of maintaining a "fixed price for each point of delivery" has been upheld recently by a ruling of the Restrictive Practices Court as being not contrary to public interest. According to Sir Halford Reddish, Chairman and Managing Director of Rugby Portland Cement, the Cement Makers' Federation are not alone in their satisfaction with the outcome of the case before the Restrictive Practices Court. Over four thousand buyers of cement are reported to have sent their replies to a questionnaire before the hearing, 97 per cent of whom were strongly in favour of a continuance of the present system. Sir Halford has pointed out that, as it is impossible to erect a cement plant just anywhere, and locational suitability is of importance to a plant to be an economic producer, large consumer demands cannot be met at many places from the nearest works, and a scheme such as that operated by the Federation is essential. The essence of the cement makers' argument was that they accepted a lower rate of return on their invested capital, as the absence of price competition lessened their risks. (The present rate of net profit on new cement works was less than ten per cent, less than in manufacturing units generally.) According to Justice Diplock of the Restrictive Practices Court, cement prices may rise substantially, say, by 25 shillings to 40 shillings per ton, if the price scheme adopted by the Federation was dropped.

It is stated that the manner in which cement prices are fixed by reference to the distance of delivery from the nearest works involved an element of 'transport subsidy' for more remote customers, and, correspondingly, a premium to the nearest ones. The Judge, however, found that the premium was not so high as to outweigh the benefit to cement users in general of enjoying low, fixed prices. Further, he was of opinion (and his decision in favour of the scheme was largely influenced by the fact) that the industry was on the whole efficient, had expanded its capacity to meet demand, and had fixed prices with moderation and a sense of responsibility with the regular advice of an independent chairman and an independent accountant.

If the cement industry in India had made up its mind to have a Federation as in the U.K. for internal regulation of prices and operation of a supply pool, it might have averted the entry of the State Trading Corporation into the field. As matters stand, it looks as though the S.T.C. has dug its toes in and will stay put. But an attempt could still be made to persuade Government to hand over the internal distribution to the industry after finalising all the requisite arrangements for self-regulation and the creation of a Federation as in the U.K. Perhaps, as a next step, the effective performance of the Federation might result in lifting the control over price which now exists.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 7th April, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	54,56,43,000
(2) Other Governments	8,31,49,000
(b) Banks	70,59,62,000
(c) Others	89,41,86,000
Bills Payable	37,71,66,000
Other Liabilities	48,86,28,000
Rupees	439,47,34,000

Assets	Rs.
Notes	9,88,29,000
Rupee Coin	2,37,000
Subsidiary Coin	6,40,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	55,54,67,000
Balances held abroad*	11,31,13,000
Loans and Advances to Governments†	70,69,27,000
Other Loans and Advances	146,78,32,000
Investments	125,20,72,000
Other Assets	19,96,17,000
Rupees	439,47,34,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 33,63,50,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	9,88,29,000	
Notes in circulation	2039,91,08,000	
Total Notes issued	....	2049,79,37,000
Total Liabilities	....	2049,79,37,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	123,00,89,000	
Total of A		240,76,92,000
B. Rupee Coin		121,82,20,000
Government of India Rupee Securities		1687,20,25,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2049,79,37,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1939 (pre-war)	31st March* 1961	24th March* 1961	A month ago *	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1984.74	1968.70	1947.16	1864.53
Notes held in Banking Department	35.05	7.84	24.09	11.34	6.33
Foreign Securities	59.50	123.01	128.01	128.01	163.01
Rupee Securities	37.39	1632.20	1627.22	1592.27	1461.91
Banking Department					
Deposits of:					
Government of India	14.39	76.46	53.37	51.44	78.49
Other Governments	..	28.99	33.63	14.70	35.34
Balances held abroad	10.06	13.24	25.54	29.29	25.50
SCHEDULED BANKS					
Demand Liabilities	134.86	820.29 (14.20)†	812.41 (15.64)†	791.80 (18.71)†	807.80 (13.19)†
Time Liabilities	102.24	1063.19 (14.36)†	1053.22 (9.68)†	1074.03 (9.77)†	1,134.92 (20.20)†
Borrowings from Reserve Bank	..	94.53 (45.39)‡	82.63‡ (37.14)	62.46 (27.55)‡	68.30 (15.21)‡
Borrowings from State Bank	..	18.46	16.46	14.46	16.05
Cash in India	6.70	45.32	44.02	44.91	57.62
Balances with Reserve Bank	25.17	70.76	72.30	69.92	79.38
Balances with other banks in current account in India	..	17.84	14.91	14.43	17.81
Money at call and short notice in India	..	20.94	24.73	24.62	17.73
Investments (at book value)	..	558.93	559.62	581.40	717.85
Advances and bills	105.9	1333.76	1318.05	1277.91	1,132.84
STATE BANK					
Deposits	87.76	573.20	560.90	554.78	631.24
Investments	51.99	243.04	241.27	260.75	365.67
Advances	30.35	281.29	280.21	267.54	210.91
Cash	14.69	23.54	28.51	24.42	24.59

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	8.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1959	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.45	3.50
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec. 1960	5.50	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug, 1960	3.50	3
West Germany	20th Jan., 1961	4	3.5

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 7th April, 1961

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		567,50,52,000
Borrowings from Other Banking Companies, Agents, etc.		99,75,000
Bills Payable		12,95,01,000
Bills for Collection being Bills receivable as per contra		2,00,10,000
Acceptances, Endorsements and Other Obligations per contra		1,15,63,000
Other Liabilities (including Inter-Office Adjustments)		4,64,65,000
Total .. Rs.		602,33,16,000

Property and Assets	Rs.	Rs
Cash in hand and with Reserve Bank		19,90,34,000
Balances with other Banks		6,96,28,000
Money at Call and Short Notice		2,40,00,000
Investments:		
Government and other Trustee Securities	225,20,25,000	
Other Authorised Investments	9,83,76,000	235,04,01,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	263,60,01,000	
Bills Discounted and Purchased	18,98,90,000	282,58,91,000
Bills Receivable being Bills for Collection as per contra		2,00,10,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,15,63,000
Premises less Depreciation		1,78,86,000
Furniture and Fixtures less Depreciation		1,35,83,000
Other Assets (including Inter-Office Adjustments).		49,13,20,000
Total .. Rs.		602,33,16,000

Scheduled Banks*

Statement of Affairs for the week ended 31st March, 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	54,27,39
(2) From others	714,26,93
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	14,19,84
(c) Other demand liabilities	51,74,69
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	14,35,56
(2) From others	1026,51,41
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	10,78,20
(c) Other time liabilities	22,32,29
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	16,12,42
(b) Time liabilities	2,34,00
(iv) Borrowings in India from the Reserve Bank of India (A)	94,53,35 (45,38,50)
(v) Cash in India	45,32,41
(vi) Balances with the Reserve Bank in India	70,75,64
(vii) Balances with Other Banks in Current Account in India	17,83,98
(viii) Money at call and short notice in India	20,93,81
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	558,93,46
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1109,37,29
(b) Due from Banks in India	16,38,81
(xi) Inland Bills purchased and discounted in India.	158,92,46
(xii) Foreign Bills purchased and discounted in India.	49,07,97
(xiii) Total of items (x), (xi) and (xii)	1333,76,53

Notes:—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 31st March, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Rural Credit Fund	1,00,00,000
Deposits:—	
(a) Central Government	3,61,23,000
(b) Provincial Governments	1,08,46,000
(c) Banks	18,41,48,000
(d) Others	127,02,58,000
Bills Payable	35,18,000
Other Liabilities	12,43,02,000
Rupees	171,06,95,000

Assets	Rs.
Notes	15,06,65,000
Rupee Coin	70,000
Subsidiary Coin	52,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	42,11,71,000
Loans and Advances to Governments	8,26,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	34,57,20,000
Investments	60,19,57,000
Other Assets	10,84,60,000
Rupees	171,06,95,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	15,06,65,000	
Notes in circulation	380,71,68,000	
Total Notes issued	....	395,78,33,000
Total Liabilities	....	395,78,33,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	24,86,11,000	
Silver Bullion	....	
Foreign Securities	81,09,01,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	148,96,76,000
B. Rupee Coin	2,65,77,000	
Government of Pakistan Securities	238,25,74,000	
Internal bills of exchange and other commercial paper	....	240,91,51,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	395,78,33,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 39.05 per cent.

EXCHANGE RATES

		12th April 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T. T. D.D. upto six months	s.	1-5 29/32	1-5 29/32
Buyers T.T. spot to nine months	s.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	478.25	478.25
Buyers T.T.	Rs.	474.75	475.00
London on New York	$	2.7996-2.7998	2.7987-2.7990
London on Paris	Fcs.	13.7130-13.7160	13.7125-13.7150
London on Berne	Sw. Fcs.	12.1000-12.1030	12.0940-12.0960
New York on London	c.	279.920-279.950	279.870-279.900

CLEARING HOUSE RETURNS

Centre	Week ended 7th April, 1961		Week ended 31st March, 1961	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	4,94,948	1,29,52,55,000	2,27,396	69,86,[illegible]
Calcutta	2,18,000	1,20,14,00,000	1,76,000	87,24,[illegible]
Madras	1,12,882	17,83,34,966	98,012	13,5[illegible]
All Centres—				
1957-58	..	..	41,672,000	89,54[illegible]
1958-59	..	..	46,172,000	97,67[illegible]
1959-60	..	..	50,064,000	109,8[illegible]
Jan. 1960	..	..	4,392,000	[illegible]
Feb., "	..	..	4,205,000	[illegible]
Jan., 1961	..	..	4,875,000	[illegible]
Feb., "	..	..	4,421,000	[illegible]

INDEX NUMBERS OF WHOLESALE PRICES

(Base:

Particulars	Weight	18th March 1961	11th March 1961	19th March 1960	February 1961	February 1960	Percentage of Increase (+) or Decrease (—) Feb., 1961 as compared with Feb., 1960
Food Articles	504	116.7	116.2	117.1	116.3	118.8	— 2.1
Cereals	192	99.9	100.4	103.1	99.8	104.4	— 4.4
Pulses	43	92.9	93.1	89.7	92.9	95.1	— 2.3
Fruits and Vegetables	23	106.1	106.5 R	127.0	104.2	113.1	— 7.9
Milk and Ghee	84	111.5	111.3 R	118.4	109.5	111.5	— 1.8
Edible Oils	47	166.1	163.5 R	185.9	160.4	137.8	+16.4
Fish, Eggs and Meat	17	119.6	127.7 R	115.5	121.3	110.5	+ 9.8
Sugar and Gur	48	116.5	116.9	140.1	119.9	145.2	—17.4
Others	50	167.0	165.1	156.4	169.3	168.6	+ 0.4
Liquor and Tobacco	21	115.0	114.2	96.1	111.2	96.0	+15.8
Tobacco	—	112.6	111.7	93.8	109.8	94.2	+16.6
Fuel, Power, Light and Lubricants	30	120.7	120.3	117.7	120.0	117.3	+ 2.3
Industrial Raw Materials	155	159.4	159.1	132.7	159.2	131.6	+21.0
Fibres	61	176.0	177.0	126.5	179.0	123.0	+45.5
Oilseeds	60	161.2	159.4 R	140.9	157.9	140.8	+12.1
Minerals	2	95.2	95.2	97.5	95.2	95.2	+ —
Others	32	128.5*	128.8*	131.6	128.3	133.2	— 3.7
Manufacture	290	129.9	129.3	116.3	129.2	116.3	+11.1
Intermediate Products	41	138.5	137.2 R	121.1	134.2	120.5	+11.4
Finished Products	249	128.5	128.5	116.1	128.0	115.0	+11.1
Textiles	147	134.7	134.6	115.0	134.4	115.1	+16.8
Cotton	—	126.6*	126.6*	124.4*	126.1	125.2	+ 0.7
Jute	—	164.0	165.0	97.9	167.7	96.4	+74.0
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7
Silk and Rayon	—	118.4*	115.7*	102.9*	111.4	108.4	+ 2.8
Metal Products	12	146.9	146.9	148.2	146.9	145.2	— 7.7
Chemicals	20	104.7	104.6	104.8	104.2	105.6	+ 1.2
Oil Cakes	10	145.7	147.1 R	141.4*	149.1	144.6	— 1.3
Machinery and Transport Equipment	31	112.5	112.5	111.0	112.6	106.5	+ 3.1
Others	30	118.0	118.2	118.8	117.0	112.7	+ 5.7
All Commodities	1.100	127.2	127.2	119.0	126.7	119.5	+ 6.0

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	Week ended 1st April 1961	25th Mar., 1961	4th Mar., 1961	2nd April 1960
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total** ..	**101.0**	**101.0**	**100.9**	**101.3**
2. Government of India ..	101 0	100.9	100.8	101.1
3. State Government ..	101 8	101.8	101.5	102.7
4. Municipal, Port Trust, etc...	99.8	99.7	99.7	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total** ..	**100.7**	**100.7**	**100.6**	**101.4**
PREFERENCE SHARES—ALL INDIA.				
6. **Total** ..	**85.6**	**85.7**	**85.6**	**90.9**
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. **Total** ..	**181.8**	**182.6**	**175.4**	**163.8**
8. *Agriculture and Allied Activities; Total** ..	**179.1**	**175 4**	**168.3**	**172.0**
9. Tea Plantations ..	175 4	169.9	162 4	167.7
10. Coffee Plantations ..	194.0	195.0	197 2	201 0
11. Rubber Plantations ..	173.5	173 5	171 9	176 8
12. *Mining and Quarrying: Total*	**172.0**	**172 9**	**167.1**	**155.4**
13. Coal ..	128 6	129 0	127 5	117.1
14. Other Mining ..	201.7	203 0	194.3	181.7
15. *Processing and Manufacturing: Total* ..	**195.4**	**196.8**	**188.6**	**172.7**
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	**197.6**	**198.7**	**189.3**	**170.6**
17. Sugar ..	176 5	178 1	172 2	181.0
18. Cotton Textiles ..	162.4	162 2	155 9	142.7
19. Jute Textiles ..	95 3	95.3	86.8	94.6
20. Silk and Woollen ..	1149.1	1166.2	1106.5	882.8
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	**209.2**	**210.9**	**202.6**	**182.8**
22. Iron and Steel ..	169 9	171 2	165 3	149.7
23. Transport Equipment ..	422 9	427 5	417 0	353.9
24. Electrical Machinery ..	162 5	165 5	151 6	131.0
25. Machinery other than Transport and Electrical ..	226 5	227 9	217.8	205.3
26. Basic Industrial Chemicals ..	217.3	219 1	209 6	189.6
27. *Processing and Mfg. (Others): Total**	**163.2**	**164.5**	**160.2**	**160 5**
28. Cement ..	144 9	146.2	140.9	140 5
29. Paper ..	216 5	218.5	218 5	218 6
30. *Other Industries: Total**	**111.1**	**112.0**	**108.3**	**109.0**
31. Electricity Generation and Supply ..	80 3	80 6	80 5	83.9
32. Trading ..	130 2	131 6	123.3	114.1
33. Shipping and Other Transport	104 0	105 6	101 2	110.7
34. Construction ..	301.3	313.8	282.9	285.0
35. *Financial: Total*	**191.1**	**191.3**	**186.1**	**176.6**
36. Banks ..	215 5	215.9	209.8	196.4
37. Insurance ..	142.8	142 0	137.6	137 1
38. Investment Trusts ..	90.2	90 6	91.1	94.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay ..	187.8	189.4	181.4	164.7
40. Calcutta ..	168.1	168 3	161.6	155.0
41. Madras ..	197 0	197.6	191.6	182.5
42. Delhi ..	244.9	245.4	239.6	214 7

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay June (1934=100)	Ahmedabad (1949=100)	Sholapur January (1928=100)	Kanpur (1949=100)	Nagpur (1949=100)	Calcutta August (1939=100)	Madras City (1949=100)	Delhi (1949=100)	Ajmer (1949=100)	Gauhati (1949=100)	Jamshedpur (1949=100)	Jabalpur (1949=100)	Bangalore (1949=100)
1956 Average ..	105	353	98	316	89	105	347	111	109	95	96	106	100	114
1957 ..	111	369	104	339	94	112	364	116	114	99	103	115	107	126
1958 ..	116	395	110	313	98	120	384	124	118	103	103	123	109	131
1959 ..	121	412	125	340	98	132	384	133	120	106	98	125	106	140
1960 ..	124	423	120	357	99	136	397†	143	120	107	103	120	109	146
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February ..	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March ..	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April ..	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May ..	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June ..	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July ..	126	423	122	362	101	137	406	145	121	109	108	119	109†	148
August ..	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept. ..	125	418	122	364	101†	138	403	146	122	108	102	122	108	147
Oct. ..	125	421	123	365	102	137	396	148	122	108	105	119	108	147
Nov., ..	124	423	121	367	102	135	392	150	121	110	102	122	108	147
Dec., ..	124	419	120	362	100	134	385	151	121	110	102	121	108	148
January 1961	122†	419	119	..	100	..	385	146	122	111	103	120	..	148
February ..	..	420	..	..	..	..	..	..	..	..	..	..	..	..

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Outstandings	Cumulative Time Deposits 10-Year J Outstandings	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	10-Year Treasury Savings Deposit Certificates 4% G Receipts	10-Year Treasury Savings Deposit Certificates 4% G Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings H
1956-57 ..	..	..	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,25	..	..	43	1,32	225,88	440,17
1957-58 ..			2,22	4,73	143,45	71,45	71,45	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	264,35	509,79
1958-59 ..	3	2	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	635	11,68	67	2,41	286,27	590,08
1959-60 ..	51	30	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,36
												41,84						
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19.96	—41,27	41,75	1,13	19,77	5	2,81	23,59	638,52
February ..	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19.87	—41,27	41,68	1,05	20,79	6	2,86	25,71	644,99
March ..	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19.79	—41,29	41,58	96	21,76	6	2,90	43,47	667,36
April ..	57	34	1,51	3,11	97,35	6,47	226,14	17,87	253,58	19,68	—41,35	41,50	1,63	23,16	9	2,98	26,16	670,00
May ..	64	38	1,50	3,07	95,55	6,45	231,20	17.00	251,94	19,55	—41,41		1,06	24,19	5	3,01	24,67	672,52
June ..	73	42	1,48	3,02	93,84	5,76	235,58	17,35	253,22	19,50	—44 46	41,41	84	25,05	5	3,04	24,13	677,33
July ..	81	47	1,45	2,98	92,30	5,83	240,30	15,25	255,92	19,44	—41 49	41,32	1,11	26,09	4	3,07	22,86	684,15
August ..	89	52	1,43	2,91	90,90	6,78	245,82	19.75	261,00	19,38	—41,54	41,21	1,17	27,23	9	3,14	27,92	694,43
Sept. ..	98	57	1,41	2,84	89,45	7,16	251,77	18,76	265,34	19 28	—41,60	41,14	1,52	28,71	6	3,18	27 64	704,67
October ..	107	62	1,39	2,79	88,02	7,05	257,63	16,90	267,22	19,20	—41,64	41,09	1,42	30,27	5	3,22	25,56	712 52
Nov., ..	117	68	1,36	2,73	86,80	6,21	262,71	17,90	269,23	19,13	—41,67	41.02	1,49	31,73	5	3,25	25,81	719,81
Dec., ..	129	74	1,32	2,67	85,42	6,75	268,19	19,04	272,04	18,98	—41,74	40,97	1,28	32,88	5	3,29	27,30	727,84
January 1961	141	80	1,29	2,62	84,20	6,47	273,41	18,08	274,29	18,89	—41,80	40,90	1,04	34,15	6	3,32	25,83	735,28
Feb., ..	..	..	..	..	..	..	..	..	..	..	..	39,88	1,80	35,75	5	3,36	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of December 1960 amount to 11.33 crores of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1963-65	98.65
3 % Loan	1950	30,33,10,000	1964	98.60
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	96 10
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91 10
2¾% Loan	1946	57,00,69,000	1961	99.40
2¾% Loan	1946	14,77,48,000	1976	83 50
2¾% Loan	1947	75,86,72,000	1962	98 40
3½% N. P. Bonds	1953	75,29,00,000	1961	100 00
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.90
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99 85
3½% Loan	1956	1,07,27,36,000	1962	99 85
3½% N. P. Bonds	1956	93,81,83,000	1967	99 05
3½% Loan	1956	86,63,53,000	1974	99.70
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100 50
4 % Loan	1957	49,17,27,000	1972	100 45
3½% Loan	1958	58,05,92,000	1963	100 10
3½% Loan	1958	70,00,00,000	1968	98 85
3½% Loan N.P.B.	1958	84,33,90,000	1968	100 50
4 % Loan	1958	49,51,44,000	1973	100 40
3½% Loan	1959	1,87,90,93,000	1969	98 70
4 % Loan	1959	81,06,38,000	1979	100.10
4 % Loan	1960	97,64,00,000	1980	99 90
3½% Bonds	1960	82,66,00,000	1966	99.55
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	72 00
3 % Loan	1946	2,48,91,33,000	K.	73.70
STATE LOANS				
4 % Andhra	1955	5,90,16,000	1st Sept. 1967	98 30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98 30
4½% Andhra	1958	5,48,81,000	15th July 1970	101 00
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	97 75
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	98 40
3 % Maharastra	1949	5,29,97,000	1st Aug. 1962	98.50
3½% Maharastra	1951	2,82,97,000	17th Sept. 1962	99 80
4 % Maharastra	1953	5,10,80,000	15th July 1963	100 00
4 % Maharastra	1952	3,40,34,000	1st Aug. 1964	99 90
4 % Maharastra	1955	9,56,29,000	1st Sept. 1967	99 50
4 % Maharastra	1956	7,82,20,000	3rd Sept. 1970	99.10
4½% Maharastra	1957	6,57,23,000	16th Sept. 1969	101.20
4½% Maharastra	1958	6,58,21,000	15th July 1970	101 20
4½% Maharastra	1958	4,35,25,000	15th July 1971	101.20
4 % Maharastra	1959	6,58,13,000	19th Aug. 1971	99.00
4 % Maharastra	1960	10,00,00,000	29th Aug. 1969	99.50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98 00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98 00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	101 05
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97 00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	98 30
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	99.45
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98 00
4 % Hyderabad	1956	2,13,02,000	3rd Sept. 1968	97 75
2¾% Madras	1946	3,81,77,000	1st Sept. 1961	99.05
3½% Madras	1951	3,91,49,300	17th Sept. 1962	99 75
4 % Madras	1953	10,33,71,000	15th July 1963	99 90
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99 90
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.60
4 % Madras	1956	13,33,56,000	3rd Sept. 1968	98 50
4½% Madras	1958	5,55,57,000	15th July 1970	101.10
4 % Madras	1959	5,72,72,000	19th Aug. 1971	98.00
4 % Madras	1960	12,00,00,000	29th Aug. 1969	99.40
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	101.40
3 % Mysore(f)	1936	5,99,73,600	30th Apr. 1956-61	99 80
4 % Mysore	1953	3,33,47,000	15th July 1963	99.50
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.40
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	101.10
4½% Mysore	1958	5,51,61,000	15th July 1970	101.10
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	98.40
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	99 50
4 % M.P.	1953	1,10,18,000	15th July 1963	99 40
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98 00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98 00
4½% M.P.	1958	2,21,30,000	15th July 1970	101 05
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97 50
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	98 00
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	98 85
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	98 85
4 % Kerala	1953	3,25,61,000	15th July 1963	99 00
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98 10
4½% Kerala	1958	3,27,10,000	15th July, 1970	100 75
4 % Kerala	1959	4,47,05 000	19th Aug., 1971	97 20
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.10
2½% U.P.Z.A.	1952	44,93,89,000	..	48 70Z
3 % U.P.	1936	1,55,31,000	15th Sept. 1961-66	92 25
2¾% U.P.	1946	2,12,62,000	1st Sept. 1961	98 50
3½% U.P	1951	1,56,22,000	17th Sept. 1962	99 70
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99 90
4 % U.P.	1953	5,58,25,000	15th July 1963	99.90
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.60
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.50

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	101.10
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	98 30
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	98.50
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	101 05
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,00,00.000	29th Aug. 1969	98 00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.00
4½% Orissa	1958	3,28,58,000	15th July 1970	101 05
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.00
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99 00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97 75
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99 50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99 50
4 % W. Bengal	1953	3,60,23,000	15th July 1963	99 70
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	101.10
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,00,00,000	29th Aug. 1969	99 00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.00
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1966	
75,00,000	4	1908	1968	97.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,375	4	1913*	1960	D
80,00,000	4	1913	1974	97.00
86,25,000	4	1914	1975	97.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99.00
76,90,100	4	1915	1975	99 00
50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1961	144.00N
60,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	74.90
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.90
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1963	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	99.25
1,00,00,000	4	1960	1970	99.25
STERLING LOANS				
£892,600	5	1923	1953-83	£63
£901,000	5	1924	1954-84	£63
£835,100	5½	1932	1962	£96½
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,86,000If	3	1947	1977	A
3,00,000If	3	1949	1979	
45,00,000It	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£238,000		1910	1970	£95.50N
CALCUTTA				
Rs				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	91 75
50,00,000	3	1937	1962	96.00
20,00,000	3	1938	1963-68	91 75
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1920	1980	113.00N
8,25,00,000	3½	1947	1977	86.50
2,13,14,500	3½	1949	1979	86.50
4,09,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,34,000	3½	1951	1966	98.00
1,30,00,000	4	1953	1963	99.00
92,19,00,000†	4	1952	1964	99 00
86,87,000†	4	1954	1966	99 00
2,50,00,000	4	1955	1967	99 00
1,57,50,000	4	1956	1968	99 00
1,74,00,000	4½	1957	1969	99.50
4,75,00,000	4½	1958	1970	99.50
3,30,00,000	4	1959	1971	97.00
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1932	1962	108.00
33,91,000	3½	1925	1965	95.00
60,00,000	3	1936	1966	91.00
47,50,000	3	1938	1968	91 00
21,10,000	3½	1942	1972	92 00
16,33,000	3½	1951	1961	99.25
66,88,000	3½	1951	1966	98 50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,900	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

ABBREVIATIONS N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan no marketable. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935. [illegible] t—Interest free for first 7 years. Z—By eight instalments but inclusive of accrued interest. [illegible] after three months' notice. K—On September 1986 or later at option of Government after three months' notice.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	January to December 1958	1959R	1960
Exports ..	570,56	613,79	622,63
Re-exports ..	8,40	6,94	12,24
Total Exports ..	578,96	620,73	634,87
Imports ..	864,18	940,39	1,011.35
Overall Balance of Trade ..	—285,22	—319.66	—367,48
Exports—			
Tea ..	136,54	126,01	120,04
Jute yarns and manufactures ..	103,82	110,75	141,92
Cotton yarns and manufactures ..	52,63	66,14	62,87
Metallic ores and metal scrap ..	30,35	34,04	38,25
Cotton, raw and waste ..	21,20	16,37	10,72
Oils—vegetable, mineral and animal ..	12,35	17,81	15,78
Fruits and vegetables ..	21,16	21,01	24,69
Tobacco ..	16,29	13 84	15,65
Mica ..	9,34	10,31	9,82
Wool and other animal hair ..	9,35	12,22	8,67
Gums, resins and lac ..	7,16	7,95	8,74
Spices ..	8,83	10 15	17,65
Hides and skins, raw ..	7,35	11 01	10,66
Imports—			
Machinery of all kinds ..	188,92	205 83	232,74
Iron and Steel ..	97,80	85,11	110,83
Oils—vegetable, mineral and animal ..	80,23	82,93	83.76
Chemicals, drugs and medicines ..	65,28	88,32	86,09
Electrical goods and apparatus ..	49,04	54 16	53,62
Vehicles (excluding aircraft, ships and boats) ..	52,53	61 99	51,00
Cotton, raw and waste ..	80,66	34,77	75,15
Fruits and vegetables ..	17 43	16,52	18,83
Paper, pasteboard, etc. ..	8,26	10,22	11,71
Dyes and colours ..	8,76	9,59	12,20
Spices ..	2,84	2,52	2.19
Woollen and worsted fabrics ..	30	23	23
Cotton fabrics ..	1,05	1,19	79
Rice ..	44,02	11,42	18,66
Wheat and Spelt ..	102,65	134 93	103,51

R—Revised Figures.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1961					
17th Jan. ..	2.00	2.30	2.00	2.580	99.355
18th to 21st Jan.*	1.14	—	1 14	—	99 371
24th Jan. ..	2.00	2.00	2.00	2.580	99 355
25th to 28th Jan.*	0.05	—	0 05	—	99.371
31st Jan., ..	2.00	2.00	2 00	2.585	99.350
1st to 4th Feb.,* ..	0.07	—	0.07	—	99 371
7th Feb., ..	2.00	2.00	2.00	2.585	99.350
8th to 11th Feb.,*	0.05	—	0 05	—	99.371
14th Feb., ..	2 00	2.00	2.00	2 590	99 350
15th to 18th Feb.,*	0 05	—	0.05	—	99 371
21st Feb., ..	2.00	2.00	2 00	2.650	99.335
22nd to 25th Feb.,*	1.02	—	1.02	—	99.356
28th Feb., ..	2.00	2.00	2.00	2.750	99.310
8th Mar., ..	2.00	2 00	2.00	2.750	99.310
14th March ..	2.25	2.00	2.00	2.750	99.315
15th to 17th Mar.*	0.05	—	0.05	—	99 331
20th Mar., ..	2.00	2.00	2.00	2.750	99.310
21st to 25th Mar.*	0 70	—	0.70	—	99.331
27th Mar. ..	2.00	2.00	2.00	2.750	99 310
4th April ..	2.00	2.00	2.00	2.750	99.310
5th to 8th April* ..	1.60	—	1 60	—	99 331
11th April ..	2.00	2.65	2.00	2.750	99.315
Total amount outstanding	30.06	..	30.[illegible]	[illegible]	[illegible]

MARKET GOSSIP

(Concluded from page 675)

likely to render its task particularly difficult is to evolve solutions which will not merely be in the national interest but also prove practicable.

On the import front, the room for manœuvre is strictly limited. Given the scarcity of foreign exchange and the deficit in balance of trade—last year, imports at Rs. 1,011 crores exceeded exports at Rs. 635 crores by Rs. 376 crores, the corresponding figures for 1959 being Rs. 940 crores, Rs. 621 crores and Rs. 319 crores—it is not possible to expect the Committee to liberalise the current restrictions on import trade. Broadly speaking, import control will continue to be rigid. It should, however, be possible to suggest measures designed to streamline the procedure for the grant of import licences. In particular, the Committee will do well to examine the need for further decentralisation of the machinery of import control. A demand to this effect has been voiced by several trade organisations whose members find it necessary to undertake periodical visits to the capital. There is no reason why subordinate branches of import trade control at important port towns should not undertake at least a part of the work that is being done at New Delhi. There is also insufficient co-ordination between import control authorities, on the one hand, and the authorities in charge of industrial licensing, capital issues and other aspects of industrial activity, on the other. Some means should be found not only to bring about greater co-ordination among these authorities but also to expedite mutual consultations.

There is also the vexed problem of the divergent claims of actual users and established importers. The Government has probably carried its preference for actual users a little too far. The Committee should examine the case for reversal of this policy which has occasionally been supported by the actual users themselves. After all, established importers render some real service in that, by shouldering the burden of maintenance of stocks, they enable the actual users to concentrate on manufacturing activity. If actual users are expected to maintain large stocks of imported materials for their use, it will mean much diversion of working capital which could be put to greater use. Further, actual users cannot always be expected to know in advance what articles they will need. These circumstances point to appropriate changes governing issue of import licences. What is now necessary is to see that the services of the established importers are utilised in a manner which will impose no hardship whatever on manufacturers but actually make their task easier.

A problem that is common to both importers and exporters is the growing activity of the State Trading Corporation. It is not clear whether the Committee is expected to examine the question of defining the role of the S.T.C. or assess critically its performance. If the terms of reference are liberally interpreted, there is no reason why the S.T.C. should not come under the Committee's review. There is now a widespread feeling among several sections of commercial opinion that the S.T.C. does not render a service which cannot be better rendered or at least as ably rendered by private traders. In any case, a definition of the S.T.C.'s role is conducive to better planning of trade activities by the private sector. All this is not to contend that the S.T.C. has no place in the country's economy. Only, it should truly live up to the official promises frequently made to the effect that this body is intended to supplement not supplant private effort in foreign trade.

On the export front, there is now considerable awareness of the importance of stepping up our effort to sell more goods abroad. Official action has so far been confined to the establishment of export promotion councils (of which there are 12 at present) and the grant of special incentives to exporters in the shape of tying up part of foreign exchange earnings with import entitlements. There is need to keep import entitlements under scrutiny in order to prevent their improper use and transfer and also to see that they do not result in unnecessary imports. Perhaps it is better to give a straight relief in income-tax than to induce exporters to export goods at a loss which can be covered by gain through imports. Incidentally, the Committee might examine whether the fiscal treatment of export income is fair and just. Further, it is a pity that export promotion bodies work on their own without the benefit of effective co-ordination. The Ramaswami Mudaliar Committee will be well advised to examine whether an apex body which will co-ordinate the export efforts of individual councils will not be useful.

A point that must be remembered is that export promotion, by its very nature, does not yield immediate results. The way to export prosperity is long and hard. The problem India faces today is similar to the one Europe faced some ten years ago when it sought a market for its goods in the U.S. During the period 1949-54, the results of Europe's efforts were disappointing and there was much frustration among European exporters. But then, this period of waiting and preparation did yield rich dividends for, in recent years, there has been a steady increase in Europe's exports to the American market. If India commences its export promotion efforts in right earnest today, it may well hope to see its efforts crowned with success in four or five years' time.

A thorough-going examination of the impact of trade blocs such as Common Market and European Free Trade Association on India's trade prospects is now overdue. Last year, India imported goods worth Rs. 171 crores from the Common Market, whereas its exports aggregated only Rs. 43 crores; the deficit was thus as large as Rs. 128 crores. India has not fared better in its relations with its neighbouring countries either. Thus, its exports to the E.C.A.F.E. region (other than Japan and including China) were valued at Rs. 68 crores, whereas its imports were as high as Rs. 101 crores; the deficit in trade was thus Rs. 33 crores. The Committee should not only assess the repercussions of the formation of trade blocs on India's trade but also suggest what measures India could adopt in order to promote its exports to these areas.

A problem that deserves attention is whether it is right that India should concentrate much of its export attention on developing new lines of export trade. New lines of export trade such as engineering goods have great potential value, whereas even a small improvement in exports of traditional items such as tea and jute goods could mean sizable increase in foreign exchange earnings. Discussing this question, the *Economic Survey*, published by the Union Government along with budget papers, observes: "There are in the short run rather rigid limits to the expansion that can be achieved in respect of traditional exports like tea, jute goods and cotton textiles, but it has to be borne in mind that a small percentage increase in these exports can yield a larger total of foreign exchange." In our search for markets for new products, we cannot possibly ignore the claims of our traditional items. For one thing India is much better known abroad as an exporter of tea and jute goods than as an exporter of machines or electrical appliances. This means it should be relatively easy to step up exports of traditional items. Here the problem is one of creating the necessary surpluses. India failed to increase its raw cotton production and the result is that last year its import bill on this account went up by Rs. 40 crores; a similar failure in respect of raw jute meant an increase in the bill for raw jute by Rs. 6 crores. Clearly, so far as India is concerned, export promotion involves concentration of efforts on agriculture and on raising per-acre yields. When this is accomplished, it should be possible to reduce prices and thereby stimulate the offtake of our traditional items by foreign countries.

Finally, there is the problem of financing export trade. In this sphere, the two welcome measures which have been adopted are the export risks insurance scheme and the liberalisation of the bill market scheme. According to the report of the Export Risks Insurance Corporation, 96 policyholders succeeded in obtaining finance facilities in respect of 2,607 shipments of the value of Rs. 2.37 crores; these figures do not include instances of exporters to whom banks afforded financial facilities without either the assignment of policies or transfer of the rights in respect of individual shipments. As the insurance scheme becomes more popular, it may be possible to enlarge the scope for export finance. Again, the Reserve Bank has extended the bill market scheme to export bills. Thus, bills arising out of the applicant bank's advances against export bills granted at any of its offices will be eligible for being offered as security for the borrowings under the scheme provided such borrowings are availed of by the bank concerned at places where the Banking Department of the Reserve Bank is located. The 90-day limit has also been waived for export bills; there will be no specific restriction now on the usance of the export bills provided the usance promissory notes lodged with the Reserve Bank mature within 90 days. It is for the Committee to examine whether the financing facilities available for exporters are adequate and whether there is a case for setting up a specialised export credit institution.

Notice

THE SENDRA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the abovenamed Company that an Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, at 11.00 a.m. on Monday, the 15th May, 1961, for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1960, and to receive the Directors' and Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from 8th May, 1961 to 15th May, 1961, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, *30th March*, 1961.

Notes: (a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividend, if declared, will be paid on or after 30th May 1961, to those Shareholders so entitled whose names appear in the Company's books on the 15th May, 1961, or to their mandatees. No application for Dividend Warrants will be necessary.

SUPERSONIC AIR TRANSPORT

(Concluded from page 704)

windows of hospitals, offices and homes. Shattered plate-glass in shop-windows would almost certainly cause bodily injury to passers-by.

The larger the aircraft the louder and more destructive is the boom that is produced. Half a pound per square foot might be acceptable, but supersonic airliners with capacity for a hundred passengers or more are estimated to produce a sonic-boom that will have an impact of from 1.5 to 2 pounds per square foot at speeds of Mach 2 or 3. This would be quite intolerable. The only known scientific method of reducing the boom produced by an aircraft is to slim the vehicle, which is totally impractical, in fact ridiculous as far as an airliner is concerned, as it would have to be built with a cabin a mile long to accommodate the passengers lying flat on the floor head to foot in a single line.

There is one possible partial solution. Restrict all supersonic air transports to subsonic speeds at all times over populated country and below an altitude of 40,000 ft. Aerodynamically this is going to impose a terrific handicap on the designer and his team as they will have to produce an airframe with good flying qualities at low speeds as well as at supersonic. In addition the penalty imposed on operators by restricting the first and last parts of each flight to subsonic speed, as well as perhaps a goodly portion of the route should it pass over land, is going to destroy the whole advantage of supersonic travel, as well as knock the bottom out of it economically.

There are many other formidable difficulties in the way of introducing supersonic air transport. Already one subsonic airliner at present in the design stage may have to be cancelled as the powerplants producing 24,000 to 25,000 thrust each will create so much noise at take-off no airport in the world could accept such an aircraft. But this is a subsonic design, and the supersonics in addition to their jet engines will also employ rockets to enable them to gain supersonic speed quickly. The noise from these rockets plus the jet engines will never be accepted as a frequent occurrence within miles of any populated area.

Finally, scientists and technicians have yet to design and produce the essential air navigational equipment that can make the operation of supersonic aircraft reasonably safe. In the face of these problems the first steps should be towards finding solutions to the dangers of cosmic radiation, the sonic-boom and air traffic control. When it is known how to eliminate these dangers without a shadow of doubt, then it will be time enough to consider the actual manufacture of supersonic air transports, but not before.

In the present international situation with Governments hankering after supersonic military transport as well as national prestige, it would seem that only public opinion can save aviation from a most serious blunder which will have far-reaching harmful effects on the vast majority of the world's people. The press and public opinion must force the issue.

UNITED BANK OF INDIA LIMITED

(Concluded from page 709)

is high time that banks took a more realistic view of the situation, kept interest rates under control and tried other methods of improving their resources and profitability. While undoubtedly banks will have to make their own efforts in this regard, it is also our view that the banking system should receive apposite assistance from the concerned authorities. Tax concessions on that part of profits, which is utilised to build up reserves and thus to strengthen the capital structure, should, for example, be seriously considered by the Government.

"Indian banking needs a major reorganisation and the urgency of a close study of the whole matter cannot be overemphasised. In this connection I am glad to mention that your Managing Director, Sri B. K. Dutt, has given a timely lead. He was invited by Calcutta University to deliver a series of lectures as Prof. Benoy Kumar Sarkar Memorial Lecturer for 1960. He selected 'Monetary Discipline and Indian Banking' as the subject of his lectures. In these lectures, which are now available in book form, he has analysed in detail the prevailing situation in the Indian banking system and has put forward a number of ideas for its progressive development.

Note.—*This does not purport to be a record of the proceedings of the annual general meeting.*

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2611 **BOMBAY, 22nd APRIL 1961** **PRICE Rs. 2**

L.I.C. INVESTMENT POLICY

IT would be a grave mistake to allow the adverse reactions of the share markets to the recommendations of the Estimates Committee in regard to the investment policy of the Life Insurance Corporation to cloud and confuse one's mind. In recent months, there has been a lot of overtrading in shares, making the technical position of the markets highly vulnerable to even the slightest bearish news. There is no real reason to feel that the interests of investors will suffer, if the L.I.C. ceases to buy the equities of existing companies. Indeed, the intrinsic merits of the Committee's recommendations are of a high order. They suggest that the Committee has paid serious thought to the problem of ensuring that the savings collected by the L.I.C. are more effectively utilised for realising the objective of planned economic progress than has been the case so far. There is no bias against the private sector in the Committee's recommendations, a factual summary of which is published elsewhere in this issue. On the contrary, they would, if implemented, help the private sector to play a vigorous role in the drive for rapid industrialisation of the country. The Committee has made it clear that it does not wish to see a reduction in the proportion of investments made by the L.I.C. in the private sector. Its proposal, therefore, does not involve any violation of the assurances given by Mr. C. D. Deshmukh, the then Finance Minister, at the time when life insurance was nationalised. Surely, Mr. Deshmukh never said that any part of L.I.C.'s funds would be used for supporting stock exchanges, much less for stimulating and sustaining a boom on them.

We were, of course, surprised to read in the papers that the Chairman of L.I.C. was in favour of his Corporation being relieved of the task of investing its funds, as suggested by the Committee. But our surprise was a pleasant one, for we never thought he would like to give up a substantial part of his mighty power. Rarely does one come across persons who wish to surrender power, even in part. Apparently, the present L.I.C. Chairman is not mad after power. He wants to serve the Corporation more effectively by concentrating on the primary function of selling insurance and servicing policyholders. This is a commendable attitude. The argument that, if the L.I.C. is relieved of the responsibility of successfully investing its funds, its efficiency would suffer, its enthusiasm for securing more new business would wane and it would not be able to declare larger bonuses, is not convincing. One does not see how these things would automatically follow. Even at present, the L.I.C. has not much choice left in regard to its investments, since the great bulk of its funds has to be put into gilt-edged and approved securities. It has discretion only in regard to about 13 to 15 per cent of the funds. But, for investing this relatively small proportion of its funds, it has to bother itself quite a lot, with the Chairman and Managing Directors themselves taking particular care to see that none of the purchases they make invites public criticisms of a nature that would affect the reputation of the Corporation. As the Estimates Committee itself rightly says, the L.I.C.'s investments in stocks and shares "lead to allegations and aspersions which, though they may not be justified in most cases, yet may do little to increase the prestige of the Corporation." This remark is actually an understatement, because the Corporation's prestige has suffered heavily due to not infrequent allegations of corruption, favouritism and inefficiency in the investment of its funds in stocks and shares. It is said that the Finance Ministry is opposed to the Estimates Committee's suggestions and the stand taken by the L.I.C. Chairman. This is understandable, because it is a thankless task for anyone to undertake this responsibility. Has it not already ruined the reputation of a former Finance Minister and quite a number of senior civilians and administrators?

Someone has, of course, to do the job of investing the funds of the L.I.C. The question who should do it is not so important as to how they should be invested. It is the latter that gives rise to the former. The Estimates Committee has given sound reasons for suggesting that the present policy and method should be changed. Its suggestions fully endorse the critical observations and practical proposals made by Mr. P. V. Krishnamurthy, an expert on insurance who has seen service in both the public and private sectors, in a comprehensive article to this journal some two and a half years ago, *vide* pages 831-33 of *Commerce* dated 22nd November 1958. In the absence of the full text of the Committee's report, it is not clear whether the Committee has submitted a concrete scheme for administering the Life Fund, but Mr. Krishnamuthy did spell out his scheme. It is quite possible to divert a part of the L.I.C. funds for establishment of new industrial projects in the private sector without in any way injuring the interests of either the policyholder or the taxpayer. The policyholder is already protected by virtue of the Corporation being owned by the Government of India. The Corporation's obligations in regard to bonus to policyholders can be met by Government guaranteeing a specified return on that part of the funds which is invested in the private sector. When the investments start earning, the Government will get, both by way of dividends and capital gains, much more than it has paid to the Corporation by way of guaranteed return. If the surplus is heavy, a part of it can be passed on to the L.I.C. which can be utilised either to enhance the bonus or to reduce the premium rates. Even otherwise, there is room for raising the bonus. Higher efficiency and low mortality rate can easily bring about a sizable improvement in the surplus available for distribution to policyholders. The cry that policyholders will suffer under the proposed amendment is thus meaningless.

If the Government has complete control over the investment of life fund, on the lines suggested by the Estimates Committee, it can use the proportion now meant for the private sector—there is no reason why this proportion should not be raised, if need be—for encouraging new entrepreneurs, for helping backward States to attract industries, for achieving regional balance in economic development and for establishing difficult industries which will become good dividend payers in course of time but which are not in a position to attract private investors now. If the projects for investment are chosen on sound economic considerations, the return will be quite handsome after the initial years and the net gain will be considerably in excess of what can be earned by buying the scrips of old companies at inflated values. To say that this argument is wrong is to contend that those who invest in shares of new industrial enterprises are doing a foolish thing.

It is no part of the L.I.C.'s function to ensure stability on stock exchanges. If stability is to be ensured through open market operations, the Government could do it by having a separate body for this purpose. Why should the L.I.C. be chosen for this purpose? It is those who say that the present policy and practice of L.I.C. should be continued that are unmindful of policyholders' interests, for there is no guarantee against risks inherent in them. Surprisingly enough, they seem to be oblivious of this point. There is no reason to feel that the withdrawal of the L.I.C. from the stock exchanges will lead to a crash. In the first place, the L.I.C.'s investments in equities have been relatively small, less than Rs. 6 crores per annum. Secondly, such investments have been spread over a very large number of scrips of which a good many are back-benchers. And, thirdly, there is a dearth of good scrips, a position that will continue for several years to come. In case there were to be a sudden influx of these scrips, it would provide an opportunity for individual investors to pick them up at fairly reasonable prices and thereby help broaden the ranks of individual stock-owners, a development which the private sector should welcome. Not long ago, it used to be contended, rightly in our view, that the L.I.C. was helping the unhealthy boom on stock exchanges by not booking its capital profit. Another widespread criticism was that the L.I.C. might be utilised as a machinery for back-door nationalisation. The scope for this danger will be eliminated, if the Estimates Committee's recommendations are accepted. Those who argue that the boom on stock exchanges should be kept up with the help of L.I.C. funds in order to enable new companies to get capital are suggesting that the L.I.C. should be a party to beguiling investors into doubtful ventures or to enabling company promoters to earn windfall profits by collecting a sizable premium on new shares. A sound industrial project should be able to attract sufficient capital in the normal course. Undoubtedly, it is necessary to ensure a climate of confidence for facilitating flow of capital into industries, but this does not mean that a stock exchange boom should be engendered and kept up for that purpose.

Contents

	Page
LEADING ARTICLES—	
L. I. C. Investment Policy	725
A Book Full of Half-truths	725
MARKET GOSSIP	727
ROUND THE EXCHANGES	728
NEWS IN BRIEF	729
PERSONAL	729
THIS WEEK'S SURVEY	730-731
SPECIAL FEATURES—	
On the Arena	732
American Letter	733
London Letter	733
Manchester Letter	737
Storm and Calm World's Exchange Markets	764
CHAIRMEN'S SPEECHES—	
Sen-Raleigh Industries India Ltd.	755
Hindustan Lever Ltd.	756-757
Indian Paper Makers' Association	758
Canara Bank Ltd.	759
Indian Overseas Bank Ltd.	760-761
MONEY AND BANKING	734-735
TEXTILES	736
INSURANCE	740
PLANTING	742
ENGINEERING	744
NEW PRODUCTS AND PROCESSES	747
COMMERCE AND INDUSTRY	761
COMPANY MATTERS	762-765
MARKET REPORTS	766-769
MISCELLANEOUS STATISTICAL INFORMATION	770-772
STOCK AND SHARE QUOTATIONS	773-780
WEEK'S STOCK EXCHANGE TREND	779

A BOOK FULL OF HALF-TRUTHS

WORLD interest in Indian economic development has been growing rapidly. This is due not merely to the fact that India is a vast Asian country, trying to quicken the pace of development broadly through democratic planning but also because the dependence of India on foreign assistance is now substantially large. It is only natural that foreigners should review our policies and achievements critically and India should welcome this for

more than one reason. Such appraisals are especially welcome on the eve of the finalisation of India's third Five-year Plan. One would normally look forward with special interest to a book by Prof. Bauer, who is a specialist in the field of underdeveloped economies, being, among other things, the joint author of a Cambridge University handbook on the subject and Professor of Economics (with special reference to economic development in underdeveloped countries) in the University of London. We are, however, sadly disappointed by his latest book entitled *Indian Economic Policy and Development.** It does not appear to be the product of objective thinking. On the contrary, it is full of prejudices and is a long catalogue of acts of omission and commission on the part of the Government of India. Essentially, what the Professor is opposed to is India's socialism. One can judge the substance of the criticism when it is mentioned that a very distinguished British economic weekly characterised the book as full of half truths; it will be borne in mind here that understatement is the characteristic of the British. Perhaps, it will not be an exaggeration to say that Prof. Bauer has written in the best traditions of a Tory diehard. It remains to be seen whether this book will do any harm to India, but, fortunately for us, the author is in a minority which is fast shrinking in size.

Now, what is the catalogue of commissions and omissions on the part of the Government of India? The fundamental mistake is, according to Prof. Bauer, the Government has embarked on socialist planning. The regulation of the economy is severe. The investment is excessive. Its composition is wrong, especially the emphasis on heavy industry. Agriculture is neglected. So are education and transport, especially roads. The deficit financing is too large. The private sector is being "throttled." Foreign aid is being given predominantly for non-economic considerations. There is conspiracy, as it were, on the part of the Government of India or foreign economists and journalists, especially American, to withhold information and overlook failings, in order to obtain large foreign aid for India. Continuance of large-scale foreign aid will, by adding to Government's resources, only perpetuate the wrong things that are a feature of development planning, which, according to Prof. Bauer, is not essential for the development process.

Prof. Bauer feels that the suggestion that foreign aid "be abandoned is at first sight attractive when applied to aid to India, where it serves to underpin policies resolutely pursued which cannot be interpreted reasonably as according either with the aim of raising the standard of living of the masses, or with the aim of promoting a society resistant to totalitarian influences." However, the Professor himself feels that this may not be done. So he has urged that the aid must be much smaller than what India has obtained for the second Plan or what it would like to get for the third Plan. The figure which Prof. Bauer recommends is no more than £75-100 million (Rs. 100-135 crores) per annum for a period of 3-5 years, as compared with the average of about Rs. 600 crores per annum that has been projected for the third Plan.

Nobody in India, least of all the Planning Commission, has maintained that all has been well with the Plans so far. For instance, it is now well recognised that not sufficient attention was given to agricultural development in the second Plan, this being presumably due to the substantial improvement that was recorded in output in the first Plan, that more attention should have been paid to the development of general and technical education and managerial talent, and that a larger role should have been allotted to the private sector than has actually been the case so far. There has been frank admission of the under-estimation of the requirement of foreign exchange for the second Plan which is now being estimated much more realistically for the third Plan. Likewise, there has been growing concern at the extent of deficit financing and, for this reason, the quantum of deficit has been rapidly going down from 1958-59 onwards; the deficit for the current year (1960-61) is very small, of the order of Rs. 35-40 crores only. In fact, the ceiling to deficit financing for the third Plan is placed at Rs. 550 crores and a deficit of this magnitude cannot be regarded as inflationary. Prof. Bauer has ignored all these latest trends and facts. He has taken the figure of deficit financing of the first 2-3 years of the second Plan and tried to paint a harrowing picture of the evils of deficit financing. Incidentally, Prof. Bauer and his like require to be told that a good part of the balance of payments deficit in the first two years of the second Plan did not reflect the import propensity of deficit financing. It was a deliberately planned deficit in balance of payments, for the much larger investment of the Plan. In fact, to a large extent, deficit financing and balance of payments deficit were one and the same thing, the Government's requirement of foreign exchange being obtained through borrowing from the Reserve Bank of India.

The criticisms regarding the restrictions on private sector's activities are also largely theoretical and out of date. Despite several inconsistencies in the Government's policies, the fact remains that the private sector has recorded a tremendous expansion in recent years. The best testimony to this is the veritable boom in the stock market in the past two years. Some of the spheres earlier reserved for the public sector have been thrown open to the private sector. Steel, coal and fertilisers are, to mention a few instances, witnessing expansion in the private sector. The Government has also taken steps to increase the flow of financial resources to the private sector, through the setting up of special institutions. In the matter of allocation of foreign exchange, too, the private sector has not been discriminated against. In the result, the actual performance of the private sector has turned out to be about 40 per cent higher than the estimate of Rs. 2,400 crores given in the second Plan projection, whereas the public sector outlay has had to be cut. It is surprising that Prof. Bauer has not taken note of these developments. The fact that private foreign capital is coming to India in much larger amounts than before, albeit in collaboration with the private sector in India, bears testimony to the increasing confidence of foreign investors.

It is true that there are many formalities, procedures and regulations to which the private sector has to submit itself and that, undoubtedly, there is scope for rationalisation. It is also true that not all the sections of the Government and the ruling party appreciate the role of the private sector. But, in a young democracy with 400 million have-nots, this is inevitable to some extent. Perhaps, many of the State Governments could abandon with advantage their adventures into certain types of economic activity, which the private sector could handle more competently. One may also concede that, while corporate taxation, in general, is not oppressively heavy, the taxation of the high income brackets is severe and what is more the multiplicity of taxes is annoying.

It is, however, a moot point whether the private sector would have been in a position to undertake many of the industrial projects which the Government has undertaken. Its ability to mobilise internal resources is relatively much smaller, in the present circumstances, than that of Government. It is extremely doubtful if the private sector could obtain a fraction of foreign aid that Government is able to mobilise. Neither would it be practicable for Government to obtain large domestic and foreign resources and place most of them at the disposal of the private sector. There is scanty recognition in Prof. Bauer's book of the undeniable fact that the dynamism of the private sector owes its inspiration, to a large extent, to the ambitious planning of Government. The majority of the private sector, however, is fully aware, and quite appreciative, of this.

Nor can there be much disagreement over the emphasis on heavy industry, especially steel. Nearly every one has recognised that India is favourably placed for the production of steel. This is not to say that one should necessarily justify the setting up of three units in the public sector rather than two or that one should support the establishment of a fourth unit in the third Plan in the public sector. There could, of course, be some pruning here and there, but, by and large, the emphasis on heavy industry and power is justified, when the country has resources.

Despite the rate of growth of national income in the second Plan falling behind expectations, the increase, in real terms, of the order of 40 per cent in the decade of planning, compares very favourably with the growth in the long period of British rule; incidentally, Prof. Bauer is of the view that it is not "meaningful" to ascribe Indian poverty to the effects of British rule, a view with which few will agree, either in India or abroad, not excluding the British Isles. It is the advent of planning under Government auspices after independence that has injected dynamism into a stagnant economy. The inhibitory customs, beliefs and the influence of caste are waning, though some may consider that the pace needs to be greater. There is everywhere a desire to improve the standard of living. People are reading, talking and thinking on the problem of economic development. Ministers, members of legislatures and the general public are becoming increasingly educated in the economics of growth. These are some of the aspects of Indian economic planning which deserve to be appreciated, rather than figures of food or steel output, rate of growth of national income or balance of payments deficit, important though they are. Indeed, hundreds of distinguished foreigners who have visited India have paid a compliment to India's effort and success in these directions. They have come to India, partly on their initiative and partly on the initiative of the Government and, while, of course, they have many criticisms on detailed aspects of the Plan, hardly anyone has condemned the Plan *in toto*, as the learned Professor has done. In fact, he goes further and questions the *bona fides* of the favourable comments of others. He suspects a conspiracy on the part of all, especially the American economists, to get more aid for India. He has not even one good word for the Government of India. This is a sad feature of Prof. Bauer's book. Any critic is welcome to be brutally frank in his appraisal, but the criticism should be marked by objectivity and sympathetic understanding of the historical, political and environmental factors operating on the economy. It is, however, a matter for gratification that such one-sided criticisms are, as stated at the outset, so few. It is for each country to decide the pattern of its economic organisation, but the point is that, so far, there is not enough evidence to show that Governmental activity has been injurious to economic growth. In any case, there is no reason to assume that economic policies would not be modified to meet the changing situation, since the declared objective of the Government is to achieve economic growth through democratic means. As already mentioned, the Government has given much evidence of flexibility. Again, one should also note that the democratic process is really one of trial and error and various conflicting points of view have to be reconciled, leading to compromises of all sorts.

While Prof. Bauer has indulged in wholesale condemnation of the Indian Government's economic policy, we do not propose to do the same and condemn his book unreservedly. He has quite a few valid points of criticism, most of which have, in fact, been recognised by the planning authorities themselves. Development of agriculture, education, general as well as technical, and development of transport facilities are being given greater priority in the third Plan, though in respect of education and transport, especially road transport, Government ought to go much further. There is likewise a need to put foreign aid to the most productive use. India's record in the matter of utilisation of foreign aid is considered to be quite good by foreigners, but let us apply to ourselves even more rigid standards than what the foreigners do, so that there may be no difficulty to service the debt and repay it on maturity. Export promotion needs to be tackled much more vigorously. Likewise, the Government should do a much better job of mobilisation of domestic resources than what it has accomplished so far. The fact that Prof. Bauer recommends foreign aid of £75-100 million per annum is itself some indication that even he has some confidence in India's ability to put foreign aid to good use. But any attempt to influence the evolution of Indian political and economic policies and institutions is essentially the job of the Indian electorate. Subject to this basic postulate, it is the duty of all of us to study all criticisms and viewpoints, particularly of those who have a genuine desire to help us, and it should be our endeavour to profit by them in stepping up the rate of growth of the economy.

Indian Economic Policy and Development. By P. T. Bauer. Publishers: Messrs. George Allen and Unwin Ltd., London. Pages: 152. Price: 16 shillings.

MARKET GOSSIP

Much Ado About Nothing?

THERE is little prospect of the Government of India accepting the suggestion of the Estimates Committee to divest the L.I.C. of the function of investing its funds. The Union Finance Ministry is opposed to the idea and, although Mr. Morarji Desai refrained from commenting on it in his reply to the debate on his Ministry, his past observations on the investment policy of the L.I.C. and his conservative outlook on these problems warrant the inference that he would favour the continuance of the *status quo*. It is a safe bet that the L.I.C. Chairman and his officers will have to carry the responsibility at least for quite some time to come, if not for ever. With the life of the present Parliament and the present Cabinet limited to only one more year, the operators in share markets can safely proceed on the assumption that there would be no change in the investment policy of the L.I.C. on the lines suggested by the Estimates Committee for another 12 to 18 months. It would be quite unrealistic to speculate now on what the next Parliament and the next Government would do.

The substantial shake-out experienced by the share markets this week merely because of certain proposals on paper is proof of the fact that the speculators had overtraded on the long side and the slightest adverse news was enough to make them uneasy. But the most important factors that have weakened their hands are the high level of interest rates and the absence of investment support for equities at the top levels. From 1st April, most banks have raised their rate of interest on advances against shares to 7½ per cent per annum and, even at this rate, they are reluctant to allow the parties to draw up to their full limit. The *budli* charges in the market are, therefore, much higher, as much as 12 to 15 per cent per annum. With the scope for further capital appreciation in the near future restricted and with net yields on the popular scrips being in the neighbourhood of 4 per cent, bulls have very little attraction to hold on to their purchases.

Some are, however, banking on the hope that interest rates will tend to decline after a few weeks, when the traditional period of busy season comes to an end. Another hope is that, since no new capital issues by the private sector will be permitted in the slack season and since a good part of the capital, now being locked up in such promising issues as Goodyear Tyre and Madras Rubber, will be returned in the next two months, the markets may begin to look up again a month hence. A third hope is that, in order to make Central and State Governments' borrowings successful, the Reserve Bank will soon initiate appropriate measures to ease the money market. A fourth hope is that, after Parliament adjourns by the end of this month or early next month, the chances of getting shocks from New Delhi will be next to nothing. The Bill to amend the Income-tax Act is due to be introduced in Parliament in the next few days and this may provide an occasion for some members to run down the private sector again. One cannot also be too sure that the Bill itself will be completely innocuous so far as the stock exchanges are concerned. But the firmness with which Mr. Morarji Desai replied to allegations of widespread tax evasions in the country suggests that he will not support woolly and unpractical ideas. For all these reasons, some in the markets feel that the present setback to equity values is only a passing phase and that the upward trend in equities will very soon assert itself. But there is also a growing opinion that, if and when this happens, many an investor would be tempted to book his profit as a precaution against pre-election shocks.

It remains to be seen whether this prognostication, which is apparently based on previous experience, will materialise. It is true that the 1954-56 boom came to an end in July-August 1956 and was followed by a depression which lasted for nearly two years. But the party-in-power is in a more chastened mood today than it was some two or three years ago. There is, of course, still the ginger group (of the Congress Party) into which Mr. K. D. Malaviya is trying to infuse fresh strength. He seems to have been successful in getting a broad measure of support from Members of Parliament for his oil and mineral policies, even though they have yielded very little solid results and muddied the climate for obtaining foreign aid. There are many in Government circles who feel that, while Mr. Malaviya has been successful "in bringing the three foreign oil companies to their senses," he is going too far in stubbornly refusing to allow them to expand their activities. They readily concede that the gains achieved by him through hard bargaining with oil companies have been more than neutralised by his dog-in-the-manger policy in regard to exploration, drilling and refining, a policy which has come in for sharp criticism, behind the scenes, of course, from the members of "Aid-India Club," including the World Bank. It is felt by knowledgeable circles that, if Mr. Malaviya pursues this policy without substantially modifying it in the very near future, the Indian spokesman will find it pretty difficult to convince the "Aid-India Club" of the need for foreign assistance of the order envisaged in the third Plan.

The Union Cabinet must be fully aware of this possibility. It is reported that, during his flying visit to New Delhi this week, Mr. B. K. Nehru, India's Commissioner-General for Economic Affairs in Washington, gave a full report to the Government of the reactions of Western Governments to Mr. Malaviya's oil policy, about which he is believed to have written to it even earlier. All this does not seem to have made any impression on him. The lack of realism in his policy will be further evident from the fact that, at a time when India's foreign exchange resources are less than Rs. 130 crores, he is in favour of the foreign oil marketing companies and refineries throwing open a part of their capital to Indian investors. In other words, he will have no objection to their repatriating a part of the funds they have invested in this country. The significance of tolerance shown to Mr. Malaviya's attitude is that doctrinaire leftist forces in the Cabinet are still a power to reckon with in this country.

Tackling the Sugar Problem

It would appear that, for India, it is more difficult to tackle the problem of surplus of a particular commodity than the problem of scarcity. This is so at least in so far as sugar is concerned. The sugar mills are carrying heavy stocks and the stocks are expected to be heavier still towards the close of the current season; one estimate places the total undisposable surplus that will lie with mills as on 31st October next at as much as 1.35 million tons. The spokesmen for the industry have clearly warned that, if the position does not improve, the industry will not be able to purchase the cane supplied by farmers, to pay the cane cess, purchase tax and co-operative societies' commission, and to implement the Wage Board's award. The crisis could have been avoided if only the authorities had followed a realistic sugar policy without importing political considerations into it. The result is that they are now greatly confused as to what should be done to solve the crisis of plenty in sugar. Such is the impression one gets from the observations made by Mr. S. K. Patil, Union Minister for Food and Agriculture, in the course of his reply to the debate on the demands for grants for his Ministry in the Lok Sabha on Tuesday this week.

One had thought that Mr. Patil would clearly spell out the Government's policy on sugar. But this hope has been belied. Mr. Patil has not indicated any firm line of action to tackle the problem of surplus, nor has he made policy pronouncements on the issue pertaining to controls on distribution, movement and prices, excepting to say that the Government would bear all the export losses in the first year of the export programme. At one stage, he rejected outright the plea for the immediate removal of all controls on sugar, on the ground that, if this step were taken, "there would be such a collapse of price that the whole industry would go to the dogs." But at another stage, he said that, as soon as the export programme got under way, control on distribution would be lifted in a manner which would enable more sugar to come into the market. To quote him: "When the sugar gets out, if I liberalise circulation and remove the control on distribution, you will find the possibility of somewhere about 200,000 tons (more) of sugar being taken by the people."

The statement of Mr. Patil that "the loss on sugar export will be borne by the Government itself mainly in the first year at any rate," is vague. What, one would ask, would happen to the losses on exports in the subsequent years? It is, of course, a different question whether there will, in fact, be any sizable exportable surplus of sugar in the coming years, in view of the continuously rising pressure of demand for this article of daily necessity in the context of the expanding population, the increasing living standards of the masses and the growing preference of consumers for white sugar *vis-a-vis* brown sugars (*gur* and *khandsari*). There is also the vagary of Dame Nature which influences greatly the size of sugarcane crop and, consequently, rate of sugar output. The problem will not be so stupendous as is made out, if the Government quickly implements a stockpiling programme, followed by measures to reduce the area under sugarcane for the next season and relaxation of controls on distribution and consumption.

The need for earning foreign exchange is no doubt urgent. But no less urgent is the need for ensuring sufficient supplies to the expanding domestic market at a reasonable price. As in the case of coffee so in that of sugar, the larger the home market, the greater the industry's capacity to export a larger volume at a loss. On an average, the loss on 100,000 tons of sugar exported abroad comes to about Rs. 4 crores, besides the loss in rupee resources to the extent of Rs. 3.43 crores as a result of the full remission of excise duty and cane cess. The total loss thus comes to Rs. 7.43 crores or over Rs. 24 for every ton of sugar produced. The loss will rise further, if exports are increased without expanding the size of the domestic market. It is true that the loss may be subsidised either directly by the Government or at the cost of the industry or the consumer. But there is a limit upto which such subsidy can be extended.

A stable export market for Indian sugar can be built up not on the basis of subsidy or other artificial props, but only through efforts at making sugar a competitive commodity in world markets. It is true that the free market in world trade in sugar is an artificial one and that sugar producers all over the world are subsidised in some form or other. But the cost of production of Indian sugar must be substantially brought down even for finding an overseas buyer who is prepared to extend to this country the special price which he is paying to another country for political or other reasons. It is here that the sugar policy of the Government calls for a complete reorientation. The primary objective of the policy should be reduction in production cost. Sugarcane, the principal raw material, accounts for the major portion of the cost, thanks to the system of paying for cane on the basis of weight alone irrespective of quality considerations. Although Mr. Patil is fully aware of the defects in the system, he is reluctant to change it. In the Lok Sabha this week, he revealed that he was working on a long-term plan by which sugarcane prices could be reduced without affecting the income of the farmer. He is reported to have said: "If the yield can be raised by 40, 80 or 100 per cent by provision of better fertilisers and irrigation facilities, it is reasonable for me to ask something in return." While it would be interesting to know the details of Mr. Patil's plan, it must be emphasised even at the risk of repetition that there is no alternative to the method of paying for cane other than the one that relates the price to the sugar contained in cane and not to the wood in it. It is only the adoption of this method that will ensure a higher return to the cane grower and a reduction in the land devoted to sugarcane. If Mr. Patil takes a bold lead in giving effect to such a policy, he will surely have rendered a distinct service to the agriculturists, the sugar industry and the consumers.

So far as the immediate problem is concerned, an attempt may be made to solve it on the following lines:

(1) Government should build up a bufferstock of 300,000 tons to 400,000 tons of sugar.

(2) Remove controls on prices and distribution.

(3) Reduce the excise duty and cane cess by one-fourth. The loss could be more than made good through increase in consumption. After all, the Government did not bargain for a production of 2.7 million to 3 million tons this season.

(4) Let the consumer have the benefit of cheap sugar and eat more sugar. If he cannot do so now, when the supply is more than the demand, when will he?

(5) The banks should be enabled to increase the accommodation to sugar factories and merchants by the Reserve Bank freely rediscounting such advances at the basic Bank rate of 4 per cent on the distinct understanding that they will charge their clients not more than 6 per cent.

(6) It is hard to believe that sugar mills are not making adequate profit. They have all had a larger supply of cane and a bigger turnover. Accordingly, if the effective ex-factory prices go down a little, outcome will not be that serious. Surely, if there are uneconomic or inefficient units in sugar industry, now is the time to eliminate them. How long should India put up with inefficiency even in such a simple processing industry as sugar?

(7) The Government should boldly announce a modest reduction in the price of sugarcane even for the 1961-62 season. One real test of leadership lies in leading the masses (here cane growers) and not in being led by them. If it is the forthcoming elections that are worrying the Ministers, they seem to be suffering from imaginary fright. Are not consumers of sugar larger in number than growers of sugarcane? Can they not make capital out of a reduction in the price of sugar? They can serve the cane growers' interests better by enabling them to receive prompt payment for the cane sold to the factories and by persuading them to sell their unharvested crop to the factories at a lower price. If the price of cotton, wheat and rice can be allowed to go down, why should price of sugarcane alone stay put at a fancy level?

Paper Industry

The production target for paper and paperboard tentatively fixed to be achieved by the end of the third Plan (1965-66) is 700,000 tons, which may be revised upward, since licences have already been granted or approved to increase the installed capacity to 1,145,000 tons (from 410,000 tons) in 1960-61, as against the original target of 900,000 tons. The tentative production target of 700,000 tons itself represents quite a substantial rise—350,000 tons or 100 per cent—over the actual estimated output of 350,000 tons in 1960-61. Will so much of additional production materialise? It will be rash to say that it will on the basis of the remarkable production performance of the industry during the second Plan period which witnessed a rise of 90 per cent in output, from 187,000 tons in 1955-56 to 350,000 tons in 1960-61. For the conditions now obtaining in the paper industry are greatly different from those prevailing during the major part of the second Plan period. The industry today is caught between the impact of enhanced cost of manufacture, on the one side, and fixation of uneconomic prices, on the other. How disquieting is the situation was pointedly described by Mr. P. J. Egan, Chairman of the Indian Paper Makers Association, in his speech at the recent annual meeting of the Association at Calcutta. Here is what Mr. Egan said:

"The prices of all raw materials, including rags and paper cuttings, have increased considerably. The price of coal has gone up and, due to wagon shortage, mills are now incurring additional expenditure on road transport for coal. In addition, coal bills have shown an all-round increase, due to the downgrading of coal for the paper industry. The basic prices of china-clay, rosin and almost all chemicals used by the industry have increased and, as most of these items are generally supplied in gunny bags, packing charges for these items have recently soared, due to the inordinate increase in the price of gunnies which, of course, has had its effect on mills' own packing costs. Moreover, labour costs have increased as a result of Tribunal awards."

Mr. Egan would, perhaps, not have taken pains to highlight the above handicaps had it not been for the fact that the paper industry is compelled to sell its products at prices based on the

(Continued on page 779)

EQUITIES DRIFT DOWNWARD

UNDERTONE EASY

(From Our Own Correspondents)

BOMBAY, *20th April*

THE share market had a short trading week of only four working days, since it was closed on Friday the 14th inst. (*Ambedkar Jayanti*) and Monday the 17th (*Shivaji Jayanti*). During this brief period, equities drifted downward. The power cut in several industrial regions gave rise to fears of a possible setback to production with adverse effect on the profits of companies. The continued monetary stringency restrained the enthusiasm of investors. Further, the forthcoming attractive new public issues of leading companies checked the flow of funds for investment in existing scrips. On top of all these came the Estimates Committee's recommendation to the Government to take over investments of life insurance funds from the L.I.C. It was feared that, if the recommendation were accepted, the L.I.C., the largest institutional investor in the country, would withdraw completely from the share market. Heavy speculative liquidation, therefore, ensued and scrips in both cash and forward lists suffered a sharp setback on Tuesday. But, on second thoughts, it was realised that the recommendation would not be accepted by the Government at all; operators noted the report that the Estimates Committee had itself referred to the strong objection raised by the Finance Ministry officials. This consideration and the announcements of further tax concessions by Mr. Morarji Desai in the Lok Sabha yesterday led to a recovery in values yesterday and today. The recovery, however, was not marked enough to make up for the earlier losses, so that the closing rates today were lower than those at the end of last week.

Steel shares staged a retreat. Tata Steels came in for heavy selling, in spite of the news of L.I.C. buying, and declined from Rs. 150 to Rs. 145. At this level there was short covering as well as some replacement buying and the scrip rose to Rs. 146.25. The net loss over the week is Rs. 3.75. Indian Irons dropped 25 nP to Rs. 26.55. Mukand Irons, however, were well favoured, thanks to the announcement of expansion plans by the Company, and were marked up from Rs. 26 to Rs. 27.15.

Barring a few select scrips, textiles lacked support. Finlays were marked down by Rs. 15 to Rs. 326. Khataus slumped by Rs. 11.25 to Rs. 335. Podars eased by Rs. 9 to Rs. 147. Swans fell by Rs. 10 to Rs. 555. Morarjees eased by Rs. 8 to Rs. 332. Gokaks and Indores receded by Rs. 4 each to Rs. 180 and Rs. 144, respectively. Svadeshis were quoted Rs. 3.75 lower at Rs. 257.75. Kohinoors were done Rs. 3.50 lower at Rs. 289.50, as against Rs. 293 last week. Standards lost Rs. 3 to Rs. 1,482. Simplex shed Rs. 2 to Rs. 187. Centurys, however, elicited special support and firmed up from Rs. 569.50 to Rs. 583.50 before finishing at Rs. 581. Indore Malwas strengthened by Rs. 4 to Rs. 144. Bombay Dyeings, after minor fluctuations, closed unchanged at the last week's level of Rs. 65.30.

Cements were subdued. A.C.Cs came in for selling induced by the failure of the expected bonus issue to materialise and declined progressively from Rs. 158 to a low of Rs. 155.50; towards the close, they shaded better at Rs. 156.25. The net loss over the week is Re. 1.75. Digvijays receded by Re. 1.50 to Rs. 152. Orissas were dull at Rs. 14.32.

Sugar shares did not show any decisive trend, as operators preferred to analyse the implications of Mr. Patil's statement in the Lok Sabha on sugar prices, controls and stocks. Belapurs eased from Rs. 286 to Rs. 280, though towards the close they attracted some support and recovered a part of the earlier losses. The finish was still Re. 1 lower than the last week-end quotation of Rs. 286. Maharashtra Sugars receded by Re. 1 to Rs. 201.50. But Walchandnagars were well favoured and put on Rs. 3 to Rs. 197. Bhopals were a shade better at Rs. 26.10. Phaltans were quiet at Rs. 143.

Further ground was lost by shipping shares. Great Easterns declined by 24 nP to Rs. 15.05. Scindias eased by 32 nP to Rs. 14.32. Among automobiles, Premiers fell by Rs. 2.75 to Rs. 167.50. Hindustan Motors eased from Rs. 19.68 to Rs. 19.76.

Uncertainty about the incidence of excise duty continued to depress rayon shares. National Rayons were hammered down from Rs. 520 to Rs. 500.50 on Tuesday. Scattered buying attracted by the low level lifted the scrip to Rs. 506 at close today after having touched Rs. 507.50. Baroda Rayons eased by Rs. 3 to Rs. 139.50. The Company has decided to issue right shares to its existing shareholders in the ratio of one new share for every two held at a premium of Rs. 5, that is, at Rs. 105 per share. South India Viscoses changed hands Rs. 3 lower at Rs. 157. Gwalior Rayons receded by 25 nP to Rs. 44.75.

Dyes and chemicals continued to be depressed. Polychems slumped by Rs. 15 to Rs. 225. Colourchems and Indian Dyestuffs were marked down by a like amount to Rs. 325 and Rs. 487.50, respectively. Adarsh Chemicals fell by Rs. 9 to Rs. 75. Alembics softened by Re. 1.50 to Rs. 265.50. Amar Dyes, Citrics and Dhrangadhras were neglected at Rs. 390, Rs. 57 and Rs. 132, respectively.

Engineering shares fared no better than others. Telcos encountered selling and retreated from Rs. 338.25 to Rs. 322 on Tuesday but recovered to Rs. 331.50 today. Cooper Engineerings declined further by Rs. 13 to Rs. 195. New Standards (new) were down by Rs. 5 at Rs. 178. Despite favourable working results, Alcock Ashdowns decreased by Rs. 2 to Rs. 324. Kamanis shed a rupee to Rs. 17. Mahindras lost 76 nP to Rs. 20.24. Texmacos receded by 16 nP to Rs. 21.84. Premier Constructions dropped 50 nP to Rs. 192.50.

In the miscellaneous section, too, selling was widespread. Bombay Burmahs declined from Rs. 613 to Rs. 604. The Company's tea crop during the 9-month period ended 28th February, 1961, amounted to 49.56 million lbs., as compared with 45.89 million lbs. in the same period last year. Wimcos slumped by Rs. 20 to Rs. 276. Tata Oils moved down by Rs. 5.20 to Rs. 76.50. Jayant Papers lost Rs. 4.50 at Rs. 58.50. Premier Tyres eased by Rs. 3.50 to Rs. 105. West Coast Papers softened by a rupee to Rs. 206. Voltas lost a like amount to Rs. 275. Hindustan Levers declined by 98 nP to Rs. 47.50 *ex-div.*

• • • •

Madras Stock Exchange

MADRAS, *19th April*

The Stock Exchange continued to be subdued during the week under review, with professional operators reluctant to enter into new commitments either way. The Estimates Committee's suggestions that the Government should take over the investment of Life Insurance Corporation's funds acted as a great damper. There was also much concern over proposed cut of 50 per cent in the power supply from next month which, it was feared, would adversely affect the production operations of industries. Textiles were subjected to selling pressure. Tea company shares ruled easy, on reports that there was demand for tea only at low prices. Coffees drifted downward, thanks to large accumulations of stocks and continued decline in prices. In sympathy, rubbers were weak. Sugars suffered a setback to vaues. Banks and electricals were featureless. In the miscellaneous section, chemicals and cements encountered selling.

GOODYEAR INDIA

The eagerly awaited public issue of Goodyear India Limited has now been announced; it will open for subscription on Tuesday next week (25th April). The issue, the details of which are published on pages 748-751, consists of 400,000 equity shares of Rs. 10 each at a premium of Rs. 7 per share. Applications for shares must be for a minimum of 50 shares or multiples of 50 shares. The whole issue is to be thrown open to the public, unlike in the case of other companies where substantial portions are earmarked for being subscribed by promoters and directors, as well as their friends and managing agents. Recently, the Company allotted 1,600,000 equity shares of Rs. 10 each to the parent Company, namely, Goodyear Tire and Rubber Company of Akron, Ohio, U.S., on consideration of machinery and equipment to be supplied by it and partly in consideration of cash payment.

The public response to the above issue is bound to be overwhelming, despite the premium of Rs. 7 per share, what with excellent growth prospects and chances of handsome return on investment. There is, as it is, a good demand for the Company's tyres and other rubber products and this is likely to increase further, as its manufacturing facilities are completed and as the general market expands, in keeping with the improvement in standards of living and communications. The Company has embarked on a major programme of erecting and equipping an entirely new factory. The proceeds of the issue will be used to purchase machinery and equipment abroad and also provide additional working capital. No information is, however, made available as to the installed capacity of the new factory and the actual annual rate of output. The Company has already secured from the U.S. Export-Import Bank credit facilities amounting to Rs. 2.25 crores. It is anticipated that the Company will be in a position to meet out of its internal resources its obligations under the loan agreement in relation to repayment of interest and instalments of the principal. The credit is repayable in 18 equal half-yearly instalments commencing from 15th February 1961 and bears interest at 6 per cent per annum.

Have you made sure of your copy ?

PROBLEMS IN THE THIRD PLAN

200 pages, Rs. 2.00

(postage extra)

Please write to:

The Business Manager

Publications Division

DELHI-6

DA 61/80

ASSOCIATED INDUSTRIES (ASSAM)

The Associated Industries (Assam) Ltd., a company promoted by the Calcutta business house of Jatias for the purpose of setting up a cotton spinning mill and a chemical plant in Chandrapur area near Gauhati in Assam, has announced the issue of capital amounting to Rs. 50 lakhs to finance the projects. The details of the issue appear elsewhere (pages 738-739). It will be seen therefrom that the issue consists of 15,000 9.3 per cent (taxable) redeemable cumulative preference shares of Rs. 100 each (Rs. 15 lakhs) and 350,000 equity shares of Rs. 10 each (Rs. 35 lakhs). The entire preference shares will be taken up by the Government of Assam for cash at par. Of the equity issue, 250,900 shares (Rs. 25.09 lakhs) will be open for public subscription, including the 50,000 shares reserved for the people of Assam; the subscription list will open on Friday the 28th inst. The balance of Rs. 9.91 lakhs will be taken up by (1) the Government of Assam (40,000 equity shares), (2) Rallis India Ltd., Calcutta (30,000 shares), and (3) the Directors, their relatives, friends as well as associated companies (29,100 shares, in addition to the 100,000 shares already allotted to them).

The total capital outlay on the projects is put at Rs. 105 lakhs. The Industrial Finance Corporation of India has sanctioned a rupee loan of Rs. 26.17 lakhs and a dollar loan of $505,000 for the purchase of plant and machinery. The Company has entered into an agreement with the well-known American firm of Singmaster Breyer Inc., New York, for the supply of a complete plant to produce sulphur dioxide (liquid), sulphuric acid, superphosphate and mixed fertilisers. As for the cotton mill, the New Standard Engineering Company of Bombay has undertaken to supply and erect the blow-room machinery and Textools of Coimbatore will supply the other equipment such as card engines, can fed inters and ring spinning frames.

MADRAS RUBBER FACTORY

It will be recalled that a brief reference to the proposal of the Madras Rubber Factory Ltd. to offer for public subscription capital amounting to Rs. 50 lakhs was made on page 170 of *Commerce* dated 28th January 1961. The details of the offer have been announced now—*vide* pages 752 and 753 of this issue. The list of public subscription will open on Monday the 24th inst. and close on the 29th or earlier but not before the 26th inst.

The capital of Rs. 50 lakhs (500,000 equity shares of Rs. 10 each) to be offered for subscription will enable the Company to meet 25 per cent of the total estimated additional outlay of Rs. 2.0 crores on the production programme which envisages manufacture of 300,000 automobile tyres, 300,000 tubes and 10 million lbs. of camelback and tread rubber annually. A sum of Rs. 25 lakhs has been reserved for subscription by the Mansfield Tyre and Rubber Company of the U.S., the foreign collaborating firm, against payment for machinery, etc., to be purchased in the U.S. and/or in cash and an equal sum will be taken up by promoters, directors and their friends. The balance of Rs. 1 crore is proposed to be raised by loans from banks and other financial institutions.

The public issue of Madras Rubber is expected to meet with full success. The factory is already earning handsome profits and the prospect of a dividend on the increased capital from the very first year of the commencement of production of tyres, tubes, and camelback and tread rubber is promising. The Company has sufficient spare land for further expansion. The products of the Company are assured of a ready market. Mansfields has given the factory liberal and generous collaboration terms. The Directors and Managing Agents of Madras Rubber have sufficient experience in all aspects of rubber industry and business management, and are connected with a large number of rubber plantation companies and rubber factories.

POLYCHEM

Polychem Limited, Bombay, has received the consent of the Controller of Capital Issues for the issue of 32,000 equity right shares of Rs. 50 each at a premium of Rs. 75 per share. The existing shareholders will receive the right shares in the ratio of two shares for evey five held by them. As a result of this issue, the ordinary capital of the Company will increase from Rs. 40 lakhs to Rs. 80 lakhs.

The object of the present issue is to finance its new styrene manomer project which is estimated to cost approximately Rs. 3 crores. Styrene manomer is an important plastic raw material used in the manufacture of polystyrene. Although the Company has an installed capacity to produce about 12½ million lbs. of polystyrene, only 60 per cent of the capacity is now being utilised due to inadequate imports of styrene manomer. The Company is, therefore, anxious to produce styrene manomer at an early date in order to expand the production of polystyrene. The plant is expected to go into production by the third quarter of 1962. It has already secured an industrial licence and has finalised arrangements for a dollar loan of Rs. 1 crore from the Industrial Finance Corporation. The technical collaborators for the project are Messrs. Dow Chemie A.G. of Switzerland.

The issue of 196,000 equity shares of Rs. 10 each offered by the Binani Metal Works Limited, Calcutta, has been largely oversubscribed. The Directors propose to take every possible step to expedite the allotments and arrange refunds after consultation with the Stock Exchange authorities.

NEWS IN BRIEF

THE U.P. Government has decided to refer for arbitration the question of rationalisation in the State's textile mills to the former Chief Minister, Dr. Sampurnanand.

A new company by the name of Indian Drugs and Pharmaceuticals Ltd. has been registered by the Government of India to implement the four drug projects to be set up with the assistance of Soviet Russia.

The Government of Madras proposes to effect a 50 per cent cut in the electricity supply in the State with effect from the beginning of next month, unless the storage position of reservoirs in the hydro-electric system improves in the meantime.

The Government of India has decided to extend the benefits of compulsory contributory provident fund under the Employees' Provident Funds Act to the starch industry with effect from 31st May 1961. The Act now covers 48 industries.

The Union Ministry of Commerce and Industry is considering a proposal of the Kerala Government for establishing a plant to manufacture heavy transformers and switchgear in the State. It is learned that Hitachi of Japan has agreed to collaborate with a private party in the proposed project.

India's exports were higher by about Rs. 5 crores at Rs. 53.59 crores in February 1961, as compared with the corresponding month last year. Imports, too, rose from Rs. 69.68 crores in February 1960 to Rs. 74.32 crores. The adverse balance of trade declined from Rs. 21.04 crores to Rs. 20.73 crores.

An agreement in principle has been reached between the Government of India and the two foreign oil refineries operating in Bombay for refining crude oil from Ankaleshwar. Disclosing this in the Lok Sabha, Mr. K. D. Malaviya, Union Minister for Mines and Oil, stated that details of the proposed arrangement were being discussed now.

The Standard-Vacuum Oil Company's refinery in Trombay earned a foreign exchange of over Rs. 19 crores during the last six years through exports of motor spirit and fuel oil. The total net saving in foreign exchange, after paying for crude imports in 1960 alone was Rs. 5.65 crores. The refinery's total net export earnings since its establishment in 1954 aggregate Rs. 7.92 crores.

The Indian Telephone Industries, Bangalore, will start the manufacture of a new telephone receiver before the end of the third Plan period. The instrument has been designed entirely by Indian engineers at the factory. All the components of the receiver will be indigenous. Only a very small percentage of the raw materials will be imported. But even this is expected to be produced in the country later. As against a production target of 320,000 instruments in the second Plan period, 441,000 instruments have already been manufactured in the factory. In the third Plan period, the production of this unit will be doubled.

The Government of India has decided to grant licences for import of eighteen items from Pakistan during the current financial year, as provided for in Protocol No. I to the Trade Agreement between the Governments of India and Pakistan, concluded in March 1960. The items are: fresh fruits, dhanicha seeds, chuna khari pearls, eggs and poultry, guar meal, books and periodicals, gramophone records, films exposed, fish dry and salted, green spices, betelnuts, drugs and medicines, black cumin seeds, mother of pearl shells, betel leaves, fluorspar, nylon guts and monofilament and live turtle. Protocol No. I to the Trade Agreement provides for import of these items from Pakistan against payment in non-convertible Indian rupees.

The Import Trade Control Organisation received 189,509 applications for import licences during the half-year ended 31st March 1961. The disposal of applications kept pace with the intake and the number of pending applications at the close of the licensing period was 1,161 only. In addition to applications for import licences, the Organisation also dealt with a very large volume of correspondence on questions of policy, interpretation of rules and regulations, appeals, etc., received from the trade and the various Chambers of Commerce and Trade Associations. The number of such letters, during the period, was over 700,000. A close watch was kept in order to prevent malpractices: 42 firms were black-listed during this period for contravention of the Import and Export Trade Control Regulations.

A five-point programme entailing a total estimated cost of Rs. 77 crores will be implemented for completing the Damodar Valley Project. In addition to Rs. 148 crores spent so far. The programme is designed to complete the power projects already taken up, together with the residual irrigation and navigational works, to carry on soil conservation, afforestation and pisciculture on a larger scale, as well as to construct a low dam to ensure water for industrial use and two more thermal units of 125 mw. each. The four existing dams as against the seven originally planned, have been found to be inadequate for flood control in West Bengal.

A formal agreement providing for the grant of a $5-million U.S. D.L.F. loan to the Industrial Credit and Investment Corporation of India Ltd. was signed last week. The approval of the loan was announced in September last. The loan which will be made available for specific projects in the private sector, may be used to finance foreign exchange costs of capital equipment and services. The loan, though denominated in dollars, will be available to the extent of its equivalent in other currencies also. The use of $100,000 or more of this loan will be limited in financing equipment, materials and services having their origin in the U.S., but, smaller amounts from this loan may be utilised for procurement elsewhere. The prior approval of the D.L.F. would be necessary for disbursement of an amount more than $250,000. All payments shall be computed and stated in U.S. dollars, but repayments will be made in Indian rupees.

• • • •

From Abroad

The total number of television sets in West Germany has now passed the five-million mark.

The Pakistan Government proposes to introduce co-operative farming on a compulsory basis.

Exports from Japan rose by 15.1 per cent to $4,145.2 million during the financial year ended April 1961, as compared with the previous year.

The International Monetary Fund has granted a Rs. 5-crore loan in foreign exchange to Ceylon. The loan is intended to ease Ceylon's balance of payments difficulties.

The U.S. Agriculture Department has predicted that the U.S. wheat output in 1961 will be 1,262 million bushels, a decline of 100 million bushels, as compared with 1960.

The Soviet Union has 21,708 people with 100 years of age or older. Of these, 4,436 live in urban areas and 17,272 in the countryside; 5,432 are men and 16,276 women.

Soviet Russia will supply 500,000 tons of Cuban sugar to China before the end of August next on an interest-free loan basis, under a trade protocol signed between the two countries. The loan will be repaid between 1964 and 1967.

Despite the revaluation of West German currency, its gold and foreign exchange reserves increased by as much as DM 1,908.3 million to DM 32,370.6 million during the month ended 7th April—the first full month since the revaluation.

The U.S. Government proposes to grant exploration assistance to seven new minerals, including gold, silver and iron ore in order to promote their production. It will also meet 75 per cent of authorised exploration costs for another group of 18 minerals, such as asbestos, beryllium, chromite and mica.

The Austrian Chamber of Commerce, in consultation with the League of Austrian Industrialists, has agreed to a price freeze in respect of manufactured goods until the end of the year, subject to two conditions, namely, prices for raw materials would not increase and no demands for wage increases be raised during the period.

World maize output in 1960-61 season is expected to touch a record of 8.1 billion bushels, an increase of 3 per cent over the previous season, according to the U.S. Agriculture Department. The Argentine crop is expected to go up by 25 million bushels to 200 millilon bushels. Bumper crops are also expected in South Africa (150 million bushels) and Brazil (315 million bushels).

The Cycle Division of British Tube Investments has announced a three-year plan to rationalise production, which includes the closing down of its four factories, in order to surmount the intense competition from the Continent and some Asian countries. The number of cycles manufactured in the U.K., last year, it may be noted, was less than 2.3 million, as against 3.5 million in 1955.

The British firm of Messrs. Hunting Surveys has been awarded a contract to photograph the whole island of Jamaica from the air under the British Colonial Development and Welfare Scheme. These photos of aerial survey, it is said, will be useful for road planning, forestry control, boundary demarcation and investigation of potentialities for hydro-electric schemes, besides their usefulness for revision of maps.

The British Leyland Motors has won a £1-million Yugoslav contract for the supply of Leyland single-deck buses and spares. Further, the Company has entered into an agreement with a Yugoslav company, Industrija Motora Rakovica, under which the latter will have the right to manufacture in Yugoslavia Leyland large 0.680 diesel engine, which develops 150 h.p. and in its horizontal form is used to power Worldmaster bus.

A semi-official Brazilian shipping concern, Lloyd Brasileiro, has made enquiries in Japan in connection with its proposal to buy 36 freighters. The Brazilian Company is expected to pay a part of the cost in the form of coffee exports to Japan. It has also asked for deferred payment terms over a period of more than five years. A similar deal is reported to have been proposed by Brazil to Yugoslavia also.

The British Overseas Airways Corporation (B.O.A.C.) has placed a £325,000-contract with

PERSONAL

PROF. John Kenneth Galbraith, the U.S. Ambassador to India, presented his credentials to the President on Tuesday the 18th inst.

Mr. Jean Paul Garnier, Ambassador of France in India, presented his credentials to the President, Dr. Rajendra Prasad, on Monday this week.

Mr. John Dykstra, Vice-President in charge of manufacturing, Ford Motor Company, Detroit, U.S.A., has been appointed President of the Company in place of Mr. Robert McNamara, who has become the U.S. Secretary of Defence.

Mr. V. N. Rajan, Director-General, Employees' State Insurance Corporation of India, has been elected Vice-Chairman of the third World Congress on the Prevention of Occupational Risks. The next session of the Congress will be held in Paris next month.

Mr. C. A. J. Plummer, of Britain's National Industrial Fuel Efficiency Service (N.I.F.E.S.), has arrived in Delhi at the invitation of the Government of India to carry out a six-month programme of investigation into fuel consumption at selected factories.

Mr. Murarji J. Vaidya has been re-elected President of the Indian Council of Foreign Trade for the current year. The Vice-Presidents are Mr. P. B. Advani (Bombay), Mr. B. N. Bannerjee (Calcutta), Mr. V. V. Mariwala (Bombay) and Mr. D. C. Kothari (Calcutta).

Mr. Cyril E. Harrison, Managing Director of the English Sewing Cotton Company, Manchester, has been elected President of the Federation of British Industries for the next two years *vice* Sir William McFadzean. Mr. Harrison was hitherto the Vice-President of the Federation.

Mr. Franz Fraefel, Swissair's District Manager for Calcutta, North India and Burma, has been appointed the Company's General Manager for India, Ceylon and Burma, with headquarters at Bombay. Mr. Willy Salzborn, until recently Swissair's District Manager for Bombay, South India and Ceylon, has been transferred to Lisbon, where he will take charge of the general management of the Company's operations in Portugal.

Standard Telephones and Cables for a new electric computor system that will provide its ticket offices throughout the U.K. and Europe with up-to-date information about the availability of seats on all B.O.A.C. flights. Specially designed for the airlines, the computer is expected to be in operation by next year, and extended to other parts of the world at a later stage.

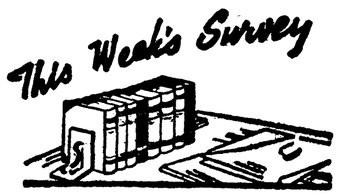
The British firm of Messrs. Simon-Carves, a member of the Simon Engineering group, has signed contracts with Czechoslovakia, East Germany, Poland and Rumania for the design and erection of four polythene plants for these countries. The technical know-how for these units, which will be built up during the next three years, will be supplied by Imperial Chemical Industries. This is the first time that I.C.I. has sold its polythene manufacturing rights to any East European country.

Personal income in the U.S. touched an annual rate of $409,500 million last month, or an increase of $3,500 million over the previous month. Even after excluding the national service life insurance dividends paid to war veterans, the rate of which was raised recently, there was still an increase of $1,500 million in personal income mostly by way of wage and salary disbursements. Total wages and salaries advanced in March by $1,000 million to an annual rate of $272,000 million. This was the first rise in pay rolls since July 1960.

Messrs. McKie and Baxter Ltd., a marine engineering firm in Paisley, Scotland, has secured an order valued at £155,000 from India. The Company will supply propelling machinery and ancillary equipment for two twin-screw steam tugs being constructed by the Mazagon Dock Ltd., Bombay, for the Visakhapatnam Port Authority. The order comprises two marine boilers, twin-screw triple expansion engines, deck machinery, such as windlasses, auxillary machinery, propellers, and shafting and fire-fighting equipment for the tugs.

A long-term trade agreement has been signed between Russia and Yugoslavia for the 1961-65 period. Under the agreement, the Soviet Union will deliver to Yugoslavia machines and equipment, including plant for coal-mining, iron and steel, cement and some other Yugoslav industries, as well as coal, coke, manganese ore, pig iron, ferrous rolled stock, oil products, asbestos, chemicals, consumer goods and a number of other commodities. Against this, it will buy from Yugoslavia 16 tankers, nine sea-going dry-cargo vessels, 3,500 railway tank-cars, ferrous rolled metals, steel tubing, non-ferrous rolled metals, chemicals, leather, woollen knitwear and other commodities.

A new company, called the Nuclear Developments, has been established in Britain jointly by three large industrial concerns, namely, Imperial Chemical Industries (Metal Division), Rolls-Royce and the Rio Tinto Company. It will be the first private enterprise of this type to produce fuel elements and prepare the fuel for civil nuclear engineering purposes in the U.K. The Rio Tinto extracts and processes uranium on a large scale, while Rolls-Royce has been engaged in the nuclear field for the last eight years and has specific interest in fuel elements for marine nuclear propulsion. The I.C.I. Metals Division has been a producer of certain nuclear metals and reactor components for over 20 years.



I.N.T.U.C. CONFERENCE

THE speech delivered by Mr. Michael John, President of the Indian National Trade Union Congress (I.N.T.U.C.), at the twelfth annual session held at Yamunanagar, Punjab, merits careful study by both the employers and the Government. For, as the chief of the largest trade union organisation in the country, the remarks of Mr. John can be taken to reflect the views of the most influential section of organised workers in the country. In his 7,000-word address, Mr. John said many things that are eminently sensible and practical. But, at times, his practical sense seems to yield place to woolgathering, which make him sound less than the responsible trade union leader that he is, and more like an agitator. His observations on last year's general strike by Central Government employees showed that he belonged to the former category of trade unionists. He termed the strike "ill-conceived, unwarranted and anti-national." Although the I.N.T.U.C. did not approve of the strike, it had insisted, according to him, that the Government, as an employer as well as the representatives of both the employer and the employee, had a special responsibility to discharge which it could not shirk. The eventual acceptance by the Government of the recommendations of the Pay Commission and the principle of arbitration has opened, to quote his words, " a new chapter in the history of our trade union movement."

What Mr. John said about arbitration in the private sector and workers' participation in management is, however, not informed by the same objectivity and level-headedness. He wanted the Government to give legal sanction to the method of voluntary arbitration, making it compulsory for both parties—labour and employers—to submit their disputes to arbitration. But, if this suggestion were to be implemented, arbitration would cease to be voluntary. The I.N.T.U.C. has for quite some time been toying with the idea of arbitration. Perhaps, it is disillusioned with the experience of adjudication, the introduction of which it enthusiastically supported, little realising that such will eventually undermine its own strength by weakening collective bargaining. Satisfied perhaps from experience that adjudication by itself cannot usher in the millennium, it is now plumbing for arbitration. Since the employers has not been as ready to switch over to arbitration as the I.N.T.U.C. would have liked, it has now turned to its political patron, the Congress Government, to make arbitration legally binding on both parties. Arbitration, as a method of settling disputes, has much to commend itself if both parties agree to it. But the moment mutual consent is replaced by compulsion, it ceases to have any of the advantages claimed for it.

The I.N.T.U.C. leader underlined the urgency of associating labour in every aspect of the management of undertakings. He seemed to suggest that workers should have as effective a voice in the running of an enterprise as the shareholders on whose behalf the management acts. This contention is based on a mistaken equation of workers and shareholders as joint owners of an enterprise. This is a position which even the most democratic countries of the West have not accepted. If workers are recognised as joint owners, then it logically follows that they have a right not only for a voice in every aspect of management but also for a share in the profits not as bonus, as is the case now, but as dividend pure and simple. A worker now gets a wage, as also a share in the profit by way of bonus, whereas a shareholder gets only a dividend as a return on the savings invested in a company. When no profit is made, the shareholder gets nothing and invariably suffers a depreciation of his capital, while the worker gets his wage and, in many cases, even a bonus. Mr. John's conception of participation is very similar to the demand of a person who wants to eat the cake and have it too. This contradiction apart, his idea will not bring any significant direct or even indirect benefit to workers. It will only help the trade union leaders to get full-fledged directorships on the boards of companies and all the power that goes with such posts. Obviously, this kind of participation is not what is envisaged in the scheme of workers' participation in management which the Union Labour Ministry seeks to implement. In view of the latest demand on behalf of workers, it is necessary to define clearly the exact scope of the scheme, so as to avoid any misunderstanding about it or nursing of high expectations.

Workers' anxiety about the continuously rising trend of prices of essential commodities in the country is understandable and, indeed, justified. It is only natural, therefore, that the I.N.T.U.C. leader should draw attention to the urgent need for arresting the trend of prices. His suggestion that a price control machinery should be set up for the purpose is, however, not very practical. What precisely is that machinery supposed to do? Could it order the price levels to go down? Upward trend of prices is a symptom of the inflationary malady afflicting the economy. Unless the causes that make for inflation are removed, prices cannot be kept at a predetermined level. The real remedy lies only in increasing production, avoiding inflationary wage demand and reducing deficit financing. The first two at least cannot be achieved without the wholehearted support of workers and their trade unions.

FOUNDRY INDUSTRY

"The backbone of industrial structure." This was how Dr. B. R. Nijhawan, Director, National Metallurgical Laboratory, described the importance of foundry industry, in his speech at the annual convention of the Institute of Indian Foundrymen held in the City on Sunday this week. There are now well over 2,000 working foundries with an aggregate installed capacity to produce 1.4 million tons of ferrous castings (or cast products); the number excludes the small pit furnaces that abound in the country, the number and total productive capacity of which have not yet been statistically assessed. The importance of the foundry industry will be all the more greater in the context of the projected developments during the third and subsequent Plan periods. The need for a broad-based development of the industry cannot, therefore, be too strongly emphasised. Dr. Nijhawan did well to urge the indigenous producers to consider the development of ancillary industries for the supply of processed raw materials and also essential foundry-moulding equipment, so that the foundry industry would stand on its own within a short period.

Considering the vital role played by the foundry industry in the industrial complex of the country, it is somewhat unfortunate to learn that a fairly large part of the industry's capacity continues to lie idle for want of sufficient supplies of special grades pig iron, coke and coal. Thus, as against the total capacity of 1.4 million tons (in the organised sector), the actual output of ferrous castings in 1960 was only 860,000 tons the extent of idle capacity being as much as 40 per cent. The problems confronting the industry were impressively highlighted by Mr. J. V. Patel, Chairman of the Institute's Western Regional Centre, in the course of his welcome speech. Mr. Patel stated that the foundries were in a state of suspended animation, because of non-availability of coke and coal for the last few months. He pleaded for allotment of more wagons for moving these essential raw materials and suggested that, until such time as the transport bottleneck was eased, coal dumps be created to solve any temporary shortage that might arise. He also pleaded for freight equalisation in the case of coal and coke, so that the handicap of higher prices paid by the foundries in the Western and Southern regions could be overcome.

The pleas put forward by Mr. Patel on behalf of the industry are quite reasonable. Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel, who inaugurated the convention, himself realised the difficulty caused by coke and coal shortage owing to transport bottleneck. But he could not hold out any assurance in this regard, excepting to say, as usual, that "every effort is being made to get the essential things moving." The Minister rejected the suggestion for freight equalisation and dismissed the demand for the creation of dumps at important consuming centres on the ground that it was only a palliative and not a solution.

The engineering industries are now on the threshold of an era of what Mr. Jehangir Ghandy, Director-in-Charge, Tata Iron and Steel Company, Ltd., has aptly characterised in his message to the convention as "unprecedented growth" and the foundry industry should naturally take its due share in such growth. But much will depend on the availability of pig iron of requisite quality, as well as coal and coke. It is gratifying that the Government has already decided to license establishment of eight pig iron production plants each with a production capacity of 100,000 tons per annum in the various parts of the country. While the setting up of these plants will ensure adequate supplies of pig iron, it well behoves the foundry industry to introduce quality control methods and raise the level of productivity. Simultaneously there is also the need for imparting training in foundry technology. The proposed move of the Central Government to establish a Foundry Forge and Training Centre at Ranchi is, indeed, a step in the right direction. But one centre alone will not fully serve the purpose. And so similar centres will have to be started in some other regions as well. The sugestion for opening one such centre in Bombay as made by Mr. Patel deserves sympathetic consideration. Some of the major foundry manufacturers themselves should take the initiative in this direction by providing training courses in their works.

ETHICS OF ADVERTISING

Advertising is one of the most misunderstood of modern business practices. Discussions of its utility or futility are sometimes raised to a moral plane and the very ethics of advertising questioned. Mr. P. L. Tandon, Vice-Chairman of Hindustan Lever Limited, has, therefore, done well, in his speech at the Company's annual general meeting held this week, to send a strong beam of clarity and vision through the gloomy confusion of contemporary thinking on advertising.

Advertising, he rightly pointed out, performs a vital economic function at a surprisingly small cost. By creating and stimulating consumer demand, it promotes expansion in the volume of sales which alone can bring down cost. Advertising, according to Mr. Tandon, is not even a charge on the consumer, because the large volume of sales it promotes ultimately makes the product cheaper to him. His own company's advertising which, as every one knows, is one of the largest and most imaginative advertising campaigns in the country, cost only Rs. 2.80 for every Rs. 100 worth of sales. Advertising ensures a regular demand which enables factories to operate with minimum fluctuations. The rapid movement of goods brought about by advertising enables the working capital to be reduced. Speedy and large turnover helps the trade to operate on a smaller profit margin.

Critics of advertising question the very need for it. If the consumer really wants a product, they argue, he will go in for it, advertising or no advertising. This argument is wrong for two reasons. First, the consumer may not oftentimes be aware of the existence of a product and, secondly, the demand for it may be dormant. By telling the consumer that there is a product that will meet his requirement and making him want it advertising plays a vital role in satisfying consumer demand.

Mr. Tandon conceded that the effect of advertising cannot be measured as precisely as the effect of, say, investment in new production lines. As large sums of money are being spent on advertising, it is necessary to devise some means of evaluating its results. He disclosed that through its operation statistics and market research departments, Hindustan Lever is experimenting with new techniques in measurability of advertising, and pre-testing virtually every advertising campaign. Sales performances are also analysed with a view to finding out the impact of advertising on the turnover.

Your savings earn a big

3%

per annum interest at the

CORPORATION BANK

Open your Savings Bank Account right now at any of the Bank's 62 Offices and earn interest at 3% per annum.

Branches of the Bank in Bombay City:

(1) Fort (2) Mandvi (3) Shivaji Park and (4) Kalbadevi.

THE CANARA BANKING CORPORATION LIMITED.

Estd. **1906** *Regd. Office:* **UDIPI, S.I.**

Administrative Office: **MANGALORE - 1**

WAREHOUSING

The Estimates Committee, in its report on the National Co-operative Development and Warehousing Board, has raised a fundamental issue regarding the role of the Board. The Government of India has been thinking of divesting the Board of its existing functions relating to warehousing. Its proposal is perhaps prompted by the apparently divergent nature of the working of the co-operative organisations and warehousing corporations. While co-operative development is fostered through co-operative societies and financial assistance for that purpose is given by the Board through State Governments, warehouses are administered by warehousing corporations which are commercial organisations and not co-operative bodies. It is argued, therefore, that the running of warehousing corporations was not closely connected with the overall policy or allocation of funds for co-operative development. The co-ordination between warehousing corporations and the Board can still be ensured, it is explained, even after their bifurcation by giving representation to each body on the other.

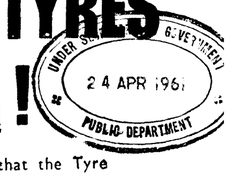
The Estimates Committee has expressed doubts, in this connection, whether the separation of the functions of warehousing from the Board will achieve that degree of "integrated approach and planning" which is necessary for the successful implementation of the objectives for which it was constituted. It is also not clear to the Committee whether the proposed mutual representation alone will ensure the same measure of co-ordination as at present. It may be recalled here that the Board was established in 1956 in pursuance of the recommendations made by the Committee of Direction, Rural Credit Survey, set up by the Reserve Bank of India. The Board assumed the pivotal position in the integrated scheme propounded by the Committee. The Committee's suggestions on the development of warehousing were designed not only to provide storage facilities, but also to make these institutions the virtual link between co-operative credit and marketing. There is, therefore, a strong case for an apex "planning and financing body" at the Centre. In any case, if the proposal is decided upon, the Estimates Committee feels, there is no sufficient justification for the continued existence of a separate Board itself, merely for disbursing funds to co-operative societies. This function, according to the Estimates Committee, can be fulfilled at the official level by the Ministry of Community Development and Co-operation.

The views of the Estimates Committee on this subject appear to be logical. One is at a loss to know why the existing "integrated set up" should be disturbed. The basis of the provocation for the suggestion appears to be more imaginary than real. Indeed, the difference in the nature of the co-operatives and warehousing corporations only makes the need for co-ordination more pressing.

The proposed change in the administrative machinery has come at a time when distinctly more concerted efforts are called for in order to fulfil the ambitious targets laid down in the third Plan. In fact, the performance in respect of warehousing during the second Plan leaves much to be desired. The Central Warehousing Corporation was expected to set up large-sized warehouses at about 100 important centres by 1960-61. It would appear that the number of godowns already set up was no more than 40. The various State Warehousing Corporations were expected to put up 250 warehouses, but they have, it is said, set up only 200 units so far. In the third Plan, the Central Corporation is expected to construct 35 more warehouses and 20 specialised storages, including cold storages for perishable commodities such as fruits and vegetables, besides completing the target set in the second Plan. Apart from the "slow and halting" progress made in the construction of godowns, the Estimates Committee has found that, in some cases, the constructed godowns could not be put to much use. This unprofitable experience could have been avoided, the Estimates Committee feels, had a proper assessment been made of the potential storage demand before undertaking the construction of godowns in the areas selected. Another important defect brought to light by the Estimates Committee is that the interest rates charged on the loans to co-operative societies by some State Governments are very much higher than what they are expected to pay the Board on the funds taken from it. The higher rates are charged on the score of reimbursing the administrative charges. But, as the Board is already giving subsidies for additional State Government staff for co-operation, the Estimates Committee sees no reason why the State Governments should levy a higher interest rate from co-operative societies. The country is in urgent need of larger warehousing facilities not only to serve as mere storages, but also to draw an increasing quantum of marketable surplus from the rural sector. The State Governments will do well, therefore, to shake off their indifference and lethargy and prove equal to the occasion.

Another significant point stressed by the Estimates Committee is that the scope and functions of the Central and State Warehousing Corporations should be clearly defined. The Committee states that the setting up of warehouses in the same or contiguous areas by two different Corporations cannot evidently result in efficiency or economy. It has, therefore, called for closer liaison between the Central and State Warehousing Corporations.

It's Always Possible to MAKE YOUR TRUCK TYRES LAST LONGER !



All Users of truck and bus tyres are now aware that the Tyre Industry in India does not yet have sufficient manufacturing capacity to meet the demands of all parties.

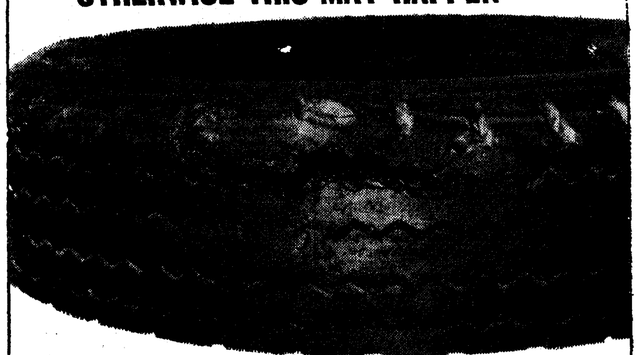
It is not a matter of distribution. More than 100 Tyre Dealer Associations and Syndicates covering a network of approximately 5000 Tyre Dealers have set up controls so that such supplies as become available are allotted at the recognized retail price to those Tyre Users whose need is both imperative and proven.

It will be some time before the new tyre factories, now in the course of construction, commence to produce tyres. The expansion programmes of the present manufacturers cannot be implemented overnight.

In the meantime, what—?

WE BELIEVE that this prolonged tyre scarcity condition can be attacked if everyone who has anything to do with trucks and buses does his utmost to see that the USEFUL LIFE of each and every tyre is extended as far as possible by CAREFUL REGULAR INSPECTION AND MAINTENANCE. Here is one way to achieve long life and maximum service.

MINOR CUTS MUST BE REPAIRED— OTHERWISE THIS MAY HAPPEN



This tyre is now a complete loss. Water has entered through cuts in the tread which were neglected and allowed to develop as the tyre continued in service. Had this tyre been removed and repaired it would not have "died young" like this.

WATCH OUT FOR MORE TYRE SAVING INFORMATION FROM

Firestone

W-23

ON THE ARENA

By The Archer

Bitter Sugar

PARADOXICAL as it may seem, the problem of surplus sugar has developed into a bitter one. And everybody concerned is restless and *unable to move as in a treacle pond.*

Pat was a rearer of pigs and had to march *them out into the open country every day for* exercising and grazing. They moved slowly and following them was a tiresome job for Pat. Looking at his forlorn face one day, a friend of his suggested that he should grind a liberal quantity of raw mustard and smear a thimbleful on the tail of each pig, which will make them hurry home. A few days later the friend saw Pat panting home, but all alone; the pigs were not to be seen. Questioned as to what had happened, Pat stammered, "Aye, aye, I took thy advice and the trick worked. Them pigs have been running so fast, the devils they are, and I can't keep pace with them, so I have smeared mustard on my backside, and by Jove, it smarts."

Something like this seems to have happened to Government and the sugar industry. The industry was unable to supply the country's requirement of the commodity in 1958-59 and had to be granted special incentives to increase production during 1959-60. The Food Minister, Mr. S. K. Patil, felt happy that he had found a solution which was then acceptable both to producers of sugar and growers of cane, but is obviously uncomfortable now with a plethora of stocks and no movement. The production which was 19.19 lakh tons in 1959, rose to 24.21 lakh tons in 1960 and is estimated to be about 27.50 lakh tons in 1960-61. The result is that there is a large surplus of about a million tons which cannot be consumed inside the country and cannot be exported because the price of Indian sugar is almost double the world market price. Storage and credit facilities throughout the country are not sufficient to handle the present problem, and the country's banking system, already strained, is in no mood to add to its commitments. Advances to sugar factories at the end of last January are stated to have aggregated to Rs. 52 crores, as against Rs. 30 crores at the corresponding period in 1960, and the demand for more money remains unabated. The industry in Bihar faces a crisis, with large stocks of sugar unsold, and large quantities of cane in the fields which the factories are finding it difficult to crush because of financial difficulties. The position appears to be no better in U.P.

The Union Ministry of Food and Agriculture is stated to favour higher bank advances against accumulated sugar stocks held by mills with reductions in margins required by banks, but the latter are in no mood to agree. Mr. Patil is reported to have mentioned that Government was considering the possibility of enabling the mills to dispose of some of their stocks by paying a part of their dues to cane-growers in kind, namely, sugar. (Traditional dealers of sugar do not come forward to lift stocks when more releases are offered.) The relief to the industry can be only marginal, but, obviously, the next move may have to be for starting an EAT MORE SUGAR campaign! Mr. Patil is, of course, against any suggestion of decontrol, for the simple reason that prices will come crashing down, and there will be chaos in the industry and somewhat of a crisis in the banking system.

The lessons to be learnt from a situation of this type to a major industry in the country are many and varied. Sugar factories have been allowed to be established in regions where sugar-cane cultivation was not advantageous from the point of view of quality (sugar content), yield per acre or length of season. Pressure of public opinion and social considerations make it difficult to remove these factories to more economic locations. Large sums of money have been collected by the several States concerned by way of cane cess, but no intensive work has been done towards improving yield or quality. Cane prices have been pegged at a level supposed to be remunerative to growers, and, in areas where sugar prices were more favourable to producers than elsewhere, the "excess" profits were allowed to be shared with cane growers under a linking formula. The result is that growers all over the country now want more for for cane and accuse the industry of unfair practices. On the other hand, the industry clamours for a higher price for sugar on the plea that the Wage Board award has to be implemented and rehabilitation has to take place (and has not been provided for specifically in the price), denying stoutly that it has diverted all the gains acquired in the past for purposes of expansion as against timely rehabilitation. No one seems to be bothered about the fact that, whatever may be the historical reasons for this most unhealthy state of affairs, the naked truth remains that the price of Indian sugar is much too high for the export market, and that an industry which has an output in excess of internal requirements cannot expect to survive the impact of normal economic forces, unless its cost of production is brought down. And this may be a lesson to other industries also in the country which are fast expanding unmindful of trends in the outside world. The day of reckoning will be when export is inevitable for staying in production, and it will be very foolish, indeed, to postpone getting to grips with the problem of costs until then.

Expertise in Adulteration

Inaugurating the Agmark Consumers' Association, the Minister for Agriculture in Madras stated that cardamom, exported to France, was adulterated with rats' excreta, and, consequently, our name in foreign markets was mud (or filth?). He was horrified to see that ghee could be adulterated with snake fat, milk with dirty water and so on. Although it might torment his already distressed soul, let me give him the information that there is a thriving business in discovering new materials useful for purposes of adulteration, with intelligent and expert brains behind it, who are continuously engaged in exploiting the unlimited bounties of nature in the shape of articles useful for camouflage. Varieties of sand, clay, pebbles and stones have been collected, sifted, sieved and sorted to be docketed, compartmentalised and labelled for adulteration with grains and pulses of like appearance. Whole bags of them are held for sale by established dealers who operate mostly above ground and do not seem to find it particularly difficult to carry on their nefarious trade. But rat excreta (ugh!) calls for an assiduous organisation with a scientific O and M behind it, also, perhaps, a well developed rat nursery and large collections of rodents capable of prolific yields, reared, housed, fed and nourished, honoured and blessed by their keepers for their bounteous munificence! Who said that the avenues for profitable employment are limited?

The Madras Government Milk Project

The Madras papers have been full of bitter complaints against the State Government Milk Project about which there has been a measure of facile boosting (or boasting?) by the Minister concerned; incidentally, it was the same Minister who was horrified about adulteration of foodstuffs and milk. The project was conceived to develop (eventually) into something like the Aarey Milk supply in Bombay, and the complaints are not so much against the slow pace of development and coverage, as against the utter disregard of the basic principles governing the supply of wholesome milk. It is reported that, while all the milk collected at the factory is being pasteurised, not all of it is bottled, although there is a sterilising plant and an automatic bottling plant (using aluminium foil covers for sealing) at the factory. The reason (*would you believe it?*) is delay in the supply of standardised half litre bottles and crates to suit! The project is fifteen months old and the Milk Commissioner has not yet been able to solve the problem of bottle supply. And so, a part of the milk supplied to kiosks is despatched in cans, which have the slimy unsterilised look about them, and are filled (at the kiosks) into bottles by *chokras* employed for house delivery, who also cap them with foil covers by hand pressure. These bottles are not sterilised and anything could happen to the milk in the process of transfer from cans to bottles, from adulteration with wash-water to poisoning. The State Government Minister, who appeared to be distressed by the anti-social activities of milkmen who added water to milk, has allowed the officers in charge of his milk project to start a system which lends itself to the worst form of abuse in an organised form! The tragedy could be that consumers who were using the milk without boiling, presuming it to be sterilised, may be subjecting themselves to considerable danger. It is no wonder that they have started shouting "Physician, cure thyself"!

It is mentioned that there are only eleven kiosks in the city, serving the needs of 3,500 families with a production of 14,500 pounds of milk, served (allegedly) by a couple of poorly maintained motor vans which are said to have frequent breakdowns. In addition to not maintaining the requisite quantum of supply to the several kiosks for serving the normal needs of coupon holders (coupons have to be purchased in advance for cash), there is no knowing when the milk van arrives at a kiosk, the time being anywhere from 4 a.m. and 8 a.m. in the mornings and 2 p.m. and 7 p.m. in the evenings, so that most consumers have to pay extra for house delivery and put up with the cheeky impertinences of the cycle boys. For utter lack of planning, the Madras Milk Project seems to take the cake. One newspaper report says that the project is suffering from teething troubles, but, even in humans, such troubles do not last fifteen months, and the report, therefore, seems to be a strained effort at glossing over lousiness. As for the technique employed in processing, bottling and supplying milk, the persons concerned seem to know as much about the business as a cow knows about astronomy.

Entrance Fees to Visit Monuments

The reported proposal to collect an entrance fee from people visiting the Taj Mahal, which, I hope, is true, raises the interesting question how tidy sums of money could be collected from the holidaying or sightseeing public for the upkeep and maintenance of many national monuments, places of public resort, architectural relics and such like. It is a weakness with most of us that we expect the right of free entry anywhere and everywhere, and jib at paying even a small fee for keeping places clean. When the wealthy aristocrats of England were pinched by income-tax and could not maintain their castles and palaces in condition, they resorted to collecting fees for looking them over, and the curious public gladly paid what was asked for as being fair and proper.

I should certainly vote for a "Pay and peep in" scheme for most places of public interest, and particularly for our air terminals. The Santa Cruz airport, Palam airport, Dum Dum airport and even Madras airport are crowded during the busy hours of morning and evening, and I have myself been finding it difficult most of the time, at these airports to elbow my way through the large crowds of sightseers to reach the booking counter, and thereafter to find a seat. If I was lucky to find an unoccupied seat and got on to it, I invariably sat hugging my bag to my body, for fear that the fellow by my side may walk away with it if I laid it on the floor. I confess I am suspicious by nature, but that is nothing to be ashamed about, especially in a situation when one may not have time to run after a bag-snatcher. I have strained my ears to catch the words following "Your attention please" after every announcement, without any success, and when the final call arrived, "Please have I had to poke and push and dig through a phalanx of sightseers, three or four deep, barring my way from the lounge to the tarmac. My suggestion for levy of a regulatory, and even deterrent, fee is mainly to make a *bona fide* paying passenger less uncomfortable or harassed. A platform ticket has to be purchased for entry into a railway platform. So, why should not a similar fee, larger in amount, of course, be collected for entry into airports!

Notice

THE BENGAL FLOUR MILLS COMPANY, LIMITED

THE BOARD OF DIRECTORS OF THE COMPANY has decided to recommend to the forthcoming Annual General Meeting, the payment of a Final Dividend of 25 per cent for the year ended 31st December, 1960.

BALMER LAWRIE & CO. LTD.,
D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 15th April, 1961.

AMERICAN LETTER

UNITED STATES AT THE THRESHOLD OF ANOTHER BOOM?

NEW YORK FEDERAL BANK ON INDIA'S PLANS

From Our Special Correspondent

NEW YORK, 16th April

THERE are, essentially, two major schools of thoughts. One holds that another boom is about to begin in the United States. It points to the fabulous rise in stock prices and questions only how big the boom is going to be and how long it will last.

The opposing faction points to nothing but unemployment, chiefly for political reasons in my opinion, and the Government itself has listed 101 "major distressed" areas in the U.S. and 184 minor ones. The criterion for "distressed" is that at least 6 per cent of the labour force is out of work. Heretofore, 3 per cent jobless was considered "full employment," so that 6 per cent can hardly be considered a national calamity.

There has been a rise in personal income. Inventories are now so low that they have to be replenished with rising industrial orders. This means that plant and equipment spending will increase. Retail trade has improved and Easter business has been far better than expected. All these are solid plus signs.

India's Economic Progress

As indicated in previous despatches, the importance of India as the leading nation in the so-called Far East and one of the leading countries in the world has been receiving growing recognition here. Nothing could speak louder of cognizance of these matters here than a six-page study in the current *Monthly Review* of the Federal Reserve Bank of New York on "India's Economic Development and Balance of Payment." Not all readers in India may agree with the opinions expressed by the New York central bank, but the following excerpts may be interesting enough to show mature American opinion, rightly, or wrongly:

"Since India's independence, the country was faced with the mutually perpetuating problem of a low level of savings and of investments. During the first Five-year Plan, agricultural and industrial output exceeded the targets, but investments lagged. Again, paraphrasing, the balance of payments' deficit was relatively small. Inevitably, miscalculations were made during the first two Five-year Plans, despite (or, perhaps because of) the advice given by the U.S., British, German bankers and a representative of the International Bank for Reconstruction and Development.

"As the third Five-year Plan opens this month, there are misgivings about one major problem—inflation. Prompt and decisive fiscal and monetary action will be required. The new development plan is certain to result in a severe balance of payment deficit which will have to be overcome by increased foreign assistance."

The Bank estimates that, during the first two Five-year Plans, substantial progress has been made, with real income expanding by about 40 per cent in the last decade and industrial output rising more than 50 per cent in the last five years.

It is projected that, by the end of the fifth Plan in 1976, national income will have tripled and *per capita* income will have doubled to about $110 (U.S.) annually since 1951, when the first Plan started. India's current *per capita* income is given at about $70 (U.S.) a year.

The success of India's development programme would be considered a milestone in the battle against poverty, particularly against the background of a population of 430 million—equal to that of Africa and Latin America combined—and gaining at the rate of 9 million a year.

India's third Plan calls for expenditure investments of 50 per cent more than under the second Plan. This would require about $1,300 million (U.S.) a year which would have to be raised either by sufficient resources at home and foreign aid together. The success to reach this figure remains to be seen, otherwise the development programme will have to be adjusted. The second Plan has lagged. Investment in Government-owned facilities, according to the Bank, was 15 to 20 per cent below schedule; the growth of national income has lagged even more, partly because farm income and productivity have grown only slightly.

All these and other reasons are cited by the Federal Bank of New York for the necessity on the part of the New Delhi Government to take firm fiscal and monetary measures to stem India's unfavourable balance of trade and, among other things, the very real threat of inflation.

Representatives of India are privately critical of U.S. businessmen. They say that Americans want a greater share in ownership than, for example, the Germans or the British. Representatives from the U.S. more or less ignore the innumerable small businesses in India out of fear and uncertainty and prefer "big deals" with such firms as Tatas and Birlas.

U.N. statistics show that about $160 million of American money was invested in India in December last at which time negotiations were in progress for additional investment deals totalling about $65 million.

U.S. Companies Abroad

Owing to unrealistically high taxes, the continually rising wage pattern and rising costs, otherwise, a severe profit squeeze has developed for U.S. companies. One intimation of this is contained in the last *Letter* of the First National City Bank of New York which, in effect, renounced its own compilations of the previous months, stating that 1960 corporate profits had been 2 per cent ahead of 1959. A re-check and receipt of additional statements showed no progress at all, not even 2 per cent.

As a result of these and other factors, industry has been enlarging their operations abroad. The Common Market had a good deal with this development, too.

Outside of India, the chief beneficiary countries included Italy where foreign investment is now twice as large as two years ago. Lots of American manufacturing money has also gone to West Germany. Belgium, France and Formosa are also on the list. Spain is another one.

Taxes are lower in most of these countries, labour is more willing and efficient than in the U.S.

There are also duty and tariff advantages, depending on the country of origin and destination. Oils, chemicals and electronics lead the list of these companies. This development, outside of interest rate factors and other elements, played its part in the outflow of gold and dollar balances from the U.S.—*All Rights Reserved.*

(Concluded from next column)

of the reasons for West Germany's phenomenal post-war recovery, for her active balance of payments and for her rising reserves? Even U.S. economic progress has been outpaced by Germany, while, financially, the shift in power has provided a current phenomenon. The British Chancellor is looking enviously at German economic experience and seeking to draw such lessons from it as may be politically applicable in the U.K.—*All Rights Reserved.*

THE
UNITED COMMERCIAL BANK
LIMITED
Head Office: **CALCUTTA**

Authorised Capital	..	Rs. 8,00,00,000
Subscribed Capital	..	Rs. 4,00,00,000
Paid-up Capital	..	Rs. 2,00,00,000
Reserve Fund	..	Rs. 2,05,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.

Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.

AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, *Chairman.* S. T. SADASIVAN, *General Manager.*

LONDON LETTER

SEARCH FOR SALVATION

(From Our Own Correspondent)

LONDON, 14th April

WHEN a country has incurred a current payments deficit of £344 million, to which it has added by way of net long-term investment £100 million, it is pertinent to inquire what it proposes to do about it. When the amount of the overall true deficit of £445 million is equal to one-eighth of current exports and the proposal is that exports should be increased, it is pardonable to inquire as to the likelihood of such an increase being achieved.

There is little enlightenment on these matters in the Government's *Economic Survey* for 1961, on which your correspondent commented in his previous week's letter. The size of the deficit is explained by exceptional increases in investment and stocks and work in progress. Last year, national income and expenditure rose some 6 per cent, but this figure covered a rise in expenditure by consumers and public authorities of 4 per cent and then rises in two items which need not rise at all; first capital expenditure which was some £350 million higher in 1960 than in 1959 and, secondly, an increase in the value of stocks and work in progress by some £440 million over the 1959 figure. The latter development is exceptional: in both 1958 and 1959 stocks, etc. increased by less than £150 million; even in the two preceding years, the increase averaged under £300 million, but, in 1960, the estimated increase is no less than £600 million. The Treasury rightly considers that a jump of some £630 million in the importation of goods and services in 1960 over 1959 can be laid at the door of the demand created by excessive stockpiling and investment.

But, of course, it does not follow that if there had been no stockpiling, there would have been no payments deficit. Nevertheless, the Treasury is hoping that, in 1961, stocks will not be increased at anything like the 1960 rate—they may of course even be run down—and so painlessly help the external payments account to balance.

The Government does not expect reduced investment to come to the help of the external account: on the contrary, it is proposed to retain the tax concessions on new investment (called investment allowances) which were introduced for—and succeeded in—stimulating industrial investment. Whether the right kind of investment has been stimulated is another matter. But, in any event, the Government recognises the need to expand exports. It claims that it has already given substantial aid to this end; it has "mounted an intensive campaign to publicise the need for continued expansion of exports and the range of Government services available to help exporters. They (the Government) have extended export credit guarantee facilities; and they have supported the action of industry in setting up the Export Council for Europe and in reconstituting the Dollar Exports Council to form the Western Hemisphere Export Council." For the rest, the *Economic Survey* sums up the Government viewpoint thus: "...what ultimately happens, depends upon the action and attitudes of industry as a whole."

This attitude to the problem is naturally one of political philosophy and, when the Budget is debated, the Opposition will insist that the economy will always be in trouble, until the Government is prepared to intervene actively in the field of capital investment to ensure that industries manufacturing for export are preferred.

The Government insists that its responsibility is "to help and stimulate" and thought is being given in the preparation of the Budget proposals to such tax changes as will stimulate production. A comparison of the treatment of incomes recently made here, shows a radical difference of approach between the U.K. and Sweden, on the one hand, and between West Germany and the U.S.A., on the other. The U.K. applies the lowest amount of tax to the smaller incomes and its taxation thereafter becomes steadily progressive following closely the rates applied in Sweden.

In Western Germany, however, the tax trend alters sharply beyond the middle incomes, becomes regressive in fact, so that, between certain income ranges, the State takes proportionately less than it does on lower incomes. Is this technique of favouring the higher incomes one

(Continued in previous column)

ROUBLE *VERSUS* DOLLAR

WILL RUSSIA BE ABLE TO HELP DEVELOPING COUNTRIES ON A LARGE SCALE?

[The readjustment of the external value of the rouble, the Russian currency, sometime ago was claimed by Soviet leaders to signify the growing strength of the rouble vis-a-vis the U.S. dollar and other currencies. That this claim is not justified has been well brought out in an interesting article entitled "Rouble versus Dollar" appearing in the January-February 1961 issue of the Swiss Bank Corporation's Business News Survey. *In this article, the author recalls the defects in the methods of compilation of statistics in the Soviet Union as highlighted by Prof. S. G. Strumilin of Russia towards the end of 1959 which, he says, have awakened the leaders of Russia to the imperative necessity of facing economic and monetary realities. The author has cited facts and figures to support his contention that there could be no question of the Soviet Union being able to help the less developed countries with equipment on the same scale as is now being given by the West. In view of the great importance of the subject to India, we are reproducing the article on this page, with due acknowledgment to the Swiss Bank Corporation.—*ED.]

ADDRESSING the Supreme Soviet on 5th May 1960, Mr. Khrushchev announced that a new rouble equivalent in gold to ten times that of the old rouble, would be created at the beginning of 1961. That was done. Old rouble notes to any amount were exchanged for new rouble notes of one-tenth of the nominal value. Simultaneously, prices, wages and all monetary obligations were scaled down in the same proportion. Up to that point, the operation resembled that by which in 1959 France created a "heavy" franc, nominally only one hundredth the value of the old franc it replaced. Neither in France nor in the Soviet Union did these changes encounter any snags. Besides that, however, the relation of the rouble to the dollar in respect of its gold content was changed, the rouble being devaluated by 55.6 per cent.

No convincing explanation of the motives for these monetary changes were made by Moscow at the time. But ostensibly the step had been decided long before announced by Mr. Khrushchev. Evidently only the weightiest of reasons could have prompted the Soviet leaders to have taken such a step. This is the fourth time since World War II (1947, 1950, 1957, 1961) that the Soviets have had to readjust their monetary system. In 1957, indeed, the Soviets suspended redemption payments on Government bonds for twenty years, although only inland payments were involved. In Western countries, authorities qualified to judge are still by no means unanimous about the real reasons of the Soviet Union for making the change.

On 17th November 1960, *Soviet News* reported the publication by *Pravda* of an article contributed by the U.S.S.R. Finance Minister Mr. Vasily Garbusov, the highest monetary authority in the Soviet Union, declaring:

"The new rate of exchange of the rouble as compared with the U.S. dollar conforms to the real correlation of the purchasing power of the two currencies . . . In the U.S.S.R., there is no inflation and cannot be . . . In the U.S.S.R., both wholesale and retail prices are fixed by the State, so that the purchasing power of the rouble in the Soviet Union is controlled on a planned basis . . . The raising of the gold content and exchange rate of the rouble is of major importance for the solution of the economic problems connected with the foreign trade relations of the U.S.S.R. The new exchange rate of the rouble provides the possibility for a comparison of world prices with the wholesale prices in the U.S.S.R., as the mean world-market prices will in the main be levelled through this exchange rate with the mean wholesale prices in the U.S.S.R.

"This will make it possible to estimate more correctly the relative profitability of exports and imports of specific commodities and the profitability of the U.S.S.R.'s foreign trade as a whole and of its trade with individual countries . . . The lowering of the exchange rate of the currencies of capitalistic countries in relation to the rouble will entail a corresponding reduction of foreign trade prices expressed in roubles and, consequently, a corresponding recalculation of all sums expressed in roubles on the basis of foreign trade prices."

Key to the Mystery

To facilitate the understanding of the motives of the Soviet leaders for this new readjustment of the external value of the rouble, the words of Garbusov may be taken at their face value, the controversial issues they raise being for the moment neglected. The reasons given by Garbusov lead to revelations of momentous significance for world trade. All the background facts cited here can be easily verified.

Towards the end of 1959, the eminent Soviet academician, Prof. S. G. Strumilin, the doyen of contemporary Soviet economists, published in Moscow an epoch-making book entitled: *Essays on the Socialist Economy of the U.S.S.R.* demonstrating beyond doubt that, owing to errors of compilation, Soviet official statistics have always vastly exaggerated the rate of growth of industrial production in the Soviet Union. Figures are computed in such a way that the increments in value achieved at each successive stage of manufacture are counted over and over again.

When, for example, says Strumilin, an automobile is made, the value of the finished car only should be counted in assessing total industrial production. Whereas actually, besides the value of the car itself, the value of all the component parts of the car and the materials used at each stage of manufacture—iron ore, steel, rubber, leather, glass—are counted separately and added to that of the finished car. The distortion has increased greatly during the last few decades as the Soviet economy has turned to the manufacture of more complicated products involving more stages in production.

Soviet industrial production between 1928 and 1956, says Strumilin, increased not 23-fold, as the Soviet official statistics indicate, but less than 15-fold. Whereas in 1928, according to the official statistics, the aggregate value of the output of Soviet industry was 21.5 mds. roubles, the real figure—so Strumilin demonstrates—was only 10.1 mds. roubles. (mds.=milliard, that is thousand million). The official index puts the total Soviet industrial production in 1956 at 492.4 mds. roubles, whereas the real figure should be only 147.7 mds. roubles.

Pure Coincidence

In his book, Strumilin says that, owing to multiple counting, statements on the growth of industrial production in 1956 were 3.3 times as high as reality. By a pure coincidence, two American authorities on the Soviet economy, Prof. Norman M. Kaplan and Prof. Richard M. Moorsteen, working quite independently of Strumilin, came to the conclusion, in 1958, that the Soviet official statistics set production 3.7 times as great as reality. The difference between the two estimates is explained by the fact that Strumilin based his figure on industrial production as a whole, while the two American economists let the production of Soviet military equipment out of account.

If Strumilin is right, all the confident predictions made by Moscow that the industrial production in the Soviet Union would overtake that in the U.S.A. within very few years are illusory. This is now quite apparent even to the Soviet authorities. Nevertheless, the publication of Strumilin's books was permitted and is still on sale. Obviously because the Soviet authorities wanted the facts known. To base economic planning on false statistics would be as disastrous as to try to build a skyscraper on quicksand.

This resolve to put figures on industrial production onto a realistic basis explains why Garbusov declared emphatically in *Pravda* that the purpose of the revaluation of the rouble was to enable Soviet foreign trade to be put onto a realistic foundation and to be able to determine whether exports and imports in specific cases are profitable. Drastically expressed, Garbusov admitted the necessity for adopting capitalistic principles in developing Soviet foreign trade. This is a decision of major worldwide significance, indicating that structural changes in foreign trade relations among the countries of the Eastern block are contemplated.

"COMECON"

In 1949, COMECON—Council for Mutual Economic Help—was created to accomplish for the European States of the Eastern block what the Marshall Plan began to do for Western Europe in 1948. That is to say, to eliminate all impediments to trade among the members of the group, for example, by facilitating the exchange of commodities and the settlement of accounts in intra-Comecon trade. A common policy was to be adopted to permit the application of the principle of the division of labour, so that industrial production could be organised to permit the pooling of energy resources, the building of pipelines to distribute mineral oil, the drafting of common investment programmes and the use of methods of automation to multiply industrial output and cheapen production costs, impossible without an assured home market large enough to take up the augmented output. Economic integration was to give an immense impetus to the fruitfulness of industrial research. All the countries belonging to Comecon were to retain their full sovereignty but were to enjoy equal rights all round and freedom of action in developing their foreign trade with countries outside the group, above all, trade with countries of the Western world. That programme looked indeed formidable.

From the outset, the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria and Albania were members of Comecon. Red China did not join but sends a non-voting observer to attend major deliberations. Yugoslavia applied for membership in 1949 but was not admitted. In autumn 1950, East Germany joined.

If the plans made by Comecon could have been fully implemented, the expansion of industrial production in Eastern Europe would have been far more dynamic. Actually, despite all impediments, development has been really substantial, largely because, as regards their natural resources of energy and raw materials, the countries of Eastern Europe are economically supplementary. But to exploit all the potentialities fully, the adoption of a multilateral system of trade and payments, on lines followed by the O.E.E.C. countries of Western Europe, was essential.

This was clearly recognised from the outset. Until now, however, the Soviet Union, whose influence in Comecon outweighs that of all the other members combined, has insisted that all trade and payments not only among the members of the Comecon group but also in commerce with the West, should be kept on a bilateral basis. The reasons for that are political. As long as trade is kept bilateral, the Soviet Union is able to decide the pattern of trade of all the members of the group, deciding what shall be exported, whither and at what prices. In foreign trade, the advantages have been hitherto always reserved for the Soviet Union. Development has in consequence been hitherto cramped, while passive resistance to integration increased.

Prices

As regards prices, one typical example of innumerable cases of the arbitrary treatment of the other states by Moscow is that of the export of Polish coal. By a manipulation of the rouble rate of exchange, Poland was at one time being obliged to export at $1.25 a ton when the world market price was $12 to $15. Where political considerations predominate, export prices fixed by Moscow are often different for different Comecon countries. This treatment must be suffered because the Soviet Union is in practice the only source of many industrial materials indispensable to the countries of the Eastern block.

At the Comecon rally in Warsaw in May 1959, the principle of the equality of rights of all the member states was reaffirmed and the creation of a multilateral system of payments on the E.P.U. model resolved. Until now, these decisions have remained a dead letter. Moscow still insists on keeping all foreign trade bilateral. The Soviet Union resists any change that would weaken its political grip on the whole Eastern block. A multilateral payments system depends on the availability of some common "unit of account" based on economic realities. The E.P.U. used the dollar as a basis of accounting for multilateral settlements in Europe. No such unit has until now been available to the Eastern block. The value of the rouble in terms of other currencies has always been problematical. In trade among Comecon countries, accounts are kept in roubles but settlements are always bilateral by exchange of commodities. The most recent trade agreement between Western Germany and the Soviet Union fixes aggregate deliveries by Germany at a value of DM 1.89 mds.—56 per cent of which are to be in machinery, industrial equipment and ships—and by the Soviet Union DM 1.84 mds. during 1961-63. The U.S.S.R. is to deliver chiefly grain, timber, fodder, diesel oil. Accounts are kept in deutsche marks.

Since virtually all European currencies were made convertible at the end of 1958, the foreign trade of European countries increasing still further in consequence, the disadvantages of bilateral trade became more apparent than ever in Moscow. Trade among the countries of the Eastern block is done on what is really a barter basis. No Comecon country can sell more to any other Comecon country than the latter can pay for in goods. Any credit balance arising in favour of one Comecon country cannot be used to settle a debt to a third Comecon country. Only political considerations deter Moscow from putting trade among the countries of the Eastern block on a multilateral basis to expand trade as happened among the O.E.E.C. countries.

Since 1959, the preparations being made by the Common Market of Six to reorganise the economy in accord with the principles of the division of labour have demonstrated to the Soviet leaders the inestimable advantages of economic integration. If this could be achieved by the Comecon countries, their common market would consist of more than 300 million consumers of which the Soviet Union would account for about 220 millions. By comparison, the number of consumers in the U.S.A. now is about 185 millions and in the Common Market of Six about 170 millions. As the ultimate aim is economic integration, the resolve of the Soviet Union to revalue the rouble so as to bring Soviet price levels into alignment with those on the world market is not difficult to understand.

By the Communist system, all wholesale and retail prices, all wages and salaries—as Garbusov stated—are fixed by the State. Losses suffered when prices charged are too low compared with costs are supposed to be made good by the profit when prices are too high. Until now, not the least attention has been paid to actual costs of production in fixing prices in foreign trade. In that sector, all prices are "political." In trade with the West, "world prices" are charged and settlements made mostly in dollars or sterling. To accelerate the expansion of production, the Soviet Union has an insatiable demand for machinery, industrial equipment, chemicals, wool, rubber. To obtain dollars and sterling to pay for these, the Soviet Union, whenever necessary, has sold oil, aluminium, tin and other staple commodities at dumping prices, doubtless often far below actual cost. There is, however, a limit to the volume of exports that can be sold at a loss.

Garbusov mentioned that one object of revaluating the rouble was "to establish a rate of exchange that would make possible a comparison of world prices with wholesale prices in the U.S.S.R." In other words, the Soviet economy has reached the stage when foreign trade must be placed on a realistic price basis.

Convertibility

Theoretically, the Soviet Union could make the rouble convertible externally at once without difficulty, because the State has complete control over the balance of payments and over internal and external prices. That kind of convertibility would, however, achieve nothing to facilitate the import of products from the West, urgently needed by the East. The volume of imports from the West might indeed be augmented by making larger payments in Soviet-mined gold, a course that the Soviet Union would take only with the greatest reluctance.

Whether the gold reserves of the Soviet Union are great enough to make the rouble even conditionally convertible is not known. No official figures have been published by the U.S.S.R. since 1937. All the estimates made by the most eminent experts of Western countries in recent years are summarised by Oscar L. Altman in the *Staff Papers* of the International Monetary Fund in April 1960.

In its monthly bulletin of January 1961, the First National City Bank of New York states that, excluding the U.S.S.R., the world gold output reached a new record in 1960 for the seventh consecutive year, the value at $35 per oz. amounting to $1,180 million—an increase of between 4 and 5 per cent on the 1959 figure. Of this total, the output of newly-mined gold in the Union of South Africa totalled some $750 million by value. "Western observers compute that the production of Russian gold in 1960 was between $350 and $600 million by value at the present gold price of $35 per oz." "Gold import statistics show, however, that the Soviet Union must have exported approximately $250 million worth of gold annually in the period 1957 to 1959."

These figures are doubtless close enough approximations to indicate the order of magnitude of the gold reserves available in the Soviet Union for making the rouble convertible against gold. How great the stocks of Soviet gold are now is not known definitely but estimates quoted in *Staff Papers* set the maximum figure at about $8 mds.—against about $17½ mds. held by the U.S.A.—According to Altman, the stocks of the Soviet Union at the end of 1959 might have been as low as $4-6½ mds. If the output of gold newly-mined in South Africa were to be greatly diminished, for example, by racial upheavals, the monetary arrangements of the West might be seriously disturbed. The output of newly-mined gold in the Soviet Union might then even exceed that in the free world.

But there are far too many unknowns in the situation to justify any dogmatic verdict. If the order of magnitude of the various estimates is anywhere near the truth, the Soviet Union would hesitate to make the rouble convertible into gold at present, especially as the cost of mining gold in the Soviet Union is believed to be far higher than in South Africa. About 75 per cent of the Soviet gold production is concentrated in the sub-arctic Far East. Mining and transport costs are very high and the working year short. On 22nd June 1959, *The Times* (London) reported an estimate showing that the cost of mining gold in the Soviet Union must be at least $166 per oz. at the official rate of exchange at that time. By devaluating the rouble by 55.6 per cent against the dollar, the difference of this cost and the official price of gold—$35 per oz.—is diminished. If the official dollar price of gold were raised, the margin would be narrower still. After devaluation of the rouble by 55.6 per cent, the figure of $166 would be reduced to $73.7, a very close approach to what was commonly expected to become the new dollar price of gold, had the Eisenhower regime raised the price of gold.

At this juncture in world economic evolution towards a single system whose end—according to the oft-avowed aims of Moscow—must be the universality either of collectivism or of free enterprise, the Soviet Union has been placed by events under the necessity of demonstrating the power of its economic system to lift the standard of living in the less-developed countries overseas to that prevailing elsewhere.

Aid to Underdeveloped Countries

Up till now, the economic integration of the Comecon group could not be achieved because of the unwillingness of Moscow to allow removals of the impediments to trade within the group and permit the inauguration of a system of multilateral settlement of accounts. Trade of the underdeveloped countries could not be subjected to the same restrictions as those binding the Comecon countries. Help for underdeveloped countries must be given in the form of gifts in kind or by facilitating the expansion of their foreign trade. Has Moscow resources enough to give unrequited aid? Up till now, the Soviet Union has had to part very reluctantly with gold in large amounts to square its own balance of trade with Western countries. Speaking on 29th September 1960, Prime Minister Macmillan stated that Western aid for the less-developed countries up till then had aggregated $14 mds. whereas Soviet aid, given or promised, amounted to only $3 mds. According to the October bulletin of the First National City Bank of New York, the economic help of the chief industrialised countries of the West in 1954-59 aggregated $18 mds., the amount in 1959 alone exceeding $4 mds. The Soviet Union and its satellites have constant difficulty in paying for imports of machinery and industrial equipment from the West to expand their own production. There could be no question of the Soviet Union helping the less-developed countries with equipment on the same scale as that now given by the West.

Faced by the challenge imposed by circumstances, the Soviet Union is forced to come to grips with realities and exploit every conceivable way of expanding industrial production in the Eastern block, even if that means allowing the Comecon countries to integrate their economies. The passive resistance practised hitherto by these countries would cease only if equality of rights, so long promised, were actually granted. Moscow might now be disposed to pay this price for Eastern solidarity. Integration of the Comecon block of countries with an aggregate population of more than 300 millions could in time become a real threat to the West if in the East all industrial production were co-ordinated, the division of labour practised, the advantages of automation exploited and the rate of economic expansion accelerated.

CANARA BANKING CORPORATION

STEADY PROGRESS REPORTED

THE year 1960 witnessed a further expansion in the activities of the Canara Banking Corporation Limited (Chairman: Mr. B. Vaikunta Baliga, Udipi, S. India). Thus, the audited accounts for the year show that the income by way of interest and discount earned has risen from Rs. 41.07 lakhs in 1959 to Rs. 48.63 lakhs. The income from commission and exchange also increased by Rs. 1.64 lakhs to Rs. 11.09 lakhs. But, as interest paid and other expenses too have increased sizably, the former by Rs. 5.29 lakhs to Rs. 30.89 lakhs and the latter by Rs. 3.19 lakhs to Rs. 21.81 lakhs, the profit for 1960 is higher by only Rs. 68,000 at Rs. 6.75 lakhs. But since the provision for taxation has been raised by Rs. 70,000 to Rs. 2.80 lakhs, the sum available for distribution is a shade less. The Directors have transferred a slightly smaller amount to statutory reserves, namely, Rs. 1.35 lakh, as against Rs. 1.80 lakh set aside in 1959. But they have decided to maintain the ordinary dividend at the previous year's level of 15 per cent (taxable) per annum.

The progress of the Bank since 1957 is depicted in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Interest and discount earned	48.63	41.07	34.91	28.38
Commission and exchange	11.09	9.45	8.36	6.66
Interest paid	30.89	25.60	22.53	17.46
Expenses	21.81	18.62	16.47	13.58
Depreciation	0.50	0.34	0.37	0.37
Profit	6.75	6.07	4.02	3.75
Provision for taxation	2.80	2.10	1.75	1.60
To reserves	1.35	1.80	0.93	0.80
Dividends—				
(Preference and ordinary)	2.63	2.09	1.33	1.33
Rate of ordinary dividend	(15%)*	(15%)*	(D-8%+ B-2%)	(D-8%+ B-2%)
Carry forward	0.11	0.14	0.07	0.06

	As on 31st December			
	1960	1959	1958	1957
Capital	25.00	24.98	20.00	20.00
Reserves	10.85	18.00	14.40	13.55
Deposits	472.72	444.65	419.35	385.76
Borrowings from other banks	9.25	35.85	29.14	35.47
Advances	488.72	490.65	395.39	343.45
Investments	353.27	340.03	305.65	229.55
Cash	106.77	112.08	109.44	94.03
Balance-sheet total	1084.17	1074.88	918.94	749.53
Ratio to deposits of—	%	%	%	%
Advances	56.0	58.1	54.9	58.6
Investments†	39.4	37.1	40.6	39.2
Cash	12.2	13.2	15.2	16.1

* Subject to deduction of tax.
† Ratio arrived after taking into account only unpledged portion of securities.

It will be observed that the upward trend in profit has been fully maintained, though the pace of growth has been a little slower as compared with the swift advance made in 1959.

Coming to the balance-sheet, one finds that, contrary to the general contractionist trend of deposits in the past year, the deposits of the Canara Banking Corporation have actually risen by Rs. 28.07 lakhs. The rise is more pronounced in the case of fixed and savings bank deposits—the former having gone up by Rs. 31.40 lakhs and the latter by Rs. 18.09 lakhs. The current deposits, however, have declined by Rs. 21.41 lakhs. As the aggregate deposits recorded a sizable expansion, the Bank has reduced its borrowings from other banks, as witness the decline in this item from Rs. 35.85 lakhs in 1959 to Rs. 9.25 lakhs in the year under review. On the assets side, the advances show a fractional fall, from Rs. 490.65 lakhs to Rs. 488.72 lakhs, and their ratio to deposits has also come down from 58.1 per cent to 56.0 per cent. The Bank's bill business expanded substantially, the outstanding bills for collection having increased from Rs. 54.15 lakhs to Rs. 65 63 lakhs. The investments of the Bank have gone up from Rs. 349.93 lakhs to Rs. 353.27 lakhs and so also their ratio to deposits from 37.1 per cent to 39.4 per cent. The liquidity ratio (investment plus cash) stands at a high level of 51.6 per cent. The reduction in advances and strengthening of liquid assets suggest that, in view of the strain on the banking system, the management preferred to play for safety.

During the past four years, the Bank's paid-up capital and reserves have increased substantially; the former stands at Rs. 25 lakhs as against Rs. 20 lakhs as on 31st December 1957 and the latter at Rs. 19.35 lakhs as against

(Continued on page 779)

COTTON MILLS' PERFORMANCE LAST YEAR

OUTPUT OF CLOTH AND YARN RISES, WHILE OFFTAKE RECEDES

THE ideologically-biassed textile policy of the Government has adversely affected not merely the more efficient, large-scale mill sector but the community in general. The production of mill cloth has gone down in the second Plan period, from 5,307 million yards in 1956 to 5,048 million yards in 1960, while the population of the country over the same period has risen from 391 million to 438 million. It is true that the output in the decentralised sector (handlooms and powerlooms combined) has increased quite notably, from an estimated total of 1,787 million yards in 1956 to 2,258 million yards in 1959 and 2,195 million yards in 1960, both figures being estimates. Even so, the *per capita* production of cloth (in both mills and decentralised sector) has shrunk greatly; in 1960, it was no more than 16.6 yards, as against 18.1 yards in 1956. Is this planning? Cloth, it is scarcely necessary to point out, is an essential item of consumption and as such exerts its influence greatly on the general level of prices. If, therefore, the inflationary impact of the substantial expenditure contemplated in the third Plan is to be held in check, it will be of the utmost urgency to take all possible measures designed to accelerate the production of mill cloth. Otherwise, the country will be faced with a virtual cloth famine at the end of the Plan.

That the mill industry has endeavoured to maintain as high a level of production as possible, despite the unhelpful official policy, is, indeed, creditable. The quantity of cloth actually produced in 1960 was 5,048.35 million yards, representing a rise of nearly 123.00 million yards as compared with the output of 4,925.43 million yards in 1959. The rise would have been more appreciable if the industry had been assured of regular and adequate raw cotton supplies at reasonable prices. The 1959-60 cotton season, it will be recalled, witnessed a sharp setback to the crop and the authorities did not make arrangements in time for getting imports from abroad. The production of yarn in 1960 was of the order of 1,737.12 million lbs. which, though it is higher than the previous year's figure of 1,722.81 million lbs., is below what was produced in 1957, namely, 1,780.10 million lbs.

Mill Activity

The following table indicates the mill activity in 1960 as compared with 1959 and 1958.

	1960	1959	1958
Cloth (million yards)			
Production	5,048.35	4,925.43	4,926.97
Delivered for :			
Civil consumption	4,080.21	4,497.79	4,301.49
Export	749.29	890.02	635.89
Other purposes	23.84	26.24	20.71
Unsold stock*	340.27	204.66	479.70
Yarn (million lbs.)			
Production	1,737.12	1,722.81	1,665.33
Consumed in mills	1,152.96	1,159.18	1,148.81
Export	22.80	33.57	34.01
Other deliveries	584.24	609.53	577.88
Unsold stock*	32.22	9.21	25.44
Cotton consumption (thousand bales of 400 lbs.)	5,097	5,095	4,964
Of which : Indian	4,112	4,639	4,440
Foreign	985	456	524
Spindles worked (daily average number)			
1st shift	11,771,011	11,227,877	10,904,927
2nd shift	11,861,818	10,982,740	10,411,744
3rd shift	5,066,854	4,940,430	4,961,855
Looms worked (daily average number)			
1st shift	178,975	175,968	177,014
2nd shift	173,010	168,254	164,295
3rd shift	42,774	37,416	33,413
Workers at work (daily average in all departments)	772,844	769,647	N.A.

* At the end of December. N.A.—Not available.

The improvement in cloth and yarn production during 1960 followed the more intensive utilisation of the mills' machinery and plant. On an average, 11.77 million spindles were employed in the first-shift working of mills, as against 11.29 million in 1959. Similarly, the average number of spindles in second and third shifts was higher, being 11.56 million and 6.07 million, as against 10.93 million and 4.94 million, respectively. Similarly, the daily average number of looms run was higher in all the three shifts: 178,975, 173,010 and 42,774, as compared with 175,968, 168,254 and 37,416, respectively, in 1959. The continued intensive utilisation of the mills' existing plant and machinery will only hasten their end, especially because a large part of them was installed many, many years ago and has outlived its utility. The mill industry must, therefore, be allowed to expand its capacity (both spinning and weaving) steadily, rehabilitate the worn-out equipment through replacement of modern machinery, particularly installation of automatic looms, with all the balancing equipment, and rationalise the methods of manufacture.

Consequent on the higher number of spindles and looms run in all the three shifts during 1960, the daily average number of workers at work in the different departments was higher at 772,344, as against 762,637 in 1959. This number is, however, less than the total number of workers on list (including *budlis*) which was 894,572.

More Higher Medium Cloth

The rise of 123 million yards in cloth production during 1960 as compared with 1959 was accounted for mainly by higher medium categories, the output of which amounted to 2,074.70 million yards, as against 1,758.42 million yards. The production of superfine counts was also higher at 301.53 million yards, as against 291.03 million yards. Coarse cloth, however, suffered a distinct setback, from 892.05 million yards in 1959 to 704.56 million yards in 1960. Likewise, the production of lower medium and fine counts declined, the former from 1,741.99 million yards to 1,738.53 million yards and the latter from 241.95 million yards to 229.03 million yards. These changes mainly reflect the fall in the supply of Indian cotton and the increased use of American cotton.

Sort-wise, longcloth and sheetings occupy the first place, as their share in the total output of wearable cloth is nearly one-third. Prints and chintz rank second, followed by *saris*, *dhotis*, poplins and crepes, mulls and voiles, shirtings, sucies, and drills, etc. The monthly averages of wearable cloth varieties packed in 1960 are given below, the figures in brackets relating to 1959:

(In thousand yards)

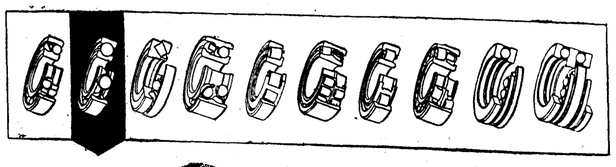
Dhotis 36,796 (38,635); *saris* 44,476 (39,387); dupattas, khes, chola, uparana 825 (648); mulls, voiles and dorias 21,830 (27,462); poplins, crepes, twills and hair cords 43,174 (35,546); longcloth 75,261 (68,460); sheeting 37,527 (40,393); leopard cloth and markin 13,069 (13,411); shirtings 20,051 (19,935); sucies 21,973 (19,460); madapalam, cambrics and lawns 3,074 (2,171); prints and chintz 46,726 (49,015); coating, tussores, corduroy and bedford corduroy 9,831 (11,593); drills, jeans, satin drill and gaberdine 17,728 (18,649); leno cloth 679 (514), mazri cloth *dosuti/dedsuti* 5,456 (6,196); other items 7,174 (7,940).

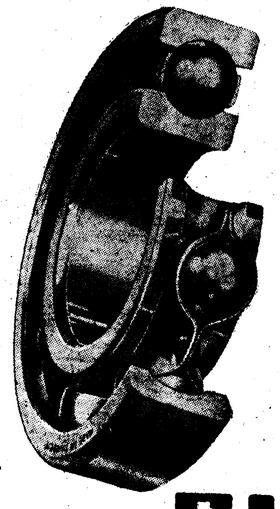
Of the 5,048.35 million yards of mill cloth produced in 1960 the share of bleached cloth alone was more than two-thirds, 3,365.56 million yards, to be precise. The quantity is higher than the 3,283.62 million yards produced in 1959. The output of piece-dyed fabrics was also higher at 789.53 million yards, as against 767.38 million yards. There was, however, a fall in the production of printed varieties, from 652.28 million yards in 1959 to 621.74 million yards in 1960.

The rise in cloth output noted last year was, however, not accompanied by a corresponding rise in deliveries of cloth for various purposes which actually suffered a setback. The quantity delivered for civil consumption was lower by 437.48 million yards at 4,060.31 million yards, for exports by 140.73 million yards at 749.29 million yards and for other purposes by 2.40 million yards at 23.84 million yards. Consequently, the unsold stocks lying with mills at the end of December 1960 were well above those a year before—340.27 million yards, as against 204.66 million yards. The reasons for the lower offtake are well known. So far as the domestic market is concerned, the main reason was the uncertainty caused by the Government's pricing policy. The frequent insistence by the Government for a reduction in prices deterred the dealers from buying freely. The result was inadequate supply of cloth in the retail markets.

(*Continued on page 740*)

SKF *offer the widest selection of bearings*





Illustrated here is the SINGLE ROW DEEP GROOVE BALL BEARING, the most widely used of the ten variants of the four basic types of ball and roller bearing made by SKF

The groove depth, ball size and high degree of conformity between balls and tracks enables SKF single row deep groove ball bearings to deal with considerable thrust loads in addition to radial loads even at very high speeds.

SKF

THE SKF BALL BEARING CO. PRIVATE LTD.

P.O. Box 71, Sir Pherozeshah Mehta Road, Bombay. P.O. Box 338, Netaji Subhas Road, Calcutta.

TIGHTER SQUEEZE IN TEXTILES AHEAD?

STOCKS WITH TRADERS RISING

From Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 11*th April*

SPECULATION about the Budget proposals always provides a happy hunting ground for the economic forecasters and for political pandits. Publication of the official survey issued by the Government offers an opportunity to guess at what the Chancellor has in store.

Although there are still incorrigible optimists, the main weight of opinion this year seems to favour little change in the basic situation for a large body of taxpayers, although the belief that concessions may be granted on surtax is gaining ground. Some observers, indeed, suggest a further toughening in the Government's attitude towards retail expenditure and few suggest that any relaxation in purchasing power can be anticipated, owing to the recent drain on national reserves. From the viewpoint of the Lancashire cotton industry, nothing could be better than some extra cash in the pockets of prospective customers, as bigger retail sales of textiles could tip the scales at a time when there appears to be some need for additional pressure to be supplied at that point.

Little Follow-on Business

The trading cycle which has often been featured in learned discussions about the rises and falls in demand for cotton and allied products has, since the beginning of 1961, appeared to have reached its zenith for the time being. The big buying movement in late 1959 scarcely diminished in volume throughout last year, but, when the autumn failed to bring more than a steady offtake, with an absence of follow-on business of note, it became imperative that new orders should soon be secured.

The dullness of trading in the first quarter of this year has only been relieved by very fleeting spurts of activity and, while the mills themselves are generally busy working off current orders, the dearth of workable demand has gradually sapped the confidence of producers. There is still time for a revival to take place and it only needs some small developments to provide the "snowball" effect which invariably follows increasing pressure for supplies. Such a trend might well be set in motion by the freeing of additional purchasing power in the hands of the public.

Textiles benefited to some extent, along with other consumer products, from the tightening of controls of hire-purchase arrangements and more durable goods last year. The pipelines have to a large extent been restocked from their extremely low levels of twelve to eighteen months ago. Occasional reports are received of individual distributors complaining about ample stocks and an accumulation of goods held, but such experience is as yet unusual.

Irregularity in conditions affecting certain branches of the market, however, is already apparent. The past few months have seen some sections struggling against adversity, notably those firms chiefly engaged in doubling and the waste trade. Producers of goods in the very fine and very coarse qualities have suffered the most, but, among average constructions of cloth and counts of yarn, the situation as a whole is still reasonably encouraging.

Not to be ignored, and with its shadow growing longer every week, is the impact of imports. The authorities are clearly aware of the growing impatience in the industry about the renewal of the Hong Kong pact, but everyone admits the difficulty facing Lancashire's negotiators. At the same time, uncertainty is always the worst feature of any trading period, leading to prolonged hesitation among customers. It follows that, whatever the outcome, an early attempt should be made to settle this vital matter, so that the industry may be spared a phase of stagnation while talks appear to drag on unendingly.

Cotton Research

Research work carried out by the Empire Cotton Growing Corporation in two countries which have now become independent—Sudan and Nigeria—will not be affected by their change of political status, Lord Derby, the President, told the annual meeting of the Corporation in Manchester. Representatives of both countries had expressed their thanks to the Corporation for past help and had already stated that they would need assistance for many years to come. The Sudan had, in fact, asked if the number of Corporation's staff working in that country could be increased. Staff had been working there since 1925.

Production in the areas covered by the Corporation had been raised from 500,000 bales annually during the war to a new record level of 1,500,000 bales. It had been necessary to increase staff accordingly, but this expansion had not been in proportion to the trebling of the cotton crop. Mr. James Littlewood, Chairman of the Council of the Corporation, said that some outside growths of cotton such as Nigerian commanded a premium over United States varieties because they were still hand picked and did not suffer the disadvantage of mechanical picking and cleaning.

Lord Derby disclosed that the crop in Nigeria now being handled was likely to be the largest ever produced in this territory. He estimated that it would exceed the previous record of 241,000 bales in the 1957-58 season by about 40,000 bales. The Eastern extension of the Nigerian railway system, he said, was making good progress and by 1962 should have reached Gombe allowing all the production in that area to be railed direct to the coast for shipment instead of having first to be transported 190 miles by road.

Still More Figures

Additional tables giving more information about world affairs in the production of cotton and allied goods are now available in the quarterly statistical review issued by the Cotton Board, making this document, which is widely distributed to the trade at large, an even more valuable guide to be kept close at hand. Although inevitably most details are furnished about the supply and consumption of yarn and cloth produced in Lancashire mills, the outline of output, shipments and imports in numerous countries provides an up-to-date picture of the global textile scene.

The latest summary of conditions in the United Kingdom industry serves to confirm figures and trends already apparent. The reduction in the working week and absenteeism earlier in the year are responsible for the curtailment of output, which in the case of single yarns in February was 7 per cent below the November level. Cloth production in January was 5 per cent lower than in October 1960 which represented the best month since the scrapping programmes were completed.

Retail sales of clothing, however, according to the report, increased by 7 per cent last year as compared with 1959, and this represents a major source of strength for the cotton industry. "The main weakness in the situation is the increase in stocks of cotton goods, brought about by the flood of imports," adds the survey.

Over the Peak?

On an international basis, the review contends that cotton yarn production passed its peak some time in the course of last year. Over 1960 as a whole, world output was 4 per cent higher than in 1959, but, in the third quarter, it was only 2 per cent above the corresponding period twelve months previously and, by the fourth quarter, it had slipped back to 2 per cent below the 1959 level. Shipments of cotton cloth last year again expanded for the second year in succession, with the general level of exports about 11 per cent higher than in 1959. The United Kingdom, the United States, India and Switzerland were the chief exceptions to the improvement, while big gains were recorded by Japan, France and Spain.

As a result of figures published in the survey, it is now possible to break down the large imports of foreign goods into different types. The average quarterly arrivals of cotton yarn, for example, which amounted to 9,650,000 lbs. last year, included nearly 5 million lbs. of doubled yarn and a further 3,720,000 lbs. of single grey yarn below 42s counts.

In the case of grey cloth imports, which averaged nearly 150 million yards per quarter last year, the major quantity entering British ports was fabric below 42 inches in width, which accounted for over 80 million yards quarterly. A further 40 million yards of cloth between 42 inches and 60 inches arrived, while drills, jeans and gaberdines represented 11,750,000 yards of the quarterly total. Other woven fabrics arriving from overseas sources included more than 4 million yards of bleached cloth quarterly, 8,870,000 yards of printed goods, 6,674,000 yards of piece-dyed material and 6,310,000 yards of yarn-dyed fabrics.

Bigger Machine Activity

During a year so momentous as that encountered in Lancashire when such wholesale scrapping of plant took place, the rate of machine activity in the mills is of special importance. The disposal of redundant plant in the spinning section had reduced the number of spindles in place from 26,240,000 in 1958 to 13,140,000 in the final quarter last year. The mills were working at 95 per cent of capacity at the end of 1960, as against only 65 per cent two years previously. It is significant that the weekly average output of all types of yarn in the fourth quarter last year was 12,760,000 lbs., as against 12,660,000 lbs. over the whole of 1958.

In weaving, similar comparisons show the number of looms in place in the final quarter last year at 150,500, as against 255,400 in 1958, but the number of fully automatic machines remained almost unaltered at 41,700, as against 41,500 two years previously. Machine activity late last year reached a weekly level of 92½ per cent, whereas 1958 again represented a low-point of only 70 per cent. Cloth production appeared to have suffered more from the results of the redundancy scheme, the weekly average output last year being fully 2 million yards a week below the 1958 average and, even in the final quarter, it was over one million yards down on the level two years before.—*All Rights Reserved.*

STATE BANK OF BIKANER

(Subsidiary of the State Bank of India)

Head Office : **BIKANER**

We Offer

BANKING SERVICE OF EVERY DESCRIPTION

through a close net-work of branches in Rajasthan and other important cities of the country.

Foreign Exchange Business undertaken

Interest on Savings Bank Deposits allowed at

3% per annum

THIS IS AN ANNOUNCEMENT AND NOT A PROSPECTUS

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Registered Office of the Company at Gauhati and at its Regional Office at Calcutta. It must be distinctly understood that in giving this consent, the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

Licences have been obtained from the Central Government for the establishment of this new industrial undertaking at Chandrapur near Gauhati in the State of Assam and for effecting a substantial expansion in the existing industrial undertaking, of which copies together with copies of all orders amending the same are open to public inspection at the Registered Office of the Company at Gauhati, and at the Regional Office at Calcutta. It must be distinctly understood that in granting these Licences the Government of India do not take any responsibility for the financial soundness of these undertakings or for the correctness of any of the statements made or opinions expressed in regard to them.

A copy of the Prospectus, having attached thereto the documents required by Section 60 of the Companies Act, 1956, has been delivered to the Registrar of Companies, Assam, Tripura and Manipur, Shillong, for registration.

Application will be made to the Calcutta Stock Exchange, for permission to deal in the Equity Shares of the Company and for official quotation.

The Subscription List will open at the commencement of Banking hours on Friday, the 28th April, 1961 and will close at the close of Banking hours on Saturday, the 6th May, 1961, or earlier at the discretion of the Board of Directors of the Company, but not before the close of Banking hours on Monday, the 1st May, 1961.

ASSOCIATED INDUSTRIES (ASSAM) LTD.

(INCORPORATED ON 7TH NOVEMBER, 1959, UNDER THE COMPANIES ACT, 1956)

AUTHORISED SHARE CAPITAL

		Rs.
(1)	7,00,000 Equity Shares of Rs. 10 each	70,00,000
(2)	30,000 Redeemable Cumulative Preference Shares of Rs. 100 each	30,00,000
		Rs. 1,00,00,000

ISSUED SHARE CAPITAL

	Rs.
1,00,000 Equity Shares of Rs. 10 each, fully paid up in cash	10,00,000

The abovementioned 1,00,000 Equity Shares have been allotted for cash at par to the Promoters and Directors of the Company and their relatives, friends and associated companies.

PRESENT ISSUE

Preference Shares:

	Rs.
15,000 9.3% (Taxable) Redeemable Cumulative Preference Shares of Rs. 100 each	15,00,000

The Government of Assam have agreed to subscribe the entire issue of 15,000 Preference Shares which will be allotted to them for cash at par.

Equity Shares:

3,50,000 Equity Shares of Rs. 10 each	35,00,000
Rs.	50,00,000

OUT OF THE PRESENT ISSUE OF 3,50,000 EQUITY SHARES

	Rs.
(1) The Directors and their relatives, friends and associated companies have agreed to subscribe for cash at par and will be allotted 29,100 Equity Shares of Rs. 10 each	2,91,000
(2) Rallis India Limited, Calcutta, have agreed to subscribe for cash at par and will be allotted 30,000 Equity Shares of Rs. 10 each	3,00,000
(3) The Government of Assam have agreed to subscribe for cash at par and will be allotted 40,000 Equity Shares of Rs. 10 each	4,00,000

NOW OFFERED AT PAR FOR PUBLIC SUBSCRIPTION

2,50,900 Equity Shares of Rs. 10 each	25,09,000
Rs.	35,00,000

Out of 2,50,900 Equity Shares offered to the public for subscription a preferential allotment of 50,000 Equity Shares will be made to the people of Assam and the Government of Assam have underwritten the said 50,000 Equity Shares on the above condition.

UNDERWRITING

The entire aforesaid issue offered to the public has been underwritten as follows :

	Underwriters	*Equity Shares*
1.	Government of Assam, Shillong	50,000
2.	The Bank of Baroda Ltd., Bombay	60,000
3.	The Concord of India Insurance Co., Ltd., Calcutta	20,900
4.	New Zealand Insurance Co., Ltd., Calcutta	50,000
5.	Royal Exchange Assurance, Calcutta	20,000
6.	Place Siddons & Gough (Private) Ltd., Calcutta	50,000
		2,50,900

In the opinion of the Directors the resources of the underwriters are sufficient to discharge their underwriting obligations.

DIRECTORS

1. MR. G. D. JATIA (*Chairman*), 55/1, Bhupendra Basu Avenue, Calcutta-4, Industrialist, Managing Director of Reform Flour Mills Private Ltd.
2. H. H. MAHARAJA SIR PRATAP CHANDRA BHANJ DEO OF MAYURBHANJ, G.C.I.E., L.L.D., 3, Rainey Park, Calcutta 19, Businessman, Maharaja of Mayurbhanj.
3. MR. H. J. SILVERSTON, 4, Lord Sinha Road Calcutta 16, Solicitor, Director of Rallis India Ltd. Partner of Messrs. Orr, Dignam & Co.
4. RAI BAHADUR H. P. BARUA, "Udyan", Golaghat, Assam, Businessman, Tea Planter.
5. RANA K. D. N. SINGH I.A.S., Shillong, Secretary, Industries Department, Govt. of Assam, Director nominated by Govt. of Assam.
6. MR. T. P. CHAKRAVARTI, P10 New Howrah Bridge Approach Road Calcutta, Industrialist, Director of Mohini Mills Ltd.
7. MR. A. D. MANGO, 21, Ravelin Street, Bombay-1, Industrialist, Director of Rallis India Ltd.
8. MR. S. S. LAHIRI, B.Sc. (Leeds), 1/1/2B, Hazra Road, Calcutta 26, Businessman, Technician.
9. MR. D. N. JATIA, 55/1, Bhupendra Basu Avenue, Calcutta 4, Industrialist, Managing Director of Snow White Food Product Co. Ltd.

REGISTERED OFFICE

ZIAKUR HOUSE, GAUHATI, ASSAM.

REGIONAL OFFICE

18, NETAJI SUBHAS ROAD, CALCUTTA-1.

AUDITORS

S. R. BATLIBOI & CO., Chartered Accountants, 1B, Old Post Office St., Calcutta-1.

U. C. MAZUMDAR, Chartered Accountant, Shillong.

BANKERS

STATE BANK OF INDIA, 1, Strand Road, Calcutta, and Gauhati, Assam.

THE CENTRAL BANK OF INDIA, LTD., 33, Netaji Subhas Road, Calcutta.

THE BANK OF BARODA LTD., India Exchange, Calcutta.

UNITED BANK OF INDIA LTD., 4, Clive Ghat Street, Calcutta, and Gauhati, Assam.

BROKERS TO THE ISSUE

Calcutta

PLACE SIDDONS & GOUGH (PRIVATE) LTD., 6, Lyons Range, Calcutta.

BAGLA & CO., 8, Lyons Range, Calcutta.

Bombay

BATLIVALA & KARANI, Union Bank Buildings, Dalal St., Fort, Bombay-1.

HARKISONDASS LUKHMIDASS, 5, Hamam St., Fort, Bombay-1.

LEWIS & JONES, Bank of Baroda Building, Apollo Street, Fort, Bombay-1.

Madras

PATERSON & CO., Post Box No. 48, 22, Errabalu Chetty St., Madras-1.

CHITRA & CO., Post Box No. 1567, 322/323, Linghi Chetty St., Madras-1.

Delhi

HARBANSINGH MEHTA & CO., 33, Regal Building, Parliament St., New Delhi-1.

The consents required under the Act have been obtained and filed with the Registrar of Companies, Assam, Tripura and Manipur, Shillong, along with the Prospectus as required by Section 60 of the Companies Act, 1956, and have not been withdrawn.

APPLICATIONS AND SUBSCRIPTIONS

Applications for the Equity Shares by members of the public must be for a minimum of 50 shares or multiple of 50 shares.

Terms of Payment on Above Equity Shares

On application	..	Rs. 2.50 per share.
On allotment	..	Rs. 2.50 per share.
Balance	..	Rs. 5.00 per share on call or calls to be made not earlier than 3 months after allotment.
		Rs. 10.00 per share.

Failure to pay the allotment money or any call when made will render the shares liable to forfeiture.

DIRECTORS

Article 89 provides that the number of Directors shall not be less than three nor more than twelve.

An Agreement has been entered into with the Government of Assam under which they have the right to appoint an Ex-Officio Director, who will not be liable to retirement by rotation and shall hold office till such time Government holds shares in the Company whether Preference or Equity.

So long as any loan from the Industrial Finance Corporation to the Company is outstanding, the Industrial Finance Corporation will have the right to appoint two Directors on the Board of Directors of the Company as Ex-Officio Directors, not liable to retirement by rotation.

Unless otherwise determined by the Company in General Meeting, each Director shall be entitled to receive out of the funds of the Company for his services in attending Meetings of the Board a fee of Rs. 100 per meeting of the Board attended by him. All other remuneration, if any, payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part-time employment of the Company shall be determined in accordance with and subject to the provisions of these Articles and of the Act.

HISTORY OF BUSINESS

INCORPORATION AND COMMENCEMENT OF BUSINESS

The Company was incorporated on 7th November 1959, under the Companies Act, 1956 and obtained the Certificate of commencement of business from the Registrar of Companies, Assam, Tripura and Manipur on 11th November, 1959.

OBJECTS OF THE ISSUE

The Company has now taken on hand business in two units, viz. (1) Textile Unit and (2) Chemical Unit.

Textile Unit

It is intended to establish a cotton spinning mill of 25,000 spindles in two stages. The work on the first stage for the establishment of a mill with 12,320 spindles has already been taken up and is well under way.

Chemical Unit

It is intended to set up a production unit for the manufacture of:—

(a) Super Phosphate	...	3,000 tons per month
(b) Mixed Fertilisers	...	6,000 " " "
(c) Sulphuric Acid	...	1,500 " " "
(d) Sulphur Dioxide	...	300 " " "

START OF THE MILLS

The Mills will go into full production both in the textile and the chemical units by the end of 1961 or beginning of 1962.

RAW MATERIALS

Cotton : Cotton is the main raw material for *the Textile Unit of the Company.* A large part of the supply needed for the Company will be available in the country but some cotton may have to be imported. The quantity of cotton to be imported from abroad is relatively small and no great difficulty is anticipated for obtaining licences in respect thereof.

Sulphur and Rock Phosphate : Sulphur and Rock Phosphate are the main raw materials for the Chemical Unit. Since the use of Fertilisers is indispensable for the increase of production of food grains the Company anticipates no great difficulty in obtaining the requisite quantity of sulphur and rock phosphate from abroad under the actual users' licence.

The factory site has an easy access by river, rail and road.

TECHNICAL ARRANGEMENT FOR THE CHEMICAL UNIT

An Agreement has been entered into between the Company and Singmaster Breyer Inc. of New York, U.S.A., which has a resident Technical Representative at New Delhi for supply to the Company of complete plant for production of sulphur dioxide (liquid), sulphuric acid, super phosphate and mixed fertilisers. The plant will be partly fabricated in India and partly imported from abroad. Singmaster Breyer Inc. will be responsible for complete procurement, fabrication and erection of the plant at site and bringing the plant into satisfactory commission and training of the Company's personnel. The sulphuric acid plant will be of Monsanto design. Singmaster Breyer Inc. are well known and have experience in India for erection of the plant of the type required by the Company.

PLANT AND MACHINERY FOR THE TEXTILE UNIT

Contract for supply and erection of the Blow-room machinery has been placed with New Standard Engineering Co. Ltd., of Bombay who are now manufacturing Blow-room machinery in India in collaboration with Truetzschler of Western Germany.

Orders for supply and erection of Card Engines Can Fed Inters, Ring spinning frames and other plant and machinery with the latest drafting arrangements have been placed with Textool Co. Ltd., Coimbatore.

IMPORT LICENCE

Application has been made to the Government of India for Licence for the import of the plant and machinery required for the Chemical Unit. Foreign Exchange will be met from the Dollar loan sanctioned by the Industrial Finance Corporation. Import licences for import of a small part of the plant and machinery required by the Company for the textile unit are expected to be received shortly.

CAPITAL OUTLAY AND MINIMUM SUBSCRIPTION

The minimum subscription in respect of the present issue on which the Directors will proceed to allot is Rs. 25,09,000 which is the total amount of the present issue offered to the public for subscription.

The Capital outlay is estimated as follows:—

Land and Land Development and Roads	... ...	Rs.	3.250 lacs
Buildings	... ...	"	14.600 "
Preliminary Expenses	...	"	0.100 "
Expenses of Issue	...	"	1.050 "
Pre-operational Expenses	...	"	1.635 "
Plant and Machinery	...	"	84.666 "
		Rs.	105.300 lacs

The above capital outlay will be met as follows:—

(1)	Equity Shares already issued	Rs.	10.00 lacs
(2)	Equity Shares offered to the public	"	25.09 "
(3)	Equity Shares to be allotted to other parties	"	9.91 "
(4)	Preference Shares included in the present issue	"	15.00 "
(5)	Loan from Industrial Finance Corporation of India hereinafter mentioned in rupee In foreign exchange equivalent to approximately Rs. 26,17,000 / 25,05,000	Rs.	50,22,000 " 50.22 "
(6)	Deferred Performance Payment for supply and fabrication of plant for the chemical Unit	"	2.00 "
		Rs.	112.22 lacs

It is estimated that the Company wil require a working capital of Rs. 40 lacs which together with any increase in the actual cost over the estimated cost of the plant and facilities will be met partly from the surplus of the resources over capital expenditure mentioned above and partly by loans from the Company's Bankers and if necessary from other sources.

FINANCIAL ARRANGEMENT WITH INDUSTRIAL FINANCE CORPORATION OF INDIA

Loan : The Industrial Finance Corporation of India have sanctioned a loan of Rs. 26,17,000 and a Dollar loan of $5,05,000 to the Company to be utilised towards the purchase of plant and machinery for the integrated project of textile and chemical units.

The loan is to be secured by a first mortgage of the existing and future fixed assets of the Company and will carry interest at the rate of 7% per annum on the Rupee loan and not exceeding 8% on the Dollar loan with a rebate of ½% on the Rupee loan if instalments of principal and interest are paid on due dates.

During the subsistence of the mortgage the Industrial Finance Corporation may at any time appoint not more than two persons to be Directors of the Company.

The Company will however, be free to borrow from its Bankers any moneys which it may from time to time require against hypothecation of stocks, raw materials and finished goods.

During the currency of the loan the dividend on Equity Shares in any year shall not without the prior approval of the Corporation exceed 8%.

The said loan shall also be subject to other terms and conditions and subject to agreement being reached thereon, a formal agreement will be entered into between the Company and the Corporation.

Mr. G. D. Jatia, Mr. D. N. Jatia and Mr. S. S. Lahiri, Directors of the Company, have agreed to guarantee the loan in their personal capacity.

PROSPECTS AND MARKETABILITY

The Third Five-year Plan lays great stress on industrialisation and increase in agricultural productivity in the country and in particular in the less developed States. The economy of the State of Assam has been mainly dependent on agriculture and tea plantation. The establishment of a Cotton Spinning Mill and an integrated chemical plant for the manufacture of Sulphur Dioxide (Liquid), Sulphuric Acid, Superphosphate and Mixed Fertilisers will certainly assist in the implementation of the recommendations of the Five-year Plan.

There are no Cotton Mills in the State of Assam although there is a great demand for yarn from the Handloom industry spread throughout the State. At present the bulk of the yarn required by he State for consumption is supplied from other States and even the full complement of the Company's production will still be far below the demand.

The decision of the Government of India to install Refineries in Gauhati and Barauni gave the impetus to the Company to start the present chemical unit. Arrangements have been reached between the Company and the Indian Refineries Ltd., who are installing both the Refineries for the supply of our production of Sulphur Dioxide (Liquid) to them. To make full use of the Acid Plant required for the process of the Sulphur Dioxide and also the spent acid a Super Phosphate and Mixed Fertilisers Plant was co-ordinated with the above chemical plant, thereby making it a complete integrated unit.

The major portion of Sulphuric Acid produced by the Company will be consumed by the Super Phosphate plant and a small portion will be available for sale in the market. The Company has also received a licence for the manufacture of Alum and when this is taken up it will consume major portion of the surplus Sulphuric Acid. Sulphuric Acid being a basic chemical it may be expected that with the development of other chemical industries in the State there will be no difficulty in selling the surplus acid.

To increase the production of food grains there is a drive for greater yield per acre by systematic and scientific use of different types of Fertilisers. With the location of an Ammonium Sulphate and Urea plant at Namarkatia, it is expected that there will be a greater demand for Super Phosphate to make a balanced application of the fertilisers to the soil.

The Mixed Fertiliser Plant will supply ready-to-use fertilisers to the farmers. As already mentioned, Assam being a predominantly agricultural and tea plantation State, Fertilisers will naturally assume a great significance in the agricultural economy. It is, therefore, expected that there will be great demand for the Fertilisers and the Company's product will find a good market.

Subject to the approval of the Company in general meeting it has been arranged that Rallis India Limited who have wide experience in the field of Fertilisers will be appointed sole distributors of the Company and the Company will benefit from their experience.

PRELIMINARY AND OTHER EXPENSES

The preliminary expenses including Underwriting commission, Brokerage and expenses of this issue are estimated at Rs. 1,15,000.

BROKERAGE

Brokerage will be paid to Underwriters, brokers and Banks at 10 nP per Equity Share of Rs. 10 each offered to the public on allotment made in respect of applications bearing their stamps.

UNDERWRITING COMMISSION

An underwriting commission of 2½% will be paid to the underwriters.

COMMISSION

No sums have been paid within the two years preceding the date of this Prospectus or are payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions, for any shares in or Debentures of the Company or as discount in respect of shares issued.

PAYMENT TO PROMOTERS, ETC.

No amount or benefit has been paid or given or is intended to be paid or given to any Promoter or officer for promoting the Company except Rs. 19,142.50 paid by way of reimbursement to Jatia Industries Private Ltd., for expenses incurred by them towards preliminary expenses and for purchase of land.

MANAGING AGENTS

Article 128 provides for the appointment of Managing Agents but no Managing Agents have been appointed or proposed to be appointed at present.

MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR

Article 128 provides that subject to the provisions of the Companies Act, 1956, the Board of Directors may appoint a Managing Director or Managing Directors, Manager or Managers of the Company. There are no Manager or Managers of the Company and it is not proposed to appoint any Manager or Managers at present.

The Company proposes to appoint Mr. D. N. Jatia of 55/1, Bhupendra Basu Avenue, Calcutta, as the Managing Director and Mr. S. S. Lahiri of 1/1/2B, Hazra Road, Calcutta, as the whole-time Technical Director. The terms and conditions of appointment and the remuneration will be determined by the Company in general meeting subject to the approval of the Central Government.

PLANT SITE AND POWER

The Company has with the approval of the Government of Assam purchased an extensive land, comprising nearly 1,200 acres in Chandrapur Area near Gauhati, for the factory site and staff accommodation. This site offers all essential facilities and there is good scope for further expansion. A railway line passes across the site and a railway station is in close proximity. The site being situated on the banks of a perennial river, there is no dearth of water supply and in addition there is the advantage of river transport and disposal of effluents from the Chemical plants. A road from Gauhati to the site is under construction. The Assam State Electricity Board has assured the required supply of power.

APPLICATION FOR SHARES AND ALLOTMENT

Applications for Equity Shares must be for a minimum of 50 shares or multiples of 50 shares. All applications for Equity shares must be made on the form accompanying the Prospectus, which can be had from the Company's Bankers, Underwriters and Brokers to the issue. All application forms duly completed must be lodged together with the amount payable on application, with any of the following banks, namely:—

1. State Bank of India, Calcutta.
2. The Bank of Baroda Ltd., Calcutta.
3. The Central Bank of India Ltd., Calcutta.
4. The United Bank of India Ltd., Calcutta.

or with any of their branch offices at the following places, namely:—

Ahmedabad, Bangalore, Baroda, Bombay, Delhi, Dhubri, Gauhati, Kanpur, Karimganj, Madras, Shillong, Tinsukia.

The Share Certificates will be issued in exchange of Letters of Allotment within four months of allotment.

INVESTMENT OF LIFE INSURANCE FUNDS

ESTIMATES COMMITTEE'S RECOMMENDATIONS

THOSE who had thought that the restoration of Section 27A of the Indian Insurance Act in respect of the investment of the L.I.C., after the storm that raged over the Mundhra affair, had sealed the controversy regarding investment of life insurance funds, have been proved wrong. The report of the Estimates Committee (Chairman: Mr. H. C. Dasappa) on L.I.C., presented to Parliament on Monday, has again reopened the subject. The Committee, in its report, calls for a fundamental change in the policy followed in respect of investment of life insurance funds. It has suggested that the L.I.C. should cease to make investments on its own and that the Government of India should take over all the investible funds of the Corporation as an "unfunded debt" and utilise them for "development investment" under the Five-year Plans. In the Committee's opinion, such a change in procedure will not only help to realise better the objectives of nationalisation of life insurance but also free the Corporation from the "controversial and distracting work of investment."

The Committee has observed that, in making such a suggestion, it has not lost sight of the fact that a certain portion of the life funds is at present being provided for the development of new industries or for the expansion of existing ones in the private sector. But, in its view, such investments could be made through other financing agencies in the public sector taking into account the size of investment made by the L.I.C. for this purpose in the past and the allocations in the Plan.

Policy Objectives Not Realised

The reason advanced by the Committee for divesting the L.I.C. of the responsibility of choosing appropriate outlets for its funds is that investments so far made by it have failed to achieve any of the original policy objectives of social advancement, diversification of investment and avoidance of speculation. As regards the first, namely social advancement, the Committee is of the opinion that the L.I.C. is not competent to make investment for social advancement charged as it is with the function of making businesslike investment in the interest of policyholders. To the extent that the L.I.C. purchases Government securities, the objective of social advancement is, in fact, pursued not by the L.I.C. but by the Government. If the L.I.C. were to further this objective through other investments, the Committee maintains, it could hardly do so without making selective purchases of stocks and shares and it is doubtful, according to it, if such selective purchases could be consistent with the aim of security and steady return. Even so, it would be difficult, it is pointed out, to avoid the criticism that such operations might be discriminatory and result in speculation.

As regards diversification of investment, the Committee concedes that the limited contribution which the L.I.C. can make towards it is possible through investments in stocks and shares. But here, again, it has to look to a secure and steady return which would mean that, in the interests of its policyholders, it has to invest generally in established and sound concerns. This consideration, argues the Lok Sabha body, restricts the scope of the L.I.C. to encourage establishment of new industries so as to correct the existing regional imbalances. It points out that, during the two years 1958 and 1959, even after the policy of diversification of investment was laid down by the Government, the pattern of investment has not materially changed.

Diversification

Thus, out of Rs. 12 crores invested in the shares and debentures of companies during the two years, Rs. 5.52 crores (over 45 per cent) has gone to Bombay, and Rs. 2.69 crores (about 22 per cent) has gone to West Bengal. All other States together get only Rs. 4 crores. Similarly, out of an investment of Rs. 4.42 crores in approved securities during the same period, Rs. 2.95 crores had been invested in Bombay alone. Again, out of Rs. 7.04 crores invested in shares and debentures in 1959, Rs. 4.81 crores, that is, 68.5 per cent, was in shares already in the market and only Rs. 17.15 lakhs, that is, 2.4 per cent, was invested in shares and debentures of newly-floated companies. Commenting on this pattern, the Committee says that purchase of shares already in the market could hardly be held to serve the purpose of aiding the development of new industries or the expansion of existing ones. On the other hand, it would mostly go to the benefit of persons who are already possessed of such shares, and, very likely, for speculation.

The Committee in fact seems to question the very need for L.I.C. pursuing a policy of financing new ventures, as will be evident from the following quotation: "The fact that other public undertakings like the Industrial Finance Corporation, the Industrial Credit and Investment Corporation and State Industrial Finance Corporations, which could finance new industries on a developmental basis had come into operation, would make the role originally contemplated for L.I.C. in this respect somewhat superfluous."

L.I.C. and Speculation

The L.I.C. has also not been able to discourage speculation. On this point, the Committee quotes the Chairman of the L.I.C. himself as saying that, at times, the operations of his Corporation in the share market, though not speculative in themselves, may be the cause of speculation. It points out as an instance the purchase by the L.I.C. of the shares of a mining concern where the availability of ore was not substantial. As a result of the purchase, the market value of the share rose immediately and subsequently firmed up, but it was found that the dividend fell. Substantial purchases by the L.I.C., in the Committee's opinion, cannot be kept a secret and they are bound to have a bullish effect on the market.

The Committee disagrees with the view that the funds of the L.I.C. should be made available to stabilise the stock exchange from time to time. It seems to be against the L.I.C. operating on the stock exchange at all, as witness the following observation of the Committee: "Investment in stocks and shares leads to allegations and aspersions, which, though they may not be justified in most cases, yet may do little to increase the prestige of the Corporation."

For all these reasons, the Committee is of the opinion that it would be in the interests of the country and the Plan programme as a whole, if the Government itself were to take over the entire investible funds of the L.I.C. as an unfunded debt on which interest could be predetermined periodically in consultation with the Corporation to give an adequate return to meet all its liabilities. The Committee estimates that such an agreement would provide the third Plan with resources amounting to Rs. 450 crores.

The suggestion for the take-over of investible funds of the Corporation is only one, though by far the most important and fundamental, of the recommendations of the Committee. Incidentally, the Chairman of the L.I.C. is also inclined to support this suggestion. The Committee has also made a number of other suggestions for improving the business of the Corporation, streamlining procedures and decentralising the administrative set-up of the Corporation. Some of the main recommendations and comments in this regard are outlined below:

The Estimates Committee favours the creation of semi-autonomous zonal units under a federal structure of the Corporation, so as to encourage initiative and to promote greater efficiency. Delegation of functions in the matter of writing of business, payment of claims, grant of loans and servicing of policyholders, it maintains, would introduce an element of healthy competition between different semi-autonomous zonal units.

Dissatisfaction has been expressed by the Committee over the L.I.C.'s performance in respect of new business. There has been a shortfall of Rs. 28 crores in respect of new business completed in 1960 from the target of Rs. 525 crores. The increases planned for are Rs. 130 crores for 1961, Rs. 156 crores for 1962 and Rs. 180 crores for 1963. This, on an average for the three years, works out to Rs. 158 crores per year. The actual increase during the previous three years 1957-60 has been about Rs. 70 crores a year. This, the Committee points out, is less than half the anticipated average increase in the next three years. It, therefore, feels that, unless the Corporation doubles its present performance in securing the new business, the target of business fixed for 1963 cannot be reached. It is suggested that the reasons for the shortfall in new business in 1960 should be analysed and suitable measures taken to prevent its repetition. The Committee has also asked the Government to keep a continuous watch over the actual performance of the Corporation so that the latter may not fall behind targets.

The existence of widespread complaints regarding the servicing of policyholders has been noticed by the Committee which has urged that effective steps should be taken to improve the position in this regard. It has also found that the present procedure for grant of loans to policyholders is far from simple. There is delay in the grant of loans which defeats the very purpose for which loans are sought by policyholders. It has been suggested that immediate attention should be paid to these matters and action taken to simplify the procedure for disposal of loan applications by empowering the branch offices of the L.I.C. to grant loans upto a specified maximum which should be disposed of within a time limit to be fixed for the purpose. A reduction in the rate of interest charged on loans has also been suggested as desirable. Another suggestion is that the surrender value of policies issued by the Corporation should be stepped up to bring it on a par with the leading insurance companies abroad, as the loan obtainable on a policy depended on its surrender value.

The delay in the settlement of claims has also been criticised by the Committee which found that, on 1st January 1960, as many as 73,082 claims, for a total sum of Rs. 14.04 crores, were outstanding, out of which 33,810 were outstanding for more than 12 months. The Committee points out that such long delay is very undesirable and results in unnecessary hardships to the claimants. When the Government has guaranteed payment to policyholders such delays also tend to expose the Government to criticism.

As regards premium rates, the Committee is of the view that, in the nationalised set-up, the premium rates, should not be any higher than is warranted by strict actuarial considerations. One of the tests of the successful working of the Corporation is the long-term reduction it can effect in expenses and, consequently, in the rates of premia. It has suggested the setting up of a Committee, consisting of the Controller of Insurance, representatives of the Corporation and independent actuaries, to review the rates of premia offered at present by the Corporation.

TEXTILES

(*Concluded from page 738*)

The drop in exports is attributable to a fall in the competitive capacity of Indian mills, thanks chiefly to cost inflation which was not fully off-set by the special export incentive scheme.

An analysis of the pattern of yarn production shows that, during the year under review, there was a further shift from coarse to finer counts. The following table illustrates the position:

(In thousand pounds)

Counts	1960	1959	1958
1s to 20s	743,367	841,308	851,628
21s to 40s	859,684	770,592	740,280
Above 40s	134,072	111,904	93,468
Total ..	1,737,123	1,723,804	1,685,376

Out of the total 1,737.12 million lbs. of yarn that came off the spindles of mills last year, the composite units consumed 1,136.73 million lbs. for wearable cloth (5,048.35 million yards), a little over 13.77 million lbs. for manufacturing sewing thread yarn and 2.46 million lbs. for making hosiery goods. The remaining quantity was delivered for other purposes: 541.86 million lbs. for civil consumption (557.57 million lbs. in 1959), 22.80 million lbs. for export (33.27 million lbs.), and 19.33 million lbs. to other mills (18.49 million lbs.). The major part of delivery for "civil consumption" represents the supply made available to the decentralised sector (handlooms and powerlooms). The decline in supply was due to reduced demand for yarn from this sector which experienced a downward trend in offtake of cloth due to high prices. Reflective of this position is the fall in the output of cloth in the decentralised sector from 2,258 million yards in 1959 to 2,195 million yards in 1960. This is the first year since 1952 to register a reversal of the upward trend in production in the decentralised sector which in 1952 was just 1,313 million yards.

COTTON TEXTILE INDUSTRY ANNUAL

A comprehensive and up-to-date survey of the Indian cotton textile industry is presented in the latest edition of the *Indian Cotton Textile Industry Annual* (Editor: Prof. M. P. Gandhi, Nanabhay Mansion, Sir P.M. Road, Bombay-1. Pages: 88; Price: Rs. 6). This edition covers the year 1959-60. True to the high standards set by its predecessors, the *Annual* deals with every aspect of the industry, including Plan targets, prices, exports, finance and labour. The Appendix on raw cotton gives a bird's eye view of the supply situation. There is, besides, a wealth of statistical material carefully collected and arranged which facilitates easy and ready reference.

Personalised

SERVICE

With specialised knowledge acquired through long experience, the Punjab National Bank is in a unique position to-day to be of positive help in providing PERSONALISED SERVICE.

EVERY DESCRIPTION OF BANKING BUSINESS IS UNDERTAKEN.

THE PUNJAB NATIONAL BANK LTD.

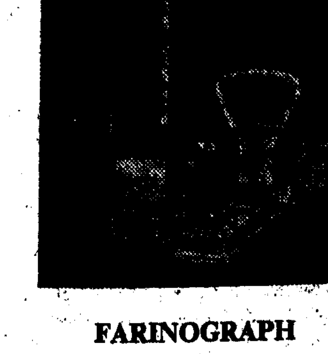
Established 1895
Head Office: New Delhi.

THE SOUTH INDIA INSURANCE CO., LTD.
Incorporated in India
(Established 1934)

FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office:
Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

LATEST INSTRUMENTS FOR FLOUR MILLS
Ex: Messrs. Brabender oH-Germany.

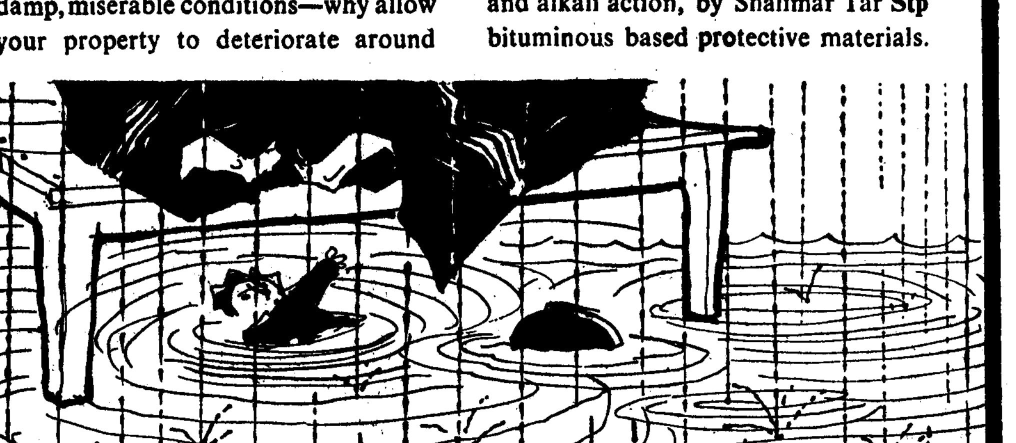


FARINOGRAPH
is an automatic measuring apparatus which determines and continuously records the water absorption, dough development time, stability and degree softening of dough, etc.

Contact Sole Agents:
TOSHNIWAL BROTHERS (PRIVATE) LIMITED
198, Jamshedji Tata Road, Bombay-1.
Branches: AJMER, CALCUTTA, DELHI, MADRAS.

Water, water everywhere— all the family in despair

Certainly there is no need for them to be so. In fact, why live or work under damp, miserable conditions—why allow your property to deteriorate around you? Have it protected from dampness of ceiling, walls and floors, from acid and alkali action, by Shalimar Tar Stp bituminous based protective materials.



Manufactured in India, applied and guaranteed by
Stp
SHALIMAR TAR PRODUCTS (1935) LIMITED
CALCUTTA . NEW DELHI . BOMBAY . LUCKNOW . CHANDIGARH
Agents: The Bombay Co. Private Ltd., Madras-1 . R. C. Abrol & Co. (Private) Ltd., New Delhi-1
TSTP 42 R

ESTIMATES COMMITTEE ON COFFEE BOARD

ONLY MINOR ASPECTS HIGHLIGHTED—MAJOR ISSUES IGNORED

IT is a pity that, in its report on the Coffee Board, the Estimates Committee has failed to examine in detail the working of the Board, point out the deficiencies in its working and recommend measures for their removal. All that the Committee has done is to highlight certain minor aspects of the Board's functions. It has, of course, urged that a periodical assessment of the activities of the Board, with particular reference to its prescribed objectives and functions, should be undertaken by an agency independent of the Board and its report submitted to Parliament. It has also urged every effort to foster the industry, so that the objectives of the Board are fully realised. it says:

"Recent years have witnessed a phenomenal progress in the coffee industry. It is one of the main cash crops in the hilly tracts of the Western Ghats. The Coffee Board has evidently been a stabilising factor. The Committee, however, feel that the trends need careful watching, especially with a falling international market. If, for any reason, coffee does not become paying, there is no alternative crop that can be raised on the same hill slopes. It is not only important to the economy of the areas otherwise backward, but also it has been a consistent foreign exchange earner."

But one is unable to understand why the Estimates Committee itself did not care to study the system of marketing coffee adopted by the Board. If it had, it would surely have found out the defects in the system. Anyway, something is better than nothing. The fact that the Committee has found it necessary to suggest an examination of the Board's affairs by an independent body clearly implies that all is not well with it and that it is not effectively serving the purpose for which it was formed. This inference is by no means unwarranted, as readers will recall the observations of this journal on the subject in the past 12 to 18 months.

Growers Receive Less

The price policy of the Coffee Board is supposed to have been based partly on the objective of ensuring a fair return to the grower, but this objective has not been fulfilled at all. As the Committee itself has shown, the actual payment made to coffee growers have been steadily declining and, in 1959-60, it even fell below the average of payments made to growers during the seven years ended 1954-55. The table below gives the cost of production, fair return arrived at and the actual payment made per point of coffee during the last four years:

(In rupees per point)

	1959-60*	1958-59*	1957-58†	1956-57†
Based on production cost‡ ..	2.04	2.23	2.33	2.22
Fair return§	2.35	2.35	2.39	2.39
Actual payment made to growers by the Board ..	2.20	2.45	2.51	2.51

* Per 50 kg. basis. † Per cwt. basis.

‡ Including 10 per cent return and interest on working capital.

§ Based on the average of payments made to growers during the seven years ended 1954-55.

The Committee alludes here to the fear expressed by the Coffee Board that any further increase in price may result in consumers' resistance in the home market. It also recalls the reference in the report of the Expert Committee (submitted in June 1959) to the apprehensions expressed by many well-informed observers that the world prices might be below the domestic prices and, in the circumstances, it might not be possible to maintain a minimum release price calculated in accordance with the practice adopted by the Board hitherto. The Committee now feels that the pricing policy should be examined to see in what way it requires modification to give a fair return to the grower and to encourage exports while avoiding too high an internal price.

No one will suggest that the prices of coffee payable by consumers should be enhanced to any marked extent, because the prevailing prices themselves are already high. But one is unable to explain the wide gap that exists between the "consumer price" and the "coffee grower's price." Whatever be the factors responsible for the gap, it must be stressed that the prices actually received by coffee producers are low and do not adequately cover the marked increase in the cost of production, let alone provide for a reasonable return on capital employed. Further, there is a considerable time lag—sometimes as many as 18 months to 24 months—between the date when coffee producers deliver their produce to the Board and the date when they receive payment. The Coffee Board's policy suffers from a number of defects such as weird and outdated multi-channel sales, auction by closed bids, export sales by calling tenders, restricting the trade only to registered dealers, undercutting by private retail trade under the guise of propaganda and many other ritualistic practices. Drawing attention to all these defects, we had emphasised, on a previous occasion, that, by re-orienting coffee policy, by making the grower really responsible for marketing decisions concerning his coffee, by reorganising procedures and methods, by enlarging the production base and by expanding the home and overseas markets, the producers of Indian coffee could face the future with confidence. It is unfortunate that the Estimates Committee has failed to focus attention on these most important problems of the coffee industry.

Export Promotion

The Committee has laid special emphasis on export promotion. It says:

"The Committee are of the view that the export of coffee has to be specially encouraged to increase earnings of foreign exchange. Indian coffee is now faced with keen competition in the world market and special measures are called for not only to increase our export but even probably to retain them at the present level. The Committee feel that it may be desirabe for this purpose to export Indian coffee at comparatively lower prices, even though that may require pegging of domestic consumption.

"Obviously, much has not been done for foreign propaganda and the emphasis has been on the internal market. It is understood that the Board is planning to improve the existing arrangements in this respect. In view of the imperative necessity of increasing exports of coffee, the Committee hope that prompt and adequate measures will be taken in this direction. In case it is considered that the resources available at the disposal of the Coffee Board are not adequate, the feasibility of pooling the resources of a number of Commodity Boards Committees for this purpose may be examined."

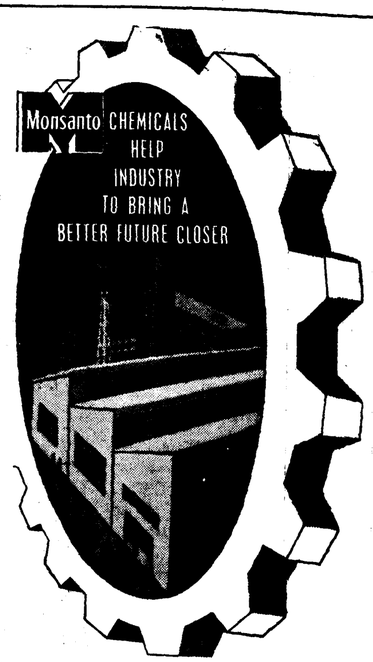
The anxiety expressed by the Committee over exports is understandable, considering the tight foreign exchange position and the keen competition in the world coffee market. But it would be wrong to advocate higher exports through the pegging of domestic consumption. For it is only maximisation of production and expansion of the home market that will improve the industry's capacity to export a larger volume at a loss.

Developmental Activities

Be that as it may, the Estimates Committee has done well to pinpoint the disquieting features of the Coffee Board's developmental activities. The data furnished in the report reveal that, out of the Central Government loan of Rs. 261.42 lakhs granted to the Board in 1956, to be drawn in instalments over a period of five years for being utilised towards the grant of financial and other aids to small growers, the amount actually drawn up to the end of March 1961 is only Rs. 10.24 lakhs, or just 4 per cent of the funds earmarked. This, as the Committee avers, is not an encouraging performance. The poor performance is attributed mainly to legal difficulties relating to mortgage transactions. Only in May 1960, the Board modified some of the other terms and conditions governing the grant of loans. Could the Board not have taken the remedial measures much earlier? The Committee points out that adequate thought was not given to the different aspects of the scheme before it was put into operation.

Another major scheme under the development plan which, according to the Estimates Committee, has not proved successful relates to the supply of fertilisers and pesticides to small coffee growers. The scheme was abandoned by the Board after the very first year of its inception (1956-57). The Committee has, therefore, urged that the Development Department of the Board should be wound up and its work redistributed suitably, for it feels that the Department has hardly justified its existence. Here are the facts which support the Committee's contention: During the four years from 1956-57

(*Continued on page 766*)



Monsanto works constantly both to develop new, better chemicals—and to improve those chemicals already used in every major industry.

PHARMACEUTICALS
acetylsalicylic acid, phenacetin, benzoic acid, phenol, phenolphthalein, germicides are but a few of the many Monsanto products in this field.

RUBBER
Monsanto's accelerators help speed vulcanisation, add quality. Anti-oxidants improve resistance, prevent early cracking, give increased flexibility.

TEXTILES
Monsanto Syton is widely used in spinning cottons and woollens, increases yarn strength, allows for reduction in twist.

PRESERVATIVES
Monsanto's pentachlorophenol chemicals help to preserve a wide range of products. Monsanto sodium benzoate helps prevent corrosion.

PAINT
Monsanto's chemicals are used extensively in the manufacture of high-quality paints, varnishes and lacquers.

SYTON is a Registered Trade Mark

MONSANTO CHEMICALS OF INDIA PRIVATE LTD.
Wakefield House, Sprott Road, Ballard Estate, Bombay 1.
Also at: Calcutta, Delhi and Madras.

Monsanto

chemicals for every industry

Monsanto Chemicals Limited, London. Monsanto Chemical Company, St. Louis, U.S.A. Dependable service from Monsanto companies in London, Melbourne, Montreal, Paris, Bombay, Tokyo, Mexico, D.F., Buenos Aires and from sales representatives in all principal cities of the world.

COMPTOIR NATIONAL D'ESCOMPTE DE PARIS

(INDIAN BRANCHES)

(Incorporated in France with Limited Liability)

BALANCE SHEET AS AT 31st DECEMBER, 1960.

Previous Year Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
Not applicable	1. **Capital**—Deposited with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949, Government Securities of the face value of Rs. 21,19,400 included in Investments on the opposite side		Not applicable
Not applicable	2. **Reserve Fund and Other Reserves**		Not applicable
2,64,60,514	3. **Deposits and Other Accounts**—Fixed Deposits	2,30,43,838.39	
Nil	Savings Bank Deposits	Nil	
1,49,56,129	Current Accounts, Contingency Accounts, etc.	1,70,95,325.21	
4,14,16,643			4,01,39,163.60
	4. **Borrowings from Other Banking Companies, Agents, etc.**—		
Nil	(i) In India	1,049.79	
1,08,813	(ii) Outside India	98,527.71	
			99,577.50
	PARTICULARS—		
Nil	(i) Secured	Nil	
(1,08,813)	(ii) Unsecured	99,577.50	
2,48,786	5. **Bills Payable**		2,06,659.38
	6. **Bills for Collection Being Bills Receivable (as per contra)**—		
49,59,084	(i) Payable in India	65,66,852.29	
18,96,069	(ii) Payable outside India	16,78,243.59	
68,55,153			82,45,095.88
	7. **Other Liabilities**—		
1,45,556	(i) Branch Adjustments (in India)	1,14,544.11	
67,14,158	(ii) Head Office and Balances of Foreign Branches	89,71,659.28	
83,445	(iii) Unexpired Discounts	28,239.37	
81,966	(iv) Pension and Provident Funds	1,52,227.81	
1,75,000	(v) Provision for Gratuities	1,75,000.00	
91,50,125			94,21,640.47
94,19,380	8. **Acceptances, Endorsements and Other Obligations** (per contra)		1,70,80,191.30
	9. **Profit and Loss**—		
4,36,611	Profit for the Year 1960 brought from the Profit and Loss Account	3,75,498.43	
4,36,611	*Less*—Merged with Head Office and Inter-Branch Balances	3,75,498.43	
Nil			Nil
	10. **Contingent Liabilities**—		
3,500	(i) On Partly-paid Shares of a Joint Stock Company	3,500.00	
	(ii) Guarantees given on behalf of—		
1,60,60,240	(a) Head Office in Paris and French Correspondents	76,20,820.89	
4,000	(b) Officers	6,000.00	
60,30,073	(c) Others	1,40,89,929.47	
2,20,94,323		2,17,16,750.36	
..	(iii) Bills of Exchange Rediscounted—Sterling Bills £14,454-15-2 have been run off as at 31st March 1961	....	
1,02,45,503	(iv) Outstanding Forward Exchange Contracts (Net)	44,58,022.00	
	(v) *No provision has been made for the present liability in respect of future payments of Gratuity to Staff as per Bank award other than what is shown in the account as on 31st December 1960. The total liability has not been ascertained.*		
6,71,78,850	Total Rupees ..		7,51,94,328.13

Previous Year Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
28,45,644	1. **Cash**—In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		32,03,748.10
	2. **Balances with Other Banks on Current Accounts**—		
2,14,140	(i) In India	40,455.99	
5,26,529	(ii) Outside India	2,32,427.71	
7,40,669			2,72,883.70
33,00,000	3. **Money at Call and Short Notice**		28,00,000.00
	4. **Investments**: (at cost or Market Value whichever is lower)—		
	(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	55,24,610.12	
	(ii) Shares—Partly-paid Shares—unquoted. Written-off	Nil	
	(iii) Debentures or Bonds	Nil	
	(iv) Other Investments	Nil	
	(v) Gold	Nil	
58,31,588			55,24,610.12
	(Securities of the face value of Rs. 21,19,400 deposited with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949, and of Rs. 4,500 deposited with Post and Telegraph Offices)		
	5. **Advances**—(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)		
	(I) Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
1,93,10,013	(i) In India .. 2,40,43,768.97		
23,000	(ii) Outside India .. Nil		
1,93,33,013		2,40,43,768.97	
	(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
14,74,986	(i) Payable in India .. 18,30,076.95		
1,82,53,183	(ii) Payable outside India .. 1,08,41,730.06		
1,97,28,169		1,26,71,807.01	
3,60,61,182			3,67,15,575.98
	(Particulars of Advances—as per attached Schedule)		
49,39,064	6. **Bills Receivable Being Bills for Collection** (as per contra)— (i) Payable in India	65,66,852.29	
18,96,069	(ii) Payable outside India	16,78,243.59	
68,35,153			82,45,095.88
94,19,380	7. **Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** (per contra)		1,70,80,191.30
Nil	8. **Premises, Less Depreciation**—(Transferred to Head Office Account)		Nil
Nil	9. **Furniture and Fixtures, Less Depreciation** (Written-off)		Nil
	10. **Other Assets**—		
16,22,689	(i) Head Office and Balances of/or with Foreign Branches	8,44,218.09	
57,926	(ii) Interest accrued on Investments	57,830.94	
28,776	(iii) Other Interest Receivable	29,780.81	
3,29,460	(iv) Advance payment of Income Tax and Tax deducted at source	3,02,880.39	
3,517	(v) Stamps	4,973.55	
97,166	(vi) Prepaid Expenses and Amounts Receivable	1,06,428.02	
5,801	(vii) Deposits	6,111.25	
21,45,384			
Nil	11. **Non-Banking Assets Acquired in Satisfaction of Claims**		13,52,223.05
			Nil
6,71,78,850	Total Rupees ..		7,51,94,328.13

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1960.

Previous Year Rs.	PARTICULARS	Rs. nP
2,31,46,436	(i) Debts considered good in respect of which the banking company is fully secured	2,62,44,468.40
69,24,005	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	77,89,530.46
59,90,741	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	27,81,577.12
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil
3,60,61,182		3,67,15,575.98

Previous Year Rs.	PARTICULARS	Rs. nP
17,172	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with other persons	24,375.39
Nil	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil
44,587	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	58,356.76
Nil	(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil
14,488	(ix) Due from banking companies	61,725.67

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960.

Previous Year Rs.	EXPENDITURE	Rs. nP
10,07,396	1. Interest paid on Deposits, Borrowings, Head Office and Foreign Branches Accounts, etc.	10,13,388.77
10,92,188	2. Salaries and Allowances and Provident and Pension Funds (Salaries and Allowances to Manager of Principal Office in India, including Bonus Rs. 66,543.76—Previous Year Rs. 67,766)	11,26,823.47
Nil	3. Directors' and Local Committee Members' Fees and Allowances	Nil
1,76,729	4. Rent, Taxes, Insurance, Lighting, etc.	1,82,688.99
14,784	5. Law Charges	4,642.49
56,019	6. Postage, Telegrams and Stamps	52,192.30
7,000	7. Auditors' Fees	7,500.00
Nil	8. Depreciation on and Repairs to the Banking Company's Property	Nil
58,021	9. Stationery, Printing, Advertisements, etc.	63,013.46
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
	11. Other Expenditure (including Income-tax Provision and Head Office Supervision Charges)	10,90,230.20
6,03,495	12. Balance of Profit	9,76,498.43
4,36,611		
24,53,023	Total Rupees ..	39,16,185.11

Previous Year Rs.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. nP
20,97,894	1. Interest and Discount including from Head Office and Foreign Branches	23,99,951.17
10,78,957	2. Commission, Exchange and Brokerage	12,99,448.15
1,03,930	3. Rents	1,02,980.00
	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	125.00
18,761	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	
3,004	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	6.50
Nil	7. Other Receipts (including Rs. 98,907.10 provision no longer required—Previous Year Rs. 1,46,748)	Nil
1,61,482		1,13,704.29
24,53,023	Total Rupees ..	39,16,165.11

NOTE:—No provision has been made for the charge for future payments of Gratuity. The Gratuity paid during the year amounting to Rs. 26,147.60 is included in Salaries and Allowances and Provident and Pension Funds.

REPORT OF THE AUDITORS

We have audited the foregoing Balance Sheet of the Indian Branches of Comptoir National D'Escompte de Paris, as at 31st December, 1960, and also the foregoing Profit and Loss Account of the Indian Branches of the Bank for the year ended on that date in which are incorporated the returns of the Calcutta Branch of the Bank audited by other Auditors.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with provisions to sub-section (1) and (2) of Section 211 and sub-section (5) of Section 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The accounts are, therefore, drawn up in conformity with Forms A and B of the Third Schedule of the Banking Companies Act, 1949.

We report that:—

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

(b) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books, and proper returns adequate for the purpose of our audit have been received from the Calcutta Branch;

(c) the Balance Sheet and Profit and Loss Account of the Indian Branches of the Bank dealt with by this report are in agreement with the books of account and the returns;

(d) the report on the accounts of the Calcutta Branch audited by other Auditor has been forwarded to us and the same has been considered in preparing our report;

(e) in our opinion, and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis and read with the notes appearing thereon, the said Balance Sheet gives a true and fair view of the state of the affairs of the Indian Branches of the Bank as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the profit of the Indian Branches for the year ended upon that date.

A. BOURGAULL,
Acting Manager.

A. F. FERGUSON & CO.,
Chartered Accountants.

BOMBAY, 5th April, 1961.

STATE AND OIL EXPLORATION

ECONOMIC CRITERIA OFTEN SUBORDINATED TO POLITICAL CONSIDERATIONS

[The financial and other difficulties that usually beset State entities engaged in oil exploration, and the advantages to be secured from the co-operation of the international oil industry, form the subject of a study recently prepared for the World Bank by the well-known U.S. oil consultant, Mr. Walter F. Levy. In the long run, oil exploration cannot, of course, be divorced from oil operations as a whole; and economic criteria are often subordinated to political considerations. But, though necessarily restricted in scope, Mr. Levy's report highlights the important conclusion that the diversion of scarce local investment resources into oil exploration, which foreign capital is willing to undertake, generally entails the neglect of essential tasks, such as the provision of social services and public utilities, which private enterprise cannot normally provide.]

IN the modern world of industrialisation and rapid technological change, capital investment is a key to economic progress. But in countries where living standards are low and the need for greater production correspondingly acute, the resources available for investment are invariably scarce. Hence, if, in the non-communist world, the pace of economic advance is to be fast enough to satisfy the rising aspirations of the people, assistance from outside the country is indispensable. Such assistance is available today in different forms from a variety of sources, public and private. It is, however, unfortunately true that the flow of capital and technical assistance to underdeveloped countries is sometimes more limited than it need be, because of obsfacles erected by the Governments of those countries themselves.

Some of the barriers are, in the last analysis, psychological; they often consist of beliefs or attitudes of mind which express themselves in open or covert hostility to private enterprise or to the investment of foreign capital. There is, for instance, the belief that some of the ills of our time are the inevitable concomitant of—to use a somewhat old-fashioned phrase—production for gain rather than production for use. The attitudes in question may be quite irrational; they may be based on popular misconceptions of capitalistic production which bear little, if any, relationship to twentieth century realities. But whether ill-founded or not, their effect is the same: they lead Governments to limit the scope for private investment, local or foreign, to reserve certain spheres of activity to the State, or to impose upon foreign concerns conditions which discourage further investment by those already working in the country, or make the participation of new entrants virtually impossible. And so we have the paradoxical spectacle of certain countries where the need for rapid economic development is most pressing hampering their progress by fetters of their own making. They consign to State entities development work which could be more effectively performed by private enterprise and in the process, leave undone urgent tasks which can be undertaken only by the State.

An International Industry

The oil industry provides a number of illustrations. This is an international industry *par excellence*, where capital will flow freely, in the absence of artificial barriers, into the discovery and development of any nation's latent resources. There are, however, a number of Governments which, for various reasons, are unwilling to avail themselves of the assistance which the international oil industry could provide. They regard the discovery and development of their oil resources as tasks which they must keep strictly for themselves. But since their financial resources are generally insufficient, they must still seek overseas economic aid for this purpose, in addition to the external help they already receive for other purposes.

The World Bank, under its charter, does not provide help in respect of projects for which private capital is readily available on reasonable terms. It has not, therefore, hitherto made any substantial loans for oil development by State entities—though obviously any loans it makes to the Governments concerned for other projects will release funds for local oil development. The Bank's reasoning is that its own scarce resources should be reserved for employment in fields for which, for one reason or another, private capital is not adequately available.

It has, however, recently felt the need for an impartial study of the economic and financial aspects of State *versus* private enterprise in the field of oil exploration, especially in view of various developments in recent years. And it invited the well-known U.S. oil consultant, Mr. Walter Levy, to undertake such a study; this has been made available to member-Governments. Without venturing upon any criticism of the principle of State enterprise, and looking only at the results which may be achieved, Mr. Levy's report, based largely on a detailed study of specific cases, spotlights the handicaps under which a State oil concern may labour. It also discusses the new forms of co-operation between State and private capital which have been evolved in recent years.

Hazardous Undertaking

Oil exploration, as Mr. Levy emphasises, is a hazardous undertaking in which the results are generally unpredictable. The chances of finding oil tend to be broadly related to the scale of the effort made, with the corollary that large capital outlays are often a condition of success. Recent experience outside the U.S.A. and the Soviet bloc suggests a rough measure of the cost of finding new oil today: according to Mr. Levy's estimates, this is, on average, almost $2,000 for every barrel per day of production. In other words, an outlay of something like $100 million would be needed, on average, to develop resources to provide a production of 50,000 barrels a day, or 2½ million tons a year. There is, in addition, the investment for transportation, refining, etc., which could add up to another $150 million. Nor will the need for large-scale expenditure cease when the oil has been found and the necessary facilities provided: though profits should then be available, there must be continuing long-term investment to find new oil to replace current production.

As an illustration: in Guatemala, where more than 30 companies are engaged in the search for oil, covering two-thirds of the national territory, the total expenditure aggregated $20 million in 1957-58—the first two years of operations, before extensive drilling had begun. This expenditure was equivalent to more than a tenth of the Government's income from all sources. In Colombia, where substantial results are now being achieved, some $950 million have been spent by the oil industry, over a quarter of which remains to be recovered.

Shortage of Capital

Because oil prospecting and development work is so costly, State entities with sole responsibility for national oil development tend to suffer from chronic shortage of capital. As an example, Mr. Levy cites the case of Petrobras in Brazil. To keep such enterprises going, the Government is often forced to provide subventions and privileges of one kind or another—tax reliefs, special loans, preferential exchange rates, etc. Where these subsidies are partly concealed, as they often are, the true cost of the oil exploration in terms of national resources is disguised. The tendency to capital shortage will obviously be aggravated, if—as in Mexico until recently—the Government holds down the local price of petroleum products, thus giving a hidden subsidy to the consumer. Where the State entity is an integrated undertaking, capital shortage may distort its investment programme, priority being given to refining, which gives promise of a quick return, and the exploration sector starved of funds.

Where total capital resources are scarce, as they are in all economically underdeveloped areas, expenditure on oil exploration can only be at the expense of other claimants. In a developing country, there is urgent need for services and utilities—schools, hospitals, houses, roads, power stations, etc.—which private enterprise cannot as a rule be expected to provide. If the State diverts its scarce capital resources from these channels into fields in which private enterprise is willing and able to help, essential tasks will be postponed or left undone and the country's ecohomic and social development greatly retarded. This is the choice that Governments have to make; but they seldom care to put it into such simple terms.

Nor is lack of capital the only handicap from which a State oil entity is likely to suffer. It will naturally seek to appoint nationals to senior posts and will often be under political pressure to do so; but as the local supply of suitable scientific and technical personnel is usually very limited, it has difficulty in recruiting the number and variety of skilled staff required for the oil search. Neither is a Government oil entity as well placed to benefit from the cross-fertilisation of ideas as are international companies, with their wide experience and extensive research activity. Though it may employ foreign consultants and foreign technicians, this is no real substitute for the advantages that flow from close links with organisations working in various countries and always abreast of new developments.

Centralised Judgment

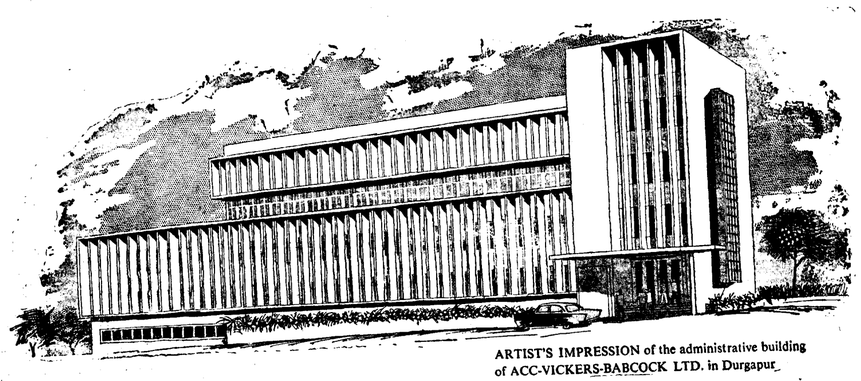
Another handicap in the field of exploration is that the choices and decisions made by a State entity tend to reflect one centralised judgment—which contrasts strongly with the diversity of judgments involved when many oil companies are engaged competitively in the search for oil. Mr. Levy cites the recent example of Turkey, where a score of foreign concerns participate in the search. One major company (Esso), having drilled 11 dry holes and spent $20 million fruitlessly, decided to abandon its search. Another major (Mobil) has, however, just recently brought in a wildcat with an initial production of 1,200 barrels a day; this is the country's most prolific discovery so far. In a vast country where little or no oil has yet been found, multiplicity of effort ensures a more comprehensive assessment of a country's oil prospects than a single State enterprise could provide in the same time.

The decisions of a State enterprise also tend to be subject to many kinds of political pressure. In particular, it may have difficulty in justifying continued expenditure on unsuccessful drilling—though a crop of dry holes is generally the price that must be paid for a full-scale search programme. With limited funds at its disposal, there are temptations for a nationalised undertaking to concentrate on development drilling in relatively proven areas, rather than to risk its resources on wildcats. Such a course must, however, be inimical in the long run to the discovery and development of a country's latent resources.

With harsh experience gained, it is now realised in some countries that the scope of the exploration effort will be severely limited if it forgoes the benefits which foreign oil companies can bring. This was true of Turkey until 1954, of Bolivia until 1955, and of Argentina until 1958. Hence, also, the decision of the Indian Government in 1959 to invite foreign companies to join in the search for oil, notwithstanding an earlier decision to the contrary. And the same truth was in the mind of the Chilean President when he told Congress last year that the rejection of foreign assistance in the development of the country's resources was a serious mistake. This being so, some countries have adopted solutions involving foreign participation which, they are convinced, do not compromise their national objectives.

The arrangements adopted differ from country to country. In Argentina, for example, the help of foreign companies takes the form of contractual arrangements with the Government oil entity. Bolivia and Turkey are instances where selected acreage has been reserved for Government operation, with private companies exploring over other areas. In the French Sahara, where the initial effort was largely State-financed, private capital has since been brought in to achieve the most comprehensive development of the country's oil potential, in partnership with State entities. In Iran, there is Government-industry co-operation of a different kind. Whatever the particular arrangements evolved, the consequence of bringing in foreign capital, with the accompanying technical skills, is that the scope of the exploration programme goes far beyond that which the country concerned would have been able to accomplish by its own resources alone.

Effective co-operation between a Government and foreign capital must, of course, be based on agreements that are conducive to the interests of both. From the Government standpoint, the foremost consideration will be diligence on the part of the operating company in exploration and subsequent development work. For the company there must be at least the expectation of favourable returns, if the venture is successful; foreknowledge of its rights and obligations at all stages of operation; security for its capital investment; and, where public and private enterprise are both engaged, some guarantee against discriminatory treatment. These are essential preconditions for attracting the desired investment



ARTIST'S IMPRESSION of the administrative building of ACC-VICKERS-BABCOCK LTD. in Durgapur.

New Power in Industry

NERVE-CENTRE of ACC-VICKERS-BABCOCK LTD. in Durgapur

MARK THIS administrative building of ACC-VICKERS-BABCOCK LTD. which is fast nearing completion in Durgapur. Very soon busy design engineers, led by experienced men from AVB's overseas collaborators, will occupy the largest portion of it...giving initial shape to the power that AVB will add to Indian industry from its plant nearby.

This building will be the *nerve-centre* of AVB. Here the finest engineering minds will study, design and draw up plans that will 'tailor-make' mining and cement-making machinery, and vital steam-raising plant for the many thermal power stations to be installed in the country during the Third Five Year Plan.

To ensure that steam-raising and industrial boiler plants give optimum performance, it is imperative that they be 'tailor-made' to suit varying local conditions and requirements. Here at this *nerve-centre*, all the advanced technical knowledge of AVB will be utilised *to the fullest extent*, to ensure that each project is designed for the finest possible performance.

AVB

...a Powerful Partnership for Progress

ACC-VICKERS-BABCOCK LTD.
16, Queen's Road Estate, Bombay 1.
CALCUTTA OFFICE: Ilaco House, 1 & 3 Brabourne Road, CALCUTTA 1.
Works: Durgapur, West BENGAL

AVB.2141

COMMERCE
India's Premier Financial, Commercial and Industrial Journal
Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION
COMMERCE (1935) LTD.
BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY
Telephone No. 253905

Hastings Belting
BIRKMYR BROTHERS LIMITED

THE CANARA BANKING CORPORATION LIMITED

(INCORPORATED IN INDIA WITH LIMITED LIABILITY)

ESTABLISHED 1906

BOARD OF DIRECTORS

SHRI B. VAIKUNTA BALIGA, B.A., B.L., M.L.A., *Chairman.*

SHRI U. GOPALAKRISHNA NAYAK.
SHRI F. X. D. PINTO, M.L.A.
SHRI B. ANANDA MALLYA, M.A., B.L.
DR. M. BALAKRISHNA KINI, M.B. & B.S., D.G.O.
SHRI M. GOPALAKRISHNA KAMATH.
SHRI U. RAMNATH KINI, B.A., B.L.

AUDITOR
SHRI U. VARADARAJ NAYAK, B.A., F.C.A.

LEGAL ADVISER
SHRI N. V. KAMATH, B.A., B.L.

GENERAL MANAGER
SHRI V. R. KAMATH, B.A., LL.B.

DIRECTORS' FIFTY-FIFTH ANNUAL REPORT

The Directors have the pleasure to submit to the shareholders, the Bank's Balance Sheet as on and the Profit and Loss Account of the Bank for the year ended 31st December, 1960.

After making provision for payment to the staff of the Bank of a bonus equal to 1/12 of the pay earned by them during the year 1960, net profits for the year 1960 are Rs. 6,74,836.94 and with a sum of Rs. 14,360.81 brought forward from previous year's account, the sum available for distribution is Rs. 6,89,197.75. After placing a sum of Rs. 1,35,000.00 to the Statutory Reserve Fund, the balance left over is Rs. 5,54,197.75 and the Directors recommend the following appropriations in this behalf.

		Rs. nP
1.	To provision for Taxes	2,80,000 00
2.	To pay a dividend at Rs. 3.25 and Rs. 2.93 per share on 7,000—5 per cent. and 18,000—4½ per cent. First Preference Shares respectively and at 15 per cent. per annum on 25,000 Ordinary Shares (all dividends payable are subject to deduction of Indian Income-tax in terms of Section 18 of the Indian Income-tax Act, 1922) ..	2,62,948 12
3.	To carry forward to next year's account	11,249 63
	Total .. Rs.	5,54,197 75

The Directors regret to report the sad and sudden demise of the Bank's Chairman, Dr. U. Padmanabha Mallya, L. M. & S., on 15th September, 1960. He joined the Directorate of the Bank in 1931 and was Chairman from 1959 to the date of his death. His boundless enthusiasm and wonderful adaptability have been a perennial source of inspiration and guidance to the Board and Officers of the Bank. Three decades of his active association with the Bank have been very helpful in building up the Bank. In his place Shri B. Vaikunta Baliga, B.A., B.L., M.L.A., who has also to his credit long and active association with the Bank has been unanimously elected as Chairman of the Board of Directors of the Bank.

Since the last report, the Bank enlarged its scope for services to its clientele by opening 9 new branches at Malleswaram (Bangalore City), Shivaji-Park (Bombay), Kalbadevi (Bombay), Karwar, Kushalnagar, Nandyal, Tadpatri, Chirala and Erode, thus bringing the total number of branches to 62 on the date of this report. All the new branches are progressing satisfactorily.

The Directors are happy to report that the Bank has stepped into 'B' Class from 'C' Class as defined in the Sastri Award and the provisions of the Award touching such upgrading have been complied with, with effect from 1st January, 1961.

During the period under report, the general progress of the Bank has been kept up, despite the general adverse trends in the money market and the credit curbs which were in operation.

The Directors thank the shareholders and customers of the Bank for their unstinted patronage and seek their continued support in an increasing measure in the years to come. They also wish to place on record the devoted and loyal services of the General Manager, other officers and staff.

(By authority of the Board),

B. VAIKUNTA BALIGA,
Chairman.

OFFICE OF THE CORPORATION, UDIPI,
Dated: 29th January, 1961.
Magh-9, 1882 (Saka).

BALANCE SHEET AS AT 31st DECEMBER 1960

Corresponding figures 31-12-1959 Rs. nP	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
	1. Capital—		
50,00,000 00	Authorised Capital		50,00,000 00
37,50,000 00	(a) 75,000—Ordinary Shares of Rs. 50 each..	37,50,000 00	
3,50,000 00	(b) 7,000—5% First Preference Shares of Rs. 50 each	3,50,000 00	
9,00,000 00	(c) 18,000—4½% First Preference Shares of Rs. 50 each	9,00,000 00	
	Issued, Subscribed, Called and Paid-up Capital—		
12,50,000 00	(a) 25,000—Ordinary Shares of Rs. 50 each .. 12,50,000 00		
2,225 00	Less—Calls unpaid .. Nil		
12,47,775 00		12,50,000 00	
3,50,000 00	(b) 7,000—5% First Preference Shares of Rs. 50 each	3,50,000 00	
9,00,000 00	(c) 18,000—4½% First Preference Shares of Rs. 50 each	9,00,000 00	
24,97,775 00			25,00,000 00
18,00,000 00	2. Reserve Fund and Other Reserves		19,35,000 00
12,30,667 50	Reserve Fund	13,65,000 00	
	Rs. nP 5,70,000 00 Share Premium .. Rs. nP 5,70,000 00		
	667 50 Less—Arrears .. .. Nil		
5,69,332 50		5,70,000 00	
8,44,64,717 67	3. Deposits and Other Accounts		8,72,72,086 12
5,57,78,390 66	Fixed, Short Notice, Cumulative and Golden Jubilee Deposits	5,89,17,998 64	
1,32,79,247 62	Savings Bank Deposits	1,50,88,107 74	
1,54,07,079 39	Current Accounts, Contingency Accounts, etc...	1,32,65,979 74	
35,84,768 14	4. Borrowings from Other Banking Companies, Agents, etc.		9,25,030 61
35,84,768 14	(i) In India	9,25,030 61	
Nil	(ii) Outside India	Nil	
	Particulars— Rs. nP		
35,75,379 42	(i) Secured by lodging part of Government Securities held under investments as per contra 9,25,030 61		
9,388 72	(ii) Unsecured .. .. .. Nil		
35,84,768 14			
11,31,585 06	5. Bills Payable		11,29,669 95
54,15,590 97	6. Bills for Collection Being Bills Receivable as per contra		65,62,627 23
52,64,652 16	(i) Payable in India	65,40,272 32	
1,50,938 81	(ii) Payable outside India	22,354 91	
74,59,887 62	7. Other Liabilities		70,80,006 04
64,09,412 12	Branch Adjustments	57,73,250 21	
68,387 73	Liability for Expenses	78,756 09	
18,155 25	Unclaimed Dividends	12,786 37	
28,060 42	Unexpired Discounts	31,670 91	
9,40,872 10	Sundries including interest accrued or due on deposits, etc.	11,83,542 46	
6,99,730 00	8. Acceptances, Endorsements and Other Obligations per contra		4,58,132 00
	9. Profit and Loss—		
3,14,715 63	Profit as per last Balance Sheet	4,33,738 53	
	Less—Appropriations— Rs. nP		
1,75,000	(i) Provision for Taxation .. 2,10,000 00		
1,33,000	(ii) Dividends 2,09,377 72		
3,08,000 00		4,19,377 72	
6,715 63	Balance	14,360 81	
6,07,022 90	Add—Profit for the year brought from Profit and Loss Account	6,74,836 94	
6,13,738 53	Total	6,89,197 75	
	Less—Placed to— Rs. nP		
1,35,000	(a) Statutory Reserve Fund under Section 17 of the Banking Companies Act. 1,35,000 00		
45,000	(b) Contingent Fund .. Nil		
1,80,000 00		1,35,000 00	
4,33,738 53			5,54,197 75
	10. Contingent Liabilities—		
6,820 82	(i) Claims against the Banking Company not acknowledged as debts	1,020 82	
	(ii) Money for which the Banking Company is contingently liable—		
	(a) On account of guarantees to customers—		
4,08,905 00	Fully secured	7,92,063 00	
2,31,715 14	On personal guarantee	4,29,426 58	
4,000 00	(b) On account of guarantees on behalf of Directors or Officers	4,000 00	
3,500 00	(iii) Uncalled Capital on Shares held under Investments	3,000 00	
Nil	(iv) Arrears of Cumulative Preference Dividends	Nil	
Nil	(v) Liability on Bills of Exchange re-discounted	Nil	
Nil	(vi) Liability on account of outstanding Forward Exchange Contracts	Nil	
10,74,87,792 99	Total .. Rs.		10,84,16,749 70

Corresponding figures 31-12-1959 Rs. nP	PROPERTY AND ASSETS	Rs. nP	Rs. nP
1,02,20,671 29	1. Cash .. .. In hand and with the Reserve Bank and State Bank of India.		95,33,807 98
9,87,224 82	2. Balances with Other Banks		11,42,594 70
	In Current Accounts Rs. nP / In Deposit Accounts Rs. nP		
9,87,224 82	(i) In India .. 11,42,594 70 / Nil	11,42,594 70	
Nil	(ii) Outside India.. Nil / Nil	Nil	
Nil	3. Money at Call and Short Notice		Nil
3,49,93,278 56	4. Investments at cost		3,53,26,906 56
3,49,66,778 56	(i) Securities of the Central and State Governments and other Trustee Securities of the face value of Rs. 3,54,14,060 (approximate market value Rs. 3,44,98,577.55)	3,52,99,906 56	
	(ii) Shares (unquoted)—		
25,000 00	(a) Fully paid Ordinary Shares of the Madras Industrial Investment Corporation Ltd.	25,000 00	
1,500 00	(b) Partly paid Ordinary Shares of the Central Warehousing Corporation ..	2,000 00	
Nil	(iii) Debentures or Bonds	Nil	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
4,90,65,220 29	5. Advances .. .. .. (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditor)		4,88,72,114 80
	(i) Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
3,45,17,316 09	(a) In India .. 3,65,35,729 98		
Nil	(b) Outside India.. Nil		
3,45,17,316 09		3,65,35,729 98	
	(ii) Bills Discounted and Purchased—		
1,44,99,120 87	(a) Payable in India.. 1,22,75,262 91		
48,783 33	(b) Payable outside India 61,121 91		
1,45,47,904 20		1,23,36,384 82	
54,15,590 97	6. Bills Receivable Being Bills for Collection as per contra		65,62,627 23
52,64,652 16	(i) Payable in India	65,40,272 32	
1,50,938 81	(ii) Payable outside India	22,354 91	
6,99,730 00	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..		4,58,132 00
2,70,359 92	8. Premises at Cost	3,67,407 67	
97,047 75	Additions during the year	3,02,815 42	
3,67,407 67		6,70,223 09	
82,907 67	Less—Depreciation to date	96,223 09	
2,84,500 00			5,74,000 00
4,51,946 81	9. (a) Furniture and Fixtures at cost	4,81,677 85	
29,731 04	Additions during the year (Net)	1,70,089 49	
4,81,677 85		6,51,767 34	
1,65,677 85	Less—Depreciation to date	1,88,767 34	
3,16,000 00			4,63,000 00
53,318 76	(b) Electric Fittings at cost	54,998 93	
1,680 17	Additions during the year (Net)	16,612 27	
54,998 93		71,611 20	
27,898 93	Less—Depreciation to date	31,111 20	
27,100 00			40,500 00
54,78,477 06	10. Other Assets		54,43,066 43
8,800 00	Motor Car and Accessories at cost (less depreciation)	8,900 00	
5,900 00	Library at cost (less depreciation)	8,000 00	
7,42,076 29	Interest accrued or due on investments and advances but not collected	8,30,710 84	
6,83,618 75	Tax deducted at source	8,35,255 69	
36,22,744 13	Bills realised by Bankers and D.D's, etc., paid pending advices	33,28,105 91	
1,27,591 10	Sundries including Prepaid Charges, Stamps Suspense Accounts, etc. ..	1,84,704 73	
2,30,230 24	Books, Forms and Stationery, etc., in stock ..	2,42,084 29	
57,521 55	Insurance Policies Acquired in Satisfaction of Claims at book value	55,304 97	
Nil	11. Non-Banking Assets Acquired in Satisfaction of Claims at Book Value (Landed Property) (Estimated realisable value Rs. 1,000) ..		Nil
10,74,87,792 99	Total .. Rs.		

NEW PRODUCTS AND PROCESSES

Quick Detection of Pregnancy

A WOMAN'S pregnancy can be determined in only 90 minutes with a new epoch-making method developed by two Swedish gynecologists, Professor Carl Axel Gemzell and Dr. Leif Wide of the Academic Hospital, Uppsala. The method has been tested since the latter half of 1960 both at the Academic Hospital and the Karolinska Hospital in Stockholm. About 1,500 pregnancy determinations have been made and not a single test has so far proved misleading. One important factor is that the new method can at once determine the quantity of pregnancy hormones in the woman's urine—a procedure which previously took weeks. If the quantity of hormones is too large or too small in relation to the time since conception it may be a sign of unhealth, a tumour or a possible miscarriage. The procedure is simple and inexpensive. A urine sample from the woman is added to a preparation consisting of antibodies to her own hormones. The antibodies come from a rabbit and have been formed through an immunological process. After 90 minutes a glance at the test-tube gives the answer; if the woman is pregnant a circle forms at the bottom of the tube. Whereas in previous methods for determining pregnancy one rabbit was needed for each test preparation it is reported that one animal is sufficient for thousands of tests with the new method. The new preparation is soon to be produced by the pharmaceutical industry and will be available for all practising gynecologists.

Stain-resistant Clothes

Clothes that can suffer a severe stain, and yet be wiped clean! This is the latest announcement to come from a U.K. manufacturer. A chemical preparation is impregnated into the finished cloth and the result will be suits, dresses and coats that are stain-resistant to a certain number of fluids including tea, coffee, beer, fruit juices, ink, ice cream and jam. First, the chemicals and their mixture remains a secret. But in the U.K. manufacturers of most fabrics—satin, cotton, rayon as well as wool mixtures—can now have their cloths impregnated. This will be done under a house-to-house agreement, and then, when a push-button machine unit to carry out the process has been fully developed and tested—it will take about a year—the firm will cope with the sale of machines and the process. This chemical process will hardly add any cost to a garment as far as the manufacturer is concerned. While it is effective against "waterborne" stains, it is not fully resistant against oil stains, but the finish makes it easy to remove them with an ordinary household solvent.

New Rubber

A new rubber which is said to have an exceptionally low friction surface similar to that of PTFE has been developed in the U.K. At the same time the material differs from PTFE compounds and PTFE and rubber compounds in that it is said by the scientists responsible for developing it to retain elasticity. One great advantage of the material is that it should make it possible to produce seals for industrial equipment of a type where elasticity is important, that will operate for exceptionally long periods of time without the need for the use of any lubrication. A special grafting process is used to produce the low friction surface. The technique is said to be so efficient that different coefficients of friction can be made virtually to order. The new rubber is expected to find widespread applications in chemical plant and mechanical engineering as well as in atomic energy and guided weapons.

Electronic Weighing System

A firm at Eindhoven, Holland, has designed an electronic weighing system which can be readily incorporated into conveyor belts and weighs the load transported. Weighing is not affected by vibrations and jolts of the constantly moving material. The weight of the material transfers to the guide rolls of the conveyor belt, continuously changing loads resulting in forces on the attachment systems of the rolls. These forces are transmitted to two pickups and measured by an electronic installation, as a result of which time-weight integration is obtained. If required, the equipment can be connected direct to an electromagnetic counter and an automatic recording or accounting machine. The equipment, it is claimed is damp- and dust-proof and requires little maintenance. The accuracy of measurement is better than 0.5 per cent.

Low Temperature Welding

A completely new range of low heat metal joining alloys, called Obvis, will be on display at the Engineering, Marine, Welding and Nuclear Energy Exhibition to be held at Olympia, London, from 20th April to 4th May 1961. The new alloys, developed by Weldcraft Ltd. of Britain, the use of which will have the advantage of a low heat requirement in use but provide the strength achieved in fusion welding. The bond is achieved by the building up of a surface alloy between the parent metal and the deposited metal. There is no fusion of the base metal and, therefore, less heat is transferred to the metal surrounding the area of the joint. Consequently, very much lower temperatures are required. The tensile strength of the resulting joint is equal to and often greater than that of parent metal.

Nylon for Ship's Propellers

In conjunction with a German firm and after extensive research work a Dutch factory has found potentialities for the use of nylon for the construction of ships' propellers. These experiments have resulted in the manufacture of a special type of nylon (polyamide) which fully meets the requirements for this purpose as regards shaping, shock absorption and corrosion resistance. In practice this means that these nylon propellers have a higher resistance to impact load and a higher shock absorption than metal propellers, so that crankshaft, propeller shaft and all interior parts of the propeller shaft housing are less heavily loaded. Laboratory experiments have been confirmed in practice. This type of polyamide can also be used for the manufacture of screw caps and mixing equipment.

Analysing Chemical Samples

A new system which uses a typewriter to produce direct recordings automatically of the contents of chemical elements present in a sample being examined by spectrometers has been developed in U.K. The system is designed so that the information relating to the proportions per cent concentration of the chemical elements present in the sample being tested is typed out automatically after the exposure of the specimen for examination purposes is completed. If required, carbon copies can readily be made, or alternatively the system can be adapted so that it will automatically use pre-printed or pre-typed forms. One advantage of the system is the fact that it enables written records to be recorded in virtually any quantity more or less automatically, and with far greater accuracy, it is claimed, than might otherwise be the case.

Titanium Metal Strip

A new process for producing titanium metal strip by means of cold rolling from raw powder form has been developed in Britain. The operation of the process depends on the use of raw powder strip one millimetre in thickness which is then treated by a series of sintering and rolling operations. Tests carried out with the material are said to have shown that it has a tensile strength of 67.5 kilograms per square millimetre. At the same time it has an elongation of 23.7 per cent. The thickness of the final metal strip produced is of the order of 0.45 millimetre. The process is said to be cheap to operate and to enable the titanium metal to be produced in forms which have not hitherto been possible to achieve at a relatively cheap cost.

Welding Torch

A new welding torch for use in powder welding, which uses oxy-acetylene gases to provide the heat and argon to convey the powder on the section being welded, has been developed in the U.K. Both the flow of the gases and the powder can be controlled, it is claimed, independently. The operation of the system is such that it will, it is claimed, enable standard pistol-type welding units to be readily adapted. It is expected to be especially useful for welding many different types of engineering components, which have previously been prepared for treatment. It is expected to find widespread applications in the chemical engineering industry as well as in other specialised fields such as atomic energy.

Tape-controlled Electric Switch

Now being produced in the U.S. is an electric switch which can be operated by merely touching any part of a long tape. This enables an operator to start or stop a large machine wherever he may be working on it and eliminates the need to walk to controls at a fixed point. The tape carries two bare copper wires along its 36-foot length. When the operator touches it, his finger completes a low-voltage electric circuit which operates a relay. This in turn controls the electricity supply to the main drive motor.

THE CANARA BANKING CORPORATION LIMITED—*Continued.*

Schedule of Particulars Required by the Banking Companies Act 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1960.

Corresponding figures 31-12-1959 Rs. nP	PARTICULARS OF ADVANCES	Rs. nP
3,56,21,010 00	(i) Debts considered good in respect of which the Banking Company is fully secured	3,64,48,626 81
1,34,44,210 29	(ii) Debts considered good for which the Banking Company holds no other security than debtors' personal security	1,24,23,487 99
Nil	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	Nil
Nil	(iv) Debts considered doubtful or bad not provided for	Nil
4,90,65,220 29	Total .. Rs.	4,88,72,114 80

Corresponding figures 31-12-1959 Rs. nP	PARTICULARS OF ADVANCES	Rs. nP
1,66,808 80	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons ..	2,13,173 45
2,34,278 26	(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members ..	24,043 19
1,81,732 98	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	2,51,591 25
6,07,571 45	(viii) Maximum total amount of advances, including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	7,20,451 76
6,00,245 80	(ix) Due from Banking Companies	2,73,366 02

Dr. PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960. *Cr.*

Corresponding figures 31-12-1959 Rs. nP	EXPENDITURE	Rs. nP
25,59,989 99	To 1. Interest paid on Deposits, Borrowings, etc.	30,88,956 92
13,21,735 17	2. Salaries and Allowances and Provident Fund (Salary and Allowances, etc., of Rs. 15,750 paid to the General Manager and Bonus of Rs. 1,000 payable to him subject to the approval of the Reserve Bank)	14,87,808 14
9,548 60	3. Directors' and Local Committee Members' Fees and Allowances.	12,984 20
1,70,342 12	4. Rent, Taxes, Lighting, Insurance, etc.	2,45,732 74
826 35	5. Law Charges	7,974 69
1,43,947 07	6. Postage, Telegrams and Stamps	1,61,978 41
2,500 00	7. Auditor's Fees	3,600 00
34,160 18	8. Depreciation on and Repairs to the Banking Company's Property	49,729 24
1,09,325 27	9. Stationery, Printing, Advertisements, etc.	1,35,569 00
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets ..	Nil
1,08,600 86	11. Other Expenditure	1,27,156 17
6,07,022 90	12. Balance of Profit	6,74,836 94
50,62,998 01	Total .. Rs.	59,95,171 45

Corresponding figures 31-12-1959 Rs. nP	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP
41,06,831 96	By 1. Interest and Discount	48,62,696 40
9,45,133 07	2. Commission, Exchange and Brokerage	11,08,963 81
4,829 94	3. Rents	11,747 14
Nil	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil
3,589 44	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	4,315 05
2,604 60	7. Other Receipts	7,449 05
50,62,998 01	Total .. Rs.	59,95,171 45

AUDITOR'S REPORT

I have audited the foregoing Balance Sheet of The Canara Banking Corporation Limited as at 31st December, 1960, and also the Profit and Loss Account of the Bank for the year ended on that date with the books of accounts of the Head Office and Branches and report that:

(a) I have audited the accounts of all branches of the Bank;
(b) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
(c) Such information and explanations have been found to be satisfactory;
(d) The returns received from the branches have been found adequate for the purpose of my audit;
(e) The transactions of the Bank as have come to my notice have been, in my opinion, within the powers of the Bank;
(f) In my opinion, and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required;
(g) In my opinion,
(i) the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1960;
(ii) the Profit and Loss Account gives a true and fair view of the Profit or Loss for the year ended that date and shows a true balance of profit for the period covered by the audit; and
(iii) proper books of accounts as required by law have been kept by the Bank so far as it appears from my examination of those books; and
(h) The Bank's Balance Sheet and the Profit and Loss Account dealt with by the Report are in agreement with the books of accounts and Returns.

UDIPI, 10th *February*, 1961.

U. VARADARAJ NAYAK, *Chartered Accountant* } *Auditor.*

V. R. KAMATH, *General Manager.*

UDIPI, 29th *January*, 1961.

B. VAIKUNTA BALIGA, *Chairman.*

U. GOPALAKRISHNA NAYAK,
M. GOPALAKRISHNA KAMATH,
M. BALAKRISHNA KINI,
F. X. D. PINTO,
U. RAMNATH KINI. } *Directors.*

PROSPECTUS

The consent of the Government of India has been obtained to this issue, a complete copy of which is available for public inspection at the Registered Of of the Company. It must be distinctly understood that in giving this consent the Government of India do not take any responsibility for the financial soundn of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

A licence has been obtained from the Central Government for this industrial undertaking, of which a copy is open to public inspection at the Registered Of of the Company. It must be distinctly understood that in granting this licence the Government of India do not take any responsibility for the financial soundn of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

Application has been made to the Calcutta Stock Exchange for permission to deal in and for an official quotation of the Equity Shares of the Compar

A copy of this Prospectus having attached to it the documents required by Section 60 of the Companies Act, 1956, and specified hereunder has be delivered to the Registrar of Companies, West Bengal, for registration.

The Subscription List will open at the commencement of banking hours on April 25, 1961 and, provided subscriptions are obtained up to the total amou of this offer, will close at the close of banking hours on April 27, 1961. If subscriptions up to the total amount of this offer are not obtained by that date, t Subscription List will remain open at the discretion of the Directors.

GOODYEAR INDIA LIMITED

(INCORPORATED IN INDIA WITH LIMITED LIABILITY ON OCTOBER 10, 1922, UNDER THE INDIAN COMPANIES ACT, 1913)

SHARE CAPITAL

AUTHORISED .. .. **Rs. 2,00,15,00**
Divided into 20,01,500 Equity Shares of Rs. 10 each

ISSUED, SUBSCRIBED AND FULLY PAID-UP .. .. **Rs. 1,60,15,00**
Divided into 16,01,500 Equity Shares of Rs. 10 each

PRESENT ISSUE

4,00,000 Equity Shares of Rs. 10 each at a premium of Rs. 7 per share

PAYABLE IN FULL ON APPLICATION

Application for shares must be for a minimum of 50 shares or multiples of 50 shares

DIRECTORS

EDWIN JOEL THOMAS, 812 Mayfair Road, Akron, Ohio, U.S.A. Chairman of the Board of Directors, The Goodyear Tire & Rubber Company, Akron, Ohio, U.S.A.

RUSSELL DeYOUNG, 910 Eaton Road, Akron, Ohio, U.S.A. President, The Goodyear Tire & Rubber Company, Akron, Ohio, U.S.A.

HOWARD LINTON HYDE, 226 College Street, Hudson, Ohio, U.S.A. Executive Vice President, The Goodyear Tire & Rubber Company, Akron, Ohio, U.S.A.

FRANK THOMAS MAGENNIS, 1954 Stockbridge Road, Akron, Ohio, U.S.A. President, Goodyear International Corporation, Akron, Ohio, U.S.A.

ARDEN EDSON FIRESTONE, 922 Mayfair Road, Akron, Ohio, U.S.A. Vice President & General Counsel, The Goodyear Tire & Rubber Company, Akron, Ohio, U.S.A.

RUSSELL EDWIN OSBORNE CAREY (Managing Director), 6, Rainey Park, Ballygunge, Calcutta.

RICHARD EDGAR HOSTETLER (Finance Director), 4/1, Alipore Park Road, Calcutta

RICHARD TEAGUE BUDD (Production Director), 55A, Friends Colony, New Delhi.

KEWAN CHAMAN LALL, 8, Windsor Place, New Delhi.

SECRETARY

PERCY STUART GRANT, 3, Swinhoe Street, Calcutta.

BANKERS

THE CHARTERED BANK, 4, Netaji Subhas Road, Calcutta-1.

SOLICITORS

ORR, DIGNAM & CO., 29, Netaji Subhas Road, Calcutta-1.

AUDITORS

F. FERGUSON & CO., Allahabad Bank Buildings, Apollo Street, Bombay-1

BROKERS

PLACE, SIDDONS & GOUGH (PRIVATE) LTD., 6, Lyons Range, Calcutta-1.

LEWIS & JONES, Bank of Baroda Building, Apollo Street, Fort, Bombay-1.

BATLIVALA & KARANI, Union Bank Buildings, 1st Floor, Dalal Street, Fort, Bombay-1.

HARBANS SINGH MEHTA & CO., 33, Regal Buildings, Parliament Street, P.O. Box 300, New Delhi.

PATERSON & CO., 22, Errabalu Chetty Street, P.O. Box 48, Madras-1.

REGISTERED OFFICE

209, ACHARYYA JAGADISH BOSE ROAD
(Formerly Lower Circular Road),
CALCUTTA-17.

REGISTRARS

ANDREW YULE & CO., LTD., 8, Clive Row, Calcutta-1.

HISTORY AND DEVELOPMENT OF BUSINESS

The Company was incorporated in India on October 10, 1922, as a private limited company under the name, The Goodyear Tyre & Rubber Co. (India) Limited and in 1947, the Company's name was changed to The Goodyear Tyre & Rubber Co. of India Limited. By virtue of the operation of Section 24 of the Companies Act, 1956, the word "Private" became part of the Company's name which from April 1, 1956 was The Goodyear Tyre & Rubber Co. of India Private Limited.

The Company was converted into a Public Company on March 24, 1961 and the name was changed to Goodyear India Limited.

The Company was formed, *inter alia*, with the object of dealing in tyres and other products and also to take over the business then carried on in Ceylon in the name of The Goodyear Tyre & Rubber Export Company.

In 1936 the Company entered into a Manufacturing Agreement with a resident manufacturer under which Goodyear types, tubes and allied products were produced in India to Goodyear specifications and using certain equipment supplied by Goodyear.

In 1951 the Company entered into a Manufacturing and Technical Agreement with a second resident manufacturer under which Goodyear industrial rubber products were produced in India to Goodyear specifications.

The Company also imports tyres, belting and other products from associate overseas manufacturers.

The Company is a subsidiary of The Goodyear Tire & Rubber Company of Akron, Ohio, U.S.A.

LAND PREMISES AND PLANT

The Company is finalising the purchase of approximately seventy acres of land in the District of Gurgaon, Punjab, to erect a tyre plant. The site is ideally situated approximately 21 miles south of New Delhi on the main Delhi-Agra road. The plant is presently near completion on this site.

MANAGEMENT AND STAFF

The non-resident Directors are Executives of The Goodyear Tire & Rubber Company, Akron, Ohio, U.S.A., and have long been connected with the Company.

The Managing Director and the two other full-time working Directors in India have many years of service with the Company and its overseas associate Companies. Mr. R. E. O. Carey, the present Managing Director of the Company, has been associated with the Company for more than 25 years and is fully conversant with business conditions in India.

Subject to the control and direction of the Company's Board of Directors, the Managing Director and the full-time working Directors are responsible for the day-to-day administration of the Company. The Company has trained competent personnel adequate for its requirements. The senior Indian staff have been given specialised training in the U.S.A. and England at various times in the past.

The Company has its Registered Office in Calcutta with Branches at Bombay, Calcutta, Delhi, Lucknow and Madras and Depots at Ahmedabad, Bangalore, Ernakulam, Gauhati, Hyderabad and Jabalpur.

MAIN OBJECTS

The main objects of the Company, as set out in its Memorandum of Association, are as follows:—

To carry on all or any of the business of merchants, shippers, traders, commission agents, importers and exporters, and to manufacture, buy, sell and deal in property and goods of all kinds, and to carry on all or any other business or business operations or operation usually carried on or performed by companies or persons carrying on the business aforesaid or any of them, or which may seem capable of being conveniently carried on in connection with any of

SECRETARIAT FOR COMMITTEE 24 APR 1961

the Company's business or operations, or to be conducive to its interests, or to enhance the value of or facilitate the realisation of or render profitable any of the Company's business, property or rights.

To carry on any other business whether manufacturing, trading, financial, mining, agricultural or pastoral, commercial or otherwise, which may be capable of being conveniently carried on in connection with the above or may be calculated to enhance directly or indirectly, the value of or render more profitable any property or business of the Company, or assist or conduce to the economical or profitable carrying on of such business.

OBJECTS OF THE ISSUE

The Company has embarked on a major programme of erecting and equipping an entirely new factory in India so as to keep pace with the general industrial development of the country and meet the increasing demand for tyres and other rubber products.

The proceeds of this issue will be used firstly to purchase machinery and equipment abroad, and secondly to provide additional working capital. The Government of India has been advised of the Company's plans and have issued such licences for which applications have been made.

FINANCIAL INFORMATION

Auditors' Report

THE DIRECTORS,
THE GOODYEAR TYRE & RUBBER CO. OF INDIA PRIVATE LTD.
209, LOWER CIRCULAR ROAD,
CALCUTTA.

ALLAHABAD BANK BUILDINGS,
APOLLO STREET,
BOMBAY-1.

Dear Sirs,

We have examined the books and accounts of The Goodyear Tyre & Rubber Co. of India Private Ltd. as kept in Calcutta which have been audited by Messrs. Price Waterhouse & Co. for the five years ended 31st December, 1960 and report that the profits of the Company are as set out below. These profits have been arrived at after charging all expenses of working and management including provision for normal depreciation on the basis allowable for taxation and after making such regroupings and adjustments, subject to the notes given below, as are, in our opinion, appropriate.

THE GOODYEAR TYRE & RUBBER CO. OF INDIA PRIVATE LTD.

	Year ended 31st December, 1956 Rs.	Year ended 31st December, 1957 Rs.	Year ended 31st December, 1958 Rs.	Year ended 31st December, 1959 Rs.	Year ended 31st December, 1960 Rs.
INCOME—					
Closing Stock	95,07,305	75,25,543	68,51,866	58,94,306	34,42,331
Sales	6,76,77,091	6,95,75,281	6,68,31,028	7,25,17,373	7,93,06,536
Miscellaneous Income ..	46,976	51,246	90,412	57,624	85,297
	7,72,31,372	7,71,52,070	7,37,73,306	7,84,69,303	8,28,34,164
EXPENDITURE—					
Opening Stock	1,08,20,602	95,07,305	75,25,543	68,51,866	58,94,306
Purchases	5,44,15,744	5,46,40,992	5,47,89,633	5,87,73,930	6,52,00,599
Establishment, Administration and Distribution Expenses ..	41,66,066	45,37,985	43,77,575	42,96,273	49,81,666
Salaries and Wages	23,07,621	24,28,957	25,74,507	26,17,110	30,83,911
Interest on Overdraft	6,003	145	....	....	....
	7,17,16,036	7,11,15,384	6,92,67,258	7,25,39,179	7,91,60,482
Net Profit before Depreciation and Taxation	55,15,336	60,36,686	45,06,048	59,30,124	36,73,682
Less : Depreciation (Normal) ..	1,46,657	1,31,365	1,33,862	3,82,318	3,63,370
Net Profit before Taxation ..	53,68,679	59,05,321	43,72,186	55,47,806	33,10,312
Taxation after allowance of Normal Depreciation only	34,32,166	37,72,974	25,63,399	25,91,955	15,06,304
Net Profit ..	19,36,513	21,32,347	18,08,787	29,55,851	18,04,008

Notes:—

1. The above statement does not take the following Income Tax Allowances into consideration :—

Initial Depreciation Allowance	1,978	....	....	....	....
Development Rebate ..	14,778	39,529	1,20,024	96,664	41,087
Double Depreciation Allowance	1,40,456	1,25,786	....	....	....
2. Wealth Tax not taken in above Statement	67,853	63,977	63,455	Discontinued	Discontinued
3. Claims against the Company not acknowledged as debts—estimated maximum liability	....	....	65,000	90,000	99,000

We also report that the assets and liabilities of The Goodyear Tyre & Rubber Co. of India Private Ltd. as at 31st December, 1960 which is the last date to which the Company's Accounts were made up prior to the date of this report are as set out below. These assets and liabilities have been arrived at after making such regroupings as, in our opinion, are appropriate.

	Rs.	Rs.
Fixed Assets at Original Cost less book depreciation		6,55,753
Construction Work-in-Process		36,64,343
		43,20,096
CURRENT ASSETS—		
Stocks at cost or estimated market value whichever is lower	34,42,331	
Book Debts Considered Good (unsecured)	73,11,126	
Book Debts Considered Doubtful (unsecured)	12,634	
Advances recoverable in cash or in kind or for value to be received ..	8,97,686	
Taxation Recoverable	61,456	
Cash in hand and at Bank—On Current Account (including Rs. 9,87,487 with The Chartered Bank, Karachi, in a Blocked Account)	62,08,538	1,79,33,771
Total Assets ..		2,22,53,867

(*Continued in next page*)

PROFITS AND PROSPECTS

There is good demand for the Company's products which is likely to increase as its manufacturing facilities are brought to bear and as the general market expands in keeping with improved standards of living and communications. It is anticipated that the future business will produce a reasonable return on the capital employed.

On December 30, 1960, an Agreement was entered into between the Company and Export-Import Bank of Washington, D.C., U.S.A. (hereinafter referred to as the "Eximbank") whereby the Eximbank agreed to establish in favour of the Company credit facilities not exceeding in the aggregate Rs. 2.25 crores with a view to making advances to the Company from time to time within the aforesaid limit to assist the Company in meeting rupee expenditure for the acquisition or construction in India of land and buildings and purchase in this country of machinery of Indian origin and to provide working capital in connection with the establishment and operation of a plant for manufacture of rubber products in India.

The loan actually drawn upon by the Company in terms of the Agreement is required to be repaid in eighteen equal half-yearly instalments commencing from February 15, 1963, and interest at the rate of six per cent per annum on the amount of the loan outstanding from time to time is expressed to be payable by the Company on February 15, and August 15, in each year.

The Agreement imposes certain conditions relating to dividends which could call for an acceleration of the repayment of the principal to be applied against the next instalment(s) of the Eximbank loan if the aggregate of dividends declared or paid from January 12, 1960, to the date of such declaration or payment exceeds 60% of the net earnings of the Company during the same period.

It is also one of the terms of the Loan Agreement that no dividend shall be declared by the Company if payment of interest on the loan outstanding at any time or any instalment thereof remains in arrears.

It is anticipated that the Company will be in a position to meet out of its internal resources its obligations under the Loan Agreement in relation to the payment of interest and instalments of the principal.

STATUTORY AND GENERAL INFORMATION

Minimum Subscription

The minimum amount which, in the opinion of the Directors, is required to be provided is Rs. 17,00,000 made up as follows:

(i) Purchase price of property ..	Nil	
(ii) Preliminary expenses	Not applicable	
(iii) Repayment of moneys borrowed.	Nil	
(iv) Working capital	Rs.	13,00,000
(v) Other expenditure, being expenses of this issue	Rs.	4,00,000
	Rs.	17,00,000

The amount to be provided in respect of the matters below, otherwise than out of the proceeds of the issue, would be provided from the local and foreign loans already arranged:

(i) Purchase price of property ..	Rs.	51,00,000
(ii) Preliminary expenses	Not applicable	
(iii) Repayment of moneys borrowed.	Nil	
(iv) Working capital	As above	
(v) Other expenditure	As above	

Underwriting

The shares now intended to be issued have not been underwritten, but the Company will pay brokerage as specified herein.

Contracts

The following contracts, not being contracts in the ordinary course of business, which are or may be material, have been entered into by the Company during the two years preceding the date hereof and may be inspected at the Registered Office of the Company between 10-00 a.m. and 12-00 noon and between 2-30 p.m. and 4-30 p.m. on any working day (except Saturday) for a period of 14 days from the date of publication of this Prospectus or until the closing of the Subscription List, whichever is earlier. Copies of such contracts have been attached to the copy of this Prospectus which has been

FINANCIAL INFORMATION—*Continued*	Rs.	Rs.
Brought over—Total Assets ..		2,22,53,867
Less : **LIABILITIES AND PROVISIONS—**		
Creditors and Accruals	42,91,979	
Provision for Retirement Gratuities	4,79,080	
Provision for Sales Tax	8,52,902	
Provision for Taxation less advance payments	11,75,076	67,99,037
		1,54,54,830
REPRESENTED BY—		
1,500 Equity Shares of Rs. 10 each	15,000	
Development Rebate Reserve	2,23,440	
Reserve for Bad and Doubtful Debts	4,63,451	
Profit and Loss Account	1,47,52,939	1,54,54,830

Note :—Claims against the Company not acknowledged as debts estimated maximum liability Rs. 2,54,000.

We further report that in respect of the five years ended 31st December, 1960 the dividend declared and/or paid by the Company out of profits on its paid up capital are as follows :—

		Rs.
In respect of the year ended 31st December, 1956.	Interim which is Final @ 13,333.33% per annum without deduction of Income Tax ..	20,00,000
In respect of the year ended 31st December, 1957.	Interim which is Final @ 15,500.00% per annum without deduction of Income Tax ..	23,25,000
In respect of the year ended 31st December, 1958.	Interim which is Final @ 6,666.67% per annum without deduction of Income Tax ..	10,00,000
In respect of the year ended 31st December, 1959.	Nil. Nil.	Nil.
In respect of the year ended 31st December, 1960.	Interim which is Final @ 6,666.67% per annum subject to deduction of Tax ..	10,00,000

Yours faithfully,
A. F. FERGUSON & CO.

Bombay, 20th March, 1961.

delivered to the Registrar of Companies, West Bengal, for registration.

(i) Agreement dated July 1, 1960, with R. E. O. Carey, Managing Director, whose monthly remuneration is Rs. 7,619.

(ii) Agreement dated January 25, 1960, with Achyut Purushotam Kanvinde and Shaukat Rai as Architects in connection with erection of buildings for the new factory project at Ballabgarh. The Architects' fees are calculated as a percent of construction costs, subject to a maximum.

(iii) Agreement dated March 16, 1960, with Priestley Dugal & Co. (India) Private Limited for fabrication and erection of structual steel of factory building at Ballabgarh. The amount the Company will pay to the contractors for said works of fabricating and erection of the steel work shall be at the rate of Rs. 1,175 per long ton, subject to conditions and terms of the contract.

(iv) Agreement dated April 26, 1960, with Uttam Singh Dugal & Company Private Limited, as contractors for certain civil engineering work including the furnishing and delivering of all material and preforming all the construction work as described in the specification in reference to the building to be constructed. Tendered amount for the work is at a stipulated fee subject to certain adjustments specified in the agreement.

(v) Agreement dated February 8, 1961, with Gannon Dunkerley & Company Limited for the erection of process piping and machinery in connection with the Factory at Ballabgarh. Payment for this work is based on a schedule of rates for personnel under supervisory, administrative and labour categories, as well as other fees for equipment hire.

(vi) Agreement dated December 30, 1960, with the Export-Import Bank of Washington, D.C., U.S.A., for credit facilities to the extent of Rs. 2,25,00,000.

(vii) Agreement dated December 30, 1960, with The Goodyear Tire & Rubber Company, Akron, Ohio, U.S.A., regarding allotment of 16,00,000 Equity Shares of Rs. 10 each at par partly in consideration of machinery and equipment to be supplied by The Goodyear Tire & Rubber Company, Akron, Ohio, U.S.A. to the Company and partly in consideration of cash.

(viii) Agreement dated December 3, 1960, with the Central Railway for the construction of a siding for serving the Company's factory premises at Ballabgarh.

(ix) Agreement (by exchange of letters dated January 20, 1960 and March 20, 1961), with Andrew Yule & Co., Ltd., appointing them to be Registrars and share transfer agents of the Company for a period of five years with effect from April 1, 1961, at a stipulated fee.

(x) Approved draft Agreement in respect of 70.97 acres of land at Ballabgarh from the Governor of the State of Punjab in favour of the Company. This agreement relates to the land acquired by the Government of Punjab under the Land Acquisition Act, 1894, at the instance of the Company, the Company having agreed to pay the compensation which may be approved by Government in respect of the land so acquired.

(xi) Purchase Order dated October 27, 1960, with W. H. Brady & Co., Ltd., to furnish fire protection system at a stipulated fee.

(xii) Agreement dated March 8, 1961, with Bhagwan Singh & Company Private Limited for the installation of electrical equipment at a stipulated fee.

In addition the Company will enter into an Agreement with The Goodyear Tire & Rubber Company, Akron, Ohio, U.S.A., for technical collaboration at a stipulated fee calculated on net sales.

Redeemable Preference Shares

The Company has not issued and does not at present intend to issue any Redeemable Preference Shares.

OTHER PREVIOUS ISSUES

On December 30, 1960, an Agreement was entered into between The Goodyear Tire & Rubber Company of Akron, Ohio, U.S.A., of the one part and the Company of the other part whereby it was agreed that a total of 16,00,000 Equity Shares of Rs. 10 each in the capital of the Company would be allotted to The Goodyear Tire & Rubber Company at par and credited as fully paid up and that the consideration for such allotment should be (*a*) the transfer to the Company by The Goodyear Tire & Rubber Company of such items of machinery and equipment comprised in the Agreement as should have been or the documents of title to which should have been delivered to the Company on or before January 31, 1961, and (*b*) the payment by The Goodyear Tire & Rubber Company in cash of such sum as taken with the value of the aforesaid items of machinery and equipment should be equal to Rs. 1,60,00,000 such sum to be deposited by The Goodyear Tire & Rubber Company on January 31, 1961, in U.S. dollars in an account to be opened in the name of the Company with a Bank in the U.S.A. approved by the Company.

In pursuance of the aforesaid Agreement documents of title in respect of the machinery and equipment comprised in the aforesaid Agreement to the value of Rs. 1,20,26,264 were delivered to the Company's agents in the U.S.A. before January 31, 1961, and on that date The Goodyear Tire & Rubber Company deposited with the Agency of The Chartered Bank in New York, 8,33,942.52 U.S. dollars (Rs. 39,73,736 calculated at the rate of Rs. 4.7650 to one U.S. dollar) to the credit of an account opened in the name of the Company. The Company allotted 16,00,000 Equity Shares of Rs. 10 each in the capital of the Company to The Goodyear Tire & Rubber Company at par in terms of the aforesaid Agreement, the final allotment having been completed on February 3, 1961.

Subject as aforesaid no shares or debentures have been issued or agreed to be issued within the period of two years preceding the date hereof either for cash or for consideration other than cash. No amount has been paid to the Company by way of premium on any shares within the two years preceding the date hereof.

Commissions

No sums have been paid within the two years preceding the date hereof or are payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company or as discount in respect of shares issued.

Payment to Promoter

No amount or benefit has been paid or given within the two years preceding the date hereof or is intended to be paid or given to any promoter or to any officer of the Company apart from normal remuneration and reimbursement paid to such officers.

Option to Subscribe

The Company has not entered into any contract or arrangement and does not at present propose to enter into any contract or arrangement whereby any option or preferential right of any kind had been or is proposed to be given to any person to subscribe for any shares in or debentures of the Company.

Directors

The Articles of Association of the Company provide that:

The number of Directors unless otherwise determined by Special Resolution shall be not less than three nor more than nine.

The Board may appoint an Alternate Director to act for a Director during his absence of not less than three months from the State in which Board meetings are usually held. An Alternate Director so appointed shall *ipso facto* vacate office when the absent Director returns to the State.

The qualification of a Director, other than an Alternate Director, is the holding of One Equity Share in the capital of the Company.

Directors shall be entitled to such remuneration as Directors as may from time to time be determined by the Company in general meeting. All other remuneration, if any, payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part-time employment of the Company shall be determined in accordance with and subject to the provisions of these Articles and of the Companies Act, 1956. The Directors shall be entitled to be paid their reasonable travelling and hotel and other expenses incurred in India in consequence of their attending at Board and Committee meetings or otherwise incurred in the execution of their duties as Directors.

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from Calcutta for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board then, subject to Sections 198, 309 and 310 of the Companies Act, 1956, the Board may remunerate the Director so doing and such remuneration may be either in addition to or in substitution for any other remuneration to which

The control of the Company is vested in the Board who, subject to the provisions of the Companies Act, 1956, may exercise any power or do any act or thing which under the Memorandum and Articles of Association of the Company are not required to be exercised or done by the Company in General Meeting.

Subject to the provisions of the Companies Act, 1956, the Board may appoint one or more Directors to be Managing Director or Managing Directors of the Company, either for a fixed term or without limitation as to term of office. The Board may confer on a Managing Director such of the powers vested in the Board as it may think fit, for such time, for such purpose, upon such conditions and with such restrictions as it thinks fit. A Managing Director shall receive such remuneration as may be sanctioned by the Company in general meeting and approved by the Central Government.

Interest of Directors

Mr. R. E. O. Carey is the Managing Director of the Company and receives remuneration for his services as such.

Mr. R. E. Hostetler and Mr. R. T. Budd are whole-time Directors and receive remuneration accordingly.

Messrs. E. J. Thomas, R. DeYoung, H. L. Hyde and F. T. Magennis are Shareholders and Executive Directors of The Goodyear Tire & Rubber Company, Akron, Ohio, U.S.A., the principal Shareholder of this Company and may be deemed to be interested to that extent.

Capitalization of Reserves and Profits. Nil.

Indemnity

The Articles of Association of the Company provide that every Director, Manager, Secretary or officer of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed Auditor shall be indemnified out of the funds of the Company against all liability incurred by them in such capacity in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under Section 633 of the Companies Act, 1956, in which relief is granted to him by the Court.

Management

The management of the Company is vested in and exercised by the Directors. The Company has no Managing Agents.

Borrowing Powers

The Company's Articles of Association provide that the Board may from time to time, subject to Sections 292 and 370 of the Companies Act, 1956, raise or borrow, from the Directors or elsewhere, and secure the payment of, any sum or sums of money for the purposes of the Company; but the Board shall not without the sanction of the Company in general meeting borrow any sum which, with monies already borrowed by the Company (apart from temporary loans from the Company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves.

Voting Rights

The Company's Articles of Association provide that every member shall have one vote either personally or by proxy for every Equity Share held by him. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares on which any calls or other sums payable by him have not been paid or in regard to which the Company has exercised any right of lien. The voting rights are otherwise in conformity with the provisions of Section 87 of the Companies Act, 1956. The present share capital of the Company is not divided into different classes of shares.

Restrictions on the Right to Transfer

The Company's Articles of Association provide that subject to Section 111 of the Companies Act, 1956, the Board may without assigning any reason refuse to register any transfer of a share.

CONSENTS

Messrs. A. F. Ferguson & Co., the Auditors of the Company, have given and have not withdrawn their written consent to act as the Auditors of the Company with a copy of their report included herein in the form and context in which it is included. A copy of such consent together with a statement of adjustments made by that firm in arriving at the profits shown in the report and giving the reasons therefor has been attached to the copy of this Prospectus which has been delivered to the Registrar of Companies, West Bengal, for registration.

The following consents have also been obtained and copies thereof have been attached to the copy of this Prospectus which has been delivered to the Registrar of Companies, West Bengal, for registration:

Messrs. Orr, Dignam & Co. have given and have not withdrawn their written consent to act as the Solicitors of the Company and to the issue of this Prospectus with their name included therein as the Solicitors of the Company.

The Chartered Bank have given and have not withdrawn their written consent to act as the Bankers of the Company and to the issue of this Prospectus with their name included therein as the Bankers of the Company.

Messrs. Andrew Yule & Co., Ltd. have given and have not withdrawn their written consent to act as the Registrars of the Company and to the issue of this Prospectus with their name included therein as the Registrars of the Company.

Messrs. Place Siddons & Gough (Private) Ltd., Calcutta, have given and have not withdrawn their written consent to act as the Brokers to this issue and to the issue of this Prospectus with their name included therein as the Brokers to this issue.

Messrs. Lewis & Jones, Bombay, have given and have not withdrawn their written consent to act as Brokers to this issue and to the issue of this Prospectus with their name included therein as the Brokers to this issue.

Messrs. Batlivala and Karani, Bombay, have given and have not withdrawn their written consent to act as Brokers to this issue and to the issue of this Prospectus with their name included therein as the Brokers to this issue.

Messrs. Harbans Singh Mehta & Co., New Delhi, have given and have not withdrawn their written consent to act as Brokers to this issue and to the issue of this Prospectus with their name included therein as the Brokers to this issue.

Messrs. Paterson & Co., Madras, have given and have not withdrawn their written consent to act as Brokers to this issue and to the issue of this Prospectus with their name included therein as the Brokers to this issue.

Documents

A print of the Company's Memorandum and Articles of Association, copies of the material contracts referred to above, the order of the Central Government giving consent to this issue (being No. R 429-CCI/58 dated November 18, 1960), the licence of the Central Government for this industrial undertaking (being No. L/30(1)/N-9/59 dated September 21, 1959), the Report of the Auditors with copies of all Balance Sheets and Profit and Loss Accounts on which such Report is based, may be inspected at the Registered Office of the Company between 10-00 a.m. and 12-00 noon and between 2-30 p.m. and 4-30 p.m. on any working day (except Saturday) for a period of 14 days from the date of publication of this Prospectus or until the closing of the subscription list, whichever is earlier.

Application and Allotments

Applications for shares, which must be for 50 shares or multiples of 50 shares, must be made on the accompanying official form and will be refused if not so made. The application form together with a remittance for the full amount payable on application must be sent to a branch of The Chartered Bank in India; or to the Allahabad Bank Limited, Ahmedabad branch only.

The Chartered Bank maintain branches at the following places in India :

At Calcutta	(*a*) 4, Netaji Subhas Road, Calcutta-1.
	(*b*) 31, Chowringhee Road, Calcutta-16.
At Bombay	23/25, Mahatma Gandhi Road, Bombay-1.
At Madras	Netaji Subhas Chandra Bose Road, Madras-1.
At New Delhi	Indra Palace, Block H, Connaught Circus, New Delhi-1.
At Delhi	Chandni Chowk, Delhi-6.
At Kanpur	Mahatma Gandhi Road, Kanpur.
At Amritsar	Hall Bazar, Amritsar.
At Cochin	Vi/37 Calvetty Road, Fort, Cochin.
At Calicut	Copra Bazar, Calicut.

The address of the Ahmedabad branch of the Allahabad Bank Limited is :
Maskati Branch, Ahmedabad-2.

Payment may be made by cash, Bankers Draft or cheque. If payment is made by cheque or draft it must be drawn on a Scheduled Bank which is situated in the town at which the application form is submitted. All cheques and drafts drawn on Banks in other towns will not be accepted and the applications will be refused.

Cheques or Drafts must be made payable to The Chartered Bank, A/c Goodyear India Limited or The Allahabad Bank Limited, A/c Goodyear India Limited as the case may be, and should, for the applicant's protection, be crossed "A/c Payee Only." A separate cheque or draft must accompany each application form.

Allotment will be notified by the despatch of an Allotment letter, but the Directors reserve the full uncontrolled right of accepting or rejecting any application in whole or in part. Where an application is rejected or not accepted in full the whole or any balance of the application money received will be refunded to the applicant within two months from the date of the closing of the Subscription List and in such case the Bank's commission, if any, will be payable by the applicant.

Brokerage

Brokerage at the rate of 10 naye paise per Equity Share will be paid by the Company on allotments made in respect of applications bearing the stamp of a recognised broker.

Prospectus and Forms of Application

Copies of this Prospectus and the forms of application may be obtained from the Brokers named above or from the Company's Bankers.

Edwin Joel Thomas
Russell DeYoung
Howard Linton Hyde
Frank Thomas Magennis
Arden Edson Firestone
} *Directors*

Signed,
Russell Edwin Osborne Carey
Richard Edgar Hostetler
Richard Teague Budd
Diwan Chaman Lall
} *Directors*

Signed,
By Their Duly Authorised Agent
Russell Edwin Osborne Carey

Dated, Calcutta, this 3rd *day of* April 1961.

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS.

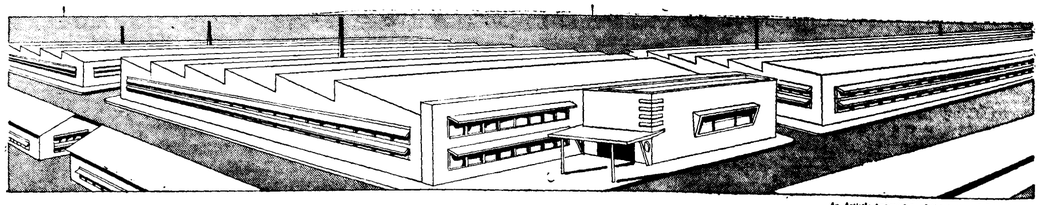
Consent of the Central Government has been obtained for this issue by Order No. R. 361-CCI/60 dated 6-1-1961 a complete copy of which is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent, the Government of India do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

Licence No. L/30 (1) (4)-NA/CH (1)/60 dated 15-9-1960 has been obtained from the Central Government for the establishment of this new Industrial undertaking in Madras State, copy of which is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting this licence, the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

A copy of the Prospectus having attached thereto the documents specified therein has been delivered for registration to the Registrar of Companies, Madras, as required by Section 60 of the Companies Act, 1956.

Application will be made to the Madras Stock Exchange for permission to deal in and for an official quotation of the Company's shares.

The Subscription Lists will open at the commencement of banking hours on 24th April 1961 and will close at the close of banking hours on 29th April, 1961 or earlier as soon as subscriptions approximating to the amount issued to the public have been received but not earlier than 26th April 1961.



An Artist's Impression of the proposed Tyre Factory

MADRAS RUBBER FACTORY LIMITED

(Incorporated as a Private Company on the 5th November, 1960 and converted into a Public Company on 1st April, 1961)

SHARE CAPITAL	Rs.
Authorised	4,00,00,000
Divided into	
10,00,000—6½% Tax-free—Cumulative Preference Shares of Rs. 10 each	1,00,00,000
30,00,000—Equity Shares of Rs. 10 each	3,00,00,000
	4,00,00,000

CAPITAL ISSUED AND SUBSCRIBED	
2,50,000—Equity Shares of Rs. 10 each	25,00,000
(This includes 2,49,650 shares allotted for consideration other than cash being the value of the business of "Madras Rubber Factory" as a going concern.)	

PRESENT ISSUE	
10,00,000 Equity Shares of Rs. 10 each	1,00,00,000

CAPITAL RESERVED FOR SUBSCRIPTION	Rs.
Messrs. Mansfield Tire and Rubber Co., Mansfield, Ohio, U.S.A. (Reserved to be subscribed against payment for Machinery, etc., to be purchased in U.S.A. and/or in cash to be allotted within 24 months from the date of the prospectus)—2,50,000 Equity Shares at Rs. 10 each	25,00,000
Promoters, Directors, Managing Agents, Friends and Associates have agreed to subscribe for 2,50,000 Equity Shares of Rs. 10 each	25,00,000
	50,00,000

CAPITAL OFFERED FOR PUBLIC SUBSCRIPTION	
5,00,000 Equity Shares of Rs. 10 each	50,00,000

PAYABLE AS FOLLOWS :

(a) On application .. .. Rs. 2.50 per share
(b) On allotment .. .. Rs. 2.50 per share.

The balance of Rs. 5 per share is payable in two equal instalments of Rs. 2.50 each provided these shall be at intervals of at least 2 months between the two calls.

The entire issue now offered to the public has been underwritten.

DIRECTORS

1. SHRI K. M. CHERIAN, M.A., Journalist, Manorama Building, Kottayam. Director: Press Trust of India Ltd. (Chairman); Malayala Manorama Co. Ltd., Gokul Rubber & Tea Plantations Ltd., Balanoor Tea & Rubber Co. Ltd.
2. MR. JAMES H. HOFFMAN, Industrialist, Mansfield, Ohio, U.S.A. President: Mansfield Tire & Rubber Company. Director: Pennsylvania Tire Company; Inland Rubber and Tire Company; Mansfield Rubber (Canada) Ltd.; South Eastern Rubber Manufacturing Co.; Co-Polymer Rubber & Chemical Corporation.
3. SHRI D. C. KOTHARI, Industrialist, Oriental Buildings, Madras-1. Director: Blue Mountain Estates Ltd.; Waterfalls Estates Ltd.; Kothari Textiles Ltd.; Balanoor Tea & Rubber Co. Ltd.
4. SHRI K. M. EAPEN, M.A.,B.L., Businessman, 8, Infantry Road, Bangalore-1. Director: Balanoor Tea & Rubber Co. Ltd.; Devon Tea & Produce Co. Ltd.; Badra Coffee Estates Ltd.
5. SHRI V. EMPERUMANAR CHETTY, Merchant, 3 Stringers Street, Madras-1. Member: Reserve Bank of India, South Area Local Board. President: Andhra Chamber of Commerce. Director: Kirlampudi Sugars Ltd.; Engine Valves Ltd.; Tirupati Cotton Mills Ltd.; Transformer & Switch Gear Ltd.
6. SHRI K. M. PHILIP, M.A., Industrialist, 11-A Cuffe Parade, Colaba, Bombay-5. Director: India Coffee & Tea Distributing Co. Ltd.; Devon Tea & Produce Co. Ltd.; Badra Coffee Estates Ltd.
7. SHRI D. M. KHATAU, Businessman, Khatau Mansion, Mayo Road, Bombay-1. Director: Diner's Club (India) Private Ltd.
8. SHRI K. C. SOOD, Industrialist, 3, Esplanade East, Calcutta. Director: The Aluminium Industries Ltd., Seshasayee Paper & Boards Ltd.
9. SHRI K. M. MAMMEN MAPPILLAI, B.Sc., Industrialist, 71 G. N. C. Road, Madras-17. Director: Badra Coffee Estates Ltd.; Kadur Coffee Estates Ltd.

TECHNICAL COLLABORATORS

THE MANSFIELD TIRE & RUBBER CO., Mansfield, Ohio, U.S.A.

MANAGING AGENTS

THE YOUNG INDIA AGENCIES PRIVATE LTD., Madras.

BANKERS

1. STATE BANK OF MYSORE, Head Office and all branches.
2. THE EASTERN BANK LTD., Madras, Calcutta, Bombay.
3. UNION BANK OF INDIA LTD., Head Office and all its branches.
4. BANK OF INDIA LTD., Bombay, Madras, Calcutta.
5. STATE BANK OF TRAVANCORE, Head Office and all its branches.
6. THE CANARA INDUSTRIAL & BANKING SYNDICATE LTD., Head Office and all its branches.

UNDERWRITERS

1. MESSRS. P. R. SUBRAMANYAM, 70-A Stock Exchange Building, Fort, Bombay.
2. MESSRS. J. R. MOTISHAW & CO., Hamam Street, Fort, Bombay.
3. MESSRS. A. B. PANDIT & CO., 32 Apollo Street, Fort, Bombay.
4. MESSRS. KOTHARI & SONS, Oriental Buildings, Armenian St., Madras.
5. MESSRS. CHITRA & CO., 322/23 Linghi Chetty St., Madras-1.
6. MESSRS. MACONOCHIE & CO., Mercantile Bank Buildings, Madras-1.
7. MESSRS. SOMAYAJULU & CO., 337 Thambu Chetty St., Madras-1.
8. MESSRS. LOKKUR & CO., Kempe Gowda Road, Bangalore.
9. MESSRS. G. M. PYNE, Allahabad Bank Bldg. India Exchange Place, Calcutta.
10. MESSRS. M. R. DHAWAN & CO., 4/8 Asaf Ali Road, New Delhi-1.

AUDITORS

MESSRS. SASTRI & SHAH, Madras.
MESSRS. M. M. NISSIM & CO., Bombay.

LEGAL ADVISER

MR. P. C. KURIEN, M.A., B.L., Madras.

REGISTERED OFFICE

DHUN BUILDINGS, 175/1 Mount Road, Madras-2

BANGALORE OFFICE

8, INFANTRY ROAD, BANGALORE-1.

BOMBAY OFFICE

METROPOLITAN INSURANCE HOUSE, 278, Dr. D. Naoroji Road, Fort, Bombay.

OBJECTS

The Company was formed generally for the purpose set forth in the Memorandum of Association, a copy of which is attached to the prospectus and in particular to enable the Company to expand its business in the line of manufacture of automobile tyres and tubes in collaboration with the Mansfield Tire & Rubber Co., Mansfield, Ohio, U.S. America.

PROSPECTS OF BUSINESS

The annual production programme at present envisaged by the Company is as follows:—

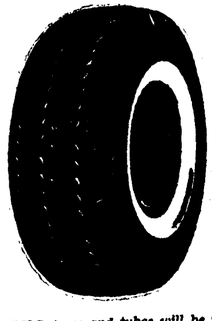
	Tyres
I. (A) Heavy Truck and Bus Tyres ..	2,04,000
(B) Car, Delivery Van and Motor Cycle Tyres	96,000
	3,00,000
	Tubes
II. (A) Heavy Truck and Bus Tubes ..	2,04,000
(B) Car, Delivery Van and Motor Cycle Tubes	96,000
	3,00,000
II. (A) Camelback and Tread Rubber	Lbs. 1,00,00,000

The total installed capacity of all automobile tyre factories in India, including those in existence and those licensed and coming into production in the next two or three years amount to only 2.5 million tyres. At 80 per cent effective capacity, the actual production from these units may be only about two million tyres.

There are at present, over 5,00,000 motor vehicles in India and in the next five years, this figure is expected to reach a million mark with the enormous increase in the demand for automobiles, consequent on the increase in the Road Transport Industry. Taking into account the number of old vehicles that may go out of the road and of the probable short-fall in the production in the Third Five-Year Plan, it can confidently be estimated that there will be at least 7,50,000 vehicles, by the end of the Third Five-Year Plan. Estimating the annual requirements of these vehicles at 1.5 tyres per car, delivery van, jeeps, etc., and 5.5 tyres per truck and 0.5 tyre per motor cycle, the minimum yearly requirements at the end of the Third Five-Year Plan may be of the order of 4 million tyres and tubes. Laying the cornerstone of Goodyear Tyre Factory in Delhi the Union Minister of Industries, Sri Manubhai Shah, said on 12th November 1960 that demand of tyres in India will increase manifold and will reach 4.5 million by the end of the Third Five-Year Plan and therefore many more tyre factories will have to be erected. So there will be a substantial gap between supply and need and the Madras Rubber Factory is attempting to manufacture only 0.3 million tyres and tubes out of a total shortfall of nearly 2 millions. Though the production and installed capacity of tyres at the Madras Rubber Factory will be one of the largest among the new factories that had been licensed, it is clear that there will be no difficulty of marketing this production as the gap between supply and demand is still very great.

U.S. COLLABORATION

The Company had been fortunate to secure the collaboration from one of the leading international tyre manufacturing companies of America, viz., "The Mansfield Tire & Rubber Company," on very favourable terms. They are subscribing for one-fourth of the present issue of the Equity Capital of the Indian Company. They will give the complete know-how and also station their experienced staff in India and meet their salaries for the erection and working of the tyre factory so that the quality of the tyre production in India will be equal to the international standards. They will also train all the necessary technical personnel from India and will meet all the expenditure of our staff in America when sent for training. In addition, the Mansfield Tire and Rubber Company have given permission to the Madras Rubber Factory to export to all world makets except the United States of America and Canada, tyres having "MANSFIELD" trade mark and name. This is a very valuable and unique concession extended to this Factory.



MANSFIELD tyres and tubes will be manufactured by the Madras Rubber Factory

The Mansfield Tire and Rubber Company was established in 1912 and today, it is one of the oldest and leading tyre manufacturers of America. Their main factory at Mansfield has a capacity of produce 14,000 Tyres per day which is more than double the total production of tyres in India today.

Mr. James H. Hoffman, a leading business magnate and President of the Mansfield Tire & Rubber Company, has agreed to become a Director of the Indian Company.

BRIEF HISTORY

The firm Madras Rubber Factory (M.R.F.) was founded in the year 1946 and today, has become one of India's leading Rubber Factories and is the largest manufacturer of tyre rubber (tread rubber and camelback) in India. It had in 1959-60 a production worth about Rs. 1,00,00,000 and the production exceeded Rs. 1½ crores in 1960-61. The Factory has received licence for substantial expansion from the Government and in 1961-62 it is anticipated that the production will exceed Rs. 2,00,00,000. Likewise the profits were over Rs. 6 lakhs in 1959-60 and has been Rs. 10 lakhs in 1960-61 and is expected to be over Rs. 15 lakhs in 1961-62.

The Madras Rubber Factory, located in the heart of the Industrial area of the city, has over 11 acres of vacant land attached to the factory. It has already a team of chemists, engineers and technologists experienced in rubber manufacture. They have also a well equipped laboratory and the quality of "MRF" Tread Rubber has established a fine reputation, not only in India but also in fourteen neighbouring countries where "MRF" Tread Rubber is being exported. The Factory is even now unable to meet the full demand and hence, production is being stepped up every month. The Company has also a net work of branches and Sales Depots spread throughout India, and in particular in all the important centres like Bombay, Calcutta, Delhi, Bangalore, Coimbatore, etc., etc.

SPECIAL ADVANTAGES

The first and foremost advantage is that the Madras Factory is already an established rubber factory with large production facilities. It is already earning substantial profits enough to declare a dividend even for the increased capital, from the very first year of working of the Company even before the commencement of production of tyres. The Company has sufficient spare land for putting up the tyre factory for further expansion.

The technical collaborators, viz., the Mansfield Tire & Rubber Company have agreed to take one-fourth of the present issue of Equity Capital of the Company and have offered very valuable concessions especially in the matter of technical fees to be given to them.

The earnings from the tyre factory are expected to be more than 100 per cent of the Equity Capital of the Company.

The Directors and the Managing Agents have long experience in all aspects of the Rubber Industry and business management and are connected with a large number of rubber plantation companies and rubber factories.

ESTIMATE OF PROFITS

Even before tyre production starts, a turnover of over Rs. 2 crores and a net profit of over Rs. 15 lakhs can be expected from the existing business of the Company from the first year of the Company's working. When the tyre factory goes into full production a turnover of Rs. 10 crores is expected giving a net return of over 1½ crores of rupees. Thus the Company can earn a reasonable profit even in the first year of its working and very substantial profits after attaining full production of tyres.

CAPITAL ALLOCATION

The estimated additional capital requirements of the Company are as follows:—

	Rs.
Additional buildings	15,00,000
Machinery and installation	1,50,00,000
Preliminary expenses	50,000
Expenses for this issue	3,50,000
Working Capital	31,00,000
	2,00,00,000

It is proposed to meet the above capital expenditure in the following way:—

Rupees One crore by issue of further Equity Capital. The balance of Rupees One crore as well as any increase if any in the actual cost of plant, machinery and facilities will be raised, to the extent required, by loans from Bankers and other financial institutions and if necessary from other sources.

No Promotion Expenses—No payments are to be made to the promoters or Managing Agents for expenses incurred or for their services in the promotion of the Company. The entire expense thereof has been met by the promoters.

ACQUISITION OF BUSINESS OF MADRAS RUBBER FACTORY AS A GOING CONCERN

The Company has been promoted by partners of Madras Rubber Factory. The partners had equal shares in the partnership. Their names appear in the prospectus as signatories of the Memorandum of Association of the Company.

The entire business of the firm of Madras Rubber Factory has been acquired as a going concern by Madras Rubber Factory Private Ltd., for a consideration of Rs. 24,96,500.

APPLICATION FOR SHARES

Application for 50 Equity shares or multiples thereof will only be considered and must be submitted on the printed form attached to the prospectus or a printed copy thereof and delivered with the amount payable on application before the date of the closing of the subscription list to:—

(i) The Registered Office of the Company at Madras or its Bombay, or Bangalore Offices.

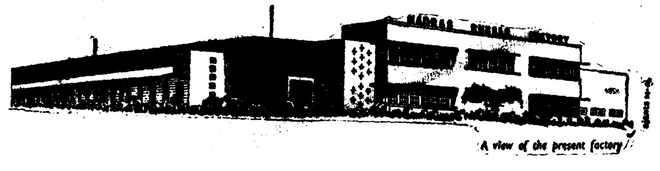
(ii) The Head Offices or any of the branches of the Bankers of the Company mentioned herein or

(iii) The office of any of the Company's brokers mentioned in the prospectus.

Remittances should include Bank charges at 15 nP percent subject to a minimum of 65 nP in cases they are by cheques or drafts on places, not covered by the Bank offices mentioned herein.

Cheques or drafts should be crossed—A/c Madras Rubber Factory Ltd.

Copies of the Application forms and Prospectus may be obtained from the Registered Office of the Company, its brokers and underwriters or Bankers mentioned in the Prospectus. Separate remittance should accompany each application.



A view of the present factory

UNITED BANK OF INDIA LIMITED

Registered Office: **UNITED BANK BUILDINGS, 4, CLIVE GHAT STREET, CALCUTTA**

ANNUAL REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st DECEMBER, 1960

The Directors beg to submit to the shareholders the Audited Balance Sheet of the Company as at 31st December, 1960 and Profit and Loss Account for the year ended 31st December, 1960 together with the Auditors' Report thereon.

	Rs. nP
The profit for the year after making provision for taxation and including the balance of Rs. 1,81,564.82 brought forward from the previous year's account amounts to ..	16,44,685.45
Out of this amount the following appropriations have been made:	
To Reserve Fund under Section 17 of the Banking Companies Act	2,93,000.00
Leaving an available balance of	13,51,685.45
Out of the above the Directors recommend the payment of a Dividend to the shareholders @ 4.30 per cent per annum, subject to deduction of tax at the prescribed rates in accordance with the provisions of the Income Tax Act, absorbing	11,44,000.00
To be carried forward to next year's account	2,07,685.45

The Bank's business during the year made satisfactory progress.

During the year under report two Branches were opened in the city of Calcutta at Entally and Paikpara and one Branch was opened in the State of Behar at Baraunl.

Sri J. M. Dutt, Sri N. C. Datta, Dr. S. B. Dutt and Nawab Sir K. G. M. Faroqui, Kt., retire under Article 117 of the Articles of Association of the Company read with Section 256 of the Companies Act 1956 and being eligible, offer themselves for re-election.

During the year (at the invitation of the Board of Directors) Sri S. N. Ray, who recently retired as Chief Secretary, the Government of West Bengal, joined the Board. Under provisions of Section 260 of the Companies Act 1956 and Article 122 of the Articles of Association of the Company, he will hold office up to the date of the Annual General Meeting and being eligible, offers himself for election.

The shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration.

N. N. LAW, *Chairman.*

N. C. DATTA,
C. B. MEHTA,
J. M. DUTT,
M. J. VAIDYA,
S. B. DUTT,
T. S. SANTHANAM,
B. N. CHATURVEDI,
S. GUPTA,
K. G. M. FAROQUI,
S. N. RAY,
K. C. DAS,
B. K. DATTA, *Managing Director.*

Directors.

CALCUTTA, *4th March*, 1961.

BALANCE SHEET AS AT 31st DECEMBER, 1960

Previous Year Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
	1. Capital—		
	AUTHORISED CAPITAL—		
	5,00,000 Shares of Rs. 20 each	1,00,00,000.00	
	30,00,000 Shares of Rs. 10 each	3,00,00,000.00	
		4,00,00,000.00	
	ISSUED CAPITAL—		
	4,94,850 Shares of Rs. 20 each	98,97,000.00	
	22,60,300 Shares of Rs. 10 each	2,26,03,000.00	
		3,25,00,000.00	
	SUBSCRIBED CAPITAL—		
	4,90,012 Shares of Rs. 20 each	98,00,240.00	
	21,98,425 Shares of Rs. 10 each	2,19,84,250.00	
		3,17,84,490.00	
	CALLED AND PAID-UP CAPITAL—		
	4,90,012 Shares Rs. 20 each called at Rs. 10 per share ..	49,00,120.00	
	21,98,425 Shares of Rs. 10 each called at Rs. 10 per share	2,19,84,250.00	
2,68,84,370		2,68,84,370.00	
40,723	LESS—Calls unpaid	80,652.00	
2,68,43,647			2,68,53,718.00
	(Reserve Liability of Shareholders Rs. 49,00,120)		
33,70,000	**2. Reserve Fund and Other Reserves**		36,63,000.00
	3. Deposits and Other Accounts—		
14,76,81,767	Fixed Deposits and Cash Certificates	15,19,04,862.69	
5,54,228	Staff Security Deposits	5,64,102.45	
16,26,21,211	Savings Bank Deposits	17,93,84,059.33	
16,56,82,448	Current Accounts, Contingency Accounts, etc. ..	18,52,15,062.36	
47,68,19,654			51,75,68,087.33
	4. Borrowings from Other Banking Companies, Agents, etc.—	Rs. nP	
1,00,000	(i) In India	16,00,000.00	
(Nil)	(ii) Outside India	1,327.80	
1,00,000			16,01,327.80
	PARTICULARS—		
(1,00,000)	(i) Secured by part of the Bank's Investments	16,00,000.00	
(Nil)	(ii) Unsecured	1,327.80	
55,78,121	**5. Bills Payable**		72,84,433.01
	6. Bills for Collection being Bills Receivable as per contra—		
2,77,25,950	(i) Payable in India	4,30,90,424.98	
68,20,829	(ii) Payable outside India	1,04,07,613.04	
4,45,46,779			5,34,98,037.02
1,00,73,529	**7. Other Liabilities—** Branch Adjustments	1,15,11,370.01	
4,14,655	Unclaimed and unpaid Dividends	4,46,726.76	
1,50,000	Staff Gratuity Fund	1,50,000.00	
1,58,921	Capital Redemption Fund	1,48,942.50	
4,01,176	Sundry Liabilities for Expenses	4,41,972.92	
Nil	Rebate on Bills Discounted	Nil	
1,11,76,461			1,26,99,369.21
3,07,72,726	**8. Acceptances, Endorsements and Other Obligations** per contra		4,81,71,008.65
	9. Profit and Loss—		
9,54,161	Balance of Profit and Loss Account as per last Balance Sheet	13,30,881.82	
7,23,586	LESS—Appropriation for Dividend	11,86,617.00	
1,81,543		1,21,264.82	
14,38,839	ADD—Profit for the year brought from the Profit and Loss Account after providing for taxation	14,23,180.63	
16,10,382		15,44,455.45	
2,90,000	LESS—Appropriations— Transfer to Reserve Fund under Section 17 of the Banking Companies Act	2,93,000.00	
13,20,382			12,51,455.45
	10. Contingent Liabilities—		
(46,02,804)	(i) Claims against the Banking Company not acknowledged as debts ..	48,34,770.65	
	(ii) Money for which the Banking Company is contingently liable—		
	(a) Liability for partly paid up shares held by the Bank in Investment Account ..	16,75,150.00	
(16,25,150)	(b) Guarantees given on behalf of Directors or Officers	Nil	
(5,000)	(c) Guarantees on behalf of others ..	1,37,60,452.28	
12,66,780)	(iii) Liability on Bills of Exchange re-discounted	Nil	
(Nil)	(iv) Liability on account of outstanding Forward Exchange Contracts ..	2,32,66,868.33	
76,75,045)			
1,75,27,770	Total .. Rs.		97,28,33,909.47

Previous Year Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
	1. Cash—		
4,36,08,686	In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		5,03,85,941.51
	2. Balances with Other Banks—		
	In Current Accounts—		
3,23,515	(i) In India	2,53,926.54	
81,32,076	(ii) Outside India	54,33,244.26	
84,55,591			56,66,170.80
55,00,000	**3. Money at Call and at Short Notice**		1,44,00,000.00
	4. Investments (at or below market value)—		
	(i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments		
14,84,80,288	(ii) (a) Fully paid Preference shares .. Rs. nP 24,85,017.75		
25,75,518	(b) Fully paid Ordinary Shares .. 17,41,098.72		
18,05,775	(c) Partly paid Ordinary shares .. 3,58,401.00		
3,58,001	(d) Fully paid Deferred shares .. Nil		
300		45,84,517.47	
47,89,594	(iii) Debentures or Bonds	19,56,603.91	
12,51,604	(iv) Other Investments—		
	(a) Pakistan Central and Provincial Government Securities	2,59,86,514.67	
2,19,27,121	(b) Foreign Securities	47,500.00	
47,500	(c) Capital Redemption Policy	1,49,542.50	
1,86,601	(d) Gold	Nil	
Nil			
17,65,82,708			16,79,84,376.37
	5. Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
	(i) Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
23,36,16,397	(i) In India .. 26,34,33,324.14		
1,32,69,913	(ii) Outside India .. 1,30,16,759.11		
24,13,86,310		27,64,49,983.25	
	(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
3,06,93,336	(i) Payable in India .. 3,48,22,180.33		
25,79,015	(ii) Payable outside India .. 49,49,140.63		
3,32,72,351		3,97,71,320.96	
27,51,59,161			31,62,21,303.21
	(Particulars required by Act X of 1949 as per separate schedule annexed and forming part of this Balance Sheet)		
	6. Bills Receivable being Bills for Collection as per contra—		
2,77,25,950	(i) Payable in India	4,30,90,424.98	
68,20,829	(ii) Payable outside India	1,04,07,613.04	
4,45,46,779			5,34,98,037.02
3,07,72,726	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra ..		4,81,71,008.65
	8. Premises, Less Depreciation—		
39,17,338	As cost as per last Balance Sheet	41,14,027.94	
1,96,742	ADD—Additions during the Year	60,980.94	
41,14,080		41,75,008.88	
Nil	LESS—Sales or deductions made during the year.	3.19	
41,14,080	Total cost to date	41,75,005.69	
2,72,991	LESS—Depreciation written off to date ..	2,33,221.32	
38,41,089			39,41,783.37
	9. Furniture and Fixtures, Less Depreciation—		
46,54,128	As cost as per last Balance Sheet	54,30,251.01	
3,76,219	ADD—Additions less deductions during the year.	5,00,180.32	
50,30,347	Total cost to date	59,30,431.33	
19,75,279	LESS—Depreciation written off to date ..	24,71,221.32	
30,57,502			34,49,539.85
	10. Other Assets (including Stores—		
19,84,999	Interest accrued on Investments	20,39,459.27	
71,39,261	Tax deposited and paid in advance on Account of assessment	76,24,999.98	
6,83,518	Stamps, Stationery and printed forms ..	6,58,197.41	
12,82,562	Land and Buildings not used as Bank's premises (Cost Rs. 13,28,089.29 less depreciation Rs. 1,05,526.30)	10,22,562.99	
	Suspense (Temporary Advances, Suspense, Security Deposits, Outstanding Bank Notes of Branches, Adjusting Accounts, etc.) ..	26,70,617.62	
1,89,70,500			1,47,47,096.81
6,23,777	**11. Non-Banking Assets Acquired in Satisfaction of Claims** (Immovable property at Book Value) ..		4,84,574.18
60,75,27,770	Total .. Rs.		97,28,33,905.47

(Continued on next page)

SEN-RALEIGH INDUSTRIES OF INDIA LIMITED

CHAIRMAN'S REVIEW

THE Eleventh Annual General Meeting of Sen-Raleigh Industries of India Ltd. was held at Calcutta on Monday, 17th April 1961. The following are extracts from the statement of Mr. Abhijit Sen, Chairman of the Company:

"Your Directors have felt that, from this year, the Chairman's statement should be circulated in advance so that all members, irrespective of whether they can attend the annual general meeting or not, may share the information contained in the statement.

"The profit for the year, after providing Rs. 20,00,730 for depreciation, amounts to Rs. 24,49,361. Your Directors recommend that the dividend on the ordinary shares be maintained at 8 per cent as in the previous year and that the dividend on the preference shares be stepped up to 6.5 per cent in order to comply with the provisions of the Preference Shares (Regulation and Dividends) Act 1960.

"Past experience has shown that the capacities installed and worked to at the end of each Plan period are only stepping stones to further expansions in the succeeding Plans, and so the Company's policy of retaining a major portion of the profits in the business should be taken as a necessary adjunct to an expanding economy.

Production Higher

"Increasingly greater use of indigenous raw materials, wherever available, did allow bicycle production to record a slight increase over the previous year, but this increase was hardly of the order where it could make itself felt in the face of rising demand for our products. Marked increases in production were also recorded in some friction parts where a freer release of raw materials made operation at near-capacity levels possible.

"Demand in general for your Company's products continued to outstrip the increase in production, but this satisfactory position may not long continue in one or two of the components we make, in which saturation point may be reached in the foreseeable future as licensing of industrial capacity for these items has been more liberal than wise. In the competition that is bound to develop, it is felt that our early entry into these lines will stand us in good stead, as our range of products have established a reputation for quality and service.

"The biggest single factor limiting production still continues to be the lack of suitable steel in sufficient quantity. Can we hope that the steel processing plants would be able to rush into production and alleviate the indigenous steel shortage from 1962 onwards, so that the industry could face the future with greater confidence. The import licensing policy for steel continued to be on an annual basis, but the benefits of this policy were rather lost on the industry, as licences were switched in two successive periods to two different currency areas, namely the rupee payment area (consisting of the Eastern European countries) and the United States of America (against D.L.F. loans).

Foreign Exchange

"Foreign exchange problems still dog our footsteps and will continue to do so on an ever-increasing scale both for raw material and for plant requirements in the future. Government policy now appears to favour only such new schemes or major expansions where foreign investment matches the requirement of plant import and as this may very well become the pattern for the day in the third Five-year Plan, your Company may have to consider this feature as a determining factor in undertaking some of its future expansions.

"For the present, industrial licences have been received for substantial expansions in chain manufacture and for manufacture of a new item—dynamo lamps. In the case of the chain expansion, import licences have also been received and plant is now being ordered.

"Your Company naturally expects to play its due part in raising the country's bicycle production to 2.5 million in the third Five-year Plan. Schemes for expansion are now under consideration and construction of buildings to accommodate expansions have already begun.

Power Shortage

"Plans for our future expansions are rather clouded by present shortages of power and water at Asansol. Notwithstanding the fact that our factory is situated in the heart of the Ruhr of West Bengal and in the midst of various multi-purpose projects, power is already on ration and no serious consideration seems to have been given to the question of supplying water to a rapidly growing industrial area, not to speak of supply to rural areas about which the Union Government is so concerned today. An Asansol-Raniganj water-supply scheme has been in the offing from 1945 onwards, but two successive Plans have passed it by and residents of Asansol town still have to buy water by the bucket in summer, and industries fear to expand for lack of water.

"Considering the important part Asansol plays in the industrial and economic life of the State—if not the nation—it does appear to be the most neglected town in India as far as the planners of the country are concerned. Unless Asansol receives some attention from the planners in the third Five-year Plan, not only will it rapidly deteriorate into the second nightmare city of **the State but industries** will hesitate to venture into further investment in this area.

"Last year, I mentioned the need for your Company to consider diversification of interests within the light engineering range. After careful thought, your Directors have now applied for and obtained industrial sanction for manufacture of electric house service meters. They are satisfied that there will be a continuing demand for such meters in this country for some

(*Continued on page 757*)

UNITED BANK OF INDIA LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960.

Previous Year Rs.	EXPENDITURE	Rs. nP	Previous Year Rs.	INCOME (Less Provisions made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. nP
72,47,986	1. Interest paid on Deposits, Borrowings, etc.	79,15,067.77	1,97,59,336	1. Interest and Discount	2,15,58,953.66
1,54,52,561	2. Salaries and Allowances and Provident Fund	1,35,27,250.46	34,42,510	2. Commission, Exchange and Brokerage	39,02,201.04
(45,500)	(Of which payment to Managing Director Rs. 45,500/- and Bonus paid to staff Rs. 5,76,388.48)		5,58,031	3. Rents	3,41,356.77
(5,46,038)	3. Directors' and Local Committee Members' Fees and Allowances ..	45,524.00		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	317.72
44,554	4. Rent, Taxes, Insurance, Lighting, etc.	11,17,345.42	253		
11,30,431	5. Law Charges	1,00,099.17		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
1,33,173	6. Postage, Telegrams, Telephones and Stamps	5 50,647.75	Nil		
4,90,060	7. Auditors' Fees	51,500.00		6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	1,583.09
30,900	8. Depreciation on and Repairs to the Banking Company's Property ..	8,31,248.41	9,944		
4,39,575	9. Stationery, Printing, Advertisement, etc.	7,77,825 81	10,87,698	7. Other Receipts	11,75,705.74
9,94,850	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil			
81	11. Other Expenditure	6,21,026.10			
5,82,466	12. Balance of Profit	14,63,190.63			
14,23,890					
	Note: The above accounts have been drawn up in accordance with the provision of section 29 of the Banking Companies Act, 1949.				
2,46,56,781	Total .. Rs.	2,69,80,683.02	2,46,56,781	Total .. Rs.	2,69,80,683.02

Schedule of Particulars required under the Banking Companies Act, 1949, attached to and forming part of the Balance Sheet as at 31st December, 1960

Previous Year Rs.	PARTICULARS OF ADVANCES	Rs. nP	Previous Year Rs.	PARTICULARS OF ADVANCES	Rs.
24,88,29,300	(i) Debts considered good in respect of which the Banking Company is fully secured	25,98,10,322.66	3,08,304	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other person	59,6
1,84,48,059	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	2,03,99,946.41	1,73,16,603	(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in case of Private Companies as Members	1,60,48,1
78,86,299	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	60,11,024.14		(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	4,70,6
Nil	(iv) Debts considered doubtful or bad not provided for	Nil	3,35,767		
				(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in the case of Private Companies as Members .	2,04,45,3
27,51,59,161		31,62,21,303.21	1,82,75,830		
			88,341	(ix) Due from Banking Companies	28,6

AUDITORS' REPORT

We have audited the annexed Balance Sheet of United Bank of India Ltd. as at 31st December, 1960 and also the annexed Profit and Loss Account of the Bank for the year ended upon that date in which are incorporated the Returns from the Branches audited by other Auditors. The reports on the accounts of the branches audited by other Auditors have been dealt with in preparing our report in the manner considered necessary by us.

In accordance with the provisions of section 29 of the Banking Companies Act, 1949, read with the provisions of sub-section (1) and (5) of section 211 and sub-section (5) of section 227(5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956. The Accounts are therefore drawn up in accordance with Forms A & B of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) The transactions of the bank which have come to our notice, have been within the powers of the Bank;

(c) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the bank;

(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) In our opinion and to the best of our information and according to the explanations given the said accounts give the information required by the Companies Act, 1956, in the manner required for banking companies and on such basis the said Balance Sheet gives a true and view of the state of the affairs of the Bank as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the Profit for the year ended upon that date.

Calcutta, *4th March*, 1961.

RAY & RAY
Chartered Accountants

N. N. LAW, *Chairman.*

B. K. DATTA, *Managing Director.*

A. K. ROY, *Secretary.*

C. B. MEHTA,
M. J. VAIDYA,
T. S. SANTHANAM,
S. B. DUTT,
B. N. CHATURVEDI,
J. M. DUTT,
K. G. M. FAROQUI,
S. GUPTA,
K. C. DATTA,
K. C. DAS,
S. N. RAY

Directors.

HINDUSTAN LEVER LIMITED

MR. P. L. TANDON, VICE-CHAIRMAN, OUTLINES COMPANY'S MARKETING TECHNIQUES AND POLICIES

"ADVERTISING PERFORMS A VITAL ECONOMIC FUNCTION"

IN his speech at the Annual General Meeting of the Hindustan Lever Ltd., held at Bombay on Tuesday, 18th April, 1961, Mr. P. L. Tandon, Vice-Chairman, gave a fairly detailed account of the marketing techniques and policies of the Company. He laid special emphasis on the importance of marketing research for an essentially trading concern. The general impression that India was a price market, Mr. Tandon declared, was wrong, as witness the growing sections of the population demanding quality products. Referring to advertising, he observed that it performed a vital economic function in a free society in so far it enabled cost to be brought down through mass production made possible by stimulating demand. The Hindustan Lever's advertising, according to him, cost Rs. 2.80 per every Rs. 100 worth of sales.

The following is the full text of Mr. Tandon's speech:

"It gives me great pleasure to welcome you to this annual general meeting of the Company.

"I shall take as read the report and accounts for the year 1960 which have been with you for some time. I shall talk to you today about our own marketing, how we do it and what is our thinking behind it.

"We are essentially a marketing company. What we produce we have to persuade the consumers to buy. There is no captive market for us. Successful marketing is our life-blood, and we can say with some satisfaction that our marketing is lively and effective. Marketing to us is a total operation, more than mere selling. It has a wide band of activity, from product development to consumer satisfaction.

The Product

"We only go to market when we have a product that is right for the market and is right in itself. This begins with a process of careful discusions among our men and women in marketing, marketing research, technical research and development. The marketing people know their consumer; marketing research makes sure that this is so; the technical research and development people have to develop the product; the advertising people assist in moulding its personality, they give it name, packaging and appeal. There will be many trials and tests with the product; probes into the market to ascertain the size and shape of the demand; till, finally, the product is ready for market testing. Let me begin with marketing research, which is the first link in our marketing chain.

Marketing Research

"Marketing research tries to find out what the consumers, the men and women who constitute the market, think and want. It keeps us in touch with the consumers' minds and to study their changing likes and dislikes and habits.

"Marketing research operates in a variety of fields. There is conventional research, known as quantitative research, where, with the aid of questionnaires, we find out what products of interest to us people use; how much they buy and how often; who in the family use them; what the qualities are that they look for and what is their opinion of the brands they buy. This type of research gives us excellent surface bearings, but sometimes, what people say is not always why they do it. Quite unconsciously there can be a difference between people's spoken and unspoken attitudes. This is an area where the newly developed techniques of motivation research can help to bring us closer to people's thinking.

"Motivation research, instead of relying upon direct questioning, goes deeper into what motivates people's actions and beliefs, especially in areas where there is a good deal of emotional content. That is particularly so with products where the social connotation is equally as important as personal satisfaction. When it comes to finding out women's views on beauty and adornment, direct questions are unlikely to bring out the real answers. But get them together in a group and the discussion will be revealing to the trained ear of our psychologist, who will pick up nuances that are otherwise likely to be missed.

"Our marketing research also operates in a variety of other fields. It conducts rural surveys to find out about habits of people in the countryside and the changes that are taking place. It operates consumer panels in towns where housewives are visited regularly for budgetary enquiries. It also conducts surveys of more general, sociological interest to study the growth that is characteristic of our society today.

"All this may sound an imposition on the housewife, but it is not. She, in fact, enjoys greatly to being called upon by our market research girls and discussing domestic matters with them. These young ladies are well educated, mostly graduates, from good homes, and they are carefully trained by their senior managers, also women. They are therefore very acceptable to the housewives; in fact, their problem often is how to get away from an interview.

"We firmly believe in marketing research and we use it extensively. Altogther, we interviewed over one lakh people in 1960. We consider it cheaper than making mistakes. We go a stage further and test-market the new product when it is ready for marketing but before we feel it can be launched on a national scale. Both marketing research and market-testing help us by bringing forth ideas for improving the products.

Test-marketing

"In test-marketing we select one or more towns or an area and try out the product under live conditions. Test markets are selected for their representativeness, either of the country or the problem. An area or town may be doing well in the sale of a type of product but not so well for our own brand. When we bring out an improved product this might be just the area to find out how far we can increase our share of the market. If we succeed here we are sure to do well elsewhere. Test-marketing can also help us to try out an advertising approach or a sales promotion scheme on a pilot scale at a small cost.

"Yet another form of test-marketing is sampling, where our girls will leave samples of the product and return after a while to ask what the family thought of it in use; how does it compare with other brands they use; and would they buy it when it is available. The opinions we receive can be very helpful, particularly when they lead to a modification of the product.

"During test-marketing our marketing research can also help. It may come in with enquiries before and after the launch of the product to study its impact.

"At the end of all this, I should like to emphasise, we are using our judgment, and the whole problem is to create men of adequate judgment. These are tools and aids which, well employed, assist their judgment and decisions. Hunches are good if they are more often right than wrong; and backed by information they are more likely to be right.

Price

"While the product is being thus tested, our accountants will be busy discussing with marketing people the likely price and profit margins. Accounting is so much part of our marketing thinking, but our accounting approach here is a little different from the conventional one. We do not go in for a detailed and elaborate allocation of overhead costs in an arbitrary manner, but rely instead upon each product group taking its share of overheads in block.

"There are two points about price which I should mention here. The first is price and quality. The widespread impression that India is a price market is no longer wholly true, because there are growing sections of population which demand quality. This is becoming more important as the country's economy and living standards improve. Therefore, to cut quality or packaging in a consumer product and to think only of cheapness would prove a false economy, at least in sections of the market that demand something better. Secondly, advertising and sales promotion are necessary parts of the product price to achieve good demand which, in turn, will lead to high volume of production and a consequent reduction in price. This point, I feel, deserves further attention and I will return to it.

"After the product has been successfully developed and tested, both in our research and development laboratories and in the homes of potential consumers, we are now ready to launch it. The first stage is distribution, backed by a selling effort.

Distribution

"Our distribution goes deep into the country. Having adequately covered the urban areas, our promotion efforts are constantly directed at taking our products into more and more small towns and villages. In 1954, our distribution covered 1,400 markets with a total population of 38 million. Today, we cover over 6,500 markets with a population of over 91 million, and beyond that is the still wider distribution that is done by the enterprising traders in small villages that we do not reach ourselves. It would be fair to say that there would be very few villages in India where Sunlight Soap does not reach. Interestingly enough, our sales increases in the smaller markets, especially in the rural areas, have been most gratifying. In the last five years the average annual growth of some of our popular products in the rural areas has been more than four times that of the all-India expansion. This is but natural in a growing economy in which there is vastly more room for improvement in the villages than in the towns. Wide distribution, too, helps to keep prices low by increasing sales volume by creating competition among retailers.

"And now a few words about our distribution system in general, and how we reach the villages.

"The central point of our distribution system is our chain of wholesalers throughout the country. From our five factories, goods are despatched to 60 stock depots which are the primary distribution points scattered over the country. From here they go to our wholesalers. In each one of the 6,500 markets we shall cover in 1961, we have one or more wholesalers for each group of our products.

"Our wholesalers are local people who will always know local conditions better than we can. Being neighbours, their contacts with the retailers are close. As our representatives in the towns and as men of substance, their importance as our associates is good for their business and for us. They buy the goods from us outright for cash, warehouse them, distribute them with almost clock-work regularity, and extend credit to the retailers. All this saves us working capital. Belonging to the community, they form an effective and intimate link between us and the thousands of retailers who stock our products, and they do the whole operation smoothly and profitably for themselves and economically for us. They are loyal to us and rarely leave; we, in turn, treat them with respect and keep their interests always before us. Most of our vanaspati and soap wholesalers who began with us over 20 years ago are still with us. And our bad debts in the past have not amounted to even a thousandth of one per cent of turnover.

Selling

"At the back of our wholesalers is our own large sales force, which today comprises 511 salesmen and supervisors. They have a set of specific and clear-cut functions. The first is, of course, selling. They visit every market at periodic intervals ranging from four to eight weeks, depending upon the type of product and size of the market. Upon their visit, they discuss local conditions and problems with the wholesalers and then go out in the market to sell alongside them. This stimulates the wholesale trade to push our products and also gives us direct contact with the retailers. At the same time, they arrange display of point-of-sale advertising material and of our products to attract the consumer's attention when he or she enters the shop. The salesmen have, besides, other functions like inspecting the quality of our goods, their packaging and contents, and withdrawing anything which, in their opinion, is not in a prime condition. Fortunately, our speedy turnover and distribution methods make sure that our goods are fresh in the market.

"I have spoken already about our penetration into the countryside, and our spearhead here is a fleet of 45 motor vans spread over the country. These vans do a pioneering job, mainly covering small towns and nearby villages, working their way progressively deeper into the rural areas. They call at all worthwhile retail outlets; appoint wholesalers in new places where there is a sufficient volume of business to justify it; interest new retailers in stocking our products; and display advertising material and our goods. As soon as a market responds to this pioneering treatment and develops regular sales, it is put on the permanent journey plan of a regular salesman.

"At the back of the rural work is another fleet of 12 cinema and seven demonstration vans which combine the functions of propaganda and consumer sale. They give cinema shows in the villages at which large audiences happily see our advertising films coupled with an entertainment film. In addition, we show a suitable Government of India information film for broad educational purposes.

Advertising

"Wide though our distribution is, by itself it cannot sell. It has to be taken to its next logical stage which is persuading the consumer to buy it. Distribution merely makes the product available; the consumer has to want it before the real sale takes place. Between distribution and consumption, therefore, there is the vital area of demand, created by consumer persuasion through advertising.

"There is some confused thinking about advertising. It seems to be regarded by some in India as unnecessary and by others as a case of the chicken and the egg; which comes first? Some go even further and argue that advertising is an economic waste and a luxury. We differ from this view.

"We believe that by creating and expanding consumer demand, advertising promotes volume which alone can effectively bring down costs. We do not believe in cutting quality to save cost, but to look for saving through increasing sales. Advertising in a free society therefore performs a vital economic function and at a surprisingly small cost. Our own advertising costs us only two rupees and eighty naye paise for every hundred rupees of sale.

"Advertising in fact is not even a cost to the consumer, for, by the high volume of sales it brings, it actually means a saving to him. It also ensures a regular demand which, in turn, enables our factories to operate with minimum fluctuations. There are other savings too. For instance, the reduction in working capital that accrues from the rapidity with which advertising helps to move the products from our factories, the wholesalers' godowns and the retailers' shelves. This speedy turnover of stocks helps the trade to operate on smaller margins than they would be willing to accept on slow-moving goods.

"All told, advertising helps us in many ways. It introduces our products to millions of homes; it gives an assurance of quality to the consumers; and it helps reduce costs and the working capital employed.

Two Methods

"With the household products of wide appeal that we sell, our advertising has to be spread, over a large area. As it has to reach millions of homes in towns and the countryside, we have to use as many available media as possible, and it takes two forms—direct and indirect. In direct advertising, we go straight to the consumer and make a personal approach by sampling and demonstration, while, in indirect advertising, we use media like the press and cinema to carry our message.

"Our advertising thus aims to reach the consumer, usually the housewife, in three ways: by meeting her and explaining to her about our product and how to use it; by reminding her through the daily newspaper and whatever she goes to the pictures; and by the last-minute appeal when she enters the shop and sees our showcards attracting her attention to the goods displayed on the shelves.

"It is important that our advertising, while trying to attract, should, at all times, be sincere and correct. We go to considerable trouble to make sure that the claims we make for our products are justified. For this purpose, all written advertising is submitted to both our legal and technical departments who scrutinise each copy to make certain that all claims are tenable. Advertising creativeness has to be given freedom but only up to the point of truth, and no further.

"It is not possible to evaluate advertising expenditure as we can our capital expenditure. The effect of advertising cannot be measured as closely as the effect of spending money on new production facilities. Nonetheless, it is very important, when we are spending large sums on advertising, to develop some means of evaluation, and these we are trying to create through our operations statistics department, who are experimenting with the new techniques in measurability of advertising; through our market research who pre-test virtually every new campaign; and through sales analyses.

Staff

"And now I come to the most important area in our marketing operations—that of the men and women who run it. I have made a particular reference to women because they are playing a growing part in our organisation. There are 41 women working today in marketing and marketing research, mostly in the latter, and they are trained in a variety of disciplines; one has done a doctorate in psychology, another in social sciences, and a third in nutrition chemistry; there are two who have graduated in domestic science; and of the remaining 36, 27 are graduates in arts and sciences.

"We keenly appreciate that, although for its vitality and success, our marketing will require the use of latest methods and techniques, in the ultimate analysis, we depend upon the calibre of the men and women we employ, upon their proper selection and training. Total efficiency of the operation must be a sum of the jobs well done.

"For selection we look far and wide, and process the applications through a carefully designed multi-tiered procedure which aims at ruling out anything other than ability. It looks for those qualities of mind and manner which make for a good marketing type, possessing initiative and yet objectively analytical, resourceful, and with a mind that will grasp a situation quickly and meet it with energy and courage.

"For promotion, we attach great importance to developing our own employees at all levels so that as many of them as possible can rise. Among our marketing managers today, 40 per cent joined the Company as salesmen and clerks; 20 per cent joined us as trainees, and 40 per cent were recruited directly from outside. While we are satisfied that our selection and promotion procedures work well, we have to be absolutely sure that we do not allow standards at any level to fall. If that happens, efficiency and morale will deteriorate and that will be injurious not only to the organisation, but to the individual whose well-being and future is so intimately bound with it.

Training

"Training in the Company is a continual process. Training during probation must first make sure that the person employed is in fact cut out for the job and is capable of making a career with us; and then teach him the job. After confirmation, we are strong believers in developing the individual through devolution of responsibility and training. It takes various forms. We organise courses at our Training Centre in Bombay to which employees from all levels are brought for one-week to three-week courses. These are designed with two purposes in mind: a broader understanding of the Company's objectives and policies; and the inculcation of skills and techniques. Salesmen and supervisors have quarterly conferences with their area sales managers; branch conferences are held twice a year and bring together all levels in branch marketing; annual conferences are held at all-India management level; and special conventions are organised every year at all-India or branch levels for all staff whenever we launch an important new product.

"We encourage our managers to attend and participate in outside marketing and management conferences and seminars, and we also send men regularly to the Administrative Staff College at Hyderabad. In addition, we make use of the considerable training opportunities provided by Unilever. A few have been to the U.S. and Australia, and many to Britain and Europe. Our own training facilities have developed so far that Unilever are using them for sending men from their associate companies from Africa to the Philippines.

"This, then, is a brief account of our marketing; the thinking and philosophy behind it; the tools and aids that are made available to the men and women who run it, and of the men and women themselves. It is an operation that has run well, but we are constantly watchful of complacency creeping in. We are always studying change and trying to adapt ourselves to the new."

Note: *This does not purport to be a record of the proceedings of the annual general meeting.*

THE
INDIAN BANK LTD.
INDIAN BANK BUILDINGS
17, NORTH BEACH ROAD
MADRAS-1

HAVE PLEASURE IN ANNOUNCING ENHANCEMENT IN THEIR RATES OF INTEREST ON DEPOSITS

Certain items of enhancement are:

Savings Bank Accounts	From 2½ to 3% p.a. (From 1-4-61)
Deposits fixed for 12 months and over but less than 24 months.	From 3½ to 4% p.a. (From 15-3-61)
Deposits fixed for 60 months and over.	From 4½ to 5% p.a. (From 15-3-61)

For further particulars please apply to the nearest branch of the Bank.

G. S. SUNDARAM,
Secretary.

SEN-RALEIGH INDUSTRIES OF INDIA LTD.

(*Concluded from page 755*)

years to come, and this is a line where the experience gained by your Company can be profitably utilised.

"With the growing shortage of foreign exchange, there is a likelihood of imports of materials being linked with export performance. Your Company has been exploring the possibilities of obtaining a wider export market for some time. Although the export performance in bicycles has not been very good for the industry as a whole in 1960, our saddles have gone out to many new markets and we now await the reaction from the importing countries. Efforts to develop bicycle exports are continuing and it is hoped that 1961 will show better results in this direction than the past year.

"I cannot conclude without a passing reference to the provisions of the present Finance Bill, inasmuch as these concern foreign collaboration. To us, it appears that an invidious distinction has been drawn between foreign associates who have helped in developing the industries of the country in the uncertain stages of the first and second Five-year Plans and those associates who intend to come in after April 1961 when the country's economy has become relatively more stable. All the benefits in the way of lower taxes on inter-corporate investment and on royalty remittances have been made applicable to arrangements entered into after April 1961, whilst older arrangements remain liable to tax at the higher rates.

"Before I close, I would like to thank my colleagues, the staff and the workers of the Company, and our foreign associates for the work they have put in to conclude one more successful year of operation."

Note: *This does not purport to be a record of the proceedings of the annual general meeting.*

INDIAN PAPER MAKERS ASSOCIATION

CHAIRMAN, MR. P. J. EGAN'S ADDRESS AT ANNUAL MEETING

PLEA FOR REVISION OF PAPER PRICES

A PLEA for revising the prices of paper was made by Mr. P. J. Egan, Chairman of the Indian Paper Makers Association, while addressing the Annual General Meeting of the Association held at Calcutta on Tuesday, 11th April 1961. The present prices, Mr. Egan stated, were based largely on the production costs of bigger, old-established factories which were the more efficient low-cost units. He urged for a suitable revision of prices so as to make it more representative of the industry as a whole, by taking into account the production costs of the new small-scale units. In this connection, he alluded to the sizable increase in the cost of production that had occurred since the last Tariff Commission's inquiry, as well as to the need for providing adequate rehabilitation allowance. He also referred to the fact that four-fifths of the paper industry's expansion envisaged in the third Plan was to be ensured through the setting up of new mills and said that the capital outlay per ton of capacity in new units was much greater than what would be involved when the existing units were allowed to expand, resulting in higher cost of servicing capital and depreciation.

The following are extracts from the speech of Mr. Egan:

"The second Five-year Plan envisaged a target capacity by the end of 1960-61 of 450,000 tons of paper and board a year and an annual production of 350,000 tons; against this the actual installed capacity achieved to date amounts to 410,000 tons, while production for 1960 was 345,000 tons, or only 5,000 tons short of the production target. Within the space of five years, the industry has increased its output by nearly 90 per cent.

"An important feature of this achievement on the part of the industry was the predominant part played by existing units, which between them accounted for approximately four-fifths of the increased production in the second Plan. Another feature is the extent to which expansion of existing mills' production was financed out of their own resources. The increase in production was in no small measure due to the industry's restraint in the declaration of dividends and to its policy of ploughing back its resources.

Third Plan Targets

"The third Plan sets the industry targets of 900,000 tons and 700,000 tons for capacity and production, respectively, and whereas in the second Plan four-fifths of the increased production resulted from the expansion of existing units, for the third Plan, new units are required to provide four-fifths of the expansion envisaged. A point which this at once raises is that capital outlay per ton of capacity is much greater for the setting up of entirely new units than for the expansion of existing units and, consequently, the cost of servicing capital and depreciation per ton of production is higher in the case of new units.

"Another feature of the third Plan is the development of capacity through the medium of small-scale paper units, which are expected to produce 30 per cent of the total increase in installed capacity. Given a combination of cheap labour, cheap local raw materials, and proximity to markets these small units may be an economic proposition, but their manufacturing costs will always be considerably higher than the costs of the larger units. In view of the vital part which new and small-scale units are being called upon to play in the third Plan, and, as present prices are largely based on the costs of the bigger, older established, and, therefore, the more efficient low-cost units, of the industry, an immediate revision of prices to make them more representative of the industry as a whole is surely necessary.

Rail Transport Facilities

"Although paper production during 1960 amounted to 345,000 tons, representing a rise of 30,000 tons over 1959, the industry was faced with an increasing number of problems as the year progressed. In July 1960, the paper industry was downgraded from selected grades to grade 1 for its requirements of coal, resulting in increased consumption and grave difficulties for some mills in maintaining the required pressure of steam. Moreover, the supply position of railway wagons has deteriorated to such an extent that some mills have had to resort to road movement of coal.

"Shortage of rail transport is even more serious in relation to supplies of raw materials. Despite strong representations which resulted in the railways deciding to make regular allocations of block rakes for bamboo movement, the railways have been unable to do so with the result that, while thousands of tons of bamboos are accumulating at the railheads, stocks at the mills are reducing at an alarming rate. China-clay and lime supplies, as also despatches of finished paper, have been seriously affected by wagon shortage.

"If even at the present level of production, the industry is being handicapped by lack of rail transport, I cannot see how it will be able to fulfil its obligations under the third Plan, unless a vast improvement is made in wagon availability.

Power

"Another problem which is causing some mills concern is the serious shortage of electrical power in West Bengal. If the shortage persists, it will undoubtedly impede the much needed expansion of the paper industry apart from slowing down the present rate of production.

"Last year, this Association, in its memorandum, requested Government to grant an increase in the price structure which came into effect on 1st January 1960. At a conference held in May 1960, the Union Minister for Commerce and Industries accepted that a case had been made out in the industry's favour on certain points which deserved looking into, but considered that there should be a reasonable lapse of time before prices were reviewed. A review of the price structure is now long overdue.

"Since the Tariff Commission's investigations, mills' production costs have steadily increased and Government itself is directly responsible for part of mills' increased costs. I refer in particular to the 5 per cent railway freight surcharge, which came into effect from 1st April 1960, to increases in railway freight as a result of alterations in the minimum weight conditions for transport of bamboos and other raw materials from November 1960, and to the new excise duty on caustic soda and soda ash levied from 1st March this year.

Rise in Production Cost

"The prices of raw materials and chemicals have increased considerably and packing costs have soared due to the inordinate increase in the price of gunnies. The price of coal has gone up and, due to wagon shortage, mills are now incurring additional expenditure on road transport. In addition, coal bills have shown an all-round increase due to the downgrading of coal for the paper industry. Moreover, labour costs have increased as a result of Tribunal awards.

"The 5 per cent contingency allowance provided by the Tariff Commission in the price structure recommended by them has long since been absorbed. On the consideration of costs alone, therefore, an increase in paper prices is now well overdue.

"At the recent rate contract meeting, the industry asked for a price increase to offset the increase in production costs. Although Government is still of the opinion that it is premature to revise paper prices, they have agreed to reconsider the matter as soon as they receive from the industry details of increases in mills' costs.

Return on Capital

"I trust that, when Government are re-examining paper prices, they will not confine themselves to the question of cost increases alone, but will also take into consideration the necessity for an adequate return to the industry on employed capital. The return of 12 per cent provided by the Tariff Commission which is intended to cover a wide variety of payments, including labour bonus and managerial remuneration both of which are items of cost, taxation, transfer to reserves, interest on working capital, debenture and loan interest, as well as dividends is wholly insufficient. Moreover the necessity for a suitable rehabilitation allowance to enable mills to make up the disparity between their depreciation provisions and replacement costs is just as much in the paper industry as in any other industry.

Scarcity of Raw Materials

"Scarcity of raw materials is another problem which is facing the industry today. I hope that State Governments now are awakening to the realisation that the policy of granting annual contracts, although possibly a source of immediately increased revenue, has been the cause of the gradual wasting away of forest resources. To ensure scientific exploitation and development of the forests, it is essential that leases of at least 20 years are given to paper mills to enable them to undertake widespread plantation of bamboos, grass and other fast growing cellulosic raw materials. As such development work involves a considerable outlay spread over a period of years, it would only be warranted if the lessee has the assurance of a long security of tenure. The necessity for widespread planting of bamboos has become all the more now that it is proposed to make use of bamboo for the manufacture of rayon grade pulp for which schemes aggregating 280,000 tons have already been approved by Government. To ensure that the requirements of existing paper mills are not jeopardised, it is very essential that raw materials resources are carefully surveyed.

"Bagasse is becoming extremely important as a raw material for the manufacture of paper and, in order that it can be made available for the expansion of the paper industry, it is essential that sugar mills are given early assurance of a regular supply of an alternative fuel.

"The urgent necessity for building up a substantial export market for paper has been engaging the close attention of the industry.

"Considerable progress has been made in India's paper machinery manufacturing industry and already the fabrication of the first units of 3-5 tons capacity is in course of completion."

ANNOUNCEMENT

THE ANDHRA BANK LTD.

(*Head Office:* MASULIPATAM)

have pleasure to announce that the

INTEREST RATE on Savings Bank Accounts in all their offices is raised from 1st APRIL, 1961 from 2½ per cent to

3%

Interest Rates on Fixed Deposits are also revised.

Please contact your nearest branch.

T. SRIRAMULU, *Managing Director.*

T. R. BHAGAVAT, *General Manager.*

CANARA BANK LIMITED

SPEECH OF CHAIRMAN, MR. A. D. PAI

CONCERTED EFFORTS WANTED TO STRENGTHEN BANKING STRUCTURE

A CALL for concerted efforts to strengthen the banking structure in the country was made by Mr. A. D. Pai, Chairman of the Canara Bank Limited, in his speech at the Fifty-fifth Ordinary General Meeting of the Bank held at Mangalore on Wednesday, 22nd March 1961. Mr. Pai stated that the necessity of assisting weaker units to strengthen themselves either by merger with bigger banks or by formation of stronger units by amalgamating two or more small units had now been recognised. In order to minimise losses by way of bad debts, he commended for acceptance the starting of a Credit Information Bureau. He also wanted a Code of Conduct to ensure uniform practices in the matter of granting large advances.

The following is the text of Mr. A. D. Pai's speech:

"Your Bank's 55th annual report, balance-sheet and profit and loss account for the year ended 31st December 1960 are already with you since some time now. I, therefore, ask your permission to take them as read.

"As you will no doubt have noted, 1960 was a year of stress for the banking industry. The year was marked by acute monetary stringency and increased demand for funds. There was unprecedented increase in investment in capital machinery and in shares of new industrial ventures. Unlike in previous years, when deficit financing led to growth of bank deposits, the Government during the major part of 1960 was able to withdraw the money in circulation by cancellation of *ad hoc* Treasury Bills. The transfer of P.L. 480 funds from the State Bank to the Reserve Bank of India also contributed to the depletion of deposit money from the banking sector.

"In consequence, the general trend in 1960 was for a much slower growth in the deposits of scheduled banks as a whole. Despite this trend, and the lower deposit rates your Bank has been offering under the inter-bank agreement, the Bank recorded an increase in deposits from Rs. 28.93 crores to Rs. 30.82 crores. The increase works at 6.39 per cent, as against 3.77 per cent of scheduled banks as a whole. The bank's savings and current deposits showed accelerated growth compared to previous years.

Encouraging Small Savings

"In the second half of 1960, your Bank, in order to encourage small savings, started two fresh schemes of deposit—cumulative deposit and interest-free loan savings deposits, both being new types of recurring deposits in which depositors are not penalised for delayed instalments. There has been encouraging response to these schemes.

"As against Rs. 15.88 crores in the previous year, your Bank's advances are at Rs. 16.53 crores on 31st December 1960. There was unabated demand for funds during the year and, with a view to checking rising prices, the Reserve Bank brought in various credit curbs intended to restrict further expansion of credit in the country. Your Bank has been able to maintain a satisfactory ratio of advances to deposits *vis-a-vis* the scheduled banks as a whole. Also, the pattern of advances is becoming more diversified, and larger credit has been extended to industries in keeping with the country's stress on industrialisation. The percentage of secured to total advances at 82.26 per cent, is higher than in previous years. And your Bank has been able to maintain a high liquidity ratio as in previous years. The continued demand for funds during the year accounted for a reduction in the Bank's investment in Government securities. In order to restrict expansion of credit, the Reserve Bank, during the year, fixed an upper limit to banks for borrowings against Government securities beyond which the borrowings would be charged a penal rate of interest. The penal interest being higher than the yield on these securities, unloading of a part of the holdings in Government securities was found preferable, while, at the same time, a larger amount has been held as call money lent to other banks, making for a more liquid position.

Deposit Rates Lower

"Under the inter-bank agreement, the deposit rates offered by your Bank on term and notice deposits were lower than in the previous year. Rates on advances were put up by ½ per cent in the second half of 1960 as per the directive of the Reserve Bank of India. Your Bank has accordingly been able to report higher profits than in the previous year. This year, we have transferred a sum of Rs. 3.5 lakhs to inner reserves, while our reserve fund and share premium account stand at Rs. 50 lakhs and Rs. 6.3 lakhs, respectively, as against the paid-up capital of Rs. 50 lakhs.

"A question which has been engaging the attention of your Directors in this connection is the need for increasing the capital and reserves ratio to deposits. The ratio for your Bank at present stands at 3.44 per cent nearly as for other scheduled banks in the country whose ratios are generally within 4 per cent. If the capital and reserves base is broadened, banks will be in a stronger position to face any difficulties in the future. Your Directors, therefore, intend approaching you later in the current year with a proposal for a fresh issue of equity capital.

"The failure of two scheduled banks in 1960 focussed attention on the need to strengthen the banking structure in the country. The necessity of assisting weaker units to strengthen themselves either by merger with bigger banks or by formation of stronger units by amalgamating two or more small units has now been recognised. Your Bank has been approached by a few banks in this connection and the proposals are being examined with sympathy, understanding and goodwill. Your Bank has also started a small administrative unit at Trivandrum to examine proposals received from banks in that State (Kerala State) and to assist in preparatory work for opening branches at centres where there is comparative dearth of banking facilities.

"With a view to assisting the smaller banks of South India, your Bank has started a scheme for training senior officers of such banks at no financial cost to them.

Concerted Efforts

"The situation also calls for concerted efforts by all banks. To minimise losses by way of bad debts, starting of a Credit Information Bureau by pooling the information gathered by banks deserves attention. Banks would also do well to draw up a 'Code of Conduct' to ensure uniform practices in the matter of granting larger advances. For instance, it is a healthy convention to call for audited statement of assets and liabilities and particulars of limits enjoyed elsewhere before large limits are sanctioned. The provision of training to employees of your Bank received careful attention during the year. Our staff Training School held five basic courses for 127 trainees, bringing the total trained to 488 since the inception of the School in 1955. Your Bank has also arranged to have a second batch of two members sponsored by the Bank's Employees' Union to be trained as worker-teachers at the workers education centres at Bangalore and Hyderabad, respectively. Two senior managers of your Bank went for advanced refresher courses offered by the Deutsche Bank, A.G. and the Dresdner Bank, A.G., Hamburg. We thank both these foreign bank friends for affording us these training facilities.

New Branches

"In 1960, your Bank opened eight new branches, Chamrajpet and Chickpet, Bangalore; Mount Road, Madras; Avanashi Road, Coimbatore, Abdul Rehman Street and Dombivli, Bombay; Poona and Sitabuldi, Nagpur. All these branches are progressing well. Our branch and foreign department at Calcutta, started in October 1959, has recorded satisfactory progress and the foreign business handled by your Bank showed further increase over the previous year.

"In February of the current year, your Bank opened two more branches, at Khar, Bombay and at Bagalkot in Mysore State. Your Bank has also obtained licences for opening branches at Visvesvarapuram, Bangalore and at Kottayam, Changanacherry and Trichur in Kerala State and arrangements are being made to open these branches soon. Our branch at Cochin was shifted to our own building during the year, and the construction work of our Administrative Office in Bangalore is in full swing.

"We are prepared to shoulder the increasing responsibilities which all institutions must be prepared to take up in our nation's pilgrimage to a position of economic independence and self-sufficiency.

"I thank our shareholders, constituents and staff for the co-operation they extended during the year."

(*Note: This does not purport to be a record of the proceedings of the Annual General Meeting.*)

BANKERS

It will pay you to consult us

FOR YOUR

★ CHEQUES ★ SHARE CERTIFICATES

★ DEMAND DRAFTS ★ LEDGERS

★ PAY-IN SLIP BOOKS ★ PASS BOOKS

★ LETTERHEADS ★ ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

ANNOUNCEMENT

STATE BANK OF TRAVANCORE

(Subsidiary of the State Bank of India)

have pleasure to announce that, in pursuance of their objective to promote savings and encourage rural deposits

THE INTEREST RATES ON SAVINGS BANK ACCOUNT

in all their offices

HAVE BEEN RAISED

as from the 1st April, 1961, as under:—

FROM 2½% TO 3% P.A.

T. R. KRISHNASWAMI, *General Manager.*

INDIAN OVERSEAS BANK LIMITED

SPEECH OF CHAIRMAN, MR. M. CT. MUTHIAH

MORE MONEY MUST BE FOUND BY OR FOR THE BANKING SYSTEM

SATISFACTION at the increasing awareness on the part of the monetary authorities about the urgency of finding more money by or for the banking system was expressed by Mr. M. Ct. Muthiah, Chairman of the Indian Overseas Bank Limited, in his speech at the Twenty-fourth Annual General Meeting of the shareholders, held at Madras on Monday, 17th April 1961. Unless such money was found, Mr. Muthiah felt, it might not be possible for the country fully to implement the third Plan involving an appreciable outlay in both public and private sectors. He appreciated the Reserve Bank's decision to release special deposits impounded during 1960, to extend the Bill Market Scheme for re-discounting bills on behalf of banks, and to restore public confidence in the banking system. He alluded, in particular, to the scheme of compulsory insurance of bank deposits, as well as to the efforts being made to bring about merger of weaker units with the stronger ones.

The following are extracts from the speech of Mr. Muthiah:

"GENTLEMEN,

"It gives me great pleasure to extend to you all a warm welcome to the twenty-fourth annual general meeting of the Bank. The Directors' report and the statement of accounts for the year 1960 have been in your hands for some time and with your permission, I shall take them as read.

Bank's Progress

"You will see from the comparative figures furnished the great progress made by the Bank during the last decade and a half, more particularly during the last six years. Deposits which stood at Rs. 11,29 lakhs in 1954 rose to Rs. 29,29 lakhs in 1960 and our total resources from Rs. 18,48 lakhs to Rs. 49,43 lakhs. Advances had gone up from Rs. 5,52 lakhs to Rs. 19,90 lakhs and investments in securities from Rs. 4,09 lakhs to Rs. 11,54 lakhs. Gross earnings had risen from Rs. 69 lakhs to Rs. 2,27 lakhs and net profit from Rs. 13 lakhs to Rs. 45 lakhs during the same period. This is an achievement of which we can all be proud, and it brings to a successful conclusion a chapter in the Bank's history which records unprecedented growth and development.

"The net profit of Rs. 45 lakhs in 1960, as against Rs. 34 lakhs the previous year, is an all-time record. However, your Directors have considered it prudent to recommend only a dividend of 14 per cent, subject to tax, the same as last year.

"Our capital funds and reserves have risen from Rs. 75 lakhs in 1954 to Rs. 1,44 lakhs in 1960.

"During 1960, four new branches were opened at Amritsar, Ludhiana, Triplicane (Madras) and Karol Bagh (New Delhi). We have since opened a branch in Willingdon Island, Cochin and arrangements are on hand to open one at Erode. Our overseas branches are making an excellent contribution to the progress and prosperity of the Bank.

Economic Trends

"The year 1960 has definitely taken the country to the highest level of production ever attained, though not without considerable strain on the economy in general and the banking system in particular. A decade of bold planning to meet the ever-growing needs of the country has set at naught any criticism on the concept of planning itself, as the industrial and agricultural productions have increased by about 66 per cent and 33 per cent, respectively; but the national concern is, however, rightly focussed at the moment on the rising price level with its forebodings of further difficulties. It is, indeed, a welcome move that the Government, the monetary authorities and the accredited representatives of the banking system have decided to meet more often in the future to take such concerted actions as may be feasible to afford any possible correctives.

"Owing to decline in agricultural production in 1959-60 to 72 million tons, as against more than 75 million tons in the previous year, there was a reduction in the domestic availability of foodgrains and raw materials, which shortage was, of course, made good by requisite imports. From all accounts, despite floods in certain parts of the country in 1960, the estimated yield is put around 75 million tons, the tentative target fixed under the second Plan. The fact that the output of cotton in 1960-61 will also be substantially larger than in the previous year, leaves a hopeful trend for the first year of the third Plan. A notable event of the year was, however, the massive deal concluded by the Union Minister of Food with the Government of the United States of America under P.L. 480 Agreement, for the import of 16 million tons of wheat and 1 million tons of rice in the next four years against rupee payment to bolster India's defences on the food front.

Industrial Production

"Performance in the industrial sector was much more spectacular. Production in the first ten months of 1960 registered an increase of about 11.3 per cent over the corresponding period of the previous year and it is reported that this rate of increase had been the highest ever achieved. Without any unforeseen setback, the overall industrial production for the whole year may show a rise of about 15 per cent as compared with that of 1959.

"The pace of industrial expansion at the end of the second Plan period was as fast as it could be in the face of difficulties in procurement of raw materials. The commissioning of several units in the public sector steel plants at Bhilai, Durgapur and Rourkela and the expansion of Tatas and Indian Iron plants brought down slightly the prices of steel, but the shortage of coal and more so, railway wagons for transport of coal stalled the lighting of new blast furnaces at all the public sector plants and reduced productions from the level planned by the Tatas. A major factory in the new field which went into production during the year was the Heavy Electricals Ltd., at Bhopal, run by the Government with the help of the Associated Electricals as technical consultants. Other spectacular new deals with foreign collaborators were also made in 1960. To mention only a few, three fertiliser plants are to come up in Madras State, one in the public sector with German and Italian assistance and the other two in the private sector, one being built by Simon Carves and the other by the Germans; the Nangal Fertiliser Plant in Punjab with French aid will be ready soon. It is also reported that the United States has lent all the money needed for a factory in Trombay, Bombay, to use refinery waste gases. The Government have also come forward, in deference to the demands of the public, to launch in public sector two consumer goods projects, namely, one watch factory in Bangalore and a camera factory in Calcutta with Japanese collaboration.

"Thanks to a general increase in the agricultural and industrial production, the national income (at 1948-49 prices) is expected to be in the neighbourhood of Rs. 12,500 crores for 1960-61, as against Rs. 11,750 crores in 1959-60, thus registering a rise of about 6 per cent. The real national income which stood at Rs. 10,480 crores in 1955-56 rose to about Rs. 12,500 crores for 1960-61, thus recording an increase of about 19 per cent. All this was possible because of a total investment of about Rs. 6,750 crores, both in the public and private sectors during the second Plan period. The ratio of investment to national income which stood at 8 per cent at the end of the first Plan had risen to 11 per cent towards the close of the second Plan, thus exceeding the target fixed at 10.7 per cent.

Banking and Money

"But the most disquieting feature of the economy during the second Plan period was, of course, the money supply which was increasing roughly at twice the rate at which real income was increasing. While the real national income rose by about 19 per cent, money supply rose by about 35 per cent. Especially in the last year of the second Plan, it was the private sector that was generating the marked increase in money supply. The prime inflationary factor in economy was not currency in circulation, but bank advances made, of course, in response to increasing requirements of trade and industry.

"During the year 1960, scheduled banks' aggregate deposits increased by Rs. 65 crores to Rs. 1,892 crores, as against an increase of about Rs. 254 crores in the previous year, while the bank credit rose by about Rs. 217 crores to Rs. 1,181 crores, as against a modest rise of about Rs. 19 crores only in 1959, thus pushing up the ratio of deposits to total advances from 53 per cent to 63 per cent at the end of 1960. The banking system, hard pressed for resources, liquidated its holdings in Government securities to the tune of about Rs. 154 crores to create additional money supply. This factor along with an unprecedented boom on the Stock Exchange in which the prices of industrial securities rocketed far beyond what was justified by dividend returns, apparently induced the Reserve Bank to enforce vigorously the dear money policy, by undertaking a series of monetary restraints and discipline. Besides tightening the existing credit control measures, the controlling bank wielded for the first time in the Indian monetary history what is known as the weapon of variable reserve ratios, whereby upto 50 per cent of increase in deposits subsequent to March 1960 was impounded with them over and above the normal statutory requirements. On the eve of the 'slack season,' which term has, of course, lost its significance with the growing demands for bank credit against industrial output right round the year, the Reserve Bank had also informally requested banks to help reducing the bank credit by about Rs. 100 crores. In the absence of any significant reduction, the Reserve Bank was perforce obliged to restrict scheduled banks' recourse to them for advances by levying progressively higher penal rates beyond certain fixed quotas. The lending rates of banks were also required to be raised with a fixed minimum of 5 per cent. Whatever may be the merits of these restrictive measures, I am glad to note that there is now an increasing awareness on the part of the monetary authorities that, unless more money could be found by or for the banking system, it may not be possible for the country fully to implement the impending third Plan, involving as it does an appreciable outlay both in the public and in the private sectors. The Reserve Bank of India have since released special deposits impounded during 1960, and have also started extending Bill Market Scheme for re-discounting of bills on behalf of banks. They are also moving briskly to restore the public confidence in the banking system, which, though sound basically, had received a jolt from the recent failure of the Palai Central Bank with its repercussions on a few other banks in Kerala, now under moratorium. They are also busy concerting a scheme of compulsory insurance of bank deposits up to certain limit with a view to protecting the interests of smaller depositors and are also endeavouring to bring about merger of weaker units with the stronger ones, for which requisite statutory powers have been obtained.

"Indian banks had also realised that the rates of interest for deposits were out of tune with present conditions and had accordingly raised the interest rates on term deposits as well as savings deposits.

A Decade of Planning

"The first and second Five-year Plans had successfully laid the foundations necessary to raise the standard of living of the people and to open out to them opportunities for a richer and more varied life. The country had witnessed rapid industrialisation with particular emphasis on the development of basic industries and the creation of a progressive and equitable economic and social order. The decade has made us plan-conscious and, although we may not have solved all our basic problems, we have every reason to be proud of our achievements. The economic progress made was impressive because the resources required for the two Plans were found and foreign collaboration on an extensive scale helped the establishment of several industries.

"The second Five-year Plan that has just ended, thanks to the intrepid efforts of both the Government and the people, has been broadly successful with the private sector even exceeding the target fixed for it by about Rs. 800 crores. Encouraged by this success and with an abundant measure of goodwill on the part of India's friends abroad, the third Plan is expected to be launched with a total investment of Rs. 6,300 crores in the public sector and about Rs. 4,100 crores in the private sector, with of development. This proposed investment, which is roughly 50 per cent over that of the second Plan, is again not an overambitious one in terms of India's growing population and its needs. With her external resources dwindled to Rs. 319 crores, which may not even cover maintenance imports, the third Plan will need a larger flow of foreign assistance in major part 'untied' and participation for industrial development. There is, of course, a growing recognition by India's friends abroad of her exchange needs for development. Our Finance Minister's trip to Europe and the United States, though primarily for formal conferences of Commonwealth Finance Ministers, the World Bank and the International Monetary Fund, served also as a reconnaissance mission to explore prospect of foreign assistance for the third Plan, which is tentatively put at Rs. 2,200 crores.

"The Finance Minister has also not been slow in implementing ways and means to supply rupee investment for the third Plan. He has, indeed, displayed rare courage in his recent budget in getting additional revenues to the tune of about Rs. 63.17 crores by way of taxes spread over a large number of commodities even in the first year of the third Plan period, for which an overall taxation programme of Rs. 300 crores is scheduled. If the experience gained in the second Plan is to be any guide, it is fervently hoped that a major share of the tax revenues would be utilised for the financing of commitments under the Plan towards a self-generating economy. Our country's great efforts to attain eventually economic independence have attracted the attention of the stream of foreign dignitaries who had visited our country recently. The most handsome tribute to the country's honest endeavours has, of course, been paid by Her Majesty Queen Elizabeth II in her broadcast message to the nation on the eve of her departure from India, an extract of which is appended below:

> "'It is plain to see that, however much personal outlooks or backgrounds may differ, there is a deep underlying unity of purpose and effort. I can assure you that, for someone like myself, who has the experience of travelling widely and seeing many people, the efforts being made and the achievements are truly impressive.'

Diversified Services

"Your Bank has availed of every possible opportunity to add to the service requirements of the public, both in avenues for attracting the savings of the community and in financing the movement of produce, particularly in external trade. The handsome profit made in 1960 is a tribute to the prudent use made of available resources and although it is difficult to forecast future trends, I have no doubt that your Bank will continue its progressive role in all the countries in which it operates. We recently introduced a system of recurring deposits which affords a convenient method of accumulating savings with a handsome return. We have also introduced rupee travellers cheques for the convenience of travellers in India and abroad. These, together with the personal loan scheme and gift cheques introduced earlier, provide a more diversified form of bank service.

Staff Training

"As I have been mentioning in the last few addresses, we have launched on a long-term development of service potential by organised staff training. Our Staff Training School and the Officers' Refresher Course have continued to make excellent contribution for the dissemination of knowledge to our staff. Earlier this month, we deputed the Principal of our Refresher Course for a three months' Credit Seminar organised by the Chase Manhattan Bank, New York. This Bank had invited one officer each from three banks in India out of the total of twelve officers for Asia and the Middle East and our Principal was one of them. We will also be sending shortly, two officers to the Midland Bank for training and I avail of this opportunity to record my appreciation of the co-operation extended by the Chase Manhattan Bank and the Midland Bank. I would also like to thank the Reserve Bank of India for continuing to train our officers.

"In conclusion, I should like to take this opportunity to express, on behalf of the Directors and on my own, our high appreciation of the excellent work done by the entire staff during the year."

Note: This does not purport to be a record of the proceedings of the annual general meeting.

U.K.'S NEW BID TO BOOST SALE OF CAPITAL GOODS ABROAD

E.C.G.D. LIBERALISES ITS TERMS

THE measures recently taken by the Governments of a number of advanced countries of the West to expand the scope of export credit guarantee schemes are an index of the growing importance of these arrangements in international trade. As long as international trade was financed principally by bank acceptances or documentary credits for short-term transactions and by securities floated on well organised capital markets for medium-term or long-term transactions, export finance and export credit insurance raised no problems or special difficulties. Governments did not feel the need to intervene or control the technical arrangements through which export trade was financed and developed. But political and economic uncertainties, which marked the international scene since the twenties, foreign exchange crises, etc., transformed the conditions under which international trade was carried on.

The changed conditions were such that uncertainties beset even short-term transactions. In addition to traditional default or insolvency risk faced by the exporter, there was the threat of non-payment as a result of political risks or non-transferability of outstanding claims. These risks were often difficult to assess and banks and private insurance companies were reluctant to cover them. Discouraged by several unsuccessful ventures in the early twenties, the private financial institutions found it difficult to apply their traditional techniques, such as the assessment of individual creditworthiness by banks and the use of actuarial principles by insurance companies, to a new type of operation. As a result, many Governments found it necessary to engage in export credit insurance in co-operation with existing institutions. At first, the coverage was confined mainly to non-commercial risks, but, subsequently, the scope was considerably widened. The Export Credit Guarantee Department (E.C.G.D.) was set up in Britain under the control of the Board of Trade as early as in 1920. In Germany, the Hermes Versicherung A.G. was allowed in 1925 to operate for the Government of Germany; in France, the *Campagnie francaise du commerce exterieus* was established in 1928.

Composition of Trade

A more recent development, which has resulted in widespread modifications in the export credit guarantee schemes of several countries, is the change that has occurred in the composition of world trade. The steep rise in the proportion of capital goods in world trade has had a two-fold result. First, export financing has become increasingly more complex. Larger credit terms are sought by importers of capital goods who are often enterprises or institutions in countries with a shortage of foreign exchange. Secondly, the willingness of economically developed countries to participate in the industrialisation of developing countries has necessitated reorganisation of export credit insurance schemes, as the traditional supply of medium-term finance has dwindled since the thirties to a quite inadequate level.

Consequently, numerous, and sometimes radical, changes have had to be introduced in the operation of traditional schemes in the late forties and in the fifties. The reasons underlying the changes are manifold. In some countries—Switzerland, for example, export credit insurance schemes were broadened as a means of supporting certain industries (particularly engineering) in which exports are of high importance. In the U.K. and W. Germany, the expansion of the scheme was officially sponsored by the extension of special direct guarantees, partly from the desire to promote the industrialisation of the less developed countries and partly from the wish to boost exports. Another motive underlying recent changes is the anxiety of Governments not to fall behind competitors who offer more attractive conditions to stimulate exports of capital goods.

The last mentioned development is precisely the reason for the latest modification of the export credit guarantee scheme of the British Export Credit Guarantee Department. British exporters of capital goods have, for quite some time, been complaining that the terms of guarantee offered to British exporters by the E.C.G.D. are less favourable than those given by credit insurers in other countries, particularly in W. Germany. Consequently, it has been argued, Britain was losing sizable export contracts for capital goods. Announcing the changes in the House of Commons on the 12th inst., Mr. Reginald Maudling, President of the British Board of Trade, stated that they, together with the improvement already made such as part-period cover, 'matching,' the general expansion of special facilities originally designed for the dollar area and special rates for ships, represented a major expansion of the services available from the E.C.G.D. and could stand comparison with those offered by similar institutions in the world.

Three Categories

The latest modifications fall under three headings. First, *premium rates*. A new assessment made in the light of experience of the likely level of recoveries after major defaults showed that a substantial reduction in premium rates was justified. Consequently, a scale of premiums for medium-term business which will reduce the total premiums charged by about 25 per cent has been proposed. The main benefit of this reduction will be concentrated in those markets where the highest rates are charged at present. There will also be reductions in respect of comprehensive business in the more expensive markets.

Secondly, *long-term export finance*. A new system has been introduced whereby the E.C.G.D. will guarantee loans for longer periods made by financial institutions in Britain to credit-worthy overseas buyers. The extent to which the E.C.G.D. grant this facility will be limited by the country's balance of payments position. The E.C.G.D. will, therefore, be selective in accepting individual projects and will satisfy itself that they will bring substantial benefits in return. In highly exceptional cases, where business could not otherwise be financed and where, in the opinion of the Government, there are compelling reasons for regarding a project as one of outstanding economic importance to the U.K., supplementary finance will be provided. The *raison d'etre* of this measure, according to the President of the Board of Trade, is the recognition that, in the case of very large capital projects and of ocean-going ships, where the return on investment may take many years to mature, a buyer may need and expect credit for periods exceeding five years from the date of delivery and which he can obtain in some foreign countries.

Thirdly, in order to help *small- and medium-sized* firms, with little or no experience of exporting, it has been decided to introduce a new form of E.C.G.D. cover for firms with a current export turnover of less than £10,000 a year. This will be available across the counter at all branches of E.C.G.D. and will cover small exporters in respect of transactions with individual approved buyers at a flat rate of premium. The cover will be available for a limited time. This simple and easily accessible facility is designed to encourage new firms to enter the export markets and subsequently become customers of E.C.G.D. on normal basis.

Hundred Per Cent Guarantee

Explaining the aforesaid modifications at a Press conference held subsequently, Mr. Maudling observed that, under the new system of export finance guarantee, the E.C.G.D. would give 100 per cent guarantee for loans made by a British bank or financial institution to an overseas buyer of equipments for large-scale capital schemes. Much of the business in these large schemes lay, according to him, in the developing countries which had real need, both in terms of internal finance and of their foreign exchange position, for giving an early start for the industrial projects prepared by them and to pay over the long-term. The sources of international capital were insufficient to meet more than a part of this demand and the Government of the U.K., he said, believed that the new export finance guarantee was the right way of tackling the problem. The true nature of this demand from the overseas countries, added Mr. Maudling, was for the provision of an "investment" by the supplying country. Rather than continue to force what was essentially "a self-liquidating investment" into a pattern of supplier credit (normally granted by British exporters of capital equipment with E.C.G.D. assistance to overseas importers on a five-years-from-shipment basis), the U.K. Government

(Continued on page 766)

BRITISH INDIA CORPORATION EARNS MORE

ORDINARY DIVIDEND RESUMED AFTER FOUR YEARS

THE confidence in the growing strength of the British India Corporation Ltd. (Chairman: Mr. H. S. Chaturvedi, Kanpur) voiced by the Chairman at its last annual general meeting has been borne out by the results of the Company for the year ended 31st December 1960. Sales during the year, which include figures pertaining to inter-branch transfers and excise duty for the first time, have risen by 8.2 per cent from Rs. 726.35 lakhs to Rs. 785.89 lakhs. Although this improvement is only modest, the gross profit has risen by 40.4 per cent from Rs. 70.45 lakhs to Rs. 98.93 lakhs. Consequently, the ratio of gross profit to gross sales reflects a rise from 9.6 per cent to 12.5 per cent. The closing stocks, too, are higher but only under raw materials from Rs. 105.16 lakhs to Rs. 122.04 lakhs. Works-in-progress and stocks of finished goods are actually lower at Rs. 206.46 lakhs, as against Rs. 234.04 lakhs, reflecting increased activity and better offtake. The other income has been falling regularly on account of falling income from investments. The net income from investments has dropped to Rs. 1.28 lakhs from Rs. 2.59 lakhs in the previous year, Rs. 2.56 lakhs in 1958 and Rs. 8.61 lakhs in 1957.

The latest profit and loss account shows one major change in presentation of sales figures. As stated earlier, this year's sales include figures for inter-branch transfers and excise duty, while for the earlier years sales figures were exclusive of this item. The comparison of the previous year's figures in the latest balance-sheet with that of 1959 reveals this major change, though no mention of it is made in the report. On the expenditure side also the figures differ for excise duty. The consumption of raw materials, stores and spares has increased to Rs. 352.27 lakhs from Rs. 299.03 lakhs in the previous year. On account of the substantial increase in gross profit, the provisions for depreciation and taxation have been increased to Rs. 7.40 lakhs and Rs. 20 lakhs, as against Rs. 6.88 lakhs and Rs. 11 lakhs respectively in the previous year. Still the net profit at Rs. 71.53 lakhs compares favourably with Rs. 52.57 lakhs for the previous year and a loss of Rs. 5.60 lakhs for 1958.

The Company realised a net surplus of Rs. 10.20 lakhs which has been transferred to capital reserve. Receipts arising from the sale of fixed assets comprises the profit accruing on the sale of (*a*) the Couperganj factory and the Juhi factory buildings with its compound, both of the former Cawnpore Cotton Mills branch and (*b*) certain other fixed assets. The sizable nature of profit for the year, which, by the way, is a record for the last ten years, has prompted the Directors to resume payment of dividend on ordinary shares, albeit at a modest rate of 4 per cent taxable, after a lapse of four years.

The following comparative table reveals the progress of the Company since 1957:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	7,85.89*	7,26.35*	7,19.98	7,64.48
Other income	10.94	11.88	17.31	26.71
Closing stocks of finished goods and stock-in-process	2,06.46	2,34.04	2,42.76	3,00.28
Raw materials and stores and spares consumed	3,52.27	2,99.03	2,80.30	4,86.42
Other expenses	3,18.05	2,95.86	3,02.10	3,16.37
Gross profit	98.93	70.45	17.69	0.20
Provision for—				
Depreciation	7.40	6.88	11.77	13.42
Taxation	20.00	11.00	—	—
Net profit (+) or loss (—)	+71.53	+52.57	—5.60	—15.22
Excess provisions written back	0.30	0.63	1.79	0.57
Other income	11.37	1.35	14.84	19.16
Expenses relating to previous years	..	0.20	0.04	1.88
To reserves and provisions	13.65	14.88	18.81	17.78
Dividends—				
Preference	16.85†	19.44	..	..
Ordinary	13.00† (4%) †	..	..	..
Carry forward	+8.34	+0.74	—19.28	—11.36

* Including inter-branch transfers and excise duty.

† Subject to deduction of tax.

The B.I.C. group consists of woollen, cotton and leather industries. The well-known Lalimli and Dhariwal products are from these mills. Cooper Allen & Co. which produces leather goods, army boots and equipment, is one of the largest enterprises of its kind in the world. The North West Tannery is a well equipped and up-to-date tannery manufacturing the famous Flex shoes and other leather goods.

The results of two woollen branches for 1960 are satisfactory, although production during the year was lower than in the previous year, on account of import restrictions on wool. With a further reduction in the value of wool import licences by some 19 per cent for the licensing period October 1960 to September 1961, there will be a further drop in production and consequently in the earnings. In order, however, to improve the working efficiency of the two woollen mills and to produce finer grades of materials which are in demand, the Directors have under consideration a scheme for the rehabilitation and modernisation of the two branches. It is intended to implement the present scheme in stages from the Corporation's own resources.

The reorganisation of the Cooper Allen branch was continued during the year. It is encouraging to note that an all-round improvement in working efficiency and substantial economies in overheads have been effected, which has given its fruit in a small profit made for the first time since 1953. Although the turnover increased by 15 per cent, good quality of hide continues to be in short supply and this operates as a restrictive factor on the further development of the domestic as well as export business.

The paid-up capital of the Corporation of Rs. 406 lakhs consists of Rs. 81 lakhs in 8 per cent cumulative preference shares of Rs. 100 each and Rs. 325 lakhs in ordinary shares of Rs. 5 each. Reserves and surplus have increased from Rs. 164.33 lakhs to Rs. 198.78 lakhs. It is a matter for satisfaction that secured loans have sharply dropped to Rs. 22.69 lakhs from Rs. 134.01 lakhs in the previous year, meaning thereby repayment of most of the debts. The net block of the Corporation, which is rather small as compared with its paid-up capital, stands at Rs. 72.28 lakhs after providing Rs. 233.94 lakhs for depreciation, which is more than three-fourths of the gross block. The investments aggregating Rs. 124.32 lakhs are mostly in subsidiaries. The current assets, exclusive of investments, at Rs. 614.92 lakhs are well above the current liabilities of Rs. 184.05 lakhs, showing a margin of Rs. 430.87 lakhs.

The dividend on 8 per cent preference shares is being paid at 10.4 per cent taxable.

The current market quotation of the Rs. 5 paid-up ordinary shares of the Company is Rs. 8.12 *cum-div.* giving a net yield of 1.7 per cent or a net dividend of 14 nP per share. The yield, though very small, reflects the confidence of investors in this one-time favourite that the adverse consequences of Mr. Haridas Mundhra's frauds have been successfully overcome and that, in the coming years, the Company would be able to repeat the dividend record of the past when it was under British management.

(*Concluded from next column*)

block. The additions to assets during the year amounted to Rs. 57 lakhs on top of Rs. 42 lakhs added last year. Further, the capital works in progress as at the end of the year were Rs. 37.72 lakhs. These figures show that the Company is pursuing an active programme for keeping its mills modern and highly efficient. The current liabilities of the Company, including secured loans from banks to meet the growing working capital requirements, have increased by Rs. 48 lakhs to Rs. 227 lakhs. Bank borrowings, it may be noted, have nearly doubled during the year under review. In addition, there is a debenture liability of Rs. 64.66 lakhs. The current assets (including investments at Rs. 9.83 lakhs) amount to Rs. 457 lakhs, thus providing ample cover for liabilities.

The net yield on the Company's ordinary shares at their current market price of Rs. 206.50 *cum-div.* is 4.8 per cent. For those investors whose rate of income taxation is less than 30 per cent, the yield will be proportionately higher.

The Directors of Pan American World Airways, Inc., have declared a dividend of 20 per cent per share payable on 12th May 1961 to stockholders on record at the close of business on 14th April 1961. This is the 66th dividend paid by Pan American. A payment of 20 cents a share was made on 10th February 1961. Dividend payments have been made each year since 1941.

BUCKINGHAM AND CARNATIC FARES WELL

PROFIT UP BUT DIVIDEND SAME

IN keeping with the general trend of higher profits experienced by cotton mills during 1960, the results of the Buckingham and Carnatic Company Ltd., the premier cotton mills in South India belonging to the Binny Group, for the past year show a distinct improvement. The cost of production was undoubtedly on the high side, for no fault of the management of course. But sales realisations were large enough to bring about a substantial rise in gross profit for the second year in succession. In 1957 and 1958, the gross profit was in the neighbourhood of Rs. 100 lakhs. It staged a rise of a little over 16 per cent to Rs. 116.47 lakhs in 1959. The past year witnessed a further growth, the actual figure being Rs. 150.51 lakhs, an increase of nearly 30 per cent. The net profit, too, has gone up, from Rs. 36.63 lakhs for 1958 and Rs. 43.65 lakhs for 1959 to Rs. 58.28 lakhs. The rise over the 1959 figure is well above one-third. But the equity shareholders have had no direct benefit from the improved results. For the eighth year in succession, they are having the same rate of dividend, namely, 10 per cent per annum, free of tax. The only consolation they can have is that they have not been asked to be content with the same rate of dividend, subject to tax, following the abolition of grossing of dividends for tax purposes. They can, of course, have the satisfaction that the improvement in profit has been utilised to strengthen the financial position of the Company. Besides setting aside a larger amount for depreciation and maintaining the transfer to debenture sinking fund, the general reserve has been provided with Rs. 17.85 lakhs, as against a mere Rs. 1.81 lakhs last year.

Readers can get a full picture of the Company's performance during 1960 from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sales of cloth, yarn and waste	11,28.28	10,57.88	9,88.58	9,97.65
Closing stocks	1,11.21	1,06.68	1,09.10	1,26.09
Raw materials and stores consumed	5,24.72	5,01.98	4,76.98	5,06.06
Purchases of finished goods	31.16	20.91	10.79	18.03
Salaries, wages and bonus	2,85.80	2,46.76	2,24.30	2,21.19
Payments relating to previous years	0.08	0.46	0.28	2.56
Other expenses	1,92.87	1,85.14	1,67.93	1,69.72
Gross profit	1,50.51	1,16.47	99.86	99.62
Provision for—				
Depreciation	41.88	38.51	35.22	35.80
Taxation	39.25	25.75	20.50	18.50
Managing Agents' remuneration	11.10	8.56	7.51	7.81
Net profit	58.28	43.65	36.63	41.01
Development rebate reserve	8.00	9.58	8.67	8.10
General reserves	17.85	1.81	..	..
Deferred taxation reserve, debenture redemption fund	5.00	5.00	5.00	5.00
Dividends—				
Preference shares	2.08	1.60	1.60	1.60
Ordinary shares	17.85 (10%)	17.85 (10%)	17.85 (10%)	17.85 (10%)
Tax liability on ordinary dividend borne by the Company	7.65	8.33	..	..
Carry forward	2.17	2.31	1.83	1.92

Note:—Preference share dividend for 1960 at 9.75 per cent, taxable. Other years 7.50 per cent, tax-free.

It will be seen that the provision for taxation has shot up by Rs. 13.50 lakhs, an increase of more than 50 per cent over the amount set aside for the previous year. This is a measure of the benefit the Government has received as a result of the rise in the Company's profit.

The sale proceeds of the Company for the year reached the record figure of Rs. 11.28 crores, as against Rs. 10.57 crores in 1959. The increasing trend on the sales front has been noticeable since the last five years, in the course of which the sale proceeds have gone up by a fourth. The export performance of the Company is quite encouraging; in 1960, exports accounted for Rs. 1.95 crore, or 17 per cent of the total sales. In addition to import entitlements for raw materials, machinery, dyestuffs, etc., under the export incentive schemes, the Company earned a cash incentive of Rs. 15.07 lakhs during the year under review.

The Company would have fared even better had the labour not indulged in some unjustified stoppages. The Wage Board award and the higher cost of living had led to an increase in the wage bill. The D.A. for December 1960, for instance, was Rs. 75.24 per worker, as compared with Rs. 65.44 for the corresponding month of 1959.

The gross block at the end of 1960 amounted to Rs. 8.63 crores, on which the depreciation provided so far exceeded Rs. 5.14 crores, that is, approximately, 60 per cent of the value of the

(*Continued in previous column*)

MARKED IMPROVEMENT IN KOHINOOR MILLS' RESULTS

PROFIT AND DIVIDEND RISE

NOTWITHSTANDING the difficult cotton supply situation and the frequent changes in Government's textile price policy, the progress made by the Kohinoor Mills Company Ltd. (Managing Agents: Killick Industries Ltd., Bombay), during the year ended 31st December 1960 is reflected in the statement of accounts for that year, is quite satisfactory. Thus, the gross sale proceeds have recorded a substantial improvement from Rs. 665.19 lakhs in 1959 to Rs. 684.93 lakhs. As the closing stocks of finished goods and materials in process have also increased by Rs. 18.56 lakhs to Rs. 99.84 lakhs, it is obvious that the expansion in sales is primarily due to the rise in the output of cloth and yarn. There has been a sharp increase in raw materials and stores consumed, from Rs. 340.94 lakhs in 1959 to Rs. 385.54 lakhs. Over the year, the other expenses have also increased substantially by Rs. 33.98 lakhs to Rs. 290.65 lakhs. Of this rise, salaries and wages alone account for Rs. 27.39 lakhs. Even so, the gross profit has recorded an impressive rise from Rs. 17.11 lakhs in 1959 to Rs. 32.18 lakhs in the year under review, representing an increase of more than 88 per cent. This is the highest witnessed since 1956 for which year the Company's gross profit was Rs. 59.98 lakhs. The Company could have shown even better results but for the Government's announcement in the second half of the year that a reduction in cloth prices was desired. This caused uncertainty in the market and the movement of cloth became extremely sluggish. Even after an agreement was concluded between the Government and the Indian Cotton Mills Federation regarding the stamping of prices with effect from 10th September 1960, the Government wanted a further reduction and the uncertainty in the market continued throughout the year and caused the stocks of finished goods to accumulate with the mills. It also led to a narrowing down of the profit-margin. Another factor that tended to bring about the same result was acute shortage of cotton and the consequent rise in the prices of raw materials.

The remuneration for the Managing Agents absorbs Rs. 2.18 lakhs, as against Rs. 1.10 lakhs for 1959; the provision for depreciation has been stepped up from Rs. 7.38 lakhs to Rs. 10.92 lakhs and that for taxation is higher by Rs. 0.75 lakh at Rs. 4.25 lakhs. After these necessary provisions, the net profit aggregates Rs. 14.83 lakhs which is almost treble the net profit for 1959. It must, however, be borne in mind, in this connection, that 1959 was a year of low profits for the Company. In fact, owing to dissensions in the managing agency house, the Company had to suffer more than the comparable cotton mills in this country during the years 1957 to 1959 when the textile industry as a whole was in the doldrums owing to serious defects in the Government's textile policy. Happily, the unfortunate chapter in the Killick Industries Ltd. is over and the organisational defects in the working of the Kohinoor Mills have been set right by the present management. In fact, the results for 1960 reflect, to some extent, the outcome of this reorganisation.

As for appropriations, the Directors have transferred Rs. 5.50 lakhs from the machinery reserve and taken into account Rs. 1.66 lakhs being the refund of additional income-tax for the year 1952. They have then set aside Rs. 7.06 lakhs as development rebate reserve. The proposed dividend at the rate of 15 per cent. (5 per cent interim plus 10 per cent final) subject to tax, requires Rs. 15.00 lakhs, that is, a little more than the net profit. After deducting tax at 30 per cent, the net dividend to shareholders amounts to 10.5 per cent, as against the gross dividend of 9.5 per cent or net dividend of 6.55 per cent for 1959. The dividend for the year under review is, however, much lower than that of 18 per cent, free of tax, steadily maintained by the Company since 1953.

How the Mill has progressed in the last four years will be clear from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds (gross)	6,84.93	6,65.19	6,34.27	6,35.96
Closing stocks of finished goods and materials in process	99.84	81.28	1,34.23	1,36.87
Raw materials and stores consumed	3,85.54	3,40.94	3,72.09	4,00.94
Other expenses	2,90.65	2,56.67	2,52.04	2,58.68
Gross profit	32.18	17.11	10.08	24.08
Managing Agents' commission	2.18	1.10	0.44	1.80
Provision for—				
Depreciation	10.92	7.38	5.68	6.13
Taxation	4.25	3.50	2.00	9.50
Net profit	14.83	5.13	1.97	6.65
Transfer from reserves	7.18†	5.50	9.50	10.25
To reserves	7.06	1.53	1.32	—
Dividends	15.00	9.50	10.00	18.00
	(15.0%)*	(9.5%)*	(10%)	(18%)
Carry forward	0.21	0.25	0.68	0.83

* Subject to deduction of tax.

† This includes Rs. 1.66 lakhs being the refund of additional income-tax for 1952.

The Company's financial position, as reflected in its balance-sheet as at 31st December 1960, is quite sound. Thus, the paid-up capital of Rs. 100 lakhs, all in ordinary shares of Rs. 100 each, is supplemented by reserves and surplus of Rs. 102.38 lakhs. Of the latter figure, the machinery reserve alone accounts for Rs. 61.50 lakhs. The current assets aggregating Rs. 266.80 lakhs (investment in the shares of National Machinery Manufacturers Ltd. Rs. 7.20 lakhs; stores and spares Rs. 38.21 lakhs; stock-in-trade Rs. 189.94 lakhs; sundry debtors Rs. 5.21 lakhs; cash Rs. 0.73 lakh and loans and advances Rs. 25.52 lakhs) more than adequately cover the current liabilities and provisions (including borrowings from banks) at Rs. 192.78 lakhs. During the year under review, there were additions to the block account of the value of Rs. 39.64 lakhs, taking the gross value of the block account to Rs. 418.29 lakhs. As the depreciation so far provided is Rs. 303.39 lakhs, the net block stands at Rs. 114.90 lakhs as on 31st December 1960. The block account and the paid-up capital are thus well balanced.

During the year under review, the Company continued its policy of modernising its equipment. Thus, new machinery valued at Rs. 51.13 lakhs were received, of which that valued at Rs. 37.69 lakhs were actually erected. In addition, an expenditure of 1.46 lakhs was incurred on the mill buildings.

The Rs. 100 fully paid-up shares of the Company are quoted on the Bombay Stock Exchange at Rs. 293 *cum-div.* On an *ex-div.* basis, the net yield on them comes to 3.6 per cent per annum. The relatively low yield reflects the expectations of investors that the dividend will be bettered in the coming years.

PREMIER FERTILISERS LTD.

Among the new industries licensed by the Government of India, the Premier Fertilisers (Managing Agents: Emcete and Sons Private Limited, Madras), which has been licensed to manufacture 16,500 tons of sulphuric acid and 40,000 tons of superphosphate per annum, has made rapid strides towards the implementation of the project. The formal inauguration of civil works at Cuddalore O.T. was done by the Chairman, Mr. M. Ct. Muthiah, on 5th February 1961. Contracts for the works have been finalised and actual construction is being taken up and is expected to be completed in six months. The entire foreign supplies of plant and machinery are expected to arrive by August 1961. Similarly, indigenous items, for which contracts were finalised in December last, will start arriving soon. According to present indications, the factory is expected to go into production by the end of this year.

"TATA A.G."

The House of Tatas has formed, with the approval of the Central Government and the Reserve Bank of India, a small subsidiary company in Switzerland called "Tata A.G." The Company has been established in Zug near Zurich and is expected shortly to undertake exports from India of various products and commodities, some of which may be further processed in Europe before being marketed.

The Board of the Company consists of Mr. J. R. D. Tata (Chairman), Mr. N. H. Tata, Mr. J. D. Choksi, Mr. J. R. Jenk (Managing Director), and five Swiss nationals, including Mr. R. H. Scheupp who retired in 1959 as the Managing Director of Voltas Ltd., Bombay.

RECORD SALES OF JESSOP AND COMPANY

DIVIDEND MAINTAINED ON INCREASED CAPITAL

THE improvement in the supply of steel and better management led to record sales by Jessop and Company Ltd. (Chairman: Sir B. P. Singh Roy, Calcutta) in the year ended 31st October 1960. It will be recalled that the Company was one of the worst victims of the Mundhra manipulations. The proceeds from sale have successively risen to Rs. 908.24 lakhs and, as compared with those in the previous year, show a sharp increase of Rs. 249.14 lakhs or 37.7 per cent. The increase in activity is also reflected in the rise in closing stocks of raw materials and works cost as well as work-in-progress from Rs. 541.49 lakhs to Rs. 607.39 lakhs. The expenses have also increased almost in the same proportion. Nevertheless, the gross profit has advanced by Rs. 20.53 lakhs or 31.4 per cent to Rs. 85.75 lakhs. The excellent increases in sales and profits are not shared by the ratio of profit to sales which has dropped from 9.8 per cent to 9.4 per cent. This feature is attributed by the Directors in their report to "the fact that the Company took up two new lines of manufacture (one of which replaced an old-established line), where the profit yield cannot but be low in the initial stages."

The increase in output has enabled the Company to maintain its unique position in the engineering industry which has an important role to play in the industrialisation of the country. The Directors have not frittered away the higher profit by increased payment to shareholders but have strengthened the financial resources by retaining a good part of the profit. The Directors have, however, maintained the dividend on the enhanced ordinary share capital (which is now double that of the previous year) at 8.58 per cent, subject to tax. They have also provided larger amounts for depreciation and taxation at Rs. 19.28 lakhs and Rs. 29.17 lakhs, as against Rs. 13.05 lakhs and Rs. 22.68 lakhs respectively, a year ago. The transfers to reserves have been enhanced from Rs. 20.62 lakhs to Rs. 24.28 lakhs.

The following comparative table for the last four years reveals the Company's progress:

(In lakhs of rupees)

	For the year ended 31st October			
	1960	1959	1958	1957
Sale proceeds	9,08.24	6,59.10	6,50.73	5,94.19
Other income	7.10	11.24	14.67	6.76
Closing stocks and work-in-progress	6,07.39	5,41.49*	3,72.18	3,48.95
Expenses	8,29.50	6,05.13	6,01.70	5,13.31
Gross profit	85.75	65.22	63.71	87.64
Provision for—				
Depreciation	19.28	13.05	10.89	6.81
Taxation	29.17	22.68	23.10	42.00
Net profit	37.30	29.49	29.72	38.83
Provisions written back	5.71	1.36	5.00	—
To reserves	24.28	20.62	27.55	37.83
Dividends—				
Preference	1.80†	1.43†	1.00	1.00
Ordinary	17.50† (8.58%)†	8.75† (8.58%)†	6.12 (6%)	—
Carry forward	0.57	0.64	0.58	0.52

* Basis of valuation changed.

†Subject to deduction of tax.

In view of the manipulations made by Mr. Haridas Mundhra in the investment of the Company's funds during the middle 'fifties, its investment portfolio is of more than ordinary interest. Of the total investments amounting to Rs. 75.23 lakhs, no less than Rs. 74.86 lakhs are in shares of other companies. Of these, Rs. 65.36 lakhs are in Richardson and Cruddas and Rs. 7.35 lakhs in Assam Cements, which were made in 1956 at the instance of Mr. Haridas Mundhra. These are bad debts now. The share scrips purporting to be the holding of the Company are still in police custody. The provisional share register prepared by the special officer of Richardson and Cruddas shows the holding of the Company at only 455 preference shares and 17,300 ordinary shares, as against the total of 17,900 preference shares and 181,000 ordinary shares in the books of the Company. The position in Assam Cements is also similar. The Company has filed civil suits in the Calcutta High Court but the same have not come for hearing yet. It will be recalled that a sum of Rs. 60.24 lakhs given as an advance to a firm of shareholders at the instance of Mr. Haridas Mundhra has also not been recovered. This has been written off in the balance-sheet by adjustments against reserves built up in the past.

The gross block of the Company which has increased from Rs. 292.71 lakhs to Rs. 342.62 lakhs during the year, stands depreciated at

STORM AND CALM IN WORLD'S EXCHANGE MARKETS

By W. T. C. King

EDITOR, "THE BANKER," LONDON

THE revaluation of the Deutschemark, which was disclosed a few hours after the despatch of my last letter, (*vide Commerce* 18th March, 1961), produced the biggest upheaval in the international exchange markets since the sweeping currency realignments that accompanied the devaluation of sterling in 1949. Some very large movements of funds were set in motion, amid great speculative activity and frenzied dealings. But the extraordinary confusion that obtained for some days was brought under control a good deal more quickly and effectively than many people thought possible at the time—thanks very largely to a series of reassurances from finance ministries, backed up by forthright tactics by central bankers, and notably by the Bank of England, in the exchange markets.

The possibility of an increase in the exchange value of the D-mark had long been envisaged in international financial circles, because of the great strain put upon the international exchanges—and especially upon sterling and the dollar—by West Germany's persistently strong surplus on current account. The very fact, moreover, that an upvaluation had seemed to many observers to be the only means by which this pressure was likely to be significantly eased in the long run, had exacerbated the problem—because the D-mark became a magnet for funds in search of a speculative profit.

The German authorities, having more bitter memories of past inflations than any other major power, remained determined to resist the rising tendency of domestic prices that might otherwise have provided a fundamental corrective; if the domestic value of the D-mark was not to be reduced in this way, then sooner or later its external value would have to be raised. So ran the argument. And it was reinforced when the efforts of the German monetary authorities to discourage the inflow of funds by reducing interest rates began to be seen as a danger to domestic stability.

Move Surprised World

But, in spite of these well-recognised grounds for the gold value of the D-mark, the move took the world entirely by surprise. The resultant confusion in the exchange markets was, unquestionably, mainly attributable to the circumstances of the change, and especially to the absence of technical co-operation with other monetary authorities before any public announcement was made. Paradoxically, the need for careful and concerted stage-management had really been made all the greater by the fact that the degree of revaluation was so very modest.

It was natural, after all the talk of the past few years, for international bankers and speculators to jump to the conclusion that the D-mark move might be merely part of a wider movement; and when they found that the appreciation amounted to no more than 5 per cent—much less than most estimates of the degree of undervaluation—many of them began to argue that the gap was intended to be bridged by reductions in the exchange values of those currencies on which the strength of the D-mark most impinged, in other words, sterling and the dollar.

And the expectations of further moves were heightened when it became known that the Dutch Government, after a week-end of urgent negotiations, had decided to raise the exchange value of the guilder correspondingly—lest the increased appetites and buying power of German consumers and importers impose an inflationary strain upon the productive resources of the closely related Dutch economy. That decision led international bankers to look urgently around to identify other currencies that might be destined to appreciate for similar reasons.

After a brief phase in which many currencies were being named as likely candidates, attention focussed principally on the Swiss franc and, to a much lesser extent, on the Italian lira. At the outset, therefore, the major movements of funds set in motion by the shock had seemed to be out of dollars and sterling and into Swiss francs.

It had been promptly reported that the efforts of the Swiss National Bank to hold the dollar above its lower support point in Zurich had involved it, as well as the commercial banks in Switzerland, in very large purchases of dollars. But it soon became clear that at least as massive a tide of money was moving towards the D-mark itself; whatever funds left Frankfurt for profit-taking reasons, this movement must have been tiny by contrast with the opposite movement representing repatriation of German balances overseas and new inflow. (Incidentally, it may be noted that the profits won by international speculators who had been keeping funds in Frankfurt were very small—since the amount of revaluation did not greatly exceed the loss of interest at yearly rates compared with keeping money in London.)

In the first 10 days after the D-mark shock, the reserves of the Bundesbank, after excluding the book loss of some DM. 1,500 million as a result of the reduction in the gold price, rose by DM. 1,306 million, or roughly $327,000,000—a huge rate of intake. The inflow slackened to $41,000,000 in the following week. Over the same period, the reserves of the Swiss National Bank rose by the equivalent of $285,000,000.

Returns Awaited

At the moment of writing, we still await the end-of-March return of Britain's reserves of gold and convertible currencies, which will be the first statement to reflect the strains resulting from the D-mark move. But there can be no doubt that a substantial part of this large accretion to the international reserves of the Bundesbank and the Swiss National Bank resulted directly or indirectly from the run on sterling in the early days of the month; most of the remainder reflected the parallel pressure against the dollar.

It does not follow, however, that the reserves of Britain and the United States must have experienced an equivalent decline. Over the same period, indeed, the weekly statements from the United States actually showed a small rise in the gold holding, coupled, however, with an increase in the dollar claims held by oversea monetary authorities—indicating that the European central banks were continuing to carry their acquisitions of dollars, or at least were not converting them into gold on any larger scale than Britain was selling gold in New York, as it might be presumed to have done in order to replenish its diminished working balances in dollars.

In any case, the major strain on sterling was confined within the first week after the shock. The quick restoration of confidence was very largely attributable to the bold and firm tactics adopted by the Bank of England, acting as agent for Britain's exchange equalisation account, in its market operations. Instead of permitting the sterling-dollar rate to drop right back to the lower support point in face of the torrent of offerings of sterling, the British authorities quickly made it clear that they were prepared to supply dollars to all comers at $2.79¼—less than half a cent below the point to which the rate had fallen by the eve of the German move.

And when the atmosphere was being calmed down by the succession of denials from European capitals of any intention to follow the German lead, and by the new affirmation from Britain's Chancellor of the Exchequer that there would be no devaluation of sterling, the Bank of England seized the opportunity to launch its own counterattack upon the speculators, and drove the sterling-dollar rate almost back to parity.

A few days later, the return to more normal working conditions in the exchange markets was greatly aided by an unprecedented action from the European central bankers after their assembly in Basle, Switzerland, for the regular meeting of the Bank for International Settlements: they issued a *communique* saying they were satisfied that the rumours of new currency realignments were without foundation, and stating that the central banks concerned were co-operating closely in the exchange markets.

The nature of this co-operation has, naturally, not been officially disclosed, but it is generally understood in market circles that the principal central banks are determined to prevent the recurrence of the sort of dislocation of the markets that took place in early March; to this end, they are likely to be prepared to smooth out some of the effects of short-term movements of funds by absorbing and carrying larger balances of the currencies temporarily under pressure.

Thanks to these various measures, the exchange markets have been much quieter in the second half of the month. Sterling is believed to have been self-supporting, at a little below par, for much of the period since the squeeze on the bears, with the authorities actually gaining foreign exchange on some days—though new support was reported to have been needed after the news of South Africa's decision to leave the Commonwealth when it becomes a republic in a couple of months' time. The spasm of pressure then was thought to have reflected a mistaken belief that sterling might suffer from some change in the method of disposal of newly mined South African gold; but, in fact, Britain has not enjoyed any pre-emptive rights in this disposal—a large part of the gold output that comes to London is sold here, because London provides a highly efficient marketing channel, and such part of the gold as finds its way into the central reserves of the sterling area does so because South Africa needs sterling. Though a member of the sterling area—and notably enjoying the rights of free access to the London capital market, without any exchange-control impediment to the outflow of private funds from London—South Africa has not been a participant, in the full sense, in the so-called sterling area "dollar pool."

One consequence, for sterling, of the strains of early March is that a significant part of the expected outflow of short-term funds that had been expected in any case this year—in natural reversal of the extraordinary inflow that took place in 1960—has been compressed into a very short period. The drift of mobile funds is likely to continue to be adverse to sterling, however, in spite of the improvement in confidence. Fortunately, the exchange market, like the London stock market, seems to have taken in its stride the announcement of the scale of Britain's deficit for 1960.

The adoption of a new basis of estimation, combined with a number of improvements in analytical technique, has had the effect of writing down the current surpluses achieved in the two previous years and writing up last year's current deficit; it is estimated at £344,000,000, as compared with the surplus of £51,000,000 in 1959 and £291,000,000 in 1958. Britain's net export of long-term capital is put at £201,000,000, bringing the overall deficit up to £545,000,000. Of this, £168,000,000 was financed by a favourable balance of so-called "monetary movements"—the excess of identified short-term borrowings over gold acquisitions. The remainder, a very large "balancing item," comprises unidentified borrowings and (favourable) errors and omissions.

(*Concluded from previous page*)

Rs. 240.04 lakhs, after providing Rs. 102.58 lakhs for depreciation. The paid-up capital of the Company at Rs. 223.97 lakhs consists of Rs. 20 lakhs in preference shares of Rs. 100 each and Rs. 203.97 lakhs in ordinary shares of Rs. 10 each. During the year, ordinary capital of the Company was raised by the issue of 10.20 lakhs new shares of Rs. 10 each, which were offered in the ratio of one to one at a premium of Rs. 2 per share. As a result, the share premium account stands at Rs. 20.40 lakhs. Reserves and surplus have risen by Rs. 42.61 lakhs to Rs. 147.66 lakhs, which includes the share premium account also. Even after making allowance for the bad investments, the financial position of the Company must be said to be sound. The current assets at Rs. 705.45 lakhs exceed current liabilities at Rs. 457.05 lakhs by a margin of Rs. 248.40 lakhs, of which doubtful investments account for only Rs. 72.61 lakhs.

As for the further expansion of activities, the Directors' report states as follows:

"The demand for the Company's products continues to be very great and the Board has certain schemes in hand to increase output of established lines, particularly cranes and road rollers.

"To this end, it is proposed to establish a new road plant works which will undertake the manufacture of road rollers and, in the future, other road-making plant. The manufacture of road rollers represents a steady repetitive business and transfer of this work to a new works will free capacity both in the structural and mechanical works for cranes and kindred products.

"It is also proposed to build a new foundry. The present foundry is now producing to the limit of its capacity and cannot meet our demands.

"The Board has also under consideration certain other schemes connected with the manufacture of new products but is not possible to enlarge on these at the present moment."

The current market quotation of Rs. 10 paid-up ordinary shares at Rs. 22.85 gives a net yield of 2.59 per cent. or a net dividend of Re. 0.60 per share.

...NOPSES OF COMPANY REPORTS

...H. Brady & Co., Ltd.

...*irman :* Pallonji Shapoorji Mistry, Esq., Bombay.)

...*ual General Meeting*—26th April. Dividends payable ...n and after 15th May.

...*king Results :*

	For the year ended 31st December (In thousand rupees)	
	1960	1959
...s	1,82,43	1,83,23
...ng stock	55,55	48,11
...s profit	28,25	18,43
...sfer to depreciation	21	15
" taxation	11,75*	7,75*
...profit	16,29	10,53
...stments	1,56	8,31
...ropriations :		
...tal available balance	17,85	18,84
...ansfer to reserves	—	6,78
...oposed dividend (taxable)	15,00	10,50
	(83⅓% p.a.)	(23⅓% p.a.)
...y forward	2,85	1,56

N.B.—Adjustments include the balance brought forward from previous year and credits relating to previous years written back.

* Includes U.K. Income-tax.

Extracts from the Directors' report: Dealing ...h the trading operations of the Company for ... year under review, having regard to the con...iance of Government's restrictive import policy, ... turnover and gross profit cannot be consider... unsatisfactory. On the other hand, the Com...ly was able to increase substantially the ...enting side of its business relating to execution ... orders for goods imported against actual users' ...nces, thereby showing a large increase in ...enue.

The Company also had a good year on the ...tracting section, the total profit earned being ...ch higher than in the previous year which was ... mainly to certain contracts undertaken and ...npleted by the Company during the year for ... installation and commissioning of George ...nt's instruments in the Durgapur Steel Plant.

Owing to the improved working of some of ... managed companies, this Company was able to ...ive more revenue by way of managing agency ...nmission. It is also to be observed that the ...litional investments made in some of the ...naged concerns brought in a sizable increase in ...ome by way of dividends.

In the early part of the year of account, two ...naged companies, viz. The Empire Dyeing and ...nufacturing Company, Ltd., and Messrs. G. ...ridge & Co., Ltd., became subsidiaries of this ...mpany.

The directors did not consider it in the interest ... the Company to continue the management of ... New City of Bombay Manufacturing Com...ny, Ltd., and consequently resigned as manag... agents with effect from the 28th February ...1. At the same time, the major part of the ...mpany's holding of shares in this Mill Company ...s sold out at a considerable profit.

The Gangapur Sugar Mills Limited, which it ...anticipated, after completion of certain formali..., will become a subsidiary of The Belapur ...mpany Limited, recently submitted a proposal ... appoint this Company as its secretaries and ...asurers. The directors have accepted this pro...sal and the necessary formalities for this ...pointment will be attended to in due course.

Since the provisions of Section 23A of the ...lian Income-tax Act are applicable to the Com...ny, the directors have had to recommend pay...nt to the shareholders of a dividend worked out ... the basis of about 90 per cent of the estimated ...tributable profits in order to avoid any penal ... being attracted.

Accounts in brief as at 31st December 1960 ... as under:—

LIABILITIES	Rs.	ASSETS	Rs.
...pital ...	45,00,000	Gross block	12,17,595
...serves and surplus ...	73,56,218	—Depreciation	5,69,166
...her liabili...ties ...	73,19,144	Net block ...	6,48,429
		Current assets	1,13,09,618
		Investments	61,42,623
		Cash ...	10,74,692
Rs.	1,91,75,362	Rs.	1,91,75,362

Claridge & Co., Ltd.

(...*anaging Agents:* Messrs. W. H. Brady & Co. Limited, Bombay.)

...*nual General Meeting*—12th April. Dividends payable on and after 28th April.

...*rking Results :*

	For the year ended 31st December (In thousand rupees)	
	1960	1959
...	89,35	86,67
...ss income	4,46	4,02
...ss profit	37	34
...nsfer to Managing Agents' remuneration	97	63
" " depreciation	14	17
" " development rebate	1,58	1,26
" " taxation	1,40	1,63
... profit	40	15
...ustments		
...propriations :		
...otal available balance	1,80	1,78
...ransfer to general reserves	15	15
...oposed dividend (taxable)	1,60	1,60
	(20% p.a.)	(20% p.a.)
...y forward	5	5

N.B.—Adjustments include the balance brought forward from ... previous year; excess provisions in respect of taxation and ... if any for previous years written back and profit on sale of ... if any.

Extracts from the Directors' report: The ...r under review has been fairly successful, re...ing in an increased turnover. New machinery ... the value of approximately Rs. 61,000 has been installed which has relieved to some extent a bottleneck in the binding section but no new printing machines have been added since last year. An import licence was, however, obtained during the year to the value of Rs. 2,25,000 and the equipment for the machine rooms has been ordered out and is expected to arrive during the current year. With a view to continuing the modernisation of the plant, further machinery licence applications have been submitted to the Government and are at present under consideration.

Accounts in brief as at 31st December 1960 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	8,00,000	Gross block	25,74,950
Reserves and surplus ...	11,45,759	—Depreciation	17,31,556
Other liabilities	15,58,476	Net block ...	8,43,394
		Current assets	26,09,896
		Investments	500
		Cash ...	50,445
Rs.	35,04,235	Rs.	35,04,235

Gold Mohur Mills Ltd.

(*Managing Agents :* Messrs. James Finlay & Co., Ltd., Bombay.)

Annual General Meeting—28th April. Dividends payable on or after 29th April.

Working Results :

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	2,41,82	2,26,36
Closing stock	53,11	57,30
Gross profit	41,38	36,88
Transfer to Agents' remuneration	3,68	3,28
" " depreciation	8,77	8,65
" " development rebate	2	21
" " taxation	14,70	13,33
Net profit	19,26	16,41
Adjustments	10,86	10,36
Appropriations :		
Total available balance	30,12	27,26
Transfer to expenses	44†	1,22†
" " taxation	—	32†
" " reserves	18,82	14,37
Proposed dividend (taxable)	10,75	10,75
	(21.5% p.a.)	(21.5% p.a.)
Carry forward	10	10

N.B.—Adjustments include the balance brought forward from the previous year and the amount transferred from general reserve.

† In respect of previous years.

Extracts from the Directors' report: An order has been placed for 36 twist ring frames delivery of which should commence at the end of this year. These frames will replace some of the older frames in accordance with the Mill's programme of rehabilitation. Machinery has been well maintained during the year.

Accounts in brief as at 31st December 1960 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	50,00,000	Gross block	1,05,48,015
Reserves and surplus ...	60,54,552	—Depreciation ...	72,22,481
Other liabilities ...	58,46,152	Net block ...	33,26,534
		Current assets	98,94,112
		Investments	81,000
		Cash ...	36,00,058
Rs.	1,69,00,704	Rs.	1,69,00,704

Finlay Mills Ltd.

(*Managing Agents :* Messrs. James Finlay & Co., Ltd., Bombay.)

Annual General Meeting—27th April. Dividends payable or and after 28th April.

Working Results :

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	2,63,44	2,50,03
Closing stock	33,49	41,86
Gross profit	42,58	50,10
Transfer to Agents' remuneration	3,00	3,86
" " depreciation	6,09	5,17
" " development rebate reserve	94	2,86
" " taxation	12,70	14,57
Net profit	16,88	21,74
Adjustments	11,87	11,87
Appropriations :		
Total available balance	28,75	27,02†
Transfer to expenses	95	3,84
" " reserves	15,93	11,81
Proposed dividend (taxable)	11,50	11,50
	(23% p.a.)	(23% p.a.)
Carry forward	87	87†

N.B.—Adjustments include the balance brought forward from the previous year and the amount transferred from general reserve.

† This figure is arrived at after making provisions for depreciation and taxation in respect of pravions years amounting to Rs. 5,40,000 and Rs. 68,652 respectively.

Extracts from the Directors' report: The Alexander & Finlay Thread Co., in which this Company has a 50 per cent share, earned a profit of Rs. 21,049 (after allowing for depreciation of Rs. 50,000). While the volume of gross sales increased substantially over the previous year, the benefit of this was offset by an increase in manufacturing costs and the cost of raw materials. Some new articles were introduced and have proved popular. Orders have been placed for the necessary additional machinery to diversify the production.

An order has been placed for 23 twist ring frames for delivery early in 1963. These frames will replace some of the older frames in accordance with the Mill's programme of rehabilitation. Machinery has been well maintained during the year.

Accounts in brief as at 31st December 196[...] are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	50,00,000	Gross block	2,03,17,24[...]
Reserves and surplus ...	71,49,493	—Depreciation ...	1,18,41,2[...]
Other liabilities ...	1,11,55,444	Net block ...	84,76,03[...]
		Current assets	1,39,71,54[...]
		Investments	8,41,15[...]
		Cash ...	16,20[...]
Rs.	2,33,04,937	Rs.	2,33,04,93[...]

Swan Mills Ltd.

(*Managing Agents :* Messrs. James Finlay & Co., Ltd. Bombay.)

Annual General Meeting—26th April. Dividends payabl[e] on and after 27th April.

Working Results :

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	2,17,31	2,35,95
Closing stock	35,43	30,58
Gross profit	51,48	52,90
Transfer to Agents' remuneration	3,90	4,47
" " depreciation	12,52	7,51
" " development rebate	3,48	6,07
" " taxation	13,35	14,75
Net profit	18,23	20,10
Adjustments	13,71	13,22
Appropriations:		
Total available balance	31,94	30,52*
Transfer to reserves	18,72	17,30
Proposed dividend (taxable)	12,96	12,96
	(36% p.a.)	(36% p.a.)
Carry forward	26	26

N.B.—Adjustments include the balance brought forward from the previous year; amount transferred from general reserve and excess provisions in respect of previous years written back.

* This figure is arrived at after making provisions for expenses and taxation in respect of previous years amounting to Rs. 2,50,502.

Extracts from the Directors' report: The extension to the Cord Department was completed early in the year and was in full production from 1st June 1960. An order has been placed for 20 twist ring frames for delivery early in 1963. These frames will replace some of the older frames in accordance with the Mill's programme of rehabilitation. Machinery has been well maintained during the year.

During the year negotiations were finalised for the purchase of 17,539 sq. yards of the land adjoining the Mills at one time occupied by the Jam Mills, together with the buildings situated thereon. While the formal deed of conveyance remains to be completed on account of certain legal delays, the property has been taken over and is now in the occupation of the Mills.

Accounts in brief as at 31st December 1960 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	36,00,000	Gross block	2,11,42,441
Reserves and surplus ...	85,94,571	—Depreciation ...	1,21,58,892
Other liabilities ...	69,03,720	Net block ...	89,83,549
		Current assets	94,53,386
		Investments	71,606
		Cash ...	5,89,756
Rs.	1,90,98,291	Rs.	1,90,98,291

Brushware Ltd.

(*Secretaries and Treasurers :* The British India Corporation Ltd., Kanpur, U.P.)

Annual General Meeting—29th April.

Working Results :

	For the year ended 30th November (In thousand rupees)	
	1960	1959
Sales	3,30	2,90
Closing stock	78	52
Gross profit	24	24
Transfer to ex-Managing Agents' remuneration	1	2
Transfer to Secretaries and Treasurers' remuneration	1	..
Transfer to depreciation	..	2
" " taxation	9	9
Net profit	13	11
Adjustments	7	6
Appropriations :		
Total available balance	20	17
Transfer to rehabilitation reserve	10	5
Proposed dividend	5	5
	(5% p.a.)	(5% p.a.)
Carry forward	5	7

N.B.—Adjustments include only the previous year's balance.

Extracts from the Directors' report: As referred to in the directors' last report, the Company's factory has since been registered as a 'Small-Scale Industry'. The Company's property has, as usual, been maintained in good repair.

In pursuance of Section 330 of the Companies Act, 1956, Messrs. Begg, Sutherland and Company Private Ltd. ceased to be managing agents of the Company with effect from 15th August 1960, and The British India Corporation Ltd. have instead been appointed as the secretaries and treasurers.

Accounts in brief as at 30th November 1960 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	1,00,000	Gross block ...	2,42,977
Reserves and surplus ...	3,41,853	—Depreciation	2,42,974
Other liabilities	38,189	Net block ...	3
		Current assets	2,46,624
		Investments	1,29,309
		Cash	1,04,106
Rs.	4,80,042	Rs.	4,80,042

PLANTING

(*Concluded from page 742*)

to 1959-60, the Department spent Rs. 4.90 lakhs on its administration, whereas the total amount of loans disbursed by it was Rs. 6 lakhs and the amount sanctioned by the Coffee Board but not disbursed was Rs. 15 lakhs. The cost of disbursing each rupee of loan thus works out to about 83 nP. Even if the amount sanctioned but not disbursed is taken into account, the cost would be 24 nP for each rupee sanctioned.

Other Recommendations

The other important recommendations made by the Estimates Committee are:

In the absence of the permanent Chairman of the Board, or pending his appointment, it is the Vice-Chairman (and not the Chief Marketing Officer, an employee of the Board, as at present) who should be called upon to perform the duties of the Chairman and, in his absence, any other member of the Board and in no case an employee of the Board who is not a member thereof. If need be, suitable provision to this effect may be made in the rules.

The performance of the Board in regard to the utilisation of funds provided for labour welfare measures needs to be improved considerably.

Suitable action must be taken to see that the research stations do not suffer from want of necessary equipment. It will be desirable to have a follow-up of the results of application of the fruits of research conducted by the Board.

A periodical assessment of the Board's working with reference to its prescribed objectives and functions must be undertaken by an agency independent of the Board and its report presented to Parliament.

The Estimates Committee has also made a brief reference to the Working Group's recommended production target of 80,000 tons to be achieved by the end of the third Plan (1965-66). It does not say whether the target is reasonable or not. It only hopes that "adequate statistical data would be collected and current trends of production carefully analysed before revised targets under the third Plan are fixed." The Committee has, however, done well to underline the urgency of raising per-acre output of coffee which is at present just 50 per cent of the world's average. Surely, it would be interesting, as the Committee observes, if the Board could give in its reports figures of increased production from (*a*) existing acreage, (*b*) reclamation of abandoned tracts of established coffee, and (*c*) new clearings and plantations.

ENGINEERING

(*Concluded from page 744*)

If Government decisions were always rationally based on economic considerations, those concerned would readily discern where, in this matter, their country's best interests lay. In practice, however, non-economic considerations, of which Mr. Levy could take little account in his study, loom only too large in the formulation of Government policy. Thus the nationalisation of the oil industry in Mexico, the exclusion of local or foreign private capital from exploration in Brazil, and the bolstering of State oil activities in India, are the outcome, not of judgments as to the comparative economic advantages, but of decisions taken in the pursuit of political objectives. It is fortunate, on general grounds, that men are prepared to make great personal sacrifices for the sake of their political ideas, misguided though these may sometimes prove to be. But it is unfortunate that the application of political ideas to the shaping of policy in such a crucial sector as oil exploration and development may involve the State in sacrifices, the cost of which in material terms is not to be ignored.

In setting out comprehensively the handicaps that may beset State enterprise in oil exploration, with the diversion of resources which this entails, and in directing attention to the possibilities of co-operation between State and private capital, Mr. Levy has performed a valuable service. But it must be borne in mind that the tasks of exploration and development with which his report is concerned cannot, in practice, be dissociated from oil operations as a whole. The risk capital which international companies are now able to pour into the search for oil in so many parts of the world is necessarily derived from the profits earned by selling the oil and its products, locally or elsewhere. It follows that their extensive search effort can be sustained only by the integration of the various phases of oil operations in many countries. More perhaps than any other, the oil industry underlines the truth that the free nations belong to one world. By implication, the Levy report is a further demonstration that, today, international co-operation is the shortest route to material progress.—*By Special Arrangement with the* Petroleum Press Service.

COMMERCE AND INDUSTRY

(*Concluded from page 761*)

would restore this demand to its true nature by means of export finance guarantees.

Under the new method, the British exporter will make and sell his products for which he will get part-payment with the contract and the other part on completion (this part being at his own risk, should there be any dispute as to performance). The latter will be paid by the importer abroad out of a loan made to him for that purpose by a bank or institution in the U.K. The loan will be guaranteed one hundred per cent by the E.C.G.D. against the borrowers' failure to pay.

The essence of the new system, according to Mr. Maudling, would be a pure lender-borrower relationship between the overseas borrower and the U.K. supplier of finance with E.C.G.D. standing as guarantor of repayment by the borrower. This new facility, the President of the Board of Trade pointed out, would, however, be granted with much greater selectivity than normal E.C.G.D. insurance, in that the Department would see that what ought still to be treated as supplier credit, and governed by the principles of supplier credit insurance accepted by all members of the Berne Union, did not secure the "soft option" of these new finance guarantees.

It is noteworthy, in this connection, that the U.S. Export-Import Bank announced last month a broadening of its system of guaranteeing credits advanced to U.S. exporters by private commercial banks with a view to placing U.S. exporters on a basis of full equality with their competitors. This was done in order to meet the criticism of U.S. exporters that the export credit guarantee scheme offered to West German and British businessmen by their respective Governments in respect of export of light industrial equipment were more liberal than those available to them.

Other capital exporting countries, however, complained that, because of its special techniques, the U.S. Ex-Im Bank was able to offer for exporters what in fact amounted to a long-term guarantee. Now that the Ex-Im Bank has modified its scheme to cover financing of exports of smaller goods and Britain has decided to guarantee loans for longer periods than hitherto, the gap between the facilities available to exporters in both countries, as also the difference between the facilities available in these countries and that obtaining in W. Germany, must have been appreciably reduced.

Capital importing countries such as India and other developing countries stand to gain from these developments as they can secure their requirements of heavy capital equipment on longer-term credit. But those among them, who are also exporters of goods, though not of the heavy type, may have to face keener competition from these countries. It is significant to note, in this connection, that the Kapur Committee has recommended that long-term credit should be easily made available to those engaged in new lines of export, especially engineering goods. The Committee is reported to have pointed out in its report submitted, last month, that in the absence of such facilities Indian exporters would be at a disadvantage in the competitive markets abroad.

BRITISH EXPORTS TO EUROPE

A substantial expansion of British exports to Europe can be achieved, if opportunities are seized promptly and full regard paid to the individual requirements of each country. This, in brief, is the verdict of members of the Export Council for Europe on their return from "pathfinder" missions to Austria, Denmark, France, Italy, Norway, Portugal, Spain, Sweden and Switzerland. The Council is now studying reports submitted by each team, and next month will publish a consolidated report which will contain the recommendations for action.

In order to complete these surveys, further missions will now visit the remaining countries to be covered by the Council. A team of seven, led by Sir William McFadzean, Chairman of the Council, will visit West Germany, and three-man teams will visit Holland, Belgium and Luxembourg, Greece and Yugoslavia. Besides, two-man teams will go to Ireland, Turkey and Finland. The teams will work with commercial representatives of the British Government, British trading interests, importers of British goods, and all other appropriate bodies. Discussions will be on the basis of market needs, competition from other countries, questions of price, quality and design, and study of successful British export efforts as well as investigation of complaints where these are well founded. The advisability of inviting buying missions to visit the U.K. will be explored.

The Export Council for Europe, it may be recalled, was formed in November last for the purpose of expanding exports of British goods and services to the member countries of O.E.E.C. It is not, however, concerned with the formulation of trade policy or with answering service inquiries from individual firms.

Notices

THE MAFATLAL FINE SPINNING AND MANUFACTURING COMPANY, LTD.

Registered Office:
"Mafatlal House", Back Bay Reclamation
BOMBAY-1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirtieth Annual General Meeting of the Shareholders of THE MAFATLAL FINE SPINNING AND MANUFACTURING COMPANY LIMITED, will be held at the Registered Office of the Company at Mafatlal House, Back Bay Reclamation, Bombay, on Monday, the 15th day of May 1961, at 4-00 p.m. (S.T.), to transact the business as specified in the Notice dated 31st March 1961 already posted to the shareholders of the Company individually.

By Order of the Board of Directors,
NAVINCHANDRA PURSHOTAMDAS & Co. LTD.,
YOGINDRA N. MAFATLAL,
Director,
Managing Agents.

BOMBAY, 31*st March* 1961.

N.B.—A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.

THE SASSOON SPINNING AND WEAVING COMPANY, LIMITED

Registered Office:
"Mafatlal House", Back Bay Reclamation
BOMBAY-1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Eighty-eighth Annual General Meeting of the Shareholders of The Sassoon Spinning and Weaving Company, Ltd., will be held at the Registered Office of the Company at Mafatlal House, Back Bay Reclamation, Bombay, on Monday, the 15th day of May, 1961, at 4-45 p.m. (S.T.), to transact the business as specified in the Notice dated 31st March 1961 already posted to the shareholders of the Company individually.

By Order of the Board of Directors,
For M. G. INVESTMENT CORPORATION LIMITED,
ARVIND N. MAFATLAL,
Director.
Managing Agents.

BOMBAY, 31*st March* 1961.

N.B.—A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.

THE STANDARD MILLS COMPANY LIMITED

Registered Office:
"Mafatlal House", Back Bay Reclamation
BOMBAY-1

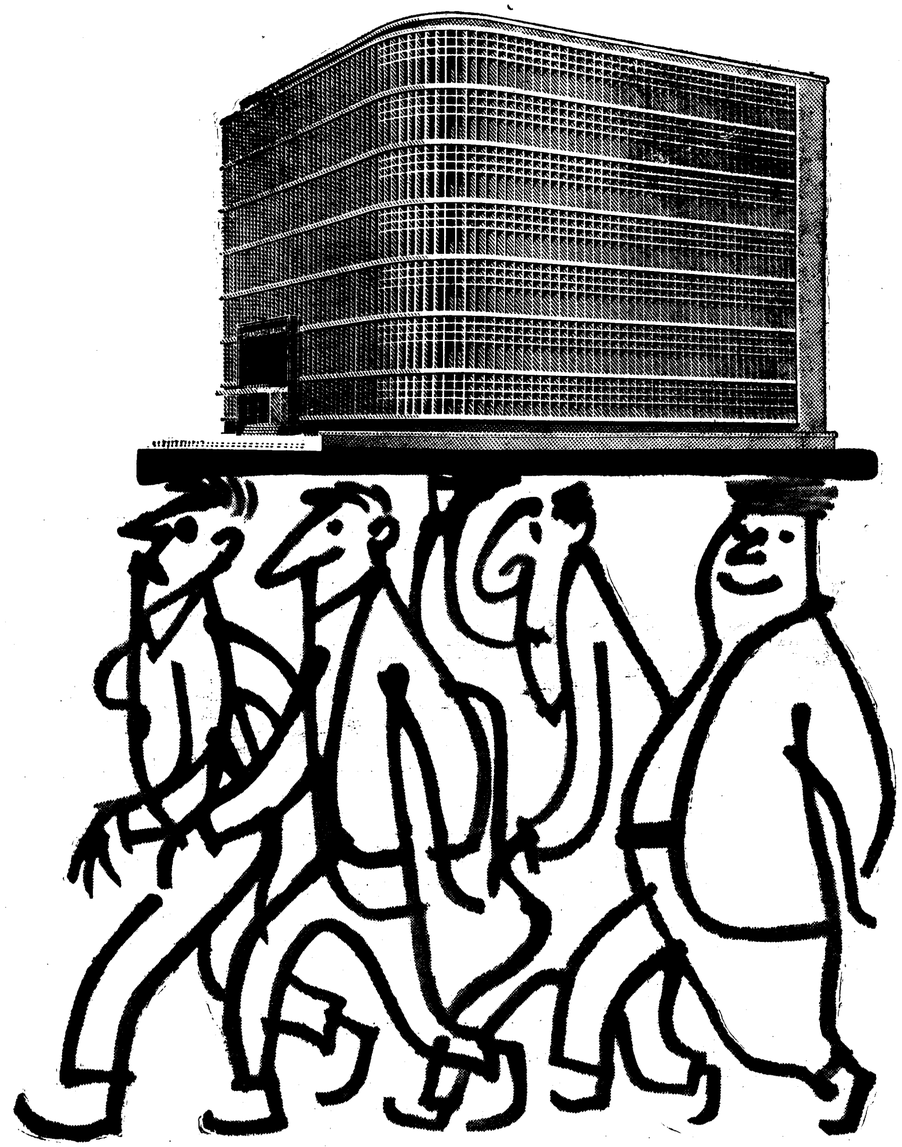
NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixty-sixth Annual General Meeting of the Shareholders of THE STANDARD MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company at Mafatlal House, Back Bay Reclamation, Bombay, on Tuesday, the 16th day of May 1961, at 4-00 p.m. (S.T.), to transact the business as specified in the Notice dated 31st March 1961 already posted to the shareholders of the Company individually.

By Order of the Board of Directors,
For THE STANDARD MILLS COMPANY, LIMITED.,
MAFATLAL GAGALBHAI & SONS,
Managing Agents.

BOMBAY, 31*st March* 1961.

N.B.—A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.



We like to carry the load...

...the responsibility of air conditioning your office. Modesty forbids or we'd tell you all about us. About the buildings we've air conditioned. Like Stanvac in Bombay. And many climate control and refrigeration jobs all over the country. Our morale is as fine as our service. Thanks to the nice things our clients say: "Carrier equipment is so reliable. Voltas service, first-rate. When we install Carrier air conditioning, staff efficiency improves, turnover shows a welcome increase."

As we said: We like to carry the load. May we carry yours too?

Some other important office buildings air conditioned by us:
Bengal Chamber of Commerce & Industry, Calcutta
Burmah-Shell Oil Storage and Dist. Co. of India Ltd., Bombay, Calcutta, Madras & Ernakulam
Calcutta Electric Supply Corporation Ltd., Calcutta
D.C.M. Group of Companies, Delhi
Imperial Chemical Industries (India) Pvt. Ltd., Calcutta
Life Insurance Corporation of India, Madras
Lyall Box Co. of India Ltd., Madras
Philips India Ltd., New Delhi
Scindia House, Bombay

Carrier
the people who know air conditioning best
VOLTAS

VOLTAS LIMITED
Head Office:
Ballard Estate, Bombay-1
Calcutta, Madras, New Delhi, Bangalore, Cochin, Ahmedabad, Lucknow, Kanpur, Secunderabad.

FOREIGN ASSETS BELOW RS. 130 CRORES

(From Our Own Correspondent)

BOMBAY, *19th April*

Conditions in the short-term money market have not undergone any marked change. It is reported that some borrowers have started returning money to the banks, but, as the demand for funds from trade and industries is still very heavy, stringency is yet the only appropriate description of the state of the market. Interest rates in any case are still ruling at their high levels and there is no early prospect of their going down at all. The prevailing rates are:

	Per cent
Inter-bank call money—	
Exchange and larger Indian banks ...	5¼
Other banks	5¼
Notice money:	
3 days or more	3
Term deposits:	
(i) 3 to 30 days (inclusive)	3
(ii) 31 to 60 days	3¼
(iii) 61 to 90 days	3½
(iv) 91 days and more but less than 12 months	3¾
(v) 12 months	4

The results of the 91-days' Government of India Treasury Bills sold through weekly tenders show that, as against an invitation for Rs. 2 crores, the amount offered was Rs. 2.52 crores. Of these, tenders for Rs. 2 crores were accepted; the average rate remained unchanged at 2.750 per cent per annum. 91-days' intermediate Treasury Bills sold from 12th to 15th inst. aggregated Rs. 10 lakhs only.

A decline of Rs. 1.38 crore in notes in circulation is disclosed by the statement of the Reserve Bank of India for the week ended 14th April 1961. Their total now stands at Rs. 2,038.53 crores. Notes held in the Banking Department have increased by Rs. 89.88 lakhs, hence the total notes issued have fallen by Rs. 47.87 lakhs. Foreign securities have gone down by Rs. 5 crores and as the balances held abroad have also shrunk by Rs. 1.33 crore, the total foreign assets are lower by Rs. 6.33 crores at Rs. 127.90 crores. The deposits of banks with the Reserve Bank of India have expanded by Rs. 3.11 crores to stand at Rs. 73.70 crores. On the assets side, the other loans and advances have receded by Rs. 4.18 crores to Rs. 142.61 crores, which include borrowings against usance bills of the order of Rs. 33.30 crores.

The Scheduled banks' statement for the week ended 7th April 1961 shows that their demand and time deposits have registered a marked expansion of Rs. 12.28 crores and Rs. 12.97 crores, respectively. The deposits of the State Bank of India, on the contrary, have suffered a setback of Rs. 5.69 crores, so that the deposits of other Scheduled banks have staged a surprisingly large rise of Rs. 30.94 crores. Borrowings of Scheduled banks from the Reserve Bank of India have declined by Rs. 34.09 crores; of this decline, that against usance bills is of the order of Rs. 11.75 crores. Their borrowings from the State Bank of India of demand variety have also gone down by Rs. 1.60 crore, but those of time variety have risen fractionally by Rs. 45.00 lakhs. On the assets side, advances and bills (bank credit) have receded by Rs. 8.99 crores, bringing their total down to Rs. 1,328.81 crores; a year ago, they stood at Rs. 1,130.09 crores. The advances and bills of the State Bank of India, on the contrary, have slightly risen by Rs. 1.30 crore. The investments of Scheduled banks, as a whole, have receded by Rs. 7.64 crores, and, since the investments of the State Bank alone have shrunk by Rs. 8.00 crores, the other Scheduled banks must have actually improved their investment portfolio by Rs. 36 lakhs.

In the gilt-edged section, there was good enquiry for short-dated and medium-dated central loans and the 4 per cent issues of several State Governments. The demand was from investors who are statutorily compelled to invest their funds in Government obligations. But, owing to scarcity of sellers, turnover was limited. The prices of some of the Central issues registered some improvement. Thus, 2½ per cent 1961, 3 per cent 1963-65 and 1970-75 first development loan, 3½ per cent 1965 and 1966 Plan bonds gained 10 nP each. 3 per cent 1964, 3½ per cent 1964 closed 5 nP higher at Rs. 98.65 and Rs. 99.95 respectively. In the State loans section, the prices of all the issues were well maintained at last week's level, the only exceptions being 4 per cent 1969 Madras and 4 per cent 1969 U.P. which closed at slightly lower levels.

In the foreign exchange section, the rupee remained steady. The banks' selling and buying rates for ready T.T. on New York remained unchanged at Rs. 478.25 and Rs. 474.75 per 100 dollars. In the New York exchange market, the pound sterling showed some weakening. The latest available rates are: 279.900-279.940 cents per £ for spot and 278.790-278.830 cents per £ for three months' forward. This shows that, over the week, sterling has gone down fractionally by 0.02 cent in spot and 0.05 cent in forward.

KIPS FIRMER

(From Our Own Correspondent)

MADRAS, *17th April*

Hides and skins ruled firmer, following well-spread inquiries from importers overseas. E.I. tanners were quoting prices higher than last week, which limited export trading. There was good call for lower grades in kips and goat skins, but sellers' ideas were stiff.

Dressers on the Continent were keen on top class goat skins, but tanner's quotations were high. Prime sheep skins also touched peak prices for small quantities.

Raw markets ruled firm all round. E.I. tanners state that stocks are not available in quantities.

BULLION WEAK

(From Our Own Correspondent)

BOMBAY, *19th April*

There was a sharp drop in bullion prices during the week under review. The decline followed nervous liquidation by some bulls who had made sizable purchases last week on fears of a shortage of supplies developing in the next few weeks. Heavy arrivals in upcountry centres and prospects of starting six-monthly settlements (in the place of monthly settlement) were the chief factors that led to large-scale selling. Some speculative offerings also emanated from Calcutta and Delhi. Prices would have suffered a steeper fall but for signs of enlarged offtake. The daily average offtake during the week was 7,500 tolas of gold and 25 bars of silver, as against 6,750 tolas and 15 bars, respectively, in the previous week. Average arrivals of gold were lower at 4,500 tolas, as against 6,000 tolas, while those of silver were higher at 23 bars, as against 18 bars. The floating stocks of the two metals are reported to be around 45,000 tolas and 600 bars, respectively.

The question of switching over from monthly to six-monthly settlements in bullion was discussed by the Board of the Bullion Association on Wednesday last week. No definite decision was, however, arrived at, in view of divergence of opinion among members. A few members were said to have opposed the move on the ground that business in bullion would dwindle and that genuine hedge contracts would become difficult, in view of the long duration of the settlements. The whole issue was left to be considered further by the Bylaw Committee of the Association.

The Government of India hopes to reach a decision "soon" in regard to the taking over of the Kolar gold mines from the Mysore Government and run it as a Central undertaking. Disclosing this in the Lok Sabha on Thursday the 13th inst., the Union Finance Minister, Mr. Morarji Desai, said that the proposal now under consideration would facilitate an improvement in the working of mines, with a better and more systematic utilisation of payable ores. He recalled that provision had been made in the Central budget for expenditure necessary on the acquisition of the mines. The Government, he added, was still examining the question whether the mines should be run as a departmental concern or through a corporation, but made it clear that the State Government would be associated with the running of the mines after the Centre took over. Incidentally, the Minister gave the following particulars:

"The Kolar gold mines were acquired by the Mysore Government towards the end of November 1956 from John Taylor and Sons and have been run as a nationalised departmental undertaking since then. The gold mined in this area and in the Hutti goldfields in Raichur district, after being refined and cast into bars, used to be sold in the open market till the middle of 1958, but a decision was taken in July 1958 that the entire production of gold in the country should be acquired by the Central Government to be held as non-monetary stocks at the disposal of that Government. Under the regulations relating to transactions in gold by which India is governed as a member of the International Monetary Fund, the price which has been paid for this gold is the international parity price of Rs. 62.50 per tola, but, in order to avoid any dislocation in the finances of the Mysore Government, which has been producing this gold at a substantially higher price, assistance is being given to that Government as a purely temporary arrangement."

The feature of trading in the bullion market this week was the further increase in premiums commanded by ready metals over the forward (*Jeth* settlement), from 55 nP to Re. 1.30 in gold and from Rs. 3.50 to Rs. 4.00 in silver. The *Jeth* settlement in gold began the week at Rs. 121.20, as against the previous close of Rs. 121.00, and moved down to touch Rs. 118.50 today before recovering to Rs. 119.15, a net loss of Rs. 2.05. Ready gold declined from Rs. 121.55 to Rs. 120.70 on the 15th inst., and, after recovering to Rs. 121.35 yesterday, eased again to Rs. 120.45 today. In silver, *Jeth* settlement receded from Rs. 200.70 to Rs. 197.20 today. Towards the close, it was better at Rs. 198.05. The net loss over the week was Rs. 2.65. Ready silver fluctuated between Rs. 203.75 and Rs. 201.20 before finishing at Rs. 202.05, as against Rs. 121.55 last week-end.

The latest available world price of gold in the London market is $35.07½, as against $35.08½ last week. Ready gold improved slightly from 250*s*. 7*d*. to 250*s*. 8*d*. but rose to 250*s*. 7½*d*. yesterday. Ready and forward silver, however, were unchanged, the former at 79⅝*d*. and the latter at 80*d*., as also silver in New York at 91.375 cents.

The following table shows the trend of the market during the week under review:

	19-4-1961 (closing)	High	Low	12-4-1961 (closing)
	Rs.	Rs.	Rs.	Rs.
GOLD				
Ready (.99 fine)	120.46	121.85	119.80	121.55
Forward:				
Jeth*	119.15	121.20	118.50	121.00
Sovereign	93.75	94.00	93.75	93.75
SILVER				
Ready (.996 fine)	202.05	203.75	201.20	204.20
Forward:				
Jeth†	198.05	200.50	197.20	200.70
London—	18-4-1961			11-4-1961
Silver Ready	79⅝d.	—	—	79⅝d.
Silver Forward	80d.	—	—	80d.
Gold	250s. 7½d.	250s. 8d.	250s. 7½d.	250s. 7d.
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 31st May settlement. † 1st June settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES DEPRESSED

(From Our Own Correspondent)

BOMBAY, *19th April*

The easy trend witnessed in the cotton futures market towards the close of last week gathered further momentum during the week under review. The market was closed on Friday the 14th and Monday the 17th as they were bank holidays. Cotton futures showed pronounced weakness in dealings throughout this short trading week, in spite of the fact that tenders against the April contract continued to be small. Thus, tenders issued on the 13th inst. amounted to only 50 bales, bringing the total till that date to no more than 650 bales. The easiness of the market is mainly attributed to the Government's announcement that the issue of the balance of quota for Indian cotton will be linked to the import of 300,000 bales of U.S. cotton stapling 1" and below but not less than 13/16", as per the recent Indo-U.S. agreement. Thus, the fear that mills will have to buy short-staple U.S. cotton, which is costlier than comparable indigenous growths by about Rs. 150 per candy, has been confirmed. Since they have, in any case, to buy U.S. cotton, unless they are prepared to forfeit their quota for Indian cotton, they are reluctant to go in for Indian cotton in a big way. Even those mills that are interested in Indian cotton find themselves without quota. Consequently, buying interest was very much lacking in both the spot and futures sections. On the other hand, both the April and August contracts came in for persistent selling, with the result that their quotations suffered a sharp setback. The following table indicates the extent of the fall in prices and the range of fluctuations:

(In rupees per three quintals)

I.C.C. Jarilla	19-4-61	*High*	*Low*	12-4-61
April 1961 ...	560.00	579.75	560.00	579.50
August 1961 ...	566.75	576.50	561.50	576.25

In the absence of quota, business in ready cotton was restricted. Although popular varieties like Kalyan, Surti, L.147, CO2 and Vijay evoked enquiries, actual business done was small. The prospect of large arrival of short-staple U.S. cotton exerted a downward pressure on prices. The main features of the latest import programme in respect of U.S. cotton are as under:

(i) A quantity of 300,000 bales of American cotton of staple length 1" and below but not less than 13/16" will be allowed for import.

(ii) The contracting period is 31st June 1961 and the shipment period 31st July 1961.

(iii) Allocation to mills will be made on the basis of the spindle point production of yarn of counts 11 to 40 during the calendar year 1959.

(iv) In order to ensure import of this cotton mills are required to execute a bank guarantee at the rate of Rs. 50 per bale within 20 days from the date of the quota letter issued to them.

(v) The balance of 25 per cent of Indian cotton quota will be issued to the mills only on production of such bank guarantee.

Apart from the linking of the grant of Indian cotton quota to import of U.S. cotton, traders are also disappointed that the contracting and shipment periods have also not been extended. This means that Indian buyers will not qualify for the enhanced subsidy rate of 8½ cents which comes into effect on 1st August 1961.

Export demand for Bengal *Deshi*, which was keen since the announcement of the quota last week, dried up towards the close of the week on receipt of the news that the ceiling was reached on Saturday, that is, in less than five days. Shippers are awaiting the outcome of the shipping bills presented which are said to be for a quality far in excess of the quota. Against a ceiling of 57,000 bales, excluding the share of co-operatives, the quantity applied for is said to be about 87,000 bales.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Wagad 720; Vijay 940; Kalyan 850; Digvijay 960; Hubli Laxmi 1,000.

In spite of the removal of restrictions on exports of cotton, announced by the Pakistan State Bank, cotton futures in the Karachi market failed to improve during the week. The slackness of overseas demand and the large quantity of cotton still available for export were responsible for the lack of buying interest. The quotations for both N.T.R.G. May and July contracts were unchanged at Rs. 71.35 and Rs. 71.15, respectively.

With a view to stimulating exports, restrictions on shipments, in force since 1949, under which exports were subject to full payment being received in advance from consignees abroad or under confirmed or irrevocable letter of credit have been removed. According to a circular issued by the State Bank, henceforth no such advance payment would be required and exports could be made on undertakings for stipulating receipts of full export value of cotton exported within two months from the date of shipment in the case of exports to India and four months if exported to other countries.

A divergent trend was witnessed in the Alexandria cotton futures market during the week under review. While the long-staple Karnak contracts tended to look down, the medium-staple Ashmouni contracts edged higher. The former was influenced by keen competition from Sudan, while stray enquiries from some overseas buyers were responsible for the strength of the latter. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: May 69.79; July 70.20.

Ashmouni: April 61.35; June 60.70; August 60.20.

Cotton futures in Liverpool suffered a setback during the week. Both the American and

American type contracts came in for selling which met with only limited buying. Advices from New York continued to be easy. The following are the latest available quotations—in pence per lb.—from Liverpool:

American Cotton One Inch Staple Contract: May 24.25; July 24.60; October 24.10.

American Cotton Mixed Growth Contract: May 24.65; July 24.95; October 24.55.

Sudan: May, July, September 31.75.

Cotton futures on the New York Cotton Exchange drifted lower during the week on commission house selling prompted by the steady increase in certified stocks. Crop news encouraged further selling. Trading in the 1962 October contract, the first contract of the 1962 season, started on the 12th inst. This contract will henceforward be the barometer of the trade's reaction to any change effected in the new support programme.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	18-4-61	11-4-61	4-4-61
Spot	33.65	33.50	33.50
May	32.75	33.16	33.15
July	33.30	33.65	33.68

HIGHGROWN TEAS DEARER

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, *13th April*

Offerings in sale No. 14 held on Tuesday, 11th April 1961, aggregated 677,000 kilograms. Quality from all districts was generally inferior to last. There was good general demand at lower rates. Best highgrowns received better support than in recent weeks and were occasionally dearer. Below best, however, came to an irregularly lower market. Good mediums and mediums met useful support at 5 to 10 nP lower but where quality was maintained prices were generally firm and sometimes dearer. Medium and low medium brokens were well supported but at a drop of 10 to 15 nP. Similar fannings were up to 10 nP lower. Black leaf teas, whilst being well supported, followed an easier trend with fannings dearer than their brokens. A small quantity of C.T.C. and legg-cut tea sold at around last rates. Whole leaf grades were generally easier with the exception of flowery pekoes which sold well.

	1961	1960
	Rs.	Rs.
Low medium	4.50-4.65	4.08-4.19
Medium	4.65-4.80	4.19-4.52
Good medium	4.85-5.30	4.85-5.51
Nilgiri B.O.P. ...	5.00-6.90	

The average price realised in sale No. 14 was Rs. 4.83, as against Rs. 4.93 in last week's sale and Rs. 5.20 in the corresponding sale last year.

Dust Sale No. 15: In this week's dust sale No. 15 held on 13th inst., a total of approximately 207,000 kilograms were on offer. There was good demand, but at irregularly easier rates. High-growns received only fair support and were quoted 10 to 15 nP per kilo easier. Coloury mediums were well sought after, but at rates which were up to 10 nP below last and sometimes more. Support for the low mediums was very irregular and these generally sold at lower rates, although a few selected lines advanced slightly. C.T.C. and jegg-cut teas were slightly easier, whilst C.T.C. types realised fully firm to dearer rates. Residuals were a weak future of the sale.

The average price realised in sale No. 15 dated 13th inst. was Rs. 4.57 as against Rs. 4.61 in last week's sale and Rs. 4.74 in the corresponding sale last year.

Export Quota: Special licence business is being transacted at ½ nP per kilo at which rate there are still heavy sellers.

Colombo: The market opened to a strong demand with Dimbulas advancing by 30 to 50 cents per lb.; similar fannings were not so strong. Mediums were 5 to 10 cents dearer whilst low-growns sold at firm rates.

London—North Indian and other growths: In Monday's sale there was good general demand with coloury sorts again selling well. The thinner types and most African descriptions sold at slightly easier rates.

Ceylon and South Indians: 22,063 packages were offered of which 6,786 were from South India. There was good demand and prices were ½d. to 1d. dearer for most descriptions.

As we go to press, Messrs. Forbes, Ewart and Figgis Private Limited wire:

"*Sale No. 16*: 750,000 kilograms. Good general demand at lower rates. Plain and low medium 5 to 15 nP lower. Medium, good medium and Nilgiris 20 to 30 nP easier."

ART SILK YARN "BANK"

(From Our Own Correspondent)

BOMBAY, *19th April*

A notable development this week in so far as the yarn market is concerned is the move to evolve a fresh scheme of advance licensing for the purpose of making art silk yarn available for the Export Promotion Scheme. Discussions on the issue were held at a meeting of the representatives of spinners, weavers and traders, the Additional Secretary to the Union Ministry of Commerce and Industry, and the officers of the Textile Commissioner in Bombay on Saturday the 15th inst. At this meeting, it was agreed that a fresh scheme should be introduced. The salient features of the scheme are given below:

The quantity of yarn to be imported in advance will be of the value of Rs. 1 crore with free foreign exchange and Rs. 25 lakhs from rupee payment countries. This will in effect create a "yarn bank" from which weavers will draw yarn for preparing fabrics for export. The yarn will be handled by a corporate body, and a full representative Advisory Committee, including spinners, weavers, exporters and the trade, would advise on the operation of the scheme.

The limit of advance per loom for any approved manufacturer will be Rs. 1,500, the advance being recoverable at the time of import entitlement.

The other parts of the present scheme will continue and entitlement under it will be made quarterly.

It was also agreed at the meeting that the present limit of Rs. 6,000 per loom under the Export Promotion Scheme for the year as a whole would be raised to Rs. 7,500 and that 30 per cent of the import entitlement would be utilised for import of rayon grade pulp for the spinners who have already agreed to make a certain quantity of yarn available to the entitlement holder at concessional prices. This will supplement the imports of rayon grade pulp mills' import allocations.

The aforesaid decision has not, however, affected the yarn market to any significant extent. This is not surprising considering that the traders prefer to analyse carefully the implications of the new scheme. There is a wide disappointment among traders over the continuance of the restricted art silk yarn import policy pursued by the Government. Addressing the annual meeting of the Bombay Yarn Merchants Association and Exchange Ltd. held yesterday, Mr. Kantilal Nahalchand, President of the Association, declared that, as a result of the restricted import policy, activity in the yarn market remained restricted. Mr. Kantilal regretted that the Government had not conceded the request of the Association for permission to distribute indigenous art silk yarn even at a meagre margin. He warned that, "if this sort of policy is continued by the Government, it will result in the complete annihilation of the normal trade channel." He reiterated that the Government was pursuing the policy of keeping only the manufacturers and the consumers which, he said, would have severe repercussions on the trade. He also deplored the Government's policy in enlarging the activities of the State Trading Corporation.

A distinctly irregular trend was in evidence in the yarn market in the past week. Cupressa Bemberg yarn suffered a distinct setback to prices, although the anticipated issue of actual users' licence had not materialised. Even reports that offtake in consuming centres was gradually rising were not of much avail. Staple fibre yarns also tended to move down. Cotton yarns lacked support. It was stated that the handlooms and powerlooms were not inclined to augment their stocks of yarn, notwithstanding the removal of uncertainty about excise duty on yarn.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with those prevailing a week ago:

	19-4-1961	12-4-1961
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.)	2,560.00	2,615.00
April	2,600.00	2,615.00
June	2,672.00	2,840.00
60/1 Cupressa Bemberg spot	1,556.00	1,586.00
120 Japan (per 100 kg.)	1,750.00	1,787.00
150 Japan (per 100 kg.)	1,501.00	1,517.00
120 Italy (per 100 kg.)	1,737.00	1,737.00
150 Italy		
Staple fibre yarn—		
40×2 April (per 90.72 kg.)	920.00	927.00
40×2 June	905.00	911.00
40×2 Century (per kg.)	10.45	10.52
40×2 Kohinoor (per kg.)	10.45	10.58
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	19.00	18.75
20s New Great	21.75	21.75
30s Simplex	26.75	26.75
40s Madura	31.50	32.00
60s Finlay	65.40	66.40
80s Mahendras	68.80	68.68

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, *19th April*

Easy conditions prevailed in the oilseeds market during the week under review, barring groundnuts which elicited moderate support from local buyers. Castorseeds were subjected to nervous liquidation, thanks to heavy arrivals from Nizam, expected new crop offerings from North India in the immediate future, and fears of heavy tenders against the maturing contract. Shippers of castor oil turned cautious buyers in anticipation of a further fall in prices, with the prospects for improvement in the supply position. There was no enquiries from the U.S., but Russia, Czechoslovakia and the U.K. extended some support. The reported attempt of the State Trading Corporation to sell castor oil to Pakistan did not have any effect on the market. Linseed ruled listless, due to growing pressure of new crop supply and lack of encouraging advices from North Indian markets. The purchases made by crushers were on a small scale. Cottonseed was depressed in sympathy with raw cotton. Sesame was dull in the absence of any fresh development. Groundnuts tended to move down early in the week, following pressure of supplies from the South and stringency in money. Subsequently, however, they staged a recovery which was induced by support at low levels, while Saurashtra interests were reported to be reluctant to part with stocks. There was also some support from the *vanaspati* industry. Firmness of world soyabean oil and oilcakes, too, imparted strength.

Castorseeds September 1961 contract eased by 62 nP to Rs. 180. May 1961 contract, after, improving from Rs. 175.87 to Rs. 176.12, declined to Rs. 176. Ready Madras lost 25 nP to Rs. 84.50. Oil commercial shed 25 nP to Rs. 15.45. Oil B.S.S. dropped 20 nP to Rs. 16.30.

Among linseeds, September 1961 contract suffered a loss of 46 nP today, the closing rate being Rs. 36.91. May 1961 contract receded from Rs. 36.91 to Rs. 35.56. Bold ready was marked down by Re. 1.32 to Rs. 36.25. Linseed oil was lower by 75 nP to Rs. 15.50.

In the cottonseed section, September 1961 contract declined by 25 nP to Rs. 94.25. Non-whites, whites and Berars shed 5 nP each to Rs. 19.25. May 1961 contract, however, was higher by 25 nP at Rs. 93.75.

Groundnut Nizam bold improved from Rs. 53 to Rs. 54 before closing at Rs. 53.75, a net increase of 75 nP over the week. Khandesh quality gathered 75 nP to Rs. 54. Railway receipts picked up 10 nP to Rs. 22.10, but oil ex-mill dropped 20 nP to Rs. 22.30. May 1961 contract was dull at Rs. 220. There was no transaction in respect of August 1961 contract.

Sesame bold was dull at Rs. 360. Sesame oil, however, picked up 20 nP to Rs. 28.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	19-4-1961	12-4-1961	5-4-1961
Groundnut	Rs.	Rs.	Rs.
May 1961	220.00	220.00	220.00
August 1961	—	—	—
Nizam bold	53.75	53.00	54.50
Coromandel ready	54.00	53.25	54.75
Khandesh quality	54.00	53.25	54.75
Oil ex-mill ready*	22.30	22.50	23.00
Railway receipts*	22.10	22.00	22.85
Castorseed			
May 1961	176.00	175.87	177.62
September 1961	180.00	180.62	—
Ready Madras	84.50	84.75	85.37
Ready Kanpur	83.00	83.37	83.75
Oil B.S.S.†	16.30	16.50	16.70
Oil commercial†	15.45	15.70	15.70
Linseed			
May, 1961	36.56	36.91	36.84
September 1961	36.91	37.37	—
Bold ready	36.25	37.57	37.25
Oil ready†	15.50	16.25	16.20
Cottonseed			
May 1961	93.75	93.50	95.00
September 1961	94.25	94.50	—
Niger seed	41.50	41.50	42.00
Kardi seed	27.25	27.75	28.25

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

FOODGRAINS RECEDE

(From Our Own Correspondent)

HAPUR, *17th April*

Foodgrains continued to rule bearish during the week under review. Arrivals of new *rabi* grains in markets were large. Although the area under rice crop in the country increased only by 0.6 per cent to 83.36 million acres in 1960-61, as compared with 1959-60, the output touched a new heigh of 33.7 million tons. Wheat crop the arrivals of which have just begun in the markets was also said to be a bumper one.

Wheat at Hapur recorded a fall of over Re. 1 per maund to be quoted on Monday at Rs. 15 a maund for new average quality and at Rs. 16.12 for better farm produce. New arrivals were reported to be meagre and they were lifted higher at Rs. 17.25 a maund. The daily average of new wheat arrivals during the week was 400 maunds, but, following rains in the week-end, arrivals dropped as the winnowing operations were being held up. Trade expected a further fall in prices, as arrivals would mount soon.

The U.P. Government has decided not to purchase wheat under price support policy unless prices go down below Rs. 11.50 a maund.

Rice ruled mostly quiet, though slight gains were recorded in the prices of coarse quality, due to better seasonal demand. The supply position, however, was easy, with local stock put at 5,000 maunds and more rice still reaching here from east U.P. Latest prices were: *sela mainpuri* Rs. 20.50; *gainda kutcha* Rs. 20.50; *ramajwayan sela* Rs. 23 to Rs. 24; *sela raimunia* Rs. 25; *sela basmati* Rs. 28 to Rs. 30; superior Rs. 32 to Rs. 38 a maund.

SUGAR IMPROVES

(From Our Own Correspondent)

HAPUR, *17th April*

Sugar improved by about Re. 1 per bag during the week to Rs. 108.50 per bag and, in retail, it was quoted at Re. 1.02 per *seer*. Supply position, however, continued to be easy, as the damaged sugar of last season reaching the market and was quoted at Rs. 100 to Rs. 103 per bag. The U.P. Government has ordered half the quantity given to an allottee to be sold by him in the open market and, if the other half also remains undisposed, that quantity also may be sold in the open market. Stocks with factories were heavy and it has become a problem for mills to store their produce. On 31st March, the factories had stocks of 19.37 lakh tons, as against 14.18 lakh tons a year ago. Factories were still crushing cane at good speed and the season here is likely to be dragged on for more than a month.

Quiet conditions were witnessed in the Muzaffarnagar sugar market, thanks to easy supply position. Buyers were not many even at lower rates of Rs. 107.69 for dry stuff and Rs. 100 to Rs. 102 per bag for damaged sugar. Crushing was being continued in almost all factories in the district.

Sugar ruled quiet at Rs. 111 per bag in Kanpur market.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 14th April, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	68,67,52,000
(2) Other Governments	3,98,96,000
(b) Banks	73,70,23,000
(c) Others	94,19,24,000
Bills Payable	34,76,12,000
Other Liabilities	51,89,06,000
Rupees	457,21,13,000
ASSETS	Rs.
Notes	10,78,17,000
Rupee Coin	2,33,000
Subsidiary Coin	6,53,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	64,72,96,000
Balances held abroad*	9,97,80,000
Loans and Advances to Governments†	88,17,11,000
Other Loans and Advances	142,60,67,000
Investments	120,74,19,000
Other Assets	20,11,37,000
Rupees	457,21,13,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 33,29,50,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,78,17,000	
Notes in circulation	2038,53,33,000	
Total Notes issued	....	2049,31,50,000
Total Liabilities	....	2049,31,50,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	118,00,89,000	
Total of A		235,76,92,000
B. Rupee Coin		121,43,73,000
Government of India Rupee Securities		1692,10,85,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2049,31,50,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1939 (pre-war)	7th April* 1961	31st March* 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	2039.91	1984.74	1979.96	1896.77
Notes held in Banking Department	35.05	9.88	7.84	11.40	12.40
Foreign Securities	59.50	123.01	123.01	128.01	163.04
Rupee Securities	87.39	1687.20	1632.20	1627.27	1501.94
Banking Department					
Deposits of:					
Government of India	14.39	54.56	76.46	55.42	62.33
Other Governments	..	8.31	28.99	6.27	5.57
Balances held abroad	10.06	11.31	13.24	30.84	24.57
SCHEDULED BANKS					
Demand Liabilities	134.86	832.57 (21.35)†	820.29 (14.20)†	798.70 (18.90)†	805.82 (14.94)†
Time Liabilities	102.24	1076.17 (11.95)†	1063.19 (10.73)†	1074.61 (9.64)†	1160.83 (20.74)†
Borrowings from Reserve Bank	..	60.45 (33.64)‡	94.53 (45.39)‡	66.79 (29.30)‡	41.31 (12.24)‡
Borrowings from State Bank	..	17.31	18.46	15.13	15.10
Cash in India	6.70	47.42	45.32	47.07	51.09
Balances with Reserve Bank	25.17	67.67	70.76	70.38	86.25
Balances with other banks in current account in India	..	17.75	17.84	15.95	16.54
Money at call and short notice in India	..	28.89	20.94	25.61	24.79
Investments (at book value)	..	551.29	558.93	573.87	717.53
Advances and bills	105.9	1328.81	1333.76	1292.64	1130.09
STATE BANK					
Deposits	87.76	567.51	573.20	557.86	637.20
Investments	51.99	235.04	243.04	252.48	365.70
Advances	30.35	282.59	281.29	274.27	213.99
Cash	14.69	26.87	23.54	25.12	36.30

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd. and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	5
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1959	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.45	3.50
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	2.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec., 1960	5.50	5
U.S.S.R.	1st July, 1936	8	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	20th Jan., 1961	4	3.5

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 14th April, 1961

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		560,82,22,000
Borrowings from Other Banking Companies, Agents, etc.		28,75,000
Bills Payable		15,67,04,000
Bills for Collection being Bills receivable as per contra		2,24,82,000
Acceptances, Endorsements and Other Obligations per contra		1,14,07,000
Other Liabilities (including Inter-Office Adjustments)		4,91,05,000
Total .. Rs.		598,15,45,000
PROPERTY AND ASSETS		Rs.
Cash in hand and with Reserve Bank		20,09,67,000
Balances with other Banks		4,55,01,000
Money at Call and Short Notice		2,46,67,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	236,78,49,000	
Other Authorised Investments	9,63,76,000	
		246,42,25,000
ADVANCES:		
Loans, Cash Credits, Overdrafts etc.	262,68,46,000	
Bills Discounted and Purchased	17,52,42,000	
		280,20,88,000
Bills Receivable being Bills for Collection as per contra		2,24,82,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,14,07,000
Premises less Depreciation		1,78,53,000
Furniture and Fixtures less Depreciation		1,36,06,000
Other Assets (including Inter-Office Adjustments)		37,87,49,000
Total .. Rs.		598,15,45,000

Scheduled Banks*

Statement of Affairs for the week ended 7th April, 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	54,63,55
(2) From others	721,92,88
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	21,34,61
(c) Other demand liabilities	56,00,37
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	14,79,94
(2) From others	1039,02,73
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	11,94,83
(c) Other time liabilities	22,33,83
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	14,52,22
(b) Time liabilities	2,79,00
(iv) Borrowings in India from the Reserve Bank of India (A)	60,44,70 (33,63,50)
(v) Cash in India	47,41,62
(vi) Balances with the Reserve Bank in India	67,67,15
(vii) Balances with Other Banks in Current Account in India	17,75,11
(viii) Money at call and short notice in India	28,88,51
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	551,29,21
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1104,09,18
(b) Due from Banks in India	13,45,49
(xi) Inland Bills purchased and discounted in India.	162,40,97
(xii) Foreign Bills purchased and discounted in India.	48,85,46
(xiii) Total of items (x), (xi) and (xii)	1328,81,10

Notes:—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 7th April, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Rural Credit Fund	1,00,00,000
Deposits:—	
(a) Central Government	6,48,73,000
(b) Provincial Governments	1,74,00,000
(c) Banks	18,36,98,000
(d) Others	126,7[illegible],000
Bills Payable	[illegible],000
Other Liabilities	14,67,91,000
Rupees	176,74,99,000
ASSETS	Rs.
Notes	12,57,90,000
Rupee Coin	63,000
Subsidiary Coin	45,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	41,89,63,000
Loans and Advances to Governments	9,91,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	39,36,25,000
Investments	62,19,57,000
Other Assets	10,79,56,000
Rupees	176,74,99,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,57,90,000	
Notes in circulation	882,97,78,000	
Total Notes issued	....	895,55,68,000
Total Liabilities	....	395,55,68,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,86,11,000	
Silver Bullion	....	
Foreign Securities	81,09,01,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		148,96,76,000
B. Rupee Coin	2,43,12,000	
Government of Pakistan Securities	238,25,74,000	
Internal bills of exchange and other commercial paper	....	
		240,68,86,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	395,55,68,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 39.08 per cent.

EXCHANGE RATES

		19th April 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1 5 31/32	1 5 31/32
Sellers T. T. D.D. upto six months	s.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	s.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	478.25	478.25
Buyers T.T.	Rs.	474.75	474.75
London on New York	$	2.7989-2.7992	2.7096-2.7098
London on Paris	Fcs.	13.7150-13.7170	13.7130-13.7160
London on Berne	Sw. Fcs.	12.1140-12.1160	12.1000-12.1030
New York on London	c.	279.900-279.940	279.920-279.950

CLEARING HOUSE RETURNS

Centre	Week ended 14th April, 1961		Week ended 7th April 1961	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,47,053	79,15,61,000	4,94,948	1,29,52,55,000
Calcutta	....	....	2,18,000	1,20,14,00,000
Madras	92,736	11,60,02,926	1,12,882	17,83,34,966
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	46,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
Jan. 1960	..	..	4,392,000	998,20,00,000
Feb., „	..	..	4,205,000	943,59,00,000
Jan., 1961	..	..	4,875,000	1,100,37,00,000
Feb., „	..	..	4,421,000	1,022,19,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	1st April 1961	25th March 1961	2nd April 1960	February 1961	February 1960	Percentage of Increase (+) or Decrease(—) in Feb., 1961 as compared with Feb., 1960	Annual Average 1960	Annual Average 1959
Food Articles	504	118.2	118.1 R	118.3	116.3	118.8	— 2.1	120.3	118.2
Cereals	192	99.9	100.3	103.1	99.8	104.4	— 4.4	105.3	104.3
Pulses	43	90.0	91.9	87.5	92.9	95.1	— 2.3	92.6	99.8
Fruits and Vegetables	23	111.9	108.8	134.4	104.2	113.1	— 7.9	121.0	127.6
Milk and Ghee	84	119.6	118.4 R	110.6	109.5	111.5	— 1.8	115.5	112.2
Edible Oils	47	162.5	164.3 R	136.5	160.4	137.8	+16.4	143.8	126.9
Fish, Eggs and Meat	17	122.3	120.0	114.6	121.3	110.5	+ 9.8	121.1	110.4
Sugar and Gur	48	116.7	117.1	140.2	119.9	145.2	—17.4	138.6	143.0
Others	50	171.3	169.3	151.9	169.3	168.6	+ 0.4	168.6	163.4
Liquor and Tobacco	21	113.5	114.6	96.5	111.2	96.0	+15.8	106.4	100.7
Tobacco	—	110.8	112.0	94.2	109.8	94.2	+16.0	104.8	99.3
Fuel, Power, Light and Lubricants	30	120.8	121.0 R	118.2	120.0	117.3	+ 2.3	119.6	118.1R
Industrial Raw Materials	155	155.5	158.5	132.3	159.2	131.6	+21.0	138.8	119.7
Fibres	61	168.1	175.6	126.6	179.0	123.0	+45.5	139.8	110.2
Oilseeds	60	159.9	160.0	139.6	157.9	140.8	+12.1	144.9	130.0
Minerals	2	95.3	95.3	98.2	95.2	95.2	+ —	97.5	100.0
Others	32	127.1*	127.3*	131.7	128.3	133.2	— 3.7	129.0	117.8
Manufacture	290	127.4	128.8 R	117.5	129.2	116.3	+11.1	120.8	109.7
Intermediate Products	41	136.0	137.3R	122.6	134.2	120.5	+11.4	127.1	111.1R
Finished Products	249	126.0	127.4	116.7	128.3	115.6	+11.1	119.8	109.5
Textiles	147	130.4	132.7	115.7	134.4	115.1	+16.8	121.2	104.6
Cotton	—	126.6*	126.6*	125.0*	126.1	125.2	+ 0.7	127.5	118.5
Jute	—	147.1	156.1	90.7	167.7	96.4	+74.0	115.2	87.3
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	107.6	104.6
Silk and Rayon	—	117.9*	118.4*	102.5	111.4	103.4	— 7.7	102.6	93.7R
Metal Products	12	146.9	146.9	148.3	146.9	145.2	+ 1.2	147.0	143.7
Chemicals	20	105.4	105.2	104.8	104.2	105.6	— 1.3	104.7	109.2
Oil Cakes	10	142.7	144.2 R	141.6	149.1	144.6	+ 3.1	140.2	143.7
Machinery and Transport Equipment	31	112.6	112.6	111.0	112.6	106.5	+ 5.7	110.7	105.9R
Others	30	118.6	118.5	114.6	117.0	112.7	+ 3.8	115.0	113.6R
All Commodities	1,100	126.6	127.5	118.6	126.7	118.5	+ 6.9	123.6	115.5

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Contd.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	(In thousand acres) 1958-59	(In thousand tons) 1959-60	(In thousand tons) 1958-59
Cereals—					
Rice	final	81,343	81,437	29,338	30,354
Wheat	final	31,508	31,141	9,734	9,772
Jowar	final	41,602	42,584	7,866	8,714
Bajra	final	26,609	27,999	3,484	3,789
Barley	final	8,220	8,243	2,605	2,672
Maize	final	10,457	10,457	3,615	3,381
Ragi	final	6,211	6,192	1,860	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,380	220,470	60,514	62,631
Pulses—					
Gram	final	25,046	24,865	5,390	6,881
Tur	final	5,843	5,931	1,589	1,671
Other Kharif pulses§	final	16,075	15,597	1,567	1,559
Rabi pulses‡	final	12,788	12,992	2,690	2,761
Total pulses	final	59,752	59,385	11,236	12,872
Total foodgrains		278,132	279,855	71,750	75,503
Oilseeds—					
Groundnut	final	15,305	14,575	4,390	4,812
Castorseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	final	3,921	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6,907
Fibres—					
Cotton*	final	19,252	19,926	3,835	4,686
Jute A.	final	1,707	1,811	4,548	5,158
Mesta A.	final	706	825	1,098	1,488
Sannhemp	final	813	807	80	81
Other crops—					
Potato	final	885	858	2,719	2,327
Sugarcane	final	5,178	4,803	75,038	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	232	230	25	26
Chillies (Dry)	final	1,499	1,471	339	326
Tobacco	final	934	897	281	261

Source: Ministry of Food and Agriculture. § Excluding Tur

* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur

A.—In thousand bales of 400 lbs. each. R.—Revised

†Final estimate of 1958-59.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During February 1961	77.4
	Corresponding month, 1960	86.0
	Eight months ended Feb., 1961	695.1
	Corresponding period, 1960	711.3
Stocks	At the end of February, 1961	83.8
	Corresponding month, 1960	73.2
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1958-1959	854.9
	July-June, 1959-1960	833.5
	July-Feb., 1960-1961	511.1
	Feb., 1960	57.4
	Feb., 1961	53.6
For Internal Consumption	July-June, 1958-1959	220.0
	July-June, 1959-1960	248.3
	July-Feb., 1960-1961	176.4
	Feb., 1960	26.8
	Feb., 1961	24.1
	RAW JUTE	(In 000 bales)
Consumption by Mills	February 1961	456
	Corresponding month, 1960	512
	Eight months ended Feb., 1961	4,053
	Corresponding period, 1960	4,162
	1957-58	6,134
	1958-59	6,014
	1959-60	6,291R

R=Revised

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797,509
Do. 31st March, 1958	1,098,300	1,106,800	786,900
Do 31st March, 1959	1,137,500	1,149,900	884,700
Do 31st March, 1960	1,568,400	1,533,700	1,215,100
Jan., 1959	97,700	96,200	89,700
Feb. „	106,500	107,300	84,800
March „	127,400	123,600	100,700
Jan., 1960	140,700	140,100	109,800
Feb. „	134,400	130,400	103,600
March „	142,100	148,100	123,000
Jan., 1961	144,200K	149,300K	117,600K
Feb. „	125,900K	126,500K	94,200K
March „	141,600K	142,300K	114,000K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	603,205	496,217
Do. 31st March, 1960	1,053,612	827,072	662,113
Do. 31st March, 1961	1,160,576	914,159	718,684
Jan., 1960	91,790	77,043	59,108
Feb. „	92,715	71,494	57,260
March „	98,640	80,267	75,812
Jan., 1961	112,649K	83,787K	71,540K
Feb. „	96,791K	72,839K	70,966K
March „	100,122K	82,583K	80,790K

K—Figures in Metric Tons.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1955-56	715	8,885.8	7,185.8
1956-57	760	9,877.8	8,108.1
1957-58	834	11,176.9	9,011.1
1958-59	818	12,837.0	10,360.7
1959-60	850	15,029.2	12,130.8
January 1960	815	1,297.4	1,055.5
February „	850	1,252.1	1,022.5
March „	850	1,324.4	1,071.0
April „	850	1,325.3	1,081.7
May „	850	1,387.9	1,119.4
June „	850	1,379.8	1,113.9
July „	850	1,360.5	1,106.0
August „	1,012	1,404.2	1,140.9
September „	1,012	1,380.7	1,129.5
October „	1,012	1,422.3	1,184.7
November „	1,012	1,390.2	1,140.5
December „	1,013	1,508.0	1,214.5

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ including purchases from non-electric utilities. § At the end of period. *Source*:—Central Water and Power Comission

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957*	[illegible]	[illegible],371	6,429,319
1958*	1,524	92[illegible],566	7,797,585
1959*	1,523	692,514	5,605,079
Sept., 1959	137	65,153(127)	220,586(126)
Oct., „	168	68,371(158)	273,181(156)
Nov., „	142	51,896	262,891
Dec., „	126	76,754(121)	402,393(121)
July 1960	125	168,407(100)	748,651(100)
Aug., „	50	16,993(46)	89,951(47)
Sept., „	129	32,179(124)	242,901(126)
Oct., „	86	40,484(83)	205,419(83)
Nov., „	81	21,650(77)	210,962(77)
[illegible]	95	27,363(90)	281,518(90)

[illegible] in brackets show the [illegible]

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
BROAD GAUGE														
1957-58	5,457	1,069	418	66	37	21	74	9	64	188	15	216	12	85
1958-59	5,531	1,188	446	62	33	15	74	8	54	176	15	234	11	48
1959-60	5,904	1,196	468	62	31	15	75	8	54	209	37	239	14	55
December 1959	4,302	887	347	46	23	12	58	6	41	155	25	175	12	40
September 1960	2,911	616	241	27	12	7	18	3	28	101	22	118	6	30
October „	3,430	740	275	30	14	8	25	4	32	119	26	139	8	35
November „	3,967	864	307	36	16	9	32	4	36	138	31	160	10	40
December „	4,528	983	344	41	19	10	39	5	41	159	36	185	12	45
METRE GAUGE														
1957-58	3,399	250	393	82	30	10	71	8	74	127	10	43	23	23
1958-59	3,304	279	404	81	25	6	72	8	75	130	6	45	22	18
1959-60	3,484	237	406	74	22	4	74	8	75	160	7	45	22	22
December 1959	2,480	181	310	54	17	4	58	6	57	114	5	33	21	16
September 1960	1,668	116	216	35	10	1	22	3	37	90	3	26	9	12
October „	1,945	139	246	39	11	1	30	3	42	105	3	31	12	13
November „	2,252	162	273	46	12	2	37	4	48	120	4	54	16	14
December „	2,589	186	299	53	14	2	43	5	53	136	4	98	19	16

Note.—The figures relate to Government Railways. The monthly figures are progressive from April and incorporate revision in respect of earlier months. *Source*:—Ministry of Railways.

INDUSTRIAL PRODUCTION *

Industries.		1959	January to November 1959	January to November 1960	September 1960	October 1960	November 1960	November 1959
Major Industries—								
Coal	million metric tons	47.78	43.42	47.58	4.21	4.34	4.64	3.85
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	1,979†	2,650†	287	306	—	235
Yarn	million lbs.	1,723	1,426†	1,427†	146	142	—	141
Cloth	million yds.	4,925	4,100†	4,170†	425	409	—	391
Cement	thousand tons	6,826	6,160	6,994	585	676	674	604
Jute	thousand metric tons	1,068	973	993	91	86	87	89
Paper and paper boards	thousand tons	294	236†	286 K†	28 K	30 K	—	28
Matches§	thousand cases	649	591	601	54	50	58	57
Sugar	thousand metric tons	2,117	1,497†	1,865†	16	39	—	20
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	355†	476†	59	56	—	35
Electric lamps	millions	34.84	31.64	37.27	3.19	3.66	3.97	2.93
Dry cells	millions	187.3	167.9	186.2	17.45	16.56	21.61	18.21
Power transformers	k.v.a.	1,016,400	835,200†	986,600†	120,300	129,500	—	76,400
Electric Motors	thousand H.P.	576	480†	547†	63	62	—	37
Electric fans	Nos.	726,000	654,800	889,200	77,900	76,300	95,200	67,600
Radio receivers	Nos.	213,864	101,986	235,335	24,177	23,800	27,312	20,141
Storage batteries	Nos.	442,800	401,100	465,900	36,900	38,300	45,600	35,000
Copper conductors	tons	6,024	5,416†	8,026 K†	934 K	846 K	—	386
Winding wires	tons	2,832	2,376†	3,401 K†	334 K	324 K	—	193
Rubber and plastic Ins. cables and flexibles	million yds.	166.08	137.97†	167,20J†	17.4J	17.7 J	—	14.4
Insulators—H.T.	Nos.	982,800	801,600†	—	197 T	119T	—	63,600
Insulators—L.T.	million Nos.	6.25	4.63	—	257 T	106T	—	0.54
Diesel engines—Vehicular	Nos.	8,712	7,812	9,492	858	897	10,46	879
Diesel engines—Stationary	Nos.	30,336	27,620	37,847	3,783	3,734	3,600	2,414
Chemical Industries—								
Salt	million mds.	85.14	80.41‡	80.61†	3.39	—	—	2.79
Caustic soda	metric tons	69,876	61,972	90,432	7,803	8,123	8,150	7,807
Soda ash	metric tons	95,328	86,984	129,848	13,252	12,183	12,746	7,372
Chlorine liquid	metric tons	24,780	22,157	28,857	2,537	2,768	2,705	2,491
Bleaching powder	metric tons	5,184	4,806	5,324	430	397	575	378
Bichromates	tons	4,332	3,513†	4,376†	450	450	—	413
Sulphuric acid	tons	292,164	234,345†	302,216†	30,000	30,000	—	26,621
Superphosphate	tons	—	—	—	23,480	24,000	—	21,917
Non-ferrous Metals—								
Aluminium	tons	17,249	14,200†	14,957K†	1,585 K	1,507 K	—	1,496
Antimony	tons	664	614	723K	71 K	51 K	75K	45
Copper (virgin metal)	tons	7,642	7,271	8,241K	747 K	780 K	730K	711
Lead (virgin metal)	tons	8,895	3,590	3,344K	279 K	320 K	370K	330
Gold	ozs.	165,312	151,166	4,102Kgs.†	428Kgs.	407Kgs.	—	14,982 ozs.
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	252,612	225,756	266,618†	21,778	21,525	27,785	23,970
Bicycles	Nos.	990,744	797,083	846,135†	77,305	84,810	—	78,011
Automobiles	Nos.	36,468	32,031	46,595	4,181	4,167	4,831	3,369
Cycle tyres and tubes	million Nos.	19.57	17.76	21.24	1.82	1.56	2.23	1.75
Motor tyres and tubes	million Nos.	2.26	2.05	2.39	0.21	0.19	0.26	0.20
Cigarettes	million Nos.	32,166	26,201†	30,976†	2,916	2,820	—	2,766
Plywood—Tea chests	million sq. ft.	98.68	83.11†	8,077S†	957S	531S	—	6.07
Plywood—Commercial	million sq. ft.	54.06	45.26†	3,724S†	176S	175S	—	3.59
Sheet glass	million sq. ft.	80.57	67.43†	65.61†	701	8.53	—	4.68
§Woollen manufactures: Worsted Fabrics	million yds.	15.04	9.45A	9.93A	—	—	—	1.10
§Woollen manufactures: Worsted Yarn	million lbs.	29.59	19.50A	18.56A	—	—	—	1.50
Footwear—Western type (Leather)	million pairs	4.14	3.74	4.83	0.45	0.32	0.49	0.36
Footwear—Indigenous type (Leather)	million pairs	4.10	3.61	3.42	0.33	0.23	0.40	0.39
Alcohol—Industrial	million Bulk galls.	12.72	11.35	55.33M	5.15 M	5.14M	4.03M	1.38
Alcohol—Power Absolute	million Bulk galls.	8.07	7.21	44.58M	2.79 M	2.65M	2.97	0.57
Railway Wagons	Nos.	10,044	9,380†	5,254†	318	495	—	963
General Index—(Base 1951=100 Revised)		151.9	149.8Z	167.6Z	168.6	173.3	—	160.1

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.

K—Figures in metric tons. Kgs=Kilograms. J=In million metres. S=In thousand square metres. M.=In million litres.

A.—Upto August only. † Upto October only. T—In tons. ‡ Upto September only. Z—Average for the first ten months only.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	118	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
January 1960	102	97	119	125	72	207	107	127	154	100	115	144†	131	168	135	96	123†	140
February „	105	98	121	128	80	196	113	127	156	94†	114	134	139	140	135	96	125†	146
March „	106	94	117	123	74	180	111	127	149	94†	113	141	141	132	135	98	125†	148
April „	108	91	121	122	76	184	119	127	147	102	113	154	144	130	140	103	125	148
May „	113	87	123	126	78	194†	123	127	145	108	113	198	139	129	140	117	125	148
June „	114	87	127	128	80	187	125	127	144	111	112*	187	146	128	140	113	126†	148
July „	115	92	130	132	89	207	126	127	148	111	112	155	150	130	140	107	129	148
August „	115	90	127	129	86	212	121	127	148	107	112	166	140	130	140	115	131	148
Sept. „	114	90	129	132	90	215	127	127	146	104	112	181	140	130	141	116	132	147
October „	111	90	125	137	91	216	117	127	142	116	114	225†	142	129	141	136	130	147
November „	106	90	126	135	92	218	111	127	141	120	111	232	139	130	141	142	129	147
December „	102	89	119	131	93	210	111	127	127	114	110	226	143	126	141	143	129	147
January 1961	99	91	114	132	94	208	108	127	120	113	111	248	151	125	141	155	128	147
February „	100	91	110	130	92	212	108	127	116	113	110	280	153	124	141	168	126	147

† Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	In Quintals of 100 kilograms
Bombay Island—		
Cotton Receipts	Week ended 6th April, 1961	68,001(J)
	Corresponding week, 1960	54,366(J)
	1st Sept. to 6th April, 1960-61	2,491,680*
	Corresponding period, 1959-60	1,515,833*
Cotton Exports	Week ended 6th April, 1961	4,670
	Corresponding week, 1960	5,309
	1st Sept., to 6th April, 1960-61	257,742
	Corresponding period, 1959-60	277,146
Mill Consumption (Estimated)	1st Sept. to 6th April, 1960-61	1,341,838
	Corresponding period, 1959-60	1,344,401
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 6th April, 1961	1,266,386
	Corresponding date, 1960	729,832
		In Bales of 392 lbs. nett.
Consumption of Cotton— Indian	November 1960	352,114
Foreign	November 1960	106,541
Indian	Three months ended Nov., 1960	1,276,595
Foreign	Three months ended Nov., 1960	458,647
Indian	Same Period 1959	1,583,502
Foreign	Same Period 1959	159,758
Stocks (Mills and Elsewhere)— Indian	As on 30th November 1960	790,793
Foreign	As on 30th November 1960	358,894
Indian	As on 30th November 1959	1,046,994
Foreign	As on 30th November 1959	150,845

Particulars	From 1st Sept. to 10th April 1960-61 In quintals of 100 kilograms	From 1st Sept. to 10th April 1959-60 In quintals of 100 kilograms
From Bombay Cotton Shipments to—		
United Kingdom	2,390	2,790
Continent	18,886	18,810
Hongkong	13,940	7,898
China		—
Japan	157,216	172,928
U.S.A.	2,080	12,369
Other countries	180	2,265
Total to all foreign countries	189,692	217,060
Coastal Ports	81,500 (a)	60,627(b)
Total	271,192	277,687

Particulars	Period	
Cotton Exports from Bombay (by sea)		(Bales of 180 Kgs.)
	During Oct., 1960	863
	During Oct., 1959	9,393
	1st Sept., to 31st Oct., 1960	2,891
	1st Sept., to 31st Oct., 1959	25,318
Cotton Pressed in India † (In running bales)		(Bales of 392 lbs.)
	Week ended 24th March 1961	1,526
	Corresponding week, 1960	97,676
	1st Sept., to 24th March 1960-61	1,513,348
	Corresponding period, 1959-60	1,812,093
Karachi (Pakistan)— Receipts	1st Sept. 22nd March 1960-61	798,508
	Corresponding period, 1959-60	851,745
Exports	1st Sept. to 22nd March 1960-61	358,311
	Corresponding period, 1959-60	382,988

MISCELLANEOUS STATISTICAL INFORMATION—Continued

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 1st April 1961	25th Mar., 1961	4th Mar., 1961	2nd April 1960
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.0	101.0	100.9	101.3
2. Government of India	101 0	100.9	100.8	101.1
3. State Government	101.8	101.8	101.5	102.7
4. Municipal, Port Trust, etc.	99.8	99.7	99.7	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.7	100.7	100.6	101.4
PREFERENCE SHARES—ALL INDIA.				
6. Total	85.6	85.7	85.6	90 8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	181.8	182.6	175.4	163.8
8. *Agriculture and Allied Activities; Total**	179.1	175 4	168.3	172.0
9. Tea Plantations	175 4	169.9	162.4	167.7
10. Coffee Plantations	194.0	195.0	197.2	201 0
11. Rubber Plantations	173.5	173.5	171.9	176.8
12. *Mining and Quarrying: Total*	172.0	172 9	167.1	155 4
13. Coal	128.6	129 0	127.5	117.1
14. Other Mining	201.7	203 0	194.3	181.7
15. *Processing and Manufacturing: Total*	195.4	198.8	188.6	172.7
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	197.6	198.7	189.3	170.6
17. Sugar	176 5	178 1	172 2	181.0
18. Cotton Textiles	162.4	162 2	155.9	142.7
19. Jute Textiles	95 3	95.3	86.8	94.6
20. Silk and Woollen	1149.1	1166.2	1106.5	882.8
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	209.2	210.9	202.6	182.8
22. Iron and Steel	169 9	171 2	165.3	149.7
23. Transport Equipment	422 9	427 5	417.0	353.9
24. Electrical Machinery	162.5	165.5	151.6	131 0
25. Machinery other than Transport and Electrical	226 5	227.9	217.8	205.3
26. Basic Industrial Chemicals	217.3	219.1	209.6	189.6
27. *Processing and Mfg. (Others): Total**	163.2	164.5	160.2	160.5
28. Cement	144 9	146.2	140.9	140 5
29. Paper	216 5	218.5	218.5	218 6
30. *Other Industries: Total**	111.1	112.0	108.3	109.0
31. Electricity Generation and Supply	80.3	80.6	80 5	83.9
32. Trading	130.2	131.6	123.3	114.1
33. Shipping and Other Transport	104.6	105.6	101.2	110.7
34. Construction	301.3	313.8	282.9	285.0
35. *Financial: Total*	191.1	191.3	186.1	176.6
36. Banks	215 5	215.9	209.8	196.4
37. Insurance	142.3	142 0	137.6	137 1
38. Investment Trusts	90.2	90.6	91.1	94.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	187.8	189.4	181.4	164.7
40. Calcutta	168.1	168 3	161.6	155.0
41. Madras	197.0	197.6	191.6	182.5
42. Delhi	244.9	245.4	239.6	214 7

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay June (1934=100)	Ahmedabad (1949=100)	Sholapur January (1928=100)	Kanpur (1949=100)	Nagpur (1949=100)	Calcutta August (1939=100)	Madras City (1949=100)	Delhi (1949=100)	Ajmer (1949=100)	Gauhati (1949=100)	Jamshedpur (1949=100)	Jabalpur (1949=100)	Bangalore (1949=100)
1956 Average	105	353	98	316	89	105	347	111	109	95	96	106	109	114
1957	111	369	104	339	94	112	364	116	114	99	108	115	107	126
1958	116	395	110	313	98	129	384	124	118	108	108	128	109	131
1959	121	412	125	340	98	132	384	133	120	106	98	125	108	140
1960	124	423	120	357	99	136	397†	143	120	107	103	120	109	146
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July	126	423	122	362	101	137	406	145	121	109	108	119	109†	146
August	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept.	125	418	122	364	101†	138	403	146	122	108	102	122	108	147
Oct.	125	421	123	365	102	137	396	148	122	108	105	119	108	147
Nov.	124	423	121	367	102	135	392	150	121	110	102	122	108	147
Dec.	124	419	120	362	100	134	385	151	121	110	102	121	108	148
January 1961	123	419	119	..	100	..	385	146	122	111	103	120	109	148
February	123	420	..	..	..	..	..	..	123	111	103	..	100	..

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Outstandings	Cumulative Time Deposits 10-Year J Outstandings	National Savings Certificates 5-Year A Outstandings	N.S.C. 7-Year B Outstandings	N.S.C. 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year N.P.S.C. C Outstandings	Post Office Savings Bank Deposits Receipts	P.O.S.B. Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% G Receipts	4% G Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Outstandings	Total Receipts	Total Outstandings H
1956-57	..	..	3,00	6,01	163,68	..	..	176,97	196,56	25,38	—38,82	44,25	..	..	43	1,32	225.88	440,17
1957-58	..	..	2,22	4,78	142,45	71,45	71,49	179,86	213,91	23,11	—39,73	43,58	558	547	63	1,87	264,35	509,79
1958-59	3	2	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	635	11,68	67	2,41	286,27	590,08
1959-60	51	30	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,86
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19 96	—41,27	41,84	1,13	19,77	5	2,81	23,59	638,52
February	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,27	41,75	1,05	20,79	6	2,86	25,71	644,99
March	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41,29	41,68	96	21,76	6	2,90	43,47	667,36
April	57	34	1,51	3,11	97,35	6,47	226,14	17,87	253,58	19,68	—41,35	41,58	1,63	23,16	9	2,98	26,16	670,00
May	64	38	1,50	3,07	95,55	6,45	231,20	17.00	251,94	19,55	—41,41	41,50	1,06	24,19	5	3,01	24,67	672,58
June	73	42	1,48	3,02	93.84	5,76	235,58	17,35	253,22	19,50	—44 46	41,41	84	25,05	5	3,04	24.13	677,33
July	81	47	1,45	2,98	92,80	5,83	240,30	15,25	255,92	19,44	—41 49	41,32	1,11	26,09	4	3,07	22,86	684,15
August	89	52	1,43	2.91	90,90	6,78	245,82	19.75	261,00	19,88	—41,54	41,21	1,17	27,23	9	3,14	27,92	694,43
Sept.	98	57	1,41	2,84	89,45	7,16	251,77	18,76	265,34	19 28	—41,60	41,14	1,52	28,71	6	3,18	27 64	704,67
October	107	62	1.39	2,79	88.02	7,05	257,63	16,90	267.22	19,20	—41,64	41,09	1,42	30,27	5	3,22	25.56	712 52
Nov.	117	68	1,36	2,73	86,80	6,21	262,71	17,90	269,23	19,13	—41,67	41,02	1,49	31,78	5	3,25	25 81	719,81
Dec.	129	74	1,32	2,67	85,42	6,75	268,19	19,04	272,04	18,98	—41.74	40,97	1,28	82,88	5	3,29	27,30	727,84
January 1961	141	80	1,29	2,62	84,20	6,47	273,41	18,08	274,29	18,89	—41,80	40,00	1,04	34,15	6	3,32	25,83	735,28
Feb.	..	..	..	..	..	..	..	..	..	..	..	39,88	1,80	35,75	5	3,36	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1958. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of December 1960 amount to 11.33 crores of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1958-59	116,17,46,000	1963-65	98.75
3 % Loan	1950	80,33,10,000	1964	98.65
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	96 05
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	91 00
2¾% Loan	1946	57,00,69,000	1961	99.50
2½% Loan	1946	14,77,48,000	1976	83 50
2¾% Loan	1947	75,86,72,000	1962	98.40
3½% N. P. Bonds	1953	75,29,00,000	1961	100 00
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.95
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99 95
3¾% Loan	1956	1,07,27,36,000	1962	99 85
3½% N. P. Bonds	1956	93,81,83,000	1967	99.00
3¾% Loan	1956	86,63,58,000	1974	99.70
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100 50
4 % Loan	1957	49,17,27,000	1972	100 45
3½% Loan	1958	58,05,92,000	1963	100 10
3½% Loan	1958	70,00,00,000	1968	98.80
3½% Loan N.P.B.	1958	84,33,90,000	1968	100 50
4 % Loan	1958	49,51,44,000	1978	100 40
3¾% Loan	1959	1,37,90,93,000	1969	98.70
4 % Loan	1959	81,06,38,000	1979	100.05
4 % Loan	1960	97,64,00,000	1980	99.90
3½% Bonds	1960	82,66,00,000	1966	99.65
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,98,83,000	M.	72.00
3 % Loan	1946	2,48,91,83,000	K.	78.65
STATE LOANS				
4 % Andhra	1955	5,90,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98 30
4½% Andhra	1958	5,48,81,000	15th July 1970	101 00
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	97.75
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	98 40
3 % Maharastra	1949	5,29,97,000	1st Aug. 1962	98.50
3½% Maharastra	1951	2,82,97,000	17th Sept. 1962	99.80
4 % Maharastra	1953	5,10,80,000	15th July 1963	100 00
4 % Maharastra	1952	3,40,34,000	1st Aug. 1964	99.90
4 % Maharastra	1955	9,56,29,000	1st Sept. 1967	99.50
4 % Maharastra	1956	7,82,20,000	3rd Sept. 1970	99.10
4½% Maharastra	1957	6,57,23,000	16th Sept. 1969	101.20
4½% Maharastra	1958	6,58,21,000	15th July 1970	101.20
4½% Maharastra	1958	4,35,25,000	15th July 1971	101.20
4 % Maharastra	1959	6,58,13,000	19th Aug. 1971	99.00
4 % Maharastra	1960	10,00,00,000	29th Aug. 1969	99.50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98 00
4 % Bihar	1956	2,13,31,000	3rd Sept. 1968	98 00
4½% Bihar	1958	2,76,71,000	15th Oct. 1970	101.05
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	98.30
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	99.45
3½% Howrah Bridge (New)	1936-37	1,77,09,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98 00
4 % Hyderabad	1956	2,18,02,600	3rd Sept. 1968	98.00
2½% Madras	1946	3,81,77,000	1st Sept. 1961	99.05
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.75
4 % Madras	1953	10,38,71,000	15th July 1963	99 90
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.60
4 % Madras	1956	18,33,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	101.10
4 % Madras	1959	5,72,72,000	19th Aug. 1971	98.00
4 % Madras	1960	12,00,00,000	29th Aug. 1969	98.40
4 % Mysore(B)	1933	2,95,35,200	1st Dec. 1958-63	101.40
3 % Mysore(B)	1936	5,99,73,000	20th Apr. 1956-61	99 80
4 % Mysore	1953	3,33,47,000	15th July 1963	99.50
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.40
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	101.10
4½% Mysore	1958	5,51,61,000	15th July 1970	101.10
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	98.40
3 % M.P.	1948	2,08,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	99.50
4 % M.P.	1953	1,10,18,000	15th July 1963	99 40
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98 00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,80,000	15th July 1970	101.05
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97 50
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	98 00
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	98.85
4 % Saurashtra	1956	2,66,65,000	3rd Sept. 1968	98.85
4 % Kerala	1953	3,25,61,000	15th July 1963	99.00
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98.10
4½% Kerala	1958	3,27,10,000	15th July, 1970	100.75
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.20
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.10
2½% U.P.E.A.	1952	44,93,89,000	..	48.707
3 % U.P.	1936	1,55,31,000	15th Sept. 1961-66	92 25
2¾% U.P.	1946	2,12,62,000	1st Sept. 1961	98 50
3½% U.P.	1951	1,86,22,000	17th Sept. 1962	99 70
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99 90
4 % U.P.	1953	5,58,25,000	15th July 1963	99.90
4 % U.P.	1955	9,19,71,000	1st Sept. 1967	98.60
4 % U.P.	1956	3,48,29,000	3rd Sept. 1968	98.50

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	101.10
4 % U.P.	1959	4,88,86,000	19th Aug. 1971	98.80
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	98.40
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.50
4½% Rajasthan	1958	2,79,88,000	15th July 1970	101.10
4 % Rajasthan	1959	2,84,19,000	19th Aug. 1971	98.80
4 % Rajasthan	1960	5,00,00,000	29th Aug. 1969	98.40
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.00
4½% Orissa	1958	3,28,58,000	15th July 1970	101.05
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.00
4 % M. Bharat	1958	1,94,77,000	15th July 1963	99.00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97.75
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.50
4 % W. Bengal	1953	2,50,22,000	15th July 1963	99.70
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.90
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	101.10
4 % W. Bengal	1959	7,00,02,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,00,00,000	29th Aug. 1969	99.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.60
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	97.00
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,376	4	1913*	1960	D
30,00,000	4	1913	1974	97.00
36,25,000	4	1914	1975	97.00
10,00,000	4	1915*	1960	D
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
50,00,000C	3½††	1921	1981	82.00
68,02,200C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	98.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	98.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	88.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	91.75
1,50,00,000	3½	1953	1983	99.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.50
1,00,00,000	4	1959	1989	99.50
50,00,000	4½	1958	1988	98.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
STERLING LOANS				
£302,600	5	1923	1958-63	£63
£901,000	5	1924	1954-64	£63
£895,100	5½	1932	1962	£96½
MADRAS				
Rs.				Rs.
38,48,275	3½	1947	1977	A
9,85,000††	3	1947	1977	
3,00,000††	3	1949	1970	
45,00,000††	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
38,00,000	4	1901	1961	97.75 N
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	97.50 N
12,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-79	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£333,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	91.75
50,00,000	3	1937	1962	96.00
20,00,000	3	1938	1963-68	91.75
30,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1929	1969	113.00N
8,25,00,000	3½	1947	1977	86.50
2,13,14,500	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,34,000	3½	1951	1966	98.00
1,30,00,000	4	1953	1968	99.00
92,19,00,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.00
1,57,50,000	4	1956	1968	99.00
1,74,00,000	4½	1957	1969	99.50
4,75,00,000	4½	1958	1970	99.50
3,30,00,000	4	1959	1971	97.00
CALCUTTA				
Rs.				Rs.
10,09,000	5½	1932	1962	108.00
32,91,000	3½	1935	1965	95.00
69,00,000	3	1936	1966	91.00
47,50,000	3	1938	1968	91.00
21,10,000	3½	1942	1972	92.00
66,25,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
74,00,000	4½	1954	1979	100.00
2,32,72,600	4	1955	1965	97.25N
73,80,000	4½	1956	1966	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	January to December 1958	1959R	1960
Exports	570,56	613,79	622,63
Re-exports	8,40	6,94	12,24
Total Exports	578,96	620,73	634,87
Imports	864,18	940,39	1,011,35
Overall Balance of Trade	—285,22	—319,66	—367,48
Exports—			
Tea	136,54	126,01	120,04
Jute yarns and manufactures	103,82	110,75	141,92
Cotton yarns and manufactures	52,63	66,14	62,87
Metallic ores and metal scrap	30,35	34,04	38,25
Cotton, raw and waste	21,20	16,37	10,72
Oils—vegetable, mineral and animal	12,36	17,81	15,78
Fruits and vegetables	21,16	21,01	24,69
Tobacco	16,29	13,84	15,65
Mica	9,34	10,31	9,82
Wool and other animal hair	9,35	12,22	8,67
Gums, resins and lac	7,16	7,95	8,74
Spices	8,83	10.15	17,65
Hides and skins, raw	7,35	11,01	10,66
Imports—			
Machinery of all kinds	188,92	205,83	232,74
Iron and Steel	97,80	85,11	110,83
Oils—vegetable, mineral and animal	80,23	82,93	83,76
Chemicals, drugs and medicines	65,28	88,32	86,09
Electrical goods and apparatus	49,04	54,16	53,62
Vehicles (excluding aircraft, ships and boats)	52,53	61.99	51,00
Cotton, raw and waste	80,66	34,77	75,15
Fruits and vegetables	17 43	16,52	18,83
Paper, pasteboard, etc.	8,26	10,22	11,71
Dyes and colours	8,76	9,59	12,20
Spices	2,84	2,52	2.19
Woollen and worsted fabrics	30	23	23
Cotton fabrics	1,05	1,19	79
Rice	44,02	11,42	18,66
Wheat and Spelt	102,65	134,93	103,51

R—Revised Figures.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1961					
24th Jan.	2.00	2.00	2.00	2.580	99.355
25th to 28th Jan.*	0.05	—	0.05	—	99.371
31st Jan.	2.00	2.00	2.00	2.585	99.350
1st to 4th Feb.*	0.07	—	0.07	—	99.371
7th Feb.	2.00	2.00	2.00	2.585	99.350
8th to 11th Feb.*	0.05	—	0.05	—	99.371
14th Feb.	2.00	2.00	2.00	2.590	99.350
15th to 18th Feb.*	0.05	—	0.05	—	99.371
21st Feb.	2.00	2.00	2.00	2.650	99.335
22nd to 25th Feb.*	1.02	—	1.02	—	99.356
28th Feb.	2.00	2.00	2.00	2.750	99.310
8th Mar.	2.00	2 00	2.00	2.750	99.310
14th March	2.25	2.60	2.00	2.750	99.315
15th to 17th Mar.*	0.05	—	0.05	—	99.331
20th Mar.	2.00	2.00	2.00	2.750	99.310
21st to 25th Mar.*	0.70	—	0.70	—	99.331
27th Mar.	2.00	2.00	2.00	2.750	99.310
4th April	2.00	2.00	2.00	2.750	99.310
5th to 8th April*	1.60	—	1.60	—	99 331
11th April	2.00	2.65	2.00	2.750	99.315
12th to 15th April*	0.10	—	0.10	—	99.331
18th April	2.52	3.00	2.52	2.750	99.315

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. I.—Interim Dividend. F—Dividend for first half of the year.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					BOMBAY CITY AND ISLAND											
17,33,200	9,11,732	38,69,225	22,51,328	3,251	Maganlal Bhagwandas & Co.	..	..	Ambika Silk Mills Co., Ltd.	152.00	100	15.00	12.00	12.00		12	Y.
50,00,000	....	1,14,24,372	44,03,340	—46,65,476	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.56	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,99,481	1,18,20,968	77,24,952	—13,00,519	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	43.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
2,50,98,000	3,56,27,968	11,03,32,121	5,45,36,135	65,826	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Z	65.20	25	2.50	2.50	3.50	3.50	12	Y.
10,00,000	30,76,210	86,14,262	52,94,709	64,016	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	122.50	50	15.00	7.50	5.00	5.00	3	Y.P.
2,03,91,500	4,09,76,495	10,53,72,338	4,62,73,738	2,31,912	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	581.00	100	22.00	22.00	31.50	30.00	12	Y.P.
26,00,000	29,15,005	1,21,99,369	78,24,358	75,815	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	135.50	100	12.50*	12.50*	7.50	11.00	3	Y.
28,00,000	26,12,714	97,68,522	63,68,559	3,64,674	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	123.00	50	7.50F	5.00	10.00	15.00	3	Y.
34,00,000	20,44,712	87,46,739	65,30,990	—14,81,027	Puranmal Bubna Sons	47,356	928	Edward Textiles	275.00	200	15.00	15.00(c)	18.00		12	Y.P.
29,98,050	27,57,616	1,51,25,544	80,85,174	23,591	B. L. Jalan, Esq. (Chairman)	46,620	886	Elphinstone Spg. & Wvg.	85.00	50	*Nil*	*Nil*	7.00		12	Y.
50,00,000	71,12,338	2,03,17,243	1,18,41,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	326.00	100	20.00	10.00	23.00	23.00	12	Y.
50,00,000	60,44,319	1,05,48,015	72,22,481	10,233	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	267.50	100	15.00	15.00	21.50	21.50	12	Y.
11,84,000 16,000	1,19,31,192	2,16,82,316	1,42,90,523	....	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	4,750.00xd 992.50	1,000 250	350.00* 87.50*	350.00 87.50	350.00(c) 87.50(c)	500.00 125.00	3	Y.P.
O. 2,00,00,000 D. 50,00,000	3,38,578	5,10,23,798	3,68,18,422	—19,79,270	Agarwal & Co.	2,47,092	5,984	India United Mills	14.40 1.80	0 100. 0 1D.	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		12	Y.
18,30,000 D. 70,000	91.23,291	1,84,94,644	1,39,55,204	10,633	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	2,150.00 1,050.00N	1,000 500	325.00* 162.50*	325.00 162.50	200.00(c) 100.00(c)	232.00 116.00	3	Y.P.
59,85,000	82,79,165	3,76,13,105	2,68,91,560	38,751	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	536.25	100	10.00(c)	10.00	16.00	32.00	6	Y.P.
1,00,00,000	1,02,16,719	4,18,29,168	3,03,39,130	20,794	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	289.50	100	18.00	10.00	9.50	15.00	12	Y.
46,47,350	43,32,220	1,51,49,443	75,23,486	32,765	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	90.00	50	5.00'C'	3.00	5.00	6.00	10	Y.
51,75,000	50,69,550	3,02,81,993	2,16,99,596	42,652	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	330.00	100	14.00(c)	15.00	21.50	21.50	6	Y.P.
2,41,12,000	1,72,11,640	11,70,25,574	5,26,37,085	1,66,270	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	506.00 —	100 100	14.00 ..	14.00 11.20	22.00 21.27		12	Y.P.T.
24,00,000	11,16,837	83,71,883	48,70,077	—11,98,634	M.	45,944	480	New City of Bombay Mfg.	150.00	100	5.00	*Nil*	*Nil*		12	Y.
30,00,000	77,589	1,10,42,353	63,37,035	—10,72,122	Sahu S. P. Jain, Esq. (Chairman)	49,012	963	New Great Spg. & Wvg.	208.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
48,00,000	54,85,829	1,81,28,534	1,22,58,132	2,82,604	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	137.00	100	12.50F	10.00	10.00	15.00	3	Y.
45,00,000	42,97,687	80,65,529	31,95,108	16,195	Podar Sons Private Ltd.	32,600	930	Podar Mills	147.00	100	10.00	18.00*(c)	12.00*		12	Y.P.
75,00,000	19,70,000	1,69,60,794	81,75,000	57,378	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	117.00	100	..	8.00	11.50		12	Y.P.
10,00,000	....	29,94,246	16,74,307	—1,52,005	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.88	10	0.25	*Nil*	*Nil*		12	Y.
87,70,100	1,21,80,082	2,81,69,010	1,64,24,391	215	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	52.00	10	2.00	2.00	2.50		12	Y.
90,00,000	64,91,229	1,90,85,953	83,85,241	56,379	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	254.00	100	8.00	10.00	15.00	18.00	12	Y.P.
50,40,000	15,53,956	2,27,78,338	1,00,86,574	—3,49,633	M.	49,840	1,114	Simplex Mills	188.50	50	8.50	8.50	5.00(c)	7.50	3	Y.T.
1,09,75,000	2,51,54,908	3,87,61,421	2,23,24,758	91,528	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	1,495.00	100	22.50*	20.00	29.00*		12	Y.P.
1,00,00,000	96,94,067	3,16,61,974	1,74,64,096	1,506	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	259.50	100	9.00	10.00	14.00		12	Y.P.
86,00,000	85,68,509	2,11,42,441	1,21,58,892	26,062	James Finlay & Co., Ltd.	40,328	550	Swan Mills	555.00	100	25.00	25.00	36.00	36.00	12	Y.
65,57,875	50,22,987	2,58,77,176	1,04,22,689	17,925	Tata Industries Private Ltd.	61,572	1,775	Tata Mills	51.20	25	2.00	1.50	2.50		12	Y.T.
10,00,000	64,52,368	1,08,96,178	64,84,479	76,869	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	875.00	100	23.00*	20.00*	20.00		12	Y.P.
12,00,000	1,02,12,489	1,79,02,964	1,20,98,754	—17,05,239	K. M. D. Thackersey, Esq. (Chairman)	54,664	1,262	Western India Spg. & Mfg.	3,725.00	1,000	325.00	325.00	325.00(c)	70.00(c)	12	Y.P.
					AHMEDABAD											
40,00,000	37,96,894	2,09,06,549	90,57,515	12,482	Tata Industries Private Ltd.	49,168	1,016	Ahmedabad Advance Mills	168.00	100	5.00	5.00	4.90(c)	10.00	6	Y.P.T.
20,00,000	97,23,117	1,52,08,567	87,79,332	....	Hutheesing Sons & Co.	44,220	920	Aruna Mills	570.00	100	25.00	25.00	25.00'C'		12	Y.P.
60,00,000	2,95,20,296	2,85,00,200	1,40,42,800	1,58,812	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,540.00	100	35.00*	28.00'C'	40.00		12	Y.P.
26,40,000	45,04,840	1,24,95,618	83,06,442	58,595	Mangaldas & Brother (Pvt.) Ltd.	85,908	892	Aryodaya Ginning & Mfg.	445.00	200	*Nil*	25.00'C'			12	Y.P.
20,00,000	1,27,06,477	1,51,11,023	73,11,050	....	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	750.00	100	30.00	20.00'C'	25.00		12	Y.P.
2,06,25,000	2,91,51,584	7,72,08,320	3,30,53,664	21,88,804	Karamchand Premchand Pvt. Ltd	1,39,120	2,380	Calico	1,059.00	125	30.00	25.00	22.00		12	Y.P.
63,00,000	27,76,707	1,57,37,865	1,12,77,222	6,366	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	596.25	250	25.00*	27.00*	36.00	31.00	3	Y.P.
52,00,000	1,42,42,748	1,92,98,548	1,22,21,300	1,63,425	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,980.00	125	30.00	35.00*	55.00*		12	Y.P.
15,00,000	63,45,614	83,84,671	44,35,941	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	580.00	100	20.00	20.00	25.00		12	Y.
30,00,000	96,88,684	1,29,66,793	76,85,644	....	Lalbhai Dalpatbhai & Co.	32,828	640	Raipur Mfg.	915.00	100	35.00*	25.00'C'	35.00		12	Y.P.
48,75,000	23,78,557	1,49,91,313	85,09,730	14,294	Rohitbhai Chinubhai, Esq. (Chairman)	33,156	648	Rohit Mills	218.75	100	8.00*	8.00*	10.00		12	Y.P.
63,75,900	3,20,28,997	2,64,83,630	1,60,59,340	2,86,397	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,327.00	100	25.00	30.00*	45.00	50.00	12	Y.P.
29,25,000	82,40,408	1,24,24,481	83,25,307	28,821	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,828	720	Shorrock Spg. & Mfg.	800.00	100	20.00	22.00*	30.00*		12	Y.
85,00,000	89,43,859	1.84,94,632	92,66,120	25,810	Haridas Ashratlal & Co.. Ltd.	41,056	780	Vijaya Mills	675.00	500	40.00*	40.00*			12	Y.P.
					WEST BENGAL											
15,00,000	2,39,480	40,18,953	26,20,603	....	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	8.31	10	0.60	0.50	*Nil*		12	Y.P.T.
7,11,280 1,30,620 1,70,000	2,44,733	89,51,451	62,49,897	—3,26,098	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	*Nil*	*Nil*	*Nil*	3	Y.P.
24,00,000	5,14,800	1,26,22,986	56,02,346	60,41	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	203.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
28,50,000	29,20,846	1,50,29,025	80,61,726	4,01,95	Kettlewell Bullen & Co., Ltd.	48,064	500	Dunbar Mills	28.50	10	*Nil*	*Nil*	1.00		12	Y.T.
50,08,000	14,21,548	96,46,603	46,98,603	21,28	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	17.56	10	0.50	0.65	0.80	1.00	12	Y.T.
1,60,00,000	2,07,51,444	4,18,09,599	1,42,09,599	76,76	Birla Brothers Private Ltd.	75,046	1,992	Kesoram Cotton Mills	32.81	10	0.75	0.25	0.25		8	Y.P.
O. 19,47,750 D. 5,00,000	78,492	50,99,822	32,38,579	—5,21,450	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	10.12N 2.37N	10 1D	1.00 0.15	0.50 *Nil*	*Nil* *Nil*		6	Y.
					SOUTH INDIA AND OTHER CENTRES											
29,92,692	5,43,855	78,05,065	7,21,196	31,684	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	10.65cd	10	*Nil*	*Nil*	*Nil*		12	Y.
30,00,000	2,25,000	85,26,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	140.25	100	6.00	6.00	11.00		12	Y.P.
11,98,600	4,50,000	49,07,709	26,15,654	3,044	Setna & Co.	25,984	..	Asher Textiles Ltd.	204.05	100	12.50	6.00	6.00	12.50	6	Y.
72,00,000	20,55,192	2,04,53,847	68,19,240	2,951	The Industries (I.F.) Department, Government of Andhra Pradesh	36,136	725	Azam Jahi Mills	73.00	100	3.50	*Nil*	4.00	4.00	9	Y.
1,21,50,000	1,64,86,667	3,98,24,324	3,21,04,850	2,49,477	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	295.00cd	100	10.00'C'	10.00	10.00		12	Y.P.
3,33,25,000					..	..	..	Baroda Rayon Corporation	139.00	100	..	..	..		12	Y.
35,00,000	78,10,478	1,66,23,840	1,20,16,290	33,509	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	18.00	10	1.50	0.75	*Nil*	1.00	3	Y.
1,78,47,800	3,51,04,379	8,62,84,184	5,14,76,381	2,17,300	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	214.00cd	100	10.00	10.00	10.00		12	Y.P.T.
20,00,000	18,500	51,28,590	26,05,678	—2,79,050	G. Sam & Co.	37,536	4	Cambodia Mills	9.90	10	0.50(c)	*Nil*	*Nil*		12	Y.P.
15,00,000	5,29,216	58,92,782	33,76,104	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	152.00	100	20.00	12.50	15.00	17.00	3	Y.
30,00,000	41,96,806	85,69,419	69,13,685	56,318	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	9.12	5	0.25	*Nil*	*Nil*	0.36	12	Y.
9,41,068	6,61,000	68,26,050	38,32,807	15,034	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	13.25	10	0.90	0.90	0.90	1.30	3	Y.P.
35,99,600	81,66,212	1,21,93,855	51,67,340	....	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	180.00cd	100	9.00'C'	6.00	6.00	12.00	12	Y.
17,65,300	4,06,710	49,14,591	26,55,487		T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	114.00	100	7.50	*Nil*	7.50		12	Y.P.
20,00,000	22,23,665	97,89,504	54,27,110	1,28,498	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills	350.00cd	100	20.00	20.00	25.00		12	Y.P.
20,76,900	5,075	1,35,77,639	89,09,665	—12,57,670	A. V. Srinivasalu Naidu, Esq. (Ch.)	70,268	807	Coimbatore Spg. & Wvg.	56.00	50	*Nil*	*Nil*	*Nil*		12	Y.
46,87,500	10,75,722	4,64,86,662	1,50,60,898	—90,16,850	Tata Industries Private Ltd.	1,15,188	2,064	Central India	111.00	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
29,66,711	26,72,802	1,21,27,978	57,71,091	9,000	R. Hanumanthappa & Sons	40,082	300	Davangere Cotton Mills	116.50	100	9.00	9.00	9.00	12.00	3	Y.
3,38,36,225 1,00,568	4,64,46,622	14,46,03,948	8,37,58,780	2,72,401	B. R. Charat Ram & Co. Private Ltd.	1,16,686	2,338	Delhi Cloth & General Mills	45.50	25 2½	2.00 0.10	2.00 0.16	2.50† 0.25†	2.50 0.30	6	Y.P.T.
48,60,000	20,65,006	1,31,45,544	61,00,929	1,006	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	212.00	100	10.00'C'	10.00	17.50		12	Y.
68,00,000	1,40,56,814	2,13,31,287	1,58,72,559	86,978	The British India Corporation Ltd.	48,452	1,194	Elgin Mills	19.62	10	1.00	0.75	1.15		9	Y.P.
48,81,000	22,48,948	1,87,03,402	91,62,727	1,321	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	181.00	100	8.00	8.00	6.00		12	Y.
40,00,000	56,44,510	1,29,49,778	85,83,208	24,751	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	265.00	100	10.00	10.00	16.00		12	Y.
2,50,00,000	2,39,47,000	6,42,53,523	4,12,24,000	20,81,106	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	44.75	10	*Nil*	*Nil*	1.00	2.00	3	Y.P.
78,36,500	....	7,35,378	....	—76,663	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	64.00XR	62.50	..	..	..	*Nil*	3	Y.P.
50,00,000	1,96,680	1,64,52,847	1,21,05,123		K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	143.00	100	6.00	5.00(c)	7.00		12	Y.
8,90,000	6,18,770	86,26,185	22,28,141	—5,61,231	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	61.50	50	3.00	*Nil*	*Nil*		12	Y.
15,54,000	11,26,682	66,77,134	35,48,365	....	Bhairuratan Damani, Esq. (Managing Director)	21,176	512	Jam Shri Ranjitsinghji	1,500.00	1,000	40.00	*Nil*	*Nil*	60.00	6	Y.
1,25,00,000	30,48,856	4,87,56,355	1,21,12,218	52,757	Padampat Singhania, Esq.	45,000	1,000	J. K. Cotton Spg. & Wvg.	19.24	10	..	..	0.90		12	Y.P.
16,86,170	13,17,947	82,44,540	41,48,200	1,507	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	12.62cd	5	1.25	0.75	0.75		12	Y.
4,63,65,300	3,07,35,097	4,65,60,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	12.00	10	0.85	0.25	0.07		3	Y.P.
67,20,000	25,71,768	1,69,79,996	49,33,767	55,806	Kothari & Sons	67,192	800	Kothari Textiles	12.90cd	10	1.00	*Nil*	1.00		12	Y.P.
82,00,000	54,31,894	1,98,63,685	1,48,17,868	26,609	M.	51,908	1,243	Lakshmi Cotton Mfg.	507.50	250	15.00	15.00	25.00		12	Y.P.
71,00,000 A. 35,50,000	83,80,960	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	168.00cd 87.00cd	50 25	10.00 5.00	6.00 3.00	6.00 3.00	10.00 5.00	3	Y.
58,00,000	1,42,22,327	2,18,43,643	1,46,79,309	6,549	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	855.00	100	15.00	18.00	29.00*		12	Y.P.
1,75,02,480	4,63,85,125	6,70,44,187	4,43,21,884	7,21,441	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	37.15xd	15	2.25	*Nil*	1.875	2.25	12	Y.
60,00,000	29,59,006	68,45,576	51,49,367	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,656	608	Mettur Industries Ltd.	380.00	100	20.00	20.00	25.00	30.00	3	Y.
29,80,884	5,71,940	1,05,10,931	50,74,411		N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	75.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
94,91,850	21,56,148	1,71,94,769	78,81,528	1,85,008	M.	52,408	952	Model Mills (Nagpur)	35.00	250					6	Y.
29,78,100	44,97,618	1,17,73,699	69,34,817	24,962	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	67.00	50	9.00*	5.00	5.00	7.00	2	Y.P.
31,50,000	48,76,891	66,34,980	44,19,186	1,368	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	216.25	100	12.00	12.00	12.00		12	Y.P.
48,00,100		2,37,94,145	1,20,34,420	—37,45,965	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.40	10	*Nil*	*Nil*	*Nil*		3	Y.P.
37,23,300	19,78,217	1,77,24,075	67,40,513	....	Bansilal Biscardas Pvt. Ltd.	37,788	902	Osmanshahi Mills	62.00	100	*Nil*	*Nil*	*Nil*		9	Y.
A. 4,00,000 B. 6,00,000	16,56,928	78,14,710	36,35,783	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	250.00 300.00	50A 75B	9.00 18.50	10.00 15.00	15.00 22.50		12	Y.P.
15,00,000	....	37,30,105	19,70,043	—21,28,862	..	27,980	..	Pankaja Mills Ltd.	58.00	100	*Nil*	*Nil*			12	Y.
63,10,000	13,67,447	1,10,56,308	66,04,305	2,661	A. G. Guruswamy Naidu & Co.	60,704	801	Radhakrishna Mills	31.50	25.00	3.00	1.50	2.25		12	Y.
28,21,000	22,65,296	1,22,00,429	53,26,619	1,286	Mukundlal Bansilal & Sons	25,420	567	Raja Bahadur Motilal Mills	100.00	100	*Nil*	*Nil*	*Nil*		12	Y.
30,00,000	26,53,800	92,98,175	42,76,744	....	R. B. Naidu & Sons	41,896	..	Rajalakshmi Mills	81.50cd	50	4.50	3.00'C'	3.75		12	Y.P.
16,14,300	17,87,061	65,86,578	27,79,402	....	Ramco Agencies Private Ltd.	36,936	..	Rajapalayam Mills	131.50	100	12.00	8.00	6.00(c)	9.00	3	Y.
15,36,890	2,69,111	83,59,281	50,04,126	....	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	224.00	100	16.00	10.00	16.00	23.00	3	Y.
22,33,300	13,62,109	56,78,717	31,03,738	7,071	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	182.00cd	100	10.00	10.00	10.00	15.00	12	Y.
10,00,000	6,93,527	54,79,568	33,71,779	3,264	S. R. P. Ponnuswamy Chetty & Sons	25,068	..	Sivanandha Mills Ltd.	28.25	10	1.20	1.50	2.20		12	Y.
3,50,00,000		....	....	....	M.	..	..	South India Viscose Ltd.	157.50	100	..	..	..	..	12	Y.
13,17,124	6,47,786	45,36,078	12,34,844	....	K. Ramachandran, Esq. (Mg. Director)	16,516	..	Sri Kannapiran Mills Ltd.	10.00cd	10	1.00	0.60	1.00	..	12	Y.
36,69,700	23,00,087	1,01,95,864	72,28,021	30,862	D. B. Viswambhariah, Esq. (Mg. Director)	42,924	340	Sri Krishnarajendra Mills	70.00	50	7.00	4.50	4.00	5.50	3	Y.
15,02,500	9,69,325	56,07,042	29,96,235	13,876	P. S. Govindaswamy Naidu & Sons	36,598	86	Sri Rangavilas Ginning	48.00	50	2.00	*Nil*	2.50	..	12	Y.
15,00,000	3,90,30,629	1,17,10,444	91,98,176	3,97,888	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	100.00	10	6.00	6.00	6.00	6.57	8	Y.
O. 17,50,000 P.O. 1,57,50,000	2,43,33,071	3,42,05,504	1,95,78,129	9,04,312	M.	1,12,216	2,090	Swadeshi Cotton (Kanpur)	12.00 9.25	100. 10P.O.	0.75 1.15	*Nil* 0.40	*Nil* 0.571		12	Y.P.
12,72,210	1,90,000	48,58,575	7,75,459	22,842	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	11.25	10	..	*Nil*	*Nil*	0.80	3	Y.P.
[illegible]	70,91,584	[illegible]	[illegible]	2,20,684	[illegible] & Sons (Travancore) Ltd.	..	..	Travancore Rayons	37.50	10	1.00	1.25	2.00		12	Y.P.T.
[illegible]	[illegible]	[illegible]	15,76,076	2,397	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	12.50cd	10	0.90	0.75	1.25	1.35*	12	Y.
21,00,000	35,41,000	[illegible]	67,96,875	17,795	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	252.00cd	100	12.00	12.00	16.00		12	Y.P.
15,10,240	[illegible]	24,95,548	13,64,649	—2,74,043	Thiagaraja Chetty & Sons Private Ltd.	..	200	Virudhunagar Textile Mills Ltd.	50.00	50	2.25	2.50	5.60	..	12	Y.P.
33,00,000	12,53,816	1,94,82,375	1,33,00,940	—11,21,394	M.	49,880	1,369	Vishnu Cotton	130.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.

M.—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	64,31,970	1,47,43,249	50,81,902	36,065	B. N. Elias & Co. Private Ltd.	879	Agarpara	11.25	10	0.25	0.25	0.50	1.00	3	Y.P.T.
6,00,000	13,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	198.00	100	10.00	10.00	15.00		12	Y.P.T.
30,00,000	5,43,950	1,41,02,373	1,01,60,589	1,16,925	McLeod & Co., Ltd.	1,264	Alliance	92.00	100	Nil	Nil	Nil	6.00	5	Y.P.
49,20,700	35,41,000	2,63,90,624	1,74,73,587	2,26,168	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	212.00	100	7.00	10.00	12.50	20.00	3	Y.P.
40,00,000	21,83,168	1,36,05,736	76,40,894	34,111	Bird & Co. Private Ltd.	810	Auckland	172.00	100	Nil	5.00	20.00	27.00	3	Y.P.T.
20,00,000	34,53,528	1,46,13,222	77,61,622	28,486	Birla Brothers Private Ltd.	959	Bally	232.00	100	2.00	6.00	10.00	25.00	3	Y.P.
£275,000	£803,923	£1,601,226	£1,065,825	—£92,399	Sir John H. Burder (Chairman)	1,889	Barnagore	138.00	£5	Nil	Nil	10sh.	£1.10sh	3	Y.P.
23,60,000	30,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	171.00	100	2.50	7.50	13.50		12	Y.P.
45,00,000	27,18,486	66,58,432	38,60,363	98,716	Sooraimull Nagarmull	600	Bengal	10.00	10	Nil	0.50	0.50		6	Y.P.T.
91,26,000	2,82,25,130	7,34,86,439	2,26,35,926	93,079	Birla Brothers Private Ltd.	1,373	Birla	87.00	10	1.00	1.00	1.00	1.50	3	Y.P.
36,00,000	27,72,236	1,36,96,070	70,34,735	34,192	Andrew Yule & Co., Ltd.	991	Budge-Budge	143.00	100	Nil	5.00	15.00	10.00	10	Y.P.
7,47,380	4,000	45,18,657	34,32,120	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg.	7.25	10	Nil	Nil			12	Y.P.T.
18,00,000	27,51,530	84,60,059	49,11,673	30,168	M.	616	Caledonian	156.00	100	Nil	15.00	12.00		11	Y.P.
59,16,400	81,81,976	2,17,74,524	1,17,03,511	1,66,730	James Finlay & Co., Ltd.	600	Champdany	115.00	100	Nil	Nil	7.00	10.00	3	Y.
15,95,000	23,19,096	86,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	17.25	10	Nil	5.00	12.50‡		11	Y.P.
30,15,000	39,53,900	1,20,98,261	66,66,975	39,326	McLeod & Co., Ltd.	500	Chitavalsah	12.94	10	1.10	1.25	1.50	0.50	7	Y.P.T.
24,00,000	9,00,000	81,39,934	67,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	11.00	10	Nil	Nil			3	Y.P.
31,49,200	13,05,418	1,06,95,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	109.50	100	Nil	Nil	Nil	1.00	3	Y.P.T.
23,00,000	41,39,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	178.00	100	Nil	6.00	14.00		11	Y.P.
15,00,000	38,62,000	1,14,03,496	74,72,740	70,285	McLeod & Co., Ltd.	500	Empire	19.94	10	0.75	1.00	1.25	1.25	7	Y.P.T.
63,00,000	83,65,324	3,41,69,981	1,69,04,401	72,060	Kettlewell Bullen & Co., Ltd.	1,864	Fort Gloster Industries Ltd.	350.00	100 Old	10.00	20.00	20.00	25.00		Y.P.T.
21,00,000	19,81,948	1,32,23,393	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	26.44	10	1.50	1.50	1.50	2.25	3	Y.P.T.
34,32,100	5,16,898	2,24,66,716	1,48,00,382	56,359	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	11.06	10	Nil	Nil	Nil	1.00	3	Y.P.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd.	40.00	10	2.00	2.00	4.00		12	Y.T.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	403.00	100	2.50	20.00	25.00	30.00	3	Y.P.
40,00,000	31,69,633	1,33,64,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	119.00N	100	5.00	5.00	6.00	6.00	3	Y.P.
16,30,000	21,42,845	72,60,481	53,26,718	49,754	Baijnath Bajoria	720	Hooghly	19.25	10	Nil	Nil	0.60		3	Y.P.
65,62,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	22.00	10	Nil	Nil	1.00	1.25	3	Y.P.T.
52,50,000	38,25,000	3,18,43,014	1,77,68,014	1,65,175	Ramdutt Ramkissendas	2,272	Hukumchand	21.62	7.50	1.50	1.50	1.50	2.15	3	Y.P.
37,30,000	21,78,965	1,74,80,629	1,00,24,542	4,94,235	M.	790	India	17.00	12.50	9.37	15.62‡	1.24	1.75	3	Y.
24,00,000 *'B'19,20,000	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	161.00 147.00	100 'B' 100	Nil Nil	5.00 5.00	20.00 20.00		12	Y.P.T.
30,00,000 *'B'24,00,000	10,09,317	1,76,28,517	1,12,70,069	—12,68,526	Jardine Henderson Ltd.	1,527	Kanknarrah	76.50 75.00	100 'B' 100	Nil Nil	Nil Nil	Nil Nil		12	Y.P.T.
28,00,000	52,06,000	1,51,65,797	1,03,30,320	1,21,384	McLeod & Co., Ltd.	703	Kelvin	153.00	100	9.00	12.50	14.00'C'	15.00	5	Y.P.
54,00,000	23,62,520	2,16,94,951	1,32,38,732	74,405	Anderson Wright Ltd.	1,530	Khardah	17.50	10	0.80	0.80	2.00	2.00	3	Y.P.
50,80,150	42,30,583	1,99,43,494	1,24,97,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	177.00	100	Nil	5.00	10.00	20.00	3	Y.P.T.
24,48,000	10,76,201	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	120.00	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	11,08,592	69,04,728	41,08,722	10,530	Bird & Co. Private Ltd.	840	Lawrence	170.00	100	Nil	Nil	2.00	15.00	3	Y.P.
51,65,200	34,63,931	2,70,91,429	1,55,68,005	56,999	M.	1,294	Megna	12.87	10	0.50	1.75	1.00	1.20	3	Y.
29,98,900	24,36,392	1,64,58,185	94,23,205	—11,60,685	M.	815	Naihati	82.00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	13,14,376	36,84,253	24,27,490	4,929	Howrah Trg. Co. Private Ltd.	425	Naskarpara	12.18	10	0.25	0.25			10	Y.T.
25,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	21.19	10	0.75	0.75			10	Y.P.
26,25,000	32,36,172	68,66,663	32,12,580	43,020	McLeod & Co., Ltd.	316	Nellimarla Jute	10.87	10	0.90	1.00	1.40	0.30	7	Y.P.T.
1,70,82,810	2,27,33,274	9,30,93,375	1,36,54,171	....	Sahu Jain Ltd.	1,765	New Central	19.62	10	..	1.50	1.50'C'	1.50	2	Y.P.T.
16,79,380	38,39,763	1,21,83,607	71,21,586	27,631	Bird & Co. Private Ltd.	567	Northbrook	28.00	10	Nil	Nil	1.25	3.00	3	Y.P.T.
66,79,500	28,53,004	2,30,01,345	1,21,35,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	54.00	50	Nil	2.50	3.00	4.00	3	Y.
25,00,000	10,23,000	99,89,588	72,61,540	66,437	McLeod & Co., Ltd.	400	Presidency	5.44	5	0.30	0.37½	0.50		7	Y.T.
20,00,000	42,629	33,96,467	12,06,763	20,526	Hindusthan Investment Corpn. Ltd.	305	Rameshwara	9.87	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	14,07,546	1,24,96,816	66,97,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	6.87	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£488,130	£1,484,376	£840,162	£66,843	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	9.50N	£1	Nil	5%†	10%†		12	Y.P.
30,00,000	19,67,300	1,24,50,559	91,65,668	69,510	Bagaria Mere & Co., Ltd.	911	Shree Ambica	26.25	10	0.50	0.50	0.60		3	Y.P.
14,00,000	12,59,725	72,57,128	52,50,728	63,633	Hindusthan Investment Corpn. Ltd.	401	Soorah	23.12	10	1.50	1.50	2.50		12	Y.P.
£600,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.50N	£1	Nil	3%†	10%†		12	Y.P.
35,96,600	37,29,990	89,38,489	[illegible]59,464	35,998	Bird & Co. Private Ltd.	1,326	Union	192.00	100	Nil	15.00	20.00	25.00	3	Y.P.T.
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9.50N	£1	3%†	5%†	10%†		12	Y.P.
2,50,000	6,70,000	32,62,305	45,58,966	1,94,094	McLeod & Co., Ltd.	447	Waverley	5.50	1	Nil	Nil	0.25	0.30	5	Y.P.T.

SOUTH INDIAN PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
							TEA COMPANIES								
10,96,990	4,16,126	17,25,120	3,38,737	3,842	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	16.60	10	1.75*	1.75	1.50	1.50	3	Y.P.
63,00,000	18,91,207	79,01,776	13,65,987	2,63,906	Kothari & Sons (Ags.) Pvt. Ltd.	1,329	Blue Mountain	8.80	2	0.25	0.25	0.25	0.25	6	Y.
5,50,000	5,09,091	16,46,405	5,40,184	18,637	K. Anantarman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.78	2	0.30	0.24	0.24	0.20	6	Y.P.
14,00,100	11,19,898	26,32,979	3,15,911	1,36,960	Peirce, Leslie & Co., Ltd.	1,236	Chembra Peak Estates	8.82	2	0.40	0.20	0.30	0.40	3	Y.
5,66,420	12,20,975	23,20,475	1,95,657	32,888	Matheson Bosanquet & Co. Pvt. Ltd	392	Coonoor Tea	28.12	10	2.00	2.00	2.00	1.75	9	Y.P.
4,80,000	4,76,798	12,48,672	2,12,224	2,580	Srinivas Agencies	441	Coorg Tea	5.60	2	0.40	0.40	0.40	0.40	3	Y.P.
6,00,000	4,82,155	12,25,902	3,36,581	1,259	R. A. Jenkins, Esq. (Mg. Director)	344	Devashola (Nilgiri) Tea	30.30	10	1.75	2.50	2.50		12	Y.
6,74,630	3,25,233	10,31,247	2,29,577	4,312	Young India Agencies Private Ltd.	465	Devon Tea	14.87	10	1.75	1.75	1.50	1.50	3	Y.P.
5,00,000	1,26,500	4,04,217	65,265	2,027	Parkins Private Ltd.	196	Emerald Valley Estates	6.50CR	5	0.30	0.30	0.40		12	Y.
25,00,000	17,77,500	47,06,209	9,26,271	1,765	Parkins Private Ltd.	1,495	Halleyburia	15.15	10	1.50'C'	2.00	1.25'C'		12	Y.P.T.
6,00,000	7,65,695	14,87,744	3,33,344	48,233	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	4.80	2	0.30	0.25	0.30		3	Y.T.
17,17,076	12,12,245	33,15,743	5,71,179	15,600	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	5.25cd	2	0.30	0.30	0.70	0.50	10	Y.P.
3,45,000	5,10,000	11,44,396	96,799	306	Ipe Oommen & Co. Pvt. Ltd.	300	Kurchermala Plant. Ltd.	4.10	10	0.75	0.625	0.30	Nil	3	Y.P.
5,00,000	70,550	9,28,291	61,372	35,812	Matheson Bosanquet & Co.Pvt.Ltd.	267	Lucky Valley	13.87cd	10	1.00	1.00	1.00		12	Y.
3,50,000	26,500	3,21,318	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.70	2	0.18	0.24	0.10		3	Y.
3,00,000	6,23,106	12,48,190	2,88,717	1,418	Eapen Thomas, Esq. (Mg. Director)	524	Mlamallay	38.12	25	4.50	3.75	5.00		3	Y.P.
36,00,000	21,32,880	81,96,144	14,08,852	5,225	A. V. Thomas & Co. (India) Ltd.	2,089	Neelamalai	4.61	5	0.37	0.37	0.37	0.37	3	Y.P.
12,00,000	6,37,638	27,51,637	5,74,549	5,656	A. V. Thomas & Co., Ltd.	1,648	Nelliampathy	2.58	2	0.40	0.30	0.20	0.26	6	Y.P.
14,06,250	7,45,346	39,87,155	6,33,351	26,790	A. V. George & Co., Ltd.	1,628	Nilgiri Tea	8.50	10	0.75	0.60	0.50	0.30	3	Y.P.T.
28,10,000	9,22,309	32,15,349	3,63,585	35,375	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	28.50cd	10	2.00	3.50	2.00		6	Y.
14,88,960	17,58,525	32,40,997	5,53,242	47,411	Mr. P. S. M. Molyneux (Chairman).	579	Parkside	28.87cd	10	1.75	2.50	2.75	2.75	6	Y.
6,00,000	2,06,284	2,47,660	63,188	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninsular Plantations Ltd.	21.85	10	2.50	1.50	2.00		2	Y.
17,00,000	10,41,752	41,24,957	14,46,521	44,631	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	23.30	10	2.50	1.62½	2.25		12	Y.P.
57,94,880	28,17,245	1,10,00,168	34,24,596	30,253	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	4.10cd	2	0.70	0.20'C'	0.25		3	Y.P.
18,50,000	8,06,500	11,40,782	1,24,996	907	A. V. Thomas & Co. (India) Ltd.	365	Sheveroy Estates Ltd.	1.88	2	0.15	0.15	0.125	0.18	6	Y.
9,00,000	12,06,473	27,25,093	7,62,652	3,656	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	15.00	10	1.40V	0.30	0.60		6	Y.T.
1,25,000	15,000	1,96,241	7,968	4,239	M.	216	Swinton Estates	8.12	2	..	0.15	0.15	0.25	3	Y.
12,50,000	10,87,328	36,51,187	3,53,187	997	Srinivas Agencies	1,787	Talayar Tea	1.85	2	0.20	0.12	0.10	0.16	3	Y.P.
15,75,000	16,00,500	27,37,319	3,39,820	565	Parkins Private Ltd.	1,214	Twyford	18.15	10	1.50'C'	1.50	1.00'C'		3	Y.
21,93,280	12,29,689	44,14,672	15,67,621	1,62,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	24.75	10	1.77	1.60	1.95	2.10	12	Y.
47,25,000	12,42,245	63,68,910	8,97,362	1,94,353	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	8.17	2	0.25	0.25	0.25	0.25	6	Y.P.
1,00,000	53,757	3,51,001	89,991	689	Goodall & Co.	96	Woodcote Estates Ltd.	1.65		0.09	0.06	Nil	Nil	6	Y.P.
							RUBBER AND OTHERS			1957	1958	1959	1960		
6,00,000	5,52,485	16,68,612	4,21,741	8,855	Ramani & Co., Pvt. Ltd.	878	Alageswar Estates Ltd.	2.80	2	0.20	0.20	0.15	0.15a		
6,75,000	1,60,527	19,08,351	2,97,284	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,062	Amalgamated Coffee Estates Ltd.	18.65	10	0.40	0.60	0.75	1.00	3	Y.
2,50,000	5,78,753	13,39,733	1,24,737	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14.87	10	1.50	1.00	1.50	..	3	Y.P.T.
12,07,838	2,28,040	20,59,620	2,33,207	34,372	Associated Planters Private Ltd.	1,348	Anaparai Estates Ltd.	4.70cd	2	0.30	0.70	0.50	0.40	12	Y.P.
4,25,000	4,00,000	8,56,275	92,884	25,796	Young India Agencies Pvt. Ltd.	554	Badra Coffee Estates Ltd.	3.75	2	0.65	0.35	0.35	..	6	Y.T.
4,00,000	1,63,748	7,34,867	1,10,833	2,488	A. V. Thomas & Co. (Mysore)	570	Bababudin Coffee & Produce	8.47	5	1.25	1.25	0.625	0.40	5	Y.P.
3,00,000	2,35,000	4,24,393	50,457	588	Planting Agencies (Private) Ltd.	319	Balmadies Plantations	2.48	2	0.25	0.25	0.15	0.15	6	Y.P.
8,66,115	2,36,253	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)	1,135	Be Be Rubber Estates Ltd.	8.00	5	0.25	0.25	0.25		5	Y.P.
26,91,279	18,00,000	52,49,279	8,16,788	21,669	Peirce, Leslie & Co., Ltd.	7,098	Cochin Malabar	7.75	3	0.45	0.30'C'	0.45	0.525	5	Y.P.
22,50,000	31,10,968	53,64,399	13,19,304	92,379	Cons. Coffee Estates (Secretaries).	2,799	Coffee Lands and Industries	20.50	10	4.00	2.00	2.50	0.60	2	Y.P.
71,55,000	66,04,294	5,58,60,009	40,89,751	60,720	C. I. Machia, Esq. (Mg. Director)	8,169	Consolidated Coffee	28.30	10	4.00	2.00	2.50	2.00	6	Y.P.
6,00,000	5,32,423	13,68,760	74,628	1,432	Associated Planters Private Ltd.	1,489	Cottanad Plantations	11.40	10	1.75	1.50	1.50	1.00	6	Y.P.
4,08,560	2,00,000	3,12,568	76,968	27,670	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffees).	5.85	2	1.00	1.30	0.50	0.50	3	Y.P.
18,00,000	9,86,402	31,46,370	6,93,094	24,694	A. V. Thomas & Co., Ltd.	886	Highland Produce	16.00	10	0.75	1.50	1.50		6	Y.
1,20,000	49,000	1,64,450	5,148	2,033	Young India Agencies Pvt. Ltd.	220	Kadur Coffee Estates Ltd.	2.85	2	0.15	0.15	0.15	0.15	12	Y.P.
11,85,700	10,77,705	30,90,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kallas Rubber, Co., Ltd.	5.00	2	0.60	0.50	0.50	0.40	5	Y.P.
8,00,000	8,86,553	17,97,748	3,49,814	1,350	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	13.00	10	2.00	1.00'C'	1.25	1.25	2	Y.
4,00,000	3,75,000	9,82,417	1,85,014	14,690	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.58	2	0.50	0.40'C'	0.40	0.40	4	Y.P.
13,50,000	4,85,241	25,39,476	4,08,190	9,942	K. T. Thomas Kathanar, Esq.	1,863	Malankara Rubber	18.60	10	2.25	1.70'C'	1.00	1.50	10	Y.T.
3,25,000	2,50,000	7,67,594	9,954	10,168	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.80cd	5	0.75	1.00	1.00	1.00	3	Y.
40,50,000	14,21,444	90,79,814	11,84,844	66,364	A. V. Thomas & Co., Ltd.	4,683	Midland Rubber	11.80	10	2.00	1.00'C'	1.00	1.25	6	Y.P.
3,35,000	4,13,450	16,31,926	2 76,266	46,475	A. V. George & Co., Ltd.	1,229	Nenmeny Rubber	20.65	10	0.75	1.50	1.50		3	Y.P.
2,00,000	4,79,543	7,36,900	55,302	3,036	Associated Planters Private Ltd.	906	Nilambur Rubber Co.	16.25	10	1.50	2.00	1.50		12	Y.P.
19,45,980	23,89,219	52,58,400	18,70,387	7,007	Peirce, Leslie & Co., Ltd.	4,395	Ouchterlony Valley Estates	4.40cd	2	0.90	0.20	0.30	0.26	12	Y.P.T.
6,50,000	5,71,464	7,75,530	67,530	42,437	Peirce, Leslie & Co., Ltd.	546	Ossoor Estates Ltd.	3.30cd	2	0.30	0.25	0.30	0.30	10	Y.P.T.
16,50,000	2,29,315	22,68,070	6,46,200	17,195	Aspinwall & Co., Ltd.	2,017	Pullangode Rubber	1.75	3	0.10	0.08	0.10	0.10	3	Y.
13,50,000	8,37,644	48,31,065	4,79,542	19,045	A. V. Thomas & Co., Ltd.	2,968	Rajagiri Rubber	18.90	10	2.00	2.00	2.00	2.00	3	Y.P.
2,00,000	1,14,968	3,70,345	48,560	774	Associated Planters Private Ltd.	422	Rajendra Coffees Ltd.	12.90	5	1.25	2.00	2.50	1.25	6	Y.P.
5,50,176	8,00,000	8,87,753	1,22,319	12,609	Peirce, Leslie & Co., Ltd.	492	Savamalai Estates Ltd.	3.55cd	2	0.30	0.25'C'	0.30		3	Y.P.
12,00,000	1,85,008	18,30,245	1,09,554	10,758	Patco Agencies	1,162	Sangameshwar Coffee Estates	2.41	2	..	0.12	0.15	0.12	11	Y.
10,00,000	2,03,130	22,50,808	1,88,857	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	6.10	10	0.60	0.60	0.60	Nil	3	Y.P.T.
2,50,000	2,75,000	6,18,713	47,088	28,430	A. V. George & Co., Ltd.	467	Thamarapally Rubber	38.00	10	2.00	3.00	3.00		3	Y.P.T.
9,15,300	6,05,000	24,54,542	2,19,470	14,820	Peirce, Leslie & Co., Ltd.	3,261	Thirumbadi Rubber Co., Ltd	1.55	1	0.05	0.10	0.07	0.07	12	Y.T.
6,00,000	96,742	11,54,991	5,02,490	2,248	Eapen Thomas, Esq. (Mg. Director)	1,208	Travancore Rubber	10.70	10	1.50	1.00	1.00		6	Y.P.
41,00,000	15,07,458	86,13,006	12,50,607	3,526	Aspinwall & Co. (Travancore) Ltd.	4,671	Travancore Rubber & Tea	9.80	10	0.40	0.50	0.75		12	Y.
30,00,000	1,36,600	32,16,650	3,67,968	11,924	P. T. Thomas, Esq. (Mg. Director)	2,259	Tropical Plantations Co.	20.75	25	1.00	1.50	2.00		12	Y.P.
6,00,000	4,06,000	17,68,416	1,27,428	10,653	P. I. J. Joseph, Esq. (Chairman)	1,360	Velimalai Rubber & Co.	5.70	5	0.62½	0.50	0.50	0.60	12	Y.
2,20,000	4,29,600	10,00,702	1 07,302	28,380	A. V. George & Co., Ltd.	458	Udayagiri Rubber Co., Ltd.	21.25	10	0.60	0.75	1.50		2	Y.P.T.
3,30,010	2,91,070	9,65,557	38,718	585	M.	738	Vaikundam Rubber Co., Ltd.	31.25	10	2.50J	3.00	2.50	1.50‡	12	Y.P.
12,00,000	11,90,962	15,34,580	1,19,340	1,15,433	Peirce, Leslie & Co., Ltd.	1,027	Wartyhully Estates Ltd.	3.35cd	2	0.15	0.30	0.30	0.30	12	Y.
3,95,000	6,33,233	12,55,991	91,382	2,962	M.	844	Woodland Estates	8.00	10	1.50	0.50	0.50	1.00	3	Y.P.T.

‡—Final dividend of Re. 1.50 is on the increased capital. V—Includes 60 nP for 30-6-1954. 'C'—On increased Capital. Z.—Dividend for nine months ended 31st March 1960.
* Includes bonus. M.—Managed by Board of Directors. † Less income-tax. N.B.—All dividends paid since 31st March, 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
							ASSAM								
4,45,700	13,84,978	22,94,476	8,53,312	....	McLeod & Co., Ltd.	325	Amluckie	26.87	10	1.00	1.50	1.50		12	Y.P.
2,76,500	3,01,500	12,10,619	4,33,800	2,091	M.	456	Ananda (Assam) Tea	24.00	10	1.00	2.00			12	Y.
7,08,250	7,55,753	16,41,189	5,01,215	54,204	Gillanders Arbuthnot & Co., Ltd.	481	Ananda Bag	30.00	10	0.50	1.00	1.75		12	Y.
5,50,000	14,38,941	26,06,181	10,04,021	19,953	McLeod & Co., Ltd.	573	Baghmari	27.56	10	1.50	1.50	1.50		12	Y.
5,10,000	11,57,780	18,49,824	6,86,011	43,644	Andrew Yule & Co., Ltd.	377	Basmatia	31.00	10	1.75	2.00	3.00		12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Bateli	22.25	5	1.50	1.50			12	Y.
6,40,000	10,74,426	15,66,305	5,60,306	37,706	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	30.37	10	1.50	1.50	2.50		12	Y.
33,00,000	18,32,500	73,96,221	31,20,921	3,83,877	Williamson Magor & Co., Ltd.	3,425	Bishnauth	24.75	10	1.00	Nil	1.30		12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	13.70	10	Nil	0.50			12	Y.
7,50,000	9,06,475	14,41,597	4,34,307	70,851	McLeod & Co., Ltd.	450	Bormah Jan Tea	19.94	10	Nil	0.75	1.25		12	Y.P.
35,00,000	17,26,071	94,38,743	34,17,209	2,53,984	M	2,834	Brooke Bond B.	17.62	10	1.75	1.00	1.25		6	Y.
1,20,000	8,09,581	11,64,943	3,93,553	35,405	McLeod & Co., Ltd.	282	Dejoo Valley	54.00	10	2.00	3.00	4.00		12	Y.
8,40,000	5,49,948	33,10,828	20,05,150	—2,40,732	Jardine Henderson Ltd.	1,332	Dessai & Parbuttia	148.00	100	Nil	Nil	Nil		12	Y.
17,53,440	10,53,350	31,54,422	92,50,98	17,829	James Warren & Co., Ltd.	770	Dhelakhat	23.06	10	2.50	2.50	2.00		12	Y.P.
7,00,000	6,85,000	24,04,227	6,47,434	10,086	H. P. Dhanuka, Esq. (Chairman)	1,349	Dhunseri	16.44	10	2.00	2.00	2.30		12	Y.
4,50,000	12,09,644	18,71,655	3,98,875	68,960	McLeod & Co., Ltd.	458	Dibrugarh	40.75	10	2.50	3.00	3.00		12	Y.P.
4,73,400	7,15,000	17,09,184	7,61,684	1,56,884	Williamson Magor & Co., Ltd.	632	Dimakusi	28.62	10	3.00	2.50	3.00		12	Y.P.
7,00,620	11,66,000	27,54,322	14,69,122	3,83,571	Williamson Magor & Co., Ltd.	635	Duffiaghur	36.87	10	3.00	4.50	3.50		12	Y.
10,00,000	9,57,600	38,05,749	12,68,049	1,31,213	Williamson Magor & Co., Ltd.	1,166	East India Tea	21.50	10	0.50	0.50	1.00		12	Y.
5,03,760	6,42,879	17,74,219	6,37,020	8,855	M.	465	Gillapukri	25.00	10	2.50	2.50	2.50		12	Y.
6,76,000	4,90,000	22,56,199	10,31,899	1,31,256	Williamson Magor & Co., Ltd.	552	Gohpur	17.75	10	2.00	0.50	1.00		12	Y.
23 29,085	36,34,739	67,30,725	20,38,780	61,970	Octavius Steel & Co., Ltd.	2,494	Grob	11.87	5	1.25	1.50	0.70		12	Y.
5,00,000	6,86,998	11,97,176	4,67,668	14,369	M.	488	Hoograjuli	24.00N	10	1.00	0.50‡	2.50		12	Y.
8,70,000	13,90,841	32,83,007	14,80,249	75,669	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	195.00	100	12.50	17.50	20.00		12	Y.
69,97,120	78,24,518	2,04,25,435	76,25,435	88,479	Birla Brothers Private Ltd.	4,900	Jay Shree Tea & Industries	22.75	10	1.00	1.00	1.40	1.40	12	Y.P.
9,00,000	8,62,200	20,23,965	5,82,195	51,110	Gillanders Arbuthnot & Co., Ltd.	876	Jutlibari	30.31	10	1.75	1.00	1.00		12	Y.
3,60,000	13,02,500	16,52,939	7,79,490	91,530	M.	1,166	Kingsley-Golaghat (Assam)	228.00	100	25.00	25.00			12	Y.P.
1,80,000	7,000	20,18,041	3,18,798	—2,30,952	Duncan Bros. & Co., Ltd.	1,201	Kotamullai Tea	11.50	5	Nil	Nil	Nil		12	Y.P.
6,50,000	6,53,734	14,09,076	4,30,863	22,109	Duncan Bros. & Co., Ltd.	634	Ledo	17.19	10	Nil	Nil	Nil		12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	19.75	10	1.50	1.00‡			12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	11.50	10	Nil	Nil			12	Y.P.
1,50,000	13,65,825	1,16,088	10,450	30,504	Kettlewell Bullen & Co., Ltd.	410	Mothola	528.00	100	40.00	40.00	25.00		12	Y.
1,75,000 P.O. 2,00,000	8,36,947	16,59,105	6,59,981	37,858	Andrew Yule & Co., Ltd.	373	Murphulani	25.00 25.50	O. 10 P.O. 10	1.75 2.25	2.00 2.50	2.00 2.50		12	Y.
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	314	Namburnadi	13.75	10	1.50	Nil			12	Y.
5,00,000	20,000	7,66,315	2,69,599	35,282	Duncan Bros. & Co., Ltd.	728	New Cinnatolliah	102.00	100	Nil	Nil	Nil		12	Y.
2,00,000	8,46,039	18,89,252	5,27,546	45,190	Andrew Yule & Co., Ltd.	390	Rajgarh	52.25	10	2.50	2.50	3.50		12	Y.
9,00,000	2,56,006	32,81,411	18,29,355	20,383	M.	958	Sapoi	20.75	10	1.50	1.50	2.00		12	Y.
2,49,000	4,30,000	12,83,249	6,96,549	91,288	Williamson Magor & Co., Ltd.	501	Seajuli	27.00	10	2.25	2.25	1.75		12	Y.
5,98,000	13,64,556	19,34,492	6,82,207	7,126	McLeod & Co., Ltd.	495	Teloijan	34.50	10	3.00	3.50	2.50		12	Y.
3,00,000	5,97,055	14,42,247	5,27,787	64,646	Gillanders Arbuthnot & Co., Ltd.	521	Tengpani	88.00N	10	1.50	1.50	1.75		12	Y.P.T.
19,82,880	15,86,078	51,14,115	22,83,115	53,844	Shaw Wallace & Co., Ltd.	2,347	Tezpore	17.87	10	Nil	1.25	2.00		12	Y.
5,20,000	25,00,315	50,60,323	16,66,525	1,05,020	McLeod & Co., Ltd.	1,050	Tyroon	45.87	10	3.00	1.50	3.00		12	Y.P.
							CACHAR								
3,00,000	....	5,16,444	1,33,505	—2,43,041	M.	362	Arcuttipore	7.00	10	Nil	Nil			12	Y.
7,00,000	....	7,66,139	1,05,460	—3,49,181	M.	649	Eastern Cachar	2.75N	10	Nil	Nil			12	Y.
12,60,000	13,00,000	31,05,555	13,36,847	60,217	Octavius Steel & Co., Ltd.	2,208	Hattikhira	10.37	10	Nil	0.50	0.50		12	Y.
3,60,000	1,10,000	6,48,924	2,68,020	3,869	Duncan Bros. & Co. Ltd.	628	Kunshunpore	7.75	10	Nil	Nil			12	Y.
7,00,000	8,73,960	21,37,538	8,98,015	1,37,903	Assam Trading Co.	2,205	North-Western Cachar	200.00	100	15.00	20.00	30.00		12	Y.
2,60,000	3,32,179	12,34,475	3,70,957	—76,413	McLeod & Co., Ltd.	633	Roopacherra	15.50	10	Nil	Nil	Nil		12	Y.
5,25,000	10,97,014	14,64,650	4,63,459	41,094	Duncan Bros. & Co., Ltd.	720	Rungamattee	63.50	50	3.75	1.25	3.75		12	Y.
4,00,000	3,36,980	10,68,284	3,63,708	1,199	M.	662	Sonai River	8.25	10	Nil	Nil			12	Y.P.T.
							DARJEELING								
2,79,900	1,05,000	4,30,792	92,592	18,735	Williamson Magor & Co., Ltd.	408	Chamong	10.00	10	Nil	Nil	Nil		12	Y.
2,00,000	1,68,526	3,39,734	1,69,880	—892	M.	433	Dilaram	84.00N	100	Nil	7.50			12	Y.
2,60,000	2,18,765	8,67,216	3,43,216	—82,998	Davenport & Co., Ltd.	507	Gielle	11.00	10	Nil	Nil	Nil		12	Y.P.
1,59,000	3,51,372	5,41,385	2,25,788	12,425	Andrew Yule & Co., Ltd.	463	Mim	220.00	100	Nil	Nil	10.00		12	Y.
2,99,900	4,43,000	7,30,361	2,14,761	1,29,955	Williamson Magor & Co., Ltd.	690	Nagari Farm	28.12	10	2.50	3.00	2.00		12	Y.
1,00,000	1,11,500	4,70,736	2,49,287	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	500.00	100	Nil	32.50	32.50‡		12	Y.P.
3,00,000	3,500	6,09,868	2,51,814	—86,025	Duncan Bros. & Co., Ltd.	478	Poobong	6.25	10	Nil	Nil	Nil		12	Y.
2,65,000	2,07,208	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	8.00	10	Nil	Nil			12	Y.P.
1,40,000	5,02,500	4,63,373	2,11,663	30,085	Duncan Bros. & Co., Ltd.	341	Rungliee Rungliot	350.00	100	25.00	30.00	10.00		12	Y.
3,00,000	3,27,462	5,50,875	1,96,085	3,514	M.	389	Seeyok	12.25	10	1.00	1.50			12	Y.
3,00,000	85,000	11,65,737	2,38,715	7,369	Goenka & Co.	583	Singtom	6.00	10	0.50	0.50‡			12	Y.P.
3,00,000	4,45,000	7,56,966	3,49,266	1,75,267	Williamson Magor & Co., Ltd.	554	Soom	36.00	10	4.00	5.00	3.00		12	Y.
6,25,000	9,54,667	17,84,118	5,20,111	58,721	McLeod & Co., Ltd.	745	Sungma	16.00	10	0.75	1.50	1.00		12	Y.
3,20,900	7,28,815	14,29,114	3,98,614	—30,294	Davenport & Co., Ltd.	718	Teesta Valley	15.75	10	1.00	Nil	Nil		12	Y.
9,01,350	2,61,083	16,07,038	3,76,038	—2,94,248	Williamson Magor & Co. Ltd.	1,666	Tukvar	8.00	10	Nil	Nil			12	Y.
							DOOARS								
27,00,000	29,62,946	68,67,156	26,80,596	93,115	Andrew Yule & Co., Ltd.	2,540	Banarhat	337.00	100	20.00	20.00	32.50		12	Y.P.
12,00,000	18,89,305	47,37,495	26,67,822	66,917	Jardine Henderson Ltd.	948	Baradighi	30.87	10	1.50	1.50	2.50		12	Y.
9,00,000	17,95,074	27,34,742	13,24,580	6,018	McLeod & Co., Ltd.	1,112	Bhatkawa	24.25	10	1.50	Nil	1.00		12	Y.
9,00,000	17,47,500	28,48,801	9,90,295	40,081	Duncan Bros. & Co., Ltd.	1,348	Birpara	179.00	100	7.50	12.50	22.50		12	Y.P.
6,00,000	3,36,000	14,66,180	5,09,072	21,500	Duncan Bros. & Co., Ltd.	602	Carron	161.00	100	5.00	Nil	15.00		12	Y.
9,00,000	13,87,365	25,34,091	10,16,841	96,625	Andrew Yule & Co., Ltd.	908	Choonabhutti	317.00	100	20.00	22.50	30.00		12	Y.P.
3,00,000	4,36,000	9,76,478	4,70,948	22,233	Duncan Bros. & Co., Ltd.	478	Ellenbarrie	157.00	100	Nil	Nil	5.00		12	Y.
1,20,000	2,04,475	4,99,213	2,38,581	—59,525	Andrew Yule & Co., Ltd.	265	Engo	196.00	100	Nil	Nil			12	Y.
4,90,000	61,299	10,37,477	3,14,730	—35,008	M.	447	Ethelbarrie	9.81	10	0.75	Nil	Nil		12	Y.
7,50,000	6,75,164	18,92,292	11,88,007	39,367	Gillanders Arbuthnot & Co., Ltd.	1,129	Gairkhata	190.00	100	Nil	Nil	12.50		12	Y.
36,00,000	38,35,750	71,46,538	23,70,874	30,061	Duncan Bros. & Co., Ltd.	2,528	Hantapara	140.00	100	Nil	Nil	12.50		12	Y.P.
32,00,000	60,61,255	1,15,51,655	58,95,226	2,60,071	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	27.19	10	0.75	0.75	1.25		12	Y.P.
3,25,000	21,63,678	29,07,639	12,14,689	36,987	Davenport & Co., Ltd.	1,452	Huldibari	29.25	10	1.25	1.50	2.25		12	Y.
7,60,000	5,12,873	11,09,391	5,33,855	16,262	Andrew Yule & Co., Ltd.	607	Jaybirpara (Dooars)	19.62	10	Nil	Nil	0.50		12	Y.
9,00,000	18,16,006	24,52,378	7,53,905	42,315	Duncan Bros. & Co., Ltd.	937	Killcott	20.62	10	1.50	0.75	1.75		12	Y.
2,00,000	5,72,564	10,14,554	3,56,190	3,818	M.	578	Manabarrie	59.00N	10	1.50	0.50	0.50		12	Y.
9,60,000	19,87,000	26,78,567	9,58,041	28,611	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	219.00	100	7.50	5.00	17.50		12	Y.
14,00,000	20,80,530	34,00,529	12,34,687	52,126	Andrew Yule & Co., Ltd.	1,168	New Dooars	326.00	100	20.00	25.00	32.05		12	Y.P.
2,50,000	3,80,000	5,69,606	2,08,922	10,819	Duncan Bros. & Co., Ltd.	848	Phaskowa	140.00	100	Nil	Nil	Nil		12	Y.
6,00,000	9,10,472	16,36,538	7,19,903	—1,96,926	McLeod & Co., Ltd.	764	Rajabhat	20.00	10	Nil	Nil	Nil		12	Y.
7,65,000	15,51,570	20,13,553	15,15,626	48,739	McLeod & Co., Ltd.	1,035	Ranicherra	25.00	10	0.50	0.75	1.00		12	Y.
14,92,800	29,39,216	61,42,087	35,18,973	42,452	Jardine Henderson Ltd.	1,763	Rydak	37.00	10	2.00	2.50	3.00		12	Y.
							SYLHET								
3,00,000	17,95,000	10,31,473	3,95,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	23.50	10	Nil	Nil			12	Y.
6,00,000	11,04,551	9,86,429	2,61,464	46,770	Duncan Bros. & Co., Ltd.	610	Dauracherra	8.25	10	0.75	0.50	1.50		12	Y.
4,00,000	12,06,209	18,68,395	7,18,394	2,77,118	Shaw Wallace & Co., Ltd.	985	New Samanbag	23.50	10	3.00	Nil	Nil		12	Y.P.
36,00,800	66,24,901	65,50,842	27,50,049	2,25,758	Duncan Bros. & Co., Ltd.	4,151	Patrakola P.	162.00	100	10.00	20.00	40.00		12	Y.P.
9,00,000	22,94,327	21,07,338	7,06,843	31,974	Duncan Bros. & Co., Ltd.	1,190	Tellapara	112.00	100	6.00	12.50	17.50		12	Y.
							TERAI								
4,50,000	65,000	4,45,716	3,67,923	3,509	Goenka & Co.	667	Atal	8.31	10	0.50	0.25			12	Y.P.T.
2,50,000	4,15,000	4,13,655	2,24,219	35,498	National Tea Corporation	522	Belgachi	24.25	10	2.00	2.50			12	Y.
13,44,000	22,46,000	27,80,130	11,43,606	29,724	Duncan Bros. & Co., Ltd.	1,611	Gungaram	164.00	100	7.50	Nil	15.00		12	Y.
5,00,000	11,12,294	14,91,443	5,08,406	18,957	Duncan Bros. & Co., Ltd.	536	Hansqua	18.94	10	1.00	Nil	1.75		12	Y.
3,60,000	5,07,700	10,27,925	4,27,249	62,209	Davenport & Co., Ltd	514	New Chumta	33.75	10	1.25	1.00	1.50		12	Y.
2,20,000	3,75,250	13,61,474	5,52,735	33,691	McLeod & Co. Ltd.	549	Tirrihannah	60.00	10	3.00	4.00‡			12	Y.P.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
						CEMENT								
71,39,380	6,39,303	1,60,52,590	69,38,639	22,870	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.53	B. 10	1.00	0.75	1.00		12	Y.P.
59,90,098	6,05,000	1,74 94,366	13,63,509	4,434	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	9.48	10	Nil	Nil	0.45	0.70	3	Y.T.
43,14,600 4,70,976D.	12,14,532	1,51,44,736	81,04,633	....	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	5.25 0.87	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil	.. ..	3	Y.T.
19,06,27,788	10,78,46,227	42,05,40,586	16,70,69,557	42,021	Cement Agencies (Private) Ltd.	Associated Cement Companies	156.00	100	9.00	8.50'C'	11.00	12.00	7	Y.T.
34,54,023	66,000	2,26,19,399	31,88,694	1,652	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.88	10	0.60	0.70	0.80		12	Y.
1,66,00,000 5,00,000	57,31,922	2,63,50,468	60,48,714	25,287	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	11.85 2.43	O. 10 D. 1	1.20 0.12	1.00 0.10	1.20 0.12		12	Y.P.T.
2,34,79,185	59,96,450	4,42,25,287	1,08,39,730	79,496	Essen Private Ltd.	India Cements Ltd.	6.00	5	0.41	0.45	0.45	0.55	3	Y.P.
2,00,00,000	49,62,184	7,98,62,040	1,92,30,939	1,44,304	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.16	10	1.25	1.25	Nil	0.60	3	Y.P.T.
2,35,00,000	68,61,275	5,39,55,507	1,86,50,770	8,77,321	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.36	10	1.50	1.50	1.10		12	Y.P.
1,34,51,675	54,91,876	4,15,40,284	1,68,22,549	48,939	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	153.50	100	9.00	9.00	9.00		12	Y.P.
75,00,000	18,30,000	2,25,10,113	1,58,76,362	62,048	M.	Sone Valley Portland Cement	5.04	5	0.30	0.30	Nil		12	Y.
50,00,000	11,77,360	1,37,88,664	57,99,082	29,086	Essel (Private) Ltd.	Travancore Cements Ltd.	8.60	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. 'C'—On increased Capital. Xd—Exdividend. Cd—Cum-dividend. cr—Cum-Right.
N.B.—Dividends paid since 31st March, 1959 are shown as taxable. "P"—Patrakola Tea—Dividends for 1958 and 1959 are payable only when funds are available from Pakistan.
[illegible] Dividend for the year ended 30th June 1960 is Re. 1.50 per share taxable.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
						CERAMIC; MINING AND QUARRYING								
30,00,000	....	37,43,382	16,26,068	32,615	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	11.50	10	Nil	Nil	Nil	0.60†	3	Y.
18,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.52	10	1.50	3.50	2.00		9	Y.P.
55,28,146	15,49,326	1,57,35,785	51,99,681	14,572	Bharat Ram Bharat & Co.	Bengal Potteries	7.90	2½	0.25	0.25	0.356		12	Y.
40,00,000	86,69,030	77,31,751	41,17,891	35,599	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	46.00	10	1.75	1.75	1.87	3.00	3	Y.
14,17,800	10,55,247	33,58,584	15,31,858	9,761	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	190.00	100	9.00	10.00	12.86	12.86	9	Y.P.
39,80,700	14,19,759	1,19,21,208	18,96,171	—25,65,524	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	190 00	100	Nil	Nil	Nil		12	Y.P.
£1,371,300	£1,705,275	£3,271,480	£1,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	5.24	Sh. 2	0.24	0.24	0.30		12	Y.
O.15,00,000 P.5,00,000	25,89,686	44,79,153	13,16,190	2,61,727	Bird & Co. Private Ltd.	Karanpura Development	17.00	10	Nil Nil	Nil Nil	1.50 0.50		12	Y.
50,00,000	....	14,32,400	....	—12,618	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	81.00	50	..	Nil	Nil		12	Y.P.
30,00,000	33,05,445	1,10,40,017	59,85,195	39,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26.00N	10	1.25	1.25	1.80		12	Y.P.T.
50,00,000	10,01,024	1,16,80,530	59,85,620	—19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd.	11.19	10	Nil	Nil	Nil		3	Y.P.T.
6,00,000	5,26,433	13,40,698	7,63,285	7,276	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	15.00	10	1.00	1.00*	1.00*	1.428	3	Y.
20,00,000	55,85,984	68,91,304	28,26,317	1,10,697	Bird & Co. Private Ltd.	Orissa Minerals	42.50XD	10	2.00	2.50	3.60	3.60	6	Y.
3,50 000	15,45,335	88,24,228	46,03,569	7,911	Ganpule Jasani & Co.	Parshuram Pottery Works Co. Ltd.	67.00	25	3.75	3.75	3.75	5.36	7	Y.P.
10,46,370	65,42,410	1,02,15,679	38,58,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate	87.00	10	8.00*	8.00*	5.00		11	Y.
						CHEMICAL								
12,11,000	....	....	....	....	Agri-Chem-Engineers	Adarsh Chemicals & Fertilisers	85.00	75	..	..	..		12	Y.P.
25,00,000	51,37,800	1,87,07,072	65,76,431	9,770	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	265.00	100	12.00	12.00	16.00		12	Y.P.
8,10,00,000	1,57,00,273	6,04,78,062	1,23,50,512	1,33,819	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	38.00	10	0.80	0.80	0.95	1.20	9	Y.P.
80,00,000	30,78,579	86,90,417	21,21,588	35,088	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	380.00	100	Nil	Nil	12.00		12	Y.P.
20,80,400	24,94,426	1,18,63,272	49,89,005	47,108	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	735.00	100	20.00*	20.00*	28.00*		12	Y.P.
2,80,00,000	39,08,362	3,56,03,722	1,05,40,064	72,946	Lalbhai Sons & Co.	Atul Products Ltd.	518.50	100	8.00	10.00	12.00		12	Y.
50,92,900	52,95,445	1,47,57,610	71,89,268	18,89,611	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	110.00	100	6.00	6.00	7.00	7.00	3	Y.P.T.
1,00,00,000	6,00,000	1,07,91,843	4,82,147	—42,985	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	335 00	100	..	Nil	Nil	Nil	3	Y.
22,73,150	26,99,000	77,57,081	36,10,218	44,340	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	262.00	50	5.00	6.00	10.00		3	Y.
64,49,082	56,78,075	1,69,27,890	67,30,529	—1,11,025	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	180.00	100	7.50	6.00	4.00(c)		12	Y.
3,46,06,075	14,62,000	5,15,68,593	2,80,28,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	10.65CD	10	Nil	0.40	0.60		3	Y.P.
1,50,00,000	23,35,000	51,41,000	15,22,000	10,072	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	485.00	100	Nil	Nil	Nil	6.00	12	Y.
12,00,000	4,37,583	27,43,796	14,20,459	47,412	Jal H. Mehta	Kemp & Co.	8.2 00	200	15.00	15.00	20.00	25.00	3	Y.P.
60,00,000	22,26,420	1,43,65,801	78,81,045	12,716	Seshasayee Brothers Private Ltd.	Mettur Chemicals	14.15	10	0.75	0.87½	0.88	1.25'C'	3	Y.
24,81,220	10,04,155	55,64,434	40,80,625	11,452	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	11.35	10	0.50	0.50	0.50	1.00	3	Y.P.T.
3,00,000	4,52,189	11,19,269	5,96,880	35,186	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	25.50	10	2.00	2.00	2.00	2.00'C'	3	Y.
40,00,000	20,96,379	58,16,750	11,97,185	27,844	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	226.25	50	..	Nil	3.00	5.50	3	Y.P.
12,50,000	9,22,174	82,78,588	20,63,157	2,05,216	Bangur Brothers Ltd.	Phosphate Co., Ltd.	832.00	100	15.00	25.00	45.00	35.00	6	Y.
15,00,000	14,69,737	24,40,260	15,05,655	98,591	C. A. Buxton	Smith Stanistreet & Co.	13.94	5	1.00	0.80'C'	1.25	1.25	6	Y.P.
3,37,50,000	....	....	....	....	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	155.00	75					..	Y.
1,29,95,990 1,11,91,270	42,17,119	5,89,52,538	2,06,78,886	14,509	Tata Industries Private Ltd.	Tata Chemicals	19.16 18.00	10Old 10New	0.80	0.75 0.08	0.525 0.613	0.60 0.60	6	Y.P.T.
13,00,000	1,07,599	18,05,082	6,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	1.672XB	10	0.60	0.70	1.00	1.50	3	Y.P.
						ELECTRIC (Bombay State)								
3,74,78,370	1,17,08,657	15,23,94,046	4,04,47,092	686	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	84.00XD	100	3.25	6.50	6.75	7.00	3	Y.T.
81,28,750	21,68,886	2,36,72,376	59,65,971	15,60,279	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.00	10	0.42'	0.85	0.90	1.00*	3	Y.P.
3,02,76,250	96,81,201	9,66,08,356	2,60,10,919	22,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	900.00	1,000	56.00	60.00*	80.00*	85.00*	3	Y.P.T.
1,75,00,000	73,52,280	4,06,37,564	98,99,229	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply	86.00	100	7.00	7.00	7.50	8.00	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,535	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6 00	10	Nil	0.50	0.60	0.66	3	Y.T.
46.89.000	12,56,812	1,57,72,704	61,59,509	3,547	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	103 75	100	2.50	7.50	8.00	9.50	3	Y.P.T.
70,00,000	27,18,373	1,51,74,375	51,63,780	4,844	Killick Industries Ltd.	Surat Electricity	86.00	100	8.75	7.00	7.00	7.50	3	Y.P.
2,39,99,575	1,01,57,424	7,01,96,365	1,89,09,886	25,261	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	101.75	100	5.52	8.00*	8.00*	8.50*	3	Y.P.
6,15,35,750	2,69,85,771	17,16,28,967	3,93,66,464	33,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,021.25	1,000	56.25	80.00*	80.00*	85.00*	3	Y.P.
						West Bengal and Other Centres								
19,99,600	51,88,028	18,89,99,790	89,25,042	47,389	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	122.00	100	10.00	10.00	10.00	11.00	3	Y.T.
8,00,000	15,28,375	63,42,780	22,28,800	23,612	Martin Burn Ltd.	Bareilly Electric Supply	11.66	10	1.25	1.00	1.00	1.10	3	Y.T.
17,00,000	47,66,354	1,71,05,214	47,49,307	45,563	Martin Burn Ltd.	Benares Electric Light & Power Co.	11.75	10	1.25	1.00	1.00	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	7.12	5	0.62	0.40	0.40	0.64	3	Y.
£4,262,644	£10,126,973	£33,604,377	£18,802,118	£108,188	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	14.62	£1	8¼%	7%	7%	7½%	3	Y.P.T.
6,60,090	6,73,784	81,45,751	10,61,553	76,838	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	7.62	10	1.00Z	0.65	0.65	0.75	3	Y.
48,20,000	24,88,968	1,02,37,174	38,05,104	4,38,960	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	93.00	100	6.50	7.00	7.50	10.00	3	Y.T.
5,34,640	1,24,635	34,43,088	14,37,084	2,947	Moonna Lall & Sons	Jhansi Electric Supply	6.50N	10	0.36Z	0.62½	0.62	0.70	3	Y.T.
22,49,550	27,02,877	1,07,81,716	40,42,273	30,296	Martin Burn Ltd.	Jubbulpore Electric Supply	12.00	10	0.92	0.92	0.92	1.00	3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	9.69	10	1.25Z	1.00	1.00	1.25	3	Y.
35,07,280	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.12	10	1.25Z	0.75	0.75		3	Y.T.
9,10,000	2,37,616	12,60,524	5,84,092	5,200	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6.25	10	Nil	0.50	0.50	0.625	3	Y.
16,80,000	13,87,254	78,27,858	44,96,906	2,067	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.50	10	0.94	0.66	0.75	1.00	3	Y.T.
69,99,680	13,96,143	2,06,37,818	67,68,084	3,022	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.00	10	1.26	0.87	0.90	0.99'C'	3	Y.P.T.
5,00,000	11,62,458	52,32,835	12,25,684	66,698	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	16.00	10	1.25	1.25	1.25	1.35	3	Y.
56,01,185	78,57,136	4,08,85,812	1,45,66,727	85,399	Martin Burn Ltd.	U. P. Electric Supply Co.	115.50	100	10.00	16.00	10.00	11.00	3	Y.T.
4,00,000	9,84,990	40,87,687	11,42,884	2,38,269	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	18.50	10	1.00	1.00	1.00	1.50	3	Y.P.
						ENGINEERING (Bombay)								
33,43,200	49,44,187	75,65,494	60,70,287	28,009	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	323.00	100	12.50	12.50	17.00		12	Y.
19,99,060	3,10,174	21,70,025	8,07,662	19,184	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	92.50	50	3.00	3.00	4.00	5.50	12	Y.
45,19,800	25,03,443	93,35,767	46,96,997	75,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	198.00	100	7.00	10.00*	13.00*	13.00*'C'	6	Y.
40,00,000	4,14,207	62,24,434	21,98,624	57,285	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	98.00	100	6.00	7.00	10.00		4	Y.P.
59,99,900	84,82,780	2,25,73,362	1 37 51,802	70,946	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	283.00	100	9.00	9.00	18.00	18.00'C'	6	Y.P.T.
6,00,000	4,15,000	1,58,191	1,29,812	3,288	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	104.50	50	5.00	5.00	5.00	4.00	3	Y.
44,96,250	4,05,653	62,45,798	27,13,547	2,467	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	18 00	10	Nil	0.50	0.775		9	Y.P.
42,96,023	78,89,668	1,21,65,928	66,66,471	11,866	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	62.00	25	0.20	0.25	0.30	0.25	7	Y.
37,50,000	15,59,000	1,02,91,000	29,35,000	....	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	19.24	10	0.90	1.00	1.00	1.43	3	Y.
10,53,725	2,17,037	22,14,424	2,62,435	2,50,491	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	150.00	100	..	..	..	Nil	3	Y.P.
80,00,000	27,05,928	78,01,690	26,52,316	56,258	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	41.25	10	1.00	1.25	1.25	1.80'C'	3	Y.P.
1,32,00,000	42,63,182	1,84,87,855	31,17,680	1,18,237	M.	Mahindra & Mahindra Ltd.	20.24	10	1.75	2.20	1.25		10	Y.P.
31,00,000	1,72,712	41,60,471	25,85,495	2,771	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	187.50	100	Nil	Nil	Nil	10.00	7	Y.P.
60,15,060	45,30,000	1,21,27,185	40,92,378	3,233	Jeewan Private Ltd.	Mukand Iron & Steel	26.75	10	1.60	1.20	1.00*	1.20	3	Y.P.
25,00,000 14,99,250	40,76,797	1,06,26,418	51,58,671	6,625	Kirloskar Associates	Mysore Kirloskar Ltd.	155.00 —	100 100 New	6.00 ..	7.50 ..	12.00 6.00	12 00 12.00	6	Y.
22,27,700 22,72,000	5,38,616	47,79,336	14,99,087	82,426	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	108.00 168.00	100 (75 New)	.. ..	.. ..	6.00 ..	12.00 0.50	3	Y.P.
22,50,000	1,34,42,446	8,81,298	1,46,789	1,36,103	Walchand & Co. Private Ltd.	Premier Construction	192.50	50	10.00	12.00	13.00		12	Y.P.
29,95,100	41,01,156	1,02,33,025	42,38,746	12,134	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	197.50	100	18.00	18.00	17.00	12.00	6	Y.P.
27,58,21,325	87,61,22,014	1,67,40,64,801	54,97,16,286	8,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	146.50	75 Old	9.50	8.25	6.80	9.72'C'	3	Y.P.
7,99,99,200	1,71,91,736	21,41,33,116	9,30,94,684	2,24,171	Tata Industries Private Ltd.	Tata Locomotive	330.50	100	3.00	9.00	9.00	12.50	3	Y.P.T.
10,00,000	3,35,000	25,97,720	3,10,644	17,016	T. Manekial & Co.	T. Manekial Mfg., Co.	440.00	100	5.00	10.00	14.00	15.50	5	Y.
2,55,00,000	71,75,426	1,07,45,948	24,35,557	4,24,809	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	274.50XD	100	9.00	9.00	13.00	12.00	5	Y.
17,50,000	....	....	....	....	M.	Zenith Steel Pipes Ltd.	3.04	2.50	..	..	..	..	6	Y.
						West Bengal and Other Centres								
4,00,000	34,571	20,51,215	15,01,865	—4,46,520	North Bihar Trading Co. Ltd.	Arthur Butler & Co.	10.50	10	Nil				10	Y.P.B.
50,00,000	20,40,221	1,55,21,495	80,36,978	2,60,479	M.	Bharatia Electric Steel	12.56	10	1.25	1.25	1.50		12	Y.
56,59,790	77,67,825	88 29,182	16,49,459	2,84,448	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	83.62XD	10	3.00	1.25	2.25	2.50	12	Y.
12,00,000	32,12,634	79,76,063	44,83,942	1,72,548	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	55 25	10	2.00	2.00'B'	3.00		12	Y.T.
19,28,670	7,04,341	29,97,550	14,08,685	22,906	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	4.94	10	0.50	0.50	0.90		3	Y.P.
40,00,000	41,48,365	96,27,511	46,02,704	1,82,461	McLeod & Co., Ltd.	Britannia Engineering	14.56	10	0.60	0.60	1.00		12	Y.P.T.
5,00,000	7,72,971	24,63,921	14,46,244	74,493	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	31.50	10	3.00	2.00	2.50		12	Y.
34,60,000	2,33,60,602	4,96,65,264	3,04,73,371	1,24,616	Martin Burn Ltd.	Burn & Co.	523.00	100	20.00	20.00	26.50	26.50	4	Y.T.
50,00,000	....	35,75,759	95,682	1,02,035	M.	Calcutta Steel Co., Ltd.	17.69	10				6.50	3	Y.
1,00,00,000	12,83,028	1,89,66,744	10,15,600	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	Nil	Nil	Nil	Nil	3	Y.P.T.
40,00,000	25,000	1,05,86,590	9,91,658	—3,47,543	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.31	10	Nil	Nil	Nil		9	Y.
2,00,00,000	3,54,07,647	6,74,52,332	2,15,47,390	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	45.00	10	3.00	2.00	2.40		12	Y.P.
12,50,000	23,60,000	60,91,575	40,46,109	7,047	Martin Burn Ltd.	Hooghly Docking	120.50	50	5.00	5.00	6.00		12	Y.P.
12,44,66,890	21,14,27,025	71,57,58,772	14,60,01,060	11,49,767	Martin Burn Ltd.	Indian Iron and Steel	26.50	10	1.00	1.00'C'	1.00	1.50	3	Y.P.
33,88,500	61,33,742	1,23,74,955	72,85,332	48,766	Martin Burn Ltd.	Indian Standard Wagon	108.50	25	7.50*	5.00	5.00	.125	3	Y.P.
96,53,160 26,580	2,52,04,628	2,22,95,589	1,52,64,925	10,91,465	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	45.25 14.00	0.10 O. 1	4.00 0.40	4.00 0.40	1.62½ 0.12½	2.30 0.23	3	Y.
23,78,580	2,50,222	32,73,943	15,88,341	2,977	C. R. Srinivasan, Esq. (Chairman)	Indian Steel Rolling Mills Ltd.	10.45XB	10	1.00	0.70	0.70	0.50½	12	Y.P.
91,12,500	75 99,306	3,71,15 564	1,40,36,750	6,332	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	29.75	10	1.50	1.20	1.30	1.718	3	Y.P.T.
20,00,000	38 00 500	77 83,732	17,92 011	91,460	J. K. Industries Private Ltd.	J. K. Steel Ltd.	26.00	10	1.25	1.25	1.25	2.00	6	Y.P.
2,03,97,000	1,47,08 415	3,18,81,991	1,02,58,799	57,411	B. P. Singh Roy, Esq. (Chairman)	Jessop & Co.	21.87	10	Nil	0.60	0.353	0.858'C'	10	Y.P.
27,64,800	46,74,663	90,13,956	33,26,450	31,238	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	6.25	3	0.45	0.30	0.50'C'		11	Y.P.T.
16,50,000	1,90,990	18,82,345	14,72,111	3,513	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	5.20	2	0.40	0.40	0.30		6	Y.
49,98,000	15,28,439	1,37,17 076	81,19,264	—1,08,063	M.	National Iron and Steel Co., Ltd.	7.19	10	0.05	0.02	0.75	Nil	3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,313	4,85,188	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	Nil	Nil	Nil		6	Y.P.
6,00,000	11,05,251	31,29,091	21,37,426	17,915	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	7 50	4	0.40	0.40	0.25	0.35	3	Y.
1,50,00,000	55,28,079	4,19,72,529	1,96,95,685	37,204	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	22.05	10	1.50	1.50	2.00		12	Y.P.T.
39,84,400	14,67,756	69,49,005	26,20,291	4,566	Balasundaram & Co.	Textool Co., Ltd.	178.75	100	20.00	12.00	15.00	15.00		Y.
						INSURANCE (x)								
12,50,000	46,52,425	1,45,73,987†	....	23,640	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.06	5	1.00	1.00	1.00		12	Y.
10,00,000	11,65,196	28,43,080	....	66,390	M.	Devkaran Nanjee Insurance	30 00	50	2.00	2.00	2.00		12	Y.
24,00,000	71,01,264	1,40,68,520	....	3,62,182	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	23.25	10	2.00	2.00	2.00		12	Y.
16,92,240	87,17,768	88,96,037	....	4,17,522†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	43.00	40	3.50	2.75	5.25		12	Y.
20,00,000	83,51,546	1,74,97,768	....	45,112	M. G. Mody, Esq. (General Manager)	New Great Insurance	10.76	20	2.00	2.00	2.50		12	Y.
1,06,81,590 35,61,000	6,27,40,502	14,89,75,776	....	44,25,397	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	60.00 60.80	15 15New	3.00	4.00 4.00	5.70* 5.70*		12	Y.
32,60,000	92,52,493	1,29,48,840	....	8,214	R. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.06	3	0.62	0.62	0.80		12	Y.
5,75,000	67,12,678	1,18,08,489	....	1,88,129	Sir John Brown (Mg. Director)	Triton Insurance	143.00	25	11.25	11.25	11.25		12	Y.
13,99,270	39,15,382	1,02,06,244	....	10,014	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	16.24	10	1.50	1.50	2.00		12	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. P.—Includes a distribution of Rs. 0.75 per share for the year 1954 and Re. 1.00 for 1955.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors. X.R.—Ex. Rights.

x—For these companies reserves include balances of various funds and under gross-block are given the total assets. Z.—Dividend is for fifteen months ended 31st March 1957.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
						OIL								
£562,500	£212,932	£745,697§§	....	£1,003	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	1.34	Sh. 2	Nil	2%	Nil	8%	3	Y.
38,80,000	36,35,342	39,54,376	37,95,443	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0.60	Nil	0.80		12	Y.P.
1,00,00,000	1,59,93,684	1,00,77,425	52,21,479	4,47,387	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	28.12	10	2.00	2.00	2.50	1.00‡	12	Y.B.
70,07,475	49,40,586	2,47,94,315	1,56,70,926	46,303	Tata Industries Private Ltd.	Tata Oil Mills	79.00	25	2.50	2.50	3.25	5.75	3	Y.P.T.
6,00,000	9,39,137	2,46,248	1,72,531	1,24,540	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	19.75	10	1.25	1.50	2.20	3.00	10	Y.
						PAPER								
57,43,031	37,55,249	2,76,44,249	2,15,36,003	3,30,769	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	33.00	25	Nil	Nil	2.50	3.575	6	Y.P.
65,00,000	49,79,639	2,34,13,600	1,67,74,800	1,35,493	M.	Bengal Paper Mills	88.00	25	3.12	5.50	3.00		12	Y.P.T.
66,20,000	80,25,609	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	20.31	10	1.40	1.00	1.00	1.50'C'	3	Y.
12,50,000	....	....	....	....	M.	Jayant Paper Mills Ltd.	56.50	75					3	Y.
1,40,00,000	....	1,04,58,952	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	9.80	10	....	....	....	....	6	Y.P.
25,00,000	37,42,800	1,54,04,003	1,03,95,960	51,968	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	24.50	10	1.00*	1.00	1.25*	1.50	3	Y.
1,46,33,500	3,21,50,288	10,01,40,260	3,07,78,132	4,22,620	Birla Brothers Private Ltd.	Orient Paper	41.10	10	1.50	1.50	1.50	2.25	3	Y.P.T.
1,75,00,000	....	....	....	....	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	4.55	5	....	....	....	....	3	Y.
1,36,31,420	1,09,54,433	3,40,18,914	1,26,74,532	1,36,712	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	26.50	10	1.25	1.25	1.78	....	12	Y.P.T.
30,00,000 A 10,00,000	3,39,123	77,35,854	42,04,254	6,122	Bajeria & Co.	Star Paper Mills	13.50 13.50	O. 10 A. 10	0.60 0.60	0.60 0.60	0.30 0.30		9	Y.P.
2,18,55,240	62,55,990	6,57,32,220	1,87,32,220	34,582	Birla Brothers Private Ltd.	Sirpur Paper Mills	17.12	10	0.60	0.65	0.65	0.65	6	Y.P.
A.56,00,000 B.36,04,400 P.O.4,97,500	3,51,39,745	8,81,10,708	4,28,97,712	2,48,642	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	36.25 36.25 3.75	A. 10 B. 10 P.O. 2½	2.28* 2.28* 0.24	2.28* 2.28* 0.24	2.50* 2.50* 0.25*	2.50 2.50 0.295	3	Y.P.T.
1,49,55,400	45,00,000	5,41,73,787	35,40,616	53,348	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	206.50	100	Nil	Nil	Nil	5.00	6	Y.P.
						SAW MILLS AND TIMBER								
18,99,996	19,59,360	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.62	5	Nil	Nil	....	....	9	Y.
30,25,000 42,00,000	3,46,95,997	8,74,47,341	2,67,52,541	1,47,502	Wallace & Co.	Bombay-Burmah Trading Corpn.	604.00 213.75	Old125 New50	47.66K 19.06K	22.50 9.00	22.75 9.50	37.50 15.00	5	Y.
20,00,000	30,50,368	21,44,686	16,69,639	1,05,966	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	33.75	10	2.75	2.50	2.50	1.00‡	9	Y.
						SUGAR (U.P. and Bihar)								
13,00,905	9,93,828	31,10,427	19.27,489	46,466	M.	Balrampur Sugar	2.75	2.50	0.25	0.25	0.40‡	0.20	6	Y.
12,00,000A. 3,00,000B.	36,05,704	66,14,329	42,19,339	10,00,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 11.60N	A.100 B. 10	10.00 1.00	10.00 1.00	10.00 1.00		4	Y.T.
10,49,050	10,53,730	43,95,180	27,45,552	41,302	Bangur Bros., Ltd.	Belsund Sugar	12.25	7½	1.00	1.00	1.40		9	Y.
15,00,000	14,08,556	68,95,027	15,05,690	4,173	Cotton Agents Private Ltd.	Bharat Sugar	16.25	10	1.50	1.00	1.30	1.50	6	Y.P.
22,00,000	32,26,224	1,51,27,711	1,08,91,665	2,75,591	Gladstone Lyall & Co., Ltd.	Carew & Co.	13.00	10	Nil	0.25	Nil	Nil	6	Y.P.T.
30,00,000	77,17,253	1,76,06,330	1,00,81,364	—4,17,923	British India Corporation Ltd.	Cawnpore Sugar	13.50	10	Nil	Nil	Nil	Nil	10	Y.P.
18,00,000	45,46,284	84,73,277	64,52,904	27,968	British India Corporation, Ltd.	Champaran Sugar	18.06	10	Nil	1.00	1.50	1.50	6	Y.
9,58,258	6,10,682	32,39,342	20,22,495	6,101	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.06	10	0.50	0.50	1.25		8	Y.T.
26,00,000	32,58,160	71,36,945	44,96,828	3,29,729	M.	Durbhanga Sugar Co., Ltd.	15.81	10	2.00	1.50	2.00		8	Y.
80,00,000	78,32,000	2,29,19,973	1,18,95,886	52,021	Beohraj & Co. Private Ltd.	Hindusthan Sugar Mills	326.25	100	15.00	15.00	15.00	29.00*	6	Y.P.
22,50,000	20,51,626	95,42,332	57,58,819	1,03,797	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	247.50	50	7.00	4.00	4.20	9.00	7	Y.P.
7,89,100	20,81,969	57,67,867	33,25,497	34,691	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	2.50	2.50	3.65	3.65	6	Y.P.
11,00,000	4,58,284	49,29,380	29,86,578	10,502	K. C. Thapar & Bros. Private Ltd.	New Savan	5.69	10	0.37	0.25	0.37		5	Y.
13,59,375	63,73,211	83,62,456	32,23,024	20,512	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	330.00	100	20.00	20.00	29.00	29.00	6	Y.
77,52,210	89,76,949	2,77,58,474	1,49,52,234	24,386	Cotton Agents Private Ltd.	Oudh Sugar	182.00	100	12.50	12.50	13.25	20.00	7	Y.P.
18,00,000	13,65,315	37,56,130	22,83,413	1,62,250	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	122.00	100	Nil	6.00	15.00		10	Y.
9,00,000	25,02,670	51,19,941	35,72,535	4,006	M.	Partabpore Co.	13.44	10	Nil	Nil	Nil		10	Y.P.
20,00,000	2,92,000	25,30,109	14,67,024	2,182	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.37	10	0.30	0.30	0.30	0.40	3	Y.
65,00,000	27,38,845	85,30,103	39,46,664	65,217	Govan Bros. (Rampur) Private Ltd.	Rasa Bulund Sugar	11.75	10	1.50	1.25	1.20	1.25	10	Y.
8,00,000	6,30,752	29,27,567	23,93,295	4,779	M.	Ryam Sugar	12.50	10	1.50	1.50	0.50		6	Y.P.
11,00,000	16,90,377	48,13,684	28,93,330	20,914	M.	Samastipur Central Sugar	11.19	10	Nil	0.25			6	Y.
30,99,000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	11.75	10	1.00	1.00	1.50	1.50	7	Y.P.T.
10,02,115	24,466	36,18,156	17,25,281	5,174	H. K. Ghosh, Esq. and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	5.94	10	Nil	Nil	Nil	4.40	6	Y.
15,89,962	16,10,752	39,27,180	22,85,030	21,350	M.	Sari Sitaram Sugar	12.00	10	0.50	0.50	0.90		8	Y.
7,00,035	10,42,602	25,39,383	15,09,355	19,288	M.	Tulsipur Sugar	5.50	5	....	....	....	0.62	6	Y.
2,00,000	43,56,962	1,83,27,974	97,43,200	44,450	Cotton Agents Private Ltd.	Upper Ganges Sugar	55.09	10	5.00	5.00	7.25		6	Y.P.
16,00,000	14,62,394	38,82,170	26,20,100	1,66,870	M.	United Provinces Sugar	17.00	10	0.75	1.00	1.50		9	Y.
						Other Centres								
30,00,000	26,05,000	1,13,99,115	33,48,654	25,153	Rangarao & Co.	Andhra Sugars Ltd.	23.25cd	10	1.25	1.50	2.00	2.00	9	Y.
40,00,000	14,50,088	95,55,530	9,60,276	78,721	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	129.00	100	1.00	Nil	Nil	6.00	9	Y.P.
70,49,650	1,52,02,875	1,63,95,390	1,10,68,264	32,986	W. H. Brady & Co., Ltd.	Belapur Company	286.00	50	15.00	20.00*	21.00	29.00	9	Y.
17,50,000	16,67,724	47,71,723	29,36,495	93,393	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	26.10	10	2.00	2.00	2.50	2.25	9	Y.P.
37,50,000	19,13,467	88,31,982	61,54,483	61,719	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	26.00	12.50	2.25	2.25	2.00	2.50	9	Y.
30,24,000	58,53,634	1,45,32,270	78,22,738	1,20,253	Parry & Co., Ltd.	Deccan Sugar & Abkhari	14.10cd	5	0.73½'C'	0.90	0.90	1.28	5	Y.P.
£1,300,000	£1,948,862	£1,990,779	£1,188,091	£126,694	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	43.62	£1	15%	20%	28 4/7%	21 3/7%	6	Y.P.T.
15,93,950	13,26,242	48,72,029	31,28,903	12,594	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	90.00N	100	10.00	10.00	10.00	12.50	6	Y.P.
62,97,650	9,79,348	31,26,670	27,30,256	3,62,338	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.75	10	1.00	1.00	1.25		9	Y.P.
32,43,250	15,18,785	1,56,55,705	27,43,633	182	B. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.04	10	0.50	0.60	1.00	1.25	6	Y.P.
58,57,410	96,15 290	4,17,59,188	78,54,533	23,450	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	23.48	10	0.75	0.75	1.50	1.50	6	Y.P.
17,00,000	10,66,215	74,23,052	30,01,992	—10,90,564	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	77.50	100	Nil	Nil	Nil		6	Y.P.T.
67,50,000	59,72,055	1,56,07,253	70,66,935	54,969	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	201.00	50	20.00	17.00	21.00	21.00	9	Y.P.
21,79,290	1,04,89,034	1,63,27,085	1,07,39,878	1,15,228	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	59.00cd	10	2.00	3.00*	3.00	3.00	6	Y.
1,10,06,835	1,13,33,279	3,20,25,300	1,92,92,230	3,527	Industries (I.F.) Dept., Govt. of Andhra Pradesh	Nizam Sugar Factory Ltd.	62.00	25	4.50	4.50	5.40	5.75	6	Y.P.
50,00,000	54,16,691	1,36,37,913	77,54,979	21,809	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	141.00	50	12.00*	10.00	13.50	12.00	9	Y.
16,50,820	41,06,336	78,95,159	39,38,736	59,442	Anderson Wright Ltd.	Ramnugger Cane and Sugar	28.50	10	1.50	1.56	2.14		3	Y.P.T.
29,95,750 D-4,00,000	44,47,953	1,58,38,095	88,84,343	12,211	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	78.00 30.00	O. 50 D. 50	12.00 3.50	12.00 3.50	8.50 3.50	5.00 3.50	9	Y.P.T.
30,00,000	21,96,500	69,10,952	33,56,498	1,46,735	Parry & Co., Ltd.	Travancore Sugars	10.62	10	1.90	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,81,26,320	4,26,39,605	1,46,10,876	1,61,484	Walchand & Co. Private Ltd.	Walchandnagar Industries	197.00	100	21.00	21.00	20.00	15.00	9	Y.P.T.
						UNCLASSIFIED (Bombay)								
30,00,000	16 33,754	80,65,990	12,43,589	966	Jolly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	286.25	100	..	Nil	Nil	6.00§	3	Y.P.
40,04,125	....	1,67,535	....	11,765	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	114.00	100	..	..	Nil	..	12	Y.
30,50,000	....	1,10,78.000	19,68,000	....	..	Automobile Products	13.80	10				..	7	Y.
7,50,000	2,00,000	22,10,441	9,31,437	3,466	The Associated Agencies (Pvt.) Ltd.	Associated Rubber Industries Ltd.	105.00	100	7.00	7.00	10.00		12	Y.P.T.
25,00,000 6,25,000	1,50,000	17,82,965	5,64,037	8,864	Jamnalal Sons Private Ltd.	Bajaj Electricals	112.00 56.00	100 50 New	7.50	9.00	5.00	8.10 2.70	3	Y.P.
14,09,240	5,27,706	37,56,956	23,15,609	17,694	Chunilal Manilal Private Ltd.	Batrala Batteries	64.00	50	3.50*	3.00	3.50*	4.50	3	Y.P.
18,00,000	9,40,682	10,20,495	4,90,761	31,894	Aero-Auto Private Ltd.	Bombay Cycle & Motor	25.50	25	1.75	1.00	3.00	3.50	3	Y.
1,14,90,000	12,000	1,88,24,000	15,000	27,295	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	300.00	100			Nil		12	Y.
1,35,00,000	50,12,115	21,25,643	7,05,348	44,119	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	176.50	100	7.50	10.00	7.50	11.00	3	Y.P.
4,00,000 51,66,500	....	9,14,417	11,195	39,818	P. H. Sorine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N 50.00N	100 50	..	..	..	..	10	Y.
31,07,900	3,75,592	1,88,44,460	76,81,774	—9,49,324	Birla Brothers Private Ltd.	Hind Cycles	100.00	100	12.50	7.00	Nil	Nil	3	Y.P.
15,00,000	....	3,17,949	....	....	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	13.82	10.00					12	Y.
5,57,00,000	4,34,48,754	6,18,54,846	2,82,59,763	24,38,955	S. H. Turner, Esq. (Chairman)	Hindustan Lever	48.50	10	1.40	1.50	2.40	2.60	12	Y.
21,17,500	7,73,396	27,73,828	21,27,149	4,342	Forbes Forbes Campbell & Co., Pvt. Ltd.	Indian Vegetable Products Ltd.	135.00	100	10.00	10.95	15.80	17.00	9	Y.
5,00,00,000	72,79,946	6,77,45,143§§	....	77,287	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	85.00	100	4.00	4.00	5.00	5.75	12	Y.
60,99,250	30,22,470	1,21,44,667	....	53,813	Premchand Roychand & Sons	Industrial Investment Trust	81.00	100	5.50	6.00	6.00		12	Y.
1,70,22,100	1,04,80,762	4 62,31,978§§	....	16,810	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	115.00	100	9.25	8.50	9.25	8.50	6	Y.P.
19,55,000	3,42,945	46,67,187	19,29,436	7,496	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	185.00	100	5.00	6.00	8.50		12	Y.P.B.
30,00,000	1,30,912	53,42,713	69,35,296	5,612	Kamani Brothers Private Ltd.	Kamani Metals & Alloys Ltd.	10.00N	10	..	0.50	0.75		6	Y.P.B.
1,24,95,450	26,84,260	49,67,050	18,86,011	10,125	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	104.00	100	11.00	12.00	9.00	8.00	11	Y.
12,50,300	2,18,670	19,92,555	15,00,469	85,265	Bhogilal H. P. Patel, Esq.	Laxmi Starch Factory Ltd.	198.75	100	5.00	6.00	3.00	13.00	3	Y.
11,25,100	30,000	13,42,154	4,06,142	2,85,196	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	102.00	100	3.00	7.00	6.00	10.00	3	Y.P.
27,60,000	41,84,317	87,81,909	47,39,264	1,17,952	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	420.90	100	15.00	15.00	25.00	25.00	12	Y.
28,98,200	24,56,796	65,97,396	12,34,500	30,136	Polson Agencies Private Ltd.	Polson Ltd.	176.50	10	10.00	10.00	15.00		12	Y.
4,78,23,625	1,17,81,972	5,94,80,032	2,64,36,782	3,23,922	Aero-Auto Private Ltd.	Premier Automobiles	166.25	100	5.00	4.00	9.00	9.00	6	Y.
4,78,200 5,13,400	1,71,915	30,66,967	9,69,029	29,056	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	6.00 3.00	6.60 3.00	9.00 4.50	3	Y.
70,76,500	....	22,82,068	11,962	1,08,299	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	108.00	50				Nil	12	
37,50,000	18,80,743	67,28,501	34,94,295	15,405	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	215.00	100	5.00	8.00	14.00'C'	15.00	6	
13,41,750	1,07,040	27,39,350	3,08,392	10,596	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	50.00	50			Nil		3	Y.
3,93,160	2,73,159	3,45,583	2,39,183	2,859	Modi & Co.	Supreme Industries Ltd.	157.50	100	6.00	7.25	9.00	13.00	3	Y.
2,75,00,000	1,90,54,595	4,80,29,387	2,10,07,541	4,53,615	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co. Ltd.	275.00	100	11.00*	11.00*	16.00*	16.00	12	
11,00,000	2,64,719	29,43,862	15,42,187	20,000	Hashem Premji	Western India Vegetable Products Ltd.	122.50	100	7.00	8.00	8.00		3	
45,00,000	70,71,045	12,17,595	5,50,155	2,65,173	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	400.00	150	25.00	25.00	25.00	50.00	12	

M.—Managed by Board of Directors. ‡ On old capital. * Includes bonus. § Exempt from tax. † Subject to taxation.

K.—Includes an additional dividend of Rs. 7.50 per old share and Rs. 3.00 per new share. §§ Investments at cost.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					UNCLASSIFIED (Other Centres)									
62,50,000	2,03,52,495	3,95,14,452	1,19,43,880	1,13,745	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	19.31	O. 10	0.90	0.90	1.00	1.20	3	Y.P.T.
30,00,000	39,83,750	1,35,71,849	55,51,233	1,52,816	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.35xd	10	1.25	1.25	1.25	1.80	3	Y.
30,00,000	37,04,326	37,09,127	26,34,530	2,22,752	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	23.12	10	1.80*	1.50	2.00	2.50*	8	Y.
3,02,87,658	25,63,610	2,20,70,296	60,76,913	20,076	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	9.20	5	0.30	0.30	0.40		12	Y.
30,00,000	20,24,770	46,25,468	21,34,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	20.25	10	1.25*	1.25*	1.80		12	Y.
1,18,00,000	80,75,137	93,46,580	48,96,447	8,73,110	A. W. Browne, Esq., (Mg. Director)	Associated Battery	35.00	10	1.50	2.40	4.00	2.50	8	Y.
20,00,000	39,46,521	1,09,70,996	44,86,334	1,55,433	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	5.00N	10	0.60	0.60	*Nil*	*Nil*	3	Y.P.T.
30,01,400	33,06,830	77,88,003	41,34,215	5,14,649	A. T. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	258.00	100	12.50	20.00	25.00	7.00†	12	Y.
12,00,000	22,70,218	35,44,373	30,14,273	2,19,995	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	48.00	10	2.50	2.50	4.50	1.50†	12	Y.
50,00,000	4,70,250	82,31,326	19,64,326	94,375	H. R. Sugla, Esq. (Mg. Director)	Bharat Commerce & Industries Ltd.	23.00	10	*Nil*	*Nil*	*Nil*	0.50	12	Y.P.
30,00,000	7,79,721	64,19,086§§	....	55,032	Lovelock & Lewis	Birds Investment Ltd.	14.25	10	0.50	0.70	1.10		9	Y.P.
45,97,020	55,50,348	1,22,49,277	52,59,783	2,18,638	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	45.12	10	1.00	1.20	1.40	2.50	3	Y.P.T.
3,25,00,000	1,95,44,212	3,00,84,669	2,33,94,496	3,34,066	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	8.04	5	*Nil*	*Nil*	*Nil*	0.20	12	Y.P.
1,32,80,000	14,44,222	1,90,82,924§§	....	2,16,373	Andrew Yule & Co., Ltd.	Clive Row Investment	8.75N	10	0.75	0.75	0.83H		12	Y.
5,60,000	10,00,000	39,64,370	26,56,156	3,266	M.	Delhi Flour Mills, Co., Ltd.	15.00	10	1.00	1.00	..		10	Y.P.T.
3,00,00,000	5,08,87,509	10,39,79,436	4,01,20,270	25,12,555	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	50.62	10	1.62	1.62	2.15	2.15	12	Y.P.T.
27,27,165	1,20,49,803	59,73,067	23,80,820	26,402	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	32.00	5	0.60	0.75	0.80	1.25	3	Y.
51,26,000	59,19,702	1,63,50,496§§	....	3,49,092	Bird & Co. Private Ltd.	Eastern Investment Ltd.	129.00	100	9.00	9.00	14.00	14.00	12	Y.P.
24,99,000	3,52,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	14.87CR	10	*Nil*	*Nil*	0.50		12	Y.P.
48,90,137	77,72,810	95,23,776	82,36,250	4,07,338	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	16.75	12.50	1.50	1.50	1.00		9	Y.P.
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	229.00	100	12.00	15.00	17.00	17.50	3	..
7,50,000	4,20,000	1,21,085	48,631	5,551	Gany & Co.	General Papers Ltd.	10.40	10	0.30	1.25	1.25		3	Y.
65,00,000	36,24,200	30,57,755	15,91,667	1,71,222	P. R. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	13.19	10	1.00	1.00	1.00	1.00	3	Y.P.
40,00,000	4,73,500	70,95,493	41,39,847	10,40,721	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	25.50	10	1.50	2.00	2.00		12	Y.P.
30,00,000	15,67,384	34,64,958	36,51,718	59,131	B. P. R. Syndicate	Great Eastern Hotel	240.00	250	5.00				3	Y.
4,96,13,275	49,51,450	7,36,56,187	3,25,48,254	3,63,217	Birla Brothers Private Ltd.	Hindustan Motors	19.76	10	*Nil*	*Nil*	0.50	0.90	3	Y.P.
30,00,000	16,04,523	99,46,437	33,67,174	1,81,125	Lalukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	32.12	10	0.60	0.60	1.20		10	Y.
15,16,00,000	9,64,76,893	11,81,66,117	3,83,76,995	24,77,765	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	11.25	10	0.70	0.70	0.60	0.80	3	Y.
3,98,59,480	2,49,73,620	9,79,93,586	3,53,95,735	49,90,524	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	34.62	10	0.60	0.70	1.20	1.50	12	Y.P.T.
2,36,77,700	2,02,99,648	2,95,48,176	1,37,19,570	45,64,364	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	37.31	10	1.50*	1.50*	1.50*	2.25	3	Y.P.T.
2,00,00,000	1,28,81,493	5,99,68,652	2,48,66,248	13,78,481	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	36.25	10	1.00	1.00	1.50	1.50	9	Y.
29,88,250	70,550	51,92,992	17,57,026	33,618	M.	Indian Plastics Ltd.	10.81	10	0.37	*Nil*	*Nil*	*Nil*	3	Y.P.
6,27,970	6,14,570	17,46,166	10,03,556	97,031	M.	Indian Rubber Manufacturers	17.00	10	0.62				3	Y.P.
2,00,00,000	78,10,723	42,66,244	15,92,103	5,21,494	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	65.50	100	2.50	2.50	5.00	7.00	3	Y.P.
15,00,000	12,02,095	18,79,279	18,27,977	17,262	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	12.69	10	2.00	2.50	2.00	1.00	3	Y.P.
1,46,96,250	1,19,32,546	82,41,470	18,18,524	2,60,369	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26.12	10	2.12*	2.12*	2.75	2.75	9	Y.P.
6,00,000	4,20,000	14,85,526	6,66,994	1,49,226	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	34.00	10	2.40	2.00	8.00	..	12	Y.
40,00,000O. 5,00,000D.	74,10,780	81,01,156	12,70,257	2,42,718	M.	McLeod & Co.	214.00 —	O. 100 D.O.10	12.50 0.75	12.50 0.75	15.00 1.00		12	Y.P.
1,50,00,000	1,64,75,151	3,36,31,754	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	47.75	10	1.75	1.75	1.75	2.50'C'	3	Y.P.
14,05,000	5,79,891	13,30,194	6,28,269	4,324	N. G. Ayyangar Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	219.00	100	8.00	11.00	15.00	24.00	3	Y.
6,56,250	6,02,500	11,29,680	5,97,862	3,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	25.35	10	1.25	1.50	1.00		3	Y.P.
10,00,000	3,16,884	17,88,867	10,32,088	622	M. Mallaraj Urs. (Mg. Director)	Mysore Tobacco	10.62	10	1.50	1.25	1.25	1.00	3	Y.
30,00,000	1,37,56,692	1,31,19,135	51,35,368	86,389	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	36.00	10	2.00	2.00	2.00	2.50'C'	3	Y.P.
30,00,000	17,70,000	49,56,249	25,37,459	37,684	Do.	National Pipes & Tubes Co., Ltd.	24.44	10	2.00	1.25	1.50		9	Y.P.
40,00,000	30,19,000	83,22,477	35,76,949	1,31,135	Do.	National Rolling & Steel Ropes	20.94	10	0.60	1.00	1.00	1.30	6	Y.
40,97,064	9,15,876	33,55,363	33,67,559	14,523	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	15.00	10	1.00	0.60'C'	0.85		12	Y.
79,97,000	1,02,10,381	1,36,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	21.69	10	0.90	1.10	1.00		12	Y.P.T.
23,82,100	11,02,391	46,65,244§§	....	45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	48.00N	75	2.50	2.75	6.50		12	Y.
10,00,000	5,52,000	12,55,063	6,00,215	1,51,607	Parry & Co., Ltd.	Parrys Confectionery Ltd.	6.46xdCR	1	0.20	0.20	0.20	0.30	3	Y.
2,20,00,000	50,66,956	1,48,74,355	48,82,803	47,214	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	33.00	10	0.34	0.35	1.20		12	Y.
62,50,000	..	..	..	..	Duncan Brothers & Co., Ltd.	Phillips Carbon..	17.81	5	..	..	..		12	Y.
15,00,000	1,09,431	3,30,731	2,90,184	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.84	5	0.45	0.375	..		12	Y.
24,39,344	2,28,127	33,81,124	18,21,778	42,739	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	20.00	10	1.30	1.00	1.00		3	Y.
2,25,00,000	6,09,614	70,38,972	33,98,189	4,49,497	Badridas Goenka, Esq., (Chairman)	Rallis India Ltd.	129.00	100	*Nil*	*Nil*	*Nil*	4.00	8	Y.P.
2,50,30,000	2,49,55,000	14,76,38,674	6,18,95,237	1,93,085	Sahu Jain Ltd.	Rohtas Industries	21.00	10	....	2.00	1.50	2.00	3	Y.P.S.
70,00,000	55,67,726	2,76,12,629	72,19,861	1,17,247	K. D. Ganguli, Esq.	Sen-Raleigh Industries	25.00cd	10	0.60	0.60	0.80	0.80	9	Y.P.
75,00,000	48,73,390	1,17,50,536	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	24.44	10	1.00	1.00	0.30		12	Y.P.
40,00,000	91,26,201	1,53,82,019	78,19,485	7,55,863	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	25.25	10	1.50	1.50	1.80	1.80	6	Y.P.
37,90,180	20,65,000	1,17,02,171	30,48,561	3,869	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.75	10	0.75	0.75	0.90		12	Y.P.
15,00,000	95,24,802	1,18,49,116	28,52,132	58,431	J. K. Agents Private Ltd.	Straw Products Ltd. $	10.81	10	1.25	1.25	1.50		12	Y.
22,39,276	16,32,608	14,78,453	3,93,694	14,13,847	M.N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	37.50	10	2.00	2.25	3.00	3.00	6	Y.
9,93,030	24,035	16,75,093	6,66,618	12,418	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.20cd	10	*Nil*	0.40	0.60		12	Y.
11,86,800	15,87,168	13,62,490	7,38,592	40,519	R. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	32.92	10	2.00	2.00	2.75	3.25*	9	Y.P.
2,49,98,600	1,26,10,316	3,46,95,651	65,94,797	3,04,545	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	285.00	100	10.00	10.00	10.00	10.00	7	Y.
30,58,950	29,686	66,68,938	17,68,838	56,303	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	8.00	10	*Nil*	*Nil*	*Nil*		9	Y.T.
2,00,00,000	1,15,35,505	3,85,11,692	95,31,873	43,63,429	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	56.25	10	1.40	1.40	1.00	0.75†	12	Y.
20,00,000	47,50,000	59,48,867	18,86,024	1,24,443	Vital Mallya, Esq. (Chairman)	United Breweries	115.50	10	2.00	6.00	6.00	6.00	3	Y.
5,00,000	6,80,591	8,62,017	5,62,017	9,780	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	33.00N	10	4.00	2.75	5.25		11	Y.
31,29,500	25,59,264	98,81,836	25,54,518	5,401	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	248.00	100	10.00	10.00	10.00	10.00'C'	3	Y.P.
					TRANSPORT									
20,00,000	95,17,850	1,23,16,309	21,49,792	23,023	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	5.00	6.00	3.00	7.50	10	Y.P.
1,00,00,000	94,04,072	3,99,21,508	2,05,16,725	—7,10,923	Dinshaw (Private) Ltd.	Bharat Line	6.92	10	1.20*	1.20*	*Nil*		12	Y.
60,00,000 25,00,000	2,17,74,568	8,51,80,151	2,15,58,555	1,32,018	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	15.12 8.24	10 5(New)	1.50	1.80 0.90	1.50 0.525	1.00 0.50	6	Y.P.
£655,580	£926,735	£5,811,271	£2,532,391	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	74.50	£10	*Nil*	*Nil*			12	Y.P.
2,47,50,000	2,89,74,088	22,68,81,851	4,96,14,634	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	8.75	10	1.00	1.00	1.00	1.00	3	Y.P.
11,28,19,293	11,32,52,989	35,02,81,320	9,83,12,870	—16,18,456	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	14.52	20	1.25	1.25	1.30	0.60	6	Y.T.
3,40,800 2,10,200P.O.	21,45,736	13,10,577	9,03,867	1,67,197	B. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.31 2.31	O. 1 P.O. 1	0.14 0.12	0.14 0.12	0.20 0.15		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	35,44,700	1,23,77,423	80,99,858	11,999	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	24.94	10	1.25	1.25	1.50	1.00	3	Y.
12,00,000	2,96,358	38,08,529	34,12,829	—5,58,582	Jardine Henderson Ltd.	Barraree Coke	13.56	10	0.37	0.50	*Nil*	*Nil*	3	Y.
4,40,350	33,000	9,25,102	5,60,530	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48	10	0.90	0.60			12	Y.
1,00,00,000	1,84,79,081	6,98,53,638	4,66,54,445	10,20,411	Andrew Yule & Co., Ltd.	Bengal Coal	853.00	100	17.50	17.50	25.00	10.00†	10	Y.P.
2,25,000	4,90,671	23,57,902	21,45,487	—24,902	Andrew Yule & Co., Ltd.	Bengal-Nagpur	22.00	10	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	61,200	1,47,68,411	80,25,554	2,25,971	Sahu Jain Ltd.	Bharat Collieries	4.19	10	0.60	0.60	*Nil*		6	Y.P.T.
7,15,000	14,93,844	57,66,346	36,78,757	—6,96,032	M.	Bhulanbararee	6.50N	10	*Nil*	*Nil*	*Nil*		12	Y.P.
7,50,000	20,32,392	45,36,993	28,95,396	19,830	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.27	10	0.75	0.75	1.00		12	Y.P.
90,02,480	1,40,21,423	4,32,66,766	2,28,76,540	1,49,292	Bird & Co. Private Ltd.	Burrakur	20.37	10	0.75	0.875	1.30	1.30	6	Y.P.T.
49,97,000	4,62,979	74,82,076	25,32,605	27,542	Hindustan Investment Corpn. Ltd.	Central India	13.00	10	0.50	0.50	0.50	0.30	8	Y.
3,00,000	12,90,590	49,58,445	33,71,352	23,320	M.	Central Kurkend	6.06	10	0.70	0.50			12	Y.
6,00,000	1,54,873	6,36,841(k)	....	941	F.W. Heilgers & Co. (Private) Ltd.	Churlia	3.25	4	0.20	0.20	0.12		12	Y.
16,00,000	....	57,45,962	32,76,826	—28,095	Macneill & Barry Ltd.	Dhemo Main	7.50	10	*Nil*	*Nil*			12	Y.
£340,000	£352,069	£1,124,710	£812,966	£7,006	Jardine Henderson Ltd.	East Indian	35.50	£1	1.50	1.00	1.25	1.00	4	Y.
29,63,760	1,07,01,492	4,76,99,617	3,33,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	82.19	10	1.50	1.50	0.75		12	Y.P.T.
10,00,000	40,000	24,58,595	8,45,200	—5,80,078	Bhatter's Agency Ltd.	Ghusick and Muslia	15.12	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
12,00,000	1,27,964	43,44,376	27,68,441	—1,87,129	Killick Industries Ltd.	Hingir-Rampur	23.00	50	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
3,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	14.87	10	*Nil*	*Nil*			12	Y.
20,00,000	5,37,341	40,32,438	10,76,764	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	208.00	100	*Nil*	5.00	5.00	7.50	3	Y.P.
3,00,000	21,66,090	56,77,095	40,80,864	1,31,658	Andrew Yule & Co., Ltd.	Katras Jherriah	44.62	10	6.50	0.50	0.50	0.50	1	Y.
11,66,240	66,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	8.25	10	*Nil*	*Nil*			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	14.00N	10	0.12	1.00			4	Y.
7,48,240	2,50,000	18,59,878	10,13,353	17,140	Tantia Brothers Private Ltd.	Nazira	6.00	10	0.75	0.75	1.00		12	Y.
17,76,2[illegible]	27,30,986	1,62,48,573	1,06,23,096	79,798	Andrew Yule & Co., Ltd.	New Beerbhoom	22.50	10	0.75	1.00	1.50	1.00	10	Y.P.
6,00,000	2,88,645	23,54,261	19,79,034	56,603	Octavius Steel & Co., Ltd.	New Manbhoom	15.75	10	0.50	0.50	0.50	0.75	3	Y.
1,15,000 1,57,500	3,84,525	12,96,398	9,60,464	23,053	Andrew Yule & Co., Ltd.	North West	21.09N 19.00N	10 7.50	1.50 1.12	1.50 1.12	1.50 1.12	2.00 1.50	3	Y.
7,50,000	16,65,465	2,62,536	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman)	Ondal	17.88	10	0.50	0.50	0.70		12	Y.P.
8,34,000	1,82,527	28,50,897	12,11,228	1,026	Deepchand Kishenlall	Parasea	18.00	10	0.50	0.50	0.62		12	Y.P.T.
15,75,000	22,88,260	76,91,776	47,81,408	14,547	Shaw Wallace & Co., Ltd.	Pench Valley	19.12	10	2.00	2.00	1.00	1.00	3	Y.
29,99,500	34,89,302	1,52,74,208	1,05,98,171	8,664	M.	Raneegunge	16.22	10	0.75	1.00	1.00	1.50	3	Y.
13,50,000	6,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	26.12	10	1.00	1.00	1.00	0.75†	12	Y.
37,50,000	36,62,940	1,06,14,676	34,23,229	—6,560	M.	Samla Collieries	9.75	10	0.90	0.50	0.70	..	12	Y.
13,00,000	2,22,010	22,72,864	7,51,427	2,609	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	127.00	100	0.25	12.50	16.00		12	Y.
2,80,000	10,53,529	30,26,230	20,57,054	45,862	Andrew Yule & Co., Ltd.	Seebpore	87.00	7	1.75	1.75	3.00	1.00	12	Y.P.
3,00,000	4,54,665	11,33,800(k)	....	5,451	F. W. Heilgers & Co. (Private) Ltd.	Sendra	8.44	10	0.25	*Nil*	0.25		12	Y.
62,21,450	1,24,58,755	7,11,84,167	3,19,11,631	90,858	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	10.87	10	1.50	0.75	0.75		12	Y.T.
17,50,000	3,47,303	41,74,967	19,33,899	19,788	Bird & Co., Private Ltd.	South Karanpura	11.75	10	0.75	0.75	0.90		3	Y.
3,00,000	15,46,229	24,83,605(k)	....	24,861	F. W. Heilgers & Co. (Private) Ltd.	Standard	12.50	10	1.00	1.25	1.50		12	Y.
3,50,000	2,31,000	20,49,970	15,40,057	28,484	B. M. Varma, Esq. (Mg. Director).	Union	11.87	10	0.37	0.25	*Nil*		12	Y.
49,98,000	3,56,533	86,93,251	82,75,682	12,536	Hindustan Investment Corpn. Ltd.	Western Bengal	9.31	10	0.50	0.40	0.40	0.60	3	Y.
7,00,000	....	59,74,151	29,16,909	—4,85,709	Macneill & Barry Ltd.	West Jamuria	7.00	10	*Nil*	*Nil*			12	Y.

$—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1956.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. 'C'—On increased Capital.

§§ Investment at cost. * Includes bonus.

MARKET GOSSIP

(*Concluded from page* 727)

cost structure evolved by the Tariff Commission. Since the prices were enforced in January 1960, the cost of production has risen appreciably and the 5 per cent contingency allowance provided by the Commission has long been absorbed. On the consideration of costs alone, therefore, an upward revision in paper prices, according to Mr. Egan, is now well overdue. The price rise must be adequate enough not merely to cover the cost increase but also to provide for a reasonable return on the capital employed. Given such an increase, the paper industry will, there is no doubt, endeavour to achieve the production target set for it. It is interesting to hear from Mr. Egan that a large part of the expansion and modernisation programmes of existing mills during the second Plan period was financed out of their own resources.

The I.P.M.A. Chairman was at some pains to explain the merits and demerits of the Government's policy of licensing additional capacity. He did admit that the small units enjoyed the advantages of cheap labour, cheap local raw materials and proximity of markets. But he hastened to add that, despite these advantages, the cost of production of small factories would always be higher than that of bigger units, in view of the economics of large-scale manufacture. This is simple commonsense. The one distinct advantage a large, modern paper factory enjoys is the wide scope for the recovery and reuse of chemicals and other products that are utilised to make paper; the scope is said to be considerably restricted, nay, absent, in the case of a small factory. Apropos the preference shown by the authorities to the establishment of new factories *vis-a-vis* the expansion of existing units, Mr. Egan stated that capital outlay per ton of capacity was much greater for the setting up of entirely new units than for the expansion of existing factories, with the result that the cost of servicing capital and depreciation per ton of production was higher in the case of new units. Few would disagree with this assessment.

Britain's "Incentive" Budget

The British Budget for the financial year 1961-62 presented by Mr. Selwyn Lloyd, the Chancellor of the Exchequer, on the 17th inst., has been hailed as an "incentive" budget. Aside from the new tax proposals, which have been mainly designed to restrain consumption, stimulate investment and encourage productive effort, Mr. Selwyn Lloyd's budget also marks a new departure, in that it presents a major advance in the general budgetary policy in Britain. It seeks to arm the Chancellor, for the first time, with two new economic regulators, namely, a discretionary variation of the purchase tax and excise duty and a pay-roll tax which would be invoked "at any time" in between budgets with a view to curbing or stimulating purchasing power and demand.

The Chancellor prefaced his speech with a statement of the objects of his budget. The purpose of the present budget, he observed, was "to restrain the growth of consumption, continue to encourage investment and leave room for increased exports and provide additional incentives to effort and initiative." New taxes proposed and tax concessions announced by him are aimed at subserving these objectives.

The main tax changes proposed by the Chancellor are a rise in the duty on heavy oil from 1d. per gallon to 3d. per gallon, an increase in licence duty on motor vehicles from £12 10s. to £15 a year in the case of private cars and other types of vehicles (excepting buses, coaches and invalid carriages) and the levy of a 10 per cent duty on charges made by TV programme contractors for the insertion of advertisement. These taxes are expected to yield a revenue of £70 million this year.

With a view to encouraging initiative and effort, the level at which earned income attracts surtax has been raised from £2,000 to £4,000. Since the earned income allowance applicable to income-tax will be deductible in computing income for surtax, this proposal means that surtax will not be payable on earned income until £5,000. This concession, which will affect 150,000 taxpayers, will cost the Exchequer £58 million in 1962-63 and £83 million in a full year. This loss will be nearly covered by an increase in profit tax from 12½ to 15 per cent which will yield £45 million in 1962-63 and £70 million in a full year. These adjustments will be applicable to taxes payable on and after 1st January 1963.

The two new economic regulators empower the Chancellor (1) to raise or reduce at any time purchase tax and all the main customs and excise revenue duties (with the exception of TV licence duty and vehicle excise duty) by a maximum change in either direction of upto 10 per cent of existing charges, which means that consumer purchasing power can be curbed or stimulated by upto £200 million either way, and (2) to impose, at any time, a surcharge on employers upto a maximum of 4s. a week per employee, at which rate it will entail a withdrawal of £200 million from the economy.

The switch of burdens from the individual to the company, as reflected in the relief in surtax on earned income and the raising of the profits tax is, as noted above, designed to encourage individual initiative and is regarded as the first step towards separating personal from company taxes. This is also perhaps meant to meet the criticism in Britain that taxation on middle income brackets is high in the U.K., as compared with, say, W. Germany. For instance, it has been pointed out that a single person earning DM 1,000 a month pays DM 171 as income-tax in W. Germany, whereas a person in the same income group would have to pay DM 192 in Britain. Again, a married man with one child, for which tax allowances may be claimed, and who earns DM 2,000, pays DM 349 in the Federal Republic, whereas, according to British taxation, he would have to pay DM 406. It has been pointed out that it is perhaps this more lenient tax policy in W. Germany that has enabled that country to raise its gross national product by 55 per cent between 1955 and 1959, as compared with 23 per cent in Britain, and to create 4.9 million jobs during the decade 1950-60, as compared with 1.5 million in Britain.

BANKING

(*Concluded from page* 735)

Rs. 13.55 lakhs. The expansion in reserves has been due partly to the judicious policy followed by the Bank of transferring a sizable part of the profit to reserves from year to year and partly to the accretion in the share premium account.

The Rs. 50 fully paid ordinary shares are quoted at Rs. 74.75 *ex-div.*, giving a net return of 7.6 per cent per annum.

BRITISH BANK OF THE MIDDLE EAST

The statement of accounts of the British Bank of the Middle East pertaining to its operations in India during the year ended 31st December 1960 clearly shows that the Bank has made steady progress. Although it has only one office in this country, at Bombay, its income from interest and discount amounted to Rs. 23.83 lakhs, as against Rs. 20.99 lakhs in 1959. The income from commission and exchange also went up, from Rs. 6.61 lakhs to Rs. 7.30 lakhs. In spite of the higher turnover of the Bank, it is gratifying to note that expenses other than interest paid at Rs. 12.20 lakhs are actually a shade lower than in the previous year, when they aggregated Rs. 12.29 lakhs. Over the year, interest paid by the Bank to depositors has registered a substantial increase from Rs. 7.09 lakhs to Rs. 12.08 lakhs. As a result, the profit before taxation is substantially lower at Rs. 6.76 lakhs, as against Rs. 8.68 lakhs in the previous year. Nevertheless, the provision for taxation has been stepped up from Rs. 3.96 lakhs to Rs. 4.48 lakhs, so that the net transfer to the London office is much lower at Rs. 1.52 lakhs, as compared with the sum of Rs. 7.04 lakhs transferred in the preceding year.

A synoptic view of the Bank's progress since 1957 can be had from the following comparative table:

(In lakhs of rupees)

	1960	1959	1958	1957
For the year ended 31st December				
Interest and discount earned	23.83	20.99	14.24	24.16
Commission and exchange	7.30	6.61	8.87	11.67
Interest paid	12.08	7.09	2.29	4.99
Expenses	12.20	12.29	20.46	19.66
Depreciation	0.21	0.12	0.08	0.20
Profit	6.76	8.68	1.27	11.17
Provision for taxation	4.48	3.96	..	5.82
Net transfer to London office	1.52	7.04	4.24	0.24
Carried forward	0.76	..	2.31	5.28
As on 31st December				
Deposits	1,43.01	1,94.69	1,21.94	1,67.06
Borrowings from other banks	0.90	0.48	..	71.00
Advances	4,35.93	3,95.32	2,92.05	3,45.70
Investments	38.10	33.10	35.55	43.28
Cash	21.82	26.32	21.70	34.19
Balance-sheet total	7,48.96	6,70.69	6,71.73	7,63.95

The foreign exchange bank, too, has been no exception to the general trend of banking in the country. Thus, over the year, its deposits have fallen from Rs. 194.69 lakhs in 1959 to Rs. 143.01 lakhs in the year under review. The most pronounced decline was registered by fixed deposits from Rs. 101.92 lakhs to Rs. 46.72 lakhs. Other categories of deposits, savings and current, actually showed expansion—the former by Rs. 1.26 lakhs to Rs. 2.66 lakhs and the latter by Rs. 2.26 lakhs to Rs. 93.63 lakhs. On the assets side, advances have recorded a notable expansion of Rs. 40.61 lakhs to Rs. 435.93 lakhs. The Bank's bill business also made good progress as is evident from the rise in bills for collection from Rs. 87.09 lakhs to Rs. 89.44 lakhs. Acceptances, endorsements and other obligations, too, showed a substantial improvement from Rs. 127.16 lakhs to Rs. 161.77 lakhs.

STATE BANK OF TRAVANCORE—A CORRECTION

In the balance-sheet of the State Bank of Travancore appearing on page 638 of *Commerce* dated 8th April 1961, the item No. V under "Particulars of Advances" has been shown in the left side column, whereas it should have come in the right side column; the item pertains to debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons. The totals in the left side column cover only the first four items, that is, (i) debts considered good in respect of which the Banking Company is fully secured; (ii) debts considered good for which the Banking Company holds no other security than the debtors' personal security; (iii) debts considered good, secured by the personal liabilities of one or more parties in addition to the personal securities of the debtors; and (iv) debts considered doubtful or bad, not provided for.

The error is regretted.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 20th April 1961.

	Closing quotations 13-4-1961 Rs.	High Rs.	Low Rs.	Closing quotations 20-4-1961 Rs.
TEXTILES				
Ahm. Adv. (100)	168.00	—	—	168.00
Apollo (2)	1.58	1.58	1.52	1.54
Baroda Rayon (100)	142.50	144.50	137.00	138.00
Bombay Dyeing (25)	65.30	65.80	64.50	65.30
Bradbury (50)	123.50	123.50	122.00	122.00
Central India (100)	113.00	113.00	110.00	111.00
Century Mills (100)	569.50	583.50	566.00	581.00
Coorla Sp. (100)	135.50	—	—	135.50
Dawn (50)	122.50	123.25	122.00	123.25
Edward Textile (200)	275.00	—	—	275.00
Elphinstone (50)	80.00	87.00	80.00	81.00
Finlay (100)	341.00	341.00	326.00	326.00
Gokak (100)	184.00	186.00	180.00	180.00
Gold Mohur (100)	273.75	273.75	265.00	267.50
Gwalior Rayon (10)	45.00	46.25	44.75	44.75
Ind. Untd. Defd. (1)	1.80	1.84	1.74	1.84
Ind. Untd. Ord. (10)	14.44	14.56	14.32	14.40
Indian Rayon (62.50)	65.00xr	65.50	62.00	65.50
Indore Malwa (100)	140.00	144.00	140.00	144.00
Khatau (100)	546.25	552.50	523.75	535.00
Kohinoor (100)	293.00	296.00	285.00	289.50
Lakshmi (250)	507.50	530.00	507.50	530.00
Mafatlal (100)	870.00	865.00	847.50	865.00
Minerva Mills (100)	75.00	—	—	75.00
Model Nagpur (250)	35.00	—	—	35.00
Morarji (100)	340.00	337.00	330.00	332.00
Mysore (50)	68.00	69.00	67.00	67.00
National Rayons (100)	520.00	520.50	500.50	506.00
New City (100)	150.00	—	—	150.00
New Great (100)	209.00	—	—	208.00
Phœnix (100)	137.50	138.00	137.00	137.00
Podar Mills (100)	156.00	156.00	146.00	147.00
Raymond Woollen (100)	115.75	117.00	115.00	115.00
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	53.50	53.00	51.70	52.00
Shrinivas (100)	256.00	257.00	252.00	254.00
Simplex (50)	189.00	190.00	184.50	187.00
Standard (100)	1,485.00	1,560.00	1,445.00	1,482.00
Svadeshi (100)	261.50	263.50	254.50	257.75
Swan (100)	565.00	565.00	555.00	555.00
S. I. Viscose (100)	160.00	162.00	156.00	157.00
Tata Mills (25)	51.20	51.70	49.50	50.50
Vishnu (100)	130.00	130.00	128.00	129.50
Western India (1,000)	3,725.00	—	—	3,725.00
BANKS				
Bank of India (50)	122.00	123.25	122.50	123.00
Do. (New) (50)	125.00	125.50	125.00	125.00
Bank of Baroda (50)	98.50	99.00	98.00	98.50
Central (25)	61.00	61.50	61.20	61.50
Central 'A' (25)	63.00	63.20	63.00	63.00
Dena Bank (50)	58.70	—	—	58.70
Punjab National (10)	21.52	21.36	21.24	21.36
Union Bank (5)	5.92	6.04	5.56	6.04
United Com. (50)	87.50	88.00	86.00	88.00
ELECTRIC COS.				
Ahmedabad (100)	84.00xd	84.50	83.20	84.00
Amalgamated (10)	10.00	—	—	10.00
Andhra Valley (1,000)	992.50	992.50	987.50	992.50
Bom. Sub. El. (100)	86.00	86.50	85.50	86.00
Surat (100)	86.00	87.50	86.80	87.50
Tata Hydro (100)	101.50	101.75	101.25	101.50
Tata Power (1,000)	1,023.75	1,025.00	1,015.00	1,020.00
INSURANCE COS.				
British India (10)	12.28	12.28	12.00	12.20
Indian Mercantile (20)	43.25	—	—	43.00
New India (15)	60.00	60.20	59.50	59.70
New India 'A' (15)	60.50	61.00	60.50	60.80
Vulcan (10)	16.24	—	—	16.24
STEEL COS.				
Ind. Iron (10)	26.80	27.05	26.10	26.55
Mukand Iron (10)	26.00	27.50	26.00	27.15
Tata Steel Ord. (75)	150.00	150.25	145.00	146.25
SUGAR COS.				
Belapur (50)	286.00	290.50	280.00	285.00
Bhopal (10)	26.00xd	26.10	26.00	26.10
Changdeo (12.50)	26.00	—	—	26.00
Phaltan (50)	143.00	144.00	141.00	143.00
Walchand Ind. (100)	194.00xr	197.50	195.00	197.00
CEMENT COS.				
Associated Cts. (100)	158.00	158.50	155.50	156.25
Digvijay (100)	153.50	154.00	152.00	152.00
Orissa (10)	14.32	14.40	14.12	14.32
MISCELLANEOUS				
Alcock Ashdown (100)	326.00	329.00	318.00	324.00
Bom. Burmah (125)	613.00	619.00	598.00	604.00
Do. (New) (50)	218.75	222.50	213.75	215.00
Br. B. Petrol (1½ sh.)	1.34	1.40	1.30	1.32
Br. I. Corpo. (5)	8.12	8.28	8.04	8.04
Cooper Eng. (100)	208.00	208.00	194.00	195.00
Colour Chem. (100)	340.00	340.00	325.00	325.00
Hind Cycle (100)	100.00	—	—	100.00
Hindustan Lever (10)	50.80	50.30	47.50	47.50xd
Hindustan Motors (10)	19.88	20.24	19.36	19.96
I. C. & Invest. Corporation (100)	84.00xd	—	—	84.00
Indian Dyestuff (100)	502.50	510.00	485.00	487.00
Indian Copper (2 sh.)	5.20	5.28	5.20	5.24
Ind. Inv. Tr. (100)	81.00	—	—	81.00
Killicks (100)	104.00	104.00	103.00	104.00
Larsen & Toubro (10)	41.50	42.00	40.25	41.75
Mahindra & Mahindra (10)	21.00	20.76	20.00	20.24
New Central Jute (10)	19.52	—	—	19.52
Polson (100)	176.50	177.00	176.00	176.50
Pre. Automobiles (100)	170.25	171.75	165.00	167.50
Premier Con. (80)	192.00	195.00	188.00	192.50
Scindia (20)	14.64	14.80	14.28	14.32
G. E. Shipping (10)	15.82	15.32	15.08	15.08
Shivrajpur (10)	90.00	90.50	87.00	88.00
Sirpur Paper (10)	17.32	17.40	16.00	16.92
Tata Chemicals (10)	19.36	19.44	18.96	19.20
Tata Locomotive (100)	338.25	341.50	322.00	331.50
Tata Oil (25)	81.70	81.70	76.50	76.50
Texmaco (10)	22.00	22.00	21.84	21.84
Voltas (100)	276.00xd	278.00	271.00	275.00
W. I. Match (100)	296.00	295.00	270.00	276.00
W. Coast Paper (100)	207.00	210.00	206.00	206.00

GOVERNMENT SECURITIES	13-4-1961 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	20-4-1961 Rs
2½% 1961	99.50	—	4.20	99.50
2½% 1962	98.50	—	3.67	98.60
2½% 1976	83.50	—	4.23	83.50
3 % 1964	98.80	—	3.34	98.80
3 % 1963-65	98.70	3.50	3.29	98.75
3 % 1966-68	96.10	3.79	3.60	96.10
3 % 1970-75 1st Dev.	91.10	4.20	3.83	91.10
3 % 1986 Con. Loan	73.75	—	4.06*	73.75
3½% 1961 N. P. Bonds	100.00	—	3.50	100.00
3½% 1964 N. P. Loan	99.95	—	3.51	99.95
3½% 1965 N. P. Bonds	99.90	—	3.51	99.95
3½% 1962	99.85	—	3.37	99.85
3½% 1967 N.P. Bonds	99.00	—	3.68	99.00
3½% 1974	99.70	—	3.78	99.70
3½% 1967 N.P. Bonds	100.75	—	3.63	100.75
3½% 1969 Loan	98.75	—	3.68	98.75
3½% 1968	98.80	—	3.70	98.80
3½% 1963 N.P. Bonds	100.10	—	3.46	100.10
3½% 1968 N.P. Bonds	100.65	—	3.66	100.65
4 % 1972 Loan	100.50	—	3.93	100.50
4 % 1973 Loan	100.45	—	3.95	100.45
4 % 1979 Loan	100.10	—	3.99	100.10
3½% 1966 Bonds	99.55	—	3.57	99.70
4 % 1980 Loan	99.95	—	4.01	99.95

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar. Sept.	96.50xd	100
BREWERIES AND SUGAR						
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec. ..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April ..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar. Sep.	89.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-24	8.00	Feb. Aug.	118.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7.00	July Apr.	5.60	5
East India Distilleries T.F.C. ..	£200,000	1897	7.00	Jan. July	17.75	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec. ..	62.00	100
Do. (Non-redeem.) ..	5,00,000	1940	7.00	Dec. ..	62.00	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct. ..	12.00	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug. ..	84.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct. Apr.	61.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct. ..	30.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec. ..	7.40cd	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec. ..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec. ..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April May	119.50	100
COAL						
Borrea T.F.C.	14,00,000	1896-97	6.50	Oct. Apr.	79.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-19	7.00	Apr. Oct.	98.00xd	100
Do. (2nd) C.	4,50,000	1946	6.00	.. ..	7.50	10
Equitable T.F.	4,00,000	1905	6.00	Mar. Sept.	75.00	100½
Karanpura Collieries C.	9,89,500	1946	5.50	.. ..	56.00	75p.
††Khas Kajora C.	1,93,000	1931	5.00	Mar. Sept.	7.50	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan. July	11.00	10
Ondal T.F.C.	2,00,000	1899-00	6.00	Apr. Oct.	80.00	100
COTTON						
Ahmedabad Advance T.F.C. ..	10,00,000	1900	5.00	Apr. Oct.	78.00	100
Bangalore C.T.F.	6,00,000	1934	6.00	Jan. July	111.64	100
Basanti Cotton T.F.	5,00,000	1936	6.25	Nov. ..	8.25	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb. Aug.	160.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb. Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June Dec.	53.50	50
Buckingham & Carnatic C.T.F. ..	21,30,200	1920	7.50	Jan. July	113.42	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr. ..	108.00	100
Central India T.F.	50,00,000	1912	5.00	Apr. Oct.	375.00	495
Century Spg. & Mfg. Co. T.F.R.C. ..	1,25,00,000	1956	6.00	Dec. ..	114.00	100
Coimbatore Pioneer C.T.F. ..	1,00,000	1935	6.50	June ..	85.00cd	100
Elgin T.F.C.	11,00,000	1912	6.00	May ..	114.00cd	100
Elgin 'B' T.F.C.	4,20,000	1948	5.00	July ..	7.00cd	10
Elphinstone C.	25,00,000	1919	7.00	May Nov.	68.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June Dec.	103.50	100
Khatau Makanji (2nd) T.F. ..	29,92,500	1947	4.00	Nov. ..	73.00	10
Kothari C.T.F.	12,00,000	1937	6.00	Dec. ..	9.20cd	5
Kothari 'B' (Pref.) T.F.C. ..	6,00,000	..	6.00	.. ..	10.00N	250
Lakshmi Cotton (Bombay) C. ..	16,00,000	1936	5.00	.. ..	150.00	100
Morarjee Gocouldas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan. ..	64.00	100
Mysore Spg. C.	7,45,050	1944	4.50	.. ..	22.76	50
National Rayon C.	1,74,64,700	1947	5.00	.. ..	67.70	100
New Great	8,00,000	1912	5.50	Mar. ..	105.00	200
Podar Mills T.F.C.	10,00,000	1943	4.00	Feb. ..	65.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr. ..	47.00cd	50
Shree Niwas Cotton T.F.C.R. ..	4,80,000	1944	4.00	.. ..	66.00	100
Sholapoor T.F.C.R.	32,00,000	1943	3.00	.. ..	78.25	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr. Oct.	88.00	100
Swadeshi (Kanpur) T.F.C. ..	35,00,000	1937	6.00	June ..	71.00	100
Travancore Rayon C.T.F. ..	50,00,000	....	5.00	May ..	7.65	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr. Oct.	93.79	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	.. ..	94.02	100
Vishnu C.	15,66,500	1906	7.00	Apr. ..	382.50	500
ELECTRICS						
Andhra Valley Power Supply C. ..	49,84,000	1917	7.00	May Nov.	1,065.00	1,000
Amalgamated Electric T.F.C. ..	24,15,000	..	5.50	.. ..	73.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June Dec.	9.84	£1
Poona Electric C.	4,00,000	1935	7.00	June Dec.	101.00	100
South Madras (1st) C.T.F. ..	22,00,000	1940	5.50 }	Sept. Dec.	{ 8.10	100
Do. (2nd) C.T.F. ..	3,00,000	1940	5.50 }		8.25	10
Surat Electric Co. C.T.F. ..	5,00,000	1939	6.50	Apr. ..	108.50	100
Tata Hydro Electric Power C. ..	89,28,000	1927	7.00	May Nov.	101.75	100
Tata Power T.C.	86,97,000	1918	7.50	May Nov.	1,110.00	1,000
Vellore C.	1,25,000	1928	6.00	Dec. ..	6.83	10
ENGINEERING						
Arthur Butler (Muzaffarpore) T.F.C. ..	1,30,000	1919	7.00	Mar. ..	11.00	10
Burn & Co. Ltd. (1st) T.F.C. ..	12,00,000	1895-98	7.00	Feb. Aug.	117.00	106
Do. (2nd) T.F.C. ..	15,00,000	1938	6.00	Feb. Aug.	106.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec. ..	92.00	100
Indian Standard Wagon T.F.C. ..	19,66,500	1918	7.00	June ..	115.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May Nov.	80.00	100
Kamani Engineering C.R. ..	15,00,000	1945	5.50	July ..	58.00	100
†††Kumardhubi Engineering T.F.C. ..	12,00,000	1915	4.00	June Dec.	83.00N	100
Larsen and Toubro Ltd. T.F.R. ..	12,00,000	1946-47-51	5.00	.. ..	93.00	100
Mahindra & Mahindra T.F.R.C. ..	35,00,000	1945	6.00	May ..	98.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	.. ..	86.00	100
Premier-Construction (1st) C. ..	10,00,000	..	6.25	.. ..	76.00	100
Do. do. (2nd) C. ..	15,00,000	1936	6.25	.. ..	73.00	100
Do. do. (3rd) C. ..	56,25,000	1947	4.50	.. ..	5.86	10
Tata Iron and Steel (1st) C. ..	75,00,000	1936	6.00	Nov. ..	140.00	150
Do. do. (2nd) C. ..	6,96,21,900	1906	7.50	May ..	106.75	100
JUTE						
Agarpara T.F.C.	10,00,000	1927	7.00	Jan. July	90.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb. Aug.	85.00	100
Alliance T.F.C.	15,00,000	1935	6.00	Mar. Sept.	64.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May Nov.	92.00	100
Auckland C.	10,00,000	1909	5.50	May Nov.	72.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June Dec.	60.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr. Oct.	93.00	100
Barnagore C.	£200,000	1906	5.00	May Nov.	86.00	£5
Belvedere T.F.C.	7,00,000	1906	7.00	Jan. July	90.00	100
Birla C.	22,64,200	1919	7.50	June Dec.	90.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May Nov.	90.90	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan. July	50.75N	100
Caledonian T.F.C.	10,00,000	1915	7.00	June Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar. Sept.	88.00	100
Clive (1st Pref.) T.F.C.	3,00,000	1909	6.00	May Nov.	67.00	100
Do. (A) (2nd Pref.) T.F.C. ..	3,00,000	1905	7.00	May Nov.	77.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May Nov.	91.00	100
Delta T.F.C.	5,00,000	1897	5.00	June Dec.	72.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb. Aug.	85.00	100
Fort Gloster T.F.C.	14,00,000	1890-98	7.00	May Nov.	110.00	100
Do. (2nd Pref.) T.F.C. ..	7,00,000	1948	5.00	.. ..	70.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May Nov.	110.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June Dec.	90.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May Nov.	80.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar. Sept.	82.00	100
Hooghly T.F.	11,76,000	1913	10.00	May Nov.	10.00	10
Howrah T.F.C.	8,75,000	1890	7.00	May Nov.	90.00	100
Do. T.F.C. (f)	17,50,000	1903-6	7.00	May Nov.	90.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June Dec.	90.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb. Aug.	75.00	100
Kankinarrah T.F.C.	10,00,000	1900	6.00	Feb. Aug.	90.50	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

†† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—Continued						
Kelvin T.F.C.	10,00,000	1907	7.00	Mar. Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May Nov.	77.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May Nov.	89.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May Nov.	94.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May Nov.	90.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec. ..	62.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May Nov.	110.00	100
Do. (2nd) (j) T.F.C.R. ..	10,00,000	1945	4.50	June Dec.	78.00	100
National T.F.C.	5,00,000	1917	7.00	May Nov.	88.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr. Oct.	79.50	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan. July	85.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May Nov.	72.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May Nov.	82.25	100
Samnuggur C.	£150,000	1901	6.00	Feb. Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb. Aug.	98.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar. Sept.	93.00	100
Titaghur C.	£150,000	1897	6.00	Feb. Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May Nov.	90.00	100
Victoria C.	£150,000	1898	6.00	Feb. Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	5.00	Mar. Sept.	89.00	50
RAILWAYS, STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov. ..	50.00	[illegible]
Calcutta Tramways C.	£250,000	1906	5.00	Apr. Oct.	7.75	[illegible]
Great Eastern Shipping T.F.R.C. ..	25,00,000	1948	5.50	Dec. ..	91.00	[illegible]
Indian General Nav. & Rly. C. ..	£244,080	1899	6.00	Mar. Nov.	77.20	[illegible]
India Steamship (w) T.F.C.R. ..	25,00,000	1928	5.00	.. ..	81.00	[illegible]
TEA						
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May Nov.	31.00	[illegible]
†††Banarhat Tea T.F.C. ..	4,00,000	1900-02	6.50	Jan. July	102.00	[illegible]
Birpara T.F.C.	1,00,000	1900-0[illegible]	8.00	Jan. ..	102.00	[illegible]
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan. July	102.00	[illegible]
Gielle C.	2,00,000	1894	6.00	Sept. ..	75.00	[illegible]
Hantapara T.F.C.	50,000	1901	8.00	Jan. ..	105.00	[illegible]
Hasimara T.F.C.	3,00,000	1904	7.00	Mar. ..	98.00	[illegible]
Kingsley Golaghat T.F. ..	2,40,000	1897	6.00	Dec. ..	89.00	[illegible]
Moheema T.F.C.	3,20,000	1929	6.00	May Nov.	8.00	[illegible]
New Dooars T.F.C.	2,00,000	1907	6.50	Jan. July	102.00	[illegible]
New Samanbagh T.F.C. ..	1,00,000	1908	8.00	Nov. ..	91.00	[illegible]
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec. ..	94.00	[illegible]
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan. ..	98.00	[illegible]
Sonai River T.F.C.	1,00,000	1909	8.00	May ..	92.00	[illegible]
***Tezpore C.	2,05,000	1932	8.00	Jan. ..	10.50	[illegible]
Tirribannah T.F.C.	1,00,000	1922	10.00	May Nov.	18.25	[illegible]
PLANTING						
Be Be Rubber C.	1,48,005	1944	6.25	.. ..	2.48	[illegible]
Do. R.C.	2,85,570	1944	6.25	.. ..	5.71	[illegible]
Cochin Malabar C.T.F.	1,18,300	1932	7.00	June ..	51.25	[illegible]
Coffee Lands C.T.F.	10,40,600	..	5.00	.. ..	75.00	[illegible]
Coonoor Tea C.	1,50,000	1926	6.00	Apr. ..	88.14	[illegible]
Cottanad C.T.F.R.	1,00,000	1927	7.50	Nov. ..	10.12	[illegible]
Devon Tea C.T.F.	2,00,000	1936	7.50	July ..	95.00	[illegible]
Highland Produce C.T.F. ..	3,00,000	..	6.00	July Jan.	7.96	[illegible]
Neelamalai C.T.F.	18,00,000	1948	5.00	Jan. July	6.15	[illegible]
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July ..	3.80	[illegible]
Pullangode C.T.F.	1,50,000	1948	6.00	Mar. ..	8.00cd	[illegible]
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar. Sept.	0.78	[illegible]
T. R. & T. Co. C.T.F. ..	16,00,000	..	6.00	June Dec.	8.05	[illegible]
Waterfalls R.C.T.F.	5,00,000	1948	6.00	Nov. ..	8.40	[illegible]
MISCELLANEOUS						
Alembic Chemicals (1st) ..	5,00,000		6.25	June ..	91.20	100
Do. do. (2nd) T.F.R.C. ..	5,00,000	..	5.00	June ..	86.00	100
Alkali & Chemicals T.F.C. ..	31,00,000	..	5.00	Apr. ..	91.50xd	100
Aluminium Corpn. (1st) C. ..	20,00,000	1937	7.00(f)	.. ..	94.00	100
Andhra Cement C.T.F. ..	2,48,800	1938	6.00	Feb. June	100.00	100
Associated Hotels of India C. ..	21,67,000	1937	7.00	Mar. Sept.	48.00xd	100
Bengal Chemicals T.F.C. ..	9,00,000	1916	7.50	Aug. ..	12.50	10
Bengal Paper Mill T.F.C. ..	2,00,000	1925	7.00	Mar. Sept.	51.00	50
Do. "A" T.F.C. ..	4,00,000	1903	7.00	Mar. Sept.	104.00	100
Do. "B" T.R.C. ..	20,00,000	1923	6.00	.. ..	65.00	100
Bengal Timber Trading T.F.C. ..	3,00,000	1948	8.00	Aug. ..	7.75	100
Britannia Biscuit T.F.C. ..	15,450	1896	8.00	Feb. Aug.	14.50xd	10
British Ceylon Corporation C. ..	17,50,000	1921	6.00	Feb. Aug.	8.00N	5
British India Corporation T.F.C. ..	31,60,000	1913	8.00	Feb. ..	118.00	100
Dalmia Cement (Bharat) C.T.F. ..	61,58,210	1920	6.00(f)	Sept. ..	8.00	10
Dhrangadhra Chemicals T.F.C.R. ..	31,91,900	1937	6.00	.. ..	82.00	100
Shree Digvijay Cement T.F.R.C. ..	79,93,875	1956	5.00	Dec. ..	81.00	100
Dunlop Rubber Co. (1st) T.F.C. ..	30,00,000	1944	6.00§	June Dec.	118.00	100
Dunlop Rubber Co. (2nd) C. ..	40,00,000	1926	6.00	Apr. ..	82.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1936	5.00	Feb. Aug.	58.00	100
Do. do. (2nd)	1,00,000	1946	6.00	Feb. Aug.	49.00	100
Gillanders Arbuthnot(f) R.C. ..	25,00,000	..	5.00	Apr. Oct.	57.00	100
Hindustan Motors T.F.R.C. ..	1,60,67,250	1956	6.00	Mar. ..	101.00	100
Humayan Properties T.F.C. ..	12,00,000	1938	8.00	.. ..	7.12	10
India Cement C.	29,85,000	1946	7.50	Oct. ..	88.00	100
Indian Aluminium (g) C.R. ..	40,00,000	1945	5.00	June ..	71.00	100
Indo-Burma Petroleum C. ..	50,00,000	1921	7.00	Jan. July	88.00xd	20
Indian Cable (m) C.	12,87,750	1923	6.00	June Dec.	84.00	10
India Rubber Mfrs. (n) T.F.C.R. ..	8,28,000	..	5.00	Apr. ..	60.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec. ..	59.00	100
Kettlewell and Bullen (1st) C. ..	20,00,000	..	5.50	May ..	57.50	100
Do. do. (2nd) T.F.C. ..	10,00,000		4.00	Mayl ..	54.00	100
Kumardhubi Fireclay & Silica C.R. ..	2,00,000	1915	7.00	June Dec.	63.00N	100
Martin Burn (k) T.F.C.R. ..	30,00,000	1946	5.00	Apr. Oct.	85.50	100
McLeod and Co. (1st) C. ..	10,00,000	1930	5.00	July Jan.	51.50	100
Do. (2nd) F.C. ..	40,00,000	1936	5.00	July Jan.	60.25	100
Metal Box Co. C.R.	30,00,000	..	6.00	.. ..	86.00	100
Mettur Chemicals (Old) C.T.F. ..	20,00,000	1903-13	6.00	Feb. Sept.	9.70	10
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6.00	June ..	8.50	10
Mysore Lamps R.C.T.F. ..	2,50,000	..	4.00	Aug. ..	5.95	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar. Sept.	75.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar. Sept.	68.50	100
Orient Paper T.F.C.R. ..	28,00,000	1936	5.50	Jan. ..	83.00	100
Do. (2nd) (r) C.R. ..	60,00,000	..	5.50	Apr. Oct.	63.50	100
Rohtas Industries (Old) T.F.C. ..	20,00,000	1936	7.00-9.00	Apr. ..	117.00	100
Do. do. (New) T.F.C. ..	85,04,700	..	4.25	Apr. ..	57.00	100
†Smith Stanistreet & Co. T.F. ..	5,00,000	1920	10.00	Feb. Aug.	67.00	50
Spencer & Co. "A" C. ..	23,20,000	1898	6.50	Jan. July	8.00	10
Do. "B" C. ..	36,80,000	1922	8.50	Jan. July	10.06	10
Standard-Vacuum C.	75,00,000	1955	6.00	June Dec.	91.50	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar. Sept.	74.00	100
Tata Chemicals T.F.C. ..	59,97,000		5.00	June ..	85.00	100
Tata Oil Mills C.	29,88,800	1946	4.50	July ..	59.70	100
Titagur Paper Mills T.F.C. ..	11,50,000	1896	8.00	Jan. June	112.50	100
Do. do. (2nd) T.F.C. ..	15,00,000	1934	4.50	Jan. July	77.50	100

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank pari passu with ordinary shares [illegible] ordinary shares receive 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable [illegible] any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable [illegible] par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating upto 9 per cent. (t) Free of Income-tax upto 6 as. in the £. (u) Redeemable at par on 3 months' notice. (v) [illegible] on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per [illegible] on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. P[illegible] paid.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2612 BOMBAY, 29th APRIL 1961 PRICE Rs. 2

FACE THE TEXTILE FACTS

A DISTINGUISHING feature of the cotton textile industry is that it has nothing new to tell. Its basic problems are self-same and so also the solutions to them. The credit, nay kudos, for this state of affairs goes to the Government, for dynamism has been conspicuous by its absence in its textile policy. Only three weeks ago, Prime Minister Nehru exhorted the millowners in Ahmedabad, on the occasion of the centenary celebrations of the cotton mill industry in that centre, not to lag behind technological advances in the rest of the world. His colleagues in the Union Cabinet, in the Planning Commission and in the Indian National Trade Union Congress need this advice more than the millowners. It is they who are largely responsible for obstructing the pace of modernisation of textile industry, for stopping its growth, for the high cost of clothing in this country and for the dwindling share of India in the world trade in cotton textiles. Instead of urging the millowners to introduce more and more automatic looms and improved types of carding, spinning and processing machinery, they discouraged them by placing all impediments possible in the name of handloom weavers and mill workers. "Hasten slowly," was the Government's directive to millowners, with the result that the number of uneconomic units has increased and the problem of rehabilitation and renovation has assumed great dimensions. The pity of it all is that, though the policy-makers are fully conscious of their mistakes, they never seem to be able to muster enough courage to admit them and, what is more important, to initiate bold measures that will help the industry to stage a leap forward. Even the few changes they make in their policy under pressure of circumstances are always belated and, therefore, less useful than they would have been had they been done in good time. To give an instance. The restrictions on modernisation of plant and machinery have been eased to some extent, but this action is not of much avail now, as there is no foreign exchange to buy new machinery abroad and the domestic manufacturers of textile machinery are unable to cope with the demand, for a variety of reasons, including shortage of steel and know-how, sudden rise in orders and labour trouble.

A critic may say that the aforesaid criticism is one-sided. There are undoubtedly many who feel that millowners, too, are equally responsible for the defects in their industry. But this is true only upto a point, because their sins of omission and commission are chiefly the by-product of the Government's restrictive policy. The creation of a sellers' market, a direct outcome of official policy, is not conducive to improving efficiency or spending large sums on modernisation of plant and machinery. Again, why should a millowner bother about finding export market for his production when he can easily sell it in the domestic market? But for the export incentive scheme, under which imports of machinery, stores and cotton are linked to exports of cloth and yarn, the setback in India's cloth exports would have been more marked. This incentive scheme, however, cannot be continued for ever, as it only amounts to postponing the day of final reckoning. The persistent refusal of the Government to allow expansion and the imposition of stringent conditions for introducing high productivity machines have compelled enterprising millowners to divert their talent and the monetary resources they could command to other more promising ventures, such as chemicals, rayons, nylon, paper, pulp, films, cameras and engineering. A prominent millowner once said, apparently in a sense of exasperation, that, with threats from Government, abuses from the public and labour, and curses from the spokesmen of handloom weavers, he would not like to waste any more of his time, energy and capital on cotton textile industry and would like to go in for newer industries which the Government is anxious to see established. This is already happening. Wadias of the famous Bombay Dyeing are taking to chemicals, Kasturbhai Lalbhais to dyes and colours, Sarabhais to pharmaceuticals, Ghias to cameras and films, Birlas (Century) to rayons and pulp and Binnys to engineering. Such examples can be easily multiplied. The well-known business houses mentioned here are now more interested in these new industries than in clothing India's growing millions. They are doing so not because they feel that the cotton mill industry has no scope for expansion but because they have learnt from experience that the Government is not interested in allowing such expansion.

If this policy is pursued, there is sure to be a cloth famine in the country and/or a further fall in exports before the end of the third Plan period. This cloth famine will manifest itself in the form of low *per capita* consumption, by which we mean lower than the barest minimum a person should have. This point was again clearly brought out by Mr. Krishnaraj M. D. Thackersey, the retiring Chairman of the Indian Cotton Mills' Federation, in his speech at its third annual general meeting on Wednesday the 26th inst. We advisedly say "again", because, in the past twelve months, he had reiterated it in a number of Press conferences. The main theme of his speech was: "Some aspects of the problem of the consumer securing cotton textiles at fair price." He recounted the reasons for, and the various stages in which, the voluntary control on prices of cloth was introduced. He candidly admitted that he was not sure whether the consumer was getting the full benefit of this control. He also warned that the industry should not be blamed or made a scapegoat, if scarcity of cloth reappears, leading to a hue and cry from all over the country. Those who may be inclined to think that he was crying wolf or to dismiss his warning as coming from an incorrigible grumbler will do well to ponder some of the simple statements he made. Here is the relevant extract from his speech:

"The availability of cotton textiles which was 15¾ yards pre-war has, after 21 years and two Plans, remained static at the same level, the actual figure for 1960 being 15½ yards—taking the population of that year at 430 million. In this context, one might consider the minimum clothing supply that should be aimed at, consistent with a reasonable standard of living. If only one pair of shirts and one pair of *dhotis* can, with continuous use, be made to last eight months, a man will require 14 yards in eight months, that is, 21 yards in a year. If a pair of *saris* and a pair of blouses can similarly be made to last eight months, a woman will also need 21 yards per year. There can be many regional variations in the clothing requirement, depending upon climatic conditions, the custom and usage, the type of clothing used by various strata of society, etc. But providing for other items like underwear, bedsheets, chaddars, headwear, towels, etc., the minimum requirement for a reasonably modest standard of living may, by and large, be put down at 21 yards *per capita*. It is easy to imagine the gravity of a situation in which, against a requirement of 21 yards, the availability, and perhaps also the purchasing capacity, is limited to only 15½ yards. It is small wonder, therefore, that the problem of supplies and prices of cotton textiles does not remain within the confines of economics, but attracts attention and interest on a very wide scale. The situation has been made more complicated by the existence of such widely varying means of production, ranging from the most modern mills at one end of the scale to *Ambar Charka* and *khadi* at the other—where the humanitarian aspect transcends all canons of normal economic principles."

Mr. Krishnaraj then went on to show why it would not be possible for mills to prevent cloth being sold to consumers at excessive prices. "Out of some 6,600 million yards made available to the civilian market in 1960," to quote him, "about 2,250 million yards were supplied by the decentralised sectors. From the balance of 4,350 million yards supplied by mills, some 1,000 million yards of grey cloth should have been subjected to various finishes like bleaching, dyeing and printing, by agencies

Contents

LEADING ARTICLES—	PAGE
Face The Textile Facts	781
The Food Situation	782
Coal Production and Prices	782
MARKET GOSSIP	783
ROUND THE EXCHANGES	784
NEWS IN BRIEF	785
PERSONAL	785
THIS WEEK'S SURVEY	786-788
SPECIAL FEATURES—	
Estimates of National Income	788
On the Arena	789
The New Image of Joint-stock Companies	791-792
Manchester Letter	793
International Assistance for Economic Growth	796, 798
Finance Commission *Versus* Planning Commission	806-807
CHAIRMEN'S SPEECHES—	
Dunlop Rubber Co. of (India) Ltd. ...	790
Jessop and Co., Ltd.	808
Bengal Coal Co., Ltd.	809
TEXTILES	794
SUGAR	795
ENGINEERING	800
NEW PRODUCTS AND PROCESSES	805
LABOUR	810
COMPANY MATTERS	812-818
MARKET REPORTS	819-821
MISCELLANEOUS STATISTICAL INFORMATION	822-823
WEEK'S STOCK EXCHANGE TREND	824

outside the mills. This means 3,350 million yards out of 6,600 million yards, or a little over half of the total internal supply, reached the consumer in the form in which it left the mills. Thus, any regulation of the price of mill cloth would, under the present pattern of production, extend to only half the supply in the internal market. Cloth has to reach 438 million consumers spread all over the country, more in villages and in hamlets than in big cities; and inevitably lakhs of persons will have to be employed in the distributive trade. The utter impossibility of exercising control over the operations of so enormous a distributive agency is self-evident and, whenever the demand outstrips the supply, there is little hope of the consumer getting at a proper price even that half of the internal supply which reaches him in the form in which it leaves the mills. By and large, the consumer will, therefore, have to pay for his clothing requirement the price dictated by the law of supply and demand and control at the mill stage, or may be even at the wholesale stage, offers no solution to the problem of ensuring a proper price for the consumer. The one and only solution is to bring about parity between the supply and demand." Critics of mill industry and of financial journals such as ours which have been voicing the need for a more realistic, forward-looking textile policy would be doing a good service to the public if they could show in what respects the aforesaid case for rethinking is defective. They should make a dispassionate appraisal of the problem with a genuine interest in finding an effective, lasting solution to it and not indulge in naming a scapegoat and condemning it, which, as Mr. Krishnaraj aptly remarked, is easy escapism.

The conclusions on what should be done, if consumers are to be assured of adequate supply of cloth at reasonable prices, are obvious. In the first place, the target for cotton textiles in the third Plan should be raised to a level that will provide for a *per capita* availability of at least 21 yards by 1961-66, if not earlier, after leaving a margin of 1,000 million yards for export. Secondly, since the decentralised sector has not been able to raise its production to the level envisaged despite all the spoon-feeding by the authorities, and since it is shortage of mill-made cloth that quickly brings about a rise in prices, the target for mill sector should be raised to a much higher level than the one mentioned in the draft third Plan. It is almost certain now that the Planning Commission will finally agree to an increase in the mill sector's target by some 200 million yards, but this will not suffice. The increase should be at least 500 million yards, if not more. Thirdly, no restrictions whatever should be placed on modernisation and integration of the industry. On the contrary, the mills should be given all possible assistance and encouragement to go ahead in this direction. And, fourthly, controls on prices and production should be abolished as soon as raw cotton situation becomes normal. There is enough evidence of the failure of the cotton textile policy pursued in the past ten years. He who learns from experience is wise.

THE FOOD SITUATION

THE debate in the Lok Sabha last week on the demands for grants for the Ministry of Food and Agriculture was not marked by the usual acrimony. In fact, there was an atmosphere of confidence in the House, probably because the members had recognised in a way the fact that the country had turned the corner on the food front. Mr. S. K. Patil, therefore, should have felt happy over the restrained tone of criticism and the appreciative references to his Ministry. But neither he nor some of the members who participated in the debate would go so far as to say that the country was wholly out of the wood in the matter of food. There was certainly no question of any undue complacency setting in at the higher levels, particularly at a time of continuing marginal food shortage necessitating imports at an annual rate of about four million tons. At the same time, there was happily no tendency to be unduly alarmist at a time of reasonably good foodgrains production which would be anything between 76 million and 80 million tons in the current year. It was a happy augury for the third Plan that a mood of restrained optimism had set in on the food front.

More than ever, there is need for this mood, however gloomy the demographic picture may be, for pessimism and alarmism, which spread faster than hope and optimism, have too often worsened the food situation in terms of prices or supplies. Such a mood may not breed complacency, for the expected population of 490 million by 1966 will constitute a challenge and an opportunity to the country which has been set the task of achieving self-sufficiency in foodgrains. Currently, the stage is also well set for taking up this challenge, what with the gradual removal of some inhibiting factors and the steady operation of some stabilising or incentive factors. The inhibiting factors which are gradually ceasing to operate are price controls, procurement, State trading and zonal restrictions. As for price controls, maximum price for wheat is not in force now in any State. But maximum prices for rice and/or paddy are in force at present only in Assam, Madhya Pradesh, Uttar Pradesh and Punjab; even here, they have not been strictly enforced, for mere statutory orders have had no effect on the factors of demand and supply. The position in respect of internal procurement is that only rice is procured in the Punjab and Madhya Pradesh on behalf of the Government of India. Such procurement, too, is only marginal, for it has accounted for just 530,000 tons in 1960 (upto 3rd September), as compared with 890,000 tons in the whole of 1959. There is no procurement of wheat, because of its limited production, and the Government itself is putting into the market imported wheat to the tune of three to four million tons every year. As for State trading in the sense of procuring and marketing internally produced foodgrains, it has been practically given up. Even the returns submitted by licensed wholesalers and millers are not being checked, for most State Governments have taken the view that, since foodgrains are not procured or requisitioned, they need not bother about the returns. As for zonal restrictions on movement, they are being gradually removed. The wheat zones are now a thing of the past, and the entire country is treated as a single zone, because of the large stocks held by Government. Even in respect of rice, the zones are being gradually reduced in number by widening them with the co-operation of the State Governments. It would appear from this review that the factors which have interfered with the market forces and in some way inhibited production are not much in evidence now. The present trend thus is that the normal factors of demand and supply are coming into their own.

This trend is also accompanied by the operation of some stabilising or incentive factors. The most important stabilising factor in so far as market supplies and prices are concerned is the steady build-up of a buffer stock of foodgrains amounting to 1.9 million tons at the end of 1960, as compared with 800,000 tons at the end of 1959. Already, even this limited build-up of reserve stocks has led to a psychology of dehoarding on the part of traders and producers and helped in curbing speculative tendencies. The current P.L. 480 Agreement, which will enable the Government to build up a reserve stock of 5 million tons of foodgrains by 1964, has also had a salutary effect on the market sentiment. The consequent decline in market prices in the latter part of 1960 has, however, not been so steep as to cause any undue anxiety to producers. The index number of wholesale prices of cereals shows that the price decline has been very moderate. Again, in view of the high annual increase in population, no widespread tendency for any appreciable decline in foodgrain prices is likely to manifest itself. Still, it may be that the Government will accept the recent recommendation of the Estimates Committee of Parliament and expedite decision on the question of setting up the proposed Agricultural Commodities Advisory Committee and the Farmers' Advisory Panel. If these bodies are set up and if floor prices are announced, wherever necessary, sufficiently before the sowing season, a more positive incentive factor calculated to increase food production will also come into operation. That the Government will sooner or later bring this factor into play may be reasonably foreseen, for any steep decline in prices will hit the producers and retard production itself to some extent. It may be expected that Mr. Patil's steadfast aim will be to maintain prices at levels which are fair to the producer and the consumer alike and which reduce to the minimum the spread between the price received by the former and the price paid by the latter. It is, indeed, a remarkable development that these twin objectives have now a greater chance of being achieved without State trading than through it.

The food situation, in so far as prices and supplies (at the current levels of production and imports) are concerned, is thus distinctly rosy. It will continue to be so, if the expected increases in annual foodgrains production *fully* materialise during the third Plan period. But this cannot be postulated with any certainty, for the uncertain factors in the situation will be rainfall, utilisation of irrigation facilities, availability of fertilisers, and so on. The population increase, at the same time, will call for greater production of such commercial crops as cotton, jute and oilseeds, and that may well mean some diversion of cropland from cereal production. It is, therefore, of the utmost importance that subsidiary foods like bananas, sweet potatoes, tapioca and groundnuts be developed during the third Plan period. But it is doubtful if the provision of Rs. 8 crores in the Plan for this purpose will be sufficient. The technical division set up in the Food Department, which is called upon to implement the subsidiary food programme, will certainly require more funds, if it is to do full justice to this work. The more important items on which development will have to be undertaken in the near future are: (i) increase in agricultural production of subsidiary foods; (ii) conservation of perishable foods through dehydration; (iii) development of edible groundnut flour; (iv) development of multi-purpose food like macaroni and enriched wheat flour; (v) development of parboiled rice by improved methods; and (vi) development of food from lower plants such as yeast, algæ and mushrooms. These lines of development would need to be assigned some priority, for greater availability of such subsidiary foods which urban folks will more readily consume will mean smaller cereal consumption by them. By any showing, the need for producing and popularising subsidiary foods is compelling in the circumstances of a relatively slow growth of cereal production and a relatively fast growth of population. With the best will in the world, family planning alone cannot be expected to ease the population pressure on food situation by the end of the third Plan, for its effect, in terms of a falling birth rate, will be felt only in the period of the fourth and fifth Plans. In the ultimate analysis, the food situation can be eased only by lower *per capita* consumption of cereals for which more cropland is required and greater *per capita* consumption of non-cereal foods which require relatively less cropland. It is now more and more a question of taking more out of a dwindling *per capita* landholding.

COAL PRODUCTION AND PRICES

THERE were two important points in Sardar Swaran Singh's reply to the Lok Sabha debate on demands for grants relating to his Ministry. One of these was that, in assigning a target of 17 million tons of additional coal production to the private sector in the third Plan, the Government expected it to be realised from specified collieries. Each one of the collieries participating in the expansion programme, he said, would have a "charter" for expansion. And he added that each such colliery would have to give a detailed programme of coal production to the Coal Controller and that its achievement and progress would be watched by him so that there was no failure. But the Minister did not seem to have given the assurance that the requirements of the collieries concerned for plant and machinery and other facilities would be adequately met. It may be that the required facilities will be given only after protracted negotiations between the industry and the Ministry. But it would have been better if the collieries concerned had been left in no doubt regarding the prompt availability of import licences for mining equipment and the supply of adequate power of which there is a critical shortage, particularly in West Bengal.

The other point made by the Minister was, however, happily free from ambiguity. This was concerned with the plea for introducing uniform prices for coal throughout the country in the near future. In dismissing this plea, Sardar Swaran Singh said pointedly that such prices would upset the economy of industries which had come up historically in areas nearer coalfields, as they would have to pay anything between Rs. 12 and Rs. 15 per ton more for their coal. The Government would not, therefore, accept a fantastic proposal of the kind. Industries in areas which are far away from the coalfields would have to be satisfied with the element of price subsidy resulting from the telescopic freight rates. In any case, it is not the price of coal that is so very important at the present time. What is much more important is its easy availability, for the costliest ton of coal will be that which cannot be had in time. Industries in distant areas like Kanpur, Delhi, Ahmedabad, Bombay and Madras need more coal supplies irrespective of their prices. It is doubtful whether industries in such areas have inspired a demand for uniform coal prices.

MARKET GOSSIP

L.I.C. Investment Policy

SOON after we went to press last week, the Union Finance Minister made a crisp statement in the Lok Sabha on the Estimates Committee's recommendations on investment of L.I.C. funds which fully confirmed our anticipation. He did not, of course, straightaway reject the Committee's recommendations, but said enough to suggest that the *status quo* would continue for a considerable time to come. He observed that the Committee's suggestion was of "such a vital character" that he was "unwilling to hazard any personal opinion." He, however, assured the House that the proposal would receive the most serious consideration of the Government. He reminded the House that it had given its approval to the present policy. While everything could be changed by the House whenever it thought to do so, he added, the change had to be done properly. Full consideration would, therefore, have to be given to the recommendations of the Committee, but no heat should be generated.

The aforesaid statement leaves the issue open. How long it will remain so and what decision the Government will take are questions for which answers will depend on the temper of the House. Meanwhile, there are reports that the L.I.C. Chairman did not make the statement he is purported to have made to the Estimates Committee, namely, he personally saw no objection to the Government taking over the whole of L.I.C.'s funds and investing them on the lines suggested by the Committee. This is also only a report. It would be better if Mr. P. A. Gopalkrishnan, I.C.S., Chairman, were to issue a statement to the Press clarifying the position.

Apropos our editorial comments last week on the investment policy of L.I.C., Mr. M. A. Master, who needs no introduction to our readers and who is a staunch supporter of private enterprise, writes to us as follows:

"Will you accept my warmest congratulations on your very clearly and forcibly presenting the implications of the recommendations made by the Estimates Committee in regard to the investment policy of the L.I.C.? I have always held the view that, instead of utilising the funds of the L.I.C. in buying the scrips of existing companies, it would be of considerable help to the realisation of the planned economy, if the available funds were utilised for helping the establishment of new industrial projects, irrespective of the fact whether they were in the private or the public sector. After all, the L.I.C. belongs to the Government and they could certainly guarantee a stated return to the policyholders on their funds as indicated in your editorial. The adoption of this policy will at any rate save the fear of nationalisation by the back door. Everyone knows how large funds are invested in existing companies even when the returns are very poor. This actually gives rise to the suspicion that, in due course, the Government desires to obtain control over the existing companies, if they cannot nationalise them. At a time when domestic resources are very short, there is greater reason why these funds should be utilised in the establishment of new industries."

The majority of public opinion is, however, sharply critical of the recommendations of the Estimates Committee. The Committee of the Federation of Indian Chambers of Commerce and Industry has hastened to express its disapproval of the Committee's proposal and to plead for the continuance of the present policy.

Oblivious of the foregoing developments, the L.I.C. has continued to invest in shares and stocks of existing companies. During the last few days, for instance, it is said to have bought a sizable block of T.I.S.Co. shares. This has lent considerable strength to this market leader. Indian Irons, too, have been ruling firm in expectation of a bonus issue and on reports that the Company has asked the Government to sanction an increase of Rs. 100 per ton in its retention price.

New Loan Prospects

Intelligent anticipations of the forthcoming borrowing programme of the Central Government have already commenced, though conditions in the money market have by no means become favourable enough to assume that the Government will make an early entry. It is true that there are more lenders in the inter-bank money market than borrowers; today, even at 4½ per cent, lenders were over, as against 5½ per cent which borrowers were willing to offer last week. This, however, does not mean that the supply of funds with banks has improved to any substantial extent, having regard to the present level of bank credit. On the contrary, banks are worried as to how they will be able to meet the ever-increasing needs of industrial borrowers. Every new project that has been floated in the past two years is banking on bank borrowing for a substantial proportion of their fixed capital and working capital requirements. If the present trend of deposits were to continue for another year, the Indian banks might have to do what the Japanese banks were doing until recently, that is, borrow from the central banking institution and re-lend the funds to trade and industry, resulting in the credit ratio going up to 90 to 100 per cent of deposits.

In the face of these prospects, it would, of course, make no material difference whether the Central Government enters the market in a month's time or waits till the monsoon is in full swing. But psychology is an important factor. It would not be to the advantage of the Government's prestige, if it attempted to borrow from the market at a time when practically the whole issue would have to be taken up by the Reserve Bank of India, the L.I.C. and the provident funds. If the Government waits till the seasonal pressure slackens appreciably and a good part of the funds lent by banks returns to them, it may be able to get at least some modest support from banks. There is no necessity to rush, simply because 3½ per cent 1961 loan, with an outstanding of Rs. 75.29 crores, is falling due for repayment on 1st June. This problem can be taken care of by offering to its holders facilities for conversion into a short-dated loan in the last week of May. After all, the bulk of this issue must already be in the hands of the Reserve Bank.

Power Shortage

Power shortage, which is currently being experienced in many parts of the country, has posed a serious threat to industrial production. For nearly a month now, Calcutta has been in the grip of an acute power shortage owing to a serious failure of two generating sets, with a total capacity of 80,000 kilowatts, belonging to the Calcutta Electric Supply Corporation. This failure is attributed to overload and delay in overhauling the plant. Besides, Calcutta has lost some 20,000 kilowatts which was being received from the thermal plant in Durgapur. The position has been made worse by the complete breakdown of both the generating units of D.V.C.'s Durgapur thermal power station. In fact, this has affected the entire industrial belt of Bihar and West Bengal. Big industrial consumers, such as the steel works at Jamshedpur and Burnpur and the Dalmianagar industries, have been directed to restrict their power consumption. The D.V.C. has asked the Calcutta Electric Supply Corporation to cut its load by 10 per cent. The Corporation, in its turn, has advised industries in Calcutta to close down completely for one day every week to conserve power. Engineering and jute are the two industries most affected by the power cut. The Eastern Railway has also been warned that its electric traction might be affected.

Power shortage is, however, not confined to the Eastern region alone. Western and Southern regions also face the same problem. Acting on the recommendation of the Gujerat Electricity Board, the Gujerat State Government has decided to cut power supply by 10 per cent. The Government has informed the industries in the State that there is no alternative to a cut and has asked them to reduce their power consumption accordingly. The industries have, however, been allowed to devise suitable spreadover of power consumption. Meanwhile, representatives of the textile industry in Ahmedabad are reported to be considering ways and means of economising power consumption. Whatever solution is adopted, it is clear that a large number of costly industrial plants will have to remain idle for some time. It is not known as to when the industries in Gujerat can expect relief from power shortage. The cut in power supply in Gujerat has been enforced, with a view to helping the new industries that are being established there. The Sabarmati Power Station, it may be noted, has reached the level of its maximum generating capacity. The execution of the Ahmedabad Electricity Company's plan to expand its capacity has been delayed because of the tactics adopted by a few of its minority but influential shareholders to get control of the Company.

Madras State, too, has been experiencing scarcity of electric power, due to insufficient supply of water in the hydro-electric reservoirs. Industrialists in the State have already expressed concern at the power shortage. A 50 per cent cut in power supply is looming large and may become a reality if monsoon fails to set in in time in the catchment areas. The scope for supplementing power supply through diesel generating sets is also said to be limited, as many industrial establishments, which had hitherto their own diesel generators, have sold them off. This State has had no power cut in the past two years and the industrialists had been expected to believe that, with the commissioning of Kundah power station, there would be no shortage in power supply in the summer. It is now apparent that even Kundah offers no protection against seasonal fluctuations in hydel power generation. The industries that will be most affected by power cuts are cotton mills, plantations, cement and a large number of small engineering establishments.

Nowhere, however, is the power shortage as acute as in Calcutta. And there is no hope of the normal supply being restored for at least two months. Mr. Mohammed Ibrahim, Union Irrigation and Power Minister, informed the Lok Sabha this week that the *status quo* in respect of power supply would be restored probably by the middle of June.

While the power situation in Calcutta and neighbouring region would improve only after the generating units of C.E.S.C., Durgapur and D.V.C. have been recommissioned, the reasons for the breakdown of these units one after another deserve to be investigated so as to prevent a recurrence of the present critical situation in future. Meanwhile, in order to relieve the shortage, such industrial units as are in a position to produce power by diesel generators should be allowed to do so. Supplies for domestic consumption and those required for display lighting, cinema shows, etc., should be reduced to the minimum.

There is good reason to believe that the present power failure in Bengal and Bihar will not have taken place if the West Bengal Government and the D.V.C. had not interfered with Calcutta Electric's plans for expansion. Both the authorities had underestimated the growth of demand for power and overestimated their capacity to establish their own power generators and run them efficiently. The result has been that all the plants in operation in the public and private sectors alike have had to be kept in continuous operation without the break necessary for periodical overhaul. If the present power failure in many parts of the country has any lesson to offer, it is that, in a rapidly developing economy, power supply should always be well ahead of demand.

Aid for India

Whatever be the defects in some of the policies and programmes pursued by the powers-that-be in India, there is wide recognition abroad on the point that the country has, by utilising wisely the aid received from other nations, demonstrated, to borrow the phrase of a London contemporary of ours, the validity of its claim for funds for the future. And it is good fortune that India has quite a number of foreign friends within the country and outside who have consistently been advocating large-scale financial assistance for it. Symbolic of the interest and enthusiasm shown by these friends in India's economic development is the consortium of countries and institutions interested in development assistance to India, popularly known as the "Aid India Club," which met under the auspices of the World Bank at Washington this week. The meeting was presided over by Mr. Eugene R. Black, President of the World Bank, and attended by the Government representatives of the U.S., U.K., Canada, West Germany and Japan. The I.M.F. and the Governments of Austria, Denmark, France, Norway and Sweden were represented by observers.

Since the meeting was held *in camera*, no information is yet available about its deliberations. The meeting lasted for only two days, instead of three days as was expected earlier. It has been adjourned to 31st May 1961, as the participants wanted time to consult their Governments further.

It is gathered from reports received from Washington that the meeting reviewed India's foreign exchange requirements for the third Plan and sought to assess the amount, as well as the nature, of further external assistance which might be made available to meet these requirements. It may be noted here that the third Plan is expected to cost Rs. 3,200 crores more than what the country can actually raise from its own resources. The bulk of this amount—Rs. 2,600 crores—represents the value of capital goods, components and other maintenance imports, the balance of Rs. 600 crores

(Continued on page 824)

POPULATION EXPLOSION

"For every four persons on earth in 1950, there are today five. For every five today, in 40 years there will probably be ten. In the past half-minute alone, about 90 babies will have been born into the world; only 60 persons will have died, leaving a net increase of 30, or one every second. This rate of growth last year added the equivalent of the population of Italy to the world's millions, and the rate seems to be accelerating. In 1961, it will probably push the population of the world past the three-billion mark, and it will double that figure before the end of the century.

"Three hundred years ago, there were probably no more than 500 million people alive in the world, and the total was increasing only slowly. This stability was maintained by an uneasy balance between high birth rates and death rates. Many babies were born, but many also died. Living conditions were such that many of the remaining children failed to survive beyond the age of thirty. . . .

"Of course, we welcome this trend (decline in death rate), whatever the problems it may set for us. We all want to reduce the suffering and waste involved in premature death or disabling disease, and we can expect death rates to go on falling in the developing countries. . . . But, if only 20 people—or even fewer—in every thousand are henceforth to die each year, then a birth rate of 40 per thousand, which formerly just kept the population steady, will bring an explosive growth in numbers. And there is little reason to suppose that birth rates will soon decline to match the fall in death rates. It is much simpler to attack disease than it is to alter the reproductive pattern of a society. Medicine has yet to make available a cheap and easy method of regulating births. And not every one wants fewer children. . . .

"What view are we to take of all this? . . .

"I must be blunt. Population growth threatens to nullify all our efforts to raise living standards in many of the poorer countries. We are coming to a situation in which the optimist will be the man who thinks that present living standards can be maintained. The pessimist will not look even for that. Unless population growth can be restrained, we may have to abandon for this generation our hopes of economic progress in the crowded lands of Asia and the Middle East. This is not a field in which international agencies can do much. But there is scope for Governments to act: it is time that they gave earnest attention to this threat to their aspirations.

"Population growth does not alter the rules for successful economic development. On the contrary, it reinforces their strength by increasing the penalties for breaking them. In relation to the need, capital is short, and must be stretched as far as it can possibly go. In the developing countries, therefore, the first question to be asked of any economic policy must be: 'Is this the road to maximum economic growth?,' and if the answer is 'No' we must look very closely at any doctrines which are put forward to excuse this sacrifice of economic advancement."

—Mr. Eugene R. Black,
President, World Bank.

N.B.—*An extract from Mr. Black's address to the Economic and Social Council of the United Nations on 24th April 1961.*

SHARE MARKET STEADY

STEELS WELL FAVOURED

(From Our Own Correspondents)

BOMBAY, *27th April*

IN contrast to the easiness witnessed in the past fortnight the share market put on a cheerful appearance during the week under review. The Finance Minister's statement in the Lok Sabha that there would be no change whatever in the policy governing investment of life insurance funds for the time being and that no decision had been taken on the Estimates Committee's recommendations in this regard, which were still under consideration, discounted the fear that the L.I.C. might withdraw from the stock exchanges. The market regained its poise, the operators being inclined to extend their commitments. A slight easiness of conditions in money market enabled investors to lend support. Steels and textiles, in particular, were well-supported. Bonus announcement by some leading cotton mills strengthened the hope that others too might follow suit. Scrips in both cash and forward lists recorded sizable gains.

Steel shares, unlike in the past two weeks, elicited sustained buying enquiries. Tata Steels received good support, especially from the L.I.C., and improved from Rs. 146.25 in the beginning of the week to Rs. 148.75 on Monday. After moving narrowly thereafter, they closed at Rs. 148.25 today, showing a net rise of Rs. 2 over the week. Indian Irons moved up from Rs. 26.55 last week-end to Rs. 27.25 today, the highest level of the week, before closing at Rs. 27.20. The net gain over the week was 65 nP. Mukand Irons extended the gain made last week and rose from Rs. 27.15 to Rs. 29. The close was, however, a shade lower at Rs. 28.35.

Textiles, as already stated, ruled firm, the shares of most of the leading mills recording improvement. Centurys were in the limelight, thanks to keen bidding prompted by expectation of bonus issue which did prove correct. It was announced on Tuesday that the existing shareholders would be allotted bonus shares in the ratio of one share for every four ordinary shares held. Opening at Rs. 560, the scrip climbed up to Rs. 625 on Tuesday before finishing at Rs. 611 today. The net rise over the week was Rs. 30. Swan spurted by as much as Rs. 45 to Rs. 600, on the news that the Company had decided, subject to approval of the Controller of Capital Issues, to issue bonus shares (Rs. 24 lakhs) in the ratio of two shares for every three ordinary shares held. Morarjees advanced by Rs. 20 to Rs. 355. Finlays were marked up by Rs. 21.50 to Rs. 347.50. Shree Niwas were quoted Rs. 14 higher at Rs. 268. Svadeshis were marked up by Rs. 11.75 to Rs. 269.50. Standards hardened by Rs. 4 to Rs. 1,486. Influenced by reports of better working results, Elphinstones improved by Rs. 7 to Rs. 88 and Gokaks by Rs. 3 to Rs. 183. New Greats rose by Rs. 2.50 to Rs. 210.50. Vishnus spurted by Rs. 2 to Rs. 131.50. Gold Mohurs by Rs. 10 to Rs. 277.50. Kohinoors and Podars put on a rupee each to Rs. 290.50 and Rs. 148 respectively. Tata Mills were firm at Rs. 51, as also Simplex at Rs. 187 and Bombay Dyeings at Rs. 65.30.

Sugar shares depicted a divergent trend. Belapurs were well fancied and firmed up from Rs. 285 to Rs. 290 *yesterday*. Although they dipped to Rs. 289 today, the net gain over the week was Rs. 4. Walchandnagars strengthened by Rs. 6 to Rs. 203. But Phaltans were easy at Rs. 140.50, as against Rs. 143 last week-end. Maharashtra Sugars lacked buyers and shed a rupee to Rs. 200.50.

Cements were well supported. A.C.Cs rose from Rs. 156.25 to Rs. 159. The closing, however, was a shade lower at Rs. 157.50, as against Rs. 156.25 a week ago. Digvijays put on 50 nP to Rs. 152.50. Orissas hardened by 28 nP to Rs. 14.60.

Selected rayon shares attracted the attention of operators. National Rayons rallied from Rs. 506 to Rs. 524.50. At this level, profit-taking set in and the scrip receded to Rs. 517.50. The net change over the week was Rs. 11.50. South India Viscose hardened by Rs. 2.50 to Rs. 159.50. Gwalior Rayons were done 75 nP higher at Rs. 45.50. Baroda Rayons were quoted at Rs. 131 *ex-right*. But Indian Rayons were a shade easy at Rs. 64.50.

In the shipping group, Scindias receded by 8 nP to Rs. 14.24. Great Easterns were neglected at Rs. 15.08. Automobile shares fared well, thanks to reports that the much-publicised small car project might not materialise. Premier Automobiles advanced by Rs. 2.25 to Rs. 169.75. Hindustan Motors gathered 16 nP to Rs. 19.92.

Barring a few scrips, which were subdued, dyes and chemicals generally moved up. Colour-Chems spurted by Rs. 26.25 on rumours of a possible new capital issue. Poly-Chems were quoted Rs. 2.50 higher at Rs. 227.50. Indian Dyestuffs put on a like amount to Rs. 490. Adarsh advanced by Rs. 3.50 to Rs. 78.50 Dharamsis gathered Rs. 3 to Rs. 265. Kemp & Cos., on the other hand, eased by Rs. 7 to Rs. 315. Synthetics were done Rs. 5.50 lower at Rs. 152. Amar Dyes receded by Rs. 3.75 to Rs. 386.25. Dhrangadhras lost a rupee to Rs. 131.

Engineering shares were a shade easy. Alcock Ashdowns receded by Rs. 2 to Rs. 325. Texmacos shed Re. 1.32 to Rs. 26.52. Mahindras dropped 24 nP to Rs. 20. Kamanis were neglected at Rs. 17, Telcos, which had slumped from Rs. 351.50 to Rs. 342 early in the week, drifted downward thereafter and touched Rs. 339.50 today. The net loss over the week was Rs. 9. Larsen and Toubros, however, attracted stray buying and improved by Re. 1.25 to Rs. 43. Premier Constructions picked up Rs. 3 to Rs. 95.50.

In the miscellaneous section, some of the highly speculative scrips such as Bombay Burmahs eased, while quite a few others ruled fully steady. Bombay Burmahs succumbed to selling early in the week and declined from Rs. 605 to Rs. 600 and, after advancing to Rs. 611, receded again to Rs. 599.50 before finishing at Rs. 598.50. The net loss over the week was Rs. 5.50. Wimcos lost Rs. 3 to Rs. 273. West Coast Papers shed Rs. 4 to Rs. 202. Premier Tyres receded by Rs. 3 to Rs. 102. Hindustan Levers were a shade lower at Rs. 46.75. Voltas, however, were done 50 nP higher at Rs. 75.50. Tata Oils gained a like amount to Rs. 77. Anil Hardboards were unchanged at Rs. 287.50.

* * * *

Madras Stock Exchange

MADRAS, *26th April*

Following large-scale offerings which met with poor buying support, equities on the Madras Stock Exchange drifted downward during the week under review, with the exception of a few textile and sugar shares which tended to harden. The decline in prices was particularly pronounced in the plantation section. Operators were much concerned over the continuously rising trend of production costs, on the one side, and declining tendency in prices realised, on the other. Coffee shares were neglected despite the Union Finance Minister's announcement of the reduction of excise duty on robusta and Liberia varieties of coffee to the original level of Rs. 41.35 per quintal.

Among teas, Lucky Valleys receded by 62 nP to Rs. 13.25. Haileyburias dropped 35 nP to Rs. 14.75. Kil Kotagiris fell by 25 nP to Rs. 4.95. Neelamalais declined by 16 nP to Rs. 4.45 and Blue Mountains by 15 nP to Rs. 3.15. Several other shares also suffered a setback to values.

In the coffee group, Rajendras closed 40 nP lower at Rs. 12.50. Coffee Lands receded by Re. 1 to Rs. 19.50. Consolidated Coffees declined by 30 nP to Rs. 23. Savamalais shed 10 nP to Rs. 3.45. Sheveroys lost 15 nP to Re. 1.73.

Rubbers were dull. Business put through was considerably restricted and values were more or less unchanged at last week's levels. Travancore Rubbers, for instance, were unaltered at Rs. 10.70. Similarly, Malankaras were subdued at Rs. 18.00, Midlands at Rs. 11.80 and Kallas at Rs. 5.

In the sugar section, Cauverys hardened by a rupee to Rs. 130. India Sugars improved by 15 nP to Rs. 12.90. K.C.Ps were steady at Rs. 23.46, as also Mysores at Rs. 59 and Andhras at Rs. 28.25. Travancores, however, slipped by 17 nP to Rs. 10.45 and East India Distilleries by 12 nP to Rs. 43.50.

The textile section displayed a mixed trend. Vijayakumars were hammered down from Rs. 130 to Rs. 111. Anglo-French fell by Rs. 2.25 to Rs. 138. Lakshmis declined by Rs. 3. Rajalaxmis receded by Rs. 2 to Rs. 79.50. Coimbatore Spinnings were dull at Rs. 56. Coimbatore Pioneers at Rs. 350 and Vasantas at Rs. 252. But Metturs spurted by Rs. 5 to Rs. 385, Buckinghams by Rs. 2 to Rs. 216 and South India Viscoses by Rs. 2 to Rs. 162. Bangalore Woollens and Balasubramanias gained 50 nP each to Rs. 205.50 and Rs. 115.50, respectively. Travancore Rayons gained 10 nP to Rs. 37.60.

Among miscellaneous industrials, Madras Cements receded by Rs. 5 to Rs. 91. W.I. Plywoods declined by Rs. 2 to Rs. 246. Madras Aluminiums lost a like amount to Rs. 23. Aluminium Industries eased by 55 nP to Rs. 22.80. Mysore Chemical and Manufacturings shed 50 nP to Rs. 25. Rallis were on offer at Rs. 156, as against Rs. 140 a week ago. Tube Investments softened by a rupee to Rs. 284. Among cements, Andhras and Orissas were dull at Rs. 10.55 and Rs. 14.31, respectively, while Indias gained 5 nP to Rs. 6.05. Hindustan Levers were quoted at Rs. 49.80 *ex-div.*, same as last week. Standard Motors were unchanged at Rs. 16.75, Mysore Cements at Rs. 8.10 and Sen-Raleighs at Rs. 25. Seshasayee Papers, on the other hand, jumped up by Rs. 2.57 to Rs. 7.12. Mysore Papers gained 25 nP to Rs. 24.75. Kirloskar Electricals put on 12 nP to Rs. 13.12.

INDIAN INVESTMENT CENTRE

The Indian Investment Centre, which was inaugurated by the Union Finance Minister, Mr. Morarji R. Desai, on 16th February 1961, is now functioning at its head office at the National Insurance Building, Parliament Street, New Delhi. Being a non-profit, semi-official organisation, the Investment Centre, in encouraging and accepting inquiries from Indian and foreign entrepreneurs, maintains complete objectivity, treats information furnished to it as confidential, offers individual attention to each specific project, and operates exclusively as a service organisation.

The Centre has collected and continues to collect information on matters pertaining to Government policies, laws and regulations and terms and conditions relating to foreign investment in India as well as on procedures for licensing of industries, import of capital goods, control of capital issue, terms of collaboration between Indian industrialists and foreign collaborators, and on taxation, company law, labour legislation, etc. It also maintains up-to-date data on industrial capacity, current production, trade, markets, labour, communications, available industrial sites, power supply and other utilities. It will thus act as a reservoir of information for prospective Indian and foreign industrialists.

The Investment Centre will advise and assist Indian and foreign industrialists at all stages of the formulation and development of the proposals for joint ventures in this country. It is the aim of the Centre to encourage participation of private foreign capital in all projects for which the Government of India attaches a high priority. Entrepreneurs who wish to expand substantially their existing productive capacity or those who want to establish a new undertaking may approach the Centre for assistance in building up their proposals up to a project stage. Further, the officers and experts of the Investment Centre will examine all aspects, including the technical and economic aspects of the project, with a view to seeking foreign technical collaboration and/or financial participation. The Centre has prepared a check-list of information required for proposals for foreign technical or financial collaboration; this will be supplied on request. Indian entrepreneurs are requested to formulate their proposals on the basis of this check-list in as comprehensive a manner as possible so that the Centre would be able to assist them in seeking foreign collaboration/participation.

The Centre has now a complement of officers and technical experts to handle inquiries. Several inquiries have been received from both Indian and foreign entrepreneurs and are being processed. The inquiries from foreign firms relate to the investment climate in general and specific requests for collaboration. The inquiries from Indian firms refer to specific projects for which the parties seek foreign participation/collaboration. The Centre is making arrangements in principal capital-exporting countries whereby inquiries emanating from Indian entrepreneurs and those received from foreign investors will have prompt attention.

CANARA BANK LTD.—A CORRECTION

In our review of the Canara Bank's working results for 1960, appearing on page 682 of *Commerce* dated 15th April 1961, it was mentioned that transfers to reserves (including Rs. 50,000 for development rebate reserve) amounts to Rs. 3.50 lakhs. This was not correct. The figure of Rs. 3.50 lakhs represents only the sum transferred to innat reserves and does not include any amount for development rebate reserve.

A LARGE INDIAN PUBLIC COMpany intends to appoint an assistant to the Managing Director. The appointment carries prospects of eventual promotion to the Board in an executive capacity for a man possessing the requisite qualifications, which include preferably membership of one of the Institutes of Chartered Accountants, experience in modern methods of financial control and management accounting, knowledge of industrial legislation and ability to deal with personnel problems at different levels. There is no fixed scale of remuneration for this appointment but a good salary with commensurate allowances, depending on age and experience, will be paid to the successful applicant.

Reply, stating age and giving full particulars of experience, along with the names of two Referees, to Box No. 974, C/o "Commerce", Brady House, Veer Nariman Road, Fort, Bombay.

Notice

THE STANDARD COAL COMPANY LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Annual General Meeting of the members a Dividend on the Ordinary Shares at 15 per cent per annum for the year ended 31st December, 1960 subject to deduction of tax.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD
Secretaries

CHARTERED BANK BUILDINGS,
CALCUTTA, 21st April, 1961

NEWS IN BRIEF

THE export incentive scheme for cotton textiles in its present form has been extended up to 31st December 1961.

The Union Government is considering a proposal to give subsidies to cultivators as an incentive for trying newly evolved techniques of cultivation.

An agreement "in principle" on the refining of crude oil from Ankleshwar by the refineries of the Standard-Vacuum Oil Company and Burmah-Shell has been reached with both the companies.

The Indian Telephone Industries has announced a revised wage structure merging dearness allowance with basic pay, inclusion of all daily rated workers in the monthly scales of pay and payment of an ex-gratia payment of Rs. 105 to each worker.

The negotiations with the manufacturers of Volkswagen of West Germany for the production of small cars in the public sector have not proved fruitful. Meanwhile, the Japanese Company which manufactures 'Bluebird' has informed the Pande Committee that it will submit fresh terms for collaboration.

The Government of India proposes to issue licences to two more parties for the manufacture of paper machinery, one at Madras and the other at Poona, in addition to licences already granted for the establishment of two paper machinery producing units at Calcutta and Ahmedabad, according to Mr. Manubhai Shah, Minister of Industry.

The Central Board of Revenue has asked all importers of food colour to get a warranty from their overseas suppliers. It is stipulated that the colours purchased by them should conform to the standards prescribed under the Prevention of Food Adulteration Rules. The particulars of the methods of basis applied to observations during the tests and their results are also required to be furnished.

The Oil and Natural Gas Commission has decided to undertake seismic survey to assess the possibilities of off-shore drilling for oil, first of its kind in India, in the Gulf of Cambay. The Commission has already started negotiations with the Chief Naval Hydrographer to secure necessary assistance for the survey and the exploration work. It has also decided to undertake structural drilling in Ghogha in Gujarat.

The twenty-eighth annual general meeting of the Indian Sugar Mills Association, Calcutta, will be held at New Delhi on Thursday, 4th May 1961. Mr. D. D. Puri, President of the Association, will preside over the meeting, which will be inaugurated by Mr. S. K. Patil, Minister for Food and Agriculture. Apart from reviewing the various important developments in the sugar industry in the past year, certain important resolutions having a vital bearing on the sugar industry are expected to be taken up for discussion.

The last year of the second Plan, that is, 1960-61, witnessed an all-time record loading of more than ten million wagons for transport of goods on the railways. The total number of wagons loaded at the originating and transhipment points was higher by nearly 400,000 as compared with the previous year (1959-60). Coal alone accounted for one-third of the entire volume of freight traffic during 1960-61, the number of wagons actually loaded being 2,668,440, as against 2,433,707 in 1959-60, representing an increase of 9.7 per cent.

A survey of conditions in the hosiery industry in Coimbatore District conducted by the Economic Investigation Branch of the Small Industries Services Institute, Madras, has revealed over-expansion. The Government of Madras has been urged to consider the question of licensing yarn dealers and users. The scope for developing new industries such as pipe fittings, industrial rubber goods, link clips, metal shields for textile bobbins, cotton-seed oil and surgical cotton as well as for expanding the existing industries like grease cups, expanded metal and machine tools in this region is said to be quite good.

The Reserve Bank of India has reaffirmed its policy with regard to the question of linking indigenous bankers with the organised banking system. Three prerequisites for such linking have been laid down. One, the indigenous bankers should segregate their banking activities from their non-banking activities. Two, they should have their banking accounts audited. And three, they must subject themselves to supervision and control by the Reserve Bank. The Bombay Shroffs' Association has been asked to submit concrete proposals in this respect to provide the basis for discussion.

Fifteen contracts have been concluded with the Soviet Union for the supply of spares for the Bhilai steel plant, according to Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel. The approximate value of the contracts is Rs. 654.02 lakhs. The price of spare parts worth Rs. 2.1 crores included in the original contract has been fixed on the basis of national average price per ton which was agreed to be paid for the main plant and equipment. In the case of non-proprietary articles such as ball and roller bearings competitive quotations were invited and the Soviet offer was found to be the cheapest, while in other cases the prices were settled by mutual negotiations.

A bill to set up a statutory corporation to administer the deposit insurance scheme will be introduced in the next session of Parliament. The Corporation will have a board of directors consisting of representatives of the Reserve Bank, the State Bank of India, scheduled banks and officials of the Union Finance Ministry. The question as to who should be the chairman of the corporation—a senior civilian or an officer from a bank or the Governor of the Reserve Bank itself as ex-officio chairman—has not yet been decided. The premium for the insurance will be paid by the banks. The Finance Ministry suggested that deposits up to Rs. 1,000 should be covered by the scheme. But the banks wanted this to be raised to Rs. 1,500. The Bank's proposal will cover 80 per cent of the deposits. Official thinking now is to extend the scheme to cover all the deposits. A final decision on this is expected to be taken shortly.

The Government of India is considering a proposal so to amend the Industrial Disputes Act as to vest in the appropriate Government the power to declare any industry to be a public utility on grounds of public emergency or public interest. At present, under the Industrial Disputes Act, besides the industries specifically declared to be public utilities, some others have been mentioned in the First Schedule and in respect of the latter the appropriate Government by notification could declare them to be public utilities. The move has presumably arisen following the request of the Indian Iron and Steel Company to the Government to declare iron ore mines of the Company to be public utilities. On a consideration of the issue, it was found that, while the Centre could declare the iron and steel industry to be a public utility, it had no power to do so in respect of the iron ore mines though they were vital for a steel plant.

An official report on the expansion of the Rourkela steel project contains proposals envisaging an increase in the present capacity of one million tons to 1.8 million tons a year at the end of the third Plan at a tentatively estimated cost of between Rs. 60 crores and Rs. 80 crores. At the end of the third Plan, the report says, the group of rolling mills at Rourkela steel works will comprise one of the biggest and most modern steel rolling mills. Major expansion schemes being proposed include the following: In addition to the present three batteries of coke oven, there will be two more batteries. A fourth blast furnace will be installed with 1,500 to 1,800-ton capacity per day. There will be two more L.D. converters of 50-ton capacity each in addition to the present three L.D. converters of 40-ton capacity each. The cold rolling mill which is yet to be completed by the end of this year will be expected to raise its capacity to 670,000 tons from its present 170,000 tons a year, by the installation of five-stand tandem cold rolling mills.

The additional *ad hoc* duty on all kerosene including inferior kerosene has been increased by Rs. 8.17 per kilo-litre at 15c with effect from the 15th inst. The increase in the levy will also be borne by the oil companies and will not result in any increase in wholesale or retail prices of kerosene oil to the consumers. Announcing the increase in the course of a Press note issued on the 18th inst., the Union Finance Ministry said: "In terms of the *ad hoc* agreement for the pricing of major petroleum products, between the oil companies and the Government in force since April 1959, reduction in prices offered by the companies were mopped up by levy of additional duties under the Mineral Oils (Additional Duties of Excise Customs) Act 1958, which are borne by the companies themselves so that the prices to the consumers are not affected thereby. The oil companies were also required to maintain an account of variations in the import cost elements. Due to fall in world prices, this account has a credit of about Rs. 2 crores in favour of Government for the period 1st April 1959 to 31st December 1960.

* * * *

From Abroad

West Germany had a record foreign trade surplus of DM 1,900 million during the first quarter of 1961. Exports aggregated DM 12,200 million and imports DM 10,300 million, as compared with DM 11,400 million and DM 10,000 million, respectively, in the corresponding quarter of 1960.

A new British Petroleum ocean terminal at Angle Bay in South Wales, estimated to have cost £6,500,000, was declared open by the British Minister of Power, Mr. Richard Wood, recently. The terminal is one of the few installations in the world capable of accommodating the 100,000-ton (deadweight) tankers of the future. It comprises a coastal strip of 140 acres and an adjacent area of 220 acres.

Fixed investment in industry and mining in Sweden will rise by about twice as much this year as was estimated six months ago, according to a survey of Swedish industrial investment plans. The survey, based on questionnaire sent out by the Board of Trade in March, indicates an exceptionally sharp increase of 24 per cent in the prospective investment expenditure in 1961 as compared with 1960.

The Soviet export organisation, Technoexport, is to supply Iraq with complete oil drilling equipment at a cost of £500,000. Technoexport has already made, under the 1959 Iraq-Soviet agreement for technical co-operation, a seismographic survey in the area of Khanaquin near the border of Iran about 100 miles north-east of Baghdad. The area surveyed is not covered by territorial concessions to the oil companies currently operating in Iraq.

A committee of the U.S. House of Representatives has voted the $800 million special fund for Latin America. Of this amount, $100 million will be given to Chile for assisting the recovery from last year's earthquakes. The entire balance of $500 million will represent the sum allocated to the "Alliance for Progress" plan which aims at tying the U.S. loans to self-help reforms in the recipient countries in the hope of making American aid the instrument for directly raising the living standards in Latin American States.

PERSONAL

MR. C. R. Pattabhiraman, M.P., has been nominated Chairman of the Public Accounts Committee in place of Mr. Upendranath Burman.

Mr. Ramnath Goenka has been re-elected Chairman of the Punjab National Bank for the current year.

Mr. Lalitchandra C. D. Nanjee has been elected President of the Bombay Shroffs Association for the year 1961-62.

Mr. K. C. Nair, First Secretary in the Embassy of India, Brussels, has been appointed Commissioner for the Government of India in the West Indies and British Guiana.

Mr. Arvind Narotham Lalbhai and Mr. Rasiklal Nagari have been elected President and Vice-President, respectively, of the Ahmedabad Millowners' Association for the year 1961-62.

Mr. Madanmohan R. Ruia will lead a ten-man delegation to the eighteenth Congress of the International Chamber of Commerce to be held at Copenhagen from 22nd to 27th May next.

Mr. Naval H. Tata has been re-elected President of the Employers' Federation of India for 1961. The Vice-Presidents elected are Mr. Neville N. Wadia, Mr. H. Mackay Tallack, Mr. E. F. G. Hunter and Mr. J. K. Srivastava.

Mr. A. R. Foster, Managing Director of the Imperial Chemical Industries (India) Private Ltd., has been appointed Chairman and Managing Director of the Company following the death of Mr. J. M. Lall.

Mr. Lala Bharat Ram, Chairman of the Delhi Cloth and General Mills, has been elected Chairman of the Indian Cotton Mills' Federation for the year 1961-62. Mr. Ramnath A. Podar and Mr. G. K. Devarajulu have been elected Vice-Chairmen.

Mr. Nityanand Kanungo, Union Minister for Commerce and leader of a seven-man economic mission to Italy, left for Rome last week. The other members of the mission are Mr. R. V. Raman (Joint Secretary in the Ministry of Commerce and Industry), Mr. M. A. Chidambaram, Mr. N. B. Amin, Mr. Sitaram Pandit, Mr. G. R. Domodaran and Mr. N. R. Reddy.

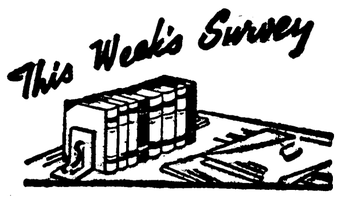
Sir Oliver Franks has decided to resign the Chairmanship of Lloyds Bank at the end of 1961 and return to academic life early next year. He will be succeeded by Mr. Herald Peake, Vice-Chairman of the Bank and Chairman of the Steel Company of Wales. Sir Oliver will, however, continue to be a member of the Board. Viscount Amory, a former Chancellor of the Exchequer and a Director of Lloyds Bank, has been appointed a Vice-Chairman of the Bank. The other Vice-Chairman is Mr. A. H. Ensor.

An initial investment of $1 million (Hong Kong) on the setting up of an instant coffee plant in Hong Kong has been made by a group of overseas Chinese, American, British, Swedish and Filippino businessmen. The group started a similar plant ten years ago in the Philippines. It hopes to process coffee beans from South America, Indonesia, Africa and the Philippines for South-East Asian and European markets. The plant will have a capacity to produce $9 million (Hong Kong) worth of roasted coffee annually. The plant is expected to go into production in September next.

The U.S. Export-Import Bank has made its first loan to a Government oil monopoly in a foreign country to the Argentine State Monopoly YPF. The credit covers a part of the shipment cost of refinery equipment worth $1.5 million to be supplied by the Armco Steel Company of the U.S. The grant of the credit puts an end to the longstanding unwritten U.S. Government policy of withholding financial assistance from foreign Government oil industries. Incidentally, it is also the first tangible result of the Kennedy Administration's campaign to increase Government assistance to U.S. exporters.

Poland and Ghana have signed the last two of the three agreements under which Poland will assist Ghana in the implementation of a wide range of industrial projects. The projects include construction of twenty factories to produce steel from scrap metal, forged and pressed tools and agricultural implements, mechanical joineries, fortified wines and liquors, cars and lorry springs and various other products. The mining of large deposits of iron-ore and the building of a shipyard on the Volta River are also included. Poland has agreed to meet a part of the £12 million cost of those projects in the form of supplies of necessary equipment.

The number of cars, lorries and buses on the world's roads rose by just over 7 million last year to 126.3 million, according to a world motor census in the May issue of *The American Automobiles* published by McGraw-Hill. The increase was 11.6 per cent in cars, 6.7 per cent in lorries and 7.5 per cent in buses. The census also estimates that there were 20.6 million motor cycles and 11.3 million tractors. It states that of the 16.3 million units produced in 1960, 43.2 per cent represented an expansion and 56.8 per cent went for replacement of worn out vehicles. In particular, much of the U.S. production went to replace 1955 models which had sold in record numbers.



PROGRESS AT NEYVELI

THE Integrated Lignite Project, otherwise known as the Neyveli Project, has been delayed in its execution by about two years, with the result that its total cost has gone up by nearly Rs. 9 crores. If this rise in cost owing to delays had not been there, the entire cost of the Project would have been just under Rs. 85 crores. Even then, this total, representing the revised cost, would be Rs. 16 crores more than the original estimate of Rs. 69 crores. At least Rs. 6 crores (out of the said Rs. 16 crores) is accounted for by two newer schemes, namely, the clay-washing scheme and the scheme for quarters for staff (other than for operating and maintenance staff included in the cost of scheme) and buildings for common and services units. The balance of Rs. 10 crores of the additional cost is accounted for by increases, due to other causes, in the costs of the mining project, the thermal power station, the fertiliser scheme and the briquetting and carbonisation scheme. Of the revised total cost of about Rs. 94 crores, these four latter schemes account together for Rs. 85 crores.

The mining project for producing 3.5 million tons of lignite per year is now expected to be completed by the middle of 1961 and to go into full production by March 1964. The thermal power station of 250 M.W. generating capacity, according to the revised schedule, will have its first unit commissioned by October 1961 and be in full production by the middle of 1963. The fertiliser scheme for producing 152,000 tons of urea will reach the stage of initial production in October 1962 and the stage of full production in the early part of 1963. And the briquetting and carbonisation scheme, for producing 380,000 tons of carbonised briquettes to replace charcoal and also firewood, will be completed by the end of 1962 and go into full production in the first half of 1964.

It would appear from this revised schedule that the Project as a whole (which has been under construction since 1955) is now in an advanced stage of execution. The Estimates Committee of the Second Lok Sabha has, therefore, given the finding that the Project is now progressing at such a tempo as would seem to assure that the present revised schedules will be kept up.

The Committee has, at the same time, done well to point out that, even after the completion of the Project, there will remain one important line of activity calling for enterprise and experimentation. This is the utilisation of the likely by-products (charfines, tar, middle oil, polyvalent phenols, etc.) from the briquetting and carbonisation plant. There is currently no scheme as part of the Neyveli Project for commercial utilisation of these by-products, in view of the consideration that any such scheme would add an additional Rs. 25 crores to the cost of the Project. As the Neyveli Lignite Corporation (with its authorised capital of Rs. 80 crores) is in no position to take up this scheme, it may be worthwhile for private enterprise to set up industrial units (ceramic, plastic, chemical, etc.) for the utilisation of the said by-products. The Estimates Committee's observations in this connection would bear reproduction:

"The Committee find that not much advance planning has so far been done in the matter. They feel that, unless some vigorous efforts are made, the by-products of the Project are likely to go waste at least for some time. It is not necessary for the Corporation, if its resources do not permit economic exploitation of the by-products, to take this work on themselves. Necessary planning and research may, however, be carried out by the Corporation and all encouragement given by publicity and other avenues to enable the exploitation of the by-products to be taken up by enterprising parties. They further suggest that avenues of setting up medium and small-scale ancillary industries should also be fully explored in consultation with the State Government, Planning Commission and the Ministry of Commerce and Industry. In this connection, the desirability of appointing a Technical Expert Committee to undertake a survey and also to recommend the industrial development of the entire areas with regard to by-products and other resources available may be considered by Government without delay."

The Committee's report is no less valuable for one major recommendation which has a general applicability to all public undertakings. This pertains to the economics of each individual project which is not predominantly developmental. It is the emphatic view of the Committee that such economics should be worked out "in advance in sufficient detail" and not merely in general terms. Its further observations are quoted below:

"Apart from other considerations, the requirements to be met should be that the estimated earnings of the concern are not only sufficient to provide for a fair return on the capital invested after providing for adequate reserves and depreciation, but also accumulation of sufficient funds over a specified period for financing further expansion of related new projects, so that the drain on the Public Exchequer for starting new undertakings is largely avoided. Alternatively, the undertaking should be in a position, after a specified period, to redeem from its accumulated funds its capital which can be utilised by Government for other purposes.... The Committee has recommended that, henceforth, while setting up a public undertaking, its economics should be suitably worked out, taking into account the above requirements and placed before Parliament when funds are sought for this purpose."

This is a sound piece of advice. It is obvious that if this procedure had been followed before launching the various public industrial undertakings in the last decade, there would have been less occasion for complaint and disappointment on the score of their working results. "Less haste, less waste" should be the motto, at least from now onwards. The Estimates Committee's advice, if heeded, will go some way in discouraging hasty decisions to sponsor industrial undertakings in the public sector without regard to their profit-making capacity or to the capacity of the State to run them profitably.

U.S. TAX REFORM

The 7,000-word message sent to the U.S. Congress by President Kennedy on the 21st inst., seeks to translate into concrete tax proposals the broad tax reform outlined by him in his earlier message on budget and fiscal policies. The first major overhaul of the U.S. tax system in seven years, the tax proposal now made has, as its immediate objective, stimulation of long-term economic growth by encouraging investment, removal of some of the inequities in the present tax system, closure of loopholes in tax laws and a reduction in the pressure on the U.S. balance of payments position by making it less attractive for U.S. investors to keep incomes abroad.

The President's proposals include an incentive plan costing the U.S. Treasury $1,700 million a year. According to it, companies will be allowed to deduct from their taxes a proportion of their investment spending linked to depreciation allowances according to a complicated formula, under which the maximum credit a company might receive would be 15 per cent of all investment spending over and above the deduction for depreciation.

The loss of revenue resulting from this scheme will be made good by the imposition of a withholding tax on incomes by way of dividend and interest at the rate of 20 per cent, the repeal of special exemptions granted on dividend income since 1954, enforcement of stricter rules for expense account deductions and abolition of tax privileges granted to individuals and companies resident in W. Europe and Japan. It may be noted here that, hitherto, business firms have been permitted to defer taxes on foreign incomes until such incomes were repatriated to the U.S. The President's proposal would require that, after a two-year transitional period, the taxes be paid annually along with domestic income. This proposal, however, would not apply to incomes originating from investments in underdeveloped countries. This step may well encourage the flow of foreign private investment to underdeveloped countries in preference to the developed countries of Western Europe, Canada, Japan, South Africa and New Zealand. These proposals are only a prelude to a comprehensive tax reform which is now under preparation by the Treasury for presentation to Congress next year.

TOURISM

The seven-day seminar on tourism, organised by the Economic Commission for Asia and the Far East (E.C.A.F.E.) in co-operation with the International Union of Official Travel Organisations and the United Nations Bureau of Technical Assistance Operations, currently being held at New Delhi since Monday, 24th April, is unique, in that it is for the first time that the problems of tourist development in the E.C.A.F.E. region are being discussed at an international level. Apart from highlighting the attractions of the countries of this region for foreign tourists, the seminar, by providing a forum for the exchange of views and experience, would be useful for promoting a greater realisation of the vast potentialities and possibilities of tourism. The present conclave is in pursuance of the E.C.A.F.E's recommendation, at its sixteenth session held last year, that a seminar on travel and tourism be held in 1961 to discuss and suggest ways and means of improving tourist facilities, so that the best use is made of the possibilities offered by tourism. It had also adopted a resolution on the promotion of tourism which urged Governments of the region to declare 1961 as "Visit the Orient" year and to take special steps to attract the largest number of tourists during the year.

The subjects on the seminar's agenda include methods of compilation and interpretation of tourist statistics, the most appropriate methods of tourist publicity, the facilities necessary to encourage tourism by removal of travel barriers, improvement in air, rail, road and inland waterway transport, the additions and improvements necessary in hotels, motels and supplementary accommodation and training facilities needed in the various aspects of tourist industry.

Governments of the E.C.A.F.E. countries are no doubt alive to the many advantages which accrue from an increase in the number of foreign visitors. In some countries, earnings of foreign exchange from tourism rank high, as compared with those from visible exports, but, generally speaking, in the countries of the E.C.A.F.E. region, full advantage is not being taken of the phenomenal increase in air travel, despite their many historical, scenic and cultural attractions. The basic reason for this lies in the fact that tourist industry in most of these countries is not sufficiently organised.

The Prime Minister, Mr. Nehru, who inaugurated the seminar, stressed primarily the value of tourism in promoting international understanding and goodwill. But what invests tourism with special importance to the countries of the region is that it is capable of earning foreign exchange desperately needed by these countries. That in spite of many attractions the countries of the region have not been able to attract a fair share of the world tourist traffic is evident from some of the figures quoted by Mr. M. S. Ahmed, Chief of the Transport and Communication Division of the E.C.A.F.E. He pointed out that it was estimated that, in 1958, foreign travel contributed the equivalent of at least £5,000 million to world foreign exchange proceeds, representing about five per cent of the total international trade that year. In Australia foreign currency receipts from tourism in 1958 accounted for 3.4 per cent of the gross national product and exceeded receipts from its main exports, namely iron and steel and timber. Although world tourist traffic as a whole had increased phenomenally since the war, the countries of the E.C.A.F.E. region had not derived proportionate benefit. Thus, the amount spent by Americans, one of the most travel-minded people in the world, increased fourfold from $400 million in 1939 to $1,600 million in 1959, but the share of E.C.A.F.E. countries in the increase was negligible.

The main reason for this, according to Mr. Ahmed, was the existence of certain handicaps in these countries such as travel barriers, including visa and currency restrictions, lack of trained personnel, luxury hotels and restaurants and publicity. These made the countries of E.C.A.F.E. region less attractive to foreign tourists than they would otherwise have been. In Mr. Ahmed's view, the budgetary allocations made by Asian Governments for tourist promotion was also inadequate.

The inadequacy of budget allocation for tourist development is nowhere so conspicuous as in India, a country which has tremendous potential for tourist development. It has an infinite variety of attractions for the tourist such as no other country can offer. The very fact that, in spite of this advantage, the inflow of tourists to this country, though it has improved considerably of late, is relatively small as compared with countries like France or Italy is clear proof that enough is not being done in this direction. In saying this, it is not our intention to throw cold water on those who are now in charge of tourist promotion under the leadership of Mr. S. N. Chibb, Director-General of Tourism.

It must be conceded that they have succeeded in raising India's foreign exchange earnings from tourism to a respectable figure of Rs. 22 crores in 1959 as against a mere Rs. 4.5 crores in 1950; tourism now ranks as the sixth largest foreign exchange earner. This growth shows how much more could be earned if only more effort and money were expended on development of tourism. Tourism was virtually neglected in the first Plan, with no financial provision made for it. The second Plan set aside Rs. 3.46 crores for the development of tourism in the country, except Jammu and Kashmir for which separate provision was made. Out of this amount, the share of the Centre was Rs. 2 crores and that of the States Rs. 1.46 crores. The Centre's share was subsequently reduced to Rs. 1.10 crores, so that the total Plan provision was no more than Rs. 2.56 crores. The sum of Rs. 5 crores earmarked for tourism in the third Plan, though about double the second Plan allocation, is still inadequate. The Tourist Development Council itself had drawn attention to this and had recommended, at its meeting held at Shillong in September 1960, that the allocation should be substantially raised to meet at least the minimum requirements of tourism. The Council put forward a number of suggestions for improving the facilities available for tourists. These included licensing of medium-sized cars as luxury taxis, provision of self-driven taxis for foreign tourists, relaxation of mileage restrictions on railway travel, issue of liquor permits valid for all States in India by Indian missions abroad. With a view to encouraging construction of more hotels, the Council had recommended provision of land at reasonable market rates for the hotel industry. The last of its recommendations received some cognisance at the hands of the Finance Minister who has provided in his latest budget certain tax concessions for building hotels, but their utility is restricted, as they will be available only for hotels constructed by joint-stock companies with the prior approval of the Government.

Apart from the provision of more and better hotels, transport facilities, etc., there are many apparently trivial and simple matters wherein there is considerable room for improvement. Attention to these has been drawn time and again by this journal. If the present seminar and the "Visit India" year planned to be celebrated this year result in the Government devoting more attention to tourism, they will not have been in vain.

INCOME-TAX AMENDMENT BILL

The reform of the basic structure of the Income-tax law in India, as well as some of its specific provisions, has been long overdue. As a result of frequent and uncoordinated changes in the Income-tax Act from year to year, the present law has become extremely cumbersome and harassing, besides providing ample scope for tax evasion. It was against this background that the Tyagi Committee and the Law Commission proposed a number of far-reaching suggestions for overhauling the entire Income-tax law. Their recommendations constitute the basis for the comprehensive Income-tax Amendment Bill, running into as many as 298 clauses, which was introduced in the Lok Sabha on Monday the 24th inst. This move is calculated to improve the efficiency of the tax collecting machinery, eliminate harassment of assessees, to stop the various methods of evading the tax payment and to achieve greater equity between different taxpayers. The Bill appropriately covers a wide range of subjects from the definition and clarification of some of the basic concepts like "income," "residence," "assessee," "assessment year," "dividend income" to such complicated issues like depreciation provision, development rebate allowance, double taxation, treatment of capital gains, the problem of tax liability of charitable trusts, etc. As the fundamental objective of the proposed legislation is to minimise the evil of tax evasion and the consequent injustice to honest taxpayers, the new measure rightly proposes changes in regard to the procedure for assessment, collection and recovery of tax, penalties imposable, exemptions and computation of taxable income.

Following the recommendations of the Tyagi Committee, several provisions have been deliberately introduced to expedite the recovery of taxes; these provisions are on the whole well-conceived. Under the proposed legislation, [illegible] will be required to file returns on their own by 30th June of every assessment year and delay in payment would mean payment of interest at 6 per cent on the tax payable by the assessee. But, at the same time, the Bill imposes an obligation on the authorities to pay interest at 4 per cent, if they delay beyond six months any refund due to an assessee. For the purpose of securing prompt payment of income-tax, the new legislation also seeks to give more powers to the income-tax officers. Under a special clause, the income-tax officer is empowered to send a certificate of arrears both to the tax recovery officer in whose jurisdiction the assessee may carry on business and to the tax recovery officer in whose jurisdiction the assessee may reside or may have any property. Once such a certificate is received, the recovery officer can recover the payment as if it were arrears of land revenue. The Bill further lays down stringent rules with regard to escaped income, in the case of which the income-tax officer is empowered to issue notices within a period of eight years from the end of the relevant assessment year. The special provisions pertaining to tax avoidance authorise the income-tax officers to deal more effectively than hitherto with transactions in securities and other dealings, where, in order to avoid tax, the interest and profits are transferred to persons other than the owners or to non-residents.

Some of the provisions in the proposed legislation dealing with tax evasion are somewhat softer than recommended by the Tyagi Committee. Thus, under the amending Bill a person who has helped an assessee in making a false statement or declaration of income shall be subjected to a penalty of not less than Rs. 500 and not more than Rs. 5,000. The Tyagi Committee actually wanted the abettor to be disqualified from tax practice in future. The Committee also wanted the names of persons found to have evaded taxes and on whom a penalty of not less than Rs. 5,000 was imposed to be published in the Government *Gazette* as well as in newspapers. It is not correct to say, as some do, that such deterrents are useless, for the knowledge that a tax-dodger's name will appear in the daily Press may act as a strong disincentive to submit false returns. A similar provision, it may be noted, exists in the tax statutes of some advanced countries also, such as Australia and the U.S., and has had the desired effect of discouraging tax evasion. The Government has accepted this suggestion in part, in that the Bill provides for the publication of the names of assessees found guilty of evasion in the official *Gazette*, but not in the newspapers also as suggested by the Committee. There is, however, no ban on the latter taking the information from the *Gazette* and giving publicity to it.

The Bill also rightly seeks to tighten up the provisions regarding the treatment of charitable trusts for purposes of taxation. In future, in case a charitable trust carries on some business which is not the primary object of the trust, the income from it would not be entitled to exemption from tax. Similarly, if under the terms of the trusts or the rules of the institution, any part of its income is utilised by any relative of the founder of the trust, its income will not be excluded from tax.

Another welcome feature of the Bill is the roping in of co-operative societies within the tax net. It is provided that the profits and gains of a co-operative doing business other than the specified types of activities and also any co-operative the income of which is in excess of Rs. 15,000 will attract taxation. This means that co-operative societies running transport services, or engaged in large commercial and industrial activity such as textile and sugar, will be subjected to taxation in the same way as joint-stock companies. This is only as it should be, because, nowadays, the co-operatives are being entrusted with functions which they were not supposed to do under the traditional ideas of co-operation. The fact that the relevant provisions in the Bill are clearly more stringent than even those recommended by the Tyagi Committee reflects the realistic attitude of its framers.

The investors as a body are also likely to feel the pinch as a result of some of the clauses in the proposed legislation, such as the clause pertaining to capital gains accruing to shareholders of companies in liquidation. Thus, a provision has now been incorporated in the Bill that the shareholders who have received any portion of the capital assets of the Company in liquidation shall be chargeable to income-tax under the head "capital gain." Investors will also be hit by the wider definition of "dividend" which purports to include bonus preference shares issued by a company out of its accumulated profits.

While allowing professional tax to be included in the allowances admissible for computing taxable income, the Bill seeks to tighten certain loopholes in computing income. Thus, perquisites in lieu of salary have been defined to include not only compensation for termination of employment but also compensation received in modification of the terms of employment. The Bill is also harsh on salary-earners, inasmuch as the treatment of gratuity as income will be in a more adverse fashion than hitherto. It would appear from the Bill that the entire amount of gratuity would be added to the total income of the assessee in the year in which he receives it, instead of spreading it over the last three years of service as is the case now.

There are, of course, a few concessions proposed to be granted in certain cases. In regard to depreciation allowance, for instance, the period during which the asset should not be sold or transferred is reduced from ten years to eight years. Another is that the concession of the non-withdrawal of development rebate if the asset is sold to the Government has been extended to assets transferred to a local authority, a corporation established under the law and to a Government company. Similarly, provision has been made for dealing with cases of hardship where a bad debt is written off in one year but the income-tax officer refuses to allow it for that year.

FINANCE BILL PASSED

The Finance Bill 1961 was passed by the Lok Sabha on Saturday the 22nd inst., after the House completed the third reading, with a reply by Mr. Morarji Desai, Union Finance Minister. The Bill as now passed incorporates certain changes in taxation announced by the Minister subsequent to its introduction on 28th February. It will be recalled that, replying to the debate on the budget on 17th March, Mr. Desai gave some tax concessions aggregating about Rs. 4.50 crores annually; the concessions included reduction in the effective incidence of increased excise on kerosene, compounded levy on small units of powerlooms, on cotton yarns of counts one to ten, and wool used in the manufacture of carpets. Further tax reliefs amounting to Rs. 1.64 crore were announced by him at the end of the second reading on Wednesday the 19th inst.; the reliefs are in respect of inferior coffee, powerloom units, newsprint, cosmetic and toilet preparations, glassware, chinaware, and porcelain-ware, and copper and copper alloys. Some minor adjustments in direct taxation were also announced.

All these tax concessions and adjustments are estimated to yield a total relief in taxes to the tune of Rs. 6.14 crores. As a result of this relief, the total proceeds (Rs. 63.17 crores, including the States' share of Rs. 2.30 crores) from additional tax proposals originally made in the 1961-62 budget are now placed lower at Rs. 57.03 crores. But Mr. Morarji Desai hopes that a part of the loss would be offset by higher yields from some of the new excises.

In the sphere of direct taxation, the Finance Minister has done well to reduce the tax on the dividends received by a foreign company from a non-subsidiary Indian company formed during the period 1st April 1959 to 31st March 1961 from 53 per cent to 40 per cent, which is the same as that in respect of a similar company formed after 1st April 1961. The concession has been given retrospective effect covering the period 1959-61. The Finance Minister has also withdrawn the proposal for specifying certain limits for entertainment expenditure allowance in respect of non-company assessees. The taxable limit for entertainment allowance will, however, continue. These changes are not of much revenue significance, but they place partnerships and one-man firms on the same footing as companies. The abolition of this discrimination is fully justified. Mr. Desai would certainly have earned the gratitude of investors if he had conceded their justifiable plea for completely abolishing the tax on bonus shares, restoring the cut in development rebate (from 25 to 20 per cent) and granting retrospective effect to the benefit of tax reduction (from 63 to 50 per cent) on royalty payments made to foreign companies now restricted only to royalties involved in agreements made after 31st March 1961.

The concessions in indirect taxes lately announced by the Finance Minister cover a fairly wide field. The excise duty on robusta and Liberia varieties of coffee has been reduced to

the original level of Rs. 41.35 per quintal. All powerloom units with three or four looms manufacturing cotton, rayon or silk fabrics are given complete exemption of excise duty payment provided they work only one shift. The concessions in regard to cotton textiles are in line with the assurance given by the Government spokesmen to the Cotton Mills Federation's representatives at New Delhi on 22nd March. Thus, the first 70 per cent of the production of automatic looms is exempted from the surcharge of 25 per cent and, out of the remaining 30 per cent output, any portion of the cloth exported will be entitled to refund of surcharge. The Finance Minister could have conveniently abolished the surcharge altogether, thereby avoiding several administrative difficulties which are not worth suffering. It must be remembered here that the cost of installing automatic looms is pretty high. Another modification covers yarn. The calculation of duty on yarn woven into fabric in composite mills is to be simplified by the proposed introduction of a compounded system of levy under which a manufacturer will be enabled to pay duty on yarn, together with the existing duty on fabrics at the rate of 1.2 nP per square metre.

The basic rates of import duty on art silk yarns has been reduced from Rs. 5.10 per kg. to Rs. 4.45 for yarns below 75 deniers, from Rs. 3.70 to Rs. 3.15 for 75 to 100 deniers, and from Rs. 3.10 to Rs. 2.75 for yarns above 100 deniers. The countervailing import duty rates, however, continue at the levels mentioned in the Finance Bill, the actual rates per kg. on the aforesaid three denier groups being Rs. 3.00, Rs. 2.25 and Re. 1.50, respectively. This concession had been announced earlier through a special notification.

As regards woollen yarn, provision has been made for alternative specific rates of duty for all yarns. The actual rates per kg. will be Rs. 2.10 for worsted yarn of 60 counts and above, Re. 1.60 for yarns below 60 counts and 40 nP for other worsted yarns. The duty on nylon twine (used for fishing nets) imported by fishermen's co-operative societies has been cut from 100 to 50 per cent, subject to the condition that the import is recommended by the Director of Fisheries.

The other commodities which have also benefited from the latest tax concessions are:—*Newsprint*: Import duty per quintal is reduced from Rs. 7.50 to Rs. 5 on unglazed or machine finished newsprint imported in reels, from Rs. 9 to Rs. 5.50 on other sorts and from Rs. 10.30 to Rs. 4.10 (original rate) on sheet newsprint for small newspapers. *Metals*: It is proposed to exempt by 25 per cent the duty charged on copper and brass sheets, circles, etc., which are issued out from rolling mills without trimming and cutting. The corresponding concession in the case of bronze sheets and circles will be 20 per cent. Exemption is also being given in respect of strips of copper and copper alloys used for making zari, stars and spangles. Further, strips and files recovered from scraps of copper alloy and used for making anklets, trinkets, etc., used by the poorer people as ornaments are also being exempted from duty. *Glass and glassware*: Factories employing not more than 20 workers and not using power are given exemption from duty in the case of glassware manufacturers who utilise broken glass as raw material; in the case of chinaware and porcelain, the limit is 15 workers. *Refrigerators*: The duty on refrigerators used for cold storage depots and food preservation, as well as that on air-conditioning machinery used not for comfort but for food preservation, is abolished. The countervailing duty paid at the time of import of compressors will be allowed when used in refrigerators produced in India. *Cosmetics and toilet preparations*: The limit of concession in the case of small manufacturers has been increased from 50 kg. to 75 kg. per month. *Medicines*: Clinical samples for laboratories and hospitals are exempted from payment of import duty upto a maximum limit of 5 per cent of the total duty-paid clearance. *Plastic moulding powders*: Powders manufactured from scraps of plastics are exempted from tax payment.

The Finance Minister must be given credit for making these adjustments which would help remove genuine hardships, without, at the same time, sacrificing substantial revenues. If he has not announced any other radical changes in his original tax proposals, it is not surprising. For the need for raising resources for implementing the third Plan is, as he himself reminded the House again, urgent and enormous.

ESTIMATES OF NATIONAL INCOME

THE *national income of India* (at *1948-49 prices*) *in 1959-60* was Rs. 11,760 crores as against Rs. 11,650 crores in 1958-59 and Rs. 10,480 crores in 1955-56. The *per capita* income at 1948-49 prices is placed at Rs. 291.6, as against Rs. 292.6 and Rs. 273.6. This is revealed by the eighth issue of the *annual paper on national income just released by the Central Statistical* Organisation. The estimates for 1958-59 are based on the methods of estimation followed for the earlier years and show a slight downward revision over the *preliminary estimates* published last year. The estimates for 1959-60 which are preliminary and based on partial material have also undergone a slight upward change as compared with the 'quick' estimates released in August last year. Unlike 1958-59 which recorded an all-round improvement over the previous year in both agricultural and non-agricultural output, the year 1959-60 registered only a marginal increase of Rs. 110 crores in the total net output. This was due to the fall in agricultural output in the year 1959-60, the contribution to national income from agriculture in that year was less than that in the previous year by Rs. 155 crores at 1948-49 prices. This, however, was more than offset by a rise of Rs. 265 crores in the contribution made by all the other sectors together.

Columns 2 and 3 of the statement below show the trend in net national output at current and at 1948-49 prices respectively during the last nine years 1951-52 to 1959-60. Columns 4 and 5 of the statement similarly set out the trend in *per capita* net output based on the 1941 and 1951 *population* Census figures. Census figures as on 1st March 1961 have since been announced by the Registrar General for all-India and for States. These figures are provisional and the rates of growth vary from State to State. Nevertheless, the figures in columns 6 and 7 have been worked out giving the trend of *per capita* net output based on population estimates, taking into account the all-India census figures of 1941, 1951 and 1961. These figures show a rise in National income in real terms of 12.2 per cent during the first four years of the second Plan period, as against 18.4 per cent over the first Plan period. Expressed at current prices, the national income stood at Rs. 12,840 crores in 1959-60, as against Rs. 12,600 crores in 1958-59 and Rs. 9,980 crores in 1955-56. The larger increase at current prices than at constant prices was, of course, due to increase in prices.

Year	Net national output (in Rs. 100 crores)		*Per capita* net output (in Rs.)			
			Based on 1941 and 1951 population census figures		Based on 1941, 1951 and 1961 population census figures	
	At current prices	At 1948-49 prices	At current prices	At 1948-49 prices	At current prices	At 1948-49 prices
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1951-52	99.7	91.0	274.0	250.1	274.2	250.3
1952-53	98.2	94.6	266.4	256.6	265.4	255.7
1953-54	104.8	100.3	280.7	268.7	278.1	266.2
1954-55	96.1	102.8	254.2	271.9	250.3	267.8
1955-56	99.8	104.8	260.6	273.6	255.0	267.8
1956-57	113.1	110.0	291.5	283.5	283.4	275.6
1957-58	113.9	108.9	289.8	277.1	279.6	267.4
1958-59	126.0	116.5	316.5	292.6	303.0	280.2
1959-60 (preliminary) ..	128.4	117.6	318.4	291.6	302.3	276.9

MR. MACMILLAN'S M.I.T. SPEECH

The full text of the speech delivered by the British Prime Minister, Mr. Harold Macmillan, early this month at the Massachusetts Institute of Technology in the United States, is just available. The speech, comparable in some ways with the historic Fulton speech by Sir Winston Churchill in 1946, is a memorable essay in economic statesmanship and vision. These are precisely the qualities which will be increasingly required in the sixties, for, as Mr. Macmillan has so aptly put it, the real test in the struggle between communism and democracy will not be on the battlefield but in the market place. But the distressing fact today is that the means available to wage this economic struggle are circumscribed by a system of world trade and payments designed 15 years ago. The economic effect of the Sino-Soviet system and the economic force represented by the second Industrial Revolution in its scientific and technological sense have together underlined the need for larger economic units, transcending the familiar nation States, in the non-communist world and also newer international trading and financial arrangements to solve three supreme problems of the present time. These problems are how to maximise world trade, how best to organise assistance and capital to build up the less developed countries and how to finance an ever-increasing volume of trade and aid.

The British Prime Minister has not merely highlighted the problems but offered some very positive and constructive solutions for some of them. The first problem pertaining to world trade may well be solved partly, if not wholly, when the effort to create the largest area of free trade gets accelerated in the wake of possible success in European integration. How supremely important the present European effort is, may be seen from the following passage in Mr. Macmillan's speech:

"For us in Europe the urgent need is that of bringing together the Six and the Seven—now the Six and the Eight. I believe that we must and we can do this without detriment to our domestic interests or to our Commonwealth association and without injury to any other nation or group of nations. A comprehensive arrangements in Western Europe, not highly protective; looking outwards and not inwards; building up its own strength but ready to help others; this would be a real benefit to the whole Free World, both economically and politically. Economically it would take us nearer to a still bigger area of free trade. It would prevent much duplication of investment. It would stimulate trade and demand."

Since trade is any day better than aid, there is happily recognition in Mr. Macmillan's speech of the need for friendly adjustment between the European economic grouping and individual developing countries which are in a position to export manufactured goods. That such adjustment should be increasingly possible is borne out by the American agreement with Japan and the British agreement with Hong Kong, India and Pakistan in regard to textiles. So long as there is adherence to the broad rule that goods should be admitted as freely as possible into Europe, special modifications deemed necessary to prevent disruption of European industrial production may be easily negotiated with individual non-European countries. Still, trade would need to be supplemented by greater aid by the advanced countries to the less developed ones, and Mr. Macmillan's expectation seems to be that the newly constituted Organisation for Economic Co-operation and Development (O.E.C.D.), to be supplemented by the Development Assistance Group (D.A.G.), will organise aid in a more imaginative manner.

But the third problem of how to finance an ever-increasing volume of trade and aid will still be there, unless, of course, something like "a central banking system for all the countries of the Free World" is evolved. This, however, is an ideal solution which may be a long way off. Mr. Macmillan would, in the meantime, like to have an international arrangement under which there will be less imbalance of payments and a bigger credit base to finance expanding trade. His point that world trade has expanded four times in terms of money since before the last war but that the Free World credit base is only twice as big is quite telling in this context. The British Prime Minister has squarely posed the question as to why it is necessary to prevent the accumulation of reserves by particular countries. But he has suggested no specific means whereby the present imbalance of world payments and reserves can be eliminated or at least minimised.

ON THE ARENA

By The Archer

Private Sector Enterprise in the Construction of Highways

EUROPEAN experience seems to indicate that motorways would be constructed at a faster rate if private capital is attracted to road-building programmes than if the State was in charge of such projects. The U.K. Ministry of Transport has entrusted to a study-group the examination of the question whether the British motorist should be required to pay tolls on the new motorways, and its findings are expected to be announced shortly. An influential section of public opinion in the U.K. is not in favour of the imposition of tolls (except on new bridges and tunnels) and the A.A. is also reported to be opposed to the levy of charges on motorways. But elsewhere in Europe (as, for instance, in Italy and France) and in the U.S.A., the maintenance of highways, by collecting tolls from users, has been in vogue for several years, and has come to be recognised as a very effective method of achieving and sustaining progress. Italy was the first country to entrust the construction of motorways to private enterprise. The first *autostrade* were built in the early twenties. There has since been a combination of private enterprise and State participation. Companies who built the *autostrade* were usually given a thirty-year lease, at the end of which period the roads reverted to State control, and the toll was reduced to a nominal levy. There are about 700 kms. of highways at present in use, half of which have reverted in this way. At present, there is a project linking Milan and Naples by the *Autostrada del Sole* which is being financed up to 70 per cent by the Instituto della Reconstruzione Industriale, which is a State-controlled body with private shareholders, the balance of 30 per cent being borne by the State. The charge on this road is reported to vary according to the type and weight of vehicle, and is reduced on Sundays. A private car using the 125 miles from Milan to Bologna may pay the equivalent of about Rs. 13.33 and a truck may pay double.

This type of joint State-*cum*-private project is adopted also in France, and, in one stretch of 33 miles the toll charged is the equivalent of about Rs. 2. The spectacular Tancarville suspension bridge at the mouth of the Seine, which cuts the journey from Le Havre to Caen by about 65 miles, was erected by the Municipality of Le Havre at a cost of more than £5½ million, and the expenditure is being recouped by a graduated system of tolls, the small car paying the equivalent of Rs. 4.33 and the heavy truck more than double. It is in America that the toll system is most developed. There are eighteen major highways charging toll at the equivalent of about 10 nP per mile covering a distance of 3,250 miles mostly in the industrial north and north-east. All these are under State control and were built with public funds.

All this is of interest to us in the context of our need to have modern motorable highways connecting our large cities with each other, and with their feeder towns, as also the newly developed industrial centres and steel cities with the major consuming centres for movement of manufactured products. To begin with, these highways need not be of the same type or specifications as the *autostrade* in Italy or the *autobahnen* in Germany, for which the acquisition of property rights all along the way may be a major hurdle as also the by-passing of small towns that lie *en route*. But they must be very much wider than they are at present and of better structure and able to stand greater wear. A beginning could be made, for instance, with having such improved motorways replace the existing roads connecting Bombay with Poona, Calcutta with Asansol, Madras with Bangalore and so on, and entrust these constructions to private enterprises with power to levy tolls which will be justified by the improved amenities provided. Such highways might eventually be the answer for avoiding industrial concentration in the large cities or in their close vicinity, and might also facilitate a kind of wholesome ribbon development *en route* so that greater dispersal of industries (and population) is possible over a period of time. Perhaps, a study group, consisting of competent engineers, transport specialists and entrepreneurs, may be formed for examining the possibilities of developing super-motorways in the country, with the help of the private sector, benefiting, where possible, by the experience of countries like Italy and France in the matter of recouping the outlay through recovery of tolls.

• • • •

Pattern of Ownership of Government Debt

From statistics published by the Reserve Bank of India it is found that the pattern of ownership of the combined Central and State *Government securities* as at the end of March *1960 is as follows*:

	Rs. (crores)	Percentage to total
1. Governments	262.9	10.2
2. Reserve Bank of India ..	466.9	18.1
3. Commercial and co-operative banks	732.5	28.4
4. Life Insurance Corporation ..	305.7	11.8
5. Other insurance	28.7	1.2
6. Provident funds	173.2	6.7
7. Industrial Finance Corporation and State Financial Corporations	3.2	0.1
8. Reserve Bank of India (a/c others)	41.2	1.6
9. Non-residents	34.5	1.3
10. Others (residual)	531.7	20.6
Total ..	2,580.5	100.0

Of the Governments' holdings of about Rs. 263 crores (item No. 1), the Central Government's share was only Rs. 5 crores, while the balance of Rs. 258 crores was held by State Governments under heads like Cash Balance Investment Account, Sinking Fund Investment Account, Zamindari Abolition Fund Account, Famine Relief Fund, Depreciation Fund, Electricity Reserve Fund, etc. In item No. 3, most of the holdings were of scheduled banks (Rs. 688 crores), the holdings of non-scheduled banks (Rs. 10 crores) and co-operative banks (Rs. 34 crores) being negligible. As regards item No. 10, a survey of about two-thirds (Rs. 345 crores) collected from fifteen scheduled banks in regard to securities held by them as agents/custodians on behalf of constituents revealed that Rs. 171 crores were on account of trusts, Rs. 57 crores were on account of local authorities, Rs. 38 crores on account of joint-stock companies and only Rs. 79 crores on account of individuals. Assuming the same pattern of distribution for the entire residual figure, it would seem that the total holdings of individuals are not likely to exceed Rs. 122 crores, that is 4.7 per cent.

This summary provides considerable food for thought to the Finance Ministry, for, as it would seem, the major portion of the amount borrowed by the Government is from sources controlled by it. The contribution of the private citizen, of his own volition, being only to the extent of 4.7 per cent, the irresistible conclusion follows that Government securities are not popular. The reasons can only be that their yields are poor, they have slumped in market value, and do not provide any cover against inflation. The future borrowing programmes of State Governments and the Central Government may expect support only from institutions under their control, for the commercial banks may also have to be counted out under existing conditions of acutely scarce resources.

• • • •

Economic Survey of Switzerland—1960

Through the kind offices of a friend, I have just received a book published by the Union Bank of Switzerland containing an economic survey of the country for 1960, which provides most interesting and satisfactory reading; satisfactory in the sense that it talks of prosperity all round and in every sphere of economic activity. Much of what I record below are extracts from the book.

Generally speaking, the Swiss economy enjoyed a boom. A much bigger volume of residential building than previously, greater industrial capital expenditure and a high level of domestic consumption provided the main stimuli. While Swiss exports registered maximum figures, a lively state of business activity expressed itself also in the high import figures. Economic expansion was limited most of all by a shortage of labour. Although as many as 435,000 foreign workers, subject to special registration, were listed with the Swiss authorities, almost all sectors of the economy had trouble in finding adequate personnel. Exports in 1960 were 12 per cent higher than in 1959, and amounted to 8,131 million francs. The total value of imports in 1960 reached 9,648 million francs, which was 17 per cent higher than in 1959. The balance of trade thus showed a deficit of 1,517 million francs (as against a surplus of 758 million francs in 1959), but the payment surplus went down only 21 per cent because the income from invisible exports—tourist trade, capital revenues, services etc—had risen. The country's consumption of electrical energy showed a large increase of 2,029 million kw.h. The sales of the cement industry were expected to pass the 3-million-ton mark. There were increased influx of orders in the electro-technical and machine industries, the railroad engine factories, weaving loom factories and embroidery machine factories. The rolling stock industry was adequately busy, thanks to a big backlog of orders. Orders flowed copiously for the elevator industry, both from internal construction and from foreign markets. Motor truck factories were working to capacity, with a predominance of domestic business. While, in 1959, there had been a drop in the export of watches, exports during the first nine months of 1960 expanded 14.7 per cent to a total of 858.5 million francs. The various sectors of the woollens industry generally enjoyed a good degree of employment, and the stimulation of cotton industry which began at the end of 1959 was sustained. Silk and rayon weaving, silk ribbon manufacture, and the embroidery industry were all in prosperous condition, with a substantial backlog of orders and high sales, while the shoe industry had a very good year. The electro-chemical and electro-metallurgical industries were able to increase their output, while the continuing boom for bulk chemicals and pharmaceuticals which had been existing for some years was well maintained. The dyestuff industry raised its exports by about 20 per cent and the paper industry had an excellent year, with a production of 350,000 tons of paper and 130,000 tons of cardboard. The production of milk and milk products, including cheese, and of chocolates were on the increase, with offtakes at satisfactory price levels. By and large, the Swiss economy was enjoying, at the end of the year, a state of full employment.

There you are, a picture of dripping prosperity, and good tidings to surfeit. It is pleasing to hear that there does exist one country in the world where everything is bright and cheerful, where they buy from outside more than they sell and yet are cheerful about it, where vigorous all-round expansion seems to be delightfully easy and highly profitable.

• • • •

Holidays Galore!

It seems to be almost a freak of modern humanism to propagate the theory of more leisure and less work, unmindful of the fact that large numbers of middle-aged people fade away more through ennui than increased activity. And so it happens that the easiest way of becoming thoroughly unpopular with people in this country is to suggest an increase in the hours of work and decrease in the number of holidays. Mr. C. H. Bhabha has thus courted a full measure of unpopularity by raising the subject in his speech at the Indian Banks' Association's Annual General Meeting in the third week of March in Bombay.

If progress is measured in terms of leisure enjoyed, we in India seemingly constitute the most progressive nation in the world. While the U.K. and the U.S.A. have ten and eleven public holidays, respectively, each year, and the Scandinavian countries and Belgium even less, we enjoy as many as twenty-seven holidays, but there is another Eastern country coming a close runner-up, namely, Japan with twenty-two holidays. However, our holidays are not of the same number for each State. For instance, Madras and Andhra have seventeen each, Kerala and Mysore nineteen each, West Bengal twenty-four and Bombay twenty-seven. By this yardstick, Bombay, which leads in the maximisation of leisure for its working people, is the most progressive State in the Indian Union! Bombay's holidays, however (quite a few of them are in honour of our national heroes) remind one of what Franklin wrote in *Poor Richard's Almanack:*

> "How many observe Christ's Birthday!
> How few his precepts!
> O! 'tis easier to keep holidays than commandments."

Indications are that, as more and more importance is given to the observance of sectional loyalties all over the country, there is likely to be a never-ending increase in the number of holidays. So it would be good to keep in mind what Bernard Shaw said in *Parents and Children*, namely, "A perpetual holiday is a good working definition of Hell."

THE DUNLOP RUBBER COMPANY (INDIA) LTD.

MR. JOHN LUCKHAM'S REVIEW

FURTHER MAJOR EXPANSION IN PRODUCTION PLANNED

THE demand for all the products of the Dunlop Rubber Company (India) Ltd., is running ahead of its production. The Directors have a plan for a further major expansion in the Company's business to meet this situation. The arrangement made with Dunlop Rubber Company Ltd., London, for finding foreign exchange is awaiting the consent of the Government. This information was given by Mr. John Luckham, Managing Director of the Company, in his speech at the Thirty-fifth Annual General Meeting of the Company held at Calcutta on Thursday, 27th April 1961.

The following is the full text of Mr. Luckham's speech:—

" GENTLEMEN,

" The Directors' report and accounts have been in your hands for some time, and, with your permission, I will take them as read.

The Year's Trading

" Our Ambattur plant reached full production during the year and, even with higher output from Sahaganj, we were still unable to meet the demand for our products. With the increasing demands of Government, vehicle manufacturers and transport operators, a difficult situation arose in the replacement market for truck and bus tyres. In consultation with the Government of India, we took a leading part in moves by the tyre industry to encourage the formation of Tyre Dealers' Associations to ensure equitable distribution of the sizes in short supply at list prices, and I am glad to say that the majority of these Associations have functioned efficiently and to the satisfaction of both Government and truck operators. The manner in which this task was carried out reflects great credit on both tyre dealers and consumers.

" Our tyres continued to find ready acceptance with consumers and we were able to make increased supplies of our Highway truck and bus tyres, which proved extremely popular. Our car tyre remains the first choice of the discriminating motorist.

" There was a further increase in bicycle production during 1960 and it became difficult to meet all the demands made on us for cycle tyres and rims. However, I am glad to say that we were able to step up our exports of cycle tyres to South-East Asian markets and thus make a contribution to Government's export drive.

" Sales of industrial rubber products increased partly as a result of additional output from the vee-belt expansion, mentioned in my speech last year. The equipment for an expansion of conveyor belting manufacture has been installed and trial production is in progress. With the increasing demand for this product during the third Five-Year Plan, we are confident of utilising this capacity in full.

" Dunlopillo sales showed a further gain, but, despite the substantially higher output achieved through increased productivity, we were still unable to meet the demand. The requirements of the car manufacturers show an upward trend and the fulfilment of the targets of the third Five-year Plan for vehicle production will necessitate an increase in our manufacturing capacity.

Expansion Plans

" You will see from the above that there is still a big demand for many of the Company's products which cannot be met, and the Directors have in hand a further major expansion of the Company's business, particularly in respect of our factory at Ambattur. This will require a substantial amount of foreign exchange and, in order to arrange this, a short visit to the U.K. was recently undertaken by myself and your Finance Director. I am pleased to say that, subject to Government approval, we are able to report that Dunlop Rubber Company Limited, London, are prepared to put the necessary sterling at our disposal initially in the form of a loan to be converted into equity capital at a later date. Negotiations and discussions with Government are now in progress, but the Directors are not yet in a position to put forward their recommendations regarding capital reorganisation.

" The consumption of natural rubber in India has been rising at a faster rate than productivity, and we are, therefore, increasingly dependent on imports. However, there are signs that long-term steps are being taken to improve production. Moreover, the opening of the Government-sponsored synthetic rubber factory in 1962 and the development of plans to produce locally other important raw materials such as rayon, rim strip, carbon black and certain rubber chemicals will greatly reduce the industry's import requirements, and so save foreign exchange.

Finance Bill, 1961

" The recent Budget proposals did not change the rate of company taxation, but they did enhance the amount of tax payable by companies through reducing the allowance in respect of development rebate from 25 per cent to 20 per cent. However, the increase in certain customs duties will have an adverse effect on costs, whilst the relief in respect of excise duty on cycle rims will not benefit our Company. The introduction of a slab system for charging excise on cycle rims on the same principle as cycle tyres, would have been more equitable.

" The reduction of the tax on bonus issues from 30 per cent to 12½ per cent is a step in the right direction, but we are of the opinion that this tax should not be applied to reserves created on account of share premiums.

Profit and Loss Account

" The profit for the year, after providing for depreciation, interest and taxation, was Rs. 1,24,56,228 as compared with Rs. 1,18,04,533 for 1959. As you will have seen from the Directors' report, the profit after tax as a percentage to sales declined from 4.56 per cent last year to 4.08 per cent. This was almost entirely due to the high cost during 1960 of imported natural rubber, which we were not able to recover fully in our selling prices.

" Excise duty is almost Rs. 1,72,00,000 higher than 1959 due to the higher volume of sales, on the one hand, and the new levy of excise duty on cycle rims which was effective from 1st March 1960, which accounted for approximately Rs. 59,00,000 of the increase. It is relevant at this stage to mention that the high excise duties leviable on our products absorb a considerable amount of working capital which earns nothing for the Company. This is a matter which is constantly under consideration by your Directors, and was represented to the Reorganisation Committee for Central Excise Duty when they visited Sahaganj recently.

" The tyre industry has borne a major burden of excise duty for many years and now the net has spread from the finished article to include certain raw materials, and has also been imposed on certain process materials inside the factories. The administrative difficulties and additional work which these latter extensions involve are considerable.

" The amount of bank overdraft interest this year has also substantially increased due to the higher working capital requirements arising from our increased trading activities and the increase in the rate of interest from 5½ per cent to 6 per cent from 1st October 1960.

" As you will have already observed, a sum of Rs. 17,00,000 has been transferred to development rebate reserve and a sum of Rs. 37,50,000 is appropriated to general reserve.

" The Directors are recommending an ordinary dividend for 1960 at the rate of 21.5 per cent subject to tax, which is the same rate as last year.

Balance Sheet

" The net increase in fixed assets during the year was approximately Rs. 22,00,000, principally on account of plant and machinery. Stock inventories increased by Rs. 84,00,000, on account of the higher level of output and sales, coupled with the increased cost of raw materials previously mentioned.

" Investments have risen by approximately Rs. 2,00,000 due to increased deposits with the Madras electricity system and the railways.

" Sundry debtors have increased in line with the larger volume of sales, as have also the current balances with the customs, railways and other authorities.

" On the liabilities side, the larger borrowings through bank overdrafts, usance promissory notes and acceptances have been necessary to finance the larger working capital required for the greater volume of output from both our factories.

Indianisation and Management Training

" In pursuance of our policy of progressive Indianisation of the management cadre, we continue to pay special attention to training which we regard as being of vital importance. Our staff must be kept fully conversant with the latest techniques and methods of manufacture and with future technical and production developments in the Dunlop Group. We are fortunate in being able to send selected personnel to our associated factories in the United Kingdom, Germany and France, and, in recent months, eleven senior employees from our factories have been overseas for this purpose. It is hoped that foreign exchange restrictions will not prevent us from continuing this policy.

" There are also growing facilities for normal management training within this country and in particular I would like to express our appreciation for the good work which has been done by the Administrative Staff College at Hyderabad. We are taking full advantage of the opportunities which that institution offers and several of our managers have already completed a course there.

Employee Relations

" Last year, I mentioned in my review the labour unrest early in 1960 at the Sahaganj Factory. Since then, I can report that labour relations there have been satisfactory. Established negotiating procedures have been followed, go-slow tactics have been discontinued, and discussions between management and workers have been fruitful, particularly in respect of increased productivity, with greater reward to our workers. I am hopeful that our relationships with our employees in both factories will continue to be good, and that our future problems can be satisfactorily solved in the constitutional framework that exists.

" We have worked towards building up a team spirit throughout our factory organisations, which will stand us in good stead in the future. Working and living conditions for our employees are regularly considered, and improvements have been made in welfare facilities and factory working conditions.

" I believe there is a growing realisation that the Company's achievements are attributable to everyone concerned—shareholders, management and employees, whether in the factory or the office. All are interdependent and the success and welfare of the Company relies on the contribution each one makes.

" I am sure that you will wish to join the Directors in extending their sincere thanks to all who have continued to give staunch and loyal service."

Note: *This does not purport to be a record of the proceedings of the annual general meeting.*

BIHAR CABLE AND WIRE INDUSTRIES

The public issue of the Bihar Cable and Wire Industries Ltd. will open for subscription on 1st May and close on 10th May or earlier but not before 4th May. The issue amounting to Rs. 7.81 lakhs, consists of 48,092 equity shares of Rs. 10 each and 3,000 7 per cent., tax free, cumulative redeemable preference shares of Rs. 100 each. Of the equity issue of Rs. 4.81 lakhs, the Directors and their friends have agreed to subscribe Rs. 60,920 (6,092 equity shares), so that the amount offered to the public is Rs. 4.20 lakhs (42,000 shares), the whole of which has been underwritten.

The Company has taken over two units, which have already schemes for producing cables and wires, located at Digha, near Patna in Bihar. The Khemka Cable Works will produce 24 million yards of rubber insulated cables upto 660 volts for domestic industrial electrification and 600,000 yards of welding cables required for the installation of heavy and light structural constructions. The major part of the construction of the factory has been completed, and the plant and machinery are expected to be delivered in about three months. The Bihar Wire Industries has two schemes, one for the manufacture of 1,500 tons of galvanised wire per annum and another for the manufacture of 700 tons of barbed wire and wire nails per annum. The latter unit is expected to go into production in about three months, while the galvanised wire unit is scheduled to commence operation in January 1962.

The Company proposes to increase its wire drawing and galvanising capacity from 1,500 tons to 12,000 tons. It has applied for an industrial licence and is in touch with foreign firms for technical collaboration. The capital outlay on the new project is estimated at Rs. 39.80 lakhs, which is to be met partly from public subscription and partly through loans from credit institutions, including a loan of Rs. 5.75 lakhs from the Bihar State Financial Corporation.

THE NEW IMAGE OF JOINT-STOCK COMPANIES

ITS ACCEPTANCE WILL RESOLVE EXTERNAL AND INTERNAL PRESSURES

By D. L. Mazumdar, I.C.S.

Secretary, Union Ministry of Commerce and Industry, Company Law Administration

IT is a commonplace of textbooks on the growth and evolution of the modern industrial society to describe the joint-stock company, or the corporation as it is called in some parts of the world, as the most important institutional innovation in the field of trade and industry, comparable in its impact and ramifications with the invention, in the relevant technological field, of the steam engine as a source of motive power. Yet to most seasoned businessmen and their professional associates, namely the practising company lawyers and accountants, the joint-stock company is only a convenient legal device for trade and industry to be carried on by men of enterprise and practical imagination with the help of resources provided by others not so clever or enterprising within a legal frame, which not only lays down the broad outlines of its constitution, but also prescribes an elaborate system of rights and liabilities, under which organisation, capital and labour are brought together in a particular form of relationship which, it is claimed, constitutes the essence of private enterprise.

In this view, Company Law is regarded, essentially, as a legal code for the formal systematisation of the structure and mode of operation of a special type of economic institution and of a complicated nexus of relationship which binds and holds together the different interests which enter into the formation and management of joint-stock companies. This has been the traditional view of the joint-stock company in this country, as, indeed, it was also so, in the industrially advanced Western countries of the world as, for example, the United Kingdom and the United States of America, till a few years ago. The new image of the joint-stock company, which has recently emerged in those countries is, however, basically different from this traditional picture. It is this image which I should like to present to you, as briefly as I can, for it seems to me that a similar image is slowly but as surely emerging even in our country, and it may not be the part of practical wisdom for any of us to ignore the signs of the times. It is not easy to develop this theme adequately within a short space of time, but, in order to fix your thoughts, I would start off by saying that what I have described as the traditional view of the joint-stock company presents a wholly inadequate image of this institution, in legal theory as well as in the perspective of history; and that, in any case, it hardly takes into account the realities of power and authority which the corporation exercises in the modern society. For myself, this hiatus between the traditional view of the joint-stock company and the sociological reality which it now represents is the most important single factor which renders its harmonious functioning in a disciplined social order needlessly difficult.

Legal Theory

So far as legal theory is concerned, I need hardly point out that the company has always been recognised as a body corporate, with a separate personality of its own. A joint-stock company, in law, is not "property" which belongs to anybody including the shareholders; for the simple reason that it is not capable of being "owned." As has been expressly stated by a distinguished English writer, "A company is self-owning, possessing a corporate personality, which expressly gives it the power to hold property and to engage in specific activities," but it cannot correctly be regarded as "property," and, therefore, strictly speaking, it is a misnomer to talk of the "ownership" of a joint-stock company, just as it would be a misnomer to talk of the ownership of the Port Trust of Calcutta or say, the Institute of Chartered Accountants. Believe me, this is no mere legal hair-splitting. The important practical consequences, which follow from this legal concept of the joint-stock company, have, in fact, been indicated in many judicial decisions in England and also in this country, although these decisions do not appear, so far, to have made any appreciable impact on the traditional image of the joint-stock company in this country, and have, I fear, done little to influence the behaviour pattern of those in charge of their management. And yet, if our practical businessmen would only read, mark and inwardly digest the far-reaching implications of the dictum of Lord Justice Evershed, now I believe the Master of the Rolls in England, in the famous case of Short Brothers decided in the English Court of Appeal as early as 1947, they will be able to see for themselves, however dimly, the new image of the joint-stock company which has already emerged. "Shareholders are not in the eyes of the law," said Lord Evershed, "part-owners of the undertaking. The undertaking is something different from the totality of its shareholdings." If this is the true concept of the joint-stock company in legal theory, even hard-boiled lawyers must accept the fact that the fundamental interest of the joint-stock companies is a matter which must be deemed to be the concern not merely of shareholders—much less only of the directors or the management—but also of the entire community. This is not to deny the vital stake of the shareholders in a joint-stock company or their paramount responsibility for its good management but only to underline a fact which has been always implicit in the legal concept of a joint-stock company, namely, that a company is essentially a partnership in the widest sense of the word, between the promoters, organisers, the shareholders and the wider community in which it functions and whose interest must be secured as much by its activities as the legitimate private interests of those who engage in production, distribution and marketing. The striking of this balance among the interests concerned is, indeed, the basis of the best modern company practice in all advanced countries of the world, but it is only in a relatively few countries, including, perhaps, ours—if I may say so with some pardonable pride—that the provisions of the law have recognised, albeit partially, the social implications of the realities of corporate personality.

Early History

I shall now hurriedly turn to history. Those of you who are students of legal or economic history will recall that the charters of the earliest joint-stock companies or corporations were not merely instruments to organise their internal management; instead they created what were, in effect, branches of public administration. The companies of the mercantile period, you will recall, were charged with the responsibility for commercial regulation and fiscal administration in particular spheres of foreign trade and were equipped even with military forces and their own courts of law. To an Indian audience, the constitution, authority and the activities of the East India Company have only to be mentioned to illustrate this statement, but the East India Company was only a prototype of many other similar joint-stock companies or corporations in other parts of the world, which were created by specific charters. Thus, the first charter of "the Company of Adventurers and Planters of the City of London for the first colony in Virginia" in the U.S.A. founded in 1606 vested in certain "loving and well-disposed subjects" of His Brittanic Majesty, Knights and Gentlemen, not only "the right to take up the part of the royal domain in America for a colony but to exercise in it some of the powers of the English Crown, including the creation and management of military forces and the coinage of money." It is unnecessary to multiply instances. What I am trying to emphasise is that the joint-stock companies or corporations of an earlier age were created as much for a public purpose, namely, to serve as a branch of public administration in some specific fields in specific geographical areas, as for carrying on commercial activities properly so-called. Historically, therefore, the joint-stock companies created by special charters were entrusted with duties and responsibilities, together with the requisite powers and authority, which sought to bring about an adjustment between the public and the private interests, as these concepts were then understood. To quote an acute student of American legal history: "The charters of the seventeenth century were instruments by which private persons served public purposes; nineteenth century charters tend more and more to become instruments, by which private groups used the franchise granted by the State to serve their private interests."

The great change in the basic relations between the public and the private interest in the control of the organised sector of the economy came with the abandonment of the special Acts of incorporation which were the principal instruments for the incorporation of joint-stock companies till the beginning of the nineteenth century, and the adoption in their stead of the general laws of incorporation, e.g., the first comprehensive Companies Act of 1862 in England on which the First Comprehensive Indian Companies Act of 1866 was based. A series of similar general laws was passed in the successive years. It was under these general laws of incorporation, which replaced the special Acts of incorporation of earlier periods, that the joint-stock companies, for the first time, acquired the authority to draw up their own constitution, to set up their own management structure and to regulate their working methods and practices in such manner as they liked, within the overall framework of the prevailing general law relating to the incorporation, management and winding-up of companies. This was in marked contrast to the provision of the earlier special Acts of incorporation, which invariably laid down the limits of these powers and the manner in which they were to be exercised in relation to the State. It was this historical change which, again, made it possible for the promoters, organisers and the management of joint-stock companies, for the first time, to define for themselves the basic values underlying corporate activities without any guidance or control from the State as in the special Acts of incorporation in the earlier centuries.

Assumptions Reassessed

While these historical stages in the development of Company Law in the Anglo-Saxon countries are known to most students of legal and economic history, it is unnecessary to comment, in this context, on the underlying political, economic and social changes which brought about this development. I would, however, pause for a moment, at this point, to draw attention to one aspect of this historic development, which has been overlooked even by many serious students of legal history or mercantile law. This development, it will be recalled, coincided with the period of mid-Victorian liberalism, which held, more or less, its uninterrupted sway right upto the beginning of the twentieth century. This was also a period of rapid growth and expansion of corporate enterprise. That is why, during this period, the need for an adjustment between the basic private values underlying corporate enterprise and the fundamental values of the society in which corporations functioned was not readily felt and was therefore ignored. A change was, however, already in the offing. The great moral, spiritual and intellectual ferment, sparked off by the First World War and its aftermath, led to a prolonged and sustained mood of introspection all over the West. This necessarily led to a re-assessment of the fundamental assumptions and postulates underlying all significant social institutions, including joint-stock companies. The view was widely and increasingly held that, if the system of private enterprise as operating in the organised sector of the economy was to be preserved, strengthened and developed in the years to come, the existing internal and external tensions which impeded its growth and expansion must be removed. This, it was felt, could be firmly ensured only if the basic values underlying joint-stock enterprises could be integrated with the fundamental values implicit in the concept of the public interest, and, if the former were enabled to function in continuous harmony with the social environment in which they operated.

Recognition of this fundamental fact by the practitioners of trade and industry was understandably slow to come. For ideas, as much as life in the biological world, must go through their periods of gestation! However, shortly after World War II, and, indeed, as a consequence of the further stirrings of thought provoked by it, a rapid change came over the thoughts of many of the most seasoned businessmen in the U.K. and the U.S.A. To cut short a fascinating story in the post-war development of ideas on this subject, it would suffice if I

reproduce two representative extracts from the writings of two distinguished students of the contemporary corporate scene in these countries. Commenting on the formal recognition of their social responsibilities by businessmen in the United States of America shortly after World War II, one American observer said:

"Prior to World War II, much of their social thinking had been reflected in attacks on the New Deal and on organised labour, with strong feelings of persecution and bitter resentment against the authors of new restrictions. Nevertheless, the experience of the thirties combined with world-wide tendencies towards social control and socialisation of business, has led businessmen to think deeply about the condition which must be met if the private enterprise system is to continue as the basic economic organisation in this country.... It is only within the past few years that large numbers of business leaders have publicly acknowledged and actively preached the doctrine that they are servants of society and that management merely in the interests of stock-holders is not the sole end of their duties. Indeed, discussion of the 'social responsibilities of business' has become not only acceptable in leading business circles but even fashionable."

and again,

"In keeping with the businessman's production-oriented economics, he regards his primary responsibility to be the achievement of ever-expanding production. This calls for operating efficiency, research, incentives to workers, productivity, growth of capital, aggressive sales promotion, and low prices. In achieving the goal of increasing production, the businessman regards the making of a profit as his first and foremost duty. To him a profit is a house of cards. It cannot grow or provide more jobs or pay higher wages.... Having laid down this general principle, a considerable number of businessmen, however, express the view that the directors of a corporation are trustees, not alone for stock-holders or owners, but also for workers, suppliers, consumers, the immediate community, and the general public. According to this view, the board of directors should serve as a mediator, equitably balancing the legitimate interests of the several principal beneficiaries of corporate activity. The duty of the directors is to see that the interests of each group are fully recognised and protected."

In the list of progressive businessmen, the author includes the heads of many well-known American business houses, for example, the then Chairmen of the General Electric Company of U.S., the General Foods Corporation, etc.

Thinking in U.K.

A similar shift of thought was equally noticeable in thinking circles in the U.K. Many of you may recall the path-breaking book on *Ideals and Industry*, by the late Samuel Courtauld (of the famous House of Courtaulds) published in 1949, which made a profound impression, at that time, even on the most conservative and orthodox business circles in the U.K. I would not go into recent developments in that country, but would cite only a few comments by a well-known English writer as follows:

"Industry in the twentieth century," he comments, "can no longer be regarded as a private arrangement for enriching shareholders. It has become a joint enterprise in which workers and management, consumers, the locality and Government, all play a part. If the system which we know by the name of private enterprise is to continue, some way must be found to embrace the many interests which go to make up industry in a common purpose....

"A nation's institutions are the practical outcome of its prevailing philosophy, whether that philosophy is consciously held or not. We English take pride in our pragmatism and capacity to improve, and justify our confidence by the appeal to history. Our capacity to 'muddle through' is proverbial.... But we must not assume from this that we can safely leave our institutions to grow by themselves. Sir Henry Maine, in his now classic book *Ancient Law* has shown that, in progressive societies the formulation of social purpose in as precise a legal form as possible is essential to further social growth. Without it, democracy becomes impossible. Democracy can exist only when law is codified and written, and the greater or less happiness of a people depends on the degree of promptitude with which the gap between social opinion and law can be narrowed."

This observation, I need hardly add, was made not before but after the English Companies Act of 1948 was passed into law. The Report of the Cohen Committee in England on which the English law of 1948 was based was, unfortunately, completely untouched by the post-war developments in thinking on the role of joint-stock companies in the modern society, and, therefore, throws up an image of the joint-stock company which is basically unrelated to the realities of corporate authority, power and responsibility. Fortunately for England, in this, as in many other fields of English life, the hiatus between law and life has been largely bridged by the high average standard of corporate practice and corporate behaviour, on the part of the leaders of trade and industry in that country, much above the minimum standards laid down by the English law—a fact which the admirers of English ways and methods in this country do not always remember to emulate in practice.

In India

So far as our own Company Law is concerned, this is not the occasion to comment on the philosophy or the basic purposes underlying it, or to hazard any views on the success of its attempt to give shape and form, however, clumsily it may be, to the new image of joint-stock companies. I would, however, like to record for your information that, in course of my many discussions in the U.K. and the U.S.A. with learned and discerning students of the yet unexplored borderland of mercantile law, politics, economics and sociology, I have discovered that, while many detailed provisions of our laws have necessarily come as a surprise to many of them, they have had no difficulty in recognising the central fact that we, in this country, are striving, in our own way, to create the same new image of joint-stock company in this country, as has already emerged in other countries, may be more through rules and regulations based on them rather than through the example of enlightened business leadership on a large scale. In saying this, I need hardly add that I am referring to the views of those who, by study, training and experience, are capable of taking a global view of law in relation to the life which it seeks to regulate, and not to the views of the practitioners of the market place from those countries, who come over to us from time to time as consultants or experts to advise us on many matters, but who have not had the training or understanding to grasp the essential relativity of economic institutions and the varying role of laws in their application to such institutions.

In conclusion, I feel very strongly that, unless all of us, who are concerned or connected with the corporate sector in this country, and wish it well, recognise the new image of joint-stock companies which is slowly emerging at a distance, we shall never attain the heights which the organised private sector of this country is fully capable of reaching. I shall spell out my reasons for arriving at this conclusion:

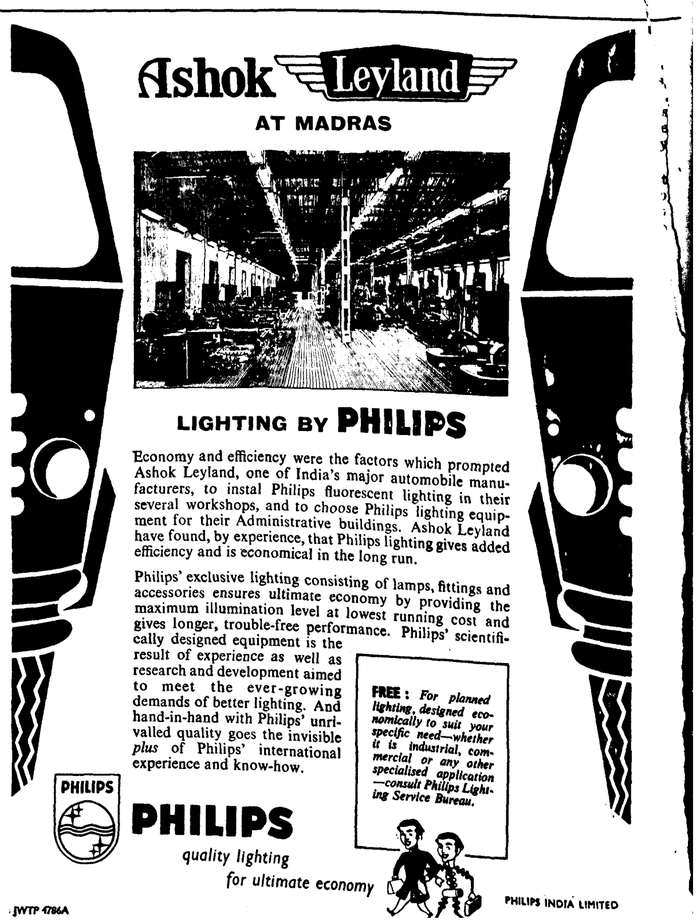
1. In the first place, as I view the corporate scene in the present and in the near future, it is the willing acceptance of this new image of the joint-stock company by all concerned that alone, it seems to me, can resolve the internal and external tensions to which our present-day joint-stock enterprises are inevitably subject, and which cannot be effectively eased by any other means.

2. Secondly, it is my belief that the acceptance of this image will enable the business community to find meaning and significance in many of the detailed provisions of the basic law relating to joint-stock companies, which now appear to them mostly as frustrating irritants, and thereby help them not only to be in tune with the social environment around them but also to further the accepted basic values of the society, while they promote their own business interests.

3. Thirdly, the recognition of this new image by the business community at large will, I feel confident, add new dimensions to the existing inadequate and somewhat perfunctory inter-relations between the accredited organs of trade and industry and the agencies of the State, thereby helping the former to make much deeper and more effective impact on the formulation and execution of our national policies.

When corporate methods and practices are impregnated with the basic values underlying the country's accepted social and economic policies, the conflict of the sectors will disappear. For a healthy body is always unconscious of the functioning of its limbs; it is only disease that makes us think of them!

Note: This article is adapted from a talk given to the Rotary Club of Calcutta on 11th April, 1961, by the author.



TRENDS IN WORLD TEXTILE TRADE
MORE COUNTRIES EMERGE AS COMPETITORS

From Our Special Correspondent

MANCHESTER, 18*th April*

MANCHESTER LETTER

EXPANSION of world trade in cotton cloth, already noted in 1959, continued in the following year and, as has already been mentioned, exports improved by about 11 per cent. In man-made fibre fabrics, total shipments last year were about the same as in 1959, after a two-year fall from the record level in 1957. Such are the basic details of the situation, but, when the part played by individual countries is investigated, some intriguing features are disclosed. The following table shows the comparative figures of shipments during the past two years from the leading exporting countries, extracted from the Cotton Board's quarterly summary and adjusted in some instances on the basis of performances in the earlier months of 1960:

(In million yards)

	1960			1959		
	Cotton	Rayon	Total	Cotton	Rayon	Total
U.K.	327.1	54.4	381.5	347.4	63.8	411.2
U.S.	435.5	158.7(a)	594.2	472.7	167.3	640.0
Japan	1,424.6	1,066.7	2,491.3	1,263.0	1,051.1	2,314.1
India	721.3	44.5(b)	765.8	850.2	19.6	869.8
Holland	340.0	80.4	420.4	303.4	86.4	389.8
France	521.1	140.6(a)	661.7	406.2	148.5	554.7
Germany	280.3	211.1(b)	491.4	242.7	218.3	461.0
Italy	114.4	195.4(b)	319.8	90.5	152.2	242.7
Belgium	276.4	92.8(a)	379.2	217.7	99.3	317.0
Hong Kong	306.9	31.2(b)	387.1	285.2	29.0	264.2
Portugal	180.2	3.0	183.2	123.7	2.4	126.1
Switzerland	63.0	29.1	92.1	64.5	80.9	105.4
Spain	183.8	27.5(c)	211.3	67.7	29.6	97.3
Pakistan	93.9	..	(c) 93.9	42.0	..	42.0
Poland	83.4	..	83.4	40.6	..	40.6
Czechoslovakia ..	146.8	..	(b) 146.8	137.5	..	137.5

Estimated on basis of (*a*) 11 months, (*b*) 9 months, (*c*) 6 months.

A year ago, the rise of France as an exporter of cotton goods was pin-pointed as the major development of 1959. Again the same country deserves first mention for its continued improvement, which has now lifted it to third place in the "Top Ten" table, whether the figures are based on exports of cotton goods only, or the combined total of cotton and man-made fibre fabrics.

A further dwindling of some 30 million yards in Lancashire's exports of cotton and allied goods meant another fall in the table last year, allowing Holland to step up into sixth position, after Japan, India, France, United States and Germany. In shipments of cotton goods alone, the United Kingdom dropped back a place—again to Holland—while Hong Kong has moved ahead of Germany as a cotton cloth exporter.

The number of countries shown in the table has been increased owing to the strides made by several areas in disposing of more textiles abroad. In particular, Pakistan, Poland and Czechoslovakia have entered the lists as competitors on an international scale; the first two countries have more than doubled their 1959 level of shipments.

Even more remarkable was the big offtake recorded by Spain in the first half of 1960. On an annual basis, the rate of shipments exceeded 200 million yards and the complete figures for the year, when available, will be viewed with interest. It is known that nearly 60 million yards of Spanish cotton grey cloth were received in British ports last year and there is no evidence that the rate of purchasing has recently declined.

A Necessity of Life

One of the aspects in dealing with the extensive arrivals of foreign goods into British ports which received considerable prominence when the phenomenon first arose was the effect of undue dependence on overseas purchases in times of emergency. Although international political trends are perhaps a little more settled than some years ago, this particular viewpoint has not received quite as much emphasis in recent discussions on the topic.

Mr. J. F. Simpson, Chairman of Simpson and Godlee, however, touched on the subject when he addressed a Canadian textile conference at Montreal earlier this year. Describing the three basic necessities of life as food, houses and clothes, he commented that building was firmly based at home and that it was difficult to imagine a state of affairs where supplies for the building industry were at the end of a 10,000-mile pipeline. "Why then cannot the same attitude of mind be brought to bear on the [illegible] industry?" he asked. "Why should Government after Government stand on one side and allow their home markets to be swamped by floods of garments from low-cost countries? There is only one effective method of dealing with this and that is by quota."

Under modern conditions and shift-working, the labour element in a pound of 30s American yarn, in the most up-to-date British mills, is as low as 9 per cent and in a yard of standard drill is 11¾ per cent, Mr. Simpson added. If labour costs in the East are roughly half those of the West, the price is only 4½ per cent higher than Eastern competitors. The gap between Western and Eastern wage rates, he continued, was closing and in any event, the difference between Japan and Lancashire is only the same (in an opposite direction) as that between Lancashire and the United States or Canada. On this basis, he believed there were grounds for hoping that the difference between Eastern and Western prices of grey cloth might be materially reduced over the next ten years.

The labour content in printing, however, Mr. Simpson continued, was higher, ranging around 30 per cent, dependent on the length of run. In engraving, it was a great deal higher, and in garment-making higher still. "I do not see how the Western industries can survive a free-for-all uncurtailed assault from the East on finished goods and I equally do not see why any Government in its right mind can blandly stand by and let that happen."

"Blind Faith" in the Future

Mr. Simpson expressed his conviction that, in made-up goods, the Government must act sooner or later. Hong Kong should not be encouraged to put up factory after factory in the blind faith that the Colony could for all time export uncontrolled quantities of apparel goods to the Western countries. Saner counsels prevailed in Japan, where the danger had been recognised of having too much of the national economy tied up in one particular industry.

Summing up his ideas on whether the Western textile industry can survive the challenge of their competitors in the East, Mr. Simpson said that he believed they could, not only because it would be political madness if these traditional industries were allowed to dwindle and die. "They will need protection by quota for some years, while re-equipment and reorganisation, particularly in Lancashire but also in Continental countries, goes on," he added. "Inter-industry talks should be encouraged and given Government support." Policy, he contended, should be conducted on a "live-and-let-live" basis, with a view to making the textile industry "a better financial bet for the investor, a securer job for the worker and a bit less of a permanent headache for the directors and management."

A forecast of further overseas expansion by Manchester textile engineers Mather and Platt Ltd. was given by Chairman Mr. William L. Mather in his "maiden" speech to the annual meeting. Warning of a tougher fight ahead in the drive for export sales, he told stockholders: "Even to retain our existing markets, overseas manufacture for all but the most specialised equipment is gradually becoming essential. We shall, therefore, require capital for overseas developments."

With world-wide export sales to their credit Mather and Platt are going all-out to boost their century-old trading links with Russia. Cost of the Company's stand at the British Trade Fair in Moscow this spring may be £30,000. Globe-trotting Mr. Mather, who took over the chairmanship a year ago, suggested that a part of the cost of overseas trade displays should be met by the national economy. "The success or failure rebounds to the national reputation and indirectly affects large numbers of firms who do not exhibit," he said.

European Unity Ahead?

Industrialists in other countries can hardly ignore the progress of the experiment in national collaboration arising from the concept of the European Common Market. Development of "The Six," containing the major cotton textile manufacturing areas on the Continent, has not escaped "growing pains" in the course of the initial stages of the venture but, according to reliable sources, there are signs that many of the problems are being successfully ironed out. Surplus capacity and obsolete machinery were the major factors influencing decisions in France, Italy and Belgium when the Common Market was instituted. In the meantime, the situation has altered as re-equipment has progressed; currency changes have also played their part in averting any clash between the textile industries in the respective countries.

An assessment of the position, undertaken by a Director of Political and Economic Planning, the independent research organisation, makes it clear that the introduction of modern equipment does not necessarily mean that production per worker will automatically increase. In Italy, despite the much wider installation of automatic looms, which are said to represent over 70 per cent of weaving capacity, single-shift working remains the general rule, resulting in actual utilisation of equipment of only 60 per cent.

Shifts in Overseas Markets

An even more fundamental issue facing the Continental cotton trades, no less than Lancashire, is the impact of arrivals of goods from countries whose economic circumstances are entirely different from those of the Western world. These include the low-cost producing areas of the East, as well as the State-controlled economies of the Communist-dominated bloc. Britain and Western Europe, prior to the first world war, provided more than 90 per cent of international exports of cotton cloth. The comparable total today is around 35 per cent, while Asiatic countries have gradually absorbed up to 45 per cent of the world market. Meanwhile, fabrics produced from man-made fibres have stepped up their competition with those manufactured from natural growths. One of the most important decisions made by the cotton trade associations of "The Six" is to ban the re-export of finished goods made from imported cloth with the Common Market area. Frequent references have been made to the concern expressed by European textile manufacturers about the possibility of Britain's entry into any Continental trade alliance, because of the door which might then be opened to a freer flow of such goods within Europe.—*All Rights Reserved.*

BANKERS

It will pay you to consult us

FOR YOUR

★ CHEQUES ★ SHARE CERTIFICATES
★ DEMAND DRAFTS ★ LEDGERS
★ PAY-IN SLIP BOOKS ★ PASS BOOKS
★ LETTERHEADS ★ ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS
CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

RAYON INDUSTRY MAKES PROGRESS

NOTABLE RISE IN YARN AND FABRICS OUTPUT

THE trend of consumption of textiles is such that it can be reasonably stated that rayon and other synthetic fibres will be required to meet a large part of the increasing demand for textiles in India in the coming years. This possibility, if not established fact, underlines the urgency of intensified research and other scientific work. It is to carry out such work that the Silk and Art Silk Mills' Research Association was sponsored by the art silk industry. Since its inception about three years ago, the Association has been endeavouring to direct, through its Institute at Worli (Bombay), research towards the investigation and improvement of raw materials used in the manufacture, weaving and wet-processing of silk and man-made fibres and fabrics, the development of machinery and appliances used in the industry, and the improvement of manufacturing processes for greater productivity. One of the important divisions of the Association is entrusted with the task of helping the industry to introduce quality control methods. These methods will, as Mr. W. R. Natu, Textile Commissioner, stated while inaugurating the Statistical Quality Control (S.Q.C.) course organised by the Association on Tuesday the 18th inst., ensure higher production, improvement in quality and lower costs. How important is the subject was well brought out by Mr. D. N. Shroff, President of the Association. He said:

"In these days of competition in the home and foreign markets, the importance of quality and cost needs no mention. Better quality at lower cost should be the slogan to permit us to stand the competition. This can be done by studying the cost structure at various stages of production and finding out the causes for higher costs. S.Q.C. methods aim at reducing the cost of the finished product by reducing the waste and rework and by improving efficiency. This results in standardising the production processes, working methods and ultimately the quality. . . . Quality control can be made fully effective only when persons at all levels are made quality and cost-conscious. This can be done by drawing up systematic training programmes in quality control within the mills."

The Silk and Art Silk Mills' Association was formed in 1939 with a meagre membership of 16 mills controlling 2,000 looms. It has since grown into a large body having 240 members together accounting for over 20,000 looms. The total number of units known to exist in the weaving sector is 3,883, having in all about 50,000 power-looms capable of producing 900 million yards of art silk fabrics on three-shift basis. Besides, approximately 45,000 handlooms are said to be weaving exclusively man-made fibre fabrics and an additional 51,000 produce mixed fabrics.

Progress in Second Plan

The progress achieved by the rayon industry has been phenomenal, particularly since the commencement of the second Plan in April 1956, as will be seen from Table I at the bottom of this page. The actual output of rayon fabrics in 1960 was 413.67 million yards. Though this is just 13.35 million yards more than the previous year's production, it represents an appreciable rise of as much as 170.67 million yards as compared with the production of 243.00 million yards in 1955. The improvement in fabrics output must be attributed to the significant rise in the quantity of rayon yarn spun, from a bare 15.17 million lbs. in 1955 to more than 45.68 million lbs. in 1960, or an increase of 30.51 million lbs. Practically the whole of the increase is accounted for by viscose yarn, the actual output of which has gone up from 12.84 million lbs. to 41.44 million lbs. The production of acetate yarn has improved by only 1.91 million lbs., from 2.33 million lbs. to 4.24 million lbs. The staple fibre yarn output has also gone up in the past five years; it amounted to 43.83 million lbs. in 1960, as against 28.02 million lbs. in 1955. The rise followed a considerably higher production of staple fibre, being 48.01 million lbs., as against 12.58 million lbs. Additional capacity has been licensed for 8.00 million lbs. At present, only one unit is producing staple fibre, that is, the Gwalior Rayon Mills at Nagda.

The notable rise in the production of rayon yarn has been rendered possible by the marked expansion in installed capacity. The total annual capacity is now of the order of 52.82 million lbs. (1960), as compared with 20.96 million lbs. in 1955. The expansion is entirely accounted for by the viscose sector the capacity of which has risen from 16.93 million lbs. in 1955 to 48.79 million lbs. in 1960, whereas the acetate yarn capacity has continued unchanged at 4.03 million lbs. Five units are engaged in the production of continuous filament viscose rayon yarn and one each in acetate yarn and cellophane.

The existing capacity of 52.82 million lbs. and the additional capacity licensed but not yet installed together come to 83.60 million lbs. In addition to viscose and acetate rayon yarn, licences have been issued for the setting up of factories to produce nylon, tyre cord and cuprommonium yarn; the licences cover a total capacity of 27.45 million lbs.

On the basis of the foreign exchange commitments allowed, the rayon and staple fibre industries are expected to achieve an installed capacity of 140 million lbs. by 1962-63. Expansion of these industries is envisaged up to 215 million lbs. in the third Plan. Considerable importance has been attached to the phasing of investments in the two industries, preference being given to the expansion of wood-pulp manufacture *vis-a-vis* further rise in the output of synthetic filament.

Yarn—Different Deniers

The production of the different deniers of art silk yarn and staple fibre yarn during 1960 is given below, figures in brackets relating to output in 1959.

(In thousand lbs.)

ART SILK YARN: *Viscose:* 75 Bt. 46 (11); 100 Bt. 3,902 (2,166); 120 Bt. 21,340 (16,184); 120 Dull 3,065 (2,228); 150 Bt. 12,097 (11,356); 150 Dull 167 (170); 300 Bt. 540 (679); others Bt. 284 (260); Total 41,441 (33,054).

Acetate: 100 Bt. 74 (15); 120 Bt. 938 (711); 120 Dull 226 (120); 150 Bt. 1,743 (1,228); 150 dull 493 (439); 300 Dull 691 (579); Others Dull 78 (77); Total 4,243 (3,169); Grand total 45,684 (36,223).

STAPLE FIBRE YARN: Upto 10s 122 (130); 11s-20s 3,528 (4,669); 21s-30s 2,263 (2,619); 31s-40s 3,538 (4,375); Above 40s 875 (733); Total 10,327 (12,526).

Note:—Bt.=Bright.

To the extent indigenous yarn production rises, there will be a saving of foreign exchange which would otherwise be spent for buying yarn abroad. The total value of art silk and staple fibre yarns imported during 1960 was Rs. 10.89 crores, the quantity involved being over 42.39 million lbs.

An idea of the more important varieties of art silk fabrics produced during the first eight months of 1960 and 1959, as well as in the whole of 1959, can be had from Table II.

The annual production of the art silk weaving industry on the basis of three-shift working is estimated at 900 million yards. Since the capacity is claimed to be more than what is actually required to meet internal consumption and export demand, no expansion is being allowed. It may be noted here that exports of art silk fabrics during 1960 aggregated about 16 million yards, valued at Rs. 3.30 crores. The export promotion scheme providing for incentive imports of art silk yarn, spares, etc., introduced in July 1959, has been continued. Provision has been made in the scheme for compulsory pre-inspection of fabrics intended for export. This is a welcome step, but, at the same time, it must be said that inspection of products, if it is to be really effective, should take place at all levels and not at the final stage only. What is wanted is, as Mr. Natu rightly emphasised, inspection all along the line from factory and, beginning with production process and cutting across every stage of departmental processing, to the final stage when the goods reach the shop window or are exported overseas.

EXCISE ON RAYON YARN

It is said that the question of sharing the burden of enhanced excise duty on rayon yarn between the spinners and weavers has been settled. The reported decision is that the increase should be borne by both spinning and weaving units in the proportion of 60 and 40 per cent, respectively. The credit for this compromise is given to the Textile Commissioner who held discussions with the representatives of the two sectors in Bombay some three weeks ago.

In the Central Government budget for 1961-62, presented on 28th February, it will be recalled, the excise duty on rayon yarn was raised by 66⅔ per cent—from Re. 1.80 to Rs. 300 per kilogram for yarn below 75 deniers, Re. 1.35 to Rs. 2.25 for 75-100 deniers and 90 nP to **Re. 1.50 for yarn** above 100 deniers. **The additional burden was** immediately passed on by the spinning units to the weaving mills in the form of higher prices for yarn supplied by them. The weaving interests protested vehemently against this action and urged the Government to see that the spinning mills themselves bore the entire incidence. They argued that the additional excise duty on indigenous yarn production, together with higher import duty on foreign yarn and increased excise on fabrics, would considerably affect the weaving industry, especially in small-scale units, which had already been subjected to great strain as a result of difficulties in obtaining raw materials, high prices at which it secures them, heavier wage bill and increased cost of machinery, etc.

It may be true that the cost of production in the weaving industry, just as that in several other industries, has gone up recently as a result of the factors mentioned above and that the additional tax burden has inflated the cost further. But it would be wrong to argue that the rayon yarn spinning sector should not pass on the burden of enhanced excise duty to the weaving mills. For the spinning sector, too, has been suffering from the impact of higher production costs. It is calculated that the cost of spinning one pound of yarn (2.2 lbs.=1 kilogram) now is higher by as much as 27 nP as compared with that three years ago. Notwithstanding the increase in cost, the spinning sector has continued to sell yarn at the same prices which were fixed voluntarily in April 1948 under a gentleman's agreement. This sector is also under the obligation to sell yarn to the weaving units on the basis of quotas fixed by the Textile Commissioner's Office every quarter.

The weaving units, however, complain that they have experienced great difficulties in obtaining their supplies of yarn from the indigenous spinners, in spite of the distribution system. They further allege that the spinners are selling yarn in the open market at unduly high prices and that even the ex-factory prices of yarn are so fixed that the spinners are making substantially large profits. To substantiate this contention, the following figures are cited:

(Rs. per kilogram)

Denier of yarn	Latest available open market rates*	Ex-factory price of indigenous yarn (f.o.r.) Bombay†	Price of imported yarn (c.i.f.)
100 Bright	15.40	9.40	5.84
201 "	14.92	8.60	5.05
150 "	13.55	7.90	5.05
120 Dull—I	16.15	8.85	6.18

* The rates are for B grade yarns produced by National Rayon Mills, Bombay.

† Exclusive of import duty. The rate of duty is Rs. 4.25 per kg., including the countervailing import duty rate of Re. 1.50.

While the weaving units attribute the wide difference between the ex-factory price and the actual market rates, our inquiries in responsible circles reveal that the difference is due largely to the sales of yarn at high prices by several weaving mills which, it is pointed out, find it more profitable to sell the yarn purchased against quotas in the open market, instead of using it themselves for producing fabrics. The weaving sector admits that some units do sell yarn in the open market, but point out that the sales represent only disposals that are followed by subsequent replace-

(*Continued on page 824*)

TABLE I

Production of Rayon/Staple Fibre Yarn and Fabrics

	1960	1959	1958	1957	1956	1955	1951
Rayon yarn ('000 lbs.):							
Total	45,684	36,223	33,598	24,986	19,849	15,165	5,426
Of which:							
Viscose	41,441	33,054	29,510	21,388	16,682	12,837	5,426
Acetate	4,243	3,169	4,088	3,598	3,167	2,328	..
Rayon fabrics ('000 yards)	413,666	400,318	328,451	279,000	296,000	243,000	176,000
Staple fibre ('000 lbs.)	48,013	44,852	30,872	17,652	17,423	12,578	..
Staple fibre yarn	43,828	39,595	36,944	36,418	43,957	28,021	23,949
Of which quantity produced by:							
Cotton mills	33,501	27,069	26,419	34,660	43,957	28,021	23,949
Purely staple fibre units	10,327	12,526	10,525	1,758*	N.A.	N.A.	N.A.
Staple fibre fabrics produced by cotton mills ('000 yards)	3,017	3,607	4,703	4,617	6,782	5,704	14,190

N.A.=Not available. * October 1957–December 1957 only, as the previous months' figures are not available.

TABLE II

Varieties Produced

(In thousand yards)

	January-August		Whole of 1959
	1960	1959	
Taffeta	18,363	20,890	27,757
Georgette	5,959	6,637	9,245
Crepe	36,033	38,751	54,267
Shiose	4,876	6,181	10,084
Satin	16,345	19,890	25,958
Velvet	1,318	1,807	2,565
Others	177,596	187,101	270,442
Total ..	260,390	280,857	400,318

PRICE LINKING FORMULA FOR SUGAR

SUGAR-CONTENT OF CANE MUST BE THE MAIN DETERMINING FACTOR

VER since the commencement of the policy of fixing minimum prices for sugarcane as back as 1934, more particularly after the so- ed price-linking formula was mooted in 1953, een controversy has been going on between two sections of sugar industry, namely, mill- ners and cane growers. The representatives growers have gone on accusing the sugar ls of making large profits without suitably ring them with those who supply cane, ereas the spokesmen for the mills have been erting that the prices they are required to for the cane bought by them are considera- high, having regard to the low sucrose con- t of cane. The controversy would have been ided but for the powers-that-be who it is that e allowed political considerations to deter- ie the price. Mr. K. R. P. Aiyangar, Chair- n of the Tariff Commission, certainly put the ger on the right spot when he declared, in speech at the public inquiry in connection h the sugar price-linking formula at Bombay Friday the 21st inst., that persistence in cer- n wrong analogies has not only made agree- at between cane growers and crushers more icult but also left the door open to claims the other interests concerned in production, labour, and that, amidst all this contro- sy, only the consumers' interests appear to e mainly suffered.

The basic minimum prices of cane currently force—they have been continued in the ensu- season (1961-62) also—are Re. 1.62 per maund delivery at the gate of the factory and 1.50 for cane delivered at outstation produc- stations connected by rail. There is no ional basis whatever for fixing prices at se levels. Neither the cost of cane cultiva- n nor the estimated return to the grower if converts his cane into brown sugar (*gur* and *ndsari*) has been taken into account. Nor the prices of cane governed by the three er vital considerations: (1) quality of cane, probable estimated return to the grower m alternative crops, and (3) parity prices of portant articles of consumption for the cane wer such as foodgrains, cloth and kerosene. minimum prices fixed are very high, ac- nting as they do for as much as 50 per cent the actual cost of making sugar. A recent dy conducted in the Meerut and Muzaffar- gar districts of Uttar Pradesh, as quoted in a cial article which appeared in these columns weeks ago, showed that the cost of pro- tion (including wages for family labour, ned bullock labour, interest on fixed capital l rent for the owned land, per maund of arcane in 1954-55 was only 69 nP, as against minimum price of Re. 1.44 that was then vailing. This worked out to a return of 209 cent over the expenditure incurred, whereas corresponding return on irrigated wheat was y 129 per cent, the return and expenditure acre being Rs. 210 and Rs. 163, respectively. the sugarcane growers were also to receive same rate of return, the price of sugarcane uld have been fixed somewhere around 89 nP.

Cane Area Expands Markedly

In view of the high profitability of raising arcane thus, it is not surprising that there been a substantial increase in the area de- ed to cane. The total area under cane in two States of U.P. and Bihar during 1959-60 s 3,360,000 acres, as against 2,273,000 acres in 3-54, representing a rise of nearly 50 per cent r six years. Following the rise in acreage, quantity of cane harvested has also e up from 23.32 million tons in 1953-54 38.55 million tons in 1959-60. But the ality of cane grown has not only not proved but has actually suffered a set- k for the simple reason that the culti- or, since he is assured of a minimum ce linked to weight only, has not bothered grow the varieties of cane with higher rose content. The average recovery per cent sugar in cane has declined from 9.87 in 3-54 to 9.68 in 1959-60 in U.P. and from 10.05 9.43 in Bihar.

As if the minimum prices were too poor, cane growers clamoured for a share in the gar mills' profit and the Government conceded demand. And so came the price-linking rmula. The formula, it has been said, does promote cane yield per acre or production better quality cane giving a higher recovery of sugar. It has merely encouraged growth of cane acreage without regard to quality or yield of cane and even in areas not best suited for it. This policy also ignores the interests of the consumer, since an increase in the price of cane irrespective of the recovery factor merely tends to raise the price of sugar. The sugar industry is quite justified in contending that the formula is one-sided and inequitable, in that, while it entitles the cane growers to a share in mills' profit, it does not impose any obligation on them to share the loss, if any, arising from a fall in the quality of cane.

Cost of Cane Cultivation

Drawing attention to these contentions, Mr. Aiyangar observed:

"The manufacturing cost of sugar has been fully gone into by us (Tariff Commission) and, on the basis of regional schedules suggested by us, Government have approved this basis for fixing the price of sugar. This represents a fair price to the sugar industry. A similar costing has not, however, been attempted in respect of cane prices. The data we have received in this connection show extreme variations. Even the inquiries by experts have not shown reasonable agreement as to cost estimates for cane production in different areas. The statutory *minimum* price so called is, however, also the *fair price*, since Government, when fixing it, keeps in mind all the factors laid down in the relevant notification. While the purpose of enforcing a *minimum price* is that, over wide areas and for the majority of cultivators, the price fixed would give an adequate return comparable to what the cane grower gets from alternative crops, this feature marks it out also to be a *fair price*.

"Responsible opinion appears to hold that, even in the controlled areas where cane yield is low, the present statutory price gives to the cane growers a margin of return which compares favourably with that from alternative crops. It has, therefore, been contended that the price-sharing formula should apply only to the *extra* realisation, if any, of a producer over the statutory prices fixed on our cost schedules. As it partakes of a profit-sharing character, it should as such be subject to all such equitable cost incidents, fiscal and other items that fall on the person making a profit. On this basis, it would be anomalous if cane growers claim to share only in the extra earnings or profits but not in any loss incidental to fall in recovery, due to poor quality of cane, or refuse to allow the producer any fiscal or other cost incidents not specifically included in our cost schedule. This could be defended only in a scheme where the cane price is a *bare* or basic price payable by all consumers and not the vacuum pan factories only which consume less than one-third of the all-India output of cane."

A main factor that has prevented the enforcement of the statutory price-linking formula, to which Mr. Aiyangar alluded, is that it is complicated and difficult of application. As the *net* price realisation per maund of sugar can only be accurately known after the year's accounts are closed, its benefits cannot be derived by the cane growers immediately. Further, where there is no mutual confidence among growers and producers, the results based on such accounts are apt to be challenged thus delaying final settlement of deferred payment. The formula has also created a sharp division of opinion on what should be the fair share of the grower and what are the legitimate cost incidents of the crusher that should be allowed before determining the profit to be shared with the grower.

Bold Step Needed

Considering all the complexities and the inequitous nature of the price-linking formula, it would be better if a bold step is taken to link cane prices to the recovery percentage and duration factors applicable to a factory, as has been suggested by the U.P. Co-operative Cane Unions Federation. Referring to this suggestion, Mr. Aiyangar said: "Some experiments carried on by the Central Sugar Institute about evaluation and control of cane at certain selected centres in widely separated regions shows that an equitable system of fixing of cane price on sugar-content basis can be evolved and will prove more acceptable to the understanding grower than the so-called sharing or linking formula."

If the above suggestion were accepted, there would be no need at all for any controls on prices of either sugar or cane, excepting a minimum price, as in the case of cotton, which would operate only if and when there is to be a slump. The forces of demand and supply can be safely trusted to establish equilibrium prices for both the raw material and the finished product. This aspect has to be specially stressed in the context of the present situation when the main problem facing the country in regard to sugar is a large surplus produced at a high cost. This, as Mr. Aiyangar aptly remarked, is a burden to the domestic consumer and inhibits a sizable growth of internal demand, not to speak of the inability of Indian sugar to compete in world markets. To quote him again:

"While more production of cane, ensuring a long crushing season, and supply of quality cane with better recovery would redound to the advantage of sugar mills which they may be called on to share with growers under any linking formula, any such sharing will give only a marginal benefit compared to the basic price of cane itself. Better return from cane can only accrue from intensive cultivation of quality cane in suitable areas without needless diversion from other crops and by attaining better yields. Poor yields of cane in the largest growing areas of India, which also account for the greater part of our sugar output is at present the basic difficulty and results in the high price of sugar. Unless this situation is radically improved, any price-linking formula or payment of cane price on sugar-content basis alone will not stabilise the benefit to the sugarcane grower or sugar manufacturer. But the very fact that our country, which is one of the biggest growers of sugarcane, can, by providing proper incentive to the grower and manufacturer, produce sizable quantities of sugar for export, would also make it necessary that, for stabilising the industry, the price for cane and sugar should be properly correlated."

Controls Must Be Removed

This is quite a realistic assessment of the issue and one would wish that it would form the basis on which the Tariff Commission will evolve the formula. The present price-linking formula cannot at all achieve the objectives of creating a sustained rise in production, since spiralling costs affect the stability of the sugar economy. Mr. Aiyangar did well to highlight this aspect. As a solution to the problem of arresting the trend, he urged the need for a price formula for both the raw material and the finished product "which will directly link up with the quality of the raw material." Evidently, he is prompted by the anxiety to ensure that whatever benefits that are accruing to both the cane grower and the sugar mill are not withdrawn in any way. In other words, it would appear that the Tariff Commission chief wants the perpetuation of controls on the prices of sugarcane as well as sugar. It is, however, difficult to agree on this point. The mechanism of wholesale controls should not be resorted to when the supply position in respect of both sugarcane and sugar is highly comfortable. If the sugar industry is to grow on healthy and prosperous lines, it must have a reasonable amount of freedom, and any vexatious controls on prices, production, distribution and movement would tend to inhibit the growth of demand for sugar. After all, it is only when the sugar that is produced is consumed that the grower and crusher of cane can expect to make a reasonable profit. If the authorities are anxious to see that the cane growers are not exploited by sugar mills, they may continue the policy of fixing minimum prices for cane, but the minimum must be minimum and not more than even a fair price as is the case at present.

SOME RELIEF TO SUGAR MILLS

With a view to assisting the sugar industry to tide over the difficulties arising from the accumulations of heavy stocks, the Government of India has permitted the mills to defer, up to a maximum of three months, the payment of 25 per cent. of the total excise duty (including additional excise duty) on each consignment of sugar where it is cleared from the factories or other authorised non-duty paid premises for storage. An official announcement to this effect was made on Monday the 24th inst. It has, however, been made clear that the grant of this "extraordinary facility" would be limited only to actual clearances made on or before 30th September 1961 and would not in any case be extended beyond that date. Necessary procedures giving effect to the decision and providing simultaneously for the safeguards of the revenue administration are expected to be issued shortly. For details, the mills are required to contact the Collectors of Central Excise concerned.

A couple of days earlier, the Reserve Bank of India withdrew all margin requirements in respect of bank advances against sugar stocks held by the trade. This will enable traders to hold a larger amount of sugar stocks.

The Government of Bihar has decided to grant remission of cess to sugar factories at the rate of 12 nP per maund on all cane purchased by them from stations or centres situated at a distance of more than 30 miles during the period from 21st April to 7th May 1961. The decision has been taken in view of the increased pressure on sugar factories in Bihar due to excess production of sugarcane *vis-a-vis* their capacity to crush cane during the 1960-61 season. The Government has also decided to remit cess at the rate of 12 nP per maund on all cane that is purchased by the sugar factories during the current season from 8th May onwards.

INTERNATIONAL ASSISTANCE FOR ECONOMIC GROWTH

AN APPROACH FROM RECIPIENTS' POINT OF VIEW

By P. S. N. Prasad

ECONOMIC ADVISER, GOVERNMENT OF NIGERIA

[This article is based on the presidential address by the author at the third annual conference of the Society for International Development, Washington, D.C., U.S.A., held at Washington on 28th and 29th April 1961. The Society was founded in October 1957 by a small group of economists and officials working in the field of economic development. It has since then expanded and is represented by members in 70 different countries and over 2,000 in number coming from 200 organisations in the private and public sectors alike. Mr. Prasad is a member of the staff of the World Bank which has lent his services to the Government of Nigeria. The views expressed by the author are his personal and individual opinions. He has looked at the problem of international assistance for economic growth from the angle of underdeveloped countries. Mr. Prasad, it will be recalled, was the Economic Adviser to the Reserve Bank of India, before he went to Washington to represent India as its Executive Director on the Board of the International Monetary Fund, after which duty he was taken up by the World Bank as one of its economic advisers. Before his posting to Nigeria, he was the chief of the World Bank mission which did an economic survey of Libya at the request of the Libyan Government. He is, therefore, well qualified to voice the feelings and thoughts of underdeveloped countries.—ED.]

ON matters of economic development, there is a variety of perspectives that one could follow. I wish to confine myself here to a single tack—the role of international economic and technical assistance in economic development as a free-world exercise. First of all, I would like to turn to some of the very significant changes that have taken place recently both as regards the basic philosophy and in the organisational structure for providing economic assistance. The President of the United States conveyed, in his message to Congress on 22nd March, a statement which I am sure must be very welcome to the underdeveloped countries of the world. It outlined in very precise terms the attitude of the world's most highly developed industrial nation and one which has also taken upon itself the task of persuading other industrial nations of the world to make sacrifices for providing sizable assistance for economic growth. Judged, therefore, as the statement of a leading country, the broad aims and policy goals, outlined in this statement are, in my view, comparable only with the lofty sentiments outlined in the statement on the Marshall plan. It was particularly noteworthy that Mr. Kennedy placed the accent on the moral obligation and put it ahead of the political and economic obligations which he mentioned as resting on the advanced countries to assist the less developed countries to grow economically. This statement restored to the United States' attitude towards economic assistance the valuable note of idealism that characterised its foreign policy for many years but which had been lost in the most recent years, when military and strategic considerations pushed economic idealism into the background.

The President's clearcut emphasis on the separation of economic from other forms of aid is also very welcome news, especially to countries with some kind of economic discipline and well considered plans for development. These were the countries that in the past received a disproportionately limited attention in terms of assistance in relation to the worthwhileness of their economic programmes. Also, the relation that the President has sought to establish between economic assistance and sound economic programming provides at once an acceptable criterion as well as a logical basis for the aid programmes.

Long-term Loans

Particularly welcome to underdeveloped countries, I am sure, would be his proposal for emphasising development loans repayable on a long-term basis and at relatively low interest rates. At first sight, it might look as though this is a retrogression, from the point of view of the underdeveloped countries which have had opportunities to borrow from the Development Loan Fund dollars repayable in local currencies. While one would hope that such an arrangement would continue to be available as in the case of loans made under the PL 480 law, there is a distinct room for low interest dollar repayable loans, as a necessary supplement to assistance available on principles of conventional development banking. These principles make the life of a project coterminus with the length of the period of repayment of a development loan, even though the actual life of productive usefulness of the project may be very much longer than the period of repayment of the loan. Certain schemes, hydro-electric projects, for instance, are at a disadvantage when their long period of serviceability is not taken into account in calculating the rate of return from these projects. Such terms of financing, if applied in the past, would not have made possible the development of the railways in the United States, or the development of major irrigation works in India, both of which have had an enormous impact on the development of the two economies. A suitable effort in future at complementing conventional development finance, with assistance based on long-term low interest loan basis, as contemplated in the President's message, will help relieve underdeveloped countries of a real problem in finding finance for some of their worthwhile projects which, however, do not qualify when treated in a conventional way because of the artificial shortening of "the life of the project."

The underdeveloped countries would also watch with the greatest interest the results of the United States lead in organising Europe to provide economic assistance. In the countries of Europe itself, one must admit, there is a new awakening, one might even say a new idealism, in some of them at any rate, in their approach towards underwriting the needs of the less developed nations. There is an awakening, more particularly amongst the peoples of Europe, even more than amongst some of the Governments, for providing more and more of such assistance.

Newer Trends in Europe

Most of the underdeveloped countries, I am sure, will watch with considerable satisfaction these newer trends in Europe, because, in the minds of these nations, which are either colonial or ex-colonial countries, some at least of the European countries have been regarded as efficient in the arts of taking away resources than giving them away. Times, no doubt, have changed, partly under the pressure of the United States, and partly under pressure from the trends of public opinion in their own countries. A number of them, however, still have their special interests, their spheres of influence and even their colonies. A few of them have made it a practice, still current, of putting the smallest coin in the box and picking up the biggest flag for their effort. They reckon, as part of the sum total of what they term as economic aid, all manner of doubtful contributions that do not qualify for such a description, until the figures of aid added according to these criteria look surprisingly large and the concept of 'aid' itself has become somewhat disfigured in the process. One has to admit that some of these traditional patterns of economic relationships take time to readjust; but one hopes that it might be possible to persuade these countries to accept the idea of providing assistance in general terms and as an agreed proportion of national income, whatever the proportion may be that may be deemed reasonable rather than limit their interest to countries in their respective spheres of influence. It would be very much in the interest of the underdeveloped countries themselves, if they are not regarded as sheltered markets in the traditional colonial pattern, but as areas opened up for free competition in trade and investment and are provided with technical and economic assistance on a general and universal basis rather than be treated as helpless children tied to the apron strings of colonialisms. Such a breath of fresh air and free competition for the wards of the colonial countries would make whatever aid is given them go a longer way; would make development more rapid; would bring them up in a way that they are better able to stand eventually on their own feet. Of course, problems would still remain of lack of education and of technical skills, of shortfalls in administrative ability and so forth on the side of the underdeveloped countries; and problems of trade and investment adjustments as well as balance of payments adjustments in economies which survive on their colonies. Both these, I submit, should increasingly become the concern of internationally organised assistance.

Conscience Money?

Speaking of international economic assistance, one also sometimes hears it said that the giving of aid by Europe should be regarded as conscience money, or as a kind of recompense for the guilt of colonial exploitations of the past. Any such scale of measurement of past actions as a basis for future benevolence could hardly be useful or practical. On the other hand, if the countries that are now collectively described as the free world (though in the case of quite a number of them this description is purely euphemistic) have not only to hang together, but grow together, the industrialised group of nations from amongst them, would have to accept the evidence of history on one point. And, that is, that, as time goes on, the wealth of the nations based on organised industry steadily accumulates; that it is more stable; and that the relative trading strength between these countries expands steadily during the years of peace and war; but that the primary producing countries and those with agriculture as the basic occupation of life have to contend with vastly greater problems of instability, of price fluctuations, of weather, of quick changes in techniques or the emergence of synthetics. Yet, in the midst of all these changes, the primary producer remains an essential and inevitable link (or several perhaps), in the chain of the world's economic activity. Without a reasonable and stable income for him, the wheels of industry would not turn, and the ships will not carry the commerce of nations. He is an essential partner, if necessarily the more frail of the two partners, in the enterprise of an interdependent world economy. Just as in the United States through various expedients, a pattern has developed, in which, the industrial sector supports the economic activity of the farmer, underwriting his living standards, it would appear inevitable, in the long run, that, around the fabric of the world economy, a concept of partnership has to grow in which stability and a desire to help sustain each other's economic strength, as well as economic growth, will remain justified on grounds of enlightened self-interest. It would seem increasingly necessary that statesmen and economists should see more and more clearly the emerging outlines of a world economy and less and less the clashes and the sharp-edged conflicts of national and even sub-national vested interests.

Africa's Needs

It is against such a perspective, for instance, that one is sometimes distressed to meet with the expression of views which have their origin in calculations of private interests of nations and groups. Referring to the public international aid programmes being thought of for the African countries, for instance, one is told either that, in their present situation, the African countries cannot absorb aid in significant quantities; or that the African people do not understand those who give them something for nothing; and that they have in fact a better understanding of the methods and practices of the traders of the last century.

Whether or not this is true, African countries, like countries in any other region of the underdeveloped world differ vastly as between one nation and another; and differ too, in respect of their capacity to carry through development programmes and absorb aid. But, in the case of most of them, there is little doubt that there is room for a considerable inflow of international public economic assistance. In such fields as health and education, transport and power and communications, there is so much slack that has to be taken up that rapid expansion of public investment is both feasible and necessary for the very stability of these nations. In the case of at least one African country of which I happen to have some knowledge, the governing power accumulated abroad vast reserves on the ground that opportunities for investment were not available in the country. At the same time, there was not one single training college there for the training of elementary school teachers, a few of whom were being sent at considerable expense and social dislocation for the teacher, to the distant "mother" country. Nor were any opportunities provided in that for education in

THE
INDIAN BANK LTD.
INDIAN BANK BUILDINGS
17, NORTH BEACH ROAD
MADRAS-1

HAVE PLEASURE IN ANNOUNCING ENHANCEMENT IN THEIR RATES OF INTEREST ON DEPOSITS

Certain items of enhancement are :

Savings Bank Accounts	From 2½ to 3% p.a. (From 1-4-61)
Deposits fixed for 12 months and over but less than 24 months.	From 3½ to 4% p.a. (From 15-3-61)
Deposits fixed for 60 months and over.	From 4½ to 5% p.a. (From 15-3-61)

For further particulars please apply to the nearest branch of the Bank.

G. S. SUNDARAM,
Secretary.

FOR
SAMPLING • ANALYSIS • TESTING
Ores, Minerals, Metals, Alloys and Residues; Oils, Oilseeds and Cakes; Foods, Drugs, Pharmaceuticals and Biological Specialities; Chemicals, Waters, Paints and Varnishes, Fertilisers, Manures and Insecticides, Industrial and Commercial Commodities, etc.
Contact:
THERAPEUTICS CHEMICAL RESEARCH CORPORATION
95, Morland Road, Byculla, Bombay 8
Phone : 74631
Grams : THERASERCH
Managing Director: Dr. RAMAN C. AMIN, M.S., Ph.D. (U.S.A.), Sigma Xi, F.A.A.A.S. (U.S.A.)
Branch Laboratories :
• Morey Bhuvan, Mount Road Extn., NAGPUR 1 Phone : 3405 & 4552
• Rustam Mahal, 2nd Line Beach, MADRAS 1 Phone: 55678
• 9/5, Kumarpark West Extension, BANGALORE 20 Phone : 70823
• 11B/54, Main Road, VISAKHAPATNAM Phone : 80
BRANCH OFFICES AT ALL PORTS OF INDIA

OBTAIN FREE BROCHURE ON PATENTS & TRADE MARKS
Contact:
PURUSHOTTAMDAS GOKULDAS
Patent Attorneys
39D, People's Building, Ground Floor,
Sir Pherozshah Mehta Road, Bombay-1.
Telephone: 260814—258172.

STEARIC ACID
(DOUBLE DISTILLED)
Manufactured by
THE MODI VANASPATI MFG. CO.
Maharashtra State Distributors
RAMJILAL LAKHMICHAND
333, Kalbadevi Road, Bombay-2
Phone—Office: 39361 Residence: 88436
Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

New power in industry

On a 600-acre site at Durgapur, amidst intense activity, the scene is being set for yet another vitally important contribution to India's industrial growth—a contribution made possible through the vast technical knowledge of ACC-VICKERS-BABCOCK LTD. (A.V.B.), a new and powerful industrial group formed by The Associated Cement Companies Limited, Vickers Limited and Babcock & Wilcox Limited.

Already, considerable progress has been made in erecting this new Industrial Plant. Workshops are rapidly taking shape and foundations are being prepared for some of the most up-to-date machinery in the world. Very soon now the A.V.B. Plant will be ready to make its contribution to Indian industry, and to help Indian engineers overcome some of the difficulties which have faced them for so long.

MODERN EQUIPMENT

Some of the most up-to-date industrial equipment of its kind in the world is being installed in the new A.V.B. Plant, from the radio-active cobalt X-ray equipment capable of X-raying steel plates up to a thickness of 6" to the vast 3,000-ton hydraulic press, the largest in Asia, designed to bend steel plates of up to 5" thickness. The workshops of A.V.B. are thus fully equipped to manufacture machinery for the cement-making and mining industries, thermal power plant and industrial steam-raising equipment equal to the best in the world.

VITAL ROLES

THERMAL POWER: A.V.B. have the technical knowledge, the men and the machinery to participate in the supply of vital plant to be installed in Thermal Power Stations throughout India. They will make a notable contribution towards the target set by the Government of erecting boiler plant and thermal power plant to the value of Rs 34 crores per year by the end of the Third Five Year Plan.

CEMENT-MAKING MACHINERY: A.V.B. are already discussing projects which will enable them to supply machinery to help increase the output of cement for which the Government's target is 13 million tons per year at the end of the Third Five Year Plan. Not only will A.V.B. help to meet the exigencies of industrial expansion but they will ultimately contribute towards the earning of valuable foreign exchange through export.

SITE STRATEGICALLY LOCATED

A.V.B. have shown considerable foresight in the location of Durgapur as their base for operation. Close to the now well-known Durgapur Steel Project, they are within what is fast developing into the industrial heart of India. They are within easy reach of India's coal and general mining centres. The Port of Calcutta is only a hundred miles away, a factor which is of tremendous advantage for the import of special raw materials.

EFFICIENT STAFF

The new company has adopted a far-sighted policy regarding the housing of the staff at Durgapur. Resulting from this the AVB housing colony which is situated but a short distance from the factory site is one of the finest in India. The houses are modern and the colony itself will be completely self-contained with its own dispensary and its own shops, parks and playgrounds. Here will live the workers of the A.V.B. group from the man of the shop floor to the skilled engineers and advanced technicians, a team that will keep a close watch on this modern plant which will harness such a vital and powerful new force to Indian industry.

AVB

...a Powerful Partnership for Progress

ACC-VICKERS-BABCOCK LTD.
16, Queen's Road Estate, Bombay 1
CALCUTTA OFFICE:
Ilaco House, 1 & 3 Brabourne Road, CALCUTTA 1
WORKS: Durgapur, West BENGAL

JWT-AVB. 2049

commerce, or banking or technology or administration or politics, or agriculture.

The infra-structures in many of these African countries also call for considerable investment by Governments. The development of existing infra-structure has been planned with a single eye on the development of external trade in some cases, but, in others, even this is in a pretty backward condition; and the development of facilities such as local transport, feeder roads, power for domestic and industrial uses, irrigation and of financial institutions, etc., has hardly been touched upon except on the surface. It is impossible for them to finance the necessary development out of their own resources. There is room, too, in the economies of these countries for a considerable investment in the private sector both from domestic and foreign sources. Certainly, in a whole number of newly independent African countries, there is no doubt in my mind, the capacity for absorbing sizable assistance exists.

Technical Assistance

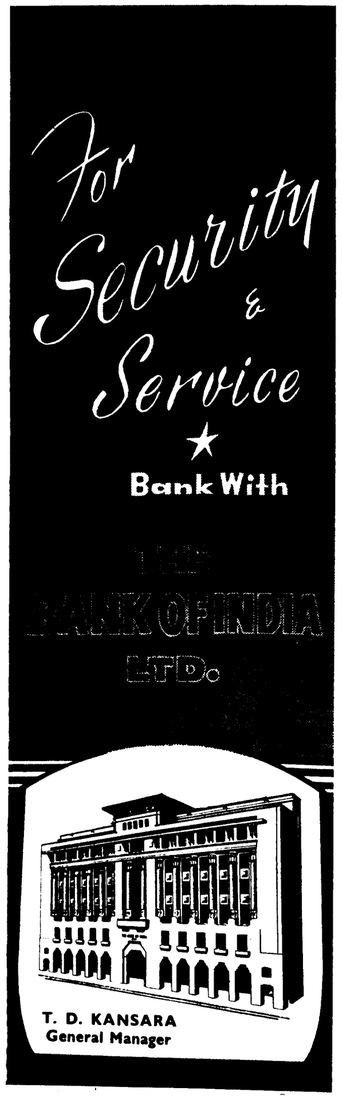
As with economic assistance, so with technical assistance, it is my firm belief, that everything is to be gained and little is to be lost by widening the international character of technical assistance. Such assistance as has been provided bilaterally by some of the developed countries to the less well-endowed ones has a whole lot of credit points in its favour. However, around many countries in the world, there is a considerable feeling of frustration with the achievements of technical assistance; and not a small amount of waste is involved in needless duplication, competition and jealousy between countries and agencies providing technical assistance.

Technical assistance is a noble concept and it will only succeed best when offered for its own sake and in the spirit of a missionary endeavour. There is a widspread belief, especially in some of the countries of Africa, that technical assistance, especially of the bilaterial variety, is offered by some countries, not as a missionary effort but rather in an effort to retain some of the positions of privilege in the economic and administrative organisations of the countries that have recently wrested independence in the political field. Whether this is fact or fiction is not so important as that it continues to hurt the good that there is in the whole exercise of technical assistance. Like economic assistance, therefore, if the offer of technical assistance is also placed on a multilateral basis and is offered increasingly through international institutions, the cause as a whole would stand to gain immensely. The more such assistance could be rationalised and internationalised, the more good it is likely to do with considerable economies in costs, even to those that bear the financial burden of technical assistance. In this matter, there is also room for a lot of improvement in utilising the skills available in some of the less developed countries themselves for providing such assistance to other developing nations. The accent lain on the giving of aid bilaterally at present precludes the use of such skills, even though it may be both economical as well as productive to employ the skills available in the less developed countries themselves. Similarly, would it not be better if the so called Commonwealth assistance provided by the United Kingdom is provided not only through United Kingdom nationals but by using skills obtainable from all the different parts of the Commonwealth with all its variety of colour and experience? In this arena, even more than in the matter of economic aid, it should be increasingly possible to sustain the *international* character of aid and increasingly offer it through the United Nations and other respectable international channels and place increasingly less emphasis on the bilateral and the somewhat narrowly nationalistic character of technical assistance.

Now to turn to another aspect of the problem of international assistance. While the present proposals for collaboration between the more advanced countries on the principles of this assistance are desirable and cannot be open to objection, it would be appropriate to endeavour to bring about, in course of time, a change in two directions. It would be increasingly desirable to make the underdeveloped countries receiving assistance also partners in the work of formulating the principles, rather than build up a complex category of patrons and wards. There is certainly an understandable need for the aid-giving countries to confabulate in secrecy or privacy, but over the longer period it should not be difficult, especially for the free countries of the world, to confer around a table and in the open, in order to discuss the principles and the programmes for international assistance. After all, the considerations that decide the merit or the lack of merit of proposals affecting the donor and the recipient are of general validity as well as interest, and the more the discussion of such proposals is made universal and public between the two categories of nations, the more it will be in accord with the self-respect of the community of free nations.

Disarmament

Equally again, though it remains very much of an ideal for the moment, one would like to stress the inevitable relationship or the obvious conflict between the world's needs for investment in economic growth, and the inhuman waste of the expenditures on armaments. It may not be in our generation that we might live to see the melting away of the colossal waste on defence equipment that may never be needed for defence. But, today, these expenditures do prevent the availability of resources needed to irrigate the parched areas of potential economic growth, and the arts and commerce of peace; on the other hand, it would be important, indeed, to dream of such an achievement. It may be that the realisation of such a dream in concrete reality may not be as far off as it might appear to us today. At least, the people of the underdeveloped countries to whom this conflict between the unfortunate race in armaments and the much coveted investment for economic growth remains all too vivid, cannot but press for modernisation and tolerance in international relations and for a persistent endeavour to find a way out of the colossal waste of resources involved in keeping up an incessant race between the two major industrialised sections of the world.



Notices

THE RAMNUGGER CANE AND SUGAR COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-fourth Ordinary General Meeting of the Shareholders of the Ramnugger Cane and Sugar Company Ltd. will be held at the Registered Office of the Company, 7, Wellesley Place, Calcutta, on Wednesday, the 24th May, 1961, at 12 noon, to transact the following business:—

1. To receive the Directors' Report and pass the audited Accounts for the year ended 31st August, 1960.
2. To declare a dividend on Preference Shares.
3. To declare a dividend on Ordinary Shares.
4. To elect Directors.
5. To appoint Auditors and fix their remuneration.
6. To transact any other business which may properly be brought before the Meeting.

SPECIAL BUSINESS

7. To consider and, if thought fit, pass with or without modification the following Resolution:

"RESOLVED that 100 acres of land from the Company's farms be transferred to the State of West Bengal by way of gift for the purpose of establishing a full-fledged Research Station by the Government thereon, and the Directors do take necessary steps for making the gift to the Government."

Explanatory Note

The Indian Central Sugarcane Committee has sanctioned the establishment of a Sugarcane Research Station in West Bengal during the Third Five-year Plan at a total cost of Rs. 13,75,356. The proposal was made by the Government of West Bengal and the expenditure will be shared between the Committee and the State Government. After some negotiations, the West Bengal Government have agreed to set up the Research Station in the area of the Company's factory, and they have requested the Company for a plot of land as free gift to the Government. It is expected that the Research Station will provide the Company firsthand benefit of latest agricultural practices, improved cane varieties and pest control measures, and it will also promote cultivation of good quality cane in the factory area.

NOTICE is also given that the Share Transfer Registers will be closed from the 9th May to 24th May, 1961, both days inclusive.

A member who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member of the Company.

By Order of the Board,
ANDERSON WRIGHT, LTD.,
Managing Agents.

CALCUTTA, 19*th April*, 1961.

THE SOUTH KARANPURA COAL COMPANY, LIMITED

THE BOARD OF DIRECTORS OF THE COMpany have recommended the payment of a dividend on Ordinary Shares at 2½ per cent per annum subject to deduction of tax for the year ended 31st August 1960.

By Order of the Board,
BIRD & CO., (PRIVATE) LIMITED,
Secretaries and Treasurers.

Registered Office,
CHARTERED BANK BUILDINGS,
CALCUTTA, 21*st April* 1961.

THE FIRST NATIONAL CITY BANK OF NEW YORK

(INCORPORATED WITH LIMITED LIABILITY IN THE U.S.A.)

BALANCE SHEET OF INDIAN BRANCHES AS AT CLOSE OF BUSINESS, DECEMBER 30, 1960

Previous Year Rs. nP	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
20,17,200.00	**1. Capital**— 3½% 1961 Government of India Bonds face value Rs. 20,50,000—market value as of date Rs. 20,32,575	20,32,575.00	
Nil	**2. Reserve Fund and Other Reserves**		Nil
6,68,98,245.59	**3. Deposits and Other Accounts**— Fixed Deposits	6,74,45,180.51	
25,30,995.35	Savings Bank Deposits	30,23,551.24	
14,29,21,535.80	Current Accounts, Contingency Accounts, etc.	14,50,35,832.02	
21,23,50,676.74			21,55,04,563.77
	4. Borrowings from Other Banking Companies, Agents, etc.—		
8,02,114.90	(i) In India	Nil	
4,378.96	(ii) Outside India	1,80,005.85	
8,06,493.86			1,80,005.85
	PARTICULARS—		
Nil	(i) Secured	Nil	
8,06,493.86	(ii) Unsecured	1,80,005.85	
9,39,325.35	**5. Bills Payable**		11,93,679.71
	6. Bills for Collection Being Bills Receivable as per contra—		
1,10,64,037.94	(i) Payable in India	1,00,93,054.89	
24,33,124.70	(ii) Payable outside India	15,15,001.32	
1,34,97,162.64			1,16,08,056.21
	7. Other Liabilities—		
29,943.00	(i) Development Rebate Reserve	30,774.00	
39,677.01	(ii) Unexpired Discount	43,537.57	
2,09,328.49	(iii) Reserve for Interest Payable	3,59,648.63	
3,08,495.41	(iv) Reserve for Taxes	15,35,739.13	
20,777.48	(v) Reserve for Other Expenses	27,260.63	
3,90,284.46	(vi) Sundry Accounts	19,26,100.36	
9,98,505.85			39,23,160.32
Nil	**8. Acceptances, Endorsements and Other Obligations** per contra		94,300.75
	9. Profit and Loss— Profit for the year ended December 23, 1960, brought from the Profit and Loss Account (includes Rs. 8,313.92 profit for the period December 24, 1959 to December 30, 1959, shown in the last Balance Sheet)	50,01,223.68	
33,60,031.92	Less— Rs. nP		
21,52,791.97	Reserve for Taxes .. 31,58,655.09		
12,07,239.95	Amount remitted to Head Office .. 18,42,568.59		
33,60,031.92		50,01,223.68	
Nil		Nil	
8,313.92	ADD—Profit for the period from December 24, 1960 to December 30, 1960	15,901.09	
8,313.92			15,901.09
(2,16,57,186.00)	**10. Contingent Liabilities**— (i) Outstanding Credits Unused	3,47,08,140.00	
(1,94,76,136.41)	(ii) Outstanding Forward Exchange Contracts	2,15,16,893.30	
(5,822.53)	(iii) Bills of Exchange Re-discounted	67,521.34	
(Nil)	(iv) Collection Documents released on our responsibility	Nil	
(29,800.00)	(v) Claims against the Bank not acknowledged as debts	29,800.00	
22,36,00,478.36	Total .. Rs.	23,25,19,667.70	

Previous Year Rs. nP	PROPERTY AND ASSETS	Rs. nP	Rs. nP
1,14,28,911.37	**1. Cash**— In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		1,62,97,904.15
	2. Balances with Other Banks (in Current Account)—		
7,64,540.57	(i) In India	7,75,185.35	
3,56,880.35	(ii) Outside India	2,42,379.17	
11,21,220.92			10,17,564.52
9,25,00,000.00	**3. Money at Call and Short Notice**		5,40,00,000.00
	4. Investments at book value— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	4,27,01,489.30	
3,18,18,488.30	(ii) Shares	Nil	
Nil	(iii) Debentures or Bonds	Nil	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
3,18,18,488.30			4,27,01,489.30
	5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)— (I) Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
6,32,93,936.44	(i) In India .. 9,93,49,902.53		
Nil	(ii) Outside India .. Nil		
6,32,93,926.44		9,93,49,902.53	
	(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
62,37,430.49	(i) Payable in India .. 9,30,663.84		
17,15,432.47	(ii) Payable outside India .. 18,28,754.58		
79,52,862.96		27,59,418.42	
7,12,46,789.40			10,21,09,320.95
2,82,49,902.18	PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the banking company is fully secured	4,03,62,355.53	
	(ii) Debts considered good for which the banking company holds no other security than the debtor's personal security	3,98,65,224.95	
2,78,21,632.65	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	2,17,14,983.55	
1,51,75,254.57	(iv) Debts considered doubtful or bad, not provided for	1,66,756.92	
Nil		10,21,09,320.95	
7,12,46,789.40			
	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	730.00	
879.60	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
Nil	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	3,130.00	
4,679.60	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
Nil	(ix) Due from banking companies	Nil	
Nil			
1,10,64,037.94	**6. Bills Receivable Being Bills for Collection** as per contra— (i) Payable in India	1,00,93,054.89	
24,33,124.70	(ii) Payable outside India	15,15,001.32	
1,34,97,162.64			1,16,08,056.21
Nil	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		94,300.75
Nil	**8. Premises Less Depreciation**		Nil
7,96,796.37	**9. Furniture and Fixtures**— Rs. nP		
16,261.74	At Cost as of December 30, 1959 .. 7,92,793.26		
8,13,058.11	Additions during the year .. 31,271.57		
20,364.85		8,24,064.83	
7,92,793.26	Less—Deductions during the year. 15,972.25		
3,44,881.25		8,08,092.58	
4,47,912.01	Less—Depreciation written off upto December 23, 1960	3,83,018.94	
11,533.06			4,25,073.64
5,49,851.45	**10. Other Assets**— (i) Accounts Receivable	26,532.89	
328.40	(ii) Interest Earned Not Collected	4,79,425.86	
3,199.15	(iii) Clearing and Cash Items	3,160.00	
51,766.09	(iv) Revenue Stamps	3,059.05	
59,23,315.57	(v) Prepaid Expenses	31,745.40	
65,39,993.72	(vi) Due from H. O. and Branches	37,33,044.96	
			42,65,958.15
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims**		Nil
Nil	**12. Profit and Loss**		Nil
22,36,00,478.36	Total .. Rs.	23,25,19,667.70	

I, C. A. Dunham, having been appointed by the Comptroller of the Currency, and, therefore, being qualified under the Federal Reserve Act of the United States of America to examine and audit National Banks and their foreign branches, hereby certify that I have verified the attached statements to my satisfaction.

K. S. KARANT, Accountant.

R. E. GRANT, Manager.

April 5, 1961.

(Sd.) C. A. DUNHAM, National Bank Examiner.

PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES FOR THE YEAR ENDED DECEMBER 23, 1960

Previous Year Rs. nP	EXPENDITURE	Rs. nP	Previous Year Rs. nP	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other Usual or Necessary Provisions)	Rs. nP
33,08,060.16	1. Interest paid on Deposits, Borrowings, etc.	33,07,133.50	80,12,141.72	1. Interest and Discount	94,99,006.02
	2. Salaries and Allowances and Provident Fund (including Salaries and Allowances to Chief Executive Officer in India Rs. 93,205.73) (Previous year Rs. 89,475.80)	20,58,470.11	15,06,073.22	2. Commission, Exchange and Brokerage	19,90,925.81
18,70,139.63			Nil	3. Rents	Nil
Nil	3. Directors' and Local Committee Members' Fees and Allowances	Nil		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	202.00
1,29,594.12	4. Rent, Taxes, Insurance, Lighting, etc.	1,83,059.70	Nil		
16,074.84	5. Law Charges	9,571.00		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
82,254.66	6. Postage, Telegrams and Stamps	77,650.12			
Nil	7. Auditors' Fees	Nil	Nil		
87,429.64	8. Depreciation on and Repairs to the Banking Company's Property	1,01,854.67		6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
92,812.30	9. Stationery, Printing, Advertisement, etc.	95,928.66	Nil	7. Other Receipts	22,821.98
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil	2,06,091.99	8. Loss	Nil
7,27,909.66	11. Other Expenditure	6,78,074.37	Nil		
33,60,031.92	12. Balance of Profit	50,01,238.68			
97,24,306.93	Total .. Rs.	1,15,12,955.81	97,24,306.93	Total .. Rs.	1,15,12,955.81

STATEMENT OF CONDITION OF THE FIRST NATIONAL CITY BANK OF NEW YORK

ASSETS	Dec. 31, 1960 $	Dec. 31, 1959 $	LIABILITIES	Dec. 31, 1960 $		Dec. 31, 1959 $
Cash and Due from Banks	2,029,664,200	1,949,570,908	Deposits	7,641,524,475		7,103,582,539
United States Government Obligations	1,454,447,254	1,036,329,388	Liability on Acceptances	159,542,239		91,461,490
State and Municipal Securities	487,817,205	436,138,764	Foreign Funds Borrowed	629,300		6,058,500
Other Securities	88,365,335	103,904,564	Bills Payable	....		100,000,000
Loans	4,254,920,949	4,415,386,900	Reserves—			
Customers' Acceptance Liability	154,240,337	80,952,598	Unearned Income	39,486,173		39,426,241
Federal Reserve Bank Stock	18,744,000	18,600,000	Taxes and Accrued Expenses	59,664,188		44,760,511
International Banking Corporation	7,000,000	7,000,000	Dividend	1,886,000		8,280,000
Bank Premises, Furniture and Equipment	104,523,900	68,999,129	Shareholders' Equity—		$	
Items in Transit with Overseas Branches	57,810,063	1,545,449	Capital (12,240,000 shares since January 14, 1960—$20 par)	244,800,000	240,000,000	
Other Assets	10,566,047	5,999,544	Surplus	380,000,000	380,000,000	
			Undivided Profits	140,576,845	109,610,158	
				765,376,845		729,610,158
Total .. $	8,668,429,220	8,123,179,589	Total .. $	8,668,429,220		8,123,179,589

Figures of Overseas Branches are as of December 28. United States Government Obligations and other assets carried at $593,081,965 ($565,808,185 in 1959) are pledged to secure Public and Trust Deposits and for other purposes required or permitted by law.

Member, Federal Deposit Insurance Corporation.

WORKING OF HINDUSTAN AIRCRAFT LTD.

ESTIMATES COMMITTEE PINPOINTS SHORTCOMINGS

THE Estimates Committee of the Second Lok Sabha has recently examined the reports and accounts of the Hindustan Aircraft Limited —a premier public enterprise under the control of the Union Ministry of Defence. The Committee's findings and recommendations are contained in its 124th report presented to the Lok Sabha a few days ago. By far the most disquieting finding is that this Company in the public sector has been unable to give any return on the invested capital during the 20 years of its existence. Although the Company had declared a dividend of Rs. 5.25 lakhs (at the rate of 3 per cent of the paid-up capital) only once in 1949-50, it was capitalised by the issue of additional shares to the shareholders. It was thus broadly true that the H.A.L. was throughout not in a position to give any return on the invested capital.

The contention of the Defence Secretary in this connection was "that they had not been very anxious to the paying of dividend by the H.A.L. and that it was thought better to plough back the surpluses into reserves." This contention would appear to suggest that adequate reserves have been built up during the period. But that is not actually the case, for the balance of reserves and surpluses of the Company at the end of 1958-59 was only Rs. 206 lakhs as against the paid-up capital of Rs. 1,080 lakhs. Thus the reserves are about 19 per cent of the paid-up capital; this proportion may go up to only 33 per cent even after excluding the proportionate investment on new projects. The Estimates Committee's finding is that this is not a satisfactory state of affairs, for the ratio of reserves to paid-up capital, in its opinion, should normally be 1 : 1. Incidentally, it may be pointed out that the aggregate ratio of paid-up capital to reserves of 1,001 companies in the private sector, worked out by the Department of Company Law Administration as at the end of 1956-57, was 1 : 1.1. No exception can, therefore, be taken to the Committee's view that the amount of reserves built up by the H.A.L. is very low, considering the fact that the Company has declared no dividends, except once, during the 20 years of its existence. That the Company has also not been able to finance, from its own resources, any significant portion of its expansion/development programme (for which the paid-up capital has had to be raised by Rs. 700 lakhs during the three years 1956-57, 1957-58 and 1958-59) is a no less distressing fact.

Profit-making Capacity Low

In the final analysis, this state of affairs has resulted from the relatively low profit-making capacity of the Company. The relevant facts are that the percentage of net profits (before tax and interest) to the total capital employed has come down from 3.0 to 2.2 and the percentage of net profits (after tax and interest) to net worth has also fallen from 5.8 to 3.3 during the four years ended 31st March 1959. Similarly, the percentage of net profits (before tax and interest) to sales, which rose from 6 in 1955-56 to 9 in 1956-57, has also been declining since then. Even after allowance is made for the investment on new projects, it is found that the percentage of profits (before tax and interest) to total capital invested on old projects comes to 3.5 per cent. It would thus appear that the profits on the established items of production are still low.

The only redeeming feature of the financial affairs of the H.A.L. is that the Company has provided Rs. 167 lakhs by way of depreciation upto 31st March 1959. Such depreciation on fixed assets has been provided at the ordinary income-tax rates which, according to the Financial Controller of the Company, are by and large adequate. But, according to the Estimates Committee, the normal rate of depreciation allowed by the Income-tax authorities is not likely to prove adequate in an industry like aircraft which is changing so rapidly and radically in a technological sense. It has, therefore, recommended that the special requirements of the aircraft industry in respect of depreciation be examined. Incidentally, this kind of plea may be applicable to some other industries like cotton textiles, chemicals, sugar and paper which find the present depreciation provision at normal income-tax rates to be inadequate for purposes of large-scale rehabilitation and modernisation.

The question arises whether the H.A.L. will be in a position to make larger provision for depreciation, to earn larger profits and to build up reserves. It may be able to do all this only if the pricing system under which the H.A.L. handles its work is changed and the cost of production brought down. As things stand, most of the work done by the H.A.L. is on 'cost-plus' basis. Under this pricing system, the margin of profit on I.A.F. manufacturing projects is fixed on an *ad hoc* basis, after taking into consideration the overall cost of the aircraft engines, the volume of work involved, the number of man-hours put in by the H.A.L. and the cost of the material utilised; this margin is 5 to 6 per cent on manufacturing projects and 10 per cent on overhaul. This 'cost-plus' pricing system is generally held not to provide an incentive to the manufacturer to be efficient and to minimise his cost. Experience in the U.K. also supports this view. The Estimates Committee has, therefore, recommended that the H.A.L. should work out in advance its expected costs properly and quote fixed prices on that basis. It is stated that only in such a situation can the profits be a true test of performance.

Production Cost High

As things stand, there has been an increase in the cost of production of all items of output at the H.A.L. One of the causes of the increase is that the average overhead expenditure has risen from 329 per cent on direct labour cost in 1957-58 to 392 per cent in 1960-61 in the case of aircraft. The view of the Financial Controller of the H.A.L. in this connection is that the ratio of 350 between labour and overheads would be quite reasonable for an aircraft factory. But this ratio, according to the Estimates Committee, is *prima facie* on the high side. Its considered finding is that, unless the ratio of overheads is brought down, it is unlikely that the cost of production can be appreciably reduced. That the ratio of overheads in the H.A.L. is on the high side is also confirmed by the difference in the costs of production of integral rail coaches manufactured at the H.A.L. and the Integral Coach Factory, Perambur. While the estimated cost of a rail coach at the H.A.L. is Rs. 1.56 lakhs, that of a coach at the Perambur Factory is Rs. 1.40 lakhs. It is stated that, at the H.A.L., the expenses on direct labour and overheads are more by Rs. 2,000 and Rs. 15,000, respectively. Thus, the higher cost of the H.A.L. coach is due to higher overheads. On this account also, the Estimates Committee's suggestion that the ratio of overheads should be brought down seems to be wholly appropriate.

On the related questions of wages and productivity, the Committee's finding is forthright. Any wage rise, it says, should be accompanied by a corresponding rise in productivity. The Committee has been led to give this finding, because, while the production of the H.A.L. over the period 1955-56 to 1958-59 rose by 34 per cent (from Rs. 521 lakhs to Rs. 698 lakhs), the expenditure on salaries, wages and bonus, etc., rose by 51 per cent (from Rs. 186 lakhs to Rs. 281 lakhs). The disproportionate increase in the wage bill certainly calls for examination. It is high time a productivity study was made to assess whether the large increase in the wage bill was fully justified and whether production could not be stepped up correspondingly. The Estimates Committee has thus made out a case for relating wages to productivity—a wholesome principle indeed, if it can be generally adopted in all major industries in both the sectors. A public sector enterprise should also serve as a model for other industries in this regard.

FORWARD MARKETS BULLETIN

(Monthly)

Published by Forward Markets Commission
Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription		Single copy	
In India ..	Rs. 24.00	In India ..	Rs. 2.50
Abroad ..	Rs. 48.00	Abroad ..	Rs. 4.00

For further particulars please apply to:

The Secretary, Forward Markets Commission
"Everest," 100, Marine Drive, Bombay-2

ESTIMATES COMMITTEE ON HINDUSTAN SHIPYARD

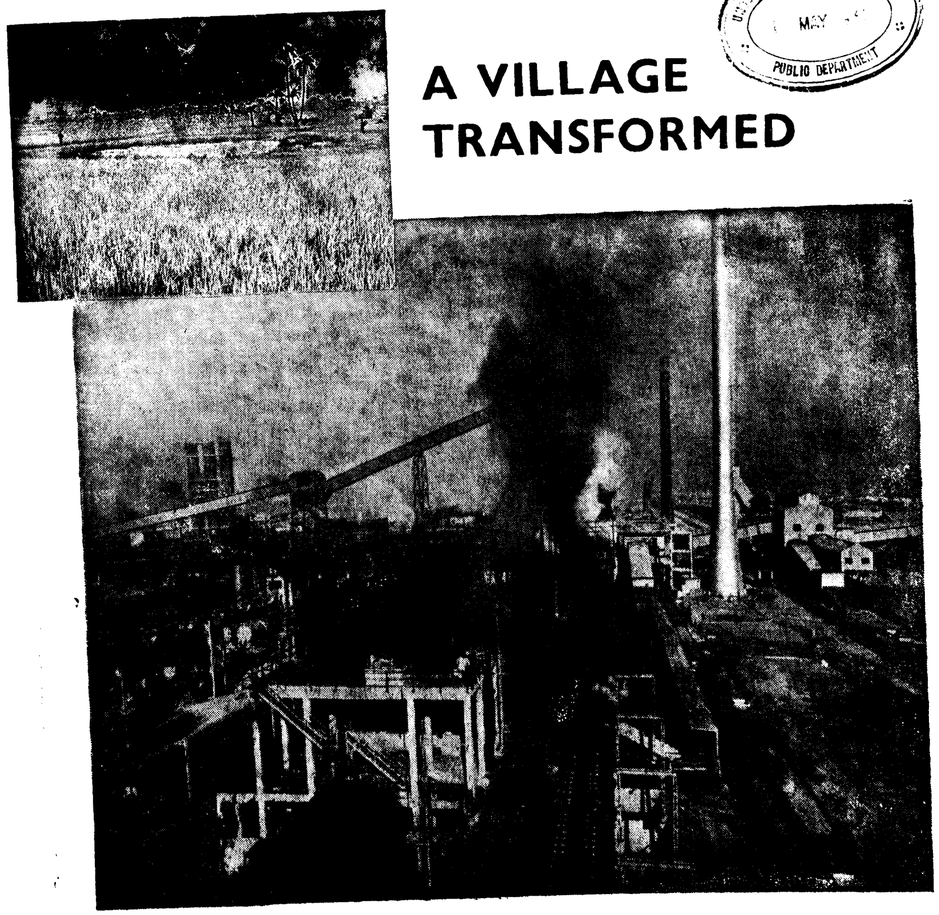
The annual reports and accounts of the Hindustan Shipyard Ltd.—a Government-sponsored company in which the Government of India holds two-thirds of the share capital and the Scindia Steam Navigation Company Ltd. the remaining one-third—for the years 1956-57 to 1959-60 have been subjected to a general examination by the Estimates Committee of the Second Lok Sabha. The problems of costs and pricing and subsidy figure prominently in this examination. The costs of construction of ships in the shipyard are almost on a par with the costs obtaining in Italy and France and are much lower than those in the United States and Australia. But they are certainly higher than in the United Kingdom, Germany, Japan and the Scandinavian countries. The principal reasons, given by the Directors of the Shipyard, for the high costs are: (i) low productivity and inadequacy of trained personnel, (ii) importation of machinery and equipment which form the bulk of the materials used, (iii) the need for holding large stocks of steel in standard sizes, and (iv) the high incidence of overheads. There seems to be some scope for reduction of costs. The Estimates Committee itself has urged that constant efforts should be made to increase productivity through proper training in modern methods, that overheads be controlled by strict economy and proper utilisation of resources and that a proper designing and estimating department be developed so as to eliminate dependence on foreign designs.

But these measures alone will not be sufficient, for the major factor responsible for high costs is the import of materials and steel. According to the Chairman of the Shipyard, shipbuilding in India is still mainly the assembling of a ship, because, in value, nearly 80 per cent of the materials (including steel) have to be imported. The cost of shipbuilding plates in India is a third higher than in the U.K. Moreover, while plates and sections are available to the U.K. yards in exact sizes, this is not so in India with the result that there is a greater amount of wastage. In this situation, only the Rourkela Steel Plant can come to the rescue of the Shipyard by making available shipbuilding steel in exact sizes and quantities required by the yard. It may be expected that there will then be an appreciable reduction in the costs of construction of a ship.

On the related questions of pricing and subsidy, the Estimates Committee has the following to say:

"Shipbuilding is subsidised in all countries, except in the U.K., which has a century-old tradition in ship construction. It may not be possible for the Hindustan Shipyard Ltd. to function efficiently without a subsidy in one form or another for some time to come. The Committee have elsewhere recommended the necessity of standardisation of ships built in the Hindustan Shipyard. The cost of such standardised ships should be capable of standardisation to a large extent. Based on such standardised costs, the Government may periodically determine the subsidy to be paid for each unit of construction related either to the tonnage or the cost. With this margin, the Shipyard should be able to quote competitive prices, if not the lowest world prices to the buyer. To the extent the actual cost of construction of a ship could be brought down, the profits of the Shipyard would go up. Failure to construct a ship within the permissible subsidy would indicate lack of efficiency on their part. The Committee suggest that Government may examine the possibility of revising the present basis of subsidy on the lines indicated above."

The Committee has pointed out the difficulties in applying the U.K. Parity Price Formula for determining the prices of Hindustan ships. The demand of shipowners that ships built in the yard be made available at the lowest world price is also dismissed on the ground that it would not be possible for the Shipyard to ascertain the price which would not be challenged by the buyers. The Committee's recommendations covering prices and subsidy seem to represent a golden mean under which neither the Shipyard can continue to rely fully upon Government subsidy to make up the difference between its actual cost of construction and the ruling world prices nor can the buyer hope to get Hindustan ships at the lowest world market prices. All the parties concerned—the Government which has paid a subsidy of Rs. 456 lakhs upto 1959-60 to the Shipyard, the Indian shipowner and the Shipyard, too—will continue to incur varying losses under the compromise formula suggested by the Estimates Committee. As far as the buyer is concerned, he would do well to console himself with the thought that, in view of the difficult foreign exchange position, he cannot normally expect to get readily sufficient foreign exchange to buy a ship in the world market even at the lowest available price. The Government, however, could help the shipowner by allotting sufficient foreign exchange for buying two ships abroad for every ship bought from the Hindustan Yard or in some such proportion, so that he may be able to spread out the high cost of Indian-made ships over his entire fleet and thereby be in a position to quote competitive freight rates for cargo in the world markets.



A VILLAGE TRANSFORMED

Once an obscure village, set amidst field and forest . . . today, a mighty steel town. In a little over two years, Durgapur is making world news!

Pig-iron for foundries, forging blooms and billets for re-rollers, sections for industry and sleepers for the railways are already being produced at Durgapur. More will follow as the construction of this giant steelworks nears the fourth and final stage.

ISCON

INDIAN STEELWORKS CONSTRUCTION CO. LTD.

The Wellman Smith Owen Eng. Corp. Ltd. Head Wrightson & Company Ltd. Simon-Carves Ltd. Davy and United Engineering Company Limited. The Cementation Company Ltd. Associated Electrical Industries (Rugby) Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Associated Electrical Industries (Manchester) Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. Iscon Cable Group.

BRITISH COMPANIES WORKING FOR INDIA

ISC 1

THIS IS ONLY AN ANNOUNCEMENT FOR INFORMATION AND NOT A PROSPECTUS

A copy of the Prospectus having attached thereto the documents required by Section 60 of the Companies Act, 1956, for Registration, has bee delivered to the Registrar of Companies, Bihar, Patna.

Certificate of Commencement of business has been obtained on the 31st January, 1961.

An application is being made to the Calcutta Stock Exchange Association Ltd. for enlisting the name of this Company for official quotation of ti shares of the Company.

THE SUBSCRIPTION LIST WILL BE OPEN AT THE COMMENCEMENT OF THE BANKING HOURS ON THE 1st DAY OF MAY, 1961, AN WILL CLOSE AT THE CLOSE OF THE BANKING HOURS ON THE 10th DAY OF MAY, 1961, OR SOONER OR LATER AS THE DIRECTORS MA DECIDE BUT NOT EARLIER THAN THE CLOSE OF BANKING HOURS ON 4th DAY OF MAY, 1961.

BIHAR CABLE & WIRE INDUSTRIES LIMITED

(INCORPORATED ON THE 13TH OCTOBER 1960 UNDER THE COMPANIES ACT, 1956)

SHARE CAPITAL

AUTHORISED SHARE CAPITAL .. .. **Rs 25,00,000**

Divided into :—

1,50,000 Equity shares of Rs. 10 each	Rs. 15,00,000
10,000 Preference shares of Rs. 100 each	Rs. 10,00,000
	Rs. 25,00,000

ISSUED SHARE CAPITAL .. .. **Rs. 10,00,000**

70,000 Equity shares of Rs. 10 each	Rs. 7,00,000
3,000—7% All tax free cumulative redeemable Preference shares of Rs. 100 each	Rs. 3,00,000
	Rs. 10,00,000

SUBSCRIBED AND PAID-UP CAPITAL .. .. .. **Rs. 2,19,080**

(i) 18,400 Equity shares of Rs. 10 each fully paid up (issued to the Vendors of two industrial units purchased being the consideration money paid)..	Rs. 1,84,000
(ii) 3,508 Equity shares of Rs. 10 each (issued to promoters, Directors, their friends and relations at par, against full payment in cash	Rs. 35,080
	Rs. 2,19,080

PRESENT ISSUE .. .. **Rs. 7,80,920**

48,092 Equity shares of Rs. 10 each	Rs. 4,80,920
3,000—7% All tax free cumulative redeemable Preference shares of Rs. 100 each	Rs. 3,00,000
	Rs. 7,80,920

OUT OF THE PRESENT ISSUE .. .. **Rs. 60,920**

6,092 Equity shares of Rs. 10 each have been agreed to be subscribed by Directors, their friends, relations against full payment in cash .. .. Rs. 60,920

NOW OFFERED AT PAR FOR PUBLIC SUBSCRIPTION .. .. **Rs. 7,20,0**

42,000 Equity shares of Rs. 10 each	Rs. 4,20,000
3,000—7% All tax free cumulative redeemable (at the end of 7 years) Preference shares of Rs. 100 each	Rs. 3,00,000
	Rs. 7,20,000

Except the purchase price paid to the Vendors as aforesaid no shar have been allotted or will be allotted for a consideration other than cash.

TERMS OF PAYMENT OF THE ABOVE SHARES

(i) 42,000 Equity shares will be payable as follows :

On application	Rs. 5 per share
On allotment	Rs. 5 per share

(ii) 3,000 Preference shares will be payable as follows :

On application	Rs. 50 per share
On allotment	Rs. 50 per share

Failure to pay the allotment money will render the share liable t forfeiture.

UNDERWRITERS

The entire issue of 42,000 equity shares has been underwritten b Messrs. Sadasukh Kabra & Co. of 2, India Exchange Place, Calcutta. In th opinion of the Directors the resources of the Underwriters are sufficient t discharge their obligation.

APPLICATION FOR SHARES

Applications for Equity and Preference shares should be made in th printed form accompanying the Prospectus. Applications for Equity share must be for a minimum of 25 shares or multiple of 25 shares and for Preferenc shares must be for a minimum of 5 shares or multiple thereof. All Applicatio forms properly completed must be lodged together with amount payable o application before the closing date of the Subscription List at the Registere Office or at the Head Office of the Company or at the offices of the Banker detailed in the Application forms.

The Directors do not bind themselves to allot the full number of share applied for and reserve the right to reject any application wholly or in par without assigning any reason thereof. Applications which are not complet or which are not accompanied by proper payment as above may not b considered.

BOARD OF DIRECTORS

(1) SHRI SATYENDRA MOHAN DHAR, C.I.E., I.C.S. (Retd.), Industrialist, (*Chairman*). Lately Agent, Tata Iron & Steel Co. Ltd., Jamshedpur. Ex-Secretary, Ministry of Agriculture, Govt. of India, New Delhi, ex-Development Commissioner and Chairman, Industries Committee, Post-war Reconstruction Board, Govt. of Bihar, Patna. 21/1, Gariahat Road, South Calcutta.

(2) SHRI RIDDHI KARAN LAKHOTIA, Industrialist (*Vice-Chairman*). Lately Director, Bihar State Financial Corporation, Patna. Member, Bihar Industrial Development Council and Consultative Committee of the Bihar State Electricity Board; Director, Tatanagar Cold Storage Co. (P) Ltd., Darbhanga Laherasarai Electric Supply Co. Ltd., Star Textiles Ltd., Katihar Jute Mills Pvt. Ltd., National Moulding Co. Ltd., Darbhanga Cold Storage (P) Ltd., Shri Madhav Mills (P) Ltd., Muzaffarpur Electric Supply Co. Ltd., Bihar Instrument Mfg. Co. Ltd. 87, Southern Avenue, Calcutta.

(3) SHRI RADHESHYAM KHEMKA, Merchant, (*Managing Director*). Director, Khemka Electric & Eng. Co. (P) Ltd., Bihar Instrument Manufacturing Co. Ltd., P21/22, Radha Bazar Street, Calcutta.

(4) SHRI NAND KISHORE TULSYAN (Merchant). Director, Thakurdas Sureka Iron Foundry Ltd., Partner, Biharilal Purushottamlal, Daltonganj. 172, J. N. Mukherji Road, Salkia, Howrah.

(5) SHRI SHYAM SUNDAR AGARWALLA (Merchant). Director, Khemka Electric & Eng. Co., (P) Ltd., Bihar Instrument Mfg. Co. Ltd. 48, Nandlal Mitra Lane, Salkia, Howrah.

(6) SHRI SITARAM JHUNJHUNWALA, (Solicitor). Partner, Khaitan & Co., Solicitors. Director, Appejay Steamship Co. Ltd., Bharat Fire and General Insurance Co. Ltd., The General Industrial Society Ltd., (Gondalpara Jute Mills), Metal Craft India Limited, Bhartia Co. Ltd. 1B, Old Post Office St., Calcutta.

(7) SHRI PARAMANANDA (Landlord). Director. The Bank of Bihar Ltd., South Bihar Sugar Mills Limited, Madras Vanaspati Ltd., etc. "Ekant," Boring Road. Patna.

(8) SHRI SITARAM BUBNA (Merchant). Director, Krishik Cold Storage Limited; Partner, Shri Hanuman Mills, Bakhtiarpur. "Bubna House," Guru Goving Path, Patna City.

(9) SHRI NAND KISHORE DAGA (Industrialist). Director, Daga & Co. (P) Limited, Derby Tea & Industries Limited. 16, Hare Street, Calcutta.

REGISTERED OFFICE
BUDH-MARG (PATNA-GAYA ROAD)
PATNA (BIHAR).

HEAD OFFICE
P.21/22, RADHA BAZAR STREET, CALCUTTA
(WEST BENGAL).

BANKERS

(1) THE UNITED COMMERCIAL BANK LTD.
(2) THE BANK OF BIHAR LTD.
(3) THE CENTRAL BANK OF INDIA LTD.

MANAGING BROKERS

1. MESSRS. MERWANJEE BOMANJEE DALAL, Allahabad Bank Building, Apollo Street, Fort, Bombay-1.
2. MESSRS. P. R. SUBRAMANIYAM, 70-A, Stock Exchange Building, Apollo Street, Fort, Bombay-1.
3. MESSRS. NAVALCHAND T. SHAH & CO., Union Bank Building, Dalal Street, Fort, Bombay-1.
4. MESSRS. J. CHHOTALALL & CO., 16, India Exchange Place, Calcutta-1.
5. MESSRS. MURARKA BROTHERS, 7, Lyons Range, Calcutta-1.

BROKERS

1. MESSRS. SOHANLAL PACHISIA & CO., 9, India Exchange Place, Calcutta-1.
2. MESSRS. MODI & CO., 9, India Exchange Place, Calcutta-1.
3. MESSRS. KANTILAL CHANDULAL, Stock Exchange Building, Apollo Street, Fort, Bombay-1.
4. MESSRS. L. G. BHOLE, M.A., LL.B., 76, Stock Exchange New Building, Apollo Street, Fort, Bombay-1.
5. MESSRS. KANTILAL CHANDULAL & CO., Shahi Bag, Near Railway Crossing, Ahmedabad.
6. MESSRS. RAJ PAUL CHADHA & CO., Delite Cinema Building, Asaf Ali Road, New Delhi.
7. MESSRS. SWASTIK & CO., Safiya Chambers, 7, Second Line Beach, Madras.

SOLICITORS

MESSRS. KHAITAN & CO., 1B, Old Post Office Street, Calcutta.

AUDITORS

MESSRS. SINGHI & CO., 1B, Old Post Office Street, Calcutta-1.

MESSRS. THAKUR & CO., Frazer Road, Patna-1.

DIRECTORS' QUALIFICATION

The qualification of Directors shall be holdin of one equity share in the capital of the Company

OBJECTS OF THE COMPANY

The Company was incorporated on 13th da of October, 1960. The main object of the Com pany is to carry on business as manufacturers an dealers in nail-wires, wire drawing and galvanis ing, stranded wires, barbed wires, wood screws bolt and nuts, rivets and all other kinds of wire whether steel or otherwise and wire products an also to carry on the business as manufacturers of dealers in, importers, exporters and contractors o all kinds of cables, apparatus, insulated material required for electricity and telephone or are cap able of being used in connection with generation distribution, supply, accumulation and employmen of electricity.

HISTORY OF THE COMPANY

The Company has taken over two industria units, viz., Khemka Cable Works and Bihar Wire Industries, on and from 18th October 1960 as run ning concerns with all their assets and liabilities goodwill, trade marks, permits, licences, advantage etc., including rights on all immovable proper ties including those held under lease partly or fully constructed or acquired by the Vendors including plant and machinery, office furnitures, implements raw-materials created by the Vendors as on 18th October 1960 in terms of the agreement dated 15th November 1960, with the partners of the said two Vendors.

(1) The Unit Khemka Cable Works has a scheme to produce per annum 24 million yards of Rubber insulated cables upto 660 volts of various grades required for domestic and industrial electrification and the manufacture of 0.6 million yards of welding cables required for the installation of heavy and light steel structural constructions in both private and public sector. The cables to be manufactured by the Company will conform strictly to relative Indian Standard Specifications prescribed. The Unit has already acquired its Plant and Machinery which are likely to be delivered to the Company within another about three months and has also completed the major part of construction of factory sheds and buildings.

(2) The Unit Bihar Wire Industries has two schemes—the first is to manufacture 1,500 tons of galvanised steel wires per annum and the second scheme is to manufacture 700 tons of barbed wire and wire nails per annum. This unit for making barbed wire and wire nails is likely to go into production in another about three months' time since the machineries and raw materials have already been acquired and are likely to be delivered at factory site very shortly. The unit for manufacturing galvanised wire will go into production by January 1962 when all the Plant and Machinery is likely to be delivered to the Company.

BUSINESS PROSPECTS

Under the present phase of industrialisation, electrification and economic development in the country, the manufacture of electrical cables has an important and major role. With the advent of the Third Five-Year Plan and the progressive expansions of the existing industries and various programmes of rural electrifications, the cable and wire industry has very bright pospects. Inspite of manifold increase in the production of low tension distribution cables which has been raised by over 100 per cent between the year 1954-58 from 82.80 million yards in 1954 to 127.00 million yards in 1958, the indigenous production has not been able to meet the demand for these cables. The demand for these cables at the end of the Third Five-Year Plan is estimated to exceed 500 million Core Yards against the country's production of 214 million in the year 1959-60 which is less than half of the target set for 1965-66. The yearly increase in demand of 20 per cent leaves a wide gap between the demand and supply and thus assures this proposed factory a good market for its products and further increase in the production from time to time.

The demand for hard Bright Wires, Concrete Reinforcement Wires, Galvanised Wires used for stay wires, telegraphic transmission etc., Signal Wires etc., are largely imported as the indigenous production is not sufficient to meet the demand. In view of great industrialisation and expansion programmes undertaken in all phase of development in the country, the demand for such wires is likely to increase in the Third Five-Year Plan. The Company's plant for manufacturing of 1,500 tons per year will be helpful in reducing import and with the increased production of steel in the country, there is a good scope to increase the production of the wires by the Company. The Company proposes to increase its wire drawing and galvanising capacity from 1,500 tons per year to 12,000 tons per year and for this it is already in negotiation with the Central Government for grant of Industrial Licence and the Company is also in touch with foreign firms for technical collaboration.

MANUFACTURING LICENCES, RAW MATERIALS AND TECHNICAL PERSONNEL

With a view to boost small industries, the Government of India have decided that industrial undertakings, which employ less than 100 persons and whose fixed assets are less than Rs. 10 lakhs in value, can proceed without applying for licence under the Industries (Development and Regulation) Act. Since the fixed assets of the Company's each industrial units will be below Rs. 10 lakhs the Company does not need any manufacturing licence under the said Act. The Company has however received full support from the State Director of Industries who has recommended the setting up of the Company's industrial Units in Bihar and has issued required Essentiality Certificates for the import of Plant and Machinery and raw materials.

The Company has already been granted most of the import licences for import of Plant and Machinery and raw materials which have also been imported to some extent. Other Plant and Machinery as required for the second stage of production schedule will be imported very shortly.

Raw materials to run the Barbed Wire and Wire Nail unit has already been imported and this will be sufficient for about three months' consumption. Other import licences for raw materials are expected shortly. With the increased production of steel in the country, the Company does not foresee any difficulty in running its wire drawing and galvanising plant.

The Company has secured the services of fully qualified technicians with previous experience of working in similar units. This would enable the Company to bring the units into full production within the scheduled period.

LOCATION OF FACTORY SITE AND POWER

The present two industrial units of the Company are located at Digha, Patna, on Leasehold land. The construction of the Factory Shed and Office building for Cable Factory is nearing completion. Negotiation for the outright purchase of other plot of land is under progress with the owners of the said land which is expected to materialise very shortly. From the point of view of road and rail transport, the present site is very convenient. Adequate supply of electric power has already been sanctioned by Patna Electric Supply Co. Ltd.

CAPITAL OUTLAY AND SOURCES

Capital outlay and working capital

The estimate of requirements are as follows:

	Rs.
(1) Cost of erecting factory shed, office buildings and plant and machinery inclusive of transport, custom duty, erection at site, cost of land and preparation of site etc.	10.45 lakhs
(2) Other fixed assets	1.05 ,,
(3) Preliminary and development expenses including expenses on this issue and brokerage payable	1.50 ,,
(4) Working capital including accommodation from Bankers	26.50 ,,
(5) Any other expenditure ..	NIL
Rs.	39.50 lakhs

(A portion of the above expenditure can be deferred)

This amount will be made from the sources as follows:

	Rs.
(1) Subscription by the Directors and their friends including the Vendor' shares issued	2.80 lakhs
(2) Subscription of 42,000 Equity shares and 3,000 Preference shares offered for public subscription ..	7.20 ,,
(3) Other credits and advances	3.00 ,,
(4) Loan from Bihar State Financial Corporation against mortgage of immovable assets	5.75 ,,
(5) Bank accommodation against stocks, bills etc.	20.75 ,,
Rs.	39.50 lakhs

(To arrange Bank Accommodation of Rs. 20.75 lakhs a margin of Rs. 4.75 lakhs have been provided. Moreover, the entire banking accommodation is not required immediately since the other units will come into production later in early 1962 by which time the Company would have earned from other units going into production much earlier).

MINIMUM SUBSCRIPTION

The minimum amount which in the opinion of the Directors must be raised by the issue of shares in order to provide the sum required to be provided as per para (5) of Schedule II of the Companies Act, 1956, in accordance with which the Directors would proceed to allot by this Prospectus is the subscription of shares of the nominal value of Rs. 4,50,000 payable in cash.

PROFIT

On the basis of existing prices and after allowing costs, depreciation and other foreseeable contingencies in so far as those items can at present be estimated the Directors are of the opinion that, in the absence of any unforeseen circumstance, the Company should be in a position to pay reasonable dividends on the issue of Equity shares, possible in the very first year of the Company's working. The other similar large factories are making excellent profits and are paying good dividends.

The Company will be entitled to get the advantages of the development rebate and exemption from income-tax under Section 15(C) of the Income-tax Act and the shareholders will also be exempt from wealth tax on their holdings for a period of five years under Clause XX of sub-section 1 of Section 5 of the Wealth Tax Act.

The Company will also be entitled to sell its products at a higher rate to Government consumers as allowed under the Act for the benefit and encouragement to small-scale industrial units.

UNDERWRITING COMMISSION

The underwriting commission at 2½ per cent of the nominal value of the Equity shares now offered for public subscription is payable to the said underwriters.

BROKERAGE AND COMMISSION

The brokerage will be paid by the Company to the members of any recognised Stock Exchange and to the Bankers at Re. 1.20 nP per share in respect of Preference shares and 12 nP per share in respect of Equity shares allotted in respect of applications bearing their stamps. Brokerage on the same basis will be paid to the underwriters in addition to the underwriting commission on the shares allotted in respect of applications bearing their stamps. Brokerage will also be paid by the Company to the Managing Brokers at 7 nP per Equity share and at 50 nP per Preference share on shares allotted to public.

INSPECTION OF DOCUMENTS

Copies of the Memorandum and Articles of Association of the Company and copies of other documents and Agreements can be inspected at the Registered Office of the Company during the usual business hours until 14 days after opening of the subscription list.

HIGH REPUTATION

for

Quality, Uniformity, Reliability

CLARETTA

THREE GOLDEN HORSES

High Rayon Fabrics

#1480 Tussore	#3000 Satin
#3300 Satin	#5050 Habutae
#6750 Habutae	#6300 Georgette Crepe
#7200 Sheer Crepe	#7500 De Chine Crepe
#0050 Tricot	

Rayon Yarn

Filament Yarn
Spun Yarn
Staple Fibre

Pamphlet available. Please apply to:

KURASHIKI RAYON CO., LTD.

2, Umeda, Kitaku, Osaka, Japan Cable Address: "KURARAY OSAKA"

THE MITSUI BANK LIMITED

(INCORPORATED IN JAPAN WITH LIMITED LIABILITY)

CONDENSED BALANCE SHEET—SEPTEMBER 30, 1960

Dr. *Cr*

March 31, 1960 Yen	ASSETS	Sept. 30, 1960 Yen	March 31, 1960 Yen	LIABILITIES	Sept. 30, 1960 Yen
59,329,322,754	Cash in hand and at the Bank of Japan, etc.	62,770,811,310	348,434,303,776	Deposits	385,145,447,918
160,896,000	Call Loans	199,173,250	46,092,243,769	Borrowed Money from Bank of Japan	43,471,745,473
5,946,150,578	Government and Municipal Bonds	6,463,701,487	5,731,627,254	Bills Rediscounted	5,236,399,735
53,158,671,010	Other Securities	58,752,579,098	26,894,000,000	Call Money	33,246,500,000
105,430,373,793	Bills Discounted	118,324,785,984	402,983,713	Foreign Exchange Sold	648,199,779
218,398,449,475	Loans	236,285,000,970	19,488,318,783	Due to Foreign Banks	25,686,997,191
12,967,477,732	Foreign Exchange bought	16,979,249,438	3,098,790,936	Domestic Exchange Settlement Account, Cr.	3,569,953,693
15,744,096,864	Interest bearing Import Bills	14,696,916,512	53,750,211,302	Acceptances and Guarantees	55,970,262,171
1,048,227,123	Due from Foreign Banks	2,954,839,650	8,578,965,168	Provisions for accrued Interests, Taxes, etc.	9,802,253,858
3,771,139,447	Domestic Exchange Settlement Account, Dr.	3,892,600,923	1,732,495,554	Other Liabilities	1,444,904,451
53,750,211,302	Customers' Liability for Acceptances and Guarantees	55,970,262,171	7,962,486,636	Reserves for Contingencies, etc.	8,745,728,854
6,186,653,059	Bank Premises and Real Estates	6,363,138,740	9,000,000,000	Capital Paid-up*	9,000,000,000
4,056,569,243	Other Assets	5,710,987,835	1,893,926,675	Capital Surplus	1,893,075,205
			6,397,925,804	Earned Surplus	7,432,668,945
			(1,273,928,724)	(Profit for the half-year)	(1,402,643,141)
539,948,288,370	Total	589,284,037,268	539,948,288,370	Total	589,284,037,268

PROFIT AND LOSS ACCOUNT

Dr. *Cr.*

6 months ending March 31, 1960 Yen	OPERATING EARNINGS	6 months ending Sept. 30, 1960 Yen	6 months ending March 31, 1960 Yen	OPERATING EXPENSES	6 months ending Sept. 30, 1960 Yen
12,456,735,306	Interest on Loans and Discounts	13,871,705,403	6,040,133,343	Interest on Deposits	6,768,989,947
1,981,634,805	Interest and Dividends on Securities	2,296,474,958	3,614,078,137	Interest on Borrowings and Rediscounts	3,970,214,789
775,188,692	Fees and Commissions	833,106,992	190,507,545	Amortization and Depreciation	398,254,589
902,627,339	Other Earnings	1,330,079,598	436,664,971	Taxes	472,392,993
1,605,222,086	Transfer from Reserves	1,907,143,152	1,709,064,350	Salaries and Allowances	1,754,408,088
377,557,080	Balance carried over from Previous Term	425,585,804	2,115,692,674	Other Operating Expenses	2,782,192,761
			2,341,338,474	Transfer to Reserves	2,889,533,900
			1,651,485,804	Profit for the Term (Net Profit)	1,638,238,945
			(1,273,928,724)		(1,402,643,141)
18,098,965,298	Total	20,664,095,907	18,098,965,298	Total	20,664,095,907

Exchange Rate : Approximately Yen 75=Rs. 1.

* The Authorized Capital is Yen 13,500,000,000.

BALANCE SHEET OF BOMBAY BRANCH AS AT 31st DECEMBER, 1960

As at 31-12-1959 Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
	1. Capital—		
21,74,068	Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949		20,59,385.00
Nil	2. Reserve Fund and Other Reserves		Nil
	3. Deposits and Other Accounts—		
1,67,83,902	Fixed Deposits	1,49,02,755.07	
Nil	Savings Bank Deposits	Nil	
19,84,033	Current Accounts, Contingency Accounts, etc.	27,09,417.39	
1,87,67,935			1,76,12,172.46
	4. Borrowings from Other Banking Companies, Agents, etc.—		
Nil	(i) In India	22,00,000.00	
Nil	(ii) Outside India	Nil	
Nil			22,00,000.00
	PARTICULARS—		
	(i) Secured	22,00,000.00	
	(ii) Unsecured	Nil	
4,989	5. Bills Payable		5,886.30
	6. Bills for Collection Being Bills Receivable as per contra—		
Nil	(i) Payable in India	Nil	
Nil	(ii) Payable outside India	Nil	
Nil			Nil
	7. Other Liabilities—		
36,35,354	Head Office, Branches and Agencies outside India		1,38,77,824.10
33,13,485	8. Acceptances, Endorsements and Other Obligations as per contra		67,24,131.51
	9. Contingent Liabilities—		
	Outstanding Forward Exchange Contracts Rs. 1,74,19,253.43.		
2,62,26,763	Carried forward .. Rs.		4,04,20,014.37

As at 31-12-1959 Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
	1. Cash—		
13,29,848	In hand and with Reserve Bank of India and State Bank of India (Including Foreign Currency Notes).		13,97,119.09
	2. Balances with Other Banks on Current Accounts—		
1,24,532	(i) In India	8,045.60	
11,251	(ii) Outside India	16,931.75	
1,35,783			24,977.35
Nil	3. Money at Call and Short Notice		Nil
	4. Investments (At cost)—		
	(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments (Market Value Rs. 5,01,000) (Market Value—1958 Rs.[illegible],00,250)	5,00,700.00	
5,00,700	(ii) Shares	Nil	
Nil	(iii) Debentures or Bonds	Nil	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
5,00,700			5,00,700.00
	5. Advances—		
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
	(1) Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
1,77,12,600	(i) In India .. 2,31,72,213.39		
Nil	(ii) Outside India .. Nil		
		2,31,72,213.39	
	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
2,49,118	(i) Payable in India .. 25,24,283.43		
22,53,152	(ii) Payable outside India .. 58,61,186.09		
2,02,99,970		83,57,497.43	
			3,15,30,710.81
	PARTICULARS OF ADVANCES—		
23,79,062	(i) Debts considered good in respect of which the Banking Company is fully secured	96,58,251.76	
94,46,502	(ii) Debts considered good for which the Banking Company holds no other security than the debtor's personal security	1,71,35,125.37	
84,74,287	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security	47,37,333.68	
Nil	(iv) Debts considered doubtful or bad not provided for	Nil	
2,03,99,971		3,15,30,710.81	
4,200	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,650.00	
Nil	(vi) Debts due by Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
4,700	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	2,950.00	
Nil	(viii) Maximum total amount of advances including temporary advances granted during the year to Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
Nil	(ix) Due from Banking Companies	Nil	
	6. Bills Receivable Being Bills for Collection as per contra—		
Nil	(i) Payable in India	Nil	
Nil	(ii) Payable outside India	Nil	
Nil / 33,13,485	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		Nil / 67,24,131.51
Nil	8. Premises, Less Depreciation		Nil
	9. Furniture and Fixtures, etc., Less Depreciation—		
	Cost to 31st December, 1959	1,35,026.57	
	Additions during the year	57,185.32	
		1,92,211.89	
84,743	Less—Depreciation written off to 31st December, 1960	67,359.84	
			1,24,852.05
2,61,68,930	Carried forward .. Rs.		4,03,02,491.64

(Continued on next page)

NEW PRODUCTS AND PROCESSES

Improved Pasteuriser

AN improved pasteuriser has been evolved at the Central Food Technological Research Institute, Mysore. The pasteuriser, which has been patented, is stated to be an improvement over the equipment available in some of the industrially advanced countries. The colour, flavour, texture and vitamin content of many canned foods are most effectively preserved by high-temperature, short-time cooking or pasteurisation. Commercially, this is accomplished through flash-pasteurisation and agitation. Flash-pasteurisers are, however, suitable only for liquid food products like fruit juices and have not been successful in processing semi-fluid or viscous food products like fruit juice concentrates, pulps, pastes, soups, etc., and of canned fruits on account of their high viscosity.

Emulsions and Resins from Cashewnut Shell Liquid

A new process for making stable emulsions from cashewnuts shell liquid aldehyde condensate resins, their solutions and polymerised cashewnut shell liquid has been discovered. The emulsions obtained are rapid-drying and free from odour and fire hazard. They can be applied on wet as well as porous surfaces and the films obtained can withstand washing. These emulsions are suitable media for primers and possess tolerance to addition or corrosion inhibitors. Sealing pastes based on these emulsions can stand hot riveting.

Another process, also developed at the Institute, easily makes available isogel-stage cashewnut shell liquid resins either by condensing raw cashewnut shell liquid with aldehydes followed by heat processing at low temperatures or by condensing the heat-polymerised cashewnut shell liquid with aldehydes at room temperature under alkaline conditions. The resins so obtained are mechanically dispersed in suitable solvents. These dispersion resins give fast drying finishes which adhere to metals and which can be recoated with lacquers without lifting. They can be used for making rich paints and primers which, when applied on steel surfaces, give cathodic protection. Both the processes have been studied out in the laboratory and 2-2.5 gal. batches of the products have been prepared.

Dyeing of Wool

Conditions for dyeing protein and polyamide fibres like wool, silk and nylon with purified lac dye have been standardised as a result of investigations undertaken in the Department of Chemical Technology, University of Bombay. Dyeings of specific shades and fastness properties have been produced by employing suitable mordants. Procedures have been evolved for obtaining crimson, purple, orange-red and brown dyeings. Although lac dye has been used in India for dyeing silk and wool, systematic studies with respect to the range of shades obtained and fastness characteristics have not been carried out so far.

Moisture-proof Linings for Jute Bags

Search for moisture-proof packaging of hygroscopic fertilisers at Sindri has indicated that polythylene liner stitched to jute bag gives maximum protection against humidity. For protection of urea against caking, the thickness of the liner should be at least 0.002 in. Among the different linings, tested at the Sindri's Technological Department for moisture impermeability and ability to withstand rough handling were: polythene liners, crepe paper paster with bitumen to jute, two plies of bagging paper laminated and pasted with bitumen to jute and paper laminated and pasted with bitumen to jute and polyvinylidene chloride-coated jute bags. The results showed that polyethylene-line jute bags are superior to polyvinylidene chloride-coated or paper-lined jute bags. Polythene liners stitched to the jute bags are better than loosely inserted ones. The liner, larger in dimension, and the jute should be folded and doubly stitched so that there is less likelihood of moisture penetration.

Light Oil Reduces Hydrogen Production Cost

Imperial Chemical Industries proposes to spend £6 million for modernising a large section of a plant in Billingham—north-east England. A highly efficient process has been developed at the plant for making at a lower cost the hydrogen which is the first stage in the manufacture of ammonia, fertilisers and many of the other products. This process will use light oil as a raw material in place of the coke which is the present main basis of making hydrogen. Preliminary site work is already in progress and the new plants will come into use in 1963. Existing plants will continue to operate during the change-over and full production of all Billingham plant products will be maintained while the new scheme is being commissioned.

Hydraulic Broacher

A new type of hydraulic broacher which will considerably reduce the time spent in making certain equipment for the oil industry, has been produced by a British firm. Claimed to be one of the largest horizontal pull broachers made, the machine has been designed to cut to close tolerances the body cavities in gate valve forgings. These valves are extensively used in oilfield pipeline networks in sizes from 2 ins. to 6 ins. They are suitable for pressures ranging up to 15,000 lbs. per square inch. The machine is based on a standard broacher with certain specifications built in. It is claimed that the new broacher will complete the work on the valves far more quickly than conventional types. With a 100-inch stroke, it will—in only s.14 passes—produce a rectangular hole 5¼ ins. x 2¾ ins. from a 2.5/16 in. diameter starting hole. The machine is only 3 ft. 6 ins. high at the handling area. Features of the broacher are push button speed control over three ranges (from 1 to 21 ft. per minute), low height and a hydraulically-operated support pan which feeds the broach into the component automatically to ensure the broach is guided throughout its stroke.

Malted Milk Powder

A new process for producing malted milk powder has been developed at the Mysore Food Technological Institute. The process consists in mixing concentrated malt extract with milk powder, fats and carbohydrates followed by vacuum drying. A notable advantage of the process is said to be the use of milk powder in place of liquid milk and concentrated malt extract in place of mash liquor prepared from green or kilned malt, which eliminates the need for evaporation. Fifty-lb. batches of the milk products have been successfully prepared and found to compare favourably with imported products both in taste and flavour. The shelf life of the product is about one year at 37° C. Raw materials required for the process, namely milk, ragi, *jowar*, barley and wheat are all available indigenously. Total capital outlay on a plant having a capacity of 300 tons per annum is estimated at about Rs. 6.05 lakhs, and the equipment required includes vacuum shelf driers, powder filling unit, mixers, seamers and granulator.

Rubber Base Contact Adhesive

A rubber base contact adhesive capable of withstanding several hundred pounds of pressure per sq. inch, has been developed at the National Chemical Laboratory, Poona. Contact adhesives are extensively used in automobile, aircraft, and rail coach factories as also in the aluminium, steel, glass, ceramic and other industries. Apart from its utility as a general adhesive the new material can be used as an anchor coat in the manufacture of cellophane adhesive tapes. The new product is said to have been tested by several industries and is reported to be equal to or better in quality than some of the imported varieties.

THE MITSUI BANK LIMITED—*Continued*

As at 31-12-1959 Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
2,62,26,763	Brought forward .. Rs.		4,04,20,014.37
2,62,26,763	Total .. Rs.		4,04,20,014.37

As at 31-12-1959 Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
2,61,68,930	Brought forward .. Rs.		4,03,02,491.64
	10. Other Assets—		
	Stamps, Prepaid Expenses, Rent and Other Deposits.	6,031.01	
33,215	Adjusting Account	58,585.21	
			64,616.22
Nil	11. Non-Banking Assets Acquired in Satisfaction of Claims.		Nil
	12. Profit and Loss Account—		
	Balance of Loss as per last Balance Sheet	19,618.87	
	ADD—Balance of Income-tax Account written off for Assessment Years 1957-58, 1958-59 and 1959-60 less Refund received	1,27,826.35	
	ADD—Income-tax paid for 1960-61 written off (Assessment not yet complete)	52,000.00	
		1,99,444.72	
	LESS—Profit for the year (subject to taxation)	1,51,632.87	
		47,812.35	
	LESS—Net Loss transferred to London Office during the year for periods upto 30th September 1960	5,930.84	
		41,881.51	
19,618	ADD—Tax at source	11,025.00	
			52,906.51
2,62,26,763	Total .. Rs.		4,04,20,014.37

NOTE :—No provision has been made for future gratuities to Staff, the liability in respect of which has not been ascertained.

PROFIT AND LOSS ACCOUNT OF BOMBAY BRANCH FOR THE YEAR ENDED 31st DECEMBER, 1960

Previous Year Rs.	EXPENDITURE	Rs. nP
5,96,388	1. Interest paid on Deposits, Borrowings, etc.	8,94,601.26
2,97,313	2. Salaries, Allowances and Provident Fund (including Salary and Allowance of Manager Rs. 76,945.49) (1959 Rs. 51,779.63)	3,69,972.44
Nil	3. Directors' and Local Committee Members' Fees and Allowances	Nil
46,186	4. Rent, Taxes, Insurance, Lighting, etc.	53,236.80
1,900	5. Law Charges	1,109.50
24,837	6. Postage, Telegrams and Stamps	21,796.65
2,850	7. Auditors' Fees	1,700.00
18,994	8. Depreciation on and Repairs to Banking Company's Property	21,098.73
17,850	9. Stationery, Printing, Advertisement, etc.	13,901.36
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
41,797	11. Other Expenditure (including Office Furniture written-off Rs. 17,076.56)	44,985.80
Nil	12. Loss on Revaluation of Investments	Nil
39,780	13. Net Profit (subject to Taxation)	1,51,632.87
10,88,874	Total .. Rs.	15,61,972.03

Previous Year Rs.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. nP
7,96,251	1. Interest and Discount	12,88,851.94
2,80,558	2. Commission, Exchange and Brokerage	2,22,067.53
Nil	3. Rents	Nil
7,000	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
65	7. Other Receipts	1,053.36
10,88,874	Total .. Rs.	15,61,972.03

AUDITORS' REPORT

We have audited the foregoing Balance Sheet of the Bombay Branch of the Mitsui Bank Limited, as at the 31st day of December, 1960, and also the foregoing Profit and Loss Account of that Branch of the Bank for the year ended on that date.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the proviso to sub-section (1) and (3) of Section 211 and sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The Accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that :—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit ;

(b) in our opinion, proper books of account as required by law have been kept by the Branch so far as appears from our examination of those books ;

(c) the Balance Sheet and Profit and Loss Account of the Bombay Branch of the Bank dealt with by this report are in agreement with the books of account ;

(d) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts subject to the notes thereon, give the information required by the Companies Act, 1956, in the manner so required for Banking Companies and on such basis the said Balance Sheet, gives a true and fair view of the state of the affairs of the Bombay Branch of the Bank as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the profit of the Branch for the year ended upon that date.

P. C. HANSOTIA & CO.,
Chartered Accountants.

BOMBAY, 19th April, 1961.

FOR THE MITSUI BANK LTD.,
H. MIYAKE,
Manager.

FINANCE COMMISSION *VERSUS* PLANNING COMMISSION

NO NEED FOR THE FORMER IN FUTURE

By Dr G. N. Arora

THERE is no gainsaying the fact that the Planning Commission, since its very inception has been playing an increasingly significant role in the sphere of federal finance in the country. This advance virtually amounts to making serious inroads into the functions of the Finance Commissions which have hitherto been the pivots in determining the Centre-States financial relations. The latter find the scope of their work as a result thereof considerably restricted. The exigencies of planning have required the Planning Commission to deal comprehensively with the finances of the Union and the States in the widest sense of the term, while the Finance Commission, though a statutory body, has only limited functions in the field to discharge, and these functions overlap, giving rise to anomalies. The Second Finance Commission was well aware of this fact and laid down for consideration whether the time was not ripe for a review of the constitutional provisions dealing with the financial relations between the Union and the States. Nothing perhaps could be done to set at rest the anomalies arising out of the working of two parallel bodies and the Third Finance Commission has now started functioning, with almost the same terms of reference as the Second Finance Commission had.

Under the provisions of the Constitution, a Finance Commission has to be appointed on the expiry of every five years or earlier if the President so desires. The Finance Commission has to make recommendations to the President on two specific matters and on any other matter referred to it by the President in the interests of sound finance. The two specific matters are: (i) the distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them and the allocation between the States of the respective shares of such proceeds; and (ii) the principles which should govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India. The Planning Commission, on the other hand, owes its origin not to any Constitutional provisions but to the Directive Principles of State Policy in the Constitution, which became the frame of reference for national planning. Although these principles are not justiciable, they are the imperative basis of State policy. The resultant functions of the Planning Commission are to formulate a Plan for the most effective and balanced utilisation of the country's resources in close understanding and consultation with the Ministries of the Central Government and the Governments of the States; to allocate material resources in accordance with priorities; to scrutinise, co-ordinate, stimulate and watch the progress of various State and Central Projects; and to make recommendations to Government regarding allocation of funds, forms of State-aid and regulation of industries, trade, currency and credit.

Federal Finance

Federal finance implies the finance of the federal as well as the state governments, and the relationship between the two. It involves the use of the device of transfer of funds from the national to the regional governments in the federation, so as to effect not merely budgetary equilibrium for the economically backward states by making their resources equal to their needs, but also the economic equilibrium for the nation as a whole by enabling the federal government to follow the principle of public finance in its wider sense. The prosperity of the states, however, presupposes a reasonably strong and financially stable centre. These principles of federal finance are the guiding factors for the Finance Commissions in our country. They enjoin on them to make use of the balancing factors of shared taxes, and grants-in-aid of the revenues of the States not only to balance their budgets at the existing level of expenditure but also to fulfil as far as possible, the fiscal need of achieving economic equilibrium in the country, with the object of maximising national welfare. The Indian budgetary policy since 1952 has, however, been profoundly influenced by planning and, in the changed circumstances, the recommendations of the Finance Commissions do not go far enough to meet the ends in view. The Five-year Plans have now become an integral part of the budgets of the Union and the States and the basic needs of the States cannot be considered in isolation from the needs for development as embodied in the Plans. Even the other aim of achieving economic equilibrium in the country now requires the pursuit of a vigorous fiscal policy, as only that can bring about the greatest good of the greatest number and speed up the desired economic development. The terms of reference of the Finance Commissions undoubtedly enjoin on them to have regard to the requirements of the Five-year Plans, but their contribution in this direction has only been quite modest. The Planning Commission has, therefore, emerged on the scene to function as a high power body to regulate financial relations between the Centre and the States in accordance with the dictates of planned development. It ensures that the Plans of all regions are sufficiently integrated within themselves and with the overall national Plan. The priorities and the schemes in the State Plans are determined by it in consultation with the State Governments, after taking into account the requirements and resources of the States and the disparities in their development.

State Structure Respected

India carries out its planning with and through a federal system, in which the States are important units in their own right with their Plans accounting for nearly half the national planning budget. In planning both methods and aims, the State structure is respected, but they have to subserve the common goals and conform broadly to the national pattern of economic and social development as envisaged by the Planning Commission. The latter has successfully used the power of the purse in making national planning a success, achieving balances and avoiding wastes. In view of the facts that the financial resources of the States are inelastic and they have to depend upon the Centre for financing a very large portion of their development programmes, great importance is attached to the approval of the Planning Commission as a prerequisite to the release of funds by the Centre.

The Planning Commission, being a permanent body, devotes continuous attention to the whole field of development, including the financial aspect, which the Finance Commission does not. The functions of the Planning Commission are all-comprehensive and all-pervading. They well encompass within themselves many a function of the Finance Commission. As is apparent from the statistical analysis in the tables I to III on this page, the Planning Commission has moved far ahead in the sphere of federal finance as to overshadow the role of the Finance Commission.

TABLE I

Central Assistance to States for Plan Schemes as percentage of the Total State Plan Outlay

Five-year Plan	Central assistance to States (In crores of Rs.)	Total State Plan outlay (In crores of Rs.)	Column 2 as percentage of column 3
1	2	3	4
First	349.70	897.50	38.96
Second	1,050.00	2,044.05	51.37
Third	2,375.00	3,725.00	63.76

TABLE II

State Plan Expenditure as percentage of the State Total Expenditure

Year	Plan expenditure (In lakhs of Rs.)	Index (Base: 1957-58 =100)	Total expenditure (In lakhs of Rs.) (on Consolidated Fund and on Unfunded Debt Account)	Index (Base: 1957-58 =100)	Column 2 as percentage of column 4
1	2	3	4	5	6
1957-58 ..	347,13	100.00	187,480	100.00	25.25
1958-59 ..	399,74	115.16	140,584	102.26	28.43
1959-60 (R.E.)..	496,76	143.10	1623,40	118.08	30.60
1960-61 (B.E.)..	541,64	156.03	1716,71	124.87	31.55

TABLE III

Assistance to States (Shared Taxes+Grants) under the Finance Commission Award as Percentage of the Total Central Assistance to States excluding Loans (Shared Taxes+Grants+Contributions)

Year	Assistance under the Finance Commission Award (In lakhs of Rs.)	Index (Base: 1957-58 =100)	Total Central Assistance excluding Loans (In lakhs of Rs.)	Index (Base: 1957-58 =100)	Column 2 as percentage of column 4
1	2	3	4	5	6
1957-58 ..	158,97	100.00	231,37	100.00	68.71
1958-59 ..	201,47	126.73	289,47	125.11	69.60
1959-60 (R.E.)..	210,12	132.18	351,91	152.10	59.71
1960-61 (B.E.)..	209,96	132.08	375,88	162.46	55.86

With every successive Five-year Plan, a greater percentage of the total State Plan outlay is financed out of Central assistance to States, as, with every successive year, the plan expenditure of States constitutes a greater percentage of the States total expenditure. During the four years 1957-58 to 1960-61, the State plan expenditure has gone up by 56 per cent, as against the rise of about 25 per cent in State total expenditure. It is unquestionably the Planning Commission which determines the total State Plan outlay and the quantum of Central assistance to States for Plan schemes. Table III explains that assistance to States under the Finance Commission award is following a marked downward trend as percentage of the total Central assistance to States, excluding loans, though the fact remains that, during the period 1957-58 to 1960-61, the former has increased by 32 per cent. Total Central assistance to States, excluding loans has increased by over 62 per cent during the same period. During the same very period, resources (shared taxes + grants) transferred to the States as a result of the recommendations of the Finance Commission, have formed, on an average, only 22 per cent of the total State revenues on revenue account. The grants given under Article 282 of the Constitution on an executive basis as a result of negotiations between the Planning Commission, the Government of India and the State Governments, have introduced a striking change in the sphere of financial relations between the Union and the States. They do not fall within the purview of the Finance Commission but are a concern mostly of the Planning Commission. In the context of the Central aid to the States for Plan schemes, they are becoming increasingly important. Time is, perhaps, not far off when they will exceed the total assistance to States under the Finance Commission Award. They are already greater than the grants-in-aid of revenues given on the recommendation of the Finance Commission under Article 275 (1) of the Constitution. As observed by the Second Finance Commission, the latter will amount to Rs. 190 crores during the five year period, as against Rs. 275 crores likely to be received by the States during the same period under Article 282.

In assessing the needs of the States and determining their Plan outlay and the quantum of Central assistance therefor, the Planning Commission makes a thorough assessment of the existing resources of each State, its committed expenditure, the expenditure necessary for the Plan and the additional resources to be raised by it for meeting such expenditure. Thus the Planning Commission determines not only the Plan budget but also the normal budget for each State. What is later on presented to the State Legislature is almost a predetermined thing. In the context of this situation, it seems rather paradoxical for the Finance Commissions to make recommendations pertaining to the financial allocations to the States from the Centre after the States' shares in a Five-year Plan have been decided upon. The Finance Commission is concerned only with the revenue expenditure and consequently makes recommendations for the devolution of revenue resources. The Planning Commission, on the other hand, makes no distinction for purposes of the Plan between revenue expenditure and capital expenditure and our planned economy enjoins on it to see that the budgetary gaps of the States are fully covered by transfer of resources from the Centre. The Finance Commission, among other matters, makes recommendations relating to grants-in-aid of the revenues of the States under Article 275 of the Constitution, and the sums to be paid to those States having regard to the requirements of the current Plan and the efforts made by those States to raise additional revenue from sources available to them. The Planning Commission deals with the subject of Central assistance to States in a much wider perspective and is, perhaps, better placed to assess the budgetary needs and gaps of the States and to evaluate their efforts to intensify their tax efforts and effect economy in their expenditure.

It may, however, be pleaded that the Finance Commission in accordance with the provisions of the Constitution, has also to make recommendations relating to the distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them and the allocation between the States of the respective shares of such proceeds. This function, of course, does not lie within the purview of the Planning Commission. But is it something very material? The importance of shared taxes as an instrument for effecting financial adjustment between the Centre and the States has diminished considerably and grants-in-aid instead have emerged on the scene as a significant factor in federal finance. There is hardly any differentiation left between the two, in view of the financial integration of the country, and both tend to serve the same purpose. In fact, the Indian Constitution places them on the same footing. The superfluous mechanism of shared taxes may, therefore, be dispensed with and only grants-in-aid may be allowed to hold good. As will be seen below, it is the Planning Commission that can most judiciously determine the grants-in-aid for various States.

It is a widely acclaimed principle of grants-in-aid that the eligibility of a State in a Union to grants-in-aid and the amount of such aid should depend upon its fiscal need in a comprehensive sense. In a planned economy, in which the Centre and the States have joined hands in fruitful partnership, it is only the priorities and provisions in the Plan that may provide a suitable basis for determining their respective fiscal needs and, consequently, the grants-in-aid from the former to the latter. The Planning Commission determines these priorities and provisions and lays down both for the Centre and the States the directions in which the available resources may be used both over short and long periods. In joining with all the States to formulate a national Plan, it underwrites its implementation in a large measure. It has a concern for seeing that States discharge their part of the obligations and for recommending to the Centre to use its own resources and its powers of management of currency and credit in the service of the whole Plan, including the State's obligations. In such a situation the grants-in-aid to States from the Centre can best be determined by the Planning Commission. Being a permanent body, it is in a position to make a thorough study of all the aspects of the States' economy, develop a balanced and integrated approach towards major national problems, keep itself abreast of the changing socio-economic conditions in the States and adapt its thinking to the changing needs of the economic and social structure. It is a repository of all relevant factual, statistical and technical data in the systematic collection, scientific analysis and objective interpretation. The Finance Commmissions are certainly not so favourably placed as the Planning Commission is to discharge these functions. Their scope of work is quite limited, approach quite modest and decisions quite moderate.

Two Parallel Bodies Unnecessary

In view of these considerations, it is, perhaps, desirable to eliminate the necessity of having two parallel bodies dealing with the same subject and making two separate assessments of the needs of the States. Only an organisation which is more effective and noted for the comprehensive character of its functions should stay. Which that organisation may be, is amply borne out by the above analysis. It has been noticed that the assessment of needs of the States by the Planning Commission and then by the Finance Commission simply amounts to unnecessary duplication of work and wastage of time and effort. To make matters worse, the States' approach to two bodies generally varies. In the forecasts of revenue and expenditure submitted to the Planning Commission, many of the States overestimate the yield from existing sources of revenue and underestimate their Committed expenditure. To the Finance Commission, the States generally submit conservative estimates of revenue and exaggerated figures of expenditure. The underlying idea of their approach to the Planning Commission is to get more matching funds from the Centre, while, in the case of the Finance Commission, the idea is to get a higher share in the proceeds of distributable tax revenue and a higher amount as grants-in-aid of revenues. It is really a difficult task to reconcile the two diverse approaches and assess correctly the fiscal needs of the States. It is, therefore, all the more desirable that there is only one organisation to make a scientific assessment of the needs of the States and deal comprehensively with the subject of devolution of resources from the Centre to the States. It hardly needs any emphasis that, of the two Commissions, the Planning Commission is the most suited to carry out these functions. It is the avowed policy of the Planning Commission to bring about balanced development of different parts of the country and extend the benefits of development to the more backward regions. The determination of the total size of the State Plans and the quantum of Central assistance are based on the criteria of population, area, completion of projects under execution, provision for utilising existing assets, power development and prevalence of unemployment, underemployment, economic backwardness, etc.

The Planning Commission has grown into an institution of great national importance. The fact remains that, though there is no mention of this Commission in the Indian Constitution and it has not been set up by a Parliamentary statute, it has come to stay as an organisation wielding profound influence in the socio-economic sphere. Great adventure in planning, adherence to broad objectives of a welfare State and the acceptance of the socialist pattern of society as the goal for the country have earned for it a place of pride in the country. Its role in the sphere of federal finance is overshadowed to by its bigger role in the field of economic development. But its work even in the sphere of federal finance is of far-reaching importance and far outweighs the work done by the Finance Commission.

The principal conclusion that emerges from the aforesaid analysis of the functions of the two bodies is that the Planning Commission is favourably placed to carry out, with utmost efficiency, impartiality and objectivity of judgment, not only its own functions but also the functions performed by the Finance Commission. Accordingly, there appears to be no necessity for constituting a Finance Commission. The Planning Commission could be conveniently empowered to perform some additional duties which the former is required to do. This may require some amendments to the Constitution and, perhaps, the functions of the Planning Commission may have to be regulated by law and not by mere conventions.

PLEA FOR COMMONWEALTH INDUSTRIAL CONFERENCE

The desirability of holding a Commonwealth industrial conference in the immediate future was stressed by Sir William McFadzean, the retiring President of the Federation of British Industries, at the annual meeting of the Federation held at London on the 12th inst. Drawing particular attention to the growth of economic co-operation between industrialists of the U.K. and those of other Commonwealth countries, Sir William observed that so many British firms had already established manufacturing subsidiaries in partnership with nationals of other member-countries "that we are fast developing a new and sturdy industrial Commonwealth."

Referring to the need for a settlement of the problem posed in Western Europe by the formation of the European Free Trade Association (E.F.T.A.) and the Common Market, Sir William stated that he did not underestimate the difficulties involved in their coming together in political and economic fields. In this connection, he referred to some of the general problems of, and prospects for, a settlement of the European question. To quote him:

"First, let us all recognise the urgency of finding solutions and the necessity for action, for the more the two blocs solidify, the more difficult their final coming together will be. Second, while our first loyalties must be to the E.F.T.A., just as the first loyalties of the Common Market countries must be to each other, I believe industry and commerce in every country concerned will make the most valuable contribution to any final settlement by striving might and main to keep business flowing at the maximum level between all countries—irrespective of tariff and other problems.... Third, I have been too deeply involved in this problem to do anything but sympathise with our own and other Governments' endeavours to find a solution. Settlement of certain matters in the political sphere may well be the first requirement, but I know that I am speaking on behalf of industrialists in many countries when I plead for no comprehensive settlement being effected without the vital interests of industry and commerce being fully consulted and taken into account. For, unless this is done, any settlement will be a patchwork and not a real and permanent solution."

Of Britain's industrial versatility, Sir William said that most of its industry was modern and efficient and, in fact, possibly at least one-quarter of its industrial production was concerned with goods unheard of 20 to 25 years ago. On industrial relations, he said that Britain lost, on an average, fewer man-hours a year through industrial disputes than practically any other Western country.

INDIAN INVESTMENT CENTRE

(An autonomous Body sponsored by the Government of India)

has opened its Office at

National Insurance Building,

Parliament Street, New Delhi-1

Telegraphic Address: "INCENTRE," New Delhi

Telephones: 48779, 47118 & 47119

Inquiries are invited

and should be addressed to

Executive Director, Indian Investment Centre

Parliament Street, NEW DELHI-1

RUBY GENERAL INSURANCE COMPANY LIMITED

Head Office: **"India Exchange," Calcutta-1**

Authorised and Subscribed Capital	Rs. 1,00,00,000
Paid-up Capital	,, 32,00,000
Assets Exceed	,, 1,35,00,000
Nett Premiums In 1959	,, 1,32,00,000

Division Office:

Industry House, 159, Churchgate Reclamation, Bombay 1

JESSOP AND COMPANY LIMITED

TWENTY-NINTH ANNUAL GENERAL MEETING

CHAIRMAN, MR. B. P. SINGH ROY ON RAISING OF FURTHER SHARE CAPITAL

THE need for raising additional finance to meet the increasing outlay on the expansion and rehabilitation programmes of Jessop and Company Limited was stressed by Mr. B. P. Singh Roy, Chairman, in his speech at the Twenty-ninth Annual General Meeting of the Company held at Calcutta on Thursday, 20th April 1961. Mr. Singh Roy admitted that issue of further share capital would place additional burden on shareholders, but he was afraid the issue could not be postponed indefinitely. For, he said, the Company's borrowings from banks had exceeded the limit by Rs. 50 lakhs and that its securities, though they might be sufficient for getting some more accommodation from banks, would be too inadequate for the needs. Moreover, he felt that it was not only desirable but essential to maintain a proper balance between share capital and borrowings.

The following is the full text of Mr. Singh Roy's speech:

"GENTLEMEN,

"It is with pleasure that I welcome you today at the twenty-ninth annual general meeting of your Company. For want of suitable and comfortable accommodation in your head office, it was decided to hold the meeting in the room of the Bengal Chamber of Commerce. I hope this meets with your approval.

"As it will appear from the Board of Management's report, the year ended 31st October 1960 was not free from difficulties. The early part of the year was badly affected by shortages of steel. Things are no doubt better now, but we have a long leeway to make things really satisfactory. Though the availability of steel has improved, we find ourselves hampered by shortage of transport facilities both in bringing materials to our works and in removing finished products. The shortage of foreign exchange also affects us as many other concerns.

New BOX Wagon

"A factor which affected the working of the year under review was the prolonged delay in establishing manufacture of the new BOX wagon which replaced the old four-wheel covered goods wagon which was one of our chief lines of production. Because of the shortage of certain components, which the railways had contracted to supply, the outturn of these wagons in the year ended 31st October 1960 was only 145, representing sales value of about Rs. 61 lakhs. At such a rate of output, production was uneconomical. It should be realised that these wagons replace an older type of which we had thirty years' manufacturing experience, so that production ran at over 2,500 a year, or about Rs. 300 lakhs. The effect on the working of the Company, is, therefore, obvious. The position has since improved, and is still improving, but it has a long way to go before the old level can be reached.

"Another factor affecting the year's working was the contract for electric multiple unit coaches. This was an entirely new venture and, like all new ventures, relatively unremunerative in its early stages when all the teething troubles must be overcome. With the rapid industrialisation of the country, a company like yours is expected to make its contribution to the development of our industries and, in that connection, the undertaking of new lines of manufacture by this Company is not only desirable but essential.

Electric Multiple Units

"We expect to complete delivery of the 18 electric multiple units (3-coach) for Bombay in June 1961. After some considerable delay, we were given, in June 1960, a further order for 21 E.M. units (3-coach) with two spare motor coaches and 35 special trailers for Bombay. I regret to state that the import licence for the special electrical and mechanical equipment required has not yet been issued in spite of sustained efforts on our part. Until the import licence has been received, it is not possible for us to place orders for the equipment abroad and this means that there will be a gap in production of E.M.U. coaches of approximately seven to nine months. Apart from the dislocation this must inevitably cause in our works, due to break in continuity of manufacture, this shortfall in E.M.U. production is even more regrettable at this time when there is a pressing demand for such coaches.

"In order to fill the gap in production the coach works will take up the manufacture of broad-gauge motor and parcels vans and broad-gauge well wagons. The expansion to the coach works which I mentioned in my address last year is now nearing completion.

"Much of the essential plant for the new bogie works, which has been set up to manufacture the all-welded bogie for the BOX wagons, has now arrived and is being installed. Although further plant has yet to be received, we are now transferring manufacture of the BOX bogies to this works and this should ease the load on the structural works where this work is at present carried out.

"The demand for our diesel road rollers continues unabated and we are making strenuous efforts to raise production beyond the target of 200 rollers per annum. With this end in view, we are setting up a new works on our own land in Dum Dum, which will specialise on the manufacture of road rollers and allied equipment. Apart from freeing capacity in the existing structural and mechanical works where our road rollers are at present built, the new works will be better equipped to meet the growing demand which will rise further with the tremendous increase in road building in the third Five-year Plan.

"We have now finalised arrangements with our collaborators, Messrs. Aveling-Barford Ltd., England, to manufacture the transmission for our road rollers and the necessary amendment to our manufacturing licence has already been obtained from the Government of India. All the special purpose plants have been ordered from abroad and, when these are finally received towards the end of the year, we shall be able to take up the production of the transmission and will then have achieved almost 100 per cent indigenous content as the engine is now made in Madras.

Shortage of Skilled Workmen

"We are experiencing the greatest difficulty in recruiting skilled craftsmen for our works. The shortage of skilled workmen is a factor which must retard expansion of the engineering industry unless immediate steps are taken to train our young men along the right lines to meet the growing demand. This matter has been given the fullest consideration by your Board, and it has been decided to extend the present apprentice training scheme by setting up a training school on land we have in Dum Dum.

"You will have seen from the published accounts and the Board of Management's report that the works' output during the year under review was Rs. 906 lakhs, as compared with Rs. 648 lakhs during the previous year. This represents an increase of 40 per cent which, I hope you will agree, is a remarkable achievement in the course of one year. Owing to the still uncertain supply position of matching steel and of components, particularly those which have to be imported, it is rather hazardous to make a forecast of output during the current year 1960-61, but the trend of production in the first few months indicate that the year's output will probably increase by about 30 per cent over that of 1959-60. Our order book is excellent and the demand for our products continues to be good.

Power Supply

"As you will have read in the daily Press, there is an acute shortage of electric power prevailing at present and, should the position deteriorate any further, severe cut in the supply to our works may be imposed with most serious results. Your Board is watching the position anxiously. Since my address was printed, there has been further deterioration in the supply of electric power, due to the closing down of the Cossipore generating station. We have now been advised by the Calcutta Electric Supply Corporation that, from 17th April 1961, they have arranged to let us have our maximum power demand between the hours of 8.30 a.m. and 5.30 p.m., but no industrial power will be made available to us outside this period. This means that those sections of your works which operated on both day and night shifts will be restricted to working on a single shift only. This will necessitate the laying off of several hundred workmen while output will be seriously affected.

"I understand that, while the immediate power crisis is likely to be relieved by 8th May 1961, no real improvement can be expected for a further 6-8 weeks. I hope that no efforts would be spared to remedy this serious situation which would affect production not only of your Company but industrial output in general in this region.

Financial Position

"As you must have noticed, the Company's financial position has improved considerably in the last two years, but the continued rise in production and the need for expansion and rehabilitation are creating ever-increasing demand for additional finance. If, in addition, any important new line is taken up, demand for capital will be still greater. Your Board has so far avoided raising further share capital, which understandably would place additional burden on you, but I am afraid this cannot be postponed indefinitely. We have recently had the limit of our borrowing from bank increased by Rs. 50 lakhs. Our securities may be adequate for getting some more accommodation from the bank and we may succeed in doing so, but this will be too inadequate for our needs. Moreover, it is not only desirable but essential to maintain a proper balance between share capital and our borrowing.

"In the Board of Management's report, the circumstances leading to the decision to buy over Jessops—Calcutta Ltd., London, and to convert it into a wholly-owned subsidiary of your Company have been fully explained. The London Company has become a wholly-owned subsidiary with effect from 27th March 1961. I need only mention here that the purchase of that Company has been effected on very favourable and satisfactory terms.

"The enactment of a law towards the close of 1960 regulating the payment of dividend on preference shares has since set at rest the unfortunate controversy in this regard created by the Finance Act of the same year, although the solution is not wholly satisfactory from the point of view of the shareholders affected. For the financial year 1958-59, they received a gross dividend of 7.14 per cent and a net dividend of 5 per cent after deduction of income-tax, whereas, from 1959-60 onwards, these figures will be 6.50 per cent and 4.55 per cent, respectively.

Staff

"Gentlemen, I would like to make mention of the most valuable asset your Company possesses. I refer to the team of staff and workmen built up over the years and whose loyalty and hard work have enabled your Company to prosper and grow to its present size, in spite of some serious difficulties it had to face in recent past due to reasons well known to you. I am sure you would wish me to express our sincere thanks to all those in the Company's employ who have contributed to the excellent results shown in the accounts before you. We are now about to complete the preliminary work necessary for the introduction of the incentive system at our works, to which I referred in my address last year. As I then explained, this requires the most careful consideration as we handle a wide range of products.

"Finally, I cannot close without referring to the retirement at the end of March this year of Mr. S. S. H. Sitwell, a member of the Board. Mr. Sitwell has been in the Company's employ for over 32 years and we will greatly miss his wide experience and guidance."

Note: *This does not purport to be a record of the proceedings of the annual general meeting.*

BENGAL COAL COMPANY LIMITED

CHAIRMAN, MR. STENHOUSE, EXPRESSES CONCERN OVER SHORTAGE OF POWER AND TRANSPORT

ADVANCE PLANNING OF POWER PRODUCTION URGED

IN his annual statement to the shareholders of the Bengal Coal Company Ltd., circulated along with the Directors' report and statement of accounts for the year ended 31st October, 1960, the Chairman, Mr. N. Stenhouse, has drawn attention to the serious power shortage in the country, particularly West Bengal, and the inability of railways to meet the ever-increasing demands of coal producers for transport facilities. The former, he points out, has inhibited and will inhibit industrial expansion and the latter has forced the Company to increase the despatches of coal by lorry to meet the demands of coal consumers. He called for a "farseeing policy" to provide ample power well before demand materialised, so that potential power-users may draw up their production plans in confidence.

The following is the full text of Mr. Stenhouse's statement:

"I have pleasure in reporting to the members of The Bengal Coal Company Ltd. on the operations of their Company during the year ended 31st October 1960.

The Year's Trading

"The income from coal sales increased by Rs. 53 lakhs to Rs. 6,89,00,000. As a result of a general increase in output, there has been a satisfactory improvement in the trading results, the profit before taxation being Rs. 16 lakhs higher than for the previous year.

"After providing Rs. 41,50,000 for taxation and transferring Rs. 21,00,000 to reserves, the Board are recommending a final dividend of Rs. 15 per share, less tax, on the ordinary shares, making Rs. 25 per share, less tax, for the year and thus maintaining the same dividend as for the previous year. Calculated on the capital employed in the Company, the dividend for the year represents a gross return of under 7.5 per cent per annum.

"Costs, however, continue to rise: safety measures, stores and spare parts—in a hazardous industry such as mining, there can be no question of providing anything but the best available. In spite of the high standard of mechanisation at many of your collieries, there has been a further increase of over Rs. 20 lakhs in 'salaries and wages,' the total expenditure under this heading amounting to some Rs. 3,33,00,000, or approximately Rs. 11 per tonne of coal raised.

Production

"You will observe that the words 'tonnes' and 'tons' are used in this statement. The reason for this is that, although the coal industry has now gone over to the metric system of weighment, the total output of coal in the country is still officially referred to in tons and not tonnes. One tonne=0.9842 of a ton.

"Raisings during the year increased by over 215,000 tonnes to a level of 3,096,500 tonnes, which constitutes a record in the long history of the Company. Mainly as a result of increased mechanisation, the Company's Poniati and Dishergarh collieries have recorded most satisfactory increases in their production. The only decline in output has been at Chanch colliery; the installation of the sand stowing plant is, however, nearing completion, and this will result in increased raisings from the colliery.

"In the context of the need for increased output of selected 'A' grade coal, which is so urgently required for the steel plants, the railways and other high priority consumers, it is interesting to note that the Company produces almost 30 per cent of the all-India output of selected 'A' coal. In addition to our large production of this grade of coal, we have also been developing seams of other grades, conscious of the need of selected 'B' and grade I coals by industrial consumers throughout the country. For instance, sinking to the Hatnal seam at Sodepore 9 and 10 pits has been completed and, although raisings from this seam during the year under review amounted to less than 2,000 tonnes, I am glad to be able to report that we are currently raising over 7,000 tonnes monthly from this new development, and production will increase steadily over the coming months.

"In my statement last year I referred to the introduction of a cess to assist deep, difficult and gassy mines. Unfortunately, we have not yet received any payment against our claims for assistance submitted some months ago, and it is now almost 2½ years since the introduction of this assistance was recommended by the Coal Prices Revision Committee. We believe, however, that payments will commence shortly, and we shall welcome this assistance. The Company operates many 'deep, difficult and gassy mines,' four of which are working either at a loss or making a negligible profit of under 50 nP per tonne.

"The quantum of stand stowed at the Company's collieries showed a most satisfactory increase from last year's figure of 772,000 tonnes to 1,122,000 tonnes. The increased level of stowing assistance received was applicable to the whole of the year under review, and consequently the gap between the total cost of stowing and the assistance which we received from the Coal Board narrowed to Rs. 6 lakhs compared with Rs. 9 lakhs in the previous year.

Third Five-year Plan

"The third Five-year Plan period commenced on 1st April 1961. The all-India coal target has been fixed at 97 million tons per annum, of which 62 million tons are planned to be raised by the private sector of the coal industry by 1965-66. This will mean increased raisings of 17 million tons per annum over the next five years by the private sector, the present annual level of production being approximately 45 million tons. In the light of this very substantial increase in the all-India production, we have submitted details to Government of plans to raise output at our existing collieries by at least one million tons per annum. This greatly increased output is, of course, largely dependent upon our receiving import licences for the necessary plant and machinery and on other factors which are at present the subject of discussion between the industry and Government. We are also planning the sinking of new shafts, the output from which, provided no obstacles occur, should materially increase still further the total raisings of the Company by the end of the third Plan.

Finance

"These very considerable expansion plans have necessitated the Company raising initially a total sum of Rs. 1,00,00,000 by way of the issue of 20,000 rights ordinary shares of Rs. 100 at a premium of Rs. 100 per share, and Rs. 60,00,000 debentures. It is satisfactory to record that these issues were oversubscribed, and the response from our shareholders to the rights issue and from the public to the issue of debentures has given great encouragement to the Board and to all connected with the Company.

Power Supply

"For too long, industry, particularly in West Bengal, has been working in conditions of electric power shortage. As new generating capacity in the area has come into operation the demand from industry has taken up all additional energy available and there is still a very large demand for power which just cannot be met. A result of this shortage has been the overloading of existing capacity with the recurrent breakdowns which must be expected from overworked plant. The output of the proposed new units to come into operation during the third Five-year Plan period will be more than required to meet the ever-increasing railway electrification, industrial and domestic demand, and we must anticipate that throughout the period electric power will continue to be in short supply. This is a situation which gives rise to serious concern and has inhibited and will inhibit the growth of industrial expansion so vital to the country.

"Planning to provide the power required as and when demand arises is not sufficient, and what is needed is a farseeing policy to provide ample power well before demand materialises so that potential users may themselves make their plans in confidence. During the next five years generating capacity must be planned to meet the estimated demands of 10 or 15 years hence.

"The third Five-year Plan depends, to a very large extent, on the increased output of coal. Much of the extra coal production will come from increased mechanisation of existing mines and, for this alone, increased supplies of electric power will be required over the next five years. I cannot stress too strongly the necessity for meeting the power requirements of the basic coal industry.

Labour and Welfare

"In my statement last year I referred to the improved amenities which were being provided for our workers by way of new quarters, water-supply, the extension of schools and co-operative societies, as well as medical amenities. We are at the same time increasing the recreational facilities by the provision of club rooms and sports grounds. These facilities are, I am sure, appreciated by the Company's employees, and it is satisfactory to report that labour relations during the year have been satisfactory.

Training

"To obtain the increased coal production now planned for the country, a very large number of additional technical personnel of all grades will be required to work in the mines. The Company attaches great importance to its training schemes which have been in existence for many years. Not only are we providing technical courses for 106 mining trainees, but we also hold classes for overmen and sirdars in our technical school at Sanctoria. In addition, we have under training at present at our two central workshops, with their attached hostels, a total of 107 mechanical and electrical apprentices, about half of whom will be available for absorption by outside collieries. It may interest you to know that six of our agents and colliery managers with first class Mine Manager's Certificates originally joined us as mining apprentices and received their initial training within the organisation.

Transport

"Stocks at the end of the year under review increased by almost 40,000 tonnes to a level of 94,000 tonnes, and the overall rail transport position has since deteriorated still further. The Company's collieries, however, have not suffered as badly as many others in the industry by reason of the fact that with the installation of modern screening plants, overhead bunkers etc., we are in a position to load large numbers of wagons in the form of block rakes in accordance with the present transport policy of Government. In spite of this, however, it is necessary to restrict raisings from time to time when stocks at individual collieries reach unmanageable proportions.

"In the absence of any definite assurance regarding the ability of the railways to meet the ever-increasing demands for coal transport, we have decided to increase considerably the despatches of coal by lorry to meet the demands of consumers situated within reasonable distance of our collieries. Our first large lorry weigh-bridge has been installed at Poidih colliery to cope with despatches by road from this and four of our other collieries.

"In addition to the new sidings which will be required to serve new pits, the capacity of old existing sidings has to be increased as and when additional output makes this necessary. I regret to state, however, that difficulties have been experienced in getting such work undertaken by the railways. In particular, the alterations to Parbelia siding have still to be completed, although application for the extension was made some four years ago. Because of this colliery's limited available space for receiving, loading and marshalling wagons, the output continues to be affected to the extent of about 20,000 tonnes per month.

"A very great deal of the credit for the satisfactory results in the past year is due to

(*Continued on page 818*)

EMPLOYERS WANT A RATIONAL WAGE POLICY

BONUS SYSTEM DESERVES TO BE SUBSTITUTED BY SOMETHING BETTER

THE question of a rational wage structure figured prominently in the speeches of the Presidents of the two leading employers' organisations in the country, namely, the Employers Federation of India and the All-India Organisation of Industrial Employers, delivered at their respective annual meetings held last week. Mr. Naval Tata, President of the Federation, raised the very pertinent issue of a wage level which the national economy could sustain. The Government and, even Industrial Tribunals, Mr. Tata pointed out, had been guided, in evolving and interpreting the wage policy, more by consideration of social justice than by the hard economic facts governing the implementation of the principles of social justice. One result of this neglect of the economic factors affecting wage policy was that apparently harmless decisions sometimes resulted in serious repercussions. Mr. Tata felt that the inflationary pressures in the economy were not unrelated to labour policy decisions. He pointed out, for instance, that, when prices of consumer goods rose, as a consequence of an imbalance between supply and demand, the expediency of mechanical wage adjustment through dearness allowance did, to a large extent, set in motion the spiral of wages chasing prices. He complained that no serious attention was paid to such a situation nor effective action taken for analysing the economic factors causing such imbalance. Very seldom the rectification of such disequilibrium was handled by appropriate authorities. Industrial Tribunals, which decided disputes regarding wages, Mr. Tata went on to add, had completely ignored economic factors; they had thereby accentuated such imbalance and, instead of pointing out to the Government the need for investigation into the economic factors that brought about the erosion of real income, they were perpetuating the wage-price spiral by merely awarding a series of *ad-hoc* increments.

Dual Standards

Having thus shown that the wage policy was neither grounded on, nor influenced to any appreciable extent by, economic facts, Mr. Tata proceeded to stress that it was not based on the concept of social justice either. In a country with a population of 438 million, the organised industrial workers and the employees in the public sector, he argued, formed a very small percentage of the total working population. The wage policy, which was sought to be based on principles of social justice for this small number of persons, was conspicuously out of tune with the remaining hundreds of millions. The resulting disparity in the standard of living between the two sections of the population was basically a violation of the fundamental concept of socialistic pattern of society at a time when the Government, through its taxation policy, was ruthlessly narrowing down disparities in income in respect of higher income groups. To that extent, Mr. Naval Tata maintained, it created a form of social injustice, in that workers in organised industries were able to enjoy wages and amenities far superior to those who were engaged in other sectors.

Mr. Tata, however, hastened to add that he was not suggesting that the wages of industrial workers should be levelled down to that of rural workers. What he did suggest, on the other hand, was that some effort should be made to raise the standard of living of the rural population before the wages of those workers, who were already infinitely better off, were sought to be raised further. What was needed, according to him, was an objective study to assess whether the country had sufficient resources to sustain a progressive wage structure envisaged under the present wage policy or whether there was room for holding the wage level at certain ceilings for the time being, till there was a modest improvement in the standard of living of the rural population.

Oversimplified System

The dual standard of social justice was evident in another respect, too, according to Mr. Tata. In most of the organised industries today, there was an oversimplified system of passing on the rise in cost of living to the industry by increasing the quantum of dearness allowance almost mechanically. This automatic device of adjusting the cost of living was denied to a large body of employees in the public sector. From this, Mr. Tata observed, one got the impression that the human stomach was considered elastic enough to adapt itself to different types of employers.

Arguing in a similar vein, Mr. Surottam P. Hutheesing, President of the All-India Organisation of Industrial Employers, pointed out in his speech that it was necessary to concentrate on the enforcement of the minimum wage legislation in the unorganised sector of the industry and in agriculture. Government's policy, in general, must aim at improving the lot of the most "disadvantaged class," instead of concentrating on improving only the better paid in organised industry.

Speaking about the wage level, Mr. Hutheesing observed that it was sometimes conveniently forgotten that the wage rate that an industry *should* pay must be related to the wage rate that the industry *can* pay in the particular economic circumstances it finds itself. The capacity of an industry to pay a given level of wages depended on the particular conditions of productivity and demand. The wages that an industry could pay must take account of the requirements of industrial growth. In this broader perspective, the problem of wage payment formed part of the general problem of economic growth. It became a decision of choosing between higher wages and more employment. He, therefore, strongly urged that the economic interpretation of the capacity of the industry to pay higher wages must take note of its possible effect on the ability of the industry to create employment.

Bonus

On the vexed question of bonus, both Mr. Tata and Mr. Hutheesing expressed almost identical views. In Mr. Tata's opinion, it was neither in the interest of workers nor of employers to continue this form of uncertain annual payment, because it raised hopes in the minds of workers, which, if unfulfilled, through no fault of the employer, would result in a feeling of serious frustration. Personally, he was in favour of abolishing bonus altogether and making suitable adjustments in the wage structure. He hoped that the Bonus Commission would give due consideration to this dangerous feature of bonus and would make such recommendations as would result in giving stability to wage structure in the country. This suggestion is to be warmly welcomed and it is in keeping with what this journal has advocated in the recent past. For, if accepted and implemented—one hopes that the Bonus Commission will find itself in agreement with it—it would have done away with a major cause of friction betwen employees and employers. But the time for generalisation on this question is long past. What is required now is a concrete scheme, or at least specific principles, for evolving a substitute for bonus. One regrets that Mr. Tata did not put forward any concrete proposals as to the basis on which the wage structure could be adjusted to compensate workers for the loss of bonus. One would like to know whether Mr. Tata's Federation has evolved a suitable formula or at least initiated a study of the question by experts and proposes to seek public support for it. It must be remembered that, unless unanimous decisions are reached by the Bonus Commission on this question, there is no likelihood of the Government accepting its recommendations.

Mr. Hutheesing pointed out that the bonus issue was vitiated by ill-conceived standards of bonus payment. While a court of law proceeded on the basis that it had no power to make contracts for the people, the decisions of the Tribunals often tended to be inconsistent. He also questioned the propriety of relating bonus to profits, because profit was the result of a host of economic factors related both to conditions of production as well as the state of demand.

The implications of some recent judicial interpretation of bonus for the public sector also came in for comment by Mr. Tata. He said that bonus had been held by the highest judicial authority in the country as a compensation against sub-standard wages. In other words, it was a supplemental burden which all employers were called upon to bear in order to bridge the gap between the "living wage" and the emoluments received by the employees. If this interpretation was accepted by the Government, then Mr. Tata did not see any reason why employees of the public sector should be denied bonus. Railwaymen the Post and Telegraph employees and the rest of the Central Government employees would, on this reasoning, undoubtedly be entitled to an additional remuneration, if not as bonus, at least as supplemental wage, in order to make good the deficiency between the living wage and the prevailing wages. Once the aforesaid principle was conceded, he pointed out, a concrete shape would have to be given to the concept of "living wage." This, he pointed out, would surely be a controversial problem by itself.

Price Control

The rising trend of prices of essential commodities, which has been the subject of much comment of late, also attracted the critical attention of Mr. Tata. He warned that any delay in arresting the incessant inflationary pressure was fraught with serious consequences. The remedy suggested by him to prevent the purchasing power of workers' wages from being eroded is similar to that advocated by Mr. Michael John, President of the I.N.T.U.C. Mr. Tata favoured the supply of principal necessities of life at controlled price through fair price shops organised by non-Governmental agencies or by other appropriate methods. The I.N.T.U.C. leader had suggested that prices should be controlled and the pay packets of workers should be insulated from the effect of inflationary rise in prices by subsidising food and other essential commodities and by enlarging and implementing schemes for providing housing and accommodation on easy terms.

It is, however, surprising that Mr. Tata who criticised the dual standards followed by the Government in regard to the application of its labour policies and pinpointed the need for devoting attention to workers in the rural areas, should have suggested that the principal necessities of life should be supplied to industrial workers at controlled prices through fair price shops, for, apart from suffering from many practical difficulties, it will only perpetuate the very inequality in the treatment of the two sections of the working population which he has so forcefully assailed. Does Mr. Tata want the industrial workers alone to be shielded from the effects of rising prices, leaving the rest of the population, including the neglected rural workers, to fend for themselves? Even conceding, for argument's sake, that some such favoured treatment is inevitable to get the best out of the industrial workers, the practicability of the proposal is open to question. There is nothing novel in the suggestion either. The experience of working the scheme of supplying industrial workers with the necessities of life at fair prices during war and early post-war years was not, as Mr. Tata himself will concede, happy enough to enthuse all employers to take to it. The problem of rising prices is part of the larger question of increasing production to match the expanding demand and cannot be treated in isolation. Those who suggest piecemeal solutions for it only betray either an inadequate understanding of the problem in its entirety, or their anxiety to safeguard their own position at the expense of the rest of the community.

EMPLOYMENT EXCHANGES

There are now over 300 employment exchanges in the country, of which nearly 170 have been opened during the second Plan, according to official figures now published. The objective is to have ultimately one employment exchange in each district. Apart from these exchanges, there are special employment exchanges like those at development projects which coordinate speedy deployment of surplus workers and supply trained manpower, exchanges in the collieries and university employment bureaus. In the last category are five bureaus set up on a pilot basis at the universities of Delhi, Calcutta, Kerala, Varanasi and Aligarh to provide not only employment assistance but information about opportunities and careers open to University students. During the third Plan this scheme will be extended to other universities.

Set up in 1945 for the limited purpose of helping the demobilised war personnel to be re-employed, the scope of the employment exchanges was later expanded to cover the displaced persons from Pakistan and subsequently they became a permanent feature to guide the new entrants to the labour force in gainful employment. Emphasis is being increasingly laid on the aspect of vocational guidance and training.

Employment information and assistance bureaus are also being set up on a pilot basis in Community Development blocks in different States to guide the young men in the villages in the matter of employment.

(Continued on page 824)

THE HONGKONG AND SHANGHAI BANKING CORPORATION

(Incorporated in Hong Kong with Limited Liability)

Capital Authorised .. .. HK. $100,000,000 (Rs. 8,33,33,333)

Capital Issued and Fully Paid .. .. .. HK. $ 79,046,125 (Rs. 6,58,71,771)

Reserve Fund (including Share Premium Account) .. .. Stg. £ 15,000,000 (Rs. 20,00,00,000)

Head Office: HONG KONG

THE HON. MICHAEL W. TURNER, C.B.E.
Chairman and Chief Manager

BRANCHES

BORNEO: Colony of North Borneo, Jesselton, Labuan, Sandakan, Tawau, State of Brunei, Brunei Town, Kuala Belait, Seria, Colony of Sarawak, Kuching, Sibu
BURMA: Rangoon
CAMBODIA: Phnom-Penh
CEYLON: Colombo
CHINA: Shanghai
FRANCE: Paris
GERMANY: Hamburg
HONG KONG: Hong Kong, Kowloon, Mongkok, North Point, San Hui, Sheung Shui, Taipo, Tsuen Wan
INDIA: Bombay, Calcutta
INDONESIA: Djakarta
JAPAN: Kobe, Osaka, Tokyo, Yokohama
FEDERATION OF MALAYA: Bukit Terendak, Cameron Highlands, Ipoh, Johore Bahru, Kuala Lumpur, Malacca, Muar, Penang, Sungei Patani, Teluk Anson
PHILIPPINES: Iloilo, Manila
SINGAPORE: Collyer Quay, Orchard Road, Tanglin
THAILAND: Bangkok, Suapah Road, Bangkok
U.K.: London
U.S.A.: New York, San Francisco
VIETNAM: Saigon

Correspondents Throughout the World
Banking Business of Every Kind Transacted

A COMPREHENSIVE SERVICE AS TRUSTEES AND EXECUTORS IS ALSO UNDERTAKEN BY THE BANK'S TRUSTEE COMPANIES IN HONG KONG, LONDON AND SINGAPORE

LONDON OFFICE: 9, Gracechurch Street, E.C. 3
NEW YORK OFFICE: 72, Wall Street
CALCUTTA OFFICE: 31, Dalhousie Square, S. F. T. B. LEVER, Manager.
BOMBAY OFFICE: 16, Veer Nariman Road, B. O'D. PATERSON, Manager.

Affiliated Company:
THE HONGKONG AND SHANGHAI BANKING CORPORATION OF CALIFORNIA
Offices in San Francisco and Los Angeles

READY REFERENCER AND GUIDE TO COMPANIES ACT

1961 Edition

By
JOHN AND ROW, Advocates, Madras

CONTENTS:
A Commentary on the Companies Amendment Act 1960.
Text of the Companies Act 1956 incorporating up-to-date amendments.

Price: Rs. 12.50 (postage extra)

EXPRESS PUBLISHERS (PRIVATE) LIMITED
33, BROADWAY, MADRAS-1

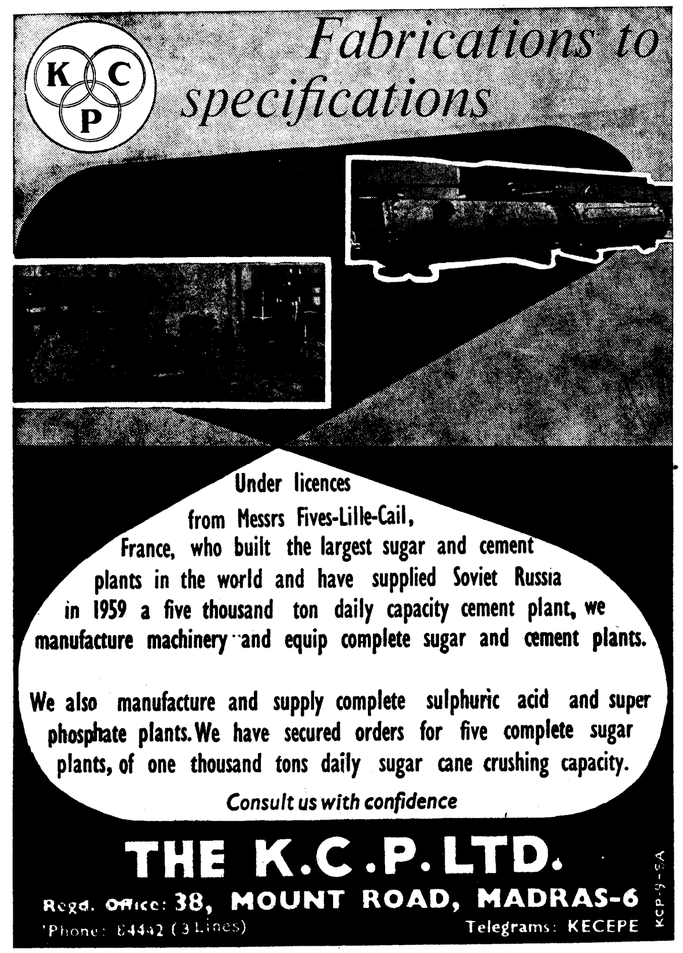
THE UNITED COMMERCIAL BANK LIMITED

Head Office: CALCUTTA

Authorised Capital .. Rs. 8,00,00,000
Subscribed Capital .. Rs. 4,00,00,000
Paid-up Capital .. .. Rs. 2,00,00,000
Reserve Fund .. .. Rs. 2,05,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.
Foreign branches in Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.
AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, Chairman. S. T. SABASIVAN, General Manager.



NEPAL BANK LIMITED

(Incorporated under Nepal Bank Act of 1994 (Sambat))

Central Office: KATHMANDU, NEPAL

Authorised Capital .. .. ..N.C. Rs. 1 crore
Paid-up Capital .. .. ..N.C. Rs. 25 lacs
Reserves and Exchange Fluctuation Fund .. .. ..N.C. Rs. 44 lacs
(N.C. Rs. 160=I.C. Rs. 100)

16 Branches and Sub-Offices in Nepal

Enquiries are invited from Banks, Commercial Concerns and Tourists for information regarding Prospects, Procedure and Regulations in Nepal.

MAFATLAL GROUP MILLS REPORT BETTER RESULTS

STANDARD TO ISSUE BONUS SHARES

THE cotton mill industry, as readers are by now aware, had a fairly satisfactory year in 1960, even though in the second half of the year the cloth market was in a disorganised state of affairs, following the Government's persistent effort to bring down cloth and yarn prices. Larger sales and higher profit have been the experience of most mills, especially in the Bombay region. It would have been surprising, therefore, if the Mafatlal group of mills, which not only make high quality fabrics but has also a high-powered marketing section, were to report results contrary to the general trend. Actually, all the three mills of the group, namely, the Standard Mills Company Ltd., the Mafatlal Fine Spinning and Manufacturing Company Ltd., and the Sassoon Spinning and Weaving Company Ltd., have fared much better than most of the purely cotton mills during the year ended 31st December 1960. Thus, the sales of Standard increased by Rs. 76.03 lakhs to Rs. 697.06 lakhs, of the Mafatlal Fine by Rs. 27.79 lakhs to Rs. 272.70 lakhs and of the Sassoon Spinning by Rs. 44.17 lakhs to Rs. 576.15 lakhs. Their gross profits also have gone up as will be seen from the account of each company given below.

Standard Mills

The ordinary shares of the Standard Mills have been receiving considerable speculative support in the past one year or more on rumours that the Company was contemplating a rights issue to finance some new profitable undertaking for which it had received a licence. Speaking at the annual meeting of the Company's members last year, the Chairman referred to this rumour and conceded that the management was, in fact, considering such a project. He, however, pleaded his inability to give further details as the plans were still in a nebulous stage. Despite the uncertainty about a rights issue, the shares continued to command a high price which was given a further boost a few weeks ago on reports of a bonus issue. Those who had purchased the shares in this anticipation will now feel highly gratified to know that the Directors have decided to recommend the issue of bonus equity shares, in the proportion of two new shares for every five existing shares, by capitalising an amount of Rs. 43.90 lakhs out of Rs. 96.82 lakhs standing to the credit of the share premium account.

It will be recalled that a similar issue was recommended two years ago when one new share was issued for every five old held and that an amount of Rs. 29.95 lakhs was transferred from the share premium account to the share capital account. Thus the present bonus issue will be the second to be declared within the span of two years, a fact that speaks highly of the farsighted financial policy followed by the management.

It will however be realised that the above issue will not involve any change in the amount of capital funds invested in the business. But there will be an addition of 4.39 lakhs of ordinary shares to the number that is already outstanding and these will be eligible for a proportionate dividend next year.

Gross profit of the Company has shown a remarkable uptrend during the past four years as will be evident from the table below.

(Value in lakhs of rupees)

	1960	1959	1958	1957
Sale proceeds	6,97.06	6,21.03	6,01.31	5,79.26
Other income	18.37	16.01	15.25	14.12
Stocks of finished goods ..	76.46	53.44	68.07	60.59
Raw materials and stores consumed	3,42.22	3,02.39	3,17.48	3,08.77
Salaries, wages and bonus ..	1,87.82	1,66.26	1,60.80	1,40.53
Other expenses	63.03	52.51	51.92	42.87
Gross profit	1,43.19	1,01.84	98.84	89.15
Mg. Agents' commission ..	9.88	7.95	7.43	6.78
Provision for—				
Depreciation	28.09	21.02	17.13	27.01
Taxation	44.39	25.00	21.80	31.75
Net profit	60.92	43.87	27.48	25.61
Transfer from reserves ..	..	..	5.00	6.00
Refund of tax	0.51	0.07	..	..
Development rebate reserve ..	11.36	10.53	11.59	4.75
General reserve	6.00	..	..	..
Additional provision for tax ..	..	..	..	6.00
Dividend equalisation reserve ..	10.00	..	..	..
Dividends:				
Preference	0.85*	0.85*	0.48	0.48
Ordinary	32.92 (30%)*	31.83 (25% + B. 4%)*	21.95 (20%)†	19.75 (20% + B. 2½%)
Carry forward	1.38	0.91	0.02	1.56

* Subject to deduction of tax.

† On increased capital of Rs. 109.75 lakhs raised by the capitalisation of Rs. 21.95 lakhs.

It will be seen that the gross profit has increased from Rs. 89.15 lakhs in 1957 to Rs. 143.19 lakhs in 1960 or more than 60 per cent. The increase during the year under review alone is quite marked, being well over Rs. 40 lakhs or 40 per cent. Despite heavier provisions for depreciation and taxation as compared with the previous year, net profit for 1960 has reached the all-time high of Rs. 60.92 lakhs. Allocations to reserves have been stepped up from Rs. 10.53 lakhs to Rs. 27.36 lakhs. Thus, against the proposed transfer of Rs. 43.90 lakhs from reserves to the share capital account, the reserves have been strengthened by Rs. 27.36 lakhs. It is important to note that the bonus issue recommended is in addition to a cash dividend of Rs. 30 per share subject to deduction of tax, which incidentally is the highest declared so far.

The Rs. 100 paid-up ordinary shares of the Company are now being quoted at Rs. 588 ex-div. and ex-rights and fetch a yield of about 3.5 per cent net.

Sassoon Spinning

The profits of the Sassoon Spinning and Weaving Company Ltd. for the year ended 31st December 1960 have shown sizable improvement, despite the fact that the revenue from other sources had declined sharply by Rs. 11.14 lakhs as evidenced by the comparative table given below.

(Value in lakhs of rupees)

	1960	1959	1958	1957
Sales	5,76.15	5,31.98	4,96.69	5,43.63
Other income	38.35	49.49	27.92	4.16
Stocks of finished goods ..	49.85	36.20	43.26	34.16
Raw materials and stores consumed	3,42.99	3,26.24	3,24.89	3,40.19
Salaries, wages and bonus ..	1,77.31	1,61.11	1,42.74	1,38.70
Other expenses	57.77	52.93	48.34	34.29
Gross profit	49.70	33.57	17.73	38.05
Mg. Agents' commission ..	3.01	1.80	0.50	2.33
Provision for—				
Depreciation	18.40	15.23	13.71†	18.45
Taxation	10.55	5.14	0.82†	9.97
Net profit	17.74	11.40	2.70†	7.30
Transfer from reserves ..	3.00	5.25	7.40†	3.25
Development rebate reserve ..	7.68	7.28	2.68	3.24
Additional provision for taxation	..	..	..	1.31
Ordinary dividends	12.82 17½)*†	9.42 (25%)*	7.54 (20%)	7.54 (20%)
Carry forward	0.25	..	0.06	0.12

* Subject to deduction of tax.

† On increased capital of Rs. 75.30 lakhs.

This somewhat paradoxical situation can be attributed to higher production during 1960 as disclosed by improved sales and increased closing stocks of process and finished goods. That the Company's products experienced good demand from overseas markets is evidenced by the fact that its premiums under export incentive scheme have increased by Rs. 1.66 lakh to Rs. 13.44 lakhs. Higher production and better sales have thus contributed to increased gross profits.

Net profit, too, has recorded an impressive rise of Rs. 6.34 lakhs to Rs. 17.74 lakhs even after heavier provisions for depreciation and taxation. It will be observed that the tax provision for the year is more than double that for the previous year. With the statutory development rebate reserve claiming Rs. 7.68 lakhs, the Directors have supplemented the profits available by a withdrawal of Rs. 3 lakhs from the general reserves to declare a dividend of Rs. 1.70 per share subject to deduction of tax which has absorbed Rs. 12.82 lakhs. The dividend at 17 per cent is decidedly low as compared with 25 per cent recommended last year, but it must be noted that it is on an increased share capital of Rs. 75.30 lakhs as compared with Rs. 37.70 lakhs in 1959.

The Company's ordinary shares of Rs. 10 each are currently quoted at Rs. 51.80 to give a net yield of about 2.3 per cent.

Mafatlal Fine

In spite of a fairly high rise of Rs. 27.79 lakhs in sale proceeds, gross profit of the Mafatlal Fine Spinning and Manufacturing Company Ltd. has increased only moderately by Rs. 6.70 lakhs to Rs. 69.47 lakhs for the year ended 31st December 1960.

In trying to find an answer to this situation one comes across the two items that loom the largest in the cost of production, namely, raw materials and stores consumed and salaries, wages and bonus. Although the former shows an increase of Rs. 12.35 lakhs over the corresponding figures for 1959, it is observed that there has been no material change in the percentage to sales of the cost of raw materials and stores consumed for the two years. One has, therefore, to come to the conclusion that the decline in gross profit has been brought about chiefly by the increase of Rs. 8.92 lakhs in salaries, wages and bonus as is disclosed by the following table:

(Value in lakhs of rupees)

	1960	1959	1958	1957
Sales	2,72.70	2,44.91	2,23.60	2,10.25
Other income	7.35	10.11	8.81	8.28
Stocks of finished goods ..	21.93	20.25	25.05	21.20
Raw materials and stores consumed	1,18.04	1,05.69	1,14.74	1,18.51
Salaries, wages and bonus ..	67.63	58.71	53.62	50.97
Other expenses	26.38	23.04	21.29	19.79
Gross profit	69.47	62.77	46.61	30.12
Mg. Agents' commission ..	6.01	5.32	3.74	2.12
Provision for—				
Depreciation	11.77	8.68	8.37	10.83
Taxation	20.06	19.65	17.21	7.63
Net profit	31.64	29.22	17.29	9.54
Transfer from reserves ..	..	..	..	4.25
Development rebate reserve ..	7.55	3.42	2.62	5.06
General reserve	2.00	4.00	3.00	..
Dividend equalisation reserve ..	3.00	3.00	..	..
Investment fund reserve ..	..	0.22	..	..
Dividends:				
Preference	1.70*	1.86*	1.30	1.30
Ordinary	17.40 (30%)*	14.50 (25% + B. 4%)*	10.44 (15% + B. 5%)	8.70 (15%)
Carry forward	0.06	0.07	0.17	0.25

* Subject to deduction of tax at appropriate levels.

After providing Rs. 11.77 lakhs for depreciation and Rs. 20.05 lakhs for tax contingencies, the net profit has increased marginally by Rs. 2.42 lakhs to Rs. 31.64 lakhs. In view of the larger transfer of Rs. 7.55 lakhs to development rebate reserve as against Rs. 3.42 lakhs in 1959, transfer to general reserve has been cut down from Rs. 4 lakhs to Rs. 2 lakhs. Transfer to dividend equalisation reserve has, however, been maintained at Rs. 3 lakhs.

The slight increase in net profit has made it possible to declare ordinary dividends at a somewhat higher rate of Rs. 30 per share subject to deduction of tax which compares favourably with Rs. 29 (Rs. 25 + a bonus of Rs. 4) subject to tax declared in 1959.

Considerable progress has been made during the year in the reorganisation and renovation programme of the mills. A sum of Rs. 2.10 lakhs was spent on extension of buildings and of Rs. 30.13 lakhs on additions to machinery and equipment. Most of the machines have been installed and are reported to be working satisfactorily. In addition, machinery worth Rs. 7.31 lakhs is in transit.

The Company's financial position is sound. Against the paid-up share capital of Rs. 87 lakhs, reserves amounts to Rs. 156.68 lakhs or nearly twice as much. One wonders in this situation why the Company did not follow suit with the Standard Mills and declared a bonus issue.

An interesting feature of the balance-sheet is that assets other than fixed assets have been maintained in a highly liquid form. The total of investments, debtors, cash and loans and advances is Rs. 136.33 lakhs which is about twice the current liabilities including bank loans.

The Rs. 100 paid-up shares of the Company are being done around Rs. 865. At this price, the net yield works out to 2.4 per cent.

ESCORTS LIMITED

The Directors of Escorts Limited, New Delhi, have recommended a gross dividend of 16 per cent for the year 1960. The shareholders, under Section 15C, will enjoy the benefit of tax-free dividend upto the extent of about 25 per cent of the dividend. The total profits of the Company for the year are Rs. 24,28,456. After providing Rs. 7,80,000 for income-tax (Rs. 6,30,000 in 1959), and Rs. 3,32,761 for depreciation (Rs. 1,24,300 in 1959), there remains a net profit of Rs. 13,15,980, out of which the Directors have set apart Rs. 3,04,652 for development rebate reserve and Rs. 2,70,000 for general reserve (Rs. 1,90,000 in 1959).

The Company has made satisfactory progress in setting up the factory for X-Ray equipment under Westinghouse Licence and expects to be in production before the end of the year. Pistons manufacture has progressed according to plan. It is putting up a factory for the manufacture of motor cycles and scooters, for which an industrial licence has been issued, and 23 acres of land has been acquired in Faridabad (near Delhi). The Company has negotiated the purchase of plant and machinery under long deferred terms of payment to the extent of Rs. One Crore. All payments for these projects are payable in rupees and no foreign exchange is involved. The Company has further decided to increase the production capacity of pistons from 300,000 to 500,000 per year. Similarly, the subsidiary companies, Goetze (India) Private Ltd. and Sharpedge Private Ltd., have planned to expand their production.

The Company has also been given industrial and import licences for manufacture of railway shock absorbers and heating elements. To meet the capital requirements for all the new projects, the Directors have decided, subject to the permission of the Controller of Capital Issues, to issue new rights shares on the basis of one for one equity shares at a premium of Rs. 3 per share. They have also decided to issue 9 per cent preference shares to the extent of Rs. 8 lakhs, most of which is expected to be allotted to foreign collaborators against technical 'know-how' and supply of plant and machinery.

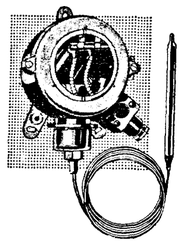
The equity shares of the Company are currently quoted at Rs. 23.

ALCAN MALAYAN COMPANY

The first aluminium rolling mill in the Federation of Malaya will be built by Alcan Malayan Aluminium Company Ltd. This new Malayan industrial development which has been granted a pioneer certificate is being established by Aluminium Ltd. of Canada which will finance the enterprise and furnish technology. Construction is expected to start immediately on a 15-acre plant site at Petaling Jaya, near Kuala Lumpur. The new plant will cost approximately M$4 million. The rolling mills will have a capacity of 2,000 tons per year of flat aluminium sheet, circles and building sheet, using aluminium ingot as raw material imported from Canada. The production from the mill will provide aluminium end product manufactures in the Federation and Singapore with these rolled products for further fabrication and uses. Aluminium household utensils are made from circles and there is an established Malayan market for aluminium sheet for rubber estate equipment building products and transportation applications. The new Alcan plant will have a modern four-stand two high rolling mill train with furnaces for melting and annealing as well as semi-fabricating equipment. Corrugated aluminium building sheet will be one of the materials produced.

FOR
MACHINE TOOLS
AND
SPECIAL
SWEDISH
STEELS

CONTACT
FK FRANCIS KLEIN & CO., PRIVATE LTD.
HEAD OFFICE:
1, INDIA EXCHANGE PLACE
CALCUTTA-1
SHOWROOMS:
13A, GOVT. PLACE EAST
CALCUTTA-1

INDUSTRIAL AUTOMATIC CONTROL EQUIPMENT
By
MESSRS. FR. SAUTER, SWITZERLAND
★

• TIME SWITCHES with/without Astronomical Dials
• IMPULSE EMITTERS
• INTERVAL TIMERS
• RELAYS
• CONTACTORS & LINESTARTERS
• THERMOSTATS OF ALL RANGES
• REFRIGERATION CONTROLS
• PRESSURE SWITCHES
• LEVEL CONTROLS, Etc.
SOLE AGENTS:
TOSHNIWAL BROTHERS (PVT.) LTD.
198, Jamshedji Tata Road, BOMBAY-1
★
BRANCHES:
AJMER - CALCUTTA - NEW DELHI - MADRAS

TRADE PROMOTION

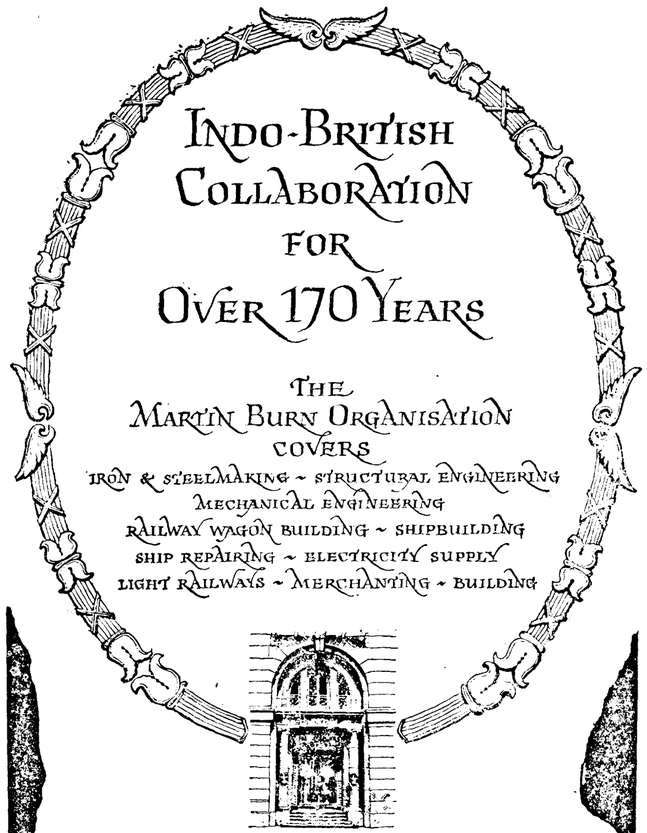
...is our business

Australia, New Zealand, and Fiji offer opportunities to exporters and importers and the International Division of the Bank of New South Wales can help those interested.

The Bank's complete banking service includes such specialized facilities as trade and industrial enquiries, economic and trade information, and a complete travel service. The Bank, through more than 1,000 branches and agencies, is closely and constantly in touch with industry, business, and agriculture in the areas it serves.

Enquiries may be made through your own bankers or direct to

BANK OF NEW SOUTH WALES
INTERNATIONAL DIVISION
John W. McEwen, Chief Manager
HEAD OFFICE: SYDNEY, AUSTRALIA
First and largest commercial bank operating in Australia, New Zealand, Fiji, Papua and New Guinea, with three branches in London.
IP60015

MBGC 13
INDO-BRITISH COLLABORATION FOR OVER 170 YEARS
THE MARTIN BURN ORGANISATION COVERS
IRON & STEELMAKING ~ STRUCTURAL ENGINEERING
MECHANICAL ENGINEERING
RAILWAY WAGON BUILDING ~ SHIPBUILDING
SHIP REPAIRING ~ ELECTRICITY SUPPLY
LIGHT RAILWAYS ~ MERCHANTING ~ BUILDING

MARTIN BURN LIMITED
MANAGING AGENTS, SECRETARIES AND TREASURERS
Head Office: MARTIN BURN HOUSE 12, Mission Row, Calcutta 1
Branches: New Delhi, Bombay, Kanpur
London Office: MARTIN BURN HOUSE 12, Austin Friars, London, E.C. 2.

Excellent cutting performance
SAP HACKSAWS
HACKSAW BLADES

Manufactured from high quality steel. They can be used for cutting all types of steel, brass, copper, aluminium, plastics etc.
STEEL & ALLIED PRODUCTS LTD.
17, BRABOURNE ROAD, CALCUTTA-1
Sole Selling Agents:
VULCAN TRADING COMPANY (PRIVATE) LTD.
CALCUTTA • BOMBAY • MADRAS • NEW DELHI

SMART RISE IN PROFITS OF BENGAL COAL

COMPANY PLANS HUGE EXPANSION

IN refreshing contrast to the declining trend of sale proceeds and gross profits in the past three years, the financial results of the Bengal Coal Company Ltd. (Managing Agents: Messrs. Andrew Yule & Co. Ltd., Calcutta) for the year ended 31st October 1960 show a welcome all-round improvement. The Company's gross sales have jumped up from Rs. 721.69 lakhs in 1959 to Rs. 782.31 lakhs and the gross profit from Rs. 99.62 lakhs to Rs. 123.59 lakhs. In fact, the sales proceeds for 1960 are even better than the gross sales of Rs. 752.69 lakhs attained in 1957, which was comparatively a prosperous year for the Company. The growth in sales is clearly the result of higher output and larger despatches secured from the increased mechanisation at the Company's Poniati and Dishergarh collieries and the rising demand for coal in the country. It is interesting to note that the Company's collieries are producing almost 30 per cent of the all-India output of selected 'A' graded coal. The raisings in the year under review were 3,096,576 tonnes as against 2,880,896 tonnes in 1959 and 2,862,170 tonnes in 1958. The production during the year under review constitutes a new record in the history of this premier largest coal company in India. Though the purchases of coal (in terms of value) were slightly lower by Rs. 8.79 lakhs at Rs. 33.14 lakhs, the despatches increased from 3,062,662 tonnes in 1959 to 3,213,541 tonnes. The recovery in sales and output is also reflected in the colliery and other expenses, which went up sizably from Rs. 530.90 lakhs to Rs. 598.87 lakhs.

The net profit of the Company has registered a substantial increase of Rs. 10.39 lakhs to Rs. 43.85 lakhs. Of course, this improvement is much less than the marked expansion of Rs. 23.97 lakhs in gross earnings noted earlier. This is largely the result of bigger depreciation and taxation provisions—the former is higher by Rs. 3.50 lakhs at Rs. 23 lakhs, and the latter (which includes cess also) by Rs. 9.06 lakhs at Rs. 49.50 lakhs. The remuneration for the Managing Agents, too, has absorbed Rs. 1.02 lakh more than the previous year's figure of Rs. 6.22 lakhs. The net profit of Rs. 43.85 lakhs is supplemented by Rs. 3.62 lakhs, being the provision for liabilities no longer required and by Rs. 10.20 lakhs being the unappropriated surplus brought forward from last year's account. Out of the total of Rs. 57.67 lakhs available for distribution, the Directors have judiciously set aside Rs. 14 lakhs to general reserves (as against Rs. 8.10 lakhs only in the previous year), and Rs. 7.37 lakhs (Rs. 6.42 lakhs in 1959) to development rebate reserve. Thus, almost the entire increase in net profit has been utilised to strengthen the reserves. The shareholders get only the same dividend as last year, namely, 25 per cent per annum, taxable. Let the critics of the private sector should run away with the impression that this is too large a dividend, it is necessary to add that this dividend represents a gross return of 7.5 per cent on the capital employed. That the carry forward is a shade higher than the amount brought in is proof enough to show that the management has given a high priority to conserve the bigger portion of the profit for financing its expansion plans.

A synoptic view of the Company's progress in the past three years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st October			
	1960	1959	1958	1957
Sale proceeds (gross) ..	7,82.31	7,21.69	7,22.38	7,52.69
Other income ..	48.95	38.09	35.97	35.21
Closing stocks of coal ..	23.94	14.06	15.88	17.79
Coal purchases ..	33.14	41.93	33.99	33.89
Freight paid ..	98.55	85.55	90.83	1,55.45
Colliery and other expenses.	5,98.87	5,30.90	5,11.87	4,66.04
Gross profit ..	1,23.59	99.62	1,06.30	1,06.92
Mr. Agents' remuneration.	7.24	6.22	6.42	6.42
Provision for—				
Depreciation ..	23.00	19.50	17.25	24.00
Taxation and cess ..	49.50	40.44	38.61	52.10
Net profit ..	43.85	33.46	23.91	23.88
Transfer from reserves and excess provisions ..	3.62	6.68	2.00	3.27
To reserves	14.00	8.10	5.00	7.60
„ development rebate reserve	7.37	6.42	3.79	..
Dividends—				
4½% preference ..	0.36*	0.90*	0.62†	0.62†
Ordinary ..	25.00 (25%)*	25.00 (25%)*	17.50 (17½%)	17.50 (17½%)
Carry forward ..	10.20	10.20	10.48	11.48
	Tonnes	Tonnes	Tonnes	Tons
Raisings of coal ..	3,096,576	2,880,896	2,862,170	2,801,164
Despatches ..	3,213,514	3,062,662	3,119,906	3,101,382

* Subject to deduction of tax.
† Less income-tax paid by the Company.

The Company has big plans for increasing its output in the third Plan period. As the all-India targets for coal in the third Plan has been fixed at 97 million tons per annum, of which 62 million tons are planned to be raised by the private sector, the Directors have submitted to the Government details of the Plan for raising the production at the Company's existing collieries by at least one million tons per annum. This greatly increased output is, of course, dependent upon the Company receiving import licence for the necessary plant and machinery. The Company is also planning the sinking of new shafts which is expected to increase materially its raisings of coal by the end of the third Plan. In order to meet the financial requirements of the proposed expansion scheme, the Company recently offered 20,000 ordinary shares of Rs. 100 each at a premium of Rs. 100 per share as rights shares to the shareholders as on 8th December 1960. The issue, which was oversubscribed, provided a sum of Rs. 40 lakhs. In addition, the Company invited applications for subscription to Rs. 60 lakhs in 6¼ per cent debenture-stock and this, too, was more than fully subscribed. The success that attended the Company's invitation for new capital, despite the low profit margin of coal industry in general, reflects partly the tremendous confidence the Company enjoys among investors and partly the relatively easier conditions in the long-term capital market.

The Directors' report makes a pertinent reference to the power supply position in West Bengal, which is inhibiting the growth of industrial production. As much of the extra coal production will come from increased mechanisation of existing mines, the Directors have emphasised that much greater supplies of electric power will be required in future. The difficult transport situation has adversely affected the Company along with many other coal companies. Stocks as at the end of the year had increased by 40,000 tonnes to a level of 94,000 tonnes. Even this well-managed Company, which has introduced mechanical loading facilities in most of its mines, found it necessary to restrict raisings from time to time when stocks at individual collieries reached unmanageable proportions, as railways were unable to lift them.

The Company's financial position, as reflected in its balance-sheet as on 31st October 1960, is quite satisfactory. Thus, the paid-up capital of Rs. 120 lakhs is supplemented by reserves and surplus amounting to Rs. 216.74 lakhs. The borrowings at Rs. 65.43 lakhs cannot be considered to be excessive, having regard to the Company's size and the scale of its operations. The other current liabilities at Rs. 270.31 lakhs are more than adequately covered by current assets aggregating Rs. 413.64 lakhs (investments Rs. 13.40 lakhs; stores and spares Rs. 141.66 lakhs; stock-in-trade, plant in transit and loose tools Rs. 55.60 lakhs; sundry debtors Rs. 144.72 lakhs; loans and advances Rs. 37.36 lakhs; and cash Rs. 20.90 lakhs). Thanks to the policy of expansion followed by the Company, the gross block stands at Rs. 745.30 lakhs, the additions made during the year being Rs. 54.75 lakhs. This has been well written down to Rs. 258.89 lakhs, the depreciation provided so far being as much as Rs. 486.41 lakhs.

The Rs. 100 fully paid-up ordinary shares of the Company are currently quoted at Rs. 354 *cum-div.* On an *ex-div.* basis and at the current rate of dividend, the yield on them amounts to 5.2 per cent per annum, free of tax.

"SCCO"

For removing heavy scale from large metal surfaces, such as rust, old paint, and incrustations giving the metal renewed surface for painting, etc. These cup brushes are used on high speed flexible shafts electric or pneumatic tools and can be driven at higher speeds being of sturdier construction than the lighter crimped wire types. A good friend for Foundry men.

India Brushwarc
72, CANNING STREET,
CALCUTTA-1.
Phone: 34-1985

BANGALORE WOOLLEN'S SALES IMPROVE

PROFITS, HOWEVER, LOW

THANKS to the sustained demand for its cotton and union cloths and the satisfactory price fetched by the small quantity of fine woollen goods produced, the Bangalore Woollen, Cotton and Silk Mills Company Ltd., another company belonging to the Binny Group, was able to improve its sales marginally by Rs. 21.09 lakhs to Rs. 573.09 lakhs for the year ended 31st December 1960. For the second year in succession, production in all departments suffered on account of the retirement of long-service workers in the first half of 1960 under the Gratuity Scheme introduced in the previous year. By reorganisation, however, efficiency was restored and there was a marked improvement in operations during the later months of the year. The Directors report that this efficiency has since been maintained.

A further reduction in licences for the import of wool necessitated restriction of production in the fine section of the woollen mill. Production in the silk section was again limited by the difficulty in obtaining adequate supplies of foreign as well as indigenous spun silk yarn.

Despite the improvement in turnover, gross profit declined by Rs. 13.14 lakhs to Rs. 64.31 lakhs, mainly as a result of high prices of cotton and the replacement of coal by oil as fuel necessitated by the difficulties experienced in obtaining the former. Percentage to sales of cost of raw material and stores consumed thus rose significantly to 52 per cent during the year from 47 per cent. in 1959.

Thanks, however, to the sharp cut of Rs. 6.70 lakhs in the provision for taxation, there was only a modest fall of Rs. 6.33 lakhs in net profits as disclosed by the following comparative table.

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sales of cloth, yarn and waste..	5,73.09	5,52.00	5,54.15	5,48.44
Closing stock	70.71	71.96	67.15	72.50
Raw materials and stores consumed	2,97.42	2,61.02	2,95.03	3,16.02
Salaries, wages and bonus ..	1,48.71	1,16.62	1,08.47	1,03.21
Payment relating to previous years	1.22	0.67	0.15	0.10
Other expenses	80.14	88.10	80.88	76.86
Gross profit	64.31	77.45	73.33	47.09
Depreciation	15.80	14.78	14.89	13.78
Taxation	19.80	26.50	29.50	13.00
Managing Agents' remuneration.	5.41	6.54	6.35	5.78
Net profit	23.50	29.83	22.59	19.18
Development rebate reserve ..	3.87	1.76	1.50	5.59
General reserve	2.50	2.00	6.00	..
Deferred taxation reserve ..	..	..	..	5.00
Dividends—				
Preference shares* ..	0.47	0.86	0.86	0.86
Ordinary shares ..	12.15 (10%)	12.15 (10%)	12.15 (10%)	12.15 (10%)
Tax liability on ordinary dividends borne by the company..	5.21	5.36	..	..
Carry forward	2.49	2.62	2.98	2.90

* Preference share dividends for 1960 at 7.80 per cent. taxable. Other years 6 per cent. tax-free.

A further sum of Rs. 5.87 lakhs, excluding Rs. 2.65 lakhs set aside as additional provision for retiring gratuity, has been transferred to the reserves. But as there is a drop of Rs. 0.20 lakh in the carry forward from the appropriation account, the increase in reserve funds is by Rs. 5.67 lakhs to Rs. 167.36 lakhs. The paid-up capital is Rs. 127.50 lakhs, of which only Rs. 6 lakhs are in preference shares. The total of owned funds thus comes to Rs. 294.86 lakhs. Against this, the written down value of the fixed assets and the cost of capital works-in-progress is Rs. 93.69 lakhs or about 32 per cent of the total capital funds employed. Additions to gross block during the year amounted to Rs. 19.52 lakhs, including the transfer of Rs. 17.87 lakhs from the capital works-in-progress account. The value of gross block is Rs. 398.24 lakhs. Current assets, including investments but excluding investment against special liabilities, total Rs. 309.45 lakhs and exceeded the current liabilities less provision for gratuity by Rs. 216.06 lakhs. The current assets are maintained in a highly liquid form.

The foreign wool that is now available to the Company is being used for the production of union cloths and, since the supply is insufficient to meet demands from other lines of manufacture, the Directors report that they have been forced to decide upon the closure of the woollen mill at Hebbal and that this will take place at the end of May 1961.

The Rs. 100 paid-up ordinary shares are now quoted at Rs. 204 to yield 5.2 per cent net.

W.I.M.CO. MAINTAINS PROGRESS

RESERVES REPLENISHED FURTHER

IN spite of a substantial improvement in sale proceeds from Rs. 1,761.21 lakhs in 1959 to Rs. 1,834.16 lakhs, the gross profit of the Western India Match Company Ltd. (Managing Agents: The Swedish Match Company, Bombay) for the year ended 31st December 1960 has registered only a modest rise of Rs. 2.33 lakhs to Rs. 149.84 lakhs. This is mainly due to the increase in excise duty from Rs. 1,042.44 lakhs to Rs. 1,066.65 lakhs and the expansion in expenses other than raw materials from Rs. 344.28 lakhs to Rs. 364.52 lakhs. Consequently, the profit margin (ratio of gross profit to sales) has gone down from 8.4 per cent to 8 per cent. The Managing Agents' remuneration is only a shade higher at Rs. 12.64 lakhs (Rs. 12.37 lakhs in the previous year) and depreciation has been stepped up slightly from Rs. 18.06 lakhs in 1959 to Rs. 19.02 lakhs in the year under review. The provision for taxation is actually lower by Rs. 1.20 lakh at Rs. 51.15 lakhs. After making these essential allocations the net profit works out to Rs. 67.03 lakhs representing an increase of Rs. 2.30 lakhs over the previous year. This net profit is supplemented by Rs. 72,000, being the amount of tax refund in respect of earlier years and a sum of Rs. 4.21 lakhs, the balance brought forward from the previous year. Out of the total of Rs. 71.96 lakhs available for distribution, the Directors have set aside altogether Rs. 23.42 lakhs, or about one-third, to different reserves. The corresponding figure for the previous year is Rs. 18.15 lakhs, so that the amount conserved this year is substantially more than last year. A breakdown analysis of these transfers shows that the general reserve gets Rs. 8.82 lakhs as against Rs. 16 lakhs last year; Rs. 12.73 lakhs are ploughed back as a provision for contingencies, as against *nil* last year, and Rs. 1.87 lakhs (as against Rs. 2.15 lakhs in 1959) is transferred to development rebate reserve. The Directors have decided to maintain the dividend at 16 per cent per annum subject to tax, giving a net return of 11.2 per cent which compares a little favourably with the tax-free dividend of 11 per cent declared by the Company for a number of years in the past.

The progress of the Company since 1957 is depicted in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds (gross) ..	18,34.16	17,61.21	15,65.09	12,84.96
Other income	12.68	12.49	12.98	12.58
Closing stock of finished goods.	21.06	26.58	30.46	23.58
Raw materials consumed ..	2,60.91	2,36.59	2,25.77	2,00.77
Excise duty	10,66.65	10,42.44	9,88.90	7,06.32
Other expenses	3,64.52	3,44.28	3,15.02	2,96.83
Gross profit	1,49.84	1,47.51	1,04.50	87.50
Managing Agents' remuneration.	12.64	12.37	8.98	7.45
Provision for—				
Depreciation	19.02	18.06	13.73	11.08
Taxation	51.15	52.35	37.00	33.10
Net profit	67.03	64.73	44.19	35.37
Net profit brought forward ..	0.72	..	..	6.00
Excess provisions written back.	8.82	16.00	0.10	8.58
To reserves	12.73	..	..	..
„ provision for contingencies.	1.87	2.15	18.11	5.17
„ development rebate reserve.	44.00	44.00	20.35	20.35
Dividend	(D. 16%)*	(D. 16% +B. 1%)*	(D. 10% +B. 1%)	(D. 10% +B. 1%)
Carry forward	4.54	4.21	1.68	0.90

* Subject to deduction of tax.

The financial position of the Company, as disclosed by the balance-sheet as on 31st December 1960, is quite satisfactory. The paid-up capital of Rs. 275 lakhs is supplemented by reserves and surplus of Rs. 194.73 lakhs. During the year the Company did not have recourse to borrowings from banks, and its other current liabilities, amounting to Rs. 251.14 lakhs, are well covered by current assets totalling Rs. 447.38 lakhs (investments Rs. 4.17 lakhs, stores and tools Rs. 57.23 lakhs, stock-in-trade Rs. 147.47 lakhs, sundry debtors Rs. 20.92 lakhs, and cash Rs. 129.40 lakhs, loans and advances and banderols held in trust Rs. 76.32 lakhs and banderols held in trust Rs. 12.16 lakhs). During the year under review the Company made additions to the block account of the value of Rs. 19.57 lakhs taking up the total value of gross block to Rs. 480.29 lakhs, which is written down to Rs. 270.22 lakhs. Further, there is an unallocated capital expenditure amounting to Rs. 3.27 lakhs.

In order to reduce the monopoly the Company has been having in the supply of matches and to encourage employment in the cottage industry sector, the Government has restricted the Company's capacity to make matches. In view of this, the Company took to manufacture of paper a couple of years ago, but here, too, the Government has made the position difficult by fixing the ex-factory prices at levels considered unremunerative. The following extract from the Directors' report will enable the reader to get an idea of the outlook for the Company:

"The Government of India are still experimenting to decide what should be the standard execution for match boxes. Up to the end of 1959, the manufacture of boxes containing 50 sticks was permitted, but this execution was then withdrawn and only the 40's and 60's executions remained. In the last Budget of the Central Government, excise duty rates have been so amended as to encourage the manufacture of the 50's execution and to discourage 40's and 60's. In this country, with its insufficient resources of match timber, 50's is not the ideal execution; it will lead to waste of wood, because of the need for more boxes when the contents of each are reduced from 60 to 50 sticks and also to a likely shortage of matches. The capacity of your Company has for some time been restricted by Government to what it is today. On account of these repeated changes in Government's policy, it is again difficult to forecast their effect on the working of the current year.

"The Paper Mill is working satisfactorily, but the prices fixed by Government on the recommendation of the Tariff Commission do not give a fair return."

The Company's problem of securing spare parts for its machinery will be solved if the shareholders sanction a special resolution whereby the spare parts proposed to be manufactured by the Vulcan Trading Company, an associate of the Swedish Match Company, could be purchased by W.I.M.Co.

The Rs. 100 fully paid-up shares of the Company are currently quoted at Rs. 279 *cum-div.* On an *ex-div.* basis, and at the current rate of dividend, the yield on them is 4.1 per cent per annum, free of tax. Before the budget, the shares were standing in the neighbourhood of Rs. 265; thereafter, they jumped up to Rs. 314, on hopes that the reduction in the bonus tax from 30 per cent to 12½ per cent would induce the management to capitalise a part of the Company's reserves. Subsequently, after the publication of the Directors' report and statement of accounts, they retreated to as low as Rs. 270, as the hopes were belied. The prospects of the Company issuing bonus shares *in the near future* are not bright. It is true that the Company has sufficient reserves for offering at least one bonus share for every three now held, but there is no imbalance between the block account and the paid-up capital. Again, the profit cover for dividend is not that large as to leave a comfortable margin for ploughing back at the present scale, after maintaining the dividend on the capital increased by such a bonus issue.

(*Concluded from next column*)

the net block stands at Rs. 488.77 lakhs, the depreciation provided being Rs. 115.64 lakhs. The current assets at Rs. 383.69 lakhs are well above current liabilities of Rs. 145.29 lakhs, by a comfortable margin of Rs. 238.40 lakhs.

The restrictive import policy of the Government has severely affected the growth of this Company, in that it found it very difficult to expand its output to meet the demand for its products. At the end of the year stocks of raw materials at all operating units were critically low. An intensive programme for the development of suitable indigenous sources of raw materials was continued throughout the year. Although considerable progress has been made in this direction, certain basic raw materials required will still have to be imported, as they are not available indigenously.

The Company has a programme for substantial expansion of the Trombay plant, the products of which have a great demand in the expanding economy of the country. The expansion programme of the Metals and Ores division will be completed during the current year. An extensive re-equipment programme for the two battery plants of the Company, which was undertaken during the year, is expected to result in improved operating efficiencies and economies in the manufacture of this major product line.

The Company's shares are quite popular and are regarded by investors as a first class growth scrip. The Rs. 10 paid-up ordinary shares are now being quoted at Rs. 56, at which rate the net yield is no more than 2.25 per cent per annum. A year ago, these were quoted at Rs. 48 *cum-right* to give a net yield of 3.4 per cent.

HIGHER PROFIT OF UNION CARBIDE

IMPORT POLICY RETARDS SALES

UNION Carbide India Limited (Chairman and Managing Director: Mr. J. R. Galloway, Calcutta) which manufactures a wide range of chemicals and plastics as well as various types of batteries and cells, besides producing high quality zinc alloy strips and plates, has had successful trading in the year ended 25th December 1960. The improvement in results is due to the increasing demand for its battery products and sale of a larger number of flashlight cases. The earnings of the Metals and Ores division also improved, thanks to increased output and sale of a wide range of zinc products. The income from the sale of plastics and chemicals was, however, lower, as compared with the previous year, on account of restrictions on imports of raw materials.

Sale proceeds have a consistent record of growth since 1955, the year in which it was converted into a public limited company and Indian investors were allowed participation. Sales have advanced by Rs. 52.74 lakhs to Rs. 822.67 lakhs. The rise of 6.8 per cent in sales during the year under review was, however, lower than that of 27.2 per cent recorded in the previous year. Reflecting mainly the growth in production, there has been a rise in the value of raw materials and stores consumed from Rs. 283.81 lakhs to Rs. 330.60 lakhs. The payment of excise duty has also increased from Rs. 47.51 lakhs to Rs. 71.10 lakhs, a part of which must be attributed to an increase in Central excise duty levied on dry batteries from 10 per cent to 15 per cent *ad valorem* with effect from 1st March 1960. It is, however, encouraging to note that the ratio of gross profits to sales, around 20 per cent, has been maintained on account of a considerable drop in other expenses from Rs. 320.49 lakhs to Rs. 235.13 lakhs. After providing Rs. 21.03 lakhs for depreciation and Rs. 61.38 lakhs for taxation, the net profit is higher by Rs. 13.21 lakhs to Rs. 86.41 lakhs. The provision for taxation is lower by over Rs. 3 lakhs, but there has been an increase of about Rs. 4 lakhs in the transfer to depreciation. The transfer to reserves has been stepped up by Rs. 5 lakhs to Rs. 32.30 lakhs, while, once again, a sizable amount of Rs. 46.71 lakhs is being carried forward as unappropriated surplus. The payment to shareholders has been maintained at 18 per cent subject to tax, but the amount required for this purpose is higher by Rs. 14.34 lakhs on account of payment of final dividend on the increased capital.

The following comparative table shows at a glance the financial results of the Company for the last four years:

(In lakhs of rupees)

	For the year ended 25th December			
	1960	1959	1958	1957
Sale proceeds	8,22.67	7,69.93	6,06.07	5,85.35
Other income	6.07	6.41	..	..
Closing stocks of finished goods and in process ..	1,10.61	1,88.70	1,04.24	81.84
Raw materials and stores consumed	3,30.60	2,83.81	2,36.17	2,34.25
Excise duty	71.10	47.51	40.78	38.03
Other expenses	2,35.13	3,20.49	2,48.56	1,92.85
Gross profit	1,58.82	1,54.97	1,06.53	93.35
Provision for—				
Depreciation	21.03	17.16	18.18	12.03
Taxation	61.38	64.61	45.87	40.69
Net profit	86.41	78.20	41.98	40.63
Capital issue expenses ..	0.84	0.15	4.07	..
To reserves	32.30	27.30	4.50	5.40
Dividend	50.34* (18%)*	36.00* (18%)*	28.00 (14%)	28.00 (14%)
Carry forward	46.71	43.63	33.33	28.42

* Subject to deduction of tax.

The paid-up capital of the Company was increased during the year from Rs. 200 lakhs to Rs. 280 lakhs by the issue of 8 lakh shares of Rs. 10 each at a premium of Rs. 2.50 per share in the ratio of two new shares for every five shares held. The issue was made to finance the various new undertakings and came into effect from 1st June 1960. Reserves and surplus have increased from Rs. 158.99 lakhs to Rs. 214.96 lakhs, an increase of Rs. 55.37 lakhs, of which Rs. 28 lakhs is in share premium account which now stands at Rs. 58 lakhs. Due to the capital expenditure for the construction of new plant and replacement of existing equipment, the gross block account has increased by Rs. 231.41 lakhs on top of a rise of Rs. 103.32 lakhs in the previous year. The major part of this expenditure was for the chemicals and plastic plant at Trombay which has now gone into production. The total of gross block is Rs. 804.41 lakhs and

(*Continued in previous column*)

SHARP RISE IN SHREE NIWAS COTTON'S PROFIT

DIVIDEND ENHANCED ONCE AGAIN

THE year ended 31st December 1960 was a highly profitable one for the Shree Niwas Cotton Mills Limited (Managing Agents: The Marwar Textiles Agency Private Ltd., Bombay), despite the high cost of cotton, increase in the wage bill, the dislocation caused in the movement of cotton textiles by the unhelpful statements made by the Union Minister for Commerce and Industry and the reduction in ex-mill prices effected under the agreement between the Government and the India Cotton Mills Federation. The profitability of the Company during the year considerably increased from 8.72 per cent in the previous year to 15.76 per cent during the year under review. This is largely the result of complete modernisation and renovation programme carried out in the last few years. The gross profit for 1960 has increased by over 76 per cent to Rs. 70.53 lakhs from Rs. 40.07 lakhs for 1959, although the total sale proceeds of cloth, yarn and waste are lower at Rs. 447.30 lakhs, as against Rs. 459.15 lakhs. The profit for the year is the highest on record, and even surpasses the previous high figure of Rs. 65.68 lakhs registered in 1951, the year of the Korean boom.

The better profits have enabled the Directors to increase the dividend to 18 per cent subject to tax, from 15 per cent subject to tax for 1959. This is the third consecutive increase in the last four years and the net dividend is well over the latest tax-free dividend of 10 per cent for 1958. Out of the gross profit, the provision for taxation has been stepped up by Rs. 10.26 lakhs to Rs. 19.36 lakhs and that for depreciation by Rs. 3.63 lakhs to Rs. 14.14 lakhs. The remuneration to Managing Agents is higher at Rs. 4.90 lakhs, as against Rs. 2.52 lakhs in the previous year.

The progress achieved by the Company can well be ascertained from the following comparative table covering the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds of cloth, yarn and waste	447.30	459.15	417.57	379.06
Stocks	61.75	61.31	103.78	108.40
Other income	11.55	8.23	6.07	5.99
Expenses	388.46	384.85	401.05	392.58
Gross profit	70.53	40.07	18.87	11.76
Managing Agents' remuneration	4.90	2.52	0.67	0.50
Provision for—				
Depreciation	14.14	10.51	8.33	8.87
Taxation	19.36	9.10	0.54	0.50
Net profit	32.13	17.94	9.33	1.89
Transfer from reserves	..	2.50	8.20	3.50
To reserves	12.00	8.00	9.65	..
" bonus	5.34	..	..	5.12
Dividends—				
Preference	0.25*	0.27*	0.19	0.19
Ordinary	14.40*	12.00*	8.00	6.40
	(18%)*	(15%)*	(10%)	(8%)
Carry forward	0.56	0.42	0.25	0.59

* Subject to deduction of tax.

It is computed by the Directors that the Wage Board award means an increase of Rs. 6.50 lakhs in the wage and salary bill. The following figures taken from the Company's report show the extent to which the average income per annum per worker in its mill has gone up since 1945:

	Rs.
1945	861
1950	1,071
1955	1,683
1958	1,864
1959	2,101
1960	2,310

The gross block of the Company has been steadily rising in the last few years on account of a systematic tackling of the problem of rehabilitation and renovation of the machinery within the resources available at the Company's disposal. As at the close of 1960, the gross block stands at Rs. 190.86 lakhs and the net block at Rs. 107.01 lakhs, following the provision of Rs. 83.85 lakhs for depreciation. During the four years ended 31st December 1960, the Company incurred a capital expenditure of Rs. 105.54 lakhs and sold old plant and machinery, etc., which fetched Rs. 26.75 lakhs, so that the net addition to gross block is of the order of Rs. 78.79 lakhs.

A feature of the Company is its large investments in other companies amounting to Rs. 84.86 lakhs, of which Rs. 43.74 lakhs are in debentures of Shree Madhusudan Mills Ltd. and Rs. 26.73 lakhs in the ordinary shares of that mill. The market value of quoted investments (of Rs. 70.80 lakhs) alone is Rs. 88.44 lakhs, exceeding even the total investments by Rs. 3.57 lakhs. The unquoted investments are Rs. 14.07 lakhs.

The paid-up capital of the Company at Rs. 84.80 lakhs consist of Rs. 80 lakhs in 80,000 ordinary shares of Rs. 100 each and Rs. 4.80 lakhs in 4,800, four per cent preference shares of Rs. 100 each. Reserves and surplus amount to Rs. 65.48 lakhs as against Rs. 51.95 lakhs in the previous year. As against the drop of Rs. 6.59 lakhs in secured loans at Rs. 128.81 lakhs, the unsecured loans have advanced by Rs. 16.66 lakhs to Rs. 20.97 lakhs. The current assets at Rs. 202.51 lakhs are well above the current liabilities at Rs. 103.93 lakhs.

The entire ring frame department of the Company's mill has now been completely renovated. With the replacement of remaining ten ring frames, the whole of the spinning department has been equipped with the latest type of humidification and ventilation plant. One new mercerising machine has also been installed during the year and now the mercerising capacity has increased so much that the entire production can be mercerised.

Further, an expansion programme involving an outlay of Rs. 45 lakhs is in hand and eight new American combers will be erected shortly. The Company has entered into agreement with Messrs. Cluett Peabody and Co., Inc. of U.S.A. for the use of "Sanforized" trade mark. The new sanforizing machine will start functioning by the end of the current year. The Company has also placed an order for 96 automatic looms and the same is likely to be received early next year. It will thus be seen that the Company is following a progressive policy in regard to production.

It is heartening to hear that the fabrics produced by the Company command a ready market. As a result of renovation and modernisation, the Company would be able to diversify its products and produce fine and superfine varieties suitable for the changing pattern of consumption in the country. With the completion of modernisation and renovation programme, the Company's mill now stands at par with many of the progressive units in the industry. The results of the Company for the current year can be expected to show a further improvement.

Since the close of the year, the paid-up capital of the Company has been increased by the issue of 10,000 equity shares of Rs. 100 each in the ratio of one new share for eight shares held.

The current market quotation for the Rs. 100 paid-up ordinary shares of the Company is Rs. 257, giving a net yield of 4.9 per cent on a net dividend at Rs. 12.60 per share.

TYRE TUBE VALVE MANUFACTURE

A new company under the name of Schrader Scovill Duncan Ltd, has been formed in India with an authorised capital of Rs. 2 crores. An agreement to this effect has been concluded between the Scovill Manufacturing Company, U.S.A., and Duncan Brothers & Co. Ltd., Calcutta. The A. Schrader's Son Division of the Scovill Manufacturing Company is the world's oldest and largest tyre valve manufacturers. In the beginning Duncan Brothers & Co. Ltd., and its associates in India will hold 49 per cent shares and the rest will be held by the Scovill Manufacturing Company which will also provide the technical know-how. The share capital is expected to be divided fifty-fifty basis between the participants and, later on, the new Company will invite public participation in the share capital. The plant will be located near Bombay and is scheduled to commence operation in January 1962. This will be the first plant of its kind in India and represents yet another "first in the field" for Duncan Brothers & Co. Ltd. which has recently been associated with the setting up of plants for woolcombing and manufacture of carbon black.

At present the vehicle tyre tube valves used in India are imported from the Schrader factory in Birmingham, U.K., at a cost of much foreign exchange. Production of the valves will be doubled by the end of the third Plan. It is estimated that this operation would then be in a position to save the much needed foreign exchange. In addition, as Schrader's have no manufacturing operations in Asia or Africa, it is expected that tyre tube valves manufactured in India will be exported to neighbouring countries and thus help augment India's foreign exchange earnings.

COMPANY MEETINGS AND DIVIDENDS

NEW BEERBHOOM COAL CO., LTD. Annual General Meeting, Calcutta, 3rd May 1961. Dividend: Re. 1.60 per ordinary share (includes interim dividend of Re. 0.60 per share), subject to deduction of tax. Transfer books remain closed from 17th April to 3rd May 1961, both days inclusive.

CHEMICAL AND ALKALI DISTRIBUTORS LTD. Annual General Meeting, Bombay, 6th May 1961. Dividend: 20 per cent. Transfer books remain closed from 10th April to 6th May 1961, both days inclusive.

SHREE NIWAS COTTON MILLS LTD. Annual General Meeting, Bombay, 8th May 1961. Dividend: Rs. 18.00 per share, subject to deduction of tax, payable on and after 13th May 1961. Transfer books remain closed from 15th April to 6th May 1961, both days inclusive.

KOHINOOR MILLS LTD. Annual General Meeting, Bombay, 10th May 1961. Dividend: Rs. 15.00 per share (includes interim dividend of Rs. 5.00 per share), subject to deduction of tax, payable on and after 23rd May 1961. Transfer books remain closed from 18th April to 10th May 1961 both days inclusive.

SIRSILK LTD. Annual General Meeting, Somajiguda, Hyderabad, Andhra Pradesh, 11th May 1961. Dividend: *Nil*. Transfer books will remain closed from 1st to 14th May 1961, both days inclusive.

LAKSHMI COTTON MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 15th May 1961. Dividend: Rs. 25.00 per ordinary share, subject to deduction of tax, payable on and from 22nd May 1961. Transfer books remain closed from 18th April to 9th May 1961, both days inclusive.

SASSOON SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 15th May 1961. Dividend: Re. 1.70 per share, subject to deduction of tax, payable from 22nd May to 30th August 1961.

MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 15th May 1961. Dividend: Rs. 30.00 per ordinary share, subject to deduction of tax, payable from 22nd May to 30th August 1961.

SENDRA COAL CO., LTD. Annual General Meeting, Calcutta, 15th May 1961. Dividend: Re. 0.50 per share, subject to deduction of tax, payable on or after 30th May 1961. Transfer books will remain closed from 8th to 15th May 1961, both days inclusive.

WESTERN INDIA MATCH CO., LTD. Annual General Meeting, Bombay, 15th May 1961. Dividend: Rs. 16.00 per share, subject to deduction of tax, payable on and after 16th May 1961. Transfer books remain closed from 19th April to 16th May 1961, both days inclusive.

UNION CARBIDE INDIA LTD. Annual General Meeting, Calcutta, 15th May 1961. Dividend: Re. 1.05 per share (final), subject to deduction of tax. Transfer books remain closed from 24th April to 15th May 1961, both days inclusive.

STANDARD MILLS CO., LTD. Annual General Meeting, Bombay, 16th May 1961. Dividend: Rs. 30.00 per ordinary share, subject to deduction of tax, payable from 22nd May to 30th August 1961.

NEW SHORROCK SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Ahmedabad, 19th May 1961. Dividend: Rs. 60.00 per ordinary share, subject to deduction of tax, payable from 23rd to 31st May 1961.

BHARAT COMMERCE AND INDUSTRIES LTD. Annual General Meeting, Calcutta, 19th May 1961. Dividend: Re. 0.50 per ordinary share, subject to deduction of tax. Transfer books remain closed from 24th April to 19th May 1961, both days inclusive.

VIJAYALAKSHMI MILLS LTD. Annual General Meeting, Coimbatore, 26th May 1961. Dividend: 12 per cent or Rs. 12.00 per share, subject to deduction of tax. Transfer books will remain closed from 6th to 26th May 1961, both days inclusive.

NATIONAL RAYON CORPORATION LTD. Annual General Meeting, Bombay, 15th June 1961. Transfer books will remain closed from 10th May to 8th June 1961, both days inclusive.

FERTILISERS AND CHEMICALS TRAVANCORE LTD. Taxable dividend of 6 per cent or Re. 0.60 per ordinary share for the year ended 31st December 1960. Transfer books will remain closed from 1st to 20th June 1961, both days inclusive.

JAWAHAR MILLS LTD. Taxable dividend of 15 per cent or Re. 0.75 per share, for the year ended 31st December 1960. Transfer books will remain closed from 12th to 26th May 1961, both days inclusive.

INDORE MALWA UNITED MILLS LTD. Taxable dividend of Rs. 8.50 per ordinary share, for the year ended 31st December 1960, payable on or after 3rd July 1961.

ASSAM MATCH CO., LTD. Taxable dividend of 18 per cent or Re. 1.80 per share, for the year ended 31st December 1960.

BELSUND SUGAR CO., LTD. Taxable dividend of Re. 1.40 per share, for the year ended 30th September 1960.

AMAR DYE-CHEM LTD. Taxable dividends of Rs. 12.00 per old ordinary share and Rs. 7.50 per new ordinary share, for the year ended 31st December 1960, payable on and after 5th July 1961. Transfer books will remain closed from 5th to 20th June 1961, both days inclusive.

TRAVANCORE OGALE GLASS MANUFACTURING CO., LTD. Taxable dividend of 10 per cent or Re. 1.00 per share, for the year ended 31st December 1960. Transfer books will remain closed from 18th to 31st May 1961, both days inclusive.

BALARAMA VARMA TEXTILES LTD. Taxable dividend of 9 per cent on ordinary and 'B' ordinary share, for the year ended 31st December 1960. Transfer books will remain closed from 29th May to 12th June 1961, both days inclusive.

RAJALAKSHMI MILLS LTD. Taxable dividend of 12 per cent or Rs. 6.00 per ordinary share, for the year ended 31st December 1960. Transfer books will remain closed from 24th April to 12th May 1961, both days inclusive.

(UNDER GOVERNMENT) 1 - MAY 1961 PUBLIC DEPARTMENT

SYNOPSES OF COMPANY REPORTS

Empire Jute Co., Ltd.

(*Managing Agents:* Messrs. McLeod & Co., Ltd., Calcutta.)

Annual General Meeting—29th April. Dividends payable on or after 15th May.

Working Results:

	For the year ended 31st July (In thousand rupees)	
	1960	1959
Sales	1,23,06	1,29,36
Gross profit	13,96	11,12
Transfer to Managing Agents' remuneration	1,08	83
" " depreciation	4,82	4,17
" " taxation	3,90	2,75
Net profit	4,16	3,37
Adjustments	96	2,45
Appropriations:		
Total available balance	5,12	5,82
Transfer to reserves	1,42	2,31
Proposed dividends (taxable) Ordinary	1,88	1,88
	(12.5%p.a.)	(12.5%p.a.)
" " Preference	1,15*	70
	(7% p.a.)	(7% p.a.)
Carry forward	70	93

N.B.—Adjustments include the balance brought forward from the previous year; transfer from reserves and provision for doubtful debts if any and sales tax receivable from Government in respect of previous years if any.

* Includes additional 30% on Preference dividends for 1 the years 1959 and 1960.

Extracts from the Directors' report: The mills continued to work in accordance with the main and supplementary working time agreements of the Indian Jute Mills Association, and as loom hours were purchased the mills worked an average of 259 looms on double shift during the period under review. Certain new preparing machinery was installed during the year and this improved the working efficiency of the mills.

Except for a closure for 6 days due to a dispute in the spinning department, labour relations were fairly satisfactory during the period.

The reduction in the stock position of raw jute in India at the end of June, 1960, and the Indian crop not being sufficient to allow normal working during the current season, curtailment of production has been necessary throughout the industry in the current year to conserve raw jute supplies.

Accounts in brief as at 31st July 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Gross block	1,14,03,496
Debentures ...	6,86,000	—Depreciation	74,72,740
Reserves and surplus ...	39,32,285	Net block ...	39,30,756
Other liabilities ...	33,74,632	Current assets	56,96,308
		Investments	9,37,003
		Cash ...	1,28,850
Rs.	1,06,92,917	Rs.	1,06,92,917

Nellimarla Jute Mills Co., Ltd.

(*Secretaries & Treasurers:* Messrs. McLeod & Co., Ltd., Calcutta.)

Annual General Meeting—29th April. Dividends payable on or after 15th May.

Working Results:

	For the year ended 31st July (In thousand rupees)	
	1960	1959
Sales	1,21,45	1,16,59
Gross profit	7,77	12,79
Transfer to Managing Agents' remuneration	—	72
" " Secretaries and Treasurers' remuneration	50	24
" " depreciation	5,27	3,52
" " taxation	—	1,20
Net profit	2,00	7,11
Adjustments	2,84	11,51
Appropriations:		
Total available balance	4,84	18,62
Transfer to reserves	1,64	13,18
To bonus paid to workers for 1955 and 1959	1,50	—
Proposed dividends (taxable) Ordinary	70	3,67
	(3% p.a.)	(14% p.a.)
" " Preference	65*	—
	(6% p.a.)	(6% p.a.)
Carry forward	45	1,89

N.B.—Adjustments include the balance brought forward from the previous year; amounts transferred from reserves; provisions for wealth tax and inter-State sales tax written back and other credits items relating to previous years written back.

* Includes additional 30 per cent on Preference dividends for the years 1959 and 1960 under the provisions of the Preference Shares (Regulation of Dividends) Act, 1960.

Extracts from the Directors' report: The Company's difficulties were increased during the year due to sporadic labour trouble and the mills lost 6 working days owing to a complete closure due to a strike in June 1960. The mill efficiency was poor due to this labour unrest despite completion of the modernisation of the preparing and spinning departments of the mill. All these factors have been reflected in the poor working results of the Company for the period under review. There has been an improvement in labour relations during the year but the mill efficiency is still not up to the standard required. The Appeal against the Award in respect of Bonus to workers for 1955 which had been preferred in the Supreme Court as advised in the Directors' previous report, has been withdrawn and the matter amicably settled between the management and the labour union. In June 1960 a bonus of 8 weeks basic wages was paid to all workers in settlement of all claims for bonus up to and including 1958.

Accounts in brief as at 31st July 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,25,000	Gross block	68,66,663
Debentures ...	5,00,000	—Depreciation	32,12,580
Reserves and surplus ...	32,79,192	Net block ...	36,54,083
Other liabilities ...	58,98,704	Block in progress ...	2,33,247
		Current assets	78,07,729
		Investments	6,35,525
		Cash ...	4,72,312
Rs.	1,28,02,896	Rs.	1,28,02,896

Chitavalsah Jute Mills Co., Ltd.

(*Managing Agents:* Messrs. McLead & Co., Ltd., Calcutta.)

Annual General Meeting—29th April. Dividends payable on or after 15th May.

Working Results:

	For the year ended 31st July (In thousand rupees)	
	1960	1959
Sales	1,50,88	1,57,28
Closing stocks	35,25	29,00
Gross profit	9,22	17,37
Transfer to Managing Agents' remuneration	45	1,43
" " depreciation	6,81	4,93
" " taxation	50	3,10
Net profit	1,46	8,41
Adjustments	4,27	16,36
Appropriations:		
Total available balance	5,73	24,77
Transfer to reserves	2,11	17,56
To adjustment of interest on investment, bonus in respect of 1958 and forfeited dividends paid	1,16	—
Proposed dividends (taxable) Ordinary	1,51	4,52
	(5%p.a.)	(15%p.a.)
" " Preference	56*	35
	(7%p.a.)	(7%p.a.)
Carry forward	39	2,34

N.B.—Adjustments include the balance brought forward from the previous year; the amounts transferred from reserves; wealth tax and inter-State sales tax written back and adjustment of Managing Agents' commission paid in respect of previous year.

* This includes the additional 30% on Preference dividends for the years 1959 and 1960.

Extracts from the Directors' report: The mills continued to work in accordance with the main and supplementary working time agreements of the Indian Jute Mills Association. Curtailment of production has, however, had to be effected in the current year to conserve raw jute supplies due to the short jute crop.

These mills are dependent to a large extent on locally grown jute and have experienced two short crops of inferior quality. *Bimli Jute* which is a late crop and is not marketted until December has had to be purchased on an ever rising market and trading conditions have been extremely difficult during the period under review and the current year.

The Company's difficulties were increased during the year due to labour trouble and the mills lost 38 working days due to strikes during April-June, 1960. The Mill efficiency due to this factor was poor despite completion of modernisation of the spinning section of the mill. All these factors contributed to the poor working of the Company throughout the period. There has been an improvement in labour relations during the current year but the mill efficiency is still not up to the standard required.

Raw jute prices in Pakistan rose to unprecedented levels when it became evident that there would be a shortage in world supply. The prices of raw jute followed the same pattern in India early in October 1960. Various measures were taken by the Indian Jute Mills Association and the Forward Markets Commission to arrest the rise of price in raw jute and finished goods during November which had a temporary effect. Further measures were necessary as prices continued to rise, and the I.J.M.A. have now fixed maximum jute prices and mills are not allowed to purchase above these prices.

The Reserve Bank of India imposed credit restrictions on advances to Jute Mills against their stocks of raw material and finished goods, and this has had an adverse effect on the raw material purchasing power of this Company. These mills require to hold raw material stocks until the arrival of new crop *Bimli Jute* in November, and this it will not be possible to achieve because of high prices, bank credit restrictions and inadequate supplies.

Accounts in brief as at 31st July 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,15,000	Gross block	1,20,98,261
Debentures ...	10,69,000	—Depreciation	66,66,975
Reserves and surplus ...	39,93,226	Net block ...	54,31,286
Other liabilities ...	79,29,822	Block in progress ...	2,31,479
		Current assets	98,29,970
		Investments	8,01,605
		Cash ...	2,12,708
Rs.	1,65,07,048	Rs.	1,65,07,048

Bengal Assam Steamship Co., Ltd.

(*Secretaries & Treasurers:* Messrs. Andrew Yule & Co., Ltd., Calcutta.)

Annual General Meeting—28th April.

Working Results:

	For the year ended 31st October (In thousand rupees)	
	1960	1959
Freight earned	33,57	22,79
Gross profit	9,81	2,06
Transfer to Managing Agents' commission	32	40
" " Secretaries' and Treasurers' remuneration	8	..
" " depreciation	1,38	1,02
" " taxation	3,70	..
Net profit	4,33	64
Adjustments	2,07	89
Appropriations:		
Total available balance	6,40	1,53
Transfer to reserves	4,34	45
Proposed dividends (taxable) Ordinary	1,50	60
	(7.5% p.a.)	(3% p.a.)
" " Preference	38*	21
	(9.1% p.a.)	(7% p.a.)
Carry forward	28	26

N.B.—Adjustments include the balance brought forward from the previous year and amounts transferred from reserves if any.

* Includes additional dividend of 2.1 per cent. for the year 1959.

Extracts from the Directors' report: The fleet was fully occupied throughout the year, and this is reflected in the higher freight receipts. There was a further increase in freight earnings from jute carried from Assam, and the Company is now firmly established in Dhubri and Kolabunda. Prospects for the current year are satisfactory, and with the progressive development of industry in Assam the demand for shipping space in Calcutta is good.

The new tug referred to in the report on the previous year's accounts was commissioned on 1st October, 1960. It has provided much needed additional towing capacity on the shallow reaches of the Brahmaputra river in the northern part of East Pakistan and in Assam.

Messrs. Andrew Yule & Co., Ltd., ceased to act as managing agents of the Company on 15th August, 1960, and their appointment as secretaries and treasurers of the Company for a period of five years from that date has been approved by the Central Government.

Accounts in brief as at 31st October 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,00,000	Gross block	1,23,16,309
Reserves and surplus ...	95,40,873	—Depreciation	21,49,792
Other liabilities ...	24,56,098	Net block ...	1,01,66,517
		Current assets	23,19,370
		Investments	1,58,500
		Cash ...	16,52,584
Rs.	1,42,96,971	Rs.	1,42,96,971

New Beerbhoom Coal Co., Ltd.

(*Managing Agents:* Messrs. Andrew Yule & Co., Ltd., Calcutta.)

Annual General Meeting—3rd May 1961.

Working Results:

	For the year ended 31st October (In thousand rupees)	
	1960	1959
Sales	1,54,01	1,33,18
Closing stock	2,08	2,43
Gross profit	18,40	14,28
Transfer to Managing Agents' commission	1,37	1,11
" " depreciation	5,05	3,74
" " taxation	5,40	4,51
Net profit	6,58	4,92
Adjustments	88	2,67
Appropriations:		
Total available balance	7,46	7,59
Transfer to reserves	3,64	3,92
Proposed dividends (taxable) Ordinary	2,84	2,66
	(16% p.a.)	(15% p.a.)
" " Preference	13	20
	(9.1% p.a.)	(10% p.a.)
Carry forward	80	81

N.B.—Adjustments include the balance brought forward from the previous year; development rebate reserve on block sold; excess unclaimed dividends forfeited if any, written back if any and † Calculated in accordance with Preference Shares (Regulation of Dividends) Act, 1960.

Extracts from the Directors' report: Raisings for the year were 7,14,376 tonnes compared with 6,56,767 tonnes in the previous year and 6,31,697 tonnes in the year ended 31st October, 1958. Despatches amounted to 7,16,944 tonnes compared with 6,46,381 tonnes and 6,36,497 tonnes in the two previous years.

The raisings for the year constitute a record in the history of the Company; and, in particular there was a very satisfactory increase in the output of Selected "A" coking coal at Victoria and Victoria West Collieries. As a result of the increase in the ceiling of assistance for sandstowing sanctioned by Government, the net cost to the Company of stowing at Victoria and Victoria West Collieries has decreased from Rs. 3,09,000 to Rs. 1,92,000, and the quantum of sand stowed at these two collieries has increased by about 1,00,000 tonnes to 6,71,000 tonnes during the year under review. Arrangements to develop the Dobrana Seam at New Kendah Colliery are proceeding satisfactorily, and at Barmondia Colliery increased raisings are now being obtained from the Disher-garh Seam.

An offer of 1,42,098 ordinary shares of Rs. 10 each as *Rights Shares* was made to the members of the Company on 11th January, 1961 at a premium of Rs. 4 per share. The issue provided a sum of Rs. 19,89,352 and was oversubscribed.

Accounts in brief as at 31st October 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,76,230	Gross block	1,62,48,573
Reserves and surplus ...	28,19,684	—Depreciation	1,06,23,096
Other liabilities ...	73,19,763	Net block ...	56,25,477
		Current assets	63,16,643
		Investments	12,488
		Cash ...	1,61,069
Rs.	1,21,15,677	Rs.	1,21,15,677

McKenzies Ltd.

(*Managing Director*: Purshotamlal Jhunjhunwala, Esq., Bombay.)

Annual General Meeting—29th April Dividends payable on and after 12th May.

Working Results:

	For the year ended 31st October (In thousand rupees)	
	1960	1959
By sales and contracts	1,00,14	92,18
Closing stock	67	66
Gross profit	5,31	2,80
Transfer to Depreciation	1,52	2,05
" " Development rebate	12	47
" " Taxation	1,57	21
Net profit	1,50	9
Adjustments	12	2,60
Appropriations:		
Total available balance	1,92	2,69
Proposed dividends (taxable):		
5½ per cent. Preference	79	2,68*
Ordinary	1,10	Nil
	(10% p.a.)	
Carry forward	3	1

N.B.—Adjustments include the balance brought forward from the previous year; amount transferred from contingency reserve and the amount transferred from general reserve if any.

* This includes an amount of Rs. 1,81,500 being the dividend on the second preference shares for the years 1952-53 to 1957-58.

Extracts from the Directors' report: The working results during the year under review have

been satisfactory in spite of increases in the cost structure. However, efforts have been made to reduce the same to the minimum and ensure maximum efficiency.

The Company continued to receive orders from the Railway Board for manufacturing wagons. The present orders envisage manufacture of a type of wagon radically different in design from those made by the Company previously. This will involve careful planning and also additional machinery. Necessary applications for importing the same have been made and licences are awaited.

The Company has also been fairly busy with civil construction activities but in this field there has been severe competition as several new contractors have entered the field and tenders have to be quoted on very economical rates.

The Company has, during the year under review, finalised arrangements for the manufacture of *Vibrators* and *Floor Cranes*. It is expected that in the final stages 1,000 *Vibrators* and 900 *Floor Cranes* will be manufactured annually. Collaboration arrangements in respect of the manufacture of *Floor Cranes* are being finalised with a reputed *American firm* and we hope, progressively to undertake manufacture of the complete hydraulic equipment necessary for these cranes in India. It is expected that these products shall be in the market before the end of 1961.

The Company intends to approach the Shareholders in the near future for further capital for these expansions and necessary sanction from the Controller of Capital Issues has been obtained in this behalf.

Accounts in brief as at 31st July 1960 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	23,74,590	Gross block	41,60,471
Reserves and surplus ...	1,75,483	—Depreciation	25,65,495
Other liabilities ...	71,22,384	Net block ...	15,94,976
		Current assets	77,51,286
		Investments	2,11,927
		Cash ...	1,14,268
Rs.	96,72,457	Rs.	96,72,457

The Kil Kotagiri Tea & Coffee Estates Co., Ltd.

(*Managing Agents*: Peirce Leslie & Co., Ltd., Coimbatore)

Annual General Meeting—7th April.

Working Results:

	For the year ended 31st October (In thousand rupees) 1960	1959
Sales ..	29,55	26,09
Closing stock ..	6,19	5,12
Gross profit ..	18,69	9,64
Transfer to Mg. Agents' commission ..	96	68
„ „ Depreciation ..	97	67
„ „ Taxation ..	6,31	3,75
Net profit ..	5,45	4,54
Adjustments ..	1,00	1,09
Appropriations:		
Total available balance ..	6,45	5,63
Transfer to:		
Reserves ..	1,76	2,14
Dividends: Preference ..	23†	21
	(7% p.a.)	(7% p.a.)
Dividends: Ordinary ..	4,29	3,00
	(25% p.a.)	(35% p.a.)
Carry forward ..	16	28
Tea crop (in pounds) ..	10,44,395	8,90,357
Average price realised per pound of tea ..	Rs. 2.44	Rs. 2.74
Coffee crop (in metric tonnes) ..	165,001	46,917

N.B.—Adjustments include the amount brought forward from the previous year and profit on sale of land.

† Includes additional dividend for four months from July to October 1960.

Extracts from the Directors' report: *Tea*: A total crop of 10,44,395 pounds was manufactured during the year and this includes 10,327 lbs. tea manufactured from bought leaf. The entire stock of tea unsold as on 31st October 1960 has since been sold and realised Rs. 5,13,499. The Company was allotted 6,22,545 lbs. export quota representing a release of 67 per cent of the Estate Best crop.

Coffee: A crop of 165.001 metric tonnes was harvested during the year and delivered to the Coffee Board. This excludes the crop picked from Cornellion Estate for account of the buyers.

The tea crop for the year 1960-61 is estimated at 4,53,600 kilograms (equivalent to 10,00,000 lbs.) at an all-in cost of Rs. 3.52 per kg. (Rs. 1.60 per lb.) The coffee crop is estimated at 47 tonnes to be harvested at an all-in cost of Rs. 7,914 per tonne.

Accounts in brief as at 31st October 1960 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital* ...	19,67,076	Gross block	33,15,743
Reserves and surplus ...	12,27,845	—Depreciation	5,71,179
Other liabilities ...	11,30,651	Net block ...	27,44,564
		Current assets	7,27,494
		Cash ...	8,53,511
Rs.	43,25,572	Rs.	43,25,572

*Issued ordinary share capital was increased from Rs. 8,58,538 to Rs. 17,17,076 by issue of 4,29,269 bonus shares of Rs. 2 each on 16th November 1959.

Sirsilk Ltd.

Managing Agents: Messrs. Birla Brothers Private Ltd., Calcutta)

Annual General Meeting—11th May.

Working Results:

	For the year ended 30th September (In thousand rupees) 1960	1959
Sales (chemicals, yarn & fabrics) ..	2,28,04	2,81,54
Closing Stock ..	46,24	48,11
Gross profit ..	17,72	14,99
Transfer to Managing Agents' remuneration ..	12	12
Transfer to Depreciation ..	14,00	—
Net Profit ..	3,60	14,87
Adjustments ..	—3,23	—18,10
Total available balance ..	37	— 3,23
Carry forward ..	37	— 3,23

N.B.—Adjustments include only the debit balance brought forward from the previous year.

Extracts from the Directors' report: After adjusting the loss brought forward from the previous year, there remains surplus of Rs. 37,513 which is proposed to be carried forward. In view of the inadequacy of profits for the year, full depreciation could not be provided.

The production during the year was almost stationary. There was rise in the cost of production consequent upon the increase under various heads including salaries and wages.

The working results, though considered satisfactory in the context of labour situation at the factory, were not upto expectation for want of any further improvement in the quantity as well as quality of production.

The Company is in negotiation for technical collaboration with some foreign parties of repute to carry out its expansion and modernisation programmes.

The management as reported in the Directors' report of the previous year had to declare a lock-out for a period of one month during September-October, 1959. The factory had to be closed further for about a week during June, 1960, as a result of faction fight among the workers. The labour union in disregard of the code of discipline and the agreements entered into with the Company, raised various disputes which were referred to the Industrial Tribunal by the State Government and they are pending before it and/or High Court of Andhra Pradesh and/or the Supreme Court. In general, the labour unrest, serious indiscipline and acts of violence continued throughout the year affecting adversely the working of the Company. The management is taking all necessary steps towards improvement of labour-management relation.

BENGAL COAL COMPANY LIMITED

(Concluded from page 809)

the staff at all levels in our coalfields organisation. In addition to the very competent mining staff, we have well qualified teams of electrical and mechanical engineers and surveyors, and we are also fortunate to have men of high calibre in charge of the medical, labour, legal, and other departments of the Company.

"Our Chief Mining Engineer, Mr. F. G. Massmann, has had a most successful first year in his appointment, and I thank him, and Mr. Ll. D. Hughes, the Deputy Chief Mining Engineer, and the other senior members of the staff, for all their hard work; they shoulder very heavy responsibility and their conscientious devotion to the interests of the Company and its 21,000 employees is an inspiration to us all."

Note: *This does not purport to be a record of the proceedings of the annual general meeting.*

Notices

THE SOUTH KARANPURA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the South Karanpura Coal Company Limited will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Monday the 29th May, 1961, at 11 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st August, 1960, and to receive the Directors' and the Auditors' reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

AS A SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification the following Resolution of which a notice has been received by the Company from a Shareholder under Section 257 of the Companies Act, 1956, which will be proposed as an ordinary Resolution.

"That Sir Walter Michelmore be and is hereby appointed a Director of the Company."

6. To consider and if thought fit to pass with or without modification the following Resolution which will be proposed as a special Resolution, namely:—

"Resolved that the Company may borrow money from time to time from its Secretaries and Treasurers provided the Secretaries and Treasurers are agreeable so to lend, bearing interest at a rate lower than the prevailing Bank rate as may agreed upon between the Secret[illegible] and Treasurers and the Director the Company but so that the m[illegible] lent shall not at any time ex[illegible] Rupees three lacs in the aggreg[illegible] which may be repaid by the Comp[illegible] without notice and shall be re[illegible] within three days of Demand Secretaries and Treasurers."

The Share Transfer Register of the C[illegible] pany will be closed from the 15th May to 29th May, 1961, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LT[illegible]

Secretaries & Treasu[illegible]

CALCUTTA, 21st *April*, 1961.

Notes:—(*a*) A member entitled to at[illegible] and vote at this meeting may appoint a p[illegible] to attend and vote in his stead. A proxy [illegible] not be a member of the Company.

(*b*) The relative explanatory statem[illegible] pursuant to Section 173 of the Companies [illegible] 1956, in respect of the Special Businesses set above are annexed hereto.

(*c*) The Dividend, if declared, will be [illegible] on or after 14th June, 1961, to those memb[illegible] so entitled whose names appear in the C[illegible] pany's Books on the 29th May, 1961, or to t[illegible] mandatees. No application for Dividend w[illegible] rants is necessary.

EXPLANATORY STATEMENTS

With regard to item No. 5 it is pointed [illegible] that Sir Walter Michelmore was appointed additional Director and the Chairman of [illegible] Board with effect from 14th October, 1960, terms of Section 260 of the Companies Act, 1[illegible] he now vacates his office and in view of vast experience in the affairs of the Compa[illegible] your Directors recommend the adoption of [illegible] resolution in the best interest of the Compa[illegible]

With regard to item No. 6, it is pointed [illegible] that the Company may require tempora[illegible] financial accommodation from time to time a[illegible] as the Secretaries and Treasurers are prepar[illegible] to lend money to it at a rate of interest whi[illegible] is more favourable then the Company cou[illegible] have obtained from its Bankers, it is propos[illegible] to take advantage thereof. Section 370 of t[illegible] Companies Act, 1956, as well as relative claus[illegible] in the Articles of Association of your Compa[illegible] empower your Company to take loans from t[illegible] Secretaries and Treasurers at a rate of intere[illegible] to be agreed upon between them and the Boa[illegible] The Auditors of your Company are of t[illegible] opinion that granting of loans by the Secr[illegible] taries and Treasurers constitute a service [illegible] them in terms of Section 360 of the Act a[illegible] that such arrangement should be approved [illegible] the shareholders by special Resolution pursua[illegible] to the above section. Counsel's opinion on t[illegible] question is to the contrary but in order to r[illegible] move any doubt in the matter it is propos[illegible] to pass a special Resolution confirming t[illegible] arrangement.

Sir Walter Michelmore, Director and mem[illegible] ber of your Company, is also a Managing Dire[illegible] tor of Messrs. Bird & Co. (Private) Ltd., t[illegible] Secretaries and Treasurers of your Company.

To the extent indicated above, the Secre[illegible] taries and Treasurers of the Company may b[illegible] deemed to be interested in the business referre[illegible] to in the resolution.

PRESIDENCY JUTE MILLS COMPAN[illegible] LIMITED

ANNUAL GENERAL MEETING OF MEMBERS

NOTICE IS HEREBY GIVEN THAT TH[illegible] Register of Members and the Share Tran[illegible] fer Books of the Company will be closed fro[illegible] the 2nd May to 16th May, 1961, both day[illegible] inclusive.

By Order of the Board,

McLEOD & CO. LTD.,

C. HOCKLEY,

Secretary,

Secretaries & Treasurers.

CALCUTTA, 18th A[illegible]

MONEY SUPPLY BETTER

(*From Our Own Correspondent*)

BOMBAY, 26*th April*

Following the return of funds from upcountry centres to banks, the conditions in the short-term money market are gradually becoming comfortable and the borrowers are in a position to obtain their requirements, albeit for only essential purposes. The turnover was, therefore, quite substantial. The comfortable supply position is slowly having its impact on the interest rates. Thus, the inter-bank call money rates among exchange and larger banks as well as among smaller banks, which were ruling firm at 5½ per cent for the past several weeks, have come down to 5 per cent. Other short-term interest rates are, however, unchanged at the levels quoted below:

Notice money:	
3 days or more	3
Term deposits :	
(i) 3 to 30 days (inclusive) ...	3
(ii) 31 to 60 days	3¼
(iii) 61 to 90 days	3½
(iv) 91 days and more but less than 12 months	3¾
(v) 12 months	4

The results of 91-days' Government of India Treasury Bills sold through weekly tenders disclose that as against an invitation for Rs. 2 crores, the amount offered was Rs. 2.20 crores. Of these, tenders for Rs. 2 crores were accepted at the average rate of Rs. 2.750 per cent per annum.

The Reserve Bank of India's statement for the week ended 21st April 1961 shows, as compared with that for the previous week, a net decline of Rs. 30.89 crores in notes in circulation, bringing down their total to Rs. 2,007.65 crores. As the notes held in the Banking Department have risen by Rs. 11.50 crores, the aggregate notes issued have declined by Rs. 19.39 crores only. Foreign securities, which went down last week by as much as Rs. 5 crores, have remained unchanged at Rs. 118.01 crores, but the balances held abroad have fractionally gone up by Rs. 81.40 lakhs. Consequently, the total foreign assets are higher by that amount at Rs. 128.80 crores. The deposits of banks with the Reserve Bank have further gone up by Rs. 13.36 crores, on top of an expansion of Rs. 3.11 crores in the previous week. Their total now stands at Rs. 87.06 crores. The assets side shows that other loans and advances have shrunk by Rs. 16.34 crores to Rs. 126.27 crores, which include borrowings against usance bill of the order of Rs. 25.81 crores. Over the week, such borowings have fallen by as much as Rs. 7.49 crores.

A decline of Rs. 4.20 crores in demand deposits and an expansion of Rs. 7.02 crores in time deposits have been disclosed by the Scheduled banks' statement for the week ended 14th April 1961. But as the total deposits of the State Bank of India have declined by Rs. 6.69 crores, the deposits of the other scheduled banks have not actually suffered any setback. The borrowings from the Reserve Bank have fallen by Rs. 3.55 crores; of this, decline against usance bills is of the order of Rs. 34 lakhs only. Their borrowings from the State Bank of demand nature are also lower by Rs. 1.52 crore, but those of time variety are slightly higher by Rs. 50 lakhs. The assets side shows that advances and bills have declined by Rs. 5.82 crores, which according to some bankers is due to the tapering off of the busy season, especially in the agricultural sector. The total advances and bills discounted now stand at Rs. 1,309.53 crores, as against Rs. 1,128.17 crores a year ago. The advances and bills of the State Bank of India account for a fall of Rs. 2.38 crores in the week under review. The investments of the scheduled bank, as a whole, have registered an expansion of Rs. 9.12 crores, but, as the investments of the State Bank have increased by Rs. 11.38 crores, those of the other scheduled banks must have actually declined by Rs. 2.26 crores.

There was good inquiry for only short-dated issues in the gilt-edged section. Medium and long-dated loans were neglected. The prices generally remained unchanged. In the Central loans section, 2¾ per cent 1962 and 3½ per cent 1966 bonds moved up fractionally by 15 nP and 5 nP respectively. The prices of State loans remained steady, with the exception of 4 per cent 1970 Maharashtra loan which firmed up by 15 nP to Rs. 99.25.

In the foreign exchange section, the rupee was slightly easier vis-a-vis the U.S. dollar. Thus, the banks' selling and buying rates went up by 50 nP and 75 nP to Rs. 478.75 and Rs. 475.50 per 100 dollars, respectively. In the New York exchange market, the pound sterling weakened further. The latest available rates are: 279.580-279.610 cents per £ for spot and 278.290-278.320 per £ for three months' forward. Over the week, sterling has declined by 0.92 cent in spot and 0.50 cent in forward.

DEMAND FOR LINSEED SLACK

(*Messrs. A. Bradley and Co.*)

CALCUTTA, 24*th April*

In the absence of buyers and generally dull conditions owing to cut in electricity power, the factories having to work shorter hours and during night time only, demand for linseed has slackened. Prices have been marked down. Mills are interested in small quantities only.

The oil market has remained steady, as stocks are getting less in the mills and sellers are not inclined to do much business either for ready or for forward deliveries.

The oilcake market has firmed up, local stocks are diminishing and buyers cannot get their full requirements.

The latest quotation for ready May delivery is Rs. 25 per maund.

BULLION FIRM

(*From Our Own Correspondent*)

BOMBAY, 26*th April*

The bullion market ruled easy in the earlier sessions of the week, but picked up strength on Saturday which persisted till the close today. The initial easiness was due to reports of poor offtake in upcountry centres and selling by some Calcutta and Delhi operators. Consequently, both gold and silver tended to decline. The recovery from Saturday onwards was the result of improvement in demand and hopes of a further improvement in offtake in the coming weeks. The commencement of business in the second *Jeth* delivery in silver yesterday and in gold today also imparted strength to the market. This was interpreted to mean that there would be no prospect of starting in the foreseeable future the six-monthly bearish contract. Not only were the earlier losses completely recovered but today's closing rates were much higher than those prevailing on Wednesday last week. The undertone of the market was distintly firm.

The daily average offtake of gold and silver during the week was 7,200 tolas and 19 bars, respectively, as against 7,500 tolas and 25 bars in the previous week. Average daily arrivals were 6,000 tolas of gold (4,500 tolas last week) and 16 bars of silver (23 bars). The floating stocks of the two metals are estimated at 45,000 tolas and 600 bars.

Adjustment rates fixed today were Rs. 122.80 per 10 grams of gold and Rs. 203.00 per kilogram of silver. The corresponding rates for last week were Rs. 120.20 and Rs. 202.05, respectively.

Reflecting the excellent support for ready gold, the premia commanded by it over the first *Jeth* settlement increased from Re. 1.30 to as much as Rs. 4.10 and that in silver continued to be high, being Rs. 3.75, though it is slightly lower than Rs. 4.00 prevailing a week ago. Over the week, ready gold spurted by Rs. 2.60 to Rs. 123.05 and silver by 95 nP to Rs. 203.00.

The first *Jeth* settlement in gold began the week at Rs. 118.70, as against the previous close of Rs. 119.15, and, after easing to Rs. 118.10 on the 21st inst., moved up to touch a high of Rs. 120.00 today, before finishing at Rs. 119.95. The net rise over the week was 75 nP. The second *Jeth* settlement opened at Rs. 118.90 today and finished at Rs. 119.15. Since the rate for transferring commitments from the first to second settlement was 75 nP against bears, the bulls in the first settlement were required to pay a margin of Rs. 8 per 10 grams.

The silver first *Jeth* settlement fluctuated between Rs. 197.25 and Rs. 199.70 before winding up the week at Rs. 199.25, as against Rs. 198.05 on Wednesday last week. Trading in the second settlement commenced at Rs. 197.20 yesterday. The closing rate today was Rs. 197.60, the highest and lowest levels touched being Rs. 198.00 and Rs. 197.15, respectively. Margin at the rate of Rs. 300 per bar on was operative on bulls in the first settlement, since the backwardation rate, that is, the *budli* payable by bears to bulls for the transfer of commitments, was more than a rupee—Re. 1.60 yesterday and Re. 1.65 today.

The world price of gold in the London market improved during the week from $35.07½ to $35.09¼ per fine ounce. Ready gold advanced from 250*s*. 7½*d*. to 251*s*. 0½*d*. Ready and forward silver declined by ⅛*d*. each to 79⅝*d*. and 79⅜*d*., respectively. Ready silver in New York, however, continued unchanged at 91.375 cents.

The following table shows the trend of the market during the week under review:

	26-4-1961 (closing)	High	Low	19-4-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	123.05	123.10	118.95	120.45
Forward:				
Jeth*	119.95	120.00	118.10	119.15
Sovereign	94.25	94.25	93.75	93.75
SILVER				
Ready (.996 fine)	203.00	203.45	200.50	202.05
Forward:				
Jeth†	199.25	199.70	197.25	198.05
London—	25-4-1961			18-4-1961
Silver Ready	79⅝*d*.	79¾*d*.	79⅝*d*.	79¾*d*.
Silver Forward	79⅜*d*.	80*d*.	79⅜*d*.	80*d*.
Gold	251*s*. 0½*d*.	251*s*. ½*d*.	250*s*. 7½*d*.	250*s*. 7½*d*.
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 31st May settlement. † 1st June settlement.

N.B.—The quotation for gold is per 10 grams (about 0.86 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

BRISK CLEARANCE IN KIPS

(*From Our Own Correspondent*)

MADRAS, 24*th April*

Arrivals of E. I. tanned hides and calves were moderate and clearance by shippers was brisk, because stock holders were willing to shade their prices to some extent. Export trading was small, as importers were not following Madras levels which were uneconomical to dressers. Tanned cow hides lower grades were in good demand for inland trade.

Tanned skins were steady to firm. Export trading was small. There was good demand for middle class sheep for export.

The next German auction will take place on the 26th inst. when 45,000 pieces goat skins and 47,000 sheep skins will be offered for sale. The London public sales will be held on 1st May when 100,000 goat and 80,000 sheep skins will be available.

JARILLA APRIL CONTRACT EXPIRES

(*From Our Own Correspondent*)

BOMBAY, 26*th April*

The uneventful career of the Jarilla April contract came to an end on Tuesday the 25th inst. The contract went off the board at the official rate of Rs. 678. There was no business in the contract since the 23rd inst. when it closed at Rs. 556 (per three quintals). The higher final rate fixed by the E.I.C.A. is explained by the wide disparity between the spot and futures prices. Total tenders against the contract amounted to 1,050 bales consisting of 650 bales of 216F, 300 bales of Laxmi A, 50 bales of Laxmi B and 50 bales of Cambodia (C). There were no tenders on the last tendering day, namely, the 25th inst.

It will be recalled that official trading in the contract commenced on 18th October 1960 when the cotton supply position was extremely tight and trading in cotton was subject to number of restrictions. The trend of prices of the contract since then reflected, to some extent, the change in supply position of cotton. From the opening level of Rs. 567.25 on 18th October 1960, the contract advanced to Rs. 614 on 21st December 1960 before starting its downward march which brought it down to Rs. 554 on 14th February 1961. The prospect of a good crop and abundant supply of U.S. cotton prevented the contract from showing any sustained firmness since then.

The Jarilla August contract failed to derive any strength from the higher rate fixed for the April contract or the complete absence of tenders on the last notice day. With mills obliged to buy short-staple U.S. cotton, refusal being at the risk of forfeiture of Indian cotton quota, and the quota allotment for 4.5 million bales of Indian cotton (which is about the same as the new crop arrival to the market) already made, there is no prospect of any shortage of cotton to meet present needs or those of the immediate future. Supply, on the other hand, is, if anything, comfortable. Selling prompted by these considerations led to a setback in futures prices today. The August contract, which had, early in the week, attracted support prompted by good spot advices and strong rumours of an export quota for Kalagin and Wagad cottons, gave way to selling, receding to Rs. 568.25 today. The following table indicates the trend of prices of the contract during the week:

(In rupees per three quintals)

	26-4-61	*High*	*Low*	19-4-61
I.C.C. Jarilla				
April 1961	678*	678	566	560
August 1961	566.75	575.75	564.50	566.75

*on 25-4-61

In the spot section, following the release of quota for Indian cotton to those whose mills had agreed to import U.S. cotton there was good demand for popular varieties such as Vijay, Digvijay Kalyan and Laxmi. In fact, some Ahmedabad, Bombay and Southern mills bought as much as 15,000-20,000 bales of Vijay and Digvijay in one day. Towards the close of the week, interest flagged and mill buying tended to shrink. Export interest was noted in Kalagin and Wagad. Shippers bought sizable quantities in anticipation of quota. Stray demand is reported in zoda and yellow pickings for export purposes.

Demand for foreign cotton is mainly confined to U.S. cotton. Sizable purchases are reported daily. Out of the 300,000 bales of U.S. cotton contracted for, as per the recent P.L. 480 agreement purchases to date amount to about 50,000 bales. The exchange of U.S. cotton for Indian cotton subject to certain conditions, permitted by the Textile Commissioner, has enabled the mills to go in for U.S. cotton freely for, if they find themselves in possession of U.S. cotton in excess of their requirements they can sell it to the trade in exchange for Indian cotton, provided this does not involve any further demand for Indian cotton from the selling mills. The trade, in its turn, can sell it to any mill, provided the buying mill reduces its Indian cotton quota proportionately or parts with an equal quantity thereof to the trade in exchange for U.S. cotton.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri: Vijay 910; Kalyan 805; Digvijay 950; Hubli Laxmi 1,000. American G.M. 1" 1,200.

The cotton futures in Karachi market ruled easy during the week. Lack of overseas demand and slow domestic mill offtake was responsible for the easiness. The N.T.R.G. May contract declined from Rs. 71.35 last week-end to Rs. 70.80. The July contract too receded from Rs. 71.15 to Rs. 70.80. Spot prices too were easy.

Cheerful conditions prevailed in the Alexandria cotton futures market during the week. A revival of foreign inquiries, coupled with some local trade buying on mill account, touched off a general buying movement which pushed values higher. Both the long-staple Karnak and medium-staple Ashmouni contracts made handsome gains. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: May 70.15; July 70.55.

Ashmouni: April 63.90; June 62.95; August 62.45.

The declining trend noted in the Liverpool cotton futures market last week gathered momentum during the week. Selling became more general while buyers were reserved. Advices from New York had nothing to inspire confidence. Local demand too was slack. Easy communication from the yarn and piecegoods market imparted further weakness to the market. Both the American and American type contracts were marked down. Sudan cotton contracts at Liverpool, however, ruled

quietly steady. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: May 23.85; July 24.30, October 24.00; December 24.25.

American cotton mixed growth contract: May 24.25; July 24.65; October 24.25; December 24.65.

Sudan: May, July, September 31.75.

Cotton futures in New York suffered a further setback during the week. Buying interest was at a low ebb, reflecting the quiet conditions in the yarn and piecegoods market. The steady increase in certified stocks also acted as a damper. Futures values consequently receded.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	25-4-61	18-4-61	11-4.61
Spot	33.80	33.65	33.50
May	32.60	32.75	33.16
July	33.25	33.30	33.65

BLACK PEPPER RISES SLOWLY

(Messrs. Parekh and Co.)

BOMBAY, *26th April*

Malabar black pepper during the entire period of three weeks ended 26th April adopted stonewalling tactics with improvement in prices rather slow, pending the clearer picture of Sarawak new crop. Ready Malabar ungarbled moved up from Rs. 363 to Rs. 387 and garbled from Rs. 374 to Rs. 399. Turnover on the Cochin Exchange was small with prices fluctuating both ways the highest and the lowest for May delivery being Rs. 411 and Rs. 388, respectively. July delivery forged ahead to Rs. 423 to come down to Rs. 416 under bear selling. At the time of writing, May delivery is hovering around Rs. 405. Comparatively higher prices ruling for ungarbled at Cochin over Calicut are attributed to shortage of supply in Alleppey area. Calicut is quoting at Rs. 375 for ungarbled.

Two outstanding events of the week are: (1) Deterioration in the political situation in Cuba and Algeria. (2) The Forward Markets Commission has reduced by Rs. 20 per quintal the margin deposits payable by traders to the India Pepper and Spice Trade Association at Cochin. The new rate of margin deposit will be Rs. 30, as against Rs. 50 per quintal. Cochin appears to be anxious for the development of bigger turnover in delivery contracts which has recently shrunk to a very low figure. The only way for expanding the business on the Cochin ring is to allow the establishment of the second ring at Bombay for the hedge and the switch business between the two important markets in the ultimate interest of the export trade.

Prices in Singapore are firmly held. Stocks in Singapore are reported to be in the hands of strong parties which are unwilling to part with them unless at their price. Reduction in the estimate of Sarawak new crop proved to be a supporting factor. The Sarawak Government is estimating the new production at 8,000 tons, while the private agency puts it at a low figure of 6,500 tons. The overall improvement in white pepper at London from 40d. to 44½d. is due to fresh buying and short-covering by bears who sold short under the expectation of higher production of Sarawak pepper during the season 1961. White and black pepper at Singapore are quoted at Str.$190 and Str.$152½, respectively.

Spot at New York is also firmly held at $0.47½. Bids from Singapore are conspicuous by their absence, while India is often offering a small quantity at about $0.44 to $0.45 to test the market.

The statistical picture of pepper during 1961 appears to be healthy. As such, a sizable improvement in prices is envisaged in the near future as soon as New York dealers come in the market to cover their autumn requirements which they should do in a month or two. It may happen earlier once the New York dealers are convinced that the exporters at the origins are strong enough to hold and that their policy of putting one against the other proved fruitless.

Demand for ready pepper in Bombay remained small and selective. Yet sellers were not exhibiting any anxiety, as there was no replacing parity with the terminal markets on the coast. Ready is quoted at Rs. 205 to Rs. 225 per 50 kilos.

• • • • •

The all-India final estimate of black pepper for 1960-61 puts the area and production at 234,700 acres and 26,200 tons, as against the partially revised estimates of 233,800 acres and 26,300 tons, respectively, for 1959-60. The increase in acreage is due to the larger area sown to the crop in Kerala State because of favourable weather conditions at the time of sowing. The nominal decrease in production of black pepper in the current year is accounted for by Kerala State the factor responsible for it being unfavourable weather conditions at the time of flowering and growing periods of the crop.

ALLOCATION OF ART SILK YARN

(From Our Own Correspondent)

BOMBAY, *26th April*

The Textile Commissioner has announced the basis for the allocation of indigenous art silk yarn to art silk powerloom weaving units during the current (April-June) quarter. The basis is the number of loom-shifts worked on art silk yarn by such units in the October-December 1960 quarter, the rate of allocation being 0.65 kg. per loom per shift in the case of units which are submitting monthly returns in the prescribed form regularly to the Office of the Textile Commissioner; in the case of units not submitting such returns the rate of allocation will be 0.4 kg. per loom per shift, provided such units submit the returns in the prescribed form immediately and in any case not later than the 30th inst. In order to ensure supplies of art silk yarn against the allocation cards issued by the Office of the Textile Commissioner in the current quarter, it has been decided to indicate in the allocation cards the names of spinners who will supply the yarn. It will be ensured, as far as possible, that the art silk weaving units which are regular customers of particular indigenous yarn manufacturers will continue to receive the yarn from such manufacturers.

The above notification has failed to influence the trends in the yarn market. For traders are more anxious to know the outcome of the discussions held by the Textile Commissioner recently with the representatives of both spinning and weaving units on the question of sharing the burden of additional excise duty on yarn. They have, of course, noted the Press report that, in accordance with the suggestion made by the Textile Commissioner, the Central Government has decided that the additional burden should be borne by spinners to the extent of 60 per cent, the balance being shared by the weavers. But official confirmation of the report is still lacking.

Meanwhile, there are rumours that the Government is considering a proposal to earmark out of every 100 lbs. of yarn produced by indigenous manufacturers 30 lbs. exclusively for the export promotion of rayon fabrics. Details of the proposal are, however, not available.

In view of the aforesaid reports and rumours, advices from consuming centres are not encouraging. The handlooms and powerlooms are said to be not inclined to buy on a large scale. It is not, therefore, strange that the yarn market is moving rather indecisively. Thus, indigenous art silk yarns and 120 Japan have tended to move up, while 150 Japan and spot 60 x 1 Cupressa Bemberg yarn have suffered a setback to prices. Bemberg yarn and other imported yarns are quiet with practically no change in quotations. Among staple fibre yarns, 40×2 spots and April contract have recorded a rise, but June settlement has receded. Cotton yarns, too, are irregular. Coarse counts have suffered some losses, whereas medium counts are better and fine counts are unaltered at last week's levels.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with those prevailing a week ago:

	26-4-1961	19-4-1961
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.)		
April	2,560.00	2,560.00
June	2,600.00	2,600.00
Spot	2,545.00	2,672.00
120 Japan (per 100 kg.)	1,570.00	1,556.00
150 Japan (per 100 kg.)	1,737.00	1,750.00
120 Italy (per 100 kg.)	1,501.00	1,501.00
150 Italy	1,737.00	1,737.00
Staple fibre yarn—40 × 2		
April (per 90.72 kg.)	932.00	920.00
June	892.00	905.00
Century (per kg.)	10.55	10.45
Kohinoor (per kg.)	10.45	10.45
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	18.75	19.00
20s New Great	21.50	21.37
30s Simplex	27.00	26.75
40s Madura	32.37	31.50
60s Finlay	65.40	65.40
80s Mahendras	68.68	68.68

OILSEEDS IRREGULAR

(From Our Own Correspondent)

BOMBAY, 26*th April*

A divergent trend was in evidence in the oilseeds market during the week under review. Thus, groundnut and castorseeds ruled easy, while linseed and cottonseed firmed up. The easiness of the former was due mainly to pressure of arrivals and absence of overseas demand for oils. Although some countries were reported to be interested in castor oil, firm orders were lacking. Groundnuts lacked support as buyers were anticipating a further fall in prices, following larger arrivals from the South where the current season's crop is estimated higher at 95,000 tons as against 80,000 tons in the previous year. Linseed, however, met with good support and edged forward. Cottonseed too, attracted some speculative buying on hopes of official permission for entering into barter agreements for import of essential items against export of cake.

Trading in groundnut futures was at a standstill. Ready lots tended to recede for lack of support. Nizam bold eased by 25 nP to Rs. 53.50. Groundnut oil ex-mill ready was done at Rs. 21.95, as against Rs. 22.30, last week-end.

Castorseed May 1961 came in for selling and fell from Rs. 176.00 to Rs. 173.50. The September position dropped Re. 1.13 to Rs. 178.82. Ready Madras was quoted 25 nP lower at Rs. 34.25. Ready Kanpur shed 13 nP to Rs. 32.87.

Linseed May 1961 contract gathered 6 nP to Rs. 36.62.

The September 1961 contract improved from Rs. 36.91 to Rs. 37.06. Bold ready was done at Rs. 36.37 as against Rs. 36.25 and oil at Rs. 15.60, as against Rs. 15.50.

Cottonseed May 1961 contract advanced from Rs. 93.75 to Rs. 94.50 today. The September delivery rose from Rs. 94.25 to Rs. 95.25. Nigerseeds and kardiseeds lacked buyers and eased.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	26-4-1961	19-4-1961	12-4-1961
	Rs.	Rs.	Rs.
Groundnut			
May,1961	—	220.00	220.00
August 1961	—	—	—
Nizam bold	53.00	53.75	53.00
Coromandel ready	53.50	54.00	53.25
Khandesh quality	54.00	54.00	53.25
Oil ex-mill ready*	21.95	22.30	22.50
Railway receipts*	21.70	22.10	22.00
Castorseed			
May 1961	173.50	176.00	175.87
September 1961	178.62	180.00	180.62
Ready Madras	34.25	34.50	34.75
Ready Kanpur	32.87	33.00	33.37
Oil B.S.S.†	15.25	16.30	16.50
Oil commercial†	16.10	15.45	15.70
Linseed			
May, 1961	36.62	36.56	36.91
September 1961	37.06	36.91	37.37
Bold ready	36.37	36.25	37.37
Oil ready†	15.60	15.50	16.25
Cottonseed			
May 1961	94.50	93.75	93.50
September 1961	95.25	94.25	94.50
Niger seed	41.00	41.50	41.50
Kardi seed	26.50	27.25	27.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

TEAS DECLINE

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.)

COCHIN, 18*th April*

Approximately seven and a half lakhs kilogrammes were offered in Sale No. 16 held on Tuesday, 18th April. Quality in general showed a further seasonal decline. There was good demand but prices were irregularly lower for all descriptions. Plain and low medium descriptions were well supported at a drop of 5 to 15 nP below last. Mediums and good mediums were easier by 20 to 30 nP. Highgrowns were in good demand but these also declined by 20 to 30 nP following quality. A few invoices however, sold at around last rates. There was strong enquiry for black leaf descriptions which sold well. C.T.C. and legg cut types followed the easier trend of the market. Whole leaf grades were easier, particularly orange pekoes.

	1961	1960
	Rs.	Rs.
Low medium	4.40-4.55	3.95-4.05
Medium	4.55-4.70	4.20-4.50
Good medium	4.75-5.05	4.85-5.50
Nilgiri B.O.P.	Rs. 5.00-6.60	

The average price realised in sale No. 16 was Rs. 4.77 per kilo as against Rs. 4.83 a week ago and Rs. 5.20 in the corresponding sale last year.

Sale No. 16: A quantity of 224,000 kilogrammes were on offer in dust sale No. 16 held on Thursday, 20th April 1961. A slight decline in quantity was noticeable amongst dusts offered this week. There was good demand in particular for coloury mediums which were firm to dearer. Mediums with clean leaf appearance were well sought after and are quoted steady. Highgrowns were well supported but these were also slightly easier following quality. Residuals and fibrous kinds continued to be the weakest feature of the sale and were much easier. C.T.Cs and legg cut types and C.P.C. types sold well but these also shared in the downward trend of the market.

The average price realised in dust sale No. 16 was Rs. 4.54 per kilo as against Rs. 4.57 a week ago and Rs. 4.81 in the corresponding sale last year.

Export quota: The market has been active and a fair amount of business has taken place at ¼ nP per kilo in special licence.

Colombo: Six million pounds were offered during this week. There was strong general demand. Good liquoring teas were dearer whilst others were irregular and lower. Mediums were dearer by 5 to 10 cents. Low growns were barely steady. Dusts met with strong demand.

London:—*North Indian and other growths*: The market was firm to dearer for all descriptions except C.T.C. with poor appearance.

Ceylon and South Indians: In Tuesday's sale 23,092 packages were offered of which 7,218 packages were from South India. There was good demand. Poorer descriptions were dearer by 2d. and the remainder were very strong.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale* 17: 3,95,000 kilograms. Good but irregular demand. Plain and low medium 5 to 15 nP easier. Medium and good medium 10 to 20 nP lower. Nilgiris irregular and easier."

TEAS FIRM UP

(From Our Own Correspondent)

CALCUTTA, *25th April*

Steady conditions were in evidence during last week's sales for domestic consumption. Prices advanced. This tendency had been due to the acute need of internal stockists to replenish themselves. Internal consumption has been running at a higher level than a year before, and it is estimated that with the growth of the tea drinking habit and an increase in the standard of living of the people, domestic consumption has increased by a few million lbs. in the last 12 months. The shortfall in output as well as the good demand for export were factors which led to good marketing in the season just on the verge of closing.

Although tea stocks in the United Kingdom are higher for this time of the year, at last week's sales in Mincing Lane both Ceylon and North Indian teas were dearer. This was due to the belief that the new marketing season would start well and prices would be dearer. It is expected that the first teas of this year would begin to arrive earlier than usual. For, the weather in the gardens has been good and a drought like last year is not anticipated. At this rate, production in North-east Indian gardens is expected to be greater than last year. Such increased output was not expected to come in the way of marketing since world consumption had increased and would absorb not only any increase in India's output but also in the output of other producing areas.

Following a sudden reduction in liner space, prompt shipping of tea for participation in London auctions has been affected.

Dusts on offer in the internal sales held last week here amounted to 23,512 chests. The clear medium and good C.T.C. teas were a strong feature and on keen competition prices advanced. However, the fibrous teas of this category were difficult to sell. The bright lines in the legg-cut Dooars opened easy, but sold well as the sale progressed. However, all other teas of this category eased in an irregular trend. Among orthodox teas, which generally eased, the few small and bright lines were steady. The quotations per 1 kg. inclusive of excise duty were: good Assam C.T.C. dust Rs. 6.60 to Rs. 7.10, medium Assam dust Rs. 5.80 to Rs. 6.30, legg-cut dust Rs. 4.50 to Rs. 5.20, medium Assam dust Rs. 4.40 to Rs. 4.75, and plain orthodox dust Rs. 4.30 to Rs. 4.40.

Leaf on offer amounting to 789 chests met with good demand and at irregular rates.

JUTES CLOSE LOWER

(From Our Own Correspondent)

CALCUTTA, *25th April*

Thanks to the continued dry weather raw jute prices were maintained at higher levels earlier in the week under review. Since, however, mills withdrew from the market despite an outstanding quota, prices declined gradually and closed lower on balance. It was believed that there was little of the old crop left now. This was evident from the rumour that the mills would like to reduce working hours from the beginning of May until new crop movements started. Earlier in the week, in line with fibre, jute goods tended to harden but, as the buying support was lacking, prices moved down. The possibility of a reduction in output during May did impart a regaining influence during mid-week. Nevertheless, the recovery was not sustained in the absence of buying support. And so closing levels for the week were lower on balance.

At this time of the year, heavy rains can hardly be anticipated. However, the absence of thundershowers in the past two weeks enabled those interested to spread quick rumours that the new crop prospects had been affected. These rumours received a momentum when upcountry prices rose markedly. There was, of course, the genuine fear that the hot spell might damage the young plants in the highland areas and that resowing in such areas might be necessary. While anxiety in regard to the fibre situation looms large, the reluctance of overseas buyers to support the goods market has put the mills in a difficult situation. It is argued on behalf of mills that prices of goods have not risen proportionately with the rise in fibre prices and that, even at the present level of prices for goods, the mills are finding it difficult to produce economically. The mills are evidently in a helpless position, but look forward to the continued custom of foreign buyers in the forthcoming season, since, if the crop turns out to be a bigger one, prices of fibre and goods can be reduced. Much depends on the chancy rain-god and an earlier monsoon will be much welcome. For all practical purposes, the coming month will turn out to be a crucial one.

The news of lower consumption of burlap in the U.S.A. during March—70 million yards, as against 73 million yards in February—was not discouragingly noted against the background of somewhat unsettled market conditions. Stocks at the end of March were 237 million yards, representing a fall of 9 million yards as compared with end-February. It should, therefore, be inferred that the U.S. is exhausting its stocks and is reluctant to purchase against replenishment in the present boosted-up conditions. It is also noted that production in mills here in March was higher at 87,500 tons, as against 77,400 tons in February. The increase is explained by the greater number of working hours in March, that is, 187, as against 161.5 in February. Note was taken of the report that in 1960, jute goods earned Rs. 133.66 crores in foreign exchange, an increase of Rs. 24.37 crores over 1959. How much of the increase had been due to the increased prices can easily be imagined. It is common knowledge that the increased prices have displeased many an overseas buyer and have given a push to substitutes and bulk handling methods.

In Pakistan, fibre prices have hardened. New crop forward has gained about Rs. 2 a maund; only two or three weeks ago, sellers were pressing buyers for business. Earlier in the week, in sharp contrast to the weather in this part of the subcontinent, thundershowers were reported in some districts in Dacca and prices in the Narayanganj market moved down sharply. However, this was only a temporary phase, as prices soon recovered, following keen activity by buyers. Although the U.K. had not been very active, bulk purchases by China and Rumania have certainly raised sellers' ideas leading to display of reserve and to the hardening tendency. It was thought that U.K. buyers would have to enter into forward deals now, since the apprehension was that prices were likely to move up. Meanwhile, Pakistani cuttings are ruled out of the Calcutta market at the current high prices. Instead of cuttings, mills are purchasing mesta and bimli which can be further

torily used. Hemp has been experimented by mills and, though it is not a real substitute for cuttings since it has to be batched before use, its price is competitive *vis-a-vis* cuttings. This factor is likely to lead to increased growth of hemp; however, the present supply position is limited. In the Narayanganj market, expor firsts were quoted over the week-end at Rs. 380 per bale, as against Rs. 370 earlier, and lightnings at Rs. 370, as against Rs. 360, while cuttings were unchanged at Rs. 240 a bale. Pakistan's export of raw jute up to 15th April in the current season were only 28.32 lakh bales, recording a decline of 12.82 lakh bales as compared with the corresponding period last season. Such a sharp fall is not explained, but it is apprehended that this has been due to greater use of substitutes.

In the goods market, ready B. twills opened lower on Tuesday at Rs. 178, as against the overnight closing of Rs. 181, and ready hessian 40" 10 oz. at Rs. 60.25, as against Rs. 61.50. The decline was due to lack of response to offers made to buyers. Despite selling pressure from mills, business taking place continued to be at a low ebb on Wednesday and, as a result, B. twills declined to Rs. 175 and hessian 40" 10 oz. to Rs. 59. The speed of the declining tendency was slowed down on the next day, following some short-covering in the bazar. B. twills being quoted at Rs. 174.50 and hessian 40" 10 oz. at Rs. 59.00. On Friday, prices gained on rumours that the mills were inclined to reduce their working hours in order to meet the fibre shortage situation. B. twills recovered to Rs. 176 and hessian 40" 10 oz. to Rs. 59.25. The power shortage has no doubt affected mills' working, but the situation has hitherto been met by staggering of working. Since the higher prices were not supported, B. twills fell to Rs. 174.50 over the week-end and hessian 40" 10 oz. to Rs. 59.00. While the latter construction declined to Rs. 58.75 yesterday, B. twills maintained Rs. 174.50. There was covering business done in heavy goods and interest on Government account was reported.

The fibre market was quiet, after opening steady. The mills which had yet to buy against quota already issued kept away from the market. The opening and closing rates for ready delivery old crop are given below:

(In Rs. per maund, old crop delivery against April-May)

	Opening	Closing	Decline
Assam bottoms ...	60.50	57.50	3.00
Northern bottoms ...	60.00	56.50	3.50
Daisee bottoms ...	63.00	59.50	3.50

TIN RALLIES

(From Our Own Correspondent)

CALCUTTA, *25th April*

The Finance Minister's announcement of a reduction in the excise duty by 25 per cent on copper and brass sheets, circles, etc., issued from rolling mills without trimming and cutting, is evidently directed as a concession to utensil manufacturers. A corresponding concession of 20 per cent in the case of duty on bronze sheets and circles was also announced. In order to free the poorer people who wear brass and copper ornaments, the Finance Minister has exempted strips and alloys recovered from copper scrap alloy for making anklets, trinklets, etc. The duty on strips of copper and copper alloys used for making zari, stars and spangles is also exempted. The small-scale utensil manufacturers in Northern India had desired complete exemption. In the same way as the exemption granted to manufacturers of zari, stars and spangles, utensil manufacturers who are mostly poor should also have been exempted from the duty.

Industry circles are, however, unable to understand as to how copper and brass alloys can be picked up by the Finance Minister for levy of the excise. The 1949 Fiscal Commission, presided over by Sir V. T. Krishnamachari, the recommendations of which were accepted *in toto* by the Government, has stipulated that, during the period of protection, industries should not be burdened with excise duties. It is thought that a word of explanation is necessary from the Government in order to bridge the apparent conflict.

The feature of trading in the metal market during the week under review was the striking gain in the price of tin, following good demand against the continued background of a weak stock position. It opened at Rs. 1,282.50 per 100 kgs. and steadily rose to Rs. 1,324.75. The rise followed keener advices from Singapore and a further deterioration in the stock position, thanks to increased demand. On the London Metal Exchange, tin opened at £834½ a ton and hardened to close at £846. The local supply position in zinc was also far from satisfactory and the price, after being higher at Rs. 329.75 per 100 kgs., closed at Rs. 326.75. The London price at £83⅜ per ton revealed a fractional gain. Virgin lead was unchanged here at Rs. 130 per 100 kgs. Copper scrap was in good demand.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, *24th April*

Quiet to steady conditions were witnessed in foodgrain prices during the week under review thanks to good consumers demand. Arrivals of *rabi* grains is gathering momentum and would soon be felt in the market. Further fall in prices is anticipated by trade. Wheat average quality is now quoted here at Rs. 14.50 to Rs. 15.25 per maund and farm better produce at Rs. 15.50 to Rs. 16 a maund. Arrivals are now at an average of 750 to 1,000 mds. which are being lifted mostly by consumers. Winnowing and threshing operations are in full swing as weather is favourable for such operations. Rice prices are, however, stationary as superior quality rice is reaching here from Saharanpur and Dehradun side although better demand from consumers is reported. Week-end prevailing prices were: rice *sela basmati* Rs. 28 to Rs. 30, superior Rs. 32 to Rs. 38, *ramajwayan sela* Rs. 23 to Rs. 23.50, *raimunia sela* Rs. 25, *mainpuri sela* Rs. 20.25 and *gainda* Rs. 20.25 a maund.

Despite good arrivals, at the rate of an average of 500 maunds daily, from Punjab and also locally, gram prices improved fractionally during the week-end, thanks to firm advices from Punjab prompted by good consumer demand. Gram Punjab is now quoted at Rs. 12.75 to Rs. 13 and local at Rs. 12.25 to Rs. 12.50 a maund. Barley prices are also steady in sympathy with gram at Rs. 10.50 and *bejhar* at Rs. 9.50 to Rs. 11, a maund, according to quality. Arrivals of these coarse grains amount to 200 mds. each daily. Maize is not in demand even at low price of Rs. 11.25 to Rs. 13, a maund, while *bajra* attracted buyers for seed purposes at Rs. 17 a maund. *Jowar* and *guwar* were much in request. Week-end prevailing prices are: *jowar* brown Rs. 12 to Rs. 12.75, white Rs. 14 to Rs. 14.50, *guwar* Rs. 13 to Rs. 14.50 a maund.

In pulses, peas attracted good demand. Off-take at the week-end is seven wagon loads to east U.P. and Madhya Pradesh. Further despatches are hampered as loading is restricted, being available only on allotment of wagons. Daily arrivals were heavy at an average of 2,000 maunds. Local stocks has swelled to 12 *khatties* of about 800 mds. each. New *arhar* also attracted demand from grinders for *dal* and, although old stocks of 7 *khatties* is lying flat, prices of new *arhar* ruled steady. Daily arrivals are about 300 mds. Other pulses are quietly steady. Prevailing prices (in rupees per maund) are: peas *dara* 10.12 to 10.25, farm white 10.50 to 11.50, peas *dal* 11.75, *arhar* 12.25 to 13, *arhar dal* 15.75, *urd* 19.25 to 21, *urd dal* 24, *moong* 19 to 23, *moong dal* 25, *massor* 12 to 14.50. *massor dal* 15 and gram *dal* 15.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, *24th April*

Sugar prices ruled steady at Rs. 108.67 per bag during the week. There was good demand prompted by export prospects. The Government is out to arrange exports at any cost. Supply position of sugar is, however, comfortable for the present as the U.P. Government has allowed free sale of unsold quotas and announced that, in future, 50 per cent of quota would be sold in the open market. Demand was slack.

Sugar prices declined during the week in the Muzaffarnagar market. Supply position was comfortable and demand was lacking. Dry sugar was quoted even below the controlled price at Rs. 107.25 a bag. Control price is Rs. 107.69 per bag. Damaged sugar of 1959-60 season was quoted much lower at Rs. 99.50 to Rs. 100 per bag. Dry stocks with some factories of 1959-60 season production were not being lifted even at Rs. 36 a maund, as against controlled price of Rs. 37.85 a maund. 50 per cent quota of month of March released by State Government was not lifted.

Export outlook for sugar is not considered very satisfactory. Pakistan is reported to be buyer of only 75,000 tons. About 81,000 tons of sugar has, however, already been exported to West Asian countries through I.S.M.A. Despite Government efforts to export heavy quantity of 5 lakh tons to U.S.A. it was reported that in the recent allocation made on non-quota basis India did not figure in the allocation.

Khandsari attracted brisk demand from east U.P., Rajasthan, M.P. and Madhyabharat some inquiries were also received from Punjab and Gujerat. Prices advanced by 37 nP to Re. 1 per maund. *Khandsari* production was reported 25 per cent lower, as compared with last year. Latest prices were: inferior Rs. 27 to Rs. 30, superior Rs. 32 to Rs. 38, crystal Rs. 33 to Rs. 37.50.

Ready *gur* prices registered fractional gains to be quoted at the week-end at Rs. 15 to Rs. 15.25 a maund and dry *kotha* was quoted at Rs. 15.25 a maund. Daily arrivals dropped to about 100 mds. which were lifted by consumers and as loading is restricted, available only by allotment, *gur* stock is unchanged at 70,000 mds. Stocks of *futwa pansera* quality were reported about 6 lakh mds. in the markets here. Sowing of cane for next crop is now almost complete.

Gur prices ruled steady to firm in the Muzaffarnagar market during the week on good demand, coupled with fall in daily arrivals. Demand for *Chaku* was from Gujerat, Punjab, M.P. and Calcutta. Prices improved Re. 1.25 to Re. 1.50 a maund. *Shakker* attracted good demand from Rajasthan and North Gujerat and prices spurted to touch new heights.

Future *gur* prices ruled both ways during the week in bouts of selling and buying and *gur Baisakh* and *Ashad* is today quoted at Rs. 14.08 and Rs. 15.03 respectively, as against week's opening at Rs. 14.06 and Rs. 15.10. *Gur Fagun* is now quoted at Rs. 13.83 as against Rs. 13.80 quoted last Monday.

A factory to produce small diesel-powered tillers is expected to be set up in South India by a private party. The proposed factory is expected to start production on the basis of a three-year progressive manufacturing programme. The production capacity will be about 12,000 small diesel-powered tillage units.

The use of metric weights and measures will become compulsory throughout the country with effect from the beginning of next financial year 1962-63.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 21st April, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	63,91,21,000
(2) Other Governments	4,30,11,000
(b) Banks	87,05,88,000
(c) Others	107,35,45,000
Bills Payable	38,49,32,000
Other Liabilities	54,22,14,000
Rupees	485,85,11,000
ASSETS	Rs.
Notes	22,28,13,000
Rupee Coin	2,30,000
Subsidiary Coin	6,75,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	60,19,96,000
Balances held abroad*	10,79,20,000
Loans and Advances to Governments†	93,45,02,000
Other Loans and Advances	126,26,99,000
Investments	152,24,09,000
Other Assets	20,52,67,000
Rupees	485,85,11,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 25,81,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	22,28,13,000	
Notes in circulation	2007,64,75,000	
Total Notes issued	....	2029,92,88,000
Total Liabilities	....	2029,92,88,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	118,00,89,000	
Total of A		235,76,92,000
B. Rupee Coin		122,09,82,000
Government of India Rupee Securities		1672,06,14,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2029,92,88,000

State Bank of India

Statement of Affairs for the week ended 21st April, 1961

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		550,98,06,000
Borrowings from Other Banking Companies, Agents, etc.		35,00,000
Bills Payable		13,51,35,000
Bills for Collection being Bills receivable as per contra		2,24,62,000
Acceptances, Endorsements and Other Obligations per contra		1,13,29,000
Other Liabilities (including Inter-Office Adjustments)		5,35,97,000
Total Rs.		586,65,79,000
PROPERTY AND ASSETS	Rs	Rs
Cash in hand and with Reserve Bank		29,61,94,000
Balances with other Banks		3,75,87,000
Money at Call and Short Notice		2,40,00,000
INVESTMENTS:		
Government and other Trustee Securities	216,11,21,000	
Other Authorised Investments	9,58,76,000	225,69,97,000
ADVANCES:		
Loans, Cash Credits, Overdrafts etc.	263,09,82,000	
Bills Discounted and Purchased	17,45,05,000	280,54,87,000
Bills Receivable being Bills for Collection as per contra		2,24,62,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,13,29,000
Premises less Depreciation		1,77,94,000
Furniture and Fixtures less Depreciation		1,36,33,000
Other Assets (including Inter-Office Adjustments)		38,10,96,000
Total Rs.		586,65,79,000

State Bank of Pakistan

Statement of Affairs for the week ended 14th April, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Rural Credit Fund	1,00,00,000
Deposits:—	
(a) Central Government	1,91,89,000
(b) Provincial Governments	1,87,01,000
(c) Banks	18,02,45,000
(d) Others	128,22,93,000
Bills Payable	99,32,000
Other Liabilities	14,80,91,000
Rupees	173,99,51,000
ASSETS	Rs.
Notes	11,31,70,000
Rupee Coin	63,000
Subsidiary Coin	47,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	41,82,61,000
Loans and Advances to Governments	7,36,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	33,54,00,000
Investments	69,19,57,000
Other Assets	10,74,53,000
Rupees	173,99,51,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,31,70,000	
Notes in circulation	379,41,14,000	
Total Notes issued	....	390,72,84,000
Total Liabilities	....	390,72,84,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,86,11,000	
Silver Bullion	....	
Foreign Securities	81,09,01,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	148,96,76,000
B. Rupee Coin	2,60,28,000	
Government of Pakistan Securities	233,25,74,000	
Internal bills of exchange and other commercial paper	....	235,86,02,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	390,72,84,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 39.56 per cent.

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1939 (pre-war)	14th April* 1961	7th April* 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	2038.53	2039.91	1971.97	1902.24
Notes held in Banking Department	35.05	10.78	9.88	19.89	11.78
Foreign Securities	59.50	118.01	123.01	128.01	163.01
Rupee Securities	87.39	1692.11	1687.20	1627.22	1506.75
Banking Department					
Deposits of:					
Government of India	14.39	68.68	54.56	72.70	75.08
Other Governments	..	3.99	8.31	18.12	6.01
Balances held abroad	10.06	9.98	11.31	32.19	20.83
SCHEDULED BANKS					
Demand Liabilities	134.36	828.37 (20.56)†	832.57 (21.35)†	794.74 (16.17)†	798.03 (17.03)†
Time Liabilities	102.24	1083.19 (12.75)†	1076.17 (11.95)†	1056.73 (9.80)†	1164.97 (21.09)†
Borrowings from Reserve Bank	..	56.90 (33.30)‡	60.45 (33.64)‡	78.29 (35.28)‡	45.24 (13.61)‡
Borrowings from State Bank	..	16.29	17.31	16.57	15.42
Cash in India	6.70	47.82	47.42	44.39	50.12
Balances with Reserve Bank	25.17	74.88	67.67	66.80	96.07
Balances with other banks in current account in India	..	16.47	17.75	15.03	15.70
Money at call and short notice in India	..	31.81	28.89	23.65	23.32
Investments (at book value)	..	560.41	551.29	558.49	732.19
Advances and bills	105.9	1319.96	1328.81	1307.16	1128.17
STATE BANK					
Deposits	87.76	560.82	567.51	542.83	633.45
Investments	51.99	246.42	235.04	239.24	380.71
Advances	30.85	280.21	282.59	277.11	217.85
Cash	14.69	24.65	26.87	24.37	32.97

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

Scheduled Banks*

Statement of Affairs for the week ended 14th April, 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	52,94,30
(2) From others	716,57,83
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	20,55,80
(c) Other demand liabilities	58,84,64
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	13,39,93
(2) From others	1047,55,20
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	12,74,96
(c) Other time liabilities	22,23,83
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	13,00,19
(b) Time liabilities	3,29,00
(iv) Borrowings in India from the Reserve Bank of India (A)	56,89,85 (33,29,50)
(v) Cash in India	47,82,38
(vi) Balances with the Reserve Bank in India	74,88,07
(vii) Balances with Other Banks in Current Account in India	16,46,61
(viii) Money at call and short notice in India	31,80,71
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	560,40,84
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1103,40,34
(b) Due from Banks in India	10,42,47
(xi) Inland Bills purchased and discounted in India.	158,57,42
(xii) Foreign Bills purchased and discounted in India.	47,56,05
(xiii) Total of items (x), (xi) and (xii)	1319,96,28

Notes :—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

EXCHANGE RATES

		26th April 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T. T. D.D. upto six months	s.	1-5 15/16	1-5 15/16
Buyers T.T. spot to nine months	s.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	478.75	478.25
Buyers T.T.	Rs.	475.50	474.75
London on New York	$.	2.7957-2.7959	2.7989-2.7992
London on Paris	Fcs.	13.7000-13.7025	13.7150-13.7170
London on Berne	Sw. Fcs.	12.0940-12.0960	12.1140-12.1160
New York on London	s.	279.580-279.610	279.900-279.940

CLEARING HOUSE RETURNS

Centre	Week ended 21st April, 1961 Number of Cheques	Amount Rs.	Week ended 14th April 1961 Number of Cheques	Amount Rs.
Bombay	4,02,987	96,11,27,000	3,47,053	79,15,61,000
Calcutta	2,13,000	83,38,00,000	1,89,000	71,23,00,000
Madras	1,08,732	13,88,16,438	92,736	11,60,02,926
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	46,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
Jan. 1960	..	..	4,392,000	998,20,00,000
Feb., „	..	..	4,205,000	943,59,00,000
Jan. 1961	..	..	4,875,000	1,100,37,00,000
Feb., „	..	..	4,421,000	1,022,19,00,000

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †		3.45	3.50
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	1?th Jan., 1944		2
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945		7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec., 1960	5.50	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	20th Jan., 1961	4	3.5

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that or the preceding week.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	1st April 1961	25th March 1961	2nd April 1960	February 1961	February 1960	Percentage of Increase (+) or Decrease (—) in Feb., 1961 as compared with Feb., 1960	Annual Average 1960	Annual Average 1959
Food Articles	504	118.2	118.1 R	116.3	118.3	118.3	— 2.1	120.3	118.2
Cereals	192	99.9	100.3	103.1	99.8	104.4	— 4.4	105.3	104.3
Pulses	43	90.0	91.9	87.5	92.9	95.1	— 2.3	92.6	99.3
Fruits and Vegetables	23	111.9	108.8	134.4	104.2	113.1	— 7.9	121.0	127.6
Milk and Ghee	84	119.6	118.4 R	110.6	109.5	111.5	— 1.8	115.5	112.2
Edible Oils	47	162.5	164.3 R	136.5	160.4	137.8	+16.4	143.8	126.9
Fish, Eggs and Meat	17	122.8	120.0	114.6	121.3	110.5	+ 9.8	121.1	110.4
Sugar and Gur	48	116.7	117.1	140.2	119.9	145.2	—17.4	138.6	143.0
Others	50	171.3	169.3	151.9	169.3	168.6	+ 0.4	168.6	163.4
Liquor and Tobacco	21	113.5	114.6	96.5	111.2	96.0	+15.8	106.4	100.7
Tobacco	—	110.8	112.0	94.2	109.8	94.2	+16.6	104.8	99.3
Fuel, Power, Light and Lubricants	30	120.8	121.0 R	118.2	120.8	117.3	+ 2.3	119.0	116.1R
Industrial Raw Materials	155	155.5	158.5	132.3	150.2	121.6	+21.0	138.8	119.7
Fibres	61	168.1	175.6	126.6	179.0	123.0	+45.5	139.3	110.2
Oilseeds	60	159.9	160.0	139.6	157.9	140.8	+12.1	144.9	130.0
Minerals	2	95.3	95.3	98.2	95.2	95.2	+ —	97.5	100.0
Others	32	127.1*	127.3*	131.7	128.3	133.2	— 3.7	129.0	117.3
Manufactures	290	127.4	128.3 R	117.5	128.2	116.3	+11.1	128.3	109.7
Intermediate Products	41	138.0	137.3R	122.6	134.2	120.5	+11.4	127.1	111.1R
Finished Products	249	126.9	127.4	116.7	128.?	115.6	+11.1	118.6	109.5
Textiles	147	130.4	132.7	115.7	134.4	115.1	+16.8	121.2	104.6
Cotton	—	126.6*	126.6*	125.0*	126.1	125.2	+ 0.7	127.5	115.5
Jute	—	147.1	156.1	99.7	167.7	96.4	+74.0	115.2	87.2
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	107.6	104.0
Silk and Rayon	—	117.9*	118.4*	102.5	111.4	108.4	— 7.7	102.6	93.7R
Metal Products	12	146.9	146.9	148.8	146.9	145.2	+ 1.2	147.0	143.7
Chemicals	20	105.4	105.2	104.8	104.2	105.6	— 1.3	104.7	108.3
Oil Cakes	10	142.7	144.2 R	141.6	149.1	144.6	+ 3.1	140.2	143.7
Machinery and Transport Equipment	31	112.6	112.6	111.0	112.6	106.5	+ 5.7	110.7	105.6R
Others	30	118.6	118.5	114.6	117.0	112.7	+ 3.8	115.0	112.6R
All Commodities	1,100	126.6	127.5	118.6	126.7	119.5	+ 6.0	123.0	115.5

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 15th April 1961	8th April 1961	18th Mar., 1961	16th April 1960
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.1	101.1	101.0	101.4
2. Government of India	101.1	101.0	100.9	101.2
3. State Government	101.9	101.8	101.7	102.7
4. Municipal, Port Trust, etc.	99.7	99.7	99.8	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.8	100.6	100.6	101.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	85.3	85.3	85.8	91.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	180.2	183.1	180.6	166.0
8. *Agriculture and Allied Activities; Total**	178.7	180.1	172.0	173.6
9. Tea Plantations	175.2	176.5	165.4	169.1
10. Coffee Plantations	193.4	193.5	195.0	205.7
11. Rubber Plantations	171.5	172.7	173.1	181.2
12. *Mining and Quarrying: Total*	167.0	172.2	171.2	156.5
13. Coal	127.8	128.5	129.0	118.8
14. Other Mining	193.9	202.2	200.1	182.4
15. *Processing and Manufacturing: Total*	193.9	197.3	194.6	175.8
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	196.0	199.5	195.2	174.1
17. Sugar	171.1	174.2	176.7	185.0
18. Cotton Textiles	163.5	165.6	159.6	143.7
19. Jute Textiles	95.5	97.1	93.7	95.5
20. Silk and Woollen	1112.9	1152.3	1134.2	932.0
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	207.2	211.2	209.8	185.4
22. Iron and Steel	169.2	172.5	169.9	153.1
23. Transport Equipment	405.8	422.3	424.4	352.8
24. Electrical Machinery	164.5	165.3	165.5	132.6
25. Machinery other than Transport and Electrical	225.3	227.7	229.0	208.1
26. Basic Industrial Chemicals	217.3	219.6	213.7	190.4
27. *Processing and Mfg. (Others): Total**	163.0	164.8	164.9	163.1
28. Cement	144.0	145.4	146.4	142.6
29. Paper	215.9	217.9	220.0	222.4
30. *Other Industries: Total**	109.5	110.7	111.5	110.6
31. Electricity Generation and Supply	79.9	80.0	80.3	85.4
32. Trading	127.6	130.2	131.1	117.0
33. Shipping and Other Transport	101.5	103.7	105.2	112.2
34. Construction	288.1	298.5	313.3	288.5
35. *Financial: Total*	190.5	192.0	190.0	172.9
36. Banks	214.1	215.9	214.6	191.8
37. Insurance	143.6	145.0	140.3	136.1
38. Investment Trusts	91.1	91.8	90.5	93.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	184.8	189.0	187.0	167.8
40. Calcutta	167.7	169.6	167.0	156.0
41. Madras	196.7	198.1	195.4	183.4
42. Delhi	239.4	246.3	243.5	213.4

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay June (1934=100)	Ahmedabad (1949=100)	Sholapur January (1928=100)	Kanpur (1949=100)	Nagpur (1949=100)	Calcutta August (1939=100)	Madras City (1949=100)	Delhi (1949=100)	Ajmer (1949=100)	Gauhati (1949=100)	Jamshedpur (1949=100)	Jabalpur (1949=100)	Bangalore (1949=100)
1956 Average	105	353	98	316	89	105	347	111	109	95	96	106	100	114
1957 „	111	369	104	339	94	112	364	116	114	99	103	115	107	126
1958 „	116	395	110	313	98	120	384	124	113	103	103	128	109	131
1959 „	121	412	125	340	98	132	384	133	120	106	98	125	108	140
1960 „	124	423	120	357	99	136	397†	143	120	107	103	120	109	146
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February „	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March „	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April „	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May „	123	421	120	344	96	135	396	140	116	104	105	117	109	146
June „	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July „	126	423	122	362	101	137	406	145	121	109	108	119	109†	148
August „	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept.	125	418	122	364	101†	138	403	146	122	108	102	122	108	147
Oct. „	125	421	123	365	102	137	398	148	122	108	105	119	108	147
Nov.	124	423	121	367	102	135	392	150	121	110	102	122	108	147
Dec., „	124	419	120	362	100	134	385	151	121	110	102	121	108	148
January 1961	123	419	119	358	100	..	385	146	122	111	103	120	109	148
February „	123	420	..	350	..	..	..	..	123	111	103	..	109	..

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Outstandings	Cumulative Time Deposits 10-Year J Outstandings	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	10-Year Treasury Savings Deposit Certificates 4% G Receipts	10-Year Treasury Savings Deposit Certificates 4% G Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings H
1956-57	..	..	3,00	6,01	163,68	..	..	176,97	196,50	25,36	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58			2,22	4,73	143,45	71,45	71,45	179,86	213,91	23,11	—39,78	43,53	588	547	63	1,87	264,35	509,79
1958-59	3	2	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	635	11,68	67	2,41	286,27	590,08
1959-60	51	30	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,36
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19 96	—41,27	41,84	1,13	19,77	5	2,81	23,59	638,52
February „	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,27	41,75	1,05	20,79	6	2,86	25,71	644,99
March „	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41,29	41,68	96	21,76	6	2,90	43,47	667,36
April „	57	34	1,51	3,11	97,35	6,47	226,14	17,87	258,58	19,68	—41,35	41,58	1,62	23,16	9	2,98	26,16	670,00
May „	64	38	1,50	3,07	95,55	6,45	231,20	17,00	251,94	19,55	—41,41	41,50	1,06	24,19	5	3,01	24,67	672,53
June „	73	42	1,48	3,02	93,84	5,76	235,58	17,35	253,22	19,50	—44 46	41,41	84	25,05	5	3,04	24,13	677,33
July „	81	47	1,45	2,98	92,80	5,83	240,30	15,25	255,92	19,44	—41 49	41,32	1,11	26,09	4	3,07	22,86	684,15
August „	89	52	1,43	2,91	90,90	6,78	245,82	19,75	261,00	19,38	—41,54	41,21	1,17	27,23	9	3,14	27,92	694,43
Sept. „	98	57	1,41	2,84	89,45	7,16	251,77	18,76	265,34	19 28	—41,60	41,14	1,52	28,71	6	3,18	27 64	704,67
October „	107	62	1,39	2,79	88,02	7,05	257,63	16,90	267,22	19,20	—41,64	41,09	1,42	30,27	5	3,22	25,56	712 52
Nov., „	117	68	1,36	2,73	86,80	6,21	262,71	17,90	269,23	19,13	—41,67	41,02	1,49	31,73	5	3,25	25,81	719,81
Dec., „	129	74	1,32	2,67	85,42	6,75	268,19	19,04	272,04	18,98	—41,74	40,97	1,28	32,88	5	3,29	27,30	727,84
January 1961	141	80	1,29	2,62	84,20	6,47	273,41	18,08	274,29	18,89	—41,80	40,90	1,04	34,15	6	3,32	25,83	735,28
Feb., „	..	..	..	..	..	..	..	..	..	..	..	39,88	1,80	35,75	5	3,36	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of December 1960 amount to 11.33 crores of rupees.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita Income (Rs.)
India†	'59-'60	424.74	..	12,840	302.3
Pakistan	'58-'59	86.80		2,084	240
Burma	1959	20.4	Kyats 4,637	465	228
Ceylon	1959	9.6		538	560
Japan	1959	92.7	Y. 9,991,000	13,217	1,426
Philippines	1959	24.7	Ps. 9,768	2,337	946
New Zealand	1959	2.33	£(N.Z.) 1,045	1,392	5,974
Australia	1960	10.2	£(A.) 5,368	5,964	5,847
U.K.	1959	51.9	£ 18,930	25,240	4,863
U.S.A.	1960	180.5	$ 419,400	200,683	11,118
Canada	1959	17.4	$ 26,230	12,735	7,319
France	1959	45.0	F. Fr. 193,400	18,936	4,208
W. Germany	1959	52.8	Dm. 191,400	21,962	4,159
Italy	1959	49.0	Lr. 13,914,000	10,724	2,189
Norway	1959	3.5	Kr. 23,260	1,557	4,448
Sweden	1959	7.4	Kr. 58,530	5,424	7,329
Netherlands	1959	11.3	Grs. 31,860	4,033	3,569
Denmark	1959	4.5	Kr. 31,170	2,158	4,795
Switzerland	1959	5.2	Sw. Fr. 29,800	3,296	6,338

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.

Source: *International Financial Statistics* 31st March, 1961.

† Based on the eighth issue of the Annual Paper on National Income (at current prices) prepared by the Central Statistical Organisation. Figures are based on the 1941, 1951 and 1961 population census.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957*	1,630	889,371	6,429,319
1958*	1,524	928,566	7,797,585
1959*	1,523	692,514	5,605,079
Sept., 1959	187	65,153(127)	220,586(126)
Oct., „	168	68,371(158)	273,181(156)
Nov., „	142	51,896	262,691
Dec., „	128	76,754(121)	402,393(121)
July 1960	125	168,407(100)	748,651(100)
Aug., „	50	15,993(46)	69,951(47)
Sept., „	129	32,179(124)	242,901(126)
Oct., „	86	40,484(83)	205,419(83)
Nov., „	81	21,659(77)	210,982(77)
Dec., „	95	27,363(90)	281,518(90)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevant information is available.

* Figures relate to all States and centrally administered areas as after reorganisation.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1961					
21st Jan.	2.00	2.00	2.00	2.585	99.350
1st to 4th Feb.*	0.07	—	0.07	—	99.371
7th Feb.	2.00	2.00	2.00	2.585	99.350
8th to 11th Feb.*	0.05	—	0.05	—	99.371
14th Feb.	2.00	2.00	2.00	2.590	99.350
15th to 18th Feb.*	0.05	—	0.05	—	99.371
21st Feb.	2.00	2.00	2.00	2.650	99.335
22nd to 25th Feb.*	1.02	—	1.02	—	99.356
28th Feb.	2.00	2.00	2.00	2.750	99.310
8th Mar.	2.00	2.00	2.00	2.750	99.310
14th March	2.25	2.00	2.25	2.750	99.315
15th to 17th Mar.*	0.05	—	0.05	—	99.331
20th Mar.	2.00	2.00	2.00	2.750	99.310
21st to 25th Mar.*	0.70	—	0.70	—	99.331
27th Mar.	2.00	2.00	2.00	2.750	99.310
4th April	2.00	2.00	2.00	2.750	99.310
5th to 8th April*	1.60	—	1.60	—	99.331
11th April	2.00	2.65	2.00	2.750	99.315
12th to 15th April*	0.10	—	0.10	—	99.331
18th April	2.52	2.00	2.52	2.750	99.310
19th to 22nd April*	1.00	—	1.00	—	99.331
25th April	2.00	2.20	2.00	2.750	99.315
Total amount outstanding	31.41	..	31.41	..	..

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1963-65	98.75
3 % Loan	1950	30,33,10,000	1964	98.65
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	96.05
3 % Dev. Loan	1945	1,15,05,85,000	1970-75	91.00
2½% Loan	1946	57,00,69,000	1961	99.50
2½% Loan	1946	14,77,48,000	1976	88.50
2¾% Loan	1947	75,86,72,000	1962	98 55
3½% N. P. Bonds	1953	75,29,00,000	1961	100 00
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.95
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.95
3½% Loan	1956	1,07,27,36,000	1962	99.85
3½% N. P. Bonds	1956	93,81,83,000	1967	99.00
3½% Loan	1956	86,63,53,000	1974	99.70
3¾% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.50
4 % Loan	1957	49,17,27,000	1972	100.45
3½% Loan	1958	58,05,92,000	1963	100.10
3½% Loan	1958	70,00,00,000	1968	98.80
3¾% Loan N.P.B.	1958	84,33,90,000	1968	100.50
4 % Loan	1958	40,51,44,000	1973	100.40
3½% Loan	1959	1,37,90,98,000	1969	98.70
4 % Loan	1959	81,06,88,000	1979	100.05
4 % Loan	1960	97,64,00,000	1980	99.90
3½% Bonds	1960	82,66,00,000	1966	99.70
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	72.00
3 % Loan	1946	2,48,91,33,000	K.	73.65
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.30
4½% Andhra	1958	5,48,81,000	15th July 1970	101.00
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	97.75
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	98.40
3 % Maharastra	1949	5,29,97,000	1st Aug. 1962	98.50
3½% Maharastra	1951	2,82,97,000	17th Sept. 1962	99.80
4 % Maharastra	1953	5,10,80,000	15th July 1963	100.00
4 % Maharastra	1952	3,40,34,000	1st Aug. 1964	99.90
4 % Maharastra	1955	9,56,29,000	1st Sept. 1967	99.50
4 % Maharastra	1956	7,82,20,000	3rd Sept. 1970	99.25
4½% Maharastra	1957	6,57,23,000	16th Sept. 1969	101.20
4½% Maharastra	1958	6,58,21,000	15th July 1970	101.20
4½% Maharastra	1958	4,35,25,000	15th July 1971	101.20
4 % Maharastra	1959	6,58,13,000	19th Aug. 1971	99.00
4 % Maharastra	1960	10,00,00,000	29th Aug. 1969	99.50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98 00
4 % Bihar	1956	2,18,41,000	3rd Sept. 1969	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	101.05
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	98.80
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	99.45
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98 00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.00
2½% Madras	1946	3,81,77,000	1st Sept. 1961	99.05
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.75
4 % Madras	1953	10,33,71,000	15th July 1963	99.90
4 % Madras	1952	5,24,81,300	1st Aug. 1964	99.90
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.60
4 % Madras	1956	12,33,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	101.10
4 % Madras	1959	5,72,72,000	19th Aug. 1971	98.00
4 % Madras	1960	12,00,00,000	29th Aug. 1969	98.40
4 % Mysore(ƒ)	1939	2,95,25,200	1st Dec. 1955-65	101.40
3 % Mysore(ƒ)	1936	5,99,73,000	30th Apr. 1956-61	99.80
4 % Mysore	1953	3,33,47,000	15th July 1963	99.50
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.40
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	101.10
4½% Mysore	1958	5,51,61,000	15th July 1970	101.10
4 % Mysore	1959	5,48,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	98.40
3 % M.P.	1948	2,08,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	99.50
4 % M.P.	1953	1,10,18,000	15th July 1963	99.40
4 % M.P.	1955	1,88,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,88,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,30,000	15th July 1970	101.05
4 % M.P.	1959	3,27,37,000	19th Aug. 1971	97.50
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	98.00
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	96.85
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	96.85
4 % Kerala	1953	3,25,61,000	15th July 1963	99.00
4 % Kerala	1956	2,33,08,000	3rd Sept. 1968	98.10
4½% Kerala	1958	3,27,10,000	15th July, 1970	100.75
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.20
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.10
3½% U.P.Z.A.	1952	44,98,89,000	..	45.70Z
3½% U.P.	1936	1,55,31,000	15th Sept. 1961-66	92.25
3 % U.P.	1946	3,12,62,000	1st Sept. 1961	98.50
3½% U.P.	1951	1,88,32,000	17th Sept. 1962	99.70
3½% U.P.	1952	5,80,14,000	1st Aug. 1964	99.90
4 % U.P.	1953	5,53,25,000	15th July 1963	99.90
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.30
4 % U.P.	1956	3,48,36,000	3rd Sept. 1968	98.50

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,36,876	4	1913*	1960	D
80,00,000	4	1913	1974	97.00
80,25,000	4	1914	1975	97.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
85,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
12,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
50,00,000	4½	1931	1991	98.00
50,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	98.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1953	1968	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1984	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1989	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
STERLING LOANS				
£892,600	5	1923	1953-83	£63
£901,000	5	1924	1954-84	£63
£865,100	5½	1932	1962	£96½
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
9,88,000‡	3	1947	1977	
3,00,000‡	3	1949	1979	
45,00,000‡	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-76	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£546,600		1909	1968	£95.50
£238,000		1910	1970	£95.50N
Rs.		**CALCUTTA**		Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	91.75
50,00,000	3	1937	1962	96.00
20,00,000	3	1938	1963-68	91.75
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1920	1960	118.00N
8,25,00,000	3½	1947	1977	86.50
2,13,14,500	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,24,000	3½	1951	1966	98.00
1,30,00,000	4	1953	1963	99.00
92,19,00,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.00
1,57,50,000	4	1956	1968	99.00
1,74,00,000	4½	1957	1969	99.50
4,75,00,000	4½	1958	1970	99.50
3,30,00,000	4	1959	1971	97.00
Rs.		**CALCUTTA**		Rs.
10,00,000	5½	1932	1962	108.00
33,91,000	3½	1925	1965	95.00
60,00,000	3	1936	1966	91.00
47,50,000	3	1938	1968	91.00
21,10,000	3½	1942	1972	92.00
66,83,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1970	100.00
2,22,72,000	4	1955	1965	97.25N
72,36,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,50,000	15th July 1970	101.10
4 % U.P.	1959	8,88,66,000	19th Aug. 1971	98.30
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	98.40
4 % Rajasthan	1955	3,14,19,000	3rd Sept. 1968	98.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	101.05
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,00,00,000	29th Aug. 1969	98.00
4 % Orissa	1956	2,09,34,000	3rd Sept. 1968	98.00
4½% Orissa	1958	3,28,58,000	15th July 1970	101.05
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.00
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97.75
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.50
4 % W. Bengal	1953	2,50,23,000	15th July 1963	99.70
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	101.10
4 % W. Bengal	1959	7,00,63,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,00,00,000	29th Aug. 1969	99.00
4 % Assam	1959	2,70,40,000	19th Aug. 1971	98.00
4 % Punjab	1959	2,12,87,000	19th Aug. 1971	97.00

ABBREVIATIONS. N—Nominal. (ƒ) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. †† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935. —Interest free for first 13 years. ‡—Interest free for first 7 years. Z—Ex eight instalments but inclusive of accrued interest. M—At the option of the Government after three months' notice. K—On September 1966 or later at the option of Government after three months' notice.

MARKET GOSSIP

(*Concluded from page* 783)

being the amount required for meeting the repayment and interest obligations on past loans. How far and to what extent the foreign aid needs will, in fact, be met is anybody's guess. Mr. Black is reported to have told the Washington meeting that India's immediate requirement of $638 million (Rs. 303.69 crores) is only the beginning, as more additional foreign loans, grants and investments will be needed in each year of the third Plan. Evidently, this amount of $638 million is the first instalment of aid that India has sought from the consortium. The spokesmen for India are believed to have pleaded that the major portion of the sum will have to be freely available for making payments anywhere, so that India will be able to cover the estimated deficit in balance of payments in the current year. The urgency of such assistance will be clear from the fact that foreign assets now aggregate less than Rs. 129 crores which cannot be run down any more, while any difficulty in financing essential imports will have serious impact on the economy as a whole. It is, therefore, somewhat disconcerting to hear that the meeting of consortium of nations was adjourned without coming to any decision. It could have been some consolation to this country if its foreign exchange requirement for the current year at least had been conceded.

While the chances of India securing the requisite foreign assistance for the third Plan are still hopeful, it has to be stressed that its exports must find expanded outlets abroad. The problem is of equal importance to other underdeveloped countries as well. It is gratifying that many in the West have recognised such importance. Speaking at a Press conference in Paris the other day, Mr. Kristensen, Secretary-General of the O.E.E.C., for instance, declared that "we must all have economic growth; it will benefit not only our members but the underdeveloped countries, because we shall be better customers for them and buy more of their exports." It is with the objective of ensuring such growth that the Economic Policy Committee of the O.E.E.C. set up two special Working Groups at its meeting in Paris last week. One of them is asked to assemble comparative statistics of national rates of growth and assess the factors that have made some countries grow faster than others; it has been asked to present a preliminary report to the next meeting of the Committee, scheduled to be held at Paris on 25th and 26th July 1961. The other Group is entrusted with the task of studying the effects of monetary, fiscal and other policy instruments on the world payments position.

The constitution of the two Groups followed the discussions on the findings of the Committee of O.E.E.C. experts. The report of the Committee is expected to be published shortly. The two main conclusions arrived at in the report are: (1) Britain and the U.S. must adopt policies ensuring a higher long-term rate of growth. (2) The O.E.E.C. members should pursue liberal tariff policies in the G.A.T.T. and, if need be, reduce tariffs unilaterlly as a way of keeping industrial costs down by means of foreign competition, as France has just done. The experts have sounded a note of caution by pointing to the present risk of inflation in Western countries. They are reported to have said: "The pressure of wages on costs could have dangerous repercussions, because the possibilities of an increase in productivity are more limited now than in previous years. Price stability will no longer be helped, as in 1960, by reductions in the prices of imported raw materials and farm products."

Now that the urgency of action to solve the international balance of payments problem has been well recognised, it is left to the two O.E.E.C. Working Groups to put forward concrete proposals. Needless to say that the successful implementation of these proposals will depend to a considerable extent on the degree of co-ordination of policies among the member-countries of the O.E.E.C., which is to become the Organisation for Economic Co-operation and Development later this year.

Jute Mills Still in Distress

The Indian Jute Mills Association is contemplating to effect a further cut in production in member-mills. A delegation of the Association, led by Mr. B. L. Bajoria, was in New Delhi on Thursday this week, with a plea for official consent to the move. The reaction of the Commerce and Industry Ministry to the plea is, however, not known at the time of writing.

Apparently, the jute industry continues to be in distress, notwithstanding the 12 per cent sealing of looms and reduced working week of 42½ hours already in force. There is persistent shortage of raw jute supplies and prices are ruling pretty high. "Arrivals of raw jute," to quote a recent report, "have declined in upcountry centres and Cossipore, indicating that little fibre is now being held by cultivators and stockists." The inflow of raw jute from East Pakistan is also said to be considerably restricted, in view of the fact that the mills in that country are themselves faced with the problem of scarcity. To add to the disquieting raw material supply position, the working of mills in West Bengal has been dislocated as a result of power cut. The jute mills, therefore, fear that they will suffer heavy losses, if they are not allowed to close down for one week each in the months of May and June. A few units are said to have actually laid off some workers.

A section of jute trade, however, contends that the short supply of raw jute is not as acute as is made out by the I.J.M.A. Its contention is that the mills are deliberately making the present move, in order to depress raw jute prices. It claims that some jute mills themselves are opposed to any further cut in production. It will be interesting to note here that, while raw jute prices have been ruling steady, the prices of jute manufactures for forward delivery have been tending to fall. This is due to expectations of bigger jute crop in the 1961-62 crop year. Reports about forward deals in raw jute in Pakistan also point to a downward trend. This development has induced the foreign buyers of jute goods to defer their orders, confining their purchases only to meet their immediate requirements. It has also emboldened the jute trade in Calcutta to clamour for the re-opening of futures markets in jute and jute goods. The I.J.M.A., however, is believed to be opposed to this move on the ground that it is quite premature to take a decision. It is, of course, obvious that, if futures trading were permitted now, there would be a big depreciation in the value of inventories with mills.

All this discussion pertains to the next season. In the meantime, a further curtailment of production of jute goods seems to be inevitable, at least until the end of July or August, when the new crop usually arrives in the market in fairly large quantities. It is said that, at the current level of consumption, the mills will have just enough jute to carry on till the beginning of July. It will be better to conserve the available supply (estimated at no more than 2.33 million bales for the period April-August) rather than to face the problem of acute supplies and spiralling prices later in the coming months.

TEXTILES

(*Concluded from page* 794)

ments, or what is called "exchanges of yarn," which take place because of: (1) uncertainty regarding issue of import licences necessitating purchases from the market and subsequent disposal when imported goods arrive, due to financial inability to keep large stocks; (2) face value restrictions which do not allow the weaver to import the yarn of the required denier to the full extent of his licence; (3) change in the demand for the fabric in both domestic and foreign markets which renders redundant the yarn imported; and (4) allotment of indigenous yarn of such deniers and qualities as the spinners may choose. The weaving units, therefore, say that "as long as quotas are granted by the Government on the basis of loom-shifts actually worked, the yarn is being consumed by the weavers and not being misused."

The aforesaid story is by no means convincing and does not fully explain the actual situation in the rayon yarn trade. The authorities will do well to hold a thorough investigation, in order to find out the real causes for the high prices of yarn prevailing in the market, before they give effect to the reported solution. There is something rotten somewhere in the kingdom of art silk weaving industry. Its terrible misuse of incentives given for increasing exports of art silk fabrics and the consequent suspension of the scheme for a long time provides sufficient cause to suspect the *bona fides* of the claims made by it. By compelling the spinning units to bear the major portion of the latest increase in excise duty, the Government is unnecessarily losing income-tax revenue, because to that extent the assessable profit of these units will come down. Another disadvantage is that the margin of profit by middlemen, among whom there is a large amount of tax evasion, is allowed to remain at a high level, because of the short supply of rayon yarns. Was not the objective of raising the excise duty on these yarns to mop up a part of the unearned profits of distributors? How is this objective going to be achieved under the present arrangement? Surely, there is need for second thoughts on the compromise evolved by the Textile Commissioner.

LABOUR

(*Concluded from page* 810)

In 1960, on the average nearly 43,400 vacancies were notified every month to the employment exchanges by different categories of employers. The State Governments, with over 21,300 vacancies, were the largest group, followed by Central Government departments, with nearly 10,100 vacancies. Private employers, with some 7,100 vacancies, came next and quasi-Government and local bodies, with nearly 4,900 vacancies, were last in the order. While the Central and State Governments make full use of the employment exchanges, a number of quasi-Government and statutory bodies also canalise recruitment through them. The facilities of the exchanges are also availed of by development projects.

Under an Act of Parliament enforced last year, all employers in the public as well as private sectors, who employ 25 or more persons, have to notify the vacancies under them to the employment exchanges before filling them up. This is perhaps one of the reasons why the number of vacancies notified to the exchanges in 1960 was about 8,000 more per month than in the previous year. In 1960, 305,553 people were found jobs through the exchanges, as against 271,131 in the year before.

At the end of 1960, the number of persons on the live register of the employment exchanges throughout the country was slightly over 1.6 million. Surveys have, however, shown that a significant proportion of those registered are people who are already employed but seek better positions. Some employment seekers register with more than one exchange. That more and more women are seeking employment is seen from the number of women registering for employment. In 1960, over 14,800 women sought employment opportunities through the exchanges every month, nearly 1,000 more than in the previous year. On an average, 1,740 women were provided jobs every month through the exchanges last year. The monthly average for 1959 was 1,470 women placed.

At 72 of the 300 exchanges, job seekers are being provided vocational guidance and advice regarding employment. Special sections have been set up for this purpose at these exchanges. During the third Plan such sections will be opened in another 100 exchanges.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 27th April 1961.

	Closing quotations 20-4-1961	High	Low	Closing quotations 27-4-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	168.00	—	—	168.00
Apollo (2)	1.54	1.58	1.52	1.58
Baroda Rayon (100)	138.00	145.00	127.00	131.00xr
Bombay Dyeing (25)	65.30	66.10	64.90	65.30
Bradbury (50)	122.00	—	—	122.00
Central India (100)	111.00	117.00	110.00	112.00
Century Mills (100)	581.00	626.50	580.00	611.00
Coorla Sp. (100)	135.50	—	—	135.50
Dawn (50)	123.25	124.00	121.00	122.00
Edward Textile (200)	275.00	—	—	275.00
Elphinstone (50)	81.00	88.00	80.00	88.00
Finlay (100)	326.00	360.00	326.00	347.50
Gokak (100)	180.00	184.50	178.00	183.00
Gold Mohur (100)	267.50	277.50	267.50	277.50
Gwalior Rayon (10)	44.75	46.50	44.75	45.50
Ind. Untd. Defd. (1)	1.84	1.98	1.80	1.88
Ind. Untd. Ord. (10)	14.40	15.56	14.40	15.56
Indian Rayon (62.50)	65.50	66.00	64.50	64.50
Indore Malwa (100)	144.00	146.00	141.00	145.00
Khatau (100)	535.00	543.75	527.50	531.25
Kohinoor (100)	289.50	295.00	287.00	290.50
Lakshmi (250)	530.00	535.00	532.50	535.00
Mafatlal (100)	865.00	867.50	865.00	865.00
Minerva Mills (100)	75.00	—	—	75.00
Model Nagpur (250)	35.00	—	—	35.00
Morarji (100)	332.00	355.00	330.00	355.00
Mysore (50)	67.00	—	—	67.00
National Rayons (100)	506.00	524.50	506.00	517.50
New City (100)	150.00	—	—	150.00
New Great (100)	208.00	210.50	210.00	210.50
Phœnix (100)	137.00	139.50	137.00	139.50
Podar Mills (100)	147.00	152.00	147.00	148.00
Raymond Woollen (100)	115.00	116.00	114.50	115.00
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	52.00	52.30	50.50	50.80
Shrinivas (100)	254.00	268.00	254.00	268.00
Simplex (50)	187.00	190.00	186.00	187.00
Standard (100)	1,482.00	1,545.00	1,472.00	1,486.00
Svadeshi (100)	257.75	270.00	256.00	260.50
Swan (100)	555.00	250.00	552.50	600.00
S. I. Viscose (100)	157.00	161.00	157.00	159.50
Tata Mills (25)	50.50	51.50	50.00	51.00
Vishnu (100)	129.50	132.00	129.50	131.50
Western India (1,000)	3,725.00	—	—	3,725.00
BANKS				
Bank of India (50)	123.00	123.00	122.50	122.50
Do. (New) (50)	125.00	125.50	125.00	125.50
Bank of Baroda (50)	98.50	99.30	98.00	90.30
Central (25)	61.50	61.80	61.20	61.50
Central 'A' (25)	63.00	63.30	63.00	63.00
Dena Bank (50)	58.70	—	—	58.70
Punjab National (10)	21.86	22.00	21.00	22.00
Union Bank (5)	6.04	—	—	6.04
United Com. (50)	88.00	88.80	87.50	88.30
ELECTRIC COS.				
Ahmedabad (100)	84.00	87.50	82.80	86.50
Amalgamated (10)	10.00	—	—	10.12
Andhra Valley (1,000)	992.50	995.00	990.00	995.00
Bom. Sub. El. (100)	86.00	87.00	85.50	87.00
Surat (100)	87.50	87.00	86.50	87.00
Tata Hydro (100)	101.50	102.00	101.00	102.50
Tata Power (1,000)	1,020.00	1,027.50	1,017.50	1,025.00
INSURANCE COS.				
British India (10)	12.20	—	—	12.20
Indian Mercantile (20)	48.00	44.00	48.00	48.00
New India (15)	59.70	60.50	59.50	60.30
New India 'A' (15)	60.80	61.50	60.50	61.50
Vulcan (10)	16.24	16.24	15.76	15.76
STEEL COS.				
Ind. Iron (10)	26.55	27.30	26.70	27.20
Mukand Iron (10)	27.15	29.00	27.25	28.35
Tata Steel Ord. (75)	146.25	148.75	145.75	148.25
SUGAR COS.				
Belapur (50)	285.00	290.00	283.50	280.00
Bhopal (10)	26.10	—	—	26.10
Changdeo (12.50)	26.00	—	—	26.00
Phaltan (50)	148.00	144.00	139.75	140.50
Walchand Ind. (100)	197.00	208.00	197.50	208.00
CEMENT COS.				
Associated Cts. (100)	156.25	159.00	155.50	157.50
Digvijay (100)	158.00	158.50	152.00	152.50
Orissa (10)	14.32	14.60	14.28	14.60
MISCELLANEOUS				
Alcock Ashdown (100)	324.00	330.00	320.00	322.00
Bom. Burmah (125)	604.00	611.00	594.50	598.50
Do. (New) (50)	215.00	212.50	208.75	208.75
Br. B. Petrol (1½ sh.)	1.32	1.40	1.30	1.30
Br. I. Corpo. (5)	8.04	8.72	8.12	8.72
Cooper Eng. (100)	195.00	193.00	160.00	164.00xr
Colour Chem. (100)	325.00	351.25	315.00	351.25
Hind Cycle (100)	100.00	—	—	100.00
Hindustan Lever (10)	47.50xd	47.00	46.25	46.75
Hindustan Motors (10)	19.96	20.28	19.68	20.00
I. C. & Invest. Corporation (100)	84.00	85.00	84.00	85.00
Indian Dyestuff (100)	487.50	510.00	490.00	490.00
Indian Copper (2 sh.)	5.24	5.52	5.24	5.40
Ind. Inv. Tr. (100)	81.00	—	—	81.00
Killicks (100)	104.00	101.00	99.50	100.00
Larsen & Toubro (10)	41.75	43.50	41.75	43.00
Mahindra & Mahindra (10)	20.24	20.24	19.24	20.00
New Central Jute (10)	[illegible]	19.88	19.52	19.88
Polson (100)	176.50	177.00	175.50	177.00
Pre. Automobiles (100)	167.50	173.00	167.50	169.75
Premier Con. (80)	192.50	197.00	193.00	195.50
Scindia (20)	14.32	14.86	14.20	14.24
G. E. Shipping (10)	15.08	15.08	14.80	14.80
Shivrajpur (10)	88.00	89.00	79.50	79.50
Sirpur Paper (10)	16.92	17.28	16.60	17.04
Tata Chemicals (10)	19.20	19.52	19.04	19.82
Tata Locomotive (100)	[illegible]	342.00	326.50	329.50
Tata Oil (25)	76.50	77.50	75.20	77.00
Texmaco (10)	21.84	21.76	20.00	20.52
Voltas (100)	275.00	278.50	274.00	275.50
W. I. Match (100)	276.00	280.00	271.00	278.00
W. Coast Paper (100)	206.00	205.50	201.00	202.00

GOVERNMENT SECURITIES	20-4-1961	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	27-4-1961
	Rs.			Rs.
2½% 1961	99.50	—	4.20	99.40
2½% 1962	98.00	—	3.67	98.00
2¾% 1976	88.50	—	4.28	88.50
3% 1964	98.80	—	3.34	98.80
3% 1963-65	98.75	3.50	[illegible]	98.75
3% 1966-68	96.10	3.70	[illegible]	96.90
3% 1970-75 1st Dev.	91.10	4.35	[illegible]	91.90
3% 1986 Con. Loan	73.75	—	[illegible]	73.65
3½% 1961 N.P. Bonds	100.00	—	4.07*	100.00
3½% 1964 N.P. Loan	99.95	—	3.50	[illegible]
3½% 1965 N.P. Bonds	99.50	—	3.61	[illegible]
[illegible]	[illegible]	—	3.61	[illegible]
3½% 1967 N.P. Bonds	99.00	—	3.57	[illegible]
[illegible]	99.70	—	[illegible]	99.70
[illegible] N.P. Bonds	100.75	—	[illegible]	[illegible]
[illegible] Loan	98.75	—	3.68	100.[illegible]
[illegible]	98.80	—	3.68	[illegible]
[illegible] N.P. Bonds	100.10	—	3.70	[illegible]
[illegible] N.P. Bonds	[illegible]	—	[illegible]	100.[illegible]
4% [illegible] Loan	[illegible]	—	[illegible]	[illegible]
4% [illegible] Loan	[illegible]	—	[illegible]	[illegible]
4% [illegible] Loan	[illegible]	—	[illegible]	100.10
[illegible] Bonds	99.70	—	3.57	99.70
4% 1980 Loan	99.96	—	4.01	[illegible]

SECRETARIAT LIBRARY

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2613 **BOMBAY, 6th MAY 1961** **PRICE Rs. 2**

TRAINING OF CO-OPERATIVE PERSONNEL

OUT of a distaste for middlemen, developed partly from textbooks in the pre-independence era and partly from profiteering during war years, and the promotion of co-operatives for marketing cottage industry products patronised by a large section of Congress leaders in the days of the struggle for independence, Co-operation has won the abiding affections of the party-in-power. The Movement has come to be regarded as a panacea for all ills, irrespective of its suitability. It is thus that Co-operation holds a big place in India's plans for economic advancement. Its importance is progressively rising with the passage of each Plan. Accordingly, in the third Plan, there will be more co-operatives in all spheres of activity than in the first and second Plans. It is, therefore, no exaggeration to say that training and education of administrative personnel for manning the Co-operatives were never more important than they are today. And it was in the fitness of things that a ten-member Study Team was constituted by the Central Government in November 1960 to examine the adequacy or otherwise of the existing arrangements for training and education of co-operators, as well as Government personnel and make appropriate recommendations for improving them.

Under the existing arrangements, the training of the departmental and institutional staff is looked after by the Central Committee on Co-operative Training, appointed jointly by the Reserve Bank and the Government of India in 1953. The training of the senior staff at Poona and of the intermediate staff at five centres is solely the responsibility of the Central Committee, the entire cost being met by the Reserve Bank of India. So far, 543 senior officers and 1,216 intermediate officers have been trained at these centres. The candidates at these centres are given various concessions, including free tuition, rent-free lodging, travelling allowances, stipends during the period of training, etc. Further, the Co-operative Extension Officers are also trained by the Central Committee at eight centres, the entire cost of the training being met by the Government of India. Nearly 3,000 officers have been trained by now and 400 more are receiving training at various centres. In addition, the Central Committee is conducting special courses, at the cost of the Reserve Bank, on land mortgage banking and co-operative marketing, and refresher courses for the lecturers. Under this programme, 1,254 officers have been trained in co-operative marketing and 381 in land mortgage banking.

In its report published a few days ago, the Study Team has re-stated the main objectives and principles underlying the training programmes and made several recommendations pertaining to the education of Government and institutional officials and non-officials. These recommendations, which are on the lines proposed by Sir Malcolm Darling, have only served to underline the new dimensions that co-operative training and education have acquired in the context mentioned at the outset. But some of its proposals are highly controversial and the authorities should carefully weigh the pros and cons before acting on them. One of these pertains to 'decentralisation' of the training centres for the senior and intermediate personnel, and another to the constitution of a National Board for Co-operative Training in the place of the present Central Committee. Both of them seek to bring about far-reaching changes in the existing set-up. It is said that, on these two specific questions, the views of the various individuals and institutions concerned were not elicited by the Team. If this is true, the Study Team cannot claim to have made a dispassionate study of all the relevant facts before making its suggestions. Luckily for the deciding authorities, there is a special note and a minute of dissent on this subject from two members of the Committee, so that they can come to fair conclusions after considering the arguments from both sides. The first one is from Prof. K. Subramanyam Naidu, a former Registrar of Co-operative Societies of the composite Madras State and also of Andhra, and a former Chief Officer of the Rural Credit Department of the Reserve Bank and later of the State Bank, and now a Professor of Co-operation. The other note is from Dr. J. C. Ryan, a former Registrar of Co-operative Societies of the composite Madras State, and now the Chief Officer of the Rural Credit Department of the Reserve Bank. With their life-long careers in Co-operative Departments, they have brought out, forcefully and logically, the inadvisability of, and the risks involved in, the changes contemplated by the aforesaid recommendations.

It is generally recognised that non-official bodies at the State level, namely, the co-operative unions, should ultimately be responsible for co-operative training and education. But, barring two States, no such unions have been established anywhere, a fact pointed out in the Report itself. This feature is mainly attributable to the absence of non-official leadership, resources and organisation. It will take quite a long time for filling this gap, though it must be conceded that necessary steps must be taken to build up these unions as quickly as possible. It is noteworthy that the Study Team has recognised all this. Nevertheless, it is in a hurry to decentralise co-operative education and training facilities. Its solution is that, wherever there are no co-operative unions, the respective State Governments should be entrusted with the task of administering the training centres. This suggestion is not in keeping with the spirit and ideals of Co-operation. As has been rightly stated in both the notes of dissent, this only means 'departmentalisation' of management on a permanent basis and not 'decentralisation'. It is significant that even the Team concedes, though not in so many words, that the so-called 'decentralisation' will be only on paper, inasmuch as the States will act only as 'agents', since all the expenses will be borne by the Centre. In the course of the past five years, it may be noted, the cost to the national exchequer is placed at no less than Rs. 12.75 crores. Further, many of the States will not even be able to feed their centres adequately without depending on other States for trainees. What is more, even for the appointment of staff, the approval of the "National Board" will be necessary.

The majority of the Study Team seems to have been taken in by the theoretical advantages of 'decentralisation' (as, for example, the facility for taking into account local problems) which are of a minor importance. But the dangers of 'decentralisation' in the present state of the unpreparedness at the State level and in the context of the urgency of third Plan requirements for trained personnel do not seem to have been fully realised. The fact that the banker to the Governments and all banks, namely, the Reserve Bank, has been closely associated with the training programmes has bestowed certain advantages on the training centres, as, for instance, recruitment of competent staff from all the States, effective arrangements for practical training in suitable institutions located in any part of the country, provision of tutors, honoraria and other allowances, etc., which would not have been possible otherwise. As is pointed out in one of the dissenting notes, the problems facing the Co-operative Movement in various States are so diverse and the stage of development of the Movement so uneven that, for imparting sound training, teachers with varying background will have to be drawn from various States, while giving, at the same time, adequate importance to local problems.

There are several other serious problems that might arise as a consequence of the proposed decentralisation. It is only too well known to need repetition how co-operative departments sometimes become convenient tools for political parties or even individuals. Target-mindedness is another danger. Not long ago, in his report, Sir Malcolm Darling had stated that " . . . . with the strong political pressure behind the Plan, there is a real danger that those who have to keep them in view may become so target-minded that the target, instead of being means to an end, becomes an end itself." In checking this attitude, training institutes play a vital role. There is a real advantage in an autonomous institution like the Reserve Bank,

Contents

	Page
LEADING ARTICLES—	
Training of Co-operative Personnel ...	825
State Farming in India	826
Aluminium in Third Plan	826
MARKET GOSSIP	827
ROUND THE EXCHANGES	828
NEWS IN BRIEF	829
PERSONAL	829
THIS WEEK'S SURVEY	830-831
SPECIAL FEATURES—	
On the Arena	832
Delhi Letter	833
London Letter	835
Manchester Letter	837
American Letter	839
Soaring Prices: Destination Moon! ...	850
Compilation of Industrial Statistics—I	852-853
CHAIRMEN'S SPEECHES—	
British India Corporation Ltd.	848
Punjab National Bank Ltd.	854-855
Indian Aluminium Co., Ltd.	856-857
Killick Industries Ltd.	857
Bangalore Woollen, Cotton and Silk Mills Ltd.	858
Buckingham & Carnatic Co., Ltd. ...	861
MONEY AND BANKING	834-835
COTTON	836
TEXTILES	840
SUGAR	842
PLANTING	844
ENGINEERING	846
NEW PRODUCTS AND PROCESSES	847
INSURANCE	860
COMPANY MATTERS	862-865
MARKET REPORTS	867-869
MISCELLANEOUS STATISTICAL INFORMATION	870-872
STOCK AND SHARE QUOTATIONS	873-880
WEEK'S STOCK EXCHANGE TREND	879

far removed from the influence of State Governments, being in charge of training the most important co-operative personnel, both institutional and departmental, at least till such time as non-official bodies are fully established.

As Prof. Naidu has explained in his note, the Reserve Bank's close association with the administration of training of co-operative personnel is necessary not merely because of its historical association with it but also because the Co-operative Movement today is largely a credit movement and it is in the credit movement that the Reserve Bank has a vital stake. The accommodation made available by the Reserve Bank to the co-operative credit agencies is of the order of Rs. 108 crores. This is expected to expand to Rs. 480 crores by the end of the third Plan. It is but logical, therefore, that the Reserve Bank should be vitally concerned with the training of the personnel who are entrusted with the administration of these funds and should regard the training programme "as an insurance for its financial interests." It is pertinent to recall here that the Reserve Bank is training the officers of commercial banks in the Bankers Training College managed by it and there has been no suggestion from anyone that this facility should be left to the association of banks themselves.

It is precisely this close association of the Reserve Bank that is sought to be removed now by the formation of a National Board for Co-operative Training, in the place of the present Central Committee, and through the proposed 'decentralisation'. The National Board will only be an advisory and policy-making body, without a secretariat and it will be less effective and useful than the present Central Committee, which has been endowed with executive and administrative functions and has been provided by the Reserve Bank with an efficient secretariat. The absence of strong co-operative unions at the State level will make the Board more ineffective than would be the case even otherwise. The idea of a National Board presupposes the existence of dynamic non-official bodies at the State level as they have to be represented on it. But no such bodies exist at present. To the extent such representation is needed, it can always be provided by broad-basing the existing Central Committee, as suggested by Dr. Ryan in his minute of dissent.

The issue involved appears to be whether the economic and business aspects of co-operatives, or their non-economic aspects, should be emphasised. In some of the recommendations, the Study Team has emphasised the need for educating even non-members and officials and for drawing more and more people into the co-operative fold. Could this be done by failing to make the co-operatives successful as business and economic units? If the achievement of this goal is to be ensured, it is necessary that, in the present circumstances, no far-reaching changes are brought about in the management of training centres. In fine, one does not find a convincing and valid case for such a change in the Team's report. Apart from upsetting the arrangements built up through painful experience over a period of years, the taxpayers' money also is involved here. Should this be wasted on schemes which do not appear to be sound? But this does not mean that nothing should be done to remove the deficiencies in the existing set-up.

STATE FARMING IN INDIA

STATE farming for purposes of scientific experiment and demonstration, plant and animal breeding, evolution of improved seeds and cultural practices, and so on, has a recognised place in any agricultural economy, be it individualist or collectivist. Such farming is generally on a very limited scale, covering a very small proportion of a country's cultivated area, and makes no directly significant contribution to the quantum of agricultural production. Even in the Soviet Union, where it is in vogue on a relatively larger-scale than elsewhere, it employs, as of 1959, only 4.5 million agricultural workers, as compared with the 21.5 million engaged by the collective farms. It must also be remembered here that the impetus to greater State farming in Russia—in 1953 only 2.3 million agricultural workers were employed in State farms—has been provided by the crash programme, launched in 1954, of ploughing up millions of acres of virgin and long-fallow land. The ready availability of large blocks of hitherto uncultivated land in an advanced industrial country like the Soviet Union where supply of agricultural labour has been becoming scarcer and scarcer has also meant that bigger State farms—their average size has increased from 6,500 acres in 1948 to 21,250 acres in 1958—could benefit by fuller mechanisation and larger-scale operation. These twin conditions, namely, availability of large extents of virgin land and scarcity of labour, do not obtain in most parts of this country, and so State farming on any significant scale—significant from the point of view of its contribution to agricultural production—is to be ruled out, the limited success of the Central Mechanised Farm at Suratgarh in Rajasthan State notwithstanding.

It is the working of this 30,000-acre Suratgarh State Farm, set up by the Government of India in August 1956 by using the gift of Russian agricultural machinery and equipment valued at Rs. 75 lakhs, that has brought the question of State farming to the fore. The Estimates Committee of Parliament has also recently reviewed the working results of the Farm which had under cultivation 2,293 acres in 1956-57, 4,347 acres in 1957-58, 14,154 acres in 1958-59 and 26,480 acres in 1959-60. The Farm made profits in three out of the four years under reference, the figures being Rs. 7,600 in 1956-57, Rs. 5,48,000 in 1958-59 and Rs. 42,000 in 1959-60; it incurred a loss of Rs. 1,27,000 in 1957-58 due to failure of monsoon. The total value of farm output was about Rs. 26 lakhs and Rs. 32 lakhs, respectively, in the two later years. But the results are not quite flattering when presented in terms of cost of production per acre and income per acre as under:

Year	Cost of production per acre	Income per acre
	Rs.	Rs.
1956-57	183	187
1957-58	133	104
1958-59	146	185
1959-60	122	113

The redeeming feature, however, is that the cost of production includes the element of depreciation on account of machinery and buildings. This element has accounted for about Rs. 1,50,000 in 1956-57, Rs. 1,90,000 in 1957-58, Rs. 4,70,000 in 1958-59 and Rs. 7,10,000 in 1959-60. It would appear that, for purposes of depreciation provision, the gifted Russian machinery is treated as if it had been purchased. This is as it should be, for, in a commercial enterprise of the kind, adequate depreciation would have to be provided for. But, after this provision has been made, the net annual profit is found to be rather low when set against the second Plan outlay of about Rs. 1.43 crores (exclusive of the value of the Russian machinery) on the Suratgarh scheme. Here, however, the provision for interest on capital to the tune of Rs. 1,30,000 in 1959-60 must also be taken into account while judging the profitability of the Farm.

Even after allowing for these redeeming factors by way of depreciation provision and interest provision, the fact remains that the Suratgarh Farm has not fully come up to expectations. For one thing, the Farm has so far confined its activities to the raising of pedigree seeds of crops suited to local soil and climatic conditions; it is yet to take up the more profitable activities of developing orchards and pedigree breeds of cattle, sheep and poultry. The Estimates Committee's findings show that there is no optimum utilisation of labour and staff, that a suitable crop pattern for ensuring optimum results is yet to be made, that there is need for improving and stabilising water-supplies to the farm, that flood control measures in the area have not been adequate, and that the alkalinity of the soil will have to be removed before perennial irrigation facilities become available. The working of the Farm is bound to improve greatly when these shortcomings are removed. The Damle Committee's recent recommendation that, in view of the availability of cultivable land and scarcity of labour in Rajasthan, a site close to Suratgarh may be chosen for establishing another State farm of the kind also confirms in a way the potentialities of the Suratgarh Farm. But the only snag here is that the area is susceptible to floods which, in practice, have been a serious drawback to the functioning of the Suratgarh Farm and which will be an equal drawback to the proposed second farm, if they are not minimised by timely control measures. Since the Estimates Committee has given this warning, it may be expected that a final decision will be taken on the setting up of the second farm near Suratgarh itself only after the Rajasthan Government takes up the execution of its flood control scheme in the area.

As things stand, only the State of Rajasthan will have the required facilities—availability of large and compact blocks of State-owned land, perennial irrigation expected from the Rajasthan Canal, etc.—for operating mechanised farms of the Suratgarh type. The fact that the Dam'e Committee's extensive combing of the country for large blocks of land of the size of 30,000 acres as possible sites for mechanised State farms in other States did not succeed in locating such blocks may be recalled in this connection. This is, indeed, a disconcerting fact when State farming is deemed desirable for certain purposes like animal husbandry and orchards. After all, cereal production involves the use of a larger extent of land, whereas abundant supplies of green fodder for cattle can be had from a relatively smaller extent of land. The fantastic idea that a State farm should be of a size of 30,000 acres is an impossible one in a country where State-owned cultivable waste are just 50 million acres widely scattered in the different States. A realistic size can conceivably be no more than 10,000 acres in one compact block in the circumstances of this country. It may not be difficult to locate a block of this size in each State, provided the requirement that perennial canal irrigation should be in prospect is waived wherever sub-soil water can be tapped or rain water stored in tank for irrigation purposes. The water requirement will also be less if the emphasis in State farming is more on animal husbandry and orchard of citrus trees, papaya, etc., than on cereal production. That greater emphasis on horticulture and animal husbandry would be more worthwhile is also supported by the experience of Russian State farms, in which the unit area yields of grain are much less than on private plots, but the yields of grapes and other fruit and of milk are substantially more than in collective farms and private plots. On all these grounds, therefore, there is a case for locating a State farm of a moderately large size of 10,000 acres in each State, so that pedigree seeds of crops, pedigree breeds of cattle and saplings of fruit trees could be more easily and scientifically developed and made available for multiplication by individual farmers.

ALUMINIUM IN THIRD PLAN

AT least three questions of interest to the aluminium industry, in general, have received forthright treatment in the speech of Mr. K. C Mahindra, Chairman of the Board of Director of the Indian Aluminium Company Ltd., at the annual general meeting of the Company. Two of these—the uncertainty of wagon availability and the incidence of the excise duty—are hardly open to controversy. Mr. Mahindra's point in regard to the transport question is that, inasmuch as the aluminium industry does not enjoy special priority in the matter of rail transport of its products and of coal needed by it, his Company is forced to increase its inventories thereby tying up extra capital, or to utilise the more costly road transport. Presumably, the Aluminium Corporation, which is the only other unit in the aluminium industry at the present time, is also inconvenienced by the transport bottleneck. As for the incidence of the new excise duty levied on aluminium products since last year, there is the anomalous position of the duty being levied on all shipments of ingot from the Indian Aluminium Company's smelters to its fabricating plants. Since, strictly speaking, excise duty should be payable only on shipments to customers, Mr. Mahindra's criticism that there is "double taxation" now seems to be valid. His suggestion that the Company be allowed to move ingot and fabricate it "in bond" would mean that no duty need be paid on ingot which is ultimately wasted in fabricating plants, as "melt loss" is never recovered. The Central Board of Revenue should not find it difficult to accept this suggestion.

The only controversial point in Mr Mahindra's speech pertains to the subject of expansion of the aluminium industry. His criticism has been particularly directed against the official talk of raising the third Plan target for aluminium production from 87,500 tons to 150,000 tons and, may be, even to 200,000 tons. As current consumption is only of the order of 44,000 tons, current proposals (as yet by no means "firm") to revise the target will mean a ten-fold jump over current production. Thus exports will take care of any over supply, according to Mr. Mahindra, is a mirage, for India as a high-cost producer, cannot hope to compete in the world market on level terms with strong international groups. He has, therefore, come out strongly in favour of what he calls "tempered planning," so as to avoid the risks inherent in over-expansion. It is difficult to agree with Mr. Mahindra on this question of expansion, for the demand for aluminium, which is a versatile metal with a variety of uses, seems to have been under-estimated.

In this connection, the estimate of demand for aluminium by the end of the third Plan may well be recalled. This is as follows:

(In long tons)

Industry	Present demand	1965-66 demand
Building and Construction ...	2,000	3,000
Household and commercial supplies	10,500	12,500
Transportation	6,000	13,000
Electrical industry	18,600	40,000
Food and farming	900	1,500
Canning and packaging ...	3,500	7,500
Miscellaneous	2,500	4,000
Total	44,000	81,500

In the above table, there is an obvious under-estimation of the demand for aluminium in building and construction, for it is well known that this metal has a greater future as a substitute for steel. Since steel may continue to be in short supply in spite of the commissioning of the three pubic sector steel plants, the demand for aluminium from building and construction industries is bound to go up many times more than its current estimate. But there is also an opposite view to the effect that, when the three steel plants go into full production, the costlier aluminium will lose ground in the building industry and in the transportation field (railways and automobiles). It would appear that, as far as demand is concerned, there is a case for re-estimating it. And such an estimation may justify a higher target of at least 150,000 tons for aluminium production in the third Plan, in view of the more likely trend of steel demand outstripping supply throughout the third Plan period. Moreover, the ease with which aluminium can replace other non-ferrous metals like copper, lead and zinc—all of which are mainly imported—is an additional factor to be considered in this context. It may be recalled here that the annual demand for copper will be 170,000 tons, for lead 55,000 tons and for zinc 150,000 tons by the end of the third Plan. If imports of these three non-ferrous metals are to take place at such levels, the foreign exchange requirement on their account alone will come to about Rs. 80 crores. It is here that the substitution possibilities of aluminium hold out the prospect of reduced imports of copper, lead and zinc.

Against this desirable target, present and additional capacity figures for primary aluminium production are as under:

(In long tons per annum)

Units	Present	Additional capacity in third Plan
Aluminium Corporation ...	2,500	5,000
Indian Aluminium Company	15,600	10,000
Hindustan Aluminium Corporation	—	20,000
Tendulkar Industries ...	—	20,000
Madras Aluminium Company	—	10,000
Total	18,100	65,000

If further expansion is deemed desirable, it may be more economical to permit the existing and proposed units to raise their capacities, if necessary, to 40,000/50,000 tons. Licensing of more units of 20,000 tons capacity on the dubious ground of avoiding industrial concentration or of ensuring development of the industry on a regional basis may not be desirable. Caution is called for, if at all, only in respect of three factors. The first is that the deposits of bauxite ore on which new schemes are based would have to be field-tested for quality or reserves. Secondly, firm and continuous power would have to be assured to an industry like aluminium which is a heavy consumer of electricity. And, thirdly, the results of the new process that is being developed by a foreign producer of aluminium—a process under which the expected capital cost of an aluminium unit is about Rs. 2,500 per ton, as against Rs. 8,000 per ton under the two existing processes which have been standard for the last 70 years—would need to be known before large-scale expansion is actually launched. It is stated that the foreign firm which is engaged in this experiment expects to have its new plant commissioned early in 1962 with a production capacity of 6,000 to 8,000 tons of primary aluminium per year. If this pilot plant proves, as it well may, that the estimated savings in capital and operating costs will be realised in large-scale operations, it would, of course, be prudent on India's part to take advantage of this technological revolution in the aluminium industry. But this would mean India having to wait for a long time and face the risk of a shortage of aluminium in the latter half of the third Plan and in the beginning of the fourth Plan. The question as to which risk this country should take must be carefully examined at expert level.

MARKET GOSSIP

Bank Chairmen Speeches

THE season for speeches of bank chairmen is practically over, with the Chairman of the Punjab National Bank coming in the last. The annual meeting of the Central Bank of India has had to be postponed, owing to a technical flaw under the Companies Act of which one of the shareholders took undue advantage to the discomfort of the vast majority. Consequently, the speech of the Central Bank's Chairman has not been published, but, since it was circulated to the shareholders present at the meeting before its commencement, it is unlikely to be amended to any considerable extent.

To be the last in the list has certain advantages, for the person concerned can benefit from the statements made by others before him and avoid their pitfalls. At the same time, he will also have the disadvantage of having to find something new to say. Mr. R. N. Goenka, Chairman of the Punjab National, has performed this task excellently. He has presented the problems pithily and precisely, besides endeavouring to state the solutions for some of them in a forthright manner. Typical instances are his classification of savings, his comments on the Reserve Bank's credit restraints and his plea for some special incentives to big banks for opening branches in rural areas in order to tap the savings of agriculturists.

Every bank chairman has offered solutions to one or more problems confronting the country, in general, and the banks, in particular. In this respect, the quality of bank chairmen speeches in India has undergone a welcome improvement. It is to be hoped they will improve further in the coming years. The points made by all of them must be examined by the Reserve Bank and the Finance Ministry alike to see whether the commercial banks' contribution to the economic growth of India could be more significant, in terms of both quantity and quality, than has been the case so far.

Problem of Bank Deposits

All bank chairmen have welcomed the move to introduce deposit insurance, though some have done so grudgingly. This fact itself is suggestive that the scheme now being drafted by the authorities will be of very modest proportions, covering less than one-fifth of the total deposits. The maximum sum proposed to be insured for a deposit holder in a bank may be no more than Rs. 1,500. This is too small an amount for the scheme to be of any use for that type of middle class people who badly need such protection.

On the issue of interest rates, there has been no unanimity among bank chairmen. But, generally speaking, none of them seems to be in favour of any further increase in the rates of interest on either deposits or advances. The difference of opinion is on the point whether the fractional increases that have already been given effect to were necessary at all. The aversion of Indian bank chairmen to high interest rates is well known. But this does not necessarily mean that they are right. The argument that an increase in interest rates on deposits has no incentive merit does not hold water. The very fact that the bulk of banks' deposits today is of time nature disproves it effectively. It is common knowledge that, before the inter-bank agreement was clamped on depositors, banks used to compete for deposits by quoting higher interest rates. One of the attractions for depositors in small banks is the high rate of interest offered by them and those who are tempted are by no means ignorant people. Did not even I.C.S. officers and others of similar order keep their funds with the Palai Central Bank in fixed deposits? Surely, they knew that there were bigger and sounder banks. And yet they preferred the Palai Bank, because it offered a rate of interest substantially higher than that allowed under the inter-bank agreement of which it was not a member. Again, in recent months, several people have transferred their funds from banks to industrial companies and well-known managing agency houses, for the simple reason that they could earn better rates of interest. It is, therefore, unrealistic to argue that interest rates have no influence on the trend of deposits and, if banks think that they could continue to have an upward trend in deposits, even if their rates of interest were out of line with the prevailing market conditions, they would soon be disillusioned. They tried that theory in 1959 and 1960, with the unpleasant result of seeing a substantial part of their funds moving out of their control.

Timely and realistic adjustment of interest rates, after taking a view of the future trend of demand for bank credit, is only one of the means, though a very important one at that, by which banks can ensure a sustained upward trend in deposits. This means must necessarily be supplemented by others. Spread of banking habit over a larger section of the population is also an important way in which more deposits can be attracted into the banking system. Now, this proposal covers a wide field, from the opening of more branches to introduction of new services and improvement of existing ones. The suggestion that banks should be helped by the Government to open more branches in rural areas through some fiscal concessions is nothing new. It has been made by many before, including this journal, but has failed to evoke the necessary response from the authorities. In view, however, of the pressing need for more resources for the banking sector, it is high time the Government accepted it. If industries can be given tax concessions by way of several special write-offs, there is no reason why banks, too, should not be shown similar concessions for expanding the area of their operations, subject to suitable stipulations and safeguards.

Growth of bank deposits is also related to the pace of economic activity in the country and the balance of payments position. Since economic activity is continuously expanding, it is certain that, after an interval of some more months, bank deposits are bound to rise again. Further, the large payments that are being made to the Government by way of taxes will soon find their way back to the banking system through Government expenditure. In fact, the sharp rise of Rs. 40.50 crores in the deposits of banks in the two weeks ended 8th April 1961 must be attributed more to payment of bills by the Governments which are always heavy at the close of every fiscal year than to an increase of ½ per cent in deposit rates following the revision of the inter-bank agreement. As for balance of payments, the position is likely to improve in the coming months when foreign aid for India's Plan, about which talks are going on abroad, starts flowing in. One could at least hope that the deflationary effect of a large adverse balance of trade on bank deposits felt in the past 12 months might not be repeated in the next 12 months.

While there are thus reasonable chances of bank deposits looking up, the growth is unlikely to be of the magnitude necessary for comfortably meeting the increasing demand for bank credit which is very likely to be of a much bigger order. It is this prospect that prompted the Governor of the Reserve Bank to say some time ago that tight money conditions would be a feature of the Indian capital market for quite a few years to come. This, however, is not something about which one should worry very much, because it is only tight money conditions that will induce economy and efficiency in the use of capital, a quality in which India of today is sadly lacking.

U.K. Credits for India

The signing of the two agreements providing for loans amounting to Rs. 53 crores (£40 million) from the U.K. to India at New Delhi on the 1st inst. was just a formal affair. For both the loans were agreed to in principle in September last at a meeting between India's Finance Minister and the Chancellor of the Exchequer held in London. One of the agreements provides for a credit of Rs. 40 crores (£30 million) for financing a few projects, including expansion of the heavy electrical machinery plant at Bhopal, a fertiliser factory at Nahorkatiya, a new security paper mill in Hoshangabad and equipment for a cable manufacturing unit in West Bengal. The other agreement covers a loan of Rs. 13 crores (£10 million) given as a measure of support to India's balance of payments during 1961-62. Arrangements have been made for drawings on this loan to begin immediately. With the total of India's foreign balances having gone down to as low a level as Rs. 123.33 crores, this is doubtless a heartening and most welcome development. Both the loans are repayable over a period of 25 years, no payment being required in the first seven years as regards the first loan and until 1966 in the case of the second. The rate of interest is not specifically stated. If it is to be on the basis agreed to on previous loans, it will be at the rate at which the British Treasury borrows plus ½ per cent as service charge. But this is too high a rate. It would be desirable to have it reduced to the same rate at which the U.S. is giving similar loans to India.

A feature of the aforesaid two loans is that the bulk of them is not tied to any specific project, with India being free to use them for buying such British capital equipment and machinery as it decides. Even the entire loan of Rs. 13 crores meant to strengthen India's balance of payments position can obviously be used for financing maintenance imports as well. As, however, both the loans have to be spent only in Britain, they are not untied loans in the sense they can be used for buying goods anywhere in the world. Apparently, Britain has chosen to stick to this condition on the ground that its balance of payments position is not strong enough for giving such convertible loans.

Power Shortage and Policy

Although the latest news about the power situation in the country indicates signs of a slight improvement in certain regions, the position is still far from satisfactory. The recommissioning of the two thermal power generating units at Durgapur, the breakdown of which had resulted in an acute power famine in the Calcutta region, has brought some relief. In his statement on the power situation in Calcutta in the Rajya Sabha, Mr. Jaisukhlal Hathi, Union Deputy Minister for Irrigation and Power, assured the members that the situation would improve further, when a 30 M.W. unit at the Calcutta Electric Supply Corporation's New Cossipore power station starts functioning in a week's time. Two more 30 M.W. generating units at the Cossipore power station will be commissioned, the first by 18th May and the second by the middle of June when the power supply is expected to be normal.

This improvement is unfortunately not country-wide. The position in other parts of the country continues to be serious. Gujarat, in the Western region, is the worst sufferer. Hundreds of major and minor industrial establishments in S. Gujarat are said to be affected by the power famine. The Baroda Municipality is reported to have completely cut off power supply to its industrial consumers and, consequently, more than two hundred and fifty small and big units, including certain textile mills, have had to close down completely. The Gujarat State Electricity Board has attributed the power crisis to the failure of the railways to move sufficient quantities of coal to the thermal power stations in the State.

In Madras, the cut in power supply has been put off till the 15th inst., when the situation will be reviewed and appropriate action recommended. Power shortage in Andhra Pradesh has forced industrial units in Hyderabad and Secunderabad

(Continued on page 879)

SHARE MARKET EASY

VALUES GENERALLY MOVE DOWN

(From Our Own Correspondents)

BOMBAY, *4th May*

TRADING on the Stock Exchange during the week was of a mixed pattern. Thus, while the gains recorded by steels, textiles and a few miscellaneous industrials last week were extended further, there was a setback to values at other counters. The firmness of steels was engendered by speculative support based on expectations of higher retention price for steel. Operators seemed to have ignored the decline in the production of the Indian Iron and Steel Company and the power cut in the Calcutta region. A few textile scrips attracted attention in hopes of bonus issues by several mills having large reserves. Quite a number of other scrips in both cash and forward lists, however, were subjected to selling, but fresh buying support was lacking. For power cuts in many parts of the country and fear of statutory enforcement of Wage Board Awards, as is being done in the case of cotton textiles, gave rise to the apprehension that profits of companies would be affected. Even prospects of India getting large-scale foreign assistance for the third Plan failed to instil confidence among operators. The under-tone of the market was easy.

Among steels, Tata Steels met with sustained buying and advanced from Rs. 147.75 to Rs. 152 on Tuesday. After declining to Rs. 150.25 the next day, they improved again to Rs. 151.25 today before finishing at Rs. 150.75. The net gain over the week was Rs. 2.50. Indian Irons firmed up from Rs. 27.20 last week-end to Rs. 27.75 today and closed fractionally lower at Rs. 27.50. Mukand Irons rose from Rs. 28.25 to Rs. 28.50 before finishing at Rs. 28, showing a net loss of 35 nP over the week.

Selected textile shares, as already stated, elicited good support. Under the impetus of rumours of a possible bonus issue, **Centurys jumped** up from Rs. 611 last week-end to Rs. 623 today. At this level profit-taking set in and the rate declined to Rs. 619. Kohinoors spurted from the week's opening of Rs. 289.50 to Rs. 303.50 on Tuesday and declined subsequently to close at Rs. 299.50. The net gain over the week was Rs. 9. Simplex and Podars put on a rupee each to Rs. 188 and Rs. 149, respectively. Standards gathered a rupee to Rs. 1,487. Tata Mills were firm at Rs. 51, as also Swans at Rs. 600. Gokaks at Rs. 183 and India Uniteds at Rs. 15.56. Finlays, however, slumped by Rs. 22.50 to Rs. 325 reflecting disappointment of operators over the failure of bonus issue to materialise. Khataus receded by Rs. 8.75 to Rs. 522.50. Shree Nivas eased by Re. 1 to Rs. 267. Swadeshis were a shade lower at Rs. 269.

Cement shares drifted downward. Orissas dropped 40 nP to Rs. 14.56. Digvijays shed 25 nP to Rs. 152.25. A.C.Cs, however, attracted special support on reports that the Company's negotiation for the sale of its assets in Pakistan worth Rs. 2 crores were progressing satisfactorily. They improved from Rs. 157.50 to Rs. 160.50, but finished lower at Rs. 158.

Sugar shares ruled easy. Belapurs encountered selling and declined from Rs. 289 last week-end to Rs. 285 on Saturday and, after improving to Rs. 288 on Tuesday, moved down thereafter and touched Rs. 285.50 today. The net loss over the week was Rs. 3.50. New Svadeshis declined by Rs. 4 to Rs. 326. Phaltans dropped a rupee to Rs. 139.50. Walchandnagars eased by a like amount to Rs. 202. Maharashtra Sugars were done 50 nP lower at Rs. 200. Hindustan Sugars were well favoured and hardened by Rs. 13.75 to Rs. 340.

Rayon shares lacked support. **Baroda Rayons** were unchanged at Rs. 131. The Company will issue right shares to its existing shareholders in the ratio of two new shares for every five shares held and not one new share for every two held as was stated in these columns two weeks ago. Gwalior Rayons were dull at Rs. 45.50, same as last week. Indian Rayons receded by a rupee to Rs. 63.50. The Company proposes to issue at par 145,000 new equity shares of Rs. 100 each to existing shareholders in the ratio of one new share for each old share and 30,000 preference shares of Rs. 100 each at par in the ratio of six new shares for every eleven held. South India Viscoses, on the other hand, attracted buying and improved by Re. 1.50 to Rs. 161.

In the shipping group, Scindias declined further by 16 nP to Rs. 14.08. Great Easterns were neglected at Rs. 14.50. Automobile shares suffered a setback. Premiers were marked down by Rs. 2.50 to Rs. 167.25. Hindustan Motors eased by 8 nP to Rs. 19.92.

Dyes and chemicals, too, were quoted lower. Indian Dyestuffs declined by Rs. 10 to Rs. 480. Amar Dyes shed Rs. 5 to Rs. 381.25. Dhrangadhras were done Rs. 2 lower at Rs. 129. Colour Chems eased by Re. 1.25 to Rs. 350. Adarsh Chemicals and Alembics lost 50 nP each to Rs. 78 and Rs. 265, Tata Chemicals (new) softened by 12 nP to Rs. 17.46. Synthetics, however, provided a bright spot, the quotation jumping up by Rs. 26 to Rs. 178. Dharamsis were also well favoured, shares advancing by Rs. 8.75 to Rs. 273.75 and the new ones by Rs. 11.25 to Rs. 271.25. Citrics were better by Re. 1.50 at Rs. 56.50.

Engineering shares were subdued. Mackenzies encountered selling and declined by Rs. 5.75 to Rs. 133. Premier Constructions eased by Rs. 3 to Rs. 192.50. Asian Cables receded by Rs. 2.50 to Rs. 108.50. Jyotis were done 50 nP lower at Rs. 181.50. Larsen and Toubros receded by a like amount to Rs. 42.50. Mahindras dropped 24 nP to Rs. 19.76. Telcos, however, rose from Rs. 329.50 last week-end to Rs. 331.75 but came in for selling and finished lower at Rs. 329.50, same as last week. But Alcock Ashdowns moved up by a rupee to Rs. 323. Cooper Engineerings gathered Rs. 2 to Rs. 166. T. Maneklals spurted by Rs. 25 to Rs. 425.

Among miscellaneous industrials, Anil Hardboards fell by Rs. 5 to Rs. 282.50. Tata Oils receded by Rs. 2 to Rs. 75. Indian Investment Trusts declined by a like amount to Rs. 79. Polsons were dull at Rs. 177. Bombay Burmahs, however, recorded a rise of Rs. 4.50 over the week. After opening at Rs. 598, they moved up to Rs. 610 on Tuesday before finishing at Rs. 603 today. Wimcos picked up Rs. 2 to Rs. 275. Premier Tyres improved by a like amount to Rs. 104. Hindustan Levers found buyers 55 nP higher at Rs. 47.30. West Coast Papers gathered a rupee to Rs. 203. Jayant Papers hardened by 50 nP to Rs. 60.50.

* * * *

Calcutta Stock Exchange

CALCUTTA, *3rd May*

Thanks to the healthier technical position arising from bear-selling which followed the Estimates Committee's recommendation regarding investment of L.I.C. funds, and diversion of funds for a number of equity issues—the Goodyear and Madras Rubber issues attracting a good portion of funds—speculatives gathered attention and scored modest gains to close at highest levels of the week. The issuance of good corporate results, grant of British loans aggregating £40 million for the third Plan and indications of power situation easing following resumption of normal supply to the Calcutta Electric Supply Corporation by the D.V.C. were the factors that encouraged sentiment. The anxiety stemming from the decision of the Aid-India Club to postpone giving India financial assistance was mellowed down on the news that Prof. Galbraith, U.S. Ambassador in India, is proceeding to Washington for consultations. Meanwhile, the grant of British loans would, it was thought, go a long way towards maintaining industrial progress. The easing of monetary stringency on the eve of Government loan programme was also hailed with satisfaction. It should be said that conditions for a buoyancy were thus set; but the fact that there was no hectic activity should be attributed to the extreme caution exercised by operators.

Among coals, the low levels attracted buying support and Burrakurs were pushed up to Rs. 20.44 from Rs. 19.50. At Rs. 359, Bengals scored Rs. 5, with Central Indias picking up 56 nP at Rs. 13.62. New Beerbhooms were better at Rs. 23.37, while East Indians changed hands at Rs. 35.25, as against Rs. 35.50 previously, and Equitables at Rs. 31.25, as against Rs. 31.75. Western Bengals were firm at Rs. 9.00. Amalgamateds were fractionally better at Rs. 25.19.

In an otherwise featureless jutes, Birlas, on interested attention induced by expansion prospects and rumours of an imminent rights issue, mustered strength to rise from Rs. 38.62 to Rs. 40.56, but closed lower at Rs. 38.12 on profit-taking. Anglo-Indias were unchanged at Rs. 198, while New Centrals met with support to rise from Rs. 19.87 to Rs. 21.75.

Engineerings were accorded greater support on prospects of the power crisis resolving. Texmacos met with support at the lower level, thanks to last week's recession on adverse corporate rumours, and from Rs. 20.30 recovered to Rs. 20.75 to recede to the opening level. The possibility of an earlier announcement of retention prices for 1960-62 released enthusiasm. Jessop and Cos. improved from Rs. 21.37 to Rs. 22.37, with Britannia Engineerings recovering from Rs. 13.31 to Rs. 14.06.

On good corporate news and/or rumours, several features were recorded in miscellaneous industrials. Following expansion possibility and prospects of rights and/or bonus issues, Dunlop Rubbers were lifted to as high as Rs. 51.75 from Rs. 49.50. On bonus rumours, Indian Coppers rose from Rs. 5.27 to Rs. 5.51. National Cables were fully steady at Rs. 37, as the bonus rumours were revived. British Paints gained from Rs. 23.37 to Rs. 24.62 and the rate was considered as sufficiently attractive bearing in mind the issue price was Rs. 15. Indian Cables at Rs. 37.75 added a fractional gain on rumours of good dividend. Reports of good working were reflected in Isaac Holdens rising from Rs. 12.00 to Rs. 12.37. Indo-Burma Petroleums after rising from Rs. 29.87 to Rs. 30.67 closed firm at Rs. 29.50. Aluminium Corporations recovered from Rs. 18.25 to Rs. 18.75.

Although teas recorded a lower volume of business, features were not wanting. Thus Basmatias changed hands at Rs. 32.12, as against Rs. 31 previously. Nagaisurees recovered from Rs. 210 to Rs. 211. Betjans were firm though unchanged at Rs. 30.62, while Bagmaris receded to Rs. 25.50 from Rs. 26.12. Kilcotts were a few nP better at Rs. 20.56.

* * * *

Madras Stock Exchange

MADRAS, *3rd May*

Activity on the Madras Stock Exchange was restricted practically throughout the week under review, with prices showing a tendency to fall. A few select shares, of course, changed hands in slow dealings. Plantations were dull. Coffee shares in particular were subjected to selling pressure which resulted from the concern over the persistently downward trend of prices. The crop just delivered to the Coffee Board's pool was believed to fetch no more than Re. 1.75 per point, as against Rs. 2.50 a few years ago. Textiles met with only moderate support. Sugars were listless. Miscellaneous section buying was selective.

Among teas, Lucky Valleys were quiet at Rs. 13.25, same as last week. Hailyburias were unchanged at Rs. 14.75, as also Chembras at Rs. 3.80. Some scrips hardened only fractionally. For example, Blue Mountains gained 5 nP to Rs. 3.08. Neelamalais which had shed 16 nP last week recovered 7 nP to Rs. 4.50.

In the coffee group, Consolidated Coffees dropped 20 nP to Rs. 22.70. Cowcoodys shed 5 nP to Rs. 5.25. Savamalais eased by 5 nP to Rs. 3.40. Sheveroys were quoted lower by 3 nP at Re. 1.70. Coffee Lands declined by 50 nP to Rs. 19. Rajendras, however, remained steady at Rs. 12.50.

Rubbers generally tended to move up. Cochin Malabars gained a naya paisa to Rs. 7.71. Malankaras hardened by 15 nP to Rs. 18.75. Kailas gained 3 nP to Rs. 5.03. Mercaras were done at Rs. 8.90 as against Rs. 8.80 last week. Thirumbadis went up by 10 nP to Re. 1.65. Travancore Rubbers were fully maintained at Rs. 10.70, while Pullangodes shed 2 nP to Re. 1.76.

In the sugar section, Andhras were steady at Rs. 26.85 *ex-div*. K.C.Ps put on 15 nP to Rs. 23.62 and Travancores 15 nP to Rs. 10.60. Deccans improved by 5 nP to Rs. 14.10.

Textiles presented a mixed trend. Thus, Buckinghams were taken down from Rs. 216 to Rs. 213. Laxmis closed at Rs. 164 as against Rs. 165. Maduras dropped 35 nP to Rs. 35.90. Coimbatore Cottons eased by Re. 1 to Rs. 174. Adonis, however, picked up 10 nP to Rs. 10.75. Vijayeswaris gained Rs. 2.75 to Rs. 126. Coimbotore Murugans improved by Rs. 2 to Rs. 116. Travancore Rayons increased by 35 nP to Rs. 37.75, South India Viscoses by Rs. 3 to Rs. 161.50 and Rayalaseems by Rs. 2 to Rs. 134. Radhakrishnas shed 25 nP to Rs. 31. Rajalaxmis eased by 50 nP to Rs. 79.

In the miscellaneous section, notable increases were recorded by Madras Cements and Textools; the former gained as much as Rs. 5 to Rs. 96 and the latter Rs. 2 to Rs. 181. Rallis improved by 50 nP to Rs. 136.50. MacDowells changed hands at Rs. 35.12, as against Rs. 34 last week. Central Scientifics strengthened by 30 nP to Rs. 6.60. Seshasayee Industries dropped 50 nP to Rs. 12. Transformers declined by 80 nP to Rs. 9.10. Western India Plywoods were done at Rs. 244, as against Rs. 246. Ogale Glass shed 20 nP to Rs. 5.90. Madras Aluminiums were quiet at Rs. 23, Sen-Raleighs at Rs. 25, Seshasayee Papers at Rs. 7.12, Spencers at Rs. 24.25, and Tube Investment at Rs. 283.

HINDUSTAN LEVER LTD.

Apropos our review of Hindustan Lever Ltd., published in our issue of 1st April, 1961, Mr. P. L. Tandon, Vice-Chairman, of the Company, writes:

"It is mentioned in the third paragraph of the article that:

'... One may wonder as to why the Company has raised the dividend level while reducing the share of profit ploughed back....'

"In actual fact, the Company's share of profit ploughed back has gone up very considerably, as shown in the statement at the end of the first column of the article. As against Rs. 74.67 lakhs retained (and ploughed back) in 1959, the Company ploughed back Rs. 104.7 lakhs in 1960. Our profit retention has been a very healthy one, both as an amount and as a percentage, as the following figures will show:

Year	Profit retained and ploughed back	Ploughed back as %age of profits	Dividends
	Rs. lakhs	%	%
1957 ...	22.24	22.2	14
1958 ...	45.08	35.0	15
1959 ...	74.67	35.8	24
1960 ...	104.70	41.9	26

"In actual fact, the dividend figures for 1957 and 1958 should be grossed up to equate with 1959 and 1960 at $\frac{100}{70}$ being the new tax on shareholders, which makes 1957 and 1958 equal to 20 per cent and 21.4 per cent, respectively.

"May I also correct a possible wrong impression regarding the provisions of Section 23A of the Income-tax Act and the dividends declared by the Company. Unilever Limited who, as you know, hold 90 per cent of the share capital of Hindustan Lever Limited are a company in which the public are substantially interested within the meaning of Section 23A. As such, Hindustan Lever Limited do not attract the provisions of that section."

U. CO. BANK

In our review of the working of this Bank during 1960, which appeared on page 626 of *Commerce* dated 8th April 1961, it was stated that profit (before taxation) has gone up from Rs. 60.42 lakhs to Rs. 67.43 lakhs. As the profits have been arrived at after taking into account all the taxes payable by the Bank, the relevant sentence should read: Profit (after taxation) has gone up from Rs. 60.42 lakhs to Rs. 67.43 lakhs.

In our review on the Mafatlal Group Mills appearing in the issue dated 29th April 1961 (page 812), the market value of Standard Mills ordinaries was shown, through oversight, as Rs. 585 *ex-dividend* and *ex-rights*. The correct price is Rs. 1,435, on the basis of which the yield works out to 1.5 per cent net. The error is regretted.

NEWS IN BRIEF

INDIA paid Rs. 24.65 crores in foreign exchange as payment of interest on foreign loans during 1960-61.

Owing to technical difficulties during commissioning, the thermal power generation programme of the Damodar Valley Corporation is behind schedule by about seven months.

The Bill to consolidate and amend the law relating to income-tax and super-tax has been referred to a Select Committee of the Lok Sabha. The Committee is expected to submit its report in the first week after the next session commences.

A World Bank Mission will carry out a detailed survey of vehicular traffic on the Grand Trunk Road and its branch roads from the 3rd to 28th inst. It is being undertaken in connection with the proposed Calcutta-Durgapur Expressway.

The cotton textile mills' production in March 1961 is provisionally placed at 150 million lbs. of cotton yarn and 421 million yards of cotton cloth. At the end of March 1961, the composite mills of the industry held an estimated stock of 132,000 bales (of 1,500 yards each) of unsold cloth and 127,000 bales of cloth sold but not lifted.

It is understood that the State Trading Corporation has finalised arrangements for importing Rs. 2 lakhs worth of watches from the Soviet Union. As these watches will be medium-priced ones, it is likely that the total number to be imported will be about 4,000 watches. The distribution of these will be through normal trade channels.

The total consumption of crude oil in India during the third Plan period will be 13.5 million tons, according to Mr. K. D. Malaviya, Minister for Mines and Oil. Of this quantity, about 1.5 to 2 million tons will be imported. The total refining capacity is estimated to be of the order of 11 million tons, 6 million tons in the private sector and 5 million tons in the public sector.

The National Register Unit of the Council of Scientific and Industrial Research enrolled 12,803 scientific and technical personnel during the year 1960-61, thus bringing the total strength to 63,514. The "live register" maintained by the Council gives the names of 1,200 unemployed scientists and engineers. The strength of the scientists' pool has been raised from 100 to 200.

It is proposed to erect a 48-inch telescope, the biggest in S. E. Asia, at Hyderabad, by the Osmania University, for carrying out geophysical studies. The cost of the erection is estimated at Rs. 18 lakhs, which will be borne by the University Grants Commission. The State Government will assist the University in acquiring the site and laying of road, power and water supply.

The banks in Kerala now under moratorium will be amalgamated with other banks before the middle of June. The Travancore Forward Bank, the Orient Bank and the Bank of New India will be merged with the State Bank of Travancore, the Vynaad Bank with the South Indian Bank of Trichur and the Scasiya Midland Bank and Bank of Kerala Ltd. with the Canara Bank Ltd.

The Union Government has rejected for the present the plea of the Indian Jute Mills Association for a block closure of jute mills, in view of raw jute shortage. The Government's view is that it is too early to make a formal decision in the matter and that the position should be reviewed in the latter half of May when stocks as well as crop prospects can be assessed more precisely.

Steps are being taken to set up two pilot plants to produce edible groundnut cake, one at Bombay and the other at Madras. The equipment for the former is now being received by the mill selected for this purpose. The United Nations International Children's Emergency Fund has offered equipment for the plants costing Rs. 60,000 each. Each mill is expected to produce 3,000 tons of edible groundnut oil cake per annum.

The Industrial Committee on Coal Mining has approved of the scheme for building 100,000 cheap houses by 1965-66. The Coal Mines Labour Welfare Fund is expected to utilise the whole amount of Rs. 6 crores at its disposal for the purpose. If necessary, the existing welfare cess of 49.21 nP on coal and coke will be raised to Re. 1, in order to meet additional funds for construction of more houses.

Pakistan is willing to supply India a substantial quantity of gas either from Sui in Baluchistan or from the yet undeveloped Marl fields, according to the report of the first round of exploratory talks between the delegations of the two countries. India is interested in purchasing a substantial quantity of gas provided it is assured of a long-term supply. The price of the gas will depend on the quantum and period of supply and the points of delivery.

A package programme for groundnut crop, to be implemented as a pilot project during the third Plan period in six major groundnut-growing States in India, has been prepared by the *ad hoc* Committee of the Indian Central Oilseeds Committee. The programme covers an area of 25,000 acres in each State. The Central Committee will sanction a sum of Rs. 2 lakhs for each State towards the cost of operation, staff, equipment, etc.

The heavy soda ash plant of Sahu Chemicals and Fertilisers of Sahupur was inaugurated by Mr. C. B. Gupta, Chief Minister of Uttar Pradesh, on 28th April. The plant produces ammonium chloride and light and heavy soda simultaneously with the use of a process that is claimed to have been adopted for the first time in the world. In the initial stages, it will produce 30,000 tons of heavy soda ash per annum, as against its capacity of 40,000 tons.

A Bill so to amend the Coal Mines (Conservation and Safety) Act as to raise the limit of excise duty on coal from Re. 1. to Rs. 4 per ton was passed by the Lok Sabha this week. The increase in duty is considered necessary to meet the enhanced expenditure on subsidy for the transportation of coal by sea to coastal States in Southern and Western India from May 1961, as well as for the construction of aerial ropeways in the Jharia and Raniganj coalfields.

The Tariff Commission has taken up the question of fixing fair retention prices for iron and steel produced by the Tata Iron and Steel Co., Ltd., and the Indian Iron and Steel Co., Ltd., during 1960-62. The Commission has been asked to include in the proposed retention prices an element for payment of interest and repayment of advances made to the two Companies. The terms of repayment will be settled soon after a decision is taken on the issue.

The Government of W. Bengal will examine the possibility of finding more land for tea plantation in the State to enable the industry to increase production during the third Plan period. There are 333 tea gardens, covering about 600,000 acres of land. About 50 per cent of the gardens are small, having no surplus land. According to the Tea Gardens Advisory Committee, about 60,000 acres of fallow land and forests may be available as surplus.

The continuous merchant mill, the last of the five rolling mills to be provided under the "ISCON" contract to the Durgapur Steel plant, was put into commission on 28th April. This marks the completion of the Durgapur Steel Works, with the exception of the wheel and axle plant which is expected to go into operation in a few months' time. The merchant mill is capable of producing annually 250,000 tons of a wide range of products, including rounds, squares, flats and angles upto 4" x 3".

A sum of Rs. 21 crores has been set aside in the third Plan, in order to help landless labour to settle on the land. This was revealed by Mr. Shriman Narayan, Member of the Planning Commission, in his speech at the first meeting of the Central Advisory Committee on Agricultural Labour held at New Delhi on 29th April. It is proposed to distribute about five million acres of land to 700,000 families of landless labourers in the different States. A sum of Rs. 10 crores is likely to be found for the construction of houses for agricultural labourers.

Out of the eleven cotton mills remaining closed since 1958, only five can be revived and the rest have to be scrapped, according to Mr. Manubhai Shah, Union Minister for Industry. According to him, the financial difficulties of managements, obsolete conditions of machinery and legal proceedings instituted for the winding up of mills do not permit the re-opening of the six mills. Of these, three are in Uttar Pradesh and two each in Madras, Orissa and Rajasthan. The Government is now running 19 mills under Government controlled management.

* * * *

From Abroad

The World Bank has approved of a 20-year 5¾ per cent loan equivalent to $22 million to the State Railway of Thailand to finance the six-year modernisation programme.

The Ghana and Mali Republics signed on 29th April, a bilateral agreement under which they grant each other the right of civil air operations. The two countries have undertaken not to cut fares in the other country.

At their meeting held at Mexico City, on 27th April, the Latin American coffee producers agreed on a reduction of 20 per cent in export quotas during the period April-June 1961. They have agreed to suppress all price reductions on lower quality coffee for export.

Australia has made its first sale of wheat to Egypt for nine years, with orders aggregating 100,000 tons for shipment upto June next. Until the early 'fifties, Egypt was a substantial buyer of Australian Wheat. About half of its record harvest of 270 million bushels has already been sold.

A double taxation agreement between Pakistan and the U.K. was signed in London on 24th April. The agreement relates to taxes on income and is given retrospective effect in the U.K. with effect from 6th April 1960, the date on which the previous agreement (signed on 10th June 1955) ceased to operate.

The Iraq Government budget for 1961 places the estimates of revenue at £112 million and expenditure at £120 million. The Government's dependence on oil has been reduced by tapping other sources of revenue. The share of oil in the total estimated revenue is £100 million, of which 50 per cent has been allocated to the various development projects.

The "big five" banks of Britain, namely, Barclays, Lloyds, Midland, National Provincial and Westminster, are between them sending 33 members of their staffs to man their stands at the British Trade Fair which opens in Moscow on 19th May. The object is to be of service to British exhibitors and visitors, as well as to explain the various aspects of British banking system to the Russian people.

An Economic and Monetary Council to advise on New Zealand's economy has been established by Mr. Holyoake, Prime Minister of New Zealand. The prime task of the Council is to report on the principal problems affecting costs and internal price stability and provision of finance for expanding agricultural and manufacturing industries. It can also report on any other monetary reforms it thinks desirable.

Krupps of West Germany have decided not to embark on ventures in countries which have no agreement with W. Germany guaranteeing German investments against expropriation. They want that the tax position must be clear and that there should be agreements for avoidance of double taxation. No exports will be made against payment in shares of companies outside Germany. Where important parts of a Krupp export order are manufactured locally in the country of delivery, it may be possible to accept shares in payment for the know-how involved.

The U.K. shipyards have received orders for 61 ships aggregating 131,000 gross tons for the first quarter of the year as compared with 53 ships with 196,000 gross tons in the same period in 1960. Contracts for three ships aggregating 25,000 tons were cancelled. It is stated that orders are at their lowest level for 15 years since the autumn of 1957. The gap between demand and output of British yards is said to have been responsible for a reduction of nearly 4 million tons gross in the industry's order book.

A fortnightly session of the Brussels diplomatic conference of maritime law, organised jointly by the Belgian Government and the International Atomic Energy Agency concluded at Brussels on 29th April. At this conference, 53 countries signed a convention which provides for payment by shipowners upto £1,785 for death or injury to passengers arising from negligence by the Company, its servants or agents. The convention lays down that the fault or neglect of the carrier shall be presumed, unless the contrary is proved, if the death or injury arises from ship wreck, collision, stranding, explosion or fire.

A report on the working and administration of company law in Ghana, together with a draft Companies Bill and an Incorporated Private Partnerships Bill, has just been published. The report was prepared by Prof. L. C. B. Gower of London University. It contains information on one-man companies. According to the report, there is no doctrine of *ultra vires* so far as outsiders are concerned. It provides for compulsory no-par-value shares and ban on non-equity shares. The proposed legislation relating to partnerships is based mainly on the English Act of 1890, but it provides the firm with a corporate personality.

The British Motor Corporation has announced details of a £3.5 million assembly plant at Austin's Longbridge Works. This is only a part of the £49 million expansion programme chalked out by the Company. The Company now produces vehicles at a rate of 750,000 units a year, the full current capacity of the group's factories. Of the 250,000 extra vehicles the expansion programme is designed to produce—making a total of 1 million vehicles a year—about 150,000 will come from the new plant. The plant is expected to be completed in November next and this will raise the capacity of Austin Longbridge Works to 10,500 vehicles a week. It is claimed to be the most advanced assembly building in the world. Handling problems in this plant have been reduced to little more than pressing buttons. There are about 20,000 feet of overhead and floor conveyors in the 960-foot long building.

PERSONAL

MR. D. C. Kothari, Senior Partner of Messrs. Kothari and Sons, Madras, has been nominated a member of the Central Advisory Council of Industries.

Mr. Uma Shankar, General Manager, Bombay Telephones, has been appointed Deputy Director-General, Posts and Telegraph Directorate, New Delhi.

Mr. H. C. Dasappa, M.P., has been appointed Chairman of the Estimates Committee of the Lok Sabha for the next term (1st May 1961 to 30th April 1962).

Mr. J. N. Sen Gupta, Member of the Forward Markets Commission, has been appointed Member of the Tariff Commission. In his place, Mr. Syed Noor has been appointed.

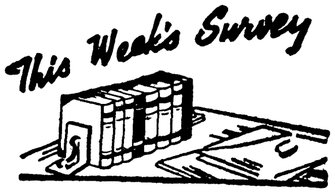
Mr. Sevantilal Maneklal Sheth, Mr. Chandulal Kanji and Mr. Jhamandas Thakurdas Talreja have been elected President, Vice-President and Honorary Secretary, respectively, of the Bombay Sugar Merchants' Association for the current year.

Mr. Dahyabhai V. Patel has been elected President of the Western India Automobile Association, Bombay, for the current year. Mr. Indrakant C. Patel and Mr. Himatlal V. Gandhi have been elected Vice-Presidents.

Mr. N. D. Gulhati, India's chief negotiator in the Indus water talks, has been appointed Chairman of the Commission of Technical Experts on the sharing of Krishna and Godavari waters among the States of Andhra, Mysore and Maharashtra.

Mr. L. Sawhny, Executive Assistant to the Chairman of Tata Industries, Mr. N. A. Palkhivala, an eminent advocate of the Bombay High Court and an authority on taxation and company law, and Mr. J. R. Jenk, Managing Director of Tata AG, have been appointed to the Board of Tata Industries.

Mr. C. A. Pitts, Commercial Director of I.C.I. (India) Private Ltd., has been appointed a Managing Director of the Company. He joined I.C.I. in England in 1938 and came to India in 1940. In addition to his appointment as Managing Director of I.C.I. (India) Private Ltd., he is also Managing Director of the Alkali and Chemical Corporation of India Limited and Chairman of the Board of Governors of the East India Clinic Limited.



AVRO OR LOCKHEED ?

THE Union Ministry of Transport and Communications has been desperately anxious for some time to replace the obsolete Dakotas flown by the Indian Airlines Corporation by a better type of aircraft wherever the Viscount service could not be introduced for practical reasons. It went in for Herons at one time and found, to its sorrow, that they were worse than the Dakotas which they were to have replaced. The Ministry thus had committed a costly mistake, for the Herons had to be sold out at a loss. As if to make up for this mistake, it sponsored a sound proposal received from the renowned Lockheed Corporation of the United States for the establishment of a civilian aircraft factory with a possible export potential and with no foreign exchange commitment to the country. It is presumably this Lockheed project that has been given up recently in view of the opposition from the Planning Commission and the Defence Ministry. The Commission's contention in this connection seems to have been that there is no room for another aircraft factory, besides the Defence Ministry's Kanpur unit for manufacturing Avro-748, and that the comparative technical evaluation report of the Avro and Lockheed projects has led to the conclusion that the Avro is a more suitable aircraft for transport purposes. And the Defence Ministry has been of the view that the Kanpur factory, with an initial production capacity of three planes per month, will be in a position to meet India's requirements of transport planes both for the I.A.F. and the civil airlines. But the Transport Ministry is by no means convinced that the actual performance of the Avro-748 is likely to be better than that of Lockheed aircraft. From the reply of Dr. Subbarayan, Minister of Transport and Communications, in the Lok Sabha and from his Ministry's latest order for five Fokker Friendships to replace as many Dakotas, it is possible to infer that the Ministry is still hoping to be vindicated in its stand and thus be in a position to revive the Lockheed project for consideration. The Minister's statement that "we have to wait patiently for some time" and that there is currently no alternative except to await the performance of the Avro-748 has a significance of its own.

Now the focus of attention should, therefore, be on Kanpur, where the first manufactured model of Avro-748 is scheduled to be ready for flight in the latter half of this year. The British manufacturers believe that, while there might be delay in the completion of flight tests due to unforeseen difficulties, the production of the planes, scheduled for the latter half of 1962, can be adhered to. But the whole thing will depend on whether the model finally obtains the certificate of airworthiness from the British manufacturers. Even if the project ultimately fails in the sense that the plane cannot be produced for use by the I.A.F. and the I.A.C., there will be no financial loss for the Government of India, for the agreement with the British firm provides for its paying to India the entire amount spent by the latter in connection with the project. But any such failure will certainly mean further delay in the development of a civilian aircraft industry in India. The chances are that, in the event of failure of the Avro project, the Lockheed Corporation may be invited to come in and go ahead with its project with greater expedition. It is still too early to say whether the Transport Ministry has lost or the Defence Ministry has won.

UNEMPLOYMENT RELIEF

Agreement in principle is reported to have been reached by the States' Labour Ministers, at an informal meeting held at New Delhi this week, that an unemployment relief fund should be established during the third Plan period. The details of the scheme are yet to be worked out for which a three-man committee, consisting of the Labour Ministers of Maharashtra, Madhya Pradesh and Rajasthan, has been appointed. The exact size of the fund, the manner in which it is to be administered and the nature of the relief to be provided, etc., have not been finalised, but it seems that what the Union Labour Ministry, which mooted the suggestion, has in mind is not unemployment insurance of the kind obtaining in Britain or the U.S. but an entirely different scheme which seeks to prevent unemployment resulting from closure of units by helping them to tide over temporary financial difficulties, by taking over sick units for temporary management and by retraining workers thrown out of employment for alternative occupations.

This form of help to industrial units has necessarily got to be selective, as the size of the fund is limited and also because not all dying units deserve to be rehabilitated. But even this limited form of aid, in the manner proposed, involves industrial management and financing. It is, perhaps, for this reason that it is admitted by the Labour Ministry that the scheme should be administered in co-operation with the Ministry of Commerce and Industry. But, as the latter is already charged with the responsibility of reviving and running industrial units which have closed down, will not the Labour Ministry's move constitute duplication of work? Of course, the funds made available for revival of closed units and helping weak ones could be augmented as unemployment relief or preventive measure. But is there really need for a fund to be administered by a Ministry which has no experience in industrial financing or management?

If, however, the fund were to be utilised for paying cash compensation for the unemployed for a specified period, as is done in Britain or the U.S., these difficulties would not arise. But, in view of the magnitude of the unemployment problem confronting the country, any scheme of cash payment, however modest, would require a much bigger amount than the Rs. 2 crores (is it per annum or just to begin with?) envisaged under the proposed scheme. If, however, the authors of the scheme are thinking of giving relief only to those who are threatened with prospects of unemployment—which is what they seem to have in mind—it would mean adoption of double standards, as, for every one person who is likely to lose his job, there are hundreds who are already unemployed and get no relief whatever from the State. The fact is that since there is no prospect of the unemployment problem being solved in the foreseeable future, let alone during the third Plan period, such relief, if it is to be provided for all, would have to be a continuing one. The enormity of the task is such that it poses a formidable challenge and it is unwise to embark on a scheme without carefully counting its cost and estimating the chances of success.

COFFEE INDUSTRY

Robusta coffee seed is now sold in retail at about Rs. 2.73 per lb. Of this price, the return to growers of coffee is a bare 80 nP and taxation amounts to 31 nP (excise duty 19 nP and sales tax 12 nP), or a total of Re. 1.11. One would want to know how the balance of Re. 1.62 is accounted for. Whatever be the answer, the return to growers is too low to cover adequately enhanced production costs. It is forecast that the coffee growers may receive as little as Re. 1.75 per point for the crop just delivered, as against Rs. 2.50 a few years ago. The price is certainly an uneconomic one and, as Mr. M. M. Appaiya, Chairman of the Coorg Planters' Association, warned when he addressed the annual general meeting of the Association at Mercara last week, if steps are not taken to give a better return to the grower, the decline of the industry is inevitable. The force of this warning would be appreciated fully if it were borne in mind that the coffee growers have no control over either the export prices or internal consumer prices.

Mr. Appaiya was not, however, correct when he remarked that the tax burden on coffee was unduly heavy; "I do not think," he said, "any other commodity is the object of so much tax burden (39 per cent on robustas and 33 per cent on arabica)." For the basis on which he calculated the percentage of taxes is the return received by the growers (Rs. 90 for robustas and Rs. 94.30 for arabica per cwt.), whereas it should actually be the retail prices of coffee. On this basis, the incidence of taxation works out to about 10.4 per cent which is not heavy. Mr. Appaiya would have done better if he had, instead of asking for a reduction in tax burden, presented a stronger case for suitable increase in return to growers. He did, however, plead for some relief in agricultural income-tax, so as to enable the coffee producers to replant the unproductive coffee stands of over fifty years. He urged the Government to consider the question of treating coffee replanting as normal estate expenditure.

The Coffee Board's policy of marketing under bulks was criticised by Mr. Appaiya. Stating that the policy had acted adversely to the demand of Indian coffees, he observed: "The distinctive qualities of some of our coffees that made them so well known were forgotten by the system of bulk sales. The protected markets and the fair prices we have enjoyed in the past few years, coupled with sales in bulk, have tended to dampen the pride we once took in our coffees, and the consequence has been an accent on quantity rather than quality." There is considerable force in this statement and, as this journal itself has stressed time and again, the Coffee Board must reorient its marketing system and it will do well to consider the proposals put forward by the United Planters' Association of South India in this regard.

The Coorg Planters' Association Chairman highlighted another important aspect of the coffee industry, namely, that pertaining to wages. He laid emphasis on the need for tackling the problem of wages in its correct perspective, due consideration being given to the fixation of norms for works. In support of this plea, he alluded to the predominance of small coffee growers and the high employer-employee ratio of 1 : 2 in this group. Out of the 9,600 growers in Coorg, roughly 9,300, we are told, are small growers who together own about 32,000 acres, or over 50 per cent of the total coffee area. Mr. Appaiya contended that, since work on coffee plantations is essentially agricultural in nature, wages to workers on these should have some relation to those paid to workers in other agricultural fields. This suggestion is, however, unworkable for the simple reason that plantations constitute scientific agriculture on a large scale which is supposed to be more profitable than subsistence agriculture and workers employed therein have necessarily to be paid more than the workers engaged in, say, rice fields. These days, no Government will be able to implement a wage policy which is not related to the profits made in the industry concerned. The suggestions of employers, if they are to carry conviction to workers, must be in keeping with the spirit of the times. The remedy for the difficulties of small growers of coffee lies in their getting together and merging themselves into viable economic units.

PROBLEMS OF FOOD PRESERVERS

The adverse conditions under which the food preserving industry is functioning in this country were very elaborately described by Mr. B. B. Sardeshpande, Chairman of the All-India Food Preservers Association, at the eighteenth annual conference of the Association held at Bombay on the 3rd inst. He appealed to Mr. P. K. Sawant, Maharashtra's Minister for Agriculture, who inaugurated the conference, to set an example to other States by extending all possible assistance in the matter of supplies of different standard vegetables, such as tomatoes, peas and beans of cannable varieties. There are, of course, a number of issues raised at the conference, which were clearly beyond the scope of the State Government, and Mr. P. K. Sawant was not slow in directing the organisers of the conference to secure the redress of their grievances from the Central Government. Such, for example, was the demand of the Association for securing sugar at world market prices. Considering that our country has now a surplus of 1.35 million tons of sugar and that the Government is trying to dispose of this quantity by subsidising its exports at world prices, the Association is clearly on firm grounds in asking the Government to grant sugar to the food preserving industry at world prices. As the entire demand of this industry is not likely to exceed 5,000 tons per annum, the plea for subsidised supplies cannot be considered to be unreasonable. The Association has rightly stated that such a concession will enable the country to earn more foreign exchange than what could be secured by the export of sugar as such. The supplies of subsidised sugar to the food preserving industry would also benefit a number of other ancillary industries as, for instance, the container industry, and provide more remunerative employment.

Another grievance which the food preserving industry has to suffer is the heavy ocean freight rate from India. The freight rate on such items from Australia to the U.K. works out to an equivalent of Rs. 65 to Rs. 67 per ton of 40 cubic ft. whereas the corresponding rate from India to the U.K. or European ports is as high as Rs. 130. In order to help export promotion of preserved and canned foods, the Association has further suggested that the Export Directorate should investigate the methods of avoiding inordinate delay in loading and unloading at the ports. This is also a reasonable suggestion and the authorities concerned should take appropriate steps expeditiously to avoid delays in ports.

The food preserving industry, too, has its tax-grievances and the sponsors of the conference did not miss the opportunity to ventilate them, undeterred by the stubborn attitude of the Finance Minister. It would appear from what they said that the Government has taken away by one hand what it has given by the other. Thus, the subsidy of Rs. 500 per ton on tinplate is largely neutralised by the increase in the excise duty on the same by Rs. 200 per ton. Another related grievance is that the subsidy is applicable to tin containers used for fruit and vegetable products only and not for cans used for preserving fish, meat, cereals and lentils. It is not clear why the Government should be so niggardly as to deny this assistance to the packing of these products too. It is a well-known fact that the scope for exporting preserved fish to the U.S. and other developed countries is very good. Incidentally, the Association has made a plea that the subsidy be extended to glass containers also. The Chairman made a pertinent reference to the land ceiling legislation and stated that horticultural lands should not be subjected to such legislation, as it would hamper the progress of this industry.

MR. HUNTER ON TEXTILES

In just one sentence, Mr. E. F. G. Hunter, Chairman of the Binny group of textile mills, impressively summed up the cotton textile situation when he addressed the recent annual meetings of the two Companies. He said: "The artificial limitation on production of cotton textiles by the mill industry, effected by the control of looms and spindles installed, has produced in India's expanding economy the conditions which could lead to an inflationary rise in cotton textile prices, especially as third Plan targets appear now to be outdated, having in mind the provisional figures of the recent census." It does not need any thorough study of economics to prove that the cloth-consuming potential of the country will increase substantially in the coming years, what with the rising population and the improvement in the living standards of the masses. Such an increased potential can be satisfied fully and at a reasonable price only by a suitable expansion in the production capacity of the more efficient, large-scale mill sector. If the authorities fail to recognise this aspect and continue to place an undue reliance on the high-cost, small-scale decentralised sector, the consequences are bound to be very disquieting.

The mill industry must be allowed not only to expand its capacity but also to modernise its equipment and rationalise the methods of production. It is here that the need for adequate tax relief is urgent. Instead of appreciating this need, the Government has imposed a heavier tax burden on the industry. Mr. Hunter was pointed in his criticism of taxation. The fresh imposts on cotton textiles proposed in the 1961 budget, he declared, were unjustifiable and, in the light of the concern expressed by the Government over cotton textile prices, illogical. He considered it particularly unfortunate that the proposals for additional excise duty on cloth and the new excise on yarn had not been framed so as to make their impact and the manner of collection quite clear. He also characterised the excise on automatic loom production as unwarranted. To quote him: "Any form of penalty which does not apply equally to all mills can only be considered discriminatory and this levy is certainly no incentive to progress or to modernisation. The B. & C. Mills, which have a high proportion of automatic looms, have always done their best to earn foreign exchange by exporting. . . . Your Company's exports improved in 1960 and this improvement was against the trend of the country's textile exports. How then can it be said to be equitable, if Government, while encouraging mills to export, on the one hand, dampens their enthusiasm by introducing such an unfair impost?"

The answer to the poser raised by Mr. Hunter is obvious. Besides the unfair impost, the Government announced recently that import entitlements for dyestuffs and chemicals earn under the export promotion scheme could used only upto 65 per cent of their face valu One wonders, as Mr. Hunter does, whether t Government really appreciates the effect some of its decisions on mills that are deavouring to export more and more, especia in the context of growing competition in wo textile trade. The plea of Mr. Hunter for allo ing the mills the exports of which consist tirely of dyed and finished products to util all their import licences for dyestuffs for th own purposes does not seem to be unreasonab particularly in view of the necessity for porting more varieties of cloth the foreign change value of which is high.

LEGISLATION FOR TEXTILE WAG

The Bill introduced in the Rajya Sabha Mr. Abid Ali, Union Deputy Minister Labour, to give statutory effect to the reco mendations of the Cotton Textile Wage Bo has not come as a surprise. For sufficient in cations had been given by the Union Labo Minister, Mr. G. L. Nanda, in the past that, the recommendations of the Board were not cepted by all the mills, except, of course, th exempted for special reasons, the Governm would be forced to bring in legislation to force the award. It is said that, of the 444 t tile mills, 18 have been exempted from award by the Government. Of the remain 426 mills, only 375 have accepted the rec mendations in principle and even they are plementing the award in various stages. T leaves 51 mills, which have either reservati or have completely ignored the award. It is intransigence of these 51 units that has for the Government to have recourse to legislat

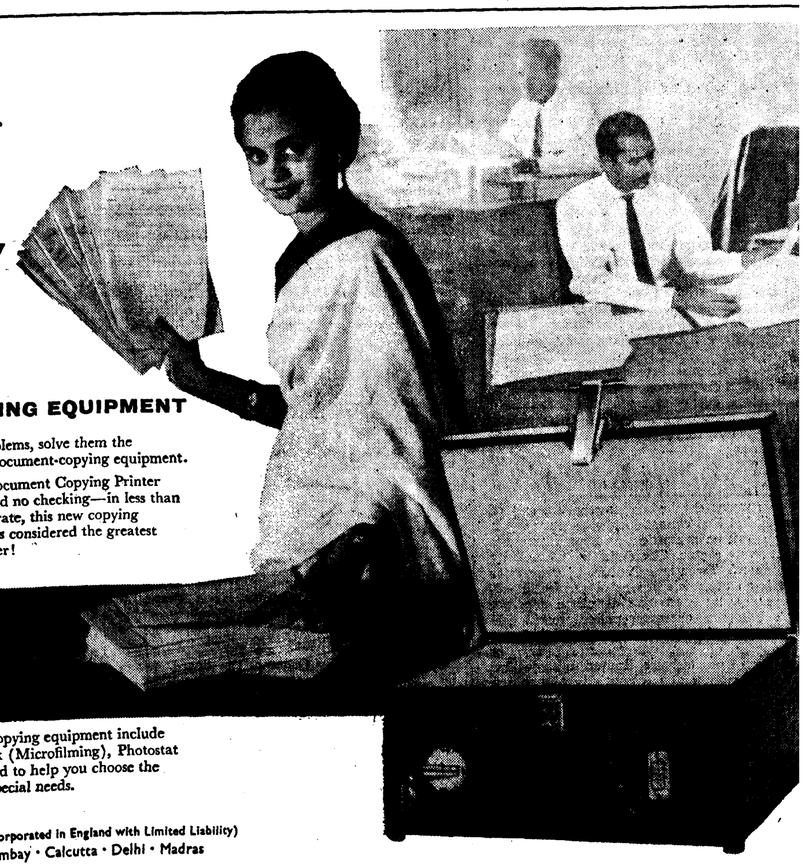
For the purpose of enforcing the provisi of the Bill, the industry would be divided i two categories, namely, those establishments Bombay City and Island, Ahmedabad, Calcu Delhi, Madras State, etc. and those in all other areas. The prescribed increase in basic wage of Rs. 8 in the first category Rs. 6 in the second category will have ret pective effect from January 1960. The Bill

(Continued on page 864)

COPIES—
SIMPLY
AND
QUICKLY
with
Kodak
DOCUMENT-COPYING EQUIPMENT

Whatever your copying problems, solve them the *modern* way—with 'Kodak' document-copying equipment.

For instance, the 'Kodak' Document Copying Printer gives clear copies, which need no checking—in less than two minutes. So easy to operate, this new copying aid—now made in India—is considered the greatest invention since the typewriter!



Other 'Kodak document-copying equipment include Verifax, Duostat, Recordak (Microfilming), Photostat and Statfile. We will be glad to help you choose the right equipment for your special needs.

Kodak Limited (Incorporated in England with Limited Liability)
Bombay • Calcutta • Delhi • Madras

ON THE ARENA

By The Archer

How Does a Leader Come Into Being?

I HAVE read an answer to this question somewhere, and, though I forget where, yet I remember the answer. A leader is one who finds himself, by design or accident, in the midst of a crowd. The crowd is not static; there is a great deal of activity, and lots of pushing and elbowing. Invariably, it divides itself into two sections, the right wing and the left wing, but there is a perpetual onward march. The right wing moves towards the left and the left towards the right. Some of those in front move from one wing to another until the apex gets thinner. Finally, one man emerges alone in front and at the head of both wings; he turns back and halts the jostling. There is a lull in the pushing, for everyone behind is tired; and, seeing one person at the helm, all are ready to believe that he is the leader, and are prepared to listen to him. And that, in short, is the way most leaders in democratic societies have discovered themselves.

Why then should there be any large-scale excitement about a deputy leader? The simplest way to bring into existence a deputy leader would be for the leader to look into the crowd, pick out one whom he likes or fancies or has confidence in, and say, "Hey, mister, you there in the second row, third on the right from the centre, please come over and be my deputy," and, of course, everyone is bound to shout 'Jai', or should, by all the laws of averages, crowd psychology, democratic discipline, etc. The whole thing is so simple that I cannot understand what all the excitement was for in Delhi during the last one week. Or, have I been indulging in oversimplification? If so, it is only in assuming that the leader chooses his deputy and his team, not the entire body that has gathered. The leader always chooses the individuals to constitute his team, so why have a different procedure for choosing the second-in-command? Anyway, the whole *tamasha* is over. The 'election' of a deputy leader has been postponed, or, as the announcement goes, the P.M. has been authorised to take such action as he thinks fit, including postponement of the election.

A man who has an ulcerated stomach spends all his thought on his stomach. Similarly, a society, with a sick and aching election complex, is for ever preoccupied with thoughts of contests. I confess, of course, that my aversion to the rough and tumble of electioneering is fifty years old, and began when I was defeated in a contest for the monitorship of my class. I was foolish enough to base my candidature on the fact that I was considered to be the best pupil in the class and had won the first prize; but I was a tiny little fellow, and my opponent a big bully with many pounds of brawn. Even my class teacher was unable to help me win, and so I had to slink away with my tail between my legs. Since then, I have begun to believe that, while there was no such thing as peaceful co-existence in electioneering contests, the greatest impairment to the health of large numbers of people took place during such contests, out of worry to the candidates and fear to the electors. The less we have of them the better for peace on earth and goodwill towards men.

* * * *

There Must Be a Way Out

Government employees may be the salt of the earth, but that cannot justify the imposition of income-tax on gratuities paid to employees in the private sector. The definition of gratuity in Chambers's Twentieth Century Dictionary is that it is an acknowledgment of service, usually pecuniary; but even this definition does not bring out its real character under present conditions. In a majority of cases, it is a lump-sum payment of, say, one month's salary for every year of past service, limited to a specified number of years, and is essentially alimentary, a wherewithal to arrange for some provision for the remaining years of an employee's life after superannuation. In most instances, it helps the employee to purchase a house or buy an annuity, for he has no pension to depend upon, and rarely gets another job. It is, indeed, cruel to take away a sizable chunk out of such a payment towards income-tax and utterly illogical to treat as 'income' what is basically a capital payment offered as benefit for long years of service. In Britain, the income-tax law does exempt gratuity from tax, but, in India, it does not, and the reason, it is stated in some quarters, is that there is a suspicion that such exemption might enable employers to practise tax evasion through collusion with employees. I have no knowledge as to how such collusion can take place in an organised manner over a wide area, but, in any event, I feel that, even so, the way to stop such evasion is not by penalising every beneficiary. The Finance Minister is reported to have stated that the exemption granted to gratuity paid by Government is part of its revised pension system, and that, if the gratuity scheme in the private sector conforms to this pattern, the grant of exemption will be considered. This, indeed, is the correct answer to the problem; the *non possumus* approach of denying the benefit because of the possibility of collusion is, I repeat, cruel. As in the case of provident funds, Government should formulate rules for recognition (by the Commissioners of Income-tax) of gratuity payments, and *insist* on employers conforming to them, so that the benefit is passed on fully to the beneficiary. Gratuities paid in accordance with statutory provisions or under the awards of labour tribunals would seem to be fully protected and are either exempt from income-tax or the tax is payable by the employers. But those paid outside these awards, as, for instance, to the supervisory staff of scheduled banks (other than the State Bank of India) are not. A bank official drawing a monthly salary of Rs. 1,000 and paying an annual tax of about Rs. 740 on his salary, will, if he receives a gratuity of fifteen months' salary on retirement, have to pay a tax of about Rs. 2,200 that year on his total income, and a loss of Rs. 1,460 from a gratuity of Rs. 15,000 is, indeed, something that will cause a pang, apart from the fact that the gratuity itself will hardly fill the gap (in his budget) between his monthly earning of Rs. 1,000 (while in service) and nothing after retirement for, perhaps, a little more than two years even under the adoption of the most austere standards of living. In this context, it will be of interest to note that the Taxation Enquiry Commission of 1953-54 (Vol. 2, page 143, para 34) has recorded the following view:

"It must be recognised that restriction of relief to these two forms of savings, namely, insurance and provident funds, gives a certain degree of stimulus to investment in Government securities and other comparatively less risky forms of investment, and correspondingly restricts the scope for risk-bearing equity investments. Theoretically, there is a case for including other forms of savings within the relief; if all forms of savings could be included, we shall have found a way by which income-tax is converted into what in effect would become a pure spending tax. The problem would be to find forms of savings or to work out administrative procedures which prevent liability to abuse of any wider extension of the relief."

The question is on the anvil now, and I hope that the Select Committee which is concerned with the comprehensive codification of the Income-tax Law will find a way to protect gratuity payments from the imposition of tax. In the meantime, Government may consider the alternative of waiving income-tax on all gratuity payments, provided they are directly invested in Government of India 15-year annuity certificates; this would be within the ambit of the suggestion made by the Taxation Enquiry Commission referred to above.

* * * *

Advances to Industries—Revised Re-thinking

As New Delhi sees it *today*—may be, it will change its mind again—banks should play a major role in the matter of making industry finance. In other words, banks are expected to curb long-term and medium-term loan accommodation to industrial enterprises and confine themselves to their historical role of providing short-term accommodation for working capital. The position is, of course, very perplexing, because the Reserve Bank has, during the past three or four years, been giving positive encouragement to commercial banks to enter the field of medium-term advances (and, of course, there is a tendency for the dividing line between medium-term and long-term getting thin, and sometimes obliterated after the advances are made), and, it would seem (as hearsay reports go) that, in closed conferences and discussions, the Reserve Bank authorities have been waving away the "historical role" concept propounded by the orthodox gentry of the banking world as being chicken-hearted and entirely unsuited to the dynamics of current Indian economic development. The creation of the Refinance Corporation and introduction of the guarantee scheme of advances to small-scale industries lead one to the inevitable interpretation that the Reserve Bank has not been of the Finance Ministry's new way of thinking in this matter in the recent past. Monetary stringency has created problems for the banking system, and the absence of liquidity in the block advances made to industry is accentuating them. There is an anxiety complex all round, especially because industries do not seem to be very willing to reduce their debt-equity ratio. The cat that has lapped up the milk will always prowl round the kitchen.

The Reserve Bank might—I don't know if it will—ask the scheduled banks to bring down their advances, but, as I have stated on an earlier occasion, lending moneys is easy, losing deposits is also easy but recovering moneys is the most difficult thing during a period of accelerated industrial activity. It was not without substance that Harold Bateman published, almost thirty-five years ago, one of his most scintillating cartoons, under the caption "The man who paid off his overdraft," featuring a jaunty and immaculately dressed city businessman, who had fully repaid the advances he had obtained from his bank, walking out of the bank manager's room with a broad smile and a cigar in his mouth, respectfully seen out by the manager himself, and cheered by all the employees craning their necks over the counter, for, was he not a phenomenon worthy of the greatest adulation? Seasoned bankers know by years of personal experience that it is folly to give the go-by to the orthodox tenets of commercial banking; it produces (a) biological discomfort in banks through delayed peristalsis and imbalances in the metabolism of industries, and (b) increases the cholesterol content both in the tissues and blood stream of industries. (Sorry—I should not be using these mixed metaphors.)

It is difficult to get a break-up of the statistics of bank advances into short-term and medium-term, but I reckon that they are likely to be somewhat disturbing. With a persistent demand for finance for various purposes, there is a recurring tendency for moneys getting gradually sluiced into non-flexible ventures, so that more and more people, besides banks, get tied up into knots. That is why most banks are finding it beyond their resources to accommodate their constituents fully even for their working capital needs.

Adherence to the orthodox tenets of commercial banking is as important for banks as adherence to chastity in civilised human society. Once a slight transgression is permitted or encouraged, discretion becomes a casualty and the desire to live dangerously asserts itself. But, of course, I am assuming that chastity is a virtue!

Notice

THE BENGAL FLOUR MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting (being the one hundred and twenty-seventh Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 31, Netaji Subhas Road, Calcutta, on Friday, 19th May, 1961, at noon, to consider the Accounts of the Company for the year ended 31st December, 1960, and to transact other ordinary business.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 8th May 1961 to 19th May 1961, both days inclusive.

By Order of the Board,

BALMER LAWRIE & CO., LTD.,
D. MANSON,
Secretary,
Managing Agents.

31, NETAJI SUBHAS ROAD,
CALCUTTA, *21st April*, 1961.

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

DELHI LETTER

INDIA'S OIL POLICY ELUCIDATED

MR. MALAVIYA IS LOGICAL, BUT NOT PRACTICAL

(From Our Special Correspondent)

NEW DELHI, *2nd May*

MR. K. D. Malaviya, Minister for Mines and Oil, embarked on an elaborate defence of the Government's oil policy in the Rajya Sabha last week which was curious in some ways. He had been less explicit on some of the matters he now mentioned, when, quite recently, he replied to the debate in the Lok Sabha on the demands for grants of his Ministry; since then, reports have appeared in the Indian Press to the effect that one of Mr. B. K. Nehru's tasks in New Delhi was to apprise the Government of the prejudice created abroad by India's oil policy and the impression which persists that India has been rejecting offers of substantial private investment in this field because of the desire to restrict all development to the public sector. Possibly such reports inspired Mr. Bhupesh Gupta's charge that senior officers were trying to influence adversely the implementation of the Government's policy; Mr. Malaviya gallantly came to their rescue, pleading that senior officers have sometimes to discharge duties which become onerous and complicated and "when they make a particular type of effort to make a success of their schemes, it should never be misconstrued to mean that they are trying to influence in an adverse way the implementation of our policy."

Mr. Black's Bluntness

While no one knows what kind of brief Mr. B. K. Nehru carried back on this particular matter to the Washington meeting of the Aid-India Club on 25th May, Mr. Eugene Black's address to the U. N. Economic and Social Council (on 24th April) gives some indication of the reactions of even close and sympathetic friends of India to the rigidities of Indian policy. Mr. Black was deliberately blunt on this occasion and observed that population growth was threatening to nullify all efforts to raise living standards and went so far as to say that "we may have to abandon for this generation our hopes of economic progress in the crowded lands of Asia and the Middle East." While international agencies could not do much in this field, Mr. Black said that Governments could act—though he did not amplify how. His purpose, however, was to warn that population growth increased the penalties for breaking the rules for successful economic development and to underline the fact that capital was short and had to be stretched as far as it could possibly go. The test of any economic policy in an underdeveloped country was whether it prompted maximum economic growth and, if it did not, he declared that "we must look very closely at any doctrines which are put forward to excuse this sacrifice of economic advancement."

A significant aspect of Mr. Black's speech is the complete absence of any of the usual references to the adequacy of the capital outflow from the advanced countries or of better trade with the underdeveloped.

He took it for granted that the industrialised countries have shown willingness to help and stressed that, while all the evidence pointed to a greater flow of aid in the coming years, there was a limit to the funds that capital exporting countries were willing to provide. Thus, there appears to be a shift of emphasis at the higher levels from more aid and grant of easier terms to better use of available capital. In regard to Germany, which is often criticised for being too niggardly in its measures for assistance, Mr. Black spoke in generous terms, referring to that country as the largest provider of funds for the World Bank.

The crucial portion of his address, however, was the stern warning to the developing countries. "They cannot afford," he said, "to waste scarce resources by putting prestige ahead of real need, by ignoring hard economic calculations, by *refusing to accept productive capital while they debate for years the respective roles of public and private enterprise.*" (Italics ours—ED.)

The Context

The reference in this part of the speech to Indian economic policy is too obvious to be missed and in no other field of development has it become more controversial and important as in oil though it is valid to a lesser extent in coal. In regard to the latter, the World Bank has already made it clear that it will give aid only to private coal companies. No similar occasion has arisen in regard to aid for oil projects as such, but, when overall economic aid in several forms has to be discussed, the question whether all the available resources of a country are being utilised becomes relevant and whatever be the Government of India's case on this matter, it has not been able to convince outside observers—who are by no means unsympathetic to its plans—that the best use has been made of the resources to which India has access.

Mr. Malaviya's defence of the Government's policy has to be viewed in this context. At several places, it is ambiguous and often lacks the coherence and precision of language needed for an official policy statement, but the main purport of it was that Standard-Vacuum had originally obtained permission for establishing a 0.92-million-ton refinery but had later expanded its capacity to 1.94 million tons and that Burmah-Shell had similarly expanded from its original proposed capacity of 1.5 million tons to 2.8 million tons. In both cases, Government had consciously permitted them to double the capacity because of the need for their products and this, according to him, disproves the charge of ideological bias laid against the Government—which he described as "an incorrect and a cruel criticism."

Economic Question

The motive for such criticism, according to the Minister, was the fear of the oil companies about the growth of two sectors in a manner which may eventually compel them to reduce their cost and their working. He, therefore, promptly proceeded to affirm that the Government was quite reasonable and would not grudge them the profits they make "out of their own toil and out of their own capital," so long as they left the Government alone to mine, refine and distribute the oil discovered in the country. In his characteristic style, Mr. Malaviya declared that it was "a purely cent per cent economic question for us to have refineries of our own if we produce our own oil." His overwhelming desire seemed to be to avoid forcing Indian crude oil on the foreign companies when they could get their own crude very cheap from their own sources. Was there a suggestion here that Indian crude will be costly by comparison? One cannot say, but, if it was really so, the costs of public sector refining and distribution should be extraordinarily cheap if the competition with the private oil companies should be such as to embarrass the latter and create apprehensions about the profitability of their own operations, as Mr. Malaviya suggested.

The substance of Mr. Malaviya's thesis was that, for an estimated consumption of 13 million tons at the end of the third Plan, two million tons will comprise products which will have to be imported and that the private sector refineries and present plans for public sector units (at Nunmati, Barauni and Gujarat) will suffice to meet the rest of the demand. Over and above this, he was in no hurry; he was willing to contemplate the rise in population and prosperity taking consumption to higher levels, but quite unwilling to mortgage the future of the public sector by giving away refining capacity in advance. At this stage, the Minister appeared a model of prudence and circumspection, refusing to plan prematurely or incur unnecessary capital expenditure ("merely because there is some money readily available just now!") and only too conscious of the transitional stage of our oil industry to make the mistake of losing the initiative of the public sector. Solemnly refuting the charge that there was any doctrinaire or ideological approach, Mr. Malaviya affirmed that, nevertheless, there were certain ideas and ideologies behind the perspective for the development of the oil industry within the framework of the Government's initiative, control, management, operations and ownership, which is envisaged in the Industrial Policy Resolution.

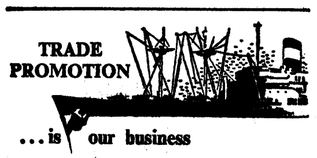
No Obstinacy?

It is obviously difficult to say whether all this will "remove the impression which might have been created in very high circles in important sections that there is obstinacy." Mr. Malaviya wants to have it both ways; on the one hand, the Industrial Policy Resolution is regarded as imperative, dictating the course of action so far adopted which he, as a member of the Government, cannot modify; on the other, the Minister claims that he is always prepared to take a liberal view, to make "small repairable dents in this policy" against the background of realities, in order to make a success of planning.

The public in this country which has no means of knowing what actually was offered by the oil companies and rejected by the Government, may consider this an example of sweet reasonableness and find it quite acceptable if the many little internal inconsistencies can be ignored. It is unlikely that even abroad amongst the aid-giving nations there would be any inclination to say more on the subject which may give the impression of special pleading for the private sector here or interference with our domestic economic policy. But Mr. Eugene Black's unusual bluntness is a portent; out of his long experience in providing aid for developing countries, he recently developed the theory that the diplomacy of aid consists in illuminating choices open to national leaders and leaving the latter to opt for the most feasible courses of action. There was no suggestion of "strings" of any kind, nor is there any now; but one choice which has been brightly illuminated by his recent outspoken warning is that the object of inducing industrial nations to part with more and more capital for aid may be insufficiently achieved if there is no willingness to use it in the most efficient ways. Being logical about the Industrial Policy Resolution—assuming Mr. Malaviya is that—may not be enough.

A petro-chemical complex is likely to develop in due course around Nunmati (Gauhati) and Barauni based on the refinery gases from the public sector refineries being built at these two places. About 25,000 tons of refinery gas will be available annually at Nunmati and 70,000 to 75,000 tons at Barauni. The figures relate to a refinery capacity of 750,000 tons and two million tons per annum, respectively. A number of proposals for the utilisation of these gases for petro-chemical industries are in the preliminary stages of formulation. These have yet to crystallise into firm demands for refinery gas. In the intervening period, it is proposed to utilise a part of the gas to produce 20,000 tons of liquid petroleum gas at Barauni for use as domestic fuel and for sale to industrial consumers. This quantity can be increased up to 60,000 tons per annum. A new proposal to set up a smaller L.P.G. plant at Nunmati is also under consideration. The balance of refinery gas not converted into liquid petroleum gas will be used for power generation and for fuel purposes in the two refineries until such time as there is a demand for it commercially.

The Committee on Improvement of Agricultural Statistics, set up at the conference of Directors of Land Records and Agricultural Statistics in September 1960, held its first meeting at New Delhi on 28th and 29th April 1961. The Committee revised the land record forms of the Punjab, Delhi and Himachal Pradesh which will serve as models for other States. The revised forms are expected to help in collecting more agricultural statistics of a more useful quality. It also discussed the question of recording the extent of areas under mixed crops in the northern and western States of the country. In his speech at the meeting, the Chairman of the Committee, Dr. R. N. Poduval, said that land record forms should provide for the collection of all basic agricultural statistics and that uniform concepts and definitions should be adopted so as to achieve inter-State comparability. Dr. Poduval added that the Committee would continuously examine the progress made in the revision of land record forms and the improvements to be effected in the quality and content of agricultural statistics.



Australia, New Zealand, and Fiji offer opportunities to exporters and importers and the International Division of the Bank of New South Wales can help those interested.

The Bank's complete banking service includes such specialized facilities as trade and industrial enquiries, economic and trade information, and a complete travel service. The Bank, through more than 1,000 branches and agencies, is closely and constantly in touch with industry, business, and agriculture in the areas it serves.

Enquiries may be made through your own bankers or direct to

BANK OF NEW SOUTH WALES

INTERNATIONAL DIVISION
John W. McEwen, Chief Manager

HEAD OFFICE: SYDNEY, AUSTRALIA

First and largest commercial bank operating in Australia, New Zealand, Fiji, Papua and New Guinea, with three branches in London.

IP60015

ENSURING WORLD MONETARY STABILITY

MR. JACOBSSON CALLS FOR CLOSER CO-OPERATION

ADDRESSING the Economic and Social Council of the United Nations two weeks ago, Mr. Per Jacobsson, the versatile Managing Director of the International Monetary Fund, comprehensively reviewed the external payments problems of the member-nations and dealt at length with the steps which the Fund was taking for achieving international monetary stability. At the outset, Mr. Jacobsson pertinently referred to the overall economic developments in the world in 1960. He informed the Council that, in spite of continued difficulties and problems for some countries and areas, industrial production for the world as a whole was 6 per cent higher in 1960 than in the previous year and world economy had another year of substantial growth. It was in the industrial countries in Western Europe and in Japan that the increase in production was most marked. An average increase of nearly 20 per cent in the imports of these countries, brought about an increase in world trade by no less than 10 per cent. Describing the effect of this development on primary producing countries, Mr. Jacobsson said that the rise in world demand had meant an increase in their exports by some 6 per cent, which proved for many of those countries of considerable help in securing higher receipts in their balance of payments, even though the general level of raw material prices tended to decline slightly during the year. But, on the whole, the important characteristic of last year, according to Mr. Jacobsson, was that the pronounced boom conditions in a great many countries was not accompanied by any increase in the general price levels on world markets for both primary products and manufactured goods. This feature had borne out Mr. Jacobsson's earlier prediction that the era of world-wide inflation would soon be a thing of the past. The Managing Director of the I.M.F. then referred to the peculiar conditions in Canada and the U.S.A., the two countries which have been passing through a period of adjustment clearly connected with the halt in inflationary price increases in the expectation of more stable prices. In Canada, the special problem was the continuing reduction in the volume of business investment from the levels attained in 1957. In regard to the U.S., Mr. Jacobsson averred that the recent adjustment had led to only a slackening of activity rather that a sharp setback in business. He saw a distinct improvement in "the basic position of the balance of payments" of the U.S. Thus, merchandise imports fell slightly but exports rose from $16.2 billion in 1959 to $19.4 billion in 1960 and there was an export surplus of $4.7 billion. It was, however, the movements on capital account—movements of short-term funds and private long-term capital investments abroad—which caused an overall deficit of $3.8 billion. He went on to add:

"It should be remembered, however, that when domestic capital flows out, foreign assets are acquired, and there is also the possibility of a return flow. It is too early to tell whether any substantial amount of short-term funds has yet returned to the United States, but for the last three months the strain on the dollar has been much diminished. This has, I think, helped people to form a more realistic opinion about the intrinsic strength of the dollar, particularly when they bear in mind that, even after the recent reductions, the gold stock of the United States still amounts to $17.5 billion and is nearly as large as the combined gold holdings of all the other member-countries of the Fund. Even with the magnitude of existing short-term dollar liabilities, this is a very strong position."

Improved Liquidity Position

Turning to the industrial countries other than the U.S., Mr. Jacobsson observed that the remarkable expansion in their volume of production over the last decade had by and large been accompanied by an impressive improvement in their liquidity position, helped as it had been by the outflow of gold and dollars from the U.S. over recent years. The result was that the reserves of these other industrial countries were some two and a half times as large as they were in 1950. A number of them had, therefore, felt that their balance of payments position was sufficiently strong to make possible the formal acceptance of the obligations of convertibility for their currencies envisaged in the Articles of Agreement of the Fund. In February this year, nine countries in Europe together with Peru and Saudi Arabia had accepted the convertibility obligations of Article VIII, which requires them to avoid restrictions on current payments, multiple exchange rates and discriminatory currency practices. And, what was more important, if they ever again wished to resort to such measures, they would have to consult the Fund and obtain its prior approval. Mr. Jacobsson informed the Council that in all twenty-one member-countries were currently subject to the provisions of Article VIII.

Less Developed Nations

Referring to the non-industrial countries of the world, Mr. Jacobsson stated that a few had been able to increase their international reserves in 1960. But, in many cases, the reserves were not clearly adequate, particularly in the light of the expansion in the foreign trade of these countries. Nevertheless, his advice to them was as follows:

"Even if their primary objective is to direct resources towards investment for the further development of their economies, many of them would probably be wise if they could strengthen their reserves, for, by doing that, they would increase their creditworthiness, and thereby attract more resources from abroad on a continuous basis. At the same time, they would then have a more adequate cushion against fluctuations in the prices of their main export products."

The speaker further informed the Council that, as a result of the difficult reserve position of a number of the less developed countries, they had requested assistance from the Fund, so that, during 1960, the entire drawing of $280 million was made by only the less developed countries. In contrast, several of the industrialised countries actually made advance repayments to the Fund. Thus, the drawings made by France and the United Kingdom in the year 1956-58 were fully repaid to the Fund in 1960. In all, repayments amounting to $650 million in 1960, exceeded the drawings by almost $400 million and this resulted in strengthening the liquidity position of the Fund itself.

The Managing Director then gave a long account as to how this improved liquidity position of the Fund had enabled it to enter into stand-by arrangements with as many as seventeen countries, under which the countries concerned were to be given liberal assistance in meeting their balance of payments difficulties.

Need for Co-operation

Welcoming the emergence of many new States in the world, Mr. Jacobsson observed that there were two seemingly opposite tendencies in the world: one was the political fragmentation caused by the establishment of many new independent States and the other was economic integration by the formation of trading areas in Europe and in Latin America. Stressing the paramount need for monetary co-operation in these circumstances, he emphatically observed:

"Undoubtedly, countries wish to regulate their own affairs with all the rights and powers inherent in independence, but, at the same time, they are fully aware of the fact that, in this complex and shrinking world they must co-operate with each other in many fields, including the monetary and financial fields. The acceptance of currency convertibility has not in any way diminished the need for monetary co-operation. One may even say that it has had precisely the opposite effect. As a result of currency convertibility, national economies are much more closely inter-related, and changes in prices, monetary conditions, and other economic developments in any one country react more quickly on others. It is clear that no single country can determine the price levels on world markets. The efforts of the monetary authorities to prevent any marked tendencies to either inflation or deflation will thus be heavily influenced by developments abroad. The monetary authorities in the various countries must, therefore, if and when the need arises, be prepared to agree upon the main lines of policy required to achieve reasonable stability of prices."

Elaborating the need for international monetary co-operation, the Managing Director of the Fund explained that, as a result of the greater convertibility of currencies and the widespread relaxation of exchange controls, the opportunities for movements of funds from one country to another had substantially increased—for instance, to take advantage of interest rate differential. There was clear evidence that there had been appreciable movements of commercial bank balances and of funds held by large international companies. Recent example of such movements occurred in the wake of the revaluations of the German mark and the Dutch guilder. Though these revaluations were intended to help establish equilibrium in the world payments position, the rumours about further exchange rate revaluations led to substantial movements of hot money. Counter measures had been taken through the co-operation of Central banks and he had no doubt that it was the determined policy of the countries-concerned to strengthen the exchange rate structure at present rates.

Present System Superior

With his flair for economic history, Mr. Jacobsson made an interesting comparison of the present situation with that thirty years ago, as will be seen from the following extract from his speech:

"At the end of 1960, central banks and governments, other than those of the Soviet bloc, held reserves amounting to nearly $60 billion, of which $38 billion was in gold, $10½ billion in dollars, the equivalent of $7 billion in sterling and some $4 billion in various other currencies. In addition to the consideration that interest can be earned on holdings of foreign exchange, the countries that hold part of their reserves in that form find it useful and convenient to do so partly because the two main reserve currencies are also the two main trading currencies of the world. The system under which most countries hold their reserves partly in gold and partly in reserve currencies is the present-day version of 'the gold exchange standard.' This was the system which, as you know, was built up in the decade after the First World War, but the difficulties then confronting the world, and the lack of international co-operation, led to the breakdown of the system. While it may be an open question whether any monetary system could have passed unscathed through the events of those years, there are, I think, two specific reasons why the system broke down. In the first place, the exchange reserves of many of the European countries had been acquired by large-scale short-term borrowing in the 1920's. Once the crisis set in, these short-term loans were not renewed and the reserves melted away. Today, on the other hand, countries have by and large earned their exchange reserves from current international transactions. The second weakness of the system of the 1920's was the absence of any international agency standing behind the national reserves. The Fund now holds that position, and the enlargement in the Fund's resources of currencies and gold by the equivalent of $5 billion, as a result of the increases in quotas in 1959 and 1960, is therefore of particular importance. Thanks to the added resources available in the Fund, which now total the equivalent of almost $15 billion, the present gold exchange standard has a strength that was lacking in its predecessor of thirty years ago."

I.M.F.'s Financial Assistance

Explaining the wide scope of the financial assistance given by the Fund and the need for flexibility in its operations, Mr. Jacobsson observed as follows:

"All members, large and small, have access to the Fund's resources under adequate safeguards, and I would like to point out, as I did in my statement at the annual meeting of the Board of Governors last September, that assistance by the Fund is given for a variety of reasons, and should not be regarded as available merely in emergencies. The authorities in a number of countries, such as Australia, the United Kingdom, and the United States, have also made it clear that they share this understanding and that they count on their country's drawing rights in the Fund as part of their effective reserves, and that they would not hesitate if necessary to make use of these rights.

"The international monetary system can never be a rigid system with fixed and permanent arrangements. It must be such that it can develop with the varying growth of the individual national economies and with the evolution of their financial and monetary needs and potentialities. Accordingly, the tasks and methods of operation of the International Monetary Fund should not be fixed, but must be responsive to the changing needs and conditions of its members. When the Fund began its operations in 1946, most currencies were still subject to the strict exchange controls set up during the war, and trade was still largely carried on through a network of bilateral trade and payments arrangements. Today trade and payments restrictions and discriminations have generally been removed and nearly all international trade takes place on a multilateral basis, with the more important currencies convertible under the Fund Agreement. As the situation has developed, the Fund has been reviewing its activities and adjusting its practices, so that it will be able to meet more adequately the needs of its members in this new world of freer trade and convertible currencies."

Changes in Drawings

The speaker then referred to the change in currencies which have been drawn from the Fund. For the first ten years of its life, the Fund was primarily an agency from which member-countries drew U.S. dollars and made repayments in dollars or gold. But, in view of the new tendency towards free convertibility of a number of currencies, it was appropriate for drawings to be made in the currencies of countries with a strong payments and reserve position. Mr. Jacobsson reported that much progress was taking place along these lines and that, in 1960, almost one half of all drawings were in currencies other than U.S. dollar.

Mr. Jacobsson told the Council that with greater freedom for movement of funds, attention had been focussed on the extent to which the Fund can finance adverse balances of payments on more than current account. As some of the provisions of the Fund, in particular Article VI, Section 1, did not prevent the use of the Fund's resources for capital transactions of reasonable amount required for the expansion of exports, etc., the Fund was currently engaged in examining the legal and policy aspects of these provisions. Another important matter which was engaging the attention of the Fund was the method by which the Fund's resources could be supplemented. Mr. Jacobsson was of the view that the Fund should be sparing in the use of its gold for this purpose, particularly because the gold holdings should be treated as a reserve to be used only in situations in which no suitable alternative was available. The most appropriate method to supplement the Fund's resources, according to him, was the conclusion of a network of stand-by arrangements with the main industrial countries under which the Fund would be able to use increased amounts of their currencies, whenever the need for such use arose.

Assistance to Poor Countries

Mr. Jacobsson concluded his long speech to the Economic and Social Council by reverting to the financial assistance extended by the Fund to the less developed countries and observed:

"The Fund's particular concern in the less developed, as in other, countries is to assist them to have a healthy balance of external payments and to maintain monetary stability at home. But the value to a country of the Fund's work is not limited to what the Fund does in its direct relations with that country. It is well to remember that the earning possibilities of the primary producing countries depend, as we have seen, very much on the general state of world trade, as influenced largely by business conditions in the leading industrial countries. Therefore, the Fund's efforts to promote international monetary co-operation, to facilitate the expansion and balanced growth of world trade, to promote exchange stability and to pursue its other purposes are in the interest of all its members. Despite the many problems that remain to be solved, great improvements have been made in the world's economic and financial structure, and with the help and understanding of member countries, there should be real opportunities for consolidation and further advance."

It will thus be seen from the aforesaid quotation that there is very little that the Fund can do to solve the balance of payments problems of developing countries such as India. Its contribution to their progress can only be indirect.

CONSTIPATION AND PILES

Habitual constipation can cause piles or hæmorrhoids, a condition where the veins within and immediately outside the rectum become swollen. Because of the pain it becomes more difficult and distressing to evacuate the bowel. The constipation gets worse and so do the piles with painful fissures. It follows that, if the acute pain and discomfort caused by the piles can be relieved, evacuation of the bowels will be made easier. Hadensa does just that. It brings prompt relief from pain and itching. With its continuous use, the piles shrink and complete relief is obtained. Hadensa, the well-known German pile remedy, contains no narcotics. It is nonstaining and is easy to use. A small plastic cannula with instruction for use is supplied in each package. If piles is your problem, Hadensa is the answer. Try Hadensa today. Now manufactured in India.

DZ-952

VYSYA BANK LIMITED

A substantial expansion in deposits and advances, a sharp rise in income by way of interest, discount, commission and exchange and almost a doubling of the profit are the main highlights of the results of the Vysya Bank Limited (Chairman: Mr. Y. S. Gopalakrishna Setty, Bangalore) for the year ended 31st December 1960. Contrary to the general trend of deposits for banks as a whole during 1960, the deposits of the Vysya Bank have gone up from Rs. 184.88 lakhs in 1959 to Rs. 200.97 lakhs in the year under review. Thanks to the pressure of demand for bank accommodation from trade and industry, advances also have registered a marked expansion from Rs. 106 lakhs to Rs. 135 lakhs—representing an increase of more than 30 per cent. This has taken up its credit ratio (ratio of advances to deposits) from 57.3 per cent in 1959 to 67.1 per cent.

The expansion in advances is clearly reflected in the growth of income from interest and discount, as well as from commission and exchange—the former has gone up from Rs. 9.10 lakhs in 1959 to Rs. 13.72 lakhs and the latter from Rs. 1.46 lakhs to Rs. 2.12 lakhs. But as the interest paid has increased substantially from Rs. 5.45 lakhs to Rs. 8.59 lakhs and the other expenditure from Rs. 4.45 lakhs to Rs. 5.73 lakhs, the profit (before taxation) has increased only moderately by Rs. 64,000 to Rs. 2.29 lakhs.

The Directors have provided Rs. 98,000 for taxation (Rs. 75,000 in 1959) and have transferred Rs. 82,000 to reserves (Rs. 42,500 in 1959). After these allocations, a sum of Rs. 47,517 is proposed to be distributed to ordinary shareholders, for paying a nominal dividend of 4 per cent, subject to tax, giving a net return of only 2.8 per cent per annum.

The Bank's paid-up capital at Rs. 11.88 lakhs is supplemented by reserves of Rs. 4 lakhs. Its investments have increased from Rs. 50.07 lakhs in 1959 to Rs. 73.77 lakhs. With cash at Rs. 31.53 lakhs the liquidity ratio (the ratio of investment plus cash to deposits) works out to 54.7 per cent, which is quite above the normal standards.

The total amount of loans for industrial development in the private sector granted by the Industrial Finance Corporation has crossed the Rs. 100-crore mark.

LONDON LETTER

THE ECONOMIC REGULATOR

POLL TAX MAY NOT BE SUPPORTED

From Our Own Correspondent

LONDON, *28th April*

MR. Selwyn Lloyd, when he presented his first budget last week, obviously intended to go down in history as the Chancellor of the Exchequer who both set the economy free and put reins on it to keep it in check if necessary. He was bent on breaking away from tradition, abandoning the principles which had guided Chancellors of the Exchequer for the past 50 years of taxing where the weight could best be borne. Then, despairing of the ordinary financial controls and determined not to accept the Socialist view of the need for physical controls, he has invented brand new controls to give elasticity to Government policy.

Relief To Big Incomes

His first step regarding taxation was entirely logical. If one operates a capitalist economy which is dominated primarily by the profit motive, then it is crazy to expect that economy to work if you take away most of the profit. The West Germans have appreciated that point and have made their system of taxation regressive above certain income levels, so that relatively the more a man earns the less tax he will pay. This is social anathema, but, in terms of productive incentive, it works. Mr. Lloyd proposes to give Britain a similar incentive by cutting down the rate of surtax paid by the higher income earners—the entrepreneurs, managers, etc. The effect has been dramatically described in terms of the salary paid to the Director of Imperial Chemical Industries, who was recently appointed as chairman of the British Transport Commission, with a mandate to put the British Railways on a paying basis. This gentleman's salary was £24,000 a year, of which, of course, he only keeps about a quarter; but, under the new arrangements, he would keep as much if his gross salary were to be slashed in half.

Tax on Industry

The City was generally overjoyed by this unexpected bonus on high earnings, but took less kindly to Mr. Lloyd's proposal to finance it out of the profits of industry by increasing profits tax. This is a contradictory proposal by the Chancellor, if, while appealing for more investment, he cuts away at the funds which are normally used for investment by businesses themselves. On this matter, he has no friends.

Having set the British economy free to operate more actively under the personal profit motive, Mr. Lloyd then introduced his new economy regulators. The Chancellor has made it very clear that he wants to cut down personal consumption (except, perhaps, the personal consumption of the highest income earners) and he is not content to wait from one Budget to the next before applying tax changes to this end. He recognises also that the economy and personal spending might need a stimulus at times. He has thus taken powers, entirely novel in British fiscal history, to be able to alter the rates of purchase tax and excise duty as he sees fit (though within certain limits) without going to Parliament. Thus, he hopes that, by pushing up the duties on tobacco, spirits and the wide range of domestic articles which are subject to purchase tax, he would cut down personal spending and nip inflation in the bud.

Whether the limitation on his powers would, in practice make his action effective enough is another matter. It is, indeed doubtful whether this sort of interference with consumer purchasing power would have much immediate effect; that is to say, on the basis of limited increases. It is a sort of weapon which might act, if it could be applied drastically enough, but, then, it becomes so unpopular that Governments hesitate to use it.

Poll Tax

His second regulator is the poll tax. This was born of the Government's irritation when the motor industry, finding its business dropping drastically, nevertheless held on to its labour force (by cutting down the number of days' work), instead of letting men go out to other industries which remained short of labour and where the labour could have made a better contribution to Britain's capital goods and export industries. So Mr. Lloyd proposes to tax pay-rolls. Even his friends have been quick to point out that this could work in quite the wrong way from the way he would like—a firm faced with a sudden tax on its wage bill might react by getting rid of its married women and old men employees none of whom could easily fit into the alternative industries, while still holding on to its vital workers—just the ones who are needed elsewhere. The general impression at this date after the Budget is that the proposal is still-born.

* * * *

LONDON, *29th April*

ALGERIA AND UNITED EUROPE

With the Budget excitement over, the City of London became obsessed with international factors. The stock markets bobbed about like puppets responding to the strings of the Cuban and Algerian fiascos. The Cuban affair is an American concern and, while it has weakened American prestige on this side of the Atlantic, it is of no significance in intra-European affairs. Very different has been the effect of the Algerian revolt, the last stages of which are still being played out.

Your Correspondent was in France at the time the revolt took place and was struck to observe two things, the second of which is now beginning to have its long-term damaging effect. The first was, of course, the obvious military insecurity of metropolitan France as wide open to an invasion by its own overseas armies as was ever the ancient Roman Empire. The second was the division of French opinion on policy towards Algiers, a division going right through into the peasant classes where the idea of *Algerie Francaise* is as strong as ever. This division, coupled with the military coup, has made people on this side of the Channel feel, once again, that France is an unreliable political partner.

U.K. and Common Market

For so long the British Government has been trying to edge its way into the Common Market with the figure of de Gaulle barring the way. France was the strong man of Europe in the political sense as Germany was in the economic sense, and de Gaulle had to be cajoled into accepting Britain as a European partner. Suddenly, the figure of de Gaulle has trembled. France has been shown as a divided country, a country in which the army can shake the Government, and a country wedded to old-fashioned ideas of colonial dominance.

It is true that the diehards have lost and enlightened France has won, but the question here is—How strong is this enlightened France, after all? This is not a question which the British Government itself is raising, but it is one which is agitating many of its supporters.

Nevertheless, in a talk this week to the foreign Press, the Chancellor of the Exchequer continues to insist that British policy aims still to find a basis for negotiations between the European Economic Community and the European Free Trade Association. "Co-operation," said the Chancellor, "is essential in our modern world. This is an essential element now in our economic thinking and action. So, if I am to sum up Britain's economic aims in 1961, I must say that they are, first, to maintain the strength of the pound sterling; secondly, to increase the competitiveness of the British economy; and, thirdly, to further the fullest co-operation in the international institutions that will help to keep world trade expanding and will promote world development."

But the Chancellor is no longer Foreign Secretary and it remains to be seen whether, in the impending Anglo-French talks, Britain's desire for union is still as strong or whether, while still desiring union, the Government will make no further concessions to France as the price. But whether Britain's union with Europe comes sooner or later, co-operation in the Chancellor's sense is here to stay. Tariffs are coming down, quotas and currency restrictions are dead and international money rates are to be aligned. These practical processes cannot, fortunately, be shaken even by the vagaries of political temper.—*All Rights Reserved.*

COTTON GROWING IN CAUVERY DELTA

BENEFITS OF A SUMMER CROP

By M. S. Sivaraman

ADVISER, PLANNING COMMISSION, NEW DELHI

[One of the chief aims of the third Five-year Plan is fuller utilisation of manpower resources. A successful approach to this problem, described in this article, may be of topical interest and, if properly implemented, it can add Rs. 30 crores to the annual income of the cultivators of the Cauvery delta. Possibilities of summer cropping of cotton or groundnut exist in parts of many States, if local problems are solved through local efforts.—Ed.]

OVER 1,800 years ago, the early Chola kings constructed an anicut across the Coleroon at the head of the Cauvery delta for diverting the waters of the river to irrigate the tract now comprised in Tanjore district. Since then this area has grown paddy from year to year between July and January. From February to July there is very little of cultivation except for green manure crops and catch crops of greengram or blackgram which are harvested by April. Where the soil is light, summer groundnut is grown in parts of Pattukottai division with splash irrigation from temporary wells: and sugarcane occupies a very small part of the cultivated area.

The net area irrigated by the Cauvery in Tanjore district is 12 lakh acres and paddy is cropped on 14 lakh acres every year. The problem of utilising land that lies fallow during the summer months and keeping farm labour busy in the off-agricultural season had defied solution for centuries, for there is very little water in the rivers and canals after February. During summer, the stiff clayey soils crack badly forming wide fissures as a result of intense heat and even drought-resistant crops grown as green manure like wild indigo sometimes suffer from want of moisture. Attempts were made in the Agricultural Research Station, Aduturai, to fit in an occasionally irrigated cash crop like cotton after the harvest of paddy and though the experiments conducted between 1934 to 1939 showed that Cambodia cotton could be grown during the fallow period, no further progress was made because cotton remained on the land from February till the end of September and the yield obtained was about 500 lbs. of seed cotton which was not sufficiently attractive. The prolonged duration of cotton led to considerable delay in transplantation of the paddy crop that followed which made it susceptible to attacks of pests and diseases in November, which a more mature crop could have resisted.

However, the vast potentialities of changing the agricultural picture of the delta by keeping the farmers and their womenfolk busy with cotton cultivation and picking during the summer months attracted my attention when I was Collector of Tanjore district in 1942. The question of growing cotton in the paddy fallows was therefore revived by me when I was Director of Agriculture in Madras State in 1947. Many problems and difficulties cropped up and the matter was pursued in great detail until practical solutions were found for all these. By 1954 it was shown that even small cultivators in a major part of the Cauvery delta could take to the cultivation of cotton as a profitable off-seasonal crop and at the same time improve the yields of paddy even when two crops of paddy are grown on the same land from July to January.

Major Problem

The first major problem was to find a type of cotton which could be raised in January-February and harvested by July when the field has to be got ready for the first crop of paddy. The long duration Cambodia varieties tried earlier were obviously unsuitable and though strains of early maturing Cambodia cotton had been evolved by 1947-48, even the shortest duration types remained too long in the field and interfered with the timely cultivation of paddy. I therefore suggested varietal trial of other short duration cottons at the Research Stations at Aduturai and Pattukottai. It was soon found that among those that were tried, Punjab-American cotton 216-F with a staple length of about 15/16" could be harvested before the middle of July, provided the crop was established in the field sufficiently early. The yield obtained was over 1,000 lbs. of seed cotton per acre and this was very encouraging.

In the beginning attempts made to bring the soil of paddy fields to a proper condition of tilth before the cotton was sown delayed the sowing: for the stiff paddy soil remains wet for a long time and when ploughed in the moist state, thick clods are formed which can be broken only at considerable expense. This difficulty was got over by dibbling the cotton seeds without ploughing the land or removing the paddy stubbles. In about a week after the harvest of paddy the top soil is in a sufficiently dry state for dibbling the seeds by gently pressing them with the finger into the soil. To facilitate sowing in lines strings are stretched across the field 2 ft. apart and two or three seeds are sown per hole along the strings, the distance between holes being 9 inches. A month later when the field is nearly dry, weeding is done, the stubbles are removed and one plant alone is retained in each hole. Ammonium sulphate is used as fertiliser at the rate of about 1 cwt. per acre and the crop is then irrigated. The crop requires occasional irrigation depending upon weather conditions and it is possible to obtain acre yields of over 1,000 lbs. of *kapas* and get a net income of Rs. 300 to Rs. 400 per acre.

By 1951 it was definitely established that cotton could be grown profitably in the interval between the harvest of the second crop of paddy and the transplantation of the first crop provided facility for occasional irrigation is available: but even where such facility exists the average cultivator will not raise cotton until it is actually proved that the cultivation of this crop will not affect the yield of paddy. Experiments were therefore carried out in Aduturai and Pattukottai and these showed that the cultivation of cotton provided about 10,000 lbs. of green manure per acre for the next paddy crop and helped to open up the deep clay soil. In the result, there was a slight increase in the yield of the succeeding paddy crops.

Irrigation

The problem of providing irrigation in the summer months still remained to be solved and this proved to be the most difficult: for water is not then available for irrigation in large areas. There are not many wells in the fields and most of the existing wells in village sites yield brackish water. The output of water in the field wells is limited as the rate of recuperation in the stiff clayey soils is poor and the construction of wells is beyond the capacity of the average cultivator as the sides have to be protected by a steening of bricks throughout the entire depth of the well. There are two such open wells in the Aduturai Research Station which yield on pumping 30,000 gallons of water in two hours. The wells are about 25 ft. deep and though there are borings in the wells 140 ft. deep which help to increase the supply, it takes five hours for the water to get back to the old level in the well. Any large-scale development of cotton in the off season would naturally depend upon the availability of assured irrigation and on the face of it the problem appeared to be insuperable.

Tube-wells

At my instance an experimental tube-well going down to 60 ft. was installed in the Aduturai Station and this gave a continuous supply of 4,000 gallons of water on pumping. But after some days the soil near the lower end of the tube caved in and water-supply stopped completely. This experience was depressing. It was at this time that I happened to visit the private farm of an enterprising farmer, Mr. K. S. Vengu Chettiar, of Mayuram, a few miles away from Aduturai. This farm, situated in a light sandy tract not far from the Cauvery, produced extensive crops of vegetables in the summer. Mr. Chettiar had installed a tube-well 6 inches in diameter going down to about 30 ft. and was able to pump 20,000 gallons an hour continuously. It occurred to me at once that the answer to the problem I had in mind was to tap the first supersaturated aquefer. In a delta, soil formation consists of varying depths of clay, alluvium, fine sand, coarse sand, etc. and our aim should be not to go below the first deep layer of coarse sand—a layer which is bound to get replenished every year during the irrigation season. Mr. Vengu Chettiar could get perennial supply of water, because the aquefer which he tapped got replenished without any lowering of the level of sub-soil water.

After the experience of the collapse of the Aduturai tube-well, caution had to be exercised by not keeping the lower end of the tube-well open. A filter at this end embedded in coarse sand could prevent caving in of the soil. A filter point was therefore immediately obtained from Calcutta and this consisted of 6 ft. of pipe 4" in diameter with ½" to ¾" diameter holes drilled about 1" to 1½" apart along 5 ft. length of the pipe. This was covered over by brass wire mesh and protected by perforated brass sheet. The filter was installed at the Aduturai Research Station at a depth of about 35 ft. in about 10 ft. natural layer of coarse sand and water was pumped with a 5 h.p. electric pump. The result was truly amazing. A constant flow of 12,000 gallons of water per hour was obtained and this remained unabated even when the pump was worked for 24 hours without stop. Two filter points of 4" diameter were soon installed at close distances and connected by a T-piece. Pumped with a 7 h.p. motor this gave a discharge of 20,000 gallons of perennial supply. Never before was such a plentiful supply of water obtained from underground in the stiff clays of Aduturai!

The filter point shallow tube-well was the real solution to the problem of summer irrigation in the absence of which the fertile lands in the Cauvery delta would lie fallow for five months. An average tube-well could irrigate not less than 10 acres of summer cotton. A scheme was thereupon placed before the Government for experimental sinking of 100 filter point tube-wells in different parts of the delta. This was sanctioned in December 1951 and, before the end of March 1952, 102 tube-wells were sunk and this roused great enthusiasm among many cultivators. There was no element of subsidy in this scheme and the entire charges of installation, cost of the pipe and filter point worked out to about Rs. 400 to Rs. 500: the cost of the engine and pump ranged from Rs. 1,500 to Rs. 2,000 and cultivators were given the necessary loan repayable in five annual instalments.

Scheme Extended

In 1952 the filterpoint scheme was extended to the deltas of the Godavari and the Kistna and other important rivers. The success in the Northern deltas was immediate and spectacular. In particular, the filterpoints proved to be a great boon to the Kistna ryots for starting sugarcane cultivation in February-March when there is usually no water in the canals. A prominent ryot of East Godavari enthusiastically described the new device for tapping the water of the Godavari stored underground as the beginning of an era of great significance to the Godavari cultivators even as Sir Arthur Cotton's anicut across the river helped to utilise the surface water for the first time, hundred of years ago.

In order to extend filterpoints more rapidly, the method of installation was simplified by the use of improvised equipment which could be operated by unskilled *mazdoors* after two or three days of training. It took only a day or at the most two days to install a filterpoint and have it tested for satisfactory performance. By 1954-55, the cost of the filter was also brought down, on my suggestion, by the use of coir. The coir filter, which could be made by the village blacksmith, consists of four pieces of iron flats riveted to two pipe rings of 3" to 4" diameter and coir is wound over it. It was found that the coir filter helped to obtain 15 to 25 per cent more water and the cost of the filter was Rs. 15, as against about Rs. 80 for a brass filter. Coir lasts longer, whereas brass gets corroded in some places where the underground soil is even very slightly saline or alkaline. As most cultivators could not afford to go in for power-driven pumps, an inexpensive plunger pump costing about Rs. 200 was devised on my suggestion and this could be operated by a pair of bullocks going round in a circle. One of these bullock-driven pumps was installed in Aduturai to serve as demonstration and the discharge obtained was 2,500 gallons an hour, and this was more than what could be got from a *mhote*.

In the first flush of enthusiasm, the cultivation of cotton extended to over 1,000 acres within two years but the farmers found it difficult to market the cotton. A co-operative cotton ginning and marketing society was organised in 1954 at Aduturai so that cultivators of that area could get their cotton ginned and obtain competitive prices. But soon there was a serious setback and very few were willing to

(Continued on next page)

TEXTILE WORKERS' EARNINGS RISE

MILLOWNERS REITERATE PLEA FOR LIMITING IMPORTS

From Our Special Correspondent

MANCHESTER, *25th April*

MANCHESTER LETTER

RETURNS issued by the Ministry of Labour covering average earnings of workers in the British industry have been published at half-yearly intervals for many years, providing comparisons between conditions ruling each six months. The direct relationship of these figures, however, was broken in the April 1960 survey when the basis was altered due to changes in category and the omission of the average wage obtained by all workers in each particular section. Now that the October levels have been calculated, however, it is possible to regain some comparison with the previous half-year. Details not only of industry as a whole, but of various branches of textiles, are shown below:

	Men (over 21)	Youths (under 21)	Women (over 18)	Girls (under 18)
	s. d.	s. d.	s. d.	s. d.
Man-made fibre output:				
April, 1960	284 0	133 9	144 8	100 0
October, 1960	295 0	138 6	146 1	101 6
Spinning and doubling:				
April, 1960	236 9	126 8	146 8	109 0
October, 1960	238 2	135 4	148 3	114 4
Weaving:				
April, 1960	247 11	120 2	154 4	101 2
October, 1960	255 7	128 4	158 0	105 6
Hosiery and knitwear:				
April, 1960	297 9	125 1	146 5	98 0
October, 1960	318 7	136 8	154 4	107 9
Narrow fabrics:				
April, 1960	247 6	117 8	132 10	98 4
October, 1960	249 8	120 2	135 10	108 4
Made-up textiles:				
April, 1960	230 6	110 4	114 5	88 4
October, 1960	239 11	119 5	124 10	90 1
Textile finishing:				
April, 1960	250 11	127 6	130 6	98 7
October, 1960	261 1	134 9	136 11	101 0
All textiles:				
April, 1960	258 6	124 8	148 3	100 1
October, 1960	266 4	131 7	148 0	106 5
All industries:				
April, 1960	282 1	123 1	145 0	93 1
October, 1960	290 8	130 0	148 4	98 10

The upward spiral in earnings cannot be ignored, particularly in view of subsequent economic developments. The survey itself covers approximately seven million employees, most of whom are in manufacturing industries. Textiles at the time were passing through a flourishing phase, when the mills were working flat out to cope with an exuberant demand, and it is scarcely surprising that the figures indicate a substantial rise in earnings, despite the fact that an official wage advance had been conceded earlier in the year. The main features remain generally undisturbed; men in such occupations as spinning and doubling, and even textile finishing, receive considerably less than the average in all industries, but especially in weaving the rates secured by women workers are in excess of the national average.

Incentive for Youngsters

The attractiveness of wage rates for juveniles in several textile sectors is also a point which can well be taken up by those engaged in recruitment of labour. Girls in spinning, doubling and weaving, for example, are taking home substantially larger pay-packets than the general level of workers. As compared with the April returns, some reduction occurred in the number of hours being worked in spinning mills six months later. The October average was 47.3 hours for men, as against 48.3 in April, although the average for women was practically unchanged at 41.8 hours.

In the weaving section, the latest returns show men operating looms for 54.7 hours, as against 45.9 hours six months previously; in the case of women, the figure was again very slightly lower at 41.7 hours. In the textile finishing branch, the average hours worked by men was reduced from 51 to 50.5 during the six months.

Closures Still To Come?

A Lancashire textile leader has warned that "more and more" firms in the doubling section of the cotton industry will have to close their doors unless speedy action is taken to limit imports of low-priced yarns from abroad into Britain. Mr. Fred Bottomley, Chairman of the Yarn Doublers' Association, speaking at the annual meeting, said that the doubling section had been hardest-hit by these imports. For many firms, it was not simply a question of having to suffer some modest but irritating reduction of profits but of finding their livelihood and that of their workers in jeopardy.

"Some observers outside the industry may perhaps have come to the conclusion that members of the cotton industry have developed an obsessional neurosis about imports," said Mr. Bottomley and added: "The spectator at a boxing match, however, never feels the effects of the punches; similarly, observers outside the textile industry do not appreciate the effect of the blows received by the industry as a result of virtually unrestricted imports."

Fixing Limits

The opinion that definite limits should be imposed on the arrival of all types of foreign cotton goods, whether from Commonwealth countries or other sources, is certainly gaining ground. Among several trade spokesmen who have recently made this point is Mr. Geoffrey Livsey, Chairman of Mutual Mills, Heywood, who has warned shareholders of the serious position now arising. "Most of the countries concerned prohibit, or at least restrict, the amount of textiles which can enter their own markets," he says. "It is now vital that our own Government should take similar action, especially when dumping can be conclusively proved."

Allayed to the fears of keener competition is the fact that to maintain supremacy in any department means spending a lot of money these days. Mr. Livsey mentions the large number of costly experiments and sampling necessary prior to marketing, which is particularly apparent in the newer synthetics. Each fibre has its own individual properties in the finished cloth, as regards washability, strength, abrasion, handle, etc. The exceptionally high cost of experimentation is, as he says, disturbing, but equally very essential if rivals are to be outmanoeuvred.

Shorter Hours and Output

The hard facts of economic life are now showing themselves in the returns issued covering production and employment. Absenteeism due to illness is a regular complication for producers in the early months of the year and the February figures reflected this unfortunate seasonal trend. Output of single yarn was almost 1,000,000 lbs. weekly below the comparable rate in 1960, when, of course, the "big push" was going on to meet the extensive demand before the final mill closures at the end of March.

Another factor which is bound to show up more clearly in the months ahead is the full impact of the shorter working week. February was the first month in which this development was wholly apparent, as the system was introduced in mid-January. Cloth production was even more severely affected, being 2,440,000 yards weekly below the February 1960 level.

After the build-up of labour which occurred in the second half of last year, the most recent figures are frankly disappointing. In February a fall of 630 occurred and manpower is now nearly 1,500 below the point reached at the end of November.—*All Rights Reserved.*

(*Concluded from previous page*)

invest on improvement of land for providing extra irrigation facilities in view of the uncertainty created by the then impending land legislation. Now that the position has become clearer and the rights of landlords and tenants have been codified and the size of future holdings is also fixed, a fresh start has to be made to enthuse the cultivators for growing cotton in summer. The profit from cotton cultivation in the first year itself would exceed the total investment on irrigation and this should be sufficient incentive to make rapid progress. When fully developed the Cauvery delta alone can produce over 600,000 bales of long-staple cotton every year worth about Rs. 60 crores.

Other Benefits

The local production of large quantities of cotton seeds will provide the cattle which are now ill-fed with nutritive feed. Extensive provision of summer irrigation will help to start the paddy nursery early in the season without depending on supplies from the river. Paddy can then be transplanted with the commencement of irrigation in the channels and this in itself will result in higher yields. Early cropping leads to early harvest and early start of the second crop of paddy which can thus escape serious damage from pests in November. There can be no doubt at all that the agricultural prosperity of the Cauvery delta is closely linked with the proper exploitation of the waters of the river stored underground. Now that a way has been shown, the follow up can not be difficult and this consummation will be a complete fulfilment of the dream of the ancient Cholas to use the Cauvery to enrich the delta.

BANKERS

It will pay you to consult us

FOR YOUR

★ CHEQUES ★ SHARE CERTIFICATES

★ DEMAND DRAFTS ★ LEDGERS

★ PAY-IN SLIP BOOKS ★ PASS BOOKS

★ LETTERHEADS ★ ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FREERE ROAD, BOMBAY. Telephone: 26-3201/2

RUBBER MACHINERY

MIXING MILLS

Sizes:

16" × 42", 14" × 36", 12" × 30"

with imported chilled rolls, reduction gear and motor

★

EXTRUDER

2" Scroll, 3" Scroll & 4" Scroll

VULCANISING PRESS

Hydraulic system Hand Pump

24" × 24", 18" × 18", 14" × 14"

Manufactured under the strict supervision of

INDIAN EXPELLER WORKS

17-G, SITAFAL WADI, MAZGAON

BOMBAY-10

MERCANTILE BANK LIMITED

(REGISTERED IN LONDON, UNDER THE COMPANIES ACTS OF 1862 TO 1890, ON 2ND DECEMBER, 1892.)

BALANCE SHEET OF INDIAN BRANCHES—31st DECEMBER, 1960

1959 Rs.	LIABILITIES	Rs. nP	Rs. nP	1959 Rs.	ASSETS	Rs. nP	Rs.
26,13,333	**1. Capital**— Amount deposited with Reserve Bank of India ..	26,46,000·00		1,29,64,180	**1. Cash**— In Hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		1,36,76,385
....	**2. Reserve Fund and Other Reserves**		....				
	3. Deposits and Other Accounts—			1,47,582	**2. Balances with Other Banks on Current Account**— (i) In India	1,40,494·04	
10,43,75,808	Fixed Deposits	9,19,00,722·77		9,54,354	(ii) Outside India	19,47,623·72	
38,48,482	Savings Bank Deposits	49,55,529·24		11,01,936			20,88,117
9,88,42,073	Current Accounts, Contingency Accounts, etc. ..	9,34,08,778·91		34,18,311	**3. Money at Call and Short Notice**		15,98,379
20,69,66,363			19,02,65,021·92		**4. Investments—at under Market Value**—		
	4. Borrowings from Other Banking Companies, Agents, etc.—			2,90,82,582	(i) Government of India Securities	2,89,66,774·89	
1,21,00,000	(i) In India (unsecured)	4,16,50,000·00		4,63,500	(ii) Ordinary Shares	4,12,500·00	
....	(ii) Outside India (unsecured)	6,24,337·48		....	(iii) Debentures or Bonds	....	
1,21,00,000			4,22,74,337·48	....	(iv) Other Investments	....	
20,54,556	**5. Bills Payable**		26,16,209·81	....	(v) Gold	....	
				2,95,46,083			2,93,79,274
	6. Bills for Collection Being Bills Receivable as per Contra—				**5. Advances**— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
1,41,95,892	(i) Payable in India	1,35,65,992·51			(I) Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
70,69,473	(ii) Payable outside India	76,48,536·92			(i) In India .. .. 17,26,56,613·27		
2,12,65,365			2,12,14,529·43		(ii) Outside India		
	7. Other Liabilities—			12,80,90,239			
75,772	Unexpired Discounts	68,617·54		12,80,90,239		17,26,56,613·27	
5,00,500	Amount due to Subsidiary Company	5,00,500·00			(II) Bills Discounted and Purchased—		
....	Inter-Branch Balances and Adjustments— Rs. nP			2,32,08,855	(i) Payable in India .. 2,30,41,615·69		
....	Branches in India .. .. 1,05,177·84			1,54,67,992	(ii) Payable outside India .. 1,79,34,531·05		
	Head Office and Branches outside India .. .. 3,82,44,570·24			3,86,76,847			
		3,83,49,748·08			(Particulars as per Schedule attached)	4,09,76,146·74	
5,76,372			3,89,18,865·62	16,67,67,086			21,96,32,760·(
....	**8. Acceptances, Endorsements and Other Obligations** per Contra		7,39,181·71		**6. Bills Receivable Being Bills for Collection** as per Contra—		
	9. Profit and Loss Account—				(i) Payable in India	1,35,65,992·51	
	Profit for year transferred from the Profit and Loss Account	13,85,269·60		1,41,95,892	(ii) Payable outside India	76,48,536·92	
20,845	Less—Remitted to Head Office	13,85,269·60		70,69,473			2,12,14,529·(
20,845				2,12,65,365			
....			....		**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per Contra		7,39,181·7
	10. Contingent Liabilities—			....			
	Rs. nP				**8. Freehold Banking Premises and Property less Depreciation**—		
3,08,31,029	Bills of Exchange re-discounted. 1,71,16,246·05			94,54,233	At cost as at 31st December, 1959	95,59,067·91	
5,20,08,946	Forward Exchange Contracts .. 9,75,99,575·00			1,04,835	ADD—Additions during the year to 31st December, 1960	41,253·16	
4,27,35,273	Confirmed Credits .. 4,44,22,203·31			95,59,068			
	Guarantees given on account of Customers .. .. 4,98,01,957·60			33,03,300	LESS—Amounts written off to 31st December, 1960	96,00,321·07	
1,60,66,224	Uncalled Capital in respect of partly paid shares in Subsidiary Company and Investments in Ordinary Shares amounting to .. .. 12,99,500·00			62,55,768		33,03,300·00	
12,99,500				11,00,835	**9. Furniture and Fittings, less Depreciation**— At cost as at 31st December, 1959	11,70,177·55	69,97,021·(
	NOTES ON ACCOUNTS: (i) By the Companies Act 1956 (India), the Bank is exempt from disclosing matters not required to be included by the Banking Companies Act 1949 (India) and these accounts have been prepared accordingly. (ii) In accordance with Section 212 of the Companies Act 1956 (India) the accounts of the wholly owned Subsidiary Company in India are attached to these accounts.			69,343	ADD—Additions during the year to 31st December, 1960	1,61,987·49	
				11,70,178		13,32,115·04	
				4,84,611	LESS—Amounts written off to 31st December, 1960	6,83,665·42	
				6,85,567			
					10. Other Assets—		6,48,449·6
				11,344	Stamp Account	22,701·66	
				2,37,035	Interest Accrued on Investments	2,30,964·98	
				5,00,500	Shares in Subsidiary Company at Cost ..	5,00,500·00	
				2,09,382	Inter-Branch Balances and Adjustments ..	....	
				9,58,261			7,54,166·6
				....	**11. Non-Banking Assets Acquired in Satisfaction of Claims**		
				....	**12. Profit and Loss Account**		
24,29,62,556	Total .. Rs.		29,60,28,145·97	24,29,62,556	Total .. Rs.		29,60,28,145·97

PROFIT AND LOSS ACCOUNT OF INDIAN BRANCHES FOR THE YEAR ENDED 31st DECEMBER, 1960

1959 Rs.	EXPENDITURE	Rs. nP	1959 Rs.	INCOME	Rs. nP
44,80,759	1. Interest paid on Deposits, Borrowings, etc.	57,19,128·91	94,47,647	1. Interest and Discount	1,23,59,525·5
	2. Salaries and Allowances and Provident Fund (including Salary and Allowances of Manager of Principal Office in India Rs. 79,912—1959 Rs. 77,681)		43,62,931	2. Commission, Exchange and Brokerage	43,34,477·6
53,10,615		59,27,171·66	5,80,883	3. Rents	6,11,283·1
....	3. Directors' and Local Committee Members' Fees and Allowances ..	....		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	
19,34,101	4. Rent, Taxes, Insurance, Lighting, etc.	22,77,190·62	82,500		1,41,119·5
28,981	5. Law Charges	69,320·52		5. Net Profit on Re-valuation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	
3,96,439	6. Postage, Telegrams and Stamps	1,38,516·60	....	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	....
....	7. Auditors' Fees	....	....	7. Other Receipts (including provision for taxation no longer required Rs. 8,13,262·78—1959 Nil)	....
4,90,004	8. Depreciation on and Repairs to the Banking Company's Property ..	2,73,183·49	1,389		
2,95,672	9. Stationery, Printing, Advertisement, etc.	2,55,770·46	....	8. Loss	8,18,116·5
....	10. Loss from Sale of or Dealing with Non-Banking Assets	....			....
15,17,933	11. Other Expenditure including Proportion of Head Office Expenses ..	22,18,963·51			
20,846	12. Balance of Profit	13,85,269·60			
1,44,75,350	Total .. Rs.	1,82,64,515·37	1,44,75,350	Total .. Rs.	1,82,64,515·3

H. MAITLAND, *Manager, Bombay.*

C. R. WARDLE, *Chief Manager, London.*
J. B. NASH, *Accountant, London.*

REPORT OF THE AUDITORS

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account as required by law have been kept by the Bank so far as appears from our examination of the records in London and proper returns adequate for the purposes of our audit have been received from the branches in India, none of which has been visited by us. We have examined the foregoing Balance Sheet and Profit and Loss Account which are in agreement with the said records and returns. In our opinion and to the best of our information and according to the explanations given to us the said accounts are properly drawn up so as to disclose the state of the Bank's affairs in India as at 31st December 1960 and the profit of the branches for the year ended that date on the basis required by the provisions of the Companies Act 1956 (India) and the Banks Companies Act 1949 (India) as amended up to 19th September 1960.

LONDON, *24th April*, 1961.

COOPER BROTHERS & CO.,
W. A. BROWNE & CO.,
Chartered Accountants.

AMERICAN LETTER

PRESIDENT KENNEDY MAKES A MESS OF CUBAN AFFAIR

MANY SOFT SPOTS IN ECONOMY

From Our Special Correspondent

NEW YORK, *28th April*

THE United States got a bad beating in Cuba which had almost immediate business repercussions. President Kennedy's first major international political fiasco was not helped in any way by the statement of former President Eisenhower, whom Mr. Kennedy had invited for luncheon, advice and consultation. They spent one hour and 25 minutes together. Knowing Mr. Eisenhower as I do, to me, it was a devastating remark for Mr. Eisenhower to say, as a parting remark, to the Press: "I say, I am all in favour of the United States supporting the man who has the responsibility for our foreign affairs."

How far the United States actually went in supporting anti-Castro factions is unknown. All evidence points to the fact that anti-Castro forces have been given camps and training facilities in the U.S. and in some Latin Republics and that the U.S. Central Intelligence Agency has been involved in these activities.

Rightly or wrongly this has given the U.S. a black eye, particularly after the blistering attacks by Washington spokesmen in answer to attacks by Havana. There was no doubt left that there was no love lost between the two Governments. The Cuban affair, it is felt, could lead to a major world explosion.

How Mr. Kennedy will and can extricate himself from this situation is difficult to predict. The British lean towards the view of sealing off Cuba through the United Nations.

Events are moving quite rapidly. After a promising spring upturn in many lines, the Cuban fiasco has put dampers on the economy. The prevailing uncertainty has elevated one word in the U.S. vocabulary. You hear it *ad nauseam*, "retrenchment," instead of expansion.

"We shall wait a while and see what happens." This is the usual answer now to any proposals which are being made. First quarter dividends have also been poorer than expected. Despite that, the stock market has put up a remarkably good performance.

The decline in business so far is somewhat below the level a year ago. But the drop is spotty. The Government has pronounced more than 100 "disaster areas" in the major category and an equal number of "minor disaster areas." The criterion is that 6 per cent of the labour force is out of work.

The civil war in France over Algeria has not helped matters here business-wise, nor is the situation in Laos, where, through adroit manœuvring, the Chinese and Russians have now almost control of that country's key points. These and other events have affected the commodity markets here, naturally.

There has been some improvement in durable goods, excluding automobiles. The first increase in five months occurred in February. The primary factor in the increase was the large Government defence contracts for aircraft and instruments, rather than private business.

Consumer income dropped, owing to smaller labour pay-rolls. Other income and dividends also fell. About half of the drop was in manufacturing, followed by construction. Consumer income declined gradually, despite the fact that retail sales rose in terms of dollars because of higher prices.

Unemployment continues as a matter of concern in the United States, although there has been some recent improvement. Much figures showed 65.5 million people gainfully employed, against 64.6 million in the preceding month and 64.3 million 12 months previously.

The respective unemployment figures were 5.5 million in March, about 5.7 million in February and 4.2 million in March, 1960. There are two major angles to this picture. It is a combination of lay-offs, owing to reduced markets in some lines and a steady increase in the labour force.

The combination of the two, in addition to other factors, such as automation, had led to the declaration of the so-called major and minor disaster areas. Lurking in the background, too, are politics. A state of emergency, real or unreal, makes it so much easier to get spending appropriations passed and signed by the President. Senators and Congressmen from those areas can point with pride how they have helped their constituencies which makes it easier to get re-elected the next time.

Manufacturers' inventories are still quite low, but the national and international uncertainties have brought about caution and no real optimism outside of the glorious future of their respective industries, painted by chairmen in their annual reports to stockholders.

Car loadings have improved, but the financial condition of the railroads is still deplorable, particularly of those in the eastern part of the U.S. At the moment, freight car loadings are better than in the most recent past, but they are considerably below those of a year ago.

The continued outflow of gold since 1957 has now brought U.S. gold stocks slightly below the total of all foreign government and private liabilities. The 1960 deficit in the U.S. balance of international payments was about $3,800 million.

(*Continued on page 864*)

MERCANTILE BANK LIMITED

Schedule of particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1960

1959 Rs.	PARTICULARS OF ADVANCES	Rs. nP	1959 Rs.	PARTICULARS OF ADVANCES	Rs. nP
11,75,51,621	(i) Debts considered good in respect of which the Banking Company is fully secured	15,98,29,495·24	1,59,163	(v) Debts due by directors or officers of the Banking Company or any of them either severally or jointly with any other persons	1,66,664·81
2,82,26,155	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security (Provision has been made in London for certain of these debts)	3,61,84,177·39	10,71,380	(vi) Debts due by companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents, or, in the case of private companies, as members	18,57,145·98
2,09,89,310	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	2,36,19,087·38	1,84,663	(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or managers or officers of the Banking Company or any of them either severally or jointly with any other persons	1,83,633·65
....	(iv) Debts considered doubtful or bad, not provided for	....	44,74,759	(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents, or, in the case of private companies, as members ..	37,03,267·75
16,67,67,086		21,96,32,760·01	10,098	(ix) Due from Banking Companies	5,355·18

MERCANTILE BANK (AGENCY) PRIVATE LIMITED

BALANCE SHEET AS AT 31st DECEMBER, 1960

1959 Rs. nP	LIABILITIES	Rs. nP	1959 Rs. nP	ASSETS	Rs. nP
	Share Capital—			**Cash and Bank Balances**—	
10,00,000·00	AUTHORISED— 1,00,000 Shares of Rs. 10 each	10,00,000·00		With Mercantile Bank Ltd., Calcutta—	
	SUBSCRIBED— Rs. nP		5,00,500·00	On Deposit Account	5,00,500·00
5,00,500·00	100 Shares of Rs. 10 each fully called up .. 1,000·00 99,900 Shares of Rs. 10 each, Rs. 5 called up .. 4,99,500·00	5,00,500·00			
	The whole Share Capital is owned by Mercantile Bank, Ltd.				
	Reserves and Surplus—				
....	Profit and Loss Account	....			
5,00,500·00	Total .. Rs.	5,00,500·00	5,00,500·00	Total .. Rs.	5,00,500·00

NOTE:—The transactions of the Company are incorporated with those of the parent Company and accordingly the Company makes neither profits nor losses.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company as required by Law so far as appears from our examination of those books.

We have examined the Balance Sheet of Mercantile Bank (Agency) Private Limited, as at 31st December, 1960, and the above Profit and Loss Account for the year ended on that date which are in agreement with the books of account. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required, and the Balance Sheet gives a true and fair view of the state of the Company's affairs as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the results for the year ended on that date.

LOVELOCK & LEWES,
Chartered Accountants.

CALCUTTA, *4th January*, 1961.

W. H. JACKSON
B. GILL
B. P. SINGH ROY, } *Directors.*
J. C. WRIGHT, *Secretary.*

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31st DECEMBER, 1960

GENERAL

As shown by the Balance Sheet as at 31st December, 1960, the Company's Authorised Capital of Rs. 10 lakhs has been fully issued out of which Rs. 5,00,500 has been paid up and is held on Deposit account with Mercantile Bank Ltd., Calcutta.

As in previous years, the year under review shows no profit or loss as the transactions of the Company are incorporated with those of the Parent Company, Mercantile Bank Ltd.

DIRECTORATE

Mr. Basil Gill retires this year from the Board by rotation but being eligible offers himself for re-election.

AUDITORS

Messrs. Lovelock & Lewes retire and being eligible offers themselves for re-appointment as Auditors for the ensuing year.

For the Board of Directors,
W. H. JACKSON
B. GILL } *Directors.*
B. P. SINGH ROY,

CALCUTTA,
Dated the *4th January*, 1961.

INDIA'S COTTON TEXTILE EXPORTS

PROSPECTS NOT PROMISING

By Sripati Ranganadha

THE target for exports of cotton textiles proposed and conceded at the Buxton Conference in 1952 was 1,000 million yards a year. This estimation being reasonable and within the means of probability, the Planning Commission also recognised the need for attaining this goal. The main justification for such a large export is to earn foreign exchange. The second Five-year Plan envisaged an average annual earning of Rs. 750 million foreign exchange through textiles during the period. The total value of foreign exchange exports of cotton piecegoods and other textiles earned in 1959 was Rs. 633.49 million. Mr. Lal Bahadur Shastri recently pointed out at the conference of the Indian Society of Advertisers that the success of India's Plans depends more upon exports than anything else that augment our foreign exchange resources. Besides the national urgency to earn foreign exchange, Mr. Shastri maintained that the export promotion itself was "a highly rewarding and fascinating adventure." In view of this importance, let us analyse the present potentialities and future possibilities of foreign markets for our textile industry.

At present, there are more than 70 international markets that are thrown open to our cotton textiles ranging from the coarsest sheetings and furnishings to the finest voiles, poplins and suitings. Only 15 countries import a sizable volume of India's cotton textiles. In 1959, 86.23 per cent of the entire cotton piecegoods exports (814.60 million yds.) was absorbed by these 15 countries. The following table shows the principal export markets and their intake of Indian cotton piecegoods in 1959:

Rank	*Destination*	*Million yards*
1.	United Kingdom	166.54
2.	Sudan	149.62
3.	British East Africa	64.77
4.	Australia	49.06
5.	Burma	37.63
6.	Malaya and Singapore	37.61
7.	Aden	36.14
8.	U.S.A.	31.64
9.	Ethiopia	23.47
10.	British West Africa	23.26
11.	Afghanistan	20.72
12.	Canada	18.63
13.	Persian Gulf Ports	16.49
14.	Saudi Arabia	14.90
15.	Ceylon	11.98
	Total	702.46

As for the future possibilities, there are two adverse factors that stand in bold relief. They are: foreign competition and establishment of cotton mills in almost all countries. Every country knows the importance of textile industry to its economy, as it is a highly profitable one. Accordingly, countries that want to strengthen their economic development, obviously think of this industry as one of the foremost enterprises which they could establish and expand either in centralised or decentralised form. Pakistan, Ceylon, Burma, Indonesia and even Thailand are examples of the latter type. With the underdeveloped countries bent on self advancement, there is every likelihood of their taking to this industry increasingly. In the light of this consideration, there is no point in entertaining hopes of vast expansion in cotton textile exports.

Possibility Limited

It must be recognised that development of foreign markets is governed very often by political and other similar considerations rather than the comparative cost facilities. In fact, it does not matter "what India desires but what the foreign buyer will buy for economic reasons of price, etc." If one bears this idea in mind, one will find that the possibility of exploring new markets for this industry seems to be rather limited.

There are at present, four principal textile producing countries in the world, namely, the U.S., U.K., Japan and India. These countries have to share the major part of the world market. We should not, however, overlook the potentialities of Soviet Russia and her satellite countries. It is conceivable, due to unforeseen amicable international relations in some other future date, the U.S.S.R., Czechoslovakia and Hungary may spring up as exporters of, and competitors in, cotton textiles. Similarly, the People's Republic of China might also emerge as our competitor, if its slogan "twenty years compressed into one day" turns out to be a reality.

Countries such as Latin America, Africa and S.E. Asia are potentially large consumers of cotton textiles. For reasons of geopolitics, South America would prefer to import cotton piecegoods from the U.S., the U.K. and Europe rather than from India. S. America being closer to the U.S. and having been under the latter's influence for a long time, her interests and currencies are closely associated with the U.S. as compared with India. Similarly, most of the countries of S.E. Asia and parts of Africa having been once under the European impact, their interests naturally have been looked after by the latter. The countries economically dependent upon the U.S. may have the possibility of buying American textile goods.

There are certain countries such as the Netherlands, W. Germany, Italy and Spain with modern techniques of production and export promotion that have already entered the field as exporters of and competitors in world cotton textile markets.

Synthetic Fibres

Another point is worth considering. The demand for Indian cotton piecegoods has been dampened of late owing to the growth and expansion of the foreign synthetic fibre industries of U.S. and Japan.

It is reported that E. Africa has been importing India's textiles which accounted for 60 per cent of its entire exports. At present, the Indian textile trade is facing a grave threat due to the changing tastes of the people who are in favour of Japanese artificial silk fabrics. Some years back, E. Africa was importing 14 million yards of spun rayons. In 1957, its imports of these fabrics shot upto 130 million yards. Due to increased tariffs, the figure came down to 84 million yards in 1958. At present, the East Africans are said to be avidly after the spun rayons which Japan contributes between 85 and 90 million square yards. Upto 1958, India used to export cotton textiles to E. Africa to the tune of 120 million square yards and it fell to 90 million square yards in 1959 owing to increased tariffs.

Against this background, the prospects for India's export trade in cotton textiles are far from optimistic. The Kanungo Committee was of the opinion that it would be very difficult to meet the target aimed at by the Planning Commission. If the internal market for cloth expands faster than the external one, the Committee felt that it would be difficult to conceive the export of even 1,000 million yards. If, on the contrary, the internal demand, were to drop, as is more likely, the other countries, which had hitherto been importing our cotton textiles, would not be in a position to absorb as much as they would do normally. In fact, such a state of affairs would invariably reflect the general economic trend prevalent in many parts of the world. For instance, India's exports fell from 843.91 million yards in 1957 to 587.22 million yards in 1958. A similar trend of depression prevailed in the U.K., Japan, and the U.S. also during the same period. The following table showing the exports of cotton textiles by important supplying countries supports this statement:

(In million yards)

Year	*India*	*U.K.*	*Japan*	*U.S.A.*
1955	815.49	554.52	1,138.92	551.72
1956	744.23	474.15	1,252.04	518.88
1957	843.91	455.76	1,458.87	559.36
1958	587.22	384.08	1,245.33	505.52
1959	843.91	347.42	1,267.25	472.72

Source: India: Jt. C.C. Bombay, Dy. C.I.S., Calcutta: U.K.: Board of Trade, U.K.; Japan: Cotton Spinners' Association; U.S.A.: Cotton Board, U.K.

The Government of India is interested in promoting and stimulating the export of cotton textiles "not in the negative sense of removing restrictions and reducing duties but in a positive way by raising quality and improving services." There are many complaints of malpractices against Indian shippers. Not long ago, there were some instances where profits of 50 per cent and more were made on exports to Ceylon and other places where handloom products marked 6 yards measured only 4.75 yards on arrival at Ceylon and *dhotis* marked 2 yards were found to measure only 1.75 yards. Mr. W. R. Natu, Textile Commissioner to the Government of India, pointed out, while inaugurating the Central Committee meeting of the Indian Council of Foreign Trade recently, that much of our lucrative trade in handloom cloths was lost in the U.S. owing to the unethical practices adopted by some of our exporters. He maintained that different prices were quoted for the same material and that this was one of the factors that discouraged foreign buyers from entertaining Indian piecegoods.

Points To Ponder

The sustained economic growth of a country is by and large based on its exports. Therefore, exports should be encouraged even at the expense of domestic consumption. As indicated earlier, it is not the desire to export that matters but the existence of an appreciable foreign response to consume our exports that will bring success to export drive. To create an atmosphere of repeat purchases, three factors, besides consumer's survey and market research, present themselves, namely, export promotion, competitive price and quality of product.

The constant and continuous discussions of foreign experts regarding the planned export promotion is a welcome gesture. The recent conference of the Indian Society of Advertisers is in the right direction. The domestic manufacturers and exporters could pool their techniques together and advertise their products in a collective way so as to reduce the overall total costs of the entire undertaking. Export promotion is one of the expensive items in distribution costs. At the present moment, the question of export is not the concern of individual advancement but, in the words of Mr. Lal Bahadur Shastri, of national prosperity.

The Government of India, in order to stimulate trade on organised lines, set up the Cotton Textile Export Promotion Council in 1954. The Council is a non-profit-making institution which stands for five basic principles. They are:

1. To promote export-consciousness among the cotton textile manufacturers.

2. To make cotton textile goods reach the ultimate foreign consumer through sustained export promotion.

3. To obtain all possible trade information of the constant and continuous all-out effort in terms of market potentialities, consumer preferences, consumer surveys, trade delegations, etc., and thus disseminate the knowledge to the manufacturers and exporters by means of direct mail, an inland edition of *Texprocil Bulletin* and so on.

4. To create a favourable impression about our cotton textile goods on foreign buyers, the Council seeks to patronise our exports through exhibitions, showrooms, direct mail literature like the *Texprocil Bulletin* (Overseas Edition), informative brochures, advertising campaigns and so on.

5. To eliminate the sharp trade practices of some of our exporters, the Council has endeavoured to bring in line a standard contract which has been accepted by the trade in India. Similarly, an export packing standard has come into use and enforced on the cotton textile industry. Further, all possible trade disputes between exporters, importers and manufacturers will be considered and eventually a conciliation would be reached.

As for selling at a competitive price, Mr. W. R. Natu deprecated the exporters' obsession for luring short-run profits. He went a step further and pleaded for the willingness to suffer losses in the short-run. In telling brevity, he maintained that "export incentive schemes are merely props to put our house in order and they cannot be continued indefinitely. We must be prepared to sell at a lower price for sometime and if need be suffer losses so as to get a hold on world markets."

The Government has provided an incentive drive to exporters through what is known as Export Promotion Scheme. This scheme came into being in 1958. According to it, exporters will get the required quota in terms of cotton, colours and chemicals and textile machinery in proportion to their effective export performance. It was reported that certain manufacturers did not bother to improve the quality of their exports, but they were just exporting with a view to securing an import quota. Such a tendency will undermine the prestige of an exporting country and tell heavily on future exports.

Under the protection of the Cotton Textiles Fund Committee, the Government of India has sponsored the PTEX and Factual Pre-Shipment Examination Schemes to promote and foster exports. This scheme is designed to improve the quality of textiles exported and provides the overseas buyers an opportunity of having pre-shipment inspection by an impartial agency. At present, these services are rendered free of cost.

A VILLAGE TRANSFORMED

ISCON

INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Once an obscure village, set amidst field and forest . . . today, a mighty steel town. In a little over two years, Durgapur is making world news!

Pig-Iron for foundries, forging blooms and billets for re-rollers, sections for industry and sleepers for the railways are already being produced at Durgapur. More will follow as the construction of this giant steelworks nears the fourth and final stage.

The Wellman Smith Owen Eng. Corp. Ltd. Head Wrightson & Company Ltd. Simon-Carves Ltd. Davy and United Engineering Company Limited. The Cementation Company Ltd. Associated Electrical Industries (Rugby) Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Associated Electrical Industries (Manchester) Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. Iscon Cable Group.

BRITISH COMPANIES WORKING FOR INDIA

ESTIMATES COMMITTEE URGES REDUCTION IN SUGAR PRICES

COST OF GROWING CANE NEEDS TO BE ASSESSED

THE Estimates Committee of the Lok Sabha, in its report on the Directorate of Sugar and Vanaspati and National Sugar Institute, Kanpur, published a few days ago, has stated certain plain facts concerning the sugar industry that deserve utmost consideration. The Committee is particularly candid in its references to the issues pertaining to sugar and cane prices. We are glad that the views expressed by it on these issues are more or less similar to those which this journal has been emphasising time and again for quite a long time now. To take, for instance, the question of fixing minimum sugarcane prices. The Committee says:

"The Committee do not feel happy over this position and consider it important that an assessment is made early of the cost of production of sugarcane in different areas, in order to fix the minimum price of sugarcane to be paid to the producers, having regard to the provisions of clause 3(1) of the Sugarcane (Control) Order 1955. . . . The longer the time taken in settling the question of price linking, the more complicated the problem will become, because of the number of agriculturists, particularly those who supplied small lots of cane."

The clause 3(1) of the Sugarcane (Control) Order, it will be recalled, specifically lays down that the minimum price of cane payable by sugar mills is to be fixed on the basis of five notable factors: (1) cost of cane production; (2) return to grower from alternative crops and the general trend of agricultural commodity prices; (3) availability of sugar to consumers at a fair price; (4) price at which sugar is sold; and (5) recovery of sugar from cane. None of these factors is taken into account in fixing minimum prices. The result is that the minimum prices have turned to be maximum prices and account for a very high proportion of the cost of producing sugar. It costs on an average about Rs. 22.19 for a mill of average efficiency to produce one maund of sugar (exclusive of cane cess Re. 1.95, co-operative societies commission and driage 52 nP, excise duty Rs. 10.70, selling expenses 4 nP, and return on capital employed Re. 1.91). Of this Rs. 22.19, the cost of cane alone comes to as much as 76 per cent—Rs. 16.82, to be precise. What is worse, the cane growers want a share in the sugar mills' profit too.

It is somewhat surprising that the Estimates Committee has not made any comments on the so-called price-linking formula. All that it has done is to voice a plea for settling the question early and to suggest that the Tariff Commission be requested to expedite the submission of the report as much as possible. It has, however, drawn attention to the payment of higher cane prices than the statutory prices by sugar mills in Maharashtra and Gujarat States and commended the example for emulation by mills in other regions. Everyone knows that the quality of cane should be the main criteria for determining its price, but political considerations deter any step to adopt the criteria. It is equally surprising that the Committee has failed to highlight the urgency of reducing the high level of cess on cane crushed for making sugar.

World Prices Compared

Thanks to the high minimum price of cane, the incidence of cess and the heavy burden of excise duty, the price of Indian sugar is considerably higher than the rest of world price. The data collected by the Estimates Committee reveal that the retail price of sugar in India is Re. 1.02 per *seer*, whereas it is no more than 35 nP in Peru, 43 nP in Brazil, 46 nP in Panama, 54 nP in Cuba, 35 nP in Aden and 58 nP in Indonesia. The Committee has done well to pinpoint the need for lower prices. To quote it:

"The desirability of bringing down the price of sugar in India to the price obtaining in the international market is important not only from the point of view of exporting sugar but also for the purposes of making possible increase in the export of fruit preservations where sugar is an important raw material. India is already becoming surplus in its sugar and, with the many irrigational projects, the prospects are, indeed, bright for the sugar industry. The surpluses are going to be quite large. It would be difficult to prevent the farmers from resorting to a commercial crop like sugarcane along with the foodgrains. In such circumstances, the need for approximating the indigenous price of sugar to that in the international market cannot be over-emphasised. . . . It would be interesting to see the similar break-up of the sugar price in other countries, for that would indicate a way to plan for the reduction of it in India. The Committee would urge the Government to indicate to the industry the various ways of bringing about this approximation in price between Indian and international prices."

It is in this context that the Committee gives the following figures pertaining to cane yield and sugar recovery in some leading countries:

	Per-acre yield (Tons)	Recovery (Per cent)	Yield of sugar per acre (Tons)
India	14.49	9.89	1.433
Hawaii	62.05	10.46	6.489
Java	56.20	11.49	6.440
Peru	41.14	12.33	5.076
Japan and Formosa ..	28.27	12.93	3.657
Australia	21.34	14.33	3.060
Egypt	30.42	9.97	3.032
Puerto Rico	24.16	12.23	2.956
Philippines	27.08	8.45	2.287
Cuba	17.12	12.25	2.095

Sugar in the Deccan

The generally low per-acre yield of cane and poor recovery of sugar from cane in India must be attributed to the utter disregard shown by the grower to the quality aspect, since he is assured of a high minimum price for whatever cane that he produces, as well as to lack of mechanised operations in small plots of land, especially in the States of Uttar Pradesh and Bihar. The disadvantages are not so much in evidence in the Deccan where the mills own their own plantations and grow cane on scientific basis. The average per-acre yield and sucrose-content of cane grown in these plantations are both pretty high—53.5 tons and 11 per cent, respectively; some mills have a higher recovery per cent, namely, 12.72 and 12.98. It must be said to the credit of the Estimates Committee that it has drawn special attention to this aspect. It "sees no reason why the results obtained in the Western region could not be reproduced by the same methods of cultivation in other parts of the country." While the plantations in Maharashtra are undoubtedly a model for the rest of India, it must be borne in mind that climatic conditions in U.P. and Bihar are not as favourable as in Maharashtra and, consequently, even if their techniques of production were adopted, the yields would be appreciably less. Nevertheless, they would lead to a substantial improvement over the present state of affairs.

Incidentally, the tribute paid by the Estimates Committee to the performance of the plantations of the Deccan sugar companies needs to be borne in mind by the Central Government and the President of India before according their consent to the Maharashtra Government's Bill on land ceiling.

Price Control

On the issue of price control, the Estimates Committee has merely recorded the Government's desire not to disturb the existing pattern, as the alternative to it is to take over the entire production of sugar and resort to State trading which is not called for. Could the Committee not have disputed this contention? Even when the Committee studied the position, it was clear that the supply position would be comfortable and the case for decontrol was pretty strong. The Committee has, however, suggested that the question of relaxing controls on sugar may be expeditiously examined, though it hastens to add that, if a decision is taken to relax the controls, careful watch may be kept on its repercussions to ensure that no scare about shortage of sugar is again created in the market. Two pertinent points have been stressed in this connection. First, sugar releases must be made at regular intervals so as not to cause inconvenience to the sugar factories. Secondly, there should be no attempt on the part of State Governments to make profits on the sale of an essential commodity like sugar.

The Estimates Committee has made a brief reference to the progress made by the sugar industry and has a word or two to say about the future expansion. The chief conclusions arrived at by it are as follows:

The Committee considers it unfortunate that there has been a shortfall in the additional capacity of sugar industry planned to be raised during the first and second Plan periods. Now that the plant and machinery are being manufactured indigenously, there should be no difficulty in making good the shortfall in the third Plan period.

If the target of sugar production for the third Plan is to be achieved, it is necessary that applications for grant of licences are processed expeditiously.

The Committee feels that a co-operative, being a joint endeavour of a number of people, cannot come up so readily or easily as a joint-stock company and placing the two on a par is not likely to encourage co-operative development. The Committee would like a more positive approach in the matter so that preference to co-operatives is really effective. There should not be too great a readiness to prefer joint-stock companies on the ground that co-operatives were taking time in coming up.

The Committee is of the opinion that the policy for location of new sugar factories needs to be carefully laid down. Both regional considerations and suitability of the particular sites may guide the choice of location.

Co-operatives

The Committee's statement that preference to sugar co-operatives must be really effective is based on ideological, and not economic, grounds. Why should such preference be given, when the joint-stock enterprises possess the requisite finance and entrepreneurial ability to deliver the goods to the community speedily and more cheaply. If the price the consumer pays for his requirements of sugar is to be lower, the joint-stock sugar mills must be given all the encouragement and assistance needed to undertake expansion and modernisation programmes. It is common knowledge that the cost of putting up additional production capacity will be considerably higher in the case of a new project than in that of an existing unit, if it can command adequate cane supplies.

Even if new factories are to be set up in certain regions, the existing sugar mills may be allowed to evince interest in them, as they have the benefit of experience and managerial ability and, therefore, can do better than the co-operatives. Alternatively, formation of new joint-stock companies by new entrepreneurs can be encouraged, if the entrepreneurs are willing to find the bulk of the capital that is required. If necessary, a condition may be imposed, in the case of both the alternatives, that, in issuing capital to the public, they should give preference to sugarcane growers and other investors in the areas concerned. Such a condition will give the growers and local investors the best of both worlds—the service motive of the co-operatives and the profit-motive of the joint-stock companies—without the State Governments having to bother themselves with the flotation of co-operative sugar factories, financing them and running them. By nature and outlook, the co-operatives, especially in large-scale factory operations involving an investment of some Rs. 2 crores each, cannot be as efficient as joint-stock companies. Further, the latter can mobilise the people's savings more effectively than the co-operatives. This is evident from the fact that, in the case of almost all the sugar co-operatives that have so far been established by the Government, the bulk of the capital has been provided by the Government.

SUGAR WORKERS' WAGES

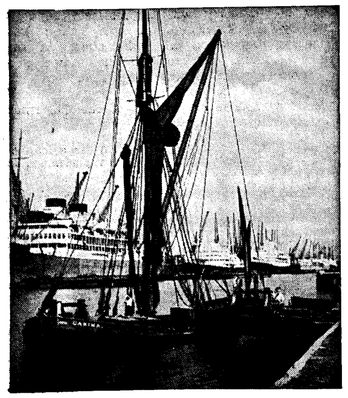
The President of the Indian Sugar Mills Association, Mr. D. D. Puri, has instructed all the constituent members of the body immediatly to implement the award of the Wage Board for sugar industry. The instruction has followed the appeal by the Union Food and Agriculture Minister, Mr. S. K. Patil. The Association had earlier expressed the inability of the industry to implement the award unless the Government helped it to clear the stocks at the mills and tide over its financial difficulties. It had demanded, among other things, an increase in the sale price of marketable sugar. Meanwhile, the U.P. Government has ordered the sugar factories in the State to implement the recommendations of the Central Sugar Wage Board with retrospective effect from 1st November 1960. The implementation of this order will mean an immediate minimum increase of Rs. 18 in the monthly wages of nearly 80,000 workers employed in the 70 sugar factories of the State.

SUGAR PRODUCTION AND STOCKS

Sugar production during the month of March 1961 was 502,000 tons, as against 444,000 tons in March 1960. This brings the total production for the season 1960-61 upto 31st March 1961 to 2,290,000 tons, as against 2,057,000 tons produced in the corresponding period of the previous season.

The offtake of sugar from factories during March 1961 was 225,000 tons, as against 152,000 tons, the total despatches (including despatches for exports) upto the end of March 1961 being 875,000 tons, as against 781,000 tons.

The total closing stocks of sugar with factories as on 31st March 1961 was 1,957,000 tons, as against 1,418,000 tons on the same date last season.



Ship via London
BRITAIN'S PREMIER PORT
EQUIPPED FOR ALL TYPES OF SHIPS AND CARGOES
The
PORT OF LONDON AUTHORITY
A Self-governing Public Trust for Public Service
For full particulars apply
The General Manager
PORT OF LONDON AUTHORITY, LONDON, E.C.3
646

A Policy Issued By
The
Bombay Fire & General Insurance Company, Ltd.
(Incorporated in India)
Your Symbol of Security in the Event of
FIRE, ACCIDENT OR A MARINE PERIL
Head Office :
Henley House, Graham Road Ballard Estate, BOMBAY 1

'BEHAR' the dependable name in **FIRECLAY & SILICA** *Refractories*

For over 35 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cocoa Mills and other Industries in the country.
Phone : 23-5952
23-3103
Gram : "BAHCO"
BEHAR FIREBRICKS & POTTERIES LTD
TRANG ROAD, CALCUTTA-1

Hastings Belting

BIRKETTS BROTHERS LIMITED

The Seal of Security
However much money you have to invest, you seek Security as well as a good return. Lombard Banking offers both. 6% interest per Annum is coupled with the finest Security as well as availability.
A Lombard Banking Deposit Account brings you Interest payable twice yearly.
6%
ASSETS EXCEED £100,000,000
Interest paid without deduction of United Kingdom income tax
Write today to the General Manager for your copy of "Bank Deposit Account" Booklet No. **A.O. 91.**
LOMBARD BANKING
LIMITED
BANKERS
Head Office :
LOMBARD HOUSE
CURZON STREET, PARK LANE, LONDON, W.1
GROsvenor 4111 (30 lines)
A World-Wide Banking and Finance Organisation

ALL-INDIA SURVEY OF TEA GARDENS

CONCRETE SCHEME FOR ASSISTANCE URGENT

THE reported move of the Tea Board to conduct a comprehensive survey of tea gardens, with a view to assessing the problems confronting the industry in different regions, deserves to be welcomed. The proposed survey, it is said, will cover all aspects pertaining to production and marketing, as well as their economic and technical requirements. On the basis of the findings, the Board will determine the extent and nature of financial, scientific and technical assistance that would be required by the tea estates for augmenting output and improving quality. Simultaneously with this survey, there will be an enquiry into the living conditions and pattern of expenditure of tea garden workers. To start with, the surveys will be confined only to the Darjeeling district in West Bengal where the cost of tea production is said to be very high and a number of tea bushes are unable to produce quality teas because they are too old.

The findings of the aforesaid surveys will be awaited with much interest. It is to be hoped that they will be completed as early as possible, so that the Government may formulate a concrete scheme for actively assisting the tea industry in its task of fulfilling the third Plan production target of 900 million lbs., to be achieved by 1965-66. The scheme should be quite comprehensive in coverage so as to provide for increased supply of fertilisers to tea gardens, expanded transport facilities for taking fuel, fertilisers, stores, etc., to the gardens and for bringing back made-tea, suitable adjustments in the multiplicity of taxation on tea—Central, State and local—and measures for ensuring that consumption of tea keeps pace with production. The need for such a scheme is urgent in all conscience, considering the keen competition that is growing in the world tea trade from countries where the production of tea has risen markedly and cost of production is comparatively lower.

Losing Ground Abroad

That Indian tea is gradually losing ground in foreign markets will be evident from the downward trend in exports. The quantity of tea actually shipped in the calendar year 1960 was 429.42 million lbs., valued at about Rs. 120.05 crores, as against 467.73 million lbs. (Rs. 126.39 crores) in 1959 and 505.90 million lbs. (Rs. 133.53 crores) in 1958. The fall of 38.31 million lbs. in exports during 1960 was accounted for entirely by North Indian tea, the actual shipments of which were 342.32 million lbs., as against 384.34 million lbs. in 1959. The exports of South Indian tea, however, were slightly higher at 87.10 million lbs., as against 83.39 million lbs. In contrast, tea exports from Ceylon, Indonesia and East Africa registered a rise. It is estimated that these countries exported last year 415.8 million lbs., 77.09 million lbs. and 90.02 million lbs., respectively, the corresponding figures for 1959 being 380.95 million lbs., 64.94 million lbs. and 80.78 million lbs.

There would appear to have been a slight improvement in tea exports since the current year began, but it is difficult to say whether the trend will continue in the coming months also. The total shipments of tea in the first quarter of the year amounted to 98.75 million lbs., as against 90.49 million lbs. in the corresponding quarter of 1960. It is reasonable to assume that a part of this improvement in exports was due to a slight reduction in the export duty on tea announced in the last budget, a relief which became effective from 1st March 1961. The following table gives the destination-wise exports of Indian tea:

(In million pounds)

Countries	January-March		Whole of	
	1961	1960	1960	1959
United Kingdom ..	54.06	47.25	256.09	276.91
Irish Republic ..	4.00	2.98	18.97	16.72
U.S.S.R. ..	4.48	2.57	22.16	26.75
Rest of Europe ..	4.53	5.76	16.16	24.25
U.S.A. ..	5.01	6.13	19.25	23.19
Canada ..	4.85	5.21	16.41	16.94
Iran ..	3.39	2.04	8.78	8.26
U.A.R. ..	8.31	12.06	91.90	96.17
Sudan ..	3.15	0.46	8.52	22.26
Others ..	6.97	6.06	26.48	26.29
Total ..	98.75	90.49	429.42	467.73

The low level of Indian tea exports must be attributed partly to the substantial increase in prices which, in turn, has been due to the rising tendency of production costs and heavy tax burden. The modest reduction in export duty from 1st March last was a recognition of the heavy tax burden, but the extent of relief to tea gardens was very little, inasmuch as the excise duty was increased. The trend of prices fetched at the various auctions is indicated below:

(In rupees per kilogram)

	Latest available	Beginning of 1961	A year ago
At Calcutta:			
For export	5.34	5.03	5.05
For internal consumption—			
Dust	5.01	5.15	4.41
Leaf	4.39	4.34	3.86
At Cochin:			
(For internal consumption)—			
Dust	4.54	4.80	4.81
Leaf	4.77	4.89	5.20
At London (quality tea)	12s. 1d.	14s. 3d.	13s. 11d.

Note:—Quotations for Calcutta are inclusive of excise duty.

The advance in tea prices in India is the result of increase in excise duty on loose tea and the growing pressure of domestic demand—the annual rate of increase in domestic consumption of tea is about 15 million lbs.—on a reduced supply following the setback to production in North India. The tea crop actually harvested during 1960 was just 696.1 million lbs., as against 716.1 million lbs. in 1959. The decline was accounted for solely by North-East India where output fell from 561.2 million lbs. in 1959 to 527.0 million lbs. in 1960. Production in South India, however, improved from 154.9 million lbs. to 169.1 million lbs. It may be noted here that tea production in Ceylon during 1960 was higher by 23 million lbs. at 436 million lbs. Production in Indonesia and Africa was also better last year. The production of tea in India during the last five years is compared with those of the other principal countries in the following table which shows to what extent the African countries have expanded their output of tea:

(In million lbs.)

Country	1960	1959	1958	1957	1956
India ..	696.10	716.10	713.50	678.90	667.00
Of which shareof:					
N. E. India ..	527.00	561.20	555.80	528.40	540.10
South India ..	169.10	154.90	157.70	150.50	126.90
Ceylon	436.00	413.00	413.15	397.77	375.58
Indonesia	96.25*	96.43	102.65	108.87	94.65
Pakistan	39.96	57.72	56.41	46.43	55.04
Kenya	29.52	26.91	25.18	22.02	21.27
Nyasaland	29.28	23.78	22.29	18.09	20.80
Uganda	9.84	9.49	8.26	8.02	6.80
Tanganyika	8.87	7.79	6.33	6.13	5.95
Mozambique	81.27	90.02	N.A.	N.A.	N.A.

* On the basis of output for the first eight months of 1960.

An analysis of the trends in the important tea producing countries as highlighted by Mr. N. S. Coldwell at the last annual meeting of the Indian Tea Associations reveals that, in Ceylon, despite some political uncertainties in the course of last year, the position is reasonably satisfactory; production and exports are rising, and quality has not deteriorated. Ceylon's advantages on the world seaways are obvious and the country has the advantages of very short lines of communication between the gardens and the sea. (Some of India's teas travel 1,200 miles before they even reach Calcutta.) Indonesia remains stuck at approximately the 100-million pound mark; still only half the pre-war production. How far this now represents a permanent state of affairs it is difficult to say, but it is clear that the remarkable rate of recovery made immediately following the war has not been maintained and that one of the traditional suppliers of tea is now short by a hundred million pounds. The African territories might be said to constitute a threat to India's common tea areas, because African teas pay no tax and are produced by estates which have been able to avoid the mistakes of the pioneers. There are no restrictions over the importation of fertilisers, tea chests, and other necessities, and there is little taxation on those engaged in the industry, and none upon the product itself. There is no doubt that potentially China can be a very real danger to India.

Government Help

By virtue of it being the largest employer of organised labour in India and one of the stable earners of much precious foreign exchange every year, the tea industry is certainly entitled to a more generous treatment from the Government than what it has received so far. How exactly the Government should help the industry was impressively brought out by the Chairman of the Indian Tea Planters Association when he addressed the recent annual meeting of the Association a month back; a brief reference to the speech was made in these columns three weeks ago. The suggestions of the Chairman are as follows:

1. There should be a provision for a loan of Rs. 15 crores for replanting and replacement of tea in the third Five-year Plan.

2. The Government should create a Tea Finance Guarantee Fund to help the estates in raising funds for capital expenditure urgently needed for the renovation and expansion of plant and machinery.

3. The industry must have its full quota of ammonium sulphate and it should not be discriminated against in charging the price of this fertiliser.

4. Export duty on tea, the Assam road tax and the West Bengal entry tax must all be withdrawn.

5. There should be adequate propaganda in favour of tea to expand its consumption within and outside India.

6. A loan of Rs. 16 crores for the plantation labour housing scheme must be provided for in the third Plan. Provision for subsidy in the scheme must be on the same scale as in industrial housing scheme.

7. The phasing of improved labour housing should be reduced from 8 to 4 per cent.

The above suggestions deserve the sympathetic consideration of the authorities to the extent to which the acceptance of these suggestions will not entail considerable burden on the exchequers or deny reasonable amenities to labour. It has to be admitted that the tea industry and the consumer will have to make their contribution to the economic development of India which by itself will lead, as we pointed out on a previous occasion, to a broadening of the domestic market for tea. Nevertheless, the demands of tea industry for active encouragement and understanding of Governments must be conceded, so that the industry will address itself to the task of achieving the third Plan target with reasonable confidence.

Responsibility of Tea Industry

It is also necessary to stress, at the same time, that the industry should give no cause for complaint that it is neglecting the tea bushes or following a short-sighted policy of bleeding the bushes to death in order to get maximum production. It is alleged that some of the producers, particularly those who took over gardens from the British owners by paying a heavy price, have not been devoting adequate attention to the question of maintaining the tea bushes in good condition and that, in their anxiety to get a high income from the estates to compensate for the high prices at which they bought them, they have been mercilessly plucking more tea per bush than is desirable for the health and longevity of the plant. This is said to be one of the reasons why many gardens are now in need of rehabilitation and their cost of production has become high. This development, coupled with continuing changes in the ownership of tea gardens, has induced some members of Parliament to suggest nationalisation of tea industry. This is undoubtedly a desperate solution which will prove to be a case of remedy being worse than the disease. But the complaint itself is not without some foundation. The associations representing tea producers must, therefore, do something effective on their own initiative and volition which will help remove the cause of the complaint. They must evolve a code of conduct for their members in regard to maintaining a minimum level of efficiency in their gardens. In fine, the industry must set its house in order, if its demands for fiscal relief and financial assistance are to win the approval of the authorities.

BONUS FOR TEA WORKERS

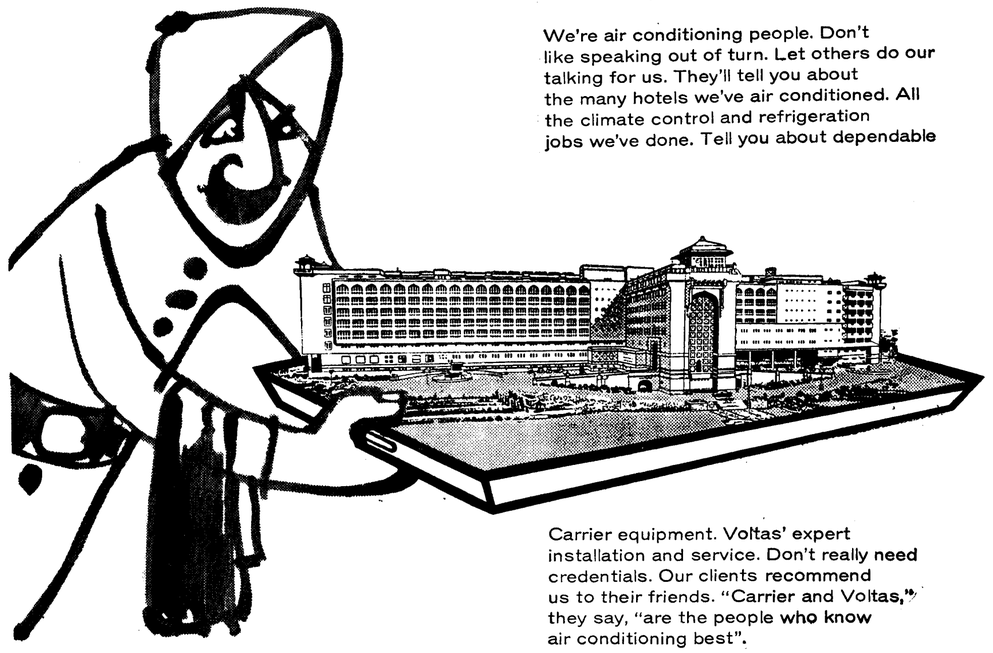
The 800,000 workers employed in the tea plantations of North East India will get bonus for the years 1959, 1960 and 1961. An agreement to this effect was signed at the meeting of the Plantation Industrial Committee's Bonus Sub-Committee held at Calcutta on 26th April 1961. The bonus payable to all categories of workers per year is fixed at 14 per cent of the profits of the companies. A further 1½ per cent for 1959, 1 per cent for 1960 and ½ per cent for 1961 will also be paid to different pools for bonus payment in lean years when there is no profit or when the profit is inadequate.

The Punjab Government has appointed an eleven-member committee, with the Secretary of Agriculture Department as Chairman, to consider measures and make recommendations for the development of green tea industry in the State.

Carrier serve you faithfully at the Ashoka Hotel, New Delhi

We're at your service 24 hours of the day. Constantly. Quietly. Reliably. Our main concern: your comfort. At the Ashoka we keep you cool in summer, warm in winter. Protect you from dust, damp and insects, too.

We're air conditioning people. Don't like speaking out of turn. Let others do our talking for us. They'll tell you about the many hotels we've air conditioned. All the climate control and refrigeration jobs we've done. Tell you about dependable



Carrier equipment. Voltas' expert installation and service. Don't really need credentials. Our clients recommend us to their friends. "Carrier and Voltas," they say, "are the people who know air conditioning best".

Some other hotels and restaurants air conditioned by us:

A. Firpo Ltd., Calcutta
Gaylord, Bombay
Great Eastern Hotel Ltd., Calcutta
Hotel Ambassador, New Delhi
Hotel Imperial, New Delhi
Hotel Janpath, New Delhi
La Bella, Bombay
Maidens Hotel, New Delhi
Taj Mahal Hotel, Bombay.

Carrier
the people who know air conditioning best
VOLTAS

VOLTAS LIMITED,
Head Office: Ballard Estate, Bombay-1

CALCUTTA • MADRAS • NEW DELHI
BANGALORE • COCHIN • AHMEDABAD
LUCKNOW • KANPUR • SECUNDERABAD

VTY-13

POSTS AND TELEGRAPHS IN THIRD PLAN

HIGHER PRIORITY NEEDED FOR TELEPHONES

THE progress of plans for the development of postal and telegraphic facilities in the second Plan period and the allocation for the same purpose in the third Plan show that a rather low order of priority has been assigned to this field of development. The progress during the second Plan period was, of course, better than in the first Plan period. The shortfall in expenditure in the second Plan to the extent of about Rs. 3 crores was mainly under "local telephone services"; this was due to a drop in the price charged by the Indian Telephone Industries. The number of telephones installed came up nearly to the physical target of 180,000 laid down in the second Plan. If the Department did not derive full advantage of the drop in the price charged by the Indian Telephone Industries by installing more telephones, it was due to the emergence of foreign exchange restrictions in the year 1957 and the ban on buildings.

It was also a fact that, during each of the years 1956-57 to 1958-59, more than 33 per cent of the sanctioned works, each costing over Rs. 5 lakhs, had not been taken up during the year in which funds were obtained from Parliament. This non-utilisation of funds in such a large proportion of the cases, according to the representatives of the Department, was due to the difficulty of land acquisition. But there was some improvement in the year 1959-60, for, out of 169 works undertaken by the Department, only in respect of 33 works was no expenditure incurred.

There was a slight shortfall in the achievement of the target for telephone lines also in the second Plan. The achievement was 176,000 lines, as against the target of 180,000. In regard to a number of telephone exchanges costing over Rs. 25 lakhs which had been sanctioned a long time back, the work had not yet commenced in some cases, while, in others, there had been heavy delays. These delays had occurred either in acquisition of sites or in construction of buildings.

A Suggestion Turned Down

A question as to the feasibility of enlisting the financial assistance of private entrepreneurs for important projects of telephone expansion as in the U.S.A. was recently raised, in this connection, by the Estimates Committee. The representative of the Department, who appeared before the Committee, stated in reply that most of the telephone systems in the world were run by the State, the Bell Telephone System in the U.S.A. being one of the few exceptions. In a field like that, he said, it was necessary to have an integrated system for the entire country. In India itself, there were a number of private telephone companies in the past and, after very careful consideration, Government decided to departmentalise those systems. While it might be possible to secure financial assistance for certain projects from outside sources, it was not possible to entrust the management of the telephone system to a private firm, indigenous or foreign. But, at the same time, the fact remained that the Department, too, would not be in a position to provide in full the required telephone facilities. According to the Department's representative himself, the unsatisfied demand for telephones at the commencement of the third Plan would be of the order of 200,000 and the additional demand expected to be generated in the third Plan period would be 500,000. An amount of Rs. 175 crores would be required to provide all the 700,000 telephones and the complementary trunk exchanges, cables and other facilities. This, however, would have a foreign exchange component of only Rs. 10 crores.

The third Plan allocation for posts and telegraphs as a whole, however, is only Rs. 68 crores which is very much less than what the Department had asked for. At first, the Department wanted Rs. 275 crores and then it reduced the figure to Rs. 120 crores on the understanding that the Planning Commission would allocate Rs. 80 crores, leaving Rs. 40 crores to be found from its own resources. Ultimately, even this amount was not sanctioned. The final allocation of Rs. 68 crores approved by the Commission is, however, exclusive of Rs. 30 crores to be met from the Department's own resources which presumably include the Rs. 29 crores that has been lying with the Government as the accumulated surplus of the Department. With such limited funds placed at its disposal, the Department, it is stated, would not be in a position to meet even urgent demand for telephones, as the number of applicants on its waiting list at the commencement of the third Plan is itself 200,000. Perhaps even this number in the waiting list is an underestimate of the real demand, for, it is common knowledge that many people do not submit applications because they know that with a heavy backlog of outstanding applications, it would hardly be of any use applying for new connections.

In fine, the position will continue to be one of extreme stringency in the field of telephones. Posts and telegraphs are given such a low order of priority that they are not included in the core of the Plan. On the other hand, the Department is asked to accord a very high order of priority to the provision of telephones in the industrial projects which are coming up. The Department has so far failed in its attempt to get some loans from the Ministry of Finance out of the D.L.F. and other funds. It is recognised that most of the present difficulties are due to shortage of telephone instruments, cables, wires and exchange capacity. According to a business representative, who tendered evidence to the Estimates Committee, at least two more factories are needed for the production of telephones, exchange equipment and cable wires. Looked at from the point of view of the size of the third Plan and the pressing demand for telephones, the existing capacity is grossly inadequate.

Remedy

What, then, is the remedy? As the Department will not be in a position to satisfy anything more than a small part of the demand—it is officially stated that achievement in the third Plan period will be about the same as in the second Plan—it may be worthwhile to consider a slight modification of the present policy and negotiate, if possible, with the Bell Telephone Company of the U.S.A. to install telephone networks in the new industrial areas and also to establish a factory for the manufacture of telephones in India on the lines of the Indian Telephone Industries Ltd. It may be possible to have this kind of foreign collaboration with the public sector or with some private parties. The inflexible official stand that it is not possible to entrust the management of the telephone system to a private firm, indigenous or foreign, seems to be rather unwise in the present situation which demands a more dynamic approach consistent with the tempo of industrialisation. If it is thought that strategic considerations rule out foreign participation in this field, there can conceivably be a compromise approach under which one or more telephone manufacturing units are set up in the private sector while new telephone networks established with foreign collaboration are subjected in some way to the ultimate control of the Department for strategic reasons. As a public utility, a telephone network, even while operated and managed as a private enterprise, can be subjected to a loose kind of State control in normal times and stricter control in times of emergency. Co-ordination of private telephone networks with the Department is only a matter of detail and should be quite capable of achievement.

If the authorities think that they cannot make a departure in their present policy, then they should at least make more resources available to the Department. Something effective must be done to speed up establishment of a sufficient number of telephones which constitute a vital means of communication in a modern economy. Telephones are as important as transport and they should be given the same priority that is given to it. To say that nothing more could be done than is envisaged in the third draft Plan is to admit failure of the public sector to provide an essential service.

O.E.E.C. RECOMMENDATIONS ON ENERGY POLICY

The O.E.E.C. Council has recently adopted a recommendation designed to help each member-country in framing its energy policy in the light of its own national interest, legislation, economic structure and need for development, but taking into account the needs and possibilities of the O.E.E.C. area as a whole. This recommendation is based on the Energy Committee's study of the O.E.E.C. Energy Advisory Commission's report *Towards a New Energy Pattern in Europe*, published in January 1960. The first part of the recommendation urges member-countries, when seeking solutions for the various problems arising in the energy sector, to take into account a series of conclusions which are given below:

Long-term energy policy should be based on the assumption that there will not be any lasting shortage of energy supplies in Western Europe before 1975. It should attach the utmost importance to securing plentiful supplies of low-cost energy, at the same time leaving the consumer the greatest possible freedom of choice. Everything should be encouraged that may lead to a more rational use of energy.

The expansion of indigenous energy resources should be developed or encouraged in so far as they can be exploited in sound economic conditions. Governments should permit, as far as possible, the application of a more flexible price policy for coal. Better methods of marketing energy and especially coal, should be encouraged and the greatest importance attached to the transformation of coal into secondary forms of energy. Measures should be kept in view to provide a rapid remedy for any shortages or surpluses, while ensuring that they have the smallest possible effect on an economic pattern of energy consumption.

In order to prevent distortions in the energy market, it is recommended that the ideal situation, in which the prices of the different forms of energy reflect the costs and scarcities of individual types of energy, should be borne in mind, so as to ensure that each is used for the purpose in which it can be employed to best advantage. As far as practicable, fiscal policy should be designed in such a way that taxes, charges and customs duties do not lead to the preference of a less economical for a more economical form of energy. It should be ensured that transport rates do not introduce an element of distortion into national and international competition. Governments should generally refrain from preventing sound economic management of production, transport and distribution of the different forms of energy and bodies controlled by public authorities should normally make sufficient provision in their prices for return on capital.

A number of the conclusions refer especially to coal-producing countries. These member-countries should encourage the concentration of production in mines where prospects for productivity and cost are favourable, and should take care that any action taken to overcome the technical and social difficulties of the coal industry does the least possible damage to the structure and economic development of the supply and use of energy as a whole. They should give thought to the possible difficulties that might be created by a pension scheme attached exclusively to the coal industry in the case of stable or slowly declining employment in coal-mining and take full account, when determining energy policy and economic policy in general, of the social and human problems involved in any reduction of employment in coal-mining.

RAILWAY STATISTICS FOR 1959-60

The Railway Board has just published Volume II, containing statistics, of its report on Indian Railways for 1959-60. The statistics are detailed and comprehensive. They pertain to capital-at-charge, gross revenue receipts, working expenses, dividend to general revenues, balances in the reserve funds, mileage of railways, rolling stock in service, passenger and goods revenue, train and engine mileage relating to steam, diesel and electric locomotives, fuel consumption, number of staff, etc. One statement pertaining to train mileage according to the type of locomotive is particularly interesting. It shows that, while the train mileage relating to steam locomotives has increased from 213.8 million (train miles) in 1956-59 to 216.5 million in 1959-60, that relating to diesel locomotives has increased from 3.2 million in the former year to 6.4 million in the latter. The train mileage done by electric locomotives, excluding suburban services, rose from 3.2 million to 3.7 million. What is noteworthy is the relatively more rapid growth of diesel traction.

BRITISH IRON AND STEEL FEDERATION

At the Annual General Meeting of the British Iron and Steel Federation recently, Mr. C. R. Wheeler, President, gave the estimate that U.K.'s crude steel output in 1961 might reach a total of 24½ million ingot tons. He looked further forward and expected that demand would grow by 1965 to about 30 million tons, as compared with 24½ million tons in 1960. Companies' plans, he said, already envisaged a steel capacity of 34 million tons by that year, as compared with 27 million tons in 1961. According to the Annual Report of the Federation, the focus of concern is now clearly moving away from the post-war problems of shortage to the possible dangers of over-expansion. But it is expected that companies, and, within its own sphere, the Federation, will take active steps to bring demand up more nearly in line with development field at home and by pressing still harder for bigger exports abroad.

L.D. STEEL CONVERTERS AT ROURKELA

In the brief note entitled "Progress at Rourkela", published on page 570 of our issue dated 1st April 1961, it was stated that the L.D. steel converters were designed and supplied by the West German firm of DEMAG. This is incorrect. The whole L.D. steel-making plant, including the converters, were entirely designed, supplied and erected by Messrs. VOEST of Linz, Austria, who are the pioneers and inventors of the world-renowned L.D. steel process which is being increasingly preferred to the traditional open hearth furnace. Messrs. VOEST, it may be noted, are having large orders from all over the world for the manufacture of L.D. plants.

NEW PRODUCTS AND PROCESSES

New Adhesive for Surgical Use

DOCTORS at Tokyo University's Medical School have succeeded in closing an incision made in an appendix operation by applying an adhesive, instead of by the conventional stitching method. By this "revolutionary adhesive" method, claimed to be the first to be attempted in the world, an incision was closed within two minutes, according to the physicians. The new method, which it is said, may in the near future replace the centuries-old needle-and-thread method of closing incisions, has been developed by a group of 11 doctors, headed by Prof. Seiji Kimoto of the Medical School. They launched the study of the adhesive method last February. The early part of their study was spent in search of the right kind of adhesive applicable on human bodies. After a series of trials and errors, they found that the Eastman 910, an American synthetic resin adhesive normally used in electricity, met all the qualifications for the method—applicable on wet organs, harmless to human organs, easy to sterilize, non-deteriorative at normal body temperature, having strong and quick adhesive power, and absorbable within a few weeks into human organs. Since then, they have executed a series of experiments on medical applicability of the adhesive with some 60 dogs and 20 rabbits. It was proved that cuts on skin, veins, windpipes and intestines were closed in a matter of two minutes with the use of the adhesive. The adhesive on the cuts was absorbed in about a week, leaving little trace of the cuts according to the doctors. Assured of the successful results of these experiments, the team applied the adhesive method on a human body for the first time last December. They placed a drop of the adhesive on an incision made in an appendix operation of a male patient, and left the part for five minutes. The first human experiment of the adhesive method proved to be a success, and the patient was able to leave the hospital only two days after the operation. The adhesive closed the cut so tightly that only a thin line remained on the patient's abdomen, instead of ugly scars left by the conventional stitching method. The doctors applied the new method successfully on two other cases in late January.

New Automobile Speed Governor

A new type of speed governor for motor vehicles has been developed by the British car firm of Rover Ltd., of Birmingham, England. The governor, said to be the first of its kind, is connected to the speedometer cable so that drivers can reach top speeds in low gears. In many countries there are maximum speed limits and many customers have requested a governor to be fitted. This governor, which costs £21 in the U.K., can be used on most makes of cars. The system is arranged to be conscious only of vehicle road speed, and the road speed limit it dictates is, therefore, independent of the vehicle transmission gearbox ratio in use at any given time. It is not intended to control engine speed, doing so only by reason of the relationship existing between engine speed and road speed. The limiting speed provided by the system may easily and quickly be varied by the use of interchangeable colour-coded control springs, a range of which is available to meet requirements. When the vehicle is stationary, or is being driven at any speed below the desired limit, the centrifugal switch contacts are open and the throttle control unit permits the carburettor butterfly to be positioned in the normal manner by the accelerator pedal. Whenever a speed of about two m.p.h. above the desired limiting speed is reached the switch contacts close positively to operate the relay, and, by energising a solenoid in the throttle control unit, to shut the butterfly down to idling. The vehicle then decelerates until, at about three m.p.h. below the desired limit, the switch breaks contact, and the solenoid releases the butterfly to an opening corresponding with the accelerator pedal position.

Terylene Bags for Plant Breeding

A novel use for Terylene has been found by the Genetics Section of the Forestry Commission Research Branch in Edinburgh. Since April 1960, the Commission has been experimenting with non-woven Terylene bags for isolating female flowers when control-pollinating pine and larch trees. Previously paper bags had been used for this purpose. The bags are placed over branch tips bearing female buds from a fortnight to a day before the female flowers become receptive and before pollination takes place. This prevents outside contamination from stray pollen. When the bud breaks into flower, the bag is pierced by a hypodermic syringe containing pollen from specially selected trees and pollen is blown on to the flowers. After pollination the bag is sealed again for a further ten days, after which it is removed. This method ensures that the parentage of the resulting seed is known. By planting the resulting seedlings on different forest sites and by assessing their vigour and form, the best parents can be selected. These parents will provide the seed for future forest planting stock.

Electronic Ticket Seller

An electronic system to provide ticket selling offices throughout the U.K. and Europe with up-to-the-minute information on the availability of airline seats on all flights operated by the British Overseas Airways Corporation, is to be set up, it has been announced in London. The system will also give information on the flights of other airlines associated with B.O.A.C.; in each case the information will be available for flights over a period up to 20 weeks ahead.

The equipment is to be supplied by the London firm, Standard Telephones and Cables, Ltd., who says that details of flight information will be stored centrally—by electronics—at a terminal in London. It will serve about 100 sales personnel using special keying sets within the depot itself and the installation is expected to be ready for service later this year. The system will then be extended, using telegraph circuits, to various points in London including London Airport. And then further geographical extensions over standard telephone channels are to be made quickly to large centres in the U.K. such as Birmingham, Belfast, Manchester, Leeds, Glasgow and then to a number of cities in Europe. With the new system, the 'availability' information is given automatically in a few seconds and in the initial phases booking will be carried out by telephone or teleprinter. The 'status' information will be kept up-dated in the central magnetic store by control clerks. In the later phases, this up-dating and seat inventory will be accomplished automatically. Seats will be booked by a single push button.

Chemical Aid for Concrete Construction

A material which has increased the scope and effectiveness of anti-corrosive preparations used in light-weight concrete construction and other fields, is now being produced for the first time in commercial quantities by a U.K firm of industrial chemists, Watford Chemical Co., Ltd. The material is known as tetrahydroxyadipic acid and, since the firm started commercial production recently, more than 90 per cent of its output has been exported, chiefly to the U.S.A. and Sweden.

Its main application is in the field of light weight concrete construction. It is essential in this type of construction, that the metal used in reinforcing be permanently protected against corrosion. A drawback is, however, that cold-setting anti-corrosive dips frequently set solid in as little as 30 minutes. The addition of tetrahydroxyadipic acid in the correct quantities results in the preparation remaining fluid for an infinitely longer period—and consequently removes the time factor problem when coating these metals. The firm claim that tetrahydroxyadipic acid has other potential uses in the textile industry and in plastics, pharmaceuticals and cosmetics.

Portable Nuclear Power Plant

A portable nuclear power plant—the first of its type in the world—is now in operation at the National Reactor Testing Station near Idaho Falls, in Idaho, U.S. The plant, known as the Mobile Low Power Reactor Number 1 (ML-1), is the first ever built in which gas, heated in the core, is used to drive a turbine and then is returned to the co in a closed cycle. The Atomic Energy Commissic says its ML-1, designed for use in remote area will be coupled with power conversion equipmer capable of producing 300 to 500 kilowatts of ele tric power. The entire plant, weighing abou 38 tons, can be transported by cargo aircraf truck-trailers, trains or barges in six packages.

New Drug Heals Injuries Faster

A new drug, buccal varidase, which reduc swelling and discoloration and speeds healing bruises and other injuries, has been developed b Lederle Laboratories of Cyanamid Internation The drug is said to activate a mechanism in th blood and tissues that thins the fluid which co lects in the injured area. By breaking down th membrane, which seals off the hurt tissues, it al speeds the penetration of antibiotics and the body own defence substances.

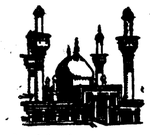
A New Tempting Fish Bait

A tempting fish bait called Marinesol has bee developed in Japan. Marinesol is, as its name in plies, a bait containing chemical ingredients. It a scientifically-prepared colloidal solution th swiftly dissolves in water, spreading an appetisir aroma of fish food. Marinesol is sold in aluminiu containers of various sizes ranging in weight fro a few ounces to over a half ton.

Testing Endurance of Car Bodies

A specially designed shaking machine for mo rational tests of the endurance of car bodies ar chassis has for some time been in use at the Saa Aircraft Company's automobile division at Trol hättan, Sweden. The test machine was shown a recent automobile industry exhibition, "Billia in Stockholm, where it is said to have attracte great interest. When a car is tested in the machir the wheels roll on rotating drums equipped wit screwed-on blocks which make the car continual bump against the "road." Both the speed of th drums and the size of the blocks can be varie The foremost advantage of the new testing metho is said to be that many cars can be tested und identical conditions with directly comparable r sults as to the resistance against vibrations ar bumpy roads. Another advantage is that no driv is needed during the test. The "shaking-machin cannot, however, completely replace the usual te driving on highways and tracks.

A tale of Twenty-two Cities



From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them—in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to 1889 and closely associated with the rapid development taking place today.

India; Aden; Dubai; Sharjah and Abu Dhabi, Muscat; Qatar; Bahrain; Kuwait; Saudi Arabia; Jordan; Iraq; The United Arab Republic (Syrian Region); Lebanon; Libya, and Tunisia; these are territories where The British Bank of the Middle East operates. It has intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

THE BRITISH BANK OF THE MIDDLE EAST

Incorporated in England by Royal Charter 1889 with Limited Liability.
HEAD OFFICE: 7 King William Street, London E.C. 4.
BOMBAY OFFICE: 314 Dr. Dadabhai Navroji Road, Fort, Bombay.
Tel. Add.: BACTRIA. Telephone: 25-2267
Capital and published reserves £6,475,000
ASSOCIATED WITH
THE BANK OF IRAN AND THE MIDDLE EAST
Capital Risk £60,000,000
HEAD OFFICE: TEHERAN, IRAN (TEHRAN). (P.O. BOX 1620)

BRITISH INDIA CORPORATION LIMITED

CHAIRMAN, MR. H. S. CHATURVEDI, EXPRESSES CONFIDENCE IN THE COMPANY'S FUTURE

1960, A YEAR OF SATISFACTORY WORKING

"THE year 1960 may well be reckoned as a year of consolidation. We are now in a position to launch a programme of rehabilitation and modernisation without which we cannot prosper in this age of growing competition." This was how Mr. H. S. Chaturvedi, Chairman of the British India Corporation Limited, summed up the present position of the Company at the Forty-first Annual General Meeting held at Kanpur on 26th April, 1961. Although the Company's woollen, cotton textile and sugar mills still faced many problems, which they shared with other units in the country, 1960 was a good year, in that it was a year of steady progress on all fronts.

The following is the full text of Mr. Chaturvedi's speech:

"GENTLEMEN,

"It is my happy privilege to welcome you to the Corporation's forty-first annual general meeting.

"The audited accounts and the Directors' report for the year ended 31st December 1960 have been duly issued to the shareholders, and with your permission, I shall take them as read.

"In my address to shareholders last year, I referred to the turn for the better in the Corporation's affairs, after a period of great anxiety, and to the improved trading results for 1959. It gives me great pleasure to be able to report steady progress and further improvement in 1960. The net profit before taxation during the year amounted to Rs. 90,93,242, as compared with Rs. 63,09,042 in 1959, showing an increase of nearly Rs. 28 lakhs. The Corporation's recovery is further reflected in the reduction of the bank overdraft by over a crore of rupees, as compared with last year.

"On the side of dividends, you will notice from the Directors' report that all arrears on preference shares will now be cleared, and that it has at last been possible to recommend the declaration of a dividend on the ordinary shares. In considering the dividend policy, your Directors are of the view that, in order to strengthen and sustain the Corporation's financial position in the interest of future development, it is essential to plough back into the business a reasonable part of the profits. Accordingly, a sum of approximately Rs. 31 lakhs has been retained in the business out of the available trading surplus. In addition, a sum of Rs. 10.20 lakhs, that being the net surplus from the sale of fixed assets, has been transferred to capital reserve and Rs. 1.67 lakhs, that being the profit on the realisation of investments, has been transferred to investment reserve.

Secretaries and Treasurers

"The appointment of the Corporation as Secretaries and Treasurers for five years of the Elgin Mills Company Ltd., Cawnpore Textiles Ltd., Cawnpore Sugar Works Ltd., Champarun Sugar Company Ltd., Saran Engineering Company Ltd., and Brushware Ltd., all of which were formerly under the Managing Agency of Begg, Sutherland & Co. Ltd., is a significant landmark in the history of the Corporation. Begg Sutherlands, which, since 1946, has been a wholly-owned subsidiary of the Corporation, will, I hope, soon be merged with the parent company. The appointment of the B.I.C. as Secretaries and Treasurers of the above six companies, will ensure continuity of sound management and will, I sincerely hope, be in the best interests of those companies.

"I now propose to comment briefly on certain aspects of the working and activities of the Corporation's woollen textile, leather, cotton textile, and sugar units.

Woollen Mills

"The Lalimli and Dhariwal Mills have, on the whole, done well in maintaining satisfactory production. These units, which were the first of their kind to be established in India, have achieved a unique reputation over the years for the superior quality of their products. It has to be borne in mind, however, that the manufacture of specialised lines, for which there is a great demand, requires high grades of imported wool. In order to preserve their good reputation and to maintain production at two-shift level, regular supplies of Merino and other high grade wools have to be assured. To this end, the Corporation seeks the sympathetic and timely assistance of the Government in granting adequate import licences for raw materials essential for the production of specialised lines.

"In my address last year I referred to the urgency of rehabilitating the plant and machinery of our woollen branches. Most of the machinery is about fifty years old, and some of it dates back to 1880. A stage has been reached when productivity is bound to suffer if steps are not taken to rehabilitate the present plant, much of which is now obsolete and uneconomic. To earn foreign exchange, which is so vital to the future of the country, we must first improve our competitive power in the production of high quality goods at reasonable prices. This will to a great extent depend on our ability to modernise the existing plant.

"Our technicians have prepared a blueprint of rehabilitation programmes with the aid of foreign experts, and we shall soon be approaching the Government for import licences to implement the first part of the scheme.

Leather Branches

"The Corporation's leather branches, as you will observe from the Directors' report, have in 1960 made a small profit for the first time since 1953. This sign of slow but sure recovery from a very serious situation is naturally gratifying to us. The incidence of excise duty on leather footwear, and the shortage of good quality hides are, however, factors which adversely affect our leather industry.

"The value of exports from the leather branches in 1959 amounted to Rs. 44 lakhs. In 1960, the value had increased to Rs. 55 lakhs. I am also glad to report that recently the Cooper Allen branch has obtained a substantial order for the supply of boots to the National Cadet Corps.

Cotton Textile Units

"The Corporation's two subsidiaries, Elgin Mills Company Ltd., and Cawnpore Textiles Ltd., have shown very satisfactory results. Trading conditions for the cotton textile industry were, on the whole, favourable during the year under review. The satisfactory performance of the mills was, however, due mainly to the maximum utilisation of productive capacity, and concentration on new lines, which have increased the range of their products.

"The export contribution of the cotton textile units has been outstanding, and export orders valued at approximately two crores of rupees were executed during the year.

"Though cotton textile prospects are on the whole good, the recent Budget proposals in the shape of additional excise duty and other duties on dyes, chemicals, packing materials and yarn for manufacture of cloth will have the effect of increasing production costs of cotton cloth.

Sugar

"The six sugar factories in the group achieved improved working results during the season 1959-60. Due to a substantial increase in the production of sugar and decline in internal consumption resulting in the heavy accumulation of sugar stocks, the sugar industry is, however, passing through a critical phase. The position is such that the sugar factories in the group are finding it difficult to pay for sugarcane and also to meet the Governmental dues in the form of purchase tax and excise duty. We now depend upon Government to take effective action to overcome this crisis in the sugar industry, which is particularly serious in U.P. and Bihar, where the group's factories are situated.

Labour

"I am glad to report that relations with workers have been, on the whole, reasonably satisfactory. Far be it for me to suggest that there have been no differences. They do arise from time to time, and we have endeavoured to approach their problems in a spirit of goodwill. The Corporation maintains three settlements for our workmen, the running costs of which are about Rs. 3½ lakhs annually. Besides housing at nominal rates, the amenities provided include free dispensaries, libraries, playgrounds, schools, and free educational facilities for workmen and their families. To maintain our good relations, your Directors have decided to make an *ex-gratia* payment of two annas in the rupee to all workers on their basic earnings in 1960.

Year of Consolidation

"The year 1960 may well be reckoned as a year of consolidation. We are now in a position to launch a programme of rehabilitation and modernisation, without which we cannot prosper in this age of growing competition. The year 1960 was encouraging in the sense that it was a year of steady progress on all fronts. For this, credit goes, to a great extent, to our workmen and employees in all grades, who have by their loyal services contributed to the prosperity of the B.I.C. as a whole. I thank all of them sincerely. It is in a spirit of sober confidence that we can now face the future.

"In the end I must thank my worthy co-Directors who have sustained me with excellent advice and co-operation.

"It is now my pleasure to move that the Directors' report be adopted and that the accounts for the year 1960 be passed, but before this resolution is seconded, I shall answer, to the best of my ability, any questions which shareholders may like to ask on the Directors' report and accounts now before you."

Note: *This does not purport to be a record of the proceedings of the annual general meeting.*

THE HINDUSTAN COMMERCIAL BANK LTD.
Head Office at **Birhana Road, Kanpur**
and
38 BRANCHES AT IMPORTANT CENTRES
All types of banking business transacted. Locker facilities available at Agra, Calcutta (Netaji Subhas Road), Hardoi, Kanpur (Birhana Road), Kanpur (Aryanagar), Lucknow (Aminabad), Meerut Cantt., New Delhi and Varanasi Branches.
Attractive rates offered for deposits and reasonable rates charged on advances
Loans against Post Office Savings Certificates and Treasury Savings Certificates granted at low rates of interest.
EFFICIENT SERVICE
Sir Padampat Singhania, Kt., *Chairman.* **S. S. Rachhpal,** *General Manager.*

MERCANTILE BANK LIMITED
(INCORPORATED IN ENGLAND)
(Liability of Shareholders Limited)
Authorised Capital - - £4,000,000
Issued and Fully Paid Capital - - £2,940,000
Reserve Fund - - £2,200,000
Head Office:
15, GRACECHURCH ST., LONDON, E.C. 3
West End Office:
123, PALL MALL, LONDON, S.W. 1
Agents in New York: BANK OF MONTREAL AND THE CHASE MANHATTAN BANK
Branches and Agencies:
INDIA, PAKISTAN, CEYLON, BURMA, MAURITIUS, SINGAPORE, MALAYAN FEDERATION, HONGKONG, THAILAND AND JAPAN
The Bank transacts banking business of every description.
Current Accounts are opened and Fixed Deposits are received on terms which may be ascertained on application.
Trusteeships and Executorships accepted.
Safe Deposit Lockers available.
52/60, Mahatma Gandhi Road, Bombay. H. MAITLAND, *Manager.*

ATLAS ASSURANCE CO., LTD.
The liability of Members of the Company is limited
Incorporated in England

A.D. 1808
Bombay Agents:
N. SIRUR & CO. PRIVATE LTD.
TULSIDAS KHIMJI.
MACKINNON MACKENZIE & CO. PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALLJI THAKERSEY & CO.
Branch Offices:
Dongall Road, Ballard Estate, Bombay.
Indra Palace, Connaught Place, Delhi.
2-L, Mahatma Gandhi Road, Bangalore.
Vijaya Bank Building, Mangalore.
7, Armenian Street, Madras.
4, Clive Row, Calcutta.
FIRE — MARINE — ACCIDENT

THE BANK OF BEHAR LTD.
Head Office: PATNA
ESTD. 1911
BRANCHES AT:
Arrah, Beharsharif, Buxar, Chapra, Calcutta, Daltonganj, Gaya, Jaunpur, Jharia, Kanpur, Katrasgarh, Laheriasarai, Motihari, Muzaffarpur, Monghyr, Patna, Patna City, Ranchi, Siwan and Varanasi.
A. C. BHAT, *General Manager.*

THE UNITED COMMERCIAL BANK LIMITED
Head Office: CALCUTTA
Authorised Capital .. Rs. 8,00,00,000
Subscribed Capital .. Rs. 4,00,00,000
Paid-up Capital .. .. Rs. 2,00,00,000
Reserve Fund .. .. Rs. 2,05,00,000
BRANCHES AT ALL IMPORTANT PLACES IN INDIA.
Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.
AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.
G. D. BIRLA, *Chairman.* S. T. SADASIVAN, *General Manager.*

RAMTIRTH (HINDI MONTHLY)
Editor: Yogiraj Shri Umeshchandraji
Published every month by Shri Ramtirth Yogashram — Bombay
MORE THAN 160 PAGES PER ISSUE
THE MAIN IDEA BEHIND THIS MAGAZINE IS TO DEVELOP THE PHYSICAL, MENTAL AND MORAL ASPECT OF THE COMMON MAN
Annual Subscription Rs. 5/- only. Single Copy 65 nP. only.

UMESH YOGA DARSHAN (First Part)
In Four Languages: English, Hindi, Gujarati and Marathi
(Author: Shri Yogiraj Umeshchandraji)

An excellent and highly readable book written by Shri Yogiraj Umeshchandraji is one of the best known treatises on the true meaning of Yoga. A best guide to methods of intestinal exercise and control, the book contains over 108 descriptive photographs of various Asanas explained according to the Age, Season, Country and Time.
It is one of the excellent volumes published so far depicting different aspects of Yoga, and containing different photographs of Asanas and Neti Dhoti Functions. It also contains Yoga Therapy, Diet Therapy, Chromopathy, Psycho Therapy and many other Therapies. It also contains many an important remedy for various diseases. The book is best of its kind and useful for all men and women, healthy and unhealthy, and hence should be preserved in all libraries and homes.

Price: Rs. 15/- Plus Postage Rs. 2/- extra.

YOGASANA CHART
A Chart printed on art-glazed papers and fully illustrated with attractive pictures is also available from here. You can perform Asanas shown therein at your home, which will keep you fit and healthy.
Price: Rs. 3/- including Postage to be sent by M.O. only.

YOGIC CLASSES
are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Yogic and natural treatment are given for diseases. Diseases are also remedied.

RAMTIRTH BRAHMI OIL Special No. 1 Registered
An invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cool brain, improve system, and let sleep sound. Most ideal for body massage. It is useful to every one in all seasons.
Price: Rs. 4.50 for big bottle and Rs. 2.25 for small. Available everywhere.

SHRI RAMTIRTH YOGASHRAM
Dadar, Central Railway, Bombay-14
Telephone: 62899

Our fleet of twenty modern freighters offers fast, regular and dependable service between
INDIA—U. K. & THE CONTINENT • INDIA/EAST PAKISTAN—SOUTH AMERICA
INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS
INDIA—POLAND. Also around the INDIAN COAST
INDIA STEAMSHIP CO., LTD.
"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1
Managing Agents: — LIONEL EDWARDS (PRIVATE) LTD.

NEPAL BANK LIMITED
(*Incorporated under Nepal Bank Act of 1994 (Sambat)*)
Central Office: KATHMANDU, NEPAL
Authorised Capital .. .. ..N.C. Rs. 1 crore
Paid-up Capital .. .. ..N.C. Rs. 25 lacs
Reserves and Exchange Fluctuation Fund .. .. ..N.C. Rs. 44 lacs
(N.C. Rs. 160=I.C. Rs. 100)
16 Branches and Sub-Offices in Nepal
Enquiries are invited from Banks, Commercial Concerns and Tourists for information regarding Prospects, Procedure and Regulations in Nepal.

SOARING PRICES: DESTINATION MOON!

AN HISTORICAL PERSPECTIVE

By Som Dev

PERHAPS one cannot even pretend to believe today that, 600 years ago, the insignificant paisa could fetch either eight *seers* of rice or five *seers* of wheat or two *seers* of ghee or four *seers* of sugar. Incredible as it may seem, it is not something out of grandma's treasure of phoney tales; it is a fact established beyond all doubt by authentic ancient books, travelogues and authoritative historical data. And what about today? Better go out marketing with just one pice in your pocket. Only then you can realise the terrible amount of shrinkage in value the poor paisa has undergone over the last six centuries, the account of which is a long tale of silent suffering. Enemy number one of the paisa was Tuglaq who made a surgical amendment to its constitution. The British Government of India went one step further and took out the tummy of the helpless coin to transform it into a ring. After independence, our Government also did not leave the unfortunate coin alone; it insisted on its pound of flesh, with the result that the helpless new paisa had to bid adieu to whatever little plumpness was left, to become its now current, slender, streamlined self. And, who knows, if this trend continues, it might become transparent one day in the not too distant future? Let us wait and see how many more storms of encroachment the paisa weathers without protest.

400 B.C.

The earliest available historical information in regard to the price structure of commodities dates back to about 400 B.C. Written around that period, Kautilya's *Artha Sastra* records that State control, under the supervision of a separate department, prevailed to check steep fluctuations and maintain market stability. State policy required that commodities available in abundance should be procured from all places, to be retailed at a uniform rate, which could be varied a little according to the pressure of demand. Dealers not selling at fixed rates were liable to be punished with a fine of 5 to 200 maunds. Average rates prevailing at the time are almost unbelievable today: The actual rates per maund were As. 4 for rice, wheat and ghee, As. 6 for unrefined sugar and 2 pice for common salt.

Fah-e-yan's Account

Fah-e-yan, a Chinese traveller, came to India during the reign of Chandra Gupta II. He writes that shells were commonly used for purchasing general commodities. A "dinar" per head was sufficient for subsistence for a whole year. A dinar weighed 3 quarters of a tola of gold and was equivalent to Rs. 32.

Similar rates are recorded in the writings of Huent-sang, Albaruni, etc., who toured India at a later period. In fact, these rates remained more or less constant for nearly 1,700 years and no major change took place till Khilgi's reign.

Thirteenth and Fourteenth Centuries

Ibna-batuta, an African traveller, has given to history a detailed account of the then market prices prevailing in Delhi and other States of this land of plenty. Out of this whole account, the rates obtaining during the rule of Allouddin Khilgi, thirteenth century, and Mohammed Tuglaq, fourteenth century, make very interesting reading in comparison:

(In jatels per maund)

	Khilgi	*Tuglaq*
Wheat	7½	12
Barley	4	8
Rice	5	15
Gram	5	4
Ghee	20	Re. 1-7
Unrefined sugar		Re. 1

Note: Jatel of that time was the equivalent of the modern paisa and a maund weighed 14½ *seers* of today.

Considering the current skyhigh cost of living, subsistence was indeed very cheap in the reign of Khilgi and Tuglaq, with wheat going at 7½ pice and 12 pice per maund, respectively. Khilgi exercised rigid price control; the prices of everything from a needle to a horse were fixed. Tuglaq, on the other hand, was not so strict with state control of market. Some specimen rates of the Tuglaq period are: Sheep—Re. 1 per head, ox Rs. 2, 30 yards length of cotton cloth Rs. 2. A price list prepared by Shahabuddin, a traveller who visited India in the Turk period, proves that wheat was dearer than rice, selling at double the price of the latter. The price for a maund of rice was As. 3 and 3 gandas, which meant 5 maunds for a rupee, whereas wheat was selling at 2½ maunds per rupee. A maund of meat cost As. 7, hen one anna, 1 ganda. The prices of the livestock market fluctuated locally. According to *Humaun-Nama*, one rupee could purchase four she-goats. Bengal was by far the cheapest region for all provisions.

Sixteenth Century

Aena-e-Akbari gives a graphic account of the reign of Akbar. Moghul rule had by then been firmly established in India. This was the golden era of peace and all-round plenty. Although there was no price control, yet the increase previously prevailing prices registered was nominal. Before listing some market quotations of the sixteenth century, one fact should be taken special note of. The maund of this period was equal in weight to 26 *seers* of today, whereas that of the Khilgi period weighed only 14½ seers. The rates were:

Per maund	*Prevailing price*	*Current coinage*
	Dams	nP.
Wheat	12	30
Barley	8	20
High quality rice ..	110	250
Ordinary rice	20	50
Gram	8	20
Ghee	80	200
Unrefined sugar	56	164
Refined sugar	128	320
Common salt	16	38

Seventeenth Century

According to *Aurangzeb-Nama*, the rates prevailing in A.D. 1721 during Aurangzeb's rule were: Rice 1½ maunds per rupee; edible oil—21 *seers* per rupee and ghee—10½ *seers* per rupee.

East India Company's Rule

The years following the Moghul period brought in their wake unrest and upheavals of unprecedented magnitude. Taking advantage of rivalries and disunity rampant in India, the East India Company subjugated the States one by one and soon its mighty web covered the whole of the country. The Company's administration, as contrasted to the administration of other rulers upto date, was the most corrupt and unsuccessful, the obvious reason for this black rule being the preoccupation of the Company with the maximum exploitation for the benefit of Britain. As a sequel to the ceaseless battles, famines, and corrupt policies the Company was pursuing, prices went spiralling up and there was grave deterioration in the standard of living of the Indians.

According to Dr. Natabakajan's Report, the price of rice, which was selling at the rate of 1¼ maunds for a rupee at Patna in 1807, rose continuously over the next 60 years till it touched the rupees-10-a-maund mark. The following indices indicate the continuance of this upward trend in later years:

Year	*Rice*	*Wheat*
1863	83	81
1900	146	110
1913	153	109
1920	340	199.6

The terrible famines that plagued India from time to time, particularly the two famines of Bengal (1770 and 1864), the famines of Deccan and Rajputana in 1802, the famine of 1844 and the famine of United Provinces 1868 played a prominent role in pushing up the price-line. The sale price of rice in Bengal before 1868 was As. 12 for a maund; it shot up to Rs. 10 a maund afterwards.

Introduction of rail transport at this stage had its own tragic consequences. Scarcity conditions of one famine-stricken area now started influencing the distant markets also. At the time of the famine of 1846, *bajra* was being retailed at the rate of 27 *seers* for a rupee in Gujarat when available supplies were drained for the famine-stricken area. The rate in Gujarat registered a corresponding rise and one time stood at nine *seers* for a rupee. Another example of the negative impact of rail transport is that of Khandesh which was marketing *bajra* at 61 *seers* per rupee. When in 1868, supplies were requisitioned for U.P. which was in the clutches of a famine, the Khandesh market took an adverse turn and stood at the incredible 12½ *seers* per rupee.

Other Countries

But India is not the only country which has been hit hard by ever-increasing prices; it has lots of fellow travellers who are nursing a similar wound. Tempestuous prices have stormed in practically every country of the world. According to the *Everyday Encyclopedia*, increasing wheat prices in Britain took this course:

Period	*Price*
	s.
1261 to 1354	5½
1362 to 1452	14½
1583 to 1642	36
1643 to 1772	42

The upward trend continued thereafter. The price index of commodities in 1920, taking that of 1782 as 100, stood at 251, the main reasons for this increase being rise in population, insufficient production, high demand and rapid industrialisation. As a corollary of the Industrial Revolution, capital was concentrated in the hands of a few which had far-reaching ill effects. But, of all the countries similarly afflicted, India was the worst hit. In other countries, income and purchasing power were also increasing to keep pace with advancing prices, but India being an exception, lagged behind. Then to its unfortunate lot fell the two prostrating world wars. Since then, it has been tottering under the enormous burden of soaring prices which has not been lessened even by Independence. The following facts and features bear testimony to this statement:

(Per maund)

Year	*Rice*	*Wheat*	*Sugar*	*Coal*
	Rs.	Rs.	Rs.	Rs.
1920	1-4-0	..	..	..
1939	4-8-0	..	12-8-0	0-2-0
After Independence				
1950	40	14	35	5
1956 (August) ..	50	19	35	7
1958	50	18	34	8-4-0
1960	55	20	50	11

Ghee and Milk

Legend has it that rivers of ghee and milk actually flowed in India once. They may be flowing even today, who knows, but this is certain that, if at all such rivers are traversing India, they are following secret courses hidden from the eye and far from the reach of the layman who is like a dizzy fly taking a ride on the merry-go-round of time—the wheel which has whisked him away from the ancient era of plenty in which, according to *Manu Smriti*, the sale of milk, ghee, curd, water, oil, honey and *gur* was forbidden. But this is a modern, mechanical age and not the ancient age of Manu. The following table has its own tale of woe to recount:

(In Rs. per maund)

Year	*Milk*	*Ghee*
1891	3-8-0	..
1901	4-4-0	..
1911	5-4-0	..
1939	5-8-0	17
1953	22-0-0	80
1958	30-0-0	200
1960	35 to 40	210
		260

HUGE NYLON IGLOO FOR DELHI FAIR

One of the most intriguing items at the Indian Industries Fair at Delhi in November will be a huge nylon "airhouse"—an igloo-like skin of tough coated nylon fabric which literally has no visible means of support. It is held up solely by a constant supply of low pressure air blown in by electric fans.

The airhouse on show will measure 70 ft. by 40 ft. by 20 ft. but bigger ones can be made. It is light in weight, easy to handle, folds into a compact bundle for storage and transport, is completely waterproof and extremely strong and durable. Absence of supporting poles makes it particularly suitable for temporary warehousing, travelling exhibitions, emergency hospitals and so on. In Britain a house has been built beneath one.

The airhouse at the Delhi Fair will be shown by British Nylon Spinners Ltd., the largest producers of nylon yarns in Europe and the Commonwealth, who will use it to house an impressive display of a hundred different articles made from nylon yarns. These will include immensely tough and long-lasting conveyor belting and a wide range of fishing nets of types now used extensively in India and elsewhere because they last longer and catch more fish.

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

"Consent of the Central Government has been obtained to this issue by an Order of which a complete copy is open to public inspection at the Registered Office of the Company." It must be distinctly understood that in giving the consent, the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to the same.

A Licence has been granted to the Company by the Central Government for effecting substantial expansion of this industrial undertaking, a copy of which is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting this licence, the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to them.

A copy of the Prospectus having attached to it the documents required by Section 60 of the Companies Act, 1956, has been delivered to the Registrar of Companies, in Mysore, Bangalore, for registration.

The Subscription List will open at 10-30 a.m. on the 15th day of May 1961 and will close at 3-00 p.m. on the 17th day of May 1961, or later at the discretion of the Directors.

APPLICATIONS MUST BE MADE FOR A MINIMUM OF 8 SHARES OR MULTIPLES THEREOF, EACH LOT OF 8 SHARES MADE UP OF 3 EQUITY AND 5 PREFERENCE SHARES.

THE MYSORE KIRLOSKAR LIMITED

Yantrapur P. O., HARIHAR (Mysore State).

(Incorporated on the 7th day of April 1941, under the Mysore Companies Act, and now an existing Company within the meaning of Section 3 of the Companies Act, 1956.)

The Mysore Kirloskar Ltd. have decided to issue 15,000 Equity shares of Rs. 100 each and 25,000 Redeemable Cumulative Participating Preference shares of Rs. 100 each. The Preference shares are redeemable not before the 30th day of June 1975 but not later than the 30th day of June 1980.

The Preference shares bear a firm return of 8% if the Company declares dividend below 12½% on Equity shares. If the Company declares more than 12½% but less than 15% dividend on Equity shares, the preference shares will get 9%; and if the dividend declared on Equity shares exceeds 15%, the Preference shares will get 10%. This will be the maximum dividend payable on Preference shares.

UNDERWRITERS TO THE ISSUE

THE LIFE INSURANCE CORPORATION OF INDIA, Jeevan Kendra, J. N. Tata Road, Bombay 1.

Messrs. R. R. NABAR & CO., Share & Stock Brokers, 31, Dalal Street, Fort, Bombay 1.

MANAGING AGENTS

MESSRS. KIRLOSKAR ASSOCIATES, Yantrapur P.O. Harihar (Mysore State.)

REGISTERED OFFICE

YANTRAPUR P.O. HARIHAR (MYSORE STATE)

OBJECT OF THIS ISSUE

The object of this issue is to provide finance for the expansion scheme and programmes of the Company.

PROSPECTUS AND FORMS OF APPLICATION

Copies of the Prospectus and Forms of Application may be obtained from the Registered Office of the Company or from Messrs. R. R. Nabar and Company, Share, Stock and Finance Brokers, 31 Dalal Street, Fort, Bombay 1.

BROKERAGE

Brokerage at the rate of one per cent will be paid to the Brokers who are members of any of the recognised Stock Exchanges in India, on allotments made in respect of applications bearing their stamps.

CEMENT FOR THE NATION

Again and again

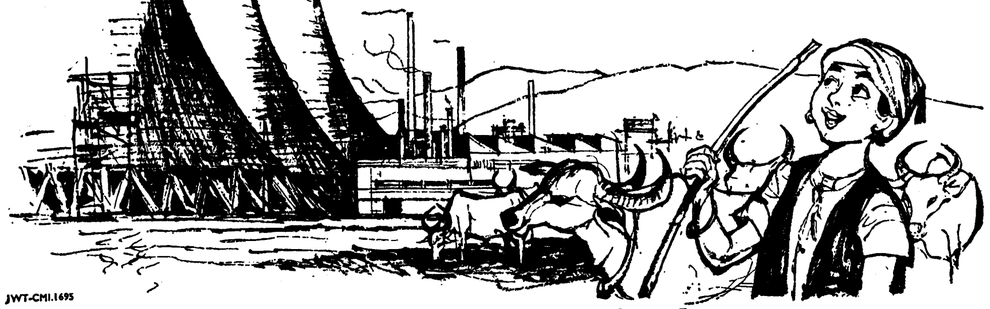
There is never any water to waste in our country, for a wayward monsoon can ruin our harvests and bring our industries to a standstill. These graceful, skyward concrete cooling towers enable industries to use the same water again and again.

And cement concrete is equally vital for the great dams and hydro-electric projects that are helping industries to bring new prosperity to India.

ACC PIONEERS IN CEMENT

THE ASSOCIATED CEMENT COMPANIES LIMITED

The Cement Marketing Company of India Limited



JWT-CMI.1695

COMPILATION OF INDUSTRIAL STATISTICS—I

ROOM FOR IMPROVING DEFINITIONS

By A Statistician

WITH effect from the calendar year 1959, the Government of India in the Cabinet Secretariat launched the first statutory survey of industries under the Collection of Statistics Act, 1953 (32 of 1953) and the Collection of Statistics (Central) Rules, 1959. With the launching of this survey, the Censuses of Manufactures so far conducted under the Industrial Statistics Act, 1942, the Census of Manufacturing Industries Rules, 1945 and the Sample Surveys of Manufacturing Industries came to an end. The statutory survey marks off a new phase in the collection of basic industrial statistics in India. In what follows an attempt has been made to examine the special features of the *Annual Survey of Industries* and how the scheme of the survey differs from the earlier scheme of the Census of Manufactures.

Collection of Statistics Act, 1953 (32 of 1953) and the Collection of Statistics (Central) Rules, 1955

The Collection of Statistics Act, 1953 is a comprehensive legislation, the various provisions of which have been designed to collect data on various subjects listed in Section 3 of the Act from establishments, factories, workshops, mines, quarries, enterprises, companies, co-operative societies, firms, public utilities, commercial undertakings, banking and insurance companies, financial corporations, shipping and navigation concerns, brokers dealing in shares, stocks and securities and commodities, advertising consultants, light railways, transport undertakings, plantations (rubber, tea, coffee or cinchona), forwarding and clearing agents and any other concern which is declared as commercial concern by the Central Government by notification in the official *Gazette*. While the Industrial Statistics Act, 1942 authorised collection of statistics from factories only, the Collection of Statistics Act, 1953 authorises collection from a wider field covering almost all economic activities. In terms of International Standard Industrial Classification, the Act empowers the appropriate authorities to collect data from Major-Group—"01 Agriculture and Livestock production—Plantation" in Division 0 to "Major-Group—84, Personal Services" in Division 8. Statistics can be collected relating to any of the following matters:

(*a*) any matter relating to any industry or class of industries,

(*b*) any matter relating to any commercial or industrial concern or class of commercial or industrial concerns, and in particular, any matter relating to factories,

(*c*) any of the following matters so far as they relate to welfare of labour and conditions of labour, namely, (1) prices of commodities; (2) attendance; (3) living conditions including housing, water-supply and sanitation; (4) indebtedness; (5) rent of dwelling houses; (6) wages and other earnings; (7) provident and other funds provided for labour; (8) benefits and amenities provided for labour; (9) hours of work; (10) employment and unemployment; (11) industrial and labour disputes; (12) labour turnover; and (13) trade unions.

The Act, *inter alia*, provides for penalties for non-compliance with the various provisions of the Act, and for improper disclosure of information to any unauthorised persons. The Act confers powers to call for information or returns and right of access to records or documents. These provisions are similar to those provided in the Industrial Statistics Act, 1942.

Delay in Framing Rules

Although the Act was brought into force on 10th November 1956, it took nearly three years to frame the Rules. The Collection of Statistics (Central) Rules, 1959 were finally notified in *Government of India Gazette* on 2nd January 1960. The Rules framed are broadly patterned on the lines of the Census of Manufacturing Industries Rules, 1945, framed by the various State Governments under Section 12 of the Industrial Statistics Act, 1942, with the exception of one provision which is a definite improvement over the Census of Manufacturing Industries Rules, 1945. The particulars and items on which data can be statutorily demanded by the Statistics Authority have been stated in sufficient details in Rule 4, thus dispensing with the forms of return, questionnaires or schedules forming a part of the Rules as was the case with Census of Manufacturing Industries Rules, 1945. This innovation has introduced flexibility in the matter of collection of data, as the schedules can be modified suitably at any stage within the provisions of Rule 4 of the Collection of Statistics (Central) Rules, 1959. Under the Census of Manufacturing Industries Rules, 1945, the forms of returns which formed a part of the Rules as Scheduled II could not be modified without going through the legal process of issuing draft amendments and final amendments to the Rules. Indication of the particulars on which data are required in the notice to be served under Rule 3 under the Collection of Statistics Act, 1953 is sufficient compliance with the Collection of Statistics (Central) Rules. The definitions of various concepts and terms used and the degree of detail with which data on various 'particulars' are required become matters of drafting the forms of return and instructions. This gives ample scope for manœuvrability and flexibility in the matter of collection of details under various heads so long as such collection remains confined within the framework of Rule 4 of the Rules.

The Government of India in the Cabinet Secretariat (Notification No. SO 462, dated the 18th February 1960) has directed that statistics shall be collected relating to all matters pertaining to: (*a*) commercial concerns as defined in clause (*b*) (ix) of Section 2 of the Collection of Statistics Act, 1953; (*b*) industrial concerns; and, (*c*) factories.

By the same notification the Government of India has appointed the Chief Director, National Sample Survey, Cabinet Secretariat, as Statistics Authority under Section 4 of the Act.

Design, Scope and Coverage of the Survey

An integrated scheme, designated as *Annual Survey of Industries*, has been formulated for the collection of basic industrial statistics by conducting censuses and sample surveys on a statutory basis. The scheme envisages conducting of—

(i) Census in respect of all factories employing on any day 50 or more workers with the aid of power and 100 or more workers without the aid of power, and,

(ii) sample survey in respect of the factories employing 10 to 49 workers with the aid of power and 20 to 99 workers without aid of power, and industrial concerns, happened to be selected in the probability sample for the survey year under consideration.

The *Annual Survey of Industries* replaces the following surveys conducted till the calendar year 1958:

(i) The Census of Manufactures conducted under the Industrial Statistics Act, 1942. This Census was carried on annually from 1944 to 1958 on a statutory basis, with the exception of first two and last two years, when it was conducted on a voluntary basis.

(ii) The Sample Surveys of Manufacturing Industries initiated in the year 1951 in the then Directorate of Industrial Statistics on a voluntary basis. Since 1951, this survey was being conducted annually by the Directorate of National Sample Survey, Cabinet Secretariat, Government of India.

The *Annual Survey of Industries* extends to all factories registered and licensed under the Factories Act, 1948 and industrial concerns as defined under clause (*d*) of Section 2 of the Act, with the exception of the following:

(1) Iron ore mining; (2) metal mining except iron ore mining; (3) stone quarrying, clay and sand pits; (4) salt mining and quarrying; (5) chemical and fertiliser mineral mining; and (6) non-metallic mining and quarrying not elsewhere classified.

As in the censuses and sample surveys of manufacturing industries, the establishments owned, managed or controlled by the Ministries of Defence and Railways and training workshops attached to the technical institutions have been excluded from the *Survey*. The geographical coverage of the *Survey* is determined by the provisions of the Collection of Statistics Act, 1953. According to sub-section (2) of Section 1 of the Collection of Statistics Act, 1953, the Act extends to the whole of India except the State of Jammu and Kashmir. However, the factories in Jammu and Kashmir are being covered on a voluntary basis.

One single form of return, consisting of Parts I and II, has been designed. The two parts together are prescribed for factories employing *on any day* 50 or more workers with the aid of power and 100 or more workers without the aid of power and industrial concerns (Mines and quarries happened to be selected in the probability sample.) Part I has been prescribed for factories employing 10 to 49 workers with the aid of power and 20 to 99 workers without the aid of power happened to be selected in the probability sample. Part II contains certain extension blocks for industries engaged in the manufacture or production of articles mentioned in the First Schedule to the Industries (Development and Regulation) Act 1951. The following extension blocks are to be filled for such industries.

Block (22). Consumption of raw materials other than fuels, electricity, lubricants, etc (excluding intermediate products) during the year.

Block (23). Products and by-products (excluding intermediate products) made for sale during the year.

Block (28). Stocks of fuels, raw materials and products at the end of the year.

A classified list of materials and products in respect of which information relating to consumption, production and stocks has to be reported has been given in Appendix V to the Memorandum on Concepts, Definitions and Procedures, which forms a part of the form of return and notice letter.

The following new information which was not collected at any time either in the Censuses or Sample Surveys of Manufacturing Industries will be collected for the first time under the Annual Survey of Industries:

1. Equipment other than power equipment installed.
2. Categorisation of workers into skilled, semi-skilled and unskilled for factories in category (i) and industrial concerns in category (ii).
3. Installed capacity of production.
4. Sales effected during the year by type of consumer.
5. Management and labour relations.
6. Particulars of training facilities given by the factory.
7. Particulars relating to industrial research.

A memorandum containing the Collection of Statistics Act, 1953, the Collection of Statistics (Central) Rules, 1959, definitions, concepts, instructions, procedures, industrial classifications and product classification has been printed separately and it forms a part of the form of return and notice served under Section 5 of the Collection of Statistics Act 1953.

Concepts, Definitions and Terms

Concepts, definitions and terms used for the *Annual Survey of Industries* broadly conform to the concepts and definitions used in the statutory Censuses of Manufactures and the voluntary Sample Surveys of Manufacturing Industries. The various concepts and definitions used are examined in what follows in the context of proposed International Standards in Basic Industrial Statistics.

Definitions

The following definitions have been adopted from the Factories Act, 1948 and the Payment of Wages Act, 1936 and the Rules framed thereunder:

A. Factories Act:
1. Manufacturing process.
2. Factory.
3. Worker.
4. Persons holding positions of supervision or management or employed in a confidential position.

B. Payment of Wages Act, 1936:
1. Wages.

Manufacturing Process

The definition of "manufacturing process" given in clause (K) of Section 2 of the Factories Act, 1948 is a mechanical definition mainly designed to cover all those premises where any of the following processes are carried on:

(i) making, altering, repairing, ornamenting, finishing, packing, oiling, washing, cleaning, breaking up, demolishing, or otherwise treating or adopting any article or substance with a view to its use, sale, transport, delivery or disposal, or,

(ii) pumping oil, water or sewage, or,

(iii) generating, transforming or transmitting power, or,

(iv) printing by letter-press, lithography, photography or other similar work or book-binding, which is carried on by way of trade or for purpose of gain, or incidentally to another business so carried on, or,

(v) constructing, reconstructing, repairing, refitting, finishing or breaking up ships or vessels.

The Factories Act is primarily a social legislation and its main objectives in the matter of

benefits of its various provisions to a maximum number of workers and employees employed in factories. It, therefore, seeks to cover all establishments engaged in "factory production," provided these establishments conform to the definitions of a "factory" given in Sections 2(*m*) (i) and 2(*m*) (ii) of the Act. This definition of a "manufacturing process" is at variance with the economic concept of manufacture. According to the economic concept, "manufacturing" means mechanical or chemical transformation of substances into new products. The adoption of a definition given in the Factories Act, 1948 has resulted in the coverage of many industries which cannot be strictly classified under "manufacturing" according to economic concept. The following are some examples of industries covered under the *Annual Survey of Industries*:

(1) Groundnut, cashewnut decorticating and oil manufacturing; (2) electricity generation and transformation; (3) water pumping stations; (4) laundries; (5) cinema studios; and (6) cold storage plants.

The inclusion of establishment falling under these industries makes the Census and Sample Surveys, a survey of "factory industries" and not "manufacturing industries." The only alternative to resolve this anomalous situation is to take away the survey from the present base of the Factories Act and evolve a new definition of "manufacturing process" which would conform to the economic concept.

Establishment

The concept of establishment, recommended by the Statistical Commission, U.N., broadly conforms to the concept of an establishment, registered and licensed under the Factories Act, 1948 and the Rules framed thereunder, except for the fact that Factories Act, 1948 covers establishments which have not been recognised as "manufacturing" under the International Standard Industrial Classification, the concept of an establishment recommended by the Commission is in conformity with a definition of a factory under the Factories Act. Section 4 of the Factories Act, 1948 which confers powers on the State Government "to declare different departments or branches of a factory to be separate factories or two or more factories as a single factory," may distort slightly one to one correspondence in some cases, but such distortion would make negligible difference in the overall picture.

Worker

The other definition which has been taken from the Factories Act, 1948 relates to a "worker" as defined in Section 2(1) of the Act. Having adopted the definition of a "worker" verbatim from the Factories Act, 1948, a proviso has been added to the definition *excluding* persons holding positions of supervision or management or employed in a confidential position as defined under the Rules framed under Rule 64 of the Factories Act, 1948 by various State Governments. This is likely to create an impression that the exact significance and import of the definition of a "worker" has not been fully appreciated. The definition *per se* includes persons holding positions of supervision or management or employed in a confidential position. Hence the proviso which excludes such persons becomes infructuous and meaningless. The only implication of Section 64 of the Rules framed thereunder is that the persons notified as holding positions of supervision or management or employed in a confidential position are exempt from the provisions of "Chapter VI—Working Hours of Adults," i.e. Sections 51 to 66 of the Act. Once the concepts and definitions "manufacturing process" and "worker" have been assigned the same meanings as given under the Factories Act, 1948, any qualifying provisos and clauses which are repugnant to the spirit and letter of these legal definitions have no force and reliance. As stated earlier, the Factories Act, 1948 is primarily a labour legislation designed to regulate the conditions of work and service and to provide certain basic welfare facilities and in order that the benefits of its various provisions may accrue to as many employees as possible, the term "worker" has been so defined that "any person employed, directly or through any agency, whether for wages or not, in any manufacturing process, or in cleaning any part of the machinery or premises used for a manufacturing process, or in any other kind of work *incidental to or connected with the manufacturing process, or the subject of the manufacturing process*," is a worker within the meaning of the Factories Act, 1948. The definition, as can be seen, is exhaustive as well as flexible and any person irrespective of the nature of work performed by him can be brought within the scope of the definition, provided it can be proved to the satisfaction of the executive and judicial authorities that the person was employed on any kind of work "incidental to or connected with the subject of manufacturing process." This comprehensiveness and flexibility in practice mean unfettered freedom to the factory owners to include persons who cannot strictly be called "operative" as understood in common parlance. There would be little harm, if all the factory owners include uniformly the same categories of personnel, but, in the absence of any definite guidance provided by the Act or the Rules in the matter, the factory owners include all those persons whom they consider as "worker" within the definition of the Act. In some establishments, clerical, watch and ward staff are included, while in others they are excluded. There is no uniform practice and hence the statistics of employment collected according to the definition of a "worker" under the Factories Act, 1948 do not precisely relate to the employment of skilled and unskilled operatives as is commonly believed. It is a mixed bag and no one knows the relative proportions of various categories of personnel included.

Supervisory Personnel

Persons holding positions of supervision or management or employed in a confidential position are declared to be such under the Rules framed under the Factories Act, 1948 by the various State Governments. There are wide divergences in the Rules framed by various State Governments. The persons who have been designated to hold positions of supervision or management or employed in a confidential position in one State are not necessarily the same persons in any other State. For example, the following persons who have been designated to hold positions of supervision or management or employed in a confidential position under the Bombay Factories Rules, 1950, have not been designated as such under the Rules of other States:

(1) Assistant engineer, (2) storekeeper, (3) inspector, (4) boiler *sarang* and attendants, (5) labour officer, (6) mechanic, (7) chargeman, (8) workshop overseers, and (9) jobbers and *muccadams*.

While Madras and Bihar have designated Labour Welfare Officers as persons holding positions of supervision or management or employed in confidential position, other States have not done so. Examples can be multiplied to show the divergences in the Rules framed by the various State Governments. It will thus be seen that the expression "persons who hold position of supervision or management or employed in confidential position" does not connote the same meaning in all the States.

In addition to these divergences in the Rules, the saving clauses to the Rules have conferred wide powers on the Chief Inspectors of Factories to notify any category of persons as holding positions of supervision or management or employed in a confidential position. According to provisions contained in sub-section (5) of Section 64 of the Factories Act, 1948, the Rules framed under this section "*remain in force for not more than three years*," after which they are to be modified, revised or replaced in the light of the experience gained and difficulties encountered in implementing the provisions.

All these diversities, coupled with periodical changes in the lists, would introduce wide variations in data rendering temporal and spatial comparisons impossible. This defeats the purpose of the Censuses and Sample Surveys which have been planned on a uniform basis and conducted simultaneously throughout India. Maintenance of uniform methods, concepts, definitions and procedures is an essential prerequisite of a Census and Sample Survey like *Annual Survey of Industries* so that data collected can be compared over time and space. But the diversity in the Rules permits the factory owners in various States to report figures according to the Rules prevalent in their respective States. The correct procedure could have been to indicate the various categories of persons by broad functional status. For example, persons other than operatives can be classified into different categories by functional status as under:

(1) Administrative personnel.
(2) Technical personnel.
(3) Clerical and office personnel.
(4) Specialised workers.
(5) Commercial personnel.
(6) Directing personnel.
(7) Owners continuously employed.

Examples of persons falling under each category should be provided in the instructions for the guidance of factory owners and field staff. Doubtful and peripheral cases should be referred back to Statistics Authority for clarification.

(To be continued)

Notices

ORIENT PAPER MILLS LIMITED

Registered Office:
Brajrajnagar, Dist. Sambalpur (Orissa)

NOTICE TO DEBENTURE-HOLDERS

Redemption of Debentures of Rs. 1 Crore issued in Denomination of Rs. 1000 or fraction thereof in the year 1951

THE COMPANY, AS ALREADY NOTIFIED, had, in exercise of the option vested in it under the terms of issue of the said debentures, decided to extend the date of redemption of debentures from the 31st March, 1961 to 31st March, 1971, subject to the sanction of the Central Government. The Central Government has declined to accord sanction to the same but has, however, allowed the Company to postpone the redemption of debentures till the 30th June, 1961.

Notice is hereby given that the above debentures will accordingly be redeemed on the 30th June, 1961 on which date the principal with interest up to that date will be paid to the registered holders of debentures on presentation and surrender of the debentures duly discharged at the office of the Company at "Eastern House," 14, Radha Bazar Lane, Calcutta. The debentures will cease to bear any interest after the said date.

The Debenture Transfer Books of the Company will be closed from the 19th to 30th June, 1961, both days inclusive.

By Order of the Board,
B. K. VYAS,
Secretary.

8, INDIA EXCHANGE PLACE,
CALCUTTA, *the 28th April*, 1961.

THE TATA IRON AND STEEL COMPANY LIMITED

Registered Office:
Bombay House, 24 Bruce Street, Fort, BOMBAY 1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Transfer Books of the Company will be closed from Monday, the 29th May 1961, to Friday, the 23rd June 1961, both days inclusive.

Notice is also hereby given that the dividends for the year ended 31st March 1961, when sanctioned, will be made payable to those shareholders whose names stand on the Share Registers of the Company on Friday, the 23rd June 1961.

Dated at Bombay this 28th day of April 1961.

By Order of the Board,
For and on behalf of
The TATA IRON AND STEEL COMPANY LIMITED,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
By their Constituted Attorney.
V. G. MOKASHI.

THE PUNJAB NATIONAL BANK LIMITED

MR. R. N. GOENKA ON MOBILISATION OF SAVINGS

BANKS MUST BE ENCOURAGED TO OPEN BRANCHES IN RURAL AREAS, HE SAYS

THE view that the authorities had not approached the problem of generating savings scientifically was expressed by Mr. R. N. Goenka, Chairman of the Punjab National Bank Ltd., in his speech at the One hundred and fourteenth Annual General Meeting of the Bank held at New Delhi on Wednesday, 26th April 1961. The problem, he declared, was sought to be dealt with in a somewhat haphazard and hackneyed fashion. Mr. Goenka laid particular emphasis on the need for special efforts to mobilise available money in the hands of agricultural classes unaccustomed to the banking habit and to canalise such money into the banking sector. Stating that the State Bank of India did not seem to have effectively tapped this valuable field, he urged the authorities to permit, nay, encourage, the bigger scheduled banks to open branches in rural areas under a well-thought-out scheme, including a cover in part against losses therefrom for a period of years. These matters, he said, must engage the immediate attention of the authorities.

The following are extracts from Mr. Goenka's speech:

"GENTLEMEN,

"I have great pleasure in extending to you a hearty welcome to the 114th annual general meeting of the Bank. The report of the Directors for the year ended 31st December 1960, along with the balance-sheet and profit and loss account, have been with you for some time.

New Offices

"During the year 1960, the development of your Bank's business continued to progress. In pursuance of our policy of extending representation by opening new offices in developing centres, 16 new offices were opened during the year, making the total number of our offices at the close of the year 408.

Balance-sheet 1960

"You will observe from the profit and loss account for the year 1960 that the profits of your Bank at Rs. 121.23 lakhs, including Rs. 3.19 lakhs brought forward and after providing Rs. 12.82 lakhs for the employees gratuity trust fund and for contingencies, were higher than last year by Rs. 32.54 lakhs. A sum of Rs. 12.50 lakhs has already been utilised for payment of an interim dividend of Re. 1 per share subject to tax, leaving a balance of Rs. 108.73 lakhs for appropriation. Provision for income-tax has been made at Rs. 53 lakhs, and Rs. 11 lakhs have been transferred to the reserve fund. A sum of Rs. 27 lakhs has been provided for bonus to staff and Rs. 1 lakh for charity. The Directors have recommended a final dividend of Re. 1 per share, subject to tax, making a total of 20 per cent, subject to tax, the same as last year.

"During the year 1960, the profits of the banking industry showed an all-round improvement, due to a higher level of advances throughout the year and the increase in lending rates from October 1960.

Deposits

"But the accretion of deposits into the banking system during the year 1960 has been disappointing. During the second half of 1960, the downward trend of deposits has been a matter of major concern. The deposits of all scheduled banks during this period declined by Rs. 78.34 crores, and it is noteworthy that the decline in deposits was mostly in respect of fixed and savings deposits. Your Bank also experienced the same trend. While our fixed and savings bank deposits declined during the year, our current deposits registered an increase, and the aggregate deposits, which stood at Rs. 141.16 crores at the end of 1959, declined slightly to Rs. 139.48 crores at the end of 1960.

"The withdrawal of P.L. 480 funds from the State Bank of India is partly responsible for the general recession recorded by all scheduled banks, but the failure of the Palai Central Bank and its effect on the banking system may have acted as a contributory factor. There has also been some competition from hire-purchase companies, chit funds and industrial houses which pay higher rates of interest, causing a diversion of funds which would otherwise have accrued to the banking system.

"Measures are now being taken to strengthen the banking structure in order to restore public confidence. The insurance of bank deposits has been accepted in principle and, although the big banks may have to bear the greater part of the cost of the scheme, it is a step in the right direction in the context of the present position of banking in the country. Legislation has also been enacted giving powers to the Reserve Bank of India to effect the amalgamation of smaller and weaker units with bigger and stronger ones. Under this scheme, your Bank has already taken over the Indo-Commercial Bank Ltd., Mayuram, Madras, as from 25th March 1961. This institution had 25 branches in South India and in due course will, I hope, form a very valuable addition to our organisation in the South.

Advances

"The decline in deposits, specially in the field of time deposits, has to be considered in relation to the marked increase in advances of the scheduled banks by about Rs. 204 crores last year. The increase in advances, which have now reached an all-time peak figure, is an indicator of the demands of industry and trade on the banking system. The significance of this marked increase, however, is generally not correctly appreciated in responsible quarters. There is no denying that the operations within the organised banking system in themselves do not provide the full picture of the scope and extent of money transactions in the country. There is a considerable amount of money that operates outside the banking system, the extent of which is difficult to gauge. I am referring not only to what is called black money but also to the money in the hands of the agricultural and fixed income groups which may not be so categorised. I am not concerned in seeking a remedy from the operation of this type of money in the market, but I certainly wish to indicate to the authorities that the imposition of blanket controls on the apparent side of the money market offers little solution in dealing with either problems of inflation generally or of checking commodity prices specifically. A tightening of credit with all its concomitant reactions can only make it difficult for the legitimate needs of organised industry and commerce to be met particularly at a time when we are supposed to be embarking on another stage of planned development. The shortage of foreign exchange may slow down the tempo of industrial development in the earlier years of the third Plan. It is, therefore, all the more necessary for the authorities to decide whether they should now revert to the policy of expanding the credit base similar to what was adopted in the fall of 1956 and in the spring of 1957 by making the Reserve Bank's rediscounting facilities liberal and its attitude cooperative so that industrial development is not retarded for reasons of tight money conditions.

"The total credit extended by your Bank increased by Rs. 21 crores or 29 per cent during the year, constituting 67.06 per cent of our deposits, as compared to 51.37 per cent at the end of the preceding year. The ratio of advances to deposits of other scheduled banks, excluding the State Bank, moved up during the same period from 65.55 per cent to 72.53 per cent. It is our policy, as far as possible, to diversify our advances for the better employment of our resources and to meet the genuine needs of the expanding economy of the country. Our advances to industries at the end of October 1960 represented 54.6 per cent of our total advances including Rs. 3.4 crores advanced to small-scale industries. It has always been our practice to encourage advances to small-scale industries wherever possible. We believe that only by the creation and development of small-scale industries can the nation's production be diversified and given a broad base for the future.

Investments

The high level of advances of the Scheduled banks and the fall in deposits during 1960 were responsible for a fall in their investment portfolios. Your Bank's investments declined by Rs. 20.47 crores approximating to the increase in advances. At the end of the year, our investment-deposit ratio at 29.2 per cent was higher than the average of 25.5 per cent of all other banks, excluding the State Bank of India, indicating a comparatively higher liquidity.

Economic Situation

"I shall now proceed to review the economic situation in the country and endeavour to assess the increasing role which banks will have to play in the implementation of the plans for the economic development of the country. The economic position of the country on the eve of the third Five-year Plan indicates that the rate of economic growth has gained perceptible momentum. The industrial foundation of the economy has been strengthened. There have been setbacks of varying degrees and, while these might be said to be natural in a developing economy such as ours, it cannot be denied that some of these are avoidable, as the essence of planning is that it foresees the emergence of tangential forces in a fast developing economy and makes provision against the impact of the adverse effects of such forces on the economy.

"The three major problems which have beset the country during the past year have been the rise in the price level, the inadequacy of domestic savings and the strain on the overseas balance of payments position. Wholesale prices recorded an increase of 6.5 per cent during 1960, as compared with 4.1 per cent in 1959 and 2.1 per cent in 1958. In this regard, it is significant that, while up to 1958 increases were mainly in respect of foodgrains, since 1959 the increases have also been extended to industrial raw materials and finished goods.

Savings

"Savings in India have so far been below official expectations. They have been estimated at 8 per cent of the national income for 1960, as against 9.7 per cent expected to be achieved by the end of the second Five-year Plan. The basic problem of generating savings in the country has not been approached by the authorities scientifically. This is sought to be dealt with in a somewhat haphazard and hackneyed fashion and the introduction of prize bonds is a typical instance of the adoption of such methods to deal with a vital problem. Savings can be divided into three categories: corporate savings, savings by the well-to-do and savings by the low-income groups. I shall not say anything here about the first group. This is largely a matter for the fisc and for the administration, whose responsibility it is to see that such savings are properly utilised. In regard to the second, this group of late wants larger and quicker returns on investment. The less speculative element in this field has been going in for investment which would appreciate in value or which would not at least depreciate in value. The share market and house building appear to be two of its favourite fields of operation. The savings that Government seems to be keen on encouraging is from the large mass of the low-income group, and here even the fringe of the problem has not been touched. It may look like a paradox if I say that the classes habituated to save for security reasons, namely, the fixed-income groups, which include the salariat, are being progressively impoverished by the steady drop in the real value of wages. The new entrants in this field, mainly the industrial workers, are not as a rule accustomed to save. We, perhaps, on our part, by broadening and strengthening the banking structure and with the added safety that may be provided to the public by the introduction of deposit insurance, could encourage and foster the banking habit by an organised drive to get people to keep their money with banks.

Special Effort Wanted

"The agricultural classes, which of late have prospered, may not fit into one or two of the groups mentioned above, in view of the fact that the bulk of them are not accustomed to have any banking account, while they have with them resources that can reasonably be expected to be banked. A special effort has to be made to bring these people into the banking sector. This has become all the more necessary after the nationalisation of life insurance business, because there is no longer the same keen competition between the various insurance companies to gain command of the resources of the rural areas. It may be said that the State Bank's policy of rapid extension of branch banking should have met this need. Undoubtedly the State Bank in this type of development is in a position of vantage in that its losses from such new branches are covered by guarantors. Nevertheless, or perhaps for this very reason, the State Bank does not seem to have tapped effectively this valuable field. My contention will be that, for the purpose of effectively mobilising available money in the hands of a class unaccustomed to the banking habit and canalising such money in the organised banking sector, the bigger scheduled banks must be permitted, nay encouraged, to open branches in the rural areas under a well-thought-out scheme not necessarily excluding cover in part against losses therefrom for a period of years. These matters must engage the immediate and serious attention of the authorities.

The Need of the Hour

"There is one aspect, and in my opinion a very important aspect, which bankers are prone to forget. There is large scope for banking in this country, enough to give every one a satisfactory share in the business. But the business has to be developed. And it can be done only by healthy competition in rendering service and not by the crude spirit of rivalry which is so often in evidence. The appropriate spirit and methods of genuine enterprise must be brought into play.

"The need of the hour, however, is a significant increase in the quantum of time deposits with banking institutions, as otherwise they would not, even with the utmost encouragement from Government's economic policies and full co-operation from the Reserve Bank, be able to meet the demands made on them by industry and trade. In this connection, it would be interesting to note that, even in a country like the United Kingdom, where the cheque-using habit is reasonably well developed, the bigger banks have been trying out various forms of personalised services to attract new clients. In this country, the link between the bank manager and his non-industrial and non-trade client is yet to be established. With the increase in the range of our operations provided by the expansion of branch banking, we are now well set to consider such schemes, and your Board will give this matter their earnest consideration during the coming months.

"With regard to the strain on the overseas balance of payments position, I fear, although perhaps fear is not the correct word, that this problem will be with us for many years to come. Although we received considerable foreign aid during the year from many friends and well-wishers, for which we are very grateful, our foreign exchange reserves declined by Rs. 69 crores and have now reached what may be considered an irreducible minimum. The only relief that we can now expect must, therefore, come from further foreign aid and exports. The former will, I have no doubt, be forthcoming; but we cannot progress without intensifying our own efforts, and we must export more.

"It is clear that, in order to keep the economy working at the existing productive capacity, it is not possible to curtail imports any further, but, at the same time, the foreign exchange situation does not warrant any increase in our imports. Apparently, the only answer is to increase exports. Unfortunately, our experience of the past two years is not very encouraging as far as an increase in exports of traditional goods is concerned. In fact, India's share in the total world trade has been continuously declining. To retain established markets and open new avenues for exports, prices must be competitive, and this may not be possible unless certain fiscal and labour policies are amended.

Third Five-year Plan

"With these problems and prospects, we have embarked upon a much bigger effort towards planned development. The third Five-year Plan aims at an investment effort of Rs. 7,500 crores in the public sector and Rs. 4,100 crores in the private sector. Although planned investment efforts during the third Plan are as big as the actual investment realised during the first two Plans, deficit financing has been limited to Rs. 550 crores, as compared with Rs. 1,100 crores undertaken during the second Plan period. While this is to be welcomed, the target of Rs. 1,710 crores for additional taxation during the third Plan may prove difficult of attainment unless the national income increases considerably in the meantime.

"Our duty, gentlemen, is to conduct the affairs of your Bank in the best traditions of banking in the interest of national development. We will continue to do our best in this direction and leave nothing undone which will contribute to the continued expansion of our institution and to the enhancement of its capacity to serve the nation in its developmental efforts."

Note:—*This does not purport to be a record of the proceedings of the annual general meeting.*

A LARGE INDIAN PUBLIC COMpany intends to appoint an assistant to the Managing Director. The appointment carries prospects of eventual promotion to the Board in an executive capacity for a man possessing the requisite qualifications, which include preferably membership of one of the Institutes of Chartered Accountants, experience in modern methods of financial control and management accounting, knowledge of industrial legislation and ability to deal with personnel problems at different levels. There is no fixed scale of remuneration for this appointment but a good salary with commensurate allowances, depending on age and experience, will be paid to the successful applicant.

Reply, stating age and giving full particulars of experience, along with the names of two Referees, to Box No. 974, C/o "Commerce", Brady House, Veer Nariman Road, Fort, Bombay.

HIGH REPUTATION
for
Quality, Uniformity, Reliability

CLARETTA

THREE GOLDEN HORSES TRADE MARK

High Rayon Fabrics

#1480 Tussore	#3000 Satin	
#3300 Satin	#5050 Habutae	
#6750 Habutae	#6300 Georgette Crepe	
#7200 Sheer Crepe	#7500 De Chine Crepe	
#0050 Tricot		

Rayon Yarn

Filament Yarn
Spun Yarn
Staple Fibre

Pamphlet available. Please apply to:

KURASHIKI RAYON CO., LTD.

2, Umeda, Kitaku, Osaka, Japan Cable Address: "KURARAY OSAKA"

INDIAN ALUMINIUM COMPANY LIMITED

MR. K. C. MAHINDRA WARNS AGAINST RISKS OF OVER-EXPANSION

PLEA FOR PRUDENT UTILISATION OF RESOURCES

A WARNING that great risks were inherent in the over-expansion of capacity in aluminium industry was struck by Mr. K. C. Mahindra, Chairman of the Indian Aluminium Company, Limited, while presiding over the Twenty-third Annual General Meeting of the Company held at Calcutta on Thursday, 27th April 1961. The warning was prompted by what he called a "wild scramble" that had ensued among the top-flight producers of the world to stake a claim in the developing market in India. It was strange, Mr. Mahindra declared, that, in the specialist field of aluminium, there should emerge a movement reminiscent of old, old colonial days and ways; crude and half-baked schemes, based on little or no field investigations or market surveys, and not even presuming to be economically viable, were presented to the public in India, endorsed by reputed concerns of international renown. He also alluded to the offer of plant and techniques from a communist country that had provided the opportunity for a Minister to say that a new aluminium unit would be set up in the public sector, a consequence which, he was sure, would be irksome to many of the new aspirants.

The following is the full text of Mr. Mahindra's speech:

"I have pleasure in welcoming you to our twenty-third annual general meeting. The Directors' report submitted to you along with the audited accounts for the year 1960 provides information on the year's operations. I am happy to report that production and sales again reached new high levels in 1960. The steady progress which your Company has been making over past years is reflected in the financial accounts which are before you now for your consideration.

"During 1960, your Company earned a net profit of Rs. 12 million, as compared to Rs. 8 million in the previous year. A large part of this increase was due to the much smaller provision for development rebate in 1960. Nevertheless, you will agree that the financial results are gratifying. This has enabled your Directors to recommend the payment of a higher dividend this year at Re. 1.50 per ordinary share. Dividend on the preference shares has been recommended in accordance with the Preference Shares (Regulation of Dividends) Act 1960, and the Company's Articles of Association. The Directors have proposed a transfer of Rs. 5 million to the general reserve and a carry-forward of Rs. 4.99 million under surplus account. You will no doubt appreciate that, in a capital-intensive industry like aluminium, it is prudent as well as necessary to plough back a portion of our surplus so as to meet the requirements of a growing industry like ours.

Dividend

"For the last few years, the corporate shareholders of this Company have been enjoying—in respect of the ordinary shares issued in late 1956 and those issued upon conversion of loan stock since 1957—the benefits of Section 56A of the Indian Income-Tax Act, that is, exemption from super-tax on dividends. It now gives me considerable pleasure to announce that the benefits of Section 15C of the Indian Income Tax Act, which provides for five years' tax holiday for newly established industrial undertakings for which your new smelter at Hirakud qualifies, will be available to all shareholders, both ordinary and preferred. For the year 1960, the Income-tax Officer has authorised your Company not to deduct tax on 12 per cent of dividends and we propose to act accordingly. The percentage of 12 per cent has been fixed on a provisional basis and the shareholders will have to wait until the Company's tax assessment for the year 1960 is completed before the full and final estimate of this benefit is obtained and on the basis of which tax relief, if any, may be claimed by the shareholders in their own assessments.

"Because of our plants being located in different parts of the country, a very serious problem which we have to face is that of transport. The uncertainty of wagon availability forces the Company to increase its inventories thereby tying up extra capital and also compelling the Company to utilise more costly road transport.

"Coal is a commodity most seriously affected and it appears there is no remedy for the immediate future. The railways claim that they are carrying all the traffic that they are supposed to according to the second Plan estimates. Various remedial measures are being discussed by the Government especially for the high priority industries, e.g., steel, public utilities, etc. But for industries like aluminium, which enjoy no special priority, the prospect of improvement in transport bottlenecks do not appear to be hopeful. The Company is pursuing this matter with the Government in the hope that some action may be taken to solve our difficulties in this regard.

Excise Duty

"Last year, I spoke to you about the new excise duty levied on aluminium products. During the year 1960, we have faithfully collected Rs. 5.5 million as excise duty from our customers and paid this amount over to the Central Government. We are, however, worried about the way in which excise officials are interpreting the duty regulations. Excise duty is normally payable on shipments to customers, but not so in the case of aluminium. The officials have ruled that duty must be paid on all shipments of ingot from our smelters to our fabricating plants. Thus, excise duty must be paid on all aluminium in the pipeline and in our fabricating plants. From our annual statements, you will see that we have so far paid no less than Rs. 1 million on this account. The requirements of working capital for this capital-intensive industry are thereby further increased, and so also is the debit for interest. In addition, duty paid on ingot which is ultimately wasted in fabricating plants as 'melt loss' is never recovered. Thus you get an amazing result: the producer of aluminium is paying excise duty on something which is non-existent and can be shipped to nobody.

"In our opinion, the above difficulty and the unwarranted expenses arising therefrom can be easily and sensibly eliminated by allowing us to move ingot and fabricate it 'in bond.' Such a procedure is not very uncommon, but so far it has not been possible to persuade the excise officials to see our point of view. Our losses on this score will multiply as our current expansion projects are put into commission, and it is desirable that the Central Board of Revenue take steps to remove this unfair burden at an early date.

"Under the 1961-62 budget proposals, the Government has extended the scope of excise duty to include aluminium pipes and tubes. Further burdens have been imposed on your industry by way of increased customs duty on imported machinery and reduction of tax concession in the form of development rebate. These proposals will have the effect of further increasing our cash requirements.

Expansion Programme

"As to the Company's expansion programme, satisfactory progress is being made at all locations. Barring any untoward happening, it is expected that the second extrusion press at Alupuram and the additional potline at Hirakud will be ready to go into operation before the end of the year. Expanded facilities at Belur and Muri are likely to be ready by the middle of next year. Your Directors are anxious that your Company continue to play its leading part in the development of aluminium industry in India and, with this in view, proposals for further expansion of the Company's activities are under constant review.

"1960 has been a good year for India and a particularly eventful one for the aluminium industry. The last 12 months have witnessed a more than ordinary increase in the tempo of economic activity. A high level of industrial output, especially in steel, buoyant Central revenues, a slight improvement in export earnings, despite initial setbacks, are some of the significant gains recorded. The year ended on an optimistic note and the outlook for 1961 is heartening.

"Last year from this forum, I extended a hand of welcome and co-operation to two new entrants in the aluminium industry. I did not know then, nor did I anticipate, the wild scramble which has since ensued amongst the top flight producers of the world to stake a claim in the developing market in India. It does appear strange, and perhaps ironic, to me that international groups would take a leaf out of the Indian book of experience—a book which ruefully reveals our short horizons, our quest for the quick rupee, our inability to learn the long and tedious track to true industrialisation. There may have been justification 20 years ago for such mental attitudes, inasmuch as the protectorate or colonial era in India deprived the nationals of the country of learning by experience the vicissitudes of industrialisation. With the withdrawal of the British, the hitherto financial and the trading classes in India plunged into the industrial vortex hurry-scurry in many directions, but still with an eye for a quick rupee. They did not stop to take a long-term view; they did not stay to learn from the industrial revolution in Europe of the mid-nineteenth century or even from the latter hot-house developments in U.S.S.R. Last quinquennium has, however, showed a welcome change and long-term investments have become fashionable. It is, therefore, doubly strange that, in the specialist field in which your Company has pioneered the way, there should emerge a movement reminiscent of the old, old colonial days and ways. Crude and half-baked schemes, based on little or no field investigations or market surveys, and not even presuming to be economically viable, are presented to the public in India, endorsed by reputed concerns of international renown.

"The deposits of bauxite ore on which the schemes are based have not been thoroughly field-tested for quality or reserves. Availability of firm and continuous power nor the ultimate costs thereof have been assured. Costs of production, in some cases based on questionable exchanges of metal for raw materials and/or equipment, have not been spelt out and are bound to be unnecessarily high. We in India should look at these proposed new schemes carefully before supporting them, and we should look at them through the factual eyes of experience and viability and not be carried away by mere enthusiasm for expansion.

A Throw-back From West

"But why this sudden display of interest in the Indian markets? We know that aluminium industry in the West and in North America has had a bad two years; there is a glut of primary metal and smelters have been working on restricted production. In Europe where smelter operations do not match the requirements of the fabrication units, conditions are not so depressing, and North American groups have moved *en masse* into the European markets. India is slowly emerging as perhaps a desirable non-aligned area and, may be, quick rupees can be made. It surprises me, however, that, when our own planning techniques are being remodelled and reshaped in the light of experience over a decade, a throw-back emerges as a gift from the West. Alignments of resources with projections of demand become awry and we have begun to wonder if there has not been gross underestimation of what the country has in physical resources for aluminium development and what the country can consume. Our friends from the West did not perhaps reckon with the one obvious consequence of such a presentation, namely, the overall socialistic thinking of the planners. If the development of a basic commodity like aluminium is such a gold mine, Government would not like to be left out. Offer of plant and techniques from a communist country has provided the opportunity for a Minister to say that a new aluminium unit will be set up in the public sector!—a consequence which, I am sure, will be irksome to many of the new aspirants.

"Rational misjudgments do occur in every large effort, but, where there are scarcities of resources and of technical knowledge, where the purchasing power of the market is phenomenally low and, therefore, will take time for the upward geometrical surge, there is critical need for prolonged and deep look into the purposes and end-products of investments and of potential investors. Aluminium industry is voracious in its appetite for capital. To produce a ton of primary aluminium, one needs an investment in capital equipment and facilities almost ten times what it would need to produce a ton of steel. Let us look at the picture-projections for the next five years.

Third Plan Target

"The demand for all non-ferrous metals during the third Plan period is expected to go up and, since aluminium is the only non-ferrous metal which can be indigenously produced, in adequate quantities, considerable thought is being given to its development. The Draft Outline of the Plan has set the target at 87,500 tons by 1965-66. Out of this, 52,500 tons are already in production or under construction, while work on the balance of 35,000 tons is expected to start shortly. As against this, the country is currently consuming around 44,000 tons of metal.

"Recently, however, there has been talk of raising the target for aluminium production to 150,000 tons and, if I am to add up the pending proposals, supply target would be nearer 200,000 tons—a five times jump over current consumption within five years. That exports will take care of oversupply is a mirage, for India cannot hope to compete in the world market on level terms with strong international groups. We know that, with our scattered deposits of ore, expensive power and comparably more expensive costs of installation, India will remain a high cost producer. Oversupply has its own quick nemesis and, while I favour planning on an ambitious scale, I would nevertheless counsel prudence in weighing the adverse effects which might result from commitments which are premature for the stage of development which the industry has reached in this country. There is no surer way to discourage investment than to encourage overoptimistic growth and invite idle capacity—a fact that has been amply demonstrated even in highly developed economies. Moreover, India is currently power hungry, and its bauxite resources, though apparently considerable, are far from being proven in quantity and quality sufficient to sustain a prodigal rate of growth. The economic supply of these major raw materials is vitally important to the health of the aluminium industry, and, in my view, the country cannot afford to embark too hastily or too lavishly upon new and grandiose schemes, without the most careful thought for the prudent utilisation of these resources.

New Process

"A noteworthy development, which also suggests the wisdom of temperate planning, and which is of great potential importance to the nascent industry of this country, is the announcement made by our Canadian associates, Aluminium Limited, that a basically new process—the first major technological change in the method of manufacturing aluminium—is about to be put into semi-commercial operation in Canada. The process, if fully successful, will not appreciably reduce the large power requirements of the existing process, or its dependence upon bauxite, but it does give promise of considerable savings in other elements of production cost, and particularly of substantial reduction in capital costs. The new experimental plant will be completed early in 1962, with a production capacity of six to eight thousand tons of aluminium per year. It is expected that operation on this scale for a couple of years or so will be required to determine whether the estimated savings in capital and operating costs can be realised in large-scale operations.

Risk of Over-expansion

"In the light of these impressive possibilities, which we are watching with interest and care, the risks inherent in over-expansion take even clearer form. However, there are many factors to be considered in the formulation of future plans, and all are receiving the constant and critical attention of your management. We do not intend to keep static, but neither will we lose touch with realities and sound business principles, and I express the hope that Government, in its planning, will continue to maintain a similar outlook.

"We have lost during the year the able direction of Mr. Vance Echols, who retired from India for family reasons. His contribution to the Company's progress was dynamic and we were sorry to lose his services. Pending the appointment of a new Managing Director, the Board entrusted the charge to Dr. Horwood who has been with the Company for some years, but unfortunately is also due to leave shortly. Your Board realises that quick changes in top management are not healthy, but, in specialised fields where talent is very scarce, it is inevitable that movement of skilled personnel must go on until we are able to develop such resources indigenously and in plenty.

"Once again, I am sure that shareholders would wish me to convey their thanks to the Company's able management team and to workers and staff who have served the Company well during the past year."

Note: *This does not purport to be a record of the proceedings of the annual general meeting.*

KILLICK INDUSTRIES LIMITED

CHAIRMAN MR. A. N. HAKSAR, REVIEWS WORKING OF THE COMPANY

SUBSIDIARIES SHOW BETTER RESULTS

ADDRESSING the Annual General Meeting of Killick Industries Limited, held at Bombay on Friday, 28th April 1961, Mr. A. N. Haksar, Chairman, briefly reviewed the progress of the Company. He drew attention to the improvement in the working of the Company's subsidiaries. Looking to the future, Mr. Haksar said that good Managing Agents performed a most useful function and expressed the hope that the Government would continue to recognise their usefulness.

The following is the full text of Mr. Haksar's speech:

"GENTLEMEN,

"The report and accounts for the year are not as satisfactory as I would have liked them to be. Although I have no wish to make any excuses, I would like the shareholders to appreciate that during the year under review, we were subjected to certain strains and stresses and were forced to incur certain expenditure which I sincerely hope is not of a recurring nature. Overall, I can hope that 1961 will show a modest improvement over the current year. The Managing Agency side of the business will, I think, definitely show better results. I cannot be so sanguine regarding our subsidiaries, Killick Nixon and Co. Ltd., and Stamco Industries Ltd., but I believe that these companies will eventually become useful earning members of the group though it will take some time.

"The Kohinoor Mills has, one can hope, turned the corner. New machinery has been installed and improvements in working are already evident. The results for 1960 are substantially better than those of 1959 and would have been better still if large amounts had not been paid out in retrenchment and other compensation.

"The electricity companies continue to enlarge their service to their respective communities. The enormous expansion in demand for power for industry and homes in the Bombay suburban area has created difficulties over the procurement of materials. In turn this has meant that applications for power are running ahead of services connected. The Surat Electricity Company, in common with the rest of the licensees in South Gujarat, has been subject to control on new connections and its diesel plant is being called upon to bear an increasing burden to sustain the interests of the South Gujarat Grid. The Ahmedabad station is more than fully loaded and in fact steps are being taken by the Government to effect measures to bring about some form of rationing of power. This is most unfortunate but absolutely necessary. The silver lining in the cloud, however, is that 60 m.w. of new plant is scheduled to be brought into commission—30 m.w. by March 1962 and the balance one year thereafter.

Export of Manganese Ore

"The Shivrajpur Syndicate Ltd. increased its sales of manganese ore in the last year but, I am afraid, this increase was mainly due to the fact that, during the year, manganese ore exports were permitted against barter transactions by the Government. Otherwise, Indian manganese ore continues to be uncompetitive, generally speaking, in the international market. It is well known that many new mines have been developed in recent years in several countries such as Brazil, South and West Africa, etc. During the same period, f.a.s. costs of Indian ore suffered unavoidable increases due to additional imports such as increased royalty rates and railway freights. The latter difficulty remains unresolved even today and, unless adequate relief is granted soon, I cannot visualise an encouraging future for Indian manganese ore exports.

"The Hingir-Rampur Coal Company's position has shown considerable improvement although, in common with other collieries, it is faced with a serious shortage of railway wagons for the movement of coal supplies, and recently the stocks have reached an unprecedented high level with the result that production of coal has had to be curtailed.

"The steel file factory at the Chandivli Industrial Estate has been suffering from labour problems. It is to be hoped that the union will show a more positive spirit of co-operation to enable this factory to improve its contribution to your company's profits. There is no doubt in my mind that, given stable conditions and trouble-free working, this factory can make considerable profits.

Subsidiaries

"Turning to the affairs of the Company's subsidiaries, you will notice that the working results of Killick, Nixon and Co. Ltd. show a considerable improvement compared to the previous year. From a loss of Rs. 2 lakhs for the year 1958-59, the Company has shown a reasonable profit of Rs. 1.25 lakhs for the year 1959-60. There have been some setbacks during the current year, but every effort is being made to rectify the position.

"Stamco Industries continue to show a loss but I believe that the measures now being undertaken will reverse this tendency. I am very pleased to report that consequent to the visit to the Stamco factory by two Directors of Caribonum Ltd., Leyton, U.K., which is one of the major manufacturers and suppliers of carbon paper and stationery products throughout many markets of the world, that company has agreed to provide financial and technical assistance to develop our production and sales. While no spectacular results should be expected in the near future, I believe that this company will eventually take its rightful place in the industry in India today.

"Although our new subsidiary, A. R. Haseler Ltd., shows a loss up to 30th September 1960, the date of acquisition by Killick Industries Ltd., the working since that date has shown an improvement, which I hope will continue.

"We expect to receive a handsome return during the current year on our investment in Snowcem India Ltd., which company is now developing a considerable demand for its products and hopes to continue to increase its range of cement speciality products.

Future

"What of the future? In the immediate years ahead, your Company will continue to have great responsibilities as Managing Agents of large-scale industrial undertakings. I have always believed, and continue to believe, that the good managing agents serve a most useful function and I trust that Government will continue to recognise their usefulness. Nevertheless, in the circumstances obtaining today, I think you will agree that it is only prudent that your Company takes steps to broaden the range of its activities by investing in industrial undertakings either directly or through subsidiary companies. Although, at the moment, the industrial potential of Killick Industries Limited and the subsidiary companies is not all that I could wish, I believe that this diversity of business will, in due course, not only contribute to the country's expanding economy but will directly benefit you all as shareholders of this Company."

Note: *This does not purport to be the proceedings of the annual general meeting which can be seen by any shareholder on request.*

BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD.

CHAIRMAN, MR. E. F. G. HUNTER'S SPEECH AT ANNUAL MEETING

MODIFICATION OF EXPORT INCENTIVE SCHEME URGED

THE contradiction in the Government's fiscal and price policies in regard to cotton textiles was pointed out by Mr. E. F. G. Hunter, Chairman of the Bangalore Woollen, Cotton and Silk Mills Company Ltd., at the Seventy-eighth Annual General Meeting of the shareholders of the Company held at Bangalore on 25th April 1961. Mr. Hunter remarked that while, on the one hand, the Government was imposing a heavy excise duty on cloth, on the other, it was asking the industry to cut cloth prices. He expressed the fear that the new excise duty on automatic looms would only retard progress of modernisation. Mr. Hunter drew attention to the pitfalls in the export incentive scheme and urged that they be remedied soon, lest exports of cloth should be affected.

The following is the full text of Mr. Hunter's speech:

"GENTLEMEN,

"It is my privilege and pleasure to welcome you to this annual general meeting of The Bangalore Woollen, Cotton and Silk Mills Company Ltd. and I propose, with your permission, to take as read the Directors' report and the accounts and balance-sheet for the year 1960.

"Trading conditions in textiles during the year under review improved considerably and your Company was again able to dispose of its full production at satisfactory margins. I particularly wish to mention the continued popularity of our union fabrics, 'Cotswol' and 'Angola' which we are, with encouraging success, beginning to establish in overseas markets. We continue to receive substantial orders for Angola from the Government of India for supply to the Defence Services. Unfortunately, difficulty in obtaining import licences for wool makes it impossible to satisfy the demand for these fabrics in the home market.

"It is because of the shortage of imported wools and the concentration of the heavy woollen industry in North India, the chief consuming market, that your Directors decided to discontinue manufacturing superior rugs and blankets.

"The manufacture of coarse woollen rugs has been uneconomic for some time due to falling demand and competition from handloom weavers. This fact caused your Directors to decide to stop manufacture and the coarse section was finally closed in December 1960.

"The shortage of spun silk continued to be acute and in consequence the demand for filature silk fabrics increased. Production in the filature department is steadily increasing and we were able, during the year, to start up a number of looms which had been out of commission for some time. It is hoped that during the coming year, we will be able to commission more looms in the silk section but this depends on high quality Mysore filature silk being available at reasonable rates.

Shortage of Cotton

"Shortage of cotton during the year, due to the failure of the 1959-60 Indian cotton crop, was a source of considerable anxiety to both Government and the industry. Rationing and the imposition of ceiling prices were two measures introduced to meet the situation. Imports of short-staple American cotton were made for the first time and imports of long-staple cotton were increased. The larger quantities of long-staple varieties which thus became available, enabled your Company to step up its production of fine shirtings, etc. I am pleased to say that there is every promise that the 1960-61 Indian cotton crop will be satisfactory. However, Government has, with a view to improving the stock position, decided to continue, for the time being, the controls imposed, and to import more short-staple American cotton. It will indeed be encouraging if the carryover at the end of the cotton year in August is normal.

"In December 1960 agreements were signed with the workpeople's representatives and with those of the clerical grades, implementing, with effect from the 1st January 1960, the recommendations of the Central Wage Board for the Cotton Textile Industry. The agreements reached resulted in substantial increases in wages being given and a further increase to workpeople will become due on the 1st January 1962. Both agreements are to remain in force until 31st December 1964.

"The rationalisation measures introduced in accordance with the agreement signed in 1959, resulted, after an initial setback due to a large number of long-service workers taking advantage of the service gratuity, in improved efficiency. The agreement signed in December 1960 and referred to earlier provides for the appointment of joint committees to consider further rationalisation in pursuance of the recommendations of the Central Wage Board. I have every hope that further progress will be made during the current year.

Fiscal Policy

"The new trend in revenue-raising by indirect taxation, which was taken a step further by the Finance Minister in his budget of this year, is, despite the failure to give other reliefs, most welcome as it will spread over the whole community the cost of India's development. In my opinion, however it is unfortunate that, in doing so, the Finance Minister has increased the already heavy levies of excise duty imposed on cotton textile goods. This increase, which must affect the price to the consumer, is the more difficult to comprehend when another Government Department is urging the cotton textile industry to reduce prices. In response to Government's plea, the industry has already voluntarily agreed to regulate prices and these had to be fixed after taking into account the substantial increase in the cost of cotton and the burden of higher wages which the industry must bear as a result of the implementation of the Wage Board recommendations. Meantime, the Central Government has referred to the Tariff Commission the question of fair prices for cotton textiles and yarn.

"Your mills are particularly affected by the new excise levy on automatic loom production, which is subject to relief according to export performance. It is the opinion of your Directors that insufficient thought was given to the effect of this levy before it was introduced and, in any case, any form of penalty, which does not apply equally to all mills, can only be considered discriminatory. This levy will retard progress and modernisation.

Export Incentive Scheme

"Your mills, for a variety of reasons, have not been large exporters of cotton piecegoods, but their 1960 performance showed an improvement. If they are to increase their exports, they must continue to enjoy the full benefit of the Government's incentive schemes. It, therefore, came as a great disappointment to learn that mills will now only be entitled to use 65 per cent of their hard-earned dyestuff incentive import licences. This means that mills, such as yours, which do not sell grey cloth, will have to buy the major part of their dyestuffs and chemicals at high prices from other import licence holders, thus increasing costs and making it more difficult to compete in overseas markets. Incidentally, the effect of the scheme, which is designed to benefit indigenous dyestuff producers, will be to cause them to pay higher prices for their raw materials.

"This matter has been drawn to the attention of the authorities so that they are aware of the effect this decision will have on the country's export endeavours, and I very much hope that an exception will be made in the case of mills such as yours who utilise fully, for their own purpose, any dyestuff licences they can earn.

"In accordance with the terms of the Preference Shares (Regulation of Dividends) Act, 1960, which received the assent of the President of India on the 28th December last, the dividend on the Company's 6 per cent cumulative preference shares has been amended to a dividend of 7.8 per cent, from which the Company is obliged to deduct tax pursuant to Section 18(3D) of the Indian Income-tax Act. An additional dividend of 1.8 per cent was declared and was paid on the 17th February 1961 to adjust the dividend already paid in respect of the year 1960. Henceforth the preference dividend will be paid by two instalments each of Rs. 3.90 per share less tax on the 1st January and the 1st July of each year.

"The Companies (Amendment) Act, 1960, also received the assent of the President of India on 28th December 1960 and was brought into effect from that date and the accounts before you have been drawn up in accordance with the Companies Act, 1956 as amended by the new Act. Many new restrictions have been imposed on companies, and many of the new provisions, for example those affecting inter-corporate investment, the payment of dividends, special audits, etc. have no parallel in any other country in the world and must further inhibit good management and enterprise. Many of the two hundred and eighteen clauses of the new Act will mean more paper work and time-wasting form filling, which, besides adding to cost, must result in a diversion of effort and create new difficulties for administration.

Managing Agency

"It was mainly because of the various restrictions on managing agents imposed by the Companies Act, 1956 and the further restrictions which were at the time contemplated by the Amending Bill, since enacted, that Binny & Co. (Madras) Ltd. decided in 1959, after consultation with your Directors, to relinquish the office of Managing Agents of your Company which they did by tendering their resignation with effect from 31st December 1960.

"The resignation of the Managing Agents was provisionally accepted by the Board of Directors but, in accordance with the provisions of Section 342 of the Companies Act, 1956 will not be effective until accepted by the Company in general meeting and as you will have seen from the notice convening this meeting, the Managing Agents' resignation is the subject of a resolution to be considered later.

"With the approval of the Government of India, Managing Directors were appointed to take over the management of the Company from 1st January 1961. The Managing Directors appointed have all had long experience in the management and business of your Company, and in this way continuity has been ensured. Officers and staff, who had previously been engaged as employees of Binny & Co. (Madras) Ltd. on the business of your Company, also accepted employment with the Company from the 1st January 1961 and I am pleased to report that the transfer of the management, which had been carefully planned, took place without any hitch and caused no disturbance whatever to your Company's business.

"I am sure you will wish to join the Directors in expressing thanks to the retiring Managing Agents, Binny & Co. (Madras) Ltd., and their staff for the valuable services rendered to your Company since the Managing Agency Company was incorporated in 1920 and under whose management your Company has indeed expanded and prospered.

"On your behalf I would also like to record appreciation of the services of the Mill Manager and the officers, staff and the workpeople at the mill for their loyalty and for their efforts in 1960.

"In conclusion I should like to express my appreciation to my colleagues on the Board for their close help and co-operation at all times and also to pay tribute to the valuable services rendered to your Company by Mr. E. J. M. Leigh, who, during the thirty-two years he was associated with your Company, made a valuable contribution to its progress and prosperity. Mr. Leigh resigned from the Board at the end of 1960 prior to retirement."

Note: This document does not purport to be a report of the proceedings of the general meeting.

THE
BRITISH INDIA CORPORATION LTD.
KANPUR

BRANCHES DIVISION
Cawnpore Woollen Mills Branch
New Egerton Woollen Mills Branch
Cooper Allen Branch
North West Tannery Branch
London Office

BEGG SUTHERLAND DIVISION
Secretaries and Treasurers:
The Elgin Mills Company, Limited
Cawnpore Textiles Limited
Brushware Limited
Cawnpore Sugar Works Limited
Champaran Sugar Company, Limited
Saran Engineering Company, Limited

Secretaries for:
Beta Picker & Co. Ltd.

Agents for:
Royal Exchange Assurance

FORWARD MARKETS BULLETIN
(Monthly)
Published by Forward Markets Commission
Government of India, Bombay

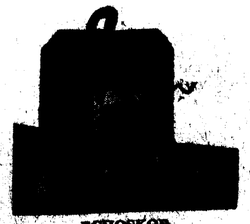
REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription		Single copy	
In India ..	Rs. 24.00	In India ..	Rs. 2.50
Abroad ..	Rs. 40.00	Abroad ..	Rs. 4.00

For further particulars please apply to:
The Secretary, Forward Markets Commission
"Everest," 100, Marine Drive, Bombay-2

INTRODUCING .....
NON-DESTRUCTIVE ULTRASONIC FLAW DETECTOR
EX: M/S. DR. LEHFELDT & CO., G.m.b.H. GERMANY



ECHOSKOP
could be used during works inspection, during welding and manufacture, during research and development.

For further particulars write to:
SOLE AGENTS:
TOSHNIWAL BROTHERS (PRIVATE) LIMITED
198, Jamshedji Tata Road, Bombay-1
Branches: AMBER, CALCUTTA, CHEMI, MADRAS.

STATE BANK OF INDIA'S
RUPEE TRAVELLERS
CHEQUES FOR
CARE-FREE TRAVEL

You can travel anywhere in India and outside without having to carry a large amount of cash, without being in fear of theft or of running short of money.

The State Bank's travellers cheques, issued in denominations of Rs. 100/- and Rs. 50/-, represent the ideal travel funds. They are as safe as a bank draft and are encashable anywhere, anytime.

This is one of the many services the Bank provides to its clients and the general public. For complete information, please ask for a copy of our illustrated booklet from the branch nearest to you, or consult your travel agent.

SISTA'S-58-15

COTTON YARNS
OF ALL DESCRIPTIONS
FOR HANDLOOM, POWERLOOM AND HOSIERY FACTORIES
MADURA MILLS COMPANY, LIMITED
Phone: 250 (5 Lines) — MADURAI — SOUTH INDIA Telegrams: 'Harvey'
MILLS AT MADURAI, TUTICORIN AND AMBASAMUDRAM
5,00,000 Spindles Counts up to 100s
We Supply:
WARP YARNS, COMBED YARNS, HOSIERY YARNS, FANCY YARNS, CONE, CHEESE AND HANK YARNS, SINGLE AND FOLDED AND CROSSBALL WARPS FOR FOLDED YARNS
SPECIALITIES:
Yarns for the Manufacture of ROPES — HEALDS — CANVAS — TAPE
BELTING DUCK — TYRE CORD — SEWING THREAD
Industrial Products: TYRE CORD WARP SHEETS—CANVASSES—HARD AND SOFT DUCKS—MULTI-FLY AND CORD YARNS
Managing Agents: A. & F. HARVEY LIMITED
PANDYAN BUILDING, MADURAI, SOUTH INDIA
Phone: 420 (4 Lines) Telegrams: 'HARVEY'

L.I.C.'S SERVICE TO POLICYHOLDERS

ESTIMATES COMMITTEE EXPRESSES DISSATISFACTION

AN entire chapter of the hundred and thirty-fourth report of the Estimates Committee (Chairman: Mr. H. C. Dasappa) on the Life Insurance Corporation of India is devoted to a critical examination of the services rendered by the Corporation to its policyholders. This by itself is an indication of the importance which the Committee attaches to this aspect of the Corporation's functioning. It cannot be denied that the Committee is right in doing so, for insurance, like banking, is a personalised service and the insuring public will judge the insurer, as the banking public would judge the banks, mainly by the quality of the services rendered. Service to policyholders includes everything done by or expected of an insurer from the time a policy is issued to its final settlement. Such servicing, as is common knowledge, is continuous as well as varied and comprise mainly (1) issue of premium notices to and collection of premia from policyholders, (2) grant of loans to policyholders on the security of policies, and (3) settlement of claims by maturity or death.

Complaints

The Committee has examined how the Corporation has been rendering these services as well as the nature of complaints regarding them. It is only after this study the Committee has thought fit to suggest methods for improving the services.

Complaints regarding premium notices generally relate to non-receipt, or delay in issue, of premium and default notices. The Chairman of the Corporation admitted, during evidence before the Committee, the presence of such complaints and stated that they were being investigated and appropriate action taken. The Committee, however, considers that investigation of individual complaints received, though certainly desirable, may not be sufficient remedy for the state of affairs that is indicated by the complaints, for not all cases will be brought to the notice of the Corporation through written complaints. The ordinary man, the Committee has rightly pointed out, will judge the performance of the L.I.C. by the efficiency and promptness of service to policyholders. It is essential, therefore, that effective steps should be taken to improve the servicing, so that there may be no room for such complaints.

Place of Premium Payment

The Corporation's insistence that premium should be paid only at the branch office where the relevant policy records are kept, has caused considerable inconvenience to policyholders. The earlier practice of accepting premium in any office has had to be discontinued. The Chairman of the Corporation explained to the Committee the reasons for the change in practice. According to him, it was found, after investigation of complaints about non-receipt of premium receipts, that the branch offices had to forward the amount of premium or intimate its receipt to the appropriate offices which took time. Further, at the time of paying the premium, policyholders did not give complete details of policy number, address, mode of payment, etc. which necessitated enquiries having to be made about these details. In order to avoid complaints about non-receipt of premium receipts, the Corporation had decided to ask policyholders to pay premium at the office where their policy papers were being maintained.

The Committee naturally is not satisfied with this explanation. It concedes that the withdrawal of this facility has, as already stated, caused much inconvenience and hardship to policyholders and has, therefore, suggested that the feasibility of reverting to the earlier practice may be reconsidered. The Committee was told that the difficulty pointed out by the Corporation's Chairman was not insurmountable. There is no exaggeration in this suggestion, for every premium is paid along with the relevant notice which contains all the details of the policy, including the place of issue and the name of the agent. All that the receiving office has to do is to copy down the particulars in a register when payment is received from which advice can be sent to the office concerned later on. Alternatively, a duplicate of the reminder may be sent to the policyholder with a request that payment of premium should be accompanied by the duplicate, as it is required to be forwarded to the office where the relevant records are maintained. It may be pertinent to note here that payment for trunk calls can be made from any post office. If the Postal Department could do this service, there is no reason why the L.I.C. should not do so.

Grant of Loans

The procedure governing the grant of loans by the Corporation to policyholders has also been examined by the Committee. The procedure, it points out, is far from simple. The Branch Offices of the Corporation, which procure business, are not authorised to grant loans to policyholders on the security of policies. Such applications have to be preferred to the Divisional Offices. Further, the loans, which carry interest of 6 per cent. cannot be repaid before a period of six months and, even thereafter, repayment is not accepted, unless tendered in full. It was represented to the Committee that there was considerable delay in the grant of loans by the Corporation, whereas the erstwhile insurers of good standing sanctioned such loans in a few hours.

The Chairman of the Corporation, in his evidence before the Committee, agreed that he would examine the question of simplifying the procedure of grant of loans and making the surrender value of cash policy available to the branch concerned and authorising it to grant such loans in most cases. He also admitted that the procedure of not accepting the repayment of loans, until after six months of their payment and in lump sum, was wrong.

The Committee considers that delays in the grant of loans defeat the very object for which loans are applied for by the policyholders. It has expressed the hope that immediate attention would be paid to these matters and action taken to simplify the procedure for the disposal of loan applications by empowering the Branch Offices to grant loans upto a specific amount. It has further suggested that a time limit should be fixed for the disposal of such applications. Another suggestion is that the desirability of charging a lower rate of interest on such loans should be examined. It should also be possible, suggests the Committee, for the L.I.C. to accept repayment of loans within six months of the loan, giving a proportionate rebate of interest which is taken in advance, and in instalments, the minimum of which may be prescribed.

Surrender Value Low

The Committee points out that the surrender values of the L.I.C.'s policies are extremely low. Since the amount of loan obtainable on a policy depends on its surrender value, it has suggested that the matter may be examined so as to bring the surrender value of L.I.C. policies on a par with leading insurance companies abroad.

The following table gives a comparison of the surrender values of L.I.C. policies with those of the policies of some of the leading insurance companies.

Guaranteed Cash Surrender Values

Amount of policy Rs. 10,000	L.I.C.	Sun Life	Norwich Union
Endowment 10 years :	Rs.	Rs.	Rs.
5 years	1,290	4,420	4,230
10 ,, (policy matures) ..	..	..	..
Endowment 15 years :			
5 years	850	2,600	2,400
15 ,, (policy matures) ..	1,910	5,980	5,770
Endowment 20 years :	..	..	..
5 years	630	1,700	1,520
10 ,, ...	1,420	4,020	3,780
15 ,, ...	2,200	6,750	6,530
17 ,, ...	2,520	7,970	..
19 ,, ...	2,830	9,200	..
20 ,, (policy matures) ..	..	..	..
Endowment 25 years :			
5 years	500	1,210	1,010
10 ,, ...	1,130	2,920	2,630
15 ,, ...	1,760	4,890	4,590
17 ,, ...	2,010	5,770	..
19 ,, ...	2,260	6,710	..
20 ,, ...	2,380	..	6,090
22 ,, ...	2,630	8,250	..

The delay in claims settlement, which has been the cause of much complaints, has also attracted the critical attention of the Lok Sabha body. It was informed that 73,082 claims of policyholders for a total amount of Rs. 14.04 crores were outstanding on 1st January 1960, distributed according to duration in the following manner:

(Amount in crores of rupees)

	By death		By maturity	
	No.	Amount	No.	Amount
Outstanding :				
For more than 12 months	15,006	3.9	18,804	1.96
For more than 6 months but less than 12 months	4,004	1.14	4,559	0.58
For more than 3 months but less than 6 months	2,913	0.81	2,581	0.37
For less than 3 months	8,850	2.5	16,775	2.73
Total ..	30,363	8.4	42,719	5.64

The Chairman of the Corporation, in his evidence, informed the Committee that instructions had been issued that action to settle maturity claims should be initiated two months before the policy matured and that the cheque should be sent to the policyholders on the date of maturity. Many of the outstanding maturity claims shown in the above statement, it was further pointed out by him, were paid-up policies, the payees of which were not traceable at their old addresses. As regards death claims, it was stated that the Corporation had issued instructions that, if the death took place two years after taking a policy, the claims should be settled as early as possible. But, if a death took place within two years of taking out a policy, an investigation should be made into the causes of the death and it took some time to settle the claim, except in the case of death by accident.

Delay in Claims Settlement

The Committee admits that settlement of death claims may take a little more time than settlement of maturity claims; but it points out that the number of outstanding maturity claims is also very large. With its network of field offices and agents, it should not be difficult for the Corporation to trace the policyholders of paid-up policies if action in that direction is initiated sufficiently in advance. The representative of the Ministry of Finance told the Committee that the position regarding outstanding claims made "bad reading" and assured it that the Government would pursue the matter more zealously.

The Committee feels—very rightly, of course—that the delay in the settlement of claims is undesirable, as it results in unnecessary hardships to the claimants. Such delays, particularly when the Government has guaranteed the payment of the sum assured to policyholders, tend to expose the Government itself to criticism. It has, therefore, recommended that the Government should call for

(*Continued on page 864*)

BUCKINGHAM AND CARNATIC COMPANY LTD.

CHAIRMAN'S SPEECH AT ANNUAL MEETING

REDUCTION IN IMPORT ENTITLEMENTS WOULD ADVERSELY AFFECT INCENTIVE FOR EXPORT

IN his speech at the Annual General Meeting of the Buckingham and Carnatic Company Ltd., held at Madras on Friday, 28th April 1961, Mr. E. F. G. Hunter, Chairman, drew attention, among other things, to the disincentive effect of the change made in the Government's export promotion scheme in regard to cotton textiles. Under the scheme, mills are entitled to import licences for dye-stuffs and chemicals according to their export performance. The recent alteration of the scheme whereby import entitlements earned through exports could only be used up to 68 per cent of their face value would, Mr. Hunter feared, adversely affect the incentive for export. Equally harmful in its effect, he said, was the excise duty on automatic looms, although it was subject to relief on export performance. Any form of penalty, Mr. Hunter pointed out, which did not apply equally to all mills could only be considered discriminatory.

The following is the full text of Mr. Hunter's speech:

"GENTLEMEN,

"It is my privilege and pleasure to welcome you to this annual general meeting of the Buckingham and Carnatic Company Ltd., and with your permission I propose to take as read the Directors' report and the accounts and balance-sheet for the year 1960.

"Trading conditions showed a marked improvement during the year under review. That better conditions prevailed in 1960 was indeed fortunate, as your Company, along with others in the cotton textile industry, had to meet a substantially higher wage bill as a result of the implementation of the recommendations of the Central Wage Board for the Cotton Textile Industry. The improvement in the demand for cloth experienced in 1960 and so far maintained in 1961, it is hoped, will continue in order that the industry may retain the capacity to meet the heavier burden. But demand alone is insufficient and if the industry is to remain capable of paying higher wages—to be increased again in 1962 in accordance with the Wage Board recommendations—and to continue to prosper, it will also be necessary to increase production, by implementing "rationalisation as soon as possible" which the Central Wage Board stressed in their recommendations. You will be pleased to learn that negotiations have commenced with the labour union to implement the Wage Board's recommendations in respect of rationalisation and agreement has been reached on the procedure to be followed. I most sincerely trust that tangible results will be achieved during the current year.

Cotton Supply

"As stated by the Chairman in his speech last year, the textile industry then faced a serious crisis owing to the failure of the Indian cotton crop during the 1959-60 season. However, by strict controls, rationing and the import of short-staple American cotton, Government was able to keep the industry supplied, though mills had to pay much higher prices. Also, larger allocations of long-staple foreign cotton were made to mills to enable them to spin finer counts and to reduce consumption of Indian cotton.

"Despite these measures the carryover of Indian cotton at the beginning of the current cotton year was as low as 9,98,000 bales, that is, approximately 46 per cent less than at the beginning of the previous season. Fortunately, the 1960-61 cotton crop is promising and a total yield of 52.25 lakh bales is expected. Rationing and other controls are still in force and to improve the stock position Government has decided to import more short-staple American varieties. Prices, however, continue at a high level and it is feared that mills will have to pay inordinately high prices for the short-staple American cotton to be imported.

"Although, as noted in the Directors' report, your Company's sales reached a record figure, yardage of cloth produced was, due to finer production, lower by comparison with the previous year. However, the improvement in your Company's exports was against the trend of India's exports of textiles during 1960 and reflects the resolution with which this particular aspect of your Company's business was pursued. The incentives offered to those who make this effort in the overseas markets, where conditions and competition are getting increasingly difficult, serve as a great encouragement and it is hoped that Government's present tendency to water down these incentives will be reversed.

"For the satisfactory sales of your Company's products in India we have much to thank the wholesale and retail dealers throughout the country and shareholders will be interested to know that, at the instance of a number of the larger retailers in Madras, an All-India Binny Group Dealers' conference was held in Madras early in February 1961. Over one thousand dealers from all over India, representing all the territories of our guarantors, attended. The conference, which was held in the Rajaji Hall and Gardens, which were kindly loaned by the Government of Madras, was a great success in every way and gave your sales organisation an excellent opportunity of dealing with day-to-day problems and difficulties. Mr. Kanungo, the Union Minister for Commerce, very kindly attended the opening session.

Excise Duties

"The policy of extending indirect taxation by the application, in the budget of 1961, of further excise duties, will have the effect of spreading the collection of tax over the community as a whole, and, in my view, is to be welcomed, even though the new duties have not been accompanied by any proposals for reducing direct taxation or for providing incentives. However, one would have thought that the levies by way of excise duty and handloom cess already borne by the cotton textile mill industry, which on the sales of your Company in 1960 together amounted to over Rs. 54 lakhs, were heavy enough and that the fresh imposts on cotton textiles proposed in the 1961 budget were unjustifiable and, in the light of the concern expressed by Government over cotton textile prices, illogical. It is particularly unfortunate that the proposals for additional excise duties on cloth and the new excise duty on yarn were not framed so as to make their impact and the manner of their collection quite clear, as following their announcement the industry was thrown into considerable confusion.

"The subsequent decision to compound the proposed duty on yarn into a duty on cloth was welcomed by mills, but the introduction of an excise levy on automatic loom production, subject to relief on export performance, is unwarranted. Any form of penalty, which does not apply equally to all mills, can only be considered discriminatory and this levy is certainly no incentive to progress or to modernisation.

"The B. & C. Mills, which have a high proportion of automatic looms, have always done their best to earn foreign exchange by exporting. As I mentioned earlier, your Company's exports improved in 1960 and this improvement was against the trend of the country's textile exports. How then, can it be said to be equitable if Government, while encouraging mills to export on the one hand, dampens their enthusiasm by introducing such an unfair impost.

"Your mills do not export grey cloth. The exports are all dyed and finished products which require large quantities of indigenous and imported dyes and chemicals. Under the export promotion scheme, according to their exports, your mills are entitled to licences for dyestuffs and chemicals and so when it was recently announced that import entitlements so earned could only be used to 65 per cent of their face value, one began to wonder whether Government really appreciates the effect of some of its decisions on mills such as yours which, over the years, have a record for exporting of which they are justly proud.

"I can assure you that representations have been made in the proper quarters and I hope that wiser counsels will prevail so that those mills, such as yours, which utilise all their import licences for dyestuffs for their own purposes, will not have to surrender 35 per cent of their value to indigenous dyestuff manufacturers.

"The artificial limitation of production of cotton textiles by the mill industry, effected by the control of looms and spindles installed, has produced in India's expanding economy the conditions which could lead to an inflationary rise in cotton textile prices, especially as third Plan targets appear now to be outdated having in mind the provisional figures of the recent census. But the textile industry, conscious of the need to maintain a stable economy, and in response to Government's appeal, has voluntarily regulated its prices. Meantime, the Government of India has appointed a Tariff Commission to inquire into fair prices for cotton textiles and yarn.

"As members will have seen from the souvenir booklet issued with the annual accounts, your mills were honoured, on the 20th February 1961, by a visit from His Royal Highness The Prince Philip, Duke of Edinburgh. It was my privilege, and that of some of my colleagues on the Board, to conduct His Royal Highness around the mills, and I gained a strong feeling that he was most impressed by everything he saw. It was the most memorable occasion and it was indeed a great distinction for your Company to be selected for the visit.

"Turning now to the dividend, the rate recommended by the Directors will bring the total distribution for the year 1960 to more than 50 per cent of the assessable income, less the tax thereon, and the provisions of Section 23A of the Indian Income-tax Act, which apply to this Company, will, therefore, be met by the declaration of the final dividend proposed.

"In accordance with the terms of the Preference Shares (Regulation of Dividends) Act, 1960, which received the assent of the President of India on the 28th December last, the dividend on the Company's 7½ per cent cumulative preference shares has been amended to a dividend of 9.75 per cent, from which the Company is obliged to deduct tax pursuant to Section 18(3D) of the Indian Income-tax Act. An additional dividend of 2.25 per cent was declared and was paid on the 17th February 1961, to adjust the dividend already paid in respect of the year 1960. Henceforth, the preference dividend will be paid by two instalments each of Rs. 4.875 per share, less tax, on the 1st January and the 1st July of each year.

Companies Act

"The Companies (Amendment) Act, 1960, also received the assent of the President of India on 28th December 1960, and was brought into effect from that date, and the accounts before you have been drawn up in accordance with the Companies Act, 1956, as amended by the new Act. Many new restrictions have been imposed on companies, and many of the new provisions, for example those affecting inter-corporate investment, the payment of dividends, special audits, etc., have no parallel in any other country in the world, and must further inhibit good management and enterprise. Many of the two hundred and eighteen clauses of the new Act will mean more paper work and time-wasting form filling, which besides adding to cost, must result in a diversion of effort and create new difficulties for administration.

"It was mainly because of the various restrictions on managing agents imposed by the Companies Act, 1956, and the further restrictions which were at the time contemplated by the Amending Bill, since enacted, that Binny & Co. (Madras) Ltd., decided in 1959, after consultation with your Directors, to relinquish the office of Managing Agents of your Company which they did with effect from 31st December 1960. With the approval of the Government of India, Managing Directors were appointed to take over the management of the Company from 1st January, 1961. The Managing Directors appointed have all had long experience in the management and business of your Company, and in this way continuity has been ensured. Officers and staff, who had previously been engaged as employees of Binny & Co. (Madras) Ltd., on the business of your Company, also accepted employment with the Company from the 1st January 1961 and I am pleased to report that the transfer of the management, which had been carefully planned, took place without any hitch and caused no disturbance whatever to your Company's business.

(*Continued on next page*)

TURNOVER OF KOTHARI TEXTILES UP

HEAVY DEPRECIATION REDUCES PROFIT

HOW the persisting cost inflation in the country is adversely affecting some of the medium-scale units in the textile industry is clearly shown by the financial results of the Kothari Textiles Limited (Managing Agents: Kothari and Sons, Madras 1) for the year ended 31st December 1960. Thus, in spite of a marked expansion in sale proceeds from Rs. 140.89 lakhs in 1959 to Rs. 178.38 lakhs—a rise of more than 20 per cent—the gross profit has gone up by only Rs. 1.73 lakhs to Rs. 28.40 lakhs. Two sets of factors are responsible for this phenomenon. First, during the year under review, the Indian cotton crop was quantitatively a failure, the output having fallen to a meagre 3.8 million bales, as against the normal production of about 5 million bales. As a consequence, the prices of cotton shot up to unprecedented levels and the Company had to spend Rs. 92.55 lakhs on raw cotton, as against Rs. 71.07 lakhs in the previous year. The other factor which caused a big spurt in expenses was the sharp increase in salaries, wages and bonus for the workers. The Wage Board's proposals have made an invidious distinction in the case of mills in the Madras State, inasmuch as in addition to an average increase of Rs. 8 in the basic wage, they were obliged to increase the dearness allowance suitably fully to neutralise the rise in the cost of living with 1939 as base. These recommendations have clearly increased the financial burden on the mill under review and its wage bill has jumped up from Rs. 22.39 lakhs in 1959 to Rs. 33.97 lakhs in the year under review.

Though the commission for Managing Agents has fallen from Rs. 1.87 lakh to Rs. 1.19 lakh, the provision for depreciation has almost been doubled to Rs. 16.30 lakhs from Rs. 8.83 lakhs in the previous year. Taxation absorbs Rs. 1.10 lakh, as against nil in 1959. The upshot is that the net profit has sharply fallen from Rs. 15.97 lakhs for 1959 to Rs. 9.81 lakhs. The Directors have, therefore, supplemented the net profit by withdrawing Rs. 2.25 lakhs from the reserves. The provision for development rebate is also lower at Rs. 4.05 lakhs (Rs. 7.47 lakhs in 1959). Consequently, the net resources conserved during the year under review through transfer to reserves amount to Rs. 1.80 lakh only. The Directors have decided to distribute a dividend of 10 per cent, taxable, or a net of 7 per cent, which is the same as that for the previous year but much below the tax-free dividend of 10 per cent declared for 1957.

The Company's progress since 1957 can be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December		From 1-7-57 to 31-12-58	From 1-7-56 to 30-6-57
	1960	1959		
Sale proceeds	178.38	140.89	158.72	81.06
Stocks	31.70	29.25	23.31	18.25
Expenses*	158.29	120.57	102.31	81.65
Gross profit	28.40	26.67	2.42	11.99
Managing Agents' commission	1.19	1.87	..	0.62
Depreciation	16.30	8.83	2.40	5.79
Taxation	1.10	..	..	0.30
Net profit	9.81	15.97	0.02	5.28
Transfer from reserves	2.25	..	1.00	..
Transfer to reserves	..	..	..	..
To development rebate reserves	4.05	7.47	..	..
Dividends				
6% preference	1.40	1.54	1.62	1.00
Ordinary	6.72 (10%)†	6.72 (10%)†	..	3.79 (10%)
Carry forward	0.44	0.56	0.32	0.92

* Of this, raw cotton consumed was Rs. 92.55 lakhs in 1960, Rs. 71.07 lakhs in 1959, Rs. 98.46 lakhs in the eighteen months ended 31-12-1958 and Rs. 49.41 lakhs in the year ended 30-6-1957.

† Subject to deduction of tax.

During the year under review, the export performance of the Company was quite satisfactory. It earned a foreign exchange of Rs 27.45 lakhs, representing about 40 per cent of the mills' total cloth production. As a result, the Company received Rs. 4.93 lakhs under the export incentive scheme. The Company is vigorously pursuing its policy of renovating and expanding its productive capacity. As many as 12,000 new spindles at K. Vadamathurai unit have been brought into production and all the 24,192 spindles licensed for this unit have been working two shifts from June 1960. Towards the end of 1960, a set of eight high production Whitin combers and requisite preparatory machinery were installed at the mills. Cone winding machines have also been incorporated in both the mills.

A clear idea of the expansion programme due to be carried out in the current year can be had from the following extract from the Directors' report:

"One further cone winding machine is expected to be delivered during this month. During the year, an order was placed for a new blow room line as well as for 30 additional cards with a view to improving further the quality of yarn. The carding engines are expected by the middle of this year and the blow room line towards the end of the year. To improve the humidity conditions in the weaving shed, an order has been placed for additional humidification equipment. Work pertaining to the extension of the existing buildings to house the additional cards has been undertaken during this year."

The Company's paid-up capital at Rs. 85.20 lakhs is supplemented by reserves and surplus of Rs. 27.96 lakhs. The gross block and net block stand at Rs. 184.63 lakhs and Rs. 118.99 lakhs, respectively, the difference between the two representing the depreciation provided so far. It would appear that the Directors have an idea of issuing fresh capital in the near future, for they are raising the authorised capital from Rs. 1 crore to Rs. 2 crores. It is proposed that, out of the one million shares of Rs. 10 each to be created, 200,000 shall be preference shares and the balance of 800,000 ordinary shares. The total current liabilities (including secured and unsecured loans of Rs. 100.54 lakhs) amount to Rs. 124.93 lakhs. As against these, there are current assets of the order of Rs. 119.60 lakhs (investment Rs. 6.55 lakhs, stocks Rs. 86.68 lakhs, stores Rs. 7.38 lakhs, sundry debtors Rs. 3.76 lakhs, cash Rs. 2.96 lakhs and loans Rs. 11.77 lakhs). It will be seen that borrowings from banks are well over Rs. 1 crore, thereby indicating that an increase in paid-up capital will not be unwarranted. Only, the Company's profit-margin is not large enough to support a bigger capital structure. Perhaps, the position in this respect may improve when the modernisation and expansion programmes are finally completed.

The outlook for the Company for the current year appears to be good. The extensive renovation programme, to which a reference has been made earlier, is bound to improve the quality of the goods manufactured by the mills. On the export side, however, the prospects are uncertain, because the political turmoils in Congo, which is one of the main outlets for the Company's goods, are still not showing any signs of coming to a happy end.

The Rs. 10 fully paid ordinary shares are being currently quoted at Rs. 13 *cum-div.* On an *ex-div.* basis, and taking the current rate of dividend, the net yield on the shares is 5.7 per cent per annum.

LEYLANDS TAKE-OVER STANDARD-TRIUMPH

Sir Henry Spurrier, Chairman and Managing Director of Leyland Motors Ltd., stated last week that the merchant bankers, Helbert, Wagg & Co. Ltd. and J. Henry Schroder & Co. Ltd., had confirmed that the offer of Leyland Motors Ltd. to acquire the issued capital of Standard-Triumph International Ltd. had now been accepted by the required majority of Standard-Triumph shareholders. Valid acceptances have been received in respect of over 90 per cent of both the 5½ per cent cumulative preference shares and the ordinary stock. The offers have now been declared unconditional, subject only to quotation being granted for the new preference and ordinary stocks of Leyland.

(*Concluded from previous page*)

"I am sure you will wish to join the Directors in expressing thanks to the retiring Managing Agents, Binny & Co. (Madras) Ltd., and their staff, for the valuable services rendered to your Company since the present Company was incorporated in 1920, and under whose management your Company has indeed expanded and prospered.

"On your behalf I would also like to record appreciation of the services of the Mill Manager, Mr. Molyneaux, who was appointed a Managing Director with effect from 1st January 1961, to his officers, staff and the workpeople at the mill, whose efforts in 1960 have contributed to the satisfactory results recorded in the accounts before you.

"I should be failing in my duty if I did not express my gratitude to my colleagues on the Board of your Company for their unstinted help and co-operation at all times.

"Before concluding I would also like to refer to the valuable services rendered to the Company by Mr. E. J. M. Leigh who had been associated with your Company for over 32 years, and was your Chairman from 1958 up to the end of 1960. Mr. Leigh retired from India in February 1961."

Note:—*This document does not purport to be a report of the proceedings of the general meeting.*

IMPROVED RESULTS OF GOKAK MILLS

DIVIDEND STEPPED UP

THE results of the Gokak Mills Limited (Managing Agents: Forbes Forbes Campbell & Co. Ltd., Bombay) for the year ended 31st December 1960 reveal a substantial improvement over those for the previous year which was a particularly lean one for the Company. The sales for the year are a record in the history of the Company, amounting as they did to Rs. 385.17 lakhs, as against Rs. 290.75 lakhs, an increase of 32.4 per cent in a year. The gross profit earned amounts to Rs. 44.19 lakhs, as against a mere Rs. 3.25 lakhs for the previous year. The results for 1960 are not strictly comparable with those for the previous year which witnessed an unprecedented shortage of water-power and breakdown of diesel engines. Apart from the fact that this handicap was overcome in the year under review, the main reasons for the marked rise in profit are "higher machinery utilisation, improved sales realisations and economy in operation." The net profit, after providing Rs. 15.64 lakhs for depreciation, amounts to Rs. 26.08 lakhs, in refreshing contrast to a loss of Rs. 5.20 lakhs for the previous year. The better results have prompted the Directors to step up the dividend from Rs. 6, subject to tax, for 1959 to Rs. 14, subject to tax, per share of Rs. 100 each. This is equal to a net dividend of Rs. 9.80 per share. While this dividend is well above the 8 per cent per annum, free of tax, for 1958 and 1957, it is substantially below the 13 per cent and 15 per cent for the years 1956 and 1955, respectively.

The following comparative table reveals at a glance the progress of the Company in the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sales of yarn and waste	385.17	290.75	282.61	254.66
Stocks of finished goods	25.13	10.08	13.16	51.63
Cotton consumed	253.81	198.74	159.17	183.38
Expenses	106.38	86.80	74.28	79.54
Gross profit	44.19	3.25	10.09	13.59
Managing Agents' commission	2.47	0.50	0.02	0.01
Provision for—				
Depreciation	15.64	7.95	6.54	3.69
Taxation	..	..	0.52	0.69
Net profit	26.08	—5.20	3.01	9.20
Transfer from reserves	..	10.99	3.90	4.00
To reserves	19.05	2.89	2.99	8.04
Dividends	6.83* (14%)*	2.83* (6%)*	3.90 (8%)	3.90 (8%)
Carry forward	0.21	0.01	0.04	0.04

* Subject to deduction of tax.

During the past four years, the Company has incurred heavy capital expenditure on improving its plant and machinery. Such expenditure was of the order of Rs. 120 lakhs; the additions to block account during the year under review alone was Rs. 34.42 lakhs. The gross block account now appears at Rs. 221.45 lakhs. The net block stands at Rs. 114.31 lakhs after providing Rs. 107.14 lakhs for depreciation. The new machinery installed and brought into operation during the year are as follows:

Two high draft speed frames, six cone winders, three cheese winders, fifteen medium doublers and six heavy doublers.

In addition to the foregoing, a number of speed and ring frames were converted to Casablanca system of drafting. The power position of the Company is likely to improve greatly with the commissioning of a Diesel generating set of 1,000 kw. capacity.

As against the paid-up capital of Rs. 48.81 lakhs, all in ordinary shares of Rs. 100 each, the reserves and surplus amount to Rs. 45.45 lakhs, thanks to the substantial additions during the year. It is heartening to note that the secured loans, apart from the 6 per cent debenture capital of Rs. 40 lakhs, have gone down to Rs. 18.37 lakhs from Rs. 44 lakhs at the end of 1959. The current assets, exclusive of investments at Rs. 2.10 lakhs, amount to Rs. 85.67 lakhs and exceed the current liabilities at Rs. 44.87 lakhs by a large margin of over Rs. 40 lakhs. It will thus be noted that the Company's financial position is quite impressive.

It must, however, be noted that the Company has a contingent liability of Rs. 17.65 lakhs representing the demand of employees for bonus for 1958 and 1959. If this claim were to materialise, it would make a big dent in the resources of the Company.

The current market quotation of Rs. 100 paid-up shares, at Rs. 185 *cum*-dividend, gives a return of 5.6 per cent, tax-free, on a net dividend of Rs. 9.80 per share.

SHIVRAJPUR SYNDICATE RESTORES DIVIDEND

BONUS HOPES NOT MATERIALISED

ONE of the largest producers and exporters of manganese ore from the country, the Shivrajpur Syndicate Limited (Managing Agents: Killick Industries Ltd., Bombay) has recorded improved results for the year ended 30th November 1960. The output from the mines increased from 70,422 tons in the previous year to 76,161 tons, though it was still substantially lower than the 91,626 tons produced in 1957-58 and 92,748 tons in 1956-57. The shipments and deliveries effected during the year, however, substantially increased to 92,529 tons, as compared with 60,995 tons in the previous year, thanks to many barter deals and the facilities provided by the Government to speed up exports.

The receipts from sales of ore amounted to Rs. 124.92 lakhs, as against Rs. 86.66 lakhs in the previous year, an increase of 44.1 per cent. A point that needs to be borne in mind, in this connection, is that 1958-59 was a year of depression for manganese.

Reflecting the increase in shipments, the closing stocks are lower at Rs. 28.34 lakhs, as against Rs. 34.93 lakhs a year before. It is noteworthy that, in spite of the increase in output and sales, the expenses have dropped by Rs. 1.36 lakhs to Rs. 89.68 lakhs. The gross profit for the year has increased nearly fourfold to Rs. 28.98 lakhs. The net profit, after increased provisions for depreciation, taxation and commission to Managing Agents, amounts to Rs. 14.80 lakhs, as against only Rs. 1.73 lakh for the previous year. The better profits has enabled the Directors to restore the distribution to shareholders to Rs. 8 per share of Rs. 10 each (made up of a dividend of Rs. 5 and a bonus of Rs. 3), albeit subject to deduction of tax, whereas for years prior to 1958-59, it was Rs. 8 per share tax-free.

The following comparative table reveals at a glance the working of the Company during the last four years:

(In lakhs of rupees)

	For the year ended 30th November			
	1960	1959	1958	1957
Ore sales (gross)	124.92	86.66	144.69	173.99
Closing stocks	28.34	34.93	23.10	24.24
Export duty on ore	..	..	10.25	20.35
Expenses	89.68	91.04	101.35	108.22
Gross profit	28.98	7.69	33.26	37.13
Managing Agents' commission	2.34	0.11	2.92	3.37
Provision for—				
Depreciation	5.54	5.16	4.27	5.89
Taxation	6.30	0.60	14.50	15.75
Net profit	14.80	1.73	11.57	12.12
Transfer from reserves	..	0.25	2.73	..
To reserves and other funds	0.43	3.17	5.87	6.09
Development and other expenses written off	..	0.11	2.77	..
Dividend	8.37† (D. 50% +B. 30%)†	5.23†* (D. 50%)†*	5.60 (D. 50% +B. 30%)	5.60 (D. 50% +B. 30%)
Carry forward	0.05	0.05	0.58	0.52

* On increased capital.
† Subject to deduction of tax.

The balance-sheet of the Company reveals a very sound position. As against the paid-up capital of Rs. 10.46 lakhs only, all in ordinary shares of Rs. 10 each, the reserves and surplus amount to Rs. 81.10 lakhs. The paid-up capital is disproportionately small as compared with the size of the block account also. The net block stands at Rs. 62.54 lakhs, after depreciation amounting to Rs. 44.02 lakhs. With the lowering of the bonus tax from 30 per cent to 12½ per cent in the budget, and in view of this feature of the financial position, the shareholders had anticipated a bonus issue, but this has not materialised. The soundness of the financial position can also be ascertained from the absence of secured loan as well as from the large excess of current assets over current liabilities. The secured loan, which stood at Rs. 18.62 lakhs a year before, has been completely wiped off. The current assets at Rs. 88.51 lakhs, exclusive of investments at Rs. 3.02 lakhs, are well above the current liabilities aggregating Rs. 62.85 lakhs.

The prospects for the Company seem to be better, in view of the change in export policy and satisfactory progress in development and mining operations.

According to the new export policy for manganese ore, which came into force from 1st January 1961, no movement quota will be required to move the ore on the Western Railway and as such the ores can be moved freely to the port of Bombay for the next three years.

The development of the third level in the Shivrajpur underground progressed satisfactorily and the raisings of high grade ore were on an increased scale. The production of high grade ore from Pani Mines was on a satisfactory basis consistent with demand. The Bamankua Mine, which produces mainly the low grade ore, had no operation during the year, as all commitments could easily be met from Shivrajpur and Pani Mines.

The following quotation from the Directors' report will be of special interest to readers:

"In view of the numerous deposits of manganese ore which have recently been developed in countries much closer to the consuming centres and the fact that the production of steel in the U.S. at present is considerably below its rated capacity, the demand for this commodity has been somewhat subdued. The decision of the Government not to permit for the time being, any steel-manganese barter deals is also responsible to a certain extent for the poor offtake of Indian manganese ore. However, it is generally felt that the demand for manganese ore may show some improvement towards the end of the current financial year."

The current quotation of the Rs. 10 paid-up shares is Rs. 83 *cum*-dividend. On an *ex*-dividend basis and on a net dividend of Rs. 5.60 per share, the net yield is 7.2 per cent per annum.

ADONI SPG. AND WVG. CO., LTD.

The financial results of the Adoni Spinning and Weaving Company Ltd. (Managing Agents: Messrs. Kothari and Sons, Madras) for the year ended 31st December 1960 clearly suggest that the Company has at last emerged from the initial period of difficulties. The Company, which has a purely spinning mill, has taken nearly five years to declare a maiden dividend. This is, of course, contrary to expectations that one entertained when the Company was started, but it is equally true that the fortunes of cotton textile industry also took unexpected turns for the worse following changes in the Government's policies. The sale proceeds of the Company have jumped up from Rs. 71.94 lakhs in 1959 to Rs. 129.92 lakhs in the year under review, representing an expansion of more than 60 per cent. As a result, the gross profit has more than trebled from Rs. 6.62 lakhs in 1959 to Rs. 21.97 lakhs, taking the profit margin substantially up from 8.9 to 16.9 per cent. The main reason for this remarkable rise in sales and profit is increase in production following the coming into operation of the whole complement of its spindles and an improvement in the workers' efficiency. The prices of yarn reached high levels in sympathy with cloth prices. The profit for the year under review would have, in fact, been larger but for the additional burden arising out of the Wage Board Report and the reduction in profit-margin consequent on the acceptance of the voluntary price control measures.

Out of the gross profit of Rs. 21.97 lakhs, the Directors have provided Rs. 1.30 lakh (as against Rs. 10,000 in 1959) for Managing Agents' commission and Rs. 9.24 lakhs for depreciation, as against a bare Rs. 99,000 in the previous year. This leaves a net profit of Rs. 11.43 lakhs (Rs. 5.53 lakhs for 1959) available for distribution and appropriation.

The Company has succeeded in adjusting all the previous miscellaneous expenditure and in paying off all arrears of dividend on preference shares including that for the year under review. The Directors have also been able to recommend a maiden dividend of 8 per cent (taxable) on ordinary shares, giving a net return of 5.6 per cent. The amount set aside to development rebate reserve has been reduced to Rs. 1.09 lakh from Rs. 5.44 lakhs last year. No other amount has been transferred to reserves.

A bird's-eye view of the progress of the Company can be had from the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	129.92	71.94	43.80	34.88
Stocks	3.97	2.89	2.34	2.99
Expenses	109.49	66.02	39.64	35.27
Gross profit	21.97	6.62	3.84	2.79
Managing Agents' commission	1.30	0.10	0.10	0.10
Depreciation	9.24	0.99	3.61	2.61
Taxation	..	..	..	..
Net profit	11.43	5.53	0.13	0.08
To reserves	..	..	..	..
„ development rebate reserves	1.09	5.44	..	..
„ dividends:				
Preference, 6 per cent.	7.67*	..	..	..
Ordinary	2.39 (8%)†	..	..	..
Carry forward	0.59	0.81	0.22	0.09

* For six years ended 31st December, 1960.
† Subject to deduction of tax.

During the year under review, 24,000 spindles were worked for three shifts. The Company installed four doubling machines and one cone winding machine at a total cost of Rs. 2 lakhs. Another noteworthy feature of the Company's working during 1960 was the introduction of a recognised dealership scheme, under which recognised dealers on certain terms and conditions in the various markets have been allotted certain monthly quotas of various counts depending upon the preference and the capacity of the respective markets. The scheme is stated to be working satisfactorily and is expected to stand the Company in good stead in lean years also. The Company's mills did not have much serious difficulty in obtaining the required supplies of raw cotton, because it secured a large quantity of upcountry Indian cotton at comparatively cheap prices before the imposition of control and was also able to purchase cotton in the neighbourhood of Adoni at competitive prices. In order to conserve the available quotas of Indian cotton, the Directors also judiciously diversified the mill's production and produced finer counts in larger quantities.

The Company's paid-up capital of Rs. 49.93 lakhs is supplemented by reserves and surplus of Rs. 7.13 lakhs. The secured loans amount to Rs. 24.09 lakhs and unsecured loans to Rs. 6.76 lakhs. The current liabilities and provisions (including loans) at Rs. 49.30 lakhs are in excess of current assets amounting to Rs. 42.87 lakhs. The gross block of the Company as at 31st December 1960 is Rs. 79.93 lakhs and it is written down to Rs. 63.48 lakhs, of which Rs. 6.98 lakhs represent additions to the gross block during the year under review. The Company intends to undertake capital works costing another Rs. 6.5 lakhs. These include a heating unit required for maintaining production at normal levels during monsoon and winter seasons.

The Company hopes to maintain its performance during the current year at least at the level of the previous year, as the disadvantage from the reduced yarn prices is likely to be balanced by the advantage following from the improvement in cotton crop. The Company may also be in a position to pay a better dividend on ordinary shares, as the preference dividend will absorb only a small amount in the current year and not as much as Rs. 7.67 lakhs as allocated out of the profits for 1960 because of past arrears.

The Rs. 10 fully paid-up ordinary shares of the Company are available on the Madras Stock Exchange at Rs. 10.70 *cum-div.* On an *ex-div.* basis and at the current rate of dividend, the net yield on them works out to 5.5 per cent per annum.

STERLING GENERAL INSURANCE CO.

A sizable increase in gross premium and a threefold rise in underwriting profit are the outstanding features of the results of the Sterling General Insurance Company, Ltd. (General Manager and Managing Director: Mr. M. N. Seth) for the year ended 31st December 1960. Gross premium amounted to Rs. 1.37 crores, as compared with Rs. 1.20 crores in 1959, representing an increase of about 14 per cent. Net premium, however, declined from Rs. 44.80 lakhs to Rs. 38.72 lakhs, thanks to heavier reinsurances during the year. The claims experience showed an improvement of 5.3 per cent. Thus, the overall claim ratio, which was 74.1 per cent in 1959, declined to 68.8 per cent in 1960. Reflecting the higher gross premium written, the management expenses were slightly higher. Despite the continued heavy losses in the miscellaneous department, the aggregate underwriting profit of the Company from all departments increased from just over half a lakh of rupees in 1959 to Rs. 1.56 lakhs. This was largely due to more careful underwriting by the Company and the weeding out of undesirable business. In spite of the higher profit, the Directors have not raised the dividend, but have maintained it at the previous year's level of 9 per cent per annum, subject to tax. Instead, they have chosen the more prudent course of making provision for the rainy day by strengthening the reserves. As a result, the percentage of underwriting reserves to net premium now stands at 52.92 per cent, an increase of one per cent over the year.

The following table summarises the working results of the Company for 1960, as compared with those for the previous two years:

(Rs. in lakhs)

	Year ended 31st December		
	1960	1959	1958
Fire:			
Net premium	14.78	17.23	14.16
Claims	7.33	7.09	6.12
Commission	—0.93	0.90	0.92
Expenses	3.65	4.63	4.47
Reserves	7.39	8.61	6.37
Underwriting profit/loss (+)	6.05	2.36	1.85
Marine:			
Net premium	2.80	3.04	5.57
Claims	1.12	4.56	3.69
Commission	—2.40	—2.06	—1.31
Expenses	2.38	1.99	2.01
Reserves	2.53	2.41	3.39
Underwriting profit/loss (+)	1.58	—0.47	1.24
Miscellaneous:			
Net premium	21.14	24.53	26.78
Claims	18.29	21.55	25.50
Commission	—3.69	—4.95	1.17
Expenses	14.30	13.23	12.65
Reserves	10.57	12.26	16.18
Underwriting profit/loss (+)	—6.07	—1.38	—3.04
Dividend	1.34 (9%)	1.26 (9%)	0.68 (5%)
Carry forward	0.045	0.01	0.03

The underwriting profit, after meeting expenses of management, claims and reserves amounted to Rs. 1,55,796. Income from investments and other receipts amounted to Rs. 1,39,836. Gross profit thus amounted to Rs. 2.96 lakhs, to which has been added Rs. 1,417 brought forward from last year's account and Rs. 406, being dividends forfeited, making a total of Rs. 2.97 lakhs. The appropriation of this amount is indicated in the table above.

THE STERLING GENERAL INSURANCE COMPANY LIMITED

ANOTHER SUCCESSFUL YEAR

PREMIUM EXCEEDS RS. 1 CRORE 37 LAKHS

ASSETS EXCEED RS. 1 CRORE 9 LAKHS

THE Seventeenth Annual General Meeting of the Sterling General Insurance Company Limited was held on 29th April 1961. The following is an extract from the Directors' Report and Accounts:

During 1960, the year under report, the premium of the Company showed a further marked increase to Rs. 1,37,16,103 as against Rs. 1,20,13,846 in 1959. Due to heavier reinsurances, however, the net premium income of the Company was Rs. 38,72,471 as compared to Rs. 44,80,619 in the previous year. The reserves in the Fire and Miscellaneous Departments have been maintained at 50 per cent. as before, being the maximum rate required under the Code of Conduct. The reserves in the Marine Department are maintained at 100 per cent for Hull and 88 per cent for Cargo, giving an average of 90 per cent (79 per cent in 1959).

After payment of claims and providing necessary reserves for outstanding claims, and writing off of bad debts, and making necessary provision for depreciation in investment, the profit including the small amount brought forward amounts to Rs. 2,97,455 (compared to Rs. 2,20,287 in 1959). The Company has declared a dividend of 9 per cent subject to tax on the equity capital, the same as in 1959.

New Capital Issue

The Company has received permission from the Controller of Capital Issues for issue of Cumulative Preference Shares 10 per cent subject to tax and it is likely that this issue will shortly be placed in the market.

INSURANCE

(*Concluded from page 860*)

periodical returns of outstanding claims and ensure that their settlement is not delayed. It is suggested that a time limit may be laid down for the settlement of both death and maturity claims and that investigations into early death claims, about the settlement of which there are many complaints, may be specially conducted by senior officers.

The Committee has also commended the suggestion that it would be desirable to levy an interest on delayed payment of claim, say, after a period of three months, as worth examination. It has also recommended that, in order to enable a correct appreciation of the position of each Zone, and from year to year, the figures of outstanding claims should be classified into maturity and death claims Zone-wise, their value, period for which they are outstanding, etc., and published in the annual reports of the Corporation.

The question of bonus, though it does not fall strictly within the purview of service to policyholders, is equally important, in that any delay in the declaration of bonus or issue of bonus warrants reflects badly on the Corporation's reputation for efficiency. The Committee points out, in this connection, that the first valuation report was presented to Parliament 19 months after the expiry of the period to which it related. Even this report was not final, as the objections raised by the Controller of Insurance on the value of some of the assets as well as adjustment to the life fund, had not been settled. The bonus warrants declared on the basis of this valuation have not been issued to policyholders so far. The Committee considers this regrettable, more so, because the Government's share of the surplus emerging from the valuation has already been paid.

The Corporation has also not so far furnished the valuation returns relating to the second valuation covering the two years ended 31st December 1959. Under the Insurance Act, as applied to the Corporation, these are required to be submitted within a period of nine months, that is, by 30th September 1960. The delay has been attributed to the time taken in the finalisation of the scheme of differential bonus in the manner suggested by the Government. The Committee points out that the Corporation did not even approach the Government for extension of the period of submission of returns which could only be given up to a period not exceeding three months, thus making a total of 12 months. Even this maximum period has been exceeded and yet the returns have not been furnished. In the light of this experience, none can take objection to the suggestion of the Committee that a time limit should be fixed for finalisation of valuation reports and their submission to Parliament. One would like to know whether the failure of the Corporation to submit returns in time attracted the penalty prescribed under Section 102 of the Insurance Act to which other insurance companies are liable, should they fail to submit returns in time.

In conclusion, the Committee points out that servicing of policyholders leaves much to be desired. When this point was raised in the Rajya Sabha last week, the Finance Minister agreed with the criticism and admitted that appropriate steps should be taken to remedy the present state of affairs. One reason given by the Corporation for this was that as it was laying more emphasis on the expansion of its business, adequate attention could not be paid to the servicing aspects. Naturally, the Committee is not satisfied with this explanation and feels that, even if the new business targets have to be cut down, it would be better to ensure servicing of the existing policies. The Ministry of Finance agreed with this view. The Committee considers, and rightly so, that, under the nationalised set-up, the services offered by the Corporation should not only be as good as that rendered by the erstwhile insurers but very much better. It has suggested that effective steps should be taken forthwith to improve the position in this regard. One way of doing so, according to it, is to make the branch offices responsible for all types of services for which they have no responsibility at present.

AMERICAN LETTER

(*Concluded from page 839*)

Partly responsible for this development is not only the direct investment of U.S. companies overseas but the acquisition of licensing agreements, a device also used by foreign firms here. According to Government records, 650 U.S. concerns have entered into such licensing agreements with unaffiliated foreign firms. Last year, more than 100 American companies paid $22 million to foreigners for the use, or ownership of their patents, processes, etc. In 1957, U.S. firms received about $140 million in gross returns from patent licensing and other technological arrangements with foreign firms. Such agreements are mounting steadily. Licensing receipts from Japan now constitute 10 per cent of the total.

United Nations

While howling demonstrators swarmed in various areas of New York—some pro- and some anti- Castro—two observations are in order. Most demonstrations took place in good weather for the benefit of cameras and their organisation was such that they must have been rehearsed and paid for. Meanwhile, delegates are scratching their heads how to make financial ends meet. Subscriptions from the Kremlin are overdue and there have been extra expenses in the Congolese expedition with, perhaps, more to come. Thus, demands are being made now for calling a plenary session in the autumn to clear up financial matters.—*All Rights Reserved.*

SURVEY

(*Concluded from page 831*)

also stipulated salary scales for junior and semi-clerks for the two categories of cotton mills and these also are to take retrospective effect from 1st January 1960. The enactment, of course, would not affect the existing arrangements where the basic wage and scales of pay of other amenities and benefits are better than those recommended by the Wage Board. Nor would it preclude any worker or clerk or their unions from entering into an agreement for more favourable or advantageous rights and privileges than those stipulated by it. This, of course, could only be done through voluntary agreement with the employer, for, as we shall show presently, no dispute can be raised on the demand for a higher wage or salary.

The Bill sets out the procedure for the recovery of arrears of wages and salary. According to it, any worker can, without prejudice to other methods of recovery, apply to the State Government for recovery of arrears of wages, as revised under the new enactment, which thereupon would issue a certificate authorising the Collector to proceed to recover the amount as arrears of land revenue. In case of dispute about the precise amounts due to any particular claimant, the State Government may refer the matter to the Labour Court or Industrial Tribunal for adjudication and arrange for the recovery on the basis of the Court's decisions.

The Bill also seeks to give statutory effect to the recommendation of the Cotton Textile Wage Board that, once the scales of wages and salary recommended by it are implemented, no further claims for higher wages should be put up for a period of five years. Accordingly, it lays down that, once the law is enforced, strikes, lockouts, and industrial disputes based on wage disputes would become illegal for a period of five years from January 1960.

The present Bill has naturally given rise to speculation whether it would be a model for enforcing the awards of the other Wage Boards. Although the Government has not given any indication that it has abandoned the policy of persuasion in favour of legislative compulsion to enforce the awards, it is reasonable to presume that it will not hesitate to have recourse to legislation should it be found necessary. The reason for bringing forward the present Bill is given as the unsatisfactory response from the industry to the award. If this reasoning is applied to the other industries for which recommendations have been made by the respective Wage Boards, a much stronger case for legislation can be made out by the Government. In the case of the cement industry, out of 32 establishments, only 10 have fully implemented the award of its Wage Board, seven have partially implemented it and 15 have completely ignored it. In the case of jute, although 100 mills belonging to the Indian Jute Mills Association have accepted the award in full, some units, especially in U.P. and Bihar, have not even accepted it in principle, much less implemented it. Even in the sugar industry, which is considered to be financially better off than the three industries mentioned above, the implementation of the Wage Board award has been delayed. The President of the I.S.M.A. has found it necessary to issue a special appeal to all the sugar mills to observe the award both in letter and spirit, despite the financial difficulties following accumulation of heavy stocks and only limited availability of accommodation from banks.

Legislation could certainly have been avoided if the industries had accepted the recommendations of the Wage Board and implemented them whole-heartedly. It is true that some units have genuine difficulties in implementing the award and that they deserve lenient treatment which could be extended to them on merit through negotiations with the workers concerned. But others should not expect, nor do they deserve, exemption from the award. Although industrial units, which accept the respective awards and implement them, may have to foot a higher wage bill for the time being, they will only stand to benefit in the long run because of the stipulation in the award that no fresh wage demands should be made or strikes or go-slow tactics resorted to for a period of five years from the coming into force of the award. Moreover, there is a tacit understanding with employers as a body that the Wage Board's awards should be unanimously accepted and faithfully observed. Failure or refusal to do so will be a breach of faith, besides being not conducive to maintaining cordial relations with the working class.

The 12-day seminar on "promotion of tourism," sponsored by the E.C.A.F.E. in co-operation with the Government of India, the International Union of Official Travel Organisations and the U.N. Bureau of Technical Assistance, concluded at New Delhi on the 2nd inst. The various recommendations it made cover creation of a tourist bias in the administrative machinery of the Governments at all levels and establishment of a machinery for co-ordinating the various aspects of the development of tourism within the country and region-wise at the highest official level. Further, it suggested co-ordination between private and public sectors in each country according to its requirements and traditions. It also pleaded for the removal of travel barriers and simplification of irksome customs formalities.

SYNOPSES OF COMPANY REPORTS

Assam Match Co., Ltd.

(*Chairman*: Tulsidas Kilachand, Esq., Bombay.)

Annual General Meeting—29th May. Dividend payable on or after 31st May.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Gross sales	1,81,47	1,80,51
Closing stock	4,38	5,44
Gross profit	24,79	16,55
Transfer to depreciation	1,69	1,63
" " development rebate	6	13
" " taxation	10,60	6,64
Net profit	12,44	8,15
Adjustments	1,97	1,97
Appropriations:		
Total available balance	14,41	10,12
Transfer to reserves	7,58	2,75
Proposed dividend (taxable)	5,40	5,40
	(18% p.a.)	(18% p.a.)
Carry forward	1,43	1,97

N.B.—Adjustments include only the balance brought forward from the previous year.

Extracts from the Directors' report: The trading result of the year has been satisfactory. The Company's factory worked to its full capacity and sales were good.

During 1960 the Company's Dhubri factory produced match boxes containing 40 sticks exclusively. In the latest Budget of the Government of India, matches excise duty rates have been so revised as to encourage the manufacture of boxes containing 50 sticks and to render uneconomical the manufacture of 40's and 60's. It will consequently be necessary for the Dhubri factory to switch production to boxes containing 50 sticks. In scarcely more than a year Government have again compelled the Company to change the stick contents of the match boxes and modify the production and marketing arrangements. The effect of this on the current year's working is difficult to forecast, and it is likely that results will be less favourable than in 1960, particularly as the capacity of the Company's factory is limited by Government to what it is today.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	30,00,000	Gross block	41,63,859
Reserves and surplus	29,31,858	—Depreciation	23,39,465
Other liabilities	19,93,423	Net block	18,24,394
		Block in progress	44,758
		Current assets	38,66,953
		Investments	5,902
		Cash	21,83,274
Rs.	79,25,281	Rs.	79,25,281

Lakhshmi Cotton Manufacturing Co., Ltd.

(*Chairman*: Pratapsinh Mathuradas, Esq., Bombay.)

Annual General Meeting—15th May. Dividends payable on and from 22nd May.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	2,14,48	2,14,32
Closing stock	66,54	49,73
Gross profit	11,80	12,76
Transfer to depreciation	5,71	6,66
" " development rebate reserve	21	9
" " taxation	90	..
Net profit	5,04	6,01
Adjustments	27	2,98
Appropriations:		
Total available balance	5,31	9,00
Transfer to part initial depreciation of 1953	98	18
" " reserves	..	4,55
Proposed dividends (taxable) Ordinary	2,20	3,20
	(10% p.a.)	(10% p.a.)
Preference	71	90
	(5% p.a.)	(5% p.a.)
Carry forward	42	27

N.B.—Adjustments include the balance brought forward from the previous year and excess depreciation provided in 1958 written back if any.

Extracts from the Directors' report: Though the trading conditions were better during the year under review, the benefit was almost entirely offset by the increase in the prices of raw cotton and other stores. Further the Textile Industry was saddled with an additional burden consequent upon the Central Wage Board's recommendations to increase the wages of mill workers from 1st January 1960. This has resulted in increasing the Company's Wage Bill by approximately Rs. 3.47 lakhs per year. Over and above this, during the year under review the dearness allowance has been reinstated, making a further increase in the Wage Bill of Rs. 6.78 lakhs in comparison with the previous year.

The total cloth production for exports of the Mill has been of Rs. 42.40 lakhs during the year, which forms 19.20 per cent of the total production of the Mill. With a view to rationalise the pattern of production, considerable change has been brought about in the production, the effect of which will be felt in the coming year.

Yarn prices, have also been revised downwards as in the case of cloth as from 1st of August 1960. Yarn sales during the year have been of Rs. 35 lakhs.

During the year, Rs. 37,894.73 was expended on the Company's buildings and new machinery of the value of Rs. 1,09,484 was installed in the Company's Mill. Orders for *Bleaching Plants, Hot Air Stenter, Felt Calender, Chainless Merceriser etc.* for Rs. 22,00,885 have been placed, which are expected to go into production in the last quarter of this year. With the installation of these plants, more than 60 per cent of the production of both Lakhshmi and Vishnu will be processed in the plant. In addition, further orders for Rs. 1,31,364 for machinery has been placed.

The Mill requires considerable renovation which will be taken up in stages. Consequently capital expenditure is likely to go up in the coming years. The matter is receiving active consideration of the directors.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	48,00,000	Gross block	2,00,14,262
Reserves and surplus	54,95,635	—Depreciation	1,54,85,274
Other liabilities	1,19,52,546	Net block	45,28,988
		Block in progress	1,33,675
		Current assets	1,73,96,295
		Investments	1,00,000
		Cash	89,223
Rs.	2,22,48,181	Rs.	2,22,48,181

Vishnu Cotton Mill Ltd.

(*Chairman*: Pratapsinh Mathuradas, Esq., Bombay.)

Annual General Meeting—16th May. Dividends are payable on and from 23rd May.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	2,17,19	2,11,81
Closing stock	62,34	43,86
Gross profit	9,73	9,03
Transfer to Mg. Agents' remuneration	37*	50
" " depreciation	5,57	6,75
" " development rebate reserve	4	15
Net profit	3,77	1,63
Adjustments	3,10	3,61
Appropriations:		
Total available balance	6,87	5,24
To part initial depreciation of 1952, 1953 and 1954	3,10	3
Proposed dividends (taxable) Ordinary	1,83	Nil
	(5.71% p.a.)	..
" " " Preference	971	1,10
	(7% p.a.)	(7% p.a.)
Carry forward	(—)10,24	(—)11,21

N.B.—Adjustments include the amount transferred from depreciation, renewal and extension reserve and excess depreciation provided in 1958 written back if any, but do not take into account the previous years' losses.

* Managing Agents' remuneration is only upto 15th August 1960.

† At 7 per cent. per annum or at Rs. 31.08 per share as required by the Preference Shares (Regulation of Dividend) Act, 1960.

Extracts from the Directors' report: The total cloth production for exports of the Mill has been of Rs. 70.33 lakhs during the year, which forms 30.77 per cent of the total production of the Mill.

The Mill requires considerable renovation which will be taken up in stages. Consequently capital expenditure is likely to go up in coming years. The matter is receiving active consideration of the Directors.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	47,66,500	Gross block	1,94,58,806
Debentures	30,00,000	—Depreciation	1,41,27,622
Reserves*	10,67,831	Net block	53,31,184
Other liabilities	1,07,82,610	Block in progress	49,640
		Current assets	1,36,38,601
		Investments	5,33,062
		Cash	64,454
Rs.	1,96,16,941	Rs.	1,96,16,941

*Reserves are shown after deducting the debit balance of Rs. 10,24,524 in the profit and loss account.

Sendra Coal Co., Ltd.

(*Secretaries*: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta.)

Annual General Meeting—15th May. Dividends are payable on or after 30th May.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Gross income	1,12	92
Transfer to Mg. Agents' commission	1,02	79
" " Secretaries' remuneration	..	4
" " depreciation	6	..
" " taxation	45	58
Net profit	51	17
Adjustments	5	16
Appropriations:		
Total available balance	56	33
Transfer to general reserve	15	..
Proposed dividend (taxable)	40	28
	(5% p.a.)	(3½% p.a.)
Carry forward	1	5

N.B.—Adjustments include the balance brought forward from the previous year and the amount transferred from general reserve if any.

* Depreciation provided is only Rs. 844.

Extracts from the Directors' report: The Karampura Mining Syndicate.—During the year ended 31st December, 1960, 1,82,754 metric tonnes of coal were raised and 1,75,702 metric tonnes were despatched. The arrangements for raising and selling coal from Religara Colliery continue to work satisfactorily.

Scheme of Amalgamation with Churulia Coal Co., Ltd.—As shareholders are aware the scheme of amalgamation has already been approved at the general meeting held on 21st February, 1961. This is being referred to the Calcutta High Court and the Central Government for their approval.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	8,00,000	Gross block	35,740
Reserves and surplus	4,70,959	—Depreciation	29,211
Other liabilities	2,71,231	Net block	6,529
		Current assets	2,31,098
		Investments	13,04,563
Rs.	15,42,190	Rs.	15,42,190

Bharat Commerce and Industries Ltd.

(*Managing Director*: Hardatta Rai Sugla, Esq., Calcutta)

Annual General Meeting—19th May.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Total sales	1,50,10	1,24,16
Closing stock	9,97	4,65
Gross profit	36,11	19,80
Transfer to depreciation	9,08	9
" " development rebate reserve	3,02	97
" " contingencies	1,00	—
" " doubtful debts	1	1
Net profit	22,40	18,73
Adjustments	(—) 4,56	(—) 23,29
Appropriations:		
Total available balance	17,84	(—) 4,56
Transfer to depreciation for years 1957 to 1959	9,00	—
Proposed dividends (taxable) Ordinary	2,50	Nil
	(5% p.a.)	—
" " " Preference	3,40*	—
	(9% p.a.)	—
Carry forward	94	(—)4,56

N.B.—Adjustments include only the debit balances brough forward from the previous year.

* For two years 1959 and 1960.

Extracts from the Directors' report: The directors are happy that the results of the working for the year under review have been satisfactory. It is particularly gratifying that the old losses have now been completely wiped off and depreciation and development rebate for the year under review have, according to law, been provided for. A sum of Rs. 9 lakhs has also been provided on account of depreciation for the previous years. The unprovided depreciation for the previous years now amounts to about Rs. 8 lakhs only. In view of the satisfactory result of the year under review, the directors have pleasure in recommending a maiden dividend on both preference and equity shares. For preference shares, the dividend is for two years—1959 and 1960.

The directors are happy to report that the spinning plant at Nagda worked satisfactorily throughout the year and the different yarns including the coloured varieties manufactured by the Company's mill continued to enjoy popularity in the various consuming centres.

There were 17,600 ring spindles and 8,864 doubling spindles installed in the mills as on 1st January 1960. During the year, 2,640 ring spindles were added, thus bringing the installed capacity to 20,240 ring spindles and 8,864 doubling spindles as on 31st December 1960. As reported last year, the directors had planned to raise the capacity of the plant to 30,000 ring spindles but it is regretted that owing to delay in the delivery of machines the expansion programme could not be implemented in time. It is now expected that the expansion is likely to be completed by about the middle of the current year.

As stated last year, the directors have been exploring the possibilities of expanding the activities of the Company. The Company's bid of Rs. 22 lakhs has been accepted for the acquisition of the composite textile mill with 302 automatic looms and 15,000 spindles situated at Nanjungud near Mysore belonging to Kapila Textiles Mills Ltd., (in liquidation) by the Official Liquidator subject to the confirmation of the Mysore High Court. The decision of the Court is awaited. The Company has also received a licence for the manufacture of H.T. and L.T. porcelain insulators in the State of Rajasthan. Efforts are being made to acquire another Staple Fibre Spinning Unit for which negotiations are going on. A few other schemes are also engaging the attention of the directors who are endeavouring to find some new avenues which may have reasonable chances of being profitable. The directors are examining the various proposals and a decision as to which of the project or projects are to be given priority will be taken in due course.

As against the debit balance of over Rs. 42 lakhs in 1954, the Company now enjoys a sound financial position, having paid off all dividend liabilities on preference shares and having built a reserve of Rs. 4,70,250, on account of development rebate. The price of the equity share has now increased from below Rs. 2 in 1954 to over Rs. 20. In view of the satisfactory working of the spinning plant at Nagda, and possibilities of increase in the activities of the Company, the directors look forward to an optimistic future.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	80,00,000	Gross block	82,31,326
Reserves and surplus	5,64,625	—Depreciation	19,64,326
Other liabilities	18,69,462	Net block	62,67,000
		Block in progress	3,21,759
		Current assets	19,66,201
		Cash	18,79,127
Rs.	1,04,34,087	Rs.	1,04,34,087

Notices

NEW INDIA INVESTMENT CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-fourth Ordinary General Meeting of the Shareholders of New India Investment Corporation Ltd. will be held at the registered office of the Company at 9, Brabourne Road, Calcutta, at 4 p.m. on Thursday the 25th May 1961 to transact the following business:—

(1) To receive and adopt the Directors' report and audited Profit and Loss Accounts and Balance Sheet for the year ended 31st December 1960.

(2) To declare dividends recommended by the Directors.

(3) (*a*) To appoint a Director in place of Sir Walter Michelmore who retires by rotation and being eligible offers himself for re-election.

(*b*) To appoint a Director in place of Mr. Keshav Prasad Goenka, who retires by rotation, but being an associate of Messrs. Ramdutt Ramkissendass, Secretaries and Treasurers of the Company, his appointment needs a special resolution U/S. 261 of the Companies Act, 1956.

In this connection to consider and if thought fit to pass the following resolution of which special notice as required by Section 190 and Section 261 of the Companies Act 1956, has been received by the Company and the relative explanatory statement concerning which is annexed separately as required by Section 173 of the said Act.

To be proposed as a Special Resolution:

"Resolved that Mr. Keshav Prasad Goenka, who is an associate of Messrs. Ramdutt Ramkissendass, Secretaries and Treasurers of the Company, be and is hereby re-elected a Director of the Company."

(4) To appoint Auditors and fix their remuneration.

(5) To transact any other ordinary business of the Company.

The share transfer register of the Company will be closed from 22nd to 25th May 1961.

By Order of the Board,
RAMDUTT RAMKISSENDASS,
Secretaries & Treasurers.

CALCUTTA.

Note:—(*a*) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(*b*) The dividends if declared will be paid on or after 10th June 1961 to those shareholders whose names appear on Company's books on 25th May 1961 or to their mandatees. N application for dividend warrants will be necessary.

EXPLANATORY STATEMENT U/S. 173

In the special notice given to the Company of the resolution under item 3(b) of the above it has been stated that during his association with the Company, Mr. Keshav Prasad Goenka has rendered very valuable services by his guidance and advice have been of considerable benefit to the Company. As it is in the interest of the members that the Company should continue to receive the benefit of his advice as a member of the Board, and it is desirable that he be re-appointed a Director.

BRITISH INDIA ELECTRIC CONSTRUCTION COMPANY LIMITED

THE BOARD OF DIRECTORS OF THE Company has decided to recommend to the forthcoming Annual General Meeting, the payment of a Dividend of 45 per cent for the year ended 31st December, 1960.

BALMER LAWRIE & Co. LTD.,
D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *26th April*, 1961.

INDUSTRIAL INVESTMENT TRUST LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-eighth Annual General Meeting of Industrial Investment Trust Limited will be held at the Registered Office of the Company at 61, Apollo Street, Fort, Bombay, on Tuesday the 30th day of May, 1961, at 4 p.m. (S.T.), to transact the following business:—

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the audited Statements of Accounts for the year ended 31st December, 1960.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Kishore M. Premchand who retires by rotation and being eligible for re-appointment offers himself for re-election.
4. To appoint a Director in place of Mr. Arvind N. Mafatlal who retires by rotation and being eligible for reappointment offers himself for re-election.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:—

"RESOLVED that subject to the right of the Board of Directors of the Company to appoint additional Directors under Section 260 of the Companies Act, 1956 the number of Directors of the Company be seven."

7. To appoint a Director in place of Mr. Nawal S. Phatarphekar who was appointed a Director on the 13th day of June 1960 and who holds office only up to the date of this meeting and in respect of whom notice in writing has been received from two members signifying their intention to move the following resolution proposing him as a candidate for the office of Director.

"RESOLVED that Mr. Nawal S. Phatarphekar be and he is hereby appointed a Director of the Company."

8. To appoint a Director in place of Mr. C. H. Campbell who was appointed a Director on the 13th day of January 1961 and who holds office only up to the date of this meeting and in respect of whom notice in writing has been received from two members signifying their intention to move the following resolution proposing him as a candidate for the office of Director.

"RESOLVED that Mr. C. H. Campbell be and he is hereby appointed a Director of the Company."

9. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:—

"RESOLVED that subject to the approval of the Central Government under Section 326 read with Section 379 of the Companies Act, 1956 as amended by the Companies (Amendment) Act 1960 and other applicable provisions Messrs. Premchand Roychand and Sons be and they are hereby reappointed as the Secretaries and Treasurers of the Company for the period and upon the terms, provisions and conditions as to remuneration, management and otherwise specified in the draft agreement expressed to be made between the Company of the one part and Maneklal Premchand and Kishore Maneklal Premchand carrying on business in the name, style and firm of Messrs. Premchand Roychand and Sons of the other part and laid before this meeting and for the purpose of identification subscribed by the Chairman thereof, which draft is hereby approved and adopted but so that the Board of Directors of the Company be and they are hereby expressly and fully empowered to agree to all such modifications being made in the said draft as may be required by the Central Government and accepted by the Board of Directors and the said Messrs. Premchand Roychand and Sons and that the stamped engrossment in duplicate of the final draft when prepared including any modification as aforesaid be executed on behalf of the Company in accordance with the relevant provisions of the Articles of Association of the Company."

NOTICE is also hereby given that the transfer books of the Company will remain closed from Monday the 8th day of May 1961 to Tuesday the 30th day of May 1961 both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.

By Order of the Board,
PREMCHAND ROYCHAND & SONS,
Secretaries and Treasurers.

BOMBAY, *dated 29th day of April*, 1961.

Notes:—1. The dividend when declared will be made payable at the State Bank of India, Bombay, on and after the 6th day of June, 1961. The dividend warrants will be posted to those shareholders whose names stand on the register on the 30th day of May, 1961.

2. Change of address, if any, should be notified to the Company immediately.

A copy of this notice and the Explanatory Statement required to be annexed thereto are being circulated to the members.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

Tender No. S-15 of 1961

GLOBAL TENDER ENQUIRY FOR STEEL MATERIALS.

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to purchase from established and reliable producers a quantity of about 34,630 tons of steel materials such as Plates, Sheets, Structurals and Spring Steel.

The schedule of requirements has already been despatched to those who have quoted earlier for Board's Tender No. S-13. Any other prospective tenderers who may like to participate may obtain the schedule free of cost from any of the following offices during working hours.

1. Director, Railway Stores, Ministry of Railways (Railway Board), Room No. 337, Rail Bhavan, Raisina Road, New Delhi.
2. Director General, India Stores Department, Government Buildings, Bromyard Avenue, Acton, London W-3.
3. Director, India Supply Mission, 2536, Massachusetts Avenue, N.W., Washington 8 D.C.

Tenders will be received by the undersigned upto 12.00 Hours on the 25th May, 1961, and opened in the office of the Railway Board at 2.30 p.m. on the same day.

G. P. BHALLA,
Director, Railway Stores,
Railway Board.

NEW DELHI,
Dated 26th April 1961.

MONEY AGAIN STRINGENT

(From Our Own Correspondent)

BOMBAY, *3rd May*

Conditions in the Bombay short-term money market, which were fairly comfortable at the beginning of the week, showed signs of hardening from Tuesday onwards. As the demand from both Indian and Exchange banks is running at a high level, the inter-bank call money rate remained firm at 5 per cent per annum. Only a few scattered transactions for small amounts were done at 4½ per cent per annum. The other rates, too, remained unchanged as follows:

Notice money:	
3 days or more	3
Term deposits:	
(i) 3 to 30 days (inclusive) ...	3
(ii) 31 to 60 days	3½
(iii) 61 to 90 days	3½
(iv) 91 days and more but less than 12 months	3¾
(v) 12 months	4

The results of the 91-day Treasury Bills of the Government of India sold through weekly tenders showed that the total amount offered and accepted was Rs. 2 crores, against an invitation of an equivalent amount. The average rate of accepted tender was 2.750 per cent per annum, which is the same as in the previous week. 91 days' intermediate Treasury Bills sold from 26th April to 29th April amounted to Rs. 2.55 crores. Their sales are being continued beginning from 3rd inst.

The statement of the Reserve Bank of India for the week ended 28th April 1961 shows that notes in circulation have declined by Rs. 25.21 crores, as compared with that for the previous week, bringing down the total notes in circulation to Rs. 1,982.43 crores. As the notes held in the Banking Department have gone up by Rs. 10.27 crores, the notes issued have shrunk by Rs. 14.94 crores only. Foreign securities have registered a decline of Rs. 5 crores and as the balances held abroad have also shrunk by Rs. 48 lakhs, the total foreign assets have gone down by Rs. 5.48 crores to Rs. 123.33 crores. Deposits of banks with the Reserve Bank of India have also receded by Rs. 8.90 crores. Their total now stands at Rs. 78.16 crores. On the assets side, other loans and advances have fallen by Rs. 80.21 lakhs to Rs. 125.47 crores, which include borrowing against usance bills amounting to Rs. 21.09 crores. Over the week, they have declined by Rs. 4.72 crores.

The Scheduled banks' statement for the week ended 21st April 1961 discloses a fall of Rs. 44 lakhs in demand deposits and of Rs. 3.80 crores in time deposits. But, as the State Bank's deposits have shrunk by Rs. 9.84 crores, it is clear that the deposits of the other Scheduled banks must have actually increased. The borrowings from the Reserve Bank of India are lower by Rs. 15.55 crores and, of this, the decline in borrowings against usance bills is of the order of Rs. 7.49 crores. Their borrowings from the State Bank of demand nature have also contracted by Rs. 2.89 crores, whereas those of time variety have increased by Rs. 1.33 crore. On the assets side, advances and bills discounted (bank credit) have shrunk by Rs. 7.59 crores, bringing down their total to Rs. 1,301.96 crores, as against Rs. 1,126.30 crores a year ago. Advances and bills of the State Bank are only a shade lower by Rs. 34 lakhs in the week under review. The investments of Scheduled banks as a whole have receded by as much as Rs. 22.05 crores, of which fall the State Bank has accounted for Rs. 20.72 crores.

As most of the institutional investors are conserving their resources for the new loans, which will be launched shortly, there appears to be no interest for the existing loans. The upshot of this is that prices of a few Central and State loans have actually declined, albeit slightly. Thus, in the Central section, the 3 per cent 1966-68 loan has receded by 20 nP to Rs. 95.85 and the 3 per cent 1970-75 first development loan by 15 nP to Rs. 90.85. 3½ per cent 1974 has shed 10 nP to Rs. 99.60 and 3½ per cent 1968 is lower by 5 nP at Rs. 98.75. 3½ per cent 1962 gained 5 nP to close at Only 3½ per cent 1962 gained 5 nP to close at Rs. 99.90. The prices of State loans remained unchanged barring a drop of 5 nP to Rs. 98.35 in Andhra 4 per cent 1969 and of 10 nP to Rs. 98.50 in 4 per cent 1967 U.P. loan.

In the foreign exchange section, the rupee remained steady in relation to the U.S. dollar. The banks selling and buying rates were unchanged at Rs. 478.75 and Rs. 475.50 per 100 dollars, respectively. In the New York Exchange market, the pound sterling slightly weakened. The latest available rates are: 279.490-279.530 cents per £ for spot and 278.260-278.30 cents per £ for three months forward. Over the week sterling has declined by 0.09 cent in the spot and by 0.03 cent in the forward.

LINSEED DULL

(Messrs. A. Bradley and Co.)

CALCUTTA, *1st May*

The linseed market was rather lifeless during the week under review and prices showed little movement either way. The general undertone remained firm, but trading was very limited. Stocks of seeds were fair. Crushers were not keen to buy much, owing to shorter working hours due to electricity power cut.

The oil market was stagnant, although prices were fairly firmly held. Business was almost at a standstill, as millers were not showing much interest for forward delivery, only small quantities of ready goods changed hands daily.

The oilcake market was firm, good local business being done daily at increasing prices. Stocks were limited, due to mills' shorter working hours.

Ready May delivery was quoted at Rs. 25.37 per maund.

BULLION DISTINCTLY EASY

(From Our Own Correspondent)

BOMBAY, *3rd May*

A distinctly easy trend was in evidence in the bullion market during the week under review. Gold encountered selling, thanks to heavy arrivals, while offtake was poor. The daily average arrivals were 11,750 tolas, as against 6,000 tolas in the previous week. Offtake was of the order of 4,250 tolas, as against 7,200 tolas. There were reports suggesting large inflow of contraband metal. Consequently, prices suffered a setback. In sympathy with gold and following increased offerings from Delhi and Calcutta interests, silver also drifted downward. The daily average arrivals and offtake were 14 bars and 20 bars, respectively, as against 16 bars and 19 bars last week. The floating stocks in the City are reported to be around 40,000 tolas of gold and 400 bars of silver.

Adjustment rates fixed today were Rs. 120.70 per 10 grams of gold and Rs. 201.60 per kilogram of silver. The corresponding rates for last week were Rs. 122.80 and Rs. 203.00, respectively.

The first (*Adhik*) *Jeth* settlement in gold was subjected to selling and moved down from Rs. 119.95 to Rs. 118.20 today before finishing at Rs. 118.50. The second *Jeth* settlement receded in the course of the week from Rs. 119.15 to Rs. 117.30. The closing was a shade better at Rs. 117.50. The backwardation charge—that is the *badli* payable by bears for getting the commitments transferred from the first (*Adhik*) to the second settlement—which stood at 45 nP throughout the early part of the week, exceeded 50 nP yesterday and today. The bulls in the *Adhik* settlement were, therefore, required to pay a margin of Rs. 8 per 10 grams.

The premium commanded by ready gold over the *Adhik* settlement declined from Rs. 4.10 last week-end to Rs. 2.45 today. The closing rate for the metal today was Rs. 120.95, as against Rs. 123.05 on Wednesday last week, a drop of Rs. 2.10.

In silver, the first (*Adhik*) *Jeth* settlement began the week at Rs. 198.70, as against the previous close of Rs. 199.25, and gradually eased to touch a low of Rs. 197.10 on 29th April. After recovering to Rs. 198.15 today, it finished lower at Rs. 198.10, a net loss of Re. 1.15. The second settlement retreated from Rs. 197.60 to Rs. 195.50 yesterday (Tuesday), but recovered to Rs. 196.50 today. Since the rate for transferring commitments from the first to the second settlement continued to be against bears to the extent of more than a rupee—the actual rate today was Re. 1.60—margin at the rate of Rs. 300 per bar was operative on bulls in the first settlement throughout the week.

Ready silver came in for selling and declined from Rs. 203 to Rs. 199.75 on Saturday. After rising to Rs. 202.30 yesterday, it receded to Rs. 200.90 before closing at Rs. 201.60. The premium commanded over the *Adhik* settlement narrowed down from Rs. 3.75 to Rs. 3.50.

The world price of gold in the London market was slightly lower at $35.07½, as against $35.09½ last week. Ready gold receded from 251s. 0½d. to 250s. 10½d. Ready and forward silver were unchanged at 79¾d. and 79¾d., respectively, as also silver in New York at 91.375 cents.

The following table shows the trend of the market during the week under review:

	3-5-1961 (closing)	High	Low	26-4-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	120.95	122.05	120.80	123.05
Forward:				
Jeth Adhik*	118.50	119.45	118.20	119.95
Jeth 2nd	117.55	118.75	117.30	119.15
Sovereign	94.25	94.75	94.25	94.25
SILVER				
ready (.999 fine)	201.60	202.30	199.75	203.00
Forward:				
Jeth Adhik*	198.10	198.90	197.10	199.25
Jeth 2nd	196.50	197.30	195.50	197.60
London—	2-5-1961			25-4-1961
Silver Ready	79¾d.	—	—	79¾d.
Silver Forward	79¾d.	—	—	79¾d.
Gold	250s.10½d.	251s. 0½d.	250s. 9½d.	251s.0½d.
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 31st May settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

METALS CLOSE LOWER

(From Our Own Correspondent)

CALCUTTA, *2nd May*

Following the improved supply position, metals ruled quiet as the week progressed and closed lower on balance. Tin opened at Rs. 1,322.75 per 100 kgs. and closed lower at Rs. 1,303.00. The report of greater imports in the last month caused prices to fall, although, with good demand, the supply position did not ease to the extent indicated by higher arrivals. On the London Metal Exchange, the price opened at £844 per ton and eased to £842. The decline was attributed to the recovery in Singapore being below earlier expectations.

Electrolytic copper at £234½ per ton was higher by £4½. The rising trend was attributed to confused political developments in France. Locally, copper scrap prices recorded declines, as, with increased imports of virgin metal, scrap was less in demand. Berry quality scrap eased to Rs. 479.50 per 100 kg. from Rs. 482 and utensil scrap to Rs. 447.50 from Rs. 453.

Electrolytic zinc was less in demand as compared with last week and that explained the fall in price here to Rs. 317.00 per 100 kgs. from Rs. 326.75.

Virgin lead was unchanged at Rs. 130.00 per 100 kgs.

COTTON FUTURES SUBDUED

(From Our Own Correspondent)

BOMBAY, *3rd May*

With the expiry of the April contract, the August contract is the only running contract at present. Normally, therefore, this contract should have attracted buying. But it continues to lack support. This is attributed to (1) the delay in announcing the eagerly awaited quota for Kalagin and Wagad, (2) the issue of a global import quota of 200,000 bales of long-staple cotton and (3) the compulsory allotment of U.S. cotton for mills which have no alternative but to take them up if they do not want to have their Indian cotton quota forfeited. Compulsory import of 300,000 bales of U.S. cotton thus being a certainty, and with the prospect of another 200,000 bales of long-staple foreign cotton coming into the country under the latest quota, mills showed a reluctance to make purchases of Indian cotton in the ready market. The lack of demand in the spot market is reflected in the futures section which rules subdued. The readiness of the Indian Cotton Mills Federation, reiterated again at a meeting of its Committee held last weekend, to purchase cotton with a view to stabilising prices should it be found necessary, has failed to have any effect on the market. For, the Federation's willingness to do so has been known for quite some time. What the trade was expecting was a confirmation of the report that the Federation would buy certain varieties of Gujarat cotton, the prices of which have been declining of late. But the Federation remained silent on this question. The Federation is reported to have urged the Government to release an export quota of 40,000 bales of Kalagin and Wagad, but, from the market point of view, the effect of this recommendation was offset by its simultaneous suggestion not to permit any further export Bengal *Deshi*. Due to the abovementioned reasons the Jarilla August contract has failed to attract buying support. During the week under review, the contract moved narrowly on alternate bouts of buying and selling. The net change over the week is small. The contract is currently quoted at Rs. 567 (per three quintals), as compared with the last week-end quotation of Rs. 568.25.

Mill demand for ready cotton was confined to certain popular varieties such as L. 147, Vijay, Digvijay, Laxmi and Kalyan. Mills were reluctant to pay high prices. U.S. cotton continued to attract buyers. Spinners, who were anxious to get their Indian cotton quota, made sizable purchases of U.S. cotton. The Textile Commissioner has categorically stated, in answer to representations made by some mills for exemption from the requirement to purchase American cotton allotted to them, that these allotments are compulsory and that no exemption will be made nor any request for it entertained.

Interest in other foreign varieties, especially East African and Sudan cotton, revived soon after the announcement of the global quota. Of this quota, 50,000 bales will be reserved for distribution as retention quota under the export promotion scheme and the balance, comprising 100,000 bales of 1-3/16" staple and above and 50,000 bales of 1-1/16" and above but below 1-3/16", will be distributed to mills on the basis of the allocation of these categories of cottons in 1959-60. The shipment period will be from 1st July 1961 to 31st December 1961.

Export interest was confined to Kalagin and Wagad cotton. Sizable purchases are reported by shippers in anticipation of quota. Bengal *Deshi* was neglected. The prospect for an additional quota for this cotton is at present dim.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Hubli Laxmi 1,015; Wagad 715; American cotton 1" G.M. 1,255-1,270; B.P. 52 (UNUG) 1,320; Bugosa (UNUG) 1,305; Jinja 1,250-1,235; Sudan XG6S 1,471; P2L 1,540; PIL 1,600.

The easy trend noted in the Karachi cotton futures market last week gathered momentum during the week under review. Selling prompted by lack of domestic inquiries and poor export demand resulted in a setback in values. The N.T.R.G. May contract receded to Rs. 69.45. The July contract declined to Rs. 69.95. Spot prices too tended to ease. Exports of cotton from Karachi from the commencement of the season, that is, from 1st September 1960 to 6th April 1961, aggregated 375,263 bales (of 400 lbs.), as against 409,450 bales in the corresponding period of the previous season.

In contrast to the firm trend noted last week, the Alexandria cotton futures market ruled easy during the week. Both the long-staple Karnak and medium-staple Ashmouni contracts receded. Favourable weather news and the slackness of export interest were the influencing factors. Sudan cotton continued to offer stiff competition to Egyptian cotton.

The Egyptian Ministry of Agriculture, in its fourth and final estimate of the 1960-61 season, has put the crop, excluding Scarto estimated at 202,200 cantars, at 10.44 million cantars, as against 10.26 million cantars in the previous estimate and last season's final figure of 9.96 million cantars. Staple length-wise breakdown of the crop is as under (in cantars): over 1⅛" 5.04 million; over 1¼" 2.36 million; over 1½" 3.04 million.

The following are the latest available quotations— in tallaris per lb.—from Alexandria:

Karnak: May 69.90; July 70.68; *Ashmouni*: June 62.55; August 62.05.

Firm conditions prevailed in the Liverpool cotton futures market during the week under review. After the sustained easiness noted in the past two weeks a technical correction was long overdue. This was sparked off by better New York advices and encouraging local mill demand. Both the American and American type contracts firmed up on trade covering and mill fixation. Sudan cotton

contracts in Liverpool ruled quietly steady. The following are the latest available quotations—in pence per lb.—from Liverpool.

American cotton 1" staple contract: May 24.20; July 24.20; October 24.05; December 24.30.

American cotton mixed growth contract: May 24.55; July 24.55; October 24.50; December 24.70.

Sudan: May. July. September 31.75.

The special reorganisation committee, appointed in December last, under the chairmanship of Lord Forster, has suggested a fundamental reconstruction of the whole framework of the Liverpool Cotton Association. The Committee has suggested that the present Association should be converted into a property company with a disposable and dividend-paying share structure and with provision for a reasonable measure of control by a new trade association. As regards futures trading in raw cotton, the Committee points out that no firm convictions were expressed by those who submitted evidence before it that a substantial revival of trading was likely. It was, however, of the view that it would be premature at this stage to take a decision to close down the market.

Cotton futures in New York recorded handsome gains during the week. The rise in the values was attributed due more to the absence of selling pressure than to any improvement in buying interest. Although the steady increase in certified stock reflected a comfortable supply position, the continued firmness of the spot market reflected in the higher spot price imparted strength to the market.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	2-5-61	25-4-61	18-4-61
Spot	33.90	33.80	33.65
May	32.75	32.60	32.75
July	33.39	33.25	33.30

ART SILK YARNS HARDEN

(From Our Own Correspondent)

BOMBAY, *3rd May*

A proposal to make available art silk yarn under advanced licensing for export promotion is now being considered by the Government of India. This was disclosed by Mr. Manubhai Shah, Union Minister for Industry, in the Lok Sabha yesterday (Tuesday, 2nd inst.). Mr. Shah did not give any other details regarding the proposal. Rumours are, however, current in the market that it is proposed to earmark 30 per cent of indigenous output exclusively for being used to weave cloth which will be exported. Since confirmation of rumours was lacking, operators were generally not inclined to extend their commitments. Nevertheless, values of art silk yarns showed a distinct tendency to harden. In particular, imported yarns were firm on fears of reduced arrivals in the next few weeks. Staple fibre yarns tendered to move up on hopes of enlarged offtake. Cotton yarns did not show any decisive trend in the absence of any fresh encouraging development.

Cupressa Bemberg yarn (60 x 1) June delivery attracted stray inquiries and rose by Rs. 10 to Rs. 2.610. Spot Cupressa gathered a rupee to Rs. 2.646. JP (40 x 1) June contract strengthened by Rs. 42 to Rs. 2,844. Among imported art silk yarns, 120 Japan jumped up from Rs. 1.570 to Rs. 1.612, 120 Italy from Rs. 1,501 to Rs. 1,585 and 150 Italy from Rs. 1,737 to Rs. 1,785. 150 Japan was unchanged at Rs. 1,737. Among imported yarns, National Rayons 150 Bt. cones 1st grade spurted by 35 nP to Rs. 14.91. 120 Bt cones 1st grade picked up 2 nP to Rs. 15.22.

Staple fibre yarn (40 x 2) June delivery moved up by Rs. 7 to Rs. 892. Spot Kohinoors put on 7 nP to Rs. 10.52, while Centurys eased by 10 nP to Rs. 10.45.

In the cotton yarn section, ten counts Podars were quiet at Rs. 17.50 and Moderns at Rs. 18.75. Twenty counts New Greats were unaltered at Rs. 21.50, but Gokaks firmed up by 38 nP to Rs. 22.75. Thirty counts Simplex were done at Rs. 27, same as last week. Forty counts Maduras were well favoured, the quotation improving by 38 nP to Rs. 32.75. Sixty counts Finlays were quiet at Rs. 65.40, while Gokaks dropped 25 nP to Rs. 50.50. Eighty counts Finlays were unchanged at Rs. 82.25, as also Mahendras at Rs. 68.68 and Moderns at Rs. 70.80.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with those prevailing a week ago:

	3-5-1961	26-4-1961
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.)		
June	2,610.00	2,600.00
Spot	2,646.00	2,645.00
40 x 1 JP June	2,802.00	2,844.00
120 Japan (per 100 kg.)	1,612.00	1,570.00
150 Japan (per 100 kg.)	1,737.00	1,737.00
120 Italy (per 100 kg.)	1,585.00	1,501.00
150 Italy (per 100 kg.)	1,785.00	1,737.00
Staple fibre yarn—40 x 2		
June (per 90.72 kg.)	899.00	892.00
Century (per kg.)	10.45	10.55
Kohinoor (per kg.)	10.52	10.45
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	18.75	18.75
20s New Greats	21.50	21.50
30s Simplex	27.00	27.00
40s Madura	32.75	32.37
60s Finlay	65.40	65.40
80s Mahendras	68.68	68.68

OILSEEDS RECEDE

(From Our Own Correspondent)

BOMBAY, *3rd May*

Barring the castorseeds section, which ruled firm, the oilseeds market presented an easy trend during the week under review. The easiness was due mainly to the upward revision of freight rates for oilcake and meal, with effect from 1st July, announced by the Karmoham Conference Lines. The revised rate is Rs. 12 (18s.) per 1,000 kg. higher than the prevailing rate. Lack of support from crushers, who were reluctant to pay higher prices, easier advices from upcountry markets, and absence of overseas enquiries imparted weakness to groundnuts. Linseed encountered selling, following good arrivals. Cottonseed also came in for selling induced by bearish advices from cotton market. Castorseeds, however, were firm. Reports that a prominent operator, who had very large outstandings, was prepared to take delivery against castorseed May contract prompted a fairly large volume, of buying which led to a sharp rise in the quotations for this contract.

Business in groundnut futures continued to be at a standstill. Spot prices declined further on selling prompted by the proposed increase in freight rates. Nizam bold declined by 25 nP to Rs. 53. Oil ex-mill ready was a shade easy at Rs. 21.90, as against Rs. 21.95 last week.

Castorseeds May 1961 received good support and firmed up from Rs. 173.50 last week-end to Rs. 175.37 today. September contract, however, eased from Rs. 178.62 to Rs. 177.50. The decline followed switchover of purchases to the May contract. Ready lots were quoted higher. Madras quality strengthened by 50 nP to Rs. 34.75. Ready Kanpur was done at Rs. 33.12, as against Rs. 32.87 last week-end. Oil B.S.S. improved from Rs. 15.25 to Rs. 16.05.

Linseed May shed 9 nP to Rs. 36.53. September position was unchanged at Rs. 37.00. Bold ready fell by 50 nP to Rs. 35.87. Oil ready was 20 nP lower at Rs. 15.40.

Cottonseed May contract eased from Rs. 94.50 last week-end to Rs. 93 today. September contract dropped Rs. 2 to Rs. 93.25.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	3-5-1961	26-4-1961	19-4-1961
Groundnut	Rs.	Rs.	Rs.
May 1961	—	—	220.00
August 1961	—	—	—
Nizam bold	52.75	53.00	53.75
Coromandel ready	52.75	53.50	54.00
Khandesh quality	53.25	54.00	54.00
Oil ex-mill ready*	21.90	21.95	22.30
Railway receipts*	21.65	21.70	22.10
Castorseed			
May 1961	175.37	173.50	176.00
September 1961	177.50	178.62	180.00
Ready Madras	34.75	34.25	34.50
Ready Kanpur	33.12	32.87	33.00
Oil B.S.S.†	16.05	15.25	16.30
Oil commercial†	15.15	16.10	15.45
Linseed			
May, 1961	36.53	36.62	36.56
September 1961	37.00	37.06	36.91
Bold ready	35.87	36.37	36.25
Oil ready†	15.40	15.60	15.50
Cottonseed			
May 1961	93.00	94.50	93.75
September 1961	93.25	95.25	94.25
Niger seed	41.25	41.00	41.50
Kardi seed	25.75	26.50	27.25

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

TEA SLIGHTLY EASY

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.)

COCHIN, *25th April*

A total of approximately 396,000 kilograms were on offer in Sale No. 17 held on Tuesday the 25th April 1961. Quality showed a seasonal decline and this was particularly noticeable in the highgrowns. There was good demand which declined as the sale progressed. Most descriptions sold at irregular and lower rates. Highgrowns received less support and were considerably lower following the decline in quality. Good mediums continued to sell well, but at a drop of 10-20 nP per kilo on last prices. Where quality was maintained, medium, low medium and plainest sorts were steady, but those showing a decline receded by 5-10 nP. Nilgiri whole leaf grades eased considerably, whilst from other districts they were only slightly easier. C.T.C. and legg cut teas followed the general downward trend of the market.

	1961	1960
	Rs.	Rs.
Low medium	4.40-4.50	3.97-4.08
Medium	4.50-4.65	4.08-4.30
Good medium ...	4.70-5.05	4.30-4.96
Nilgiri B.O.P. ...	Rs. 4.80-5.80	

The average price realised in sale No. 17 was Rs. 4.67 per kilo as against Rs. 4.77 a week ago and Rs. 4.70 in the corresponding sale a year ago.

Dust Sale No. 17: Approximately 241,000 kilograms were offered in Dust Sale No. 17 held on Thursday, 27th April 1961. Quality showed a further seasonal decline. There was less demand which weakened as the sale progressed. Fair enquiry was seen for highgrowns which were easier following quality. Mediums came to a very irregular market and although a few selected coloury sorts sold well, the majority declined by up to 30 nP per kilo and sometimes more. Residuals were the weakest feature and sold at considerably lower levels. C.T.C. types shared in the downward trend of the market with legg cut teas declined to a lesser extent.

The average price realised in dust Sale No. 17 was Rs. 4.36 per kilo as compared with Rs. 4.54 a week ago and Rs. 4.63 in the corresponding sale last year.

Export quota: Business in special licence continues to be transacted at ½ nP per kilo. All offerings on this market are covered by valid rights.

Colombo: In this week's export sale just over 6½ million pounds were offered and there was good general demand. Highgrown brokens met less support and declined by 20 to 30 cents, whilst similar fannings were firm at last levels. Mediums were 5 cents easier, whilst uvas were lower by 5 to 10 cents. Fannings in these categories however, were often dearer. Lowgrowns and the plainest were steady.

London:—*North Indian and other growths*: In Monday's North Indian sale there was good general demand at fully firm rates.

Ceylon and South Indians: In Tuesday's sale 24,589 packages were offered of which 7,860 packages were from South India. There was strong demand and prices were often a penny to 2*d*. dearer.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire as follows:

"*Sale No.* 18: 505,000 kilograms. Good general demand. Plain and low medium steady and sometimes dearer. Medium and good medium 5 to 10 nP easier. Nilgiris irregular and occasionally dearer with quality."

GOOD DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, *2nd May*

Demand in general was good during last week's sales for internal consumption.

There were inquiries for freight for new season's tea and in fact some movement took place during the week. However, the quantities that are expected to move would remain insignificant for some time to come.

It has been well known that export of tea to the United Kingdom, India's biggest customer, has been falling. One of the reasons contributing to this is last year's fall in output in North-East Indian gardens as a result of the drought earlier in 1960. Trade circles as well as industry circles were aware that the fall in output was only a factor which gave momentum to the decline but that the declining trend was there even before that.

The tax burden on the tea industry continues to be heavy. This has added to the cost structure, and welfare legislation has only caused further deterioration in the competitive position of Indian tea in world markets. The industry has often represented to the Government of India the need for revising the tax structure on tea and give the industry some real incentive for replantation as well as bringing more land under tea. There is inadequate allotment of fertilisers. Import licences for spares are difficult to obtain, thanks to the foreign exchange difficulties.

That the problems facing the tea industry cannot be neglected without doing irreparable harm to India's power of earning foreign exchange by exporting tea becomes only too evident from a study of the Indian tea market in the United Kingdom recently conducted by Messrs. J. Walter Thompson & Co. The firm's survey reveals a gradual decline in India's share of the British tea market. It also gives the rather unpleasant information to the Indian industry and the Government of India that Ceylon's promotional campaign in the U.K. is a success which may affect India's position in the days to come. The firm has found that, although U.K.'s economy has expanded, tea consumption in the last four years has not shown any significant increase and that the tea habit among the younger age groups is giving place to other beverages.

These revelations should serve as an eye-opener to Indian Tea Board. It is also time the Government considers the industry's grievances relating to tax burden and the difficulties which the gardens face in replantation and expansion.

During the week, the Tea Board held discussions with the West Bengal Chief Minister, Dr. B. C. Roy, on the question of finding more land for tea. Without bringing more land under tea, the realisation of the target under the 3rd Plan would be difficult. About half of 333 gardens in West Bengal covering an area of 600,000 acres is small in size and does not possess land for expansion. The Tea Gardens Advisory Committee thinks about 60,000 acres of fallow land and forests can be made available to growing tea.

Dusts on offer during the internal sale held last week amounted to 23,322 packages. C.T.C. teas possessing clean leaf appearance met with strong demand, the bright lines realising higher prices. However, the very fibrous C.T.Cs. were quiet, necessitating withdrawals as the auctions came to a close. In an irregular trend, orthodox teas eased. Legg-cut Dooars were also quiet, but the few bright lines were steady. The quotations per 1 kg. including excise duty were: good Assam C.T.C. dust Rs. 6.80 to Rs. 7.40, medium Assam Rs. 4.50 to Rs. 5.20, medium Assam dust Rs. 4.35 to Rs. 4.80, and plain orthodox dust Rs. 4.25 to Rs. 40.

Leaf on offer amounting to 691 chests were irregular.

JUTES MOVE UP

(From Our Own Correspondent)

CALCUTTA, *2nd May*

Steady conditions were in evidence in the jute markets during the week under review, both jute goods and raw jute recording additions to values. Local buying against the background of the distinct possibility of block closure of mills, at least for a fortnight before August, that is, before the new crop reaches the mill stations, were the factors which led to a rise in the prices of goods, while the marked fall in fibre arrivals and the continuance of dry weather which was, however, broken by good showers a couple of days ago, as well as last night in certain West Bengal districts, lent gravity to the already serious nature of the fibre shortage and contributed to a steadily upward movement in fibre prices.

Early in the week, there were rumours of the proposal by mills of block closure. The period of the proposed closure varied from one week to four weeks. The fact that mills were not availing their quotas in order to avoid the present uneconomic prices against the background of poor inquiries for goods from abroad suggested that the rumours were based on sound conjecture. It was subsequently known that the Indian Jute Mills Association had already represented to the Government of India about the serious fibre situation. New Delhi discussions on this representation followed and the Government fully appreciated the predicament which faced the mills. However, it was agreed among I.J.M.A. representatives and Government spokesmen not to take any decision at present but to review the fibre situation later this month. It was thought that the good showers later in the week would, if followed by similar rains in Assam and Bihar districts, improve the prospects of an earlier crop. Rains were reported in Assam, but they have so far been inadequate for quickening germination. In Orissa and Bihar, sowings have been held up for want of rains. Since the crop in West Bengal is usually late, what is of importance is the need for good rains in Assam. As far as Bihar and Orissa are concerned, the crop would only be late, as sowings have not been completed so far. As regards East Pakistan districts, the crop would be earlier than usual, since these districts have had good rains at intervals. However, the possibility that Pakistan would harvest the crop earlier than usual would not alter the position in India since Pakistan mills, already faced with a shortage now, might take up all the earlier arrivals.

As stated, the arrivals of the remaining old crop stocks have declined markedly and it is not seriously suggested in any quarters that there is much yet to be disposed of. In the month of March, mills consumed 500,000 bales and arrivals fell short by 85,000 bales to consumption. Mills are estimated to have consumed 4,447,350 bales in the nine months to March this year and arrivals were short by 283,000 bales as compared to consumption. Mills' anticipated consumption in the three months to June is 1,200,000 bales, as against which arrivals are expected to be not more than 800,000 bales. In other words, the shortfall in arrivals as compared to consumption would be of the order of 650,000 bales in this season, and this is equivalent to six to eight weeks' consumption at the present rate of reduced working. Allowing a margin for a carry-forward from the last season, it is not seen how mills can avoid closure for any period less than one month. Rather than unplanned closure, it would be advantageous to the industry if a block closure for a minimum period is done. Such an event would have some effect on fibre prices and a fall in price of fibre and goods is essential for the future of the industry. For overseas buyers of goods are postponing entering into commitments for replenishment of their stocks in the hope that the coming crop would be a bumper one and that prices would move down to reasonable levels.

The optimists point out that experience has shown that a trying season is followed by a good season. All indications would justify such optimism. It would, however, be surprising if the crop starts reaching mills before August. A wider area is believed to have been sown under jute this year, but, since experience in recent years has shown that the propensity to stock has shifted from big landlords to medium-scale cultivators and that the co-operative habit has spread, it cannot be said that cultivators would rush to the market with their produce and thereby contribute to a fall in prices. All these point to the fact that mills are facing trying times and it depends a lot on the Government how it comes to a decision on proposals that mills submit to it from time to time for a solution.

During the week, the liner space that goods occupied in foreign-going vessels was far from large, and it does not appear that any visible improvement is in the offing in the near future. Foreign buyers are watching the price trend in goods keener than ever, and it is not suggested that they would decide to buy at the present high levels. Since crisis is generally followed by resolution, as prosperity by crisis and recession and depression in the case of a typical trade cycle, and the new crop is not far off, it is not expected that foreign buyers would accord any large support before the present season expires. On Tuesday last, although there was no mentionable business passed through in goods for export, prices declined a little, following selling pressure from holders and selling by mills. Ready hessian 40" 10 oz. eased from Rs. 58.75 to Rs. 57.24 and ready B. twills from Rs. 174.50 to Rs. 173. On the following day, a nominal recovery to Rs. 173.50 was recorded in B. twills, but hessian 40" 10 oz. sagged further to Rs. 57.00. However, on Thursday, interest was shown in hessian by U.S. buyers, albeit for small quantities only here and there. Local bazar dealers became active and the ready 40" 10 oz. hessian hardened to Rs. 58. In sympathy, B. twills recovered to Rs. 175.50. Covering business continued on Friday and the report of possibility of block closure by mills underlined by reports of the continued dry weather in jute districts sustained B. twills at Rs. 175.00 and hessian 40" 10 oz. at Rs. 58.50. Towards the week-end, covering business continuing, these rates were maintained. Prices during yesterday recorded sharp declines, following reports of rains during the week-end. Overseas buyers did not, however, show any interest, while mills were wanting buyers for ready and near delivery goods. Hessian 40" 10 oz. declined to Rs. 57.50 and B. twills to Rs. 171.50.

Sellers of raw jute were reserved and, though mills showed no interest in offers earlier in the week, they turned keen buyers later. Prices fell earlier, but recovered later. The opening and closing quotations for the principal varieties of fibre against April-May delivery were:

(In Rs. per maund)

	Opening	Closing	Gain
Assam bottoms ...	57.00	58.50	1.50
Daissee bottoms ...	59.00	60.50	1.50
Northern bottoms ...	56.00	57.50	1.50

KIPS QUIET

(From Our Own Correspondent)

MADRAS, *1st May*

The kip market was quiet, following patchy export demand. Arrivals were freer than last week and clearances slack, as sellers were trying to hold firm to their prices. Except for buffalo hides and lower grades cow hides light weights, other lines looked easy.

Demand for middle class sheep was strong and prices hardened, while prime sheep ruled steady. Tanned goat was unchanged, but export trading was small.

"RABI" GRAIN ARRIVALS LARGE

(From Our Own Correspondent)

HAPUR, *1st May*

Foodgrains ruled easier during the week, thanks to better arrivals of new *rabi* grains in the markets. It was expected that arrivals would mount further as winnowing and threshing operations were still in full swing. Wheat now moving freely, but, despite record rice production this year, the Government is not making any major modifications in rice zones, although some contiguous deficit and surplus States have been linked. Prices of rice this year are lower than those last year in most States. Wheat at Hapur recorded a fall of about 50 nP at Rs. 14 to Rs. 14.50 a maund for average quality and Rs. 15 to Rs. 15.50 for better farm produce. Daily arrivals were still modest at an average of 500 to 700 maunds which were being lifted by consumers. Wheat was reported to be lower in mofussil markets and a further fall in prices was anticipated by trade.

Rice ruled quiet, despite increased consumer demand, as rice was still reaching here from outside and local stock was put at 10,000 maunds. The week-end prices were: rice *mainpuri sela* Rs. 20.50; *gadda kutcha* Rs. 20.50; *ramajwayan sela* Rs. 23.50; *raimunia sela* Rs. 25; *basmati sela* Rs. 28 to Rs. 30; superior Rs. 32 to Rs. 38 a maund.

Gram registered a fall of about 50 nP a maund during the week to be quoted at Rs. 12.25 a maund for better Punjab variety, while local inferior stuff was done at Rs. 11.75 a maund. Daily arrivals of gram were about 250 maunds, part of which was being received from the Punjab. Barley arrivals were about 100 maunds daily average and prices sought lower levels at Rs. 10 to Rs. 10.50 a maund, as demand was slack. *Bejhar*, however, was steady. Arrivals were mixed with wheat also to be quoted at Rs. 10.25 to Rs. 11.25 a maund. Maize was quiet at Rs. 12.50 a maund and *bajra* was quoted slightly higher at Rs. 17 a maund, thanks to demand for seed. *Jowar* and *guwar* attracted better demand and prices improved fractionally to be quoted at: *jowar* Rs. 13 to Rs. 14.50; *guwar* Rs. 12.50 to Rs. 14.50 a maund.

In pulses, peas ruled steady at Rs. 10.25 to Rs. 10.37 a maund for *dara* quality and upto Rs. 11.25 for better farm produce. Daily arrivals were modest at an average of 1,000 maunds.

THE
INDIAN BANK LTD.
INDIAN BANK BUILDINGS
17, NORTH BEACH ROAD
MADRAS-1

HAVE PLEASURE IN ANNOUNCING ENHANCEMENT IN THEIR RATES OF INTEREST ON DEPOSITS

Certain items of enhancement are:

Savings Bank Accounts	From 2½ to 3% p.a. (From 1-4-61)
Deposits fixed for 12 months and over but less than 24 months.	From 3½ to 4% p.a. (From 15-3-61)
Deposits fixed for 60 months and over.	From 4½ to 5% p.a. (From 15-3-61)

For further particulars please apply to the nearest branch of the Bank.

G. S. SUNDARAM,
Secretary.

Although loading was restricted by rail, stockist were main supporters, with the result that local stock swelled to 20 *khatties*. *Arhar* ruled steady a Rs. 12.25 to Rs. 13 a maund, as local arrivals were small at an average of 200 to 300 maunds and grinders were supporters. Other pulses were stagnant to be quoted at:—*Urd* Rs. 19.25 to Rs. 21; *urd dal* Rs. 24; *moong* Rs. 19 to Rs. 23; *moong da* Rs. 25; *massor* Rs. 12.25 to Rs. 14.50; *massor da* Rs. 15.25; and gram *dal* Rs. 15 a maund.

SUGAR SUPPLIES COMFORTABLE

(From Our Own Correspondent)

HAPUR, *1st May*

Sugar ruled quiet during the week at Rs. 108.5 per bag and in retail at Re. 1 per *seer* in the open market, but there were centres where sugar was not being lifted even below controlled rates. The supply position of sugar was easy, as the State Government was selling a part of its quota in the open market. Sugar production is still being continued in almost all factories, as cane supply position in factory areas is adequate. Total production of sugar up to the end of March was put at 22.90 lakh tons, as against 20.57 lakh tons in the corresponding period of last year, and closing stocks was 19.57 lakh tons, as against 14.1 lakh tons on the same date last year. Export prospects, however, were bleak, despite the Government's declaration to subsidise exports.

Sugar drifted downward in the Muzaffarnagar market, following easy supply position. It was quoted at Rs. 107 per bag for dry sugar, while damaged sugar stood as low as Rs. 99 to Rs. 10[illegible] per bag.

Khandsari was steady, thanks to good outside buying enquiry. Production has been reported to be 25 per cent less than last year, as cane supplies were very much diverted to production of sugar. Prevailing week-end prices were:—inferior Rs. 2[illegible] to Rs. 30; superior Rs. 32 to Rs. 34; crystal Rs. 3[illegible] to Rs. 36.50; special Rs. 37.25; old Rs. 22 to Rs. 2[illegible] a maund.

Ready *gur* recorded a rise of Re. 1 per maund during the week to be quoted at Rs. 16.25 per maund, while dry *kotha* was done at Rs. 15.75. Daily arrivals here were nominal at an average of 25 maunds and, as railway loading was only available by allotment, offtake in week-end was only three wagons. Besides *kotha gur* moved out to consuming areas by trucks. Local stock ran down to 65,000 maunds, the corresponding figure last year being 32,000 maunds. Ready *gur* improved in other producing areas also. Stocks of *gur* were heavy in mofussil areas from where *gur* was moving out by road to east U.P. and Punjab.

Gur ruled quiet in the Muzaffarnagar market, as demand for *chaku* quality was reported to be not very encouraging. Arrivals there, too, were poor and week-end prices were:—*Chaku* Rs. 15 to Rs. 17.25; *ladoo* Rs. 16 to Rs. 16.50; *rusket* Rs. 8 to Rs. 11.50; *shakker dara* Rs. 16 to Rs. 17; *masala* Rs. 21 to Rs. 24 a maund.

Gur futures ruled both ways during the week in narrow fluctuations, as speculators were hesitant to enter into long commitments due to early delivery date for *Baisakh*. *Ashad* was quoted at Rs. 14.97 and *Fagun* at Rs. 13.77, as against the week's opening rates of Rs. 15.03 and Rs. 13.86, respectively.

Notice

THE BELSUND SUGAR COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of The Belsund Sugar Company Limited, will be held at its Registered Office at 14, Netaji Subhas Road, Calcutta, on Saturday the 27th May, 1961, at 11-30 a.m., for the following purposes:—

(1) To receive and consider the Directors' and the Auditors' Reports and to adopt the Audited Accounts of the Company for the year ended 30th September, 1960.

(2) To declare dividend.

(3) To elect a Director in place of Shri N. D. Bangur who retires by rotation and being eligible offers himself for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

(5) To transact any other ordinary business of the Annual General Meeting.

The Register of Members and the Share Transfer Books of the Company will be closed from 15th May to 27th May 1961, both days inclusive.

By Order of the Board,
Per Pro. BANGUR BROTHERS LIMITED,
N. P. PANDEY,
Managing Agents.

14, NETAJI SUBHAS ROAD,
CALCUTTA, *20th April*, 1961.

Note:—A member entitled to attend an vote at the Meeting is entitled to appoint proxy to attend and vote in his stead. A prox need not be a member of the Company.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 28th April, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	51,63,20,000
(2) Other Governments	18,30,79,000
(b) Banks	78,16,34,000
(c) Others	115,14,60,000
Bills Payable	38,48,64,000
Other Liabilities	55,25,17,000
Rupees	486,98,74,000

Assets	Rs.
Notes	32,55,06,000
Rupee Coin	3,80,000
Subsidiary Coin	6,78,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	40,75,98,000
Balances held abroad*	10,31,55,000
Loans and Advances to Governments†	83,99,81,000
Other Loans and Advances	125,46,78,000
Investments	172,91,18,000
Other Assets	20,87,80,000
Rupees	486,98,74,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 21,09,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	32,55,06,000	
Notes in circulation	1982,43,36,000	
Total Notes issued	....	2014,98,42,000
Total Liabilities	....	2014,98,42,000

Assets	Rs.	Rs.
A Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	113,00,89,000	
Total of A		230,76,92,000
B. Rupee Coin		122,23,63,000
Government of India Rupee Securities		1661,97,87,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2014,98,42,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1939 (pre-war)	21st April* 1961	14th April* 1961	A month ago *	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	2007.65	2038.53	1968.70	1889.99
Notes held in Banking Department	85.05	22.28	10.78	24.09	24.77
Foreign Securities	59.50	118.01	118.01	128.01	163.01
Rupee Securities	37.39	1672.06	1692.11	1627.22	1506.65
Banking Department					
Deposits of:					
Government of India	14.39	63.91	68.68	53.37	51.82
Other Governments	..	4.30	3.99	33.63	14.61
Balances held abroad	10.06	10.79	9.98	25.54	21.31
SCHEDULED BANKS					
Demand Liabilities	134.36	827.92 (24.57)†	828.37 (20.56)†	812.41 (15.64)†	798.01 (15.96)†
Time Liabilities	102.24	1079.39 (12.40)†	1083.19 (12.75)†	1053.22 (9.68)†	1177.06 (21.87)†
Borrowings from Reserve Bank	..	41.35 (25.81)‡	56.90 (33.30)‡	82.63 (37.14)‡	32.34 (8.07)‡
Borrowings from State Bank	..	14.73	16.29	16.46	13.38
Cash in India	6.70	48.20	47.82	44.02	48.62
Balances with Reserve Bank	25.17	80.28	74.88	72.30	94.19
Balances with other banks in current account in India	..	15.77	16.47	14.91	15.11
Money at call and short notice in India	..	37.35	31.81	24.73	24.52
Investments (at book value)	..	538.36	560.41	559.62	736.91
Advances and bills	105.9	1311.29	1319.96	1318.05	1126.30
STATE BANK					
Deposits	87.76	550.98	560.82	560.90	633.86
Investments	51.99	225.70	246.42	241.27	385.82
Advances	30.35	280.55	280.21	280.21	216.45
Cash	14.69	33.38	24.65	28.51	42.88

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.45	3.50
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec. 1960	5.50	5
U.S.S.R.	1st July, 1936	8	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	20th Jan., 1961	4	3.5

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 28th April, 1961

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		549,69,93,000*
Borrowings from Other Banking Companies, Agents, etc.		38,00,000
Bills Payable		14,06,32,000
Bills for Collection being Bills receivable as per contra		2,28,19,000
Acceptances, Endorsements and Other Obligations per contra		1,25,04,000
Other Liabilities (including Inter-Office Adjustments)		5,86,36,000
Total Rs.		586,61,34,000

Property and Assets	Rs.	Rs
Cash in hand and with Reserve Bank		21,50,47,000
Balances with other Banks		3,76,59,000
Money at Call and Short Notice		2,60,00,000
Investments:		
Government and other Trustee Securities	237,47,26,000	
Other Authorised Investments	9,58,76,000	
		247,06,02,000
Advances:		
Loans, Cash Credits, Overdrafts etc.	258,98,44,000	
Bills Discounted and Purchased	17,34,10,000	
		276,32,54,000
Bills Receivable being Bills for Collection as per contra		2,28,19,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,25,04,000
Premises less Depreciation		1,78,57,000
Furniture and Fixtures less Depreciation		1,36,46,000
Other Assets (including Inter-Office Adjustments)		28,67,46,000
Total Rs.		586,61,34,000

* This includes Rs. 1,77,47,00,000 of U. S. Funds.

Scheduled Banks*

Statement of Affairs for the week ended 21st April, 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	51,48,57
(2) From others	720,91,49
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	24,56,67
(c) Other demand liabilities	55,52,27
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	16,06,59
(2) From others	1040,91,00
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	12,40,28
(c) Other time liabilities	22,41,18
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	10,10,85
(b) Time liabilities	4,61,67
(iv) Borrowings in India from the Reserve Bank of India (A)	41,34,70 (25,81,00)
(v) Cash in India	48,19,54
(vi) Balances with the Reserve Bank in India	80,27,72
(vii) Balances with Other Banks in Current Account in India	15,76,99
(viii) Money at call and short notice in India	37,34,74
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	538,36,16
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1099,06,09
(b) Due from Banks in India	9,33,20
(xi) Inland Bills purchased and discounted in India.	155,73,87
(xii) Foreign Bills purchased and discounted in India.	47,15,50
(xiii) Total of items (x), (xi) and (xii)	1311,28,66

Notes :—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 21st April, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Rural Credit Fund	1,00,00,000
Deposits:—	
(a) Central Government	3,08,57,000
(b) Provincial Governments	2,51,80,000
(c) Banks	18,20,16,000
(d) Others	129,97,63,000
Bills Payable	33,68,000
Other Liabilities	15,25,48,000
Rupees	177,52,32,000

Assets	Rs.
Notes	6,26,32,000
Rupee Coin	67,000
Subsidiary Coin	51,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	....
Loans and Advances to Governments	39,85,69,000
Provincial Governments' Debtor Balances	8,05,00,000
Other Loans and Advances	....
Investments	32,13,90,000
Other Assets	70,46,07,000
	10,74,16,000
Rupees	177,52,32,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	16,26,32,000	
Notes in circulation	374,75,60,000	
Total Notes issued	....	391,01,92,000
Total Liabilities	....	391,01,92,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	24,86,11,000	
Silver Bullion	....	
Foreign Securities	81,15,52,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	149,03,27,000
B. Rupee Coin	2,89,36,000	
Government of Pakistan Securities	233,19,23,000	
Internal bills of exchange and other commercial paper	....	236,08,59,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	391,01,92,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued : 39.55 per cent.

EXCHANGE RATES

		3rd May 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 61/64	1-5 61/64
Sellers T. T. D.D. upto six months	s.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	s.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	478.75	478.25
Buyers T.T.	Rs.	475.50	475.50
London on New York	$	2.7951-2.7954	2.7957-2.7959
London on Paris	Fcs.	13.6965-13.6985	13.7000-13.7025
London on Berne	Sw. Fcs.	12.0990-12.1010	12.0940-12.0960
New York on London	¢	279.490-279.530	279,580-27.9610

CLEARING HOUSE RETURNS

Centre	Week ended 28th April, 1961 Number of Cheques	Week ended 28th April, 1961 Amount Rs.	Week ended 21st April 1961 Number of Cheques	Week ended 21st April 1961 Amount Rs.
Bombay	4,14,898	1,06,16,25,000	4,02,987	96,11,27,000
Calcutta	2,06,000	73,70,00,000	2,13,000	83,38,00,000
Madras	1,11,141	15,25,29,368	1,08,732	13,88,16,438
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	46,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
Jan. 1960	..	..	4,392,000	998,20,00,000
Feb., "	..	..	4,205,000	943,59,00,000
Jan., 1961	..	..	4,875,000	1,100,87,00,000
Feb., "	..	..	4,421,000	1,022,19,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	15th April 1961	8th April 1961	16th April 1960	February 1961	February 1960	Percentage of Increase (+) or Decrease (—) in Feb., 1961 as compared with Feb., 1960	Annual Average 1960	Annual Average 1959
Food Articles	504	117.7	118.0 R	118.9	116.3	118.8	— 2.1	120.3	118.2
Cereals	192	99.6	99.9	103.6	99.8	104.4	— 4.4	105.3	104.3
Pulses	43	87.6	88.7 R	90.3	92.9	95.1	— 2.3	92.6	99.8
Fruits and Vegetables	23	114.2	115.7	137.2	104.2	113.1	— 7.9	121.0	127.6
Milk and Ghee	84	117.5	116.0	116.1	109.5	111.5	— 1.8	115.5	112.2
Edible Oils	47	160.3	162.7 R	158.1	160.4	137.8	+16.4	143.8	126.9
Fish, Eggs and Meat	17	126.3	127.0 R	139.9	121.8	110.5	+ 9.8	121.1	110.4
Sugar and *Gur*	48	117.0	119.3	160.9	119.9	145.2	—17.4	138.6	143.0
Others	50	172.4	117.8 R	—	169.3	168.6	+ 0.4	166.6	163.4
Liquor and Tobacco	21	112.2	112.7	100.9	111.2	96.0	+15.8	106.4	100.7
Tobacco	—	109.5	110.0	98.9	109.8	94.2	+16.6	104.8	99.3
Fuel, Power, Light and Lubricants	30	120.9	120.8 R	118.2	120.0	117.3	+ 2.3	119.6	116.1 R
Industrial Raw Materials	155	152.1	152.8 R	134.6	159.2	131.6	+21.0	138.8	119.7
Fibres	61	162.8	163.0	130.5	179.0	123.0	+45.5	139.3	110.2
Oilseeds	69	156.8	158.7 R	142.1	157.9	140.8	+12.1	144.9	130.0
Minerals	2	95.2	95.2 R	98.2*	95.2	95.2	+ —	97.5	109.0
Others	32	126.9	126.1 R	130.8	128.3	133.2	— 3.7	129.0	117.3
Manufacture	290	126.5	126.4	117.5	129.2	119.3	+11.1	120.8	109.7
Intermediate Products	41	136.1	135.3 R	122.7	134.2	120.5	+11.4	127.1	111.1 R
Finished Products	249	125.0	124.9 R	116.6 R	128.6	115.6	+11.1	119.8	109.5
Textiles	147	128.6	128.5	116.0	134.4	115.1	+16.8	121.2	104.6
Cotton	—	126.6*	126.6*	124.1*	126.1	125.2	+ 0.7	127.5	118.5
Jute	—	140.6	139.6	102.7*	167.7	96.4	+74.0	115.2	87.2
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	107.6	104.6
Silk and Rayon	—	116.9*	117.9*	102.5*	111.4	108.4	— 7.7	102.6	93.7 R
Metal Products	12	146.9	146.9	148.3	146.9	145.2	+ 1.2	147.0	143.7
Chemicals	20	104.9	105.1 R	104.4	104.2	105.6	— 1.3	104.7	108.2
Oil Cakes	10	144.3	144.1 R	137.1*	149.1	144.6	+ 3.1	140.2	143.7
Machinery and Transport Equipment	31	112.6	112.6	111.0	112.6	106.5	+ 5.7	110.7	105.9 R
Others	30	118.6	118.6	114.8	117.0	112.7	+ 3.8	115.0	113.6 R
All Commodities	1.100	125.6	125.8 R	120.5	126.7	119.5	+ 6.0	122.0	115.5

Note.—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Contd.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	(In thousand acres) 1958-59	(In thousand tons) 1959-60	(In thousand tons) 1958-59
Cereals—					
Rice	final	81,343	81,437	29,338	30,354
Wheat	final	31,508	31,141	9,734	9,772
Jowar	final	41,602	42,584	7,866	8,714
Bajra	final	26,699	27,999	3,484	3,789
Barley	final	8,220	8,243	2,605	2,672
Maize	final	10,457	10,457	3,615	3,381
Ragi	final	6,211	6,192	1,860	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,380	220,470	60,514	62,631
Pulses—					
Gram	final	25 046	24,865	5,390	6,881
Tur	final	5,843	5,931	1,589	1,671
Other Kharif pulses§	final	16,075	15,597	1,567	1,559
Rabi pulses‡	final	12,788	12,992	2,690	2,761
Total pulses	final	59,752	59,385	11,236	12,872
Total foodgrains		278,132	279,855	71,750	75,503
Oilseeds—					
Groundnut	final	15,305	14,575	4,300	4,812
Castorseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	final	3,921	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6,907
Fibres—					
Cotton*	final	19,252	19,926	3,835	4,686
Jute A.	final	1,707	1 811	4,548	5,158
Mesta A.	final	706	825	1,098	1,488
Sannhemp	final	813	807	80	81
Other crops—					
Potato	final	885	858	2,719	2,327
Sugarcane	final	5,178	4,803	75,038	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	232	230	25	26
Chillies (Dry)	final	1,499	1,471	339	326
Tobacco	final	934	897	281	261

Source: Ministry of Food and Agriculture. § Excluding Tur

* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur

A.—In thousand bales of 400 lbs. each. R.—Revised

†Final estimate of 1958-59.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During February 1961	77.4
	Corresponding month, 1960	86.0
	Eight months ended Feb., 1961	695.1
	Corresponding period 1960	711.3
Stocks	At the end of February, 1961	83.8
	Corresponding month, 1960	73.2
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1958-1959	854.9
	July-June, 1959-1960	833.5
	July-Feb., 1960-1961	511.1
	Feb., 1960	57.4
	Feb., 1961	53.6
For Internal Consumption	July-June, 1958-1959	220.0
	July-June, 1959-1960	248.3
	July-Feb., 1960-1961	176.4
	Feb., 1960	26.8
	Feb., 1961	24.1
	RAW JUTE	(In 000 bales)
Consumption by Mills	February 1961	456
	Corresponding month, 1960	512
	Eight months ended Feb., 1961	4,053
	Corresponding period, 1960	4,102
	1957-58	6,134
	1958-59	6,014
	1959-60	6,291 R

R=Revised

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300	1,106,800	786,900
Do. 31st March, 1959	1,137,500	1,149,900	884,700
Do. 31st March, 1960	1,594,000K	1,555,000K	1,237,000K
Do. 31st March, 1961	1,588,000K	1,623,000K	1,263,000K
Jan., 1959	97,700	96,200	89,700
Feb., "	106,500	107,300	84,800
March "	127,400	123,000	100,700
Jan., 1960	140,700	140,100	109,800
Feb., "	134,400	130,400	103,600
March "	142,100	146,100	123,000
Jan., 1961	144,200K	149,300K	117,600K
Feb., "	125,900K	126,500K	94,200K
March "	141,600K	142,300K	114,900K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	608,205	406,217
Do. 31st March, 1960	1,058,612	827,072	662,113
Do. 31st March, 1961	1,160,576	914,159	718,034
Jan., 1960	91,790	77,043	59,108
Feb., "	92,715	71,494	57,260
March "	98,640	80,267	75,812
Jan., 1961	112,649K	83,787K	71,540K
Feb., "	96,791K	72,839K	70,966K
March "	100,122K	82,583K	80,790K

K—Figures in Metric Tons.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1555-56	715	8,895.8	7,185.8
1956-57	760	9,877.8	8,103.1
1957-58	834	11,176.9	9,011.1
1958-59	818	12,837.0	10,360.7
1959-60	850	15,029.2	12,130.8
January 1960	815	1,297.4	1,055.5
February "	850	1,252.1	1,022.5
March "	850	1,324.4	1,071.0
April "	850	1,325.3	1,081.7
May "	850	1,387.9	1,119.4
June "	850	1,379.8	1,113.9
July "	850	1,360.5	1,106.0
August "	1,012	1,404.2	1,140.9
September "	1,012	1,380.7	1,129.5
October "	1,012	1,422.3	1,134.7
November "	1,012	1,300.2	1,140.5
December "	1,013	1,508.0	1,214.5

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ including purchases from non-electric utilities. § At the end of period. *Source*:—Central Water and Power Comission

RAILWAY TRAFFIC— WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1957-58	8,856	1,319	811	148	67	31	145	17	138	315	25	259	35	108
1958-59	8,835	1,468	850	143	58	21	146	16	129	206	21	279	33	66
1959-60	9,388	1,433	874	136	53	19	149	16	129	369	44	284	36	77
December 1959	6,782	1,068	657	100	40	16	116	12	98	269	30	208	33	56
September 1960	4,579	732	457	62	22	8	40	6	65	191	25	144	15	42
October "	5,375	879	521	69	25	9	55	7	74	224	29	170	20	48
November "	6,219	1,026	580	82	28	11	69	8	84	258	35	214	26	54
December "	7,117	1,169	643	94	33	12	82	10	94	295	40	283	31	61

Note.—The figures relate to Government Railways. Figures include Broad and Metre Gauges. The monthly figures are progressive from April and incorporate revision in respect of earlier months. *Source* :—Ministry of Railways.

INDUSTRIAL PRODUCTION *

Industries.	Unit	1959	January to November 1959	January to November 1960	September 1960	October 1960	November 1960	November 1959
Major Industries—								
Coal	million metric tons	47.78	43.42	47.58	4.21	4.34	4.64	3.85
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	1,979†	2,650†	287	306	—	235
Yarn	million lbs.	1,723	1,426†	1,427†	146	142	—	141
Cloth	million yds.	4,925	4,100†	4,170†	425	409	—	391
Cement	thousand tons	6,826	6,160	6,994	585	676	674	604
Jute	thousand metric tons	1,068	973	993	91	86	87	89
Paper and paper boards	thousand tons	294	236†	286 K†	28 K	30 K	—	28
Matches§	thousand cases	649	591	601	54	50	58	57
Sugar	thousand metric tons	2,117	1,497†	1,865†	16	39	—	20
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	355†	476†	59	56	—	35
Electric lamps	millions	34.84	31.64	37.27	3.19	3.66	3.97	2.93
Dry cells	millions	187.3	167.9	186.2	17.45	16.56	21.61	18.21
Power transformers	k.v.a.	1,016,400	835,200†	986,600†	120,300	129,500	—	76,400
Electric Motors	thousand H.P.	576	480†	547†	63	62	—	37
Electric fans	Nos.	726,000	654,800	889,200	77,900	76,300	95,200	67,600
Radio receivers	Nos.	213,864	191,986	235,335	24,177	23,800	27,312	20,141
Storage batteries	Nos.	442,800	401,100	465,900	36,900	38,300	45,600	35,000
Copper conductors	tons	6,624	5,416†	8,026 K†	934 K	846 K	—	386
Winding wires	tons	2,832	2,376†	3,401 K†	334 K	324 K	—	193
Rubber and plastic Ins. cables and flexibles	million yds.	166.08	137.97†	167,20J†	17.4J	17.7 J	—	14.4
Insulators—H.T.	Nos.	982,800	801,600†	—	137 T	119T	—	63,600
Insulators—L.T.	million Nos.	6.25	4.63	—	257 T	106T	—	0.54
Diesel engines—Vehicular	Nos.	8,712	7,812	9,492	858	897	10,46	879
Diesel engines—Stationary	Nos.	30,336	27,620	37,847	3,783	3,734	3,600	2,414
Chemical Industries—								
Salt	million mds.	85.14	80.41‡	80.61†	3.39	—	—	2.79
Caustic soda	metric tons	69,876	61,972	90,432	7,803	8,123	8,150	7,807
Soda ash	metric tons	95,328	86,984	129,848	13,252	12,183	12,746	7,372
Chlorine liquid	metric tons	24,780	22,157	28,857	2,537	2,768	2,705	2,491
Bleaching powder	metric tons	5,184	4,806	5,324	430	397	575	378
Bichromates	tons	4,332	3,513†	4,376†	450	450	—	413
Sulphuric acid	tons	292,164	234,345†	302,216†	30,000	30,000	—	26,621
Superphosphate	tons	—	—	—	23,480	24,000	—	21,917
Non-ferrous Metals—								
Aluminium	tons	17,249	14,200†	14,957K†	1,585 K	1,507 K	—	1,496
Antimony	tons	664	614	723K	71 K	51 K	75K	45
Copper (virgin metal)	tons	7,642	7,271	8,241K	747 K	780 K	730K	711
Lead (virgin metal)	tons	3,895	3,590	3,344K	279 K	320 K	370K	330
Gold	ozs.	165,312	151,166	4,102Kgs.†	428Kgs.	407Kgs.	—	14,982 ozs.
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	252,612	225,756	266,618†	21,778	21,525	27,785	23,970
Bicycles	Nos.	990,744	797,083	846,135†	77,305	84,810	—	78,011
Automobiles	Nos.	36,468	32,081	46,595	4,181	4,167	4,831	3,369
Cycle tyres and tubes	million Nos.	19.57	17.76	21.24	1.82	1.56	2.23	1.75
Motor tyres and tubes	million Nos.	2.26	2.05	2.39	0.21	0.19	0.26	0.20
Cigarettes	million Nos.	32,166	26,201†	30,976†	2,916	2,820	—	2,766
Plywood—Tea chests	million sq. ft.	98.68	83.11†	8,077S†	957S	531S	—	6.07
Plywood—Commercial	million sq. ft.	54.06	45.26†	3,724S†	176S	175S	—	3.59
Sheet glass	million sq. ft.	80.57	67.43†	65.61†	701	8.53	—	4.68
§Woollen manufactures—Worsted Fabrics	million yds.	15.04	9.45A	9.93A	—	—	—	1.10
§Woollen manufactures—Worsted Yarn	million lbs.	29.59	19.50A	18.56A	—	—	—	1.50
Footwear—Western type (Leather)	million pairs	4.14	3.74	4.83	0.45	0.32	0.49	0.36
Footwear—Indigenous type (Leather)	million pairs	4.10	3.61	3.42	0.33	0.23	0.40	0.39
Alcohol—Industrial	million Bulk galls.	12.72	11.35	55.33M	5.15 M	5.14M	4.03M	1.38
Alcohol—Power Absolute	million Bulk galls.	8.07	7.21	44.58M	2.79 M	2.65 M	2.97	0.57
Railway Wagons	Nos.	10,044	9.380†	5,254†	318	495	—	963
General Index—(Base 1951=100 Revised)		151.9	149.8Z	167.6Z	168.6	173.3	—	160.1

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.
K—Figures in metric tons. Kgs=Kilograms. J=In million metres. S=In thousand square metres. M.=In million litres.
A.—Upto August only. † Upto October only. T—In tons. ‡ Upto September only Z—Average for the first ten months only.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base : 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	118	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	118	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
January 1960	102	97	119	125	72	207	107	127	154	100	115	144†	131	168	135	96	123†	140
February "	105	98	121	128	80	196	113	127	156	94†	114	134	139	140	135	96	125†	146
March "	106	94	117	123	74	180	111	127	149	94†	113	141	141	132	135	98	125†	148
April "	108	91	121	122	76	184	119	127	147	102	113	154	144	130	140	103	125	148
May "	113	87	123	126	78	194†	123	127	145	108	113	198	139	129	140	117	125	148
June "	114	87	127	128	80	187	125	127	144	111	112*	187	146	128	140	113	126†	148
July "	115	92	130	132	89	207	126	127	148	111	112	155	150	130	140	107	129	148
August "	115	90	127	129	86	212	121	127	148	107	112	166	140	130	140	115	131	148
Sept. "	114	90	129	132	90	215	127	127	146	104	112	181	140	130	141	116	132	147
October "	111	90	125	137	91	216	117	127	142	116	114	225†	142	129	141	136	130	147
November "	106	90	126	135	92	218	111	127	141	120	111	232	139	130	141	142	129	147
December "	102	89	119	131	93	210	111	127	127	114	110	226	143	126	141	143	129	147
January 1961	99	91	114	132	94	208	108	127	120	113	111	248	151	125	141	155	128	147
February "	100	91	110	130	92	212	108	127	116	113	110	280	153	124	141	168	126	147

† Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	In Quintals of 100 kilograms
Bombay Island—		
Cotton Receipts	Week ended 27th April, 1961	42,891(J)
	Corresponding week, 1960	53,451(J)
	1st Sept. to 27th April, 1960-61	2,794,037*
	Corresponding period, 1959-60	1,734,141*
Cotton Exports	Week ended 27th April, 1961	4,282
	Corresponding week, 1960	380
	1st Sept., to 27th April, 1960-61	279,686
	Corresponding period, 1959-60	290,856
Mill Consumption (Estimated)	1st Sept. to 27th April, 1960-61	1,483,878
	Corresponding period, 1959-60	1,475,159
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 27th April, 1961	1,203,307
	Corresponding date, 1960	824,983
		In Bales of 392 lbs. nett.
Consumption of Cotton—		
Indian	December 1960	352,114
Foreign	December 1960	106,541
Indian	Four months ended Dec., 1960	1,276,595
Foreign	Four months ended Dec., 1960	458,647
Indian	Same Period 1959	1,583,502
Foreign	Same Period 1959	159,758
Stocks (Mills and Elsewhere)—		
Indian	As on 31st December, 1960	790,793
Foreign	As on 31st December, 1960	353,894
Indian	As on 31st December, 1959	1,046,994
Foreign	As on 31st December, 1959	150,845

Particulars	From 1st Sept. to 24th April 1960-61 In quintals of 100 kilograms	From 1st Sept. to 24th April 1959-60 In quintals of 100 kilograms
From Bombay Cotton Shipments to—		
United Kingdom	2,390	2,790
Continent	15,092	18,810
Hongkong	14,000	8,387
China	—	—
Japan	162,562	185,386
U.S.A.	2,080	12,369
Other countries	180	2,265
Total to all foreign countries	196,304	230.007
Coastal Ports	81,500 (a)	60,627(b)
Total	277,804	290,634

Particulars	Details of Period	Quantity
		(Bales of 180 Kgs.)
Cotton Exports from Bombay (by sea)	During Dec., 1960	30,149
	During Dec., 1959	24,382
	1st Sept., to 31st Dec., 1960	35,231
	1st Sept., to 31st Dec., 1959	57,805
		(Bales of 392 lbs.)
Cotton Pressed in India † (In running bales)	Week ended 7th April 1961	—
	Corresponding week, 1960	87,593
	1st Sept., to 7th April 1960-61	1,836,980
	Corresponding period, 1959-60	2,029,710
Karachi (Pakistan)— Receipts	1st Sept. to 6th April 1960-61	811,286
	Corresponding period, 1959-60	884,345
Exports	1st Sept. to 6th April 1960-61	375,263
	Corresponding period, 1959-60	409,450

(J) By Rail and Sea. † Incomplete. * By Rail, Sea and Road. (a) From 1st Sept. to 28th Feb., 1961. (b) From 1st Sept. to 31st March, 1960. —Not Received.

MISCELLANEOUS STATISTICAL INFORMATION—Continued

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	22nd April, 1961	15th April, 1961	25th Mar., 1961	23rd April, 1960
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.2	101.1	101.0	101.4
2. Government of India	101.1	101.1	100.9	101.2
3. State Government	101.9	101.9	101.8	102.7
4. Municipal, Port Trust, etc.	99.7	99.7	99.7	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.8	100.8	100.7	101.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	85.1	85.3	85.7	90.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	178.1	180.2	182.6	168.4
8. *Agriculture and Allied Activities; Total**	176.2	178.7	175.4	173.5
9. Tea Plantations	172.9	175.2	169.9	168.4
10. Coffee Plantations	191.0	193.4	195.0	206.4
11. Rubber Plantations	169.6	171.5	173.5	181.3
12. *Mining and Quarrying: Total*	163.3	167.0	172.9	157.5
13. Coal	127.6	127.8	129.0	120.5
14. Other Mining	187.8	193.9	203.0	182.9
15. *Processing and Manufacturing: Total*	191.5	193.9	196.8	179.3
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	193.8	196.0	198.7	177.6
17. Sugar	170.4	171.1	178.1	188.3
18. Cotton Textiles	161.4	163.5	162.2	145.9
19. Jute Textiles	94.5	95.5	95.3	95.0
20. Silk and Woollen	1086.4	1112.9	1166.2	973.7
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	204.0	207.2	210.9	189.7
22. Iron and Steel	166.3	169.2	171.2	158.5
23. Transport Equipment	399.6	405.8	427.5	361.8
24. Electrical Machinery	164.0	164.5	165.5	184.1
25. Machinery other than Transport and Electrical	222.4	225.3	227.9	209.5
26. Basic Industrial Chemicals	215.5	217.3	219.1	191.3
27. *Processing and Mfg. (Others): Total**	161.6	163.0	164.5	165.0
28. Cement	142.3	144.0	146.2	144.3
29. Paper	215.1	215.9	218.5	224.4
30. *Other Industries: Total**	108.9	109.5	112.0	111.3
31. Electricity Generation and Supply	80.0	79.9	80.6	85.4
32. Trading	126.7	127.6	131.6	118.9
33. Shipping and Other Transport	100.7	101.5	105.6	112.9
34. Construction	284.4	288.1	313.8	291.6
35. *Financial: Total*	188.9	190.5	191.3	172.2
36. Banks	212.1	214.1	215.9	190.6
37. Insurance	143.2	143.6	142.0	136.5
38. Investment Trusts	91.9	91.1	90.6	94.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	182.0	184.8	189.4	171.4
40. Calcutta	166.1	167.7	168.3	157.2
41. Madras	194.2	196.7	197.6	185.5
42. Delhi	238.5	239.4	245.4	216.7

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'59-'60	424.74	..	12,840	302.3
Pakistan	'58-'59	86.80	..	2,084	240
Burma	1959	20.4	Kyats 4,637	465	228
Ceylon	1959	9.6	..	538	560
Japan	1959	92.7	Y. 9,991,000	13,217	1,426
Philippines	1959	24.7	Ps. 9,768	2,337	946
New Zealand	1959	2.33	£(N.Z.) 1,045	1,392	5,974
Australia	1960	10.2	£(A.) 5,368	5,964	5,847
U.K.	1959	51.9	£ 18,930	25,240	4,863
U.S.A.	1960	180.5	$ 419,400	200,683	11,118
Canada	1959	17.4	$ 26,230	12,785	7,319
France	1959	45.0	F. Fr. 193,400	18,936	4,208
W. Germany	1959	52.8	Dm. 191,400	21,962	4,159
Italy	1959	49.0	Lr. 13,914,000	10,724	2,189
Norway	1959	3.5	Kr. 23,260	1,557	4,448
Sweden	1959	7.4	Kr. 58,530	5,424	7,329
Netherlands	1959	11.3	Grs. 31,860	4,033	3,569
Denmark	1959	4.5	Kr. 31,170	2,158	4,795
Switzerland	1959	5.2	Sw. Fr. 29,800	3,296	6,338

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.

Source: *International Financial Statistics* 31st March, 1961

Based on the eighth issue of the Annual Paper on National Income (at current prices) prepared by the Central Statistical Organisation. Figures are based on the 1941, 1951 and 1961 population census.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957*	1,630	889,371	6,429,319
1958*	1,524	928,566	7,797,585
1959*	1,522	692,514	5,605,079
Sept., 1959	137	65,153(127)	220,586(126)
Oct., „	168	68,371(158)	273,181(156)
Nov., „	142	51,896	262,691
Dec., „	128	76,754(121)	402,398(121)
July 1960	125	168,407(100)	748,651(100)
Aug., „	50	16,993(46)	69,951(47)
Sept., „	129	32,179(124)	242,901(126)
Oct., „	86	40,484(83)	205,419(83)
Nov., „	81	21,659(77)	210,982(77)
Dec., „	95	27,363(90)	281,513(90)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevant information is available.

* Figures relate to all States and centrally administered areas as after reorganisation.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1961					
31st Jan.	2.00	2.00	2.00	2.585	99.350
1st to 4th Feb.*	0.07	—	0.07	—	99.371
7th Feb.	2.00	2.00	2.00	2.585	99.350
8th to 11th Feb.*	0.05	—	0.05	—	99.371
14th Feb.	2.00	2.00	2.00	2.590	99.350
15th to 18th Feb.*	0.05	—	0.05	—	99.371
21st Feb.	2.00	2.00	2.00	2.650	99.335
22nd to 25th Feb.*	1.02	—	1.02	—	99.356
28th Feb.	2.00	2.00	2.00	2.750	99.310
8th Mar.	2.00	2.00	2.00	2.750	99.310
14th March	2.25	2.00	2.25	2.750	99.315
15th to 17th Mar.*	0.05	—	0.05	—	99.331
20th Mar.	2.00	2.00	2.00	2.750	99.310
21st to 25th Mar.*	0.70	—	0.70	—	99.331
27th Mar.	2.00	2.00	2.00	2.750	99.310
4th April	2.00	2.00	2.00	2.750	99.310
5th to 8th April*	1.60	—	1.60	—	99.331
11th April	2.00	2.65	2.00	2.750	99.315
12th to 15th April*	0.10	—	0.10	—	99.331
18th April	2.52	2.00	2.52	2.750	99.315
19th to 22nd April*	1.00	—	1.00	—	99.331
25th April	2.00	2.20	2.00	2.750	99.315
26th to 29th April*	2.55	—	2.55	—	99.331
2nd May	2.00	2.00	2.00	2.750	99.310
Total amount outstanding	33.89		33.89		

* Intermediate Treasury Bills.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay June (1934=100)	Ahmedabad 1949=(100)	Sholapur January (1928=100)	Kanpur (1949=100)	Nagpur (1949=100)	Calcutta August (1939=100)	Madras City (1949=100)	Delhi (1949=100)	Ajmer (1949=100)	Gauhati (1949=100)	Jamshedpur (1949=100)	Jabalpur (1949=100)	Bangalore (1949=100)
1958 Average	116	395	110	313	98	120	384	124	118	108	103	123	109	131
1959 „	121	412	125	340	98	132	384	133	120	106	98	125	108	140
1960 „	124	423	120	357	99	136	397†	143	120	107	103	120	109	146
February 1960	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March „	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April „	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May „	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June „	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July „	126	423	122	362	101	137	406	145	121	109	108	119	109†	146
August „	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept.	125	418	122	364	101†	138	403	146	122	108	102	122	108	148
Oct. „	125	421	123	365	102	137	396	148	122	108	105	119	108	147
Nov.,	124	423	121	367	102	135	392	150	121	110	102	122	108	147
Dec., „	124	419	120	362	100	134	385	151	121	110	102	121	108	148
January 1961	123	419	119	358	100	..	385	146	122	111	103	120	109	148
February „	123	420	..	350	..	..	..	..	123	111	103	..	109	..
March „	..	423	..	..	..	..	..	..	..	..	..	..	..	..

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	Outstandings	15-Year Annuity Certificates G Receipts	Outstandings	Total Receipts	Outstandings H
1957-58	..	..	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—39,73	43,58	588	547	68	1,87	264,35	509,79
1958-59	3	2	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	685	11,68	67	2,41	286,27	590,08
1959-60	51	30	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,36
February 1960	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,27	41,84	1,05	20,79	6	2,86	25,71	644,99
March „	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41,29	41,68	96	21,76	6	2,90	43,47	667,36
April „	57	34	1,51	3,11	97,35	6,47	226,14	17,87	253,58	19,68	—41,35	41,58	1,63	23,16	9	2,98	26,16	670,00
May „	64	38	1,50	3,07	95,55	6,45	231,20	17,00	251,94	19,55	—41,41	41,50	1,06	24,19	5	3,01	24,67	672,53
June „	73	42	1,48	3,02	93,84	5,76	235,58	17,35	253,22	19,50	—44 46	41,41	84	25,05	5	3,04	24,13	677,33
July „	81	47	1,45	2,98	92,30	5,83	240,30	15,25	255,92	19,44	—41 49	41,32	1,11	26,09	4	3,07	22,86	684,15
August „	89	52	1,43	2,91	90,90	6,78	245,82	19,75	261,00	19,38	—41,54	41,21	1,17	27,23	9	3,14	27,92	694,43
Sept. „	98	57	1,41	2,84	89,45	7,16	251,77	18,76	265,34	19 28	—41,60	41,14	1,52	28,71	6	3,18	27 64	704,67
October „	107	62	1,39	2,79	88,02	7,05	257,63	16,90	267,22	19,20	—41,64	41,09	1,42	30,27	5	3,22	25.56	712 52
Nov. „	117	68	1,36	2,73	86,80	6,21	262,71	17,90	269,23	19,13	—41,67	41.02	1,49	31,73	5	3.25	25.81	719,81
Dec. „	129	74	1,32	2,67	85,42	6,75	268,19	19,04	272,04	18,98	—41,74	40,97	1,28	32,88	5	3,29	27,80	727,84
January 1961	141	80	1,29	2,62	84,20	6,47	273,41	18,08	274,29	18,89	—41,80	40,90	1,04	34,15	6	3,32	25,83	735,28
Feb. „	..	..	..	..	..	..	..	..	..	..	..	39,88	1,80	35,75	5	3,36	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include these from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of December 1960 amount to 11.33 crores of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938–39	116,17,46,000	1963-65	98.75
3 % Loan	1950	30,33,10,000	1964	98.65
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	95.85
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90.85
2¾% Loan	1946	57,60,69,000	1961	99.50
2¾% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,000	1962	98.55
3½% N. P. Bonds	1953	75,29,00,000	1961	100.00
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.95
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.95
3½% Loan	1956	1,07,27,36,000	1962	99.90
3½% N. P. Bonds	1956	93,81,88,000	1967	99.00
3½% Loan	1956	86,63,53,000	1974	99.60
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.50
4 % Loan	1957	49,17,27,000	1972	100.45
3¾% Loan	1958	58,05,92,000	1968	100.10
3¾% Loan	1958	70,00,00,000	1968	98.75
3¾% Loan N.P.B.	1958	84,33,90,000	1968	100.50
4 % Loan	1958	49,51,44,000	1973	100.40
3¾% Loan	1959	1,37,90,93,000	1969	98.70
4 % Loan	1959	81,06,38,000	1979	100.05
4 % Loan	1960	97,64,00,000	1980	99.90
3¾% Bonds	1960	82,66,00,000	1966	99.70
NON-TERMINABLE LOANS				
3 % Loan	1896–97	8,98,33,000	M.	72.00
3 % Loan	1946	2,48,91,38,000	K.	73.60
STATE LOANS				
4 % Andhra	1955	5,90,16,000	1st Sept. 1967	98.80
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.30
4½% Andhra	1958	5,48,81,000	15th July 1970	101.00
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	97.75
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	98.35
3 % Maharastra	1949	5,29,97,000	1st Aug. 1962	98.50
3½% Maharastra	1951	2,82,97,000	17th Sept. 1962	99.80
4 % Maharastra	1953	5,10,80,000	15th July 1963	100.00
4 % Maharastra	1952	3,40,34,000	1st Aug. 1964	99.90
4 % Maharastra	1955	9,56,29,000	1st Sept. 1967	99.50
4 % Maharastra	1956	7,82,20,000	3rd Sept. 1970	99.25
4½% Maharastra	1957	6,57,23,000	16th Sept. 1969	101.20
4½% Maharastra	1958	6,58,21,000	15th July 1970	101.20
4½% Maharastra	1958	4,35,25,000	15th July 1971	101.20
4 % Maharastra	1959	6,58,13,000	19th Aug. 1971	99.00
4 % Maharastra	1960	10,00,00,000	29th Aug. 1969	99.50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	18th Oct. 1970	101.05
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	98.30
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	99.45
3½% Howrah Bridge (New)	1936–37	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.00
2¾% Madras	1946	3,81,77,000	1st Sept. 1961	99.05
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.75
4 % Madras	1953	10,33,71,000	15th July 1963	99.90
4 % Madras	1952	5,24,31,200	1st Aug. 1964	99.90
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.60
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	101.10
4 % Madras	1959	5,72,72,000	19th Aug. 1971	98.00
4 % Madras	1960	12,00,00,000	29th Aug. 1969	98.40
4 % Mysore(f)	1933	2,95,35,200	1st Dec. 1958-63	101.40
3 % Mysore(f)	1936	5,99,73,000	30th Apr. 1956-61	99.80
4 % Mysore	1953	3,33,47,000	15th July 1963	99.80
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.40
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	101.10
4½% Mysore	1958	5,51,61,000	15th July 1970	101.10
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	98.40
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	99.50
4 % M.P.	1953	1,10,18,000	15th July 1963	99.40
4 % M.P.	1955	1,68,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,30,000	15th July 1970	101.05
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97.50
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	98.00
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	98.85
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	98.85
4 % Kerala	1953	3,25,61,000	15th July 1963	99.00
4 % Kerala	1956	3,22,08,000	3rd Sept. 1968	98.10
4½% Kerala	1958	3,27,10,000	15th July, 1970	100.75
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.20
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.10
2½% U.P.Z.A.	1952	44,93,89,000	..	48.70Z
3 % U.P.	1936	1,55,31,000	15th Sept. 1961-66	98.25
3½% U.P.	1946	2,12,62,000	1st Sept. 1961	98.50
3½% U.P.	1951	1,86,22,000	17th Sept. 1962	99.70
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.90
4 % U.P.	1953	5,36,23,000	15th July 1963	99.90
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.50

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs. 86,50,000	4	1904	1964	97.00
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1918	1974	97.00
86,25,000	4	1914	1975	97.00
16,00,000	4	1915*	1960	D
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,60,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	90.00
76,90,100	4	1915	1975	90.00
50,00,000C	3††	1921	1981	82.00
68,02,300C	6‡	1921	1981	144.00N
60,00,000	4½	1931	1991	98.00
60,00,000	3½	1935	1965	90.00
25,00,000	3	1938	1963-68	86.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	98.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
STERLING LOANS				
£892,600	5	1923	1953-83	£63
£901,000	5	1924	1954-84	£63
£885,100	5½	1932	1962	£96½
MADRAS				
Rs.				Rs.
28,43,275	3½	1947	1977	A
9,86,000tf	3	1947	1977	
3,00,000tf	3	1949	1979	
45,00,000tf	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs. 30,00,000	4	1901	1961	97.75 N
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	97.50 N
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98 60N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£228,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	91 75
50,00,000	3	1937	1962	96.00
20,00,000	3	1938	1963-68	91 75
50,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	99.25
78,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
38,00,000	4	1918–19	1974	97.00
10,00,000	5	1929	1959	113.00N
8,25,00,000	3½	1947	1977	86.50
2,18,14,500	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,84,000	3½	1951	1966	98.00
1,30,00,000	4	1953	1963	99.00
92,19,00,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.00
1,57,50,000	4	1956	1968	99.00
1,74,00,000	4½	1957	1969	99.50
4,75,00,000	4½	1958	1970	99.50
3,30,00,000	4½	1959	1971	97.00
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1922	1962	108.00
33,91,000	3¾	1925	1965	95.00
60,00,000	3	1936	1966	91.00
47,50,000	3	1938	1968	91 00
21,10,000	3½	1942	1972	92.00
66,35,000	3½	1951	1966	98 50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1965	97.25N
73,36,000	4½	1956	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	101.10
4 % U.P.	1959	8,33,96,000	19th Aug. 1971	98.30
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	98.40
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.00
4½% Rajasthan	1958	2,79,36,000	15th July 1970	101.05
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,00,00,000	29th Aug. 1969	98.00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.00
4½% Orissa	1958	3,33,53,000	15th July 1970	101.05
4 % Orissa	1959	3,33,80,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.00
4 % M. Bharat	1953	1,94,77,900	15th July 1963	99.00
4 % M. Bharat	1956	1,11,25,000	3rd Sept. 1968	97.75
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.50
4 % W. Bengal	1952	3,00,00,000	1st Aug. 1964	99.50
4 % W. Bengal	1953	3,60,22,000	15th July 1963	99.70
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	6,10,50,000	15th July 1970	101.10
4 % W. Bengal	1959	7,90,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,00,00,000	29th Aug. 1969	99.00
4 % Assam	1959	2,70,40,000	19th Aug. 1971	98.00
4 % Punjab	1959	2,15,27,000	19th Aug. 1971	97.00

ABBREVIATIONS. N—Nominal. (*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loans not marketable. †† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1936. —Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex eight instalments but inclusive of accrued interest. M—At the option of the Government after three months' notice. K—On September 1966 or later at the option of Government after three months' notice.

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. I.—Interim Dividend. f—Dividend for first half of the year.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	‡Dividend Per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
17,33,200	9,11,732	38,69,225	22,51,328	3,251	Maganlal Bhagwandas & Co.	..	..	Ambika Silk Mills Co., Ltd.	152.00	100	15.00	12.00	12.00		12	Y.
50,00,000	....	1,14,24,372	44,03,340	—46,65,476	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.56	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,99,481	1,18,20,968	77,24,952	—13,00,519	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	43.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
,50,98,000	3,56,27,968	11,03,32,121	5,45,36,135	65,826	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Z	65.30	25	2.50	2.50	3.50	3.50	12	Y.
10,00,000	30,76,210	86,14,262	52,94,709	64,016	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	122.00	50	15.00	7.50	5.00	5.00	3	Y.P.
,03,91,500	4,09,76,495	10,53,72,338	4,62,73,738	2,81,912	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	616.50	100	22.00	22.00	31.50	30.00	12	Y.P.
26,00,000	29,15,005	1,21,99,369	78,24,358	75,815	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	135.50	100	12.50*	12.50*	7.50	11.00	3	Y.
28,00,000	26,12,714	97,68,522	63,68,559	3,64,674	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	123.00	50	7.50F	5.00	10.00	15.00	3	Y.
34,00,000	20,44,712	87,46,739	65,30,990	—14,81,027	Puranmal Bubna Sons	47,356	928	Edward Textiles	275.00	200	15.00	15.00(*c*)	18.00		12	Y.P.
29,98,050	27,57,616	1,51,25,544	80,85,174	23,591	B. L. Jalan, Esq. (Chairman)	46,620	886	Elphinstone Spg. & Wvg.	85.00	50	*Nil*	*Nil*	7.00		12	Y.
50,00,000	71,12,338	2,03,17,243	1,18,41,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	325.00	100	20.00	16.00	23.00	23.00	12	Y.
50,00,000	60,44,319	1,05,48,015	72,22,481	10,233	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	262.50xd	100	15.00	15.00	21.50	21.50	12	Y.
11,84,000 / 16,000	1,19,31,192	2,16,82,316	1,42,90,523	....	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	4,750.00xd / 992.50	1,000 / 250	350.00* / 87.50*	350.00 / 87.50	350.00(*c*) / 87.50(*c*)	500.00 / 125.00	3	Y.P.
,00,00,000 / 50,00,000	3,38,578	5,10,28,798	3,68,18,422	—19,79,270	Agarwal & Co.	2,47,092	5,984	India United Mills	15.64 / 1.94	0 100. / 0 1D.	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*		12	Y.
18,30,000 / 70,000	91,23,291	1,84,94,644	1,39,55,204	10,633	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	2,150.00 / 1,050.00N	1,000 / 500	325.00* / 162.50*	325.00 / 162.50	200.00(*c*) / 100.00(*c*)	232.00 / 116.00	3	Y.P.
59,85,000	82,79,165	3,76,13,105	2,68,91,560	38,751	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	522.50	100	10.00(*c*)	10.00	16.00	32.00	6	Y.P.
,00,00,000	1,02,16,719	4,18,29,168	3,03,39,130	20,794	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	297.00	100	18.00	10.00	9.50	15.00	12	Y.
46,47,350	43,32,220	1,51,49,443	75,23,486	32,765	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	88.00	50	5.00'C'	3.00	5.00	6.00	10	Y.
51,75,000	50,69,550	3,02,81,993	2,16,99,596	42,652	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	355.00	100	14.00(*c*)	15.00	21.50	21.50	6	Y.P.
,41,12,000	1,72,11,640	11,70,25,574	5,26,37,085	1,66,270	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	520.00 / —	100 / 100	14.00 / ..	14.00 / 11.20	22.00 / 21.27		12	Y.P.T.
24,00,000	11,16,837	83,71,883	48,70,077	—11,98,634	M.	45,944	480	New City of Bombay Mfg.	150.00	100	5.00	*Nil*	*Nil*		12	Y.
30,00,000	77,589	1,10,42,353	63,37,035	—10,72,122	Sahu S. P. Jain, Esq. (Chairman)	49,012	963	New Great Spg. & Wvg.	210.50	100	*Nil*	*Nil*	*Nil*		12	Y.P.
48,00,000	54,85,829	1,81,28,534	1,22,58,132	2,82,604	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	139.50	100	12.50F	10.00	10.00	15.00	3	Y.
45,00,000	42,97,687	80,65,529	31,95,108	16,195	Podar Sons Private Ltd.	32,600	930	Podar Mills	149.50	100	10.00	18.00*(*c*)	12.00*		12	Y.P.
75,00,000	19,70,000	1,69,60,794	81,75,000	57,378	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	116.00	100	..	8.00	11.50		12	Y.P.
10,00,000	....	29,94,246	16,74,307	—1,52,005	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.88	10	0.25	*Nil*	*Nil*		12	Y.
75,29,780	1,29,08,292	3,17,23,074	1,82,17,621	24,984	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	50.50	10	2.00	2.00	2.50	1.70	12	Y.
90,00,000	64,91,229	1,90,85,953	83,85,241	56,379	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	266.00	100	8.00	10.00	15.00	18.00	12	Y.P.
50,40,000	15,53,956	2,27,78,338	1,00,86,574	—3,49,633	M.	49,840	1,114	Simplex Mills	187.00	50	8.50	8.50	5.00(*c*)	7.50	3	Y.T.
,09,75,000	2,81,20,905	4,60,68,465	2,50,81,920	1,37,718	Mafatlal Gagalbhai & Sons	97,538	2,409	Standard Mills	1,487.00	100	22.50*	20.00	29.00*	30.00	12	Y.P.
,00,00,000	96,94,067	3,16,61,974	1,74,64,096	1,506	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	267.50	100	9.00	10.00	14.00		12	Y.P.
36,00,000	85,68,509	2,11,42,441	1,21,58,892	26,062	James Finlay & Co., Ltd.	40,328	550	Swan Mills	600.00	100	25.00	25.00	36.00	36.00	12	Y.
65,57,875	50,22,987	2,58,77,176	1,04,22,689	17,925	Tata Industries Private Ltd.	61,572	1,775	Tata Mills	51.00	25	2.00	1.50	2.50		12	Y.T.
10,00,000	64,52,368	1,08,96,173	64,84,479	76,869	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	375.00	100	23.00*	20.00*	20.00		12	Y.P.
12,00,000	98,16,000	1,93,55,000	1,24,96,000	....	K. M. D. Thackersey, Esq. (Chairman)	54,664	1,262	Western India Spg. & Mfg.	3,725.00	1,000	325.00	325.00	325.00(*c*)	324.80	12	Y.P.
AHMEDABAD																
40,00,000	37,96,894	2,09,06,549	90,57,515	12,482	Tata Industries Private Ltd.	49,168	1,016	Ahmedabad Advance Mills	168.00	100	5.00	5.00	4.90(*c*)	10.00	6	Y.P.T.
20,00,000	97,23,117	1,52,08,567	87,79,332		Hutheesing Sons & Co.	44,220	920	Aruna Mills	545.00	100	25.00	25.00	25.00'C'		12	Y.P.
60,00,000	2,95,20,296	2,85,00,200	1,40,42,800	1,58,312	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,555.00	100	35.00*	28.00'C'	40.00		12	Y.P.
26,40,000	45,04,840	1,24,95,613	83,06,442	58,595	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	465.00	200	*Nil*	25.00'C'			12	Y.P.
20,00,000	1,27,06,477	1,51,11,023	78,11,050	....	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	692.50	100	30.00	20.00'C'	25.00		12	Y.P.
,06,25,000	2,91,51,534	7,72,08,320	8,30,53,664	21,88,804	Karamchand Premchand Pvt. Ltd	1,39,120	2,880	Calico	1,060.00	125	30.00	25.00	22.00	31.00	3	Y.P.
68,00,000	27,76,707	1,57,37,865	1,12,77,222	6,366	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	580.00	250	25.00*	27.00*	36.00		12	Y.P.
70,28,125	2,73,28,620	2,77,73,126	1,39,35,503	2,25,726	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	2,030.00	125	30.00	35.00*	55.00*	60.00	12	Y.
15,00,000	63,45,614	83,84,671	44,35,941	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	552.50	100	20.00	20.00	25.00		12	Y.P.
30,00,000	96,88,684	1,29,66,793	76,85,644	....	Lalbhai Dalpatbhai & Co.	32,828	640	Raipur Mfg.	940.00	100	35.00*	25.00'C'	35.00		12	Y.P.
48,75,000	23,78,557	1,49,91,313	85,09,730	14,294	Rohitbhai Chinubhai, Esq. (Chairman)	33,156	648	Rohit Mills	217.00	100	8.00*	8.00*	10.00		12	Y.P.
63,75,900	3,20,28,997	2,64,83,630	1,60,59,840	2,86,897	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,296.00	100	25.00	30.00*	45.00	50.00	12	Y.P.
85,00,000	89,43,859	1,84,94,632	92,66,120	25,810	Haridas Ashratlal & Co., Ltd.	41,056	780	Vijaya Mills	680.00	500	40.00*	40.00*			12	Y.P.
WEST BENGAL																
15,00,000	2,39,480	40,13,953	26,20,608	....	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	7.50	10	0.60	0.50	*Nil*		12	Y.P.T.
7,11,280 / 1,80,620 / 1,70,000	2,44,733	89,51,451	62,49,897	—3,26,098	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	*Nil*	*Nil*	*Nil*	3	Y.P.
24,00,000	5,14,800	1,26,22,986	56,02,846	60,410	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	216.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
28,50,000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	29.62	10	*Nil*	*Nil*	1.00		12	Y.T.
50,08,000	14,21,548	96,46,603	46,96,603	21,280	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	16.25	10	0.50	0.65	0.80	1.00	12	Y.T.
60,00,000	2,07,51,444	4,18,09,599	1,42,09,599	76,764	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	84.00	10	0.75	0.25	0.25		3	Y.P.
19,47,750 / 5,00,000	78,492	50,99,822	32,33,579	—5,21,450	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	10.12N / 2.37N	10 / 1D	1.00 / 0.15	0.50 / *Nil*	*Nil* / *Nil*		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,92,692	6,52,869	79,93,474	16,45,268	59,147	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	10.70cd	10	*Nil*	*Nil*	*Nil*	0.80	12	Y.P.T.
30,00,000	2,25,000	85,26,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	188.00	100	6.00	6.00	11.00		12	Y.P.
11,98,600	4,50,000	49,07,709	26,15,654	8,044	Setna & Co.	25,984	..	Asher Textiles Ltd.	204.05	100	12.50	6.00	6.00	12.50	6	Y.
72,00,000	20,55,192	2,04,53,847	68,19,240	2,951	The Industries (I.F.) Department, Government of Andhra Pradesh	36,136	725	Azam Jahi Mills	73.00	100	3.50	*Nil*	4.00	4.00	9	Y.
21,50,000	1,64,86,667	3,98,24,324	3,21,04,350	2,49,477	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	200.00xd	100	10.00'C'	10.00	10.00	10.00	12	Y.P.
23,25,000	....	....	....	....		..	..	Baroda Rayon Corporation	130.00XR	100	..	..	..	..	12	Y.
35,00,000	78,10,478	1,66,23,840	1,20,16,290	88,509	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	18.00	10	1.50	0.75	*Nil*	1.00	3	Y.
78,47,800	3,51,04,879	8,62,84,184	5,14,76,331	2,17,300	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	211.00xd	100	10.00	10.00	10.00	10.00	12	Y.P.T.
20,00,000	18,500	51,23,580	26,05,678	—2,79,050	G. Sam & Co.	37,536	4	Cambodia Mills	9.90	10	0.50(*c*)	*Nil*	*Nil*		12	Y.P.
15,00,000	5,29,316	53,92,782	33,76,104	19,828	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	152.00	100	20.00	12.50	15.00	17.00	3	Y.
30,00,000	41,96,806	85,60,410	69,13,685	56,518	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	9.00	5	0.25	*Nil*	*Nil*	0.36	12	Y.
9,41,068	6,61,000	68,26,050	33,32,807	15,034	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	13.25	10	0.90	0.90	0.90	1.30	3	Y.P.
35,99,600	31,66,212	1,21,98,355	51,67,340	....	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	174.00cd	100	9.00'C'	6.00	6.00	12.00	12	Y.
17,65,300	4,06,710	49,14,501	26,55,487	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	116.00cd	100	7.50	*Nil*	7.50		12	Y.P.
20,00,000	22,23,665	97,89,504	54,27,110	1,28,493	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills	350.00cd	100	20.00	20.00	25.00		12	Y.P.
20,76,900	5,076	1,85,77,630	89,09,035	—12,57,670	A. V. Srinivasalu Naidu, Esq. (Ch.)	70,268	307	Coimbatore Spg. & Wvg.	56.00	50	*Nil*	*Nil*	*Nil*		12	Y.
46,87,500	10,75,722	4,64,80,662	1,50,60,898	—90,16,850	Tata Industries Private Ltd.	1,15,188	2,064	Central India	113.50	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
29,66,711	28,72,302	1,21,27,978	57,71,091	9,000	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	116.50	100	9.00	9.00	9.00	12.00	3	Y.
38,36,225 / 1,00,563	4,64,48,622	14,46,03,940	8,37,58 780	2,72,401	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	45.50	25 / 2½	2.00 / 0.10	2.00 / 0.16	2.50† / 0.25†	2.50 / 0.30	6	Y.P.T.
48,60,000	29,65,006	1,31,45,544	61,00,929	1,006	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	213.00	100	10.00'C'	10.00	17.50		12	Y.
68,00,000	1,40,58,814	2,13,31,287	1,58,72,559	88,973	The British India Corporation Ltd.	48,452	1,194	Elgin Mills	19.37	10	1.00	0.75	1.15		9	Y.P.
48,81,000	45,23,948	2,21,45,453	1,07,14,102	21,125	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	183.00XR	100	8.00	8.00	6.00	14.00	12	Y.
40,00,000	56,44,510	1,28,49,778	85,83,203	24,751	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	265.00	100	10.00	10.00	16.00		12	Y.
50,00,000	2,39,47,000	6,42,53,523	4,12,24,000	20,81,106	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	45.50	10	*Nil*	*Nil*	1.00	2.00	3	Y.P.
78,86,500	....	7,35,878	....	—76,663	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	64.50XR	62.50	..	..	..	*Nil*	3	Y.P.
50,00,000	1,96,680	1,64,52,347	1,21,05,123	....	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	145.00	100	6.00	5.00(*c*)	7.00		12	Y.
8,90,000	6,18,770	36,26,185	22,28,141	—5,61,231	G. V. Naidu & Co., Ltd.	23,734	..	Janardana Mills	61.50	50	3.00	*Nil*	*Nil*		12	Y.
15,54,000	11,26,682	66,77,134	35,48,305	....	Bhairuratan Damani, Esq. (Managing Director)	21,176	512	Jam Shri Ranjitsinghji	1,500.00	1,000	40.00	*Nil*	*Nil*	60.00	6	Y.
25,00,000	30,48,856	4,87,56,355	1,21,12,213	52,757	Padampat Singhania, Esq.	45,000	1,000	J. K. Cotton Spg. & Wvg.	18.60	10	..	..	0.90		12	Y.P.
16,91,930	14,18,017	85,21,320	45,31,221	....	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	12.62cd	5	1.25	0.75	0.75	0.75	12	Y.
68,65,300	3,07,35,097	4,65,60,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	12.00	10	0.35	0.25	0.07		3	Y.P.
67,20,000	27,51,985	1,84,63,402	65,64,246	44,107	Kothari & Sons	67,192	300	Kothari Textiles	13.00cd	10	1.00	*Nil*	1.00	1.00	12	Y.P.
32,00,000	54,54,132	2,00,14,262	1,54,85,274	41,503	Pratapsinh Mathuradas Esq. (Ch.)	51,908	1,243	Lakshmi Cotton Mfg.	535.00	250	15.00	15.00	25.00	25.00	12	Y.P.
71,00,000 / 35,50,000	33,30,960	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	164.00cd / 83.00cd	50 / 25	10.00 / 5.00	6.00 / 3.00	6.00 / 3.00	10.00 / 5.00	3	Y.
56,00,000	1,56,62,460	2,47,84,641	1,56,95,403	5,916	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	885.00	100	15.00	18.00	29.00*	30.00	12	Y.P.
75,02,480	4,03,35,125	6,70,44,167	4,43,21,834	7,21,441	A. & F. Harvey Ltd.	4,58,000	..	Madura Mills	35.90	15	2.25	*Nil*	1.875	2.25	12	Y.
60,00,000	29,59,000	68,45,576	51,49,267	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	389.00	100	20.00	20.00	25.00	30.00	3	Y.
29,80,884	5,71,940	1,05,10,931	50,74,411	....	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	75.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
94,91,850	21,58,148	1,71,04,769	78,81,528	1,85,008	M.	52,408	952	Model Mills (Nagpur)	85.00	250					6	Y.
29,78,100	44,97,618	1,17,73,699	60,34,817	24,962	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	68.00	50	9.00*	5.00	5.00	7.00	2	Y.P.
31,50,000	48,75,891	66,34,980	44,19,186	1,368	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	216.25	100	12.00	12.00	12.00		12	Y.P.
48,00,100	....	2,37,94,145	1,20,34,420	—37,45,965	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.40	10	*Nil*	*Nil*	*Nil*		3	Y.P.
37,23,800	19,78,217	1,77,24,075	67,40,513	....	Bansilal Bissesardas Pvt. Ltd.	37,788	902	Osmanshahi Mills	65.00	100	*Nil*	*Nil*	*Nil*		9	Y.
4,00,000 / 6,00,000	16,56,928	78,14,710	36,35,788	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	250.00 / 300.00	50A / 75B	9.00 / 13.50	10.00 / 15.00	15.00 / 22.50		12	Y.P.
15,00,000	....	37,30,105	19,70,043	—21,28,862		27,980	..	Pankaja Mills Ltd.	58.00	100	*Nil*	*Nil*			12	Y.
53,10,600	18,67,447	1,10,86,808	66,04,305	2,661	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	31.00	25.00	3.00	1.50	2.25		12	Y.
24,21,000	22,05,286	1,22,00,423	53,26,819	1,286	Mukundlal Bansilal & Sons	25,420	567	Raja Bahadur Motilal Mills	101.00	100	*Nil*	*Nil*	*Nil*		12	Y.
30,00,000	28,53,600	92,08,175	42,76,744	....	B. R. Naidu & Sons	41,898	..	Rajalakshmi Mills	79.00cd	50	4.50	3.00'C'	3.75		12	Y.P.
16,14,300	17,87,061	63,86,578	27,70,402	....	Ramco Agencies Private Ltd.	36,096	..	Rajapalayam Mills	131.50	100	12.00	8.00	6.00(*c*)	9.00	3	Y.
15,36,890	2,69,111	33,59,281	50,04,126	....	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	224.00	100	16.00	10.00	16.00	23.00	3	Y.
22,33,300	13,62,109	56,78,717	81,03,738	7,071	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	184.00cd	100	10.00	10.00	10.00	15.00	12	Y.
10,00,000	3,93,527	54,79,563	33,71,779	8,264	S. R. P. Ponnuswamy Chetty & Sons,	25,088	..	Sivanandha Mills Ltd.	28.25cd	10	1.20	1.50	2.20		12	Y.
50,00,000	....	....	....	....	M.	..	..	South India Viscose Ltd.	161.50	100				..	12	Y.
13,17,124	6,47,788	45,36,078	12,34,344	....	K. Ramchandran, Esq. (Mg. Director)	16,516	..	Sri Kannapiran Mills Ltd.	10.60cd	10	1.00	0.60	1.00	..	12	Y.
36,69,700	22,00,087	1,01,95,864	72,23,021	30,822	D. B. Viswambhariah, Esq. (Mg. Director)	42,924	840	Sri Krishnarajendra Mills	70.00	50	7.00	4.50	4.00	5.50	3	Y.
15,02,500	9,69,323	58,07,942	29,96,235	13,376	P. S. Govindaswamy Naidu & Sons	36,348	88	Sri Rangavilas Ginning	48.00cd	50	2.00	*Nil*	2.50	..	12	Y.
15,00,000	3,99,30,629	1,17,10,444	91,96,176	3,97,888	Birla Brothers Private Ltd.	36,212	1,344	Sutlej Cotton Mills	100.00	10	6.00	6.00	6.00	8.57	3	Y.
17,50,000 / 57,50,000	2,42,28,071	6,42,05,504	1,96,76,129	9,04,312	M.	1,12,316	2,990	Swadeshi Cotton (Kanpur)	12.00 / 9.25	100. / 10P.O.	0.75 / 1.15	*Nil* / 0.40	*Nil* / 0.571		12	Y.P.
12,78,210	1,20,000	46,55,675	7,75,459	22,842	P. Suryanarayana & Sons Pvt. Ltd.	12,600	..	Tirupati Cotton Mills Ltd.	11.25	10		*Nil*	*Nil*	0.80	3	Y.P.
30,08,005	70,01,584	4,47,94,206	2,70,17,829	2,29,084	Emceta & Sons (Travancore) Ltd.	..	..	Travancore Rayons	37.75	10	1.00	1.25	2.00		12	Y.P.T.
13,98,730	9,05,000	22,95,738	15,76,070	2,397	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11.55	10	0.90	0.75	1.25	1.35*	12	Y.
51,00,000	43,50,000	1,06,38,923	62,53,593	91,096	R. K. S. Chetty & Brothers	44,424	270	Vasanta Mills	233.00xd	100	12.00	12.00	16.00	20.00	12	Y.P.
15,10,340	3,98,620	24,95,048	13,64,648	—2,74,043	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	50.00cd	50	2.25	3.00	5.00		12	Y.P.
32,00,000	10,67,831	1,94,58,366	1,41,27,622	—10,24,524	Pratapsinh Mathuradas Esq. (Ch.)	49,820	1,369	Vishnu Cotton	132.00	100	*Nil*	*Nil*	*Nil*	5.71	12	Y.P.T.

* Includes bonus. † Subject to taxation. M.—Managed by Board of Directors. X.R.—Ex-Right. (*c*) Paid out of Reserves. F—For fifteen months ended 31st March, 1957. Z—Bombay Dyeing & Mfg. Co., shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. N.B.—All dividends paid since 31st March 1959 are shown as taxable. 'C'—On increased Capital. ‡ On Old Capital.

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1957	1958	1959	1960	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
60,00,000	64,31,970	1,47,43,249	50,81,902	36,065	B. N. Elias & Co. Private Ltd.	879	Agarpara	11.25	10	0.25	0.25	0.50	1.00	3	Y.P.T.
6,00,000	13,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	185.00	100	10.00	10.00	15.00		12	Y.P.T.
30,00,000	5,43,950	1,41,02,373	1,01,60,589	1,16,925	McLeod & Co., Ltd.	1,264	Alliance	88.00	100	Nil	Nil	Nil	6.00	5	Y.P.
49,20,700	85,41,000	2,63,90,624	1,74,73,587	2,26,168	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	198.00	100	7.00	10.00	12.50	20.00	3	Y.P.
40,00,000	21,83,168	1,36,05,736	76,49,894	34,111	Bird & Co. Private Ltd.	810	Auckland	168.00	100	Nil	5.00	20.00	27.00	3	Y.P.T.
20,00,000	34,53,528	1,46,13,222	77,61,622	28,486	Birla Brothers Private Ltd.	959	Bally	215.00	100	2.00	6.00	10.00	25.00	3	Y.P.
£275,000	£803,923	£1,601,226	£1,065,825	—£92,399	Sir John H. Burder (Chairman)	1,889	Barnagore	127.00	£5	Nil	Nil	10sh.	£1.10sh	3	Y.P.
28,00,000	30,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	170.00	100	2.50	7.50	13.50		12	Y.P.
45,00,000	27,18,486	66,58,432	38,60,363	98,716	Soorajmull Nagarmull	600	Bengal	10.00	10	Nil	0.50	0.50		6	Y.P.T.
91,26,000	2,82,25,130	7,34,86,439	2,26,35,926	93,079	Birla Brothers Private Ltd.	1,373	Birla	37.50	10	1.00	1.00	1.00	1.50	3	Y.P.
36,00,000	27,72,236	1,36,96,070	70,34,735	34,192	Andrew Yule & Co., Ltd.	991	Budge-Budge	135.00xd	100	Nil	5.00	15.00	10.00	10	Y.P.
7,47,350	4,000	45,18,657	34,32,120	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg.	7.25	10	Nil	Nil			12	Y.P.T.
18,00,000	27,51,530	84,60,059	49,11,673	30,163	M.	616	Caledonian	160.00	100	Nil	15.00	12.00		11	Y.P.
59,16,400	81,81,976	2,17,74,524	1,17,03,511	1,68,730	James Finlay & Co., Ltd.	600	Champdany	108.00	100	Nil	Nil	7.00	10.00	3	Y.
15,95,000	23,19,096	86,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	16.75	10	Nil	5.00	12.50‡		11	Y.P.
30,15,000	39,53,900	1,20,98,261	66,66,975	39,326	McLeod & Co., Ltd.	500	Chitavalsah	12.50	10	1.10	1.25	1.50	0.50	7	Y.P.T.
24,00,000	9,06,000	81,89,934	67,13,337	—3,11,313	Shree Krishna Investment Co., Ltd.	969	Clive	9.00	10	Nil	Nil			8	Y.P.
31,49,200	13,05,418	1,06,95,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	120.00	100	Nil	Nil	Nil	1.00	3	Y.P.T.
23,00,000	41,39,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	175.00	100	Nil	6.00	14.00		11	Y.P.
15,00,000	38,62,000	1,14,03,496	74,72,740	70,285	McLeod & Co., Ltd.	500	Empire	18.50	10	0.75	1.00	1.25	1.25	7	Y.P.T.
63,00,000	83,65,324	3,41,69,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	315.00	100 Old	10.00	20.00	20.00	25.00		Y.P.T.
21,00,000	19,81,948	1,32,23,393	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	25.75	10	1.50	1.50	1.50	2.25	3	Y.P.T.
84,32,100	5,16,898	2,24,66,716	1,48,00,382	56,359	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	10.81	10	Nil	Nil	Nil	1.00	3	Y.P.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd.	41.00	10	2.00	2.00	4.00		12	Y.T.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	405.00	100	2.50	20.00	25.00	30.00	3	Y.P.
40,00,000	31,69,633	1,33,64,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	119.00N	100	5.00	5.00	6.00	6.00	3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,713	49,754	Baijnath Bajoria	720	Hooghly	19.25	10	Nill	Nil	0.60		8	Y.P.
65,62,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	21.75	10	Nil	Nil	1.00	1.25	3	Y.P.T.
52,50,000	38,25,000	3,18,43,014	1,77,68,014	1,63,175	Ramdutt Ramkissendas	2,272	Hukumchand	20 50	7.50	1.50	1.50	1.50	2.15	3	Y.P.
87,30,000	21,78,965	1,74,80,629	1,00,24,542	4,94,235	M.	790	India	15.75	12.50	9.37	15.62‡	1.24	1.75	3	Y.
24,00,000	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	150.00	100	Nil	5.00	20.00		12	Y.P.T.
'B'19,20,000								147.00	'B' 100	Nil	5.00	20.00			
30,00,000	10,09,317	1,76,28,517	1,12,70,060	—13,68,526	Jardine Henderson Ltd.	1,527	Kanknarrah	73.00	100	Nil	Nil	Nil		12	Y.P.T.
'B'24,00,000								75.00	'B' 100	Nil	Nil	Nil			
28,00,000	52,06,000	1,51,65,797	1,03,30,320	1,21,384	McLeod & Co., Ltd.	703	Kelvin	148 00	100	9.00	12.50	14.00'C'	15.00	5	Y.P.
54,00,000	23,62,520	2,16,94,951	1,32,38,732	74,405	Anderson Wright Ltd.	1,530	Khardah	17.50	10	0.80	0.80	2.00	2.00	3	Y.P.
59,80,150	42,30,583	1,99,43,494	1,24,97,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	170.00	100	Nil	5.00	10.00	20 00	3	Y.P.T.
24,48,000	10,76,201	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	117.00	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	11,08,592	69,04,728	41,03,722	10,530	Bird & Co. Private Ltd.	840	Lawrence	162.00	100	Nil	Nil	2.00	15.00	3	Y.P.
31,65,200	34,63,931	2,70,91,429	1,55,68,005	56,999	M.	1,294	Megna	12.00	10	0.50	1.75	1.00	1.20	3	Y.
29,98,900	24,36,392	1,64,53,185	94,33,205	—11,60,635	M.	315	Naihati	75 00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	13,14,376	36,84,253	24,27,490	4,929	Howrah Trg. Co. Private Ltd.	425	Naskarpara	9.00	10	0.25	0.25			10	Y.T.
35,00,000	39,51,326	48,49,737	12,31,378	19,604	Andrew Yule & Co., Ltd.	852	National	21.25	10	0.75	0.75			10	Y.P.
26,25,000	32,36,172	68,66,663	32,12,580	43,020	McLeod & Co., Ltd.	316	Nellimarla Jute	10.62	10	0.90	1.00	1.40	0.30	7	Y.P.T.
1,70,82,810	2,27,33,274	9,30,93,375	1,36,54,171	...	Sahu Jain Ltd.	1,765	New Central	21.75	10	..	1.50	1.50'C'	1.50	2	Y.P.T.
16,79,880	38,39,763	1,21,83,607	71,21,536	27,631	Bird & Co. Private Ltd.	567	Northbrook	27.50	10	Nil	Nil	1.25	3.00	3	Y.P.T.
66,79,500	38,53,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	48.50	50	Nil	2.50	3.00	4.00	3	Y.
25,00,000	11,41,170	1,06,08,633	75,93,215	23,417	McLeod & Co., Ltd.	400	Presidency	5.31	5	0.30	0.37½	0.50	0.40	7	Y.T.
20,00,000	42,629	33,96,467	12,06,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.00	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	14,07,546	1,24,96,816	66,97,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	6.25	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£488,130	£1,484,376	£840,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	9.50N	£1	Nil	5%†	10%†		12	Y.P.
80,00,000	19,67,300	1,24,50,569	91,65,668	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	24.12	10	0.50	0.50	0.60		3	Y.P.
14,00,000	13,85,050	75,14,520	54,32,384	21,730	Hindustan Investment Corpn. Ltd.	401	Soorah	22.87	10	1.50	1.50	2.50	2.50	12	Y.P.
£600,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9 50N	£1	Nil	3%†	10%†		12	Y.P.
35,98,600	37,29,990	89,38,439	50,59,464	35,993	Bird & Co. Private Ltd.	1,826	Union	175.00	100	Nil	15.00	20.00	25.00	3	Y.P.T
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9.50N	£1	3%†	5%†	10%†		12	Y.P.
2,50,000	6,70,000	82,62,805	45,53,966	1,94,094	McLeod & Co., Ltd.	447	Waverley	5.25	1	Nil	Nil	0.25	0.30	5	Y.P.T

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1957	1958	1959	1960	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
10,96,990	4,16,128	17,25,120	3,38,737	3,842	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber.	16.60	10	1.75*	1.75	1.50	1.50	3	Y.P.
13,00,000	18,91,207	79,01,776	18,65,987	2,83,908	Kothari & Sons (Ags.) Pvt. Ltd.	1,329	Blue Mountain	3.05	2	0.25	0.25	0.25	0.25	6	Y.
5,50,000	5,09,091	16,46,405	3,40,184	18,637	K. Anantarman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.78	2	0.30	0.24	0.24	0.20	6	Y.P.
14,00,100	11,19,898	26,32,979	8,15,911	1,38,960	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	3.80	2	0.40	0.20	0.30	0.40	3	Y.
5,66,420	12,20,975	23,20,475	1,95,657	32,888	Matheson Bosanquet & Co. Pvt. Ltd	392	Coonoor Tea	28.12	10	2.00	2.00	2.00	1.75	9	Y.P.
4,80,000	4,76,796	12,48,672	2,12,224	2,580	Srinivas Agencies	441	Coorg Tea	5.60	2	0.40	0.40	0.40	0.40	3	Y.P.
6,00,000	4,82,155	12,25,902	3,38,531	1,259	R. A. Jenkins, Esq. (Mg. Director)	344	Devashola (Nilgiri) Tea	30.30	10	1.75	2.50	2.50		12	Y.
6,74,630	3,25,933	10,81,247	2,29,577	4,312	Young India Agencies Private Ltd.	465	Devon Tea	14.37	10	1.75	1.75	1.50	1.50	3	Y.P.
5,00,000	1,26,500	4,04,217	65,265	2,027	Parkins Private Ltd.	196	Emerald Valley Estates	6.00XR	5	0.30	0.30	0.40		12	Y.
25,00,000	17,77,500	47,06,209	9,26,271	1,765	Parkins Private Ltd.	1,495	Halleyburia	14.75	10	1.50'C'	2.00	1.25'C'		12	Y.P.T.
6,00,000	7,65,696	14,87,744	3,33,844	48,233	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	4.70	2	0.30	0.25	0.30		3	Y.T.
17,17,076	12,12,245	33,15,743	5,71,179	15,600	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4.91xd	2	0.30	0.30	0.70	0.50	10	Y.P.
3,45,000	5,10,000	11,44,396	98,799	806	Ipe Oommen & Co. Pvt. Ltd.	800	Kurchermala Plant. Ltd.	4.10	10	0.75	0.625	0.80	Nil	3	Y.P.
5,00,000	1,20,556	9,61,424	78,039	37,180	Matheson Bosanquet & Co. Pvt. Ltd.	267	Lucky Valley	13.25cd	10	1.00	1.00	1.00	1.00	12	Y.
3,50,000	26,500	3,21,318	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.70	2	0.18	0.24	0.10		3	Y.
3,00,000	6,23,100	12,48,190	2,88,717	1,418	Eapen Thomas, Esq. (Mg. Director)	524	Mlamallay	38.12	25	4.50	3.75	5.00		3	Y.P.
36,00,000	21,32,880	81,96,144	14,03,832	5,225	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	4.50	5	0.37	0.37	0.37	0.37	3	Y.P.
12,00,000	6,37,638	27,51,637	5,74,549	5,656	A. V. Thomas & Co., Ltd.	1,648	Nelliampathy	2.45	2	0.40	0.30	0.20	0.26	6	Y.P.
14,06,250	7,45,346	39,87,155	6,33,351	26,790	A. V. George & Co., Ltd.	1,628	Nilgiri Tea	8.60	10	0.75	0.60	0.50	0.80	3	Y.P.T.
28,10,000	9,22,309	32,15,349	3,63,585	35,375	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	27.80xd	10	2.00	3.50	2.00		6	Y.
14,88,960	17,53,325	32,40,997	5,53,242	47,411	Mr. P. S. M. Molyneux (Chairman).	579	Parkside	28.47xd	10	1.75	2.50	2.75	2.75	6	Y.
6,00,000	3,06,234	8,47,692	63,188	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninsular Plantations Ltd.	21.35	10	2.50	1.50	2.00		2	Y.
17,00,000	10,41,753	41,24,957	14,46,521	44,631	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	23.30	10	2.50	1.62½	2.25		12	Y.P.
57,94,880	23,17,245	1,10,00,168	24,84,598	80,258	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	3.98cd	2	0.70	0.20'C'	0.25		3	Y.P.
18,50,000	3,06,500	11,40,782	1,24,996	907	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.70	2	0.15	0.15	0.125	0.18	6	Y.
9,00,000	12,06,478	27,35,093	7,62,652	3,656	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	15.50	10	1.40V	0.80	0.60		6	Y.T.
1,25,000	15,000	1,98,241	7,968	4,289	M.	216	Swinton Estates	3.12	2	..	0.15	0.15	0.25	3	Y.
12,50,000	10,87,328	36,51,137	3,53,187	997	Srinivas Agencies	1,737	Talayar Tea	1.81	2	0.20	0.12	0.10	0.16	3	Y.P.
15,75,000	16,00,500	27,37,319	3,29,820	565	Parkins Private Ltd.	1,214	Twyford	18.15	10	1.50'C'	1.50	1.00'C'		12	Y.
21,93,280	12,29,630	44,14,672	15,67,621	1,62,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	24.75	10	1.77	1.60	1.95	2.10	3	Y.
47,25,000	12,42,245	63,68,910	8,97,362	1,94,853	Kothari Mehta & Co. Pvt. Ltd.	907	Waterfall	3.03	2	0.25	0.25	0.25	0.25	6	Y.P.
1,00,000	53,757	3,51,001	89,991	689	Goodall & Co.	93	Woodcote Estates Ltd.	1.65		0.09	0.06	Nil	Nil	6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation	Paid-up per Share	1957	1958	1959	1960	Accounts Closed	Reference
6,00,000	5,52,435	16,68,612	4,21,741	8,855	Ramani & Co., Pvt. Ltd.	878	Alageswar Estates Ltd.	2.80	2	0.20	0.20	0.15	0.15z	3	Y.
6,75,000	1,60,527	19,03,851	2,97,284	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	12.75	10	0.40	0.60	0.75	1.00	3	Y.P.T.
2,50,000	5,78,753	13,39,783	1,24,737	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14.37	10	1.50	1.00	1.50	..	12	Y.P.
12,07,838	2,28,040	20,59,620	2,33,207	34,372	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	4.70cd	2	0.80	0.70	0.50	0.40	6	Y.T.
4,25,000	4,00,000	8,56,375	92,884	25,796	Young India Agencies Pvt. Ltd.	554	Badra Coffee Estates Ltd.	8.60	2	0.35	0.35	0.35	..	5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,833	2,438	A. V. Thomas & Co. (Mysore)	570	Bababudin Coffee & Produce	8.47	5	1.25	1.25	0.625	0.40	6	Y.P.
3,00,000	2,35,000	4,24,393	50,457	583	Planting Agencies (Private) Ltd.	319	Balmadies Plantations	2.48	2	0.25	0.25	0.15	0.15	5	Y.P.
8,66,115	3,36,253	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)	1,135	Be Be Rubber Estates Ltd.	2.90	5	0.25	0.25	0.25		3	Y.P.
26,91,279	18,00,000	52,49,279	8,16,788	21,669	Peirce, Leslie & Co., Ltd.	7,093	Cochin Malabar	7.67	3	0.45	0.30'C'	0.45	0.525	2	Y.P.
22,50,000	31,10,963	58,64,399	13,19,304	92,379	Cons. Coffee Estates (Secretaries).	2,799	Coffee Lands and Industries	19.00	10	4.00	2.00	2.50	0.60	6	Y.P.
71,55,000	66,04,294	5,58,60,009	40,89,751	60,720	C. I. Machia, Esq. (Mg. Director)	8,169	Consolidated Coffee	22.70	10	4.00	2.00	2.50	2.00	6	Y.P.
6,00,000	5,32,423	13,68,760	74,628	1,482	Associated Planters Private Ltd.	1,489	Cottanad Plantations	11.40	10	1.75	1.50	1.50	1.00	3	Y.P.
4,66,560	2,00,000	3,12,568	76,968	27,670	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffees).	5.25	2	1.00	1.30	0.50	0.50	6	Y.
13,00,000	9,86,402	31,48,870	6,93,094	24,694	A. V. Thomas & Co., Ltd.	886	Highland Produce	16.00	10	0.75	1.50	1.50		12	Y.P.
1,20,000	49,000	1,64,450	5,148	2,088	Young India Agencies Pvt. Ltd.	220	Kadur Coffee Estates Ltd.	2.85	2	0.15	0.15	0.15	0.15	5	Y.P.
11,85,700	10,77,705	30,90,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kailas Rubber, Co., Ltd.	5.03	2	0.60	0.50	0.50	0.40	2	Y.
8,00,000	8,86,553	17,97,748	3,49,814	1,330	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	12.50	10	2.00	1.00'C'	1.25	1.25	4	Y.P.
4,00,000	3,75,000	9,82,417	1,85,014	14,690	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.58	2	0.50	0.40'C'	0.40	0.40	10	Y.T.
13,50,000	4,85,241	25,89,476	4,08,190	9,942	K. T. Thomas Kathanar, Esq.	1,668	Malankara Rubber	18.75	10	2.25	1.70'C'	1.60	1.50	3	Y.
3,25,000	2,50,000	7,67,594	9,954	10,168	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.80cd	5	0.75	1.00	1.00	1.00	6	Y.P.
40,50,000	14,21,444	90,79,614	11,84,844	66,364	A. V. Thomas & Co., Ltd.	4,683	Midland Rubber	11.75	10	2.00	1.00'C'	1.00	1.25	3	Y.P.
3,35,000	4,13,450	16,81,926	2 76,266	46,475	A. V. George & Co., Ltd.	1,229	Nenmeny Rubber	20.65	10	0.75	1.50	1.50		12	Y.P.
2,00,000	4,79,543	7,96,900	55,892	3,026	Associated Planters Private Ltd.	906	Nilambur Rubber Co.	16.25	10	1.50	2.00	1.50		12	Y.P.T.
19,45,980	23,89,219	52,58,400	18,70,387	7,007	Peirce, Leslie & Co., Ltd.	4,395	Ouchterlony Valley Estates	4.33cd	2	0.60	0.20	0.30	0.26	10	Y.P.T.
6,50,000	5,71,464	7,75,530	67,539	42,437	Peirce, Leslie & Co., Ltd.	546	Oussoor Estates Ltd.	3.30cd	2	0.30	0.26	0.30	0.30	3	Y.
16,50,000	2,29,315	22,68,070	6,46,200	17,195	Aspinwall & Co., Ltd.	2,017	Pullangode Rubber	1.76	2	0.10	0.08	0.10	0.10	3	Y.P.
13,50,000	8,37,644	48,91,066	4,79,542	19,045	A. V. Thomas & Co., Ltd.	2,988	Rajagiri Rubber	18.80	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,14,963	3,70,345	43,569	774	Associated Planters Private Ltd.	482	Rajendra Coffees Ltd.	12.50	5	1.25	2.00	2.50	1.25	3	Y.P.
5,50,170	3,00,000	8,87,758	1,22,319	12,609	Peirce, Leslie & Co., Ltd.	492	Savamalai Estates Ltd.	3.45cd	2	0.30	0.25'C'	0.30		11	Y.
12,00,000	1,85,000	18,80,245	1,09,554	10,753	Pateo Agencies	1,162	Sangameshwar Coffee Estates	2.33	2	..	0.18	0.18	0.12	3	Y.P.T.
10,00,000	2,08,180	22,50,808	1,88,857	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	6.10	10	0.60	0.60	0.60	Nil	3	Y.P.T.
2,50,000	2,75,000	6,13,713	47,038	28,430	A. V. George & Co., Ltd.	467	Thamarapally Rubber	28.00	10	3.00	3.00	3.00		12	Y.P.
9,15,300	6,05,000	24,54,542	2,19,470	14,829	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd	1.55	1	0.05	0.10	0.07	0.07	9	Y.T.
6,00,000	66,742	11,54,891	5,08,490	2,248	Eapen Thomas, Esq. (Mg. Director)	1,303	Travancore Rubber	10.70cd	10	1.50	1.00	1.00		12	Y.
41,00,000	15,07,458	86,18,006	18,50,607	3,526	Aspinwall & Co. (Travancore) Ltd.	4,671	Travancore Rubber & Tea	9.45	10	0.40	0.50	0.75		12	Y.P.
20,00,000	1,36,000	32,16,659	8,67,958	11,924	P. T. Thomas, Esq. (Mg. Director)	2,350	Tropical Plantations Co.	20.50cd	25	1.00	1.50	2.00		12	Y.
6,00,000	4,96,000	17,68,416	1,27,428	10,653	P. I. J. Joseph, Esq. (Chairman)	1,360	Velimalai Rubber & Co.	5.70	5	0.62½	0.50	0.50	0.60	2	Y.P.T.
2,20,000	4,29,600	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd.	458	Udayagiri Rubber Co., Ltd.	21.25	10	0.60	0.75	1.50		12	Y.P.
3,30,010	2,91,970	9,65,557	38,718	585	M.	736	Valkundam Rubber Co., Ltd.	31.25	10	3.50J	3.00	2.50	1.50‡	12	Y.
12,00,000	11,90,982	15,34,580	1,19,640	1,15,433	Peirce, Leslie & Co., Ltd.	1,027	Wartyhully Estates Ltd.	3.25cd	2	0.15	0.30	0.30	0.30	3	Y.
6,95,000	6,33,233	13,55,991	91,382	2,962	M.	844	Woodland Estates	8.00	10	1.00	0.50	0.50	1.00	3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital. V— Includes 60 nP for 30-6-1954. 'C'—On increased Capital. Z.—Dividend for nine months ended 31st March 1960. ‡—On old capital.

* Includes bonus. M.—Managed by Board of Directors. † Less income-tax. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

ASSAM

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1957	1958	1959	1960	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. nP	Rs.	Rs. nP	Rs. nP	Rs. nP	Rs. nP		
4,45,700	13,84,978	22,94,476	8,53,312	....	McLeod & Co., Ltd.	325	Amluckie	28.00	10	1.00	1.50	1.50		12	Y.P.
2,76,500	3,01,500	12,10,619	4,33,800	2,091	M.	456	Ananda (Assam) Tea	28.00	10	1.00	2.00			12	Y.
7,03,250	7,55,753	16,41,189	5,01,215	54,204	Gillanders Arbuthnot & Co., Ltd.	481	Ananda Bag	28.00	10	0.50	1.00	1.75		12	Y.
5,50,000	14,38,941	26,06,181	10,04,021	19,953	McLeod & Co., Ltd.	573	Baghmari	26.00	10	1.50	1.50	1.50		12	Y.
5,10,000	11,57,780	18,49,824	6,86,011	43,644	Andrew Yule & Co., Ltd.	377	Basmatia	32.12	10	1.75	2.00	3.00		12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Bateli	21.75	5	1.50	1.50			12	Y.
6,40,000	10,74,426	15,66,305	5,60,306	37,706	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	30.75	10	1.50	1.50	2.50		12	Y.
83,00,000	18,32,500	73,96,221	81,20,921	3,83,877	Williamson Magor & Co., Ltd.	3,425	Bishnauth	24.00	10	1.00	Nil	1.30		12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	46,960	Octavius Steel & Co., Ltd.	485	Bokakhat	14.00	10	Nil	0.50			12	Y.
7,50,000	9,06,475	14,41,597	4,34,307	70,351	McLeod & Co., Ltd.	450	Bormah Jan Tea	18.75	10	Nil	0.75	1.25		12	Y.P.
85,00,000	17,26,071	94,38,743	34,17,209	2,53,984	M	2,834	Brooke Bond B.	16.94	10	1.75	1.00	1.25		6	Y.
1,20,000	8,09,581	11,64,943	3,93,553	85,405	McLeod & Co., Ltd.	282	Dejoo Valley	54.00	10	2.00	3.00	4.00		12	Y.
8,40,000	5,49,948	33,10,828	20,05,150	—2,40,732	Jardine Henderson Ltd.	1,332	Dessal & Parbuttia	151.00	100	Nil	Nil	Nil		12	Y.
17,53,440	10,53,350	31,54,422	92,50,98	17,329	James Warren & Co., Ltd.	770	Dholakhat	22.87	10	2.50	2.50	2.00		12	Y.P.
7,00,000	6,85,000	24,04,227	6,47,434	10,086	H. P. Dhanuka, Esq. (Chairman)	1,349	Dhunseri	16.25	10	2.00	2.00	2.30		12	Y.
4,50,000	12,09,644	18,71,655	3,98,875	68,960	McLeod & Co., Ltd.	458	Dibrugarh	39.00	10	2.50	3.00	3.00		12	Y.P.
4,73,400	7,15,000	17,09,184	7,61,684	1,56,884	Williamson Magor & Co., Ltd.	632	Dimakusi	27.25	10	3.00	2.50	3.00		12	Y.P.
7,00,620	11,66,000	27,54,322	14,69,122	3,83,571	Williamson Magor & Co., Ltd.	635	Dufflaghur	36.00	10	3.00	4.50	3.50		12	Y.
10,00,000	9,57,600	33,05,749	12,68,049	1,31,213	Williamson Magor & Co., Ltd.	1,166	East India Tea	20.50	10	0.50	0.50	1.00		12	Y.
5,03,760	6,42,879	17,74,219	6,37,020	8,855	M.	465	Gillapukri	26.00	10	2.50	2.50	2.50		12	Y.
6,76,000	4,90,000	22,56,199	10,31,899	1,31,256	Williamson Magor & Co., Ltd.	552	Gohpur	17.00	10	2.00	0.50	1.00		12	Y.
23 29,085	36,34,739	67,30,725	20,38,780	61,970	Octavius Steel & Co., Ltd.	2,494	Grob	11.56	5	1.25	1.50	0.70		12	Y.
5,00,000	6,86,998	11,97,176	4,67,668	14,369	M.	488	Hoograjuli	24.00N	10	1.00	0.50‡	2.50		12	Y.
8,70,000	13,90,841	32,83,007	14,80,249	75,669	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	192.00	100	12.50	17.50	20.00		12	Y.
69,97,120	78,24,518	2,04,25,435	76,25,435	88,479	Birla Brothers Private Ltd.	4,900	Jay Shree Tea & Industries	22.94	10	1.00	1.00	1.40	1.40	12	Y.P.
9,00,000	8,62,200	20,23,965	5,82,195	51,110	Gillanders Arbuthnot & Co., Ltd.	876	Jutlibari	30.44	10	1.75	1.00	1.00		12	Y.
8,60,000	13,02,500	16,52,939	7,79,490	91,530	M.	1,166	Kingsley-Golaghat (Assam)	228.00	100	25.00	25.00			12	Y.P.
1,80,000	7,000	20,18,041	3,18,798	—2,30,952	Duncan Bros. & Co., Ltd.	1,201	Kotamullai Tea	11.25	5	Nil	Nil	Nil		12	Y.P.
6,50,000	6,53,734	14,09,076	4,30,863	22,109	Duncan Bros. & Co., Ltd.	634	Ledo	17.12	10	Nil	Nil	Nil		12	Y.
10,00,000	11,30,000	21,23,207	6,59,461	42,813	Octavius Steel & Co., Ltd.	612	Methoni	19.75	10	1.50	1.00‡			12	Y.
4,80,000	30,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Moheema	12.00	10	Nil	Nil			12	Y.P.
1,50,000	13,65,825	1,16,088	10,450	30,504	Kettlewell Bullen & Co., Ltd.	410	Mothola	530.00	100	40.00	40.00	25.00		12	Y.
1,75,000	8,36,947	16,59,105	6,59,981	37,858	Andrew Yule & Co., Ltd.	373	Murphulani	25.50	O. 10	1.75	2.00	2.00		12	Y.
2,00,000								25.50	P.O. 10	2.25	2.50	2.50			
5,35,000	1,75,000	11,34,794	4,84,702	1,912	M.	814	Namburnadi	13.75	10	1.50	Nil			12	Y.
5,00,000	20,000	7,66,315	3,69,599	35,282	Duncan Bros. & Co., Ltd.	728	New Cinnatolliah	103.00	100	Nil	Nil	Nil		12	Y.
2,00,000	8,46,039	13,39,252	5,27,546	45,190	Andrew Yule & Co., Ltd.	390	Rajgarh	50.50	10	2.50	2.50	3.50		12	Y.
9,00,000	2,56,006	32,81,411	13,29,355	20,383	M.	958	Sapoi	20.50	10	1.50	1.50	2.00		12	Y.
2,49,000	4,30,000	12,83,249	6,96,549	91,288	Williamson Magor & Co., Ltd.	501	Seajuli	26.62	10	2.25	2.25	1.75		12	Y.
5,98,000	13,64,556	19,34,492	6,32,207	7,126	McLeod & Co., Ltd.	495	Teloijan	33.75	10	3.00	2.50	2.50		12	Y.
8,00,000	5,97,055	14,42,247	5,27,787	64,646	Gillanders Arbuthnot & Co., Ltd.	521	Tengpani	38.00N	10	1.50	1.50	1.75		12	Y.P.T.
19,82,880	15,86,078	51,14,115	22,83,115	53,844	Shaw Wallace & Co., Ltd.	2,347	Tezpore	17.00	10	Nil	1.25	2.00		12	Y.
5,20,000	25,00,315	50,60,323	16,66,525	1,05,020	McLeod & Co., Ltd.	1,050	Tyroon	44.37	10	3.00	1.50	3.00		12	Y.P

CACHAR

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	1957	1958	1959	1960	Accounts Closed	Reference
3,00,000	....	5,16,444	1,88,505	—2,43,041	M.	362	Areuttipore	7.00	10	Nil	Nil			12	Y.
7,00,000	....	7,66,139	1,08,460	—3,49,181	M.	649	Eastern Cachar	2.75N	10	Nil	Nil			12	Y.
12,60,000	13,00,000	31,05,555	13,86,847	60,217	Octavius Steel & Co., Ltd.	2,208	Hattikhira	9.94	10	Nil	0.50	0.50		12	Y.
3,60,000	1,10,000	6,48,924	2,68,020	3,889	Duncan Bros. & Co. Ltd.	629	Kunchunpore	7.50	10	Nil	Nil			12	Y.
7,00,000	8,73,960	21,37,538	3,98,015	1,37,903	Assam Trading Co.	2,205	North-Western Cachar	176.00N	100	15.00	20.00	30.00		12	Y.
2,60,000	3,32,179	12,84,475	3,70,957	—76,413	McLeod & Co., Ltd.	638	Roopacherra	15.00	10	Nil	Nil	Nil		12	Y.
5,25,000	10,97,014	14,64,650	4,63,459	41,094	Duncan Bros. & Co., Ltd.	720	Rungamattee	64.00	50	3.75	1.25	3.75		12	Y.
4,00,000	3,36,980	10,68,284	3,68,708	1,199	M.	662	Sonai River	8.00	10	Nil	Nil			12	Y.P.T.

DARJEELING

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	1957	1958	1959	1960	Accounts Closed	Reference
2,79,900	1,05,000	4,30,792	92,592	18,735	Williamson Magor & Co., Ltd.	408	Chamong	8.00	10	Nil	Nil	Nil		12	Y.
2,09,900	1,68,526	3,89,734	1,69,880	—893	M.	433	Dilaram	84.00N	100	Nil	7.50			12	Y.
2,00,000	2,18,765	8,67,216	3,43,216	—82,998	Davenport & Co., Ltd.	507	Gielle	11.00	10	Nil	Nil	Nil		12	Y.P.
1,59,000	3,51,872	5,41,385	2,25,788	12,425	Andrew Yule & Co., Ltd.	463	Mim	220.00	100	Nil	Nil	10.00		12	Y.
2,99,900	4,43,000	7,30,361	2,14,761	1,29,955	Williamson Magor & Co., Ltd.	690	Nagari Farm	26.00	10	2.50	3.00	2.00		12	Y.
1,00,000	1,11,500	4,70,736	2,49,237	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	500.00	100	Nil	32.50	32.50‡		12	Y.P.
3,00,000	3,500	6,09,868	2,51,814	—86,025	Duncan Bros. & Co., Ltd.	478	Poobong	7.06	10	Nil	Nil	Nil		12	Y.
2,05,000	2,07,208	5,13,360	79,360	....	Davenport & Co., Ltd.	570	Pussimbing	8.00	10	Nil	Nil			12	Y.P.
1,40,000	5,02,500	4,63,373	2,11,663	30,085	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	395.00	100	25.00	30.00	10.00		12	Y.
3,00,000	3,27,462	5,50,875	1,96,085	3,514	M.	389	Seeyok	12.25	10	1.00	1.50			12	Y.
9,00,000	65,000	11,65,737	2,38,715	7,369	Goenka & Co.	583	Singtom	5.75	10	0.50	0.50‡			12	Y.P.
3,00,000	4,45,000	7,56,966	3,49,266	1,75,267	Williamson Magor & Co., Ltd.	554	Soom	37.00	10	4.00	5.00	3.00		12	Y.
6,25,000	9,54,667	17,84,113	5,20,111	58,721	McLeod & Co., Ltd.	745	Sungma	15.75	10	0.75	1.50	1.00		12	Y.
3,20,000	7,28,815	14,29,114	3,98,614	—80,294	Davenport & Co., Ltd.	718	Teesta Valley	15.75	10	1.00	Nil	Nil		12	Y.
9,01,350	2,61,033	16,07,038	3,76,038	—2,94,248	Williamson Magor & Co. Ltd.	1,666	Tukvar	8.00	10	Nil	Nil			12	Y.

DOOARS

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	1957	1958	1959	1960	Accounts Closed	Reference
27,00,000	29,62,946	63,67,156	26,80,596	93,115	Andrew Yule & Co., Ltd.	2,540	Banarhat	328.00	100	20.00	20.00	32.50		12	Y.P.
12,00,000	18,39,305	47,37,495	26,67,822	68,917	Jardine Henderson Ltd.	948	Baradighi	29.00	10	1.50	1.50	2.50		12	Y.
9,00,000	17,95,074	27,34,742	13,24,580	6,018	McLeod & Co., Ltd.	1,112	Bhatkawa	23.00	10	1.50	Nil	1.00		12	Y.
9,00,000	17,47,500	28,48,801	9,90,295	40,081	Duncan Bros. & Co., Ltd.	1,348	Birpara	176.00	100	7.50	12.50	22.50		12	Y.P.
6,00,000	8,36,000	14,66,180	5,09,072	21,500	Duncan Bros. & Co., Ltd.	602	Carron	160 00	100	5.00	Nil	15.00		12	Y.
9,00,000	18,87,865	25,34,091	10,16,841	98,628	Andrew Yule & Co., Ltd.	903	Choonabhutti	317.00	100	20.00	22.50	30.00		12	Y.P
3,00,000	4,36,000	9,76,473	4,70,948	22,233	Duncan Bros. & Co., Ltd.	478	Ellenbarrie	166.00	100	Nil	Nil	5.00		12	Y.
1,20,000	2,04,475	4,99,213	2,85,581	—59,525	Andrew Yule & Co., Ltd.	265	Engo	196.00	100	Nil	Nil			12	Y.
4,90,000	61,299	10,37,477	3,14,730	—35,008	M.	447	Ethelbarrie	9.81	10	0.75	Nil	Nil		12	Y.
7,50,000	6,75,164	18,93,292	11,88,007	39,367	Gillanders Arbuthnot & Co., Ltd.	1,129	Gairkhata	190.00	100	Nil	Nil	12.50		12	Y.
86,00,000	38,35,750	71,46,533	23,70,874	80,081	Duncan Bros. & Co., Ltd.	2,528	Hantapara	136.00	100	Nil	Nil	12.50		12	Y.P.
32,00,000	60,61,255	1,15,51,655	58,85,226	2,60,071	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	26.19	10	0.75	0.75	1.25		12	Y.P.
8,25,000	21,63,678	29,07,639	12,14,639	86,987	Davenport & Co., Ltd.	1,452	Huldibari	28.00	10	1.25	1.50	2.25		12	Y.
7,00,000	5,12,873	11,09,391	5,33,855	16,262	Andrew Yule & Co., Ltd.	607	Jaybirpara (Dooars)	18.25	10	Nil	Nil	0.50		12	Y.
9,00,000	18,16,000	24,52,378	7,53,905	42,315	Duncan Bros. & Co., Ltd.	937	Killcott	20.62	10	1.50	0.75	1.75		12	Y.
2,00,000	5,72,564	10,14,554	3,56,190	3,318	M.	578	Manabarrie	59.00N	10	1.50	0.50	0.50		12	Y.
9,60,000	19,87,000	26,78,567	9,58,041	28,611	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	211.00	100	7.50	5.00	17.50		12	Y.
14,00,000	20,80,530	34,00,520	12,34,687	52,126	Andrew Yule & Co., Ltd.	1,163	New Dooars	310.00	100	20.00	25.00	32.05		12	Y.P.
2,50,000	3,80,000	5,69,606	2,08,922	10,819	Duncan Bros. & Co., Ltd.	348	Phaskowa	140.00	100	Nil	Nil	Nil		12	Y.
6,00,000	9,10,472	16,36,533	7,19,903	—1,96,926	McLeod & Co., Ltd.	764	Rajabhat	19.75	10	Nil	Nil	Nil		12	Y.
7,65,000	15,51,570	30,13,553	15,15,626	48,739	McLeod & Co., Ltd.	1,035	Ranicherra	23.75	10	0.50	0.75	1.00		12	Y.
14,92,800	29,39,216	61,42,087	35,18,973	42,452	Jardine Henderson Ltd.	1,768	Rydak	34.00	10	2.00	2.50	3.00		12	Y.

SYLHET

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	1957	1958	1959	1960	Accounts Closed	Reference
8,00,000	17,95,000	10,31,473	3,98,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	21.75	10	Nil	Nil			12	Y.
6,00,000	11,04,551	9,86,429	2,61,464	45,770	Duncan Bros. & Co., Ltd.	610	Dauracherra	7.75	10	0.75	0.50	1.50		12	Y.
4,00,000	12,06,200	13,68,395	7,18,394	2,77,118	Shaw Wallace & Co., Ltd.	985	New Samanbag	22.25	10	3.00	Nil	Nil		12	Y.P.
86,00,900	66,24,901	65,50,842	27,50,049	2,25,758	Duncan Bros. & Co., Ltd.	4,151	Patrakola P.	160.00	100	10.00	20.00	40.00		12	Y.P
9,00,000	22,94,827	21,07,338	7,06,843	31,974	Duncan Bros. & Co., Ltd.	1,190	Teliapara	107.00	100	6.00	12.50	17.50		12	Y.

TERAI

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	1957	1958	1959	1960	Accounts Closed	Reference
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	8.00	10	0.50	0.25			12	Y.P.T.
2,50,000	4,15,000	4,13,655	2,24,216	35,493	National Tea Corporation	522	Belgachi	24.00	10	2.00	2.50			12	Y.
13,44,000	22,46,000	27,80,130	11,43,606	29,724	Duncan Bros. & Co., Ltd.	1,611	Gungaram	160.00	100	7.50	Nil	15.00		12	Y.
5,00,000	11,12,294	14,91,443	5,08,408	18,957	Duncan Bros. & Co., Ltd.	580	Hansqua	18.87	10	1.00	Nil	1.75		12	Y.
3,00,000	8,07,700	10,27,925	4,27,249	62,299	Davenport & Co., Ltd	514	New Chumta	33.50	10	1.25	1.00	1.50		12	Y.
2,20,000	3,75,250	13,61,474	5,52,735	33,691	McLeod & Co. Ltd.	549	Tirrihannah	60.00	10	3.00	4.00‡			12	Y.P.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1957	1958	1959	1960	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
71,39,880	6,39,303	1,60,52,590	69,38,639	22,879	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.50	B. 10	1.00	0.75	1.00		12	Y.P.
59,90,093	6,05,000	1,74 94,366	13,63,509	4,434	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	9.00	10	Nil	Nil	0.45	0.70	3	Y.T.
43,14,600	12,14,532	1,51,44,736	81,04,633	....	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	5.37	O. 10	Nil	Nil	Nil	..	3	Y.T.
4,70,976D.							0.87	D. 1	Nil	Nil	Nil			
19,06,27,783	10,78,46,227	42,05,40,586	16,70,69,557	42,021	Cement Agencies (Private) Ltd.	Associated Cement Companies	158.50	100	9.00	8.50'C'	11.00	12.00	7	Y.T.
24,54,023	66,000	2,26,19,399	31,88,694	1,652	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.88	10	0.60	0.70	0.80		12	Y.
1,66,00,000	57,31,922	2,68,50,468	60,48,714	25,287	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	12.00cd	O. 10	1.20	1.00	1 20		12	Y.P.T.
5,00,000							2.43	D. 1	0.12	0.10	0.12			
2,24,79,135	59,98,450	4,42,25,287	1,03,39,730	79,496	Essen Private Ltd.	India Cements Ltd.	6.05	5	0.41	0.45	0.45	0 55	3	Y.P.
2,00,00,000	49,62,184	7,98,62,040	1,92,20,939	1,44 304	Sahu Jain Ltd.	Jaipur Udyog Ltd.	10.68	10	1.25	1.25	Nil	0 60	3	Y.P.T.
2,25,00,000	63,61,275	5,39,55,507	1,86,50,770	8,77,321	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.60	10	1.50	1.50	1.10		12	Y.P.
1,24,51,675	54,91,876	4,15,40,234	1,68,22,549	48,939	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	152.25	100	9.00	9.00	9.00		12	Y.P.
75,00,000	18,30,000	2,25,10,118	1,58,76,362	62,048	M.	Sone Valley Portland Cement	5.04	5	0.30	0.30	Nil		12	Y.
50,00,000	11,77,360	1,37,88,664	57,99,082	29,086	Essel (Private) Ltd.	Travancore Cements Ltd.	8.45cd	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. cR—Cum-Right.

N.B.—Dividends paid since 31st March, 1959 are shown as taxable. "P"—Patrakola Tea—Dividends for 1958 and 1959 are payable only when funds are available from Pakistan.

‡—Brooke Bond Estates—Dividend for the year ended 30th June 1960 is Re. 1.50 per share taxable.

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
30,00,000	....	37,43,382	16,26,068	32,615	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	11.3	10	Nil	Nil	Nil	0.60‡	3	Y.
12,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	2 1.52	10	1.50	3.50	2.00		9	Y.P.
55,25,146	15,40,326	1,57,35,785	51,99,681	14,572	Bharat Ram Bhagat & Co.	Bengal Potteries	7.50	2½	0.25	0.25	0.356		12	Y.
30,00,000	36,69,030	77,31,751	41,17,891	35,599	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	46.00	10	1.75	1.75	1.87	8.00	3	Y.
14,17,800	10,55,247	33,55,584	15,31,858	9,761	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	190.00	100	9.00	10.00	12.86	12.86	9	Y.P.
39,80,700	14,19,759	1,19,21,208	18,96,171	—25,65,524	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	190.00	100	Nil	Nil	Nil		12	Y.P.
£1,371,200	£1,705,275	£3,271,480	£1,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	5.52	Sh. 2	0.24	0.24	0.36		12	Y.
O.15,00,000 / P.5,00,000	25,39,664	44,79,158	13,16,190	2,61,727	Bird & Co. Private Ltd.	Karanpura Development	16.50	10	Nil / Nil	Nil / Nil	1.50 / 0.50		12	Y.
50,00,000	....	14,32,400	....	—12,618	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	83.00	50	..	..	Nil		12	Y.P.
30,00,000	38,05,445	1,10,40,017	59,35,195	39,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26.00N	10	1.25	1.25	1.80		12	Y.P.T.
50,00,000	10,01,024	1,16,30,530	59,85,620	—19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd.	10.50	10	Nil	Nil	Nil		3	Y.P.T.
6,00,000	5,26,433	13,40,693	7,63,285	7,276	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	15.00	10	1.00	1.00*	1.00*	1.428	3	Y.
20,00,000	55,85,984	68,91,304	28,26,317	1,10,697	Bird & Co. Private Ltd.	Orissa Minerals	42.50XD	10	2.00	2.50	3.60	3.60	6	Y.
3,50,000	15,45,335	88,24,228	46,03,569	7,911	Ganpule Jasani & Co.	Parshuram Pottery Works Co. Ltd.	67.00	25	3.75	3.75	3.75	5.36	7	Y.P.
20,46,370	65,42,410	1,02,15,679	38,53,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate	81.50	10	8.00*	8.00*	5.00		11	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
12,11,000	....	....	....	....	Agri-Chem-Engineers	Adarsh Chemicals & Fertilisers	79.00	75	..	..	..		12	Y.P.
35,00,000	31,37,600	1,37,07,072	65,76,431	9,770	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	265.00	100	12.00	12.00	16.00		12	Y.P.
3,10,00,000	1,57,00,278	6,04,78,062	1,23,50,512	1,33,819	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	37.75	10	0.80	0.80	0.95	1.20	9	Y.P.
80,00,000	30,78,579	86,90,417	21,21,588	35,088	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	382.50	100	Nil	Nil	12.00		12	Y.P.
30,30,400	34,94,426	1,18,63,272	49,39,005	47,108	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	680.00	100	20.00*	20.00*	28.00*		12	Y.P.
2,00,00,000	39,06,362	3,56,08,722	1,05,40,064	72,946	Lalbhai Sons & Co.	Atul Products Ltd.	521.00	100	8.00	10.00	12.00		12	Y.
50,92,900	58,95,445	1,47,57,610	71,30,268	13,39,611	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	110.00	100	6.00	6.00	7.00	7.00	3	Y.P.T.
1,00,00,000	6,00,000	1,07,91,843	4,82,147	—42,965	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	350.00	100	..	Nil	Nil	Nil	3	Y.
22,73,150	26,00,000	77,57,081	36,10,218	44,349	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	273.75	50	5.00	6.00	10.00		12	Y.
64,49,032	56,78,075	1,69,27,390	67,30,529	—1,11,025	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	128.50	100	7.50	6.00	4.00(c)		3	Y.P.
3,46,06,075	14,62,000	5,13,66,593	2,30,25,297	10,58,917	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	10.55	10	Nil	0.40	0.60		12	Y.
1,50,00,000	23,35,000	51,41,000	15,22,000	10,072	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	486.25	100	Nil	Nil	Nil	6.00	3	Y.P.
12,00,000	6,37,363	27,43,796	14,20,459	47,412	Jal H. Mehta	Kemp & Co.	315.00	200	15.00	15.00	20.00	25.00	3	Y.
60,00,000	22,36,420	1,48,65,801	78,31,045	12,716	Seshasayee Brothers Private Ltd.	Mettur Chemicals	14.12	10	0.75	0.87½	0.88	1.25'C'	3	Y.P.T.
24,81,220	10,04,155	55,64,484	40,80,625	11,452	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	11.25	10	0.50	0.50	0.50	1.00	3	Y.
3,00,000	4,52,189	11,19,269	5,96,880	35,186	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	25.00	10	2.00	2.00	2.00	2.00'C'	3	Y.P.
40,00,000	20,96,379	58,16,750	11,97,185	27,844	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	223.75	50	..	Nil	3.00	5.50	3	Y.P.
12,50,000	9,22,174	32,78,588	20,63,157	2,05,216	Bangur Brothers Ltd.	Phosphate Co., Ltd.	332.00	100	15.00	25.00	45.00	35.00	6	Y.
15,00,000	14,69,737	24,40,260	15,05,655	96,591	C. A. Buxton	Smith Stanistreet & Co.	13.94	5	1.00	0.80'C'	1.25	1.25	6	Y.P.
3,37,50,000	....	....	....	....	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	177.00	75		..	..	..	..	Y.
1,39,95,990 / 1,11,91,370	42,17,119	5,89,52,538	2,06,78,856	14,509	Tata Industries Private Ltd.	Tata Chemicals	19.20 / 17.72	10Old / 10New	0.80	0.75 / 0.03	0.525 / 0.618	0.60 / 0.60	6	Y.P.T.
13,00,000	1,07,599	18,05,082	6,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co. Ltd.	16.72	10	0.60	0.70	1.00	1.50	3	Y.P.

ELECTRIC (Bombay State)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
3,74,78,370	1,17,08,657	15,23,94,046	4,04,47,092	686	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	85.50	100	3.25	6.50	6.75	7.00	3	Y.T.
31,26,750	21,63,366	2,36,72,375	59,65,971	15,60,279	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.00	10	0.42	0.85	0.90	1.00*	3	Y.P.
3,02,76,250	96,81,201	9,66,03,356	2,60,10,919	22,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	996.25	1,000	56.00	80.00*	80.00*	85.00*	3	Y.P.T.
1,75,00,000	78,52,280	4,06,37,564	96,99,320	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply	86.80	100	7.00	7.00	7.50	8.00	3	Y.
7,07,620	1,03,967	16,97,265	3,70,206	1,586	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6.00	10	Nil	0.50	0.60	0.66	3	Y.T.
46,39,000	12,56,313	1,57,72,704	61,59,509	3,547	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	101.00	100	2.50	7.50	8.00	9.50	3	Y.P.T.
70,00,000	27,18,373	1,51,74,375	51,53,780	4,844	Killick Industries Ltd.	Surat Electricity	87.00	100	8.75	7.00	7.00	7.50	3	Y.P.
2,39,99,575	1,01,57,424	7,01,96,385	1,89,09,866	25,281	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	102.00	100	5.52	8.00*	8.00*	8.50*	3	Y.T.
6,15,35,750	2,60,85,771	17,16,28,967	3,93,66,464	28,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,031.25	1,000	56.25	80.00*	80.00*	85.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
19,99,600	51,88,028	13,39,99,790	39,25,042	47,389	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	122.00	100	10.00	10.00	10.00	11.00	3	Y.T.
3,00,000	15,23,375	68,42,780	22,39,800	23,612	Martin Burn Ltd.	Bareilly Electric Supply	11.75	10	1.25	1.00	1.00	1.10	3	Y.T.
17,90,000	47,66,354	1,71,05,214	47,49,307	45,563	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.25	10	1.25	1.00	1.00	1.10	3	Y.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	7.00	5	0.62	0.40	0.40	0.64	3	Y.
£4,262,646	£10,126,973	£33,604,377	£13,302,118	£106,136	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	14.62	£1	8½%	7%	7%	7½%	3	Y.
8,60,000	6,78,784	31,45,751	10,61,553	76,838	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	7.56	10	1.00Z	0.65	0.65	0.75	3	Y.P.T.
48,20,000	24,38,968	1,02,37,174	38,05,104	4,36,960	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	94.00	100	6.50	7.00	7.50	10.00	3	Y.
5,34,640	1,24,635	34,48,088	14,37,084	2,947	Meenna Lall & Sons	Jhansi Electric Supply	6.50N	10	0.86Z	0.62½	0.62	0.70	3	Y.T.
22,49,550	27,02,877	1,07,31,716	40,42,278	30,296	Martin Burn Ltd.	Jubbulpore Electric Supply	11.50	10	0.92	0.92	0.93	1.00	3	Y.T.
5,82,390	4,52,585	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	9.62	10	1.25Z	1.00	1.00	1.25	3	Y.
35,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.37	10	1.25Z	0.75	0.75		3	Y.
9,10,000	2,37,616	12,60,524	5,84,092	5,200	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6.44	10	Nil	0.50	0.50	0.625	3	Y.T.
16,80,000	13,87,254	78,27,858	44,96,906	2,087	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.50	10	0.94	0.65	0.75	1.00	3	Y.T.
68,99,600	13,06,142	2,06,37,818	67,80,084	3,023	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	9.80	10	1.28	0.87	0.90	0.90'C'	3	Y.P.T.
5,00,000	11,62,458	52,32,335	12,25,684	36,696	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	16.25	10	1.25	1.25	1.25	1.35	3	Y.
56,91,185	78,57,136	4,08,35,812	1,45,66,727	35,399	Martin Burn Ltd.	U. P. Electric Supply Co.	114.00	100	10.00	10.00	10.00	11.00	3	Y.T.
4,00,000	9,34,990	40,37,637	11,42,884	2,38,269	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	18.50	10	1.00	1.00	1.00	1.50	3	Y.T.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
38,42,300	49,44,187	75,65,494	60,70,307	28,009	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	322.00	100	12.50	12.50	17.00		12	Y.
19,99,060	3,10,174	21,70,025	8,07,662	19,184	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	92.50	80	3.00	3.00	4.00	5.50	12	Y.
45,19,800	26,08,443	93,35,767	46,96,907	75,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	165.50XR	100	7.00	10.00*	12.00*	13.00*'C'	6	Y.
40,00,000	4,14,307	62,24,434	21,36,684	57,385	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	97.00	100	6.00	7.00	10.00			
59,99,900	84,82,780	2,25,78,362	1 37 51,802	70,946	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	178.50	100	9.00	9.00	12.00	13.00'C'	4	Y.P.
6,00,000	4,15,000	1,58,191	1,29,312	3,363	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	95.50	50	5.00	5.00	5.00	4.00	6	Y.P.T.
40,00,000	14,71,874	65,38,880	22,18,255	15,090	Adnem Services	Jyoti Ltd.	181.50	100	12.00	12.00	12.00	12.00	3	Y.
44,96,250	4,05,653	62,45,798	27,18,547	2,467	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	17.08	10	Nil	0.50	0.775		12	Y.
42,96,023	78,89,668	1,21,65,928	66,66,471	11,866	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	62.00	25	0.20	0.25	0.30	0.25	9	Y.P.
37,50,000	15,59,000	1,02,91,000	20,35,000	....	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	19.76	10	0.90	1.00	1.00	1.43	7	Y.
10,53,725	2,17,087	22,14,424	2,62,435	2,50,491	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	180.00	100	..	..	..	Nil	3	Y.
30,00,000	27,05,928	78,01,690	26,82,316	56,853	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	42.50	10	1.00	1.25	1.25	1.80'C'	3	Y.P.
1,32,00,000	42,63,132	1,34,37,855	31,17,880	1,16,237	M.	Mahindra & Mahindra Ltd.	19.76	10	1.75	2.20	1.25		3	Y.P.
11,00,000	1,72,712	41,60,471	25,55,495	2,771	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	188.75	100	Nil	Nil	Nil	10.00	10	Y.P.
60,15,060	45,30,000	1,21,27,185	40,92,378	3,353	Jeewan Private Ltd.	Mukand Iron & Steel	28.25	10	1.00	1.20	1.00*	1.20	7	Y.P.
25,00,000 / 14,99,250	40,76,797	1,06,26,418	51,56,671	6,625	Kirloskar Associates	Mysore Kirloskar Ltd.	155.00 / —	100 / 100 New	6.00 / ..	7.50 / ..	12.00 / 6.00	12.00 / 12.00	3 / 6	Y.P. / Y.
22,27,700 / 22,72,000	5,36,616	47,79,336	14,99,087	22,426	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	108.00 / 179.50	100 / (75 New)	.. / ..	.. / ..	9.00 / ..	12.00 / 0.50	3	Y.P.
22,50,000	1,34,42,446	3,81,298	1,40,780	1,36,108	Walchand & Co. Private Ltd.	Premier Construction	192.00	20	10.00	12.00	18.00		12	Y.P.
29,95,100	41,01,156	1,02,83,025	42,88,746	12,134	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	197.50	100	13.00	18.00	17.00	12.00	6	Y.P.
27,58,21,325	27,01,32,014	1,67,40,64,801	54,97,16,256	3,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	150.25	75 Old	9.50	8.25	6.80	9.72'C'	3	Y.P.
7,99,90,200	1,71,91,786	21,41,33,116	9,30,94,684	2,24,171	Tata Industries Private Ltd.	Tata Locomotive	329.50	100	8.00	9.00	9.00	12.50	3	Y.P.T.
10,00,000	3,85,000	23,97,720	6,10,644	17,016	T. Manekial & Co.,	T. Manekial Mfg., Co.	440.00	100	5.00	10.00	14.00	18.50	5	Y.
2,55,00,000	71,75,426	1,07,45,948	24,35,557	4,24,809	S. K. Mandeo, Esq. (Mg. Director)	Voltas Ltd.	275.50	100	9.00	9.00	13.00	12.00	3	Y.
17,50,000	....	....	....	....	M	Zenith Steel Pipes Ltd.	3.12	2.50	..	..	..	..	6	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
4,00,000	24,571	20,51,215	15,01,895	—4,45,520	North Bihar Trading Co. Ltd.	Arthur Butler & Co.	11.75	10	Nil				10	Y.P.B.
30,00,000	20,49,221	1,55,21,495	30,36,978	3,90,479	M.	Bhartia Electric Steel	12.75	10	1.25	1.25	1.50		12	Y.
56,50,790	77,67,825	88,29,182	16,49,459	2,84,448	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	82.87	10	3.00	1.25	2.25	2.50	12	Y.
12,00,000	32,12,634	79,76,063	44,33,942	1,72,548	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	58.00N	10	2.00	2.00'B'	3.00		12	Y.P.
10,88,670	7,04,341	39,97,580	14,09,685	22,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	5.00	10	0.50	0.50	0.60		3	Y.P.
40,00,000	41,48,365	98,27,511	48,02,704	1,92,481	McLeod & Co., Ltd.	Britannia Engineering	14.06	10	0.60	0.60	1.00		12	Y.P.T.
5,00,000	7,72,971	24,63,921	14,46,844	74,498	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	31.50	10	2.00	2.00	2.50		12	Y.
24,00,000	2,33,60,602	4,96,65,264	3,64,73,871	1,34,616	Martin Burn Ltd.	Burn & Co.	521.00	100	20.00	20.00	28.50	28.50	4	Y.T.
50,00,000	....	35,75,759	95,092	1,08,035	M.	Calcutta Steel Co., Ltd.	17.94	10	..	..	..	0.50	3	Y.
1,00,00,000	12,33,028	1,89,66,744	10,15,900	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	Nil	Nil	Nil	Nil	3	Y.P.T.
40,00,000	25,000	1,05,86,590	9,91,656	—8,47,548	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.37	10	Nil	Nil	Nil		9	Y.
2,00,00,000	2,34,07,847	6,74,59,338	2,15,47,390	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	48.75	10	2.00	2.00	2.40		12	Y.P.
12,50,000	28,60,000	60,91,575	46,46,109	7,047	Martin Burn Ltd.	Hooghly Docking	118.50	50	5.00	5.00	6.00		12	Y.T.
12,44,08,300	21,14,27,025	71,57,58,772	14,60,01,060	11,49,767	Martin Burn Ltd.	Indian Iron and Steel	27.40	10	1.00	1.00'C'	1.00	1.50	3	Y.P.
35,96,500	61,33,742	1,28,74,955	72,35,332	46,708	Martin Burn Ltd.	Indian Standard Wagon	103.50	25	7.50*	5.00	5.00	.125	3	Y.P.
96,53,100 / 26,580	2,52,04,628	2,22,95,589	1,52,64,925	10,91,465	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	44.00 / 14.00	0.10 / 0.1	4.00 / 0.40	4.00 / 0.40	1.62½ / 0.10½	2.30 / 0.23	3	Y.
23,78,580	2,50,222	32,73,943	15,88,841	2,977	C. R. Srinivasan, Esq. (Chairman)	Indian Steel Rolling Mills Ltd.	10.15	10	1.00	0.70	0.70	0.50‡	3	Y.
91,12,500	75,99,306	3,71,15,564	1,40,36,750	6,322	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	29.50	10	1.50	1.20	1.20	1.715	12	Y.P.
20,00,000	38,00,500	77,83,732	17,92,011	91,460	J. K. Industries Private Ltd.	J. K. Steel Ltd.	25.94	10	1.25	1.25	1.25	2.00	3	Y.P.T.
2,03,97,000	1,47,08,415	8,18,81,991	1,02,58,799	57,411	B. P. Singh Roy, Esq. (Chairman)	Jessop & Co.	22.37	10	Nil	0.50	0.388	0.858'C'	6	Y.P.
27,64,300	46,74,683	90,18,956	33,28,450	31,238	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	6.44	2	0.45	0.30	0.30'C'		10	Y.P.
30,50,000	1,90,990	13,32,345	14,72,111	3,518	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	4.69	2	0.40	0.40	0.20		11	Y.P.T.
48,96,000	18,28,489	1,37,17,076	81,10,264	—1,08,083	M.	National Iron and Steel Co., Ltd.	6.75	10	0.62	0.62	0.75		6	Y.
60,00,000	24,06,943	76,55,140	24,16,318	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.44N	10	Nil	Nil	Nil	Nil	3	Y.P.T.
6,00,000	11,05,251	31,29,091	21,37,426	17,915	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	7.50	4	0.40	0.40	0.25		6	Y.P.
1,50,00,000	55,22,079	4,19,73,529	1,96,95,885	37,204	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	22.80	10	1.50	1.50	3.00	0.35	3	Y.
39,84,400	14,07,750	69,40,005	26,20,291	4,566	Balasunderam & Co.	Textool Co., Ltd.	182.00	100	20.00	12.00	13.00	15.00	12	Y.P.T.

INSURANCE (x)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
12,50,000	46,52,425	1,45,73,387	....	22,040	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.12	5	1.00	1.00	1.00		12	Y.
10,00,000	11,65,196	28,43,080	....	66,390	M.	Devkaran Nanjee Insurance	30.00	50	3.00	3.00	2.00		12	Y.
24,00,000	71,01,264	1,40,68,520	....	3,62,182	R. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.00	10	2.50	2.00	3.00		12	Y.
16,02,240	37,17,768	88,96,037	....	4,17,522†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	43.00	40	3.50	3.75	5.25		12	Y.
20,00,000	62,51,546	1,74,97,763	....	45,112	M. G. Mody, Esq. (General Manager)	New Great Insurance	19.76	20	2.00	2.50	2.50		12	Y.
1,06,81,580 / 25,61,000	3,27,40,502	14,89,78,776	....	44,23,297	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	61.30 / 61.70	15 / 15New	3.00 / ..	4.00 / 4.00	5.70* / 5.70*		12	Y.
32,00,000	92,52,493	1,29,48,849	....	3,214	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	8.94	3	0.62	0.62	0.90		12	Y.
5,75,000	67,12,672	1,13,08,480	....	1,83,129	Sir John Brown (Mg. Director)	Triton Insurance	142.00	25	11.25	11.25	11.25		12	Y.
15,99,270	39,15,382	1,02,06,244	....	10,014	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	15.80	10	1.30	1.50	2.00		12	Y.

* Includes bonus † Subject to taxation. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors. Z.—Dividend is for fifteen months ended 31st March 1957.

x—For these companies reserves include balances of various funds and under gross block are given the total assets

MISCELLANEOUS COMPANIES—*Continued*

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
500	£212,932	£745,697§§	....	£1,003	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	1.32	Sh. 3	Nil	2%	Nil	8%	3	Y.
000	86,35,342	89,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0.60	Nil	0.60		12	Y.P.
000	1,59,93,684	1,00,77,425	52,21,479	4,47,887	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	28.12	10	2.00	2.00	2.50	1.00‡	12	Y.P.
475	49,40,586	2,47,94,315	1,56,70,926	46,303	Tata Industries Private Ltd.	Tata Oil Mills	75.50	25	2.50	2.50	3.25	5.75	3	Y.P.T.
000	9,39,137	2,46,248	1,72,531	1,24,540	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	19.75	10	1.25	1.50	2.20	3.00	10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
031	37,55,249	2,76,44,249	2,15,86,003	3,30,769	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	39.62	25	Nil	Nil	2.50	3.575	6	Y.P.
000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	87.50	25	3.12	5.50	3.00		12	Y.P.T.
000	30,25,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	19.69	10	1.40	1.00	1.00	1.50'C'	3	Y.
000	....	....	....	....	M.	Jayant Paper Mills Ltd.	85.00	100	....	....	....	....	3	Y.
000	....	1,04,58,852	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	9.76	10	..	....	....	....	6	Y.P.
000	37,42,800	1,54,04,003	1,03,95,960	51,968	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	24.75	10	1.00*	1.00	1.25*	1.50	3	Y.
500	3,21,50,238	10,01,40,260	3,07,78,182	4,22,620	Birla Brothers Private Ltd.	Orient Paper	40.35	10	1.50	1.50	1.50	2.25	3	Y.P.T.
000	....	....	....	....	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	7.12	7.50	....	....	....	....	3	Y.
420	1,09,54,433	3,40,18,914	1,26,74,532	1,36,712	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	26.37	10	1.25	1.25	1.78		12	Y.P.T.
000 / 006	8,39,123	77,35,854	43,04,384	6,122	Bajoria & Co.	Star Paper Mills	13.37 / 13.37	O. 10 / A. 10	0.60 / 0.60	0.60 / 0.60	0.30 / 0.30		9	Y.P.
240	62,55,990	6,57,32,220	1,87,32,220	34,582	Birla Brothers Private Ltd.	Sirpur Paper Mills	16.92	10	0.50	0.65	0.65	0.65	6	Y.P.
000 / 300 / 500	3,51,39,745	8,81,10,708	4,28,97,712	2,48,642	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	35.56 / 35.56 / 3.69xd	A. 10 / B. 10 / P.O. 2½	2.38* / 2.38* / 0.24	2.38* / 2.38* / 0.24	2.50* / 2.50* / 0.25*	2.50 / 2.50 / 0.295	3	Y.P.T.
400	45,00,000	5,41,73,787	35,40,616	53,348	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	203.00	100	Nil	Nil	Nil	6.00	6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
996	19,59,360	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.53	3	Nil	Nil	....	....	9	Y.
000 / 000	3,46,95,997	5,74,47,341	2,67,52,541	1,47,502	Wallace & Co.	Bombay-Burmah Trading Corpn.	604.50 / 211.25	Old125 / New50	47.50K / 19.00K	22.50 / 9.00	23.75 / 9.50	37.50 / 15.00	5	Y.
000	30,50,362	21,44,636	16,69,639	1,05,986	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	33.75	10	2.75	2.50	2.50	1.00‡	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
905	9,93,823	31,10,427	19,27,489	48,466	M.	Balrampur Sugar	2.75	2.50	0.25	0.25	0.40‡	0.20	6	Y.
00A. / 00B.	36,05,704	66,14,329	42,19,339	10,00,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 / 11.60N	A.100 / B. 10	10.00 / 1.00	10.00 / 1.00	10.00 / 1.00		4	Y.T.
05C	10,53,726	43,95,189	27,45,553	41,303	Bangur Bros., Ltd.	Belsund Sugar	12.31	7½	1.00	1.00	1.40		9	Y.
000	14,98,556	23,95,027	15,95,890	4,173	Cotton Agents Private Ltd.	Bharat Sugar	16.25	10	1.50	1.00	1.50	1.50	6	Y.P.
000	32,26,224	1,51,27,711	1,08,91,665	2,75,591	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.75	10	Nil	0.25	Nil	Nil	6	Y.P.T.
000	77,17,253	1,76,06,330	1,00,81,364	—4,17,923	British India Corporation Ltd.	Cawnpore Sugar	14.00	10	Nil	Nil	Nil	Nil	10	Y.P.
000	45,46,234	84,73,277	64,52,904	27,968	British India Corporation, Ltd.	Champarun Sugar	18.06	10	Nil	1.00	1.50	1.50	6	Y.
252	6,10,632	32,39,842	20,22,495	6,101	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.66	10	0.50	0.50	1.25		8	Y.T.
000	32,58,160	71,38,945	44,96,828	3,29,729	M.	Durbhanga Sugar Co., Ltd.	15.00	10	2.00	1.50	2.00		3	Y.
900	78,32,000	2,29,19,973	1,18,95,886	52,021	Beehraj & Co. Private Ltd.	Hindusthan Sugar Mills	326.25	100	15.00	15.00	15.00	29.00*	6	Y.P.
000	20,51,626	95,42,332	57,58,319	1,03,797	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	247.50	50	7.00	4.00	4.20	9.00	7	Y.P.
100	30,31,969	57,67,867	33,25,497	34,691	Cotton Agents Private Ltd.	New India Sugar Mills	82.00	10	2.50	2.50	3.65	3.65	6	Y.P.
000	4,58,234	49,29,289	29,86,579	10,502	K. C. Thapar & Bros. Private Ltd.	New Savan	5.69	10	0.37	0.25	0.37		5	Y.
375	63,73,211	83,62,456	32,23,024	20,512	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	330.00	100	20.00	20.00	29.00	29.00	6	Y.
210	89,76,949	2,77,58,474	1,49,52,234	24,386	Cotton Agents Private Ltd.	Oudh Sugar	182.00	100	12.50	12.50	18.25	20.00	7	Y.P.
000	13,65,315	37,56,130	22,33,412	1,62,250	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	130.00	100	Nil	6.00	15.00		10	Y.
000	23,02,870	51,19,941	35,72,535	4,006	M.	Purtabpore Co.	12.44	10	Nil	Nil	Nil		10	Y.P.
000	2,92,000	25,30,109	14,67,024	2,192	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.37	10	0.30	0.30	0.30	0.40	3	Y.
000	27,38,845	85,30,103	39,46,664	65,217	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar	11.75	10	1.50	1.25	1.20	1.25	10	Y.
000	6,80,752	29,27,567	23,93,295	4,779	M.	Ryam Sugar	12.50	10	1.50	1.50	0.50		6	Y.P.
000	16,90,877	48,13,684	26,03,230	20,614	M.	Samastipur Central Sugar	11.19	10	Nil	0.25			6	Y.
000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12.00	10	1.00	1.00	1.50	1.50	7	Y.P.T.
115	24,460	36,18,156	17,25,281	5,174	H. K. Ghosh, Esq. and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	5.94	10	Nil	Nil	Nil	4.40	6	Y.
962	16,10,752	89,27,180	22,85,030	21,350	M.	Shri Sitaram Sugar	12.00	10	0.50	0.50	0.90		8	Y.
035	10,42,602	28,89,383	15,99,355	19,286	M.	Tulsipur Sugar	4.69	5	....	....	....	0.62	6	Y.
000	42,06,902	1,83,27,976	97,43,200	44,480	Cotton Agents Private Ltd.	Upper Ganges Sugar	55.09	10	5.00	5.00	7.25		6	Y.P.
000	14,52,294	38,53,170	28,80,100	1,06,870	M.	United Provinces Sugar	17.00	10	0.75	1.00	1.50		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
000	28,05,000	1,13,99,115	33,48,654	25,153	Rangarao & Co.	Andhra Sugars Ltd.	26.85xd	10	1.25	1.50	2.00	3.00	9	Y.
000	14,50,088	95,55,530	9,60,276	73,721	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	130.00	100	100	Nil	Nil	6.00	9	Y.P.
650	1,52,02,875	1,63,95,390	1,10,68,264	82,986	W. H. Brady & Co., Ltd.	Belapur Company	285.50	50	16.00	20.00*	21.00	29.00	9	Y.
000	16,67,724	47,71,723	29,36,495	93,383	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	26.10	10	2.00	2.00	2.50	2.25	9	Y.P.
000	19,13,467	88,31,982	61,54,483	61,719	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	26.00	12.50	2.25	2.25	2.90	2.50	9	Y.
000	58,53,634	1,45,32,270	78,22,738	1,29,253	Parry & Co., Ltd.	Deccan Sugar & Abkhari	14.10cd	5	0.72½'C'	0.90	0.90	1.28	5	Y.P.
000	£1,948,862	£1,990,779	£1,188,091	£126,694	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	43.50	£1	15%	20%	28 4/7%	21 3/7%	6	Y.P.T.
900	13,26,242	48,72,029	31,28,903	12,594	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	90.00N	100	10.00	10.00	10.00	12.50	6	Y.P.
650	9,79,348	31,86,670	27,39,256	5,62,866	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.90	10	1.00	1.00	1.25		9	Y.P.
250	15,18,785	1,56,55,795	27,43,633	182	B. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.04	10	0.60	0.60	1.00	1.25	6	Y.P.
410	96,15,290	4,17,59,188	78,54,583	23,450	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	23.62	10	0.75	0.75	1.50	1.50	6	Y.P.
000	10,65,215	74,23,052	30,91,993	—10,90,954	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	77.50	100	Nil	Nil	Nil		6	Y.P.T.
000	59,72,055	1,56,07,253	70,66,935	54,969	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	200.00	50	20.00	17.00	21.00	21.00	9	Y.P.
250	1,04,89,034	1,63,27,085	1,07,39,878	1,15,228	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	59.00cd	10	2.00	3.00*	3.00	3.00	6	Y.
835	1,18,33,279	3,20,25,300	1,92,92,230	3,527	Industries (I.F.) Dept., Govt. of Andhra Pradesh	Nizam Sugar Factory Ltd.	60.50	25	4.50	4.50	5.40	5.75	6	Y.P.
000	54,16,691	1,88,37,318	77,64,979	21,809	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	139.50	50	12.00*	10.00	13.50	12.00	9	Y.
820	47,47,789	80,79,204	42,50,099	13,908	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	29.06	10	1.50	1.50	2.14	3.00	8	Y.P.T.
750 / 000	44,47,953	1,58,38,095	66,84,343	12,211	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	80.00 / 30.00	O. 50 / D. 50	12.00 / 3.50	12.00 / 3.50	8.50 / 3.50	5.00 / 3.50	9	Y.P.T.
000	21,96,500	69,10,952	33,56,496	1,46,735	Parry & Co., Ltd.	Travancore Sugars	10.60	10	1.00	1.00	1.00	1 00	7	Y.P.
000	1,31,26,320	4,26,89,605	1,46,10,876	1,61,484	Walchand & Co. Private Ltd.	Walchandnagar Industries	204.50	100	21.00	21.00	20.00	15.00	9	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
000	16 33,754	80,65,990	12,43,589	966	Jolly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	282.50	100	..	Nil	Nil	6.00§	3	Y.P.
125	....	1,87,535	....	11,765	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	109.00	100	..	..	Nil	..	12	Y.
000	....	1,10,78,000	19,68,000	....	..	Automobile Products	12.00	10	..	..	..	..	7	Y.
000	2,00,000	22,19,441	9,31,437	3,466	The Associated Agencies (Pvt.) Ltd.	Associated Rubber Industries Ltd.	105.00	100	7.00	7.00	10.00		12	Y.P.T.
000 / 000	1,50,000	17,82,985	5,64,037	6,664	Jamnalal Sons Private Ltd.	Bajaj Electricals	114.00 / 56.00	100 / 50 New	7.50 / ..	9.00 / ..	5.00 / ..	8.10 / 2.70	3	Y.P.
840	5,27,709	37,56,958	23,15,699	17,694	Chooailal Manilal Private Ltd.	Estrela Batteries	63.00	50	3.50*	3.00	3.50*	4.50	3	Y.P.
000	9,40,683	10,20,495	4,90,761	31,694	Aero-Auto Private Ltd.	Bombay Cycle & Motor	25.50	20	1.75	1.00	2.00	2.50	3	Y.
000	13,000	1,08,24,000	15,000	27,205	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	197.50XR	100	..	..	Nil	..	12	Y.
000	50,12,115	21,25,643	7,05,848	44,119	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	177.00	100	7.50	10.00	7.50	11.00	3	Y.P.
000 / 500	....	9,14,417	11,195	39,813	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N / 50.00N	100 / 50	..	..	..	..	10	Y.
000	8,75,592	1,23,44,460	76,81,774	—9,49,324	Birla Brothers Private Ltd.	Hind Cycles	100.00	100	12.50	7.00	Nil	Nil	3	Y.P.
000		2,17,049			Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	13.04	10.00	..	..	..		12	Y.
000	4,24,48,754	6,18,54,846	2,82,69,768	24,38,955	S. H. Turner, Esq. (Chairman)	Hindustan Lever	47.00	10	1.40	1.50	2.40	2.60	12	Y.
500	7,78,396	27,73,828	21,27,149	4,342	Forbes Forbes Campbell & Co., Pvt. Ltd.	Indian Vegetable Products Ltd.	135.00	100	10.00	10.00	15.00	17.00	9	Y.
600	72,79,946	6,77,45,143§§	....	77,237	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	85.00	100	4.00	4.00	5.00	5.75	12	Y.
250	20,22,479	1,31,66,907	....	58,613	Premchand Raychand & Sons	Industrial Investment Trust	81.00	100	5.50	6.00	6.00		12	Y.
100	1,04,80,782	4 62,31,978§§		16,810	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	116.00xd	100	9.25	6.50	9.25	8.50	6	Y.P.
900	8,40,045	48,67,187	19,20,438	7,498	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	5.00	6.00	8.50		12	Y.P.T.
000	1,30,912	33,42,718	49,35,396	5,912	Kamani Brothers Private Ltd.	Kamani Metals & Alloys Ltd.	10.00N	10	..	0.50	0.75		6	Y.P.T.
450	26,84,260	49,67,050	18,86,011	10,125	A. N. Halsar, Esq. (Mg. Director)	Killick Industries	102.00	100	11.00	13.00	9.00	8.00	11	Y.
300	2,13,870	19,92,555	15,00,469	85,265	Bhogilal H. P. Patel, Esq.	Laxmi Starch Factory Ltd.	190.75	100	5.00	6.00	9.00	13.00	3	Y.
100	30,000	13,42,154	4,06,142	2,85,198	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	98.00	100	3.00	7.00	6.00	10.00	3	Y.P.
000	41,84,317	87,81,909	47,39,264	1,17,952	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	423.75	100	15.00	18.00	25.00	25.00	12	Y.
200	24,59,766	65,97,396	18,34,590	30,136	Pelson Agencies Private Ltd.	Pelson Ltd.	177.00	10	10.00	10.00	15.00		12	Y.P.
625	1,17,81,972	5,94,80,033	2,64,36,782	3,23,922	Aero-Auto Private Ltd.	Premier Automobiles	168.00	100	6.00	4.00	9.00	9.00	6	Y.T.
200 / 400	1,71,915	30,66,967	9,69,029	29,056	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N / 50.00N	100 / 50	6.00 / 3.00	6.00 / 3.00	6.00 / 3.00	9.00 / 4.50	3	Y.P.
500		22,82,068	11,962	1,03,299	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	104.00	50	..	..	..	Nil	12	Y.
000	18,80,743	67,28,501	34,94,295	15,405	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	215.00	100	8.00	8.00	14.00'C'	15.00	6	Y.
750	1,97,040	27,39,350	3,08,392	10,526	H. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	50.00	50	..	..	Nil	Nil	3	Y.P.
100	2,73,159	8,45,582	2,39,183	2,859	Modi & Co.	Supreme Industries Ltd.	157.50	100	6.00	7.50	9.00	13 00	3	Y.P.
000	1,90,54,595	4,80,29,387	2,10,07,541	4,53,615	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co. Ltd.	274.00	100	11.00*	11.00*	16.00*	16.00	12	Y.
600	2,36,719	29 42,802	15,42,187	20,609	Hasham Premji	Western India Vegetable Products Ltd.	122.50	100	7.00	8.00	8.00		3	Y.
000	70,71,045	12,17,595	5,69,166	2,85,173	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	400.00	150	25.00	25.00	25.00	50.00	12	Y.

M.—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. K.—Includes an additional dividend of Rs. 7.00 per old share and Rs. 3.00 per new share.

§ Exempt from tax. §§ Investments at cost.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					UNCLASSIFIED (Other Centres)									
62,50,000	2,03,52,495	3,95,14,452	1,19,43,880	1,13,745	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	18.75	O. 10	0.90	0.90	1.00	1.20	3	Y.P.T
80,00,000	39,83,750	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	22.80	10	1.25	1.25	1.25	1.80	3	Y.
30,00,000	37,04,326	37,09,127	26,34,530	2,22,752	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	23.12	10	1.80*	1.50	2.00	2.50*	8	Y.
3,02,87,658	25,63,610	2,20,70,296	60,76,918	20,076	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	9.10cd	5	0.30	0.30	0.40		12	Y.
30,00,000	27,88,863	41,63,859	22,39,465	1,42,995	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	21.50	10	1.25*	1.25*	1.80	1.80	12	Y.
1,18,00,000	80,75,137	93,46,580	48,96,447	8,73,110	A. W. Browne, Esq., (Mg. Director)	Associated Battery	34.75	10	1.50	2.40	4.00	2.50	8	Y.
20,00,000	39,46,521	1,09,70,996	44,86,334	1,55,433	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	5.00N	10	0.60	0.60	Nil	Nil	3	Y.P.T.
80,01,400	33,04,330	77,36,003	41,34,215	5,14,649	A. T. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	261.00	100	12.50	20.00	25.00	7.00	12	Y.
12,00,000	25,38,976	37,24,157	31,81,357	1,88,199	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	46.00	10	2.50	2.50	4.50	4.00	12	Y.
50,00,000	4,70,250	82,31,326	19,64,326	94,375	H. R. Sugla, Esq. (Mg. Director)	Bharat Commerce & Industries Ltd.	24.69	10	Nil	Nil	Nil	0.50	12	Y.P.
20,00,000	7,79,721	64,10,086§§	....	55,032	Lovelock & Lewis	Birds Investment Ltd.	14.00xd	10	0.50	0.70	1.10		9	Y.P.
45,97,020	55,50,348	1,22,49,277	53,59,783	2,18,638	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	51.25	10	1.00	1.20	1.40	2.50	3	Y.P.T
3,25,00,000	1,95,44,212	3,00,84,669	2,33,94,496	3,34,066	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	8.96	5	Nil	Nil	Nil	0.20	12	Y.P.
1,83,80,000	14,44,223	1,90,82,924§§	....	2,16,378	Andrew Yule & Co., Ltd.	Clive Row Investment	8.56	10	0.75	0.75	0.83H		12	Y.
5,00,000	10,00,600	39,64,879	26,56,156	3,266	M.	Delhi Flour Mills, Co., Ltd.	15.00	10	1.00	1.00	..		10	Y.P.T
8,00,00,000	5,08,87,509	10,39,79,436	4,01,20,270	25,12,555	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	51.50	10	1.62	1.62	2.15	2.15	12	Y.P.T
27,27,165	1,20,49,803	59,73,067	23,80,820	26,402	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	32.00	5	0.60	0.75	0.80	1.25	3	Y.
51,26,000	59,19,702	1,63,50,496§§	....	3,49,092	Bird & Co. Private Ltd.	Eastern Investment Ltd.	130.00xd	100	9.00	9.00	14.00	14.00	12	Y.P.
24,99,000	3,52,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	12.56	10	Nil	Nil	0.50		12	Y.P.
45,90,137	77,72,810	95,23,776	52,36,250	4,07,386	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	16.75	12.50	1.50	1.50	1.60		9	Y.P.
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	232.00	100	12.00	15.00	17.00	17.50	3	—
7,50,000	4,20,080	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	10.40	10	0.80	1.25	1.25		3	Y.
65,00,000	86,24,200	80,57,755	15,91,667	1,71,222	P. R. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	13.12	10	1.00	1.00	1.00	1.00	3	Y.P.
40,00,000	4,78,500	70,95,498	41,39,847	10,40,721	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	29.00N	10	1.50	2.00	2.60		12	Y.P.
30,00,000	13,67,354	84,64,988	38,51,718	59,181	B. P. R. Syndicate	Great Eastern Hotel	240.00	250	5.00				3	Y.
4,96,13,275	49,51,450	7,36,56,187	3,25,48,254	3,63,217	Birla Brothers Private Ltd.	Hindusthan Motors	20.12	10	Nil	Nil	0.50	0.90	3	Y.P.
30,00,000	16,64,523	99,46,487	33,67,174	1,81,125	Lalukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	32.75	10	0.60	0.60	1.20		10	Y.
15,16,00,000	9,64,76,893	11,31,66,117	2,88,76,995	24,77,765	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	11.15	10	0.70	0.70	0.60	0.80	3	Y.
3,98,59,480	2,49,73,620	9,79,93,586	3,53,95,735	49,90,524	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co. Ltd.	33.00	10	0.60	0.70	1.20	1.50	12	Y.P.T
2,36,77,700	2,02,99,648	2,95,48,176	1,37,19,570	45,64,864	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	37.62	10	1.50*	1.50*	1.50*	2.25	3	Y.P.T
2,00,00,000	1,28,81,493	5,99,68,652	2,48,66,248	18,78,431	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	36.00	10	1.00	1.00	1.50	1.50	9	Y.
29,88,250	70,550	51,92,992	17,57,026	33,618	M.	Indian Plastics Ltd.	10.81	10	0.37	Nil	Nil	Nil	3	Y.P.
5,27,970	6,14,570	17,46,166	10,03,556	97,081	M.	Indian Rubber Manufacturers	16.00	10	0.62				3	Y.P.
2,00,00,000	73,10,728	42,66,244	15,92,103	5,21,494	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	65.00	100	2.50	2.50	5.00	7.00	3	Y.P.
15,00,000	12,02,095	18,79,279	13,27,977	17,262	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	12.69	10	2.00	3.50	2.00	1.00	3	Y.P.
1,46,96,250	1,19,32,546	82,41,470	18,18,524	2,60,369	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	25.00	10	2.12*	2.12*	2.75	2.75	9	Y.P.
6,00,000	4,20,000	14,85,526	6,66,994	1,49,226	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	34.62	10	2.40	2.00	3.00	..	12	Y.
40,00,000O. 5,00,000D.	74,10,780	31,01,156	12,70,257	2,42,718	M.	McLeod & Co.	214.00 —	O. 100 D.O. 10	12.50 0.75	12.50 0.75	15.00 1.00		12	Y.P.
1,60,00,000	1,64,75,151	3,36,31,784	1,25,74,063	33,96,994	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	47.50	10	1.75	1.75	1.75	2.50'C'	3	Y.P.
14,05,000	5,79,891	13,30,194	6,28,269	4,324	N. G. Ayyangar Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	219.00	100	8.00	11.00	15.00	24.00	3	Y.
6,56,250	6,92,500	11,29,680	5,97,362	3,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	25.35	10	1.25	1.50	1.60		3	Y.P.
10,00,000	8,16,884	17,88,367	10,32,038	622	M. Mallaraj Urs. (Mg. Director)	Mysore Tobacco	10.62	10	1.50	1.25	1.25	1.00	3	Y.
90,00,000	1,87,56,692	1,81,19,135	51,35,368	86,389	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	37.00	10	2.00	2.00	2.00	2.50'C'	3	Y.P.
30,00,000	17,79,000	49,56,249	25,37,459	87,684	Do.	National Pipes & Tubes Co., Ltd.	24.50	10	2.00	1.25	1.50		9	Y.P.
40,00,000	30,19,000	33,22,477	35,76,949	1,31,185	Do.	National Rolling & Steel Ropes	20.56	10	0.60	1.00	1.00	1.30	6	Y.
40,97,064	9,15,876	33,55,363	33,67,559	14,523	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	12.25	10	1.00	0.60'C'	0.85		12	Y.
79,97,000	1,02,10,331	1,36,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	22.31	10	0.90	1.10	1.60		12	Y.P.T
33,32,100	11,02,391	40,65,244§§	....	45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	48.00N	75	2.50	3.75	6.50		12	Y.
10,00,000	5,52,000	12,55,063	6,00,215	1,51,607	Parry & Co., Ltd.	Parrys Confectionery Ltd.	6.55CB	1	0.20	0.30	0.20	0.30	3	Y.
2,20,00,000	50,63,956	1,46,74,355	46,62,803	47,214	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	33.50	10	0.34	0.85	1.20		12	Y.
62,50,000	..	..	..	..	Duncan Brothers & Co., Ltd.	Phillips Carbon	17.00	5	..		..		12	Y.
15,00,000	1,09,431	3,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.70	5	0.45	0.375			12	Y.
24,29,344	2,28,127	33,31,124	13,21,778	42,739	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	20.00	10	1.50	1.00	1.00		3	Y.
2,25,00,000	6,09,614	70,38,972	33,98,189	4,49,497	Badridas Goenka, Esq., (Chairman)	Rallis India Ltd.	139.00	100	Nil	Nil	Nil	4.00	8	Y.P.
2,50,30,600	2,49,55,000	14,76,38,674	6,18,95,237	1,93,065	Sahu Jain Ltd.	Rohtas Industries	20.44	10	....	2.00	1.50	2.80	3	Y.P.T
70,00,000	55,67,726	2,76,12,629	72,10,861	1,17,247	K. D. Ganguli, Esq.	Sen-Raleigh Industries	25.00cd	10	0.60	0.60	0.80	0.80	9	Y.P.
75,00,000	45,73,390	1,37,50,530	36,07,280	5,14,701	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	24.25	10	1.00	1.00	1.50		12	Y.P.
40,00,000	91,26,201	1,58,82,019	78,19,485	7,55,868	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	24.25	10	1.00	1.00	1.80	1.30	6	Y.P.
87,90,180	20,45,900	1,17,02,171	30,48,561	3,369	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.70cd	10	0.75	0.75	0.90		12	Y.P.
15,00,000	95,24,302	1,16,49,116	38,52,132	53,481	J. K. Agents Private Ltd.	Straw Products Ltd. §	10.31	10	1.25	1.25	1.50		12	Y.
22,30,270	16,32,008	14,78,486	3,93,694	14,13,847	M.N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	38.00	10	2.00	2.25	4.00	3.00	6	Y.
9,93,930	24,625	16,75,093	6,66,616	12,418	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.20cd	10	Nil	0.40	0.40		12	Y.
21,56,900	15,37,168	13,62,490	7,38,592	40,519	R. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	32.50	10	2.00	2.00	2.75	3.25*	9	Y.P.
2,49,98,600	1,26,10,316	8,46,95,651	65,94,797	3,04,545	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	283.00	100	20.00	10.00	10.00	10.50	7	Y.
20,56,950	29,686	66,68,986	17,68,838	50,908	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	8.00	10	Nil	Nil	Nil		3	Y.T.
2,80,00,000	1,67,65,505	6,04,41,004	1,15,63,837	..	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	55.25	10	1.40	1.00	1.80	1.80	12	Y.T.
20,00,000	47,50,000	59,48,867	18,86,024	1,24,443	Vittal Mallya, Esq. (Chairman)	United Breweries	115.50	10	2.00	6.00	6.00	6.80	3	Y.
5,00,000	6,80,591	8,62,017	5,62,017	9,680	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	33.00N	10	4.00	2.75	6.25		11	Y.
31,29,500	25,59,264	98,81,385	35,54,513	5,401	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	244.00	100	20.00	15.00	20.00	10.80'C'	3	Y.P.
					TRANSPORT									
20,00,000	95,17,850	1,23,16,309	21,49,792	23,023	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	5.00	6.00	3.00	7.50	10	Y.P.
1,00,00,000	94,04,072	3,99,21,508	2,05,16,725	—7,10,923	Dinshaw (Private) Ltd.	Bharat Line	6.96	10	1.20*	1.20*	Nil		12	Y.
60,00,000 25,00,000	2,17,74,568	8,51,80,151	2,15,53,555	1,32,018	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	14.80 8.24	10 5(New)	1.50	1.80 0.90	1.50 0.525	1.00 0.50	6	Y.P.
£655,580	£936,725	£5,811,271	£2,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	74.50	£10	Nil	Nil			12	Y.P.
2,47,50,000	2,89,74,088	22,68,81,851	4,96,14,634	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	8.88	10	1.00	1.00	1.00	1.00	3	Y.
11,28,19,293	11,32,52,989	35,02,81,320	9,83,12,870	—16,18,456	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	14.08	20	1.25	1.25	1.50	0.60	6	Y.T.
3,40,800 2,10,200P.O.	21,45,768	18,10,577	9,96,867	1,07,107	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.19 2.25	O. 1 P.O. 1	0.14 0.12	0.14 0.12	0.20 0.15		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
23,50,000	35,44,700	1,23,77,423	80,99,858	11,999	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	25.19	10	1.25	1.25	1.50	1.00	3	Y.
12,00,000	2,96,356	38,08,529	34,12,329	—5,53,532	Jardine Henderson Ltd.	Barraree Coke	13.75	10	0.37	0.50	Nil	Nil	3	Y.
4,40,250	30,000	9,25,102	5,60,580	1,217	Kalyanji Mavji & Co.	Bengal-Bhatdee	6.00	10	0.90	0.60			12	Y.
1,00,00,000	2,06,23,467	7,45,29,664	4,86,40,636	10,50,529	Andrew Yule & Co., Ltd.	Bengal Coal	355.00	100	17.50	17.50	25.00	25.00	10	Y.P.
2,25,000	4,90,071	23,57,002	21,45,467	—24,902	M.	Bengal-Nagpur	20.00	10	Nil	Nil	Nil		12	Y.
40,00,000	61,200	1,47,66,411	80,25,554	2,35,971	Sahu Jain Ltd.	Bharat Collieries	4.00	10	0.60	0.60	Nil		6	Y.P.T
7,15,000	14,93,844	57,66,346	36,78,737	—4,96,382	M.	Bhulanbararee	5.08N	10	Nil	Nil	Nil		12	Y.T.
7,50,000	20,32,392	45,36,993	28,95,396	16,230	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.27	10	0.75	0.75	1.00		12	Y.P.
90,92,480	1,40,21,423	4,32,66,766	2,28,76,540	1,49,292	Bird & Co. Private Ltd.	Burrakur	20.00xd	10	0.75	0.875	1.00		6	Y.P.T
40,97,000	4,62,979	74,82,076	35,32,095	27,848	Hindustan Investment Corpn. Ltd.	Central India	13.50	10	0.50	0.50	0.80	1.30	3	Y.
3,00,000	12,00,590	49,56,445	36,71,339	24,220	M.	Central Kurkend	7.09N	10	0.70	0.50		0.50	12	Y.
6,00,000	1,54,273	6,36,341(k)	....	341	F.W. Heilgers & Co. (Private) Ltd.	Churulia	2.37	4	0.20	0.20	0.12		12	Y.
16,00,000	....	57,45,962	32,76,326	—28,995	Macneill & Barry Ltd.	Dhemo Main	7.75	10	Nil	Nil			12	Y.
£240,000	£3,52,069	£1,124,710	£812,995	£7,906	Jardine Henderson Ltd.	East Indian	35.50	£1	1.50	1.00	1.25		4	Y.
29,88,760	1,07,91,492	4,76,29,617	2,23,28,971	1,30,398	Macneill & Barry Ltd.	Equitable	31.25	10	1.50	1.50	0.75	1.00	12	Y.P.T
10,00,000	46,000	24,58,595	8,45,390	—4,30,078	Bhatter's Agency Ltd.	Ghusick and Muslia	13.50N	10	Nil	Nil	Nil		3	Y.
12,00,000	1,27,964	48,44,376	27,68,441	—1,37,129	Killick Industries Ltd.	Hingir-Rampur	23.90	50	Nil	Nil	Nil	Nil	6	Y.P.
3,00,000	2,50,000	24,57,368	19,66,774	168	Macneill & Barry Ltd.	Hurriladih	9.50	10	Nil	Nil		Nil	12	Y.
30,00,000	5,37,341	40,32,438	10,75,784	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	190.00	100	Nil	5.00	5.00	7.50	3	Y.P.
5,00,000	21,66,090	58,77,005	40,80,864	1,31,856	Andrew Yule & Co., Ltd.	Katras Jherriah	40.50	10	0.50	4.50	0.50	9.50	1	Y.
11,06,240	46,356	16,86,967	10,94,158	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	6.75N	10	Nil	Nil			6	Y.
9,00,000	10,22,762	28,39,712	22,94,023	3,568	H. V. Low & Co. (Private) Ltd.	Lalurka	14.00N	10	0.12	1.00			4	Y.
7,48,240	2,50,000	18,59,878	10,13,353	17,140	Tandia Brothers Private Ltd.	Nazira	7.50	10	0.75	0.75	1.00		12	Y.
81,97,210	27,39,886	1,62,48,573	1,06,23,096	79,798	Andrew Yule & Co., Ltd.	New Beerbhoom	23.37	10	0.75	1.00	1.50		10	Y.P.
4,00,000	2,83,645	28,54,261	19,79,084	46,803	Octavius Steel & Co., Ltd.	New Manbhoom	15.50	10	0.50	0.50	0.50	1.00	3	Y.
1,15,000 1,57,500	3,24,525	12,96,398	9,60,464	23,053	M.	North West	22.00N 19.50N	10 7.50	1.50 1.12	1.50 1.12	1.00 1.12	0.75 3.00	3	Y.
7,50,000	16,65,465	2,62,536	21,15,096(k)	41,489	P. Prashad, Esq. (Chairman)	Ondal	16.75	10	0.50	0.50	0.70	1.50	12	Y.P.
8,34,000	1,42,527	23,59,267	12,11,236	1,626	Deepchand Kishenlall	Parasea	17.90N	10	0.50	0.50	0.63		12	Y.P.T
15,75,000	22,22,200	76,91,776	47,81,408	14,547	Shaw Wallace & Co., Ltd.	Pench Valley	19.00	10	2.00	2.00	1.00		3	Y.
28,98,500	34,90,302	1,52,74,303	1,09,98,171	3,954	M.	Raneegunge	16.19	10	0.75	1.00	1.00	1.00	3	Y.
18,50,000	6,33,335	42,17,417	33,31,913	84,249	Shaw Wallace & Co., Ltd.	Rewa	27.50	10	1.00	1.00	1.00	1.00	12	Y.
37,50,000	36,62,946	1,06,14,078	91,23,233	—4,330	M.	Samla Collieries	9.00N	10	0.60	0.50	0.70	0.75	12	Y.
12,00,000	2,83,010	22,73,344	7,51,437	2,600	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	180.00	100	9.25	12.50	16.00	..	12	Y.
2,80,000	10,53,520	30,23,230	29,57,034	46,802	Andrew Yule & Co., Ltd.	Seebpore	87.50	7	1.75	1.75	3.00	1.00	12	Y.P.
3,00,000	4,69,848	35,740	13,04,563(k)	1,111	F. W. Heilgers & Co. (Private) Ltd.	Sendra	8.50	10	0.25	Nil	0.25	0.50	12	Y.
62,21,450	1,24,53,755	7,11,84,167	3,19,11,661	90,456	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	11.00	10	1.50	0.75	0.75		12	Y.P.
17,50,000	3,47,303	41,74,967	19,33,899	19,788	Bird & Co., Private Ltd.	South Karanpura	10.51	10	0.75	0.75	0.90		3	Y.
3,00,000	15,46,229	24,83,995(k)	....	24,261	F. W. Heilgers & Co. (Private) Ltd.	Standard	13.90	10	1.00	1.25	1.50		12	Y.
3,50,000	2,31,600	20,49,970	15,40,057	26,484	B. M. Varma, Esq. (Mg. Director)	Union	12.00	10	0.37	0.25	Nil		12	Y.
49,98,000	3,56,533	86,98,251	37,75,682	12,590	Hindustan Investment Corpn. Ltd.	Western Bengal	9.60	10	0.50	0.40	0.40	0.60	3	Y.
7,00,000	....	59,74,151	29,16,909	—4,86,709	Macneill & Barry Ltd.	West Jamuria	6.94	10	Nil	Nil			12	Y.

§.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 27 nP for the year ended 31st March 1956.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. 'C'—On increased Capital.

§§ Investment at cost.

* Includes bonus.

MARKET GOSSIP

(*Concluded from page 827*)

to close down the third and second shifts. Available supplies are said to be sufficient to meet only about 70 per cent of the power requirements.

The present power shortage, which is sure to tell upon industrial production during the year, will have served at least one useful purpose if it drives home to the authorities the need for increasing power production irrespective of whether it is done by the public or the private sector. The Government and the Planning Commission have in the past overestimated the capacity of the public sector to step up power production and have correspondingly underestimated the ability of the private sector. This is clearly borne out by the allocations for power development in the first, second and even third Plans as between the private and public sectors. Thus, while the total outlay on power development in the public sector during the first Plan was of the order of Rs. 260 crores, it was only Rs. 32 crores in the private sector. In the second Plan, while the share of the former was increased to Rs. 410 crores, that of the latter was raised to only Rs. 37 crores. The allocation in the third Plan (Draft) has widened the gap further. Thus, out of a total outlay of Rs. 975 crores envisaged under the Plan, Rs. 925 crores will be in the public sector and a mere Rs. 50 crores in the private sector. The absurdity of this meagre allocation for the private sector, whose actual performance in the field of power development, as in others, has been far better than that of the public sector, has been conceded even by the Ministry of Commerce and Industry which, fortunately, seems to be aware that its efforts to speed up industrial development will come to no purpose, if adequate power is not made available. A revision of the distribution of the Plan provision for power development as between the public and private sectors is called for if the deficiency in power supply is to be removed at least by the end of the third Plan.

Britain and Common Market

As a member of the Commonwealth, India has naturally been evincing keen interest in Britain's economic relationship with the West European nations. The interest has increased lately, thanks to reports emanating from London that Britain has almost decided to become a member or associate of the six-nation European Economic Community (E.E.C.), familiarly known as the Common Market. Although Mr. Reginald Maudling, President of the Board of Trade, denied the reports recently by characterising them as "quite inaccurate," it is believed that practically every one in the British Cabinet has now fully recognised the urgency of securing a solution not merely to the problem of Britain's relations with the Common Market but to the wider issue of European unity, which is threatened by the division between the E.E.C. and the E.F.T.A. (European Free Trade Association). The British Prime Minister and other official spokesmen have, of course, held out the assurance on a number of occasions to the effect that the interests of India and other Commonwealth countries will always be kept in mind, but there are doubts as to how effectively Britain will be able to safeguard these interests when it joins the Common Market. It looks as though the Commonwealth preference will ultimately give way. No system of trade preferences, evolved some thirty years ago, can remain unimpaired, despite the changes that have taken place in the political and economic set-up of the world.

There is no doubt that there are many in Britain who feel that the whole Commonwealth relationship will be imperilled and destroyed, if the Rome Treaty is accepted by Britain without qualification and reservation. Nevertheless, greater stress is being laid on the importance of Britain's relations with Europe rather than on that of Commonwealth relationship, as it is being increasingly felt that the consequences of Britain not joining the Common Market will be far more serious to its economy than the advantages of continued existence of Commonwealth preference. Here is what Mr. Bernard Braine, Parliamentary Under-Secretary of State for Commonwealth Relations, stated in London on 30th April when he addressed the annual conference of the Conservative Commonwealth Council:

"....If we stay out (of the Common Market), our own trade is injured not only by the new tariff discriminations of the Six but far more seriously by the stronger competition of the dynamic group in our traditional markets. If Britain were squeezed out, the capacity to expand her trade and earn a surplus to provide investment capital would be seriously reduced and there might be a decline in Commonwealth trade. It would be ironic, indeed, if our concern for Commonwealth solidarity prevents us from resolving the dilemma in Europe and that, as a consequence, we become so weakened as to be unable to hold the Commonwealth together. Clearly, we cannot allow matters to drift much longer."

Viewed thus, the lead taken by Britain in trying to reach an arrangement between the two European trade groups (E.E.C. and the E.F.T.A.) is understandable. Whether its efforts in the direction will succeed, it is difficult to say, because the problem is very complicated. Three questions stand out. In the first place, will all the E.F.T.A. members agree to Britain joining the C.M.? Secondly, will Britain succeed in devising arrangements to safeguard the privileged position of Commonwealth goods in its markets and continue in some form the official support that British agriculture is now getting? Finally, will these arrangements be such that France will not regard them as incompatible with the membership of the C.M.? For the answers to these questions, one has to await the outcome of the discussions currently going on among the officials of Britain and C.M. nations, as well as the forthcoming inaugural meeting of the newly formed E.F.T.A. Consultative Council scheduled to be held in London on the 9th and 10th inst.

It is not the U.K. and other members of the E.F.T.A. alone that are anxious to bridge the gulf between them and the C.M. countries. The latter also are equally anxious. In its latest annual report submitted to the C.M. Council of Ministers on Wednesday this week, the E.E.C. Monetary Committee has clearly underlined the indispensability of consultations by a body much larger than the C.M. and urges that this should be one of the objectives of the proposed Organisation for Economic Co-operation and Development. The Committee has no doubt expressed satisfaction at the favourable character of the economic expansion of the Six in the past year, the realisation of price stability, and the assurance of reinforced co-operation between the economic and financial policies of its members in a way that is favourable to the realisation of the Rome Treaty's objectives. But, at the same time, it draws attention to the lack of financial balance in dealings with important third-party States which play a fundamental role in the international monetary system. The Committee has accordingly emphasised the necessity for greater policy co-ordination among nations so as to ensure better orientation of capital movements. It is needless to say that such co-ordination can prevail only if the economic integration of the entire Western Europe comes into being, with due recognition of the immense importance of the Commonwealth.

Burmah-Shell's Deal

Burmah-Shell has just concluded a contract—stated to be one of the largest for petroleum products ever concluded in this country—with the Fertiliser Corporation of India (exclusively owned by the Central Government) for the annual supply of 50,000 tons of refinery gas for a minimum period of ten years. The Trombay fertiliser project, which is expected to commence production by the end of 1963 or early in 1964 at the annual rate of about 350,000 tons of fertilisers, will use the refinery gas figuring in the present contract. It is noteworthy that the Burmah-Shell gas will serve as feedstock for the manufacture of nitrogenous fertilisers by a process developed by Shell scientists themselves for production of such fertilisers using *any* petroleum feedstock. Incidentally, this process, making use of any type of petroleum feedstock, provides a solution to the imbalance problem in the oil industry in India. The Shell-Fertiliser Corporation contract which finds an outlet for the refinery gas that can be utilised in the Shell process for the manufacture of nitrogenous fertilisers is a welcome development. This, of course, cannot make up for Shell's disappointment over the refusal of the Government of India to sanction its request for expansion of its refinery capacity.

DEPRECIATION OF MONEY

The table below presents the customary annual review of comparative rates of depreciation of money, in this instance covering 43 countries, 1950-60. The shrinkage of currencies is measured, inversely, by the rise in cost-of-living or consumer price indexes as reported by the various Governments. Year-to-year indexes of living costs for 18 countries are shown in the chart.

The U.S. dollar has been shrinking at an annual rate of 2.1 per cent. Belgium, Germany, and Canada are among the industrial nations experiencing about this same rate of depreciation, one that means a loss of half the value of the currency in 33 years. Upward price pressures were measurably greater in 1950-55, but, since then, have been retarded, in Italy, the Netherlands, Japan, the United Kingdom, and Sweden.

In eight cases, the shrinkage in the value of money exceeded 10 per cent per year compounded, with results of shaving anywhere from two-thirds to 99 per cent of the buying power of the currency unit over the decade.

	Indexes of Value of Money			Annual Rates of Depreciation (Compounded)		
	1950	1955	1960	'50-'55	'55-'60	'50-'60
Philippines	100	104	94	—0.8%	2.1%	0.7%
Ceylon	100	96	93	0.8	0.6	0.7
Portugal	100	101	92	—0.2	1.9	0.9
Guatemala	100	91	91	1.8	0.0	0.9
Switzerland	100	92	87	1.6	1.1	1.4
Ecuador	100	83	84	3.7	—0.2	1.8
Belgium	100	90	83	2.1	1.7	1.9
Germany	100	91	82	1.8	2.2	2.1
India	100	106	81	—1.1	5.1	2.1
Lebanon	100	103	81	—0.6	4.7	2.1
United States	100	90	81	2.1	2.1	2.1
Canada	100	88	80	2.5	1.9	2.2
El Salvador	100	78	77	4.8	0.2	2.5
Pakistan	100	90	75	2.0	3.6	2.8
Italy	100	82	75	3.9	1.8	2.9
Netherlands	100	85	74	3.2	2.6	2.9
Denmark	100	83	71	3.7	3.0	3.3
South Africa	100	79	71	4.6	2.1	3.4
Ireland	100	79	69	4.7	2.5	3.6
Japan	100	74	67	5.8	2.0	3.9
United Kingdom	100	76	67	5.2	2.6	3.9
New Zealand	100	75	65	5.6	2.7	4.2
Norway	100	74	64	5.8	2.8	4.3
Sweden	100	76	64	5.3	3.5	4.4
Spain	100	88	61	2.6	7.1	4.9
Austria	100	67	60	7.8	2.1	5.0
Finland	100	80	58	4.3	6.3	5.3
France	100	76	57	5.3	5.5	5.4
Greece	100	64	57	8.6	2.2	5.4
Australia	100	66	57	8.0	3.0	5.5
Colombia	100	81	52	4.0	8.6	6.3
Iran	100	68	51	7.4	5.7	6.6
Mexico	100	65	49	8.2	5.2	6.8
Peru	100	71	47	6.5	7.8	7.2
Turkey	100	78	41	4.8	12.2	8.6
Israel	100	59	32	16.7	2.9	10.6
China (Taiwan)	100	45	29	14.9	8.8	11.9
Uruguay	100	59	21	10.0	18.4	14.3
Brazil	100	45	15	14.6	20.3	17.5
Argentina	100	44	9	15.3	27.6	21.7
Paraguay	100	14	8	33.0	11.1	22.8
Chile	100	18	5	29.1	26.6	24.4
Bolivia	100	7	1	40.5	34.6	37.4

Note: Depreciation computed from unrounded data and measured by reciprocals of official cost-of-living or consumer price indexes.

—*Extract from the May 1961 issue of Monthly Letter of the First National City Bank.*

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 4th May 1961.

	Closing quotations 27-4-1961	High	Low	Closing quotations 4-5-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	168.00	—	—	168.00
Apollo (2)	1.58	1.60	1.52	1.54
Baroda Rayon (100)	131.00XR	131.50	129.50	131.00
Bombay Dyeing (25)	65.30	65.60	65.10	65.40
Bradbury (50)	122.00	—	—	122.00
Central India (100)	112.00	115.50	110.00	112.50
Century Mills (100)	611.00	623.00	607.00	619.00
Coorla Sp. (100)	135.50	—	—	135.50
Dawn (50)	122.00	123.00	122.00	123.00
Edward Textile (200)	275.00	—	—	275.00
Elphinstone (50)	88.00	89.00	87.00	87.00
Finlay (100)	347.50	335.00	312.00	325.00
Gokak (100)	183.00	187.00	182.50	183.00
Gold Mohur (100)	277.50	276.25	257.50	262.50xd
Gwalior Rayon (10)	45.50	46.00	45.25	45.50
Ind. Untd. Defd. (1)	1.88	2.02	1.86	1.94
Ind. Untd. Ord. (10)	15.56	15.96	15.48	15.56
Indian Rayon (62.50)	64.50	65.50	63.50	63.50
Indore Malwa (100)	145.00	146.00	143.00	146.00
Khatau (100)	531.25	532.50	521.25	522.50
Kohinoor (100)	290.50	303.50	287.50	299.50
Lakshmi (250)	535.00	—	—	535.00
Mafatlal (100)	865.00	885.00	867.50	885.00
Minerva Mills (100)	75.00	—	—	75.00
Model Nagpur (250)	35.00	—	—	35.00
Morarji (100)	355.00	365.00	350.00	357.00
Mysore (50)	67.00	68.00	67.00	68.00
National Rayons (100)	517.50	524.50	513.50	521.00
New City (100)	150.00	—	—	150.00
New Great (100)	210.50	211.00	210.50	211.00
Phœnix (100)	139.50	140.50	139.00	139.00
Podar Mills (100)	148.00	150.50	148.00	149.00
Raymond Woollen (100)	115.00	116.50	114.50	115.00
Sassoon Silk (10)	14.88	—	—	14.88
Sassoon Spg. (10)	50.80	50.80	50.30	50.00
Shrinivas (100)	268.00	269.75	264.00	269.00
Simplex (50)	187.00	188.00	187.00	188.00
Standard (100)	1,486.00	1,520.00	1,480.00	1,487.00
Svadeshi (100)	269.50	271.00	267.00	269.00
Swan (100)	600.00	600.00	595.00	600.00
S. I. Viscose (100)	159.50	161.50	158.50	161.00
Tata Mills (25)	51.00	52.20	50.80	51.00
Vishnu (100)	131.50	132.00	131.50	132.00
Western India (1,000)	3,725.00	—	—	3,725.00
BANKS				
Bank of India (50)	122.50	128.25	122.50	123.25
Do. (New) (50)	125.50	125.50	125.00	125.00
Bank of Baroda (50)	99.30	99.30	99.00	99.00
Central (25)	61.50	62.00	61.50	61.80
Central 'A' (25)	63.00	63.50	63.00	63.50
Dena Bank (50)	58.70	58.70	58.50	58.50
Punjab National (10)	22.00	22.12	22.00	22.00
Union Bank (5)	6.04	6.24	6.04	6.20
United Com. (50)	88.30	88.50	88.00	88.50
ELECTRIC COS.				
Ahmedabad (100)	86.50	86.50	85.00	85.00
Amalgamated (10)	10.12	10.12	9.96	10.04
Andhra Valley (1,000)	995.00	996.25	990.00	992.50
Bom. Sub. El. (100)	87.00	87.00	86.30	86.50
Surat (100)	87.00	—	—	87.00
Tata Hydro (100)	102.50	102.50	102.00	102.50
Tata Power (1,000)	1,025.00	1,031.25	1,020.00	1,027.50
INSURANCE COS.				
British India (10)	12.20	—	—	12.20
Indian Mercantile (20)	48.00	—	—	48.00
New India (15)	60.30	61.50	60.50	61.00
New India 'A' (15)	61.50	62.50	61.00	62.20
Vulcan (10)	15.76	15.80	15.24	15.24
STEEL COS.				
Ind. Iron (10)	27.20	27.80	26.95	27.50
Mukand Iron (10)	28.35	28.50	28.00	28.00
Tata Steel Ord. (75)	148.25	152.00	146.75	150.75
SUGAR COS.				
Belapur (50)	289.00	288.00	285.00	285.50
Bhopal (10)	26.10	—	—	26.10
Changdeo (12.50)	26.00	—	—	26.00
Phaltan (50)	140.50	140.50	139.00	139.50
Walchand Ind. (100)	206.00	205.00	202.00	202.00
CEMENT COS.				
Associated Cts. (100)	157.50	160.50	156.75	158.00
Digvijay (100)	152.50	153.50	152.00	152.25
Orissa (10)	14.60	14.64	14.52	14.56
MISCELLANEOUS				
Alcock Ashdown (100)	322.00	326.00	318.00	328.00
Bom. Burmah (125)	593.50	610.00	595.00	608.00
Do. (New) (50)	208.75	213.75	207.50	213.75
Bn. B. Petrol (1½ sh.)	1.30	1.36	1.30	1.30
Br. I. Corpo. (5)	8.78	8.96	8.72	8.80
Cooper Eng. (100)	164.00XR	166.00	164.00	166.00
Colour Chem. (100)	351.25	355.00	347.50	350.00
Hind Cycle (100)	100.00	—	—	100.00
Hindustan Lever (10)	46.75	47.30	46.75	47.30
Hindustan Motors (10)	20.00	20.36	19.76	19.92
I. C. & Invest. Corporation (100)	85.00	—	—	85.00
Indian Dyestuff (100)	490.00	486.25	480.00	480.00
Indian Copper (2 sh.)	5.40	5.68	5.36	5.52
Ind. Inv. Tr. (100)	81.00	81.00	79.00	79.00
Killicks (100)	100.00	102.00	100.00	100.25
Larsen & Toubro (10)	43.00	43.25	42.25	42.50
Mahindra & Mahindra (10)	20.00	20.24	19.48	19.76
New Central Jute (10)	19.88	—	—	20.36
Polson (100)	177.00	177.00	176.00	177.00
Pre. Automobiles (100)	169.75	172.00	167.25	167.25
Premier Con. (80)	195.50	196.00	191.00	192.50
Scindia (20)	14.24	14.28	14.00	14.08
G. E. Shipping (10)	14.80	14.88	14.76	14.80
Shivrajpur (10)	79.50	83.00	79.00	81.00
Sirpur Paper (10)	17.04	17.12	16.80	16.88
Tata Chemicals (10)	19.32	19.52	19.16	19.16
Tata Locomotive (100)	329.50	332.00	325.00	329.50
Tata Oil (25)	77.00	77.00	75.00	75.00
Tezmaco (10)	20.52	20.64	20.48	20.48
Voltas (100)	275.50	278.00	274.00	275.00
W. I. Match (100)	273.00	275.00	272.50	275.00
W. Coast Paper (100)	202.00	204.00	201.00	203.00

GOVERNMENT SECURITIES	27-4-1961	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	4-5-1961
	Rs.			Rs.
[illegible] 1961	99.50	—	4.20	99.50
[illegible] 1962	98.60	—	3.67	98.60
[illegible] 1976	[illegible]	—	4.23	[illegible]
[illegible] 1964	98.80	—	3.88	98.75
[illegible] 1963-65	98.75	3.50	3.29	98.75
[illegible] 1966-68	95.90	3.83	3.63	95.90
[illegible] 1970-75 1st Ser.	90.90	4.17	[illegible]	90.90
[illegible] 1986 Con. Loan	[illegible]	—	4.07*	[illegible]
[illegible] 1961 N. P. Bonds	100.00	—	3.50	100.00
[illegible] 1964 N. P. Loan	99.95	—	3.51	99.95
[illegible] 1965 N. P. Bonds	99.95	—	3.51	99.95
[illegible] 1962	99.85	—	[illegible]	99.85
[illegible] 1967 N.P. Bonds	98.00	—	[illegible]	98.00
[illegible]	99.70	—	[illegible]	99.70
[illegible] N.P. Bonds	100.75	—	[illegible]	100.75
[illegible] 1969 Loan	95.75	—	3.68	95.70
[illegible] 1968	98.80	—	3.70	98.80
[illegible] N.P. Bonds	100.10	—	3.46	100.10
[illegible] N.P. Bonds	[illegible]	—	[illegible]	[illegible]
[illegible] Loan	[illegible]	—	[illegible]	[illegible]
[illegible] Loan	[illegible]	—	[illegible]	[illegible]
[illegible] 1975 Loan	100.10	—	[illegible]	100.10
[illegible] 1966 Bonds	99.70	—	3.57	99.70
[illegible] Loan	[illegible]	—	[illegible]	[illegible]

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	96.50xd	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	6.00	Dec.	..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	5,00,000	1875	6.00	Mar.	Sep.	89.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-24	6.00	Feb.	Aug.	118.00	100
Deesa Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7.00	July	Apr.	5.60	5
East India Distilleries T.F.C. ..	£200,000	1897	7.00	Jan.	July	18.00	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec.	..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	62.00	100
Pariahpore Co. C.	6,00,000	1922	10.00	Oct.	..	12.00	10
Rameugger Cane T.F.C.	4,00,000	1933-34	6.00	Aug.	..	84.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	61.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	7.40xd	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.C.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	120.50	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	6.50	Oct.	Apr.	79.00	100
Burrakur (1st) T.F.C.	22,89,800	1901-10	7.00	Apr.	Oct.	99.00	100
Do. (2nd) C.	4,50,000	1948	6.00	..	..	7.19	10
Equitable T.F.	4,00,000	1905	6.00	Mar.	Sept.	75.00	100‡
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	56.00	75p.
††Khas Kajora C.	1,93,000	1921	5.00	Mar.	Sept.	7.50	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	11.00	10
Ondal T.F.C.	2,00,000	1896-99	6.00	Apr.	Oct.	80.00	100
COTTON							
Ahmedabad Advance T.F.C. ..	10,00,000	1920	5.00	Apr.	Oct.	77.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	111.64	100
Basanti Cotton T.F.	5,00,000	1922	6.25	Nov.	..	8.28	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	160.00	100
Do. 'B' T.F.	5,00,000	1900	7.00	Feb.	Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	58.50	50
Buckingham & Carnatic C.T.F. ..	21,30,250	1920	7.50	Jan.	July	118.42	100
Cambodias C.T.F.	1,00,000	1920	7.00	Apr.	..	108.00	100
Central India T.F.	50,00,000	1912	8.00	Apr.	Oct.	375.00	400
Century Spg. & Mfg. Co. T. F. R. C.	1,55,00,000	1926	6.00	Dec.	..	109.00	100
Cowasjee Dinshaw C.T.F.	1,00,000	1885	6.50	June	..	85.00xd	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	114.00xd	100
Elgin 'B' T.F.C.	4,30,000	1943	5.00	July	..	7.00xd	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	68.00	100
Kaserain T.F.C.	20,00,000	1919	7.00	June	Dec.	103.50	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	73.00	10
Kothari C.T.F.	15,00,000	1907	6.00	Dec.	..	9.20xd	5
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	10.00N	250
Lakshmi Cotton (Bombay) C. ..	16,00,000	1886	5.00	..	..	157.00	100
Mavarjee Goculdas Spg. & Wvg.T.F.C.	17,25,000	1947	4.50	Jan.	..	64.00	100
Mysore Spg. C.	7,45,250	1944	4.50	..	..	22.76	50
National Rayon C.	1,74,64,700	1947	5.00	..	..	67.50	100
New Great	5,00,000	1913	5.50	Mar.	..	105.00	250
Podar Mills T.F.C.	10,00,000	1943	6.00	Feb.	..	65.00	100
Rajalakshmi C.T.F.	2,00,000	1922	6.50	Apr.	..	47.00xd	50
Shree Niwas Cotton T.F.C.R. ..	4,50,000	1944	6.00	..	..	66.00	100
Shahapoor T.F.C.R.	23,00,000	1943	3.00	..	..	78.25	100
Svadeshi T.F.C.	15,00,000	1925	5.00	Apr.	Oct.	88.00	100
Svadeshi (Kanpur) T.F.C.	25,00,000	1927	6.00	June	..	71.00	100
Travancore Rayon C.T.F.	90,00,000	.....	5.25	May	..	7.05xd	10
Vasanta (1st) C.T.F.	2,00,000	1921	6.50	Apr.	Oct.	93.79	100
Do. (2nd) C.T.F.	1,50,000	1923	6.00	..	..	94.02	100
Vishnu C.	15,00,000	1906	7.00	Apr.	..	382.50	500
ELECTRICS							
Andhra Valley Power Supply C. ..	49,24,000	1917	7.00	May	Nov.	1,065.00	1,000
Amalgamated Electric T.F.C. ..	24,15,000	....	6.00	..	..	78.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(i)	June	Dec.	9.19	£1
Poona Electric C.	4,00,000	1925	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	23,00,000	1940	5.50	Sept.	Dec.	{ 8.10	100
Do. (2nd) C.T.F.	5,00,000	1940	5.50			{ 8.25	10
Surat Electric Co. C.T.F.	5,06,000	1920	6.50	Apr.	..	108.50	100
Tata Hydro Electric Power C. ..	39,23,000	1927	7.00	May	Nov.	101.75	100
Tata Power T.C.	56,97,000	1918	7.50	May	Nov.	1,108.75	1,000
Vellore C.	1,25,000	1923	6.00	Dec.	..	6.38	10
ENGINEERING							
Arthur Butler (Muzaffarpore) T.F.C. ..	1,20,000	1919	7.00	Mar.	..	11.00	10
Burn & Co. Ltd. (1st) T.F.C. ..	15,00,000	1895-98	7.00	Feb.	Aug.	116.00	100
Do. (2nd) T.F.C. ..	15,00,000	1902	6.00	Feb.	Aug.	106.00	101
Indian Iron and Steel Co. Ltd. T.F.C.	2,00,00,400	1936	5.00	..	..	58.00	100
Indian Standard Wagons T.F.C. ..	15,68,500	1918	7.00	June	..	115.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	80.00	100
Kamani Engineering C.R.	15,00,000	1946	7.00	July	..	67.00	100
†††Kamarhatti Engineering T.F.C. ..	12,00,000	1915	4.00	June	Dec.	83.00N	100
Larsen and Toubro Ltd. T.F.R. ..	12,00,000	1946-47-51	5.00	..	..	98.00	100
Mahindra & Mahindra T.F.R.C. ..	25,00,000	1945	6.00	May	..	97.00	100
MacKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	86.00	100
Premier-Construction (1st) C. ..	10,00,000	..	6.25	..	..	76.00	100
Do. do. (2nd) C. ..	15,00,000	1926	6.25	..	..	75.00	100
Do. do. (3rd) C. ..	24,25,000	1947	4.50	..	..	5.16	10
Tata Iron and Steel (1st) C. ..	75,00,000	1908	6.00	Nov.	..	140.00	150
Do. do. (2nd) C. ..	6,96,81,900	1908	7.50	May	..	109.25	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	90.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	85.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	64.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	92.50	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	72.00	100
Do. (2nd) (i) C.	15,00,000	1945	4.00	June	Dec.	60.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	93.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	36.00	25
Belvedere T.F.C.	7,00,000	1906	7.00	Jan.	July	90.00	100
Birla C.	23,54,200	1919	7.50	June	Dec.	90.00	100
Budge-Budge T.F.C.	9,00,000	1864	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1924	6.50	Jan.	July	80.75N	100
Caledonian T.F.C.	10,00,000	1916	7.00	June	Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1922	7.00	Mar.	Sept.	88.00	100
Clive (1st Pref.) T.F.C.	5,00,000	1919	7.00	May	Nov.	67.00	100
Do. (A) (2nd Pref.) T.F.C. ..	5,00,000	1905	7.00	May	Nov.	77.00	100
Dalhousie T.F.C.	15,00,000	1902-12	7.00	May	Nov.	91.00	100
Delta T.F.C.	4,50,000	1897	6.00	June	Dec.	72.00	100
Dumfries T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	85.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	110.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	70.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	110.00	100
Ganges T.F.C.	6,00,000	1916	5.00	June	Dec.	90.00	100
Gouripore T.F.C.	25,00,000	1882-94	6.00	May	Nov.	80.00	100
Hastings T.F.C.	25,00,000	1925	6.00	Mar.	Sept.	82.00	100
Hooghly T.F.	11,75,000	1912	10.00	May	Nov.	10.25	10
Howrah T.F.C.	3,75,000	1920	7.00	May	Nov.	90.00	100
Do. T.F.C. (f)	17,50,000	1902-6	7.00	May	Nov.	90.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	90.00	100
Kamarhatty T.F.C.	16,00,000	1920-24	6.00	Feb.	Aug.	75.00	100
Kankarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	90.50	100

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.00	
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	77.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	89.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	94.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	90.00	100
Do. (B) T.F.C.	10,00,000	....	5.50	Dec.	..	62.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	110.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	78.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	88.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	79.50	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	85.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	104.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	82.25	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	100
Soorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	98.00	£1
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	98.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	100
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	90.00	£1
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	100
Waverley T.F.C. (f)	7,50,000	1913	5.00	Mar.	Sept.	89.00	£1
RAILWAYS STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	50.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.75	£1
Great Eastern Shipping T.F.R.C. ..	25,00,000	1948	5.50	Dec.	..	91.00	100
Indian General Nav. & Rly. C. ..	£244,080	1899	6.00	Mar.	Nov.	77.20	£10
India Steamship (w) T.F.C.R. ..	25,00,000	1928	5.00	..	..	81.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May	Nov.	31.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	102.00	100
Birpara T.F.C.	1,00,000	1900	8.00	Jan.	..	102.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	102.00	100
Glelle C.	2,00,000	1894	6.00	Sept.	..	75.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	105.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	98.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec.	..	89.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	8.00	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan.	July	102.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	91.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	94.00	100
Pussimbling T.F.C.	2,05,000	1916	7.00	Jan.	..	98.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	92.00	100
***Tezpore C.	2,05,000	1902	8.00	Jan.	..	10.50	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May	Nov.	13.25	100
PLANTING							
Be Be Rubber C.	1,48,005	1944	6.25	..	..	2.48	5
Do. R.C.	3,85,570	1944	6.25	..	..	5.71	10
Cochin Malabar C.T.F.	1,13,800	1922	7.00	June	..	51.25	50
Coffee Lands C.T.F.	10,40,800	....	5.00	..	..	75.00	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	58.14	100
Cottanad C.T.F.R.	1,00,000	1927	7.50	Nov.	..	10.12	10
Devon Tea C.T.F.	2,00,000	1930	7.50	July	..	95.00	100
Highland Produce C.T.F.	5,00,000	....	6.00	July	Jan.	7.95	10
Neelavalai C.T.F.	15,00,000	1945	5.00	Jan.	July	9.15	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.80	5
Pullangode C.T.F.	1,50,000	1948	6.00	Mar.	..	8.00xd	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	8.80	10
T. R. & T. Co. C.T.F.	16,00,000	....	6.00	June	Dec.	8.95	10
Waterfalls E.C.T.F.	5,00,000	1943	6.00	Now	..	8.40	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	91.20	100
Do. do. (2nd) T.F.R.C.	5,00,000	..	8.00	June	..	86.00	100
Alkali & Chemicals T.F.C.	21,00,000	1927	5.00	Apr.	..	91.50xd	100
Aluminium Corpn. (1st) C.	20,00,000	1926	7.00(f)	..	..	94.00	100
Andhra Cement C.T.F.	6,45,800	1927	6.00	Feb.	June	100.00	100
Associated Hotels of India C. ..	21,67,000	1916	7.00	Mar.	Sept.	46.00xd	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	13.50	10
Bengal Paper Mill T.F.C.	20,00,000	1926	7.00	Mar.	Sept.	81.00	100
Do. "A" T.F.C.	4,00,000	1933	7.00	Mar.	Sept.	81.00	100
Do. "B" T.R.C.	20,00,000	1948	6.00	..	..	65.00	100
Bengal Timber Trading T.F.C. ..	8,00,000	1956	8.00	Aug.	..	7.75	10
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	14.50xd	10
British Ceylon Corporation C. ..	17,50,000	1913	6.00	Feb.	Aug.	9.00N	10
British India Corporation T.F.C. ..	61,50,000	1920	8.00	Feb.	Aug.	122.00	100
Dalmia Cement (Bharat) C.T.F. ..	61,58,310	1937	6.00(f)	Sept.	..	7.94	10
Dhrangadhra Chemicals T.F.C.R. ..	31,91,900	1956	6.00	..	..	62.00	100
Shree Digvijay Cement T.F.R.C. ..	79,93,275	1956	5.00	..	..	80.50	100
Dunlop Rubber Co. (1st) T.F.C. ..	30,00,000	1936	6.00	June	Dec.	113.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	6.00	..	..	68.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	85.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	49.00	100
Gillanders Arbuthnot(f) R.C. ..	25,00,000	..	5.00	Apr.	Oct.	57.00	100
Hindustan Motors T.F.R.C.	1,00,67,350	1956	6.00	Mar.	..	186.00	100
Himayan Properties T.F.C.	12,00,000	1933	6.00	..	..	7.13	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	88.00	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	71.00	100
Indo-Burma Petroleum C.	60,00,000	1921	7.00	Jan.	July	88.00xd	100
Indian Cable (m) C.	12,87,750	1933	6.00	June	Dec.	34.00	10
India Rubber Mfrs. (n) T.F.C.R. ..	3,25,000	..	5.00	Apr.	..	60.25	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	59.00	100
Kettlewell and Bullen (1st) C. ..	20,00,000	..	5.50	May	..	57.50	100
Do. do. (2nd) T.F.C.	10,00,000	..	4.00	May	..	54.00	100
Kumardhubi Fireclay & Silica C.R. ..	2,00,000	1918	7.00	June	Dec.	88.00N	100
Martin Burn (k) T.F.C.R.	80,00,000	1946	5.00	Apr.	Oct.	86.00	100
McLeod and Co. (1st) C.	10,00,000	1936	5.00	July	Jan.	81.50	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	80.25	100
Metal Box Co. C.R.	80,00,000	..	6.00	..	..	80.00	100
Mettur Chemicals (Old) C.T.F. ..	20,00,000	1908-18	6.00	Feb.	Sept.	9.70	10
Mysore Chemicals Mfrs. C.T.F. ..	40,00,000	1920	6.00	June	..	8.50	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	9.95	10
National Tobacco (Old) (p) T.F.C.R. ..	25,00,000	..	5.50	Mar.	Sept.	75.00	100
Do. do. (New) (q) T.F.C.R. ..	5,00,000	..	4.50	Mar.	Sept.	68.50	100
Orient Paper T.F.C.R.	20,00,000	1956	5.50	Jan.	..	51.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	68.50	100
Rohtas Industries (Old) T.F.C. ..	25,00,000	1936	7.00-9.00	Apr.	..	117.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	56.50	100
†Smith Stanistreet & Co. T.F. ..	5,00,000	1920	10.00	Feb.	Aug.	67.00	50
Spencer & Co. "A" C.	23,25,000	1936	6.50	Jan.	July	8.00	10
Do. "B" C.	36,80,000	1923	8.50	Jan.	July	10.00	10
Standard-Vacuum C.	75,00,000	1955	6.00	June	Dec.	90.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	74.00	100
Tata Chemicals T.F.C.	59,97,000	..	5.00	June	..	83.00	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	59.70	100
Titagar Paper Mills T.F.C.	11,50,000	1926	6.00	Jan.	June	112.50	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	77.50	100

All preference shares are taxable unless otherwise stated.

**These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 5 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. E.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs 105 at any time on 3 months' notice. (h) deemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 mon notice. (j) Redeemable after 28th July 1965 on 6 months' notice. (k) Participating upto 9 per cent. (l) deemable at par after 31st March 1962 on 6 months' notice. (m) Bank rate passes with ordinary shares ordinary shares receive 6 per cent. dividend. (n) Redeemable after 20th December 1954, any time at Rs. 116 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemab par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participa to 9 per cent. (t) Free of Income-tax up to 6 nP. in the £. (u) Redeemable at par on 3 months' notice. (v) Participa on various dates. (w) Redeemable at any time 2 years after the date of issue at a premium of Rs. 10 per s on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. pp—Pa paid.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2614 BOMBAY, 13th MAY 1961 PRICE Rs. 2

A WELCOME CLARIFICATION

THE statement on the role of foreign capital in India's economic development issued by the Government of India last week is more in the nature of an announcement of administrative reform than an expression of official policy on the subject. Even so, it does make a welcome advance on the existing position and also clarifies certain basic issues. Further, there was a danger that, in the absence of an authoritative statement of the Government's attitude towards foreign capital, India's case for a larger inflow of such capital might go by default. After all, there is now a world hunger for capital and nearly all the underdeveloped countries suffer from an acute shortage of capital resources. There is a worldwide race for according favourable treatment to the capital that flows from outside. India should be able to present its case with sufficient clarity in order to induce foreign investors to regard India as a sound investment risk.

India has not been slow to realise the importance of foreign capital, though actions have not always matched official intentions. However, Government spokesmen have nearly always stressed that foreign capital will receive the same treatment as domestic capital, the foreign investor will receive fair compensation in the event of nationalisation and there is no intention to place any restriction on withdrawal of foreign capital investment or remittance of profits. Indeed, the statement issued last week must be regarded as a continuation of the official policy embodied in the Industrial Policy Resolution of 1948, further amplified by the Prime Minister a year later. Mr. Nehru observed in 1949 that "Indian capital needs to be supplemented by foreign capital not only because our national savings will not be enough for the rapid development of the country on the scale we wish but also because in many cases scientific, technical and industrial knowledge and capital equipment can best be secured along with foreign capital." The report on the first Five-year Plan also emphasised that it was "of the highest importance to ensure to the foreign investor prospects of a fairly good return and certainty of fair and equitable treatment," The report went on to observe that, in view of the fact that investment of foreign capital acted as a "catalytic agent" for drawing forth larger resources for domestic investment, it was desirable that such investment should be channelled into fields of high priority. It is against this background that the latest statement deserves to be viewed.

On the purely policy front, there are two aspects of the statement which will strike a student of current economic affairs as particularly significant. In the first place, there is some softening of the rigour of the Government's policy in relation to Schedule A industries—industries which in terms of the Industrial Policy Resolution of 1956 are reserved for the State. The statement points out that, though private capital, foreign or Indian, as a rule is not being allowed in Schedule A industries, exceptions may be made "in special circumstances" where after full consideration this is found to be in the "public interest." In essence, this is a continuation of the realistic change in the Government's attitude towards private capital which has become evident in its policy according concessions to privately-owned collieries. Secondly, the statement observes that, while Indian majority-holding would be generally welcome, the ratio of foreign capital to Indian capital in joint-venture enterprises, the extent of foreign shareholding that is to be permitted in any case, etc., have necessarily to be judged on merits. This judgment, it is stated, [illegible] after evaluating the technical skills offered and after weighing the requirements of foreign exchange for the purchase of equipment from abroad and the desire of Indian collaborators to play an effective part in the company's management. This, again, is a realistic change in the Government's attitude towards foreign capital. After all, it is to be expected that in the initial stages the foreign investor will want to have substantial control over the Indian enterprise in the capital structure of which he participates. However, experience shows that, when he becomes familiar with Indian conditions, he is always prepared to share the ownership of the enterprise with Indians. If he is scared away from initial ownership, it is a distinct loss to the Indian economy.

A welcome improvement in the Government's handling of applications for setting up new enterprises has now been made. The Government has at last realised the importance of having a unified control which will cut red-tape to the minimum. It is now proposed to have a unified agency to co-ordinate all aspects of the major projects in the private sector, such as licensing under the Industries (Regulation and Development) Act, control of capital issues, terms of foreign collaboration and import licensing procedure. By streamlining the administration of these projects, the Government will have rendered a great service in the cause of rapid industrial development. So far as foreign investors are concerned, they are bound to get some real picture of India's needs in the list of industries where, according to the Government, foreign capital will be particularly welcome. It is emphasised that no foreign capital is necessary in banking, insurance, trading and commercial activities and plantations. This negative definition has, however, been supplemented by a positive reference to the fields where foreign capital would be helpful. The list which, it is stated, is illustrative rather than exhaustive, includes: iron and steel castings and forgings; iron and steel pipes; special steels; non-ferrous metals and alloys; boilers and steam generating plants; equipment for transmission and distribution of electricity; furnaces; marine diesel engines; industrial machinery including major items of specialised equipment used in several industries such as equipment required for various unit processes; ball, roller and taper bearings; speed reduction units; machine tools; tractors, earth-moving and construction machinery; plastics; industrial and scientific instruments; fertilisers; organic chemicals, fine chemicals and intermediates; industrial explosives; industrial gases; agricultural chemicals such as insecticides; dyestuffs and drugs, including the production of basic intermediates; newsprint and pulp.

There is no doubt that India has reached a stage where private foreign capital could derive considerable benefit. Social overheads are being fast built up. Indian economy is being strengthened at the base through the creation of several basic facilities. India now possesses a Government that is pledged to uphold the democratic way of life. Moreover, this country represents in economic terms a vast market. It is, however, a pity that, despite these advantages, this country has not yet been able to attract a larger inflow of foreign capital. By the end of 1959, total private capital investment in India aggregated Rs. 611 crores, as against Rs. 571 crores a year earlier. The net inflow of private foreign capital was only of the order of Rs. 1.7 crore in 1958, as against Rs. 16.8 crores in 1957 and Rs. 24.70 crores in 1956. If allowance is made for the somewhat abnormal outflow of petroleum investment in 1958—this outflow has been estimated at Rs. 24.4 crores—that year's figure would, however, be considerably higher. Even so, the net inflow is insufficient to make any great impact on our economy. It has been estimated that the total foreign exchange deficit during India's second Five-year Plan was Rs. 1,600 crores, of which Rs. 1,340 crores or about 84 per cent was met by official or institutional foreign loans. If this proportion continues into the third Plan, the estimated deficit of Rs. 2,600 crores will be met to the extent of Rs. 2,184 crores, leaving a gap of over Rs. 400 crores to be filled in by private foreign investment. Indeed, the gap may be even wider if foreign assistance is not available in the proportion in which it was available in the second Plan. In the context of this broad assessment of India's foreign capital needs, the present rate of inflow of private foreign capital is certainly very low.

It is greatly to be hoped that the statement will induce those foreign investors who are still sitting on the fence to jump boldly into the Indian economic arena. Their courage is bound to be rewarded in the end. However, it is up to the Government to see that the statement is followed by further official action. There is scope for reducing the burden of taxation on companies other than those which have made arrangements for distribution of dividends in India. Again, no time should be lost in concluding agreements with foreign countries for avoiding double taxation. It is true that India has concluded such agreements with a large number of countries including Norway, Denmark, West Germany and Japan. It is necessary to conclude similar agreements with other foreign countries. Further, the tax structure should be streamlined in order to ensure that foreign capital feels that it is really wanted in this country.

Contents

	Page
LEADING ARTICLES—	
A Welcome Clarification	881
Maintenance Imports	881
Asian Textile Exports	882
MARKET GOSSIP	883
ROUND THE EXCHANGES	884
NEWS IN BRIEF	885
PERSONAL	885
THIS WEEK'S SURVEY	886
SPECIAL FEATURES—	
London Letter	883
On the Arena	888
Delhi Letter	889
Manchester Letter	892
Mills *Versus* Powerlooms	892
International Textile Competition ...	893-894
Compilation of Industrial Statistics—II	902
American Letter	904
L. I. C. and Stock Exchange	910
CHAIRMEN'S SPEECHES—	
Shreeniwas Cotton Mills Ltd.	899
Central Bank of India Ltd.	906
Andhra Bank Ltd.	919
MONEY AND BANKING	890
COTTON	896
ENGINEERING	908
NEW PRODUCTS AND PROCESSES	909
COMPANY MATTERS	912-916
MARKET REPORTS	920-921
MISCELLANEOUS STATISTICAL INFORMATION	922
WEEK'S STOCK EXCHANGE TRADE	923

MAINTENANCE IMPORTS

INDIA'S requirements of 'maintenance' imports, as distinct from 'development' imports, in the third Plan period are going to be substantially more than what have been estimated in the Draft Outline. Such imports should be about Rs. 850 crores per annum, as compared with an annual average of Rs. 714 crores assumed in the Draft Outline, to allow industrial capacity to be more fully utilised. In reaching this conclusion, the British economist, Sir Donald MacDougall, who was associated with

the Planning Commission's Import-Export Working Group, is stated to be in broad agreement with the Group. His comprehensive paper on the balance of payments question, which has been drawn up from the long-term perspective of the fourth and fifth Plans, has also an immediate relevance for its emphasis on more maintenance imports "which could make possible an increase in production several times as great in value." This confident conclusion is based on his study of manufacturing capacity which in a number of industries is now under-utilised in varying degree.

The major findings of this study are that as many as 36 out of 94 industries working on single-shift basis utilised in 1959-60 only 60 per cent of their capacity or less and that a substantial part of the unused capacity undoubtedly reflects shortage of imported materials, components, spare parts and replacements, that is, of maintenance imports. The figures worked out by him tell their own story:

Production as per cent of capacity	No. of industries working on basis of 2 or 3 shifts	No. of industries working on basis of single shift
Over 150	1	4
„ 100 but not over 150 ..	7	16
„ 90 „ 100 ..	4	7
„ 80 „ 90 ..	7	10
„ 70 „ 80 ..	4	6
„ 60 „ 70 ..	..	15
„ 50 „ 60 ..	..	10
„ 40 „ 50 ..	2	15
„ 30 „ 40 ..	2	11
Total ..	27	94

Sir Donald has, of course, recognised that there may be reasons other than shortage of foreign exchange for this state of affairs. Inevitable teething troubles of new factories, short runs and breakdowns even in established factories, installation of capacities in excess of current needs, over-estimation of demand in some cases, and so on are other such reasons. But, by and large, it is the inadequacy of maintenance imports that seems to be responsible for the present under-utilisation of capacities particularly in industries using steel, non-ferrous metals, wood-pulp, rubber, and intermediates for certain chemicals and drugs. It is, again, in the light of this finding that the British economist has reached the conclusion that additional maintenance materials to the value of Rs. 100 crores per annum could be usefully imported to meet industry's requirements. Such additional imports, given the present level of demand for industrial goods, might increase production by anything from 15 per cent to 20 per cent, or by several times the value of the increase in imports. Over the entire third Plan period, therefore, the required increase in maintenance imports may be of the order of Rs. 500 crores. But this, of course, does not seem to cover the additional import needs that may arise from additional capacity and production planned for the third Plan period even after making allowance for the large increase planned in import-saving production which would also cover substitute indigenous materials to replace some maintenance imports. If the aggregate figure of Rs. 850 crores per annum estimated by Sir Donald for maintenance imports were to be raised to even Rs. 900 crores, it would not be wide of the mark. It would be prudent to overestimate slightly rather than to underestimate substantially in this regard and to proceed on that basis to ask for more aid to cover the additional requirements of maintenance imports as distinct from development imports.

In the ultimate analysis, the problem of maintenance imports can be permanently solved only by an increase in exports. The need for a vigorous export drive has, therefore, come in for greater emphasis and more exhaustive treatment in Sir Donald MacDougall's paper. It would not be impossible, in his view, for this country to achieve an expansion in the exports of even the three staples—tea, jute and cotton textiles—and in those of iron ore, coffee, fish, vegetable oils, etc. His view that, "if Indian products are to compete abroad without prohibitive subsidies, it is essential to go all out for maximum economic efficiency and large-scale plants, even if this means less regional dispersal of industry, more concentration of economic power and some apparent loss of employment opportunities" would need to be heavily underlined in this context. This journal, which has been pleading for some such approach, has no hesitation in subscribing to this practical view so very happily expressed by the British economist.

The implications of this view in respect of individual export commodities can also be easily figured out. In the field of jute, for instance, it would involve rapid modernisation of both spinning and weaving sections. The cotton mill industry, too, would need to be not only modernised in the same manner but released from the restrictions placed on it in the supposed interests of the handloom industry. Perhaps this kind of approach would apply equally well to leather and vegetable oil industries and to a wide range of newer industries. But it is by no means clear that there is any very great scope for restraining home demand of tea, for instance. If at all any expansion in tea exports can be brought about, it may be through appropriate measures for making it more competitive in terms of prices in foreign markets. This reasoning will apply to a wide range of products which are being manufactured for the first time in the country. A combination of measures such as drawbacks of customs and excise duties, lower prices for steel used in the manufacture of export products, additional excises on home sales and remission of taxes on exporters' profits has been suggested by Sir Donald in this connection. These measures could be a better substitute for any possible devaluation which would have widespread undesirable effects. If devaluation is not to be thought of at any time for the purpose of export promotion, the aid-giving nations would also do well to refrain from restricting imports of manufactures from India. That this approach should be adopted by the Western countries towards our textile exports to them is the theme of the next article.

ASIAN TEXTILE EXPORTS

EVEN when there were general discussions among British millowners on the possibilities of voluntary limitation by India, Pakistan and Hong Kong of their cotton textile exports to the U.K., this journal had expressed the apprehension that such a move might prompt other textile importing countries also to clamour for similar restrictions. That this apprehension was by no means exaggerated has been proved by subsequent events. Soon after the conclusion of ceiling agreements between Britain and the three exporting countries concerned, many in Western Europe began advocating limitation of textile imports. Actually, the Common Market announced sometime in 1959 that it was considering a proposal to impose a blanket ban on imports of grey cotton piecegoods from Asian, South American and Communist regions into its member-countries and their overseas dependencies. This move was followed by the plea of Canadian and U.S. textile industries for mandatory controls on textile imports. A U.S. Cabinet Committee also recently recommended import curbs. Although the American President has rejected this recommendation, it would appear that he favours voluntary ceiling agreements instead. It is, perhaps, to explore the possibility of negotiating such agreements that Mr. Kennedy has decided to convene a conference of the textile importing and exporting countries.

Meanwhile, opinion is reported to be gaining ground among textile circles in Honk Kong that limitations on exports to Britain should be abandoned after the current three-year voluntary agreement expires in February 1962. A declaration to this effect was in fact made in London the other day by Mr. P. J. Griffiths on behalf of the Hong Kong Spinners' Association, the Federation of Hong Kong Cotton Weavers and the Hong Kong Weaving Mills Association which together represent mills that account for about 90 per cent of cotton cloth shipments to Britain. If Hong Kong sticks to its current stand, the U.K.'s export ceiling agreements with India and Pakistan, it may be reasonably expected, should not also be renewed after the period covered by the agreements ends. For it will be recalled that India and Pakistan agreed to voluntary limitation of their textile exports only after Hong Kong had agreed to similar limitation. After all, India is as anxious as—in fact more anxious than—Hong Kong to step up exports of cotton textiles to Britain and other countries. But it is strange that the millowners in this country have not been bestirred by Hong Kong's move to terminate its ceiling pact with Britain after February 1962. Surely, the time has arrived for opposing the continuance of voluntary agreements to limit the textile exports of India and of any other Asian countries to the industrially advanced nations in the West.

For their part, the Western nations would do better to withstand competition from imported textiles through improvement in the efficiency of their own manufacture and through reduction of prices. It would be better still if the e countries, the cotton mills of which are functioning very largely on the basis of raw cotton imported from abroad, were to concentrate their attention more on other industries and provide an outlet for the textiles produced in the developing countries which possess the requisite raw cotton supply, manpower and other advantages. In that event, the developing countries would be able to utilise a large part of the foreign exchange earnings from textiles for the import of more machinery and equipment produced in the Western countries. If, however, the Western countries are in no mood to welcome that alternative, they should at least have the courage to own that textile imports into them have not had any serious impact on production and employment in their own cotton industry.

Any move on the part of the industrially advanced countries to get the developing countries of Asia to limit their textile exports may only have the effect of buttressing the uneconomic and inefficient manufacturers in both the exporting and importing countries. In any case, such a move is fraught with the danger of forcing the underdeveloped countries to trade more and more with Russia and other Communist countries. So, even from the political angle, what the Western countries want to do is unwise. Again, the argument that import restrictions are necessary because labour in Asian and other underdeveloped countries is cheap is untenable. For the general level of wages in a particular country usually depends, as Prof. Irving B. Kravis of Pennsylvania University very forcefully highlighted sometime ago, on how much the labour in that country can produce. The countries which enjoy high productivity per worker tend to have high income standards, while, conversely, countries where the average worker's output is low, tend to be low-income countries. It is the labour cost per unit of output and not the general level of wages that should be compared in calculating competitive advantages. On such a comparison, it will be seen that cotton mill labour in India is no longer cheap. The countries which possess natural advantages to produce cotton textiles must, therefore, be allowed to develop and step up their exports. After all, the countries in the West must recognise that the great value and the main justification for world trade lie in the fact that certain industries are able to produce at relatively lower costs in certain countries because of such advantages.

If, however, the Western countries fear that the conditions in their textile industry cannot at all be improved unless there is some understanding on the issue of imports, then the quotas for the exporting countries must at least be fixed on a realistic basis. This aspect has to be specially stressed because the annual quota fixed under the Lancashire—Hong Kong pact for this tiny island of a bare 391 square miles with a population of no more than 2.75 million is as much as 164 million square yards, whereas the quota fixed for India which is several thousand times bigger in size than Hong Kong and has a population of 438 million is only 174 million square yards. In allocating quotas to India and Hong Kong, no account has been taken of their respective productive capacities either. Why should Hong Kong, one would ask, continue to concentrate heavily on the cotton textile industry when there are so many other industries which can be established in the Colony? Moreover, Hong Kong does not grow any cotton at all. As it is, the cotton mills in this Colony are faced with the problem of securing a continuous supply of raw cotton to keep themselves going, for it is said that, at the moment, Hong Kong can obtain supplies only from Pakistan. Another relevant fact in this connection is that a sizable part of the cotton goods exported by Hong Kong represents goods imported from China and Japan and processed within the Colony.

To sum up, India can agree, if at all, to any scheme of voluntary textile export regulation on a worldwide basis only if all the other exporting countries undertake to abide by the scheme. The quota allocated to India must be a reasonable one, due account being taken of the pressing foreign exchange needs of the country in the coming years. And the licensing of exports should be done in India and not in importing countries as is being done in Britain at present.

MARKET GOSSIP

Needs of Shipping Industry

AT the annual general meeting of the Indian National Steamship Owners' Association, held at Bombay on Thursday this week, Mr. Vikramsinh Shoorji Vallabhdass, President, dealt comprehensively with the problems of the shipping industry. Some of these problems are sought to be solved by the Government, though not to the entire satisfaction of the industry. For instance, the grant of development rebate by the Finance Ministry to the extent of 40 per cent of the purchase price of ships, though welcome, does not go far enough. Although it is claimed to be modelled on what obtains in the U.K., there is some vital difference which is forgotten. For the position in the U.K. is that the development rebate granted is unconditional, whereas in India the shipping companies are required to set aside from their profits at the end of the year 75 per cent of the amount claimable as rebate. How this approach of the Government adds in a way to the difficulties of the shipping industry is better said in the I.N.S.O.A. President's own words:

"A fairly modern built cargo steamer of 10,000 to 12,000 tons deadweight costs about one crore and forty lakhs of rupees to the shipping company in these days and, if Rs. 42 lakhs have to be set aside in the very first year out of the development rebate of Rs. 56 lakhs claimable on the new acquisition, the directors of the company naturally find it difficult to face the shareholders of the company at the annual general meeting, as practically nothing is left for distribution as dividend on the investments of shareholders. In the present depressed state of the freight market, the position becomes much more embarrassing, and earnings from other vessels are also absorbed. This also acts as a deterrent in the way of modernisation and expansion of Indian owned tonnage."

The I.N.S.O.A. President's suggestion, therefore, is that, following the U.K. practice, the statutory requirement of providing the full development rebate reserve in the year in which the ship is acquired should not be insisted upon. In the alternative, the requirement could at least be relaxed so as to allow the reserve being spread over a period of six to eight years. It is regrettable that this plea has been rejected by the Union Finance Minister, Mr. Morarji Desai, while addressing the I.N.S.O.A. meeting, presumably on the ground that a comparison with the U.K. is not quite proper.

It is no less regrettable that the Finance Minister has chosen to dismiss another reasonable plea made on behalf of the shipping industry. This plea is to the effect that in the repair yards at Bombay and Calcutta, which the Government of India has acquired from foreign owners, the costs of repair work should be cut down or, in the alternative, subsidised. There is nothing unreasonable in this plea, for the yards in the U.K. and the Continent complete repairs and overhauling of a ship in about half the time taken by the yards in India and at about half the charges levied here. Indian shipping companies, which have to face intense international competition, have to bear the additional burden of excessive expenses over repairs, overhauling and survey of their vessels. If the Government expects the shipping companies to entrust repairs of their merchant ships to Indian repair yards, it should also see its way to reduce the costs of such work and the time taken for it.

The Indian shipping industry may, however, derive some comfort from the Finance Minister's general, though vague, assurances in respect of two other requirements. That the Government is keeping an open mind on the National Shipping Board's demand for an outlay of Rs. 118 crores on shipping in the third Plan period, as against the Planning Commission's allocation of Rs. 55 crores, therefor, is a welcome piece of news. It may be recalled in this connection that only last week the Informal Consultative Committee of M.Ps attached to the Union Ministry of Transport and Communications was told that the allocation of Rs. 55 crores for shipping in the third Plan was final. Now that Mr. Morarji Desai has said that the question of allocating larger funds for the expansion of shipping is under the Government's active consideration, the industry may well look forward to a fairer deal. The Finance Minister's statement that the Government has also under consideration the question of extending the duration of loans given to shipping companies should be equally gratifying to the industry. There is, *prima facie*, some reason to believe that the Finance Minister, who has otherwise bluntly dismissed the I.N.S.O.A.'s pleas in respect of development rebate, cost of ship repairs, etc., may have in mind to provide satisfaction and relief to the industry in other ways. It is to be hoped that this inference will not be belied.

Bank Credit

Both Mr. Homi Mody (Chairman of Central Bank) and Mr. Sivarama Prasad Bahadur (Chairman of Andhra Bank) covered more or less similar ground in their speeches at the annual meetings of the respective Banks. They referred in particular to the measures taken by the Reserve Bank to curb an undue expansion of credit and sought to stress that the effect of these measures had rather been disquieting. Mr. Mody was very candid in his remarks. Indeed, he warned: "The fact that the general price level continued to rise in spite of the measures adopted by the Central banking authority should serve as a timely reminder to the Government that, if they wished to maintain price stability, which is an essential prerequisite for the success of any Plan, they should not fight shy of shedding their doctrinaire attitudes and of adopting a more realistic fiscal and economic policy." On his part, Mr. Sivarama Prasad Bahadur declared that the credit control measures weakened the gilt-edged market and made it difficult for banks to meet the growing needs of an expanding economy; it also led to the diversion of resources from organised banking to unorganised markets to the detriment of banking economy.

May be, the dear money policy of the Reserve Bank has slowed down the pace of bank advances, but it would be wrong to say that the policy is not justified. For it is only such a policy that will, provided, of course, it is used judiciously, reduce demand for credit for non-productive purposes like speculation on stock exchanges and commodity markets, thereby exercising a downward pull on inflationary pressures. As we emphasised in these columns last week, unless money conditions are tight, it will not be possible to induce economy and efficiency in the use of capital. But it must also be admitted that the theory of dear money should not be extended too far to overlook the need for meeting the expanding financial requirements of the industrial and business communities as the pace of economic development gets accelerated. Even under conditions of tight money, the banks will not find it difficult to satisfy their clients' demand for funds if they make earnest attempts to gather resources which otherwise find an outlet into the unorganised banking sector. One of the most effective ways of gathering resources is fixation of interest rates on deposits at sufficiently attractive levels, accompanied by steps to open more branches, especially in the rural areas, and improve the banking services. In this task, the banks must be helped by the Reserve Bank in the form of more liberal lending under the bill market scheme and by the Government through tax concessions.

Mills' Federation Buys Cotton!

Traders in cotton are intrigued at the reported move of the Indian Cotton Mills' Federation to purchase selected varieties of cotton such as Vijay, Kalyan and Surti grown in Gujarat. While speculation about the probable size and range of future purchases by the Federation has been rife for some time now, the Federation has maintained a studied silence. The Committee of the Federation did state in the Press note issued after its last meeting on 26th April that the Federation would support the market if deemed necessary. But it did not throw any light on other details. All that it said was merely this: "The Committee of the Federation decided that a close watch should be kept on the present cotton situation and, whenever needed, the Federation should support the market by making judicious purchases so that the interest of the agriculturists could be safeguarded."

It may be noted in this connection that the cotton growers and co-operative societies of Gujarat recently made representations to the Government for remedial measures to relieve the situation created by heavy accumulations of stocks and decline in prices. They complained of slow offtake of cotton by mills and the consequent difficulty of marketing the crop. The State's Minister for Agriculture had urged the Centre to compel all mills in India to purchase 25 per cent of their quota from Gujarat or, in the alternative, to release an export quota for Wagad and Kalyan cotton. Acting, perhaps, on this suggestion, the Centre announced an export quota for 50,000 bales of 23/32" cotton; both Wagad and Kalyan qualify for export under this quota. Even so, the Federation might have feared that the Government would compel mills to lift the stocks that remain unsold with growers. The fear, it would appear, prompted the Federation to enter the market to purchase cotton.

The Federation's move has not been welcomed not only by traders but also by some millowners themselves who fear that bulk buying by the Federation will disrupt the normal trade channels and ultimately render the marketing of the crop more difficult. Many questions are being raised in trade circles about the implications of the move. Will the Federation, it is asked, for instance, confine its purchase only to Gujarat cotton or will it be prepared to step in wherever stocks accumulate and prices fall? Accumulation of stocks, it is pointed out, is not confined to Gujarat region alone. In several parts of Andhra Pradesh, too, stocks of short-staple cotton are reported to be mounting. Even if the Federation is prepared to buy cotton from all distressed areas, how long will it be able to do so and how will it dispose of the cotton so purchased?

Quite apart from the propriety or otherwise of a body like the Indian Cotton Mills' Federation directly operating in the market, there is the pertinent question whether such a policy is the best solution to the problem of mounting stocks and falling prices. If the decline in prices is due to better crop this season, it is not advisable to prevent prices from finding the level warranted by the supply and demand position. If, however, the decline is due to a temporary slackening of mill demand, the Government can certainly help growers and co-operatives societies to hold on till demand revives.

W. Germany Cuts Bank Rate Again

For some months, the West German Treasury and the Bundesbank were pulling in different directions over the question as to what should be done to stem the continued considerable inflow of foreign funds. The Treasury was all along opposing any revision in Bank rate, while the President of the Bundesbank, Herr Karl Blessing, was advocating a further reduction in the Bank rate from 3½ per cent, to which level it was brought down

(Continued on page 924)

LONDON LETTER

U.K.'S FINANCES 1961-62

(From Our Own Correspondent)

LONDON, *5th May*

NOW that the various excitements over the Budget have died down, it is worthwhile taking a look at the domestic financial picture that the Chancellor's statement presented. It is natural to concentrate, as indeed the Chancellor did himself, on the external position of the U.K., but, at the same time, it would be to underestimate Britain's financial strength, if one ignored the picture which the financial accounts of the country show.

First then, what happened in the year which has just closed? The income-tax and the other duties such as surtax, death duties, profits tax—all of which are very small in relation to the income-tax—produced a total of £3,212 million or well over half the national revenue. It is a tribute to the manner in which the Treasury is able to forecast the income accurately that this total falls short of the Budget estimate by only £61 million, or 2 per cent. Indirect taxation through customs and excise brought in £2,516 million, a shortfall of only £6 million on the estimates. Allowing for minor miscellaneous items (which, however, netted more than £20 million over the estimate), the grand total of the State's revenue was £5,934 million, or £46 million less than had been estimated in the previous budget.

On the expenditure side, the surplus of the national debt and other similar payments cost the country £798 million. Then come the enormous defence budgets totalling between them £1,596 million. Nearly half of this total is absorbed by the Airarm. The Army comes next, and the Navy nowadays comes at the bottom of the list.

The civil votes, that is, the cost of the health services, education, the various subsidies to agriculture, the general cost of Government administration at home and abroad and so forth, all these amounted to £3,393 million. These figures give a grand total of expenditure of £5,787 million which was £111 million in excess of the estimates. It is interesting to note, however, that the excesses accrued on the civil expenditure side and the defence or war votes actually absorbed less money than originally estimated.

Handsome Surplus

Thus the Government ended the year with a surplus of £147 million and, although this was only about half what had been estimated, it represents an entirely healthy position. The Chancellor of the Exchequer in modern times does not stop at this point. He looks at what are called "below the line" payments, that is, loans which the Government makes to other bodies and which are intended, in due course, to be repaid. But, since these loans do represent money being paid out if the loans made are in excess of loans being repaid, then the Chancellor argues that he is pumping money into the economy and stimulating inflation. In the year just closed, the Government paid out £969 million and received back £428 million, thus giving an excess of payments of £541 million. Taking away from this the surplus on the ordinary budget, the Chancellor remarks with despair in his eyes that the country has spent nearly £400 million more than it has received. At this stage he turns with fortitude to make his proposals for the future. For 1961-62, he estimates that revenue will rise—direct taxes up to £3,598 million, indirect taxes to £2,665 million, and the total revenue will reach £6,508 million which is nearly £600 million more than the previous year. Expenditure, he estimates, will also rise. The debt services up to £615 million, defence to £1,656 million, civil votes to £3,831 million—a total of £6,002 million or more than £200 million than the year before. But it will be noticed that he has budgetted for a handsome surplus of £506 million.

But alas, the look of despair never leaves the Chancellor's eyes, for he sees all the surplus being dissipated in an excess of loans. These are estimated to total £1,089 million for the coming year, while receipts may be £514 million. The difference, it will be noted, more than absorbs the budget surplus. And, though the deficit for which the Chancellor will have to borrow money is as small as £69 million, it is enough to make him caution continued restraint.—*All Rights Reserved.*

EQUITIES REACT AT CLOSE

STEELS SUBDUED

(From Our Own Correspondents)

BOMBAY, *11th May*

THE share market had a short week of only four trading days during the week, as it remained closed on Saturday (succeeding day of the account period ending) and Monday (*Rabindranath Tagore Jayanti*). Equities tended to ease on Friday, the opening day of the week, thanks to lack of support due to end-of-account consideration and fears of higher contango charges. The contango charges fixed on Friday, however, turned out to be lower and no change was effected in the list of shares for which special deposit havala rates were applicable. The new account opened on Tuesday (Monday being a holiday), therefore, witnessed a sharp rise in values. Sentiment was also favourably influenced by the Reserve Bank's latest survey of trends in company finances which strengthened optimism regarding the outlook for corporate earnings. The recovery in values gathered further momentum on Wednesday. But today the market again developed a sagging tendency. There was profit-taking as well as stale liquidation prompted by lower advices from Calcutta. Consequently, a part of the earlier gains was erased. Today's closing rates are generally higher than those prevailing last week, with the exception of steels which showed a net decline.

Steel shares began the week on subdued note following the news that Tata Iron and Steel Company's production during April was lower than in the previous month; the Indian Iron and Steel Company had already reported lower production for the month. They, however, attracted support after the new account opened on Tuesday and firmed up. This trend was reversed in today's trading. Tata Steels, after declining from Rs. 150.75 to Rs. 150 on Friday, recovered to Rs. 152.75 on Tuesday, but receded in subsequent sessions and closed at Rs. 150.50 today. The net loss over the week was 25 nP. Indian Irons receded from Rs. 27.50 to Rs. 27.45 on Friday and, after rising to Rs. 27.60 on Wednesday, relapsed to Rs. 27.20 today, showing a net loss of 30 nP over the week. Mukand Irons, however, attracted special support and gained 25 nP to Rs. 28.25.

Textiles were a firm feature, thanks to dividend hopes and better working results reported by a number of mills. Kohinoors forged ahead from Rs. 299.50 to Rs. 318.50 yesterday. At this level, large-scale profit-taking set in and the rate moved down to Rs. 307.50 today. The net gain over the week was Rs. 8. Centurys too attracted support and were quoted at Rs. 618.50 *ex-div.*, as against Rs. 619 *cum-div.* and Finlays at Rs. 316 *ex-div.* as against Rs. 332.10 *cum-div.* Khataus improved by Rs. 6.25 to Rs. 528.75. Morarjees strengthened by Rs. 4 to Rs. 361. Standards advanced by Rs. 27 to Rs. 1,514. Shree Niwas hardened by Rs. 3 to Rs. 270, following the Chairman's reference to the modernisation programme at the annual meeting held this week. Dividend hopes imparted strength to Tata Mills and Svadeshis, the former hardened by Rs. 2.50 to Rs. 53.50 and the latter by Re. 1 to Rs. 270. Gokaks put on a rupee to Rs. 184. Podars and Elphinstones were steady at Rs. 149 and Rs. 87 respectively, same as last week. But Bombay Dyeings were done at Rs. 63.50 *ex-div.*, as compared with Rs. 65.40 *cum-div.* last week. Simplex lost a rupee at Rs. 187 and Minervas were marked down by Rs. 5.50 to Rs. 69.50.

Cement shares were steady. A.C.Cs moved between Rs. 157.75 and Rs. 160.25 before winding up the week at Rs. 158, unchanged from last week. Digvijays attracted buyers and improved by Rs. 1.75 to Rs. 154. Orissa Cements were, however, a shade easy at Rs. 14.52.

Sugar shares were quoted higher. Belapurs spurted from Rs. 285.50 last week-end to Rs. 290.50 yesterday on keen bidding but receded to Rs. 287 today. The net gain over the week is Re. 1.50. Walchandnagars picked up Re. 1 to Rs. 203. Maharashtra Sugars rose by 20 nP, today's rate being Rs. 185.50 *ex-div.*, as against Rs. 200.00 *cum-div.* last week.

In the shipping group, Scindias attracted support on expectations of Government help to the industry and improved by 44 nP to Rs. 14.52. Great Easterns were steady at Rs. 14.80. Among automobiles, Premiers gathered 25 nP to Rs. 167.50. Hindustan Motors improved by 36 nP to Rs. 20.28.

Rayon shares presented a mixed pattern. National Rayons rallied from Rs. 521 last week-end to Rs. 534.50. Subsequently, they encountered selling and receded to Rs. 528 today. The net gain over the week was Rs. 7. Gwalior Rayons hardened by Rs. 4 to Rs. 49.50. South India Viscose firmed up by a rupee to Rs. 162. But Baroda Rayons receded by Rs. 2.50 to Rs. 128.50 and Indian Rayons by 50 nP to Rs. 63.

Dyes and chemicals staged a smart rally on sustained buying. Indian Dyestuffs shot up by Rs. 35 to Rs. 515. Dharamsis (old) advanced by Rs. 28.75 to Rs. 302.50 on rumours of a right issue. Colour Chems put on Rs. 10 to Rs. 360. Polychems hardened by Rs. 2.50 to Rs. 227.50. Amar Dyes picked up Re. 1.25 to Rs. 382.50. Alembics, however, receded by Rs 3.75 to Rs. 261.25 and Citrics by Re. 1 to Rs. 55.50.

Selected engineering shares met with support. Telcos moved up from Rs. 329 to Rs. 336, before receding to Rs. 331 today, showing a net gain of Re. 1.50 over the week. Cooper Engineerings advanced by Rs. 3.50 to Rs. 169.50. Premier Constructions were better by Re. 1.95 at Rs. 185 *ex-div.* Larsen and Toubros hardened by 75 nP to Rs. 43.25. New Standards (new) were quoted a rupee higher at Rs. 180.50. Asian Cables put on 50 nP at Rs. 109. Mahindras were unchanged at Rs. 19.76. McKenzies fell by Rs. 3 to Rs. 125. Alcock Ashdowns, however, eased by Rs. 2 to Rs. 321. Texmacos shed 36 nP to Rs. 20.12. Kamanis softened by 8 nP to Rs. 17.

Among miscellaneous industrials, Bombay Burmahs attracted good attention of operators and firmed up from Rs. 602.50 at the beginning of the week to Rs. 620.50 today. Profit-taking ensued at this level and the scrip declined to Rs. 612. The net gain over the week was Rs. 9. Jayant Papers advanced by Rs. 5.50 to Rs. 66. Killicks improved by Rs. 3.75 to Rs. 100.50 *ex-div.* Ceat Tyres gathered Rs. 2.50 to Rs. 185. Premier Tyres were a shade better at Rs. 104.50, as against Rs. 104 last week. West Coast Papers rose by 50 nP to Rs. 203.50 and Mandya Papers by 64 nP to Rs. 9.12. Hindustan Levers, however, eased by 30 nP to Rs. 47. Indian Investment Trusts were neglected at Rs. 79 as also Polsons at Rs. 177.

* * * *

Calcutta Stock Exchange

CALCUTTA, *10th May*

Interest displayed on the Stock Exchange during the week under review was at a low ebb and prices eased. There was less enthusiasm for speculative scrips, and it was apparent that investors, after the hectic activities of recent weeks, were taking a holiday. Indeed, there was no selling pressure, and no nervousness was displayed by the weak holders. Thus, the technical position should be considered good, and confidence as to the future underlined the absence of bearish activity. Weaker Bombay advices in the wake of lower Tisco production in April and the likely delay in regard to a final decision on steel retention prices for 1960-62 aided a wait-and-see attitude on the part of Calcutta operators too. Despite Bombay reports, it was hoped that the Government would soon come to a decision, without which closing of accounts for the year ended March last would present difficulties. The possibility of other aid-giving countries, the U. S. A. in particular, following U. K.'s example in giving India loan on liberal repayment and servicing terms, was being watched.

* * * *

Madras Stock Exchange

MADRAS, *10th May*

Barring plantation shares which ruled easy, the Stock Exchange depicted a fully steady trend during the week under review. There was revival of investment buying on a wide front. Operators widely welcomed the Central Government's move to streamline the existing procedures for foreign collaboration in industrial undertakings. Textiles came in for enlarged enquiries on hopes of bright prospects for the development of the industry, particularly in view of the comfortable raw cotton supply position. Despite reports of accumulation of stocks, sugar scrips ruled firm. In sympathy with the general trend, banks and electricals were also fully maintained. Miscellaneous shares put on a cheerful appearance, coal and power shortage in the region notwithstanding. Teas, coffees and rubbers were all subdued.

In the textile section, Balasubramania 'B's advanced by Rs. 7 to Rs. 125, 'A' shares being firm at Rs. 76. The Directors of the Company have maintained the dividend for 1960 at the previous year's level of 15 per cent, taxable. Lakshmis spurted by Rs. 2 to Rs. 161 *ex-div.* Coimbatore Cottons hardened by a like amount to Rs. 164. Travancore Rayons gathered 85 nP to Rs. 38.60 on speculative support. Adonis and Janardanas picked up 5 nP each to Rs. 10.75 and Rs. 13.05, respectively. Maduras closed at the last week's level of Rs. 35.90, after fluctuating between Rs. 36 and Rs. 35.80. Bangalore Woollens and Buckinghams were firm, the former at Rs. 200 and the latter at Rs. 213, as also Coimbatore Pioneers at Rs. 350.

Among sugars, Cauverys evoked good demand and rose by Rs. 2 to Rs. 132. East India Distilleries put on 14 nP to Rs. 43.70. Deccans gathered 7 nP to Rs. 13.80 *ex-div.* United Breweries were fancied at Rs. 115.50, Mysores at Rs. 59, Indias at Rs. 12.90 and Travancores at Rs. 10.60. Kirlampudis were unchanged at Rs. 77.50. The Company has passed over the dividend for the year ended June 1960 as in the previous year.

Planting shares, as stated at the outset, were easy. Among teas, United Nilgiris fell by 50 nP to Rs. 24.25. Haileyburias moved down by 25 nP to Rs. 14.50. Neelamalais shed 5 nP to Rs. 4.45. Blue Mountains closed lower by a naya paisa at Rs. 3.07, after moving both ways between Rs. 3.05 and Rs. 3.10. Periakaramalais were dull at Rs. 3.98, as also Devasholas at Rs. 30.30 and Parksides at Rs. 28.47. Peermades were unchanged at Rs. 23.30. The Directors of the Company have declared a final dividend of 15 per cent, taxable, making a total of 22½ per cent, taxable, for 1960, same as last year. Coorgs, however, hardened by 10 nP to Rs. 5.70. A dividend of 20 per cent, taxable (same as last year) has been proposed for the year ended March 1961. Chembras were higher by 3 nP at Rs. 3.83. As for coffees, Coffee Lands suffered a loss of 50 nP, today's closing rate being Rs. 18.50. Amalgamateds declined by 25 nP to Rs. 12.50. Consolidated Coffees eased by 20 nP to Rs. 22.50. Anaparais lost 8 nP to Rs. 4.42. Mysores were unchanged at Rs. 5.55. In the rubber group, Midlands dropped 5 nP to Rs. 11.50 and Cochin Malabars 4 nP to Rs. 7.67. T.R. and Ts shed 2 nP to Rs. 9.43. Travancores were firm in view of the higher dividend of 13 per cent, taxable, recommended for 1960 which compares with 10 per cent for 1959. Highlands were quoted at Rs. 16, Anandams at Rs. 14.37. Nenmenys at Rs. 20.65 and Thamarapallys at Rs. 28.

Among miscellaneous industrials, Aluminium Industries gathered 30 nP to Rs. 23.10. In the cement group, Dalmias rose by 10 nP to Rs. 12.05 *cum-div.* The Directors of the Company have maintained the dividend for 1960 at the previous year's level of 12 per cent, taxable. Andhras were steady at Rs. 6.05 *cum-div.* The Company has announced a dividend of 10 per cent, taxable, for 1960, same as that paid in 1959. Indias were unaltered at Rs. 9.05. Among chemicals, F.A.C.Ts improved by 5 nP to Rs. 10.45. Mysore Fertilisers were firm at Rs 11.25 and Mettur Chemicals at Rs. 14.12. Mysore Chemicals, however, shed 35 nP to Rs. 24.65. Among others, Ashok Leylands rose by 10 nP to Rs. 9.20. The Directors of the Company have maintained the dividend at 8 per cent for 1960. Spencers were well sought after at Rs. 24.25 on the announcement of an interim dividend of 6 per cent, taxable, for the year June 1961.

RECLAIM RUBBER

The consumption of reclaim rubber, that is, rubber produced from scrap, has shown notable expansion in a number of highly advanced countries. As compounding the reclaim is a comparatively easy process, the cost of production is lower than that of natural rubber. The reclaim rubber is stated to have higher processability with the result that in the U. S. A. and Japan such rubber is consumed to the extent of 65 per cent of the total rubber used. About 50 per cent of the output of reclaim rubber is used in tyre manufacturing and automotive industries. Another noteworthy feature of reclaim rubber is that its demand is highly stable. Even when the price of natural rubber in the U. S. was as low as $0.034 per lb., the share of reclaim in rubber consumption amounted to 60 per cent.

Even in our own country, the demand for reclaim rubber is progressively rising. The demand for reclaim went up from 3,837 tons in 1957 to 5,600 tons in 1960 and the whole of this demand is met by importing the reclaim. The main users in India are the manufacturers of battery containers and electric cables. Tyre manufacturers and several other producers of rubber articles also employ reclaim rubber. It is understood that certain articles can wholly be made from reclaim rubber in a more economical way.

The Development Wing of the Ministry of Commerce and Industry has, therefore, rightly decided to encourage indigenous enterprises in this field as it is calculated to reduce the draft on foreign exchange.

In view of the technical advantages of reclaim rubber and the growing demand for it within the country, the news that the Indian Rubber Regenerating Company, Ltd., a Kamani enterprise, proposes to set up a factory for the manufacture of reclaim rubber, for the first time in India, should be welcome. The Company, it is learnt, is established under the chairmanship of Mr. K. M. Philip, the promoter and director of the Madras Rubber Factory Limited, and is expected to enter the market with an offer of Rs. 17.15 lakhs for public subscription some time early next month. The Company has also secured a loan of Rs. 17 lakhs from the I.C.I.C.I. which will provide the required foreign exchange. The Company, it is further learnt, is likely to go into commission by the middle of 1 with an installed capacity of 2,400 tons in the 1 year on single-shift basis.

Personalised

SERVICE

With specialised knowledge acquired through long experience, the Punjab National Bank is in a unique position to-day to be of positive help in providing PERSONALISED SERVICE.

EVERY DESCRIPTION OF BANKING BUSINESS IS UNDERTAKEN.

THE PUNJAB NATIONAL BANK LTD.

Established 1895
Head Office : New Delhi.

NEWS IN BRIEF

THE number of tourists who visited India in 1960 was 123,095 as compared with 109,464 in 1959.

The Employees Provident Funds Act, 1952, will be extended to the starch industry with effect from the 31st inst. The Act, applied only to six industries initially, now covers 47 industries.

Air-India International inaugurated its jet service to Nairobi with the Boeing 707 on the 4th inst. Air-India will now operate a weekly jet service between Nairobi and Bombay via Aden. In 1962, it will step up its services to two flights a week to Nairobi.

The sugar factories in Bihar State have agreed to implement the recommendations of the Central Wage Board. The increased rates of wages as well as arrears will be paid to permanent workers by 15th June and to seasonal workers by 15th July next.

The installed capacity for power generation in the country at the end of the second Plan (31st March 1961) was higher at 4.68 million kw., as against 2.69 million kw. in the beginning, according to the Informal Consultative Committee of the Ministry of Irrigation and Power. The installed capacity in the beginning of the first Plan was only 1.71 million kw.

The Export Risk Insurance Corporation has announced a new scheme of covering the risk involved in the manufacturers' supplying goods to shippers on credit terms. During the first four months of 1961 the Corporation issued 95 policies with a maximum liability of Rs. 2.34 crores, as against 82 policies of Rs. 1.67 crores in the same period last year.

A nine-man team representing the automobile ancillary industry is expected to visit Japan, W. Germany, the U.S.A. and other countries early next month to study the latest developments in the industry. The team will specially examine the relationship that exists between vehicle manufacturers and ancillary producers in regard to the supply of original equipment and distribution of products in the replacement market. It will also explore the ways of improving the quality of the industry's products.

Three pilot projects each with ten co-operative joint or collective farming societies will be started in the districts of Tirunelveli, Madurai and Ramanathapuram of Madras State during the current year. These projects form part of the third Plan programme of organising 12 projects with a total of 120 societies. A provision of Rs. 6.8 lakhs has been made for financing them in the form of loans and subsidies to societies in project areas on a fifty-fifty basis except for irrigation facilities for which the subsidy is limited to 25 per cent.

The Oil and Natural Gas Commission proposes to start trial production of crude oil at a rate of approximately 1,500 tons per day from Ankleshwar oilfield only towards the end of 1961. Pending the establishment of a refinery in Gujarat, it is proposed to transport this crude to the Bombay refineries. Negotiations in this connection are in progress between the Commission and the private sector refineries. The possibility of utilising Cambay crude by the industries in Ahmedabad and Baroda as fuel is also being considered.

A deal for the construction of an aluminium smelter at Mettur in Madras has been finalised between the Madras Aluminium Company and the Italian firm of Montecatini. The Madras Aluminium Company will give $2.52 million in share certificates to the Italian firm—$945,000 in equity shares for technical know-how, $840,000 for engineering fees and $735,000 for the cost of foreign experts and contractors' agencies engaged in construction, supervision and other services. A sum of $315,000 will also be made available in rupees for out-of-pocket expenditure for Montecatini personnel in India.

The Union Deputy Minister of Finance, Mr. B. R. Bhagat, stated in the Lok Sabha on the 4th inst. that the Government was aware that several new company issues had been oversubscribed but all that the Government had no information if some of the promoters sent applications for such shares themselves in various names. Replying to a question, the Minister pointed out that, during the boom period of 1960, some new shares were quoted in high premia, but this feature was no longer very prominent. The number and volume of new shares had grown substantially in recent months and this fact had a generally stabilising effect on the prices of new shares. The Government, he added, was continually watching the trends and would take suitable measures, as and when necessary, to arrest unhealthy tendencies.

The Government of India has decided to give prizes and certificates of merit to the best family planning clinics and family welfare workers in the country. Three prizes—first, second and third—in the form of *Tambra Patra* with a small replica for retention by the winners, will be awarded to (a) urban clinics, (b) rural clinics and (c) local bodies in the city and the rural areas in which they are located. A certificate of merit will be given to each member of the staff of the units. Certificates of merit will also be given to the next six best clinics in urban areas and the next six in rural areas. The awards will be made on an all-India basis and the assessment of the work of the clinics in the first instance will be made by the State Governments. The awards will be given commencing from 1961. The award of prizes at the State level may be decided by the State Governments.

Several applications, including those from major producers, for setting up units for manufacture of special alloy steels are under consideration and a decision in the matter is likely to be taken shortly, according to Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel. The capacity already existing or licensed in the country for steels with a minimum of chromium, nickel, molybdenum and other alloying elements which required specialist plant is about 10,000 tons. It is estimated that the requirements will be about 200,000 tons per year by the end of the third Plan. As it takes some time for production to come upto capacity, it is proposed to licence capacity necessary to produce initially 200,000 tons a year. The Central Alloy Steel Plant will contribute about 50,000 tons and the ordnance factories will make available another 35,000 tons.

* * * *

From Abroad

The South African Bank rate has been raised from 4½ per cent to 5 per cent with effect from the 4th inst.

The World Bank has given a loan of $80 million to the Japanese National Railways for the new Tokaido Line to link Tokyo with Osaka via Yokohama, Nagoya and Kyobo.

Honduras has entered into a standby arrangement with the International Monetary Fund which authorises drawings equivalent to $7.5 million from the Fund over the next twelve months.

Britain has ratified the 21-nation Organisation for Economic Co-operation and Development. It is the third country to do so after Canada and the U.S. The new body is expected to come into being in September next.

A Bill seeking to raise the minimum wage of the U.S. worker from $1 to $1.25 an hour has been passed by the Congress. The Bill, which will be effective from 1963 onwards, covers in all 24 million workers.

The United Arab Republic will obtain a credit of £20 million from the private British firm of C. Tennant Sons and Co. This bears interest of 5 per cent and will be utilised for implementing the capital projects under its Five-year plan.

The Argentine Chamber of Deputies has approved of a treaty under which the Government gives U.S. private investors guarantees against eventual inconvertibility. The treaty, however, offers no redress against confiscations, nationalisation and expropriations.

The production of motor vehicles in Europe is estimated to be 9.5 million by 1965 when the demand will be 8 million, according to the Economic Commission for Europe. Production is expected to grow from 2 million to 3 million in West Germany, from 1.8 million to 3 million in Britain, from 1.3 million to 1.8 million in France and from 700,000 to 1.5 million in Italy.

China will purchase 136.70 million bushels of wheat and 46.70 million bushels of barley worth about $362.00 million from Canada over a period of 2½ years commencing from 1st June next. The purchase is in addition to the $10 million worth wheat and barley bought earlier this year and 2.20 million bushels of wheat worth $3.70 million purchased for shipment during March and May.

A new Bill laying down certain rules for the "social control" of banks and other financial institutions has been passed by the Odelsting division of the Norwegian Storting (Parliament). The Bill imposes a compulsory obligation on such institutions to co-operate in the implementation of the financial policy laid down by the constitutional authorities, empowers local councils to appoint one-quarter of the board of representatives of savings banks and vests similar authority in the Government in respect of merchant banks with deposits exceeding £5 million.

The U.S. Agriculture Department has announced relaxation of restrictions in barter programme rules with a view to reducing the dollar outflow in overseas Government procurement. Accordingly, the barter contractors who help procure materials for the Federal Agencies may now export Commodity Credit Corporation farm products to certain countries without any bilateral or multilateral arrangements. They will also be no longer required to specify the contracted country and commodity at the time of contract commitment.

PERSONAL

MR. Harry Routh, Chief General Manager of the Eagle Star Insurance Co. Ltd., will be retiring with effect from 31st July next, after having served the Company for forty years.

Mr. J. C. Mathur, Director-General, All India Radio, assumed charge as Joint Secretary in the Ministry of Information and Broadcasting in addition to his present duties on 6th May.

Mr. Ernest R. Breech has been elected Chairman of the Board of Trans World Airlines *vice* Mr. Warren Lee Pierson, who has decided to retire. Mr. Floyd D. Hall, Vice-President and General Transportation Manager, has been elected a new member of the Board.

Mr. G. L. Mehta has been re-elected Chairman of the reconstituted National Shipping Board for a period of two years with effect from 1st May 1961. Mr. S. K. Venkatachalam is the Member-Secretary of the Board. Mrs Sumati Morarjee, Dr. A. Ramaswami Mudaliar, Mr. Vasant J. Sheth and Mr. Damodar Mathuradas Ashar represent the shipowners, while Mr. Babubhai M. Chinai represents the trade.

Sir Saville Garner, British High Commissioner in Canada, who is to succeed Sir Alexander Clutterbuck as Permanent Under-Secretary of State at the Commonwealth Relations Office, has begun a tour of Commonwealth countries before he takes office at the end of the year. Sir Saville has left London for Australia and New Zealand. Later this year, he plans to visit Commonwealth countries in Asia and Africa.

Mr. R. W. Westbrook, Managing Director of The Metal Box Company of India Ltd. since 1958, has left for the U. K. on retirement from the Company after serving for over 25 years. Mr. Westbrook is succeeded as Managing Director by Mr. H. K. S. Lindsay, who joined the Company in 1937. Mr. Lindsay was appointed Commercial Director of Metal Box in 1951 and Deputy Managing Director in 1959.

A PROFITABLE INVESTMENT

If you want a trouble-free and lucrative investment, please deposit your money in any of our branches for a fixed period of 5 years —

INTEREST AT THE RATE OF

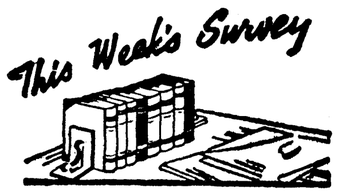
5%

per annum will be paid to you half-yearly

G. S. SUNDARAM *Secretary*

THE INDIAN BANK LIMITED

REGD. OFFICE :
INDIAN CHAMBER BUILDINGS, MADRAS-1



BUREAUCRATIC DELAYS

THE finding of the Organisation and Methods Division of the Union Cabinet Secretariat that 40 per cent of the time of senior and intermediate level officials is taken up by meetings and conferences has come as a very big surprise to nobody. For it has only confirmed the doubt in the public mind whether the countless official meetings that it reads about in the daily Press are all absolutely necessary. The proliferation of meetings since Independence has been so amazing that one has begun to wonder whether one is living in an age of administration by bureaucratic meetings. The O. & M. Division's estimate of the time taken up by meetings is, on its own admission, an underestimate. It is a fair assumption to regard that, on an average, half the time of senior and middle level officials is spent in attending departmental and other meetings. Appropriately enough the O. & M. Division has suggested, in its sixth annual report presented to Parliament, that it is desirable to investigate the time, content and cost of meetings to ensure that the meetings themselves do not become a new red-tape leading to increase in costs and disproportionate waste of effort. Equally welcome is its decision to include, in its programme of work for 1960-61, a further investigation of this question. The type of subjects discussed at the meetings, the number and quality of the personnel present, their co-efficient of participation and the results achieved are some aspects which could be studied with a view to finding out if it is possible to reduce the cost in terms of executive time spent on meetings. It may be of interest to recall here that the Kennedy Administration in the United States, faced with an almost identical problem, has done away with a number of departmental committees so as to quicken the pace of administrative decision-taking.

The heavy accumulation of pending cases, which the Division has noticed, is, in part at least, the result of officials keeping themselves away from their desks. The External Affairs Ministry, for instance, had, at the end of 1960, the largest number of pending cases. And what is worse still, the number of pending cases in this Ministry has been steadily increasing year after year in the past few years. From 564 at the end of 1958, the number of pending cases increased to 631 in 1959 and 684 in 1960. This trend is not confined to the External Affairs Ministry. The figures show a consistent rise in the case of the Ministries of Scientific Research and Cultural Affairs, Defence, Commerce and Industry, Education and Community Development. On the last day of 1960 the Scientific Research and Cultural Affairs Ministry had 205 cases pending for over two years, as compared with 180 in 1959 and 100 in 1958. The Defence Ministry had an accumulation of 114 cases, Commerce and Industry 104, Education 68 and Community Development 13.

The O. & M. Division has done well to suggest that all departments, which have direct contacts with the public, should prescribe and widely advertise a voluntary time limit within which applications would be disposed of. Such time limit as would appear unreasonable should be studied by the O. & M. staff to explore the scope for improvement. The prescription of a time limit for the disposal of cases alone is not sufficient. Some kind of punishment, whether voluntary or compulsory, of Ministries or Departments, which do not come up to the mark, may also be necessary if the fixation of the time limit is to serve any purpose.

HANDLOOMS

The Government of India has decided to continue its policy of encouraging co-operative organisations in the handloom sector by giving financial and other assistance during the third Plan period. This decision is in pursuance of the recommendation made by the Working Group on Handloom Industry appointed in 1959. The Government has also accepted in principle the Group's suggestions for strengthening the share capital structure of existing co-operative societies, reviving dormant societies, and providing adequate and competent managerial staff. The details regarding the implementation of these suggestions are under examination.

From the brief version of the Government resolution published in the daily Press, it is evident that the Government has disagreed with at least one major recommendation of the Working Group, that pertaining to the rebate on sales of handloom cloth. While the Government concedes the fact that such rebates have greatly contributed to the sale of handloom cloth and that they must be continued for some time, it has very pertinently stressed that the rebates cannot continue as a permanent form of subsidy to the industry. The Group's plea for the grant of rebates as permanent subsidy to the industry is, to say the least, unreasonable. None will deny the importance of assistance to the handloom industry. But a policy which seeks to put a premium on inefficiency by penalising the more efficient units for propping up the inefficient ones will spell disaster to both in the long run. The very structure of the handloom industry is defective. Since it is labour-intensive in character, the earnings of persons who are engaged in it are low. The level of earnings can be raised only if the production operations are mechanised through conversion of handlooms into powerlooms and not by official spoon-feeding. It is regrettable that the Working Group has failed to emphasise this aspect in its report and that the Government's resolution is also conspicuously silent on the issue.

ECONOMIC ASSISTANCE BY BRITAIN

Two very recent developments in the United Kingdom are broadly in keeping with the renewed emphasis that is being laid in the West on the need for more massive and effective aid to the developing countries in different ways. In the first place, the Technical Co-operation Bill which is now before the British Parliament is a commendable step in the direction of streamlining the present machinery so as to provide more effective technical assistance as distinct from government-to-government capital aid. The purpose of this Bill is to create a new department, under a Minister of State, in the U. K. Government for taking over the entire responsibility for provision of technical aid to other and less well developed countries—a responsibility now discharged in a rather uncoordinated manner by a variety of administrative channels. It is noteworthy that the proposed new department, with a staff of about 1,000 and disposing of a budget of £30 million, is intended to serve as the main channel not only for dealing direct with the countries needing technical help but also for dealing through international organisations, especially the United Nations and its affiliated agencies. Since the basis of technical co-operation continues, by and large, to be bilateral despite the growing tendency towards groups for aid purposes like the Colombo Plan and the Special Commonwealth African Assistance Plan, a high-level administrative machinery is certainly called for if Britain is to respond effectively to calls for its assistance. The Bill seeking to set up such a kind of machinery is happily assured of early passage in Parliament, thanks to the welcome accorded to it by the Labour Opposition.

The other development, which is equally salutary, pertains to the interest taken by the British Institute of Management in the industrial growth of developing countries. At the recent conference convened by the Institute, the emphasis was vigorously laid on the need for increased British investment in the less developed countries of the world. The aim of the conference, in which several eminent British businessmen participated, was to set up a framework of reference for further study and discussions on how to increase the flow of U. K. investment abroad. The conference also considered how British companies could further pool their resources and experience in overseas development and help the poorer countries. That they will do still better in this field in the years to come may be reasonably foreseen. Already the Colonial Development Corporation has on hand 91 projects in 26 countries at a cost of £108 million. And total private U. K. investment in all countries is currently estimated to be running at an annual rate of £300 million, half of it in British territories. It is increasingly clear that British investors and entrepreneurs with their unique experience of overseas investment going back hundreds of years, are ready to offer themselves wherever the call for development comes ugently from newly emancipated or only now awakening countries. It would appear that greater interest might be displayed in the United Kingdom in the possibilities of private capital investment abroad as distinct from government-to-government capital aid. At the same time, it is reasonably certain that the British Government will play the part expected of it in the emerging pattern of aid on the basis of partnership among the advanced countries through the Organisation for Economic Co-operation and Development and otherwise—a pattern that is assiduously sought to be evolved by the Kennedy Administration.

TOBACCO

Tobacco is one of India's leading traditional export commodities. Earnings from the export of unmanufactured tobacco amounted to Rs. 14.63 crores in 1960, as against Rs. 12.85 crores in 1959. Still there is no room for complacency on the export front, for there is growing competition in this commodity in world markets. Unless, therefore, India makes efforts to improve the quality of its product and rationalise the marketing practices, it will be difficult to maintain, if not expand, its export outlets in the years to come. It is gratifying that the Estimates Committee of the Lok Sabha, in its report on the working of the Indian Central Tobacco Committee, Madras, has drawn pointed attention to the problems of and prospects for tobacco exports. The main functions of the I.C.T.C., it may be noted here, are to assist in the development of production and marketing of and research in different kinds of tobacco and its products.

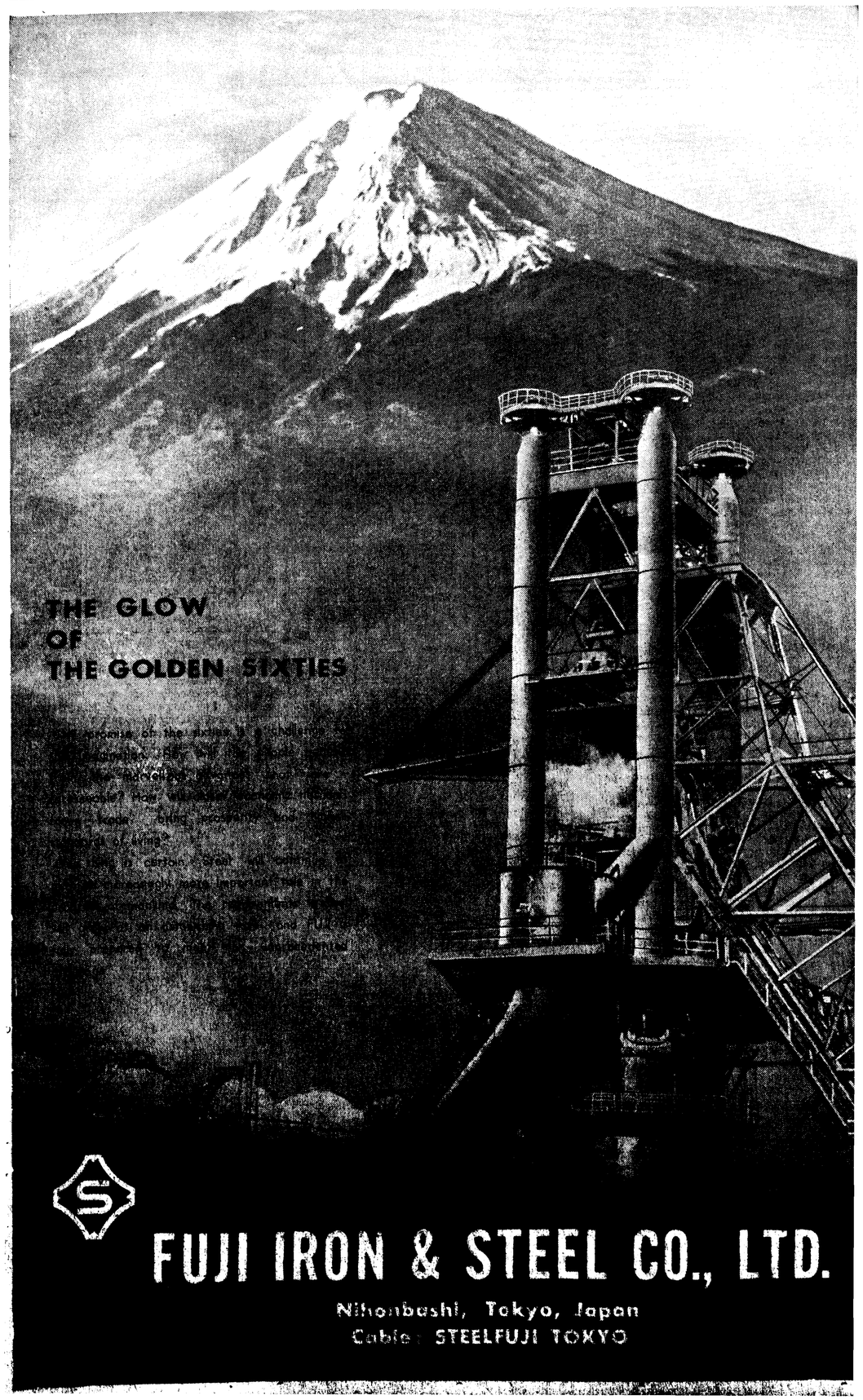
The Estimates Committee has pointed out that although the functions entrusted to it include marketing, the I.C.T.C. has been paying attention to the agricultural aspect only. Even in the limited sphere of improving quality, the I.C.T.C. does not seem to have made any perceptible progress. There is no evidence that the quality of tobacco production has improved to the point of giving increasing returns to the growers. In respect of yield per acre, too, the improvement has been only marginal. In fact, the yield per acre has generally been declining since 1953-54, with a pronounced fall in 1956-57 and 1957-58. Subsequently, there has been some progress as is shown in the table below:

	Area in '000 acres	Production in million lbs.	Yield per acre lbs.
1953-54	912	600	658
1954-55	856	562	657
1955-56	1,013	668	659
1956-57	1,029	659	640
1957-58	872	531	609
1958-59	896	589	658
1959-60	934	629	673

The I.C.T.C., no doubt, has embarked on several research schemes aimed at improving the quality and yield per acre without increasing the acreage under tobacco so as not to affect food production. Although India is one of the world's largest producers of tobacco, a substantial part of this is composed of inferior varieties Cigarette manufacturers depend on imports for superior grades of virginia variety. It is, therefore, expected that the I.C.T.C., through its research progammes, will be able to popularise production of superior grades of virginia in India. This will not only bring down imports of tobacco and encourage the indigenous manufacture of superior grades for cigarettes, but also stimulate overseas demand for Indian tobacco.

Side by side with improving quality, the system of marketing should be reorganised to meet the new challenges in world markets. There is much room for improvement in the existing system of marketing of tobacco in India. The Estimates Committee has observed that there is severe competition among tobacco exporters in this country resulting in unhealthy market practices, such as undercutting of prices, which are injurious to the trade. In Andhra Pradesh, the major tobacco producing State, there are a number of tobacco associations competing among themselves. Naturally, foreign importers take full advantage of the internecine competition in India. This point has been stressed in particular by the Estimates Committee in its report on the Directorate of Marketing and Inspection of the Union Ministry of Food and Agriculture. The Committee has suggested the formation of a single apex body, called Tobacco Board, on the lines of the Tea and Coffee Boards to look after the interests of tobacco exports. If there is not enough justification for a separate Board for tobacco alone, the Committee is of the opinion that the question of having a composite Board for tobacco and certain other commodities [illegible]

(Continued on page 888)



ON THE ARENA

By The Archer

Superb Virtuosity?

PROMINENT publicity was given last week by newspapers to a P.T.I. news item concerning an "antidote to red-tape devised by the Organisation and Methods Division, namely, red ink." It is stated that the sixth report of the Division, presented to Parliament on behalf of the Prime Minister, said that the procedure of initialling notes in red ink in respect of cases submitted after seven days by dealing assistants and clerks was introduced in a Government office in Calcutta about two years ago; this had resulted in cases being dealt with more promptly by the employees who wanted to prove that they were not less efficient than their colleagues. I wonder if all the publicity was in genuine admiration of the superb virtuosity of the O. & M. Division or in cynical derision of their scheme, as if to say, So what? It could well be the latter! Indeed, anyone who has read Charles Dickens' *Little Dorrit* is sure to be reminded of the "Circumlocution Office" where each person tries to shuffle off every act to someone else, and before anything is done it has to pass through so many departments and so much time elapses that it is hardly worth having bothered about it. It is a matter of common knowledge that much of the activity among assistants and clerks in our governmental administrative offices consists in the art of perceiving how not to do it, whatever was to be done. The traditional test of hard work and efficiency in a Government employee is how good he is at finding a difficulty for every possible solution, not a solution for every difficulty. And, when occasionally some solution is found, it is invariably because a rare type of head of the office says, with some daring (*a la* Mr. Adlai Stevenson): "Gentlemen, these are the conclusions which I have reached, so let us now find arguments for supporting them."

Lest it be said that I am unduly critical, let me draw attention to the procedure in Government offices (admitted by the O. & M. Division) that attention to references invariably emanates from below and takes the form of elaborate notings. When they finally reach the boss they are only *initialled* by him, and the implied assumption is that by the time a file travels to the top the concerned case is so severely tied up into knots that an alternative decision to the one suggested seems well-nigh impossible. The boss can only express chagrin at the delay (if any) by using his red ink pen. What the O. & M. Division has, perhaps, failed to foresee is the fact that it is far more easy and quicker to prepare notes denying the possibility of a solution to a difficulty or expeditious disposal of a case for sanction than to suggest a way out or quick execution. So that, in the race for securing black ink initials (as against red ink stigmas) the winners, or most of them, may only be adopting the easy way of saying "nothing doing" in a majority of cases. Initialling should therefore be a simple matter of routine, the boss being careful to use the appropriate ball pen for the purpose. There is, of course, the danger that concentration may be diverted from assimilating the content of the notings to calculating the retention period of the file and reaching a decision on the colour of the ink to use for initialling. But this is a calculated risk which may not vitiate the pace of disposals.

In business houses and banks 'cases' are dealt with in the reverse direction, the boss noting the decisions in a few words on the concerned references, and the assistants merely drafting appropriate replies in proper language. The use of coloured inks, each colour indicating a degree of appreciation or depreciation is not the practice, a frown from the boss is enough to send cold shivers down the spine, and a memo inserted in the service file with particulars of the misdemeanour has to be reckoned with at the time of promotion or preferment. (The O. & M. Division of Government will, no doubt, look down on these practices with horror.) A recital of what happened in a bank a few years ago may be of interest in this context. A letter was received from an upcountry agent asking for instructions in a routine matter, the letter was of a kind that should not have been written, it was much too elementary. The General Manager who saw it first wrote on it one word: "Fool"—and initialled it. The Deputy G.M. who saw it next added the phrase "I think so too," and initialled it. The Superintendent of Branches finally noted "Tell him so," and initialled it. The letter was before the Secretary who drafted all important letters, and he was very worried; drafting a letter to a senior branch agent telling him that he was considered to be a fool was not an easy exercise. But it had to be done, for that was the decision. Eventually it was done, only it took an extra ten minutes of thought. The letter was worded thus: "Your attention is invited to the note below paragraph—of Chapter—of the Bank's book of instructions, which we consider to be fool proof." The letter was duly initialled by the two intermediate bosses and signed by the General Manager, and every one was supremely happy at the good effort.

* * * *

Oh, For Some Tank Wagons!

It is reported that the Railway Board informed the Ministry of Steel, Mines and Fuel that it would need eighteen months' notice to manufacture the required number of tank wagons to move crude oil from Ankleshwar to the refineries in Bombay of the order of 500,000 tons annually or about 1,500 tons daily. The Oil and Natural Gas Commission has planned to undertake oil production towards the end of this year and has been negotiating with the Burmah-Shell and Stanvac refineries on this basis, but has been told by the Railway Board that notice of their intention having been received by it only about a month ago, it was not possible to get through the manufacture of tank wagons in time to implement the project. The Railway Board has promised to do its best; it will supply a few wagons for test refining, but not adequate for bulk processing; and it may be necessary to postpone the commercial refining of oil for several months. One intriguing report says that the railways are already committed to the provision of tank wagons to transport 750,000 tons of oil from the Nunmati (Gauhati) refinery from next year and would not like to divert any tank wagon manufacturing capacity from the North Eastern to the Western Division as the freight for the Nunmati oil is high-rated, while that for the crude oil from Ankleshwar and Cambay is at a concessional rate. Apparently, some diversion is possible but what has been committed to is profitable business while what is being offered is not so good, and so, the attitude to the transport of crude oil has become somewhat crude.

The Oil and Natural Gas budget is a mammoth affair and we have been already warned that lots of money will be sunk before their projects start yielding returns. Defective planning, or, shall we say, defective co-ordination, might result in more losses, good chewing material for the Estimates Committee and the Public Accounts Committee. But I don't expect anyone will get it in the neck for all this *faux pas*. We are a patient and philosophical people and put such things down as acts of God. Tank wagons are not the only things from the scarcity of which we suffer. For the past few weeks we have been suffering from acute shortage of air travel accommodation and the I.A.C. do not have enough planes to carry the overflowing traffic; the railways do not have enough carriages to provide for the summer exodus from Bombay and Delhi to the South and from Delhi to the cooler regions. Our transport difficulties cover a wide range of industrial products from coal and cement to all kinds of raw materials, and those who talk in terms of substituting oil firing for coal burning have started worrying about the ability of the oil companies to move oil; the high and mighty railway administration may refuse to be oiled. Descending from the sublime to the ridiculous, some of our municipal corporations do not have enough conservancy carts or trucks to remove garbage from residential localities to the refuse dumps. And so we see that the malaise of immobility has affected almost all sectors of the economy. This in itself does not cause so much worry as why no effort has been made or is being suggested to entrust the manufacture of more wagons to the private sector, and why the railways should not throw open this vast field to competitive private enterprise. One can understand municipal corporations wanting to make their own conservancy carts to encourage local small-scale enterprise, but one cannot see the point in railways being zonal and exclusive about their rolling stock.

The Bristol By-election

Mr. Anthony Wedgwood Benn (Labour) who is now officially Lord Stansgate has won the election in south-east Bristol, defeating his Conservative opponent by 23,275 votes to 10,231. Mr. Benn thanked the cheering crowds amongst his constituents for the "wonderful result," and well may he say so, for they have solidly plunked for him despite the seemingly losing fight that he is putting up for forsaking his peerage and staying in the House of Commons. It must be said to the credit of the British system of conducting elections that although the recent decisions were against him, and on their basis he was not entitled to sit in the House of Commons, he was not disqualified from contesting the elections afresh, and has thus been given an opportunity to establish the fact of his preferment by his constituency. It is, of course, a historical fact that while the Britisher is good at seeing the writing on the wall, he has invariably muddled his way through to taking correct political decisions; and, both as an admirer of the British and as a keen protagonist of individual freedom of action, I keep my fingers crossed and hope that Lord Stansgate will eventually succeed in shedding his unwanted heritage and sticking to his hard-won seat in the Commons. For, it is preposterous and indeed ridiculous that a son should be forced to inherit and retain a title which his father had accepted (especially when the title impinges on his freedom to adopt a way of life best suited to his talents and inclinations), while he is not bound to retain anything else of his father's, his properties or his religion or political persuasion or other proclivities, not even his name, if he so wishes, which he can change by a deed poll. The Bristol by-election is a verdict of the people and all students of political history will await with interest the outcome of their decision to support the stand taken by the unwilling peer.

* * * *

The Suri Locomotive

Mr. M. M. Suri, an Indian railway engineer, invented and designed an almost revolutionary hydro-mechanical transmission system for diesel locomotives, securing an advantage of higher efficiency of both at different speed ranges. A German locomotive incorporating this transmission has arrived in Delhi and a Northern Railway official demonstrating it is stated to have explained to a group of newsmen that as there were no facilities for manufacturing diesel locomotive engines in the country, the Suri transmission had to be manufactured by a German firm. It is indeed a pity that, although the manufacture of diesel locomotives has been talked about for some years now and engines have been in use in several sections of our railways, no move was made earlier to establish capacity for their manufacture as in the case of automobile engines and stationary engines. The greater pity is that we had to sell the patent to a foreign country in order to get the benefit of an Indian national's scientific achievement. The trend of modern thought is that technical and economic progress is a measure of the quality of a society, and that the inability to take advantage of inventive genius is a sure measure of the incompetence of entrepreneurial venturesomeness. Even now there seems to be no sense of urgency about initiating projects for the manufacture of diesel locomotives in the country, and all that we are told is that sometime during the third Plan, workshops would be established in Hyderabad, Ranchi and Nangal to manufacture them. The diesel locomotive project does not seem to enjoy the priority which even the small car project has been given—and this indicates what our sense of priorities is like!

A loan equivalent to Rs. 27.4 crores ($57.78 million) has been sanctioned by the U.S. Government for the second stage of the Sharavathy hydro-electric project in Mysore State. Of the amount, a sum of Rs. 10.2 crores ($21.5 million) represents the foreign exchange cost to be met by the U.S. Development Loan Fund, and the balance of Rs. 17.2 crores ($36.23 million), which represents the rupee cost, will be met by a loan from the sale proceeds of U.S. agricultural commodities supplied to India. The second stage of the project covers installation of 445,000 kilowatts additional generating capacity, raising of the dam to the full 188-foot height, extension of the power house, establishment of five additional 89,000 kilowatt generators and construction of an additional 401 miles of 236 kilovolt transmission lines with appurtenant substations. It will be recalled that the U.S. Government provided a loan of $23.0 million for the first stage which is well under way.

The State-owned National Instruments Ltd., Calcutta, has entered into a technical collaboration agreement with a Japanese firm for the manufacture of single lens reflex cameras and other optical instruments. It is proposed to manufacture 1,000 cameras in 1961-62, 6,000 in 1962-63 and 12,000 in 1963-64.

ROLE OF FOREIGN PRIVATE CAPITAL

MOVE TO EXPEDITE COLLABORATION SCHEMES

(From Our Special Correspondent)

NEW DELHI, *9th May*

DELHI LETTER

AS the Indian Investment Centre, recently inaugurated to provide information and assist foreign private investors, enters upon its responsibilities, its sponsors must feel gratified that this Centre's task has been lightened considerably by the Government's special measures to clarify the existing position regarding foreign collaboration and to set up special machinery for speeding up decisions. This week's Press *communique* on the future role of foreign private investment says little that is new; it has been well known all along that the Government's policy has been to encourage participation of foreign capital and technical help in the major fields of engineering, electrical and chemical industries; some specific lines are now mentioned in an illustrative list of industries. There are, however, several others in which foreign participation has been allowed in recent years for special reasons (e.g., ceramics and glassware); the list now published takes into account the gaps in capacity which now exist in relation to Plan targets and, though not exhaustive, it shows the very wide opportunities offered for foreign investment in this country. The field in which such investment is not required is small by comparison; banking, insurance, trading and commercial operations and plantations have not been in need of either foreign capital or technical advice beyond what is available already.

Quite recently, however, the Estimates Committee complained that licences had been given to foreign units to collaborate in industries "which have already been developed in the face of difficult circumstances." Cosmetics and chocolates were mentioned as examples but in respect of the latter the facts were old, relating to 1952 when other considerations like improvement of quality of indigenous products through keener competition prevailed. It is unwise to judge this instance by the present standards of austerity. The Committee, however, went on to deprecate even the production under licences by foreign firms of several types of consumer goods like tooth pastes, face powders and other cosmetics when established Indian firms were already in the field. In most of these cases, however, the main advantage to the manufacturers was the use of a popular and familiar foreign brand, though it cannot be said that comparable standards of quality of the foreign product have been maintained. Of 21 cases of foreign collaboration listed in 1959-60, not one belonged to this category of non-essentials and the reasons given in each case for inviting foreign capital seem quite sound. The market for consumer goods is a rapidly expanding one and production of articles of established quality can avoid waste and duplication of investment that is likely if sufficient competition is to be permitted for improvement of standards.

A different kind of criticism mentioned by the Estimates Committee related to the sanction of additions to capacity when existing capacity had not been fully utilised. Ceramics, thermos-flasks and refractories were mentioned as instances. Apparently the Government had this criticism in mind while stating that the present list takes into account the present gaps in capacity in relation to targets. The Estimates Committee's view that licensing should be restricted in such a way that existing capacity is always fully utilised before fresh capacity is sanctioned not only ignores the prospects of rapid rise in demand in a developing economy but also fails to take account of the possibility that part of existing capacity may often be unutilisable economically for various reasons.

The private sector in India now entering new fields of industrial activity has been eager for foreign collaboration primarily because it will provide foreign exchange for imports of machinery and also technical advice. But its welcome has not been unqualified and the Federation of Indian Chambers of Commerce and Industry has always insisted upon the building up of local enterprise and the offer by foreign interests of a part of equity capital to Indian investors at least at some later stage of an enterprise. There is also the desire that foreign firms should utilise Indian services in banking, shipping and insurance; but there has been acceptance of the basic fact that while some such safeguards may be necessary, no discriminatory policies should be imposed against foreign private enterprise.

The present communique, except for the expression of the Government's preference for Indian majority holding, is quite vague on this aspect saying that each case will be decided on its merits. There is a clear disapproval of long-term assembling operations or production based merely on imports of intermediate products. One of the *inescapable facts* about foreign private capital is the investor's preference for direct control and hence for a majority share—except in cases where his interest is limited to the sale of machinery and provision of know-how in which minority participation may be regarded as sufficient. Another longstanding grievance about foreign investors is their reluctance to agree to exports of their manufactured products from India whenever they compete with the exports of their main producing units in the home country. In the context of the urgency for export promotion, the Government of India has naturally indicated its readiness to offer special encouragement to schemes in which exports are feasible on an economic basis, with or without the aid of the overseas marketing organisations of the foreign collaborator.

In practice, the realisation of these various objectives may present many complexities and though special machinery has been set up in the Ministry of Commerce and Industry decisions may tend to get delayed—as it happened in the case of some fertiliser projects in the last two years—because of difficult choices between rival offers or time taken for prodding foreign collaborators to accept terms agreeable to the Government. Co-ordination of decisions on industrial licensing, import permits and capital issues at least at the official level is a significant improvement on the present position and one should hope that the gain will not be offset by vacillation at the higher political levels. There has been no reliable estimate of how much new private capital has been driven away in recent years by the hindrances to prompt sanction of collaboration schemes but numerous offers have been received in respect of third Plan schemes and the present procedure for processing them speedily is therefore very timely.

Audit Report on Civil Accounts

The Audit Report on the Central Government Appropriation Accounts for 1959-60 was placed in the Lok Sabha on the last day of the budget session and the material came too late to provide ammunition to the critics of the Government's expenditure policies, though in respect of the Defence Ministry these are usually available in time. Criticism of the Government's overbudgeting figures again in this report; that savings aggregating Rs. 260 crores occurred in this year will, however, be welcomed in some quarters as indicating the existence of sufficient prudence in expenditure though not in seeking Parliamentary appropriations. Audit has long regarded as improper the preparation of estimates without a correct assessment of spending capacity; in this sense, it has deplored loose budgeting. The Government may, however, feel that in the age of planning such auditing standards should be revised since it is impossible to start on schemes without obtaining parliamentary appropriations and difficult to ensure that the full amount is spent in the same year. But the variations between budget estimates and actuals need not be always as large as the figure now shown; in several cases there was hardly any need for seeking supplementary grants. The root cause of this trouble is the desire to fulfil expenditure targets of each year fixed in accordance with a programme that could achieve the total Plan outlay and it happens that quite undue importance is attached to the figure of the outlay rather than the substance of the achievement. An indirect benefit of it is that except in one year there have been no deficits on revenue account and the total deficit financing has been well below those originally intended at the time of the budget each year. On the other hand, this is evidence that the administration's capacity for implementation is weak. If the schemes were all of the new type requiring technical know-how or foreign exchange, the shortcomings will be understandable but even the familiar kind of welfare measures regarding health, amenities for backward classes, industrial housing and slum clearance have been delayed, not for lack of funds.

If audit had also been concerned with the present manner of estimating revenue, it could have said much more about the wide margin of error in budgets—even when allowances are made for variations in yields due to changes in economic conditions. Deliberate underestimation is due presumably to a desire to find reasons for additional taxation which has generally helped in some measure to reduce the deficit on the capital side. Here again, the advantage is indirect and incidental. The budget becomes hopelessly imperfect as a guide to fiscal policy; for example, measures to restrict liquidity in the economy consequent on a given level of Government expenditure may be unnecessary to the extent there is a shortfall in spending and/or receipt of larger revenues by the Treasury than originally estimated.

The few examples of wasteful and infructuous expenditure in the audit report show that bad cases have occurred even outside the Defence Department. The All-India Khadi and Village Industries Board incurred losses in implementing schemes for which it was obviously unfitted; (after it was upgraded into a Commission) it has been reluctant to refund a profit it had made (of Rs. 21 lakhs) on Government purchases though it had earlier agreed to a no-profit no-loss basis and had even made a small payment in recognition of this principle. This Commission has not yet recovered irregular payments of over Rs. 5 lakhs. These are serious defects in an institution of this kind which are apparently being condoned in high places.

The Finance Ministry's scheme of a Silver Refinery Plant, in spite of much delay and extra expenditure, has not proved a success; after a total outlay of Rs. 10.5 lakhs, the plant has not been commissioned due to repeated failures of the furnace crucibles supplied. The news that foodgrains stocked between 1954 and 1958 in five depots had not been disposed of till March 1961 is disturbing since it shows no programme for using up stocks according to some priority in storage. The Iron and Steel Controller's Organisation has been guilty of several irregularities in fixing prices, recovery of rebates and surcharge and some of these have recurred year after year. The C.P.W.D. is again one of the departments which cannot avoid overpayments and substandard work. The tale of the 12 Viking aircraft replaced by the Indian Airlines Corporation and now kept as unsaleable causing heavy expenditure on maintenance, provides another example of improvidence at the expense of the taxpayer.

Should Ministers use I.A.F. aircraft (kept for V.I.Ps) on lines served by I.A.C. scheduled flights when they are specifically prohibited from doing so? Last year, the Public Accounts Committee made a similar complaint of I.A.F. planes being used for a Minister's visit for a mixture of party and quasi-official purposes; such criticisms do not apparently have any effect, considering the frequency with which they recur in audit reports.

FOR INTERNATIONAL AND DOMESTIC BANKING SERVICE
CONSULT
THE BANK OF TOKYO LIMITED
(Incorporated in Japan under the special law)
32 Overseas branches and representative offices
and
1 Associate Bank
1 Affiliate Bank 1 Trust Company
All information concerning foreign trade available
All the latest information in respect of the Japanese pattern of industry and business and the names of all the principal industrial manufacturers and manufactured commodities available for your ready reference.
K. Hashimoto
Manager
Bombay Office
Bombay Office:
"Jeevan Prakash", Sir Phirozshah Mehta Road
P.O. Box 1762, Bombay-1 Tel: 252857/58 & 253848
Office at Calcutta Representative at Delhi

AID TO DEVELOPING COUNTRIES

NEED FOR LONG-TERM COMMITMENTS STRESSED

IN the course of the last two weeks, three significant speeches were delivered—one by Mr. Luther Hodges, U.S. Secretary of Commerce, another by Mr. Dean Rusk, U.S. Secretary of State, and the third by Mr. Eugene R. Black, President of the World Bank—regarding the problems of international assistance to the less developed countries. These speeches clearly reflected the growing awareness on the part of the industrialised countries of the need to give massive economic aid to the poorer countries. Speaking at Hanover (W. Germany) on 6th May, Mr. Luther Hodges emphatically stated that aid to developing nations is a moral obligation which should be borne equitably by all the developed countries of the world. Mr. Hodges further declared that the U.S. Government attached very great importance to the obligation of the developed countries especially those with payment surpluses to contribute to an extent commensurate with their resources to the economic growth of the less developed countries.

The approach of the new U.S. Administration to development aid was elaboratory described by Mr. Dean Rusk in his address to the U.S. Chamber of Commerce in Washington last week. Mr. Rusk said that foreign aid should be regarded by the U.S. as a national necessity and that his country should accept it as a long-term commitment in the struggle to break the bonds of mass misery and promote the economic development of backward areas. The U.S. Secretary of State also stressed that the new aid should be a partnership effort in which all industrial nations of the world would have to join.

Emphasising the need for a carefully-thought-out long-range development effort in each country assisted, he observed that economic development was not an overnight matter. It was a time-consuming process requiring the steady application of resources and energy. Mr. Rusk categorically informed the U.S. Chamber of Commerce that such economic development could not be achieved by hesitant and spasmodic annual steps and that the yearly authorisation and appropriation process which governed the present aid programmes were simply not suited to the long-term economic development task of the sixties.

Marshall Aid

Referring to Marshall Aid, Mr. Rusk warned that the capital and financial assistance that had brought such brilliant success to the Marshall Plan was not, by itself, adequate to the requirements of the sixties. The Marshall Plan countries, Mr. Rusk went on to explain, were highly developed, with mature Governments and institutions. Today the advanced countries were primarily concerned with assisting nations which lacked governmental experience, the industrial base or the trained manpower of a modern country.

Describing the purpose of the aid programme in the words of George Marshall as "the revival of a working economy in the world," Mr. Rusk listed the cardinal points of the new aid programme as follows:

"First, improved and efficient administration; under the President's proposal the existing aid programmes now being administered by separate agencies will be brought under one roof under a single director.

"Second, long-term financing. The heart of President Kennedy's new programme is his request for authority to make commitments for development loans over a five-year period, rather than on the year-by-year basis under which the aid programme has been operating. This is essential to making the most effective use of each aid dollar.

"It is a necessity if the new aid administrator is to relate our assistance to long-range country plans for the attainment of self-sustaining economy, and elicit maximum help from other industrialised nations in a partnership effort to assist the underdeveloped areas of the world.

"To achieve these ends, the President has asked the Congress for authority to borrow funds from the Treasury over a five-year period. He has chosen this method of long-term financing for the aid programme principally because it has proved effective in some 22 existing lending programmes of the Federal Government, including the Reconstruction Finance Corporation and the Federal Deposit Insurance Corporation, and in the international field, the Export-Import Bank."

In his annual address to the Economic and Social Council of the United Nations, Mr. Eugene Black also reviewed comprehensively the various steps which the Bank was taking to accelerate the tempo of economic growth of the less developed countries. At the outset he declared that it was now acknowledged everywhere that much more assistance must be rendered to the less developed countries by those more fortunately placed. But he emphasised that the needs of financial assistance were of such great magnitude that it was vitally important to ensure that aid was used in such a way as to contribute to the economic growth of the recipient countries.

World Bank's Lending Activity

Mr. Black reported that the bulk of the lending of the Bank continues to be in Asia but Africa, too, accounted for almost one-third of the Bank's lending in the last fiscal year. There had also been increased lending in Latin America, a development which reflected the degree to which the Latin American countries, despite reduced prices for their products, particularly coffee, had taken hold of their internal economic affairs and brought them to an orderly state which provided a suitable basis for further economic growth. The President of the World Bank referred in the same context, to the considerable decrease in the Bank's lending in Europe. In the year ended 31st December 1960 the Bank made only one loan in Europe, of $25 million and expressed his great satisfaction that Western Europe was in a position to satisfy its own need of capital.

Adverting to the diverse activities of the World Bank in helping the less developed countries, Mr. Black informed the U.N. Economic and Social Council as to how the Bank had been occupied with bringing into being the International Development Association (I.D.A.) which has over 45 signatories, with subscription amounting to $900 million. The purposes of the I.D.A. are to provide economic development, increase productivity and thus raise standards of living in the less developed areas of the world, included in the I.D.'s membership. In fulfilling the objectives, the I.D.A. is required to finance on terms that are more flexible and bear less heavily on the balance of payments of the recipient countries than do "conventional loans." I.D.A. is viewed as a means of furthering "the development activities of the World Bank and as a supplement to the Bank's activities." Mr. Black stated that the range of the I.D.A. projects under investigation was wide, both in geography and type. They are located in Asia, the Middle East, Latin America and Africa, and they include water-supply, irrigation works, road development, fort facilities, rural electrification, telecommunication and industrial estates. Under its charter, the I.D.A. is to support projects which are calculated to contribute to the development of the country concerned, whether or not they are directly productive. I.D.A. would finance all the kinds of projects which the Bank finances and a broader range as well, including a number in which other specialised agencies of the United Nations would have a direct interest. It is learnt in this connection—though there was no reference to it in Mr. Black's speech—that the I.D.A. has decided to extend its first development credit to a Latin American country. The I.D.A. credits would be called "development credits" to distinguish them from conventional loans and these credits, at least the first ones, it is further learnt, would be repayable, most probably, in the currencies lent, rather than in the currencies of the borrower. The term of the I.D.A's first loans is also likely to be very long, covering 50 years or so, and the interest rate nominal or even non-existent.

The President of the World Bank believed that I.D.A.'s objective would be best served by limiting the availability of I.D.A. funds to countries which, for reasons beyond their control, were not able to finance a satisfactory rate of development with their own resources plus conventional financing. Thus I.D.A's borrowers could be expected to include, in addition to countries with foreign exchange difficulties, those whose foreign debt service burden over the short and medium-term was already so high that they could not prudently borrow, on conventional terms, all the external capital which they required to carry out their priority programmes. Mr. Black frankly admitted that the needs of the potential borrowers for development credits were far greater than could be satisfied with I.D.A's present resources. In this context, he expressed the hope that countries contemplating an expansion of their aid programmes might see fit to channel the additional funds through the I.D.A.

ANDHRA BANK EARNS MORE

MARKED RISE IN DEPOSITS

THE financial results of the Andhra Bank Ltd. (General Manager: Mr. T. R. Bhagavat. Masulipatnam) for the year ended 31st December 1960 are encouraging. In spite of the drop in advances from Rs. 911.38 lakhs in 1959 to Rs. 885.63 lakhs, income from interest and discount has gone up substantially, by Rs. 17.79 lakhs to Rs. 87.88 lakhs. Consequently, the profit (before taxation) has risen from Rs. 9.64 lakhs (in 1959) to Rs. 11.57 lakhs. In fact, the rise in profit would have been much larger but for the sharp increase in interest paid and other expenses, the former rising from Rs. 39.72 lakhs to Rs. 48.50 lakhs and the latter from Rs. 34.22 lakhs to Rs. 40.95 lakhs. The sizable increase in interest paid is due to the marked rise in the deposits of the Bank, from Rs. 12.90 crores to Rs. 14.79 crores, representing a rise of more than 14 per cent.

Out of the profit of Rs. 11.57 lakhs, taxation has taken Rs. 4.90 lakhs (Rs. 4.00 lakhs in 1959) and a sum of Rs. 3.35 lakhs has been transferred to the reserve fund. In addition, the gratuity reserve gets Rs. 5,000. The Directors have recommended a final dividend of 8½ per cent for the second half of 1960, which, together with the interim dividend of 7½ per cent for the first half, gives a total dividend (taxable) of 8 per cent for the whole year, same as that distributed for the year 1959. The net dividend comes to 5.6 per cent which is still slightly lower than the tax-free dividend of 6 per cent obtained by shareholders in 1957 and 1958.

Progress Since 1957

The progress of the Bank since 1957 is reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Interest and discount earned	87.88	70.09	59.66	51.12
Commission and exchange	12.10	12.20	9.50	8.85
Interest paid	48.50	39.72	32.56	27.20
Other expenses	40.95	34.22	30.35	26.04
Depreciation	0.70	0.74	0.77	0.67
Profit	11.57	9.64	6.48	7.05
Transfer from reserves	..	..	1.78	0.20
Provision for taxation	4.90	4.00	4.01	3.60
To reserves and other funds	3.40	2.45	1.56	1.46
Dividend	3.33	3.32	2.47	2.29
	(8%)*	(8%)*	(6%)	(6%)
Carry forward	0.04	0.10	0.24	0.02

	As on 31st December			
	1960	1959	1958	1957
Capital	41.64	41.50	41.25	40.77
Reserves	23.08	19.73	17.57	16.04
Deposits	14,78.63	12,90.04	11,41.71	9,68.20
Borrowings from other banks	1,14.29	2,80.02	50.26	70.57
Advances	8,85.63	9,11.38	6,57.19	6,19.18
Investments	5,25.78	5,12.49	4,67.18	3,45.60
Cash	2,34.55	1,74.34	1,50.44	1,54.68
Balance-sheet total	18,56.61	17,75.88	14,08.27	12,61.23
Ratio to deposits of—	%	%	%	%
Advances	59.9	70.6	57.5	63.9
Investments	35.5	21.9	36.5	28.0
Cash	15.8	13.5	18.1	16.0

* Subject to deduction of tax.

A notable feature of the liabilities side of the Bank's balance-sheet is the substantial expansion in all categories of deposits. Fixed deposits have gone up from Rs. 6.84 crores to Rs. 8.28 crores, saving deposits from Rs. 2.91 crores to Rs. 3.20 crores and current deposits from Rs. 3.16 crores to Rs. 3.31 crores. While deposits have thus increased, the Bank's advances have fallen from Rs. 911.38 lakhs in 1959 to Rs. 885.63 lakhs in the year under review, so that the credit ratio (ratio of advances to deposits) has declined from 70.6 per cent to 59.9 per cent. Investments have improved from Rs. 512.49 lakhs to Rs. 525.73 lakhs and cash from Rs. 174.34 lakhs to Rs. 234.55 lakhs. The liquidity ratio (ratio of investment plus cash to deposits), therefore, stands higher at 51.3 per cent as against 35.4 per cent in the previous year, and is well in excess of the normal requirements.

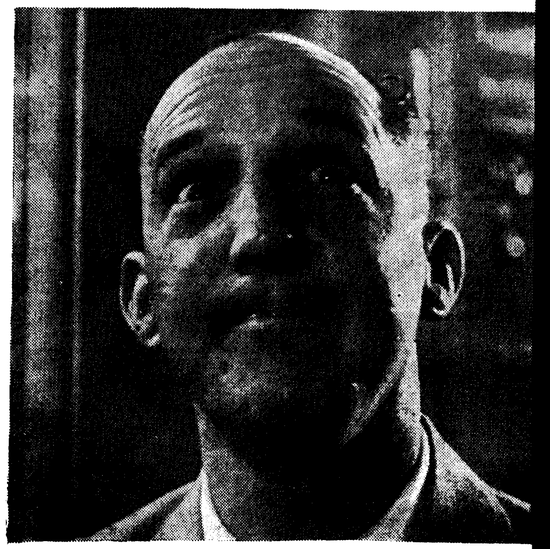
The Bank's capital at Rs. 41.64 lakhs is supplemented by reserves of Rs. 23.08 lakhs. During the last four years the reserves of the Bank have increased by more than Rs. 5 lakhs, as a result of the wise policy of transferring a part of the profits to the reserve funds followed by the management from year to year.

The Bank has continued its policy of branch expansion. A new branch was opened at Bangalore during the year, taking the total number of branches to 73. The Bank has opened another branch at Bombay in the current year.

Why they chose the BOAC Comet

Frequent service out of India

Intimate atmosphere—quiet comfort



Choice of stopovers at no extra fare

Looked after like a lord

COMETS EVERY WEEK—EASTWARD TO SINGAPORE, HONG KONG, TOKYO OR SYDNEY
COMETS EVERY WEEK—WESTWARD TO MIDDLE EAST, EUROPE AND LONDON

Take advantage of BOAC's Ticket Instalment Plan.
FLY NOW—PAY LATER! Ask for literature.

Your local BOAC Appointed Travel Agent and BOAC offices everywhere are at your service.

B·O·A·C TAKES GOOD CARE OF YOU

BRITISH OVERSEAS AIRWAYS CORPORATION IN ASSOCIATION WITH AIR-INDIA AND QANTAS

REPORT OF TEXTILE MERCHANT BODY

QUOTA RESTRICTION ON IMPORTS ESSENTIAL

From Our Special Correspondent

MANCHESTER, *2nd May*

MANCHESTER LETTER

THE function of the merchant converter has been defined as "providing a bridge between the disposal of textile production in bulk and its distribution to the public through the various channels concerned." Perhaps his major problem is to assess in advance the probable extent of demand from the consumer and make arrangements to cover these anticipated requirements.

The individual firm involved must deal with substantial quantities of particular cloths, with specialist constructions often in mind. Over the wider field of the whole trade, however, the broad picture of production, imports and exports must be borne in mind, so that some balance is preserved to avoid alternating booms and slumps through excess of supplies at one time and transitional shortages at others.

The annual report of the Council of the Cotton and Rayon Merchants' Association has estimated the probable current home demand at approximately 1,600 million yards of cotton cloth annually together with about 600 million yards of man-made fibre and mixture fabrics. Production in British mills last year amounted to 1,300 million yards of cotton material and 620 million yards of man-made fibre and mixture styles. Exports took 330 million yards of cotton cloth off the available total and 55 million yards of other fabrics.

Imports Cause Excess

So we come to the crucial point of imports, which in 1960 brought additional supplies to the extent of approximately 730 million yards of cotton fabrics and 60 million yards of other types. Total available supplies were, therefore, approximately 2,325 million yards, a surplus of 125 million yards over the estimated quantity needed by the home market. Imports during the first quarter of the current year are already running at a much higher level than in the corresponding period of 1960. If maintained at that rate, they would be little short of 1,000 million yards over the full year. Such facts support only too clearly the widespread anxiety now permeating the trade.

"Confidence is essential and it must have a firm foundation, which can only be given by the continuance of quota restrictions on imports of gray, finished, and especially made-up cotton goods from Asian countries for home trade consumption," the merchants' report continues. The Association considers that the present agreement with Hong Kong has not been satisfactory because it has altered the pattern of trade, substituting finished cloth for the grey cloth arrivals, so that imports of made-up cotton goods from the Colony increased from the equivalent of 38 million square yards in 1958 to 78 million square yards in 1960.

Like practically every other organisation concerned with this problem, the Merchants' Association supports the continuation of some limitation on arrivals of Hong Kong textiles for retention in the home market. But the undertaking should not be renewed in its present form, it contends, as separate limits should be imposed on finished cloth and made-up goods, as distinct from grey cloth.

The First Quarter

Once again, arrivals of cotton goods must take precedence over the comparable figures of shipments during the first quarter of the year. The quantity of imports is now so much bigger than exports that the whole overseas trade situation has been transformed. At the end of three months of 1961, shipments of cotton cloth from British ports were no more than 82,201,000 square yards, whereas the volume of foreign materials received amounted to no less than 225,297,000 square yards.

In such circumstances, it is scarcely surprising that the market remains exceedingly apprehensive about the prospects, seeing that the voluntary arrangements with Commonwealth countries are due to expire shortly after the beginning of 1962. It is, however, significant that the major increase in arrivals of goods from abroad has occurred in those shipped from "other foreign countries," the volume being more than doubled at 54,405,000 square yards of grey cloth.

India, however, remains by far the biggest single supplier, having provided 62,574,000 square yards of grey fabric in the first quarter this year, but this is nearly 6,000,000 yards smaller than in the same period of 1960. Arrivals from Pakistan have been substantially reduced, being 5,349,000 square yards against 16,097,000 square yards last year. Although Hong Kong has sent almost the same quantity at 20.158,000 square yards, imports from other Commonwealth countries totalled 5,076,000 square yards, as against only 809,000 square yards in the first three months of 1960. Among countries outside the Commonwealth, the chief supplier has been Japan with 15,341,000 square yards of grey cloth, as against 10,131,000 square yards last year.

The cost of arrivals of cotton yarn and manufactured goods during the first quarter of 1961 was £21,464,000, as against £15,757,000 last year. Not only was there a big increase in imports of grey cloth—from 148,142,000 square yards to 176,398,000 square yards—but finished materials also showed a substantial rise, being 50 per cent higher at 48,899,000 square yards against 32,464,000 square yards.

More Export Shrinkage

Against these almost astronomical figures compared with the past, the shipments recorded in cotton cloth remained relatively light. Only in the case of certain African territories was progress made, Nigeria, Ghana and Sierra Leone all taking bigger quantities of fabric from the United Kingdom. On the other hand, South Africa, Rhodesia and Nyasaland, and Australia curtailed their imports and at the end of the first quarter of the year Australia has been usurped from her leading position, which Nigeria now occupies. The main destinations for British cotton cloth shipments to the end of March were (in thousand square yards, with 1960 comparisons): Nigeria 11,019 (8,528), South Africa 9,588 (12,029), Australia 8,619 (11,479), Ghana 7,657 (4,897), New Zealand 6,298 (6,016), and the Irish Republic 5,626 (4,396).

Cotton yarn shipments failed to reach 1,400,000 lbs. in March and total exports for the first quarter were barely 4,600,000 lbs. This showed a reduction of over 1,300,000 lbs. as compared with 1960, and underlined the very reduced export performance recorded by spinners. In contrast, the purchases from abroad in the first three months of this year amounted to 11,781,000 lbs., a rise of nearly 3,000,000 lbs. as compared with the same quarter last year.

Cotton Association's Special Report

A fundamental reconstruction of the whole framework of the Liverpool Cotton Association has been recommended by a special reorganisation Committee, set up towards the end of last year under the chairmanship of Lord Forster of Harraby. The proposals have now been submitted to members of the Association. The Committee advocates the conversion of the present Association into a property company with a disposable and dividend paying share structure and with provisions for a reasonable measure of control by a new trade association. This Association would bear a name similar to the existing one and would be financially self-supporting.

The new Liverpool Cotton Exchange Company Ltd. would operate as a separate company but would be subject to the control of the active members of the new Trade Association. Only those shareholders who are also members of the new Association would be entitled to vote at meetings of the company, so ensuring that effective control of the building remains in the hands of those actively engaged in the cotton trade. The new plan foreshadows the letting of the present market room which would considerably improve the income of the Exchange. The property company would, it is expected, be able to pay a dividend of not less than 20 per cent.

On futures trading in raw cotton, the Committee points out that no firm convictions were expressed by those submitting evidence that a substantial revival of trading was likely, but it would be premature at this stage to take a decision to close the market. On the other hand, if the market is to remain open, expenditure should be pruned to the maximum extent.

—*All Rights Reserved.*

MILLS *Vs.* POWERLOOM

By B. G. Kakatkar

Honorary Secretary, Indian Cotton Mills' Federation

MR. P. K. Bhaumik, in his article publish in *Commerce* of 25th March 1961, conter that the statistics relied on in the book entitled *Third Plan Targets for Handloor Powerlooms and Mills*, published by the Indi Cotton Mills' Federation, can be interpret differently to show that the output of handloc cloth in 1960 was not 800 million yards, as es mated by the Federation, but 2,000 million yar He has made this claim with reference to t following table in the booklet:

Year	*Average No. of looms reporting (Lakhs)*	*Production (Million yards)*	*Average ann production per loom (Yards)*
1	2	3	4
1956	2.52	239.6	951
1957	4.50	359.6	799
1958	6.48	483.8	747
1959	6.18	374.7	606

Briefly, Mr. Bhaumik's claim is as follow The number of looms shown in column 2 of t table includes both working and idle loon The decline in the average output per loom, shown in column 4, is essentially due to the fa that there has been a proportionate increase the number of idle looms in the reporting fo Mr. Bhaumik further contends that, from th table, it will be safe to take the average pr duction per loom at 800 yards a year for loor both in the co-operative and non-co-operati sectors.

On the other hand, the Federation h treated all looms shown in column 2 as acti ones and has proceeded on the basis that th average annual production per active loom is indicated in column 4.

Reserve Bank Figures

The point for consideration is which these conflicting views can be accepted. In th Reserve Bank of India publication calle *Statistical Statements Relating to the C operative Movement in India*, 1958-59, the valu of the product of all the weavers' societies i 1957-58 and 1958-59 has been given as Rs. crores and Rs. 43 crores, respectively. The pr duct of the societies must include both cotto and non-cotton fabrics. The Fourth Report the All-India Handloom Board has given th price of handloom cloth in 1957 and 1958 87 nP and 89 nP per yard, respectively. On th basis, even if the entire product of the weaver societies is treated as cotton cloth, the produ tion of handloom cloth in the co-operative fol in 1957-58 would amount to 460 million yard and 483 million yards in the following year. is evident from these figures that the annu output of cotton cloth in the co-operative sectc cannot exceed 480 million yards and should b much less, if a part of the product is treated a non-cotton cloth. The Federation's estimate c such production in 1960 is 473 million yard Surely, there would have been no compariso between the Reserve Bank's statistics relatin to the value of the handloom cloth produced an the Federation's estimates of cloth output i this sector, if the number of looms indicated i column 2 of the table mentioned above consiste of both active and idle ones.

The Federation's study relating to the aver age annual production per handloom can b corroborated in other ways. The output of hand loom cloth in Mysore State is stated to hav been 16 million yards in 1959-60. If this i divided over 38,500 active looms in the co-opera tive sector, the production per active loom ir that State works out to 415 yards, while th figure assumed by the Federation for the coun try as a whole is as much as 606 yards.

There is one more point to which no re ference has been made in the Federation's book let. According to the Kanungo Committee which reported in 1954, out of 28 lakh hand looms, only 20 lakhs were working with cotton yarn, including 4.5 lakhs non-commercial looms of Assam. This leaves the number of commer cial looms working with cotton yarn at 15.5 lakhs. The Federation's study has calculated production with reference to 12 lakh handlooms in the co-operative fold and 10.8 lakhs outside that fold, making a total of 22.8 lakhs. The Federation's various conclusions on the hand loom output have been arrived at by applying the ratio of active and idle looms, and produc tion per working loom, to all the 22.8 lakh looms, instead of 15.5 lakh looms, which, if anything, should have resulted in overestimating the hand loom production.

INTERNATIONAL TEXTILE COMPETITION

DUMPING, EXPORT SUBSIDISATION AND OTHER PROBLEMS ASSESSED

By Mario Ludwig, LL.M.

Director of the International Federation of Cotton and Allied Textile Industries

[*What will be the pattern of international textile trade in the coming years? This question has assumed considerable significance in the context of the U.S. President's move to convene a world conference for seeking a multilateral agreement on textile exports and imports. Appropriately enough, aspects of world textile competition such as those relating to dumping, export subsidisation and other forms of distorted competition have been chosen as the main item on the agenda for the annual meeting of the International Federation of Cotton and Allied Textile Industries which began at Osaka, Japan, on Monday the 8th inst. The discussions on the items centered round a paper on aspects of international competition presented by Mr. Mario Ludwig, Director of the Federation. In this paper, Mr. Mario Ludwig has impressively highlighted the facts of world textile competition and stressed that "competition is the life-blood of any healthy industry, provided that it is fair and workable." In view of the world-wide interest now attached to the problem, the contents of Mr. Mario Ludwig's paper reproduced here will enable one to understand the position in its correct perspective.*—Ed.]

IN any discussion of a subject of academic interest, it is essential to give a clear definition of the concepts involved. We must ask ourselves, as an eminent Frenchman (Maréchal Foch) used to do: *De quoi s'agit-il*? What is it all about?

The concept of competition was first only seen in a national context. It was an aspect of a free national market economy, a concomitant of the unimpeded interplay of supply and demand. It was a function of prices genuinely formed in an open market, a market which was always clearly circumscribed and in which there existed conditions of near equality. The point of departure and the range within which competition was allowed to work were the same for all.

The first stage was that of monopolistic competition, under which all the means of production were assembled in one hand. One might say that, in such a situation, there could be no competition. But soon the means of production came into the hands of others and were shared by many, all within the framework of the same national economy, manufacturing under the same conditions and selling to the same groups of consumers. This was the second stage in the evolution, that of ideal or perfect competition.

The desire to increase efficiency and to do better than the other producers soon led to the use of ways and means designed to increase one's competitive position. The means of production were rationalised and put together in larger units. The trend from monopolistic to perfect competition was reversed until a new phase was attained, that of oligopolistic competition, when the means of production were controlled by a few powerful groups.

These three traditional forms of pure competition—monopolistic, perfect and oligopolistic—did not only exist on the supply side but also on the demand side, depending on the way in which the means of consumption or the purchasing power was divided among one, the many or a few. As soon as trade was carried out on a commercial scale of any significance, pure competition ceased to exist. That happened a long time ago and, since then, competition has always had its limitations and imperfections. It is now generally accepted that, in our modern economy, pure competition will never be attained any more. There are today in almost every country so many forms of governmental intervention with, and legal restrictions on, the interplay of supply and demand that the forces of competition are no longer permitted to act freely. These interventionist measures are more or less accepted as unavoidable; one merely has to think of agriculture as a case in point. Nevertheless, the ideal of competition in the original sense of the word continues to form the basis of trading in the free economies.

Workable Competition

A basic change in the philosophy underlying the free market economy is, therefore, taking place. Whilst the principle of freedom of trade and price formation through supply and demand continues to be valid and still forms the economic creed of the liberally-minded countries, certain measures of intervention have now to be reckoned with and must be reconciled with the competitive process. The task, therefore, is to make competition workable under changed conditions. Thus, the completely new concept of functional or workable competition has arisen. It means that conditions should be created which would establish a clearly defined sphere within which competitive forces would be allowed to work freely; at the same time, effects of interventionist measures, which might work against the competitive process, would be mitigated. In this way competition would become workable again, in spite of many factors and practices which have a tendency to distort it.

The preservation of this sphere of workable competition could be achieved through various measures of legislation and policy, such as, for instance, customs tariffs, import and export controls, anti-dumping legislation, anti-trust and cartel laws, taxation, investment facilities and other fiscal measures, and labour laws. So far we have considered competition in the context of the national economies. The conclusions drawn may be extended to the international economy. Indeed, when seen from an international point of view, the new features of competition stand out much more. The change that has taken place in competitive conditions becomes more clearly visible on the international scene.

International Division of Labour

In the international economy, the concept of competition was originally based on two theories; that of the international division of labour and that of comparative costs. Both theories have today lost some of their validity.

The international division of labour aims at specialisation of production. Each country should produce what it can produce best. Those goods which it does not produce should be bought from other countries. Several factors are responsible for one country being able to produce certain goods better than the other; among them are ready availability and easy access to raw materials, skilled labour, better machinery and transport facilities, a better organised distribution system and many other factors, including such vague notions as tradition.

Theory of Comparative Costs

The theory of comparative costs is based on the idea of the barter. It does not mean that country A should necessarily buy goods from country B because this country can produce the particular goods more cheaply than country A. The goods might be imported from country B, although they cost more than they would if country A had decided to make them itself. On the other hand, in exchange for these goods, country A would supply to country B goods which no one else could produce so well and so cheaply as itself. The cost advantage in the theory of comparative costs is, therefore, always relative.

A New Theory of International Trade

The theories of the international division of labour and of comparative costs were developed in the 19th century at a time when world trade was very simple; on the one side, there were the early industrial countries in Europe, where practically all industrial surplus production available for export was concentrated; on the other side, there were the overseas countries which supplied the necessary raw materials, in payment for which they took some of Europe's manufactures. There was no real world-wide competition at that time. The theories of the international division of labour and of comparative costs only applied to the early industrial countries in Europe, i.e. to a relatively restricted area of production in which economic and social conditions and standards of living were practically the same.

Today, the situation has completely changed. The industrial advance of the developing countries has entailed a geographic extension of world trade which could not be foreseen. Industrial development has progressed so far that a large number of countries with widely differing economic and social structures are now actively [illegible] port and import trading. As everyone knows, textiles are the first commodity to be radically affected by this.

The part-realisation of the very objective, which the theories of the international division of labour and comparative costs were supposed to attain, has now become the cause of their obsolescence. But there are other reasons why the current value of these theories must be qualified.

It can hardly be expected that those developing countries which have recently built up a textile industry should now reduce their activity; neither can it be expected that old-established industries, which have already greatly reduced their capacity to make room for their new and younger competitors, should continue to contract until the point of disappearance. If the theory of the international division of labour were carried to its logical conclusion, then the old industrial countries would be allowed to indulge in the luxury of pure research, leaving all manufacturing to the countries with lower costs of living and production. Obviously, the theory leads *ad absurdum*.

Moreover, it is the aim of each country to achieve a high degree of economic autonomy. There are political, strategic, economic and social reasons for this. Certain sections of the economy will be maintained and supported, even if under the theory of comparative costs they could no longer be regarded as economical producers. It is also the aim of most countries to achieve a balanced and well-diversified national economy. This is true for both the older industrial and the newer developing countries. Clearly, traditional theories no longer meet present conditions. They should be replaced by a new theory of workable competition.

Distorted Competition

Competition today appears in many forms and disguises. Basically, the competitive process is still the same, but it is linked with so many open or invisible commercial practices that it is often distorted either to the advantage or the disadvantage of those who operate on the market. Many of these practices may not, as such or in themselves, constitute a distortion of competition; much depends on the extent to which they are being applied. It is often only a question of degree whether a certain practice constitutes distortion of competition. At the same time, it is generally assumed that competition becomes "unfair" as soon as competitive conditions are distorted.

The textile trade offers a wide variety of such commercial practices which may, under certain conditions, cause a distortion of competition. I now propose to list and describe these practices one by one and to examine whether or how far they are compatible with the General Agreement on Tariffs and Trade (G.A.T.T.). On the international scene, the G.A.T.T. is, at present, the ultimate authority on the subject of competitive practices in foreign trade.

Dumping

The first and classic practice of distorted competition is that of dumping. By dumping is understood the selling of goods on the export market at a lower price than on the domestic market. Dumping could also be the case when the goods are exported to country A at a lower price than to country B, in other words, if there were discrimination in export prices. A third form of dumping, probably the most flagrant, is the export of goods at a price below the cost price. In either of the three cases the producers of the goods in question in the importing country must suffer from this practice.

Dumping could be practised over a long or a short period. It is sometimes resorted to for a brief period in order to establish a bridgehead in a new market. It is also used as a defensive measure to maintain an existing share in a market.

The concept of dumping is, as such, clear and simple. It has, therefore, been included not only in the G.A.T.T., the Rome Treaty of the European Economic Community (E.E.C.) and the Stockholm Convention of the European Free Trade Association (E.F.T.A.) but also in many national laws. Yet, the proof of dumping, on which the successful invocation of these laws depends, is extremely difficult. It is often a matter of degree ("Ermessensfrage"). Even the classic definition of dumping may not always be adequate. There may be good com-

more cheaply abroad than at home. One would have to establish what the so-called "normal domestic price" should be. Are indirect taxes (consumer sales taxes, etc.) to be included or not? How is the difference in efficiency and productivity to be measured and accounted for? When is an industry "damaged"?

In spite of the many open questions, the concept of dumping has been adopted by international commercial policy. Dumping is explicitly prohibited under Article VI of the G.A.T.T. This permits the imposition of anti-dumping or countervailing duties up to the amount of the difference between the normal domestic price and the offered dumping price. It is important to restrict the use of the term "dumping" to situations falling within the legal definition of the practice and not to apply it too sweepingly to all the other forms of distorted competition.

Direct Export Subsidies

The next case of distorted competition is that of direct export subsidisation. The exporter calculates his price in the normal commercial way but is enabled to cut his price below cost, because he receives a subsidy, i.e. financial benefits in some form, in proportion to the volume or value of his exports. These benefits may be granted either directly or indirectly, either before or after the goods have been exported. Subsidies may be paid in relation to the raw material, the semi-manufactured or the finished product.

Under the G.A.T.T. (Article XVI), such export subsidies are tolerated with certain qualifications. Although the spirit of this article is unmistakably against subsidies, considerations of political expediency probably made it necessary to accept them as inevitable. The Article lays down procedures to limit the subsidies, if and when the subsidisation is causing harm to other countries.

Subsidies play an important part in textile competition, especially in so far as they are related to the raw material. The price and conditions at which spinners may buy textile fibres (natural or man-made) may form the difference between normal and distorted competition. In the textile industry, there exist today many forms of subsidisation related to the raw material. They do not necessarily distort competition, but their nature is such that, depending on the degree and extent with which they are being granted, they could give competitive advantages which could not normally be obtained. The simplest form of subsidisation exists when the domestically grown or produced fibres are sold to the spinner at a lower price than the market price, or when imported fibres are sold to him at a lower price than the free market price.

In the case of an agricultural commodity, such as cotton, where the world market price is subject to artificial supports and stabilising measures, subsidisation may take yet another form: a cotton growing country may sell its cotton to its local mills at a price lower than that which could be obtained for the same cotton on the world market. The reverse, as everybody knows, can also be the case: a cotton growing country may support its agriculture to such an extent that it exports its cotton at a discount; in that case, the domestic mills would be at a price disadvantage and would normally receive compensation payments.

An industry might be restricted or even prevented from supplying itself with cotton from other than local resources. In that case, the local mills could be at a competitive disadvantage, if the price of the locally grown cotton were kept artificially high, i.e. above the equivalent world market level, or if that cotton were unsuitable in quality for the local spinning production. In such a case, compensation would usually be granted to the local mills for their export trade.

The man-made fibre producing industry in a country might, for reasons of development planning, be so heavily subsidised that it would be able to sell its fibres more cheaply to the domestic mills than to its customers abroad; here, too, the situation might be reversed to the disadvantage of the local mills. Most direct forms of subsidisation related to the raw material are usually followed up by compensatory payments, for the purpose of either correcting the disadvantage arising to local mills from the subsidy, or deliberately granting them a competitive advantage.

These compensation payments are usually granted to local mills only on that amount of their production which is being exported. Whether these payments distort competition is again a matter of degree. As long as the amount of the compensation does not exceed the price disadvantage at which the mills find themselves, one could hardly argue that competitive conditions were falsified. But the moment the compensation paid exceeds this price differential, then the local mills would unquestionably obtain an advantage which would not normally be due to them.

Since the assessment of this price differential is often extremely difficult and sometimes plainly arbitrary, most forms of compensation and subsidisation are criticised on the international textile scene. It is significant that Article XVI of the G.A.T.T., whilst tolerating certain forms of subsidies, designates them openly as being undesirable, provides certain measures of protection against their harmful effects (under Article VI/3) and advocates their gradual elimination.

Bonuses on Raw Materials

Somewhat different from the direct export subsidy is the practice of granting a bonus to exporters on the value of the fibre content into the exported finished textile. The cost of the raw material in the end-product may then be calculated at below world-market prices. It is chiefly the exporting firms which obtain financial benefits from this practice, not the spinners and manufacturers who have processed the fibres. These bonuses are an export incentive.

Sometimes special licences must be obtained for the import of textile fibres. An importer may not wish to import the full quota of fibres for which he received the import licence. It has happened that such import licences were sold on the black market. In countries where there are restrictions on the availability of fibres, this practice may give local spinners a definite competitive advantage. The G.A.T.T. does not contain any provisions regarding bonuses on raw materials. According to international law, however, they may be fought under existing national anti-dumping legislation.

Export Credit Facilities

Another form of indirect export subsidisation is the granting of exceptional export credit facilities at especially low rates. This practice might go so far as the granting of interest-free long-term loans for purposes of carrying out export transactions. Export credit facilities are permitted under the G.A.T.T. as long as they do not fall under any of the provisions against dumping. Yet, it could occur that available credit facilities are so vast as to give the exporter an undue advantage.

The merits or ill-effects of the practice are disputable. Among the many forms of distorted competition, this is probably the least effective. At present, the harmful effects of excessive export credit facilities are usually offset by countervailing duties.

Tax and Duty Reimbursements

It is customary for exported textiles to be exempt from taxes and duties which would have been levied at the retail level, if the goods had been sold on the domestic market (sales taxes, etc.). In some cases, the taxes and duties are paid first and are reimbursed when the goods are exported.

This practice is permitted by the G.A.T.T. (Article VI/4). It does not constitute a subsidy, as long as the reimbursement is not higher than the actual amount of the tax and duty together. It appears that tax and duty reimbursements have hardly ever been abused so as to distort competition.

Non-imposition of Taxes and Duties

Instead of reimbursing to the exporter the domestic sales taxes and duties on the volume of his exports, they might never be levied in the first place. It would then have to be ascertained that the tax and duty free goods were in actual fact exported.

This practice is also permissible under the G.A.T.T. (Article VI/4).

Reimbursement of Social Charges

Considerable cost advantages might accrue to a spinner or manufacturer if he were reimbursed a part or the whole amount of the social charges, which he had to pay, in proportion to the volume of his exports. This practice would be an indirect form of export subsidisation. It also comes near to what is called "social dumping" as will be seen later.

Under the G.A.T.T. (Article XVI), the reimbursement of social charges is not prohibited. Nevertheless, the practice may be treated in the same way as direct export subsidies. It would be desirable to have a more precise formulation of the treatment to be given to the reimbursement of social charges, since they could distort competition substantially.

Reimbursement of Non-levied Taxes

The doubtful practice has developed that local taxes, which have never been collected in the first instance, were reimbursed to exporters as if they had been paid. This constitutes a disguised (and unjustifiable) export subsidy.

Under the G.A.T.T. no preventive or defensive measures are possible. The practice has only appeared in recent years. However, the Organisation for European Economic Co-operation (O.E.E.C.) permits the resort to countervailing duties. It would be desirable if this relatively new disguise of distorted competition were also prohibited by the G.A.T.T.

Obstacles to Export of Semi-manufactures

This is a negative form of export incentive. In order to encourage exports of finished products, certain obstacles are sometimes put in the way of exporting semi-manufactures. They usually consist of higher taxation and other fiscal measures.

It is very doubtful whether this practice can be regarded as distorting competition. If it is confined to rendering the export of semi-manufactures more difficult, without giving any preferential treatment to the exports of finished products, one could hardly make a case of it. Under the G.A.T.T. the practice is permitted.

Multiple Exchange Rates

The skilful use of multiple exchange rates has become an effective way of dumping and export subsidisation. This is almost universally recognised. As a result, the G.A.T.T. provides defensive measures, if the application of the multiple exchange rates leads to either dumping (under Article VI) or to an excessive export subsidy (under Article XVI).

Premiums on Foreign Exchange Earnings

One way of encouraging export trade is the payment of premiums on foreign exchange earnings. These could be so large as to constitute either dumping or export subsidisation in the sense of the G.A.T.T. In that case, countervailing measures would be permissible.

When, as a result of foreign exchange restrictions, the mills in a country are hampered in their supply of fibres from abroad, it can occur that they receive additional foreign exchange allowances in proportion to their exports of finished textiles. This might make it worthwhile for them to sell their finished products below cost, and to recoup the loss either through the greater freedom which they would enjoy in their access to raw material supplies, or by selling the additional foreign exchange allowance on the black market. The granting of premiums or any other fiscal benefits on foreign exchange earnings, could, therefore, cause a sizable distortion of competition. Under the G.A.T.T., this practice is treated in the same way as dumping and export subsidisation.

State-controlled Export Trading

In recent years, countries with State-controlled economies and government export monopolies have emerged as particularly aggressive competitors on the world's textile markets. As far as their export trading is concerned, they are in a position to ignore the requirements of normal, commercial price calculation. Their export prices are manipulated. They often obtain additional export advantages through bilateral or triangular barter deals, which are sometimes a part of trade agreements with other countries. The laws of free international competition do not apply to exports from such countries.

Of these countries, only Czechoslovakia is a full member of the G.A.T.T. The Contracting Parties have, therefore, not yet dealt with this problem, and it is doubtful whether they will. Meanwhile, every country is free to adopt such measures against State-controlled export trading as it sees fit.

Barter Trading

Competitive advantages through barter trading are also obtained by private companies. This is an aspect of competition which has not been given sufficient attention so far. Yet many of the cases of alleged dumping may have been the result of barter deals.

It may happen that a trading company in country A buys a stock of textiles from a local manufacturer. As the same time, it imports from country B another commodity, for in-

(Continued on page 924)

Balance Sheet of Indian Branches of
LLOYDS BANK LIMITED
As at 31st December, 1960

1959 Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
	1. Capital—		
	Deposit with Reserve Bank of India under Section 11(2) of the Banking Companies Act, 1949—		
24,61,250	2½% Loan 1961— Rs. 25,00,000 at Rs. 99.15	24,78,750.00	
Nil	**2. Reserve Fund and Other Reserves**		Nil
	3. Deposits and Other Accounts—		
3,23,83,786	Short Deposits and Deposits at Call	4,41,28,821.25	
5,66,40,979	Fixed Deposits	5,27,78,172.57	
13,71,51,463	Savings Bank Deposits	14,96,37,213.40	
21,45,80,657	Current Accounts, Contingency Accounts etc.	22,28,99,661.03	
44,07,56,885			46,94,43,868.25
	4. Borrowings from Other Banking Companies, Agents etc.—		
2,00,000	(i) In India	2,16,00,000.00	
Nil	(ii) Outside India	Nil	
2,00,000			2,16,00,000.00
	PARTICULARS—		
Nil	(i) Secured by Central Government Securities per Contra	1,96,00,000.00	
2,00,000	(ii) Unsecured	20,00,000.00	
		2,16,00,000.00	
29,93,930	**5. Bills Payable**		22,48,838.09
	6. Bills for Collection Being Bills Receivable as per Contra—		
2,04,42,946	(i) Payable in India	2,96,46,553.04	
63,21,250	(ii) Payable outside India	37,84,405.62	
2,67,64,196			3,34,30,958.66
	7. Other Liabilities—		
33,24,892	Inter Branch Balances—Net—Head Office and Branches outside India	9,95,327.83	
37,04,375	Inter Branch Adjustments—Branches in India	24,44,088.82	
36,61,835	Staff Provident Fund	37,67,113.28	
1,07,01,102			72,06,527.93
3,33,56,088	**8. Acceptances, Endorsements and Other Obligations— per Contra**		6,53,24,161.56
	9. Contingent Liabilities—		
3,40,20,036	(i) Liability on account of outstanding Forward Exchange Contracts	3,80,45,790.00	
17,60,000	(ii) On Partly Paid-up Shares	17,60,000.00	

1959 Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
	1. Cash—		
	In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		
3,67,98,835			3,90,49,777.91
	2. Balances with Other Banks—		
	Current Accounts—		
1,31,998	(i) In India	2,55,123.50	
3,85,721	(ii) Outside India	4,76,919.60	
5,17,719			
1,40,00,000	**3. Money at Call and Short Notice**		7,32,043.10
			3,97,00,000.00
	4. Investments—At or under Market Value—		
	(i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments (of which nominal value Rs. 8,30,55,400 are lodged as security for borrowings from other Banks and for other Accounts)		
12,26,36,587	(ii) Ordinary Shares— Rs. nP	8,56,24,387.88	
	Fully paid up—at Market		
8,36,000	Value	6,74,500.00	
	Fully paid up—unquoted—at		
25,000	cost	25,000.00	
	Partly paid up—unquoted—at		
4,40,000	cost	4,40,000.00	
13,01,000			
	(iii) Debentures or Bonds—unquoted—at written		
Nil	down value	11,39,500.00	
Nil	(iv) Other Investments	15.00	
Nil	(v) Gold	Nil	
12,39,37,587			8,67,63,902.88
	5. Advances—		
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
	I. Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
24,84,07,397	(i) In India	31,04,41,466.62	
Nil	(ii) Outside India	Nil	
24,84,07,397		31,04,41,466.62	
	II. Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
74,96,616	(i) Payable in India	22,66,015.75	
2,11,49,234	(ii) Payable outside India	1,46,41,042.64	
2,86,45,850		2,90,07,058.39	
			33,33,48,525.01
	PARTICULARS OF ADVANCES—		
18,76,46,232	(i) Debts considered good in respect of which the banking company is fully secured	25,19,43,067.98	
4,62,63,691	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	5,38,41,050.94	
4,29,43,324	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	2,85,64,406.09	
Nil	(iv) Debts considered doubtful or bad not provided for	Nil	
27,70,53,247		33,33,48,525.01	
1,40,884	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	1,40,682.00	
4,20,913	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members	3,97,364.00	
1,64,122	(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	1,68,902.00	
4,55,579	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members	4,87,496.00	
20,98,723	(ix) Due from banking companies	5,61,336.00	
	6. Bills Receivable Being Bills for Collection as per contra—		
2,04,42,946	(i) Payable in India	2,96,46,553.04	
63,21,250	(ii) Payable outside India	37,84,405.62	
2,67,64,196			3,34,30,958.66
3,33,56,088	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations—per contra**		6,53,24,161.56
	8. Premises Less Depreciation—		
10,09,768	Original Cost	10,09,767.44	
1,79,232	Less: Depreciation	2,01,636.00	
8,30,536			8,08,131.44
Nil	**9. Furniture and Fixtures Less Depreciation**		Nil
	10. Other Assets including Silver—		
96,854	Income Tax Advance Payments	96,853.93	
14,17,189	Interest, Exchange, Commission, Discount and Expenses	Nil	
15,13,993			
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims**		96,853.93
			Nil
51,97,72,201	Total .. Rs.		59,92,54,354.49
			51,97,72,201 Total .. Rs. 59,92,54,354.49

AUDITORS' REPORT ON THE INDIAN BRANCHES OF LLOYDS BANK LIMITED UNDER SECTION 30 OF THE BANKING COMPANIES ACT, 1949.

We have audited the Balance Sheet of the Indian Branches of Lloyds Bank Limited dated 31st December 1960 and above set forth and the annexed Profit and Loss Account for the year ended 31st October 1960 with the books and accounts as kept at the Chief Managers' (Eastern Branches) Office, Calcutta, in which are incorporated certified returns from the ten Indian Branches and also with the books and accounts kept at the Calcutta Branch.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisions of Section 211 (1), (3) and (5) and Section 227 (5) of the Companies Act 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with Schedule VI of the Companies Act, 1956. The accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule of the Banking Companies Act, 1949.

We report that:—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

(b) In our opinion proper books of account as required by law have been kept by the Chief Managers' (Eastern Branches) Office and the Calcutta Branch so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the 9 Branches not visited by us.

(c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the certified returns.

(d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Branches as at 31st December 1960 and the Profit and Loss Account gives a true and fair view of the profit for the year ended 31st October 1960.

CALCUTTA,
20th March, 1961.

PRICE WATERHOUSE & CO.,
Chartered Accountants.

J. A. BROUGH,
Joint Chief Manager
(Eastern Branches).

PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES OF LLOYDS BANK LIMITED FOR THE YEAR ENDED 31st OCTOBER, 1960

1959 Rs.	EXPENDITURE	Rs. nP	Rs. nP
64,68,589	To Interest paid on Deposits, Borrowings, etc.	67,66,208.25	
91,94,806	" Salaries and Allowances and Provident Fund (includes Chief Managers Eastern Branches Rs. 1,48,757.72)	96,99,798.52	
(1,35,571)	" Directors' and Local Committee Members' Fees and Allowances	Nil	
10,40,606	" Rent, Taxes, Insurance, Lighting, etc.	10,96,836.74	
36,903	" Law Charges	17,185.45	
1,35,743	" Postages, Telegrams and Stamps	1,32,210.06	
19,500	" Auditors' Fees	18,500.00	
4,37,773	" Depreciation on and Repairs to the Banking Company's Properties	4,45,737.97	
4,80,346	" Stationery, Printing, Advertisements, etc.	5,24,995.36	
Nil	" Loss from Sale of or Dealing with Non-Banking Assets	Nil	
12,81,167	" Other Expenditure (including Proportion of Head Office Expenditure)	12,99,926.90	
32,01,095	" Balance of Profit (subject to Indian Income Tax and Super Tax)	47,40,815.97	
2,28,57,590	Total .. Rs.	2,45,42,143.76	

1959 Rs.	INCOME	Rs. nP	Rs. nP
1,77,58,782	By Interest and Discount	1,98,19,147.33	
44,69,764	" Commission, Exchange and Brokerage	47,06,952.43	
16,044	" Rents	16,044.00	
18,000	" Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets	Nil	
Nil	" Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil	
Nil	" Other Receipts	Nil	
Nil	" Loss	Nil	
2,28,57,590	Total .. Rs.	2,45,42,143.76	

SEA-ISLAND COTTON CULTIVATION

REORIENTED SCHEME TO BE IMPLEMENTED

THE progress of the scheme for the development of the Sea-Island cotton, initiated by the Indian Central Cotton Committee has not been very satisfactory. Although research and field trial of Sea-Island 'Andrews' had given encouraging results, cultivation of this cotton on a commercial scale has not met with the desired measure of success. In the light of experience gained in the past few seasons in the cultivation of Sea-Island cotton in Kerala and Mysore States the approach to this scheme has been reoriented with a view to confining the cultivation of the cotton to compact blocks in Kerala and Mysore. This was found to be necessary because it was felt that, as the cultivators in the region selected for growing Sea-Island cotton were new to cotton growing, particularly of such a delicate and sensitive crop as the Sea-Island cotton, some time had necessarily to elapse before the area under it could be extended on any large scale.

This decision is to be welcomed because failure of the initial experiments due, not so much to the unsuitability of the cotton for cultivation in these areas, but to lack of sufficient care on the part of cultivators or to lack of supervision will scare away prospective cultivators and spoil the chances of success of the whole scheme. It is an experiment worth trying, for, if it succeeds, not only could the current annual imports of about 225,000 bales of long-staple cotton, worth Rs. 30 crores, be dispensed with but the country could establish itself as one of the important exporters of this type of cotton.

Long History

Experiments in Sea-Island cotton cultivation have a fairly long history in this country. The earliest attempt to introduce Sea-Island cotton in India was made by the East India Company in 1831 in the districts of South Arcot, Salem and Coimbatore of the present Madras State and in Cudappah and Guntur of the former composite Madras State. This trial was unsuccessful. Two attempts made since then also met with the same fate. Interest in Sea-Island cotton was again revived in 1930 and exploratory trials were started. These were abandoned after some time as the results were not encouraging.

The problem of cultivation of Sea-Island cotton was again taken up by the Department of Agriculture, Madras, in 1947 and pursued with determination until it was satisfactorily solved. In 1948, the Indian Central Cotton Committee sanctioned a scheme for studying the agronomy and economics of cultivation of Sea-Island cotton. Apart from St. Vincent and Montserrat varieties, other strains were tried. It was found that the yield of Sea-Island cotton could be improved when seedlings raised ahead of the monsoon were transplanted with the onset of the rains. The crop responded well to manures and fertilisers and per acre yield was stepped up from the uneconomic level of 40 lbs. to 413 lbs. of *kapas* with proper attention to cultivation.

Spinning Tests

By 1952-53, sufficient cotton was produced in the Government farms to get its spinning value tested by the Technological Laboratory, Matunga, and a spinning mill in Bombay. The results were on the whole favourable and cotton produced in the West Coast was adjudged to be equal to the best Egyptian Karnak capable of spinning upto 120 counts. It was, however, found that this cotton, with a staple of 1½" to 1¾", would be unsuitable for any large-scale consumption by Indian mills which required types of about 1.3/16" staple. A search was thereupon made from among the other varieties grown in the varietal collection and one of them, the 'Andrews', appeared to be promising. It had a staple length of 1¼" with a ginning percentage of 30, as against 24 of St. Vincent and 28 of Montserrat, was relatively disease-resistant and in the test plots gave a high yield of 1,614 lbs. of seed cotton per acre. The trial of 'Andrews' in the cultivators' fields showed an average yield per acre on unirrigated land of 720 lbs. per acre, capable of yielding a net profit of Rs. 400 per acre.

In 1957 a scheme sponsored by Kerala and Mysore States for cultivation and large-scale development of 'Andrews' variety was sanctioned by the Indian Central Cotton Committee which was by then impressed with its field performance. The area under this cotton in 1957 was 135 acres and production was 2.5 million bales of lint. In the next year the area was increased to 1,050 acres and, in spite of adverse seasonal conditions, a total production of over 130 bales was got and this fetched over Rs. 3,500 a bale. Some individual cultivators obtained yields of more than 1,000 lbs. of *kapas* per acre and the net profit of the cultivators ranged from Rs. 280 to Rs. 1,136 an acre.

The success of the scheme will depend to a large extent on the nature and adequacy of the incentives offered and the help and guidance given in the cultivation of the cotton. In addition to supply of manures, pesticides, cash loans for cultivation expenses, etc., facilities should also be provided for the quick marketing of the crop and easy realisation of price. Effective and well directed publicity would also go a long way in inducing the cultivators, who are not familiar with new crops, to take to cotton growing.

COTTON IMPORT PROCEDURE

The procedural details in respect of the import quota for 200,000 bales of cotton announced last week-end has been notified. Out of the global quota of 200,000 bales (400 lbs. each) of cotton of staple 1-1/16" and above, 50,000 bales will be allotted to mills against their retention quota under the export incentive scheme. The balance of 150,000 bales will be distributed to the consumers of foreign cotton stapling 1-1/16" and above. Out of these 50,000 bales stapling 1-1/16" and above but below 1.3/16", will be distributed to consumers of foreign cotton on the basis of the allocation of such cottons during the last season. The balance of 100,000 bales will be distributed to the consumers of foreign cotton of 1-3/16" and above on the basis of allocation of such cotton during the last season.

Mills applying for a licence to import cotton of 1-3/16" and above are required to pay a premium at Rs. 170 per bale of 400 lbs. each, while mills applying for a licence to import 1-1/16" and above but below 1-3/16" cottons are required to pay a premium at Rs. 130 per bale of 400 lbs. each, to the Indian Cotton Mills Federation or the Southern India Millowners' Association, as the case may be.

Allotment letters will be issued by the Textile Commissioner on the basis of the figures already in his possession. On the strength of the allotment letters, licences to import will be issued by the Office of the Joint Chief Controller of Imports and Exports, Bombay, on application along with the money receipt from the Indian Cotton Mills Federation or the Southern India Millowners' Association for the payment of the premium.

In the event of any dispute about the staple length of any variety of cotton, the decision of the Textile Commissioner's Appeal Committee appointed by the Textile Commissioner under the Cotton Control Order, 1955 shall be final.

Normally, the declaration regarding the staple length as made by the importers while applying for a licence would be accepted. However, at the time of clearance, the responsibility of proof for the staple length of the cotton imported will lie on the importers who will produce satisfactory evidence, if required. In case of doubt regarding any such evidence the decision of the Textile Commissioner shall be final and binding on the parties.

STABILISING COTTON PRICES

Mr. Manubhai Shah informed the Lok Sabha on the 5th inst. that the Indian Cotton Mills' Federation had agreed to step up its purchases of cotton from the Gujarat area and Government was also considering other measures to prevent accumulation of stocks of indigenous cotton with growers and traders. He was confident that the steps already taken and which might be taken in future would relieve the situation.

INDUSTRIAL **IBCON** CONSULTANTS

The industrial consultancy services offered by the group fall under the following headings:-

IN THE PLANT:— PLANT CAPACITY AND LAY-OUTS • PRODUCTION PLANNING AND CONTROL • STORES ORGANISATION AND CONTROL
FUEL AND STEAM UTILISATION • RAW MATERIALS CONTROL • QUALITY CONTROL • TRANSPORT
MECHANICAL HANDLING • OPERATIONAL RESEARCH • VALUATION OF PLANT AND BUILDINGS

ON LABOUR:— METHOD AND WORK STUDY • JOB EVALUATION • INCENTIVES • PERFORMANCE CONTROL • WAGE STRUCTURES
TIMEKEEPING SYSTEMS • PERSONNEL RECORDS • HUMAN RELATIONS • COMMUNICATION

IN OFFICES:— MANAGEMENT CONTROLS • MANAGEMENT ORGANISATION : EXECUTIVE AND CLERICAL • WORK MEASUREMENT
INCENTIVES • BUDGETARY CONTROLS • LAYOUT, COMMUNICATIONS AND EQUIPMENT

AND:— THE SETTING UP AND TRAINING OF THE CLIENT'S OWN INDUSTRIAL ENGINEERING DEPARTMENT
MARKET RESEARCH • PLANNING FOR MODERNISATION AND EXPANSION OF INDUSTRIES
TECHNOLOGICAL STUDIES IN RAW MATERIALS, PROCESS AND PLANT PERFORMANCE

IBCON PRIVATE LIMITED

HEAD OFFICE: ADELPHI, 119, QUEEN'S ROAD, BOMBAY 1.
2, FAIRLIE PLACE, CALCUTTA 1. • BRADY'S BLDG., MAHATMA GANDHI RD., KANPUR.
GEORGE OAKES BLDG., SRI NARASIMHARAJA SQUARE, BANGALORE 2. • 85 WARD PLACE, COLOMBO 7, CEYLON
ALSO IN:
U.K., PAKISTAN, BURMA, IRAQ, CHILE, ARGENTINA, BRAZIL, MEXICO, AUSTRALIA, HONGKONG.

ejants

FOR
MACHINE TOOLS
AND
SPECIAL
SWEDISH
STEELS

CONTACT
FK **FRANCIS KLEIN & CO., PRIVATE LTD.**
HEAD OFFICE:
1, INDIA EXCHANGE PLACE
CALCUTTA-1
SHOWROOMS:
13A, GOVT. PLACE EAST
CALCUTTA-1

THE SOUTH INDIA INSURANCE CO., LTD.
Incorporated in India
(Established 1934)

FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office:
Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

A NEW SYMBOL FOR SIMON ENGINEERING

This is the new symbol of Simon Engineering Limited, a Company which was formed in November 1960, of which Simon-Carves Limited is a Member Company.

Simon Engineering Limited is a new Company, but it represents an organisation which was founded nearly a century ago and whose activities today extend nearly to all parts of the world where engineering knowledge and technology have contributed to a better life.

It is our belief, our faith that the new symbol will be carried forward to all parts of India and the world as a symbol of engineering progress.

Simon-Carves Ltd
Incorporated in England. The liability of the members is limited.
STANDARD BUILDINGS,
32, Dalhousie Square South, Calcutta 1
MEMBER COMPANY
SIMON ENGINEERING LTD
SEC-26

ANNOUNCEMENT
STATE BANK OF TRAVANCORE
(Subsidiary of the State Bank of India)
have pleasure to announce that, in pursuance of their objective to promote savings and encourage rural deposits
THE INTEREST RATES ON SAVINGS BANK ACCOUNT
in all their offices
HAVE BEEN RAISED
as from the 1st April, 1961, as under:—
FROM 2½% TO 3% P.A.
T. R. KRISHNASWAMI,
General Manager.

Messrs. Gazdar Private Ltd.
TAJ MAHAL HOTEL, BOMBAY
Tele. No. 212477
APPOINTED
VALUERS of JEWELLERY
Under the Estate Duty Act
To
THE GOVERNMENT OF INDIA

HINDUSTHAN MERCANTILE BANK LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS, HINDUSTHAN MERCANTILE BANK LTD.

The Directors have pleasure in submitting to you the Audited Accounts of the Bank for the year ended 31st December, 1960, together with the Auditors' Report thereon.

The gross earning of the Bank during the period under review after writing off the irrecoverable debts aggregating Rs. 1,30,206.28 nP amounted to Rs. 11,95,034.45 nP and after providing for expenses, the net profit for the year comes to .. .. Rs. 68,239.21 nP

to this has to be added the amount brought forward from the previous Balance Sheet .. Rs. 5,518.95 nP

Total .. Rs. 73,758.16 nP

which the Directors have disposed of as follows :—

(1)	Transferred to Reserve Fund	Rs. 20,000.00 nP
(2)	Towards Income-tax for 1959 as well as for 1960	Rs. 50,000.00 nP
(3)	Balance carried forward	Rs. 3,758.16 nP
	Total ..	Rs. 73,758.16 nP

The business of the Bank during the year 1960 and the results achieved are considered to be satisfac

In terms of provisions of Clauses 90 and 91 of the Articles of Association (1) Sri Mohanlal J (2) Sri Mungturam Jalpuria and (3) Sri Manmull Bhuwalka, the Directors of the Bank retire by rotation being eligible offer themselves for re-election.

The Directors express their gratitude to the Bank's constituents, Shareholders and members of Local Advisory Committee for their continued support, co-operation, able help and guidance towards Bank's development.

The Directors also place on record their appreciation of the services rendered by the Officers and members of the staff at Head Office and Branches.

The Shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneratio

By Order of the Board,
M. L. JALAN,
Chairman.

CALCUTTA, *15th March*, 1961.

BALANCE SHEET AS AT 31st DECEMBER, 1960

Figures as at 31-12-1959 Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
	1. Capital—		
2,00,00,000	AUTHORISED CAPITAL— 2,00,000 Shares of Rs. 100 each		2,00,00,000.00
1,00,00,000	ISSUED AND SUBSCRIBED CAPITAL— 1,00,000 Shares of Rs. 100 each		1,00,00,000.00
50,00,000	AMOUNT CALLED AND PAID-UP— 1,00,000 Shares at Rs. 50 per Share		50,00,000.00
2,30,000	**2. Reserve Fund and Other Reserves**		2,50,000.00
	3. Deposits and Other Accounts—		
35,54,928	Fixed Deposits (including Staff Security Deposits, Short Term Deposits and Cash Certificates) ..	37,74,687.40	
11,04,995	Savings Bank Deposits	12,22,178.02	
1,83,22,488	Current Accounts, Contingency Accounts, etc.	1,39,15,206.23	
2,09,82,391			1,89,12,071.65
	4. Borrowings from Other Banking Companies, Agents, etc.—		
	(i) In India— Rs. nP		
19,76,514	(a) Secured by part of Investment as per contra .. 59,523.89		
Nil	(b) Unsecured .. .. .. Nil		
		59,523.89	
Nil	(ii) Outside India	Nil	
			59,523.89
1,03,138	**5. Bills Payable**		77,858.72
	6. Bills for Collection Being Bills Receivable as per contra—		
22,59,580	(i) Payable in India	20,82,040.47	
Nil	(ii) Payable outside India	Nil	
			20,82,040.47
Nil	**7. Other Liabilities—** Branch Adjustments		1,32,645.54
1,54,056	**8. Acceptances, Endorsements and Other Obligations** per contra		47,956.39
	9. Profit and Loss—		
12,536	Balance: Profit as per last Balance Sheet	5,518.95	
64,983	ADD—Profit for the year brought from the Profit and Loss Account (subject to Taxation)	68,239.21	
77,519		73,758.16	
	LESS—Appropriations— Rs. nP		
22,000	(a) Reserve under Section 17 of the Banking Companies Act .. 20,000.00		
50,000	(b) Towards Income-tax for 1959 and 1960 .. .. 50,000.00		
		70,000.00	
5,519			3,758.16
	10. Contingent Liabilities—		
4,45,635	(i) Claims against the Banking Company not acknowledged as debts	1,83,375.58	
2,35,671	(ii) In respect of Guarantees issued (against part of which Bank's Investments of the Face Value of Rs. 1,11,000 are deposited)	2,13,884.06	
50	(iii) In respect of partly paid-up Shares held in Investment Account	625.00	
3,07,11,198	Total .. Rs.		2,65,65,854.82

Figures as at 31-12-1959 Rs.	PROPERTY AND ASSETS	Rs. nP	Rs.
31,52,446	**1. Cash—** In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		26,37,632
	2. Balances with Other Banks— Rs. nP		
1,26,584	(i) In India— On Current Account 1,77,502.82		
5,202	On Deposit Account .. .. Nil		
1,31,786		1,77,502.82	
Nil	(ii) Outside India	Nil	
			1,77,502
16,00,000	**3. Money at Call and Short Notice**		8,00,000
	4. Investments (at cost)—		
70,70,971	(i) Securities of the Central and State Governments and other Trustees Securities, including Treasury Bills of the Central and State Governments .. (Face Value Rs. 67,12,000.00. Market Value Rs. 64,83,844.80)	65,76,502.25	
	(ii) Shares— Rs. nP		
5,873	Fully paid up Preference Shares. 6,872.50		
2,72,628	Fully paid up Ordinary Shares. 2,26,197.89		
93	Partly paid up Ordinary Shares. 625.00 (Market Value Rs. 2,11,478.63)	2,33,695.39	
Nil	(iii) Debentures or Bonds	Nil	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
73,50,565	(Total Market Value Rs. 66,95,322.93)		68,10,197
	5. Advances—		
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
	(I) Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
1,50,46,610	(i) In India 1,33,69,983.41		
Nil	(ii) Outside India .. Nil		
		1,33,69,983.41	
	(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
	(i) Payable in India .. 1,57,050.50		
5,20,913	(ii) Payable outside India . Nil		
		1,57,050.50	
1,55,67,523			1,35,27,033.91
1,31,42,397	PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the banking company is fully secured	1,12,64,783.58	
7,02,541	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	8,59,217.53	
17,22,585	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	13,13,668.41	
Nil	(iv) Debts considered doubtful or bad not provided for	89,889.39	
1,55,67,523		1,35,27,033.91	
150	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	3,010.02	
6,65,944	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
300	(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors, or managers or officers of the banking company or any of them either severally or jointly with any other person ..	3,011.66	
9,68,700	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of banking company are interested as directors, partners or managing agents or, in the case of private companies, as members.	6,78,257.31	
2,607	(ix) Due from banking companies	5,573.38	
	6. Bills Receivable Being Bills for Collection as per contra—		
22,59,580	(i) Payable in India	20,82,040.47	
Nil	(ii) Payable outside India	Nil	
22,59,580			20,82,040.47
1,54,056	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		47,956.39
Nil	**8. Premises Less Depreciation**		Nil
	9. Furniture and Fixtures Less Depreciation (including Vehicles)—		
3,33,512	Cost less deductions as per last Balance Sheet	3,39,589.91	
2,060	Additions during the year	1,302.71	
3,40,562		3,40,742.62	
1,022	LESS—Deductions during the year	603.25	
3,39,540		3,40,139.37	
2,30,418	LESS—Depreciation written off to date	2,39,114.35	
1,09,122			1,01,025.02
	10. Other Assets, including Silver—		
94,936	Interest accrued and outstanding on Investments, etc.	88,174.31	
1,35,740	Income-tax deducted as source	2,18,079.08	
83,705	Stationery and Stamps	66,959.13	
701	Library (at cost less Depreciation)	669.10	
82,447	Branch Adjustments	....	
3,77,529			3,73,874.61
8,591	**11. Non-Banking Assets Acquired in Satisfaction of Claims**		8,591.00
Nil	**12. Profit and Loss**		Nil
3,07,11,198	Total .. Rs.		2,65,65,854.82

(Continued)

SHREENIWAS COTTON MILLS LIMITED

CHAIRMAN, MR. N. D. BANGUR, ON URGENCY OF MODERNISATION

INDUSTRY MUST BE PERMITTED TO BUILD UP ADEQUATE SURPLUS

THE number one problem of the cotton textile industry, namely, rehabilitation and modernisation of plant and machinery, figured prominently in the speech delivered by Mr. N. D. Bangur, Chairman of the Shreeniwas Cotton Mills Ltd., at the Twenty-sixth Annual General Meeting of the Company held at Bombay on Monday, 8th May 1961. The colossal amounts required for modernisation, Mr. Bangur argued, could be raised by the industry only if the Government allowed sufficient margin in cloth prices to enable the industry to build up adequate surplus. He pointed out that the present policy of the Tariff Commission of allowing only 12 per cent return on employed capital out of which, tax, bonus for labour, managing agency commission and certain other charges had to be paid, left only a meagre 4 per cent for shareholders. The following is the full text of Mr. Bangur's speech:

"GENTLEMEN,

"I have great pleasure in welcoming you to the 26th annual general meeting. The audited balance-sheet and the statement of accounts have been in your hands for sometime and I hope I have your consent to take the same as read.

Results Impressive

"I would not like to repeat the details which are already given in the Directors' report about the progress of renovation and modernisation programme of your Company. You will please appreciate that the big programme of machinery replacements and renovation already carried out and still under implementation has naturally caused a great financial strain on the resources of the Company. It is, however, gratifying to find that the large amount that your Company has spent during the last few years in the replacement of plant and machinery has begun to give really impressive results as reflected in the working of the period under review. I think I can safely claim that the working results of your Company for the last year can be compared favourably with many of the progressive and modern textile units of the country and I hope and trust that, with the completion of this year's further programme of modernisation, the Company will be fully equipped to successfully compete in the production of a diversified range of latest textile varieties suitable to the growing change of pattern of cloth consumption.

"I may also like to add that the working of your subsidiary, Shree Madhusudan Mills Limited, continues to make satisfactory progress. The programme of modernisation in that unit is also proceeding according to schedule and I am glad to inform you that our application to the N.I.D.C. for implementing a further substantial programme of modernisation is being favourably considered by that Corporation. It is expected that a substantial loan will be sanctioned shortly to enable this unit to complete the modernisation of its spinning department. As you must have seen from the last year's balance-sheet, this Company has already wiped out its arears of deficit and is expected to show even better results during the current year. I am confident that your Company's investment in this unit will now begin to show fruitful results and will prove beneficial in the long run.

New Unit

"I am glad to inform you that the progress of erection work in the factory of your another subsidiary, Shree Gopal Industries Limited, at Kotah is going on satisfactorily and this unit, with a modernised equipment of 12,500 spindles, is expected to go into production very shortly. The Government of India are expected to announce the expansion programme for the textile industry in the near future and there are good prospects of Rajasthan getting a substantial quota of additional spindles and looms. Your subsidiary has already applied to the Government to increase its capacity to 25,000 spindles and I am hopeful that the Government will allow this unit to expand to its economic size. The hydro-power from the Chambal Project has been made available in this fast growing industrial centre and a number of new industrial units are taking shape. I hope and trust that this completely renovated new textile unit of your subsidiary will play its due role in the important industrial centre of Rajasthan.

Voluntary Price Control

"The textile industry has been the target of adverse criticism during the last year when the textile prices began to rise after the depression which the industry suffered during the preceding two or three years. The Indian Cotton Mills' Federation, in response to the appeals from the Central Government, introduced a voluntary system of price control from September 1960 and later on a further reduction was made from January 1961. This substantial reduction undoubtedly affected the working of the industry, specially in view of the growing increase in the cost of manufacturing. It is, however, regrettable that the consumers for whom the Government showed so much concern in pressing the industry to accept a price cut on a voluntary basis were not allowed to continue to reap the benefit of this sacrifice on the part of the industry and a number of additional levies were imposed in the last budget, which have further increased the price of cloth. The textile industry was already contributing a huge amount of about Rs. 80 crores to the Exchequer and this further additional burden of about rupees 12 crores on the industry is clearly unjustified.

Rehabilitation

"The industry is faced with the very vital problem of rehabilitation and modernisation. It has been estimated by the Working Group, that a colossal amount of the order of about Rs. 180 crores will be necessary to carry out even a modest programme of modernisation, out of which rupees 80 crores have to be found by the industry itself. This huge amount can be found by the industry only if the Government, in regulating the price structure, allows sufficient margin to the industry to enable it to build adequate surplus to meet the urgent demand of renovation and rehabilitation of its outmoded equipment. The matter of the fixation of fair prices is now under the examination of the Tariff Commission. In this connection, I would like to draw your attention to the policy that is followed by the Tariff Commission in fixing prices for the industries whose manufactured goods are controlled in the national interest. The present policy of the Tariff Commission in allowing only 12 per cent return on employed capital, which is subject to tax, bonus for labour, managing agency commission and certain other charges, hardly leaves a meagre 4 per cent for the shareholders. The impression that the textile industry has been making enormous profits is not substantiated by the study made by the Reserve Bank which clearly shows that the return in this industry is among the lowest compared to other industries. I hope and trust that the Tariff Commission will take a realistic and constructive view of the magnitude of the task with which our industry is faced.

"I have, in the end, to express my high appreciation of the very valuable services rendered by the members of our staff and labour which have contributed to such excellent results."

Note: *This does not purport to be a report of the proceedings of the annual general meeting.*

HINDUSTHAN MERCANTILE BANK LIMITED—*Contd.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960

Figures for the previous Year	EXPENDITURE	Rs. nP	Rs. nP
Rs.			
3,74,566	1. Interest paid on Deposits, Borrowings, etc.	4,25,848.06	
	2. Salaries and Allowances and Provident Fund (Including Salaries and Allowances paid to Manager, Head Office, and Officer-in-charge Rs. 8,568.15 nP.)	5,47,996.57	
5,90,782	3. Directors (Rs. 1,450) and Local Committee Members' Fees and Allowances	2,242.66	
1,525	4. Rent, Taxes, Insurance, Lighting, etc.	56,488.95	
57,310	5. Law Charges	6,707.35	
876	6. Postage, Telegrams, Stamps and Telephone	13,691.97	
13,747	7. Auditors' Fees	2,500.00	
2,500	8. Depreciation on and Repairs to the Banking Company's Property	12,270.25	
11,443	9. Stationery, Printing, Advertisement, etc.	37,720.39	
34,963	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil	
Nil	11. Net Loss on Sale of Investments	Nil	
Nil	12. Other Expenditure	21,279.02	
22,236	13. Balance of Profit (subject to Taxation)	68,239.21	
64,983			
11,04,652	Total .. Rs.	11,95,034.45	

Figures for the previous Year	INCOME (Less provisions made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP	Rs. nP
Rs.			
9,15,720	1. Interest and Discount		9,81,091.49
1,29,480	2. Commission, Exchange and Brokerage		1,52,926.71
Nil	3. Rents		Nil
46,172	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets		60,247.25
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets		Nil
Nil	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets		Nil
280	7. Other Receipts		786.00
Nil	8. Loss		Nil
11,04,652	Total .. Rs.		11,95,034.45

The above accounts have been drawn up in accordance with the provision of Section 29 of the Banking Companies Act, 1949.

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the annexed Balance Sheet of Hindusthan Mercantile Bank Limited as at 31st December, 1960, and also the annexed Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated the returns of the Clive Row Branch, Calcutta, audited by us and the unaudited returns from six other branches not visited by us, which are exempt from the requirements of Section 228 of the Companies Act, 1956, by virtue of Rule 3 of "The Companies (Branch Audit Exemption) Rules, 1961," in respect of the financial year ended 31st December, 1960.

We report that :—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory;

(b) The transactions of the Bank which have come to our notice, have been within the powers of the Bank;

(c) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books, and proper returns adequate for the purpose of our audit have been received from the branches of the Bank;

(d) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and returns;

(e) In our opinion, and to the best of our information and, according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking Companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the Profit for the year ended on that date.

CALCUTTA, *24th March*, 1961.

K. N. GUTGUTIA & CO.,
P. K. GHOSH & CO., } *Chartered Accountants. Auditors.*

G. L. MAHAJANI,
Manager, Head Office.

V. V. CHELLAM,
Chief Accountant.

M. L. JALAN, *Chairman.*
M. B. JAIPURIA,
B. KANORIA,
M. M. BHUWALKA
KAMAL SINGH RAMPURIA,
HARIRAM BURNA,
P. R. BARKER,
HARILAL MEHTA, } *Directors.*

THE ANDHRA BANK, LIMITED

(Established 1923)

Annual Report of The Directors for the year ended 31st December, 1960.

To be presented to the Shareholders at the 37th Annual General Meeting to be held at the Registered Office of the Bank, 11/526 Cantonment Road, Masulipatnam, on Friday the 12th May 1961.

The Directors have the pleasure to submit to the Shareholders the Balance Sheet of the Bank as at and Profit and Loss Account for the year ended 31st December, 1960. The Auditors' Report is annexed.

The net profit of the Bank for the year 1960 amounted to Rs. 11,57,071.01 after payment of one month's substantive pay as Bonus to staff. Adding to this a sum of Rs. 10,300.82 nP. brought forward from the previous year's account and Rs. 651.02 nP. being excess dividends provided for the year, 1959 the total amount available for appropriation came to Rs. 11,68,022.85 nP. Certain appropriations have already been made out of this amount and we propose to make further appropriations as per details given below :—

	Rs. nP.
Appropriations made :	
Interim Dividend paid for the half-year ended 30th June, 1960 at 7½ per cent. per annum (Subject to Tax)	1,56,000 00
Transfer to Reserve Fund under section 17 of the Banking Companies Act, 1949	3,35,000 00
Provision for Taxes	4,90,000 00
Transfer to Gratuity Fund	5,000 00
Appropriations now proposed :	
To pay a final dividend for the half-year ended 31st December 1960 at 8½ per cent. per annum (Subject to Tax) making a total of 8 per cent. per annum (Subject to Tax) for the whole year which will absorb	1,77,200 00
To carry forward to the next account	4,822 85
Total .. .. Rs.	11,68,022 85

The business of the Bank during the year under review recorded satisfactory progress.

The Official rate of the Reserve Bank of India remained at 4 per cent. per annum during the year.

A Branch of the Bank was opened at Bangalore during the above period. Another Branch was opened at Bombay in January, 1961.

Under Section 256 of the Companies Act, 1956, read with Article 94 of the Bank's Articles of Association, Messrs. Majety Seshagirirao, C. Ramanadha Babu, R. V. Reddy, Directors longest in Office retire by rotation and from the next longest in Office Shri S. Ramachar has volunteered to retire and they being eligible, offer themselves for reappointment.

You are requested to appoint Auditors to hold Office till the conclusion of the next Annual General Meeting and to fix their remuneration.

24th March, 1961.

By Order of the Board,
S. R. Y. SIVARAMA PRASAD BAHADUR
Chairman.

BALANCE SHEET AS AT 31st DECEMBER, 1960

Corresponding Figures 31st December, 1959 Rs.	Rs.	CAPITAL AND LIABILITIES	Rs. nP.	Rs. nP.
		1. Capital—		
	1,00,00,000	AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each ..		1,00,00,000 00
		ISSUED CAPITAL—		
49,99,000		49,990 Shares of Rs. 100 each for payment in cash	49,99,000 00	
1,000		10 Shares of Rs. 100 each for consideration other than cash ..	1,000 00	
	50,00,000			50,00,000 00
	48,99,000	SUBSCRIBED CAPITAL— 48,990 Shares of Rs. 100 each ..		48,99,000 00
		AMOUNT CALLED UP—		
1,01,000		On 1,010 Shares at Rs. 100 per share.	1,01,000 00	
40,78,300		On 47,980 Shares at Rs. 85 per share.	40,78,300 00	
41,79,300			41,79,300 00	
29,710		LESS—Calls unpaid	14,355 00	
41,49,590			41,64,945 00	
Nil		ADD—Forfeited Shares	Nil	
	41,49,590			41,64,945 00
		2. Reserve Fund and Other Reserves—		
13,25,000		Reserve Fund under Section 17 of the Banking Companies Act, 1949 ..	16,60,000 00	
6,48,220		Share Premium	6,48,220 00	
	19,73,220			23,08,220 00
		3. Deposits and Other Accounts—		
6,83,63,614		FIXED DEPOSITS .. .. .. (Including Cash Certificates and Staff Security Deposits)	8,28,41,252 00	
2,90,52,125		Savings Bank Deposits	3,19,70,237 40	
3,15,88,050		Current Accounts, Contingency Accounts, etc.	3,30,51,651 60	
	12,90,03,789			14,78,63,141 18
		4. Borrowings from other Banking Companies, Agents, etc.—		
2,30,01,850		(i) In India	1,14,29,504 39	
Nil		(ii) Outside India	Nil	
	2,30,01,850			1,14,29,504 39
		PARTICULARS— Rs. nP. (i) Secured by part of investments per contra .. 1,12,29,504 39 (ii) Unsecured .. 2,00,000 00		
	16,11,229	**5. Bills Payable**		15,99,495 63
		6. Bills for Collection Being Bills Receivable as per contra—		
78,17,183		(i) Payable in India	99,15,612 50	
11,68,166		(ii) Payable outside India	8,95,751 69	
	89,85,349			1,08,11,364 19
		7. Other Liabilities—		
61,268		Unclaimed Dividends	58,224 15	
45,17,928		Branch Adjustments	41,10,996 99	
8,235		Rebate on Bills Discounted	13,057 07	
15,000		Gratuity Fund	20,000 00	
	46,02,431			42,02,278 21
	40,12,702	**8. Acceptances, Endorsements and Other Obligations** per contra		81,00,518 74
		9. Profit and Loss—		
1,68,706		Profit as per Balance Sheet as at 31st December, 1959	1,97,700 82	
		LESS—Appropriations—		
1,44,500		Final Dividend for the half-year ended 31st December, 1959, at 9 per cent. per annum (taxable) making a total of 8 per cent per annum (taxable) for the year 1959	1,87,400 00	
24,206			10,300 82	
9,63,595		ADD—Profit for the year brought from the Profit and Loss Account ..	11,57,071 01	
9,87,801			11,67,371 83	
		Excess Dividend provided for 1959. ..	651 02	
			11,68,022 85	
		LESS— Rs. nP. Ad-Interim Dividend at 7½ per cent. per annum (Taxable) for the half-year ended 30th June, 1960 .. 1,56,000 00; Transfer to Reserve Fund under Section 17 of the Banking Companies Act, 1949 3,35,000 00; Provision for taxes for the year 1960 .. 4,90,000 00; Transfer to Gratuity Fund 5,000 00		
7,90,100	1,97,701		9,86,000 00	1,82,022 85
	17,75,37,861	Carried forward .. Rs.		18,56,61,490 19

Corresponding Figures 31st December, 1959 Rs.	Rs.	PROPERTY AND ASSETS	Rs. nP.	Rs. nP.
	1,47,74,457	**1. Cash—** In hand and with Reserve Bank and State Bank		2,03,46,672 50
		2. Balances with Other Banks—		
		(a) In Current Account—		
23,58,984		(i) In India	24,36,325 28	
2,70,517		(ii) Outside India	1,40,825 18	
30,250		(b) In Deposit Account— Deposits with Banks in India ..	31,250 00	
	26,59,751			26,08,400 46
	Nil	**3. Money at Call and Short Notice** ..		Nil
		4. Investments at Cost—		
5,11,73,507		(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments of the Face Value of Rs. 5,29,78,200 00 .. .. Market Value Rs. 5,21,44,782.42	5,24,91,301 25	
		(ii) Shares—		
68,028		(a) Fully paid Ordinary Shares..	72,296 34	
Nil		(b) Fully paid Deferred Shares ..	Nil	
Nil		(c) Partly paid Ordinary Shares (Market Value of the above shares : Rs. 1,08,728.12)	2,042 50	
7,000		(iii) Debentures or Bonds	7,000 00	
Nil		(iv) Other Investments	Nil	
Nil		(v) Gold	Nil	
	5,12,49,435			5,25,73,540 09
		5. Advances— (Other than Bad and Doubtful Debts for which Provision has been made to the satisfaction of the Auditors):		
8,08,82,150		(i) Loans, Cash Credits, Overdrafts, etc.— Rs. nP. (a) In India .. 7,87,22,471 43 (b) Outside India. Nil	7,87,22,471 43	
1,02,55,695		(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (a) Payable in India. 95,43,796 71 (b) Payable outside India .. 2,97,034 60	98,40,831 31	
	9, ,37,854			8,85,63,302 74
		6. Bills Receivable Being Bills for Collection as per contra—		
78,17,183		(i) Payable in India	99,15,612 50	
11,68,166		(ii) Payable outside India	8,95,751 69	
	89,85,349			1,08,11,364 19
	40,12,702	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		81,00,518 74
		8. Premises (Less Depreciation)—		
6,79,112		Cost as per Balance Sheet of 31st December, 1959	6,80,683 54	
1,571		Additions during the year	740 05	
6,80,683			6,81,423 59	
98,053		LESS—Depreciation written off to date.	1,16,018 80	
	5,82,630			5,65,404 79
		9. Furniture and Fixtures (Less Depreciation)—		
7,16,480		Cost as per Balance Sheet of 31st December, 1959	8,00,796 03	
92,006		Additions during the year	1,25,546 78	
8,09,095			9,26,342 81	
8,299		LESS—Deductions : Cost of Furniture sold and/or written off during the year	18,747 17	
8,00,796			9,07,595 64	
2,75,784		LESS—Depreciation written off to date.	3,12,057 01	
	5,25,012			5,95,538 63
		10. Other Assets including Silver—		
20,09,097		(a) Sundries (including Income-tax and Surcharge deducted at source, and Advance Payment of Income-tax)	33,27,306 12	
2,32,570		(b) Stationery on hand at cost ..	2,30,325 38	
6,743		(c) Stamps on hand	5,765 16	
7,06,123		(d) Accrued Interest on Investments..	7,08,858 20	
4,290		(e) Library— Rs. nP. Cost as per Balance Sheet of 31-12-1959 .. 5,398 85; Additions during the year .. 882 89; 6,281 74; LESS—Written off during the year. 14 00; 6,267 74; LESS—Depreciation written off to date .. 1,449 37	4,818 37	
	17,39,27,190	Carried forward .. Rs.	42,77,073 23	17,96,64,742 20

THE ANDHRA BANK, LIMITED—*(Continued)*

Corresponding Figures 31st December, 1959 Rs.	Rs.	CAPITAL AND LIABILITIES—Contd.	Rs. nP.	Rs. nP.
	17,75,37,861	Brought forward .. Rs.		18,56,61,490 19
		10. Contingent Liabilities— Rs. nP.		
50,122		(1) Claims against the Banking Company not acknowledged as debts 51,764 51		
17,500		(2) Money for which the Banking Company is contingently liable—Uncalled Capital on partly paid shares held as Investments .. 16,250 00		
Nil		(3) Arrears of Cumulative Preference Dividends .. Nil		
Nil		(4) Liability on bills of Exchange rediscounted .. Nil		
Nil		(5) Liability on account of outstanding Forward Exchange Contracts .. .. Nil		
67,55,068		(6) Liability on account of Letters of Guarantee on behalf of Constituents ..26,44,754 55		
Nil		(7) Liability on account of Letters of Guarantee on behalf of Directors. 23,883 00		
		Note : (i) Provision to the full extent for future gratuities to the staff has not been made, the Liability for which has not been ascertained. (ii) The Balance Sheet and Profit and Loss Account have been drawn up in accordance with the provisions of Sec. 29 of the Banking Companies Act, 1949, and are not required to be and are therefore not drawn up in accordance with Schedule VI of the Companies Act, 1956.		
	17,75,37,861	Total .. Rs.		18,56,61,490 19

Corresponding Figures 31st December, 1959 Rs.	Rs.	PROPERTY AND ASSETS—Contd.	Rs. nP.	Rs. nP.
	17,39,27,190	Brought forward .. Rs.	42,77,073 23	17,96,64,742 20
20,576		(f) Motor Cars— Rs. nP. Cost as per Balance Sheet of 31-12-1959 .. 24,473 00; Additions during the year .. 24,930 05; 49,403 05; LESS — Depreciation written off to date .. 8,479 65	40,923 40	
5,86,293		(g) Premises not occupied by the Banking Co. (including premises under construction)— Rs. nP. Cost as per Balance Sheet of 31-12-1959 .. 5,92,813 33; Additions during the year ..10,49,489 23; 16,42,302 56; LESS — Depreciation written off to date .. 7,409 20	16,34,893 36	
	35,65,693			59,52,889 99
	44,978	**11. Non-Banking Assets Acquired in Satisfaction of Claims—** (At Book Value) (This does not exceed the estimated realisable value) ..		43,858 00
	17,75,37,861	Total .. Rs.		18,56,61,490 19

Particulars of 'Advances' forming part of the Balance Sheet as at 31st December, 1960.

Corresponding Figures 31st Dec., 1959 Rs.	PARTICULARS	Rs. nP.	Rs. nP.
8,15,32,669	1. Debts considered good in respect of which the Banking Company is fully secured		7,78,06,629 76
76,84,461	2. Debts considered good for which the Banking Company holds no other security than the Debtors' personal security. (The above includes Rs. 65,67,234.34 debts for which more than one person is liable)		69,43,002 96
19,20,724	3. Debts considered good secured by the Personal Liabilities of one or more parties in addition to the personal security of debtors		38,13,670 02
Nil	4. Debts considered doubtful or bad not provided for ..		Nil
9,11,37,854			8,85,63,302 74

Corresponding Figures 31st Dec., 1959 Rs.	PARTICULARS	Rs. nP.	Rs. nP.
5,47,458	5. Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons (Fully secured)		10,31,782 11
46,70,828	6. Debts due by Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners, or Managing Agents or in the case of Private Companies as Members : Fully Secured .. .. / Secured by personal liability of debtors, etc. ..	28,39,634 37 / 20,60,690 21	49,00,324 58
8,61,940	7. Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers, or Officers of the Banking Company or any of them either severally or jointly with any other persons (Fully secured)		10,31,782 11
80,47,467	8. Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms, in which the Directors of the Banking Company are interested as Directors, Partners, or Managing Agents or in the case of Private Companies as Members : Fully secured .. .. / Secured by personal liability of debtors ..	54,02,022 42 / 23,33,589 85	77,35,612 27
227	9. Due from Banking Companies		631 99

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960.

Corresponding Figures for the previous year Rs.	Rs.	EXPENDITURE	Rs. nP.	Rs. nP.
	39,72,467	1. Interest paid on Deposits, Borrowings, etc.		48,49,731 71
		2. Salaries and Allowances, Bonus and Provident Fund—		
9,000		* (a) Managing Director's Honorarium..	9,000 00	
21,075		† (b) General Manager	20,559 43	
26,84,037		(c) Others	32,13,652 07	
	27,14,112			32,43,211 50
	10,960	3. Directors' and Committee Members' Fees and Allowances		14,100 00
	1,94,100	4. Rent, Taxes, Insurance, Lighting, etc. ..		2,41,367 00
	4,075	5. Law Charges		9,686 96
	1,55,798	6. Postage, Telegrams and Stamps ..		1,96,281 50
	9,000	7. Auditors' Fees		12,000 00
	74,122	8. Depreciation on and Repairs to the Banking Company's Property		79,560 06
	1,76,354	9. Stationery, Printing, Advertisements, etc.		1,98,220 95
	Nil	10. Loss from Sale of or Dealing with Non-Banking Assets		Nil
	1,57,582	11. Other Expenditure		1,78,752 84
	Nil	12. Development Rebate Reserve ..		750 00
	9,63,595	13. Balance of Profit (subject to Taxation)..		11,57,071 01
	84,32,165	Total .. Rs.		1,01,80,733 53

* The Managing Director is allowed free use of Bank's car.

† Besides the amount shown in 2 (b) above, the General Manager is allowed rent-free quarters and free use of the Bank's car.

Corresponding Figures for the previous year Rs.	Rs.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. nP.	Rs. nP.
	70,08,653	1. Interest and Discount		87,88,532 06
	12,19,705	2. Commission, Exchange and Brokerage ..		12,10,226 81
	24,255	3. Rents		25,607 00
	93,507	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets. (Not credited to Reserves or any particular Fund or Account) ..		65,085 22
	Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets. (Not credited to Reserves or any particular Fund or Account) ..		Nil
	3,240	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets		3,163 75
		7. Other Receipts—		
82,453		(a) Sundry Receipts	87,810 19	
352		(b) Share Transfer Fee	308 50	
	82,805			88,118 69
	84,32,165	Total .. Rs.		1,01,80,733 53

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the foregoing Balance Sheet of the Andhra Bank Limited as at 31st December, 1960, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the Returns from 51 Branches audited by us and 22 Branches audited by other Auditors.

We report that :—

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the Bank;

(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) the reports on the accounts of the branches audited by the other Auditors have been forwarded to us and the same have been considered in preparing our report;

(f) in our opinion and to the best of our information and according to the explanations given to us the said accounts read along with the notes appearing thereon give the information required by the Companies Act, 1956, in the manner so required for Banking Companies and on such basis the said Balance Sheet gives a true and fair view of the state of affairs of the Bank as at 31st December, 1960 and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

VIJAYAWADA :—D/26-3-1961 — BRAHMAYYA & CO.
GUNTUR :—D/26-3-1961 — CH. V. LAKSHMAIAH & CO.
VIJAYAWADA :—D/26-3-1961 — BAPANAIAH & CO.
} *Chartered Accountants.*

S. R. RAO, *Chief Accountant.*

R. V. NARASIMHA RAO, *Assistant Manager.*

T. V. SUBRAHMANYAM, *Deputy General Manager.*

T. R. BHAGAVAT, *General Manager.*

S. R. Y. SIVARAMA PRASAD BAHADUR, *Chairman.*
K. S. DUTT, *Deputy Chairman.*
TADEPALLY SRIRAMULU, *Managing Director.*
R. V. REDDY,
C. RAMANADHA BABU,
B. R. DANTU,
MAJETY SESHAGIRI RAO,
REPAKA SATYANARAYANA MOORTY,
[illegible]
V. VENUGOPAL,
S. RAMACHAR,
M. RANGANATHA SAI,
} *Directors.*

COMPILATION OF INDUSTRIAL STATISTICS—II

MORE PRECISION NEEDED IN COMPUTING VALUE OF INPUTS

By A Statistician

TWO concepts of wages have been adopted for collecting data relating to wages. One concept of 'wages' has been taken verbatim from the Payment of Wages Act, 1936, the various provisions of which are mainly designed to ensure prompt payment of wages and regulate deductions and fines to the workers or persons employed in the industrial establishments listed in Section 2 of the Act. The definition hardly meets the needs of an industrial census or sample survey. First, the definition does not relate to the payments made for the quantum or amount of productive work done in the establishment, plant or workshop during a particular reference period, as the term 'wages' includes all the additional remuneration including termination of service benefits which become payable under any law or contract and for the payment of which no time limit has been prescribed in the law or contract. Secondly, the term 'wages' includes only those payments which would become payable if the terms of contract of employment, expressed or implied, were fulfilled. In other words, it includes all contractual payments and excludes all ex-gratia payments such as profit-sharing bonus.

According to the other concept, 'wages' have been defined to include all payments made to labour, *including contractual* and *ex-gratia payments such as profit-sharing bonus*. Entries in Part I are to be made in accordance with the latter concept, while entries in Part II are to be made according to former concept. When both the Parts (Parts I and II) are to be filled for census establishments and industrial concerns, some of the blocks in Part I become summary blocks for detailed information in Part II. It is not clear how information collected according to one concept can be transformed to another concept for summary purposes.

This anomalous position can be resolved by adopting one definition for the purposes of entries in both the Parts.

The discussion thus far has shown that there is an imperative need to evolve new concepts and definitions, so that the gap between the conceptual framework and empirical equivalents and operational definitions is narrowed down.

Skilled and Unskilled Operatives

Workers have been divided into skilled, semi-skilled and unskilled. Elaborate and detailed instructions given in para 24(4) of the Memorandum explain the theoretical concepts of each category and give operational definitions of such concepts. Considerable ingeniousness has been shown in evolving the concepts and their empirical equivalents, but it is doubtful how far these can be implemented with any degree of reasonable accuracy. The abstract qualities by which the operational definitions have been explained, leave considerable discretion to the respondents and investigators to categorise workers according to their best judgment. How far such a procedure is conducive from the standpoint of collecting reliable and complete data on a uniform basis from the establishments covered, is a question which needs re-examination.

Instructions in para 15(4) of the Memorandum explain the procedure for calculating the ex-factory net selling values of products and by-products manufactured. It is not clear from the instructions whether the ex-factory value is to be calculated at factor cost or market prices, but exclusion of excise duties from the value of production indicates that the ex-factory net selling values are to be calculated at factor cost. If it is so, the subsidies need to be added. In this connection, the Statistical Commission, U.N., has made the following recommendations:

"These different types of output should be valued as far as possible at the current ex-factory prices, with excise duties subtracted and subsidies on production (though not on sales) added."

The instructions need to be suitably amended.

In para 14 (3) of the Memorandum, the procedure of evaluating the inputs acquired from allied or auxiliary concerns has been explained. An example of a cement factory obtaining its requirements of limestone from a quarry taken on lease by paying annual amount of lease has been cited as an illustration. In footnote 6 to this para it is stated that "the purchase value of such material should be taken to be equal to the annual amount of lease money paid, plus the cost of transport or other incidental charges incurred in bringing the material to the factory." These instructions are at variance with the theoretical and conceptual framework and practical procedures employed to meet such situations.

The treatment of the materials and industrial services consumed in the manufacturing establishment would depend on the structure of industry in general and the technical, managerial and financial integration in particular. Any treatment has to take into account the facts of industries as they exist and to fit in these facts in the conceptual framework. Unless this is ensured there are always possibilities of double counting. The institutional relationship thus becomes an important consideration in the treatment of materials and industrial services consumed.

Institutional Relationship

The treatment of the quarried material would depend on the institutional relationship that subsists between a quarry or mine, and the "manufacturing establishment" which is covered under the Annual Survey of Industries. The relationship of a quarry or mine may assume the following two forms:

(a) Quarry or mine may be treated as an integral part of the "manufacturing establishment" covered under the Annual Survey of Industries.

(b) Quarry or mine may be treated as an allied establishment belonging to a multi-unit enterprise.

If the quarry or mine is considered as an integral part of the manufacturing establishment covered under the Annual Survey of Industries, all the expenses incurred in quarrying the material such as labour costs, etc. should be accounted for under appropriate headings in the relevant blocks along with similar particulars of the manufacturing establishment, the value added in the process of quarrying being reflected in the value of the final products of the manufacturing establishment.

If the quarry or mine is treated as an allied establishment belonging to the multi-unit enterprise, the quarried material should be transferred to the manufacturing establishment covered under the Annual Survey of Industries at market prices, as if purchased. It may be noted that the market prices, both actual as well as virtual, generally, though not necessarily, cover the factor payments. This procedure is in accordance with the national practices and international standards. In the Annual Survey of Manufactures, conducted by the U.S. Department of Commerce, the following procedure has been recommended:

"Include materials, etc., received from other plants of your company at the approximate market value *plus* freight and other direct handling charges."

The Statistical Commission, United Nations, has made the following recommendations in this connection in its *Proposed Revisions to the International Standards in Basic Industrial Statistics* (Paper No. E/CN3/257.):

"Valuation of commodities received should be at the delivered value (laid down cost) at the statistical unit, including the purchase price, all transport and other charges, and duties, taxes or other levies and excluding discounts, rebates, etc. allowed to the purchaser. *Goods received by the statistical unit from other units of the same enterprise should be valued as if purchased—i.e., at market prices.* In practice it may sometimes be necessary to accept the value posted to the books for the establishment." (Para 85, page 25.)

It will thus be seen that the observance of the procedure given in the instructions would lead to overestimation of value added in the manufacturing sector and underestimation in the mining sector.

Intermediate Products

In order to obtain an unduplicated figure of value added for the industry as a whole, it is necessary to make adequate provision in the form of return for the treatment of intermediate products. The following are some of the cases of intermediate products:

(i) Intermediate products produced and consumed in the same establishment in the same reference period.

(ii) Intermediate products which are produced in one reference period, but consumed in the succeeding reference period.

(iii) Final products which became intermediate products as a result of crossing the production boundary.

(iv) Intermediate products which became final products as a result of crossing the production boundary.

With the exception of intermediate products listed at item (i), no provision exists in the form of return for the treatment of other kinds of intermediate products. In the forms of return prescribed under the Industrial Statistics Act, 1942, a provision existed for the treatment of intermediate products listed at item (ii) only. This is a serious lacuna in the existing forms of return and needs to be rectified.

Gross Expenditure on Capital Account

Provision has been made in Part II of the form for reporting the capital expenditure (classified according to new and secondhand and indigenous and imported) actually incurred during the year on plant, machinery and tools bought for installations. Expenditure incurred on major additions, alterations, renovations, reconditioning and improvements which extend the normal economic life or raise productivity of physical assets, are also to be reported. No provision has, however, been made for reporting the materials, fuels, etc. consumed and labour costs incurred by the establishment in producing, manufacturing, fabricating or building capital assets for its own use in the establishment. On the contrary, in para 14 (4), it has been specifically stated that "care should be taken not to include in either Block 8 or Block 11, any material used on capital account, i.e. for addition to capital." If a correct estimate of value created or added in the establishment as a result of various manufacturing or productive activities carried on is to be framed, it is necessary to make a suitable provision for reporting the values of all materials purchased and consumed on capital account under appropriate headings as recommended by the Statistical Commission, United Nations, in International Standards in Basic Industrial Statistics (Series M. No. 17).

Value of Semi-finished Products in Stock or in Process at the Beginning and at the end of the Reference Period: No provision has been made in input blocks, as well as output blocks, for reporting values of semi-finished products in stock or in process at the beginning and at the end of the reference period. It is not clear how correct estimates of work done in the establishment during reference period can be framed in the absence of this vital information. Provision which exists in Part I for reporting value of "partly finished products" is with reference to the accounting year of the establishment which may be different from the calendar year, the reference period for the survey.

Some Comments on the Blocks in the form of return: Block (4) Part I—Details of Operation: 1. Against Item 6 in this Block is to be recorded the "Type of ownership" of the

(Continued on page 909)

CONSTIPATION AND PILES

Habitual constipation can cause piles or haemorrhoids, a condition where the veins within and immediately outside the rectum become swollen. Because of the pain it becomes more difficult and distressing to evacuate the bowel. The constipation gets worse and so do the piles with painful fissures. It follows that, if the acute pain and discomfort caused by the piles can be relieved, evacuation of the bowels will be made easier. Hadensa does just that. It brings prompt relief from pain and itching. With its continuous use, the piles shrink and complete relief is obtained. Hadensa, the well-known German pile remedy contains no narcotics. It is nonstaining and is easy to use. A small plastic cannula with instruction for use is supplied in each package. If piles is your problem, Hadensa is the answer. Try Hadensa today. Now manufactured in India.

DZ-952A

ALLAHABAD BANK
LIMITED
ESTABLISHED 1865
Registered Office:
14, India Exchange Place,
CALCUTTA 1
Affiliated to
The Chartered Bank
Bombay Offices:
39, APOLLO STREET and
232/34, KALBADEVI ROAD
Ahmedabad Office:
MASKATI MARKET

Authorised Capital - - Rs. 1,00,00,000
Subscribed Capital - - Rs. 60,00,000
Paid-up Capital - - - Rs. 45,50,000
Reserve Fund - - - - Rs. 1,08,00,000

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED

Branches and Correspondents throughout India and in all principal cities of the world.

M. J. Maclaren,
General Manager.

AB-2.

THE BRITISH INDIA CORPORATION LTD.
KANPUR

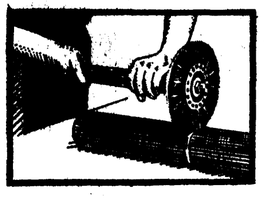
BRANCHES DIVISION
Cawnpore Woollen Mills Branch
New Egerton Woollen Mills Branch
Cooper Allen Branch
North West Tannery Branch
London Office

BEGG SUTHERLAND DIVISION
Secretaries and Treasurers:
The Elgin Mills Company, Limited
Cawnpore Textiles Limited
Brushware Limited
Cawnpore Sugar Works Limited
Champaran Sugar Company, Limited
Saran Engineering Company, Limited

Secretaries for:
Beta Picker & Co. Ltd.

Agents for:
Royal Exchange Assurance

"SCCO"



These brushes are invaluable for buffing and cleaning exceptionally corroded welding or rust from structural work, also specially adapted for weld chipping, and other tough scaling preparations and rough Castings. "TWISTKNOTS" may be operated at considerably higher speeds than ordinary wire wheels and a comparatively light pressure increases both the efficiency and life of the brush, in addition to lightening the work of the operator.

India Brushware
72, CANNING STREET,
CALCUTTA-1.
Phone: 34-1905

Don't blame nature for grey hair

"Nature has made my hair grey, Sir; what can be done?" we have heard and seen men grumbling with similar remarks But men who blame Nature for grey hair should know why one's hair becomes grey. Research has found that 90% of premature greying is mainly due to lack of hair-care, unhygienic surroundings and indiscriminate use of inferior hair oils.

"*Loma*", prepared scientifically in a most modern factory at Ahmedabad, under rigid quality control, has all the good ingredients to end grey hair. Start using "*Loma*" today and soon you will realize why millions all over India and abroad have put their confidence in "*Loma*". Remember, the name "*Loma*" spells quality - such as what you expect it to be.

Brush up with *Loma*
for a better look!

Sole Agents & Exporters: M. M. KHAMBHATWALA, Ahmedabad 1 (India)
Agents: C. NAROTAM & CO., Bombay 2

A proud achievement

Established in the record time of five months. The Company is equipped with the latest continuous process plant to produce filament yarn of all deniers. Also producer of Sulphuric acid, Sodium sulphide, & Carbon bi-sulphide.

A J.K. product

J. K. RAYON
KAMLA TOWER, KANPUR

COMMERCE
India's Premier Financial, Commercial and Industrial Journal

Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.
BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY
Telephone No. 260255

AMERICAN LETTER

ECONOMIC AND POLITICAL DILEMMAS

MORE MONEY GOING INTO SAVINGS

From Our Special Correspondent

NEW YORK, *5th May*

THE fiascos in Cuba, Laos and the Congo, not to mention other trouble spots in the world which the new Administration has to face, not only have had economic consequences but they have awakened the American public to domestic weaknesses. They have had, altogether, an even greater impact on the minds of the people of the United States than the firing of the original Sputnik. The image of American superiority is fading.

Economically speaking, there are indications which have not yet shown up in the lagging Government statistics. If these straws in the wind can be analysed, they mean to me that caution has taken over. Spending is still substantial, of course, but more and more money is going into savings. What in other countries would be called luxury spending, apparently, is at a standstill, if not actually declining. The stories have become private property which have been told by experts to closed sessions of U.S. Senate Committees. They confirm, more or less, what I wrote in my last despatch. The actual manpower for the invasion was left to anti-Castro Cuban forces now residing in this country. But the U. S. provided training camps and some arms and other implements of war.

While the invaders had some bombers, the U.S. refused to provide air-cover of fighters which were available readily from a nearby aircraft carrier. What was not published was that there were leaks, either through members of the American Intelligence Agency or by Cubans who could not keep their mouth shut, or disclosed deliberately when and where anti-Castro landings would be made. Hence, the defenders were waiting for the invaders at the proper time and at the proper spots. Castro-manned Soviet tanks did the rest.

Despite former President Eisenhower's warning not to turn the fiascos into witch-hunts, trying to nail responsibility on certain people for the sake of unity, the Central Intelligence Agency has come under severe public criticism. It is being blamed, for example, for not properly screening the people who work at such missile bases as Cape Carnaveral, with the implied result that Moscow knows beforehand of the U. S. plans. It speaks volumes that President Kennedy sought the advice and counsel of such conservatives as General McArthur, ex-President Eisenhower and ex-President Herbert Hoover, as well as his former running mate Richard Nixon, but he ignored completely former President Truman and his thoughts on this phase of history.

The whole situation is fraught with economic and political dilemmas. On the economic side, country after country and market after market are being taken away from the U. S. The U. S. policy seems confined to providing aid to those who oppose Communism rather than answering armed force with armed force. The specific dilemma in Cuba was and is that Castro is the legally elected head of State. This comes under the heading of the Monroe Doctrine up to a point. The other side of the story is that nobody knew that Castro would turn Communist which endangers the safety of the U.S. In the process, production in Cuba has been cut in half and misery is rising.

For Laos, the decision has been made at Washington not to counter military action with U. S. armed intervention. Instead, the surrounding countries will be helped. Whether this is right and turns out to be a mistake, only history will tell.

U. S. Economy

There were three interesting developments in the U. S. economy. In 337 reporting localities, the turnover of cheques was only one per cent higher in March than in February. In New York City, the index compiled by the Federal Reserve system fell by 5½ per cent for the month and, in six other leading financial centres, the decline was 4 per cent. People in large cities are becoming cautious.

In connection with the much debated question of unemployment, interesting Government statistics were published. In the last decade, there was a substantial boost in part-time work. In May, nearly one-fifth, or more than 12 million workers, were engaged part—rather than full-time. Most of the part-timers do so by choice, including housewives, students and semi-retired persons. Official estimates are that, by 1970, there will be almost 16 million part-time workers in industries, but only half of them on a voluntary basis.

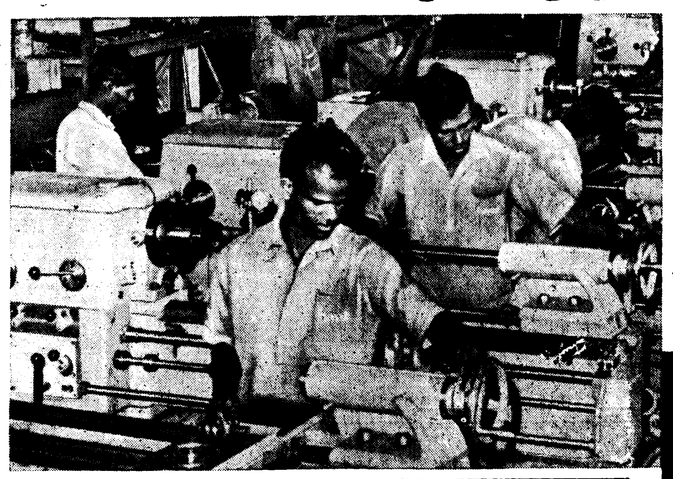
The bleakest picture was provided by first quarter earning reports. Net income of several hundred leading corporations were nearly 20 per cent below the first quarter of 1960. The hardest hit groups were iron and steel, automobiles, as well as textiles and apparel. But stock prices which are supposed to discount the future have gone up, foreshadowing, presumably, a brighter future.

United Nations

Top delegates and correspondents seem agreed that there might be quite a few early changes in the Kennedy Cabinet and in other high level appointments. They will be camouflaged so as not to appear as scapegoats for early failures of the Administration.

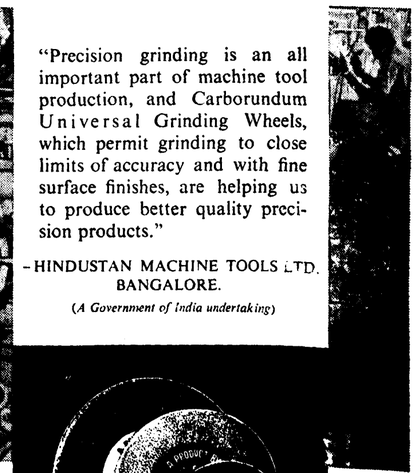
The same high U.N. officials from overseas were highly pleased by the positive statements to the Press of Treasury Secretary Dillon. He insisted that all fiscal and monetary measures will be used to lower long-term interest rates and raise those of the short-terms. This, they felt, would be salutary in the international payments position of all countries—up to a point. Mr. Dillon remarked that this is planned to be done gradually without disturbing the markets, with the co-operation of the World Bank, the International Monetary Fund and other U.N. agencies.

HINDUSTAN MACHINE TOOLS rely on
CARBORUNDUM UNIVERSAL ABRASIVES
for all grinding operations



"Precision grinding is an all important part of machine tool production, and Carborundum Universal Grinding Wheels, which permit grinding to close limits of accuracy and with fine surface finishes, are helping us to produce better quality precision products."

– HINDUSTAN MACHINE TOOLS LTD. BANGALORE.
(A Government of India undertaking)



We now manufacture **CARBOFLEX Reinforced Depressed Centre Wheels** *for foundries and for weld dressing operations*

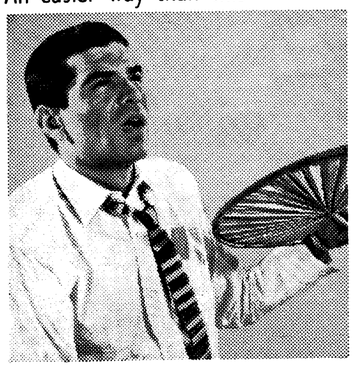
In any industry ... for any grinding operation ... you can rely on Grinding Wheels made by

CARBORUNDUM UNIVERSAL LTD.
Head Office: **52/53, Jehangir Street, Madras-1 Telephone 2941 (8 lines)**
Works: **Tiruvottiyur**

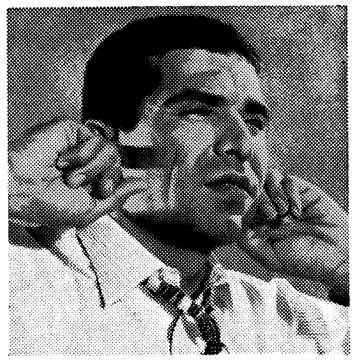
Distributors: MESSRS. WILLIAM JACKS & CO., LTD., Calcutta-1, Bombay-1, Madras-1, New Delhi, Bangalore-1, Kanpur, Hyderabad.
For Specialties only: MESSRS. H. S. COX & CO. PRIVATE LTD., 24, Rampart Row, Bombay.

CZ-904

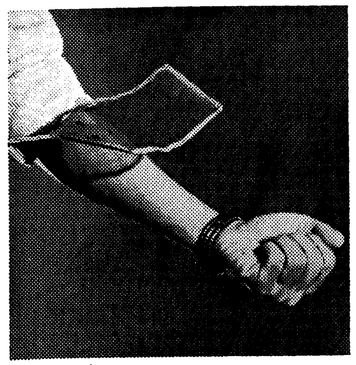
An easier way than this



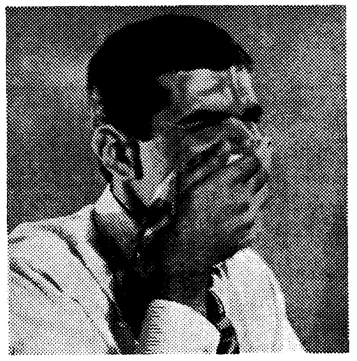
to keep cool,



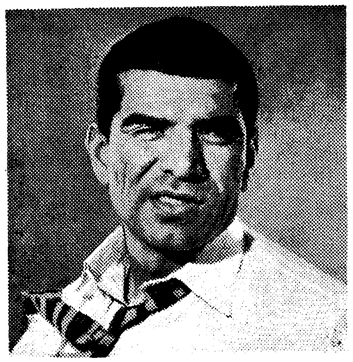
shut out outside noise,



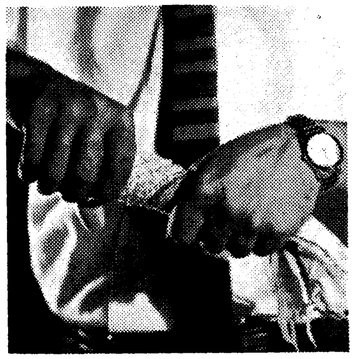
flies and mosquitoes,



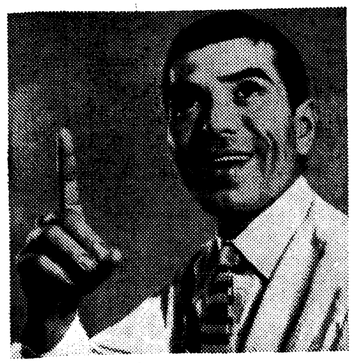
prevent dust



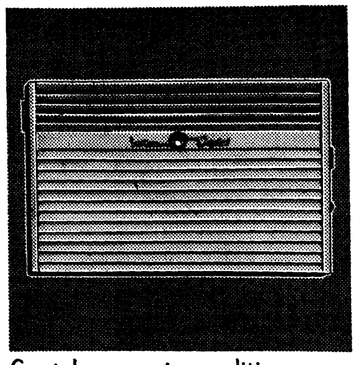
or draughts



and damp,



is to invest, in a



Crystal room air conditioner

A Voltas Crystal air conditioner cools a room, cuts down outside noise and allows you to work, relax, or sleep undisturbed. It creates a cool climate healthfully free of dust, damp and insects.

This hardy machine, specially designed for India's difficult climatic conditions, is built to last you many years.

With a Voltas Crystal you get famous Voltas Service—the best in India.

More people buy a Crystal than any other air conditioner.

Crystal
by **VOLTAS**

VOLTAS LIMITED
Head Office: Ballard Estate, Bombay 1.

CALCUTTA • MADRAS • NEW DELHI
BANGALORE • COCHIN • AHMEDABAD
LUCKNOW • KANPUR • SECUNDERABAD

CENTRAL BANK OF INDIA LIMITED

MR. H. P. MODY'S SPEECH AT ANNUAL MEETING

NEED FOR A MORE REALISTIC FISCAL AND ECONOMIC POLICY URGED

SPEAKING at the Fiftieth Annual General Meeting of the Central Bank of India Ltd., held at Bombay on Friday, 5th May 1961, Mr. Homi Mody, Chairman of the Bank, struck a cheerful note when he informed the shareholders that the net profit of the Bank amounted to Rs. 133 lakhs, the highest in the Bank's history.

At the beginning of his speech, Mr. Mody commented briefly on some of the notable events of the year under review. He said that there was a general upward trend in trade and industry, and notable advances were made in West Germany and Japan where production, employment and exports continued to rise resulting in substantial increases in the gold and foreign currency resources of these countries. "In Britain," continued Mr. Mody, "there was an abnormal expansion of bank credit and special measures had to be taken to deal with it and, for the first time, banks were called upon to make special deposits." "In the United States, a recession set in, the extent and duration of which are difficult to estimate. Considerable loss of gold and dollar resources took place and the balance of payments position deteriorated. The situation has since improved and the drain on the reserves has been arrested."

Industrial Production

Mr. Mody said that, in India, during the first eleven months of the year, industrial production showed a significant increase, and, despite shortage of coal, iron and steel production was up, though not to the extent of the target set. The textile industry passed through a difficult phase, owing mainly to a poor cotton crop, non-availability of raw materials at reasonable prices and a heavier wage bill. Sugar production reached a peak level of 2.42 million tons, as a result of the establishment of new factories and the expansion of the crushing capacity of existing units. Mr. Mody emphasised that the most encouraging feature of recent economic growth had been the emergence of a more broadbased industrial structure and a steady diversification of the general pattern of development.

The general price level, which Mr. Mody considers of vital importance, continued to soar. A relieving feature, however, was the fact that the price level of food articles had not gone out of hand and the upward trend had been arrested temporarily. "In respect of industrial raw materials," Mr. Mody stated, "there had been a big jump in prices and consequently the price level of manufactured articles had also moved up substantially." "The extent and seriousness of the damage," Mr. Mody said, "may be gauged from the fact that, between March 1956 and November 1960, there had been an increase of nearly 28 per cent in the general price index."

Third Plan

Touching on the third Five-year Plan, Mr. Mody expressed that, in spite of all the assurances that public opinion would be fully consulted and given due weight, the Plan had finally emerged as it was originally conceived. The total outlay on the Plan was estimated to be of the order of Rs. 11,250 crores. He, however, observed that, while the size of the Plan was equal to that of the first two Plans together, its physical proportions were likely to be smaller because of the inflated prices prevailing and further pressures on the price-level which might be expected.

Discussing the emphasis on rapid industrialisation indicated in the third Plan, Mr. Mody stated that it was certainly open to question whether, with our limited resources in materials and technical personnel, it was wise to accord such preponderance to heavy industry in our development plans. "The products of heavy capital industries," he observed, "were by their very nature incapable of absorbing all the additional purchasing power pumped into the economy, and it might legitimately be feared that such a lop-sided pattern of outlay might tend to aggravate the general inflationary pressure."

"Amongst the resources for the third Plan," Mr. Mody stated, "additional taxation had been given an important place and was expected to provide as much as Rs. 1,650 crores during the five-year period and it would be obvious to all but the planners that the country was not in a position to bear such a crushing burden and deficit financing to an extent higher than what had been estimated might have to be resorted to." Mr. Mody went on to say that by far the most important and crucial source of finance for the third Plan was foreign aid and the Plan must depend vitally on the availability of a far larger volume of foreign assistance. He was, however, doubtful whether, with all the goodwill in the world, under the present world conditions, foreign resources of the magnitude required would be made available to us. He felt that even at the best we were mortgaging the future a little too recklessly, and it was possible that the third Plan might have to be recast drastically.

Money and Banking

Dealing briefly with the main trends noticed in the monetary and banking fields, Mr. Mody said that the money supply with the public had increased during the year by Rs. 217 crores. The scheduled banks' advances had shown a steep rise of Rs. 216 crores to reach a record figure of Rs. 1,180 crores, reflecting the unmistakable impact of the growing tempo of economic activity on the banking system.

Mr. Mody at this stage pointed out the difficulties that the Bank had to face whilst meeting the heavy demand for finances. While the Bank tried to do all it could to accommodate its old customers, it had to a certain extent also to cater for its new constituents. The sugar industry was a case in point which was meeting with considerable difficulty in securing adequate finance to take care of its substantial increase in production. Mr. Mody was of the opinion that this problem could be dealt with only by a suitable revision of the policy of the Government. In the meanwhile, he suggested more liberal rediscount facilities on the part of the Reserve Bank of India to provide some relief to the industry.

Credit Control

With a view to curbing undue expansion of bank credit, Mr. Mody said that the Reserve Bank, in addition to the selective credit control measures, had resorted, for the first time, to the more direct device of variable reserve ratios, whereby they impounded and immobilised, in two stages, 50 per cent of all additional deposits secured by scheduled banks. In addition, ceilings were fixed on the limits upto which individual banks could borrow from the Reserve Bank, any excess over the ceilings being subjected to penal rates of interest. Banks were also directed not only to enforce a minimum interest rate of 5 per cent on all their advances but also to step up their average lending rate by ½ per cent. Mr. Mody warned that the fact that the general price level continued to rise in spite of these measures adopted by the Central Banking Authority should serve as a timely reminder to the Government that, if they wished to maintain price stability, which was an essential prerequisite for the success of any Plan, they should not fight shy of shedding their doctrinaire attitudes and of adopting a more realistic fiscal and economic policy.

Dealing with the balance-sheet and statement of accounts, Mr. Mody informed the shareholders that the Bank's working fund at Rs. 225 crores represented a substantial increase of Rs. 32 crores, or 17 per cent, over the 1959 figures. The gross earnings and net income amounted respectively, to Rs. 10.78 crores and Rs. 6.44 crores, as compared to Rs. 9 crores and Rs. 5.14 crores in the previous year. The net profit amounted to Rs. 133 lakhs, which is the highest in the Bank's history. Advances, too, had reached a high level and recorded a jump of Rs. 32.92 crores over the previous year.

Establishment Charges

The establishment charges continued to move up disconcertingly year after year and, over the period 1956-60, the increase has been of the order of Rs. 107 lakhs, equivalent to over 41 per cent. He said that, during the year under review alone, establishment charges went up by Rs. 32 lakhs and that, in relation to the gross earnings and net income, they absorbed as high a proportion as 34 per cent and 56.8 per cent, respectively. What was particularly a matter of concern was the fact that, despite the increase in the strength of the Bank's staff, overtime allowance should have amounted to as much as Rs. 13 lakhs during the year.

"In view of the higher profits that had been made," Mr. Mody said, "the Directors have proposed an increase over the dividend paid to shareholders last year. The interim dividend of Rs. 2.10 per share, subject to tax, already paid for the half-year ended 30th June, together with the final dividend of Rs. 2.50 per share, subject to tax, now recommended for the second half of the year, would make a total dividend of Rs. 4.60 per share, subject to tax, equivalent to Rs. 3.22 net per share. This works out to 12.88 per cent net for the whole year. In addition, it was proposed to give the shareholders a jubilee bonus of 50 nP per share, subject to tax."

Before concluding his speech, Mr. Mody thanked the Vice-Chairman, Mr. C. H. Bhabha, the General Manager, Mr. N. K. Karanjia, and the Deputy Managers, Mr. F. C. Cooper and Mr. V. C. Patel, and the other officers at the head office and branches and the members of the clerical and subordinate staff throughout the country. He also thanked the Local Advisory Committees at the various centres for the co-operation and guidance they had always extended to the Bank.

Finally, Mr. Mody expressed the hope that, as the years rolled by, it would be the good fortune of the Bank to serve the interests of the industrial and business community even more efficiently than in the past. He looked forward with confidence to greater and greater efforts on the part of one and all connected with the Bank to enhance the prestige, position and prosperity of the great institution with which all had the privilege to be associated.

THE HINDUSTAN COMMERCIAL BANK LTD.
Head Office at Birhana Road, Kanpur
and
38 BRANCHES AT IMPORTANT CENTRES
All types of banking business transacted. Locker facilities available at Agra, Calcutta (Netaji Subhas Road), Hardoi, Kanpur (Birhana Road), Kanpur (Aryanagar), Lucknow (Aminabad), Meerut Cantt., New Delhi and Varanasi Branches.
Attractive rates offered for deposits and reasonable rates charged on advances
Loans against Post Office Savings Certificates and Treasury Savings Certificates granted at low rates of interest.
EFFICIENT SERVICE
Sir Padampat Singhania, Kt., Chairman. S. S. Rachhpal, General Manager.

965 548 A

INDUSTRIAL INSTRUMENTS
EX : M/S. DREYER ROSENKRANZ & DROOP, GERMANY

For
1. Industrial Pneumatic Controls.
2. Indicating or Recording Thermometers.
3. Indicating or Recording Vacuum or Pressure Gauges.
4. Combined Gauges.
5. Engine Indicators, etc.
Contact Sole Agents
TOSHNIWAL BROTHERS PRIVATE LIMITED
198, Jamshedji Tata Road, Bombay-1
Branches :
AJMER CALCUTTA NEW DELHI MADRAS

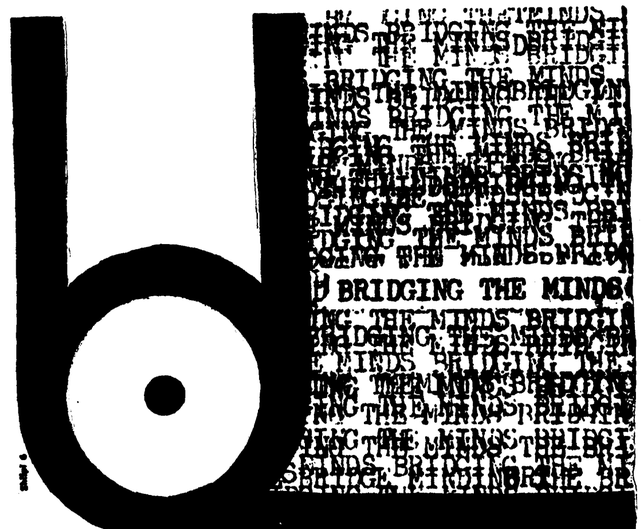
THE UNITED COMMERCIAL BANK LIMITED
Head Office: CALCUTTA

Authorised Capital	..	Rs. 8,00,00,000
Subscribed Capital	..	Rs. 4,00,00,000
Paid-up Capital	..	Rs. 2,00,00,000
Reserve Fund	..	Rs. 2,05,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.
Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.
AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.
G. D. BIRLA, Chairman. S. T. SADASIVAN, General Manager.

A PASSENGER FROM DELHI WRITES.....
"... the staff there is always very helpful and very obliging. It is a real pleasure to deal with them ..... I congratulate you on the excellence of your office organisation and the smoothness of the KLM fights ....."
This extract is from an unsolicited letter: a photocopy can be obtained from KLM, Calcutta.

For that extra personalised service, there's nothing like flying "the Golden Circle"
to NEW YORK on KLM DC-8 Jet (Via AMSTERDAM)
Leaving : Calcutta Saturday 17.45 hrs.
Arriving : New York Sunday 17.05 hrs.
Leaving : New Delhi Thursday 22.20 hrs.
Arriving : New York Friday 17.05 hrs.
Also a choice of 4 KLM flights a week ex Karachi by DC-8 Jets
Sincerely yours
KLC-60C



Channels for communication of ideas are built on paper. Superior in texture and composition, paper comes to you for your personal use from Dandeli Plant of The West Coast Paper Mills Limited.
THE WEST COAST PAPER MILLS LTD.
Registered Office: Shree Niwas House, Waudby Road, Bombay-1 Mills: Dandeli, North Kanara Dist. Telegrams: KAGAJMILL • Telephone: 268241
PARTICIPATE IN INDIAN INDUSTRIES FAIR "WORLD'S SHOW WINDOW OF INDUSTRIES"

SHARING OF KRISHNA AND GODAVARI WATERS

GULHATI COMMISSION'S FINDINGS MAY PAVE WAY FOR INTER-STATE ACCORD

THE inter-State dispute between Andhra Pradesh on the one hand and Mysore and Maharashtra on the other over the sharing of the waters of the Krishna and the Godavari has been accompanied in recent months by a lot of acerbity. The Andhra Pradesh stand in this dispute is that the 1951 agreement between the States concerned could be revised only after the period of 25 years stipulated therein while Maharashtra and Mysore, and also Orissa and Madhya Pradesh, have taken the stand that a revision of that agreement is necessary so as to ensure a more equitable distribution of the waters of the two rivers. So far the State Governments concerned—principally Andhra Pradesh, Mysore and Maharashtra—have not been able to reconcile their differences and come to some mutual understanding. Hence the Union Government's recent decision to set up a statutory commission for reviewing the position in respect of the availability of supplies in the Krishna and Godavari rivers. This Commission will be headed by Mr. N. D. Gulhati who, not long ago, had led with distinction the Indian delegation to the Indo-Pakistan canal waters talks.

The terms of reference of the Gulhati Commission which has been asked to submit its report by the end of November, 1961 are as follows:

(1) To report on the availability of supplies in the Krishna on the basis of annual flows at Vijayawada and other points taking into account upstream utilisation and allowing for regeneration: (i) for 86 per cent dependability as assumed in 1951; (ii) for 75 per cent dependability; and (iii) for such other criterion of dependability as may be considered appropriate.

(2) To report on the requirements of the projects on the Krishna: (i) in operation in 1951; (ii) as approved by the Government of India for execution; (iii) included in the plans but not yet approved by the Government of India; (iv) further proposed by the States; and (v) such minor schemes as may have been sanctioned upto March 1961.

(3) To report on the availability of supplies in the Godavari on the basis of annual flows at Dowleswaram and other points taking into account upstream utilisation and allowing for regeneration: (i) for 86 per cent dependability as assumed in 1951; (ii) for 75 per cent dependability; and (iii) for such other criterion of dependability as may be considered appropriate.

(4) To report on the requirements of the projects on the Godavari: (i) in operation in 1951; (ii) as approved by the Government of India for execution; (iii) included in the plans but not yet approved by the Government of India; (iv) further proposed by the States; and (v) such minor schemes as may have been sanctioned upto March 1961.

(5) To report on the feasibility of diverting any surplus supplies in the Godavari to the Krishna indicating the quantity to be diverted and the order of the cost involved.

Need for Technical Enquiry

It will be seen from the above terms of reference that the Commission will function as a technical enquiry commission. The Government of India, in setting up this Commission, seems to have recognised in effect the need for some revision in the 1951 agreement which was based on an assessment of the supplies available in the two rivers after meeting the requirements of the works then in operation and of further possible uses in the light of the then known new projects. It is pointed out that since then a number of projects on these rivers have been taken up for execution and a few more have been included in the second and third Plans. The Godavari has an estimated average annual run-off of 103,600 million cubic metres, of which 14,800 million cubic metres were utilised before 1951 and 3,080 million cubic metres would represent the additional planned utilisation with full development of the first and second Plan schemes. The Krishna has an estimated average annual run-off of 61,700 million cubic metres, of which 11,100 million cubic metres were utilised before 1951 and 22,420 million cubic metres would represent the additional planned utilisation with full development of the first and second Plan schemes. The third Plan demands on these rivers will also be there, even though no precise data are yet available on the additional planned utilisation. The Government of India has, therefore, considered it necessary to review the position in respect of water availability in these rivers with a view to determining the extent to which further demands can be met. At least one point has been officially clarified in this connection. It is that the setting up of the Gulhati Commission will not interfere with the work on the projects already sanctioned.

But the point that has not been clarified pertains to the inter-State dispute over the sharing of the waters of the two rivers. The implication here seems to be that any discussion on the question of sharing will have to await the report of the Commission. It is probably expected that in the light of the factual findings of the Commission the State Governments will see their way to reaching a workable agreement. Perhaps it is also the hope of the Government of India that the Gulhati Commission will suggest a practical scheme for diverting the waters of the Godavari (which is relatively less utilised) into the Krishna basin and that, as a consequence, the Andhra Government might be persuaded to agree to a revision of the 1951 agreement. That these expectations are, however, not likely to be fulfilled so easily may be inferred from the immediate reactions of the Andhra Government and of the Mysore Government to the setting up of the Gulhati Commission. The Andhra reactions are to the effect that the Nasik Canal, which was covered by the 1951 agreement, has already been completed by Maharashtra without any objection from the Andhra Pradesh Government and that there is no logic behind the Centre's holding in abeyance Andhra's projects like Pochampad (which was covered by the 1951 agreement) and Srisailam (which is part and parcel of the Nagarajunasagar project power schemes). And the Mysore Government's reactions, expressed by its Public Works Minister, are to the effect that the dispute on the sharing of the Krishna and Godavari waters is sought to be linked up with the possibility of improving the water resources of the Krishna and that this would mean that the basic question of an equitable distribution of the waters of the two rivers would be bypassed. The Mysore Government's stand seems to be that its Rs. 4-crore Upper Krishna project should not be held up till the Commission reports its findings and that it would seek, irrespective of the appointment of the Commission, an early remedy of the dispute before a tribunal as provided by law.

This, incidentally, raises the question of possible adjudication of the dispute. The Constitution of India, it may be noted here, has the following to say an adjudication of disputes relating to waters of inter-State rivers or river valleys.

Art. 262(1) Parliament may by law provide for the adjudication of any dispute or complaint with respect to the use, distribution or control of the waters of, or in, any inter-State river or river valley.

(2) Notwithstanding anything in this Constitution, Parliament may by law provide that neither the Supreme Court nor any other court shall exercise jurisdiction in respect of any such dispute or complaint as is referred to in clause (1).

In pursuance of the above provision in the Constitution, Parliament has already enacted the Inter-State Water Disputes Act, 1956 which provides for the constitution of an *ad hoc* tribunal, when necessary, for adjudication of disputes relating to the use, distribution and control of waters of inter-State rivers and river valleys. Under this Act, it is only the State Governments—not the inhabitants of a State—which will be permitted to refer disputes to the tribunal for adjudication. The Mysore Government's proclaimed determination to seek a remedy before such a tribunal may complicate matters for the Gulhati Commission. That the Commission must be assured of an atmosphere free from political and regional passions for its objective technical enquiries need not be over-emphasised. While the appointment of the Commission may not have been intended as a substitute for adjudication, it may still be that its labours and findings will obviate the need for adjudication and pave the way for an accord between the States concerned through mutual give-and-take. The State Governments concerned would do well to await the findings of the Commission and then try to settle matters through patient negotiations.

NEW SWEDISH NAVAL TURBINE

The prototype of a new improved steam turbine machinery for naval vessels was demonstrated on 17th April by the de Lavel Ljungstrom Turbine Company, at their Nacka workshops outside Stockholm. Featuring improved fuel economy at all speeds, lower weight and reduced space compared with other types, this first unit has been designed for an output of 12,500 s.h.p. Four more turbines of this type with an output of 35,000 s.h.p. each are at present being built in Genoa for the Italian N.A.T.O. Navy under licence from the Swedish firm.

The compact and light design has resulted in a weight per h.p. of only 1.7 kg. for the 12,500 h.p. machinery, as compared with 2.5 kg. or more for comparable units. For larger installations the rate of saving increases rapidly. The 35,000 h.p. turbines at present being built by the Italian licensees, Cantieri del Tirreno, Genoa, thus weigh about 1.5 kg. per h.p., which is probably the lightest ship's machinery of this effect so far designed anywhere.

The fuel economy is reported to be exceedingly good at all speeds, also at forced speed. The total steam consumption of the Swedish-built machinery at 3,000 h.p. cruising speed is about 3.0 kg. per h.p./h., and tests with the first Italian turbine show a steam rate of 2.89 kg. at 8,000 h.p. and 3.07 kg. at 35,000 h.p. full load.

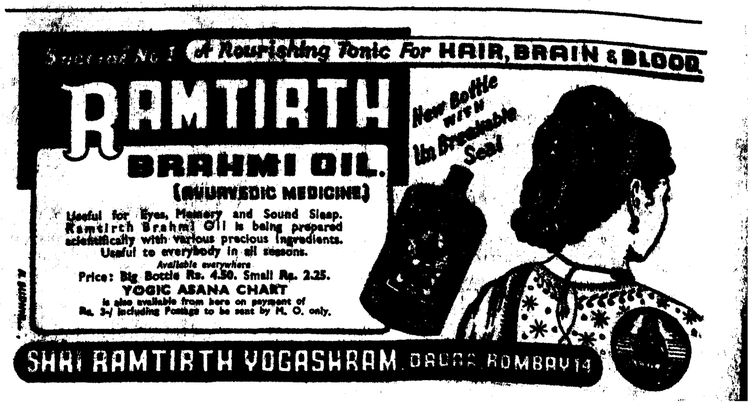
It is recalled that in the course of almost half a century de Lavel—now the de Lavel Ljungstrom Turbine Company—has equipped some 50 Swedish men-of-war with steam turbines totalling 1,500,000 h.p., in addition to a large number of tankers and other merchant vessels.

NASHTON DIFFERENTIAL POLAROGRAPH

Messrs. Nash and Thompson Ltd. of the United Kingdom have begun to manufacture their new differential cathode ray polarograph. This is a high sensitivity instrument designed for use in many different forms of nuclear, medical, industrial and agricultural research.

It can be used as an analytical tool for chemical and metallurgical examinations of many kinds. Among particular applications are soil analysis; studies of the oxygen content of blood plasma; the investigation of respiration or photosynthesis in living cells; determination of the inorganic constituents of water, minerals, paint pigments, etc. and the analysis of some organic substances such as dyestuffs. When used as a means of detecting impurities in foodstuffs, the instrument can identify traces of metals at concentrations as low as 0.02 parts per million and can carry out quantitative analyses to an accuracy $\pm 1\%$—2% in solutions containing 1 part per million of the species being investigated.

The recording instrument is housed in a case 17 inches high by 13 inches wide by 25 inches long. It is connected to the electrode stand by coaxial cables with coloured plugs and sockets for easy identification. Power supply is 110 or 220/250 volts A.C. with a voltage selector for the appropriate voltages.



NEW PRODUCTS AND PROCESSES

Electronic Yarn Inspector

AN electronic worker named "Amy," which can inspect yarn at the rate of 1,800 ft. a minute, analyse faults and group fibre flaws, has been introduced in the Northern Ireland textile industry. With a sensing device incorporating a photo-electric cell, it can detect thickening of yarn. Apart from its value in controlling the quality of yarn, the detailed analysis assists in maintaining the spinning machinery at peak efficiency. The unit developed by Short Brothers and Harland Ltd., Belfast, incorporates a fault detector as sensing device and the yarn passes through a slot in front of a photo-electric cell. Any thickening of the yarn automatically reduces the amount of light passing through the slot, and by this means the amount and length of thickening can be measured. The machine electronically grades the faults into the length groups 0 to .15 in., .15 in. to .5 in., .5 in. to 1.0 in., 1.0 in. to 2.0 in. and over, and counts the number occurring in each group. The various totals are shown on five separate counter dials. Greater lengths of yarn can be inspected economically and the increased amount of data provided is opening up new approaches to the problem of quality control. The important feature of "Amy" is not only the detection of yarn faults but the measuring of the lengths of small fibre disturbances, grading them into five different length groups and writing the number occurring in each group.

Dehumidifier

A British firm, O. N. Beck & Co., has developed a compact dehumidifier for use in industry generally which it believes will be of tremendous value in tropical countries. The Dryzair, as the unit is known is designed around a ¼ h.p. refrigeration unit and uses a chemical known as Refrigerant 12. In shipbuilding, the makers claim, the unit keeps the air dry and prevents corrosion. Perishable goods, whether stored in warehouses or ships' holds, are kept fresh. In oil tankers the correct temperature can be maintained. There are many more uses: the makers suggest the rapid drying of cement, paint, concrete and plaster, the seasoning of timber, photographic processing, and so on. Its uses in humid climates will be endless. Very little attention is needed for the Dryzair, which, although robustly constructed, is light enough to be carried by two men.

The unit operates on the principle that moisture-laden air is drawn over an evaporator and cooled to a temperature below its dew point. This condenses the moisture, which is allowed to run off to a container. The air is then passed over the condenser and the dry-bulb temperature raised. The air is further heated by means of a thermostatically controlled electric heater, and as a result dry warm air is dispersed and re-circulated. In operation, the Dryzair will extract approximately five gallons of water per 24 hours under ideal working conditions and, using the 3-kilowatt heat element fitted to the outlet grill, it will also automatically warm the air should the temperature fall below 70° F. The thermostat is locked to cut in should the temperature fall below that figure, but it can be adjusted up to its top range of 70° F.

Novel Lathe

A sliding, surfacing, and screw cutting lathe with a streamlined appearance has been produced by a U.K. firm. It is a five-inch lathe designed for general toolroom work and has the additional advantage of being suitable for training purposes in apprentice schools or vocational training establishments. The external contours of the machine have a smoothly stylised and to ensure maximum strength the bed and headstocks are formed from the strong casting. Flat bedslides are hardened and ground to give long life without wear. The main spindle is of high grade steel, mounted at each end on tapered roller bearings. It has a bore of 26 mm, and a No. 4 Morse Taper. Two infinitely-variable spindle speeds are available, the higher range (280-1,750 r.p.m.) through V belts, and the lower (38-260 r.p.m.) through gearing. Finger control of the steplessly variable drive is one of the machine's outstanding features. The saddle, with a swivelling cross slide which can be locked in any position, has a control wheel in the left hand position, and there is a device for cutting automatically the longitudinal feed.

Hot Meals From Slot Machines

The traditional English meal of roast meat and two vegetables, served piping hot, has become one of the many things that can now be obtained from a coin-in-the-slot automatic vending machine. Suitable for canteens in factories, offices and hospitals, a working model of the new machine will be on show at the Third International Automatic Vending Exhibition at the New Horticultural Hall, Westminster, London, from 15th to 19th May. The menu served can be varied daily, the meals being maintained in the machine at a temperature of about 170° F.

Stretching Device for Aluminium

A large plate-stretching machine for flattening aluminium alloy plates up to 50 ft. in length and a maximum thickness of one inch is to be installed in a U.K. aluminium plant. To be operating early next year, the machine will cost approximately £150,000 (Rs. 20,00,000) including installation. It will turn out material for shipbuilding, the transport industry and various other engineering applications.

Machine to Handle Timber

A new machine to handle and sort heavy timber is now working at a timber yard on the River Thames, in London. A man presses a foot pedal and a hoist begins to feed planks from a stack to a conveyor which sends the large boards down one side of the machine and the rest to the other. In each case the planks are carried along until the boards set at an angle to the conveyor which push them off to one of a number of "take-offs." Each take-off roll feeds the sorted timber into a number of trays, and once the required number of boards has been fed on, it is automatically passed to another part of the machine which stacks them into sets. It took five years to develop this machine, which can handle a cargo of 28,000 pieces of mixed length timber and present it in batches of up to 17 pre-determined lengths in a normal working day.

COMPILATION OF INDUSTRIAL STATISTICS—II

(*Concluded from page 902*)

factory/industrial concern covered or selected for the survey. This being a coded item, information has to be recorded according to the codes given in para 9(6) of the Memorandum. The types itemised against Items (*a*) to (*i*) in para 9(6) are not mutually exclusive and hence these cannot form a single list of codes for recording entries against item 6. Items (*a*) to (*e*) are essentially industrial or business organisations which may be started or floated to own, control, or manage a factory/industrial concern. Types listed against Items (*f*) to (*i*) are economic institutions or entities which may own, control or manage any factory/industrial concern organised according to any of the industrial or business organisations listed against Items (*a*) to (*e*).

According to this system of coding, difficulties may be experienced in classifying the following joint stock companies in the public sector which are entirely owned by the Government of India in the sense that all the share capital has been contributed by the Government of India:

(1) Bharat Electronics (P) Ltd., Jalahalli, P.O., Bangalore.

(2) Hindusthan Antibiotic (P) Ltd., Pimpri, Poona District.

(3) Hindusthan Steel (P) Ltd., Ranchi.

(4) Hindusthan Cables Ltd., Burdwan District. Rupnarayanpur.

As the present system of coding may not throw correct information relating to the pattern of organisational structure of various industries, the following classification and codes may be adopted:

Type of Organisation

(*a*) Individual proprietorship	0
(*b*) Partnership:	
Joint family	1
Others	2
(*c*) Public limited company	3
(*d*) Private limited company	4
(*e*) Public corporation (special Act of Parliament or State Legislature)	5
(*f*) Co-operative Societies	6

Type of Ownership

(*a*) Central Government.	
(*b*) State Government.	
(*c*) Local Authorities.	
(*d*) Private enterprise.	

Industrial Classification.—The industrial classification adopted needs to be revised and expanded as follows:

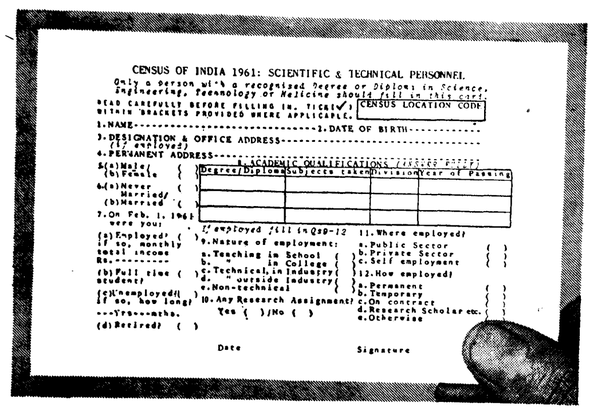
(i) The "cold storage" establishments which have been classified under "Group—209—Manufacture of miscellaneous food preparations" should be classified under "Group 720—Storage and warehousing."

(ii) The industrial classification does not make any provision for classifying the following types of establishments which are registered as factories under the Factories Act, 1948, and hence covered under the Annual Survey of Industries: (*a*) Cinema studios, (*b*) Laundries, (*c*) Water pumping stations, (*d*) Job dyeing and (*e*) Dry cleaning.

Surely, this defect needs to be removed without any further delay.

(*Concluded*)

CENSUS 1961



ARE YOU TRAINED IN SCIENCE OR TECHNOLOGY?

If you are, the enumerator would have given you a special card during the Census (10th February - 5th March).

If you have not yet filled it, please do so at once and post it. No postage need be paid by you; the addressee will pay.

The card can also be had from the Registrar-General India, Man Singh Road, New Delhi.

DA 61/23 ISSUED BY THE GOVERNMENT OF INDIA

L.I.C. AND STOCK EXCHANGE

THEIR RELATIONSHIP NEEDS TO BE REDEFINED

By A. C. K. Krishnaswami

AS a very occasional contributor to your columns may I add my endorsement to the others you have received favouring your editorial on the Estimates Committee's recommendations on the investment policy of the L.I.C.

You will recollect that, in my article on Investment Trusts in your issue dated 31st October 1959, I pointed out that "The L.I.C. is said to invest about Rs. 8 crores annually in the private sector and to sustain the value of industrial investments by its open market operations. It has been remarked elsewhere that this support is not without its disadvantages and that there are sound reasons why the L.I.C. should abstain from open market operations." I had earlier written to the Press (and my letter found publicity in September 1959 in the columns of The *Hindu*, The *Times of India*, The *Indian Express* among others) on the question of the open market operations of the Life Insurance Corporation. I may be permitted to quote the following extract:

"One would imagine that the Directors of the Corporation would sit down with the Government and negotiate an arrangement by which all the surplus investible funds of the Corporation are deposited, say every quarter, with the Government of India, at an interest of 5 per cent per annum. It could thereby free itself for its real work of spreading the insurance habit in the vast rural and industrial areas where it is not yet popular.

"It cannot *normally* be visualised that the Corporation would ever need to make any large withdrawals from Government, as, in normal circumstances, in an ever-growing business, the incoming premiums will be more than enough to meet any claims that may arise, and would still leave larger and larger surpluses for further investment. But, in any case, provision can easily be made for withdrawals, where necessary, by the Corporation from the moneys deposited with Government, particularly as even now, all the liabilities of the Corporation are backed by the guarantee of the Government.

"Government on their part, should be happy indeed to pay an interest of 5 per cent on the savings of the poor invested with it. After all, Government now get a return of 5 per cent and over on its investments on remunerative ventures like the railways, power projects, and public corporations and will do so more certainly in the future. There is much to be said for Government treating the Life Insurance Corporation specially in the matter of interest rates.

"It is demonstrably false to think of such a policy of investment as leading to withdrawal of support to the private sector. The assistance the L.I.C. gives to the private sector is, as we saw, about Rs. 8 crores per annum of investment. A large part of it, if not the whole, goes to helping the investor-speculator to cash in his holdings, and very rarely adds a penny directly to the invested funds of the private sector. By the L.I.C. refraining from direct financing of the private industry, nothing would be lost, as other Government agencies should and will inevitably come into the picture. By keeping out of the share market and making the funds available to Government for being invested—and this can be ensured by suitable directives built into the arrangement—through the Industrial Finance Corporation, Housing Finance Organisation, co-operative banks, and other State-controlled bodies, the Corporation will really be ensuring more effective deployment of funds in the private sector, than it now does

"And what is more important, the exit of the L.I.C. from the share market would do real good to the health of the market itself. No longer would an unscrupulous speculator be able to generate rumours of large purchases or unloading by the L.I.C. to stimulate or depress the market for his own ends. Nor can any finger be pointed at Government for having given tips of doubtful propriety to the L.I.C. to assist in its investments, as was done in the case of shares in the banks which the State Bank of India added to itself as its subsidiaries. Nor will it leave people wondering how soon, at this rate of acquisition, the L.I.C. will have a finger in every pie of private corporate enterprise even if it does not lead to what is termed backdoor nationalisation."

In the Market Gossip of your issue dated 29th April 1961, you comment that "majority of public opinion is, however, sharply critical of the recommendations of the Estimates Committee." It is not surprising that this is so; and, if one subscribed to "mathematical democracy," overwhelming opinion (that commands publicity) may well encourage even wider market operations by the L.I.C. with its investible surpluses. There are those company promoters and entrepreneurs who find it easy to fall into the belief that the L.I.C. is an instrument specially fashioned to prop share values in the interests of speculating investors, even as some stock brokers might find it easy to be persuaded into the view that the L.I.C. is specially created to have the honour of being among their valued clientele. It is not difficult to understand why the theory is put out that the L.I.C. has induced a measure of stability in stock markets and guaranteed against bear raids and bull rigging and should continue to do so. But what is the stability that is spoken of? A really stable market would reflect transactions in shares, which are put through at values based not merely on the basis of marketability and security but mainly on the expectations of continued regularity of adequate yields. The L.I.C.'s contribution directly or indirectly has been to help create a phenomenon in which large funds chase too few floating securities. The result of this has been to rate share prices not on yield basis—and none can gainsay that the better shares today give unrealistically low yields—but on the basis of quick and short-term capital appreciation; and this depends on the L.I.C. continuing to mop up available shares in the market.

This logarithmic progression of inflationary values that has beset the share market is certainly unhealthy and this so-called stability is very artificial. The situation reminds one, faintly enough, but definitely of what happened in the nineteen-twenties abroad. To quote from Harold Wincott's essay on Lessons in Economics, in the *Baldwin Age*:

"It all began in the mid-twenties with a boom in Florida real estate—real estate which sometimes comprised swamps and non-existent cities. It continued on Wall Street to the autumn of 1929 when it was commonplace to borrow money at an interest charge of upto 20 per cent to buy common stocks returning the purchasers perhaps 1 to 2 per cent. It ended with suicides and imprisonment and scandals for such notables as the Chairman of the New York Stock Exchange and of two of the big banks."

He also states:

"It is true that, as a result of these—and other—experiences, Britain belatedly got a new Companies Act. It is also true that the Council of the London Stock Exchange greatly tightened up its own regulations governing new issues. But so many horses had bolted by the time the stable doors were shut. And at the time few voices were raised in protest. An atmosphere not greatly different from that prevailing at the time of the South Sea bubble was met by the philosophy of *caveat emptor* and by the belief that it was nobody's job to protect fools from their folly—or to keep rogues from their prizes."

This is not to say that, under present-day conditions, such catastrophic results are easily possible. But still the picture of a new issue being oversubscribed thirty to forty times on the day of the flotation, and the shares being unofficially quoted at 300 to 400 per cent of par, before even the details of allotment are decided on, and long before a dividend can be thought of, does not suggest a very healthy state of affairs, in which the genuine investor subscribes for shares based on expectations of a reasonable and adequate long-term yield. The only remedial device that engaged attention was to restrict the right to transfer, of newly allotted shares, for specified periods and whatever merits or demerits this suggestion had, it certainly evoked a hue and cry that new issues may not find subscribers in the market under such restrictions. This rather let the cat out of the bag, making it manifest that there were more stags than genuine investors figuring in the subscription lists.

In such conditions, the entry of the L.I.C. as underwriter with firm allotment for whole or part of the issue, is, I submit, not a wholly desirable feature. Whatever role the L.I.C. was meant to play, it certainly was not this, of joining the stags in allotments and accentuating a situation of rocketting share prices. The L.I.C. has no need to hedge against inflation any more than a bank does. That inflation is or should be itself a short-term malady to be corrected by Governmental measures is obvious. The L.I.C.'s intervention in the market does contribute to inflationary tendencies in share prices rather than counteract it; its investment in real property and participation in Government schemes of housing, city improvement, industrial finance and so on will provide both a corrective to and hedge against inflation in the long-term.

Those anxious to defend the role of the L.I.C. in open market operations overlook the fact that such guarantee that the former Finance Minister gave about the L.I.C. maintaining its help to private sector finance, did not extend to assisting the speculator and stag. It is easy to find arguments for any proposition that advances self-interest—human nature being what it is. In the truly Gilbertian event of the L.I.C. diverting a part of its funds to turf speculation, you will have some votaries of the Sport of Kings hailing it as necessary and beneficial to horse breeding and animal husbandry!

And one must also recognise the fact that the Corporation, both by its inheritance and its subsequent acquisitions, has emerged as the largest single equity shareholder in many companies. It has thus thrust on it some responsibility even as regards the management. For instance, the Madras Shareholders' Association says, in its circular dated 1st February 1961:

"The *Life* Insurance Corporation of India, which is the largest shareholder in the Company, was represented at the general meeting by its own officer, who, after seeing for himself the motion for advertisement being over-ruled by the Chairman as improper and the higher offer made for the Company's property being brushed aside, still voted for the resolution, i.e., for the acceptance of the lower offer made by the eighth defendant. At a very early stage of the proceedings, the Shareholders' Association sent to the Corporation its circular and the plaint requesting them to join us and assist us in the suit. It was open to the Corporation to examine the ample material which we had in proof of our charges against the Directors. The Corporation not only refused to join us but was not even separately represented by its own advocate, in spite of the gravity of the issues involved. The Life Insurance Corporation has now emerged as the biggest shareholder in many established companies. Their voting strength has acquired a crucial character, in that, managements, if assured of the support of the Corporation, can snap their fingers at the small disorganised shareholders and put through any scheme which they like. The responsibility of the Corporation becomes all the greater to help in preventing managements from acting against the interests of their shareholders. One would expect the Corporation to act after examining the merits of each case, without any predilections or prejudices one way or the other."

This connection with Company politics is undesirable for a public institution and, if not checked now, may gradually assume larger proportions. The L.I.C. may find itself discharging duties not at all intended for it. This aspect of the matter needs careful consideration also.

If, in the present stage of our young republic, we do not safeguard our hard won freedom by insisting on standards of good Government and financial rectitude, we may have lost the opportunity for ever. It behoves Government to lay down, firmly and without delay or dalliance, very strict rules of investment of the L.I.C. funds. Government should treat the L.I.C. as it does a big bank, and call for the same canons of financial administration from both.

It is time Government lays down that the L.I.C.

1. should confine its investments only to debentures and preference shares of companies from out of the new issues, either as firm allotments in flotations, or as a stipulation in the underwriting arrangements;

2. should not indulge in open market operations;

3. should not sell, in any event, any shares in the open market except to meet a very special need, which is a practical impossibility;

4. is not to concern itself with considerations relating to stabilising or inducing health to stock-markets; and

5. should recognise in practice that, in the ultimate analysis, the best hedge against inflation lies in not contributing to it.

Notice

THE GWALIOR RAYON SILK MFG. (WVG.) COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of the Company at their meeting held on 28th April, 1961 havs declared the dividend on Preference Shares Series 'A' and 'B' for the year ended 31st March, 1961 at Rs. 8.57 per share subject to deduction of tax under Section 18(3D) of the Income-tax Act.

The dividends will be paid on or after 1st June, 1961 to those shareholders whose names appear on the Register of Preference Shares, Series 'A' and 'B' on the 20th May, 1961.

Register of Members and Share Transfer Books of the Preference Shares Series 'A' and 'B' of the Company will be closed for this purpose from 20th May, 1961 to 31st May, 1961 both days inclusive.

By Order of the Board,
V. N. BAGRODIA,
Secretary.

Regd. Office:
BIRLAGRAM, NAGDA,
4th May, 1961.

The difference between ***LAST WEEK*** *and* ***THIS WEEK*** *is Amazing*

HADENSA for PILES

AVAILABLE AT ALL CHEMISTS

BOMAS-DC-160

Your savings earn a big

3%

per annum interest at the

CORPORATION BANK

Open your Savings Bank Account right now at any of the Bank's 62 Offices and earn interest at 3% per annum.

Branches of the Bank in Bombay City:

(1) Fort (2) Mandvi (3) Shivaji Park and (4) Kalbadevi.

THE CANARA BANKING CORPORATION LIMITED.

Estd. 1906 *Regd. Office:* UDIPI, S.I.

Administrative Office: MANGALORE-1

STEARIC ACID

(DOUBLE DISTILLED)

Manufactured by

THE MODI VANASPATI MFG. CO.

Maharashtra State Distributors

RAMJILAL LAKHMICHAND

333, Kalbadevi Road, Bombay-2

Phone—Office: 39361 Residence: 88436

Importers, Stockists and Suppliers of:

ALL INDUSTRIAL CHEMICALS

OBTAIN **FREE** BROCHURE ON **PATENTS & TRADE MARKS**

Contact:

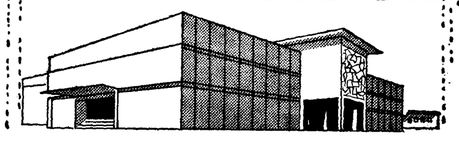
PURUSHOTTAMDAS GOKULDAS

Patent Attorneys

39D, People's Building, Ground Floor, Sir Pherozshah Mehta Road, Bombay-1.

Telephone: 265914—268172.

WATERTIGHT Concrete Construction



as only Impermo can make it

IMPERMO Cement Waterproofing Compound is available in powder form, convenient to use. IMPERMO is most economical: only 2% by weight need be added to cement to prevent the penetration of damp through cement mortar or concrete.

- IMPERMO renderings prevent dampness.
- Damp walls are cured by IMPERMO.
- Watertight joints can be ensured by using IMPERMO.
- IMPERMO is essential for producing water-repellent backings on which to apply coloured cement renderings.

Whatever your concrete construction, make it watertight as only IMPERMO can make it:

Tanks – Reservoirs – Basement Walls – Inspection Pits – Roofs – Cast Stone – Swimming Baths – Sewage Works – Floors – Conduits – Renderings, particularly backing coats of white or coloured cement finishes – Pools – Cellars – Garage Pits – Walls – and many others.

IMPERMO costs only Rs. 135.00 per case of 50 x 1 kilogram packets, i.e., approximately Rs. 48.00 to waterproof 100 cu. ft. of 1: 2: 4 concrete mix.

Impermo

CEMENT WATERPROOFING COMPOUND

Manufactured by: SNOWCEM INDIA PRIVATE LTD. Bombay.

For free illustrated instructions booklet, write to:

Sole Selling Agents for India:

KILLICK, NIXON & CO., PRIVATE LTD. 31, Murzban Road, Bombay 1.

Regional Selling Agents:

BALMER LAWRIE & CO. LTD. Calcutta 1 • MARTIN BURN, LTD. Calcutta 1 • BIRD & CO. (PRIVATE) LTD. New Delhi 1

BEST & CO. PRIVATE LTD. Madras 1. • HARRISONS & CROSFIELD LTD. Quilon.

IMP. 6-9

BANKERS

It will pay you to consult us

FOR YOUR

★ CHEQUES ★ SHARE CERTIFICATES

★ DEMAND DRAFTS ★ LEDGERS

★ PAY-IN SLIP BOOKS ★ PASS BOOKS

★ LETTERHEADS ★ ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FREERE ROAD, BOMBAY. Telephone: 26-3201/2

PRODUCTION OF SALT RECOVERS

NEED FOR SETTING UP A CENTRAL BOARD

SALT or sodium chloride, as the chemists call it, is not only a commodity of universal consumption but a major raw material for the alkali industry, particularly in the manufacture of caustic soda and soda ash. In 1960, the production of salt in India aggregated 3.4 million metric tonnes (92 million maunds). This represents an increase of just 8 per cent over 1959, when it amounted to 3.2 million metric tonnes. It may be recalled here that the output had suffered a distinct setback in 1959, due to unfavourable climatic conditions and also to a voluntary cut in production resorted to by producers on account of heavy accumulation of stocks. Although the improvement in output last year was gratifying, it was still lower by over 800,000 tonnes as compared with the record production of 4.2 million tonnes attained in 1958. It was also rather short of the second Plan target of 100 million maunds or 3.7 million metric tonnes set for the final year of the Plan. It may be noted, in passing, that the target of salt production in the third Plan is provisionally laid down at 6.1 million tonnes.

The following table shows the State-wise production of salt for the whole year 1959 and three quarters of 1960:

(In '000 metric tonnes)

	1960 Jan.-Sept.	1959
Bombay (Gujarat and Maharashtra) ..	1,760	1,971
Madras	454	500
Rajasthan	280	301
Andhra	208	117
Orissa	38	11
West Bengal	8	8
Mysore	3	8
Himachal Pradesh	3	4
Kerala	1	1
Unlicensed	260	257
Total ..	3,015	3,176

A notable feature of production last year was the substantial expansion attained by relatively small salt-manufacturing States, such as Andhra, Orissa and West Bengal. On the contrary, from the figures available so far, major producers, such as Gujarat and Maharashtra (which account for about 60 per cent of total output), Madras (15 per cent) and Rajasthan (10 per cent) seem to have contributed little or nothing to the increase in output last year. It is reasonable to assume that, but for fear of overproduction, these producing centres also would have stepped up their production.

Consumption Rising

Admittedly, a major part of the output is used for edible purposes. The *per capita* consumption of edible salt in India varies from 9 to 20 lbs. annually, depending on the dietary habits of different regions. The average *per capita* consumption of salt may thus be taken as 14-15 lbs. On this basis, the current consumption may be estimated at about 2.7 million tonnes (assuming that present population is 431 million). In the sphere of industries, salt is consumed by caustic soda and soda ash plants, apart from being used in processing, fish preservation, cattle feed, in the dairy and food industries, for treatment of hides and skins, etc. It is, at any rate, difficult to estimate precisely the demand from these industries. The Salt Committee (Chairman: Mr. Manubhai Shah), which examined the problems of the industry in 1958, anticipated the total industrial demand for salt to be about 1.1 million tons by 1961, with a further increase to 2.2 million tons by 1966. The Committee felt that the proportion of salt used by chemical industries would increase from 12 per cent in 1958 to 30 per cent in 1961 and almost equal the figure for edible purposes by 1966. The Committee estimated that, taking together the needs of salt for edible and industrial purposes and after providing for about 500,000 tons for exports, India's total requirement of salt would be 5.5 million tons by 1966. In view of the prospects for increase in consumption, the Committee expressed the view that over-production was only a passing phase.

The extent of recovery of by-products from salt works is also interesting in the context of salt manufacture for industrial uses. In 1960, for instance, besides the recovery of gypsum which is now being undertaken in almost all the major salt works on the West Coast and Tuticorin, the Salt Department has been exploring the possibilities of the recovery of other by-products as well. A scheme for the recovery of potassium chloride at Tuticorin has been finalised in co-operation with the State Trading Corporation and it is expected to yield about 1,100 tons of potassium chloride annually. The extension of the scheme to the major salt works in Gujarat and Maharashtra is also under consideration. A scheme for washing salt to make it suitable for industrial consumption and simultaneous recovery of sodium sulphate as a by-product submitted by a West German firm is under the consideration of the Hindustan Salt Company Ltd. The cost of the scheme is estimated to be about Rs. 62 lakhs. About 11,177 metric tonnes of sodium sulphate will be recovered annually from the bitterns and the washings. Certain specialised varieties of salt like free flowing table salt and dairy salt are now being manufactured at Sambhar by the Hindustan Salt Company Ltd.

Export Markets

The increase in production may not adversely affect the stability of the salt industry even in the short run, if adequate attention is devoted to explore steady export markets for it. Although in the 'forties India was a net importer of salt, it has now become an exporter of this commodity, thanks to increase in domestic output. In 1960, exports of salt aggregated 449,000 metric tonnes, which compare favourably with 344,000 tonnes in 1959. The following table shows the quantum of salt exports in 1960, as compared with the previous two years:

(In '000 metric tonnes)

	1960	1959	1958
Japan	434.00	324.51	272.63
Nepal	14.11	19.47	23.09
Maldives	0.06	0.26	0.78
East Africa	0.45	..	..
Other countries	..	..	0.07
Total ..	448.62	344.24	296.57

Japan, India's major buyer of salt, took a larger quantity last year, under a contract entered into by the Japanese importers with the State Trading Corporation for the supply of 450,000 long tons of salt between January 1960 and March 1961. There were also exports by private parties against contracts secured before the S.T.C. took over the salt export trade. In 1960, East Africa figured as a new buyer of Indian salt. But India's exports of salt to Maldives and Nepal were lower. Now that the S.T.C. has assumed exclusive rights for exports of this item, it would do well to examine the scope for finding new markets for it in some of the neighbouring countries, apart from stepping up its sales to Japan.

According to the latest annual report (1960-61) of the Union Ministry of Commerce and Industry, there has been no change recently in the system of cess levied from the salt industry. Cess on salt continued to be levied at the same rate as in 1959, namely, 3½ annas per maund in the case of Government factories, including the factories run by the Hindustan Salt Company Ltd. and 2 annas per maund in the case of private licensed factories with areas above 100 acres. For smaller private factories and members of co-operative societies engaged in salt manufacture, graded scale of levy as in force in 1959 continued during 1960, that is, cess was levied at one anna per maund for areas of 100 acres or less but exceeding ten acres, smaller works being exempt from the payment of cess. A statement showing receipts and expenditure during the last three years is given below:

(In lakhs of rupees)

	1960-61*	1959-60†	1958-59
Receipts			
Cess	85.00	72.54	54.72
Receipts from sale of Government salt and other receipts	17.67	14.26	83.28
Total ..	102.67	86.80	138.00
Expenditure			
Cost of establishment and contingencies.	34.80	31.18	43.54
Work	29.98	12.47	66.87
Other expenditure	2.60	6.40	32.02
Total ..	67.38	50.05	142.43

* Estimated. † Provisional.

There have been complaints to the effect that much of the cess levied is not being utilised for the development of this industry. Attention of the authorities was drawn to this aspect of the development of the industry by the Salt Committee. The Committee actually recommended reorganisation of the administrative machinery and the establishment of an autonomous body, called the Central Salt Board. The arguments put forward by the Committee in 1958 continue to be valid now, and, therefore, deserve to be quoted here:

"Most of the difficulties experienced at present by salt manufacturers, especially small ones, are due to non-execution or delay in execution of development works (including maintenance and repairs works), of which the cost is to be met from the cess proceeds under Section 4(b) (ii) of the Salt Cess Act. This Section makes expenditure on the establishment, maintenance and expansion of salt factories as legitimately chargeable to the cess proceeds. Accordingly, provision is made each year in the budget of the Salt Department for the execution of works/schemes required for the development of the salt industry. But the projects are actually taken in hand on the recommendations of the Regional and Central Advisory Boards for salt. The Committee is somewhat disappointed to note that the expenditure actually incurred on such development works during the last several years has been only a small fraction of the total amount of cess collected.

"We consider that expeditious execution of capital and maintenance works required for maintaining the present trend of salt production and its further development as also affecting improvement in the quality of salt is essential in the interest of the industry. The present procedure for execution of development works under which plans and estimates for such works are first drawn up by the department, put up before the Regional and the Central Advisory Boards for approval and submitted to administrative and Finance Ministries for sanction, and actual execution is done through the agency of the C.P.W.D. or of Salt Department has proved to be irksome and dilatory. We consider that these developmental functions should be entrusted to a Board having a certain amount of autonomy so that the schemes or projects are sanctioned and executed with minimum delay. We accordingly recommend a Central Salt Board should be set up, which, apart from advising the Government of India on the administration of the proceeds of salt cess levied and collected under Section 3 of the Salt Cess Act, 1953, should also be entrusted with the responsibility for execution of welfare schemes for salt labour and for grant of financial help in the form of loans to salt manufacturers."

Plan Schemes

Had the Government accepted the Committee's recommendations for the establishment of a Board, it would have certainly facilitated the implementation of the various schemes envisaged in the second Plan. Although no details of implementation of the various Plan schemes in respect of salt are available, a rough idea about this is given in the Reports of the Ministry of Commerce and Industry. In the Ministry's report of 1959-60, it was stated, for instance, that the sanction had been given for setting up a training-cum-production centre at Sisirganj at a cost of Rs. 58 lakhs, and was expected to be completed in 1960-61. The progress of the project, given in the 1960-61 report, is worth quoting: "The work of the establishment of a training-cum-production centre at Sisirganj in West Bengal *will be taken up as soon as the site selected for the purpose is made available by the State Government.*" The least that the Salt Department can do is to see that the project is completed at least during the third Plan period.

To take another instance. The work of shaft sinking in Draug Salt Mines (Mandi) was expected to be completed in 1960-61. But this was not realised, it is explained in the Report, "due to the difficulties encountered."

The total expenditure for the development of the industry provided for in the second Plan was Rs. 189 lakhs. But the actual expenditure would not have exceeded Rs. 45 lakhs. One of the reasons for this shortfall in expenditure seems to have been the economy drive introduced in the Plan period to save the core of the Plan. In view of the substantial increase in production envisaged in the third Plan and the compelling urgency to maintain, if not improve, the quality of the product, it is to be hoped that the Government will seriously consider the desirability of setting up a Central Salt Board, which will be able to implement expeditiously the development plans. Another important recommendation of the Salt Committee, so far shelved by the Government, relates to the release of the annual administration reports of the Salt Department for the benefit of the public. Such reports will certainly be useful to the industry and trade.

TURNOVER OF MAHINDRA AND MAHINDRA INCREASES MARKEDLY

BUT HIGHER EXPENSES REDUCE PROFIT

A FURTHER deterioration in profit in spite of a substantial improvement in sales turnover has been reported by Mahindra and Mahindra Ltd. for the year ended 31st October 1960. Thus, while sales proceeds have increased by Rs. 435.81 lakhs to Rs. 1,363.29 lakhs, the gross profit has declined, for the second year in succession, by Rs. 5.50 lakhs to Rs. 58.07 lakhs. Such an apparently paradoxical situation is not confined to the results of this Company alone for the year under review; rather it has become of late a typical feature of operations of most of those companies whose main line of business activity consists of trading in commodities. It is to be noted, that, though the Company has lately taken to the manufacture of engineering products, it still remains an essentially trading organisation and that receipts on account of dealing in iron and steel constitute a major portion of its income. Since the remuneration available on bulk handling of steel, mainly against Governmental purchases and D.L.F. loans, is very small, its contribution to total profit is insignificant in comparison to the volume of turnover. As a result, the relationship between sales and profits becomes grossly distorted and one comes across a situation where profits tend to decline, particularly during years of rising costs, against the background of apparently increased sales. The drop in revenue is attributed principally to shrinkage in steel business, fall in margins in respect of jeep vehicles sale under compulsion of Government's declared desire in the matter and termination of benefits available to the Company under provisions of Section 15C of the Indian Income-tax Act.

Owing to the fall in gross profits and higher provisions for depreciation (Rs. 13.06 lakhs in 1960, as against Rs. 11.15 lakhs in 1959) and taxation (Rs. 19.60 lakhs, as against Rs. 17.52 lakhs), the net profit of the Company has fallen by Rs. 8.63 lakhs to Rs. 24.14 lakhs. The following comparative table provides at a glance an idea of the progress of the Company since 1956-57.

(Value in lakhs of rupees)

	Year ended 31st October			
	1960	1959	1958	1957
Sales proceeds	13,63.29	9,27.48	17,66.87	24,41.27
Other income and credits ..	42.88	40.48	50.52	81.73
Closing stocks and work-in-progress ..	5,17.96	3,91.10	3,70.85	5,26.22
Purchases and stores consumed.	12,74.84	7,44.84	14,05.81	21,66.50
Salaries, wages and bonus ..	1,07.16	92.27	83.48	65.86
Other expenses	92.97	87.48	1,08.86	1,04.98
Gross profit	58.07	63.57	71.87	45.05
Directors' commission	1.27	2.13	2.96	1.97
Provision for—				
Depreciation	13.06	11.15	12.05	5.42
Taxation	19.60	17.52	31.25	15.50
Net profit	24.14	32.77	25.11	22.16
Excess provision written back.	1.39	..	1.86	..
Development rebate reserve ..	1.58	2.18	4.01	..
Provision for gratuity	2.72	4.03	1.98	..
Reserves	..	5.00	5.50	12.00
Additional preference dividends.	0.31	..	..	..
Dividends—				
Preference	4.40*	4.95*	1.66	1.50
Ordinary	16.50 (12½%)*	16.50 (12½%)*	13.51 (22½%)	9.92 (17½%)
Carry forward	1.11	1.16	0.99	1.16

* Subject to deduction of tax.

After writing back Rs. 1.39 lakh as provisions no longer required and providing for development rebate reserve (Rs. 1.58 lakh) and gratuity (Rs. 2.72 lakhs), the Directors have recommended a sum of Rs. 20.99 lakhs towards dividends for the year and Rs. 31,000 as additional dividend on preference shares for previous years. This leaves a balance of Rs. 1.11 lakh which is proposed to be carried forward.

The declining tendency of profits and the necessity to maintain dividend on increased share capital particularly in the past three years, have seriously jeopardised the Company's ability to strengthen the reserves. In fact, no provision has been made in the accounts for 1959-60 for transfers to reserves. In the previous year, it will be recalled, a sum of Rs. 5.00 lakhs had been set apart, as against Rs. 5.50 lakhs in 1957-58 and Rs. 12.00 lakhs in 1956-57.

There was an appreciable increase in the production of jeeps and allied vehicles during the year, the total number of vehicles actually manufactured being the all-time record. The increase in production has involved substantial changes in manufacturing and assembly layouts and operations undertaken by the technical staff of the Company with satisfactory results. A notable feature has been a further rise in the indigenous content of vehicles. Thus, the body, engine, transmission, transfer case and axles of the jeep are now produced on a large scale within the country. Despite enhanced production costs, the Company has agreed with the Government in its attempt to stabilise and maintain the current prices to consumers and even a reduction of Rs. 200 was made in the retail price of a jeep in July 1960 at the special desire of the Government. The distribution of jeeps and allied vehicles reached a level of 6,499 units, as compared with 4,694 in the previous year, showing an increase of a little over 38 per cent.

The pressure on the Company's financial resources continues as, with increased turnover in the manufacturing division, inventories of raw materials as well as semi-finished and finished components must of necessity grow under present conditions. Consequently, there has been an increase of Rs. 130.25 lakhs in loans. There has been only a marginal increase in its invested funds. Other liabilities amount to Rs. 274.02 lakhs, while current assets, including investments, aggregate Rs. 949.73 lakhs. The share capital of Rs. 187.00 lakhs is supplemented by Rs. 43.68 lakhs in reserves as against Rs. 42.81 lakhs in the previous year.

Assessing the outlook for the future of the Company, the Directors point out that the demand for the jeep type vehicles continues to exceed supply. It is hoped that, with a more liberal allocation of foreign exchange, the supply position will improve. The sale of spare parts continues to show a satisfactory growth trend. Incidentally, it may be mentioned that the Company has recently received the official permission to double its production capacity to 10,000 units. As for trade in steel, the Directors expect that, despite the commissioning of the new steel plants, there will be larger demand for certain categories of steel which are not yet planned for production in the country and that the Company will be able to get a fair share of such imports.

In the direction of diversification the Company's proposal for the manufacture of a small car has received a serious setback by the Government's decision to produce such a car in the public sector. The project, on which considerable thought and time had been devoted, has now been abandoned. Further, negotiations with Messrs. David Brown Industries of the United Kingdom for the manufacture of their range of tractors have been terminated due to difference of opinion on the pricing policy. Negotiations are, however, presently under way for the manufacture of another type of tractors.

The plant of Mahindra Sintered Products Ltd., established to produce a wide range of self-lubricating bearings, is currently being commissioned. Similarly, plant and equipment required for the manufacture of pyrometers, flow meters and pressure gauges have been shipped, and these will enable the Mahindra Engineering Company Ltd., a subsidiary of the Company, to commence production during the current calendar year.

Further improvement in the working of the associated companies during the year has been witnessed, as is indicated in the following extract from the Directors' report:

"Dr. Beck & Co. (India) Ltd. has received the reaction vessel from their associates abroad and expect to get into manufacture of specialised synthetic resins for the electrical industry during 1961. Excellent progress both in manufacture and sales has been recorded. Otis Elevator Co. (India) Ltd. is presently considering a further expansion of their manufacturing capacity and the progress in manufacture and sales continue to be satisfactory. Machinery Manufacturers Corporation Ltd., of which the Company are the Managing Agents, have recently reorganised their capital structure with the approval of the shareholders and the Government. Plans for diversification are well in hand and the demand for carding engines in the textile industry continues to be satisfactory. It is anticipated that improvements will be recorded in the Company's current financial year.... Other associate units in the group continues to make progress."

The Rs. 10 fully paid-up ordinary shares of the Company are currently quoted at Rs. 19.76 *cum-div.* On an *ex-div.* basis, the net yield works out to 4.6 per cent per annum.

NEW SHORROCK MILLS' RESULTS IMPRESSIVE

DIVIDEND RAISED - BONUS ISSUE

FOLLOWING the pattern set by cotton mills in the Ahmedabad region, the Directors of the New Shorrock Spinning and Manufacturing Company Ltd. (Managing Agents: Messrs. Mafatlal Chandulal and Company Ltd.) have recommended the issue of new equity shares to existing shareholders in the ratio of two new shares for every five already held. The new shares are to be issued by capitalising Rs. 28.11 lakhs out of the Rs. 93.18 lakhs standing to the credit of the share premium account. This account was created only during 1960, being the difference between the net assets of the Shorrock Spinning and Manufacturing Company Ltd. taken over on amalgamation as from 1st January 1960 and the face value of the ordinary shares of Rs. 125 each issued as purchase consideration to the shareholders of the said Company. The bonus shares are to be issued, in addition to the exceedingly attractive dividend of Rs. 60 per share or 48 per cent, subject to deduction of tax, already declared. For 1959, the shareholders of the New Shorrock had received a dividend of Rs. 55 per share (Rs. 40 *plus* a bonus of Rs. 15) subject to deduction of tax, while those of the Shorrock Mills were paid a dividend of Rs. 30 per share (Rs. 25 plus a bonus of Rs. 5) subject to deduction of tax.

The higher rate of dividend for the year 1960 has been justified by further improvements in sales and profits as is disclosed in the following table.

(Value in lakhs of rupees)

	For the year ended 31st December	
	1960	1959
Sales of cloth, yarn and waste	5,39.22	4,88.58
Other income	13.40	14.54
Closing stocks of finished goods	45.13	43.32
Raw materials and stores consumed	244,.21	2,18.67
Salaries, wages and bonus	1,18.50	1,11.12
Other expenses	44.71	40.68
Gross profit	1,47.01	1,28.81
Managing Agents' commission	11.07	11.25
Provision for :		
Depreciation	18.51	15.23
Taxation	47.40	42.30
Net profit	70.03	60.13
Development rebate reserve	10.67	6.02
General reserve	15.00	10.00
Dividend equalisation reserve	10.00	12.00
Ordinary dividends	33.73 (48%)*	31.65 (45%)*
Carry forward	2,76	1.91

* Subject to deduction of tax.
† 44 per cent. subject to deduction of tax to the shareholders of New Shorrock and 30 per cent. subject to deduction of tax to the shareholders of Shorrock Mills.

The figures for 1960 given in the balance-sheet and profit and loss account are not directly comparable with those for the previous year because the former represent combined figures, while the latter pertain to the New Shorrock unit alone prior to amalgamation. In preparing the above table, therefore, the results of operations of Shorrock Mills for 1959 have been combined with those for New Shorrock so as to get composite figures which can be directly compared with the figures for 1960.

It will be seen from the table that sales, gross profit and net profit have all shown a significant improvement during the year. Thus, sales have increased by Rs. 50.64 lakhs to Rs. 539.22 lakhs, gross profit by Rs. 19.20 lakhs to Rs. 147.01 lakhs and net profit by Rs. 9.90 lakhs to Rs. 70.03 lakhs. As a result of the rise in net profit, transfer to reserves has been stepped up from Rs. 28.02 lakhs in 1959 to Rs. 35.67 lakhs in 1960.

The financial position of the Company is extremely sound. The share capital of Rs. 70.28 lakhs (all in ordinary shares of Rs. 125 each) is supported by reserves that have reached the impressive total of Rs. 205.26 lakhs, including Rs. 93.18 lakhs credited to the share premium account consequent on amalgamation. It is no wonder, therefore, that the Directors of the Company have decided to issue bonus shares.

The gross block as on 31st December 1960 is valued at Rs. 277.73 lakhs, inclusive of value of assets (Rs. 40.52 lakhs) taken over on amalgamation and addition to fixed capital expenditure (Rs. 45.64 lakhs) during the year. After deduction from this amount the accumulated depreciation of Rs. 139.35 lakhs, the net block works out to Rs. 138.38 lakhs.

Current assets, including investment, aggregate Rs. 378.50 lakhs, of which the assets other than stocks alone account for Rs. 245.41 lakhs. As against this, current liabilities (including the short-term loans) amount to Rs. 180.49 lakhs.

The fully paid-up Rs. 125 ordinary shares of the Company are currently quoted at Rs. 2,040 *cum-div.* and *cum-rights.* The net yield works out to about 2.1 per cent

RAMNUGGER SUGAR'S SALES FALL

PROFIT, HOWEVER, BETTER

THANKS to the substantial increase in the quantity of sugarcane crushed, the gross profit of the Ramnugger Cane and Sugar Company Ltd. (Managing Agents: Anderson Wright Ltd., Calcutta) for the year ended 31st August 1960 as jumped up from Rs. 13.09 lakhs in 1959 to Rs. 24.91 lakhs. The profit is, of course, calculated after taking into account the current market value of sugar stocks lying unsold with the mill as at the end of August 1960 which amounted to Rs. 49.16 lakhs, as against Rs. 10.52 lakhs a year before. The sales as such of sugar produced by the mills declined from Rs. 85.19 lakhs to Rs. 61.07 lakhs, a fall of more than 28 per cent. The expansion of sugar output and molasses is clearly reflected in the increase in excise duty from Rs. 17.72 lakhs to Rs. 22.44 lakhs and production expenses at the factory from Rs. 44.29 lakhs to Rs. 62.16 lakhs. The Company's farm output has also risen quite markedly. Consequently and since agricultural expenses have risen only modestly from Rs. 18.32 lakhs to Rs. 19.63 lakhs, the farming operations have yielded a handsome profit of Rs. 9.74 lakhs (as against a bare Rs. 1.89 lakh in the previous year) which is more than one-third of the gross profit.

Out of the gross profit of Rs. 24.91 lakhs, Managing Agents' commission has been more than doubled from Rs. 1.08 lakh (for 1958-59) to Rs. 2.25 lakhs and provision for taxation has increased from Rs. 1.95 lakh to Rs. 8.20 lakhs; provision for depreciation is also a shade higher at Rs. 3.16 lakhs (Rs. 3.12 lakhs in 1958-59). The large tax liability explains why the net profit has risen by only Rs. 4.36 lakhs to Rs. 11.30 lakhs. The net profit, together with the sum of Rs. 10,000 brought in from the preference dividend suspense account and the unallocated surplus of Rs. 59,000 carried forward from last year's account, gives a total of Rs. 11.99 lakhs available for distribution. The Directors have judiciously retained Rs. 6 lakhs for being transferred to general and replacement reserves and Rs. 50,000 to the development rebate reserve. The ordinary dividend, subject to tax, has been increased from 21.3/7 per cent for 1958-59 to 30 per cent for 1959-60, which gives a net return of 21 per cent to shareholders. The return is quite handsome as compared with the tax-free dividend of 15 per cent distributed during the years 1956-57 and 1957-58.

The comparative results of the Company's working since 1956-57 are given in the following table:

(In lakhs of rupees)

	For the year ended 31st August			
	1960	1959	1958	1957
Sales of sugar and molasses	61.07	85.19	68.85	81.71
Stocks	49.16	10.52	22.74	33.59
Excise duty and sales tax on sugar	22.44	17.72	16.19*	18.70*
Factory expenses	62.16	44.29	39.28	54.23
Agricultural expenses	19.63	18.32	19.37	17.06
Gross profit	24.91	13.09	2.40	9.36
Managing Agents' commission	2.25	1.08	0.60	0.73
Depreciation	3.16	3.12	3.03	1.94
Taxation	8.20	1.95	0.48	2.93
Net profit (+) or loss (—)	11.30	+6.94	—1.21	+3.76
Transfer from reserves	0.10	..	1.75	..
Excess provision written back	..	..	0.20	..
Development rebate	0.50	0.89	0.09	..
To general reserves	6.00	1.85	..	..
6 per cent. preference	0.38	0.24	0.24	0.24
Ordinary	4.98 (30%)†	3.56 (21 3/7%)†	2.49 (15%)	2.49 (15%)
Carry forward	0.14	0.59	0.20	2.28
Total cane crushed (mds.)	2,558,490	1,904,559	1,614,999	2,517,752
Average recovery (%)	9.08	10.27	9.40	8.84

* Includes sales tax.
† Subject to deduction of tax.

The crushing season of the factory which started on 4th December 1959 lasted for 112 days. The quantity of sugarcane actually crushed was 2,558,490 maunds, as against 1,904,559 maunds in 1958-59. The average sugar recovery, however, declined from 10.27 per cent in 1958-59 to 9.08 per cent. Out of the total sugarcane crushed during 1959-60, the Company's own farms supplied 1,608,761 maunds or about 63 per cent, the corresponding figure for 1958-59 being 1,039,318 maunds or only 54 per cent. The Directors' report states that the performance at the farms would have been much better but for the considerable damage caused to the standing cane crop by severe floods which inundated the whole area in October 1959. The Company enjoyed the benefit of the 50 per cent rebate in basic excise duty on the sugar produced in excess of the average production during the previous two seasons; the amount of rebate actually claimed was Rs. 2.42 lakhs. The export quota of the factory was fixed at 3,460 bags.

The paid-up capital of Rs. 20.60 lakhs comprises 4,000 six per cent cumulative preference shares of Rs. 100 each and 165,982 ordinary shares of Rs. 10 each. This is supplemented by surplus and reserves of Rs. 47.62 lakhs. The net block stands at Rs. 38.29 lakhs, the depreciation provided so far being Rs. 42.50 lakhs. The Company has an outstanding secured loan of Rs. 14.52 lakhs from the State Bank of India. The current liabilities and provisions (including the secured loan of Rs. 14.52 lakhs) aggregating Rs. 50.89 lakhs are more than adequately covered by current assets at Rs. 80.66 lakhs (stores, spares, loose tools Rs. 13.92 lakhs, stock-in-trade Rs. 49.32 lakhs, standing crop Rs. 11.66 lakhs, sundry debtors Rs. 0.17 lakh, loans and advances Rs. 4.94 lakhs and cash Rs. 0.09 lakh) which shows that the financial position of the Company is healthy.

The outlook for the current season (1960-61) appears to be bright. The factory crushed 3,638,095 maunds of cane with an average recovery of 9.62 per cent; the crushing operations ended on 7th April 1961. The quantity of cane crushed and the sugar output during the season are both said to be the highest on record. There has not been any change in the prices of either sugarcane or sugar, and the incentive of excise duty rebate is being continued.

The Rs. 10 fully paid-up shares of the Company are currently quoted on the Calcutta Stock Exchange at Rs. 29.25 *cum-div.* On *ex-div.* basis and at the current rate of dividend, the net yield on them works out to 7.7 per cent.

ADITYA MILLS LTD.

The Aditya Mills Ltd., which has been granted a licence for the setting up of a cotton mill with 25,000 spindles and 500 looms at Kishangarh in Rajasthan, is expected to enter the market for funds shortly. The foundation stone of the mill was laid by Mr. Mohanlal Sukhadia on 5th February 1961. Now that necessary electric power supply has been promised, the construction of the mill is being taken in hand. The Company has already acquired 56 acres of land and it proposes to purchase additional 44 acres.

The initial project cost for 25,000 spindles only is estimated at Rs. 1.10 crore. The Industrial Finance Corporation of India has granted a loan of Rs. 50 lakhs and the balance of Rs. 60 lakhs will be raised by issue of capital. The Rajasthan Government has agreed to take shares worth Rs. 15 lakhs. Approximately Rs. 20-25 lakhs worth of shares will be offered to the public for subscription. When the project is finally completed and goes into operation, the total project cost will be over Rs. 2 crores. The Company also desires to manufacture in due course staple fibre, rayon and boards, etc.

The promoters of the Company include Mr. Bhagirath Kanoria, His Highness Maharaja Fatesing Rao Gaekwad of Baroda, Mr. Basant Kumar Birla, Mr. Surottam P. Hatheesing and Mr. Atmaram Kanoria.

SOORAH JUTE EARNS LESS

DIVIDEND MAINTAINED

THERE was a rise of Rs. 12.05 lakhs to Rs. 111.01 lakhs in the sales of the Soorah Jute Mills Company Limited (Managing Agents: Hindusthan Investment Corporation Ltd.) during the year ended December 1960 as compared with the previous year. The rise in sales was more than neutralised by the marked increase in the cost of raw materials consumed, from Rs. 41.95 lakhs in 1959 to Rs. 64.24 lakhs in 1960. Other expenses were also slightly higher at Rs. 31.11 lakhs, as against Rs. 30.83 lakhs. The gross profit is, therefore, lower by Rs. 1.09 lakh at Rs. 12.66 lakhs. Of this, managing agents' commission takes Rs. 1.05 lakh (Rs. 1.10 lakh in 1959) depreciation Rs. 2.09 lakhs (Rs. 2.64 lakhs) and provision for taxation Rs. 4.15 lakhs (Rs. 4.41 lakhs). The net profit thus comes to Rs. 5.37 lakhs, as against Rs. 5.60 lakhs for 1959. Despite reduced profit, the dividend to ordinary shareholders has been maintained at Rs. 2.50 per share subject to tax or Re. 1.75 per share net.

The following comparative table reveals at a glance the financial results of the Company for the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	1,11.01	98.96	1,05.03	1,10.24
Closing stocks of finished goods	5.75	3.91	28.88	15.21
Raw materials consumed	64.24	41.95	53.27	62.66
Other expenses	31.11	30.83	29.84	28.83
Gross profit	12.66	13.75	11.29	10.01
Managing Agents' commission	1.05	1.10	0.66	0.86
Provision for—				
Depreciation	2.09	2.64	2.71	3.93
Taxation	4.15	4.41	4.30	3.15
Net profit	5.37	5.60	3.62	2.97
To reserves	1.28	1.15	0.53	..
Dividends—				
Preference	1.00*	1.00*	0.70	0.70
Ordinary	3.60* (25%)*	3.50* (25%)*	2.10 (15%)	2.10 (15%)
Carry forward	0.22	0.84	0.69	0.40

* Subject to deduction of tax.

The working results of the Company for 1960 must be viewed against the general background of the trading conditions in the jute industry, as a result of the setback to jute crop. Jute sowings, it will be recalled, were badly affected in both India and Pakistan during the months of April and May last year on account of drought conditions which prevailed in the jute-growing belts. The latest crop estimates for India and Pakistan are 5.3 million bales and 4.5 million bales, respectively. Consequently, the disparity between the prices of raw jute and jute manufactures widened greatly. Drawing special attention to this disparity, the Directors of the Company say in their annual report that, in order to meet this serious situation created by the short supply of jute and the abnormally high price for the fibre, the Indian Jute Mills Association regulated the production of the member mills by reducing working hours and the number of working looms from time to time. The mills worked 48 hours a week from the beginning of the year till 26th December 1960, when the hours were reduced to 45 per week. They were further reduced to only 42½ hours per week with effect from the 31st January 1961.

The paid-up capital of the Company at Rs. 24 lakhs consists of Rs. 10 lakhs in 10 per cent tax-free preference shares of Rs. 100 each and Rs. 14 lakhs in ordinary shares of Rs. 10 each. Reserves and surplus stand at Rs. 14.07 lakhs. The secured loan has increased from Rs. 12.65 lakhs to Rs. 19.54 lakhs, due to higher closing stocks of both raw materials and finished goods. The gross block of the Company amounting to Rs. 75.14 lakhs stands depreciated to Rs. 20.82 lakhs after providing Rs. 54.32 lakhs for depreciation. The book value of total investments is Rs. 13.51 lakhs, of which Rs. 9.38 lakhs are in unquoted investments. The quoted investments of Rs. 4.13 lakhs are made up of Rs. 3.72 lakhs in preference shares and Rs. 0.41 lakh in Government of India loans. And so it is not surprising that its market value is lower at Rs. 40.4 lakhs. The balance-sheet of the Company reveals a sound financial position, inasmuch as current assets aggregating Rs. 45.16 lakhs are well above current liabilities amounting to Rs. 20.18 lakhs to the tune of Rs. 24.98 lakhs.

The current market quotation of Rs. 10 paid-up shares is Rs. 22.62 *cum-div.* At this rate, and having the net dividend of Re. 1.75 per share, the net yield works out to 7.7 per cent.

A.E.I.'s INDIAN SUBSIDIARIES

Viscount Chandos, Chairman of Associated Electrical Industries Ltd. (A.E.I.), in his annual address to shareholders in London recently, said that, in India, both the local subsidiaries of the A.E.I. had had a good year. Orders for manufacture in India were almost doubled. "In November," Lord Chandos said, "Mr. Nehru opened the large manufacturing plant at Bhopal for which A.E.I. are consultants to the Government of India. We are very proud to have been entrusted with this task, one of the largest of its kind that has ever been undertaken in the world. The factory is designed ultimately to employ no less than 27,000 people, and has already begun to manufacture transformers and switchgear. It will progress to the production of the largest sizes of steam- and water-powered generating plant together with equipment for the electrification of India's railways and industries. "We particularly welcome the personal link between our engineers and Indian engineers which has been further strengthened during the year."

In his general survey, Lord Chandos, who disclosed that orders received by the Company had risen from £182 million to £223 million in the year, said: "It is rather a striking fact that, in 1960, A.E.I.'s total export order for steam turbo-alternators was more than that of any individual manufacturer in the world, and greater than those of all the other manufacturers in this country put together."

The New Great Insurance Company of India Ltd. had another year of progress in 1960. The net premiums in the fire, miscellaneous and marine departments rose from Rs. 35.87 lakhs, Rs. 25.90 lakhs and Rs. 18.17 lakhs in the previous year to Rs. 42.24 lakhs, Rs. 31.99 lakhs and Rs. 19.50 lakhs respectively. The departmental reserves have substantially increased from Rs. 49.06 lakhs in 1959 to Rs. 56.62 lakhs in 1960.

The net profit, after providing for taxation, amounts to Rs. 2,75,624. The Directors have proposed a dividend of Rs. 2.50 per share, subject to deduction of tax.

I. I. TRUST'S EARNINGS IMPROVE

DIVIDEND STEPPED UP

THE annual report of the Industrial Investment Trust (Secretaries and Treasurers: Premchand Roychand and Sons, Bombay) for the year ended 31st December 1960, provides a glaring instance of how the Government's taxation policy has adversely affected the genuine interests of small-scale investors. It will be recalled that the Company was incorporated in 1933 as a management trust to bring for the first time within the reach of the small investor the chief advantage accruing solely to large-scale investment, namely, diversification of investment portfolio as a means of achieving greater safety of capital. The money subscribed by the shareholders was invested in the shares and debentures of carefully selected companies with a proven record of earning potential and dividend and interest payments over a long period of time. Everything seemed to go well till 1959 when the changes introduced by the Finance Act of that year removed the provision of grossing up of dividends so far enjoyed by corporate investors and subjected dividends and interests to a deduction of tax at source at a flat rate of 30 per cent. Whereas all shareholders in general have suffered on account of this change, the shareholders of trust companies are the worst sufferers. For they have not only to put up with a 30 per cent cut in the income of their Company, derived essentially from dividends and interest, but also to bear a similar cut in dividends distributed to them as their share of the profits of the Company.

During 1959, the gross income of the Trust from which tax was deducted at source was Rs. 1.57 lakh or a little less than 23 per cent of the total income, while the tax so deducted amounted to about Rs. 71,000 only. In 1960, however, the full brunt of the change in the mode of taxation was felt and the Company's entire income became liable to deduction of tax at source.

The following comparative table gives the salient features of the Company's operations during the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Dividends and interest	7.42	6.94	7.39	7.16
Tax deductable at source	3.37	..	..	..
Other income	0.62	0.11	0.09	0.13
Expenses	0.60	0.65	0.64	0.70
Interest on loans	0.81	0.17	0.02	..
Gross profit	10.00	6.23	6.82	6.59
Remuneration to Secretaries and Treasurers	0.59	0.52	0.62	0.50
Provision for taxation	2.70	..	..	..
Net profit	6.71	5.71	6.30	6.09
Taxation for prior years	1.05	1.05	0.13	2.36
Ordinary dividends	6.20 (6.20%)*	6.00 (6%)*	6.00 (6.00%)	5.50 (5.5%)
Carry forward	0.04	0.59	1.92	1.75

* Subject to deduction of tax.

Note :—The profit figures are exclusive of capital gains and losses on realisation of investments.

Income from investment has improved by Rs. 48,000 to Rs. 7.42 lakhs net, mostly as a result of higher ordinary dividends and enhanced rate of preference dividend made to accommodate the incidence of taxation at source. It will be observed that a credit of Rs. 3.37 lakhs has been assumed for the year under review on account of the tax deducted at source to give a gross income of Rs. 10.79 lakhs subject to taxation. Accordingly, a provision of Rs. 2.70 lakhs for tax contingencies has been found necessary for the first time.

In view of the slight improvement in income and the credit taken for tax deductions, the gross profit has increased by Rs. 3.77 lakhs to Rs. 10.00 lakhs. After deducting from this the remuneration of Rs. 59,000 to Secretaries and Treasurers and providing Rs. 2.70 lakhs for tax liability, the net profit has risen by Rs. 1.00 lakh to Rs. 6.71 lakhs. As a result of higher net profit, dividend has been raised to 6.2 per cent subject to deduction of tax, as against 6 per cent distributed in 1959.

The investment portfolio of the Company is well diversified as regards both industries and companies in the same industrial group; it includes shares and debentures of banks, public utilities and industrials as well as Government securities. In no case has the book value of the investment in any particular industrial group been allowed to exceed 25 per cent of the total book value of the entire portfolio. Thus, investments in miscellaneous companies account for 24 per cent of total investments, public utilities for 15.37 per cent, and textiles for 12.95 per cent, while, in other cases, share of investment is not more than 10 per cent of the total. The following table provides an interesting comparison between the percentage-wise distribution of the portfolio in the three main categories mentioned:

	1960	1959	1958	1957
Government securities and debentures	11.85	4.32	4.47	4.90
Preference shares	16.36	17.75	15.62	15.44
Ordinary shares and stocks	71.79	77.93	79.91	79.66
Total	100.00	100.00	100.00	100.00

The approximate market value of the Trust's investments as at 31st December 1960, or in the case of unquoted investments at book value, was higher than the total book value by approximately 14.58 per cent.

The Rs. 100 fully paid up shares of the Trust are quoted at Rs. 79 *cum-div.* The net yield on *ex-div.* basis works out to 5.8 per cent.

The steady progress made by the New India Fisheries Ltd. since its inception five years ago is reflected in the working results of the Company for the year ended 31st March 1961. The Company operated its original fleet of four trawlers and landed 4,314 tons of fish valued at Rs. 26,93,026, as compared with 3,137 tons valued at Rs. 20,81,413 in the previous year. The Directors of the Company have recommended the following dividends:

(Rs. per share)

	1960-61	1959-60
Ordinary shares	12.00	—
Deferred ordinary shares	12.00	—
6 per cent tax-free cumulative preference shares	7.80	1.80
Deferred preference shares	7.80	1.80

The above dividends are subject to deductic of tax under Section 18 of the Income-tax Act.

The Company's plans for expansion of i present activities have been approved by t Government. It will now extend its sphere operations to Cochin where the emphasis will l on the capture of shrimps (prawns) for expo abroad. For financing its expansion plans, t Company proposes to raise new capital amountir to Rs. 5 lakhs by issue of equity shares of Rs. 1(each. These shares will be offered to the existir shareholders of the Company in the ratio of tw shares for every five shares held.

Notice

PHILLIPS CARBON BLACK LIMITEI

Registered Office:

31 Netaji Subhas Road, Calcutta

NOTICE

NOTICE IS HEREBY GIVEN THAT AT TH meeting of the Board of Directors of th Company held on 5th May, 1961, the Director have resolved that a Call of Rs. 2.50 per shar be made on the 1,250,000 ordinary shares of th Company numbered from 1 to 1250000 inclusiv and that the amount of the Call be payable t the bankers of the Company at their branche mentioned in the Call Notice on or before 31s May, 1961. Any amount unpaid on 31st May 1961, will bear interest at 12 per cent per annun from the above date till the date of payment.

The Call Notices have been posted to th respective shareholders. Those shareholders wh have not received the Call Notice may contac the Company.

By Order of the Board,
DUNCAN BROTHERS & CO. LTD.,
Secretaries and Treasurers

5th May, 1961.

The Bank of India Ltd.

Transacts all kinds of Banking Business including Foreign Exchange.

T. D. KANSARA—*General Manager.*

SYNOPSES OF COMPANY REPORTS

Hukamchand Mills Ltd.

(*Chairman*: Shri Mannalal Onkarmal, Bombay.)

Annual General Meeting—17th April.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	3,23,06	2,87,05
Gross profit	34,36	(—)4,91
Transfer to depreciation	0,65	0,47
Net profit	27,71	(—) 4,91*
Adjustments	3,711	3,32
Appropriations:		
Total available balance	31,42	(—) 2,14†
Transfer to development rebate reserves	1,72	55
,, ,, reserves	25,00	Nil
Proposed dividend (taxable)	4,53	Nil
	(71½)	Nil
Carry forward	17	(—) 2,14

N.B.—Adjustments include the balance brought forward from the previous year and excess provision of previous years written back.

* Net loss after providing for depreciation.

† Final debit balance after providing Rs. 55,000 for development rebate.

‡ After deducting the loss brought forward from the previous year.

Extracts from the Directors' report: During the year under report the Company has received Rs. 4,95,000 as loan from the N.I.D.C. Ltd., out of the sanctioned loan of Rs. 10 lakhs. The Company has repaid an amount of Rs. 2 lakhs as the first instalment towards the repayment of the said loan. It has repaid a further sum of Rs. 87,743 being the amount of sale proceeds of some old machinery in terms of the agreement with the N.I.D.C. Ltd. The balance of loan outstanding as on 31st December 1960 is Rs. 23,83,302. The Company's application to the N.I.D.C. Ltd. for the second loan of Rs. 40 lakhs has not yet been finalised. In view of the changed circumstances, the directors have since revised the application and reduced it to only Rs. 25 lakhs. They hope to secure this second loan shortly.

A sum of over Rs. 9 lakhs has been spent on purchases of new machinery. The principal items of machinery installed during the year are for dyeing, bleaching and processing of cloth.

The general working of the Company had been satisfactory. In spite of several difficulties which the industry had to face in general, particularly in obtaining cotton as also abnormal rise in the price of fuel, mill stores and wages, the Company has been able to show satisfactory results. The Wage Board award was given effect to from 1st January 1960 and it is estimated that this will account for approximately a rise of over Rs. 5 lakhs in the salaries and wages bill of the Company.

The trend of the cloth prices was however rising and the Government of India felt concerned at the same and urged on the Industry to take steps to arrest and reduce the prices in the interest of the consumers. In pursuance thereof the Indian Cotton Mills' Federation has advised all the Cotton Mills in the country to adopt the price stamping during the year on the level of a formula based on prevailing prices in August 1959. At the close of the year there has been another cut in the said stamped prices imposed by the Federation under advice from the Central Government. All these restrictions have considerably handicapped the progress of this Company. Representations have been made that the mofussil mills which are not equipped with modern machinery and which have been mainly employed in coarse and lower medium counts had to suffer a great deal in the past few years and therefore, special consideration should have been made for them for obligatory price stamping so as to partially mitigate their hardships. But no special treatment was allowed to such part of the industry.

During the year under report the Ormerods Healds & Reeds Factory worked satisfactorily and had shown a profit of Rs. 74,296 out of which the Company's share of profit comes to Rs. 37,148 as per the terms of agreement.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	60,45,000	Gross block —Depreciation ...	1,83,29,843
Reserves and surplus ...	43,64,468		1,10,04,867
Other liabilities ...	93,45,207	Net block ...	73,24,976
		Current assets ...	1,18,78,777
		Investments ...	1,47,377
		Cash ...	4,03,545
Rs.	1,97,54,675	Rs.	1,97,54,675

Jawahar Mills Ltd.

(*Managing Agents*: Messrs. Umaiyambika & Co., Nehru Nagaram, Salem-5.)

Annual General Meeting—29th May.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	88,14	90,27
Closing stock	25,94	26,78
Gross profit	12,43	15,15
Transfer to Mg. Agents' remuneration	81	1,06
,, ,, depreciation	3,83	4,01
,, ,, taxation	2,58	5,96
,, ,, development rebate reserve	50	2,00
Net profit	4,91	2,72
Adjustments	1	9
Appropriations:		
Total available balance	4,92	2,82
To expenses and donations	9	5
To provision for bonus (prior years)	1,65	25
To provision for maternity benefit (prior years)	2	..
To provision for sales-tax (prior years)	41	..
Proposed dividend (taxable)	2,64* (15%)	2,52 (15%)
Carry forward	..	1

N.B.—Adjustments include only the balance brought forward from the previous year.

* This includes a sum of Rs. 864 being dividend for 1959 on shares allotted on 30th March 1960.

Extracts from the Directors' report: The fall in the profits of the year is mostly due to the increase in the cost of foreign cotton and a fall in the selling price of superfine counts of yarn.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,91,930	Gross block —Depreciation	85,21,320 45,31,221
Reserves and surplus ...	14,18,017		
Other liabilities ...	50,73,002	Net block ...	39,90,099
		Current assets	40,80,349
		Investments	38,300
		Cash ...	74,201
Rs.	81,82,949	Rs.	81,82,949

Bengal Flour Mills Co., Ltd.

(*Managing Agents*: Messrs. Balmer Lawrie and Co. Ltd., Calcutta.)

Annual General Meeting—19th May.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	2,39,53	2,16,50
Closing stock:		
Wheat and gunnies	5,77	3,87
Flour	5,09	1,28
Gross profit	17,00	19,70
Transfer to Mg. Agents' remuneration	1,64	1,90
,, ,, depreciation	1,67	1,47
,, ,, taxation	6,52	7,62
Net profit	7,17	8,71
Adjustments	2,20	2,20
Appropriations:		
Total available balance	9,37	10,91
Transfer to development rebate reserve	10	10
,, ,, general reserve	2,50	3,21
Proposed dividend (taxable)	4,80	5,40
	(40% p.a.)	(45% p.a.)
Carry forward	1,88	2,50

N.B.—Adjustments include only the balance brought forward from the previous year.

Extracts from the Directors' report: *Operations*.—Governmental controls continued throughout the year. The supply of wheat during the first half of the year was insufficient to maintain full production, but from July onwards adequate allotments were received.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Gross block —Depreciation	37,24,157 31,81,357
Reserves and surplus ...	27,27,175	Net block ...	5,42,800
Other liabilities ...	10,30,761	Current assets	36,36,985
		Investments	6,080
		Cash ...	7,72,071
Rs.	49,57,936	Rs.	49,57,936

Polson Ltd.

(*Managing Agents*: Messrs. Polson Agencies Private Ltd., Bombay.)

Annual General Meeting—9th June. Dividends are payable on and after 12th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales (butter, coffee, casein and flour)	1,37,89	1,29,73
Closing stock	14,58	15,79
Gross profit	16,04	14,39
Transfer to Mg. Agents' commission†	1,32	1,90
,, ,, depreciation	2,67	2,24
,, ,, taxation	5,75	5,20
Net profit	6,30	5,05
Adjustments	39	48
Appropriations:		
Total available balance	6,69	6,13
Transfer to reserves	59	58
Proposed dividends (taxable) ordinary	4,05 (15%)	4,05 (15%)
,, ,, preference	1,07 (6.66%)*	1,20 (6%)
Carry forward	68	80

N.B.—Adjustments include the balance brought forward from the previous year and excess provision of income-tax of previous year written back.

† Subject to adjustment.

* Less Company's tax at 20 per cent.

Extracts from the Directors' report: The sales of the Company's products increased from Rs. 1.23 crores in 1959 to Rs. 1.38 crores during the year under review, a rise of over 12 per cent. The sales during the year show substantial increase in Butter and Casein. Unfortunately, Coffee sales indicate a drop of about Rs. 9 lakhs mainly due to the difficulties in maintaining the Company's exports of this item. A difference of opinion between Indian Government and the Government of the importing country regarding the manner of financial settlement of the transactions has resulted in the loss of the Company's export business to the tune of Rs. 11 lakhs. This will show that sale of Coffee in the internal market has gone up by about Rs. 2 lakhs.

Orders for *Butter Churn* and *Automatic Stagger Stamping Press* have been placed with the manufacturers in New Zealand and West Germany respectively before the close of the year of accounts for the total value of Rs. 1,55,460, which would be received during the current year.

After the close of the year 1960, four further equity bonus shares have been issued against sixteen fractional certificates received by the Company.

The plant and machinery at the Company's Factories have been kept in good repair and their efficiency has been continuously maintained.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	46,99,400	Gross block —Depreciation	66,37,217 26,51,409
Reserves and surplus ...	18,76,869		
Other liabilities ...	20,24,944	Net block ...	39,85,808
		Current assets	38,90,465
		Investments	3,235
		Cash ...	7,21,705
Rs.	86,01,213	Rs.	86,01,213

Lucky Valley (Nilgiri Hills) Tea Estates Ltd.

(*Secretaries and Treasurers*: Messrs. Matheson Bosanquet and Co., Ltd., Belmont, Coonoor Nilgiris.)

Annual General Meeting—20th May.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	8,22	7,47
Closing stock	80	81
Gross profit	2,21	1,98
Transfer to Secretaries' and Treasurers' remuneration	16	14
,, ,, depreciation	17	14
,, ,, taxation	87	79
Net profit	1,01	91
Adjustments	36	30
Appropriations:		
Total available balance	1,37	1,21
Transfer to reserves	50	35
Proposed dividend (taxable)	50	50
	(10% p.a.)	(10% p.a.)
Carry forward	37	36

N.B.—Adjustments include only the balance brought forward from the previous year.

Extracts from the Directors' report: *Acreage*: The total area of the estate remains the same i.e., 562.19 acres distributed as follows: Tea in full bearing 257.80 acres; tea in partial bearing 9.14 acres; fuel clearings 51.28 acres and buildings, roads, jungle and waste land 243.97 acres.

Crop: A record crop of 3,51,427 (2,60,177) pounds of made tea was secured as against the estimate of 2,45,000 lbs. The Estate cost of production of made tea for the year was Re. 1.33 against the estimated cost of Re. 1.56 per lb. The average sale price of the teas for the season was Rs. 2.34 compared to Rs. 2.76 per lb. for the previous year.

Estimates for season 1961 are based on a crop of 2,65,000 lbs. to be harvested at a cost of Rs. 157.88 per pound.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Gross block —Depreciation	9,61,424 78,039
Reserves and surplus ...	1,57,686		
Other liabilities	3,54,335	Net block ...	8,83,385
		Current assets	1,19,253
		Cash ...	9,383
Rs.	10,12,021	Rs.	10,12,021

Presidency Jute Mills Co., Ltd.

(*Secretaries and Treasurers*: Messrs. McLeod & Co., Ltd., Calcutta.)

Annual General Meeting—16th May. Dividends are payable on and after 1st June.

Working Results:

	For the year ended 31st July (In thousand rupees)	
	1960	1959
Total sales	1,06,96	1,14,57
Closing stock	25,42	30,56
Gross profit	7,65	10,00
Transfer to Mg. Agents' remuneration	50	79
,, ,, depreciation	3,83	3,57
,, ,, taxation	1,16	2,55
Net profit	2,67	4,09
Adjustments	74	2,53
Appropriations:		
Total available balance	3,41	6,61
Transfer to development rebate reserve	1,18	1,48
,, ,, general reserve	..	2,00
Proposed dividend (taxable)	2,00 (8% p.a.)	2,50 (10% p.a.)
Carry forward	23	63

N.B.—Adjustments include the balance brought forward from the previous year, credits relating to previous years written back, dividends forfeited if any and amounts transferred from reserves if any.

Extracts from the Directors' report: Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 31st July 1960, have been valued at market rates.

Unfortunately sporadic labour trouble was experienced during the period under review culminating in a closure for 25 days during July and August, 1960 due to an illegal strike. However, there has been an improvement in labour relations during the current year.

The reduction in the stock position of raw jute in India at the end of June 1960, and the small Indian crop not being sufficient to allow normal working during the current season, it has been necessary to curtail production throughout the Industry to conserve jute supplies.

The prospects for the current year are not particularly encouraging and will certainly be adversely affected by the increase in overhead costs which will arise through the lower level of production.

Messrs. McLeod & Co., Ltd., resigned their office as managing agents of the Company as from 31st July 1960. At the extraordinary general meeting held on 28th July 1960, Messrs. McLeod & Co., Ltd. were appointed secretaries and treasurers of the Company for a period of five years commencing from 1st August 1960 with the approval of the Central Government.

Accounts in brief as at 31st July 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,06,800	Gross block —Depreciation	1,06,08,633 75,93,215
Reserves and surplus ...	11,64,587		
Other liabilities ...	43,50,947	Net block ...	30,15,418
		Current assets	45,76,638
		Investments	3,38,272
		Cash ...	84,606
Rs.	80,15,334	Rs.	80,15,334

Notices

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

Tender No. S-15 of 1961

GLOBAL TENDER ENQUIRY FOR STEEL MATERIALS

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to purchase from established and reliable producers a quantity of about 34,630 tons of steel materials such as Plates, Sheets, Structurals and Spring Steel.

The schedule of requirements has already been despatched to those who have quoted earlier for Board's Tender No. S-13. Any other prospective tenderers who may like to participate may obtain the schedule free of cost from any of the following offices during working hours.

1. Director, Railway Stores, Ministry of Railways (Railway Board), Room No. 337, Rail Bhavan, Raisina Road, New Delhi.
2. Director General, India Stores Department, Government Buildings, Bromyard Avenue, Acton, London W-3.
3. Director, India Supply Mission, 2536, Massachusetts Avenue, N.W., Washington 8 D.C.

Tenders will be received by the undersigned upto 12.00 Hours on the 25th May, 1961, and opened in the office of the Railway Board at 2.30 p.m. on the same day.

G. P. BHALLA,
Director, Railway Stores,
Railway Board.

NEW DELHI,
Dated 26th April 1961.

THE KIRLAMPUDI SUGAR MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixteenth Annual General Meeting of the above named Company will be held at the Registered Office of the Company at Pithapuram (East Godavari District) on Monday the 29th May, 1961 at 2-30 p.m., to transact the following business:

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th June 1960.
2. To appoint Directors:
   (i) In the place of Sri R. P. Sinha who retires under Article 131 of the Articles of Association of the Company and who being eligible offers himself for re-appointment.
   (ii) In the place of Sri Ravu Suryarao who retires by rotation and to consider and, if thought fit, to pass the following resolution of which a special notice as required by Section 281 of the Companies Act, 1956 has been received by the Company:

   "RESOLVED—and specifically declared pursuant to the provisions of Section 281 and other applicable provisions if any, of the Companies Act, 1956 that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to Sri Ravu Suryarao who has attained the age of 81 years and who retires by rotation and that he be and is hereby re-appointed a Director of the Company accordingly."
   (iii) In the place of Sri N. R. Pandya who retires by rotation and to consider and, if thought fit, to pass the following Resolution as a Special Resolution of which Special Notice as required under Sections 261 and 281 of the Companies Act, 1956 has been received by the Company:

   "RESOLVED—and specifically declared pursuant to the provisions of Section 281 and other applicable provisions if any, of the Companies Act, 1956 that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to Sri N. R. Pandya who has attained the age of 67 years, and who retires by rotation and that he be and is hereby reappointed a Director of the Company accordingly and in accordance with the provisions of Section 261 of the said Act, as he is also an Associate of the Managing Agents."
3. To elect Auditors and to fix their remuneration for the current year.
4. To consider and if thought fit, to pass the following Resolution:—

   "RESOLVED that pursuant to Clause (*d*) of sub-section (1) of Section 293 of the Companies Act, 1956 (as amended), and all other enabling provisions (if any), the consent of the Company be and is hereby granted to the Board of Directors of the Company borrowing moneys for the purposes of the Company, from time to time, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but so that the total amount upto which moneys may be borrowed by the Board of Directors shall not at any time exceed Rs. 150 Lacs."

(By Order of the Board),
For KUBERA SUGAR MANAGERS LTD.,
(Sd.) N. ANANTHANARAYANAN,
General Manager,
Managing Agents.

MADRAS, *24th April*, 1961.

(*a*) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member of the Company.

(*b*) The Share Transfer Books of the Company will be closed from 26th May 1961 to 19th June 1961 (both days inclusive).

(*c*) The relative Explanatory Statement as required by Section 173 of the Companies Act, 1956 in regard to the Special Business under Items (2) and (4) set out above has been forwarded to the Members of the Company.

THE PEERMADE TEA COMPANY LIMITED

(*Incorporated in India*)

NOTICE IS HEREBY GIVEN THAT THE Twenty-third Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at Chavadi Parambu, North Commercial Canal Road, Alleppey, at 10 a.m. on Tuesday, 6th June, 1961, to transact the following business:—

1. To receive and adopt the Audited Accounts and Balance Sheet for the year ended 31st December, 1960 and the Report of the Directors and Auditors.
2. To declare a dividend.
3. To elect a Director.
4. To appoint Auditors.
5. To consider and, if thought fit, to pass with or without modification, the following special resolution which will be proposed as a special resolution.

   "Resolved that the following Article be substituted in the place of the existing Article 89 of the Company's Articles of Association effective from 1-1-1961:—

   '89. The remuneration of the Directors shall from time to time be determined by the Company in General Meeting; and the Directors shall in addition be entitled to reimbursement of out-of-pocket expenses incurred in connection with the Company's business.'

   and resolved also that with effect from 1-1-1961 until otherwise decided by the Company in General Meeting, the Chairman shall be paid, subject to a maximum sitting fee of Rs. 1,980 per year, a sitting fee of Rs. 300 per meeting of the Board or any Committee of the Board attended by him other than the Share Transfer Committee; and that every other Director shall be paid subject to a maximum sitting fee of Rs. 1,500 per year, a sitting fee of Rs. 250 per Meeting of the Board or any Committee of the Board attended by him other than the Share Transfer Committee; and further that in respect of meetings of the Share Transfer Committee every Director including the Chairman shall be paid a sitting fee of Rs. 50 per meeting attended; and furthermore that all out-of-pocket expenses incurred for attending meetings of the Board or Committees shall be reimbursed to the Directors."

A copy of the Explanatory Statement under Section 173 of the Companies Act 1956 is available for inspection to the shareholders at the registered office of the Company during office hours on all working days till the date of the above meeting.

The Transfer Books of the Company will be closed from 25th May 1961 to 9th June 1961, both days inclusive.

Any Shareholder unable to attend personally is entitled to appoint any person (whether a member or not) as his proxy to attend and vote instead of himself, subject to the provisions of Section 176 of the Companies Act 1956. Such proxy should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting.

(By Order of the Board)
THE PEERMADE TEA COMPANY LTD.,
Per Pro. ASPINWALL & Co. (TRAVANCORE) LTD.,
C. PRABHAKARAN,
Secretaries.

ALLEPPEY, *8th May* 1961.

Note: The dividend, if declared, will be paid on or after 20th June 1961 to those Shareholders whose names appear in the Company's Books on the 6th June 1961 or to their Mandatees.

THE BENGAL FLOUR MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting (being the One hundred and twenty-seventh Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Friday, 19th May, 1961, at noon, to consider the Accounts of the Company for the year ended 31st December, 1960, and to transact other ordinary business.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 5th May 1961 to 19th May 1961, both days inclusive.

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *21st April*, 1961.

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

COMPANY NOTICE

THE GANESH FLOUR MILLS COMPANY LIMITED

DELHI

Registered Office:
SUBZIMANDI, DELHI

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 69th Annual General Meeting of the Shareholders of The Ganesh Flour Mills Co., Ltd., Subzimandi, Delhi, will be held at the Registered Office of the Company at Subzimandi, Delhi, on Friday the 9th day of June, 1961, at 10 a.m., to transact the following business:—

1. To receive, consider and adopt the Directors' report and the Audited Balance Sheet and Profit and Loss Account of the Company for the year ending 30th September, 1960.
2. To declare Dividends.
3. (a) To appoint a Director in place of Shri Satya Narain Gupta who retires by rotation under the Articles of Association of the Company and being eligible for re-appointment, offers himself for re-appointment as a Director of the Company.

   (b) To appoint a Director in place of Shri Om Parkash who retires by rotation under the Articles of Association of the Company and being eligible for re-appointment, offers himself for re-appointment as a Director of the Company.
4. To appoint Auditors for the Financial year 1960-61 and fix their remuneration. Messrs. A. F. Ferguson & Co., Chartered Accountants, the retiring Auditors being eligible for re-appointment offer themselves for re-appointment as Auditors of the Company for the year 1960-61.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification the following as an ordinary resolution:—

   "Resolved that in respect of 4% 2nd, 3rd, 4th, and 5th Cumulative Preference Shares (Tax-free) of the Company, an additional dividend at 1.71% (Gross) subject to deduction of appropriate tax be paid for the year ended 30-9-1959 out of the profits of the Company for the year ending 30-9-1959, payable to those 2nd, 3rd, 4th and 5th 4% Preference Shareholders whose names appear as such holder of shares in the Register of Members of the Company as on 19-5-1960."
6. To consider and if thought fit to pass with or without modification the following as an ordinary resolution:—

   "Resolved that this General Meeting of the Shareholders of the Company hereby gives its consent to the Board of Directors of the Company for borrowing moneys for the purposes of the Company even though the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free Reserves, that is to say, Reserves not set apart for any specific purpose upto a maximum limit of Rupees Two Crores (Rs. 2,00,00,000) at any time."
7. To consider and if thought fit to pass with or without modification the following as a Special Resolution:—

   (a) That in Article 10, page 7, lines 9 and 10, the words, "is confirmed. . . . holders of the shares," be substituted by the words, "with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares."

   In the same Article and on the same page lines 16 to 15 beginning with the words, "and supported. . . . issued shares of the class," be deleted.

   (b) That in Article 13 at page 8 for the word, "new" wherever it occurs the word, "further" be substituted and in the same Article in line 4 after the word "meeting" the words "by a Special Resolution or with the sanction of the Central Government as provided for in Section 81 of the Act," be added.

   (c) That on page 10 in Article 20 line 4 after the words, "shall be made," add the words, "subject to the Rules as may be framed under the Act."

   (d) That on page 15 in Article 50 last but one line, after the words, "sent to the Transferee," add the words, "Transferor or to the person giving intimation of such transfer or transmission as the case may be."

   And in the same Article and in the same line after the word, "Transfer," add the words, "or transmission."

   And in the same Article in line 5, after the word, "Transfer," add the words, "or transmission."

   (e) That on page 16 in Article 55 line 3, substitute the figure, "18" by figure, "84."

   That in the same Article on page 17 in line 8 the words, "one month," be substituted by the words, "three months."

   (f) That on page 19 in Article 67 as amended by a Special Resolution, the words, "eight months" be substituted by the words, "six months."

   (g) That on page 20 in Article 72, line 21, the words, "nature and extent of the interest," be substituted by the words, "the nature of the concern or interest."

   (h) That on page 29 in Article 112 lines 7, 8 and 9 the words, "by himself. . . as such Director," be substituted by the words, "and no such Director shall act as a Director of the Company unless he has within 30 days of his appointment signed and filed with the Registrar his consent in writing to act as such Director."

   (i) That on page 30 in Article 116 at the end of the Article substitute, "comma" for "full-stop," and add the words "provided that not more than two months shall intervene between the last day of the calendar month in which such meeting is held and the date of the next meeting."
8. To consider and if thought fit to pass the following with or without modification as an ordinary resolution:—

   "Resolved that the Company hereby approves of the appointments and consents to the continuance as the case may be of the following as Dealers of the Company for a period not exceeding five years commencing from the dates of such appointments and for the products and the area respectively set out against each subject to any variation that may be made in the terms of their appointments including changes in Areas and Products and subject also to the conditions that the arrangements may be terminated earlier by one month's notice on either side:—

Name of the Agent.	*Area.*	*Product*

Note:—(The list of all such dealers is being sent to the Shareholders along with the Balance Sheet.)

By Order of The Board of Directors,
FOR THE GANESH FLOUR MILLS CO., LTD.,
(Sd.) KIRPA NARAIN,
Secretary & General Manager.

DELHI,
Dated, 5th May, 1961.

N.B:—(a) The Share transfer books of the Company will remain closed from 27th May, 1961 to 9th June, 1961 both days inclusive.

(b) Members unable to attend are requested to send their Proxy forms, sent along with the notice, duly stamped, signed and completed in favour of a person attending the meeting. Forms not properly signed and/or completed or received less than forty-eight hours before the meeting will be treated as invalid.

(c) A member entitled to vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.

(d) A copy of the existing Memorandum and Articles of Association of the Company as well as a copy of the proposed amendments to the Articles of Association of the Company, duly signed by the Chairman for purposes of identification, shall also be available for inspection of members during business hours at the registered office of the Company on all working days from 27-5-1961 to 9-6-1961.

(e) The terms of appointments of dealers as mentioned in item No. 8 above will be open for inspection of the members at the Registered Office of the Company on any working day between 27-5-1961 to 9-6-1961 during office hours.

(f) Explanatory statements as required under Section 173 of the Companies Act is being sent to the Shareholders of the Company along with the Balance Sheet by post.

(g) As the dividend warrants for the additional dividend for the year ending 30-9-1959, if approved by the General Meeting will be issued to members holding 2nd, 3rd, 4th and 5th C.P. Shares on 19-5-1960, such holders are requested to send their present address so that the dividend warrants may reach them.

(h) All Shareholders of the Company are also requested to send their present address to the Company before the date of the meeting so that dividend warrants for the year ending 30-9-1960 may also reach them at their address.

GUEST, KEEN, WILLIAMS, LIMITED

NOTICE

THE THIRTY-FIRST ANNUAL GENERAL Meeting of the Members of Guest, Keen, Williams Limited will be held at the offices of Jardine Henderson Limited, 4 Clive Row, Calcutta, on Tuesday, the 6th day of June, 1961 at 12 noon, to transact the following business:—

1. To adopt the Directors' Report and the Audited Accounts for the 52 weeks ended 31st December, 1960.
2. To declare a Dividend.
3. To elect Directors in the place of those retiring.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification the following resolutions:—

5. *As an Ordinary Resolution*

   That due notice in writing signifying the intention of a Member to propose him as a Director having been left at the Registered Office of the Company pursuant to Section 257 of the Companies Act, Sir Raghavan Pillai be and is hereby appointed as a Director of the Company.

6. *As a Special Resolution*

   Resolved that pursuant to Section 163(1) of the Companies Act, the Register of Members of the Company, the Index of Members, the Register and Index of Debenture-holders of the Company and copies of all Annual Returns prepared under Section 159 together with the certificate to be annexed thereto under Section 161 be hereafter kept with the Registrars of the Company, Jardine Henderson Limited, at 4 Clive Row, Calcutta.

The Register of Members of the Company will be closed from the 23rd May 1961 to 6th June 1961, both days inclusive.

By Order of the Board,
R. B. RITCHIE,
Secretary.

41, CHOWRINGHEE ROAD,
CALCUTTA,
20th April, 1961.

Note: 1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.

2. No application for warrants will be necessary and payment of any Dividend declared will be made only to those Members whose names are registered in the books of the Company on the 6th June 1961, or to their Mandatees. Claims on behalf of holders of shares held on blank transfer will not be entertained.

3. Explanatory Statement as required by Section 173 of the Companies Act 1956 has been issued to all Shareholders.

THE ANDHRA BANK LIMITED

SPEECH OF CHAIRMAN, MR. S. R. Y. SIVARAMA PRASAD BAHADUR

HIGHER INTEREST ON DEPOSITS AFFECTS BANKS

THE Thirty-seventh Annual General Meeting of the Andhra Bank Limited was held at Masulipatnam on Friday, 12th May 1961. In his speech at the Meeting, Mr. S. R. Y. Sivarama Prasad Bahadur, M. L. A., Rajah Saheb of Challapalli, stated that, since the banks were now forced to increase their interest rates on deposits, the year 1961 would be a "hard" year for banks in general.

The following is the full text of the Chairman's speech:

"I have great pleasure in extending to you all a hearty and warm welcome to this 37th annual general meeting of our Bank. The year 1960 opened with bright prospects and great expectations but ended with disappointments. The rift between the two power blocks continued and the tension in the world remained unabated without any hope of peace to mankind. The uncertain political conditions had their impact on the world economy. The improvement in economic conditions was not up to expectations. There was, however, no setback. Industrial development continued but at a slower pace and the price levels were kept under check through monetary methods adopted in every country. The rise in the cost of living was only small and there was improvement in living standards. There was increased economic activity in the underdeveloped countries also, though not to the same extent as in the advanced countries.

Industrial Expansion

"The trends in our country were also similar to the world trends in several respects. Industrial production was higher, giving more opportunities for employment especially in technical spheres. Agricultural production which declined in 1959-60 showed substantial improvement in 1960-61. Though the general price levels showed an upward trend and increased by about 6.5 per cent, the prices of foodgrains remained fairly stable. Unlike in the previous years, the cost of living went up only to a small extent It may be said that due to the measures taken by the Government and the Reserve Bank of India, Indian monetary conditions were satisfactorily maintained except that there was a large scarcity of foreign exchange with sluggish exports and spurt in imports. The year 1960 marks the end of the second Five-year Plan and the beginning of the third Plan with an investment target of Rs. 10,000 crores, out of which Rs. 4,000 crores are allotted to private sector. With the monetary policies well directed, banking can play a vital role in the successful implementation of the third Plan.

"The taxation proposals in the recent Central Budget increase the tax burden in the country, which is already the heaviest-taxed in the world. With the reduction in the deficit financing and the indirect taxation increasing the cost of production and cost of living, monetary conditions become stringent making it a hard job for banks to mobilise deposits and employ the same for productive enterprises.

Credit Control

"The Reserve Bank of India, in addition to selective credit controls, adopted quantitative measures to restrain the flow of bank credit. To control the boom on stock exchanges a margin of 50 per cent was prescribed for advances against equity shares. Scheduled banks were required to maintain with the Reserve Bank of India additional balances equivalent to 25 per cent of the increase in their total liabilities which was subsequently raised to 50 per cent. With the advent of the busy season, these restrictions were relaxed. It also imposed penal rates of interest on borrowings of commercial banks beyond a prescribed quota and directed them to increase their average lending rate by half a per cent. A ceiling was also placed on interest rates to be offered on certain types of call and short-term deposits, which was later withdrawn. It was thought that these measures would yield more effective results than the normal Bank rate pocedure. On the other hand they weakened the gilt-edged market and made it difficult for banks to meet the growing needs of an expanding economy. It also led to the diversion of resources from organised banking sector to unorganised market to the detriment of banking economy.

"The year 1960 was a hard year for Indian banking. With the rise in the tempo of industrial development, the demand for bank credit continued throughout the year even during the slack season, while at the same time the rate of growth of bank deposits slowed down. While the scheduled banks' credit expanded sharply by about Rs. 182 crores, the total deposit additions amounted to about Rs. 60 crores only. In 1959, bank deposits exceeded the notes in circulation but a reverse trend was noticed in 1960. These features resulted in a severe strain for banks right through the year. The higher level of bank credit during the year and the measures taken by the Reserve Bank of India in making the credit costly were responsible to some extent for the higher profits earned by the banks in the year 1960. This was, however, a temporary phase. Banks are now forced to increase their interest rates on deposits in view of the monetary conditions and the year 1961 would be a hard year for the banks in general. It is easier to pay more for deposits than to charge more on advances.

Amalgamation

"With the failure of two scheduled banks, an atmosphere of uncertainty prevailed in the banking world and the Reserve Bank of India and Government had to take steps to infuse confidence in the public and to ensure the soundness of the banking system in India. With a view to implement their policies and to have viable units, the Reserve Bank of India has launched upon a programme of amalgamation of banks. Deposit insurance scheme is also under their active consideration.

"The Indian Companies Act, 1956, which created anomalous positions for banks, was recently amended under Act No. 65 of 1960, which, though it rectified some of the difficulties found in the working of the banks, still left untouched many other ambiguous provisions. Though the Companies Act provides for seeking exemption from branch audit, your Directors do not wish to take advantage of this, as in their view a yearly audit of all the branches of the Bank by independent authorities is a desirable feature.

Rise in Deposits

"Coming to the position of our Bank, our deposits increased from Rs. 12.90 crores to Rs. 14.78 crores and our advances decreased from Rs. 9.11 crores to Rs. 8.85 crores which is a healthy feature. The investments which stood at Rs. 5.12 crores increased to Rs. 5.25 crores at the end of the year under review. The gross income increased from Rs. 84 lakhs to Rs. 101 lakhs and the net profits from Rs. 9.63 lakhs to Rs. 11.57 lakhs, after paying one month's salary as bonus to staff and making all necessary provisions. The percentage of total earnings to total working funds stood at 6.64 (last year 6.24) while the percentage of net profits to total working funds stood at 0.75 (last year 0.71). The above figures indicate a satisfactory progress in the working of the Bank for the year 1960. It has been the endeavour of your Directors to strengthen the Bank's reserves from time to time and with this view substantial amounts have been transferred to the reserve fund account. Directors have recommended a dividend of 8½ per cent for the half-year ended 1960, which with the interim dividend of 7½ per cent already declared, makes a dividend of 8 per cent, subject to tax, for the whole year.

"A branch of the Bank was opened in the city of Bangalore during the year under review and arrangements were made for the opening of a branch in the great city of Bombay which could only be finalised, and the branch opened, this year in January 1961. The opening of a branch at Bombay is the fulfilment of a long cherished desire. The Bank's building at Hyderabad, the capital of Andhra Pradesh, and at Vijayawada are nearing completion.

Labour Relations

"The relationship between the management and the staff has been cordial during the year under review and I am sure if these good relations continue and they work with zeal and enthusiasm, the Bank will grow from strength to strength to occupy a leading place among banks in India with a view to render greater service to the country.

"Before I conclude, I would like to place on record my sincere thanks to my colleagues on the Board and to Mr. Tadepalli Sriramulu, Managing Director, for their valuable services to the Bank. I also thank the General Manager and all members of staff who worked hard and served the institution with devotion. I am confident that the Bank has a great future and will maintain its traditions of service contributing its mite to the development of the country's economy."

STATE BANK OF BIKANER

(Subsidiary of the State Bank of India)

Head Office: BIKANER

Each of our 72 branches is fully equipped to provide

PERSONALISED SERVICE

ALL TYPES OF BANKING BUSINESS
including
FOREIGN EXCHANGE BUSINESS TRANSACTED

Interest on Savings Bank Deposits allowed at
3% per annum

FOR
SAMPLING • ANALYSIS • TESTING
Ores, Minerals, Metals, Alloys and Residues; Oils, Oilseeds and Cakes; Foods, Drugs, Pharmaceuticals and Biological Specialities; Chemicals, Waters, Paints and Varnishes, Fertilisers, Manures and Insecticides, Industrial and Commercial Commodities, etc.

Contact:
THERAPEUTICS CHEMICAL RESEARCH CORPORATION
95, Morland Road, Byculla, Bombay 8
Grams: THERASERCH Phone: 74631
Managing Director: Dr. RAMAN C. AMIN, M.Sc., Ph.D. (U.S.A.), Sigma Xi, F.A.A.A.S. (U.S.A.)
Branch Laboratories:
• Morey Bhuvan, Mount Road Extn., NAGPUR 1 Phone: 3408 & 4552
• Rustam Mahal, 2nd Line Beach, MADRAS 1 Phone: 55478
• 9/5, Kumarpark West Extension, BANGALORE 20 Phone: 70823
• 118/54, Main Road, VISAKHAPATNAM Phone: 80
BRANCH OFFICES AT ALL PORTS OF INDIA

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, *10th May*

Conditions in the short-term money market were fairly tight during the week under review. The demand for funds was running at a high level, but supplies were not sufficient so that borrowers found it difficult to get their requirements in full. Consequently, the banks had to seek accommodation from the Reserve Bank of India. The interest rates remained firm at their previous levels. For purposes of record, we give them below:

	Per cent
Inter-bank call money:	
Exchange and other large Indian banks	5
Other banks	5
Notice money:	
3 days or more	3
Term deposits:	
(i) 3 to 30 days (inclusive)	3
(ii) 31 to 60 days	3¼
(iii) 61 to 90 days	3½
(iv) 91 days and more but less than 12 months	3¾
(v) 12 months	4

The results of the 91-day Treasury bills of the Government of India sold through weekly tenders showed that the total amount offered and accepted was the same as that invited, namely, Rs. 2 crores. The average rate of accepted tenders was unchanged at 2.750 per cent per annum. 91 days' intermediate Treasury bills sold from 3rd May to 6th May were of the order of Rs. 1.08 crore, as against Rs. 2.55 crores last week. Their sales are being resumed from today upto 13th May.

An expansion of Rs. 19.95 crores in notes in circulation is disclosed by the statement of the Reserve Bank of India for the week-ended 5th May 1961, bringing the total to Rs. 2,002.38 crores. As the notes held in the Banking Department have registered a decline of Rs. 23.17 crores, the notes issued have fallen by Rs. 3.22 crores only. There has been no change in foreign securities which stood at Rs. 113.01 crores, but, since balances held abroad have gone up by Rs. 7.36 crores, the total foreign assets have risen by a corresponding amount to Rs. 130.69 crores. Deposits of banks with the Reserve Bank of India have advanced by Rs. 3.64 crores, taking up their total to Rs. 81.80 crores. The assets side shows an expansion of Rs. 3.02 crores in other loans and advances; they now stand at Rs. 128.49 crores. Of these, borrowings against usance bills are of the order of Rs. 21.40 crores. Over the week, they have gone up by Rs. 31 lakhs.

The Scheduled banks' statement for the week ended 28th April 1961 shows an increase of Rs. 6.10 crores in demand deposits and Rs. 3.32 crores in time deposits. Over the week, the deposits of the State Bank of India have declined by Rs. 1.28 crore. Their borrowings from the Reserve Bank of India have dropped further by Rs. 3.19 crores, on top of a fall of Rs. 15.55 crores in the previous week. The borrowings from the same institution against usance bills have gone down by Rs. 4.72 crores. The scheduled banks have also borrowed less from the State Bank. Borrowings of demand nature fell by Rs. 14.23 lakhs and those of time nature by Rs. 53.17 lakhs. On the assets side, advances and bills discounted (bank credit) have shrunk by Rs. 84 lakhs, bringing down their total to Rs. 1,301.12 crores, as against Rs. 1,130.38 crores a year ago. But, as the advances and bills of the State Bank have declined by Rs. 4.22 crores, the other Scheduled banks' portfolio of this item must have actually increased by Rs. 3.38 crores. The investments of the Scheduled banks as a whole have registered a substantial improvement of Rs. 24.09 crores over the week, of which the share of the State Bank alone is of as much as Rs. 21.36 crores.

The activity in gilt-edged market was restricted throughout the week. Most of the institutional investors were inclined to reserve funds for the forthcoming loans of the Central Government and so buying interest was not in evidence. Actually the prices of some securities tended to fall. In the Central section, 3 per cent. 1986 Conversion loan shed 30 nP to Rs. 73.30; 3 per cent 1963-65 dropped 10 nP to Rs. 98.65; 3½ per cent. 1964 National Plan lost 5 nP to Rs. 99.90. All other Central loans were unchanged. In the States' loan section, 4 per cent. 1969 loans of Madras, U.P. and Mysore all closed 5 nP lower at Rs. 98.35. Other States' issues were unaltered.

In the foreign exchange section, the rupee strengthened a little in relation to the U.S. dollar. While the banks' selling rate was unaltered at Rs. 478.75 per 100 dollars, the buying rate changed from Rs. 475.50 to Rs. 475.25 per 100 dollars. The pound sterling in the New York spot and three months' forward exchange sections showed a divergent trend. Thus, over the week, spot sterling declined by 0.010 cent while the forward gained 0.010 cent. The latest available rates are: 279.480-279.510 cents per £ for spot and 278.270-278.300 cents per £ for three months' forward.

METALS FIRMER

(From Our Own Correspondent)

CALCUTTA, *9th May*

Firmer conditions were in evidence in the metal market during the week under review. Greater demand in the face of limited supplies contributed to the rise in prices. The rise in the price of tin was again a feature. Demand was higher, but supplies were limited. The price opened at Rs. 1,299.00 per 100 kgs. and steadily rose to close at Rs. 1,322.75. The price on the London Metal Exchange also hardened. Higher advices were received from Singapore also. The announcement that, in accordance with the Tariff Commission's recommendation, the Metal Corporation of India would be exempt, with retrospective effect from 10th August 1958, from the obligation to reduce the price of zinc for every increase in lead price above Rs. 1,123 per ton was hailed with satisfaction. Electrolytic zinc was quoted here firm at Rs. 319.75 per 100 kgs. Demand was just normal. On the London Metal Exchange, the price eased to £83¼ a ton from £83¾. Copper scrap was in greater demand, with the berry scrap hardening from Rs. 479.50 to Rs. 482.25 per 100 kgs. and utensil scrap from Rs. 447.50 to Rs. 450.00.

MARGINS IN BULLION CONTINUE

(From Our Own Correspondent)

BOMBAY, *10th May*

The bullion market ruled easy in the first two sessions of the week under review but picked up strength on Saturday which persisted yesterday and today too. The earlier easiness was due to selling by spot houses, while fresh buying support was at a low ebb. Operators were generally inclined to feel that slack season for offtake had almost commenced. Consequently, silver suffered a setback to values. In sympathy, gold ruled dull, though ready prices tended to move up. The sentiment of the market improved on Saturday when, under the impetus of local bear-covering and firm advices from Calcutta, the white metal staged a recovery. The recovery gathered momentum in the subsequent sessions also, thanks to reports of enlarged offtake in Rajasthan and Delhi. Nevertheless, today's closing rates for silver were lower than those at the end of last week. Gold, however, was subjected to renewed selling on rumours of contraband arrivals and poor demand. Values, as a result, moved down, though a slight recovery was in evidence today.

The daily average arrivals of silver were higher than in the previous week, being 17 bars, as against 14 bars, while actual offtake was lower at an average of 16 bars, as against 20 bars. The reverse was the case in gold. Thus, the average arrivals were no more than 6,250 tolas (11,750 tolas last week), whereas offtake was slightly better at 4,500 tolas (4,250 tolas). The floating stocks are estimated at 40,000 tolas of gold and 400 bars of silver.

A feature of trading in the bullion market during the week was that the bulls in *Adhik* (first) settlement in both gold and silver were required to pay margins throughout the week. The margin, in gold, which was Rs. 8 per 10 grams on Wednesday last week, was raised to Rs. 20 on Thursday the 4th inst., since the rate for transferring commitments from this settlement to the second settlement was more than a rupee against bears; it was actually Re. 1.40. The margin was, however, reduced to Rs. 8 from yesterday, as the backwardation rate declined to 95 nP and further to 80 nP today. In silver, the *badli* payable by bears for getting commitments transferred from the first (*Adhik*) to the second settlement was more than a rupee—the actual rate today was Re. 1.45, as against Re. 1.60 on Wednesday last—margin at the rate of Rs. 300 per bar was operative on bulls in the first settlement throughout the week.

The premium commanded by ready gold and silver declined further during the week—from Rs. 2.45 to Re. 1.25 in the former and from Rs. 3.50 to Re. 1.50 in the latter.

Adjustment rates fixed today were Rs. 119.40 per 10 grams of gold and Rs. 199.10 per kilogram of silver. The corresponding rates for last week were Rs. 120.70 and Rs. 201.60, respectively.

There was a rise in the gold content in Kolar gold fields during the first quarter of 1961, according to the Chief Minister of Mysore. The ore actually milled was 151.168 tons, as against 152.738 tons in the previous quarter. The grade of ore obtained was 4.82 penny-weights, as against 4.56 penny-weights, the gold extracted being 36,421 oz., as against 34,804 oz. The total earnings were Rs. 123.34 lakhs, those in the preceding quarter being Rs. 130.15 lakhs. The continued growth of ore reserves at the planned rate and the promising results following development work both laterally and in depth in the Hatti gold mines, it is said, justifies the expectation that the mine will be in a position to produce at the rate of 1,000 tons of ore daily by September 1964, as against about 400 tons at present.

The following table shows the trend of the market during the week under review:

	10-5-1961 (closing)	High	Low	3-5-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine) ..	119.65	122.00	119.20	120.95
Forward:				
Jeth Adhik*	118.40	119 15	118.15	118.50
Jeth 2nd	117.60	118 60	117.25	117.55
Sovereign	94.75	95.00	94.75	94.25
SILVER				
Ready (.996 fine)	199.00	199.80	196.95	201.60
Forward:				
Jeth Adhik*	197.50	197.80	195.95	198.10
Jeth 2nd	196.05	196.55	194.95	196.50
London—	9-5-1961			2-5-1961
Silver Ready	79½d.	—	—	79½d.
Silver Forward	79¼d.	—	—	79¼d.
Gold	250s.9½d.	250s.10½d.	250s. 9½d.	250s.10½d.
New York—				
Silver	91.875 cents	—	—	91.875 cents

* 31st May settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES FIRM

(From Our Own Correspondent)

BOMBAY, *10th May*

In distinct contrast to the subdued tone depicted last week, cotton futures ruled firm during the week under review. The firmness was engendered mainly by the release on the 5th inst., of an export quota for 50,000 bales of cotton stapling 23/32". Although the quota was not altogether unexpected, to some sections of the trade, it was a pleasant surprise in that the announcement came close on the heels of the reported recommendation of three leading cotton trade bodies in the City (East India Cotton Association, Cotton Buyers' Association and Bombay Cotton Merchants and Muccadams' Association) that the consideration of an export quota for Kalagin and Wagad, which too qualify for export under the latest quota, be postponed for a later date. Further, strong rumours that an export quota covering 3" and 25/32" cotton was also likely and the news that the Indian Cotton Mills Federation had started buying "distressed" cotton in Gujarat led to considerable speculative buying which resulted in a sharp spurt in futures prices.

From the opening level of Rs. 567.50, Jarilla August contract advanced, thanks to support induced by quota rumours, to Rs. 569 on Friday and spurted to Rs. 575 the next day, following the announcement of the quota. The upward trend gathered momentum in the subsequent sessions and the contract touched the week's highest level of Rs. 578.50 yesterday. Opening fractionally lower at Rs. 578 today, the contract recovered the loss but relapsed to Rs. 576 on profit-taking. Renewed support, that emerged at this level, pushed up the contract again to Rs. 578 today. The net gain over the week is Rs. 10.

In the spot section, most of the popular varieties attracted only the usual interest during the first half of the week, but, on reports that the Indian Cotton Mills Federation had started buying certain varieties of Gujerat cotton such as Kalyan, Vijay, and Surti, the mills were more eager to make fresh purchases. Prices, as a consequence, hardened.

Exportable varieties, as per the latest quota, such as Kalagin, Wagad, Moglai, Kalyan and inferior varieties of Punjab cotton, were much in demand. Kalagin and Wagad were hot favourites of shippers and their prices even pierced the ceiling at one time. Staple varieties also attracted the attention of exporters in anticipation of quota.

The export quota, as noted above, was not unanimously welcomed. A section of the trade would have preferred an export quota for Bengal *Deshi* immediately and for other varieties after some time. No one, however, doubts that the quota would be absorbed soon. Export sales already concluded on a subject-to-licence basis are said to be as much as 70,000 bales, as against the quota of only 50,000 bales, so that shippers would not get more than a *pro-rata* share.

Mill demand for foreign cotton was evident in East African and Sudan cotton. Moderate interest was reported in U.S. cotton. The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

L147 1,000; Kalyan 800; Gadag Laxmi 1,001; American on sample 1,255; Sudan G2L 1,525.

Karachi cotton futures ruled firm during the week. A revival of export interest and improved domestic mill demand touched off a general buying movement which led to a smart rise in futures values. N.T.R.G. May firmed up from Rs. 69.45 to Rs. 70.15. The July contract advanced from Rs. 69.95 to Rs. 70.15. Spot values too tended to harden. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 97.50; Punjab *Deshi* 95; 4F Punjab Roller 85.95; S.G. 90.95; L.S.S. Punjab Roller 88.95; S.G. 93.45; N.T. Roller 92.95; S.G. 96.95; 289 F Punjab Roller 94.95; S.G. 101.45.

The easy trend noted in the Alexandria cotton futures market last week gathered further momentum during the week under review. In spite of the release of a global import quota for 200,000 bales, demand from India was slack. European buyers too were reserved. Keen competition from Sudan continued to restrict demand for Egyptian cotton. Under pressure of selling, both the long-staple Karnak and medium-staple Ashmouni contracts receded further. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: May 69.02; July 69.95. *Ashmouni*: June 61.83; August 61.65.

A divergent trend was witnessed on the Liverpool Cotton Exchange during the week. While near deliveries of both the American and American type contracts were easy, the more distant positions ruled steady. The steadiness of the latter was due to higher advices from New York. Mill buying in new crop positions was also a helpful factor. The switch over of purchases from the nears to the distants and profit-taking were responsible for the easiness of the near deliveries. The Sudan cotton contracts in Liverpool were quietly steady. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week-end quotations:

American cotton one inch staple contract: May 24.10 (24.20); July 24.15 (24.20); October 24.05 (24.05); December 24.30 (24.30).

American cotton mixed growth contract: May 24.45 (24.55); July 24.50 (24.55); October 24.30 (24.50); December 24.70 (24.70).

Sudan: May, July, September 31.75.

Fully steady conditions prevailed in the New York cotton futures market during the week. In spite of reports of a further increase in certified net stocks, values were fully maintained, thanks to support prompted by the continued firmness of the spot market.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	9-5-61	2-5-61	25-4-61
Spot	34.00	33.90	33.80
May	32.75	32.75	32.60
July	33.44	33.39	33.25

COMMITTEE FOR ART SILK YARN DISTRIBUTION

(From Our Own Correspondent)

BOMBAY, *10th May*

Traders in yarn have noted the Textile Commissioner's announcement regarding the decision of the Central Government to form as a private company a rayon and synthetic textiles development corporation with its registered office at Bombay. The details regarding the functions that will be assigned to the proposed corporation are not available. The only information given in the official Press note is this: The authorised share capital of the company will be fixed at Rs. 10 lakhs, divided into one thousand equity shares of Rs. 1,000 each. The shares will be allotted only to organisations of manufacturers/exporters/traders of art silk/yarn in accordance with the proportion of their representation on the board of directors. The representation of the various art silk interests on the board of directors of the proposed Corporation shall be fabrics manufacturers six, yarn spinners six, exporters of fabrics three, yarn merchants one and Government nominees two.

Pending the establishment of the Corporation, the Government has decided to set up an advisory committee to advise the State Trading Corporation in regard to the import and distribution of art silk yarn against advance licences issued under the export promotion scheme for art silk fabrics. The Committee will also advise the Textile Commissioner with regard to the formation of the above Corporation. This Committee will hold office until such time as the proposed Corporation is formed and starts functioning.

Yarn circles are carefully examining the implications of the aforesaid move.

A firm trend was in evidence in the yarn market during the week under review. Imported and indigenous art silk yarns met with good buying support inducted by fears of a possible shortage of supplies developing in the coming weeks. It was reported that even at present there was a shortage of ready goods, since the indigenous spinning units had still not made available supplies for the current quarter. Cupressa Bemberg yarn (60 x 1), however, suffered a setback to values following nervous liquidation by some bulls who had made large purchases recently. Staple fibre yarns scored handsome gains on expectations of enlarged demand from consuming centres. Cotton yarns were firm, thanks to increase in raw cotton prices.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with those prevailing a week ago:

	10-5-1961	3-5-1961
	Rs.	Rs.
Art silk yarn—		
80/1 Cupresa Bemberg (100 kg.)		
June	2,570.00	2,610.00
July	2,617.00	2,648.00
80 x 1 JP June	2,918.00	2,802.00
150 Japan (per 100 kg.)	1,658.00	1,618.00
150 Japan (per 100 kg.)	1,750.00	1,737.00
120 Italy (per 100 kg.)	1,625.00	1,585.00
150 Italy (per 100 kg.)	1,735.00	1,785.00
Staple fibre yarn— 40 x 2		
June (per 90.72 kg.)	921.00	899.00
Century (per kg.)	10.45	10.45
Kohinoor (per kg.)	10.71	10.52
Cotton yarn (per bundle of 10 lbs.)—		
20s Modern	18.75	18.75
20s New Great	21.50	21.50
20s Simplex	27.00	27.00
20s Madura	23.00	22.75
20s Pinky	26.50	26.40
20s Mahendra	68.68	68.68

OILSEEDS RALLY

(From Our Own Correspondent)

BOMBAY, *10th May*

The oilseeds market put on a distinctly cheerful appearance during the week under review. Storseeds made further headway with May contract in the forefront. The earlier fears of heavy sellers did not prove correct and the bulls were reported to be willing to take delivery of the maturing contracts. The contango charge fell to as low as 75 nP today, as against Rs. 2.13 last week-end and Rs. 5.12 a fortnight ago. The slow pace of arrivals from upcountry centres and pronounced strength in the spot section also induced bulls to extend their commitments. The U.S. enquiries for castor oil, no doubt, continued to be silent and the immediate prospects for any revival were uncertain, with reports of sustained arrivings by Brazil in the U.S. market. But this had no effect. The Brazilian castor crop for 1961, it may be noted, is estimated at 260,000 metric tons, an increase of about 56,200 metric tons, as compared with the previous year. The groundnut position staged a smart recovery from the sluggish conditions of last week. The recovery followed support at lower levels and limited arrivals from Gujarat. There were, however, moderate supply of summer crop from the South. *Vanaspati* manufacturers and crushers absorbed fairly large quantities towards the close of the week. Incidentally, U.S. exporters have been much handicapped by non-availability of shipping space to Canada, though the Government of India has extended the date for shipment of the present H.P.S. quota from the beginning of this month to the 31st inst., it is considered doubtful whether Indian exporters will be able to honour their commitments within the stipulated time. Linseed also moved up in sympathy with castorseeds and groundnuts. Cottonseeds, too, elicited better support following firm advices from raw cotton market. Sesame was firm.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	10-5-1961	3-5-1961	26-4-1961
Groundnut	Rs.	Rs.	Rs.
Nizam bold	53.25	52.75	53.00
Coromandel ready	53.50	52.75	53.50
Khandesh quality	53.75	53.25	54.00
Oil ex-mill ready*	22.50	21.90	21.95
Railway receipts*	22.00	21.65	21.70
Castorseed			
May 1961	176.62	175.37	173.50
September 1961	177.37	177.50	178.62
Ready Madras	35.25	34.75	34.25
Ready Kanpur	33.75	33.12	32.87
Oil B.S.S.†	16.05	16.05	15.25
Oil commercial†	15.20	15.15	16.10
Linseed			
May, 1961	36.50	36.53	36.62
September 1961	37.00	37.06	37.06
Bold ready	36.00	35.87	36.37
Oil ready†	15.40	15.40	15.60
Cottonseed			
May 1961	94.00	93.00	94.50
September 1961	93.75	93.25	95.25
Niger seed	42.00	41.25	41.00
Kardi seed	26.25	25.75	26.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

BLACK PEPPER RECOVERS

(Messrs. Parekh and Co.)

BOMBAY, *10th May*

Malabar black pepper, after presenting a soft tendency owing to lack of foreign demand, steadied up on reports that Rumania bought a sizable quantity and that there were good prospects of Russia and other East European countries coming in to buy in the near future to cover their autumn requirements. Ungarbled at Cochin moved down to Rs. 370 but improved later to Rs. 375, while garbled rallied to Rs. 386.50, after receding to Rs. 380. Despite liquidation, May delivery remained fairly steady at Rs. 395. July delivery moved between Rs. 404 and Rs. 410.

Spot in New York slowly gave way to $0.45½/46 for lack of grinders' demand. Grinders are reported to be potential buyers, though they are haggling for lower price. Once when they know that sellers are firm, they will come out to buy at the prices asked for.

Singapore is firmly held. There are no changes in the prices for both white and black pepper.

Arrivals from Sarawak improved, as dealers there wanted to export as much as possible before the export duty is raised. Chinese dealers in Singapore are also reported to be clinging to their holdings and are more prone to hoarding, in view of smaller arrivals from Sarawak and Indonesia and poorer crops next year.

Ready pepper in Bombay is nominally quoted at Rs. 202 per 50 kilos.

FAIR DEMAND FOR TEA

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, *2nd May*

A quantity of 505.000 kilogrammes were offered in Sale No. 18 held on Tuesday the 2nd May. Quality showed a further seasonal decline. The market met with good general demand. Buyers showed keen interest for plain and low medium description which were steady and occasionally dearer. Mediums and good mediums met with useful support at a decline of 5 to 10 nP. There was fair support for nilgiri teas and these declined irregularly by 25 nP. A few invoices showing improvement under this category were dearer to buy. Clean black leaf descriptions were a strong feature of the sale. Whole leaf grades were generally lower with flowery pekoes receiving better support. C.T.C. types and legg-cut types were easier by 20 to 30 nP.

	1961	1960
	Rs.	Rs.
Low mediums	4.40-4.50	3.95-4.05
Mediums	4.50-4.60	4.05-4.30
Good mediums	4.70-5.05	4.30-4.55
Nilgiri B.O.P.	Rs. 4.60-6.25	

The average price realised in Sale No. 18 was Rs. 4.65 per kilo as against Rs. 4.67 a week ago and Rs. 4.34 in the corresponding sale last year.

Dust Sale No. 18: 220,000 kilogrammes were offered in dust sale No. 18 held on 4th May. Quality showed a further seasonal decline. The market met with fair demand. At the beginning of the sale low mediums and mediums were easier by 20 nP and sometimes more, but as the sale progressed prices for these types hardened. There was a good support for useful colourey mediums which were fully firm. Clean black leaf descriptions were also in good demand and sold at fully firm rates. Stalky and fibrous kinds were weak and sold at much lower rates than last. Highgrowns were well supported although these frequently sold at easier rates. C.T.C. dusts were about steady, whilst C.T.C. types and legg-cut types were fully firm.

The average price realised in Dust sale No. 18 was Rs. 4.32 per kilo as compared with Rs. 4.36 a week ago, and Rs. 4.41 in the corresponding sale last year.

Export quota 1961-62: The Government of India has authorised the Tea Board to make an interim release of tea export quota for the year 1961-62 to the extent of 33 per cent of the best crop basis of the estates, pending final extension of export quota allotment for the year. Steps are being taken to allot the above quota to tea estates as early as possible.

1960-61 special license: The market is rather quiet and at present there are sellers at ½ nP per kilo for special licence.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:—

"*Sale No.* 19.—6,00.000 kilogrammes. Good demand. Low medium and mediums irregularly 5 to 10 nP easier. Good mediums 10 to 15 nP lower. Nilgiris irregular and easier."

ORTHODOX TEAS RECEDE

(From Our Own Correspondent)

CALCUTTA, *9th May*

The announcement that the new tea season's first sale would be held on Monday the 15th inst., caused a diminution of interest in the dusts offered during last week's sale for domestic consumption. Usually, the season's sales do not begin earlier than 15th June, preceded by a few sales of small quantities of Darjeeling teas. The earlier commencement of the regular auctions is taken as an indication of the increased nature of the crop. More of new season's teas were shipped to London during the week.

Gardens in Assam have made satisfactory progress in regard to the crop and, therefore, in the first few sales, Assam teas would predominate. Darjeelings would also be offered, but the crop in gardens of Darjeeling and Dooars districts is not expected to be as much as that of 1960-61. Clean black teas are expected to draw interest from exporters. Both the U.S.S.R. and Turkey buy at this time of the year, and these countries have already given indications of their interest in the early offerings.

North Indian teas were dearer in Mincing Lane's sales held last week. London bidders also showed greater interest in Ceylon and South Indian offerings. This underlined the need for London buyers to replenish their stocks. U.K. stocks of tea were 148 million lbs. in the week ended 28th April, as against 150½ million lbs. in the previous week.

An interim quota for 1961-62 to the extent of 55 per cent of the crop basis of tea estates would be released by the Tea Board, it was announced during the week.

Dusts on offer in last week's sales for domestic consumption aggregated 23,551 packages. Demand generally declined, but orthodox teas were better than previous weeks with the clean dusts drawing more attention. It would be remembered that, during recent weeks, orthodox types were persistently on the decline. Legg-cuts eased, but the bright lots were steady. Clean C.T.Cs declined, but the good C.T.Cs were firm to steady. The fibrous teas failed to attract buyers. The quotations per 1 kg. inclusive of excise duty were: good Assam C.T.C. dust Rs. 6.80 to Rs. 7.20; medium Assam C.T.C. dust Rs. 5.90 to Rs. 6.30; legg-cut dust Rs. 4.50 to Rs. 5.20; medium Assam dust Rs. 4.40 to Rs. 4.80; and plain orthodox dust Rs. 4.25 to Rs. 4.45.

Leaf offerings amounted to 385 chests. Prices were irregular, despite good demand.

JUTES DECLINE

(From Our Own Correspondent)

CALCUTTA, *9th May*

A fractional fall in fibre prices and a more than proportionate drop in prices of goods were the features of trading in the jute markets during the week under review. Overseas buyers were interested only in small quantities of goods, and there were fewer inquiries for liner space for goods in the freight market. The continued dullness in the U.S. burlap market was a disappointment and the fact that prices in New York did not improve despite apprehensions of mills' closure for some time before the present season ended was taken as an indication of the determination of U.S. buyers not to support the market at the present high prices.

In the goods market, there was selling pressure and, on Tuesday last, prices eased. What business transpired was mostly on bazar account; overseas buyers showed paltry interest. Ready B. twills fell from Rs. 171.50 to Rs. 168.50 and ready hessian 40" 10 oz. from Rs. 57.50 to Rs. 56.75. On the following day, transactions of small lots in woolpacks against early delivery took place with Australian buyers. Selling pressure continued, and there was further drop in the price of B. twills to Rs. 166.50. Hessian 40" 10 oz. was quiet at Rs. 56.50. The resumption of the hedge market as from 9th May was rumoured, and this led to decline in forward rates. Over the week-end, it was known that the Forward Markets Commission is inclined to permit resumption of futures trading in jute goods for November 1961 delivery and in raw jute for December 1961 delivery as from 12th June only or any date thereafter. On Thursday, at lower levels, there was greater support from bazar dealers, and, with B. twills at Rs. 168.50 and hessian 40" 10 oz. at Rs. 56, prices were firm. Covering business in hessian was a feature on Friday, and the 40" 10 oz. was firm at Rs. 56, while B. twills eased to Rs. 164. Over the week-end, the low levels released a fresh wave of local buying and B. twills firmed up to Rs. 166 and hessian 40" 10 oz. to Rs. 56.50.

Fibre prices eased fractionally as is indicated below:

(In Rs. per maund against May delivery)

	Opening	*Closing*	*Loss*
Northern bottoms ...	56.50	56.00	—0.50
Daisee bottoms ...	60.00	59.00	—1.00
Assam bottoms ...	57.50	57.00	—0.50

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 5th May, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	53,12,52,000
(2) Other Governments	15,06,66,000
(b) Banks	81,80,30,000
(c) Others	114,15,54,000
Bills Payable	35,54,79,000
Other Liabilities	55,31,46,000
Rupees ..	485,01,27,000
Assets	Rs.
Notes	9,37,76,000
Rupee Coin	3,48,000
Subsidiary Coin	6,68,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	44,38,68,000
Balances held abroad*	17,67,83,000
Loans and Advances to Governments† ..	86,30,49,000
Other Loans and Advances	128,48,52,000
Investments	177,57,99,000
Other Assets	21,09,84,000
Rupees ..	485,01,27,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 21,40,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	9,37,76,000	
Notes in circulation	2002,38,09,000	
Total Notes issued	....	2011,75,85,000
Total Liabilities ..	....	2011,75,85,000
Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India ..	....	
Foreign Securities	113,00,89,000	
Total of A ..		230,76,92,000
B. Rupee Coin		119,02,06,000
Government of India Rupee Securities		1661,96,87,000
Internal Bills of Exchange and other commercial paper ..		....
Total Assets ..		2011,75,85,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1939 (pre-war)	28th April* 1961	21st April* 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation.	173.37	1982.43	2007.65	1984.74	1883.59
Notes held in Banking Department ..	35.05	32.55	22.28	7.84	36.96
Foreign Securities ..	59.50	117.76	118.01	123.01	163.01
Rupee Securities ..	37.39	1661.98	1672.06	1632.20	1506.47
Banking Department					
Deposits of:					
Government of India	14.39	51.63	63.91	76.46	50.58
Other Governments.	..	18.31	4.30	28.99	45.28
Balances held abroad	10.06	10.32	10.79	13.24	17.60
SCHEDULED BANKS					
Demand Liabilities..	134.36	834.03 (27.47)†	827.92 (24.57)†	820.29 (14.20)†	788.31 (17.28)†
Time Liabilities ..	102.24	1082.71 (14.12)†	1079.39 (12.40)†	1063.19 (14.36)†	1180.99 (22.37)†
Borrowings from Reserve Bank ..	..	38.16 (21.09)‡	41.35 (25.81)‡	94.53 (45.39)‡	43.65 (11.54)‡
Borrowings from State Bank ..	..	14.05	14.73	18.46	14.13
Cash in India ..	6.70	47.69	48.20	45.32	48.88
Balances with Reserve Bank ..	25.17	73.89	80.28	70.76	91.52
Balances with other banks in current account in India ..	..	15.98	15.77	17.84	15.91
Money at call and short notice in India ..	..	44.10	87.35	20.94	25.48
Investments (at book value) ..	..	562.46	538.36	558.93	741.63
Advances and bills..	105.9	1308.91	1311.29	1333.76	1130.38
STATE BANK					
Deposits	87.76	549.70	550.98	573.20	628.64
Investments ..	51.99	247.06	225.70	243.04	390.61
Advances	30.35	276.33	280.55	281.29	217.69
Cash	14.69	25.27	33.38	23.54	38.53

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.45	3.50
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador ..	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July., 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands ..	16th Nov., 1959	2.75	3.50
New Zealand ..	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines ..	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa ..	4th May, 1961	4.50	5
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland ..	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom ..	8th Dec. 1960	5.50	5
U.S.S.R.	1st July, 1936	8	4
U.S.A.	11th Aug, 1960	3.50	3
West Germany ..	5th May, 1961	3.5	3

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 5th May, 1961

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		542,80,04,000
Borrowings from Other Banking Companies, Agents, etc.		17,00,000
Bills Payable		13,85,69,000
Bills for Collection being Bills receivable as per contra		2,51,15,000
Acceptances, Endorsements and Other Obligations per contra		1,06,79,000
Other Liabilities (including Inter-Office Adjustments)		6,29,90,000
Total .. Rs.		579,78,07,000
Property and Assets		Rs.
Cash in hand and with Reserve Bank		20,22,91,000
Balances with other Banks		3,89,63,000
Money at Call and Short Notice		3,13,33,000
Investments:	Rs.	
Government and other Trustee Securities	224,97,30,000	
Other Authorised Investments ..	9,49,01,000	234,46,31,000
Advances:		
Loans, Cash Credits, Overdrafts etc.	258,76,69,000	
Bills Discounted and Purchased ..	16,81,43,000	275,58,12,000
Bills Receivable being Bills for Collection as per contra		2,51,15,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..		1,06,79,000
Premises less Depreciation		1,79,26,000
Furniture and Fixtures less Depreciation ..		1,35,98,000
Other Assets (including Inter-Office Adjustments).		35,74,59,000
Total .. Rs.		579,78,07,000

Scheduled Banks*

Statement of Affairs for the week ended 28th April, 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	52,38,70
(2) From others	725,61,33
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	27,40,58
(c) Other demand liabilities	56,02,83
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	17,75,06
(2) From others	1042,23,64
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	14,12,29
(c) Other time liabilities	22,72,57
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	9,96,62
(b) Time liabilities	4,08,50
(iv) Borrowings in India from the Reserve Bank of India (A)	38,15,85 (21,09,00)
(v) Cash in India	47,68,62
(vi) Balances with the Reserve Bank in India ..	73,88,72
(vii) Balances with Other Banks in Current Account in India	15,97,79
(viii) Money at call and short notice in India ..	44,09,64
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	562,45,65
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks) ..	1100,00,05
(b) Due from Banks in India	7,79,62
(xi) Inland Bills purchased and discounted in India.	153,57,21
(xii) Foreign Bills purchased and discounted in India.	47,53,85
(xiii) Total of items (x), (xi) and (xii)	1308,90,73

Notes :—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 21st April, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Rural Credit Fund	1,00,00,000
Deposits:—	
(a) Central Government	3,08,57,000
(b) Provincial Governments	2,51,40,000
(c) Banks	15,29,16,000
(d) Others	120,97,67,000
Bills Payable	33,68,000
Other Liabilities	15,25,18,000
Rupees ..	177,52,32,000
Assets	Rs.
Notes	6,26,32,000
Rupee Coin	67,000
Subsidiary Coin	51,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	39,85,69,000
Loans and Advances to Governments	8,05,00,000
Provincial Governments' Debtor Balances ..	....
Other Loans and Advances	32,13,90,000
Investments	70,46,07,000
Other Assets	10,74,16,000
Rupees ..	177,52,32,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	16,26,32,000	
Notes in circulation	374,75,60,000	
Total Notes issued	....	391,01,92,000
Total Liabilities ..	....	391,01,92,000
Assets	Rs.	Rs.
I. A. Gold Coin and Bullion ..	24,86,11,000	
Silver Bullion	....	
Foreign Securities	81,15,52,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	149,03,27,000
B. Rupee Coin	2,89,36,000	
Government of Pakistan Securities	233,19,23,000	
Internal bills of exchange and other commercial paper	....	236,08,59,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets ..	....	391,01,92,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued : 39.55 per cent.

EXCHANGE RATES

		10th May 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot ..	s.	1-5 11/16	1-5 11/16
Sellers T. T. D.D. upto six months	s.	1-5 ⅝	1-5 ⅝
Buyers T.T. spot to nine months	s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	s.	1-6 ⅛	1-6 ⅛
Bombay on New York—			
Sellers T.T. D.D. ..	Rs.	478.75	478.75
Buyers T.T.	Rs.	475.25	475.50
London on New York ..	$	2.7955-2.7957	2.7951-2.7954
London on Paris ..	Fcs.	13.6990-13.7010	13.6965-13.6985
London on Berne.. Sw.	Fcs.	12.0980-12.1000	12.0990-12.1010
New York on London ..	c.	279.480-279.510	279.490-279.530

CLEARING HOUSE RETURNS

Centre	Week ended 5th May 1961 Number of Cheques	Amount Rs.	Week ended 28th April 1961 Number of Cheques	Amount Rs.
Bombay ..	3,81,000	87,49,00,000	4,14,898	1,06,16,25,000
Calcutta ..	2,11,000	81,96,00,000	2,06,000	73,70,00,000
Madras ..	98,403	13,40,48,657	1,11,141	15,25,20,368
All Centres—				
1957-58 ..	..	..	41,672,000	89,54,80,00,000
1958-59 ..	..	..	46,172,000	97,67,12,00,000
1959-60 ..	..	..	50,064,000	109,88,05,00,000
Jan. 1960 ..	..	..	4,392,000	998,20,00,000
Feb., " ..	..	..	4,205,000	943,59,00,000
Jan.. 1961 ..	..	..	4,875,000	1,100,87,00,000
Feb., " ..	..	..	4,421,000	1,022,19,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	15th April 1961	8th April 1961	16th April 1960	February 1961	February 1960	Percentage of Increase (+) or Decrease (—) in Feb., 1961 as compared with Feb., 1960	Annual Average 1960	1959
Food Articles ..	504	117.7	118.0 R	116.9	116.3	118.8	—2.1	120.3	118.2
Cereals ..	192	99.6	99.9	103.6	99.8	104.4	—4.4	105.3	104.8
Pulses ..	43	87.6	88.7 R	90.3	92.9	95.1	—2.3	92.6	99.8
Fruits and Vegetables ..	23	114.2	115.7	137.2	104.2	113.1	—7.9	121.0	127.6
Milk and Ghee ..	84	117.5	116.0	116.1	109.5	111.5	—1.8	115.5	112.2
Edible Oils ..	47	160.3	162.7 R	153.1	160.4	137.8	+16.4	143.8	126.9
Fish, Eggs and Meat ..	17	126.3	127.0 R	139.9	121.3	110.5	+9.8	121.1	110.4
Sugar and *Gur* ..	48	117.0	119.3	160.9	119.9	145.2	—17.4	138.6	143.0
Others ..	50	172.4	117.8 R	—	169.3	168.6	+0.4	168.6	163.4
Liquor and Tobacco ..	21	112.2	112.7	100.9	111.2	96.0	+15.8	106.4	100.7
Tobacco ..	—	109.5	110.0	98.9	109.8	94.2	+16.6	104.8	99.8
Fuel, Power, Light and Lubricants	30	120.9	120.8 R	118.2	120.0	117.3	+2.3	119.9	116.1R
Industrial Raw Materials ..	155	152.1	152.8 R	134.6	159.2	131.6	+21.0	138.8	119.7
Fibres ..	61	162.8	163.0	130.5	179.0	123.0	+45.5	139.8	110.2
Oilseeds ..	60	156.8	158.7 R	142.1	157.9	140.8	+12.1	144.9	130.0
Minerals ..	2	95.2	95.2 R	93.2*	95.2	95.2	+ —	97.5	100.6
Others ..	32	126.9	126.1 R	130.8	128.3	133.2	—3.7	129.0	117.8
Manufactures ..	290	126.5	126.4	117.5	129.2	116.3	+11.1	120.8	109.7
Intermediate Products ..	41	136.1	135.3 R	122.7	134.2	120.5	+11.4	127.1	111.1R
Finished Products ..	249	125.0	124.9 R	116.6 R	128..	115.6	+11.1	119.9	109.5
Textiles ..	147	123.6	128.5	116.0	134.4	115.1	+16.8	121.2	104.6
Cotton ..	—	126.6*	126.6*	124.1*	126.1	125.2	+0.7	127.5	113.5
Jute ..	—	140.6	139.6	102.7*	167.7	96.4	+74.0	115.2	87.2
Woollen ..	—	110.1*	110.1*	104.2*	110.1	104.2	+5.7	107.6	104.6
Silk and Rayon ..	—	116.9*	117.9*	102.5*	111.4	103.4	—7.7	102.6	93.7R
Metal Products ..	12	146.9	146.9	148.3	146.9	145.2	+1.2	147.0	143.7
Chemicals ..	20	104.9	105.1 R	104.4	104.2	105.6	—1.3	104.7	108.2
Oil Cakes ..	10	144.3	144.1 R	137.1*	149.1	144.6	+3.1	140.2	143.7
Machinery and Transport Equipment ..	31	112.6	112.6	111.0	112.6	106.5	+5.7	110.7	105.9R
Others ..	30	118.6	118.6	114.8	117.0	112.7	+3.8	115.0	113.6R
All Commodities ..	1,100	125.6	125.5 R	120.5	126.7	119.5	+6.0	123.0	115.5

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Estimated.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
6 00,000	1,08,00,000	5,03,569	Allahabad Bank	347.00	100	18.00‡	18.00‡	18.00‡	18.00‡	12	Y.P.
4,50,000				172.00	50	9.00‡	9.00‡	9.00‡	9.00‡		
1,01,000	23,03,220	4,923	Andhra Bank	100.00cd	100	6.00	6.00	8.00	8.00	6,12	H.
0,56,600				86.50cd	85	5.10	5.10	6.80	6.80		
50,00,000	1,61,14,860	1,09,358	Bank of Baroda	99.50	50	7.00	6.00	7.00	8.50	12	Y.
0,00,000	3,10,00,000	12,84,842	Bank of India	125.50	50	8.00	8.00	8.00	10.00	6,12	R.L.Y.
0,000 A'				125.00	50'A'	8.00	8.00	8.00	10.00		
0,71,820	13,22,881	27,745	Bharat Nidhi Ltd. ..	9.87	10	0.50	0.60	‡‡	..	12	
7,08,155				—	2.50	..	..				
6,00,000	56,30,000	45,109	Canara Bank Ltd. ..	79.75	50	5.00	5.00	7.50	7.50	12	Y.P.
2,50,000	19,35,000	11,250	Canara Banking Corporation Ltd.	74.75	50	5.00‡	5.00	7.50	7.50	12	Y.P.
5,99,620	42,50,471	27,708	Canara Ind. & Bkg. Syndicate Ltd.	174.00	100 'A'	15.00	15.00‡	20.00‡	20.00	12	Y.
6,00,000				17.10	10 'B'	..	..	2.00‡	2.00		
2,00,00				1.74	1 'C'	0.15	0.15‡	0.20‡	0.20		
2,50,000	3,68,08,635	18,61,471	Central Bank of India Ltd. ..	61.80	25	3.50	3.50	4.30	5.10‡	12	R.L.Y.
2,50,000				63.00	25	3.50	3.50	4.30	5.10‡		
0,00,000	60,00,000	7,86,033	Devkaran Nanjee Banking Co. ..	58.50	50	3.00	3.50	2.52	4.38	12	Y.
0,00,000	2,00,00,000	10,88,760	Habib Bank Ltd. P. ..	22.15	5	17.5%	15%	14.6%	17.5%	12	Y
5,00,000	10,00,000	29,695	Hindustan Commercial Bank ..	17.25	50	*Nil*	*Nil*			12	Y.
0,00,000	2,50,000	3,758	Hindustan Merchantile Bank ..	14.25	50	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
0,60,000	88,32,000	1,36,000	Indian Bank	166.00	100	15.00‡	13.00‡	15.00‡	15.00‡	12	R.L.Y.
2,39,435				141.00	80	12.00‡	10.40‡	12.00‡	12.00‡		
4,53,000	68,86,660	1,92,435	Indian Overseas Bank ..	177.25	100	10.00	10.00	12.00	14.00	12	Y.
5,00,000	12,00,000	28,839	Pandyan Bank Ltd. ..	30.25	25	1.87	2.50	3.56	2.50	12	Y.
5,00,000	1,58,50,000	4,23,142	*Punjab National Bank*—K ..	22.00	10	5.00	2.00	2.00	2.00	12	Y.
2,50,000	7,45,00,000	56,20,525	State Bank India ..	325.00	100	16.00	16.00	20.00	22.75	12	Y.
0,00,000	53,50,000	92,704	Union Bank of India ..	6.20	5	0.44	0.44	0.57	0.57	12	Y.
0,00,000	2,05,00,000	1,46,871	*United Commercial Bank* ..	88.80	50	3.75	3.75	5.50	6.00	12	H.
8,53,718	86,63,000	2,07,685	United Bank of India ..	5.00	10	0.30	0.30	0.43	0.43	12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

5,500,000	£5,700,000	£506,254	Chartered Bank	£3-2-6	£1	15†	15†	15†	15¼†	12	Y.
,79,046,125	£15,000,000	£137,886	Hongkong and Shanghai Banking CorporationZ ..	£19¼	H.K. $25	8¼*	3*	3*	8¼*	12	Y.
,809,506	£24,950,000	£569,125	Lloyds Bank	£3-19-6	£1	13†	12½'C'	12†	6†‡	12	Y.
,421,875	£3,050,000	£270,784	National and Grindlays Bank Ltd. ..	£1-17-9	sh.15	15†	15†	12½†	13½†	12	Y.

udes bonus. P.—Figures in Pak rupees. † Less tax. (i) Interim. xr—Ex-Right.
he final dividend of £1-12-6 is on the increased Capital. C—On increased Capital. * £ per share free of tax.
njab National Bank—Dividend for 1957 is on shares of Rs. 25 each.
harat Nidhi Ltd. One Punjab National Bank share for 20 fully paid up ordinary shares or 80 partly paid up ordinary shares of the company for the year 1959
ecie dividend. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
50,000	6	1st December and 1st June ..	Carew & Co.	1938	98.00	1st June .. 1963
00,000	6½	1st March and 13th September ..	Carew & Co. (2nd mortgage) ..	1941	98.00	28th February .. 1970
00,000	6	1st August and 1st February ..	*Ravalgaon Sugar* ..	1942	99.75	1st August .. 1952-62
00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New) ..	1944	82.50	1st November .. 1959-64
00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	95.00	1st November .. 1959-64
			COAL			
00,000	6½	30th April and 31st October ..	Bharat Collieries	1944	90.00	30th June .. 1964
00,000	4½	30th June and 31st December ..	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
36,000	5½	1st July and 1st January ..	Equitable Coal Co.	1953	£100.00	14th December .. 1968 (a)‡
			COTTON			
00,000	5½	1st January and 1st July ..	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
00,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd. ..	1942	65.00	30th April .. 1964
00,000	6	10th May and *10th November* ..	*Bengal-Nagpur*	1897	85.00	*15th November* .. 1966 (b)
66,000	5T	1st April and 1st October ..	Buckingham and Carnatic ..	1952	100.25	1st March .. 1972 (a)
00,000	6	1st April and 1st October ..	Gokak Mills	1957	99.75	1st April .. 1967-72
00,000	6½	2nd January and 2nd July ..	Minerva Mills	1959	..	1st July .. 1967-70
00,000	6½	1st January and 1st July ..	Shree Nivas	1958	100.00	31st December .. 1970
27,000	6½	1st April and 1st October ..	Simplex	1959	100.00	15th October .. 1969-74
00,000	5½	1st April and 1st October ..	Vishnu	1955	94.50	1st June .. 1966-70
51,000	5½	1st June	Tata Mills	1951	92.00	1st June .. 1966-71
			ELECTRICS			
00,000	4½	31st March and 30th September ..	Agra Electric Supply Co., Ltd.] ..	1950	89.00	31st March .. 1965 (a)
00,000	5½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..	1960	97.75	15th June .. 1965-70
28,000	5½	1st April and 1st October ..	Andhra Valley Power Supply Co ..	1940	97.00	1st April .. 1970-75
00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
37,574	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1976 (a)
00,000	4	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd.	1945	85.00	31st December .. 1970
80,000	5	1st January and 1st July ..	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
00,000	5½T	*31st March and 30th September* ..	*South Madras Electric Supply* ..	1939	95.00	1st April .. 1959-61
00,000	5T	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	93.50	30th September .. 1953-63
73,000	5	1st March and 1st September ..	Tata Power	1940	97.50	1st July .. 1970
00,000	4½	1st January and 1st July ..	Tata Power	1949	85.25	1st July .. 1965-70
			ENGINEERING			
00,000	5½T	30th June and 31st December ..	Britannia Engineering ..	1945	94.00	31st December .. 1969
00,000	6½	*1st January and 1st July* ..	Guest, Keen, Williams Ltd. ..	1958	104.50	1st January .. 1971
18,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer) ..	1942	98.25	1st July .. 1957-62
00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd. ..	1946	84.00	31st May .. 1971
00,000	5	1st April and 1st October ..	Tata Locomotive	1950	98.00	1st October .. 1960-65
			JUTE			
00,000	5½	1st October and 1st April ..	Agarpara	1939	92.00	31st March .. 1969
00,000	5½	30th June and 31st December ..	Alexandra	1939	91.00	30th June .. 1969
00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd. ..	1945	78.00	31st December .. 1964
69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills ..	1951	88.50	30th June .. 1966
48,000	5½	31st March and 30th September..	Dalhousie Jute Co. ..	1954	90.00	31st March .. 1969 (a)
86,000	5	15th January and 15th July ..	Empire	1951	90.00	15th July .. 1966 (a)
00,000	3½	31st March and 30th September.	Fort Gloster Industries Ltd. ..	1952	98.00	30th September .. 1966
00,000	6½	31st March and 30th September..	Howrah Mills Co., Ltd. ..	1955	92.50	31st March .. 1970
00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1949	90.00	*31st December* .. 1964 (a)
00,000	5½	30th June and 31st December ..	Naihati	1952	90.00	31st March .. 1967 (a)
00,000	6½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd. ..	1939	92.00	14th May .. 1974
00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	85.00	31st December .. 1964
00,000	5	31st March and 30th September..	*Reliance Jute Mills Co., Ltd.* ..	1950	82.00	5th September .. 1965 (a)
00,000	5½	30th June and 31st December ..	Union	1937	95.50	31st March .. 1967
00,000	6½	31st January and 31st July ..	Waverley	1925	80.00	31st August .. 1972
			RAILWAYS ; STEAMSHIP AND TRAMWAYS			
121,697	4½	1st January and 1st July ..	Calcutta TramwaysZ ..	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
139,051	5	1st April and 1st October] ..		1933	£74.10N	
50,000	6½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	85.00	31st December .. 1974 (a)
00,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway ..	1905	£64N	Any time on six months' notice (a)
76,000	4½	1st March and 1st September ..	Scindia Steam Navigation ..	1949	97.00	1st December .. 1963
			PLANTING			
75,000	6T.F.]	31st March and 30th September ..	Nilgiri Tea		99.50	1st April .. 1958-68†
75,000	6T.F.	1st January and 1st July ..	Kallas Rubber Co., Ltd. ..	1955	100.00	1st July .. 1959-63
04,000	7T	1st April and 1st October ..	Sangameshwar Coffee] ..		99.00	1st April .. 1960-67
			MISCELLANEOUS			
00,000	—]	1st January and 1st July] ..	*Aluminium Corporation of India Ltd.* ..	1948	92.00	31st December .. 1965
20,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1948	85.00	31st December .. 1962
00,000	5½	1st March and 1st September] ..	Burmah-Shell	1954	99.50	1st September .. 1964-69(a)§
00,000	5½	1st April and 1st October ..	Caltex Oil *Refining (India)* Ltd. ..	1955	99.75	1st October .. 1970
00,000	6½	31st March and 30th September..	Dalmia Cement (Bharat) Ltd. ..	1946	82.00	30th September .. 1970
55,000	6½	1st January and 1st July ..	Dunlop Rubber Co. (India) Ltd. ..	1950	106.00	1st January .. 1973 (a)†
80,000	6½	1st January and 1st July ..	Indian Cable Co., Ltd. ..	1954	101.00	30th June .. 1969 (a)‡
00,000	6½	1st January and 1st July ..	Indian Aluminium Co., Ltd. ..	1959	103.00	1st January .. 1975
75,000	5T	2nd January and 2nd July ..	Mettur Chemical Industries ..	1949	84.00	30th September .. 1964
07,500	4	31st March and 30th September..	Martin Burn Ltd. (*Convertible Notes*) ..	1946	500.00	30th September .. 1976 (a)
00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes) ..	1947	410.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
00,000	5	1st April and 1st October ..	Macneill and Barry Ltd. ..	1951	85.00N	1st April .. 1971
00,000	5½	30th June and 31st December ..	National Rayon	1955	99.50	30th June .. 1965-70
00,000	5½	31st March ..	*Orient Paper Mills Ltd.* ..	1951	94.00	31st March .. 1961 (a)
48,350	6½	1st January and 1st July ..	Premier Automobile ..	1958	125.50	31st March .. 1968-73
00,000	6	30th June and 31st December ..	Rohtas Industries Ltd. ..	1946	98.00	31st December .. 1969
00,000	5½	January and July ..	Shree Gopal Paper Mills Ltd. ..	1944	95.00	15th July .. 1966
00,000	6	16th Feb. and 16th August ..	Shree Gopal Paper Mills Ltd. ..	1955	96.00	16th February .. 1961 (a)
09,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	99.50	1st April .. 1964-68 (a)‡‡
31,000	5	31st January and 31st July ..	*Tata Chemicals Ltd.* ..	1945	97.00	31st July .. 1970-75
00,000	6	1st April and 1st October ..	Tata Oil Mills Co., Ltd. ..	1959	100.00N	30th September .. 1969-74

ese debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. h option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed at date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 ds. The Company has option to redeem debentures at 101 per cent. on 1st May 1963 on six months' notice. † Option to repay at par on six months' on or after 1st January 1961. T—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 11th May 1961.

	Closing quotations 4-5-1961	High	Low	Closing quotations 11-5-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	168.00	—	—	168.00
Apollo (2)	1.54	1.66	1.54	1.60
Baroda Rayon (100)..	131.00	131.00	128.50	128.50
Bombay Dyeing (25)..	65.40	65.50	63.50	63.50xd
Bradbury (50) ..	122.00	—	—	122.00
Central India (100) ..	112.50	114.00	112.00	113.00
Century Mills (100) ..	619.00	624.50	611.00	618.50xd
Coorla Sp. (100) ..	135.50	—	—	135.50
Dawn (50)	123.00	123.50	123.00	123.50
Edward Textile (200)..	275.00	—	—	275.00
Elphinstone (50) ..	87.00	87.00	86.00	87.00
Finlay (100)	325.00	325.00	310.00	316.00xd
Gokak (100)	183.00	185.00	182.00	184.00
Gold Mohur (100) ..	262.50xd	—	—	263.75
Gwalior Rayon (10) ..	45.50	49.75	45.25	49.50
Ind. Untd. Defd. (1)..	1.94	1.96	1.90	1.92
Ind. Untd. Ord. (10)..	15.56	15.56	15.32	15.32
Indian Rayon (62.50)	63.50	63.50	60.50	63.00
Indore Malwa (100) ..	146.00	147.00	144.00	146.00
Khatau (100) ..	522.50	535.00	522.50	528.75
Kohinoor (100) ..	299.50	318.50	299.00	307.50
Lakshmi (250) ..	535.00	536.25	535.00	535.00
Mafatlal (100) ..	885.00	891.25	882.50	885.00
Minerva Mills (100) ..	75.00	75.00	69.50	69.50
Model Nagpur (250) ..	35.00	—	—	35.00
Morarji (100)	357.00	361.00	354.00	361.00
Mysore (50)	68.00	68.00	67.50	67.50
National Rayons (100).	521.00	534.50	519.00	528.00
New City (100) ..	150.00	—	—	150.00
New Great (100) ..	211.00	—	—	211.00
Phœnix (100)	139.00	142.50	140.00	142.50
Podar Mills (100) ..	149.00	151.00	148.00	149.00
Raymond Woollen (100)	115.00	115.00	113.75	114.00
Sassoon Silk (10) ..	14.88	14.48	14.24	14.48
Sassoon Spg. (10) ..	50.00	51.00	50.00	51.00
Shrinivas (100) ..	269.00	272.00	266.00	270.00
Simplex (50)	188.00	189.00	187.00	187.00
Standard (100) ..	1,487.00	1,538.00	1,466.00	1,514.00
Svadeshi (100) ..	269.00	274.00	167.50	270.00
Swan (100)	600.00	600.00	570.00	570.00xd
S. I. Viscose (100) ..	161.00	162.00	160.50	162.00
Tata Mills (25) ..	51.00	55.00	50.00	53.50
Vishnu (100)	132.00	—	—	132.00
Western India (1,000).	3,725.00	—	—	3,725.00
BANKS				
Bank of India (50) ..	123.25	123.50	123.00	123.25
Do. (New) (50) ..	125.00	125.50	125.00	125.00
Bank of Baroda (50)..	99.00	100.00	99.00	100.00
Central (25)	61.80	62.30	61.70	62.30
Central 'A' (25) ..	63.50	63.50	63.00	63.00
Dena Bank (50) ..	58.50	—	—	58.50
Punjab National (10)..	22.00	22.00	21.24	21.52xd
Union Bank (5) ..	6.20	6.20	6.12	6.20
United Com. (50) ..	88.50	88.70	88.00	88.70
ELECTRIC COS.				
Ahmedabad (100) ..	85.00	84.50	84.00	84.50
Amalgamated (10) ..	10.04	10.04	9.92	10.04
Andhra Valley (1,000).	992.50	997.50	991.25	995.00
Bom. Sub. El. (100)..	86.50	86.50	86.00	86.50
Surat (100)	87.00	87.00	86.50	87.00
Tata Hydro (100) ..	102.50	102.50	102.00	102.25
Tata Power (1,000) ..	1,027.50	1,045.00	1,027.50	1,042.50
INSURANCE COS.				
British India (10) ..	12.20	—	—	12.20
Indian Mercantile (20)	43.00	45.00	44.25	45.00
New India (15) ..	61.00	61.00	60.70	60.70
New India 'A' (15) ..	62.20	62.30	62.00	62.00
Vulcan (10)	15.24	15.52	15.24	15.24
STEEL COS.				
Ind. Iron (10) ..	27.50	27.60	27.20	27.20
Mukand Iron (10) ..	28.00	28.75	28.00	28.25
Tata Steel Ord. (75) ..	150.75	152.75	150.00	150.50
SUGAR COS.				
Belapur (50)	285.50	291.00	284.00	287.00
Bhopal (10)	26.10	—	—	26.10
Changdeo (12.50) ..	26.00	—	—	26.00
Phaltan (50)	139.50	140.00	135.00	136.50
Walchand Ind. (100)..	202.00	203.00	202.00	203.00
CEMENT COS.				
Associated Cts. (100)..	158.00	*160.75*	*157.50*	*158.00*
Digvijay (100) ..	152.25	154.00	150.00	154.00
Orissa (10)	14.56	14.60	14.40	14.52
MISCELLANEOUS				
Alcock Ashdown (100)	323.00	324.00	320.00	321.00
Bom. Burmah (125) ..	603.00	620.50	599.00	612.00
Do. (New) (50) ..	213.75	215.00	212.50	213.75
Br. B. Petrol (1¼ sh.) ..	1.30	1.34	1.28	1.30
Br. I. Corpo. (5) ..	8.80	8.84	8.60	8.64
Cooper Eng. (100) ..	166.00	170.00	165.00	169.50
Colour Chem. (100) ..	350.00	361.25	350.00	360.00
Hind Cycle (100) ..	100.00	—	—	101.00
Hindustan Lever (10)..	47.30	47.30	47.00	47.00
Hindustan Motors (10).	19.92	20.52	19.76	20.28
I. C. & Invest. Corporation (100) ..	85.00	86.00	85.00	85.00
Indian Dyestuff (100)..	480.00	520.00	465.00	515.00
Indian Copper (2 sh.)..	5.52	5.60	5.20	5.28
Ind. Inv. Tr. (100) ..	79.00	79.00	78.50	79.00
Killicks (100) ..	100.25	101.00	97.00	100.50xd
Larsen & Toubro (10)..	42.50	44.25	42.25	43.25
Mahindra & Mahindra (10)	19.76	19.92	19.52	19.76
New Central Jute (10).	20.36	—	—	20.36
Polson (100)	177.00	177.00	176.50	177.00
Pre. Automobiles (100)	167.25	169.75	165.50	167.50
Premier Con. (80) ..	192.50	193.00	182.00	185.00
Scindia (20)	14.08	14.80	14.00	14.52
G. E. Shipping (10) ..	14.80	14.80	14.72	14.80
Shivrajpur (10) ..	81.00	82.50	80.50	82.00
Sirpur Paper (10) ..	16.88	16.88	16.24	16.32xd
Tata Chemicals (10) ..	19.16	19.32	18.76	19.16
Tata Locomotive (100)	329.50	336.00	327.00	331.00
Tata Oil (25)	75.00	76.70	73.50	75.50
Texmaco (10) ..	20.48	21.76	20.12	20.12
Voltas (100)	275.00	277.50	273.00	275.25
W. I. Match (100) ..	275.00	280.00	273.50	277.00
W. Coast Paper (100)..	203.00	205.00	202.50	203.50

GOVERNMENT SECURITIES	4-5-1961 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	11-5-1961 Rs.
2½% 1961	99.50	—	4.20	99.50
2½% 1962	98.60	—	3.79	98.50
2½% 1976	83.50	—	4.23	83.50
3 % 1964	98.75	—	3.42	98.65
3 % 1963-65 ..	98.75	3.50	3.32	98.65
3 % 1966-68 ..	95.90	3.83	3.64	95.85
3 % 1970-75 1st Dev.	90.90	4.17	3.83	90.85
3 % 1986 Con. Loan..	73.65	—	4.08*	73.40
3½% 1961 N. P. Bonds	100.00	—	3.50	100.00
3½% 1964 N. P. Loan.	99.95	—	3.51	99.95
3½% 1965 N. P. Bonds	99.95	—	3.51	99.95
3½% 1962	99.85	—	3.37	99.85
3½% 1967 N.P. Bonds.	99.00	—	3.58	99.00
3½% 1974	99.70	—	3.78	99.70
3½% 1967 N.P. Bonds.	100.75	—	3.66	100.50
3½% 1969 Loan ..	98.70	—	3.68	98.70
3½% 1968	98.80	—	3.70	98.75
3½% 1963 N.P. Bonds.	100.10	—	3.46	100.10
3½% 1968 N.P. Bonds.	100.65	—	3.67	100.50
4 % 1972 Loan ..	100.50	—	3.93	100.50
4 % 1973 Loan ..	100.45	—	3.95	100.45
4 % *1979* Loan ..	100.10	—	3.99	100.10
3½% 1966 Bonds ..	99.70	—	3.57	99.70
4 % 1980 Loan ..	99.95	—	4.01	99.95

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.

MARKET GOSSIP

(*Concluded from page 883*)

from 4 per cent on 19th January 1961. With the cut of ½ per cent announced on the 5th of this month, it is clear that the view of Herr Blessing has won.

The reduction in Bank rate was considered inevitable because the 5 per cent revaluation of the German mark, effected on 6th March 1961, failed to check the inflow of hot funds into West Germany. In fact, the revaluation set afloat rumours of a further upward revision and triggered off a fresh movement of short-term funds to Germany, as is evident from the marked rise of DM 2,176 million (or nearly £200 million) to DM 32,643 million in this country's foreign reserves between the date when the D. Mark was revalued early in March and 22nd April. The persistent outflow of funds from several countries, especially the U.K. and the U.S., caused considerable strain to the international payment structure. It was with a view to easing the strain that the Central bankers who assembled recently at Basle in connection with the annual meeting of the Bank for International Settlements agreed that they would take some appropriate steps to prevent any further speculative movement of short-term funds.

The further reduction in Bank rate has been welcomed by financial circles both in the U.K. and the U.S. It will, it is pointed out, relieve the pressure on dollar and sterling. As the revised interest rate of 3 per cent is on a par with that in the U.S., there is likelihood of the U.S. reducing its short-term rate structure with a view to stimulating business spending. The repercussions on the German economy are difficult to foresee. Some feel that Dr. Erhard may not, after all, go wrong. For, according to them German industry may utilise reduced cost of borrowing for modernising its plant and machinery and bring down production costs, especially since the 5 per cent price increase in German exports consequent on the D-Mark revaluation has begun to evoke consumer resistance abroad. If this trend were to persist, the inflationary pressure, it is argued, would become more acute.

SURVEY

(*Concluded from page 886*)

sidered. There is much to be said in favour of such a suggestion, for it is bound to ensure better co-ordination than what prevails now, what with three agencies, the Directorate of Marketing and Inspection, the I.C.T.C. and the Tobacco Export Promotion Council, in the field.

In order to prevent unhealthy competition and unfair marketing practices, the Committee has advocated the resumption of sale of tobacco by auction centres in regulated markets. It is said that producers of tobacco were getting a better return for their produce when the Andhra Pradesh Government had a regulated market in Guntur, where tobacco used to be graded and sold by auction. The sale by auction was, however, suspended by the State Government, following representations from manufacturers. The Committee has also emphasised the need for encouraging producers' co-operatives for grading of tobacco. In this connection, the Committee has recommended that grading of tobacco should be done at the producers' level, as in foreign countries, and not at the export end. If the recommended measures are implemented and if, at the same time, the project, now under way, for growing superior grades of tobacco with the assistance of West German experts in selected areas of Andhra Pradesh turns out to be a success, the potentialities of this commodity as a foreign exchange earner are bound to be enhanced. Greater emphasis on the more profitable line of exporting manufactured tobacco may also bring in, quantity for quantity, greater returns than unmanufactured tobacco could.

INTERNATIONAL TEXTILE COMPETITION

(*Concluded from page 894*)

stance, coffee. It pays for this coffee not in cash but in the form of yet another product, for instance, sewing machines. Country A buys these sewing machines in a third country C and has them shipped direct from there to country B. Again it does not pay for the sewing machines in cash, but it pays by sending its stock of textiles to country C. The charge for these may be much below the original purchase price. The trading company in question can well afford to do so, as the profit which it realises on the import of coffee—paid for in sewing machines—more than offsets the loss it incurred in bartering textiles below their purchase price for sewing machines.

The effects of barter trading on textile competition are very difficult to check, especially since such deals are usually negotiated by companies not connected with the textile industry. This aspect of textile competition should be studied more closely.

The kind of competition which is meant here does not necessarily result in the specific commercial practices which we have listed so far. The problem is much more complex. This is competition which comes from so-called "low-cost countries," i.e. countries with much lower wages and standards of living and different economic and social structures than the importing countries. It is this competition which is sometimes called "social dumping" and against which protection is claimed on the grounds that labour as a cost factor in the end-product is unduly low.

Many attempts have been made to prove the case of social dumping in textiles or to put forward arguments based on lower wages and standards of living. Equally, the low-cost countries have tried to bring in evidence that their wages and standards of living are, relatively speaking, not low. Simple comparisons of wage levels have, of course, no meaning. Other factors, such as social charges and benefits, labour productivity, taxation, cost of living, real purchasing power and fringe benefits must be taken into account. Even then, it is difficult to arrive at a sound basis for comparison. It has, therefore, not been possible so far to make valid use of the social argument. This is only one aspect of wider differences in the economic and social structures of the countries concerned. For this reason, no international agreement, including the G.A.T.T., has provided any defensive means by which competition could be met on social grounds only, except by way of Article XXXV of the G.A.T.T.

Nevertheless, the existence of the problem was seen and it was felt that it should be examined in the light of the reduced validity of the theories of the international division of labour and comparative costs. As a result, the G.A.T.T. has recently placed on record that it recognises the existence of the problem of *market disruption* and provided procedures for its avoidance. Under these procedures, it will be possible to obtain exceptions from the G.A.T.T. rules, if it can be proved that a certain market for a specific commodity is in danger of being disrupted through competition from countries with widely differing economic and social structures. Cotton textiles have been chosen to form the test case.

When does market disruption occur? According to the G.A.T.T., this is the case when there is a combination of the following four elements:

(*a*) There must be a sharp and substantial increase or potential increase of imports of particular products from particular sources.

(*b*) These products must be offered at prices which are substantially below those prevailing for similar goods of comparable quality in the market of the importing country.

(*c*) There must be serious damage to domestic producers or threat thereof.

(*d*) The price differentials between the competing commodities must not arise from governmental intervention in the fixing or formation of prices or from dumping practices.

This is a new departure for the G.A.T.T. It may now become possible to deal with such problems of distorted competition for which hitherto no legal remedy was available. Significantly enough, cotton textiles are the first case to be put on trial. Whether the procedures will help to solve the problems of international textile competition, remains to be seen.

I deliberately abstain from drawing any conclusions. My task has merely been to lay down the facts of international textile competition, without passing judgment. I hope that, on this basis, a constructive discussion may take place. It is my personal belief that competition is the life-blood of any healthy industry, provided that it is fair and workable. It seems worthy of the greatest efforts to make it so.

Notices

JENSON AND NICHOLSON (INDIA) LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of Members of the Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Wednesday, 7th June, 1961 at 11 a.m., for the following purposes:—

1. To receive and consider the Directors' and Auditors' Reports and the Profit and Loss Account for the year ended 31st December, 1960 and the Balance Sheet as at that date.
2. To declare Dividends.
3. To elect a Director.
4. To appoint Auditors and fix their remuneration.
5. *As Special Business*:—To pass, if thought fit, the undernoted resolutions:—

   (i) To consider the re-appointment of Mr. Theo Millard Bishop as the Managing Director of the Company for the further period of three years with effect from the 1st June, 1961, and, in this connection, to consider and, if thought fit, to pass with or without modification, the following resolution which will be proposed as an Ordinary Resolution:—

   "That subject to the approval of the Central Government pursuant to Section 269 of the Companies Act, 1956, this meeting approves the re-appointment of Mr. Theo Millard Bishop as the Managing Director of the Company for the further period of three years with effect from the 1st June, 1961, on the terms and conditions contained in the draft Agreement (which was submitted to the meeting and signed by the Chairman for the purpose of identification) or on such other terms and conditions as may be agreed upon with the Central Government and accepted by Mr. Bishop."

   (ii) To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:—

   "That, pursuant to Section 370A of the Companies Act, 1956, the Company doth hereby extend the time of repayment of the loan of Rs. 3,49,202 due to the Company by Jenson & Nicholson of Pakistan Ltd., beyond the period of six months from the date of commencement of the Companies (Amendment) Act, 1960, till such time as the Board of Directors of the Company consider it necessary to enforce the repayment of the said loan."

The Share Transfer Books of the Company will be closed from the 1st to 7th June, 1961, both days inclusive.

By Order of the Board,
H. S. CHALLIS,
Secretary.

2, FAIRLIE PLACE,
CALCUTTA, *24th April*, 1961.

Note: A member entitled to attend and vote at the above Meeting may appoint a proxy to attend and vote instead of him. A proxy need not also be a Member of the Company.

An Explanatory Statement as required under the Companies Act, 1956, has been forwarded to the Members of the Company.

THE TRAVANCORE OGALE GLASS MANUFACTURING COMPANY LTD.

NOTICE

THE EIGHTEENTH ANNUAL GENERAL Meeting of the shareholders of the Company will be held at the Glass Factory premises, Registered Office, Manjummel, Alwaye, on Friday, the 9th June, 1961, at 4 p.m., to receive and adopt the Directors' Report and audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1960, to sanction declaration of a Dividend, to elect Directors in place of those retiring and to appoint Auditors for the current year and fix their remuneration.

The Share Transfer Books of the Company will be closed from Monday the 29th May to Friday the 9th June, 1961, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy who will attend and vote instead of himself when poll is demanded and the proxy need not be a member.

By Order of the Board,
FOR OGALE BROS. (PRIVATE) LTD.,
Managing Agents,
N. P. OGALE,
Director.

MANJUMMEL, ALWAYE,
29th March, 1961.

The Dividend, when sanctioned, will be made payable on and after 11th July, 1961, to those shareholders whose names stand on the Register on Friday, the 9th June 1961.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2615 **BOMBAY, 20th MAY 1961** **PRICE Rs. 2**

LAND POLICY OF THE THIRD PLAN

THE Land Reform Panel of the Planning Commission has just made some recommendations for incorporation in the land policy of the third Plan—a policy which is fundamentally a continuation of the one laid down for the second Plan. Quite a few of these recommendations, it may be acknowledged straightway, are realistic in the sense that they have been framed in the light of experience. There is, for instance, the salutary approach which is to the effect that prolonged uncertainty on the issue of land reforms should be avoided by completing them within the third Plan period and by permitting no further changes for at least ten to fifteen years thereafter. How agreeably this is in accord with the relevant recommendation of the Agricultural Production Team sponsored by the Ford Foundation may be noted here. The need for removal of uncertainties with respect to the application of land ceilings continues to be as urgent now as when the Ford Foundation's Team reported early in 1959, for private investments in agriculture that could result in additional food production continue to be retarded. Happily, the Panel's finding that only about a million acres—representing 0.3 per cent of all cultivated lands in the country—will be rendered surplus after the imposition of ceilings confirms the general trend of proposals in States for pitching land ceilings at reasonably high and economic levels. Happily again, the recommendation that ceilings legislation should be enacted in all States by the end of 1962 has the saving merit that the state of uncertainty will be eliminated at an early date. Whatever be one's mental reservations about the wisdom of imposing ceilings on landholdings, one has also to recognise that opposition, on principle, to this reform will lose much of its force in the wake of the realisation that its possible ill-effects will be limited to a very small number of landowners and to an equally small proportion of the cultivated area.

Another salutary recommendation of the Panel pertains to the objective of peasant proprietorship. If this objective needs reiteration, it is because the idea of co-operative joint farming which has been actively canvassed by the ruling party has spread the fear that individual ownership might be ultimately eliminated. But already the cautious approach laid down by the Nijalingappa Committee on Co-operative Farming and approved by the National Development Council has partly dispelled the fear that an attempt might be made at rapid co-operativisation in the foreseeable future. The present assurance that individual ownership will continue to be maintained, taken along with the recommended definition of "personal cultivation" which provides, as before, for cultivation by labourers under the owner's supervision, should go a further way in removing doubts about the enduring character of peasant proprietorship in its broadest sense covering also owner-farming with the aid of hired labour. In any case, whatever be the wishes of the party in power, it cannot conjure away the fact that peasant proprietorship already covers more than 80 per cent of all agricultural households in the country and more than 75 per cent of the total area operated by cultivating households and is, therefore, much too widespread to be dislodged without the violent processes of a root-and-branch revolution.

Yet another recommendation made by the Panel is to the effect that compensation for land acquired after the imposition of ceilings should not exceed 40 to 50 per cent of the market value. This is a positively better formula than the one which was recommended by the Ceilings Sub-Committee of the Land Reform Panel which reported on the eve of the second Plan early in 1956. The relevant recommendation of that Committee was that "the amount of compensation should in no case be more than 25 per cent of the market value." While the compensation formula of 40 to 50 per cent of the market value, recommended by the present Panel, may be welcomed as a fairer deal, its inadequacy would still have to be emphasised. After all, payment of compensation at full market value will not be too burdensome for the State Governments, for the aggregate amount on account of the estimated one million acres of surplus land may be no more than Rs. 50 crores. If *zamindari* abolition has entailed a total cost of Rs. 670 crores by way of compensation (of which Rs. 165 crores have been actually paid by now), a relatively small amount of Rs. 50 crores on account of compensation for surplus lands to be taken over from substantial landowners after the imposition of ceilings should not be considered an impossible proposition.

Thus far the more salutary recommendations of the Panel have been highlighted to bring out the emerging realistic trends in the land policy for the third Plan. But one unrealistic feature of the suggested policy pertains to ceilings on sugar factory farms. The Panel's recommendation that any law on ceilings should hereafter apply to these farms also—as in Maharashtra and Uttar Pradesh—is contrary not only to the exemption allowed in the second Plan in respect of such farms but to the recommendation of the Panel's own sub-committee on land ceilings. It may be recalled here that, while the Ceilings Sub-Committee of the second Plan's Land Reform Panel had expressed the unanimous view that sugarcane farms owned by sugar factories did not qualify for exemption, the Planning Commission had then overruled it and specifically provided for exemption of such farms from the operation of ceilings. This time, while the Ceilings Sub-Committee of the third Plan's Land Reform Panel has favoured such exemption, the Panel has chosen to turn it down. It is to be hoped that the Planning Commission, while finalising the land reform policy, will stick to its second Plan stand on the question and provide for the relevant exemption. Mr. Shriman Narayan's reported view that, as is proposed to be done in U.P., the factories may even be allowed to continue to manage these farms to remove any uncertainty about the supply of sugarcane can hardly be considered a sensible way out, for management without ownership may still not work well in the case of large-scale farms. Incidentally, the opinions of the Congress Agrarian Reforms Committee (Chairman: Dr. J. C. Kumarappa), which reported in 1949, would need to be recalled in so far as this question is concerned. This Committee stated, *inter alia*:

> "On these (estates owned and operated by individuals or a syndicate or a joint-stock company), local labour is employed on wage basis for all operations and the supervision staff of the superior cadre is provided by people from outside. Modern technique and the most improved variety of seeds and fertilisers are used. The owner or the manager lives on the estate and supervises the operations. This type is common in Deccan sugarcane estates and tea estates of the hills."

While the Kumarappa Committee which proposed an ultra-radical programme of land reform ruled out capitalist farming as a general method of utilisation of agricultural resources because it would deprive the agriculturists of their rights in land, it had at least the courage to admit "that, if most of the processing of agricultural products is done on the farm itself and if by-products are used for suitable manufactures on the spot as is done at Walchandnagar and Ravalgaon, this problem of re-employing small holders can be alleviated considerably." "But the main difficulty in the way of any great extension of such farms," the Committee continued, "would be to find men with vision, sympathy and enterprise so necessary for such undertakings." Certainly nobody today pleads for any extension of capitalist farming in the circumstances of this country. Should not the planners recognise the wisdom of keeping intact at least the few existing estate farms with their proved advantages which even the Kumarappa Committee had recognised ungrudgingly?

Contents

	Page
LEADING ARTICLES—	
Land Policy of the Third Plan	925
I.D.A.'s First Loan	925
Non-Ferrous Metals Industry	926
MARKET GOSSIP	927
ROUND THE EXCHANGES	928
NEWS IN BRIEF	929
PERSONAL	929
THIS WEEK'S SURVEY	930-931
SPECIAL FEATURES—	
On the Arena	932
Delhi Letter	933
London Letter	935
Manchester Letter	937
Sugar and "Gur" in Third Plan ...	940
Joint Management Councils	942
India's Aircraft Industry	944
U.K.'s Economic Policy—A Departure	950
Third Five-year Plan of Uttar Pradesh	952
Price Variations in Recent Years ...	953
COMPANY'S CHRONICLE—	
Kohinoor Mills Co., Ltd.	951
MONEY AND BANKING	954-955
TEXTILES	956
COTTON	959
NEW PRODUCTS AND PROCESSES	965
NEW PUBLICATIONS	966
COMPANY MATTERS	964-969
MARKET REPORTS	962-963
MISCELLANEOUS STATISTICAL INFORMATION	966-968
STOCK AND SHARE QUOTATIONS	969-970
WEEK'S PRICE MOVEMENTS IN BRIEF ...	971

I.D.A.'S FIRST LOAN

WITH the announcement of its first credit over the week-end, the International Development Association—the I.D.A. for short—has commenced active financing operations. A loan amounting to $9 million will be given to Honduras, a mountainous country of rugged terrain in Latin America, its highway development and maintenance. It has three distinct features which mark it out from the development loans hitherto made available. First, the credit is interest-free, only a service charge of ¾ per cent, annually on the amounts withdrawn and outstanding, will be made in order to meet [illegible] administrative costs. Secondly, the

repayment period is very long—fifty years. Thirdly, amortisation of the loan will begin only after a ten-year period of grace. The first payment will be due in September 1971. Thereafter, 1 per cent of the principal will be repayable annually for ten years and 3 per cent for the final thirty years.

It is evident from these terms that the I.D.A. credit to Honduras is a soft loan, although it is repayable in foreign exchange and not in local currency. But this last requirement will not be unduly burdensome to the recipient country, because the repayment period is as long as fifty years. The amount of foreign exchange which Honduras will have to find for repayment purposes will be just $90,000 annually for the ten-year period commencing from September 1971 and $270,000 per annum in the remaining 30-year period.

The terms of the first I.D.A. loan, it is stated authoritatively, are "not necessarily indicative of the general pattern of future I.D.A. credits." There is, however, some indication that more or less similar terms will govern the credits for financing the first bunch of projects. In fact, Mr. Eugene R. Black, ex-officio President of the I.D.A., himself disclosed recently in his address to the U.N. Economic and Social Council that for the first projects it had been decided to provide I.D.A. financing in the form of 50-year development credits, free of interest or commitment charge. And he also disclosed that the credits would be repayable in foreign exchange, "thus avoiding accumulation of large quantities of local currencies." But, at the same time, the exact pattern of I.D.A. credits for later projects is something that cannot be figured out now, for there may well be changes in some of the terms. Whatever be the then detailed terms, they will doubtless be flexible, bearing less heavily on the balance of payments of underdeveloped countries than do orthodox loans. The I.D.A. Charter itself is quite specific about such flexibility. It was on this question, it may be recalled, that there was a lot of discussion among economists before the establishment of the I.D.A. Some economists belonging to the school of sound money theory had argued —they continue to argue even today—that soft loans would encourage the receiving countries to indulge in inflationary policies which would undermine their economic stability. This argument is untenable, for the I.D.A. cannot be expected to grant loans unless it is satisfied that the projects for which the loans are sought are sound and essential. After all, the I.D.A. applies the same standards of project preparation and execution as the World Bank does and, in this task, it is facilitated by the fact that its affairs and those of the Bank are jointly administered.

Even if the terms of future I.D.A. credits should turn out to be somewhat less liberal, they may at least have the merit of fulfilling some of the requirements of sound money policy. For instance, if it is decided to charge some nominal interest on future loans, it will not be anything like a misfortune. After all, a loan is a loan and not a gift. It can very well carry some interest, say, 1½ to 2 per cent. Such interest will also enable the I.D.A. to augment its lendable resources in the years to come, besides instilling in the borrowing countries a sense of responsibility to make proper use of the funds borrowed. This aspect has to be specially emphasised because the capital resources of the I.D.A. are limited (just $1,000 million), as against the foreign aid requirements of the underdeveloped countries estimated at about $5,600 million a year over the next decade. The I.D.A. may, of course, enter into arrangements to receive from any member or members supplementary resources in the currency of another member, provided that the member whose currency is involved does not object. For example, the U.S. has already indicated that it might offer to the I.D.A. some of its holdings of foreign currencies arising through sales of P.L. 480 commodities. Even so, the I.D.A. can enlarge its resources to some extent by way of interest collections. It is on the size of resources at its disposal that will depend the success of I.D.A. to venture further than the World Bank is able to do in countries that have only a limited capacity to service conventional foreign debt and support development projects that hold out promise. Here is what Mr. Black himself says:

"We believe that I.D.A.'s objectives can best be served by limiting the availability of I.D.A. funds to countries which, for reasons beyond their control, are not able to finance a satisfactory rate of development with their own resources plus conventional financing. Thus I.D.A. borrowers can be expected to include not only countries whose foreign exchange situation is such that they cannot borrow abroad at all on conventional terms but also those whose foreign debt service burden over the short- and medium-term is already so high that they cannot prudently borrow, on conventional terms, all of the external capital which they require to carry out their priority programmes. It is already clear that the needs of these potential borrowers for development credits of the type which I.D.A. can provide are far greater than can be satisfied with I.D.A.'s present resources. I am hopeful that, in due course, the obvious need and I.D.A.'s record of performance will together justify a substantial increase in I.D.A.'s financing capacities. I would hope, too, that countries contemplating an expansion of their aid programmes may see fit to channel a part of the additional funds through I.D.A. Such a pooling of resources, I am convinced, is by far the most effective and satisfactory means of co-ordinating development aid."

This country, too, has a stake in the possible fulfilment of Mr. Black's hope and so looks forward to some substantial I.D.A. credits. There can be no gainsaying that its balance of payments position will ease in the coming years to the extent to which it receives loans from the I.D.A. The I.D.A. assistance will be particularly useful for the implementation of the less remunerative but essential projects such as roads, small irrigation, port facilities, telecommunications, land reclamation, rural electrification and industrial estates. Of special significance is the fact that the I.D.A. loans can be utilised to finance both foreign exchange and local currency costs, unlike the World Bank loans which are meant to cover only the foreign exchange costs. As India, to borrow Mr. Black's words, is a country whose foreign debt service burden over the short- and medium-term is already so high that it cannot prudently borrow, on conventional terms, all the external capital it requires to carry out its priority programmes, its expectations of substantial assistance from the I.D.A. are quite natural and legitimate.

NON-FERROUS METALS INDUSTRY

IN India's preoccupation with steel plants it is just likely that the case for a strong non-ferrous metals industry may go by default. The non-ferrous metals group is, of course, a motley crowd of ill-assorted metals but is not on that account any the less important than the much better known iron and steel group. Indeed, the two groups may well be regarded as complementary to each other, for, in a wide range of steel-based engineering industries, non-ferrous metals play an indispensable role. The non-ferrous sheet rolling industry, for instance, caters to the requirements of a number of ancillary industries, such as automobiles, telephones, ball bearings, radiators, electronics, electric fans, locomotives, railway carriage fittings, surgical instruments and air-conditioning equipments.

The chief handicap from which the industry based on non-ferrous metals suffers is the lack of raw materials. India, as is well known, is faced with a serious deficiency in the supply of non-ferrous metals except aluminium. Two weeks ago, a review of the problems of aluminium industry figured in these columns. While aluminium has many achievements to its credit, it is known that other non-ferrous metals, in general, and zinc, copper and lead, in particular, exist in their own right and have a very important place in the country's metal map. And yet, the fact remains that, even by the end of the third Plan, India will continue to be deficient in the supply of non-ferrous metals. As Mr. S. P. Khaitan, President of the Western India Sheet Rollers' Association, pointed out in his address at the annual meeting of the Association held recently in Bombay, the demand for all-non-ferrous metals during the third Plan is likely to show a "spectacular" rise and, except bauxite ore in which India is potentially rich, much ground has still to be covered in respect of other non-ferrous metals. An analysis of the trends in production of and demand for non-ferrous metals shows that there is a wide gap between the anticipated output and estimated demand by 1965-66. In copper, the present level of production (1960 figure) estimated at 8,910 tons is expected to go up to 36,000 tons in 1965-66, whereas the demand in that year is likely to move up to 170,000 tons; the corresponding figures for zinc are 4,000 tons, 57,000 tons and 195,000 tons. Similarly, in lead, the present level of production at 3,648 tons is likely to move up to 37,000 tons by 1965-66, whereas the demand in that year will go up to 65,000 tons. India produces no tin at all. Nor is it expected to do so by 1965-66, though India will need 8,000 tons of tin. It will thus be clear that the gap in respect of copper in 1965-66 will be of the order of 134,000 tons, in zinc 128,000 tons, in lead 28,000 tons and in tin 8,000 tons. It is this factor that underlines the need for sustained effort at improving the output of non-ferrous metals.

It is not as if the non-ferrous metals group has not so far received any attention. Only it is necessary to intensify the search for their ores, because the prospecting operations conducted hitherto have yielded only modest results. Some notable progress has been achieved in the mining of copper ore. The deposits of this ore are estimated at 8.2 million tons, with copper content ranging from 0.8 to 2.5 per cent. Further, investigations are in progress over a large area in the Alwar District of Rajasthan, Bairath and Thana Gaziakhan. The test drilling operations in South Arcot indicate bright prospects of finding deposits of copper, lead and zinc. The Sikkim Mining Corporation, which was set up in February 1960 and in which the Government of India holds 41 per cent of the share capital, has commenced work for the exploitation of copper-lead-zinc deposits in Bhotang. Production at the rate of 100 tons of ore per day is expected to commence from December 1961. Zinc and lead ores are extracted near Zawar (Rajasthan) by the Metal Corporation of India. The Geological Survey of India proposes to complete mapping operations and preliminary investigations in respect of many important minerals in Rajasthan during the third Plan. The work is expected to start this year in six districts.

Next in importance to location of new ores is the setting up of smelting and refining plant. Clearly, while prospecting should receive more attention and support, it may be necessary for this country to rely on imported ores till such time as domestic ores are located. In copper there is only one unit at present producing 8,000 tons of fire-refined copper per year. The National Mineral Development Corporation has in hand an important project, namely, the Khetri Dharibo mining project with a capacity to produce 10,000 tons of electrolytic copper involving an outlay of Rs. 13 crores. This project alone is expected to save foreign exchange to the tune of Rs. 4 crores annually. Zinc concentrates are now being sent to Japan, because India still does not possess smelting facilities. It would, however, appear that an Indian firm has finalised an agreement with two French firms for setting up a plant with a smelting capacity of 180,000 tons, while the Union Government is now reported to have decided to permit the installation of a medium-sized zinc smelter in Calcutta which would be based on imported zinc concentrates. In lead, too, it will be necessary to rely on imported lead concentrates. The Government is now reported to be engaged in considering a scheme for smelting imported lead concentrates with an annual capacity of 12,000 tons.

Given the existing shortage of foreign exchange, it will be obviously difficult to concede the non-ferrous metals industry's claim for liberal imports of raw material. But within the overall limitations imposed by the continuing shortage of raw material, it should be possible to give a modest increase in the allotment of foreign exchange the industry needs provided it is also enabled to make its contribution to foreign exchange earnings through exports of its products. Mr. Khaitan rightly emphasised that India must mobilise all its resources for export. The scope for marketing India's non-ferrous metal products is confined to certain underdeveloped countries like the Middle East, Ceylon and the Far East. In this connection, Mr. Khaitan made a few constructive suggestions for increasing the export of non-ferrous metal products. In the first place, the Export Promotion Scheme for copper and brass semis should be suitably liberalised; for instance, the insistence on firm orders of a minimum value of Rs. 1 lakh may be given up. Secondly, any rigid insistence that the exporter of copper and brass sheets should aim at 15 per cent net foreign earnings may be relaxed. Thirdly, the import of machinery that is necessary for improving the quality of non-ferrous metal products should be permitted.

In commending these suggestions to the Government we would urge the Government to remember that the non-ferrous metals industry has immense potentiality. It is capable of becoming a large source of employment. Further, as an adjunct to the engineering industry, its role is particularly significant. What is now necessary is to ensure that the industry is not handicapped by heavy taxation on the one hand and acute shortages of raw materials on the other.

MARKET GOSSIP

Share Markets Indecisive

THE share markets have been moving rather indecisively of late. Shortage of funds and tightness in money market have led to a shrinkage in the volume of business, with values of most counters tending to look down. A good portion of investible funds is tied up with new issues and the markets will continue to feel the acute need for funds until the excess over calls is released. In a falling market, it is needless to say, fresh offers only accelerate the momentum, as was, in fact, the case in the past week. There has, of course, not been any nervous selling so far, because the majority of operators are inclined to take an optimistic view about the outlook for the corporate sector. Many new industries floated in the last year or two are nearing the stage of production and, with hopes of getting adequate foreign aid, industrial progress will be accelerated further.

Investors must, perhaps, have felt gratified at the Union Finance Minister's assurance given at Madras last week-end that taxation would not be made to hurt industry and trade, inasmuch as it would be levied in such a manner that income from it would rise every year and not lessen. In the light of this assurance, his statement that there is great scope for raising additional taxation to the tune of Rs. 1,650 crores for the third Plan has not been taken note of seriously. And few will dispute his claim that resources are expanding and that revenues are also improving. The official figures relating to Central Government revenue collections for the financial year 1960-61 just released substantiate this claim. The total of revenue receipts actually received from items on which duties are levied and collected in 1960-61, the last year of the second Plan, is put at Rs. 880 crores, as against the revised estimate of Rs. 855 crores and the budget estimate of Rs. 812 crores for that year. Taking some individual heads of tax revenue, it is found that under 'Customs' the actual collection in 1960-61 was Rs. 168 crores, as compared with the revised estimate of Rs. 163 crores, under 'Union excise duties' Rs. 409 crores, as against Rs. 395 crores and under 'Income-tax' Rs. 138 crores, as against Rs. 128 crores. All these figures lend considerable weight to the oft-repeated criticism that revenue receipts are consistently underestimated, while expenditure estimates are inflated. On the basis of past year's performance, it may be safe to infer that the revenue realised from dutiable items in the current (1961-62) year will be substantially more than what is budgeted, namely, Rs. 920 crores.

Conversion Loan

The Government of India's announcement of the conversion offer for three maturing loans has not come as a surprise. With conditions in the money market being what they are, the Government has no other choice but to offer to replace the maturing loans if only to ensure that its borrowing programme does not become a flop. The Government has offered to convert 3½ per cent National Plan Bonds 1961 (First issue) which are due to mature on 1st June 1961, and 2½ per cent loan 1961 and 3 per cent Hyderabad Loan 1951-61 which are due for redemption on 1st August. These will be accepted for conversion against the issue of 3½ per cent 1967 National Plan Bonds (Third Series) second tranche. The issue price of the new loan is Rs. 98.90. The conversion of the maturing loans will be accepted at Rs. 100 for 3½ per cent 1961, at Rs. 99.75 for 2½ per cent 1961 and at Rs. 85 for 3 per cent Hyderabad 1951-61 loan. The outstanding amounts of these maturing loans are Rs. 75.29 crores, Rs. 57.01 crores and Rs. 6.59 crores, respectively, making a total of Rs. 138.89 crores. Interest on the securities tendered for conversion will be paid at the respective rates upto 31st May 1961 (inclusive). Interest on the new securities to be issued by way of conversion will be paid at 3½ per cent per annum from 29th May. Interest on these will be paid in the first instance upto 15th July and thereafter half-yearly.

The bulk of the two maturing Central Government loans is believed to have been held with the Reserve Bank. To this extent, the problem of conversion has been lessened. Even so, it is felt that the response from banks may not be encouraging, since the conversion terms are by no means attractive for them to switch over to a six-year loan, when normally banks prefer only maturities of five years.

The current market price of the existing 3½ per cent 1967 loan is Rs. 99 which gives a price differential of only 10 nP. in favour of the new tranche and may not attract large conversions at least from banks. It is, however, stated in some quarters that banks may opt to convert their existing holdings of the maturing loans to keep their investment portfolio intact. If they prefer to wait and cash their holdings on the maturity date, these quarters feel, it will create for them the problem of investing their cash. This argument may be valid only in the case of 3½ per cent 1961 loan which is due to mature by the end of this month. There are no signs of any substantial relaxation of monetary stringency as yet. They can hold on to the other two loans, which account for over 45 per cent of the total and are due for redemption only on 1st August by which time the money conditions may ease, giving them some elbow room for strengthening their investment portfolio. If the response to the conversion offer were not to prove encouraging, the Government might come in the meantime with the offer of another short-dated loan to accommodate the banks.

The choice of the 3½ per cent 1967 loan for offer of conversion is inevitable. Usually, the Government looks for a blank year if any or a light year, that is, a year when maturities are not heavy. But right from the current year onwards till 1968, there are heavy maturities. The current year's maturities are the heaviest in recent years and will be heavier still in the years to come. They will be of the order of Rs. 166 crores in 1965, Rs. 193 crores in 1966 and no less than Rs. 163 crores in 1967. If the entire outstanding loans in 1961 are converted into the new loan, the maturities in 1967 will be Rs. 302 crores, provided there are no additions next year. To the extent banks and other institutions offer to cash their holdings, therefore, the burden of maturities in 1967 will be relieved.

The present conversion offer does not complete the borrowing programme of the Government for the current year. In his budget speech in February last, the Union Finance Minister had taken credit for a public borrowing of Rs. 235 crores. The conversion facilities now announced account for only Rs. 139 crores or 59 per cent of this target. The Government may have to come to the market with a cash loan next month or in July. The general expectations are that the cash loan will be only a long-dated one.

Negotiations With Oil Companies

The negotiations in which the Government of India has been engaged for some time with foreign oil companies for the exploration and exploitation of certain oil-bearing areas in the country seem to be approaching the delicate stage of final decision. At the moment the companies which are actively pursuing the matter are stated to be the Burmah Oil Company, the Shell Company and the E.N.I., the Italian State-owned oil organisation. While the B.O.C. seems to be more interested in the Assam area, the Shell Company is understood to have taken greater interest in the Indo-Gangetic plain and the E.N.I. in the Cutch area. But it is not quite clear, as of today, whether the oil companies concerned have agreed to the Government having a 50 per cent share in the capital and management of joint oil exploration ventures. It may be that private oil companies, like the B.O.C. and the Shell, are not so very aggressively anxious like the E.N.I. (which is a new entrant in the oil field and is also a State-owned enterprise) to accept the 50-50 formula. This, however, is only a guarded inference which may or may not be borne out by the terms and conditions that may be finally agreed upon between the Government and the oil companies. It should not be forgotten in this connection that the question of crude oil prices is bound to be as much a bone of contention as the fifty-fifty formula relating to capital participation.

The final outcome of the negotiations will be watched with interest by all those who are frankly worried over the likely gap in indigenous production of petroleum crude. Certain estimates made in this context are disquieting, to say the least. The country's present (1961) demand for petroleum in terms of crude is about 8 million tons, but the gap in indigenous production of crude oil is 7.8 million tons after allowing for Digboi's output of 200,000 tons. By 1966, the annual demand for crude is expected to be of the order of 15 million tons, but there will then be a gap of about 10 million tons in indigenous production of crude petroleum after taking into account the estimated aggregate annual production of about 5 million tons (200,000 tons from Digboi, 2,800,000 tons from Oil-India's present concessions in Assam and 200,000 tons, at the most optimistic estimate, from Ankleshwar fields in the public sector) by 1966. It is this expected gap of 10 million tons in indigenous production that will have to be covered by further exploration, prospecting and exploitation in the next five years. There is, thus, plenty of scope for all in the private as well as the public sector to put their hands to the pump. Protracted negotiations and undue higgling and bargaining by the Government may mean loss of valuable time, for has it not been rightly said that procrastination is the thief of time?

One has only to recall here the practical observations made by Mr. W. E. Eadie, Chairman of the Burmah Oil Company Ltd., in a statement just issued in London on the eve of the 59th annual general meeting of the Company:

"It is, perhaps, not inappropriate for me to comment here shortly on one aspect which should be given due consideration in any study of petroleum selling prices in countries where petroleum is in short indigenous supply. In such countries, there is a very natural and understandable desire to see national petroleum reserves discovered and developed as expeditiously as possible.

"The greater the number of operators exploring for such reserves, the greater the chance of success, and it seems to me that governments wishing to encourage interested operators (whether national or foreign) should offer attractive concessions terms and should, as far as possible, provide an assurance of a fair selling price for the commodity and its products. Such a price must provide an acceptable return to the operator, taking cognizance not only of the speculative nature of the business, but also the need for a continuing search for replacement of reserves as they become depleted."

Mr. Eadie's words, of course, are not specifically addressed to India. But their relevance to conditions in this country can hardly be overlooked.

New Move By Insurers

The agreement on non-diversion of business signed this week in the City by seventeen Indian insurance companies marks the culmination of the negotiations that have been going on for quite some time now. At one stage, a suggestion was mooted that the issue of bringing together the insurance companies for their mutual benefit should be taken up by the Indian Insurance Companies' Association which was expected to evolve a suitable formula for the purpose. Although the majority of members of the Association was in favour of this suggestion, it was not accepted because of the opposition of some members who were against the Association taking any lead in the matter. The agreement now signed is the result of the voluntary efforts made by some of the companies to arrive at some kind of arrangement by which the scramble for business and unhealthy business practices could be eliminated.

The agreement, which is subject to the approval of the Boards of the respective companies, is expected to come into force on 1st July. It lays down that no company, which is a signatory to the pact, should itself try, or encourage others, to snatch off the business of member-companies. In cases where the business of one member-company has to be accepted by another, the agreement provides that it should be reinsured strictly on tariff terms to the extent of full 100 per cent with the losing companies. If, owing to the change of management or financial control, some business of one company has got to be diverted to another, it should be subject to the prior approval of a committee to be set up for the administration of the agreement; the business so diverted should, however, be compulsorily reinsured in full on tariff terms.

The agreement provides for the establishment of a formal administrative machinery in the form of a Committee consisting of three representatives unanimously elected by the companies which are party to the agreement. The Committee will keep a constant watch over the administration of the agreement and will take such measures as it considers necessary to ensure scrupulous adherence to the agreement. The signatories are said to have agreed to abide by all the unanimous decisions of the Committee.

A notable feature of the agreement is that it provides for the creation of a pool of business which will compensate any loss of, or decline in the rate of growth of, business of any member-company. Any member-company, which fails to show an increase of 10 per cent in the direct gross Indian premium income in any year, will be entitled, under the agreement to claim a corresponding share in the pool business. It will, however be liable to a proportionate share of the cost incurred by the pool as well as the claims payable. A ceiling of Rs. 5 lakhs has been put on the premium a member shall be entitled to claim from the pool in any year. Any surplus left with the pool, after the claims of members are satisfied, will be distributed among the ceding companies in proportion to the contribution made by them. This provision has obviously been made as an inducement for companies, which might fear a loss of business, to join the agreement.

The sponsors of the move believe that the agreement will eliminate such unhealthy practices as rebating and will reduce the cost of business of the companies and thereby put them on a stabler financial footing. It will also enable them to devote more attention to the development of new lines of business, as they will be freed of the worry of their business being taken away by others. Although the agreement has now been signed by only 17 companies, it is said that more have indicated their willingness to join the group. The door has, therefore, been kept open for them. The sponsors of the scheme, more than anybody else, are aware that the value of the agreement lies not in the letter but in the spirit underlying it.

The significance of the agreement lies in the fact that it is the outcome of a desire among the companies to come together in mutual interest and not the result of official pressure. It has, therefore, a better chance of success than any coercive measure foisted on insurers by the Government. But the voluntary nature of the agreement is also a source of weakness. It is not known whether the agreement has proposed any sanctions against companies which, in course of time, might deflect from it and, if so, how they are proposed to be enforced. If the member-companies honour the agreement in practice, they need not entertain any fears that their business will be grabbed by any one of them. The agreement, however, is no safeguard against the non-member companies diverting business from the members. If they do so—and there is no reason to suppose that they will not try to do it—will the members of the group choose to retaliate? It is true that the collective strength of the group is a good safeguard, but the member-companies cannot be entirely free from the fear of diversion of business. The working of the agreement will no doubt be watched with interest.

Block Closure Of Jute Mills?

There are persistent reports suggesting the distinct possibility of block closure of jute mills for sometime with a view to conserving available raw jute supplies till the arrivals of the new (1961-62) season's crop which are expected to begin not earlier than the end of July or August. A delegation of the Indian Jute Mills Association led by the acting Chairman, Mr. C. L. Bajoria, met the Union Commerce and Industry Ministry officials at New Delhi again this week and sought official permission for block closure for a fortnight either next month or in July. The official reaction to the plea is not known; the Commerce and Industry Ministry is believed to have referred the plea to the Labour Ministry, in view of the implications of a closure move on the labour situation in Calcutta especially in the context of the continuing power shortage and the consequent reduction of working hours of jute mills and other industrial units. This is the delegation's second meeting; the first was held on 27th April. At the first meeting, the delegation had pressed for the closure of mills for two weeks but was told by the officials concerned that the Government could not

(Continued on page 975)

SHARE MARKET EASY

SELECTIVE SUPPORT FOR TEXTILES

(From Our Own Correspondents)

BOMBAY, *18th May*

THE easy trend witnessed on the Stock Exchange towards the close of last week gathered momentum during the week under review. Support was generally lacking even at lower levels. The volume of business also dwindled considerably, thanks to the continued stringency in the money market. Although the outlook for corporate earnings continued to be good, the power shortage in most parts of the country, which still persists, gave rise to doubts whether it would not affect the profit level of companies. While these factors discouraged support, the proximity of settlement restricted activity. In the absence of support, profit-taking and tired bull liquidation resulted in a setback to values. Selected scrips, especially in the textile section, however, attracted attention on expectations of higher dividend.

Steel shares were generally subdued. Indian Irons, after rising from Rs. 27.20 early in the week to Rs. 27.35, receded to Rs. 27.10 at close, showing a net loss of 10 nP over the week. Mukand Irons declined steadily from Rs. 28.25 last week-end to Rs. 27.50. Tata Steels, however, rose from Rs. 150.50 to Rs. 151.50 on Monday before receding to Rs. 150.75 today. The net gain was 25 nP.

Textiles, except a few which firmed up on dividend announcement, receded. Standard Mills attracted speculative support prior to the annual meeting and after having extended the gains following the Chairman's statement, declined to Rs. 1,503 today as compared with Rs. 1,514 last week-end. The Chairman of the Company disclosed at the annual meeting held on Tuesday that the Company had sponsored a petro-chemical project and that the interest of the shareholders in the new venture would be fully protected. Shree Niwas were marked down by Rs. 7 to Rs. 263. Elphinstones receded by Rs. 6 to Rs. 81. Central Indias eased by Rs. 2.50 to Rs. 110.50. Gokaks dropped a like amount to Rs. 186.50. Despite the announcement of the higher dividend of Rs. 17 per share, subject to deduction of tax, as against Rs. 14 for 1959, Svadeshis receded by Rs. 2 to Rs. 268. Morarjees shed a like amount to Rs. 359. Finlays and Podars lost a rupee each to Rs. 315 and Rs. 148, respectively. Bombay Dyeings encountered selling and declined from Rs. 63.50 last week-end to Rs. 63.40 today, after having touched Rs. 63.90 on Monday. The net loss was 10 nP. Swans and Simplex were unchanged, the former at Rs. 570 and the latter at Rs. 187. Edward Textiles, on the other hand, received special support and spurted by Rs. 25 to Rs. 300. Tata Mills, too, were marked up by Rs. 4.50 to Rs. 58, thanks to the doubling of dividend from Rs. 2.50 to Rs. 5 per share, subject to deduction of tax. Kohinoors were well favoured and improved from Rs. 307.50 to Rs. 312.50. Centurys moved up early in the week from Rs. 618.50 to Rs. 626 but declined in subsequent sessions and finished at Rs. 619.50, showing a net gain of one rupee.

Sugar shares lacked support. Belapurs, after a brief spell of firmness, eased from Rs. 288 to Rs. 284 today. The net loss over the week was Rs. 3. Maharashtra Sugars lost 75 nP to Rs. 185.25. Changdeos were quiet at Rs. 25.75. Phaltans and Walchandnagars were neglected at Rs. 135.50 and Rs. 203, respectively.

Cement shares were subdued. A.C.C.s were done at Rs. 158, same as last week. Digvijays fell by Re. 1.25 to Rs. 152.75. Orissas, however, put on 8 nP to Rs. 14.60.

In the shipping group, Scindias succumbed to selling and declined from Rs. 14.52 to Rs. 14.46. New Greats lost 16 nP to Rs. 14.64. Among automobiles, Premier Automobiles declined by a rupee to Rs. 166.50. But Hindustan Motors firmed up by 62 nP to Rs. 20.96, thanks to the announcement of a higher dividend of Re. 1.20 per share, as against 90 nP per share, subject to tax, for the previous year.

Rayon shares drifted downward. Baroda Rayons receded by Rs. 8 to Rs. 120.50. South India Viscose eased by Rs. 3 to Rs. 159. Gwalior Rayons lost a rupee to Rs. 46.50. Indian Rayons were quiet at Rs. 63. National Rayons, however, gained Re. 1.50 to Rs. 529.50, after touching a high of Rs. 531 on the 13th inst.

Dyes and chemicals recorded an all-round fall. Dharamsis (old) slumped by Rs. 36.25 to Rs. 266.25. Colour Chems were hammered down by Rs. 15 to Rs. 345. Synthetics eased by Rs. 7 to Rs. 171. Alembics declined by Rs. 3.75 to Rs. 237.50. Adarsh changed hands Rs. 3 lower at Rs. 76. Citrics shed Rs. 2.50 to Rs. 53. Indian Dyestuffs lost a like amount to Rs. 512.50. Chemo Pharmas softened by 50 nP to Rs. 28 and Tata Chemicals (new) by 16 nP to Rs. 17.26. Amar Dyes, however, found buyers at Rs. 2.50 higher at Rs. 385.

Engineering shares were no exception to the general trend. Alcock Ashdowns weakened by Rs. 13 to Rs. 306. Ingersoll Machine Tools were marked down by Rs. 9.50 to Rs. 128.50. Texmacos receded by 28 nP to Rs. 19.84. Larsen and Toubros decreased by 25 nP to Rs. 42. Kamanis lost 26 nP to Rs. 16.72. Mahindras and Cooper Engineerings were neglected at Rs. 19.76 and Rs. 169.50, respectively. Jyotis, on the other hand, picked up Re. 3.50 to Rs. 185.50. New Standard Engineerings (new) put on a rupee to Rs. 131.50. Telcos moved in a narrow range and closed at Rs. 331.50, as compared with Rs. 331 last week.

Miscellaneous industrials moved down. Bombay Burmahs, after having risen from Rs. 612 to Rs. 613 early in the week, reacted subsequently to close at Rs. 609, a net loss of Rs. 3 over the week. Anil Hardboards dropped Rs. 10 to Rs. 272.50. West Coast Papers declined by Rs. 9 to Rs. 194. Jayant Papers were quoted Rs. 5 lower at Rs. 61. Wimcos receded by Rs. 6 to Rs. 271, reflecting disappointment of operators that the Chairman of the Company ruled out the possibility of a bonus issue. Permanent Magnets shed a like amount to Rs. 75. Tata Oils moved down by Rs. 2 to Rs. 73.50. Premier Tyres declined by Rs. 3.50 to Rs. 101. Ceat Tyres lost Rs. 3 to Rs. 182. Killicks and Hindustan Levers were neglected at Rs. 100.50 and Rs. 47, respectively.

* * * *

Calcutta Stock Exchange

CALCUTTA, *17th May*

In the absence of fresh incentives, depressed conditions were in evidence on the Stock Exchange during the week under review. The present cautious tendency being displayed by operators and long-term investors springs from a number of factors. First, the power shortage has affected many industries in several parts of the country and doubts if the power requirements for the growing industrial economy would be satisfactorily met in the third Plan were entertained, thereby chilling enthusiasm. Secondly, reports that production in some collieries had had to be slowed down in view of increased pit-head stocks arising from non-availability of wagons have raised doubts that the call for more production is not co-ordinated. Thirdly, the sugar industry's gallant efforts to increase production have been accompanied by the problem of huge stocks. Fourthly, with the threatened block closure of mills, the crisis in the jute industry is on the eve of entering the worst part of the present critical phase. Fifthly, although the new season's tea sales have begun well, the trade feels that, without a price reduction, which is tied up with the taxation structure and the high cost of production, it is unlikely that exports would be increased to absorb the anticipated increase in production in this year. It was significant that some foreign buyers in the auctions showed a tendency to wait.

Coals gave way on a wider front. Bengals eased from Rs. 369 to Rs. 361. Burrakurs at one time realised Rs. 20, as against an opening of Rs. 20, but closed lower on balance at Rs. 19.87. At Rs. 30.50, Equitables lost Re. 1, but Central Indias hardened from Rs. 13.10 to Rs. 13.81 but closed at Rs. 13.25. New Beerbhooms were quiet at Rs. 23, as were Dhemo Mains at Rs. 7.25. Amalgamateds realised Rs. 25, as against Rs. 26.06 earlier.

Jutes were neglected and this was evident in the poor volume of business put through. New Centrals opened at Rs. 20.37 and, after realising Rs. 20.50, lost to Rs. 19.62 before closing quiet at Rs. 19.94. Ganges at Rs. 10.12 were fractionally lower. Birlas were available at Rs. 37.12, as against Rs. 37.75. Fort Williams were on offer at Rs. 25.19, as against Rs. 25.25.

Engineering shares were depressed on apprehensions of the power shortage affecting working results. Indian Irons opened at Rs. 27.47 and gradually lost to Rs. 27.12 before recovering to Rs. 27.19. Adverse corporate rumours continued to affect Texmacos. After touching a low of Rs. 19.50, as against the opening of Rs. 20, the rate closed at Rs. 19.70, as buying support was forthcoming at the lower level. The report of a maiden ordinary dividend drew attention to Dalmia Irons at Rs. 10.12 but subsequently gave way to Rs. 10. Indian Standard Wagons were earlier steady at Rs. 103 on talks of a satisfactory dividend, but general dullness soon invaded the atmosphere and pulled the rate down to Rs. 102.

Among miscellaneous industrials, the maintenance of ordinary dividend at 27 per cent taxable against the background of expectations of a larger dividend pushed down Indian Coppers from Rs. 5.50 to Rs. 5.31, while the improvement from Rs. 20.00 to Rs. 20.44 in Hindustan Motors was attributed to expectations of a higher dividend. British Paints evoked support and at Rs. 24.50 were fractionally better. Dunlop Rubbers met with profit-taking and slipped from Rs. 50.50 to Rs. 49.10. For the same reason, Indian Cables declined from Rs. 36.75 to Rs. 36.06. From Rs. 138.50, Rallis lost to Rs. 136. Indian Aluminiums eased from Rs. 31.75 to Rs. 31.25 on fears of a glut in aluminium supplies. Alkali and Chemicals were depressed at Rs. 36.

Teas were about firm on reports of increased output. Netjans jumped from the previous rate of Rs. 36.75 to Rs. 32. At Rs. 25.75, Gillapukris gained 75 nP, Dhelakhats, though unchanged, being firm at Rs. 23. Hoograjulis hardened from Rs. 24 to Rs. 25.25, while Birparas eased from Rs. 175 to Rs. 173.

* * * *

Madras Stock Exchange

MADRAS, *17th May*

Dull conditions prevailed on the Stock Exchange during the week under review. Turnover was moderate, with price movements restricted to a narrow groove. The enthusiasm of bulls was dampened by fears of reduced production in some industries as a result of 50 per cent power cut enforced with effect from the 16th inst. Sugars were quiet as operators preferred to await the outcome of India's attempts to secure an export quota for sugar in the U.S. Coffees ruled weak, thanks to heavy stocks in India and abroad. In the miscellaneous section, cements and engineerings were subdued. Textiles generally ruled dull, barring a few select counters which scored handsome gains. Activity in teas and rubbers was also at a low ebb.

Among sugars, United Breweries came in for selling and dropped Rs. 2 to Rs. 113. Travancores declined by 25 nP to Rs. 10.25. East India Distilleries lost 20 nP to Rs. 43.50. Cauverys were neglected at Rs. 132, Mysores at Rs. 59 and Indias at Rs. 12.90. Kirlampudis, however, rose by 50 nP to Rs. 79. Although the Company has passed over the dividend for the year ended June 1960, operators appeared to have been impressed by the working results of the Company. Deccans improved from Rs. 13.80 to Rs. 13.90, but moved down subsequently to close at Rs. 13.85—a net gain of 5 nP over the week.

In the coffee section, Consolidated Coffees eased by 25 nP to Rs. 22.25. Mysores were lower by 12 nP at Rs. 5.43. Cowcoodys dropped 5 nP to Rs. 5.20. Ouchterlony Valleys shed 3 nP to Rs. 4.15. Coffee Lands were quiet at Rs. 18.50, Anaparais at Rs. 4.42 and Balanoors at Rs. 16.60.

Among teas, Parksides gathered 28 nP to Rs. 28.75. Nonsuchs improved by 20 nP to Rs. 28. Waterfalls scored a gain of 7 nP to Rs. 3.02. Blue Mountains rose by 6 nP to Rs. 3.13. Neelamalais put on 5 nP to Rs. 4.50. Highlands were dull at Rs. 15.40. The Directors of the Company have maintained the dividend for 1960 at the previous year's level of 15 per cent, taxable. Chembras were unchanged at Rs. 3.83, Devasholas at Rs. 30.30, and Peermades at Rs. 23.30.

In the rubber group, T.R. and Ts picked up 32 nP to Rs. 9.75, following the announcement of a final dividend of 5 per cent, taxable, making a total of 9 per cent, taxable, for 1960, which compares favourably with 7½ per cent for 1959. Midlands hardened by 10 nP to Rs. 11.60. Cochin Malabars rallied from Rs. 7.67 to Rs. 7.75, before closing at Rs. 7.73. Malankaras were unchanged at Rs. 18.75 as also Travancores at Rs. 10.80.

Among textiles, Metturs proved a feature, the quotation rising by Rs. 10 to Rs. 399. Vijayeshwaris advanced by a rupee to Rs. 127, thanks to the higher dividend of 16 per cent, taxable, proposed for the year 1960, as compared with only 9 per cent, taxable, distributed in the previous year. Lakshmis, too, earned a rupee to Rs. 162. South Indias rose by 50 nP to Rs. 162. Janardanas moved up by a like amount to Rs. 62.50. Maduras were higher by 35 nP at Rs. 36.25.

Among miscellaneous industrials, cements were subdued, Orissas easing by 6 nP to Rs. 14.44 and Andhras by 5 nP to Rs. 10.45. Dalmias were quiet at Rs. 12.05, and Travancores at Rs. 8.45. But Indias gathered 3 nP to Rs. 6.68. Among chemicals, Mysore Chemicals were neglected at Rs. 24.65, Mysore Fertilisers at Rs. 11.75 and Travancores at Rs. 16.70. Metturs, however, picked up 13 nP to Rs. 14.25 and F.A.C.Ts 3 nP to Rs. 10.68. Among others, Aluminium Industries sagged by 10 nP to Rs. 23 and Ashok Leylands by 7 nP to Rs. 9.13. Indian Steel Rollings dropped 5 nP to Rs. 10.10. Tube Investments changed hands at Rs. 283, Western India Plywoods at Rs. 243 and Textools at Rs. 181. Bangalore Printings were unchanged at Rs. 14.30, notwithstanding the lower dividend of 5 per cent, taxable, for 1960, as against 10 per cent for the previous year. Krishna Industrials were fully steady at Rs. 12.87. The Directors of the Company have announced a dividend of 10 per cent, taxable, for the year ended September 1960, same as that paid in the previous year.

DR. PAUL LOHMANN (INDIA) LTD.

The public issue of Dr. Paul Lohmann (India) Ltd., a new company formed in Calcutta to undertake the manufacture of a wide range of organic and inorganic chemicals, will open for subscription on Wednesday the 24th inst. The issue amounts to Rs. 30 lakhs, divided into 300,000 equity shares of Rs. 10 each. Of this, 200,000 equity shares will be offered at par for public subscription. Of the remaining 100,000 shares, 60,000 shares have already been reserved for allotment to Indian promoters, Directors as well as their friends and associates and 40,000 shares to the collaborating West German firm against supply of imported plant and machinery required for the project. Details of this public issue appear elsewhere in this issue (*vide* pages 938 and 939).

The plant to be installed by the Company on Jessore Road near Calcutta will have a capacity to produce annually 3.36 million lbs. of chemicals and fine chemicals used for electroplating, fine and sensitised paper, leather, paints and varnishes, rubber and plastics/textiles, foodstuffs, etc. The products will include, among others, acetates, albuminates, benzoates, borates, carbonates, chlorides, citrates, hydroxides, phosphates, silicates and sulphates. The total cost of the project is estimated at Rs. 30 lakhs, with the initial stage alone accounting for half of it.

The Company has entered into an agreement with the world-renowned W. German firm of Dr. Paul Lohmann, Chemische Fabrik, of Emmerthel, (Hamein-Pyrmont) for the latter's participation in equity shares and for the supply of initial services and technical assistance for the project. Another notable feature is that the Company has secured the services of Messrs. Monsanto Chemicals of India Private Ltd. as sole selling agents. In view of the shortage in India of most of the products are bound to have a ready market in the country, apart from prospects for their export.

NEWS IN BRIEF

THE Government of India has abolished controls on inter-State movement of *khandsari*, sugar candy and *bura* sugar.

The third Five-year Plan is expected to emerge in its final shape by the end of June next, according to Mr. Morarji Desai, Union Finance Minister.

India has the lowest *per capita* caloric intake of 1,800, according to the latest *U.N. Year Book*. Ireland accounts for the highest, the intake being 3,500 calories, followed by New Zealand with 3,430, Denmark with 3,350, and U.K. with 3,290.

A 50 per cent cut in the supply of power to all industries excepting cement, chemicals, tea plantation factories and rice mills has been enforced in Madras State with effect from the 16th inst. The cut in the Madras thermal area is, however, only 40 per cent.

The Government of India has accepted the "Tyagi formula" for the assessment of income-tax of small assessees with annual incomes upto Rs. 7,500. The formula is a simplified procedure for calculating income-tax by doing away with the hitherto followed system of examining the accounts of such assessees.

The all-India final estimate of dry ginger for 1960-61 puts the current year's area and production at 43,600 acres and 16,400 tons, respectively. As compared with the partially revised estimates of 41,000 acres and 15,200 tons for 1959-60, the estimates for 1960-61 show an increase of 2,600 acres or 6.3 per cent in area and 1,200 tons or 7.9 per cent in production.

A meeting of the F.A.O. Technical Working Party on Coconut Production, Protection and Processing will be held for the first time in India at Trivandrum during November-December next. It will consider the question of establishing an international bureau for co-ordination of research and for rapid dissemination of technical information on coconut among growers.

The "package programme" for agricultural development already in operation in seven States has now been extended to all the States, including some districts in Jammu and Kashmir. In this connection, the Union Government will initiate the preparatory work of selecting the additional staff, procuring and stocking of supplies, constructing rural godowns and taking measures to strengthen the co-operative credit structure.

The Reserve Bank of India has removed with immediate effect all restrictions on bank advances against wheat. It will be recalled that, on 8th February last, the Bank had relaxed control on advances against foodgrains when it reduced the minimum margin requirements in respect of all foodgrains from 40 to 35 per cent. The minimum margin requirements in respect of other foodgrains, however, remain unchanged.

A new process for the manufacture of white sugar has been invented by Prof. D. N. Ghosh of Patna University. The process, it is claimed, does not involve the usual method of using sulphur and results in the recovery of edible molasses and juice potassium as a by-product. Further, it is claimed to recover more sugar at lesser cost, as well as to introduce a new type of food material in the edible molasses enriched with body-building minerals such as iron, phosphates and calcium.

A new prototype low temperature carbonisation plant of the Central Fuel Research Institute was commissioned near Dhanbad in Bihar by Mr. Binodanand Jha, the State's Chief Minister, on the 14th inst. The cost of the plant is estimated at Rs. 10 lakhs. The semi-commercial plant produces smokeless coal and also furnishes valuable process data for designing commercial plants in India for the production of smokeless coke for domestic use.

The President has given the assent to the Bombay Industrial Relations (Gujarat Extension and Amendment) Bill, 1961. The legislation extends the Bombay Industrial Relations Act, 1946, as in force in the Bombay area, to the rest of the State of Gujarat. At present, two Acts on the subject are in force in the State—the Bombay Industrial Relations Act and the Industrial Disputes Act 1947, in the Saurashtra and Kutch areas. The present legislative measure has been promoted by the State Government to bring uniformity in law on the subject throughout the State.

The Government of India has constituted a committee to assess the working of the contributory health service scheme for Central Government employees in Delhi and New Delhi. According to the terms of reference of the Committee, a comparison has to be made of the working of the scheme with that of the medical attendance rules with regard to medical care. The Committee, therefore, invites the Government of India employees to convey their views on the medical attendance rules operating in Calcutta, Bombay, Madras, Amritsar, etc. and to make suggestions for improving the medical services at present available to them.

India will participate in the third World Congress on the Prevention of Occupational Risks to be held in Paris towards the end of this month. The object of the Congress is to enable specialists to examine various aspects of the prevention of occupational risks to enhance their knowledge of research and progress in the service of prevention. Mr. V. N. Rajan, Director-General, Employees' State Insurance Corporation, has been elected Vice-Chairman of the Congress. He will be the Chairman of one of the three committees which will examine present-day trends in research work, progress in technical discipline and progress in medical and psychological discipline.

A Central Seed Corporation is proposed to be set up by the Central Government as a registered company under the Indian Companies Act 1956. It will be an autonomous organisation with a Board of Directors, including the Government of India's representatives, the seed industry and other allied interests. The proposed Corporation will have a share capital of Rs. 5 crores divided into 500,000 equity shares of Rs. 100 each. The objects of the Corporation are to promote production of improved seed by giving financial aid, technical guidance, etc., establish suitable production and marketing organisations and sponsor training programmes in collaboration with Central and State Governments and other allied interests.

* * * *

From Abroad

The Government of New Zealand is expected to extend the import licences valid until 31st December 1961, upto the end of March 1962 or even longer.

The European Investment Bank, the finance organ of the Common Market, will shortly have committed all its resources. Extra funds are to be raised by issuing bonds, first in the capital markets of Common Market countries and later from outside sources. The first issue is expected to be made within a few months.

The world air transport industry (excluding the China and Russian airlines) made only a meagre profit of $50 million in 1960 as compared with $105 million in 1959, according to the preliminary estimates of the International Civil Aviation Organisation. The fatality rate on scheduled services increased from 0.95 to 1.25 per 100 million passenger miles.

The average working time for industrial workers in W. Germany has been reduced from 49.1 hours per week in May 1955 to 46 hours in November 1960. The gross average wage, however, has risen from DM 86.52 per week to DM 129.28 in the same period. At present the regular work-week for about two-thirds of all persons employed by the W. German industry does not exceed 44 hours.

The major economic problems of all the Commonwealth countries will be reviewed at the Conference of Senior Commonwealth officials due to commence at London on Wednesday next week. The agenda for the conference include, *inter alia*, review of world economic situation, assessment of prospects for Commonwealth trade and for sterling, and consideration of the question of aid to developing countries. South Africa will not take part in the Conference.

The new regime of the Government of Iran has announced a 15-point programme including land reform, cuts in State spending, a lowering of the cost of living and anti-corruption measures. Under the new plan, prices will be lowered and imports and exports balanced. The Government will decentralise, the Provinces being given greater autonomy. Land ownership will be limited and big estates divided among the peasants. Farming methods and the tax collecting systems will be improved. It also promises cut in Government agencies' expenditure, prosecution and severe punishment of dishonest officials, strengthening of judicial systems, welfare schemes for Government employees and teachers and compulsory education.

PERSONAL

MR. S. Dutt, India's Ambassador-designate to Russia, left for Naples *en route* Moscow on Tuesday the 16th inst.

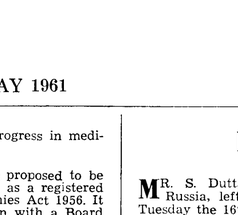
Mr. S. P. Jain has been elected President of the Indian Chambers of Commerce, Calcutta, for 1961-62.

Mr. Mohamed Yaqub and Mr. K. S. Smith, have been elected Chairman and Vice-Chairman, respectively, of the Tanners' Federation of India for the current year.

Mr. Madan Mohan Ruia and Mr. Manilal H. Patel have been re-elected President and Vice-President, respectively, of the East India Cotton Association for the year 1961-62.

Mr. S. K. Patil, Union Minister of Food and Agriculture, left New Delhi for Moscow this week on the first stage of his six-week foreign tour. He is due to visit Poland, Hungary, Czechoslovakia, Austria, and the U.S. where he will seek to obtain an export quota for Indian sugar.

Dr. A. Ramaswami Mudaliar, Chairman of the India Steamship Company, Ltd., and Mr. G. T. Kamdar, Director, Bharat Line Ltd., Bombay, have been elected President and Vice-President, respectively, of the Indian National Steamship Owners' Association for 1961-62.



A tale of Twenty-two Cities

From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them—in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to 1889 and closely associated with the rapid development taking place today.

India; Aden; Dubai; Sharjah and Abu Dhabi, Muscat; Qatar; Bahrain; Kuwait; Saudi Arabia; Jordan; Iraq; The United Arab Republic (Syrian Region); Lebanon; Libya, and Tunisia; these are territories where The British Bank of the Middle East operates. It has intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

THE BRITISH BANK OF THE MIDDLE EAST

Incorporated in England by Royal Charter 1889 *with Limited Liability.*

HEAD OFFICE: 7 King William Street, London E.C. 4.

BOMBAY OFFICE: 314 Dr. Dadabhai Navroji Road, Fort, Bombay.

Tel. Add.: BACTRIA. Telephone: 25-2267

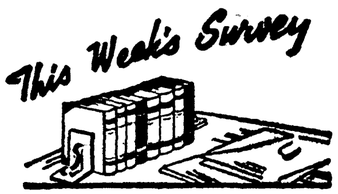
Capital and published reserves £4,473,000

ASSOCIATED WITH

THE BANK OF IRAN AND THE MIDDLE EAST

Capital Rials 250,000,000

HEAD OFFICE: TEHERAN, IRAN (PERSIA). (P.O. BOX 1680)



PLANS TO SAVE CALCUTTA

THE presidential address of Mr. Russi Mody at the annual general meeting of the Indian Chamber of Commerce held at Calcutta over the week-end covered the familiar ground of finances for the third Plan and reiterated the Chamber's approach to questions bearing on additional taxation, surpluses from public enterprises and export earnings. If the most significant observations made by Mr. Mody do not pertain to these subjects, it is because the burning question of Calcutta and its development—'reconstruction' would be a more appropriate word—has claimed his greater attention. This is a question of some very anxious interest not only to the general inhabitants of that city but to its businessmen and industrialists. Mr. Mody has, therefore, done well to focus attention on Calcutta's rehabilitation without which the further industrial and commercial progress of the city and its vast hinterland will be jeopardised.

The city's unsolved problems of congestion, housing, transport, water-supply and sanitation have all reached "the breaking point." Added to these is the scarcity of power and coal, which aggravates the difficulties of industries in the city and its environs. Unless these problems are tackled speedily and with determination, the very survival of India's largest commercial centre and metropolis will be at stake. As Calcutta is the hub of the vast industrial complex extending over India's major coal and steel belts of West Bengal, Bihar and Orissa, its problems have a wider national significance too. There is, of course, nothing new in the problems facing Calcutta. They have been there for quite a number of years. Even international experts have gone into them time and again and suggested not a few remedies. The pity is that pretty little has so far been actually done to remedy the situation. But there is currently the hope that the Calcutta Metropolitan Planning Organisation, being set up by the State Government, with the Chief Minister, as Chairman, in pursuance of a suggestion of the Ford Foundation, will mean serious business. The very creation of this Organisation is apparently prompted by the desire to tackle the manifold economic and civic problems of the city under the ægis of a single, integrated body. In effect, this will mean that the widely canvassed Master Plan—involving the scheme recommended by the World Health Organisation for providing drinking water, efficient drainage facilities and sewers in the city, as also the scheme for setting up a satellite township near Calcutta, sponsored by the West Bengal Development Corporation—will be finalised by the new Organisation. But much will depend on how soon the Master Plan is finalised in consultation with the interests concerned—the Calcutta Corporation, the suburban municipalities, owners of plots, houses and factories, port trust and railway authorities, and so on.

Even if the Master Plan on the civic side is taken up at an early date for implementation, it will not have solved the entire problem that is Calcutta unless the no less crucial question of port development is tackled with greater expedition. For it is well known that the silt formation in the Hooghly river has assumed alarming proportions, threatening to disrupt navigational facilities in what is India's major port. Over the past hundred years and more the Ganga has shown a tendency to flow more and more through its eastern arm, the Padma (now in East Pakistan). Today the Bhagirathi (Hooghly) receives water from the Ganga only for three months—during the flood season—and for the rest of the year its mouth remains high and dry. There is not enough water in the Bhagirathi (Hooghly) to flush out to sea the hundred million cubic feet of mud and sand that flow past Calcutta annually. What is worse, the tides from the sea push this silt upstream so that it is firmly deposited in the bed of the river. This is making the Bhagirathi (Hooghly) shallower every year. Whereas, before 1948, ships with drafts of 26 ft. could come up to Calcutta a number of days throughout the year, they can now come up only a few days in the year. Apart from its disastrous effect on shipping in the Hooghly, the gradual choking of the channel has made the water more saline or brackish, rendering it unsuitable for drinking and for industrial purposes.

It is now widely accepted that the only practicable solution to save the Calcutta port from extinction is to execute the Farakka barrage scheme. The scheme consists essentially of a barrage across the Ganga at Farakka, a few miles above the point where the Ganga branches into the Bhagirathi, and of a canal 26 miles long taking off from the barrage and falling into the Bhagirathi. The barrage is not an irrigation project. Its purpose is merely to divert the minimum of water from the Ganga so as to open up the Bhagirathi (Hooghly) and save Calcutta from the certain paralysis which would be otherwise caused by the salinity of the Hooghly water and the silting of the river bed. There is reason to believe that the project will get under way in the third Plan. The recently-formed Farakka Barrage Control Board, at its first meeting last week, urged both the Central and State Governments to give top priority to the project in the third Plan. The entire cost of the project, according to the latest estimates, will be about Rs. 65 crores. The project is expected to take eight years for completion, but the Board is considering the feasibility of reducing it to six years. It is reported that the World Bank may also grant a loan of about $15-25 million for the development of the port, to supplement the contributions of the Central and State Governments. The only hurdle in the way is possible delay in reaching a firm understanding with Pakistan which has expressed the fear that the project might injure navigation or irrigation in East Pakistan during the dry months when the normal water flow across the border is only 70,000 cusecs as against the flow of 2,060,000 cusecs during the monsoon period. Since India, too, depends on the navigation facilities in East Pakistan for transporting goods to Assam, it is a safe guess that the Farakka barrage scheme will be so designed as to ensure that Calcutta port is not saved at the price of damaging navigation or irrigation in East Pakistan.

ZONAL COAL DUMPS

The Federation of Indian Chambers of Commerce and Industry, it is gratifying to know, has just made a cogent and timely representation to the Coal Controller on the continuing problem of supply and movement of coal—a problem which has resulted partly from inadequate transport facilities and partly from inefficient handling of even the available transport capacity. While the idea of moving coal in block rakes has been welcomed by the Federation on the ground that it might improve the turn-round of wagons, the official proposal to have regional coal dumps in the supposed interest of movement by rakes is deemed difficult to justify. Of course, the Federation is not totally opposed to the proposed scheme of coal dumps which has been welcomed by sections of industry in States like Gujarat and Maharashtra. But, at the same time, it cannot ignore the fears and anxieties of coal merchants who, in recent weeks, have opposed the scheme of zonal dumps on the ground that distribution of coal from them to actual consumers through district magistrates or nominees of State Governments would displace the normal channels of trade and throw hundreds of coal merchants out of business. It would thus appear that a certain conflict of interests between industries needing coal badly and merchants normally engaged in its distribution has led the Federation to suggest a compromise formula to the Coal Controller.

The Federation's first proposal is to the effect that rakes or half rakes for various industrial units situated on one particular route or via, clubbing the requirements of these units together, should be formed and that these rakes be allotted at collieries served by one weighbridge. Under this suggested scheme, the rakes after starting from the weighbridge can be broken at certain fixed points from where wagons can be diverted to the consumers on the same route, as is being done even now. This would obviate the need for dumps which would involve heavy expenses by way of unloading the wagons, stacking coal in dumps and loading it in wagons and/or trucks for despatch to various destinations. If consumers are thus not forced to draw their supplies from the dumps, there will be no increase in the landed cost of coal ex-factory siding. To that extent, industries using coal will not be faced with the prospect of a rise in their cost structure.

But the Federation's idea here seems to be not that the scheme of zonal dumps should be abandoned altogether but that the consumers should not be forced to depend entirely on them. Hence its second proposal is to the effect that the scheme by coal dumps may be usefully tried as an experimental measure for consumers under Class B.R.K., Z. and S.S.1—that is, consumers who are not industrial users of coal. In these cases, dumps could be opened at selected points and the requirements of consumers met through permits from the local authorities. Under this restricted scheme suggested by the Federation, the authorities are expected to ensure judicious allocation of quotas to the customers concerned without disturbing, in the process, the present system of depot-holders at various stations. The idea here is that normal channels of coal distribution should not be upset. The Federation's scheme of coal dumps is thus cautious and restricted in scope to non-industrial users of coal. It has also the twin merit of being a compromise as well as an experiment. In view of the reasonable objections raised by coal merchants to the official scheme and in view of the Federation's considered finding that industrial users of coal may not find the dumps economic, the Coal Controller would be well advised to modify his scheme on the lines suggested by the Federation which seems to have ascertained the practical opinions of its industrial constituents before forwarding its proposals.

TEXTILE EXPORTS TO AFRICA

Indian trade missions going abroad have not unoften been prone to paint a rosy picture of prospects for exports, apparently on the basis of superficial observation. But the findings of the Indian Cotton Textile Delegation (leader: Mr. Chinoobhai C. Javeri), which recently visited North and West African countries, appear to be a departure from the usual trend. For the delegation has not hesitated to give the finding that "the future of our exports to these countries is gloomy and bleak." This observation, at any rate, is not prompted by any sense of frustration. Far from it. What is sought to be stressed is the need for vigilance on the part of both the textile industry and the Government, if India is to maintain its traditional markets for cotton textiles.

Now, what are the reasons behind India's setback in the West African textile markets? The first and foremost reason is the development of indigenous textile industries in these countries. Textile mills have already been established, for instance, in Senegal, Morocco, Ghana and Nigeria for the manufacture of greys. Expansion schemes are also under way, apart from plans for manufacturing bleached and other types of processed cloth. Some of the countries in this region have also got factories for the manufacture of blankets, towels and ready-made garments. Moreover, these industries are protected by import restrictions on the one hand and high tariffs on the other. Local production, however, is still far behind the consumption requirements of these countries. But, here again, Indian greys, drills and bleached cloth are being replaced by those from East Germany, Poland, Czechoslovakia, China and Spain, on account of their cheaper prices. Furthermore, staple fibre and rayons are competing with cotton textiles. Even in grey sheetings and other varieties, staple fibre and rayon have replaced cottons. The delegation also points out that, in many qualities of finished fabrics, staple fibre and rayon piecegoods have substituted cottons, owing to their price advantage. Besides, most of these countries, which have recently acquired independence, have overall adverse trade balances, and their economies are dependent largely upon the West which buys their primary products. Trade deficits are also sought to be minimised by entering into bilateral trade agreements. With India, on the contrary, they are regularly having adverse trade balances, because India buys little or next to nothing from them.

In these circumstances, one may ask, is there a way out for the Indian textile exporter from this queer predicament? The delegation does not seem to be unduly optimistic on this account. It has, of course, suggested a few notable measures for retrieving India's position in these markets. In the first place, it has advocated diversification of India's textile exports so as to cover prints, fancy varieties and quality cloth for which a large market exists in these countries, though here, too, there is formidable international competition. African and wax prints have a good market in West Africa, but they are not being manufactured in India. The delegation has called upon the Cotton Textile Export Promotion Council to take up the matter of producing these types in India with the Textile Commissioner, the Federation of Indian Cotton Mills and the three research associations. Secondly, the delegation has urged the Government of India to consider the question of concluding trade agreements with these countries. But the obvious difficulty here is that, as the delegation itself points out, these countries have not got the things to sell which India needs. Lastly, the delegation feels that it is advisable for India to collaborate with these countries in establishing new industries in that region. It will tend to foster goodwill and cordial relations essential for promoting trade in the future. The delegation has recommended that the Government of India or the Federation of Indian Chambers of Commerce and Industry should sponsor an Industrial Mission to visit these countries to investigate further this matter. While this suggestion is good in so far as it goes, it is doubtful if Indian industrialists will be willing and able to invest in such far-flung regions as West Africa, even if safeguards and incentives are provided to them.

RECOGNITION OF TRADE UNIONS

In his speech at the fifth annual convention of the National Federation of Indian Railwaymen, Mr. S. R. Vasavada, President of the Federation, suggested a solution to the vexed problem of recognition of trade unions. In his opinion, if a union fulfils certain conditions, the question of withholding recognition would not arise at all. These conditions, which should be well defined, are: (1) the union should have sufficient strength; (2) it should be able to maintain a sufficient number of full-time workers meaning thereby that workers should pay adequate subscription regularly; and (3) the union should accept the Code of Discipline for industries. In other words, according to Mr. Vasavada, all unions which satisfy the above-mentioned conditions should invariably be recognised. The Indian Labour Conference, too, at its fifteenth session held in Naini Tal in May 1958, discussed the question of recognition of unions and laid down certain clear criteria.

The criteria are easy to lay down but difficult to apply in practice. A host of problems crop up when they are sought to be applied. Strength of a union itself, when there are more than one union in an undertaking, as is the case in this country, is often disputed by the rival union. Verification of membership, as experience has shown, is not always easy or practicable. Neither is it possible to scrutinise the financial position of unions either because proper accounts are not maintained or because the unions themselves may resent their account books being examined by outsiders. Further, unions demanding recognition may accept the Code in principle but may not honour it in practice. Withdrawal of recognition on the ground of violation of the Code raises the complex issue of the validity of agreements entered into with unions when they enjoyed recognition.

The difficulties in the way of recognition can be attributed partly to the existence of a multiplicity of unions and their political leadership and partly to the antipathy, still shown by some employers, towards trade unions. As Mr. David A. Morse, Director-General of the I.L.O., points out in his latest report on labour relations prepared for the annual conference of the I.L.O. to be held in June next, even the employer with the best of intentions will have difficulty in recognising the right of a particular union to represent workers in collective bargaining when there are several unions claiming to represent the same group of workers. In Mr. Morse's opinion, the problem of trade union recognition is one of the most serious facing the trade union movement in the developing countries. Although more and more employers, particularly in large undertakings, accept the idea of trade unionism and successfully practise collective bargaining with their employees, there are some, according to Mr. Morse, who are still opposed to trade unionism. Their opposition stems from cultural traditions, social prejudices, mistaken concepts of the function of the employer or trade union. It is also a symptom of the employers' reaction to the type of leadership and the policies and programmes of the union with which they have to deal. This being the case, the problem of trade union recognition can be solved only when workers organise for genuine trade union reasons and develop leaders from among themselves and managements recognise that such organisation will be in the mutual interest of both parties.

KIRLOSKARVADI

Mr. Laxmanrao Kirloskar is a name to conjure with in agricultural Maharashtra, for it was he who began the manufacture of hand chaff cutters and iron ploughs in what has come to be known as Kirloskarvadi. Between 191 and now, the enterprise of Kirloskar Brother has grown from strength to strength, turning out a variety of products to serve agriculture small and large-scale industry, irrigation and public health projects, water works and the home. These products include agricultural implements, sugarcane crushers, centrifugal pumps and steel furniture. In celebrating the fifty years of its progress and achievement Kirloskarvadi neither rests on its oars nor pauses for breath, for it is buzzing with activity for further expansion.

The most important expansion project the Company has on hand is the one for manufacturing vertical turret lathes and horizontal boring machines in collaboration with the Ba lard Company of the United States and with the aid of a foreign currency loan of Rs. 2 lakhs from the Industrial Credit and Investment Corporation of India. A branch factory is also to be started shortly at Dewas in Madhya Pradesh. Kirloskar Brothers Ltd. thus poised for further expansion in the expanding economy that India is today and may well look forward to its diamond jubilee with greater hope and cheer.

GOVERNMENT OF INDIA

Further Issue of 3½ per cent. National Plan Bonds — Third Series (3½ per cent. 1967) — Issue price Rs. 98.90 per Rs. 100 (Nominal) — Repayable at par on 16th July 1967.

The holders of 3½ per cent. National Plan Bonds (First Issue) 1961, 2½ per cent. Loan 1961 and 3 per cent. Hyderabad Loan 1951-61 (H.E.H. the Nizam's Government 3 per cent. O.S. Rupee Loan 1360-70F) have been given the facility of converting their holdings into 3½ per cent. National Plan Bonds—Third Series (3½ per cent. 1967) to be issued at Rs. 98.90 per Rs. 100 (Nominal) and repayable at par on 16th July 1967.

2. Securities tendered for conversion will be accepted at the following rates :—

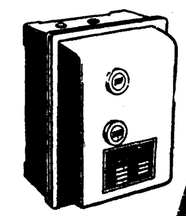
3½ per cent. National Plan Bonds (First Issue) 1961: Rs. 100 per Rs. 100 (Nominal)
2½ per cent. Loan 1961: Rs. 99.75 per Rs. 100 (Nominal)
3 per cent. Hyderabad Loan 1951-61: Rs. 85.90 per Rs. 85.71 or O.S. Rs. 100 (Nominal)

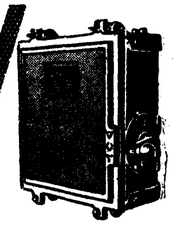
3. Interest on the securities tendered for conversion will be paid at the respective rates upto 31st May 1961 inclusive. Interest on the 3½ per cent. National Plan Bonds—Third Series (3½ per cent. 1967) to be issued by way of conversion will be paid from 29th May 1961; interest warrants for the period 29th May to 15th July 1961 inclusive will be delivered along with the new securities and thereafter interest will be paid half-yearly on 16th January and 16th July, commencing from 16th January 1962.

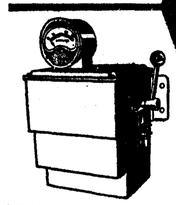
4. Applications for conversion will be received during the period 29th May 1961 to 3rd June 1961 (both days inclusive) at the following places :

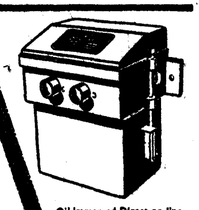
(a) Offices of the Reserve Bank of India at Bangalore, Bombay, Calcutta, Madras, Nagpur and New Delhi;
(b) Branches of the State Bank of Hyderabad conducting Government work and those at Jaggayyapet, Manoherial, Nagarjunasagar and Sirpur Kagaznagar in Andhra Pradesh, Manwath, Purli-Vaijnath and Sailu in Maharashtra State and Shahabad in Mysore State;
(c) Branches of the State Bank of Mysore in the State of Mysore except those at Bangalore, Mangalore and Gulbarga; and
(d) Branches of the State Bank of India at Mangalore and at other places in India except at the places specified in (a), (b) and (c) above.

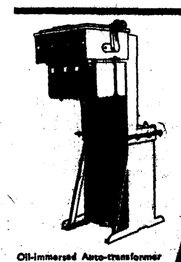
For full particulars, a reference may be made to any of these offices/branches, or Government Treasuries.

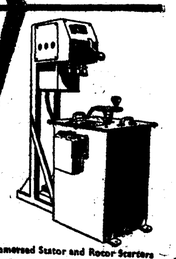

Direct-on-line Push Button operated AC Motor Control Starters upto 20 H.P.


Air Break Hand Operated Star-delta Starters Type NASD/NT. For squirrel cage motors upto 20 H.P.


Oil-immersed Ironclad Star-delta Starters Type NSD. For squirrel cage motors upto 100 H.P.


Oil Immersed Direct-on-line Starters type OND. Max. rating 15 H.P.


Oil-immersed Auto-transformer Starters type ATS. For squirrel cage motors upto 100 H.P.


Oil Immersed Stator and Rotor Starters type OSR for A.C. slipring motors upto 200 H.P.

MEI

A. C. MOTOR STARTERS

Made in India by:
THE MYSORE ELECTRICAL INDUSTRIES LTD.
Bangalore.

Sales & Service:
IAEC
(BOMBAY) PVT. LTD.
43, Forbes Street, Fort, Bombay 1.

Branch at: 'K' Block, Chawdhary Bldg., Connaught Circus, New Delhi.
Associated Offices at: Calcutta • Bangalore • Madras • Hyderabad.

IA-100

ON THE ARENA

By The Archer

Problem Of Sugar—As Mr. Nehru Sees It

I AM afraid the Prime Minister has not been properly briefed about the cost of production of sugar; either that, or, the facts as they are have not been analytically presented to him. Addressing a closed-door meeting of the Congress Party legislators at Lucknow early this month, he is reported to have stated that (*a*) the greatest difficulty facing the Government was how to compete for sale of sugar in the world market, for the world market price for sugar was cheaper than in India, (*b*) wages were lower in India but prices higher and (c) India should change the technique of production and bring it in line with other countries to compete in the world market. I do not know how far this report of what is purported to have been said in a *closed* meeting can be taken as authentic, but assuming it to be so, I would say that (*a*) is correct, (b) not quite correct and (c) correct only to a limited extent. Wages may be lower taking into account what is paid to each labourer employed, but calculated in terms of per ton of sugar produced, they are not lower; the achievement in competing countries is higher, perhaps due to more modern machinery and better technique employed, and undoubtedly due to larger quantity produced, arising out of better quality of cane crushed and longer crushing season. The utilisation of by-products and waste products is also greater, and the incidence of overheads over each ton of sugar produced is much lower. The finer points in the technique of production which have a bearing on the quality of the product have been greatly improved during the past few years but there is scope for more refinement in milling results, boiling house results, sucrose balance, extraction, stores consumption and fuel consumption.

The main reason for the continuing high cost of sugar production is, by and large, historical. The sugar industry was first given protection in 1932 not so much for the sake of the manufacturing industry as for the agricultural side of it. The interests of the cane grower were of primary concern, especially to the pioneering States of U.P. and Bihar; and even today vital decisions concerning the manufacturing industry are governed by factors affecting the interests of the cane grower which are, in a sense, political. Many of the units in the sugar industry in India could manufacture sugar as cheaply as in foreign countries provided they get sugarcane of as high quality and at as low a price as in those countries. Unfortunately, however, in areas which contribute the largest volume to the total production, the quality is poor, the duration of the season is short, and the cost of cane is controlled at a correspondingly high figure. In plain words, the growth of sugar production in India has been encouraged in areas which are totally unsuited to its economic manufacture, and nothing but the operation of the economic law of survival of the fittest will induce removal of the plants to more suitable areas. At present, a variety of considerations, social, regional, political and economic (mostly irrelevant in the face of external competition) stand in the way of removing the protective control both over the price of cane and the price of sugar.

The yield of sugarcane per acre in 1957-58 was 27.88 tons in Andhra, 27.13 tons in Bombay, 25.65 tons in Madras and 24.11 tons in Mysore. The yields in U.P. and Bihar were 10.12 tons and 8.47 tons respectively. As far back as 1950 (*Report of the Indian Tariff Board*) it was pointed out that the tropical conditions of Southern India were more suitable for cane development than the sub-tropical climate of North India. In the same report it was mentioned that the corresponding figure was 75.4 tons in Hawaii, 56.20 tons in Java, 41.14 tons in Peru, 28.4 tons in Puerto Rico, 28.7 tons in Florida, 14.33 tons in Australia, 20.6 tons in U.S.A., and 17.36 tons in Cuba. The *average* in India in 1957-58 was 12.7 tons; it had steadily declined from the peak figure of 14.2 tons in 1954-55. What was done with the sugarcane cess that had been collected by the Indian States during all the previous years?

The *average* all-India percentage of sugar recovery was 9.85 in 1958-59. The figure for West U.P. was 9.49, East U.P. 9.78, Bihar 9.79, Bombay 11.46, Andhra, Madras, Mysore and Kerala 9.53, and Punjab and Rajasthan 8.63.

The average duration of the crushing season in 1957-58 was 149 days in West U.P., 132 days in East U.P., 125 days in Bihar, 187 days in Bombay, 149 days in Andhra, 200 days in Madras and 135 days in Punjab. The all-India *average* was as low as 145.

Bearing these three factors of yield, sugar recovery, and duration of season in mind (as also which of the areas were responsible for lowering of the all-India averages) we should now take note of the percentage contributions of each State to the total production of sugar in India in 1958-59. U.P. 46.44 per cent, Bihar 16.21 per cent, Bombay 16.79 per cent, Andhra 6.27 per cent, Madras 3.56 per cent, Mysore 4.44 per cent and Punjab 3.61 per cent.

In the foregoing we have the explanation before us for the problem of high price of Indian sugar. We also have the guidance necessary for establishment of new units in the industry. But we are already facing a glut in production and at high cost too. That, together with the problem of how to make the uneconomic areas continue in production without breaking any bones—their own as well as those of the country's economy—constitute tough exercises in the reconciliation of conflicting interests.

* * * *

Stumer Cheques

I have just read a pathetic bit in a leading paper which says that the Delhi Municipal Corporation has been carrying a large load of stumer cheques dating from August 1958, aggregating in value some lakhs of rupees, received from taxpayers at the Karolbagh and City Zonal Offices of the Corporation. Most of them relate to the payment of arrears of house tax and property tax. The Chief Auditor who discovered the irregularity has, it would seem, asked the Municipal Commissioner to investigate why the parties concerned have not been called upon to make good the loss, and also to consider the desirability of withdrawing the facility generally. The Auditor has assumed the amount to be a total 'loss', as though it is impossible to lay hands on the people who have been playing the bouncing game, especially if they are property owners. Even otherwise, as municipal laws provide for stinging the purchasers with arrears of tax, it is beyond comprehension why the Corporation has been carrying the cadaverous material without taking distraint proceedings against the owners of the properties for over three years.

We have been talking a fat lot about the spread of the banking habit, and have also abolished the stamp fee on cheques so that there may be no impediment to the use of cheques. But the general attitude to stumer cheques is so lackadaisical that most banks do not take stern action against constituents whose cheques get frequently dishonoured. Indeed, many bank managers are so unsure of the accuracy of their ledger accounts (thanks to the low efficiency of their staff) that when returning cheques unpaid, they prefer to adopt a veneer of protection (against damages) by using such phrases as "Exceeds arrangement" or "Funds drawn against not received." The latter objection, in particular, is a pathetic understatement. In fact, most of the stock phrases like "Refer to drawer" or "Not provided for" are euphemisms, but they have, by usage, acquired the meaning that the drawer has no money in the bank sufficient to meet the cheque and is not good for temporary accommodation. Technically, a man who issues a stumer cheque can be prosecuted for cheating, although it may be hard to prove the intention. But he is undeniably an anti-social customer, and banks should join together and agree to give his like no quarter. Any lenience in treatment meted to a man who plays the bouncing game too often is doing a disservice to the community. For, as is believed to be the intention of the Delhi Municipality, the facility of making payments by cheques may be withdrawn for everyone, and the horror of having to queue at municipal counters is something the very contemplation of which is sure to send shivers down the spine.

* * * *

The Boost To Morale

The subject of space probe and space conquest is too vast to permit of any specific delineation of the scope of their ultimate benefit to the human race, but there is no denying the fact that the American success at Cape Canaveral on the 5th May is a great boost to morale in the United States. "We have done it" is a slogan which the American public love, especially in any competitive effort with Russia. The who'e world has assumed for over two decades that American supremacy in technological competence was unassailable, but when Russia sent the sputnik into space and American attempts to overhaul the Russian lead ended in failure, despondency and frustration became pronounced in the United States, and the outside world began to wonder if the result of the competition between a free society and a planned society might ultimately end in an affirmation of faith in the latter. It was good, therefore, that the demon of inferiority among Americans was exorcised by Commander Shepard's exploit. The Americans themselves have admitted that Shepard's performance was *not* on all fours with that of Gagarin—it does not need a Krushchev to point out that Gagarin orbited round the world three times in 108 minutes while Shepard only probed into space at a height of 115 miles and was back on earth in fifteen minutes—and that America has not yet caught up with the Soviet in the space race. But when it is noted that this contest (or, better, competition) between Soviet Russia and the United States is not just or purely a scientific contest, but is considered by several nations to indicate the content and capacity for achievement of the kind of society in those two countries—free capitalism *versus* planned communism—the re-establishment of the sustained vitality and strength of the former is a matter for considerable satisfaction to the free peoples of the world. Nothing keeps a person on his toes as much as competition, and while complacency has been a recurring weakness with all affluent societies, America has been no exception. A race between two giants is therefore good to see, provided the objectives of the competition continue to be the establishment of peace in the world and scientific progress for preservation of mankind.

Comments in the British Press on the American exploit have taken mixed forms. There seems to be a measure of satisfaction over the fact that it will help to boost American morale. But the pedantic wisdom (it rhymes with Vedantic wisdom) which the Anglo-Saxon is always fond of showing off, has manifested itself in some of the leading newspapers paying cynical left-handed compliments. One comment is that the space flight has only proved that American rockets and guided missiles work as well as American refrigerators and motor cars, and that the cardio-vascular system of an American is just as good as that of a Russian. The small trace of wit in this piece no doubt redeems its pettiness, but the grandpapa-ism fails to realise that if an English Astronaut was sent into space from England, he will perhaps have to be recovered somewhere in Europe (there is'nt enough space in England to manœuvre him back); and when the English honour a man for daring to do his bit for his country, he would be given a peerage which would not only reduce him to impecuniosity during his lifetime, but also hang round his progeny's neck like a millstone and reduce him to political impotence in an otherwise free society.

Notice

SELECTED SATGRAM COLLIERIES LIMITED

A MEETING OF THE BOARD OF DIRECTORS of Selected Satgram Collieries Limited was held on 13th May 1961 and it was decided to recommend to the shareholders at the Annual General Meeting, which was fixed to be held on 28th June 1961, the payment of final dividend for the year ended 31st December 1960 @ the rate of Rs. 8 per share, subject to deduction of tax, on 13,000 (old) ordinary shares and *pro rata* @ the rate of Rs. 2-62 nP on 6,500 (Newly issued) ordinary shares, payable on 20th July 1961.

DELHI LETTER

COMMONWEALTH ECONOMIC MEETING

INDIA MAY ASK FOR CONCESSIONS FROM COMMON MARKET

(From Our Special Correspondent)

NEW DELHI, 16*th May*

THE meeting of Commonwealth economic officials in London at the end of this month is of more than ordinary importance, in view of Britain's apparent readiness to join the six-nation Common Market soon as a full member. Though close economic ties with Commonwealth countries constituted a major reason for British reluctance to accept all the terms for entry into the European Economic Community, it now appears that even more serious problems will be created by British agricultural interests and by the European Free Trade Area, the latter now barely a year old. In facing these, the British Government will be considerably helped by the understanding shown by most Commonwealth countries for Britain's delicate position, and its desire to become an instrument of political and economic unity in Europe. The loss of preference for Commonwealth goods imported by Britain will not have uniform effects for all countries. Canada and New Zealand have been more critical than the rest, while India and Australia, though conscious of the possible setbacks to exports due to the abolition of preference for Commonwealth goods, would like Britain to use its improved bargaining position for securing concessions which will ease the problems of the transitional period.

Battles Over Tariffs

Some of these battles over tariffs have to be fought in the general round of tariff negotiations under G.A.T.T. due to begin soon in Geneva. The Indian representative for both the London meeting of Commonwealth officials and for the next session of the G.A.T.T. will be Mr. L. K. Jha, Secretary for Economic Affairs in the Union Finance Ministry, whose long experience in this field will be a considerable asset in both places. If the Common Market countries as a whole can be persuaded to be less discriminatory in their tariff policies to those outside and permit Britain to grant concessions to the Commonwealth analogous to those which they have been granting to their own overseas dependencies (even after they have become free), there will be no particular reason to dread the prospective changes. India, for example, fears that textiles, tea and tobacco are the commodities likely to be hit hard by the loss of preference. A new factor in the situation is the unexpected rate of growth in the trade of the European Economic Community and, so long as the total volume of imports is not a shrinking but an expanding quantity, there is less reason to fear the consequences of change. Export prices of manufactures in the Common Market will probably decline as a result of the keen competition and, if consumption levels there rise faster, the demand for imported raw materials and food products will also expand. If tariffs are kept low on food articles and beverages, exporters of these in the Commonwealth countries will be more than compensated for any decline in sales to the British market.

Solutions will not be found through general principles but only in detailed negotiations and definite indications of future trends will be available only after a long time. In any order of priorities, the future of British agriculture will claim a top position, in view of its vital importance to both the political parties. Mr. Butler, Home Secretary, recently stated at a meeting of Conservatives that a system of price support quite different from the present subsidy—such as a levy on imports—may have to be considered to protect British agriculture. These are indications that the British Government is preparing itself for making most of the adjustments needed for entry into the six-nation Common Market, in view of the economic advantages offered by such participation, especially the incentive to economic efficiency and rapid economic growth offered by the scope for competition within that group. However, loyalty to the newly-organised E.F.T.A. is proving an encumbrance, because, except Denmark (and perhaps Norway and Portugal later), all the other countries are politically neutral and cannot follow Britain into the Common Market, by accepting terms which involve some surrender of political sovereignty. Austria, Sweden, Switzerland and Finland are in this category and it is doubtful whether they will find a solution amongst themselves after Britain's exit. Professor Hallstein, Chairman of the European Economic Community, has asserted that complete acceptance of the Rome Treaty by Britain was not essential and that in any case no quick decision was expected from her.

There may thus be sufficient time and opportunity for the Government of India to press the country's claims for concessions and prepare itself for the next step where they are not adequate.

Foreign Aid

The pattern of foreign aid received by India so far and the manner of its utilisation has some important lessons when negotiations for further aid are being conducted and the Aid-India Club may be taking some decisions at the end of the month on the type of assistance to be offered by its members. The overall picture of external assistance to India at the end of the second Plan (31st March 1961) was as follows:

(Rupees in crores)

	Granted	*Utilised*	*Carryover*
Loans:			
In foreign currency	1,604.11	936.59	667.52
In rupees	253.57	93.70	159.87
Total	1,857.68	1,030.29	827.39
Grants:			
In foreign currency	256.86	229.87	26.99
In rupees	395.96	5.08	390.88
Total	652.82	234.95	417.87

It is possible that the actual utilisation will be somewhat less than is indicated above when the final accounts are settled, making the carryover larger. How much of this unutilised portion can be drawn upon until other assistance is forthcoming will depend on the progress of the particular projects to which much of the aid is earmarked. Practically all the *grants* in foreign currency to the extent of Rs. 230 crores have been utilised by way of imports of foodgrain or materials, while almost the entire rupee grants are lying unused apparently for the reason that no project for which the grant was made has suffered in execution for lack of rupees.

THE BRITISH INDIA CORPORATION LTD.
KANPUR

BRANCHES DIVISION
Cawnpore Woollen Mills Branch
New Egerton Woollen Mills Branch
Cooper Allen Branch
North West Tannery Branch
London Office

BEGG SUTHERLAND DIVISION
Secretaries and Treasurers:
The Elgin Mills Company, Limited
Cawnpore Textiles Limited
Brushware Limited
Cawnpore Sugar Works Limited
Champaran Sugar Company, Limited
Saran Engineering Company, Limited

Secretaries for:
Beta Picker & Co. Ltd.

Agents for:
Royal Exchange Assurance

In respect of the loans carried over, some were specifically made for the third Plan projects (like those from the Soviet Union, Poland and Yugoslavia amounting in all to about Rs. 300 crores). In respect of the balance, difficulties in utilisation of certain foreign credits are illustrated in the following table:

(Rupees in lakhs)

	Authorised	*Utilised*	*Carryover*
U.K.	122,66	122,40	26
World Bank	194,87	172,95	21,92
U.S.A.	569,84	322,99	246,85
U.S. Export-Import Bank	95,24	35,73	59,51
Canadian Wheat Loan	15,71	15,71	..
U.S.S.R.	383,81	78,27	305,54
West Germany	122,24	113,75	8,49
Japan	27,62	11,97	15,65

It will be seen that there has been maximum utilisation of the U.K. loans most of which were general credits, besides the special ones for the Durgapur steel project and the oil pipeline loan. Next in order comes the World Bank's assistance and those still remaining to be fully utilised are the recent loans for railway projects, the D.V.C. third loan and the Koyna project loan. In regard to U.S. aid, the slow pace of utilisation of P.L. 480 assistance is quite understandable; the Development Loan Fund has offered credits on easy terms of interest and repayment, but their link with particular projects, especially non-industrial ones, has been responsible for the slower drawals. Though it is some time since the first Export-Import Bank loan of Rs. 71.43 crores ($150 million) was granted, more than half of it remains, besides the second loan of Rs. 23.81 crores. The bulk of the utilisation of about Rs. 25 crores of Eximbank loan was in the private sector, by the textile, chemical and automobile industries. Orders have, however, been placed for equipment to be financed by this assistance, the major public sector enterprise to benefit being the National Coal Development Corporation. Even these orders, however, have not exhausted the first credit and this is one sphere in which the suggestion of the former President of the Federation of Indian Chambers of Commerce and Industry for diversion of such aid to the private sector can be considered with advantage.

Even slower has been the rate of utilisation of the Soviet credits except those given for Bhilai. Not even one-sixth of the credit of Rs. 60 crores for industrial enterprises has been drawn upon; drug projects for which Rs. 9.5 crores was secured have not been progressing rapidly and Barauni credit of about Rs. 12 crores has naturally taken much time for being put to use. The rest of Russian aid has been given specifically for the third Plan. Fuller use of the earlier credits will depend on the progress of the Heavy Machine Building Plant, Coal Mining Machinery Plant, and the Korba Coalfield projects.

Hardly Justified

West German credits have been of the same magnitude as U.K.'s except for the aid for Rourkela of which a small part remains; other credits were of a general type and have been used up. On the other hand, Japanese Export-Import Bank credits (being of the same nature as the American) have taken a similarly long time for the preparation of programmes; a hitch in respect of procedure delayed orders even at the beginning. Since the credits are being made available for a wide variety of power and transport projects, besides private sector schemes, such a slow pace of progress seems hardly justified. Here again, the allocation to the private sector could, perhaps, have been larger; the high cost of equipment which was one of deterrents to fuller use of U.S. Eximbank aid by the private sector does not apply to the Japanese Eximbank credit.

Quite apart from the importance of untied credits—for maintenance imports and purchase of equipment for projects which are ready and can be implemented by both sectors—these trends in utilisation suggest the need for greater attention to flexibility in project-wise assistance. The desire to make use of the U.S. Development Loan Fund for a wide variety of public sector projects is quite understandable (except for the indirect assistance given to the private sector through the I.F.C. or the I.C.I.C.I.) but there has been some avoidable tying up with miscellaneous projects to the neglect of more urgent schemes in the private sector, for which applications had been made to the new financial institutions.

WEST BENGAL'S MEMORANDUM TO FINANCE COMMISSION

MORE DEVOLUTION OF FUNDS DEMANDED

IN an effort to secure a substantial devolution of funds from the Centre, the West Bengal Government has submitted a comprehensive memorandum to the Third Finance Commission, which is meeting the Ministers and officials of the State Government in Darjeeling next week to hear their oral representations. The memorandum, running into 86 printed pages, avers that the two previous Finance Commissions, in making their recommendations to the Union Government had failed to do justice to West Bengal and expresses the hope that at least the Third Finance Commission (Chairman: Mr. A. K. Chanda) will take a realistic view of the position of the State's economy and make appropriate modifications in the principles hitherto followed both in the determination of the percentage to be distributed and in the basis of distribution among the States. The memorandum presents the case for giving up the existing basis of population for distributing the divisible part of the shared taxes among the States. Criticising the reasoning given by the First and Second Finance Commissions to the effect that the needs of the various States were directly dependent upon population in the respective areas, the memorandum observes:

"This assumption completely overlooks the fact that needs of certain States where there are heavy concentrations of population in vast centres and the environs are much greater *per capita* than those of the other States where population is evenly distributed over a wide area and is predominantly rural in character. In West Bengal there is added complication of a high overall density of population. There is no reason to overlook the elementary fact that *per capita* cost of social overheads and services is much higher in concentrated centres of population and in densely populated States than in predominantly remote and low density areas."

The memorandum points out that the First Finance Commission reduced W. Bengal's share in the divisible pool of income-tax from 13.5 per cent to 11.25 per cent, the divisible pool having been fixed at 55 per cent of the net proceeds. The First Commission (Chairman: Mr. K. C. Neogy), it may be recalled here, had admitted the relevance of the fact of *contribution* in the distribution of shared tax, but had rightly observed that *collection* was an inadequate index of contribution. The Neogy Commission had further felt that "bases of income-creation are far more diversified and widely spread over the country than the facts of collection would seem to suggest." That the Commission did not, however, completely neglect the factor of contribution is clearly shown by its recommendation that 20 per cent of the divisible pool should be distributed to the States on the basis of collection and the remaining 80 per cent in accordance with population.

Population Criterion

With a view to expanding the divisible pool itself and thereby relieving the financial difficulties of the State Governments, the Second Finance Commission (Chairman: Mr. K. Santhanam) increased the share going to the States from 55 per cent to 60 per cent but held firmly to the view that the actual distribution of the share of each State in the divisible pool should be determined on the basis of population. The Santhanam Commission, in fact, suggested the total elimination of the factor of collection in fixing the shares of respective States, but since it wanted this change to come by stages, it recommended that 10 per cent be distributed on collection basis and the balance on population basis.

It is this criterion of population that is attacked by States like W. Bengal and (former) Bombay State, which account for 75 per cent of the all-India collection of income-tax. In its memorandum the Government of W. Bengal has furnished detailed figures to show that for every one hundred rupees collected during the year, Andhra, Assam, Bihar, Madhya Pradesh, Orissa, Punjab, Rajasthan, U.P. and Kashmir are receiving more than one hundred rupees, while the other States are receiving less than one hundred rupees. These statistics cannot be considered meaningful for the simple reason that the absolute collection of income-tax in less industrialised States is much lower than that in the relatively advanced States. Once the population basis of distribution replaces the collection basis, it is only natural that a considerable amount of income-tax collected in West Bengal, Bombay and Madras should be diverted to other States.

The W. Bengal Government is, of course, on firm ground in listing the special needs of West Bengal ranging from the general problem of unemployment to the needs of intensifying policing in the border and the highly industrialised areas, from food and relief expenditure to education and refugee rehabilitation. But such special needs could be looked after through special grants-in-aid of revenue for particular purposes.

The memorandum has also pointed out that consequent upon the receipt of income-tax from companies now being treated as corporation tax, there has been a great increase in the Central pool. The W. Bengal Government's demand that this should be made divisible is quite reasonable. The memorandum has alternatively suggested that the State's share could be easily expanded by raising the percentage of the divisible pool assigned to the States to 95 per cent as against the present 60 per cent recommended by the Santhanam Commission. The issue raised by West Bengal is of general concern to all the States. The present Finance Commission would have now to decide whether the States should be given a larger share of the divisible pool of personal income-tax to compensate for their loss on account of corporate tax—it may be recalled here that the Union Government has been giving to the States additional grants to compensate them for the loss caused by the conversion of company income-tax into corporation tax—or whether to advise the Union Government to amend the Constitution suitably to grant the States a share of the Corporation tax itself.

Union Excise Duties

In respect of Union excise duties, the W. Bengal memorandum observes that the Neogy Commission came to the conclusion that duties on tobacco, matches and vegetable products were the most suitable for distribution and had recommended that 40 per cent of the net proceeds of these duties be allocated to the States, the share of each State in the divisible pool being determined on the basis of population. The Second Finance Commission, however, reduced the proportion going to the States to 25 per cent, but compensated the States financially by bringing within the orbit of devolution the excise duties on sugar, tea, coffee, paper and vegetable non-essential oils. The West Bengal Government has urged the Chanda Commission that the correct basis of allocation should be consumption. It may be noted here that the First Commission had observed that the basis of consumption could not be adopted as the data of consumption for the respective States were not available. The Santhanam Commission went a step further and pointed out that distribution of excise duties on the basis of consumption would operate in favour of the more urbanised States which are also in a better position to raise substantial revenue from sales tax on such consumption. How the Chanda Commission will approach this question is by no means clear.

As regards sales taxation, the W. Bengal memorandum observes that per capita taxation in the State so far as sales tax is concerned is already the highest among the States in India. Besides, sales tax, there is practically no other major source of revenue, since in the initial stage of land reform receipt from land revenue and agricultural income-tax is low. Payment of compensation to zamindars and intermediaries have added further to the problem. In West Bengal the sales tax rates have been raised repeatedly and the tax collection has reached saturation point. The memorandum also points out that there is a gap of about Rs. 200 crores in the resources for financing the third Plan outlay and that this gap would be closed only if Central assistance of the order of Rs. 200 crores is given instead of the Rs. 160 crores indicated by the Planning Commission. Emphasising that there has been an inadequate appreciation on the part of the Centre of the special problems of West Bengal, the memorandum adds:

"West Bengal feels that there has been inadequate appreciation on the part of the Centre of the special problems of West Bengal in the matter of allocation of resources even from the very inception of this State due to its closest proximity to the war-front, the paralysing effect of the 1943 famine, the politico-communal turmoils culminating in the partition, the day-to-day problems of maintaining law and order along its extensive international frontier running upto 1,300 miles, and above all the States' economic malaise in the form of acute unemployment and a chronic maladjustment in the distribution of the available employment potential between the surplus local manpower and personnel flowing in from outside the State, etc., seemed to have been overlooked when immediately after Independence the Centre 'by a mere stroke of the pen' scrapped the Niemeyer Award and reduced West Bengal's shares in the divisible pool of the income-tax to only 12 per cent as against undivided Bengal's share of 20 per cent.

"The jute growing States' share in the export duty on jute goods in which again West Bengal was most vitally interested was also similarly reduced from 62½ per cent to only 20 per cent. The State Government made strong protests to the Union Government against this inequitous and arbitrary' decision and obtained an assurance that 'an arbitrator would be appointed to go into the whole question' of sharing income-tax and the export duty on jute goods. When Mr. C. D. Deshmukh was appointed arbitrator, it was found that his term of reference was restricted only to making 'some adjustments' with the result that his award increased West Bengal's share in the divisible pool of income-tax from 12 per cent to 13¼ per cent and gave West Bengal Rs. 1.05 crore as grants-in-aid in lieu of the jute export duty."

Of course, these and other problems have been mentioned in the memorandum to lend additional support to the West Bengal case for greater devolution of funds from the Centre. Some other States may have similar tales of sorrow to recount before the Chanda Commission. There are also many States which are far less industrially developed than West Bengal, Maharashtra, Gujarat, Delhi and Madras, and they too may do some very special pleading. The Chanda Commission, thus, may find it even more difficult than the previous two Commissions to satisfy the competitive demands of States.

The
Union Bank
of India Limited.
(ESTD: 1919)
Head Office:
Union Bank Building
Apollo Street
BOMBAY-1
★
WITH WORLD-WIDE CONNECTIONS WE ARE FULLY EQUIPPED TO HANDLE EVERY KIND OF FOREIGN EXCHANGE BUSINESS
F. K. F. Nariman, *General Manager*

BANK OF RAJASTHAN LTD.

The year 1960 proved to be quite a prosperous one for the Bank of Rajasthan Ltd. (General Manager: Mr. B. L. Sethi, Udaipur) in that it witnessed a distinct improvement in earnings. This followed a rise in credit made available by the Bank which was rendered possible by the substantial expansion in deposits from Rs. 492.22 lakhs in 1959 to Rs. 536.26 lakhs in the year under review. Thanks to the brisk demand for loanable funds on the part of industry and trade, resulting from the increasing tempo of industrialisation, advances went up from Rs. 190.87 lakhs to Rs. 263.29 lakhs, taking up the ratio of advances to deposits from 38.8 per cent to 49.09 per cent. Consequently, the income earned by way of interest and discount rose from Rs. 20.96 lakhs in 1959 to Rs. 24.50 lakhs and commission and exchange from Rs. 5.86 lakhs to Rs. 6.24 lakhs. This improvement in profit is remarkable when it is realised that a large part of these increases has no doubt been neutralised by outgoings in the form of interest paid and other expenses, the former having risen by Rs. 1.66 lakh to Rs. 14.81 lakhs and the latter by Rs. 1.63 lakh to Rs. 13.13 lakhs. Nevertheless, the profit (before taxation) has gone up from Rs. 2.60 lakhs to Rs. 3.36 lakhs, representing an increase of more than 29 per cent.

After providing Rs. 1.10 lakh for taxation, as against Rs. 96,000 in the previous year, the Directors have transferred Rs. 91,000 to reserve *funds*

(Rs. 53,000 in 1959) and utilised Rs. 41,000 (Rs. 37,000 in 1959) for giving bonus to staff. The balance of Rs. 95,000 is proposed to be utilised for paying a higher dividend of 10 per cent subject to tax, as against 8 per cent distributed in 1959, leaving Rs. 3,000 to be carried forward to next year. The net dividend of 7 per cent is slightly higher than the 6 per cent tax-free dividend declared in 1957 and 1958, and the taxable dividend of 8 per cent (5.6 per cent net) given in 1959.

A synoptic view of the progress of the Bank from 1957 can be had from the following comparable table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Interest and discount earned ..	24.50	20.96	17.35	14.27
Commission and exchange ..	6.24	5.86	5.49	5.32
Interest paid	14.81	13.15	10.89	8.29
Expenses	13.13	11.50	9.79	8.76
Depreciation	0.79	0.68	0.58	0.36
Profit	3.36	2.60	2.33	2.75
Provision for taxation	1.10	0.96	0.90	1.04
To reserve and other funds ..	0.91	0.53	0.54	0.88
Bonus to staff	0.41	0.37	0.34	0.28
Dividend	0.95	0.74	0.55	0.55
	(10%)*	(8%)*	(6%)*	(6%)
Carry forward	0.03	0.01	0.01	0.01

	As on 31st December			
	1960	1959	1958	1957
Paid-up capital	9.24	9.24	9.23	9.23
Reserves	8.01	7.10	6.92	6.27
Deposits	5,36.26	4,92.22	4,53.74	3,81.14
Advances	2,63.29	1,90.87	1,45.70	1,81.49
Investments	2,01.77	2,29.54	1,87.13	1,02.92
Cash	1,16.67	1,18.92	2,11.03	1,35.28
Balance-sheet total	6,46.84	5,95.98	5,35.93	4,57.32
Ratio to deposits of—	%	%	%	%
Advances	49.0	38.8	32.1	47.6
Investments	37.6	46.5	30.2	26.9
Cash	21.5	24.4	46.5	35.5

* Subject to deduction of tax.

As noted earlier, the deposits of the Bank show a substantial expansion. The expansion is accounted for by all categories, fixed, savings and current. The Bank's bill business also shows a steady growth, as witness the rise in bills payable from Rs. 28.86 lakhs to Rs. 34.05 lakhs and bills for collection from Rs. 29.51 lakhs to Rs. 30.20 lakhs. On the assets side, investments have been reduced from Rs. 229.54 lakhs to Rs. 201.77 lakhs, presumably to meet the growing demand for bank funds from commerce and industry. The liquidity ratio (ratio of investments *plus* cash to deposits) has, therefore, come down from 70.9 per cent in 1959 to 59.1 per cent.

The Bank opened four new branches during the year under review. One of them is a mobile branch specially intended to cater to the needs of the suburban residents of Jaipur City.

RISE IN WORLD BANK'S RESOURCES

The reserves of the World Bank have risen by $72.8 million to $579.3 million over the nine months ended 31st March 1961, according to a report issued by the Bank on the 8th inst. The additions to reserves are made up of net earnings of $48 million which were placed in the supplemental reserve against losses on loans and guarantees, and loan commissions of $21.5 million which were credited to the special reserve. Another $3.3 million was added to the supplemental reserve representing net profit resulting from revaluation of the Bank's holdings of Canadian dollars, German marks and Netherlands guilders. On 31st March, the supplemental reserve aggregated $393 million and the special reserve was $186.3 million.

Gross income, exclusive of loan commissions, was $124.5 million. Expenses amounted to $76.5 million and included $65.3 million for interest on the Bank's funded debt, bond issuance and other financial expenses.

During the period, the Bank made 18 loans of the value of $380.6 million in Burma, Colombia, Costa Rica, El Salvador, India (2 loans), Israel, Japan (3 loans), Mexico (2 loans), Norway, Pakistan, Panama, Peru, Uganda and Yugoslavia. This brought the total number of loans to 283 in 55 countries or territories and raised the gross total of commitments to $5,561.3 million. By 31st March, as a result of cancellations, repayments and sales of loans, the portions of loans signed still retained by the Bank had been reduced to $4,059.5 million.

Disbursements on loans were $279.1 million, making total disbursements $4,200.3 million on 31st March.

The Bank sold or agreed to sell the equivalent of $154 million principal amounts of loans. As at 31st March, the total amount of such sales was $965.1 million, of which all except $69 million was without the Bank's guarantee.

Repayments of principal received by the Bank amounted to $77.3 million. Total principal repayments amounted to $796.9 million on 31st March; this included $415.2 million repaid to the Bank, and $381.7 million to the purchasers of borrowers' obligations sold by the Bank.

The outstanding funded debt of the Bank amounted to $2,182 million on 31st March 1961, reflecting a net increase of $109 million over the past nine months. In this period there was a gross increase in funded debt of $597.6 million consisting of a public bond issue in Swiss francs equivalent to $14 million; the private placement of bonds and notes equivalent to $338.5 million, partly to raise new funds and partly as refunding operations ($388 million in U.S. dollars, $142.8 million in Deutschemarks and $7.7 million in Swiss francs); the delivery of $6.8 million of dollar bonds and $33.4 million in Deutschemark notes of issues sold previously subject to delayed delivery arrangements; and $14.5 million equivalent which was added to the funded debt as a result of the revaluation of outstanding Netherlands guilder, Canadian dollar and Deutschemark bonds and notes. The gross decrease in funded debt was $488.6 million and resulted from funded debt maturing in the amount of $115 million; sinking fund and purchase fund transactions amounting to $12.7 million; and the refunding of privately placed issues equivalent to $360.9 million.

Pursuant to the increase in the authorised capital of the Bank from $10 billion to $21 billion on 15th September 1959, 61 members have doubled their subscriptions and 28 members have subscribed to $1,366.9 million in addition to their 100 per cent increase. During the past quarter Portugal and Nigeria became members of the Bank with capital subscriptions of $80 million and $66.7 million respectively, bringing total membership to 68. The subscribed capital of the Bank amounted to $20,062.9 million on 31st March 1961.

I.M.F. CREDIT TO AUSTRALIA

The International Monetary Fund has agreed to a drawing by the Government of Australia that is equivalent to $175 million in currencies held by the Fund. It has also entered into a stand-by arrangement with the Australian Government which authorises additional drawings equivalent to $100 million over the next twelve months. Australia will draw immediately the equivalent of $55 million in Deutschemark, $40 million in United States dollars, $30 million in pounds sterling, $15 million in French francs, $15 million in Italian lire, $10 million in Canadian dollars and $10 million in Netherlands guilders.

This use of the Fund is intended to support the Australian Government in the efforts it is making to improve its foreign payments position by means of fiscal, monetary and other measures. The country's payments problems stem in part from a domestic boom in 1960 which stimulated import demand and diverted to the home market some production which is normally available for export. In addition, Australia's foreign exchange receipts were unfavourably affected during that year by a fall in world market prices for some primary products, especially wool.

Since early 1960, the Australian Government has progressively sought to reduce the pressure of internal demand by policies affecting bank credit, government expenditure and taxation, while maintaining a liberal system of foreign trade and payments. These policies have recently been showing favourable results, and are being continued. There has recently been some improvement also in Australia's trading position.

The Government of Colombia and the World Bank have agreed to sponsor a survey of Colombia's transportation facilities and needs with the objective of formulating a co-ordinated transportation investment programme. The survey is being undertaken by the New York engineering firm of Parsons, Brinckerhoff, Quade and Doughlas which is sending 13 experts to Colombia. A joint Colombian-World Bank steering committee will have responsibility for the general guidance and supervision of the consultants' work, including arranging for basic information and available studies required for the purpose of the survey, and liaison between the consultants and public and private entities.

The World Bank has announced a loan of $22 million for the expansion of hydro-electric installations supplying power to the metropolitan area of Medellin, an important manufacturing centre in Colombia. The project provides for the addition of 138,000 kilowatts of new capacity to the system serving the area and the extension of transmission and distribution facilities. Four commercial banks, in the United States, are participating in the loan, without the World Bank's guarantee, for a total amount of $300,000, representing the first maturity which falls due in March 1966.

(*Concluded from next column*)

and he stressed to them the manner in which Britain's trade with the world was inevitably changing. The traditional importers of Britain's manufactures were more and not less bent on protecting their infant industries, hence the static relationship of our trade with such countries. On the other hand, the industrialised countries were tending more and more towards a greater exchange of their own specialised goods. In countries such as North American and Continental Europe, the development of living standards is increasing opportunities for first quality goods. "It is a fact," said the Minister, "that, in recent years, trade between the industrial countries of the world has risen much faster than trade between the industrial countries, on the one hand, and the primary producers, on the other."

If we go back to the Board of Trade figures and make a direct comparison between 1955 and 1960, the message becomes even more obvious. It is true that, in 1960, we exported to the overseas sterling area, £1,450 million of goods, but that figure was only 3¼ per cent higher than five years previously. To Europe we exported more than £930 million, but that figure was 24 per cent higher than five years previously. All this explains the Government's anxious searching for a formula to compensate Commonwealth preferences, on the one hand, and to placate suspicious farmers who fear that entry into the Common Market will reduce their own opportunities for profitable selling.—*All Rights Reserved.*

BRITAIN'S TRADE

THE CHANGING PATTERN

(From Our Own Correspondent)

LONDON, *12th May*

LONDON LETTER

THE Board of Trade has this week published some comparative figures of the manner in which this country's trade with different parts of the world has changed over the past five years. It is often misleading to take individual years in this sort of comparison and the figures below are the averages at each end of the period covered by the Board's review:

(Quarterly averages £ million)

	Average 1959-60	*Average* 1955-56	*Increase per annum*
Overseas sterling area ..	351	350	4
North America ..	145	98	188
Common Market (6) ..	134 } 228	112	88
E.F.T.A. (7)	94 }	81	52
Other non-sterling ..	167	142	100
Total ..	891	783	432

The trade with the Common Market countries has increased over this period by £88 million per annum, while with the overseas sterling area the increase is negligible. Equally the trade with the E.F.T.A. shows a significant increase of £52 million. Thus the trade with Europe has increased by £140 million per annum, whereas that with the overseas sterling area has been stationary.

The moral which Ministers are seeing in this is that they are more justified in pinning their hopes for an expansion in Britain's trade towards Europe than they are in pinning it on the Commonwealth. This is not to say that the Commonwealth can be disregarded, but it is to say that the existence of Commonwealth preferences should not be allowed to become a permanent reason for Britain not entering the Common Market. If it is argued that Britain's trade with the Common Market is going up anyway, so what is there to worry about, the answer is that the figures quoted, while indicating the trend to date, cannot pinpoint what is likely to happen as the Common Market becomes a closer economic entity.

Gap Widening

Only six weeks ago, the President of the Board of Trade—who is kept very busy these days propaganding Britain's efforts to get into the Common Market—said specifically to the Joint Committee of the Common Market Chambers of Commerce in Great Britain that "The gap between the two European trade groups is widening . . . . The effects of the division between the Six and the Seven have been obscured by the relatively small size of the initial tariff reductions and by the general expansion of European trade. But . . . . the diversion of trade and commerce and the distortion and duplication of investment is causing growing concern," and he went on to say that "but we should grow and prosper far less in a divided Europe than we could in a single European system."

The Government has seen the danger clearly enough and their intention is firm, though they do not yet know how to acheive it. When the same Minister spoke this week as Chairman of the E.F.T.A. Ministerial Council at the meeting of the E.F.T.A. Consultative Committee in London, he was at pains both to make clear —without using clear words—that Britain had to find her way into the Common Market, though she did not want to let down the E.F.T.A. members in the process. One of the purposes of the foundation of the E.F.T.A. was, as the Minister said, "a step towards an agreement between all member-countries of the O.E.E.C.," and he went on to say that "a solution must be found . . . . which does not jeopardise the interests either of the members of the Community or of the member-countries of the E.F.T.A. . . . . It should be possible to make special provisions to meet the difficulties of individual countries . . . . which will strengthen both the economic and political unity of Western Europe."

Last week, Mr. Maudling was making another defensive speech to trade interests who are a bit bothered by the possibilities of closer unity with Europe meaning more competition

(*Continued in previous column*)

WOOLLEN TEXTILE INDUSTRY IN INDIA

PRODUCTION CONTINUES TO BE LOW

IT looks as though the woollen textile industry will be subjected to full-fledged controls on production, distribution and prices. The Government has already fixed the percentages for production of worsted yarn for weaving, hosiery and knitting in individual mills. It has also fixed maximum ex-factory and retail prices of certain worsted hosiery goods. The mills are required to stamp prices and excise duty on the goods they produce. Further, the Textile Commissioner is vested with powers to impose price control on all kinds of woollen and worsted yarns as well as fabrics. Meanwhile, the Tariff Commission has been asked to determine the prices of the various products manufactured by the woollen industry.

The woollen industry is somewhat perturbed over the series of control orders issued by the Government. It is pointed out, for instance, that the Government has not taken into account the necessary facts and weighed them before issuing the order fixing different percentages for the production of worsted yarn for weaving, hosiery and knitting. Criticising this order, a correspondent observes as follows:

"When by such omnibus orders, the Government lays down a rule that only a certain percentage of a particular type of yarn is to be manufactured by a unit, the first thing that should be taken into consideration is the nature of the machinery installed in a particular plant. If the nature of the machinery installed in a plant is not of a type suitable for manufacturing worsted yarn for any specific purpose, any such order, in effect, becomes null and void because of the impracticability of putting the same into operation. What is sauce for the goose is not sauce for the gander. The second point to be taken into consideration is whether the pattern of market that has been built up by the labour, efforts, risks and sacrifices undertaken by the unit should be disrupted overnight by asking such a unit to switch over to other lines of production. Thirdly, what about the displacement of labour and the heavy retrenchment compensation to be paid by the mills on account of effecting such changes? These are questions that should have been gone into before an omnibus order or individual orders of the type mentioned above were passed by the Government."

Trend of Output

There is considerable force in these observations. If the woollen industry is to meet a part of the expanding domestic and export requirements of textiles in the coming years, it must enjoy a certain amount of freedom in the production sphere, as well as active encouragement and assistance from the Government. This aspect has to be specially stressed because of the continued low level of production. The total quantity of wool yarn that actually came off the spindles of mills during the year 1960 was no more than 28.0 million lbs., as against 29.5 million lbs. in 1959, a drop of 5 per cent. The output of wool fabrics was more or less maintained at the previous year's level; it was 15.23 million yards, as compared with 15.22 million yards in 1959 and 19.37 million yards in 1958. The decline in yarn output was accounted for solely by worsted and carpet yarn the production of which fell from 17.52 million lbs. in 1959 to 15.14 million lbs. in 1960, whereas that of woollen yarn rose from 11.97 million lbs. to 12.85 million lbs. The table below indicates the trend of output, month by month, of the different kinds of wool yarn during the year 1960:

(In thousand lbs.)

	Woollen yarn (including shoddy yarn)	Worsted yarn for weaving	Worsted hosiery yarn	Worsted knitting yarn	Carpet yarn	Total
January ..	889	595	126	156	118	1,884
February ..	876	534	157	112	152	1,831
March ..	880	523	201	137	210	1,956
April ..	1,082	671	195	184	226	2,358
May ..	1,141	739	256	152	205	2,493
June ..	1,093	759	254	195	200	2,501
July ..	1,173	791	294	197	219	2,674
August ..	1,308	776	280	311	194	2,869
September ..	1,227	771	323	288	200	2,809
October ..	998	654	214	246	173	2,285
November ..	1,033	581	118	190	184	2,106
December ..	1,153	431	221	178	245	2,228
Total ..	12,853	7,830	2,639	2,346	2,326	27,994

Among the yarns made on the worsted system, knitting yarn was the worst affected; the production recorded a decline of 37 per cent to 2.3 million lbs. Hosiery yarn fell by 31 per cent to 2.6 million lbs. and weaving yarn by 5 per cent to 7.8 million lbs.

Bombay and Kashmir were the only two States which showed a rise in wool yarn production. Although Bombay State recorded a decline of 4 per cent in worsted yarn, it was more than offset by the 28 per cent increase in the production of woollen yarn. In Jammu and Kashmir, wool yarn output rose by 20 per cent. Worsted weaving yarn almost doubled. An all-round fall occurred in the Punjab. Worsted yarn declined by 31 per cent, carpet yarn by 15 per cent and woollen yarn by 4 per cent. Uttar Pradesh, the biggest carpet manufacturing centre in India, produced 25 per cent more carpet yarn.

The sharp drop of 4 million yards in wool fabrics production between 1958 and 1959 was somewhat checked in 1960 when the mills turned out 15.3 million yards, as compared with 15.2 million yards in 1959. The output of worsted fabrics rose by 100,000 yards to 5.1 million yards, while that of woollen fabrics fell by 120,000 yards to 2.6 million yards. The production of mixed fabrics almost halved at 660,000 yards. The output of blankets and rugs also fell from 3.0 million yards to 2.7 million yards. The hosiery goods output rose from 400,000 yards to 660,000 yards and other items from 3.0 million yards to 3.6 million yards.

Fabrics Production

The following table gives the details of woollen fabrics production during 1960 as compared with 1959 and 1958:

(In linear yards)

	1960	1959	1958
Woollen:			
Suitings	1,529,377	1,531,800	1,729,826
Uniform cloth	927,879	1,013,782	1,200,963
Lohis	74,125	154,039	110,768
Total ..	2,531,381	2,699,621	3,041,557
Worsted:			
Suitings	4,397,100	4,339,001	5,518,825
Uniform cloth	221,309	277,964	343,709
Lohis	462,591	354,893	861,750
Total ..	5,081,500	4,971,858	6,729,278
Mixed fabrics:			
Suitings	205,017	536,124	497,344
Uniform cloth	97,277	348,037	168,547
Lohis	356,587	231,541	336,208
Total ..	658,881	1,116,502	992,099
Other goods:			
Blankets and rugs ..	2,666,016	3,014,017	4,117,647
Hosiery goods	656,667	401,918	999,134
Other items	3,608,885	2,979,880	3,290,108
Shoddy	28,234*	40,651	189,846
Total ..	6,959,952	6,436,667	8,602,735
Grand Total ..	15,231,804	15,224,748	19,365,669

* Based on the output during the first eight months of the year.

In view of the continued low level of woollen textiles production, imports of wool tops during 1960 were lower, albeit slightly, at 14.86 million lbs., as against 15.23 million lbs. in 1959, while the value was higher at Rs. 8.58 crores, as against Rs. 7.97 crores. There was, however, an increase in imports of raw wool last year, the quantity actually imported being 8.71 million lbs. valued at Rs. 1.26 crore, as against 5.33 million lbs. valued at Rs. 1.04 crore.

India exported Rs. 4.94 crores worth of carpets during 1960, as against Rs. 5.00 crores in the previous year. The decline occurred despite the marked rise of 60 per cent in exports to Asian countries (Singapore, Ceylon, Japan and Hong Kong), as well as larger shipments to Australia (more than doubled) and New Zealand (three times more). These increases were more than offset by reduced offtake by European, American and African nations, the percentage decline being 5, 12 and 6, respectively. The U.K. bought Indian carpets worth Rs. 2.55 crores, Rs. 14 lakhs less than the 1959 total. Exports to the Soviet Union also fell by Rs. 2.64 lakhs or 71 per cent. Exports to West Germany, Switzerland and Belgium, however, showed an increase.

During 1960, exports of raw wool fell by 27 per cent to 30.6 million lbs. as compared with the 1959 exports of 42.1 million lbs. The 1960 figure is the lowest since 1955. The fall in exports was due to the wide disparity between prices in Indian and foreign markets. Exporters were unwilling to follow the market down to the lower levels it touched during the year, and so sales to the traditional markets (U.S.A. and U.K.) dropped.

HANDLOOM INDUSTRY WORKING GROUP'S REPORT

The Government of India's decision on the report of the Handloom Industry Working Group was briefly commented upon in our last week's issue (*vide* page 886). The comments were based on the Press version of the decision. The official Press note, released on the 10th inst., says that the Group (was appointed in 1959) to assess the progress made by the handloom industry and make recommendations for its further development. It had also been asked to evaluate the scheme for conversion of handlooms into powerlooms as well as the handloom industry's programme in the Community Development areas. The Group consisted of Mr. V. Subramanian, Secretary, All-India Handloom Board; Mrs. Pupul Jayakar, Honorary Industrial Adviser (Textile Designs), All-India Handloom Board; Mr. D. S. Sali, Vice-Chairman, Bombay State Handloom Board; Mr. A. Mariappan, M.L.A., President, Ammapet Weavers Co-operative Production and Sales Society, and Mr. N. Ramaswamy, Deputy Secretary. The Press note observes:

"In a unanimous report, the Working Group has described the Government's policy of encouraging co-operative form of organisations for the handloom industry as 'sound' and has recommended that this policy should be pursued for the future also. The Government have accepted this recommendation fully and would continue this policy for purposes of financial and other assistance to the handloom industry during the third Plan period. At the same time, the Government hopes that the State Governments would carefully consider the Group's recommendations for rendering assistance to the weavers outside the co-operative fold through the State Finance Corporations.

"While noting with satisfaction the progress made in the formation of weavers' co-operative societies, the Working Group has pointed out certain weaknesses and shortcomings in the co-operative structure which require rectification. Recommendations have also been made for strengthening the share capital structure of the existing co-operative societies, for reviving dormant societies, for competent managerial staff, etc. These recommendations have been accepted in principle, but the details of implementation are under examination. The pattern of assistance to the co-operatives provides for financial assistance for supervisory and managerial and technical staff.

"As regards the scheme of rebate on sales of handloom cloth, the Government agree with the Working Group that this will have to be continued for some time. However, it cannot continue as a permanent form of subsidy to the industry. It was with this objective that the Government decided to effect a gradual reduction in the rate of rebate from 6 nP in the rupee to 5 nP in the first instance, so that the funds thus saved could be diverted to other more important developmental schemes, which will, in the long run, be of far greater advantage to the industry. This policy will continue to guide Government's approach to this scheme during the third Five-year Plan period.

"The Working Group has referred to the need for weavers' co-operative societies getting their credit requirements from institutional sources and has suggested that the difficulties besetting the smooth flow of credit should be removed. The scheme of extending credit through the Reserve Bank was introduced only recently. The Government is convinced that, by and large, marketing credit should be obtained through the Reserve Bank and other institutional agencies, who will be requested to investigate the difficulties and adopt measures which would result in a smooth flow of credit to the co-operatives. The Reserve Bank have already agreed in principle to extend financial assistance to apex societies for the purchase of yarn at concessional rates of interest under the Reserve Bank of India Act. They are also conducting seminars with a view to finding out the defects in the existing system."

NO TAX RELIEF FOR ART SILK INDUSTRY

The plea of the art silk industry for extending the duty exemption limit from the present four looms working one shift to the first four looms in units of upto nine looms was rejected by the Union Finance Minister, Mr. Morarji Desai, in his speech at a meeting of the art silk weaving associations held at Surat last week. The Finance Minister declared that only weavers with two powerlooms were small weavers and that exemption had been extended to four powerlooms working one shift so as to enable them to stand better in competition with bigger units with better resources. He exhorted bigger units to sacrifice a little, if necessary, for the benefit of smaller units. Mr. Desai refuted the allegation that the exemption to four powerlooms had been granted to meet the needs of the Surat industry. According to him, of the units getting the benefit all over the country, only 14 per cent were located in Surat town (which possessed about a third of the total number of powerlooms in the country). Referring to the contention that the art silk industry with a capital structure of Rs. 15 crores was bearing a tax levy of Rs. 22.50 crores, Mr. Desai said that the tax was on production and not on capital. It had been estimated that the industry's annual production was of the order of about Rs. 60 crores. He pointed out that the fact that the demand for yarn was increasing showed that the industry was in a good state. The Finance Minister charged a section of the industry with indulging in blackmarketing of allotted yarn instead of using it for its own manufacture and asked bodies like the Central Committee to come forward to take up the work of yarn distribution. Alluding to the demand for abolition or at least reduction of countervailing duty on imported yarn, Mr. Morarji said that the situation was constantly under review, though he had so far not been convinced by the plea of the manufacturers.

EXCISE ON COTTON YARN REDUCED

With effect from the 12th inst., the Central Government has reduced the excise duty on cotton yarns of counts above 40s issued in hanks by 10 nP per kg. The revised rate of duty now is 5 nP. The reduction has been effected with a view to maintaining the existing price level of ordinary varieties of handloom fabrics used by common people and to giving further relief to the handloom industry. The mill-made cotton yarn of count not exceeding 40s, if used in hanks, is already exempted from payment of excise duty.

12 MAY 1961 PUBLIC REFERENCE

COTTON BOARD AND HONG KONG

COLONY'S STAND AGAINST RENEWAL OF CEILING PACT TREATED WITH RESERVE

From Our Special Correspondent

MANCHESTER, *9th May*

MANCHESTER LETTER

WHAT might well be described as "the softening-up process" is still being used by the *textile men of Hong Kong* in their endeavours to create a suitable climate in which to start the negotiations which must inevitably follow later this year. Using as their mouthpiece a lawyer who claimed to represent various sections of the textile industry in the Colony, a straightforward attack was launched last week—an attack which was taken quite literally in many quarters. This amounted to no less than a direct statement to the effect that the Hong Kong industry had decided to end the agreement and would not consider its renewal under any circumstances. There followed a recital of the now familiar arguments, including complaints about short-time working, loss of exports and the current dearth of demand, blaming everything on the pact with Britain.

Taken at its face value, the statement might well cause dismay among those who have not followed closely the protracted negotiations which preceded the agreement and the almost continuous flow of propaganda which has succeeded its implementation. Stock exchanges marked down textile shares, Parliamentary questions were asked, political and industrial correspondents weighed in with gloomy forecasts about Lancashire's future.

Guarded Reaction

Unfortunately, the Cotton Board delayed making any comment on this pointed thrust for fully 48 hours. The Imports Committee then said, as usual guardedly, that the statement "should be regarded with reserve." It added, also rather ingenuously, that the Board had been considering the whole question of cotton textile imports for several months and was in the closest touch with the Government "which was clearly alive to the vital importance of this whole problem." So for the present the matter rests. Other shots may well be fired before the battle is joined. Nearly nine months are left before the existing arrangements expire, but, in the meantime, it must be expected that rumours will be rife and that speculation will have full play before any decision, one way or another, is reached.

Amid the frequent comment from Hong Kong, the relative silence of India and Pakistan is a source of some surprise. Traders in these countries can safely allow the Colony to do much of their negotiating for them, as their agreements run for nearly a year after the first of the Commonwealth trade pacts expires. To shippers in Pakistan, however, the rate of exports to Britain this year must be extremely disappointing, being no more than 5,500,000 yards of grey cloth in the first quarter.

To be fair to these Commonwealth suppliers, moreover, it must be admitted that their share of the grey cloth market in the United Kingdom has certainly declined—although garment imports are another matter. Cotton greys arriving from sources outside the Commonwealth in the 1958-59 period only accounted for about 25 per cent of the market; by 1960, the proportion had become one-third, two-thirds; this year there is little to choose between them. If finished goods are included, most of which come from the Continent, non-Commonwealth goods probably take preponderance. All of which goes to support the contention of those who believe that, if Hong Kong, India and Pakistan must suffer a top limit to the volume of goods they can ship to this country for retention, other suppliers too should be forced to toe the line. The Government, it seems, is against the quota system in principle, but does not object to imposing duties on selected items.

In the midst of these various "private fights," the new American President has put forward the idea of another world textile conference to straighten out the importation muddle. In theory, such a suggestion seems well worth considering, but practice, from past experience, warns that very little direct gain comes from such gatherings.

It is believed in Manchester that attempts are to be made to reopen negotiations with representatives of the Colony within the next few weeks. Pressure is mounting in Lancashire for limitations to be placed not only on imports of grey cloth from the Colony as well as India and Pakistan but that separate "ceilings" should be placed on arrivals of finished goods and garments. The Government is being pressed to introduce quotas on purchases of cotton fabrics from other countries on the same lines as those operating against China and Japan. Several Continental manufacturing areas, chiefly in Spain and Portugal, have lately been sending large quantities of cloth to Britain. In the first quarter of the current year imports of all cotton fabrics reached a new high peak of 225 million square yards, as against 180 million square yards in the same period last year.

Textile Research

Sir Cuthbert Clegg is to be the first Chairman of the Cotton, Silk and Man-made Fibres Research Association which has now been formed following the merger of the British Cotton Industry Research Association and the British Research Association. His appointment, together with that of Mr. H. A. J. Duncan as Honorary Treasurer and Mr. William Crossley as Deputy Honorary Treasurer, was announced in a statement made by the new Association which pointed out that Sir Cuthbert and his two colleagues, who held the same offices in the British Cotton Industry Research Association Council, had agreed to serve until the new Council had the opportunity of making new appointments.

A new research committee has been set up to review the present work being carried out, in order to plan a balanced programme of research to meet the pressing needs of the industry. Nine technical sub-committees will assist the levy collected by the Cotton Board, will be in this task. A research levy, forming part of the main source of the Association's industrial income. The Department of Scientific and Industrial Research will provide a grant of up to £130,000 per annum, provided the Association raises an annual income of a minimum of £345,000.

A new chemistry and finishing building is to be erected at Shirley Institute, the Didsbury, Manchester headquarters of the Association. This will have a floor area of approximately 57,000 square feet, of which 32,000 square feet will be laboratory space on two floors and 25,000 square feet will be single-storey workshop space. The construction of the new building will be carried out in two phases, the first part being completed by the end of this year or early in 1962.

Cheap at the Price

In view of the many statements which persist in emphasising the cost to the country of the reorganisation schemes in the cotton trade, few of which are challenged, it is just as well that the widest possible publicity should be given to the actual figures involved. In the case of the redundancy project in cotton finishing, for example, the contribution from the Exchequer is likely to be less than £2 million. This has been officially stated in a Government reply to questions about the response to the proposals which, as is known, was by no means as swift or as substantial as that encountered in spinning and weaving. The minimum targets, in fact, were only narrowly achieved.

It is now known that 63 applications were made for compensation for the disposal of surplus plant in which the whole of each production unit had to be scrapped. The realisation companies, set up for the purpose of stimulating the scheme through private negotiation, performed this function very satisfactorily, as 47 of the schemes were submitted through these channels. Only 16 went direct to the Cotton Board. The rate of the levy to be imposed on those firms which are continuing in the trade cannot yet be assessed. Figures will have to be worked out after the realisation companies have completed the disposal of the properties they acquired under the scheme.

Big Shipments of Plant

British textile machinery makers have no cause to be bashful about their export achievements so far this year. In the first quarter, not only has a big rise taken place in the volume of shipments abroad but the earnings from these goods have surpassed all previous records. To the end of March, plant valued at £16,550,000 was exported, as against only £12,140,000 in the corresponding period of 1960. The quantity involved was 402,966 cwt., as against 317,436 cwt. a year ago.

By far the biggest importer of such goods has been the Soviet Union, which has already taken 63,154 cwt. in the quarter, as against 161,178 cwt. in the whole of last year. Shipments in the first three months of 1961, in fact, have already equalled the total supplies sent to Russia throughout 1959. The value of current exports to the Soviet Union exceeds £2,800,000.

Among the Commonwealth nations, India and Australia are still buying fair quantities of British textile machinery, absorbing 37,120 cwt. and 26,347 cwt., respectively. Several countries in Europe have increased their purchases, notably Italy, France, Belgium and Western Germany, while shipments to Japan have been more than doubled at 21,085 cwt. In South America, Brazil and the Argentine have taken bigger quantities after a period in which shipments have been exceedingly small.—*All Rights Reserved.*

REGULATION OF STAPLE FIBRE YARN PRICES

The Committee of the Indian Cotton Mills' Federation has, in consultation with the Government, decided to regulate prices of staple fibre yarn. The following prices have been fixed for the various counts:

(In Rs. per bundle of 10 lbs.)

Counts	Ex-mill price of hank yarn	Differential for double yarn	Differential for yarn on cones
20s	28.55	3.10	2.85
30s	31.05	3.90	3.20
40s	34.05	4.50	3.50

These are net ex-mill prices. Prices should be stamped on bundles. It has also been decided that delivery of yarn against contracts entered into prior to 15th May 1961 and provided the yarn is packed and ready for delivery will be made at the contract prices. Otherwise, the above schedule of prices would be applicable.

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

This announcement is not an invitation to subscribe for shares but is issued for the purpose of giving information concerning the Company. The formal Prospectus dated 9th May, 1961, has been delivered to the Registrar of Companies, West Bengal for registration as required under Section 60 of the Companies Act, 1956. Copies thereof can be had from the Registered Office of the Company or from the Bankers and Brokers named below.

A Licence has been obtained from the Central Government for the establishment of a new Industrial Undertaking at Calcutta of which a copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in granting this Licence the Government do not take any responsibility for the financial soundness of this Undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

Application has been made to the Calcutta Stock Exchange for permission to deal in shares now being offered and in due course for official quotations.

The Subscription List will open at the commencement of banking hours on 24th May, 1961, and will close at the close of the banking hours on 3rd June, 1961, or sooner or later, as the Directors may decide, but in no case the List will close before the close of the banking hours on Saturday, the 27th May, 1961.

DR. PAUL LOHMANN (INDIA) LIMITED

(INCORPORATED AS A PUBLIC COMPANY UNDER THE COMPANIES ACT, 1956)

SHARE CAPITAL

AUTHORISED: **Rs. 1,00,00,000/- divided into 10,00,000 Equity Shares of Rs. 10/- each.**
Rs. 1,00,00,000/-

ISSUED: **Rs. 30,00,000/- divided into 3,00,000 Equity Shares of Rs. 10/- each.**
Rs. 30,00,000/-

The above issue of Rs. 30,00,000/- is made up as follows :—

3,00,000 Equity Shares of Rs. 10/- each to be issued at par and equivalent to	Rs.	30,00,000/-
Out of the above issue of 3,00,000 Equity Shares of Rs. 10/- each at par, amounting to Rs. 30,00,000 -		
(1) 60,000 Equity Shares of Rs. 10/- each at par are reserved for issue to the Indian Promoters, Directors and their friends and associates	Rs.	6,00,000/-
(2) 40,000 Equity Shares of Rs. 10/- each at par are reserved for issue to the Collaborating German Firm against supply of imported Plant and Machinery required for the Project	Rs.	4,00,000/-
The balance of 2,00,000 Equity Shares of Rs. 10/- each will be issued at par to the Public	Rs.	20,00,000/-

The amounts payable in respect of Shares comprising the present offer are as follows :—

EQUITY SHARES

With Application	Rs. 2.50 nP. per Share
On Allotment	Rs. 2.50 nP. per Share
Balance (by 2 Calls of Rs. 2.50 nP. each)	Rs. 5.00 nP. per Share

The first Call shall not be made earlier than six months from the date of allotment.

No Shares shall be issued for consideration other than cash excepting the aforesaid 40,000 Equity Shares of Rs. 10/- each at par to be issued to the Collaborating German Firm against supply of imported Plant and Machinery.

UNDERWRITING

The issue to the Public, namely Rs. 20,00,000, is being fully underwritten and the names of the Underwriters and the respective amounts underwritten by them are as stated below :

	Name	Address	Amount Underwritten Rs.
1.	Place, Siddons & Gough Private, Ltd.	6, Lyons Range, Calcutta-1	5,00,000/-
2.	Triton Insurance Co. Ltd.	11-A, Lower Chitpur Rd., Calcutta-1	5,00,000/-
3.	Concord of India Insurance Company Limited	8, Clive Row, Calcutta-1	5,00,000/-
4.	Paterson & Company	22, Errabalu Chetty Street, Madras-1	4,50,000/-
5.	Harbans Singh Mehta & Co.	33, Regal Bldgs., Parliament St., New Delhi-1.	50,000/-

In the opinion of the Directors, the resources of the Underwriters are sufficient to discharge their underwriting obligations.

APPLICATION AND ALLOTMENT OF SHARES

Application for Equity Shares should be made on the printed form accompanying this Prospectus, further copies of which may be obtained from the Registered Office of the Company and from the Offices of the Bankers, Underwriters and Brokers.

Applications must be made for a minimum of ONE HUNDRED SHARES or a multiple thereof and in all cases must be accompanied by a remittance of the amount payable on Application. Applications must be completed in accordance with the directions contained therein and delivered before the closing of the Subscription List to any of the Head Offices or Branch Offices of the Bankers or to the Offices of the Underwriters and Brokers or to the Registered Office of the Company. The COMPANY'S REGISTERED OFFICE IS AT 23, CAMAC STREET, CALCUTTA-16.

If no Allotment be made, the Application moneys will be returned in full and where the number of Shares allotted are less than the number applied for, the balance of the Application moneys will be returned to the Applicants by Cheques either through the post or otherwise, within 60 days from the date of closing of the Subscription List.

The Share Certificates will be ready for delivery within four months from the date of receipt of the money payable on Allotment.

LOAN CAPITAL

The Company has created no Mortgages, Debentures or other Loan Capital.

FINANCIAL REQUIREMENTS

The Financial Requirements of the Company are comprised of :—

INITIAL STAGE

		Rs.
1.	Cost of land, factory and office buildings, etc.	4,50,000
2.	Cost of plant and machinery, erection and other implementative expenses	7,50,000
3.	Working capital	1,00,000
4.	Preliminary expenses including brokerage and other share issue expenses	2,00,000
		Rs. 15,00,000

SUBSEQUENT STAGE

		Rs.
1.	Expenses for additions to the factory, etc.	3,00,000
2.	Additional costs of plant and machinery, etc.	7,50,000
3.	Additional Working capital	4,50,000
		Rs. 15,00,000

MINIMUM SUBSCRIPTION

The Minimum amount which, in the opinion of the Directors, must be raised by the issue of Shares in order to provide the sums required to be provided as per paragraph 5 of Schedule II of the Companies Act, 1956, upon which the Directors will proceed to allot Shares offered by this Prospectus is ONE LAKH Equity Shares of the nominal value of Rs. 10,00,000/- to be issued in cash at par being only a part amount of this Issue, out of which Rs. 4,50,000 shall be set aside for the costs of land, factory and office buildings, etc., and Rs. 3,50,000 will be expended for the purchase and erection, etc., in part, of the plant and machinery and Rs. 2,00,000 shall be for the preliminary expenses including commission and brokerage and other expenses of this issue.

The Working capital and the balance costs of plant and machinery, etc., shall be arranged by borrowings from Banks, and also from other sources, such as financial institutions or corporations, and also by loans or advances from firms, companies, or individuals including Directors.

No sum is required for repayment of any money borrowed by the Company in respect of any of the foregoing matters and no other expenditure is estimated to be necessary.

DIRECTORS

1. **Mr. Ekkehard Lohmann,**
   Geschftsfuhrer of Dr. Paul Lohmann, Chemische Fabrik, Emmerthal, (Hameln-Pyrmont), West Germany.
2. **Mr. A. Michelsen,**
   Geschftsfuhrer of Dr. Paul Lohmann, Chemische Fabrik, Emmerthal, (Hameln-Pyrmont), West Germany.
3. **Dr. Shrirang Padmanabh Adarkar,**
   Company Director, "Dilkhoosa," Altamount Road, Bombay-26.
   Director of: Monsanto Chemicals of India Private Ltd., Alta Laboratories Ltd., East Anglia Plastics (India) Ltd., etc.
4. **Mr. Ranadeb Chaudhuri,**
   Barristar-at-Law, 34, Ballygunge Circular Road, Calcutta-19.
   Director of: National Sugar Mills Ltd., Amrita Bazar Patrika Private Ltd., East Anglia Plastics (India) Ltd., etc.
5. **Mr. Sukumar Boy,**
   Company Director,
   57, Lansdowne Road, Calcutta-25.
   Director of: The Shillong Hydro-electric Limited, The Riverside (Bhatpara) Electric Supply Co., Ltd., West Bengal Power Supply Co., Ltd., Motor & Machinery Manufacturers Ltd., National Tobacco Co. of India Ltd., Oriental Gas Co. Ltd., The West Jamuria Coal Co., Ltd.
   Vice-President—Bengal National Chamber of Commerce and Industry.
   Vice-Chairman—The All-India Manufacturers' Organisation.
6. **Mr. B. N. Sen Gupta,**
   Company Director,
   17, Lake Road, Calcutta-29.
   Director of: Planters (India) Private Ltd., Housing Estates Private Ltd., etc.
7. **Mr. S. Sen Gupta,**
   Company Director,
   20, Aswini Dutta Road, Calcutta-29.
   Director of: The Hilla Tea Estates Ltd., East Anglia Plastics (India) Ltd., etc.

TECHNICAL ADVISERS & COLLABORATORS

Dr. Paul Lohmann, Chemische Fabrik, Emmerthal, (Hameln-Pyrmont), West Germany.

SOLE SELLING AGENTS

Monsanto Chemicals of India Private Limited,
11, Sprott Road, "Wakefield House," Ballard Estate, Bombay-1.

BANKERS

1. **State Bank of India,**
   1, 2 & 3, Strand Road, Calcutta-1.
2. **Hongkong & Shanghai Banking Corporation,**
   31, Dalhousie Square, Calcutta-1.
3. **Mercantile Bank Limited,**
   8, Netaji Subhas Road, Calcutta-1.
4. **United Bank of India Ltd.,**
   4, Clive Ghat Street, Calcutta-1.

UNDERWRITERS

1. **Place, Siddons & Gough (Private) Ltd.,**
   6, Lyons Range, Calcutta-1.
2. **Triton Insurance Co., Ltd.,**
   11A, Lower Chitpur Road, Calcutta-1.
3. **Concord of India Insurace Company Limited,**
   8, Clive Row, Calcutta-1.
4. **Paterson & Company,**
   22, Errabalu Chetty Street, Madras-1.
5. **Harbans Singh Mehta & Co.,**
   33, Regal Buildings, Parliament Street, New Delhi-1.

BROKERS

CALCUTTA

Place, Siddons & Gough (Private) Ltd.
6, Lyons Range, Calcutta-1.

BOMBAY

Lewis & Jones,
Bank of Baroda Building, Apollo Street, Fort, Bombay-1.

Batlivala & Karani,
Union Bank Building, 1st floor, Dalal Street, Fort, Bombay-1.

NEW DELHI

Harbans Singh Mehta & Company,
33, Regal Buildings, Parliament Street, New Delhi.

MADRAS

Paterson & Company,
22, Errabalu Chetty Street, Madras-1.

SOLICITORS

Fox & Mandal,
12, Old Post Office Street, Calcutta-1.

AUDITORS

Lovelock & Lewes,
4, Lyons Range, Calcutta-1.

INTERNAL AUDITORS

B. Mukerjee & Co.,
10, Old Post Office Street, Calcutta-1.

REGISTERED OFFICE

23, Camac Street, Calcutta-16.

AUDITORS' CONSENT

Messrs. Lovelock and Lewes have given and have not before delivery of this Prospectus for registration withdrawn their written consent to the issue of this Prospectus with the inclusion therein of their Report, in the form and context in which it is included.

OBJECTS

The Company was incorporated on the 12th January, 1961, with the Objects mentioned in the Memorandum of Association, a copy of which is annexed hereto and forms a part of this Prospectus: and, in particular, the Objects of the Company are:—

To manufacture Chemicals and Fine Chemicals, such as Electroplating Chemicals, Fine and Sensitized Paper Chemicals, Leather Chemicals, Paint and Varnish Chemicals, Photographic Chemicals, Printing Chemicals, Pyrotechnical Chemicals, Rubber and Plastic Chemicals, Textile Chemicals, Food and Confectionery Chemicals, Foodstuff Chemicals, Pharmaceutical and Cosmetic Chemicals, Baking Powder Chemicals and Meat Chemicals, and especially to manufacture Acetates, Albuminates, Benzoates, Borates, Carbonates, Chlorides, Citrates, Formates, Gluconates, Glycerophosphates, Hydroxides, Lactates, Nitrates, Oxalates, Peroxides, Phosphates, Phosphoalcatates. Propionates, Pyrophosphates, Saccharates, Silicates, Stearates, Succinates, Sulphates, Sulfophenolates, Tartrates and Trisilicates.

APPRECIATION

Some of the abovementioned Chemicals are at present not manufactured in India and are being imported. Due to import restrictions, however, they are not available in sufficient quantities and this Company will be manufacturing them in India. India's manufacturing capacities for certain other items are still not adequate to meet the growing demands of the country. Moreover, some of these items have export potentials. Large-scale manufacture of all these chemicals and export thereof will enable the Company to save as well as earn foreign exchanges for the country.

With the economic development and industrial expansion, as contemplated in the Third Five-Year Plan, there is bound to be greater demands of these Chemicals in the immediate and near future.

In accordance with the manufacturing licence granted by the Government of India, this Company will, at the initial stage, be planning to produce every year about 33,60,000 lbs. of different organic and inorganic chemicals, the value whereof in retail prices shall be Rs. 1,00,00,000/- approximately.

EXPECTED PROFITS

On the above basis, the Directors are of the opinion that reasonable profits ought to be earned by the Company in the first twelve months following the installation of the machinery and equipments and from the commencement of production of Fine Chemicals; and, in the absence of any unforeseeable circumstances, the Company should be in a position to pay reasonable dividends.

TECHNICAL COLLABORATORS

The Company has entered into an Agreement for participation in the Equity Shares and for supply of initial services and technical assistances with the long-standing reputed firm of Dr. Paul Lohmann, Chemische Fabrik, of Emmerthal, (Hameln-Pyrmont), West Germany. Founded in 1886, this firm is one of the well-known chemical manufacturing concerns in West Germany. Its products have a wide market and are exported to many countries of the world. Some of the chemicals mentioned are manufactured by them in West Germany, exclusively.

With a well-equipped Research Laboratory the firm has been carrying on original researches in the preparation of salts of organic and inorganic acids as intermediate chemicals required for pharmaceutical, photographic, textile, food processing, surface preparation, artificial rubber industries etc., and, in course of its various researches, it has developed many important processes and products having special technical and pharmaceutical uses.

The Firm thus enjoys an unique position in the field of Fine Chemicals.

TERMS OF COLLABORATION

Subject to the Articles of Association of the Company and the provisions of Section 255(1) of the Companies Act, 1956, during such time as Dr. Paul Lohmann, Chemische Fabrik, shall be the Consultants, Technical Advisers and Collaborators of the Company, they shall have the right from time to time to nominate two persons to be the Directors of the Company and at any time to remove any such Director and appoint another person to be a Director in his place and to fill any vacancy otherwise occurring in the Office of such Director. Mr. Adolf Michelsen and Mr. Ekkehard Lohmann are the two such Directors appointed by Dr. Paul Lohmann, Chemische Fabrik, as their first two Directors on the Company's Board.

Under the agreement for collaboration, Dr. Paul Lohmann, Chemische Fabrik, will make available to the Company their 'Know-How' concerning the manufacture and production of Fine Chemicals referred to. The Firm and its visiting technicians from West Germany will give all possible assistance in the setting up of the Company's factory and will supervise the manufacture and production in India. Indian technical personnel will be trained in West German factories and laboratories of Dr. Paul Lohmann, Chemische Fabrik.

As consideration for the services for supplying designs of machines and drawings and 'Know-How' for the manufacture of Fine Chemicals and the formulas and information supplied and to be supplied and the assistances given and to be given in Germany by the Firm of Dr. Paul Lohmann, Chemische Fabrik, the Government of India, Ministry of Commerce and Industry, in their letter No. 23(4)/60-CH. II, dated the 12th April, 1961, have allowed the following fees, which have since been agreed to by the German Firm:—

1. A technical fee for designs of the plant and machinery as well as designs and drawings for construction of the factory in India of a total sum of Rs. 2,50,000/- in three equal annual instalments.
2. In addition, an annual payment of Rs. 25,000/- subject to taxes, for a period of seven years, in return for the benefits of research of the German Firm and 'Know-How' of new processes and manufacturing details made available to the Company.

SELLING ARRANGEMENT

The Company will have the benefits of the association, as the Company's Sole Selling Agents, of Messrs. Monsanto Chemicals of India Private Limited, a well-known business house of India, who have wide experiences as a marketing organisation.

The said Company have been marketing as Sole Distributors in India various fine and heavy Chemicals.

The Company is entering into necessary agreement with them, appointing them as the Sole Distributors and Sole Selling Agents of the Company.

LOCATION OF THE FACTORY

A suitable land on Jessore Road, near Calcutta, measuring approximately 60,000 sq. feet, with adequate facilities for supply of electricity and water has been selected by the Company as the site for its factory. The said site has already been visited and approved by the West German Collaborators who came down to Calcutta very recently to finalise arrangements.

TAX BENEFITS

The Company will be entitled to the special benefits under the Indian Income Tax Act with respect to development rebate. The Company will also enjoy the benefit of Section 15-C of the Indian Income Tax Act whereby the profits upto 6 per cent on the employed Capital will be exempted from tax for the first five years of operation.

PRELIMINARY EXPENSES

The total preliminary expenses are estimated to be Rs. 60,000/- and a sum of Rs. 1,40,000/- is estimated to be the expenses of this issue including the Underwriters' and the Brokers' Commissions. This amount will be arranged by Mr. S. Sen Gupta as provided in the Agreement hereinbefore specified upto the date on which the Company is entitled to commence business when, subject to audit, such expenses will be paid to him by the Company.

Save as provided above no amount or benefit has been or is intended to be paid or given to any promoter, Director or officer of the Company.

BROKERAGE

Brokerage will be paid to the Underwriters, Brokers and Banks at 10 nP per Equity Share of Rs. 10/- each offered to the Public, on the Allotments made in respect of Applications bearing their stamps.

UNDERWRITING COMMISSION

An Underwriting Commission of 2½% will be paid to the Underwriters in respect of the Share underwritten by them.

PROSPECTUS AND APPLICATION FORMS

Copies of the Prospectus on the terms of which alone Applications will be considered, and Application Forms may be obtained from the Registered Office of the Company OR from the Company's Bankers at their Head Offices or existing Branch Offices at Calcutta, Ahmedabad, Allahabad, Amritsar, Bangalore, Baroda, Bombay, Coimbatore, Delhi, Gwalior, Hyderabad, Indore, Jaipur, Kanpur, Lucknow, Madras, Madurai, Nagpur, Patna, Rajkot, Surat, Trivandrum, Varanasi, OR from the Company's Brokers and Underwriters.

PROBLEMS OF COTTON TRADE

PLEA FOR REVISION OF EXPORT POLICY

THE speech delivered by Mr. Madanmohan R. Ruia, President of the East India Cotton Association Ltd., at the thirty-ninth annual meeting held in Bombay on the 12th inst., reflects the renewed optimism of the cotton trade regarding the prospects for trading in cotton during the new season beginning on 1st September next. This change in sentiment is to be attributed wholly to the good crop, estimated at over five million bales (commercial) during the current season, as compared with the low output of 3.8 million bales in the previous season. The improvement in output, coupled with continued liberal imports, has restored normalcy in cotton so that the new season is expected to start on 1st September with a comfortable carryover of 2 million bales, as against the 1.25 million bales at the beginning of the present season. Mr. Ruia estimated the supply and distribution of cotton during the 1960-61 season as follows:

(In lakh bales of 400 lbs. each)

	Indian	Foreign	Total
Supply			
Carryover on 1-9-1960—			
With mills	9.61	4.13	13.74
With trade	0.19	..	0.19
Estimated Indian crop 1960-61	52.00	..	52.00
Estimated imports of foreign cotton	..	9.96	9.96
Total availability	61.80	14.09	75.89
Distribution			
Estimated consumption by mills	41.00	8.50	52.50
Estimated consumption—			
By other factories	0.50	..	0.50
By Ambar Charkha			
Estimated exports	3.00	..	3.00
Total distribution	47.50	8.50	56.00
Estimated carryover as on 31-8-1961	14.30	5.59	19.89

The optimism, however, needs to be tempered, as Mr. Ruia pointed out, by the realisation that cotton production is still pathetically dependent on weather and the improvement in production achieved in the current season could well be wiped out if the weather again takes an adverse turn (God forbid!). While the supply position of cotton is thus uncertain, consumption is steadily increasing. If, therefore, reliance is not to be placed on imports for meeting the additional demands for cotton, some positive steps, according to Mr. Ruia, are needed for getting a substantial increase in the production of cotton. No one will dispute this contention of Mr. Ruia, nor his observation that an assured and adequate supply of cotton is the only remedy for most of the ills the cotton trade is suffering from at present. But what exactly are the "positive steps" which Mr. Ruia is having in mind? On what counts the current efforts are inadequate or unsound and in what direction energies are to be exerted to increase the output of cotton? Curiously, Mr. Ruia was silent on these questions. As one of the foremost leaders of both the cotton trade and the industry, and also the Vice-President of the Indian Central Cotton Committee, Mr. Ruia may be naturally expected to offer constructive suggestions for increasing cotton output. It is no use pleading, year after year, for vigorous steps to promote production without indicating as to what steps are needed and how they should be taken.

Exports

Although, thus, Mr. Ruia had nothing new or useful to say about cotton production, he did make certain practical suggestions regarding the cotton export policy which had caused considerable irritation and confusion to traders in the current season. He referred to the different procedures followed in the case of each quota. In the first quota of 50,000 bales of Bengal *Deshi* announced in December last, exports were linked to sales of cotton to mills, a condition which was fully exploited by the mills to the detriment of exporters. The Board of the E.I.C.A. had vehemently opposed this linking of exports to sale of mills. The second quota of 50,000 bales of Bengal *Deshi*, released in February, created fresh problems for the exporters. The third quota was also not free from difficulties. Changes in the established procedure every time, Mr. Ruia rightly pointed out, threw the trade into confusion and caused considerable hardships to exporters. Mr. Ruia disclosed that the Board of the E.I.C.A. had drawn the attention of the Government to these difficulties and had suggested that the export policy, as well as the procedure thereof, be settled and enunciated at the beginning of each season, leaving only the quantity to be announced later. It was also urged by the Board that a maximum possible quantity should be announced first in early October and a supplementary quota given in February or March and, crop position permitting, a further quota be released later.

Hedge Contract

The hedge contract of the 1960-61 season had attracted a good deal of adverse comment on the ground that it was entirely divorced from the realities of the cotton situation. It is only natural that Mr. Ruia should say something in defence of it. He frankly admitted that the hedge contract was an unrealistic one but explained the circumstances which forced the Board of the E.I.C.A. to evolve such a contract. In the situation prevailing last year, when carryover was the smallest on record and the prospects for the crop were uncertain, the E.I.C.A., he said, was faced with the problem of whether to let the season go without a hedge contract at all or to have one which might work within prescribed limits and might serve such purpose as it could. The Board of the E.I.C.A. chose the latter alternative. A realistic hedge contract could be devised, according to Mr. Ruia, only if (1) there was an adequate carryover, (2) there was assured supply all through the year of the particular variety on which the contract was to be based and (3) prices were allowed to fluctuate according to the forces of demand and supply. As this position would take time to materialise, a proper and realistic hedge contract, similar to that of the days gone by, had to await the restoration of normal conditions. The Board of the E.I.C.A., he pointed out, were making every effort to keep pace with the changing times and make the contract as realistic as circumstances permitted.

Mr. Ruia did well to warn the members of the E.I.C.A. and cotton traders in general

(*Continued on page 960*)

SUGAR AND "GUR" IN THIRD PLAN

DEMAND PATTERN EXAMINED

By C. Muthiah

A VARIETY of measures have been either undertaken or suggested by the Government as well as the organisation of sugar industry, to solve the crisis that has developed in the industry owing to the huge accumulation of stocks with factories. Most of them are apparently designed primarily to be of short-term relief-giving measures. This paper is mainly intended to show that the crisis being witnessed now requires bolder measures capable of permanently removing the malady of sugar production in our country.

In order to show that the present situation in sugar industry is nothing unique but is only a preview of the things that are going to fall upon this industry, which has been nurtured till now under unhealthy conditions, it is very much essential to estimate roughly the demand for sugar (and *gur*) during the next few years. The only reliable source for making such an estimate is the various rounds of the National Sample Survey which give the *per capita* monthly expenditure on sugar and *gur* in different expenditure brackets in rural and urban areas. In the absence of any data on income and its distribution, we have to be contented with the total expenditure on all items in different expenditure levels as mentioned in these reports. Though the data needed by us are available in all the rounds, we have considered only those from the fourth, fifth and seventh rounds which had a month as the reference period, while the earlier rounds had either a year or a week as their reference periods.

Elasticity of Demand

The expenditure (or alternatively, income) elasticity of demand for sugar and *gur* as obtained from the data collected during these rounds is shown in Table I. The elasticity of demand for sugar and *gur* was found to range between 1.297 and 1.578 in the three rounds for rural areas and between 1.001 and 1.222 for urban areas. If these elasticities are weighted with the *per capita* expenditure and size of the population in each of the rounds, it is possible to obtain a single set of elasticities for rural and urban areas. This was found to be 1.38 for rural areas and 1.07 for urban areas. By weighting these two elasticities respectively with the rural and urban *per capita* expenditure and the percentage distribution of population (80 per cent rural and 20 per cent urban), the elasticity of demand for sugar and *gur* for the entire country is found to be 1.30. It is anticipated that the national income will increase by 25 per cent during the third Plan period. If this is so and if we assume the annual rate of population growth as 2.5 per cent, the *per capita* income will rise by about 22.2 per cent. It is now easy to estimate the increase in demand for sugar and *gur* at the end of the third Plan as a result of change in income by using the following formula:

$$\text{Income elasticity of demand for sugar} = \frac{\text{Percentage change in sugar consumption}}{\text{Percentage change in income}}$$

$$\therefore \text{Percentage change in sugar and } gur \text{ consumption} = \text{Elasticity of demand for sugar (and } gur\text{)} \times \text{Percentage change in income}$$

Applying this formula to one particular case, the percentage increase in demand for sugar at the end of the third Five-year Plan would be 22.2 x 1.30 or 28.86. This takes account only of the effect of increase in income. We also have to provide for the increase in demand that takes place on account of natural growth of population. During the decade 1951-61, the population of India has increased by 21.49 per cent, which comes to approximately 2.15 per cent per annum. We may, however, assume that the population would be growing at a faster rate during the next five years, say, by about 2.5 per cent per annum. If this is so, the population and, therefore, the consumption on this account would increase by about 12.5 per cent during the next years. The total increase in sugar consumption (due to the changes in incomes as well as in population), thus, comes to about 32.47 per cent. In other words, the demand for sugar and *gur* may be expected to go up by nearly one-third during the next five years.

Note: This article is in continuation of the author's earlier note in *Commerce* dated 15th April 1961, entitled "Place of Sugarcane in Agriculture—Need for Rethinking."

The figures of consumption of sugar and *gur* for the current (1960-61) season are not yet available. From the data on consumption for the last two seasons and the latest indications available from various sources, the consumption during the current season may be placed around 5,200,000 tons of *gur* and 2,000,000 tons of sugar. The corresponding figures for the previous two years are: 1958-59: 5,201,000 and 2,062,000; 1959-60: 5,179,000 and 2,024,000.

If this consumption of 7.2 million tons of sugar and *gur* is to go up by nearly one-third during the next five years, the demand for these two commodities at the end of the third Plan period may be placed around 9.6 million tons. Still it remains to estimate separately the demand for sugar and *gur*. Though this is a ticklish problem, it is yet possible to have some rough idea with the help of the trends in consumption during the last few years. The proportion of sugar out of the total of sugar and *gur* consumed varied within a narrow range of 28.1 per cent and 29.5 per cent between the years 1956-57 and 1959-60, with its average at 28.8 per cent. Assuming that more or less the same relationship would continue with regard to the consumption of sugar and *gur* during the year 1965-66, too, the consumption requirement of sugar may be placed around 2,765,000 tons and that of *gur* 6,835,000 tons.

Third Plan Targets

It is needless to emphasise that, if the prices were to remain at current levels and the national income to go up by 25 per cent, the volume of surplus with regard to sugar, found in the current year, when the production is expected to reach a record peak of 3.05 million tons, would not only continue to exist in the next five years but actually increase in size. It is, indeed, disheartening to find out that the consumption estimated at the end of the third Plan lags very much behind even the production registered during the current year. The target at the end of the third Plan for sugar and *gur* production have been fixed at 3.5 million tons and 6.5 million tons, respectively. Comparing this with our demand estimates, we find that consumption of sugar will lag behind production by about 735,000 tons, while that of *gur* will exceed its production by about 335,000 tons. If this anomaly of surplus sugar and shortage of *gur* is to be avoided, there must be a large shift in favour of sugar among consumers of *gur*, so that the proportion of sugar consumed to the total of sugar and *gur* consumption goes up from the present figure of 28.8 per cent to 32.4 per cent. Even if such a shift takes place at the current prices, there will still be about 400,000 tons of sugar over and above the internal consumption requirements. In addition to this, there will be a huge stock of surplus carried forward during each year of the third Plan. At the end of the current season alone, an unmanageable stock of nearly 1.5 million tons of sugar is expected to be carried over to the next year, if no exports are arranged for sizable quantities.

Rural and Urban Areas

It was seen earlier that the elasticity of demand for sugar (and *gur*) is lower (1.07) in urban areas than in rural areas (1.38). Such a situation may be explained by the already larger intake of sugar and *gur* in urban areas. Moreover, a majority of urban consumption is in the form of crystal sugar which at present costs nearly 2½ to 3 times the price of *gur*. Another equally important factor influencing this situation is the high cost of commodities such as milk, ghee, oil, tea and coffee which are complementary to sugar. Sugar is not usually consumed either alone or only with cheap food articles like cereals and pulses. It is, on the other hand, taken with items such as milk and ghee and, therefore, its demand is influenced largely by the prices of these articles. A perusal of Table II will show that not only the price of sugar had increased during the last few years but also the prices of tea, milk, ghee and oil.

An increase in the prices of these commodities is likely to affect the consumption of sugar more in urban areas than in rural areas, where articles like milk and ghee, etc. are available usually at cheaper rates. So, the comparatively high cost of these articles is one of the major factors coming in the way of increase in sugar consumption especially in urban areas. Another factor that would be having an adverse effect on sugar consumption is the rapid decline of *gur* prices; the index of *gur* prices which stood at 141 in October 1960, was standing at 112 in March 1961.

Only a Temporary Cure

The foregoing discussions go to show that a mere reduction in sugar prices alone will not help anyway in solving the present situation

(*Continued on page 975*)

TABLE I

Elasticity of Sugar Consumption

Year of inquiry	No. of households in the sample		Average household size		Average of total expenditure on all items		Average *per capita* expenditure on sugar and *gur*		Proportional expenditure on sugar and *gur*		Income elasticity of demand for sugar and *gur*	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
4th round—April-September, 1952	2,388	1,074	5.02	4.73	21.47	28.79	0.44	0.63	2.04	2.19	1.297	1.001
5th round—December 1952-March 1953	1,361	618	5.15	4.59	19.81	28.86	0.49	0.66	2.47	2.29	1.320	1.053
7th round—October 1953-March 1954	1,413	558	5.11	4.45	**17.24**	**23.88**	0.49	0.59	2.84	2.47	**1.578**	**1.222**
Weighted average	..	..	..	..	19.86	27.64	..	..	..	..	1.381	1.068

TABLE II

Index Numbers of Wholesale Prices (1952-53=100)

Average of months	Rice	Wheat	Gram	Groundnut oil	Milk	Tea	Sugar	*Gur*
1958-59	105	105	96	107	112	169	121	131
1959-60	105	96	75	118	116	198	124	161
April 1960	108	91	76	130	119	184	127	147
July 1960	115	92	89	137	126	207	127	148
October 1960	111	90	91	144	117	216	127	142
January 1961	99	91	94	141	108	..	127	120
March 1961	101	91	90	153	108	208	127	112

TABLE III

Acreage under Cane according to yield per acre

(In thousand acres)

Yield level	1949-50		1959-60 (second estimate)		1960-61 (second estimate)		Increase over 1949-50		Increase over 1959-60	
	Actual	Per cent.	Actual	Per cent.	Actual	Per cent.	Actual	Per cent.	Actual	Per cent.
Over 5,000 lbs.	472	13.0	652	12.7	700	12.3	228	11.0	48	8.5
3,500-5,000 lbs.	82	2.3	118	2.3	132	2.3	50	2.4	14	2.5
2,500-3,500 lbs.	825	23.8	1,106	21.5	1,177	20.6	352	16.9	71	12.6
Below 2,500 lbs.	2,237	61.7	3,201	63.1	3,670	64.4	1,433	69.0	429	76.2
All India	3,624		5,139		5,702		2,078		563	

THE HONGKONG AND SHANGHAI BANKING CORPORATION

(Incorporated in Hong Kong with Limited Liability)

Capital Authorised .. .. HK. $100,000,000 (Rs. 8,33,33,333)

Capital Issued and Fully Paid .. .. .. HK. $ 79,046,125 (Rs. 6,58,71,771)

Reserve Fund (including Share Premium Account) .. .. Stg. £ 15,000,000 (Rs. 20,00,00,000)

Head Office: HONG KONG

THE HON. MICHAEL W. TURNER, C.B.E.
Chairman and Chief Manager

BRANCHES

BORNEO (*Colony of North Borneo*): Beaufort, Jesselton, Labuan, Sandakan, Tawau; (*State of Brunei*): Brunei Town, Kuala Belait, Seria; (*Colony of Sarawak*): Kuching, Sibu

BURMA: Rangoon

CAMBODIA: Phnom-Penh

CEYLON: Colombo

CHINA: Shanghai

FRANCE: Paris

GERMANY: Hamburg

HONG KONG: Aberdeen, Hong Kong, Kowloon, Mongkok, North Point, San Hui, Sham Shui Po, Shaung Shui, Taipo, Tsuen Wan, Yuen Long

INDIA: Bombay, Calcutta

INDONESIA: Djakarta

JAPAN: Kobe, Osaka, Tokyo, Yokohama

FEDERATION OF MALAYA: Bukit Terendak, Cameron Highlands, Ipoh, Johore Bahru, Kuala Lumpur, Malacca, Muar, Penang, Pecaling Jaya, Sungei Patani, Teluk Anson

PHILIPPINES: Iloilo, Manila

SINGAPORE: Collyer Quay, Orchard Road, Tanglin

THAILAND: Bangkok, Suapah Road, Bangkok

U.K.: London

U.S.A.: New York, San Francisco

VIETNAM: Saigon

Correspondents Throughout the World
Banking Business of Every Kind Transacted

A COMPREHENSIVE SERVICE AS TRUSTEES AND EXECUTORS IS ALSO UNDERTAKEN BY THE BANK'S TRUSTEE COMPANIES IN HONG KONG, LONDON AND SINGAPORE

LONDON OFFICE: 9, Gracechurch Street, E.C. 3
NEW YORK OFFICE: 72, Wall Street

CALCUTTA OFFICE: 31, Dalhousie Square, S. F. T. B. LEVER, Manager.

BOMBAY OFFICE: 16, Veer Nariman Road, B. O'D. PATERSON, Manager.

Affiliated Company:
THE HONGKONG AND SHANGHAI BANKING CORPORATION OF CALIFORNIA
Offices in San Francisco and Los Angeles

READY REFERENCER AND GUIDE TO COMPANIES ACT

1961 Edition

By
JOHN AND ROW, Advocates, Madras

CONTENTS:

A Commentary on the Companies Amendment Act 1960.

Text of the Companies Act 1956 incorporating up-to-date amendments.

Price: Rs. 12.50 (postage extra)

EXPRESS PUBLISHERS (PRIVATE) LIMITED

33, BROADWAY, MADRAS-1

THE UNITED COMMERCIAL BANK LIMITED

Head Office: CALCUTTA

Authorised Capital .. Rs. 8,00,00,000
Subscribed Capital .. Rs. 4,00,00,000
Paid-up Capital .. .. Rs. 2,00,00,000
Reserve Fund .. .. Rs. 2,05,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.

Foreign Branches: in Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.

AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, Chairman. S. T. SADASIVAN, General Manager.

why
ALUMINIUM
and always
ALUMINIUM
for
ELECTRICITY
because

(i) first and foremost a switch to aluminium means a tremendous saving in critical foreign exchange
(ii) practically all the technical problems have been solved
(iii) and it is just sound economics to use aluminium

AL 965

Turn to aluminium and turn to ALIND for meeting your requirements of aluminium conductors.

- Electrical conductor grade aluminium rods
- ACSR and All-Aluminium conductors
- Conductor Accessories & Tools
- Covered Aluminium Conductors

ALIND

THE ALUMINIUM INDUSTRIES LIMITED
India's largest manufacturers of aluminium conductors and accessories
Registered Office: Kundara (Kerala)
Plant No. 1: Kundara; Plant No. 2: Hirakud (Orissa)
Managing Agents: SESHASAYEE BROTHERS (TRAV.) PRIVATE LTD.

BANKERS

It will pay you to consult us

FOR YOUR

★ CHEQUES ★ SHARE CERTIFICATES
★ DEMAND DRAFTS ★ LEDGERS
★ PAY-IN SLIP BOOKS ★ PASS BOOKS
★ LETTERHEADS ★ ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS
CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

NEPAL BANK LIMITED

(Incorporated under Nepal Bank Act of 1994 (Sambat))

Central Office: KATHMANDU, NEPAL

Authorised Capital .. .. ..N.C. Rs. 1 crore
Paid-up Capital .. .. ..N.C. Rs. 25 lacs
Reserves and Exchange Fluctuation Fund .. .. ..N.C. Rs. 44 lacs
(N.C. Rs. 160=I.C. Rs. 100)

16 Branches and Sub-Offices in Nepal

Enquiries are invited from Banks, Commer and Tourists for information regarding Pro dure and Regulations in Nepa

JOINT MANAGEMENT COUNCILS

OFFICIAL REVIEW CLAIMS MODEST RESULTS

THE Union Ministry of Labour has just reviewed the working of Joint Management Councils set up in selected undertakings in the public and private sectors and brought to light some of the practical difficulties in the smooth functioning of the Councils. The Ministry's review, it may be noted, has been made at the most appropriate time, for the scheme of workers' participation in management, in furtherance of which the Joint Management Councils are being established, is now sought to be extended to more and more undertakings in the public and private sectors. In order that the existing Councils, and those that will be set up in future, may function more vigorously, it is necessary to examine how the practical difficulties revealed by the review could be eliminated.

Joint Management Councils exist at present in seven units in the public sector and 17 units in the private sector. In spite of the fact that the Union Ministry of Labour is the godfather of the scheme of workers' participation in management and that it misses no opportunity to emphasise its role and importance in promoting good labour-management relations, it is in the public undertakings that the working of the Councils is not satisfactory. What is worse, workers in public sector undertakings, according to the official review, are fast losing faith in the usefulness of Joint Councils because, in several matters, the decisions of these Councils have to be referred to the Government for final orders and no action seems to be taken on these references. This is a serious matter which deserves immediate attention. If such an impression is allowed to gain strength, it will not only lead ultimately to the failure of the Joint Management Councils in the public sector but also adversely affect the working of such Councils in the private sector. One possible solution suggested is that, in case one of the parties finds it impossible to accept a unanimous decision of the Joint Council, the party concerned should place before the next meeting of the Council the reasons for its inability to give effect to the decision. While this may serve to prevent any misunderstanding of the party's helplessness in the matter developing, it certainly will not help to implement the decisions of the Council nor to maintain its reputation as a useful body. Serious consideration must therefore be given to how the decisions of the Councils could be implemented by both the parties. The decisions of the Councils do not cover major matters of financial or other policy and one therefore fails to understand why the management should not be allowed powers to accept and implement them without having to get the Government's sanction for each and every one of them.

Opposition of Employing Ministries

While the working of the Joint Councils in the public sector undertakings has thus been unsatisfactory, the prospects for the creation of Joint Councils in additional units in the public sector are more gloomy. There are at least some employing Ministries which have serious mental reservations about the usefulness and propriety of establishing Joint Management Councils in public undertakings at present. One such is the Ministry of Oil and Mines. Mr. Malaviya, Minister for Mines and Oil, is said to be of the opinion that introduction of Joint Management Councils before the more basic needs of the workers are met would be premature. Some other Central Ministers, too, are diffident about the success of the experiment in view of the practical difficulties. While none questions the principle and the spirit behind the Joint Councils, many are sceptical about its successful functioning at the present juncture. The Ministries of Commerce and Industry, Irrigation and Power and Transport are favourably disposed to the idea although these too, it would appear, prefer to hasten slowly in the matter.

The official review has given the finding that the Councils are working fairly satisfactorily in the private sector units where they have been set up. Of the Councils set up in 17 units in the private sector, 15 are functioning smoothly. But even here, it is noted that the meetings of the Councils are held at infrequent intervals although the constitution of the Joint Councils invariably provides for at least one meeting every month. Moreover, it has been noted that the exact scope and functions of the Councils have not been fully comprehended by the representatives of both management and workers. There is said to be confusion in the minds of representatives of workers especially about the respective roles of the Joint Councils and Works Committees. It is not, for instance, realised that the latter is concerned only with the questions connected with the day-to-day working of the undertaking while the former is concerned with larger policy matters.

Lack of understanding of the exact scope of the Joint Councils is evident from the nature of the information sought or action suggested by workers' representatives at the meetings of the Joint Councils. The model agreement regarding the establishment of Joint Management Councils accepted by the first Seminar on Labour-Management Co-operation lays down the matters on which the Councils should be consulted and the subjects about which information should be placed before the Councils. According to the model agreement, the Councils should be consulted by management on matters like administration of Standing Orders and their amendment, retrenchment, rationalisation, closure, reduction in or cessation of operations. The Council shall also have the right to receive information, to discuss and to give suggestions one (1) general economic situation of the concern, (2) the state of the market, production and sales programme, (3) organisation and general running of the undertakings, (4) circumstances affecting the economic position of the undertakings, (5) methods of manufacture and work, annual balance-sheet and profit and loss statement and connected documents and explanation, (6) long-term plans for expansion, redeployment, etc., and (7) such matters as may be agreed to. It is further laid down that the Councils should be entrusted with administrative responsibility in respect of administration of welfare measures, supervision of safety measures, operation of vocational training and apprenticeship schemes, preparation of schedules of work hours and breaks and holidays, payment of rewards for suggestions received by employees and any other matters as may be agreed upon.

Such matters as wages, bonus, etc., which are subjects of collective bargaining, are to be excluded from the scope of the Joint Councils. Individual grievances are also excluded from their scope. The main object is to exclude the creation of new rights as between employers and workers from the jurisdiction of the Joint Councils. This aspect needs to be more widely publicised because there is still a fear lurking in the minds of workers and unions that Joint Councils will eliminate collective bargaining and thereby weaken the trade unions.

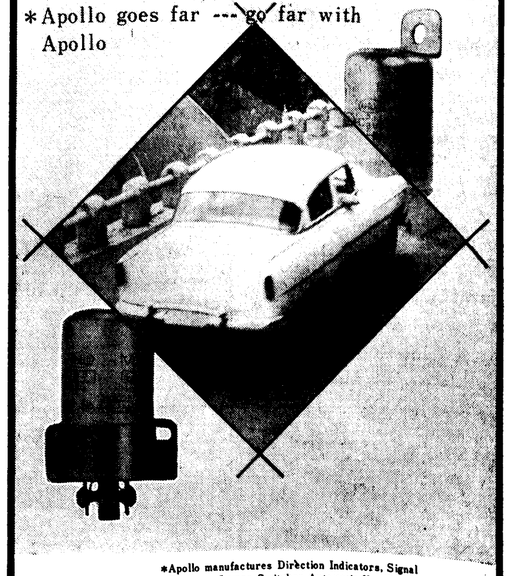
The problem of representation of unions on the Councils, posed by the existence or rivalry between unions, has been one of the serious obstacles in the way of the smooth functioning of the Joint Councils. In fact, in the Hindustan Machine Tools, Bangalore, the operation of the Joint Council had to be suspended because of the difficulty of deciding the conflicting claims advanced by the rival unions for representation. A satisfactory solution to this problem has yet to be found.

Not An Unjustifiable Claim

In spite of these shortcomings, the conclusion reached by the official review is that better industrial relations have come to prevail in units where Joint Management Councils have been established. The review no doubt admits that it is not possible to isolate the various factors responsible for this and to say to what extent, if at all, the improvements are the result of the introduction of the new scheme. But it points out that increased productivity, improved earnings by labour, better profits and stability of labour have followed the setting up of Joint Management Councils. This is not an altogether unjustifiable claim, although it must be pointed out that whatever gain has been made is too small to make the scheme popular. There is no doubt that much better results could be obtained if the practical difficulties in the working of Joint Councils are eliminated and a better understanding of the role and functions of the Councils is promoted. There is no harm if the extension of the scheme to more and more units is postponed until such time as the existing units have had time enough to demonstrate the utility of Joint Councils of Management in creating better industrial relations. In a difficult experiment such as this, "hasten slowly" is a wise maxim to go by.

APOLLO FLASHER!

*Apollo goes far --- go far with Apollo



*Apollo manufactures Direction Indicators, Signal Flashers, Lamps, Switches, Automatic Headlights, and Controllers, all in various styles. If you wish to market the finest quality safety devices, send today for our brochures.

SOLE DISTRIBUTOR: SUN-WAVE INDUSTRIAL CO., LTD
Head Office: #5, 4-Chome, Yaesu, Chuo-ku, Tokyo
Tel. (281) 5311 – 8
Sales Section: #18, 2-Chome, Marunouchi, Chiyoda-Ku, Tokyo Tel. (281) 4917 – 8

APOLLO MFGR: APOLLO INDUSTRIES CO., LTD.
Head Office: #18, 2-Chome, Marunouchi, Chiyoda-Ku, Tokyo (Kishimoto Bldg.)

raw materials
FOR PAINTS, PRINTING INKS AND PLASTICS

SOLVENTS
Amyl Acetate
Butyl Acetate
"Cellosolve"* Solvent
Diacetone Alcohol
Ethyl Acetate
Methyl Amyl Acetate
Methyl Isobutyl Ketone

PLASTICISERS
Dibutyl Phthalate
Dioctyl Phthalate
Tricresyl Phosphate

DILUENTS
Solvent Naphtha
Benzol
Toluol
Xylol

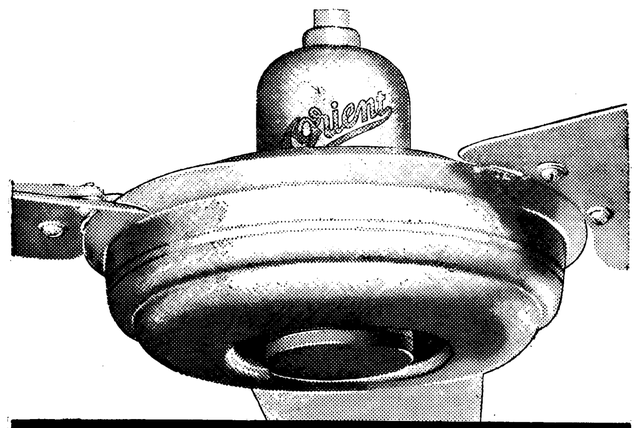
RETARDERS
Butyl "Carbitol"*
Butyl "Cellosolve"*
"Cellosolve"* Acetate

COUPLERS
Butyl Alcohol
Methyl Amyl Alcohol

RESINS
"Union Carbide"* Vinyl resins
"Synres" resins
"Union Carbide"* silicone resins

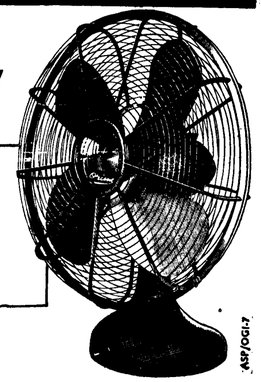
ALSO AVAILABLE
Carbon Blacks
Formaldehyde
Maleic Anhydride
Pentaerythritol
Phenol
Phthalic Anhydride
Titanium Dioxide

INDUSTRIAL PRODUCTS SALES DIVISION
UNION CARBIDE INDIA LIMITED
Formerly NATIONAL CARBON COMPANY (INDIA) LTD.
Bombay • Calcutta • Delhi • Madras
*Trade marks of Union Carbide Corporation U.S.A.



BETTER FANS ARE BUILT THROUGH BETTER ENGINEERING

that is the Orient way



Orient FANS
Years ahead in looks and performance

ORIENT GENERAL INDUSTRIES LTD. CALCUTTA-11

ASP/OGI-7

CONSTIPATION AND PILES

Habitual constipation can cause piles or hæmorrhoids, a condition where the veins within and immediately outside the rectum become swollen. Because of the pain it becomes more difficult and distressing to evacuate the bowel. The constipation gets worse and so do the piles with painful fissures. It follows that, if the acute pain and discomfort caused by the piles can be relieved, evacuation of the bowels will be made easier. Hadensa does just that. It brings prompt relief from pain and itching. With its continuous use, the piles shrink and complete relief is obtained. Hadensa, the well-known German pile remedy, contains no narcotics. It is nonstaining and is easy to use. A small plastic cannula with instruction for use is supplied in each package. If piles is your problem, Hadensa is the answer. Try Hadensa today. Now manufactured in India.

DZ-952

"BEHAR" the dependable name in FIRECLAY & SILICA Refractories

For over 35 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cotton Mills and other industries in the country.

Phone: 22-5952
22-3101
Gram: "BANCO"

BEHAR FIREBRICKS & POTTERIES LTD
TRANK ROAD, CALCUTTA-1

THE STATE BANK OF INDIA
OFFER
NEW INCREASED
INTEREST RATES

Open a savings account and/or lodge in fixed deposit with THE STATE BANK OF INDIA and take advantage of these new increased interest rates:

Savings Bank Accounts 2½% p.a. (increased from 1½%)
Savings Bank Deposits 2¾% p.a. (increased from 2½%)

FIXED DEPOSIT ACCOUNTS
for six months 3¼% per annum (increased from 2¾%)
for twelve months 3½% per annum (increased from 3%)

THE STATE BANK OF INDIA
also accept CALL DEPOSITS and other SHORT-TERM DEPOSITS
at competitive rates.
Full details can be obtained on application.

★

The State Bank's 904 offices in the country are at the Nation's Service.

SISTA'S-SB-49

INDIA'S AIRCRAFT INDUSTRY

DEFENCE MINISTRY'S ROLE EXAMINED

By Wing Commander R. Vaughan-Fowler, R.A.F. (Retd.)

OUR national Air Power depends largely upon the ability of our aircraft industry to keep our flying services, both military and civil, in the air. In time of war or even emergency, as a nation, we run the risk of having our air services as well as our Air Force grounded because the manufacturing facilities to keep them in the air are inadequate.

An aircraft industry is a vast and complex association in the art of manufacture by many hundreds of individual specialist manufacturers; no single factory can produce a modern aeroplane. The manufacture of airframes and even jet aero-engines is really the easiest part of the business, it is what goes into the airframe in addition to the aero-engine that creates the most highly technical manufacturing problems. These problems can only be handled by those who specialise in ancillary equipment design and production. To further complicate manufacture there are literally dozens of pieces of specialist equipment necessary.

In India we have only scratched the outer surface of an aircraft industry. Much has been achieved but without import of many major components our civil and military aircraft would be grounded in a very short time. Deprived of foreign supplies our Air Power would be absolutely ineffective.

This is no sudden discovery, it is a fact well known throughout aviation circles in every country. It is equally well known in India and has been for some time. At last the authorities are beginning to realise the full implications of this situation, so steps are being taken to fill in the gaps in our aircraft manufacturing resources. If these steps are being directed in the right direction is a matter of opinion.

There is a primary factor that requires early attention. Without trained technicians to man the workshops all the signed agreements to produce in India equipment for aviation will remain as worthless scraps of paper. There is far too little importance attached to the value of training personnel. The present policy is to train the bare minimum number for some project already waiting for skilled hands to bring it alive, or make it more productive. There are no spare hands for new projects, men must be trained and this usually means taking experienced hands from other projects so as to give them specialist training. But this practice weakens industry if indulged in extensively.

It takes years to train skilled labour, there is no short cut, only time on the job can experience a man. What does it matter if established engineering organisations train more men than they require, by the time they are trained new projects will have been launched which will absorb technicians in thousands. But fear of overexpenditure on training, as well as a desire to train only just the number required for some already accepted task, add up to a shortsighted policy. Also, it indicates that those in executive positions have no faith in the future, they think only of the immediate profit gains.

Hindustan Aircraft Ltd.

Hindustan Aircraft Limited is the hub of India's aircraft industry. It suffers from a top hamper of remote control directed from Ministries in Delhi. This is something that has to be overcome if the industry is to develop in a healthy manner under the umbrella of H.A.L. as the co-ordinating centre. This way India can be made independent in respect of the production of aviation equipment.

The future policy must be to distribute the multitude of manufacturing tasks throughout the industry. To confine the manufacture of all essential equipment required in aviation under the roof and management of one establishment is neither logical nor practical. Already H.A.L. suffers from too many projects in hand at one and the same time.

Even in the earliest days of aviation when aircraft were comparatively simple structures uncomplicated by highly technical equipment, when the First World War came in 1914 the Bristol Aeroplane Company sub-contracted a great deal of the work, but retained the supervision under its own control. Throughout the years since, as aeroplanes became more and more complicated, this practice has been considerably extended. So much so, that large aeroplanes today are in fact the product of several hundred different manufacturers. The aircraft designer whose name the aeroplane bears builds the keel and assembles the multitude of parts and components manufactured by others.

The task of building a large jet airliner is as exacting as building a naval destroyer and certainly no less complicated in respect of ancillary equipment that has to be fitted into it. Many diverse skills are required, no single engineering establishment can achieve production perfection in more than a limited number of equipment lines.

The Estimates Committee reviewing Hindustan Aircraft Limited in its 124th Report published in April 1961, comments in para 15: "It is obvious that adequate attention has not been paid towards development of ancillary industries by H.A.L. The Defence Secretary did not consider this to be the responsibility of H.A.L."—Exactly! Remote control from Delhi hampers the normal functioning of H.A.L. How are officials in Delhi to know what parts of an aeroplane can be more efficiently produced by a specialist sub-contractor than in H.A.L.'s workshops? Are the officials in Delhi technically trained in the art of aircraft manufacture?

This opinion expressed by the Defence Secretary is quite astonishing as he is also Chairman of the H.A.L. Board of Directors. It can only be concluded that the management in H.A.L. is not overanxious to develop the sub-contracting system, otherwise it would have clearly explained the position to its own Chairman. This is a glaring example of how official remote control of an undertaking that is functionally industrial, can confuse the policy till it becomes impossible to function in a practical manner.

This one paragraph in the Estimates Committee report explains with absolute clarity why our aircraft industry can never grow into a healthy self-sufficient group of manufacturers capable of making India independent as far as aviation equipment is concerned. This overbearing top level control is deadly.

I.A.F.'s Kanpur Project

At the present time all aircraft manufacture in the country comes under the Ministry of Defence. This has two disadvantages. First, all transactions have to be carried on along Government departmental lines. This strikes a severe blow at industrial efficiency especially in respect of purchase and sale. Secondly, if it is intended that either or both H.A.L. and the aircraft factory located within the Maintenance Command of the Air Force at Kanpur, are to sell civil aircraft, even to the Indian Airlines Corporation, the buyer will always be under a cloud of doubt in respect of delivery dates, replacement orders and the supply of spare parts in the years ahead, because the Defence Ministry must give the Air Force requirements first priority.

However courageous it may have been to undertake something no other Air Force in the world has even contemplated let alone attempted, namely aircraft manufacture, those responsible must have realised by now that the task is not quite so simple as they believed. The pitfalls already encountered and which have made themselves evident through promised first flights that have not materialised, in fact the aircraft is still some months from its maiden flight, are quite formidable. The project has yet to justify itself and it must be shown that to achieve the production the essential services of care and maintenance for the operational Air Force have not suffered due to diversion of technical manhours.

Let it be assumed that the I.A.F. Kanpur manufacturing project becomes a success. This leaves civil aviation in this country entirely dependent on the Defence Ministry controlled and operated sources of supply. The wisdom of this is open to question.

The Air Force requirements have grown out of all expectations both numerically and technically. The total existing manufacturing facilities are inadequate to meet the demand. What is more, the air power side of national defence has got to be met by an adequate supply of well-proven equipment.

This brings me to the inescapable fact that aircraft design has become so complex it is no longer practical or possible for a small team to produce an effective military aircraft. They are no longer known as aircraft, the correct name is "weapons system." This change in nomenclature alone is sufficient to indicate that each military aircraft is really designed around the "weapons system" it will have to carry to perform its intended mission.

In the old days aeroplanes were built and then guns and bombs were added to taste, like pepper and salt at the dinner table. Today, an Air Force specifies its strike force requirements for a given set of missions, the weapons to be used are detailed, the range required is known, the aircraft designer then produces an airframe with power plants to carry the whole weapons system.

Bearing in mind that supersonic speed is essential for military aircraft at altitudes up to 80,000 ft., the ancillary equipment necessary to make the cabin habitable as well as the whole thing workable, calls for the highest level of ingenuity by technicians in a number of different trades. For example, in long-range bombers even canned food suppliers come into the picture to produce special foods in special kinds of tins.

If these factors are taken into account it becomes obvious that to touch the fringe of an aircraft industry in India it is necessary to broaden our whole outlook as well as our approach to the problem of aircraft manufacture.

Suggested Solution

The obvious solution that would ensure greater efficiency in existing manufacturing facilities as well as their rapid expansion can be set down in a few words, but the implementation is quite another matter. However large the majority who will agree with the following suggestions, their weight is unlikely to tilt the scales in favour of any policy changes. This is to be deeply deplored as it means that the future of the aircraft industry in this country is far from bright.

Hindustan Aircraft Limited should be treated as an independent business organisation, left free to operate as such, enjoying the guaranteed position that it will receive substantial orders to meet Air Force requirements. Contracts to be carried through on the normal practice of costs plus, which can be checked against standard manufacturing costs of aircraft in other countries, also machinery manufactured in this country. How H.A.L. carries out the contract is not the affair of the Defence Ministry or the Air Force, always provided that the product is up to specification one hundred per cent and the price is considered reasonable.

Provided H.A.L. has capacity it should be absolutely free to indulge in aircraft manufacture for civil purposes and as well, it should be free to market its products in competition with foreign manufacturers. Although a Government-financed organisation, it would have to account for its working in a normal profit and loss account. The Government as the majority shareholder would have every right to express disapproval if the factory-group did not show a satisfactory working profit. The Board of Directors would be appointed by the Government, who in its own interest would see to it that sufficient business brains were included. One representative of the Government might be included as a sort of "watch-dog," but with no more powers than a vote on the Board as a director, and certainly not as a full-time director.

As for the factory within the Air Force Maintenance Command it is suggested that this be regarded as an incompatible marriage so a divorce should be arranged. This would strengthen the factory as well as eliminate any complications that can arise by running a business organisation with mixed civil and Air Force personnel. It would leave the Air Force free to get on with its proper job which is the air defence of the country. The exercise has already shown that given drive it is possible to develop aircraft manufacture in this country with a large percentage of the total effort found in the country. The main objective was to establish healthy competition for H.A.L., or so it has been stated. This competition would be far healthier if the two establishments are more or less working on the same basic system, which is not the case so long as the Kanpur factory remains under the command of the Air Force.

Unless some very peculiar change takes place in Government departmental practices the Kanpur factory will have to conform to Government departmental routine procedures which will be as serious a handicap to it as they have proved to be to H.A.L. The only logical way to give this new factory freedom is to release it into the sphere of business, owned and capitalised by the Government but working on a proper audited financial system.

Simple as these suggestions are, it is repeated that to carry them out is probably impossible. Here's the rub.

NEW PRODUCTS AND PROCESSES

Capsule Filling and Sealing

AUTOMATIC machines for filling and sealing powders into 12,000-14,000 capsules per hour will be exhibited by Anglo-Continental Machines Ltd., 41-42 Dover Street, Piccadilly, London W-1, at the International Packaging Exhibition, London, scheduled to be held in September. Capsules are fed in bulk to a hopper and a special block, mounted on prismatic slides, uses air-suction to divide four at a time into two parts. After division the block retains the covers, whilst the bodies are held in holes on a turntable. Block and turntable then separate but continue to rotate simultaneously and allow two sets of control "fingers" to reject all unopened and displaced capsules in both units. For filling, two micro dosing-groups measure out the powder and feed it in under compression. The bodies are then chamfered for refilling to the covers and as the block is returned to the turntable four pins press the two sections together to produce joined capsules. These are ejected into outlet tubes and all cleared holes are cleaned by vertical rotating brushes before being used again. For final sealing the capsules can be delivered automatically by conveyor plate to an independent unit where four wheels rotating in a gelatine bath (with automatic temperature-control) seal the junction of cover and body, which are then printed with a trade mark or other symbol. The process is completed by drying the capsules for about 9 minutes.

Miniaturisation of Airborne Equipment

Great Britain, who has been responsible for many modern aviation electronics developments, is still in the lead in the race to satisfy this ever-growing demand with the minimum of weight penalty. Playing a key role in the campaign against surplus weight are the transistor and other semi-conductor devices which, as well as taking the place of thermionic valves, have a variety of other important uses. Apart from their very small size—the active part can be no larger than a pin-head—transistors have other outstanding advantages: unlike thermionic valves, no heater is needed for operation, and negligible current is consumed from a single power supply of 15 volts or less. Consequently, the power generating equipment normally required for electronic devices can be dispensed with and the need for forced ventilation by power-driven blowers does not arise. Obviously, these factors represent a considerable saving of weight and space. A good example of what can be achieved is a remarkable airborne weather radar, introduced recently by Ekco Electronics, which can "see" 150 miles (240 km.) ahead of the aircraft, yet which weighs only 57 lb. (26 kg.). Another is Marconi's 60 Series receiver which is 40 times lighter than equivalent equipment using valves.

Automatic Can-sealing Machine

A machine factory at La Sarraz (Switzerland) is now engaged in putting on the market a new vacuum can-sealing machine, which offers some very big advantages over those machines which have been in use upto the present. The "Sertomatic" makes it possible to carry out, as required, the following operations: ordinary sealing, vacuum sealing and vacuum sealing with the introduction of gas, and this by merely switching from one position to another. The can remains stationary during the sealing operation, thus preventing the spilling of any of its contents, as a result of any jolts. The greatest advantage of this new machine lies, it is claimed, in its highly developed automatic qualities, as a result of which, should a preceding operation not have been effected correctly, the cycle is stopped automatically, which prevents, for example, any cans being put on the market which have been sealed without the air being removed, or before the gas is introduced into the vacuum. These advantages, as well as a great many others, including the handling security for the operator, have made of this machine something which represents considerable progress for all those industries which are obliged to distribute their products in sealed cans.

New Device for Bending Pipes

A new series of bending machines for bending pipes on site has been developed in Britain. The machines which are said to be fully portable, are capable, tests carried out have shown, it is claimed, of bending pipes of up to 18 inches outside diameter and ¼-inch steel wall thickness. The operation of the system depends on the use of a special hydraulic bending head and the use of two special riveted arms which carry clamps to fit the exact size of the pipe. The pivots are also adjustable so that they will exactly control the angle of the bend. The power for operating the hydraulic device is produced by means of an hydraulic pump, which can either be operated by an air supply which is already available, or by means of a small compressor. Special relief valves are fitted in order to prevent overloading of the equipment. It is claimed that an 18 inch by ¼ inch pipe can be bent to 15 degrees in only 10 minutes. The equipment is expected to be specially useful for both civil and mechanical engineering as well as for chemical engineering and atomic energy purposes.

Ball Bearing That Needs No Lubrication

A precision ball bearing which is said to be capable of operating up to temperatures of up to 575° Fahrenheit without the use of any conventional lubrication has been developed in the U.K. The design of the bearing is said to be such that it can be applied to all the newest types of electric motors, blowers, or synchro devices. It can also be used for fans which operate at considerably higher temperatures than those which are normally available. Previously, it is claimed, bearings of similar performance have had operating temperatures without lubrication which have been limited to about 300° Fahrenheit. The operation of the new bearings depends, it is claimed, on the use of a series of special new alloys together with certain new types of manufacturing techniques. They are expected to find applications in other fields of industry besides those already indicated for which they were originally designed.

Metal Plastics

A novel development in the plastics field is the ability being found by scientists today to fit in metallic atoms into the molecules. Some account of this work, not apparently yet available commercially, was given by K. C. Bryant, Research Manager of Monsanto Chemicals, in a paper given at the Royal Institute of Chemistry annual conference at Southampton, England. The basis of a plastic is the bonding-together, that is, polymerisation, of single molecules, the monomer. Russian scientists have succeeded in finding a way of polymerising organometallic monomers into plastics having metals such as aluminium, titanium, or zirconium, as backbones. Such plastics besides having the ordinary qualities of plastics, should be able to withstand very high temperatures, and the work is, in fact, designed for new materials for rocketry.

New Device for Timber Loading

A new timber transport unit consisting of truck, semi-trailer and loading frame which is said to cut loading time by some 50 per cent was exhibited by the large Swedish makers of trucks and buses, Scania-Vabis, at a recent show of forest transport equipment in Stockholm. Designed in collaboration with the Stockholm firm AB Inter-Cemex, the loading device can be combined with the Scania-Vabis truck types 50, 75 and 75 Super. The frames can be loaded with either 12 or 24 cu. metres (425 to 850 cu.ft.) of timber depending on the type of logs. After the frame has been loaded, it is hoisted on to the semi-trailer. The loading can take place directly after felling, since the frame can also be used as a sledge after a horse or tractor for transport to the truck.

Tweeds Backed With Plastic Foam

Firms in the Scottish tweed industry are selling woollen cloth with a backing of plastic foam. Consequently they have a material that is warm without being heavy in the winter, cool in the summer and that resists crushing. In co-operation with a firm of plastic manufacturers, the Scottish firms have been bonding their tweeds with a soft pliable foam which is based on polyurethane. Already several thousand yards of this material have gone from one plant to North America. The manufacturers say that a foam-backed coating weighing 15 ozs. per square yard is as warm as a cloth weighing 22 or 23 ozs.

Fire Alarm

An automatic and inexpensive self-contained fire alarm unit, operated by an electric current produced from a galvanic cell (as used in a car battery), and therefore independent of external sources of power supply, has been developed in Canada.

The unit contains a heat-sensitive element which, when the temperature of the surroundings rises to a dangerous level, causes, a liquid to fill up the space between two electrodes. This, in turn, operates the alarm bell.

The current produced does not last long but, it is claimed, hardly any maintenance is required and, after use, worn parts can be replaced at very low cost.

Electronic Rail Brake

Telefunken has developed a rail brake with an electronic control in order to simplify shunting operations in marshalling yards. It always takes quite a long time to make up a goods train. The wagons are first hauled to the hump and from there they roll down into the various sidings to make up the different goods trains. On each siding railwaymen must brake the wagons correctly to prevent too sudden collisions. With the aid of the rail brake control the speed of the wagons for rolling into the prescribed sidings is regulated on the hump in accordance with weight and distance to be travelled. The long oblong braking surfaces are controlled by electronic devices depending on weight. Additionally fitted Doppler radar units permit the brakes to be set on the hump in accordance with speed. The automatic unit also detects the number of wagons and axles. In practical operation time and personnel are saved.

NEW PUBLICATIONS

The Diplomacy of Economic Development. By Eugene R. Black, Harvard University Press, Cambridge, Mass., 1960. Pages: 74. Price: $3.00

SINCE the end of World War II, the flow of economic aid from different nations to different nations has played a significant part in economic development. As Christian A. Herter, the former U.S. Secretary of State, points out in the foreword to this book, the methods by which economic growth are achieved are at least as important as the growth itself.

The title of the publication is catching. The text is based on a series of lectures on "The Diplomacy of Economic Development" on behalf of the William and Clayton Lectures in 1960 at the Fletcher School of Law and Diplomacy of Tufts University. Popular in the financial world as the President of the World Bank, Mr. Eugene R. Black, there can be no better authority to advocate the role of diplomacy in economic development. The success of the techniques he advocates is illustrated in the consummation of the recent negotiations relating to the payment of compensation to Suez Canal companies and the settlement of the Indus water dispute between India and Pakistan.

The attitude of the author to the task of economic development is one of keeping a balance of hope. He distinguishes this from the assistance rendered for the rehabilitation of Western Europe under the Marshall Plan. In the Marshall Plan, there was in prospect a handy measurement, the re-establishment of substantial currency convertibility to judge when the necessary production and *per capita* income levels have been reached. The objective of present economic aid is neither limited nor concrete, since it is to help the leaders of the poor nations to lead their countrymen out of the worst of poverty. Therefore, both the policy problem as well as the operational problems are different. The author points out that, if the West is to exert a continuing and constructive influence on the historic transformation going on in the underdeveloped world, it must make a multiplicity of contacts with leaders and its people; it must seek working partnerships capable of functioning in spite of passions which bedevil normal diplomatic and economic relations. The role of development diplomacy is in this context. The strength of development diplomacy lies precisely in not becoming part of some grand design but in "illuminating choices" in the real world where economic development and social changes are interacting all the time. The development diplomat is to fill the gap between the conventional diplomat and the trader and the investor. He "should be a man with a vocation, rather than a man with immediate terms of reference." In the triple aspects of economic development—projects, planning and policy—the greatest challenge to the development diplomat will be in the planning process where there are the greatest opportunities for illuminating choices. He, therefore, calls for the creation of a corps of "development diplomats" to fill the gap between statesmen and businessmen.

Mr. Black devotes a whole talk in advocating a separate and distinct status for development aid in the policies of nations and stresses the role the development diplomat can play. He has been able to provide an insight into the various aspects of the diplomacy of economic development. A current instance of such diplomacy is the Aid to India Club. The book is a masterly advocacy of the role of "development diplomacy" in economic development.

Communist China To-day. By Dr. S. Chandrasekhar. Asia Publishing House, Bombay. Pages: 199. Price: Rs. 9.00

This book is the result of a tour of Communist China undertaken by Dr. S. Chandrasekhar, a well-known demographic expert, in the winter of 1958. The author went to China to study the economic, social and cultural changes which the Communists had brought about in less than a decade. His interests were quite wide and covered China's agriculture and communes, colleges and universities, clinics and hospitals, factories and plants and particularly her population problem and vital statistics. To study Communist China at firsthand, the author travelled a great deal in that country visiting a dozen major cities, a few villages and four communes and observed the developments not only in the social but also in the political and economic spheres. The result is that Dr. Chandrasekhar's study has become much more than a mere economic analysis of Chinese agriculture, industry and population problems, for it encompasses much that will interest the general student of Chinese affairs: the inner regimentation in people's life and thought, the ubiquitous radio and loudspeaker constantly harassing the people with Government propaganda, the extraordinary cleanliness visible everywhere compared with the sium and dirt which prevailed during the Kuomintang days, the decidedly improved position of Chinese women in the Communist society, the all-pervading influence of Russians in Chinese life and the hatred of the U.S.

It is, of course, natural that Dr. Chandrasekhar, who loves liberal institutions, should have come back sad, stifled and disenchanted. Even the honesty, which is today a conspicuous feature of Chinese behaviour internally, is, according to him, the product of fear of the regime's severe punishment than a change in personal ethics. But he is rightly impressed with the new status of women in Chinese society. Now they have become the equals of men with a vengeance—legally, politically, and economically—and started working as skilled hands in steel mills, textile factories, and so on.

In the sphere of industrialisation, the author saw a new spirit in China, an ardent and a grim determination to become an industrial power. But his conclusion about the future increase in Chinese population is almost frightening. At the present rate of increase, the population will be about 700 million in 1963 and 800 million before 1968. "With near-universal marriages and the current social attitudes that favour large numbers for their own sake and treat any talk of population pressure as neo-Malthusian nonsense, and with the absence of any widespread practice of contraception, the birth rate is bound to remain as high as it is now." And so, by 1980, China may have a thousand million people within her frontiers. The author's examination of the political implications of this demographic expansion is worthy of close attention, especially by students of Sino-Indian relations.

Salivati Newsletter Special Number. Editor: N. Salivati, C-2, Industrial Buildings, Churchgate, Fort, Bombay. Price: Rs. 5

This Special Number of *Salivati Newsletter* serves a sumptuous fare of instructive reading material. Like the *Newsletter*, which carries every week news and views on a variety of subjects of public interest, the Number covers a wide field. It is divided into four sections—economics, politics, State by State review and statistics. Among the contributors to the economics section are several eminent persons who have critically reviewed the different aspects of the Indian economy. To mention only a few of the contributors and the subjects covered, Mr. A. D. Shroff examines some aspects of planning in India, Mr. M. Ganapati, a former Resident Director of Hindustan Steel Ltd., underlines the importance of plan projects, Mr. N. Dandekar, I.C.S., draws attention to the menace of inflation and Mr. Keith Funston, President of the New York Stock Exchange, explains the decisive role which American private capital can play in the healthy development of the free world. The small though no less interesting section on politics carries five articles on some of the burning international problems. The State by State review gives a synoptical picture of the trends in the economy of each State. The utility of the publication has been considerably enhanced by the inclusion of a separate section containing as many as 48 statistical tables which provide very valuable data relating to a number of aspects such as population trends, industrial and agricultural production, employment, transport, trade and banking. One, however, wonders whether the tables could not have been compressed into a few pages, instead of being spread over as many as 74 pages.

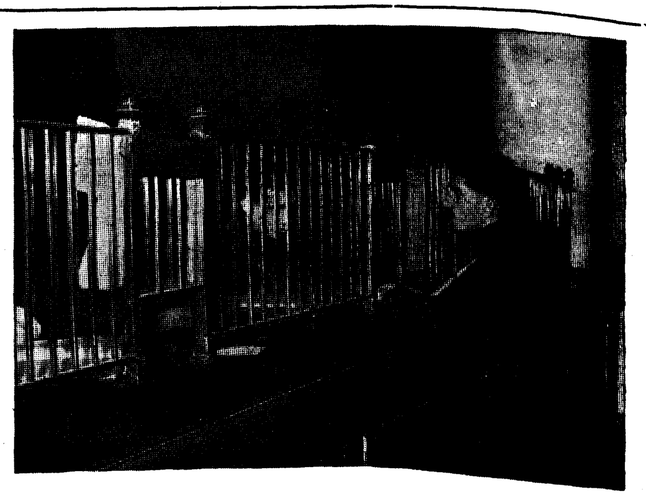
In the course of an interesting article, Mr. N. Salivateeswaran, the Editor, has sought to assess the progress made by the second Five-year Plan. After analysing what he calls "performance and non-performance," he concludes that planning has failed to engender belief in the possibility of economic improvement and in the power of self-help, though he admits that the second Plan will prove to be a "springboard to score higher production levels and higher standards of economy during the next Plan."

Britain—An Official Handbook. 1961 Edition. Published by Her Majesty's Stationery Office, London. Available from British Information Services, Chanakyapuri, New Delhi. Pages: 579. Price: Rs. 10.80

This publication is a model of what a handbook ought to be. Like its predecessors in the series, it is a factual account of the administration and the national economy of the U.K., covering events and developments up to September 1960 and embellished with a few excellent photographs depicting certain typical aspects of British life. Set in easy-to-read type and written in lucid style, each section compresses a surprisingly large volume of factual and statistical material in a minimum number of pages. The text is supplemented by maps and diagrams and is fully indexed with a 30-page bibliography which serves as a useful guide to sources of further information.

DULL BUSINESS?

Counters like this with tarnished brass railings are generally deserted. But the outlook is always bright when your counter railings are clean and shining. Polish them regularly with Brasso, the metal polish that shines and beautifies brass.

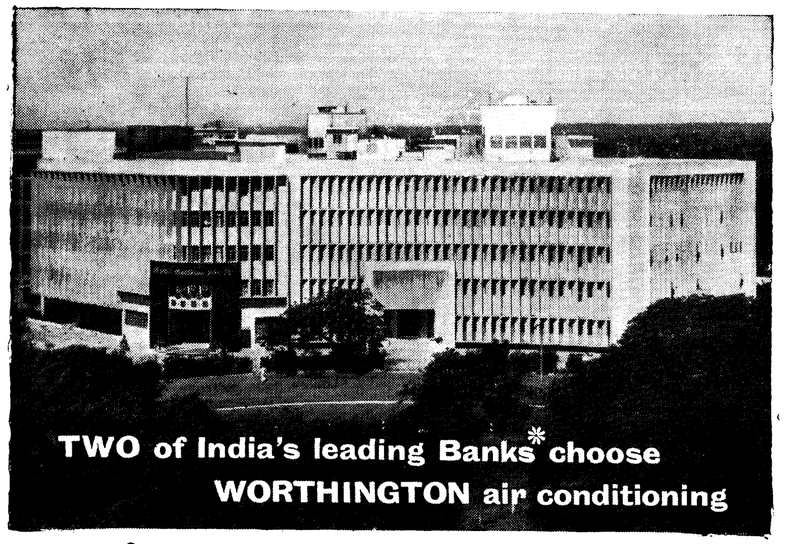


polish your brassware with

BRASSO

once a week, every week

JWTBR 4237R Atlantis (East) Ltd. (Incorporated in England)



TWO of India's leading Banks* choose WORTHINGTON air conditioning

...for year-round 'engineered climate'

The imposing new buildings of the United Commercial Bank and the Punjab National Bank at New Delhi are completely air conditioned (for summer cooling and winter heating) with WORTHINGTON Centrifugal Systems — 230-tons and 300-tons respectively.

These Banks offer not only excellent banking facilities but the right atmosphere for their patrons and ideal working conditions for their employees.

These are yet other instances where high performance and economy in operation led logically to BLUE STAR engineered WORTHINGTON installations. Whether your requirements are large or small — you will find that BLUE STAR can serve you best in 'climate control.'

* *United Commercial Bank, New Delhi & Punjab National Bank, New Delhi*

BLUE STAR ENGINEERING CO. (Bombay) Private LTD.
LOTUS COURT, JAMSHEDJI TATA ROAD, BOMBAY 1.

PSBS:W 59/60

WORTHINGTON
AIR CONDITIONING & REFRIGERATION
engineered and sold in India exclusively by
BLUE STAR
Climate Engineers to Industry Business and the Home
BOMBAY · CALCUTTA · DELHI · MADRAS

FOR COMPLETE BANKING SERVICE INCLUDING FOREIGN EXCHANGE

DEPOSITS OVER 200 CRORES

THE CENTRAL BANK OF INDIA LTD.
MAHATMA GANDHI RD., FORT, BOMBAY.

THE SOUTH INDIA INSURANCE CO., LTD.
Incorporated in India
(Established 1934)

FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office:
Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

THE BANK OF RAJASTHAN LIMITED

Registered Office:—**Udaipur** *Central Office:*—**Jaipur**

The Directors' Report for the year ended 31st December 1960 submitted at the Eighteenth Annual General Meeting held at the Registered Office of the Company at Clock Tower, Udaipur, on Monday, 15th May 1961.

The Directors have pleasure in submitting the Eighteenth Balance Sheet as on 31st December, 1960, and Profit and Loss Account for the year ended 31st December, 1960, together with the Auditors' Report.

Branches and Services:—During the year under report the Bank opened four new branches raising the total number to 36 including one Mobile Branch, i.e., a bank on wheels opened in Jaipur City to serve the banking needs of the residents of the suburbs where banking facilities were not in existence. Besides, two offices were opened for the collection of Water and Electricity Bills in the City of Jaipur for the convenience of the general public.

The Bank has been entrusted by the Water Works Department, Government of Rajasthan with the work of the collection of Water Bills at six places where we have our branches. Rajasthan State Electricity Board and the Amalgamated Electric Company Ltd. have also entrusted to the Bank the collection of Electricity Bills in Jaipur and Ajmer respectively.

During the year, the Government Treasury work at six branches has ceased to be transacted by us consequent on the reorganisation of Treasury arrangements in Rajasthan.

Working Funds:—The working funds have increased to Rs. 6,02,63,833 which exceed the figure of the previous year by Rs. 44,18,809.

Deposits:—The deposits have maintained steady growth. They have increased by Rs. 44,03,408 over the last year's figure and stand at Rs. 5,36,25,830.

Liquidity:—The liquid assets (Cash, Balances with Banks, Money at Call and Short Notice and Investment) of the Bank total Rs. 3,17,33,417. The ratio of liquid assets to total liability is 55.4 per cent. and compares favourably with the All India Scheduled Banks ratio of 44.4 per cent.

Investment:—The investments of the Bank amount to Rs. 2,01,76,648, 97.04 per cent. of which is accounted for by our holdings in Government and Trustee Securities 83.90 per cent. of the securities mature within 10 years.

Advances:—There was a brisk demand for advances during the year and the increased deposits were remuneratively utilised in advances raising the percentage of advances to deposits to 49.09 as compared with 40.6 per cent. of the last year. In making the advances, the traditional sound policy continues to be followed.

Profit and its Appropriation:—The net profit for the year is Rs. 3,36,202.91 and is more than that of the last year by Rs. 75,788. The sum of Rs. 1,570.11 brought forward from the previous year has to be added to it, making a total of Rs. 3,37,773.02. After making the following appropriations:—

	Rs. nP
To Reserve Fund under Section 17 ..	67,715.79
To General Reserve Fund ..	23,423.21
To Provision for Income-tax ..	1,10,000.00
To Bonus to Staff ..	41,000.00
	2,42,139.00
The Directors recommend to declare a dividend at 10 per cent. per annum subject to Income-tax ..	92,360.00
Leaving a balance of (to be carried forward) ..	3,274.02
Total .. Rs.	3,37,773.02

Election of Directors:—In accordance with Article No. 119 of the Articles of Association of the Bank, two Directors, viz., Sarva Shri Rajadhiraj Amarsinghji of Banera and Seth Pusalalji Mansinghka retired from the Board of Directors by rotation but being eligible offer themselves for re-election.

Appointment of Auditors:—You are requested to appoint Auditors for the ensuing year and to fix their remuneration.

Thanks:—The Board of Directors thank the shareholders, the Government of Rajasthan and the customers for their continued patronage and to the staff for their loyal services.

By Order of the Board,
HARI SINGH,
Chairman.

JAIPUR, 29*th March*, 1961.

BALANCE SHEET AS AT 31st DECEMBER, 1960

1959 Rs. nP	CAPITAL AND LIABILITIES	1960 Rs. nP	1960 Rs. nP
	1. Capital—		
20,00,000.00	AUTHORISED CAPITAL— 20,000 shares of Rs. 100 each ..	20,00,000.00	
20,00,000.00	ISSUED CAPITAL— 20,000 shares of Rs. 100 each ..	20,00,000.00	
18,18,200.00	SUBSCRIBED CAPITAL— 18,182 shares of Rs. 100 each ..	18,18,200.00	
30,000.00	CALLED AND PAID-UP CAPITAL— 300 shares of Rs. 100 each fully paid up ..	30,000.00	
8,94,100.00	17,872 shares of Rs. 100 each, Rs. 50 per share called up ..	8,93,600.00	
9,24,100.00		9,23,600.00	
400.00	LESS—Calls unpaid ..	Nil	
9,23,700.00		9,23,600.00	
Nil	ADD—Forfeited shares ..	250.00	
9,23,700.00			9,23,850.00
	2. Reserve Fund and Other Reserves—		
3,95,284.21	Reserve Fund under Section 17 ..	4,63,000.00	
3,14,340.79	Other Reserves ..	3,37,764.00	
7,09,625.00			8,00,764.00
	3. Deposits and Other Accounts—		
2,69,36,988.12	Fixed and Call Deposits ..	2,96,82,588.66	
1,01,35,551.04	Savings Bank Deposits ..	1,13,52,740.05	
1,20,31,010.98	Current Accounts, Contingency (Unadjusted) ..	1,24,25,699.55	
1,18,876.81	Staff Security Deposits. (Deposited with this Bank itself being a Scheduled Bank) ..	1,64,801.83	
4,92,22,426.95			5,36,25,830.09
	4. Borrowings from Other Banking Companies, Agents, etc.—		
Nil	(i) In India ..	Nil	
Nil	(ii) Outside India ..	Nil	
Nil		Nil	
	PARTICULARS—		
Nil	(i) Secured (stating the nature of security)..	Nil	
Nil	(ii) Unsecured ..	Nil	
Nil			Nil
28,85,895.58	**5. Bills Payable** ..		34,04,847.30
	6. Bills for Collection Being Bills Receivable as per contra—		
28,78,770.26	(i) Payable in India ..	30,19,862.61	
72,179.00	(ii) Payable outside India ..	26.62	
29,50,949.26			30,19,889.23
	7. Other Liabilities—		
21,713.59	(i) Unpaid Dividends ..	12,848.04	
3,80,462.20	(ii) Provision for Income-tax ..	6,32,654.43	
37,601.08	(iii) Bonus to Staff ..	42,175.19	
124.71	(iv) Staff Benefit Account ..	124.71	
14,82,188.31	(v) Branch Adjustments ..	6,12,349.18	
95,298.12	(vi) Sundry Creditors Account ..	1,12,510.40	
10,553.54	(vii) Income received but not earned ..	245.48	
20,27,941.55			14,12,907.38
7,93,404.00	**8. Acceptances, Endorsement and Other Obligations per contra** ..		13,80,085.56
	9. Profit and Loss—		
56,317.73	Balance of last year's profit after appropriation..	75,434.11	
55,299.00	LESS—Dividends for 1959 ..	73,864.00	
1,018.73		1,570.11	
2,60,415.38	ADD—Profit for the year brought from Profit and Loss Account ..	3,36,202.91	
2,61,434.11		3,37,773.02	
	LESS—Appropriation— Rs. nP		
53,000.00	Reserve Fund .. 91,139.00		
96,000.00	Provision for Income-tax .. 1,10,000.00		
37,000.00	Bonus to Staff .. 41,000.00		
1,86,000.00		2,42,139.00	
75,434.11			95,634.02
	10. Contingent Liabilities— Rs. nP		
	(i) Claims against the banking company not acknowledged as debts .. 32,919.62		
	(ii) Money for which the banking company is contingently liable—guarantees given by the banking company on behalf of—		
	(a) Directors or Officers .. Nil		
	(b) Others .. 73,689.76		
	(iii) Arrears of Cumulative Preference Dividend .. Nil		
	(iv) Liability on Bills of Exchange re-discounted .. 1,208.39		
5,95,80,376.45	Total.. Rs.		6,46,68,807.56

1959 Rs. nP	PROPERTY AND ASSETS	1960 Rs. nP	1960 Rs. nP
	1. Cash—		
80,90,020.85	In hand and with Reserve Bank of India and State Bank of India ..		92,04,003.61
	2. Balances with Other Banks on Current Account—		
20,64,285.20	(i) In India ..	20,02,764.93	
Nil	(ii) Outside India ..	Nil	
20,64,285.20			20,02,764.93
16,75,000.00	**3. Money at Call and Short Notice** ..		3,50,000.00
	4. Investments: At or below Market Value—		
2,23,31,656.08	(i) Securities of the Central and State Governments and other Trustee Securities Face Value Rs. 2,20,83,190 ..	1,95,79,681.16	
Nil	(ii) Treasury Bills of the Central and State Governments ..	Nil	
10,000.00	(iii) Fully paid Preference Shares ..	10,000.00	
5,11,789.87	(iv) Debentures or Bonds ..	5,11,789.87	
Nil	(v) Other Investments ..	Nil	
1,00,557.14	(vi) Gold ..	75,227.40	
2,29,54,003.09	NOTE.—(Reserve Bank of India has a lien on securities of the face value of Rs. 5 Lacs on account of guarantees given on behalf of constituents.)		2,01,76,648.43
	5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
	(1) Loans, Cash Credits, Overdrafts, etc.—		
1,29,80,072.84	(i) In India ..	2,35,90,453.07	
Nil	(ii) Outside India ..	Nil	
	(2) Bills discounted and purchased (excluding Treasury Bills of the Central and State Governments)—		
61,06,552.00	(i) Payable in India ..	27,38,548.57	
Nil	(ii) Payable outside India ..	Nil	
1,90,86,624.84	PARTICULARS OF ADVANCES— See separate statement appended.		2,63,29,001.64
	6. Bills Receivable Being Bills for Collection as per contra—		
28,78,770.26	(i) Payable in India ..	30,19,862.61	
72,179.00	(ii) Payable outside India ..	26.62	
29,50,949.26			30,19,889.23
7,93,404.00	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra** ..		13,80,085.56
	8. Premises Less Depreciation—		
2,97,522.01	Total cost as on 31st December, 1959 ..	3,19,746.01	
Nil	LESS—Transfers ..	4,617.44	
2,97,522.01		3,15,128.57	
22,224.00	Additions during the year ..	6,573.75	
3,19,746.01		3,21,702.32	
	LESS—Depreciation— Rs. nP		
	As per last Balance Sheet .. 29,006.40		
29,006.40	Depreciation during the year .. 8,928.00	37,934.40	
2,90,739.61			2,83,767.92
	9. Furniture and Fixtures Less Depreciation—		
4,98,612.22	As per last Balance Sheet ..	5,52,185.11	
53,572.89	Additions during the year ..	1,00,920.57	
5,52,185.11		6,53,105.68	
	LESS—Written off during the year ..	2,548.59	
		6,50,557.09	
	LESS—Depreciation— Rs. nP		
	As per last Balance Sheet .. 2,12,159.88		
	Written off during the year .. 1,349.24		
	2,10,810.64		
2,12,159.88	Depreciation during the year .. 44,271.41	2,55,082.05	
3,40,025.23			3,95,475.04
	10. Other Assets including Silver—		
22,354.44	(i) Silver ..	1,656.35	
33,730.28	(ii) Sundry Debtors ..	59,596.87	
149.00	(iii) Stamps ..	96.00	
62,528.25	(iv) Cash in Transit ..	1,253.50	
14,546.50	(v) Prepaid Insurance ..	Nil	
1,38,064.77	(vi) Stationery in Stock ..	1,30,390.04	
3,27,331.25	(vii) Interests accrued but not realised ..	2,68,584.75	
6,96,956.90	(viii) Indian Income-tax deducted at source ..	10,17,367.02	
12,90,661.39		14,74,285.53	
	Library— Rs. nP		
12,445.07	As per last Balance Sheet .. 12,320.58		
86.38	Additions during the year .. 547.99		
12,531.45	12,868.57		
210.87	LESS—Transfers .. Nil		
12,320.58	12,868.57		
	LESS—Depreciation—		
7,557.29	As per last Balance Sheet .. 10,772.62		
3,215.33	During the year .. 386.64		
10,772.62	11,159.26	1,709.31	
1,547.96			
40,341.27	Conveyance (Motor Cars) as per last Balance Sheet .. 94,376.52		
54,035.25	Additions during the year .. 9,170.88		
94,376.52	1,03,547.40		
	LESS—Depreciation—		
33,379.77	As per last Balance Sheet .. 42,261.50		
8,881.73	During the year .. 15,209.42		
42,261.50	57,470.92	46,076.48	
52,115.02			15,22,171.32
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims** (Stating mode of valuation) ..		Nil
5,95,80,376.45	Total .. Rs.		6,46,68,807.56

THE BANK OF RAJASTHAN LIMITED—*Continued.*

Schedule of Particulars required by the Banking Companies Act, 1949 attached to and forming part of the Balance Sheet as at 31st December, 1960

PARTICULARS OF ADVANCES	Bills Discounted and Purchased Rs. nP	Loans, Advances, Cash Credit and Overdrafts Rs. nP	Total Rs. nP
(i) Debts considered good in respect of which the Banking Company is fully secured ..	21,19,418.71	2,21,72,699.00	2,42,92,117.71
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security ..	3,67,256.64	87,321.99	4,54,578.63
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors—			
(a) Debts guaranteed by the Government of Rajasthan ..	Nil	12,85,446.19	12,85,446.19
(b) Others ..	2,51,873.22	44,985.89	2,96,859.11
(iv) Debts considered doubtful or bad, not provided for ..	Nil	Nil	Nil
	27,38,548.57	2,35,90,453.07	2,63,29,001.64
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons ..	Nil	24,818.33	24,818.33
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members ..	81,905.33	Nil	81,905.33
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons ..	Nil	31,436.02	31,436.02
(viii) Maximum total amount of advances, including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in case of Private Companies, as Members ..	1,00,931.53	Nil	1,00,931.53
(ix) Due from Banking Companies ..	Nil	Nil	Nil

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960

1959 Rs. nP	EXPENDITURE	1960 Rs. nP	1960 Rs. nP
13,15,295.57	1. Interest paid on Deposits, Borrowings, etc. ..		14,81,213.75
7,45,050.81	2. Salaries, and Allowances and Provident Fund .. Salary and Allowances to General Manager Rs. 14,983.33 includes Allowances calculated in accordance with Income-tax Rules.		8,31,082.97
(40,360.42)			
4,660.67	3. Directors' and Local Committee Members' Fees and Allowances ..		2,150.00
66,398.65	4. Rent, Taxes, Insurance, Lighting, etc. ..		88,478.93
28,671.70	5. Law Charges ..		16,701.84
98,255.34	6. Postage, Telegrams and Stamps ..		1,15,027.04
9,991.63	7. Auditors' Fees ..		4,251.57
68,573.13	8. Depreciation on and Repairs to the Banking Company's Property ..		78,778.20
79,726.65	9. Stationery, Printing, Advertisement, etc. ..		1,14,144.60
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets ..		Nil
1,17,393.18	11. Other Expenditure ..		1,40,714.22
2,60,415.88	12. Balance of Profit (subject to Income-tax) ..		3,36,202.91
27,94,432.71	Total .. Rs.		32,08,746.03

1959 Rs. nP	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	1960 Rs. nP	1960 Rs. nP
20,96,293.89	1. Interest and Discount ..		24,50,404.49
5,85,686.79	2. Commission, Exchange and Brokerage ..		6,23,608.82
Nil	3. Rents ..		Nil
28,406.25	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account).		10,392.47
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..		Nil
Nil	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets ..		Nil
84,045.78	7. Other Receipts ..		1,24,340.25
27,94,432.71	Total .. Rs.		32,08,746.03

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the foregoing Balance Sheet of the Bank of Rajasthan Limited as at 31st December, 1960, and also the annexed Profit and Loss Account of the Bank for the year ended on that date in which are incorporated the returns of 18 branches audited by us and 23 branches audited by other Chartered Accountants. In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisions to sub-sections (1) and (2) of Section 211 and sub-section (5) of Section 211 and Section 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn in accordance with the sixth schedule of the Companies Act, 1956. The accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949. We report that:—

1. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of audit and have found them to be satisfactory.
2. The transactions of the Bank which have come to our notice, have been within the powers of the Bank.
3. In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books.
4. The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with books of account and the returns.
5. In our opinion, and to the best of our information and according to the explanations given to us, *the said accounts give the information required by the Companies Act, 1956, in the manner so required* for Banking Companies, and on such basis the said Balance Sheet gives a true and fair view of the state of affairs of the Bank as at 31st December, 1960, and Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

B. D. GARGIEYA & CO.,
Chartered Accountants.

JAIPUR, 18*th March*, 1961.

HARI SINGH *Chairman.*

B. L. SETHI,
General Manager.

पुसालाल मानसिंहका
G. S. PUROHIT } *Directors.*

Note.—The other Directors have not signed the Balance Sheet and Profit and Loss Account being absent.

INDUSTRIAL **IBCON** CONSULTANTS

The industrial consultancy services offered by the group fall under the following headings:-

IN THE PLANT:— PLANT CAPACITY AND LAY-OUTS • PRODUCTION PLANNING AND CONTROL • STORES ORGANISATION AND CONTROL
FUEL AND STEAM UTILISATION • RAW MATERIALS CONTROL • QUALITY CONTROL • TRANSPORT
MECHANICAL HANDLING • OPERATIONAL RESEARCH • VALUATION OF PLANT AND BUILDINGS

ON LABOUR:— METHOD AND WORK STUDY • JOB EVALUATION • INCENTIVES • PERFORMANCE CONTROL • WAGE STRUCTURES
TIMEKEEPING SYSTEMS • PERSONNEL RECORDS • HUMAN RELATIONS • COMMUNICATION

IN OFFICES:— MANAGEMENT CONTROLS • MANAGEMENT ORGANISATION : EXECUTIVE AND CLERICAL • WORK MEASUREMENT
INCENTIVES • BUDGETARY CONTROLS • LAYOUT, COMMUNICATIONS AND EQUIPMENT

AND:— THE SETTING UP AND TRAINING OF THE CLIENT'S OWN INDUSTRIAL ENGINEERING DEPARTMENT
MARKET RESEARCH • PLANNING FOR MODERNISATION AND EXPANSION OF INDUSTRIES
TECHNOLOGICAL STUDIES IN RAW MATERIALS, PROCESS AND PLANT PERFORMANCE

IBCON PRIVATE LIMITED

HEAD OFFICE: ADELPHI, 119, QUEEN'S ROAD, BOMBAY 1.
2, FAIRLIE PLACE, CALCUTTA 1. • BRADY'S BLDG., MAHATMA GANDHI RD., KANPUR.
GEORGE OAKES BLDG., SRI NARASIMHARAJA SQUARE, BANGALORE 2. • 85, WARD PLACE, COLOMBO 7, CEYLON
ALSO IN:
U.K., PAKISTAN, BURMA, IRAQ, CHILE, ARGENTINA, BRAZIL, MEXICO, AUSTRALIA, HONGKONG.

U.K.'S ECONOMIC POLICY—A DEPARTURE

IMPLICATIONS OF LATEST BUDGET

By W. T. C. King

LONDON, 3rd May

THE outstanding happening on the economic front in Britain in the past month has been the introduction of Mr. Selwyn Lloyd's first Budget—and this promises to have an importance far transcending its implications for the economy in the short run. The Chancellor has not been content to budget simply for the immediate needs of the economy as he sees them; he has also tackled the problem of how to make fiscal instruments more effective as regulators of the economy in the future. For this reason, this Budget marks a major new departure in economic policy in Britain, and has far-reaching implications for financial policy and the use of monetary weapons. It is instructive, I think, to examine this initiative against the background and how the techniques of economic control have evolved in Britain in recent years.

The doctrine that the Government should accept responsibility for regulating the economy, especially for sustaining a high level of employment within it, was put to its first practical test, in peace-time, in Britain after the end of World War II. At that stage, it was, perhaps, natural that the authorities, in their search for the instruments of regulation, should have turned first to those operative during the war—notably the apparatus of physical control, import licensing, and rationing. So long as the physical controls could be trusted to limit expenditures through all the more important channels, the main role of taxation imposed through the Budget was widely conceived to be merely that of supporting the physical apparatus by mopping up the supposedly "unspendable" surpluses of funds. And monetary policy has offered no positive role at all—except, indeed, at the very outset, the contrary role of actually forcing long-term interest rates down, against the natural trend.

First Assault on Inflation

Bitter experience quickly demonstrated, however, that, in a democratic community, physical controls could not be operated in peace-time with the same range and effectiveness they had attained in war-time conditions. And, as the scope of these controls was reduced, the surpluses hitherto regarded as "unspendable" posed and ever-increasing threat of inflation. The Government's answer to this threat was to make the Budget, for the first time, a primary instrument of regulation. The first serious assault on inflation in post-war Britain was that made by the introduction of the principle of disinflationary budgeting—by imposing sufficient taxation not only to finance the Government's own current requirements but also to provide a surplus that would make up for the deficiency of savings in the prospective savings account of the economy as a whole. This principle was mainly associated with the late Sir Stafford Cripps in 1948-49. But at that stage, there was no attempt to buttress budgetary disinflation by deliberately turning to an "active" monetary policy. Natural forces in the capital market had, indeed, compelled the abandonment of the drive for ultra-cheap money, and long-term interest rates had begun to rise; but the Bank rate remained inert at 2 per cent, with Treasury bill rates well below it, and virtually pegged.

Revival of Monetary Techniques

In the closing years of the Labour administration, it became increasingly plain that there were limits to the effectiveness of even the most determined of budgetary drives against inflation—notably because of the disincentive effects of unduly high taxation and because of the rising proportion of it that tended to be paid out of savings, thus giving no relief from the pressures of excessive demands. More important still, it was perceived that the effectiveness of firmness in budgetary policy was being determined by undue softness in monetary policy. In the years following the election of the Conservative Government in 1951, therefore, there was a gradual revival of the monetary techniques of control. And as experience was gained in the operation of a positive monetary policy, so more reliance was put upon it for the purpose of keeping inflation in check, although the underlying aims of budgetary policy were not overtly changed. When the whole period is surveyed in retrospect, it can be seen that less was expected of it than formerly. In particular, when the state of the economy suggested that there might be scope for relaxation or stimulation, the authorities tended to give it by budgetary means; whereas, on several notable occasions when there was need for restraint, monetary rather than budgetary measures were the ones first selected to impose it.

In recent years, in consequence, it was increasingly felt that economic management might be falling into the opposite error to that experienced at the time of Sir Stafford Cripps; whereas in the early post-war years, firm budgeting had been frustrated by soft money, during the past six years or so, there have been several occasions when a firm monetary policy has been frustrated by too-lenient budgeting. At the very least, it has been almost generally agreed that, at times, too much has been asked of monetary policy. The remedy for this situation must, naturally, depend in part upon how far Governments are willing to follow firmer fiscal policies. But it also depends, as the Radcliffe Committee pointed out, on whether the available fiscal instruments are flexible enough to enable them to be used in the sort of circumstances in which monetary instruments have lately been used instead. In particular, though, in very special circumstances, the Government has been prepared to introduce an "emergency" Budget in the autumn—the last of these was in 1955—most fiscal instruments have suffered from the grave disadvantage that they could only be brought into use, or altered in their incidence, at the normal annual budget time, in the second quarter of the year. One particular tax, the purchase tax, has admittedly been varied at other times, but it operates over a comparatively limited range, and there were, in any case, other objections to leaning too heavily or too frequently upon it.

Two New Fiscal Powers

Now, in this latest Budget, the Government has taken the arguments to heart. It has admitted that the available monetary instruments all have their limitations, and that too much should not be expected of them—for example, the Bank rate, the Chancellor argued, suffered from the disadvantage that it is "not always possible to arrange that the same level suits us domestically and internationally." And variations in controls over the terms of hire-purchase contracts, though they had substantial and prompt effects, put over much of the brunt of the requisite restraint on a limited range of industries. Therefore, while not intending to dispense with any of the existing monetary regulators, the Government has sought for new ones that could equally be available for use—and with the prospect that they would act quickly—at any time of the year. Its resultant proposals, which formed part of the Budget speech and are incorporated in this year's Finance Bill, are for the provision of two new fiscal powers, either or both of which could be implemented at any time between the annual Budgets. The first of these powers, if duly conferred, will enable the Government to impose, at any time, a special surcharge or rebate, at a uniform percentage rate not exceeding 10 per cent in each direction, on all the principal existing customs and excise and revenue duties simultaneously—taxes that at present yield about £2,300 million and are mostly borne by consumers. In addition, a similar power is proposed to impose a novel form of taxation, described as a surcharge on employers, in respect of all employees covered by the National Insurance scheme—the surcharge not to exceed 4s. a week per employee. Proposals to use either of these powers would be implemented by statutory order, which could be made operative immediately but would be subject to an affirmative resolution by Parliament given within a month. If these powers are duly conceded, they will equip the Government with fiscal weapons of a potency and flexibility far surpassing anything that has ever been available in the past.

Avoiding Inflation

The new power to vary the indirect taxes, if used to the maximum extent, could increase or abate the flow of taxation to the Exchequer to the extent of some £200 million a year in either direction, and the other new weapon could add another £200,000,000 to the flow. It was claimed during the Budget debate, indeed, that these powers, when considered in relation to the existing monetary powers, would put Britain's Chancellor of the Exchequer in a stronger position to regulate the economy than any other Finance Minister in the Western world. Certainly, the mere fact that such proposals should be made shows a new determination to come to grips with the problem of avoiding inflation and a realisation of the major weaknesses from which the techniques of control have suffered in the recent past. There is a notable and instructive difference between this approach and the policy followed 12 months ago; then, it was clear, monetary policy—including higher interest rates, the new special-deposits weapon, and hire-purchase controls—was being expected to shoulder a very large part of the task of restraining an unduly rapid rise in demand, since the Budget of 1960 was almost neutral in its immediate effects—now, although there is no intention to abandon the use of monetary controls, it is unlikely that, when the primary aim is to check consumer demand, the authorities will turn first to increases in the Bank rate or even to hire-purchase controls—not, at least, unless a rather circumscribed effect is desired.

A More Pervasive Effect

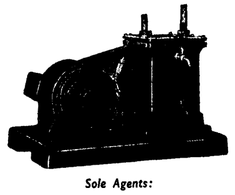
A more pervasive effect on consumer expenditures could be exerted by the new power to raise indirect taxation. The new device of what would, in effect, be a payroll tax, though possibly desirable in principle as a long-range instrument to encourage industry to maximise its efficiency in labour usage, seems much less suited to be a short-term regulator of general demand. If imposed, it would influence demand through its effect on industrial costs—which means that it would have little or no effect on general expenditure unless and until it had been passed on by way of increases in prices, creating a time-lag in effective operation that would be most undesirable in a short-range regulator. This same principle also applies to a substantial part of the £80,000,000 of additional revenue expected to be collected this year as a result of immediate imposts made by this Budget; in the first instance, much of the taxation will be met at the expense of savings in the form of undistributed company profits. In other words, the immediate disinflationary impact of the Budget will be somewhat less than is implied by the fact that it imposed a net addition of £68,000,000 to this year's expected tax revenues—but this addition went to strengthen a prospective "above-the-line" or "ordinary" Budget surplus that already stood at £438,000,000; thus fortified, the ordinary surplus will be sufficient to finance all but £69,000,000 of the "below-the-line" capital expenditures, so that the Treasury's prospective borrowing requirements are likely to be covered several times over by the customary flow of funds into "National" savings securities and tax reserve certificates. This promises greatly to strengthen the authorities' hands in the management of the gilt-edged market—and also in their control over bank liquidity.

LABORATORY AND INDUSTRIAL VACUUM EQUIPMENT AND MEASURING INSTRUMENTS

by

M/s. ARTHUR PFEIFFER, GERMANY

Manufacturers of High Vacuum Equipment like Vacuum Pumps, Diffusion Pumps, Electric and Mercury Vacuum Gauges, High Vacuum Evapor Plants for Metal Coating, Etc.



Sole Agents:

TOSHNIWAL BROTHERS (PVT.) LTD.

198, Jamshedji Tata Road, Bombay 1

Branches:

AJMER CALCUTTA DELHI MADRAS

KOHINOOR MILLS COMPANY LIMITED

SPEECH OF CHAIRMAN, MR. A. N. HAKSAR AT ANNUAL MEETING

CLOTH EXPORTS TO BE STEPPED UP FURTHER

ADDRESSING the Annual Meeting of the Kohinoor Mills Company Ltd., held on 10th May 1961, at Bombay, Mr. A. N. Haksar, Chairman of the Company, stated that although the profits realised on cloth exports were only marginal, it was beneficial to export more, as that would enable the Company to earn licences for import of machinery and raw cotton. Exports during the year ended 31st December 1960 were valued at Rs. 34.97 lakhs, as compared with Rs. 22.37 lakhs in the previous year. Mr. Haksar disclosed that the Company would endeavour to step up exports further in 1961.

The following is the full text of Mr. Haksar's speech:

"GENTLEMEN,

"I am glad to report that the year under review has definitely been an improved one for your Company. The working in all sectors of the mill was better than last year and higher efficiency and production were achieved. Your Company increased the production of fine and superfine fabrics to suit consumer demand. New bleached and dyed sorts in both men's and women's wear were introduced and some of these have been popularised in the market. The Company progressively started 45,500 spindles by introducing a third shift in the spinning section of No. 2 Mill. This was done without additions to preparatory machinery. In your No. 3 Mill, screen printing was introduced and is running satisfactorily now.

Raw Cotton Situation

"The cotton year 1960 was a most difficult one. Untimely rains in most cotton producing districts adversely affected the crop quality and quantity. Early estimates of a 48 lakh bales crop had to be revised to 38 lakhs resulting in an acute scarcity of desirable qualities and a sharp advance in prices. Despite liberal imports and restrictive measures taken by the Textile Commissioner in the form of quality controls and mill quotas, cotton prices continued to advance. By the end of December, an extremely tight supply position was evident and at January end the situation was alarming. To overcome this shortage and enable mills to maintain their production, Government was forced to step up imports of foreign cotton, especially of short staples from America. Even so, stocks in mills were reduced to a minimum at the commencement of the new crop. Fortunately, the quality of the new crop was good and first estimates forecast 50 lakh bales. To stabilise the market, however, the Textile Commissioner continued the system of mill quotas and quality control. These measures, assisted by a larger crop, had the desired effect of bringing down prices and the position was much improved by the new cotton year. Your Company, like other textile units, suffered from higher prices both for Indian and imported cotton for the year under review.

Cloth Prices

"During the first half of the year, cloth movement was good and the stocks carried by the Company were reasonably low. In the second half, however, Government made it known that a reduction in cloth prices was desired. This caused uncertainty in the market and the movement of cloth became extremely sluggish. Negotiations took place between Government and the Indian Cotton Mills Federation and it was agreed to start stamping prices on cloth from 10th September 1960, on a formula based on August 1959 cloth prices. Even after this agreement was reached, Government required still further reduction in cloth prices and, therefore, uncertainty in the market continued. The final formula applicable from 1st January 1961, resulted in a still further reduction. This price reduction will obviously bring down the profit margin of all mills. It will be the endeavour of your management to make up this shortfall in profit by improving working efficiency. Until the formula was agreed, movement of cloth was nominal and, therefore, stocks at the end of the year were higher than had been expected.

"In our endeavour to earn foreign exchange both for the country's and your Company's benefit, we stepped up our exports from Rs. 22.37 lakhs last year to Rs. 34.97 lakhs. Even though we sell in the export markets at marginal profit levels, your management considers it beneficial to export with a view to earning machinery licences to modernise your mills and to obtain licences for the import of extra quantities of cotton. In the coming year, we hope to maintain and, if possible, to step up our export programme. This would, of course, depend upon market tendencies.

Yarn

"We had no problems in the marketing of sewing thread and its movement was well maintained through the year. We ventured into certain new and more paying counts of yarn, and a part of this benefit was felt during 1960. Our yarn exports for 1960 were Rs. 15.51 lakhs against Rs. 7.44 lakhs last year.

Sales and Stocks

"Our sales for both cloth and yarn continued smoothly. I have explained above the reason for an increase in stocks in December, but as the trade finally settled down in January 1961, stocks moved extremely well. I am glad to report that today our total stocks of finished products constitute only about three weeks' production. This is a very satisfactory position. It will be our endeavour to maintain low stocks and reduce them further, if possible. Our thanks are due to your selling agents who have done very well throughout this period.

Labour

"By the Central Wage Board Award 1959, the basic wages of textile workers were enhanced by an average of Rs. 8 per worker. This was the first step in a two-phased programme which was intended to give a total benefit of Rs. 10 per worker. The additional Rs. 2 will be levied in 1962. Whereas this was a benefit to the labour force in the textile industry, it was a tremendous drain on the profitability of mill units. This award, however, recognised rationalisation as a part of the total scheme. This, I feel, is a step in the right direction as the Indian textile industry can only become competitive in world markets by linking up the utilisation of rationalised labour with high production machines.

"Our relations with the *Rashtriya Mill Mazdoor Sangh*, which is the recognised labour union for our mill, were most cordial and with their help rationalisation and standardisation measures were introduced in various sectors. In all 785 posts were reduced and this without any deterioration in our labour relations. Out of this, retrenchment compensation and gratuity was paid to 547 persons and we took advantage of natural wastage to abolish the balance 238 posts. The *R.M.M.S.* gave us their full co-operation during this period and assured us of their complete assistance in future. In our No. 3 Mill, the four-looms-to-a-weaver system was introduced in half the weaving shed and to avoid unemployment and the payment of retrenchment compensation and gratuity, a second shift was started in the whole weaving shed in the middle of the year.

Machinery

"A comprehensive programme of maintenance and rehabilitation was carried out throughout the year. New machinery of the value of Rs. 37.68 lakhs was installed in your mill and we have further orders on hand for machinery worth Rs. 46 lakhs. New N.M.M. Ring Frames were received from the month of March onwards and these are being progressively erected to replace old ones. A new set of Whitin Combers was erected and are in production. The Company also installed the latest type of hot air stenter from Germany and automatic pirn winders from Holland. Most humidification systems were renovated and these have greatly improved working conditions. We have still to receive a number of modern machines which will improve the quality of your mill production. The 48 automatic looms, which we had been allotted some while ago, are now on order, but, unfortunately, no further allotments have been made. I trust, however, that, in due course, we will receive further licences to enable us to have a full shed of this machine. Your management is seeking all avenues to modernise in the best and quickest manner possible.

Scarcity of Raw Material

"For your No. 3 Mill, which is a silk and art silk unit, we have been facing the problem of non-availability of raw material. There is a great shortage of synthetic yarn in the country and sometimes very high premiums have to be paid for yarn vitally needed to keep the unit working. To solve this problem, your management has decided on a policy of export for earning licences for the direct import of the required yarn. This policy will certainly bear fruit and we hope the accounts of No. 3 Mill will show a marked improvement in 1961.

Profit and Loss Account

"From this you will notice that we have shown a gross profit of Rs. 32.18 lakhs after adding back to the net profit depreciation, taxation, Managing Agents' remuneration and development rebate totalling Rs. 24,41,572. This profit has been arrived at after payment of certain non-recurring charges which absorbed Rs. 15.91 lakhs. These constituted mainly of retrenchment compensation and gratuity paid (Rs. 6.49 lakhs and Rs. 4.50 lakhs respectively), and the payment of staggering compensation for the year 1952 amounting to Rs. 4.92 lakhs. Although these measures have reduced the profits in the year under review, there is no doubt that, in the years to come, these losses will be more than recouped and the Company will stand to benefit. You will appreciate that the actual working profit for this year was more than double that of the preceding one. This, I submit, is a reasonable achievement. I can only hope that this improvement will be maintained.

"There were a few other additional burdens the Company had to bear over and above last year. Like all other mills, we paid an additional average of Rs. 8 per worker which totalled Rs. 7 lakhs for the year. Dearness allowance was higher by Rs. 11.75 lakhs. The bonus for 1958 was also paid which amounted to Rs. 2.96 lakhs."

Note: *This does not purport to be a record of the proceedings of the annual general meeting which can be seen by any shareholder on request.*

It is in your interest to make the most of the

V. INTERNATIONAL TECHNICAL FAIR IN BELGRADE

23rd August—2nd September 1961

Exhibition of products of MACHINE-BUILDING, METAL-PROCESSING, CHEMICAL AND ELECTRICAL INDUSTRIES

Exhibition of the application of AUTOMATION, ELECTRONICS AND NUCLEAR TECHNICS

In the frame of the fair INTERNATIONAL AUTOMOBILE SHOW, EXHIBITION OF MECHANOGRAPHIC PRODUCTS AND MACHINES FOR ANALOGOUS CALCULATING

Applications and Information:

BEOGRADSKI SAJAM - Beograd POB 408

Diplomatic and consular representatives of FPR Yugoslavia abroad

THIRD FIVE-YEAR PLAN OF U.P.

BACKWARD AREAS NEED SPECIAL TREATMENT

By D.S. Kushwaha

ALLAHABAD UNIVERSITY

CENSUS estimates have upset many estimates of the Planning Commission. The Planners of U. P. State, however, have shown much greater accuracy in their estimates of population, for, according to the Chief Minister, there is hardly a difference of one per cent in the estimates of population put forward by the recent census and the estimate taken into account while formulating the Draft Plan of U. P. It means that the Draft Outline does not stand in need of significant changes in view of the population upsurge. One may, therefore, correctly try to see the past and future of the State in the Draft Outline of the State's Plan. It does not, however, rule out the change that may become necessary due to modifications at the Centre. It would, therefore, not be out of place to offer a few comments about it.

The Draft Outline makes candid confessions. The income of the State during the period 1950-51 to 1958-59 increased by 13.8 per cent, whereas the population in the same period rose by 13.4 per cent. The relative share of the State in the national income went down from 18.4 per cent in 1950-1951 to 15.9 per cent in 1958-59. The decline has been all round—in agriculture, industries, and enterprises, commerce and transport, and other services. With 1950-51 as the base year, the relative increase in the income of U.P. and India in various sectors shows the magnitude of decline in the year 1958-59. The relevant figures are:

	U.P.	*India*
Agriculture	115.0	128.6
Manufacturing and small enterprises	100.9	126.4
Commerce and transport	117.6	133.1
Other service	117.1	146.8

It is obvious that increase in income in the manufacturing sector and small enterprises has been the lowest. It is argued in the Draft Outline that planned investment in the Central and private projects is "based on economic calculations with a view to minimising cost. Costs are bound to be lower in areas where transport and communications are developed and power is available. Hence, other things being equal, location of both Central projects and private investments in a State is determined to a large extent by the investments made in social overheads. The logic of this process is that, as time passes, initial backwardness is perpetuated and intensified, because external economies in the case of developed States increase the gap between the comparative cost of a project in different States."

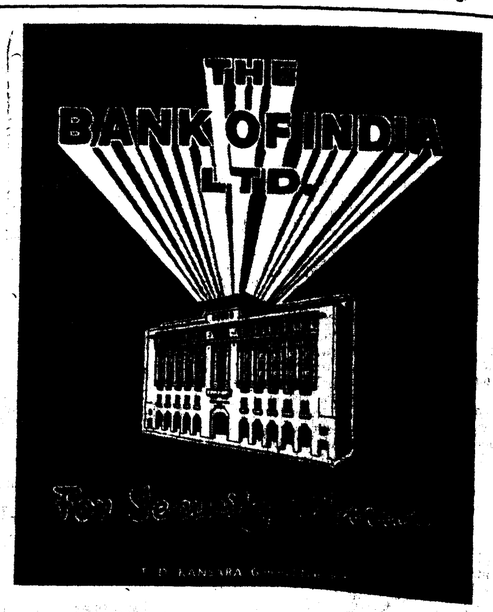
The logic of this process, in fact, is a sad commentary upon the framing and execution of Plans in the State rather than perpetuated backwardness. The above table indicates that this increase in income in transport and communication and social services has been of the order of 17.6 per cent and 17.1 per cent, respectively. This increase shows that investments in economic and social overheads have been made but have failed to reflect themselves in a corresponding increase in income from manufacturing and small enterprises. It may well be due to the fact that there could be little development in the sphere of manufacturing and small enterprises. Perhaps investments in the former, that is, social and economic overheads, though they raised the income in that sector, did not create conditions to attract the Central projects and private enterprises. Should one conclude, according to the logic of the Draft, that the improvement in income in transport and social services does not indicate a significant creation of economic and social overheads, in view of a negligible rise in the income of the productive investment sector, that is, manufacturing and small enterprises? Obviously, it does not indicate it, and it leads one to the conclusion that outlay in this sector (transport and commerce and social services) has not been properly spent or spent on ill-formulated plans, as it has failed to create such economic and social overheads as will attract necessary investment in the productive sector. It pains one to note, when one feels that the Government, as the Draft shows, knew that creation of economic and social overheads was an essential condition to develop the productive sector, that the Government failed to act in the interests of the State. It sets one athinking as to how plans are being executed and formulated. If the main fault lies in execution, the whole problem of organisation must be given proper emphasis for the third Plan.

The logic of the Draft Outline thus brings out clearly that backwardness is being perpetuated because investments in the productive sector have not been made by the Centre and private enterprise and that responsibility for the same rests on the State Government, since it failed to create such economic and social overheads as will attract necessary investment in the productive sector, that is, manufacturing and small enterprises. We understand that planning proceeds from below. The village plans constitute the district plans and the latter together constitute the Plan of the State. The State Plans submitted to the Centre are considered before drafting and finalising the all-India Plan. One wonders how the Centre has refused to take interest in making productive investments in this backward State and more so when it is wedded to a policy of regional planning. If it is the apathy and neglect of the Centre towards the State because it is backward, it defeats the purpose of economic planning in India. On the other hand, if the State Government failed to create the necessary conditions to attract the necessary investments to fight the backwardness, shall we not say that the State Government has perpetuated backwardness? Be that as it may, the State cannot escape its share of responsibility for perpetuated backwardness by advancing the clumsy argument given in the Draft. From 1950-51 to 1958-59, the people of the State have been undergoing sacrifices for planned development. When they find that the *per capita* income has remained more or less constant and planned development has resulted in perpetuated backwardness, their hopes will be shattered and conviction will grow that planning is futile.

The Draft Outline has listed 18 Central schemes for location in this State. It is heartening to note that a decision about the first in the list (an antibiotic factory) has been made. The said factory will be in the public sector and established by the Central Government at Rishikesh. Decision has also been taken about woollen industry and chipboard industry at Dehra Dun and calcium carbonate unit at Rishikesh. These will be in the private sector. A plan of industrial development of U.P. emphasises two things: (i) Available and existing raw materials must be used within the State; (ii) scientific research and exploration in the resource of the State must be carried out to make the development of new industries possible. One would like to be inquisitive whether the Government has been making adequate efforts in these directions. For example, the grass available in the Tarai area of Gonda district has been and is being used by a paper mill located outside the State. The Rihand Dam area with developed social and economic overheads offers a good site for locating a paper mill with the added advantage of nearness of raw material. A Heavy Industries Plan Committee drew up, with the assistance of subworking groups, a 15-year programme for the development of U.P. In the nucleus report on pulp and paper, there is a proposal for the establishment of a newsprint mill by the Thapars. This is good in itself. The State should seek the co-operation of such industrialists, as they will establish industries using raw materials and minerals available in the State. This is the need of the hour.

Another interesting aspect of the third Plan of U.P. is that it has marked out three areas with special problems. One special problem, broadly speaking, is of relatively greater underdevelopment. These areas are (i) Hill districts, (ii) Bundelkhand, and (iii) Eastern districts. It is a compliment to the State that its attention has at long last been drawn towards them. There are 15 districts in the Eastern Region, including Deoria, Basti, Gonda, Jaunpur, Azamgarh, Bahraich, Allahabad and Varanasi. One wonders at the logic which led to the inclusion of Allahabad and Varanasi in the Eastern districts, as there is hardly any similarity so far as underdevelopment is concerned between these two districts and the rest. They are similar to the remaining 13 districts in the same sense in which the rest of the districts of the State not included in the areas with special problems are similar. One feels all the more surprised when districts like Allahabad and Varanasi are included in areas with special problems and the most backward area of Chambal-Patti is excluded. If it was planning for areas with special problems, the area of Chambal-Patti should receive top priority for an appallingly low level of underdevelopment which coupled with the problem of law and order, has made it a depressed area in every sense of the word.

To conclude, one feels like complimenting the State Government for its boldness in confessing its shortfalls. The public is indignant, but perhaps satisfied, that for once what it felt has also been spoken and placed before it by the Government. The past is, however, past. The State of U.P. has now a new Ministry. Let us hope there will be no repetition of the past, the organisational efforts will improve, the State Government will plan for productive investment, create conditions, and strive to attract the Central and private enterprises to locate their projects in the State, underdeveloped area of Chambal-Patti will be included in areas with special problems' and the State will march forward to break the perpetuated backwardness and lift the people to higher and higher levels of living.



PRICE VARIATIONS IN RECENT YEARS

DISINFLATIONARY FISCAL POLICY MUST BE THE MAIN OBJECTIVE

By Dr. B. Natarajan

PRICE movements have important implications in a planned economy. For the realiation of the Plan objectives, it is imperative to ave a price policy where the alignment of rices secures the use of resources along the ines indicated by the given targets. Failure n this front will only result in a serious disrepancy between anticipation and actual reults. Besides, any programme of investment ust attempt to achieve a careful balance beween costs and returns. Instability of prices ould jeopardise such balancing and, in turn, ie entire Plan programme. It is in this ontext that price movements assume great gnificance.

The first Plan came into operation at a me when prices were already at a high level id the structural factors in the economy made particularly sensitive to inflationary stimuli. owever, by the time of the commencement of ie second Plan, prices had registered a consierable fall creating an optimistic mood in the arket. But the wide fluctuations in the gene-il price level since 1950-51 underlined the need r a positive price policy. Normally, the main ctors responsible for a persistent upward end in prices are a high level of public exenditure, activation of latent inflationary rces and failure of production to rise signi-antly.

Behaviour of Prices

When one analyses the behaviour of prices uring the last five years, the most striking fea-re appears to be the continuing trend of sing prices in almost all important categories ch as food articles, industrial raw materials, d manufactures. In fact, since the beginning the second Plan, wholesale prices have risen at least 25 per cent. The all-India working ss price index (1949=100) has also shot up by e same order. It is possible to gain a clear cture of the trends in the wholesale prices er the last five years from the following ble:

Index Numbers of Wholesale Prices

(1952-53=100)

	Average of weeks				
	1956	1957	1958	1959	1960
Food articles	99.0	106.8	113.0	118.2	120.3
(i) Foodgrains	89.7	98.5	102.7	103.5	102.9
Of which :					
(i) Rice	93.8	103.8	107.7	102.0	109.1
(ii) Wheat	85.7	90.3	96.8	103.4	91.2
(ii) Other food articles ..	107.1	114.1	120.1	131.0	135.5
Industrial raw materials ..	113.2	118.1	114.7	119.7	138.8
Of which :					
(i) Raw cotton	108.7	108.8	100.0	109.6	118.4
(ii) Raw jute	128.8	126.8	120.6	115.0	178.5
(iii) Oilseeds	114.9	133.4	133.6	130.9	144.9
Manufactures ..	104.9	108.0	108.2	109.7	120.8
Of which :					
(i) Cotton manufactures ..	118.8	116.2	113.0	113.5	127.5
(ii) Jute manufactures ..	94.9	97.7	97.7	97.2	115.2
All commodities	103.6	108.7	111.0	115.6	123.0

Source : *Economic Survey, 1960-61.*

It is not difficult to perceive at once that upto 1956, the general price trend was mainly governed by the upward trend in foodgrain prices which rose by 14.5 per cent since 1956. Compared to this, the rise in the case of industrial raw materials and manufactures, during the same period, was small. Further, taking a three-year period 1956 to 1959 into consideration, the conclusion which emerges is that the initial rise in prices was in the nature of a correction of the sharp decline which occurred prior to the second Plan. But a persistent upward trend in prices—marked by only occasional price falls in certain groups of commodities —which governed the market right through 1957, 1958 and 1959, suggested the operation of certain basic factors concerning supply and demand. Obviously, it was a problem of a large demand pressing against a somewhat shorter supply. The main factors which disturbed the stability of prices were the lower output of cereals in 1954-55, the rising export of industrial raw materials in 1956 and fear of lower output in the immediate future caused by drought or floods in parts of the country. Of course, there also must have been a lot of inventory build-up in view of the accelerated pace of industrial development. Rising incomes, which follow from heavy investment expenditure, stepped up consumption demand which in turn directly affected the demand and supply position.

During 1958-59, the main stimulus for price rise was provided by the steadily expanding development programme superimposed upon some decline in agricultural output. The volume of voluntary savings fell short of demand for capital, encouraging a dangerously growing reliance on deficit financing in the public sector and on bank credit in the private sector. Though it was softened to some extent by a substantial increase in imports, the pressure of demand was particularly high in the case of foodgrains and industrial raw materials which group recorded a substantial increase in prices. Since agricultural statistics are quite imperfect, it becomes difficult to account precisely for the variations in prices of particular, or groups of, commodities.

The Relieving Feature

However, by and large, it is possible to point out that in 1959 food articles other than foodgrains contributed to nearly two-thirds of the rise in wholesale prices. Also, industrial raw materials and manufactures indicated a rise accounting for nearly one-fourth of the increase in wholesale prices. During 1960, the principal feature in the price situation was the sharp rise in the prices of industrial raw materials—16 per cent—and manufactures—10 per cent. Decline in the production of raw cotton, raw jute and oilseeds in 1959-60 accounted largely for the upward trend in the prices of industrial raw materials. This, in turn, affected the price of edible oils and cotton and jute fibres. The only relieving feature was the small decline in the prices of foodgrains. The relative stability of cereal prices was the result of a fall in the average level of wheat prices by some 11 per cent.

Under such circumstances, the Government has realised the need for having a bold programme of price policy capable of striking at the roots of instability in the market. Since 1956, Government's price policy has been geared to arrest the rising trend in prices and restrain excess demand. The measures included a flexible operation of the export-import policy according to the exigencies of the situation, release of Government's stock of foodgrains for sale to the public through a network of fair price shops and resort to State trading in food grains. Thereafter, selective credit control changes in interest rates and variation in tax policy began to merit new significance.

Apart from this, the recent sharp rise in the two groups, viz., "Industrial raw materials" and "Manufactures" for the first time since 1950-51 indicates a definite need for a further reinforcement of the official policy to hold the price line through action on the monetary and non-monetary fronts.

Future Price Policy

The first objective of price policy for the next few years must obviously be to prevent or at least slow down the rise in general price level. Secondly, we must attempt to maintain parity between sectional prices such as those of foodgrains, raw materials and manufactures. This would provide the right incentives to producers in these respective lines of production.

The main operational forces in a programme of holding the general price line and reducing unwarranted rise in prices are: (*a*) a disinflationary fiscal policy; (*b*) a monetary policy which acts as a brake on speculative investments and encourages a larger flow of savings into the market, and (*c*) arranging for a further increase in output through greater technical efficiency.

No doubt, it will not be very easy to follow a strong disinflationary fiscal policy at a time when the country is embarking on a large-scale development programme. The heavy investment expenditure under various development programmes may not yield quick returns and, to that extent, the inflationary pressures in the economy will be accentuated. However, in the long run, a disinflationary fiscal policy must remain the main objective.

At the monetary level, essentially technical considerations should govern the use of monetary policy for control and reversal of inflationary trends. The objective should be to encourage savings on the one hand, and discourage socially undesirable and economically less urgent investment on the other. At present, there is still a dearth of working capital and tighter credit may have adverse repercussions on the legitimate needs of trade and industry. We have also to remember that the Indian money market has an unorganised segment not fully under the folds of Central control. An even wider problem is that of orienting credit policy to the requirements of the Plans. From all these points of view, effective control of the credit structure by the Reserve Bank assumes crucial importance.

Imports

It is, indeed, encouraging to note that the framers of the third Plan have taken cognisance of the importance of having a well-framed and well-defined price policy. Though maximum caution has been taken to consider the needs of essential consumption, in determining the investment pattern, nevertheless, imbalances between demand and supply may develop, resulting in unstable prices. This is particularly true of foodgrains prices which have repercussions on the entire price-and-cost structure. Until domestic production of foodgrains reaches the required level, imports will be a necessary adjunct in stabilising prices. Mention may be made here of the recent agreement to import 17 million tons of foodgrains under P.L.480. This will indeed act as a great stabiliser in the general price movement.

Another facet of the problem is the recent emergence of large regional disparities in prices. It calls for a positive programme of marketing and fair distribution through co-operatives. Moreover, maintenance of a reasonable parity between sectional prices is very necessary to secure a balanced price sheet. Success in this direction depends on a careful study and implementation in due course of a well-defined structure of regulatory devices which embraces such aspects as price control, zonal arrangements and fixation of maxima and minima.

The problem at present is not one of curtailing investment in order to effect a reduction in prices. What is required is a strong curb on excessive investment in speculative trade and definite measures to step up the volume of savings available for productive investment. After all, prices, incomes and costs are interrelated and they call for a skilful balancing of conflicting claims. Therefore, if the regulatory devices are to function effectively they should be manipulated in a co-ordinated manner.

TRADE NEEDS OF DEVELOPING COUNTRIES

W. EUROPE URGED TO LIBERALISE IMPORT RESTRICTIONS

A COGENT case for a thorough reorientation of the industrial policies of industrially advanced countries, commensurate with the trade needs of underdeveloped countries, has been put forward in the *Economic Survey of Europe* 1960, published by the Secretariat of the U.N. Economic Commission for Europe. In order to finance the growing needs of imports, particularly of capital goods, into the developing countries, and that too without creating chronic balance-of-payments difficulties, the developed countries are already providing some capital in the form of loans and grants to the former. The *Survey* candidly confesses, however, that the commercial policies of the developed countries have scarcely recognised the possibly more urgent need for aid to the underdeveloped countries in the form of expanding export markets for their products. The opportunity for advance planning of such aid is especially favourable in Western Europe now, when structural adjustment in the sphere of industries is already proceeding in these countries in preparation for the full-fledged Common Market and the European Free Trade Area (E.F.T.A.). This will call for more liberal commercial policies in developed countries designed to ensure freer access for exports of processed materials and manufactures from developing countries, and as a prerequisite of such liberalisation, planned adjustment in the domestic industrial structures of West European countries.

The *Survey* points out that the need for action on the part of developed countries is urgent for several reasons. First, freer access to European markets for processed materials and manufactures is necessary in the next few years for many developing countries, "not least for India, the largest and the poorest of them all." Second, no developing country will embark on building up export industries unless it feels reasonably sure that the necessary markets will not be closed to it when it has the goods to sell. Third, the developing countries will not, in fact, find it practicable to liberalise their commercial policies, unless they adjust their domestic industrial development to the prospect of an increasing exchange of their own products, mainly capital goods, for the manufacture chiefly of products of industries requiring relatively little capital or advanced technology

Import Requirements

A rough projection attempted in the *Survey* shows that the aggregate import requirements of developing countries (including all countries of Latin America, Africa and Asia, but excluding Japan, as also Mainland China, North Korea, North Viet Nam and Mangolia) will rise from about $20 billion now to perhaps $60 billion (at constant prices) by 1980. Even on the optimistic assumption that the developing countries will receive sufficient aid in the form of capital loans and grants to finance about $10 billion of these imports (in addition to the growing external debt service), this implies the necessity for the developing countries, says the *Survey*, for expanding their aggregate exports from $19 billion to about $50 billion, that is, more than two-and-a-half times in 20 years.

Demand prospects in the European and North American markets for the traditional export commodities of the great majority of developing countries, according to the *Survey*, do not promise an export expansion in any way approaching this magnitude. By 1980 these markets are unlikely to absorb more than about $20 billion worth of traditional commodity exports. Even if generous allowance is made for a vigorous development of intra-trade in these traditional commodities among the development countries, and for expanding markets in the countries of the eastern trading area, such exports are most unlikely to fill more than two-thirds of the export gap. The remaining third, that is, at least $15 billion by 1980, will have to take the form of manufactures, including the value added by processing of materials.

This should not be an impossible task, given enough determination in the developing countries and co-operation by those countries which are already industrialised. If the developing countries (in their intra-trade) and those of the eastern trading area jointly absorb one-third of these exports of manufactures, and the developed countries outside Europe (North America, Japan, Oceania) take another third, Western Europe will need to expand its imports of manufactures from the developing countries to $5 billion in 1980. If Western Europe achieves the targets of domestic economic growth to which it now looks forward, these $5 billion will represent only about 2 per cent of the increase in domestic Western European demand for manufactures that will occur in the next 20 years.

Some Suggestions

The *Survey* has suggested for consideration of the industrially advanced countries certain important measures for liberalisation of their commercial policies, "as a minimum token of spirit in which they would approach the problem and give some immediate practical help." The suggested measures are:

"(a) The inordinately high customs tariffs of some Western European countries on certain processed materials (such as cocoa powder, paste, etc.) and some finished manufactures (such as textiles and leather goods) should be reduced.

"(b) Every effort should be made to dispense as soon as possible with formal discriminatory import restrictions imposed on manufactures from Japan and Hong Kong. Although Japan is not an underdeveloped country, the treatment accorded to its exports by the developed countries is bound to be construed by the developing countries as evidence of the treatment their own exports can expect in future.

"(c) Similarly, informal restrictions on imports of 'cheap labour' manufactures maintained by some developed countries should be reviewed and determined efforts made, by domestic measures, to facilitate the movement of resources out of uncompetitive domestic industries, to hasten their removal.

(d) Closer attention should be paid to the trade needs of developing countries in the elaboration of the E.E.C. and E.F.T.A. integration schemes. In particular, preferential treatment to associated territories should be designed to benefit their long-run economic development and industrialisation, not merely their short-term export prospects for traditional commodities."

Limited Liberalisation

The advocacy of complete abolition of tariffs cannot naturally be expected to have a ready response from the industrialised countries. There is, however, much to be said in favour of the "limited and discriminating forms of liberalisation" suggested by the *Survey*. According to the proposed liberalisation, each of the industrialised countries in Western Europe might agree to abolish all tariffs and import restrictions on such exports of manufactures by individual underdeveloped countries, as do not, in any year, exceed a certain proportion, say 3 or 5 per cent, of its total imports in the previous year in that commodity. Once they exceeded the specific proportion, they would be subjected to whatever tariffs or other restrictions.

Since the limitation applies to only a small quantity (3 or 5 per cent), there is no room for any fear of unhealthy competition. At the same time, it would be precisely the kind of help that is needed to overcome the special "infant industry" disadvantages under which industrial export production in underdeveloped countries now labours. Once this special disadvantage is overcome, by export production reaching a significant scale, the special preferential treatment lapses automatically. These suggestions deserve the urgent consideration of the Western European and other highly industrialised countries, for benefits arising out of international specialisation and division of labour will be advantageous both to developing as well as developed countries.

The Japanese Cabinet has approved the outline of a programme to promote exports. The programme is designed to enable Japan to earn enough foreign exchange to pay for imports needed to implement the Government's ten-year plan to double national output. The main points are: (1) positive development of economic diplomacy with special emphasis on persuading 14 nations to withdraw their application of the G.A.T.T. "escape" clause; (2) expansion of the field to which export financing might be applied; (3) strengthening of measures to increase revenue from invisible trade; (4) efforts to expand overseas markets for Japanese goods and (5) establishment of a system for orderly export by the prevention of excessive competition and revision of the Export and Import Trading Law.

STATE ENTERPRISES IN BRITAIN

PRINCIPLES FOR PRICING LAID DOWN

THOSE who are aware of the inability of public enterprises, whether in Britain or elsewhere, to provide adequate returns on capital invested in them and to accumulate sufficient reserves for replacement and expansion of their fixed assets may well acclaim the new principles contained in the recent British White Paper on nationalised industries. It may be recalled in this connection that several authorities on British economic affairs had emphasised the point that the subsidised services and goods provided by the nationalised industries were one of the elements responsible for some distortions in the British economy. No less a person than Sir Oliver Franks, in his speech at the annual general meeting of the shareholders of Lloyds Bank had also highlighted the problem of low prices charged by the nationalised industries. He had averred that for encouraging greater savings out of the current national product, one of the chief remedies was to revise the price policy of public enterprises. Of course, there was also the opposite trend of thought as embodied in the report of the Select Committee on Nationalised Industries, which suggested that the "social service element in State industry should be clearly separated from the commercial element and subsidised directly by the Government."

In the code now announced by the British Government, the principal emphasis is placed on finding a reasonable balance between the commercial concept and the obligations of the nationalised industries towards the public. While admitting that a lower return on capital is traditional in nationalised industries owing to public pressure to keep their prices down even when costs and prices have been rising elsewhere, the White Paper nevertheless sounds the grave warning that it would be unwise to ignore the risks of damage that may be caused by such a policy to the nationalised industries themselves and to the economy generally. The White Paper maintains that if the profitability of capital development is assessed on different (and easier) financial criteria from those adopted in industry generally, there is a risk that too much of the nation's savings will be diverted into the nationalised industries. The uneconomically low level of prices of the goods and services provided by the nationalised industries may also have an undesirable effect on the demand for them, which may be artificially stimulated. Thus, the White Paper is of the clear view that the operation of nationalised industries with an unduly low rate of return on capital is sooner or later damaging to the whole economy. It must result either in higher taxation or greater borrowing by the Exchequer.

Reforming Present System

To reform the present system of pricing, the White Paper has drawn a number of clearcut principles for the guidance of future policy-making. First, the surpluses on revenue account should be at least sufficient to cover deficits on revenue account over a five-year period. In arriving at the surpluses and deficits for each year, the items normally chargeable against revenue (including interest and depreciation on the historic cost basis) should be charged. Secondly, a provision should be made from revenue to cover the excess of depreciation calculated on replacement cost basis over historic cost and allocations be made to general reserves which will be available for capital development. These provisions are also calculated to act as a safeguard against premature obsolescence and similar contingencies. The principle of making some provision from out of the revenue to cover the difference between replacement and historical cost is a salutary one, as it will secure sufficient funds for replacement. The main practical difficulty in this system of allocations would be to predict future movement of the prices of capital assets. Even so, a rough method of calculation might be helpful to the nationalised industries in reducing their dependence on the exchequer for funds required for replacement.

While following this code, the White Paper recognises, there cannot be any standard formula for all nationalised undertakings. It rightly declares that for some the objectives may be expressed in terms of progress towards an appropriate level of self-financing of their capital expenditure, concurrently with the provision of suitable contribution to reserves. For others, the objective may be in terms of a specified rate of return on capital employed. In regard to those undertakings which are expanding fast and which have relatively large capital needs, the White Paper feels that there are powerful grounds for reducing their dependence on the exchequer. In normal circumstances, the desirable level of reserves should be related to the amount of capital employed in the business. It is prudently suggested that the amount of non-commercial operations expected by the Government will be taken into account in fixing the targets of reserves and the rate of return on capital.

In the matter of fixing the prices of State undertakings, the innovation suggested in the White Paper is that the Board which has been persuaded by a Minister to modify its own proposals will have the power to obtain a written statement from the Minister of his reasons. This is calculated to enable the nationalised industries to operate on commercial lines.

What will be the effect of these proposals on the general economic situation? It is broadly felt that some price increases are implicit in these suggestions of the new code. For, if nationalised industries are to secure a higher rate of return on the capital employed by them or to plough back more funds for replacement and/or expansion, the prices of their products may have to be logically stepped up. While emphasising that reductions in costs should be the aim, the White Paper candidly admits that the industries must have the freedom to make upward adjustments especially where their prices are artificially low. As nationalised industries in Britain cover extensively the field of public utilities and key raw materials and services such as coal, electricity, gas, transport by rail and road, there may be some possibility of cost push inflation developing, as a result of the new code of financial discipline for the nationalised industries.

CENTRAL GOVERNMENT'S STORES PURCHASES

The Directorate General of Supplies and Disposals is the Central Purchase Organisation of the Government of India buying the larger requirements of all Ministries and Departments of the Central Government. Its services are also utilised often by the State Governments, River Valley Projects, Government undertakings and semi-public authorities. The D.G.S. & D. is thus not only the largest single buyer in the country but also one of the instruments for the implementation of the industrial policy of the Government with particular reference to encouraging indigenous manufacture by utilising, to the maximum possible extent, the production within the country and assisting the cottage and small-scale industries sector.

The following table will give a clear idea of the group-wise orders for stores which were placed by different Central Government departments during 1959-60:

(Value in crores of rupees)

	Indigenous	Imported	Total
Food materials	4.61	102.43	107.04
Tobacco	0.18	..	0.18
Textiles	15.88	..	15.88
Footwear	0.97	..	0.97
Other leather and its products	0.19	..	0.19
Wood	3.14	0.09	3.23
Paper and paper products	8.66	1.61	10.27
Rubber products	4.03	0.25	4.28
Chemicals	5.69	9.10	14.79
Non-metallic mineral products	59.08	11.07	70.15
Basic metal industries	5.51	13.39	18.90
Metal products	20.61	0.38	20.99
Electric machines	12.56	6.44	19.00
Other machines	4.28	8.53	12.81
Transport equipments	31.58	13.85	45.43
Miscellaneous industries	4.62	5.37	9.99
Total ..	181.59	172.51	354.10

CIBA RESEARCH CENTRE

At a recent Press conference, Dr. Albert Wettstein, Director of Research, CIBA Ltd., Basle (Switzerland), revealed that the Centre for Basic Research planned by CIBA of India Ltd. sometime ago had made good progress. This institute, we are told, will be devoted to genuinely basic research and not merely to development work. It is claimed to be the first of its kind to be established by private enterprise in the chemical industry. The Company has acquired 65 acres of land alongside the Western Express Highway at Goregaon in Greater Bombay, and construction of the Centre is now in full swing.

Initially, research will be conducted on dyestuffs and pharmaceuticals, including chemical and biological investigations of Indian medicinal plants and the elaboration of new synthetic medicines. Impressive buildings will be erected to accommodate, among others, departments concerned with organic chemistry, biochemistry, physical chemistry, pharmacology, bacteriology, and parasitology. The worldwide CIBA organisation has valuable achievements to its credit in these fields and the Indian Research Centre will work in close collaboration with other CIBA Research Institutes, particularly those in Switzerland and the U.S.A. It will draw on their experience and tradition of research organisation and will, thereby, be well placed to make significant contributions to India's scientific development. Outstanding Indian scientists, both in India and abroad, are being recruited to form a well-knit team. It is expected that research work will commence at Goregaon early in 1963.

RAMTIRTH (HINDI MONTHLY)

Editor: Yogiraj Shri Umeshchandraji

Published every month by Shri Ramtirth Yogashram — Bombay

MORE THAN 160 PAGES PER ISSUE

THE MAIN IDEA BEHIND THIS MAGAZINE IS TO DEVELOP THE PHYSICAL, MENTAL AND MORAL ASPECT OF THE COMMON MAN

Annual Subscription Rs. 5/- only. Single Copy 65 nP. only.

UMESH YOGA DARSHAN

(First Part)

In Four Languages: English, Hindi, Gujarati and Marathi

(Author: Shri Yogiraj Umeshchandraji)

An excellent and highly readable book written by Shri Yogiraj Umeshchandraji is one of the best known treatises on the true meaning of Yoga. A best guide to methods of intestinal exercise and control, the book contains over 108 descriptive photographs of various Asanas explained according to the Age, Season, Country and Time.

It is one of the excellent volumes published so far depicting different aspects of Yoga, and containing different photographs of Asanas and Neti Dhoti Functions. It also contains Yoga Therapy, Diet Therapy, Chromopathy, Psycho Therapy and many other Therapies. It also contains many an important remedy for various diseases. The book is best of its kind and useful for all men and women, healthy and unhealthy, and hence should be preserved in all libraries and homes.

Price: Rs. 15/- Plus Postage Rs. 2/- extra.

YOGASANA CHART

A Chart printed on art-glazed papers and fully illustrated with attractive pictures is also available from here. You can perform Asanas shown therein at your home, which will keep you fit and healthy.

Price: Rs. 3/- including Postage to be sent by M.O. only.

YOGIC CLASSES

are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Yogic and natural treatment are given for diseases. Diseases are also remedied.

RAMTIRTH BRAHMI OIL Special No. 1 Registered

An invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cool brain, improve system, and let sleep sound. Most ideal for body massage. It is useful to every one in all seasons.

Price: Rs. 4.50 for big bottle and Rs. 2.25 for small. Available everywhere.

SHRI RAMTIRTH YOGASHRAM

Dadar, Central Railway, Bombay-14

Telephone: 62899

Excellent cutting performance

SAP HACKSAWS

HACKSAW BLADES

Manufactured from high quality steel. They can be used for cutting all types of steel, brass, copper, aluminium, plastics etc.

STEEL & ALLIED PRODUCTS LTD.

17, BRABOURNE ROAD, CALCUTTA-1

Sole Selling Agents:

VULCAN TRADING COMPANY (PRIVATE) LTD.

CALCUTTA • BOMBAY • MADRAS • NEW DELHI

COMMERCE

India's Premier Financial, Commercial and Industrial Journal

Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.

BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY

Telephone No. 253505

GUEST, KEEN'S SALES IMPROVE

HIGHER OPERATING COSTS REDUCE EARNINGS

THE financial results of Guest, Keen Williams Ltd. (Managing Director: Mr. H. M. L. Williams, Calcutta) for the 52 weeks ended 31st December 1960 show that although the sales proceeds have improved from Rs. 960.96 lakhs in 1959 to Rs. 966.63 lakhs in 1960, the gross profit has suffered a setback for the fourth year in succession. The actual profit was Rs. 133.16 lakhs, as against Rs. 147.16 lakhs for 1959, Rs. 155.46 lakhs for 1958 and Rs. 161.49 lakhs for 1957. In fact, the decline in profit would have been more marked but for the increase in other income from Rs. 12.75 lakhs in 1959 to Rs. 28.62 lakhs in 1960, as a result of the proposed dividend of Rs. 15.60 lakhs, subject to tax, from the Company's subsidiary, Sankey Electrical Stampings Ltd., for 1960. The setback to profit is due to the steep rise in operating costs from Rs. 806.28 lakhs to Rs. 839.92 lakhs. The profit margin (ratio of gross earnings to sales), as a consequence, has gone down from 15.3 per cent to 13.7 per cent.

Despite the downward trend in profit, the Directors have considered it prudent to make larger provision for depreciation, in view of the heavy capital expenditure for development projects, incurred during the year under review, the sum actually earmarked being Rs. 39.84 lakhs as against Rs. 27.06 lakhs for 1959. The tax liability, however, has been reduced from Rs. 35.60 lakhs to Rs. 18.40 lakhs. Even then the net profit is lower by Rs. 9.58 lakhs at Rs. 74.92 lakhs. But the amount available for distribution is higher at Rs. 85.82 lakhs, because of the amount of Rs. 4.87 lakhs being the excess provision written back from previous year and the sum of Rs. 6.03 lakhs transferred from general reserves. Out of this amount, the Directors have judiciously conserved as much as Rs. 37.82 lakhs by ploughing back to different reserves, the share of rebate reserve alone being Rs. 24.57 lakhs. The additional depreciation reserves and taxation equalisation reserve get Rs. 5.59 lakhs and Rs. 7.66 lakhs, respectively. The balance of Rs. 48 lakhs represents the distribution to shareholders in the form of dividends. The Directors had already declared, on 16th September 1960, an interim (taxable) dividend of 80 nP per share of Rs. 10 which absorbed Rs. 16 lakhs. This dividend was payable on the issued capital of Rs. 2 crores. The Directors have now recommended payment of a final dividend of 80 nP per share, subject to deduction of tax, on the increased capital of Rs. 4 crores, requiring a sum of Rs. 32 lakhs. Thus, the shareholders have received a gross dividend of 16 per cent or a net dividend of 11.2 per cent per annum, on the enhanced capital as against the taxable dividend of 24 per cent (16.8 per cent tax-free) on old capital for 1959 and the tax-free dividend of 20 per cent for 1958.

A birds-eye view of the progress of the Company can be had from the following comparative table:

(In lakhs of rupees)

	For the 52 weeks ended			
	31-12-60	2-1-60	3-1-59	28-12-57
Sale proceeds	9,66.63	9,60.96	10,34.81	9,07.06
Other income	28.62	12.76	13.17	11.58
Operating costs	8,39.92	8,06.28	8,70.83	7,54.59
Other expenses	22.17	20.27	11.69	2.50
Gross profit	1,33.16	1,47.16	1,55.46	1,61.49
Provision for—				
Depreciation	39.84	27.06	22.66	17.91
Taxation	18.40	35.60	74.20	72.00
Net profit	74.92	84.50	58.58	71.58
Transfer from reserves to tax provision	..	1.24	1.71	..
Adjustment relating to previous years (+) or (—)	+4.87	+4.52	—0.79	—14.50
Capital issue expenses	..	..	7.14	..
Transfer from reserves	6.03	..	..	5.76
To taxation equalisation reserve	7.66	3.56	2.59	2.45
,, additional depreciation ,, general reserves	5.59	5.59	1.86	25.91
,, development rebate reserve	24.57	33.01	8.62	..
Dividend	48.00 (16%)*†	48.00 (24%)†	40.00 (20%)	40.00 (20%)
Carry forward	Nil	Nil	Nil	Nil

* The interim dividend was on the capital of Rs. 2 crores, final dividend is on the increased capital of Rs. 4 crores.
† Subject to deduction of tax.

The results of the Company must be judged bearing in mind the fact that the installation of new rolling mills was completed only towards the end of 1960, but as the commissioning of the mills was only partly achieved, the investment has still not reached the revenue-earning stage. Considering that the Company is experiencing considerable difficulty in obtaining adequate supply of good quality steel billets, and is encountering increasing competition in traditional lines, it is gratifying that the production department has maintained the same level of output during 1960 as in the previous year.

The Company's financial position is quite sound. During the year under review, a right issue of 2,000,000 equity shares of Rs. 10 each at a premium of Rs. 18.50 per share was made on 12th November 1960, in the ratio of one new share for every one held. As the issue was fully subscribed, the share capital has doubled to Rs. 4 crores. In view of the premium of Rs. 18.50 per share, the reserves and surplus have been considerably strengthened; they now stand at Rs. 6.53 crores, as against Rs. 2.54 crores a year ago. Owing to the increased capital resources at the disposal of the Company, reliance on bank overdraft has decreased substantially from Rs. 2.44 crores in 1959 to just Rs. 31.70 lakhs in 1960. This, together with the 6½ per cent debenture stock 1966-71 of Rs. 1.50 crore secured by the first charge on Company's assets, brings the total secured loans to Rs. 1.82 crore, as compared with Rs. 3.94 crores a year ago. Besides, current liabilities and provisions amount to Rs. 2.81 crores. The total current liabilities thus come to Rs. 4.63 crores which are more than adequately covered by current assets (excluding investment of Rs. 1.78 crore) amounting to Rs. 7.11 crores. Of the investments of Rs. 1.78 crore, the ordinary shares of the Sankey Electrical Stamping Private Limited account for Rs. 1.72 crore, thanks to the transfer of Guest, Keen and Nettlefolds, holdings in the Sankey Limited to Guest, Keen and Williams Ltd. A sum of Rs. 5 lakhs is invested in the ordinary shares of Nettlefolds of India Private Ltd. The Company's gross block has been considerably increased by additions of Rs. 1.55 crore made during the year; it now stands at Rs. 8.26 crores. The depreciation provided so far amounts to Rs. 2.52 crores, bringing the net block account to Rs. 5.74 crores.

The Rs. 10 fully paid ordinary shares of the Company are quoted at Rs. 43 *cum-final-div.* On an *ex-div.* basis and taking the proposed rate of dividend, the yield on them works out to 2.6 per cent per annum, free of tax.

NEW COMPANIES REGISTERED IN 1960-61

A record number of 1,683 new companies, with a total authorised capital of Rs. 287 crores, was registered in India for the financial year 1960-61, according to latest information received by the Department of Company Law Administration from the Registrars of Companies in the various States. This is almost double the number of companies registered during the first year of the operation of the present Companies Act. The figures for 1959-60 and 1958-59 were 1,452 and 1,095, respectively. The new company registrations of 1960-61 are the highest on record after 1951-52, when the number was 1,866. The increase in the number of new company registrations from 848 in 1956-57 to 1,683 in 1960-61 is considered a remarkable development, for it signifies the resurgence and assertion of economic forces favourable to the growth of corporate enterprise in the country in recent years.

Out of the 1,683 new companies registered in 1960-61, 153 were public companies and 1,530 private companies. The corresponding figures of public and private companies for 1959-60 were 87 and 1,365, respectively, and for 1958-59, 58 and 1,037, respectively.

The total authorised capital of new public companies registered during the year was Rs. 157 crores and that of private companies Rs. 130 crores. The year was marked by a record number of big public companies whose 'issues' boomed on the stock exchanges of the country. Of the 153 new public companies, 98 were registered with an authorised capital of Rs. 50 lakhs and more each, as compared with 25 in 1959-60 and 16 in 1958-59. The number of big private companies registered was 44. As against these, 142 big public and private companies having an authorised capital of Rs. 50 lakhs and more each, 936 small public and private companies having a paid-up capital of less than Rs. 5 lakhs each were floated during the year. Thus, in number, the small companies predominated in the overall total of new company formations.

During the year under review, 17 Government companies were formed as against 23 in 1959-60 and 16 in 1958-59.

During the year, 477 companies were registered in the Eastern region, 491 in the Western region, 452 in the Southern region and 323 in the Northern region. A progressive increase has been noticed in the number of new company registrations in all the four regions during the last five years, but it has been more marked in the Southern region, where new registrations rose from 147 in 1956-57 to 152 in 1957-58, 206 in 1958-59, 433 in 1959-60 and 452 in 1960-61—a threefold increase. The Eastern region registered an increase of 40 per cent, the Western region 150 per cent and the Northern region 80 per cent.

COIMBATORE PIONEER'S SALES LOWER

SHAREHOLDERS GET LESS

A REDUCTION in the prices of yarn in accordance with the directive from the Indian Cotton Mills' Federation and the necessity to purchase foreign cotton required for spinning higher counts at a substantial premium have both been instrumental in scaling down the sales as well as the profits of the Coimbatore Pioneer Mills Ltd. (Managing Agents: Messrs. T. R. Narayanaswamy Nayadu and Co.) for the year ended 31st December 1960. The sales have declined from their all-time high of Rs. 136.24 lakhs in 1959 to Rs. 125.77 lakhs in 1960. As a result of lower sales, on the one side, and higher cost of raw materials and stores consumed and increase of Rs. 3.25 lakhs in the wage bill, on the other, the gross profit has gone down by Rs. 2.97 lakhs to Rs. 22.03 lakhs. Owing to the fall in gross profit, reduced provisions have been made for managing agents' commission (Rs. 1.69 lakh, as against Rs. 2.10 lakhs) and taxation (Rs. 7.50 lakhs, as against Rs. 8.45 lakhs). Despite such reduced provisions, the net profit has fallen by Rs. 1.60 lakh to Rs. 7.48 lakhs.

After setting aside Rs. 33,000 for statutory development rebate reserve and Rs. 1.00 lakh towards special donations, a sum of Rs. 7.43 lakhs was available for distribution, including Rs. 1.28 lakh brought forward from the previous accounting period. After transferring Rs. 4.00 lakhs to reserve and Rs. 8,000 as preferred dividends, ordinary dividends have been reduced to 16 per cent subject to deduction of tax, as compared with 25 per cent subject to deduction of tax distributed in the previous year.

The following table gives the salient features of the Company's working in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale of yarn and waste	1,25.77	1,36.24	1,15.33	1,14.95
Other income and receipts	2.13	1.46	0.75	0.74
Closing stocks	8.05	7.65	12.57	11.34
Cotton, stores and spares consumed	70.95	76.25	70.75	78.45
Salaries, wages and bonus	26.28	23.08	19.23	16.98
Other expenses	9.04	8.50	8.51	6.68
Gross profit	22.03	25.00	18.83	19.25
Managing Agents' commission	1.69	2.10	1.48	1.53
Provision for—				
Depreciation	5.86	5.37	5.06	5.79
Taxation	7.50	8.45	6.75	5.76
Net profit	7.48	9.08	5.55	8.17
Transfer from reserves	..	..	..	3.80
Development rebate reserve	0.88	2.58	1.43	1.38
Miscellaneous provisions	1.00	0.25	..	0.15
Transfer to reserves	4.00	..	..	1.00
Dividends—				
Preference	0.08	0.09	0.06	0.06
Ordinary	3.20	5.00	4.00	4.00
	(16%)*	(25%)*	(20%)	(20%)
Carry forward	0.14	1.28	0.06	0.01

* Subject to deduction of tax.

The Company's financial position as disclosed by the balance-sheet as at 31st December 1960 is sound. The share capital of Rs. 21.00 lakhs is supported by reserves amounting to Rs. 26.88 lakhs, thus giving an ordinary equity of Rs. 234.40 per share, as against the face value of Rs. 100. The current liabilities of Rs. 42.98 lakhs (including Rs. 19.45 lakhs as secured and unsecured loans) are balanced by current assets amounting to Rs. 44.69 lakhs, inclusive of investments and loans and advances. With the addition of Rs. 3.64 lakhs made during the year, the gross block is valued at Rs. 105.81 lakhs. After deducting Rs. 59.63 lakhs as accumulated depreciation, the net block works out to Rs. 46.17 lakhs or very nearly equal to the total capital funds invested in business.

Under the expansion scheme, against the licence for the installation of additional 10,000 spindles at the companies 'B' mills, eight frames of 440 spindles each were received at the close of the financial year 1960, and four more frames were in transit. The balance of ten frames will be available only after the close of the current year. Orders have been placed for the preparatory machines and the delivery of the same is likely to be made soon.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at Rs. 350 *cum-div.* and give a net yield of 3.3 per cent per annum on an *ex-div.* basis.

The Directors of the Svadeshi Mills Company, Ltd., have decided to recommend the following dividends for the year ended 31st December 1960:

Ordinary shares—Rs. 17 per share, subject to deduction of tax at source (as against Rs. 14 for 1959).

Preference shares—6 per cent per annum free of income-tax (Rs. 6.50 per share gross or Rs. 4.55 net).

The annual general meeting of the Company will be held on [illegible] 1961.

PERFORMANCE OF AMBICA MILLS ENCOURAGING

FURTHER INCREASE IN DIVIDEND

THANKS to the favourable market trend for the textile industry, especially the higher prices prevailing, the upward trend in the profits of Shri Ambica Mills Ltd., Ahmedabad (Managing Agents: Messrs. Harivallabhdas Kalidas & Co., Ahmedabad), noted in the past three years persisted during 1960 also. The Company's profits have more than trebled in the last four to five years following the continuously rising sales. Consequently, the shareholders have benefited by way of enhanced dividends. The gross profit of Rs. 141.64 lakhs earned by the Company during 1960 represents a rise of Rs. 21 lakhs as compared with that for the previous year, and has gone up by 78 per cent since 1957. The level of profit might have been higher still but for the incidence of high costs and increase in wage bill as a result of the implementation of the Central Wage Board award. After providing Rs. 14.68 lakhs (Rs. 14.19 lakhs for 1959) for depreciation, Rs. 56 lakhs (Rs. 48.50 lakhs) for taxation and Rs. 10.85 lakhs (Rs. 10.70 lakhs) for Managing Agents' commission, the net profit for the year 1960 amounts to Rs. 60.11 lakhs, as against Rs. 47.51 lakhs, representing a rise of about 42 per cent over the earlier year. The reserves have been strengthened by Rs. 20 lakhs (the allocation in the previous year was Rs. 13.74 lakhs) and the development rebate takes Rs. 2.50 lakhs (Rs. 2.60 lakhs).

A bird's-eye view of the progress made by the Company in the past four years can be had from the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sales	5,40.22	5,25.75	4,78.21	4,07.64
Closing stock	84.76	69.81	97.74	77.20
Raw materials consumed	1,86.88	1,60.21	1,84.15	1,90.14
Other expenses	2,85.86	2,93.52	1,92.88	1,74.38
Gross profit	1,41.64	1,20.90	1,14.84	85.35
Depreciation	14.68	14.19	14.65	12.38
Taxation	56.00	48.50	51.00	40.50
Managing Agents' commission	10.85	10.70	9.70	6.84
Net profit	60.11	47.51	38.99	26.63
Development rebate	2.50	2.60	6.50	..
Other reserves	20.00	13.74	12.00	..
Staff gratuity	3.00	2.00	2.00	..
Dividends—				
5% (tax-free) cum. preference shares	0.40	0.40	0.28	0.28
4% (tax-free) second cum. preference shares	0.40	0.40	0.28	0.28
Ordinary shares	31.88	28.69	19.13	14.49
	(50%)*	(45%)*	(30%)	(25%)
Carry forward	2.87	0.60	0.87	1.76

* Dividends for 1959 and 1960 subject to taxation.

The larger earnings and more remunerative working of the Company have made it possible for the Directors to step up the dividends on ordinary shares to 50 per cent subject to deduction of tax as against 45 per cent distributed in 1959. The tax-free dividend works out to 35 per cent, which compares quite favourably with 25 per cent paid for the year 1957. The Company has, as in previous years, absorbed the tax liability in respect of preference shares, by grossing up the rates with a view to complying with the changes in the Finance Bill. A sum of Rs. 2.87 lakhs has been carried forward, as against only Rs. 60,000.

The financial position of the Company is quite satisfactory. The reserves and surplus at the end of 1960 aggregate well over Rs. 320 lakhs, as against the paid-up capital of Rs. 76.36 lakhs. The general reserves alone stand at Rs. 225 lakhs and a sum of Rs. 59.75 lakhs is at the credit of development and rehabilitation reserve. The capital of the Company at Rs. 76.36 lakhs is made up of Rs. 63.76 lakhs by way of ordinary shares and Rs. 12.60 lakhs in preference shares. Of this again the entire preference capital and over 92 per cent of equity capital consists of 'bonus' capital.

The current liabilities of the Company at about Rs. 125 lakhs are covered fourfold by current assets exceeding Rs. 495 lakhs, including investments aggregating over Rs. 59 lakhs. The gross block at the end of the year amounted to about Rs. 265 lakhs and has been adequately written down to Rs. 104 lakhs in the books. On top of assets amounting to Rs. 51 lakhs added in the previous three years, the net additions during the year under review exceeded Rs. 21 lakhs.

A new company under the name of Bombay Steel Tubes Ltd. has been formed for the manufacture of steel pipes and tubes and sponsored by the mill company with an authorised capital of Rs. 1 crore. Of the subscribed capital of this Company (Rs. 10 lakhs), the mill company holds at present shares of Rs. 1 lakh. A fresh capital issue is now proposed to be made by the Bombay Steel Tubes Ltd., amounting to Rs. 70 lakhs, which the mill company would be subscribing in full, with a view to making the latter a subsidiary company.

It is gratifying that the working results of the Company's subsidiary, Shri Arbuda Mills Ltd., Ahmedabad (formerly Lalbhai Tricumlal Mills Ltd.), for the year under review are very satisfactory. This Company has at last turned the corner after many years and reported a net profit of Rs. 18.94 lakhs for the year under review, as against a loss of Rs. 12.14 lakhs in 1959. This profit has helped to reduce the past losses of about Rs. 79.95 lakhs to Rs. 63.74 lakhs. The Company (Shri Ambica Mills) holds over 70 per cent of the capital of the Arbuda Mills Ltd. and its entire debenture loan of Rs. 25 lakhs. In addition, a sum of Rs. 40 lakhs has been advanced as loan on the second mortgage of the assets of the Company. The stake of the Ambica Mills in the working and prospects of this subsidiary need not be exaggerated inasmuch as half the total investments of the Company is in the subsidiary.

Following a steep rise in the security prices, the Rs. 100 fully paid up ordinary shares of the Company are currently quoted at Rs. 1,327, marking a rise of over Rs. 200 in the last two months alone. The net tax-free yield on the basis of the current quotation proximates about 2.7 per cent.

BENGAL JUTE EARNS MORE

The gross profit of the Bengal Jute Mill Company Limited (Managing Agents: Soorajmull Nagarmull) for the year ended 30th June 1960 is higher at Rs. 9.14 lakhs, as against Rs. 6.57 lakhs in the previous year. The rise has occurred, despite the fact that the total sales have remained almost unchanged at Rs. 258.44 lakhs, as against Rs. 258.57 lakhs. There has been a rise of Rs. 7.47 lakhs to Rs. 144.06 lakhs in receipts from sales of jute products and of Rs. 7.41 lakhs to Rs. 1.6 lakhs in those from soap. But these increases were offset by a drop of Rs. 15.03 lakhs to Rs. 71.21 lakhs in receipts from cast iron products and of Rs. 1.47 lakh to Rs. 9.00 lakhs in other income. The net profit after providing for depreciation and development rebate (Rs. 2.66 lakhs, as against Rs. 3.04 lakhs in 1958-59), taxation (Rs. 2.75 lakhs, as against Rs. 3.04 lakhs in 1958-59), and Managing Agent's commission (Rs. 62,170 as against Rs. 48,519) has increased from Rs. 1.16 lakh to Rs. 3.11 lakhs. The dividend on ordinary shares has been maintained at the previous year's level of 5 per cent subject to tax, or a net dividend of 35 nP per share.

The working of the Company which produces fashionable jute carpets in various shades and designs was affected in the latter half of the year under review on account of rise in raw jute prices which far exceeded the increase in the prices of finished goods, thanks to the setback suffered by the crop, the participation of Russia and China in the finished goods market and the steady offtake of hessian by the U.S. raised gunny prices throughout the year.

In accordance with the working time agreement of the Indian Jute Mills Association, the mill worked with large percentages of the looms sealed. The percentage of looms sealed was: 14 upto 21-6-1959, 12½ from 22-6-1959 to 23-8-1959, 10 from 24-8-1959 to 1-5-1960, 9 from 2-5-1960 to 5-6-1960, 9 from 6-6-1960 to 4-12-1960 (over and above voluntary sealing of 100 looms), 17 from 5-12-1960 to 25-12-1960, the working hours per week in all these periods being 48, and 12 from 26-12-1960 to 29-1-1961 (45 hours per week) and 12 since 30-1-1961 (42½ hours per week). In view of compulsory sealing of looms and reduced working hours thus, the production was lower.

As against the paid-up capital of Rs. 55 lakhs consisting of Rs. 10 lakhs in preference shares of Rs. 100 each and Rs. 45 lakhs in ordinary shares of Rs. 10 each, reserves and surplus aggregate Rs. 24.25 lakhs, inclusive of Rs. 11.45 lakhs representing premium on shares account. The net block stands at Rs. 39.62 lakhs, after providing Rs. 46.38 lakhs for depreciation. The current assets amount to Rs. 219.89 lakhs, as against Rs. 222.39 lakhs in the previous year. The large cash and bank balances of Rs. 104.23 lakhs stand lower at Rs. 8.58 lakhs, due to substantial increase in loans and advances from Rs. 32.69 lakhs to Rs. 139.73 lakhs. This change has probably been made as a result of lower rate of interest on call deposits. It would, however, have been appreciated if, instead, all the secured loans had been wiped off. It seems that the Company is carrying huge liquid cash assets, though no considerable increase has been noticed in the block account or sales. This explains why the quotation for Rs. 10 paid-up ordinary shares of the Company is as low as Rs. 9.75, which gives a net yield of only 3.6 per cent on a net dividend of 35 nP per share.

In its announcement of the public issue, which appeared in *Commerce* dated 14th January 1961 (vide page 88), the Thakur Paper Mills Ltd. had mentioned by oversight the name of the broker Messrs. Amratlal Dalsukhbhai Haji, Ahmedabad.

PROFIT OF ELPHINSTONE SPINNING HIGHER

DIVIDEND RAISED AGAIN

THE sale proceeds of the Elphinstone Spinning and Weaving Mills Company Ltd. (Chairman: Mr. B. L. Jalan) for the year ended 31st December 1960 showed a drop of Rs. 13.69 lakhs. The value of cloth, yarn, leather cloth and waste actually sold amounted to Rs. 226.71 lakhs, as against Rs. 240.40 lakhs in the previous year. Notwithstanding the decline, it is heartening to note that the gross profit of the Company has registered a distinct improvement from Rs. 18.54 lakhs for 1959 to Rs. 35.83 lakhs for 1960. In 1958, it will be recalled, the Company had incurred a loss of Rs. 4.53 lakhs. As a result of the handsome rise in profit, the profitability to sales has gone up from 7.7 to 15.8 per cent. The closing stocks show an increase from Rs. 36.90 lakhs to Rs. 68.24 lakhs. In view of higher profits, the Directors have stepped up the dividend once again from 14 per cent taxable to 18 per cent taxable or a net dividend of Rs. 6.30 per share, as against Rs. 4.90 per share in the previous year.

The satisfactory results for the year under review have been achieved in face of certain adverse circumstances. These, according to the Directors' report are:

"Persistent failure of the Indian cotton crop during the last season caused a serious crisis in the supply position and indigenous cotton had, therefore, to be purchased at abnormally high prices. Prices of foreign cotton also rose during the season.

"The cost of stores and chemicals too went up.

"Heavier wage bill had to be borne on account of an increase in the basic wage of the operatives by Rs. 8 per operative effected from the beginning of the year of account, consequent on the implementation of the recommendations of the Central Wage Board. Besides, scales of pay of clerical staff had been revised upward in accordance with the recommendations of the Wage Board.

"The average rate of dearness allowance paid during the year touched a new high, breaking all the earlier records.

"A general reduction in the prices of cloth and yarn had been effected in the month of September and a further reduction in all varieties was announced in the month of December."

The Finance Bill 1961 has heaped fresh imposts on the industry by increasing excise duty on higher medium varieties of cloth by 25 per cent, levying an excise surcharge of 66⅔ per cent on the processing of all varieties and imposition of an excise of 25 per cent on 30 per cent of cloth produced on automatic looms for local markets, in addition to the excise duty on yarn. All these, it is feared, will raise the prices of textiles and partly inflate the cost of production.

The following comparative table reveals the progress of the Company during the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	2,26.71	2,40.40	1,77.56	1,73.13
Closing stocks	68.24	36.90	75.72	76.72
Expenses	2,26.08	1,86.84	1,82.05	1,96.23
Gross profit (+) or loss (—)	35.83	18.54	—4.53	—0.08
Provision for—				
Depreciation	6.30	..	..	2.98
Taxation	7.00	..	..	0.47*
Net profit (+) or loss (—)	22.53	18.54	—4.53	—3.53
Excess provisions written back	..	..	..	1.58
Transfer to reserves	14.54	8.19	..	..
Dividends—				
Preference	1.75†	5.25†‡	..	..
Ordinary	5.40†	4.20†	..	..
	(18%)	(14%)		
Carry forward	1.06	0.24	—5.53	—0.99

* Provision for wealth tax for 1956.
† Subject to deduction of tax.
‡ Dividend for three years.

The total paid-up capital of the Company is Rs. 55 lakhs, consisting of Rs. 25 lakhs in 7 per cent preference shares of Rs. 100 each and Rs. 30 lakhs in ordinary shares of Rs. 50 each. The total reserves have increased during the year from Rs. 27.42 lakhs to Rs. 41.96 lakhs. The secured loans drawn from the banks as well as the National Industrial Development Corporation amount to Rs. 51.42 lakhs as against the arrangement for Rs. 109.38 lakhs. The gross block of Rs. 164.81 lakhs stands depreciated to Rs. 77.66 lakhs after providing Rs. 87.15 lakhs for depreciation. The current assets aggregate Rs. 116.93 lakhs (exclusive of investments) which are well above the current liabilities of Rs. 45.01 lakhs.

The export performance of the Company is considered very satisfactory especially in the context of the difficulty in securing supplies of suitable varieties of cotton used in the manufacture of exportable products. The exports

(*Continued on page 960*)

AZAM JAHI'S PROFIT BETTER

ARREARS OF DEPRECIATION RISE

REFLECTING a slight improvement in its working, the earnings of the Azam Jahi Mills Ltd., Warrangal (Secretaries and Treasurers: Industries (I.F.) Department, Government of Andhra Pradesh) for the year ended 30th September 1960 have registered a notable improvement as compared with the previous year, although the Company has still not got over the difficulties and setback witnessed in recent years. The gross profit for the year under review has increased four-fold, being Rs. 6.60 lakhs, as against Rs. 1.53 lakh in the previous year and only Rs. 56,000 in 1957-58. For the third year in succession, the Company has failed to make any provision for depreciation, in view of the inadequacy of profits. In addition, there are large arrears of depreciation exceeding Rs. 72 lakhs (Rs. 66 lakhs). Considering depreciation of Rs. 5.86 lakhs for the year estimated by the Company, the results for the year would actually show a meagre profit of Rs. 47,000. The net profit reported by the Company without any provision for depreciation or taxation amounts to Rs. 6.33 lakhs, as against Rs. 1.53 lakh in 1958-59.

Out of the net profit, a sum of Rs. 2.90 lakhs has been allocated to reserves as against *nil* in the previous year, and Rs. 55,000 to development rebate reserves. The dividend on ordinary shares has been maintained for the second time at the taxable rate of 4 per cent which on tax-free basis comes to 2.8 per cent. The tax-free dividend is lower than 5 per cent distributed for 1955-56 and 3½ per cent for 1956-57. A sum of Rs. 3,000 has been carried forward, same as in the previous year.

The salient features of the working results of the Company for the last four years are given below:

(In lakhs of rupees)

	For the year ending 30th September			
	1960	1959	1958	1957
Sale proceeds (gross)	2,23.04	1,70.76	1,92.02	1,66.98
Closing stock	49.09	48.95	51.24	67.27
Cotton and yarn consumed ..	1,18.98	88.26	98.44	1,19.45
Other expenses	1,04.50	93.50	88.63	95.42
Gross profit	6.60	1.79	0.56	8.33
Depreciation	..	..	..	5.82
Taxation	..	..	..	0.47
Managing Agents' remuneration	0.27	0.26	0.26	0.26
Net profit	6.33	1.53	0.30	0.30
Development rebate reserve ..	0.55	0.31	..	..
Reserves	2.90	—1.62	..	0.15
Dividends	2.88	2.88	..	2.52
	(4%)*	(4%)*	..	(3½%)
Carry forward	0.03	0.03	0.06	0.07

* Dividends for 1959 and 1960 subject to tax deduction, 1957 tax-free.

The all-time record sales of the Company's products amounting to Rs. 223.04 lakhs mark a reversal of the depressed and downward trend witnessed in the previous year, when the gross sales dropped by over Rs. 20 lakhs last year. The larger earnings reflect the generally favourable market trend and higher prices realised on the sales of the mill's products. The steep rise in production costs and the additional burden of the Central Wage Award recommendations would appear to have cut into the profits to some extent. Raw material consumption rose by Rs. 30 lakhs and wage bill by 40 per cent during the year under review.

The liabilities of the Company have increased in the course of the last few years. The secured loans alone have gone up from Rs. 107 lakhs in 1957-58 to Rs. 128 lakhs in 1959-60, as a result of increased financial requirements of the Company due to the setback suffered in previous years as well as the need to meet its developing activities. The current liabilities at the end of September 1960 amounted to Rs. 187.02 lakhs (Rs. 171.05 lakhs in 1958-59). The arrears of depreciation, as already stated, are huge, amounting to Rs. 71.76 lakhs. These liabilities are not adequately covered by current assets which amount to only Rs. 143.75 lakhs, including investments of Rs. 22.33 lakhs. It may be mentioned that the market value of the 'quoted' securities held by the Company at Rs. 5.90 lakhs is estimated at only Rs. 1.74 lakhs.

The gross block as at 30th September 1960 amount to Rs. 204.54 lakhs, including the additions of about Rs. 11.98 lakhs during the year. The depreciation provided on these assets is only to the extent of about Rs. 68.19 lakhs. The written down value of assets as on 30th September 1960 amount to Rs. 136.34 lakhs. The management has lately embarked upon a modernisation programme for the mill which is under way. The commitment on this account exceeds Rs. 10 lakhs towards machinery on order and Rs. 1.7 lakh for capital buildings.

The paid-up (equity) capital of the Company at Rs. 72 lakhs consists of bonus issues to the extent of Rs. 54 lakhs. Against this, the reserves and surplus aggregate only Rs. 20.58 lakhs. The general reserves amount to Rs. 14.54 lakhs.

In compliance with the provisions of the Companies Act 1956, the Government of Andhra Pradesh has relinquished its position as the Secretaries and Treasurers of the Company with effect from 15th August 1960. Since then, the Company has been managed by a Board of Directors. The State Government has, however, continued its co-obligancy and the guarantee given to the bankers towards the loan to the mill Company.

The Rs. 100 fully paid-up equity shares of the Company are currently quoted at Rs. 77. The net tax-free yield on the basis of the dividend declared works out to 3.6 per cent.

KIRLAMPUDI SUGAR TURNS CORNER

Despite a fall of about 28 per cent in the sales of sugar and molasses, the gross profit of the Kirlampudi Sugar Mills Ltd. (Managing Agents: Messrs. Kubera Sugar Managers Ltd., Pithapuram, East Godavari Dt.) for the year ended 30th June 1960 shows a handsome rise of Rs. 3.99 lakhs to Rs. 11.88 lakhs, as compared with the previous year. The rise in profit has been due chiefly to increased production, as is evident from higher consumption of cane (118,160 bags valued at Rs. 59.16 lakhs, as against 108,110 bags valued at Rs. 49.39 lakhs) and substantially large closing stocks of sugar and molasses worth Rs. 52.30 lakhs, as against Rs. 35.35 lakhs at the close of the previous year. After providing Rs. 82,000 as managing agents' commission and Rs. 4.13 lakhs for depreciation, the net profit has gone up by Rs. 3.74 lakhs to Rs. 6.93 lakhs. Since the profit for the year stands adjustable against the losses of previous years, no provision for taxation has been found necessary. A sum of Rs. 4.76 lakhs has been transferred from the debenture sinking fund consequent on the redemption of the 1947-60 series outstanding debentures. A sum of Rs. 37,000 is transferred to development rebate reserve. There is left a balance of Rs. 11.32 lakhs. A large part of this balance has been utilised to cover previous losses amounting to Rs. 10.91 lakhs, and the remaining Rs. 41,000 have been carried forward. For the twelfth year in succession, the shareholders of the Company have not received any dividend. As can be seen from the following comparative table, the profit and loss appropriation account of the Company shows a credit balance for the first time in the past four years:

(Value in lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sales	1,03.87	1,44.80	1,29.87	97.23
Other receipts	0.41	0.89	0.15	0.11
Closing stocks of sugar and molasses	52.30	35.35	62.42	62.54
Raw materials and stores consumed	62.09	52.06	71.41	65.05
Salaries and wages	9.61	8.05	7.33	7.20
Other expenses	37.65	50.06	44.17	25.52
Gross profit	11.88	7.89	6.49	7.03
Managing Agents' commission ..	0.82	0.35	0.24	0.45
Provision for depreciation ..	4.13	4.35	4.03	3.45
Net profit	6.93	3.19	2.22	4.03
Amount set off against debenture sinking fund	4.76	8.37	..	..
Transfer to debenture sinking fund	..	2.25	2.22	4.03
Development rebate reserve ..	0.37	0.26	..	..
Carry forward	0.41	—10.91	—19.96	—19.96

The financial position of the Company has improved. The share capital is Rs. 22.96 lakhs comprising 6,000 preference shares of Rs. 100 each and 17,000 ordinary shares of Rs. 100 each, both fully called up, and reserves aggregate Rs. 6.66 lakhs. Out of the debentures worth Rs. 12 lakhs outstanding, the Company itself holds debentures worth Rs. 9.50 lakhs, leaving a balance of Rs. 2.50 lakhs in the hands of outsiders. Since the floating of debentures, the Company has followed a wise and farsighted policy of contributing regularly from current profits to a sinking fund which is eventually to be utilised to redeem outstanding debentures. Currently the sinking fund stands credited with an amount of Rs. 5.59 lakhs which is more than twice that required to redeem the debentures held by outsiders. Current assets, including loans and advances, and investments other than in the Company's own debentures, aggregate Rs. 66.03 lakhs, against which current liabilities and bank loans together amount to Rs. 75.33 lakhs. The gross block is valued at Rs. 76.33 lakhs, including Rs. 2.22 lakhs expended towards additions during the year. After deducting Rs. 34.96 lakhs as depreciation covered to-date, the net block works out to Rs. 41.37 lakhs.

The Directors of the Company consider it desirable to increase the authorised capital from Rs. 25 lakhs to Rs. 60 lakhs with a view to meeting the financial needs as and when they arise.

The Rs. 100 fully paid-up ordinary share of the Company are currently quoted at Rs. 78.50 or at a discount of Rs. 21.50 per share.

At a meeting of the Board of Directors of Philips India Limited held at Calcutta on the 10th inst., it was decided to recommend a dividend of 12 per cent, subject to tax, for the year ended 31st December 1960. The annual general meeting of the Company will be held on 26th June next.

COMPANY MEETINGS AND DIVIDENDS

GOKAK MILLS LTD. Annual General Meeting, Bombay, 22nd May 1961. Dividend: Rs. 14.00 per share, subject to deduction of tax, payable on and after 23rd May 1961. Transfer books were closed from 10th to 22nd April 1961, both days inclusive.

RAMNUGGER CANE AND SUGAR CO., LTD. Annual General Meeting, Calcutta, 24th May 1961. Dividend: Rs. 3.00 per share, subject to deduction of tax. Transfer books remain closed from 9th to 24th May 1961, both days inclusive.

SHIVRAJPUR SYNDICATE LTD. Annual General Meeting, Bombay, 25th May 1961. Dividend: Rs. 8.00 per share subject to deduction of tax, payable on and after 9th June 1961. Transfer books remain closed from 2nd to 25th May 1961, both days inclusive.

SAVAMALAI ESTATES LTD. Taxable dividend of 14 per cent or Re. 0.28 per share, for the year ended 30th November 1960. Transfer books will remain closed from 22nd to 29th May 1961, both days inclusive.

CALEDONIAN JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 25th May 1961. Dividend: Rs. 12.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 11th to 25th May 1961, both days inclusive.

BELSUND SUGAR CO., LTD. Annual General Meeting, Calcutta, 27th May 1961. Dividend: Re. 1.40 per share, subject to deduction of tax. Transfer books remain closed from 15th to 27th May 1961, both days inclusive.

ASSAM MATCH CO., LTD. Annual General Meeting, Bombay, 29th May 1961. Dividend: 18 per cent or Re. 1.80 per share, subject to deduction of tax, payable on and after 31st May 1961. Transfer books remain closed from 15th to 30th May 1961, both days inclusive.

SOUTH KARANPURA COAL CO., LTD. Annual General Meeting, Calcutta, 29th May 1961. Dividend: 2½ per cent or Re. 0.25 per share, subject to deduction of tax, payable on or after 14th June 1961. Transfer books remain closed from 15th to 29th May 1961, both days inclusive.

DELTA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 29th May 1961. Dividend: Rs. 7.50 per ordinary share, subject to deduction of tax. Transfer books remain closed from 15th to 29th May 1961, both days inclusive.

KIRLAMPUDI SUGAR MILLS LTD. Annual General Meeting, Pithapuram (East Godavari District), 29th May 1961. Dividend: *Nil*. Transfer books will remain closed from 26th May to 19th June 1961, both days inclusive.

ELPHINSTONE SPINNING AND WEAVING MILLS CO., LTD. Annual General Meeting, Bombay, 31st May 1961. Dividend: Rs. 9.00 per ordinary share, subject to deduction of tax, payable on or after 21st June 1961. Transfer books remain closed from 15th to 31st May 1961, both days inclusive.

TROPICAL PLANTATIONS LTD. Annual General Meeting, Kottayam, Kerala State, 1st June 1961. Dividend: 8 per cent or Rs. 2.00 per share, subject to deduction of tax, payable on 29th June 1961. Transfer books will remain closed from 26th May to 1st June 1961, both days inclusive.

BRITISH INDIA ELECTRIC CONSTRUCTION CO., LTD. Annual General Meeting, Calcutta, 2nd June 1961. Dividend: 45 per cent or Rs. 4.50 per share, subject to deduction of tax. Transfer books will remain closed from 22nd May to 2nd June 1961, both days inclusive.

ASPINWALL AND CO. (TRAVANCORE) LTD. Annual General Meeting, Alleppey, Kerala State, 5th June 1961. Dividend: 4 per cent or Re. 0.40 per share, subject to deduction of tax, payable on or after 12th June 1961. Transfer books remain closed from 30th May to 6th June 1961, both days inclusive.

STANDARD COAL CO., LTD. Annual General Meeting, Calcutta, 5th June 1961. Dividend: Re. 1.50 per share, subject to deduction of tax, payable on or after 19th June 1961. Transfer books will remain closed from 25th May to 5th June 1961, both days inclusive.

COIMBATORE PIONEER MILLS LTD. Annual General Meeting, Peelamedu, Coimbatore-4, 5th June 1961. Dividend: 16 per cent or Rs. 16.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 22nd May to 5th June 1961, both days inclusive.

STANDARD MOTOR PRODUCTS OF INDIA LTD. Annual General Meeting, Madras, 5th June 1961. Dividend: 9 per cent or Re. 0.90 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 22nd May to 5th June 1961, both days inclusive.

GUEST, KEEN, WILLIAMS, LTD. Annual General Meeting, Calcutta, 6th June 1961. Dividend: Re. 0.80 per share (final dividend) on the increased capital, subject to deduction of taxation. Transfer books will remain closed from 23rd May to 6th June 1961, both days inclusive.

PEERMADE TEA CO., LTD. Annual General Meeting, Alleppey, Kerala State, 6th June 1961. Dividend: 22½ per cent or Rs. 2.25 per ordinary share (includes interim dividend of 7½ per cent or Re. 0.75 per share), subject to deduction of tax, payable on or after 20th June 1961. Transfer books will remain closed from 25th May to 9th June 1961, both days inclusive.

JENSON AND NICHOLSON (INDIA) LTD. Annual General Meeting, Calcutta, 7th June 1961. Transfer books will remain closed from 1st to 7th June 1961, both days inclusive.

KAMARHATTY CO., LTD. Annual General Meeting, Calcutta, 7th June 1961. Dividend: Rs. 5.00 per share, on 'A' and 'B' ordinary shares, subject to deduction of tax. Transfer books will remain closed from 24th May to 7th June 1961, both days inclusive.

TRAVANCORE OCALE GLASS MANUFACTURING CO., LTD. Annual General Meeting, Alwaye, Kerala State, 9th June 1961. Dividend: 6 per cent or Re. 0.60 per share, subject to deduction of tax, payable on and after 11th July 1961. Transfer books will remain closed from 29th May to 9th June 1961, both days inclusive.

SYNOPSES OF COMPANY REPORTS

Raja Bahadur Motilal Poona Mills Ltd.

(*Managing Agents*: Mukundlal Bansilal and Sons, Bombay.)

Annual General Meeting—29th June. Dividend (final) is payable on or after 2nd July.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	1,55,31	1,34,80
Closing stock	25,09	18,16
Gross profit	22,61	13,18
Transfer to Mg. Agents' commission ..	1,32	74
,, ,, depreciation	7,97	5,62
,, ,, development rebate	4,97	1,60
,, ,, taxation	1,89	..
Net profit	6,56	5,22
Adjustments	5	10
Appropriations:		
Total available balance	6,61	5,32
Transfer to depreciation (previous years) ..	4,33	5,31
Transfer to dividend equalisation reserve ..	30	..
Proposed dividend (taxable)	1,97	..
	(7%)	..
Carry forward	1	1

N.B.—Adjustments include the balance brought forward from the previous year and refund of income-tax and wealth-tax if any.

Extracts from the Directors' report: The directors are of the opinion that the results of the working are satisfactory. Large scale modernisation and renovation programme was undertaken during the last few years along with rationalisation of workload and its benefits are now being reflected in the earning of this Company.

The Mills are now fully equipped to cater to the growing demand for better quality fabrics. Further, a cloth singeing machine and one benninger mercerising range complete with caustic lye cooling and recovery plants have been recently installed. Permission for 96 automatic looms has been received.

Moreover, in order to diversify the activities of the Company, a new Engineering Division is established to manufacture drafting machines, jigs, tools, fixtures and special machines for which a licence is received from the Government of India. These engineering articles have a ready market and are in great demand. This unit has recently started production. An industrial licence to establish a paper manufacturing industry in Maharashtra State has been received from the Government of India to manufacture 3,000 tons of writing and printing paper per year. This project is seriously engaging the attention of the directors.

Since the closing of the year under report upto the date of this report one more building in the Mill has been built at an approximate cost of Rs. 2½ lakhs and machinery worth Rs. 1½ lakhs approximately has arrived. There are 26,180 spindles and 550 looms in the Company's mills.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	28,21,000	Gross block ..	1,33,43,969
Reserves and surplus..	27,92,926	—Depreciation	64,52,254
Other liabilities ..	77,47,000	Net block ..	68,91,715
		Current assets ..	63,59,665
		Investments	42,221
		Cash	66,725
	Rs. 1,33,60,926		Rs. 1,33,60,926

Dalmia Iron and Steel Co., Ltd.

[*Chairman*: Shri Jaidayal Dalmia, Rajgangpur (Orissa).]

Annual General Meeting.—31st May 1961.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1960	1959
Sales (including self consumption)	1,29,78	66,14
Closing stock	84,19	22,19
Gross profit	19,87	(—) 3,51*
Transfer to depreciation	8,10	7,41
,, ,, development rebate reserve ..	4,25	..
Net profit	7,52	(—) 3,51
Adjustments	..	3
Appropriations:		
Total available balance	4,04†	(—) 3,48
To interim dividend (taxable)	4,00	..
	(10%)	..
Carry forward	4	(—) 3,48

N.B.—Adjustments include the balance brought forward from the previous year.

* Loss after providing for depreciation.

† After deducting the loss brought forward.

Extracts from the Directors' report: After setting off the previous year's loss of Rs. 3,47,543 there remains a balance of Rs. 4,04,142. Out of this the directors at their meeting held on 30th July 1960 declared an interim dividend of Re. 1 per share subject to deduction of tax which absorbed Rs. 4,00,000 thus leaving a balance of Rs. 4,142 to be carried forward. Under the circumstances the interim dividend be treated as final. No provision for taxation has been made as the Company is not liable to pay any tax on account of the benefit of development rebate. The improvement during the year in working results resulted mainly from the increased production, less rejection and a consequent reduction in costs.

Due to Railways' booking restrictions on the outward movement, there has been accumulation of finished stocks most of which are against orders. Efforts are being made to obtain special allotment of wagons.

Finance: 4,00,000 equity shares of Rs. 10 each of the value of Rs. 40 lakhs were offered at par to the existing holders of equity shares whose names appear in the register of members on 22nd October 1960 in the ratio of 1 : 1. This fresh issue of Rs. 40 lakhs was fully subscribed, and the subscribed and paid-up capital of the Company as on date of this report is Rs. 80 lakhs.

Production Operations: Production improved during the year as it would be evident from the following statistics:

	1959 (In tons)	1960 (In tons)
Spun iron pipes	5,030 (9 months' production)	13,755
Grinding media	2,319	3,642
Alloy steel castings	538	815

There has been a marked improvement in the working of Spun Iron Pipe Plant. Moreover, as a result of experience gained by Mr. G. Kejriwal (Managing Director) in October 1960, during his visit to the leading Spun Iron Pipe Plants in the United States of America, West Germany, France etc., the working has further improved.

The production in the Spun Iron Pipe Plant has been suspended since 1st April 1961 due to shortage of low manganese, high silicon, pig iron, coke, and also due to booking restrictions. Since recently due to breakdown in the power house of the Calcutta Electric Supply Corporation, there has been restriction in power supply as well. With the availability of the raw materials and resumption of power supply to normal, the directors expect to resume production shortly.

The production in the Grinding Media Plant exceeded the installed capacity during the period under review. The Steel Casting Plant could not achieve the installed capacity of 125 tons due to delay in receiving the import licence for two Automatic Moulding Machines which are expected to be installed very shortly.

The construction of private Railway Siding was completed in March 1961 and it is expected to result in considerable saving to the Company.

Expansion Programme: Demand for company's products during the year continued to be in excess of production.

Grinding Media: The Company has been granted an industrial licence to expand the present capacity of cast steel grinding media from 3,000 tons to 6,000 tons per annum. Order for Arc Furnace of a value of about rupees five lakhs has already been placed and rupees one lakh has also been deposited with The Calcutta Electric Supply Corporation to avail supply of necessary power. These commitments have been made after the closing of the accounts of the year under review. The new capacity is expected to be achieved by the middle of 1962.

Steel Castings: The Company has specialised in manufacturing Special Alloy and Heat Resisting Steel Castings to cater the needs of cement refractory, sugar and other heavy industries. Due to import restrictions this demand is expected to rise considerably in the third Five-year Plan. Therefore, the Company has applied to the Government of India for an industrial licence to increase the present installed capacity from 1,500 to 3,500 tons of steel casting per annum.

Spun Iron Pipes: A reference was made in the directors' report for the period ending September 1959 to install two more Centrifugal Casting Machines for Spun Pipe Plant, in order to increase the production of Spun Pipes. Unfortunately, these machines could not be obtained due to various technical difficulties. As a matter of fact after reviewing the working of the latest Centrifugal Casting Machines abroad, Mr. Kejriwal has reported that the latest machines are capable of giving 200 to 250 per cent more production than the existing one with less rejection. Therefore, the Company is trying to get necessary import licence for this equipment to increase the present capacity of 14,400 tons of pipes to 50,000 tons in the first stage. The Company is negotiating for technical collaboration and financial participation with the leading Spun iron pipe manufacturers in the world in order to achieve the newly licenced capacity of 75,600 tons of Spun iron pipes per annum.

Accounts in brief as at 30th September 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	40,00,000	Gross block	1,12,17,888
Reserves and surplus..	4,54,142	—Depreciation ..	17,70,980
Other liabilities ..	1,46,58,343	Net block	94,46,908
		Block-in-progress ..	82,296
		Current assets ..	94,27,825
		Investments	5,188
		Cash	1,96,288
	Rs. 1,91,12,485		Rs. 1,91,12,485

* The paid-up capital of the company has been increased to Rs. 80 lakhs as on date of this report.

Rajalakshmi Mills Ltd.

(*Managing Agents*: Messrs. B. Rangaswami Naidu and Sons, Uppilipalayam, Coimbatore.)

Annual General Meeting—12th May.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	1,39,66	1,05,38
Closing stock	13,60	23,47
Gross profit	21,20	10,65
Transfer to Mg. Agents' remuneration	1,40	50
,, ,, depreciation	6,18	5,78
,, ,, development rebate reserve	7,83	8
,, ,, taxation	2,50	..
Net profit	3,49	4,29
Adjustments	48	..
Appropriations:		
Total available balance	3,93	2,29*
To donations and charity	13	1
Proposed dividend (taxable) Preference ..	20†	13
,, ,, Ordinary ..	3,60	2,25
Carry forward	(12%) Nil	(7½%) Nil

N.B.—Adjustments include only excess provision for bonus.

* This figure is arrived at after adjusting the loss of Rs. 1,89,711 brought forward from the previous year.

† Includes additional dividend for 1959 at 1.95 per cent.

Extracts from the Directors' report: The Company has an allotment of 8,000 spindles for spinning yarn from staple fibre. It is proposed to construct the necessary buildings on the site of the ginning factory at Dindigul. Additional land adjacent to the existing site has been purchased. Orders for ring frames have also been placed.

According to the Preference Shares (Regulation of Dividends) Act, 1960, the stipulated dividend rate of 6½ per cent payable to the preference shareholders has to be increased by 30 per cent and consequently provision is now made for the payment of dividend at the increased rate of 8.45 per cent. Further, according to the said Act, an additional dividend for 1959 has to be declared so as to make the total dividend payable for that year equal to 8.45 per cent. Thus every member holding one preference share of Rs. 50 each will now get Rs. 2.9575 in cash and Rs. 1.2675 by credit for tax deduction for 1960 and Rs. 0.6825 in cash and Rs. 0.2925 by credit for tax deduction for 1959.

The Directors have proposed to secure a plot of land measuring acres 2.25 cents belonging to Sri R. Shantharam, an associate of the managing agents of the Company at Rs. 25,000 per acre. This plot of land is just adjacent to the Mills and is immediately required for the business needs of the Company. The directors are satisfied that the price quoted is quite reasonable and therefore recommend the purchase of this land.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	31,96,977	Gross block	99,75,652
Reserves and surplus..	36,16,655	—Depreciation ..	48,91,786
Other liabilities ..	17,94,407	Net block	50,83,866
		Current assets ..	21,57,983
		Investments	5,39,240
		Cash	8,26,950
	Rs. 86,08,039		Rs. 86,08,039

Aspinwall and Co., Ltd.

(*Chairman*: J. K. Hopkins, Esq., Cochin.)

Annual General Meeting—25th May. Dividends are payable on or after 1st June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales*	74,14	75,30
Closing stock	6,53	11,70
Gross profits	8,39	4,79
Transfer to depreciation	1,13	1,09
,, ,, taxation	2,91	1,66
Net profit	4,35	2,04
Adjustments	1	68
Appropriations:		
Total available balance	4,36	2,72
Transfer to reserves	1,16	43
Proposed dividend (taxable) 6% Preference..	14†	13
,, ,, Ordinary ..	2,87	2,15
	(6%)	(6%)
Carry forward	19	1

N.B.—Adjustments include the balance brought forward from the previous year and amounts transferred from reserves if any.

* Sales include share of profit from J. H. Varasseur & Co., Ltd.

† At 6.66 per cent.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	38,02,000	Gross block	34,85,950
Reserves and surplus..	10,89,801	—Depreciation ..	18,80,348
Other liabilities ..	47,26,940	Net block	16,05,602
		Block in progress ..	1,18,120
		Current assets ..	69,99,315
		Investments	4,84,640
		Cash	4,11,055
	Rs. 96,18,741		Rs. 96,18,741

Savamalai Estates Ltd.

(*Secretaries and Treasurers*: Messrs. Peirce Leslie and Co., Ltd., Coimbatore.)

Annual General Meeting—29th May.

Working Results:

	For the year ended 30th November (In thousand rupees)	
	1960	1959
Sales	12,67†	10,68
Closing stock	44	1,75
Gross profit	2,29	3,16
Transfer to Secretaries and Treasurers' remuneration	16	23
,, ,, depreciation	24	16
,, ,, taxation	76	1,26
Net profit	1,11	1,51
Adjustments	13	1
Appropriations:		
Total available balance	1,24	1,52
Transfer to general reserve	25	56
Proposed dividend (taxable)	77	83
	(14%)	(15%)
Carry forward	22	13

N.B.—Adjustments include only the balance brought forward from the previous year.

† This includes Rs. 7,075 being proceeds of timber and firewood sales.

Extracts from the Directors' report: *Crops and Costs*: During the year 223.006 tonnes of coffee were harvested. The comparative cost figures for the past 3 years were as follows:—

Crop	Tonnes	Estate cost of production per tonne Rs.	All-in cost per metric tonne Rs.	Points awarded
1957-58				
Arabica ..	72.647			
Robusta ..	105.516			
	178.163	1,958	2,199	2,21,615
1958-59				
Arabica ..	44.944			
Robusta ..	219.768			
	264.712	1,529	1,784	2,98,434
1959-60				
Arabica ..	66.789			
Robusta ..	156.217			
	223.006	1,761	1,982	2,65,030

Final payment has been received in respect of 1958-59 season coffee and the total payments received amounts to Rs. 2.45 per point which is equivalent to Rs. 2,762 per tonne. A bonus payment at 0.0175 nP per point has been received on 1955-56 season's coffee. The 1959-60 coffee has been valued at Rs. 2.15 per point which is equiva-

lent to Rs. 2,555 per tonne. Rs. 2.00 per point has been received to date.

The 1960-61 coffee crop is estimated at 261 tonnes to be harvested at an estate cost of Rs. 1.654 per tonne and an all-in cost of Rs. 1,848 per tonne.

The Company was incorporated on 22nd June 1931. The issued capital was increased in 1944-45 to Rs. 1,83,390 by the issue of 4.735 ordinary shares at a premium of Rs. 10 each and further increased in 1952-53 to Rs. 3,66,780 by the issue of 18,339 bonus shares of Rs. 10 each. In December 1957 the shares of Rs. 10 each were subdivided into shares of Rs. 2 each. In July 1958 a sum of Rs. 1,83,390 was capitalised from general reserve by the issue of 91,695 shares of Rs. 2 each as bonus shares in the ratio of one share for every two shares held.

Accounts in brief as at 30th November 1960 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ..	5,50,170	Gross block ..	9,35,302
Reserves and surplus..	3,46,604	—Depreciation ..	1,44,033
Other liabilities ..	2,12,636		
		Net block ..	7,91,269
		Current assets ..	1,15,486
		Investments ..	1
		Cash	2,02,654
	Rs. 11,09,410		Rs. 11,09,410

Jyoti Ltd.

(*Managing Agents*: Messrs. Adnem Services, Baroda.)

Annual General Meeting—20th May. Dividends are payable on or after 29th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	1,34,30	1,13,37
Closing stock	76,26	56,30
Gross profit	15,14	14,58
Transfer to Mg. Agents' remuneration ..	7	71
" " depreciation	3,59	3,36
" " development rebate reserve ..	43	1,42
" " taxation	4,70	4,00
Net profit	5,65	5,09
Adjustments	10	3
Appropriations:		
Total available balance	5,75	5,12
Transfer to reserves	80	80
Proposed dividend (taxable)	4,80	4,22
	(12%)	(12%)
Carry forward	15	10

N.B.—Adjustments include only the balance brought forward from the previous year.

Extracts from the Directors' report: Finance: The Company has issued 10,000 new equity shares around the close of the year 1960 and the directors are glad to record that this issue was considerably oversubscribed. The shares so issued have since then been allotted.

Manufacturing Programme: During the year the Company's New Electrical plant went into full commission, resulting in better production as will be found translated into net increase of 13 lakhs in the sales effected.

The Company's development projects are still underway and it will take some time before full results could get reflected into higher productivity and better profits. With the completion of Jyoti Development and Research Centre, the Company will be adequately armed with modern techniques of testing its newly developed products besides developing new products. With this facility it will be possible to do some fundamental research in hydraulics, electrical rotating machines and switchgear.

The Company has successfully manufactured very complicated type of Electric Motors required for Sugar Centrifuges for Sugar Factories and has also produced a number of component parts required for production of switchgear which were hitherto imported. It also has now on its production programme various types and sizes of Hydro-electric Turbine sets. Special types of Chemical pumps and portable petrol engine driven pumps for agriculturists are some of the various items that this company is developing at present.

Accounts in brief as at 31st December 1960 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ..	40,00,000	Gross block	59,59,736
Reserves and surplus ..	14,86,964	—Depreciation	22,18,255
Other liabilities ..	91,01,393	Net block ..	37,41,481
		Net appreciation on revaluation ..	5,79,144
			43,20,625
		Current assets	1,00,56,733
		Investments	1,94,397
		Cash ..	16,602
	Rs. 1,45,88,357		Rs. 1,45,88,357

Vasanta Mills Ltd.

(*Managing Agents*: Messrs. R. K. Shanmukham Chetty & Bros., Singanallur, Coimbatore District.)

Annual General Meeting—24th April.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	1,85,87	1,65,26
Closing stock	14,55	11,10
Gross profit	23,38	19,64
Transfer to Mg. Agents' commission ..	1,84	1,06
" " depreciation	4,77	3,10
" " taxation	6,30	4,05
" " development rebate	3,09	80
Net profit	7,48	4,84
Adjustments	18	..
Appropriations:		
Total available balance	7,66	4,84
Transfer to reserves	2,00	91
" donations	26	12
Proposed dividends (taxable) Ordinary ..	4,20	3,36
	(20%)	(16%)
" " Preference ..	28	28
Carry forward " "	98	18

N.B.—Adjustments include only the balance brought forward from the previous year.

Extracts from the Directors' report: The progressive improvement in prices of yarn and cloth which was markedly perceptible during the closing months of 1959 continued to hold the field over the first two quarters of the year under report. The situation was however followed by the Government enforcing a system of voluntary controls on prices by manufacturers based on a fixed increase over the August 1959 levels of prices in order to secure a standard of fair selling prices. The measure naturally resulted in the reduction of the profit margin comparably to those realised during the first half of the year.

There was a serious outbreak of fire in two of the Mills' cotton godowns on 2nd July 1960. This resulted in the destruction of some valuable stocks of Indian cotton. Although the company has been able to obtain the necessary quota to replace the burnt stocks, it was difficult to secure equivalent quality in the market as the cotton season was almost nearing its end. The temporary repair work undertaken in two other godowns before the accident, had necessitated the transfer of some additional stocks to the godowns involved in the fire. This coupled with the difficulties of accommodating the heavy arrivals resulted in a slight under-insurance of the stocks. Besides, the quality of the cotton destroyed by the fire was generally of a superior grade to those replaced. The total loss to the Company on account of these factors is Rs. 1,28,288 and this has been written off in the profit and loss account.

The Southern India Millowners' Association of which this Company is a Member has reached a satisfactory working arrangement with the labour unions in the matter of the implementation of the recommendations of the Textile Wage Board. These recommendations were implemented during the year. The talks on rationalisation are being currently discussed by the above Association with the unions but no final decisions have yet been arrived at.

Substantial additions to the fixed assets have been made during the year. These represent the cost of a line of blow room machinery to replace the one installed in 1939; a set of latest type of U.S.A. make of combing equipment with pre-comber drawing units; carding engines; cone winder and other auxiliary machines. These together with the gradual conversion of the spinning frames to modern high draft system are all expected to improve the quality of the Company's products.

Accounts in brief as at 31st December 1960 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ..	25,50,000	Gross block	1,06,38,923
Reserves and surplus ..	44,41,696	—Depreciation	62,53,593
Other liabilities ..	53,63,491	Net block ..	43.85,330
		Current assets	67,72,129
		Investments	8,22,697
		Cash ..	3,75,031
	Rs. 1,23,55,187		Rs. 1,23.55,187

Chemical and Alkali Distributors Ltd.

(*Secretary*: Mr. P. V. Sathe, Bombay.)

Annual General Meeting—6th May. Dividends are payable on or after 15th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	29,59	15,02
Closing stock	4,17	21
Gross profit	3,52	7,48
Transfer to depreciation	2	1
" " development rebate reserve ..	1	2
" " taxation	1,60	3,40
Net profit	1,89	4,06
Adjustments	24	48
Appropriations:		
Total available balance	2,13	4,54
Transfer to reserves	25	2,22
Proposed dividend (taxable)	1,82	2,28*
	(30%)	(45%)
Carry forward	6	9

N.B.—Adjustments include the balance brought forward from the previous year; the amount transferred from taxation reserve if any and excess provision for taxation written back.

* This includes an amount of Rs. 99,200 being bonus on the share capital at 20 per cent.

Extracts from the Directors' report: The working of the Company during the year under review was satisfactory. During the year under review, the Company received from the State Trading Corporation of India Ltd., allocation of:—Caustic soda solid 5,341 (12,627) tons; soda ash light 3,297 (7,822) tons; Hydrosulphite of soda 200 (*nil*) tons; Rongalite 'C' 200 (*nil*) tons; Sodium Bicarbonate (Technical) *nil* (100) tons; Sodium Bicarbonate (B.P.) *nil* (50) tons and Heavy soda ash *nil* (1,500) tons. The figures in backets relate to allocations for 1959.

In their last year's report the directors mentioned that the Company had entered into a contract with the State Trading Corporation of India Ltd., for import and distribution of 10,000 tons heavy soda ash. Against this contract, during the year under review, the Company imported 9,828 tons heavy soda ash, both at the ports of Bombay and Calcutta, from Japan.

The expenses of the Company during the year under review have remained at the same economic level as in the previous years, with the exception of warehousing/godown charges. This was due to the fact that the State Trading Corporation had imposed restrictions upon sales of goods and further, the offtake by consumers was slow compared with that of the previous year when the demand was good on account of favourable market conditions then prevailing.

The total sales turnover of the Company for the year ended 31st December 1960 of the goods allotted by the State Trading Corporation was Rs. 82,86,292 (as against the last year's turnover of Rs. 1,04,11,312).

Finance: To strengthen the financial position of the Company and to provide sufficient capital for the activities of the Company, the directors increased the paid-up Capital of the Company from Rs. 4,96,000 to Rs. 9,91,500 by issuing further 992 shares of Rs. 500 each at par as per the resolution passed at the extraordinary general body meeting of the Company held on the 16th January 1960.

The State Trading Corporation were pleased to return to the Company the sum of rupees two lakhs lodged with them as performance deposit and this is indicative of the State Trading Corporation's confidence in the Company's ability to discharge its financial obligations.

The Company made vigorous efforts and representation to Government and the State Trading Corporation with assistance and co-operation of the Parent Body, Messrs. Chemical and Alkali Merchants' Association, and the directors have pleasure in informing the shareholders that the Company has again been appointed distributors for Hydrosulphite of soda and Rongalite 'C' imported by the State Trading Corporation for Mercury for the Bombay region. Of late, the Company has entered into an agreement with the State Trading Corporation for import and distribution of further 10,000 tons heavy soda ash and import licence for the same will be obtained by the State Trading Corporation and endorsed in favour of the Company.

Taking into consideration the improved indigenous production of alkalis (especially caustic soda and soda ash) it is feared that the future imports of these items will be on a much reduced scale and correspondingly quantities of these items that will be allocated to the Company will be much less.

Accounts in brief as at 31st December 1960 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ..	9,91,500	Gross block	48,016
Reserves and surplus ..	2,43,644	—Depreciation	3,989
Other liabilities ..	12,78,940	Net block ..	44,027
		Current assets	22,92,536
		Cash ..	1,77,521
	Rs. 25,14,084		Rs. 25,14,084

COMPANY AFFAIRS

(*Concluded from page 957*)

accounted for nearly 27 per cent of the total sales of cloth during the year.

Additions to machinery worth Rs. 12.73 lakhs were made during the year under review, including one lap former and four Hertford combers, a hot air stenter, a cocker slasher sizing machine and a shearing and cropping machine. A back filling machine, an embossing calender machine and a ring frame with OMS drafting system have been received since the close of the year of account and a Barber-Colman winding and warping machine is in the course of being received. Orders have been placed for 48 Textima automatic looms and also a mercerising plant. An agreement has been made with the Moon Mills Ltd., Bombay, to purchase its entire existing block of lands, buildings and machinery for a total price of Rs. 35 lakhs. Further, the Directors are considering a scheme for replacement and rehabilitation of this mill after acquisition partly from the Company's existing resources and partly from an additional loan proposed to be taken from the National Industrial Development Corporation.

The Rs. 50 paid-up shares of the Company are currently quoted at Rs. 97 *cum-div.* At this price and taking the net dividend as Rs. 6.30 per share, the net yield works out to 7.2 per cent.

COTTON

(*Concluded from page 939*)

against violating the provisions of the Forward Contracts (Regulation) Act as amended last year. Mr. Ruia certainly took the correct stand in regard to the amended law when he said that, although he did not approve of some of the provisions of the law like the one which declared option business illegal, as long as the law was in force such business was illegal and should not, therefore, be indulged in. He pointed out that, in the interest of the trade itself, illegal transactions should not be done until such time as the Government could be persuaded to amend the law.

Mr. Ruia stated that the Board of the E.I.C.A. accepted the suggestion that better liaison be established between the E.I.C.A. and the cotton trade associations in upcountry centres. Accordingly, the Board had decided that the Chairmen or, in their absence, the Vice-Chairmen of some of the leading upcountry trade organisations dealing with the problems of the cotton trade be invited to attend the meetings of the E.I.C.A. Board periodically as observers when questions of broad policy concerning cotton trade are considered so that they may offer their views and participate in the discussion. The Board had therefore agreed to extend such invitations to selected upcountry trade bodies. This decision is to be welcomed for it will broad-base the activities of the E.I.C.A. and enable it to examine the issues bearing on cotton from all angles and put forward views and suggestions which are more representative of the trade as a whole. The lack of such a fully representative stand has hitherto rendered the voice of the cotton trade less effective than it would otherwise have been.

Notices

THE INDO-BURMA PETROLEUM COMPANY LIMITED

Registered Office:

Gillander House, Netaji Subhas Road, Calcutta-1

NOTICE IS HEREBY GIVEN THAT THE Fifty-third Annual General Meeting of the Members will be held at the Registered Office of the Company on Friday the 9th June, 1961, at 10 a.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1960.
2. To sanction the declaration of a dividend.
3. To consider and, if thought fit, to pass the following Resolution for which a Notice as required by Section 257(1) of the Companies Act, 1956, has been received by the Company.

   As an Ordinary Resolution

   "That Mr. S. M. Wahi be and is hereby appointed a Director of the Company."
4. To consider and, if thought fit, to pass the following Special Resolution for which Special Notice required under Section 261(2) has been received by the Company for the re-election of Mr. J. N. C. Killick who is an employee of the Managing Agents and who retires by rotation and, being eligible, offers himself for reappointment.

   As a Special Resolution

   "That Mr. J. N. C. Killick who is an employee of Messrs. Steel Brothers and Company Limited, the Managing Agents, be and is hereby re-elected a Director."
5. To appoint Auditors including Branch Auditors for the year ending 31st December, 1961 and to fix their remuneration.

Notice is further given that the Ordinary Register of Members of the Company will be closed from the 15th May, 1961 to 9th June, 1961, both days inclusive.

By Order of the Board,
STEEL BROTHERS AND COMPANY LIMITED,
Managing Agents.

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA-1.
27th April, 1961.

N.B:—1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and, on a poll, to vote in his stead. Such proxy need not be a member.

2. An explanatory statement concerning items 3 and 4 as required by Section 173(2) of the Companies Act, 1956, has been posted to members.

SUPPLY OF STORES TO GOVERNMENT OF CEYLON

THIS OFFICE IS MAKING ARRANGEMENTS for purchase of articles and Stores produced in India for use by the Government of Ceylon. For this purpose it is proposed to register the names of manufacturers, their sole representatives, wholesale dealers, and exporters, of articles that may be purchased from time to time.

2. Those interested may apply with their credentials for the necessary registration. The articles that are normally purchased in India are:—

(*a*) Cotton Waste and Cotton Yarn.
(*b*) Textiles of various descriptions—Kit-rugs, Khakhi drill, Blue drill and Jute Hessian.
(*c*) Cotton Wool, Sanitary Towels, Bandages, etc.
(*d*) Sack Twine.
(*e*) Parcelling Twine.
(*f*) Linseed Oil.
(*g*) Vegetable Turpentine.
(*h*) Lanterns.
(*i*) Peak-caps.
(*j*) Bicycle Tyres and Tubes.
(*k*) Books, Publications and Mathematical Equipment.
(*l*) Coal.
(*m*) Manilla and Sisal Ropes.
(*n*) Laboratory Equipments.
(*o*) Drugs, etc.

3. It is also notified for general information that tender documents for supplies, services, and works, for which World-wide tenders are invited by the Government of Ceylon, are made available here for distribution as and when issued. Prospective tenderers are requested to apply for registration for this purpose.

CEYLON GOVT. TRADE COMMISSION.

CEYLON HOUSE,
BRUCE STREET,
FORT,
BOMBAY-1.

PHILIPS INDIA LIMITED

NOTICE OF ANNUAL GENERAL MEETING

THE THIRTY-FIRST ANNUAL GENERAL Meeting of the Members of Philips India Limited will be held on Monday, June 26, 1961, at 11 a.m. at the premises of the Bengal Chamber of Commerce and Industry, Room No. 2, 6 Netaji Subhas Road, Calcutta 1, to transact the following business:

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the year ended December 31, 1960.
2. To declare a Dividend.
3. To appoint Directors in place of those retiring.
4. To appoint Auditors and fix their remuneration.
5. To transact any other ordinary business of an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modifications, the following Resolutions:

6. *As a Special Resolution*

   "That it is hereby approved that the register of members, the index of members, the register and index of debenture-holders, if any, and copies of all annual returns of the Company prepared under Section 159 of the Companies Act, 1956, together with the copies of certificates and documents required to be annexed thereto under Section 161 of the said Act, may, instead of being kept at the registered office of the Company, be kept at the office of Jardine Henderson Ltd. of 4, Clive Row in Calcutta, the Registrars and Share Transfer Agents of the Company."
7. *As an Ordinary Resolution*

   "That instead of the authority given to the Directors to borrow moneys for the purposes of the Company by resolution No. 3(c) passed at the Extraordinary General Meeting of the Company held on October 31, 1957, the Directors be hereby authorised to borrow moneys for the purposes of the Company in excess of the Company's paid-up capital and free reserves but limited to a total amount of Rupees Ten crores."

The Register of Members of the Company will be closed from June 7, 1961 to June 26, 1961, both days inclusive. The Dividend, if approved, will be payable on and after July 17, 1961 to those shareholders whose names are on the Register of Members on June 26, 1961 or to their mandatees.

By Order of the Board
J. ZANTMAN
Director

May 18, 1961
7 JUSTICE CHANDRA MADHAB ROAD
CALCUTTA 20

Notes:—1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.

2. Shareholders are requested to notify the Company of any change in address.

3. An Explanatory Statement as required by Section 173 of the Companies Act, 1956, in respect of the aforesaid Special Business has been forwarded to shareholders along with the convening notice.

COMPANY NOTICE

INDIAN COPPER CORPORATION LIMITED

(*Incorporated in England*)

DIVIDEND NO. 35

NOTICE IS HEREBY GIVEN THAT AT THE Thirty-seventh Annual General Meeting to be held in Committee Room No. 2 of the Bengal Chamber of Commerce and Industry, Royal Exchange, Calcutta, on Wednesday, the 9th August, 1961, at 11-30 a.m., the Directors will recommend payment of a Dividend (No. 35) for the year ended 31st December, 1960 of 27 per cent (6.48 pence, i.e. 36 Naye Paise per unit of stock) subject to deduction of Tax, in respect of the Issued Capital of £1,371,300. Subject to confirmation of members, the dividend will be paid on the 31st August, 1961 to all members registered in the books of the Company at the close of business on the 10th June, 1961.

The Registers of Members will be closed from the 12th June, 1961 to the 1st July, 1961, both days inclusive.

The profit for the year ended 31st December, 1960 was £1,307,982 (against £1,202,259 for previous year), out of which have been provided £175,000 for depreciation (£175,000 last year), £500,477 for Taxation (against £439,949), £50,625 for Development Rebate Reserve (against £56,250) and £200,000 for General Reserve (against £125,000), leaving a nett profit of £381,880 (against £406,060). With £107,121 brought in from 1959, the balance available is £489,001 (against £477,372) and after providing £370,251 for the abovementioned proposed Dividend of 27 per cent subject to deduction of Tax (Dividend No. 34 of 27 per cent subject to deduction of Tax last year—£370,251) the balance carried forward is £118,750 (against £107,121 brought in from previous year).

By Order of the Board
G. A. CARVER,
Secretary.

Gillander House,
Netaji Subhas Road,
CALCUTTA-1.
Dated the 10th May, 1961.

ORIENT PAPER MILLS LIMITED

Registered Office:

Brajrajnagar, Dist. Sambalpur (Orissa)

PURSUANT TO THE DECISION OF THE Board of Directors of the Company, 4,40,475 Ordinary Shares of Rs. 10 each are being issued for cash at a premium of Rs. 12 per share and the same will be offered in the first instance to the holders of the Ordinary Shares, whose names appear in the Register of Members as on the 27th May, 1961, in the ratio of 3 new Ordinary Shares for every 10 existing Ordinary Shares, ignoring fractions, with liberty to renounce the shares either in whole or part in favour of others and to apply for additional shares. The application money has been fixed at Rs. 5.50 nP. (Rs. 2.50 nP. towards nominal value and Rs. 3.00 towards premium) per share and the balance Rs. 16.50 nP. shall be payable as and when called for.

Notice is hereby given that the Share Transfer Books in respect of the Ordinary Shares will be closed from the 23rd to 27th May, 1961—both days inclusive.

By Order of the Board,
B. K. VYAS,
Secretary.

8, India Exchange Place,
CALCUTTA, *the 4th May*, 1961.

BRITISH INDIA ELECTRIC CONSTRUCTION COMPANY, LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the above-named Company that the Annual General Meeting (being the seventy-seventh Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Friday, 2nd June, 1961, at noon, to consider the Accounts of the Company for the year ended 31st December, 1960, to transact other ordinary business and the undernoted special business.

SPECIAL BUSINESS.

NOTICE is also hereby given of the following Resolution to be proposed as a Special Resolution:—

"That the following contract between the Company and Industrial Containers Ltd., an Associate (as defined by Section 2(3) of the Companies Act, 1956) of Balmer Lawrie & Co. Ltd., the Company's Managing Agents, a draft whereof has for the purpose of identification been subscribed by the Chairman of this meeting be and the same is hereby approved and the Board of Directors is hereby authorised to execute the said Agreement on behalf of the Company with all convenient despatch:

for sales of such electrical switchgear, apparatus and electrical stores and services in which the Company regularly trades or does business and which the Associate may require for the purpose of its business, payment for such sales being due within one month from the date of supply of such goods or the supply or rendering of such services:

it being a term of the above contract that the prices at which transactions take place shall be at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 22nd May, 1961 to 2nd June, 1961 both days inclusive.

By Order of the Board,

BALMER LAWRIE & CO. LTD.,

D. MANSON,
Secretary,
Managing Agents.

21, Netaji Subhas Road,
CALCUTTA, *4th May*, 1961.

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

THE BOMBAY BURMAH TRADING CORPORATION LIMITED

Registered Office:
9, Wallace Street, Fort, Bombay-1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Transfer Books of the Corporation will be closed from Monday, the 12th June 1961 to Monday, the 26th June 1961, both days inclusive.

Notice is also hereby given that the Interim dividend for the year ending 31st May 1961, if declared, will be made payable to those shareholders whose names stand on the Share Registers of the Corporation at the close of business on Saturday the 10th June 1961 and to holders of Fractional Certificates after such Fractional Certificates have been exchanged for Bonus Shares in accordance with the prescribed procedure.

Dated at Bombay this 11th day of May 1961.

By Order of the Board of Directors,

WALLACE & COMPANY,
Secretaries & Treasurers.

THE STANDARD COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the abovenamed Company that an Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, at 4.00 p.m. on Monday, the 5th June, 1961, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December 1960, and to receive the Directors' and Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from 25th May, 1961 to 5th June, 1961, both days inclusive.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, *21st April*, 1961.

Note:—(*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(*b*) The Dividend, if declared, will be paid on or after 19th June, 1961, to those shareholders so entitled whose names appear in the Company's books on the 5th June, 1961, or to their mandatees. No application for Dividend Warrants will be necessary.

THE ASSOCIATED RUBBER INDUSTRIES LIMITED

REMINDER

MEMBERS ARE HEREBY REMINDED THAT an Extraordinary General Meeting of the Company will be held at the Registered Office of the Company, Union Bank Building, 4th Floor, Apollo Street, Fort, Bombay, on Thursday, the 8th day of June 1961, at 4-00 p.m. (S.T.), to consider the following:—

1. (*a*) The letter of resignation of Associated Agencies Private Ltd., the Managing Agents of the Company.
   (*b*) The Report of the Managing Agents on the state of affairs of the Company.
   (*c*) The Balance Sheet and Profit and Loss Account for the period from 1st January, 1961 to 28th February, 1961, and
   (*d*) The Auditors' report thereon.
2. To consider and, if thought fit, to pass the following resolution:—
   "Resolved that the resignation submitted by Associated Agencies Private Ltd., the Managing Agents of the Company, by their letter dated 20th February, 1961 be and is hereby accepted with effect from the close of business on 28th February, 1961."

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

By Order of the Board,
For and on behalf of The Board of Directors,
K. M. PREMCHAND,
Chairman.

UNION BANK BUILDING,
APOLLO STREET,
FORT, BOMBAY,
21st April, 1961.

Explanatory Statement as required by Section 173 of the Companies Act, 1956 has been forwarded to members of the Company.

THE RAJA BAHADUR MOTILAL POONA MILLS LIMITED
BOMBAY

THE TRANSFER BOOKS OF THE COMPANY will be closed from Thursday the 15th June 1961 to Thursday the 29th June 1961, both days inclusive.

G. D. MAKIM,
Secretary.

THE ASSOCIATED RUBBER INDUSTRIES LIMITED

REMINDER

MEMBERS ARE HEREBY REMINDED THAT the Eighteenth Annual General Meeting of the Company will be held at the Registered Office of the Company, Union Bank Building, 4th Floor, Apollo Street, Fort, Bombay, on Thursday, the 8th day of June 1961, at 4-15 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1960.
2. To declare dividends on Preference and Ordinary Shares.
3. To appoint a Director in place of Shri Bhogilal M. Shah who retires from Office by rotation but being eligible offers himself for re-election and to consider and if thought fit, to pass the following Resolution in respect of which a special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company from shareholders.
   "Resolved that pursuant to the provisions of Section 281 of the Companies Act, 1956, Shri Bhogilal Maganlal Shah who has attained the age of 75 years and who retires by rotation, be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for the Directors prescribed under Section 280 of the Companies Act, 1956 shall not apply to him."
4. To appoint a Director in place of Shri Gunvantrai T. Kamdar who retires from office by rotation but being eligible offers himself for re-election.
5. To appoint a Director in place of Shri Yogindra N. Mafatlal who retires from office by rotation but being eligible offers himself for re-election.
6. To appoint Auditors for the current year and to fix their remuneration.

Notes:—(*a*) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(*b*) The Transfer Books of the Company will be closed from Wednesday, 17th May to Thursday, 8th June, 1961 (both days inclusive).

(*c*) The dividends when sanctioned will be made payable on and after Friday, 14th July, 1961 to those Shareholders whose names stand on the Register of Members on 8th June, 1961.

By Order of the Board,
For and on behalf of,
ASSOCIATED RUBBER INDUSTRIES LTD.,
K. M. PREMCHAND,
Chairman.

UNION BANK BUILDING,
APOLLO STREET,
FORT, BOMBAY.
21st April, 1961.

Explanatory Statement as required by Section 173 of the Companies Act, 1956, has been forwarded to members of the Company.

ISAAC HOLDENS (INDIA) LIMITED

Registered Office:
31 Netaji Subhas Road, Calcutta

NOTICE

NOTICE IS HEREBY GIVEN THAT AT THE meeting of the Board of Directors of the Company held on 6th May, 1961, the Directors have resolved that the First and Final Call of Rs. 5.00 per share be made on the 470,000 equity shares of the Company numbered from 280001 to 750000 inclusive, and that the amount of the Call be payable to the bankers of the Company at their branches mentioned in the Call Notice on or before 31st May, 1961. Any amount unpaid on 31st May, 1961, will bear interest at 12 per cent per annum from the above date till the date of payment.

The Call Notices have been posted to the respective shareholders. Those shareholders who have not received the Call Notice may contact the Company.

By Order of the Board,
DUNCAN BROTHERS & CO. LTD.,
Managing Agents.

6th May, 1961.

CENTRE'S CONVERSION LOAN

(From Our Own Correspondent)

BOMBAY, *17th May*

The short-term money market did not display any new features during the week under review. Thanks to the slow pace of return of funds to banks, borrowers found it difficult to obtain their requirements. In order to take advantage of the stringency in the money market, bankers were extremely cautious and held back funds in expectation of a further rise in interest rate. Early in the week, some stray transactions were reported at 5¼ per cent, but the common rate for inter-bank call money among all sections of banks was 5 per cent per annum. Other rates remained unchanged at the levels reached in the previous few weeks. For ready reference, we give them below:

	Per cent
Inter-bank call money:	
Exchange and other large Indian banks	5
Other banks	5
Notice money:	
3 days or more	3
Term deposits:	
(i) 3 to 30 days (inclusive)	3
(ii) 31 to 60 days	3½
(iii) 61 to 90 days	3½
(iv) 91 days and more but less than 12 months	3¾
(v) 12 months	4

The results of the 91-day Treasury Bills of the Government of India sold through weekly tenders disclosed that, as against the invitation of Rs. 2 crores, the amount actually offered was Rs. 2.25 crores. Total amount accepted was Rs. 2 crores, at the average rate of 2.750 per cent, same as last week. 91 days' intermediate Treasury Bills sold from 10th May to 13th May amounted to Rs. 65 lakhs only, as against Rs. 1.08 crore last week. Their sales are being continued from today upto 20th May.

The Reserve Bank of India's statement for the week ended 12th May 1961 shows an expansion of Rs. 4.88 crores in notes in circulation, bringing the total to Rs. 2,007.26 crores. As the notes held in the Banking Department have gone up by Rs. 4 crores, the notes issued have increased by Rs. 8.88 crores. The foreign securities have remained unchanged at Rs. 113.01 crores, but, since the balances held abroad have advanced by Rs. 4.26 crores, the total foreign assets show a rise by a corresponding amount to Rs. 134.95 crores. Deposits of banks with the Reserve Bank have declined by Rs. 3.52 crores. On the assets side, other loans and advances have gone up by Rs. 5.31 crores to Rs. 133.80 crores. Of these, borrowings against usance bills amounted to Rs. 23.64 crores, as against Rs. 21.40 crores a week ago.

The statement of Scheduled banks for the week ended 5th May 1961 discloses a decline of Rs. 5.03 crores in demand deposits and an expansion of Rs. 21.35 lakhs in time deposits. As the deposits of the State Bank of India have contracted to the tune of Rs. 8.90 crores over the week, it is obvious that the deposits of other scheduled banks must have actually improved slightly during the week under review. Their borrowings from the Reserve Bank are a shade higher by Rs. 93.11 lakhs and those against usance bills from the same source have improved by Rs. 31 lakhs. The scheduled banks' borrowings of demand variety from the State Bank have risen by Rs. 34.35 lakhs, while those of time variety have fallen by Rs. 6.5 lakhs. The assets side show that advances and bills discounted (bank credit) have recorded only a slight increase of Rs. 73 lakhs to Rs. 1,301.85 crores. Over the week, the advances of the State Bank of India have contracted by Rs. 74 lakhs, indicating that the advances and bills discounted portfolio of the other scheduled banks was quite steady. The investments of scheduled banks as a whole declined by Rs. 15.32 crores, and those of the State Bank of India by Rs. 12.60 crores.

The outstanding development of the week in the gilt-edged market is the issue of the conversion loan by the Central Government. As was expected in market circles, in view of the stringency in money, cash subscriptions have not been solicited, but only conversion facilities have been offered in respect of the 3½ per cent National Plan Bonds (First Issue) 1961, the 2½ per cent 1961 and the 3 per cent Hyderabad Loan 1951-61 for subscribing to a further issue of the existing 3½ per cent National Plan Bonds (third series) 1967. The issue price is placed at Rs. 98.90 as against the present market rate of Rs. 99. The reissue of the 1967 loan offers a redemption yield of 3.69 per cent at the issue price of Rs. 98.90. As the market has shown a definite preference for short-dated issues, it is fair to assume that the major part of the loans will be offered for conversion. Apart from this development, the gilt-edged market was extremely listless throughout the week. In the Central loans section, 3 per cent 1986 and 3 per cent 1970-75 first development loan shed 10 nP each to Rs. 73.20 and Rs. 90.75 respectively. 3 per cent 1966-68 funding loan and 3½ per cent 1968 receded by 5 nP each. The State loans remained steady at the prices reached in the previous week.

In the foreign exchange section the rupee weakened in relation to the U.S. dollar. The banks' selling and buying rates for ready T.T. on New York went down by 50 nP each to Rs. 479.25 and Rs. 475.75 per 100 dollars, respectively. In the New York exchange market, the pound sterling eased by 0.12 cent in the spot and by 0.15 cent in the three months' forward markets. The latest available rates are: 279.360-279.390 cents per £ for spot and 278.120-278.150 cents per £ for three months' forward.

GOLD EASY, SILVER STEADY

(From Our Own Correspondent)

BOMBAY, *17th May*

An irregular trend was in evidence in the bullion market during the week under review. Thus, gold ruled easy, while silver was steady. The easiness of gold was due to the continued low level of offtake—the actual average daily offtake was no more than 4,500 tolas, same as in the previous week—whereas arrivals were larger at 7,000 tolas, as against 6,250 tolas. Even reports that contraband gold worth Rs. 70 lakhs was confiscated near Karwar failed to have any effect. Consequently, prices tended to recede. Silver was somewhat well supported, thanks to fresh enquiries from Delhi and Calcutta. A prominent bear operator was reported to be disposed to even up his sales. Small arrivals also imparted some strength. The average daily rate of arrivals was 14 bars, as against 17 bars last week. The actual offtake was more or less unchanged at 14 bars.

The bulls in *Jeth Adhik* (first) settlement in both gold and silver continued to pay margins throughout the week under review also. The margin in gold was Rs. 20 per 10 grams, since the rate for transferring commitments from this settlement to the second settlement was more than a rupee, excepting on two days when the margin was lower at Rs. 20, because the carry-forward rate was 95 nP on Friday and 85 nP today. The margin operative on bulls in silver was Rs. 300 per bar, as the *badli* payable by bears for getting commitments transferred to the *Jeth Adhik* settlement to the second settlement was more than a rupee. It was Re. 1.30 today; it was higher still at Re. 1.50 earlier.

Ready gold continued to command a premium over the *Jeth Adhik* settlement, though the actual premium today was lower at 20 nP, as against Re. 1.25 last week. Ready silver was quoted at a par with the forward, whereas it commanded a premium of Re. 1.50 last week-end.

Adjustment rates fixed today were Rs. 118.20 per 10 grams of gold and Rs. 198.35 per kilogram of silver. The corresponding rates for last week were Rs. 119.40 and Rs. 199.10.

Smuggling of gold into India continues to be on a large scale, notwithstanding all the vigilance of the Customs authorities. Estimates of the extent of smuggling vary widely. A broad idea, however, can be had from the latest report on saving trends in India published by the National Council of Applied Economic Research, New Delhi. The findings of the Council reveal that, in 1957-58, over Rs. 27 crores worth of gold was smuggled into the country. The individual saving in the form of gold in that year is estimated at Rs. 33.1 crores.

A large part of the gold smuggled into India comes *via* Pakistan from Beirut, Geneva, Macao and other places. A recent Press report from Karachi avers that gold trade in Pakistan is organised and maintained wholly on illegal basis, because import of gold has been banned since the Partition and the State Bank has not released even an ounce of gold for private consumption. Some gold of Russian origin is also said to have found its way into Pakistan *via* Afghanistan. The continued smuggling of gold is due to the high prices prevailing in India and Pakistan. It is reported that the world's highest price for gold obtains in East Pakistan—Rs. 172 per tola, as against Rs. 120.50 in India and the world price of about Rs. 41.

The world price of gold in the London market was unchanged at $35.08½ per fine ounce. Ready gold improved from 250*s.* 9½*d.* to 251*s.* 0½*d.*, following the easiness of the pound sterling *vis-a-vis* the dollar. Ready and forward silver were unaltered at 79½*d.* and 79¾*d.*, respectively, as also silver in New York at 91.375 cents. The Press report indicating the persistent pressure of Chinese silver did not have any effect.

The following table shows the trend of the market during the week under review:

	17-5-1961 (closing)	High	Low	10-5-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	118.40	119.65	118.35	119.65
Forward:				
Jeth Adhik*	118.20	118.70	118.05	118.40
Jeth End	117.35	117.70	117.05	117.60
Sovereign	94.75	—	—	94.75
SILVER				
Ready (.996 fine)	198.35	200.00	197.90	199.00
Forward:				
Jeth Adhik*	198.35	198.60	197.10	197.50
Jeth End	197.05	197.30	195.50	196.05
London—	16-5-1961			9-5-1961
Silver Ready	79¼*d.*	—	—	79¼*d.*
Silver Forward	79¼*d.*	—	—	79¾*d.*
Gold	251*s.*0¼*d.*	251*s.*0¼*d.*	250*s.* 9½*d.*	250*s.*9½*d.*
New York—				
Silver	91.875 cents	—	—	91.875 cents

* 31st May settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

KIPS SUBDUED

(From Our Own Correspondent)

MADRAS, *15th May*

There was no appreciable change in the Madras kip market. E.I. tanners were willing to follow importers' reasonable bids, and prices declined slightly on all lines. It is hoped that lower levels would stimulate buying interest from overseas buyers, in a larger measure. There was no call for low grade cow hides from North Indian buyers and this has a depressing effect on the market. Demand for buff hides and cow calf was small.

Prices of tanned goat and sheep skins were steady, but export orders were not freely forthcoming.

COTTON FUTURES RECEDE

(From Our Own Correspondent)

BOMBAY, *17th May*

The firmness of cotton futures noted last week following the announcement of export quota for 50,000 bales of 23/32" cotton and the news of bulk buying of cotton by the Indian Cotton Mills Federation abated during the week under review. In fact, a sagging tendency was in evidence, thanks to emergence of selling by some operators who, on second thoughts, realised that neither of the two developments had so pronounced a bullish implcation as to warrant a steep rise in cotton prices. For one thing, the quota was not sufficient to wipe out the accumulated stocks of "distressed cotton" in Gujarat and other areas and, unless additional measures were taken by the Government, these cottons, it was felt, would continue to exert a downward pressure on prices. Secondly, traders were given to understand that the Federation had no intention to buy cotton regularly and that the purchases were only meant to support a sagging market at the instance of the Government. There were strong rumours suggesting the possibility of an additional export quota for Bengal *Deshi* and possibly for ¾" and 25/32" cotton but they failed to materialise. Nor were any further measures to relieve the distress of cotton growers in Gujarat taken in spite of strong representations made to the Centre through the Government of Gujarat. Reflecting these, the futures market staged a retreat. The August contract steadily declined from Rs. 578 last week-end to Rs. 567 today, a net loss of Rs. 11 over the week.

The Board of the East India Cotton Association has quite some time now been busy preparing a hedge contract for the new season. At its meeting held on Monday the 15th inst. the Board approved of a hedge contract formulated by a special Sub-committee. The salient features of the new contract are as follows:

(1) There will be one hedge contract as at present, namely, Moglai Jarilla with its basic staple length remaining unchanged at 25/32" with the only difference that the tolerance which was hitherto 2/32" has been uniformly fixed at 1/32" for all growths except Cambodia 'A' where there is no tolerance and the tendering staples continuing the same as in the current season's contract, (2) the delivery months will be February, May and August provided the Forward Markets' Commission permits trading concurrently in February and May contracts; if such a permission were not granted, delivery months may be March, May and August. The present delivery months are April and August, (3) By-law 55 should be so revised that the tendering differences could be fixed on the basis of the difference between the hedge contract rate and the spot rate of the tenderable description subject to a flat reduction of 15 per cent of such difference, (4) By-law 61 which deals with the invoicing back rate of the rejected cotton should also be revised so that invoicing back could be done at the hedge contract rate plus 50 per cent of the difference between hedge contract and the spot rate of the basic cotton, and (5) as regards by-law 64, in addition to the foregoing provisions, there should be, as at present, a penalty of Rs. 25 per candy (Rs. 7 per quintal) in case of failure to tender.

The general impression among traders is that, if the Forward Markets' Commission were to approve of this contract, it will be a more realistic one than the contract now running.

Mill demand for ready cotton was fairly well maintained. Popular varieties like L.147, CO2, Khandesh, Laxmi and Digvijay found buyers but at lower prices. Bengal *Deshi* received the attention of exporters in anticipation of quota. Kalagin and Wagad were neglected. Mill interest was also evident in American, East African, and Sudan cotton and sizable business was put through in these varieties. The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri: L.147 1,000; Hubli Laxmi 986; Digvijay 940; American on sample 1,235-1,260; Sudan XG2S 1,885; G4L 1,440; B.P.52.

Steady conditions prevailed in the Karachi cotton futures market. There was moderate export demand. The usual interest was shown by domestic mills. N.T.R.G. May improved fractionally to Rs. 71, as against Rs. 70.50 last week. The July contract shaded to Rs. 70, as compared with Rs. 70.15 last week-end. Exports of Pakistan cotton from Karachi from 1st September 1960 till 20th April amounted to 411,176 bales, as against 445,297 bales in the same period last season.

Trading in the Alexandria Cotton Exchange was featureless during the week. Values moved in a narrow range in thin trading. Net changes recorded by both the Karnak and Ashmouni contracts over the week were negligible. Export sale of Egyptian cotton from the commencement of the season till 30th April 1961 amounted to 851,620 bales (of 720 lbs. each), as against 710.493 bales a month ago. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: May 60; July 69.90; *Ashmouni*: June 61.95; August 61.65.

In the Liverpool cotton futures market, while the near deliveries tended to ease on profit-taking, the more distant positions maintained a steady undertone. Commission House buying and local mill support were responsible for the strength of the latter. Sudan cotton contracts at Liverpool ruled steady. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week-end quotations:

American Cotton one inch staple contract: May 24.05 (24.20); July 24.10 (24.20); October 24.05 (24.05); December 24.30 (24.30).

American cotton mixed growth contract: May 24.40 (24.55); July 24.45 (24.55); October 24.50 (24.50); December 24.70 (24.70). *Sudan*: May, July October 31.75 (31.75).

Cotton futures in New York suffered a setback during the week. New crop months gave way on

selling prompted by the continued rise in certified cotton stocks and favourable weather news. Current crop July moved down in sympathy. Prices of ready cotton, on the other hand, ruled firm, thanks to good spinner demand.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	16-5-61	9-5-61	2-5-61
Spot	34.15	34.00	33.90
May	—	32.75	32.75
July	33.27	33.44	33.39
October	34.05	—	—

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 17*th May*

Barring linseed which elicited good support, the oilseeds market presented an easy trend during the week under review. Castorseeds were featureless, in distinct contrast to the pronounced strength noticed last week. Prices moved down. The decline followed selling induced by expectation of larger arrivals from Madhya Pradesh and Bihar in the near future, as well as the continued lull on export front, with the major buyers remaining absent from Indian market. Reports from Britain and the U.S. suggested continuing pressure of Brazilian supplies of castor oil in world markets. Business in groundnuts was confined to spots as in previous weeks. With the improvement in arrivals, particularly from the South, in the wake of only moderate offtake by *vanaspati* interests, values drifted downward. Oil suffered a distinct setback, following pressure of solvent oil from Kathiawad. Cottonseeds encountered selling in sympathy with the trend of raw cotton market.

Castorseeds September 1961 contract declined by Re. 1.12 to Rs. 176.25. May 1961 initially rose from Rs. 176.62 to Rs. 179.75, before closing on a subdued note at Rs. 177.25. The maturing (May 1961) contract, however, ruled distinctly firm. Indeed, it was quoted at a premium over the September position whereas it stood at a discount of 75 nP on Wednesday last week. The actual premium yesterday was as high as Rs. 2.48. In other words, the rate of transferring commitments from the May to September contract, which was in favour of bears last week, turned against them since Monday. The *badli* payable by them was, of course, slightly lower at Re. 1 today, when the closing quotation for May contract was Rs. 177.25, as against Rs. 176.62, the highest touched being Rs. 179.10 yesterday. Ready Kanpur lost 13 nP to Rs. 33.62. Ready Madras was dull at Rs. 35.25. Oil commercial dropped 30 nP to Rs. 14.90 and B.S.S. by 10 nP to Rs. 15.95.

Among groundnuts, Saurashtra quality moved down by 25 nP to Rs. 53.50. Coromandels were quiet at Rs. 53.50. Oil ex-mill suffered a loss of 70 nP to Rs. 21.80. Railway receipts fell by 50 nP to Rs. 21.50.

In the cottonseed section, September 1961 contract eased by 50 nP to Rs. 93.25. May 1961 contract improved from Rs. 94 to Rs. 95.50, but gave way subsequently Rs. 94.50. Non-whites and Berars were both neglected at Rs. 19, as also Whites at Rs. 19.25.

Linseed, as already indicated, put on a cheerful appearance. May 1961 contract firmed up by Re. 1.31 to Rs. 37.81. September contract rose by 75 nP to Rs. 37.84. Bold ready hardened by Re. 1.50 to Rs. 37.50. Oil gathered 35 nP to Rs. 15.75.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	17-5-1961	10-5-1961	3-5-1961
	Rs.	Rs.	Rs.
Groundnut			
Nisam bold	53.50	53.25	52.75
Coromandel ready	53.50	53.50	52.75
Khandesh quality	53.50	53.75	53.25
Oil ex-mill ready*	21.80	22.50	21.90
Railway receipts*	21.50	22.00	21.65
Castorseed			
May 1961	177.25	176.62	175.87
September 1961	176.25	177.37	177.50
Ready Madras	35.25	35.25	34.75
Ready Kanpur	33.62	33.75	33.12
Oil B.S.S.†	15.95	16.05	16.05
Oil commercial†	14.90	15.20	15.15
Linseed			
May, 1961	37.81	36.50	36.53
September 1961	37.84	37.09	37.06
Bold ready	37.50	36 00	35.87
Oil ready†	15.75	15 40	15.40
Cottonseed			
May 1961	94.50	94.00	93.00
September 1961	93.25	93.75	93.25
Niger seed	43.00	42.00	41.25
Kardi seed	36.50	36.25	35.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

STAPLE FIBRE YARN PRICES FIXED

(From Our Own Correspondent)

BOMBAY, 17*th May*

There were five developments of import to the yarn market during the week under review. They pertain to excise duty on cotton yarn, fixation of prices for staple fibre yarn by the Committee of the Indian Cotton Mills Federation, sharing of additional excise duty burden between art silk yarn spinners and consumers, Finance Minister's reaction to the plea of art silk weavers for tax relief and the reported issue of advance licences for art silk yarn imports in favour of the State Trading Corporation. The relevant details are given below:

Cotton yarn: An exemption of 10 nP per kg. has been given to yarn above 40 counts if issued in hanks with effect from the 12th inst. as a measure of further relief to handloom industry; the revised rate of duty is now 5 nP kg.

Staple fibre yarn: The prices fixed by the I.C.M.F.'s Committee are as follows:

(In Rs. per bundle of 10 lbs.)

Counts	*Ex-mill price of hank yarn*	*Differential for doubled yarn*	*Differential for yarn on cones*
20s ..	28.55	3.10	2.85
30s ..	31.05	3.90	3.20
40s ..	34.05	4.50	3.50

These are net ex-mill prices. The prices should be stamped on bundles. It has also been decided that delivery of yarn against contracts entered into before 15th May 1961 and provided the yarn is packed and ready for delivery will be made at the contract prices; otherwise, the above schedule of prices will be applicable.

Excise duty on rayon yarn: It has been decided by the Government of India that 60 per cent of the increase in excise duty of 90 nP per kg. on yarn of 100 deniers and 60 nP on yarn of above 100 deniers will be absorbed by the indigenous viscose rayon manufacturers, the remaining 40 per cent being passed on and borne by the consumers of rayon yarn. It has also been decided that the price differential between the various qualities of indigenous rayon yarn will be 15 nP per kg. at each stage, the total difference between the first quality and reject quality of a particular denier of yarn being 60 nP per kg.

Rayon mills' plea: The Union Finance Minister has turned down the plea of art silk weaving mills for extension of the excise duty exemption limit from the present four looms working one shift to the first four looms in units of up to nine looms. As for abolition or at least reduction of countervailing duty on imported yarn, the Minister has said that the situation is constantly under review, though he says that he has so far not been convinced by the plea of manufacturers.

S.T.C.: It is reported that the S.T.C. will receive advance licences for imports of Rs. 1 crore worth of art silk yarn from free currency sources and Rs. 25 lakhs from rupee payment sources. The yarn so imported will be distributed to manufacturer-exporters subject to a maximum c.i.f. value of Rs. 1,500 per registered loom. An advisory committee comprising representatives of manufacturers, exporters and traders has been formed to assist the S.T.C. in implementing the scheme. It is also reported that, with a view to stimulating exports of art silk fabrics, the Union Government has agreed to the grant of an advance licence of a suitable value for the import of art silk to an art silk manufacturing concern on the condition that the foreign exchange requirements for the purpose of import of yarn will be earned by the concern through exports of finished fabrics within a specified period under the Export Promotion Scheme and will be remitted to the suppliers of yarn as and when it is earned.

In view of the prospects of large art silk yarn imports though the S.T.C., prices have generally tended to move down. Japanese yarns, however, have registered handsome gains, owing to shortage of floating stocks. Cupressa Bemberg yarn (60 x 1) also tended to look up. Business in staple fibre yarns has practically come to a standstill following the regulation of prices by the millowners' apex body. The prices fixed are said to be lower than the actual prevailing rates. Meanwhile, the Bombay Yarn Merchants Association and Exchange has fixed floor (Rs. 815 per bale) and ceiling (Rs. 915) prices for 40 x 2 June contract, suspended business in August settlement and stipulated a penalty of Rs. 10 per bale in case of non-delivery. Following representation by members, the Association decided today to raise the floor rate from Rs. 815 to Rs. 865 for staple fibre yarn (40 x 2) June contract. But the ceiling would continue at the same rate of Rs. 915. The Board further directed all its members to square up their outstanding business in June contract between floor and ceiling prices of Rs. 865 and Rs. 915, respectively, before the contract expires. No fresh trading would be permitted in the contract.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with those prevailing a week ago:

	17-5-1961	10-5-1961
	Rs.	Rs.
Art silk yarn—		
60/1 Cupresa Bemberg (100 kg.)		
June	2,620.00	2,570.00
Spot	2,620.00	2,617.00
40 x 1 JF June	2,996.00	2,918.00
150 Japan (per 100 kg.)	1,787.00	1,658.00
150 Japan (per 100 kg.)	1,777.00	1,750.00
120 Italy (per 100 kg.)	1,625.00	1,625.00
150 Italy (per 100 kg.)	—	1,735.00
Staple fibre yarn—40 x 2		
June (per 90.72 kg.)	930.00	921.00
Century (per kg.)	10.53	10.45
Kohinoor (per kg.)	10.71	10.71
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	19.00	18.75
20s New Great	21.25	21.50
30s Simplex	27.00	27.00
40s Madura	32.75	33.00
60s Finlay	64.75	64.50
80s Mahendra	66.66	66.66

TEA FIRM

(Messrs. Forbes, Ewart and Figgis Private Ltd.)

COCHIN, 9*th May*

Approximately 609,000 kilograms were offered in Sale No. 19 held on Tuesday, 9th inst. Quality from all districts was barely maintained. There was an active demand. Highgrowns continued to receive fair support but at irregular and generally lower rates following quality. A few brighter invoices sold well. Good mediums were well supported and sold at irregular and slightly lower rates. The coloury sorts in this category were a strong feature and realised fully firm and some times dearer rates. Mediums and low mediums were absorbed readily at around last rates with the more fibrous kinds registering drops of 5-10 nP. Plainest sorts can be quoted about steady. A small weight of C.T.C. and legg cut sorts sold at firm rates. Whole leaf grades were generally slightly easier with orange pekoes selling well.

	1961	1960
	Rs.	Rs.
Low medium ...	4.40-4.50	3.97-4.19
Mediums ...	4.50-4.60	4.08-4.30
Good mediums ...	4.70-5.15	4.30-4.63
Nilgiri B.O.P.	Rs. 4.60-5.80	

The average price realised in sale No. 19 was Rs. 4.61 per kilo as against Rs. 4.65 a week ago and Rs. 4.41 in the corresponding sale last year. *Dust Sale No.* 19: Offerings amounted to approximately 249,000 kilograms in dust sale No. 19 held on Thursday, 11th inst. There was a good general demand. Highgrowns came to a slightly irregular market and generally sold at around last rates. Mediums were readily absorbed at fully firm to occasionally dearer rates with buyers' emphasis on the Wynaad descriptions. Residuals were the weak feature of the sale and registered a drop of 10-20 nP. C.T.C. and legg cut types received good support at firm rates.

The average price realised in dust sale No. 19 was Rs. 4.40 as compared with Rs. 4.32 a week ago, and Rs. 4.25 in the corresponding sale last year.

Export Quota: The special licence market is now very quiet and business is being transacted at 1/6 nP per kilo.

Colombo: 5¾ million lbs. were offered in this week. The quality showed a seasonal decline. The market opened to a very strong demand but prices were irregular. Highgrowns were often dearer whilst mediums were sometimes ¾ cents easier with lowgrowns firm on last levels.

London: North Indian and other growths: In Monday's auction the market was fully firm for all descriptions. Plain brokens pekoe is quoted at ¾d.

Ceylon and South Indians: In Tuesday's sale 23,751 packages were offered of which 8,100 packages were from South India. There was a strong demand and prices were generally dearer for most descriptions.

As we go to press, Messrs. Forbes, Ewart and Figgis Private Ltd., wire:

"*Sale No.* 20: 570,000 kilograms. Strong general demand. Low mediums and mediums fully firm to occasionally dearer. Good mediums 5 to 10 nP easier. Nilgiris sold at around last rates."

DUST TEA IRREGULAR

(From Our Own Correspondent)

CALCUTTA, 16*th May*

The season's first export sale was held yesterday, and there was good demand. Prices gained as a result. Tea shipped for direct participation in London auctions is increasing.

Thus, it would appear that the new season has begun well, and it remains to be seen if a season well begun would also end likewise. Indications are that Indian tea has to overcome stiff competition in foreign markets, if exports are to be increased. Production in 1961 is expected to be substantially higher than in 1960. In the opinion of the export trade, the possibility of an increase in exports would appear to be remote, as prices are very high.

A reduction in prices has become a necessity. Mr. B. C. Ghosh, who was Chairman of the Indian Tea Planters' Association and is at present a member of the Executive Committee of the Tea Board, is reported to have stated recently that the industry was not optimistic about its future.

Dusts on offer during last week's internal sales amounted to 22,721 packages. There was good general demand but the trend was mixed and irregular. Clean C.T.Cs met with ready buyers at irregular rates, and the good varieties eased. Fibrous teas also eased. Orthodox teas eased by 15 nP, the small and bright teas receiving better support. Legg-cut teas eased. The quotations per 1 kg. inclusive of excise duty were: good Assam C.T.C. dust Rs. 6.60 to Rs. 7.00, medium Assam C.T.C. dust Rs. 5.90 to Rs. 6.30, legg-cut dust Rs. 4.40 to Rs. 5.20, medium Assam legg-cut dust to Rs. 4.80, and plain orthodox dust Rs. 4.20 to Rs. 4.40.

Leaf offerings amounting to 815 chests met with good demand.

There was good general demand during yesterday's export auctions, offerings amounting to 20,211 packages. As expected, both the U.S.S.R. and Turkey displayed modest interest in Darjeeling teas. However, it should be said that buying was cautious and such a feature is attributed possibly to expectations of a larger output this year. Some quantities had to be withdrawn. However, support for some of the teas showed that internal buyers were active. In view of the shortfall in output in 1960, and also in view of the huge increase in internal demand, stocks are low.

The offerings consisted mostly of Darjeelings. The trend was irregular. A few grades met with buyers at prices below brokers' valuations. Withdrawals were heavy as bidders were bidding for time on expectation that prices might become more favourable as the season advanced. Plainer orthodox teas from Cachar gardens were fully steady and were the strongest feature of the sale. Dooars and Terai realised valuations. C.T.Cs were fully steady. Teas from Dooars were of an average standard for first flush manufacture. It was not surprising, therefore, that legg-cut Dooars declined by 30 nP per kg. The quotations per 1 kg. inclusive of excise duty were: plain fannings Rs. 4.70 (nominal), plain broken pekoe Rs. 4.80 (nominal), and clean plain pekoe Rs. 5.20 (nominal).

RESTRICTED BUYING IN JUTES

(From Our Own Correspondent)

CALCUTTA, 16*th May*

Although buying of both raw jute and jute goods was meagre during the week under review, prices were steady. Such a trend reflected the difficult fibre position and rumours of the inevitability of block closure by mills for at least a fortnight in the near future. Overseas buyers of jute goods were in no mood to extend their commitments, and it was thought very likely that business in this regard would be anything other than on a hand-to-mouth basis until the new season commenced and prices of fibre and goods moved down to reasonable levels. The rise in gunny stocks with mills as at the end of April by 5,400 tons to 90,400 tons should be considered a significant pointer in this regard. Hessian rose by 3,300 tons to 27,900 tons and sacking goods by 2,100 tons to 48,300 tons, but miscellaneous constructions were unchanged at 14,200 tons. Such a rise in the face of shortage was attributed to the disinclination of foreign buyers to support higher prices. The news of higher stocks negatived any spurt in prices that would have followed persistent rumours regarding the proposed block closure by mills.

With U.S. buyers continuing to keep away, any spurt in hessian prices was thought unlikely in the near future. This inference also followed from an examination of the reports of the U.S. burlap market during the week. For it was stated that the initial rise in prices in New York was not maintained, since, at higher levels, buying was restrictive. Further, dealers were reported to have exhibited a tendency to reduce their high inventories. In view of the good stock position of burlap with U.S. dealers, U.S. buyers operating in Calcutta can very well afford to wait for replenishment of their stocks until the new season. The higher stocks of goods with mills, coupled with the fall in overseas demand, has considerably aided the representation of mills to the Government of India as to the inevitability of block closure by mills.

Meanwhile, prospects of an early crop in West Bengal and Assam have increased with the recent occurrence of a number of Nor'westers accompanied by moderate to good rains. However, this possibility was not reflected on fibre prices during the week. In West Bengal districts alone, it was officially estimated that the increase in acreage under jute would be about 15 per cent to 18 per cent more than last year. There were reports, during the week, that the recent cyclone damaged the jute plants extensively in Pakistan districts and that the crop would not be as heavy as originally expected. These rumours lent strength to the local fibre market; however, it was soon known that damages had been only meagre and were confined to the lowland areas. The report from Narayanganj market that the cyclone did not affect the fibre market there was considered significant and went to show that damages had not been so severe as rumoured earlier.

In the goods market on Tuesday last, active covering business was put through. This followed the reported inevitability of bloc closure by mills and the Forward Markets Commission's refusal to permit the re-opening of futures trading immediately. Ready B. twills were firm at Rs. 167.00 and ready hessian 40" 10 oz. at Rs. 56.50. This was followed on Wednesday by rumours of heavy damages to the jute plants in Pakistan as a result of the cyclone and, though genuine business was lacking, prices moved up. Thus B. twills hardened to Rs. 169.00 and hessian 40" 10 oz. to Rs. 57.25. On the following day, ready goods were unchanged but firm, but forward goods were marked higher. However, this tendency was soon negatived since the announcement of a rise in goods in stock with mills as at the end of April soon followed. Overseas buyers continued to show little interest. On Friday, there was the report from Pakistan that the earlier fears of heavy damages to the plants could be dismissed, and that, though the full extent of the damage had not been assessed, the cyclone had affected the plants in the lowland areas only. These reports caused prices of goods to recede, and B. twills moved down to Rs. 168 and hessian 40" 10 oz. to Rs. 56.75. Over the weekend, there was the news that burlap consumption in the United States recorded a marked fall in the month of April, and this sent down ready hessian 40" 10 oz. here to Rs. 56.00. In sympathy, ready B. twills eased to Rs. 166. During yesterday local operators were active, and as a result ready B. twills firmed up to Rs. 168.00 and ready hessian 40" 10 oz. to Rs. 57.25.

Fibre prices were firm. The reported inevitability of mills to close down for some time failed to nerve any stockist in the market. Even though business passing was meagre, sellers were reserved. In fact, offerings at one time were limited to odd lots. Assam bottoms opened at Rs. 57, hardened to Rs. 58 and closed at Rs. 57.50. There was the apprehension that, despite good rains in the last week, the crop might not be so earlier as anticipated in some quarters. The strengthening of the dry spell in the last few days was pointed out as a premise for the apprehension. The price movements of the principal varieties of the old crop are indicated below:

(In Rs. per maund, for delivery against May)

	Opened at	*Hardened to*	*Closed at*	*Net gain*
Daisee bottoms ..	59.00	60.00	59.50	0.50
Assam bottoms ..	57.00	58.00	57.50	0.50
Northern bottoms ..	56.00	57.00	56.50	0.50

METALS RALLY

(From Our Own Correspondent)

CALCUTTA, 16*th May*

Following higher advices from overseas markets as well as increased demand, steadier conditions were in evidence in the metal market during the week under review. Copper scrap prices registered a modest spurt, with the berry quality quoting at Rs. 488.25 per 100 kgs. as against Rs. 482.25 a week ago. Supplies have now become more acute. Earlier there was the news that U.S. smelters had increased their price to 30 cents a lb. and it was thought very likely that they would raise the price to 31 cents a lb. in the near future. In the meanwhile, the commodity was in short supply in New York, where the good demand from Japan had eroded into stocks. Production of copper in the United States had been lower than usual in the last year, while demand had been boosted up. Consumers were desirous of replenishing their stocks. U.S. buyers naturally turned their attention to the London Metal Exchange for procuring their supplies. It was expected that the shortage would only be a temporary phase. Production is bound to catch up, and stocks held back from the market in the U.S.A. are bound to appear again. On the London Metal Exchange, the price of electrolytic copper reached a high of £243½ a ton after opening at £239½. The rise followed good demand on European and U.S. accounts.

Ready tin in Calcutta was as high as Rs. 1,366 per 100 kgs. as against Rs. 1,342.50 earlier. The rise followed good demand and the strengthening of the price trend in Singapore, thanks to the strike in the mines in Bolivia. In London, the price closed substantially higher at £859½ a ton as against £856 earlier. In mid-week, a high of £861½ a ton was touched. The increased demand of U.S. on Singapore tin was a factor which led to the London rise. Electrolytic zinc opened here at Rs. 324.75 per 100 kgs. and, although the metal continued to be in short supply, the price eased to close at Rs. 323.75 as demand fell. Also, the price was reflective of the decline of the L.M.E. quotation to £81½ a ton from £83¾. Virgin lead was as usual unchanged at Rs. 130.00 per 100 kgs.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, 15*th May*

Firm tone has prevailed in linseed throughout the past week, but business has been very restricted with both buyers and sellers pausing. Both ready and forward prices have moved steadily upwards, but crushers are not showing much interest.

The oil market has remained steady in sympathy with other oils, but business has been negligible with only small local buyers showing interest. At the same time stocks with the mills have been limited.

The oilcake market has ruled quiet during the week, the offtake locally has been slow.

Quotations are as follows:—Ready/May delivery Rs. 25.87 nP per maund.

Notices

THE BOMBAY BURMAH TRADING CORPORATION LTD.

Registered Office:
9, Wallace Street, Fort, Bombay-1

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT IN pursuance of the powers granted to them by a resolution passed at the Extraordinary General Meeting held on 29th May 1958, the Directors have extended the final date fixed for the receipt of applications for consolidation of fractional certificates into whole shares of Rs. 125 each, from 31st May 1961 to 31st December 1961.

Dated at Bombay this 16th day of May 1961.

By Order of the Board,
WALLACE & CO.,
Secretaries & Treasurers.

JESSOP & CO. LTD.

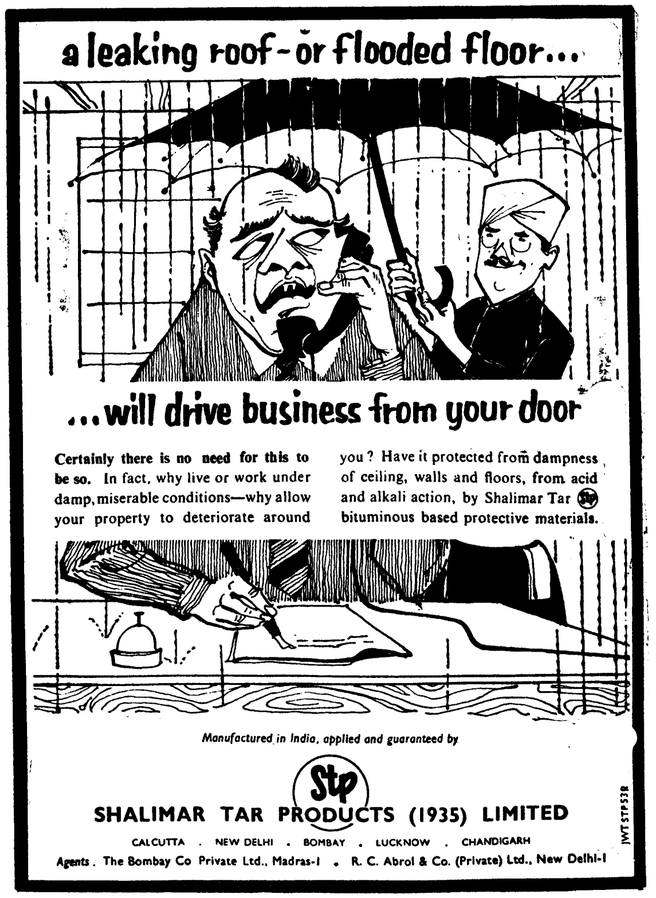
NOTICE IS HEREBY GIVEN THAT IN COMpliance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, the Board of Management has sanctioned the payment of an interim Dividend on 5% Cumulative Preference Shares for the half-year ending 30th April, 1961, at the rate of Rs. 3.25 per Share subject to deduction of tax in accordance with the Finance Act currently in force.

The Preference Share Transfer Register will be closed from 29th May to 1st June, 1961, both days inclusive.

Dividends will be paid only to the Registered Shareholders or to their Mandatees.

By Order of the Board,
K. S. BASU,
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA.
15*th May* 1961.



MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 12th May, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	56,52,99,000
(2) Other Governments	14,19,90,000
(b) Banks	78,28,08,000
(c) Others	114,31,09,000
Bills Payable	36,09,46,000
Other Liabilities	63,65,63,000
Rupees	493,07,15,000

Assets	Rs.
Notes	13,38,05,000
Rupee Coin	1,70,000
Subsidiary Coin	6,77,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	43,00,44,000
Balances held abroad*	21,94,10,000
Loans and Advances to Governments†	87,89,30,000
Other Loans and Advances	133,79,90,000
Investments	171,77,74,000
Other Assets	21,19,15,000
Rupees	493,07,15,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 23,64,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	13,38,05,000	
Notes in circulation	2007,25 97,000	
Total Notes issued	....	2020,64,02,000
Total Liabilities	....	2020,64,02,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	113,00,89,000	
Total of A		230,76,92,000
B. Rupee Coin		117,92,63,000
Government of India Rupee Securities		1671,94,47,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2020,64,02,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1939 (pre-war)	5th May* 1961	28th April* 1961	A month ago *	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	2002.88	1982.43	2039.91	1904.49
Notes held in Banking Department	35.05	9.38	32.55	9.88	13.34
Foreign Securities	59.50	113.01	113.01	123.01	163.01
Rupee Securities	87.39	1661.97	1661.98	1687.20	1511.43
Banking Department					
Deposits of:					
Government of India	14.39	53.12	51.63	54.56	60.30
Other Governments	..	15.07	18.31	8.81	18.90
Balances held abroad	10.06	17.68	10.32	11.31	15.67
SCHEDULED BANKS					
Demand Liabilities	184.86	829.00 (30.19)†	834.03 (27.47)†	832.57 (21.35)†	788.28 (18.95)†
Time Liabilities	102.24	1082.93 (14.75)†	1082.71 (14.12)†	1076.17 (11.95)†	1185.40 (24.87)†
Borrowings from Reserve Bank	..	89.09 (21.40)‡	88.16 (21.09)‡	60.45 (33.64)‡	47.46 (12.74)‡
Borrowings from State Bank	..	14.33	14.05	17.31	15.38
Cash in India	6.70	48.74	47.69	47.42	49.66
Balances with Reserve Bank	25.17	75.85	73.89	67.67	85.01
Balances with other banks in current account in India	..	13.45	15.98	17.75	15.12
Money at call and short notice in India	..	47 69	44.10	28.89	29.30
Investments (at book value)	..	547.14	562.46	551.29	746.29
Advances and bills	105.9	1310.29	1308.91	1328.81	1141.38
STATE BANK					
Deposits	87.76	542.80	549.70	567.51	628.82
Investments	51.99	234.46	247.06	235.04	394.09
Advances	30.35	275.58	276.33	282.59	217.41
Cash	14 69	24.18	25.27	26.87	31.61

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1956	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.47	3.45
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July., 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	4th May, 1961	4.50	5
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec. 1960	5.50	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.5	3

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 12th May, 1961

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		543,00,49,000
Borrowings from Other Banking Companies, Agents, etc.		17,00,000
Bills Payable		12,29,77,000
Bills for Collection being Bills receivable as per contra		2,80,75,000
Acceptances, Endorsements and Other Obligations per contra		1,10,06,000
Other Liabilities (including Inter-Office Adjustments)		6,83,09,000
Total .. Rs.		579,28,66,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		20,83,48,000
Balances with other Banks		3,89,99,000
Money at Call and Short Notice		3,80,00,000
Investments:		
Government and other Trustee Securities	227,41,03,000	
Other Authorised Investments	9,48,95,000	
		236,89,98,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	254,47,61,000	
Bills Discounted and Purchased	15,93,19,000	
		270,40,80,000
Bills Receivable being Bills for Collection as per contra		2,80,75,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,10,06,000
Premises less Depreciation		1,79,23,000
Furniture and Fixtures less Depreciation		1,36,82,000
Other Assets (including Inter-Office Adjustments)		36,37,55,000
Total .. Rs.		579,28,66,000

Scheduled Banks*

Statement of Affairs for the week ended 5th May, 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	51,13,50
(2) From others	721,79,69
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	30,18,81
(c) Other demand liabilities	56,06,95
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	17,18,72
(2) From others	1042,95,44
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	14,74,75
(c) Other time liabilities	22,78,46
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	10,30,97
(b) Time liabilities	4,02,00
(iv) Borrowings in India from the Reserve Bank of India (A)	39,08,96 (21,40,00)
(v) Cash in India	48,73,75
(vi) Balances with the Reserve Bank in India	75,84,82
(vii) Balances with Other Banks in Current Account in India	18,44,94
(viii) Money at call and short notice in India	47,69,39
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	547,14,07
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1101,74,12
(b) Due from Banks in India	8,44,47
(xi) Inland Bills purchased and discounted in India.	152,69,85
(xii) Foreign Bills purchased and discounted in India.	47,40,33
(xiii) Total of items (x), (xi) and (xii)	1310,28,77

Notes:—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	29th April 1961	22nd April 1961	30th April 1960	March 1961	March 1960	Percentage of Increase (+) or Decrease (—) in Mar., 1961 as compared with Mar., 1960	Annual Average 1960	Annual Average 1959
Food Articles	584	117.9	116.8	119.6	117.5	117.0	+ 0.4	120.3	118.2
Cereals	192	98.3	98.8	104.8	100.2	103.2	— 2.9	105.2	104.2
Pulses	48	83.8	86.5	90.6	92.8	89.9	+ 3.2	92.6	99.8
Fruits and Vegetables	23	121.9	118.2	136.9	108.4	126.0	—14.0	121.0	127.6
Milk and Ghee	84	121.0	112.8	115.8	115.8	110.7	+ 4.6	115.5	112.2
Edible Oils	47	160.2	160.5	139.2	168.8	136.6	+19.9	143.8	126.9
Fish, Eggs and Meat	17	126.0	124. 2R	119.4	128.6	114.5	+ 7.9	121.1	110.4
Sugar and Gur	48	120.0	119.5	138.4	117.8	140.7	—16.6	130.6	142.0
Others	50	170.0	171.4	162.7	166.8	158.8	+ 5.0	130.6	162.4
Liquor and Tobacco	21	111.1	111.1	108.8	113.4	98.4	+17.5	106.4	100.7
Tobacco	—	108.3	108.3	107.2	110.7	94.1	+17.6	104.8	99.2
Fuel, Power, Light and Lubricants	29	122.3	122.4	118.1	121.2	117.8	+ 2.9	119.0	119.1R
Industrial Raw Materials	165	151.9	152.2	134.8	159.1	131.9	+30.8	138.8	116.7
Fibres	61	164.2	163.8	132.2	176.9	124.9	+41.0	130.3	110.2
Oilseeds	69	154.8	155.8 R	141.4	159.7	140.5	+13.7	144.9	130.0
Minerals	2	95.2*	95.2	98.2	95.2	96.5	— 1.3	97.5	109.0
Others	32	126.8*	126.8*	129.5*	128.3	131.6	— 2.8	130.0	117.2
Manufacture	290	126.7	128.7	118.3	129.4	116.9	+10.7	128.8	109.7
Intermediate Products	41	136.2	136.1 R	124.7	137.3	121.3	+13.2	127.1	111.1R
Finished Products	249	125.2	125.1	117.3	129.2	116.1	+10.4	119.8	100.5
Textiles	147	128.9	128.9	117.1	128.9	115.1	+16.8	121.2	104.6
Cotton	—	126.6*	126.6*	124.4*	126.6	124.7	+ 1.5	127.5	112.6
Jute	—	141.7	141.8	106.6	161.6	97.5	+65.7	115.2	97.2
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	107.6	104.6
Silk and Rayon	—	116.1	116.1*	102.5	117.1	102.8	+13.9	102.6	98.7R
Metal Products	12	146.9	146.9	148.3	146.9	147.7	— 0.5	147.0	148.7
Chemicals	20	105.5*	105.8	104.6	104.8	104.8	—	164.7	106.2
Oil Cakes	10	144.1	143.0	138.2	145.4	140.7	+ 2.3	140.2	142.7
Machinery and Transport Equipment	31	112.6	112.6	111.0	112.6	111.0	+ 1.4	110.7	165.6R
Others	30	118.6	118.6	114.6	118.5	114.0	+ 3.9	115.0	112.6R
All Commodities	1.100	125.7	125.2	121.3	127.4	118.9	+ 7.1	122.8	115.5

Note:—Weight shown against the sub-groups under each of the groups are those ... group index.

State Bank of Pakistan

Statement of Affairs for the week ended 5th May, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Rural Credit Fund	1,00,00,000
Deposits:—	
(a) Central Government	2,90,95,000
(b) Provincial Governments	1,83,25,000
(c) Banks	17,81,94,000
(d) Others	133,22,17,000
Bills Payable	49,44,000
Other Liabilities	16,52,02,000
Rupees	180,94,77,000

Assets	Rs.
Notes	11,82,49,000
Rupee Coin	69,000
Subsidiary Coin	55,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	....
Loans and Advances to Governments	38,39,89,000
Provincial Governments' Debtor Balances	5,85,00,000
Other Loans and Advances	....
Investments	34,89,19,000
Other Assets	78,97,56,000
	10,99,40,000
Rupees	180,94,77,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	11,82,49,000	
Notes in circulation	374,16,15,000	
Total Notes issued	....	385,98,64,000
Total Liabilities	....	385,98,64,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	24,86,11,000	
Silver Bullion	....	
Foreign Securities	81,15,52,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		149,03,27,000
B. Rupee Coin	2,86,08,000	
Government of Pakistan Securities	228,19,23,000	
Internal bills of exchange and other commercial paper	....	
		231,05,31,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	385,98,64,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 40.06 per cent.

EXCHANGE RATES

		17th May 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 $\frac{31}{32}$	1-5 $\frac{31}{32}$
Sellers T. T. D.D. upto six months	s.	1-5 $\frac{15}{16}$	1-5 $\frac{15}{16}$
Buyers T.T. spot to nine months	s.	1-6 $\frac{1}{32}$	1-6 $\frac{1}{32}$
Buyers T.T. 10 to 12 months	s.	1-6 $\frac{1}{16}$	1-6 $\frac{1}{16}$
Bombay on New York—			
Sellers T.T. D.D.	Rs.	479.25	478.75
Buyers T.T.	Rs.	475.75	475.25
London on New York	s.	2.7937-2.7939	2.7955-2.7957
London on Paris	Fcs.	13.6925-13.7000	13.6990-13.7010
London on Berne	Sw. Fcs.	12.0900-12.0920	12.0980-12.1000
New York on London	c.	279.360-279.390	279.480-279.510

CLEARING HOUSE RETURNS

Centre	Week ended 5th May 1961 Number of Cheques	Week ended 5th May 1961 Amount Rs.	Week ended 28th April 1961 Number of Cheques	Week ended 28th April 1961 Amount Rs.
Bombay	3,81,000	87,49,00,000	4,14,898	1,06,16,25,000
Calcutta	2,11,000	81,96,00,000	2,06,000	78,70,00,000
Madras	96,408	18,40,48,657	1,11,141	15,25,29,368
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	46,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
Jan. 1960	..	..	4,392,000	998,20,00,000
Feb., „	..	..	4,205,000	943,59,00,000
Jan., 1961	..	..	4,875,000	1,100,87,00,000
Feb., „	..	..	4,421,000	1,022,19,00,000

MISCELLANEOUS, STATISTICAL INFORMATION—*Contd.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	(In thousand acres) 1958-59	(In thousand tons) 1959-60	(In thousand tons) 1958-59
Cereals—					
Rice	final	81,343	81,437	29,338	30,354
Wheat	final	31,508	31,141	9,734	9,772
Jowar	final	41,602	42,584	7,866	8,714
Bajra	final	26,699	27,999	3,484	3,789
Barley	final	8,220	8,243	2,605	2,672
Maize	final	10,457	10,457	3,615	3,381
Ragi	final	6,211	6,192	1,860	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,380	220,470	60,514	62,631
Pulses—					
Gram	final	25,046	24,865	5,390	6,881
Tur	final	5,843	5,931	1,589	1,671
Other Kharif pulses§	final	16,075	15,597	1,567	1,559
Rabi pulses‡	final	12,788	12,992	2,690	2,761
Total pulses	final	59,752	59,385	11,236	12,872
Total foodgrains		278,132	279,855	71,750	75,503
Oilseeds—					
Groundnut	final	15,305	14,575	4,390	4,812
Castorseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	final	3,921	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6,907
Fibres—					
Cotton*	final	19,252	19,926	3,835	4,686
Jute A.	final	1,707	1 811	4,548	5,158
Mesta A.	final	706	825	1,098	1,488
Sannhemp	final	813	807	80	81
Other crops—					
Potato	final	885	858	2,719	2,327
Sugarcane	final	5,176	4,808	75,088	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	232	230	25	26
Chillies (Dry)	final	1,499	1,471	339	326
Tobacco	final	934	897	281	261

Source: Ministry of Food and Agriculture. § Excluding Tur

* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur

A.—In thousand bales of 400 lbs. each. R.—Revised

†Final estimate of 1958-59.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During March 1961	87.5
	Corresponding month, 1960	91.1
	Nine months ended Mar., 1961	782.6
	Corresponding period, 1960	802.4
Stocks	At the end of March, 1961	85.1
	Corresponding month, 1960	71.9
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1958-1959	854.9
	July-June, 1959-1960	833.5
	July-Mar., 1960-1961	566.0
	March 1960	65.0
	March 1961	54.9
For Internal Consumption	July-June, 1958-1959	220.0
	July-June, 1959-1960	248.8
	July-Mar., 1960-1961	207.5
	Mar., 1960	27.0
	Mar., 1961	13.1
	RAW JUTE	(In 000 bales)
Consumption by Mills	March 1961	500
	Corresponding month, 1960	548
	Nine months ended Mar., 1961	4,553
	Corresponding period, 1960	4,705
	1957-58	6,134
	1958-59	6,014
	1959-60	6,291R

R=Revised

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,900	1,106,800	786,900
Do. 31st March, 1959	1,187,500	1,149,900	884,700
Do. 31st March, 1960	1,594,000K	1,555,000K	1,227,000K
Do. 31st March, 1961	1,588,000K	1,622,000K	1,263,000K
Jan., 1960	140,700	140,100	109,800
Feb. „	134,400	130,400	103,600
March „	142,100	148,100	123,000
April „	127,700	125,200	99,900
Jan., 1961	144,300K	149,300K	117,600K
Feb. „	125,900K	126,500K	94,200K
March „	141,600K	142,300K	114,900K
April „	135,700K	136,000K	106,000K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	582,815	441,486
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	608,205	496,217
Do. 31st March, 1960	1,058,612K	827,072K	662,118K
Do. 31st March, 1961	1,160,576K	914,159K	718,684K
March 1960	98,640K	80,267	75,812
April „	90.876	74,806	44,751
Jan., 1961	112,649K	88,787K	71,540K
Feb. „	96,791K	72,839K	70,966K
March „	106,122K	82,583K	80,790K
April „	99,381K	69,710K	51,144K

K—Figures in Metric Tons.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1955-56	715	8,966.8	7,186.8
1956-57	760	9,577.8	8,106.1
1957-58	824	11,175.9	9,071.1
1958-59	812	13,837.0	10,300.7
1959-60	850	15,026.2	12,130.8
January 1960	815	1,297.4	1,056.5
February „	850	1,252.1	1,022.5
March „	850	1,324.4	1,071.0
April „	850	1,325.3	1,081.7
May „	850	1,367.9	1,119.4
June „	850	1,379.8	1,118.9
July „	850	1,366.5	1,106.6
August „	1,012	1,404.2	1,140.9
September „	1,012	1,380.7	1,129.5
October „	1,012	1,422.3	1,134.7
November „	1,012	1,390.2	1,140.5
December „	1,013	1,508.0	1,214.5

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been excluded. ‡ Including purchases from non-electric utilities. § At the end of period. Source:—Central Water and Power Commission

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1957-58	8,856	1,319	811	148	67	31	145	17	138	315	25	259	35	108
1958-59	8,835	1,468	850	143	58	21	146	16	129	206	21	279	33	66
1959-60	9,388	1,433	874	136	53	19	149	16	129	369	44	284	36	77
December 1959	6,782	1,068	657	100	40	16	116	12	98	269	30	208	33	56
September 1960	4,579	732	457	62	22	8	40	6	65	191	25	144	15	42
October „	5,375	879	521	69	25	9	55	7	74	224	29	170	20	48
November „	6,219	1,026	580	82	28	11	69	8	84	258	35	214	26	54
December „	7,117	1,169	643	94	33	12	82	10	94	295	40	283	31	61

Note.—The figures relate to Government Railways. Figures include Broad and Metre Gauges. The monthly figures are progressive from April and incorporate revision in respect of earlier months. *Source*:—Ministry of Railways.

INDUSTRIAL PRODUCTION *

Industries.	Unit	1959	January to November 1959	January to November 1960	September 1960	October 1960	November 1960	November 1959
Major Industries—								
Coal	million metric tons	47.78	43.42	47.58	4.21	4.34	4.64	3.85
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	1,979†	2,650†	287	306	—	235
Yarn	million lbs.	1,723	1,426†	1,427†	146	142	—	141
Cloth	million yds.	4,925	4,100†	4,170†	425	409	—	391
Cement	thousand tons	6,826	6,160	6,994	585	676	674	604
Jute	thousand metric tons	1,068	973	993	91	86	87	89
Paper and paper boards	thousand tons	294	236†	286 K†	28 K	30 K	—	28
Matches§	thousand cases	649	591	601	54	50	58	57
Sugar	thousand metric tons	2,117	1,497†	1,865†	16	39	—	20
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	355†	476†	59	56	—	35
Electric lamps	millions	34.84	31.64	37.27	3.19	3.66	3.97	2.93
Dry cells	millions	187.3	167.9	186.2	17.45	16.56	21.61	18.21
Power transformers	k.v.a.	1,016,400	835,200†	986,600†	120,300	129,500	—	76,400
Electric Motors	thousand H.P.	576	480†	547†	63	62	—	37
Electric fans	Nos.	726,000	654,800	889,200	77,900	76,300	95,200	67,600
Radio receivers	Nos.	213,864	191,986	235,335	24,177	23,800	27,312	20,141
Storage batteries	Nos.	442,800	401,100	465,900	36,900	38,300	45,600	35,000
Copper conductors	tons	6,624	5,416†	8,026 K†	934 K	846 K	—	386
Winding wires	tons	2,832	2,376†	3,401 K†	334 K	324 K	—	193
Rubber and plastic Ins. cables and flexibles	million yds.	166.08	187.97†	167.20J†	17.4J	17.7 J	—	14.4
Insulators—H.T.	Nos.	982,800	801,600†	—	197 T	119T	—	63,600
Insulators—L.T.	million Nos.	6.25	4.63	—	257 T	106T	—	0.54
Diesel engines—Vehicular	Nos.	8,712	7,812	9,492	858	897	10,46	879
Diesel engines—Stationary	Nos.	30,336	27,620	37,847	3,783	3,734	3,600	2,414
Chemical Industries—								
Salt	million mds.	85.14	80.41‡	80.61†	3.39	—	—	2.79
Caustic soda	metric tons	69,876	61,972	90,432	7,803	8,123	8,150	7,807
Soda ash	metric tons	95,328	86,984	129,848	13,252	12,183	12,746	7,372
Chlorine liquid	metric tons	24,780	22,157	28,857	2,537	2,768	2,705	2,491
Bleaching powder	metric tons	5,184	4,806	5,324	430	397	575	378
Bichromates	tons	4,332	3,513†	4,376†	450	450	—	413
Sulphuric acid	tons	292,164	234,345†	302,216†	30,000	30,000	—	26,621
Superphosphate	tons	—	—	—	23,480	24,000	—	21,917
Non-ferrous Metals—								
Aluminium	tons	17,249	14,200†	14,957K†	1,585 K	1,507 K	—	1,496
Antimony	tons	664	614	723K	71 K	51 K	75K	45
Copper (virgin metal)	tons	7,642	7,271	8,241K	747 K	780 K	730K	711
Lead (virgin metal)	tons	3,895	3,590	3,344K	279 K	320 K	370K	330
Gold	ozs.	165,312	151,166	4,102Kgs.†	428Kgs.	407Kgs.	—	14,982 ozs.
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	252,612	225,756	266,618†	21,778	21,525	27,785	23,970
Bicycles	Nos.	990,744	797,083	846,135†	77,305	84,810	—	78,011
Automobiles	Nos.	36,468	32,081	46,595	4,181	4,167	4,831	3,369
Cycle tyres and tubes	million Nos.	19.57	17.76	21.24	1.82	1.56	2.23	1.75
Motor tyres and tubes	million Nos.	2.26	2.05	2.39	0.21	0.19	0.26	0.20
Cigarettes	million Nos.	32,166	26,201†	30,976†	2,916	2,820	—	2,766
Plywood—Tea chests	million sq. ft.	98.68	83.11†	8,077S†	957S	531S	—	6.07
Plywood—Commercial	million sq. ft.	54.06	45.26†	3,724S†	176S	175S	—	3.59
Sheet glass	million sq. ft.	80.57	67.43†	65.61†	701	8.53	—	4.68
§Woollen manufactures—Worsted Fabrics	million yds.	15.04	9.45A	9.93A	—	—	—	1.10
§Woollen manufactures—Worsted Yarn	million lbs.	29.59	19.50A	18.56A	—	—	—	1.50
Footwear—Western type (Leather)	million pairs	4.14	3.74	4.83	0.45	0.32	0.49	0.36
Footwear—Indigenous type (Leather)	million pairs	4.10	3.61	3.42	0.33	0.23	0.40	0.39
Alcohol—Industrial	million Bulk galls.	12.72	11.35	55.33M	5.15 M	5.14M	4.03M	1.38
Alcohol—Power Absolute	million Bulk galls.	8.07	7.21	44.58M	2.79 M	2.65M	2.97	0.57
Railway Wagons	Nos.	10,044	9,380†	5,254†	318	495	—	963
General Index—(Base 1951=100 Revised)		151.9	149.8Z	167.6Z	168.6	173.3	—	160.1

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.

K—Figures in metric tons. Kgs=Kilograms. J=In million metres. S=In thousand square metres. M.=In million litres.

A.—Upto August only. † Upto October only. T—In tons. ‡ Upto September only Z—Average for the first ten months only.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	116	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	113	145
1959-60	105	96	119	126	75	156	116	124	161	98	106	125	131	152	135	91	117	146
January 1960	102	97	119	125	72	207	107	127	154	100	115	144†	131	168	135	96	123†	140
February „	105	98	121	123	80	196	113	127	156	94†	114	134	139	140	135	96	123†	146
March „	106	94	117	123	74	180	111	127	149	94†	113	141	141	132	135	98	123†	148
April „	108	91	121	123	76	184	119	127	147	102	113	154	144	130	140	108	125	148
May „	113	87	123	126	78	194†	126	127	145	108	113	193	139	129	140	117	125	148
June „	114	87	127	126	80	187	125	127	144	111	112*	187	146	128	140	113	126†	148
July „	115	92	130	132	89	207	126	127	148	111	112	155	150	130	140	107	129	148
August „	115	90	127	139	88	212	121	127	148	107	112	166	140	130	140	115	131	148
Sept. „	114	90	120	132	90	215	127	127	146	104	113	181	140	130	141	116	132	147
October „	111	90	125	137	91	216	117	127	142	116	114	225†	142	129	141	136	130	147
November „	106	90	126	135	92	218	111	127	141	120	111	282	139	130	141	142	129	147
December „	102	89	119	131	93	210	111	127	127	114	110	226	143	126	141	143	129	147
January 1961	99	91	114	132	94	208	108	127	120	113	111	248	151	125	141	155	128	147
February „	100	91	110	130	92	212	108	127	116	113	110	280	153	124	141	168	126	147

† Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	In Quintals of 100 kilograms
Bombay Island—		
Cotton Receipts	Week ended 11th May, 1961	35,900(J)
	Corresponding week, 1960	61,780(J)
	1st Sept. to 11th May, 1960-61	2,961,671*
	Corresponding period, 1959-60	1,979,476*
Cotton Exports	Week ended 11th May, 1961	35,880
	Corresponding week, 1960	9,481
	1st Sept., to 11th May 1960-61	366,535
	Corresponding period, 1959-60	201,956
Mill Consumption (Estimated)	1st Sept. to 11th May 1960-61	1,580,064 A.
	Corresponding period, 1959-60	1,555,422
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 11th May 1961	1,186,471
	Corresponding date, 1960	881,828
		In Bales of 392 lbs. nett.
Consumption of Cotton—		
Indian	January 1961	368,598
Foreign	January 1961	86,027
Indian	Five months ended Jan., 1961	1,640,198
Foreign	Five months ended Jan., 1961	544,674
Indian	Same Period 1960	1,976,286
Foreign	Same Period 1960	202,584
Stocks (Mills and Elsewhere)—		
Indian	As on 31st January, 1961	967,795
Foreign	As on 31st January, 1961	327,811
Indian	As on 31st January, 1960	998,328
Foreign	As on 31st January, 1960	166,255

Particulars	From 1st Sept. to 8th May 1960-61 In quintals of 100 kilograms	From 1st Sept. to 8th May 1959-60 In quintals of 100 kilograms
From Bombay Cotton Shipments to—		
United Kingdom	2,670	2,783
Continent	15,352	18,221
Hongkong	15,991	8,903
China	—	—
Japan	182,692	207,282
U.S.A.	2,490	12,369
Other countries	180	2,265
Total to all foreign countries	219,375	251,823
Coastal Ports	117,090 (a)	70,737(b)
Total	336,465	322,560

Particulars	Period	
		(Bales of 180 Kgs.)
Cotton Exports from Bombay (by sea)	During Jan., 1961	20,660
	During Jan., 1960	16,051
	1st Sept., to 31st Jan., 1961	55,891
	1st Sept., to 31st Jan., 1960	73,946
		(Bales of 392 lbs.)
Cotton Pressed in India † (In running bales)	Week ended 21st April 1961	—
	Corresponding week, 1960	91,261
	1st Sept., to 21st April 1960-61	1,959,751
	Corresponding period, 1959-60	2,205,921
Karachi (Pakistan)— Receipts	1st Sept. to 20th April 1960-61	823,137
	Corresponding period, 1959-60	900,772
Exports	1st Sept. to 20th April 1960-61	411,176
	Corresponding period, 1959-60	445,297

(J) By Rail and Sea. —Not Required. † Incomplete. A-Adjusted. * By Rail, Sea and Road. (a) From 1st Sept. to 31st March, 1961. (b) From 1st Sept. to 31st March. 1960

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	Week ended 6th May, 1961	29th April, 1961	7th May, 1961	7th May, 1960
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total**	101.1	101.1	101.3	101.3
2. Government of India	101.1	101.1	101.1	101.1
3. State Government	101.9	101.9	102.7	102.7
4. Municipal, Port Trust, etc.	99.7	99.7	100.0	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total**	100.5	100.5	101.3	101.3
PREFERENCE SHARES—ALL INDIA.				
6. **Total**	84.7	85.0	90.2	90.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. **Total**	179.1	178.9	170.4	170.4
8. *Agriculture and Allied Activities; Total**	172.9	174.5	173.3	173.3
9. Tea Plantations	168.8	170.8	167.4	167.4
10. Coffee Plantations	185.0	187.5	209.3	209.3
11. Rubber Plantations	170.2	170.0	182.7	182.7
12. *Mining and Quarrying: Total*	165.7	163.4	160.7	160.7
13. Coal	129.4	127.9	121.8	121.8
14. Other Mining	190.6	187.8	187.3	187.3
15. *Processing and Manufacturing: Total*	193.0	192.9	182.5	182.5
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†	195.9	196.1	180.9	180.9
17. Sugar	170.7	171.3	188.9	188.9
18. Cotton Textiles	162.9	163.0	146.5	146.5
19. Jute Textiles	92.2	93.4	93.4	93.4
20. Silk and Woollen	1103.3	1103.4	1020.2	1,020.2
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	206.1	204.7	194.2	194.2
22. Iron and Steel	171.6	169.2	162.8	162.8
23. Transport Equipment	401.3	400.9	392.0	392.0
24. Electrical Machinery	164.9	164.2	133.4	133.4
25. Machinery other than Transport and Electrical	219.7	219.6	207.4	207.4
26. Basic Industrial Chemicals	215.9	215.6	194.6	194.6
27. *Processing and Mfg. (Others): Total**	160.0	161.1	165.4	165.4
28. Cement	141.0	142.1	144.3	144.3
29. Paper	211.9	213.3	227.5	227.5
30. *Other Industries: Total**	108.5	108.9	111.3	111.3
31. Electricity Generation and Supply	80.3	80.1	84.3	84.3
32. Trading	125.6	127.1	121.1	121.1
33. Shipping and Other Transport	99.7	100.1	114.0	114.0
34. Construction	284.0	287.0	293.7	293.7
35. *Financial: Total*	192.1	189.4	167.8	167.8
36. Banks	216.1	212.7	183.8	183.8
37. Insurance	144.7	143.3	138.8	138.8
38. Investment Trusts	91.6	91.7	95.6	95.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	184.2	183.8	173.7	173.7
40. Calcutta	167.1	166.5	158.0	158.0
41. Madras	192.2	193.0	187.9	187.9
42. Delhi	241.4	239.3	226.1	226.1

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	January to December 1959R	1960	January 1960	1961
Exports	613,79	622,63	50,85	53,68
Re-exports	6,94	12,24	53	66
Total Exports	620,73	634,87	51,38	54,34
Imports	940,39	1,011,35	71,29	83,79
Overall Balance of Trade	–319,66	–367,48	—19,91	—29,45
Exports—				
Tea	126,01	120,04	10,17	12,49
Jute yarns and manufactures	110,75	141,92	7,67	11,04
Cotton yarns and manufactures	66,14	62,87	5,94	5,96
Metallic ores and metal scrap	34,04	38,25	2,95	3,38
Cotton, raw and waste	16,37	10,72	87	58
Oils—vegetable, mineral and animal	17,81	15,78	1,32	58
Fruits and vegetables	21,01	24,69	1,82	2,30
Tobacco	13,84	15,65	26	29
Mica	10,31	9,82	64	76
Wool and other animal hair.	12,22	8,67	76	44
Gums, resins and lac	7,95	8,74	73	81
Spices	10,15	17,65	2,57	1,34
Hides and skins, raw	11,01	10,66	1,36	59
Imports—				
Machinery of all kinds	205,83	232,74	16,42	28,21
Iron and Steel	85,11	110,83	7,57	7,41
Oils—vegetable, mineral and animal	82,93	83,76	5,62	6,95
Chemicals, drugs and medicines	88,32	86,09	7,65	8,25
Electrical goods and apparatus	54,16	53,62	3,88	4,75
Vehicles (excluding aircraft, ships and boats)	61,99	51,00	4,28	4,11
Cotton, raw and waste	34,77	75,15	3,42	6,33
Fruits and vegetables	16,52	18,83	2,17	2,88
Paper, pasteboard, etc.	10,22	11,71	1,24	1,20
Dyes and colours	9,59	12,20	75	1,79
Spices	2,52	2,19	22	13
Woollen and worsted fabrics	23	23	2	1
Cotton fabrics	1,19	79	8	4
Rice	11,42	18,66	1,63	..
Wheat and Spelt	134,93	103,51	5,13	1,05

R—Revised Figures.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1961					
21st Feb.,	2.00	—	2.00	2.650	99.335
22nd to 25th Feb.,*	1.02	2.00	1.02	—	99.356
28th Feb.,	2.00	2.00	2.00	2.750	99.310
8th Mar.,	2.00	2.00	2.00	2.750	99.310
14th March	2.25	—	2.25	2.750	99.315
15th to 17th Mar.*	0.05	2.00	0.05	—	99.331
20th Mar.,	2.00	—	2.00	2.750	99.310
21st to 25th Mar. *	0.70	2.00	0.70	—	99.331
27th Mar.	2.00	2.00	2.00	2.750	99.310
4th April	2.00	—	2.00	2.750	99.310
5th to 8th April*	1.60	2.65	1.60	—	99.331
11th April	2.00	—	2.00	2.750	99.315
12th to 15th April*	0.10	2.00	0.10	—	99.331
18th April	2.52	—	2.52	2.750	99.315
19th to 22nd April*	1.00	2.20	1.00	—	99.331
25th April	2.00	—	2.00	2.750	99.315
26th to 29th April*	2.55	2.00	2.55	—	99.331
2nd May	2.00	2.00	2.00	2.750	99.310
3rd to 6th May*	1.08	—	1.08	—	99.331
9 th May	2.00	2.00	2.00	2.750	99.310
10 th to 13th May*	0.65	—	0.65	—	99.331
16th May	2.25	2.00	2.25	2.750	99.315
Total amount outstanding	35.77	..	35.77		

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay June (1934=100)	Ahmedabad (1949=100)	Sholapur January (1928=100)	Kanpur (1949=100)	Nagpur (1949=100)	Calcutta August (1939=100)	Madras City (1949=100)	Delhi (1949=100)	Ajmer (1949=100)	Gauhati (1949=100)	Jamshedpur (1949=100)	Jabalpur (1949=100)	Bangalore (1949=100)
1958 Average	116	395	110	318	98	120	384	124	118	108	108	123	109	131
1959 ,,	121	412	125	340	96	132	384	133	120	106	98	125	108	140
1960 ,,	124	423	120	357	99	136	397†	143	120	107	103	120	109	146
February 1960	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March ,,	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April ,,	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May ,,	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June ,,	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July ,,	126	423	122	362	101	137	406	145	121	109	108	119	109†	146
August ,,	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept. ,,	125	418	122	364	101	138	403	146	122	108	102	122	108	147
Oct. ,,	125	421	123	365	102	137	396	148	122	108	105	119	108	147
Nov., ,,	124	423	121	367	102	135	392	150	121	110	102	122	108	147
Dec., ,,	124	419	120	362	100	134	385	151	121	110	102	121	108	148
January 1961	123	419	119	358	100	..	385	146	122	111	103	120	109	148
February ,,	123	420	..	350	..	..	..	..	123	111	103	121†	109	..
March ,,	124	423	..	..	..	..	..	..	124	111†	..	121†	109†	..

† Provisional

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% G Receipts	4% G Outstandings	15-Year Annuity Certificates G Receipts	Outstandings	Total Receipts	Total Outstandings H
1957-58	..	..	2,22	4,73	143,45	71,45	71,45	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	264,35	509,79
1958-59	3	2	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	635	11,68	67	2,41	286,27	590,08
1959-60	51	30	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,36
February 1960	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,27	41,64	1,05	20,79	6	2,86	25,71	644,99
March ,,	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41,29	41,68	96	21,76	6	2,90	43,47	667,36
April ,,	57	34	1,51	3,11	97,35	6,47	226,14	17,87	253,58	19,68	—41,35	41,58	1,63	23,16	9	2,98	26,16	670,00
May ,,	64	38	1,50	3,07	95,55	6,45	231,20	17,00	251,94	19,55	—41,41	41,50	1,06	24,19	5	3,01	24,67	672,58
June ,,	73	42	1,48	3,02	93,84	5,76	235,58	17,35	253,22	19,50	—44,46	41,41	84	25,05	5	3,04	24,13	677,38
July ,,	81	47	1,45	2,98	92,30	5,83	240,30	15,25	255,92	19,44	—41,49	41,32	1,11	26,09	4	3,07	22,36	684,15
August ,,	89	52	1,43	2,91	90,90	6,78	245,82	19,75	261,00	19,38	—41,54	41,21	1,17	27,23	9	3,14	27,92	694,43
Sept. ,,	98	57	1,41	2,84	89,45	7,16	251,77	18,76	265,34	19,28	—41,60	41,14	1,52	28,71	6	3,18	27,64	704,67
October ,,	107	62	1,39	2,79	88,02	7,05	257,63	16,90	267,22	19,20	—41,64	41,09	1,42	30,27	5	3,22	25,56	712,52
Nov., ,,	117	68	1,36	2,78	86,80	6,21	262,71	17,90	269,23	19,13	—41,67	41,02	1,49	31,73	5	3,25	25,81	719,81
Dec., ,,	129	74	1,32	2,67	85,42	6,75	268,19	19,04	272,04	18,98	—41,74	40,97	1,28	32,88	5	3,29	27,30	727,84
January 1961	141	80	1,29	2,62	84,20	6,47	273,41	18,08	274,29	18,89	—41,80	40,90	1,04	34,15	6	3,32	25,83	735,28
Feb.,	..	..	..	..	..	..	..	..	..	..	..	39,88	1,80	35,75	5	3,36	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of December 1960 amount to 11.83 crores of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1986-89	116,17,46,000	1963-65	98.65
3 % Loan	1950	80,33,10,000	1964	98.65
3 % Fg. Loan	1948	1,10,11,78,000	1966-68	95.80
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90.75
2½% Loan	1946	57,60,69,000	1961	99.50
2½% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,36,72,000	1962	98.55
3½% N. P. Bonds	1953	75,29,00,000	1961	100.00
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.90
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.95
3½% Loan	1956	1,07,27,36,000	1962	99.90
3¾% N. P. Bonds	1956	98,81,83,000	1967	99.00
3¾% Loan	1956	86,63,53,000	1974	99.60
3¾% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.50
4 % Loan	1957	49,17,27,000	1972	100.45
3½% Loan	1958	58,05,92,000	1963	100.10
3¾% Loan	1958	70,00,00,000	1968	98.70
3¾% Loan N.P.B.	1958	84,33,90,000	1968	100.50
4 % Loan	1958	49,51,44,000	1973	100.40
3½% Loan	1959	1,37,90,98,000	1969	98.70
4 % Loan	1959	81,06,38,000	1979	100.05
4 % Loan	1960	97,64,00,000	1980	99.90
3¾% Bonds	1960	82,66,00,000	1966	99.70
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	72.00
3 % Loan	1946	2,48,91,33,000	K.	73.20
STATE LOANS				
4 % Andhra	1955	5,90,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.80
4½% Andhra	1958	5,48,31,000	15th July 1970	101.00
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	97.75
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	98.35
3 % Maharastra	1949	5,29,97,000	1st Aug. 1962	98.50
3½% Maharastra	1951	2,82,97,000	17th Sept. 1962	99.80
4 % Maharastra	1953	5,10,80,000	15th July 1963	100.00
4 % Maharastra	1952	3,40,34,000	1st Aug. 1964	99.90
4 % Maharastra	1955	9,56,29,000	1st Sept. 1967	99.50
4 % Maharastra	1956	7,82,20,000	3rd Sept. 1970	99.25
4½% Maharastra	1957	6,57,23,000	16th Sept. 1969	101.20
4½% Maharastra	1958	6,58,21,000	15th July 1970	101.20
4½% Maharastra	1958	4,35,25,000	15th July 1971	101.20
4 % Maharastra	1959	6,58,13,000	19th Aug. 1971	99.00
4 % Maharastra	1960	10,00,00,000	29th Aug. 1969	99.50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,74,71,000	15th Oct. 1970	101.05
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	98.30
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	99.45
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.00
2½% Madras	1946	3,81,77,000	1st Sept. 1961	99.05
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.75
4 % Madras	1953	10,33,71,000	15th July 1963	99.90
4 % Madras	1952	5,24,31,200	1st Aug. 1964	99.90
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.60
4 % Madras	1956	13,33,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	101.10
4 % Madras	1959	5,72,72,000	19th Aug. 1971	98.00
4 % Madras	1960	12,00,00,000	29th Aug. 1969	98.35
4 % Mysore(f)	1933	2,95,35,200	1st Dec. 1953-63	101.40
3 % Mysore(f)	1936	5,99,78,000	30th Apr. 1956-61	99.80
4 % Mysore	1953	3,33,47,000	15th July 1963	99.80
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.40
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	101.10
4½% Mysore	1958	5,51,61,000	15th July 1970	101.10
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	98.35
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	99.50
4 % M.P.	1953	1,10,18,000	15th July 1963	99.40
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,30,000	15th July 1970	101.05
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97.50
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	98.00
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	98.85
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	98.85
4 % Kerala	1953	3,25,61,000	15th July 1963	99.00
4 % Kerala	1956	2,22,06,000	3rd Sept. 1968	98.10
4½% Kerala	1958	3,27,10,000	15th July, 1970	100.75
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.20
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.10
3½% U.P.Z.A.	1952	44,93,89,000	..	48.70Z
3½% U.P.	1936	1,55,31,000	15th Sept. 1961-66	92.25
2½% U.P.	1946	2,12,62,000	1st Sept. 1961	98.50
3½% U.P.	1951	1,36,22,000	17th Sept. 1962	99.70
4 % U.P.	1952	5,80,14,000	1st Aug. 1964	99.90
4 % U.P.	1953	5,58,25,000	15th July 1963	99.90
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.50

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	97.00
86,25,000	4	1914	1975	97.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,61,000	4	1924*	1966	
18,25,000	3½	1926*	1960	
85,00,000	3½	1929*	1959	D
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
43,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
96,24,300	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
50,00,000C	3††	1921	1981	82.00
68,02,300C	6‡	1921	1981	144.00N
60,00,000	4½	1931	1991	98.00
60,00,000	3¾	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2¾	1947	1977	79.50
50,00,000	3	1948	1978	88.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	91.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1963	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1989	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
STERLING LOANS				
£802,600	5	1923	1953-83	£63
£801,000	5	1924	1954-84	£63
£865,100	5½	1932	1962	£96½
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
9,86,000‖	3	1947	1977	
3,00,000‖	3	1949	1979	
45,00,000‖	4½	1954	1984	

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,50,000	15th July 1970	101.10
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	98.30
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	98.35
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	101.05
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,00,00,000	29th Aug. 1969	98.00
4 % Orissa	1956	2,09,34,000	3rd Sept. 1968	98.00
4½% Orissa	1958	2,28,58,000	15th July 1970	101.05
4 % Orissa	1959	3,83,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.00
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97.75
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.50
4 % W. Bengal	1953	2,50,23,000	15th July 1963	99.90
4 % W. Bengal	1955	7,56,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	101.10
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,00,00,000	29th Aug. 1969	99·00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.00
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-79	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£333,000		1910	1976	£95.50N
CALCUTTA				
Rs				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	91.75
50,00,000	3	1937	1962	96.00
20,00,000	3	1938	1962-68	91.75
30,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
26,00,000	4	1918-19	1974	97.00
10,00,000	5	1929	1959	113.00N
8,25,00,000	3½	1947	1977	86.50
2,13,14,500	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,34,000	3½	1951	1966	98.00
1,30,00,000	4	1952	1962	99.00
92,19,00,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.00
1,57,50,000	4	1956	1968	99.00
1,74,00,000	4½	1957	1968	99.50
4,75,00,000	4½	1958	1970	99.50
3,90,00,000	4	1959	1971	97.00
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1922	1962	108.00
33,91,000	3½	1925	1965	95.00
60,00,000	3	1936	1966	91.00
47,50,000	3	1938	1968	91.00
21,10,000	3½	1942	1972	92.00
56,33,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1965	97.25N
73,84,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. †† Rate of Interest reduced from 4 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6¼ to 4 per cent. with effect from 1st April, 1936. [illegible]—Interest free for first 12 years. ‖—Interest free for first 7 years. Z—Ex eight instalments but inclusive of accrued interest. K—On September 1963 [illegible] of Government after three months' notice.

22 MAY 1961 PUBLIC DEPARTMENT

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. I.—Interim Dividend. f—Dividend for first half of the year.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
17,33,200	9,11,732	38,69,225	22,51,328	3,251	Maganlal Bhagwandas & Co.	..	..	Ambika Silk Mills Co., Ltd.	143.00	100	15.00	12.00	12.00		12	Y.
50,00,000	....	1,14,24,372	44,03,340	—46,65,476	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.58	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,99,481	1,18,20,968	77,24,952	—13,00,519	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	42.00	100	*Nil*	*Nil*	*Nil*		8	Y.P.
2,50,98,000	3,56,27,968	11,03,32,121	5,45,36,135	65,826	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Z	63.50	25	2.50	2.50	3.50	3.50	12	Y.
10,00,000	30,76,210	86,14,262	52,94,709	64,016	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	122.00	50	15.00	7.50	5.00	5.00	3	Y.P.
2,03,91,500	4,09,76,495	10,53,72,338	4,62,73,738	2,31,912	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	620.00	100	22.00	22.00	31.50	30.00	12	Y.P.
26,00,000	29,15,005	1,21,99,369	78,24,358	75,815	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	135.50	100	12.50*	12.50*	7.50	11.00	3	Y.
28,00,000	26,12,714	97,68,522	63,68,559	3,64,674	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	125.00	50	7.50F	5.00	10.00	15.00	3	Y.
34,00,000	20,44,712	87,46,739	65,30,990	—14,81,027	Puranmal Bubna Sons	47,356	928	Edward Textiles	285.00	200	15.00	15.00(c)	18.00		12	Y.P.
29,98,050	41,95,692	1,61,80,826	87,15,263	1,06,104	B. L. Jalan, Esq. (Chairman)	46,700	886	Elphinstone Spg. & Wvg.	82.00	50	*Nil*	*Nil*	7.00	9.00	12	Y.
50,00,000	71,12,338	2,03,17,243	1,18,41,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	315.00xd	100	20.00	16.00	23.00	23.00	12	Y.
50,00,000	60,44,319	1,05,48,015	72,22,481	10,233	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	263.75	100	15.00	15.00	21.50	21.50	12	Y.
11,84,000 16,000	1,19,31,192	2,16,82,316	1,42,90,523	....	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	4,750.00xd 992.50	1,000 250	350.00* 87.50*	350.00 87.50	350.00(c) 87.50(c)	500.00 125.00	3	Y.P.
1,00,00,000 50,00,000	3,38,578	5,10,28,798	3,68,18,422	—19,79,270	Agarwal & Co.	2,47,092	5,984	India United Mills	15.52 1.98	0 10O. 0 1D.	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		12	Y.
18,30,000 70,000	91,23,291	1,84,94,644	1,39,55,204	10,633	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	2,150.00 1,050.00N	1,000 500	325.00* 162.50*	325.00 162.50	200.00(c) 100.00(c)	232.00 116.00	3	Y.P.
59,85,000	82,79,165	3,76,13,105	2,68,91,560	38,751	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	527.50	100	10.00(c)	10.00	16.00	32.00	6	Y.P.
1,00,00,000	1,02,16,719	4,18,29,168	3,03,39,130	20,794	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	309.50	100	18.00	10.00	9.50	15.00	12	Y.
46,47,350	43,32,220	1,51,49,443	75,23,486	32,765	*N. Sirur & Co. Private Ltd.*	49,200	644	Modern Mills	87.30	50	5.00'C'	3.00	5.00	6.00	10	Y.
51,75,000	50,69,550	3,02,81,993	2,16,99,596	42,652	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	356.00	100	14.00(c)	15.00	21.50	21.50	6	Y.P.
1,41,11,320	1,83,27,010	12,92,52,259	6,02,53,132	4,41,151	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	527.50	100	14.00	14.00	22.00	22.00	12	Y.P.T.
24,00,000	11,16,337	83,71,833	48,70,077	—11,98,634	M.	45,944	480	New City of Bombay Mfg.	150.00	100	5.00	*Nil*	*Nil*		12	Y.
30,00,000	77,589	1,10,42,353	63,37,035	—10,72,122	Sahu S. P. Jain, Esq. (Chairman)	49,012	963	New Great Spg. & Wvg.	205.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
48,00,000	54,85,829	1,81,28,534	1,22,58,132	2,82,604	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	142.50	100	12.50F	10.00	10.00	15.00	3	Y.
45,00,000	42,97,687	80,65,529	31,95,108	16,195	Podar Sons Private Ltd.	32,600	930	Podar Mills	148.00	100	10.00	18.00*(c)	12.00*		12	Y.P.
75,00,000	19,70,000	1,69,60,794	81,75,000	57,378	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	117.00	100	..	8.00	11.50		12	Y.P.
10,00,000	....	29,94,246	16,74,307	—1,52,005	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.48	10	0.25	*Nil*	*Nil*		12	Y.
75,29,780	1,29,08,292	3,17,23,074	1,82,17,621	24,984	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	53.80	10	2.00	2.00	2.50	1.70	12	Y.
90,00,000	64,91,229	1,90,85,953	83,85,241	56,379	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	264.00	100	8.00	10.00	15.00	18.00	12	Y.P.
50,40,000	15,53,956	2,27,78,338	1,00,86,574	—3,49,633	M.	49,840	1,114	Simplex Mills	187.00	50	8.50	8.50	5.00(c)	7.50	3	Y.T.
1,09,75,000	2,81,20,905	4,60,68,465	2,50,81,920	1,37,718	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	1,502.00	100	22.50*	20.00	29.00*	30.00	12	Y.P.
1,00,00,000	96,94,067	3,16,61,974	1,74,64,096	1,506	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	267.50	100	9.00	10.00	14.00		12	Y.P.
86,00,000	85,68,509	2,11,42,441	1,21,58,892	26,062	James Finlay & Co., Ltd.	40,328	550	Swan Mills	570.00xd	100	25.00	25.00	36.00	36.00	12	Y.
65,57,875	50,22,987	2,58,77,176	1,04,22,689	17,925	*Tata Industries Private Ltd.*	61,572	1,775	*Tata Mills*	57.00	25	2.00	1.50	2.50		12	Y.T.
16,00,000	64,52,368	1,08,96,173	64,84,479	76,869	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	375.00	100	23.00*	20.00*	20.00		12	Y.P.
12,00,000	98,16,000	1,93,55,000	1,24,96,000	....	K. M. D. Thackersey, Esq. (Chairman)	54,664	1,262	Western India Spg. & Mfg.	3,725.00	1,000	325.00	325.00	325.00(c)	324.80	12	Y.P.
AHMEDABAD																
40,00,000	37,96,894	2,09,06,549	90,57,515	12,482	Tata Industries Private Ltd.	49,168	1,016	Ahmedabad Advance Mills	155.00	100	5.00	5.00	4.90(c)	10.00	6	Y.P.T.
20,00,000	97,23,117	1,52,08,567	87,79,332	....	Hutheesing Sons & Co.	44,220	920	Aruna Mills	425.00	100	25.00	25.00	25.00'C'		12	Y.P.
60,00,000	2,95,20,296	2,85,00,200	1,40,42,800	1,58,812	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,711.00	100	35.00*	28.00'C'	40.00		12	Y.P.
26,40,000	45,04,840	1,24,95,613	83,06,442	58,595	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	465.00	200	*Nil*	25.00'C'			12	Y.P.
20,00,000	1,27,06,477	1,51,11,023	73,11,050	....	Lalbhai Dalpatbhai & Co.	87,368	915	Asoka Mills	522.50	100	30.00	20.00'C'	25.00		12	Y.P.
1,06,25,000	2,91,51,534	7,72,08,320	3,80,53,664	21,88,804	Karamchand Premchand Pvt. Ltd	1,39,120	2,380	Calico	1,117.00	125	30.00	25.00	22.00	31.00	3	Y.P.
68,00,000	27,76,707	1,57,37,865	1,12,77,222	6,366	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	580.00	250	25.00*	27.00*	36.00		12	Y.P.
70,28,125	2,73,28,620	2,77,73,126	1,39,35,503	2,25,726	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	2 090.00	125	30.00	35.00*	55.00*	60.00	12	Y.
15,00,000	63,45,614	83,34,671	44,35,941	....	*Jagabhai Bhogilal Nanavaty & Co.*	25,560	572	Nutan Mills	390.00	100	20.00	20.00	25.00		12	Y.P.
20,00,000	96,88,684	1,29,66,798	76,85,644	....	Lalbhai Dalpatbhai & Co.	32,828	640	Raipur Mfg.	1,000.00	100	35.00*	25.00'C'	35.00		12	Y.P.
48,75,000	28,78,557	1,49,91,318	85,09,780	14,294	Rohitbhai Chinubhai, Esq. (Chairman)	33,156	648	Rohit Mills	216.25	100	8.00*	8.00*	10.00		12	Y.P.
63,75,900	3,20,28,997	2,64,83,630	1,60,59,340	2,86,897	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,314.00	100	25.00	30.00*	45.00	50.00	12	Y.P.
85,00,000	89,43,859	1,84,94,632	92,66,120	25,810	Haridas Ashratlal & Co., Ltd.	41,056	780	Vijaya Mills	680.00	500	40.00*	40.00*			12	Y.P.
WEST BENGAL																
15,00,000	2,89,480	40,13,953	26,20,603	....	Calcutta Agency Private Ltd.	13,044	856	Basanti Cotton Mills	7.87	10	0.60	0.50	*Nil*		12	Y.P.T.
7,11,280 1,30,620 1,70,000	2,44,733	89,51,451	62,49,897	—3,26,098	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	*Nil*	*Nil*	*Nil*	3	Y.P.
24,00,000	5,14,800	1,26,22,986	56,02,346	60,410	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	202.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
28,50,000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	29.12	10	*Nil*	*Nil*	1.00		12	Y.T.
50,08,000	14,21,548	96,46,603	46,96,603	21,280	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	15.94xd	10	0.50	0.65	0.80	1.00	12	Y.T.
60,00,000	2,07,51,444	4,18,09,599	1,42,09,599	76,764	*Birla Brothers Private Ltd.*	75,040	1,992	Kesoram Cotton Mills	32.37	10	0.75	0.25	0.25		3	Y.P.
19,47,750 5,00,000	78,492	50,99,822	32,33,579	—5,21,450	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	10.12N 2.37N	10 1D	1.00 0.15	0.50 *Nil*	*Nil* *Nil*		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,92,692	6,52,869	79,93,474	16,45,263	59,147	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	10.75cd	10	*Nil*	*Nil*	*Nil*	0.80	12	Y.P.T.
30,00,000	2,25,000	85,28,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	130.00	100	6.00	6.00	11.00		12	Y.P.
11,98,600	4,50,000	49,07,709	26,15,654	3,044	Setna & Co.	25,984	..	Asher Textiles Ltd.	204.05	100	12.50	6.00	6.00	12.50	6	Y.
72,00,000	20,55,192	2,04,53,847	68,19,240	2,951	The Industries (I.F.) Department, Government of Andhra Pradesh	36,136	725	Azam Jahi Mills	73.00	100	3.50	*Nil*	4.00	4.00	9	Y.
21,50,000	1,64,86,667	3,98,24,324	3,21,04,350	2,49,477	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	200.00	100	10.00'C'	10.00	10.00	10.00	12	Y.P.
33,25,000	....	....	....	....	..	..	..	Baroda Rayon Corporation	122.00XR	100	..	..	..	..	12	Y.
35,00,000	78,10,478	1,66,23,840	1,20,16,290	83,509	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	20.00	10	1.50	0.75	*Nil*	1.00	8	Y.
78,47,800	3,51,04,379	8,62,84,184	5,14,76,331	2,17,300	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	213.00	100	10.00	10.00	10.00	10.00	12	Y.P.T.
20,00,000	13,500	51,23,580	26,05,678	—2,79,050	*G. Sam & Co.*	37,536	4	Cambodia Mills	9.60	10	0.50(c)	*Nil*	*Nil*		12	Y.P.
15,00,000	5,29,816	53,92,782	33,76,104	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	152.00	100	20.00	12.50	15.00	17.00	3	Y.
30,00,000	41,96,806	85,69,419	69,13,685	56,518	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	8.37	5	0.25	*Nil*	*Nil*	0.36	12	Y.
9,41,068	6,61,000	68,26,050	33,32,807	15,034	C. R. Srinivasan, Esq. (Chairman)	81,200	..	Cauvery Spg. & Wvg. Mills Ltd.	13.25	10	0.90	0.90	0.90	1.30	3	Y.P.
35,99,600	31,66,212	1,21,98,355	51,67,340	....	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	164.00	100	9.00'C'	6.00	6.00	12.00	12	Y.
17,65,300	4,06,710	49,14,591	26,55,487	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	116.00cd	100	7.50	*Nil*	7.50		12	Y.P.
20,00,000	22,73,372	1,05,80,523	59,63,225	14,352	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills	350.00cd	100	20.00	20.00	25.00	16.00	12	Y.P.
20,76,900	5,076	1,35,77,639	89,09,085	—12,57,670	A. V. Srinivasalu Naidu, Esq. (Ch.)	70,268	807	Coimbatore Spg. & Wvg.	54.00	50	*Nil*	*Nil*	*Nil*		12	Y.
16,87,500	10,75,722	4,64,86,662	1,50,60,898	—90,16,850	Tata Industries Private Ltd.	1,15,188	2,064	Central India	112.00	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
29,66,711	28,72,302	1,21,27,978	57,71,091	9,000	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	116.50	100	9.00	9.00	9.00	12.00	3	Y.
88,36,225 1,00,563	4,64,48,622	14,46,03,946	8,37,58.780	2,72,401	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	43.50	25 2½	2.00 0.10	2.00 0.16	2.50† 0.25†	2.50 0.30	6	Y.P.T.
48,60,000	28,68,832	1,87,35,118	68,42,301	....	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	213.00	100	10.00'C'	10.00	17.50	17.50	12	Y.
33,00,000	1,40,58,814	2,18,31,287	1,58,72,559	88,973	The British India Corporation Ltd.	48,452	1,194	Elgin Mills	19.06	10	1.00	0.75	1.15	1.15	9	Y.P.
18,81,000	45,23,948	2,21,45,453	1,07,14,102	21,125	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	186.00	100	8.00	8.00	6.00	14.00	12	Y.
40,00,000	56,44,510	1,28,49,778	85,83,203	24,751	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	265.00	100	10.00	10.00	16.00		12	Y.
50,00,000	2,39,47,000	6,42,53,528	4,12,24,000	20,81,106	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	48.25	10	*Nil*	*Nil*	1.00	2.00	3	Y.P.
78,86,500	....	7,35,878	....	—76,663	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	63.00	62.50	..	..	..	*Nil*	3	Y.P.
30,00,000	1,96,680	1,64,52,347	1,21,05,123	....	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	145.00	100	6.00	5.00(c)	7.00		12	Y.
8,90,000	6,18,770	36,26,185	22,28,141	—5,61,231	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	62.00	50	8.00	*Nil*	*Nil*		12	Y.
15,54,000	11,26,682	66,77,134	35,48,865	....	Bhairuratan Damani, Esq. (Managing Director)	21,176	512	Jam Shri Ranjitsinghji	1,500.00	1,000	40.00	*Nil*	*Nil*	60.00	6	Y.
15,00,000	80,48,856	4,87,56,355	1,21,12,213	52,757	Padampat Singhania, Esq.	45,000	1,000	J. K. Cotton Spg. & Wvg.	18.94	10	..	..	0.90		12	Y.P.
16,91,930	14,18,017	85,21,820	45,81,221	....	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	12.62cd	5	1.25	0.75	0.75	0.75	12	Y.
38,65,300	3,07,35,097	4,65,60,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	12.00	10	0.35	0.25	0.07		3	Y.P.
17,20,000	27,51,985	1,84,63,402	65,64,246	44,107	Kothari & Sons	67,192	300	Kothari Textiles	13.05cd	10	1.00	*Nil*	1.00	1.00	12	Y.P.
12,00,000	54,54,182	2,00,14,262	1,54,85,274	41,503	Pratapsinh Mathuradas Esq. (Ch.)	51,908	1,243	Lakshmi Cotton Mfg.	537.50	250	15.00	15.00	25.00	25.00	12	Y.P.
71,00,000 35,50,000	83,80,960	3,08,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	162.00 81.25	50 25	10.00 5.00	6.00 3.00	6.00 3.00	10.00 5.00	3	Y.
18,00,000	1,56,62,460	2,47,84,641	1,56,95,403	5,916	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	880.00	100	15.00	18.00	29.00*	30.00	12	Y.P.
75,02,480	4,63,35,125	6,70,44,167	4,43,21,884	7,21,441	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	36.30	15	2.25	*Nil*	1.875	2.25	12	Y.
30,00,000	29,59,000	68,45,576	51,49,267	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,656	608	Mettur Industries Ltd.	399.00	100	20.00	20.00	25.00	30.00	3	Y.
19,80,884	5,71,940	1,05,10,931	50,74,411	....	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	69.56	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
24,91,850	21,56,148	1,71,94,769	78,81,528	1,85,008	M.	52,408	952	Model Mills (Nagpur)	35.00	250	..	..	..		6	Y.
19,78,100	44,97,618	1,17,73,699	69,84,817	24,962	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	68.30	50	9.00*	5.00	5.00	7.00	2	Y.P.
11,50,000	48,76,391	66,34,980	44,19,186	1,368	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	216.25	100	*12.00*	*12.00*	*12.00*		12	Y.P.
63,00,100	....	2,37,94,145	1,20,34,420	—37,45,965	*B. Patnaik & Co. Private Ltd.*	47,728	864	Orissa Textile Mills Ltd.	9.40	10	*Nil*	*Nil*	*Nil*		3	Y.P.
17,23,800	19,78,217	1,77,24,075	67,40,513	....	Bansilal Bissesardas Pvt. Ltd.	37,788	902	Osmanshahi Mills	63.00	100	*Nil*	*Nil*	*Nil*		9	Y.
4,00,000 6,00,000	16,56,928	78,14,710	36,35,788	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	250.00 800.00	50A 75B	9.00 13.50	10.00 15.00	15.00 22.50		12	Y.P.
5,00,000	....	37,30,105	19,70,043	—21,28,862	..	27,980	..	Pankaja Mills Ltd.	58.00	100	*Nil*	*Nil*			12	Y.
3,10,600	18,67,447	1,10,86,808	66,04,805	2,661	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	30.75	25.00	3.00	1.50	2.25		12	Y.
3,21,000	27,92,826	1,33,48,969	64,52,254	600	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	101.00	100	*Nil*	*Nil*	*Nil*	7.00	12	Y.
9,96,977	36,16,655	99,75,652	48,91,736	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	79.80xd	50	4.50	3.00'C'	3.75	6.00	12	Y.P.
6,14,300	17,87,061	63,66,578	27,79,402	....	Ramco Agencies Private Ltd.	36,036	..	Rajapalayam Mills	131.50	100	12.00	8.00	6.00(c)	9.00	3	Y.
5,36,890	2,69,111	83,59,281	50,04,126	....	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	224.00	100	16.00	10.00	16.00	23.00	3	Y.
2,33,300	13,62,109	56,78,717	31,08,738	7,071	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	123.50	100	10.00	10.00	10.00	15.00	12	Y.
0,00,000	6,98,527	54,79,563	33,71,779	3,264	S. R. P. Ponnuswamy Chetty & Sons.	25,088	..	Sivanandha Mills Ltd.	28.25cd	10	1.20	1.50	2.20		12	Y.
0,00,000	....	....	....	....	M.	..	..	South India Viscose Ltd.	160.00	100	..	..	..	..	12	Y.
3,17,124	6,47,786	45,36,078	12,84,344	....	K. Ramchandran, Esq. (Mg. Director)	16,516	..	Sri Kannapiran Mills Ltd.	8.95xd	10	1.00	0.60	1.00	..	12	Y.
6,69,700	23,00,037	1,01,95,864	72,23,021	30,822	D. B. Viswambhariah, Esq. (Mg. Director)	42,924	340	Sri Krishnarajendra Mills	70.00	50	7.00	4.50	4.00	5.50	3	Y.
5,02,500	9,69,325	58,07,042	29,96,235	13,876	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	47.75cd	50	2.00	*Nil*	2.50	..	12	Y.
5,00,000	3,99,30,629	1,17,10,444	91,98,176	3,97,888	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	104.00	10	6.00	6.00	6.00	8.57	8	Y.
7,50,000 7,50,000	2,42,28,071	6,42,05,504	1,96,78,129	9,04,812	M.	1,12,216	2,090	Swadeshi Cotton (Kanpur)	12.00 9.25	100. 10P.O.	0.75 1.15	*Nil* 0.40	*Nil* 0.571		12	Y.P.
3,78,210	1,20,000	46,55,675	7,75,459	22,842	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	11.25	10		*Nil*	*Nil*	0.80	8	Y.P.
2,08,065	70,91,584	4,47,94,206	2,70,17,829	2,29,084	Rmcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	88.30	10	1.00	1.25	2.00		12	Y.P.T.
1,98,730	9,05,000	22,95,738	15,76,070	2,897	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11.55	10	0.90	0.75	1.25	1.35*	12	Y.
1,08,000	43,50,000	1,06,38,923	62,58,598	91,696	R. K. S. Chetty & Brothers	44,424	270	Vasanta Mills	238.00	100	12.00	12.00	16.00	20.00	12	Y.P.
1,10,940	3,98,626	24,95,648	13,64,648	—2,74,043	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	51.00cd	50	2.25	3.00	5.00		12	Y.P.
1,00,000	10,67,831	1,94,58,806	1,41,27,622	—10,24,524	Pratapsinh Mathuradas Esq. (Ch.)	49,880	1,369	Vishnu Cotton	132.00	100	*Nil*	*Nil*	*Nil*	5.71	12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957. Z—Bombay Dyeing & Mfg. Co., shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable. 'O'—On increased Capital. ‡ On Old Capital.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	64,81,970	1,47,43,249	50,81,902	36,065	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.69	10	0.25	0.25	0.50	1.00	3	Y.P.T.
6,00,000	13,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	198.00	100	10.00	10.00	15.00		12	Y.P.T.
30,00,000	5,43,950	1,41,02,378	1,01,60,589	1,16,925	McLeod & Co., Ltd.	1,264	Alliance	88.00	100	Nil	Nil	Nil	6.00	5	Y.P.
49,20,700	85,41,000	2,63,90,624	1,74,73,587	2,26,168	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	197.00	100	7.00	10.00	12.50	20.00	3	Y.P.
40,00,000	21,83,168	1,36,05,736	76,49,894	34,111	Bird & Co. Private Ltd.	810	Auckland	156.00	100	Nil	5.00	20.00	27.00	3	Y.P.T.
20,00,000	34,58,528	1,46,13,222	77,61,622	28,486	Birla Brothers Private Ltd.	959	Bally	232.00	100	2.00	6.00	10.00	25.00	3	Y.P.
£275,000	£803,923	£1,601,226	£1,065,825	—£92,399	Sir John H. Burder (Chairman)	1,889	Barnagore	128.00	£5	Nil	Nil	10sh.	£1.10sh	3	Y.P.
28,00,000	30,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	177.00	100	2.50	7.50	13.50		12	Y.P.
45,00,000	26,91,700	70,48,057	40,86,203	1,33,355	Soorajmull Nagarmull	600	Bengal	10.00	10	Nil	0.50	0.50	0.50	6	Y.P.T.
91,26,000	2,82,25,130	7,34,86,439	2,26,35,926	98,079	Birla Brothers Private Ltd.	1,378	Birla	37 31	10	1.00	1.00	1.00	1.50	3	Y.P.
36,00,000	27,72,236	1,36,96,070	70,34,785	34,192	Andrew Yule & Co., Ltd.	991	Budge-Budge	126.00	100	Nil	5.00	15.00	10.00	10	Y.P.
7,43,380	4,000	45,02,280	35,10,243	—1,47,560	Dayaram & Sons	502	Calcutta Jute Mfg.	7.25	10	Nil	Nil	Nil		12	Y.P.T.
18,00,000	29,05,059	92,72,655	5,10,612	6,22,941	M.	616	Caledonian	150.00	100	Nil	15.00	12.00	12.00	11	Y.P.
59,16,400	81,81,976	2,17,74,524	1,17,06,511	1,66,730	James Finlay & Co., Ltd.	600	Champdany	108.00	100	Nil	Nil	7.00	10.00	3	Y.
15,95,000	23,19,096	86,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	15.75	10	Nil	5.00	12.50‡		11	Y.P.
30,15,000	39,53,900	1,20,98,261	66,66,975	39,326	McLeod & Co., Ltd.	500	Chitavalsah	12.20xd	10	1.10	1.25	1.50	0.50	7	Y.P.T.
24,00,000	9,00,000	82,12,030	61,31,208	—3,09,256	M.	969	Clive	9.00	10	Nil	Nil	Nil	Nil	3	Y.P.
31,49,200	13,05,418	1,06,95,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	121.00	100	Nil	Nil	Nil	1.00	3	Y.P.T.
22,00,000	41,39,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	177.00	100	Nil	6.00	14.00		11	Y.P.
15,00,000	38,62,000	1,14,03,496	74,72,740	70,285	McLeod & Co., Ltd.	500	Empire	18.79xd	10	0.75	1.00	1.25	1.25	7	Y.P.T.
63,00,000	83,65,824	3,41,69,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	317.00	100 Old	10.00	20.00	20.00	25.00		Y.P.T.
21,00,000	19,81,948	1,82,23,398	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	25.19	10	1.50	1.50	1.50	2.25	3	Y.P.T.
84,32,100	5,16,898	2,24,66,716	1,48,00,882	56,859	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	10.12	10	Nil	Nil	Nil	1.00	3	Y.P.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd.	40.00	10	2.00	2.00	4.00		12	Y.T.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	403.00	100	2.50	20.00	25.00	30.00	3	Y.P.
40,00,000	31,69,633	1,33,64,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	119.00N	100	5.00	5.00	6.00	6.00	3	Y.P.
16,80,000	25,26,234	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	19.25	10	Nil	Nil	0.60	1.00	3	Y.P.
65,62,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	20.75	10	Nil	Nil	1.00	1.25	3	Y.P.T.
52,50,000	38,25,000	3,18,43,014	1,77,68,014	1,68,175	Ramdutt Ramkissendas	2,272	Hukumchand	21.62	7.50	1.50	1.50	1.50	2.15	3	Y.P.
87,30,000	21,78,965	1,74,80,629	1,00,24,542	4,94,235	M.	790	India	16.00	12.50	9.37	15.62‡	1.24	1.75	3	Y.
24,00,000 / 'B'19,20,000 }	27,20,329	2,00,48,588	1,40,57,698	39,774	Jardine Henderson Ltd.	1,797	Kamarhatty	{ 161.00 / 160.00	100 / 'B' 100	Nil / Nil	5.00 / 5.00	20.00 / 20.00	5.00 / 5.00	} 12	Y.P.T.
30,00,000 / 'B'24,00,000 }	....	1,78,03,394	1,19,38,288	—14,78,469	Jardine Henderson Ltd.	1,527	Kanknarrah	76.50 / 75.50	100 / 'B' 100	Nil / Nil	Nil / Nil	Nil / Nil	Nil / Nil	} 12	Y.P.T.
28,00,000	52,06,000	1,51,65,797	1,03,30,320	1,21,384	McLeod & Co., Ltd.	703	Kelvin	146.50	100	9.00	12.50	14.00'C'	15.00	5	Y.P.
54,00,000	23,62,520	2,16,94,951	1,32,38,782	74,405	Anderson Wright Ltd.	1,530	Khardah	17.62	10	0.80	0.80	2.00	2.00	3	Y.P.
59,80,150	42,30,583	1,99,43,494	1,24,97,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	154.00	100	Nil	5.00	10.00	20 00	3	Y.P.T.
24,48,000	10,76,201	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	117.00	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	11,08,592	69,04,728	41,03,722	10,530	Bird & Co. Private Ltd.	840	Lawrence	158.00	100	Nil	Nil	2.00	15.00	3	Y.P.
31,65,200	34,63,931	2,70,91,429	1,55,68,005	56,999	M.	1,294	Megna	11.37	10	0.50	1.75	1.00	1.20	3	Y.
29,98,900	34,36,392	1,64,53,185	94,33,205	—11,60,635	M.	315	Naihati	82 00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	11,70,743	36,49,563	26,69,250	8,646	Howrah Trg. Co. Private Ltd.	425	Naskarpara	12.13	10	0.25	0.25	0.375		10	Y.T.
25,00,000	43,02,820	56,05,156	17,63,130	20,257	M.	352	National	20.50	10	0.75	0.75	1.00		10	Y.P.
26,25,000	32,36,172	68,66,663	32,12,580	43,020	McLeod & Co., Ltd.	316	Nellimarla Jute	10.39xd	10	0.90	1.00	1.40	0.30	7	Y.P.T.
1,70,82,810	2,27 33,274	9,80,93,375	1,36,54,171	...	Sahu Jain Ltd.	1,765	New Central	19.94	10	..	1.50	1.50'C'	1.50	2	Y.P.T.
16,79,880	38,39,763	1,21,33,607	71,21,536	27,631	Bird & Co. Private Ltd.	567	Northbrook	27.50	10	Nil	Nil	1.25	3.00	3	Y.P.T.
66,79,500	38,53,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	46.25	50	Nil	2.50	3.00	4.00	3	Y.
25,00,000	11,41,170	1,06,08,633	75,93,215	23,417	McLeod & Co., Ltd.	400	Presidency	5.19	5	0.30	0.37½	0.50	0.40	7	Y.T.
20,00,000	42,629	38,96,467	12,06,768	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.87	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	14,07,546	1,24,96,816	66,97,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	6.25	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£488,130	£1,484,376	£840,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	9.50N	£1	Nil	5%†	10%†		12	Y.P.
30,00,000	19,67,300	1,24,50,559	91,65,668	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	24.37	10	0.50	0.50	0.60		3	Y.P.
14,00,000	13,85,050	75,14,520	54,32,384	21,730	Hindustan Investment Corpn. Ltd.	401	Soorah	22.12xd	10	1.50	1.50	2.50	2.50	12	Y.P.
£600,000	£421,784	£1,270,961	£733,019	£48,817	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.50N	£1	Nil	3%†	10%†		12	Y.P.
85,98,600	87,29,990	89,38,439	50,59,464	35,993	Bird & Co. Private Ltd.	1,826	Union	192.00	100	Nil	15.00	20.00	25.00	3	Y.P.T
£400,000	£279,697	£1,282,678	£601,723	£31,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9.50N	£1	3%†	5%†	10%†		12	Y.P.
2,50,000	6,70,000	32,62,805	45,58,966	1,94,094	McLeod & Co., Ltd.	447	Waverley	4.75	1	Nil	Nil	0.25	0.30	5	Y.P.T.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
10,96,990	4,16,136	17,25,120	3,38,737	3,842	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	16.60	10	1.75*	1.75	1.50	1.50	3	Y.P.
18,00,000	18,91,207	79,01,776	12,65,987	2,83,908	Kothari & Sons (Ags.) Pvt. Ltd.	1,329	Bine Mountain	3.10	2	0.25	0.25	0.25	0.25	6	Y.
5,50,000	5,09,091	16,46,405	3,40,184	18,687	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.73	2	0.30	0.24	0.24	0.20	6	Y.P.
14,00,100	11,19,898	26,32,979	3,15,911	1,38,960	Peirce, Leslie & Co., Ltd.	1,886	Chembra Peak Estates	3.83	2	0.40	0.20	0.30	0.40	3	Y.
5,66,420	12,20,975	23,20,475	1,95,657	32,568	Matheson Bosanquet & Co. Pvt. Ltd	302	Coonoor Tea	26.12	10	2.60	2.00	2.00	1.75	9	Y.P.
4,80,000	4,76,798	12,48,672	2,12,224	2,860	Srinivas Agencies	441	Coorg Tea	5.70cd	2	0.30	0.40	0.40	0.40	3	Y.P.
6,00,000	4,82,155	12,25,902	2,38,531	1,259	R. A. Jenkins, Esq. (Mg. Director)	344	Devashola (Nilgiri) Tea	30.30	10	1.75	2.50	2.50		12	Y.
6,74,630	3,25,933	10,81,247	2,39,577	4,312	Young India Agencies Private Ltd.	465	Devon Tea	14.37	10	1.75	1.75	1.50	1.50	3	Y.P.
5,00,000	1,26,500	4,04,217	65,265	2,027	Parkins Private Ltd.	198	Emerald Valley Estates	6.00	5	0.30	0.30	0.40		12	Y.
25,00,000	17,77,500	47,06,209	9,26,271	1,765	Parkins Private Ltd.	1,405	Halleyburia	14.37	10	1.50'C'	2.00	1.25'C'		12	Y.P.T.
6,00,000	7,65,696	14,87,744	3,33,344	48,233	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	4.70	2	0.30	0.25	0.30		3	Y.T.
17,17,076	12,12,245	33,15,743	5,71,179	15,600	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	5.05	2	0.30	0.30	0.70	0.50	10	Y.P.
3,45,000	5,10,000	11,44,306	96,790	306	Ipe Oommen & Co. Pvt. Ltd.	800	Kurchermala Plant. Ltd.	4.27	10	0.75	0.625	0.90	Nil	3	Y.P.
5,00,000	1,20,556	9,61,424	78,059	37,130	Matheson Bosanquet & Co. Pvt. Ltd.	267	Lucky Valley	13.25cd	10	1.00	1.00	1.00	1.00	12	Y.
3,50,000	26,500	3,21,218	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd	255	Manar Estates Ltd.	2.70	2	0.18	0.24	0.10		3	Y.
3,00,000	6,23,100	12,48,190	2,38,717	1,418	Bapon Thomas, Esq. (Mg. Director)	524	Mamaliay	35.12	25	4.50	3.75	5.00		3	Y.P.
36,00,000	21,32,850	81,96,144	14,03,832	5,225	A. V. Thomas & Co. (India) Ltd.	2,039	Nealamalai	4.42	5	0.37	0.37	0.37	0.37	3	Y.P.
12,00,000	6,27,688	27,51,637	5,74,549	5,656	A. V. Thomas & Co., Ltd.	1,648	Nelliampathy	2.40	2	0.40	0.30	0.20	0.28	6	Y.P.
14,06,250	7,45,346	39,87,155	6,33,251	26,790	A. V. George & Co., Ltd.	1,628	Nilgiri Tea	8.53	10	0.75	0.60	0.50	0.80	3	Y.P.T.
28,10,000	9,22,309	32,15,349	2,63,595	35,375	Harrisons & Crosfield Ltd.	838	Nonsuch Tea	26.00	10	2.00	3.50	2.00		6	Y.
14,88,960	17,58,325	32,40,907	5,53,242	47,411	Mr. P. S. M. Molyneux (Chairman).	579	Parkside	28.65	10	1.75	2.50	2.75	2.75	6	Y.
6,00,000	3,06,234	3,47,69[illegible]	63,133	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninsular Plantations Ltd.	21.35	10	2.50	1.50	2.00		2	Y.
17,00,000	11,57,787	43,52,475	15,91,546	37,065	Aspinwall & Co. (Travancore), Ltd.	1,564	Peermade	23.30cd	10	2.50	1.62½	2.25	2.25	12	Y.P.
57,94,880	28,17,245	1,10,00,168	24,24,596	30,252	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	3.97cd	2	0.70	0.20'C'	0.25		3	Y.P.
18,50,000	3,06,500	11,40,782	1,24,898	907	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.63	2	0.15	0.15	0.125	0.18	6	Y.
9,00,000	12,06,475	27,35,098	7,62,652	3,656	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	15.50	10	1.40V	0.80	0.60		6	Y.T.
1,25,000	15,000	1,98,941	7,968	4,289	M.	216	Swinton Estates	3.12	2	..	0.15	0.15	0.25	3	Y.
12,50,000	10,87,828	36,51,187	4,53,187	997	Srinivas Agencies	1,757	Talayar Tea	1.90	2	0.20	0.12	0.10	0.16	3	Y.P.
15,75,000	16,00,500	27,37,319	3,29,320	565	Parkins Private Ltd.	1,214	Twyford	18.15	10	1.50'C'	1.50	1.00'C'		12	Y.
21,93,280	12,29,680	44,14,672	15,57,621	1,02,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	24.75	10	1.77	1.60	1.95	2.10	3	Y.
47,25,000	12,42,245	68,68,920	8,97,262	1,94,353	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	3.02	2	0.25	0.25	0.25	0.25	6	Y.P.
1,00,000	58,757	3,51,001	89,991	689	Goodall & Co.	98	Woodcote Estates Ltd.	1.65		0.09	0.06	Nil	Nil	6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957	1958	1959	1960	Accounts Closed	Reference
6,00,000	5,52,485	16,68,612	4,21,741	8,855	Ramani & Co., Pvt. Ltd.	878	Alageswar Estates Ltd.	2.78	2	0.20	0.20	0.15	0.15x	3	Y.
6,75,000	1,60,527	19,05,351	2,97,284	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	12.50	10	0.40	[illegible]	0.75	1.00	3	Y.P.T.
2,50,000	5,78,753	13,39,733	1,24,737	30,922	A. V. George & Co., Ltd.	689	Anandam Rubber Co., Ltd.	14.37cd	10	1.50	1.00	1.50	..	12	Y.P.
12,67,888	2,28,040	20,59,680	2,33,207	34,372	Associated Planters Private Ltd.	1,348	Anaparai Estates Ltd.	4.42	2	0.30	0.70	0.30	0.40	6	Y.T.
4,25,000	4,00,000	8,56,375	92,894	25,796	Young India Agencies Pvt. Ltd.	584	Badra Coffee Estates Ltd.	8.60	2	0.35	0.35	0.85	..	5	Y.P.
4,00,000	1,68,748	7,34,367	1,10,563	2,438	A. V. Thomas & Co. (Mysore)	570	Bababudin Coffee & Produce	8.00	5	[illegible]	[illegible]	[illegible]	0.40	[illegible]	[illegible]
8,00,000	2,35,000	4,24,308	50,457	585	Planting Agencies (Private) Ltd.	610	Balmadies Plantations	2.48	2	[illegible]	[illegible]	0.625	0.15	[illegible]	[illegible]
8,66,115	3,36,253	13,56,384	13,874	674	T. K. Oommen, Esq. (Mg. Director)	1,13[illegible]	Be Be Rubber Estates Ltd.	2.90	5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26,91,279	18,00,000	52,49,279	8,16,788	[illegible]	Peirce, Leslie & Co., Ltd.	7,0[illegible]	Cochin Malabar	7.73	2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22,50,000	31,10,963	53,64,390	13,19,804	[illegible]	[illegible]	2,7[illegible]	Coffee Lands and Industries	18.50	10	0.45	0.20'C'	0.45	0.625	[illegible]	[illegible]
71,55,000	66,04,294	5,53,80,009	40,80,751	60,720	[illegible], Esq. (Mg. Director)	3,1[illegible]	Consolidated Coffee	22.45	10	4.00	2.00	2.50	[illegible]	[illegible]	[illegible]
6,00,000	5,32,423	13,68,760	74,823	1,488	Associated Planters Private Ltd.	1,4[illegible]	Cottanad Plantations	11.40	10	4.00	2.00	2.00	2.00	[illegible]	[illegible]
4,08,560	2,00,000	5,12,568	76,968	27,870	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffee)	5.20	2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
18,00,000	9,36,402	31,48,370	6,96,094	24,694	A. V. Thomas & Co., Ltd.	856	Highland Produce	15.40cd	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1,20,000	49,000	1,64,450	5,148	2,038	Young India Agencies Pvt. Ltd.	280	Kadur Coffee Estates Ltd.	2.88	2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11,85,700	10,77,705	30,90,516	2,82,458	27,122	A. V. George & Co., Ltd.	1,529	Kailas Rubber, Co., Ltd.	5.08	2	[illegible]	0.15	0.15	0.15	[illegible]	[illegible]
8,00,000	3,36,553	17,97,748	3,40,814	1,830	A. V. Thomas & Co., Ltd.	1,5[illegible]	Kalpetta Estates	12.25	10	[illegible]	[illegible]	[illegible]	0.40	[illegible]	[illegible]
4,00,000	3,75,000	9,82,417	1,35,014	14,690	Peirce, Leslie & Co., Ltd.	[illegible]	Kumergoda Estates Ltd.	4.45	2	[illegible]	1.00'C'	[illegible]	[illegible]	[illegible]	[illegible]
12,50,000	4,85,241	25,39,476	4,08,190	9,942	K. T. Thomas Kathanar, Esq.	1,6[illegible]	Malankara Rubber	18.75	10	[illegible]	0.40'C'	0.40	[illegible]	[illegible]	[illegible]
3,25,000	2,50,000	7,67,594	3,954	10,168	Associated Planters Pvt. Ltd.	[illegible]	Mercara Rubbers Ltd.	3.10	5	[illegible]	1.70'C'	1.00	[illegible]	10	[illegible]
40,50,000	14,21,444	90,79,614	11,34,844	66,364	A. V. Thomas & Co., Ltd.	4,6[illegible]	Midland Rubber	11.30	10	[illegible]	1.00	1.00	1.00	[illegible]	[illegible]
3,35,000	4,18,450	16,81,926	2 76,296	46,475	A. V. George & Co., Ltd.	1,329	[illegible] Rubber	20.65cd	10	[illegible]	1.00'C'	1.00	[illegible]	6	[illegible]
2,00,000	4,79,548	7,96,900	55,892	3,026	Associated Planters Private Ltd.	906	[illegible] Rubber Co.	16.25	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
19,45,980	23,89,219	52,58,400	18,70,887	7,007	Peirce, Leslie & Co., Ltd.	4,8[illegible]	Ouchterlony Valley Estates	4.15	2	[illegible]	[illegible]	[illegible]	[illegible]	12	[illegible]
6,50,000	5,71,484	7,76,580	67,589	42,487	Peirce, Leslie & Co., Ltd.	546	Ossoor Estates Ltd.	3.23	2	[illegible]	[illegible]	[illegible]	0.25	12	[illegible]
16,50,000	2,29,315	22,68,070	6,46,260	17,195	Aspinwall & Co., Ltd.	2,017	Pallangode Rubber	1.79	2	[illegible]	[illegible]	[illegible]	[illegible]	10	[illegible]
13,50,000	8,37,644	48,91,065	4,79,542	19,045	A. V. Thomas & Co., Ltd.	2,988	Rajagiri Rubber	18.60	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2,00,000	1,14,963	3,70,345	42,569	774	Associated Planters Private Ltd.	[illegible]	Rajendra Coffees Ltd.	12.25	2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5,50,170	8 25,000	9,35,302	1,44,083	21,604	Peirce, Leslie & Co., Ltd.	[illegible]	[illegible] Estates Ltd.	3.40cd	2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12,00,000	1,85,000	18,80,245	1,09,554	10,753	Patco Agencies	1,168	Sangameshwar Coffee Estates	2.20	2	[illegible]	0.20'C'	0.30	[illegible]	[illegible]	[illegible]
10,00,000	2,03,130	22,50,803	1,33,257	4,584	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	6.10	10	[illegible]	[illegible]	[illegible]	[illegible]	11	[illegible]
2,50,000	2,75,000	6,13,713	47,988	28,480	A. V. George & Co., Ltd.	467	Thamarapally Rubber	28.00cd	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9,15,306	6,05,000	24,54,542	2,19,470	14,829	Peirce, Leslie & Co., Ltd.	2,361	Thiruvambadi Rubber Co., Ltd.	1.55	1	[illegible]	[illegible]	[illegible]	Nil	[illegible]	[illegible]
6,00,000	86,742	11,54,891	5,03,490	2,248	Bapun Thomas, Esq. (Mg. Director)	1,308	Travancore Rubber	10.50cd	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41,60,000	15,07,456	86 13,006	18,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.	4,071	Travancore Rubber & Tea	6.75cd	10	[illegible]	[illegible]	1.00	0.07	[illegible]	[illegible]
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	20.25cd	10	[illegible]	[illegible]	[illegible]	[illegible]	12	[illegible]
6,00,000	4,96,000	17,68,416	1,27,428	10,663	P. I. J. Joseph, Esq. (Chairman)	1,260	Vellimalai Rubber & Co.	5.50	5	[illegible]	[illegible]	[illegible]	[illegible]	12	[illegible]
2,30,000	4,29,566	10,06,702	1 07,202	28,880	A. V. George & Co., Ltd.	[illegible]	Udayagiri Rubber Co., Ltd.	21.25	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3,30,010	4,18,451	9,68,441	46,238	903	M.	[illegible]	Vaikundam Rubber Co., Ltd.	31.25	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12,00,000	11,90,682	15,34,580	1,16,8[illegible]	1,15,428	Peirce, Leslie & Co., Ltd.	1,027	Warttyhully Estates Ltd.	3.18	2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6,95,000	6,33,328	12,56,991	91,498	2,962	M.	844	Woodland Estates	3.60	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

‡—Final dividend of Rs. 1.50 is on the increased capital. V—Includes 80 nP for 30-6-1954. 'C'—On increased Capital. Z.—Dividend for nine months ended 31st March 1960.

[illegible] 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
4,45,700	13,84,978	22,94,476	8,53,312	....	McLeod & Co., Ltd.	325	Amluckie	26.37	10	1.00	1.50	1.50		12	Y.P.
2,76,500	5,50,000	14,17,949	5,23,091	9,512	M.	456	Ananda (Assam) Tea	28.00	10	1.00	2.00	2.50		12	Y.
7,03,250	7,55,753	16,41,189	5,01,215	54,204	Gillanders Arbuthnot & Co., Ltd.	481	Ananda Bag	28.00	10	0.50	1.00	1.75		12	Y.
5,50,000	14,38,941	26,06,181	10,04,021	19,953	McLeod & Co., Ltd.	573	Baghmari	25.44	10	1.50	1.50	1.50		12	Y.
5,10,000	11,57,780	18,49,824	6,86,011	43,644	Andrew Yule & Co., Ltd.	377	Basmatia	33.00	10	1.75	2.00	3.00		12	Y.
4,95,900	3,14,700	17,10,901	10,50,829	56,445	National Tea Corporation	624	Bateli	22.25	5	1.50	1.50	1.50		12	Y.
6,40,000	10,74,426	15,66,305	5,60,306	37,706	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	32.62	10	1.50	1.50	2.50		12	Y.
3,00,000	18,32,500	73,96,221	31,20,921	3,83,877	Williamson Magor & Co., Ltd.	3,425	Bishnauth	24.66	10	1.00	Nil	1.30		12	Y.
6,00,000	2,00,000	14,02,675	3,52,303	38,457	Octavius Steel & Co., Ltd.	479	Bokakhat	13.70	10	Nil	0.50	0.80		12	Y.
7,50,000	9,06,475	14,41,597	4,34,307	70,351	McLeod & Co., Ltd.	450	Bormah Jan Tea	19.94	10	Nil	0.75	1.25		12	Y.P.
5,00,000	17,26,071	94,38,743	34,17,209	2,53,984	M	2,834	Brooke Bond B.	16.50	10	1.75	1.00	1.25	1.50	6	Y.
1,20,000	8,09,581	11,64,943	3,93,553	35,405	McLeod & Co., Ltd.	282	Dejoo Valley	54.00	10	2.00	3.00	4.00		12	Y.
8,40,000	5,49,948	33,10,828	20,05,150	—2,40,732	Jardine Henderson Ltd.	1,332	Dessal & Parbuttia	151.00	100	Nil	Nil	Nil		12	Y.
7,53,440	10,53,350	31,54,422	92,50,98	17,329	James Warren & Co., Ltd.	770	Dhelakhat	23.06	10	2.50	2.50	2.00		12	Y.P.
7,00,000	6,85,000	24,04,227	6,47,434	10,086	H. P. Dhanuka, Esq. (Chairman)	1,349	Dhunseri	16.50	10	2.00	2.00	2.30		12	Y.
4,50,000	12,09,644	18,71,655	3,98,875	68,960	McLeod & Co., Ltd.	458	Dibrugarh	36.00	10	2.50	3.00	3.00		12	Y.P.
4,73,400	7,15,000	17,09,184	7,61,684	1,56,884	Williamson Magor & Co., Ltd.	632	Dimakusi	27.25	10	3.00	2.50	3.00		12	Y.P.
7,00,620	11,66,000	27,54,322	14,69,122	3,83,571	Williamson Magor & Co., Ltd.	635	Dufflaghur	36.00	10	3.00	4.50	3.50		12	Y.
0,00,000	9,57,600	33,05,749	12,68,049	1,31,213	Williamson Magor & Co., Ltd.	1,166	East India Tea	20.50	10	0.50	0.50	1.00		12	Y.
5,03,760	6,42,379	17,74,219	6,37,020	8,855	M.	465	Gillapukri	26.37	10	2.50	2.50	2.50		12	Y.
6,76,000	4,90,000	22,56,199	10,31,899	1,31,256	Williamson Magor & Co., Ltd.	552	Gohpur	17.00	10	2.00	0.50	1.00		12	Y.
3 29,085	36,34,739	67,30,725	20,38,780	61,970	Octavius Steel & Co., Ltd.	2,494	Grob	11.31	5	1.25	1.50	0.70		12	Y.
5,00,000	6,86,998	11,97,176	4,67,668	14,369	M.	488	Hoograjuli	25.25	10	1.00	0.501	2.50		12	Y.
3,70,000	13,90,841	32,83,007	14,80,249	75,669	Andrew Yule & Co., Ltd.	1,340	Hooiangooree	192.00	100	12.50	17.50	20.00		12	Y.
9,97,120	78,24,518	2,04,25,435	76,25,435	88,479	Birla Brothers Private Ltd.	4,900	Jay Shree Tea & Industries	22.12xd	10	1.00	1.00	1.40	1.40	12	Y.P.
3,00,000	8,62,200	20,23,965	5,82,195	51,110	Gillanders Arbuthnot & Co., Ltd.	876	Jutlibari	32.50	10	1.75	1.00	1.00		12	Y.
3,60,000	15,02,635	16,52,939	7,79,490	77,886	M.	1,226	Kingsley-Golaghat (Assam)	228.00	100	25.00	25.00	35.00		12	Y.P.
1,80,000	7,000	20,18,041	3,18,798	—2,30,952	Duncan Bros. & Co., Ltd.	1,201	Kotamullai Tea	11.25	5	Nil	Nil	Nil		12	Y.P.
3,50,000	6,53,734	14,09,076	4,30,868	22,109	Duncan Bros. & Co., Ltd.	634	Ledo	17.12	10	Nil	Nil	Nil		12	Y.
0,00,000	13,00,000	23,04,190	7,64,508	70,164	Octavius Steel & Co., Ltd.	643	Methoni	19.81	10	1.50	2.20	1.50		12	Y.
4,80,000	30,980	9,31,623	....	3,331	Duncan Bros. & Co., Ltd.	701	Moheema	11.50	10	Nil	Nil	1.00		12	Y.P.
1,50,000	13,65,825	1,16,088	10,450	30,504	Kettlewell Bullen & Co., Ltd.	410	Mothola	530.00	100	40.00	40.00	25.00		12	Y.
1,75,000 / 2,00,000 }	8,36,947	16,59,105	6,59,981	37,858	Andrew Yule & Co., Ltd.	373	Murphulani	{ 25.00 / 25.50	O. 10 / P.O. 10	1.75 / 2.25	2.00 / 2.50	2.00 / 2.50		} 12	Y.
5,35,000	1,75,000	13,81,374	5,76,315	12,180	M.	830	Namburnadi	13.75	10	1.50	1.60	1.60		12	Y.
5,00,000	20,000	7,66,315	3,69,599	35,282	Duncan Bros. & Co., Ltd.	728	New Cinnatollah	103.00	100	Nil	Nil	Nil		12	Y.
3,00,000	8,46,039	13,39,252	5,27,546	45,190	Andrew Yule & Co., Ltd.	390	Rajgarh	50.50	10	2.50	2.50	3.50		12	Y.
3,00,000	2,56,006	32,81,411	13,29,355	20,383	M.	958	Sapoi	20.50	10	1.50	1.50	2.00		12	Y.
1,49,000	4,30,000	12,83,249	6,96,549	91,288	Williamson Magor & Co., Ltd.	501	Seajuli	27.12	10	2.25	2.25	1.75		12	Y.
3,98,000	13,64,556	19,34,492	6,32,207	7,126	McLeod & Co., Ltd.	495	Teloijan	34.50	10	3.00	2.50	2.50		12	Y.
1,00,000	5,97,055	14,42,247	5,27,787	64,646	Gillanders Arbuthnot & Co., Ltd.	521	Tengpani	38.00N	10	1.50	1.50	1.75		12	Y.P.T.
3,82,880	15,86,078	51,14,115	22,83,115	53,844	Shaw Wallace & Co., Ltd.	2,347	Tezpore	16.50	10	Nil	1.25	2.00		12	Y.
1,20,000	25,00,315	50,60,323	16,66,525	1,05,020	McLeod & Co., Ltd.	1,050	Tyroon	44.37	10	3.00	1.50	3.00		12	Y.P.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957	1958	1959	1960	Accounts Closed	Reference
,00,000	5,000	5,43,677	2,03,160	41,902	M.	862	Arcuttipore	7.00	10	Nil	Nil	Nil		12	Y.
,00,000	....	7,01,210	....	—5,83,651	M.	696	Eastern Cachar	2.50	10	Nil	Nil	Nil		12	Y.
,60,000	18,00,000	31,05,555	18,86,347	60,217	Octavius Steel & Co., Ltd.	2,208	Hattikhira	9.62	10	Nil	0.50	0.50		12	Y.
,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kumshunpore	7.75	10	Nil	Nil	1.00		12	Y.
,00,000	8,78,960	21,37,588	3,96,015	1,37,903	Assam Trading Co.	2,206	North-Western Cachar	200.00N	100	15.00	20.00	30.00		12	Y.
,60,000	3,32,179	12,34,475	3,70,957	—76,418	McLeod & Co., Ltd.	688	Roopacherra	15.00	10	Nil	Nil	Nil		12	Y.
,25,000	10,97,014	14,64,650	4,68,459	41,094	Duncan Bros. & Co., Ltd.	720	Rungamattee	66.00	50	3.75	1.25	3.75		12	Y.
,00,000	1,04,567	10,68,284	3,68,708	41,399	M.	686	Sonai River	8.00	10	Nil	Nil	Nil		12	Y.P.T.

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957	1958	1959	1960	Accounts Closed	Reference
79,900	1,05,000	4,30,792	92,592	18,735	Williamson Magor & Co., Ltd.	408	Chamong	8.00	10	Nil	Nil	Nil		12	Y.
00,000	1,72,521	3,78,761	1,73,817	139	M.	488	Dilaram	84.00N	100	Nil	7.50	5.00		12	Y.
90,000	2,18,765	3,67,216	3,48,216	—32,998	Davenport & Co., Ltd.	507	Giella	11.00	10	Nil	Nil	Nil		12	Y.P.
59,000	3,51,372	5,41,385	2,25,798	12,425	Andrew Yule & Co., Ltd.	462	Mim	220.00	100	Nil	Nil	10.00		12	Y.
99,900	4,48,000	7,30,361	2,14,761	1,29,955	Williamson Magor & Co., Ltd.	690	Nagari Farm	26.00	10	2.50	3.00	2.00		12	Y.
00,000	1,11,500	4,70,736	2,49,287	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	600.00	100	Nil	32.50	32.50‡		12	Y.P.
00,000	8,500	6,09,868	2,51,814	—86,025	Duncan Bros. & Co., Ltd.	478	Poobong	7.37	10	Nil	Nil	Nil		12	Y.
05,000	2,07,203	5,13,360	79,360	—87,137	Davenport & Co., Ltd.	570	Pussimbing	8.00	10	Nil	Nil	Nil		12	Y.P.
40,000	5,02,500	4,68,373	2,11,663	30,085	Duncan Bros. & Co., Ltd.	341	Rungliee Rungliot	385.00	100	25.00	30.00	10.00		12	Y.
00,000	3,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	12.25	10	1.00	1.50	1.50		12	Y.
00,000	18,275	11,65,737	2,38,715	1,928	Goenka & Co.	582	Singtom	5.87	10	0.50	0.75	0.50		12	Y.P.
00,000	4,45,000	7,56,966	3,49,266	1,75,267	Williamson Magor & Co., Ltd.	554	Soom	37.50	10	4.00	5.00	3.00		12	Y.
35,000	9,54,667	17,84,118	5,20,111	56,721	McLeod & Co., Ltd.	745	Sungma	15.87	10	0.75	1.50	1.00		12	Y.
30,000	7,28,815	14,29,114	3,98,614	—30,294	Davenport & Co., Ltd.	718	Teesta Valley	15.75	10	1.00	Nil	Nil		12	Y.
01,350	2,50,000	....	....	39,574	Williamson Magor & Co. Ltd.	1,656	Tukvar	7.31	10	Nil	Nil			12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957	1958	1959	1960	Accounts Closed	Reference
00,000	29,62,946	63,67,156	26,30,596	93,115	Andrew Yule & Co., Ltd.	2,540	Banarhat	337.00	100	20.00	20.00	32.50		12	Y.P.
90,000	13,30,305	47,37,496	26,67,822	66,917	Jardine Henderson Ltd.	948	Baradighi	28.50	10	1.50	1.50	2.50		12	Y.
00,000	17,95,074	37,34,743	13,24,560	6,018	McLeod & Co., Ltd.	1,112	Bhatkawa	23.50	10	1.50	Nil	1.00		12	Y.
00,000	17,47,500	33,48,801	9,90,395	40,061	Duncan Bros. & Co., Ltd.	1,348	Birpara	178.00	100	7.50	12.50	22.50		12	Y.P.
00,000	8,36,000	14,66,130	5,09,073	21,500	Duncan Bros. & Co., Ltd.	602	Carron	171.00	100	5.00	Nil	15.00		12	Y.
00,000	13,37,365	26,34,031	10,16,341	93,628	Andrew Yule & Co., Ltd.	908	Choonabhutti	271.00	100	20.00	22.50	30.00		12	Y.P.
00,000	4,36,000	9,76,473	4,70,943	23,268	Duncan Bros. & Co., Ltd.	473	Ellenbarrie	181.00	100	Nil	Nil	5.00		12	Y.
00,000	2,04,475	4,99,213	2,55,531	—30,585	Andrew Yule & Co., Ltd.	265	Engo	198.00	100	Nil	Nil			12	Y.
00,000	51,299	10,37,477	3,14,730	—35,008	M.	447	Ethelbarrie	8.50	10	0.75	Nil	Nil		12	Y.
50,000	6,75,164	18,93,293	11,36,007	39,267	Gillanders Arbuthnot & Co., Ltd.	1,129	Gairkhata	194.00	100	Nil	Nil	12.50		12	Y.
00,000	38,35,750	71,46,583	32,70,874	60,081	Duncan Bros. & Co., Ltd.	2,528	Hantapara	187.00	100	Nil	Nil	12.50		12	Y.P.
00,000	60,61,255	1,15,51,655	58,85,220	2,60,071	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	25.87	10	0.75	0.75	1.25		12	Y.P.
00,000	21,65,678	29,07,660	12,14,680	34,967	Davenport & Co., Ltd.	1,452	Huldibari	29.25	10	1.25	1.50	2.25		12	Y.
00,000	3,12,378	11,09,391	5,32,255	16,268	Andrew Yule & Co., Ltd.	607	Jaybirpara (Dooars)	18.50	10	Nil	Nil	0.50		12	Y.
00,000	13,16,000	24,52,378	7,53,905	42,815	Duncan Bros. & Co., Ltd.	997	Killcott	20.56	10	1.50	0.75	1.75		12	Y.
00,000	5,72,564	10,14,594	2,56,190	3,318	M.	578	Manabarie	59.00N	10	1.50	0.50	0.50		12	Y.
00,000	19,87,000	26,73,567	9,58,041	28,611	Duncan Bros. & Co., Ltd.	1,120	Nagaisuree	211.00	100	7.50	5.00	17.50		12	Y.
00,000	20,80,580	34,00,520	12,24,687	58,126	Andrew Yule & Co., Ltd.	1,198	New Dooars	316.00	100	20.00	25.00	32.05		12	Y.P.
00,000	3,85,000	5,69,606	2,08,922	10,819	Duncan Bros. & Co., Ltd.	848	Phaskowa	127.00	100	Nil	Nil	Nil		12	Y.
00,000	9,10,472	16,38,538	7,19,908	—1,06,926	McLeod & Co., Ltd.	764	Rajabhat	19.56	10	Nil	Nil	Nil		12	Y.
00,000	13,51,579	30,13,553	15,15,686	42,739	McLeod & Co., Ltd.	1,035	Ranicherra	23.12	10	0.50	0.75	1.00		12	Y.
2,800	26,39,216	61,42,087	25,13,373	46,452	Jardine Henderson Ltd.	1,763	Rydak	33.00	10	2.00	2.50	3.00		12	Y.

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957	1958	1959	1960	Accounts Closed	Reference
0,000	17,95,000	10,21,473	3,03,985	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	21.75	10	Nil	Nil			12	Y.
0,000	11,04,551	9,36,420	2,61,464	46,770	Duncan Bros. & Co., Ltd.	610	Dauracherra	7.87	10	0.75	0.50	1.50		12	Y.
0,000	12,06,300	13,68,395	7,18,394	2,77,118	Shaw Wallace & Co., Ltd.	965	New Samanbag	22.25	10	3.00	Nil	Nil		12	Y.P.
0,000	66,24,901	65,50,842	27,50,040	2,26,758	Duncan Bros. & Co., Ltd.	4,151	Patrakola P.	160.00	100	15.00	20.00	40.00		12	Y.P.
0,000	22,94,327	21,07,338	7,06,348	31,974	Duncan Bros. & Co., Ltd.	1,190	Tellapara	107.00	100	6.00	12.50	17.50		12	Y.

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957	1958	1959	1960	Accounts Closed	Reference
0,000	95,000	4,45,710	3,67,938	3,500	Goenka & Co.	697	Atal	3.50	10	0.50	0.25			12	Y.P.T.
0,000	3,35,000	....	....	30,355	National Tea Corporation	[illegible]	[illegible]	24.00	10	2.00	2.50	2.00		12	Y.
0,000	22,48,000	27,80,130	11,43,606	30,724	Duncan Bros. & Co., Ltd.	1,611	Gangaram	153.00	100	7.50	Nil	15.00		12	Y.
0,000	11,12,294	14,61,443	5,08,408	15,957	Duncan Bros. & Co., Ltd.	586	Hansqua	18.75	10	1.00	Nil	1.75		12	Y.
0,000	3,07,760	10,27,985	4,27,249	62,590	Davenport & Co., Ltd	514	New Chumta	34.75N	10	1.25	1.00	1.50		12	Y.
0,000	2,75,250	13,61,474	5,52,735	35,001	McLeod & Co. Ltd.	549	Tirrihannah	60.00	10	3.00	4.00‡			12	Y.P.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
[illegible]	6,30,908	1,60,53,550	69,39,639	22,879	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.50cd	B. 10	1.00	0.75	1.00		12	Y.P.
[illegible]	6,65,000	1,74 94,366	12,63,590	4,434	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	9.12	10	Nil	Nil	0.45	0.70	3	Y.T.
[illegible] }	12,14,532	1,51,44,736	31,04,633	....	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	{ 5.00 / 0.87	O. 10 / D. 1	Nil / Nil	Nil / Nil	Nil / Nil	..	} 3	Y.T.
[illegible]	10,72,46,227	42,05,40,556	16,70,69,557	42,081	Cement Agencies (Private) Ltd.	Associated Cement Companies	156.00	100	9.00	8.50'C'	11.00	12.00	7	Y.T.
[illegible]	66,000	2,36,19,399	31,33,694	1,062	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.32	10	0.60	0.70	0.30		12	Y.
[illegible] }	57,31,932	2,66,50,466	60,48,714	36,507	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	{ 12.05cd / 2.49cd	O. 10 / D. 1	1.20 / 0.12	1.00 / 0.10	1.20 / 0.12 }		12	Y.P.T.
[illegible]	50,06,450	4,42,25,367	1,02,30,730	70,406	[illegible] Private Ltd.	India Cements Ltd.	6.12	5	0.41	0.45	0.45	0.55	3	Y.P.
[illegible]	40,62,184	7,09,62,040	1,32,30,959	1,44,394	Sahu Jain Ltd.	Jaipur Udyog Ltd.	10.50	10	2.25	1.25	Nil	0.60	3	Y.P.T.
[illegible]	62,61,375	6,30,55,507	1,36,50,770	3,77,[illegible]	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.50	10	1.50	1.50	1.10		12	Y.P.
[illegible]	54,91,576	4,15,40,324	1,38,33,549	53,959	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	153.25	100	9.00	9.00	9.00		12	Y.P.
[illegible]	16,30,000	2,28,10,112	1,36,76,363	66,948	M.	Sone Valley Portland Cement	5.12	5	0.35	0.30	Nil		12	Y.
[illegible]	11,77,300	1,37,39,064	57,90,063	30,066	[illegible] (Private) Ltd.	Travancore Cements Ltd.	8.45cd	10	0.60	0.60	0.60		12	Y.

M—Managed by the Board of Directors. 'C'—On increased Capital. xd—Ex-dividend. cd—Cum-dividend. cr—Cum-Right.

[illegible] taxable.

[illegible] Dividends paid since 31st March, 1959 are shown as taxable. "P"—Patrakola Tea—Dividends for 1958 and 1959 are payable only when funds are available from Pakistan.

[illegible]—Dividend for the year ended 30th June 1960 is Rs. 1 50 per share taxable.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	References
CERAMIC; MINING AND QUARRYING														
30,00,000	....	37,43,382	16,26,068	32,615	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	11.31	10	*Nil*	*Nil*	*Nil*	0.60	3	Y.
16,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.52	10	1.50	3.50	2.00		9	Y.P.
55,23,144	15,49,326	1,57,35,785	51,99,681	14,572	Bharat Ram Bhagat & Co.	Bengal Potteries	7.50	2½	0.25	0.25	0.356		12	Y.
10,00,000	36,69,030	77,31,751	41,17,891	35,509	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	44.44	10	1.75	1.75	1.87	3.00	3	Y.
14,17,800	10,55,247	33,58,584	15,31,858	9,761	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	100.00	100	9.00	10.00	12.86	12.86	9	Y.P.
89,80,700	14,19,759	1,19,21,208	18,96,171	—25,65,524	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	100.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
£1,371,300	£1,705,275	£3,271,480	£1,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	5.24	Sh. 2	0.24	0.24	0.36		12	Y.
O.15,00,000 / P.5,00,000	25,89,666	44,79,158	13,16,190	2,61,727	Bird & Co. Private Ltd.	Karanpura Development	19.25	10	*Nil* / *Nil*	*Nil* / *Nil*	1.50 / 0.50		12	Y.
50,00,000	....	14,32,400	....	—12,618	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	79.00	50	..	*Nil*	*Nil*		12	Y.P.
30,00,000	33,05,445	1,10,40,017	59,86,195	39,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works	26.00N	10	1.25	1.25	1.80		12	Y.P.T.
50,00,000	10,43,352	1,16,80,530	59,85,620	14,41,622	M.	Metal Corporation of India Ltd.	11.06	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
6,00,000	5,26,433	13,40,698	7,63,285	7,276	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	15.00	10	1.00	1.00*	1.00*	1.428	3	Y.
20,00,000	55,85,984	68,91,304	28,26,317	1,10,697	Bird & Co. Private Ltd.	Orissa Minerals	42.50	10	2.00	2.50	3.60	3.60	6	Y.
3,50,000	15,45,335	88,24,228	46,03,569	7,911	Ganpule Jasani & Co.	Parshuram Pottery Works Co. Ltd.	67.00	25	3.75	3.75	3.75	5.36	7	Y.P.
10,46,390	76,44,000	1,06,55,357	44,01,792	4,942	Killick Industries Ltd.	Shivrajpur Syndicate	80.50	10	8.00*	8.00*	5.00	8.00*	11	Y.
CHEMICAL														
12,11,000	....			....	Agri-Chem-Engineers	Adarsh Chemicals & Fertilisers	79.00	75	..	..	..		12	Y.P.
85,00,000	81,37,800	1,87,07,072	65,76,431	9,770	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	255.00	100	12.00	12.00	16.00		12	Y.P.
3,10,00,000	1,57,00,273	6,04,78,062	1,23,50,512	1,33,819	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	36.00	10	0.80	0.80	0.95	1.20	9	Y.P.
80,00,000	30,73,579	86,90,417	21,21,588	35,088	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	386.25	100	*Nil*	*Nil*	12.00		12	Y.P.
29,30,400	24,94,426	1,18,63,272	49,89,005	47,108	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	760.00	100	20.00*	20.00*	28.00*		12	Y.P.
2,00,00,000	39,06,362	3,56,03,722	1,05,40,064	72,946	Lalbhai Sons & Co.	Atul Products Ltd.	558.50	100	8.00	10.00	12.00		12	Y.
50,92,900	52,95,445	1,47,57,610	71,80,268	13,89,611	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	109.00	100	6.00	6.00	7.00	7.00	3	Y.P.T.
1,00,00,000	6,00,000	1,07,91,843	4,82,147	—42,985	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	350.00	100	..	*Nil*	*Nil*	*Nil*	3	Y.
22,73,150	26,90,000	77,57,081	36,10,218	44,349	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	270.00	50	5.00	6.00	10.00		12	Y.
64,49,932	56,78,075	1,69,27,890	67,30,529	—1,11,025	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	127.50	100	7.50	6.00	4.00(c)		3	Y.P.
3,46,06,075	14,62,000	5,13,68,593	2,80,28,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	10.68cd	10	*Nil*	0.40	0.60		12	Y.
1,50,00,000	23,35,000	51,41,000	15,22,000	10,072	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	510.00	100	*Nil*	*Nil*	*Nil*	6.00	3	Y.P.
12,00,000	6,37,883	27,43,796	14,20,459	47,412	Jal H. Mehta	Kemp & Co.	315.00	200	15.00	15.00	20.00	25.00	3	Y.
60,00,000	22,36,430	1,43,65,801	78,81,045	12,716	Seshasayee Brothers Private Ltd.	Mettur Chemicals	14.25	10	0.75	0.87½	0.88	1.25'C'	3	Y.P.T.
24,81,220	10,04,155	55,64,434	40,80,625	11,452	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	11.25	10	0.50	0.50	0.50	1.00	3	Y.
8,00,000	4,52,189	11,19,269	5,96,880	85,186	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	24.65	10	2.00	2.00	2.00	2.00'C'	3	Y.P.
40,00,000	20,96,379	58,16,750	11,97,185	27,844	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	230.00	50	..	*Nil*	3.00	5.50	3	Y.P.
12,50,000	9,22,174	32,78,588	20,63,157	2,05,216	Bangur Brothers Ltd.	Phosphate Co., Ltd.	323.00	100	15.00	25.00	45.00	35.00	6	Y.
15,00,000	14,60,737	24,40,260	15,05,655	96,591	C. A. Buxton	Smith Stanistreet & Co.	13.56	5	1.00	0.80'C'	1.25	1.25	6	Y.P.
3,37,50,000	....	....	....	....	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	172.00	75		..	..	..	..	Y.
1,39,95,900 / 1,11,91,270	42,17,119	5,89,52,538	2,06,73,886	14,509	Tata Industries Private Ltd.	Tata Chemicals	18.92 / 17.36	100Old / 10New	0.80 / ..	0.75 / 0.03	0.525 / 0.618	0.60 / 0.60	6	Y.P.T.
13,00,000	1,07,599	18,05,082	6,06,954	72,165	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	16.72	10	0.60	0.70	1.00	1.50	3	Y.P.
ELECTRIC (Bombay State)														
8,74,78,370	1,17,08,657	15,23,94,046	4,04,47,092	638	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	85.50	100	3.25	6.50	6.75	7.00	3	Y.T.
81,28,750	21,63,386	2,86,72,375	59,65,971	15,69,279	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.08	10	0.42	0.85	0.90	1.00*	3	Y.P.
3,02,76,250	96,81,201	9,66,08,856	2,69,10,919	22,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,012.50	1,000	56.00	80.00*	80.00*	85.00*	3	Y.P.T.
1,75,00,000	78,52,280	4,06,37,564	98,99,329	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply	88.50	100	7.00	7.00	7.50	8.00	3	Y.
7,07,020	1,03,967	16,97,265	3,70,206	1,536	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6.00	10	*Nil*	0.50	0.60	0.66	3	Y.T.
46,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	101.00	100	2.50	7.50'	8.00	9.50	3	Y.P.T.
70,00,000	27,18,373	1,51,74,375	51,53,780	4,844	Killick Industries Ltd.	Surat Electricity	87.00	100	8.75	7.00	7.00	7.50	3	Y.P.
2,39,99,575	1,01,57,424	7,01,96,385	1,89,09,886	25,281	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	104.50	100	5.52	8.00*	8.00*	8.50*	3	Y.P.
5,15,35,750	2,60,85,771	17,16,28,967	3,93,66,464	33,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,043.75	1,000	56.25	80.00*	80.00*	85.00*	3	Y.P.
West Bengal and Other Centres														
19,99,600	51,38,028	13,39,99,790	39,25,042	47,359	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	122.00	100	10.00	10.00	10.00	11.00	3	Y.T.
3,00,000	15,23,375	63,42,780	22,28,800	23,612	Martin Burn Ltd.	Bareilly Electric Supply	11.66	10	1.25	1.00	1.00	1.10	3	Y.T.
17,00,000	47,66,354	1,71,05,214	47,49,307	45,563	Martin Burn Ltd.	Benares Electric Light & Power Co.	11.75	10	1.25	1.00	1.00	1.10	3	Y.T.
5,91,485	6,92,659	24,06,757	12,04,489	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	7.00	5	0.62	0.40	0.40	0.64	3	Y.
£4,262,846	£10,126,973	£33,604,377	£13,302,118	£106,138	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	14.37	£1	8¼%	7%	7%	7½%	3	Y.P.T.
6,60,000	6,73,784	31,45,751	10,61,553	76,838	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	7.56	10	1.00Z	0.65	0.65	0.75	3	Y.
43,20,000	24,38,968	1,02,37,174	38,05,104	4,38,960	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	94.00	100	6.50	7.00	7.50	10.00	3	Y.P.
5,34,640	1,24,635	34,43,088	14,37,084	2,947	Moonna Lall & Sons	Jhansi Electric Supply	6.50N	10	0.86Z	0.62½	0.62	0.70	3	Y.T.
22,49,550	27,02,877	1,07,31,716	40,42,273	30,296	Martin Burn Ltd.	Jubbulpore Electric Supply	11.37	10	0.92	0.92	0.93	1.00	3	Y.
5,82,390	4,52,535	87,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	9.94	10	1.25Z	1.00	1.00	1.25	3	Y.
35,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.37	10	1.25Z	0.75	0.75		3	Y.T.
9,10,000	2,37,616	12,60,524	5,84,092	5,200	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6.25	10	*Nil*	0.50	0.50	0.625	3	Y.
16,30,000	13,87,254	78,27,858	44,96,906	2,087	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.50	10	0.94	0.68	0.75	1.00	3	Y.T.
60,99,600	13,96,142	2,06,37,818	67,06,084	3,023	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	9.80	10	1.28	0.87	0.90	0.90'C'	3	Y.P.T.
5,00,000	11,62,458	52,32,335	12,25,684	36,606	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	16.00	10	1.25	1.25	1.25	1.35	3	Y.
56,91,185	78,57,136	4,06,85,812	1,45,66,727	85,399	Martin Burn Ltd.	U. P. Electric Supply Co.	111.50	100	10.00	10.00	10.00	11.00	3	Y.T.
4,00,000	9,34,990	40,87,637	11,42,884	2,88,269	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.35	10	1.00	1.00	1.00	1.50	3	Y.P.
ENGINEERING (Bombay)														
33,42,200	49,44,187	75,65,494	60,70,287	28,009	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	325.00	100	12.50	12.50	17.00		12	Y.
19,99,060	3,10,174	21,70,025	8,07,662	19,184	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	92.50	80	3.00	3.00	4.00	5.50	12	Y.
45,19,800	35,03,443	93,35,767	46,96,997	75,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	169.50	100	7.00	10.00*	13.00*	13.00*'C'	6	Y.
40,00,000	1,26,639	57,20,491	20,49,385	50,817	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	97.00	100	6.00	7.00	10.00	*Nil*	4	Y.P.
59,99,900	84,82,780	2,25,73,362	1,37,51,802	70,946	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	178.50	100	9.00	9.00	13.00	13.00'C'	6	Y.P.T.
6,00,000	4,15,000	1,58,191	1,29,312	3,288	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	95.50	50	5.00	5.00	5.00	4.00	3	Y.
40,00,000	14,71,874	65,38,880	22,18,255	15,090	Adnem Services	Jyoti Ltd.	186.00	100	12.00	12.00	12.00	12.00	12	Y.
44,96,250	4,05,653	62,45,798	27,13,547	2,467	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	16.76	10	*Nil*	0.50	0.775		9	Y.P.
42,96,023	78,89,668	1,21,65,928	66,66,471	11,866	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	62.00	25	0.20	0.25	0.30	0.25	7	Y.
37,50,000	15,59,000	1,02,91,000	29,35,009	....	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	19.64	10	0.90	1.00	1.00	1.43	3	Y.
10,53,725	2,17,037	22,14,424	3,62,435	2,50,491	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	180.00	100	..	..	..	*Nil*	3	Y.P.
30,00,000	27,05,926	78,01,690	26,82,816	56,253	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	48.00	10	1.00	1.25	1.25	1.30'C'	3	Y.P.
1,32,00,000	42,63,182	1,34,87,855	31,17,630	1,10,237	M.	Mahindra & Mahindra Ltd.	19.76	10	1.75	1.20	1.25		10	Y.P.
11,00,000	1,72,712	41,60,471	25,65,495	2,771	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	125.00	100	*Nil*	*Nil*	*Nil*	10.00	7	Y.P.
60,15,060	45,30,000	1,21,27,185	40,92,878	3,253	Jeewan Private Ltd.	Mukand Iron & Steel	27.50	10	1.00	1.20	1.00*	1.20	3	Y.P.
25,00,000 / 14,99,250	40,76,797	1,06,26,418	51,58,671	6,625	Kirloskar Associates	Mysore Kirloskar Ltd.	155.00 / —	100 / 100 New	6.00 / ..	7.50 / ..	12.00 / 6.00	12.00 / 12.00	6	Y.
22,27,700 / 22,72,000	5,36,616	47,79,336	14,99,087	92,426	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	108.00 / 181.00	100 / (75 New)	.. / ..	.. / ..	9.00 / ..	12.00 / 0.50	3	Y.P.
22,50,000	1,34,42,446	3,31,298	1,40,789	1,36,108	Walchand & Co. Private Ltd.	Premier Construction	183.50	80	10.00	12.00	13.00		12	Y.P.
29,95,100	41,01,156	1,02,33,025	42,38,746	12,134	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	170.00XR	100	15.00	15.00	17.00	12.00	6	Y.P.
27,58,21,325	27,01,22,914	1,67,40,64,801	54,97,16,296	3,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	150.50	75 Old	9.50	8.25	6.80	9.72'C'	3	Y.P.
7,99,99,200	1,71,91,736	21,41,33,116	9,30,94,684	2,34,171	Tata Industries Private Ltd.	Tata Locomotive	329.00	100	3.00	9.00	9.00	12.50	3	Y.P.T.
10,00,000	3,35,000	23,97,720	3,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg., Co.	412.50	100	5.00	10.00	14.00	13.50	5	Y.
2,55,00,000	71,75,426	1,07,45,948	34,35,557	4,24,809	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	270.00	100	9.00	9.00	13.00	13.00	3	Y.
17,50,000	....	....	....	....	M.	Zenith Steel Pipes Ltd.	5.00	5	..	..	..	..	6	Y.
West Bengal and Other Centres														
6,00,000	1,06,470	26,89,661	13,48,876	1,80,382	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	10.50	10	*Nil*	*Nil*	*Nil*		10	Y.P.T.
50,00,000	20,49,221	1,55,21,495	80,56,973	3,60,479	M.	Bhartia Electric Steel	12.37	10	1.25	1.25	1.50		12	Y.
56,59,790	77,67,825	88,29,182	16,49,459	2,84,448	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	38.12	10	3.00	1.25	2.25	2.50	12	Y.
12,00,000	32,12,634	79,76,063	44,38,942	1,72,548	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	55.25	10	2.00	2.00'B'	3.00		12	Y.P.
19,33,670	7,04,341	39,97,590	14,66,696	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	5.06	10	0.50	0.50	0.60		3	Y.P.
40,00,000	41,48,365	96,27,511	48,02,704	1,32,481	McLeod & Co., Ltd.	Britannia Engineering	13.81	10	0.60	0.60	1.00		12	Y.P.T.
5,00,000	11,27,357	26,52,140	16,10,502	81,788	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	31.50	10	2.00	2.00	2.50	4.50	12	Y.
24,00,000	2,32,60,602	4,96,65,264	3,04,73,971	1,34,616	Martin Burn Ltd.	Burn & Co.	500.00	100	20.00	20.00	28.50	28.50	4	Y.P.
50,00,000	....	35,75,750	95,632	1,06,035	M.	Calcutta Steel Co., Ltd.	17.50	10	..	..	..	0.50	3	Y.
1,00,00,000	12,33,028	1,59,66,744	10,15,000	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
40,00,000	4,50,000	1,12,17,838	17,70,930	4,142	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.00	10	*Nil*	*Nil*	*Nil*	1.00	9	Y.
4,00,00,000	6,53,05,809	3,26,20,521	2,52,46,302	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	42.00	10	2.00	2.00	2.40	1.60'C'	12	Y.P.
12,50,000	23,60,000	60,91,575	40,46,109	7,047	Martin Burn Ltd.	Hooghly Docking	118.50	50	5.00	5.00	6.00		12	Y.P.
13,44,06,990	21,14,27,025	71,57,58,772	14,60,01,060	11,49,767	Martin Burn Ltd.	Indian Iron and Steel	27.00	10	1.00	1.00'C'	1.00	1.50	3	Y.P.
33,86,500	61,33,742	1,23,74,955	72,35,333	46,763	Martin Burn Ltd.	Indian Standard Wagon	102.00	25	7.50*	5.00	5.00	.125	3	Y.P.
96,53,160 / 26,580	2,52,04,628	2,22,95,589	1,52,64,925	10,91,465	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	48.62 / 14.00	0.10 / 0. 1	4.00 / 0.40	4.00 / 0.40	1.62½ / 0.16¼	2.30 / 0.23	3	Y.
23,78,580	2,50,222	32,73,943	15,83,341	2,977	C. R. Srinivasan, Esq. (Chairman)	Indian Steel Rolling Mills Ltd.	10.15	10	1.00	0.70	0.70	0.501	12	Y.P.
91,12,500	75,99,306	3,71,15,564	1,40,36,750	6,322	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	27.87	10	1.50	1.20	1.20	1.715	3	Y.P.T.
30,00,000	38,00,500	77,83,732	17,92,011	91,460	J. K. Industries Private Ltd.	J. K. Steel Ltd.	25.00	10	1.25	1.25	1.25	2.00	6	Y.P.
2,03,97,000	1,47,08,415	3,18,81,901	1,02,58,799	57,411	B. P. Singh Roy, Esq. (Chairman)	Jessop & Co.	21.94	10	*Nil*	0.60	0.858	0.858'C'	10	Y.P.
27,64,800	46,74,683	90,13,956	33,26,450	31,233	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	6.50	2	0.45	0.30	0.30'C'		11	Y.P.T.
10,50,000	1,90,990	13,32,345	14,72,111	3,513	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	4.94	2	0.40	0.40	0.20		6	Y.
40,96,000	13,28,439	1,37,17,076	81,10,264	—1,08,068	M.	National Iron and Steel Co., Ltd.	6.50	10	0.62	0.62	0.75	*Nil*	3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,312	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.44N	10	*Nil*	*Nil*	*Nil*		6	Y.P.
6,00,000	11,05,251	31,29,091	21,37,426	17,915	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	7.44	4	0.40	0.40	0.25	0.35	3	Y.
1,50,00,000	55,23,079	4,19,73,529	1,96,95,885	37,204	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	19.70	10	1.50	1.50	2.00		12	Y.P.T.
39,84,400	14,67,750	60,49,005	26,20,291	4,565	Balasundaram & Co.	Textool Co., Ltd.	181.00	100	20.00	12.00	15.00	15.00	[illegible]	Y.
INSURANCE (x)														
12,50,000	46,52,425	1,45,73,287	....	23,040	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.44	5	1.00	1.00	1.00		12	Y.
10,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	80.00	50	3.00	3.00	2.00		12	Y.
24,00,000	71,01,264	1,40,68,520	....	3,62,182	B. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	23.25	10	2.00	2.00	2.00		12	Y.
16,92,240	37,17,768	88,96,037	....	4,17,522†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	45.00	40	3.50	3.75	5.35		12	Y.
20,00,000	63,51,546	1,74,97,763	....	45,112	M. G. Mody, Esq. (General Manager)	New Great Insurance	21.52	20	2.00	2.00	2.50		12	Y.
,06,81,590 / 35,61,000	3,27,40,502	14,89,78,776	....	44,28,397	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	61.00 / 61.00	15 / 15New	3.00 / ..	4.00 / 4.00	5.70* / 5.70*		12	Y.
22,00,000	92,52,498	1,29,48,849	....	8,214	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	8.44	8	0.62	0.62	0.80		12	Y.
5,75,000	67,12,673	1,13,08,489	....	1,88,129	Sir John Brown (Mg. Director)	Triton Insurance	142.00	25	11.25	11.25	11.25		12	Y.
15,99,270	39,15,882	1,02,06,244	....	10,014	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	15.20	10	1.50	1.50	2.00		12	Y.

* Includes bonus † Subject to taxation. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors. X.R.—Ex. Right.

x—For these companies reserves include balances of various funds and under gross block are given the total assets. Z.—Dividend is for fifteen months ended 31st March 1957.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
						OIL								
£562,500	£212,932	£745,697§§	....	£1,003	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	1.30	Sh. 8	Nil	2%	Nil	8%	3	Y.
6,00,000	86,35,342	89,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0.60	Nil	0.60		12	Y.P.
0,00,000	1,59,93,684	1,00,77,425	52,21,479	4,47,887	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	27.55	10	2.00	2.00	2.50	1.00‡	12	Y.P.
0,07,475	49,40,586	2,47,94,315	1,56,70,926	46,303	Tata Industries Private Ltd.	Tata Oil Mills	74.00	25	2.50	2.50	3.25	5.75	3	Y.P.T.
6,00,000	9,39,137	2,46,248	1,72,531	1,24,540	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	18.70xd	10	1.25	1.50	2.20	3.00	10	Y.
						PAPER								
7,43,031	37,55,249	2,76,44,249	2,15,86,003	3,30,769	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	37.87	25	Nil	Nil	2.50	3.575	6	Y.P.
6,00,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	86.00	25	3.12	5.50	3.00		12	Y.P.T.
8,20,000	80,25,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	19.25	10	1.40	1.00	1.00	1.50 'C'	3	Y.
2,50,000	....	....	....	....	M.	Jayant Paper Mills Ltd.	62.50	100	....	....	....	....	3	Y.
0,00,000	....	1,04,58,852	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	10.00	10	....	....	....	....	6	Y.P.
5,00,000	37,42,800	1,54,04,003	1.03,95,960	51,968	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	23.50	10	1.00*	1.00	1.25*	1.50	3	Y.
6,82,500	3,21,50,238	10,01,40,260	3,07,78,182	4,22,620	Birla Brothers Private Ltd.	Orient Paper	36.00	10	1.50	1.50	1.50	2.25	3	Y.P.T.
5,00,000	....	....	....	....	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	7.12	7.50	....	....	....	....	3	Y.
6,51,420	1,09,54,433	3,40,18,914	1,26,74,532	1,36,712	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	25.69	10	1.25	1.25	1.78		12	Y.P.T.
0,00,000 0,00,000	8,39,123	77,35,854	43,04,384	6,122	Bajoria & Co.	Star Paper Mills	13.37 13.37	O. 10 A. 10	0.60 0.60	0.60 0.60	0.30 0.30		9	Y.P.
8,55,240	62,55,990	6,57,32,220	1,87,32,220	34,582	Birla Brothers Private Ltd.	Sirpur Paper Mills	16.12xd	10	0.50	0.65	0.65	0.65	6	Y.P.
6,00,000 5,04,800 4,87,500	3,51,39,745	8,81 10,708	4,28,97,712	2,48,642	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	34.12 34.12 3.69	A. 10 B. 10 P.O. 2½	2.38* 2.38* 0.24	2.38* 2.38* 0.24	2.50* 2.50* 0.25*	2 50 2 50 0.295	3	Y.P.T.
9,55,400	45,00,000	5,41,73,787	35,40,616	53,348	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	193.00xd	100	Nil	Nil	Nil	6.00	6	Y.P.
						SAW MILLS AND TIMBER								
2,90,998	19,59,360	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.50	3	Nil	Nil	....	....	9	Y.
9,25,000 2,00,000	3,46,95,997	5,74,47,341	2,67,52,541	1,47,502	Wallace & Co.	Bombay-Burmah Trading Corpn.	605.50 215.00	Old125 New50	47.50K 19.00K	22.50 9.00	23.75 9.50	37.50 15.00	5	Y.
0,00,000	20,50,362	21,44,636	16,69,639	1,05,936	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	33.62	10	2.75	2.50	2.50	1.00‡	9	Y.
						SUGAR (U.P. and Bihar)								
18,00,905	9,93,823	31,10,427	19.27,489	48,466	M.	Balrampur Sugar	2.75	2.50	0.25	0.25	0.40‡	0.20	6	Y.
00,000A. 00,000B.	36,05,704	66,14,329	42,19,339	10,00,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 11 60N	A.100 B. 10	10.00 1.60	10.00 1.00	10.00 1.00		4	Y.T.
29,23,562	10,14,082	48,44,006	29,60,298	1,234	Bangur Bros., Ltd.	Belsund Sugar	12.37	7½	1.00	1.00	1.40	1.40	9	Y.
14,00,000	14,08,556	23,95,027	15,95,890	4,173	Cotton Agents Private Ltd.	Bharat Sugar	16.50	10	1.50	1.00	1.50	1.50	6	Y.P.
12,00,000	32,26,224	1,51,27,711	1,08,91,665	2,75,591	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.62	10	Nil	0.25	Nil	Nil	6	Y.P.T.
10,00,000	77,17,253	1,76,06,330	1,00,31,364	—4,17,923	British India Corporation Ltd.	Cawnpore Sugar	14.00	10	Nil	Nil	Nil	Nil	10	Y.P.
18,00,000	45,46,234	84,73,277	64,52,904	27,968	British India Corporation, Ltd.	Champarun Sugar	17.12	10	Nil	1.00	1.50	1.50	6	Y.
9,58,252	6,10,032	32,39,842	20,22,495	6,101	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.06	10	0.50	0.50	1.25		8	Y.T.
16,00,000	32,58,160	71,38,945	44,96,826	3,29,729	M.	Durbhanga Sugar Co., Ltd.	15.00	10	2.00	1.50	2.00		3	Y.
10,00,000	78,32,000	2,29,19,973	1,18,95,886	52 021	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	340.00	100	15.00	15.00	15.00	29.00*	6	Y.P.
12,50,000	20,51,626	95,42,332	57,58,319	1,03,797	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	247.50	50	7.00	4.00	4.20	9.00	7	Y.P.
7,89,100	30,31,969	57,67,867	33,25,497	34,091	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	2.50	2.50	3.65	3.65	6	Y.P.
11,00,000	4,58,234	49,29,289	29,86,570	10,502	K. C. Thapar & Bros. Private Ltd.	New Savan	5.69	10	0.37	0.25	0.37		5	Y.
3,59,375	63,73,211	83,62,456	82,23,024	20,512	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	326.00	100	20.00	20.00	29.00	29.00	6	Y.
77,52,210	89,76,949	2,77,58,474	1,49,52,234	24,386	Cotton Agents Private Ltd.	Oudh Sugar	182.00	100	12.50	12.50	13.25	20.00	7	Y.P.
12,00,000	13,65,315	37,56,130	22,83,412	1,62,250	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	126.00	100	Nil	6.00	15.00		10	Y.
9,00,000	23,02,870	51,19,941	35,72,535	4,006	M.	Purtabpore Co.	12.44	10	Nil	Nil	Nil		10	Y.P.
10,00,000	2,92,000	25,30,109	14 67,024	2.192	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	6.00	10	0.30	0.30	0.30	0.40	3	Y.
15,00,000	27,38,845	85,30,103	39,46,664	65,217	Govan Bros. (Rampur) Private Ltd.	Raza Bulund Sugar	11.44	10	1.50	1.25	1.20	1.25	10	Y.
8,00,000	6,30,752	29,27,567	23 93,295	4,779	M.	Ryam Sugar	12.50	10	1.50	1.50	0.50		6	Y.P.
11,90,000	16,90,877	48,13,634	26,63,230	20,614	M.	Samastipur Central Sugar	11.19	10	Nil	0.25			6	Y.
19,99,000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	11.62	10	1.00	1.00	1.50	1.50	7	Y.P.T.
10,02,115	24 660	36,18,156	17,25,281	5,174	H. K. Ghosh, Esq. and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	5.94	10	Nil	Nil	Nil	4.40	6	Y.
15,89,962	16,10,752	39,27 180	22,85.030	21.350	M.	Shri Sitaram Sugar	12 00	10	0.50	0.50	0.90		8	Y.
7,00,035	10,42,692	28,89,883	15,99,355	19,286	M.	Tulsipur Sugar	5.06	5	....	....	....	0.62	6	Y.
8,00,000	48.66,902	1,83,27,976	97,43,260	44,480	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	5.00	5.00	7.25		6	Y.P.
18,00,000	14,52,294	38,53,170	28,80,100	1,98,870	M.	United Provinces Sugar	17.00	10	0.75	1.00	1.50		9	Y.
						Other Centres								
30,00,000	28,05,000	1,13,99,115	83,48,654	25,153	Rangarao & Co.	Andhra Sugars Ltd.	26.85	10	1.25	1.50	2.00	2.00	9	Y.
40,00,000	14,50,088	95,55,530	9,60,276	73,721	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	132.00	100	100	Nil	Nil	6.00	6	Y.P.
70,49,650	1,52,02,875	1,63 95,390	1,10,68,264	82,986	W. H. Brady & Co., Ltd.	Belapur Company	284.50	50	18.00	20.00*	21.00	29.00	9	Y.
17 50,000	16,67,724	47,71,723	29,36,495	93,383	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	26.10	10	2.00	2.00	2 50	2.25	9	Y.P.
37,50,000	19,13,467	88,31,982	61,54,483	61,719		Shree Changdeo Sugar	26.00	12.50	2.25	2.25	2.90	2.50	9	Y.
39,84,000	58,53,634	1,45 32,270	78,22,738	1,29,253	Parry & Co., Ltd.	Deccan Sugar & Abkhari	13.85	5	0.72½'C'	0.90	0 90	1 28	5	Y.P.
1,300,000	£1,948,862	£1,990,779	£1,188,091	£126,694	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	43.80	£1	15%	20%	28 4/7%	21 3/7%	6	Y.P.T.
16,93,900	13,26,242	48,72,020	31,28,903	12,594	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	90.00N	100	10.00	10.00	10.00	12.50	6	Y.P.
38,97,650	9,79 348	31,86,670	27,89,256	5,62,866	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.90	10	1.00	1.00	1.25		9	Y.P.
32,43,250	15,18,785	1,56,55,795	27,43,033	182	B. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.04	10	0.60	0.60	1.00	1.25	6	Y.P.
58,57,410	96,15 290	4,17,59,138	78,54,583	23,450	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	23 57	10	0.75	0.75	1.50	1.50	6	Y.P.
17,00,000	6,24,776	76,33,554	34,96,271	40,774	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	79.00	100	Nil	Nil	Nil	Nil	6	Y.P.T.
67,50,000	59,72,055	1,56,07,253	70 66,935	54.969	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	186.25	50	20.00	17.00	21.00	21.00	9	Y.P.
31,79,280	1,04,39,034	1,63,27,085	1,07,39,878	1,15,228	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	59.00cd	10	2.00	3.00*	3.00	3.00	6	Y.
10,06,835	1,13,33,279	3,20,25,300	1,92,92,230	3,527	Industries (I.F.) Dept., Govt. of Andhra Pradesh	Nizam Sugar Factory Ltd.	62.00	25	4.50	4.50	5.40	5.75	6	Y.P.
50,00,000	54,16,691	1,38,37,313	77,64,979	21,809	Mafatlal Apte and Kantilal Pvt. Ltd	Phaltan Sugar	136.75	50	12.00*	10.00	13.50	12.00	9	Y.
16,59,820	47,47,780	80,79,204	42,50,099	13,908	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	29.31	10	1.50	1.50	2.14	3.00	3	Y.P.T.
29,95,750 -4,00,000	44,47,953	1,58,38,095	66,84,343	12,211	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	70.00 30.00	O. 50 D. 50	12.00 3.50	12.00 3.50	8.50 3.50	5.00 3.50	9	Y.P.T.
30,00,000	21.96,500	69,10,952	83.56 498	1,46,735	Parry & Co., Ltd.	Travancore Sugars	10.25	10	1.00	1.00	1.00	1 00	7	Y.P.
01,00,000	1,31,26,320	4,26,89,605	1,46,10,876	1,61,484	Walchand & Co. Private Ltd.	Walchandnagar Industries	201.00	100	21.00	21.00	20.00	15.00	9	Y.P.T.
						UNCLASSIFIED (Bombay)								
20,00,000	16 33,754	80,65,990	12,43,589	966	Jolly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	282.50	100	..	Nil	Nil	6.00§	3	Y.P.
49,04,125	....	1,87,535	....	11,765	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	109.00	100	..	..	Nil	..	12	Y.
89,50,000	....	1,10,78,000	19,68,000	....	..	Automobile Products	12.00	10	..	..	..	..	7	Y.
7,00,000	2,60,060	22,10,441	9,31,437	3,466	The Associated Agencies (Pvt.) Ltd.	Associated Rubber Industries Ltd.	105.00	100	7.00	7.00	10.00	..	12	Y.P.T.
25,00,000 6,25,000	1,50,000	17,32,985	5,64,037	6,664	Jamnalal Sons Private Ltd.	Bajaj Electricals	100.00 56.00	100 50 New	7.50	9.00	5.00	8.10 2.70	3	Y.P.
14,98,840	5,27,709	37,56,956	23,15,699	17,694	Cheonilal Manilal Private Ltd.	Estrela Batteries	62.70	50	3.50*	3.00	3.50*	4.50	3	Y.P.
16,00,000	9,40,683	10,20,495	4,90,761	31,694	Aero-Auto Private Ltd.	Bombay Cycle & Motor	25.50	20	1.75	1.00	2.00	2.50	3	Y.
14,00,000	13,000	1,08,24,000	15,000	27,205	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	182.50	100	..	..	Nil	..	12	Y.
35,00,000	50,12,115	21,25,643	7,05,848	44,119	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	177.50	100	7.50	10.00	7.50	11.00	3	Y.P.
4,00,000 51,66,500	....	9,14,417	11,195	89,813	P. H. Sorine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N 50.00N	100 50	..	..	..	..	10	Y.
21,07,000	3,75,592	1,23,44,460	76,81,774	—9,49,324	Birla Brothers Private Ltd.	Hind Cycles	101.00	100	12.50	7.00	Nil	Nil	3	Y.P.
12,00,000	....	3,17,049	....	....	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	12.40	10.00	..				12	Y.
57,00,000	4,24,48,754	6,18,54,846	2,32,69,768	24,38,955	S. H. Turner, Esq. (Chairman)	Hindustan Lever	47.00	10	1.40	1.50	2.40	2.60	12	Y.
21,17,500	7 73 396	27,73,828	21,27,149	4,342	Forbes Forbes Campbell & Co., Pvt. Ltd.	Indian Vegetable Products Ltd.	135.00	100	10.00	10.00	15.00	17.00	9	Y.
00,00,000	72,79,946	6,77,45,143§§	....	77,237	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	86.00	100	4.00	4.00	5.00	5.75	12	Y.
99,99,250	20,07,884	1,49,29,463§§	....	3,840	Premchand Roychand & Sons	Industrial Investment Trust	79.00	100	5.50	6.00	6.00	6.20	12	Y.
70,22,100	1,04,80,782	4 02,31,978§§	....	16,810	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	115.00	100	9.25	6.50	9.25	8.50	6	Y.P.
19,66,900	8,40,945	48,67,187	19,20,438	7,498	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	5.00	6.00	8.50		12	Y.P.T.
20,00,000	1,30,912	83,42,718	49,35,398	5,912	Kamani Brothers Private Ltd.	Kamani Metals & Alloys Ltd.	10.00N	10	..	0.50	0.75		6	Y.P.T.
24,95,450	26,84,260	49,67,050	18,86,011	10,125	A. N. Halmar, Esq. (Mg. Director)	Killick Industries	101.00	100	11.00	13.00	9.00	8.00	11	Y.
12,50,800	2,13,870	19,92,555	15,00,469	85,265	Bhogilal H. P. Patel, Esq.	Laxmi Starch Factory Ltd.	184.50	100	5.00	6.00	9.00	13.00	3	Y.
11,25,100	30,000	13,42,154	4,06,142	2,85,198	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	102.00	100	2.00	7.00	6.00	10.00	3	Y.P.
27,60,000	41,84,317	87,81,900	47,39,264	1,17,952	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	423.75	100	15.00	18.00	25.00	25.00	12	Y.
26,99,400	18,09,276	66,37,217	26,51,409	67,953	Polson Agencies Private Ltd.	Polson Ltd.	177.00	10	10.00	10.00	15.00	15.00	12	Y.P.
72,28,625	1,17,81,972	5,94,80,033	2,64,36,782	3,23,922	Aero-Auto Private Ltd.	Premier Automobiles	165.50	100	6.00	4.00	9.00	9.00	6	Y.T.
4,75,200 5,13,400	1,71,915	30,66,967	9,69,029	29,056	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	6.00 3.00	6.00 3.00	9.00 4.50	3	Y.P.
70,75,900	....	22,82,068	11,962	1,03,299	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	102.00	50	..	..	..	Nil	12	Y.
17,50,000	18,80,748	67,28,501	84,94,295	15,405	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	215.00	100	8.00	8.00	14.00'C'	15.00	6	Y.
19,41,750	1,97,040	27,39,350	3,08,392	10,526	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	50.00	50			Nil	Nil	3	Y.P.
6,22,100	2,73,159	8,45,582	2,39,183	2,859	Medi & Co.	Supreme Industries Ltd.	157.50	100	6.00	7.50	9.00	13 00	3	Y.P.
75,00,000	1,90 54,595	4,80,29,387	2,10,07,541	4,53,615	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co. Ltd.	274.00	100	11.00*	11.00*	16.00*	16.00	12	Y.
17,00,000	2,86,719	29 42,802	15 42,187	20,699	Hasham Premji	Western India Vegetable Products Ltd.	117.00	100	7.00	8.00	5.00		3	Y.
33,50,000	70,71,045	12,17,595	5,69,166	2,85,173	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	400.00	150	25.00	25.00	25.00	50.00	12	Y.

R.—Estimated by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. K.—Includes an additional dividend of Rs. 7.00 per old share and Rs. 3.00 per new share.
¶ Exempt from tax. §§ Investments at cost.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
UNCLASSIFIED (Other Centres)														
62,50,000	2,03,52,495	3,95,14,452	1,19,43,880	1,13,745	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	17.81	0.10	0.90	0.90	1.00	1.20	3	Y.P.T.
80,00,000	39,83,756	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.00	10	1.25	1.25	1.25	1.80	3	Y.
80,00,000	37,04,326	37,09,127	26,34,530	2,22,752	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	23.19	10	1.80*	1.50	2.00	2.50*	8	Y.
3,02,87,658	26,63,610	2,20,70,296	60,76,913	20,076	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	9.15cd	5	0.30	0.30	0.40		12	Y.
30,00,000	27,88,863	41,63,859	23,39,465	1,42,995	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	22.87	10	1.25*	1.25*	1.80	1.80	12	Y.
1,18,00,000	80,75,137	93,46,580	48,96,447	8,73,110	A. W. Browne, Esq., (Mg. Director)	Associated Battery	33.75	10	1.50	2.40	4.00	2.50	8	Y.
20,00,000	39,46,521	1,09,70,996	44,86,334	1,55,433	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	5.00N	10	0.60	0.60	Nil	Nil	3	Y.P.T.
90,01,400	83,06,830	77,86,003	41,34,215	5,14,649	A. T. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	263.00	100	12.50	20.00	25.00	7.00i	12	Y.
12,00,000	25,38,976	37,24,157	31,81,357	1,88,199	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	46.00	10	2.50	2.50	4.50	4.00	12	Y.
50,00,000	4,70,250	82,31,326	19,64,326	94,375	H. R. Sugla, Esq. (Mg. Director)	Bharat Commerce & Industries Ltd.	23.75	10	Nil	Nil	Nil	0.50	12	Y.P.
30,00,000	7,81,688	64,37,324§§	....	56,711	Lovelock & Lewis	Birds Investment Ltd.	14.25	10	0.50	0.70	1.10	0.95	9	Y.P.
45,97,020	55,50,348	1,22,49,277	53,59,733	2,13,638	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	52.00	10	1.00	1.20	1.40	2.50	3	Y.P.T.
3,25,00,000	1,95,44,212	3,00,84,669	2,33,94,496	3,34,066	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	8.40xd	5	Nil	Nil	Nil	0.20	12	Y.P.
1,38,30,000	14,44,223	1,90,33,924§§	....	2,16,378	Andrew Yule & Co., Ltd.	Clive Row Investment	8.53	10	0.75	0.75	6.83H		12	Y.
5,00,000	10,00,000	39,74,202	27,53,992	51,170	M.	Delhi Flour Mills, Co., Ltd.	15.00	10	1.00	1.00	1.00		10	Y.P.T.
3,00,00,000	5,08,87,509	10,39,79,436	4,01,20,270	25,12,555	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	49.81	10	1.62	1.62	2.15	2.15	12	Y.P.T.
27,27,165	1,20,49,803	59,73,067	23,80,820	26,402	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	31.00	5	0.60	0.75	0.80	1.25	3	Y.
51,26,000	59,19,702	1,63,50,496§§	....	3,49,092	Bird & Co. Private Ltd.	Eastern Investment Ltd.	132.00	100	9.00	9.00	14.00	14.00	12	Y.P.
24,99,000	3,52,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	12.00	10	Nil	Nil	0.50		12	Y.P.
46,90,187	77,72,810	95,23,776	52,86,250	4,07,838	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	16.75	12.50	1.50	1.50	1.60		9	Y.P.
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	229.00	100	12.00	15.00	17.00	17.50	3	—
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	10.40	10	0.80	1.25	1.25		3	Y.
65,00,000	36,24,200	30,57,755	15,91,667	1,71,222	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	13.22	10	1.00	1.00	1.00	1.00	3	Y.P.
60,00,000	4,73,500	70,95,498	41,39,847	10,40,721	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	29.00N	10	1.50	2.00	2.60		12	Y.P.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	240.00	250	15.00	15.00	15.00	22.50	3	Y.
4,96,13,275	49,51,450	7,86,56,187	3,25,48,254	3,63,217	Birla Brothers Private Ltd.	Hindustan Motors	20.20	10	Nil	Nil	0.50	0.90	3	Y.P.
80,00,000	16,64,523	99,46,487	33,67,174	1,51,125	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	32.87	10	0.60	0.60	1.20		10	Y.
15,19,00,000	9,64,76,893	11,81,66,117	2,88,76,995	24,77,765	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	11.31	10	0.70	0.70	0.60	0.80	3	Y.
3,98,59,480	2,49,73,620	9,79,93,586	3,53,95,735	49,90,524	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd.	31.25	10	0.60	0.70	1.20	1.50	12	Y.P.T.
2,36,77,700	2,02,99,648	2,95,48,176	1,37,19,570	45,64,364	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	36.06	10	1.50*	1.50*	1.50*	2.25	3	Y.P.T.
2,00,00,000	1,28,81,493	5,99,68,652	2,48,66,248	13,78,431	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	34.37	10	1.00	1.00	1.50	1.50	9	Y.
20,86,250	70,550	51,92,992	17,57,026	33,618	M.	Indian Plastics Ltd.	10.62	10	0.37	Nil	Nil	Nil	3	Y.P.
3,27,070	7,54,870	19,61,878	11,61,643	1,32,665	M.	Indian Rubber Manufacturers	17.00	10	0.62	1.00	1.50	2.00	3	Y.P.
2,00,00,000	73,10,723	42,66,244	15,92,108	5,21,494	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	65.00	100	2.50	2.50	5.00	7.00	3	Y.P.
15,00,000	12,02,095	18,79,279	18,27,977	17,262	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	12.75	10	2.00	3.50	2.00	1.00	3	Y.P.
1,46,96,250	1,19,82,546	82,41,470	18,18,524	2,60,369	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26.00	10	2.12*	2.12*	2.75	2.75	9	Y.P.
6,00,000	4,20,000	14,85,526	6,66,994	1,49,226	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	34.75	10	2.40	2.00	3.00	..	12	Y.
40,00,000O. / 5,00,000D.	74,10,780	31,01,156	12,70,257	2,42,718	M.	McLeod & Co.,	213.00 / —	O. 100 / D.O.10	12.50 / 0.75	12.50 / 0.75	15.00 / 1.00		12	Y.P.
1,00,00,000	1,64,75,151	3,36,31,734	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	47.37	10	1.75	1.75	1.75	2.50'C'	3	Y.P.
14,05,000	5,79,891	13,30,194	6,28,269	4,324	N. G. Ayyangar Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	219.00	100	8.00	11.00	15.00	24.00	3	Y.
6,56,250	6,93,500	11,29,680	3,97,362	3,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	25.35	10	1.25	1.50	1.60		3	Y.P.
10,00,000	3,16,884	17,88,367	10,82,038	622	M. Mallaraj Urs. (Mg. Director)	Mysore Tobacco	10.40	10	1.50	1.25	1.25	1.00	3	Y.
90,00,000	1,37,56,692	1,31,19,135	51,35,368	86,889	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	86.75	10	2.00	2.00	2.00	2.50'C'	3	Y.P.
30,00,000	17,70,000	49,56,249	25,37,459	37,684	Do.	National Pipes & Tubes Co., Ltd.	24.37	10	2.00	1.25	1.50		9	Y.P.
40,00,000	30,19,000	83,22,477	35,76,949	1,31,185	Do.	National Rolling & Steel Ropes	20.75	10	0.60	1.00	1.00	1.80	6	Y.
40,97,064	9,15,876	33,55,368	33,67,559	14,523	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	12.00	10	1.00	0.60'C'	0.35		12	Y.
79,97,000	1,02,16,331	1,36,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	21.62	10	0.90	1.10	1.00		12	Y.P.T.
23,33,100	11,02,391	40,65,244§§	....	45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	48.00N	75	2.50	3.75	6.50		12	Y.
10,00,000	5,52,900	12,55,063	6,00,215	1,51,607	Parry & Co., Ltd.	Parrys Confectionery Ltd.	5.10XR	1	0.20	0.20	0.20	0.30	3	Y.
2,20,00,000	50,68,956	1,46,74,355	46,82,803	47,214	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	81.75	10	0.34	0.35	1.20		12	Y.
62,50,000	..	..	..	..	Duncan Brothers & Co., Ltd.	Phillips Carbon	17.37	5	..	..	..		12	Y.
15,00,000	1,09,431	3,39,781	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.60	5	0.45	0.375	..		12	Y.
24,39,344	2,28,127	33,31,124	18,21,778	42,789	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	20.50cd	10	1.20	1.00	1.00		3	Y.
2,25,00,000	6,09,614	70,38,972	33,98,189	4,49,497	Badridas Goenka, Esq., (Chairman)	Rallis India Ltd.	189.00	100	Nil	Nil	Nil	4.00	8	Y.P.
2,50,30,000	2,49,55,000	14,76,38,674	6,18,95,237	1,93,085	Sahu Jain Ltd.	Rohtas Industries	19.69	10	....	2.00	1.50	2.00	3	Y.P.T.
70,00,000	55,67,726	2,76,12,629	72,19,861	1,17,247	K. D. Ganguli, Esq.	Sen-Raleigh Industries	25.45xd	10	0.60	0.60	0.80	0.80	9	Y.P.
75,00,000	45,73,900	1,17,50,530	26,67,290	5,14,701	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	24.25	10	1.00	1.00	1.50		12	Y.P.
60,00,000	91,26,201	1,53,82,019	78,19,485	7,55,863	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	24.25	10	1.50	1.50	1.80	1.80	6	Y.P.
47,00,000	24,40,000	1,35,84,029	39,78,773	2,974	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.75cd	10	0.75	0.75	0.90	0.90	12	Y.P.
15,00,000	95,24,802	1,18,49,116	28,52,132	58,431	J. K. Agents Private Ltd.	Straw Products Ltd. S	10.31	10	1.25	1.25	1.50		12	Y.
22,20,270	16,32,008	14,73,459	3,93,604	14,18,847	M.N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	38.00	10	2.00	2.25	3.00	3.00	6	Y.
9,38,936	30,000	16,98,410	7,47,136	3,288	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.20cd	10	Nil	0.40	0.40	0.60	12	Y.
11,56,500	15,37,168	13,62,490	7,38,592	40,519	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	32.50	10	2.00	2.00	2.75	3.25*	9	Y.P.
2,49,98,600	1,26,10,316	3,46,95,651	65,94,797	3,04,545	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	288.00	100	10.00	10.00	10.00	10.00	7	Y.
30,53,950	29,836	66,68,038	17,68,388	56,305	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	8.00	10	Nil	Nil	Nil		9	Y.P.
2,80,00,000	1,67,65,505	6,04,41,004	1,15,63,837	..	J. B. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	54.56	10	1.40	1.40	1.80	1.80	12	Y.T.
30,00,000	47,50,000	59,48,867	18,86,024	1,24,443	Vittal Mallya, Esq. (Chairman)	United Breweries	115.50	10	2.00	6.00	6.00	6.00	3	Y.
5,00,000	6,60,191	8,85,222	5,93,831	28,594	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	33.00N	10	4.00	3.75	5.25	3.50	11	Y.
31,29,500	* 25,29,234	98,81,836	25,54,513	5,401	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	243.00	100	10.00	10.00	10.00	10.00'C'	3	Y.P.
TRANSPORT														
20,00,000	95,17,850	1,23,16,309	21,49,792	23,023	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	5.00	6.00	3.00	7.50	10	Y.P.
1,00,00,000	94,04,072	3,90,21,508	2,05,16,725	—7,10,928	Dinshaw (Private) Ltd.	Bharat Line	6.82	10	1.20*	1.20*	Nil		12	Y.
60,00,000 / 25,00,000	2,17,74,568	8,51,80,151	2,15,53,555	1,32,018	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	14.80 / 8.24	10 / 5(New)	1.50	1.50 / 0.90	1.50 / 0.325	1.00 / 0.50	6	Y.P.
£655,580	£1,242,443	£3,811,271	£2,538,391	—£3,866	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	72.50	810	Nil	Nil	Nil		12	Y.P.
2,47,50,000	2,89,74,088	22,68,81,851	4,96,14,634	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	8.88	10	1.00	1.00	1.00	1.00	3	Y.P.
11,28,19,293	11,32,52,989	35,02,81,320	9,83,12,870	—16,18,456	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	14.28	20	1.25	1.25	1.50	0.60	6	Y.T.
3,40,800 / 2,10,200P.O.	21,45,738	13,10,577	9,08,867	1,67,197	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.06 / 2.25	O. 1 / P.O. 1	0.14 / 0.12	0.14 / 0.12	0.20 / 0.15		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	35,44,700	1,29,77,423	80,99,858	11,999	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	25.00	10	1.25	1.25	1.50	1.00	3	Y.
12,00,000	2,96,358	38,08,529	34,12,329	—5,53,532	Jardine Henderson Ltd.	Barraree Coke	14.50	10	0.37	0.50	Nil	Nil	3	Y.
4,49,350	1,30,132	11,60,136	6,76,085	4,967	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48N	10	0.90	0.25	Nil		12	Y.
1,00,00,000	2,06,23,467	7,45,29,664	4,86,40,636	10,50,529	Andrew Yule & Co., Ltd.	Bengal Coal	364.00	100	17.50	17.50	25.00	25.00	10	Y.P.
3,25,000	4,90,671	23,57,002	21,45,467	—24,902	M.	Bengal-Nagpur	20.00	10	Nil	Nil	Nil		12	Y.
40,60,000	61,200	1,48,74,215	80,25,554	2,30,479	Sahu Jain Ltd.	Bharat Collieries	4.12	10	0.60	0.60	Nil	Nil	6	Y.P.T.
7,15,000	14,93,844	57,66,346	86,78,757	—6,96,082	M.	Bhulanbararee	5.00N	10	Nil	Nil	Nil		12	Y.P.
7,50,000	20,32,392	45,36,993	28,95,396	19,330	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.27	10	0.75	0.75	1.00		12	Y.P.
90,92,480	1,40,21,423	4,32,66,766	2,28,76,540	1,49,292	Bird & Co. Private Ltd.	Burrakur	19.87	10	0.75	0.875	1.30	1.30	6	Y.P.T.
49,97,000	4,62,979	74,82,076	25,32,605	27,542	Hindustan Investment Corpn. Ltd.	Central India	13.25	10	0.50	0.50	0.50	0.30	3	Y.
8,00,000	12,99,490	53,54,287	34,91,864	7,605	Jain Industries	Central Kurkend	7.00N	10	0.70	0.50	Nil		12	Y.
6,00,000	1,54,873	9,36,341(k)	....	941	F.W. Heilgers & Co. (Private) Ltd.	Churulia	3.09	4	0.20	0.20	0.12		12	Y.
16,00,000	....	57,61,927	38,65,625	—1,06,301	M.	Dhemo Main	7.25	10	Nil	Nil	Nil		12	Y.
£240,000	£3,52,069	£1,124,710	£812,966	£7,006	Jardine Henderson Ltd.	East Indian	36.50	41	1.50	1.00	1.25	1.00	4	Y.
29,83,750	1,07,01,492	4,76,99,817	3,32,28,971	1,20,238	Macneill & Barry Ltd.	Equitable	30.50	10	1.50	1.50	0.75		12	Y.P.T.
10,00,000	40,000	24,58,595	8,45,200	—5,80,078	Bhatter's Agency Ltd.	Ghusick and Muslia	16.00	10	Nil	Nil	Nil	Nil	3	Y.
12,00,000	1,27,964	48,44,876	27,68,441	—1,87,129	Killick Industries Ltd.	Hingir-Rampur	28.00	50	Nil	Nil	Nil	Nil	6	Y.P.
3,00,000	....	24,79,228	20,12,306	—3,47,957	M.	Hurriladih	14.37	10	Nil	Nil	....		12	Y.
30,00,000	5,87,341	40,32,488	10,76,764	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	208.00	100	Nil	5.00	5.00	7.50	3	Y.P.
5,00,000	21,66,090	56,77,095	40,80,864	1,81,658	Andrew Yule & Co., Ltd.	Katras Jherriah	46.50	10	0.50	0.50	0.50	0.50	1	Y.
11,00,240	66,243	7,07,900	....	—3,39,717	M.	Kuardi	8.75N	10	Nil	Nil	Nil		6	Y.
9,00,000	10,22,762	6,16,670	....	39,080	H. V. Low & Co. (Private) Ltd.	Lakurka	14.00N	10	0.12	1.00	0.75		4	Y.
7,48,240	2,50,000	18,59,878	10,13,358	17,140	Tantia Brothers Private Ltd.	Nazira	8.00	10	0.75	0.75	1.00		12	Y.
31,97,210	27,39,886	1,62,48,573	1,06,23,096	79,798	Andrew Yule & Co., Ltd.	New Beerbhoom	28.00	10	0.75	1.00	1.50		10	Y.P.
6,00,000	2,88,645	28,54,261	19,79,084	56,603	Octavius Steel & Co., Ltd.	New Manbhoom	15.75	10	0.50	0.50	0.50	1.00	3	Y.
1,15,000 / 1,57,500	3,34,525	12,96,398	9,60,464	23,053	M.	North West	21.09N / 19.00N	10 / 7.50	1.50 / 1.12	1.50 / 1.12	1.50 / 1.12	0.75 / 2.00	3	Y.
7,50,000	16,65,465	2,62,588	21,15,095(k)	41,499	P. Prashad, Esq. (Chairman)	Ondal	16.75	10	0.50	0.50	0.70	1.50	12	Y.P.
3,34,000	1,32,527	28,59,307	12,11,228	1,026	Deepchand Kishenlall	Parasea	18.00	10	0.50	0.50	0.62		12	Y.P.T.
15,75,000	22,32,200	76,91,776	47,81,406	14,547	Shaw Wallace & Co., Ltd.	Pench Valley	19.75	10	2.00	2.00	1.00	1.00	3	Y.
22,99,500	34,39,802	1,52,74,203	1,05,98,171	3,664	M.	Raneegunge	16.00	10	0.75	1.00	1.00	1.50	3	Y.
13,50,000	11,31,590	52,62,257	35,97,256	29,537	Shaw Wallace & Co., Ltd.	Rewa	26.12	10	1.00	1.00	1.00	0.75d	12	Y.
37,50,000	36,62,940	1,08,14,676	34,23,229	—4,580	M.	Samla Collieries	9.75	10	0.90	0.50	0.70	..	12	Y.
13,00,000	2,33,010	22,73,864	7,51,427	2,609	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries.	130.00	100	9.25	12.50	10.00		12	Y.
2,30,000	10,53,929	30,26,230	20,57,054	45,862	Andrew Yule & Co., Ltd.	Seebpore	38.00	7	1.75	1.75	3.00	1.00	12	Y.P.
8,00,000	4,69,848	35,740	13,04,563(k)	1,111	F. W. Heilgers & Co. (Private) Ltd.	Sendra	8.44	10	0.25	Nil	0.25	0.50	12	Y.
63,21,450	1,24,58,755	7,11,84,167	3,19,11,631	90,858	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	11.00	10	1.50	0.75	0.75		12	Y.P.
17,50,000	9,09,230	44,92,231	20,81,911	20,181	Bird & Co., Private Ltd.	South Karanpara	11.12	10	0.75	0.75	0.90	0.25	3	Y.
8,00,000	15,49,019	1,53,707	26,68,239(k)	20,718	F. W. Heilgers & Co. (Private) Ltd.	Standard	12.50	10	1.00	1.25	1.50	1.50	12	Y.
3,50,000	2,81,000	30,49,970	15,40,057	28,484	B. M. Varma, Esq. (Mg. Director).	Union	12.00	10	0.37	0.25	Nil		12	Y.
49,98,000	3,56,533	86,95,251	32,75,682	12,536	Hindustan Investment Corpn. Ltd.	Western Bengal	9.19	10	0.50	0.40	0.40	0.60	3	Y.
7,00,000	....	60,41,420	30,68,310	—2,48,408	M.	West Jamuria	7.00	10	Nil	Nil	Nil		12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1956.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. 'C'—On increased Capital.

§§ Investment at cost.

* Including bonus

SUGAR AND "GUR" IN THIRD PLAN

(*Concluded from page 940*)

because of the high prices prevalent for complementary commodities such as milk and oil. Along with such a lowering of sugar prices, approximate long-term measures should be taken without losing much time in order to put the industry on competitive lines. First of all, it seems necessary to reduce the prices paid to cane growers. (The case for a reduction in their prices was dealt in detail in an article by the author in the issue of *Commerce* dated 15th April 1961. Secondly, the areas (excepting in regions which are in the sugarcane belt) which were recently brought under sugarcane should be reverted to the cultivation of crops originally grown. Thirdly, the facility of rebate on excise duty allowed on additional cane crushed should be withdrawn, because this has resulted in an undue extension of acreage under the crop in regions around the factories and in the crushing of cane which have become dried up as a result of standing in the field for a longer time.

A programme of crop planning on a scientific basis should be launched without further delay. The economy of sugar production and its competitive prices in external markets depend upon the yield rates per acre, length of the crushing season and the sucrose content of cane crushed. In spite of so many years of protection, if the industry could not make much progress in producing sugar at reasonable costs, the blame should be put equally on the growers, industry and the Government. Growers come in here because they had been clamouring for rise in cane prices very often and most of the times without sufficient basis like increase in the cost of cultivation. Industry also has a part in the game, as they could not reduce the cost of production appreciably over the last two decades. But it is the Government which should take the major responsibility for such a situation and their role is clear from the figures given in Table III.

The fifteen major States in India can be classified into four groups according to the sugarcane yield per acre in the State during the three years, 1957-58 to 1959-60. In the first group with over 5,000 lbs. per acre are the States of Andhra Pradesh, Maharashtra, Madras, and Mysore, while in the group 3,500 to 5,000 lbs. are Gujerat, West Bengal and Kerala. The last group below 2,500 lbs. consists of Uttar Pradesh, Madhya Pradesh, Rajasthan and Jammu and Kashmir. The third group includes Orissa, Punjab, Assam and Bihar.

Between the years 1949-50 and 1960-61, the proportional area in the sugarcane belt (areas reporting a yield of more than 5,000 lbs. per acre) has actually gone down from 13.0 per cent to 12.3 per cent, while, in the region with least productivity, it has registered an increase from 61.7 per cent to 64.4 per cent. In the current season, nearly two-thirds of the sugarcane acreage in the country are in regions of least productivity, while about a fifth are in areas where the yield rates are comparatively poorer, ranging between 2,500 and 3,500 lbs. In other words, about 85 per cent of sugarcane acreage is in areas which are not well suited for its cultivation. Let us now take the situation during the current as well as the previous season. Out of an increase of 563,000 acres in the areas under sugarcane during these two years, 429,000 acres or over three-fifths came from areas belonging to the yield groups below 2,500 lbs., while another one-eighth came from States which report a yield rate ranging between 2,500-3,500 lbs. As against this, only 8.5 per cent of the additional acreage originated from the sugarcane belt. For such a continued growth in sugarcane acreage in areas not well suited for its cultivation, the Government is mainly responsible, as it has been allowing such a growth without putting any restriction. Now at least the Government should come forward boldly with a legislation enforcing the cultivators to shift back a majority of the lands, which were put under sugarcane cultivation during the last two or three years, in the regions with a yield of less than 3,500 lbs. per acre, to crops which were originally grown there. Such a step, though seemingly drastic in nature, would be very profitable for the entire country as a whole. There are many crops which are better suited to these regions where the sugarcane productivity is low. For example, during 1957-58, rice yielded 841 lbs. in the Punjab as against the all-India average of 704 lbs.; wheat gave 899 lbs. as compared with 578 lbs. obtained in the country, cotton gave more than double the yield seen elsewhere. Similarly in the U.P., *tur*, groundnut and wheat are some of the crops reporting yield higher than the all-India average. The respective figures are 1,448 lbs., 980 lbs. and 655 lbs. for U.P. and 559 lbs., 662 lbs., and 578 lbs. for the country as a whole. A shift to these high yielding crops in these regions will undoubtedly result in larger production of foodgrains, oilseeds and cotton.

The permanent solution for this problem of surplus sugar should be found through the redistribution (as far as possible) of acreage under sugarcane to areas within the sugarcane belt. Such an adjustment will enable us to get a better yield per acre and thereby reduce the cost per maund of sugarcane produced. Moreover, the quality of the cane produced in these areas is quite high. For example, the sucrose content of sugarcane is highest in Maharashtra, 11.46 per cent during 1958-59, as against the national average of 9.84 per cent. Again, the number of crushing days, which is one of the important determinants of cost of production of sugar, is generally larger in this belt. The Madras factories reported 180 crushing days in 1958-59 season, as against the all-India average of only 118 days. The earlier such a dispassionate action is taken the better it would be for the sugar industry, the consumer and the country.

MARKET GOSSIP

(*Concluded from page* 927)

take any decision then and that the position would be reviewed after sometime. The issue was also considered at a tripartite meeting consisting of the representatives of jute mills, labour and the West Bengal Government held at Calcutta a fortnight ago. At this Conference, the I.J.M.A. spokesmen declared that a block closure was inevitable. On their part, the workers' representatives urged that, in case a block closure was necessary, the interests of labour should be safeguarded. They were reported to have stressed in particular that the labourers should be given lay-off compensation and that they should not be put to too heavy work to make up for the loss in output after the mills reopened. No final decision was arrived at at this Conference and the representatives, it was said, would meet again later. It is not known whether any subsequent meeting was held.

The I.J.M.A. continues to be emphatic that a block closure cannot be avoided. The only point remaining to be decided by the Association is whether all the mills should simultaneously close down for some time or whether the closure should be by rotation. A section of the jute industry prefers the closure by rotation. Some, however, ask: When there are other alternatives such as reduction in working hours or sealing of more looms till August or September, why should the I.J.M.A. persistently put forward the idea of block closure? These circles feel that, if it is for a steep decline in fibre prices that a block closure of mills is in fact intended, this can be achieved by other methods less harmful to the industry as a whole. To quote them: "After all that is said and done, fibre prices are dependent on the nature of the crop as to both quality and quantity. If, as is anticipated, the crop is going to be a bumper one, prices should give way, and mills can seize such an opportunity to build up a buffer stock." A few weeks back, it had been believed that the I.J.M.A. was pursuing the possibility of building up a buffer stock; however, nothing is being further heard about such a proposal. What is now so systematically and so often discussed is the imperative need for block closure of mills which, it is said, would only force up prices of goods; already foreign buyers are buying only in infinitesimal quantities in the hope that prices would decline and any further rise in prices may as well be a climax to the patience of foreign consumers and lead to further pushing up of substitutes and bulk handling methods.

The fact, however, cannot be disputed that the raw jute supply position is very critical. The stocks of raw jute with mills, it is feared, will dwindle to 420,000 bales by the end of June and further to 150,000 bales a month later. The monthly consumption of raw jute by mills is put at 470,000 bales and even imports from Pakistan at a heavy price is considered to be not sufficient to meet the shortage. The all-India official final estimate of jute (and mesta) crop for the season 1960-61 just released—usually the final estimate used to be published in December—places the total output at no more than 5.18 million bales, as against 5.70 million bales harvested in 1959-60 and 6.65 million bales in 1958-59. Consequent on the reduced crop, the small opening stocks (1,287,000 bales, as against 2,446,000 bales) and the low level of imports from Pakistan (600,000 bales, as against 614,000 bales), the total available supply for 1960-61 comes to 7,064,000 bales, as against 8,760,000 bales for 1959-60. Excluding the anticipated mill consumption of 6,079,000 bales, 'village consumption of 200,000 bales and export of 163,000 bales, the closing stocks with both mills and traders at the end of the season (June 1961) are expected to be just 622,000 bales.

If the jute industry, one of the principal earners of foreign exchange, is to maintain a high level of output, it is of the utmost importance that a regular and adequate supply of raw jute must be ensured. It may be noted here that the third Plan targets of raw jute and mesta output fixed to be achieved in 1965-66 are 6.5 million bales and 1.0 million bales, respectively. The target output of 6.5 million bales represents a rise of 2.47 million bales as compared with the final estimate of 4.03 million bales for 1960-61 (last year of the second Plan).

The coming season, that is, 1961-62, is expected to witness a distinct improvement in the production of raw jute. One estimate places the actual crop at more than the quantity of 5,158,000 bales harvested in 1958-59.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 18th May 1961.

	Closing quotations 11-5-1961	High	Low	Closing quotation 18-5-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	168.00	168.00	155.00	155.00
Apollo (2)	1.60	1.62	1.56	1.58
Baroda Rayon (100)	128.50	129.50	120.50	120.50
Bombay Dyeing (25)	63.50xd	63.90	63.30	63.40
Bradbury (50)	122.00	—	—	122.00
Central India (100)	113.00	113.00	109.50	110.50
Century Mills (100)	618.50xd	626.00	616.00	619.50
Coorla Sp. (100)	135.50	—	—	135.50
Dawn (50)	123.50	125.00	123.00	125.00
Edward Textile (200)	275.00	300.00	275.00	300.00
Elphinstone (50)	87.00	86.00	80.00	81.00
Finlay (100)	316.00xd	317.00	314.00	315.00
Gokak (100)	184.00	190.00	183.50	186.50
Gold Mohur (100)	263.75	—	—	263.75
Gwalior Rayon (10)	49.50	49.50	48.25	48.50
Ind. Untd. Defd. (1)	1.92	2.10	1.90	1.98
Ind. Untd. Ord. (10)	15.32	15.76	15.28	15.52
Indian Rayon (62.50)	63.00	64.00	61.50	63.00
Indore Malwa (100)	146.00	148.00	145.00	148.00
Khatau (100)	528.75	532.50	522.50	527.50
Kohinoor (100)	307.50	314.00	307.50	312.50
Lakshmi (250)	535.00	537.50	535.00	537.50
Mafatlal (100)	885.00	895.00	870.00	875.00
Minerva Mills (100)	69.50	—	—	69.50
Model Nagpur (250)	35.00	—	—	35.00
Morarji (100)	361.00	360.00	355.00	359.00
Mysore (50)	67.50	—	—	68.30
National Rayons (100)	528.00	532.50	—	529.50
New City (100)	150.00	—	—	150.00
New Great (100)	211.00	211.00	200.00	205.00
Phœnix (100)	142.50	142.50	142.00	142.00
Podar Mills (100)	149.00	149.00	147.00	148.00
Raymond Woollen (100)	114.00	117.50	113.50	117.50
Sassoon Silk (10)	14.48	—	—	14.48
Sassoon Spg. (10)	51.00	54.00	51.00	54.00
Shrinivas (100)	270.00	269.00	263.00	268.00
Simplex (50)	187.00	187.00	186.00	187.00
Standard (100)	1,514.00	1,540.00	1,475.00	1,503.00
Svadeshi (100)	270.00	271.50	266.50	268.00
Swan (100)	570.00xd	—	—	570.00
S. I. Viscose (100)	162.00	164.00	159.00	159.00
Tata Mills (25)	58.50	58.50	53.50	58.00
Vishnu (100)	132.00	133.00	131.00	132.00
Western India (1,000)	3,725.00	—	—	3,725.00
BANKS				
Bank of India (50)	123.25	123.50	123.00	123.50
Do. (New) (50)	125.00	—	—	125.00
Bank of Baroda (50)	100.00	100.25	99.70	100.25
Central (25)	62.30	60.50	60.00	60.30xd
Central 'A' (25)	63.00	61.30	61.00	61.00xd
Dena Bank (50)	58.50	—	—	58.50
Punjab National (10)	21.52xd	—	—	21.52
Union Bank (5)	6.20	6.32	6.20	6.32
United Com. (50)	88.70	89.00	88.70	89.00
ELECTRIC COS.				
Ahmedabad (100)	84.50	85.70	84.30	85.20
Amalgamated (10)	10.04	—	—	10.08
Andhra Valley (1,000)	995.00	1,017.50	1,000.00	1,017.50
Bom. Sub. El. (100)	86.50	90.00	86.50	90.00
Surat (100)	87.00	88.00	87.00	88.00
Tata Hydro (100)	102.25	105.00	102.25	104.50
Tata Power (1,000)	1,042.50	1,060.00	1,042.50	1,042.50
INSURANCE COS.				
British India (10)	12.20	12.20	12.16	12.16
Indian Mercantile (20)	45.00	—	—	45.00
New India (15)	60.70	61.50	60.70	61.50
New India 'A' (15)	62.00	63.00	62.00	62.50
Vulcan (10)	15.24	—	—	15.28
STEEL COS.				
Ind. Iron (10)	27.20	27.35	26.95	27.10
Mukand Iron (10)	28.25	28.25	27.50	27.50
Tata Steel Ord. (75)	150.50	151.50	150.00	150.75
SUGAR COS.				
Belapur (50)	287.00	290.00	283.00	284.00
Bhopal (10)	26.10	—	—	26.10
Changdeo (12.50)	26.00	26.00	25.75	25.75
Phaltan (50)	136.50	138.00	135.00	136.50
Walchand Ind. (100)	203.00	203.00	202.00	203.00
CEMENT COS.				
Associated Cts. (100)	158.00	158.50	157.75	158.00
Digvijay (100)	154.00	154.00	152.75	152.75
Orissa (10)	14.52	14.72	14.52	14.60
MISCELLANEOUS				
Alcock Ashdown (100)	321.00	325.00	308.00	308.00
Bom. Burmah (125)	612.00	615.00	603.00	609.00
Do. (New) (50)	213.75	271.50	211.25	212.50
Br. B. Petrol (1½ sh.)	1.30	1.32	1.26	1.28
Br. I. Corpo. (5)	8.64	8.64	8.20	8.48xd
Cooper Eng. (100)	169.50	169.50	168.25	169.50
Colour Chem. (100)	360.00	356.25	340.00	345.00
Hind Cycle (100)	101.00	—	—	101.00
Hindustan Lever (10)	47.00	—	—	47.00
Hindustan Motors (10)	20.28	20.96	20.20	20.96
I. C. & Invest. Corporation (100)	85.00	86.00	85.00	85.50
Indian Dyestuff (100)	515.00	516.25	502.50	512.50
Indian Copper (2 sh.)	5.28	5.36	5.24	5.28
Ind. Inv. Tr. (100)	79.00	—	—	79.00
Killicks (100)	100.50xd	101.00	100.00	100.50
Larsen & Toubro (10)	43.25	43.50	42.75	43.00
Mahindra & Mahindra (10)	19.76	20.00	19.52	19.76
New Central Jute (10)	20.36	—	—	20.36
Polson (100)	177.00	177.00	176.50	177.00
Pre. Automobiles (100)	167.50	168.00	164.75	166.50
Premier Con. (80)	185.00	185.75	182.00	184.00
Scindia (20)	14.52	14.72	14.28	14.40
G. E. Shipping (10)	14.80	14.80	14.64	14.64
Shivrajpur (10)	82.00	82.50	79.50	79.50
Sirpur Paper (10)	16.32xd	16.36	16.00	16.20
Tata Chemicals (10)	19.16	19.16	18.72	18.92
Tata Locomotive (100)	831.00	832.25	828.00	831.50
Tata Oil (25)	75.50	75.80	72.50	73.50
Texmaco (10)	20.12	19.92	19.80	19.84
Voltas (100)	275.25	275.50	269.25	271.50
W. I. Match (100)	277.00	278.50	271.00	271.00
W. Coast Paper (100)	203.50	202.50	192.50	194.00

GOVERNMENT SECURITIES	11-5-1961 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	18-5-1961 Rs.
2½% 1961	99.50	—	3.79	99.75
2¾% 1962	98.50	—	3.72	98.60
2¾% 1976	83.50	—	4.23	83.50
3% 1964	98.65	—	3.42	98.65
3% 1963-65	98.65	3.57	3.32	98.65
3% 1966-68	95.85	3.85	3.64	95.85
3% 1970-75 1st Dev.	90.85	4.18	3.84	90.80
3% 1986 Con. Loan	78.40	—	4.09*	78.15
3½% 1961 N. P. Bonds	100.00	—	3.50	100.00
3½% 1964 N. P. Loan	99.95	—	3.52	99.90
3½% 1965 N. P. Bonds	99.95	—	3.51	99.95
3½% 1962	99.85	—	3.37	99.85
3¾% 1967 N.P. Bonds	99.00	—	3.58	99.00
3¾% 1974	99.70	—	3.78	99.70
3¾% 1967 N.P. Bonds	100.75	—	3.66	100.50
3¾% 1969 Loan	98.70	—	3.68	98.70
3¾% 1968	98.75	—	3.70	98.75
3¾% 1963 N.P. Bonds	100.10	—	3.46	100.10
3¾% 1968 N.P. Bonds	100.50	—	3.67	100.50
4% 1972 Loan	100.50	—	3.93	100.50
4% 1973 Loan	100.45	—	3.95	100.45
4% 1979 Loan	100.10	—	3.99	100.10
3½% 1966 Bonds	99.70	—	3.57	99.70
4% 1980 Loan	99.95	—	4.01	99.95

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C. .. .	15,00,000	1901	6.00	Mar.	Sept.	96.50	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70 00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84 50	100
Carew & Co. T.F.R.C.	5,00,000	1875	6.00	Mar.	Sep.	89 00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-24	8.00	Feb.	Aug.	118 00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7.00	July	Apr.	5.60	5
East India Distilleries T.F.C. ..	£200,000	1897	7.00	Jan.	July	18.00	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec.	..	62 00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	62.00	100
Partabpore Co. C.	6,00,000	1922	10.00	Oct.	..	12 00	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	84 00	100
Ravalgaon Sugar C.	20,00,000	1942	5.50	Oct.	Apr.	61.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	7.40cd	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90 00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70 00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	120.50	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	6.50	Oct.	Apr.	79.00	100
Burrakur (1st) T.F.C.	27,92,800	1901-19	7.00	Apr.	Oct.	99.00	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	7.19	10
Equitable T.F.	4,00,000	1896	6.00	Mar.	Sept.	75 00	100‡
Karanpura Collieries C.	5,93,500	1946	5.50	..	..	56.00	75p.
††Khas Kalora C.	1,93,000	1931	5.00	Mar.	Sept.	7.50	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	11.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr.	Oct.	80.00	100
COTTON							
Ahmedabad Advance T.F.C.	10,00,000	1899	5.00	Apr.	Oct.	77 00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	111.64	100
Basanti Cotton T.F.	5,00,000	1926	6.25	Nov.	..	8.28	10
Bowreah 'A' T.F.	6,00,000	1906	8.00	Feb.	Aug.	160 00	100
Do. 'B' T.F.	6,00,000	1909	7.00	Feb.	Aug.	70 00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	53.50	50
Buckingham & Carnatic C.T.F. ..	21,30,200	1920	7.50	Jan.	July	113.42	100
Cambodias C.T.F.	1,00,000	1926	7.00	Apr.	..	108 00	100
Central India T.F.	50,00,000	1912	6.00	Apr.	Oct.	367.50	495
Century Spg. & Mfg. Co. T.F.R.C.	1,25,00,000	1882	6.00	Dec.	..	107 50	100
Coimbatore Pioneer C.T.F.	1,00,000	1925	6.50	June	..	85.00cd	100
Elgin T.F.C.	11,00,000	1912	6.00	May	..	114.00cd	100
Elgin 'B' T.F.C.	4,20,000	1942	5.00	July	..	7 00cd	10
Elphinstone C.	24,00,000	1919	7.00	May	Nov.	68 00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June	Dec.	103 50	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	73 00	10
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	9.20cd	5
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	10 00N	250
Lakshmi Cotton (Bombay) C.	16,00,000	1899	5.00	..	..	157.00	100
Morarjee Goculdas Spg. & Wvg.T.F.C.	17,25,000	1947	4.50	Jan.	..	64 00	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	22 75	50
National Rayon C.	1,74,64,700	1947	6.00	..	..	60 00	100
New Great	8,00,000	1918	6.50	Mar.	..	105 00	200
Podar Mills T.F.C.	10,00,000	1948	6.00	Feb.	..	65.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr.	..	47.00cd	50
Shree Niwas Cotton T.F.C.R.	4,50,000	1944	6.00	..	..	66 00	100
Sholapoor T.F.C.R.	32,00,000	1942	2.00	..	..	78 25	100
Swadeshi T.F.C.	15,00,000	1925	5.00	Apr.	Oct.	88 00	100
Swadeshi (Kanpur) T.F.C.	35,00,000	1927	6.00	June	..	71.00	100
Travancore Rayon C.T.F.	50 00,000	..	6.00	May	..	7.65cd	10
Vasanta (1st) C.T.F.	3,00,000	1921	6.50	Apr.	Oct.	93 79	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	94.02	100
Vishnu C.	15,56,500	1906	7.00	Apr.	..	382.50	500
ELECTRICS							
Andhra Valley Power Supply C. ..	49,84,000	1917	7.00	May	Nov.	1,065.00	1,000
Amalgamated Electric T.F.C. ..	24,15,000	..	5.50	..	..	78 00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June	Dec.	8 94xd	£1
Poona Electric C.	4,00,000	1925	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1943	5.50	Sept.	Dec.	{ 8 10	100
Do. (2nd) C.T.F.	8,00,000	1943	5.50			{ 8 25	10
Surat Electric Co. C.T.F.	5,00,000	1929	6.50	Apr.	..	108 50	100
Tata Hydro Electric Power C. ..	99,23,000	1907	7.00	May	Nov.	102 00	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,106.75	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	6.38	10
ENGINEERING							
Arthur Butler (Muzaffarpore) T.F.C.	1,20,000	1919	7.00	Mar.	..	11.00	10
Burn & Co. Ltd. (1st) T.F.C. ..	18,00,000	1895-98	7.00	Feb.	Aug.	117 00	100
Do. (2nd) T.F.C. ..	18,00,000	1898	6.00	Feb.	Aug.	106 00	491
Indian Iron and Steel Co., Ltd. T.F.C.	2,09,98,400	1926	5.00	Dec.	..	88 00	100
Indian Standard Wagon T.F.C. ..	19,86,500	1918	7.00	June	..	115.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	80.00	100
Kamani Engineering C.R.	18,00,000	1946	5.50	July	..	57 00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1916	4.00	June	Dec.	88.00N	100
Larsen and Toubro Ltd. T.F.R. ..	18,00,000	1946-47-51	5.00	..	..	93 00	100
Mahindra & Mahindra T.F.R.C. ..	32,00,000	1945	6.00	May	..	97 00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	86 00	100
Premier-Construction (1st) C. ..	10,00,000	..	6.25	..	..	77 00	100
Do. do. (2nd) C. ..	12,00,000	1926	6.25	..	..	72 00	100
Do. do. (3rd) C. ..	56,25,000	1947	6.50	..	..	5 16	10
Tata Iron and Steel (1st) C. ..	75,00,000	1908	5.00	Nov.	..	142 50	100
Do. do. (2nd) C. ..	6,98,81,900	1908	7.50	May	..	109.75	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	9.00	Jan.	July	90.00	100
Alexandra T.F.C.	9,00,000	1903	7.00	Feb.	Aug.	85.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	64 00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	91 00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	72 00	100
Do. (2nd) (j) C.	15,00,000	1946	4.50	June	Dec.	60 00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	93 00	100
Barnagore C.	£200,000	1898	6.00	May	Nov.	86 00	£1
Belvedere T.F.C.	7,00,000	1906	7.00	Jan.	July	90 00	100
Birla C.	23,64,200	1919	7.50	June	Dec.	90 00	100
Budge-Budge T.F.C.	8,00,000	1894	7.00	May	Nov.	90 00	100
Calcutta T.F.C.	8,00,000	1924	6.50	Jan.	July	50 50	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1922	7.00	Mar.	Sept.	88 00	100
Clive (1st Pref.) T.F.C.	8,00,000	1908	9.00	May	Nov.	67 00	100
Do. (A) (2nd Pref.) T.F.C. ..	8,00,000	1908	7.50	May	Nov.	77 00	100
Dalhousie T.F.C.	15,00,000	1903-19	7.00	May	Nov.	91.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	72.00	100
Empire T.F.C.	10,00,000	1918	7.00	Feb.	Aug.	85 00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	110 00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	70.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	110.00	100
Ganges T.F.C.	6,00,000	1916	6.00	June	Dec.	90 00	100
Gourepore T.F.C.	26,50,000	1896-04	6.00	May	Nov.	80.00	100
Hastings T.F.C.	25,00,000	1925	6.00	Mar.	Sept.	82.00	100
Hoogly T.F.	11,76,000	1913	10.00	May	Nov.	10 25	10
Howrah T.F.C.	5,75,000	1890	7.00	May	Nov.	90.00	100
Do. T.F.C. (f)	17,50,000	1903-6	7.00	May	Nov.	90 00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	90 50	100
Kamarhatty T.F.C.	16,00,000	1896-04	6.00	Feb.	Aug.	75 00	100
Kankarrah T.F.C.	10,08,000	1900	6.00	Feb.	Aug.	90.50	100

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	77 00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	89 00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	94.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	90 00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	62 00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	110 00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	78 00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	88.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	79.50	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	85.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	72.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	82.25	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Seorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	98.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	93.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	90.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	5.00	Mar.	Sept.	89.00	50
RAILWAYS STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	8,00,000	1895	7.00	Nov.	..	50.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.75	£1
Great Eastern Shipping T.F.R.C. ..	25,00,000	1948	5.50	Dec.	..	91.00	100
Indian General Nav. & Rly. C. ..	£244,030	1899	6.00	Mar.	Nov.	77.20	£10
India Steamship (w) T.F.C.R. ..	25,00,000	1928	5.00	..	..	81.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May	Nov.	31.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	102.00	100
Birpara T.F.C.	1,00,000	1900-02	8.00	Jan.	..	102.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	102.00	100
Glelle C.	2,00,000	1894	6.00	Sept.	..	75.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	105.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	98.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec.	..	89.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	8.00	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan.	July	102.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	91.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	94.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	98.00	100
Sonai River T.F.C.	2,05,000	1900	8.00	May	..	92.00	100
***Terpore C.	2,05,000	1932	8.00	Jan.	..	10.25	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May	Nov.	13.25	100
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	2.43	5
Do. R.O.	2,85,570	1944	6.25	..	..	5.71	10
Cochin Malabar C.T.F.	1,15,300	1933	7.00	June	..	81.23	50
Coffee Lands C.T.F.	10,40,600	..	5.00	..	..	75.00	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	83.14	100
Cottanad C.T.F.R.	1,00,000	1927	7.50	Nov.	..	10.12	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	95.00	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	7.96	10
Neelamalai C.T.F.	18,00,000	1946	5.00	Jan.	July	6 15	10
Nilgiri Tea C.T.F.	2,81,250	1943	6.50	July	..	8.80	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar.	Sept.	8 00cd	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	6.80	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.95	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov	..	8.40	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	91.50	100
Do. do. (2nd) T.F.R.C.	5,00,000	..	5.00	June	..	86.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	91.50	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	94.00	100
Andhra Cement C.T.F.	2,48,800	1937	6.00	Feb.	June	100.00	100
Associated Hotels of India C. ..	21,67,000	1916	7.00	Mar.	Sept.	48.00xd	100
Bengal Chemicals T.F.C.	10,00,000	1925	7.50	Aug.	..	13.50	10
Bengal Paper Mill T.F.C.	2,00,000	1908	7.00	Mar.	Sept.	51.00	50
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	104.00	100
Do. "B" T.R.C.	20,00,000	1948	6.00	..	..	65.00	100
Bengal Timber Trading T.F.C. ..	8,00,000	1896	8.00	Aug.	..	7.75	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	14.50xd	10
British Ceylon Corporation C. ..	17,50,000	1913	6.00	Feb.	Aug.	8.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	122.00	100
Dalmia Cement (Bharat) C.T.F. ..	61,58,210	1937	6.00(f)	Sept.	..	7.94	10
Dharangadhra Chemicals T.F.C.R. ..	21,00,000	1956	6.00	..	..	85.00	100
Shree Digvijay Cement T.F.R.C. ..	79,93,875	1944	5.00	Dec.	..	81.00	100
Dunlop Rubber Co. (1st) T.F.C. ..	80,00,000	1926	6.00§	June	Dec.	113.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1926	6.00	..	..	85.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Apr.	..	58.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	58.00	100
Gillanders Arbuthnot(f) R.C. ..	25,00,000	..	5.00	Feb.	Aug.	49.00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	6.00	Apr.	Oct.	58.00	100
Humayan Properties T.F.C.	12,00,000	1938	6.00	Mar.	..	192.00	100
India Cement C.	29,95,000	1946	7.00	..	..	7.18	10
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	Oct.	..	88.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	June	..	71.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	Jan.	July	85.00xd	25
India Rubber Mfrs. (n) T.F.C.R. ..	8,28,000	..	6.00	June	Dec.	24.00	10
Jardine Henderson C.	50,00,000	1946	5.00	Apr.	..	60.25	100
Kettlewell and Bullen (1st) C. ..	20,00,000	..	5.50	Dec.	..	59.00	100
Do. do. (2nd) T.F.C.	10,00,000	..	5.50	May	..	57.50	100
Kumardhubi Fireclay & Silica C. ..	2,00,000	1918	4.00	May	..	54.00	100
Martin Burn (k) T.F.C.R.	20,00,000	1948	7.00	June	Dec.	53.00N	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	Apr.	Oct.	86.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	51.50	100
Metal Box Co. C.R.	80,00,000	..	6.00	..	..	60.25	100
Mettur Chemicals (Old) C.T.F. ..	20,00,000	1903-16	6.00	Feb.	Sept.	56.00	100
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6.00	June	..	9.70	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	3.50	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	75.00	100
Do. do. (New) (q) T.F.C.R. ..	19,98,000	..	4.50	Mar.	Sept.	68.50	100
Orient Paper T.F.C.R.	20,00,000	1934	5.50	Jan.	..	81.00	100
Do (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	85.50	100
Rohtas Industries (Old) T.F.C. ..	20,00,000	1936	7.00-9.00	Apr.	..	117.00	100
Do. do. (New) T.F.C.	85,54,700	..	4.25	Apr.	..	56.50	100
†Smith Stanistreet & Co. T.F. ..	5,00,000	1929	10.00	Feb.	Aug.	67.00	50
Spencer & Co. "A" C.	23,20,000	1936	6.50	Jan.	July	8.00	10
Do. "B" C.	20,80,000	1922	8.50	Jan.	July	10.00	10
Standard-Vacuum C.	75,00,000	1953	6.00	June	Dec.	90.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	74.00	100
Tata Chemicals T.F.C.	99,87,000	..	6.00	June	..	88.00	100
Tata Oil Mills C.	29,86,800	1948	4.50	July	..	59.70	100
Titagur Paper Mills T.F.C.	11,50,000	1939	6.00	Jan.	June	112.50	100
Do. do. (2nd) T.F.C.	16,00,000	1934	4.50	Jan.	July	77.50	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 5 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

‡ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (r) Redeemable at Rs. 105 at any time on 3 months' notice. (b) R... deemable after 30th September 1956 at Rs. 125. (i) Redeemable at par after 9th November 1956 on 6 month... notice. (j) Redeemable after 25th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) R... deemable at par after 31st March 1952 on 6 months' notice. (m) Rank pari passu with ordinary shares aft... ordinary shares receive 6 per cent. dividend. (n) Redeemable after 30th December 1954. (o) Redeemable ... any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable ... par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) ... to 9 per cent. (t) Free of Income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) Partici... on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per sha... on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (y)—Shar... paid.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2616 BOMBAY, 27th MAY 1961 PRICE Rs. 2

GROWTH OF SAVINGS

IN a study, based not on actual field surveys but on the analysis of currently available statistical data, the National Council of Applied Economic Research has broadly estimated the growth of national savings in the decade from 1948-49 to 1957-58. A major finding of this study is that the absolute quantum of savings had increased from Rs. 320 crores in the former year to Rs. 1,210 crores in the latter. The three major categories of contributors to these savings were individuals who accounted for 80 per cent of the total, Central and State Governments which accounted for 15 per cent, and corporations which contributed the balance of 5 per cent. Another major finding is that the rate of savings in relation to national income was about 6 per cent on the eve of the first Plan and went up to 8 per cent during the first Plan period and to 10 per cent in the first two years of the second Plan. As the National Council's study covered only the first two years of the second Plan, it has not worked out the rate of savings in relation to national income during the entire period of that Plan. Incidentally, the rate of 9 per cent estimated by the Savings Committee of the National Development Council for the second Plan period may not be on the low side, if allowance is made for the rise in prices in the last three years of the Plan—a rise which should have reduced the quantum of individual savings and, thus, the rate of savings itself. If, however, the rate of savings is taken to be 9.5 per cent for purposes of broad estimation, it will mean that the absolute quantum of national savings was about Rs. 1,200 crores in 1958-59 and Rs. 1,220 crores in 1959-60.

An average of Rs. 1,200 crores by way of annual national savings during the second Plan period is probably not wide of the mark and could, therefore, be reasonably assumed, in the absence of estimates, by the National Council, for the last three years of that Plan. If the percentage contributions of individuals, Central and State Governments and corporations are applied here, the breakdown of the savings figure of Rs. 1,200 crores will be as under:

Individuals	Rs. 960 crores
Government	Rs. 180 "
Corporations (including co-operatives)	Rs. 60 "
	Rs. 1,200 "

These sectoral contributions to national savings call for clarification and comment. The contribution of the individuals' sector covers savings by the business as well as the non-business sections of that sector. But the National Council's study has not thrown any light on the relative contributions of these two sections of the individuals' sector. It may be that the sample savings surveys which are currently being carried out by the Council in rural and urban areas will be useful in assessing the respective contributions. However, pending the availability of further data, it may be possible to figure out the contribution of the business section of the individuals' sector in the light of the national income data which show that small enterprises contribute as much as factory establishments to national income. If it is broadly, though not wholly validly, assumed that small enterprises generally belong to individuals and individual households, and that factory establishments belong to the corporate sector, the guess may be hazarded that the contribution of the business section of the individuals' sector to national savings will be at least half of the contribution (Rs. 60 crores) made by the corporate sector. But that contribution, in turn, will work out to only about 3 per cent of the contribution (Rs. 960 crores) made by the individuals' sector as a whole. Here, of course, the business section has been taken to represent only small industrial enterprises as distinct from small commercial and transport enterprises.

As for the forms in which individuals' savings are effected, the National Council's finding that savings invested in physical assets (farm investment, inventory investment, building construction, non-corporate business investment, investment in transport equipment, etc.) decreased by about a fourth over the decade under study is used to lend support to the view that more of individuals' savings had been made available to other sectors for investment purposes. That individuals' savings in the form of financial assets had increased from a fifth of the total savings of individuals in 1948-49 to two-fifths in 1957-58 is, of course, a finding of some significance. But it does not necessarily convey that the private industrial sector has gained greatly by way of investments in corporate securities. The National Council's finding in this connection is that individuals' financial savings in the form of bank deposits, small savings and provident funds recorded absolute increases over the period; here the single largest and steadily rising source is the contribution to provident funds—a contribution which was only Rs. 26.0 crores in 1948-49 but round Rs. 70 crores in 1957-58. There is no reason to believe that voluntary individual savings had increased in response to any increase in the rate of return on capital. Such increases as had taken place were probably the result of changes in income and in the occupational composition of the community caused by development planning.

Sources	*Billions of rupees*	*Percentage of total saving*
Total public and private saving ..	7.50	100
Public saving from current revenue	0.70	9
Private saving channelled to the public sector	1.70	23
Other private saving	5.10	68
New subscriptions to capital of companies	0.25	3
Corporate savings	0.70	9
Increase in deposits of scheduled banks	0.40	5
Insurance companies	0.18	2
Co-operatives	0.12	2
Rural savings (largely non-monetised)	1.70	23
Other	1.75	24

But corporate savings, which can be increased greatly by appropriate inducements, do not also seem to have increased spectacularly during the decade under study. In 1957-58, for instance, such savings represented only 0.5 per cent of that year's national income, as against 0.7 per cent of national income in 1954-55. The table in column two, giving sources of domestic savings in 1954-55, is taken from the World Bank's publication on economic development in India (authors: A. J. Coale and E. M. Hoover); it will be useful in comparing the growth of savings according to sectors. It will be seen from this table that corporate savings represented 9 per cent of total national savings in 1954-55. They had come down, absolutely, to Rs. 0.60 billion in 1957-58 and, relatively, to 5 per cent of that year's national savings. It is here that Mr. R. Nurkse's pregnant observation that "the ploughing-back of entrepreneurial profits was historically the major source of capital accumulation in Western economic growth" may be pertinently recalled. His emphatic view that, "if the pattern can be repeated elsewhere, it would be an effective and almost automatic way of maximising a country's marginal saving ratio" is applicable as much to India as to other underdeveloped countries. The use of taxation to induce all businesses to retain rather than distribute earnings and accelerated depreciation allowances to make the prospect of internal expansion more appealing are clearly some of the ways by which corporate savings can be increased. Surely there is no warrant for complacency on this score, for corporate savings may not otherwise increase to the level required in the third Plan. It is a moot question whether the National Council's estimate of the corporate marginal propensity to save out of income at an average of 50 per cent could be projected, even as it has been done by Mr. Coale and Mr. Hoover on the same basis, to indicate that corporate savings will possibly rise to a level of two per cent in the sixties. What is possible may still not be probable, for there will be fiscal and other imponderables in the situation.

PRICE POLICY ISSUES

NO precise indication of the Government's mind on the price policy for the third Plan is yet available. Judging from reports from New Delhi, the Government has recognised certain broad principles that should govern such a policy. Against the background of a 25 per cent rise in prices in the second Plan period, it is hardly surprising that the Government should be anxious to prevent a similar rise in the current Plan period. Further, to let prices rise in the belief that such a rise is an inevitable price for economic expansion would be nothing short of a bankruptcy of economic ideas. Indeed, what is now required is a positive affirmation that a degree of price stability is not only not inconsistent with expansion but is an essential part of the strategy of economic development.

To say that price stability is of crucial significance to the success of economic planning is not necessarily to suggest that it is easily accomplished. In the absence of constant vigilance and prompt action to correct imbalances, it will be difficult to prevent large price fluctuations. Further, in a country like India where agriculture accounts for roughly 50 per cent of the national income, the task of ensuring stable prices becomes particularly difficult. This is because crop outturns cannot be made to order. They depend on the unpredictable monsoon. To this extent there is an element of built-in instability in India's economy. All that can possibly be done is to see how far this natural element can be prevented from unduly disturbing the price levels.

Contents

LEADING ARTICLES—	PAGE
Growth of Savings	977
Price Policy Issues	977
Co-operative Farming	978
MARKET GOSSIP	979
ROUND THE EXCHANGES	980
NEWS IN BRIEF	981
PERSONAL	981
THIS WEEK'S SURVEY	982-983
SPECIAL FEATURES—	
On the Arena	984
Delhi Letter	986
American Letter	987
London Letter	987
Manchester Letter	991
Scope of Management Accounting ...	998
How Community Projects Have Fared	1002
MONEY AND BANKING	988-989
TEXTILES	990
COTTON	990
SUGAR	992
PLANTING	994
ENGINEERING	1000
NEW PRODUCTS AND PROCESSES	1001
COMPANY MATTERS	1004-1010
MARKET REPORTS	1011-1013
MISCELLANEOUS STATISTICAL INFORMATION	1014-1015
WEEK'S STOCK EXCHANGE TREND	1016

The prices of agricultural produce in general and all foodgrains in particular constitute the real core of India's price policy. As the Asoka Mehta Committee rightly pointed out, the primary need is to take specific action for stabilising the prices of foodgrains. The Committee also suggested that the way in which demand for and supply of foodgrains can be regulated is through undertaking timely and effective purchase and sale operations, arranging necessary procurement and imports and maintenance of sufficient stocks. Imports particularly under P.L. 480 have already proved helpful in stabilising food prices. It would now appear that the Government has broadly approved one major salutary step. Thus, it has been agreed in principle that minimum prices for principal food and commercial crops should be announced before each sowing season. The Government will buy in falling markets and sell when prices move up. The building of buffer stocks through procurement, State trading and distribution to co-operatives, it is reported, is regarded as a *necessary* corollary to this policy. If this report is correct, it is disquieting indeed, for it will mean large-scale expansion of State procurement and trading operations which, we are led to believe, has been practically given up in the last one year.

Yet another broad principle which the Government has recognised as necessary for maintaining the price level is that price differentials should be maintained among various commodities. It is this aspect of the Government's policy that requires some redefinition. It is not clear how the Government will arrive at these differentials; nor how it can maintain them over a period. After all, the price differentials reflect the relative differences in supply and demand position of various commodities. At any particular point of time it is the market that determines them and not the Government. It may be possible to regulate the prices of one or two commodities. But how is the Government going to prescribe what differentials should obtain as between one commodity and another? In the absence of fuller details about the Government's policy on this aspect of the problem of maintenance of price levels, it is obviously difficult to hazard any comment. It should, however, be clear that, if the Government seeks to maintain price differentials over a wide front, it will be undertaking a thankless task. It will also be a task which can never be satisfactorily performed. The best one could hope for is that the Government will limit its responsibility to the maintenance of prices in specific sectors of economy, leaving the market to determine the prices and the price differentials of different commodities.

There can, of course, be no respite from credit control measures. It is of the utmost importance that, while credit is made available for purposes of production and normal distribution, no such facility is placed in the hands of those who hoard in anticipation of a rise in prices. Only, this policy should be implemented realistically so that it could be varied to suit changes in the supply and demand position of different commodities. It will, however, be an oversimplification of the problem to suggest that credit regulation could by itself effectively hold prices in check. This is because fiscal policy could under most circumstances prove to be a factor of greater importance in influencing prices. If deficit financing and non-developmental expenditure are not held in check, credit regulation by itself would have little or no meaning as an instrument of price policy.

In any discussion of the issues of price policy it will be wrong to ignore the effect of two specific factors. In the first place, the prices of certain industrial products like steel and cement are now controlled by the Government. Unless the prices are sufficiently remunerative, the production of these commodities will suffer a serious setback. It is true that even now the Government has powers to revise the prices. But the fact is that the Government is understandably reluctant to effect changes in the prices of controlled commodities without undertaking an inquiry into their production costs. While this attitude is by and large correct, it needs to be emphasised that once Government becomes convinced of the need for raising the prices of controlled commodities, it should be prepared to permit the necessary increases in prices. Obviously, it takes a long time to complete an inquiry. Indeed, if it should be properly held, much time and thought should necessarily be devoted to it. At the same time, it is well to recognise that production must suffer till the uncertainty of price revision is cleared. The Government should not therefore hesitate to give interim increases in prices. Such increases could be given pending necessary investigations into costs and prices. Secondly, there is a case for creating an export surplus through appropriate curbs on domestic demand; the curbs may take the shape of high taxation on the output that is diverted to the domestic market. In the context of the imperative need for increasing exports, there is certainly a valid case for maintaining the prices of commodities sold in the domestic market at a level high enough to discourage consumption. But here again, some warning is needed. It may well happen that the commodities subject to special levy are unable to find an export market even when they are freed from the levies. This has already happened in the case of sugar. Clearly, a policy of discouraging domestic consumption through heavy imposts should be adopted with discrimination. If it is carried too far, it may end in the loss of the domestic market for winning some uncertain export market.

By far the most beneficial influence on price trends is the one that comes from an increase in overall production and productivity. If per-acre yields in agriculture and man-hour productivity in industrial enterprises were raised and the fruits of this improvement in efficiency were not dissipated in unduly inflated wages, it would be possible to achieve price stability without necessarily sacrificing real income. Again, it has been computed that, with the current trends in population growth at 2.25 per cent per annum, increase in output is necessary to keep *per capita* consumption at a constant level. Since this level is low and it has to be raised if planning is to be meaningful it is obvious that a rate of growth of over 2.25 per cent must be achieved. In certain sectors, this may conceivably mean a choice between current consumption and investment for future development. Moreover, it must be recognised that several development projects involve heavy expenditure and also a long gestation period before they yield results. If the inflationary significance of these projects is to be reduced, the non-developmental element in their outlays must be kept to the minimum and also the time taken for bringing the projects to profit-yielding stage should be kept down. Clearly a price policy must be regarded as an integral part of the overall economic policy. So long as the country's economic policy is realistically geared to improvement in productive efficiency in all sectors, there is no reason to fear that prices will get so far out of hand as to constitute a danger to savings and investment.

CO-OPERATIVE FARMING

THE Governor of the Reserve Bank of India, Mr. H. V. R. Iengar, did some plain speaking on the subject of co-operation with particular reference to farming when he inaugurated the sixteenth session of the Tamilnad Co-operative Conference held at Kumbakonam last weekend. Mr. Iengar commended the business-like village leadership which was sensitive to the needs of serving the community, but hastened to warn against the danger spots created by the incursion of politics and political ambition. The warning is, indeed, quite timely and pertinent. Instances are not wanting to prove that many co-operative institutions have dismally failed only because they have rubbed shoulders with associations intended to pursue political activities. How can co-operatives thrive and prosper if political considerations are constantly imported into their activities? The fundamental prerequisites for the efficiency and success of co-operatives are the co-operative-mindedness of persons at the helm of affairs, their active participation in the working of the institutions, judicious exercise of rights and scrupulousness in carrying out their obligations, and their personal qualities of commonsense, judgment and honesty.

Experience to date is that there are not many co-operative institutions in India which can claim to fulfil these prerequisites. It is in this context that Mr. Iengar's reference to the progress of co-operatives in Japan is of considerable relevance. His views are all the more valuable because they are based on the on-the-spot studies made by him during his recent visit to that country. The coverage of Japanese co-operatives is said to be 100 per cent and this sector feeds the rest of the economy instead of being dependent upon it. All this is remarkable, considering that the Japanese agricultural economy is a small-holder economy, the average of cultivated land per household being less than 2.2 acres. Mr. Iengar's study of the actual working of a primary society, an intermediate co-operative and an apex co-operative organisation has also furnished interesting additional data. The Okubu Primary Agricultural Multipurpose Society, for instance, has 289 members, capital of more than a lakh of rupees and deposits of as much as Rs. 15.88 lakhs. At the next higher level, the Kanagawa Prefectural Credit Federation of Agricultural Co-operatives, which corresponds to a central co-operative bank in India, has a paid-up capital of Rs. 27 lakhs, deposits of as much as Rs. 17.55 crores and no outside borrowings whatsoever. The apex institution, that is, the Central Co-operative Bank for Agriculture and Forestry, has capital and resources of Rs. 13.3 crores and deposits of Rs. 287.9 crores.

The aforesaid figures pertaining to three representative co-operative institutions in Japan should be sufficient to convince anybody that co-operative joint or collective farming is not necessary for the supposed purpose of bringing the economies of scale to small holders. These economies, particularly in respect of credit, marketing and supply, can be more easily brought to them through service co-operatives in India too. Ours also is a predominantly small-holder agricultural economy which, again, is a largely rice economy like Japan's. If co-operative farming has not been attempted in Japan, even though the size of holdings there is very small, the reason is obvious. As practical farmers, the Japanese have the realism and shrewdness to appreciate that intensive cultivation (which requires individual attention and interest) *plus* co-operative credit, marketing and supply can and do mean greater productivity and better returns for the farmers than any system involving pooling of land and joint cultivation. Enlightened agriculturist opinion in India also is to the effect that the real solution to the ills of the countryside will lie not in co-operative or collective farming but in a developed co-operative structure in the field of credit, marketing and supply. But the planners continue to harp on co-operative farming, albeit on a very limited scale. But fortunately the State Governments themselves seem to be frankly doubtful about the success of the co-operative farming scheme, for, in the replies sent by them to the queries of the Central Community Development and Co-operation Ministry about the possible setting up of co-operative farming societies outside the 320 pilot projects (with 10 societies each) during the third Plan period, they have stated that not more than 4,000 such societies can be organised, as against the target of 20,000 proposed by the Working Group on Co-operative Farming.

Evidently, the State Governments are conscious of the serious limitations to any ambitious scheme of co-operative farming. One such serious limitation is the paucity of adequately trained personnel to man the co-operative farming societies. By trying to form such societies without first caring to remove this limitation, the planners and the powers-that-be at the Centre are only putting the cart before the horse. It would be appropriate to recall here what a representative of the Swedish co-operative movement—which itself is now rich in financial resources, constructive ideas and impressive achievements—remarked some years ago: "If we (Swedish) had occasion to start our movement afresh and if we were given the choice between two possibilities—that of starting without capital but with enlightened membership and staff, or, on the contrary, that of starting with a large amount of capital and ill-informed members—our experience would incline us to choose the first course." The watchword, rather the lesson of too many setbacks in co-operation throughout the world is: "Train your co-operators before setting up your societies." The crucial importance of this factor was also highlighted by Mr. Iengar with reference to Japan.

The Japanese experience clearly shows that a combination of family farming, service co-operatives and liberal State aids to agriculture is the correct policy to follow for increasing crop yields and ensuring agricultural prosperity. The Central and State Governments would do well to divert, where possible, the resources earmarked for co-operative farming societies to service co-operatives. What is urgently required is energetic action to strengthen the existing co-operatives and to bring about far greater co-ordination at all levels—among extension staff, management of co-operatives and staff of the co-operative departments. Only then will the technical advice and guidance afforded by the extension agency result in efficient and scientific application of credit and farm supplies provided by co-operatives.

MARKET GOSSIP

The Export Task

THE series of discussions on export problems held by a high Central Government official with the industrial and business interests at Bombay this week underline the supreme urgency of stepping up exports. The foreign assets of India are very low, aggregating no more than Rs. 136 crores, as against Rs. 884 crores in the beginning of the second Plan and Rs. 746 crores before the first Plan commenced. These assets cannot be allowed to be depleted further. But the question is: How? It may be true that the chances of India getting large-scale foreign assistance in the next five years are quite encouraging. Even so, there will remain a substantial part of import requirements (maintenance as well as developmental) not covered by foreign assistance and they can be financed adequately only from out of additional foreign exchange earned from exports, because the scope for cutting down imports of the less important items is very restricted, nay, absent. If a reasonable amount of stability is to be ensured in the developing economy, it is imperative that the proportion of exports to national income should be fairly large.

Viewed thus, it is, indeed, depressing that there has been a distinct deterioration in India's capacity to export since the era of planning began ten years ago. The total f.o.b. value of exports has gone down from over Rs. 730 crores in 1951-52 (first year of the first Plan) to Rs. 640 crores in 1960-61 (last year of the second Plan), whereas, over the same period, the gross national income at current prices has risen from Rs. 9,970 crores to Rs. 13,700 crores. Consequently, the ratio of exports to national income has receded from 7.3 per cent to 4.7 per cent. This trend must be reversed, if the pace of economic development is not to be seriously jeopardised. But even the revised annual export target of Rs. 750 crores during the third Plan period would appear to fall short of what is required. Sir Donald MacDougall, the British economist who was associated with the Planning Commission's Import-Export Working Group, for instance, has suggested that exports would have to rise by 8 per cent per annum, as compared with an increase of 5 to 6 per cent in national income. To quote him: "The proportion of the national output exported would merely have to be restored to the level achieved half a dozen years ago."

The magnitude of the export task is thus great and, unless the Government, industry and trade play their part properly, no worthwhile progress can be achieved. In his talks with the representatives of the All-India Exporters' Chamber in Bombay on Monday this week, Mr. K. R. F. Khilnani, Joint Secretary, Union Ministry of Commerce and Industry, certainly struck a note of realism when he said that the real thing the Indian manufacturers and exporters should do was to produce quality goods, create confidence in foreign buyers, and organise intensive salesmanship and publicity programmes. But all these will not be of much avail, if the prices of our exports are uneconomic. The ability of the country to sell its goods in world markets is essentially conditioned by price and quality. It is these two factors which together constitute the prime key to export promotion and not dynamic salesmanship, however important it may be. There is no doubt that Indian goods can compete effectively abroad provided an all-out effort is made to ensure economic efficiency and low costs even if they conflict with other considerations. The recognition of this factor by the authorities is, to borrow the phrase of Sir Donald MacDougall, the vital need for a rapid and massive increase in exports. The industries, particularly those which have been India's principal earners of foreign exchange, must be given all encouragement and assistance to modernise their equipment and rationalise their production processes. The exporters also deserve proper incentives and support. The latest decision of the Export Risk Insurance Corporation to extend its cover to credit given by manufacturers and private financing institutions to exporters is certainly well-conceived, in that it will enable the exporters to get better terms from their suppliers and to pass on the benefit of such terms to their clients abroad.

Insuring Bank Deposits

The Central Government has announced its decision to initiate immediate action for the implementation of a scheme for the insurance of bank deposits. The relevant Press note issued by the Finance Ministry on Wednesday the 24th inst. says:

"It is proposed that, for this purpose, a separate autonomous corporation should be set up with the Governor of the Reserve Bank as its chairman, who will be assisted by a small board consisting of one of the Deputy Governors of the Reserve Bank of India, a representative of the Central Government and at least one non-official. The Corporation will have an authorised capital of Rs. 5 crores which will be allotted entirely to the Reserve Bank. The deposits in all commercial banks functioning on the date of the introduction of the scheme, other than the State Bank of India and its subsidiaries, will be insured under the scheme. It is considered that, in view of the special position of the State Bank of India and its subsidiaries, it is not necessary that the deposits of these banks should be covered by the scheme; these State-associated banks will nevertheless, be required to contribute to the funds of the Corporation. The limit of amount of individual deposits insured and the rate of premium will be fixed by the Corporation with the approval of the Central Government and may be varied from time to time in the light of experience gained. It is expected that, to begin with, individual deposits to the extent of not less than Rs. 1,000 will be guaranteed under the scheme. The actual figure will be determined by the Corporation after it has been formed. A Bill to give effect to these proposals is under preparation and it is intended that it should be introduced in Parliament during the next session."

Since the details are yet to be finalised, it is premature to comment on the adequacy or otherwise of the measure. This much, however, can be said, namely, that the scheme will be of very modest proportions, covering less than one-fifth of the total deposits. It is believed that the maximum sum proposed to be insured for a deposit holder in a bank is no more than Rs. 1,500 which, as we had pointed out on an earlier occasion, is too small an amount for the scheme to be of use for that type of middle-class people who badly need such protection.

Representations To Finance Commission

The Indian Chamber of Commerce, Calcutta, has just forwarded to the Third Finance Commission (Chairman: Mr. A. K. Chanda) a memorandum pleading for greater devolution of funds from the Centre to the States. The major plea advanced by the Chamber is to the effect that the allocation of the divisible pool of income-tax as between the State Governments should be worked out on the basis of a weightage of 50 per cent to population and a weightage of 50 per cent to collection. The Chamber has suggested that not only collection of tax from the respective States but also the value of their output of industrial goods and raw materials be taken into account. How the last-mentioned factor of industrial and raw material production is relevant in this context is by no means clear. The Chamber's suggestion in regard to excise duties is that more commodities now subjected to excise could be included in the divisible pool. Here again, the plea is for less weightage to population basis and more weightage to the factors of collection from, and consumption of the relevant commodities in, the respective States.

The Bengal National Chamber of Commerce, too, in its representation to the Commission, has pleaded for a weightage of 50 per cent to the factor of collection. But this Chamber has gone a step further and pleaded for the following:

(i) Increase of the divisible pool itself to represent 80 per cent of the entire yield of income-tax.

(ii) Transfer of at least 25 per cent of the proceeds of *all* the basic union excise duties to the States on the basis of consumption in the respective States of the commodities concerned.

It would appear that both the Chambers have had the special needs of West Bengal in general and Calcutta in particular in mind while advancing their pleas before the Chanda Commission.

Expense Limit For Insurers

The Indian Insurance Yearbook, 1959, a summary of which has been just released to the Press, tells, *inter alia*, the same old story of a large number of insurers contravening the provisions of Section 40C of the Insurance Act—the section which seeks to limit the expenses of insurers. Thus, according to the *Yearbook*, a larger number of groups (parent and subsidiary companies taken together) of non-Indian insurers contravened the provisions of the said Section, although the number of groups of Indian insurers violating the section was less in 1959 than in the previous year. Seventy-five per cent of the group which contravened the provisions in 1958 were administered warning in terms of Section 64M(2) of the Act. Out of a total of 129 groups of both Indian and non-Indian insurers who transacted business in 1959, 25 groups contravened the aforesaid provisions four or more times during the period 1954-59 and 21 of them were warned once or more during the years 1954 to 1959. From the aggregate experience of all insurers for all classes of business during the period 1957 to 1959, it was found that, although the actual expenses incurred were less than the basic limits in 1957, they exceeded the limits during both 1958 and 1959. That the quantum of expenses has little relation to the volume of business is evident from the fact that the groups of insurers, who spent less than the basic limits fixed as per Rule 17E of the Insurance Rules, 1939, wrote the same proportion of the total gross premium income in India during 1959 as they did in 1958.

Why is it that, in spite of repeated warnings administered by the Controller of Insurance, a large number of insurers are still found to be violating the law limiting expenses? Insurers are certainly not a less law-abiding lot than others engaged in any other section of business or industry. The explanation lies in the arbitrary and unrealistic nature of the formula limiting the expenses of management under Section 40C of the Insurance Act. In fact, successive chairmen of the Indian Insurance Companies Associations (Bombay and Calcutta) and other leaders of the Insurance industry had in the past urged a revision of the formula so as to make it more realistic. There is a large section of insurers who believe that the present formula is a major factor responsible for the scramble for business and the resulting malpractices which have been the bane of insurance in the country. The wisdom of relating the permissible expenses to the gross premium, as is the case under the present formula, has been questioned time and again. For instance, in his speech at the thirtieth Annual Meeting of the Indian Insurance Companies' Association, Bombay, held in 1958, Mr. P. U. Patel, the then Chairman of the Association, observed:

"Making the direct gross premium income as the sole criterion for judging whether a particular unit is economically run or otherwise is, in my opinion, contrary to all accepted canons. That the formula works unnecessary hardships to several insurers and is far from sacrosanct is admitted by different sections of the trade. I would perhaps go further and say that doubt on this particular point is not even a permissible speculation. To assume that a company which complies with Rule 17-E is definitely better and more economically managed than another unit which, for various reasons, fails to comply with this provision, is not a proposition so obvious as it looks at first sight. I am not aware of any other country which treats the direct gross premium income as the sole criterion by which the efficiency and economic running of an institution is to be measured."

That the formula fixing the quantum of allowable expense is an abitrary one has been apparent and admitted by almost every section of insurers. The need for a revision of it has also been recognised. Twice at least in recent years the Executive Committee of the General Insurance Council had appointed sub-committees to go into the question. The issue is said to be still under the consideration of a sub-committee at present. But so far, nothing has materialised. It is true that opinion as to what should be the basis on which the limit of permissible expenses should be fixed is not as unanimous as the view that the present formula needs revision. It is to be hoped that the newly-reconstituted Executive Committee of the General Insurance Council will take up the matter forthwith and see that a more satisfactory basis for limitation of expenses is devised. Only then, perhaps, will there be a decline in the number of insurers contravening the provision of Section 40C.

Future Of I.M.F.—Bernstein Plan

A number of suggestions have been put forward in recent months to reform the international payment system. The difficulties encountered by the United States in the sphere of international payments have highlighted the urgent need for reforming the existing international financial institutions. Some authorities in the U.S., notably Professor Triffin, even went to the extent of suggesting the transformation of the I.M.F. into a central bank for the world, accepting deposits of local currencies from Fund members and extending credit to them whenever some of the countries ran short of foreign exchange.

The latest essay in the same field is the proposal recently put forward by Mr. Bernstein, a former research director of the I.M.F., who at present enjoys high standing among European central banks as an international financial consultant. Mr. Bernstein's proposal is divided into two parts. The first is concerned with quotas that now govern each country's drawing rights from the I.M.F. In this connection, Mr. Bernstein has suggested that the U.S. and Britain should take the initiative in considering their maximum I.M.F. drawing rights as part of their reserves. As these rights, which normally amount to 125 per cent of a country's quota, are $1,950 million in the case of the U.K. and $5,700 million in the case of the U.S., it would be easy to see that Bernstein's proposal would clearly augment the reserves of these two countries. According to his scheme, the I.M.F. should allow the members to use their entire drawing rights from the Fund automatically. Mr. Bernstein has, however, quite discreetly suggested that countries should draw only modest amounts from the I.M.F. whenever they are losing either gold or foreign exchange. If Mr. Bernstein's plan is accepted—and there are more odds in its favour as compared to the two rival proposals of Professor Triffin and Mr. Stamp—it would bring into existence a large pool of international liquidity without any revolutionary change in the I.M.F.'s constitution. It would also bring that institution much closer to the scheme originally envisaged by Lord Keynes during the last war.

The second set of suggestions made by Mr. Bernstein is clearly aimed at providing a defence against speculative and other capital movement that may threaten any of the world's leading currencies. These difficulties would be met by setting up a separate Reserve Settlement Account, the resources for which would come principally from its larger members, who would purchase notes or debentures up to a specific amount, carrying a gold guarantee. Under this scheme, a country (for example, Germany under the present circumstances) would be asked to take up its subscription, if its own reserves were increasing and another country needed its currency to meet a major outflow of funds. If the creditor country itself were to go into deficit (for example, the United States at present), it would be able to redeem its notes and the whole transaction would go into reverse. Mr. Bernstein thinks that, if the U.S. were to agree to subscribe up to $3,000 million of such notes, the U.K. $1,500 million and the Western European countries and Japan $3,500 million altogether, his proposal would be able to meet any contingencies that could arise.

It may be noted that Mr. Bernstein's proposals are not very novel and the recent tacit agreement among European central bankers at Basle, under which they have informally consented to stockpile each other's currencies, has much in common with the Bernstein plan. But the merit of his Plan is that it would be less dependent on the whims of the central bankers and the credit provided would also carry a gold guarantee.

Knowledgeable financial circles in European countries seem to feel that there is a greater likelihood that Mr. Bernstein's proposal would be accepted in the forthcoming meeting of the I.M.F. in Vienna during September next. Mr. Jacobsson's ideals resemble most closely the Bernstein Plan, as the Director-General also wants to conclude stand-by agreements with the central banks of the major industrialised countries, which would open lines of credit in their own currencies. This is calculated to augment the Fund's resources to help countries facing balance of payments difficulties.

It is reported that West Germany's delegate to the Vienna meeting may also support the

(Continued on page 1016)

SHARE MARKET FIRM

ALL-ROUND SPURT IN VALUES

(From Our Own Correspondents)

BOMBAY, *24th May*

IN refreshing contrast to the hesitant and sluggish trend noted last week, equities on the Stock Exchange ruled distinctly firm during the week under review. On the last day of the previous settlement itself, signs of a change in sentiment were clearly discernible. The lower contango charges and slight relaxation in special deposit margin at Friday's settlement, together with the improvement in the money market conditions, provided a green signal for a rally. On Monday, the opening day of the new settlement, bulls tried to hold the market in their grip, while the bears were busy cornering their positions. There was also sizable fresh support from investors. The expectation that the Special Committee appointed by the Stock Exchange to study the question of special *havala* deposit rates might suggest abolition or at least substantial modification of these rates also imparted considerable strength to the market. Encouraging dividend news and optimism regarding the outlook for corporate earnings, too, fanned the bullish fervour. The scrips in both cash and forward lists, as a consequence, staged an impressive rally. The popular speculative scrips like T.E.L.Co., Bombay Burmah and Standard Mills were particularly sought after by speculators.

In the steel section, Tata Steels were in the limelight. Hopes of higher dividend and enhanced retention prices for steel induced sustained buying, the quotation jumping up from Rs. 151 at the beginning of the week to Rs. 158.75 today. The high level attracted profit-taking and the rate eased to Rs. 156.75 but rose again to Rs. 157.50 towards the close. The net gain over the week is Rs. 6.75. Indian Irons slowly but steadily advanced from Rs. 27.10 to Rs. 27.95 today before finishing lower at Rs. 27.75, showing a net rise of 65 nP over the week. Mukand Irons improved early in the week from Rs. 27.50 to Rs. 28.50 before finishing at Rs. 28.25 today.

Textile shares attracted good attention of operators, thanks to improvement in cotton supply position and encouraging offtake. Standard Mills spurted by as much as Rs. 73 to Rs. 1,555 *ex-div.*, as against Rs. 1,503 *cum-div.* last week-end. Centurys evoked heavy speculative buying and rallied from Rs. 622.50 early in the week to Rs. 647.50 on Monday and to as much as Rs. 674 today. The finish was, however, lower at Rs. 670. Even then, today's closing is Rs. 50.50 higher than last week-end rate. Khataus were marked up by Rs. 32.50 to Rs. 560. Kohinoors advanced from Rs. 312.50 to Rs. 326 today before receding to close at Rs. 321. The net gain over the week is Rs. 8.50. Shree Niwas strengthened by Rs. 9.60 to Rs. 260 *ex-div.* as against Rs. 263 *cum-div.* last week-end. New Greats hardened by Rs. 7.50 to Rs. 212.50. Simplex improved from Rs. 187 last week-end to Rs. 194 on Monday before easing to Rs. 193, a net gain of Rs. 6. Svadeshis gathered Rs. 5.50 to Rs. 273.50. Swans rose by Rs. 5 to Rs. 575. Finlays increased by a like amount to Rs. 320. Central Indias put on Rs. 3 to Rs. 113.50. Mysores picked up Rs. 3.70 to Rs. 72. Bombay Dyeings opened at Rs. 63.50 and increased to Rs. 65 today, the net gain over the week being Re. 1.60.

Sugar shares were well supported. Belapurs spurted from Rs. 284 to Rs. 294 today. Profit-taking attracted by this level resulted in a decline to Rs. 290 at close. Phaltans hardened by Rs. 4.50 to Rs. 141. Maharashtra Sugars changed hands Rs. 3.75 higher at Rs. 190. Oudh Sugars strengthened by Rs. 3 to Rs. 185. Walchandnagars were done at Rs. 192 *ex-div.* against Rs. 292.50 *cum-div.* last week.

In the cement group, A.C.Cs rose from Rs. 158 to Rs. 163.50 today before finishing at Rs. 162.25, recording a net gain of Rs. 4.25. Digvijays hardened by Rs. 2.75 to Rs. 155.50. Orissas, however, were a shade quiet at Rs. 14.56, as against Rs. 14.60 last week-end.

Trading in shipping shares was influenced by the general buoyancy. Scindias put on 84 nP to Rs. 15.24. New Greats found buyers 56 nP higher at Rs. 15.20. Among automobiles, Premiers spurted by Rs. 5 to Rs. 171.50. Hindustan Motors attracted speculative activity and improved to Rs. 21.60, a net rise of 64 nP.

Rayon shares were well fancied. National Rayons were in the limelight and rallied, on persistent buying, from Rs. 529.50 last week-end to Rs. 564 today. The finish was, however, lower at Rs. 561. The net rise over the week is Rs. 31.50 Baroda Rayons firmed up by Rs. 9.50 to Rs. 130. South India Viscose rose by Rs. 6 to Rs. 165. Gwalior Rayons strengthened by Rs. 3 to Rs. 51.50.

Dyes and chemicals recovered to some extent the losses suffered last week. Amar-Dyes (old) jumped up by Rs. 25 to Rs. 410, the new shares rising by Rs. 3.50 to Rs. 380. Indian Dyestuffs advanced by Rs. 17.50 to Rs. 530. Dharamsis hardened by Rs. 13.75 to Rs. 280. Alembics put on Rs. 5 to Rs. 262.50. Poly-Chems were pushed up by Rs. 7.50 to Rs. 237.50. Synthetics were done at Rs. 173, as against Rs. 171 last week. Tata Chemicals improved by 68 nP to Rs. 19.60. Chemo Pharmas and Dhrangadhras were steady at Rs. 28 and Rs. 127.50, respectively. Colour Chems, on the other hand, declined by Rs. 1.25 to Rs. 343.75. Kemp and Co. lacked buyers and receded by Rs. 3.75 to Rs. 311.25.

Engineering shares generally moved up. Telcos were a hot favourite. Keen bidding took the scrip from the last week-end rate of Rs. 331.50 to as high as Rs. 369 today before finishing the session Rs. 3 lower. The net gain over the week is Rs. 34.50. New Standards (new) were marked up by Rs. 3.50 to Rs. 185. Alcock Ashdowns found buyers Rs. 2 higher at Rs. 310. Cooper Engineerings gathered Rs. 2.50 to Rs. 172. Larsen and Toubros gained Re. 1.75 to Rs. 44.75. Kamanis improved by 28 nP to Rs. 17 and Mahindras by 48 nP to Rs. 20.24.

Miscellaneous industrials too scored handsome gains in values. Bombay Burmahs elicited speculative support and rallied from Rs. 609 to Rs. 647.50 today before closing at Rs. 641. The net rise over the week is Rs. 32. Voltas were well favoured, the quotation advancing by Rs. 22 to Rs. 293.50. West Coast Papers hardened by Rs. 5.50 to Rs. 199.50. Jayant Papers picked up Rs. 3 to Rs. 64. Tata Oils found buyers Rs. 3.50 higher at Rs. 77. Ceat Tyres strengthened by Rs. 4.25 to Rs. 136.25. Premier Tyres put on a rupee to Rs. 102. Killicks improved by Re. 1.50 to Rs. 102. Hindustan Levers were better by 50 nP at Rs. 47.50.

* * * *

Madras Stock Exchange

MADRAS, *23rd May*

In the absence of any encouraging development, the Stock Exchange displayed listless conditions during the week under review, though there were some signs of buying support towards the close, particularly for textiles in sympathy with the trend in the Bombay market. Most counters were lower on balance as compared with last week. Fresh investment support was lacking, as a good part of the funds continued to be locked up in recent issues and the funds, it was felt, would be released only after some weeks. The rates of interest charged by banks were also generally high. Teas ruled easy on reports of growing competition in world markets. Coffees were dull in view of the persistent low level of prices for the commodity. Rubbers moved narrowly, only a few scrips eliciting enquiries. Sugar shares encountered selling. In contrast, textile shares made much headway, reflecting operators' confidence as to the future of the industry. In the miscellaneous section, chemicals were particularly weak.

Among teas, Nonsuchs dropped 10 nP t Rs. 27.90. Chembras shed 3 nP to Rs. 3.80. Ki Kotagiris were neglected at Rs. 5, Peermades a Rs. 23.30 and Waterfalls at Rs. 3.02. Devasholas however, put on 20 nP to Rs. 30.50. Parkside rose by 10 nP to Rs. 28.85. Blue Mountain gathered 6 nP to Rs. 3.19. In the coffee group Anaparais receded by 32 nP to Rs. 4.10. Ouchter lony Valleys softened by 5 nP to Rs. 4.10. Con solidated Coffees retreated from Rs. 22.25 t Rs. 22.15 before closing at the last week's level Coffee Lands were quiet at Rs. 18.50, as also Balanoors at Rs. 16.60 and Cowcoodys at Rs. 5.20 Rubber shares were better. Midlands rose by 10 nP to Rs. 11.60. Pullangodes improved by 6 nP to Rs. 1.85. Cochin Malabars initially slipped from Rs. 7.73 to Rs. 7.71, but improved subsequently t Rs. 7.75 with a net gain of 2 nP over the week.

In the sugar group, United Breweries came in for renewed selling and declined by Rs. 3 to Rs. 110 Cauverys lost a rupee to Rs. 131. Deccans shed 5 nP to Rs. 13.80. Mysores were quiet at Rs. 59 But Indias were firm at Rs. 12.90, thanks to the announcement of a higher dividend of 14 per cent taxable, for the year ended September 1960, as against only 12½ per cent distributed in the previous year. East India Distilleries rose by 37 nP to Rs. 43.87.

Coimbatore Pioneers provided a bright spot in the textiles section, the quotation advancing by Rs. 10 to Rs. 360. Metturs and Cannanores were marked up by Rs. 3 each to Rs. 402 and Rs. 152, respectively. Coimbatore Cottons rose by Rs. 2 to Rs. 166. Maduras scored a gain of 50 nP to Rs. 36.75. Travancore Rayons fell initially from Rs. 38.50 to Rs. 37.75, following news of 20 per cent dividend announced for 1960 (same as last year), (which fell short of market expectations. But they recovered later to Rs. 39 on hopes of a new capital issue for expansion of the Company. Radhakrishnas hardened by 50 nP to Rs. 31.25 on the news that the Directors had recommended a dividend of 12 per cent, taxable, for 1960, which compares well with 9 per cent distributed in the previous year. Palani Andavar 'A's were maintained at Rs. 250 and 'B's at Rs. 300. The Directors of the Company have declared a dividend of 50 per cent, taxable, for 1960, as against only 30 per cent in 1959. Lakshmis were, however, quiet at Rs. 162, as also Bangalore Woollens at Rs. 200 and Buckinghams at Rs. 213.

Among miscellaneous industrials, Mysore Chemicals suffered a setback of 65 nP to Rs. 24. Mysore Fertilisers eased by 10 nP to Rs. 11.15. F.A.C.Ts dropped 3 nP to Rs. 10.65. Metturs were dull at Rs. 14.25. Travancores were, however, higher by 3 nP at Rs. 16.75. Among cements, Indias fell by 3 nP to Rs. 6.05. Dalmias and Travancores were fancied at Rs. 12.05 and Rs. 8.45, respectively. But Andhras improved by 5 nP to Rs. 10.50. Among others, Western India Plywoods lost a rupee to Rs. 242. Aluminium Industries changed hands at Rs. 23 and Indian Steel Rollings at Rs. 10.10. Jeewanlals were maintained at Rs. 8.08. following the announcement of a final dividend of 1 per cent, making a total of 4½ per cent, taxable, for 1960, as compared with 2½ per cent, taxable, for 1959.

* * * *

Calcutta Stock Exchange

CALCUTTA, *23rd May*

Barring a few features on interested buying at lower levels and a late rally in clearing shares, the Stock Exchange ruled listless during the week under review. Business put through was restricted, as fresh funds for investment were not forthcoming. The new share issues and calls have absorbed a good portion of funds and, with the number of new entrants on the Exchange in the past one year having increased markedly, floating stocks have reached the verge of becoming excess in relation to floating funds. Generally prices moved down and the technical position became all the healthier. Good corporate news and prospects for the near future did prevent short-selling, but, in view of tight money conditions, lower levels would have attracted great support. The meagre activity shown by the L.I.C. is to be attributed to the Government's loan programme, although market circles considered that the present time was very appropriate for the L.I.C. to purchase equities in view of their attractive low levels.

KOTHARI CABLES AND ELECTRICALS

An industrial licence has been granted to Messrs. Kothari and Sons of Madras, a leading South Indian business house, for the setting up of a factory with capacity to manufacture 3,000 tons of A.C.S.R. (Aluminium Conductors Steel Reinforced) and 18 million core yards of P.V.C. and other wires annually. The proposed factory will be situated near Madras. The total capital outlay on the project of the Company, called Kothari Cables and Electricals Ltd., is estimated at Rs. 65 lakhs, including Rs. 40 lakhs fixed capital and Rs. 25 lakhs working capital. The major portion of this outlay, amounting to Rs. 40 lakhs, will be being raised by way of loans (a sterling loan of Rs. 8 lakhs and a rupee loan of Rs. 17 lakhs).

The new Company is expected to have already entered into an agreement with a reputed foreign company for the supply of know-how, plant and equipment for the project. Besides, the foreign firm will be investing a substantial part of the foreign exchange required for this project. It will also contribute Rs. 12 lakhs equity capital. The remaining portion of equity capital, that is, Rs. 28 lakhs, will be raised by Messrs. Kothari and Sons. The new factory is expected to go into production by January next.

Notice

NOTICE TO THE MEMBERS OF THE DURBHANGA SUGAR COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held at the Maharaja's Office Building in Darbhanga, Bihar, on the twenty-first day of June, 1961, at 10.30 a.m., to consider and, if thought fit, to pass the following Resolutions which will be proposed as Special Resolutions:—

1. That the Capital of the Company be increased from Rs. 30,00,000 to Rs. 60,00,000 by the creation of 3,00,000 new equity or Ordinary shares of Rs. 10 each.
2. That the Memorandum of Association of the Company be altered in the manner following, namely:—

   In Clause 5 the words "the capital of the Company is Rs. 30,00,000 divided into 3,00,000 shares of Rs. 10 each" shall be deleted and there shall be substituted the following:

   "the capital of the Company is Rs. 60,00,000 divided into 6,00,000 shares of Rs. 10 each."
3. That the Articles of Association of the Company be altered in the manner following, namely:—

   In Article 3 the words "the share capital of the Company is Rs. 30,00,000 divided into 3,00,000 shares of Rs. 10 each" shall be deleted and there shall be substituted the following:

   "the capital of the Company is Rs. 60,00,000 divided into 6,00,000 shares of Rs. 10 each."

The Register of Members and the Transfer Register will be closed from the 10th June to the 21st June, 1961, both days inclusive.

Any member who is entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

By Order of the Directors,

THE DURBHANGA SUGAR COMPANY, LIMITED,
W. F. MALDEN,
Manager.

LOHAT
DISTRICT DARBHANGA,
12th May, 1961.

NEWS IN BRIEF

THE next session of the *Lok Sabha* will begin on 7th August, 1961 and of the Rajya Sabha a week later.

The Central Excise Reorganisation Committee has extended the time limit for submission of replies to its questionnaire upto 31st July, 1961.

As a result of the agreement between the Government of India and the Government of Nepal on the Gandak Irrigation and Power Project, the Government of India has set up a Co-ordination Committee to establish a forum for discussion of problems of common interest in order to expedite decisions for the early completion of the project.

The Select Committee on the Income-tax Bill 1961 has extended the time for sending memoranda on the Bill from 25th May to 12th June 1961. Public bodies, associations or individuals desirous of submitting memoranda on the Bill for the consideration of the Committee are required to send 30 copies of each memorandum to the Secretary, Lok Sabha Secretariat.

The Government of Gujarat has announced that in respect of acquisition of lands, the joint-stock companies or co-operative societies have to pay only 25 per cent deposit in advance instead of the entire cost of the land acquired, including all compensation, damage, costs and other charges as at present, the deposit being payable either in cash or in approved Government securities.

The "Giprostanok" Institute of Moscow has just completed the blue-print of the plan for the surgical instruments plant in the public sector to be built on the banks of Adyar river in Madras. The proposed plant will manufacture every year 2.5 million surgical instruments of about 180 different types, including highgrade steel pincers, scissors, needle-carriers, anti-hæmorrhage clips, aneets and syringes.

Associations concerned with the regulation and control of business relating to forward contracts are required to apply for registration to the Forward Markets Commission within six months from 28th December 1960, the date on which the Forward Contracts (Regulation) Amendment Act, 1960, came into force. The procedure for registration of such associations is laid down in the Forward Contracts (Regulation) Amendment Rules, 1961, published in the *Gazette of India Extraordinary*, Part II, Section 3 of sub-section (ii) dated 15th May 1961. Associations recognised under Section 6 of the Act need not apply for registration.

A giant 16,000-ton Russian oil tanker, carrying over three million gallons (11,000 tons) of petroleum products for the Government-owned Indian Oil Company (I.O.C.), steamed into Visakhapatnam Port on 18th inst. This is the first shipment of Soviet oil to reach Andhra Pradesh—but the sixth to reach India—under the Indo-Soviet trade agreement. Previous shipments have been unloaded at Bombay and Cochin only. The I.O.C. has till now imported over 18 million gallons (65,780 tons) of vital refined petroleum products (12 million gallons of superior kerosene and 6 million gallons of high speed diesel oil) from the U.S.S.R. at favourable rates. Payment for these imports are being made by the I.O.C. to the Soviet Union in non-convertible Indian rupees only.

The Government of India has decided to extend, with effect from 30th June next, benefit of compulsory contributory provident fund under the Employees' Provident Fund Act to hotels and restaurants and to establishments engaged in the storage or transport or distribution of petroleum or natural gas. The benefit is applicable to establishments which employ twenty or more persons. Recently, the benefit was extended to the starch industry. Up to the end of 19th December 1960, the total number of exempted and unexempted establishments covered by the Act was 8,131 and the number of subscribers in such establishment was 2,819,000; the total accumulations of provident fund in exempted and unexempted establishments were Rs. 19.45 crores, excluding refunds.

The Government of India has decided to give a reward of Rs. 500 to persons who supply information leading to the discovery of tin, copper, lead, zinc, bismuth, nickel, mercury antimony, cobalt, arsenic and elemental sulphur, asbestos (chrysotile variety), borax and coking coal. If the deposits need detailed exploration, an additional sum twice the amount of reward will be paid and, if the exploration proves that the deposit is economically workable, another reward up to Rs. 10,000, depending upon the reserves and quality, might be paid. No reward, however, will be given for any deposit which does not hold promise of commercial value. The discoverer, who claims a reward for a new mineral deposit shall have no special or preferential claim for the mineral concession over the area for the discovered mineral deposit.

* * * *

From Abroad

Australia has sold 3.7 million bushels of wheat to Egypt for the first time in nearly 10 years.

The Finnish Parliament has passed the proposal for Finland's affiliation to the European Free Trade Association. This will come into effect from 1st July next.

The Ceylon House of Representatives passed the Peoples' Bank Bill on the 16th inst. The Bill provides for the setting up of a State-owned bank to extend credit facilities to the rural population.

The Export-Import Bank has decided to lend $62.3 million to the Government of Philippines for the construction of an integrated steel mill. The credit will finance equipment and engineering services from U.S. suppliers.

Ceylon and Bulgaria have concluded a mutually preferential trade agreement and a payments pact providing for reciprocal credit, both valid for one year. Ceylon will supply tea, rubber and coconuts, while Bulgaria will supply, *inter alia*, machinery, textiles and sugar.

As a result of the agreements reached in Montreal, Canada, by members of the International Air Transport Association recently, the Pan American World Airways will slash transatlantic cargo rates from 1st September next. The revision in cargo rates is expected to increase the cargo traffic for all airlines by 50 per cent.

In a bid to help Brazil solve its pressing economic problems and to permit the Government to meet the crisis of inflation, the U.S. and other creditors of Brazil have put together a sum of $1,000 million "package" in financial assistance. This sum includes about $608 million new credit from the U.S. Government and the I.M.F.

All branches of foreign firms in Pakistan and other undertakings having a foreign interest have been ordered to report to the State Bank by 30th June next their liabilities and assets as on 31st December 1960. This information is being collected under the International Monetary Fund and Bank Act 1960 with a view to determining Pakistan's international investment position.

The British Government will contribute £7.25 million by way of loans for the development of Malta dockyard which is estimated to cost £8.06 million. An agreement to this effect has now been reached between the Government and Messrs. C. H. Bailey (Malta) Ltd. The first phase of the plan is expected to be completed by 1963. The expanded dockyard will take tankers upto 85,000 tons deadweight, and will include all major works of conversion except the enlargement of the No. 2 Dock.

The Brazilian trade delegation currently touring Eastern Europe has so far concluded $800 million worth of long-term trade agreements, according to Sr. Dantas, the leader of the delegation. The countries covered by the agreements include Yugoslavia, Albania, Rumania, Bulgaria and Hungary. Accordingly, Brazil will buy agricultural machinery, oil drilling equipment, tubes, chemicals, newsprint and pharmaceuticals in exchange for coffee, cotton, rice, iron ore and vegetable oils.

Wages increased faster than productivity in W. Germany during 1960. In the first quarter of 1960, production per employed person in the industry was 11.8 per cent and the average income 7.6 per cent higher than in the same period in 1959. However, in the fourth quarter, production rose only by 4.2 per cent while the income per employed person increased by 10.9 per cent. For the whole of 1960 the average increase in production per employed person was 7.3 per cent as against an average rise in income by 9.9 per cent.

A master plan has been prepared by the Negev Phosphate Co., a Government-controlled concern, for the exploitation of Israel's phosphate deposits. The plan envisages production of 200,000 tons of calcinated phosphates per annum for the manufacture of concentrated phosphoric fertiliser and animal foodstuff additives. Phosphoric fertiliser and food additives are to be produced at a combined rate of 140,000 tons a year. It also provides for the construction of a £3 million soda ash plant with an annual production capacity of 60,000 tons.

INCREASING FACILITIES BY THE EXPANDING BANK

THE BANK OF MAHARASHTRA LIMITED

Estd. 1935. Regd. Address: 1177 Budhwar, Poona City

Now 3 per cent

Increased Interest Rate for special Savings Deposit scheme.

New easy rules.

Every Rupee deposited in this Bank helps the economic development of Maharashtra.

Sixty-six Branches

Poona City	7	Vidharbha	16
Bombay & Suburbs	11	Mysore State	3
Other centres in Maharashtra	19	Andhra Pradesh	1
Marathwada	7	Madhya Pradesh	2

SPECIAL FACILITIES

- Travellers' Cheques in Sterling and Dollar Currencies.
- Agencies in all important cities of the world.
- All facilities about Foreign Exchange.
- Safe Deposit Vaults in 11 Branches besides the Head Office.

The Bank has distributed the usual 9 per cent dividend and 2 per cent Silver Jubilee Bonus to the Shareholders for the last year.

C. V. JOAG,
General Manager.

(Paramount Ltd.)

PERSONAL

SARDAR Swaran Singh, Union Minister for Steel, Mines and Fuel, returned to New Delhi on Sunday this week after a ten-day visit to Japan.

Mr. Nagendra Bahadur, Joint Secretary of the Union Ministry of Commerce and Industry, has been appointed a Director of the State Trading Corporation.

Sir W. Gunn, Chairman of the Australian Wool Bureau, has been elected Chairman of the International Wool Secretariat Board. Dr. J. G. Van De Wath, Chairman of the South African Wool Board, and Mr. Acland, Chairman of the New Zealand Wool Board, have been elected Vice-Chairmen.

Mr. V. Satyamurti, Regional Director, Department of Company Law Administration, Eastern Zone, has been transferred to Delhi as Deputy Secretary in the Department of Company Law Administration. Mr. S. Venkataraman has been appointed in his place.

The Brazilian Coffee Institute has passed the 1961-62 shipping regulations based on an estimated marketable crop of 36 million bags, of which 18 million bags are expected to be exported. Coffee will be divided into two series, namely, market and retention. The market series, in turn, is comprised of four quotas—fine quality, good description, co-operative and common. On the other hand, the retention series will be composed of, besides good description and common quotas, the non-exportable coffee also.

A residential centre for export studies for top management is being opened in June next at Sundridge Park, Kent, U.K. It is organised by the Sundridge Park Management Centre, in consultation with a special advisory panel set up by the Federation of British Industries. The Centre will provide intensive training at top level for Britain's exporters, mainly intended for export directors and senior executives concerned. Courses will last for three weeks and will be repeated at regular intervals throughout the year.

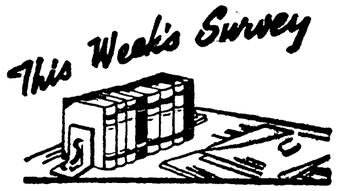
The Government of Ceylon has finalised plans for setting up a corporation to import and distribute oil in Ceylon. The proposed Corporation is expected to commence business before the end of the year. A Government delegation will visit Russia and West Asian countries to negotiate the purchase of oil for the Corporation. These countries have already made firm offers of oil in exchange for Ceylon's tea, rubber and coconut products.

A new step towards overcoming Britain's shortage of skilled technicians has been announced by the Ministry of Education. It is a part-time engineering course for boys of 15 and 16 who show promise of being able to fill skilled jobs in industry. The course will be introduced in technical colleges throughout the country in the autumn and in it the boys will need to study technical subjects for about 240 hours a year. The idea is that employers should give the boys time off from work to attend classes. The course will provide an introduction to both mechanical and electrical engineering.

In order to develop trade within the European Free Trade Association the Chamber of Commerce Organisations of all the E.F.T.A. countries have agreed to establish the E.F.T.A. Association of Commerce. The Association will meet from time to time to discuss matters of mutual interest. Its members will seek to work out practical solutions for any difficulties which restrain the expansion of trade either within the Seven or with other countries. The first meeting of the Association is expected to be held towards the end of the year. Its secretariat is situated at the Association of British Chambers of Commerce in London.

Exports of the West German industry accounted for DM 40,000 million or an export rate of 15.5 per cent of the industry's total turnover in 1960 as against an export rate of 15.1 per cent in the previous year. The slight increase is attributed to the inclusion of Saar industry sales in the overall W. German industry statistics as from the beginning of 1960. Manufacturers of investment goods held the first place among the Federal Republic's export industries with exports worth DM 21,000 million, or 53 per cent of the total exports of industrial goods. Sales abroad of machinery and vehicles together accounted for about one-third of the overall industrial exports. Shipbuilders reached the highest export rate with 62 per cent of their total sales.

Plans for the establishment of three nuclear reactors at Karachi, Lyallpur and Chittagong are being studied in Pakistan. The Karachi reactor with a capacity of 125 million mw.h., is expected to cost roughly Rs. 25 crores. The capacity of the two other reactors is put at 100 million mw.h. each. These reactors will be based on imported uranium. A final report on these projects is expected to be submitted by the Atomic Energy Commission to the Government in August next. The Commission has already entered into negotiations with the World Bank for necessary finances and has obtained the services of three U.S. consultants to advise on the feasibility or otherwise of the projects. The feasibility report is likely to be submitted to the Commission in June next. Meanwhile, the Commission has finalised plans for the setting up of a Nuclear Reactor Institute near the new capital site in Islamabad and two research laboratories at Lahore and Dacca.



FEDERATION ON L.I.C. INVESTMENTS

IN a communication addressed to the Union Finance Minister, Lala Karamchand Thapar, President of the Federation of Indian Chambers of Commerce and Industry, has questioned the basic postulates underlying the recent recommendation of the Estimates Committee of the Lok Sabha that the entire investible funds of the Life Insurance Corporation of India be taken over by the Government as an unfunded debt. The Federation's argument is that the suggested change in policy will be a retrograde step from the point of view of planned effort, of management of corporations and of the policyholders themselves. The Committee of the Federation supports in full measure the stand taken by the Finance Ministry on the question in its evidence before the Estimates Committee. The Ministry, it may be recalled, had strongly opposed making over the funds of the Corporation to the Government on the ground that (1) it would make the Corporation static and keep down bonuses, (2) it was against the promise that funds would be made available to the private sector and other assurances given in Parliament.

The main case put forward by the Estimates Committee for divesting the L.I.C. of the function of investment, according to the Federation, is built upon four basic reasons. They are:

1. That the various requirements of diversification, development, social advancement and furtherance of the interest of the community as a whole could be better served by Government with the help of the funds provided by the L.I.C. for the Plan than could be done by the Corporation itself.

2. That there is a real danger that L.I.C.'s purchases in the share market may lead, directly or indirectly, to speculative activities.

3. That with the passage of time, the business will increase to such an enormous extent that the L.I.C., whose main purpose is to procure insurance business and render service, may not be able to devote sufficient time and care also for ensuring the most advantageous investment of the large funds without detriment to its main work and that the Chairman of the Corporation himself stated that, if the investment work is taken away from the Corporation, the Directors will be rid of a lot of bother.

4. Investments in stocks and shares lead to allegations and aspersions which, though they might not be justified in most cases, yet may do little to increase the prestige of the Corporation.

The first point, according to the Federation, is based on a misunderstanding of the objectives of the Plan. The Estimates Committee, it points out, seems to consider that only those funds which are directly spent by the Government serve the Plan purposes and not others which are invested by the public directly in productive ventures. The suggestion made by the Committee, by way of what the Federation calls a "concession to the private sector," that the Government should provide, through some other financing agencies, a part of the funds taken over from the L.I.C. for the development of new industries or the expansion of existing ones, the Federation points out, suffers from the very defect which the Committee has found in the L.I.C. directly investing in stocks and shares. "What we fail to understand," it declares, "is that, if direct investments in stocks and shares by the L.I.C. lead to allegations and aspersions and also to speculation, how the other financing agencies or the results of the decisions of these agencies will be immune from them."

Regarding the last point (No. 4 above), the Federation avers that it is a very naive argument to suggest that the service aspect of the Corporation could be improved if it is freed of the worries of investment. For it is not the same person or set of persons that are looking after the investment portfolio and the rendering of service to policyholders, although it is true that the Chairman and the Board of Directors may have the ultimate responsibility for both.

There is another matter which, in the Federation's opinion, is fundamental to the investment policy of the Corporation, namely, the interest of the policyholders. The primary concern of the Corporation, it says, should be to guard and promote the interest of the policyholders. The suggestion of the Lok Sabha body that the Government may take over the entire funds and pay a "minimum" rate of interest, the Federation maintains, is basically unfair to the policyholders because it denies them the benefit of rising yields from investment in equities in an expanding economy.

It is evident from the above summary of the Federation's arguments that its main objection to the Estimates Committee's suggestion is based on the fear that (*a*) it will diminish the flow of funds to the private sector and (*b*) that it will reduce policyholders' bonus. As we pointed out in a leading article in our issue dated 22nd April, 1961 (*vide* page 725), these fears are unfounded. The Estimates Committee has nowhere suggested that the flow of funds to the private sector should be reduced. Its contention is that the L.I.C. is not the most appropriate agency for promoting industrial development by channelling investments whether in the public or private sector or for achieving the various objectives of nationalisation of life insurance such as diversification of investment, economic development, social advancement and furtherance of the interest of the community as a whole. It is difficult to disagree with this eminently sensible argument. There is no question here of the Government being asked to go back on its promise, for what is suggested is that a more appropriate body be entrusted with the investment of the L.I.C.'s funds for furthering the objectives of nationalisation. The private sector's share could still be maintained or increased and the assurance given by Mr. C. D. Deshmukh at the time of nationalisation of life insurance could thus be kept.

The apprehension expressed by the Federation that if the Government takes over the funds of the L.I.C. and gives interest at a predetermined rate to the Corporation to meet its obligations to the policyholders, the bonus rate on with-profit policies will be affected is also not warranted. For investment in stocks and shares forms only a small percentage of the total investments of the Corporation. This being so, is a slight decline in the earnings from funds hitherto invested in stocks and shares going to make so much difference to the surplus as to wipe out the bonus or reduce it substantially? The Chairman of the L.I.C., it may be recalled here, told the Estimates Committee, that at present the Corporation got a return of about 3½ per cent net, excluding refund of income-tax, on its investment as a whole. He also informed the Committee that a 3 per cent return was sufficient to meet the liabilities of the Corporation. The Committee did not suggest that the interest fixed be only the minimum required just to meet the liabilities of the Corporation; in fact, it favoured the payment of something more. It would thus appear that even if the L.I.C. funds are taken over by the Government, the return to the Corporation may not be materially affected.

STATE TRADING CORPORATION

The State Trading Corporation has already made some inroads into the normal channels of distributive trade. The spokesmen of Government have, of course, repeatedly stated that the S.T.C. would be concerned mainly with India's trade with communist countries. But in actual practice, it has extended its activities, including export, import and distribution, far beyond the role originally assigned to it. Representatives of trade and industry have spared no pains to impress upon the Government the damage done to the cause of India's foreign trade by the S.T.C.'s intervention. It is, therefore, an unpleasant surprise to hear that the blueprint for a further expansion of the S.T.C. is getting ready in Government circles. The S.T.C., we are told, is preparing a memorandum, amending several provisions of the existing memorandum of association, under which it was set up in 1956. The new memorandum apparently seeks to define the exact scope and powers of the organisation, but in this process a larger and more effective role is sought to be conferred upon it, apart from delegating to it a greater degree of autonomy. Changes made in the memorandum are designed, it is said, mainly to overcome many of the audit objections raised in regard to the various functions assigned to it only in general terms in the original memorandum.

Outstanding features of the new memorandum are its provisions investing the Corporation with powers to act as agents or trustees of a company, to invest and deal with the funds of the Corporation, to make loans or give credit to persons or companies on such terms as may seem to it expedient. In respect of investment, the S.T.C. has already limited powers under clause III of the original memorandum, which empowers it "to subscribe for take or otherwise acquire, or hold share, stock debentures or other securities of any other company." The new memorandum defines the scope of the provisions clearly. It says that the S.T.C. will be free "to subscribe for, take or otherwise acquire and hold shares, stock, debentures, or other securities of any other company having objects altogether or in part similar to those of the Company, or carrying on any business capable of being so conducted as directly or indirectly to benefit the Company." The amended clause will admittedly enable the S.T.C. to participate in export houses or any other similar institutions set up for promoting foreign trade. This provision is helpful to the extent that the S.T.C. may be able to supplement the resources of private parties in expediting the export trade. There are, however, obvious difficulties in the way. The bureaucratic machinery of the S.T.C. moves slowly and sluggishly, which in turn, may sap the vitality of the private trade—an essential prerequisite for maintaining and developing our export trade in a highly competitive world market.

This is equally true of the new provision added to the memorandum, seeking to ensure close co-operation of the private industries. The new provision empowers the S.T.C. "to amalgamate, enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture, joint marketing or reciprocal concession or for limiting competition with any person or company." If the new memorandum receives the approval of Government, nothing will prevent the S.T.C. from even setting up its own subsidiaries for export promotion or import of industrial raw materials. The impact of these new moves is not bound to be appreciable in the immediate future. The cumulative effect of the proposed measures, designed to strengthen the S.T.C. may, however, be further encroachments on the legitimate interests of private trade in the long run. The additional powers asked for by the S.T.C. imply that it cannot function in a mixed economy like ours as smoothly as a State trading organisation can in communist countries.

WEST GERMAN AID

India and other underdeveloped countries will doubtless welcome the West German Government's development aid policy enunciated recently. The full details of the policy are not available, but, as can be gathered from scattered Press reports, the policy is so oriented as to ensure a considerably large flow of aid to the needy countries. The policy not only gives priority to private development assistance but also envisages sizable public aid in special cases. Indeed, the West German Government has announced certain concrete steps designed to promote private initiative in the development aid field wherever possible. They include, among others, (*a*) tax preferences for investments in developing countries as provided under the 1961 taxation law now awaiting final Parliamentary approval; (b) credit to private firms from Government-controlled funds; (c) grant of State guarantees to investors to cover political risks; and (*d*) conclusion of investment promotion agreements with the aid-receiving nations. Special attention, we are told, will be devoted to interest small and medium-sized enterprises in assisting developing countries to build up similar industries of their own.

The latest move of the West German Government to give a boost to assistance given by private enterprises is certainly well conceived. These enterprises, it is needless to stress, are far better suited than official agencies to help quicken the pace of economic progress in underdeveloped countries. The West German Government is quite explicit on this point, as witness its remark: "Private initiative connected with the passing over of technical knowledge and the establishment of human contacts to the inhabitants of developing countries is expected to produce the best possible results in each individual case where development aid is needed and given." Although this is a general observation it has particular relevance to India in view of the greater and greater incursion of the State into the economic field. Also, the efforts of West Germany to facilitate a larger flow of private aid must be reciprocated by the underdeveloped countries which have to maintain a favourable a climate as possible for such a flow.

As for public aid, the West German Government's policy lays down that

used for giving credits if the size of the projects concerned and the risks involved in participating in them exceed the capacity of private enterprises or if, for other reasons, private firms cannot be expected to engage in the financing of such projects. This applies, for example, to the construction of hospitals, roads, waterways and power dams. The Government does make it clear that financial assistance will be given in the first place for individual projects, but it is gratifying that it has held out the assurance that it will participate in financing long-term development programmes, provided they have been thoroughly examined and are economically sound and reasonable. The participation, it is stated, will usually be arranged on international basis as in the case of Indian and Pakistan schemes. Such long-term commitments by aid-giving nations will greatly help the aid-receiving nations in implementing programmes without disruption in the middle. A special responsibility to seek assistance only for projects which are economically sound and reasonable is, of course, cast on the countries in need of assistance. The developing countries cannot obviously afford to shirk this responsibility which, after all, will ultimately be to their own advantage.

EXPORT OF CHEMICALS

The family of chemicals and pharmaceuticals has, of late, assumed a significant place in the industrial economy of India, with the steady growth of a wide range of basic chemicals, intermediates and finished products during the second Plan period. The third Plan envisages further expansion of existing industries and diversification of production lines. Some of the India-made chemicals, it is claimed by both industry and Government, compare well with foreign products in respect of quality. No wonder, then, that export earnings from chemicals have shown steady improvement in recent years. In 1960, export of chemicals amounted to Rs. 697 lakhs, as against Rs. 502 lakhs in 1959 and Rs. 450 lakhs in 1958. Satisfactory as has been the trend in exports, chemicals nevertheless account for only a minor share in the total export trade of the country.

In view of the sustained development of chemicals within the country, it should be possible as well as necessary for India to look out for new market outlets abroad. In this connection, the report of the chemicals delegation, which visited British East Africa and Middle East (West Asia) recently, should be particularly welcomed. The delegation, led by Mr. R. Chakravarthy, was sponsored by the Chemicals and Allied Export Promotion Council and it visited West Pakistan, Iraq, Iran, Kuwait, the Lebanon, Sudan, British East Africa and Aden. The delegation, in its report, expresses view that there is great scope for promoting the export of a variety of Indian chemical products to these countries. Some chemicals, such as B.H.C., D.D.T. and other insecticides, bleaching powder and ammonium chloride are in good demand in these countries Among the large number of other products for which, according to the delegation, there may be a potential market in West Asia and East Africa, are varnishes and paints, dyestuffs, vegetable oils, essential oils, soaps and pharmaceuticals.

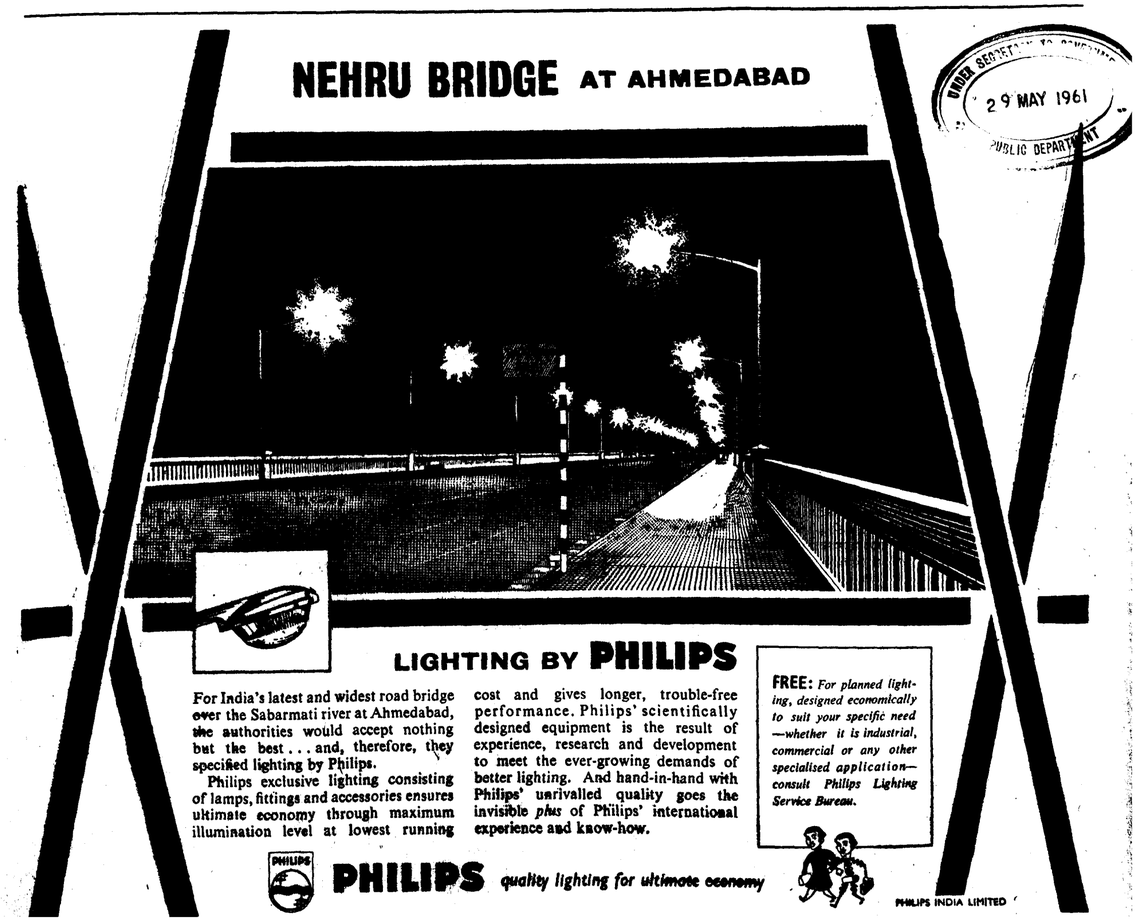
While recognising that some of these products are in short supply in India itself and that their domestic prices are substantially higher than those quoted by others in these export markets, the delegation has recommended the export of these goods in gradually increasing quantities, even if it involves some subsidy. The element of subsidy suggested by the delegation does not seem to be a healthy thing, for it can at best be only a palliative, and not a permanent remedy for problems facing exports of chemicals. Instead of looking forward to artificial remedies, the industry should try to become distinctly more conscious of its cost of production and quality. The delegation, of course, is not unaware of the need for bringing down prices and improving quality. It has pointed out in unmistakable terms that the potential markets for Indian chemicals cannot be exploited unless Indian prices are more competitive and the quality of goods better. There is nothing new in this approach which is applicable to all our exports in general. In the case of chemicals, there is the additional need for efficient inspection and certification of exports. The delegation's recommendation that a special organisation be established for strict pre-shipment inspection of chemicals is, therefore, a sound one.

U.S. CURRENCY LAW

By now several countries in the world, industrially advanced as well as less developed, have abandoned the proportional reserve system. India too, it may be recalled, twice amended the Reserve Bank of India Act at the height of the foreign exchange crisis in 1956 and 1957 to reduce the "gold and sterling securities" cover requirement. The latest instance of an advanced country which is intending to do away with the gold cover requirement in respect of internal money supply is the United States. At present, the Federal Reserve System is still under an obligation to maintain a gold reserve equivalent to 25 per cent of its notes and deposit liabilities. The retention of this provision, which clearly immobilises a major part of the U.S. gold supply, may partly be due to the powerful feeling in some orthodox sections of opinion in the U.S., which, even today, consider the requirement of a specific gold backing for domestic money supply as an essential prerequisite of monetary stability.

But the balance of payments crisis resulting in the heavy drain on the American gold reserves in the past year and a half has now provided an appropriate background for the Kennedy Administration to propose a permanent change in the currency system. The recent report of the Research and Policy Committee of the Committee for Economic Development also strongly justified the abolition of the requirement of the 25 per cent gold cover for internal money supply. President Kennedy

(*Continued on page 986*)



ON THE ARENA

By The Archer

The Dowry Prohibition Bill

THE passage in Parliament of the Dowry Prohibition Bill has merely achieved a formal declaration that the practice of demanding and extracting dowry is an offence. If, as some people believe, it is claimed that a norm of social conduct has been established or that a reawakening of social conscience has taken place, the claims are just pompous. On the other hand, it is disturbing to realise the grave drawbacks and dangers in a society which, by its very nature and design, fails to submit to economic forces until and unless a change is legally imposed on it. In a resilient and dynamic society the rights and wrongs of social conduct are not necessarily defined by legislation; and legislation is no remedy for social evils. The massive onslaught of economic forces usually generates a whole series of social urges in much quicker time and with greater ease than legislative enactments. But this postulates a society which is not a slave to tradition and prefers economic survival to martyrdom for ideas. A society which clings to outmoded ideas or practices with pathetic fortitude even in the face of economic impotence, but seeks relief by outlawing those ideas or practices through State legislation, is puerile by nature and deceitful in design.

Judging from the course of events in Parliament during the passage of the Bill it would seem that the predominant view (that served as motive force for support to it) was that the offer of dowry implied that women were sold like goods and chattels in the marriage market. This concept is intriguing, for normally speaking, sale of a commodity does not take place except for payment *in return* and not with payment *in addition*. It is only when one takes a decrepit horse to a *pinjrapole* for keeps that one has to offer a sum of money for its maintenance. The payment of dowry is not on par with a *pinjrapole* contribution, and the giver of dowry should therefore feel superior as the purchaser of a husband for his daughter. Unfortunately, however, the compelling necessity to do so, the bargaining which often precedes the negotiation and the outbidding of rivals, inevitably generates an inferiority complex in the benefactor and a superiority complex in the beneficiary. That there can be no legislative solution for such sordid factors is unassailable as long as gifts which constitute dowry form part of the conventions which are associated with sacramental marriages. By incorporating in the Bill the explanation that dowry does not include any presents made at the time of marriage to either party in the form of cash, ornaments, clothes or other articles, the gate is left wide open for unlimited extraction; the provision that these gifts would come under the ban if it was *proved* that they were demanded as "consideration for the marriage" is one that will not only be by-passed in every case, but will assuredly bring the legislation into contempt. It is indeed a measure of our political immaturity that we are eager to take credit for laws which we deliberately formulate with illusory potency so that it will be broken by everyone to whom it is an impediment, and will be a dead letter in a year or two. And, in all this process, we conveniently ignore the baneful effect of having on the Statute Book a number of enactments which are invariably broken; the habit of treating laws with contempt does not appear to occasion the slightest worry among those whose job it is to enforce them.

It is nothing but wishful thinking to believe that legislation of this kind will give a lead to society, for, in such matters society is schizophrenic. The desire to collect unearned income is one that is primordial in most human beings, and as long as the man with a number of sons can sit pretty and acquire easy money for his progeny, he is not bothered about such tiresome considerations as maintaining social decorum or avoiding social opprobrium, especially when custom, tradition and sacramental convention are all in his favour. In this regard the conformists invariably give the horses' laugh to the reformists; the latter may have the law and social conscience and the entire gamut of high thinking in their favour, but who cares?

Abatement of the evil of child marriages took place more as a result of relaxations in the social code than through compulsions of the Sarda Act—those relaxations in the social code took place partly through the operation of economic forces and partly through the gradual emancipation of women. The social need for early marriages vanished and the system died a natural death. Similar influences should start operating on the dowry system when alone it will commence to disintegrate—influences which will extinguish the taboos of castes and communities and also establish the concept of marriage as a personal arrangement between a couple, and not between two families. It is only when marriages are planned, arranged and negotiated by parents that dowries are demanded, cash, ornaments, clothes and other articles are exchanged and bitterness generated from transfer of property under duress. Planned and negotiated marriages may take time to die, but die they must, as more and more young men and women develop minds of their own, the taboos of society are brushed aside and the endogamy of castes and communities are thrown to the winds. Legislation will not bring about these wholesome changes, but the stress and strain of modern life, social, political and economic, will.

* * * *

Trouble For The Small Car Project

Felix Wankel's 'miracle' engine is expected to provide cheaper cars than were ever manufactured. It is a tiny petrol-fed rotary piston engine which has no valves, no connecting rods, no crankshafts, weighs only 24 pounds, and develops 29 horsepower. Both the Curtiss-Wright Corporation and Daimler-Benz are reported to have acquired licence rights for the manufacture of the engines on mass-production scale. It is also stated that four other firms, two German, one Japanese and another foreign, are seriously interested in commercial production of the engine. It seems clear therefore that in about three years from now, cars fitted with Wankel's rotary piston engines may be in the market elbowing out other conventional models and opening a new chapter in the history of automobile production.

What is of particular interest to us, in the context of our contemplated (or should I say, decided?) baby car project, are the following factors: The new engine is lighter, smaller, more economical, cheaper to manufacture, and has a better performance than the current conventional models. It has no units moving back and forth or up and down like pistons, connecting rods, valves, springs, rocker arms and transmission parts. It can achieve very high speeds and can take changing revolutions with alacrity and without spluttering. It is robust and can run on almost any fuel from 43 octane petrol to 100 octane and also on diesel. It runs more smoothly and with less vibration than the normal piston stroke engine. The starter is directly connected with the engine so that the latter turns out at high speed at the touch of the starter.

Now what are we going to do? Should we go ahead with our Small Car project—the car of the people, for the people, by the people—or should we wait and watch? Should we buy up a secondhand and outmoded plant from overseas and embark on production, investing a sizable amount of our scarce resources on the venture, with the very doubtful prospect of achieving success both in manufacture as well as affording "psychological satisfaction" to our car-crazy bourgeois middle class—or should we look out for the writing on the wall? Judging from the fact that some of the world's leading manufacturers of automobiles are somewhat worried about the possibility of revolutionary changes taking place in the industry and enormous modern plants becoming obsolete, I should think we try to follow the precept in that proverb which says something about angels being cautious where non-angels dare.

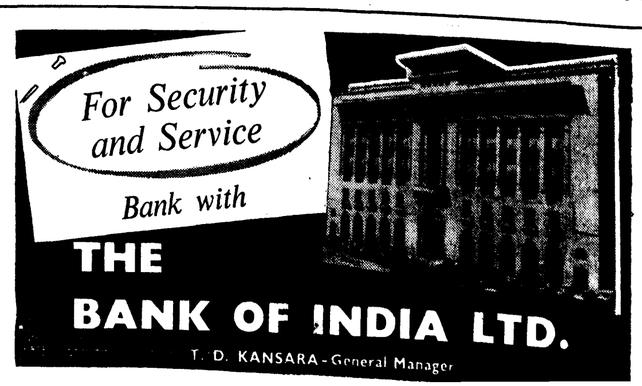
I have just been re-reading the Jha Committee's Report on the Automobile Industry and find that in paragraph 4.3 of Chapter IV it is stated that the two basic deficiencies which constitute chronic reasons for the high costs of automobiles in India are low volume of demand and outmoded machinery. Even so, we seem to have taken the decision to accept an obsolete plant offered by a foreign automobile producer and go ahead with the project for making small cars. Is it because it is proposed to have a vintage model running out of our assembly lines, or is it that we should maintain the tradition of discarding all advice tendered by expert committees? The answer could well be the latter, for I find that in paragraph 4.4 of Chapter IV the Jha Committee has stated that the total demand for passenger cars in India being less than what some of the more economic producers of cars in overseas countries turn out in a single factory in one month, it would be desirable to provide for competition among existing units by expanding their productive capacity than by establishing new units. The Jha Committee was thus against the proposal to manufacture a new type of car, and yet the decision was exactly the opposite. It would be of interest to note that in 1960 the Fiat Company in Italy manufactured 530,655 cars of all models of which 194,397 were exported. Our target for cheap cars, according to the Jha Committee, is 10,000 per annum. What's wrong, one may say, for cannot a cat look at a king?

* * * *

Statistical Jokes

I take this bit from a Madras newspaper. The President of the Hindustan Chamber of Commerce stated, when inaugurating its annual meeting at which the Finance Minister was present, that the proportion of taxation to national income in India is nearly 9 per cent, compared to 28 per cent in the U.K., 33 in U.S.A., 27 in Germany, 25 in France, 22 in Italy and 21 in Japan. Commenting on these statistics, the Finance Minister stated that it would seem that there was great scope for taxation to be further raised in this country and he would use the statistics conveniently. I hope the episode ended as a joke, and it is good to believe accordingly. But it shows how dangerous it is to connect statistics with the wrong terminals—the fuse blows off.

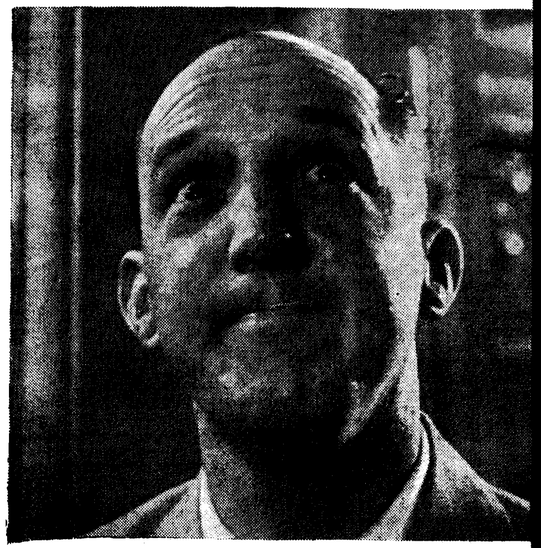
The Common Market is contemplating to set up a $50 million fund to stabilise the export incomes of its associated States in Africa. A proposal to this effect has been made by Mr. M. Lemaignen, member in charge of territories. The proposed fund will make advance payments to African States when the market prices of their exports fall below reference prices fixed on the basis of prices in the preceding few years. These States will make repayments when the market prices rise above the reference prices. The majority of trade done by the African associates of the Six will not, however, come under the scheme, because France is already giving aid to its former colonies by buying their exports at prices well above world prices.



Why they chose the BOAC Comet

Frequent service out of India

Intimate atmosphere—quiet comfort



Choice of stopovers at no extra fare

Looked after like a lord

COMETS EVERY WEEK—EASTWARD TO SINGAPORE, HONG KONG, TOKYO OR SYDNEY
COMETS EVERY WEEK—WESTWARD TO MIDDLE EAST, EUROPE AND LONDON

Take advantage of BOAC's Ticket Instalment Plan.
FLY NOW—PAY LATER! Ask for literature.

Your local BOAC Appointed Travel Agent and BOAC offices everywhere are at your service.

B·O·A·C TAKES GOOD CARE OF YOU

BRITISH OVERSEAS AIRWAYS CORPORATION IN ASSOCIATION WITH AIR-INDIA AND QANTAS

RESOURCES FOR THE THIRD PLAN

DIFFERENCE IN SAVINGS ESTIMATES OFFERS NO GUIDE TO POLICY

From Our Special Correspondent

NEW DELHI, *22nd May*

DELHI LETTER

THE gap between the extremist and the realist in regard to resources for the third Plan which has been large seems to be widening further, according to reports of variations in their respective estimates. The Perspective Division of the Planning Commission is continuously stretching all available resources —although only on paper—to show that the larger the Plan the better; this is bound to be popular in a political sense since State Governments can continue to believe that none of their ambitious schemes has been kept out of the Plan—at least until the elections are over. The Union Finance Ministry is notoriously conservative in these matters and few who have followed its technique of budgeting in the last decade will agree that its gross underestimates of revenue were only a sign of desirable prudence. Even if this much is admitted, one cannot avoid deprecating the tendency to assume that total resources for the public sector may possibly amount to Rs. 8,450 crores—far in excess of the large outlay demanded by States' representatives at the last meeting of the National Development Council in January. The Finance Ministry, on the other hand, is now feeling less confident about the target of market borrowing and the expected surplus from public undertakings; it is obviously averse to acquiescing in a plan whose fulfilment may compel resort to deficit financing considerably in excess of the limit of Rs. 550 crores so far accepted in all quarters as reasonably safe.

These differences came to the fore at the recent meeting of the Savings Committee of the N.D.C. last week in the capital and will no doubt be discussed again when the N.D.C. meets at the end of the month. There are some who are not averse to making a cut in the Plan later on if circumstances require it—as was done in the second Plan—though there is a risk that work on schemes included on the basis of optimistic estimates may be taken up even if they are not of high priority, making their abandonment difficult at a later stage. To pacify State Governments who are opposed to any cut in their plans even if they exceed the allotted target of outlay, it is now proposed that they should make efforts to find more resources from current revenues to make up the entire deficit. These assumptions have very little validity since the shape of States' finances in the next five years will not be known with any definiteness until the Finance Commission makes its award and determines the extent of budgetary support they deserve in view of the problems of increasing emoluments of State employees, growing maintenance expenditure on completed plan schemes and servicing of old debt.

Optimistic Assumptions

This imponderable factor may yet excuse some of the optimistic assumptions of States' resources, but not the additional taxation of Rs. 610 crores and market loans of Rs. 300 crores in addition to the Centre's efforts to raise resources under these two heads. The Finance Ministry's conservative resources ceiling of about Rs. 7,400 crores for the public sector's outlay includes these already large estimates. Further jugglery with these figures by the Perspective Division appears to have yielded additional resources of about Rs. 900 crores; the sources of its knowledge regarding future trends in non-Plan expenditure are probably trustworthy but the public has no means of judging whether defence expenditure will rise or not. Even on an issue like the surpluses of public enterprises, on which the facts are fairly well known, there is wide divergence in the estimates of the likely yield. The Steel Ministry's inability yet—in spite of the long time it has had to consider the problem—to furnish even approximate figures of surpluses and of accumulations in the equalisation fund proves that there is hardly any reliable basis for the more optimistic estimates. Future pricing policies on which they depend have not become clearer than before.

Apart from the intrinsic merits of rival calculations, there is something unseemly about a quarrel over different estimates between various departments of the Planning Commission and the Government. Statisticians, and economists who rely on them, have been often accused of proceeding from fabricated data to foregone conclusions and all evidence now points to a formal ratification by the N.D.C. at its next meeting of the more ambitious physical plan, with some pontifical statements about making larger efforts to raise resources in view of the pressure of population and the need to step up the rate of development.

Foreign Aid

A major hopeful factor in the situation is the improved prospects for foreign aid since the last meeting of the Aid India Club and the discussions since then by the West German Government with Indian and World Bank officials on the extent to which it can improve upon its earlier offer. Mr. Lyndon Johnson's visit has also been useful in reinforcing the faith in the value of the American initiative, although there are two major uncertainties owing, first, to the attitude of U.S. Congress on the issue of appropriations for more than a year at a time, and secondly, to U.S. insistence on a matching contribution from other Western members of the Consortium plus the World Bank. West German attempts to treat existing short-term credits as aid for the second Plan and their subsequent conversion into long-term credits as aid for the third Plan (in view of the balance of payments support provided thereby) has seemed very odd in the context of the great expectations from this country. The process of persuasion may be very long; U.S. authorities may remain firm on their condition of equivalent aid by Europe and Japan not only to induce greater flow of capital but also to ensure that the strain on the dollar is not aggravated by large-scale American aid which may be used for purchases from Europe. Dr. Erhard's latest assurance to Mr. Eugene Black that West Germany will go to the limit of her capacity leaves the position still vague.

The joint Press *communique* issued in New Delhi after the U.S. Vice-President's talks with Mr. Nehru reaffirms the "hope that American aid to the new Plan will be both substantial in amount and effective in form." There is also implied American appreciation, if not approval, of the social objectives behind Indian planning —"that the benefits of economic advance must accrue to those who need help most"—though only land reform and universal free and compulsory education were mentioned in this connection. The other most important common point was the development of electric power and rural electrification; "the development of power generating capacity has been an especially important area of American aid" says the *communique*, and indicates that the third Plan demands for power may also be met largely with similar U.S. assistance. In the context of the ambitious, though still inadequate, power target of 13.2 million kw. for the third Plan and the widespread shortages now experienced in this country, it is indeed welcome news.

This will add support to the ambitious planners and their case may be further strengthened by a study released last week by the National Council of Applied Economic Research estimating the rate of savings in India as 10 per cent of national income, instead of 8 per cent assumed hitherto by the Planning Commission. If the difference was due merely to the omission by the latter of such things like private investments in agriculture, the immediate importance of this finding to the outlay target will not be much. It would only mean that the rate of growth in agriculture has been and will be sustained by a much higher level of investment than that included in Plans and that the concerned Ministries' allocations of a little more or less for achieving specific targets are not playing the decisive role often claimed for them.

Even granting, however, that investment of the order of Rs. 100 crores in agriculture should be added to the total, the result will be an increase in the estimated investment in the private sector and, though the Plan as a whole may become big as a result, the nicely balanced ratio between the public and private sector outlays—which seems to be integral to the socialist pattern—may be upset. This finding, therefore, is of dubious advantage. The issue whether there was underestimation of savings in the Planning Commission or overestimation by the National Council will continue to be debated in recondite phrases about methodology; as yet the difference between the two estimates, though significant enough, offers no guide to policy. For example Dr. Lokanathan considered that since taxation was related to income and not to savings, he could not say whether the results of the study supported the case for more taxation. If the champions of the public sector, who wish to see it grow relatively and absolutely, wish that Government should lay its hands on more of these savings, the latter can only tax or borrow and, failing adequate response to either method can indulge in more deficit financing on the specious plea that it is one of the ways of tapping the savings of the community. A significant, though not new, aspect of the study is the low share of the corporate sector in the total savings but here again political imperatives will stand in the way of measures to remedy the shortage.

In this asmosphere of increasing courage in planning, the Government and the Commission have both become daring enough to raise the target of exports for the plan period by Rs. 300 crores. Uncharitable critics may say that this was the only way by which the grossly underestimated foreign exchange needs of the Plan could be reconciled with the (under-) estimated requirements of the foreign aid; this view will be strengthened by the absence of any fresh schemes of export promotion. An average level of exports of Rs. 750 crores will involve strenuous efforts but since there are some experts—like Sir Donald MacDougall—who think that this target should be doubled by the end of the fourth Plan any efforts in the direction of fulfilling this modest initial target is quite desirable and necessary. A very wide range of measures will be needed to provide incentives as well as to restrict internal consumption; no one is clear about them and, as usual in such cases, the responsibility of giving meaning and content to this programme may be passed on to a committee. Immediately the outlook is clouded by the uncertainties of British entry into the Common Market and consequent loss of preference in the U.K. market. The value of the decision is largely psychological since it breaks with the long tradition of (what one journal recently characterised as) "export-fatalism."

SURVEY

(*Concluded from page 983*)

himself had hinted at some such change, when immediately on assuming office, he categorically stated that the entire gold supply—now of the order of $17 billion—stood behind the present parity of the dollar. Behind this bold pronouncement, there was the manifest intention to dispel any speculative apprehension of dollar devaluation and thereby to impart stability to its exchange value. But the Kennedy Administration could not repeal the gold cover provision at once because in the midst of the foreign exchange crisis such alteration in the Federal Reserve Act might have touched off a panic reaction, culminating in further worsening of the situation.

Now that the balance of payments situation has improved considerably—the deficit for the first quarter of the current year being at an annual rate of $1,000 million as against $4,000 million in the previous quarter—and the gold drain has been replaced by gains, albeit only slight, the Kennedy Administration has discretely introduced in the House of Representatives to repeal the gold backing clause of the Federal Reserve Act. The measure, if passed, is expected to free gold worth about $11,000 million and is calculated to strengthen the external parity of the dollar to a considerable extent. The passage of the Bill is, however, not likely to be smooth, as some currency diehards would be stubbornly resisting any change.

The Multer Bill is also expected to arouse a good deal of controversy, as another provision of the Bill seeks to authorise the Government, in response to a request from the President, to pay higher interest rates on new securities sold to foreign governments and central banks, as a defence against the loss of gold through transfer of foreign funds. But even this provision is expected to be challenged by a powerful section in the Congress, which is opposed to any kind of concessional treatment to foreigners.

AMERICAN LETTER

SIGNS OF UPTURN IN U.S. ECONOMY

GOVERNMENT'S TAX PROPOSALS LOOKED UPON WITH DISFAVOUR

(From Our Special Correspondent)

NEW YORK, *19th May*

REPORTS from all parts of the country now speak of signs of an upturn in the economy. But there are so many "ifs" and "buts" attached to these *pronunciamenti* that one cannot help but wonder—to use the American vernacular—whether the optimism is not a bit "whistling in the dark" to revive courage which certainly is missing at least in some sectors of the United States economy. Most economists, in other words, use double talk. The Federal Reserve people, for example, say: "There are growing indications that the low point of the recession may now have been passed." The next paragraph is devoted to an analysis of the obvious fact that an inventory build-up which is now quite imperative would provide a boost. But the central bank not only questions the degree of the boost but also suggest that even greater production and greater productivity would in all likelihood leave unemployment at a higher level than during previous periods of recovery because of the large number of persons expected to enter the labour force.

Owing to the growing maturity of the baby crop of the last war, it is expected that, from here on, about 1.3 million additional people will be seeking work. It is felt, therefore, that the task of generating new job opportunities will be large. That is one reason why hardly anybody dares to predict how vigorous the coming upswing, now predicted, will be. Will it just be a temporary push or an advance over a longer period of time?

Gains Maintained

Preliminary indications are that the March gains in certain lines have been maintained in April. Figures for the first quarter as a whole did not look too encouraging. The total output of goods and services fell by $4,000 million, from the level of the preceding quarter, to $499,500 million. Thus, the drop in the gross national product since the spring 1960 peak of $5,500 million is 1 per cent.

The decline in the 1957-58 recession was 3½ per cent, in 1953-54 is amounted to 2½ per cent and in 1948-49 to 3½ per cent. It was, indeed, a mild recession, if the past tense can be employed. All figures are based on compilations of the President's Council of Economic Advisors. These, of course, have many ramifications.

In recent weeks, industrial production has risen somewhat, but a large part of this increase was due to Government expenditures. It was of benefit to such lines as steel, furniture and household appliances. Construction activity, too, has shown a gain in the first time in three months. Private housing starts moved up noticeably.

Personal income is in a special category. It reversed itself in March, rising $3,400 million over the February rate. The latter on an annual basis brought the total to $409,600 million, just slightly under the rate attained in October last. However, a part of the monthly boost in March was attributable to the disbursement of National Service Life Insurance dividends. Without that factor, the increase would have been only $1,700 million, primarily the result of higher wage and salary payments. March pay-rolls were up by $1,000 million, the first monthly increase since July.

So far as the employment picture is concerned, the trend of recent years continues. About 55 out of 100 workers now earn their livelihood in service jobs, as against 36 per cent in 1920. Under the classification of services fall trade, Government, transportation, public utilities, finance, insurance and real estate. The balance falls under the group of goods which means manufacturing, agriculture, construction and mining.

Consumer outlays would be the most significant force in a real upturn. High personal savings and the recent decline in hire-purchase debt (instalment credit outstanding) suggest that personal spending could be increased substantially, if there would be popular will to spend more. But the situation is confused and people are cautious which is borne out by the relative stability in consumer prices. Avoidance of price boost will be a crucial factor. Only a reasonable approach by both labour and management can avoid higher prices, not to mention tax policies of the Government. In passing, it may be said that the tax proposals of the Kennedy Administration, at least a good many of them, are looked upon with disfavour as fostering inflation rather than stability.

Hearings on the President's tax proposals will begin some time in June. The general appraisal of the plans of the new Administration in the financial, foreign and other fields is that the U.S. is heading to the left, not the right. The trend, which may also be called socialistic, has inflationary implications to many.

Stock Markets Booming

The securities markets are booming. Manipulations on the American Stock Exchange are now being investigated by the Securities and Exchange Commission at Washington. Money is pouring into securities at a feverish pace. The most disturbing element is speculation in the lowest priced stocks. Most of the equities have no record and they are being bought not on the merit of performance and past record, but just because they are cheap and may produce get-rich-quick situations.

Stock market loans are now exceeding $5,000 million in April, for the first time since 1929, and preliminary indications are that the rise has been continuing throughout May. Bank loans are the only public evidence of the recent upsurge in spectacular borrowings, and they suggest that the stock market has absorbed $500 million of fresh credit during the past six weeks. This is a dangerous situation.

There is also uneasiness about foreign policy. President Kennedy's trip to Canada, while cordial, did not assure Washington of the support of Ottawa in the new "help Latin America" programme. Meanwhile, the Cuban explosion has been fortified by Premier Castro's support on the part of General Trujillo of the Dominican Republic. Misgivings are also expressed over the hastily arranged meeting at Vienna between President Kennedy and Premier Khrushchev. There are fears that it will be used as an international propaganda platform for Communism. No wonder, there is an air of caution in the air.—*All Rights Reserved.*

(*Concluded from next column*)

precisely what problems would arise and, on the other hand, consideration was being given to the preferences being enjoyed by U.K. exports to some Commonwealth countries. The Six were, therefore, already convinced that Britain was sincere in not holding the Commonwealth as an excuse against association.

As for agriculture, the Six themselves were considering ways in which their policies might have to be adapted to the needs of the component parts. Indeed, the British Minister of Agriculture has already warned U.K. farmers that they cannot indefinitely expect help in the form of tariffs and help in the form of subsidies. It is clear that great efforts are now being made by the Government, not entirely paralleled by the efforts being made on the other side—since General de Gaulle is lukewarm—to discover a means of closer association with the Common Market. But it was equally clear that there are still no precise plans except that something ought to be settled urgently. There is a significant reason for this—opposition in this country among manufacturers is becoming mobilised. Not only that but the uncertainty about what will really happen is playing increasingly on the nerves of industry. Industrialists neither know what competition they will have to face at home nor what potential market may be opened to them in Europe. It now looks as if matters will be brought to a head shortly, failing which the Government will stand accused by business interests in this country of dereliction of duty in not coming to a decision one way or the other.—*All Rights Reserved.*

EAST, WEST AND CENTRE

BRITAIN ANXIOUS TO JOIN COMMON MARKET

(From Our Own Correspondent)

LONDON, *19th May*

LONDON LETTER

THIS week the President of the Board of Trade, Mr. Maudling, has opened the British Trade Fair in Moscow and, just before his departure, his Assistant made a speech in Sheffield to some of the people who would be engaged in exporting goods to a potentially expanded Russian market. Anglo-Soviet trade has never hitherto reached anything like the levels contemplated by the various trade agreements. On the one hand, Russian imports have largely consisted of Colonial or Commonwealth products rather than British products and, on the other hand, U.K. importers have found it difficult to get satisfactory prices out of the Soviet Union for the staples of that country.

The British Trade Fair is intended to elevate trade exchanges between the two countries to a new, higher level. But Mr. Maudling's opening speech in Moscow carried in itself no enthusiasm. He has told the Russians that trade has two purposes—to strengthen a country's economy and to contribute to friendship between peoples. The second point is one normally paid lip service to in the exchanges between countries; the first is apparently a bone of contention. There have been criticisms of Anglo-Soviet trade on the grounds that it would strengthen the Russian economy and that was not a good thing. The only answer from the advocates of increased trade is that it also presumably strengthens the British economy.

One has to turn to the comments made by Mr. Maudling's Deputy in this country to discover what Britain really can offer the Soviet Union as a result of this Trade Fair: "... at the moment, several complete factories are being erected in various parts of the Soviet Union as a result of contracts placed with British firms... particular emphasis will be laid on those products which the Soviet foreign trade organisations have in the past indicated their willingness to buy." But Mr. Erroll concluded by saying that he did not really think very much was likely to come of all this, although the precise words he used were: "... we should take a realistic view of the situation in these markets." Mr. Maudling conveyed the same impression by the things he has not said in Moscow. All in all, we can safely conclude that the British Government is not really bothered about the expansion of East-West trade.

Irrevocably Committed

And this is because they have increasingly on their mind, the expansion of trade with the Centre—the area that lies in between Eastern and Western Europe. Under the guise of a general resolution concerning the relations between East and West, the Lord Privy Seal (the Deputy Foreign Secretary) addressed himself to what he called the country's fundamental problem: "What are to be the relations of ourselves, the Commonwealth and the E.F.T.A. partners with the new Europe which is emerging?" And thus for the first time the Government presented Parliament and the country with its policy and its ambitions towards the Common Market. Now the Government are irrevocably committed to union with the Six. Mr. Heath said that we could see now (if we kept outside the Common Market) "... the dangers which face us of decline in political influence in the world at large and with the Commonwealth."

The Government see that our trade with Europe has expanded greatly in recent years; they realise that the common tariff around the markets of the Six and the gradual abolition of their internal tariffs would both tend to diminish Britain's trade with Europe and tend to strengthen Europe's competitive power with the rest of the world. Mr. Heath admitted that closer relationship between the U.K. and the European Economic Community would carry some disadvantages, but, against this, he saw formidable political and material advantages to be gained from closer association. He then explained that the problems that remain are still those concerning the Commonwealth and domestic agriculture; that imports from the Commonwealth were being examined to see

(*Continued in previous column*)

PROTECTION OF BANK DEPOSITORS—I

BANKING PRACTICES NEED CAREFUL AND EFFECTIVE SUPERVISION

By L. R. Suneja

IT is a fundamental principle of banking that protection for the bank depositor must come from sound banking assets. The skill and honesty of bank managements have a most important bearing upon the safety of deposits. Barring some catastrophic upheaval in the economic life of the community such as prolonged and acute depression, good bank management will adequately protect both the depositor and the shareholder. Because proper management is so essential to successful bank operation and because the public interest is so closely tied up with successful banking, the Government has seen fit to interfere to a varying extent in banking affairs in every part of the world. In our own country, Governmental interference has become very involved under the Banking Companies Act as well as the law governing the Reserve Bank of India. There has grown up an enormous mass of minute regulations, the majority of which are designed to safeguard the depositors. They include the regulation of the volume of capital and reserves and the type of loans and investments; the examination of banks' affairs by representatives of the Reserve Bank of India; and the return and publication of balance-sheets. There are, however, two varieties of attempts to protect depositors which may be well examined here. They are guarantee of deposits and segregation of thrift deposits.

A Prime Consideration

Two forms of bank credit are used as medium of exchange, namely, bank notes, of which an example is the note issued by the Reserve Bank of India and bank deposits utilised by means of cheques. The protection of the note holders has always been a prime consideration in banking and various means of protection were developed during the course of the nineteenth century to safeguard their interests. In practically all countries, Government statutes require a specific security as well as reserves to be kept against guarantee issued by the note issuing institutions. Besides, the notes are obligations of the Government and as such their payment is guaranteed.

This is not true of the second form of bank credit, namely, bank deposits. There are few countries which legally require certain and specific reserves to be kept against deposits. In our country, all scheduled banks must keep a reserve of 5 per cent against immediate demand liabilities and a reserve of 2½ per cent against time deposits. The reserves of the scheduled banks, it will be recalled, must be kept in the vaults of the Reserve Bank of India. In no instance is a security required against deposit liabilities in addition to the reserve requirements.

Banks in U.S.

Many American people, however, felt that the banks in the United States should go further in safeguarding the depositors and, as early as in 1829, the State of New York enacted a law to guarantee all the debts of banks located therein, which, of course, included deposits of the banks. This system was called the Safety Fund System, and the banks were assessed the sums necessary to maintain the guarantee fund. The heavy losses incurred thereby, because of inefficient and dishonestly managed institutions, and as a result of the panic of 1837, caused the early repeal of many sections of the Act establishing this system, so that, finally, only the notes of the issuing bank were protected by the Safety Fund. After the panic of 1893, a movement was again started to guarantee deposits, but it failed to achieve any tangible results in the form of legislation. Modern experience on the guarantee of deposits in the U.S. followed the panic of 1907.

The year 1908 saw the inauguration of a compulsory system of bank deposit guarantee in the State of Oklahoma, followed by guarantee legislation in seven other States—Kansas (1909), Nebraska (1909), Texas (1909), Mississippi (1914), South Dakota (1915), North Dakota (1917) and Washington (1917). Thus eight States in the U.S. tried a system of guarantee in some form or other. The results of these experiments were such as to dampen the enthusiasm of people who had previously advocated the plan. In times of good business and upto the depression beginning in 1920, they worked well. However, bank failures became so numerous during and after this depression that, in every case, the burden became too great and the system collapsed. One banker put it: "The well-managed institutions were penalised, whilst wildcat banking was encouraged. Some of the banks in Oklahoma placed in conspicuous parts of their building signs to the effect that deposits were guaranteed by the State and then by offering large interest rates attempted to induce depositors to place their funds in the institutions. These so-called bankers in turn would utilise the funds thus secured in making reckless loans. The conservatively managed institutions would have to stand by, because they could not afford to pay depositors a higher rate of interest, nor could they extent credit recklessly as their unscrupulous competitors did.

Note: The views expressed in this article are the author's own and his employers are not concerned with this.

Reasons for Failure

Discussing the reasons for the failure of the bank deposit guarantee laws in Texas, one writer summarised them as follows:

The plan made too many banks and too few bankers. All kinds of incapable people tried to start a bank under the protection of the Fund.

The system did not increase deposits nor build up the banks. Instead, it gave a sense of false security. People looked to the Fund for protection and paid no attention to the soundness of the banks themselves nor to the ability of their managers.

Prosecution of bank wreckers and crooks was made impossible. The depositors got their money from the Fund, so they were not particularly interested in prosecuting the unscrupulous or incompetent men who caused the banks to fail.

Such an unsound system of banking weakened the financial structure of the entire state.

Guarantee of Deposits

In discussing the question of guarantee of deposits, one must first ask what is to be attempted and what is to be the standard for measuring the probable results. Such a far-reaching matter as a guarantee of deposits on a nation-wide scale can be justified only upon the basis of public good. What, then, is a proper standard for measuring the public good involved? Obviously, it is not to be found merely in the fact that a guarantee system might shift the burden of losses from the backs of banks' depositors to someone else. It may be contended that bank depositors, as individuals, must take their chances of loss along with other lenders and investors. To make a case for guarantee system, it is necessary to show with reasonable certainty that the economic system would actually reap some net gain over and above the gain it would realise without such guarantee. This, in turn, involves several questions:

1. How may a guarantee system be expected to affect the quality of banking practice and the fundamental strength of the system?
2. Will it favourably or unfavourably affect the ability of the banks to serve the nation?
3. Is there sufficient reason for taking such extraordinary measures to protect bank deposits when creditors in other businesses receive no such protection?
4. Will the direct burden involved in guaranteeing deposits be intolerable to those who will assume it?

Many have contended that the insurance of bank deposits will lead to bad banking, since it puts poorly managed and weak banks on the same competitive level for deposits and business as well-managed, sound, strong and conservative institutions. Without guarantee of the deposits, the depositor, in order to safeguard his deposits, is expected to inquire into the character and the ability of the management and the safety of the bank before he trusted his savings into its care. Under a system of deposit insurance, the depositor no longer needs to investigate an institution concerning the experience, reputation and policy of the management, or its strength and soundness. His deposits will in any case be protected against loss, he feels. Therefore, with all deposits equally well protected the public will patronise the banker who pays the higher interest rate. This in turn would result in competition which would be disastrous to sound banking.

Cogent as this reason undoubtedly is, its validity is necessarily based upon the assumption that depositors (a) are able to choose their bankers intelligently that they are able to distinguish between a sound and conservatively managed institution and not one so managed; and (b) choose their banking connections solely because of a fancied security of deposits and interest payments.

Helplessness of Depositors

As to the first assumption, the fact is that most depositors are not in a position to judge either the quality of the management or the soundness of the institution. It is no secret that the imposing statement of assets and liabilities is quite as successfully used by the unscrupulous and unsound banker as by the better bankers and that the public in general is entirely incapable of making any use of such statements in determining where to place its deposits. The depositors of the Palai Central Bank, which has recently suspended payment, are *eloquent* testimony of the helplessness of the average depositor. Moreover, the dangerous competition of banks offering higher interest on deposits has confronted the conservative bankers for many years. Undoubtedly these considerations tend to support the contention that the depositor even with no guarantee, is quite unable to distinguish between sound and unsound banks.

The inter-bank agreement limiting the interest paid on deposits, which exist in our country, is further evidence that such a danger exists even in the absence of a guarantee system. In general, it seems fair to conclude that, with a guarantee system, the small depositor will be no more inclined to patronise the unsound banker than before. The larger depositor is probably no more impressed by interest payments than he is by the opportunity to maintain banking connections with institutions which are in a position to give him adequate service, sound financial aid and guidance. Here the sound banker of established reputation is quite as well off under a system of guarantee as without such a system. He can still reap the reward of his experience and sound judgment.

Supervision

To offset possible tendencies towards lax banking induced by a uniform system of guarantee on deposits, there must be more careful and effective supervision of banking practices. Such improvements are needed in any event. Obviously effective means are required for weeding the banking world of individuals who engage in shady and unsound practices. A guarantee system strengthens the hands of the supervising officials in managing difficult cases. Without it, the officials are reluctant to take any strong measures against bankers violating the law and the rules of sound banking practice for fear of unfavourable consequences to the credit standing of the banks in a country. Under a system of guarantee, this need not be an issue, and the supervising officials may with impunity order the institution closed and its affairs wound up or may compel the withdrawal of offending officials with resultant savings to both the depositors and the shareholders. It should be remembered that, without a guarantee system, the main method which we have for ridding the community of incompetent bankers is to let them fail. This method will not be eliminated under a guarantee system. The unsound and incompetent bankers can fail quite as eventually under a guarantee system as without it. Conversely, the rewards of the sound banker in the form of profits derived from long and successful practices will remain. It is fair to conclude that the objection that a guarantee system will ruin the banking system by enabling the weak, incompetent, or irresponsible banker to gain at the expense of the sound, conservative and able banker is less important than it might appear at first consideration.

It is not out of the point to mention that bank supervision by public officials is distinctly an American institution. In virtually every other country, the chief, and sometimes the only, reliance is on the self-supervision and auditing conducted by the banks themselves. In India, however, supervision of some kind has been exercised by the Reserve Bank of India since the enforcement of the Banking Companies Act of 1949. The basic purpose of bank supervision is to safeguard the public interest in the safety of the banking institutions of the country. The soundness of each bank, its compliance with the law, and the degree to which it fulfills its obligation to render service are the more specific objectives of public supervision. There has been in the U.S. an increasing tendency for supervisory authorities to serve as leaders in improving banking techniques as clearing houses for assembling, interpreting and disseminating banking data and information and aids to legislative bodies in enacting solitary banking loss.

Effects of Guarantee

The second question with which we are confronted is the probable effect of a system of guarantee of deposits on the functioning of the banking system. In answer to this, one need only draw upon the experience of the American attempt to guarantee deposits where it is found that runs on banks were practically abolished. It certainly restored confidence in the American banking system in the darkest days of its history. The argument that the deposit guarantee system will encourage reckless banking is met by the thorough system of examinations set up and the power of the Corporation to terminate insurance for unsafe and unsound banking practices.

Public Advantage

The third question raised is this: Is there any real public advantage in a guarantee system which shifts the risk from the shoulders of the depositors to someone else? As a corollary to this, we may ask another question. Is the shock to a community resulting from the loss of depositors' funds of sufficient importance to justify an attempt to cushion it through some form of insurance? Not long ago, the President of an important American bank is reported to have said in opposition to guarantee of deposits: "There is no more reason to guarantee banks that are not run well than there is to guarantee department stores or industrial concerns that are badly run."

This remark is a bit misleading, for it implies that a guarantee of bank deposits constitutes a guarantee of the bank. Such an interpretation is inacurate. By guaranteeing the deposits, no attempt is made to guarantee that the banking venture will turn out profitably for the shareholders. If the bank is not soundly operated, the shareholders stand to lose with the system of guarantee as readily as without it. The real question is whether or not the community welfare is so intimately tied up with the continued functioning of its banking system and the safety of its bank deposits that it is desirable to lessen the shock by spreading the loss. Another person who has witnessed the paralysis which seizes the depositors on a bank failure realises that this is at least a reasonable question, not to be dismissed by sweeping generalities. The salutary effect on the economic life of the country as a whole for abolishing runs on banks and reducing the shocks from bank failures suffered by a particular community can hardly be denied. Although different in its implication, its immediate results are similar to those of fire insurance, the essential advantage of which lies in the reduction in the shock by spreading the loss.

Financial Burden of Guarantee

The last question is an important one. Will the burden of bank failure be so great as to bring down the good bankers with the bad? This, of course, assumes that the burden is to rest on the bankers themselves. Obviously the burden of bank failure must be borne by someone regardless of whether or not there is a guarantee system, a point which is often overlooked. The experience of the eight American States that tried a guarantee system was so unfortunate as to lead many to believe that the guarantee of deposits on a sound and equitable basis was impossible. These historical experiences made many to believe that the guaranteed plan is inherently fallacious and based on erroneous premises and assumptions. It has proved to be one of these plausible, but deceptive human plans that in actual application only serve to render worse the very evil they seek to cure. Without exception the guarantee system worked well in fair weather but was unable to stand the load of general depression. The burden placed upon the bankers who remained solvent became intolerable and resulted in the eventual abandonment of the attempt in all States. As a result of this unfortunate experience, it is even assumed that deposit guarantee of any sort is doomed to failure. But the causes which led to the collapse of the guarantee system tried in the eight States are not fully considered. These failures were due to inadequate supervision of the system in several instances and inability of individual States to furnish adequate diversification of risk.

(*To be continued*)

HINDUSTAN COMMERCIAL BANK EARNS MORE

The financial results of the Hindustan Commercial Bank Limited (General Manager: Mr. S. S. Rachhpal, Kanpur) for the year ended 31st December 1960 are gratifying. Thus, the turnover of the Bank, as indicated by the total income and the credit extended to trade and industry, is substantially larger. Advances have recorded a sizable expansion of Rs. 76.06 lakhs to Rs. 480.60 lakhs. Consequently, the income by way of interest and discount earned has risen by Rs. 5.20 lakhs to Rs. 32.27 lakhs and that from commission and exchange by Rs. 1.45 lakh to Rs. 9.57 lakhs. The two outgoings, that is, interest paid and other expenses have risen markedly, the former by Rs. 1.42 lakh to Rs. 17.16 lakhs and the latter by Rs. 5.04 lakhs to Rs. 25.46 lakhs, reducing substantially the profit margin for the year under review. The profit (subject to taxation) has, therefore, improved only modestly from Rs. 4.16 lakhs in 1959 to Rs. 4.48 lakhs. The profit would actually have been larger at Rs. 7.04 lakhs, but for the appropriations to meet shortfall on redemption and sale of securities purchased in 1945-46 at above par (Rs. 1.25 lakh) and to write off the loss (to the extent of Rs. 1.40 lakh) in respect of preference shares purchased in 1945 from a company, the capital of which was written down under orders of reconstruction scheme passed by the Calcutta High Court.

The Directors have provided Rs. 8.000 for taxation, as against Rs. 18.000 in 1959, and a sum of Rs. 4.50 lakhs has been credited to the doubtful debt suspense and reserve account. The Bank has, therefore, not been able to give any dividend to shareholders for the thirteenth year in succession.

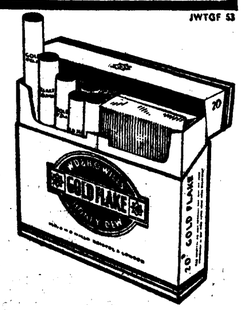
The deposits of the Bank as at the end of 1960 stood at Rs. 694.87 lakhs, showing a contraction of Rs. 15.45 lakhs over the year. In order to make good the setback to deposits, the Bank has had to rely on borrowed funds; its borrowings from other banks have gone up from Rs. 48.80 lakhs in 1959 to Rs. 76.25 lakhs. Thanks to the brisk demand for bank credit on the part of the trade and industry, following the higher tempo of industrialisation during 1960, the Bank's advances, as already stated, have gone up appreciably from

(*Continued on page* 1016)

JWTGF 53

Having fun—wish you were here

Simla. Discovering the skills (and spills!) of skiing. Woods of sweet-scented pine and meadows of many-hued greens. Kaleidoscopic sunrises—captured two in colour. Perfect holiday? I'll say it is. (And Wills' Gold Flake? As fine as ever—superbly satisfying—wherever you go they're good.)



INTERNATIONAL TEXTILE PROBLEMS

U.S. NOT IN FAVOUR OF TARIFF BARRIERS OR MANDATORY RESTRICTIONS

THE annual conference of the International Federation of Cotton and Allied Textile Industries, held at Osaka in Japan a fortnight ago, was an appropriate occasion for a comprehensive review of the position, problems and prospects of the world cotton textile industry. Delegates and observers from sixteen countries attended the six-day conference which concluded on the 14th inst. The discussions at the conference were held against the background of the controversy that has been going on for quite sometime now over exports of cotton textiles from some of the developing countries and the insistent demand of the textile industry in many Western countries for restricting textile imports. The conference noted that the textile industry was rapidly developing in many Asian countries such as India and Pakistan, where long-term plans for expansion and modernisation are in progress mainly for supplying the domestic markets. Apprehensions were, however, expressed that there existed a possible danger of disruption of certain individual markets, if a considerably large part of their production were used for exports to obtain foreign exchange. The danger, it was felt, was particularly applicable to importing countries where textile goods from India and Pakistan received preferential treatment.

The conference admitted that both India and Pakistan have substantial domestic markets, exports accounting for only a small part of the total production, but pointed out that the position was different in the case of Hong Kong, another major textile producing country in Asia. In the opinion of the conference, Hong Kong produces far more cotton textiles than needed domestically and exported large quantities not only of goods produced within the Colony but also of textiles imported from other countries. Several other countries in South-East Asia have ambitious plans for expanding their cotton textile industries, though the objective of these plans is to cater to the expanding domesic demand rather than to export markets.

In Africa, the cotton textile industry is developing at a slow pace and it is considered unlikely that it will make any serious impact on the international textile situation in the near future. In Latin America, most countries are striving for self-sufficiency and strictly limited imports. In China, the cotton textile industry has shown spectacular expansion and the country has become one of the largest potential exporters of textile goods. The total capacity of the industry at present is 10 million spindles. In Eastern Europe, the textile industry has developed in a normal way and the volume of exports from these countries have not had any severe impact on world markets. The Federation, however, concedes that, since the textile industries of communist countries are part of a system of State-controlled economies and Government export monopolies, the danger of a sudden increase in textile exports for other than purely commercial reasons at manipulated prices is always imminent.

Federation's Statement

The Federation has issued the following statement on the conclusion arrived at from its discussion of the major problems and aspects of international textile competition:

1. The Federation points to the danger of an excessive concentration, expansion or reliance on the textile industry in any one area, which, in the long run, must be to the detriment of the economies of those areas themselves.

2. The Federation stresses the need for a continuation and intensification of technical research into new yarn and textile processing methods, new end-use development, market expansion and promotion of textile consumption as a counter-balance to the many other demands made on the purchasing power of the public.

3. The Federation advocates the creation of such conditions in its member-countries as are favourable to the continuation and intensification of the already great efforts which are being made towards a technical modernisation and rationalisation of existing productive capacity.

4. With regard to raw cotton policy, the Federation advocates once agin an early return to a one-price system for raw cotton in world markets. This is essential for a proper functioning of futures trading and for making hedging practicable.

5. The Federation notes that a large variety of commercial practices and manipulations are currently in use which tend to distort normal conditions of competition in the international textile market. It expresses the view that it is essential to eliminate such practices as may lead to a distortion of competition in the international textile trade.

6. While recognising fully the aspirations of developing countries, the Federation is of the opinion that the disruption of established textile industries and possible further threats to their existence must be brought under control. It stresses that the established cotton and allied textile industries should continue to produce mass manufactured goods in order to ensure their continued viability.

The Federation has felt that, if necessary, some restrictions will have to be introduced to avoid international conflict between textile industries. The Federation has advised its members to study with their Governments the plan put forward by President Kennedy for an international conference to promote stability and avert conflict in the textiles industries.

U.S. Attitude

It is noteworthy in this connection that, in spite of the textile industry's plea to limit imports, the U.S. Administration has shown a more understanding attitude towards the question of textile exports from underdeveloped countries than the Governments and industries of most other textile manufacturing countries which are members of the Federation. The President has already rejected a Cabinet Sub-Committee's suggestion for curbs on import of cotton textiles into the U.S. He seems to prefer a system of multilaterally accepted voluntary quotas rather than unilateral mandatory restrictions. The U.S. Administration frankly admits that, if the underdeveloped countries do not find ready markets for textile exports, they would be unable to earn the much-needed foreign exchange and that a part at least of the foreign aid given to them would be frustrated. It believes that a co-operative effort, involving both industrialised nations and underdeveloped nations, is needed to meet this situation. The industrialised nations, in its view, must be prepared to absorb some textiles manufactured in underdeveloped countries and to accept competition from these countries in their traditional markets. On their part, the underdeveloped countries should be prepared to use restraint in order to avoid disruption in international textile trade. The whole question is expected to be taken up for consideration at the forthcoming meeting of the G.A.T.T. In the course of the exploratory talks which Mr. George W. Ball, the U.S. Under-Secretary of State for Economic Affairs, had recently in London with the representatives of the Governments of the European countries, Canada, and Hong Kong, he is reported to have reiterated that the U.S. did not want to impose any tariff barriers against textile imports.

The countries which are expected to face a textile export problem, arising from the opposition of manufacturers in the advanced countries against imports, are India, Pakistan, United Arab Republic and Formosa. Exports from Hong Kong and Japan, too, would be affected, but these countries are not underdeveloped and hence the effect of a fall in exports on their economies will not be as grave as that in the case of other countries. The following table indicates the trend of cotton textile exports from the leading producing countries during the past four years:

(In million yards)

	1960	1959	1958	1957
India	721.8	850.2	468.1	879.6
Japan	1,424.6	1,263.0	1,245.8	1,468.4
France	521.1	406.2	308.8	317.8
U.S.A.	486.5	472.7	467.4	590.4
Holland	340.0	308.4	287.1	260.1
U.K.	327.1	347.4	384.1	455.8
Hong Kong	305.9	235.2	196.7	196.8
Germany	280.3	242.7	149.1	217.6
Belgium	276.4	217.7	139.0	224.4
Spain	188.8	67.7	18.4	30.7
Portugal	180.2	123.7	123.7	127.7
Czechoslovakia	146.8	137.5	126.8	138.9
Italy	114.4	90.5	101.1	106.5
Pakistan	93.9	42.0	4.1	10.3
Poland	83.4	40.6	28.8	69.7
Switzerland	63.0	92.1	56.6	58.5

To revert to the question of restriction on textile imports. It appears that, at the London textile talks, it was agreed by the representatives of the participating countries that the problem was how to work out an arrangement which would permit the more advanced countries to accept imports on a rising basis but slow enough not to disturb the home industry. It is needless to add that, whatever the agreement arrived at finally, any arrangement, which seeks to restrict exports from underdeveloped countries, will put a break on the pace of their economic development and neutralise the assistance given to them by the developed countries. It is to be hoped that the latter would bear this in mind when the problem comes up for discussion before the forthcoming meeting of the G.A.T.T.

WORLD RAW COTTON SITUATION

I.C.A.C.'S SURVEY

THE 1960-61 world cotton season, which is fast drawing to a close, marks a turning point in the international cotton situation, according to the International Cotton Advisory Committee, Washington. In its annual report covering the 1960-61 season presented to the fourth session of the I.C.A.C. held at Tokyo this week, the Committee points out that the present season has been a favourable one for cotton although, with production likely to exceed disappearance, stocks as on 31st July 1961 should increase, thus reversing the trend witnessed during the past four seasons. Any increase, however, it hastens to add, will only be a modest one. Production during the season set a new record, but all the increases have occurred outside the U.S. In the U.S., lower yields more than offset the small increase in acreage, and production declined by a quarter of a million bales. In the aggregate, the increase in production in other countries by about 1.75 million bales of 478 lbs. each has been attributed to larger area sown to cotton than to higher yield. Although total acreage was only slightly higher than in 1959-60, the expansion in acreage in certain countries, notably Mexico, Brazil and some of the smaller producing countries, has been considerable. Also, although average yield shows a marked increase, this is confined to relatively few countries. The increase in production more than offset the decline in opening stocks so that supply during the season is estimated to be higher than in any of the three previous seasons.

Aggregate consumption, according to the I.C.A.C., may show a fractional decline to 30.5 million bales from the record high level of 31 million bales in 1959-60. The reduction has occurred mainly in the U.S. where, thanks to the downtrend in textile production, consumption during the full season is expected to be one million bales lower at 8 million, as against 9 million bales in 1959-60. As has happened in the past, the trend of consumption in the other main textile manufacturing countries has been the opposite of that in the U.S. With the major exception of the U.K., consumption in almost every instance is running ahead of that a year ago. In Western Europe, the upswing in textile activity is attributed to the boom in the economy, the marked expansion in cotton textile exports and replenishing of the supply lines.

In Japan, consumption is expected to reach a new high since the end of the war and should return to almost the pre-war level. Yarn and cloth production in the smaller consuming countries in Asia and the Far East continues to advance. In India, the imported cotton supply position is expected to pave the way for an increase in cotton consumption.

Exports

As regards exports, the I.C.A.C. predicts that, in spite of the continuing high level of consumption, exports will probably decline. The main reason for this is the fact that the heavy purchasing for stock, a salient feature of the trade situation last season, is not likely to be repeated. Other things being equal, this would result in a net decline in trade of by at least a million bales while, if there were any reversal of stock policy in cotton importing countries, the effect could be magnified.

The cotton situation in Eastern Europe, U.S.S.R. and China, according to the Committee, shows certain changes this season. Calculated on a residual basis, the opening carryover probably increased but against this there has been a marked decline in production in both the U.S.S.R. and China and for the first time since the end of the war supply has declined. Unless consumption in these countries decline this could lead to some increase in demand for cotton from other countries. As far as can be determined, according to the Committee, exports of cotton to these countries during the first half of the season were running ahead of a year ago in spite of a marked fall in shipments from Egypt. Imports of cotton from the U.S.S.R. by the rest of the world have been more or less on a par with the 1959-60 rate.

HESITANT BUYING OF TEXTILES

OUTLOOK FOR INDUSTRY AFTER THIS YEAR DISTINCTLY OBSCURE

(From Our Special Correspondent)

MANCHESTER, 16*th May*

INTERNATIONAL competition in textiles, if not exactly hitting the headlines in the Press world, is certainly a major topic of discussion in informed circles where businessmen meet. In two cities, thousands of miles apart, where textile affairs are much to the fore, the matter has been raised at high level within the past few days.

MANCHESTER LETTER

From the headquarters of the Silk and Rayon Users' Association, only a few miles from London, a warning has come that other countries may assail the tariff barriers which at present offer protection to British textiles when discussions take place for a revision of the General Agreement on Tariffs and Trade. The Council of the Association has urged the Government "in the most forceful possible terms" that the present rates of duty should be retained. "It would seem to be singularly ill-timed to agree to reductions in rates of duty when public money has so recently been spent in an attempt to modernise and reorganise the industry," the annual report declares. The removal of many quota restrictions on the importation of textiles and clothing into this country just over 12 months ago caused a big increase in arrivals last year—a fact which needs no elaboration. As the report points out, imports of fabric do provide some work for British finishers and makers-up, but purchases of foreign made-up clothing merely restrict employment in this country.

Tariff reductions arising from the introduction of the European Free Trade Area have already been reflected in bigger shipments of textiles into the United Kingdom from Switzerland and Austria. "Any further concessions," the report warns, "can only have the effect of accelerating the ominous influx of textiles from abroad to the continuing disadvantage of the British textile industry."

Distorted Competition

Meanwhile, across the world in Asaka, Mr. Mario Ludwig, Director of the International Cotton Federation, was describing the effects of distorted competition to delegates from many countries at the annual meeting of the Federation, the first to be held in Japan. Traditional theories of what constituted "fair" and "unfair" competition were no longer applicable, he said, and should be replaced by an entirely new concept of trading practices.

In view of past experience, it is not altogether surprising that cotton textiles have been chosen as the first test case in an investigation on the subject of "market disruption" to be undertaken under the auspices of the G.A.T.T. This new departure opens up all sorts of interesting possibilities in dealing with the complex system of rivalry between countries which have widely differing economic and social structures.

Old Order Changeth

Historically, as Mr. Ludwig pointed out, world-wide competition did not exist in the nineteenth century. European industrial countries were accustomed to export their surplus and received in return raw materials from other areas. Output was restricted to a small number of countries in which standards of living were practically the same. The complete change in the situation arising from the industrial advance of developing countries has brought a geographic extension of world trade which could not then be foreseen.

It can hardly be expected, Mr. Ludwig said, that developing countries which have recently built up a textile industry should now reduce their activity. Nor can it be expected that old-established industries, which have already reduced their capacity to make room for their new and younger competitors, should continue to contract until the point of disappearance.

Investment in Textiles

Despite the constant flow of gloomy forecasts, which suggest that the trade in Lancashire is facing one of its periodical recessions, due mainly to uncertainty over the future flow of goods from abroad, the strength of textile shares, like so many other equities on the stock markets, has not yet been shaken. Investors are being buoyed up by the eminently satisfactory profit-earning capacity of those firms which have reported so far this year, and it must be admitted that the yields on many of these shares are generous. Some hestitation in buying may have lately occurred, but the undertone is still firm.

Practically all industries are subject to fluctuations, and the cotton and allied trades have been prone to wide variations in the past, but the general trend of stock market prices has a considerable effect on sentiment as a whole. In this connection, the views expressed by a leading firm of Manchester stockbrokers in its latest monthly bulletin are of considerable interest. "We may be only at the beginning of the most revolutionary adjustment in investment psychology which has ever been experienced in this country," the report says. "Such a change would involve an upward adjustment in share prices of very great magnitude—a bull market to make all past bull markets pale into insignificance."

Reference is made to the "extremely great technical strength" which has been pushing the market forward for some time. It is suggested that many investors may have to abandon their previous standards of judgment and preconceived ideas about the relationship between income and capital or about the present value of future income. It would, perhaps, be unwise to predict that textile shares—always considered a rather speculative venture—would do more than reflect such a pronounced upward trend as is forecast. In any case, the very substantial rise which has already taken place in the value of ordinary stock in those companies which have survived the redundancy programmes in the spinning and weaving trades may to some extent have been discounted.

Tables of comparative textile share prices often comprise either the very big cotton combines or the smaller single-unit concerns in the spinning trade. For an illustration of how the reorganisation scheme has affected a number of other predominantly producing companies, the following representative list has been drawn up:

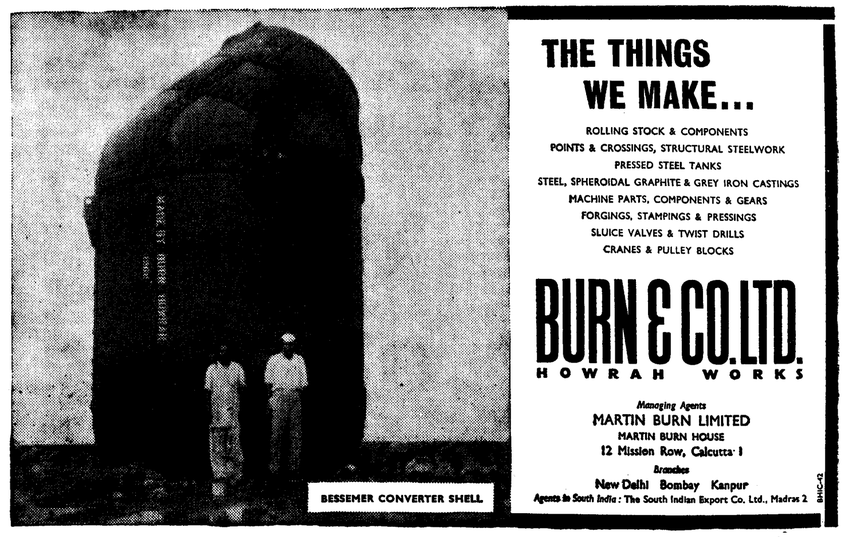
	Denom.	*March 1959*	*Dec. 1959*	*May 1960*	*May 1961*
	Sh.	*Sh.*	*Sh.*	*Sh.*	*Sh.*
Armitage & Rigby ..	20	46	69-3	38-3 (b)	50
Ashton Brothers ..	20	18-3	31	43-6	26 (g)
Barlow & Jones ..	10	15-3	19-3	22-9	31
Birtwistle & Leigh ..	5	3-3	7-6	7-3	6-3
Boardman, Marden ..	1	1-7½	4 (b)	4-9	7-3
Clegg & Orr ..	5	21 (a)	33 (a)	10	6-6 (c)
Cotton & Rayon Spgs. ..	4	5	8-7½	7 (d)	6-6
Fothergill & Harvey ..	5	3-4½	5-3	5-6	11
Hayeshaw	5	17-9 (a)	20-6 (a)	24-9 (a)	7-6
Higham's	4	6-6	12-9	14	11-6
Taylor & Hartley ..	4	2-10½	3-1	6	5 (e)
David Whitehead ..	1	1-7	2-10	3 (f)	3

(a) Before sub-division of £1 shares into 5*s.* units. (b) After one-for-one scrip issue. (c) After two-for-five scrip issue. (d) After one-for-two scrip issue. (e) After repayment of 1*s.* per share. (f) After one-for-three rights issue. (g) After two-for-three scrip issue.

Crystal gazing is a dangerous pursuit and, in view of the present wave of hesitation which is afflicting buyers of textile products, the outlook beyond the end of the present year is distinctly obscure. Most of the companies the shares of which have shown such a remarkable rise in this period have retained a large proportion of their profits for ploughing back into re-equipment for reserves. Their ability to deal with a more uncertain future should be enhanced by their conservative policy of strengthening their financial background.

Cotton Cloth Imports

Twenty-two countries each shipped more than one million square yards of cotton grey cloth to Britain last year. This is shown in the annual report of the Grey Cloth section of the Cotton and Rayon Merchants' Association which recalls that grey cloth imports for the year aggregated 596 million square yards, an increase of 135 million square yards on the 1959 figure. The report says that the increasing proportion of imported cloth now being used in the Lancashire cotton trade invariably affects the turnover of those grey cloth merchants who are solely engaged in the distribution of the products of Lancashire mills.—*All Rights Reserved.*



MEETING OF U.P. SUGAR MILLOWNERS

STATE'S CHIEF MINISTER OPPOSES EXPANSION OF CAPACITY

THE opposition of the Uttar Pradesh Chief Minister, Mr. C. B. Gupta, to the licensing of additional capacity in sugar industry, voiced at the annual meeting of the Indian Sugar Mills Association (U.P. Branch), held at Lucknow on the 17th inst., is not on firm ground. For the opposition stems from his fear that the expansion of capacity would endanger the existence of the industry when sugar consumption has become static—a fear that is clearly exaggerated. It may be true that the sugar-consuming capacity of the country is at present low, but such low consumption is due largely to the high level of prices, thanks to the heavy incidence of taxation—the total Central and State taxes together account for as much as 35 per cent of sugar price—and the high cost of the principal raw material, that is, cane. If the price of sugar is reduced to a reasonable level, the rate of consumption is bound to increase quite perceptibly, because a large section of the population which is currently consuming brown sugars (*gur* and *khandsari*) will switch over to sugar consumption. Account must also be taken of the nutritional requirement of sugar (estimated by experts at nearly 23.00 lbs., as against 13.87 lbs. assumed by the Planning Commission) and the need for earmarking a portion of output for purposes of buffer stock, not to speak of the exigency of meeting export demand. Considering these factors and the continuously rising population at 2.2—2.4 per cent per annum, how can Mr. Gupta say that the country's sugar consumption has become static?

Equally ill-conceived is Mr. Gupta's opposition to the setting up of more sugar mills in the South. He is reported to have said:

"I do not favour the issue of several licences in the South when the North has been supplying sugar to the whole country and particularly when the new licences have created overproduction in the country. What is required is to protect the industries of various regions and to make them self-sufficient without disturbing the economy of these regions. I, however, realise that the Centre has to consider the regional consciousness of various areas, but, even then, I would request the Centre not to issue further licences. Otherwise, the industry in U.P. and Bihar may be greatly endangered."

Heavy Concentration

The anxiety of U.P.'s Chief Minister to safeguard the interests of the sugar industry in his State is understandable. But he must not forget that the subtropical climate of his State is not so suitable for sugarcane cultivation as the tropical conditions of the Deccan and South India. As it is, the sugar industry is heavily concentrated in the U.P. The real problem that has to be tackled in right earnest in this State is how to enable the existing mills to work more efficiently and produce quality sugar at a lower cost. It is, indeed, gratifying to note that Mr. Gupta fully recognised the need for modernising the industry and giving help for the same, as well as the urgency of raising the per-acre output of sugarcane through better irrigation facilities, masonry wells, development schemes, better seeds, improved roads and a reformed land policy. In this connection, he disclosed that the State Government would shortly take decisions on the aforesaid matters. Incidentally, he revealed that a sum of over Rs. 6 crores had been earmarked for this purpose in the third Plan.

Apropos the issue of controls over sugar, U.P.'s Chief Minister is reported to have remarked: "Controls are necessary in a crisis of overproduction. Otherwise, cut-throat competition in prices would damage the industry irreparably, but I agree that the system of issuing distribution quotas and permits for the North where overproduction is a problem should be much more relaxed than in the South. As regards restrictions on distribution, they have already been relaxed, as 50 per cent of sugar quotas has been allowed for free distribution, while the quotas not lifted are also allowed for the same purpose."

There is not much substance in the contention that the removal of controls in the present context of highly comfortable supply position will lead to cut-throat competition in prices. Since the structure of sugar production cost has turned to be very rigid, one need not fear that there will be large-scale distress sales of sugar by mills the moment controls are abolished. So long as controls exist, the consumption of sugar cannot be expected to be maintained at a normal level which is possible only when the free market forces of supply and demand are allowed to operate. In his speech, the President of the I.S.M.A. (U.P. Branch), Mr. Sita Ram Bhawsinghka, did well to plead for the abolition of restrictions and control on the distribution of sugar in surplus years, particularly to increase the offtake. This is certainly a sensible approach to the sugar problem and marks a distinct departure from the stand taken by the Central Committee of the apex body of millowners which only recently urged the authorities to continue controls on distribution and raise the ex-factory price of sugar.

Crisis of Heavy Stocks

Mr. Bhawsinghka also referred to the crisis of heavy stock accumulations. His review reveals that the industry had produced 2.70 million tons of sugar up to the end of April 1961, as against 2.32 million tons in the corresponding period of previous season. Of this quantity, the share of Uttar Pradesh is 1.27 million tons, as against 1.16 million tons. The total closing stocks with U.P. mills as on 30th April were 1,075,000 tons, as against 932,000 tons a year before. Most of the sugar mills in the State continue to crush and some will continue next month also. The total sugar output in U.P. for the current season is estimated at 1.40 million tons, representing a rise of 180,000 tons as compared with 1959-60. Placing the aggregate all-India closing stocks of sugar at the end of the season (31st October next) at as high as 1.5 million tons, Mr. Bhawsinghka said:

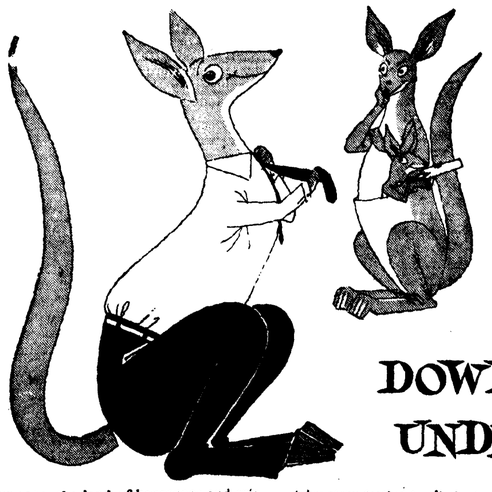
"Unless a sizable portion of this (stock of sugar) is exported out of the country, it will create further complications during next year, as the godown of the sugar mills will be full and it will not be possible for them to start well in time on account of lack of finances and storage difficulties. The export of sugar involves a big loss of over Rs. 350 per ton of sugar. The industry has no resources to bear this loss, as its cost structure has been fixed rigidly by the Tariff Commission, which has allowed only about five and a half per cent net profit to the industry. The loss has, therefore, to be met by the Government. Let us hope that we will succeed in exporting a sizable quantity which alone can get the industry out of its present difficulties.

"The accumulation of stocks has created one more difficulty and that is the banks are not granting further borrowing limits to the sugar mill, as they consider that their investment in the sugar industry is already very high and the Reserve Bank will not be advancing them further money for advancing to the sugar factories. This has resulted in many cases of non-payment of sugarcane price, purchase tax and meet other obligations. It is of paramount importance that the banks should increase the limits of various sugar factories and also reduce the margin, so that the sugar factories may be in a position to meet their obligations and liquidate the arrears. The sugar industry is controlled in Northern India—U.P. Bihar and Punjab—while it is not so in the rest of the country. The Government of India release a certain quota every month for consumption within the country. The despatches of sugar from U.P. is proportionally less than from other regions. We hope that this disparity will be removed."

To the extent to which sugar is sold abroad, the problem of heavy stock accumulations will be reduced. But there is a severe limit to the capacity to sell sugar outside, that is, the wide gap between Indian and world prices even after the full remission of taxes. If India succeeds in its present attempts to get a quota in the American market, the loss on exports can be considerably cut down, inasmuch as the U.S. pays a price that is 50 to 60 per cent higher than the world price. The results of the negotiations that Mr. S. K. Patil, Union Minister for Food and Agriculture, will hold in the immediate future are, therefore, awaited with utmost interest.

As for the plea for better credit facilities from abroad for clearing stocks, U.P.'s Chief Minister stated that he fully sympathised with the plea and promised that he would move the

(*Continued on page 1016*)



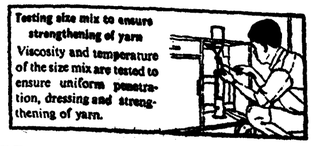
DOWN UNDER

AUSTRALIA, the land of kangaroos and cricketers, is one of the 50 countries importing BINNY'S textiles.

BINNY'S fabrics are made from yarns spun only from cotton of the best quality and are dyed with the fastest colours or so carefully bleached that the full strength of the cloth is preserved. Rigid Quality Control* ensures maximum durability and perfect finish.

*Quality Control:

Modern machines process yarn and cloth so fast that often defects, invisible to the naked eye, creep into the cloth. Quality Control is laboratory testing to eliminate defects at every stage of production. That's why BINNY'S fabrics stay smart so long.



Buy your requirements of BINNY'S fabrics at controlled rates from authorised BINNY Stockists who display this sign board.

BINNY - a great name in textiles

BINNY'S manufacture nearly 90 million yards of cloth every year. Here are some of the varieties they make:

Shirtings • Khaki Drills • Bleached & Dyed Drills • Towels
Anticrease Suitings • Tussores • Union Fabrics • Silk Sarees
etc. etc.

THE BUCKINGHAM & CARNATIC COMPANY LIMITED
THE BANGALORE WOOLLEN, COTTON & SILK MILLS COMPANY LIMITED
Subsidiaries of BINNY & CO. (MADRAS) LTD.

[WT-BY-I-1367]

COLOUR

Nature's Beauty Aid!

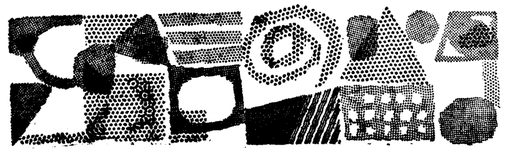
MAN has taken his lesson from Nature... has employed many and varied processes from the brewing of dyes from herbs and leaves to the most modern scientific methods — to make his own life as colourful and gay as the variegated hues of Nature. Judging from the frescoes of Ajanta, 'colour-chemistry' in India has been an advanced science since ancient times.

Today, AMAR DYE are leaders in the indigenous manufacture of dyes — having established a name for the excellent quality of their Amarthols & Fast Bases. Intensive research and a rapid expansion programme will soon make India totally self-supporting in the requirements of coal tar dyes.

—enrich India's life with COLOUR!

Amar Dye-Chem Limited

Rang Udyan, Sitladevi Temple Road, Bombay 16



[WT-AD. 1591]

BANKERS

It will pay you to consult us

FOR YOUR

★ CHEQUES ★ SHARE CERTIFICATES
★ DEMAND DRAFTS ★ LEDGERS
★ PAY-IN SLIP BOOKS ★ PASS BOOKS
★ LETTERHEADS ★ ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS
CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

Your savings earn a big

3%

per annum interest at the

CORPORATION BANK

Open your Savings Bank Account right now at any of the Bank's 62 Offices and earn interest at 3% per annum.

Branches of the Bank in Bombay City:

(1) Fort (2) Mandvi (3) Shivaji Park and (4) Kalbadevi.

THE CANARA BANKING CORPORATION LIMITED.

Estd. 1906 *Regd. Office:* UDIPI, S.I.

Administrative Office: MANGALORE-1

TASK BEFORE PLANTATION WAGE BOARDS—I

SEVERAL BAFFLING PROBLEMS

By A Special Correspondent

THE Tea Wage Board, set up late last year, has had two meetings and a third will be held sometime this month. The Wage Boards for Coffee and Rubber are yet to be constituted. Many of the principles and procedures accepted in the case of Tea Wage Board would apply to the other two Boards and therefore employers as well as labour representatives are equally interested in establishing positions of strength in the process of discussion.

The Board is bound to face several baffling problems in the course of its labours, but the most difficult one will be reserved for the non-industrial members of the Board whose impartiality and broader sense of purpose will be constantly on test. It should cause no surprise if the representatives of labour consider their role in the Board as one of pressing for the maximum immediate advantage and if the employers regard it as their mission to resist the labour pressure. If one side approaches its responsibilities in the Wage Board with no more than the objective of merely gaining an increase and the other in defeating it and if the rest of the Board merely acts as referees, one or the other might gain; but the purpose for which the Wage Board has been set up will be defeated.

During the last fifteen years, labour progress has been accompanied, sometimes quite blatantly, with backstairs politics and pressure. Sometimes pressure is quite necessary to change a habit of the mind about employer-employee relations, social attitudes, wages and connected matters. But there comes a stage in economic development and circumstances when a more rational approach to the all-important question of wages, costs and prices is necessary. If the problem of finding its way about in a labyrinth of claims and counter-claims, aggressive and demonstrative pressures and counter-pressures, data questionable and otherwise, is to be successfully tackled, the Wage Board will require a clear and firm idea about objectives beneficial and relevant to the terms of reference. It is easy to listen to the siren call of popularity with one section or another or to take the line that, since Wage Boards are constituted to fix a higher wage, any notional increase in wages would serve the problem, though the aftermath of it might conceivably be unsettling for the economy of the industry as has happened in the case of sugar, cement and textiles.

Special Problems

There are certain factors in plantation economy which are markedly different from those with which Wage Boards in cement, jute, sugar and textiles have become familiar. Each industry, of course, has its own special problems, but, in the case of plantations, the differences from manufacturing industries are far too wide and consequential. There are certain historical, environmental and structural aspects to the economic problems of plantation industry, so that what may be normal or relevant for manufacturing industries may be wholly abnormal in the case of plantations. With this background in mind, it is quite possible for planters to boggle at a higher wage rate, perhaps quite irrationally. What matters is not the wage rate but its weight in the cost. The fears of the planters and their opposition may be groundless, but the Board might commit an even more grievous error in dismissing them as undeserving of careful consideration.

The Wage Board cannot know the full significance of the points made either by or for the labour or the employers, unless it knows the planting industry and the historical background from which both sides will speak. Its conclusions will be wholly faulty, unless it knows how and in what vital aspects plantations differ from manufacturing industries. Its conclusions can be disastrous, though they may not be sufficiently severe to cause an immediate collapse, if they have the seeming appearance of fairness but are capable of bringing gradual ruin to the industry.

In the first place, planting is an agricultural enterprise and the tea bush is a living thing, with its own reactions to environmental conditions. A plantation can be of any size from a few acres to several thousand acres and the influence of scale economy applies with increasing or decreasing force at particular levels of sizes. But this may again be modified by the location of the plantation, the productive efficiency of the plants which populate it, the elevation and quality of the crop and the efficiency of management.

The tea industry, producing a leaf crop from a hardy plant, though broadly capable of categorisation by size, plants, location and elevation, has individual variations within each classifiable group or range that will bewilder anyone who wishes to draw conclusions from representative acreages. For instance, two estates contiguous to each other and at the same elevation, may have two different rates of yields and may fetch in the market quite different prices. In other words, tea is a living thing, with its own individual tempo of growth and production, its own vigour, quality and other characteristics. It cannot be compared with a machine in a factory. This, however, is no argument that the planting enterprise engaged in tea growing cannot afford to have a reasonable wage rate for its workers. What is relevant is that the factor of wide variations inherent in such a crop should be taken into account and the wage level should allow for a wider safety margin than what might be allowed for in a manufacturing industry where so high a degree of variability is not present.

Striking Deviations

The striking deviations in the working results of two tea plantations of comparable sizes and production from each other are illustrated by the following figures of four properties for the year 1959:

	Estates I		Estates II	
	A	*B*	*C*	*D*
Acreage	886	976	458	450
Production (lbs.) ..	1,020,937	1,157,700	285,532	313,312
Yield per acre ..	1,220	1,185	631	696
Cost of production per lb.	Rs. 1.56	Rs. 1.58	Rs. 1.41	Rs. 1.40
Sale price per lb. ..	2.88	2.06	N.A.	1.58
Net profit	6,92,982	3,02,235	—85,967	94,800
Tax provision	4,62,000	3,75,000		10,000
Profit per acre	828	318	—145.6	98

N.A.=Not available. —Loss.

The estates, the figures of which are quoted above, are by no means a selection of extreme cases to prove a point. The points are best proved by drawing attention to the similarities of the basic capital asset, the planted and productive acres in the two companies. Estate B has 140 acres more tea to produce from and actually had a crop advantage of 137,663 lbs. Estate A obtained only 35 lbs. more per acre in crop than did B and in cost the handicap was 2 nP per lb. Yet, in the final result, Estate A had a net profit per acre of Rs. 828 and Estate B only Rs. 318. They had to spread these widely differing per-acre profits on a roughly comparable share capital. In case II, the per-acre yield was 65 lbs. higher for Estate D over Estate C. The cost per lb. was almost the same for the tea from both estates. But Estate D made a profit of Rs. 94,300, whereas Estate C went down with a loss of Rs. 65,967. One had a loss of Rs. 145.6 per acre and the other a net profit of Rs. 98 per acre. Taking all the four estates, the range of yield was from 631 lbs. per acre to 1,220 lbs. The cost of production ranged from Re. 1.40 to Re. 1.58 per lb., but the net profit, leaving out the loss, ranged from Rs. 98 to Rs. 828 per acre. The distances between these ranges establish not a freak or extreme case, but the most frequent to be met with within the planting industry.

Most of the tea to be found in South India falls between the States of Kerala and Madras and an analysis of holdings according to size and yield will reveal the extreme ranges of variability in the productivity of tea estates. Here are some relevant figures for 1958-59:

(Area in acres and yield in lbs.)

Size in acres	*Madras*	*Kerala*
Up to 10 acres—		
No.	3,507	1,243
Area (acres)	8,879.42	1,580.65
Yield (per acre)	638	225
11 to 150 acres—		
No.	358	111
Area (acres)	9,844.26	4,627.43
Yield (per acre)	655	373
151 to 300 acres—		
No.	30	37
Area (acres)	6,491.86	8,374.82
Yield (per acre)	810	648
301 to 500 acres—		
No.	27	25
Area (acres)	10,765	10,113
Yield (per acre)	940	880
Above 500 acres—		
No.	50	89
Area (acres)	42,413	72,353
Yield (per acre)	1,110	911

Source: *Tea Statistics*, 1959.

To take Kerala plantations alone, the average yields range from 225 lbs. to 911 lbs. Within each interval of size, there is a range just wide. Last year, several estates report yields above 1,700 lbs. per acre.

A few significant factors emerge from the figures. All along the line, at the different intervals of size, the yields are marked different not only between the different size groups, but within the same size groups between Kerala and Madras. The averages, course, conceal wide variations in yield to found within the same size groups in each State and in each District within a State. It is in the nature of the tea bush to behave different under differing conditions of altitude, wind temperature, soil, nutrition and environment and to react differently to the skill and ingenuity of the management to moderate the behaviour of the tea plant.

Tea in World Market

About 1,500 million pounds of tea enter the world trade, of which about 700 million pounds or 66 per cent, are produced in India. But India's share of the world market is only about 36 per cent. Tea had its development as a cheap beverage; for long, its main slogan and recommendation has been "the cheapest beverage next to water." Had the tea industry not been founded in the mid-nineteenth century, it is quite unlikely that it would have been in existence today. It was possible, a hundred years ago, to obtain forest and hill lands not devoted to any form of agriculture, at low lease rates and estates could be established at the low cost of Rs. 600 to Rs. 800 per acre. Today the cost of opening a new estate may well exceed Rs. 7,000 per acre, without a corresponding rise in the return on capital. The industry must reconcile the inherent contradiction between a high capital and working cost and the need to hold tea prices low enough to substantiate its claim to be the cheapest beverage next to water. If Indian tea cannot be competitive in selling prices, it cannot long survive in the world market. A drop of one per cent in India's tea export involves a loss of Rs. 1.5 crore in foreign exchange earning. An increase of four per cent in tea export earnings means one per cent gain in India's balance of trade.

Labour wages cannot stand still in a progressive economy and, in the case of the tea industry, the post-war history of increases in wages dates back to 1946. It was due for the first time to organised labour pressure in South India, and, in early 1947, there was a further improvement due to Government pressure at the Tripartite Conference on Plantations. The next round of wage increases occurred when the Madras and Kerala States introduced the Minimum Wages legislation in 1951. In 1951 the industry arrived at a negotiated wage agreement providing for a further increase in wages over the increase agreed to after the special tribunal for plantations was appointed in 1952. The increase in basic wage rate from 44 nP in 1939 to 172 nP in 1957 for a plantation worker does not convey the whole series of income and cost changes that have taken place. The shock of the increase in wages on the cost of production was moderated by the increase in production per unit of acre. There has, of course, been an increase in the price of tea, but the whole impact in production cost could have been absorbed by the price increase alone without those increases putting up the price intolerably high for the consumer.

In terms of made-tea, the yield per acre increased from 473 to 952 lbs. between 1940 and 1960. The price of tea increased from 72 nP to 196 nP per lb. during the interval and the average cost of production increased from 38 nP to 156 nP. Yet the net profit to each invested rupee of share capital which averaged 30 nP in 1940 was only 12 nP in 1960.

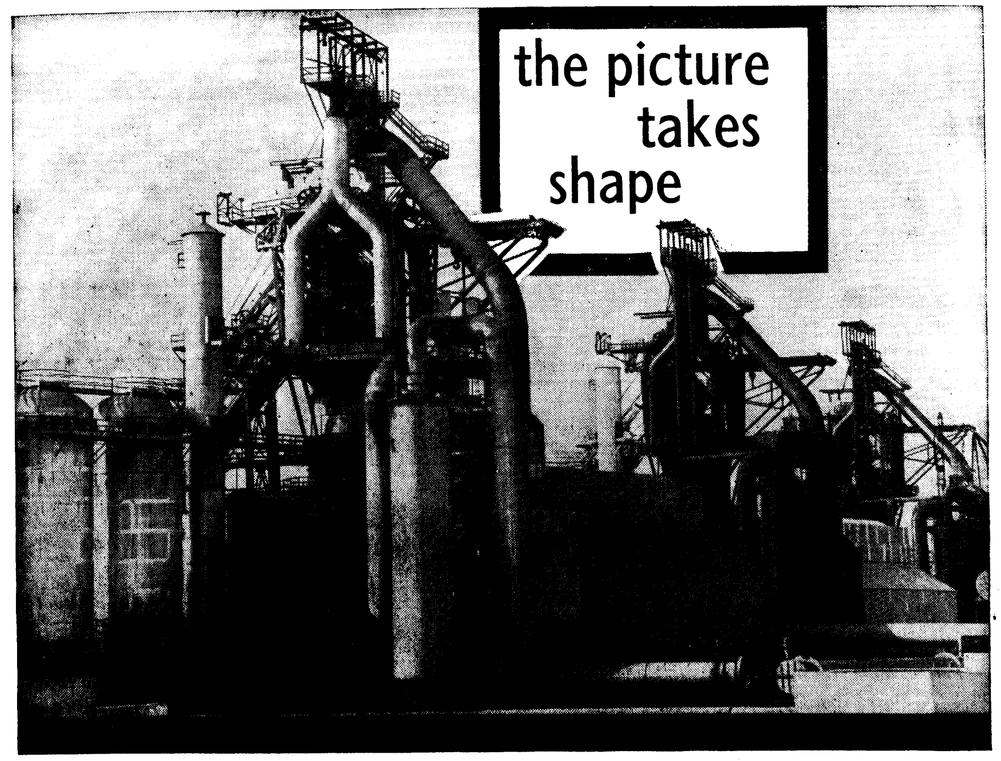
It would be unfair to place the entire responsibility for the increase in costs and decrease in return on labour. The Government, Central and States alike, has been the most persistent and voracious gnawers at the plants tion rupee. The following figures relating to tea and other plantations for the period 1951 to 1957 illustrate the progressive encroachment of taxes on profits:

Tax as Percentage of Profit before Tax

	1951-55	1956	1957
Tea plantations	88	46	60
Other plantations	57	45	49

Source: *Reserve Bank of India Survey of 780 companies for 1951-55 and 1,001 companies for 1956 and 1957.*

(To be continued)



All Iron and Steel making facilities have now been installed at Durgapur Steelworks. Rated at a daily output of 1250 tons of iron each, Nos. 1 & 2 Blast Furnaces have frequently exceeded this figure. No. 3 Blast Furnace, now ready for operation, completes the Iron making Plant. Up to date nearly 2 lakh tons of steel have been produced from the Open Hearth Furnaces which have been put into operation in the Steel Melting Shop. All the Open Hearth furnaces are now ready for operation.

Head Wrightson & Company Ltd.
The Wellman Smith Owen Eng. Corp. Ltd.
Davy and United Engineering Company Ltd.
Simon-Carves Ltd.
The Cementation Company Ltd.
Associated Electrical Industries (Rugby) Ltd.
The English Electric Co. Ltd.
The General Electric Co. Limited.
Associated Electrical Industries (Manchester) Ltd.
Sir William Arrol & Company Ltd.
Cleveland Bridge & Engineering Co. Ltd.
Dorman Long (Bridge & Engineering) Ltd.
Joseph Parks & Son Ltd.
Iscon Cable Group.

BRITISH COMPANIES
WORKING FOR INDIA

ISCON

INDIAN STEELWORKS CONSTRUCTION CO LTD.

THE HINDUSTAN COMMERCIAL BANK LIMITED

17TH ANNUAL REPORT 1960

DIRECTORS' REPORT TO THE SHAREHOLDERS

GENTLEMEN,

The Directors beg to submit the audited Balance Sheet as at, and Profit and Loss Account for the year ended, 31st December, 1960.

	Rs.	nP
The working of the year, after providing for all working expenses, depreciation, etc., on furniture, motor cars, etc., and making payment of gratuity to retiring employees resulted in a Profit of	7,03,650	72
Out of which the following appropriations have been made :—	Rs.	nP
(i) to meet the shortfall on redemption and sale of Government Securities purchased in 1945-46 at above par	1,15,268	44
(ii) to meet the loss in respect of preference shares purchased in 1945 of a Company, the capital whereof was written down under orders of Reconstruction Scheme passed by the High Court, Calcutta	1,40,000	00
	2,55,268	44
leaving a Net Profit of	4,48,382	28
to which is to be added the amount brought forward from last year	12,236	30
making the total amount available	Rs. 4,60,618	58

which has been disposed of as follows :

	Rs.	nP.
Amount transferred to Doubtful Debts Suspense Reserve Account	4,50,321	81
Amount utilised for payment of taxes	8,084	78
Balance carried forward to the next year's account	2,211	99
	Rs. 4,60,618	58

2. The business of your Bank registered further improvement during the year under report. In fact considerable progress has been made by your Bank during the past five years : its deposits have increased from Rs. 492.62 lacs as at the end of December 1955 to Rs. 694.87 lacs at the end of the year under report, advances have gone up from Rs. 305.76 lacs (1955) to Rs. 480.90 lacs (1960), and gross earnings have improved from Rs. 31.35 lacs (1955) to Rs. 48.40 lacs (1960).

3. According to Article 107 of the Articles of Association of the Bank, two Directors, viz., (i) Sir Padampat Singhania, Kt., and (ii) Sardar D. Inder Singh, retire by rotation from the Board and, being eligible, offer themselves for re-appointment.

4. You are requested to appoint Auditors for the current year and to fix their remuneration.

5. The Directors express their gratitude to the Bank's constituents and shareholders for their continued confidence and support.

For and on behalf of the Board of Directors

PADAMPAT,
Chairman.

KANPUR, 31*st March*, 1961.

BALANCE SHEET AS AT 31st DECEMBER, 1960

Previous year Rs.	CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
	1. Capital—				
5,00,00,000	AUTHORISED CAPITAL— 5,00,00,000 Ordinary Shares of Rs. 100 each ..			5,00,00,000	00
2,50,00,000	ISSUED AND SUBSCRIBED CAPITAL— 2,50,00,000 Ordinary Shares of Rs. 100 each ..			2,50,00,000	00
1,25,00,000	AMOUNT CALLED AND PAID-UP— Rs. 50 per share on 2,50,000 Ordinary Shares of Rs. 100 each ..			1,25,00,000	00
	2. Reserve Fund and Other Reserves—				
9,00,000	(i) Reserve—Contingency ..	9,00,000	00		
1,00,000	(ii) Reserve—Statutory (under Section 17 of the Banking Companies Act) ..	1,00,000	00		
				10,00,000	00
	3. Deposits and Other Accounts—				
2,79,10,262	(i) Fixed Deposits, Short Term Deposits, Three Years' Cash Certificates and Security Deposits including Employees Security Deposits (held by the Bank itself) ..	3,02,57,664	43		
1,12,50,670	(ii) Savings Bank Deposits ..	1,33,57,098	59		
3,18,71,366	(iii) Current Accounts, Call Deposits, Contingency (unadjusted) and other Accounts ..	2,58,72,137	11		
				6,94,86,900	13
	4. Borrowings from Other Banking Companies, Agents, etc.—				
48,90,000	In India (secured by part of investments as per contra) ..	76,25,000	00		
Nil	Outside India ..	Nil			
				76,25,000	00
6,41,945	**5. Bills Payable** ..			6,77,270	09
	6. Bills for Collection Being Bills Receivable as per contra—				
91,54,700	(i) Payable in India ..	95,03,872	08		
3,84,975	(ii) Payable outside India ..	3,24,533	05		
				98,28,405	13
	7. Other Liabilities—				
6,179	(i) Unclaimed Dividends ..	6,150	88		
Nil	(ii) Rebate on Bills Discounted ..	14,256	08		
3,62,843	(iii) Branch Adjustments ..	16,50,115	05		
				16,70,521	51
26,80,104	**8. Acceptances, Endorsements and Other Obligations as per contra** ..			31,48,355	39
	9. Profit and Loss Account—				
	Balance as per Balance Sheet as at 31st December, 1959 ..	12,236	30		
	ADD—Profit as per Statement annexed ..	4,48,382	28		
		4,60,618	58		
	LESS— Rs. nP				
	(1) Amount utilised for Doubtful Debts, Suspense and Reserve Accounts .. 4,50,321 81				
12,236	(2) Amount utilised for Taxes .. 8,084 78				
		4,58,406	59		
				2,211	99
	10. Contingent Liabilities—				
	(a) On partly paid shares of Joint Stock Companies .. Rs. nP 5,125 00				
(2,500)	(b) Claims against the Banking Company not acknowledged as debts .. 4,74,512 79				
(5,37,174)	(c) Liabilities on Bills of Exchange rediscounted .. Nil				
Nil	(d) Liability on account of outstanding Forward Exchange Contracts Nil				
Nil	(e) Money for which the Banking Company is contingently liable for indemnity on behalf of constituents and Directors .. 5,175 00				
(5,175)	(f) Guarantee on behalf of constituents .. Nil				
Nil					
10,31,65,280	Carried forward .. Rs.			10,59,38,664	24

NOTES :—

(1) No account has been taken of the present liability in respect of future payments of gratuity to staff and various claims made by employees not acknowledged as debts and under dispute.

(2) The figures of Bank's branches in Pakistan have been incorporated in the Balance Sheet and the Profit and Loss Account at par.

(3) The classification of loans and advances does not take into account the Displaced Persons (Debts Adjustment) Act, which may have an effect on the same.

(4) The liability of the Bank in respect of taxes payable for the year 1948 and onwards in Pakistan and in respect of years from 1955 to 1959 in India has not been assessed.

(5) No provision has been made for depreciation on landed property as the estimated present values of such property, according to the management, are higher than their book value.

Previous year Rs.	PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
	1. Cash—				
83,23,604	In hand and with the Reserve Bank and State Bank of India ..			83,32,208	47
	2. Balance with Other Banks on Current Accounts—				
3,76,480	(i) *In India* ..	4,00,974	32		
5,443	(ii) Outside India ..	26,342	23		
				4,26,316	55
59,00,000	**3. Money at Call and Short Notice** ..			Nil	
2,58,94,107	**4. Investments** (At Book Value)—				
	(i) Securities of the Central and State Governments and Shares of Industrial Finance Corporation of India and U.P. Financial Corporation and Port Trust Debentures ..			2,59,38,884	73
	(Face value Rs. 2,64,31,718.55 estimated market value Rs. 2,52,37,075.20)				
	Government Paper of the face value of Rs. 2,10,000.00 lodged as security against guarantees of Rs. 1,07,910.42 given on behalf of the constituents of the Bank—(guarantees fully covered by Bank's own fixed deposits)				
	Maturing for Payment— Rs. nP				
	(1) Within 2 years .. 1,27,16,000 00				
	(2) Within 6 years .. 10,77,600 00				
	(3) Over 6 years .. 1,26,38,118 55				
	Rs. 2,64,31,718 55				
	(ii) Shares of Joint Stock Companies—				
	(a) Preference Shares (Fully paid-up) including Rs. 2,00,000 in respect of a Company since gone into liquidation (Reconstruction Scheme under consideration) .. 36,59,606 87				
	(b) Ordinary Shares (Fully paid-up) .. 7,22,643 39				
	(c) Ordinary Shares (Partly paid-up) .. 16,200 00				
	Estimated market value Rs. 34,73,722.14.			43,98,450	26
43,95,100	(iii) Debentures of Joint Stock Companies ..			3,50,000	00
3,82,000	Estimated market value Rs. 2,90,000.00.				
	(iv) Other Investments—				
	Pakistan Government Securities held in Pakistan. Face Value Rs. 1,25,000.00 (Estimated market value Rs. 1,23,825) ..			1,24,375	00
1,24,375	(v) Gold ..			Nil	
Nil	NOTE :—Market value as at 31st December 1960 has been estimated by applying market rates where available and taking book value where market rate is not available.			3,08,11,709	99
	5. Advances—				
	(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)				
	(I) Loans, Cash Credits, Overdrafts, etc.— Rs. nP				
3,07,36,800	(i) In India .. 3,73,42,345 29				
16,45,956	(ii) Outside India .. 16,52,393 37				
				3,89,94,708	66
	(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—				
80,71,396	(i) Payable in India ..				
Nil	(ii) Payable outside India ..	90,65,250	67		
		Nil			
	(Particulars of Advances as per separate Schedule attached)			4,80,59,959	33
	6. Bills Receivable Being Bills for Collection as per contra—				
91,54,700	(i) Payable in India ..	95,03,872	08		
3,84,975	(ii) Payable outside India ..	3,24,533	05		
				98,28,405	13
26,80,104	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra** ..			31,48,355	39
	8. Land and Buildings—				
18,99,761	Balance as on 1st January 1960 (at cost) ..	19,43,863	95		
44,102	*Additions* during the year ..	13,650	47		
				19,57,513	42
	(Estimated present value of Calcutta Property as per certificate dated 11th February 1956 of a valuer and Assessing Expert of Calcutta Rs. 19,99,101.25 against book value of Rs. 13,99,788.95)				
	9. Furniture, Fixture and Equipment, etc.—				
	Book Value as on 1st January, 1960 ..	10,86,083	55		
	ADD—Additions less Sales and amounts written off during the year ..	36,229	27		
		11,22,312	82		
3,68,988	LESS—Amount written off todate for depreciation ..	7,44,773	09		
				3,77,539	73
3,60,385	**10. Other Assets (including Silver)—**				
4,440	(i) Interest accrued on Investments and Outstanding Dividends, etc. ..	3,72,315	12		
10,256	(ii) Deposits with Electric Supply Companies and Government Departments ..	4,395	70		
83,958	(iii) Telephone Suspense ..	9,162	50		
	(iv) Prepaid Expenses, Advance Payments, Rent and other amounts recoverable ..	1,40,686	64		
16,07,938	(v) Income-tax deducted at source on Interest on Government Securities and Dividends in respect of Shares of Joint Stock Companies ..	17,14,967	73		
1,61,644	(vi) Stamps, Stationery and Library at cost ..	1,66,303	58		
Nil	(vii) Silver ..	Nil			
10,26,16,462	Carried forward .. Rs.	24,07,881	27	10,29,42,008	01

THE HINDUSTAN COMMERCIAL BANK LIMITED—*(Contd.)*

BALANCE SHEET AS AT 31st DECEMBER, 1960

Previous year Rs.	CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
10,31,65,280	Brought forward ..			10,59,38,664	24
10,31,65,280	Total .. Rs.			10,59,38,664	24

Previous year Rs.	PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
10,26,16,462	Brought forward ..			24,07,831	27
	(viii) Motor Cars— Rs. nP				
	Cost as on 1st January, 1960 .. 60,243 93				
	Additions during the year .. 26,013 44				
	86,257 37				
	LESS—Sales and Adjustments. . 10,191 00				
	76,066 37				
	LESS—Depreciation written off upto date and adjustments .. 34,010 37				
28,941				42,056	00
	(ix) Land for Premises and Non-Banking Assets comprising property not acquired in satisfaction of any claim (Estimated present value of Lucknow Property as per certificate dated 27th March 1956 of a Civil Engineer of Kanpur Rs. 5,00,000 against book value of Rs. 2,06,621.69) ..			2,20,125	56
2,20,126					
	(x) Taxes imposed but not adjusted as not admitted as debt and kept in suspense pending the disposal of appeals filed and refund due ..			3,13,793	40
2,99,751					
	11. Non-Banking Assets Acquired in Satisfaction of Claims (At Book Value) ..			12,850	00
10,31,65,280	Total .. Rs.			10,59,38,664	24

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1960.

Previous year Rs.	PARTICULARS OF ADVANCES	Rs.	nP	Previous year Rs.	PARTICULARS OF ADVANCES	Rs.	nP
2,75,05,947	(i) Debts considered good in respect of which the Banking Company is fully secured ..	3,46,50,012	88	4,813	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons ..	7,816	89
84,67,944	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security ..	48,09,320	71		(vi) Debts due by Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members ..	64,10,260	62
	Note :—It includes a sum of Rs. 10,63,343.67 nP. regarding advances, etc., in West Punjab Branches in respect of which the Auditors are unable to express any opinion as the detailed statements and/or other information had not been received from the branch concerned.			55,15,889	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons ..		
	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	57,94,625	74	4,813		19,175	00
44,80,261	(iv) (a) Debts considered doubtful or bad not provided for ..	22,02,000	00		(viii) Maximum total amount of advances, including temporary advances, granted during the year to the Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members..	65,77,122	00
Nil	(b) Debts in Pakistan in respect of which claims lodged but not yet admitted by Pakistan Government and not provided for ..	5,95,000	00	60,04,250			
Nil				49,300	(ix) Due from Banking Companies	Nil	
4,04,54,152	Total .. Rs.	4,80,59,959	33				

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960

Previous year Rs.	EXPENDITURE	Rs.	nP	Rs.	nP
15,73,734	1. Interest paid on Deposits, Borrowings, etc. ..			17,16,094	22
	2. Salaries, Allowances and Gratuity (including Rs. 32,400.00 being Salary and Allowances paid to General Manager) (1959—Rs. 32,400.00) ..	17,08,149	54		
15,90,456	Contributions to Provident Fund ..	64,553	66		
				17,72,703	20
4,900	3. Directors' Fees ..	6,000	00		
300	Directors' Committee Members' Fees ..	480	00		
				6,480	00
1,00,579	4. Rent, Taxes, Insurance, Lighting, etc. ..			1,19,570	63
36,835	5. Law Charges ..			58,576	66
88,813	6. Postage, Telegrams, Telephones and Stamps ..			1,05,470	40
7,000	7. Auditors' Fees ..			7,000	00
	8. Depreciation on Furniture, etc., and Loss on Sale and Amounts written off ..	35,777	33		
41,522	Repairs and Other Charges on Banking Company's Property ..	95,273	28		
78,313				1,31,050	61
88,886	9. Stationery, Printing, Advertisements, etc. ..			97,507	15
	10. Loss from Sale of or Dealing with Non-Banking Assets ..			Nil	
3,000				2,28,240	
Nil	11. Net Loss on Sale of Investments ..			2,27,770	26
1,22,166	12. Other Expenditure ..			1,49,941	01
	13. Balance being Net Profit (subject to Taxation) carried to Balance Sheet ..			4,48,382	28
4,15,722					
41,46,176	Total .. Rs.			48,40,646	42

Previous year Rs.	INCOME	Rs.	nP	Rs.	nP
27,01,632	1. Interest and Discount			32,22,103	60
8,11,752	2. Commission, Exchange and Brokerage			9,56,796	47
	3. Rent on Bank's Premises (excluding Rent on Premises used by the Bank)			2,80,154	17
	4. Net Profit on Sale of Investments, Gold, Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)			Nil	
45,083					
	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account) ..			Nil	
Nil					
	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets			Nil	
600					
	7. Other Receipts—				
	(i) Dividends, Share Transfer and Sub-division Fees			1,86,656	78
2,28,240	(ii) Miscellaneous Income			1,76,723	22
95,588	(iii) Bad Debts realised			22,212	23
1,170					
				3,81,592	18
41,46,176	Total .. Rs.			48,40,646	42

Notes :—(i) In view of the change in the basis and rates of deduction of tax at source introduced by the Finance Act, 1959, the previous year's figures of "Interest and Discount" and "Dividends" are not strictly comparable.

(ii) The General Manager, the Deputy General Manager and Inspector of Branches are allowed the use of Bank's Motor Cars free of cost.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the foregoing Balance Sheet of The Hindustan Commercial Bank Ltd., as at 31st December, 1960, and also the annexed Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated (a) unaudited returns from the Bank's branches in India and Pakistan (not visited by us for the purposes of this report) certified by the respective branch managers and amended at the Head Office on the basis of the information with the Head Office and (b) accounts prepared at the Head Office based on the records of the various other branches in Pakistan which were evacuated in the year 1947.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the proviso to sub-section (1) and (2) of Section 211 and sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The accounts are, therefore, drawn up in conformity with Forms A and B of the Third Schedule of the Banking Companies Act, 1949.

The Central Government have, by an order dated 21st February, 1961, exempted all the branches of the Bank from being audited in accordance with the provisions of Section 228 of the Companies Act, 1956, in respect of the year ended 31st December, 1960.

We report that—

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory ;

(b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank ;

(c) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns duly amended at the Head Office ;

(d) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the Bank ;

(e) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read along with the notes appearing therein give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1960, and the Profit and Loss Account gives a true and fair view of the Profit for the year ended on that date.

P. L. TANDON & CO.,
Chartered Accountants.

KANPUR, 31*st March*, 1961.

J. N. MEHTA, *Audit Officer.*
U. S. MEHROUTRA, *Dy. General Manager.*
PADAMPAT, *Chairman.*
KISHAN NARAIN, SHANTI NARAYAN, PANNA LAL, D. INDER SINGH, } *Directors.*
R. M. BELLAN, *Secretary.*
S. S. RACHHPAL, *General Manager.*

It pays to advertise in Commerce

SCOPE OF MANAGEMENT ACCOUNTING

HOW IT AIDS BUSINESS ADMINISTRATION

By Dr. G. P. Gupta

DEAN, FACULTY OF COMMERCE, VIKRAM UNIVERSITY

NOT long ago the Accountant was considered as a bookkeeper and at best one who could give the profit and loss account and the balance-sheet of business and the cost of goods manufactured and sold. An element of control came to accounts when attempts were made to control costs and wastes through the proper maintenance of accounts. Later, an integration of financial and cost records was brought about and budgeting was also adopted as an aid to financial control. Another major shift brought about by the new requirements is that the emphasis is not so much on the information to be given to the shareholders as on the information to be given to the management for administrative purposes. And with the increased emphasis on speed in procuring accounting information, it has become necessary to give the required information to the shareholders quicker than before.

The modern accountant can no longer function in a separate watertight compartment and be content with the neat and proper arrangement of the dead bones of recorded facts. He has to make contributions to the practice of management by participating in the predetermination of plans and targets, keeping a watchful eye on past performances, current operations and future trends and enabling prompt action being taken to remedy defects and difficulties. Now an accountant in any industrially advanced country is taken as an active participant in the development of increased productivity.

Origin of Idea

The idea of Management Accounting originated by the pioneering efforts of Mr. James H. Bliss, who in his *Financial and Operating Ratios in Management* propounded that "it is through the intelligent and effective use of accounting statistics that the management of a business may maintain the best contact with the details of its operations and affairs, and exercise the most effective control over them." Further in the same book he wrote that "the larger purpose in accounting and statistical work is to point out to businessmen those things in their affairs requiring their attention—the sore spots in their business—and to supply information indicating so far as possible the executive action called for." A year later, in 1924, Bliss brought out *Management Through Accounts* and prescribed therein the function of Management Accounting thus:

"The real function of all accountancy work is to render a service to business management. The service lies in placing before business executives the most complete information on their affairs analysed and interpreted so as to be readily understood and used effectively in guiding and controlling their operations and transactions more profitably, economically and conservatively."

It is clear how Bliss was thinking ahead of his time. Subsequently, it was realised by many, notably T. G. Rose, who produced his *Higher Control in Management* in 1934, that the financial data, if analysed and interpreted, can be of immense use to management.

Management accounting is any form of accounting which enables a business to be conducted more efficiently. A team of British Industrial Accountants and Managers who visited U.S.A. in 1950 under the auspices of the Anglo-American Council on Productivity, submitted their report and defined Management Accounting as follows:

"Management Accounting is the presentation of accounting information in such a way as to assist management in the creation of policy and in the day-to-day operation of an undertaking.

"The technique of accountancy is of extreme importance because it works in the most nearly universal medium available for the expression of facts, so that facts of great diversity can be represented in the same picture. It is not the production of these pictures that is a function of management, but the use of them."

From this definition it is clear that management accountancy is properly the *presentation* of accounting information in such a way as to assist management, and not the *preparation of account*. By 'presentation' is meant the adaptation and analysis of accounting information and also its diagnosis and explanation for the use of managing director. It is interesting to note that in the pamphlet on *Management Accounting* issued by the Institute of Chartered Accountants in England and Wales, in June 1954, para 39 states: "The accountant should accept the responsibility of explaining and interpreting the figures shown in his statements. This responsibility can be best discharged by designing the statements so as to emphasise what he considers to be the matters requiring attention by the management."

Thus, management accountancy is the technique of business management with the following objectives:—

1. Adequate financing on sound and well-planned basis,
2. Enduring efficiency and economy through suitable control system,
3. Effective use of reports and data skilfully presented, and
4. Co-ordination of activities into an integrated system towards successful management.

The subject is thus so dynamic and all-embracing that it pools together a wide variety of thoughts and focusses attention on the various factors that contribute to successful business management. The crux of management accounting is the integration and co-ordination of all activities towards the successful management of business as a whole. Management accountancy includes financial accounting, statistics, cost accounting and budgeting with their appropriate controls with an eye on financial forecasting.

Aid To Management

Management accounting makes it practicable to present information in such a concise understandable form as to be easily understood by the management. The accountant works out for the management details of the budget of plan, also of standards, ideal, normal or attainable, as well as the targets for the different levels of operation. Also, he interprets the performance and advises as to the further line of action—he is and has to be in living touch with the entire working.

It is the job of the accountant to see how actual performance compares periodically with the budgeted figures. It means, in other words, that the accountant supplies to the management the extent to which budget has been carried out. The techniques employed by the management accountant enable the management immediately to know whether or not the company is proceeding according to plan. He reports any divergences or variances to the top management.

(*Continued on page* 1001)

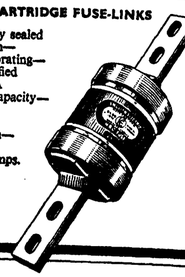
'ENGLISH ELECTRIC'

HIGH RUPTURING CAPACITY HEAVY DUTY

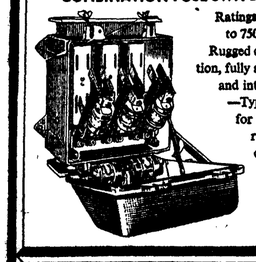
FUSEGEAR

H. R. C. CARTRIDGE FUSE-LINKS

Hermetically sealed construction—Non-deteriorating—ASTA certified for 35 MVA rupturing capacity—Visible indication of operation—Ratings up to 300 amps.



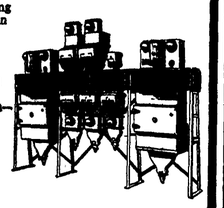
COMBINATION FUSE-SWITCHES



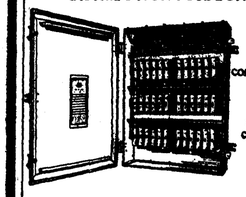
Ratings from 30 to 750 amps—Rugged construction, fully shrouded and interlocked—Type tested for 35 MVA rupturing capacity.

COMBINATION FUSE-SWITCHBOARDS

Incorporating Combination Fuse-Switches upto 750 amps—Robust and compact construction—Readily modified and extended—Type tested for 35 MVA rupturing capacity.

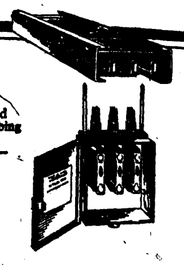


DISTRIBUTION FUSE-BOARDS



Robust, dust and moisture proof construction—Type tested for 35 MVA rupturing capacity—Ratings from 15 to 100 amps.

Flexibility of power distribution—Can be installed without disturbing existing layout or production—Avoids chasing of floors for ducting—Approved by Fire Insurance Authorities.



OVERHEAD BUSBAR EQUIPMENT

A complete range of distribution equipment manufactured at the Madras Works of The English Electric Company of India (Private) Ltd.

DISTRIBUTORS

THE ENGLISH ELECTRIC COMPANY LIMITED

(*Incorporated in England. Liability of Members Limited*)

Post Box 207, NEW DELHI, 'Phone 45801 | Post Box 2224, CALCUTTA, 'Phone 223591 | Post Box 752, BOMBAY, 'Phone 242261 | Post Box 117, LUCKNOW, 'Phone 4561

Agents for South India: BINNY & COMPANY (MADRAS) LTD., MADRAS, Post Box 06, 'Phone : 21271

EEC-71

FOR

MACHINE TOOLS

AND

SPECIAL SWEDISH STEELS

CONTACT

FK FRANCIS KLEIN & CO., PRIVATE LTD.

HEAD OFFICE:
1, INDIA EXCHANGE PLACE
CALCUTTA-1
SHOWROOMS:
13A, GOVT. PLACE EAST
CALCUTTA-1

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India

(Established 1934)

FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office:

Jehangir Building

133, Mahatma Gandhi Road

Fort, BOMBAY

YOU CAN ALWAYS TRUST WHEN IT'S Shanks

Approved by the Malaria Institute of India

SHANKS single-pull "MOMOS" Cisterns are mosquito-proof and work on the valveless syphon principle. They last long and outdo other varieties in working efficiency.

J. B. NORTON & SONS LTD.

STEPHEN HOUSE, CALCUTTA.

Like every good housewife, she worked on a budget making her husband's pay go a long way. But she grew careless one day, and did not bother to see that the cotton cloth she bought was stamped with the label 'Sanforized'.

Now look at her lovely new choli—shrunk after the first wash!

Don't take anybody's word for it. Make certain you get the full measure of value of the material you buy—

Look for

'SANFORIZED' REGD TO MK

on the label

and your clothes will never shrink out of fit!

Issued by Cluett, Peabody & Co. Inc., (Incorporated in the U.S.A. with limited liability) proprietors of the Registered Trade Mark 'Sanforized'. The use of the trade mark 'Sanforized' is permitted only on fabrics that meet this Company's rigid anti-shrinkage requirements.

For information: 'Sanforized' Service, 95 Marine Drive, Bombay 2.

maa. SAN.277

A PROFITABLE INVESTMENT

If you want a trouble-free and lucrative investment, please deposit your money in any of our branches for a fixed period of 5 years — INTEREST AT THE RATE OF

5%

per annum will be paid to you half-yearly

G. S. SUNDARAM *Secretary*

THE INDIAN BANK LIMITED

REGD. OFFICE:
INDIAN CHAMBER BUILDINGS, MADRAS-1

POWER DEVELOPMENT IN GUJARAT

MEASURES TO OVERCOME SHORTAGE

THE Government and the people of Gujarat have set their hearts on further industrialisation of their State. There are, of course, many enterprising businessmen who can mobilise investible resources for the purpose. But it may be difficult for them to establish industries (large and medium) on any large scale in the State if its present power shortage is not removed in the next few years. The total generating capacity in the State today is only 300 M.W., but the current demand for power is known to be much more than this, though no authoritative estimate of such demand is available. Of course, the present power shortage is not the result of any shortfall in the achievement of the second Plan's target, for all the projects contemplated under that Plan for the different regions of the State have been completed, and the actual outlay on them has turned out to be Rs. 16 crores as against the allocation of Rs. 14.4 crores. Yet there is no surplus power to be carried to the third Plan for being supplied in the initial period of the Plan till the projects decided upon for the third Plan are ready. In part, at least, this situation is the result of Gujarat's creation as a separate State.

The State Government and the Gujarat Electricity Board are, of course, trying their best to remedy the situation as early as possible. The steps which have been and are being taken in this regard may be narrated here. First, the Government has taken a major step in preparing the project of the Dhuvaran power station. The capacity of this station was originally fixed at 150/187.5 M.W., but it will now be 200/250 M.W. with a firm capacity of 187.5 M.W. This station is likely to be completed by the end of 1962 or early in 1963. Secondly, the scheme for the expansion of the Ahmedabad Electric Supply Company's power house has also been approved. Orders for increasing its capacity by 30,000 kw. were placed over a year ago and, according to the Chief Minister of Gujarat, steps are being taken to increase its capacity still further by the provision of another 30,000 kw. set. The power situation in the Ahmedabad region, according to Mr. H. M. Patel, Chairman, Gujarat Electricity Board, is expected to improve by March 1962. Thirdly, to provide some immediate help to small-scale industries, the State Government has also ordered some generating diesel sets of 1,000 kw. each for South Gujarat, North Gujarat and Saurashtra areas. Fourthly, the Government has also decided to help such of those industrialists as arrange to purchase diesel power generating sets of their own. This help will be given by granting licences speedily, by getting the Financial Corporation to grant loans to the extent of 50 per cent of the cost of generating sets and by providing the development rebate available on such machinery. In all cases where the industrial concern generates its own electricity there will also be relief from electricity duty for a period of five years, which might be extended to ten years. These facilities and concessions are certainly necessary because, with mounting costs of fuel oil and coal, it would be otherwise uneconomical for industrial establishments to go in for self-generating plant which, by necessity, has to be of small size and will thus be uneconomic. Fifthly, with the setting up of an atomic power station at Tarapore, for which initial preparations are under way, the State will get 75 M.W. by the end of the third Plan period, and a further quantum of 75 M.W. early in the fourth Plan period. All the same, as Mr. H. M. Patel has just told the Committee of the Indian Merchants' Chamber, the question of further increasing the power supply in the State will have to be considered by 1962 so that the supply in the course of time would be adequate to meet the expected growth in demand.

Needs of Industries

These measures have, therefore, given rise to the hope that the power needs of industries in Gujarat might come to be adequately met during the third Plan period. All those who want to start new industries in the State, it is stated, will have no difficulty in securing the required electric energy. There will necessarily be a time-lag of three years between the time a decision is taken to start an industry and the time when the industry is ready to go into production and by that time adequate power is expected to be available. It is pointed out further that it ordinarily takes two to three years, if not more, in putting up any large-scale factory, after an idea to start one takes root; that much time is required for the various related purposes—getting the necessary licence for setting up the factory at the place one may choose, for securing the licences for ordering the required machinery, for obtaining the machinery after the order is placed, for acquiring the required land, for constructing the factory and its ancillary buildings and for erecting the machinery. Entrepreneurs are, therefore, expected to go ahead with their preparations for new ventures without being deterred by the fear that adequate power will not be available.

More immediately the supply position is sought to be improved by certain restrictions designed to economise the consumption of power. These restrictions have been rendered necessary by the rapid increase in consumption of power both in industries and in the domestic sector of the Ahmedabad region. They have been imposed with a view to ensuring that the existing plant of the Ahmedabad Electric Supply Company is not overworked. The restrictions in the use of power by industries have also been motivated by the Government's desire to ensure that power so saved could be made available to new industries which have already been set up so that the substantial investment that has gone into the setting up of such industries would not be forced to remain idle and unproductive for a considerable length of time.

Cost of Power

In the circumstances of the current power shortage in Gujarat, the Committee of the Indian Merchants' Chamber would have done well to emphasise the generation and supply aspect alone without bringing in the cost aspect in their discussions with Mr. H. M. Patel. As the Committee, however, has chosen to refer to "the relatively high cost that industries in Gujarat have to bear in respect of supply of power" and to plead for a reduction in it, Mr. Patel has had to tell frankly that thermal power is, in the nature of things, comparatively costlier than hydro-electric power and that, in spite of this, the overall burden in respect of power should not make any material difference in the cost of production of most of the industries. Mr. Patel's assurance that the Electricity Board would endeavour to rationalise the rate structure by reducing the diversity of rates in the supply of power from different generating stations in the State should be deemed good enough for the present. For the rest, industrialists—both old and new—would do well to remember, in the present conditions of power shortage, that the costliest kilowatt of electricity is what cannot be had in time.

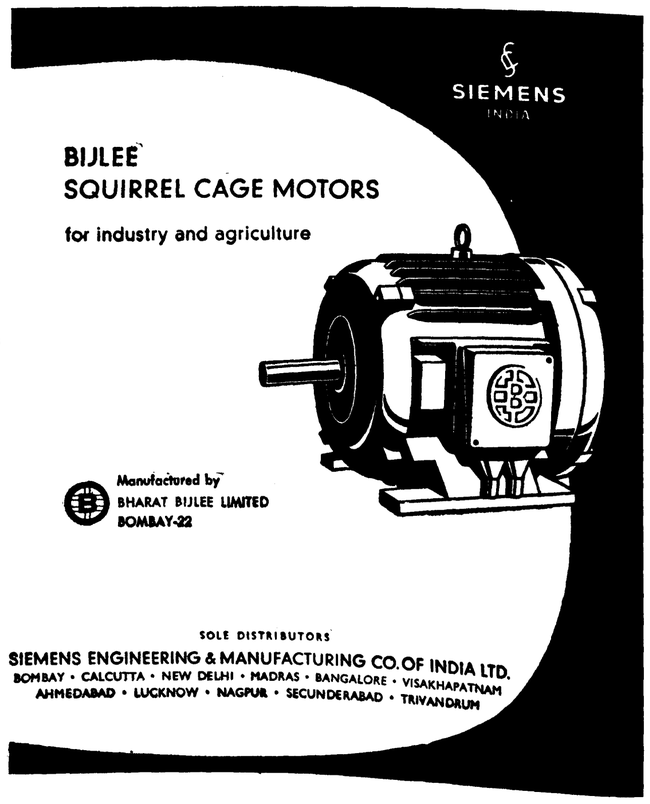
OIL-INDIA'S RECORD IN DRILLING

Oil-India Ltd., formed on 18th February 1959 as a participatory venture between the Government of India and the Burmah Oil Company, has established a drilling record both in efficiency and in economy. Average drilling time to depths between 9,500 feet and 10,500 feet has been reduced to as low as 11 days per well, which gives an average penetration of 900 feet per day.

The present estimate of average cost of drilling a well at Nahorkatiya including all charges such as construction of approach roads, rigging up operations, drilling, testing, commissioning, rigging down and depreciation together with departmental and general overheads will be about Rs. 13.1 lakhs. On an average the cost of approach roads comes to about Rs. 60,000 per well. As Oil-India is approaching its intensive developmental phase, drilling is being undertaken in remoter areas which involve larger outlays on road construction and the aim is to offset such increases in cost by efficiency and faster drilling.

Oil-India's 100th well, Nahorkatiya Well No. 86, spudded in on Wednesday, 3rd May, is now drilling well below 9,000 feet and is expected to be completed in a couple of days. Well No. 87 was spudded in on 5th May and has already reached a depth of about 8,000 feet. Out of 85 wells completed in Nahorkatiya, 61 wells or 72 per cent of the total are producers of oil, 7 give only gas, 7 proved to be dry and 10 are yet to be tested. In Moran, out of a total of 13 wells completed, 7 produce oil, 1 yields only gas and 5 are dry; the 14th well which commenced drilling on 25th April has reached a depth of 10,500 feet and will be completed soon.

With the wells already drilled and tested, Oil-India can supply nearly 2 million metric tons of crude per annum. By the time Nunmati and Barauni refineries go on stream its production capacity will increase to 2.75 or even 3.0 million metric tons. At present Digboi Refinery is drawing about 5,000 barrels per day to supplement its supply from the Digboi field of Assam Oil Company.



NEW PRODUCTS AND PROCESSES

New Technique for Applying Pesticides

A NEW technique for applying pesticides, which may prove of considerable value particularly in tropical countries, has been developed at Fisons Pest Control research station at Chesterford Park, near Cambridge, England. It is expected to reduce considerably losses of food crops throughout the world due to insects, fungi, disease, and weeds and is likely to be of particular value in protecting crops such as cotton. In this technique, developed under the direction of Dr. G. S. Hartley, the active agent is mixed with a small quantity of water containing a soap made from stearic acid and a volatile base. With this formulation, known as Lovo, the pesticide can be distributed as a fine spray and evaporation of water from droplets prevented by the action of the stearic acid. While the droplet is falling, the volatile base evaporates and releases the acid to form a greasy, protective skin round each drop. This skin also helps the droplet to stick to waxy leaves on impact, and to stay in place even when washed over by heavy rain. The Lovo formulation with fungicides was first tested on banana plantations in the West Indies and in Central Africa. The results are now being evaluated, but in some areas substantial increases in crop yields have been reported. Promising results with fungicides have also been obtained in tea plantations in India and Ceylon, and a highly successful attack with insecticides was made on an outbreak of fine-looper caterpillar in a pine forest in England.

Heavy Duty Metal Cleaning Machine

A U.K. firm, specialising in dish and bottle washing machines and metal cleaning and degreasing plant, have introduced a heavy-duty dunking machine. Pneumatically operated throughout the dunking operation the machine is intended for applications where soaking and agitation are more suitable than other metal cleaning methods. Typical of the variety of uses to which it can be put are the washing of sand from castings and the rough cleaning of cylinder blocks. The pieces to be cleaned are transferred from a feed roller conveyor to the dunking table which the operator lowers into the cleaning solution by means of a control valve. When the table reaches the bottom of the tank the dunking automatically begins immediately. A strong turbulence is started on the cleaning solution which scours all surfaces of the pieces and penetrates the recesses, loosening and removing sand, grease or other residues. At the end of the cleaning period, the operator reverses the control valve which stops the dunking action and elevates the table. The action of pushing the next batch of soiled pieces on to the table ejects the cleaned load on to a roller conveyor at the other side of the machine. A filtration system can be fitted to provide continuous filtration of the cleaning solution.

Increasing Jute Fibre Cell Length

Research at Kew Gardens, London, on jute plants treated with a plant hormone extracted from a fungus is said to have shown that the length of the fibre cells increased, on an average, about 50 per cent, and often more. The hormone is gibberellic acid, and the research work is being carried out by Miss M. Y. Stant at the Royal Botanic Gardens, Kew. Miss Stant believes that the discovery may be of major importance to producers of jute, hemp, and possibly other fibres. It is not possible, according to her, yet to estimate the economic significance, as we cannot do field crop tests here. The experimental plants were grown under glass and in conditions which are not exactly ideal. If similar increases in cell length can be obtained in the field, then, provided the cost of gibberellic acid comes down, it may be possible to make some economic use of this investigation.

PVC—Steel Laminates

One of the major British industrial triumphs of recent years—PVC/steel laminates—will be prominently featured by British Geon at Interplas, from 21st June to 1st July at Olympia, London. Steel with its intrinsic toughness and durability can now be given a permanent protective coating of PVC, available in a wide range of colours and cuts out the need for painting or finishing. For the same reasons, products made with PVC coated sheet steel require little or no maintenance. The PVC is also non-flammable, tough and long lasting. Thus PVC coated steel is ideal for a wide range of constructional and engineering purposes, as well as consumer durables such as occasional furniture. Also on the stand will be exhibits illustrating the protection of metal by dip-coating in PVC paste. This technique cuts out costly coating by hand and at the same time gives a corrosion- and abrasion-resistant coating with outstanding adhesion to the metal.

Automatic Biscuit Oven

An automatic conveyorised biscuit oven, which requires less than half the space of existing ones and is claimed to reduce baking times by 50 per cent or more has been developed by Baker Perkins of Westwood Works, Peterborough, England. Special Radiflon high frequency heating units are used in addition to normal radiated and convected heat. The application of high frequency is said to improve the control of moisture content of the biscuits and overall quality is fully maintained. Production models of the oven, which has been designed in particular for biscuit factories where there is a need to save floor space, will be available next year.

New Additive for Soft Drinks

An additive for soft drinks which will ensure a uniformly cloudy appearance and prevent flotation of essential oil is to be marketed by John and E. Sturge of Wheeleys Road, Birmingham, England. The additive, made from maize oil and light amber in colour, is stated to have a "neutral" flavour, no traces of fat and can be mixed with the essential oil to raise its specific gravity to that of the finished beverage.

The appearance and shelf-life of soft drinks is improved by the product, it is claimed, and the flavour enhanced because of uniform dispersion of essential oil through the bottle.

Testing Cloth

The strength of cloth, paper or plastic sheeting can be determined quite easily, it is claimed, by using a portable device developed by a French concern. The device, made from stainless steel, looks rather like a large pair of pliers and, says the maker, is just as easy to handle. Material to be tested is simply placed within the serrated jaws of the "pliers" and, as the handles are squeezed together, a small piston is pressed on to the cloth. The apparatus can be set at any value by setting a screw and will not harm the material provided it conforms to certain minimum requirements.

SCOPE OF MANAGEMENT ACCOUNTING

(*Concluded from page 998*)

In preparing the plan for business and in its execution subsequently, the actuals are recorded and compared at short intervals with the budgeted figures so that co-relations could be applied and other suitable measures adopted before it is too late. The latest trend is not to treat the budgets, the standards and the actuals as three distinct sets of calculations. Thus a system of accounting is evolved which secures a complete integration of budgeting and accounting including costing.

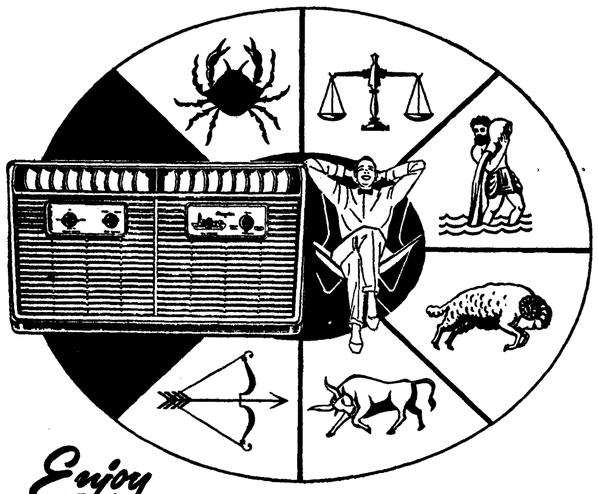
Another important aspect of management accounting is that it introduces a strong element of 'cost consciousness' in all levels of management. Budgetary control which is operated by the accountant by its very nature necessarily makes the various levels of management cost-conscious.

The purport of management accounting is to control the flow of money in business into the most profitable channels. The effective use of the capital employed in a business could be achieved by the systematic classification of profit and loss account and balance-sheet for the use of the management—which results ultimately in a scientific control over production, selling, office organisation and personnel which is essential in the modern business technique.

Management accounting helps to control the movement of funds in a business so that the spending of the funds is regulated according to the budget figures and that there is no overspending under any of the heads. Moreover, the management is kept informed of the financial position of the company every month and thereby a panoramic picture is placed before the management that will not be possible merely from the financial records.

A proper system of accounting assists not only an industrial unit in formulating its policy but also the industry as a whole. With accurate and appropriate statistics in their possession, associations could advise their members on more sound lines. There is a case for introduction of uniform accounting so that the preparation of statistics within an industry could be facilitated and at the same time be more useful.

Finally, proper accounting as well as comparable and accurate statistics and accounting information assist the country to plan more scientifically. Management accounting is the bridge between the accountant's technical and the manager's administrative work. Management accounting is both a check and aid to management. It has come to stay, and without it no business can be properly controlled.



HOW COMMUNITY PROJECTS HAVE FARED

FINDINGS OF TWO CASE STUDIES

By Prof. V. G. Ramakrishna Aiyer

HOW has the C.D. programme functioned? Has it achieved to any extent the objectives it was intended to achieve? What does it promise for the future? All persons who are interested in C.D. schemes are naturally anxious to know how it has fared in respect of these aspects of the problem. Perhaps it is not too much to say that in our Five-year Plans there is no programme which has received such universal support as the C.D. programme. It is the most important silent social revolution that is taking place in the rural sector of our economy. No doubt in a sense it is too early to be dogmatic in making a precise assessment of the results of a huge scheme with State-wide ramifications. In fact, in the early stages a good part of the time has been spent in establishing an organisational apparatus. Further, it is a scheme in which diverse factors —psychological, personal, political and administrative—are involved. They are in a sense still in a transitional stage and we can therefore make only some broad observations regarding their present working and the measures to be taken for removing the deficiencies.

Though the programme of Community Development is nation-wide, it would be more realistic to focus attention on its working in two important States in S. India, viz., Madras and Andhra, as revealed by the two case studies recently conducted by the Annamalai and Venkateswara Universities.

The C.D. programme has been in operation in Madras State from 1952-53. At the end of the first Plan (31st March 1958) 51 C.D. and N.E.S. blocks were functioning in the State. During the four years 1956-57 to 1959-60, 126 new blocks were launched, and out of these, 26 were in the pre-extension stage. Some of them were later classified as post-extensive. In 1959 (December) there were 14 C.D. and 112 Stage I, 56 Stage II blocks. These blocks were 23,664 sq. miles in extent and covered 8,998 villages with a population of 139 blocks. The progress made in the C.D. programme covers agriculture, animal husbandry, health and rural sanitation. Adult literacy was promoted by 1,533 Adult Education Centres functioning on 31st March 1959. During the last four years, 1.81 lakh adults were made literate. Social education in the form of youth clubs, farmers' unions, etc. had been initiated. To encourage women to participate in C.D. programmes, 1,271 *mahila samitis* were organised. The people's contribution from the C.D. programmes, according to official estimates, was Rs. 245.65 lakhs by way of cash, labour and other materials.

Experiment in Andhra

In Andhra the experiment is more interesting on account of the democratic decentralisation all over the State in the form of *panchayats* which now come into close contact with the community schemes. In Andhra, C.D. blocks in Stage I and II have been converted into *samiti* areas throughout the State and financial allocations have been made by the State Government, and the C.D. is expected to cover the entire State by 1963. More and more functions pertaining to local development and mobilisation of local resources, human and material, are being made over to the *panchayats* and local participation in development programmes is progressively increasing in volume and content. This can be judged by the local matching contributions in cash in some cases, and in most villages it is mainly *shramdan* or labour. This is of great psychological significance since it inspires in the villagers a sense of achieving something for the benefit of the entire local community. In some advanced stage I or II blocks, people seem to take advantage of the various avenues of assistance. The case studies show that the progress made in Andhra might serve as an example to the rest of India.

Some Deficiencies

Nevertheless the working of the C.D. schemes in Madras and Andhra reveal certain disturbing trends and deficiencies which have to be rectified in view of the great importance attached to the C.D. programmes in the Five-year Plans in order to revitalise the rural sector of the national economy.

The first difficulty is the one of securing the right type of development officers and village level workers (*gram sevaks*) who are needed in several thousands for a dynamic approach to the problem. Here is an opportunity for mobilising a considerable labour force during the period of the third Plan. At present most of the *gram sevak* people are city dwellers who have taken up work because they can find nothing better. Their training is inadequate and often consists of a few months' course which is not modified for each different region. The trained block development officers and other technical men that are expected to be supplied by the Agricultural Colleges are inadequate and the number of trained personnel has steadily declined between 1952 and 1959. The new recruits that now go into villages have no practical knowledge of helping to carry out even small irrigation works and measures to check erosion. The prejudices of class and caste unfortunately limit the whole approach to the problem. Most of the workers seldom believe in the dignity of labour themselves and some of them would not go into a paddy field for fear of mud getting on their clothes and they are reluctant to work with 'Harijans'. In fact most of the community development leaders are drawn from the bigger landlords and this tends only to aggravate the existing social tensions.

At the block level, the bureaucratisation is disturbing with the administrative staff predominating over the technical men. Further, in C.D. programmes local knowledge and co-operation and sympathy must be enlisted and this could be secured best by keeping the same men to work instead of the usual bureaucratic practice of transferring the officers in charge of the project area. In fact, continuity of effort is affected by rapid rotation of personnel. The tendency towards bureaucratisation of C.D. programmes by which orders come down from on high without regard to local needs is a thing to be avoided. There are many anomalies, e.g. propaganda for the Japanese method of rice cultivation being pushed in areas where rice occupies a very small percentage of the cultivated area or in regions where water-supplies and irrigation are inadequate. Every block without regard to local conditions receives a credit for irrigation and irrigation is provided without provision for draining which results in water-logged areas.

Another defect noticed is the prevalence of mistaken priorities. For instance, cement which is badly needed for irrigation canals, tanks and wells is lavishly used for making roads. Instances of mistaken priorities can be multiplied which reveal lack of judgment on the part of officers in charge on the relative importance of works to be done. There would certainly be a better result, if there is concentration more on strictly agricultural matters relating to increasing agricultural production.

More important than bureaucratisation and mistaken priorities is the virtual failure to secure the auto-investment of labour, the famous *shramdan* or voluntary labour. The need to encourage local efforts is one of the most essential features of C.D. movement but the amount of voluntary labour is minimal. Some classes and castes have no part or lot in C.D. programmes whose effectiveness depends on the whole hearted co-operation and support of the local community. Surplus labour of the countryside has to be tackled properly. It is feasible to encourage people of the village to give their labour for works of special benefit to them, such as schools, roads, wells, etc. Of course, it takes some organisation to get all these schemes working. There must be men of the right type to plan and work up enthusiasm, and public funds must also be provided to meet the cost of materials or skills which the village itself provide. Given such organisation, experience shows that the villagers will gladly turn to work on local public works. The idea that they will do this seems strange to townsmen with an individualistic outlook, but in a small village where everybody knows everybody else, a sense of communal effort for communal purposes may be very effective incentive to the betterment of social conditions. All the same, there are certain definite limits to what can be done in this way. In the first place the works must be of local *benefit*—the villagers will build a minor road connecting the village to a main road, but they will not build a road for all and sundry without payment. Secondly, the works must benefit the village as a whole, and must not be obviously of much greater advantage to some than to the rest.

Some programmes bear too much the mark of having been made in the capital city, and too little the influence of the countryside where most of the people live. Plans made for the country from the towns also tend to be of the spectacular kind which can be shown off to the visitors. Too much is spent on constructing a few elegant highways, and too little on a multitude of small farm-to-market roads which might add more to output.

C.D. Way to Rural Progress

Most of the deficiencies that have been brought to light can be easily rectified and it is necessary to bring better qualified people to work on these programmes since C.D. is the only way to rural progress. There must be greater efforts to win the peasants' confidence by ceasing to rely on the few rich people of the village. In fact, the movement must acquire a social conscience and appear as the promoter of village well-being. The so-called social education is now the weakest link of the C.D. programme and without widespread and correct knowledge of the movement among the local people, the whole thing will become attenuated. We must improve the technical base by giving the trained agronomist the same salary as the administrative officer who is today too much in control of the movement. Above all, the movement must lose its monolithic approach and study the local problems of each region and adapt themselves to them. This implies that there is urgent need for decentralisation purged of bureaucratic habits, and to rely more on local initiative and responsibility. The relations between *panchayats* and block development officers should be properly understood, since the latter are there to carry out the decisions and resolutions of the *panchayats* and if the non-official presidents of *panchayats* hamper the work of the block development officers, it is the people who ultimately suffer. It is from this point of view that the democratic decentralisation that has been set up in Andhra State is of particular interest and importance.

It may also be noted that in the case of the C.D. programmes a common fault is to think of development too largely of investment in concrete things, and too little in terms of investment in persons. Human capital, particularly in rural areas, is as important as material capital and the neglect of this fact is seen in the deficiency of public health and education programmes in rural areas. Measures for the improvement of diets, and for the elimination of debilitating diseases can increase productivity which is the ultimate test of success of rural programmes.

Since the C.D. programmes have been in operation for about six years, it would be interesting to know what kind of physical assets have been created in the C.D. areas for the amounts that have been spent so far. It would be of great value if, with regard to the type of assets, yearly expenditure figures itemwise and also of people's contribution separately for labour, cash and other materials are kept. The expenditure might be presented as those of block areas and non-block areas' projects, and non-project achievements should be separately maintained. But the problem is only transitional and the question would not arise when the entire country is covered by community projects and N.E.S. programmes.

In conclusion, the findings of the case studies enumerated above together with suggestions for improvement show that more case studies on a regional basis are necessary and it will help variations in approach and pattern necessary to establish the right priorities according to local conditions. The immensity of the C.D. movement and the fact that it is implemented by State Governments make it all the more necessary to make continuous research study serve as background material for further action.

ANNOUNCEMENT

STATE BANK OF TRAVANCORE

(Subsidiary of the State Bank of India)

have pleasure to announce that, in pursuance of their objective to promote savings and encourage rural deposits

THE INTEREST RATES ON SAVINGS BANK ACCOUNT

in all their offices

HAVE BEEN RAISED

as from the 1st April, 1961, as under :—

FROM 2½% TO 3% P.A.

T. R. KRISHNASWAMI,
General Manager.

STEARIC ACID

(DOUBLE DISTILLED)
Manufactured by
THE MODI VANASPATI MFG. CO.
Maharashtra State Distributors
RAMJILAL LAKHMICHAND
333, Kalbadevi Road, Bombay-2
Phone—Office: 39361 Residence: 88436
Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

OBTAIN **FREE** ON **PATENTS & TRADE MARKS** **BROCHURE**

Contact:
PURUSHOTTAMDAS GOKULDAS
Patent Attorneys
39D, People's Building, Ground Floor, Sir Pherozshah Mehta Road, Bombay-1.
Telephone: 258014—258172.

INDUSTRIAL IBCON CONSULTANTS

The industrial consultancy services offered by the group fall under the following headings:-

IN THE PLANT—
PLANT CAPACITY AND LAY-OUTS • PRODUCTION PLANNING AND CONTROL
STORES ORGANISATION • CONSUMABLE STORES CONTROL
RAW MATERIALS CONTROL • FUEL AND STEAM UTILISATION
TRANSPORTATION METHODS • MECHANICAL HANDLING
PRODUCT QUALITY CONTROL • OPERATIONAL RESEARCH
WORK STUDY • BUDGETARY CONTROLS
VALUATION OF PLANT & BUILDINGS
DESIGN AND ESTIMATES OF EXTENSIONS

ON LABOUR—
METHOD AND WORK STUDY • PRODUCTIVITY INDICES
TIMEKEEPING SYSTEMS • WAGE PAYMENT SYSTEMS
JOB EVALUATION • WAGE STRUCTURES
PERSONNEL RECORDS • LABOUR POLICIES
HUMAN RELATIONS • COMMUNICATION
REORIENTATION LECTURES • FOR LABOUR AND SUPERVISION

IN OFFICES—
MANAGEMENT ORGANISATION • EXECUTIVE LEVEL WORK
CLERICAL PROCEDURE • MANAGEMENT CONTROLS
WORK MEASUREMENT • BUDGET FORECASTS
LAYOUT, COMMUNICATIONS AND EQUIPMENT

AND

THE SETTING UP AND TRAINING OF THE CLIENT'S OWN INDUSTRIAL ENGINEERING DEPARTMENT

MARKET RESEARCH

PLANNING FOR MODERNISATION AND EXPANSION OF INDUSTRIES

TECHNOLOGICAL STUDIES IN RAW MATERIALS, PROCESS AND PLANT PERFORMANCE

IBCON PRIVATE LIMITED

2, FAIRLIE PLACE, CALCUTTA 1. HEAD OFFICE: ADELPHI, 119, QUEENS RD., BOMBAY 1. BRADY'S BLDG., M. GANDHI RD., KANPUR

GEORGE OAKES BUILDING, SRI NARASIMHARAJA SQUARE, BANGALORE 2.
85 WARD PLACE, COLOMBO 7, CEYLON

ALSO IN:
U.K., PAKISTAN, BURMA, IRAQ, CHILE, ARGENTINA, BRAZIL, MEXICO, AUSTRALIA, HONG KONG.

It is in your interest to make the most of the
V. INTERNATIONAL TECHNICAL FAIR IN BELGRADE
23rd August—2nd September 1961

Exhibition of products of **MACHINE-BUILDING, METAL-PROCESSING, CHEMICAL AND ELECTRICAL INDUSTRIES**
Exhibition of the application of **AUTOMATION, ELECTRONICS AND NUCLEAR TECHNICS**
In the frame of the fair **INTERNATIONAL AUTOMOBILE SHOW, EXHIBITION OF MECHANOGRAPHIC PRODUCTS AND MACHINES FOR ANALOGOUS CALCULATING**

Applications and Information:
BEOGRADSKI SAJAM - Beograd POB 408
Diplomatic and consular representatives of FPR Yugoslavia abroad

COMMERCE

India's Premier Financial, Commercial and Industrial Journal

Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.
BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY
Telephone No. 253585

BALANCED DEVELOPMENT OF MAHARASHTRA

JOINT-SECTOR ENTERPRISES TO BE SET UP

EVER since the birfurcation of the erstwhile Bombay State just over a year ago, the Maharashtra Government has been laying stress on the industrialisation of the Bombay City's hinterland which has remained largely unaffected by the overall development process initiated during the two Five-year Plans. Taking the overall picture, the State, no doubt, stands head and shoulders above other States in respect of industrial development. There are 8,700 factories in the State, employing about 19 per cent of the total organised factory labour in the country. Thus in statistical terms, industrial activity in the State is higher than in the rest of the country. But a closer analysis will show that this industrial activity is concentrated in Bombay City, with the State's interior regions, such as Marathwada and Konkan, remaining industrially dormant. One year is too short a period in the history of a State, and, therefore, its omissions and comissions during this period will have to be judged with this limitation in mind. Some of the policies of the State Government, as in the case of land reforms, have, of course, not been designed with particular attention to the need for stimulating initiative and enterprise in the State. There is, however, reason to believe that efforts are being made by the new administration to infuse a sense of urgency among all concerned to step up the tempo of development, and, thereby, encourage the establishment of new industries in the inferior of the State.

Power, Transport

The place of decentralisation of industries will be determined by many factors, such as availability of power, water supply and adequate transport, in which the interior of Maharashtra is in no enviable position. But with the successful execution of the various plan projects, particularly, the Koyna hydro-electric project, the situation is bound to improve in due course. The State Government can certainly help promote the trend by giving necessary incentives as well as safeguards for prospective investors in places away from the Bombay city. The proposal for establishing 'joint sector' enterprises in their context, should be welcome to the industrial community. Mr. Y. B. Chavan, State's Chief Minister, while addressing a meeting of the Maharashtra Economic Development Council on Friday last week in Bombay, disclosed that the State Government would consider the establishment of large-scale industrial enterprises in rural areas in the joint sector in which the State and private industrialists would collaborate. He pointed out that besides providing for public sector enterprises, the State's Plan would make adequate provision for participation in joint sector enterprises. It would appear that Mr. Chavan is in favour of joint projects only in such rural areas where co-operatives of rural raw material producers are not likely to be in a position to set up the industries themselves, owing to complex technology or excessive capital cost involved. It may be noted here that the suggestion of joint sector enterprises has come from certain other States, too, for implementation during the third Plan period. While there are obvious virtues in the proposed arrangement, it should not be forgotten that 'joint sector' will not mean participation of equals where the Government has major powers.

Mr. Chavan held the view that the most fruitful field for extention of modern industry to rural areas is agricultural processing industries. While, on the one hand, the processing industries would obviate avoidable energy and efforts in transporting raw materials to the urban centres of industries, on the other hand, they will provide gainful employment to the agricultural classes, enabling them to supplement their income and thereby improving their standard of living. Emphasising the need for encouraging co-operative institutions in agricultural processing, Mr. Chavan observed that the experience gained in the organisation of co-operative sugar factories in the State should provide the necessary guidance in extending the activity to other agricultural processing industries based on rural resources, both in the primary and in secondary sectors.

Industrial Estates

Another measure designed to industrialise the backward regions is the establishment of industrial estates. Facilities in the shape of developed plots with provision of factory accommodation, roads, power, water supply, etc., are being provided in industrial estates where small-scale enterprises can be attracted. Mr. Chavan urged the people to take maximum advantage of these facilities and develop small industries based on power. He added: "These units in the rural areas may serve as feeders to the large and medium units which are at present concentrated in the urban centres. A systematic effort will have to be made to decentralise production components of large and medium industries to small enterprises which can be set up in rural areas. This will link up the economy of the rural areas with that of the urban centres and curb the tendency to migrate to the cities." In this connection, he pointed out that the State Government proposed to set up regional development boards for the various regions in the State, in order to secure a balanced development of the State.

Mr. Pratapsinh Mathuradas, President of the Development Council, welcomed the move of the Government for balanced and integrated development of all regions. He, however, reminded the authorities that the concept of regional balance and dispersal of industries did not imply an approach of antipathy towards, or neglect of, the developed areas of the State. Certain industries requiring access to developed technologies, port facilities and railway lines, he added, would naturally be inclined to find their place around Bombay. He stressed that no restrictions, direct or indirect, should be imposed on the location of industries in this area. The object of balanced development in the State should be achieved, not by a negative approach of preventing a further spread of industrialisation in the developed area, but by a definite and positive approach of locating areas and building overheads in the regions, which required to be developed.

Nagpur Plan

On the subject of overheads, Mr. Mathuradas regretted that although the country as a whole had attained the "Nagpur Road Plan" target as early as in 1957, the road mileage of Maharashtra would have reached only 80 per cent of their target by the end of the second Plan. In order to improve transport facilities, he suggested various measures. They are:

1. All intermediate and minor ports should be connected by good all-weather roads.

2. Construction of new bridges and causeways should be taken up on important roads where traffic is held up.

3. All important railway stations should be connected to the main state highways.

4. State and national highways must be so constructed as to stand much greater loads than those which goods vehicles are, at present, permitted to carry.

5. The West-Coast Road known as the Bombay-Konkan-Goa Road is an urgent need as it would provide a vital link for the people of Konkan.

6. The West Coast Road should also be connected by cross-roads at as many intermediate points as possible.

7. Adequate provision should be made for the construction of bridges, causeways, etc., over the numerous creeks and rivulets crossing the roads in the Konkan area.

Adequate supply of electricity is another prerequisite both for expansion of existing units and development of new ones. Mr. Mathuradas suggested that all methods of power generation, whether conventional or otherwise, would have to be utilised and the power so generated would have to be pooled in suitable grids so as to cover the entire region of the State by providing adequate transmission and distribution network.

Dealing with the financing of the third Plan for Maharashtra, Mr. Mathuradas held the view that the scope for additional taxation in the State was little as the level of taxation was already high. It may be noted here that out of the outlay of Rs. 390 crores in the State's third Plan, Central assistance will cover Rs. 170 crores. The State Government will have to mobilise Rs. 220 crores. The State has a proud record in the matter of raising resources through small savings. In fact, the three-day conference of the officers of the State Directorate of Small Savings and those of the Regional National Savings Office held at Mahableshwar, chalked out several measures to strengthen the small savings movement towards collecting a total sum of Rs. 100 crores during the third Plan period. In 1960-61, Maharashtra raised Rs. 26 crores by way of small savings, or 25 per cent of the total for the whole of India. Mr. Homi J. H. Taleyarkhan, State Minister for Public Health, Small Savings and Tourism, who presided over the Mahableshwar conference, pleaded for the implementation of the Pay Roll Savings Scheme in the different industrial units of the State, in order to promote the small savings movement. The Century Mills has already implemented the scheme, covering 8,000 workers. The other industrial units in the State will do well to consider the scheme, which will, in turn, augment resources for the third Plan.

MOTOR INDUSTRY IN W. EUROPE

A feature of industrial development in Western Europe during the last decade has been the phenomenal growth of automobile industry. The number of passenger cars manufactured in Western Europe, for instance, rose from 1.5 million in 1953 to 4.5 million in 1960. On the contrary, production of motor cars in the U.S. ceased to expand during the same period. As a result, Western Europe has come quite close to the U.S. as producer of motor cars. In 1953, the U.S. accounted for 75 per cent of world output, whereas Europe accounted for only 20 per cent. At present, the share of U.S. has fallen to 50 per cent, while Europe's share has risen to 40 per cent.

The present tempo of expansion in Western Europe is expected to be maintained in the years to come. According to the present development plans, the combined capacity of the West European motor industry will be about 8 million passenger cars by 1965. In Sweden, the U.K. and Italy, manufacturers expect to double current production by the middle of the 1960's. At the same time, France and West Germany have plans to step up output by 10-15 per cent per annum. While the growth of W. European motor industry is spectacular, there has been some anxiety over the question whether demand—both domestic and overseas—too will increase at the same pace. Viewed against the background of cut back in production and laying off workers recently in several W. European motor car units, the prospects do not appear to be very bright. Analysing the problems of, and prospects for, the W. European automobile industry, the *Index*, the latest monthly economic review of the Svenska Handelsbanken, of Stockholm, Sweden, expresses the view that "even if net exports of vehicles from Western Europe are doubled during the next five years—which seems a rather optimistic assumption—present expansion plans may easily result in considerable excess capacity in 1965."

The demand for motor cars is rising, but not as fast as production. At the beginning of 1953, Western Europe as a whole had about 30 passenger cars per 1,000 inhabitants. At present the figure is about 70. Despite this rise, Western Europe is still far behind the U.S. where the density is at present over 300 vehicles per 1,000 inhabitants. It is estimated that the number of passenger cars in Wesern Europe will rise from 20 million units at the beginning of 1960 to about 35 million at the end of 1965, that is, at the rate of about 2.5 million a year. Besides, the demand for replacement purposes in Europe will be just over 2 million units per annum. This will mean that West European demand in 1965 will be 4-5 million vehicles per annum, as against a planned capacity of 8 million, or in other words, that a considerable portion of the European car production must be exported. It is estimated that net exports from Western Europe amounted to just over one million passenger cars in 1960. The chances of a rapid increase appear somewhat uncertain. Exports to the U.S. are expected to decline, and the prospects on other foreign markets are not very promising. The restrictive import policies and the development of domestic industries in several countries, particularly the possibility of a sizable increase in Japanese motor car production, rendered the market prospects for W. European motor cars uncertain.

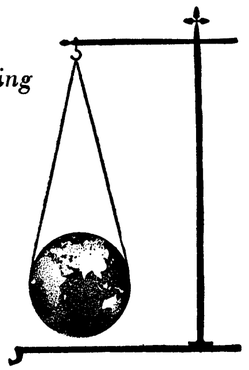
STERLING AREA EXPORTS

Sterling area exports were 6 per cent higher in 1960 than in the previous year, according to an article appearing in the latest issue of the British *Board of Trade Journal*. Total exports in the fourth quarter were, on a seasonally adjusted basis, about 2 per cent lower than in the third quarter. A fall of about 3 per cent in the exports of the oversea sterling area was offset by a rise in U.K. exports.

The 6 per cent increase in sterling area exports for the year was spread over all major areas with the exception of North America. Total imports by the sterling area for the year as a whole were 15 per cent higher than in 1959, the U.K. and the overseas sterling area showing much the same increase.

GLASS AND CERAMIC YEAR BOOK

A clear picture of the progress made by the glass and ceramic industry during the first and second Plans and its present position can be had from this *Year Book* (*Indian Glass and Ceramic Year Book*. Editor: K. R. Nambiar, 25, Bank Street, Bombay 1. Pages: 276. Price: Rs. 10) which is claimed to be the first of its kind published about the industry in this country. It provides, in a small compass, much useful information about glass and ceramics not available elsewhere. Manufacturers and traders will find extremely useful the Buyers' Guide and the list of manufacturers, suppliers of raw materials and dealers of glass and ceramics all over the country. The foreign section contains, besides brief surveys of the industry in different countries, the names and addresses of leading glass and ceramic manufacturers abroad.



Weighing the world up...

... even just from a financial point of view, is a pretty big operation. It requires a very extensive knowledge and understanding of business conditions. It requires an organisation like The Hongkong and Shanghai Banking Corporation. The biggest bank established by the Far East for the Far East provides a banking service not only in South and East Asia—which is our primary concern—but has offices in Europe and America as well, surveying the whole of the business world, considering, weighing up.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

HEAD OFFICE: HONG KONG

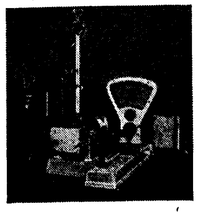
BRANCHES IN INDIA

BOMBAY — CALCUTTA

Offices in Europe and the United States and throughout the Far East

LATEST INSTRUMENTS FOR FLOUR MILLS

Ex : Messrs. Brabender oH-Germany.



FARINOGRAPH

is an automatic measuring apparatus which determines and continuously records the water absorption, dough development time, stability and degree softening of dough, etc.

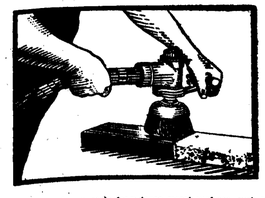
Contact Sole Agents :

TOSHNIWAL BROTHERS (PRIVATE) LIMITED

198, Jamshedji Tata Road, Bombay-1

Branches : AJMER, CALCUTTA, DELHI, MADRAS.

"SCCO"



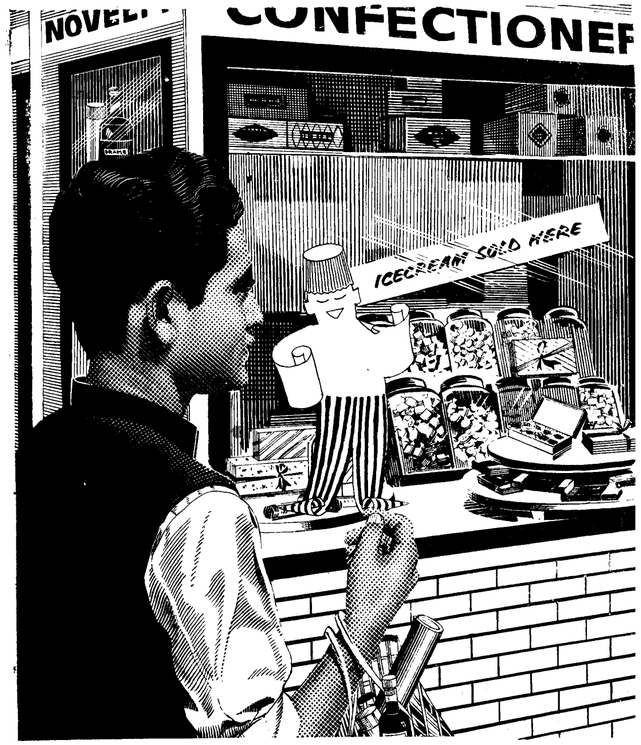
For removing heavy scale from large metal surfaces, such as rust, old paint, and incrustations giving the metal renewed surface for painting, etc. These cup brushes are used on high speed flexible shafts electric or pneumatic tools and can be driven at higher speeds being of sturdier construction than the lighter crimped wire types. A good friend for Foundry man.

India Brushware

72, CANNING STREET,

CALCUTTA-1.

Phone : 34-1985



MR. AL FOIL WRAPS CONFECTIONS TO PERFECTION

"Why not say it 'sweetly' Sir," said Mr. Foil helping out the worried gentleman. "Delicious chocolates and toffees to tempt sweet sixteen, soft candies to please Grand-Ma and ice-cream or biscuits to delight the kids at home... your choice in sweet presents is wide. Only be sure that they are all foil wrapped. Confectionery protected by aluminium foil looks attractive and tastes wonderful as only fresh sweetmeats do... because foil packing keeps in the tasty goodness while keeping out dirt, damp and dangerous contamination.

Long and extensive experience as Manufacturers of Aluminium Foils for packing goods in Cigarette, Pharmaceutical, Confectionery, Tea and many other industries.

VENESTA FOILS LTD. KAMARHATI, 24 PARGANAS, WEST BENGAL

Selling Agents :

TEA CHEST LININGS : Williamson, Magor & Co. Ltd., Calcutta.

FOILS AND CONTAINER SHEET : Indian Aluminium Co. Ltd., Calcutta Bombay Madras and New Delhi

VFC-13

OUR TRADE MARKS SYMBOLS OF LEADERSHIP

QUALITY GRINDING WHEELS AND SPECIALITIES

IN INDUSTRY

GRINDWELL ABRASIVES LTD

Army & Navy Building, Bombay-1

Branches & Representatives: New Delhi, Calcutta, Jamshedpur, Poo Madras, Bangalore and Secunderabad.

LOWER SALES AND HIGHER COSTS AFFECT PROFIT OF NATIONAL RAYON

EXPANSION PLANS WELL UNDER WAY

THE year ended 31st December 1960 witnessed a setback to the sales of the National Rayon Corporation Limited (Managing Agents: Messrs. Chinai and Company Private Ltd., Bombay) for the first time since the Company commenced operations. The actual revenue proceeds from sales in that year amounted to Rs. 717.31 lakhs, a drop of Rs. 35.16 lakhs as compared with the figure of Rs. 752.47 lakhs for 1959. The drop in sales is attributed in the Directors' report to three factors: (1) higher opening balance of stock-in-trade at the beginning of 1959 than the opening balance of the accounting year, (2) a slight loss in production due to minor breakdown in the pumping station, and (3) manufacture of yarns of finer deniers. The reduction in sales proceeds during 1960 is accounted for entirely by yarn and waste the sales of which show a marked fall of Rs. 44.28 lakhs to Rs. 715.47 lakhs, while receipts from chemicals and miscellaneous sales have risen again to Rs. 46.12 lakhs, as against Rs. 37 lakhs in the previous year, Rs. 20.87 lakhs in 1958 and Rs. 10.99 lakhs in 1957. The opening stocks of yarn and process were lower at Rs. 21.61 lakhs, as against Rs. 49.71 lakhs in the previous year.

The setback to sales, on the one side, and higher expenses and excise duty, on the other, have cut into the gross profit which has fallen from Rs. 275.93 lakhs for 1959 to Rs. 258.59 lakhs for 1960. It is, however, gratifying to note that the ratio of profitability to sales has been maintained at over 36 per cent. There has been an increase in the wage bill from Rs. 76.52 lakhs to Rs. 88.61 lakhs, due to the agreement with workers under which wages have been raised and upgraded with effect from 1st January 1960.

In view of the decline in profit, the managing agents' commission is lower at Rs. 9.80 lakhs, as against Rs. 18.97 lakhs, and provision for depreciation is reduced by Rs. 15.33 lakhs to Rs. 79.17 lakhs, while that for taxation is higher by Rs. 2.50 lakhs at Rs. 86.50 lakhs. The net profit, therefore, has gone up by Rs. 4.66 lakhs to Rs. 83.12 lakhs. The dividend to ordinary shareholders has been maintained at Rs. 22 per share subject to tax or a net dividend of Rs. 15.40. The payment of dividend on preference shares recommended is 5.55 per cent per share free of tax, as against 5.00 per cent tax-free paid in 1959, in conformity with the Preference Shares (Regulation of Dividends) Act 1960.

The table below gives at a glance the financial results of the Company since 1957:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	7,17.31	7,52.47	6,37.11	5,37.48
Other income	8.52	4.04	2.25	2.17
Closing stocks	25.18	21.61	49.71	38.17
Raw materials consumed ..	1,24.36	1,28.03	1,44.77	1,69.89
Stores, spares, power and fuel consumed	1,08.73	1,09.18	1,12.70	81.79
Excise duty	68.59	63.89	41.92	37.73
Other expenses	1,69.07	1,51.38	1,41.89	1,15.61
Gross profit	2,58.59	2,75.93	2,09.62	1,50.48
Managing Agents' commission ..	9.80	18.97	16.01	10.89
Provision for—				
Depreciation	79.17	94.50	92.00	75.00
Taxation	86.50	84.00	55.00	12.00
Net profit	83.12	78.46	46.61	52.59
Excess provisions written back.	..	5.71	0.03	0.62
To reserves	14.15	16.60	13.25	23.85
„ additional provision for taxation	..	2.71		
„ gratuity fund	3.50	3.00	3.00	3.00
Dividends—				
Preference	9.67*	8.71*	5.97	3.64
Ordinary	53.05* (22%)*	52.46* (22%)*	24.69 (14%)	23.49 (14%)
Carry forward	4.41	1.66	0.97	1.24

* Subject to deduction of tax.

The import licence for wood-pulp, which was cut by 10 per cent of the normal requirements for the second half of 1960-61 has been restored on the basis of making available rayon yarn to weaving mills at concessional rates for export promotion.

The implementation of the Company's expansion programme is well under way, as is evident from the following extracts from the Directors' report:

"The production on the twelve new spinning frames under installation, bringing the total complement to 88 frames, is likely to commence by about the beginning of June 1961.

"There has been a slight delay in pressing the tire cord plant into commission due to shortage of cement and the inordinate delay in the delivery of cables ordered out. The bulk of the foreign equipment has arrived. Orders placed for indigenous materials and equipment have been executed to a substantial extent and the installation of the machinery is taken in hand. It is expected that the plant would go into production by about the beginning of the fourth quarter of the year.

"The machinery for 100-ton sulphuric acid plant is being installed, and it is expected that it would be put into commission by about the middle of next year.

"Industrial licence for putting up a cellophane paper plant was received some time last year. A licence for the import of the equipment, application for which has already been submitted, is still awaiting disposal by the Government.

"An industrial licence for the expansion of the caustic soda plant has already been received. Application for obtaining an import licence has already been submitted and negotiations for obtaining a loan to cover the foreign exchange content of the equipment on deferred payment terms are proceeding.

"To be self-sufficient in the matter of the most important raw material, namely, rayon grade pulp, an industrial licence for putting up a 100-ton capacity pulp plant in the Mysore area has been obtained. The details are being worked out presently and negotiations are in progress for providing the necessary facilities and engineering services."

The paid-up capital of the Company is Rs. 415.36 lakhs, consisting of Rs. 174.25 lakhs in preference shares of Rs. 100 each and Rs. 241.11 lakhs in ordinary shares of Rs. 100 each. Reserves and surplus have improved by Rs. 46.67 lakhs to Rs. 207.68 lakhs. The unsecured loans have advanced from Rs. 1.77 lakh to Rs. 49.40 lakhs, on account of a loan of Rs. 32.11 lakhs from the Export-Import Bank and larger loans obtained from others. The secured loan in 5½ per cent debentures of the Company remains at Rs. 154.15 lakhs, inclusive of accrued interest.

The net block of the Company stands at Rs. 740.36 lakhs, after providing Rs. 602.53 lakhs for depreciation. The financial position of the Company is very sound, inasmuch as the current assets of Rs. 257.01 lakhs are well above current liabilities at Rs. 171.93 lakhs, showing a margin of Rs. 85.08 lakhs.

The Rs. 100 paid-up ordinary shares of the Company stand at Rs. 527.50 *cum-div.* At this rate, the net yield works out to 2.91 per cent.

GENERAL INDUSTRIAL SOCIETY LTD.

The General Industrial Society Limited has entered into collaboration with the American Gage and Machine Company, Inc., U.S.A., for the manufacture in India of various instruments, now being produced by the U.S. firm's three affiliated and subsidiary companies, namely, Size Control Company, Inc., Walsh Press and Die Company, Inc. and Simpson Electric Company, Inc. The general principle of collaboration has been agreed upon wherein the American company will participate in the equity capital of the Indian company. It will be supplying the technical know-how and the capital equipment required for setting up the plant. The Size Control Company will help the Indian company to manufacture various types of precision gauges and instruments for the laboratory, complete quality control procedures and special precision equipment for use in missiles, aircraft, ordnance and instrument fields. The Walsh Press and Die Company's assistance will be in the complete line of pure presses. The Simpson Electric Company will help in manufacturing the various electric and electronic testing equipments to meet the demand of the electrical industry, TV, radio, refrigeration, air conditioning industry, laboratory, aircraft, etc. The automotive division of this Company will collaborate in the production of various types of testing equipments required for the automobiles like ignition carburettor, general tune up, engine starters and magnetic, etc.

It is proposed to form a new Company having a capital of approximately Rs. 1 crore. The plant is expected to commence production by 1963. In the meantime the Indian company will make available for use in the country all these equipments against import licence.

The Directors of the Ahmedabad Advance Mills Ltd. have decided to recommend the following dividends for the period 1st July to 31st December 1960: Ordinary shares: Rs. 6 per share, subject to deduction tax; preference shares: 5 per cent per annum, free of income-tax (Rs. 3.25 per share gross or Rs. 2.28 net). The annual general meeting of the Company will be held on 19th July 1961.

The Directors of the Tata Mills Ltd. have recommended payment of a dividend of Rs. 5 subject to tax on ordinary shares for the year 1960, as against Rs. 2.50 for 1959. The annual general meeting of the Company will be held on 20th July 1961.

BELSUND SUGAR PRODUCES MORE

SALES, HOWEVER, DECLINE

THE increased cost of raw material following the increase of 18 nP to Re. 1.62 per maund in the minimum cane price and reduction in recovery percentage of sugar in cane have seriously affected the working results of the Belsund Sugar Company Ltd. (Managing Agents: Bangur Brothers Ltd., Calcutta) for the year ended 30th September 1960. The total quantity of cane actually crushed during the year was markedly higher at 3,507,990 maunds, as against 3,120,771 maunds in the previous year, but the production of sugar improved only modestly from 316,825 maunds in 1958-59 to 331,485 maunds in 1959-60. For the recovery of sugar was lower at 9.47 per cent, as against 10.15 per cent in 1958-59 and 10.47 per cent in 1957-58. The cost of raw materials and stores consumed has gone up by Rs. 13.50 lakhs to Rs. 71.57 lakhs.

Despite the decline in sales of sugar from Rs. 126.06 lakhs to Rs. 111.08 lakhs, the gross profit of the Company increased by Rs. 21,000 to Rs. 9.46 lakhs. But the level of profit should have been higher if account is taken of the substantial stocks lying undisposed of with the Company at the end of September 1960 valued at Rs. 35.26 lakhs as against Rs. 20.10 lakhs a year before.

The following comparative table indicates the progress of the Company during the last four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1960	1959	1958	1957
Sales	1,11.08	1,26.06	75.26	1,17.69
Other income and receipts ..	3.54	1.39	0.79	0.69
Closing stocks of sugar and molasses ..	35.26	20.10	32.60	15.26
Raw materials and stores consumed	71.57	58.07	46.75	63.32
Salaries, wages and bonus ..	8.36	7.81	7.08	7.35
Other expenses	40.39	39.82	30.95	17.12
Gross profit	9.46	9.25	8.61	9.28
Managing Agents' commission ..	0.72	0.73	0.79	0.83
Provision for—				
Depreciation	2.15	1.89	0.68	0.64
Taxation	2.80	2.06	4.12	4.50
Net profit	3.79	4.57	3.02	3.11
Transfer from reserves ..		1.00		
Dividends forfeited	0.05	0.10	..	..
Development rebate reserve ..	0.61	1.79	..	..
Provision for contingencies ..	..	..	0.50	0.50
Transfer to reserves	..	0.50	..	..
Ordinary dividends	3.64 (16.67%)*	3.64 (16.67%)*	2.60 (13.33%)	2.60 (13.33%)
Carry forward	0.01	0.41	0.67	0.75
Price of cane per md. (Re.) ..	1.62	1.44	1.44	1.44
Cane crushed (mds.)	3,507,990	3,120,771	2,491,495	3,411,524
Average recovery (per cent.) ..	9.47	10.15	10.47	9.72
Production (mds.)	331,485	316,825	260,653	331,879

* Subject to deduction of tax.

After providing Rs. 72,000 for managing agents' commission, Rs. 2.15 lakhs for depreciation and Rs. 2.80 lakhs for taxation, the net profit shows a fall of Rs. 1.76 lakh to Rs. 3.79 lakhs. In view of low profit, transfers to reserves have not been found possible save, of course, the sum of Rs. 61,000 credited to statutory development rebate reserve. The dividend on shares however has been maintained at the previous level of Re. 1.40 per share subject to tax.

The subscribed capital of the Company as at 30th September 1960 amounts to Rs. 19.49 lakhs, the whole of which consists of 259,870 ordinary shares of Rs. 7.50 each fully paid. This, together with reserves and surplus aggregating Rs. 10.16 lakhs, gives a total of Rs. 29.65 lakhs or Rs. 11.4 per share. The gross block of the Company is valued at Rs. 53.17 lakhs, including Rs. 4.49 lakhs being the additions made during the year and Rs. 4.73 lakhs representing the cost of machines under erection. Deducting from this amount the sum of Rs. 29.60 lakhs as accumulated depreciation, the net block works out to Rs. 23.57 lakhs.

Current assets (including investment, other than in the subsidiary company) and loans and advances aggregate Rs. 74.90 lakhs, against which amount liabilities (including secured and unsecured loans) are worth Rs. 75.51 lakhs. The investment in the subsidiary has a book value of Rs. 6.68 lakhs, as compared with its market value of Rs. 8.16 lakhs.

During the year under review, the Company's subsidiary, the Hindustan Wire Products Ltd., earned a profit of Rs. 1.52 lakh which has been transferred to reserves. The profit of the subsidiary so far as applicable to the shareholders of the Company amounts to Rs. 39,000, but no credit for this amount has been taken in the Company's accounts.

The current market value of the Company's Rs. 7.50 fully paid ordinary shares is Rs. 12.57 *cum-div.* On an *ex-div.* basis, the yield works out to 8.61 per cent per annum.

IMPRESSIVE SHOW BY ATUL PRODUCTS

LARGE ACCRETION TO RESERVES—DIVIDEND MAINTAINED

THE year ended 31st December 1960 has proved to be a highly profitable one for Atul Products Ltd. (Managing Agents: Messrs. Lalbhai Sons & Co. Ahmedabad), in spite of the fact that the Company lost full 15 days' production in the month of March due to shortage of coal and experienced considerable difficulties in regard to supply of raw materials. The excellent performance of the Company is clearly reflected in the substantial expansion in sales proceeds from Rs. 353.81 lakhs in 1959 to Rs. 418.95 lakhs in the year under review. The other income of the Company, which includes Rs. 14.29 lakhs being the dividends received from its subsidiaries (Rs. 14 lakhs from Atic Industries Private Ltd. and Rs. 28,800 from Ameer Trading Corporation Private Ltd.) has also risen markedly from Rs. 25.47 lakhs to Rs. 42.87 lakhs. The gross earnings have, therefore, jumped up from Rs. 110.62 lakhs to Rs. 148.98 lakhs, representing an increase of more than 34 per cent. The profitability of the Company, that is the ratio of earnings to sales, however, has increased only slightly from 31.2 per cent to 32.9 per cent, thanks to the sharp rise of Rs. 44.86 lakhs to Rs. 138.13 lakhs in other expenses.

Consequent on the higher gross earnings, remuneration to Managing Agents has been raised by Rs. 2.07 lakhs to Rs. 11.17 lakhs and provision for depreciation only a shade higher at Rs. 19.94 lakhs as against Rs. 19.72 lakhs. There has been an increase in the tax liability of the Company and in order to meet this liability, a large sum of Rs. 49 lakhs has been provided for taxation, that for 1959 being Rs. 37.50 lakhs (excluding Rs. 7.50 lakhs in respect of 1958). Even so, the net profit has gone up quite perceptibly from Rs. 36.80 lakhs for 1959 to Rs. 68.87 lakhs for 1960, representing an expansion of as much as 87 per cent. Such a perceptible improvement in profit has not, however, benefited the shareholders in the form of enhanced dividend which has been maintained at the previous year's rate of 12 per cent subject to tax. For the Directors have considered it more prudent to plough back a substantial amount of profit to strengthen reserves in view of the Company's expansion programmes. The reserves are credited with as much as Rs. 34 lakhs as against only Rs. 9.50 lakhs in 1959 and statutory development rebate reserve with Rs. 4.50 lakhs as against Rs. 3.00 lakhs. The total dividend absorption is Rs. 26.94 lakhs and the balance of Rs. 4.16 lakhs has been carried forward to the next year as against Rs. 73,000. Deducting the 30 per cent tax, the net dividend comes to 8.4 per cent which is lower than the tax-free dividend of 10 per cent distributed in 1958. Rs. 100 fully paid shares of the Company are highly fancied and are currently quoted on the Ahmedabad Stock Exchange at Rs. 556.50.

The following comparative table will give a synoptic idea of the progress of the Company since 1957:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	4,18.95	3,53.81	2,89.52	2,71.86
Other income	42.87	25.47	9.03	8.87
Closing stocks of finished goods and goods-in-process ..	27.09	14.86	17.29	33.47
Raw materials consumed ..	1,87.45	1,72.47	1,44.68	1,50.42
Other expenses	1,38.18	93.27	81.45	78.69
Gross profit	1,48.98	1,10.62	57.29	54.46
Managing Agents' remuneration	11.17	9.10	4.00	3.18
Depreciation	19.94	19.72	17.88	22.66
Taxation	49.00	45.00†	1.25*	1.50*
Net profit	68.87	36.80	34.21	37.12
Excess provisions written back..	..	0.05	..	..
Preliminary expenses written off	..	..	..	0.68
To reserves	34.00	9.50	7.50	7.50
„ development rebate reserve.	4.50	3.00	7.00	3.50
Dividend	26.94 (12%)‡	24.00 (12%)‡	19.92 (10%)	15.14 (8%)
Carry forward	4.16	0.73	0.86	0.59

* Wealth tax.
† Includes Rs. 7.50 lakhs in respect of 1958.
‡ Subject to deduction of tax.

The working results of the Company for the year under review have to be judged bearing in mind the various adverse circumstances facing the Company. A reference has already been made to the loss of production in the month of March due to inadequate supplies of coal. The shortage developed in the month of October also, but the timely assistance of the Gujarat Government saved the Company from a second stoppage. Even during the current year, the Company is finding it increasingly difficult to keep all the plants running to capacity levels, due to the irregular coal supplies. Another bottleneck is insufficient supply of raw materials. The Directors' report states that the Company has never been granted sufficient import licences to utilise fully the installed capacities of various plants. The situation is rendered worse by the inordinate delays in the issue of import licences. It was as a result of these delays that the Company was not able to make any commitments for purchases and had therefore to curtail production in azo and sulphur black paints in the month of October 1960. There has been further deterioration in the situation since the beginning of this year. In fact, the Company had to close all its plants for periods varying between two and three months. Even the values of import licence granted to the Company have been cut by 20 per cent. The experience of Atul Products Ltd. thus clearly shows that some of the first class chemical manufacturing companies in the country are handicapped by the difficulty in obtaining maintenance imports which are so urgently needed to keep production at a high level. As if these difficulties are not sufficient, the Finance Act 1961 has imposed further burdens. Four intermediates used by the Company as raw materials have been subjected to increased levies.

Notwithstanding the aforesaid difficulties, the various expansion projects undertaken by the Company are being implemented satisfactorily, as will be evident from the following extract from the Directors' report.

"The phosphorus trichloride plant is now working satisfactorily. The sulfuric acid plant was put into commission in the month of July 1960 and is also now working satisfactorily although, in the case of both these plants, it has still not been found possible to utilise the full capacities. A plant for some intermediates like sodium naphthionate, sulfanilic acid is now nearing completion. A substantial part of the equipment for the BON acid plant and the caustic soda plant is on the site and the buildings for both these plants are in hand. However, the work is not progressing as was planned, on account of the shortage of cement. The Company completed a fair amount of work on the construction of a second weir on the river Par before the shortage of cement. Similarly, all the other building projects are also progressing slowly on account of the same reason.

"Projects for the manufacture of intermediates are now taking definite shape. For reasons of convenience, the Company has divided the manufacture of these intermediates into two broad groups; Ciba Ltd., Basle, Switzerland, has assumed the responsibility of general guidance and supervision of the complete scheme in the case of these groups. Ciba Ltd. have again given whatever know-how they had in the case of some intermediates; in some cases the Company has bought the know-how from Rohner Ltd., Pratteln, Switzerland. Thus, complete know-how for both the groups has now been secured. The engineering of these plants has been given to Humphreys and Glasgow Limited, London. The agreements relative to the above matters have been entered into and the work on the designing of the plants is already in hand. The Company has secured a part of the foreign exchange required for these projects by way of a loan from the Industrial Credit and Investment Corporation of India Ltd. and has approached other similar organisations for further accommodation."

"A company, known as CIBATUL Private Ltd., has now been formed in partnership with Ciba Ltd. Basle and Ciba of India Private Ltd. to handle immediately the manufacture of some urea formaldehyde plastic products and intermediates and bases for sulfadrugs. Plant designs for both these projects are getting ready."

The financial position of the Company is quite sound. The Company's paid-up capital as at 31st December 1960 is Rs. 224.97 lakhs, which is supplemented by reserves and surplus aggregating Rs. 81.74 lakhs. The outstanding borrowings (secured loans Rs. 180.03 lakhs, unsecured loans Rs. 80.34 lakhs) are of the order of Rs. 260.37 lakhs and other current liabilities and provisions Rs. 171.18 lakhs. As against these, current assets (including investments of Rs. 102.45 lakhs mainly in fully paid ordinary shares of the Company's subsidiaries) amounts to Rs. 457.83 lakhs. During the year, additions of Rs. 49.94 lakhs were made to the block account, taking the value of gross block to Rs. 405.77 lakhs on which the depreciation provided so far is Rs. 125.34 lakhs. The net block thus stands at Rs. 280.43 lakhs.

On the basis of *ex-div.* value and the proposed rate of dividend, the Rs. 100 fully paid-up shares of the Company give a net yield of 1.53 per cent per annum.

INDORE MALWA'S RESULTS SATISFACTORY

DIVIDEND RAISED AGAIN

THE trading conditions of the Indore Malwa United Mills Limited (Chairman: Mr. Kudilal G. Seksaria) improved considerably during the year ended 31st December 1960. The sales of cloth, yarn and waste improved by Rs. 32.79 lakhs or 11.3 per cent to Rs. 320.50 lakhs as compared with 1959. The increase in sales receipts was more or less offset by the rise in prices of raw cotton and higher wage bill. The wage bill increased from Rs. 80.48 lakhs to Rs. 88.13 lakhs. In the Madhya Pradesh region where the mill is situated, the wage bill has gone up by Rs. 6 per worker from 1st January 1960 in accordance with the recommendations of the Central Wage Board for Cotton Textile Industry.

The closing stocks of the Company as at the end of 1960 stand at Rs. 109.65 lakhs, as against Rs. 69.33 lakhs a year before, showing an increase of Rs. 40.32 lakhs. The major part of the increase is accounted by cotton, *kapas*, etc., the value of which has risen from Rs. 26.78 lakhs to Rs. 54.30 lakhs, due mostly to higher prices of raw cotton.

The increased gross profit of Rs. 28.58 lakhs, as against only Rs. 1.01 lakh in the previous year, has enabled the Directors to provide for arrears of depreciation and recommend an enhanced dividend of 8½ per cent taxable, as against 7 per cent taxable distributed for 1959 and 5 per cent (tax-free) for 1958. The sum actually allocated to depreciation has been provided for the years 1958 and 1959 and amounts to Rs. 10.36 lakhs. No provision has been made for taxation this year, in view of the accumulated and unabsorbed depreciation available to the Company. The income-tax assessments of the Company have been completed upto 1958. The tax demand of Rs. 12.77 lakhs in respect of past assessments for the years 1942 to 1947 has revived due to the majority judgment of the Bombay High Court. The Company, however, has preferred an appeal to the Supreme Court and has made no provision for the same, as the management is hopeful of fair chances of success.

In order to meet the fast growing demand of the decentralised sector of the industry, the Company has started producing additional yarn by working the third shift of its spinning section with effect from May 1960.

The following comparative table reveals the progress made by the Company in the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sales of cloth, yarn and waste..	3,20.50	2,87.71	2,46.65	2,59.20
Closing stocks	1,09.65	69.33	75.24	92.17
Cotton, stores, etc., consumed..	1,57.12	1,21.67	1,21.93	1,65.06
Other expenses	1,23.65	1,06.57	1,07.91	1,14.05
Gross profit (+) or loss (—) ..	+28.58	+1.01	+1.94	—8.39
Agents' commission	0.50	0.50	0.50	0.50
Provision for—				
Depreciation	10.36	..	..	5.51
Taxation	..	..	..	..
Net profit (+) or loss (—) ..	17.72	0.51	1.44	—14.40
Profit on sale of machinery ..	0.63	0.63	0.19	3.00
Transfer from reserves ..	..	3.81	2.50	3.00
To reserves	0.39	0.41	1.10	0.44
Dividend	4.25* (8½%)*	3.50* (7%)*	2.50 (5%)	3.00 (6%)
Carry forward	0.16	—12.53	—12.53	—11.77

* Subject to deduction of tax.

The paid-up capital of the Company stands at Rs. 50 lakhs in 50,000 ordinary shares of Rs. 100 each. Reserves and surplus aggregate Rs. 15.05 lakhs, as against Rs. 1.97 lakh in the previous year, the increase representing the wiping off of the carried forward loss. The secured loans have increased from Rs. 90.90 lakhs to Rs. 109.53 lakhs, on account of the increase in borrowings from banks to finance cotton purchases.

The block account amount of the Company is Rs. 36.57 lakhs, after providing Rs. 131.23 lakhs for depreciation. Machineries worth Rs. 8.61 lakhs have been received and installed during the current year and orders for about Rs. 26 lakhs have been placed. The total investments of Rs. 26.26 lakhs include quoted investments worth Rs. 25.51 lakhs, market value of which is higher by Rs. 2.51 lakhs. The total of current assets (exclusive of investments) at Rs. 164.23 lakhs is more than four times the current liabilities amounting to Rs. 38.81 lakhs.

The current market quotation of Rs. 100 paid-up shares is Rs. 148 *cum-div.* The net yield at this rate works out to 4.0 per cent on an increased tax-free dividend of Rs. 5.95.

PROFIT OF STANDARD MOTORS RISES

DIVIDEND MAINTAINED ON INCREASED CAPITAL

A SUBSTANTIAL rise in turnover and handsome improvement in profits are the highlights of operations of the Standard Motors Products of India Ltd. (Acting Secretary: Mr. R. Rajagopalan, Madras), for the year ended 31st December 1960. Sales have gone up by as much as Rs. 175.49 lakhs to Rs. 389.75 lakhs, representing a rise of over 80 per cent, and the gross profit by Rs. 10.37 lakhs to Rs. 28.52 lakhs, or an increase of 57 per cent. If the profit has not risen in proportion to the expansion of sales, it is because of the enhanced cost of operation, as a result of the steady increase in the indigenous content of the vehicles, a feature that is common for the automobile industry as a whole. The heavy capital outlay in machine tools, which is incidental to the production of some of the vital and precision components, adds substantially to overhead expenses and, unless production is raised to sufficiently high levels, the unit cost of operation tends to become unremunerative. With the Governmental control on the level of production as well as the selling price of vehicles, the increasing costs have recently made serious inroads into the profit margins of automobile manufacturers. Naturally, the ratio of gross profit to the sales of Standard Motors products has declined from 8.47 per cent in 1959 to 7.32 per cent in the year under review.

Owing to higher provision for depreciation (Rs. 9.50 lakhs, as against Rs. 6.79 lakhs during 1959) and taxation (Rs. 6.60 lakhs as against Rs. 3.50 lakhs), the net profit has shown a modest rise of Rs. 4.56 lakhs to Rs. 12.42 lakhs. Insufficient profits have restricted the transfer to reserves. The statutory development rebate reserves alone has secured a slightly larger sum of Rs. 3.75 lakhs as against Rs. 3.00 lakhs, because of higher expenditure on net additions to plant and machinery. The balance of Rs. 8.67 lakhs, together with Rs. 3,869 brought forward from the previous accounting period and Rs. 1,749 being the excess provision for dividend in previous years, gives a total of Rs. 8.73 lakhs. The 6½ per cent preference dividend, the tax thereon being borne by the Company, has claimed Rs. 4.46 lakhs, as compared with Rs. 2.73 lakhs in 1959 because of the addition of Rs. 20 lakhs to the preference share capital made towards the close of 1959. Ordinary dividends absorb Rs. 4.23 lakhs on the basis of 9 per cent per share subject to deduction of tax on the 470,000 ordinary shares of Rs. 10 each. Although no change in the rate of ordinary dividends has been proposed, it is to be noted that the dividends for the year are to be paid on a larger capital of Rs. 47 lakhs, as compared with Rs. 37.90 lakhs as at 31st December 1959. The holders of the 300,000 deferred shares have failed to get any return on their investment for the second year in succession. After making the above appropriations, a balance of about Rs. 3,000 has been carried forward to the next trading year.

The salient features of the Company's working results for the year 1960, as compared with those for the three years preceding it, are given in the following statement:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sales	3,89.75	2,14.26	2,31.02	3,65.74
Other income	2.91	1.59	2.87	2.22
Closing stocks of finished goods and in process	54.09	33.60	23.96	48.96
Finished goods purchased	19.00	12.04	18.13	8.06
Raw materials, stores, etc., consumed	3,34.19	1,68.38	1,59.12	3,29.89
Salaries, wages and bonus	19.92	15.94	13.32	14.41
Otherexpenses	11.52	10.98	10.05	10.87
Gross profit	28.52	18.15	8.27	15.30
Provision for—				
Depreciation	9.50	6.79	3.66	5.42
Taxation	6.60	3.50	..	..
Net profit	12.42	7.86	4.61	9.88
Transfer from reserves	..	..	3.76	..
Excess provision written back	0.02	..	..	..
Development rebate reserve	3.75	3.00	4.00	..
Other reserves	..	0.80	..	5.95
Dividends—				
6½ per cent. preference	4.46	2.73	1.87	1.87
Ordinary	4.23	2.30	1.87	1.87
	(9%)*	(9%)*	(7½%)	(7½%)
Deferred	..	..	0.17	0.17
Carry forward	0.08	0.04	0.51	0.06

* Subject to deduction of tax.

The balance-sheet as at 31st December 1960 reveals that the financial position of the Company is fairly strong. The paid-up share capital of Rs. 1 crore equals the authorised capital and consists of Rs. 50 lakhs in 6½ per cent preference shares, Rs. 47 lakhs in ordinary shares of Rs. 10 each fully paid and Rs. 3 lakhs in deferred shares of Re. 1 each fully paid. The amount standing to the credit of the various reserves and the surplus stand at Rs. 24.43 lakhs. The capital funds invested in the business thus amounts to Rs. 124.43 lakhs. Against this, the gross block is valued at Rs. 135.84 lakhs and, after allowing for Rs. 39.74 lakhs as the accumulated depreciation, the net block comes to Rs. 96.10 lakhs. The current liabilities and loans from banks and other creditors amount to Rs. 100.02 lakhs. These are balanced by Rs. 127.91 lakhs in current assets, investments, and loans and advances.

The Company's production during the year 1960 reached the peak level of 3,364 vehicles. Plans have been completed for stepping up the production to 4,500 vehicles in the current year and further to 7,500 vehicles in 1963. The fulfilment of these targets will naturally depend on the licence position. Meanwhile, the Company has commenced the manufacture of a new model Standard Herald which is expected to be placed on the market in the middle of the year. This car, it is said, has been hailed with great enthusiasm in European countries, the U.S. and other places when it was introduced, and the Company looks forward to an equally enthusiastic reception in India. The current model has a two-door body. A prototype four-door body has been completed for introduction in the domestic market and is undergoing tests in England. Subject to the receipt of import licences, the four-door saloon is likely to be manufactured in India during the latter part of 1962.

A further diversification of the product line has been contemplated in the introduction of one-ton truck in the latter part of the year or early next year and this is expected to augment substantially the Company's income. Negotiations are being carried on to add such additional projects as may enhance the profitability of the Company's operations.

The present market quotation for the Company's Rs. 10 fully paid share is Rs. 16.75 *cum-div.* The yield on *ex-div.* basis works out to 3.9 per cent per annum.

ASSOCIATED RUBBER INDUSTRIES LTD.

The Associated Rubber Industries Limited (Managing Agents: Associated Agencies Private Ltd.) is engaged in the manufacture of rubber and ebonite products from natural, synthetic and lynx rubber. The products include mainly footwear, automobile components, synthetic rubber cots and aprons for textile and woollen mills and dipped latex goods like surgical gloves and prophylactics. Considering the wide and varied uses of these products, it is no wonder that the sales of the Company are rapidly expanding. They aggregated Rs. 38.30 lakhs during the year ended 31st December 1960, as against Rs. 31.94 lakhs in the previous year and Rs. 19.52 lakhs in 1958. As against the rise of 19.9 per cent in sales during 1959, the gross profit was higher by only 10.2 per cent at Rs. 7.77 lakhs, as against Rs. 7.05 lakhs. This smaller increase in profit in relation to that in turnover is due to the rising costs of raw materials, labour, power and transportation. The operating charges have increased by Rs. 4.76 lakhs to Rs. 18.32 lakhs, while other expenses have risen by Rs. 2.26 lakhs to Rs. 12.81 lakhs.

Out of the gross profit of Rs. 7.77 lakhs, the Managing Agents' commission takes Rs. 53,000, provision for depreciation Rs. 1.76 lakh and taxation Rs. 2.12 lakhs. The net profit thus amounts to Rs. 3.36 lakhs, as against Rs. 2.56 lakhs in the previous year. The dividend to equity shareholders has been maintained at 10 per cent subject to tax, or 7 per cent tax-free.

An idea of the progress made by the Company in the last four years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sales	38.30	31.94	19.52	22.33
Closing stocks	2.48	2.10	2.93	1.90
Operating charges	18.32	13.56	9.10	11.09
Other expenses	12.81	10.55	8.88	8.58
Gross profit	7.77	7.05	2.66	3.55
Managing Agents' commission	0.53	0.48	0.09	0.23
Provision for—				
Depreciation	1.76	2.06	1.09	1.29
Taxation	2.12	1.93	0.49	0.10
Net profit	3.36	2.56	0.99	1.93
Transfer to reserves	1.38	0.93	0.08	1.35
Surplus provision written back	0.01	0.31	0.10	..
Bonus for previous years	0.82	0.57	0.41	..
Underwriting commission	..	0.10	..	..
Dividends—				
Preference	0.68*	0.58*	0.20	0.16
Ordinary	0.75*	0.75*	0.38	0.37
	(10%)*	(10%)*	(7%)	(7%)
Carry forward	0.05	0.03	0.11	0.10

* Subject to deduction of tax.

The gross block of the Company which has increased from Rs. 22.10 lakhs in 1959 to Rs. 31.11 lakhs as on 31st December 1960 stands depreciated to Rs. 20.29 lakhs. The paid-up capital of the Company has risen from Rs. 13.25 lakhs to Rs. 15 lakhs by the issue of 1,750 preference shares of Rs. 100 each during the year. The paid-up capital is now equally divided between preference and ordinary shares both of Rs. 100 each. As against the 6 per cent debenture loan of Rs. 8 lakhs, the debenture redemption reserve stands at Rs. 3.30 lakhs, of which the addition out of the profit for the year under review being Rs. 1.10 lakh. The financial position of the Company is fairly good. The current assets of Rs. 22.29 lakhs (exclusive of investments of Rs. 4.05 lakhs) are well above current liabilities of Rs. 9.43 lakhs.

It is gratifying to note that Inarco Private Ltd., a joint company with Messrs. Armstrong Cork Company Ltd., has commenced production in the new factory at Thana with effect from 20th February 1961. The production of synthetic rubber cots and aprons has, therefore, been discontinued at the Bhavnagar factory of the Company and the balance stocks of raw materials transferred to the joint company on a no-profit no-loss basis. The installation of new footwear machinery was completed in the beginning of the current year and the plant has gone into production. As a result of various efforts of the management, exports of footwear have expanded by three times during the season as compared with the previous year. The plant for dipped latex products could not be worked to its maximum installed capacity during the year, due to increasing competition in home market. The Directors have accordingly proposed to add a few more items of these products to the Company's range of products in the current year.

Although the Rs. 100 paid-up ordinary shares of the Company are listed on the Bombay Stock Exchange, no transaction was put through in them during 1960. The nominal quotation for the scrip is Rs. 105, at which rate the net yield comes to 6.6 per cent.

FRESH ISSUES OF CAPITAL

Eight companies have obtained official consent for the issue of capital of various categories. They are Arvind Mills and Raipur Manufacturing Company of Ahmedabad, Standard Mills of Bombay, Birla Jute Manufacturing Company, Delta Jute Mills Company of Calcutta, Electroflo Ltd., a new company in West Bengal, Tennur Bank Ltd., Tiruchirapalli, and Rayon Pulp Manufacturing Co., Ltd., Bombay. The details of the capital issues are as follows:

Arvind Mills: Issue of 40,000 ordinary shares of Rs. 100 each in the proportion of two bonus shares for every three shares held on capitalisation of its general reserve to a like extent. Its present paid-up capital is Rs. 86.25 lakhs, comprising Rs. 60.00 lakhs in equity shares and Rs. 26.25 lakhs in preference shares.

Raipur Manufacturing Company Ltd: Issue of 20,000 ordinary shares of Rs. 100 each as bonus shares. The Company has a paid-up capital of Rs. 40 lakhs—Rs. 30 lakhs equity shares and Rs. 10 lakhs preference shares. The bonus shares will be allotted in the ratio of two shares for every three shares held by existing equity shareholders.

Standard Mills: Issue of 43,900 equity shares of Rs. 100 each as bonus shares in the proportion of two shares for every five shares held. The paid-up capital of the Company on the date of application was Rs. 121.75 lakhs.

Birla Jute Manufacturing Company: Issue of capital of Rs. 22.81,500 in 228,150 shares of Rs. 10 each as fully paid-up bonus shares on capitalisation of the Company's reserves to a like extent. The bonus shares will be issued after the Company has completed the issue of 465,300 new equity shares of Rs. 10 each at a premium of Rs. 6 per share for which consent was obtained early in February last. The Company's paid-up capital on the date of the bonus issue application was Rs. 215.94 lakhs, comprising Rs. 91.26 lakhs in equity shares and Rs. 123.64 lakhs in preference shares.

Delta Jute Mills Company: Issue of capital of Rs. 37.10 lakhs in (i) 28,000 equity shares of Rs. 100 each at par to be issued to the holders of 28,000 equity shares in Belvedere Jute Mills Company Ltd. and (ii) 9,100 preference shares of Rs. 100 each at par as fully paid to the holders of 7,000 preference shares in the Belvedere Jute Mills Company Ltd., in exchange of the assets and liabilities of the Belvedere Jute Mills Co., Ltd. The consent is subject to the orders of the Courts approving the amalgamation of the Belvedere Jute Mills Co. Ltd. with the Delta Jute Mills Co. Ltd.

Electroflo Ltd: Issue of capital of Rs. 50 lakhs in 400,000 equity shares of Rs. 10 each and 9.2 per cent 10,000 cumulative non-redeemable preference shares of Rs. 100 each. The capital is required for the Company's scheme for the manufacture of watthour meters in collaboration with a Japanese company which will also invest in preference capital to the extent of Rs. 8.17 lakhs.

Tennur Bank Ltd., Tiruchirapalli: Issue of 400 ordinary shares of Rs. 50 each for cash at par in the ratio of one new share for every five shares held. The Bank's present paid-up capital is Rs. 1 lakh, all in ordinary shares of Rs. 50 each.

Rayon Pulp Manufacturing Co. Ltd., Bombay: Issue of capital of Rs. 50 lakhs for cash at par divided into Rs. 40 lakhs in equity shares of Rs. 10 each and Rs. 10 lakhs in redeemable cumulative preference shares of Rs. 10 each. Of this, shares of the value of Rs. 15 lakhs would be subscribed privately and the balance by the public. The proceeds of the issue will be utilised for the manufacture of bleached rayon grade pulp.

KALINGA TUBES

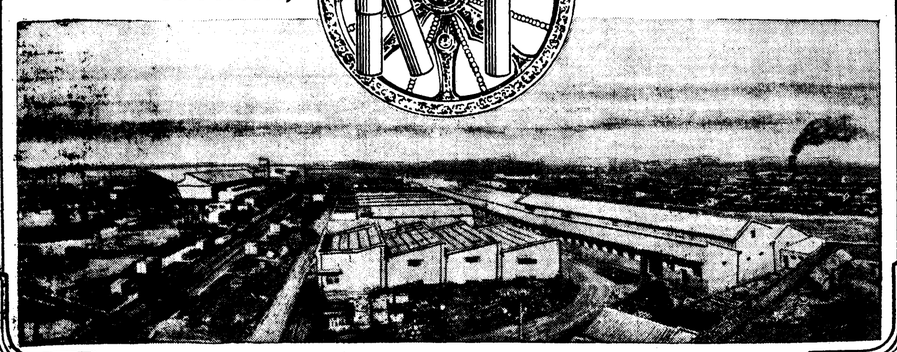
Announce the opening of their

NEW TUBE MILL

Our new mill goes into immediate production of 4", 5" and 6" nominal bore tubes to Indian Standard specifications. With the commissioning of this new mill the production target of one hundred thousand tons of tubes per annum is now attainable.

First to manufacture steel tubes and pipes in India, we were also the first to export, earning valuable foreign exchange.

CUTTACK, ORISSA



KALPANA KT. 28.

UNDER SECRETARY TO GOVERNMENT 29 MAY 196 PUBLIC DEPARTMENT

SYNOPSES OF COMPANY REPORTS

Hindustan Electric Co., Ltd.

(*Managing Agents*: Messrs. Dharmsinh & Co., Bombay.)

Annual General Meeting—15th June.

Working Results:

	For the year ended 30th April (In thousand rupees)	
	1960	1959
Sales (including parts, accessories and scraps)	1,62,35	1,93,05
Closing stock	76,00	82,89
Gross profit	(—) 4,08*	13,61
Transfer to Managing Agents' commission	..	91
,, ,, depreciation	3,58	4,39
,, ,, development rebate	12	70
,, ,, taxation	Nil	1,75
Net profit	(—) 4,08	5,86
Adjustments	3,57†	43
Appropriations:		
Total available balance	(—) 51	6,29
Proposed dividends (taxable) Preference	Nil	1,72 (8.57%)
,, ,, ,, Ordinary	..	4,00 (10%)
Carry forward	(—) 51	57

N.B.—Adjustments include the balance brought forward from the previous year.

* Loss after providing for depreciation and development reserve.
† Includes Rs. 3 lakhs transferred from general reserve.

Extracts from the Directors' report: For the year under review, for the first time in its history extending over a decade, the Company has made a loss on account of unhappy circumstances practically covering all the aspects of its activities. The continued labour troubles at Howrah resulted in its closure as from 10th December 1959 upto the 10th October 1960 for full 10 months. For the second consecutive year, the Howrah Works which represents major investment and, therefore, unit has proved to be the drain and is responsible for this year's loss. In view of continued labour problems and losses at Howrah, the company had to look for other site to undertake Transformer and Switchgear production. When the Works closed, it had large commitments with customers, suppliers, bank etc. and all of them had to wait till Works reopened.

Adverse conditions on account of power shortage reduced the Company's production demand, particularly in respect of transformers, motors and switch fuse gears. The Company was obliged to reduce production, lay off workmen and even effect retrenchment. Most of the sales was effected against such demand as was available in a competitive market at sacrificial prices. Though the Cable Works had its order books full, it had to remain closed for some months due to shortage of raw materials arising out of foreign exchange difficulties and the Governmental delay in procurement of *High Tensile Steel* under Development Loan Fund by world tenders.

The Company has commenced fabrication of machinery and equipment for establishing the new 5,000 tons ACSR and All Aluminium Conductors Plant in Rihand area. It is expected to go into production by February-March 1962. The Baroda Works commenced production during the year and has trained its workmen, manufactured and delivered over 100 transformers of its own designs to the Gujarat State Electricity Board and has shown encouraging results. The manufacture of ACSR and AAC accessories has commenced at Faridabad. In the course of this year, the range of production will be expanded. Results, are encouraging.

The Company has received on 6th April 1961 the consent from the Controller of Capital Issues for the issue of 20,000 equity shares of Rs. 100 each to be issued for cash at par.

Accounts in brief as at 30th April 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	60,00,000	Gross block	57,20,491
Reserves	1,26,639	—Depreciation	20,49,885
Other liabilities	1,05,35,256		
		Net block	36,71,106
		Current assets	1,22,73,791
		Investments	2,45,417
		Cash	4,20,764
		P.L. account deficit	50,817
Rs.	1,66,61,895	Rs.	1,66,61,895

Travancore Ogale Glass Mfg. Co., Ltd.

[*Managing Agents*: Messrs. Ogale Brothers (Private) Ltd., Manjummal, Alwaye, Kerala State.]

Annual General Meeting—9th June. Dividends payable on and after 11th July.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	15,30	12,09
Closing stock	40	6
Gross profit	2,03	1,66
Transfer to Managing Agents' remuneration	12	10
,, ,, depreciation	87	71
,, ,, development rebate	15	15
,, ,, taxation	38	8
Net profit	51	62
Adjustments	12	10
Appropriations:		
Total available balance	63	72
Proposed dividend (taxable)	60 (6%)	60 (6%)
Carry forward	3	12

N.B.—Adjustments include the balance brought forward from the previous year and excess provision for dividend if any.

Extracts from the Directors' report: Taking into consideration the income-tax liability, the directors recommend payment of a dividend of 6 per cent, subject to deduction of tax, leaving a balance of Rs. 3,288 (Rs. 12,479) to be carried forward to the next year's accounts.

Though the production was higher by 30 per cent and the profit by 27 per cent the amount available for payment of dividend is just about the same as last year, since income-tax has to be paid in full from this year onwards on the profits earned hereafter.

During the [illegible] report, the automatic bottle plant went into [illegible] one machine was worked practically for the full year. The initial difficulties of working on an oil-fired furnace are now practically over and the directors feel confident of getting better and higher production this year. On account of shortage of steam coal, the other furnace did not give the expected full production. The Company is now planning to switch on to oil-firing for both the furnaces to get over the chronic shortage of steam coal.

The Central Government has approved reappointment of Messrs. Ogale Brothers (Private) Limited as managing agents for a further period of 5 years from 15th August 1960.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	9,98,980	Gross block	16,98,410
Reserves and surplus	33,288	—Depreciation	7,47,136
Other liabilities	6,78,857		
		Net block	9,51,274
		Block in progress	17,972
		Current assets	6,91,829
		Cash	50,050
Rs.	17,11,125	Rs.	17,11,125

Killicott Tea Co., Ltd.

(*Managing Agents*: Messrs. Duncan Brothers & Co., Ltd., Calcutta.)

Annual General Meeting—8th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales (gross proceeds of tea sold in London and Calcutta)	18,51	18,31
Closing stock (tea unsold in London and Calcutta)	12,20	9,81
Gross profit	8,20	6,66
Transfer to Managing Agents' remuneration	76	63
,, ,, depreciation	1,05	91
,, ,, taxation	2,90	2,40
Net profit	3,49	2,72
Adjustments	89	83
Appropriations:		
Total available balance	4,38	3,55
Transfer to reserves	1,55	1,55
Proposed dividend (taxable)	2,25 (25%)	1,58 (17½%)
Carry forward	58	42

N.B.—Adjustments include the balance brought forward from the previous year and other credit items such as dividends earned from companies in the same group; interest from deposits; forfeited dividends and profit on sale of fixed assets, etc.

Extracts from the Directors' report: Tea crop realised was 5,39,462 kgs. as compared with 5,18,584 kgs. in 1959. The average selling price realised was Rs. 5.09 per kg. as against Rs. 4.74 per kg. in the previous year.

Estimates for 1961 provide for a crop of 4,71,700 kgs. at an outlay of Rs. 18,69,550, including freight and sale charges. Planted area remains at 936.70 acres.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	9,00,000	Gross block	26,79,061
Reserves and surplus	20,29,929	—Depreciation	8,40,541
Other liabilities	13,25,998		
		Net block	18,38,520
		Expenditure in progress	17,109
		Current assets	15,82,520
		Investments	3,06,898
		Cash	5,10,885
Rs.	42,55,927	Rs.	42,55,927

British India Electric Construction Co., Ltd.

(*Mg. Agents*: Messrs. Balmer Lawrie & Co., Ltd., Calcutta.)

Annual General Meeting—2nd June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	88,78	74,68
Closing stock	24,57	24,60
Gross profit	14,04	8,77
Transfer to Managing Agents' remuneration	1,31	77
,, ,, depreciation	1,77	1,57
,, ,, development rebate reserve	29	33
,, ,, taxation	5,09	2,98
Net profit	5,58	3,12
Adjustments	74	68
Appropriations:		
Total available balance	6,32	3,80
Transfer to reserves	3,25	1,81
Proposed dividend (taxable)	2,25 (45%)	1,25 (25%)
Carry forward	82	74

N.B.—Adjustments include only the balance brought forward from the previous year.

Extracts from the Directors' report:—In pursuance of resolutions passed at an extraordinary general meeting of the Company held on 30th December 1960, the authorised capital was increased to Rs. 50,00,000 and early in 1961, 1,00,000 shares of Rs. 10 each were issued for cash at par to the members of the Company. The new shares so issued will be entitled to participate in the dividend, if any, which may be declared in respect of the year ending on 31st December 1961.

The dividend for 1960 which the Board has recommended above, will be payable in respect of the original issued capital of Rs. 5,00,000, whereas any future dividends will be payable in respect of the increased issued capital of Rs. 15,00,000.

Operations.—The production and sales of both *Switchgear* and *Electric Motors* showed a marked improvement over the previous year. The demand for these products continues to increase and steps are being taken to expand the working capacity of the Company.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	5,00,000	Gross block	26,52,140
Reserves and surplus	12,09,145	—Depreciation	16,10,502
Other liabilities	48,96,940		
		Net block	10,41,638
		Current assets	55,51,405
		Investments	3,500
		Cash	9,542
Rs.	66,06,085	Rs.	66,06,085

Caledonian Jute Mills Co., Ltd.

(*Directors*: R. L. Jatia, Esq., R. N. Bangur, Esq., D. P. Goenka, Esq. and B. P. Bajoria, Esq., Calcutta.)

Annual General Meeting—25th May.

Working Results:

	For the year ended 30th November (In thousand rupees)	
	1960	1959
Sales	1,16,08	1,00,99
Closing stock	11,89	6,22
Gross profit	10,68	9,35
Transfer to Managing Agents' remuneration	17	60
,, ,, depreciation	2,63	2,64
,, ,, development rebate reserve	1,53	*
,, ,, taxation	3,15	2,25
Net profit	3,20	3,86
Adjustments	61	35
Appropriations:		
Total available balance	3,81	4,21
Transfer to reserves	30	1,05
Proposed dividends (taxable) 7% Preference	1,12†	70
,, ,, ,, Ordinary	2,16 (12%)	2,16 (12%)
Carry forward	23	30

N.B.—Adjustments include the balance brought forward from the previous year; provision for wealth tax no longer required; provision for contingency not required.

* Only Rs. 407 was provided for development rebate in 1959.

† Includes supplemental dividend on 7 per cent. cumulative preference shares for the year 1959 under the Preference Shares (Regulation of Dividends) Act, 1960.

Extracts from the Directors' report: Apart from the difficulty of supply, during the period under review, the rise in the prices of raw material has been disproportionately high to that of the goods. So far as the working of the current year is concerned, it is very difficult to give definite views, but it is expected that with a bumper new crop, the simultaneous business may be possible resulting in profit.

The resignation of Messrs. Andrew Yule & Co., Ltd., as managing agents of the Company, with effect from 1st March 1960 was accepted by the members of the Company in the general meeting held on 29th June 1960.

The directors are pleased to report to the shareholders of the Company that the modernisation of the *Hessian Section* and *Sacking Warp Section* of the Mill has been completed while the modernisation of the *Sacking Weft* is under consideration.

Accounts in brief as at 30th November 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	28,00,000	Gross block	92,72,655
Reserves and surplus	29,28,000	—Depreciation	51,06,126
Other liabilities	21,68,806		
		Net block	41,66,529
		Current assets	36,86,890
		Investments	46,514
		Cash	46,873
Rs.	78,96,806	Rs.	78,96,806

South Karanpura Coal Co., Ltd.

[*Secretaries and Treasurers*: Messrs. Bird & Co. (Private) Ltd. Calcutta.]

Annual General Meeting—29th May. Dividends are payable on or after 14th June.

Working Results:

	For the year ended 31st August (In thousand rupees)	
	1960	1959
Sales	37,78	38,25
Closing stock	10	7
Gross profit	3,07	5,14
Transfer to Managing Agents' remuneration	10	39
,, ,, Secretaries and Treasurers' remuneration	1	Nil
,, ,, depreciation	1,34	1,38
,, ,, taxation	56	1,65
,, ,, development rebate	53	9
Net profit	44	1,63
Adjustments	20	14
Appropriations:		
Total available balance	64	1,77
Proposed dividend (taxable)	44 (2½%)	1,57 (9%)
Carry forward	20	20

N.B.—Adjustments include only the balance brought forward from the previous year.

Extracts from the Directors' report: *Raisings and Despatches*.—192,482 tonnes of coal were raised and 191,226 tonnes despatched compared with 190,350 tonnes raised and 203,054 tonnes despatched during the previous year. The re-opening of No. 1 Pit to work the Argada Seam was completed during this period and coal raising commenced during May 1960.

Extremely difficult geological conditions were met throughout the property which resulted in a considerable increase in the cost of the coal raised. In addition, the Company's mines were declared gassy during this period by the Mines Department who also prescribed systematic timbering throughout, both of which factors added to the cost.

Transport.—The wagon supply position was very erratic during this period but overall it will be noted that despatches nearly kept pace with raisings. Since the close of the period under review, the wagon position has deteriorated considerably and it seems likely that raisings will have to be restricted.

Accounts in brief as at 31st August 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	17,50,000	Gross block	44,92,231
Reserves and surplus	9,29,411	—Depreciation	20,81,911
Other liabilities	15,49,038		
		Net block	24,10,320
		Block in progress	19,962
		Current assets	17,12,910
		Investments	34,103
		Cash	51,154
Rs.	42,28,449	Rs.	42,28,449

MONEY EASY

(*From Our Own Correspondent*)

BOMBAY, *23rd May*

There was a distinct improvement in conditions in the short-term money market during the week under review. Supply of funds was fairly large and borrowers were in a position to secure their requirements. The inter-bank call rate, however, ruled at 5 per cent per annum, but stray transactions were reported at 4¾ per cent. Some operators felt that the higher rate would not stay for long and that, in the coming week, the inter-bank call money would be available at 4¾ per cent. Other rates remained at the previous week's levels. For purposes of record, we give them below.

	Per cent
Inter-bank call money:	
Exchange and other large Indian banks ...	5
Other banks ...	5
Notice money:	
3 days or more ...	3
Term deposits:	
(i) 3 to 30 days (inclusive) ...	3
(ii) 31 to 60 days ...	3¼
(iii) 61 to 90 days ...	3½
(iv) 91 days and more but less than 12 months ...	3¾
(v) 12 months ...	4

The results of the 91-days' Treasury Bills of the Government of India sold through weekly tenders showed that, as against an invitation of Rs. 2 crores, equivalent amount was offered and accepted at the average rate of 2.750 per cent per annum, which is same as last week. 91-days' intermediate Treasury Bills sold from 17th to 20th May aggregated Rs. 43 lakhs, as against Rs. 65 lakhs last week. Their sales are being continued from 24th to 27th May.

A decline of Rs. 13.59 crores in demand deposits and an expansion of Rs. 11.37 crores in time deposits are disclosed by the statement of the scheduled banks for the week ended 12th May 1961. The deposits of the State Bank are only a shade higher by Rs. 20 lakhs. The borrowings from the Reserve Bank of India have gone up by Rs. 3.69 crores to Rs. 42.78 crores, and those against usance bills from the same institution by Rs. 2.24 crores. The scheduled banks' borrowings from the State Bank of India have also increased—those of demand nature by Rs. 41.41 lakhs and of time nature by Rs. 10 lakhs. On the assets side, advances and bills discounted have receded by Rs. 3.24 crores to Rs. 1,298.61 crores. A year ago, they stood at Rs. 1,135.12 crores. The advances of the State Bank declined by as much as Rs. 5.17 crores. The decline clearly shows that the advances of other scheduled banks must have actually risen by Rs. 1.93 crore. The investments of scheduled banks as a whole have expanded by Rs. 5.51 crores, and those of the State Bank by Rs. 2.44 crores.

The gilt-edged market was listless throughout the week. Demand was confined only to short-dated issues. 3 per cent 1986 (Conversion loan of 1946) declined further by 10 nP to Rs. 73.10. 3 per cent 1970-75 first development loan also shed 5 nP to Rs. 90.70. 3 per cent 1963-65 and 1964 loans however gained 10 nP each and both closed at Rs. 98.75. In the States' loan section, only 4 per cent. 1967 Bihar advanced by 25 nP to Rs. 98.25. All other States loans were on offer at the previous week's rates.

In the foreign exchange section, the rupee was slightly better in relation to the U.S. dollar. The banks' selling rate remained unchanged at Rs. 479.25 per 100 dollars, but the buying rate improved by 75 nP to Rs. 475 per 100 dollars. In the New York exchange market, the pound weakened further. The latest available rates are: 279.230—279.270 cents per £ for spot and 278.040—278.080 cents per £ for three months' forward. Over the week, the pound has declined by 0.13 cent in the spot and by 0.08 cent in the three months' forward.

FAIR DEMAND FOR TEA

(*Messrs. Forbes, Ewart and Figgis Private Ltd.*)

COCHIN, *16th May*

Offerings in sale No. 20 held today amounted to 577,000 kilograms. Quality was barely maintained. However, there were a few useful invoices on offer from the Nilgiris and Anamalais. The market opened to strong general demand which continued throughout the sale. There was keen enquiry for low mediums and mediums which were fully firm and sometimes dearer. Their fannings however met with less support. Good mediums were well supported at a decline of 5 to 10 nP per kilo. Nilgiris were well supported at a decline of 5 to 20 nP per kilo. Nilgiris were in useful demand but these were irregular and generally lower with the exception of few brighter invoices on offer which sold well. Clean, black leaf descriptions met with keen competition and were the strongest feature of the sale. Wholeleaf grades were generally easier with orange pekoes selling well. There was good support for a small selection of C.T.C. and tippy teas on offer. Quotations were:

	1961	1960
	Rs.	Rs.
Low mediums ...	4.40-4.55	3.75-3.95
Mediums ...	4.55-4.65	3.95-4.20
Good mediums ...	4.70-5.20	4.20-4.40
Nilgiri BOP ...	Rs. 4.60-5.60	

The avergage price realised in sale No. 20 was Rs. 4.60 per kilo as against Rs. 4.61 a week earlier and Rs. 4.21 in the corresponding sale last year.

Dust Sale No. 20: 247,000 kilograms were offered in the sale held on 18th inst. There was strong general demand. Low mediums were well supported and sold well at around last week's rates. There was good support for mediums which were fully firm. Good mediums, particularly those

BULLION FIRM

(*From Our Own Correspondent*)

BOMBAY, *23rd May*

The bullion market depicted a firm trend during the week under review. The firmness was engendered by poor fresh offerings and revival in demand. Some Delhi and Calcutta interests were active buyers. Consequently, prices registered a rise. The improvement would have been more marked but for the general bearish interpretation of the proposed three-monthly settlements in gold and silver. An informal meeting of the Bombay Bullion Association was held on Saturday the 20th inst. The meeting passed all the suggested amendments in the by-laws except for the trading unit of silver which was fixed at 10 kilograms, instead of the proposed 30 kilograms. The delivery months are to be *Margashar*, *Falgun*, *Jeth* and *Bhadrapad*. The maximum carry forward rates are fixed at 40 nP in gold and 80 nP in silver. Business in the quarterly contracts will commence only after the Forward Markets Commission gives its approval.

The daily average offtake of gold during the week was higher at 5,500 tolas, as against 4,500 tolas, while arrivals were slightly less, being 6,750 tolas, as against 7,000 tolas. The reverse was the case in silver. The average daily offtake was 8 bars (14 bars in the previous week) and rate of arrivals was 29 bars (14 bars). The floating stocks are reported to be around 40,000 tolas of gold and 500 bars of silver.

Adjustment rates fixed today were Rs. 119.50 per 10 grams of gold and Rs. 199.90 per kilogram of silver. The corresponding rates for last week were Rs. 118.20 and Rs. 198.35.

The *Jeth Adhik* (first) settlement in gold began the week at Rs. 118.15, as against the previous close of Rs. 118.35, and steadily moved up to touch Rs. 120.05 today. The second settlement fluctuated between Rs. 118.30 and Rs. 117.20 before closing at Rs. 118.15, as against Rs. 117.35 last week-end. The rate for transferring commitments from the first to the second settlement continued to be against bears. Actually, the rate increased from 85 nP on Wednesday last week to Re. 1.10 on Friday, and further to Re. 1.80 yesterday, so that the bulls were required to pay a higher margin of Rs. 20 per 10 grams, as against Rs. 8 previously. The carry forward rate was lower at Re. 1.65 today.

Ready gold was quoted at a premium over the *Jeth Adhik* settlement throughout the week, except for today when it was quoted at a discount of 15 nP. The closing rate was Rs. 119.75, as against Rs. 118.40 last week-end, the highest level touched being Rs. 120.05 yesterday. The premium was 25 nP on Saturday.

In silver, the *Jeth Adhik* settlement rallied from Rs. 198.35 to Rs. 200.30 before finishing at Rs. 220.25. The second settlement advanced from Rs. 197.05 to Rs. 199.35. The closing was 5 nP lower. The rate for transferring commitments from the first to the second settlement was less than a rupee against bears—it was 95 nP today, as against Re. 1.30 on Wednesday last week—and so no margin was in force.

Ready silver met with good support and rose from Rs. 198.35 to Rs. 199.95 today, though it was a shade easy at Rs. 199.90 towards the close. At this level, the discount under the *Jeth Adhik* settlement was 35 nP. On Wednesday last, it was on par.

The world price of gold in the London bullion market was slightly better at $35.06½ per fine ounce, as against $35.06¼.

The following table shows the trend of the market during the week under review:

	23-5-1961 (closing)	High	Low	17-5-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	119.75	120.05	118.25	118.40
Forward:				
Jeth Adhik*	119.90	119.65	118.25	118.20
Jeth 2nd	118.25	118.30	117.20	117.35
Sovereign	94.50	—	—	94.75
SILVER				
Ready (.996 fine)	199.90	199.95	197.00	198.35
Forward:				
Jeth Adhik*	200.25	200.30	197.50	198.35
Jeth 2nd	199.30	199.35	196.75	197.05
London—	22-5-1961			16-5-1961
Silver Ready	79¼d.	—	—	79¼d.
Silver Forward	79¼d.	—	—	79¼d.
Gold	251s. 0½d.	250s. 0¼d.	250s. 0¼d.	251s. 0½d.
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 31st May settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

with useful colour, were in keen demand at dearer rates. Teas from the Nilgiris district were in fair demand but these were generally lower. Residuals were again the weakest feature of the sale.

The average price realised in dust sale No. 20 was Rs. 4.41 per kilo as compared with Rs. 4.40 a week ago and Rs. 4.10 in the corresponding sale last year.

Colombo: This week's export sale met with a good demand but prices were generally easier. Teas from Western districts were substantially lower following quality. Medium descriptions from the Uva district were easier by 10 to 15 cents. However, lowgrowns were firm to dearer.

London—North Indian and other growths: There was good general demand and prices were fully firm to dearer, buyers showing more interests for best Assams.

Ceylon and South Indians: In Tuesday's sale 21,378 packages were offered. There was good but irregular demand; however prices remained generally unchanged.

COTTON FUTURES FALL FURTHER

(*From Our Own Correspondent*)

BOMBAY, *23rd May*

The cotton futures market ruled steady till Saturday but declined in the subsequent sessions. The steadiness was influenced by expectations of export quota for short-staple cotton and Bengal *Deshi*. Although there were reports that the Government was not in favour of releasing further quotas for short-staple cotton (other than Bengal *Deshi*) on the ground that the surplus was only marginal, the continued efforts made by growers and traders in Gujarat gave rise to strong hopes that the Government would at last be persuaded to allow export of some more cotton, possibly ⅞" staple. Shippers of Bengal *Deshi* also pitched their hopes high because the supply position of this cotton, according to them, warranted a further quota. The total supply of Bengal *Deshi* during the season is estimated at 393,000 bales (carry-over of 25,000 bales plus the crop of 368,000 bales). Export quotas released so far aggregate 160,000 bales. Internal consumption amounts to 160,000 bales. Even allowing for a carryover of 30,000 bales at the end of the season, there is still an exportable surplus of over 43,000 bales. Speculative buying prompted by these considerations imparted strength to the market till Saturday. The news of a record consumption of Indian cotton by mills in March 1961 further helped sentiment.

The I.C.C. August contract firmed up from Rs. 567.50 (per three quintals) at the beginning of the week to Rs. 572.50 on Saturday. This rate, however, was not maintained in subsequent sessions. The failure of the quota expectation to materialise and slackness of mill demand for ready cotton induced tired bull liquidation and speculative unloading which resulted in a setback to values. The August contract receded from Rs. 572.50 on the 20th inst. to Rs. 568.50 yesterday. This level was maintained in today's trading which was conspicuously dull. The net loss over the week was Re. 1.

In the spot section, activity was generally subdued. Mill buying was confined to selected popular varieties like CO2, L.147, Vijay, Digvijay. Stray demand was also reported for Wagad and Kalyan. Prices, however, tended to recede.

In anticipation of quota export demand was noted for ⅞" cotton and Bengal *Deshi*. Zoda and Yellow pickings were well favoured. It was officially notified on Friday that the ceiling fixed for the export of cotton 23/32" staple and below (other than Bengal *Deshi*) as per the quota announced on 5th May had already been reached.

Interest in foreign cotton centred round U.S. growths. Sizable business was put through in U.S. cotton. Sudan and East African cottons evoked moderate demand. The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri: CO2 1,00; Hubli Laxmi 985; Kalyan 837; American 1,235; Sudan XG3L 1,480.

Conditions in the Karachi cotton futures market during the week remained unchanged from last week. Values moved in a narrow range and showed little net change over the week. The undertone was steady. The report that the Government of India had decided not to issue any more quota for short-staple cotton (excluding Bengal *Deshi*) was noted with interest by operators although it did not induce any speculative rise in prices. N.T.R.G. May was unchanged at Rs. 71. The July position hardened by 30 nP to Rs. 70.30. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi: Sind *Deshi* 97; Punjab *Deshi* 94; 4F Punjab Roller 85.80; S.G. 90.80; N.T. Roller 92.80; S.G. 97.30; 289F Punjab Roller 93.80; S.G. 100.30.

Firm conditions prevailed in Alexandria cotton futures during the week under review. Both the Karnak and Ashmouni contracts rallied on support influenced by good foreign inquiries and renewed domestic spinner interest. Operators noted the reported decision of the U.A.R. Government to assume control of all cotton exporting firms in Egypt by acquiring 35 per cent of their share capital. Foreign buyers of Egyptian cotton consider that this step will have the effect of making Egyptian cotton dearer to them because it might bring about uniformity in the price of Egyptian cotton and deprive them of the benefit of competitive offers from Egyptian exporters which they now enjoy.

The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: May 69.65; July 70.53; *Ashmouni*: June 62.80; August 62.15.

Listless conditions prevailed in the Liverpool cotton futures market during the week. Trading was thin and price movements narrow. The intervening holidays (the market was closed on the 20th and 22nd inst.) were responsible for this lethargy. Even higher advices from New York failed to influence values. Inter-month switching and some occasional covering operations were the only feature of trading. Both the American and American type contract showed no change in quotations over the week. Sudan cotton contracts were quietly steady.

Cotton futures in New York recorded modest gains during the week under review. Speculative buying in distant positions influenced by the prospects of a poor start of the new crop led to a rally in prices. The continued firmness of the spot market also imparted strength to futures. New crop is expected to have a difficult start. April frosts, very high winds, and weevil attacks have caused early damage throughout Georgia. Wet soil had brought planting to a standstill, but about one-third of the crop has now been planted, though early stands of cotton have been reduced. Condition is reported as "fair to poor." At Lubbock there is the best subsoil moisture for 40 years, and an atmosphere of optimism prevails. A record acreage is in view. The weather is unusually warm, and cotton has been planted, although the more usual planting dates, in the

High Plains, begin around or after 10th May. For the third year running, there is a great shortage of water flow in the Central Valley of California. The flow is deficient in Nevada, due to very light snow-pack. Irrigated areas in Arizona will be restricted in their supply, and parts of Texas dependent on the Rio Grande will be short this summer. The flow of the Rio Grande, at San Marcial, is 55 per cent of normal.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	22-5-61	16-5-61	9-5-61
Spot	34.20	34.15	34.00
May	—	—	32.75
July	33.35	33.27	33.44
October	34.19	34.05	—

COMPULSORY "SQUARE-UP" IN STAPLE FIBRE YARN

(From Our Own Correspondent)

BOMBAY, 23rd *May*

On Wednesday last week, it will be recalled, the Board of the Bombay Yarn Merchants Association and Exchange Ltd. raised the floor rate from Rs. 815 to Rs. 865 for staple yarn (40 x 2) June contract while keeping intact the ceiling of Rs. 915, directed all its members to square up their outstanding business in the contract between the floor and ceiling prices, and made it clear that no fresh trading would be permitted in it. The steps were taken with a view to preventing a squeeze in the contract. Following these steps, business in staple fibre yarn came to a standstill. Yesterday, the Board announced its decision to square up all outstanding transactions at Rs. 915. It also *decided to permit trading* in August contract with effect from the 24th inst. without fixing any floor and ceiling rates. Goods of the specified 22 mills could be tendered in this new contract. In order to clear a squeeze the Board has permitted trading of 42 x 2 and 44 x 2 staple fibre at a premium of Rs. 25 and Rs. 50, respectively.

In the rayon yarn section, indigenous yarns, 60 x 1 Spot Cupressa Bemberg Yarn and 40 x 1 J. P. June contract tended to move up. But 60 x 1 Cupressa June contract was subjected to nervous selling which followed fears of possible large imports through the State Trading Corporation. Cotton yarns ruled dull. Transactions put through were limited and values moved narrowly.

Cupressa Bemberg Yarn (60 x 1) June contract was hammered down from Rs. 2,620 to Rs. 2,545. Spot Cupressa, however, spurted by Rs. 25 to Rs. 2,645. 40 x 1 J.P. June delivery hardened by Rs. 21 to Rs. 2,913. Among imported yarns 120 Japan shed Rs. 2 to Rs. 1,735. But 150 Japan and 120 Italy were firm at Rs. 1,777 and Rs. 1,625, respectively. Among indigenous yarns National Rayons 150 Bt. Cones 1st grade picked up 9 nP to Rs. 15.40. 120 Bt. Cones 1st grade advanced by 25 nP to Rs. 15.47.

Staple fibre yarn (40 x 2) June contract which had touched as high as Rs. 930 last week came down to Rs. 915 yesterday. All transactions will be squared up at this price. Spot Kohinoors evoked good support and recorded a rise of 16 nP to Rs. 10.87.

In the cotton yarn section, 10 counts Podars were quiet at Rs. 17.50 as also 20 counts Gokaks at Rs. 22.75 and New Greats at Rs. 21.25. Forty counts Maduras gathered 25 nP to Rs. 33. Sixty counts Finlays were well favoured and strengthed by 64 nP to Rs. 65.39. Gokaks were unchanged at Rs. 50.75. Eighty counts Finlays were dull at Rs. 81.75 and Mahendras at Rs. 68.68, while Moderns gained 10 nP to Rs. 70.10.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with those prevailing a week ago:

	22-5-1961	17-5-1961
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.)—		
June	2,545.00	2,620.00
Spot	2,645.00	2,620.00
40×1 J.P. June	2,913.00	2,892.00
120 Japan (per 100 kg.)	1,735.00	1,737.00
150 Japan (per 100 kg.)	1,777.00	1,777.00
120 Italy (per 100 kg.)	1,625.00	1,625.00
150 Italy (per 100 kg.)	—	—
Staple fibre yarn—40×2		
June (per 90.72 kg.)	915.00	930.00
Century (per kg.)	—	10.52
Kohinoor (per kg.)	10.87	10.71
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	17.50	17.50
20s New Great	21.25	21.25
30s Simplex	—	27.00
40s Madura	33.00	32.75
60s Finlay	65.39	64.75
80s Mahendras	68.68	68.68

OILSEEDS STEADY

(From Our Own Correspondent)

BOMBAY, 23rd *May*

Some suggestions designed to improve the working of hedge contracts in oilseeds have been put forward by a sub-committee of the Oilseeds Exchange. An important suggestion pertains to the abolition of the existing ordinary and special margins. The Committee has also recommended that in the case of groundnut and cottonseed there should be four contracts in a year, that is January, March, June and September, while there shall by only three contracts for linseed and castorseed maturing in the month of March, June and September. In the opinion of the Committee, two contracts should remain in operation simultaneously. Further, it has suggested the fixation of ceiling rates for groundnut and cottonseed at Rs. 225 and Rs. 105 per candy, respectively, and the floor rates of Rs. 175 and Rs. 80 for the two commodities. It also wants that a range per day of Rs. 5 in case of groundnut and Rs. 3 in case of cottonseed be allowed without enforcing any special regulations. No such suggestions have, however, been made in the case of linseed and castorseed. It is believed that all these suggestions have already been forwarded to the Forward Markets Commission.

Meanwhile, the Board of the Exchange met today to consider the question of framing by-laws of delivery contracts for oilcakes. No decision was taken and the matter was postponed for consideration at a meeting convened for Saturday when a final decision is expected to be announced.

The aforesaid developments did not have any perceptible effect on the market which put on a cheerful appearance during the week, thanks to tight supply position and sustained bull support. Castorseeds made further headway, with the maturing contract (May 1961) in the forefront, buying having been banned by the pronounced shortage of spot supplies of tenderable quality. In the groundnut sector, too, the seasonal pre-monsoon setback was not in evidence. Arrivals from upcountry centres were small, while there was good demand from *vanaspati* interests and local crushers. In sympathy, linseed, cottonseeds, and sesame were fully maintained.

Castorseeds May 1961 contract rose from Rs. 177.25 to Rs. 179.25. The backwardation charge, that is *badli* payable by bears to get commitments transferred from this settlement to the distant settlement (September 1961), which was only a rupee last week-end, widened to Rs. 2.25 yesterday, when the May contract stood at Rs.179 and September contract at Rs. 176.75. Today it fell to Rs. 175. Ready Madras put on 25 nP to Rs. 35.50. Ready Kanpurs were fully steady at Rs. 33.62. Oil Commercial improved by 10 nP to Rs. 15. Oil B.S.S. rose from Rs. 15.95 to Rs. 16.05, before closing at Rs. 16.

Among groundnuts, both Coromandels and Khandesh quality rose by 50 nP to Rs. 54. Nizam bold was firm at Rs. 53.50. Oil ex-mill was higher by 35 nP at Rs. 21.85, while railway receipts was unchanged at Rs. 57. In the hedge contracts, there was no trading as in previous weeks.

Linseed May 1961 contract gathered 13 nP to Rs. 37.94. The backwardation rate was 25 nP today, as against a contango (*badli* payable by bulls) of 3 nP last week-end. September 1961 contract, however, declined by 15 nP to Rs. 37.69. Bold ready was fully maintained at Rs. 37.50. Oil hardened by 5 nP to Rs. 15.80.

Cottonseeds September contract spurted by a rupee to Rs. 94.25 and May contract by 75 nP to Rs. 95.25. Non-whites and Berars were fully firm at Rs. Rs. 19. Whites, however, shed 25 nP to Rs. 19.

Sesame bold advanced by Rs. 10 to Rs. 370 (per 250 kgs.). But sesame oil shed 25 nP to Rs. 26.75.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	23-5-1961	17-5-1961	10-5-1961
	Rs.	Rs.	Rs.
Groundnut			
Nizam bold	53.50	53.50	53.25
Coromandel ready	54.00	53.50	53.50
Khandesh quality	54.00	53.50	53.75
Oil ex-mill ready*	22.10	21.80	22.50
Railway receipts*	21.85	21.50	22.00
Castorseed			
May 1961	179.25	177.25	176.62
September 1961	177.50	176.25	177.37
Ready Madras	35.50	35.25	35.25
Ready Kanpur	33.62	33.62	33.75
Oil B.S.S.†	16.00	15.95	16.05
Oil commercial†	15.00	14.90	15.20
Linseed			
May 1961	37.94	37.81	36.50
September 1961	37.69	37.84	37.09
Bold ready	37.50	37.50	36.00
Oil ready†	15.80	15.75	15.40
Cottonseed			
May 1961	95.25	94.50	94.00
September 1961	94.25	93.25	93.75
Niger seed	42.50	42.00	42.00
Kardi seed	27.00	26.50	26.25

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilgrams.

TEA SLIGHTLY EASY

(From Our Own Correspondent)

CALCUTTA, 22nd *May*

Although there was good demand for dusts on offer during last week's sale for internal consumption, prices realised were lower generally. Such a trend followed from reports of higher production, which encouraged the belief that prices were likely to fall as the season progressed.

North-east Indian gardens produced 19.08 million lbs. of tea in the last month, representing an increase of 2.5 million lbs. as compared to April 1960. The crop in the early months of the last year's season was affected by a severe drought and since in the months of April, May and June more quality tea is produced, exports were affected last year. However, most gardens had good rains during the last month and the current month also, and higher output is expected for this month.

Production in South India also has been higher. In the first three months of this year, 5 million lbs. more tea were produced than the corresponding period last year.

Trade circles here do not apprehend a glut in supplies, as production during this year is only expected to make good the loss of last year. Further, it is expected that internal consumption would show a further increase.

Dusts on offer during last week's sale for domestic consumption amounted to 22,841 chests. The general demand was good. Keen competition was offered to good C.T.Cs, prices of which gained. Clean medium C.T.Cs were about steady, while the more ordinary kinds eased. Fibrous teas also eased. Orthodox teas eased by 15 to 20 nP, but among these the smaller and brighter varieties met with good attention. Although an irregular trend was recorded in legg-cut teas, teas possessing brighter liquors met with keen attention. The quotations, inclusive of excise duty, per 1 kg. were as follows: good Assam C.T.C. dust Rs. 6.60 to Rs. 7.10, medium Assam C.T.C. dust Rs. 5.90 to Rs. 6.40, legg-cut dust Rs. 4.25 to Rs. 5.10, medium Assam dust Rs. 4.25 to Rs. 4.80, and plain orthodox dust Rs. 4.05 to Rs. 4.40.

Leaf on offer amounting to 414 chests met with good demand.

JUTES RECEDE

(From Our Own Correspondent)

CALCUTTA, 22nd *May*

The quiet conditions that prevailed in the jute markets during the week under review should be attributed to lack of buying support for both jute goods and raw jute. As a result, prices fell, but with continued reports of the need for mills to close down for some time as a result of shortage of fibre, the extent of the fall was so small that overseas buyers of goods *continued to prefer buying* small quantities here and there *towards* meeting day-to-day requirements only. The fall in fibre prices was also small, although sellers of the old crop were anxious for business. However, at current levels of prices for fibre and goods, manufacture has become uneconomic and the overseas buyer is not prepared to support even the present prices which, he thinks, are too high. It need no longer be emphasised that there is a very real shortage of fibre, and simultaneous business in fibre and goods can be put through only at considerable loss to the mills. The rapid fall in the prices of jute mills shares on the Stock Exchange is an index of the extent of the grave apprehension that current disparity between the prices of fibre and goods would be reflected in the working results of mills. If mills continue to buy from the poor stocks being offered in the market, prices are bound to rise. This, in turn, would force up prices of goods, already considered prohibitive by the foreign consumers.

It is against the above background that mills have impressed on the Government of India the need for ceasing operations for some time before the present season expires. The total stocks of fibre with mills are expected to last for about six weeks more reckoning monthly consumption at the existing rate of 420,000 bales. In other words, the existing stocks would last up to the beginning of July, and assuming that the new crop begins to reach mills' stations by the beginning of August, mills would be left with no fibre for three weeks. The Government of India would be willing to agree to a block closure of mills for a period from 10 to 14 days depending upon Government's own inquiries in regard to the position of supplies of raw jute. Meanwhile, the recent power crisis in Calcutta had meant reduced working hours for a few mills. This has naturally meant increasing the cost of production, leading to greater loss. In April alone, the loss of production due to the power crisis was 3,000 tons. In addition, a number of holidays also caused a fall in production, and the cumulative result was that output declined by 8,300 tons to 79,200 tons. At a time when mills' expenses have thus increased, the recommendations of the Wage Board have also contributed to raising cost of production further. It should be noted that, despite the marked fall in output in April, stocks of goods with mills as at the end of the month fell by 5,400 tons to 90,400 tons. At the end of March, stocks were 85,000 tons and thus the total availability in April was 164,200 tons. From these figures, it follows that in the month demand for goods was in the order of only 73,800 tons. A glance at the figures of despatches for April suggests that local consumers have also begun to react to the existing higher prices. For, gunny despatches for local purposes had fallen by 10,200 tons to 20,900 tons. Despatches for export fell from 54,900 tons to 51,900 tons.

The increased stocks at the end of April considerably strengthen the case of mills for closing down for some time. Meanwhile, it has been a good augury that jute districts in Pakistan and India have reported the occurrence of good rains, facilitating sowing. In the districts where sowings had been earlier completed and germination has taken place, the plants are reported to be in good condition. The decision of the Pakistani Jute Association that sellers of the new crop might quote for July-August shipment £15 per ton and £10 per ton lower than the present prices for prompt shipment of long jute and cuttings respectively should be taken as stemming from the belief of a bumper crop. Also, overseas buyers had shown interest only at lower levels than the E.P.C. prices. It is also to be hoped that with mills finding it uneconomic to buy fibre at current prices there would be a substantial fall in prices of domestic fibre. It has been good news during the week that the damages to the standing crop in Pakistan in the recent cyclone had been too much exaggerated and that the loss is not likely to be more than 200,000 bales.

It was reported during the week that the Bihar Government proposed the setting up of two jute mills in North Bihar. If this report is correct industry circles would like to know if the decision has gone without being questioned in New Delhi. At a time when the mills already established in the country are finding it difficult to continue in production first because of increasing competition from the better-placed mills in Pakistan and secondly because of the tight fibre supply position, it cannot be understood why more mills should be established in the country. The working of mills has become so uneconomic that in recent years a few mills had had to close down and several others have had to diversify production. The search for diversification by many mills continues at present also.

On Tuesday last, following the news, according to which the Government of India had not yet come to a decision on the representation of the Indian Jute Mills' Association for a block closure of mills, prices of goods eased. Local bazar dealers were under selling pressure and some mills also showed interest in near delivery goods. Ready B. twills declined from Rs. 168 to Rs. 166 and ready hessian 40" 10 oz. from Rs. 57.25 to Rs. 56.50. As usual, overseas buyers showed meugre interest despite the fall in price. The release of figures relating to April output failed to arrest the declining trend on Wednesday, as, despite the fall in output by 8,300 tons, stocks of goods at the end of April had increased by 5,400 tons. B. twills eased to Rs. 164 and hessian 40" 10 oz. to Rs. 55.25. On the following day, prices staged a fractional improvement following some business in hessian with the United States. Government agencies showed some interest in sacking goods. As a result, hessian 40" 10 oz. recovered to Rs. 55.75 and B. twills to Rs. 165.50. There was no follow-up business, and quotations received from New York showed that prices there fell by 0.20 cent per lb. These affected the local trend, and hessian 40" 10 oz. declined to Rs. 55.25 on Friday. In sympathy, B. twills eased to Rs. 164. Over the week-end, New York prices fell by a further stage of 0.10 cent per lb. No business was done over the week-end, and the improvement in the quotation for B. twills and hessian 40" 10 oz. to Rs. 165.50 and Rs. 55.50 respectively were nominal only.

Prices for fibre fell by about Re. 1.50 per maund. Opening and closing quotations for the principal varieties of the remaining portion of the old crop are given below. Sellers were anxious for business. However, mills' counter-offers at discounted rates did not meet with response from sellers.

(In Rs. per maund against May/June delivery)

	Opening	Closing	Decline
Northern bottoms ...	56.50	55.00	1.50
Assam bottoms ...	57.50	56.00	1.50
Dalssee bottoms ...	59.50	58.00	1.50

FOODGRAINS FIRM

(From Our Own Correspondent)

HAPUR, 22nd *May*

Steady to firm conditions were witnessed in foodgrain prices during the past week as arrivals of new *rabi* grains were still small and it was gathered that the cultivator was now retaining his produce. Under the lead given by gram, prices of all foodgrains registered gains during the week. Wheat prices at Hapur in the week-end were quoted at Rs. 14.25 to Rs. 14.75 a maund for average *dara* quality and Rs. 15 to Rs. 16 for better farm produce. Daily arrivals here were reported at an average of 1,500 maunds which were being lifted by consumers and there was now reported to be a small stock of 6,000 maunds of wheat here. Winnowing and threshing operations would soon finish and grain was now reaching the cultivator's godowns and this accounts for modest arrivals. Otherwise, wheat crop is reported to have been very good this time. Rice prices ruled quiet, thanks to continued arrivals from producing areas and demand was reported better due to hot season. Week-end prevailing prices were:—rice *mainpuri sela* Rs. 20.50, *gainda kutcha* Rs. 20.50, *ramajawayan sela* Rs. 23.50, *raimunia sela* Rs. 25, *basmati sela* Rs. 28 to Rs. 30, superior Rs. 32 to Rs. 38 a maund.

Gram prices continued firm on Punjab advices from where gram was flowing out to all consuming areas of the country. Daily arrivals here at an average of 1,500 maunds were mostly from the Punjab and local stock has swelled to 25,000 maunds. Barley and *bejhar* prices also improved in line with gram prices and arrivals of these coarse grains continued poor at an average of 150 to 200 maunds daily each. *Jowar* and *guwar* continued to attract good demand as sowings of these grains is being done mostly for fodder crops. Oats is also now reaching the market in small quantity of about 100 mds. daily and week-end prevailing prices were:—gram Punjab Rs. 13.75, local Rs. 13, barley Rs. 11 to Rs. 11.25, *bejhar* Rs. 10.62 to Rs. 11.37, oats Rs. 14, *guwar* Rs. 13 to Rs. 15.50, *jowar* brown Rs. 12, white Rs. 14.50, maize Rs. 13, *bajra* Rs. 19 to Rs. 20 a maund.

In pulses, peas superior quality continued to attract good demand and week-end offtake on Sunday was eight wagon loads to O.H.R. destinations and the Punjab. Daily arrivals were about 1,500 maunds average and local stock has mounted to 58,000 maunds. *Arhar* arrivals were also at an average of 1,000 maunds and superior quality was being lifted by grinders for *dal* and local stock is now put at 27,000 maunds. Prices of all pulses stayed steady and on Monday were quoted (in rupees per maund) peas *dara* 11 to 11.22, *farm* superior 11.50 to 12.75, peas *dal* 13, *arhar* 13 to 14, *arhar dal* 16.50, gram *dal* 16, *urd* 19.25 to 21.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 22nd *May*

Sugar prices ruled quiet during the week, thanks to easy supply position. Production of sugar here in west U.P. is still being continued as cane supplies in factory areas were still adequate and sugar production in U.P. is expected to touch new heights at 14 lakh tons. Some of the factories are likely to terminate their season by end of the month while some of them would continue even in June. Total production in the country is likely to touch the record figure of 3 million tons; the offtake, however, is expected to be static at 2 million tons. Sugar industry is faced with acute crisis due to accumulation of stocks and the Union Government is anxious to arrange exports even at subsidised rates, but export prospects were still bleak. Week-end prevailing prices were:—Rs. 106.75 per bag and retail 97 nP per *seer* in the open market.

Sugar prices ruled quietly steady during the week in the Muzaffarnagar market due to seasonal hot weather demand and upcountry inquiries and week-end prices were:—Rs. 107.25 to Rs. 107.50 per bag for dry quality and Rs. 99 to Rs. 101 for damaged stuff of the last season. Some of the factories in the area have already stopped their crushing season.

Khandsari prices were almost stationary during the week and trading too was slack. Crystal variety, however, sought lower level due to poor demand at higher levels. Week-end prevailing prices were:—inferior Rs. 27 to Rs. 31, superior Rs. 32 to Rs. 34.50, crystal Rs. 33 to Rs. 36 per maund.

Ready *gur* prices of superior quality sought higher levels during the week as there were reports still unconfirmed that *gur* is to be exported to foreign countries including Pakistan. Loading, however, here continued restricted and on Sunday which was open loading day, four wagon loads were despatched to the Punjab and Gujarat. Local stock is now put at 53,000 maunds and latest prices were:—superior dry Rs. 16.25, *kotha* dry Rs. 15.50, dry-wet Rs. 15, wet Rs. 14 a maund.

Gur prices were almost stationary during the week in the Muzaffarnagar where arrivals were now poor at an average of 1,000 maunds. Week-end prevailing prices were:—*Chaku* Rs. 15 to Rs. 17, *Ladoo* Rs. 16.50, *rusket* inferior Rs. 7 to Rs. 9.50, *rusket Chaku* Rs. 12.50 to Rs. 13, *shakker* Rs. 15.75 to Rs. 17, superior Rs. 20 to Rs. 23 a maund.

While *gur fagun* moved narrowly both ways in small scale trading, prices in *Ashad* delivery were bearish during the week. Week-end prevailing prices were:—*Gur Ashad* Rs. 14.67, *Fagun* Rs. 13.85, as against week's opening at Rs. 14.82 and Rs. 13.83, respectively, and lowest touched in mid-session at Rs. 14.60 and Rs. 13.80, respectively.

Notices

THE TRAVANCORE RUBBER AND TEA COMPANY LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE 17th Annual General Meeting of the Company will be held on Wednesday the 28th June 1961, at the Registered Office of the Company Chavadi Parambu, North Commercial Canal Road, Alleppey, at 2.30 p.m., to transact the following business:—

1. To receive and adopt the audited Balance Sheet and accounts for the year ended 31st December 1960 and the Reports of the Directors and Auditors.
2. To declare a dividend.
3. To elect a Director.

Note: Mr. R. Sundram Iyer, the retiring Director, is now 74 years of age. Special Notice has been received and is given of the following resolution proposed to be moved:—

"RESOLVED that Mr. R. Sundram Iyer, who has attained the age of 74 years, and who retires by rotation, be and is hereby reappointed a Director of this Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the Companies Act 1956 shall not apply to him."

4. To appoint Auditors.
5. To consider, and if thought fit, to pass with or without modification the following Special Resolution which will be proposed as a Special Resolution:—

"RESOLVED that the following Article be substituted in place of the existing Article 85 of the Company's Articles of Association effective from 1.1.1961:—

'85. The remuneration of the Directors shall from time to time be determined by the Company in General Meeting; and the Directors shall in addition be entitled to reimbursement of out-of-pocket expenses incurred in connection with the Company's business. If any Director is appointed to advise the Company as an expert or is called upon to perform any special service in the interest of the Company the Board of Directors may specifically remunerate him as it shall think fit.'

AND RESOLVED ALSO that, with effect from 1-1-1961 until otherwise decided by the Company in General Meeting, every Director shall be paid, subject to a maximum sitting fee of Rs. 1,500 per year, a sitting fee of Rs. 250 per meeting of the Board or any Committee of the Board attended by him; and further that all out-of-pocket expenses incurred for attending meetings of the Board or Committee shall be reimbursed to the Directors."

Explanatory Statement relating to Items Nos. 3 and 5 in terms of Section 173 of the Companies Act, 1956 has been forwarded to the members of the Company along with the Notice.

The Transfer Books and Register of Members of the Company will remain closed from 14th June 1961 to 29th June 1961 (both days inclusive).

Any shareholder unable to attend personally is entitled to appoint any person (whether a member or not) as his proxy to attend and vote instead of himself, subject to the provisions of Section 176 of the Companies Act 1956. Such proxy should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting.

By Order of the Board,

THE TRAVANCORE RUBBER & TEA CO. LTD.,

Per Pro. ASPINWALL & CO. (TRAVANCORE) LTD

C. PRABHAKARAN,

Managing Agents

ALLEPPEY, 25*th May* 1961

Note: The dividend, if declared, will be paid on or after 14th July 1961 to those shareholders whose names appear in the Company's books on the 28th June 1961 or to their Mandatees.

AMAR DYE-CHEM LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Seventh Annual General Meeting of the Shareholders of the Company will be held on Thursday, the 29th day of June, 1961, at 3.00 p.m. (S.T.), at 'Rang Udyan,' Building No. 1 Sitladevi Temple Road, Mahim, Bombay-16, to transact the following business of the Company:—

(1) To receive, consider and adopt the Directors' Report and audited statement of the accounts of the Company for the year that ended on 31st December, 1960.

(2) To declare dividends on Preference and Equity Shares.

(3) To appoint Directors in place of those Directors who retire by rotation.

(4) To appoint Auditors and to fix their remuneration.

(5) To pass Ordinary and Special Resolutions pursuant to Sections 359 and 369 of the Companies Act, 1956 as set forth in the notice of meeting circulated to the Shareholders with relative explanatory statement as required under Section 173 of the Companies Act, 1956.

By the Order of the Board of Directors

For AMAR DYE-CHEM LIMITED,

For AMRITLAL & CO. PVT. LTD.,

A. K. DOSHI,

Managing Director,

Managing Agents

BOMBAY.

Dated: 22*nd May*, 1961.

N.B.—(*a*) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member. Proxies in order to be effective must be received by the Company not later than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote.

(*b*) The share transfer books of the Company will be closed from Monday the 5th day of June, 1961 to Thursday the 29th day of June 1961, both days inclusive.

(*c*) If dividends on Preference and Equity Shares as recommended by the Directors are declared at the meeting, payment will be made at the Chartered Bank, Bombay, on and after Wednesday the 5th day of July, 1961 to those Shareholders whose names appear on the Register on the 29th day of June, 1961 to whom dividend warrants will be posted at their addresses registered with the Company.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 19th May, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	68,00,96,000
(2) Other Governments	15,21,73,000
(b) Banks	76,43,36,000
(c) Others	114,29,19,000
Bills Payable	40,88,03,000
Other Liabilities	63,27,36,000
Rupees	508,10,93,000

Assets	Rs.
Notes	15,44,07,000
Rupee Coin	2,42,000
Subsidiary Coin	7,13,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	42,09,21,000
Balances held abroad*	22,85,79,000
Loans and Advances to Governments†	81,03,55,000
Other Loans and Advances	121,92,20,000
Investments	203,42,36,000
Other Assets	21,24,20,000
Rupees	508,10,93,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 16,27,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	15,44,07,000	
Notes in circulation	1985,50,10,000	
Total Notes issued	....	2000,94,17,000
Total Liabilities	....	2000,94,17,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	113,00,89,000	
Total of A		230,76,92,000
B. Rupee Coin		118,23,18,000
Government of India Rupee Securities		1651,94,07,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2000,94,17,000

State Bank of India

Statement of Affairs for the week ended 12th May, 1961

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		543,00,49,000
Borrowings from Other Banking Companies, Agents, etc.		17,00,000
Bills Payable		12,29,77,000
Bills for Collection being Bills receivable as per contra		2,80,75,000
Acceptances, Endorsements and Other Obligations per contra		1,10,06,000
Other Liabilities (including Inter-Office Adjustments)		6,83,09,000
Total		579,28,66,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		20,83,48,000
Balances with other Banks		3,89,99,000
Money at Call and Short Notice		3,80,00,000
Investments:		
Government and other Trustee Securities	227,41,03,000	
Other Authorised Investments	9,48,95,000	236,89,98,000
Advances:		
Loans, Cash Credits, Overdrafts, etc.	254,47,61,000	
Bills Discounted and Purchased	15,93,19,000	270,40,80,000
Bills Receivable being Bills for Collection as per contra		2,80,75,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,10,06,000
Premises less Depreciation		1,79,23,000
Furniture and Fixtures less Depreciation		1,86,82,000
Other Assets (including Inter-Office Adjustments).		36,37,55,000
Total		579,28,66,000

State Bank of Pakistan

Statement of Affairs for the week ended 12th May, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Rural Credit Fund	1,00,00,000
Deposits:—	
(a) Central Government	6,04,36,000
(b) Provincial Governments	5,04,58,000
(c) Banks	19,85,48,000
(d) Others	117,55,01,000
Bills Payable	61,78,000
Other Liabilities	16,75,61,000
Rupees	174,01,82,000

Assets	Rs.
Notes	13,75,12,000
Rupee Coin	71,000
Subsidiary Coin	60,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	36,78,41,000
Loans and Advances to Governments	5,92,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	34,27,75,000
Investments	72,23,07,000
Other Assets	11,04,16,000
Rupees	174,01,82,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	13,75,12,000	
Notes in circulation	372,33,31,000	
Total Notes issued	....	386,08,43,000
Total Liabilities	....	386,08,43,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	24,86,11,000	
Silver Bullion	....	
Foreign Securities	81,15,52,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	149,03,27,000
B. Rupee Coin	2,95,87,000	
Government of Pakistan Securities	228,19,23,000	
Internal bills of exchange and other commercial paper	....	231,15,10,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	386,08,43,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 40.05 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 12th May, 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	50,72,40
(2) From others	710,29,51
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	28,81,97
(c) Other demand liabilities	54,39,03
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	17,65,32
(2) From others	1053,98,16
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	15,38,97
(c) Other time liabilities	22,65,75
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	9,89,56
(b) Time liabilities	4,12,00
(iv) Borrowings in India from the Reserve Bank of India (A)	42,77,55 (23,64,00)
(v) Cash in India	49,73,39
(vi) Balances with the Reserve Bank in India	72,14,84
(vii) Balances with Other Banks in Current Account in India	15,97,04
(viii) Money at call and short notice in India	44,63,75
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	552,65,01
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1100,44,57
(b) Due from Banks in India	8,28,44
(xi) Inland Bills purchased and discounted in India.	153,17,69
(xii) Foreign Bills purchased and discounted in India.	44,98,87
(xiii) Total of items (x), (xi) and (xii)	1306,89,07

Notes:—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1939 (pre-war)	12th May* 1961	5th May* 1961	A month ago *	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation.	173.37	2007.26	2002.38	2038.53	1901.48
Notes held in Banking Department	35.05	13.38	9.38	10.78	15.40
Foreign Securities	59.50	113.01	113.01	118.01	163.01
Rupee Securities	87.39	1671.94	1661.97	1692.11	1511.41
Banking Department					
Deposits of:					
Government of India	14.39	56.53	53.12	68.68	51.89
Other Governments.	..	14.20	15.07	8.99	25.92
Balances held abroad	10.06	21.94	17.68	9.98	13.77
SCHEDULED BANKS					
Demand Liabilities	134.36	815.41 (28.82)†	829.60 (30.19)†	828.37 (20.56)†	783.65 (14.51)†
Time Liabilities	102.24	1094.29 (15.39)†	1082.93 (14.75)†	1083.19 (12.75)†	1193.88 (24.80)†
Borrowings from Reserve Bank	..	42.78 (23.64)‡	39.09 (21.40)‡	56.90 (33.30)‡	49.16 (16.23)‡
Borrowings from State Bank	..	14.02	14.33	16.29	13.56
Cash in India	6.70	49.73	48.74	47.32	50.16
Balances with Reserve Bank	25.17	72.15	75.85	74.88	92.59
Balances with other banks in current account in India	..	15.97	13.45	16.47	15.50
Money at call and short notice in India	..	44.64	47.69	31.84	25.88
Investments (at book value)	..	552.65	547.14	560.41	741.37
Advances and bills	105.9	1306.89	1310.29	1319.96	1135.12
STATE BANK					
Deposits	87.76	543.06	542.80	560.82	631.63
Investments	51.99	236.90	234.46	246.42	389.99
Advances	30.35	270.41	275.58	280.21	216.83
Cash	14.69	24.73	24.15	24.65	39.71

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1959	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.45	3.41
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July., 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1959	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	4th May, 1961	4.50	5
Spain	[illegible] April, 1956	6.25	5.75
Sweden	[illegible] Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec., 1960	5.50	5
U.S.S.R.	[illegible] July, 1936	5	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.5	3

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

EXCHANGE RATES

		22nd May 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	$1-5\frac{31}{32}$	$1-5\frac{31}{32}$
Sellers T. T. D.D. upto six months	s.	$1-5\frac{29}{32}$	$1-5\frac{29}{32}$
Buyers T.T. spot to nine months	s.	$1-6\frac{1}{16}$	$1-6\frac{1}{16}$
Buyers T.T. 10 to 12 months	s.	$1-6\frac{1}{32}$	$1-6\frac{1}{32}$
Bombay on New York—			
Sellers T.T. D.D.	Rs.	479.25	479.25
Buyers T.T.	Rs.	476.00	475.75
London on New York	s.	2.7922-2.7925	2.7937-2.7939
London on Paris	Fcs.	13.6800-13.6825	13.6925-13.7000
London on Berne..	Sw. Fcs.	12.0865-12.0885	12.0900-12.0920
New York on London	s.	279.230-279.270	279.360-279.390

CLEARING HOUSE RETURNS

Centre	Week ended 19th May 1961: Number of Cheques	Week ended 19th May 1961: Amount Rs.	Week ended 12th May 1961: Number of Cheques	Week ended 12th May 1961: Amount Rs.
Bombay	4,07,396	94,15,50,000	3,56,358	82,14,71,000
Calcutta	2,09,000	74,10,00,000	1,86,000	58,43,00,000
Madras	99,431	12,28,57,503	98,665	11,81,68,320
All Centres—				
1957-58	..	..	41,672,000	88,54,90,00,000
1958-59	..	..	46,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
Mar., 1960	..	..	4,437,000	1,012,71,00,000
Jan., 1961	..	..	4,875,000	1,100,37,00,000
Feb., „	..	..	4,421,000	1,022,16,00,000
Mar., „	..	..	4,695,000	1,218,37,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	29th April 1961	22nd April 1961	30th April 1960	March 1961	March 1960	Percentage of Increase (+) or Decrease (—) in Mar., 1961 as compared with Mar., 1960	Annual Average 1960	Annual Average 1959
Food Articles	504	117.9	118.8	119.6	117.5	117.6	+ 0.4	120.2	112.2
Cereals	192	98.3	98.8	104.8	100.2	108.2	— 2.9	105.2	104.2
Pulses	42	88.8	86.5	90.6	92.5	89.9	+ 2.2	92.6	99.3
Fruits and Vegetables	23	121.9	118.2	136.9	105.4	128.0	—14.0	121.6	127.6
Milk and Ghee	51	121.0	112.8	115.8	115.2	119.7	+ 4.6	115.5	212.2
Edible Oils	47	160.2	160.5	139.2	163.8	126.0	+10.9	143.8	126.9
Fish, Eggs and Meat	17	126.0	124.2R	119.4	128.6	114.9	+ 7.0	121.1	110.4
Sugar and Gur	45	120.0	119.5	138.4	117.8	140.7	—16.6	138.6	143.0
Others	50	170.0	171.4	162.7	166.8	158.8	+ 5.9	165.6	168.4
Liquor and Tobacco	21	111.1	111.1	108.8	112.4	96.4	+17.0	106.4	100.7
Tobacco	—	108.3	108.3	107.2	110.7	94.1	+17.0	104.2	99.3
Fuel, Power, Light and Lubricants	35	122.3	122.4	118.1	121.2	117.8	+ 2.9	119.6	110.1R
Industrial Raw Materials	155	151.9	152.2	134.8	159.1	131.0	+20.6	128.8	118.7
Fibres	61	164.2	168.8	132.2	176.9	124.9	+41.6	189.8	110.2
Oilseeds	60	154.8	155.8R	141.4	160.7	140.5	+13.7	104.9	130.0
Minerals	2	95.2*	95.2	95.2	95.2	96.5	— 1.2	97.5	100.9
Others	32	126.8*	126.8*	129.5*	125.3	131.6	— 2.5	120.0	117.2
Manufacture	280	126.7	126.7	118.3	127.4	116.9	+10.7	120.6	100.7
Intermediate Products	41	136.2	136.1R	106.7	137.2	121.3	+12.2	107.1	111.1R
Finished Products	240	125.2	125.1	117.3	125.2	110.1	+16.6	119.2	108.5
Textiles	147	128.9	128.9	117.1	127.5	112.1	+10.3	121.2	104.6
Cotton	—	126.6*	126.6*	124.4*	128.0	122.7	+ 2.5	127.8	123.6
Jute	—	141.7	141.8	166.6	161.6	97.5	+65.7	115.3	87.2
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	107.6	104.8
Silk and Rayon	—	116.1	116.1*	102.9	117.1	102.8	+13.0	102.6	99.7R
Metal Products	12	146.9	146.9	148.3	146.7	147.7	— 0.5	147.0	143.7
Chemicals	20	105.5*	105.8	104.6	104.2	104.8	—	104.7	109.3
Oil Cakes	10	144.1	148.0	138.2	145.4	140.7	+ 2.2	140.2	143.7
Machinery and Transport Equipment	31	112.6	112.6	111.0	112.6	111.6	+ 1.4	110.7	105.6R
Others	30	118.6	118.6	114.6	115.5	114.6	+ 3.9	115.0	113.6R
All Commodities	1,100	126.7	125.2	121.3	127.6	118.9	+ 7.1	122.0	115.5

Note.—Weight shown against the sub-groups under each of the groups are those [illegible] to the respective sub-groups to arrive at the group index.

R—Revised.

* Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—Continued

X NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	Week ended 13th May, 1961	6th May, 1961	15th April, 1961	14th May, 1960
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.1	101.1	101.1	101.2
2. Government of India	101.0	101.1	101.1	101.0
3. State Government	101.9	101.9	101.9	102.7
4. Municipal, Port Trust, etc.	99.7	99.7	99.7	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.7	100.5	100.8	101.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	84.7	84.7	85.3	90.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	179.2	179.1	180.2	173.4
8. *Agriculture and Allied Activities: Total**	171.9	172.9	178.7	174.2
9. Tea Plantations	167.5	168.8	175.2	168.3
10. Coffee Plantations	180.1	185.0	193.4	211.3
11. Rubber Plantations	170.6	170.2	171.5	182.8
12. *Mining and Quarrying: Total*	165.1	165.7	167.0	165.7
13. Coal	129.3	129.4	127.8	125.0
14. Other Mining	189.6	190.6	193.9	193.6
15. *Processing and Manufacturing: Total*	193.5	193.0	193.9	186.0
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	197.1	195.9	196.0	183.1
17. Sugar	169.4	170.7	171.1	190.3
18. Cotton Textiles	162.8	162.9	163.5	147.9
19. Jute Textiles	91.1	92.2	95.5	93.6
20. Silk and Woollen	1147.7	1103.3	1112.9	1027.8
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	205.8	206.1	207.7	200.1
22. Iron and Steel	171.1	171.6	169.2	170.2
23. Transport Equipment	403.1	401.3	405.8	403.7
24. Electrical Machinery	162.7	164.9	164.5	137.7
25. Machinery other than Transport and Electrical	218.5	219.7	225.3	210.5
26. Basic Industrial Chemicals	218.3	215.9	217.3	197.1
27. *Processing and Mfg. (Others): Total**	159.8	160.0	163.0	169.0
28. Cement	141.9	141.0	144.0	146.9
29. Paper	209.3	211.9	215.9	234.1
30. *Other Industries: Total**	108.3	108.5	109.5	113.4
31. Electricity Generation and Supply	80.2	80.3	79.9	83.9
32. Trading	125.3	125.6	127.6	122.7
33. Shipping and Other Transport	100.3	99.7	101.5	119.1
34. Construction	278.0	284.0	288.1	313.9
35. *Financial: Total*	190.9	192.1	190.5	168.8
36. Banks	214.2	216.1	214.1	184.6
37. Insurance	146.0	144.7	143.6	141.8
38. Investment Trusts	91.7	91.6	91.1	94.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	185.8	184.2	184.8	176.8
40. Calcutta	165.7	167.1	167.7	161.5
41. Madras	192.2	192.2	196.7	190.1
42. Delhi	239.0	241.4	239.4	236.2

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	January to December 1959R	January to December 1960	January 1960	January 1961
Exports	618,79	622,63	50,85	53,68
Re-exports	6,94	12,24	53	66
Total Exports	620,73	634,87	51,38	54,34
Imports	940,39	1,011,35	71,29	83,79
Overall Balance of Trade	-319,66	-367,48	—19,91	—29,45
Exports—				
Tea	126,01	120,04	10,17	12,49
Jute yarns and manufactures	110,75	141,92	7,67	11,04
Cotton yarns and manufactures	66,14	62,87	5,94	5,96
Metallic ores and metal scrap	34,04	38,25	2,95	3,88
Cotton, raw and waste	16,37	10,72	87	58
Oils—vegetable, mineral and animal	17,81	15,78	1,32	58
Fruits and vegetables	21,01	24,69	1,82	2,30
Tobacco	13,84	15,65	26	29
Mica	10,31	9,82	64	76
Wool and other animal hair.	12,22	8,67	76	44
Gums, resins and lac	7,95	8,74	73	81
Spices	10,15	17,65	2,57	1,34
Hides and skins, raw	11,01	10,66	1,36	59
Imports—				
Machinery of all kinds	205,83	232,74	16,42	28,21
Iron and Steel	85,11	110,83	7,57	7,41
Oils—vegetable, mineral and animal	82,93	83,76	5,62	6,95
Chemicals, drugs and medicines	88,32	86,09	7,65	8,25
Electrical goods and apparatus	54,16	53,62	3,88	4,75
Vehicles (excluding aircraft, ships and boats)	61,99	51,00	4,28	4,11
Cotton, raw and waste	84,77	75,15	3,42	6,33
Fruits and vegetables	16,52	18,83	2,17	2,88
Paper, pasteboard, etc.	10,22	11,71	1,24	1,20
Dyes and colours	9,59	12,20	75	1,79
Spices	2,52	2,19	22	13
Woollen and worsted fabrics	23	23	2	1
Cotton fabrics	1,19	79	8	4
Rice	11,42	18,66	1,63	..
Wheat and Spelt	134,93	103,51	5,13	1,05

R—Revised Figures.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1961					
28th Feb.	2.00	2.00	2.00	2.750	99.310
8th Mar.	2.00	2.00	2.00	2.750	99.310
14th March	2.25	—	2.25	2.750	99.315
15th to 17th Mar.*	0.05	2.00	0.05	—	99.331
20th Mar.	2.00	—	2.00	2.750	99.310
21st to 25th Mar.*	0.70	2.00	0.70	—	99.331
27th Mar.	2.00	2.00	2.00	2.750	99.310
4th April	2.00	—	2.00	2.750	99.310
5th to 8th April*	1.60	2.65	1.60	—	99.331
11th April	2.00	—	2.00	2.750	99.315
12th to 15th April*	0.10	2.00	0.10	—	99.331
18th April	2.52	—	2.52	2.750	99.315
19th to 22nd April*	1.00	2.20	1.00	—	99.331
25th April	2.00	—	2.00	2.750	99.315
26th to 29th April*	2.55	2.00	2.55	—	99.331
2nd May	2.00	2.00	2.00	2.750	99.310
3rd to 6th May*	1.08	—	1.08	—	99.331
9th May	2.00	2.00	2.00	2.750	99.310
10th to 13th May*	0.65	—	0.65	—	99.331
16th May	2.25	2.00	2.25	2.750	99.315
17th to 20th May*	0.43	—	0.43	—	99.331
23rd May	2.00	2.00	2.00	2.750	99.310
Total amount outstanding	15.18	..	15.18	..	..

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay June (1934=100)	Ahmedabad (1949=100)	Sholapur January (1928=100)	Kanpur (1949=100)	Nagpur (1949=100)	Calcutta August (1939=100)	Madras City (1949=100)	Delhi (1949=100)	Ajmer (1949=100)	Gauhati (1949=100)	Jamshedpur (1949=100)	Jabalpur (1949=100)	Bangalore (1949=100)
1958 Average	116	395	110	313	98	120	384	124	113	103	108	123	109	131
1959	121	412	125	340	98	132	384	133	120	106	98	125	108	140
1960	124	423	120	357	99	136	397†	143	120	107	103	120	109	146
February 1960	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July	126	423	122	362	101	137	406	145	121	109	108	119	109†	146
August	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept.	125	418	122	364	101	138	403	146	122	108	102	122	108	147
Oct.	125	421	123	365	102	137	396	148	122	108	105	119	108	147
Nov.	124	423	121	367	102	135	392	150	121	110	102	122	108	147
Dec.	124	419	120	362	100	134	385	151	121	110	102	121	108	148
January 1961	123	419	119	358	100	..	385	146	122	111	103	120	109	148
February	123	420	119	350	102	130	..	147	123	111	103	121†	109	148
March	124	423	..	349	..	..	..	..	124	111†	..	121†	109†	..

† Provisional

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Outstandings	Cumulative Time Deposits 10-Year J Outstandings	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	10-Year Treasury Savings Deposit Certificates 4% C Receipts	10-Year Treasury Savings Deposit Certificates 4% C Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings H
1957-58	..	..	2,22	4,73	142,45	71,45	71,43	179,36	213,91	23,11	—39,73	43,58	538	547	63	1,87	264,35	509,79
1958-59	3	2	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	635	11,63	67	2,41	286,27	590,08
1959-60	51	30	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,36
February 1960	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,27	41,84	1,05	20,79	6	2,86	25,71	644,99
March	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41,29	41,68	96	21,76	6	2,90	43,47	667,36
April	57	34	1,51	3,11	97,35	6,47	226,14	17,87	253,58	19,68	—41,35	41,58	1,63	23,16	9	2,98	26,16	670,00
May	64	38	1,50	3,07	95,55	6,45	231,20	17,00	251,94	19,55	—41,41	41,50	1,06	24,19	5	3,01	24,67	672,58
June	73	42	1,48	3,02	93.84	5,76	235,58	17,35	253,22	19,50	—44 46	41,41	84	25,05	5	3,04	24,13	677,33
July	81	47	1,45	2,98	92,30	5,83	240,30	15,25	255,92	19.44	—41 49	41,32	1,11	26,09	4	3,07	22,36	684,15
August	89	52	1,43	2,91	90,90	6,78	245,82	19,75	261,00	19,38	—41,54	41,21	1,17	27,23	9	3,14	27,92	694,43
Sept.	98	57	1,41	2,84	89,45	7,16	251,77	18,76	265,34	19 28	—41,60	41,14	1,52	28,71	6	3,18	27 64	704,67
October	107	62	1.39	2,79	88.02	7,05	257,63	16,90	267,22	19,20	—41,64	41,09	1,42	30,27	5	3,22	25.56	712 52
Nov.	117	68	1,36	2,73	86,80	6,21	262,71	17,90	269,23	19.13	—41,67	41.02	1.49	31.73	5	3.25	25.81	719,81
Dec.	129	74	1,32	2,67	85,42	6,75	268,19	19,04	272,04	18,98	—41,74	40,97	1,28	32,88	5	3,29	27,30	727,84
January 1961	141	80	1,29	2,62	84,20	6,47	273,41	18,08	274,29	18,89	—41,80	40,90	1,04	34,15	6	3,32	25,83	735,28
Feb.	..	..	..	..	..	..	..	..	..	..	..	39,88	1,60	35,75	5	3,36	..	..

Note.—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of December 1960 amount to 11.38 crores of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1963-65	98.75
3 % Loan	1950	80,33,10,000	1964	98.75
3 % Fg. Loan	1948	1,10,11,78,000	1966-68	95.80
3 % Dev. Loan	1945	1,15,05,33,000	1970-75	90.70
2½% Loan	1946	57,60,69,000	1961	99.50
2¾% Loan	1946	14,77,46,000	1976	83.50
2¾% Loan	1947	75,86,72,000	1962	98 55
3½% N. P. Bonds	1953	75,29,00,000	1961	100 00
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.90
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.95
3½% Loan	1956	1,07,27,36,000	1962	99 90
3½% N. P. Bonds	1956	93,81,83,000	1967	99.00
3¾% Loan	1956	86,63,53,000	1974	99.60
3½% N. P. Bonds (4th Series)	1957	56,09,80,000	1967	100.50
4 % Loan	1957	49,17,27,000	1972	100.45
3½% Loan	1958	58,05,92,000	1963	100.10
3¾% Loan	1958	70,00,00,000	1968	98.70
3½% Loan N.P.B.	1958	34,33,90,000	1968	100.50
4 % Loan	1958	49,51,44,000	1973	100.40
3½% Loan	1959	1,37,90,93,000	1969	98.70
4 % Loan	1959	81,06,38,000	1970	100.05
4 % Loan	1960	97,64,00,000	1980	99.90
3½% Bonds	1960	82,66,00,000	1966	99.70
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,03,33,000	M.	72.00
3 % Loan	1946	2,48,91,33,000	K.	73.10
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.80
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98 80
4½% Andhra	1958	5,48,31,000	15th July 1970	101.00
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	97.75
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	98.35
3 % Maharastra	1949	5,29,97,000	1st Aug. 1962	98.50
3½% Maharastra	1951	2,82,97,000	17th Sept. 1962	99.80
4 % Maharastra	1953	5,10,80,000	15th July 1963	100.00
4 % Maharastra	1952	3,40,34,000	1st Aug. 1964	99.90
4 % Maharastra	1955	9,56,29,000	1st Sept. 1967	99.50
4 % Maharastra	1956	7,82,20,000	3rd Sept. 1970	99.25
4½% Maharastra	1957	6,57,23,000	16th Sept. 1969	101.20
4½% Maharastra	1958	6,58,21,000	15th July 1970	101.20
4½% Maharastra	1958	4,85,25,000	15th July 1971	101.20
4 % Maharastra	1959	6,58,12,000	19th Aug. 1971	99.00
4 % Maharastra	1960	10,00,00,000	29th Aug. 1969	99.50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98 00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98 00
4½% Bihar	1958	2,76,71,800	13th Oct. 1970	101.05
4 % Bihar	1959	8,83,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	8,00,00,000	29th Aug. 1969	98.80
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	99.45
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98 00
4 % Hyderabad	1956	2,19,02,000	3rd Sept. 1968	98.00
2¾% Madras	1946	8,81,77,000	1st Sept. 1961	99.05
3½% Madras	1951	2,91,40,300	17th Sept. 1962	99.75
4 % Madras	1953	10,33,71,000	15th July 1963	99.90
4 % Madras	1952	5,24,31,200	1st Aug. 1964	99.90
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.60
4 % Madras	1956	13,33,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	101.10
4 % Madras	1959	5,72,72,000	19th Aug. 1971	98.00
4 % Madras	1960	12,00,00,900	29th Aug. 1969	98.35
4 % Mysore(ƒ)	1953	2,96,85,200	1st Dec. 1953-63	101.40
3 % Mysore(ƒ)	1936	5,99,73,000	26th Apr. 1956-61	99.80
4 % Mysore	1953	3,33,47,000	15th July 1963	99.80
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.40
4½% Mysore	1957	3,24,36,000	16th Sept. 1969	101.10
4½% Mysore	1958	3,51,61,000	15th July 1970	101.10
4 % Mysore	1959	5,48,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	98.35
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	95.60
3½% M.P.	1951	1,02,16,100	17th Sept. 1962	99.50
4 % M.P.	1953	1,10,15,000	15th July 1963	99 40
4 % M.P.	1955	1,66,12,000	1st Sept. 1967	98 00
4 % M.P.	1956	1,56,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,80,000	15th July 1970	101.05
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97.50
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	98.00
4 % Saurashtra	1955	3,50,31,000	1st Sept. 1967	98.85
4 % Saurashtra	1956	3,66,08,000	3rd Sept. 1968	98.85
4 % Kerala	1953	3,25,61,000	15th July 1963	99.00
4 % Kerala	1956	3,22,06,000	3rd Sept. 1968	98.10
4½% Kerala	1958	3,27,16,000	15th July, 1970	100.50
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.20
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.10
2½% U.P.E.A.	1942	44,38,89,000	..	48.70Z
3 % U.P.	1936	1,56,31,000	15th Sept. 1961-66	92.25
2¾% U.P.	1946	2,12,62,000	1st Sept. 1961	98 50
3½% U.P.	1951	1,36,22,000	17th Sept. 1962	99.70
4 % U.P.	1953	3,30,14,000	1st Aug. 1964	99 90
4 % U.P.	1953	3,55,25,000	15th July 1963	99.90
4 % U.P.	1955	3,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	3,43,36,000	3rd Sept. 1968	98.50

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
		BOMBAY		
Rs.				Rs.
86,50,000	4	1904	1964	97.00 (1904 to 1912)
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,376	4	1913*	1960	D
80,00,000	4	1913	1974	97.00
88,25,000	4	1914	1975	97.00
10,00,000	4	1915*	1960	D (1915* to 1941)
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
43,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
		CALCUTTA		
Rs.				Rs.
90,24,300	4	1914	1974	90.00
76,90,100	4	1915	1975	99.00
50,00,000C	3††	1921	1981	82.00
66,02,300C	6½‡	1921	1961	144.00N
60,00,000	4½	1931	1991	98.00
50,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1953-68	96.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2¾	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
		STERLING LOANS		
£392,000	5	1923	1953-83	£68
£301,000	5	1924	1954-84	£63
£385,100	5½	1932	1962	£96½
		MADRAS		
Rs.				Rs.
28,48,275	3½	1947	1977	A (1947 to 1954)
9,86,000(ƒ)	3	1947	1977	
3,00,000(ƒ)	3	1949	1979	
45,00,000(ƒ)	4½	1954	1964	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
		BOMBAY		
Rs.				Rs.
30,00,000	4	1901	1961	97.75 N (1901 to 1912)
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	97.50 N (1913 to 1919)
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	
66,00,000	6	1920	1955-80	118.00
25,00,000	5	1926	1956-86	
25,00,000	4	1927	1961-79	115.00
10,00,000	3	1936	1966	96.00
		STERLING LOANS		
£566,600		1909	1968	[illegible]
£333,000		1910	1970	[illegible]
		CALCUTTA		
Rs.				Rs.
50,00,000	4	1934	1964	[illegible]
35,00,000	3½	1935	1965	96.90
30,00,000	3	1936	1966	97.75
50,00,000	3	1937	1966	96.00
20,00,000	3	1938	1968	91.75
80,00,000	4	1952	1963-68	100.00
1,02,00,000	4	1956	1962	99.25
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	90.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
		BOMBAY		
Rs.				Rs.
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1920	1980	113.00N
8,25,00,000	3½	1947	1977	86.50
2,13,14,500	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,34,000	3½	1951	1966	98.00
1,30,00,000	4	1953	1963	99.00
92,19,00,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.00
1,57,50,000	4	1956	1968	99.00
1,74,00,000	4½	1957	1969	99.50
4,75,00,000	4½	1958	1970	99.50
3,30,00,000	4	1959	1971	97.00
		CALCUTTA		
Rs.				Rs.
10,00,000	5½	1932	1962	108.00
33,91,000	3½	1925	1965	95.00
60,00,000	3	1936	1966	91.00
47,50,000	3	1938	1968	91.00
21,10,000	3½	1942	1972	92.00
66,68,000	3½	1951	1966	98 50
87,56,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,900	4	1955	1995	97.25N
73,88,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
		MADRAS		
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,86,59,000	15th July 1970	101.10
4 % U.P.	1959	8,86,86,000	19th Aug. 1971	98.80
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	98.35
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	96.00
4½% Rajasthan	1958	2,70,88,000	15th July 1970	101.05
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,00,00,000	29th Aug. 1969	98 00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.25
4½% Orissa	1958	3,28,56,000	15th July 1970	101.05
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.25
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.00
4 % M. Bharat	1956	1,11,86,000	3rd Sept. 1968	97.75
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.50
4 % W. Bengal	1953	3,00,23,000	15th July 1963	99.90
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,80,000	15th July 1970	101.10
4 % W. Bengal	1959	7,00,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,00,00,000	29th Aug. 1969	99.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.00
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00

ABBREVIATIONS. N—Nominal. (ƒ) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1944.
Z—Interest free for first 12 years. L—Interest free for first 7 years. I—In eight instalments but inclusive of accrued interest.
M—[illegible] after three months' notice. K—[illegible] months' notice.

Notices

HERCULES INSURANCE COMPANY LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE TWENTY-SIXTH ANNUAL GENERAL MEETING of the Hercules Insurance Company Limited will be held at the Registered Office, 16, Hare Street, Calcutta, on Friday the Sixteenth June 1961, at 3 p.m., for the purpose of:

1. Considering the Accounts, Balance Sheet and the Reports of the Board of Directors and Auditors for the year ended 31st December, 1960.
2. Declaring a Dividend.
3. Appointing Directors in the place of those retiring.
4. Appointing Auditors and fixing their remuneration.

AS SPECIAL BUSINESS

5. Sanctioning the payment of Rs. 31,400 to the Directors as their fees for services rendered during the year ended 31st December, 1960.
6. To appoint a Director in the place of Mr. D. C. Kothari who holds office as a Director of the Company only up to the date of this General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956, from a shareholder of his intention of moving the following resolution:

"Resolved that Mr. D. C. Kothari be and is hereby appointed a Director of the Company."

The Share Transfer Books will be closed from the 9th June 1961 to the 16th June 1961, inclusive.

By Order of the Board,
E. K. SRINIVASAN,
Managing Director.

CALCUTTA, *22nd May*, 1961.

Note—1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

2. The dividend when declared will be paid only to those shareholders whose names appear on the Company's Register as on the 16th June 1961.

Explanatory statement as required by Section 173 of the Companies Act, 1956 has been forwarded to the members of the Company.

THE CHAMPDANY JUTE COMPANY LIMITED

THE DIRECTORS AT A BOARD MEETING held today decided to recommend to the shareholders in General Meeting the payment of a dividend at the rate of 5 per cent per annum or Rs. 5/- per share for the year ended 31st March, 1961.

A notice calling the Annual General Meeting for 16th June, 1961, will be published shortly.

By Order of the Board,
JAMES FINLAY & CO., LIMITED,
Managing Agents.

2 NETAJI SUBHAS ROAD,
CALCUTTA, *18th May*, 1961.

THE ALEMBIC CHEMICAL WORKS COMPANY, LIMITED

Registered Office:
Alembic Road, Industrial Area
BARODA-3

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-fourth Annual General Meeting of the Shareholders of The Alembic Chemical Works Co. Ltd., will be held at Baroda, at the Registered Office of the Company (Alembic Road, Industrial Area) on Thursday the 22nd June 1961 at 3-30 p.m. to transact the following business:—

1. To receive Directors' Report and Audited Accounts for the year ending 31-12-1960.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors,

and to do other Special Businesses specified in the Notice posted to every shareholder.

Notes: 1. Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

2. The transfer books of the Company will remain closed from Thursday the 1st June 1961 to Thursday the 22nd June 1961 (both days inclusive).

By Order of the Board,
For RAYUMA SERVICES,
RAMAN B. AMIN,
Partner,
Managing Agents.

15th May 1961.

UNIVERSAL CABLES LIMITED

BE IT KNOWN TO ALL CONCERNED THAT as and from 15th day of May, 1961 the name of Hindusthan Woollen Mills Ltd. (Registered Office: 8. India Exchange Place, Calcutta), has been changed to Universal Cables Limited. All communications may henceforth be addressed in the name of UNIVERSAL CABLES LIMITED.

By Order of the Board,
R. K. CHHAOCHHARIA,
Secretary.

CALCUTTA,
Dated the 15th May, 1961.

SUGAR

(Concluded from page 992)

Centre to give the industry further concessions in this regard. Meanwhile, the State Government, he said, would finalise soon decisions on the industry's demands for concessions in purchase tax, cane prices and payments facilities in the light of the opinions expressed by official experts. Assuring that these decisions would remove most of the difficulties, he called upon the mills to crush all cane standing in the fields.

A disquieting feature of the U.P. Government's cane development as highlighted by Mr. Bhawsinghka is that the Government is spending very little on this work, while large amounts are being realised from sugar mills in the form of cane cess. As he rightly urged, the State Government shou'd (a) spend a larger amount for the provision of better irrigation facilities, establishment of more research work centres and improvement of roads, (b) entrust the management of mechanised State farms to the mills, and (c) link cane prices to quality and the average selling price of sugar.

BANKING

(Concluded from page 979)

Rs. 404.54 lakhs in 1959 to Rs. 480.60 lakhs, raising the ratio of advances to deposits from 56.9 per cent to 69.2 per cent. The Bank's bill business has also maintained a steady growth as is clear from the increase in bills payable from Rs. 6.42 lakhs to Rs. 6.77 lakhs and the bills for collection from Rs. 95.40 lakhs to Rs. 98.28 lakhs. Acceptances, endorsements and other obligations too, show a perceptible rise from Rs. 26.8 lakhs to Rs. 31.48 lakhs. Investments are steady at Rs. 3.08 crores, and the ratio of the unpledged portion to deposits has slightly fallen from 36.4 per cent to 33.3 per cent.

The paid-up capital of the Bank is Rs. 1.25 crore. Reserves continue unchanged at Rs. 10 lakhs, as in the years 1958 and 1959, as the Directors have again transferred a portion of the profit to the doubtful debt suspense account and not to the general or statutory reserves account.

MARKET GOSSIP

(Concluded from page 979)

Bernstein Plan, rather than the revolutionary ideas of Professor Triffin and Mr. Stamp. In fact, the Bundesbank has already announced officially its readiness to enter into stand-by agreements of the kind favoured by Mr. Bernstein and Mr. Jacobsson. However, the conditions upon which West Germany would participate in a system of stand-by credits are still in the discussion stage between the Bundesbank and Bonn, but a large measure of agreement is reported to have already emerged. Informed sources also feel that the attitude of West Germany at Vienna is likely to prove decisive because it alone can readily find the money which would be required. But two conditions might be put by Germany for taking part in a stand-by scheme: (a) it must be looked upon as a means of giving first aid to countries in balance of payment difficulties—not as a permission for running a basic deficit, and (b) Germany should not be asked to bear an unduly large part of the burden.

WEEK'S STOCK EX

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 24th May 1961.

	Closing quotations 18-5-1961	High	Low	Closing quotation * 21-5-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	155.00	—	—	155.00
Apollo (2)	1.58	1.62	1.54	1.58
Baroda Rayon (100)	129.50	136.00	120.50	130.00
Bradbury (50)	63.40	65.30	63.50	65.00
Central India (100)	110.50	124.50	123.00	123.50
Century Mills (100)	619.50	674.00	110.00	113.50
Coorla Sp. (100)	135.50	—	621.00	670.00
Dawn (50)	125.00	130.00	—	135.50
Edward Textile (200)	300.00	—	125.00	130.00
Elphinstone (50)	81.00	83.00	—	300.00
Finlay (100)	315.00	322.00	82.00	83.00
Gokak (100)	186.50	190.00	315.00	320.00
Gold Mohur (100)	263.75	—	185.50	186.25
Gwalior Rayon (10)	48.50	52.00	—	263.75
Ind. Untd. Def. (1)	1.98	1.93	48.25	51.50
Ind. Untd. Ord. (10)	15.52	15.52	1.94	1.96
Indian Rayon (62.50)	63.00	63.50	15.36	15.48
Indore Malwa (100)	148.00	151.00	62.00	63.00
Khatau (100)	527.50	575.00	146.00	149.00
Kohinoor (100)	312.50	326.00	526.25	560.00
Lakshmi (250)	537.50	—	315.00	321.00
Mafatlal (100)	875.00	880.00	—	537.50
Minerva Mills (100)	69.50	72.00	860.00	865.00
Model Nagpur (250)	85.00	—	69.50	71.00
Morarji (100)	359.00	415.00	—	35.00
Mysore (50)	68.50	72.50	380.00	401.00
National Rayons (100)	529.50	569.00	68.00	72.00
New City (100)	150.00	—	533.50	561.00
New Great (100)	205.00	212.00	—	150.00
Phoenix (100)	142.00	145.50	205.00	212.50
Podar Mills (100)	148.00	151.00	142.00	148.50
Raymond Woollen (100)	117.50	128.00	148.00	148.00
Sassoon Silk (10)	14.48	—	118.00	128.00
Sassoon Spg. (10)	54.00	54.00	58.00	14.48
Shrinivas (100)	268.00	265.00	254.00	63.20
Simplex (50)	187.00	1,680.00	1,605.00	260.00
Standard (100)	1,503.00	276.00	268.00	1,555.00x
Svadeshi (100)	268.00	580.00	570.00	273.00
Swan (100)	568.00	165.00	159.00	575.00
S. I. Viscose (100)	159.00	61.00	58.00	165.00
Tata Mills (25)	58.00	132.00	129.00	59.00
Vishnu (100)	132.00	—	—	129.00x
Western India (1,000)	3,725.00			3,725.00
BANKS				
Bank of India (50)	123.50	123.25	123.00	123.25
Do. (New) (50)	125.00	125.50	125.00	125.50
Bank of Baroda (50)	100.25	100.50	100.00	100.25
Central (25)	60.50xd	60.50	60.00	60.00
Central 'A' (25)	61.00xd	61.30	61.00	61.00
Dena Bank (50)	58.50	—	—	58.50
Punjab National (10)	21.52	21.52	21.00	21.00
Union Bank (5)	6.32	6.40	6.28	6.40
United Com. (50)	80.00	—	—	80.00
ELECTRIC COS.				
Ahmedabad (100)	85.20	87.20	85.20	87.20
Amalgamated (10)	10.08	—	—	10.08
Andhra Valley (1,000)	1,017.50	1,017.50	1,015.00	1,017.50
Bom. Sub. El. (100)	90.00	91.00	89.50	80.50
Surat (100)	88.00	89.00	86.50	89.00
Tata Hydro (100)	104.50	105.50	104.00	104.50
Tata Power (1,000)	1,042.50	1,055.00	1,045.00	1,045.00
INSURANCE COS.				
British India (10)	12.16	—	—	12.16
Indian Mercantile (20)	46.00	46.25	45.50	46.00
New India (15)	61.50	62.00	61.00	61.00
New India 'A' (15)	62.50	62.75	62.20	62.70
Vulcan (10)	15.28	15.88	15.60	15.60
STEEL COS.				
Ind. Iron (10)	27.10	27.95	27.00	27.75
Mukand Iron (10)	27.50	28.50	27.50	28.25
Tata Steel Ord. (75)	150.75	158.75	150.75	157.50
SUGAR COS.				
Belapur (50)	284.00	294.00	284.00	290.00
Bhopal (10)	26.16	—	—	26.10
Chandeo (12.50)	25.75	—	—	25.75
Phaltan (50)	136.50	141.00	136.00	141.00
Walchand Ind. (100)	203.00	204.00	192.00	192.00x
CEMENT COS.				
Associated Cts. (100)	158.00	—	—	—
Digvijay (100)	162.75	168.50	158.00	162.25
Orissa (10)	14.60	14.68	152.50	155.50
			14.48	14.56
MISCELLANEOUS				
Alcock Ashdown (100)	308.00	312.00	308.00	310.00
Bom. Burmah (125)	609.00	647.50	609.00	641.00
Do. (New) (50)	212.50	222.50	212.50	231.25
Br. B. Petrol (1½ sh.)	1.32	1.34	1.28	1.34
Br. I. Corpo. (5)	8.48xd	8.45	8.28	8.28
Cooper Eng. (100)	169.50	172.00	160.00	172.00
Colour Chem. (100)	348.00	347.50	342.50	343.75
Hind Cycle (100)	101.00	—	—	101.00
Hindustan Lever (10)	47.00	47.50	47.00	47.50
Hindustan Motors (10)	20.96	21.84	21.08	21.00
I. C. & Invest. Corporation (100)	85.50	—	—	84.00
Indian Dyestuff (100)	512.50	587.50	507.50	639.50
Indian Copper (2 sh.)	5.28	5.52	5.24	5.52
Ind. Inv. Tr. (100)	79.00	102.50	100.50	79.00
Killicks (100)	100.50	45.00	43.00	102.00
Larsen & Toubro (10)	48.00	—	—	44.75
Mahindra & Mahindra (10)	19.76	20.24	19.52	20.24
New Central Jute (10)	20.36	20.68	19.52	20.08
Polson (100)	177.00	183.00	180.00	183.00
Pre. Automobiles (100)	166.50	174.50	167.00	171.50
Premier Con. (80)	184.00	196.50	183.50	193.00
Sohnda (20)	14.40	15.56	14.40	15.24
G. E. Shipping (10)	14.84	15.36	14.40	15.20
Shivrajpur (10)	79.50	82.00	78.00	14.50
Sirpur Paper (10)	16.20	16.70	16.28	306.00
Tata Chemicals (10)	18.92	19.80	379.00	77.00
Tata Locomotive (100)	831.50	389.00	333.00	20.00
Tata Oil (25)	78.50	77.70	73.50	20.00
Texmaco (10)	19.84	20.00	19.76	19.80
Voltas (100)	271.50	295.00	272.00	293.50
W. I. Match (100)	271.00	273.00	261.50	261.50xd
W. Coast Paper (100)	194.00	201.50	194.00	199.50

GOVERNMENT SECURITIES	18-5-1961 Rs.	Gross Yield Earlier Redemption	Later Redemption	24-5-1961 Rs.
2½% 1961	99.75	—	3.87	99.75
2½% 1962	98.00	—	3.72	98.00
2½% 1976	88.50	—	4.23	88.50
3 % 1964	98.65	—	3.42	98.65
3 % 1965-66	98.55	3.57	3.31	98.70
3 % 1966-68	95.85	3.85	3.64	95.85
3 % 1970-75 1st Dev.	90.80	4.19	4.10	90.80
3½% 1986 Con. Loan	78.15	—	3.50	78.05
3½% 1961 N. P. Bonds	100.00	—	3.55	100.00
3½% 1964 N. F. Loan	99.90	—	3.51	99.95
3½% 1965 N.F. Bonds	99.90	—	3.35	99.90
3½% 1962	99.85	—	3.58	99.90
3½% 1967 N.F. Bonds	99.00	—	3.72	99.00
3½% 1969 Loan	98.70	—	3.66	99.70
3½% 1968	98.75	—	3.70	100.50
3½% 1963 N.F. Bonds	100.10	—	3.70	98.60
3½% 1963 N.F. Bonds	100.50	—	3.46	98.70
4 % 1972 Loan	100.50	—	3.67	100.10
4 % 1978 Loan	100.45	—	3.93	100.50
4 % 1970 Loan	100.10	—	3.94	100.45
3½% 1966 Bonds	99.70	—	3.99	100.10
4 % 1980 Loan	99.95	—	3.57	99.70
		—	4.01	99.95

* Current Income. xd—Ex-divi...

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2617 **BOMBAY, 3rd JUNE 1961** **PRICE Rs. 2**

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

Contents

		PAGE
LEADING ARTICLES—		
States' Demand for More Resources	...	1017
World Tariff Conference	...	1018
MARKET GOSSIP	...	1019
ROUND THE EXCHANGES	...	1020
NEWS IN BRIEF	...	1021
PERSONAL	...	1021
THIS WEEK'S SURVEY	...	1022-1023
SPECIAL FEATURES—		
On the Arena	...	1024
Delhi Letter	...	1026
London Letter	...	1027
Protection of Bank Depositors—II	...	1029
Manchester Letter	...	1031
Concentration of Economic Power	...	1036
Joint Consultation in Industry—I	...	1042
CHAIRMEN'S SPEECHES—		
Elphinstone Spg. & Wvg. Co., Ltd.	...	1034-1035
The Shivrajpur Syndicate Ltd.	...	1037
Mahindra and Mahindra Ltd.	...	1040-1041
Dunlop Rubber Company Ltd.	...	1050
MONEY AND BANKING	...	1028
TEXTILES	...	1030
PLANTING	...	1032
ENGINEERING	...	1038
NEW PRODUCTS AND PROCESSES	...	1039
INSURANCE	...	1043
COMPANY MATTERS	...	1045-1050
MARKET REPORTS	...	1051-1053
MISCELLANEOUS STATISTICAL INFORMATION		1054-1056
STOCK AND SHARE QUOTATIONS	...	1057-1063
WEEK'S STOCK EXCHANGE TREND	...	1063

Comments on the working of companies are based on such facts and figures as are available in the published reports and accounts of the companies concerned. We do not accept responsibility in respect of conclusions drawn from such sources, if the information supplied should prove to have been inadequate.

No responsibility for the safety of articles, etc., can be accepted, but, if accompanied by stamped and addressed envelopes, every effort will be made to return the unsuitable MSS.

The Editor does not necessarily agree with, or hold himself responsible for, the views expressed by contributors.

SUBSCRIPTION

India		Abroad	
Yearly rate	Rs. 65	Yearly rate	Rs. 70
Half-yearly rate	„ 35	Half-yearly rate	„ 40

Including Postage

Single Copies, Rs. 2, obtainable from all bookstalls, or from the Publishers.

Back numbers, if available, from Rs. 4 onwards.

ADVERTISEMENT

Contract and other terms on application to the Advertisement Manager.

Advertisements intended for publication in the current issue cannot be accepted after midday on Monday.

Company and Public Notices cannot be accepted after midday on Wednesday in each week.

A representative will be pleased to call upon intending advertisers, on request.

All remittances, cheques, money orders, etc., should be made payable to:—

"COMMERCE" (1935) LTD.
Brady House
Veer Nariman Road, Fort, BOMBAY

Calcutta Representative: Mrs. S. P. CHATTERJEE, 34, Netaji Subhas Road, 3rd Floor, Room No. 30, Calcutta-1
Madras Representative: Mr. P. N. SRINIVASAN, 15 V. S. Madali Street, Saidapet, Madras-15.

STATES' DEMAND FOR MORE RESOURCES

NOW that the third Finance Commission has commenced its work, the chorus of demand by States for increased allocation of revenue from the Centre is again being heard. There is nothing unusual in this development, considering that, in a federal constitution, there is bound to be a demand by federating units to secure maximum benefit for themselves without sacrificing their financial independence. As the last Finance Commission pointed out, a noticeable trend in all federations has been the progressive increase in the size of federal payments to the States. This is true of this country too, for, in recent years, there has been a fairly sharp increase in the resources received by the States from the Centre. It is also right and proper that the quantum of resources transferred to the federating units and the mode of transfer should be periodically revised in the light of latest developments. After all, it is not fair that any particular scheme of devolution of resources from the Centre to the States should prevail for all time.

There are three recent developments which tend to bring out the increasing significance of federal-State financial relationship to national planning. In the first place, State expenditure is becoming vastly more important than formerly. Thus the proportion of State Governments' expenditure to national income increased from 3.9 per cent in 1951-52 to 6.3 per cent in 1955-56 and still further to 6.5 per cent in 1960-61. Secondly, their tax effort now forms a lower proportion of the total fiscal effort than in earlier years. Of the total tax receipts by the Union and the State Governments (excluding customs collections), the percentage of collections by the States declined from 45 in 1951-52 to 38 in 1960-61. Between 1951-52 and 1960-61, the proportion of the Centre's tax revenue to national income rose from 2.8 per cent to 4.9 per cent, while the similar proportion for the States rose from 2.3 per cent to 3.0 per cent. Thirdly, excise revenues are becoming increasingly important. This was recognised by the second Finance Commission when it said: "With taxes on income ceasing to be an expanding source of revenue, it is obvious that any further substantial devolution of revenue to the States by sharing of taxes will have to come from Union excises." It must be remembered that, since excise duty and sales tax hit the consumer, the one cannot be raised without affecting adversely the revenue from the other.

The major consequence of the increase in States' expenditure and of the absence of parallel increase in their revenue has been their increased dependence on the Centre. Thus in 1951-52, the State Governments spent Rs. 296 crores on revenue account; the Centre's share in this expenditure was 22 per cent. In 1960-61, the State Governments' revenue expenditure was Rs. 939 crores; the Centre's share in this was 40 per cent. In recent years, the State Governments have found it somewhat difficult to meet the responsibilities arising out of the development of urban centres. The West Bengal Government in its memorandum to the third Finance Commission has stressed that the needs of States where there are heavy concentrations of population in certain centres are much greater *per capita* than those of the other States where population is evenly distributed over a wide area and is predominantly rural in character. A similar view is expressed by the Maharashtra Government in its memorandum to the Finance Commission. It observes: "The general needs of different States have little relevance to the apportionment of shared tax revenues unless these needs could be causally related directly or indirectly to those articles which yield the particular taxes." It adds: "It is in this connection that the needs arising out of the States' special responsibilities on account of administration and the provision of socio-economic overheads to highly urbanised and industrialised pockets may, with justification, be related to the apportionment of income-tax, as it is these areas which contribute a high portion of income-tax collection. Unless the method of devolution yields some differential excess of resources, it might happen that the minimum administration and development needs in these pockets may tend to suffer with a deleterious effect on the yields of the taxes concerned for the country as a whole."

There seems to be some justice in this claim. This is borne out by the fact that, despite increased taxation, the State Governments have not been able to improve the living conditions in urban centres. It is true that urbanisation increases taxable capacity in a State, but the Maharashtra Government's case is that urban taxation has not yielded increasingly larger resources commensurate with the expenditure commitments that would be necessary to meet urban requirements. One way of meeting this special problem is to treat it as a national responsibility and to allocate resources to the States with large urban concentrations so as to enable them to meet urban requirements.

A point raised by the Maharashtra Government's memorandum is that the scheme of financial devolution from the Centre to the States should be so designed as to ensure that each State on the threshold of a new Plan is enabled to maintain the level of expenditure it has reached in the previous Plan. At the same time, it rightly urges, in effect, that each State should make an earnest attempt at mobilisation of resources. It says: "It would not be fair to the Union Government to suggest that this level of expenditure should be guaranteed to each State Government irrespective of its own effort to mobilise resources through the means that are available to it under the Constitution. Here again it is necessary to refrain from doing anything which would place a premium on the disinclination on the part of State Governments to make up their full quota of resource mobilisation. The Finance Commission may have, therefore, to assess the quantum of devolution required not only with reference to the level of expenditure to be maintained but also with reference to the efforts at resource mobilisation which the State Governments should have themselves made. It may also be necessary to scrutinise the levels of expenditure in different States in order to ascertain whether State Governments are indulging in certain kinds of expenditure which were not necessary."

A problem which certainly deserves the Finance Commission's attention is the reduction in income-tax revenue brought about by the abolition of the grossing up procedure for dividends in the 1959-60 budget. The question is how best this deficiency could be made up so that the States would not feel that they have lost in a bargain which is not of their making. The Centre now distributes additional grants to compensate for the loss caused by the new procedure in the taxation of companies. But this is by no means a very satisfactory way of dealing with the problem. The Maharashtra Government has two arguments in support of its plea for a larger devolution of income-tax revenue from the Centre to the States. In the first place, it suggests that the resources devolution should ensure the maintenance of the level of expenditure reached by the States by the end of the second Plan. If this is to be done, the States' share should require to be increased

to at least 70 per cent of the income-tax collections as they were understood prior to the amendment of the Income-tax Act. A further adjustment would become necessary in view of the change made in the income-tax structure which has resulted in the contraction of the divisible pool. This could be effected by augmenting the divisible pool by a fixed amount representing that portion which has now been transferred to corporation tax. But this method would not give the States any benefit of the growth that would take place in the size of the transferred receipts. A second method of adjustment would be to increase the States' share of the divisible pool proportionately so as to compensate them for the amounts transferred to the corporation tax. The Maharashtra Government observes that, if this method is to be adopted, even to maintain the present expenditure of income-tax devolution as recommended by the second Finance Commission, it would be necessary to increase the divisible ratio to about 85 per cent. It adds: "Unless, therefore, the divisible ratio is stepped up to 100 per cent, there would be no material increase in the extent of devolution under this tax. Even at that level, this formula might mean lesser aggregate annual amounts to the States, as collections of income-tax under the new definition may tend to grow at a lower rate than the collections now taken out of its scope."

Yet another development that has caused some difficulty for States is the increasing resort to excise duties by the Central Government. The Maharashtra Government says: "Today, Central excise has come to encompass not merely most of the commonly consumed commodities but also many of the luxury and semi-luxury goods and even some of the intermediate products and producers' goods. Except under conditions of the buyers' market, excise on consumer goods would tend to be passed on to the consumer. . . . . Beyond a limit there would be increased resistance from the trade, industry and the consumers to a simultaneous exploitation of what in effect is the same source of revenue. This means that the scope of the only elastic source of revenue available to the States is restricted by the extension of Central excise." The Government, therefore, submits that all Central excise should be shared with the States to the extent of 25 per cent. This demand seems to be valid, inasmuch as the Central Government sets great store by the expansion of excise revenue and the only effect of such expansion will be to restrict the capacity of the State Governments to raise sales tax revenue.

By far the most difficult issue is still likely to be the basis of allocation of the divisible pool among the States. In industrialised and urbanised States, there has always been a feeling that the weightage given to population is too large and that given to collection too little. The second Finance Commission gave 90 per cent weight to population and 10 per cent weight to collection. The Maharashtra Government wants the basis of allocation to be 80 per cent population and 20 per cent collection and, whatever be the decision of the Finance Commission, some States are bound to feel aggrieved. It is manifestly unfair to ignore the population basis altogether, for that would destroy the sense of national unity. At the same time, it is unwise to ignore the special difficulties caused to States by urban concentration. If the expenditure responsibilities of the States in relation to industrial centres could be isolated and assessed accurately, it would certainly prove helpful in arriving at a correct decision on the issue. But it is obviously difficult to collect and analyse the data on this aspect of the problem. Even so, there is no reason why an attempt should not be made now so that it might eventually lead to a just basis for the allocation of resources.

The controversy about basis for allocation of income-tax takes a different form when it comes to the sharing of excise revenue. A suggested basis is consumption in each State. This again is difficult to assess. The second Finance Commission decided in favour of 90 per cent on the basis of population, leaving 10 per cent for adjustment. The Maharashtra Government has suggested 90 per cent on the basis of total population and 10 per cent on the basis of urban population. The second Finance Commission was inclined to attach a large weight to population basis not because it was convinced that it was the best solution for the problem but because no other alternative seemed practicable. The Commission said:

"While it is possible to hold that consumption, if accurate data were available, may provide a suitable basis of distribution, it must be borne in mind that distribution on the basis of consumption may operate in favour of the more urbanised States which are also in a position to raise substantial revenue from sales taxes on such consumption. On the whole, we feel that it is preferable to continue population as the sole basis for distribution. But the practical effect of such distribution would now be to place a few States in a more advantageous position in relation to the rest. We felt that, in the present circumstances, a small corrective in favour of the latter States would be justified."

Nothing has happened in the intervening period to alter the stand the Finance Commission took on the subject of evolving a suitable basis for the distribution of excise revenue among States. So long as statistics of consumption in different areas are not available, it becomes necessary to go by population as the only reasonable basis. But since the problem is likely to come up again and again in future, it is only fair that a beginning should be made to collect statistics of consumption. It is bound to remain crude in the initial stages. But, in course of time, it may be possible to arrive at relatively more reliable estimates of consumption of different commodities in different regions.

WORLD TARIFF CONFERENCE

IF the 1960-61 Tariff Conference, the second phase of which began at Geneva on Monday this week, succeeds in achieving the main objective set before it, the G.A.T.T. will surely have marched one more step forward in the direction of establishing a multilateral system of free world trade and payments. The objective pertains to the reduction of tariffs between member-countries by 20 per cent through a general round of tariff negotiations. There is good reason to believe that the negotiations will prove fruitful and pave the way for initiating specific measures for the expansion of world trade. The second phase of the Tariff Conference, we are told, will provide an opportunity for new negotiations to reduce trade barriers through multilateral techniques. Many countries, including those which account for the major share of world trade, are expected to participate. It is gratifying to hear that a number of countries, hitherto not Contracting Parties to the G.A.T.T., are taking part in the Conference with a view to acceding to the G.A.T.T. as full members after the negotiations with their G.A.T.T. partners have been successfully concluded.

It would, however, appear that the second phase of the Tariff Conference may take an unduly long time to be completed, inasmuch as the negotiations on concessions will be on a product-by-product basis which, it is pointed out by many, is likely to yield diminishing results as time goes on. The latest report of the G.A.T.T., entitled *The Activities of G.A.T.T. 1960-61*, itself refers to this view. It is, therefore, encouraging to be told that the present product-by-product technique of bargaining may soon give way to the sector-by-sector technique which is now being applied by the Common Market and the European Free Trade Association.

It may be useful to recall here briefly the origin of the co-ordinated programme for the expansion of world trade. The programme was decided upon by the Contracting Parties at their thirteenth session in November 1958 and its operation was entrusted to three Committees. The first Committee was to prepare for and convene a further round of negotiations for the reduction of customs tariffs. The work of Committee II is concerned with the national agricultural policies of member-governments and, in particular, it is charged with examining the effects of agricultural protectionist measures on the flow of international trade. Committee III has before it the broad problem of the difficulties which confront the less-developed countries in expanding their export trade with the rest of the world. Such, in short, are the three channels along which the problem of trade expansion is being pursued.

Committee I has been able to tackle particular problems in the light of past history. The 1960-61 Tariff Conference opened at Geneva on 1st September 1960. This Conference is the fifth in the series. The progress made by this Conference would have been more notable if the non-tariff measures had also been made negotiable in the course of the Trade Conference. The important trading countries have no doubt accepted the principle that non-tariff measures should be negotiable, but they have expressed their inability to undertake commitments of th sort. Committee II is half-way through i work of tackling the problem of agricultur protectionism. It remains to be seen whethe as a result of the programme of consultati under G.A.T.T. auspices, a new *modus viven* for trading conditions in agricultural and fo products will emerge. As the G.A.T.T. right points out, it is both possible and essential arrive at a situation in which, while the indu trial countries are able to meet the stro political pressures for support for the agricu tural population, they should achieve this such a way as to avoid the artificial stimulati of inefficient production and to assure an e panding market for imports from the agricu tural exporting countries.

More important is the work entrusted Committee III. The success of this Committ will be judged by the extent to which the pe sistent imbalance in world trade is reduce The progress in this field so far has not bee quite encouraging. The exports from the dev loping countries have not kept pace with tho from the industrially advanced countries. Thu the average annual rise in the developing cou tries' exports during the last five-six years h not been more than 4 per cent, as compared wi the average increase of nearly 8 per ce recorded by the advanced countries. Unless th developed countries are prepared to step u their purchases of goods from the underdev loped countries, the problem of repaying th loans taken by the latter for economic develo ment will become practically insoluble. Indee the attempts of underdeveloped countries tackling their massive political, economic ar social issues will be thwarted considerably. Th G.A.T.T. report has done well to highlight in pressively the urgency of this aspect. It says:

"The thinking devoted to these problem both inside and outside the less-develope countries, has tended until recently to pla loans and capital investment in the forefron But private capital is attracted to those cou tries which have shown promise of rapi development or have rich supplies of produc for which there is a strong export deman It is clear that capital movement alone is n sufficient. More and more it is realised tha it must be accompanied by substantial expa sion in export earnings. Much depends upo an enlightened attitude on the part of th highly-developed countries in opening the markets to the products of the less-develope countries."

The use of high tariffs, restrictive fisc charges and import quotas by industrial cou tries has no real justification in view of the high level of national incomes and economi activity. Attention must be drawn in particula to the use, by some industrial countries, of fisc levies or internal taxes which have actuall been increased on products such as tobacco, te and coffee, as well as to the continued restri tions on items like cotton textiles, jute good and other simple manufactures. If the deve loped countries are really anxious to ensure steady expansion of world trade, which is a pre requisite of political stability and economic pro gress, they must adopt positive measure designed to expand the export trade of under developed countries. Two such measures ar (*a*) lowering of taxes on consumption of good originating from the less-developed areas an (*b*) reduction of high tariffs and other restri tions on imports of semi-processed and pro cessed goods from these areas. Otherwis there is the danger of the underdevelope countries being forced to trade more an more with the Communist nations. Whil the need for the adoption of positive mea sures by the developed countries for ex panding the export trade of underdevelope countries is thus urgent, it has to be stresse that the Governments of the underdevelope countries must also follow realistic policie designed to raise the efficiency of agricultura and industrial production, so that their good can be competitive in price and quality withou necessarily reducing the incomes of producers They must also reconcile judiciously their nee for revenue through import and export dutie with the need for selling their goods in a buyers market. Failure to do so will cost the under developed countries many valuable export mar kets. It may be expected that the forthcomin Ministerial meeting of the G.A.T.T., schedule to be held at Geneva towards the end of Novem ber next, will consider all these related pro blems and formulate practical solutions.

MARKET GOSSIP

N.D.C. Discusses Third Plan

AS these lines are being written, the meeting of the National Development Council at Delhi has not concluded its discussions on the third Plan. But there are in the Prime Minister's address and in the Planning Minister's speech some indications regarding the final size of the third Plan and certain other measures under contemplation. It is seen from Mr. Nehru's address that the financial target of outlay for the public sector will be finally fixed at Rs. 7,500 crores and the physical size of the Plan pertaining to that sector will be Rs. 8,000 crores or even a little more. It would appear that the Planning Commission's reappraisal of resources has not led to an increase in the financial target itself. That the resources in sight remain virtually the same as what were estimated at the last N.D.C. meeting may be seen from the tables pertaining to the third Plan in its final form elsewhere on this page. But there are some variations under individual resource heads as compared with the estimates made by the Planning Commission in January last.

The N.D.C. has suggested that measures be taken to secure for the public sector a large share of the funds of commercial banks, which are now largely invested in private sector enterprises. This suggestion is disquieting indeed. As fuller details are not immediately available, it is rather difficult to figure out the implications of the suggestion. According to a spokesman of the N.D.C., this suggestion will not involve any plea for nationalisation of banks. So far so good. How, then, will the resources of joint-stock banks be made available to a greater extent for investment in Government securities? On the face of it, the N.D.C.'s suggestion is absurd, because, even as things are, the demand for credit from the private sector cannot be fully met by the commercial banks. Whatever be the implications of the N.D.C. suggestion, at least one thing is clear. It is that the public sector is trying to enlarge its activities to such an extent that it cannot reasonably hope to secure the required resources by the usual methods. Some unusual methods like the one for squeezing funds out of the commercial banks are, therefore, thought of and that may mean greater difficulties for the private sector which is expected to play a larger role in the third Plan.

The Planning Minister's speech at the N.D.C. meeting also contains one disquieting suggestion. The idea of appointing a Taxation Inquiry Commission to reduce inequality in incomes and wealth seems to be wholly unnecessary. It is unnecessary because the integrated system of direct taxation has already an egalitarian bias and also because the Mahalanobis Committee on Income Distribution has been charged with the responsibility of examining the extent to which income disparities have been reduced under conditions of planning. The discussions pertaining to the Plan are becoming curiouser and curiouser in the pre-election year. The suggestions for the mobilisation of funds of commercial banks for investment in public sector projects, for the appointment of another Taxation Inquiry Commission and for checking the so-called monopolistic tendencies in the private sector seem to have been advanced with an eye on the coming elections. It may be well to remember that the final discussions on the Plan take place in the pre-election year when, for propaganda purposes, the accent is vociferously placed on reduction of inequalities and such other socialistic measures. To conjure up a frightening climate of socialism at election time has become a regular pastime of politicians in India.

Government-B.O.C. Agreement

The Government of India's negotiations with the oil companies for the exploration of certain oil-bearing areas in the country were referred to in these columns recently (20th May 1961). These negotiations have led to some concrete result only in the case of the Burma Oil Company. An agreement has just been signed between the Government of India and the B.O.C., under which Oil India Limited (a joint Government-B.O.C. Company) is granted an additional area of about 1,800 sq. miles for oil prospecting in north-east Assam. This area is outside the present Nahorkatiya, Hugrijan and Moran concessions of the Company. The new area is also a largely proved area for oil. A noteworthy feature of the agreement is that the Government's share in Oil India Ltd. will be increased from the present 33⅓ per cent to 50 per cent. This will mean that the B.O.C. and the Government of India will henceforward be equal partners in this enterprise. A virtual bonus has been given to the Government with the increase in the present one-third share to one-half. The foreign exchange required for the development of the new concessions will be provided by the B.O.C. and the Government will make available the required rupee finance. Another feature of the agreement is the oil pricing formula. This has been so evolved as to ensure a minimum of 9 per cent and a maximum of 13 per cent return on the equity capital. The prices will be equal to the c.i.f. price Calcutta minus a discount which will be variable, depending on the surplus or scarcity in the oil situation. The agreement may be deemed satisfactory to both the parties. For its part, the Government has succeeded in getting the 50-50 formula accepted for a joint oil exploration venture. And the Burma Oil Company, too, seems to have obtained some satisfaction on the price question.

Some details regarding Oil India Limited as it has been functioning till now may be usefully given here. The function of this Company, which is owned two-thirds by the B.O.C. and one-third by the Government of India, is to develop oil concessions in Assam in the Nahorkatiya, Hugrijan and Moran areas, and to transport the crude oil for sale to the Government refineries being constructed at Gauhati and Barauni. The authorised share capital of the Company is Rs. 50 crores (£37,500,000). The first issue of capital amounting to Rs. 12 crores was made immediately after the incorporation of the Company in February 1959 and, during 1960, there was a further issue of Rs. 9 crores. The funds derived from share capital subscriptions are being utilised for the development of the oilfields. The total amount required for that purpose is estimated at Rs. 28 crores. As on 31st December 1960, the B.O.C. had contributed Rs. 14 crores towards its two-thirds share of this requirement.

Capital Issues

Several interesting conclusions bearing on capital issues were reported to have been reached at the meeting of the Advisory Committee on Capital Issues held in the city a few days ago. The conclusions are summarised below:

Premium on shares: The policy of insisting on a premium in the issue of shares is needed to curb speculation and promote healthy industrialisation, provided it is flexible and due consideration is given to the point of view of the company concerned. The value of a right share must be reasonably split between the company and the shareholders, so that, while the position of the company is strengthened, the shareholders do not suffer any real loss.

Debt-equity ratio: A reasonable relation is to be maintained between the various components of a company's capital structure, but any ratio set should not be rigid. There is no need to distinguish between redeemable and non-redeemable preference shares in so far as debt-equity ratio is concerned.

Allotment of shares: It must be made a condition of Government's consent that the shares allotted privately should not be transferred for a period of at least three years. The Government should not impose a condition whose observance it is not in a position to enforce. The present practice of asking for an assurance should be given a fair trial.

Commission and brokerage: The company should have the discretion to pay such amounts as it may find necessary within the ceiling imposed by law. The institution of managing brokers is an accepted one in commercial circles and there is no reason why it should be discouraged by Capital Issues Control.

The reaction of the Government to these conclusions is, however, not known. Whatever it be, it has to be emphasised that the Capital Issues Control should be so administered as to ensure industrial development on sound and healthy lines.

Engineering Industries

It is unfortunate that the engineering industries in several parts, particularly in Calcutta, are reeling under the impact of a power shortage. Production has been adversely affected, resulting in loss to industries as well as unemployment and monetary loss to workers. How severe has been the impact of power shortage is clearly brought out in a survey conducted in Calcutta by the Engineering Association of India. The findings of the survey, confined to 60 factories situated in different parts of Calcutta, reveal that, during the period of shortage, the power availability has in some cases been just half. This reduction alone will, perhaps, fail to give an exact idea of the hardships inflicted. The worst affected were the firms which were compelled to work night shift. Most of the workers not used to night shift operation could not be expected to work as efficiently as in the day shift. The result was inferior quality goods at lower rate of production per worker. It also resulted in a larger rate of absenteeism. Absenteeism due to compulsion to work night shift was as high as 75 per cent in certain cases. A total of 5,668 workers had to be laid off for varying periods.

The actual loss in production, we are told, amounts to Rs. 4.64 lakhs per day. These firms represent a cross-section of the industry. There are about 820 engineering firms that might have been affected. The total loss can easily be imagined. If the daily loss sustained by eleven firms employing 500 and more workers covered in this survey is taken into account, it comes to Rs. 2.20 lakhs per day. There are about 66 firms in West Bengal, employing 500 and more workers. Thus the loss sustained by firms in this category alone will, on an average, amount to about Rs. 13.32 lakhs daily.

The situation has, of course, improved to some extent after the overhaul of the 50 M.W. generator at New Cossipore. But the industries are greatly apprehensive about the future. It has been estimated that, in 1962, the demand may be 450 M.W. With 325 M.W. being generated by the Calcutta Electric Supply Corporation, the balance requirement of 125 M.W. will have to be met from the D.V.C. and the State Electricity Board. The authorities should, as the President of the Association, Mr. K. L. Chowdhary, has urged, take stock of the situation and devise ways and means of making this much power available by next year.

Third Plan in Final Form

(In crores of rupees)

	States and Union territories	Centre	Total	Percentage
Physical targets:				
Agriculture and community development ..	969	125	1,094	14
Irrigation and power ..	1,540	180	1,870	21
Village and small industry ..	141	123	264	3
Industry, minerals, transport and communication ..	367	2,875	3,242	41
Social services	1,005	525	1,530	19
Inventories	—	200	200	2
Total	4,022	3,978	8,000	100
Financial targets:				
Agriculture and community development	948	125	1,068	14
Irrigation and power ..	1,535	127	1,662	22
Village and small industry ..	141	123	264	4
Industry, minerals, transport and communication ..	331	2,675	3,006	40
Social services	950	350	1,300	17
Inventories	—	200	200	3
Total	3,900	3,600	7,500	100

Financial Resources

(In crores of rupees)

	January decision of N.D.C.	Present estimates
Balance from current revenues (excluding additional taxation)	384	550
Contribution by railways	108	100
Surpluses of other public enterprises ..	449	450
Loans from public (net)	850	800
Small savings (net)	585	600
Provident Funds (net)	249	295
Steel equilisation fund	160	105
Balance of miscellaneous capital receipts over non-Plan disbursements	208	170
Total	2,993	3,040
Additional taxation including measures to increase surpluses of public enterprises ..	1,710	1,710
Budgetary receipts corresponding to external assistance	2,200	2,200
Deficit financing	550	550
Total	7,453	7,500

World Businessmen Meet

A highlight of the eighteenth biennial Congress of the International Chamber of Commerce at Copenhagen last week was the adoption, by the Chamber's Asian and Far Eastern Affairs Commission, of a plan to mobilise local capital and attract foreign funds for financing the economic development of the region. The plan, proposed by Mr. C. Loganathan, General Manager of the Bank of Ceylon, envisages the establishment of a Development Savings Bank. It is true that the proposal to set up such a bank stems from the basic economic realities of underdeveloped countries, namely, the urgent need for rapid economic development and consequently for accelerated domestic investment and the important role which foreign capital has to play in the developmental efforts of the countries. But, from the practical point of view, its workability is, as we had pointed out before, highly doubtful.

Another highlight of the I.C.C. session was the stress laid on the institutional and political framework for expediting the process of development. In a resolution adopted at the session, the Chamber proclaimed that private enterprise was a powerful non-political agent for expanding and using the world's resources to provide what people wanted most. It observed that the specific merits of private enterprise were its quick appraisal of needs, willingness to take risks, adaptability to change and flexibility in methods. Emphasising that the State itself needed the initiative and skill of private enterprise, the resolution called for closer co-operation of private enterprise with the Governments concerned. A forceful defence of private enterprise came from Mr. Robert L. Garner, President of the International Finance Corporation, in his speech at the session. He urged the establishment of a new international executive post with the responsibility for company policies that would strengthen the private enterprise system the world over. The function of the proposed executive post, he declared, was to appraise every company policy and action from the point of view of whether it tended to strengthen or weaken private enterprise. Besides, it should, he suggested, organise a well financed campaign designed to educate the public on the benefits conferred on the community as a whole by sound private business operation. To quote him: "Private capitalism has proved to be the most dynamic force in producing a better life for people."

These are, indeed, wise words that have very great relevance to the underdeveloped countries most of which have socialist Governments with doctrinaire ideas. Evidently, Mr. Garner must have had at the back of his mind the danger of the Governments aligning themselves against the private enterprise system when he exhorted private business in developing countries to accept local partners and stockholders, assume social responsibilities, identify itself with the community and improve the opportunities for property ownership, thus helping to create a communism-proof, property-owning middle class.

U.S. Foreign Aid

The special message on "urgent national needs" delivered by President Kennedy before the joint session of the U.S. Congress on 25th May and the draft legislation to revitalise the U.S. foreign aid programme on a long-range basis have been, as is only to be expected, hailed throughout the underdeveloped region. Mr. Kennedy has certainly given ample proof of his determination and readiness to accelerate the process of economic growth in the economically backward countries through enlarged flow of foreign assistance to them. The new message and the proposed legislation have set at rest apprehensions expressed in certain quarters to the effect that the conditions in the U.S. economy might adversely affect the aid programme.

In order to translate the aforesaid ideas into practical measures, Mr. Kennedy has forwarded a special letter and a draft legislation. In these two documents, the President has proposed to the Congress (1) an immediate five-year loan programme aggregating more than $7,300 million and (2) administration of this programme by a new single

(*Continued on next page*)

SHARE MARKET FIRM AGAIN

MARKED RISE IN SELECT COUNTERS

(From Our Own Correspondents)

BOMBAY, 1*st June*

THE firm trend noted on the Stock Exchange last week gathered further strength during the week under review. The decision of the Exchange authorities to maintain the *status quo* in the existing special deposit *havala* rates emboldened some bulls to continue their activities with greater confidence. The possibilities of large foreign assistance from the Aid India Club and persistent rumours regarding early decision on higher steel retention prices also fanned the bullish fervour of the market. Steel shares were keenly bid, Tata Steels reaching a new high today on hopes of enhanced dividend. Textiles also displayed a firm trend. Notable gains in prices were made by several other counters, too.

In the steel section, Tata Steels staged an impressive rally, thanks to hopes of higher dividend and increased retention prices. The net rise over the week was Rs. 3.50. The closing rate today was Rs. 161, after being higher still at Rs. 161.25. Indian Irons advanced from Rs. 27.75 to Rs. 28.25, showing a net gain of 50 nP. Mukand Iron, however, shed 25 nP to Rs. 28.

Among textiles, Standard Mills forged ahead from Rs. 1,482 to Rs. 1,555 before finishing at Rs. 1,541 today. Centurys jumped up from Rs. 670 to Rs. 686 early in the week on reports that the Company had obtained official permission for bonus issue in the proportion of one share for every four shares held. At this level, profit-taking set in and the scrip receded to Rs. 675.50. The net gain over the week was Rs. 5.50. Kohinoors also received considerable bull support and spurted by Rs. 6 to Rs. 327 in the earlier sessions, but finished lower at Rs. 325.50. Bombay Dyeings registered a net gain of Re. 1 to close at Rs. 66. New Greats hardened by Rs. 5 to Rs. 217.50. Indores gathered a like amount to Rs. 154. Elphinstones rose by Rs. 3.50 to Rs. 86.60. Khataus were marked up by Rs. 17.50 to Rs. 577.50. Finlays improved by Rs. 5 to Rs. 325. Morarjees moved up from Rs. 421 to Rs. 428. Mysores put on Rs. 2 to Rs. 74. A few scrips, however, suffered losses ranging from Re. 1 to Re. 1.50. They were Simplex, Central Indias, Osmanshahis and Swadeshis. Tata Mills, Shri Nivas, Swans were all unchanged at Rs. 59, Rs. 260 and Rs. 575, respectively.

Sugar shares were dull. Belapurs lost Rs. 2 to Rs. 288. Phaltans shed Rs. 3 to Rs. 138. Walchandnagars climbed down by Rs. 15.75 to Rs. 176.25. Maharashtras declined from Rs. 190 to Rs. 184.

In the cement group, Orissas were fully maintained at Rs. 14.56 and Digvijays at Rs. 155.50 as also Bagalkots at Rs. 8.44. But Associated Cements lost Re. 1.25 to Rs. 161.

Among shippings, Scindias, which had improved from Rs. 15.24 to Rs. 15.40 on Thursday 25th May, moved down gradually and touched a low of Rs. 14.76 today. At this level, support ensued and the quotation recovered to Rs. 14.88. The net loss over the week was 36 nP. Great Easterns were subdued at Rs. 15, as against Rs. 15.36. India Steamships, however, were favoured at Rs. 8.56, as against Rs. 8.48. In the automobile section, Premier Automobiles gained Re. 1 to Rs. 172.50. Hindustan Motors increased by 84 nP to Rs. 22.44. Automobile Products put on 76 nP to Rs. 12.76.

In the rayon group, National Rayons advanced from Rs. 561 to Rs. 564.50 on 25th May. Liquidation by tired bulls took the rate down to Rs. 547 on Monday this week. Fresh support emerged again and the scrip recovered to Rs. 558.50 today before finishing at Rs. 556. The net loss over the week was Rs. 6. Gwalior Rayons spurted by a rupee to Rs. 52.50. South Indian Viscose rose from Rs. 165 to Rs. 166. Indian Rayons were firm at Rs. 63, Baroda Rayons, however, encountered selling and declined by Rs. 3 to Rs. 127.

Dyes and chemicals generally met with good support. Colour Chems spurted by as much as Rs. 31.25 to Rs. 375. Indian Dyestuffs jumped up from Rs. 530 to Rs. 552.50. Dharamshis rallied from Rs. 280 to Rs. 300. Dhrangadhras increased by Rs. 4.50 to Rs. 132. Synthetics put on Rs. 2 to Rs. 171. Amar Dyes, Citrics and Polychems were fully maintained at last week's rates of Rs. 410, Rs. 53.50 and Rs. 237.50, respectively. Adarsh Chemicals, however, failed to attract follow-up support and eased by a rupee to Rs. 101.

In the engineering section, Premier Constructions were well fancied and went up by Rs. 3.50 to Rs. 196.50. Josts spurted by Rs. 5 to Rs. 95. Khandelwals gathered Re. 1.50 to Rs. 81.50. New Standard Engineering new shares advanced by a rupee to Rs. 186. Texmacos gained 40 nP to Rs. 20.40. Mahindras were bid 52 nP higher at Rs. 20.78. Kamanis improved by 24 nP to Rs. 17.24. Alcock Ashdowns, however, were subjected to selling pressure and fell by Rs. 15 to Rs. 295. Telcos declined by 50 nP to Rs. 365.50, after being higher at Rs. 372.50 on 25th May. Larsen and Toubros lost the ground which they had recovered last week and shed Re. 1.25 to Rs. 43.50. Cooper Engineerings lost Re. 1 to Rs. 171.

A sharp rise of Rs. 41.25 to Rs. 227.50 in Ceat Tyres was the feature of trading in the miscellaneous section. Bombay Burmahs began the week at Rs. 642 and, after advancing to Rs. 651, declined to Rs. 637 the same day. Thereafter they gradually moved up to Rs. 648 yesterday but receded again to Rs. 643 today. The net rise over the week was Rs. 2. Polsons secured a handsome gain of Rs. 7.50 to Rs. 179. Issac Holdens firmed up by Rs. 5 to Rs. 16.49. Phillips put on Rs. 2.16 to Rs. 19.76. Tata Oils rose by Rs. 2 to Rs. 79. Indian Hume Pipes and Indian Coppers were fully steady at Rs. 178.50 and Rs. 5.52 respectively. Some other miscellaneous industrials, however, were subdued due to lack of buying support. Voltas receded by Rs. 2 to Rs. 291.50. Wimcos lost Rs. 3.50 to Rs. 258. Bombay Oxygens fell by Rs. 2.50 to Rs. 57.50. Hindustan Levers shed 25 nP to Rs. 47.25. Sirpurs eased by 44 nP to Rs. 16.20 and Tata Chemicals by 16 nP to Rs. 19.44.

* * * *

Madras Stock Exchange

MADRAS, 31*st May*

Equities ruled quietly steady during the week under review, barring teas, coffees and chemicals which encountered selling. The volume of business transactions was only moderate, as the operators preferred to await details regarding the deliberations of the National Development Council's meeting at New Delhi on the third Plan and the "Aid India Club" meeting at Washington. Textiles were cheerful on reports of higher output in several mills. Sugars were also well favoured. Rubbers elicited fairly good demand induced by hopes of better prospects for the industry. There was selective buying in the miscellaneous section. Teas, however, ruled easy, despite signs of some improvement in export trade of late. Coffees, too, lacked support as a result of uncertainties in marketing the commodity.

Among textiles, Cannanores were marked up by Rs. 10 to Rs. 165 *cum-div.*, following the announcement of a final dividend of 11 per cent, making a total of 20 per cent, taxable for the year ended March 1961, which compares favourably with 17 per cent distributed in the previous year. Metturs rose by Rs. 3 to Rs. 405. Lakshmis rallied from Rs. 162 to Rs. 166, before closing at Rs. 165. South India Viscose advanced by Rs. 2 to Rs. 164. Bangalore Woollens were higher by a rupee at Rs. 201. Cambodias put on 80 nP to Rs. 10.40, thanks to the dividend of 9 per cent, taxable, announced for 1960, after an interval of two years. Loyals improved by 75 nP to Rs. 40.50 and Radhakrishnas by 25 nP to Rs. 31.50. Maduras picked up 15 nP to Rs. 36.90. Buckinghams were fully steady at Rs. 213. Venkatesas were maintained at Rs. 197 *cum-div.* The Directors of the Company have declared a dividend of 30 per cent, taxable, for 1960, same as last year. Coimbatore Kamala fully-paids and partly-paids were maintained at Rs. 102 *cum-div.* and Rs. 50 *cum-div.*, respectively. The Company has declared a dividend, for the first time since 1952, at the rate of 10 per cent, taxable, for 1960. Ramakrishnas were firm at Rs. 224 *cum-div.* The Company has maintained the dividend for the year ended March 1961 at the previous year's level of 23 per cent, taxable.

In the rubber group, Travancore Rubbers put on 20 nP to Rs. 11. Cochin Malabars rose from Rs. 7.75 to Rs. 8.03 but sagged subsequently to Rs. 7.93, the net gain being 18 nP. Midlands hardened by 13 nP and T.R. and T's by 10 nP to Rs. 9.85. Pullangodes gathered 5 nP to Re. 1.90. Malankaras were steady at Rs. 18.75. Rajagiris were maintained at Rs. 18.60 *cum-div.* An interim dividend of 10 per cent, taxable, has been proposed for the year ending June 1961. Nilamburs were also firm at Rs. 16.25 *cum-div.* The Directors of the Company have announced a dividend of 15 per cent, taxable, for 1960, same as that paid in 1959.

Teas were weak. Lingapurs suffered a setback of 20 nP to Rs. 5.40 *cum-div.*, notwithstanding the proposed interim dividend of 10 per cent, taxable, for the year ended March 1961. Kil Kotagiris shed 8 nP to Rs. 4.92. Neelamalais lost 6 nP to Rs. 4.37. Periakaramalais eased by 2 nP to Rs. 3.80. Haileyburias lost a like amount to Rs. 14.35. Chembras were quiet at Rs. 3.80. Peermades at Rs. 23.30 and Parksides at Rs. 28.85. Manars were dull at Rs. 2.70 *cum-div.* The Directors of the Company have announced a dividend of 5 per cent, taxable, for the year ended March 1961, as against 10 per cent, taxable, for the previous year. Devasholas, however, put on 25 nP to Rs. 30.75 *cum-div.*, although the final dividend for 1960 announced this week was only 10 per cent, taxable, making a total of 20 per cent, taxable, for the year, as compared with 25 per cent distributed in 1959.

In the coffee group, Consolidateds came in for renewed selling and lost Re. 1.25 to Rs. 21. Ouchterlony Valleys receded from Rs. 4.10 to Rs. 3.62. Anaparais dropped 10 nP to Rs. 4. Cowcoodys shed 5 nP to Rs. 5.15, despite the announcement of an interim dividend of 10 per cent, taxable. Coffee Lands, however, put on 12 nP to Rs. 18.62. Mysores picked up 2 nP to Rs. 5.45.

Among miscellaneous industrials, Aluminium Industries hardened by 37 nP to Rs. 23.37. Ashok Leylands rose from Rs. 9.20 to Rs. 9.48 in the beginning, but gave way subsequently to Rs. 9.28. R.E.M.Co.'s put on 25 nP to Rs. 20.75. Spencers gathered 12 nP to Rs. 23.37. Standard Motors and Indian Steel Rollings were fully steady at Rs. 16.75 and Rs. 10.10, respectively. Radio and Electricals were neglected at Rs. 3.60. The Company has passed over the dividend for 1960; it had distributed a dividend of 7½ per cent, taxable, in 1959. Among cements, Indias rose from Rs. 6.05 to Rs. 6.15, before closing at Rs. 6.12. Dalmias moved up by 7 nP to Rs. 12.12. Andhras were done at Rs. 10.50. Orissas at Rs. 14.55 and Travancores at Rs. 8.45. Chemicals were subdued. Travancores eased by 50 nP to Rs. 16.25. F.A.C.Ts dropped 5 nP to Rs. 10.60. Metturs were quiet at Rs. 14.25, as also Mysores at Rs. 24 and Mysore Fertilisers at Rs. 11.15.

MARKET GOSSIP

(Concluded from previous page)

body, to be called the Agency for International Development (A.I.D.); this body will function within the State Department and be headed by an administrator with the rank of Under Secretary of State. The proposed Agency would replace the International Co-operative Administration (I.C.A.) and the Development Loan Fund (D.L.F.). The proposed rank of the A.I.D. administrator and the relationship between aid and other elements of the State Department are expected to highlight one fundamental fact: Economic development assistance can no longer be subordinated to, or viewed simply as a convenient tool for meeting, short-run political objectives. In the covering letter, the President has emphasised the long-range character of the aid programme and sought from the Congress authority in the form of public debt transactions to make available $900 million for the fiscal year beginning on 1st July next and $1,600 million in each of the subsequent four years.

The draft Bill calls for passage of two Acts—an Act for International Development, which is the long-range loan section of the Bill, and an International Peace and Security Act, the military assistance section of the Bill. The International Development Act has four major purposes: (1) To assist and support nations whose independence or stability depends upon such help and is important to its own security; (2) to provide for the U.S. share in certain programmes under multilateral auspices; (3) to provide grant assistance to the less-developed countries primarily to assist in the development of their human resources; and (4) to establish a Presidential Contingency Fund to meet the unpredictable exigencies with which the U.S. will doubtless be confronted in the coming year. It is gratifying that the Act also seeks authorisation by the Congress to make loans, repayable in U.S. dollars, to promote the economic development of less-developed countries and areas with emphasis upon long-term plans and programmes designed to develop economic resources and increase productive capacities.

Notice

THE INDO-BURMA PETROLEUM COMPANY LIMITED

Registered Office:
Gillander House, Netaji Subhas Road, Calcutta-1

NOTICE IS HEREBY GIVEN THAT THE Preference Register of Members of the Company will be closed from the 12th June 1961 to 3rd July 1961, both days inclusive, for payment of the dividend for the half-year ending 30th June 1961 on the 3rd July 1961 at the rate of Rs. 3.108 per share (being the stipulated dividend of Rs. 3.50 per share increased by 11 per cent thereof to Rs. 3.885 less Rs. 0.777 being Income-tax at the Company's rate of 20 per cent) subject to tax being deducted therefrom in accordance with the provisions of Section 18(3D) of the Indian Income Tax Act.

By Order of the Board,
STEEL BROTHERS AND COMPANY LIMITED,
Managing Agents

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA-1.
31st May, 1961.

It is in your interest to make the most of the
V. INTERNATIONAL TECHNICAL FAIR IN BELGRADE
23rd August—2nd September 1961

Exhibition of products of MACHINE-BUILDING, METAL-PROCESSING, CHEMICAL AND ELECTRICAL INDUSTRIES
Exhibition of the application of AUTOMATION, ELECTRONICS AND NUCLEAR TECHNICS
In the frame of the fair INTERNATIONAL AUTOMOBILE SHOW, EXHIBITION OF MECHANOGRAPHIC PRODUCTS AND MACHINES FOR ANALOGOUS CALCULATING

Applications and Information:
BEOGRADSKI SAJAM - Beograd POB 408
Diplomatic and consular representatives of FPR Yugoslavia abroad

NEWS IN BRIEF

THE Third Finance Commission's report is expected to be submitted in the middle of December next, according to Mr. A. K. Chanda, Chairman of the Commission.

The Government of Madras has reduced the power-cut from 50 per cent to 25 per cent in areas served by hydro-electric projects and from 40 to 15 per cent in the Madras thermal area.

An Indian Trade Commission has been set up in Kuwait. Mr. N. K. Nigam, formerly Commercial Secretary in the Indian High Commission in Karachi, has taken over as Trade Commissioner.

The workers of the Hindustan Aircraft Ltd. who are drawing basic salaries upto Rs. 500 will get a production bonus of Rs. 85 for the current year, according to Mr. V. K. K. Menon, Union Defence Minister.

Production of iron ore during March 1961 was 961,000 metric tons, bringing the total output during January-March 1961 to 2.82 million tons which was higher by about 6 per cent, as compared with the corresponding period of the preceding year.

An Industrial Tribunal with headquarters at Calcutta has been constituted by the Government of India with Mr. L. P. Dave as the presiding officer. Already there are two standing industrial tribunals—one at Bombay and the other at Dhanbad.

The World Bank is to give a loan of Rs. 30 crores to the private sector of the coal industry for development works during the third Plan. A delegation of the industry, accompanied by Mr. L. K. Jha of the Union Finance Ministry, is expected to visit Washington in the near future to finalise the deal.

The next preliminary and intermediate examinations for company secretaries are to be held in October 1961. Applications for admission to the examinations should reach the Department of Company Law Administration on or before 31st July 1961. The examinations will, as before, be held in Bombay, Calcutta, Delhi, Madras, Ernakulam and Hyderabad.

The Government of India has decided to extend the benefit of compulsory contributory provident fund under the Employees' Provident Funds Act to industries engaged in petroleum or natural gas exploration, prospecting, drilling or production, and petroleum or natural gas refining. This will take effect from 30th June. The benefit is applicable to establishments which employ twenty or more persons.

An agreement for consultancy services for the Khetri copper project has been signed between the National Mineral Development Corporation and the Western Knapp Engineering Company of the U.S. Under the agreement, the project report is to be submitted by the consultants not later than the end of this year. The Khetri copper project is included in the third Five-year Plan and envisages the production of 10,000 tons of electrolytic copper annually.

The Government of India has decided to grant certain special facilities to importers for clearing shipments from West Germany and the Netherlands and making remittances for the goods concerned. This is to avoid the incenveniences caused by the recent revaluation of the W. German and Dutch currencies, as a result of which the c.i.f. value of shipments to India will be in excess of the value available under the relevant import licences.

On a representation from the various jewellers' associations and in consultation with the industry, the Government of India has decided that the export of raw aquamarine stones and emeralds cut will be allowed, without an export permit, in post parcels of 100 tolas. The Government of India, it will be recalled, had decided that raw aquamarine stones and emeralds being semi-precious gem varieties of beryl, an atomic energy material, their export should be allowed only by post parcels of 40 tolas subject to an export permit.

The Central Instructor Training Institute at Madras and the Institute for Petroleum Exploration at Dehra Dun have been allocated a sum of $612,000 and $790,300, respectively, from the United Nations Special Fund for conducting of training surveys and research projects. The two Institutes will receive a sum of $1,690,000 and $1,043,700, respectively, from the Union Government as its counterpart contribution over three years. These projects will be planned jointly by the Government of India and a specialised agency of the U.N. The Madras Institute will give training to instructors for the main industrial trades in metal working, electricity and building construction while the Dehra Dun Institute will train the specialised personnel to carry out the programmes of oil and natural gas exploration.

The Jeejeebhoy Committee appointed in 1958 to continue the work of the Chaudhuri Committee (1956) on the pay scales and allowances of class III and IV employees of major ports has submitted a unanimous report. The Committee was asked to examine the duties and responsibilities of the various posts and fit them into one or other of the pay scales prescribed under the appropriate first Pay Commission's scales. It was also authorised to devise a standard nomenclature for the posts at the major ports. The Committee's recommendations will be given retrospective effect from 1st October 1957.

Ceiling prices have been fixed for the various fertiliser mixtures in Maharashtra State. The decision to fix prices was taken at a joint meeting of the representatives of the fertiliser producing concerns and the State Government officials held in Bombay on 22nd May. The price structures ruling in the various States of the country were discussed at the meeting and a formula which will enable the Government to fix the ceiling prices of the fertiliser mixtures produced by about ten concerns in the State was evolved. The prices fixed by the Government will be displayed at the retail selling centres.

The Governments of India and the U.S. have signed an agreement by which American assistance to the Bombay Central Training Institute for Craftsmen and Instructors will be increased to a total of Rs. 37 lakhs. During the third Plan, it is expected that training facilities will be necessary for 770,000 craftsmen required by new and expanding industries. To train these craftsmen, some 20,000 instructors will be required. The Bombay Institute is one of six being set up by the Government of India for this purpose, and additionally for the simultaneous training of craftsmen. It is expected to start functioning by July 1962. The U.S. will supply shop equipment, hand tools and books and will make available the services of nine technicians to act as instructors.

The concessional rates for matches packed in boxes of 40s and 60s have been withdrawn with effect from 1st inst. It will be recalled that, in order to standardise the production of matches, the Union Government had introduced, with effect from 1st March, concessional rates of duty for matches packed in boxes of 50s. At the same time, to facilitate an easy switch-over to the production of the new standard type of match boxes, the existing concessional rates for 40s and 60s had also been allowed to continue for three months more. As a measure of encouragement to the cottage sector of the match industry which uses bamboo for making splints, the concessional rates for matches of 50s were further liberalised. In view of the special circumstances pertaining to the marketing of such matches, it has been decided to extend similar concession to the cottage sector in respect of matches of 40s produced from bamboo. This concession will be available up to 28th February 1962.

* * * *

From Abroad

Two large oil deposits have been discovered in W. Siberian lowland. The first and the largest of them is the Shaimsk deposit on the bank of the Konda river in the Taiga, 350 kilometres north of Tyumen. The second oil deposit is on the bank of the river Ob, near the village of Nizhna-Vartovskoye, Tyumen region. The oil seam lies at the depth of 2,000 metres.

A "Working Group Development Aid" has been formed jointly by the Federation of German Industries, the Association of German Chambers of Industry and Commerce, the Federation of Private Banks and the Association of Wholesalers and Export Organisations in W. Germany. The object is to co-ordinate the various views on problems of development aid. It will also act as an advisory body to the Government's development committee which is responsible for the distribution of W. German development aid.

A gass pipeline which will link a big gas field discovered on the Konda River (east of the Urals Mountains) with the industrial centres of the Urals will be built in Soviet Russia. Eight gas fields have already been discovered in the lower reaches of the Ob river. The geologists expect to find great oil pools in other parts of the West Siberian lowland. Exceptionally high grade oil has been found in the Irkutsk region, also in proximity to the diamond fields in Yakutia (North-eastern Siberia). When this oil is tapped, diamond mining costs will be greatly reduced.

India, Formosa, Japan, S. Korea, Nepal, Pakistan, the Philippines and Thailand have formed an Asian Productivity Organisation with the object of providing a vehicle for co-operative action among its members and serving as a mechanism for the fullest exchange of experience and know-how, as well as functioning as a channel through which outside assistance can be directed to its members collectively.

The World Bank is sending a special mission to Chile to review the 10-year programme for the development of Chile prepared by the Chilean Development Corporation. Mr. John H. Adler, Economic Adviser in the Bank's Department of Operations for the Western Hemisphere, will be the leader of the mission. The mission will evaluate the size and composition of the programme, its financial implications and the measures and policies proposed to achieve it, examine the extent to which the financial allocations to the several sectors of the economy are supported by projects for which preliminary economic and technical studies have been prepared, and assess the work needs to be done in the way of project preparation.

PERSONAL

MR. A. P. Pant, Political Officer in Sikkim, has been appointed Ambassador of India to Indonesia. He is expected to assume charge in autumn next.

Mr. M. P. Gandhi has been elected a member of the All-India Council for Technical Education, as a representative of the Federation of Indian Chambers of Commerce and Industry.

Mr. G. V. Swaika has been elected a member of the Indian Central Oilseeds Committee to represent the Federation of Indian Chambers of Commerce and Industry.

Mr. B. Mukerji, until recently Joint Secretary, Union Ministry of Finance, assumed charge as the Second Managing Director of the State Bank of India on 24th May. He will hold office for three years.

Sir Paul Gore-Booth, High Commissioner for the United Kingdom in India, left for London on 31st May for consultation with the home Government. He is expected to return to India in the third week of this month.

Mr. Madanmohan R. Ruia, Chairman of the Indian National Committee of the International Chamber of Commerce, has been elected Chairman of the Commission on Asian and Far Eastern Affairs of the Chamber. Mr. Chentsal Rao has been provisionally chosen as the Secretary-General.

THE ANDHRA BANK LIMITED

Head Office: **MASULIPATNAM**

APPLICATIONS ARE INVITED FOR POSTS OF **INSPECTORS OF BRANCHES** FROM CHARTERED ACCOUNTANTS IN THE GRADE OF Rs. 300-25-650, WITH DEARNESS AND HOUSE RENT ALLOWANCE AS PER RULES IN FORCE. CANDIDATES HAVING GOOD PERSONALITY, BANKING EXPERIENCE AND C.A.I.I.B. QUALIFICATION WILL BE PREFERRED.

APPLICATIONS STATING AGE, QUALIFICATIONS, EXPERIENCE, Etc., SHOULD REACH THE GENERAL MANAGER, ON OR BEFORE THE 15th JUNE 1961. THE SELECTED CANDIDATES WILL HAVE TO EXECUTE A CONTRACT TO SERVE THE BANK FOR A PERIOD OF 5 YEARS.

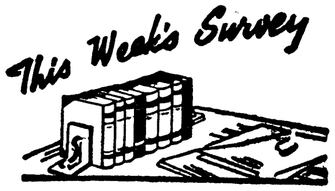
A.B. 22/Chari

"You can make your factory performance optimum"
NATIONAL PRODUCTIVITY COUNCIL
Through the courtesy of T.C.M. of U.S. Government is now in a position to provide some very useful I.C.A. publications comprising

- Series of Manuals in fields of INDUSTRIAL MANAGEMENT
- INDUSTRIAL ENGINEERING & INDUSTRIAL RELATIONS
- PLANT REQUIREMENT REPORTS • FACTORY PERFORMANCE REPORTS
- CAPITAL REQUIREMENT & OPERATING RATIO REPORTS
- COTTAGE INDUSTRIES REPORTS • INDUSTRIAL DEVELOPMENT GUIDES, Etc., etc.

Free price list may be obtained from: **Information Officer, National Productivity Council, 38, Golf Links, New Delhi.**

DA 61/151



TEA AND COFFEE

THE two plantation crops for which export targets have been fixed under the third Plan are tea and coffee. If these targets are fulfilled successfully, the aggregate shipments of tea in the last year of the Plan, that is, 1965-66, would amount to 550 million lbs., as against the 465 million lbs. exported in 1960-61 (last year of the second Plan), and those of coffee would be of the order of 38,000 tons, as against 17,000 tons. The 'if,' however, is a big one, though the targets are by no means ambitious. For much will depend on whether the Governments—Central and State—will reorient their policies in such a way as to enable the producers of these two commodities to compete more effectively in the world markets where competition from other countries is becoming keener and keener every day. It is of the utmost importance, as Mr. R. W. Thorpe, Chairman of the Nilgiri-Wynaad Planters' Association, rightly emphasised in his speech at the recent annual meeting of the Association, that the export markets abroad are carefully fostered and developed. "Steps taken towards that end," to quote him, "would be the best insurance not only against economic instability of the industry but also against impairment of the financial resources for the nation's plans through any reduction in foreign exchange."

In this context, Mr. Thorpe regretted that the downward revision in the rate of export duty on tea announced in the Central budget for 1961-62, however, well-meant, had not provided any real encouragement to exports, inasmuch as the concession had been offset by the enhancement of excise duty. Taking the instance of his own district, he mentioned that, though the district fell within Zone I and paid the lowest rate of excise duty, the relief amounted to only 5.7 per cent. Surely, his plea for "more real concessions" to the tea industry is not unjustified. The industry, it must be remembered, earns for the country much precious foreign exchange which is so urgently needed to maintain the expected increase in the tempo of economic activity in the coming years.

When the need for earning foreign exchange is thus pressing, it is disquieting to hear again and again that the coffee industry is faced with a serious crisis in marketing. Here is what Mr. Thorpe said:

"Coffee has been in difficulties for sometime now and it was a great shock to all coffee interests that Government appeared oblivious of this crisis and chose this particular time to enhance the excise duty on coffee by 33⅓ per cent. The recent revision in the rates of excise duty in respect of Robusta bringing it to the old level, though a sympathetic gesture to be appreciated, does not mitigate the rigour of the general enhancement of duty at a time when the coffee industry is faced with a serious crisis in marketing. World prices have slumped and Indian coffee has to earn foreign exchange at a great sacrifice. Internal marketing procedures would have also to be drastically reorganised, if the industry is to be saved from economic decline. ... It is, indeed, a sad commentary on the existing methods of marketing arrangements that higher productivity is rewarded with uneconomic returns."

This is certainly an impressive summing up of the whole problem. We have ourselves pointed out on more than one occasion that the Coffee Board's present marketing policies, which are woefully inadequate to cope with increased production and violent fluctuations in the world market, must be thoroughly overhauled. The United Planters' Association of Southern India has put forward several concrete suggestions to the Board for solving the problems. They cover, among others, earmarking of a minimum export quota, radical changes in export procedures, including open auctions, auctioning of some small lots of individual coffees under their estate names, introduction of testing, abolition of multi-channel system in internal market and replacement of sales tax by a Central excise duty. Mr. Thorpe did well to commend these suggestions for immediate acceptance and urge the Board "to initiate action before it is too late and ensure that the alarming decrease in the return to the grower is arrested and that he is guaranteed a reasonable return for his efforts."

Mr. Thorpe touched on the Plantation Labour Act. He sought to dispel all doubts regarding the intentions of planters in this regard. Indeed, he went to the extent of appealing to all the members to pay particular attention to the implementation of the various provisions of the Act and rules. At the same time, he requested the Plantations Inspectorate to be sympathetic and help the estates to resolve the practical difficulties with which they were faced before it was finally decided to take penal steps. This request deserves to be complied with by the authorities. Similarly, two other pleas made by Mr. Thorpe deserve acceptance, namely, special consideration for mixed estates (as distinct from pure tea estates) in matters like labour bonus and wages and relief in the phenomenal increases in assessments arbitrarily effected by different *panchayats*.

NATURAL RESOURCES COUNCIL

The paramount importance of a specialised organisation to plan continued co-ordinated studies in natural resources and to review the results obtained from time to time has been felt for a long time. It is scarcely necessary to mention that the compilation, analysis and study of data on resources make a valuable contribution to the assessment of long-range potentialities of the country's natural endowments. Such data would be very useful in determining priorities for exploiting the resources to the best advantage. True, there are in India several research bodies, but these are conducting isolated surveys of different natural resources, and there is no unified approach behind them. It is, therefore, heartening to note that the Planning Commission is considering the establishment of an organisation, to be known as the Natural Resources Council, to conduct a continuing and comprehensive survey of all the natural resources. The proposed Council, we are told, will be modelled on the lines of the Natural Resources Council in the U.S. and the "Resources Committee" of Japan. It is expected to consist of members representing the Planning Commission concerned with land, water, mineral resources, scientific research and perspective planning, as well as representatives of various organisations dealing with natural resources, such as the Geological Survey of India, the Indian Bureau of Mines, the Indian Council of Agricultural Research, and the Atomic Energy Commission. The Council will also be assisted by committees on land, water, minerals and energy in which scientists and specialists will be members.

During the first and second Plan periods, the different organisations like the Geological Survey, the Central Water and Power Commission and the Oil and Natural Gas Commission collected a wealth of information on the country's natural resources, but no systematic attempt has so far been made to collate and analyse the data with a view to using them for planning. Surely, the establishment of the new Council and the strengthening of the administrative machinery of the Planning Commission through the creation of the new post of Adviser on Natural Resources will greatly facilitate the task of undertaking fairly accurate long-term perspective planning, inasmuch as the comprehensive studies on natural resources by the proposed Council will throw considerable light on the unexploited gap, that is, the difference between known production potentialities and the present levels of production and thereby give adequate clues in raising production in several directions to meet the demand of the expanding population in the country.

INDO-U.S. TRADE

A fervent plea to the Government and people of the U.S. to import more from developing countries such as India was made by Mr. G. V. Puranik, Chairman of the All-India Manufacturers' Organisation, while welcoming the U.S. Trade and Travel Mission (sponsored by the Trade and Travel Mission of the World Trade Centre, New England, U.S.) at a joint meeting of various commercial bodies held in the city last week-end. Such larger imports, as Mr. Puranik emphasised, are possible only if the U.S. industrial and commercial policies are re-oriented commensurate with the trade needs of India and other developing countries. The U.S. has no doubt granted and continued to grant large-scale aid for the development of these countries. But, mere aid will not provide the lasting solution to the foreign exchange difficulties of developing countries. What is wanted is energetic action to promote their exports to developed nations. Mr. Puranik did well, therefore, to draw pointed attention to the need for supplementing aid with facilities for trade. This need has been impressively highlighted by the U.N. European Economic Commission in its latest report, based on an objective study of the issues involved (*vide* page 954 of *Commerce* dated 20th May 1961). The Commission clearly states that, although the report is concerned mainly with commercial policies in Western Europe, the policy conclusions apply, *mutatis mutandis*, with no less force to developed countries outside Europe, and, in particular, the U.S.

Admittedly, there is vast scope for the U.S. to be of assistance to India in this respect. The U.S. is India's second largest trading partner, after the U.K. In fact, before the last World War, there was hardly any problem in the trade between the two countries, as it was on a small scale. Since the war, especially after the era of planning began, the trade has been expanding fast. And India has a sizable adverse balance of trade with the U.S. While India's imports from the U.S. have risen from Rs. 101 crores in 1950 to as much as Rs. 240 crores in 1960, its exports to that country have not only not improved but actually tended to decline, from Rs. 104 crores to about Rs. 102 crores. The following table shows at a glance the trend of India's imports from, and exports to, the U.S. during the last decade:

(Rs. lakhs)

	Imports	*Exports*	*Balance of trade*
1960 ...	240.02	101.64	—138.38
1959 ...	217.85	95.23	—116.21
1958 ...	161.46	93.08	— 63.38
1957 ...	170.32	131.87	— 38.45
1955 ...	89.81	92.23	+ 2.42
1950 ...	101.00	104.00	+ 3.00

India's persistent adverse balance of trade with the U.S. must, of course, be attributed to the substantially large imports of capital goods for development and foodgrains from that country. The position could, however, have been retrieved to some extent, if only some of India's major exports to the U.S. had received encouragement. The specific items of exports which Mr. Puranik mentioned were processed goods of a simpler type like textiles, light engineering goods, rubber goods and plastic materials. Viewed thus, the renewed emphasis laid by the new U.S. Administration on assisting the developing countries is, indeed, reassuring and, it is to be hoped that the lead given by the U.S. would prompt other advanced countries also to chalk out positive programmes designed to provide for products from developing countries a freer access into their markets. This objective can be realised not so much by Government-to-Government negotiations as by personal contacts among private industrialists and businessmen of the two countries. The suggestion made by Mr. John T. Galvin, leader of the Trade Mission, that India should now send a trade mission to the U.S. is quite welcome. Such personal contacts, it is needless to emphasise, will pave the way for better understanding of each other's problems and promote closer Indo-U.S. economic and commercial co-operation.

WORLD BANK ON VENEZUELA

Venezuela in Latin America, though it continues to be industrially underdeveloped, has stolen a march over several other countries in so far as the petroleum industry is concerned. This country ranks today as the world's largest exporter and the second largest producer of petroleum after the U.S. The petroleum industry is the mainstay of this country's economy, contributing as it does well over half the total revenue receipts of the Government. In view of the predominant role played by the industry thus, it is but natural that some of the recent disquieting developments have caused much concern among the people. Production, it would appear, is lagging behind. The establishment of a State-owned Petroleum Corporation more than a year ago, coupled with the Government's insistence to avoid attractive discounts in petroleum exports, is believed to have caused considerable damage to the growth of domestic oil industry and trade. The existing high local taxes and costs have aggravated the misery. In 1960, the output of Venezuelan crude oil rose by only 3 per cent (to 151 million metric tons), as against the increase of 15½ per cent witnessed in the Middle East, Venezuela's major competitor in world markets. The number of wells is estimated to have gone down from 1,190 in 1956 to 440 in 1960. Again, oil company investments have declined from about 3,000 million bolivars in 1958 to 1,800 million bolivars in 1959 and further to 900 million bolivars in 1960. The effect of such a setback in the major sector of the economy on the development of the country cannot be overemphasised.

It is against this background that the report of the World Bank mission on the economic development of Venezuela, just published, assumes great significance. The mission, it will be recalled, was sent at the invitation of the Government sometime ago. It was headed by Mr. Henry R. Labouisse, former special consultant to the World Bank and now Director of the U.S. International Co-operation Administration.

In its report, the mission has advocated a four-year investment programme designed to promote economic growth. With the uncertainties now facing the oil industry, the mission says, the continued growth of the economy cannot be ensured unless measures are taken to diversify the economy and so reduce dependence on petroleum, though it admits that the required rate of economic growth can be achieved only if the petroleum industry remains in a healthy state and continues to contribute very substantial revenues to the Government. It has advised the Government to modify its petroleum policies in order to provide an incentive for companies engaged in oil industry to expand output and marketing so as to "plough back a larger proportion of profits as new investment." The three alternative measures suggested cover grant of reinvestment allowances on corporate income taxes, fixation of royalty payments on the basis of Venezuelan prices rather than on Texas prices which are less responsive to world price movements, and modification or elimination of the special exchange rate for petroleum transactions. The mission feels that, even if such changes involve a decrease in the Government's proportionate share of oil revenues, such a decrease would be more than offset by a rise in oil production and, in absolute amounts, public revenues would actually increase. The mission also recommends that, in order to restore the confidence of the private oil companies, the Government should define the future role of the publicly-owned petroleum company and clarify the present policy of denying new oil concessions to private companies.

The total land area of Venezuela, it may be noted here, is 350,000 square miles and the population is only 7.2 million. The *per capita* income averages about $600 a year, and yet half the population lives near subsistence level. This is because the vast resources of the country remain unexplored. While substantial oil revenues have made possible marked improvements in transport, health services and urban facilities, many other facilities and services necessary to broaden the base of the economy have been neglected, resulting in wasteful and low-priority investments. It is mainly to remedy this problem of misdirected investment that the mission has suggested a four-year programme. The programme envisages a 40 per cent reduction of investment in basic services such as transportation, power and communications side by side with a 25 per cent increase in Government expenditure to assist agriculture and industry.

The programme of public investment recommended by the mission calls for Government expenditure of about 7 per cent of gross national product, or an amount comparable to that which the Government has been investing in recent years. In order to finance this programme, it will be necessary for the Government to limit current expenditures and the report recommends some specific reductions. In addition, the financial plan requires a substantial increase in regular tax revenues. In this regard, the mission recommends increases in income taxes, gasoline tax, and additional excise taxes on luxury goods. While the mission advises against any substantial volume of internal borrowing by the Government, particularly from the banking system, it finds that some external borrowing is justified. The preservation of financial stability and the halting of capital flight is dependent, in the mission's view, on the adoption of such a financial plan.

The mission has urged larger expenditure on agriculture than on industry. It says that agriculture requires an injection of capital in amounts which only the Government can provide and that the quantum of rural credit should be stepped up substantially in order to encourage modernisation of agriculture. It does not, however, favour any expansion of Government investment in irrigation and drainage projects because there is still potentially productive land available which does not require expensive irrigation.

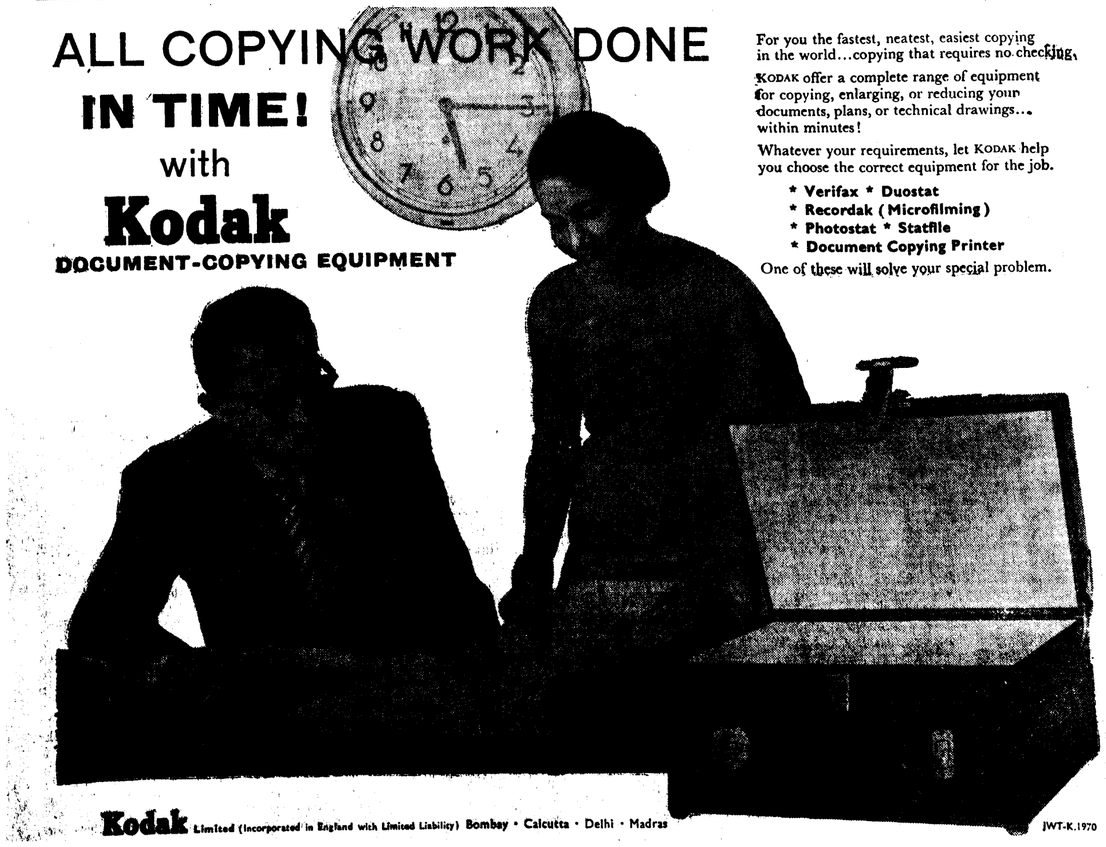
Industries are mainly in the hands of private enterprise. Steel and petrochemicals are exceptions. The mission suggests that future limits of such industries should be clearly defined so that private initiative in related fields is not stifled by uncertainties; so far as private manufacturing is concerned, the mission sees the Government's role as one of stimulation, encouragement and financial support rather than of direct operation. The mission advocates a large-scale credit programme for industry and a modification of tax and tariff policies designed to provide selective incentives for developing certain industries, particularly those with good export prospects.

The series of recommendations made by the World Bank mission must be implemented earnestly by the Venezuelan Government, if the pace of economic development is to be accelerated. Special attention must be given to policies which will contribute to a restoration of confidence in continued economic expansion. As the mission has rightly stressed, the outflow of capital, which slowed economic growth in 1960, poses a special problem and this must be overcome if the long-term development of the country is to proceed on a sound basis.

INDO-U.S. AIR TALKS

The U.S.A. and India, it may be recalled, renegotiated the bilateral Air Agreement in 1956 which provided for the usual principles of reciprocity, equality of opportunity, etc., to the airlines of the two contracting parties. Under this agreement, Air-India International began operations only last year, with an initial frequency of three a week. The U.S. airlines had at that time a total frequency of five a week through India. Mr. B. R. Patel, Vice-Chairman and General Manager of Air-India, who has just recalled these facts in a statement, has also referred to the sixth frequency granted to the U.S. airlines early in October 1960. The latest Indo-U.S. talks for a revision of the existing arrangements so as to secure more frequencies for Air-India have not been successful.

The present position is that Air-India operates five services a week, while the U.S. airlines continue to operate six frequencies through India, of which one is allowed on a temporary basis. During the latest discussions the Indian delegation asked for a daily frequency across the Atlantic for Air-India from next year and some other requirements. But the U.S. authorities, according to Mr. Patel, were not prepared to discuss any arrangements on the basis of a daily frequency for Air-India across the Atlantic. In exchange, the Indian Government was ready to give the U.S. airlines *immediately* ten frequencies through India in place of the existing six and make some other vital concessions. But it is not clear from Mr. Patel's statement whether the U.S. airlines wanted more than ten frequencies through India.



ON THE ARENA

By The Archer

Retirement Age

DR. John H. Lawrence, reputed to be an authority on radiation medicine and Director of the Donner Laboratory in the University of California. is reported to have told a meeting of scientists, held under the auspices of the Atomic Energy Commission at Bombay, that physiological rather than chronological, age should determine retirement of people from their jobs, and that physiological age could be determined by observing the rate of movement of radio-active gases, Krypton and Xenon, in and out of a person's body. According to Chambers's Twentieth Century Dictionary, Krypton is a curious gas discovered in the air by Sir W. Ramsay in 1898 and is given the atomic number 36, while Xenon is a zero-valent element numbered 54, one of the rare gases present in the atmosphere in the proportion of 1 to 170,000,000 by volume. I have no more scientific information on these gases, and accept it from Dr. John Lawrence that, while one study of a large number of normal people in the age group of 65 to 80 had shown that the rate of movement of these gases was slower in old people, a second study had shown that a large number of people who had been retained in their jobs beyond the normal U.S. retirement age of 65 to 68 "were fast gas exchangers."

Leaving aside Dr. Lawrence's theory and its application to U.S. conditions—for it will be profane to talk lightly of a learned scientist on an abstruse topic—I should think that Krypton and Xenon must be in abundant circulation in New Delhi, judging from the large number of "fast gas exchangers" there these days, occupying important positions in both sectors, which call for energy (not atomic, but human), imagination (not airy but objective), and a host of other virtues. None of these characteristics, however, seem to be manifestly present during group gatherings or discussion meetings, and yet, these gentlemen are reported to be indispensable. I have often wondered what could be the reason for their continued existence in their installed, positions and have invariably developed a pain in the neck trying to listen to their monosyllabic observations and inaudible *obiter dicta*. I can now perceive that it must be their capacity to exude gases, which, though obscure, can still overpower the silent and respectful elements in the periphery. As regards communion among themselves, I have no doubt that the sexagenarians, septuagenarians and octogenarians who are in circulation engaged themselves in exchanging a plentiful measure of gas; indeed they seem to exchange nothing else. The term cross-talk would be a misnomer in their case; it should be cross-whiff!

Would it not save much time and expense if the Company Law Administration installed a laboratory for testing the degree of gas exchange in all company directors who cross the age limit of 65 and may continue in their assignments only after a special resolution of the general body of shareholders is passed? All the eulogistic gas contained in company notices commending the special resolutions could then be verified with scientific precision.

* * * *

Continuance Of English

All political animals have to suffer a lot of pushing and bullying, but Delhi has had more than a fair share of this ever since independence. Sometimes I feel sorry for Delhi, but I keep reminding myself that, as the saying goes, all is fair in love and war, and—I would add—in politics too. War is likely to be banished, sooner or later, by man's achievements in scientific and technological spheres; love, which seems to be receding to the background in the stress and strain of modern life, is also likely to give place to understanding, just that and no more, as a placid way of life. Politics, however, has always been the happy hunting ground of expediency, and will be more so in the future. "The old story over again; expediency's heel, on the neck of inclination." (Philip Barry in *You and I*: Act i.)

Let me illustrate this by recounting the story of the continued use of English. Under clause 2 of Article 343 of the Indian Constitution English is to be in use until 26th January 1965 for official purposes as it used to be before 1950. As the years rolled on, the agitation was afoot in non-Hindi-speaking areas for the retention of English beyond 1965. Delhi got pushed to the right and to the left and backwards and forwards, so much that a Presidential Order was issued on 27th April, 1960 that no restriction should be imposed, for the present, in regard to the use of English for official purposes, and that provision be made for the continued use of English even after 1965 in matters to be specified by Parliament for as long a period as was considered necessary. The Presidential Order also specifically referred to the assurance given by the Prime Minister in the Lok Sabha on 1th September, 1959 that English should be an associate language, which was the policy of the Government of India. Later, the Home Minister also made a declaration in Parliament that Government had no desire whatever to depart from the assurance given by the Prime Minister to the effect that while Hindi should be progressively developed for use as the country's official language, English would remain an associate language for official purposes for such time as the non-Hindi-speaking people in the country wanted it. Needless to say, expediency was the force behind the Prime Minister's assurance, the Home Minister's reiteration and the Presidential Order.

The non-Hindi-speaking areas were not slow to catch up on this turn of events. The Madras State Legislature passed a resolution "requesting the Central Government to undertake appropriate legislation in order to implement the assurance regarding the use of English for official purposes in the Indian Union," and the Madras Government (according to a report from Delhi) asked the Union Government what action was being taken on this resolution of the State Legislature. It is further reported that Delhi has assured Madras that appropriate legislation would be brought forward in the next session of Parliament to implement the Prime Minister's assurance about the continued use of English for official purposes even after 1965. It would seem that the Union Law Ministry was consulted on whether there was any legal or constitutional bar to introduce a Bill on the lines indicated above. The Law Ministry is reported to have replied that no legal or constitutional objection was envisaged, but that "it might look odd" to introduce legislation so far in advance, meaning that we have four more years to go before 1965 is reached.

Which only shows that the legal and administrative pandits in the Law Ministry lack the political prescience of the Union Government as a whole. Who cares, in politics, if something that is done looks "odd" or even absurd? What counts is whether the politics of the coming election which will take place in under a year from now demands quick action being taken in the next Parliamentary session so that the feelings of the non-Hindi—speaking folk in the country are assuaged. I think it was Bismarck who said once in the Prussian Chamber that "Politics is not an exact science," and the saying can be repeated for the benefit of the theorists in the Law Ministry. I can imagine the Prime Minister saying, "Odd, my foot! What is odd about advance legislation? Don't you see that it would be more odd, indeed ridiculous, if we get beaten up in the elections on this score?" And, if as I imagine, he has said this, I would add "Begad, Sir, you are quite right!"

* * * *

Drug Prices

Barring drugs and medicines like tincture of iodine, boric powder, aspirin, soda-mint and iodex, most other patent preparations and curatives, vitamins and antibiotics sell at desparate prices in the country; in large cities prices vary from one locality to another while in small towns they are unpredictable. It is bad enough that Government is not in a position to fix prices at the manufacturers' level; it is just too bad that no effective method of restraining dealers from making unconscionable profits has yet been evolved. Large and prosperous-looking drug stores charge more than the smaller ones, and the gullible public believe that quality is guaranteed in the former's stock than in the latter's. While this is not wholly true, one possile excuse which may be conceded for higher prices is that establishment charges and overheads are more for the former than for the latter, but that should be no justification for higher margins of profits; indeed, the profit margins allowed by manufacturers provide for a fair cross-section of dealers, and there can be no valid excuse for varying them. Manufacturers are expected to fix prices for their products, and though a price schedule is supplied to all retailers, there seems to be nothing preventing a retailer from selling drugs at higher prices, except, perhaps, next door competition. The incidence of drug prices falls more heavily on middle class and poorer sections of the community than on the affluent class, and it is a crime to exploit the vulnerable sectors especially when their resources are subject to heavy strain by sickness and incapacitation of, perhaps, the bread-winners themselves.

I see no reason why the enlightened few among drug manufacturers should not take recourse to stamping of prices on phials, bottles and cartons, with the understanding that a dealer may, in his discretion, sell below the marked price (forgoing a portion of profit) but *not* above. Marking of prices would also enable purchasers to compare them with those of other makes of a like product, and choose one at a lower cost, after scrutiny of the potency of ingredients, which, thanks to statutory requirement, are disclosed on the wrappers. By way of illustration, I would mention that while there are several patented preparations of calcium, vitamins A, B, C and D, folic acid, nicotinic acid, B. complex, pain-killers, tranquillisers, sedatives, antacids, absorbents, analgesic, anti-inflammatory, anti-pyretic and anti-allergic preparations, a layman gets very little opportunity to make his choice on the basis of comparative price (which is not openly revealed) or on the basis of composition, of which his physician thinks he alone is the best judge. Knowledge of pharmacopœia and pharmaceutic matters is not as esoteric nowadays as it was twenty years ago; there are lots of laymen who can give tips to physicians from personal experience, for, after all, most general practitioners owe their success to experience, achieving correct diagnosis by clinical competence and correct choice of drug by trial and error. There is therefore no reason why manufacturers of drugs and patent preparations should any longer cling to secrecy in the matter of price and publication of clinical literature. A brochure about a patent preparation marked "for use by members of the medical profession only" is as outmoded as a film scheduled for view by "adults only." In both cases the exclusive clientele are bored stiff.

* * * *

Inter-Bank Agreement On Deposit Rates

I have no doubt that the members of the Indian Banks' Association and the Exchange Banks Associations in India know their business very well, but it is intriguing to find that they have not moved (or have they?) in rectifying an anomaly in the working of the inter-bank agreement on maximum rates payable for deposits. The 27 banks whose individual deposits are of the order of Rs. 25 crores and over have agreed to charge a certain set of rates for deposits and savings bank accounts. The 10 banks whose deposits are below Rs. 25 crores each have the discretion of quoting up to an extra quarter per cent more with the proviso that seven of them (viz. the State Banks of Bikaner, Hyderabad, Indore, Jaipur, Mysore, Patiala and Saurashtra) which are subsidiaries of the State Bank of India may do so if they find that their average aggregate monthly deposits have fallen below the level at which their deposits stood on 30th June 1960. These subsidiaries are adopted children of the State Bank and have acquired, in the eyes of the public, a status and importance equal to that of the principal. With the enhancement in their prestige and the discretion to quote the extra ¼ per cent they are in a position to offer severe competition to the rest of the banks and, perhaps, to the State Bank of India itself. Most parents who are old-fashioned enough to *adopt* sons know to their cost that the sons acquire, in course of time, a status superior to that of the parents. What is true of family life may well become true of Indian banking circles also!

Notice

THE CHURULIA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on 29th May, 1961, a Dividend of 3 per cent per annum, subject to deduction of tax, was recommended to be paid for the year ended 31st December, 1960.

By Order of the Board,
F. W. HEILGERS & CO. (P) LIMITED,
Secretaries & Treasurers.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA.

THE BRITISH INDIA CORPORATION LTD.
KANPUR

BRANCHES DIVISION
Cawnpore Woollen Mills Branch
New Egerton Woollen Mills Branch
Cooper Allen Branch
North West Tannery Branch
London Office

BEGG SUTHERLAND DIVISION
Secretaries and Treasurers:
The Elgin Mills Company, Limited
Cawnpore Textiles Limited
Brushware Limited
Cawnpore Sugar Works Limited
Champaran Sugar Company, Limited
Saran Engineering Company, Limited

Secretaries for:
Beta Picker & Co. Ltd.

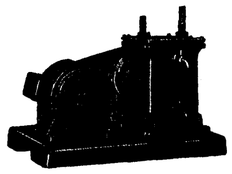
Agents for:
Royal Exchange Assurance

THE SOUTH INDIA INSURANCE CO., LTD.
Incorporated in India
(Established 1934)

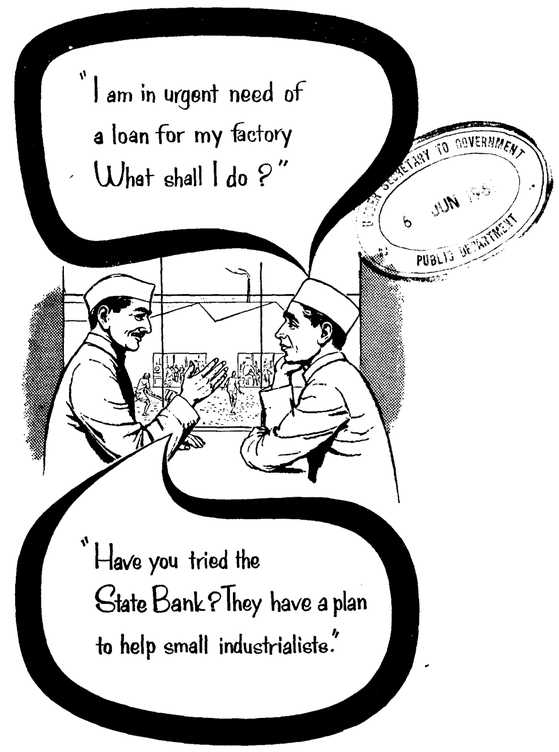
FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office:
Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

LABORATORY AND INDUSTRIAL VACUUM EQUIPMENT AND MEASURING INSTRUMENTS
by
M/s. ARTHUR PFEIFFER, GERMANY
Manufacturers of High Vacuum Equipment like Vacuum Pumps, Diffusion Pumps, Electric and Mercury Vacuum Gauges, High Vacuum Evapor Plants for Metal Coating, Etc.



Sole Agents:
TOSHNIWAL BROTHERS (PVT.) LTD.
198, Jamshedji Tata Road, Bombay 1
Branches:
AJMER CALCUTTA DELHI MADRAS



The State Bank of India, through its many branches, is ready to offer help and advice to small industrialists in need of a loan. Please call on the Agent of the branch in your town for full particulars.

STATE BANK OF INDIA
INDIA'S LEADING BANK

Canada

With more than 880 branches from coast to coast The Royal Bank of Canada offers a complete and informed banking service to those interested in Canada as a field for trade or business expansion. Ask your banker. Enquiries invited. Correspondents the world over.
London Offices—6 Lothbury, E.C.2. B. Strath, Manager
2-4 Cockspur Street, S.W.1. R. B. Murray, Manager

THE ROYAL BANK OF CANADA
Incorporated in Canada in 1869 with limited liability.
Over 980 branches in Canada, the Caribbean area and South America.
HEAD OFFICE: MONTREAL. OFFICES IN NEW YORK AND PARIS
Assets Exceed $4,000,000,000

READY REFERENCER AND GUIDE TO COMPANIES ACT
1961 EDITION
By JOHN and ROW, Advocates, Madras
Contents : A commentary on the Companies Amendment Act 1960.
Text of the Companies Act 1956 incorporating up-to-date amendments.
Price: Rs. **12.50** (*postage extra*)

EXPRESS PUBLISHERS (PRIVATE) LIMITED
33, BROADWAY, MADRAS-1

THIRD PLAN TARGETS FOR INDUSTRIES

ACCENT ON ECONOMY IN INVESTMENT

(From Our Special Correspondent)

NEW DELHI, 30*th May*

DELHI LETTER

VERY few of the details of the industrial part of the third Plan have been known and discussed in recent months. The Planning Commission has been showing considerable diffidence in elaborating these particulars, though, as part of perspective planning, the long-term physical targets have been set fairly high as shown below :

Steel ingots (million tons)	17-18
Aluminium (000 tons)	160-180
Electric power (million kw.)	20-22
Coal (million tons)	170-180
Oil refining (million tons)	18-20
Nitrogenous fertilisers (million tons (N)) ..	2·0-2·2
Cement (million tons)	24-26
Machine building (Rs. crores of output) ..	1,600
Railway freight transport long distance—originating traffic (million tons)	400
Foodgrains (million tons)	125
Exports (Rs. crores)	1,300-1,400

The lack of a sufficiently bold approach to the third Plan may be explained by the insufficient resources allocated for the overheads like power and transport which will ultimately decide how much of industrial investment can be fruitful. There have been some serious shortfalls in the second Plan which have proved instructive. Though present estimates of investment in industry show an excess of 30 per cent over the original figures, it is felt that only about 85 per cent of the physical capacity proposed has materialised. The overall investment break-up is given below :

(Rs. in crores)

	Forecast under the second Plan	*Current assessment*
Metallurgical industries (iron and steel, aluminium and ferro-manganese)	502.5	770.0
Engineering industries (heavy and light)	150.0	175.0
Chemical industries (heavy chemicals, fertilisers, drugs and pharmaceuticals, coal carbonisation, dyestuffs, plastics and chemical pulp)	132.0	140.0
Cement, electric porcelain and refractories	93.0	60.0
Petroleum refining	10.0	30.0
Paper, newsprint, security paper ..	54.0	40.0
Sugar	51.0	56.0
Cotton, jute, woollen and silk yarn and cloth	36.3	50.0
Rayon and staple fibre	24.0	34.0
Others	41.5	115.0
Replacement and modernisation ..	150.0	150.0
Total ..	1,244.3	1,620.0

The reasons are various ; in the case of steel and fertilisers, foreign exchange was an important limiting factor ; in respect of heavy machinery, mining machinery and foundry forge projects, much difficulty has been felt in defining the scope of each project ; recruitment of personnel was not easy in the case of schemes for organic intermediates for dyestuffs and in oil refining, negotiations with overseas collaborators have been long drawn out owing to the Government's attempts to get the best terms. The following table indicates the production targets and performance :

	Production targets	*Actual production*
Steel, finished (million tons) ..	4.3	2.2
Nitrogenous fertilisers—in terms of nitrogen (000 tons) ..	290	110
Phosphatic fertilisers—in terms of P_2O_5 (000 tons)	120	55
Textile machinery (Rs. crores) ..	17.0	9.0
Cement machinery (Rs. crores) ..	2.0	0.6
Paper machinery (Rs. crores) ..	4.0	..
Aluminium (000 tons)	25.0	18.5
Newsprint (000 tons)	60.0	25.0
Chemical pulp (tons)	30,000	..
Soda ash (000 tons)	230	145
Caustic soda (000 tons)	135	100
Dyestuffs (million lbs.)	22.0	11.5
Cement (million tons)	13.0	8.0

The Planning Commission now admits that the period of gestation for such heavy industrial projects has proved much longer than expected, and that this points to the need for much advance planning. Increase in costs of projects is yet another factor which suggests caution ; the latest estimates for the three public sector steel projects is Rs. 620 crores (against the original in the second Plan of Rs. 425 crores) and, since there is nothing to show that this underestimation will not be repeated, the planners are now prepared to assume that the physical targets will not all be achieved by the end of the third Plan. Clear indications are given that a sizable spillover is to be expected.

Resources for Public Sector

There are some uncertainties about the resources required for the public sector in industry and minerals of about Rs. 1,808 crores (including foreign exchange of Rs. 860 crores). The actual provision against this is Rs. 1,526 crores (Rs. 1,450 crores by the Centre and Rs. 76 crores by the States ; the balance represents part of the gap between the physical and financial Plans, specially of the States. Between Rs. 200 crores and Rs. 300 crores are expected from internal resources of public undertakings, particularly steel and fertilisers. Presumably the excess of investment over targets in the second Plan period has encouraged hopes of securing additional resources to achieve the higher target of outlay.

The break-up of outlay on industries and minerals as between the two sectors in the third Plan is estimated as follows :

(Rs. in crores)

	Public sector		Private sector		Both sectors	
	Total	Foreign exchange	Total	Foreign exchange	Total	Foreign exchange
New investment—						
Minerals ..	478	200	60	28	538	228
Industry ..	1,330	660	1,125	450	2,455	1,110
	1,808	860	1,185	478	2,993	1,338
Replacement	..	..	150	50	150	50

There has been very little discussion of the details of the resources and investment of the private sector in the third Plan. Whereas the public sector will be more than doubling its investment (from about Rs. 770 crores in the second Plan), the private sector seems to have a more manageable problem of stepping up outlay from about Rs. 850 crores in the second Plan to Rs. 1,335 crores. Even so, there is likely to be a shortfall in resources. The following table shows the resources for the private sector :

(Rs. in crores)

	Original second Plan estimates	*Latest*	*Third Plan*
Loans from institutional agencies	40	80	130
Direct loans, participation by Central and State Governments and other assistance..	20	20	20
New issues	80	150	200
Internal resources (net of repayment liabilities)	380	400	600
Direct foreign credits and participation in capital ..	100	200	300
Total ..	620	850	1,250

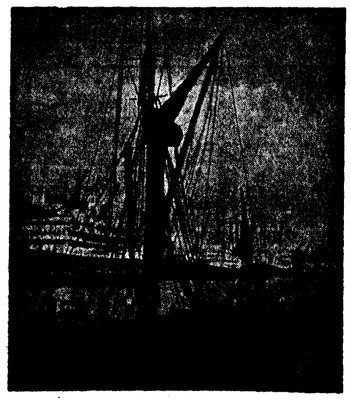
Though these estimates show faith in the private sector's capacity to raise larger resources and expand, the Planning Commission does not overlook the changes in the situation since the beginning of the second Plan which make the private sector's position more difficult. There is nothing left in the foreign exchange reserves to draw upon (as in 1956-58) and the problems of power shortage have become more acute. In respect of replacement expenditure, progress may be slow, in view of the pressure on available resources for new investment ; the units which stand most in need of replacement have inadequate reserves and it is not expected that the N.I.D.C. will be able to provide much help, in view of the very moderate allocation for its activities.

One of the proposals for meeting this situation is a periodical review of progress and allotment of foreign exchange and credits every six months in accordance with certain priorities. This is only vaguely stated at present without apparently realising the difficulties that may arise if there are no firm assurances of foreign exchange for projects in the private sector until they are completed. More stringent tests of export promotion and import saving for new projects are likely and this may result in cutting down investment in the production of some consumer goods for the home market.

A practical approach to the definition of the Government's industrial policy has already resulted in several modifications in favour of the private sector, though there is still insistence on defining its role as supplementary and complementary to that of the public sector. Fertiliser production, reserved largely for the public sector, has been thrown open to the private sector which is expected to function in a bigger way in the third Plan. Hitherto, pig iron plants in the private sector were allowed to have capacity of about 15,000 tons ; now plants having a capacity of 100,000 tons will be permitted to be set up. In the production of drugs, dyestuffs, plastics and chemicals, both are engaged side by side, the private sector specialising in processing of bulk drugs and intermediates produced by the other.

Accent on economy in investment is noticeable in the industrial plan as now conceived. For example, importance is attached to multi-shift operation in order to close gaps between capacity and production, of which several estimates have appeared recently. In other cases, expansion of existing units will be preferred to the setting up of new units in order to reduce the capital cost per unit of output, steel being the chief example. Saving of foreign exchange through exports or economy in imports will be yet another consideration which may entitle (or disentitle) the private sector for sanction of certain projects in its field.

These various and sometimes conflicting considerations do not amount to a clear-cut order of priorities. The Draft Outline had indicated a certain order according to availability of foreign exchange resources and that will remain valid, at least for the initial part of the third Plan. Completion of projects started in the second Plan will obviously be the first priority in view of the shortfall in the targets of production indicated earlier. Heavy engineering, machine-building, castings, forgings, alloy tool, iron and steel, ferro-alloys, fertilisers and petroleum industries are listed as next and third comes the production of basic raw materials like aluminium, mineral oils and chemicals. In the last category are included the many essential articles of domestic consumption in which output will have to keep pace with rising demand. This programme for accelerating the pace of industrialisation still lacks definiteness at various points, but, within its broad framework, the private sector will be able to make a useful contribution to the extent that it can organise schemes of collaboration and long-term capital participation from abroad.



Ship via London

BRITAIN'S PREMIER PORT

EQUIPPED FOR ALL TYPES OF SHIPS AND CARGOES

The PORT OF LONDON AUTHORITY

A Self-governing Public Trust for Public Service

For full particulars apply
The General Manager

PORT OF LONDON AUTHORITY, LONDON, E.C.3

618

LIGHT AND SHADOW IN EXPORT TRADE

(*From Our Own Correspondent*)

LONDON, 26*th May*

LONDON LETTER

AN analysis recently made by the Board of Trade of Britain's share in world exports shows that, last year, Britain was almost the laggard among the main exporting countries of the non-communist world. The principal western European countries, North America and Japan are compared, and, while eleven of these countries increased their exports by 15½ per cent over the previous year, the U.K. increased by less than 7 per cent. Only Canada had a smaller percentage increase.

But the U.K. trade figures for the month of April confirm that this year has marked a definite improvement. If one compares the past three months from February to April with the preceding five months (this is necessary because of the dock strike in September and October of 1960 which caused exports to be delayed into later months), then there is an improvement in the balance of payments of £24 million per month, or £290 million per annum. The improvement for this year over the whole of 1960 is not quite so striking but is appreciable. It is at the rate of £220 million per annum, and April is, indeed, better after seasonal adjustments than the earlier months.

Imports Fall

Actually, the improvement has been brought about more by a fall in imports than by a rise in exports. Imports fell by about 5 per cent; the heaviest falls were in foodstuffs, but there were also substantial falls in industrial materials, semi-manufactures and basic materials. Each month has shown a sharper fall than the month preceding. Only finished manufactures showed an increase—an indication of the way in which this country's import trade is tending to shift.

Another satisfactory feature is that the falls were steepest from North America (a drop of 12 per cent) and less steep from the sterling area (a drop of 6 per cent). It is interesting to note that, from western Europe, particularly the Common Market countries, there was an *increase* in imports of 2 per cent—mainly in finished manufactures.

On the export side, shipments to Europe and the Soviet Union have risen 1½ per cent, but exports to the U.S.A. and the sterling area have both fallen. The drop in exports to the U.S.A. is particularly marked since shipments are now at about two-thirds the level of a year ago. The increase in exports to Canada is only a partial compensation.

But the most ironic aspect of the export figures is that Britain's exports to the Common Market countries should have gone up by 8 per cent (mainly in engineering products), while its exports to the Free Trade Area have *fallen* by 2 per cent. No wonder the Government are taking such a hard look at the benefits that the Free Trade Area confers on them in comparison with the advantages of being inside the Common Market.—*All Rights Reserved.*

ANGLO-SOVIET ATOMIC AGREEMENT

An agreement providing for collaboration on the peaceful uses of atomic energy between the Russian State Committee of the Council of Ministers for the utilisation of atomic energy and the U.K. Atomic Energy Authority was signed in London recently. The agreement states that the representatives of the U.K. Authority and the Russian State Committee will meet from time to time in each country alternatively to agree on the subjects and methods of collaboration to be undertaken. They will consider the possibility of assisting each other so far as lies within their powers, having regard to the laws and export policies of their respective countries, in obtaining (*a*) new scientific instruments and equipment required for forwarding the peaceful uses of atomic energy and (*b*) radioisotopes and apparatus designed for their application in medicine, biological research and industry. The agreement has already come into force and will continue for five years unless three months' notice is given to terminate it.

BRITISH TEXTILE MACHINERY

The textile machinery industry, the U.K. Board of Trade and the Department of Scientific and Industrial Research are to carry out a study of research and development in the field of textile machinery. This is one of a series of such studies of important industries in the U.K. which the Council for Scientific and Industrial Research has asked its Economics Committee to carry out. The purpose of these studies, which are made with the collaboration of the industries concerned, is to help the Council to allocate the resources for research and development which the Government puts at their disposal, so as to achieve the maximum benefit to the national economy. The industry is providing full facilities for this study, through the Textile Machinery and Accessory Manufacturers' Association and visits to manufacturers' works will be made by officers of the Board of Trade and D.S.I.R. It is expected that the study will take about a year and that the conclusions will be published.

A second reduction in United Kingdom import duties on products produced in, and imported from, the countries of the European Free Trade Association, to be introduced on 1st July is announced in an Import Duties Order published by the Treasury in London on 26th May. This order continues the work of freeing trade between the E.F.T.A. countries which is one of the basic aims of the Stockholm convention. The second reduction of import duties was brought forward from 1st January 1962 to 1st July 1961, by a decision of the E.F.T.A. Ministerial Council at a meeting in Geneva in February. It will reduce import duties on intra-E.F.T.A. trade in most industrial products—already lowered on 1st July 1960—mainly by one-eighth, that is, to about 70 per cent of the basic rates.

The International Construction Equipment Exhibition will be held at London from the 15th to 24th inst. More than 170 different companies will be represented at the Exhibition, including 50 from overseas, Belgium 2, France 6, Holland 1, Italy 3, Sweden 2, Switzerland 2, U.S. 2 and W. Germany 32.

Notice

THE INDIAN RAYON CORPORATION LIMITED

United Bank of India Building, 2nd Floor, Sir P. M. Road, Bombay-1

RE : NEW RIGHT ISSUE OF 1,05,000 EQUITY SHARES OF RS. 100/- EACH

NOTICE

MEMBERS OF THE COMPANY ARE HEREby informed that the last date for receipt of applications for Equity Right Shares has been extended upto 30th June, 1961.

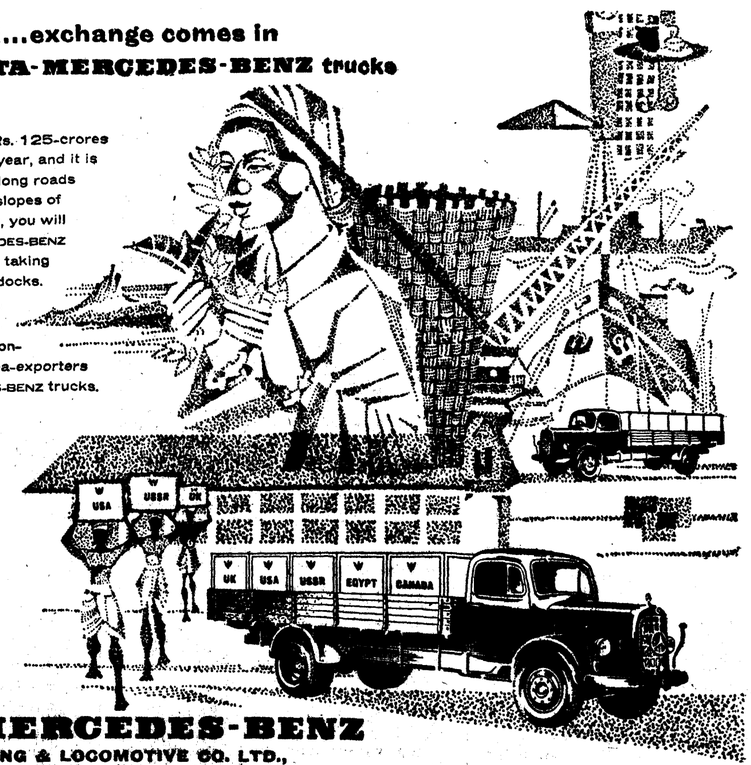
For THE INDIAN RAYON CORPORATION LTD.,
For THE VERAVAL RAYON INDUSTRIES (P) LTD.,
H. J. VAIDYA,
Director,
Managing Agents.

BOMBAY,
Dated : 20th day of May 1961.

Tea goes out...exchange comes in

helped by TATA-MERCEDES-BENZ trucks

TEA earns India over Rs. 125-crores of foreign exchange a year, and it is significant that on the long roads from the steep, green slopes of Assam and the Nilgiris, you will see more TATA-MERCEDES-BENZ trucks than any others taking this vital cargo to the docks. Taking half the world's tea towards half the world's kitchens is a non-stop job...that's why tea-exporters prefer TATA-MERCEDES-BENZ trucks.



The star that hauls a fortune

TATA-MERCEDES-BENZ

TATA ENGINEERING & LOCOMOTIVE CO. LTD.,
Automobile Division: 148 Mahatma Gandhi Road, Bombay 1.

T. 357A

THOUGHTS ON MONETARY MANAGEMENT

SIGNIFICANCE OF HIGHER INTEREST RATES EXAMINED

THE question of evolving an appropriate monetary policy which could adequately subserve the developmental requirements of India's planned economy has been discussed by several experts in recent years. In their report to the World Bank, the "Three Wise Men" had suggested an examination of "the ways in which monetary action might be made a more effective weapon of economic policy." The Governor of the Reserve Bank of India, Mr. H. V. R. Iengar, also dealt with the role of the Bank in achieving monetary stability in the course of his speech before the Society for International Development at Madras in November last. The latest substantial contribution to the discussion of this question of monetary management has been made in a research paper in the issue of the *Tata Quarterly* of April 1961.

At the outset, the paper explains the basic approach to the problem of monetary management in an economy, where 35 per cent. of the national income is consumed by the producer or exchanged without the aid of money and where about 50 per cent. of the industrial and trading activity is financed by lenders in the unorganised sector. In this context, it is pointed out that the effectiveness of monetary control is even more limited than in foreign countries. But under a planned economy, it is not enough to aim at stability in the short run; it is also necessary to give positive assistance to the process of long-term development.

Stressing the role of monetary policy in promoting development without impairing the objective of stability, the article very succinctly explains the complex tasks of monetary policy in Indian conditions as under:

"This developmental responsibility coming on top of the 'overall' regulatory responsibility adds a new dimension to the central bank's functions. Planning also implies that progress in certain directions should have precedence over progress in other directions and calls for 'purpose-wise' control over investment. It is necessary to ensure that all legitimate productive activity in general gets the funds it needs for development. This may call for restraints in special directions, for example, unproductive or speculative activity, but not *overall* controls of the kind exercised in foreign countries for countering cyclical fluctuations in demand, investment and income. India's central problem being one of mobilising resources for development, money may be made tight but not at the expense of production. What is required, therefore, is something of a 'holding operation' or a policy of 'controlled expansion.' As the targets in the Plan are related to the country's needs rather than resources, the question is how far deficit financing can be allowed without jeopardising monetary stability. Luckily, possibilities of multiple credit creation on a given base of additional currency created by deficit financing are more limited than in foreign countries. Even so, some increase in the general level of prices is inevitable during a process of development. Besides ensuring adequate finance for productive enterprise, care has to be taken that the cost of such finance does not prove burdensome in the long run both for government and for private borrowers. As regards interest rates, therefore, the problem, unlike in foreign countries, is not one of raising or lowering the general level; it is one of operating an integrated structure taking into account diversity of purpose and borrower-class. Apart from this, changes in the Bank Rate are of less significance here than elsewhere. They may affect, to some extent, inventories but not fixed investment."

Monetary Equilibrium

The concept of "monetary equilibrium" is then explained. This concept refers to a state in which, for the community as a whole, money works satisfactorily both as a store of value and as a tool for carrying out transactions. Alternatively, it may be described as a state in which the community's intentions, in "real" terms, in respect of consumption, saving and investment can fructify without money operating as a source of disturbance. Money possesses this power of upsetting everybody's plans because the money rewards of most people are "sticky." If this were not so, if, for example, everybody's money income (and hence all prices) increased exactly and instantaneously in the same proportion as any increase occurring in the aggregate money-stream, there would be no need to have any monetary policy at all, for the actual level of the money stream (that is, general demand) would not make a change in anybody's "real" position.

In taking a view as to how far a given level of monetary demand is operating as a disturbing factor (in either the upward or the downward direction) the authorities have to attempt a judgment on (i) the price-trends, that is, the situation in commodity markets and (ii) the interest rates, that is, the position in regard to the demand for and supply of investible funds. An increase in monetary demand would be "excessive" (that is, one which needs to be curbed) if it alters the price situation in such a way as to bring windfall profits to the entrepreneurial class and an unexpected worsening of the position of people with inflexible money-incomes. In the contrary case of, respectively, windfall losses and unexpected betterment, the monetary demand would be considered deficient. Likewise, if the rate of interest is below the equilibrium rate, that is, if at that rate the demand for capital is in excess of the supply of genuine savings, and if the larger investment calls for a measure of "forced" saving through a rise in prices, the increase in money stream which makes the larger investment possible may be called excessive. The contrary case is also possible. This can be described by saying that banks are not lending out (or creating new money) fast enough; and that the rate of interest is kept above the equilibrium level; a part of the community's saving is running waste through an abnormal increase in the stocks of goods in manufacturers' and dealers' godowns or through an increase in idle capacity and manpower.

Money Income

Of course, the research paper seems to be quite aware that, in a growing economy, aggregate money income and hence generally the stock of money must also expand in the long run if monetary equilibrium is to be preserved. The paper says:

"This does not mean that money income must always be expanded at the *same* rate at which output increases, and the price-level thereby kept stable. If, for instance, output grows because of a steady increase in the stock of national capital and not because of an increase in the number of people employed, a policy of allowing money to increase as much as output would be inappropriate, for the money income of labour is likely, because of its stickiness, to record a smaller proportionate increase. Hence it would be desirable that the gains of growth should accrue to the community partly in the shape of larger total money income and partly in the shape of lower prices.

"To take another case, if the increase in output is due to an improvement in technique or organisation without much change in either the stock of capital or the numbers employed, the best policy, theoretically, would seem to be to allow prices to fall in proportion to the improvement in efficiency without any increase in total money income. If the money income of labour keeps on increasing (as it is likely to) because of increased productivity in the face of a constant total money income, it would inflict windfall losses on businessmen. Practical considerations would, therefore, again indicate a policy which allows the gains for the community to appear partly as increased total monetary demand and partly as reduced prices. On the other hand, if the growth-factors (more capital and more people) lead to increased output only at an increased average real cost (due to calling into use inferior land, materials and operative-skills), money would need to expand more rapidly than output in order that the community may not be thwarted in its attempt to set aside out of current consumption, increased resources for development."

Thus, according to the paper, there are two broad indications of the practical importance of monetary equilibrium to a society which allows its people freedom in the use of money. In the first instance, the rate of interest should be at the equilibrium level, that is, the level which matches the thriftiness of the people with the readiness of entrepreneurs to make net new investment and in the second instance, the price level is not allowed to fluctuate widely, as to generate excessive optimum among entrepreneurs and bring windfall profits over the industrial sector at large or reduce seriously the real worth of the store of value set aside by people in the form of money.

Efforts to control the general level of demand, the paper points out, encounter difficulties of three kinds. They are:

First, money is created and extinguished not by the authorities alone but also by the banks who usually have a margin within which they can operate at their own choice.

Secondly, a person's spending is related not just to the amount of money he has but also to the amount he thinks he can lay hands on by selling assets or by borrowing.

Thirdly, the amount of work the community gets out of its money stock, though it can be influenced, cannot be directly controlled. The authorities may pump more money into the economy but the community may prefer to sterilise it by "hoarding" more. At another time, while the money supply is steady, an improvement in business prospects may cause a sharp unexpected increase in monetary demand.

These difficulties clearly show why a quantitative approach to monetary management is not likely to be fruitful but may prove deceptive. For securing appropriate changes in demand in the desired direction, the monetary authorities have to decide what level of general monetary demand is desirable in a given situation. According to the article, since this will rarely be the same as the existing level, they have, in effect, to exert all the time either expansionist or contractionist pressures in lesser or greater degree. The Radcliffe Committee emphasises the importance of doing this consciously and purposively and of publicising fully the "view" taken and the reasoning on which it is based. For securing changes of demand in the desired direction, the authorities have to make as large an impact as possible on both (*a*) the availability of money and (*b*) the general state of confidence and expectations. This indicates uninhibited use of all the weapons in the armoury. All lenders (i.e. including those other than banks) can be brought within the ambit of control, and public's attitudes in respect of putting money to use can be influenced only if the authorities, besides taking adequate action at the short end (Bank Rate and operations in bills and short-dated paper), also seek purposive changes in the yield on long-dated securities.

One implication of this, it is said, is that, though the authorities may be specifically entrusted with the responsibility of seeing that sufficient funds are spared for financing outlay in the public sector, the method of financing should conform to the objectives of monetary policy. In particular, the structure of public debt—i.e. the interest rate, maturity and ownership pattern—should be looked upon as a monetary, rather than as a budgetary, problem. Finally, the public's behaviour in the monetary sphere can be influenced in the required direction to the extent (*a*) the authorities' decisions can be interpreted intelligently by the public in terms of the requirements of the situation and (*b*) a sense of assurance spreads that the objectives will be pursued firmly and with vigour. This is important, for how much the community wishes to go ahead or hold back in respect of its expenditure is an important independent factor in the course of general demand.

Policy Measures for India

Having analysed the theoretical implications of monetary policy appropriate to the conditions obtaining in India, the research paper maintains that the very backwardness of the economy makes appropriate for India the special slant to monetary management given by the Radcliffe Committee. Indigenous bankers, using their own resources, are similar to financial institutions other than banks in Britain in that the result is a "liquidity position" which calls for special attack. The lesson to be drawn is that, even if a change in the quantity of money held in the "organised" market produces its effects slowly and imperfectly in the "unorganised" sector, a firm change in the interest-rate, leading to a change in the value of gilt-edged, land and gold, is likely to have prompt and substantial effect in the otherwise inaccessible unorganised sector.

In regard to interest rate policy, the research paper emphasises the need for adopting a purposive monetary policy which would *prima facie* imply raising interest rates closer to equilibrium levels. Discussion of this matter in India tends to confine itself to the Bank Rate. But of greater importance would be an attempt to force the long rate up by reducing significantly (either at one step or gradually) the prices at which the Reserve Bank is prepared to sell Government securities. The paper is of the view that even the Bank Rate has not been used as an effective deflationary weapon. Money did not become tighter following the raising of the rate from 3 to 3½ per cent in 1951, and the inception of the Bill Market Scheme in February 1952 actually made borrowing by banks easier. The 1957 Bank Rate change came at a time when the inflationary forces in the economy had greatly enlarged the demand for capital with a corresponding increase in the profitability of bank operations. Consequently, the paper concludes, the rate was probably still too low to be effective as a force constricting the growth of bank credit.

The paper contends that the Reserve Bank's open market operations, which today aim at maintaining orderly conditions in the gilt-edged market, are mainly in the nature of accommodating the banks in their seasonal lending operations. Elaborating the need for using open

(*Continued on page* 1064)

PROTECTION OF BANK DEPOSITORS—II

INSURANCE SCHEME BESET WITH SERIOUS DIFFICULTIES

By L. R. Suneja

THE attempt to develop a nationwide system of insurance of bank deposits was undertaken in the United States in connection with the Banking Act of 1933. This Act provided for two insurance plans—a temporary plan effective 1st January 1934, to be succeeded by a permanent plan effective 1st July 1934. The temporary plan provided for the insurance of deposits of all member-banks licensed to operate by the Secretary of the Treasury, and the deposits of non-member State banks whose solvency has been certified to the Federal Deposit Insurance Corporation by State Supervisory Authorities. By various amendments to the Act, the American Congress extended the temporary plan and correspondingly postponed the effective date of the permanent plan. Prior to the expiration of the extended period, however, the Congress enacted the Banking Act of 1935 which took effect from 23rd August 1935. This Act materially changed the plan provided for in the Banking Act of 1933 and placed deposit insurance on a permanent basis, limiting the insurance protection for each depositor of an insured bank to a maximum of $5,000 of his deposits. In 1950, the Congress increased insurance protection to $10,000 for each depositor and made further changes in the insurance plan all of which were embodied in a separate statute entitled Federal Deposit Insurance Act.

The Federal Deposit Insurance Corporation obtained its original capital from two sources:

(i) The United States Treasury subscribed to $150,000,000 in capital stock.

(ii) Each Federal Reserve Bank was required to subscribe to shares of stock equal to half of its surplus account as of 1st January 1933.

This latter amount was more than $139,000,000. Therefore, the Corporation's original fund represented by capital stock aggregate more than $289,000,000.

Corporation's Powers

The Federal Deposit Insurance Corporation is under the management of a Board of Directors consisting of the Comptroller of the Currency and two others appointed by the President. The Corporation is empowered to appoint examiners with power to examine all insured non-member State banks, any National Bank with the written consent of the Comptroller and any State-member bank with the written consent of the Board of Governors of the Federal Reserve System. The law directs the Comptroller of the Currency to appoint the Corporation as receiver of an insured National Bank which is closed either because of its inability to meet the demands of its depositors or for the purpose of liquidation without having made adequate provision for the payment of its depositors. The Corporation also must act as receiver of an insured State bank which is closed under like circumstances when the appointment is tendered by State Supervisory Authorities under the State law.

As soon as possible, after failure of an insured bank, the Corporation shall make available to each depositor the amount of the insured deposits, either by transferring to another insured bank under the same community, by depositing it in a new National Bank with a temporary organisation, if public interest so required, or by direct payment to depositors. If a new bank is organised by the Corporation, it may accept deposits, to be held in cash or the equivalent or to be invested in Government securities pending sale of stocks and completion of organisation or the sale of its assets and transfer of its liabilities to another insured bank.

The Corporation is subrogated to the right of the insured depositors and the closed bank to the extent that it is entitled to receive the same dividends from the proceeds of the assets and recoveries on account of stockholders' liabilities as would have been payable to the depositor on a claim for the insured deposit. The depositor retains its claim for any uninsured portion of its deposits. The Corporation, therefore, is in the position only of a general rather than a preferred creditor.

Any non-member insured bank may terminate its insured status by giving 90 days' notice. Member-banks are required to be insured whenever any insured bank is guilty of continued unsound practices or violation of law, the Federal Deposit Insurance Corporation shall notify the Supervisory Authority concerned regarding such practices or violations. If conditions are not improved within 120 days, the Corporation may give the bank at least 30 days' notice of its intention to terminate the insured status of the bank and set a time for hearing of the case. If the Corporation find the charges substantiated, it may order the termination of the Bank's insured status, give public notice of the same, and require the bank to give notice to all depositors to that effect. After the termination of insured status, existing deposits shall continue to be insured for a period of two years, and the bank is liable for the regular insurance assessment. New deposits or additions to old deposits, however, are not insured. Since National Banks and Federal Reserve members cannot remain uninsured, National Banks, under the circumstances, are put into the hands of a receiver and State member-banks must give up membership in the Federal Reserve System.

Three Major Functions

The activities of the Federal Deposit Insurance Corporation consist chiefly of three major functions:

The development and maintenance of sound banking system.

The payment of insured deposits in suspended insured banks.

The liquidation of insured banks placed in receivership.

There has been a great deal of controversy concerning the merits of deposit insurance. Much can be said on either side of the subject. There appears to be little doubt that the adoption of deposit insurance by the United States, shortly after the banking crisis, which occurred in 1933, did much to allay the fears of depositors and to restore confidence in the banks. Since its establishment, the Federal Deposit Insurance Corporation has through its powers of examination and supervision done much to encourage sound banking practice, to promote a more conservative loan and investment policy on the part of insured banks and to improve the capital structure and the general soundness of these institutions. The Corporation has done pioneering work in the field of service, training and education of bank examination. The beneficial effects of such a programme are being disseminated throughout the entire banking profession. The work of the Corporation has been preventive as well as remedial by its authority to force weak banks to merge with stronger banks. The Corporation has prevented bank failures, conserved saving and prevented losses both to depositors and the community. It is claimed that vast funds, which are hoarded by people suspicious of banks, have been drawn out of the hoards and deposited in banks.

Banks failure brings about a destruction of purchasing power and affects business conditions adversely in the area in which they occur. Through the Federal Deposit Insurance Corporation, the community has been assured that, in the event of the failure of one or more of its banks, it will not be deprived of banking facilities or of funds needed for productive. This has tended to promote more stable economic conditions in the community. The fact that the deposits are protected by Insurance Acts has a restraint on the depositors to withdraw funds from banks in times of stress. When banks are insolvent, deposits insurance enables the assets of these banks to be liquidated in an orderly manner and at the same time allows depositors to have full and immediate use of their savings.

Since its founding in 1934, the F.D.I.C. has paid a total of $343,000,000 to 1,4000,000 depositors in 439 failing banks. This has resulted in a loss to depositors of only 0.4 per cent. Of these total disbursements, the F.D.I.C. anticipates in its report for the year 1959 that it will recover $29,000,000 for the Corporation during the past quarter century.

Arguments Against Deposit Insurance

Few of the more important of the many arguments that have been presented against deposit insurance may be considered here. Probably the most telling argument brought against deposit guarantee is that "it puts all bankers on the same level making the deposits in new, inexperienced, reckless, or dishonest banks as safe as deposits in old, proved, conservative for developing goodwill and reputation for sound banking and for accumulation of substantial surpluses making liberality in extension of loans and payment of interest on deposits the chief inducements to depositors; taxing goods, competent, experienced, trained land conservative bankers in order to pay the losses wrought by the incompetent, inexperienced, untrained, and reckless bankers; giving the unscrupulous and reckless banker the competitive advantage and thereby lowering the personnel of the banking world; stimulating the establishment of new, small speculative banks since they are as safe as the old, well-established institutions; and making the public indifferent whether reckless and crooked bankers are punished or not.

Another criticism of deposit insurance is that it violates the very first principle of insurance that the premium should vary with the risk. The term "insurance," as now applied to bank deposits, is a misnomer. Strong banks insist that equal assessment irrespective of the soundness of an institution discriminate in favour of the weak and against careful management. There is much to be said for this argument. American experience shows that, while large banks have failed, the great loss to the public has come from the failure of small banks. Small banks have represented the greatest hazard. All other insurance is based on the principle that the amount of the premium should be governed by the hazard. Life insurance premiums vary with the age or health of the individual; fire insurance premium vary according to the character, condition and location of building, etc. Under the guarantee fund, all banks, good or bad, are taxed on the same basis. If insurance companies in general would apply this method to all individuals and to all buildings it would mean that the insurance companies would soon be forced into insolvency. In other words, insurance principles dictate that the element of risk must be guarded against, and this is done by differential rates, depending upon the circumstances surrounding each particular case. The insurance of bank deposits has introduced a new principle in insurance, that the premium should be based on the ability of the insured to pay rather than on the risk involved.

The insurance of bank deposits is not a substitute for sound assets are the best protection that banks can offer depositors, assets that are of such a nature that they could be equally turned into cash with little or no loss and made available to depositors on demand. Sound banking requires bankers with good training and adequate experience. Not even by the widest stretch of imagination can it be stated that a guarantee fund induces greater integrity or ability so far as the banking community is concerned and there is every reason to believe, at least judging from the experience of those States in which the law was tried that the opposite will result and that unsound banking practices will grow under such a law.

One more inequity appears to exist in the practice of assessing banks on the basis of their total deposits rather than on their insured deposits. A higher percentage of the deposits of small banks is likely to be $10,000 maximum and, therefore, insurable, than of the deposits of large institutions. The larger banks feel that the depositors in small banks are being subsidised by the larger institutions and that they are assuming disproportionate share of the cost of protecting bank deposits.

One Fundamental Objection

One fundamental objection to the system of deposit insurance is that it does not strike at causes but at effects. It perpetuates the traditional banking structure. It gives the small banks a new lease of life and puts off the day of centralised banking in a country. The guarantee of deposits is not necessary. England has not found it necessary to guarantee deposits in order to make them safe.

The Economic Policy Commission of the American Bankers Association made a careful study of the earlier experiments with deposit guarantee in the Western States of the United States. Their following observations make an interesting study:

"These lessons of experience appear to demonstrate conclusively that in practice the guarantee of deposits plan generally tended to induce an unsound expansion in the number of banks and the volume of bank deposits under its supposed protection. This was clearly connected with the indiscriminate popular confidence created towards the bank under the guarantee. Unneeded, undersized and unsound banks, as well as unqualified bank operators, were enabled to command public

(*Continued on page* 1064)

MODERNISATION OF TEXTILE INDUSTRY

JAPAN'S EXAMPLE WORTHY OF EMULATION

THE need for modernisation of the Indian cotton textile industry is so obvious and urgent that most chairmen of the leading cotton *mills in the country have stressed its* urgency in their speeches at the annual meetings of their respective companies held in the past six months. The latest comment comes from Mr. N. K. Jalan, a Director of the Elphinstone Spinning and Weaving Mills Company Ltd. In his speech delivered at the Annual Meeting of the Company held this week in Bombay, Mr. Jalan pointed out that the steady decline in the export of piecegoods during the first quarter of this year was due to higher costs of Indian textile goods and intense competition they faced in foreign markets. It was necessary to restore the competitive capacity of the industry through encouragement to modernise and rehabilitate machinery so that the mills may produce quality goods and be able to sell at competitive prices in the export markets. Although the need for modernisation has been generally recognised, what little modernisation that is attempted by the industry is much too modest. Even the new machinery being installed in the place of the old ones, as Mr. Jalan pointed out, is out-of-date. For instance, while in many other countries 10" and 12" lift narrow width spinning frames had been introduced without resulting in any loss of production, in India the industry had to content itself with 8" lift spinning frames. He suggested that the Government should allow the industry to import the latest machinery available in world markets or ask the Indian textile machinery manufacturers to produce machinery of comparable standards in India. In any case, he wanted the Government to follow a liberal policy in respect of modernisation of the cotton textile industry.

Rationalisation

That such a policy will yield rich dividend in the long run is abundantly proved by the experience of some of the foreign countries which have a highly developed cotton textile industry. An idea of the streamlining and reorganisation brought about in the Japanese cotton industry can be had from a survey of the trends in Japanese cotton mill industry contained in the 1961 edition of *Textile Japan*, just published. Modernisation of production equipment and facilities in Japan, according to the survey, dates back to 1956 when the Temporary Law on the Machinery and Equipment of the Textile Industry was enforced. Under the law, any increase in the cotton spinning capacity was prohibited. This law applied not only to cotton spinning but also to all other spinning branches of the textile industry. As a result, the efforts of the industry had been concentrated not on increasing its spinning capacity but on rationalising and steamlining the production process. These included shortening of production processes, installation of high-speed automated machinery, increased use of cleaning machines, and production in large packages. The shortening of production processes involved the adoption of one-process opening and picking, two-passage drawing and one-process roving. As a result, one-process pickers, which had been installed at 26.4 per cent of all cotton spinning mills at the end of 1956, were installed at 49.5 per cent at the end of 1958 and at 55 per cent of all cotton spinning mills in Japan at the end of 1959.

Further, spinning machines with a lift of seven inches or more comprised 60.7 per cent, 73.0 per cent and 75.0 per cent, of all the spinning machines installed at the end of 1956, 1958 and 1959, respectively. Installation of high-speed, automatised machines is the key point in the effort for modernisation of production in every production process. For instance, high speed combers, with more than 130 nips per minute, accounted for 28.3 per cent, 39.3 per cent and 46.7 per cent of all the combers installed at the end of the above-mentioned years, respectively. Apart from the move for the installation of highly efficient machinery, the industry as a whole is also making special efforts to increase the productivity of labour and improve the quality of products by popularising cleaning machines and by paying special attention to the working conditions of textile workers. As a result of these efforts, the industry is becoming more and more efficient. But more important is the fact that the quality of products has improved, production of high quality goods is on the increase as a result of the modernisation of production, and the industry is now producing a large variety of products so that it can meet all sorts of demands from customers.

The average number of counts of pure cotton yarn produced in Japan has remained unchanged at about the same level since 1956, but the number is still higher than the number of counts in many other countries of the world. The proportion of combed yarn in the total production of pure cotton yarn rose from 9.7 per cent in 1956 to 10.1 per cent in 1957 and to 11.5 per cent in 1959. The proportion of shirting and sheeting in the total production of cotton fabrics fell from 33.1 to 25.5 per cent between 1956 and 1959 and that of sheeting from 6.0 to 5.5 per cent while the proportion of poplin rose markedly from 16.1 to 21.1 per cent during the same period.

Processed Fabrics

The development of dyeing and finishing techniques has resulted in a marked increase in the production of specially processed or treated cotton fabrics. Consequently the percentage of bleached, dyed or printed fabrics in total production rose from 76 in 1956 to 85.1 in 1959. Furthermore, there has been a marked increase in the amount of specially processed cotton fabrics such as resin-finished, anti-shrink, waterproof and mercerised cotton fabrics. The turnout of resin-finished cotton fabrics rose 4.7 fold in four years from 1956 to 1959.

The advances made by the industry in the techniques of manufacture have been reflected in the exports of cloth from Japan. Japanese textiles, it is common knowledge, are exported to almost all countries of the world. That country exported 1,056 million square metres of cotton fabrics in 1959 to 142 countries. Shipments to Asia, Europe, North and South America, Africa and Oceania accounted for 49.9 per cent, 11.2 per cent, 16.5 per cent, 11.2 per cent and 11.2 per cent respectively. As compared with the figures for 1954, the percentage of exports to Asia in the total declined from 65.4 to about 50 per cent but there was a marked advance in the exports to North and South America and to Oceania. The decline in exports to Asia may be attributed to the development of cotton manufacturing industries in some Asian countries and the inroads made by Communist China in these areas. On the other hand the increase in exports to countries with comparatively high income levels is claimed to be a result of a wide recognition of the quality of Japanese goods and increased demand in such countries. It is true that high quality cotton fabrics constitute an increasing proportion of the total export of cloth from Japan while the proportion of inferior qualities has been declining. Thus, export of shirtings is declining while that of poplins is increasing. In 1959, export of poplins accounted for 31.9 per cent of the total cotton goods export while that of poplins formed only 29.4 per cent. Further, the proportion of the export of unbleached cotton cloth in the total is falling while that of processed cloth is increasing. In 1959, the former accounted for only 19.5 per cent of the total. Export of made-up goods is steadily going. These facts, it is claimed, prove the superiority of Japanese manufacturing and processing techniques. That this is probably not an exaggerated claim could be inferred from the excellent quality of cloth samples attached to the publication *Textile Japan*. These samples reflect the effects of modernisation of the textile industry in Japan.

WORLD COTTON PROBLEMS

The International Cotton Advisory Committee, I.C.A.C., Washington, at the end of its Tokyo session called on the U.S. to abolish its dual price system for raw cotton to help solve a major textile industry problem. In a resolution unanimously adopted, the I.C.A.C. pointed out that the "widening difference between the domestic and export price of U.S. cotton for the next season is moving away from the desirable objective of a one price system ... and could have repercussions on the distribution of trade in cotton textiles." The I.C.A.C., while recognising the need for some measure of governmental assistance for growing industries to maintain the farmers' living standards, resolved to recommend to the Governments concerned:

(1) To avoid excessive fluctuations in the world price by holding sufficient carryover stocks to provide for contingencies;

(2) to keep the cotton price at a level "both reasonable and competitive with other fibres" and to avoid market disruption;

(3) to impose export taxes only if necessary and at a level "neither excessive nor subject to frequent changes";

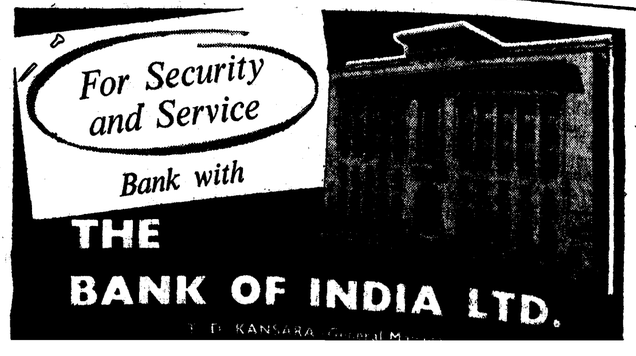
(4) to announce changes in cotton policy "as far in advance as possible" to prevent world market confusion.

Indian Explosives Limited
Announce
Substantial Reduction in Prices
From 1st June, 1961

NEW PRICES PER CASE OF 25 KILOS	F. O. R. Gomia Siding	Ex all other magazines
Special Gelatine 60%		
4" Cartridges	Rs. 107.50	Rs. 113.00
8" Cartridges	Rs. 105.00	Rs. 110.50
Special Gelatine 80%		
4" Cartridges	Rs. 115.50	Rs. 121.00
8" Cartridges	Rs. 113.00	Rs. 118.50
Special Gelatine 90%		
4" Cartridges	Rs. 123.50	Rs. 129.00
8" Cartridges	Rs. 121.00	Rs. 126.50
Opencast Gelignite		
All sizes	Rs. 90.00	Rs. 95.50

Sales Tax Extra

Torch Brand GOMIA INDIAN EXPLOSIVES LIMITED
Enquiries for supplies and technical service to:
Sole Selling Agents
IMPERIAL CHEMICAL INDUSTRIES (INDIA) PRIVATE LTD.
Calcutta Bombay Madras New Delhi
IWTICG 940



WEAVERS' BODY URGES IMPORT CURBS

RESEARCH MOVE TO ENCOURAGE THE SALES APPEAL OF TEXTILES

From Our Special Correspondent

MANCHESTER, 19*th May*

MANCHESTER LETTER

AS Hong Kong Government officials took part in trade talks in London, the biggest of the Lancashire cotton unions, the Amalgamated Weavers' Association, joined in the swelling chorus of concern over cotton piecegoods imports from Hong Kong and elsewhere. The Association, in its annual report, said that no unbiased observers could claim that the Lancashire cotton industry wasn't threatened with "grave injury" from the level of imports. "Probable extinction would be nearer the mark" it said. The unions urged the Government to review the whole position, not only Commonwealth imports but also those from non-Commonwealth countries which might prove to be just as dangerous. They should also draft anti-dumping legislation that had some meaning.

The report points out that, since the early part of the year, total imports from Commonwealth and non-Commonwealth countries had been running at the rate of 1,000 million yards a year, or about 70 per cent of home production. "There is little doubt that, if left alone, the figures will expand considerably during the rest of 1961. If this assumption should prove to be true, more Lancashire mills may close and others may follow as imports of cotton goods increase." Not only were India, Pakistan and Hong Kong wanting substantially to increase their exports to the U.K. but other Commonwealth countries who saw an assured duty-free, quota-free market in the U.K. would want to expand their exports. And those who were not at present producing cotton textiles would be tempted to do so.

There were reports, said the Association, that Malta might "come into the act," and it appeared that Malaya intended substantially to increase its textile production. Eire, already with American capital producing textiles for duty-free, quota-free entry into the U.K., might well extend this activity by importing Commonwealth cloth from Asia for re-export to the U.K. The report said that Spain also had spectacularly increased her textile shipments to Britain, and so had Portugal and many other countries, although not to the extent of Spain.

Vacated Cotton Mills

Industrial expansion in the Lancashire area last year in terms of additional floor-space reached record-breaking heights that are unlikely to be reached again. This view is expressed in the annual report of the General Council of the Lancashire and Merseyside Industrial Development Association. Development certificates were issued for 420 new factory building projects aggregating 19 million square feet—more than 15 per cent of the total approved since the war—and in addition new industries occupied more than 12 million square feet of cotton mill floor space vacated as a result of the textile streamlining programme.

In the past ten years, more than 350 former cotton mills have been taken over by new industries to provide jobs for 120,000 workers—a total greater than the employment provided by the mills in their former role, the report points out. Mills had been taken over by other industries for many years but never in such numbers in so short a period. Describing the past year as a "particularly successful" one for industrial development in the region, the report says that recent estimates show a likely increase of 30 per cent in capital expenditure by manufacturing industries in 1961, and this should augur well for futher expansion in the region. "It can be said that the future is a bright one," the report comments.

Diversification

Discussing the effect of diversification on the region's industrial structure, it says that this has been considerable and the process should continue for some time yet. "It would be going too far," it adds, "to state that the region's diversity yet provides sufficient safeguards to avoid high unemployment should a recession occur in one of the basic industries, but the position is so improved that Lancashire and Merseyside can look forward to the future more confident of its industrial ability to face the testing times which are part of an economy such as ours."

Long-term prospects of Bernard Wardle & Co., Ltd., the Derbyshire textile firm, are very good, Mr. Edgar G. Clegg, the Chairman, told the annual meeting. The recession in the motor car and furniture industries had affected the Company very badly for a few months, he said, and the whole of this recession had fallen in the current year. This had proved to be a most difficult period and in spite of tremendous efforts made the road back to full production had proved very tough indeed.

Although the Company was now extremely busy, Mr. Clegg said that he did not feel it would be possible in the current year to make up for the reduction in profits, which inevitably took place, owing to the fall in production due to no fault of their own. It was hoped that the steps taken and the new styles introduced would enable the Company to raise production to a very high level and the results should still be very satisfactory. There was a feeling in the motor industry that the future might see seasonal influences affecting the level of demand, but taking the overall trading position the future could be viewed with confidence and he was confident that the dividends forecast would be paid.

The new joint Research Association for the cotton, silk and man-made fibres industries is to concentrate on fostering labour-saving devices and improved textile finishing processes to encourage sales appeal. This was emphasised by Dr. W. Hill, Director of the Research Association, at a Press conference in Manchester at which the aims and objects of the merger were outlined.

The amalgamation between the British Cotton Industry Research Association and the British Rayon Research Association has been carried out three months earlier than the original timing proposed by the working party which arranged the fusion. New buildings costing £300,000, containing equipment valued at £100,000, will shortly be erected in addition to those already standing at the Shirley Institute, Didsbury, Manchester, where cotton research has been carried on for the past 40 years.

Call for Scientific Workers

Although more than 100 scientists were made redundant as a result of the merger all found new jobs according to Dr. Hill. "The call for scientific workers in such," he said, "that none of them had much difficulty in finding suitable employment. About 70 per cent of those which were declared redundant were taken on by industrial firms and the remaining 30 per cent went into technical colleges and similar organisations."

Outlining the prospects for the textile trade, Sir Cuthbert Clegg, Chairman of the Research Association, said the population of the world was increasing and the amount spent on clothing was increasing especially in the bigger underdeveloped countries. The total market was bigger, but other countries started by industrialising themselves in the textile field, causing more competition. It must be the aim of the British texile industry to produce better designs and so retain as big a share of the available market as possible.—*All Rights Reserved.*

"INDIAN SILK JOURNAL"

The April 1961 quarterly of the *Indian Silk Journal*, published by the Central Silk Board, Bombay (Editor: Mr. Mahesh Nanavaty), makes interesting reading. It contains a number of articles on the different aspects of the sericulture industry abroad and in India. Special mention may be made of three articles. They are: "Twelve Years of International Co-operation" by Mr. M. Hugues Morel-Journel, President of the International Silk Association; "Problems of Development in Indian Sericulture" by Mr. Murarji J. Vaidya, and "A Practical Approach to Indian Sericulture" by Mr. A. T. Janakiraman. A summary of the recommendations made by the Working Group on Sericulture has also been given. There are, besides, brief notes on the Third Plan for sericulture, raising bivoltine sped, silk fabrics exports and prices.

The cotton textile mills' production in April 1961 is provisionally placed at 68 million kgs. of cotton yarn and 395 million metres of cotton cloth. At the end of April 1961, the composite mills of the cotton textile industry held an estimated stock of 107,000 metric bales as unsold cloth and 121,000 metric bales as sold but not lifted.

The Government of India is considering the possibility of introducing the advanced "Tex" system for measuring yarn in place of the existing counts system. The Tex system envisages the adoption of "weight per unit length" as the mode of calculation of yarn.

BANKERS

It will pay you to consult us

FOR YOUR

★ CHEQUES ★ SHARE CERTIFICATES
★ DEMAND DRAFTS ★ LEDGERS
★ PAY-IN SLIP BOOKS ★ PASS BOOKS
★ LETTERHEADS ★ ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS
CAXTON WORKS, FREER ROAD, BOMBAY. Telephone: 26-3201/2

MERCANTILE BANK LIMITED
(INCORPORATED IN ENGLAND)
(Liability of Shareholders Limited)
Authorised Capital - - £4,000,000
Issued and Fully Paid Capital - - £2,940,000
Reserve Fund - - £2,200,000
Head Office:
15, GRACECHURCH ST., LONDON, E.C. 3
West End Office:
123, PALL MALL, LONDON, S.W. 1
Agents in New York: BANK OF MONTREAL AND THE CHASE MANHATTAN BANK
Branches and Agencies:
INDIA, PAKISTAN, CEYLON, BURMA, MAURITIUS, SINGAPORE, MALAYAN FEDERATION, HONGKONG, THAILAND AND JAPAN
The Bank transacts banking business of every description.
Current Accounts are opened and Fixed Deposits are received on terms which may be ascertained on application.
Trusteeships and Executorships accepted.
Safe Deposit Lockers available.
23/25, Mahatma Gandhi Road, Bombay. H. MAITLAND, *Manager.*

TASK BEFORE PLANTATION WAGE BOARDS—II

CAN INDUSTRY AFFORD A COST INCREASE NOW?

By A Special Correspondent

LABOUR wages in plantations have all along been fixed with close relationship to wage rates prevailing in the plains whence plantation workers are drawn. This was true only till the early fifties since when earnings of estate workers have been raised well above agricultural labour incomes and round-the-year employment has been enforced. The reason for this was the introduction of minimum wages in several industries except agriculture. But this did not alter the character of plantation employment in any significant manner.

About 90 per cent of labourers employed on a tea estate work in the fields and perform tasks common to any agricultural holding. The work on a tea estate can be divided broadly into three kinds. One is concerned with field work of various kinds like weeding, forking, spraying, manuring, pruning and so on. Another deals with the gathering of the crop. The third part consists of processing, manufacturing, grading and packing the crop so as to make it fit for the market. Numerically, the largest section of the labour force on a tea estate is devoted to the harvesting of the crop and, in this particular work, women are preferred to men. According to planting opinion, women are steadier at work and, not rarely, earn more. In the factory, where less than 10 per cent of the labour on roll is engaged, the work tempo is influenced by the machines but not dominated by them. It is in field work that very little progress has been made in setting performance standards. The wages are time-rated and there exists no incentive for larger output.

With the abolition of contract labour and the *kangany* system, there is no check on the quality of work beyond what supervisors can enforce under conditions of union activity, ranging from passivity to open defiance of supervisory authority. A reform in this area is long overdue, so that wages are linked to output or quality and volume of performance, and the Wage Board would do well to turn its attention to this aspect. Planters generally complain that the men are not doing a task which a normally healthy person can complete in four hours but are demanding an even higher wage rate. Here, the workers may have a genuine complaint that it makes no difference to them whether they do good work for four hours or poor work for eight hours, because they would get the same wage. Even if the Wage Board decrees a fourfold increase in wages, it will make no difference as far as workers' output is concerned, unless a fair and workable system of incentives is introduced.

Family Workers

Plantation workers, unlike workers in urban industrial centres, have always been recruited and employed in family groups and it was not rare to find in the old days all the related families from a particular village seeking work together on the same estate. The managements favoured this trend, because they, the members of such a group, usually accepted the guidance and authority of their own elders. The location of the estates away on the hills determined the domiciliary pattern which is so distinct a feature of plantation life. The men did the field work, the women and, in the old days, the older children did the less strenuous work like plucking the tea leaves. The logical working unit was the family, though, in recent years, the younger children are dropping out of the estate rolls and are being sent to schools. This system of family workers explains why many estates had a system of creches long before it was statutorily laid down as a necessary item of welfare measure for plantations. Although the existing wage rates in plantations are the result of bilateral negotiations, in the fixing of wage earners to consumption units in 1951, the principle of employment in family units was accepted for plantations. It was then fixed at 2.25 earners for three consumption units. This rate may need modification, but the abolition of the family unit as a strong feature of employment pattern in the peculiar conditions of plantations would violently upset its economy.

Many planters are gravely concerned over the prospects of a wage increase in plantations. They foresee a cost increase which will further weaken tea's competitive position in the world market. The Wage Board would have available to it sufficiently detailed information on this question before coming to a decision. There is a pronounced paucity of statistical data for comparison with other industries. The tea industry is not yet covered by the Census of Manufactures conducted by the Central Statistical Organisation. Yet a few comparisons are permitted by selecting a group of tea companies whose published figures are available. This comparison is not a substitute for the very careful examination of a wider selection of company data, but it does show in what manner planting companies differ from other corporate industrial enterprises.

The average money earning of a plantation worker does not reveal his true income, a fact about which planters are never tired of explaining and to which the public scarcely listen. Since the workers live as a community on the estates, they enjoy certain concessions and benefits not common to any other industrial labour. Some of these concessions have found statutory sanction and others the sanction of custom and tradition. The right to rear cattle on estate land, the right to raise vegetable gardens near their houses and the right to some firewood are concessions with a money value, though no attempt has been made to fix it. But other amenities such as housing, medical aid, educational facilities, playgrounds and equipment, leave with wages and wayfare expenses, sickness benefit, maternity benefit, creches and festival holidays with wages are part of the labour cost not calculated into money wages. Yet, they form approximately 13 per cent of the ex-factory cost of tea. The wage bill of a tea estate, inclusive of bonus, provident fund contributions and gratuity payments, amounts to 45 to 48 per cent of the total cost.

Cost Elements

Any comparison of the tea industry's cost elements with those of manufacturing industries might suffer from certain errors especially because manufacturing industries are buyers of their raw materials which account for a sizable portion of their cost. The tea industry does not have to purchase its raw material, namely, the tea leaves, because they are grown by the estate which is a composite enterprise. Certain advantages are present in this arrangement to the producer, but it should be remembered that the product-value does not carry within it an element of profit on the raw material as raw material costs do for the manufacturing industries. To take the latest year for which the Census of Manufactures has been published, namely, 1958. The percentage of labour cost in the gross output value was 15.6. For a group of tea estates in South India the comparable figure was 61.2 per cent. The cost of welfare and amenities in the manufacturing industries covered by the Census was 6 per cent, whereas it was 13.6 per cent in the tea industry. The output value per person employed, covered by the Census, was Rs. 9,437 for the year 1958. Taking the best yielding estate, the ex-factory value of output per worker was no more than Rs. 1,023. The average earning per person employed on this estate was 53 per cent of the per head output value, whereas for the 28 industries covered by the Census of Manufactures it was only 15.6 per cent in 1958. What is even more significant is that the ratio of labour earning out of the ex-factory value of the output per worker has remained practically the same over a ten-year period. For the tea industry, there was a steep climb from 39 per cent in 1949.

It is of vital economic consequence to the industry to realise that, while the rate of average labour earning is only a little higher than half the earnings of labour in manufacturing industries, tea labour absorbs more than half the output value of the tea produced. A 10 nP wage increase per day can add approximately 4 per cent to the labour cost in the cost structure of tea. Can the industry afford it? By what means can labour costs be reduced while wages are raised?

Auto-financing

Those who are carefully watching the trends in plantation economics are aware of the fact that planting has practically ceased to be a seeker of new capital consent and it has to resort to an increasing measure of auto-financing. There has been no fresh planting venture during the past fifteen years, though several properties have changed hands. The plantation industry is in the unfortunate position of having its high years remembered and its low years forgotten. The Reserve Bank study shows that, during the 1951-55 period, the dividends declared by tea companies were the highest of 750 companies from some 16 industries covered. The following figures illustrate the rapid changes in the fortunes of investors in tea and other plantation crops as well as the relative instability of returns on tea investment:

	750 companies				1,001 companies			
	1951	1952	1953	1954	1955	1956	1957	1958
Tea								
Dividend as % of paid-up capital ..	12.0	6.8	16.7	34.1	16.6	16.1	10.0	10.4
Dividend as % of net worth ..	6.6	4.2	8.8	15.5	7.8	7.7	4.9	5.0
Other Plantations								
Dividend as % of paid-up capital ..	15.1	12.7	15.9	17.3	18.8	20.3	15.3	14.8
Dividend as % of net worth ..	8.5	7.7	8.6	8.9	10.2	10.8	8.5	8.5

Attention is drawn to the marked variability in the return on plantation investments in the *Trends in Company Finances* published by the Department of Company Law Administration. The following figures appear in this publication on profitability of industries

	Tea	*Other plantations*
Gross profit as percentage of sales—		
1951-55	26.8	39.8
1956	23.7	4.2
1957	12.0	2.9
Gross profit as percentage of capital employed—		
1951-55	16.9	15.9
1956	14.7	18.3
1957	7.4	13.3
Profits after tax as percentage of net worth—		
1951-55	14.3	14.0
1956	11.4	13.8
1957	3.9	9.1

Tea, according to this publication, is the least stable, next only to vegetable oils, among the industries covered by the study.

In Malaya for rubber, and in Ceylon for coconut, rubber and tea, wages have been fixed with a certain linkage with price and prosperity. This allows the wage to move up at stated increases in the price of commodities and to move down in the same manner, with a fall-back rate below which wages cannot go without fresh negotiations and agreements. This system has not been tried and would possibly not work here. That makes the wage cost a rigid factor in the cost structure for a commodity which is at the mercy of a fickle and challenging world market.

For the fixation of wages and the provision of labour welfare measure, as for taxation, plantation crops are treated on a par with other manufacturing industries. But, as an industry using land as its main productive resources, it is barely saved from disintegration by the Land Bills. Although the demand on skills, experience and exertion placed on a plantation worker does not exceed those placed on agricultural labour in the plains, a comparison in the terms and conditions of workers between plantations and agriculture would be interesting. But this need not be attempted, for an organised enterprise must offer its labour a standard of wages and welfare well above the lowest prevalent in the country. Nevertheless, care has to be taken that a wholly artificial wage rate is not introduced in isolation from economic considerations applicable to the particular industry. As the paper published by the Labour Ministry on Wage Policy says, while an increased wage rate and higher standard of living for the wage earner are the basic objectives of a progressive wage policy within the socialistic pattern "... an economic considerations warrant in the short run can only lead to disillusionment."

There are those who believe that planting belongs to the colonial era and the future lies with manufacturing industries. As planting did show in the fifties more markedly than ever in the previous 115 years, it has capacity to climb to the very top as India's leading export industry. Tea is entering an era when it has to make better use of its labour, bring about structural changes in management, rationalise operations, introduce new and high yielding plants into the field and alter the components of skills and capital in general. As farming interests in Western countries have recognised, it is important that the gain in productive efficiency should

(Continued on page 1036)

★ CONSULT

FOR INTERNATIONAL AND DOMESTIC BANKING SERVICE

THE BANK OF TOKYO LIMITED

(Incorporated in Japan under the special law)

32 Overseas branches and representative offices and 1 Associate Bank

1 Affiliate Bank — 1 Trust Company

All information concerning foreign trade available

All the latest information in respect of the Japanese pattern of industry and business and the names of all the principal industrial manufacturers and manufactured commodities available for your ready reference.

★

K. Hashimoto
Manager
Bombay Office

Bombay Office:
"Jeevan Prakash", 1Sir Phirozshah Mehta Road
P.O. Box 1762, Bombay-1 Tel: 253857/58 & 253848
Office at Calcutta Representative at Delhi

FORWARD MARKETS BULLETIN
(Monthly)
Published by Forward Markets Commission
Government of India, Bombay

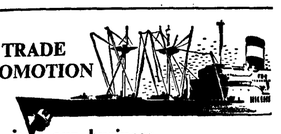
REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to development in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription	Single copy
In India .. Rs. 24.00	In India .. Rs. 2.50
Abroad .. Rs. 40.00	Abroad .. Rs. 4.00

For further particulars please apply to:
The Secretary, Forward Markets Commission
"Everest," 100, Marine Drive, Bombay-2

TRADE PROMOTION ...is our business



Australia, New Zealand, and Fiji offer opportunities to exporters and importers and the International Division of the Bank of New South Wales can help those interested.

The Bank's complete banking service includes such specialized facilities as trade and industrial enquiries, economic and trade information, and a complete travel service. The Bank, through more than 1,000 branches and agencies, is closely and constantly in touch with industry, business, and agriculture in the areas it serves.

Enquiries may be made through your own bankers or direct to

BANK OF NEW SOUTH WALES
INTERNATIONAL DIVISION
John W. McEwen, Chief Manager
HEAD OFFICE: SYDNEY, AUSTRALIA

First and largest commercial bank operating in Australia, New Zealand, Fiji, Papua and New Guinea, with three branches in London.

IP60016

RAMTIRTH (HINDI MONTHLY)
Editor: Yogiraj Shri Umeshchandraji
Published every month by Shri Ramtirth Yogashram — Bombay
MORE THAN 160 PAGES PER ISSUE
THE MAIN IDEA BEHIND THIS MAGAZINE IS TO DEVELOP THE PHYSICAL, MENTAL AND MORAL ASPECT OF THE COMMON MAN
Annual Subscription Rs. 5/- only. Single Copy 65 nP. only.

UMESH YOGA DARSHAN
(First Part)
In Four Languages: English, Hindi, Gujarati and Marathi
(Author: Shri Yogiraj Umeshchandraji)

An excellent and highly readable book written by Shri Yogiraj Umeshchandraji is one of the best known treatises on the true meaning of Yoga. A best guide to methods of intestinal exercise and control, the book contains over 108 descriptive photographs of various Asanas explained according to the Age, Season, Country and Time.

It is one of the excellent volumes published so far depicting different aspects of Yoga, and containing different photographs of Asanas and Neti Dhoti Functions. It also contains Yoga Therapy, Diet Therapy, Chromopathy, Psycho Therapy and many other Therapies. It also contains many an important remedy for various diseases. The book is best of its kind and useful for all men and women, healthy and unhealthy, and hence should be preserved in all libraries and homes.

Price: Rs. 15/- Plus Postage Rs. 2/- extra.

YOGASANA CHART
A Chart printed on art-glazed papers and fully illustrated with attractive pictures is also available from here. You can perform Asanas shown therein at your home, which will keep you fit and healthy.
Price: Rs. 3/- including Postage to be sent by M.O. only.

YOGIC CLASSES
are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Yogic and natural treatment are given for diseases. Diseases are also remedied.

RAMTIRTH BRAHMI OIL Special No. 1 Registered
An invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cool brain, improve system, and let sleep sound. Most ideal for body massage. It is useful to every one in all seasons.
Price: Rs. 4.50 for big bottle and Rs. 2.25 for small. Available everywhere.

SHRI RAMTIRTH YOGASHRAM
Dadar, Central Railway, Bombay-14
Telephone: 62899

Our fleet of twenty modern freighters offers fast, regular and dependable service between

INDIA—U. K. & THE CONTINENT ● INDIA/EAST PAKISTAN—SOUTH AMERICA
INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS
INDIA—POLAND. Also around the INDIAN COAST

INDIA STEAMSHIP CO., LTD.
"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1
Managing Agents: — LIONEL EDWARDS (PRIVATE) LTD.

NEPAL BANK LIMITED
(Incorporated under Nepal Bank Act of 1994 (Sambat))
Central Office: KATHMANDU, NEPAL

Authorised Capital	..N.C. Rs. 1 crore
Paid-up Capital	..N.C. Rs. 25 lacs
Reserves and Exchange Fluctuation Fund	..N.C. Rs. 44 lacs

(N.C. Rs. 160=I.C. Rs. 100)

23 Branches and Sub-Offices in Nepal

Enquiries are invited from Banks, Commercial Concerns and Tourists for information regarding Prospects, Procedure and Regulations in Nepal.

ELPHINSTONE SPINNING AND WEAVING MILLS CO., LTD.

MR. N. K. JALAN'S SPEECH AT ANNUAL GENERAL MEETING

COTTON MILL INDUSTRY MUST BE ENABLED TO PRODUCE AND SELL AT FAIR PRICES

HOW the cotton textile industry is suffering from the greatest disadvantage of inflated cost was forcefully highlighted by Mr. N. K. Jalan, Director of the Elphinstone Spinning and Weaving Mills Company Ltd., in the course of his speech at the Forty-second Annual General Meeting of the Company, held at Bombay on Wednesday, 31st May 1961. Mr. Jalan emphasised the need for ensuring sufficient supply of raw materials at normal rates in order to see that the industry could produce and sell at fair prices. He also emphasised that some restraint in the fiscal measures by the Government would help create conditions of steadiness and normalcy for the industry and trade. Indeed, he declared that there was every reason for the Government to come forward to reduce the high incidence of excise duty and other levies on cloth in order to help the consumers. The following is the full text of Mr. Jalan's speech:

"GENTLEMEN,

"It gives me great pleasure to welcome you all to this forty-second annual general meeting of your Company. The Directors' report and the audited statement of accounts have been with you for some time now and, with your permission, I shall take them as read.

"The trading conditions in cloth and yarn in local markets, which had taken a turn for the better some time in 1959, showed further improvement during the year under review. And, although the total volume of cloth exported from India was lower during 1960 than in 1959, your Company more than maintained the export percentage of its total production of cloth.

"It is gratifying to note that the profit of the Company for the year 1960 is about double as compared with that of 1959. I hope you will consider the results to be very satisfactory, especially in the face of higher costs on wages and acute shortage of cotton and stores, on the one hand, and the voluntary reductions in prices of cloth and yarn effected during the year, on the other. Stocks of cloth and yarn were higher at the close of the year as compared with 1959 on account of the uncertainty created in the local markets by the reduction in prices proposed towards the end of the year. The present stock position, however, is satisfactory.

Modernisation and Renovation

"The beneficial effects of the new machinery installed in the recent years have been reflected in the working results of the year under review. The management has under contemplation plans for further modernisation and renovation of the mill machinery. In the spinning section, about 18,000 new spindles have so far been installed in replacement of the old ones. We have a further programme for the replacement of the remaining old spindles, and also for the conversion of the existing serviceable spindles to the latest system of high drafting, and also for the conversion of existing speed frames to can feed and D-zone drafting. Orders for additional frames have already been placed with the suppliers accordingly. Order has also been placed for three high-speed draw frames for replacement of old ones.

"The Barber-Colman winding and warping machines, which were ordered for replacement of half the number of our existing winding and warping machines, are expected to arrive shortly. With a view to modernising the entire winding and warping departments, application has been made for import licences for one more set of these automatic machines. One high speed sizing machine was put into commission last year and application has been made for import licences for two more such machines. Orders have also been placed for one automatic warp tying machine and 48 automatic looms in replacement of plain looms. We have been allotted further 48 automatic looms in replacement of plain looms and another 48 as additional to the existing looms, making a total allotment of 144 new automatic looms.

"The processing section has also been progressively renovated and a mercerising Plant is expected to be received by the end of the current year.

"The working of this division remained at a satisfactory level during the year and the production was about 50 per cent higher as compared with the preceding year. Production of starch book binding cloth which enjoys a good demand in the local markets has been further developed during the year. Steps are being taken to equip this division also with the latest types of machines and a modern type of embossing calender machine has already been erected in this division.

"Unfortunately, on account of the restrictive policy of the Government for import licences for plant, machinery spares and raw materials, we have not been able to put into effect all the plans for the further development of this division for modernisation and for manufacture of new qualities. Besides, production was affected owing to shortage of chemicals. With erection of more up-to-date plants, we could have stepped up our production in order to meet the increasing demand for this article from both inland and overseas markets. The Government's plea for being cautious in granting foreign exchange for importation of machinery is not very convincing seeing that the apparent depletion will be more than compensated by increased earning of foreign exchange through exports.

Moon Mills

"As mentioned in the Directors' report, the Company has made an agreement with the Moon Mills Company to purchase their existing block of lands, buildings, and machinery including 875 looms. It has no spinning section at present and it is contemplated to make it a composite unit by introducing spinning section with the most modern types of machinery at a total estimated cost of about a crore of rupees. It is expected that the acquisition of this unit will help the Company to augment the profit-making capacity besides providing more employment.

Dividends on Preference Shares

"Under the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, which came into force on 28th December 1960, the holders of preference shares would now normally be entitled to a dividend which would be lower than the quantum received by them for the year 1959. Your Directors have proposed to pay dividends on these shares so as to ensure that the shareholders will get the same net amount as they received for the year 1959. It is hoped that this step will be welcomed by the preference shareholders of the Company.

Problems of the Industry

"Although your Company has fared better than in the previous year and although other mill companies have been able to show good results for the year in varying degrees, it should not mislead one to conclude that everything is now all right with this industry and that it has embarked on the road to prosperity. In fact, this industry has continued to remain a problem industry and the problems have only increased at the present juncture.

"Unfortunately there is a general impression in the minds of the people and the Government that the cotton textile industry is making enormous profits and is, therefore, capable of bearing the burden of any amount of taxes or that any reduction in prices of its products would little affect it adversely. In fact, it is just the other way round. As mentioned by me last year from this very platform, the profitability of this premier industry of India has been proved to be the lowest in the industrial sector as disclosed in a study undertaken by the Reserve Bank of India. Besides, with the cloth and yarn prices now being regulated and the cost structure having become so very rigid, it is all the more likely that the profitability of the industry will, in fact, be lower hereafter.

"Further improvement in the level of profitability is necessary to enable the industry to modernise and rehabilitate its plant and machinery from out of the profits that it can possibly plough back from its current profits after taxation and payment of reasonable dividends.

Money for Rehabilitation

"The working group set up by the N.I.D.C. has come to the conclusion that Rs. 180 crores are required towards modernisation of the textile industry, out of which the industry itself has to find Rs. 80 crores and the balance of Rs. 100 crores is to come from Government bodies by way of loan. Accordingly, unless and until the industry is allowed to build up reserves, it will be very difficult to find money for rehabilitation. It is not proper or legitimate to say that the industry has got big reserves only by looking to the reserve funds of a few selected companies.

"There has been a steady decline in the export of cotton piecegoods during the first quarter of the current year and this should be considered as a very unhealthy development especially in the context of the necessity for the country to try to earn as much foreign exchange as possible. Declining exports are due to higher costs and competition from other countries and to circumvent these disabilities, it is necessary to restore the competitive capacity of the industry through all encouragement to modernise and rehabilitate its machinery so that the mills may produce quality goods and be able to sell at competitive prices in the export markets.

"On account of increased cost of production due to abnormal increase in wages, stores and others, Indian goods are facing serious competition in the world markets. The result is that India is losing ground and, though in 1960 on account of higher price of cloth, the value of foreign exchange earned by export of cloth was the same, the quantity exported in 1960 was lower by about 15 per cent.

"In dealing with the question of increase in wages, I do not for a moment say that the labour should not get adequate wage and that their standard of living is not to be improved, but, with increased wage and higher emoluments all round, the labour should also be rationalised to ensure competitive value of our cloth in export market.

"It is also imperative that the industry should be allowed to be modernised in order to see that India's cloth, the third most important foreign exchange earner, is not priced out of the world markets.

"Price reductions were effected twice by the industry at the instance of the Government during the latter half of the last year. It is wondered whether such expedients in the form of *ad-hoc* reductions would really help the consumer. Price variations are, after all, the result of the changes in the demand and supply situation and it would serve no useful purpose on a long-range basis to try artificial methods to check the prices.

Inflated Cost

"Inflated cost is the greatest disadvantage this industry is suffering from. It is, therefore, necessary to ensure sufficient supply of raw materials at normal rates in order to see that the industry can produce and sell at fair prices. Some restraint in the fiscal measures by the Government would also help in creating conditions of steadiness and normalcy for the industry and trade.

"Besides, to render real help to the consumer, there is every reason for the Government to come forward to reduce the high incidence of excise duty and other levies on cloth in order to help the consumer. In this context, one fails to appreciate how Government should at all have thought of increasing the rates of excise duty in the Finance Bill, 1961.

"In view of the changing pattern of consumption of essential commodities as well as rise in the standard of living of the people of India, the requirement of long-staple cotton is steadily growing. It is, therefore, most imperative that steps should be taken to produce cotton of long-staple in the country, so that the import of the same from other parts of the world can be reduced to minimum. In the last three years, the imports of long-staple cotton were as follows:

Year		*Bales* (Bales of 400 lbs.)	*Value* (Crores of Rs.)
1958	...	4,00,372	30.6
1959	...	5,33,165	34.7
1960	...	11,88,174	73.00

"The Government of India has allowed import of 3 lakh bales of American cotton for the current year which will cost the consuming mills Rs. 250 to Rs. 300 extra per candy which will mean a drain of about 3.75 to 4 crores of rupees. If machinery worth so much would have been allowed to be imported that would have gone a long way to modernise the industries and thereby establish the competitive value in the world market. Evidently, this is a glaring instance of avoidable drain of India's precious foreign exchange. On the one hand, there is a glut of stock of cotton in India on account of bumper crop and, on the other hand, American cotton is being imported. Such action on the part of the Government can hardly be reconciled.

"As you are all aware, the cultivators have got this year very poor return on their crop of cotton. This naturally will have disastrous result on future crops. The Government should, therefore, take effective steps to ensure proper return to the cultivators. It is disappointing to find that until now the yield per acre and quality of cotton have not improved appreciably.

Modernisation Outdated

"The policy pursued by the Government to give protection to the Indian machinery manufacturers leaves much to be desired. In this connection, I regret to find that, though the industry is being modernised at heavy cost, the modernisation carried out in India is outdated to a great extent. Considerable improvements have already taken place in other parts of the world. To name some such improvements, I would point out the introduction of 10" and 12" lift narrow width spinning frames without loss of any production and sliver spinning by elimination of processes, which have been adopted in other parts of the world, while, on account of the protection in India, we have to content ourselves with 8" lift spinning frames, even on which there is loss of production on account of old conventional machinery being produced today. I am rather surprised that, according to our local machinery manufacturers, 8" lift ring frames are most suitable for Indian labour, cotton and other conditions. Whenever any new advanced machines are introduced in India, we are told that our Indian labour is not competent enough to adapt to these machines. I am extremely sorry that I disagree with this viewpoint. We have rather found Indian labour adapting themselves to the latest type of machines in the shortest period. I would earnestly request the Government to examine this point and see that either the cotton industry is allowed to import the latest machinery introduced in the world markets today or advise the Indian machinery manufacturers to start producing machineries of the latest type, design and modification.

"The cotton mill industry has been continually impressing on the Government the necessity of pursuing a very liberal expansion programme in its favour, but, unfortunately, the request is not being conceded. Ultimately, we may find one day that the supply of cloth will fall short of demand.

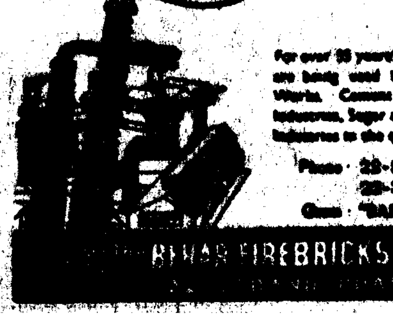
"The Tariff Commission has fixed a gross return of only 12 per cent out of which the Company has to meet bonus, income-tax and dividends. This return is too small, particularly in the context of recent Government loans carrying high percentage of interest. Accordingly, the percentage of the return deserves upward revision.

"The industry has given several proposals for stepping up the production by several means such, as staggering of holidays and working of the mills 24 hours instead of 22½ hours by arranging relay system, I would, therefore, earnestly request the labour union to agree to these proposals, inasmuch as staggering of holidays and 24 hours' working have been adopted practically in all other industries.

"In conclusion, I have sincerely to thank my colleagues on the Board and to express my appreciation to the executives, staff and workers of the Company for the valued co-operation extended by them during the year.

"Thank you."

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories



Phone: 22-5953

Gram: "BANCO"

BEHAR FIREBRICKS & POTTERIES

The Seal of Security

However much money you have to invest, you seek Security as well as a good return. Lombard Banking offers both. 6% interest per Annum is coupled with the finest Security as well as availability.
A Lombard Banking Deposit Account brings you Interest payable twice yearly.

6%

ASSETS EXCEED £100,000,000

Interest paid without deduction of United Kingdom income tax

Write today to the General Manager for your copy of "Bank Deposit Account" Booklet No. A.O. 91.

LOMBARD BANKING LIMITED
BANKERS

Head Office:
LOMBARD HOUSE
CURZON STREET, PARK LANE, LONDON, W.1
GROsvenor 4111 (30 lines)

A World-Wide Banking and Finance Organisation

"Pyramid" Brand
GRADE I QUALITY
HAND TAPS

AVAILABLE EX-STOCK

INDIA TAP & DIE CO. PRIVATE LTD.

CONCENTRATION OF ECONOMIC POWER

BIG BUSINESS HOUSES PLAY VITAL ROLE

By A Special Correspondent

MUCH attention has recently been directed to the question of concentration of economic power. In a country where political consciousness has preceded economic development, there is the danger that catchwords of this nature may be used by those who are ideologically opposed to private enterprise and all its works to further their political ends. The danger is that even those who are more moderate and balanced in judgment may be perturbed at what appears to be a threat to the democratic values that they cherish. Monopoly has an evil reputation and even democratic countries like Britain and the U.S. have devised legislative restriction on monopolistic concentration of power. In India, the Constitution explicitly enjoins on the Government that concentration "to the common detriment" be avoided.

The facts of the situation do not appear to point towards an increased concentration of economic power in India. Empirical research on this matter is extremely meagre. Even if one accepts the findings of Mr. R. K. Hazari in his study of five big business groups (the correctness of which is open to serious doubt), he himself has admitted that his study related to a point of time and not a period of time and is therefore, useless for a study of trends. *Prima facie*, it would appear that the sort of concentration that Mr. Hazari and others of his line of thinking are worried about is on the decline. And this despite the fact that inequalities of income and wealth have probably increased, as the Mahalanobis Committee will no doubt report.

Investment in Industry

The big industrial houses have grown in size and power and their "empires" have expanded, but, considered in relation to the expansion of the economy as a whole, it would probably be found that they account for a smaller proportion of the total investment in the economy than a few years ago. According to the figures given by Mr. Manubhai Shah, Union Minister for Industry, the public sector investment in industry has increased proportionately faster than that of the private sector:

(In crores of rupees)

	First Plan	*Second Plan*	*Third Plan*
Public sector ..	60	720	1,650
Private sector ..	330	850	1,300

It is evident that the private sector accounts for a smaller proportion of the aggregate than before and, to that extent, concentration in the private sector as a whole has lessened. It means, of course, that concentration in the public sector has correspondingly increased, but this never seems to bother the critics, though it may be permitted to ask whether such concentration may not also be "to the common detriment."

The charge that the big business houses constitute monopolies in the field in which they operate, was demolished by Mr. Manubhai Shah who said that there was not a single industrial unit or industrial house which owns more than 5 per cent of the national production of consumer's goods. The four exceptions, Metal Box, A.C.C., Wimco and Indian Oxygen are losing their dominance in their respective fields, through a deliberate policy of licensing of competing units.

It is true that industrial 'empires' are not necessarily or usually confined to particular industries. The typical industrial house in India has a wide range of interests, extending over many industries. While this is undoubtedly concentration, the freedom from monopolies means that such concentration of economic power as exists in India is untainted by one of the major social and economic evils usually associated with the word. The objection is simply to 'bigness' and not that the bigness leads to restriction of competition and exploitation of consumers.

Does even this comparatively innocuous form of concentration merit drastic suppression in the form of a virtual refusal to grant licences to big industrial houses for the expansion of existing enterprises or the starting of new ventures? Licences are to be granted to such houses, we are told, only in rare cases, when no other application is forthcoming. This seems to be carrying the war against concentration beyond reason and commonsense. It is, of course, desirable that new enterpreneurs should be given every possible incentive and assistance. And they are responding magnificently. In the words of Mrs. Barbara Ward Jackson in an article on "India on the eve of its Third Five-Year Plan" (*Foreign Affairs*, January 1961). "The best news in India's first decade of planned growth is that (unlike large parts of South-east Asia or upland South America) enterprise exists, irresistibly and unquenchably, that it is growing at a speed to create a whole new climate of opinion favourable to development and to provide the interlocking expansion and external economies by which enterprise in one field assists it everywhere else."

But India is a vast country. Its population is growing at a fantastic rate and economic development is struggling desperately to keep ahead of the advancing wave of humanity. In such conditions, it does not seem the wisest course to deny the nation the advantages of its finest business talent. In the big business houses lies a wealth of experience, sound judgment, intelligence, initiative and money. Their 'empires' have not been acquired in a fit of absent-mindedness, but were built up by brains and guts and toil and sweat. They are able and willing to play their part in what the Prime Minister has called the "great adventure" of making India a modern industrialised economy. It would be a disservice to the nation and ill recompense for their past services, if they were henceforth to be stultified and confined to their existing enterprises, except in projects that are so unattractive that no one else would wish to undertake them. The field for industrial growth is big enough and entrepreneurial ability is scarce enough to leave full scope for all businessmen, big and small, as well as for the State sector. We are a long way from the time when it will be necessary to shackle one in order to give scope for the others.

After all, what is there to be afraid of? The Government surely has enough powers to check anything that it considers as smacking of anti-social behaviour. The growth of individual wealth and income to what may be considered socially undesirable levels, is effectively precluded by a tax-system under which the very rich have to part with 120 per cent of their income. The Companies Act, the Industries (Development and Regulation) Act, control of capital issues, of foreign exchange, of transport, power, wages, prices and profits ought, in all conscience, to banish the suspicion that the big business houses will get out of hand, if they are allowed to do what they are most competent and best equipped to do, for attaining the goal of rapid economic advance of the nation as a whole.

PLANTING

(*Concluded from page* 1032)

be increasingly devoted to the strengthening and improvement of productive assets instead of being wholly dispersed in wage improvements. Although wages are comparatively low in India, the cost of labour in any product is relatively high. This paradox arises from inefficient utilisation of labour, not the payment of high wages. The immediate problem which must not be overlooked is the pressure of competition which our tea must face in the world market. Wage rates should not be fixed without reference to this vital question. With the high variability in its fortunes, tea requires a higher margin of safety than manufacturing industries. The Wage Board study, if conducted realistically and objectively, will help both labour and management and, in all this, the largest beneficiary might be the country.

(*Concluded*)

A tale of Twenty-two Cities

From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them—in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to 1889 and closely associated with the rapid development taking place today.

India; Aden; Dubai; Sharjah and Abu Dhabi, Muscat; Qatar; Bahrain; Kuwait; Saudi Arabia; Jordan; Iraq; The United Arab Republic (Syrian Region); Lebanon; Libya, and Tunisia: these are territories where The British Bank of the Middle East operates. It has intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

THE BRITISH BANK OF THE MIDDLE EAST

Incorporated in England by Royal Charter 1889 *with Limited Liability.*
HEAD OFFICE: 7 King William Street, London E.C. 4.
BOMBAY OFFICE: 314 Dr. Dadabhai Navroji Road, Fort, Bombay.
Tel. Add.: BACTRIA. Telephone: 25-2267
Capital and published reserves £4,473,000
ASSOCIATED WITH
THE BANK OF IRAN AND THE MIDDLE EAST
Capital Rials 250,000,000
HEAD OFFICE: TEHERAN, IRAN (PERSIA). (P.O. BOX 1680)

THE SHIVRAJPUR SYNDICATE LIMITED

SPEECH OF CHAIRMAN, MR. A. N. HAKSAR

GOVERNMENT'S MANGANESE ORE POLICY NEEDS REVISION

THE view that the question of India regaining its proportionate share of the increasing world manganese ore market or even maintaining exports at the present level would depend largely on whether the Government was prepared to reorient its thinking was expressed by Mr. A. N. Haksar, Chairman of the Shivrajpur Syndicate Limited, in his speech at the Fifty-seventh Annual General Meeting of the Company held at Bombay on Thursday, 25th May 1961. The approach to the country's manganese problem, Mr. Haksar declared, could be on two lines: first, the short-term objective should be to ensure that Indian ore did not lose any more ground for which purpose barters should be freely permitted on terms and conditions that must be well publicised, or, failing this, some other form of subsidy should be made available to the exporter. Stressing the need for Indian ore regaining confidence it enjoyed prior to Government's intervention in 1956 and the importance of price reduction, he said that the main factors resulting in increased costs in the last few years had been beyond the control of producer or exporter, as, for example, increases in royalty, railway freight, costs of machinery and spares, and introduction of labour legislation such as Employees' Provident Fund Act.

The following are extracts from the speech of Mr. Haksar:

"GENTLEMEN,

"You will recall that, on a similar occasion last year, I had given an indication that the Company's position would improve during 1959-60, owing to the opportunities provided for export of manganese ore under barter transactions. The results of the year fully bear out my expectations.

Trading Results

"Deliveries and shipments during the year under review again reached the level prevailing in 1956-57 and in 1957-58, and amounted to 92,529 tons. This represents an increase of about 30,500 tons, mainly of medium grade ore, as compared to 1958-59; at the same time, the average prices realised for your high and medium grade ores in 1959-60 were approximately the same as in the previous year. Of the total tonnage mentioned earlier, 2,400 tons represent chemical grade ore, most of which was sold to Indian manufacturers, and the balance, consisting of medium and high grade metallurgical ores, was sold for export.

"From these results, it might appear that Indian manganese ore has made some recovery since 1959 in the international market; I am sorry to say that, in fact, the position is quite the reverse and Indian ore continues to lose ground to its competitors. You are aware that, since 1956, the preoccupation in our country has been to provide the State Trading Corporation with as large a slice of the export cake as possible and, at the same time, the railways, and the State and Central Governments have also made further claims on the exporter and producer. The other producing countries, like Brazil, have taken full advantage of the opportunities thus provided to them and duly snatched away from us a major portion of our traditional markets. I will not today go into this story which is too well known to require repetition; I will try, instead, to explain how, in the circumstances, your Company was able to achieve good results in 1959-60. For this purpose, I would like to say a few words with regard to barter transactions.

Barter Transactions and Manganese Trade

"I understand that barter transactions are not normally permitted in the case of traditional export commodities; however, by about 1959, Indian manganese ore exports appeared to be coming to a standstill and, consequently, a number of barters involving ore exports were permitted by the Government on an *ad hoc* basis. Most of these barter proposals were put forward and executed by Indian importers of items such as steel, acting in conjunction with the traditional Indian exporters and foreign buyers of Indian manganese. In all such cases, the foreign suppliers of steel, etc., were able to "discount" the Indian manganese prices; this discount, in fact, represented the difference between the higher price required by the Indian exporter and the actual or market price at which ore could be sold to foreign consumers. This discount, which ranges today from 10 per cent to 25 per cent, could be taken as an indication of the extent to which Indian ore prices are uncompetitive. I should also mention that all such barter schemes have to be approved by the Government who have held that manganese ore exports against barters can only be made in the name of the State Trading Corporation.

"Coming now to the year under review, of the total deliveries of metallurgical grade ore amounting to approximately 90,000 tons, 66,200 tons were against contracts outstanding at the commencement of the year, and the balance of about 23,800 tons represented new sales. The latter were possible mainly due to the stimulus provided by barter transactions, which also enabled us to maintain our price level. In fact, a major portion of the total deliveries was directly or indirectly connected with barters.

One Serious Drawback

"Your Company's immediate prospects seem to be linked with Government policy regarding barters. These barters have helped us considerably, but one serious drawback of the policy needs, I think, to be brought to notice. As I have stated earlier, each barter proposal is considered individually by the Government, and its policy in this regard has been changing constantly even in the short period of two years. Thus, early last year, Government revised its policy and since then did not allow barters of manganese ores with phosphorus content of less than 0.18 per cent; towards the end of the same year, however, Government decided to stop barters involving any manganese ores. But, in the last few months, there have been many rumours that permission would now be given for 'special' barters involving ore. I am informed that a number of new barter proposals have, in fact, been submitted for importing steel, machinery, non-ferrous metals, fertilisers, etc., but none of these has so far been approved.

"As far as the manganese exporter is concerned, the situation today is that fresh sales are possible as and when such barters are approved, which means that sale prospects are haphazard and unpredictable, and it is almost impossible for an exporter-producer like your Company to forecast demand and plan production, which we require to do years ahead if we are to achieve maximum economy and reduce costs.

"To my mind, the approach to the country's manganese problem could be on two lines. Firstly, the short-term objective should be to ensure that Indian ore does not lose any more ground, for which purpose barters should be freely permitted on terms and conditions which should be well publicised or, failing this, some other form of subsidy should be made available to the exporter. This is, of course, a measure of temporary relief, while, from the long-term point of view, the Indian exporter should be able to stand on his own feet. This entails, on the one hand, regaining the confidence that Indian ore enjoyed prior to Government's intervention in 1956 and, on the other hand, reduction of Indian ore prices. With regard to the latter, it has been pointed out that the main factors resulting in increased costs during the last few years have been beyond the control of the producer or exporter; examples are increases in royalty, railway freight, costs of machinery and spares, and the introduction of labour legislation such as the Employees' Provident Fund Act.

"Leaving aside these matters, you may like to know that your Company has been doing its utmost to meet the challenge of this difficult situation and I would like to give an idea of some of the measures.

"Last year, I had informed you that your mine at Bamankua had to be closed down, as it was the least economic unit and I fear that we may soon have to face a similar situation regarding Pani mines. At the same time, the major expansion project concerning the development and exploitation of the third and fourth levels (350 and 500 feet, respectively, below surface level) at Shivrajpur is proceeding according to plan and this will in about one or two years begin to yield a bigger proportion of high grade ore, as compared to the present production pattern. As high grade ore fetches a better price and is also easier to market, this should help us to some extent to retrieve the situation.

"I should also like to stress the importance which we place on the beneficiation of low grade ores. Mechanical as well as manual methods of screening and jigging have been practised at your mines for several decades now and these facilities have been increased considerably in recent years. Thus in 1959-60 about 35,000 tons, or 45 per cent of our total output, resulted from beneficiation. A large portion of this was obtained by processing material from the old 'waste' dumps from which saleable ore was thus recovered economically. Such processing has also necessitated increasing use of mechanical handling and conveying equipment during recent years. These are but a few of the steps we are taking to ensure maximum economy and efficiency of operations.

Future Prospects

"Taking into account what I have stated earlier regarding the various major uncertainties confronting Indian exporters, you will appreciate that it is very difficult to make any long-term forecasts regarding your Company's prospects. Generally speaking, world demand for manganese continues to be good and is likely to improve during the year. Imports into the U.S.A. during 1960 were slightly better, at 25 lakh short tons, than in the preceding two years. During 1960, the American steel industry suffered a recession and production dropped to about 45 per cent of capacity towards the end of that year; this is now reported to be in excess of 60 per cent and further improvement is expected. Consumption of manganese ore in Europe and Japan continues at a high level, but here powerful competition from the Soviet Union has to be reckoned with.

"Taking an overall view, it seems that world demand will continue to increase, but this is unlikely to reverse the downward trend of ore prices, on account of increased production in several other countries and severe competition. I believe there is, in the circumstances, scope for the Indian manganese industry, but whether we are able to regain our proportionate share of the increasing world market, or even maintain exports at the present level, will depend largely on whether Government is prepared to reorient its thinking. In any case, I think it is only fair to warn you that according to the present indications your Company's results for the current year are likely to be most disappointing. The tonnage shipped will probably be lower as compared to last year; further, Shivrajpur ores are today being offered at prices which are lower than at any time since 1955 and the profit margin is far from adequate. This is inevitable in the prevailing circumstances.

Labour

"I should now like to say a few words about the labour situation at the mines. Relations with the workmen continued to be cordial during the year and there were no strikes or stoppages. However, differences within the recognised union assumed serious proportions and a stage has unfortunately been reached where it is not at all clear who are the authorised office-bearers of this union. Under the circumstances, the demand for bonus for the year 1958-59 remained pending for about a year and it was only last month that an agreement was reached between the Company and the representatives of the workmen whereby bonus amounting to one-eighth of the basic wages earned during the year has been paid.

"The accounts do not, I feel, require much explanation. The profits after tax amount to Rs. 13,29,883 which, you will agree, is a satisfactory result. Keeping the development programme in mind, your Board has set aside Rs. 1,42,590 to the mine development and prospecting reserve, which is thus rounded off to a total of Rs. 30 lakhs. A sum of Rs. 3 lakhs has also been transferred to the equalisation of dividends reserve and, in view of what I have said today about the uncertainty regarding the future, I am sure you will agree that this is a wise decision. The proposed dividend and bonus at the rate of Rs. 5 and Rs. 3 per share respectively, subject to deduction of tax, accounts for Rs. 8,37,110."

NOTE: *This does not purport to be the proceedings of the annual general meeting which can be seen by any shareholder on request.*

PEACEFUL USES OF SPACE RESEARCH

FIRST U.S. CONFERENCE GIVES COMMENDABLE LEAD

EVEN as nuclear research has led to a variety of peaceful applications—use of atomic energy in electricity generation and of isotopes in the fields of engineering, physics, chemistry, metallurgy and biology—space research which covers a very wide field of scientific endeavour is also bound to confer great benefits on mankind in due course. Already this extremely costly space research both in the United States and in the Soviet Union has developed and improved a wide range of techniques, including rocket propulsion, power sources, communication and other forms of electronic engineering, high-speed computation, and automation generally. The by-products of these varied technical developments will be of much importance and value in many other fields, and there are already foreseeable practical applications as in the field of communications. Obviously space research has now reached the stage when its possible peaceful applications can be seriously thought of. It is in this context that the first U.S. national conference on peaceful uses of space, held over the week-end at Tulsa (Oklahoma), and the Space Science Exhibition deserve to be warmly acclaimed.

The tremendous promise of satellites for global radio, telephone and television communications, for weather observation and for the navigation of ships has been highlighted at this conference. Some of the practical by-products of space research that have emerged or are on the horizon have also been described in a special feature just issued by the United States Information Service. These are narrated here to indicate the wide variety of practical and peaceful uses of space research. For instance, for everyday cooking, the latest pots and pans are made from pyroceram, a material originally devised for nose cones; they can be taken out of a freezer and immediately put in the hottest flame without damage. An outgrowth of rocket research, fluxless aluminium soldering is used to repair home gutters, flushings, utensils and electrical joints.

It is expected that research on the food a human being needs for space flight may lead to improved nutrition for the earthbound. The use of new synthetic foods and the provision of specific new tools for the food and agriculture industry could be of great value; for instance, infra-red blanching is highly effective in preparing foods for canning or freezing. The research for ways to re-use water aboard a spacecraft may point the way toward solving water shortages in some world areas. Space research on water recycling may also speed the answer to economic desalting of sea water.

New Materials

A finely-woven stainless steel cloth designed for parachuting spaceships back to earth, made of amazingly strong fine wire which can withstand chemical contamination and high temperatures, may find important industrial uses in inflatable buildings. New battery-powered radios and flashlights, that can be recharged by simply being plugged into an electrical outlet, use the same small nickel-cadmium battery developed to store solar energy and keep the instruments of a satellite operating.

In the field of drugs and health, concrete results have already been obtained. These include a drug, developed from a rocket propellant, to treat mental ills, and a method of rapidly lowering blood temperatures in operations. People with certain heart defects can now wear a rhythm-control device to keep their hearts beating properly while they go on living normally. This heart stimulator now miniaturised by space scientists is powered by tiny mercury batteries and can be sewn into a heart patient's body. A new electrostatic camera perfected for space vehicles, which produces movies or still "instant pictures" without any processing, could be of great value in recording a patient's condition. Such a camera, focussed on a critically ill patient, could keep vital, instantly available photographic records for doctors. Mercury-powered batteries are used in a new artificial larynx which permits people to speak who otherwise could not.

Experts say that new supersonic transport planes, now in the concept stage and based partly on the results of the U.S. X-15 rocket research craft, will hop point to point 3,000 miles or across the Atlantic in about two hours. These planes, which will incorporate some of the operating qualities of space vehicles, will fly at heights of 50,000 feet or more at 1,500 miles an hour. Rocket-launched high-speed transport planes may revolutionise the movement of freight and cargo.

Space research has produced new materials for industry—metals, alloys, fabrics and compounds. Many have longer life, greater strength and resistance to higher temperatures than presently used materials. New types of glass, for example, have been adapted to automatically filter intense light. New unbreakable and durable plastics are expected to find many uses in the home, in plumbing, for instance.

New Power Sources

New power sources being developed for spacecraft may eventually take the place of diminishing oil and coal reserves. These are solar batteries, gaseous fuel cells and lightweight nuclear reactors. The fuel cell is a continuous feed device in which chemical reaction of fuel and oxygen is converted directly into electricity without the need for machinery or working parts. Already a 30-cell portable power plant developing 200 watts has been delivered to the army and marine corps, and a 1,000-unit cell has been developed which provides 15 kilowatts and drives a tractor. In solar power, used for satellites, the sun's radiation is converted directly into electricity. Although efficiency is low in such devices, the sun is an inexhaustible energy source. Vanguard I, launched more than three years ago, it still beaming a radio signal earthward. The radio is solar-battery powered. Space-stimulated nuclear power research has produced the "S.N.A." (Space Nuclear Auxiliary) thermionic converter. Nuclear devices have the advantage of needing neither storage units nor heat sources, and seem to be more reliable than the usual forms of electrical generators. This may one day bring down the cost of large nuclear power stations to service newly-developed nations of the world where fuel resources are limited.

Another potential method is plasma power, generated through the use of hot ionised gases. This gas acts as a conductor of electricity and can be utilised for a variety of purposes. Advantages are that it is simple, rugged and efficient. Already 10 cities in the U.S. are preparing to experiment with electrical power derived from this source.

In mining of hitherto uneconomcial taconite (very hard rock) iron ores, jet drilling—"captive rockets" that melt the rocks—is actually burning holes for blasting charges. Experts say that in less than 20 years, the U.S. will be getting about a third of its ores from taconite.

These, then, are some of the possible practical applications of space research in the United States. More than 5,000 U.S. companies or research organisations are today engaged in rocket-space work and over 3,200 different space-related products have been conceived and developed thus far. If many of these products come to be manufactured on commercial scale for the benefit of mankind, the enormous expenditure that is being incurred on space research will probably be found to have been a sound and worthwhile investment. American space scientists who continue to emphasise the scientific and beneficent aspects of their methodical, though not quite spectacular, experiments are giving a truly commendable lead in a field which promises better life for man on earth.

(*Concluded from next column*)

manufacture of flat rolled steel products as the result of the technical progress achieved. The list prices of the European Coal and Steel Community are in general lower than English domestic prices. With the exception of tinplate and a few high-grade sheets they were also lower than United States prices.

Competition in the iron and steel industry has increased on the world markets recently. In its ninth full report on the activities of the European Coal and Steel Community, which has just been published, the High Authority states in conclusion that the agreed English and American export prices did not change in 1960. Moreover, the European Coal and Steel Community has withstood the pressure of competing offers in all world markets, even when they came from East-bloc countries or from Japan. This again proves that the Community is well able to compete.

STEEL IN W. EUROPE

RECORD OUTPUT IN 1961 EXPECTED

By Heinz Medefind

EVER since the European Coal and Steel Community was established in 1952, the iron and steel industry in Western Europe has shown a steady upward trend. There was an expansion—in particular of the steel market—recently such as has never been experienced before. Within the territory of the Community, which comprises six countries, namely, Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, and the Netherlands, the production of crude steel reached 72.8 million tons last year, as compared with 63.2 million tons in 1959. It has increased still further during the first three months of this year, and in March it had reached its maximum so far with 6.75 million tons. On the basis of the first three months' production it may be assumed that 75 million tons will be produced this year, the Federal Republic of Germany's share in it being well over 35 million tons. This compares with 40 million tons produced in the whole territory of the European Coal and Steel Community in 1953, when the agreement concerning the Community began to show some results after it had entered into force.

All the member-countries of the Community have a share in the production records of the last fifteen months. The increase was greatest in Italy in 1960, namely, 21.5 per cent as compared with the previous year, while the average of the Community was 15.2 per cent. The works made full use of their production capacity—with the exception of Belgium where, owing to the strike, there was a loss of production of nearly half a million tons in January of this year alone. The degree of utilisation also receded a little in the Federal Republic of Germany toward the end of last year, but the fact that production had been extraordinarily high during the first quarter must be taken into consideration.

A Good Year

The European Coal and Steel Community was able to maintain its share in world steel production with a little over 20 per cent also last year. It attributes this partly to the retrograde development in the American iron and steel industry, and partly to the vigorous rise in its own production. Apart from the Community, it is Japan and other countries of the East, especially China, which are still increasing their production the fastest of all. The High Authority of the European Coal and Steel Community, which is the joint administrative authority, describes the year 1960 as being a good year on the whole for the iron and steel industries of the Community of the six countries. Altogether a remarkable equilibrium was observed, since the entire demand was met while the available production capacity was fully utilised. Only in summer was the balance somewhat upset as the result of a decline of orders from third countries. True, the balance was restored in November, but it seems that a repetition is impending. In circles of the European Coal and Steel Community it is regarded as possible, however, that the improvement which is noticeable on the American steel market will have a favourable influence on the further development.

The total of orders received from at home and abroad has risen somewhat in March: 4.48 million tons as compared with 4.37 million tons on a monthly average in 1960. This slight increase shows, in the opinion of the High Authority, that the greater number of orders received from at home has more than set off the recession that has taken place in the export markets. A similar situation was noticed in regard to the year 1960. Orders for rolled steel products from the area of the Community of the six countries were 11 per cent higher during this period than during the preceding year. Orders from third countries, on the other hand, had decreased by 19 per cent. As the demand from third countries on the European Coal and Steel Community is only one-fifth of the total requirements, there was nevertheless an overall increase by 5 per cent.

The demands of the processing industries, especially in Germany, Belgium and Italy, have increased within the Community recently. This increase is above all due to an increased demand for reinforced concrete rounds, which is the result of greater seasonable building activities. On the sheet market, however, the weakness already observed during earlier months has continued. This development is thought to be mainly connected with the reserve shown by the motor-car factories. Thus the production of motor cars in France in February of this year has clearly fallen below production during the same month the year before. Although it was still above the level of February 1960 in the Federal Republic of Germany, it had receded by 9 per cent when compared with the January figures.

The High Authority considers the fact that the substantial expansion of the steel market of the Community has hardly produced any tensions as in prices and the terms of delivery have remained within reasonable limits. List prices were fairly stable in the European Coal and Steel Community during 1960. But as orders have been received slowly in the export markets recently, this had led to a fall in prices. The prices of sheet, wire rod and reinforced concrete rounds have declined most of all. In the Federal Republic of Germany most changes in prices are due to lower costs in the

(Continued ...

NEW PRODUCTS AND PROCESSES

Air-ioniser to Prevent Weariness

A NEW compact air filter and energiser—which is claimed to prevent lethargy, weariness and flagging concentration among people who work indoors—was introduced in Britain recently. This was developed by Winston Electronics, Middlesex, England. The equipment's development stems from the contention that negatively ionised air combats headaches, fatigue and feeling of depression in people. It has been proved, for instance, that the freshness of mountain air is due to irradiation—the creation of negative ions in the atmosphere by ultra-violet radiation from the sun. At lower levels, however, the greater part of this radiation is absorbed by impurities in the atmosphere. The machine, which is about the size of a table radio, continually filters the air in a room and irradiates it after filtration so that, on re-entering the atmosphere, it is dust-free, clear of odours and energised with several million negative ions per cubic inch. The equipment is particularly suited for use in homes, offices, workshops and hospitals, and each unit can handle about 4,000 c.ft. (113.2 c. metres) of air (a room 20 ft. x 16 ft. x 10 ft.) (6 m. x 4.8 m. x 3 m.). The equipment is 14 ins. (35.5 cms.) by 6 ins. (15.2 cms.) by 7¾ ins. (19.7 cms.) in size and weighs less than 5 lbs. (2.2 Kg.). It operates on a voltage of 220-250 A.C. and uses one unit of electricity every 12 hours.

Hot-dip Aluminising of Ferrous Materials

Aluminising provides steel surface with corrosion resistance, heat resistance and reflectivity and acts as a protective layer on the iron or steel bases like galvanising or tinning. Aluminisation of steel though relatively of recent origin, is rapidly becoming popular. National Metallurgical Laboratory, Jamshedpur, has been working on various fluxes to minimise the drawbacks in the process of aluminising. As a result, three different types of fluxes have been developed. The molten flux process consists in using a flux of zinc chloride, sodium chloride, potassium chloride, aluminium fluoride, cryolite and barium chloride mixed in suitable proportions. The flux mixture is fluid at 600°C. and gives adequate fluxing action without any blemishes in the coating of aluminium. The aqueous flux process involves the use of a hot concentrated aqueous solution of potassium fluoride as a flux. Steel articles are dipped in the solution and dried after taking out. The thin film of the salt left on the article acts as a flux for the next operation of hot-dipping in molten aluminium. Use of linseed oil as a fluxing agent is another novel approach to the pre-treatment of steel. Linseed oil film because of its unsaturation and consequent oxygen absorption has been found to possess fluxing properties towards oxide film formed on drying steel after pickling and washing.

Polythene Pattern Letters

The successful introduction of Polythene pattern letters for the foundry trade by A.E.I. Plastics (Aldridge) Ltd. is now followed by a new range of sharp faced pattern letters for the small sizes (below ½") which have the advantage of producing an improved impression on all types of castings. These letters are immediately available. In common with the range of larger pattern letters, the new type are only half the price of equivalent metal characters yet maintain all the advantages. Polythene characters are extremely resilient—direct hammer blows cause only momentary distortion and the most rigorous hand or machine ramming is withstood without burring. The irritating and often costly waste of time that occurs through damaged lettering on a moulding (only discovered when the moulding has been withdrawn) is thus eliminated. In addition, polythene has good "non-stick" properties and the useful characteristics associated with lead. It is pliable and can be easily moulded to any contour; it can be pinned or glued to a pattern without difficulty ('Evo-Stik' Impact Adhesive 528 is recommended for both wood and metal patterns); it is unaffected by water. The characters are normally supplied in light grey to contrast with the conventional red, yellow and black used for pattern identification.

Fire-extinguishing Powder

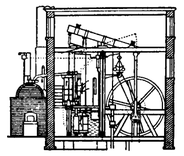
Finely-divided uranium, plutonium and, especially, thorium metal is pyrophoric when finely divided—it can ignite spontaneously in air. Now metallurgists of the U.K. Atomic Energy Authority at Dounreay, have produced a fire-extinguishing medium for these circumstances. It is a eutectic mixture of dry powdered inorganic chlorides and fluorides (or fluorides alone) which are inert towards the metal involved. The mixture is so chosen that its melting point is below the melting point of the burning metal. This produces two important effects, says the U.K.A.E.A.: (1) Fusion of the powder takes place locally where it is in contact with the burning metal; a fused skin forms around the metal and this excludes the surrounding air from contact with it. (2) Absorption of latent heat by fusion of the powder exerts a cooling effect on the metal.

New Uses for Linen

Scientific research is leading to new uses for linen. This traditional textile is now being successfully blended with man-made fibres, says the U.K. Department of Scientific and Industrial Research, and it produces new fabrics with all the inherent qualities of both basic products. Research carried out by the Linen Industry Research Association has developed techniques for combining linen and man-made fibres to produce these new fabrics with the advantages of both basic materials. It has also taken account of the fact that both linen and man-made fibres have one thing in common—long fibres. The linen industry alone of the traditional textile industries has the machinery, the experience, and the skill for dealing with long fine fibres, and these advantages can now be turned to good account in the intelligent use of man-made fibres.

Steam...

Industry's greatest power

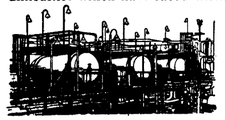


SINCE 1782, when the first Rotative Steam Engine enabled the use of steam power to motivate machinery, steam has played an ever increasing part in industry throughout the world.

Not only is steam today's most important source of power for the civilised world, but it must remain so for many years to come. Even atomic power is yet in its infancy and can only be applied as an alternative source of heat. Steam is indeed the real power of industry.

While this is but an outline of the extensive and continually growing part that steam plays in power generation and industry throughout the world, it indicates quite clearly the unparalleled importance of steam power in the industrial growth of India... and, therefore, the urgent need to manufacture vital steam-raising plant in this country to meet the demands of expanding industry.

This is one of the needs which has led to the formation of a new and powerful industrial group, ACC-Vickers-Babcock Limited (AVB). The vast technical knowledge and extensive practical experience available to it will enable the new company to make an important contribution to Indian industry—and help Indian engineers overcome some of the difficulties which have faced them for so long.



The new AVB plant is nearing completion on a 700-acre site at Durgapur. The workshops, designed on modern lines, will have built into the structure electric overhead travelling cranes with 70 tons lifting capacity.

All workshops have been designed to allow for progressive expansion so that it will be possible to lift 200 tons without making structural alterations. Up-to-date machine tools are being installed. When completed, they will include a 3000 ton hydraulic press capable of bending steel plates up to 5" thick for use in the manufacture of high pressure boiler drums, and pressure vessels required for the fertiliser, chemicals and oil refining industries. The new plant will make it possible to manufacture steam-raising equipment in the high pressure range—for the first time in India.

ACC-VICKERS-BABCOCK LTD. offers the industrialist his best chance to ensure a fully *integrated* installation comprising the boiler plant itself and a wide range of equipment from the fuel handling and preparation plant to the ash plant and dust disposal installation.

Besides, the industrialist has the confidence that he will get after-sales service of the highest quality from AVB!

AVB

...a Powerful Partnership for Progress

ACC-VICKERS-BABCOCK LTD.

16, Queen's Road Estate, Bombay 1

CALCUTTA OFFICE:

Ilaco House, 1 & 3 Brabourne Road, CALCUTTA 1

WORKS: Durgapur, WEST BENGAL

INT-AVB 3146

MAHINDRA AND MAHINDRA LTD.

CHAIRMAN, MR. K. C. MAHINDRA'S SPEECH AT ANNUAL MEETING

PREREQUISITES FOR EXPORT SUCCESS ARE QUALITY AND COMPETITIVE PRICE

IN his speech at the Fifteenth Annual Meeting of Mahindra and Mahindra Ltd., held at Bombay on Wednesday, 24th May, 1961, Mr. K. C. Mahindra, Chairman of the Company, dwelt at length on the prerequisites for better performance on the export front. These, in his view, were quality goods and competitive price. He stated that sufficient emphasis was not being laid on these aspects and that the main preoccupation of authorities as well as exporters was with export incentives. Characterising this as an entirely wrong approach, Mr. Mahindra urged that the main objective should be to produce and export something, which the overseas buyer would want to buy and at the seller's price. How the domestic industry could be geared up for the task, he said, must be the primary concern of producers assisted, no doubt, by the Government. Maximum production, quality which the buyers like and co-operative endeavour with Government prodding, and Government assistance to sell abroad, he emphasised, were the *sine qua non* for finding a place in the overseas markets.

The following is the full text of Mr. Mahindra's speech:

"While my welcome to you to this, the fifteenth annual general meeting of the Company, is as genuine and sincere as in previous years, shareholders will perhaps wish me to enlighten them on several counts. First is the inordinate delay in holding this meeting. The reason is not any sluggishness in the preparation of accounts, but the Companies (Amendment) Act, which came into force from the end of December 1960, posed certain problems on which the legal advisers of the Company could not provide a straight answer. One concrete recommendation is a complete revision of the Articles of Association of the Company. This has been taken in hand and I expect shareholders will be asked to approve the new set of Articles during the current year.

Fall in Profits

"Next in order of explanation should be your question about the fall in profits. Reasons have been succinctly given in the Directors' report. I may offer here some elaboration. It is normal for a manufacturing concern employing nearly 3,000 men that standards and categories of staff employment run along prescribed lines of promotion and specific defined increments in remuneration. Under the present labour laws of the country, it is more or less incumbent to follow, for the factory workers, the practices laid down in detail by various tribunals and associations: these prominently involve an enhancing pattern of cost which ranges between 8 and 10 per cent every year, without any increase in the work-load.

"In an engineering complex like the automobile production where vendor/suppliers play a significant part, there can be no stable wage level or a stable cost of production level. This is particularly true when raw materials become scarce and there is an intense struggle for scant supplies between competing engineering groups. Inevitably this is reflected in high materials cost.

Rise in Sales

"There has been a 38 per cent increase in the sales of vehicles over the past year. Throughout the year, there was Government pressure to maintain the price line, despite increased costs of imported components, and a substantial increase in the local costs of production. From July 1960 a further reduction of Rs. 200 in the retail price of the jeep was made at the special insistence of Government authorities. The increase in the sales volume did not prove sufficient to compensate for the increased cost. The Directors, in their report, have referred to the proportionally larger costs of components as the Company gets into the phase of producing more complicated parts. We have reached that stage, and every new development in further production of indigenous components will mean *pro rata* a higher production cost.

"With larger number of vehicles coming out of the production line, there has been an increase in the number of staff employed, but I am glad to say that a continuous realignment of manufacturing and assembly lines has resulted in a better productivity coefficient and the increase in strength is therefore not proportionate to the increase in production.

"The other major activity of the Company is the import and distribution of steel. Profit margins in the steel division also contracted during the year. This was anticipated. The fall in surplus is partially due to a large carry-over, as there is considerable more tonnage which has remained unshipped at the close of our accounting period in contrast to last year, and this of course does not figure in the accounts. As stated in the Directors' report, the import business in steel might now rapidly diminish, but we hope it will be replaced by larger internal distribution. The Company's organisation has been reshaped to meet such demands.

Delay in Settlement of Bills

"In this connection it will not be inappropriate to mention the long delays in settlement of our steel bills by Government. The procedure is about the most cumbersome and time and money consuming known under any regulatory agency of the Government, and there is no way of speeding it up. As an illustration, I may instance the case of certain supplies made three years ago; the final settlement of our bills on this account is still pending. Approximately Rs. 30 lakhs are involved, and, naturally, interest charges for financing such delays are a growing burden on the Company.

"Profit-wise, therefore, the operations of the Company during 1959-60 have not been satisfactory, despite the utmost vigilance in expenditure and despite increased turnovers.

Small Car Project

"The year 1960 also provided certain disillusionment to the Company's management. I have consistently held the view that a progressive business concern must adopt and sustain an expansionist outlook. The Dauphinoise project for a small car was one such exercise. Government in its wisdom has decided to build the small car in the public sector. It is some satisfaction, however, that, according to recent Press reports, arrangements are likely to be concluded with Renaults of France, who were our principal collaborators, for the manufacture of the proposed small car, and the Pande Committee is reported to have recommended the Renault car for the purpose. It is also interesting to observe that collaboration terms offered by Renaults appear to be similar to those offered to your Company. This indicates to me that your management was working on correct lines and obtained the most practicable and valuable collaboration available to entrepreneurs in India. I wonder what Government has gained by this process of examination of committee over committee; on the contrary, eighteen valuable months have been lost.

Agricultural Tractors

"Another point of disillusion was the breakdown of our negotiations regarding manufacture of agricultural tractors. Considerable amount of time and effort was devoted to the working out of a detailed collaboration agreement with the British manufacturers, who had initially offered to invest nearly £480,000 in the Indian project. Towards the later end of the final negotiations, it was found that serious differences of opinion remained about the pricing policy which the British manufacturers desired to adopt. This policy was in direct contradiction of their original understandings with us, and would have involved an additional exchange burden in respect of the costs of tractors and components to be brought into India. Trust and mutual confidence was involved and we decided to terminate this association. Negotiations are at present afoot for manufacture of another make of tractor in the country. Government has been kept fully informed on the subject, and it is with their approval that fresh negotiations are being undertaken.

"Another point of disillusion was the reversal of a major policy decision of the Board to shift our jeep manufacturing facilities to Baroda. Inordinate delay in the acquisition of property in Baroda led to considerable difficulties in the matter of installation of major machine tools which had arrived in the country. We could not keep them in packing cases for long, otherwise the manufacturing programme would have suffered considerably. Besides, majority of our skilled workers showed a disinclination to move to Baroda. The management gave considerable thought to this matter and reluctantly came to the conclusion that the original decision to shift to Baroda must be reversed. Negotiations have been concluded for the purchase of a suitable area in Greater Bombay, and it is hoped to consolidate all our manufacturing activities in this area in course of time.

"Disappointment and disillusion are, however, the stock-in-trade of a realistic approach in business and it is not all gloom and darkness. We have received permission to expand production of jeep-type vehicles to 10,000 units a year, and I am glad to be able to tell you that we have just received advice from Delhi that our application for setting up an alloy steel project has been approved by the Licensing Committee. This is going to be a major undertaking.

Trading—Bread-and-butter Line

"There have been some doubts expressed in financial journals that your Company is essentially a trading organisation and hence the wide fluctuations in its earnings. I should like to belie this comment: the Company was started with the specific purpose of participating and helping in the constructive development of the economy of the country. Within a year or so we were able to launch the first undertaking (Machinery Manufacturers Corporation Ltd.) to engage in building textile machinery. In addition to this the Company has promoted manufacture of jeeps and trucks, diesel engines, instruments, synthetic enamels and varnishes for the electrical industry, agricultural and industrial trailers, water meters, sintered bearings, lifts, etc. It has been my experience that manufacturing lines take a long time to mature and are peculiarly subject to cyclical fluctuations. Trading for this Company became therefore a sort of bread-and-butter line—a division to provide the cushion against adverse winds. If, in the past years, trading has provided the major portion of our profits, it is a measure of our success in pursuing the Company's primary purposes and providing incidentally the wherewithal for expansion.

"I have referred earlier in this address to the thesis of expansion. I firmly believe that for a country like ours, we cannot afford to remain static or even sit on our oars in the name of consolidation. I do not like to think backward. When an organisation stops thinking forward it becomes stagnant. There are no doubt grave problems—problems which demand urgent tackling, but if we are to survive as a potential and economically free entity, the economy of the country must 'thrust its way through the stifling blanket of overpopulation and inflation.' In the words of a well-known British economist, Indian people must, like the Red Queen, run fast even to stay where they are.

State and Private Enterprise

"To people critical of economic planning it will perhaps come as a great surprise that it is being more and more increasingly recognised that State planning must come first if private enterprise is to fulfil its own dynamic task: this is from Dr. Prebisch, President of the United Nations' Economic Commission for Latin America. Do we know that in the United States of America—the home of free enterprise—one in every six employed Americans is on a Government payroll? Since the beginning of this century non-Government employment has increased about 100 per cent, while Government employment—Federal, State and local—has increased about 650 per cent. The twenty major U.S. Government guaranteed corporations possess assets over 29 billion dollars (about Rs. 14,000 crores); U.S. Government interest in these assets amounted to over 25 billion dollars.

"What we should really quarrel about is that our Government doesn't seem to realise that planning and achievement are horses of two different categories; one cannot win a thoroughbreds' race by running a hackney animal. Priorities were once said by the late Mr. Aneurin Bevin to be 'the religion of socialism—implicitly or explicitly they have become the theology of all bureaucracies' and yet despite a host of Evaluation Reports, a very low priority is being given to performance of the various public sector undertakings. Then there is the 'closed' shop practice amongst civil servants. According to a prescient but sympathetic observer, 'A game of musical chairs seems to be developing in which senior bureaucrats move with disconcerting speed from post to post in the public sector.' Urgent attention to the lack in performance is needed, if plans are to form a solid base for a self-sustaining economy.

Main Objective

"For industrial growth, and as a matter of fact, for development of an agriculture-based economy as in India, expansion cannot be got under way without substantial foreign exchange resources and foreign exchange, it is said, cannot be produced domestically. That may be so, but it is only by the fullness of domestic production that foreign exchange can be earned. Since 1957, and possibly earlier, there have been diverse but disparate efforts to engage the interest of people in the export business. A dozen or so export promotion councils have been set up; every year there is a round of talks with the Central Advisory Committee on exports; and associations and chambers of commerce have devoted considerable time in turning out codes of conduct and methods of behaviour for exporters. The basic requisites of export trade are no doubt included in the list, but I do not see the emphasis on prerequisites which must be placed if our economy is to increasingly send its products to other markets. These prerequisites are extraordinarily simple: your product must be good, quality-wise, and the buyer should want to purchase it at your price. Export promotion councils have no doubt succeeded in sending out a plethora of delegations abroad. Free trips are usually enjoyable, particularly when the reporting need not rise above the platitudinous level. I do not see any other talk except that of *incentives* required to export a product. It is surely an entirely wrong track to follow. Incentives are all right for removing the bottlenecks in production, but the main objective should be to produce for export something which the overseas buyer would want to buy and at your price. How can the local industry be geared up for the purpose? This should be the engaging task primarily for the producers, assisted no doubt by a guiding hand from executive authority.

Tale of Two Sales

"Let me give two examples: one in the 30's and the other post-war, of which I have personal experience. I believe it was in 1949 or 1950 when a German engineering concern secured a substantial order for railway wagons amounting to about six million pounds sterling. The moment the acceptance of their tender was received in Germany, the management got together, arrived at the gross margins they would be earning on this order, and decided to spend the entire gross margin in sending out delegations of 27 engineers to India. These engineers, apart from their technical proficiency, were superb salesmen. They were given *carte blanche* about quotations pertaining to prices, deliveries, etc. Various groups toured the whole of India for periods ranging from three weeks to eight months. These delegations went back with new orders totalling over £11 million sterling.

"A pre-war example which comes to my mind is the Japanese drive to sell cement in India in the thirties. The markets they attacked were Burma and the Calcutta region. Wherever Indian cement was being sold, a Japanese bag of cement was available at a lower price. If the Indian cement bag had one red or blue circle in the middle, the Japanese bag showed two red or blue circles. The competition became so severe that Indian cement manufacturers brought down their prices to the rockbottom cost and yet the Japanese cement was still available at a price lower than theirs, despite a 30 per cent import custom duty. On detailed investigation in Japan and an examination of the methods and processes employed by the Japanese exporter, it came as a great surprise that the ex-factory price of the Japanese cement for export was so ridiculously low that there was no hope on earth in India to meet such competition. In those days one could use the word 'dumping' in an authentic manner and approach the Government to take some action. How otherwise could the Japanese afford to send substantial quantity of cement into a protected market? We learned that, after a decision was made to attack a certain market, the Japanese manufacturers were got together and, on the basis of their pre-export production, it was agreed between them that utilisation of 60 per cent of their installed manufacturing capacity for the home market was sufficient to give the manufacturers a reasonable return on the capital employed. The associated group then decided to ask each manufacturer to step up production to the maximum and under Government direction production over the 60 per cent level was to be handed over to the export associations at prime cost. I emphasise the words 'prime cost' which meant the cost of raw materials and direct labour only. This gave the associations a fine start to programme the export drive. Export groups in other industries joined in and surpluses were pooled in order to help in the export drive for the new entrant, namely, cement.

"In these two examples there is a moral to be learnt by manufacturers, by export councils and by the Government. Maximum production, quality which the buyers like and co-operative endeavour with Government prodding and Government assistance to sell abroad are the *sine qua non* for finding a place in the overseas markets. I suggest a combination of the Japanese and the German examples cited above, but of course local prime costs—direct labour and materials—must be kept level under restraint if necessary. Businessmen should be prepared to give serious consideration to such proposals, for over the next decade it is imperative that our country's exports should advance materially year by year to the level that present imbalance in overseas trade is corrected, and a surplus is earned to pay for servicing the foreign loans and grants now being negotiated.

Current Trends

"Turning now to current affairs of the Company, I am glad to report that for the six-month period ended 30th April 1961, the Company's sales of jeep vehicles and spares are ahead of the previous year's rate—a total of 3,563 vehicles sold in six months, as against 6,499 units in 1959-60. Steel bookings this half-year are also satisfactory—being about 98,000 tons, as against 201,000 tons in 1959-60. But I must also report that our endeavours to engage in the export trade in steel have not met with any success yet. Deliveries available from the new steel works are still not firm and it is not desirable to speculate on world price in this respect where overseas sales are concerned. We will continue however in efforts to develop the export business.

"To the growing number of staff and workers our thanks are due for their hard work throughout and for the loyal co-operation they have given to the management in this difficult year."

Note: *This does not purport to be a record of the proceedings of the annual general meeting.*

ATLAS
ASSURANCE CO., LTD.
The liability of Members of the Company is limited
Incorporated in England

A.D. 1808

Bombay Agents:
N. SIRUR & CO. PRIVATE LTD.
TULSIDAS KHIMJI.
MACKINNON MACKENZIE & CO. PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALLJI THAKERSEY & CO.

Branch Offices:
Dongall Road, Ballard Estate, Bombay.
Indra Palace, Connaught Place, Delhi.
2-L, Mahatma Gandhi Road, Bangalore.
Vijaya Bank Building, Mangalore.
7, Armenian Street, Madras.
4, Clive Row, Calcutta.

FIRE — MARINE — ACCIDENT

70,00,000
FIRESTONE TYRES!

The Firestone factory in Bombay has now passed another landmark in its 21-year existence. The production of Firestone tyres in India has topped the figure of 70 lakhs. From a small beginning, through successive expansions, production has now reached around 2,000 tyres daily, covering a vast array of different sizes, ranging from 3.50-10 for Motor Scooters to 21.00-25 28 Ply Rating for Heavy Earthmoving Vehicles.

But the overall demand for tyres of all types is still so far in excess of output in India that, in spite of equitable distribution arrangements, there is a severe shortage which is felt throughout the country. Expansion schemes are afoot, but it will be some time before supply catches up with demand.

***WE BELIEVE** that the ill-effects of this prolonged scarcity can be kept within limits if every truck tyre user does what he can to extend the life of his tyres. Follow the 3-Point Programme —*

INSPECT | REPAIR | RETREAD

AND WATCH OUT FOR FURTHER TYRE-SAVING INFORMATION FROM

Firestone

BEST TODAY — STILL BETTER TOMORROW

Y. 33

JOINT CONSULTATION IN INDUSTRY—I

FACTORS RESPONSIBLE FOR SLOW PROGRESS HIGHLIGHTED

By Prof. B. N. Mehrotra

THE term "joint consultation" has been much publicised in the context of labour policy in India during the last few years. It is difficult to give a generally acceptable meaning to it, but, for our purpose, we may define joint consultation as an internal arrangement in an enterprise for a regular and systematic exchange of views (not necessarily implying decision or executive action) between the workers' and employers' representatives on matters relating to production, efficiency, welfare and other problems of mutual interest.

In Indian industry, joint consultation is of recent origin. Although this aspect of labour-management relations received the attention of Government and industry as early as 1920, yet precious little was done till 1947. After World War I, a few joint committees were set up on the Whitley Model of the U.K., but, due to their prematurity in the prevailing Indian conditions, soon fell into disuse. The Royal Commission on Labour frankly admitted that, "generally speaking, the results achieved have been disappointing." Yet undeterred by these initial failures, the Commission pleaded that, "if they are given proper encouragement and past errors are avoided, works committees can play a useful part in the industrial system." The Commission's recommendations fell on deaf ears and the Government did nothing in the matter.

The first substantial measure for consultation at the plant level was the Industrial Disputes Act 1947 which provided for the formation of works committees to promote "measures for securing and preserving amity and good relations between employers and workmen and to that end comment upon matters of their common interest or concern and endeavour to compose any material differences of opinion in respect of such matters. "The structure composition and other procedures were laid down by the Act. The State Governments took necessary steps to implement the scheme and, by 1950, 1,100 works committees had been constituted covering practically all the States of India. At present, 2,633 works committees are reported to be functioning. The progress has been slow, as is evident from the following figures relating to the number of committees actually formed and functioning in the Central sphere:

Year	Number
1954-55	650
1955-56	715
1956-57	725
1957-58	719
1958-59	701
1959-60	744
1960-61	846

Figures are not comparable, as the information supplied by State Governments is not complete in all cases.

Real Purpose Not Realised

Besides the slow growth, the committees were reported to have failed to realise the purpose for which they were constituted. The usual experience was that they were of little practical use and large numbers ceased to meet. As was acknowledged by a management representative, "many firms have either given up trying or continue to have them on sufferance." Various reasons have been given for their failure, but the real reason, as Mr. V. V. Giri rightly observed, is "that, while there is no change of heart or outlook on the part of either party, the constitution of works committees has been made a statutory obligation." A good many employers considered it below their dignity to sit with their employees and discuss matters with them. In many cases, they considered the committees as merely a formalised agency for disposing of workers' comp'aints. Some employers regarded joint consultation as a substitute for collective bargaining and began to bypass the trade union. There are many cases on record, some of which have been cited by Charles Myers (*Industrial Relations in India*) where the employers refused to recognise a union because of its (union's) political affiliation and negotiated with the works committee agreements on wage scales, bonus, new leave rules, etc. This was naturally interpreted by the unions as a threat to their very existence and they lost interest in the institution of works committees. Delay in the implementation of the committee's decisions also damped the enthusiasm of workers. If the management is not sincere about joint consultation, it is futile to expect workers' co-operation.

Trade union rivalry has also been a major cause of many a breakdown. For example, in U.P., the committees had to be dissolved within two years of their formation, due to the rivalry between different unions which made it almost impossible for the management to have the workers' representatives on the committee. Difficulty was also caused due to the fact that the statutory regulation that the employees' representatives should be selected in consultation with the trade union concerned was not always adhered to. In one establishment where the open election system was adopted, a rival faction within the union managed to capture the committee and repudiated the working arrangements reached earlier by the management and the former committee. Too much control by the union which completely fettered the discretion of their representatives on the committee has also complicated matters in a number of cases. Irresponsible trade union leaders used consultation machinery as a platform to emphasise their claims and rights and took no interest in the general problems affecting the enterprise. Confusion has also been created by the improper understanding of the role and functions of works committees. The committees have been used for a variety of purposes. They have dealt with actual production problems, problems of discipline, methods of wage payment, distribution of working hours, prevention of accidents, welfare measures, etc. They have negotiated agreements on issues normally reserved for collective bargaining and settled workers' grievances. This wide range of the functions of the committee created uncertainty and gave the impression that anything and everything could be discussed there. The proper perspective in which the committees were expected to function was thus lost.

Works Committees

During the last three years, there has been some rethinking on the role and performance of works committees. A critical analysis on the functioning of the committees in the public sector was made by the Chief Labour Commissioner (Central) in 1958-59. At the instance of the Ministry of Labour and Employment, the N.C. Corporation (P) Ltd., Bombay, undertook an analytical study of works committees in Bombay City. A study team appointed by the Ahmedabad Textile Industry Research Association also surveyed the working of a few works committees in Ahmedabad. From all these reports, the conclusion seems to emerge that the committees did not fare so badly as was generally believed. An officer of the Indian Jute Mills Association expressed a similar view about the performance of works committees in West Bengal. He rather told me that, "instead of launching the new scheme of worker participation, it would have been better to strengthen the works committees and improve their working." Probably what happened was that the initial difficulties with which some of them were faced and the failure of some others created a negative attitude and the conclusion that they had been a complete failure and absolutely ineffective was based on insufficient data. The later studies are, however, also inadequate to take a positive line and more case studies are required to determine conclusively the part played by works committees in the industrial system.

The next stage in joint consultation was reached with the acceptance of the scheme of worker-participation in management as a major plank of the Government's labour policy in the second Plan. The Government set out with a missionary zeal to implement the scheme. The first step was to send a study team abroad to study the working of labour participation in some European countries. The Study Group submitted its report in 1957. It contains useful information about the working of joint consultation in those countries, but whether it provides adequate helpful guidance for the introduction of the scheme in India is doubtful. Commenting on the report, Mr. A. H. Hanson observed "poor quality report hardly warranted such extensive and expensive foreign travel." The report was considered at the 15th session of the Indian Labour Conference which decided that, at least for two years, "worker-participation should be tried on a voluntary basis. It appointed a tripartite sub-committee to advise on the exact form of the participation machinery. The sub-committee recommended that the experiment should be confined to the level of the undertaking and tentatively suggested that it may be introduced, to begin with, in 50 undertakings—20 in the public sector and 30 in the private sector—selected on the basis of a definite criteria. The sub-committee also laid down the size, constitution, functions and other procedural details of the Joint Management Council and prepared a Draft Model Agreement for the guidance of employers and trade unions. The functions of the Council were divided in three categories, namely, consultative, the right to receive information and give suggestions, and administrative. Matters which are subjects for collective bargaining and individual grievances are excluded from the scope of the Council. These recommendations were considered and with minor changes approved by the first seminar on Labour-Management Co-operation held in New Delhi on 31st January and 1st February 1958.

Progress Not Satisfactory

By January 1958, 30 undertakings had offered to try the experiment, but, so far, only 23 joint councils have been set up—six in the public sector and 17 in the private sector. The progress of the scheme in quantitative terms leaving aside the qualitative aspect for the present, is far from satisfactory. Not only no fresh 'offers' have been received during these years even some of those who had volunteered themselves have backed out on one excuse or another. There is a tendency to attribute this slow progress to the "narrow-mindedness and conservatism" of the employers. It is probably true that the employers are watching with interest the progress of the councils and will like to be assured that the councils are functioning effectively and doing useful work. This is certainly a cautious approach, but I wonder if 'caution' has to be 'condemned.' The term "worker participation" has also discouraged quite a few employers. As a spokesman of an employers' association observed: "This term is frightening. The management feels that it is a device to take away its prerogative and undermine its authority. If instead, we use the term 'joint consultation' and impress upon the employers that the idea is *not* to oust the management but establish close co-operation between employers and employees, many more will be forthcoming." It is unfair to put the entire blame on the employers. The charge could be justified only if it could be shown that the employers have, by and large, turned down the demand of the trade unions to constitute joint councils. I do not think there have been many cases of this type, if any at all.

Government as Employer

What about the Government as employer? Why has the Government not established the councils in all its undertakings? Public sector which is expected to set an example for the private sector cannot congratulate itself for its performance in this field. Its share in the number of councils set up comes to only 26 per cent, as against 66 per cent originally agreed. It is common knowledge that the Life Insurance Corporation in India, river valley projects and defence establishments evaded the formation of councils on one plea or another. According to a list drawn by the Labour Ministry more than a year ago, nine public undertakings had either set up the councils or were preparing to do so. Out of these nine, three units—Travancore Rubber Works, Shri Ganganagar Sugar Mills and Nahan Foundry—had not constituted the councils till as late as February 1961. In the Argada Colliery, Hazaribagh, certain technical difficulties had been raised by the management to the setting up of the council. The joint council at the Hindustan Machine Tools, Bangalore, which was inaugurated with great fanfare and publicity, is in abeyance for the last about 20 months, so much so that, at the second seminar held in March 1960, the representatives from the H.M.T. were not even invited. This is a poor record for the public sector, but it only shows that there are other factors besides the willingness and enthusiasm of the employers on which the progress depends.

What is the attitude of the trade unions in this matter? At the second seminar, the workers' representatives "wished to emphasise that they were solidly in favour of the joint councils and appreciated the initiative taken by the Government." This contention is not borne out by actual experience. The All-India Trade Union Congress is avowedly indifferent to it. Their point of view is that, as long as means of production are in private hands, industrial democracy is a myth or a fraud. The workers, they point out, can never acquire the status of partner in industry under the capitalistic system. Their attitude, however, cannot be described as positively hostile. The A.I.T.U.C. affiliated unions did participate in a few joint councils. The Indian National Trade Union Congress has been the most active to campaign for the goal of 'worker-participation.' As early as 1955, the *Indian Worker* had advocated that "progressive steps for workers' participation in the management of the industry should be taken." Mr. Michael John reiterated this demand in his presidential address to the 12th annual session of the I.N.T.U.C. (April 1961). In fact, the I.N.T.U.C. has profoundly affected the Government's labour policy and has been mainly instrumental in the Government's acceptance of 'worker-participation' as a major objective. In the light of this the approach of the I.N.T.U.C. to the institution of joint councils is not understandable. It is taking very little genuine interest. Two textile mills in Bombay wrote a number of letters to the trade union affiliated to the I.N.T.U.C. to nominate their representatives on the council but no formal reply was ever received. The management was informally told that the union was not interested. Consequently the joint councils could not be set up. A prominent I.N.T.U.C. leader frankly told me: "The scheme is too elementary to arouse any enthusiasm on our part. I do not want my workers to waste their time in discussing minor issues such as the location of the canteen, the working hours of the dispensary and the celebration of a religious festival. Unless the scheme can give the workers an effective share in management and some definite powers, it is worse than useless."

The idea of worker-participation is quite ambitious. It believes that "labour and management are co-trustees; labour should have a right to participate in management on equal terms which cannot be the prerogative of capital alone. Labour must be accepted as an effective partner and must be given all the rights of a partner." (*I.N.T.U.C.—Labour Policy In the Third Plan, Memorandum.*) Admittedly, the present scheme is too elementary to satisfy these ambitions, but it may be remembered that the I.N.T.U.C. was a party to all the decisions and the present pattern was determined with its full and free consent and it is unfair to let it fail now. Lack of interest on the part of the I.N.T.U.C. may also be due to the fact that "they have too many problems on their hands" and do not have a sufficient number of trained personnel to act as their representatives on the councils. The I.N.T.U.C. has a strong hold of the textile industry at Ahmedabad and Indore but there are only three councils in these two centres. I asked an I.N.T.U.C. leader at Indore as to why the scheme was not being extended to other units. He replied: "I do not want the same persons to work on different councils because that is likely to raise complications and we do not have extra hands to represent us on new councils if we constitute them." It may be noted that he did not say that the employers were unwilling. Rather a couple of employers expressed the view that the "unions do not really want the councils to be set up. They have the lurking suspicion that the success of labour-management co-operation at the unit level would weaken their position and slacken their hold on the workers." This suspicion is based on a misunderstanding of the concept of joint consultation and functions of the councils.

Disappointed by this slow progress, certain sections have demanded legislation. The consensus of opinion, however, is that the decision to try the scheme on a voluntary basis was a sound one. The success of such a measure depends on the willing and enthusiastic co-operation between labour and management. No amount of compulsion can infuse that spirit. The machinery for joint consultation has to be 'inbuilt'. One can take the horse to the water but cannot make it drink. Compulsion may at the most establish only the semblance of it by setting up compulsory councils but as the climate for their functioning will be absent, they will be useless. Rather there is a risk in making the scheme compulsory without making adequate preparations for it. If the council's are forced down the throats of unwilling employers and unions, the large-scale failure, which is but certain, might create such a prejudice against worker-participation that the entire scheme may have to be shelved for some time to come.

(*To be continued*)

L.I.C.'S TARGETS OF NEW BUSINESS

ESTIMATES COMMITTEE'S FEAR OF SHORTFALL IN ACHIEVEMENT MAY COME TRUE

FIGURES of new business done by the Life Insurance Corporation of India during the first quarter of 1961 do not warrant the optimistic hope that the target of Rs. 665 crores fixed for the year under the Corporation's five-year Plan would be reached. The actual performance in 1960, it may be recalled here by way of comparison, fell short of that year's target of Rs. 525 crores by about Rs. 28 crores. New business introduced during the first quarter of 1961, though it is 16 per cent higher, as compared with the corresponding period of 1960, is far short of the increase required to make good the shortfall in business last year and to fulfil this year's target. The following table indicates the trend of new business during the first quarter of 1961, as compared with that in 1960 and 1959:

	Introduced		Completed	
	No. of proposals	Amount (Rs. in crores)	No. of policies	Amount (Rs. in crores)
Business as at—				
31-3-1959	177,257	61.23	91,117	30.09
31-3-1960	164,721	60.88	74,094	26.65
31-3-1961	187,671	70.72	83,431	29.81

Apart from the shortfall there is another aspect of new business which calls for comment. Past experience has shown—this was true of 1959 and 1960—that there is an unhealthy concentration of business towards the end of every year. The dangers of lopsided development of servicing inherent in this has been recognised by the Corporation and the Agents and Field Officers were advised to spread their business as far as possible evenly over the whole year. New business during the first quarter of this year shows that this has yet to materialise.

Rush Business

It may be recalled here that these aspects of new business came in for examination by the Estimates Committee in its 134th report on the Life Insurance Corporation of India. The Committee held that the rush of business towards the end of the year was undesirable. It noted that 52 per cent of the total new business done by the Corporation in 1959 was written in the months of November and December. The percentage of business done during the last two months of the year to the total increased from 36 per cent in 1957 to 50 per cent in 1958 and 52 per cent in 1959. The Committee compared the percentage distribution of the Corporation's business from month to month with that of leading life insurance companies in the U.S. and found that the over-concentration of a major portion of new business in the last months of the year in the L.I.C. was in striking contrast to the corresponding distribution in the U.S.A.

The following table illustrates the point:

	L. I. C.	U.S. Companies
1959	%	%
January	0.5	6.7
February	5.6	7.4
March	4.1	8.5
April	4.7	8.8
May	5.1	8.1
June	5.7	8.6
July	6.0	7.9
August	6.1	7.9
September	6.5	7.7
October	8.4	8.4
November	8.0	8.8
December	44.4	11.3

It was stated before the Committee by the Chairman of the L.I.C. that the rush of business towards the end of the year was due mainly to the field staff trying to complete the annual quota of business in the last two months as their increments or continuation of agency depended on it. The Committee was informed that the Corporation was taking steps to spread the business more evenly by holding competitions between the Field Officers and Agents on the basis of business secured during the early months of the year. The Corporation had also issued instructions that if a Field Officer was able to complete a certain percentage of business by the end of August he would get an increment even though his outturn for the entire year did not warrant it. The Chairman of the L.I.C. agreed that the concentration of business towards the end of the year imposed a severe strain on the organisation. Besides, there was greater likelihood of unsound business being written during the rush period resulting in a higher lapse ratio and consequently higher expenses.

The Estimates Committee was of the opinion that the situation demanded much more effective remedial steps than hitherto. One way of doing so, according to it, would be to fix the targets for the field staff on a quarterly basis instead of the present annual basis. It also suggested that, in order to encourage the field staff to pay more attention to the quality of business procured, prizes may be awarded on the basis of the business which continues to be in force for two years after its introduction instead of the present practice of awarding such prizes on the volume of business procured during the year. It was further suggested that lapses from the business written in the last quarter of the year should be worked out separately for each month and published in the annual reports of the Corporation. It was also desirable for the L.I.C. to give in the annual reports figures of new business written during each month of the year zone-wise.

Plan Targets

The Committee also made some suggestions for the fixation of targets under the third Plan. The Plan, as is common knowledge, aims at a new business of Rs. 1,000 crores a year to be reached by 1963. The targets for each year and the actual performance upto 1960 are as under:

(Rs. in crores)

Year	Targets	New Business	Increase+ or decrease—
1957	260	288.07	+28.07
1958	325	344.68	+19.68
Five-Year Plan—			
1959	415	429.17	+14.17
1960	525	497.54	—64.94
1961	655	..	..
1962	820	..	..
1963	1,000	..	..

The Committee was informed that the targets were fixed on an *ad-hoc* basis, keeping in view past performance, strength and quality of field force available and potentiality for life insurance in the country. No precise statistical data had been collected for this purpose but steps were being taken to build up the necessary statistics through Field Officers in various areas.

The Committee noted with satisfaction that the Corporation exceeded the targets of new business during the first three years of its working. It, however, could not understand why there has been a shortfall in achievement in 1960. The targeted increase in new business is Rs. 130 crores from 1960 to 1961, Rs. 165 crores from 1961 to 1962 and Rs. 180 crores from 1962-63. This, on an average for three years, works out to Rs. 158 crores per year. The actual increase for the previous three years 1957 to 1960 had been, on an average, Rs. 59 crores a year, that is, only a third of the increase anticipated in the next three years. In the Committee's opinion, unless the Corporation improves its present performance and secures new business by about three times, the targets of business fixed for 1963 cannot be fulfilled. The likelihood of the Life Insurance Corporation even bettering this target, as indicated by the Finance Minister in the Lok Sabha, on the 8th August 1959, is also, according to it, doubtful. New business done during the first three months of the current year seems to bear out the apprehension of the Committee. The L.I.C. would, therefore, be well advised to examine the Committee's recommendations with a view to implementing forthwith such of them as will help the realisation of the Plan targets.

Notices

THE CHAMPDANY JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting (being the Seventy-first Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 2, Netaji Subhas Road, Calcutta, on 16th June, 1961, at 12 noon, to transact the following business:—

(1) To receive and consider the Audited Accounts for the year ended 31st March, 1961, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.

(2) To declare a Dividend.

(3) To appoint a Director in the place of the Director retiring.

(4) To consider, and if thought fit, to pass the following Special Resolution for which special notice as required under Section 261 (2) of the Companies Act, 1956, has been received by the Company.

AS A SPECIAL RESOLUTION

"That Mr. N. S. Coldwell be and is hereby appointed a Director of the Company."

(5) To appoint Auditors for the current year and to fix their remuneration.

The Share Register of the Company will be closed from 5th June to 16th June, 1961, both days inclusive.

Dividend Warrants will be issued and posted to Registered Shareholders only. Persons holding shares on blank transfers are advised to effect registration of scrip in their names before 5th June, 1961.

By Order of the Board,
JAMES FINLAY & CO., LIMITED,
Managing Agents.

2, NETAJI SUBHAS ROAD,
CALCUTTA, 23rd *May*, 1961.

Notes:—(1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member.

(2) The dividend, if declared, will be paid on or after the 16th June, 1961, to those shareholders so entitled, whose names appear in the Company's books on 16th June, 1961, or to their mandatees.

(3) *Explanatory statement regarding Item* (4):

Mr. J. H. H. Ross who was appointed a Director of the Company by Special Resolution of the Shareholders passed at the Extra-ordinary General Meeting of the Company held on 24th January, 1961, has resigned from the Board with effect from 19th April, 1961 on his proceeding on leave outwith India. Special notice dated 15th May, 1961, of the intention to propose the above resolution as a Special Resolution has been received by the Company. Special notice has been given in order to comply with the provisions of Sections 190 and 261 of the Companies Act, 1956, as Mr. N. S. Coldwell is an officer in the employment of the Managing Agents.

Interest of Directors and Managing Agents

The Directors and Managing Agents of the Company are interested to the extent of their shareholdings in the Company as set out below:

Mr. A. I. Murison	10	shares
„ B. Gill	10	shares
„ R. G. Edwards	10	shares
„ K. P. Goenka	100	shares
James Finlay & Co., Ltd. ...	27,315	shares

THE CHURULIA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE CHURULIA COAL COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Tuesday, the 27th June, 1961, at 10.30 a.m., for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1960 and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification the following Resolution of which a notice has been received by the Company from a Shareholder under Section 257 of the Companies Act, 1956, which will be proposed as an ordinary Resolution.

"That Sir Walter Michelmore be and is hereby appointed a Director of the Company."

6. To consider and, if thought fit, to pass with or without modification the following Resolutions which will be proposed as Special Resolutions, namely:—

(i) "Resolved that the Company may borrow money from time to time from its Secretaries and Treasurers provided the Secretaries and Treasurers are agreeable so to lend, bearing interest at a rate lower than the prevailing Bank rate as may be agreed upon between the Secretaries and Treasurers, and the Directors of the Company, but so that the money lent shall not at any time exceed Rupees One lac in the aggregate, which may be repaid by the Company without notice and shall be repaid within three days of demand by the Secretaries and Treasurers."

(ii) "Resolved that, pursuant to Section 370 of the Companies Act, 1956, the Company doth hereby authorise the Board of Directors of the Company to grant a loan or loans of a sum or sums not exceeding in the aggregate Rs. 1,50,000 to the Firm of The Karanpura Mining Syndicate carrying on business at Chartered Bank Buildings, Calcutta, on terms that the said loan shall be secured by a promissory note or promissory notes payable on demand and shall carry interest at the rate of 6½ per cent per annum from the date of advance until repayment."

The Share Transfer Register of the Company will be closed from the 14th to the 27th June, 1961, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Secretaries and Treasurers.

CHARTERED BANK BUILDINGS,
CALCUTTA, 29*th May*, 1961.

Notes: (a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(b) The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business set out above are being sent to the shareholders.

(c) The Dividend, if declared, will be paid on or after 12th July, 1961 to those members, so entitled whose names appear in the Company's Books on the 27th June, 1961 or to their mandatees. No application for Dividend Warrants will be necessary.

CALCUTTA STEEL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Second Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at 4, Old Court House Street, Calcutta, on Tuesday, the 27th June, 1961, at 4 p.m., to transact the following business:—

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and the Audited Balance Sheet as on 31st March, 1961 and Profit and Loss Accounts for the year ended 31st March, 1961.
2. To declare dividend.
3. To appoint a Director in place of Shri D. P. Goenka who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri B. P. Khaitan who retires by rotation but being eligible offers himself for re-appointment.
5. To appoint Auditors in place of Messrs. K. Prasad & Co. who will retire at the Annual General Meeting but being eligible have offered themselves for re-appointment, and to fix their remuneration.
6. To transact any other ordinary business of the Company.

SPECIAL BUSINESS

7. To consider and if thought fit to pass with or without modification the following resolution to be proposed as a Special Resolution

"RESOLVED that payment to the Directors of commission at 1 per cent on the net profits of the Company as provided for in Article 94(2) of the Articles of Association of the Company be and is hereby ratified, approved and authorised."

By Order of the Board,
R. N. BHOTIKA,
Secretary.

4, OLD COURT HOUSE STREET,
CALCUTTA, *dated* 10*th May*, 1961.

N.B.—(1) The Register of Members and Share Transfer Books of the Company will remain closed from 17th June, 1961 to 27th June, 1961 both days inclusive.

(2) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(3) The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business under agenda No. 7 has been forwarded to the members of the Company.

ASHOK LEYLAND LIMITED
ENNORE, MADRAS

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twelfth Annual General Meeting of the Company will be held at the registered office of the Company at Ennore, near Madras on Thursday, the 15th of June, 1961, at 4.30 p.m., to transact ordinary and special business, particulars of which have been given in the notice along with the explanatory statement posted individually to the shareholders of the Company.

The Share Transfer Book of the Company will be closed from 27th May, 1961 to 14th June, 1961, both days inclusive.

(By Order of the Board),
For ASHOK LEYLAND LIMITED,
A. E. L. COLLINS,
Managing Director.

ENNORE,
MADRAS, 29*th April*, 1961.

Note: A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

HARINAGAR SUGAR MILLS, LIMITED
BOMBAY

NOTICE IS HEREBY GIVEN THAT THE Twenty-ninth Annual General Meeting of the Shareholders of the Company will be held at 207 Kalbadevi Road, Bombay, on Friday, the 30th June 1961, at 4 p.m. (S.T.), to transact the business as mentioned in the Notice posted to the Shareholders today.

The Share Transfer Books will remain closed from 23rd June, 1961 to 7th July, 1961, both days inclusive.

For HARINAGAR SUGAR MILLS, LTD.,
NARAYANLAL BANSILAL,
Chairman.

207 KALBADEVI ROAD,
BOMBAY,
MAY 30, 1961.

S.T.C.'S EXPORT PERFORMANCE
ECONOMIST INTELLIGENCE UNIT'S OBJECTIVE EVALUATION

THE State Trading Corporation is once again in the news, with fresh amendments to its original Memorandum of Association on the anvil. The revised memorandum, on which a note appeared in last week's *Commerce* (*vide* page 982), seeks to enable the S.T.C. to expand and diversify its activities, apart from defining in precise terms some of its principal objectives. In this context, an objective assessment of the activities of the Corporation, ever since its inception in 1956, will certainly not be out of place. This indeed is what has been done in a new publication, entitled *The State Trading Corporation—A Report on India's Export Performance*, prepared by the Economist Intelligence Unit, London, at the request of the Council for Economic Education, Bombay.

There are, of course, many who are rightly critical of the activities of the Corporation in India. But, it is not always possible for us to get a firsthand knowledge of the opinions of overseas buyers on the trading activities of India. It is, therefore, gratifying that the Economist Intelligence Unit has, through its overseas staff, interviewed buyers of various Indian products in several foreign countries, including the U.K., the U.S., West Germany and Japan, and brought together in one volume their reactions to India's trading activities, with particular reference to those of the Corporation. The publication constitutes neither a biased condemnation of the State-owned Corporation nor an unmixed adulation of its activities. The E.I.U. has, no doubt, brought to light several defects in the working of the Corporation. But it is not in favour of ending the institution outright. On the other hand, it is in favour of mending it and possibly limiting its activities to only selected spheres where they are of decisive advantage. Several useful suggestions have also been made to improve the working of the Corporation.

Analysing India's trade during the last decade, the Report opines that the deterioration of India's trade during this period is the inevitable result of circumstances beyond the Corporation's control, including fluctuations in the world demand and supply position. But the Corporation, it adds, has further damaged India's position by "serious mismanagement." In the final analysis, according to the Report, "the S.T.C. is neither to be praised for the growth of Indian exports of iron ore nor blamed for the decline in India's share of world manganese ore exports; it is the beneficiary, or the victim, of circumstances." In other words, the influence the S.T.C. could bring to bear on the course of India's trade has been quite limited. The S.T.C. has, on balance, probably raised the total volume and value of Indian exports slightly, the gains it has secured in exports of iron ore and sales to Communist countries a little more than offsetting the damage it has done to India's trade in manganese ore and the risks it is running in developing barter trade with the West.

Long-term Contracts

The Corporation has acquired a monopoly of Indian iron ore export and a partial monopoly of manganese ore sales, the rest of its export trade being conducted principally with Communist countries. Each of these activities has come in for detailed consideration in the Report. Indian exports of iron ore rose from only 80,000 tons (or 0.2 per cent of world trade in iron ore) in 1950 to 3.04 million tons (3 per cent of world trade) in 1959. This increase in exports has been made possible mainly as a result of the large-scale bulk-purchase contracts entered into by the S.T.C. with Japanese steel mills, as also Czechoslovakia, Poland, Yugoslavia, Hungary and Italy. The S.T.C., on the face of things, succeeded in its prime objectives of increasing and regularising India's exports of iron ore. But how much this success is due to the efforts of the Corporation and how much to a fortunate concatenation of circumstances is another matter. The volume of Indian iron ore exports and their share in world exports were actually rising rapidly, even before the S.T.C. was established, and have continued to do so. The reason for this growth are to be found in the great increase in Japanese demand, which India is geographically well fitted to satisfy, and in the gap between Eastern European demand and Russian and Chinese ore supplies. The S.T.C., according to the Report, is not thus responsible for the rise in the volume of Indian exports to these areas. Similarly, it is not responsible for the fall in imports of Indian iron ore into Western Europe where India is only a marginal supplier.

In this connection, the Report seems to stress that the long-term contracts cannot alone be said to have contributed to the increase in exports of iron ore. Important as the long-term contracts are in ensuring more regularity in the flow of Indian ore to Japan—in 1958, for example, when total Japanese imports of ore fell, purchases from India rose slightly, thanks to the contractual arrangements—it is at least doubtful if they have secured to India a larger share of the market than it would otherwise have obtained. This doubt is strengthened by two circumstances; first, India's share of Japanese imports has grown less, not more, rapidly since 1956 than it did between 1953 and 1956; and secondly, Malayan and Goan shares in the Japanese import market have increased proportionately with India's. Comparing 1956 and 1959, India supplied 16.5 and 18.4 per cent of imports, Malaya 29.6 and 35.8 per cent and Goa 11.0 and 13.4 per cent. It is the Philippines and the smaller suppliers that have lost ground. In short, the one certain gain to India from the S.T.C.'s long-term contract with Japan is greater regularity of trade.

Specific Charges

Although the S.T.C. is instrumental in ensuring regularity of trade, it is open to doubt whether a private consortium of iron ore exporters would not have achieved the same object, probably with better results. According to the Japanese importers, the S.T.C. has been a reliable trading partner in the sense that it has delivered iron ore at the agreed prices and specifications; but, on the other hand, deliveries have been consistently behind schedule. Again, the S.T.C. has not sought to exploit its position at the expense of importers by imposing other than normal commercial terms, and its personnel have shown themselves to be honest. The price paid for these virtues is, however, high. The specific charges brought against the S.T.C. are: (1) It is extremely slow to make decisions and translate them into action. (2) Since it is neither a mine-owner nor operator, it does not have direct control over production and deliveries. (3) It is not responsible in a technical sense, and does not work with the buyer and the producer to solve technical problems. (4) It is not responsive to market conditions with respect to demand, supply and price. (5) The Corporation does not have a business point of view. Actions are governed by bureaucratic attitudes and procedures; civil servants tend to operate by the book; they do not display initiative; and they are not sufficiently concerned with gaining and keeping a satisfied customer. Indeed, there sometimes seems to be a tendency to regard buyers as "colonial exploiters." (6) Periodically the top staff members of the S.T.C. are reshuffled and new civil servants appointed. The new appointees give insufficient regard to actions taken or commitments made by their predecessors, which interferes with a consistent and continuing development of business. It is thus abundantly clear that the bureaucratic methods of the S.T.C. have damaged its reputation and its chances of success. The same inference appears to be true with regard to other foreign buyers of Indian ore as well.

Manganese Ore

Unlike in the case of iron ore, the volume of India's exports of manganese ore is now considerably smaller than during the early 1950's and its share in world exports is shrinking. This trend, which was developing before the S.T.C. was established, is due to the emergence of new and cheaper sources of supply. Indian ore has been displaced by Brazilian manganese (the production of which is partly financed by U.S. capital) in the American market; it is being replaced by Indonesian and Australian ore in Japan, and by Russian and African supplies in Western Europe. A further depressing influence on the volume of Indian sales is the slow and fitful growth of demand in the world's major import markets. The emergence of the S.T.C. only served to make bad worse, says the Report, and was not helpful in withstanding the new forces of competition. The Report reveals that the Corporation is "almost invariably bureaucratic and dilatory," waiting for trade to come to it, instead of seeking it out, and has on occasion been "both arrogant and apparently suspicious and resentful of its customers." Besides, the S.T.C. has been "unreliable in its deliveries, failing to ship ore as promised, shipping it where and when it pleased, holding up loading for no adequate reason."

Some of the overseas buyers are particularly resentful of the canalisation system for manganese exports, whereby the S.T.C. makes part of its export quota available to private traders in India, accepting a fee in return. Dilating on the canalisation system, the Report adds, "Most of the S.T.C.'s faults could be put down to inexperience and ignorance, but not this: and even here, where its active role is limited to accepting a fee, the Corporation has been obstructive, refusing to approve contracts, withholding rail quotas and so on." Unless the atmosphere changes for the better, the Report warns, India's sales would fall further. The Report stresses that the Corporation's manganese ore business needs a fairly radical overhaul, judging by the views of its customers.

Communist Countries

In respect of trade with Communist countries, however, the S.T.C.'s performance is not altogether discouraging. India's exports to Communist countries have risen extremely rapidly in the past seven or eight years. There is nothing exceptional in this; other countries in a similar position have achieved similar results. The S.T.C.'s exports account, probably, for less than one-fifth of total Indian exports to the Communist bloc. Moreover, the S.T.C. does not sell most of the commodities which have contributed to the increase in total Indian exports to this area. Indeed, in one instance—shoes—the S.T.C.'s activities have simply resulted in a diversion of trade from existing channels and a decline in total sales. But it has created new flows of trade in woollen textiles and tobacco, besides regularising trade in iron ore, so that on balance this aspect of its activities can be held to have benefited India's exports.

The Economist Intelligence Unit has been particularly doubtful about the value of the S.T.C.'s recent efforts to promote canalised barter deals with private firms in the West. "Whether or not they increase the volume of Indian exports and it is unlikely that they will do so," the Report observes, "India loses on these barter deals." For the price of Indian goods concerned must be reduced or the price of imported goods raised above the normal level, if the foreign partner to the transaction is to make his legitimate profit. Thus under the barter system, India either exports more for a given volume of imports or pays more than it normally would. The Report makes it abundantly clear that there is no economic and logical justification for the canalisation of barter or other transactions through the S.T.C., nor yet any for a trading body to act in an advisory capacity or as a middleman for other traders.

The Report reminds the powers-that-be that the Corporation's advantage, as compared with the private sector, lies in its size, which makes it particularly well fitted to handle large-scale transactions and ill suited to small dealings with numerous scattered purchasers. It suggests that the Corporation should concentrate on such business in which this advantage can be fully deployed. In its export trade with Communist countries, the Report suggests, the Corporation should avoid merely diverting trade from its existing channels. It is necessary to have sufficient reserves of production capacity in hand to meet a large demand. Another suggestion is that the S.T.C. should appoint along with the existing civil servants, people who have firsthand knowledge of the technical aspects of the business in which the Corporation is engaged. While these suggestions deserve early consideration by the authorities concerned, it may be noted here that some of the charges levelled against the S.T.C. in the book are too serious to be overlooked. These charges are also claimed to be based on verifiable facts. Either the recently constituted Mudaliar Committee on exports or another special committee should go into the administrative and technical aspects of the working of the S.T.C. in the interests of safeguarding India's foreign trade.

A DIFFICULT YEAR FOR KAMARHATTY AND KANKNARRAH

PROFITS DECLINE APPRECIABLY

THE annual reports of the Kamarhatty Company Ltd. and the Kanknarrah Company Ltd., both belonging to the Jardine Henderson group, for the year ended 31st December 1960, bear eloquent testimony to the extremely adverse trading conditions facing the jute mill industry in India today. The persistent short supply of raw jute and the consequent disproportionate rise in its price have forced the sealing of a percentage of looms and a cut in working hours. Whereas at the commencement of *1960 the mills were working* single shift of 48 hours a week with 10 per cent loomage sealed, the mills have now been compelled to reduce working hours to 42½ per week with 12 per cent sealing. It is no wonder, therefore, that the earnings of jute mill companies have suffered a distinct setback. The salient features of the two aforesaid Companies' operations in the past four years are given in the comparative table at the bottom.

Kamarhatty Company

In spite of an increase of Rs. 32.00 lakhs to Rs. 409.73 lakhs in turnover and a rise of over Rs. 30 lakhs in closing stocks of jute, work-in-progress and finished goods, the gross profit of the Kamarhatty Company has declined sharply by Rs. 30.56 lakhs to Rs. 9.61 lakhs. In view of the appreciably low level of profit after depreciation, only a nominal amount of Rs. 50,000 has been found sufficient to cover the Managing Agents' commission. Provision for taxation has also been reduced from Rs. 5.50 lakhs to just Rs. 72,000 and that for depreciation from Rs. 8.77 lakhs to Rs. 7.88 lakhs. With these adjustments, the net profit has gone down by as much as Rs. 22.27 lakhs to Rs. 51,000. This profit, together with the previous year's carry-forward of Rs. 2.66 lakhs and the Rs. 8,000 excess provision written back, gives a total of Rs. 3.25 lakhs. The Company is obliged, in accordance with the terms and conditions attached to the issue in 1955 of 5½ per cent debenture-stock, to set aside out of the profit for 1960 and subsequent years a sum of Rs. 1 lakh per annum to a sinking fund. If the profits of any one year failed to exceed Rs. 1 lakh, the entire amount of the available profit is to be transferred to the fund. The Company has fulfilled its obligations under this condition by transferring to the debentures sinking fund a further sum of Rs. 1 lakh.

After the above adjustment and the transfer of Rs. 36,000 to development rebate reserve, there is left a distributable profit of Rs. 1.89 lakh which has been supplemented by Rs. 2 lakhs transferred from the reserves. Out of the total of Rs. 3.89 lakhs thus available, Rs. 8,000 have been set aside as additional preference dividends for prior years and Rs. 1.26 lakh as the preferred dividends for the year under review. Although there has been a drastic cut in the rate of dividend on shares from 15 per cent in 1959 to 5 per cent in 1960, both subject to deduction of tax, the dividend is still to be considered as reasonable taking into account the exceptionally difficult operating conditions for the Company.

The financial position of the Company as disclosed by its balance-sheet as at 31st December 1960 is fairly strong. The share capital of Rs. 59.20 lakhs—Rs. 16 lakhs in preference shares and Rs. 43.20 lakhs in ordinary shares—is supported by Rs. 27.60 lakhs in reserves. Other liabilities amount to Rs. 126.10 lakhs consisting of Rs. 13.04 lakhs in debenture-stock, Rs. 78.04 lakhs in secured and unsecured loans, and Rs. 35.02 lakhs in current liabilities. On the assets side, fixed assets at their written-down value are worth Rs. 59.91 lakhs as against a cost of Rs. 200.49 lakhs. Current assets amount to Rs. 152.99 lakhs, inclusive of Rs. 26.99 lakhs investments and Rs. 2.15 lakhs loans and advances.

Kanknarrah Company

The upward trend in the earnings of Kanknarrah, noted during 1958 and 1959, was reversed during the year ended 31st December 1960, notwithstanding the increase of Rs. 39.29 lakhs to Rs. 366.58 lakhs in sales. The gross profit has declined by Rs. 21 lakhs to Rs. 6.57 lakhs. The balance on the profit and loss account after providing Rs. 50,000 as managing agency commission and Rs. 6.88 lakhs towards depreciation shows a net loss of Rs. 81,000, in contrast to the net profit of Rs. 17.83 lakhs for 1959 and Rs. 9.83 lakhs for 1958. In view of the loss sustained, no provision for taxation has been found necessary. After adjusting Rs. 6,000 as excess provisions written back and transferring Rs. 36,000 to development rebate reserve, Rs. 14.78 lakhs have been carried forward as a debit balance to the current year's account. No dividend has been proposed for the fifth year in succession.

The continuous and substantial losses suffered by the Company in the years prior to 1958 have seriously weakened its financial position despite the handsome profits earned during 1958 and 1959. The balance-sheet as at 31st December 1960 shows the amount standing to the credit of various reserves as Rs. 9.44 lakhs which fall short of the loss brought forward from the profit and loss account by Rs. 5.35 lakhs. Since this shortfall is adjustable against the equity, the book value of the ordinary shares of the Company works out to less than the face value.

The management has long recognised the need for modernising the Company's manufacturing facilities as a step to improve its profitability. It has, therefore, introduced renovation schemes. Owing to paucity of internal financial resources, the management has been forced to finance these schemes from loans, which, as at the date of the balance-sheet, amount to Rs. 81.11 lakhs including Rs. 12.69 lakhs in debenture-stock, besides the addition of Rs. 15.17 lakhs to current liabilities.

The gross block of the Company is valued in its books at Rs. 178.03 lakhs, inclusive of Rs. 1.94 lakh added during the year. After deducting from this the accumulated depreciation of Rs. 119.38 lakhs, the net block works out to Rs. 58.65 lakhs. Current assets, investments, and loans and advances together amount to Rs. 105.86 lakhs.

The Rs. 100 paid ordinary shares of the Kamarhatty Company are quoted at Rs. 137 *cum-div.* and fetch a net yield of 2.63 per cent per annum on an *ex-div.* basis.

The current market quotation for the Rs. 100 fully paid ordinary shares of the Kanknarrah Company is Rs. 76.50.

(In lakhs of rupees)

	KAMARHATTY				KANKNARRAH			
	For the year ended 31st December				For the year ended 31st December			
	1960	1959	1958	1957	1960	1959	1958	1957
Sales	4,09.73	3,77.13	3,89.58	3,89.14	3,66.58	3,27.29	3,49.40	2,95.82
Other income	1.36	1.26	2.60	2.40	1.99	1.48	1.97	1.12
Closing stock of jute, work-on-progress and finished goods	72.53	42.35	79.67	72.65	54.86	46.81	82.17	69.05
Jute yarns, gunny purchases and stores consumed	3,02.62	1,69.32	2,36.23	2,37.35	2,52.42	1,39.63	2,23.65	2,11.59
Purchase of loom hours	5.56	8.08	5.25	1.68	8.36	8.98	5.07	1.58
Salaries, wages and bonus	84.96	87.93	84.81	86.55	73.77	81.86	82.61	74.63
Other expenses	38.50	35.57	37.04	29.83	36.00	34.87	33.84	28.39
Gross profit	9.61	40.17	35.87	—4.65	6.57	27.57	19.32	—9.72
Managing Agents' commission	0.50	3.12	2.01	0.50	0.50	2.05	0.50	0.50
Provision for—								
Depreciation	7.88	8.77	10.21	4.24	6.88	47.69	8.75	10.01
Taxation	0.72	5.50	0.48	..	..	..	0.24	..
Net profit	0.51	22.78	23.22	—9.39	—0.81	17.83	9.83	—20.23
Provision written back	0.08	0.05	0.06	0.17	0.06	0.50	0.08	0.02
Development rebate reserve	0.36	0.04	0.20	..	0.35	0.23	0.10	..
Transfer from reserves	2.00	..	..	..	..	..	..	..
Other reserves	1.00	10.36	..	..	..	..	..	..
Previous losses written off	..	..	18.02	..	..	..	..	..
Preference dividends for previous years	0.08	..	1.92	..	..	..	..	..
Dividends—								
Preference shares	1.25*	1.17	0.96	..	..	..	..	..
Ordinary shares	2.16 (5%)*	8.64 (15%)*	2.16 (5%)*	..	..	..	..	..
Carry forward	0.40	2.66	0.03	—18.02	—14.78	—18.68	—31.78	—41.59

* Subject to deduction of tax.

MARKED RISE IN PROFIT OF I. B. PETROLEUM

RESERVES STRENGTHENED

THE financial results of the Indo-Burma Petroleum Company Ltd. (Managing Agents: Steel Brothers & Co. Ltd., Calcutta) for the year ended 31st December 1960 are quite satisfactory. Thus, sales proceeds and commission earned have jumped up from Rs. 181.74 lakhs in 1959 to Rs. 201.89 lakhs and other income from Rs. 146.69 lakhs to Rs. 194.76 lakhs. The latter includes the surplus of Rs. 34.41 lakhs resulting from the disposal of a part of the Company's holdings in the Burma Oil Company Ltd. These increases have more than offset the rise in expenses from Rs. 261.83 lakhs to Rs. 292.11 lakhs, so that the gross earnings of the Company for the year under review show a substantial improvement of Rs. 37.93 lakhs to stand at the all-time peak level of Rs. 104.54 lakhs.

Out of the markedly higher gross earnings the Directors have provided Rs. 7.38 lakhs for Managing Agents' remuneration, as against Rs. 6.96 lakhs in 1959, and Rs. 4.51 lakhs for depreciation, as against Rs. 4.07 lakhs. The sum allocated for purposes of taxation is higher at Rs. 43.26 lakhs, as against Rs. 31.40 lakhs. But the rise has been due entirely to meet the tax contingencies of previous years. In other words the Company's tax liability for 1960 is only Rs. 31.11 lakhs. After deducting these necessary provisions from the gross profit, the net profit comes to Rs. 49.39 lakhs which is more than double that earned in 1959, namely, Rs. 24.18 lakhs. The amount actually available for distribution is much larger at Rs. 69.02 lakhs as the net profit is supplemented by (*a*) Rs. 8.58 lakhs representing adjustments relating to previous years, (*b*) Rs. 6.57 lakhs being the excess provision for taxation and development rebate reserve made in previous years, and (*c*) higher balance of Rs. 4.48 lakhs brought forward from the last year (Rs. 3.29 lakhs for 1958). The Directors have set aside Rs. 23,000 for doubtful debts (Rs. 31,000 in 1959), Rs. 29,000 for Port Trust charges (Rs. 31,000), Rs. 2 lakhs for terminal gratuities (Rs. 1 lakh). They have also transferred Rs. 27.50 lakhs to general reserves (Rs. 9 lakhs in 1959) and a sum of Rs. 85,000 to development rebate reserves. The allocations, it may be noted here, to reserves are in addition to the Rs. 71.86 lakhs transferred to capital reserves; this amount is the surplus arising from the revaluation of investments held by the Company.

The following comparative table shows at a glance the progress of the Company in the last four years.

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds and commission earned	2,01.89	1,81.74	1,67.99	2,04.45
Other income	1,94.76	1,46.69	1,34.08	1,81.65
Expenses	2,92.11	2,61.83	2,38.47	2,74.83
Gross profit	1,04.54	66.61	63.60	61.27
Managing Agents' remuneration	7.38	6.96	5.57	6.02
Depreciation	4.51	4.07	4.23	4.09
Taxation	43.26	31.40	31.27	30.43
Net profit	49.39	24.18	22.58	20.73
Adjustment relating to previous years written back	15.15	16.88	17.01	3.08
Expenses of previous years written off	..	..	..	..
Provision for doubtful debts	0.23	0.31	3.18	..
Transfer from reserves	..	..	..	..
Provision for Port Trust charges	0.29	0.31	..	0.89
Provision for terminal gratuities	2.00	1.00	0.27	0.73
To general reserve	99.86*	9.00	5.00	..
,, development rebate reserve	0.85	0.75	5.00	1.09
Dividend—			1.52	..
7 per cent. Preference	3.50	3.50	2.40	2.49
Ordinary	30.00 (D. 25% +B. 5%)†	25.00 (D. 25%)†	20.00 (D. 20%)	20.00 (D. 20%)
Carry forward	4.65	4.48	3.29	1.07

* Includes Rs. 71.86 lakhs, being the surplus arising on revaluation of investments, transferred to capital reserve.
† Subject to deduction of tax.

The Directors have recommended a final dividend of Re. 1.50 per share and a special distribution of 50 nP per share in addition to the interim dividend of Re. 1 paid on 28th November 1960. The proposed special distribution of 50 nP per share has been rendered possible by the surplus of Rs. 34.42 lakhs derived from the disposal of a part of the Company's shareholdings in the Burma Oil Company (1954) Ltd. During 1960, the Government of Burma completed purchase of control (51 per cent) in the Burma Oil Company (1954) Ltd. by paying the amounts till then due on account of their original 33⅓ per cent shareholding and thereafter purchasing the additional 17⅔ per cent shareholding necessary to give it the 51 per cent control holding in that Company. Altogether the dividend absorption for the year under review amounts to Rs. 33.50 lakhs as against Rs. 28.30 lakhs in 1959. The net dividend of 21 per cent is slightly higher than

(Continued on ...)

ASHOK LEYLAND'S SALES IMPROVE

HANDSOME RISE IN PROFIT

THANKS to the high reputation carried by Leyland trucks in general and sustained domestic demand for its products, the sales of Ashok Leyland Ltd., Madras (Secretary: Mr. K. N. Gopalan), continue to maintain the upward trend. The actual sales for the year ended 31st December 1960 stand at the impressively high level of Rs. 762.04 lakhs, representing a rise of as much as Rs. 179.22 lakhs as compared with the previous year. A large part of the improvement in sales has, of course, been offset by enhanced cost of operations, the value of raw materials, etc. consumed rising by Rs. 187.93 lakhs, salaries and wages by Rs. 15.84 lakhs, and other expenses by Rs. 8.09 lakhs. Nevertheless, the gross profit has increased by Rs. 17.01 lakhs to Rs. 71.18 lakhs. In view of the large-scale additions to fixed assets made during the past two years, the provision for depreciation has been stepped up from Rs. 17.95 lakhs to Rs. 25.32 lakhs. A higher provision has also been made for taxation, namely, Rs. 11 lakhs, as against Rs. 8.50 lakhs, because of higher taxable profits. Despite these higher provisions, the net profit shows a rise of Rs. 6.60 lakhs to Rs. 34.86 lakhs.

Since the initiation of its expansion programme two years ago, the Company has followed a farsighted policy of keeping its tax liabilities to a minimum by claiming the maximum rebate allowable under the Income-tax Act on account of the net additions to plant and machinery. In order to claim this concession, the Company is obliged to set aside out of available profits proportionate amounts towards development rebate reserve which, as readers are aware, is not available for purposes of dividend distribution. For 1960, the Company has transferred to this reserve Rs. 10.72 lakhs from the net profit, thus reducing the distributable profit to Rs. 24.34 lakhs, including Rs. 20,000 brought forward from the previous accounting period. The Directors have maintained the rate of dividend at the previous year's level of 8 per cent subject to tax, but the dividend is on enhanced capital. It will be recalled that, last year, the Company made a call of Rs. 2.50 per share on 2,500,000 shares with a view to providing necessary funds for the implementation of manufacturing programme and expansion project. The total dividend absorption is Rs. 24.23 lakhs. The balance of Rs. 12,000 has been carried forward.

An idea of the substantial progress made by the Company in the past four years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sales (gross)	7,62.01	5,82.82	5,01.49	4,30.69
Other income	6.70	4.59	4.68	4.50
Closing stocks of vehicles, finished components and work-in-progress	1,21.57	59.27	43.97	29.62
Raw materials, components, stores, spares and tools consumed	6,83.64	4,95.71	4,44.83	3,81.51
Salaries, wages and bonus	45.12	29.28	17.69	12.22
Other expenses	31.10	23.01	18.59	19.73
Gross profit	71.18	54.71	39.41	24.66
Provision for—				
Depreciation	25.32	17.95	12.66	6.99
Taxation	11.00	8.50	8.09	3.50
Net profit	34.86	28.26	18.66	14.17
Excess provision written back	..	0.31	0.02	..
Development rebate reserve	10.72	8.91	8.73	..
General reserve	..	..	..	5.00
Provision for sales tax	..	..	..	6.07
Ordinary dividends	24.23 (8%)*	19.74 (8%)*	10.29 (6%)	6.45 (6%)
Carry forward	0.12	0.20	0.28	0.62

* Subject to deduction of tax.

The balance-sheet as at 31st December 1960 discloses that the financial position of the Company has been considerably strained consequent on the expansion scheme it has undertaken lately and the need to maintain larger inventories to cater to a bigger demand. The Company has had to supplement its internal resources by substantial borrowings from banks on open mortgage accounts. The increase in the liability under this head during the year has, therefore, been phenomenal, from Rs. 52.18 lakhs to Rs. 135.63 lakhs. There is, however, nothing untoward in this situation, as most of the other units in the industry have also made similar provisions. A corresponding increase has occurred in current liabilities which stand at Rs. 186.96 lakhs.

The gross block of the Company, inclusive of additions during the year, amounts to Rs. 286.28 lakhs. The aggregate depreciation provided to date is Rs. 85.85 lakhs, so that the net block is Rs. 200.43 lakhs as at the end of 1960. Buildings under construction are valued at Rs. 38.16 lakhs. A further sum of Rs. 24.11 lakhs is shown under plant and machinery either in transit or in stock. Current assets, including investment in subsidiaries, aggregate Rs. 399.24 lakhs which more than balance the total of current liabilities and bank loans.

As an adjunct to its engineering capacities, the Company has set up, in collaboration with its foreign associates, a foundry project under the name of Ennore Foundries Private Ltd. This project continued to make steady progress during the year and the total investments by the Company in its shares up to the end of 1960 amounted to Rs. 5.35 lakhs.

The Rs. 5 fully paid ordinary shares of the Company are currently quoted at Rs. 9.30 *cum-div.* The net yield on *ex-div.* basis works out to 3.1 per cent per annum.

GOODYEAR INDIA

At a meeting of the Board of Directors of Goodyear India Limited, the preliminaries in connection with the Company's new share issue were completed, and it is expected that mailing of letters of allotment and refund cheques will commence in another two weeks. Mechanised equipment, working incessantly, has been able to handle the voluminous and record number of applications in this record period of time. Indicative of the tremendous public response to this offering, as well as the interest the small investor has had in this issue is the fact that, as against the 400,000 shares (at Rs. 17 each including premium) offered to the public, as many as 88,778 applications were received for 10,184,501 shares representing a sum of Rs. 17.3 crores—the shares being oversubscribed by more than twenty-five times. Of this, 84.57 per cent applicants are in 50 and 100 share groups, representing 43.24 per cent of the total number of shares applied for.

The Directors have decided to allot 44.41 per cent of the total to the group of applicants for 50 and 100 shares, and allotment in the group will, of necessity be by ballot, each successful allottee receiving five shares. All other applicants will receive an allotment, for example: 10 shares to each applicant of the 150-400 group, 40 shares to each applicant of 1,000 shares, 55 shares to each applicant of 1,500 shares and so on in this manner for the larger subscribers with the highest allotment being 800 shares for an application of 20,000 shares.

An interesting feature of this issue is that, after the shares have been allotted, there will be a total of 49,231 allottees—a record figure by any standards. As a matter of comparative interest, it may be noted that the Goodyear parent corporation in the U.S.A. and its foreign subsidiaries had 46,988 shareholders in 1959.

I.C.I. INDIAN FACTORIES

All the Imperial Chemical Industries associate factories in India have maintained good progress, according to the speech of Mr. S. P. Chambers, Chairman of the Company, at the 34th annual general meeting held at London recently. In the factory at Rishra near Calcutta, the polythene plant is working well above design capacity, and extensions are being made to the plants and other plants there. Mr. Chambers said: "All this manufacture is efficient and profitable. I visited the factory in February of this year and found the team there energetic, enthusiastic and competent; they are all Indian with the exception of the factory manager." The Chairman paid a special tribute to the explosives plant at Gomia, Bihar, which was working, at over 50 per cent above design capacity. It had only two Europeans left on its staff. "This industrial explosives plant," he said, "has been set up in co-operation with the Government of India, which owns 20 per cent of the ordinary share capital. It is an interesting example of co-operation between a large private company and a Government whose policy is to have a mixed economy." And he added that the plant was being extended and would, in a year or two, supply practically the whole of the industrial explosives requirements of India. There were also, he reported, plans to produce polyester fibre in India and to develop a site near Bombay for the manufacture of polyester fibre and other products.

EARNINGS OF ARVIND MILLS RISE

DIVIDEND STEPPED UP

1960 was quite a favourable one for the Arvind Mills Limited (Managing Agents: Narottam Lalbhai & Co., Ahmedabad). The Company stepped up its production by running a third shift (about 450 looms) in the second half of the year. The rise in output has been accompanied by higher realisations from sales of cloth, yarn and waste for the year 1960 amounting to Rs. 373.87 lakhs as against Rs. 342.23 lakhs for the previous year, thus recording an increase of Rs. 31.64 lakhs or 9.2 per cent. Consequent on the improvement in sales proceeds, the gross profit of the Company has recorded a further increase of 17.5 per cent from Rs. 91.63 lakhs to Rs. 107.73 lakhs. Increase in profit would have been more marked but for (*a*) the drop of Rs. 6.14 lakhs to Rs. 15.91 lakhs in receipts from cloth processing charges, etc., (*b*) lower receipts from bank and other interest following the utilisation of fixed deposits, and the voluntary price controls adopted since September 1960. The Company which manufactures fine and superfine goods had effected a further cut of 4 per cent in its prices with effect from January 1961.

On the expenditure side, consumption of raw materials has increased from Rs. 95.89 lakhs to Rs. 115.04 lakhs. Other expenses have risen from Rs. 179.59 lakhs to Rs. 192.59 lakhs mostly on account of the rise in wages from Rs. 87.18 lakhs to Rs. 98.46 lakhs.

In view of better working results and sound financial position, the dividend on ordinary shares (subject to tax) has been increased from Rs. 40 to Rs. 45 or an increase in net dividend from Rs. 28 to Rs. 31.50. On this basis, the Rs. 100 paid-up ordinary shares give a net yield of 1.73 per cent on the current market rate of Rs. 1,815.

The following comparative table shows at a glance the progress of the Company in the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sales	3,73.87	3,42.23	3,58.63	3,35.20
Closing stock	49.69	35.74	44.98	54.98
Other income	27.54	34.12	25.77	21.82
Raw materials consumed	1,15.04	95.89	1,16.51	1,33.32
Other expenses	1,92.59	1,79.59	1,66.86	1,57.29
Gross profit	1,07.73	91.63	91.03	73.10
Managing Agents' commission	8.92	7.56	7.80	6.06
Provision for—				
Depreciation	18.36	16.66	14.11	13.54
Taxation	38.00	33.90	47.00	33.60
Net profit	42.45	33.51	22.12	19.90
To reserves	15.00	8.00	3.50	5.00
Dividends—				
Preference	1.21†	1.21†	0.83	0.83
Ordinary	27.00† (45%)†	24.00† (40%)†	16.80* (28%)*	14.00 (D. 25% +B. 10%)
Carry forward	0.82	1.58	1.28	0.29

* On increased capital of Rs. 60 lakhs, raised by capitalising Rs. 20 lakhs.
† Subject to deduction of tax. B=Bonus.

The reorganisation and renovation programme of the Company is in full swing, with the addition of Rs. 67.50 lakhs in the block account over and above the Rs. 51.07 lakhs spent in the previous year. This brings the total of gross block at the end of the year to Rs. 351.43 lakhs, which stands depreciated to Rs. 193.55 lakhs after providing Rs. 157.88 lakhs for depreciation. The additional plant of 192 automatic looms is under erection. Though considerable delay has occurred owing to difficulties in obtaining cement for buildings and other machinery and equipment, it is hoped that this new plant will go into production by June 1961. The cost of the plant is put at Rs. 120 lakhs. The programme of modernisation is still being pursued with vigour and the Company has received permission to install 144 automatic looms in replacement of existing ones. Orders have already been placed for 48 automatic looms. Orders have also been placed for high draft spinning frames with preparatory machines for spinning. The programme, which is estimated to involve an additional outlay of Rs. 125 lakhs, will start in the third quarter of the current year and continue till the end of 1962.

The financial position of the Company is very sound. As against the paid-up capital of Rs. 86.25 lakhs, reserves and surplus stand at Rs. 312.87 lakhs. The paid-up capital consists of Rs. 5.25 lakhs in 5 per cent preference shares, Rs. 10.50 lakhs in 4½ per cent preference

(*Continued in previous column*)

(*Concluded from next column*)

shares, Rs. 5.25 lakhs in 4½ per cent B preference shares and Rs. 5.25 lakhs in 4½ per cent C preference shares and Rs. 60 lakhs in ordinary shares of Rs. 100 each. The total reserves and surplus, Rs. 312.87 lakhs, is more than three and a half times the total paid-up capital or more than five times the equity capital. This has prompted the Directors to declare a bonus issue in the ratio of two shares for every three shares held.

The total investments of Rs. 115.97 lakhs consists of Rs. 6.32 lakhs in unquoted investments and Rs. 109.65 lakhs in quoted investments (market value is Rs. 140.75 lakhs). Current assets, exclusive of investments, aggregate Rs. 246.87 lakhs which are well above the current liabilities of Rs. 157.27 lakhs, showing a margin of Rs. 89.60 lakhs.

AMAR DYE EARNS MORE

RESERVES STRENGTHENED

THE shares of Amar Dye-Chem Limited (Managing Agents: Amritlal & Co. Private Ltd., Bombay) have been quite active in the cash list of the chemical group during the last two years. The Rs. 100 paid-up ordinary shares, which were neglected at Rs. 110 in January 1959, now stand at Rs. 410, after registering a peak of Rs. 527.50 on 21st July 1960.

The sales of the Company have improved, albeit slightly, from Rs. 172.40 lakhs in 1959 to Rs. 176.15 lakhs in 1960. The improvement is significant considering that it has been achieved despite liberal import policy of the Government and reduction in the prices of many items effected in order to meet the competition from imported products. The profit margin, as a result, has increased only slightly from 37.4 per cent to 38.4 per cent with the rise in gross profits from Rs. 64.63 lakhs to Rs. 67.72 lakhs. The enhanced ratio of profit to sales has been maintained in spite of a sizable increase in other expenses from Rs. 31.08 lakhs to Rs. 39.45 lakhs mostly on account of higher wages bill and expenses for repairs. While the Managing Agents' remuneration is lower at Rs. 5.61 lakhs (as against Rs. 5.82 lakhs for 1959) and provision for depreciation at Rs. 7.87 lakhs (Rs. 9.94 lakhs), the heavier tax liability of the Company has resulted in enlarged provision of Rs. 21 lakhs for taxation, as against Rs. 11 lakhs. The net profit, therefore, is lower by Rs. 4.63 lakhs at Rs. 33.24 lakhs. The whole of this profit and the sum of Rs. 2.37 lakhs for claims received in respect of previous year as well as a part of the brought forward balance have been transferred to reserves.

The table below gives the working results of the Company for 1960, as compared with those for the three years preceding it.

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	176.15	172.40	106.28	46.24
Closing stocks of finished goods and work-in-process ..	36.89	26.27	11.38	27.65
Raw materials consumed ..	82.03	92.99	54.81	48.22
Other expenses	39.45	31.08	19.20	14.71
Gross profit	67.72	64.63	16.75	0.87
Managing Agents' remuneration	5.61	5.82	..	..
Provision for—				
Depreciation	7.87	9.94	11.27	..
Taxation	21.00	11.00	..	..
Net profit	33.24	37.87	5.48	0.87
Claims and provisions in respect of previous years	2.37	1.15	0.40	0.10
To reserves	35.68	19.68	1.10	..
Preliminary expenses written off	..	0.37	1.03	..
Capital issue expenses	0.10	..	..	..
Transfer from reserves	10.40	..	..	..
Dividends—				
Preference	1.70†	1.71†	4.85*	..
Ordinary	8.70‡ (12%)†‡	7.20‡ (12%)†‡	..	..
Carry forward	0.18	0.35	0.30	1.51

† Subject to deduction of tax.
* Dividend for five years.
‡ On enlarged capital.

The paid-up capital of the Company has increased from Rs. 80 lakhs to Rs. 99.97 lakhs with the right issue as stated above. The reserves and surplus amount to Rs. 56.08 lakhs. The total of secured and unsecured loans as at 31st December 1960 is only Rs. 2,000, as against Rs. 1.70 lakh a year before. The gross block of Rs. 104.55 lakhs is written down to Rs. 75.67 lakhs after providing Rs. 28.88 lakhs for depreciation. The total of current assets at Rs. 142.29 lakhs exceed current liabilities at Rs. 61.98 lakhs by Rs. 80.31 lakhs.

The Company which manufactures dyes of naphthol series, fast bases and stabilised azoics has been granted permission for several expansion programmes of basic and acid dyes, naphthols and fast bases. The implementation of these programmes naturally requires increased capital. The Company had sought official consent last year for the issue of 80,000 new equity shares of Rs. 100 each. But, as the rights issues are now permitted at a substantial premium in conformity with the recent policy of the Controller of Capital Issues, the Directors have considered it proper to issue at present only 10,000 new equity shares of Rs. 100 each on the basis of one share for every eight shares.

The bon acid plant is likely to be ready by the end of this year or early next year. The work has been slightly held up due to the late delivery of detailed design and the consequent delay in placing orders for equipment. The reorganisation of naphthol and fast base plants has been completed. A new plant for manufacturing naphthol ASG has also been erected and commissioned into production. A two-storeyed building connecting the naphthol plant and fast base plant is under construction. This will, when completed, create special plant facilities for standardising and drying. Once these changes are effected, the Company will be in a position to reach comfortably the target of the full licensed capacity of 650 tons each, provided sufficient quantity of raw materials are available.

The progress made in the implementation of the various expansion programme as indicated in the Directors' report is given below:

"The Company has obtained a loan of Rs. 15 lakhs in foreign currency for expansion programme. An import application for capital goods required for the T.P.M. plant has been submitted and licence is expected shortly. The work of constructing buildings is in progress. Further, the Company has been granted licence to manufacture 250 tons of reactive dyes and 260 tons of pigment colours. The Licensing Committee has approved of the Company's application for manufacture of 2,155 tons of intermediates and has recommended the issue of a manufacturing licence to the Company. The quantities of various intermediates included in the Central Government plant were found by the Government to be inadequate after careful study to meet the demands of the dyestuff industries by 1965. It was, therefore, decided by the Government to grant licence to private enterprises to make similar products in order to meet the shortfall. This scheme, when implemented fully, will not only save foreign exchange but will make the Company fully independent of imports regarding intermediates. A capital outlay of Rs. 2½ crores approximately is said to be involved on the project of intermediates. The Company was granted a licence in 1954 to manufacture 1,000 tons of beta-naphthol. The Government has clarified the position that the licence holds valid even to this day. Beta-naphthol is a basic intermediate used in the manufacture of beta-oxy-naphthoic acid and it is proposed to take up this project on hand and negotiations for technical know-how are in progress."

The current quotation of Rs. 100 paid-up ordinary shares is Rs. 410 *cum-div.* On *ex-div.* basis and taking the net dividend as Rs. 12 per share, the yield works out to 3 per cent.

FRESH ISSUES OF CAPITAL

Consent for issue of capital of Rs. 6.26 crores has been granted by the Controller of Capital Issues. The amount is divided among eight companies, namely, Asia Cables Corporation, Century Spinning and Manufacturing Company Prabhat Ltd., Indian Drugs and Pharmaceuticals, Mysore Paper Mills, Britannia Engineering, Kothari Sugar and Chemicals, and T.I. Miller Private Ltd. The details of the issues are as follows:

Asia Cables Corporation: This Company has a paid-up capital of Rs. 50 lakhs in equity shares of Rs. 100 each. It has been granted consent to issue further capital of Rs. 155 lakhs in equity shares of Rs. 100 each for cash at par. Of this, shares of the value of Rs. 55 lakhs would be offered to the American collaborators, Messrs. Phelps Dodge Copper Products International Corporation of U.S.A. and Enfield Cables Limited of U.K., against supply of capital equipment and the balance of Rs. 100 lakhs to existing shareholders on the basis of two new shares for each share held.

Century Spinning and Manufacturing Company: The Company has a paid-up capital of Rs. 202.91 lakhs in equity shares and Rs. 125 lakhs in preference shares. Consent is granted to this Company for the issue of bonus shares of the value of Rs. 50.98 lakhs in the ratio of one bonus share for every four shares held.

Prabhat Limited: Rs. 70 lakhs in equity shares of Rs. 100 each to be issued at par. Of these, shares of a value not exceeding Rs. 30 lakhs will be issued for consideration other than cash against assets to be taken over and against loans from directors, relatives and friends, dealers and agents as on 31st March 1961 and the balance for cash. The object of the issue is to take over the Prabhat (Stove and Lamp) Products Company (Private) Limited and to run the same.

Indian Drugs and Pharmaceuticals: To issue equity capital of Rs. 60 lakhs. This public sector Company will set up four plants for the manufacture of drugs, medicines, surgical instruments and drug farms for producing medicinal plants.

Mysore Paper Mills: The Company's present paid-up capital is Rs. 25 lakhs consisting of 250,000 equity shares of Rs. 10 each. The scheme of expansion is estimated to cost Rs. 330 lakhs. For meeting a part of this, consent is granted to the issue of further capital of Rs. 100 lakhs in equity shares of Rs. 10 each to be offered to existing shareholders at a premium of Rs. 2 per share, in the ratio of four shares for every one share held. The balance requirements will be raised as loans from financial agencies.

Britannia Engineering Company: Issue of capital of Rs. 50 lakhs in 500,000 equity shares of Rs. 10 each for cash at par. The fresh capital is required for the manufacture of wagons, road-rollers and printing machineries. The existing capital of the Company is Rs. 50 lakhs in equity shares.

Kothari Sugar and Chemicals: Consent was granted for the issue of debentures worth Rs. 35 lakhs to the Bank of India Limited, Bombay. The proceeds of the issue, together with the equity capital of Rs. 80 lakhs raised under the authority of consent order dated 22nd October 1960, will be utilised for setting up a sugar factory of 1,250 tons cane crushing capacity per day. The debentures will carry a rate of interest not exceeding 6½ per cent.

T. I. Miller Private Limited: Consent was granted to the issue of capital of Rs. 25 lakhs, of which Rs. 22.50 lakhs will be subscribed for cash by the Tube Investments of India Limited, Madras, and Rs. 2.50 lakhs will be offered to H. Miller & Co. Ltd., Birmingham, in respect of technical know-how. The proceeds of the issue will be utilised for the manufacture of automobile lamps and dynamo lamps

COMPANY MEETINGS AND DIVIDENDS

KILLCOTT TEA CO., LTD. Annual General Meeting, Calcutta, 8th June 1961. Dividend: 25 per cent or Rs. 2.50 per share, subject to deduction of tax. Transfer books will remain closed from 1st to 8th June 1961, both days inclusive.

POOBONG TEA CO., LTD. Annual General Meeting, Calcutta, 8th June 1961. Dividend: *Nil*. Transfer books remain closed from 1st to 8th June 1961, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Annual General Meeting, Calcutta, 9th June 1961. Dividend: Rs. 2.50 per ordinary share (includes interim dividend of Re. 1.00 per share), subject to deduction of tax. Transfer books remain closed from 15th May to 9th June 1961, both days inclusive.

JUGGILAL KAMLAPAT COTTON SPG. AND WVG. MILLS LTD. Annual General Meeting, Kanpur, U.P., 9th June 1961. Dividend: 12½ per cent or Re. 1.25 per share, subject to deduction of tax. Transfer books remain closed from 20th May to 9th June 1961, both days inclusive.

SRI RANGA VILAS GINNING, SPINNING AND WEAVING MILLS LTD. Annual General Meeting, Peerlamedu, Coimbatore, 12th June 1961. Dividend: 6 per cent or Rs. 3.00 per share, subject to deduction of tax. Transfer books remain closed from 29th May to 12th June 1961, both days inclusive.

VIRUDHUNAGAR TEXTILE MILLS LTD. Annual General Meeting, Sulakarai, Virudhunagar, 12th June 1961. Dividend: 10 per cent or Rs. 5.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 29th May to 12th June 1961, both days inclusive.

BOWREAH COTTON MILLS CO., LTD. Annual General Meeting, Calcutta, 15th June 1961. Dividend: 10 per cent or Rs. 10.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 5th to 15th June 1961, both days inclusive.

ASHOK LEYLAND LTD. Annual General Meeting, Ennore, Madras, 15th June 1961. Dividend: 8 per cent or Re. 0.40 per share, subject to deduction of tax. Transfer books remain closed from 27th May to 14th June 1961, both days inclusive.

AMBIKA SILK MILLS CO., LTD. Annual General Meeting, Bombay, 15th June 1961. Dividend: Rs. 15.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 8th to 23rd June 1961, both days inclusive.

DUNBAR MILLS LTD. Annual General Meeting, Calcutta, 15th June 1961. Dividend: Rs. 2.00 per share, subject to deduction of tax. Transfer books will remain closed from 5th to 15th June 1961, both days inclusive.

HANSQUA TEA CO., LTD. Annual General Meeting, Calcutta, 16th June 1961. Dividend: 20 per cent or Rs. 2.00 per share, subject to deduction of tax. Transfer books will remain closed from 7th to 16th June 1961, both days inclusive.

PHASKOWA TEA CO., LTD. Annual General Meeting, Calcutta, 16th June 1961. Dividend: *Nil*. Transfer books will remain closed from 7th to 16th June 1961, both days inclusive.

CHAMPDANY JUTE CO., LTD. Annual General Meeting, Calcutta, 16th June 1961. Dividend: 5 per cent or Rs. 5.00 per share. Transfer books will remain closed from 5th to 16th June 1961, both days inclusive.

RAIPUR MANUFACTURING CO., LTD. Annual General Meeting, Ahmedabad, 16th June 1961. Dividend: Rs. 40.00 per ordinary share (includes interim dividend of Rs. 12.00 per share), subject to deduction of tax, for the year ended 31st December 1960.

ANDHRA CEMENT CO., LTD. Annual General Meeting, Madras, 19th June 1961. Dividend: 10 per cent or Re. 1.00 per share, subject to deduction of tax, payable on or after 19th June 1961. Transfer books will remain closed from 10th to 19th June 1961, both days inclusive.

ATUL PRODUCTS LTD. Annual General Meeting, Ahmedabad, 19th June 1961. Dividend: 12 per cent or Rs. 12.00 per share, subject to deduction of tax, payable from 20th July to 14th August 1961.

INDIAN WOOD PRODUCTS CO., LTD. Annual General Meeting, Calcutta, 20th June 1961. Dividend: 30 per cent or Rs. 3.00 per share, subject to deduction of tax (includes interim dividend of 10 per cent or Re. 1.00 per share), payable on or after 4th July 1961. Transfer books will remain closed from 10th to 20th June 1961, both days inclusive.

A. V. THOMAS AND CO., LTD. Annual General Meeting, Alleppey, Kerala State, 21st June 1961. Dividend: 20 per cent or Rs. 2.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 8th to 21st June 1961, both days inclusive.

ALEMBIC CHEMICAL WORKS CO., LTD. Annual General Meeting, Baroda, 22nd June 1961. Dividend: Rs. 9.80 per share (net). Transfer books will remain closed from 1st to 22nd June 1961, both days inclusive.

NEW GREAT EASTERN SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 21st June 1961. Dividend: *Nil*. Transfer books will remain closed from 10th to 25th June 1961, both days inclusive.

TRAVANCORE RUBBER AND TEA CO., LTD. Annual General Meeting, Alleppey, Kerala State, 28th June 1961. Dividend: 9 per cent or Re. 0.90 per share (includes interim dividend of 4 per cent or Re. 0.40 per share), subject to deduction of tax. Transfer books will remain closed from 14th to 29th June 1961, both days inclusive.

AHMEDABAD ADVANCE MILLS LTD. Annual General Meeting, Bombay, 19th July 1961. Dividend: Rs. 6.00 per ordinary share, subject to deduction of tax.

TATA MILLS LTD. Annual General Meeting, Bombay, 20th July 1961. Dividend: Rs. 5.00 per share, subject to deduction of tax

SYNOPSES OF COMPANY REPORTS

Vijayalakshmi Mills Ltd.

(*Managing Agents*: Messrs. Balakrishna & Co., Coimbatore.)

Annual General Meeting—29th May.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	80,46	69,21
Closing stock	14,58	6,91
Gross profit	8,42	5,97
Transfer to Mg. Agents' remuneration ..	31	25
,, ,, depreciation	3,54	2,40
Net profit	4,57	3,32
Adjustments	4	..
Appropriations:		
Total available balance ..	4,61	3,32
Transfer to development rebate reserve ..	73	..
,, ,, depreciation (for previous year) ..	..	2,27
,, ,, other reserves ..	1,20	..
,, ,, bonus (for the previous year) ..	33	..
,, ,, donations and charity ..	18	1
Proposed dividend (taxable)	1,66 (12½%)	1,04 (7½%)
Carry forward	Nil	Nil

N.B.—Adjustments include the amount transferred from provision for taxes.

Extracts from the Directors' report: The Company has made a satisfactory result during this year. The production potential of the Company has been considerably increased during the year. The installed spindleage at the end of the year stood at 33.576 as against 26,536 at the close of the previous year. Six Combers, 2 Double winders and two Roto Coners installed during the year have added to the profit earning potential of the Company.

The Company has also launched on a programme of rehabilitation and modernisation by replacing during the current year 3,200 old spindles with the latest type ring frames. The Company's application for licence for installing 300 automatic looms for production of cloth for export market only stands a fair change of being considered favourably.

For the rehabilitation and modernisation programme the directors propose to raise the required funds by the issue of 6,915 equity shares to the existing shareholders in the proportion of one right share for every two shares held by them. Circulars in regard to this issue are being issued. The right shares will rank for dividend for the year 1961 equally with the existing shares i.e., they will be entitled to dividend on the nominal value of shares for the full year. The directors hope, the new issue will be fully taken up by the existing shareholders.

Accounts in brief as at 31st December 1960 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	13,33,340	Gross block	67,04,976
Reserves and surplus..	3,53,098	—Depreciation ..	27,90,703
Other liabilities ..	48,79,121	Net block	39,14,213
		Current assets ..	25,56,844
		Investments	1,17,005
		Cash	27,497
	Rs. 66,15,559		Rs. 66,15,559

Juggilal Kamlapat Cotton Spg. & Wvg. Mills Co., Ltd.

(*Chairman*: Sir Padampat Singhania, Kt., Kanpur.)

Annual General Meeting—9th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Gross sales	4,03,10	3,33,46
Closing stock	63,79	52,39
Gross profit	91,91	17,97
Transfer to depreciation	72,02	11,00
,, ,, development rebate	10,00	..
,, ,, taxatiln	8,30	..
Net profit	99	6,97
Adjustments	32,82	7
Appropriations:		
Transfer to reserves	33,81	7,03
Total available balance	15,85	..
Transfer to reserves	..	32
Proposed dividends (taxable) 4½% Preference.	29	52
6% Preference.	51	
6½% Redeemable Preference ..	30	..
Ordinary ..	15,03* (12½%)	5,67 (9%)
Carry forward	1,23	52

N.B.—Adjustments include the balance brought forward from the previous year; provision for expenses for in a previous year not required and excess depreciation in previous years written back.

* On the increased ordinary capital of Rs. 1,25,00,000. The dividend for 1959 was on a paid up ordinary capital of Rs. 63,00,000.

Extracts from the Directors' report: Keeping in view the trading conditions which prevailed during the year the directors consider the working results to be satisfactory. The directors are happy to report that they have been able to recommend payment of dividend on the increased capital within a short period after the issue of new shares which were allotted on 3rd June, 1960. An addition of 30 per cent has been made to the dividends proposed on the Preference Shares in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act. 1960.

As mentioned in the last year's report the Company floated new shares in April, 1960. The fact that the equity issue was heavily oversubscribed shows the confidence of the public in the management of this Company. The shares subscribed by the public out of the new issue and allotted by the directors amounted to Rs. 68.25.800 thus increasing the paid-up capital of the Company to Rs. 1,42,25,800. The Company's shares are quoted both on the Calcutta Stock Exchange and the Bombay Stock Exchange.

Cotton Textile Unit.—As reported last year the trading conditions in the Cotton Textile Industry showed some improvement towards the end of 1959. The cost of production, however, increased due to rise in the prices of cotton and other consumable stores and higher wage bill. Due to failure of cotton crop in 1959-60 season on account of adverse climatic conditions there was scarcity in the supply of Indian cotton. Consequently the prices soared high and pierced the ceilings. The Government had to reintroduce the quota-system for Indian cotton with a view to ensure equitable distribution. Foreign cotton was also imported to fill the gap in the supply of indigenous cotton. The implementation of the Wage Board's recommendations from 1st January, 1960 imposed an additional burden on the Company.

With a view to hold the price line the Cotton Textile Industry agreed, at the request of the Government, to reduce the prices of cloth and yarn from 1st August, 1960 by making only such additions to the prices prevailing in August, 1959 as were commensurate with the increase in the cost of production. All possible efforts are being made by the Industry to step up production in order to meet the shortage in supply. This Company too has started running 3rd shift partially.

During the year under report the Company installed Combing Machines which have already been put into operation. The Company has also put up a Sanforising Plant recently with a view to produce sanforised cloth. Thus the Company is making all possible endeavours to keep its plant and machinery up-to-date so as to keep pace with the modern developments in the technique and finish of cotton textile fabrics. Schemes for replacement of machinery and other equipments of spinning, preparatory and weaving sections and wet processing department are also in hand.

Rayon Unit.—The Rayon plant and other auxiliary units viz., the Sulphuric Acid and Carbon-bi-Sulphide Plants which started operation in August, 1959 worked satisfactorily during the year. The rayon filament yarn produced by the plant has been well received in the market and ranks among the best products of viscose rayon in the country.

The power failure in the Kanpur Electricity Supply Administration caused by the recession of the Ganges River in November, 1960 dislocated the working both of the Textile and Rayon units resulting in a considerable loss to the Company.

Expansion Programme.—The Company is going to put up a plant for the manufacture of Sodium Sulphate to be recovered as by-product from the Rayon plant. Orders have been already placed for the import of the requisite plant and machinery from West Germany and the same are expected to be shipped shortly.

The Company has been further granted licences for the following: Expansion of the existing rayon plant form 5 tons to 10 tons per day; Plant for producing rayon grade pulp from cotton linters with 10 tons per day capacity; and Fertiliser Plant for manufacture of superphosphate with a capacity of 40,000 tons per annum. The Company is working up all these schemes and will go ahead with them as early as possible.

Accounts in brief as at 31st December 1960 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	1,42,25,800	Gross block	5,18,51,527
Reserves and surplus..	57,57,116	—Depreciation ..	1,69,53,953
Other liabilities ..	4,04,47,586	Net block	3,48,97,574
		Current assets ..	1,67,82,198
		Investments	31,14,448
		Cash	54,36,282
		Miscellaneous expenditure	2,00,000
	Rs. 6,04,30,502		Rs. 6,04,30,502

Sri Ranga Vilas Ginning, Spinning and Weaving Mills Ltd.

Annual General Meeting—12th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	72,25	73,09
Closing stock	12,31	13,95
Gross profit	5,98	2,03
Transfer to Mg. Agents' commission ..	34	..
,, ,, depreciation	2,62	1,15
,, ,, development rebate	18	..
,, ,, taxation	42	..
Net profit	2,42	88
Adjustments	13	..
Appropriations:		
Total available balance	2,55	88
Transfer to general reserve	84	..
To provision for mortgage loan redemption ..	75	..
Proposed dividend (taxable)	90 (6%)	75 (5%)
Carry forward	6	13

N.B.—Adjustments include only the balance brought forward from the previous year.

Extracts from the Directors' report: During the year under report, the Mills worked for 306 days in double shifts with an average of 31.573 spindles spinning cotton yarn from 2s to 40s. and 60s to 80s. The purchases of cotton, Indian as well as imported were restricted. The prices of yarn upto counts 40s (Indian) were under the control of Indian Cotton Mills Federation in concurrence with the Textile Commissioner. During the year the workers were paid increased wages consequent upon implementing the recommendations of the Textile Wage Board, and with the increase in living index the rate of dearness allowance was also increased. Considering the age of the machinery and the prevailing conditions of trading, the directors consider that the profit earned by the Company is satisfactory.

During the financial year under report, the Weaving Machinery was dismantled and sold. The proceeds of the sales were utilised for the renovation of the machineries.

The Industrial Finance Corporation has sanctioned a loan of Rs. 20 lakhs for the renovation scheme, out of which a sum of Rs. 10 lakhs have been received so far against the machineries ordered and received under this scheme till this date. Further, the management have arranged for purchase of machinery under deferred payment basis to a value of about Rs. 5,50,000. Out of this, machineries worth Rs. 3,50,000 have been received after the close of the financial year. The building for the housing of the blow room machinery is in progress and is expected to be finished by the end of May 1961, and the machineries received under the renovation scheme will be installed by that time. All the preparatory and spinning machinery under the above scheme are expected to be delivered by August 1961. The commitment of the Company for the purchase of capital goods after close of the financial year till date of this report is Rs. 1.57.000 (C.I.F. basis).

Accounts in brief as at 31st December 1960 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	15,02,500	Gross block	61,87,618
Reserves and surplus..	11,53,100	—Depreciation ..	31,78,328
Other liabilities ..	27,90,413	Net block	30,09,290
		Current assets ..	20,03,003
		Investments	1,13,500
		Cash	3,20,220
	Rs. 54,46,013		Rs. 54,46,013

Virudhunagar Textile Mills Ltd.

(*Managing Agents*: Messrs. Thiagaraja Chetty & Sons Private Ltd., Sulakarai, Virudhunagar.)

Annual General Meeting—12th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	51,74	48,70
Closing stock	9,08	6,15
Gross profit	5,56	7,08
Transfer to Mg. Agents' remuneration ..	45	61
,, ,, depreciation	1,12†	2,81†
,, ,, taxation	1,83	1,95
Net profit	2,16	3,24
Adjustments	(—) 1,96‡	(—) 2,74
Appropriations:		
Proposed dividends (taxable) 5% Preference..	16	16
,, ,, ,, Ordinary and Deferred ..	1,22 (10%)	1,22 (10%)
Carry forward	78*	1,85*

N.B.—Adjustments represent the actual debit balance carried to the balance sheet.

* Adjusted against the loss brought forward from the previous year.

† This includes provision for development rebate also.

‡ This loss is deducted from the reserve account.

Extracts from the Directors' report: The fall in profit in the year of account as compared to last year's results, is mainly due to the increase in cost of yarn but without corresponding higher cloth prices.

The directors recommend a dividend of 5 per cent tax-free on preference shares, 10 per cent on equity shares and 10 per cent on deferred shares, amounting in all to Rs. 1,38.262. The balance of profit is to be set off against prior years' losses.

Accounts in brief as at 31st December 1960 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	17,59,600	Gross block	25,04,872
Reserves*	2,10,420	—Depreciation ..	14,58,877
Other liabilities ..	9,82,933	Net block	10,45,995
		Current assets ..	12,71,016
		Investments	9,500
		Cash	6,26,451
	Rs. 29,52,962		Rs. 29,52,962

* Reserves are shown after deducting the debit balance of Rs. 1,95,756 in the profit and loss account.

Raipur Manufacturing Co., Ltd.

(*Managing Agents*: Messrs: Lalbhai Dalpatbhai & Co., Ahmedabad.)

Annual General Meeting—16th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	1,77,39	1,87,28
Closing stock	39,06	31,24
Gross profit	38,39	29,40
Transfer to Mg. Agents' remuneration ..	3,14	2,16
,, ,, depreciation	6,86	6,84
,, ,, development rebate	75	2,00
,, ,, taxation	13,50	8,25
Net profit	14,14	9,47
Adjustments	..	1,48*
Appropriations:		
Total available balance	14,14	10,95
Transfer to reserves	1,29	..
Proposed dividends (taxable) 4½% Preference	45	45
,, ,, ,, Ordinary ..	12,00 (40%)	10,50 (35%)
Carry forward	41	..

* This represents only the amount transferred from dividend equalisation reserve.

will cost the Company an additional outlay of about Rs. 60,00,000.

The installed capacity of the mills is 31,120 *Ring Spindles*, 1,708 *Doubling Spindles* and 660 *Looms* with complete dyeing and bleaching plants.

Accounts in brief as at 31st December 1960 are as under:

Liabilities	Rs.	Assets	Rs.
Capital ..	40,00,000	Gross block ..	.. 1,39,39,924
Reserves and surplus..	98,11,343	—Depreciation	.. 83,54,600
Other liabilities ..	48,43,141		
		Net block ..	.. 55,85,324
		Current assets	.. 1,04,73,781
		Investments ..	.. 22,55,960
		Cash ..	.. 3,39,419
	Rs. 1,86,54,484		Rs. 1,86,54,484

Bowreah Cotton Mills Co., Ltd.

(*Managing Agents*: Messrs: Kettlewell Bullen & Co., Ltd., Calcutta.)

Annual General Meeting—15th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	1,97,72	2,17,19
Closing stock	57,90	48,39
Gross profit	29,98	17,32
Transfer to Managing Agents' remuneration ..	1,52	45
,, ,, depreciation	11,99	9,66
Net profit	16,47	7,21
Adjustments	66	76
Appropriations:		
Total available balance	17,13	7,97
Transfer to development rebate reserve ..	4,00	2,65
,, ,, general reserve	5,00	1,00
To bonus for 1960	2,80	..
Proposed dividends (taxable) Preference ..	1,79	3,36
,, ,, Ordinary ..	2,40	..
	(10%)	..
Carry forward	1,14	60*

N.B.—Adjustments include the balance brought forward from the previous year; profit on sale or adjustment of fixed assets and liabilities in respect of previous years written back.

* After adjusting the debit balance brought forward amounting to Rs. 35,408.

Extracts from the Directors' report: During the period under review a sum of Rs. 24,42,176 was paid as excise duty which is 16.95 per cent of the total sales of the Company's mills cloth for the year.

The working results for the year were affected by an unjustified strike, which lasted for a period of 51 days. Taking this into account, the profits made should be considered satisfactory.

A mercerising Range has been received and is under erection. A cloth *Singeing Machine* has also been installed. Further additions of machinery for betterment of quality, such as, *Barber Colman Winding Machine*, *Hot Air Stenter* and *Whitin Combers* are expected to arrive and soon go into operation. The modernisation of the *Ring Frames* has started giving satisfactory results and the Spinning Preparatory is also in the process of modernisation.

The directors have provided depreciation for the year under review in accordance with the Companies (Amendment) Act 1960 on book value which is in excess of Rs. 3.4 lakhs approximately than what is required under Income Tax Act. The arrears of depreciation could not be provided due to inadequacy of profits in earlier years.

Accounts in brief as at 31st December 1960 are as under:

Liabilities	Rs.	Assets	Rs.
Capital ..	36,00,000	Gross block ..	.. 1,52,28,678
Debentures ..	20,39,117	—Depreciation	.. 67,86,920
Reserves and surplus..	15,28,295		
Other liabilities ..	1,17,76,513	Net block ..	.. 84,41,758
		Block in progress	.. 16,761
		Current assets	.. 1,03,04,942
		Investments ..	.. 52,603
		Cash ..	.. 84,293
		Miscellaneous expenditure ..	.. 48,568
	Rs. 1,89,43,925		Rs. 1,89,43,925

Alembic Glass Industries Ltd.

(*Managing Agents*: Messrs. Nishechi Services, Baroda.)

Annual General Meeting—15th June. Dividend payable on or after 22nd June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	1,72,96	1,44,99
Closing stock	18,37	12,52
Gross profit	80,60	54,44
Transfer to Managing Agents' commission ..	5,12	4,61
,, ,, depreciation	9,78	8,31
,, ,, development rebate	4,50	2,58
,, ,, taxation	25,30	17,80
Net profit	32,00	21,14
Adjustments	4,07	2,47
Appropriations:		
Total available balance	36,07	23,61
To provision for tax on bonus share issue ..	1,40	..
Transfer to reserves	24,06	14,00
Proposed dividend (taxable)	6,65	5,54
	(30%)	(25%)
Carry forward	4,84	4,07

N.B.—Adjustments include only the balance brought forward from the previous year.

Extracts from the Directors' report: Depreciation on plant and machinery for the third shift working has been charged at 50 per cent of single shift and the managing agency commission calculated accordingly is subject to adjustment if a lower depreciation becomes chargeable.

The sales of the Company have kept on increasing and during the year under review were Rs. 1.73 crores. The working results for the year are also satisfactory.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ..	32,90,500	Gross block ..	.. 1,81,38,557
Reserves and surplus..	57,17,998	—Depreciation	.. 51,49,614
Other liabilities ..	70,00,024		
		Net block ..	.. 80,88,943
		Current assets	.. 56,27,797
		Investments ..	.. 49,944
		Cash ..	.. 9,91,838
	Rs. 1,60,08,522		Rs. 1,60,08,522

COMPANY AFFAIRS

(*Concluded from page 1046*)

the tax-free dividend of 20 per cent paid for the years 1958 and 1957.

The financial position of the Company is sound. The paid-up capital is Rs. 1.50 crore, comprising Rs. 50 lakhs in 7 per cent 50,000 preference shares of Rs. 100 each and Rs. 1 crore in 10 lakh ordinary shares of Rs. 10 each. It is supplemented by reserve and surplus of Rs. 2.58 crores. The unsecured loan of Rs. 14.56 lakhs and current liabilities and provisions aggregating Rs. 165.17 lakhs are more than adequately covered by current assets amounting to Rs. 279.98 lakhs. In addition, the Company has investments of Rs. 256.74 lakhs in Government securities and the ordinary shares of Balmer Lawrie Company, I.C.I.C.I. and Burma Oil Company. The Company's gross block of Rs. 106.60 lakhs has been well written down to Rs. 51.23 lakhs, the depreciation provided so far being Rs. 55.37 lakhs.

The Rs. 10 fully paid shares are currently quoted at Rs. 28.94 *cum-div.* On an *ex-div.* basis and at the proposed rate of dividend, the net return works out to 7.82 per cent per annum.

The Permanent Magnets Limited has placed orders for the purchase of machinery and the deliveries are so arranged that the machinery will reach Bombay in January next. Tenders for the construction of the building for the factory have been called for and it is expected that the plant will go into production by the end of April next. Share certificates are ready which can be collected from the Company's Bombay Office.

Notice

THE INDIA SUGARS AND REFINERIES LIMITED

HOSPET (Bellary District)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-seventh Annual General Meeting of the Company will be held at the Registered Office of the Company at Hospet (Bellary District) on Thursday, the 29th June 1961, at 4 p.m., to transact the following business:—

(i) To receive and adopt the Directors' Report and audited accounts for the year ended 30th September 1960;

(ii) To declare a dividend on Ordinary Shares;

(iii) To elect a Director in place of Shri M. R. *Morarka*, who retires by rotation and being eligible, offers himself for re-election;

(iv) To elect a Director in place of Shri Madanlal Somani, who retires by rotation and being eligible, offers himself for re-election;

(v) To appoint Auditors for the year 1960-61 and fix their remuneration.

You are requested to be present in person or by proxy.

The Share Transfer Books of the Company will be closed from 16th June 1961 to 29th June 1961, both days inclusive.

By Order of the Board,
per pro THE INDIA SUGAR AGENCIES PRIVATE LTD.,
C. D. CHOUDHARY,
Managing Agents.

HOSPET,
Dated 22nd May 1961.

Note.—A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Meeting.

The dividend when declared will be made payable on or after 6th July 1961 at the State Bank of India, Madras, and Dividend Warrants will be posted to the Shareholders, whose names stand in the Register of Members as on 29th June 1961 or in accordance with their mandates. Shareholders may kindly intimate to the Company any change in address immediately.

DUNLOP RUBBER CO. LTD.

RECORD TURNOVER

THE Sixty-second Annual General Meeting of the Dunlop Rubber Company Limited was held on May 29 in London. Sir G. Edward Beharrell, the Chairman, presided and, in the course of his speech, said:

"The year 1960 has been one of considerable growth and the volume of goods sold was greater by about 5 per cent when compared with the previous year. Turnover increased from £261 million to a further record figure of £275 million. Our sales in the last few months were, of course affected by the recession in the motor industry in several countries, but sales in other directions were well maintained.

"The benefit from the increased volume during 1960 went a considerable way towards offsetting the cost increases with which we were faced during the year. Of these, the price of rubber was the principal factor—and this is referred to and illustrated in the Directors' report—but increased labour rates were also important. In total, these two items increased our costs, when compared with those of the year before, by several million pounds. On the other hand, selling prices were not raised to a commensurate degree; but as a result of greater efficiencies and the additional turnover our profit was only slightly lower than in 1959. A noteworthy feature was the fact that the overall profit from our United Kingdom operations was 15 per cent higher, and the results achieved by some of our units were considerably better than in that year.

Dividend

"Taxation absorbed a higher proportion of our net profit for the reasons already stated in the Directors' report, and this, of course, affected our disposable profit. Nevertheless, the Directors consider that the results and prospects justify an increase in the final Dividend from 1*s.* 2*d.* to 1*s.* 3*d.* per 10*s.* stock unit, thus making the total dividend for the year 1*s.* 7*d.* or 15.5/6ths per cent. I hope stockholders will approve their recommendation. At the same time I would like to point out that, in each of the last four years, the ordinary dividend has been increased and that, allowing for the bonus issue in 1959, the total rate paid and recommended for 1960 is over 40 per cent higher than the rate paid for 1957, whilst the dividend is still twice covered. I would also like to advise stockholders that the Board has decided that the present disparity between the interim and final payments should be reduced. Therefore, in the absence of unforeseen circumstances, the interim dividend for 1961, to be announced in October, will be at a higher rate than in 1960, although this must not be taken to imply a higher distribution in total for the year.

"It would seem that the time of accord between the countries of the Common Market and the Free Trade Association may not be far off. At the very least, the ultimate probability of a grander economic design has ceased to be a flight of fancy. This is the time of the countdown, and for the country and the individual firm we are entering a period when the possible consequences of the alliance should be carefully and urgently considered. We have the chance now to temper our enthusiasm with facts.

"For one thing, too much should not be expected too quickly from the larger trading area. Even when tariffs have disappeared and fiscal policies have been suitably related, there is no reason to believe that problems of production and distribution will disperse in a spirit of economic unanimity. Too much, perhaps, is sometimes read into the example of the Iron and Steel Community. I would find it very difficult to visualise, for example, the fast emergence of a single sales policy within Europe for some of our major products even after other discords have been harmonised.

"In contrast with the early months of 1960, but, in accordance with our expectations, the current year started quietly, largely due to the recession in the motor industry which persisted until fairly recently.

"For the year as a whole, it is too early to say how we shall fare. Like all manufacturers as widely based as we are, we cannot isolate ourselves from the economic conditions of the world's many parts. We are not, however, dissatisfied with the prospects and forecasts of most of our divisions and companies and we have good reason to hope that our current year's results will show further progress."

The report was adopted.

MONEY SUPPLY IMPROVES

(*From Our Own Correspondent*)

BOMBAY, 31*st May*

Thanks to return of funds from upcountry centres and the consequent improvement in supply of loanable funds, the short-term money market ruled easy especially in the early part of the week. Call money rate among exchange and Indian banks stood at 4½ per cent. Demand for funds was well maintained. The volume of business was quite substantial, despite the reluctance of some lenders to lend at the ruling rate. The other rates did not show any change. For purposes of record, rates are given below:

	Per cent
Inter-bank call money:	
Exchange and other large Indian banks	4½
Other banks	4½
Notice money:	
3 days or more	3
Term deposits:	
(i) 3 to 30 days (inclusive)	3
(ii) 31 to 60 days	3½
(iii) 61 to 90 days	3½
(iv) 91 days and more but less than 12 months	3½
(v) 12 months	4

The results of the 91-days' Treasury Bills of the Government of India sold through weekly tenders show that the total amount offered and accepted was Rs. 2 crores, as against an invitation for an equivalent amount. The average rate of accepted tenders was unchanged at 2.7560 per cent per annum. 91-days' intermediate Treasury Bills sold from the 24th to 27th inst. amounted to Rs. 33 lakhs. Their sales are being continued from 31st May to 3rd June.

A decline of Rs. 22.26 crores in notes in circulation is revealed by the statement of the Reserve Bank of India for the week ended 26th May 1961 as compared with the previous week. As the notes held in the Banking Department have gone up by Rs. 12.88 crores, the notes issued have shrunk by only Rs. 9.38 crores. Foreign securities have remained unaltered at Rs. 113.01 crores, while balances held abroad have improved slightly by Rs. 25.22 lakhs, so that the total foreign assets has risen by that amount to Rs. 136.12 crores. Deposits of banks with the Reserve Bank of India have increased by Rs. 58.74 lakhs to Rs. 77.02 crores. On the assets side, other loans and advances have fallen by Rs. 5.11 crores to Rs. 116.81 crores. Of these, borrowings against usance bills are of the order of Rs. 12.65 crores, as compared with Rs. 16.27 crores a week ago.

The statement of the Scheduled banks for the week ended 19th May 1961 shows a decline of Rs. 8.60 crores in demand deposits and an expansion of Rs. 45.17 lakhs in time deposits. The deposits of the State Bank of India have contracted by as much as Rs. 13.40 crores which means that the deposits of other scheduled banks must have actually expanded. The borrowings from the Reserve Bank of India have come down by Rs. 12.65 crores and the sum borrowed against usance bills from the same source by Rs. 7.37 crores. The borrowings from the State Bank also display a similar trend, those of demand and time nature receding by Rs. 1.37 crore and Rs. 82 lakhs, respectively. On the asset side, advances and bills discounted (bank credit) have declined by Rs. 12.39 crores, bringing down this portfolio to Rs. 1,286.21 crores. A year ago, the advances and bills discounted were of the order of Rs. 1,127.34 crores. Over the week, the advances of the State Bank contracted by Rs. 3.39 crores. The investments of Scheduled banks as a whole have fallen by Rs. 9.34 crores, but as far as the State Bank have shrunk by as much as Rs. 10.33 crores, it is obvious that investments of other Scheduled banks have risen by Rs. 1 crore.

The notable development in the Government securities market during the week was the opening of the subscription list in respect of the re-issue of the Central Government 3½ per cent 1967 conversion loan. The total outstanding amount of the three maturing loans eligible for conversion (3½ per cent 1961, 2½ per cent 1961 and 3 per cent Hyderabad loan 1951-61) are placed at Rs. 139 crores. The response to the conversion loan is said to be quite good. There was good inquiry for short-dated loans but turnover was not very substantial, as sellers were few. In the Central loans sections, the prices of practically all securities remained firm at their existing rates. 3 per cent 1986 (conversion loan of 1946) shed 10 nP to Rs. 73, while 3 per cent 1970-75 first development loan improved by 10 nP to Rs. 90.80. In the State loans sections, 4 per cent 1969 loans were keenly bid. Andhra and Uttar Pradesh loans registered some gains; the former closed 5 nP higher at Rs. 98.40 and the latter 10 nP at Rs. 98.45. Other State loans were unchanged.

In the foreign exchange section, the rupee weakened slightly in relation to the U.S. dollar. The banks' selling rate for ready T.T. on New York declined by 25 nP to Rs. 479.50 per 100 dollars. The selling rate remained unaltered at Rs. 476. In the New York exchange market, the pound sterling lost further ground *vis-a-vis* the dollar. The latest available rates (30th May 1961) are 279.060-279.100 cents per £ for spot and 277.820-277.860 per £ for three months' forward. Over the week, the pound lost 0.17 cent in the spot and 0.22 cent in the three months' forward.

LINSEED STEADY

(*Messrs. A. Bradley and Co.*)

CALCUTTA, 29*th May*

In sympathy with the advancing trend of other oilseeds markets locally and at the other main centres, linseed prices have continued to rise and sellers have been very reserved. Crushers have shown a keen interest and small quantities have been changing hands daily with buyers over. The market has been firm in sympathy with seeds.

Stocks in the hands of sellers, are small; local buyers are showing interest daily, but mills are reluctant to do business for forward except at higher prices, owing to continued scarcity of the seeds supply position.

There is very little activity in the oilcake market; at present we are still out of parity with foreign markets, only small local business being done daily. The latest quotation is as follows:

Ready/May delivery Rs. 26.75 nP per maund.

BULLION EASY

(*From Our Own Correspondent*)

BOMBAY, 31*st May*

An easy trend was in evidence in the bullion market during the week under review. The easiness was due to expectations of slack demand for both gold and silver in the coming weeks, in view of the monsoon. There were also fears of heavy arrivals. Early in the week, it was reported that a bank had sold 3,000 to 4,000 tolas of ready gold. Consequently, prices tended to look down. The decline in prices would have been more marked but for reports suggesting confiscation of several lakhs of rupees worth of gold by the Customs authorities at Bombay, Calcutta, New Delhi and Erode in Madras.

The daily average offtake of both gold and silver during the week was less than in the previous week, being 4,000 tolas and six bars, as against 5,500 tolas and eight bars, respectively. The daily average arrivals amounted to 5,670 tolas of gold and 28 bars of silver, the corresponding figures for the previous week were 6,750 tolas and 29 bars. The floating stocks are reported to be around 35,000 tolas of gold and 400 bars of silver.

Adjustment rates fixed today were Rs. 118.55 per 10 grams of gold and Rs. 198.50 per kg. of silver. The corresponding rates for last week were Rs. 119.50 and Rs. 199.90.

It is understood that the Bombay Bullion Association has requested the Forward Markets Commission to remove the existing special margin requirements on outstanding purchases. The plea is on two grounds. One, off-season has already set in and prices have actually declined to a great extent. Two, the floating stocks are sufficient to avert any possible bull squeeze. The margin on total purchases payable are Rs. 750 per kg. in gold, if the outstandings of a member exceed 30 kg., and Rs. 650 per kg. in silver, if the outstandings exceed 160 bars.

The *Jeth Adhik* (first) settlement in gold was subjected to selling and retreated from Rs. 120.30 to Rs. 118.45 before finishing at Rs. 118.80. The second settlement moved down from Rs. 118.25 to Rs. 117.80 yesterday. It, however, recovered to Rs. 118.05 today. The rate for transferring commitments from the first to the second settlement continued to be against bears. Since the rate was more than a rupee during the major part of the week, the bulls in the first settlement were required to pay a higher margin of Rs. 20 per ten grams. The margin, however, was lower at Rs. 8 yesterday and today because the carry-forward rate declined to 90 nP and further to 75 nP today.

Ready gold came in for selling and receded from Rs. 120 to Rs. 118.45 yesterday but improved to Rs. 118.80 today.

In silver, the *Jeth Adhik* (first) settlement, which had advanced from Rs. 200.30 to Rs. 201.35 on Wednesday the 24th inst., drifted downward to touch Rs. 198.75 on Monday this week. After recovering to Rs. 199.15, the settlement finished at Rs. 198.90. The second settlement fluctuated between Rs. 200.10 and Rs. 198.30 and closed at Rs. 198.50. The rate for transferring commitments from the first to the second settlement continued to be against bears, though the actual rate declined from Re. 1 on Wednesday the 24th inst. to 40 nP today. Since the rate was less than a rupee, no margin was in force.

Ready silver began the week at Rs. 199.45, as against the previous close of Rs. 199.90. Induced by selling pressure, it declined to Rs. 198.30 on the 29th inst. After recovering to Rs. 198.55 today, it finished at Rs. 198.50. The discount under the *Jeth Adhik* settlement was 40 nP, as against 50 nP on Wednesday last week.

The world price of gold in the London bullion market was a shade easy at $35.0618, as against $35.06¼ a week ago. Ready gold improved from 251*s.* 0¾*d.* to 251*s.* 3*d.*, owing to the slight firmness of the pound sterling *vis-a-vis* the dollar. Ready and forward silver, however, were unaltered, the former at 79⅛*d.* and the latter at 79¾*d.* Silver in New York also continued unchanged at 91.375 cents.

The following table shows the trend of the market during the week under review:

Gold	31-5-1961 (closing) Rs.	High Rs.	Low Rs.	23-5-1961 (closing) Rs.
Ready (.99 fine)	118.80	120.25	118.45	119.75
Forward:				
Jeth Adhik*	118.80	120.80	118.45	119.90
Jeth 2nd	118.05	118.50	117.70	119.25
Sovereign	94.25	94.50	94.25	94.50
Silver				
Ready (.996 fine)	198.50	200.60	198.30	199.90
Forward:				
Jeth Adhik*	198.90	201.35	198.75	200.25
Jeth 2nd	198.50	200.10	198.30	199.80
London—	30-5-1961			22-5-1961
Silver Ready	79¼*d.*	—	—	79¼*d.*
Silver Forward	79¾*d.*	—	—	79¾*d.*
Gold	251*s.* 3*d.*	251*s.* 3*d.*	251*s.* 0*d.*	251*s.* 0¾*d.*
New York—				
Silver	91.875 cents	—	—	91.375 cents

* 31*st* May settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES DULL

(*From Our Own Correspondent*)

BOMBAY, 31*st May*

Lack of fresh incentives and uncertainty regarding grant of further export quotas for short-staple cotton were chiefly responsible for the dull trend of the cotton futures market during the week under review. Further, operators preferred to await the reaction of the Centre to the Gujarat Government's renewed plea for urgent measures to meet the problem of heavy stock accumulations in the State. There was, besides, the reported withdrawal of interest in ready cotton by the Cotton Mills Federation. Business actually put through, as a consequence, was considerably restricted, with values moving narrowly.

The I.C.C. August contract, which had touched a high of Rs. 574 on Wednesday the 24th inst., moved down to Rs. 566 on Monday this week. At this level, some support emerged and the contract improved and touched Rs. 571 today. It, however, finished easy at Rs. 569.

Spot cotton was somewhat active. The popular varieties such as CO2 (choice quality), Vijay, Kalyan, Moglai and Kalagin-Wagad evoked good support from spinners. Export section generally ruled dull, in view of the delay in the announcement regarding further export quotas. Kalyan came in for some business, thanks to demand from shippers. Zoda and yellow pickings also attracted scattered inquiries. An important development of the week was the announcement of the extension by one month of the shipping period in respect of the global import quota announced on 23rd November 1960. As a result of this decision, the shipping period will expire only on 30th June next and not earlier. Sudan cotton and short-staple American cotton were well favoured. African varieties also evoked interest from some mills. The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

CO2 1,275; Hubli Laxmi 950; Kalyan 840; American 1,235; Sudan XG3L 1,450.

Cotton traders have noted the statement of the Sudanese delegation at the recent meeting of the International Cotton Advisory Committee at Tokyo. The delegation pointed out that Sudan was trying to push up sales of its cotton to Communist countries on the basis of equality and mutual benefits without concluding barter deals. According to it, Sudan "does not intend to extend its cotton production in the long run. It desires to lessen the degree of dependence on one major crop, cotton, and to diversify its agriculture. It plans to cover its arable land with cotton for one-third of the total area and with food and fodder for two-thirds."

Prices moved in a narrow range in the Karachi cotton futures market during the week under review. N.T.R.G. July contract put on 5 nP to Rs. 70.35. May contract went off the board at Rs. 70.70, as against Rs. 71 last week-end. Spot cotton ruled weak, as offerings were quite large, while buying was restricted. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi, the figures in brackets giving last week's rates:

Sind *Deshi* 98 (97); Punjab *Deshi* 93 (94); 4 F Punjab Roller 85.70 (85.80); S.G. 90.70 (90.80); N.T. Roller 92.70 (92.80); S.G. 97.30 (97.20); 289 F Punjab Roller 93.70 (93.80); S.G. 100.20 (100.30).

Listless conditions prevailed in the Alexandria cotton futures market during the week. Traders were not inclined to enter into large fresh commitments either way, as they preferred to await clarifications regarding the latest decision of the Egyptian Government to buy 35 per cent of the shares of all cotton exporting firms. Some in Egypt feel that, in other countries, exporters by general agreement are often strong enough to impose the price which is most suitable to their interests. It is considered indispensable that the U.A.R. Government should do likewise. In some cases also, it is said, foreign Governments would buy very large quantities of cotton without any warning, causing an abnormal rise in prices out of proportion with world rates and placing Egypt in a difficult position to sell its crop in other markets. To quote one report: "By establishing control over cotton exports, the Government will be able to end triangular operations which harm the country. It will also be able to set a quota for each purchasing country according to its real needs, thus rendering re-exports impossible by those countries at lower prices than those fixed by the Alexandria market. The Government will now also have the means of obtaining large quantities of foreign currencies for the working of its economic development plan."

The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: July 70.55; *Ashmouni*: June 62.33; August 61.32.

The Liverpool cotton futures market presented dull conditions in the absence of any fresh development. May position closed at 23.90*d.*, as against 24.00*d.* last week-end and July position at 24.00*d.* as against 24.05*d.* Sudan May was quiet at 31.75*d.*

Business in cotton futures at New York was virtually interrupted by holidays for the last three days. The operators noted that the International Cotton Advisory Committee, at the end of its Tokyo session last week, called on the U.S. to strive towards abolition of its dual price system for raw cotton to help solve a major world textile industry problem. In a resolution unanimously adopted by the delegates of 35 countries, the I.C.A.C. pointed out that the widening difference between the domestic and export price of U.S. cotton for the next season was moving away from the desirable objective of a one-price system and could have repercussions on the distribution of trade in cotton textiles. It said that many countries viewed with apprehension the forthcoming increase in the U.S. domestic price and hoped that the new American administration would achieve a solution to this problem without adversely affecting world textile industries.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	26-5-61	22-5-61	16-5-61
Spot	34.25	34.20	34.15
July	33.27	33.25	33.27
October	34.07	34.19	34.05

YARNS LISTLESS

(From Our Own Correspondent)

BOMBAY, 31*st May*

The yarn market moved rather indecisively during the week under review in the absence of any new encouraging development. Inquiries for art silk yarn from consuming centres were at a low ebb and operators thought that offtake would tend to decline in the coming weeks. The floating stocks of imported yarns were reported to be quite comfortable. Staple fibre yarns were somewhat firm, in view of the reluctance of several spinning units to sell 40 x 2 yarns at the prices fixed by the Indian Cotton Mills' Federation. Cotton yarns were dull.

Spot Cupressa Bemberg yarn (60 x 1) encountered selling and dropped Rs. 2.632. The forward delivery (June), however, was well favoured, the quotation moving up from Rs. 2.545 to Rs. 2.560. 40 x 1 J. P. June contract was quoted at Rs.2,908, as against Rs. 2,913. Among imported art silk yarns, 120 Japan and 150 Japan were done at Rs. 1.735 and Rs. 1.777, respectively, same as last week. Among indigenous yarns, 120 National Rayons Bt. cones first grade attracted excellent support and jumped up by 74 nP to Rs. 16.21. But 150 Bt. cones first grade receded by 7 nP to Rs. 15.33.

Business in 40 x 2 staple fibre yarn August contract commenced on Wednesday the 24th inst. Trading in this contract, it may be noted, is not subject to any floor and ceiling rates. Goods of specified 22 mills can be tendered in this contract. Transactions were put through today at Rs. 911. Spot Kohinoors rallied from Rs. 10.87 to Rs. 11.13.

In the cotton yarns section, twenty counts Gokaks fell by 25 nP to Rs. 22.50. New Greats were quiet at Rs. 21.25. Thirty counts Simplex changed hands at Rs. 27. Forty counts Maduras were dull at Rs. 33, while Minaxis improved by 50 nP to Rs. 34. Sixty counts Finlays were unaltered at Rs. 65.39, as also Gokaks at Rs. 50.75. Eighty counts Moderns eased by 10 nP to Rs. 70. Finlays were neglected at Rs. 81.75 and Mahendras at Rs. 68.68.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with those prevailing a week ago:

	31-5-1961	22-5-1961
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.)—		
June	2,560.00	2,545.00
Spot	2,632.00	2,645.00
40 x 1 JF June	2,908.00	2,913.00
120 Japan (per 100 kg.)	1,735.00	1,735.00
150 Japan (per 100 kg.)	1,777.00	1,777.00
Staple fibre yarn (40 x 2)—		
August (per 90.72 kg.)	911.00	—
Kohinoor (per kg.)	11.13	10.87
Cotton yarn (per bundle of 10 lbs.)—		
10s Fodar	—	17.50
20s New Great	21.25	21.25
30s Simplex	27.00	—
40s Madura	33.00	33.00
60s Finlay	65.39	65.39
80s Mahendras	68.68	68.68

OILSEEDS FALL AFTER EARLY RISE

(From Our Own Correspondent)

BOMBAY, 31*st May*

May 1961 hedge contracts in respect of castorseed, linseed, cottonseed and groundnut went off the board today. The volume of tenders delivered against these contracts was more or less in line with trade expectations. The delivery orders issued during the month amounted to 2,750 metric tons in castorseed and 225 metric tons each in linseed and cottonseed. As for groundnuts, however, there were no deliveries at all, in view of the wide disparity between spot and permissible hedge contract prices.

The oilseeds market turned easy towards the close of the week, after making some headway in the initial sessions. Castorseeds met with support from shippers who had already entered into export commitments. There was also some support from parties which were inclined to expect a renewal of demand for castor oil from the U.S. and East European countries later in the year. Consequently, prices registered an improvement. The upward trend was, however, reversed subsequently, following larger arrivals from upcountry centres, easy conditions in the spot section and reports suggesting continued pressure of Brazilian supplies in world markets. Groundnuts, too, put on a cheerful appearance initially as arrivals from upcountry centres were limited, with business centering round local stocks. But values drifted downward towards the close, in view of the slowing down of purchases by *vanaspati* manufacturers and crushers at previous high levels. The setback in castorseeds also acted as a damper. Linseed ruled subdued, mainly due to the dull export conditions and limited local demand. In sympathy, cottonseeds declined. With its season coming to an end, sesame was featureless.

Castorseeds September 1961 contract fluctuated between Rs. 178.50 and Rs. 175.87, before finishing at Rs. 176. May contract improved from Rs. 179.25 to Rs. 180 on Thursday, but fell to Rs. 178.12 yesterday. It, however, rose again to Rs. 179 today. Ready Madras eased by 38 nP to Rs. 35.12. Oil Commercial declined by 20 nP to Rs. 14.80. Oil B.S.S. improved initially from Rs. 16 to Rs. 16.20, but fell back later to the last week's closing level.

In the spot groundnut section, Khandesh quality lost 50 nP to Rs. 53.50. Coromandals were lower by 25 nP at Rs. 53.75, although they had touched Rs. 55.50 earlier. Nizam bold was quiet at Rs. 53.50. Oil ex-mill was done at Rs. 22.10. Railway receipts rose initially from Rs. 21.85 to Rs. 22.25, but declined subsequently to Rs. 21.90.

Linseed September 1961 contract shed 10 nP to Rs. 37.56. May contract terminated today at Rs. 37.75, as against Rs. 37.94 last week-end. Bold ready fell by 38 nP to Rs. 37.12. Linseed oil rose from Rs. 15.80 to Rs. 15.90. It, however, closed at Rs. 15.80 today.

Among cottonseeds September 1961 contract eased by 50 nP to Rs. 93.75. May contract lost a like amount and went off the board at Rs. 96.50.

Sesame bold was quiet at Rs. 370. Sesame oil shed 25 nP to Rs. 26.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	31-5-1961	23-5-1961	17-5-1961
	Rs.	Rs.	Rs.
Groundnut			
Nizam bold	53.50	53.50	53.50
Coromandel ready	53.75	54.00	53.50
Khandesh quality	53.50	54.00	53.50
Oil ex-mill ready*	22.10	22.10	21.80
Railway receipts*	21.90	21.85	21.50
Castorseed			
May 1961	179.00	179.25	177.25
September 1961	179.00	177.50	176.25
Ready Madras	35.12	35.50	35.25
Ready Kanpur	33.25	33.62	33.62
Oil B.S.S.†	16.00	16.00	15.95
Oil commercial†	14.80	15.00	14.90
Linseed			
May 1961	37.75	37.94	37.81
September 1961	37.56	37.69	37.84
Bold ready	37.12	37.50	37.50
Oil ready†	15.80	15.80	15.75
Cottonseed			
May 1961	96.50	97.00	94.50
September 1961	93.75	94.25	93.25
Niger seed	42.00	42.50	42.00
Kardi seed	26.75	27.00	26.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

GOOD DEMAND FOR TEA

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 23*rd May*

A total of approximately 468,000 kilograms was on offer in sale No. 21 held today. Quality showed a further seasonal decline. There was, however, a useful selection from the Nilgiris. There was strong general demand. Highgrowns received better support but were irregular and generally slightly easier. Good mediums sold at slightly lower rates with the exception of a few coloury lines which sold well. Mediums and low mediums, although well supported, generally sold at around last rates. Plain sorts were keenly competed for at firm prices. Black leaf teas received keen competition and were a strong feature. C.T.C. and leggcut sorts realised satisfactory prices. Whole leaf grades were well sought after but tended easier.

	1961	1960
	Rs.	Rs.
Low mediums	4.40-4.55	3.64-3.75
Mediums	4.55-4.65	3.75-3.97
Good mediums	4.70-5.15	4.08-4.30
Nilgiri B.O.P.	Rs. 4.55-5.80	

The average price realised in sale No. 21 was Rs. 4.58 per kilo as against Rs. 4.60 a week ago and Rs. 4.03 in the corresponding sale last year.

Dust Sale No. 21: 265,000 kilograms were offered in dust sale No. 21, held on 15th May 1961. There was good demand at easier rates. Highgrowns sold readily but were irregular and generally lower. Good mediums were taken up at a drop of 10 nP per kilo. The coloury Wynaad descriptions, although well competed for, declined by up to 25 nP. Mediums and low mediums were irregular and easier up to 15 nP with the powdery sorts a weak feature. Residuals received better support but at easier rates. C.T.C. and legg-cut teas came in for strong support at fully firm to dearer rates.

The average price realised in dust sale No. 21 was Rs. 4.29 per kilo as compared with Rs. 4.41 a week ago and Rs. 3.92 in the corresponding sale last year.

Export Quota: The price for special licence is quoted nominally at 1/6 nP per kilo. There are few buyers in the market. There are sellers of new season's quota at 4 nP per kilo but no buyers.

Colombo: Approximately 7 million pounds were offered this week. There was good general demand although highgrowns and good mediums were generally slightly lower following quality. Low mediums and plain teas were firm.

London: There was no sale this week due to Whitsun holidays.

As we go to press, Messrs. Forbes, Ewart and Figgis Private Ltd. wire:

Sale No. 22: 472,000 kilograms. Strong general demand. Plain and low medium fully firm. Mediums and good mediums 5 to 10 nP easier. Nilgiris irregular, but generally easier.

TEAS IRREGULAR

(From Our Own Correspondent)

CALCUTTA, 30*th May*

Modest demand was in evidence during yesterday's export sales, and prices were about steady. Shipping of new season's teas showed some improvement and is expected to rise in the coming few weeks.

That demand has not so far been as good as earlier expected has been a disappointment to trade circles. However, such a phenomenon is attributed to buyers' expectations of a marked increase in world tea output and as a result they anticipate keener competition among producing countries to secure increased markets.

It remains to be seen if India would be able to step up exports commensurate with the present trend of increased production. Trade circles would once again plead with the authorities for revision of the export duty and the total abolition of the duty on plain teas, which have been priced out of the market. Whether or not India would be able to export more tea depends upon India's ability to secure some of her lost markets for plain teas.

Dusts on offer during last week's sales for internal consumption amounted to 22,927 packages. There was good general demand but prices were irregular. An irregular trend was recorded in orthodox teas as while the smaller types hardened, others eased. Legg-cut teas were steady and the bright lines recorded higher prices. There were a few withdrawals of medium C.T.Cs possessing clean leaf appearance, but earlier in the sales, prices of these were firm. The fibrous teas met with more support at lower rates. The quotations per 1 kg. inclusive of excise duty were: Good Assam C.T.C. dust—not quotable; medium Assam C.T.C. Rs. 5.80 to Rs. 6.30, legg-cut dust Rs. 4.35 to Rs. 5.20, medium Assam dust Rs. 4.25 to Rs. 4.80, and plain orthodox dust Rs. 4.05 to Rs. 4.40.

Leaf on offer amounting to 34 chests met with support at irregular rates.

There was good demand during yesterday's export sales and in accordance with quality prices improved. Offerings totalled 27,140 chests. Keen competition was offered to Assam C.T.C. teas, and despite the irregular tendency prices added with B.Ps being the strongest feature. Among Darjeelings, offerings of which amounted to nearly half of the total on offer, the teas possessing flavour were favoured while others eased following a decline in quality. Orthodox teas were in good demand but prices were irregular. Fannings recorded the largest decline, while a few useful liquoring well-made teas recorded an addition. Leggcut Dooars were also sold at firm rates, but the poorest lots among these eased. Quotations per 1 kg. inclusive of excise duty were: Plain fannings Rs. 4.55 to Rs. 4.60, clean plain pekoe Rs. 5.10, and plain B.P. Rs. 4.70 to Rs. 4.75.

JUTE STEADIER

(From Our Own Correspondent)

CALCUTTA, 30*th May*

Following strong rumours of imminent block closure of mills for about a fortnight, prices of jute goods were steadier during the week under review. An important development in the week was the fall in fibre prices by Re. 1.50 per maund for all available varieties offering. This latter development followed the re-fixation of maximum prices at Rs. 56 a maund basis Assam bottoms by the Indian Jute Mills' Association, as against Rs. 62 a maund which was the maximum price fixed nearly three months ago when the system of maximum prices was introduced in an attempt to arrest the upward spiral in the fibre market. It would be remembered that the Government of India, perturbed at the hardening prices of the fibre, desired to freeze all fibre stocks and introduce a system of control. However, at its intervention, the I.J.M.A. was given a chance to take some action for lowering fibre prices. Subsequently, the Association fixed maximum prices on a voluntary basis and directed its constituent mills not to buy fibre at above the maximum prices. That within a short period of three months fibre prices could be brought down by Rs. 6 a maund, at a time when the fibre shortage situation is daily growing in severity, has been hailed by trade circles. This performance does commendable credit to the I.J.M.A. and shows that unofficial control can achieve what official control may not achieve. An outstanding feature during the week was that, following the lowering of the maximum prices, fibre prices gave way by Rs. 1.50 below the now-lowered maximum levels. Offers increased remarkably, but mills lent only restricted support in order that the falling trend might not be disturbed.

In the last three months, prices of goods have also fallen. This fall works out to Rs. 500 a ton in the case of hessian and Rs. 400 a ton in the case of sacking. On the other hand, the fall of Rs. 6 a maund in fibre prices works out to only Rs. 162 a ton. In other words, despite the fall in fibre prices, simultaneous business by mills in goods and fibre continue to be unprofitable for mills, and it is apprehended that it would not be before the new season that prices of fibre and goods are likely to bear a reasonable economic relationship. At current levels, the average loss of mills per ton of goods sold is believed to be Rs. 250. With the increase in the offers of fibre there have been suggestions of availability of adequate fibre for mills to continue production. The Jute Balers' Association, Calcutta, has, in a statement, pointed out that there is enough fibre available and that the threatened closure of mills should be avoided. The Association believes that the use of hemp and old gunny cloth has resulted in an increase of about 100,000 bales of raw material to mills. Following good rains in the last two weeks, sowing operations in West Bengal have proceeded smoothly, and it is estimated that, in view of the high prices, the area sown would be higher at about 950,000 acres as against 750,000 acres in the last season. In view of the earlier sowing in this season, the area on which farmers would be enabled a second crop would also be larger than last year. This factor also accounts for the higher acreage being sown under jute in this season.

Meanwhile, it is becoming almost certain that mills would be permitted to close down for some time in the near future. It is understood that the Government of India has approved the idea of block closure of mills; however, whether the closure should be for a continuous period or spread over in the next two months between intervals has not yet been decided. There is indeed strong opposition to the closure

move. Labour and trade are agreed that the proposed closure should be avoided, although naturally for different reasons. However, mention should be made of the trade view that, if only Government would permit some imports of Siamese fibre, which has been tested in Calcutta and found to be almost equal to Indian jute in quality, mills can avoid closure.

The week under review in the market was short of two working days. Due to the widespread *hartal* on Wednesday last, transport was disrupted and the market could not function as usual. Friday last was a holiday. Business passing with overseas buyers continued to be slender in the week, and even the marked fall in prices earlier in the week did not result in increasing inquiries. This clearly showed that prices must decline more rapidly and more markedly before overseas buyers could be expected to show greater interest. Earlier in the week, there was good covering business done following interest on behalf of the Government of India. It was also believed that Chinese buyers were interested in heavy goods for near and ready delivery. As a result, the price of ready B. twills was steady at Rs. 166.00 and that of ready hessian 40" 10 oz. at Rs. 55.00. This was followed by selling pressure on Tuesday last; as a result B. twills lost to Rs. 164.50 and hessian 40" 10 oz. to Rs. 54.25. Some business on local bazar account was done at these levels, but since this was not substantial, these prices were maintained on Thursday. Over the week-end, however, prices improved as a result of the report that the Union Commerce and Industry Ministry agreed to the proposal for a block closure of mills, the timing and duration to be settled subsequently. Ready B. twills hardened to Rs. 166 and ready hessian 40" 10 oz. to Rs. 54.75.

Following selling pressure prices recorded handsome declines during yesterday with B. twills being lower at Rs. 161.25 and hessian 40" 10 oz. at Rs. 52.50. Mills were keen sellers, but inquiries from overseas were limited.

The reduction of Rs. 6 per maund in the maximum prices of the I.J.M.A. was the starting point for a declining trend in fibre prices in the week. Sellers were keen for business but mills continued to be reserved. Reports of good rains continued to be received from the districts and expectations of an earlier crop coupled with the imminent closure of mills for some time for want of jute lent sobriety to the fibre market, and this accounted for this week's decline in prices below the lowered maximum prices. Opening and closing quotations for the principal varieties are given below:

(In Rs. per maund against May-June delivery)

	Opening	*Closing*	*Decline*
Assam bottoms ...	56.00	54.50	1.50
Northern bottoms	55.00	53.50	1.50
Daissee bottoms ...	58.00	56.50	1.50

METALS FIRM

(From Our Own Correspondent)

CALCUTTA, 30*th May*

Following higher advices from foreign markets, steadier conditions were in evidence in the metal market during the week under review. On the London Metal Exchange, tin reached a high of £870 a ton to close at £869. It was noted that only a few points were necessary to reach the level of £880 a ton since if the price reaches this level, in accordance with the International Tin Agreement, the Buffer Stock Manager in London is expected to sell so that demand would be fully satisfied and the price would not move farther than £880. However, it is not believed that the Manager has any mentionable stocks with him, and if this is so it is apprehended that the price may cross the level of £880. Nevertheless, considerable stocks are held in the United States on Government account and if the U.S. Government decided to release a portion of its stocks, the price situation would be kept under control. It should be noted that, according to reports from producing countries, there is the apprehension whether the six producing countries would be able to produce even as much as 120,000 tons during this year as against the earlier estimate of 145,000 tons. This means that the shortage situation has not as yet entered the worst phase! Locally, stocks are extremely limited, and strong demand maintained the quotation at the higher level. Copper scrap prices were also firm here but the scrap market was paid less attention in view of larger imports of the virgin metal in April, these amounting to 4,816 tons as against 1,807 tons in March. On the London Metal Exchange, electrolytic copper closed firm at £246½ a ton after being higher at £249¼. Electrolytic zinc was also maintained firm here, virgin lead being unchanged at Rs. 130 per 100 kgs.

FOODGRAIN ARRIVALS POOR

(From Our Own Correspondent)

HAPUR, 29*th May*

Fully steady conditions were witnessed in the foodgrains markets during the week under review, as, despite good *rabi* crop, arrivals were poor. Following the removal of restrictions on the zonal movement of wheat announced early last month and the more recent decision to lift the curbs on bank advances against wheat, the Government of India has now decided to give option to roller flour mills to buy their wheat requirements from indigenous stocks in the open market or from central stocks of imported wheat. This decision has followed the general decline in the prices of wheat.

Wheat at Hapur ruled quietly steady during the week to be quoted on Monday at Rs. 14.50 a maund for average quality and upto Rs. 16 for superior farm produce. Daily arrivals of wheat, which were slightly better at an average of 1,500 to 2,000 maunds, were being lifted mostly by consumers and there was as yet a small stock of wheat here at 12,000 maunds. Wheat arrivals are likely to mount soon, as cultivators have now almost finished winnowing and threshing operations. Offtake from fair-price shops which were selling imported wheat has considerably declined all over the State of U.P., thanks to the advent of new wheat crop in markets.

Rice also ruled steady during the week in line with wheat and gram. Demand, too, was reported to be better and week-end prevailing prices were:—rice *sela mainpuri* Rs. 20.50; *gainda kutcha* Rs. 20.50; *ramajwayan sela* Rs. 23.75; *raimunia sela* Rs. 25; *basmati sela* Rs. 28 to Rs. 30; superior Rs. 32 to Rs. 38 a maund.

Gram was steady on advices from the Punjab from where large quantities of gram were reaching, resulting in larger local stocks at 21,000 maunds. Punjab variety was quoted at Rs. 13.75 and local variety at Rs. 13.25. Barley ruled quiet at Rs. 11, inferior *bejhar* at Rs. 10.62 and *moongia* variety at Rs. 11.25 a maund.

SUGAR DECLINES

(From Our Own Correspondent)

HAPUR, 29*th May*

Sugar ruled quiet during the week, with E-29 Simbhauli quoted at Rs. 107 per bag and in retail at 97 nP per seer, as against the controlled price of Rs. 107.50 per bag and retail price of Re. 1.10 per seer. Some factories have closed their season and the U.P. Government has warned against such closure, if cane is still available in the area. Further exemption in purchase tax has been announced in order to encourage factories to continue crushing. Sugar production is now expected to touch a new high of more than 3.0 million tons. Export prospects are still bleak, despite the Union Government's efforts to arrange exports.

Khandsari ruled quietly steady during the week. Some demand was reported from the consuming areas of Rajasthan, Gujarat and Punjab, but prices were almost stationary at:—inferior Rs. 27 to Rs. 30; superior Rs. 31 to Rs. 34.25; crystal Rs. 33 to Rs. 36.25; *boora* Rs. 40.50 a maund.

Gur sought slightly higher levels during the week, as demand was reported from the consuming areas of South and Punjab, but want of loading facilities hampered despatches. Sunday's offtake was three wagon-loads to Gujarat and Punjab. Daily arrivals were poor, at an average of 75 maunds and local stock is put at 50,000 maunds. Wagons are only available by allotment and requisitioned wagons of last two months were not made available. Prevailing prices were:—dry best Rs. 16; *kotha* dry Rs. 15.50; dry-wet Rs. 14.75; wet Rs. 14; *shakker* Rs. 16.50 a maund.

TANNED HIDES QUIET

(From Our Own Correspondent)

MADRAS, 29*th May*

Trading in E. I. tanned hides and calves was small during the week, due to seasonal holidays. The market was quiet and there were very poor inquiries from overseas buyers and for inland trade. Stocks had not accumulated in the local market and sellers were not keen to take low prices.

The tanned skins section was also quiet. There was some call for goat skins at less money, but business did not result. Tanners found that the current outturn from their tanneries yielded very poor percentage of higher selections which implied the falling off in the quality of raw supplies. Tanned sheep skins in middle class tannages were a shade easy.

Notice

THE INDORE MALWA UNITED MILLS, LIMITED

Registered Office :
Seksaria Chambers, 139, Medows Street, Fort, BOMBAY 1.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-Fourth Ordinary General Meeting of the Indore Malwa United Mills Ltd. will be held at the above address on Tuesday, the 27th day of June, 1961 at 4 p.m., to transact the following business :—

1. To receive and adopt the Directors' Report and the audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1960.
2. To declare a dividend.
3. To appoint a Director in place of Shri Sitaram Shivnandrai Parasrampuria, who has attained the age of 68 years and who retires from office by rotation, but being otherwise eligible, offers himself for reappointment and to consider and if thought fit to pass the following resolution of which special notice under Section 281 of the Companies Act, 1956, has been received by the Company :—

   "RESOLVED that pursuant to the provisions of Section 281 and other relevant provisions, if any, of the Companies Act, 1956, Shri Sitaram Shivnandrai Parasrampuria, who has attained the age of 68 years and who retires from office by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit prescribed for Directors under Section 280 of the said Act shall not apply to him."

4. To appoint a Director in place of Shri Chandmal Lachhmandas Agrawal who retires from office by rotation, but being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until conclusion of the next Annual General Meeting, and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit to pass, with or without modification, the following resolutions :—

(i) *As Ordinary Resolutions :—*

(*a*) "THAT the Company gives its approval to the extension of the Office of Messrs. Madhya Bharat Textile Agents, Indore, as the Sole Selling Agents of the Company for the sale of all piecegoods and yarn manufactured by the Company under the Agreement made between the Company and said Messrs. Madhya Bharat Textile Agents, Indore, dated the 25th June, 1955, upto the 30th June, 1961."

(*b*) "THAT the powers given to the Directors to borrow monies on behalf of the Company by Resolution No. 1, passed at the Extraordinary General Meeting of the Company held on the 14th May, 1956 be limited to the sum of Rs. 2 Crores."

(*c*) "THAT the Company, in supersession of Resolution No. 6 passed at the 50th Ordinary General Meeting of the Company held on the 10th June, 1957, do hereby give its consent to the Board of Directors contributing or subscribing to charitable and other funds not directly relating to the business of the Company or the welfare of its employees such amounts as they may think fit, from time to time notwithstanding that such amounts in the aggregate may exceed in any financial year Rs. 25,000 or 5% of the average net profit of the Company as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956, during the three financial years immediately preceding whichever is greater, but subscriptions shall not in any financial year exceed the sum of Rs. 1,50,000 in the aggregate."

(ii) *As Special Resolution :—*

"THAT the Regulations contained in the document submitted to this meeting and for the purpose of identification subscribed by the Chairman thereof be approved and adopted with such modifications, if any, as may be agreed to at this meeting, as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association thereof."

By Order of the Board,

K. L. SEKSARIA,
Chairman.

BOMBAY, 10*th April*, 1961.

N.B.—1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

2. The Share Transfer Books of the Company will remain closed from Monday, the 12th June, 1961 to Tuesday, the 27th June, 1961, both days inclusive.

3. The dividend, when sanctioned will be made payable on and after the 3rd July, 1961 to those members whose names stand on the Register of the Company on the 12th June, 1961, at the Registered Office of the Company, Fort, Bombay, 1, and/or at the Mill Office, Indore (M.P.) upon presentation of Dividend Warrants which will be posted to each member to his last given address.

4. A member is requested to notify immediately any change of address to the Company.

5. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, in respect of the special business under item 6 has been forwarded to the Members of the Company.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 26th May, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	68,74,74,000
(2) Other Governments	20,34,85,000
(b) Banks	77,02,10,000
(c) Others	123,23,68,000
Bills Payable	37,95,93,000
Other Liabilities	63,59,46,000
Rupees	520,90,76,000

ASSETS	Rs.
Notes	28,31,59,000
Rupee Coin	2,22,000
Subsidiary Coin	7,19,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	37,09,72,000
Balances held abroad*	23,11,01,000
Loans and Advances to Governments†	80,72,15,000
Other Loans and Advances	116,81,23,000
Investments	213,41,69,000
Other Assets	21,33,96,000
Rupees	520,90,76,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 12,65,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	28,31,59,000	
Notes in circulation	1963,24,43,000	
Total Notes issued	....	1991,56,02,000
Total Liabilities	....	1991,56,02,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	113,00,89,000	
Total of A		230,76,92,000
B. Rupee Coin		118,85,40,000
Government of India Rupee Securities		1641,93,70,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1991,56,02,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1939 (pre-war)	19th May 1961	12th May* 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1985.50	2007.26	2007.65	1880.06
Notes held in Banking Department	35.05	15.44	13.38	22.28	22.26
Foreign Securities	59.50	113.01	113.01	118.01	163 01
Rupee Securities	87.39	1651.94	1671.94	1672.06	1496.40
Banking Department					
Deposits of:					
Government of India	14.39	68.01	56.53	63.91	57.99
Other Governments	..	15.22	14.20	4.30	29.47
Balances held abroad	10.06	22.86	21.94	10.79	11.66
SCHEDULED BANKS					
Demand Liabilities	134.36	806.81 (31.96)†	815.41 (28.82)†	827.92 (24.57)†	777.70 (15.69)†
Time Liabilities	102.24	1094.74 (15.80)†	1094.29 (15.39)†	1079 39 (12.40)†	1198.90 (24.44)†
Borrowings from Reserve Bank	..	30.12 (16.27)‡	42.78 (23.64)‡	41.35 (25.81)‡	45.17 (13.72)‡
Borrowings from State Bank	..	8.83	14.02	14.73	14.37
Cash in India	6.70	47.99	49.73	48.20	47.71
Balances with Reserve Bank	25.17	71.08	72.15	80.28	90.31
Balances with other banks in current account in India	..	15.11	15.97	15.77	15.56
Money at call and short notice in India	..	48.54	44.64	37.35	28.27
Investments (at book value)	..	543.31	552.65	538.36	746.23
Advances and bills	105.9	1293.81	1306.89	1311.29	1127.34
STATE BANK					
Deposits	87.76	529.60	543.00	550.98	622.17
Investments	51.99	226.57	236.90	225.70	394.27
Advances	80.85	267.02	270.41	280.55	214.85
Cash	14 69	24.33	24.73	33.38	26.92

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.

‡ Borrowings against usance bills and/or promissory notes.

R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.45	3.41
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944		2
South Africa	4th May, 1961	4.50	5
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec., 1960	5.50	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.5	3

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that of the preceding week.

State Bank of India

Statement of Affairs for the week ended 26th May, 1961

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		530,67,69,000
Borrowings from Other Banking Companies, Agents, etc.		20,00,000
Bills Payable		11,92,69,000
Bills for Collection being Bills receivable as per contra		2,61,69,000
Acceptances, Endorsements and Other Obligations per contra		1,13,52,000
Other Liabilities (including Inter-Office Adjustments)		7,57,63,000
Total .. Rs.		567,20,72,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		24,25,71,000
Balances with other Banks		4,22,13,000
Money at Call and Short Notice		3,86,67,000
INVESTMENTS:		
Government and other Trustee Securities	224,29,87,000	
Other Authorised Investments	9,34,45,000	233,64,32,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	248,23,67,000	
Bills Discounted and Purchased	15,14,48,000	263,38,15,000
Bills Receivable being Bills for Collection as per contra		2,61,69,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,13,52,000
Premises less Depreciation		1,79,83,000
Furniture and Fixtures less Depreciation		1,36,93,000
Other Assets (including Inter-Office Adjustments).		30,91,77,000
Total .. Rs.		567,20,72,000

Scheduled Banks*

Statement of Affairs for the week ended 19th May, 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	48,09,38
(2) From others	704,05,15
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	31,96,12
(c) Other demand liabilities	54,66,06
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	17,85,03
(2) From others	1054,12,51
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	15,80,06
(c) Other time liabilities	22,76,86
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	8,52,89
(b) Time liabilities	8,30,00
(iv) Borrowings in India from the Reserve Bank of India (A)	30,12,40 (16,27,00)
(v) Cash in India	47,99,87
(vi) Balances with the Reserve Bank in India	71,07,78
(vii) Balances with Other Banks in Current Account in India	15,11,16
(viii) Money at call and short notice in India	48,54,54
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	543,81,17
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1095,98,38
(b) Due from Banks in India	7,59,70
(xi) Inland Bills purchased and discounted in India.	143,76,22
(xii) Foreign Bills purchased and discounted in India.	46,46,27
(xiii) Total of items (x), (xi) and (xii)	1293,80,57

Notes:—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 12th May, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Rural Credit Fund	1,00,00,000
Deposits:—	
(a) Central Government	6,01,36,000
(b) Provincial Governments	5,01,58,000
(c) Banks	19,85,48,000
(d) Others	117,55,01,000
Bills Payable	61,78,000
Other Liabilities	16,75,61,000
Rupees	174,01,82,000

ASSETS	Rs.
Notes	13,75,12,000
Rupee Coin	71,000
Subsidiary Coin	60,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	36,78,41,000
Loans and Advances to Governments	5,92,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	34,27,75,000
Investments	72,23,07,000
Other Assets	11,04,16,000
Rupees	174,01,82,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,75,12,000	
Notes in circulation	372,33,31,000	
Total Notes issued	....	386,08,43,000
Total Liabilities	....	386,08,43,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,86,11,000	
Silver Bullion	....	
Foreign Securities	81,15,52,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	149,03,27,000
B. Rupee Coin	2,95,87,000	
Government of Pakistan Securities	228,19,23,000	
Internal bills of exchange and other commercial paper	....	231,15,10,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	386,08,43,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 40.05 per cent.

EXCHANGE RATES

		30th May 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T. T. D.D. upto six months	s.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	s.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	s.	1-6 1/32	1-6 1/32
Bombay on New York—			
Sellers T.T. D.D.	Rs.	479.50	479.25
Buyers T.T.	Rs.	476.25	476.00
London on New York	$	2.7911-2.7914	2.7922-2.7925
London on Paris	Fcs.	13.6750-13.6770	13.6800-13.6825
London on Berne	Sw. Fcs.	12.0850-12.0870	12.0865-12.0885
New York on London	$	279.060-279.100	279.230-279.270

CLEARING HOUSE RETURNS

Centre	Week ended 25th May 1961: Number of Cheques	Amount Rs.	Week ended 19th May 1961: Number of Cheques	Amount Rs.
Bombay	3,21,070	75,63,93,000	4,07,395	94,15,50,000
Calcutta	—	—	2,09,000	74,10,00,000
Madras	79,450	10,44,21,331	99,431	13,23,57,508
All Centres—				
1957-58	..	..	41,672,000	89 54 80,00,000
1958-59	..	..	46,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
Mar., 1960	..	..	4,431,000	1,012,71,00 000
Jan., 1961	..	..	4,875 000	1,100,37 00,000
Feb., "	..	..	4,421,000	1,022,19,00,000
Mar., "	..	..	4,695,000	1,213,37,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	13th May 1961	6th May 1961	14th May 1960	March 1961	March 1960	Percentage of Increase (+) or Decrease (—) in Mar., 1961 as compared with Mar., 1960	Annual Average 1960	Annual Average 1959
Food Articles	504	117.6	117.4R	120.7	117.5	117.0	+ 0.4	120.3	118.2
Cereals	192	99.5	98.4	105.2	100.2	103.2	— 2.9	105.3	104.3
Pulses	43	87.1	86.1R	89.2	92.8	89.9	+ 3.2	92.6	99.3
Fruits and Vegetables	23	119.8	120.8	132.4	108.4	126.0	—14.0	121.0	127.6
Milk and Ghee	84	116.5	117.4	121.2	115.8	110.7	+ 4.6	115.5	112.2
Edible Oils	47	160.3	158.2R	138.4	163.8	136.6	+19.9	143.8	126.9
Fish, Eggs and Meat	17	127.2	128.6R	119.8	123.6	114.5	+ 7.9	121.1	110.4
Sugar and *Gur*	48	121.1	120.3	138.1	117.3	140.7	—16.6	133.6	143.0
Others	50	167.0	170.8R	167.8	166.8	158.8	+ 5 0	168.6	163.4
Liquor and Tobacco	21	108.4	110.3	106.9	113.4	96.4	+17.6	106.4	108.7
Tobacco	—	105.4	107.4	105.3	110.7	94.1	+17.6	104.8	99.3
Fuel, Power, Light and Lubricants	30	122.3	122.3	119.3	121.2	117.8	+ 2.9	119.0	116.1R
Industrial Raw Materials	155	153.8	152.7	141.9	159.1	131.9	+20.6	138.8	119.7
Fibres	61	166.1	165.1	152.5	176.9	124.9	+41.6	139.8	110.3
Oilseeds	60	157.4	155.6R	139.2	159.7	140.5	+13.7	144.9	130.0
Minerals	2	95.2*	95.2*	98.2	95.2	96.5	— 1.3	97.5	100.0
Others	32	127.3*	127.3*	129.5	128.3	131.6	— 2.5	120.0	117.3
Manufactures	290	126.4	126.2	120.4	129.4	116.9	+10.7	120.8	109.7
Intermediate Products	41	136.9	136.7	125.5	137.3	121.3	+13.2	127.1	111.1R
Finished Products	249	124.7	124.4	119.5	128.2	118.1	+10.4	119.8	109.5
Textiles	147	128.2	127.7	121.1	133.9	115.1	+16.3	121.2	104.6
Cotton	—	126.6*	126.6*	124.4*	126.6	124.7	+ 1.5	127.5	113.5
Jute	—	139.2	137.8	121.3	161.6	97.5	+65.7	115.2	87.2
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	107.6	104.6
Silk and Rayon	—	115.6*	115.6*	105.5*	117.1	102.8	+13.9	102.6	93.7R
Metal Products	12	146.9	146.9	148.3	146.9	147.7	— 0.5	147.0	143.7
Chemicals	20	105.5	105.5	104.4	104.8	104.8	—	104.7	108.2
Oil Cakes	10	142.7	142.7	134.6	145.4	140.7	+ 3.3	140.2	143.7
Machinery and Transport Equipment	31	112.6	112.6	111.0	112.6	111.0	+ 1.4	110.7	105.9R
Others	30	118.8	118.6	114.7	118.5	114.0	+ 3.9	115.0	113.6R
All Commodities	1,100	125.7	125.4R	123.6	127.4	118.9	+ 7.1	123.0	115.5

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at the group index. R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Contd.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	1958-59	(In thousand tons) 1959-60	1958-59
Cereals—					
Rice	final	81,343	81,437	29,338	30,854
Wheat	final	31,508	31,141	9,734	9,772
Jowar	final	41,602	42,584	7,866	8,714
Bajra	final	26,699	27,999	3,484	3,789
Barley	final	8,220	8,243	2,605	2,672
Maize	final	10,457	10,457	3,615	3,381
Ragi	final	6,211	6,192	1,860	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,380	220,470	60,514	62,631
Pulses—					
Gram	final	25,046	24,865	5,390	6,881
Tur	final	5,843	5,931	1,589	1.671
Other Kharif pulses§	final	16,075	15,597	1,567	1,559
Rabi pulses‡	final	12,788	12,992	2,690	2,761
Total pulses	final	59,752	59,385	11,236	12,872
Total foodgrains		278,132	279,855	71,750	75,503
Oilseeds—					
Groundnut	final	15,305	14,575	4,390	4,812
Castorseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	final	3,921	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6,907
Fibres—					
Cotton*	final	19,252	19,926	3,835	4,686
Jute A.	final	1,707	1 811	4,548	5,158
Mesta A.	final	706	825	1,498	1,488
Sannhemp	final	818	807	80	81
Other crops—					
Potato	final	885	858	2,719	2,327
Sugarcane	final	5,178	4,803	75,038	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	232	230	25	26
Chillies (Dry)	final	1,499	1,471	339	326
Tobacco	final	934	897	281	261

Source: Ministry of Food and Agriculture. § Excluding Tur ‡ Excluding Gram and Tur
* In thousand bales of 392 lbs. each.
A.—In thousand bales of 400 lbs. each. R.—Revised
†Final estimate of 1958-59.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April 1961	79.2
	Corresponding month, 1960	91.0
	Ten months ended April, 1961	854.8
	Corresponding period. 1960	893.4
Stocks	At the end of April, 1961	90.4
	Corresponding month, 1960	76.6
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1958-1959	854.9
	July-June, 1959-1960	833.5
	July-Mar., 1960-1961	566.0
	March 1960	65.0
	March 1961	54.9
For Internal Consumption	July-June, 1958-1959	220.0
	July-June, 1959-1960	248.3
	July-Mar., 1960-1961	207.5
	Mar., 1960	27.0
	Mar., 1961	13.1
	RAW JUTE	(In 000 bales)
Consumption by Mills	April 1961	459
	Corresponding month, 1960	528
	Ten months ended April, 1961	5,012
	Corresponding period, 1960	5,233
	1957-58	6,134
	1958-59	6,014
	1959-60	6,291R

R=Revised

IRON AND STEEL PRODUCTION (In Tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1958	1,098,300	1,106,800	786,900
Do. 31st March, 1959	1,137,500	1,149,900	884,700
Do. 31st March, 1960	1,594,000K	1,555,000K	1,237,000K
Do. 31st March, 1961	1,588,000K	1,623,000K	1,268,000K
Jan., 1960	140,700	140,100	109,800
Feb. "	134,400	130,400	108,600
March "	142,100	146,100	123,000
April "	127,700	125,200	99,900
Jan., 1961	144,200K	149,300K	117,600K
Feb. "	125,900K	126,500K	94,200K
March "	141,600K	142,300K	114,900K
April "	135,700K	136,000K	106,000K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	582,315	441,483
Do. 31st March, 1958	783,945	507,580	410,558
Do. 31st March, 1959	959,933	608,205	496,217
Do. 31st March, 1960	1,053,612K	827,072K	662,118K
Do. 31st March, 1961	1,160,576K	914,159K	718,684K
March 1960	98,640K	80,267	75,812
April "	90,876	74,806	44,751
Jan., 1961	112,649K	88,787K	71,540K
Feb. "	96,791K	72,839K	70,966K
March "	100,122K	82,583K	80,790K
April "	99,381K	69,710K	51,144K

K—Figures in Metric Tons.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1955-56	715	8,865.8	7,186.8
1956-57	789	9,877.3	8,193.1
1957-58	834	11,176.9	9,021.1
1958-59	818	12,827.0	10,360.7
1959-60	850	15,029.2	12,130.8
January 1960	815	1,297.4	1,055.5
February "	850	1,252.1	1,022.5
March "	850	1,324.4	1,071.0
April "	850	1,325.3	1,061.7
May "	850	1,387.9	1,119.4
June "	850	1,379.8	1,113.9
July "	850	1,360.5	1,106.0
August "	1,012	1,404.2	1,140.9
December "	1,013	1,508.0	1,214.5
January 1961	1,013	1,482.3	1,216.1

* Excluding railway, military and factory power stations. Chola power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. Source:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1957-58	8,856	1,319	811	148	67	31	145	17	138	315	25	259	35	108
1958-59	8,835	1,468	850	143	58	21	146	16	129	206	21	279	33	66
1959-60	9,388	1,433	874	136	53	19	149	16	129	369	44	284	36	77
January 1960	7,650	1,191	726	113	44	17	129	14	110	304	34	232	35	63
February "	8,497	1,308	800	125	49	18	139	15	119	335	40	256	35	70
December "	7,117	1,169	643	94	33	12	82	10	94	295	40	283	31	61
January 1961	8,018	1,314	709	107	40	13	97	12	104	331	45	254	32	66
February "	8,850	1,450	771	117	46	14	108	13	114	364	50	283	32	72

Note.—The figures relate to Government Railways. Figures include Broad and Metre Gauges. The monthly figures are progressive from April and incorporate revision in respect of earlier months. *Source*:—Ministry of Railways.

INDUSTRIAL PRODUCTION *

Industries.		1959	January to September 1960	1960	October 1960	November 1960	December 1960	December 1959
Major Industries—								
Coal	million metric tons	47.78	52.68	4.21	4.34	4.64	5.09	4.30
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,297	287	306	308	330	250
Yarn	million lbs.	1,723	1,577†	146	142	150	—	155
Cloth	million yds.	4,925	4,590†	425	409	427	—	435
Cement	thousand tons	6,826	7,727	585	676	674	733	666
Jute	thousand metric tons	1,068	1,085	91	86	87	92	94
Paper and paper boards	thousand tons	294	315†K	28 K	30 K	29	—	30
Matches§	thousand cases	649	663	54	50	58	62	59
Sugar	thousand metric tons	2,117	2,325	16	39	239	487	431
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	532†	59	57	55	—	44
Electric lamps	millions	34.84	41 38	3.19	3.66	4.06	4.02	3.20
Dry cells	millions	187.3	207.4	17.4	16.5	21.06	21.2	19.4
Power transformers	k.v.a.	1,016,400	1,108,000†	120,300	129,500	121,400	—	101,900
Electric Motors	thousand H.P.	576	613†	63	62	66	—	52
Electric fans	Nos.	726,000	889,900†	77,900	76,500	95,700	—	71,200
Radio receivers	Nos.	213,864	262,879	24,177	23,800	27,800	27,056	21,878
Storage batteries	Nos.	442,800	509,500	36,900	38,300	44,600	44,600	41,700
Copper conductors	tons	6,624	8 984†K	934 K	846 K	958K	—	8,39
Winding wires	tons	2,832	3,760†K	334 K	324 K	359K	—	227
Rubber and plastic Ins. cables and flexibles	million yds.	166.08	189.00†J	17.4J	17.7 J	21.8J	—	14.3
Insulators—H.T.	Nos.	982,800	10,566†	197,000K	183,000K	193,000K	—	100,600
Insulators—L.T.	million Nos.	6.25	41,084	262,000K	275,000K	223,000K	—	1.07
Diesel engines—Vehicular	Nos.	8,712	3.44	858	897	10,46	1,074	900
Diesel engines—Stationary	Nos.	30,336	98,148	3,795	3,734	3,604	3,221	2,716
Chemical Industries—							0.17	
Salt	million metric tons	3.18	145,920	0.13	0.13	0.13		0.05
Caustic soda	metric tons	69,876	31,656	7,803	8,123	8,002	8.861	7,904
Soda ash	metric tons	95,328	5,928	13,252	12,183	12,746	15,439	8,344
Chlorine liquid	metric tons	24,780	5,556	2,537	2,768	2,695	2,812	2,623
Bleaching powder	metric tons	5,184	332,181†	430	397	540	642	378
Bichromates	metric tons	4,404	322,320†	457	457	508	508	403
Sulphuric acid	tons	292,164	18,428†	28,965	30,000	31,000	—	31,198
Superphosphate	metric tons	251,652	—	23,856	19,512	24,657	26,416	24,361
Non-ferrous Metals—								
Aluminium	metric tons	17,526	775†K	1,547	1,507	1,464K	1,546	1,578
Antimony	tons	664	8,990	71K	50 K	75K	68K	50
Copper (virgin metal)	metric tons	7,776	3775.	747	780	730	750	377
Lead (virgin metal)	metric tons	3,958	4,994,Kgs	276	315	375K	435	310
Gold	ozs.	165,312	267,033†	428Kgs.	407Kgs.	465 Kgs.	427Kgs.	14,146ozs.
Miscellaneous (Minor) Industries—							—	
Sewing Machines	Nos.	252,612	943,604†	21,778	21,525	28.200	—	26,856
Bicycles	Nos.	990,744	51,663	77,305	79,043	103,236	5,068	104,254
Automobiles	Nos.	36,468	23.50	4,181	4,167	4,831	2,26	4,387
Cycle tyres and tubes	million Nos.	19.57	2.69	1.82	1.56	2.23	0.30	1.41
Motor tyres and tubes	million Nos.	2.26	34,337	0.21	0.19	0.26	—	0.21
Cigarettes	million Nos.	32,166	8,985S	3,120	3,081	2,896	—	3,199
Plywood—Tea chests	million sq. ft.	98.68	4,022S	957S	531S	908S	—	8.80
Plywood—Commercial	million sq. ft.	54.06	73.65	176S	175S	298S	—	4.09
Sheet glass	million sq. ft.	80.57	9.93A	7.01	8.53	8.04	—	6.06
§Woollen manufactures: Worsted Fabrics	million yds.	15.04	18.56A	—	—	—	—	1.77
§Woollen manufactures: Worsted Yarn	million lbs.	29.59	5.41	—	—	—	0.58	2.10
Footwear—Western type (Leather)	million pairs	4.14	3.77	0.45	0.32	0.49	0.35	0.49
Footwear—Indigenous type (Leather)	million pairs	4.10	55.33M	0.33	0.23	0.40	—	1.37
Alcohol—Industrial	million Bulk galls.	12.72	44.58M	5.15 M	5.14M	4.03M	—	0.86
Alcohol—Power Absolute	million Bulk galls.	8.07	5,608	2.79 M	2.65 M	2.97M	—	701
Railway Wagons	Nos.	10,044	—	318	495	354	—	—
General Index—(Base 1951=100 Revised)		151.9	169.3Z	168.9	174.6	184.6	—	—

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.
K—Figures in metric tons. Kgs=Kilograms. J=In million metres. S=In thousand square metres. M.=In million litres.
A.—Upto August only. † Upto November only. Z—Average for the first eleven months only.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Ground-nut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
1960-61	108	90	122	130	87	206	118	127	136	111	112	210	146	128	141	131	128	147
January 1960	102	97	119	125	72	207	107	127	154	100	115	144†	131	168	135	96	128†	140
February "	105	98	121	128	80	196	113	127	156	94†	114	134	139	140	135	96	125†	146
March "	106	94	117	123	74	180	111	127	149	94†	113	141	141	132	135	98	125†	148
April "	108	91	121	122	76	184	119	127	147	102	113	154	144	130	140	103	125	148
May "	113	87	123	126	78	194†	123	127	145	108	113	198	139	129	140	117	125	148
June "	114	87	127	128	80	187	125	127	144	111	112*	187	146	128	140	119	126†	148
July "	115	92	130	132	89	207	126	127	148	111	112	155	150	130	140	107	129	148
August "	115	90	127	129	86	212	121	127	148	107	112	166	140	130	140	115	131	148
Sept. "	114	90	129	132	90	215	127	127	146	104	112	181	140	130	141	116	132	147
October "	111	90	125	137	91	216	117	127	142	116	114	225†	142	129	141	136	130	147
November "	106	90	126	135	92	218	111	127	141	120	111	232	139	130	141	142	129	147
December "	102	89	119	131	93	210	111	127	127	114	110	226	143	126	141	143	129	147
January 1961	99	91	114	132	94	208	108	127	120	118	111	248	151	125	141	155	128	147
February "	100	91	110	130	92	212	108	127	116	118	110	280	153	124	141	168	126	147
March "	101	91	110	128	90	208	119	127	112	114	111	271	159	122	141	162	127	147

† Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	In Quintals of 100 kilograms
Bombay Island—		
Cotton Receipts	Week ended 11th May, 1961	35,900(J)
	Corresponding week, 1960	61,780(J)
	1st Sept. to 11th May, 1960-61	2,961,671*
	Corresponding period, 1959-60	1,979,476*
Cotton Exports	Week ended 11th May, 1961	35,880
	Corresponding week, 1960	9,481
	1st Sept., to 11th May 1960-61	363,585
	Corresponding period, 1959-60	201,956
Mill Consumption (Estimated)	1st Sept. to 11th May 1960-61	1,580,064 A.
	Corresponding period, 1959-60	1,555,422
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 11th May 1961	1,186,471
	Corresponding date, 1960	881,828
		In Bales of 392 lbs. nett.
Consumption of Cotton—		
Indian	January 1961	363,596
Foreign	January 1961	86,027
Indian	Five months ended Jan., 1961	1,640,193
Foreign	Five months ended Jan., 1961	544,674
Indian	Same Period 1960	1,975,296
Foreign	Same Period 1960	202,584
Stocks (Mills and Elsewhere)—		
Indian	As on 31st January, 1961	397,795
Foreign	As on 31st January, 1961	327,511
Indian	As on 31st January, 1960	993,322
Foreign	As on 31st January, 1960	168,288

Particulars	From 1st Sept. to 8th May 1960-61 In quintals of 100 kilograms	From 1st Sept. to 8th May 1959-60 In quintals of 100 kilograms
From Bombay Cotton Shipments to—		
United Kingdom	2,670	2,783
Continent	15,352	18,221
Hongkong	15,991	8,903
China	—	—
Japan	182,692	207,282
U.S.A.	2,490	12,869
Other countries	180	2,265
Total to all foreign countries	219,375	251,823
Coastal Ports	117,090 (a)	70,737(b)
Total	336,465	322,560

Particulars	Period	
		(Bales of 180 Kgs.)
Cotton Exports from Bombay (by sea)	During Jan., 1961	20,660
	During Jan., 1960	16,051
	1st Sept., to 31st Jan., 1961	55,891
	1st Sept., to 31st Jan., 1960	73,946
		(Bales of 392 lbs.)
Cotton Pressed in India † (In running bales)	Week ended 21st April 1961	—
	Corresponding week, 1960	91,261
	1st Sept., to 21st April 1960-61	1,959,751
	Corresponding period, 1959-60	2,205,921
Karachi (Pakistan)— Receipts	1st Sept. to 20th April 1960-61	823,137
	Corresponding period, 1959-60	960,772
Exports	1st Sept. to 20th April 1960-61	411,176
	Corresponding period, 1959-60	445,297

(J) By Rail and Sea. —Not Received. † Incomplete. A-Adjusted. * By Rail, Sea and Road. (a) From 1st Sept. to 31st March, 1961. (b) From 1st Sept. to 31st March, 1960.

MISCELLANEOUS STATISTICAL INFORMATION—Continued

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 13th May, 1961	6th May, 1961	15th April, 1961	14th May, 1960
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.1	101.1	101.1	101.2
2. Government of India	101.0	101.1	101.1	101.0
3. State Government	101.9	101.9	101.9	102.7
4. Municipal, Port Trust, etc.	99.7	99.7	99.7	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.7	100.5	100.8	101.3
PREFERENCE SHARES—ALL INDIA				
6. Total	84.7	84.7	85.3	90.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	179.2	179.1	180.2	173.4
8. *Agriculture and Allied Activities; Total**	171.9	172.9	178.7	174.2
9. Tea Plantations	167.5	168.8	175.2	168.3
10. Coffee Plantations	180.1	185.0	193.4	211.3
11. Rubber Plantations	170.6	170.2	171.5	182.8
12. *Mining and Quarrying: Total*	165.1	165.7	167.0	165.7
13. Coal	129.3	129.4	127.8	125.0
14. Other Mining	189.6	190.6	193.9	193.6
15. *Processing and Manufacturing: Total*	193.5	193.0	193.9	186.0
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	197.1	195.9	196.0	183.1
17. Sugar	169.4	170.7	171.1	190.3
18. Cotton Textiles	162.8	162.9	163.5	147.9
19. Jute Textiles	91.1	92.2	95.5	93.6
20. Silk and Woollen	1147.7	1103.3	1112.9	1027.8
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	205.8	206.1	207.7	200.1
22. Iron and Steel	171.1	171.6	169.2	170.2
23. Transport Equipment	403.1	401.3	405.8	403.7
24. Electrical Machinery	162.7	164.9	164.5	137.7
25. Machinery other than Transport and Electrical	218.5	219.7	225.3	210.5
26. Basic Industrial Chemicals	218.3	215.9	217.3	197.1
27. *Processing and Mfg. (Others): Total**	159.8	160.0	163.0	169.0
28. Cement	141.9	141.0	144.0	146.9
29. Paper	209.3	211.9	215.9	234.1
30. *Other Industries: Total**	108.3	108.5	109.5	113.4
31. Electricity Generation and Supply	80.2	80.3	79.9	83.9
32. Trading	125.3	125.6	127.6	122.7
33. Shipping and Other Transport	100.3	99.7	101.5	119.1
34. Construction	278.0	284.0	288.1	313.9
35. *Financial: Total*	190.9	192.1	190.5	168.8
36. Banks	214.2	216.1	214.1	184.6
37. Insurance	146.0	144.7	143.6	141.8
38. Investment Trusts	91.7	91.6	91.1	94.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	185.8	184.2	184.8	176.8
40. Calcutta	165.7	167.1	167.7	161.5
41. Madras	192.2	192.2	196.7	190.1
42. Delhi	239.0	241.4	239.4	236.2

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay June (1934=100)	Ahmedabad 1949=(100)	Sholapur January (1928=100)	Kanpur (1949=100)	Nagpur (1949=100)	Calcutta August (1939=100)	Madras City (1949=100)	Delhi (1949=100)	Ajmer (1949=100)	Gauhati (1949=100)	Jamshedpur (1949=100)	Jabalpur (1949=100)	Bangalore (1948=100)
1958 Average	116	395	110	313	98	120	384	124	113	105	103	123	109	131
1959	121	412	125	340	98	132	384	133	120	106	98	125	108	140
1960	124	423	120	357	99	136	397†	143	120	107	103	120	109	146
February 1960	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March "	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April "	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May "	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June "	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July "	126	423	122	362	101	137	406	145	121	109	108	119	109†	146
August "	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept. "	125	418	122	364	101	138	403	146	122	108	102	122	108	147
Oct. "	125	421	123	365	102	137	396	148	122	108	105	119	108	147
Nov. "	124	423	121	367	102	135	392	150	121	110	102	122	108	147
Dec. "	124	419	120	362	100	134	385	151	121	110	102	121	108	148
January 1961	123	419	119	358	100	..	385	146	122	111	103	120	109	148
February "	123	420	119	350	102	130	..	147	123	111	103	121†	109	148
March "	124	423	..	349	..	..	..	..	124	111†	..	121†	109†	..

† Provisional

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits E Outstandings	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1958-59	1,76	3,80	119,10	87,45	152,78	191,75	234,91	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	286,27	590,08
1959-60	1,55	3,15	98,99	83,09	221,68	201,48	260,68	19,79	—41,35	50	31	41,68	10,64	21,76	66	2,90	296,62	672,99
1960-61	..	..	..	..	..	..	..	..	..	..	..	38,80	16,14	37,34	69	3,38		..
Mar. 1960	1,55	3,15	98,99	13,09	221,68	29,24	260,68	19,79	—41,35	50	31	41,68	96	21,76	6	2,90	43,47	672,99
Apr. "	1,52	3,09	97,20	6,47	226,19	17,87	259,32	19,68	—41,41	56	35	41,58	1,63	23,16	9	2,98	26,16	675,63
May "	1,51	3,04	95,40	6,45	231,25	17,00	257,68	19,55	—41,46	64	39	41,50	1,06	24,19	5	3,01	24,67	678,16
June "	1,50	2,99	93,68	5,76	235,63	17,35	258,96	19,49	—41,51	73	43	41,41	84	25,09	5	3,04	24,13	682,95
July "	1,46	2,95	92,15	5,83	240,35	15,25	261,67	19,43	—41,55	81	48	41,32	1,11	26,09	4	3,07	22,36	689,78
Aug. "	1,44	2,88	90,74	6,78	245,88	19,75	266,75	19,37	—41,61	89	54	41,21	1,17	27,23	9	3,14	27,92	700,07
Sept. "	1,42	2,81	89,29	7,16	251,84	18,76	271,10	19,26	—41,66	98	57	41,14	1,52	28,71	6	3,18	27,64	710,30
Oct. "	1,40	2,76	87,86	7,05	257,70	16,90	272,98	19,19	—41,71	1,07	64	41,09	1,42	30,27	5	3,22	25,56	718,18
Nov. "	1,37	2,70	87,64	6,21	262,79	17,90	275,00	19,12	—41,74	1,17	68	41,02	1,49	31,73	5	3,25	25,81	726,47
Dec. "	1,33	2,63	85,25	6,75	268,27	19,04	277,86	18,97	—41,81	1,28	74	40,97	1,28	32,88	5	3,29	27,30	733,47
Jan. 1961	1,31	2,57	84,04	6,47	273,48	18,08	280,06	18,87	—41,86	1,40	80	40,90	1,04	34,15	6	3,32	25,83	740,90
Feb. "	1,28	2,52	82,71	6,43	278,70	18,05	282,82	18,44	—41,95	1,53	87	39,88	1,80	35,75	5	3,36	..	747,86
Mar. "	..	..	..	..	..	..	..	..	..	..	..	38,80	1,77	37,34	4	3,38	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of January 1961, amount to 11.56 crores of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1963-65	98.75
3 % Loan	1950	80,33,10,000	1964	98.75
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	95.80
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90.80
2¾% Loan	1946	57,00,69,000	1961	99.50
2¾% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,000	1962	98.55
3½% N. P. Bonds	1953	75,29,00,000	1961	100.00
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.90
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.95
3½% Loan	1956	1,07,27,36,000	1962	99.90
3½% N. P. Bonds	1956	93,81,83,000	1967	99.00
3¾% Loan	1956	86,63,53,000	1974	99.60
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.50
4 % Loan	1957	49,17,27,000	1972	100.45
3½% Loan	1958	58,05,92,000	1968	100.05
3½% Loan	1958	70,00,00,000	1968	98.70
3½% Loan N.P.B.	1958	84,33,90,000	1968	100.50
4 % Loan	1958	49,51,44,000	1978	100.40
3½% Loan	1959	1,37,90,93,000	1969	100.70
4 % Loan	1959	81,06,38,000	1979	100.05
4 % Loan	1960	97,64,00,000	1980	99.90
3½% Bonds	1960	82,66,00,000	1966	99.70
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	72.00
3 % Loan	1946	2,48,91,33,000	K.	73.00
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	5,56,15,000	3rd Sept. 1968	98.30
4½% Andhra	1958	5,48,81,000	15th July 1970	101.00
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	97.75
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	98.40
3 % Maharastra	1949	5,29,97,000	1st Aug. 1962	98.50
3½% Maharastra	1951	2,82,97,000	17th Sept. 1962	99.80
4 % Maharastra	1953	5,10,80,000	15th July 1963	100.00
4 % Maharastra	1952	3,40,34,000	1st Aug. 1964	99.90
4 % Maharastra	1955	9,56,29,000	1st Sept. 1967	99.50
4 % Maharastra	1956	7,82,20,000	3rd Sept. 1970	99.25
4½% Maharastra	1957	6,57,23,000	16th Sept. 1969	101.20
4½% Maharastra	1958	6,58,21,000	15th July 1970	101.20
4½% Maharastra	1958	4,35,25,000	15th July 1971	101.20
4 % Maharastra	1959	6,58,13,000	19th Aug. 1971	99.00
4 % Maharastra	1960	10,00,00,000	29th Aug. 1969	99.50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.50
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	101.05
4 % Bihar	1959	3,83,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	98.30
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	99.45
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.00
2¾% Madras	1946	3,81,77,000	1st Sept. 1961	99.05
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.75
4 % Madras	1953	10,33,71,000	15th July 1963	99.90
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.90
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.60
4 % Madras	1956	18,83,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	101.10
4 % Madras	1959	5,72,72,000	19th Aug. 1971	98.00
4 % Madras	1960	12,00,00,000	29th Aug. 1969	98.35
4 % Mysore(f)	1938	2,95,85,200	1st Dec. 1958-63	101.40
3 % Mysore(f)	1936	5,99,78,000	30th Apr. 1956-61	99.80
4 % Mysore	1953	3,33,47,000	15th July 1963	99.80
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.40
4½% Mysore	1957	3,34,86,000	16th Sept. 1969	101.10
4½% Mysore	1958	5,51,61,000	15th July 1970	101.10
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	98.35
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	99.50
4 % M.P.	1953	1,10,18,000	15th July 1963	99.40
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,30,000	15th July 1970	101.05
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97.50
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	98.00
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	98.85
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	98.85
4 % Kerala	1953	3,25,61,000	15th July 1963	99.00
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98.10
4½% Kerala	1958	3,27,10,000	15th July, 1970	100.50
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.20
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.10
2½% U.P.Z.A.	1952	44,93,89,000	..	48.70Z
3 % U.P.	1936	1,55,31,000	15th Sept. 1961-66	92.25
2¾% U.P.	1946	2,12,62,000	1st Sept. 1961	98.50
3½% U.P	1951	1,86,22,000	17th Sept. 1962	99.70
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.90
4 % U.P.	1953	5,58,25,000	15th July 1963	99.90
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.50

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	101.10
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	98.80
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	98.45
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	101.05
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,00,00,000	29th Aug. 1969	98.60
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.25
4½% Orissa	1958	3,28,58,000	15th July 1970	101.05
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.25
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97.75
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.50
4 % W. Bengal	1953	3,60,23,000	15th July 1963	99.90
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1967	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	101.10
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,00,00,000	29th Aug. 1969	99.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.00
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
86,59,000	4	1904	1964	
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97.00
46,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	97.00
88,25,000	4	1914	1975	97.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
50,00,000C	3††	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	98.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
STERLING LOANS				
£892,600	5	1923	1953-83	£63
£901,000	5	1924	1954-84	£63
£835,100	5½	1932	1962	£96½
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000lf	3	1947	1977	A
3,00,000lf	3	1949	1979	
45,00,000lt	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
80,00,000	4	1905	1965	97.75N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
80,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£888,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	91.75
50,00,000	3	1937	1967	96.00
20,00,000	3	1938	1963-68	92.00
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1920	1980	118.00N
8,25,00,000	3½	1947	1977	86.50
2,13,14,500	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,84,000	3½	1951	1966	98.00
1,30,00,000	4	1953	1968	99.00
92,19,00,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.00
1,57,50,000	4	1956	1968	99.00
1,74,00,000	4½	1957	1969	99.50
4,75,00,000	4½	1958	1970	99.50
3,30,00,000	4	1959	1971	98.00
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1922	1962	102.50N
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	January to December 1959R	1960	January 1960	1961
Exports	613,79	622,63	50,85	53,68
Re-exports	6,94	12,24	53	66
Total Exports	620,73	634,87	51,38	54,34
Imports	940,39	1,011,35	71,29	83,79
Overall Balance of Trade	-319,66	-367,48	—19,91	—29,45
Exports—				
Tea	126,01	120,04	10,17	12,49
Jute yarns and manufactures	110,75	141,92	7,67	11,04
Cotton yarns and manufactures	66,14	62,87	5,94	5,96
Metallic ores and metal scrap	34,04	38,25	2,95	3,38
Cotton, raw and waste	16,37	10,72	87	58
Oils—vegetable, mineral and animal	17,81	15,78	1,32	58
Fruits and vegetables	21,01	24,69	1,82	2,30
Tobacco	13,84	15,65	26	29
Mica	10,31	9,82	64	76
Wool and other animal hair	12,22	8,67	76	44
Gums, resins and lac	7,95	8,74	73	81
Spices	10,15	17,65	2,57	1,34
Hides and skins, raw	11,01	10,66	1,36	59
Imports—				
Machinery of all kinds	205,83	232,74	16,42	28,21
Iron and Steel	85,11	110,83	7,57	7,41
Oils—vegetable, mineral and animal	82,93	83,76	5,62	6,95
Chemicals, drugs and medicines	88,32	86,09	7,65	8,25
Electrical goods and apparatus	54,16	53,62	3,88	4,75
Vehicles (excluding aircraft, ships and boats)	61,99	51,00	4,28	4,11
Cotton, raw and waste	34,77	75,15	3,42	6,33
Fruits and vegetables	16,52	18,83	2,17	2,88
Paper, pasteboard, etc.	10,22	11,71	1,24	1,20
Dyes and colours	9,59	12,20	75	1,79
Spices	2,52	2,19	22	13
Woollen and worsted fabrics	23	23	2	1
Cotton fabrics	1,19	79	8	4
Rice	11,42	18,66	1,63	..
Wheat and Spelt	134,93	103,51	5,13	1,05

R—Revised Figures.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1961					
8th Mar.	2.00	2.00	2.00	2.750	99.310
14th March	2.25	—	2.25	2.750	99.315
15th to 17th Mar.*	0.05	2.00	0.05	—	99.331
20th Mar.	2.00	—	2.00	2.750	99.310
21st to 25th Mar.*	0.70	2.00	0.70	—	99.331
27th Mar.	2.00	2.00	2.00	2.750	99.310
4th April	2.00	—	2.00	2.750	99.310
5th to 8th April*	1.60	2.65	1.60	—	99.331
11th April	2.00	—	2.00	2.750	99.315
12th to 15th April*	0.10	2.00	0.10	—	99.331
18th April	2.52	—	2.52	2.750	99.315
19th to 22nd April*	1.00	2.20	1.00	—	99.331
25th April	2.00	—	2.00	2.750	99.315
26th to 29th April*	2.55	2.00	2.55	—	99.331
2nd May	2.00	2.00	2.00	2.750	99.310
3rd to 6th May*	1.08	—	1.08	—	99.331
9th May	2.00	2.00	2.00	2.750	99.310
10th to 13th May*	0.65	—	0.65	—	99.331
16th May	2.25	2.00	2.25	2.750	99.315
17th to 20th May*	0.43	—	0.43	—	99.331
23rd May	2.00	2.00	2.00	2.750	99.310
24th to 27th May*	0.33	—	0.33	—	99.331
30th	2.00	2.00	2.00	2.750	99.310

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. I.—Interim Dividend. f—Dividend for first half of the year.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
17,33,200	9,88,622	40,70,472	25,34,396	2,383	Maganlal Bhagwandas & Co.	..	..	Ambika Silk Mills Co., Ltd.	149.00	100	15.00	12.00	12.00	15.00	12	Y.
50,00,000	....	1,14,24,372	44,03,340	—46,65,476	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.54	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,99,481	1,18,20,968	77,24,952	—13,00,519	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	42.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
2,50,98,000	3,56,27,968	11,03,32,121	5,45,36,135	65,826	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Z	66.20	25	2.50	2.50	3.50	3.50	12	Y.
10,00,000	30,76,210	86,14,262	52,94,709	64,016	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	130.50	50	15.00	7.50	5.00	5.00	3	Y.P.
2,03,91,500	4,09,76,495	10,53,72,338	4,62,73,738	2,31,912	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	676.50	100	22.00	22.00	31.50	30.00	12	Y.P.
26,00,000	29,15,005	1,21,99,369	78,24,358	75,815	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	135.50	100	12.50*	12.50*	7.50	11.00	3	Y.
28,00,000	26,12,714	97,68,522	63,68,559	3,64,674	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	130.00	50	7.50F	5.00	10.00	15.00	3	Y.
34,00,000	20,44,712	87,46,739	65,30,990	—14,81,027	Puranmal Bubna Sons	47,356	928	Edward Textiles	305.00	200	15.00	15.00(c)	18.00		12	Y.P.
29,98,050	41,95,692	1,61,80,826	87,15,263	1,06,104	B. L. Jalan, Esq. (Chairman)	46,700	886	Elphinstone Spg. & Wvg.	84.00	50	*Nil*	*Nil*	7.00	9.00	12	Y.
50,00,000	71,12,338	2,03,17,243	1,18,41,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	321.00	100	20.00	16.00	23.00	23.00	12	Y.
50,00,000	60,44,319	1,05,48,015	72,22,481	10,233	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	263.75	100	15.00	15.00	21.50	21.50	12	Y.
11,84,000 / 16,000	1,19,31,192	2,16,82,316	1,42,90,523	....	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	4,750.00xd / 992.50	1,000 / 250	350.00* / 87.50*	350.00 / 87.50	350.00(c) / 87.50(c)	500.00 / 125.00	3	Y.P.
O. 2,00,00,000 / D. 50,00,000	3,38,578	5,10,28,798	3,68,18,422	—19,79,270	Agarwal & Co.	2,47,092	5,984	India United Mills	15.32 / 1.88	0 10O. / 0 1D.	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*		12	Y.
18,30,000 / D. 70,000	91,23,291	1,84,94,644	1,39,55,204	10,633	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	2,150.00 / 1,050.00N	1,000 / 500	325.00* / 162.50*	325.00 / 162.50	200.00(c) / 100.00(c)	232.00 / 116.00	3	Y.P.
59,85,000	82,79,165	3,76,13,105	2,68,91,560	38,751	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	570.00	100	10.00(c)	10.00	16.00	32.00	6	Y.P.
1,00,00,000	1,02,16,719	4,18,29,168	3,03,39,130	20,794	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	324.00	100	18.00	10.00	9.50	15.00	12	Y.
46,47,350	43,32,220	1,51,49,443	75,23,486	32,765	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	82.00	50	5.00'C'	3.00	5.00	6.00	10	Y.
51,75,000	50,69,550	3,02,81,993	2,16,99,596	42,652	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	415.00	100	14.00(c)	15.00	21.50	21.50	6	Y.P.
2,41,11,320	1,83,27,010	12,92,52,259	6,02,53,132	4,41,151	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	555.50	100	14.00	14.00	22.00	22.00	12	Y.P.T.
24,00,000	11,16,837	83,71,883	48,70,077	—11,98,634	M.	45,944	480	New City of Bombay Mfg.	150.00	100	5.00	*Nil*	*Nil*		12	Y.
30,00,000	2,91,638	1,24,16,237	68,75,602	—8,27,101	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	217.50	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
48,00,000	54,85,829	1,81,28,534	1,22,58,132	2,82,604	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	145.50	100	12.50F	10.00	10.00	15.00	3	Y.
45,00,000	42,97,687	80,65,529	31,95,108	16,195	Podar Sons Private Ltd.	32,600	930	Podar Mills	148.50	100	10.00	18.00*(c)	12.00*		12	Y.P.
75,00,000	19,70,000	1,69,60,794	81,75,000	57,378	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	125.00	100	..	8.00	11.50		12	Y.P.
10,00,000	....	29,94,246	16,74,307	—1,52,005	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.48	10	0.25	*Nil*	*Nil*		12	Y.
75,29,780	1,29,08,292	3,17,23,074	1,82,17,621	24,984	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	54.50xd	10	2.00	2.00	2.50	1.70	12	Y.
90,00,000	64,91,229	1,90,85,953	83,85,241	56,379	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	260.00xd	100	8.00	10.00	15.00	18.00	12	Y.P.
50,40,000	15,53,956	2,27,78,338	1,00,86,574	—3,49,633	M.	49,840	1,114	Simplex Mills	190.00	50	8.50	8.50	5.00(c)	7.50	3	Y.T.
1,09,75,000	2,81,20,905	4,60,68,465	2,50,81,920	1,37,718	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	1,550.00xd	100	22.50*	20.00	29.00*	30.00	12	Y.P.
1,00,00,000	96,94,067	3,16,61,974	1,74,64,096	1,506	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	272.00	100	9.00	10.00	14.00		12	Y.P.
36,00,000	85,68,509	2,11,42,441	1,21,58,892	26,062	James Finlay & Co., Ltd.	40,328	550	Swan Mills	575.00	100	25.00	25.00	36.00	36.00	12	Y.
65,57,875	50,22,987	2,58,77,176	1,04,22,689	17,925	Tata Industries Private Ltd.	61,572	1,775	Tata Mills	59.00	25	2.00	1.50	2.50		12	Y.T.
1C,00,000	64,52,368	1,08,96,173	64,84,479	76,869	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	387.50	100	23.00*	20.00*	20.00		12	Y.P.
12,00,000	98,16,000	1,93,55,000	1,24,96,000	....	K. M. D. Thackersey, Esq. (Chairman)	54,664	1,262	Western India Spg. & Mfg.	3,725.00	1,000	325.00	325.00	325.00(c)	324.80	12	Y.P.
AHMEDABAD																
40,00,000	37,96,894	2,09,06,549	90,57,515	12,482	Tata Industries Private Ltd.	49,168	1,016	Ahmedabad Advance Mills	155.00	100	5.00	5.00	4.90(c)	10.00	6	Y.P.T.
20,00,000	97,23,117	1,52,08,567	87,79,332	....	Hutheesing Sons & Co.	44,220	920	Aruna Mills	450.00	100	25.00	25.00	25.00'C'		12	Y.P.
60,00,000	3,12,05,390	3,51,43,105	1,57,88,063	81,832	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,755.00	100	35.00*	28.00'C'	40.00	45.00	12	Y.P.
26,40,000	45,04,840	1,24,95,613	83,06,442	58,595	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	495.00	200	*Nil*	25.00'C'			12	Y.P.
20,00,000	1,27,06,477	1,51,11,023	73,11,050	....	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	607.50	100	30.00	20.00'C'	25.00		12	Y.P.
2,06,25,000	2,91,51,534	7,72,08,320	3,30,53,664	21,88,804	Karamchand Premchand Pvt. Ltd	1,39,120	2,380	Calico	1,103.00	125	30.00	25.00	22.00	31.00	3	Y.P.
63,00,000	27,76,707	1,57,37,865	1,12,77,222	6,366	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	590.00	250	25.00*	27.00*	36.00		12	Y.P.
70,28,125	2,73,28,620	2,77,73,126	1,39,35,503	2,25,726	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	2,150.00	125	30.00	35.00*	55.00*	60.00	12	Y.
15,00,000	63,45,614	83,34,671	44,35,941	....	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	412.50	100	20.00	20.00	25.00		12	Y.P.
30,00,000	97,70,729	1,39,39,924	83,54,600	40,614	Lalbhai Dalpatbhai & Co.	32,828	660	Raipur Mfg.	1,045.00	100	35.00*	25.00'C'	35.00	40.00	12	Y.P.
48,75,000	23,78,557	1,49,91,313	85,09,730	14,294	Rohitbhai Chinubhai, Esq. (Chairman)	33,156	648	Rohit Mills	210.00	100	8.00*	8.00*	10.00		12	Y.P.
63,75,900	3,20,28,997	2,64,83,630	1,60,59,340	2,86,897	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,311.00	100	25.00	30.00*	45.00	50.00	12	Y.P.
85,00,000	89,43,859	1,84,94,632	92,66,120	25,810	Haridas Ashratlal & Co., Ltd.	41,056	780	Vijaya Mills	710.00	500	40.00*	40.00*			12	Y.P.
WEST BENGAL																
15,00,000	2,39,480	40,13,953	26,20,603	....	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	7.87	10	0.60	0.50	*Nil*		12	Y.P.T.
7,11,280 / 1,30,620 / 1,70,000	2,44,733	89,51,451	62,49,897	—3,26,098	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	*Nil*	*Nil*	*Nil*	3	Y.P.
24,00,000	14,14,700	1,52,28,678	67,86,920	1,13,595	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	217.00	100	*Nil*	*Nil*	*Nil*	10.00	12	Y.P.T.
28,50,000	4,10,000	1,57,23,142	98,54,887	2,16,475	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	30.50	10	*Nil*	*Nil*	1.00	2.00	12	Y.T.
50,08,000	14,21,548	96,46,603	46,96,603	21,280	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	15.69	10	0.50	0.65	0.80	1.00	12	Y.T.
1,60,00,000	2,07,51,444	4,18,09,599	1,42,09,599	76,764	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	34.06	10	0.75	0.25	0.25		3	Y.P.
O. 19,47,750 / D. 5,00,000	78,492	50,99,822	32,33,579	—5,21,450	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	10.12N / 2.37N	10 / 1D	1.00 / 0.15	0.50 / *Nil*	*Nil* / *Nil*		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,92,692	6,52,869	79,93,474	16,45,263	59,147	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	10.19xd	10	*Nil*	*Nil*	*Nil*	0.80	12	Y.P.T.
30,00,000	2,25,000	85,28,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	125.00	100	6.00	5.00	11.00		12	Y.P.
11,98,600	4,50,000	49,07,709	26,15,654	8,044	Setna & Co.	25,984	..	Asher Textiles Ltd.	204.05	100	12.50	6.00	6.00	12.50	6	Y.
72,00,000	20,55,192	2,04,53,847	68,19,240	‡ 2,951	The Industries (I.F.) Department, Government of Andhra Pradesh	36,136	725	Azam Jahi Mills	73.00	100	3.50	*Nil*	4.00	4.00	9	Y.
1,21,50,000	1,64,86,667	3,98,24,324	3,21,04,350	2,49,477	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	201.00	100	10.00'C'	10.00	10.00	10.00	12	Y.P.
3,23,25,000	....	....	....	....	..	..	..	Baroda Rayon Corporation	127.50XR	100	..			..	12	Y.
35,00,000	78,10,478	1,66,23,840	1,20,16,290	83,509	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	20.00	10	1.50	0.75	*Nil*	1.00	3	Y.
1,78,47,800	3,51,04,379	8,62,84,184	5,14,76,331	2,17,300	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	213.00	100	10.00	10.00	10.00	10.00	12	Y.P.T.
20,00,000	18,500	51,23,580	26,05,678	—2,79,050	G. Sam & Co.	37,536	4	Cambodia Mills	10.40	10	0.50(c)	*Nil*	*Nil*		12	Y.P.
15,00,000	5,29,316	53,92,782	33,76,104	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	155.00	100	20.00	12.50	15.00	17.00	3	Y.
30,00,000	41,96,806	85,69,419	69,13,685	56,518	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	8.69	5	0.25	*Nil*	*Nil*	0.36	12	Y.
9,41,068	6,61,000	68,26,050	33,32,807	15,034	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	13.25	10	0.90	0.90	0.90	1.30	3	Y.P.
35,99,600	81,66,212	1,21,98,355	51,67,340	....	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	166.00	100	9.00'C'	6.00	6.00	12.00	12	Y.
17,65,300	4,06,710	49,14,591	26,55,487	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	116.00cd	100	7.50	*Nil*	7.50		12	Y.P.
20,00,000	22,73,372	1,05,80,523	59,63,225	14,352	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills	360.00cd	100	20.00	20.00	25.00	16.00	12	Y.P.
20,76,900	5,076	1,35,77,639	89,09,035	—12,57,670	A. V. Srinivasalu Naidu, Esq. (Ch.)	70,268	307	Coimbatore Spg. & Wvg.	54.00	50	*Nil*	*Nil*	*Nil*		12	Y.
46,87,500	10,75,722	4,64,86,662	1,50,60,898	—90,16,850	Tata Industries Private Ltd.	1,15,188	2,064	Central India	113.00	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
29,66,711	28,72,302	1,21,27,978	57,71,091	9,000	R. Hanumanthappa & Sons	40,032	800	Davangere Cotton Mills	116.50	100	9.00	9.00	9.00	12.00	3	Y.
3,38,36,225 / 1,00,563	4,64,48,622	14,46,03,946	8,37,58,780	2,72,401	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	44.00	25 / 2½	2.00 / 0.10	2.00 / 0.16	2.50† / 0.25†	2.50 / 0.30	6	Y.P.T.
48,60,000	28,68,832	1,37,35,118	68,42,301	....	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	213.00	100	10.00'C'	10.00	17.50	17.50	12	Y.
63,00,000	1,40,58,814	2,13,31,287	1,58,72,559	88,973	The British India Corporation Ltd.	48,452	1,194	Elgin Mills	19.50	10	1.00	0.75	1.15	1.15	9	Y.P.
48,81,000	45,23,948	2,21,45,453	1,07,14,102	21,125	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	186.00	100	8.00	8.00	6.00	14.00	12	Y.
40,00,000	56,44,510	1,28,49,778	85,83,203	24,751	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	265.00	100	10.00	10.00	16.00		12	Y.
2,50,00,000	2,39,47,000	6,42,53,523	4,12,24,000	20,81,106	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	52.00	10	*Nil*	*Nil*	1.00	2.00	3	Y.P.
78,86,500	....	7,35,878	....	—76,663	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	63.00	62.50	..	..	..	*Nil*	3	Y.P.
50,00,000	14,88,806	1,67,80,355	1,31,23,037	16,103	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	154.00	100	6.00	5.00(c)	7.00	8.50	12	Y.
8,90,000	6,18,770	36,26,185	22,28,141	—5,61,231	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	62.50	50	3.00	*Nil*	*Nil*		12	Y.
15,54,000	11,26,682	66,77,134	35,48,365	....	Bhairuratan Damani, Esq. (Managing Director)	21,176	512	Jam Shri Ranjitsinghji	1,500.00	1,000	40.00	*Nil*	*Nil*	60.00	6	Y.
1,25,00,000	56,34,321	5,18,51,527	1,69,53,953	1,22,795	Padampat Singhania, Esq.	45,000	1,000	J. K. Cotton Spg. & Wvg.	20.12	10	..	..	0.90	1.25	12	Y.P.
16,91,930	14,18,017	85,21,320	45,31,221	....	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	12.09xd	5	1.25	0.75	0.75	0.75	12	Y.
4,68,65,300	3,07,35,097	4,65,60,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd.	56,184	1,635	Jiyajeerao Cotton	12.00	10	0.35	0.25	0.07		3	Y.P.
67,20,000	27,51,985	1,84,63,402	65,64,246	44,107	Kothari & Sons	67,192	300	Kothari Textiles	12.25	10	1.00	*Nil*	1.00	1.00	12	Y.P.
32,00,000	54,54,132	2,00,14,262	1,54,85,274	41,503	Pratapsinh Mathuradas, Esq. (Ch.)	51,908	1,243	Lakshmi Cotton Mfg.	520.00xd	250	15.00	15.00	25.00	25.00	12	Y.P.
71,00,000 / 35,50,000	83,80,960	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	166.00 / 81.25	50 / 25	10.00 / 5.00	6.00 / 3.00	6.00 / 3.00	10.00 / 5.00	3	Y.
58,00,000	1,56,62,460	2,47,84,641	1,56,95,403	5,916	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	867.50xd	100	15.00	18.00	29.00*	30.00	12	Y.P.
1,75,02,480	4,68,35,125	6,70,44,167	4,43,21,834	7,21,441	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	36.90	15	2.25	*Nil*	1.875	2.25	12	Y.
60,00,000	29,59,000	68,45,576	51,49,267	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	405.00	100	20.00	20.00	25.00	30.00	3	Y.
29,80,884	5,71,940	1,05,10,931	50,74,411	....	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	74.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
94,91,850	21,56,148	1,71,94,769	78,81,528	1,85,008	M.	52,408	952	Model Mills (Nagpur)	35.00	250					6	Y.
29,78,100	44,97,618	1,17,73,699	69,34,817	24,962	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	75.00	50	9.00*	5.00	5.00	7.00	2	Y.P.
31,50,000	48,76,391	66,34,980	44,19,186	1,368	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	216.25	100	12.00	12.00	12.00		12	Y.P.
48,00,100	....	2,37,94,145	1,20,34,420	—37,45,965	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.37	10	*Nil*	*Nil*	*Nil*		3	Y.P.
87,23,800	19,78,217	1,77,24,075	67,40,513	....	Bansilal Bisesardas Pvt. Ltd.	37,788	902	Osmanshahi Mills	63.00	100	*Nil*	*Nil*	*Nil*		9	Y.
A. 4,00,000 / B. 6,00,000	16,56,928	78,14,710	36,35,788	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	250.00 / 300.00	50A / 75B	9.00 / 13.50	10.00 / 15.00	15.00 / 22.50		12	Y.P.
15,00,000	....	37,30,105	19,70,043	—21,28,862	..	27,980	..	Pankaja Mills Ltd.	58.00	100	*Nil*	*Nil*			12	Y.
68,10,600	18,67,447	1,10,86,808	66,04,305	2,661	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	31.50	25.00	3.00	1.50	2.25		12	Y.
28,21,000	27,92,326	1,33,43,969	64,52,254	600	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	101.00	100	*Nil*	*Nil*	*Nil*	7.00	12	Y.
29,96,977	36,16,655	99,75,652	48,91,786	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	81.50	50	4.50	3.00'C'	3.75	6.00	12	Y.P.
16,14,300	17,87,061	63,86,578	27,79,402	....	Ramco Agencies Private Ltd.	36,036	..	Rajapalayam Mills	131.50	100	12.00	8.00	6.00(c)	9.00	3	Y.
15,36,890	2,69,111	83,59,281	50,04,126	....	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	224.00	100	16.00	10.00	16.00	23.00	3	Y.
22,33,300	13,62,109	56,78,717	31,03,738	7,071	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	123.50	100	10.00	10.00	10.00	15.00	12	Y.
10,00,000	6,93,527	54,79,563	33,71,779	3,264	S. R. P. Ponnuswamy Chetty & Sons.	25,088	..	Sivanandha Mills Ltd.	28.25cd	10	1.20	1.50	2.20		12	Y.
3,50,00,000	....	....	....	....	M.		..	South India Viscose Ltd.	164.00	100	..	..	..	..	12	Y.
13,17,124	6,47,786	45,36,078	12,34,344	....	K. Ramchandran, Esq. (Mg. Director)	16,516	..	Sri Kannapiran Mills Ltd.	8.95xd	10	1.00	0.60	1.00	..	12	Y.
36,69,700	23,00,037	1,01,95,864	72,23,021	30,822	D. B. Viswambhariah, Esq. (Mg. Director)	42,924	340	Sri Krishnarajendra Mills	72.00	50	7.00	4.50	4.00	5.50	3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	47.50cd	50	2.00	*Nil*	2.50	3.00	12	Y.
15,00,000	3,99,30,629	1,17,10,444	91,93,176	3,97,888	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	104.00	10	6.00	6.00	6.00	8.57	3	Y.
17,50,000 / 57,50,000	2,42,28,071	6,42,05,504	1,96,78,129	9,04,312	M.	1,12,216	2,090	Swadeshi Cotton (Kanpur)	11.94 / 9.00	100. / 10P.O.	0.75 / 1.15	*Nil* / 0.40	*Nil* / 0.571		12	Y.P.
12,78,210	1,20,000	46,55,675	7,75,459	22,842	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	11.25	10	..	*Nil*	*Nil*	0.80	3	Y.P.
1,00,08,005	70,91,584	4,47,94,206	2,70,17,829	2,29,084	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	38.55	10	1.00	1.25	2.00		12	Y.P.T.
13,98,730	9,05,000	22,95,738	15,76,070	2,397	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	11.55xd	10	0.90	0.75	1.25	1.35*	12	Y.
21,00,000	43,50,000	1,06,38,923	62,53,593	91,696	R. K. S. Chetty & Brothers	44,424	270	Vasanta Mills	238.00	100	12.00	12.00	16.00	20.00	12	Y.P.
15,10,984	2,10,420	25,04,872	14,58,877	....	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	51.00cd	50	2.25	3.00	5.00	5.00	12	Y.P.
32,00,000	10,67,831	1,94,58,806	1,41,27,622	—10,24,524	Pratapsinh Mathuradas, Esq. (Ch.)	49,880	1,369	Vishnu Cotton	129.50xd	100	*Nil*	*Nil*	*Nil*	5.71	12	Y.P.T.

Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.

Bombay Dyeing & Mfg. Co., shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable. 'O'—On increased Capital. ‡ On Old Capital.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	64,31,970	1,47,43,249	50,81,902	36,065	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.69	10	0.25	0.25	0.50	1.00	3	Y.P.T.
6,00,000	13,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	198.00	100	10.00	10.00	15.00		12	Y.P.T.
30,00,000	5,43,950	1,41,02,373	1,01,60,589	1,16,925	McLeod & Co., Ltd.	1,264	Alliance	88.00	100	Nil	Nil	Nil	6.00	5	Y.P.
49,20,700	85,41,000	2,63,90,624	1,74,73,587	2,26,168	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	187.00	100	7.00	10.00	12.50	20.00	3	Y.P.
40,00,000	21,83,168	1,36,05,736	76,49,894	34,111	Bird & Co. Private Ltd.	810	Auckland	156.00	100	Nil	5.00	20.00	27.00	3	Y.P.T.
20,00,000	34,53,528	1,46,13,222	77,61,622	28,486	Birla Brothers Private Ltd.	959	Bally	232.00	100	2.00	6.00	10.00	25.00	3	Y.P.
£275,000	£803,923	£1,601,226	£1,065,825	—£92,399	Sir John H. Burder (Chairman)	1,889	Barnagore	128.00	£5	Nil	Nil	10sh.	£1.10sh	3	Y.P.
28,00,000	30,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	177.00	100	2.50	7.50	13.50		12	Y.P.
45,00,000	26,91,700	70,48,057	40,86,203	1,33,355	Soorajmull Nagarmull	600	Bengal	10.00	10	Nil	0.50	0.50	0.50	6	Y.P.T.
91,26,000	2,82,25,130	7,34,86,439	2,26,35,926	93,079	Birla Brothers Private Ltd.	1,373	Birla	27.87	10	1.00	1.00	1.00	1.50	3	Y.P.
36,00,000	27,72,236	1,36,96,070	70,34,735	34,192	Andrew Yule & Co., Ltd.	991	Budge-Budge	122.00	100	Nil	5.00	15.00	10.00	10	Y.P.
7,43,380	4,000	45,02,280	35,10,243	—1,47,560	Dayaram & Sons	502	Calcutta Jute Mfg.	7.25	10	Nil	Nil	Nil		12	Y.P.T.
18,00,000	29,05,059	92,72,655	5,10,612	6,12,941	M.	616	Caledonian	150.00	100	Nil	15.00	12.00	12.00	11	Y.P.
59,16,400	82,28,226	2,14,54,087	1,21,65,795	1,37,286	James Finlay & Co., Ltd.	600	Champdany	108.00	100	Nil	Nil	7.00	10.00	3	Y.
15,95,000	23,19,096	86,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	16.25	10	Nil	5.00	12.50‡	7.50	11	Y.P.
30,15,000	39,53,900	1,20,98,261	66,66,975	39,326	McLeod & Co., Ltd.	500	Chitavalsah	11.19	10	1.10	1.25	1.50	0.50	7	Y.P.T.
24,00,000	9,00,000	82,12,030	61,31,208	—3,09,256	M.	969	Clive	9.00	10	Nil	Nil	Nil	Nil	3	Y.P.
31,49,200	13,05,418	1,06,95,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	121.00	100	Nil	Nil	Nil	1.00	3	Y.P.T.
28,00,000	41,85,474	97,98,897	51,23,570	15,632	Andrew Yule & Co., Ltd.	779	Delta	173.00	100	Nil	6.00	14.00		11	Y.P.
15,00,000	38,62,000	1,14,03,496	74,72,740	70,285	McLeod & Co., Ltd.	500	Empire	18.79xd	10	0.75	1.00	1.25	1.25	7	Y.P.T.
63,00,000	83,65,324	3,41,69,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	317.00	100 Old	10.00	20.00	20.00	25.00		Y.P.T.
21,00,000	19,81,948	1,32,23,393	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	25.00	10	1.50	1.50	1.50	2.25	3	Y.P.T.
84,32,100	5,16,898	2,24,66,716	1,48,00,382	56,859	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	10.69	10	Nil	Nil	Nil	1.00	3	Y.P.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd.	40.00	10	2.00	2.00	4.00		12	Y.T.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	403.00	100	2.50	20.00	25.00	30.00	3	Y.P.
40,00,000	31,69,633	1,33,64,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	119.00N	100	5.00	5.00	6.00	6.00	3	Y.P.
16,80,000	25,26,234	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	19.25	10	Nil	Nil	0.60	1.00	3	Y.P.
66,62,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	20.75	10	Nil	Nil	1.00	1.25	3	Y.P.T.
52,50,000	38,25,000	3,18,43,014	1,77,68,014	1,63,175	Ramdutt Ramkissendas	2,272	Hukumchand	19.69	7.50	1.50	1.50	1.50	2.15	3	Y.P.
87,30,000	21,78,965	1,74,80,629	1,00,24,542	4,94,235	M.	790	India	15.50	12.50	9.37	15.62‡	1.24	1.75	3	Y.
24,00,000 'B'19,20,000	27,20,329	2,00,48,588	1,40,57,698	39,774	Jardine Henderson Ltd.	1,797	Kamarhatty	137.00 136.00	100 'B' 100	Nil Nil	5.00 5.00	20.00 20.00	5.00 5.00	12	Y.P.T.
30,00,000 'B'24,00,000	....	1,78,03,394	1,19,38,288	—14,78,469	Jardine Henderson Ltd.	1,527	Kanknarrah	76.50 75.50	100 'B' 100	Nil Nil	Nil Nil	Nil Nil	Nil Nil	12	Y.P.T.
26,00,000	52,06,000	1,51,65,797	1,03,30,320	1,21,384	McLeod & Co., Ltd.	703	Kelvin	140.00	100	9.00	12.50	14.00'C'	15.00	5	Y.P.
54,00,000	23,62,520	2,16,94,951	1,32,38,732	74,405	Anderson Wright Ltd.	1,530	Khardah	17.62	10	0.80	0.80	2.00	2.00	3	Y.P.
59,80,150	42,30,583	1,99,45,494	1,24,97,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	150.00	100	Nil	5.00	10.00	20.00	3	Y.P.T.
24,48,000	10,76,201	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	117.00	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	11,08,592	69,04,728	41,03,722	10,530	Bird & Co. Private Ltd.	840	Lawrence	155.00	100	Nil	Nil	2.00	15.00	3	Y.P.
81,65,200	34,63,931	2,70,91,429	1,55,68,005	56,999	M.	1,294	Megna	11.69	10	0.50	1.75	1.00	1.20	3	Y.
29,98,900	34,36,392	1,64,53,185	94,33,205	—11,60,635	M.	315	Naihati	82.00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	11,70,743	36,49,563	26,69,250	8,646	Howrah Trg. Co. Private Ltd.	425	Naskarpara	12.13	10	0.25	0.25	0.375		10	Y.T.
35,00,000	43,02,820	58,05,156	17,63,130	20,257	M.	852	National	19.25	10	0.75	0.75	1.00		10	Y.P.
26,25,000	32,36,172	68,66,663	32,12,580	43,020	McLeod & Co., Ltd.	316	Nellimarla Jute	10.39xd	10	0.90	1.00	1.40	0.30	7	Y.P.T.
1,70,82,810	2,27,83,274	9,30,93,375	1,36,54,171	...	Sahu Jain Ltd.	1,765	New Central	20.00	10	..	1.50	1.50'C'	1.50	2	Y.P.T.
16,79,330	38,39,763	1,21,83,607	71,21,536	27,631	Bird & Co. Private Ltd.	567	Northbrook	26.50	10	Nil	Nil	1.25	3.00	3	Y.P.T.
66,79,500	33,53,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	45.00	50	Nil	2.50	3.00	4.00	3	Y.
25,00,000	11,41,170	1,06,08,633	75,93,215	23,417	McLeod & Co., Ltd.	400	Presidency	4.79xd	5	0.30	0.37½	0.50	0.40	7	Y.T.
20,00,000	42,629	33,96,467	12,06,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.87	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	14,07,546	1,24,96,816	66,97,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	6.25	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£488,130	£1,484,376	£840,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	9.50N	£1	Nil	5%†	10%†		12	Y.P.
30,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	24.37	10	0.50	0.50	0.60		3	Y.P.
14,00,000	13,85,050	75,14,520	54,32,384	21,730	Hindustan Investment Corpn. Ltd.	401	Soorah	20.12	10	1.50	1.50	2.50	2.50	12	Y.P.
£600,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.50N	£1	Nil	3%†	10%†		12	Y.P.
35,98,600	37,29,990	89,38,489	50,59,464	35,993	Bird & Co. Private Ltd.	1,326	Union	192.00	100	Nil	15.00	20.00	25.00	3	Y.P.T
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9.50N	£1	8%†	5%†	10%†		12	Y.P.
2,50,000	6,70,000	82,62,805	45,53,966	1,94,094	McLeod & Co., Ltd.	447	Waverley	4.75	1	Nil	Nil	0.25	0.30	5	Y.P.T.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
10,96,990	4,16,126	17,25,120	3,38,727	3,342	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	16.60	10	1.75*	1.75	1.50	1.50	3	Y.P.
13,00,000	18,91,207	79,01,776	13,65,987	2,83,908	Kothari & Sons (Agn.) Pvt. Ltd.	1,329	Blue Mountain	3.20	2	0.25	0.25	0.25	0.25	6	Y.
5,50,000	5,09,091	16,46,405	3,40,184	18,637	K. Anantarman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.75	2	0.30	0.24	0.24	0.20	6	Y.P.
14,00,100	11,19,898	26,32,979	3,15,911	1,38,960	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	3.80	2	0.40	0.20	0.30	0.40	3	Y.
5,66,420	12,20,975	23,20,475	1,95,657	32,888	Matheson Bosanquet & Co. Pvt. Ltd	892	Coonoor Tea	28.12	10	2.00	2.00	2.00	1.75	9	Y.P.
4,80,000	4,76,798	12,48,672	2,12,224	2,580	Srinivas Agencies	441	Coorg Tea	5.70cd	2	0.40	0.40	0.40	0.40	3	Y.P
6,00,000	4,82,155	12,25,902	3,38,581	1,259	R. A. Jenkins, Esq. (Mg. Director)	344	Devashola (Nilgiri) Tea	30.62	10	1.75	2.50	2.50		12	Y.
6,74,630	3,25,938	10,81,247	2,29,577	4,312	Young India Agencies Private Ltd.	465	Devon Tea	14.37	10	1.75	1.75	1.50	1.50	3	Y.P.
5,00,000	1,26,500	4,04,217	65,265	2,027	Parkins Private Ltd.	198	Emerald Valley Estates	6.00XR	5	0.30	0.30	0.40		12	Y.
25,00,000	17,77,500	47,06,209	9,26,271	1,765	Parkins Private Ltd.	1,495	Halleyburia	14.35	10	1.50'C'	2.00	1.25'C'		12	Y.P.T.
6,00,000	7,65,696	14,87,744	3,33,844	48,233	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	4.70	2	0.30	0.25	0.30		3	Y.T.
17,17,076	12,12,245	33,15,743	5,71,179	15,600	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4.92	2	0.30	0.30	0.70	0.50	10	Y.P.
3,45,000	5,10,000	11,44,396	96,799	806	Ipe Oommen & Co. Pvt. Ltd.	800	Kurchermala Plant. Ltd.	4.27	10	0.75	0.625	0.80	Nil	3	Y.P.
5,00,000	1,20,556	9,61,424	78,039	37,130	Matheson Bosanquet & Co. Pvt. Ltd.	267	Lucky Valley	12.55xd	10	1.00	1.00	1.00	1.00	12	Y.
3,50,000	26,500	3,21,318	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.70	2	0.18	0.24	0.10		3	Y.
3,00,000	6,23,100	12,48,190	2,88,717	1,418	Eapen Thomas, Esq. (Mg. Director)	524	Mlamallay	38.12	25	4.50	3.75	5.00		3	Y.P.
36,00,000	21,32,880	81,96,144	14,03,832	5,225	A. V. Thomas & Co. (India) Ltd.	2,089	Neelamalai	4.87	5	0.37	0.37	0.37	0.37	3	Y.P.
12,00,000	6,37,638	27,51,637	5,74,549	5,656	A. V. Thomas & Co., Ltd.	1,648	Nelliampathy	2.45	2	0.40	0.30	0.20	0.26	6	Y.P.
14,06,250	7,45,346	39,87,155	6,33,351	26,790	A. V. George & Co., Ltd.	1,628	Nilgiri Tea	8.56	10	0.75	0.50	0.50	0.80	3	Y.P.T.
28,10,000	9,22,309	32,15,349	3,63,585	35,375	Harrisons & Crosfield Ltd.	886	Nonsuch Tea	28.00	10	2.00	3.50	2.00		6	Y.
14,88,960	17,53,825	32,40,997	5,53,242	47,411	Mr. P. S. M. Molyneux (Chairman).	579	Parkside	28.85	10	1.75	2.50	2.75	2.75	6	Y.
6,00,000	3,06,284	3,47,690	63,183	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninsular Plantations Ltd.	21.35	10	2.50	1.50	2.00		2	Y.
17,00,000	11,57,787	43,52,475	15,91,846	37,065	Aspinwall & Co. (Travancore), Ltd.	1,564	Peermade	23.30cd	10	2.50	1.62½	2.25	2.25	12	Y.P.
57,94,880	28,17,245	1,10,00,168	34,84,596	80,252	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	3.80	2	0.70	0.20'C'	0.25		3	Y.P.
18,50,000	3,06,500	11,40,782	1,24,996	907	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.63	2	0.15	0.15	0.125	0.18	6	Y.
9,00,000	12,06,478	27,35,093	7,62,652	3,656	T. Stanes & Co. Ltd.	680	Stanes Amalgamated	15.50	10	1.40V	0.80	0.60		6	Y.T.
1,25,000	15,000	1,98,241	7,968	4,289	M.	216	Swinton Estates	3.12	2	..	0.15	0.15	0.25	3	Y.
12,50,000	10,87,328	36,51,137	5,53,187	997	Srinivas Agencies	1,787	Talayar Tea	1.95	2	0.20	0.12	0.10	0.16	3	Y.P.
15,75,000	16,00,500	27,37,319	3,29,820	565	Parkins Private Ltd.	1,214	Twyford	18.15	10	1.50'C'	1.50	1.00'C'		12	Y.
21,93,280	12,29,630	44,14,672	15,67,621	1,02,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	24.75	10	1.77	1.60	1.95	2.10	3	Y.
47,25,000	12,42,245	63,68,910	8,97,862	1,94,858	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	3.03	2	0.25	0.25	0.25	0.25	6	Y.P.
1,00,000	53,757	3,51,001	89,991	689	Goodall & Co.	93	Woodcote Estates Ltd.	1.65		0.09	0.06	Nil	Nil	6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957	1958	1959	1960	Accounts Closed	Reference
6,00,000	5,52,485	16,68,612	4,21,741	8,855	Ramani & Co., Pvt. Ltd.	878	Alageswar Estates Ltd.	2.78	2	0.20	0.20	0.15	0.15z	3	Y.
6,75,000	1,60,527	19,03,351	2,97,284	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	12.50	10	0.40	0.60	0.75	1.00	3	Y.P.T
2,50,000	5,78,753	13,39,783	1,24,737	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14.37cd	10	1.50	1.00	1.50	..	12	Y.P.
12,07,838	2,28,040	20,59,620	2,33,207	34,372	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	4.10	2	0.80	0.70	0.50	0.40	6	Y.T.
4,25,000	4,00,000	8,56,375	92,884	25,796	Young India Agencies Pvt. Ltd.	554	Badra Coffee Estates Ltd.	8.60	2	0.85	0.85	0.85	..	5	Y.P.
4,00,000	1,63,748	7,34,867	1,10,838	2,488	A. V. Thomas & Co. (Mysore)	570	Bababudin Coffee & Produce	8.00	5	1.25	1.25	0.625	0.40	6	Y.P.
3,00,000	2,35,000	4,24,393	50,457	583	Planting Agencies (Private) Ltd.	319	Balmadies Plantations	2.48	2	0.25	0.25	0.15	0.15	5	Y.P.
8,66,115	3,36,258	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)	1,135	Be Be Rubber Estates Ltd.	2.90	5	0.25	0.25	0.25		3	Y.P.
26,91,279	18,00,000	52,49,279	8,16,788	21,669	Peirce, Leslie & Co., Ltd.	7,098	Cochin Malabar	7.93	3	0.45	0.30'C'	0.45	0.525	2	Y.P.
22,50,000	81,10,963	53,64,399	18,19,304	92,379	Cons. Coffee Estates (Secretaries).	2,790	Coffee Lands and Industries	18.62	10	4.00	2.00	2.50	0.60	6	Y.P.
71,55,000	66,04,294	5,58,60,009	40,89,751	60,720	C. I. Machia, Esq. (Mg. Director)	8,169	Consolidated Coffee	21.50	10	4.00	2.00	2.50	3.00	6	Y.P.
6,00,000	5,32,423	13,68,760	74,628	1,482	Associated Planters Private Ltd.	1,439	Cottanad Plantations	11.40	10	1.75	1.50	1.50	1.00	3	Y.P.
4,08,560	2,00,000	8,12,568	76,968	27,670	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffees)	5.20	2	1.00	1.30	0.50	0.50	6	Y.
18,00,000	11,10,000	32,95,321	7,48,403	37,599	A. V. Thomas & Co., Ltd.	1,281	Highland Produce	15.40cd	10	0.75	1.50	1.50	1.50	12	Y.P.
1,20,000	49,000	1,64,450	5,148	2,083	Young India Agencies Pvt. Ltd.	220	Kadur Coffee Estates Ltd.	2.85	2	0.15	0.15	0.15	0.15	5	Y.P.
11,85,700	10,77,705	30,90,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kailas Rubber, Co., Ltd.	5.05	2	0.60	0.50	0.50	0.40	2	Y.
3,00,000	8,36,553	17,97,748	3,49,814	1,330	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	12.12	10	3.00	1.00'C'	1.25	1.25	4	Y.P.
4,00,000	3,75,000	9,82,417	1,85,014	14,690	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.45	2	0.50	0.40'C'	0.40	0.40	10	Y.T.
13,50,000	4,85,241	25,39,476	4,08,190	9,942	K. T. Thomas Kathanar, Esq.	1,663	Malankara Rubber	18.75	10	2.25	1.70'C'	1.60	1.50	3	Y.
3,25,000	2,50,000	7,67,594	9,954	10,168	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.10	5	0.75	1.00	1.00	1.00	6	Y.P.
40,50,000	14,21,444	90,79,614	11,84,844	66,364	A. V. Thomas & Co., Ltd.	4,683	Midland Rubber	11.83	10	2.00	1.00'C'	1.00	1.25	3	Y.P.
3,35,000	4,18,450	16,31,926	2,76,266	46,475	A. V. George & Co., Ltd.	1,229	Nenmeny Rubber	20.65cd	10	0.75	1.50	1.50		12	Y.P.
2,00,000	4,79,548	7,96,900	55,892	3,026	Associated Planters Private Ltd.	906	Nilambur Rubber Co.	16.25	10	1.50	2.00	1.50		12	Y.P.T
19,45,980	23,89,219	52,58,400	18,70,387	7,007	Peirce, Leslie & Co., Ltd.	4,395	Ouchterlony Valley Estates	3.65	2	0.60	0.20	0.30	0.26	10	Y.P.T
6,50,000	5,71,464	7,75,530	67,539	42,437	Peirce, Leslie & Co., Ltd.	546	Ossoor Estates Ltd.	3.15	2	0.30	0.26	0.30	0.30	3	Y.
16,50,000	2,29,815	22,68,070	6,46,200	17,195	Aspinwall & Co., Ltd.	2,017	Pullangode Rubber	1.90	2	0.10	0.08	0.10	0.10	3	Y.P.
13,50,000	8,37,644	48,91,065	4,79,542	19,045	A. V. Thomas & Co., Ltd.	2,988	Rajagiri Rubber	18.60	10	2.00	2.00	2.00	2.00	6	Y.P.
2,90,000	1,14,968	3,70,845	48,569	774	Associated Planters Private Ltd.	422	Rajendra Coffees Ltd.	11.35	5	1.25	2.00	2.50	1.25	3	Y.P.
5,50,170	8,25,000	9,35,302	1,44,033	21,604	Peirce, Leslie & Co., Ltd.	500	Savamalai Estates Ltd.	3.40cd	2	0.30	0.25'C'	0.30	0.28	11	Y.
12,00,000	1,85,000	18,80,246	1,09,554	10,753	Patco Agencies	1,162	Sangameshwar Coffee Estates	2.15	2	..	0.18	0.18	0.12	3	Y.P.T
10,00,000	2,08,130	22,50,808	1,83,357	4,584	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.50	10	0.60	0.60	0.60	Nil	3	Y.P.T
2,50,000	2,75,000	6,18,718	47,088	28,430	A. V. George & Co., Ltd.	467	Thamarapally Rubber	28.00cd	10	3.00	3.00	3.00		12	Y.P.
9,15,300	6,05,000	24,54,542	2,19,470	14,829	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co. Ltd	1.65	1	0.05	0.10	0.07	0.07	9	Y.T.
6,00,000	66,742	11,54,891	5,03,490	2,248	Eapen Thomas, Esq. (Mg. Director)	1,208	Travancore Rubber	11.00cd	10	1.50	1.00	1.00		12	Y.
41,00,000	15,07,458	86,18,006	18,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.	4,671	Travancore Rubber & Tea	9.95cd	10	0.40	0.50	0.75		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	20.35cd	25	1.00	1.50	2.00	2.00	12	Y.
6,00,000	4,06,000	17,68,416	1,27,428	10,658	P. I. J. Joseph, Esq. (Chairman)	1,860	Velimalai Rubber & Co.	5.70	5	0.62½	0.50	0.50	0.60	3	Y.P.T
2,20,000	4,29,600	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd.	458	Udayagiri Rubber Co., Ltd.	21.25	10	0.60	0.75	1.50		12	Y.P.
3,30,010	4,13,451	9,63,441	46,238	903	M.	738	Vaikundam Rubber Co. Ltd.	31.25	10	3.50J	3.00	2.50	3.00	12	Y.
12,00,000	11,90,982	15,34,580	1,19,640	1,15,433	Peirce, Leslie & Co., Ltd.	1,027	Wartyhully Estates Ltd.	3.15	2	0.15	0.30	0.30	0.30	3	Y.
6,95,000	6,33,233	13,55,991	91,882	2,962	M.	844	Woodland Estates	8.00	10	1.00	0.50	0.50	1.00	3	Y.P.T

J—Final dividend of Re. 1.50 is on the increased capital. V—Includes 60 nP for 30-6-1954. 'C'—On increased Capital. Z—Dividend for nine months ended 31st March 1960. ‡—On old capital.

M—Managed by Board of Directors. † Less income-tax. N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
4,45,700	13,84,978	22,94,476	8,53,212	....	McLeod & Co., Ltd.	325	Amluckie	26.87	10	1.00	1.50	1.50		12	Y.P.
2,76,500	5,50,000	14,17,949	5,23,091	9,512	M.	456	Ananda (Assam) Tea	16.50N	10	1.00	2.00	2.50		12	Y.
7,03,250	7,55,753	16,41,189	5,01,215	54,204	Gillanders Arbuthnot & Co., Ltd.	481	Ananda Bag	28.00	10	0.50	1.00	1.75		12	Y.
5,50,000	14,38,941	26,06,181	10,04,021	19,953	McLeod & Co., Ltd.	573	Baghmari	25.44	10	1.50	1.50	1.50		12	Y.
5,10,000	11,57,780	18,49,824	6,86,011	43,644	Andrew Yule & Co., Ltd.	377	Basmatia	33.00	10	1.75	2.00	3.00		12	Y.
4,95,900	3,14,700	17,10,901	10,50,829	56,445	National Tea Corporation	624	Bateli	22.25	5	1.50	1.50	1.50		12	Y.
6,40,000	10,74,426	15,66,305	5,60,306	37,706	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	33.50	10	1.50	1.50	2.50		12	Y.
33,00,000	18,32,500	73,96,221	31,20,921	3,83,877	Williamson Magor & Co., Ltd.	3,425	Bishnauth	25.69	10	1.00	Nil	1.80		12	Y.
6,00,000	2,00,000	14,02,675	3,52,303	38,457	Octavius Steel & Co., Ltd.	479	Bokakhat	13.70	10	Nil	0.50	0.80		12	Y.
7,50,000	9,06,475	14,41,597	4,34,307	70,351	McLeod & Co., Ltd.	450	Bormah Jan Tea	19.94	10	Nil	0.75	1.25		12	Y.P.
85,00,000	17,26,071	94,38,743	34,17,209	2,53,984	M	2,834	Brooke Bond B.	16.50	10	1.75	1.00	1.25	1.50	6	Y.
1,20,000	8,09,581	11,64,943	3,93,553	35,405	McLeod & Co., Ltd.	282	Dejoo Valley	54.00	10	2.00	3.00	4.00		12	Y.
8,40,000	5,49,948	33,10,828	20,05,150	—2,40,732	Jardine Henderson Ltd.	1,332	Dessai & Parbuttia	151.00	100	Nil	Nil	Nil		12	Y.
17,53,440	10,53,350	31,54,422	92,50,98	17,329	James Warren & Co., Ltd.	770	Dhelakhat	22.94	10	2.50	2.50	2.00		12	Y.P.
7,00,000	6,85,000	24,04,227	6,47,434	10,086	H. P. Dhanuka, Esq. (Chairman)	1,349	Dhunseri	16.12	10	2.00	2.00	2.30		12	Y.
4,50,000	12,09,644	18,71,655	3,98,875	68,960	McLeod & Co., Ltd.	458	Dibrugarh	36.00	10	2.50	3.00	3.00		12	Y.P.
4,73,400	7,15,000	17,09,184	7,61,684	1,56,884	Williamson Magor & Co., Ltd.	632	Dimakusi	27.25	10	3.00	2.50	3.00		12	Y.P.
7,00,620	11,66,000	27,54,322	14,69,122	3,83,571	Williamson Magor & Co., Ltd.	635	Duflaghur	36.00	10	3.00	4.50	3.50		12	Y.
10,00,000	9,57,600	33,05,749	12,68,049	1,31,213	Williamson Magor & Co., Ltd.	1,166	East India Tea	19.50	10	0.50	0.50	1.00		12	Y.
5,08,760	6,42,879	17,74,219	6,37,020	8,855	M.	465	Gillapukri	26.37	10	2.50	2.50	2.50		12	Y.
6,76,000	4,90,000	22,56,199	10,31,899	1,31,256	Williamson Magor & Co., Ltd.	552	Gohpur	17.00	10	2.00	0.50	1.00		12	Y.
23,29,085	36,34,739	67,36,725	20,38,780	61,970	Octavius Steel & Co., Ltd.	2,494	Grob	11.25	5	1.25	1.50	0.70		12	Y.
5,00,000	6,86,998	11,97,176	4,67,668	14,369	M.	488	Hoograjuli	25.25	10	1.00	0.501	2.50		12	Y.
8,70,000	13,90,841	32,83,007	14,80,249	75,669	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	192.00	100	12.50	17.50	20.00		12	Y.
69,97,120	78,24,518	2,04,25,435	76,25,435	88,479	Birla Brothers Private Ltd.	4,900	Jay Shree Tea & Industries	22.19	10	1.00	1.00	1.40	1.40	12	Y.P.
9,00,000	8,62,200	20,23,965	5,82,195	51,110	Gillanders Arbuthnot & Co., Ltd.	876	Jutlibari	39.00	10	1.75	1.00	1.00		12	Y.
3,60,000	15,02,635	16,52,939	7,79,490	77,886	M.	1,226	Kingsley-Golaghat (Assam)	228.00	100	25.00	25.00	35.00		12	Y.P.
1,80,000	7,000	20,18,041	3,18,798	—2,30,952	Duncan Bros. & Co., Ltd.	1,201	Kotamullai Tea	11.75	5	Nil	Nil	Nil		12	Y.P.
6,50,000	6,53,734	14,09,076	4,30,863	22,109	Duncan Bros. & Co., Ltd.	634	Ledo	17.12	10	Nil	Nil	Nil		12	Y.
10,00,000	13,00,000	23,04,190	7,64,508	70,164	Octavius Steel & Co., Ltd.	643	Methoni	19.44	10	1.50	2.20	1.50		12	Y.
4,80,000	30,980	9,31,623	....	3,331	Duncan Bros. & Co., Ltd.	701	Moheema	11.50	10	Nil	Nil	1.00		12	Y.P.
1,50,000	13,65,825	1,16,088	10,450	30,504	Kettlewell Bullen & Co., Ltd.	410	Mothola	530.00	100	40.00	40.00	25.00		12	Y.
1,75,000 P.O. 2,00,000	8,36,947	16,59,105	6,59,981	37,858	Andrew Yule & Co., Ltd.	373	Murphulani	25.00 25.50	O. 10 P.O. 10	1.75 2.25	2.00 2.50	2.00 2.50		12	Y.
5,35,000	1,75,000	18,81,374	5,76,315	12,180	M.	830	Namburnadi	13.75	10	1.50	1.60	1.60		12	Y.
5,00,000	20,000	7,66,815	3,69,599	35,282	Duncan Bros. & Co., Ltd.	728	New Cinnatolliah	103.00	100	Nil	Nil	Nil		12	Y.
2,00,000	8,46,089	13,39,252	5,27,546	45,190	Andrew Yule & Co., Ltd.	390	Rajgarh	50.50	10	2.50	2.50	3.50		12	Y.
9,00,000	2,56,006	32,81,411	13,29,355	20,383	M.	958	Sapoi	20.50	10	1.50	1.50	2.00		12	Y.
2,49,000	4,30,000	12,83,249	6,06,549	91,288	Williamson Magor & Co., Ltd.	501	Seajuli	27.12	10	2.25	2.25	1.75		12	Y.
5,98,000	13,64,556	19,34,492	6,32,207	7,126	McLeod & Co., Ltd.	495	Teloijan	33.56	10	3.00	2.50	2.50		12	Y.
8,00,000	5,97,055	14,42,247	5,27,787	64,646	Gillanders Arbuthnot & Co., Ltd.	521	Tengpani	38.00N	10	1.50	1.50	1.75		12	Y.P.T.
19,82,880	15,86,078	51,14,115	22,83,115	53,844	Shaw Wallace & Co., Ltd.	2,347	Tezpore	16.50	10	Nil	1.25	2.00		12	Y.
5,20,000	25,00,315	50,60,323	16,66,525	1,05,020	McLeod & Co., Ltd.	1,050	Tyroon	44.37	10	3.00	1.50	3.00		12	Y.P.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957	1958	1959	1960	Accounts Closed	Reference
3,00,000	5,000	5,43,677	2,08,160	41,902	M.	862	Arcuttipore	7.00	10	Nil	Nil	Nil		12	Y.
7,00,000	....	7,01,210		—5,83,651	M.	696	Eastern Cachar	2.50	10	Nil	Nil	Nil		12	Y.
12,60,000	13,00,000	31,05,555	13,86,847	60,217	Octavius Steel & Co., Ltd.	2,208	Hattikhira	9.75	10	Nil	0.50	0.50		12	Y.
3,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	7.75	10	Nil	Nil	1.00		12	Y.
7,00,000	8,78,960	21,37,588	3,98,015	1,37,908	Assam Trading Co.	2,205	North-Western Cachar	200.00N	100	15.00	20.00	30.00		12	Y.
2,60,000	8,32,179	12,84,475	3,70,957	—76,413	McLeod & Co., Ltd.	688	Roopacherra	15.00	10	Nil	Nil	Nil		12	Y.
5,25,000	10,97,014	14,64,650	4,63,459	41,094	Duncan Bros. & Co., Ltd.	720	Rungamattee	66.00	50	3.75	1.25	3.75		12	Y.
4,00,000	1,04,567	10,68,284	3,68,708	41,399	M.	686	Sonai River	8.00	10	Nil	Nil	Nil		12	Y.P.T.

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957	1958	1959	1960	Accounts Closed	Reference
2,79,900	1,05,000	4,30,792	92,592	18,735	Williamson Magor & Co., Ltd.	408	Chamong	8.00	10	Nil	Nil	Nil		12	Y.
2,00,000	1,72,521	8,78,761	1,73,817	139	M.	488	Dilaram	84.00N	100	Nil	7.50	5.00		12	Y.
2,00,000	2,18,765	8,67,216	3,43,216	—82,998	Davenport & Co., Ltd.	507	Gielle	11.00	10	Nil	Nil	Nil		12	Y.P.
1,59,000	3,51,372	5,41,385	2,25,788	12,425	Andrew Yule & Co., Ltd.	463	Mim	220.00	100	Nil	Nil	10.00		12	Y.
2,99,900	4,43,000	7,30,361	2,14,761	1,29,955	Williamson Magor & Co., Ltd.	690	Nagari Farm	26.00	10	2.50	3.00	2.00		12	Y.
1,00,000	1,11,500	4,70,786	2,49,237	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	600.00	100	Nil	32.50	32.50‡		12	Y.P.
3,00,000	....	5,92,848	2,47,405	4,140	Duncan Bros. & Co., Ltd.	478	Poobong	7.37	10	Nil	Nil	Nil	Nil	12	Y.
2,05,000	2,07,203	5,13,360	79,360	—87,137	Davenport & Co., Ltd.	570	Pussimbing	8.00	10	Nil	Nil	Nil		12	Y.P.
1,40,000	5,02,500	4,63,373	2,11,663	80,085	Duncan Bros. & Co., Ltd.	841	Runglee Rungliot	385.00	100	25.00	30.00	10.00		12	Y.
3,00,000	3,48,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	12.25	10	1.00	1.50	1.50		12	Y.
9,00,000	18,275	11,65,737	2,38,715	1,928	Goenka & Co.	582	Singtom	5.87	10	0.50	0.75	0.50		12	Y.P.
3,00,000	4,45,000	7,56,966	3,49,266	1,75,267	Williamson Magor & Co., Ltd.	554	Soom	37.50	10	4.00	5.00	5.00		12	Y.
6,25,000	9,54,667	17,84,113	5,20,111	58,721	McLeod & Co., Ltd.	745	Sungma	15.87	10	0.75	1.50	1.00		12	Y.
3,20,000	7,28,815	14,29,114	3,98,614	—80,294	Davenport & Co., Ltd.	718	Teesta Valley	15.75	10	1.00	Nil	Nil		12	Y.
8,01,350	2,50,000	....	....	39,574	Williamson Magor & Co. Ltd.	1,656	Tukvar	7.31	10	Nil	Nil			12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957	1958	1959	1960	Accounts Closed	Reference
27,00,000	29,62,946	68,67,156	26,80,596	93,115	Andrew Yule & Co., Ltd.	2,540	Banarhat	337.00	100	20.00	20.00	32.50		12	Y.P
12,60,000	18,39,305	47,87,495	26,67,822	68,917	Jardine Henderson Ltd.	948	Baradighi	28.50	10	1.50	1.50	2.50		12	Y.
9,00,000	17,95,074	27,34,742	13,24,580	6,018	McLeod & Co., Ltd.	1,112	Bhatkawa	23.50	10	1.50	Nil	1.00		12	Y.
9,00,000	17,47,500	28,48,801	9,90,295	40,081	Duncan Bros. & Co., Ltd.	1,848	Birpara	173.00	100	7.50	12.50	22.50		12	Y.P.
6,00,000	8,36,000	14,66,180	5,09,072	21,500	Duncan Bros. & Co., Ltd.	602	Carron	165.00	100	5.00	Nil	15.00		12	Y.
9,00,000	13,87,365	25,84,091	10,16,341	98,628	Andrew Yule & Co., Ltd.	908	Choonabhutti	271.00	100	20.00	22.50	30.00		12	Y.P
3,00,000	4,36,000	9,76,478	4,70,943	22,238	Duncan Bros. & Co., Ltd.	478	Ellenbarrie	180.00	100	Nil	Nil	5.00		12	Y.
1,20,000	2,04,475	4,99,218	2,85,581	—59,525	Andrew Yule & Co., Ltd.	265	Engo	196.00	100	Nil	Nil			12	Y.
4,90,000	61,299	10,37,477	3,14,730	—35,008	M.	447	Ethelbarrie	8.50	10	0.75	Nil	Nil		12	Y.
7,50,000	6,75,164	18,93,292	11,86,007	89,367	Gillanders Arbuthnot & Co., Ltd.	1,129	Gairkhata	194.00	100	Nil	Nil	12.50		12	Y.
36,00,000	38,35,750	71,46,583	23,70,874	80,081	Duncan Bros. & Co., Ltd.	2,528	Hantapara	137.50	100	Nil	Nil	12.50		12	Y.P.
22,06,000	60,61,255	1,15,51,655	58,85,226	2,60,071	Davenport & Co., Ltd.	4,285	Hasimara Industries Ltd.	28.00	10	0.75	0.75	1.25		12	Y.P.
8,25,000	21,68,678	29,07,689	12,14,639	86,987	Davenport & Co., Ltd.	1,452	Huldibari	28.37	10	1.25	1.50	2.25		12	Y.
7,60,000	5,12,873	11,09,391	5,33,855	16,262	Andrew Yule & Co., Ltd.	607	Jaybirpara (Dooars)	17.37	10	Nil	Nil	0.50		12	Y.
9,00,000	19,71,000	26,79,061	8,40,541	58,929	Duncan Bros. & Co., Ltd.	937	Killcott	21.00	10	1.50	0.75	1.75	2.50	12	Y.
2,00,000	5,72,564	10,14,554	3,56,190	3,318	M.	578	Manabarrie	59.00N	10	1.50	0.50	0.50		12	Y.
9,60,000	19,87,000	28,78,567	9,58,041	28,611	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	211.00	100	7.50	5.00	17.50		12	Y.
14,00,000	20,80,530	34,00,529	12,84,087	52,126	Andrew Yule & Co., Ltd.	1,163	New Dooars	325.00	100	20.00	25.00	32.05		12	Y.P.
2,50,000	3,80,000	6,00,320	2,23,723	17,432	Duncan Bros. & Co., Ltd.	348	Phaskowa	127.00	100	Nil	Nil	Nil	Nil	12	Y.
6,00,000	9,10,472	16,36,583	7,19,909	—1,96,926	McLeod & Co., Ltd.	764	Rajabhat	19.56	10	Nil	Nil	Nil		12	Y.
[illegible]	15,51,570	30,13,553	15,15,898	48,739	McLeod & Co., Ltd.	1,035	Ranicherra	28.12	10	0.50	0.75	1.00		12	Y.
[illegible]	29,39,216	61,42,067	35,18,973	42,452	Jardine Henderson Ltd.	1,763	Rydak	34.00	10	2.00	2.50	3.00		12	Y.

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957	1958	1959	1960	Accounts Closed	Reference
3,00,000	17,95,000	10,31,473	3,96,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	21.75	10	Nil	Nil			12	Y.
6,00,000	11,04,551	9,36,429	2,61,464	45,770	Duncan Bros. & Co., Ltd.	610	Daurachera	7.37	10	0.75	0.50	1.50		12	Y.
4,00,000	12,06,200	13,68,395	7,13,394	2,77,118	Shaw Wallace & Co., Ltd.	985	New Samanbag	22.25	10	3.00	Nil	Nil		12	Y.P.
36,00,000	66,24,901	65,50,842	27,50,049	2,26,756	Duncan Bros. & Co., Ltd.	4,151	Patrakola P.	156.00	100	10.00	20.00	40.00		12	Y.P.
9,00,000	22,94,827	21,07,338	7,06,842	31,974	Duncan Bros. & Co., Ltd.	1,190	Telliapara	107.00	100	6.00	12.50	17.50		12	Y.

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957	1958	1959	1960	Accounts Closed	Reference
4,50,000	65,000	4,45,710	3,67,923	3,500	Goenka & Co.	667	Atal	8.50	10	0.50	0.25			12	Y.P.T.
5,00,000	3,25,000	....	....	30,855	National Tea Corporation	522	Belgachi	24.00	10	2.00	2.50	2.00		12	Y.
13,44,000	32,46,000	27,80,130	11,43,606	29,724	Duncan Bros. & Co., Ltd.	1,611	Gangaram	163.00	100	7.50	Nil	15.00		12	Y.
5,00,000	11,64,294	15,83,886	5,60,302	22,242	Duncan Bros. & Co., Ltd.	530	Hansqua	18.75	10	1.00	Nil	1.75	2.00	12	Y.
2,60,000	8,07,700	10,27,925	4,27,240	62,299	Davenport & Co., Ltd	514	New Chumta	34.75N	10	1.25	1.00	1.50		12	Y.
2,80,000	3,75,250	13,61,474	5,52,735	33,601	McLeod & Co. Ltd.	540	Tirrihannah	60.00	10	3.00	4.00‡			12	Y.P.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
[illegible]	3,97,761	1,63,73,175	80,05,128	13,916	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.40cd	B. 10	1.00	0.75	1.00	1.00	12	Y.P.
[illegible]	6,05,000	1,74,94,366	13,63,509	4,434	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	9.36	10	Nil	Nil	0.45	0.70	3	Y.T.
[illegible] [illegible]	12,14,532	1,51,44,736	31,04,633	....	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.94 0.87	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil	..	3	Y.T.
[illegible]	10,78,46,237	42,05,40,536	16,70,69,557	42,021	Cement Agencies (Private) Ltd.	Associated Cement Companies	161.00	100	9.00	8.50'C'	11.00	12.00	7	Y.T.
[illegible]	66,000	2,36,19,390	31,88,604	1,652	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.44	10	0.60	0.70	0.80		12	Y.
[illegible] [illegible]	57,31,922	2,68,50,406	60,48,714	25,297	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	12.00cd 2.43cd	O. 10 D. 1	1.20 0.12	1.00 0.10	1.20 0.12		12	Y.P.T.
[illegible]	30,98,450	4,42,35,297	1,63,39,780	79,496	Essen Private Ltd.	India Cements Ltd.	6.12	5	0.41	0.45	0.45	0.55	3	Y.P.
[illegible]	43,62,184	7,93,62,040	1,92,20,959	1,44,304	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.12	10	1.25	1.25	Nil	0.60	3	Y.P.T.
[illegible]	63,61,275	5,39,55,507	1,86,30,770	3,77,321	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.56	10	1.50	1.50	1.10		12	Y.P.
[illegible]	54,91,876	4,15,40,294	1,66,22,549	48,939	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	156.00	100	9.00	9.00	9.00		12	Y.P.
[illegible]	18,30,000	2,35,10,113	1,58,76,362	62,048	M.	Sone Valley Portland Cement	5.19	5	0.30	0.30	Nil		12	Y.
[illegible]	11,77,360	1,57,88,654	57,90,082	29,086	Easel (Private) Ltd.	Travancore Cements Ltd.	8.45cd	10	0.60	0.60	0.60		12	Y.

M—Managed by the Board of Directors. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. cr—Cum-Right.

*—Includes bonus.

"P"—Patrakola Tea—Dividends for 1958 and 1959 are payable only when funds are available from Pakistan.

N.B.—Dividends paid since 31st March, 1959 are shown as taxable.

B—Brooke Bond Estates—Dividend for the year ended 30th June 1960 is Re. 1.50 per share taxable.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					CERAMIC; MINING AND QUARRYING									
80,00,000	....	37,43,382	16,26,068	32,615	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	11.19	10	*Nil*	*Nil*	*Nil*	0.60	3	Y.
16,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.52	10	1.50	3.50	2.00		9	Y.P.
55,23,146	15,49,326	1,57,35,785	51,99,681	14,572	Bharat Ram Bhagat & Co.	Bengal Potteries	7.62	2½	0.25	*0.25	0.356		12	Y.
10,00,000	86,69,030	77,31,751	41,17,891	35,599	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	44.44	10	1.75	1.75	1.87	3.00	3	Y.
14,17,800	10,55,247	33,58,584	15,31,858	9,761	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	190.00	100	9.00	10.00	12.86	12.86	9	Y.P.
39,80,700	14,19,759	1,19,21,208	18,96,171	—25,65,524	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	190.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
£1,371,300	£1,705,275	£3,271,480	£1,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	5.52	Sh. 2	0.24	0.24	0.36		12	Y.
O.15,00,000 / F.5,00,000	25,89,686	44,79,153	13,16,190	2,61,727	Bird & Co. Private Ltd.	Karanpura Development	18.50	10	*Nil* / *Nil*	*Nil* / *Nil*	1.50 / 0.50		12	Y.
50,00,000	....	14,32,400	....	—12,618	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	81.80	50	..	*Nil*	*Nil*		12	Y.P.
30,00,000	33,05,445	1,10,40,017	59,85,195	39,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26.00N	10	1.25	1.25	1.80		12	Y.P.T.
50,60,000	10,43,352	1,16,80,530	59,85,620	14,41,622	M.	Metal Corporation of India Ltd.	11.00	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
6,00,000	5,26,433	13,40,693	7,63,285	7,276	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	15.00	10	1.00	1.00*	1.00*	1.428	3	Y.
20,00,000	55,85,984	68,91,304	28,26,317	1,10,697	Bird & Co. Private Ltd.	Orissa Minerals	42.50	10	2.00	2.50	3.60	3.60	6	Y.
3,50,000	15,45,335	88,24,228	46,03,569	7,911	Ganpule Jasani & Co.	Parshuram Pottery Works Co. Ltd.	67.00	25	3.75	3.75	3.75	5.36	7	Y.P.
10,46,390	76,44,000	1,06,55,357	44,01,792	4,942	Killick Industries Ltd.	Shivrajpur Syndicate	79.00	10	8.00*	8.00*	5.00	8.00*	11	Y.
					CHEMICAL									
12,11,000	....	....	....	....	Agri-Chem-Engineers	Adarsh Chemicals & Fertilisers	101.00	100	..	..	..		12	Y.P
85,00,000	51,37,800	1,87,07,072	65,76,431	9,770	Bhailal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	267.50	100	12.00	12.00	16.00		12	Y.P.
3,10,00,000	1,57,00,273	6,04,78,062	1,23,50,512	1,33,819	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	36.31	10	0.80	0.80	0.95	1.20	9	Y.P.
79,90,475	55,90,045	1,04,54,605	28,87,730	18,054	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	410.00	100	*Nil*	*Nil*	12.00	12.00	12	Y.P.
29,89,400	24,94,426	1,18,63,272	49,89,005	47,108	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	825.00	100	20.00*	20.00*	28.00*		12	Y.P.
2,24,93,775	77,58,362	4,05,77,204	1,25,34,156	4,15,423	Lalbhai Sons & Co.	Atul Products Ltd.	588.00	100	8.00	10.00	12.00	12.00	12	Y.
50,92,900	52,95,445	1,47,57,610	71,89,268	13,89,611	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	109.00	100	6.00	6.00	7.00	7.00	3	Y.P.T.
1,00,00,000	6,00,000	1,07,91,843	4,82,147	—42,985	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	367.50	100	..	*Nil*	*Nil*	*Nil*	3	Y.
22,73,150	26,99,000	77,57,031	36,10,218	44,349	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	300.00	50	5.00	6.00	10.00		12	Y.
64,49,032	56,78,075	1,69,27,890	67,30,529	—1,11,025	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	132.00	100	7.50	6.00	4.00(c)		3	Y.P.
3,46,06,075	38,17,000	6,56,28,587	3,05,35,610	26,13,156	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	10.40cd	10	*Nil*	0.40	0.60	0.60	12	Y.
1,50,00,000	28,85,000	51,41,000	15,22,000	10,072	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	550.00	100	*Nil*	*Nil*	*Nil*	6.00	3	Y.P.
12,00,000	6,37,883	27,43,796	14,20,459	47,412	Jal H. Mehta	Kemp & Co.	311.25	200	15.00	15.00	20.00	25.00	3	Y.
60,00,000	22,36,430	1,43,65,801	73,81,045	12,716	Seshasayee Brothers Private Ltd.	Mettur Chemicals	14.37	10	0.75	0.87½	0.88	1.25'C'	3	Y.P.T.
24,81,220	10,04,155	55,64,434	40,80,625	11,452	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	11.15	10	0.50	0.50	0.50	1.00	3	Y.
8,00,000	4,52,189	11,19,269	5,96,880	85,186	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	24.00	10	2.00	2.00	2.00	2.00'C'	3	Y.P.
40,00,000	20,96,379	58,16,750	11,97,185	27,844	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	237.50	50	..	*Nil*	3.00	5.50	3	Y.P.
12,50,000	9,22,174	32,78,588	20,63,157	2,05,216	Bangur Brothers Ltd.	Phosphate Co., Ltd.	328.00	100	15.00	25.00	45.00	35.00	6	Y.
15,00,000	14,69,737	24,40,260	15,95,655	98,591	C. A. Buxton	Smith Stanistreet & Co.	13.56	5	1.00	0.80'C'	1.25	1.25	6	Y.P.
3,37,50,000	....	....	....	....	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	171.00	100	..	..	..	..	..	Y.
1,39,95,990 / 1,11,91,270	42,17,119	5,89,52,538	2,06,73,886	14,509	Tata Industries Private Ltd.	Tata Chemicals	19.44 / 17.48	100Old / 10New	0.80 / ..	0.75 / 0.08	0.525 / 0.618	0.60 / 0.60	6	Y.P.T.
13,00,000	1,07,599	18,05,082	6,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director).	Travancore Chemical Mfg. Co., Ltd.	16.25	10	0.60	0.70	1.00	1.50	8	Y.P.
					ELECTRIC (Bombay State)									
8,74,78,370	1,17,08,657	15,23,94,046	4,04,47,092	638	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	86.20	100	3.25	6.50	6.75	7.00	3	Y.T.
81,28,750	21,63,386	2,36,72,375	59,65,971	15,69,279	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.04	10	0.42	0.85	0.90	1.00*	3	Y.P.
3,02,76,250	96,81,201	9,66,03,356	2,69,10,919	22,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,010.00	1,000	56.00	80.00*	80.00*	85.00*	3	Y.P.T.
1,75,00,000	78,52,280	4,06,37,564	98,99,329	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply	90.00	100	7.00	7.00	7.50	8.00	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	6.00	10	*Nil*	0.50	0.60	0.66	3	Y.T.
48,89,000	12,56,818	1,57,72,704	61,59,509	3,547	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	101.00	100	2.50	7.50	8.00	9.50	3	Y.P.T.
70,00,000	27,18,373	1,51,74,375	51,53,780	4,844	Killick Industries Ltd.	Surat Electricity	89.00	100	8.75	7.00	7.00	7.50	3	Y.P.
2,39,99,575	1,01,57,424	7,01,96,385	1,89,09,836	25,281	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	105.50	100	5.52	8.00*	8.00*	8.50*	3	Y.P.
5,15,36,750	2,60,85,771	17,16,28,967	3,93,66,464	33,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,050.00	1,000	56.25	80.00*	80.00*	85.00*	3	Y.P
					West Bengal and Other Centres									
19,99,600	51,88,028	13,89,99,790	39,25,042	47,389	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	122.00	100	10.00	10.00	10.00	11.00	3	Y.T.
8,00,000	15,23,875	63,42,780	22,28,800	23,612	Martin Burn Ltd.	Bareilly Electric Supply	11.66	10	1.25	1.00	1.00	1.10	3	Y.T.
17,00,000	47,66,354	1,71,05,214	47,49,307	45,563	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.50	10	1.25	1.00	1.00	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,489	89,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	7.00	8	0.62	0.40	0.40	0.64	3	Y.
£4,262,646	£10,126,973	£33,604,377	£13,302,118	£108,138	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	14.41	£1	8¼%	7%	7%	7½%	3	Y.P.T
6,60,090	6,73,784	31,45,751	10,61,553	76,838	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	7.12	10	1.00Z	0.65	0.65	0.75	3	Y.
48,20,000	24,38,968	1,02,37,174	88,05,104	4,38,960	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	94.00	100	6.50	7.00	7.50	10.00	3	Y.P.
5,34,640	1,24,635	34,43,088	14,37,084	2,947	Moonna Lall & Sons	Jhansi Electric Supply	6.50N	10	0.86Z	0.62½	0.62	0.70	3	Y.T.
22,49,550	27,02,877	1,07,31,716	40,42,278	80,296	Martin Burn Ltd.	Jubbulpore Electric Supply	10.62	10	0.92	0.92	0.93	1.00	3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	46,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	9.94	10	1.25Z	1.00	1.00	1.25	3	Y.
35,07,880	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.12	10	1.25Z	0.75	0.75		3	Y.T.
9,10,000	2,37,616	12,60,524	5,84,092	5,200	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6.25	10	*Nil*	0.50	0.50	0.625	3	Y.
16,80,000	13,87,254	78,27,858	44,96,906	2,037	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.50	10	0.94	0.68	0.75	1.00	3	Y.T.
69,99,680	13,06,142	2,06,37,818	67,68,084	3,023	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	9.80	10	1.28	0.87	0.90	0 90'C'	3	Y.P.T.
5,00,000	11,62,458	52,32,335	12,25,684	36,698	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	16.00	10	1.25	1.25	1.25	1.85	3	Y.
56,01,185	78,57,136	4,08,85,812	1,45,66,727	85,399	Martin Burn Ltd.	U. P. Electric Supply Co.	114.00	00	10.00	10.0C	10.00	11.00	3	Y.T.
4,00,000	9,84,990	40,87,637	11,42,884	2,88,269	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.35	10	1.00	1.00	1.00	1.50	3	Y.P.
					ENGINEERING (Bombay)									
33,42,200	49,44,187	75,65,494	60,70,287	28,009	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	295.00	100	12.50	12.50	17.00		12	Y.
19,99,060	8,10,174	21,70,025	8,07,662	19,184	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	92.50	80	3.00	3.00	4.00	5.50	12	Y.
45,19,800	25,03,443	93,35,767	46,96,997	75,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	171.25	100	7.00	10.00*	13.00*	18.00*'C'	6	Y.
40,00,000	1,26,639	57,20,491	20,49,385	50,817	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	97.00	100	6.00	7.00	10.00	*Nil*	4	Y.P.
59,99,900	84,82,780	2,25,73,362	1'87,51,802	70,946	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	178.00	100	9.00	9.00	18.00	18.00'C'	6	Y.P.T.
6,00,000	4,15,000	1,58,191	1,29,812	3,288	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	90.00	50	5.00	5.00	5.00	4.00	3	Y.
40,00,000	14,71,874	65,38,880	22,18,255	15,090	Adnem Services	Jyoti Ltd.	185.50	100	12.00	12.00	12.00	12.00	12	Y.
44,96,250	3,67,891	68,03,733	31,66,348	3,381	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	17.12	10	*Nil*	0.50	0.775	0.80	9	Y.P.
42,96,023	78,89,668	1,21,65,928	66,66,471	11,866	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	54.00XR	25	0.20	0.25	0.80	0.25	7	Y.
37,50,000	15,59,000	1,02,91,000	29,35,000	....	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	19.64	10	0.90	1.00	1.00	1.48	3	Y.
10,53,725	2,17,037	22,14,424	2,62,435	2,50,491	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	185.00	100	..	..	..	*Nil*	3	Y.P.
30,00,000	27,05,928	78,01,690	28,52,816	56,253	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	43.75	10	1.00	1.25	1.25	1.80'C'	3	Y.P.
1,32,00,000	42,57,083	1,59,29,933	46,47,975	1,10,709	M.	Mahindra & Mahindra Ltd.	20.24	10	1.75	2.20	1.25	1.25	10	Y.P.
11,00,000	1,72,712	41,60,471	25,65,495	2,771	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	125.00	100	*Nil*	*Nil*	*Nil*	10.00	7	Y.P.
60,15,060	45,30,000	1,21,27,185	40,92,378	3,253	Jeewan Private Ltd.	Mukand Iron & Steel	28.00	10	1.00	1.20	1.00*	1.20	3	Y.P.
25,00,000 / 14,99,250	40,76,797	1,06,26,418	51,58,671	6,625	Kirloskar Associates	Mysore Kirloskar Ltd.	155.00 / —	100 / 100 New	6.00 / ..	7.50 / ..	12.00 / 6.00	12.00 / 12.00	6	Y.
22,27,700 / 22,72,000	5,36,616	47,79,336	14,99,037	92,426	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	108.00 / 185.00	100 / (75 New)	.. / ..	.. / ..	9.00 / ..	12.00 / 0.50	3	Y.P.
22,50,000	1,34,42,446	8,81,298	1,40,789	1,36,103	Walchand & Co. Private Ltd.	Premier Construction	192.50	80	10.00	12.00	18.00		12	Y.P.
29,95,100	41,01,156	1,02,33,025	42,88,746	12,134	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	170.00XR	100	18.00	18.00	17.00	12.00	6	Y.P.
27,53,21,325	27,01,22,014	1,67,40,64,801	54,97,16,236	8,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	160.50	75 Old	9.50	8.25	6.80	9.72'C'	3	Y.P.
7,99,99,200	1,71,91,786	21,41,33,116	9,39,94,684	2,24,171	Tata Industries Private Ltd.	Tata Locomotive	364.50	100	8.00	9.00	9.00	12.50	3	Y.P.
10,00,000	8,35,000	23,97,720	8,10,644	17,016	T. Maneklal & Co.	T. Maneklal Mfg., Co.	412.50	100	5.00	10.00	14.00	18.50	5	Y.P.T
2,55,00,000	71,75,426	1,07,45,948	24,35,557	4,24,809	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	290.00	100	9.00	9.00	13.00	18.00	3	Y.
17,50,000	....	....	....	....	M	Zenith Steel Pipes Ltd.	5.16	5	..	..	..	..	6	Y.
					West Bengal and Other Centres									
6,00,000	1,06,470	26,89,661	18,48,876	1,80,382	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	10.50	10	*Nil*	*Nil*	*Nil*		10	Y.P.T.
50,00,000	29,49,221	1,55,21,495	89,56,973	3,60,479	M.	Bhartia Electric Steel	12.19	10	1.25	1.25	1.50		12	Y.
56,59,790	77,67,825	88,29,182	16,49,459	2,84,448	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	33.37	10	3.00	1.25	2.25	2.50	12	Y.
12,00,000	32,12,634	79,76,063	44,83,942	1,72,548	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	55.25	10	2.00	2.00'B'	3.00		12	Y.T.
19,88,670	7,04,341	39,97,530	14,03,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	5.00	10	0.50	0.50	0.60		3	Y.P.
40,00,000	41,48,365	98,27,511	48,02,704	1,82,481	McLeod & Co., Ltd.	Britannia Engineering	18.50	10	0.60	0.60	1.00		12	Y.P.T.
5,00,000	11,27,357	26,52,140	16,10,502	81,788	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	31.50	10	2.00	2.00	2.50	4.50	12	Y.
24,00,000	2,33,60,602	4,96,65,264	3,04,73,871	1,24,616	Martin Burn Ltd.	Burn & Co.	518.00	100	20.00	20.00	28.50	28.50	4	Y.T.
1,00,00,000	11,36,232	50,39,989	6,63,924	1,63,056	M.	Calcutta Steel Co., Ltd.	17.25	10	..	..	..	0 50	3	Y.
1,00,00,000	12,33,028	1,89,66,744	10,15,000	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
40,00,000	4,50,000	1,12,17,838	17,70,930	4,142	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.25	10	*Nil*	*Nil*	*Nil*	1.00	9	Y.
4,00,00,000	6,53,05,809	3,26,20,521	2,52,46,302	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	41.94	10	2.00	2.00	2.40	1.60'C'	12	Y.T.
12,50,000	23,60,000	60,91,575	40,46,109	7,047	Martin Burn Ltd.	Hooghly Docking	118.50	50	5.00	5.00	6.00		12	Y.P.
12,44,08,990	21,14,27,025	71,57,58,772	14,60,01,060	11,49,767	Martin Burn Ltd.	Indian Iron and Steel	28.00	10	1.00	1.00'C'	1.00	1.50	3	Y.P.
38,98,500	61,33,742	1,23,74,955	72,85,332	48,708	Martin Burn Ltd.	Indian Standard Wagon	104.00	25	7.50*	5.00	5.00	7.125	3	Y.P.
96,53,160 / 26,580	2,52,04,628	2,22,95,589	1,52,64,925	10,91,465	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	44.00 / 14.00	0.10 / 0. 1	4.00 / 0.40	4.00 / 0.40	1.62½ / 0.16¼	2.80 / 0.23	3	Y.
23,78,580	2,50,222	32,73,943	15,88,341	2,977	C. R. Srinivasan, Esq. (Chairman)	Indian Steel Rolling Mills Ltd.	10.10	10	1.00	0.70	0.70	0.501	12	Y.P.
91,12,500	75,99,306	3,71,15,564	1,40,36,750	6,322	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	28.62	10	1.50	1.20	1.20	1.715	3	Y.P.T.
20,00,000	38,00,500	77,83,732	17,92,011	91,460	J. K. Industries Private Ltd.	J. K. Steel Ltd.	26.25	10	1.25	1.25	1.25	2.00	6	Y.P.
2,08,97,000	1,47,08,415	3,18,81,991	1,02,58,799	57,411	B. P. Singh Roy, Esq. (Chairman)	Jessop & Co.	21.44	10	*Nil*	0.60	0.858	0.858'C'	10	Y.P.
27,64,800	46,74,683	90,13,956	33,28,450	81,233	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	6.50	8	0.45	0.30	0.80'C'		11	Y.P.T.
10,50,000	1,90,990	18,32,345	14,72,111	8,518	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	4.87	2	0.40	0.40	0.20		6	Y.
49,96,000	13,28,489	1,87,17,076	81,10,264	—1,08,083	M.	National Iron and Steel Co., Ltd.	6.62	10	0.62	0.62	0.75	*Nil*	3	Y.P.
60,00,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.44N	10	*Nil*	*Nil*	*Nil*		6	Y.
6,00,000	11,05,251	31,29,091	21,37,426	17,915	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	7.87	4	0.40	0.40	0.25	0.35	3	Y.
1,50,00,000	55,23,079	4,19,73,529	1,96,95,885	37,204	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	20.10	10	1.50	1.50	2.00		12	Y.P.
39,84,400	14,67,750	69,49,005	26,20,291	4,566	Balasundaram & Co.	Textool Co., Ltd.	181.50	100	20.00	12.00	15.00	15.00	4	Y.
					INSURANCE (x)									
13,50,000	46,52,425	1,45,73,387	....	23,040	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.44	5	1.00	1.00	1.00		12	Y.
10,00,000	11,65,196	28,43,030	....	66,890	M.	Devkaran Nanjee Insurance	30.00	50	3.00	3.00	2.00		12	Y.
24,00,000	71,01,264	1,40,68,520	....	3,62,182	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.12	10	2.00	2.00	2.00		12	Y.
16,92,240	37,17,768	88,96,037	....	4,17,522†	K. M. D. Thackersey, Esq. (Chairman).	Indian Mercantile Insurance	46.50	40	3.50	3.75	5.35		12	Y.
20,00,000	68,51,546	1,74,97,763	....	45,112	M. G. Mody, Esq. (General Manager)	New Great Insurance	21.52	20	2.00	2.00	2.50		12	Y.
,06,81,590 / 35,61,000	8,27,40,502	14,89,78,776	....	44,28,397	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	64.00 / 64.00	15 / 15New	3.00 / ..	4.00 / 4.00	5.70* / 5.70*		12	Y.
32,00,000	92,52,498	1,29,48,849	....	8,214	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	8.62	8	0.62	0.62	0.80		12	Y.
5,75,000	67,12,673	1,13,08,489	....	1,88,129	Sir John Brown (Mg. Director)	Triton Insurance	142.00	25	11.25	11.25	11.25		12	Y.
15,99,270	39,15,382	1,02,06,244	....	10,014	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	15.60	10	1.50	1.50	2.00		12	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors. Z.—Dividend is for fifteen months ended 31st March 1957.

x—For these companies reserves include balances of various funds and under gross block are given the total assets

MISCELLANEOUS COMPANIES—*Continued*

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
£562,500	£212,932	£745,697§§	....	£1,003	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	1.30	Sh. 1½	Nil	2%	Nil	8%	3	Y.
36,00,000	86,35,342	89,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0.60	Nil	0.60		12	Y.P.
1,00,00,000	2,53,57,786	1,06,60,341	55,36,777	4,64,807	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	28.94	10	2.00	2.00	2.50	2.50	12	Y.P.
70,07,475	49,40,586	2,47,94,315	1,56,70,926	46,303	Tata Industries Private Ltd.	Tata Oil Mills	79.00	25	2.50	2.50	3.25	5.75	3	Y.P.T.
6,00,000	9,39,137	2,46,248	1,72,531	1,24,540	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	18.70xd	10	1.25	1.50	2.20	3.00	10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
57,43,031	37,55,249	2,76,44,249	2,15,86,003	3,30,769	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	39.50	25	Nil	Nil	2.50	3.575	6	Y.P.
48,00,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	86.00	25	3.12	5.50	3.00		12	Y.P.T.
38,20,000	80,25,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	19.25	10	1.40	1.00	1.00	1.50 'C'	3	Y.
12,50,000	....	....	....	....	M.	Jayant Paper Mills Ltd.	63.00	75	....	....	....	....	3	Y.
1,40,00,000		1,04,58,852	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	10.00	10	....	....	....	....	6	Y.P.
25,00,000	37,42,800	1,54,04,003	1,03,95,960	51,968	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	22.00	10	1.00*	1.00	1.25*	1.50	3	Y.
1,46,82,500	3,21,50,238	10,01,40,260	3,07,78,182	4,22,620	Birla Brothers Private Ltd.	Orient Paper	36.00	10	1.50	1.50	1.50	2.25	3	Y.P.T.
1,75,00,000	....	....	....	....	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	7.00	7.50	....	....	....	....	3	Y.
1,86,51,420	1,09,54,433	3,40,18,914	1,26,74,532	1,36,712	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	26.87	10	1.25	1.25	1.78		12	Y.P.T.
30,00,000	3,39,123	77,35,854	43,04,384	6,122	Bajoria & Co.	Star Paper Mills	13.37	O. 10	0.60	0.60	0.30		9	Y.P.
10,00,000							13.37	A. 10	0.60	0.60	0.30			
1,18,55,240	62,55,990	6,57,32,220	1,87,32,220	34,582	Birla Brothers Private Ltd.	Sirpur Paper Mills	16.40	10	0.50	0.65	0.65	0.65	6	Y.P.
[illegible]56,00,000	3,51,39,745	8,81,10,708	4,28,97,712	2,48,642	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	33.75	A. 10	2.38*	2.38*	2.50*	2.50	3	Y.P.T.
36,04,800							33.75	B. 10	2.38*	2.38*	2.50*	2.50		
D.4,87,500							3.69	P.O. 2½	0.24	0.24	0.25*	0.295		
1,49,55,400	45,00,000	5,41,73,787	35,40,616	53,348	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	199.00	100	Nil	Nil	Nil	6.00	6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
13,99,998	19,59,360	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.59	3	Nil	Nil	....	....	9	Y.
30,35,000	3,46,95,997	5,74,47,341	2,67,52,541	1,47,502	Wallace & Co.	Bombay-Burmah Trading Corpn.	646.00	Old125	47.60K	22.50	23.75	37.50	5	Y.
42,00,000							235.00	New50	19.00K	9.00	9.50	15.00		
20,00,000	22,98,143	22,69,933	18,96,138	1,29,251	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	33.62	10	2.75	2.50	2.50	3.00	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
13,00,905	9,93,823	31,10,427	19,27,489	48,466	M.	Balrampur Sugar	2.69	2.50	0.25	0.25	0.40‡	0.20	6	Y.
3,60,000A.	36,05,704	66,14,329	42,19,339	10,00,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00	A.100	10.00	10.00	10.00		4	Y.T.
3,60,000B.							11.60N	B. 10	1.00	1.00	1.00			
29,23,562	10,14,682	48,44,096	29,60,298	1,234	Bangur Bros., Ltd.	Belsund Sugar	12.19	7½	1.00	1.00	1.40	1.40	9	Y.
15,00,000	14,98,556	28,95,027	15,95,890	4,173	Cotton Agents Private Ltd.	Bharat Sugar	16.50	10	1.50	1.00	1.50	1.50	6	Y.P.
32,00,000	32,26,224	1,51,27,711	1,08,91,665	2,75,591	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.50	10	Nil	0.25	Nil	Nil	6	Y.P.T.
80,00,000	77,17,253	1,76,06,330	1,00,81,364	—4,17,923	British India Corporation Ltd.	Cawnpore Sugar	12.75	10	Nil	Nil	Nil	Nil	10	Y.P.
13,00,000	45,46,234	84,73,277	64,52,904	27,968	British India Corporation, Ltd.	Champarun Sugar	17.12	10	Nil	1.00	1.50	1.50	6	Y.
9,58,252	6,10,632	32,39,842	20,22,495	6,101	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.06	10	0.50	0.50	1.25		8	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	14.25	10	2.00	1.50	2.00	0.40	6	Y.
60,00,000	78,32,000	2,29,19,973	1,18,95,886	52,021	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	340.00	100	15.00	15.00	15.00	29.00*	6	Y.P.
22,50,000	20,51,626	95,42,332	57,58,319	1,03,797	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	218.75	50	7.00	4.00	4.20	9.00	7	Y.P.
7,89,100	80,31,969	57,67,867	33,25,497	34,691	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	2.50	2.50	3.65	3.65	6	Y.P.
11,00,000	4,58,234	49,29,289	29,86,570	10,803	K. C. Thapar & Bros. Private Ltd.	New Savan	5.69	10	0.37	0.25	0.37		5	Y.
13,59,375	63,73,211	83,62,456	82,23,024	20,512	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	326.00	100	20.00	20.00	29.00	29.00	6	Y.
77,52,210	89,76,949	2,77,58,474	1,49,52,234	24,386	Cotton Agents Private Ltd.	Oudh Sugar	185.00	100	12.50	12.50	18.25	20.00	7	Y.P.
12,00,000	13,66,815	37,56,180	22,88,412	1,62,350	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	126.00	100	Nil	6.00	15.00		10	Y.
9,00,000	23,02,870	51,19,941	35,72,535	4,006	M.	Partabpore Co.	12.44	10	Nil	Nil	Nil		10	Y.P.
20,00,000	2,92,000	25,80,109	14,67,024	2,192	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	6.00	10	0.30	0.30	0.30	0.40	3	Y.
65,00,000	27,38,845	85,30,103	39,46,664	65,217	Govan Bros. (Rampur) Private Ltd.	Rasa Bulund Sugar	11.44	10	1.50	1.25	1.20	1.25	10	Y.
8,00,000	6,80,752	29,27,567	23,93,295	4,779	M.	Ryam Sugar	12.50	10	1.50	1.50	0.50		6	Y.P.
11,00,000	16,90,877	48,13,684	26,03,230	20,614	M.	Samastipur Central Sugar	11.19	10	Nil	0.25			6	Y.
39,99,000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	11.44	10	1.00	1.00	1.50	1 50	7	Y.P.T.
10,62,115	24,460	36,18,156	17,25,281	5,174	H. K. Ghosh, Esq. and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	5.94	10	Nil	Nil	Nil	4.40	6	Y.
15,89,962	16,10,752	39,27,180	22,85,030	21,350	M.	Shri Sitaram Sugar	12.00	10	0.50	0.50	0.90		8	Y.
7,00,035	10,42,602	28,89,883	15,99,355	19,286	M.	Tulsipur Sugar	5.06	5	....	....	....	0.62	6	Y.
3,00,000	42,66,902	1,83,27,976	97,43,200	44,480	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	5.00	5.00	7.25		6	Y.P.
16,00,000	14,52,294	28,53,170	28,50,100	1,68,870	M.	United Provinces Sugar	17.90	10	0.75	1.00	1.50		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
30,00,000	28,05,000	1,13,99,115	33,48,654	25,153	Rangarao & Co.	Andhra Sugars Ltd.	26.85	10	1.25	1.50	2.00	2.00	9	Y.
40,00,000	14,50,088	95,55,530	9,60,276	73,721	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd	131.50	100	100	Nil	Nil	6.00	9	Y.P.
70,49,650	1,52,02,875	1,63,95,390	1,10,68,264	82,986	W. H. Brady & Co., Ltd.	Belapur Company	289.50	50	16.00	20.00*	21.00	29.00	9	Y.
17,50,000	16,67,724	47,71,723	29,36,495	98,383	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	26.10	10	2.00	2.00	2.50	2.25	9	Y.P.
27,50,000	19,13,467	88,31,982	61,54,488	61,719		Shree Changdeo Sugar	26.00	12.50	2.25	2.25	2.90	2.50	9	Y.
30,84,000	58,53,634	1,45,32,270	78,22,738	1,29,253	Parry & Co., Ltd.	Deccan Sugar & Abkhari	14.10	5	0.72½'C'	0.90	0.90	1 28	5	Y.P.
£1,300,000	£1,948,862	£1,990,779	£1,183,091	£126,694	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	44.00	£1	15%	20%	28 4/7%	21 3/7%	6	Y.P.T.
15,93,900	13,26,242	48,72,029	31,28,903	12,594	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	90.00N	100	10.00	10.00	10.00	12.50	6	Y.P.
63,97,650	9,79,348	81,86,670	27,89,256	3,62,866	India Sugar Agencies Private Ltd.	India Sugar and Refineries	12.90	10	1.00	1.00	1.25		9	Y.P.
22,43,250	15,18,785	1,56,55,795	27,43,633	182	B. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.04cd	10	0.60	0.60	1.00	1.25	6	Y.P.
58,57,410	96,15 290	4,17,59,188	78,54,583	23,450	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	23.57	10	0.75	0.75	1.50	1.50	6	Y.P.
17,00,000	6,24,776	76,33,554	34,96,271	40,774	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	76.50	100	Nil	Nil	Nil	Nil	6	Y.P.T.
67,50,000	59,72,055	1,56,07,253	70,66,935	54,969	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	187.50	50	20.00	17.00	21.00	21.00	9	Y.P.
21,79,280	1,04,89,034	1,63,27,085	1,07,39,878	1,15,228	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	59.00cd	10	2.00	3.00*	3.00	3.00	6	Y.
1,10,06,885	1,13,83,279	8,20,25,800	1,92,92,280	3,527	Industries (I.F.) Dept., Govt. of Andhra Pradesh	Nizam Sugar Factory Ltd.	62.00	25	4.50	4.50	5.40	5.75	6	Y.P.
50,00,000	54,16,691	1,88,87,813	77,64,979	21,809	Mafatlal Apte and Kantilal Pvt. Ltd	Phaltan Sugar	138.00	50	12.00*	10.00	13.50	12.00	9	Y.
16,59,820	47,47,789	80,79,204	42,50,099	13,908	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	29.75xd	10	1.50	1.50	2.14	3.00	8	Y.P.T.
29,95,750	44,47,958	1,58,38,095	66,84,343	12,211	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	71.00	O. 50	12.00	12.00	8.50	5.00	9	Y.P.T.
D-4,00,000							30.00	D. 50	3.50	3.50	3.50	3.50		
30,00,000	21,96,500	69,10,952	33,56,496	1,46,735	Parry & Co., Ltd.	Travancore Sugars	10.12	10	1.00	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,31,26,320	4,26,89,605	1,46,10,876	1,61,484	Walchand & Co. Private Ltd.	Walchandnagar Industries	175.00xd	100	21.00	21.00	20.00	15.00	9	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
30,00,000	16 33,754	80,65,990	12,43,589	966	Jolly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	285.00	100	..	Nil	Nil	6.00§	3	Y.P.
49,04,125	....	1,87,585	....	11,765	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	107.00	100	..	..	Nil	..	12	Y.
39,50,000	....	1,10,78,000	19,68,000	....	..	Automobile Products	11.76	10	..	..	..	..	7	Y.
7,50,000	4,01,560	81,11,382	10,82,148	5,157	The Associated Agencies (Pvt.) Ltd.	Associated Rubber Industries Ltd.	105.00	100	7.00	7.00	10.00	10.00	12	Y.P.T.
25,00,000	1,50,000	17,32,985	5,64,087	6,664	Jamnalal Sons Private Ltd.	Bajaj Electricals	109.00	100	7.50	9.00	5.00	8.10	3	Y.P.
6,25,000							56.00	50 New				2.70		
14,98,540	5,27,709	87,58,956	22,15,699	17,694	Chunilal Manilal Private Ltd.	Estrela Batteries	63.00	50	3.50*	3.00	3.50*	4.50	3	Y.P.
18,00,000	9,40,633	10,20,495	4,90,761	31,694	Aero-Auto Private Ltd.	Bombay Cycle & Motor	25.50	25	1.75	1.00	2.00	2.50	3	Y.
14,90,000	13,000	1,06,24,000	15,000	27,205	F. Acutis, Esq. (Mg. Director)	Coat Tyres of India Ltd.	201.25	100	..	..	Nil	..	12	Y.
1,35,00,000	50,12,115	21,25,643	7,05,848	44,119	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	178.00	100	7.50	10.00	7.50	11.00	3	Y.P.
4,00,000	....	9,14,417	11,195	39,818	P. H. Sorine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	..	..	10	Y.
51,56,500							50.00N	50						
31,07,000	3,75,592	1,23,44,460	76,81,774	—9,49,324	Birla Brothers Private Ltd.	Hind Cycles	95.00	100	12.50	7.00	Nil	Nil	3	Y.P.
15,00,000	....	3,17,049	....	....	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	12.40	10.00	..	..	..	..	12	Y.
1,57,00,000	4,24,48,754	6,18,54,846	2,32,69,768	24,38,955	S. H. Turner, Esq. (Chairman)	Hindustan Lever	47.25	10	1.40	1.50	2.40	2.60	12	Y.
21,17,500	7,78,396	27,73,828	21,27,149	4,342	Forbes Forbes Campbell & Co., Pvt. Ltd.	Indian Vegetable Products Ltd.	135.50	100	10.00	10.00	15.00	17.00	9	Y.
[illegible]00,00,000	72,79,946	6,77,45,143§§	....	77,237	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	35.00	100	4.00	4.00	5.00	5.75	12	Y.
[illegible],99,250	20,07,884	1,49,29,463§§	....	3,840	Premchand Raychand & Sons	Industrial Investment Trust	79.00	100	5.50	6.00	6.00	6.20	12	Y.
70,22,100	1,04,80,782	4 62,31,978§§	....	16,810	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	115.00	100	9.25	6.50	9.25	8.50	6	Y.P.
[illegible]55,900	3,40,945	46,67,187	19,20,438	7,498	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	5.00	6.00	8.50		12	Y.P.T.
[illegible]00,000	1,30,912	83,42,718	40,25,396	5,912	Kamani Brothers Private Ltd.	Kamani Metals & Alloys Ltd.	10.00N	10	..	0.50	0.75		6	Y.P.T.
[illegible]95,450	26,84,260	49,67,050	18,86,011	10,125	A. N. Halmer, Esq. (Mg. Director)	Killick Industries	101.00	100	11.00	13.00	9.00	8.00	11	Y.
[illegible]60,900	2,13,870	19,92,555	15,00,469	85,265	Bhogilal H. P. Patel, Esq.	Laxmi Starch Factory Ltd.	184.50	100	5.00	6.00	9.00	13.00	3	Y.
11,25,100	30,000	13,42,154	4,06,142	2,35,196	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	101.00	100	2.00	7.00	6.00	10.00	3	Y.P.
27,00,000	41,84,317	87,81,909	47,39,264	1,17,952	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	428.75	100	15.00	13.00	25.00	25.00	12	Y.
[illegible]90,400	18,09,276	66,37,217	26,51,409	67,953	Polson Agencies Private Ltd.	Polson Ltd.	183.00	10	10.00	10.00	15.00	15.00	12	Y.P.
[illegible]25,625	1,17,81,972	5,94,80,033	2,64,36,782	3,23,922	Aero-Auto Private Ltd.	Premier Automobiles	172.00	100	4.00	4.00	9.00	9.00	6	Y.T.
4,75,300	1,71,915	30,66,967	9,69,029	29,056	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N	100	6.00	6.00	6.00	9.00	3	Y.P.
1,13,400							50.00N	50	3.00	3.00	3.00	4.50		
[illegible]75,500	....	22,82,068	11,962	1,08,299	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	101.50	75.00	....	....	....	Nil	12	Y.
27,50,000	13,80,743	67,28,501	34,94,295	15,405	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	215.00	100	3.00	3.00	14.00'C'	15.00	6	Y.
13,41,750	1,97,040	27,39,350	3,08,392	10,526	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	50.00	50	..	..	Nil	Nil	3	Y.P.
6,22,100	2,78,159	8,45,582	2,39,183	2,859	Modi & Co.	Supreme Industries Ltd.	147.50	100	6.00	7.50	9.00	13.00	3	Y.P.
1,75,00,000	1,90,54,595	4,80,29,387	2,10,07,541	4,53,615	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co. Ltd.	259.00xd	100	11.00*	11.00*	16.00*	16.00	12	Y.
17,00,000	2,86,719	29,42,802	15,42,187	20,699	Hasham Premji	Western India Vegetable Products Ltd.	117.00	100	7.00	3.00	3.00		3	Y.
[illegible]00,000	70,71,045	12,17,595	5,69,166	2,85,173	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	452.50	150	25.00	25.00	35.00	50.00	12	Y.

M.—Managed by Board of Directors. ‡ On old capital. * Includes bonus. § Exempt from tax. † Subject to taxation. K.—Includes an additional dividend of Rs. 7.00 per old share and Rs. 3.00 per new share. §§ Investments at cost.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed
					UNCLASSIFIED (Other Centres)								
62,50,000	2,03,52,495	3,95,14,452	1,19,43,880	1,13,745	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	18.75	O. 10	0.90	0.90	1.00	1.20	3
80,00,000	39,83,750	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.25	10	1.25	1.25	1.25	1.80	3
80,00,000	37,04,326	37,09,127	26,34,530	2,22,752	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	24.56	10	1.80*	1.50	2.00	2.50*	8
3,02,87,870	36,35,471	2,86,28,267	85,85,256	12,525	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	9.28cd	5	0.30	0.30	0.40	0.40	12
80,00,000	27,88,863	41,63,859	23,39,465	1,42,995	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	22.75	10	1.25*	1.25*	1.80	1.80	12
1,18,00,000	80,75,137	93,46,580	48,96,447	8,73,110	A. W. Browne, Esq., (Mg. Director)	Associated Battery	33.75	10	1.50	2.40	4.00	2.50	8
20,00,000	39,46,521	1,09,70,996	44,86,334	1,55,433	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	5.00N	10	0.60	0.60	*Nil*	*Nil*	3
90,01,400	33,06,830	77,88,003	41,34,215	5,14,649	A. T. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	272.00	100	12.50	20.00	25.00	7.00i	12
12,00,000	25,38,976	37,24,157	31,81,357	1,88,199	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	46.00	10	2.50	2.50	4.50	4.00	12
50,00,000	4,70,250	82,31,326	19,64,326	94,375	H. R. Sugla, Esq. (Mg. Director)	Bharat Commerce & Industries Ltd.	23.87	10	*Nil*	*Nil*	*Nil*	0.50	12
20,00,000	7,81,688	64,37,324§§	....	56,711	Lovelock & Lewis	Birds Investment Ltd.	14.25	10	0.50	0.70	1.10	0.95	9
45,97,020	55,50,348	1,22,49,277	53,59,733	2,13,638	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	52.00	10	1.00	1.20	1.40	2.50	3
3,25,00,000	1,95,44,212	3,00,84,669	2,33,94,496	3,34,066	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	8.08xd	5	*Nil*	*Nil*	*Nil*	0.20	12
1,38,30,000	14,44,223	1,90,82,924§§	....	2,16,378	Andrew Yule & Co., Ltd.	Clive Row Investment	8.28	10	0.75	0.75	0.83H		12
5,60,000	10,00,000	39,74,202	27,53,992	51,170	M.	Delhi Flour Mills, Co., Ltd.	15.00	10	1.00	1.00	1.00		10
3,00,00,000	5,08,87,509	10,39,79,436	4,01,20,270	25,12,555	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	49.94	10	1.62	1.62	2.15	2.15	12
27,27,165	1,20,49,803	59,73,067	23,80,820	26,402	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	31.62	5	0.60	0.75	0.80	1.25	3
51,26,000	59,19,702	1,63,50,496§§	....	3,49,092	Bird & Co. Private Ltd.	Eastern Investment Ltd.	132.00	100	9.00	9.00	14.00	14.00	12
24,99,000	3,52,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	12.50	10	*Nil*	*Nil*	0.50		12
48,90,187	77,72,310	95,23,776	52,36,250	4,07,338	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	16.75	12.50	1.50	1.50	1.60		9
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	229.00	100	12.00	15.00	17.00	17.50	3
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	10.40	10	0.80	1.25	1.25		3
65,00,000	36,24,200	30,57,755	15,91,667	1,71,222	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	13.75	10	1.00	1.00	1.00	1.00	3
40,00,000	4,78,500	70,95,493	41,39,847	10,40,721	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	25.50N	10	1.50	2.00	2.60		12
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	240.00	250	15.00	15.00	15.00	22.50	3
4,96,13,275	49,51,450	7,36,56,187	3,25,48,254	3,63,217	Birla Brothers Private Ltd.	Hindustan Motors	22.12	10	*Nil*	*Nil*	0.50	0.90	3
30,00,000	16,64,523	99,48,437	33,67,174	1,31,125	Lalukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	29.50	10	0.60	0.60	1.20		10
15,16,00,000	9,64,76,893	11,31,66,117	2,88,76,995	24,77,765	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	11.12	10	0.70	0.70	0.60	0.80	3
3,98,59,480	2,49,73,620	9,79,93,586	3,53,95,735	49,90,524	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co.. Ltd.	32.66	10	0.60	0.70	1.20	1.50	12
2,35,77,700	2,02,99,648	2,95,48,176	1,37,19,570	45,64,364	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	36.50	10	1.50*	1.50*	1.50*	2.25	3
2,00,00,000	1,28,81,493	5,99,68,652	2,48,66,248	13,78,431	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	35.00	10	1.00	1.00	1.50	1.50	9
29,38,250	70,550	51,92,992	17,57,026	33,618	M.	Indian Plastics Ltd.	10.62	10	0.37	*Nil*	*Nil*	*Nil*	3
3,27,970	7,54,870	19,61,878	11,61,643	1,32,665	M.	Indian Rubber Manufacturers	17.00	10	0.62	1.00	1.50	2.00	3
2,00,00,000	78,10,723	42,66,244	15,92,103	5,21,494	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	64.75	100	2.50	2.50	5.00	7.00	3
15,00,000	12,02 095	18,79,279	13,27,977	17,262	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	12.75	10	2.00	8.50	2.00	1.00	3
1,46,96,250	1,19,32,546	82,41,470	18,18,524	2,60,369	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26.87	10	2.12*	2.12*	2.75	2.75	9
6,00,000	4,20,000	14,85,526	6,66,994	1,49,226	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	34.75	10	2.40	2.00	3 00	..	12
40,00,000O. / 5,00,000D.	74,10,730	31,01,156	12,70,257	2,42,718	M.	McLeod & Co.,	213.00 / —	O. 100 / D.O.10	12.50 / 0.75	12.50 / 0.75	15.00 / 1.00		12
1,60,00,000	1,64,75,151	3,86,31,784	1,25,74,063	28,96,994	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	47.75	10	1.75	1.75	1.75	2.50'C'	3
14,05,000	5,79,801	13,30,194	6,28,269	4,324	N. G. Ayyangar Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	219.00	100	8.00	11.00	15.00	24.00	3
6,56,250	6.92,500	11,29,680	5,97,362	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	25.35	10	1.25	1.50	1.60		3
10,00,000	3,16,884	17,88,367	10,32,038	622	M. Mallaraj Urs. (Mg. Director)	Mysore Tobacco	10.40	10	1.50	1.25	1.25	1.00	3
90,00,000	1,37,56,692	1,31,19,135	51,35,368	86,389	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	36.81	10	2.00	2.00	2.00	2.50'C'	3
30,00,000	17,70,000	49,56,249	25,37,459	87,684	Do.	National Pipes & Tubes Co., Ltd.	24.50	10	2.00	1.25	1.50		9
40,00,000	30,19,000	83,22,477	35,76,949	1,31,135	Do.	National Rolling & Steel Ropes	20.62	10	0.60	1.00	1.00	1.30	6
49,97,064	9,15,876	83,55,363	33,67,559	14,523	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	12.00	10	1.00	0.60'C'	0.85		12
79,97,000	1,02,10,381	1,86,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	21.50	10	0.90	1.10	1.60		12
28,32,100	11,02,391	40,65,244§§	....	45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	48.00N	75	2.50	3.75	6.50		12
10,00,000	5,52,000	12,55,063	6,00,215	1,51,607	Parry & Co., Ltd.	Parrys Confectionery Ltd.	5.10XR	1	0.20	0.20	0.20	0.30	3
2,20,00,000	50,68,956	1,48,74,355	48,82,808	47,214	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	31.87	10	0.24	0.85	1.20		12
62,50,000	..	..	..	..	Duncan Brothers & Co., Ltd.	Phillips Carbon..	17.62	5	..	..	..		12
15,00,000	1,09,431	8,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.60	5	0.45	0.375	..		12
24,89,344	2,28,127	33,81,124	18,21,778	42,739	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	20.50cd	10	1.80	1.60	1.60		3
2,25,00,000	6,09,614	70,38,972	33,98,189	4,49,497	Badridas Goenka, Esq., (Chairman)	Rallis India Ltd.	135.00	100	*Nil*	*Nil*	*Nil*	4.00	8
2,50,80,000	2,49,55,000	14,76,38,674	6,18,95,237	1,93,085	Sahu Jain Ltd.	Rohtas Industries	20.31	10	....	2.00	1.50	2.00	3
70,00,000	55,67,726	2,76,12,629	72,19,861	1,17,247	K. D. Ganguli, Esq.	Sen-Raleigh Industries	25.45xd	10	0.60	0.60	0.80	0.80	9
75,00,000	45,78,890	1,17,50,536	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	24.62	10	1.00	1.00	1.50		12
40,00,000	91,26,201	1,53,82,019	78,19,485	7,55,863	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	23.87	10	1.50	1.50	1.80	1.80	6
47,00,000	24,40,000	1,35,84,029	39,73,773	2,974	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.75cd	10	0.75	0.75	0.90	0.90	12
15,00,000	95,24,802	1,18,49,116	28,52,132	53,431	J. K. Agents Private Ltd.	Straw Products Ltd. S	9.25	10	1.25	1.25	1.50		12
22,89,276	16,32,008	14,78,453	8,93,694	14,13,847	M.N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	38.20	10	2.00	2.25	8.00	8.00	6
9,98,980	30,000	16,98,410	7,47,136	3,288	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.20cd	10	*Nil*	0.40	0.60	0.60	12
11,56,300	15,37,168	13,62,490	7,38,592	40,519	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	32.50	10	2.00	2.00	2.75	8.25*	9
2,49,98,600	1,26,10,316	3,46 95,651	65,94,797	3,04,545	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	283.00	100	10.00	10.00	10.00	10.00	7
30,58,956	29,686	68,68,938	17,68,838	56,308	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	8.00	10	*Nil*	*Nil*	*Nil*		9
2,80,00,000	1,67,65,505	6,04,41,004	1,15,63,837	..	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	55.00	10	1.40	1.40	1.80	1.80	12
20,00,000	47,50,000	59.48,867	18,86,024	1,24,443	Vittal Mallya, Esq. (Chairman)	United Breweries	110.00	10	2.00	6.00	6.00	6.00	2
5,00,000	6,60.191	8,85,222	5,93,831	28,594	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	33.00N	10	4.00	3.75	5.25	3.50	11
81,29,500	25,29,264	98,81,836	25,54,513	5,401	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	243.00	100	10.00	10.00	10.00	10.00'C'	8
					TRANSPORT								
20,00,000	95,17,850	1,23,16,309	21,49,792	23,023	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	5.00	6.00	3.00	7.50	10
1,00,00,000	94,04,072	3,99,21,508	2,05,16,725	—7,10,928	Dinshaw (Private) Ltd.	Bharat Line	6.28	10	1.20*	1.20*	*Nil*		12
00,00,000 / 25,00,000	2,17,74,568	8,51,80,151	2,15,53,555	1,32,013	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	15.00 / 8.24	10 / 5(New)	1.50	1.80 / 0.90	1.50 / 0.525	1.00 / 0.50	6
£655,580	£1,242,443	£5,811,271	£3,538,391	—£3,866	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	72.50	£10	*Nil*	*Nil*	*Nil*		12
2,47,50,000	2,89,74,088	22,68,81,851	4,96,14,634	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	8.56	10	1.00	1.00	1.00	1.00	3
11,28,19,293	11,32,52,989	35,02,81,320	9,83,12,870	—16,13,456	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	14.76	20	1.25	1.25	1.80	0.60	6
3,40,800 / 2,10,800P.O.	21,45,788	13,10,577	9,03,867	1,67,197	B. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.56 / 2.25	O. 1 / P.O. 1	0.14 / 0.12	0.14 / 0.12	0.20 / 0.15		12

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed
25,50,000	35,44,700	1,23,77,428	80,99,858	11,999	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	25.00	10	1.25	1.25	1.50	1.00	3
12,00,000	2,96,358	38,08,529	34,12,329	—5,53,532	Jardine Henderson Ltd.	Barraree Coke	14.31	10	0.37	0.50	*Nil*	*Nil*	3
4,49,350	1,30,132	11,60,136	6,76,035	4,967	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48N	10	0.90	0.25	*Nil*		12
1,00,00,000	2,06,23,467	7,45,29,664	4,86,40,636	10,50,529	Andrew Yule & Co., Ltd.	Bengal Coal	394.00	100	17.50	17.50	25.00	25.00	10
2,25,000	4,90,671	23,57,602	21,45,467	—24,902	M.	Bengal-Nagpur	20.00	10	*Nil*	*Nil*	*Nil*		12
40,00,000	61,200	1,46,74,215	80,25,554	2,30,479	Sahu Jain Ltd.	Bharat Collieries	3.66	10	0.60	0.60	*Nil*	*Nil*	6
7,15,000	14,93,844	57,66,346	36,78,757	—6,96,032	M.	Bhulanbararee	5 00N	10	*Nil*	*Nil*	*Nil*		12
7,50,000	20,82,392	45,36,993	28,95,396	19,830	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.37	10	0.75	0.75	1.00		12
90,92,480	1,40,21,423	4,32,66,766	2,28,76,540	1,49,292	Bird & Co. Private Ltd.	Burrakur	19.87	10	0.75	0.875	1.30	1.30	6
49,97,000	4,62,979	74,82,076	25,32,605	27,542	Hindustan Investment Corpn. Ltd.	Central India	13.25	10	0.50	0.50	0.50	0.80	3
8,00,000	12,99,490	53,54,287	34,91,864	7,605	Jain Industries	Central Kurkend	7.00N	10	0.70	0.50	*Nil*		12
6,00,000	1,54,873	6,36,341(k)	....	941	F.W. Heilgers & Co. (Private) Ltd.	Churlia	3.12	4	0.20	0.20	0.12		12
16,00,000	....	57,61,927	33,65,625	—1,06,301	M.	Dhemo Main	7.25	10	*Nil*	*Nil*	*Nil*		12
£240,000	£3,52,069	£1,124,710	£812,966	£7,006	Jardine Henderson Ltd.	East Indian	36.37	£1	1.50	1.00	1.25	1.00	4
29,63,760	1,07,01,492	4,76,99,617	3,33,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	30.00	10	1.50	1.50	0.75		12
10,00,000	40,000	24,58,595	8,45,200	—5,80,078	Bhatter's Agency Ltd.	Ghusick and Muslia	16.00	10	*Nil*	*Nil*	*Nil*	*Nil*	3
12,00,000	1,27,964	43,44,376	27,68,441	—1,87,129	Killick Industries Ltd.	Hingir-Rampur	23.00	50	*Nil*	*Nil*	*Nil*	*Nil*	6
3,00,000	....	24,79,228	20,12,306	—3,47,957	M.	Hurriladih	14.37	10	*Nil*	*Nil*	....		12
20,00,000	5,37,341	40,32,438	10,76,764	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	208.00	100	*Nil*	5.00	5.00	7.50	2
5,00,000	21,66,090	56,77,095	40,80,864	1,31,658	Andrew Yule & Co., Ltd.	Katras Jherriah	47.50	10	6.50	6.50	9.50	9.50	1
11,00,240	68,243	7,07,900	....	—3,39,717	M.	Kuardi	8.75N	10	*Nil*	*Nil*	*Nil*		6
9,00,000	10,22,702	6,16,670	....	39,080	H. V. Low & Co. (Private) Ltd.	Lakurka	14.00N	10	0.12	1.00	0.75		4
7,48,240	2,50,000	13,59,878	10,13,358	17,140	Tantia Brothers Private Ltd.	Nazira	8.00	10	0.75	0.75	1.00		12
31,97,210	27,39,886	1,62,48,573	1,06,23,096	79,798	Andrew Yule & Co., Ltd.	New Beerbhoom	24.37	10	0.75	1.00	1.50	1.60	10
6,00,000	2,88,645	28,54,261	19,79,034	56,603	Octavius Steel & Co., Ltd.	New Manbhoom	15.75	10	0.50	0.50	0.50	0.75	3
1,15,000 / 1,57,500	3,84,525	12,96,398	9,60,464	23,053	M.	North West	21.09N / 19.00N	10 / 7.50	1.50 / 1.12	1.50 / 1.12	1.50 / 1.12	2.00 / 1.50	3
7,50,000	16,65,465	2,62,538	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman)	Ondal	16.75	10	0.50	0.50	0.70		12
8,34,000	1,82,527	28,59,307	12,11,228	1,026	Deepchand Kishenlall	Parasea	18.00	10	0.50	0.50	0.62		12
15,75,000	22,83,200	76,91,776	47,81,408	14,547	Shaw Wallace & Co., Ltd.	Pench Valley	19.75	10	2.00	2.00	1.00	1.00	3
23,99,500	34 89,802	1,52 74,203	1,05,98,171	8,664	M.	Raneegunge	17.50	10	0.75	1.00	1.00	1.50	3
13,50,000	11,31,590	52,62,257	35,97,256	29,537	Shaw Wallace & Co., Ltd.	Rewa	30.50	10	1.00	1.00	1.00	0.75I	12
87,50,000	86,62,940	1,08,14,676	84,23,229	—6,560	M.	Samla Collieries	9.25	10	0.90	0.50	0.70	..	12
12,00,000	2,83,010	22,73,864	7,51,427	2,609	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries.	132.00	100	9.25	12.50	16.00		12
2,80,000	10,53,529	30,26,230	20,57,054	45,862	Andrew Yule & Co., Ltd.	Seebpore	38.75	7	1.75	1.75	3.00	1.00	12
8,00,000	4,69,848	35,740	13,04,563(k)	1,111	F. W. Heilgers & Co. (Private) Ltd.	Sendra	7.94xd	10	0.25	*Nil*	0.35	0.50	12
63,21,450	1,24,58,755	7,11,84,167	3,19,11,631	90,858	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	11.75	10	1.50	0.75	0.75		12
17,50,000	9,09,230	44,92,231	20,81,911	20,181	Bird & Co., Private Ltd.	South Karanpara	11.12	10	0.75	0.75	0.90	0.25	3
8,00,000	15,49,019	1,53,707	26,68,239(k)	20,718	F. W. Heilgers & Co. (Private) Ltd.	Standard	12.50	10	1.00	1.25	1.50	1.50	12
8,50,000	2,81,000	20,49,970	15,40,057	28,484	B. M. Varma, Esq. (Mg. Director).	Union	12.00	10	0.37	0.25	*Nil*		12
49,98,000	3,56,533	86,93,251	32,75,682	12,536	Hindustan Investment Corpn. Ltd.	Western Bengal	9.62	10	0.50	0.40	0.40	0.60	3
7,00,000	....	60,41,420	30,68,310	—2,48,408	M.	West Jamuria	7.00	10	*Nil*	*Nil*	*Nil*		12

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. 'C'—On increased Capital.

§§ Investment a[t]

* Includes b[onus]

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,00,000	5,03,569	Allahabad Bank	329.00 / 163.00	100 / 50	18.00‡ / 9.00‡	18.00‡ / 9.00‡	18.00‡ / 9.00‡	18.00‡ / 9.00‡	12	Y.P.
1,01,000 / 40,56,600	23,08,220	4,923	Andhra Bank	92.07xd / 83.97xd	100 / 85	6.00 / 5.10	6.00 / 5.10	8.00 / 6.80	8.00 / 6.80	6,12	H.
1,50,00,000	1,61,14,860	1,09,358	Bank of Baroda	100.50	50	7.00	6.00	7.00	8.50	12	Y.
2,50,00,000 / 50,00,000'A'	3,10,00,000	12,84,842	Bank of India	123.25 / 125.50	50 / 50'A'	8.00 / 8.00	8.00 / 8.00	8.00 / 8.00	10.00 / 10.00	6,12	R.L.Y.
80,71,820 / 67,08,155	13,22,881	27,745	Bharat Nidhi Ltd.	9.06 / —	10 / 2.50	0.50	0.60	‡‡	..	12	
36,00,000	56,30,000	45,109	Canara Bank Ltd.	79.75	50	5.00	5.00	7.50	7.50	12	Y.P.
12,50,000	19,35,000	11,250	Canara Banking Corporation Ltd.	74.75	50	5.00‡	5.00	7.50	7.50	12	Y.P.
'A' 5,99,620 / 'B' 16,00,000 / 'C' 2,00,000	42,50,471	27,708	Canara Ind. & Bkg. Syndicate Ltd.	174.00xd / 17.10 / 1.74	100 'A' / 10 'B' / 1 'C'	15.00 / / 0.15	15.00‡ / / 0.15‡	20.00‡ / 2.00‡ / 0.20‡	20.00 / 2.00 / 0.20	12	Y.
2,62,50,000 / A.52,50,000	3,68,08,635	18,61,471	Central Bank of India Ltd.	59.00xd / 61.00xd	25 / 25	3.50 / 3.50	3.50 / 3.50	4.30 / 4.30	5.10‡ / 5.10‡	12	R.L.Y.
50,00,000	60,00,000	7,86,033	Devkaran Nanjee Banking Co.	58.00	50	3.00	3.50	2.52	4.38	12	Y.
3,00,00,000	2,00,00,000	10,88,760	Habib Bank Ltd. P.	21.90	5	17.5%	15%	14.6%	17.5%	12	Y.
1,25,00,000	10,00,000	2,212	Hindustan Commercial Bank	15.75	50	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
50,00,000	2,50,000	3,758	Hindustan Merchantile Bank	15.50	50	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
60,60,000 / 22,39,435	88,32,000	1,36,000	Indian Bank	166.00 / 142.00	100 / 80	15.00‡ / 12.00‡	13.00‡ / 10.40‡	15.00‡ / 12.00‡	15.00‡ / 12.00‡	12	R.L.Y.
74,53,000	68,86,660	1,92,435	Indian Overseas Bank	175.00	100	10.00	10.00	12.00	14.00	12	Y.
15,00,000	12,00,000	28,839	Pandyan Bank Ltd.	29.50	25	1.87	2.50	3.56	2.50	12	Y.
1,25,00,000	1,58,50,000	4,23,142	Punjab National Bank—K	21.76	10	5.00	2.00	2.00	2.00	12	Y.
5,62,50,000	7,45,00,000	56,20,525	State Bank India	328.75	100	16.00	16.00	20.00	22.75	12	Y.
60,00,000	53,50,000	92,704	Union Bank of India	6.44	5	0.44	0.44	0.57	0.57	12	Y.
2,00,00,000	2,05,00,000	1,46,871	United Commercial Bank	89.00	50	3.75	3.75	5.50	6.00	12	H.
2,68,53,718	86,63,000	2,07,685	United Bank of India	4.94	10	0.30	0.30	0.43	0.43	12	R.L.Y
			PRINCIPAL EXCHANGE BANKS			**Dividend (per cent.)**					
£5,500,000	£5,700,000	£506,254	Chartered Bank	£3-1-6	£1	15†	15†	15†	15½†	12	Y.
H.K.$79,046,125	£15,000,000	£137,886	Hongkong and Shanghai Banking CorporationZ	£19	H.K. $25	3½*	3*	3*	3½*	12	Y.
£34,809,506	£24,950,000	£569,125	Lloyds Bank	£3-14-9	£1	13†	12½'C'	12†	6†I	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£1-18-3	sh.15	15†	15†	12½†	13½†	12	Y.

Includes bonus. P.—Figures in Pak rupees. † Less tax. (I) Interim. xr—Ex-Right.
—The final dividend of £1-12-6 is on the increased Capital. C—On increased Capital. * £ per share free of tax.
—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each.
—Bharat Nidhi Ltd. One Punjab National Bank share for 20 fully paid up ordinary shares or 80 partly paid up ordinary shares of the company for the year 1959 is a specie dividend. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
17,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1963
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	99.75	1st August .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November .. 1959-64
			COAL			
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December .. 1968 (a)‡
			COTTON			
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (b)
64,66,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	99.75	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
30,00,000	6½	1st January and 1st July	Shree Nivas	1958	100.00	31st December .. 1970
65,27,900	6½	1st April and 1st October	Simplex	1959	100.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Vishnu	1955	94.50	1st June .. 1966-70
39,51,000	5	1st June	Tata Mills	1951	92.00	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	97.75	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co	1940	97.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1979 (a)
35,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½T	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,78,000	5	1st March and 1st September	Tata Power	1940	97.50	1st July .. 1970
1,50,00,000	4	1st January and 1st July	Tata Power	1949	85.25	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	104.50	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	98.25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.00	1st October .. 1960-65
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st Decembe .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	3½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	82.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
10,00,000	6½	31st January and 31st July	Waverley	1925	80.00	31st August .. 1972
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£[illegible]1,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
£139,051	5	1st April and 1st October	Calcutta Tramways	1933	£74.10N	
[illegible],50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
[illegible]00,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
[illegible]4,76,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	97.00	1st December .. 1963
			PLANTING			
2,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-66†
3,75,000	6T.F.	1st January and 1st July	Kallas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee	..	99.00	1st April .. 1960-67
			MISCELLANEOUS			
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
[illegible],20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
[illegible]00,000	5½	1st March and 1st September	Burmah-Shell	1954	99.50	1st September .. 1964-69(a)§
[illegible]00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	99.75	1st October .. 1970
[illegible],00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	82.00	30th September .. 1970
1,[illegible],00,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	106.00	1st January .. 1973 (a)†
[illegible],55,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.00	30th June .. 1969 (a)‡
[illegible],80,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	103.00	1st January .. 1975
[illegible],00,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
[illegible],75,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	500.00	30th September .. 1976 (a)
[illegible],07,500	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00	31st December .. 1972 (a)
45,00,000					(per note)	30th September .. 1964
7[illegible],00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
[illegible]0,00,000	5½	30th June and 31st December	National Rayon	1955	99.50	30th June .. 1965-70
[illegible]00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	94.00	31st March .. 1961 (a)
7,48,350	6½	1st January and 1st July	Premier Automobile	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	98.00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
30,00,000	6	16th Feb. and 16th August	Shree Gopal Paper Mills Ltd.	1955	96.00	16th February .. 1961 (a)
30,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1958	99.50	1st April .. 1964-68 (a)‡‡
5,31,000	5	31st January and 31st July	Tata Chemicals Ltd.	1945	97.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co., Ltd.	1959	100.00N	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent. on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

The following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 1st June 1961.

	Closing quotations 24-5-1961	High	Low	Closing quotations 1-6-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	155.00	—	—	155.00
Apollo (2)	1.58	1.60	1.50	1.52
Baroda Rayon (100)	130.00	134.00	126.00	127.00
Bombay Dyeing (25)	65.00	66.50	64.90	66.00
Bradbury (50)	123.50	130.50	127.50	130.50
Central India (100)	113.50	116.00	112.50	112.50
Century Mills (100)	670.00	686.00	670.00	675.50
Coorla Sp. (100)	135.50	135.50	132.50	132.50
Dawn (50)	130.00	132.00	130.00	131.00
Edward Textile (200)	300.00	308.00	305.00	305.00
Elphinstone (50)	83.00	86.00	82.00	86.50
Finlay (100)	320.00	325.00	319.00	325.00
Gokak (100)	186.25	187.00	185.00	186.00
Gold Mohur (100)	263.75	—	—	263.75
Gwalior Rayon (10)	51.50	52.80	50.60	52.50
Ind. Untd. Defd. (1)	1.96	1.96	1.83	1.88
Ind. Untd. Ord. (10)	15.48	15.48	15.20	15.28
Indian Rayon (62.50)	63.00	63.00	62.50	63.00
Indore Malwa (100)	149.00	154.00	148.00	154.00
Khatau (100)	560.00	585.00	555.00	577.50
Kohinoor (100)	321.00	327.00	319.00	324.50
Lakshmi (250)	537.50	521.25	520.00	520.00xd
Mafatlal (100)	865.00xd	870 00	860.00	860.00
Minerva Mills (100)	71.00	82.00	71.00	82.00
Model Nagpur (250)	35.00	—	—	35.00
Morarji (100)	401.00	430.00	399.00	428.00
Mysore (50)	72.00	76.00	72.00	74.00
National Rayons (100)	561.00	564.50	547.00	555.00
New City (100)	150.00	—	—	150.00
New Great (100)	212.50	217.50	212.50	217.50
Phœnix (100)	145.50	148.50	145.00	148.50
Podar Mills (100)	148.00	148.50	146.00	147.50
Raymond Woollen (100)	128.00	135.00	123.00	124.00
Sassoon Silk (10)	14.48	14.48	14.12	14.36
Sassoon Spg. (10)	53.20xd	54.50	54.00	54.50
Shrinivas (100)	260.00	260.00	258.00	260.00
Simplex (50)	193.00	193.00	188.00	191.00
Standard (100)	1,555.00xd	1,568.00	1,510.00	1,541.00
Svadeshi (100)	273.50	276.00	270.00	272.50
Swan (100)	575.00	—	—	575.00
S. I. Viscose (100)	165.00	170.00	165.00	166.00
Tata Mills (25)	59.00	59.50	58.00	59.00
Vishnu (100)	129.00xd	129.50	129.00	129.50
Western India (1,000)	3,725.00	—	—	3,725.00
BANKS				
Bank of India (50)	123.25	123.25	123.00	123.25
Do. (New) (50)	125.50	—	—	125.50
Bank of Baroda (50)	100.25	100.50	100.00	100.25
Central (25)	60.00	60 00	57.50	58.00
Central 'A' (25)	61.00	—	—	61.00
Dena Bank (50)	58.50	58.50	58.00	58.00
Punjab National (10)	21.00	21.76	21.00	21.76
Union Bank (5)	6.40	6.44	6.36	6.44
United Com. (50)	89.00	89.50	89.00	89 00
ELECTRIC COS.				
Ahmedabad (100)	87.20	88.00	84.50	84.50
Amalgamated (10)	10.08	10.08	10.04	10.04
Andhra Valley (1,000)	1,017.50	1,012.50	1,007.50	1,010.00
Bom. Sub. El. (100)	90.80	90.80	89.50	90.00
Surat (100)	89.00	89.00	88.50	89.00
Tata Hydro (100)	104.50	105.50	104.50	105.50
Tata Power (1,000)	1,045.00	1,052.50	1,043.15	1,045.00
INSURANCE COS.				
British India (10)	12.16	—	—	12.16
Indian Mercantile (20)	46.00	50.00	46.50	50.00
New India (15)	62.00	64.00	62.00	64.00
New India 'A' (15)	62.70	64.50	62.50	64.50
Vulcan (10)	15.60	—	—	15.60
STEEL COS.				
Ind. Iron (10)	27.75	28.25	27.60	28.25
Mukand Iron (10)	28.25	28.50	27.75	28.00
Tata Steel Ord. (75)	157.50	161.25	156.00	161.00
SUGAR COS.				
Belapur (50)	290.00	291.00	284.00	288 00
Bhopal (10)	26.10	—	—	26.10
Changdeo (12.50)	25.75	—	—	25.25
Phaltan (50)	141.00	140.50	137.00	138.00
Walchand Ind. (100)	192.00xd	193.00	172.50	176.25
CEMENT COS.				
Associated Cts. (100)	162.25	162.75	160.25	161.00
Digvijay (100)	155.50	156.50	155.00	155.50
Orissa (10)	14.56	14.80	14.52	14.56
MISCELLANEOUS				
Alcock Ashdown (100)	310.00	310.00	295.00	295.00
Bom. Burmah (125)	641.00	651.00	635.00	643.00
Do. (New) (50)	221.25	237.50	222.50	236.25
Br. B. Petrol (1½ sh.)	1.34	1.34	1.26	1.28
Br. I. Corpo. (5)	8.28	8.24	8.08	8.08
Cooper Eng. (100)	172.00	171.50	170.00	171.00
Colour Chem. (100)	343.75	375.00	343.75	375.00
Hind Cycle (100)	101.00	101.00	95.00	95.00
Hindustan Lever (10)	47.50	—	—	47.25
Hindustan Motors (10)	21.60	22.52	21.52	22.44
I. C. & Invest. Corporation (100)	84.00	85.00	84.00	85.00
Indian Dyestuff (100)	530.00	560.00	535.00	552.50
Indian Copper (2 sh.)	5.52	5.56	5.44	5.52
Ind. Inv. Tr. (100)	79.00	—	—	79.00
Killicks (100)	102.00	102.00	101.00	101.00
Larsen & Toubro (10)	44.75	44.75	43.50	43.50
Mahindra & Mahindra (10)	20.24	20.76	20.12	20.76
New Central Jute (10)	20.08	20.12	20.00	20.00
Polson (100)	183.00	183.00	179.00	179.00
Pre. Automobiles (100)	171.50	175.00	170.50	172.50
Premier Con. (80)	193.00	200.00	189.50	196.50
Scindia (20)	15.24	15.40	14 64	14.88
G. E. Shipping (10)	15.20	15.20	15.00	15.00
Shivrajpur (10)	78.50	80.00	78.50	79.00
Sirpur Paper (10)	16 64	16.80	16.20	16.20
Tata Chemicals (10)	19.60	19.64	19.12	19.44
Tata Locomotive (100)	366.00	372.50	358.75	365.50
Tata Oil (25)	77.00	80.50	77.00	79.00
Texmaco (10)	19.80	20.40	19.80	20.40
Voltas (100)	293.50	295.00	285.00	291.50
W. I. Match (100)	261.50xd	261.50	257.50	258.00
W. Coast Paper (100)	199.50	200.00	196.50	199.00

GOVERNMENT SECURITIES	24-5-1961 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	1-6-1961 Rs.
2½% 1961	99.75	—	3.97	99.75
2½% 1962	98.60	—	3.72	98.60
2½% 1976	88.50	—	4.23	88.50
3 % 1964	98.65	—	3.42	98.65
3 % 1963-65	98.70	3.55	3.30	98.75
3 % 1966-68	95.85	3.85	3.64	95.85
3 % 1970-75 1st Dev.	90.80	4.19	3.84	90.80
3 % 1986 Con. Loan	73.05	—	4.10*	73.05
3½% 1961 N. P. Bonds	100.00	—	—	—
3½% 1964 N. P. Loan	99.85	—	3.55	99.85
3½% 1965 N. P. Bonds	99.95	—	3.51	99.95
3½% 1962	99.90	—	3.35	99.90
3½% 1967 N.P. Bonds	99.00	—	3.58	99.00
3¾% 1974	99.70	—	3.78	99.70
3¾% 1967 N.P. Bonds	100.50	—	3.66	100.50
3¾% 1969 Loan	98.60	—	3.70	98.65
3¾% 1968	98.70	—	3.70	98.70
3¾% 1963 N.P. Bonds	100.10	—	3.46	100.10
3¾% 1968 N.P. Bonds	100.50	—	3.67	100.50
4 % 1972 Loan	100.50	—	3.93	100.50
4 % 1973 Loan	100.45	—	3.95	100.45
4 % 1979 Loan	100.10	—	3.99	100.10
3½% 1966 Bonds	99.70	—	3.57	99.70
4 % 1980 Loan	99.95	—	4.01	99.95

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.

PROTECTION OF BANK DEPOSITORS

(*Concluded from page 1029*)

patronage because the belief that the banks in the State system were guaranteed by the State and therefore the depositor could not lose.

"As a matter of unbiased history, therefore, the guarantee of deposits plan proved fallacious and unworkable, whether from the point of view of banking practice actuarial science as applied to the insurability of bank deposits, the effects on the human element within banking, the effects on the public attitude towards banks, the attitude of public bank supervisory officers in respect to their duties and administrative functions, or the fortifying of the banking structure to withstand adverse economic conditions.

"These historical experiences show that the guarantee plan is inherently fallacious and based on erroneous premises and assumptions. It has proved to be one of those plausible, but deceptive, human plans that in actual applications only serve to render worse the very evils they seek to cure."

The favourable record of the Federal Deposit Insurance Corporation has been due partly to the soundness of its operations to date and partly to the fact that it has been operating during a period of improving business conditions. The test of the Corporation and the effectiveness of Federal Deposit Insurance will come when another financial crisis develops. No one knows whether or not the huge reserves available to the Corporation will prove adequate.

While it is important that the depositors of the bank be safeguarded in every way possible, because it is true that he is the innocent party in case of a bank failure, nevertheless the method by which he is to be guarded must be a sound method which actually will accomplish the purpose for which it was created. Perhaps the development of sound banking practice, or the extension of State powers of supervision over banking, and the raising of the standard of banking by a higher type of legislation might provide adequate protection for depositors of failed institutions, because, generally speaking, it can be stated that banks fail because of poor management or dishonesty. Poor management can be overcome to some extent by raising the banking standards through the revision of the banking laws, placing them on a higher plane. Dishonesty can be overcome to some extent by strict supervision of the banking activities of a community through a well-established corps of examiners operating under the jurisdiction of a highly efficient central banking department.

The question of developing deposit insurance in India was mooted by the Rural Banking Enquiry Committee and the Committee of Finance for the Private Sector in 1954. It was, however, felt that, although the proposal was commendable in principle, the time was not yet ripe for the introduction of such a measure in our country. The Indian banks are at present considered to be passing through a period of transition and the risks and uncertainties to which they are still subject would not seem to make deposit insurance immediately workable at this stage. Furthermore, the larger banks, those run on sound lines and enjoy full public confidence, do not apparently look to this proposal with much favour. They feel that, in the event of a deposit insurance being launched in this country, the major brunt of it will have to be unnecessarily borne by them. The problem has, however, once again assumed importance by the failure of the Palai Central Bank.

The Government has begun giving serious thought to the introduction of deposit insurance in India. But the conditions prevailing in our country are so different that the adoption of deposit insurance seems to be beset with serious difficulties. There are two main problems which requires to be solved. In the first place, whether the small banks would be able to bear the cost of the deposit insurance? One practical solution seems to be that these banks should be merged with bigger banks before the deposit insurance takes practical shape. The Reserve Bank of India has acquired statutory powers to force amalgamations and mergers, and there is no doubt that it would exercise this power discretely to rescue tottering banks by effecting their mergers in the bigger banks. It is the small bank which is a menace to the economy of our country and the sooner it is exterminated the better it will be. Consolidations and mergers have been defended for many reasons, such as the attainment of safety and the inability in many areas for a bank to have branches. Bigger banks, which intend to expand, are experiencing great difficulty in securing accommodation for their new branches while the smaller banks, which have been in existence for some years, are in many cases possessed of vast buildings. If the mergers of these banks is brought about, one of the handicaps, which stands in the way of bigger banks to expand themselves, would be removed. Another reason given in support of the merger movement is that it is the only rapid answer to reduction in the number of banks in particular areas where too many banks give rise to serious qualitative credit problems.

One question which is sometimes asked is whether India needs so many banks with their branches scattered in far-flung areas. Why should not India adopt the dual system of banking in operation in the U.S.A.? In this country, there are 48 States and as many legislative authorities on banking. In addition, there are three national legislative authorities so that in all there are 51 legislative authorities to control the banking system of America. The U.S. is also a federation of States but the division of the country into various States is based on administrative convenience. In our country, on the other hand, the basis is linguistic consideration. It is suggested that the country should be divided into six or seven zones, if not for political reasons, for banking purposes, and each zone entrusted to one of the big banks now functioning in the country. These banks would enjoy the same status as the State banks in the U.S.A., while the Reserve Bank of India and the State Bank of India would form the national banking system of the country. This is, however, no satisfactory remedy for the ills of our country. The duality of the American system does not give it strength. On the other hand, it has been one of the causes of too many bank failures in the U.S.A. Each of the forty-eight States exercises its sovereignty in part by chartering banks. In comparison to the national bank laws most of the State laws are liberal. This gives State banks a competitive advantage and requires national banks, on occasion, at any rate to modify their concept of conservative banking.

The second problem is that, after having secured insurance of their deposit obligations, will not the bankers indulge in reckless lending thinking that, even if their advances turn bad, the depositors would not stand to lose because, in the event of liquidation of the bank, they would be paid by the guaranteeing Corporation? This difficulty can be overcome, if stricter supervision of the insured banks is undertaken not by the Reserve Bank of India but by an audit authority responsible to the Deposit Insurance Corporation, or by an authority appointed by the Ministry of Finance. If this suggestion is adopted, there will be three supervisory agencies over an insured bank, namely, (1) statutory auditors appointed under the Companies Act; (2) Reserve Bank inspectors who will conduct inspection under the Banking Companies Act and the Reserve Bank of India Act; and (3) Government supervisory authority.

(*Concluded*)

BANKING

(*Concluded from page 1028*)

market operations as monetary weapon, the paper observes:

"Unwillingness to use open market operations as a monetary weapon may be due to the fact that, in discussions of the long-term rate, the tendency is to take note of the (relatively limited) effects on savers and borrowers, though the main relevant impact, as suggested above, is on lenders. A much more important cause, however, is the natural desire to keep down the cost of servicing public debt. This may well be an important consideration against raising the interest rate; but the functional approach adopted here suggests that this cannot be the end, but only the beginning, of the argument. The reason is that an Exchequer which subsidises several sectors in the economy—part of 'direct controls'—can surely subsidise itself in the matter of the debt burden as well. Since fixing the interest-rate below the equilibrium level cannot reduce the real burden of development in the public sector, the issue need not turn on the nominal cost of servicing public debt. The question at stake is whether India is, or is not, prepared to recognise the true function of monetary policy while taking, simultaneously, adequate action outside the monetary field for carrying to fruition her plans."

Proceeding, the paper avers that Indian economy needs purpose-wise control over investment, in addition to overall control. In recent years, attempts have been made to put monetary curbs on "speculative" or unproductive activity, as, for instance, ban on bank financing of badla business and increased margin requirements in respect of loans against shares. Measures of this kind may be useful so far as they are effective, but the difficulty is, first, of isolating speculative activity from other activity and, secondly, of devising means which, while curbing the latter, will not hit the former. The policy of operating a structure of ceilings over bank advances against specific agricultural products like rice, wheat, oilseeds and cotton also becomes ineffective in checking the speculative spurt in their prices, because the market for credit is a single market and the borrower frustrated at a bank may evade the control by approaching unorganised channels of finance.

Notice

JUGGILAL KAMLAPAT COTTON SPG. & WVG. MILLS CO. LTD., KANPUR

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-eighth Annual General Meeting of Juggilal Kamlapat Cotton Spinning and Weaving Mills Company Limited will be held on Friday the 9th June, 1961 at 4-30 p.m. (S.T.) at the Registered Office of the Company at Kamla Tower, Kanpur, to transact the following business:—

1. As special business to consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:—

   "RESOLVED that the 6½% Income Tax Free Cumulative Redeemable Preference Shares of Rs. 100 each which were issued after 31st March, 1960 be treated on the same footing as the 6½% Income Tax Free Cumulative Preference Shares of Rs. 100 each issued prior to that date under the Preference Shares (Regulation of Dividends) Act, 1960 and the stipulated dividend in respect thereof be raised by 30% subject to deduction of tax under Section 18 (3D) of the Indian Income Tax Act."

2. To receive and adopt the Directors' Report and the audited Balance Sheet and the Profit and Loss Account of the Company for the year ended 31st December, 1960.

3. To declare dividends in respect of the accounting year ended 31st December, 1960.

4. To elect a Director in place of Shri Kailashpat Singhania who retires by rotation but is eligible for re-election.

5. To elect a Director in place of Shri Sohanlal who retires by rotation but is eligible for re-election.

6. To elect a Director in place of Shri Govind Hari who retires by rotation but is eligible for re-election.

7. To appoint Auditors to hold office until the next Annual General Meeting and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 20th May, 1961 to 9th June, 1961 both days inclusive.

By Order of the Board,

R. N. GUPTA,
Secretary.

KAMLA TOWER,
KANPUR, *5th May*, 1961.

Notes:—(1) Dividends, as recommended by the Directors, if approved at the Annual General Meeting will be paid to those shareholders whose names are on the Company's Registers on the 9th June, 1961 or to their mandatees.

(2) The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business under item No. 1 of the notice is given below.

(3) A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a Member.

EXPLANATORY STATEMENT

(*For Item No.* 1)

One of the terms of issue of the 6½% Income Tax Free Cumulative Redeemable Preference Shares of Rs. 100 each which were issued under the Prospectus dated 14th April, 1960 was that they shall rank *pari passu* with the existing 6½% Income Tax Free Cumulative Preference Shares of Rs. 100 each in all respects except that they shall be entitled to dividend only from the respective date of allotment. The proposed resolution is in consonance with this condition. If the 6½% Income Tax Free Cumulative Preference Shares issued prior to 1st April, 1960 are to be governed by the Preference Shares (Regulation of Dividends) Act, 1960 those issued after that date should also be treated on the same footing. No Director of the Company holds any of these shares.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2618 **BOMBAY, 10th JUNE 1961** **PRICE Rs. 2**

THIRD PLAN IN FINAL FORM

THE deliberations of the National Development Council which met at New Delhi last week have naturally aroused country-wide interest. This cannot be attributed to the fact that it met to take yet another look at the draft third Five-year Plan before putting the stamp of its approval. After all, such approval might easily have been taken for granted, considering that the members of the Council have had several opportunities of examining the Plan. But what really lent weight to its deliberations was that quite a few finer points came up for review and led to some lively discussion. Moreover, by fortuitous coincidence, the National Development Council and the Aid-India Consortium met on the same day, though at different centres, and since the outcome of the latter has been particularly helpful, the former came to have an added appeal to the public. If the New Delhi meeting approved the final draft of the third Plan, the Washington conference was responsible for creating world-wide interest in the Plan and for generating the hope that its success could be taken as reasonably certain. The net result of the two meetings has been that the Plan gets to a flying start.

The major outcome of the Council's meeting is that it is now generally agreed that the third Plan will be so framed as to reach the financial target of Rs. 7,500 crores; the physical target is set at a higher figure of Rs. 8,000 crores (for the breakdown of the targets *vide Commerce* dated 3rd June 1961, page 1019). Apparently, this is the minimum to be achieved. Mr. Nehru admitted that the blueprint of the Plan was still vague. He said that it would become more and more definite with experience and added: "Deliberately we have kept it not too clear, because we do not wish to tie ourselves up about the future too much." This means that as the Plan progresses some changes will necessarily have to be made. As things are, there are a few notable differences between the Plan outline as it was in January last and as it has emerged now. Further, the gap between the financial and the physical target continues. Presumably the gap is intended to provide for some necessary adjustments at a later date and also for some incentives for productive enterprise. This at least is the view that has been expressed by the Union Deputy Minister for Finance, Mrs. Tarakeshwari Sinha. In any case, it is unnecessary to regard the gap as some obstacle to successful Plan effort. Only it has greatly distracted public attention from the value and significance of the Plan itself to a meaningless exercise in arithmetical reconciliation.

The Council obviously took its cue from the recent favourable estimates of savings in our economy. The Savings Committee appointed by the Government is believed to have submitted its report which, according to Mr. Nehru, takes an optimistic view of savings. It would appear that the State Ministers who are the members of the Savings Committee felt that it was possible to raise resources to the tune of Rs. 8,000 crores or even Rs. 8,300 crores. It is quite possible that the Council was also impressed by the study of savings undertaken by the National Council of Applied Economic Research. The study has led its sponsors to conclude that, in India, the marginal propensity to save appears to be as high as in many advanced countries and is in fact higher than suggested by previous studies; over the past decade it is estimated to have been of the order of 20 per cent which "augurs well for the future growth and health of Indian economy." It is difficult to hazard a guess about the future trends in resources. It is significant that the Union Finance Minister did not share the optimistic views on the outlook for resources held by other members of the Council. He expressed the view that at present even the outlay of Rs. 7,500 crores should be considered optimistic. By and large, the Finance Minister's view is a correct appraisal of the immediate outlook for resources. An encouraging factor is no doubt the buoyancy in Central and State Government revenues. But the question is whether the public enterprises would yield Rs. 450 crores and whether the scope for new fiscal effort is sufficiently large to permit the Government to raise additional tax revenue to the tune of Rs. 1,710 crores. Sacrifice is no doubt essential for the success of the Plan, but an excessive burden, given a democratic set-up, may conceivably lead to frustration and popular discontent interfering with the progress of the Plan.

Although it is not known whether the Council discussed the different aspects of the Plan in some detail, the official Press note specifically mentions that the consensus of opinion was that transport and communication projects should enjoy a much higher priority. It is a pity that the Council missed the opportunity for examining this vital segment of the economy in greater detail. Current shortages in transport capacity should have induced a greater sense of urgency. The fact is that, if these shortages persist, the Plan would easily flounder. It may be mentioned here that, whereas transport accounted for 5 per cent of the total outlay in the first Plan and 4 per cent in the second Plan, the proportion is only 2.5 per cent in the third Plan. It is known that, at the end of the third Plan, the through goods traffic will move up to 300 million tons, as against 182 million tons at the end of the second Plan, and that out of this total the railways would be able to carry only about 235 million tons, as against a little over 160 million tons at the end of the second Plan. There is no reason why road transport should not be encouraged to carry a much larger proportion of the through goods traffic than the share allotted to it in the third Plan, namely, 60 million tons. Given the necessary facilities, road transport can certainly lift more traffic. This will cut distribution costs and prevent any possible emergence of pockets of shortages. It is of the utmost importance that transport in all its forms should be suitably improved and augmented. And yet, there seems to be only an inadequate appreciation of the case for more and better transport.

The Council has not given any clear indication of its mind on what constitutes a right price policy in the third Plan. According to some Press reports, it endorsed the price policy as laid down in the final draft. It was stressed that minimum prices should be ensured to the agriculturists in respect of foodgrains, oilseeds, cotton and jute and the policy should aim at stability in essential commodities like foodgrains, cotton and oil. One would, however, have expected the Council to give a clearer lead on this issue. This was sadly lacking. The fact is that if the country, in the pursuit of its objective of economic development, overlooks the importance of stability, much of the Plan would go awry. Not only will the internal resources position be disturbed but the availability of external resources will be adversely affected.

It would appear that the receipts and payments position in the third Plan (Rs. in crores), with figures in brackets showing the corresponding estimates in the second Plan, is:

Receipts: Exports 3,700 (3,053); net invisibles nil (420); net capital transactions excluding private foreign investment —550 (—172); external assistance 2,600 (927); draft on foreign reserves nil (598); total 5,750 (4,826).

Payments: Import of plant and equipment 1,900 (—); intermediate products and components 200 (—); maintenance imports 3,650 (4,826); total 5,750 (4,826).

Surely, if production costs are not brought down and quality improved, it will be difficult to envisage an increase of Rs. 650 crores in exports. But it is vital that this increase should take place in the interest of earning sufficient foreign exchange to finance the country's rising import requirements.

Finally, it seems particularly odd that the Council should have met and dispersed without devoting any attention to the financial and physical requirements of the private sector. The oft-repeated platitude that the two sectors are parts of a single whole and that they are interdependent becomes meaningless if, at the highest levels, no attention is paid to the complex nature of the problems in the private sector. What are the prospects of its raising the resources it needs for its development? How will the vastly increased fiscal effort affect its savings capacity? On what basis will the Government allocate scarce foreign exchange resources between the two sectors? These are issues of vital significance to the future of the country's economy. Strangely enough, they do not seem to have figured in the Council's deliberations.

Contents

LEADING ARTICLES—	PAGE
Third Plan in Final Form	1065
Growthmanship	1065
Aid to India	1066
MARKET GOSSIP	1067
ROUND THE EXCHANGES	1068
NEWS IN BRIEF	1069
PERSONAL	1069
THIS WEEK'S SURVEY	1070-1071
SPECIAL FEATURES—	
On the Arena	1072
Delhi Letter	1074
American Letter	1075
London Letter	1075
Manchester Letter	1079
Joint Consultation in Industry—II ...	1090-1091
Influence of Mettur Irrigation Project	1092
Foreign Sector in Indian Insurance ...	1098
CHAIRMAN'S SPEECH—	
Ogale Glass Works Ltd.	1085
MONEY AND BANKING	1076-1077
TEXTILES	1078
COTTON	1080
SUGAR	1082
PLANTING	1084
ENGINEERING	1086
NEW PRODUCTS AND PROCESSES	1087
INSURANCE	1094
COMMERCE AND INDUSTRY	1096
COMPANY MATTERS	1099-1103
MARKET REPORTS	1107-1109
MISCELLANEOUS STATISTICAL INFORMATION	1110-1111
WEEK'S STOCK EXCHANGE TREND	1112

GROWTHMANSHIP

MR. Colin Clark, a world-renowned authority on problems of economic growth and one-time economic consultant to the Government of India, needs no introduction to economists, students, businessmen and planners in this country. This lively and stimulating economic thinker is now distinctly seen as an *iconoclast*, which word, in its figurative sense, means "one who assails cherished beliefs." The medium through which he has assailed some current economic theories is Hobart Paper 10 on "Growthmanship," with its significant sub-title, 'A study in the mythology of investment,' published recently by the Institute of Economic Affairs, London—an independent research and educational organisation. If brevity is the soul of wit, this paper of just 64 pages has it in a unique measure. Two main issues have been examined here by Mr. Clark—first, whether

growth should take precedence over stability in the value of money, and, secondly, how best to promote it. In this examination, the author has criticised the present excessive preoccupation with economic growth and come to the conclusion that the role of investment in growth is much more complex than many economists have supposed. It is this "excessive preoccupation with economic growth" that has led, according to Mr. Clark, to the advocacy of unduly simple proposals for obtaining it and to the careful choice of statistics—which Prof. J. K. Galbraith described in another context as a bogus use of figures—"to prove that countries with a political and economic system which you favour have made exceptionally good economic growth and that countries administered by your political opponents have made exceptionally poor economic growth." And he has also given impressive reasons for arguing that healthy and continuing growth is not possible with persistently rising prices.

Mr. Colin Clark has a fundamental objection to such "persistently rising prices" because they constitute a species of social injustice. As the principal sufferers from rising prices are pensioners, civil servants, teachers and others whose salaries are adjusted infrequently and all those who have put their small savings in the savings bank deposits or life insurance, the humanist in Mr. Clark would condemn anyone, who knowingly permits or condones a policy that leads to persistently rising prices as morally responsible for plundering the savings of the poor and other groups who cannot help themselves. As a discerning economic thinker, he also assails the belief that rising prices are an unavoidable consequence, or a prior condition, of satisfactory economic growth. Both these statements, according to him, are untrue, for there is already enough evidence from several countries to show that there is no necessary connection between economic growth and price changes. In fact, both Victorian Britain and modern Japan, for instance, provide two telling examples of rapid and sustained economic growth during periods of stable prices. He even goes a step further and says that persistently rising prices for a long period seem to impede economic growth.

If the question of prices has not been dealt with in its proper perspective so far, it is because the emphasis in growth economics has been concentrated on one of the factors concerned, namely, investment to the exclusion of most other relevant factors of which 'organisation' is a crucial one. While investment of capital is undoubtedly necessary for economic growth, it is certainly not the controlling or predominant factor. Mr. Colin Clark would have it that the principal factors in economic growth are not physical but human and that the latter ones develop steadily but slowly. 'Growthmanship,' which consists in saying that if more economic growth is wanted all that is to be done is to invest more, has thus come in for the severest condemnation at the hands of the author.

It is in this context that Mr. Clark has questioned the appropriateness of using the concept of 'capital-output ratio.' He, of course, concedes that the 'capital-output ratio' may be an accurate description of things as they are now, but it would be a big mistake, in his view, to think that, if we add three units to the national stock of capital, output will necessarily be raised by one unit per annum, or whatever the ratio is. A causal relationship of the kind provides the basis for the 'new theory of growth' which is to the effect that, "as, roughly, three units of investment should produce one extra unit of income, annual investment running at around 15 per cent of national income can thus, if wisely channelled, create a 5 per cent annual increase in national income." As a general economic law, its validity is questioned by Mr. Clark who has also criticised the economists for not considering so far even the possibility of a falling capital-output ratio. If, thus, the correlation between capital and output is open to question, so also is the related one between the rate of investment and the rate of economic growth. In regard to the latter, Mr. Colin Clark has shown that high investment and rapid economic growth do not necessarily go hand in hand. For instance, in such countries as Argentine, Australia, Ireland, New Zealand, Norway and Sweden—countries with a considerable measure of government regulation of economic affairs—gross domestic investment as per cent of gross national product (mean of 1950-56) has been 19.8, 29.3, 14.6, 23.8, 31.1 and 20.6, respectively. But, surprisingly, in these countries, the rate of growth of real gross product as per cent per year has been only 1.7, 2.6, 1.1, 1.5, 3.2 and 3.7, respectively, in about the same period. It would thus appear that statistics of investment and growth are not dependable instruments of economic policy.

In the light of his findings which have been referred to briefly so far, Mr. Colin Clark has made some significant recommendations—significant from the point of view of their applicability to conditions in this country. First and foremost among these recommendations is the one which is to the effect that policy should not give to arbitrary concepts of immediate growth priority over the avoidance of price increases and the encouragement of long-term economic welfare. Another recommendation is that Governments should avoid attempting to force accelerated growth. That a more courageous effort to deny trade unions the power to enforce closed shops and restrict the output of working people should be made and that a substantial reduction in the burden of taxation which at present blunts incentives to effort be effected are two other recommendations made by Mr. Clark. Particularly significant from the point of view of this country is the recommendation that more attention should be given to the development of domestic capital markets which would harness private saving for private investment. Above all, Mr. Clark has laid the greatest emphasis on such other factors in growth (besides capital investment) as improvement in education, a dependable currency, a banking and credit system, general understanding and observance of laws of property, contract, company organisation, etc., and heavy investment in transport and other forms of communications. These factors are precisely the ones which should appropriately claim greater attention at the hands of planners and businessmen in this country. Growth, in such circumstances, may well have the certainty of creating more real capital than is possible under conditions of creeping inflation which slows down real savings.

AID TO INDIA

INDIA has every reason to feel gratified at the outcome of the Aid-India Consortium's fourth meeting at Washington last week. For, as a result of its deliberations, this country is now assured of substantial firm commitments of aid amounting to $2,225 million or Rs. 1,059 crores for the first two years of the third Plan ($1,295 million for 1961-62 and $930 million for 1962-63). This sum covers more than two-fifths of the estimated aggregate foreign assistance requirements of $5,500 million and does not include the P.L. 480 assistance of $1,300 million. The country-wise commitments, which, of course, are subject to appropriate legislation or other necessary authorisations in the respective countries, may be noted in the boxed table in this article. The estimated disbursements of aid under these commitments and the funds likely to be available, including a large carry-over of aid committed by the Consortium members during the second Plan, will not only cover the prospective balance of payments deficit in 1961-62 but go a long way towards making up the foreign exchange gap in the following year. It may be that the aid requirements of the second year (1962-63) will also be fully met, now that there is a reasonable prospect of some other European countries (besides France which joined the Consortium only at its latest Washington meeting with a firm commitment of $15 million each for the first two years) coming into the body and offering some aid to India. If, thus, more countries happen to join the Consortium, they may be taken to have been persuaded by the way in which India's case is presented in the World Bank's *communique* on the Washington meeting of the Consortium:

"It (the Consortium) considered that, in relation to India's needs, the broad objectives of the third Five-year Plan (1961-66) were reasonable, that the Plan itself was well conceived and that India had demonstrated a capacity to make effective use of foreign aid. The Consortium recognised that, in order to carry out the Plan, the *very considerable resources* (italics ours) which India herself is able and prepared to devote to its financing, together with vigorous efforts to increase India's export earnings, will have to be supplemented by a substantial inflow of foreign capital, both private and foreign."

The Consortium has now settled the broad framework of aid and its quantum. It has yet to finalise the details governing the actual utilisation of aid, such as terms of repayment and rates of interest. There is, happily, some indication that these will be very favourable from the point of view of India. "Stress," to quote the World Bank *communique* on the Washington meeting of the Consortium, "was laid... on the need for aid to be extended in a form which would add as little as possible to India's foreign exchange repayment obligations, and the members of the Consortium undertook to give due consideration to this point in deciding the terms on which aid would be made available."

It is scarcely necessary to emphasise here that a fairly large part of the loans granted should also be "untied" in the sense that they are not to be linked to specific projects. Again, the repayment of loans must be spread over as long a period as possible and it should also be partly in rupees or in the form of goods and services which India can spare. Further, the rates of interest should be reasonably low, so that the country will not be saddled with an enhanced debt burden on account of heavy servicing charges. And there is the need for eliminating or at least reducing the procedural delays in the release of funds by the aid-giving countries. This aspect is to be specially emphasised because experience so far has shown that the wide gap between the date of aid authorisations and the date of actual release has greatly handicapped the planning and execution of quite a number of projects.

But development aid even on such favourable terms would not meet India's full requirements. Hence the need for supplementing Government and other institutional loans by a substantial inflow of foreign private capital. Although the importance of such capital has been widely recognised in India and the authorities have taken some steps to attract it, the pace of actual investments has been rather slow. In fact, there appears to have been a setback lately. The recent analysis of the trends in foreign investments in India as given in the May 1961 issue of the *Reserve Bank of India Bulletin* reveals that the total net inflow of foreign capital into the private sector in India during the five-year period 1956-60 was about Rs. 200 crores (allowing for appreciation in the value of investments in some industries), or an annual rate of just Rs. 40 crores.

If the inflow of foreign private capital is to be accelerated, it is of the utmost importance that the Government should take some more concrete steps other than those already taken to ensure to the foreign investor prospects of a fairly good return and certainty of fair and equitable treatment. It is in this context that the forthcoming meeting of over 80 executives of leading business corporations in the U.S., sponsored by the Business International Incorporated and due to begin a five-day session at New Delhi on 23rd October next, assumes special significance. The conference, we are told, will be attended by Cabinet Ministers and top officials of the Government of India. To the extent it promotes a better understanding between Indian and American businessmen of each other's views and problems, the conference will have probably paved the way for new U.S. investments, as well as for the expansion of existing enterprises.

Countrywise Commitments
(In million dollars)

	1961-62	1962-63	Total
Canada	28	28	56
France	15	15	30
Germany	225	139	364*
Japan	50	30	80
United Kingdom ..	182	68	250
United States ..	545	500	1,045
I.B.R.D. and I.D.A. ..	250	150	400
Total ..	1,295	930	2,225*

* Exclusive of $61 million offered by West Germany for the period covering 1963-64 to 1965-66.

Happily enough, the Kennedy Administration's latest tax programme is so designed as to give a great boost to such ventures by making American overseas investments in the economically advanced countries less attractive, on the one hand, and by continuing to accord what is called the "privilege of tax deferral" (postponement) to profits earned and reinvested, on the other. If this programme is approved by the U.S. Congress and if at our end, too, more positive steps are taken to attract foreign private capital, the chances are that there will be a larger inflow of such capital in the third Plan period. The fact that more foreign public capital will be flowing in, thanks to the sustained efforts of the Aid-India Consortium, may also encourage foreign private investors in the belief that this country will be a going concern with a large measure of political and economic stability.

MARKET GOSSIP

Indian Sugar For U.S.

SOON after we went to press last week, the U.S. Secretary of Agriculture announced the authorisation of a quota of 225,000 tons for Indian sugar during the current calendar year, alongside allotments of new quotas amounting to 90,000 tons to Australia and 5,000 tons to Paraguay, as well as an upward revision in allocations to other supplying countries. The grant of a quota to India is said to have been rendered possible as a result of the reallocation of the last of the sugar quota originally reserved for purchase from Cuba and the upward revision in the U.S. estimated consumption requirements of sugar for 1961 from nine million tons to ten million tons. For three reasons, the export of Indian sugar to the U.S. is important. In the first place, it will yield much precious foreign exchange which can be used for buying machinery, spare parts and raw materials from the U.S. Secondly, the U.S. pays for sugar a price 50 to 60 per cent more than the ruling world market price. And, finally, exports of 250,000 tons of sugar will reduce the pressure of heavy stock accumulations with many mills in India.

The details regarding the price at which sugar will be bought by the U.S., delivery schedules, etc., are all being discussed with the U.S. officials by Mr. S. K. Patil, Union Minister for Food and Agriculture, who is already in the U.S. Mr. Patil, it is incidentally stated, will also seek a supplementary quota for India. It is, however, doubtful whether the plea will be conceded. For, barring 200,000 tons, the entire estimated U.S. domestic sugar requirements of 10 million tons for 1961 (the earlier estimate was only 9 million tons) have already been allotted or authorised. The only chance of an increase in quota will be when other suppliers of sugar to the U.S. fail to fulfil their quotas. Even the quota now allotted—that is, 225,000 tons—itself entails considerable loss of rupee resources in the form of full remission of taxes and grant of subsidy which is expected to be of the order of Rs. 163 per ton. India must, of course, not grudge this in the least, in view of the generous economic development assistance it has received from the U.S.

Some sugar millowners in India feel that the quota of 225,000 tons allocated to the country by the U.S. is small. A few even declare that it would be better to decline the quota and try to export a larger quantity to other countries. It may be noted here that, when once India becomes a member of the International Sugar Agreement, its exports will have to be subjected to quota regulations as laid down under the Agreement. The scope for India selling sizable lots of sugar to countries other than the U.S., is practically absent except at a heavy loss, though it is true that the free market net import requirements for 1961 as lately estimated by the International Sugar Council are marked higher at 8.51 million metric tons, as against the February estimate of 6.92 million tons. For the gap that exists between Indian and world prices is very, very wide.

Paper Traders On Strike

Strikes are generally considered an effective weapon in the hands of trade unions to clinch an issue in the field of collective bargaining. But it is an irony of fate that the business community is constrained to resort to these techniques to make its voice heard. The paper trade in many parts of the country, including Bombay, Calcutta, Ahmedabad, Poona and Nagpur, observed a one-day strike on Thursday as a token of protest against the State Governments' indifference, if not reluctance, to agree to the replacing of sales tax by additional excise duty in the case of paper and paper products. This step, although unusual, reflects only the extent of frustration of the trade over their repeated attempts to get their grievances redressed.

It is said that the Central Government has already realised the importance of such a reform in respect of paper. But the State Governments have not been unanimous in their view. While several States have acceded to this legitimate demand Maharashtra and Gujarat Governments have refused to concur with the majority view. Of course, the Central Government can always point out that unless States agree among themselves, it is helpless in the matter. Apparently, the dissenting States feel that removal of sales tax will deprive them of an important fiscal weapon which can be wielded freely to strengthen their treasury. They may also argue that if they retain the right to levy the tax, they can vary the rates to suit their regions and thereby get more revenue themselves than what they are likely to get in any scheme of State-wise distribution of the revenue by the Central Government.

Fears of reduction in State revenues in the event of the removal of sales tax are certainly more imaginary than real. In fact, in respect of textiles, tobacco and sugar, sales tax was replaced by additional excise duty more than three years ago. The experience of these commodities has proved that the States Governments' fears are out of place. In fact, the additional excise duties levied in lieu of sales tax have become a steady source of revenue. The States' share of revenue from additional excise duty is expected to be about Rs. 40.09 crores in 1961-62, which compares with Rs. 38.35 crores in 1960-61 and Rs. 38.91 crores in 1959-60.

The present system of sales tax involves cumbersome administrative procedures, which the trade resents most. It is also true that, as pointed out by the Taxation Enquiry Commission, it has led to increase in the cost of production, to enhancement of the burden of the consumer, apart from multiplying the difficulties of dealers from whom the tax is collected. Sales tax, no doubt, cannot be abolished for all commodities, but there is certainly a strong case for it to be replaced by additional excise duty in respect of paper. Already, this commodity has come in for a certain amount of Central control, which is bound to facilitate the levy of excise duty. The various advantages of adopting the suggested method are:

(1) The scheme will put an end to the complications and difficulties arising out of the multiplicity of sales tax rates and policies of the various States.

(2) The revenue yield under the scheme will not suffer any setback. On the contrary, there is likelihood of a substantial increase in the revenue.

(3) As the tax will be collected at the sources, there will hardly by any loopholes under the scheme leading to evasion of tax.

(4) This scheme will yield easy and immediate revenue collection as compared with the cumbersome and delayed realisation under the sales tax structure.

(5) The scheme will involve a great reduction in cost of collection of the tax, which again is an important matter from the revenue point of view.

(6) The manufacturers, importers, etc. who would come within the ambit of the taxation measure will be spared the present complex and elaborate procedural formalities which are required to be complied with under the Sales Tax Law of the respective State. The procedure will be very much simplified under the scheme in question and form-filling and record-keeping will be reduced to the minimum.

The State Governments would do well to consider the whole question dispassionately and view it from a wider perspective, keeping in mind the need for rationalisation of the overall national tax structure, instead of confining their thinking to the immediate problem of their own revenues. It is to be hoped that the Finance Commission will devote some thought to this problem and suggest suitable measures to facilitate the replacement of sales tax by additional excise duty in respect of certain commodities like paper, matches and vegetable products, without affecting, in the process, the legitimate interests of the States.

More On Oil Negotiations

Eighteen months have passed since the Government of India declared that offers from overseas to search for oil would be welcome. The Government has received proposals from six companies from the U.S., the U.K., the Netherlands, France and Italy. So far negotiations have been successful only in the case of the Burma Oil Company. The deal with this Company has already been referred to in these columns of the issue of *Commerce* dated 3rd June 1961. At the moment, negotiations are still going on with the Italian State-owned E.N.I. for oil exploration in Cutch, which is one of the areas reserved for companies taking the Government of India into partnership. It is said that this Italian organisation is also interested in setting up petro-chemical and lubricants plants. Already one of its associated Companies is (with a German contractor) building a large crude pipeline from Assam to Bihar. Presumably, the E.N.I. may well bid for a products line from the State-owned Barauni refinery to Delhi—a project which the Government is now having under examination. Another company, namely, Continental Oil, has offered to search for oil in the Cauvery delta of Tanjore district in Madras State. Nothing further is known of this offer and of the state of negotiations pertaining to it. The Esso Standard (formerly Stanvac) had offered to search for oil in the Jaisalmer area, but the negotiations between this Company and the Government have broken down because the latter insisted on 50 per cent ownership in a new venture—a proportion which was not acceptable to the Company. It may be recalled in this connection that the former Stanvac had accepted 25 per cent Government capital participation in the Indo-Stanvac exploration project which was abandoned recently after the drilling of ten dry holes in West Bengal at a cost of about Rs. 8 crores. The other company which has been in the field is stated to be the Shell which has offered to search for oil in the Indo-Gangetic plain. No further details are available about the state of negotiations between the oil companies and the Government of India.

An account may be given here of the present state of oil exploration by the Government's Oil and Natural Gas Commission. In the State of Gujarat two fields have so far been found at Cambay and Ankleshwar. It is stated that delineation and assessment of the complicated, much-faulted structures have been difficult and that it is too early to form an estimate of reserves. The Cambay field may prove to have only more gas than oil. In Assam, the Commission's discovery of oil at the end of last year at Rudrasagar near Sibsagar is yet to be assessed. It would thus appear that the Oil and Natural Gas Commission which has been searching for oil in several parts of the country has not had any outstanding success to its credit. After all, it is a relatively small organisation which was virtually alone in a sedimentary area of 400,000 sq. miles. The point needs to be driven home that in the last five or six years much more could have been achieved if opportunity and incentives had been given to get 10 or 20 companies to look for oil and gas.

If this has not taken place, it is because of the Government's ambivalent attitude to private, particularly foreign, enterprise in the oil field. Already some severe brakes have been put on foreign oil refiners and marketers. But, at the same time, they have been invited to search for oil. Here the Government insists on State partnership, half or more than half the profits for itself and also undivided control by itself of any oil found. These are considered to be onerous terms by foreign oil companies. If the Burma Oil Company has accepted some of these terms, it may be because the additional concession of 1,800 sq. miles of fresh territory for exploration east of the present 500 sq. miles area of Oil India Ltd. in Assam seems to be a largely proved area. In other words, there will be relatively little risk in the venture of exploration in the additional concession granted to the Company. In other areas of the country, a similar fortunate circumstance may not obtain and oil exploration may turn out to be a veritable gamble in quite a few of them. It is still to be hoped that the Government will not unduly procrastinate in its negotiations with the other oil companies. As the country is short of capital and the Government alone cannot embark on an expensive and highly capital-consuming venture like oil exploration simultaneously in different parts of the country, it may be that the Oil Ministry will yet see reason and bring about a good measure of co-operation with foreign private capital in this particular field.

Block Closure Of Jute Mills

The reports suggesting the distinct possibility of a block closure of jute mills for sometime with a view to conserving available raw jute supplies have proved correct. The West Bengal Government has approved of the Indian Jute Mills Association's proposal for completely closing down mills for two weeks, once from the 26th inst., and again from the 24th of next month. The Union Government has agreed to the arrangement. No one will dispute the fact that a block closure of mills for a fortnight would result in a reduction in the earnings of workers who have already suffered losses on account of the cut in working hours. But it must be remembered that the supply position in respect of raw jute is very critical, not to speak of the continuing power shortage. Further economy in jute usage is, as the Government of West Bengal has made it clear, necessary to achieve an equilibrium between consumption and supply, and the block closure is the only way of stopping piecemeal closure which is likely to cause greater hardship to labour.

The accusation of labour leaders that the jute mills are only trying to boost prices of jute goods by artificially restricting output is not at all justified, for will not such a curtailment of production cut into the profit margin of mills? It is estimated that the block closure of mills for two weeks will result in a loss of 40,000 tons of jute goods. Surely, the industry would have avoided this loss if it could. But there is a wide disparity between the cost at which the industry is buying raw jute and its earnings from sales of finished goods. The jute mill workers would do well to recognise the helplessness of the industry and co-operate with it in solving the problem of raw jute shortage. In any case, the workers will receive lay-off compensation during the period of closure. And the I.J.M.A. also has held out the assurance that it would make every effort to minimise the hardship to labour and that it would be prepared to make such changes in the decision as may be warranted in the light of the jute supply position. It follows from the latter assurance that, if there is a reasonable reduction in fibre prices, coupled with a welcome increase in the quantity of fibre offered, the mills may revoke their decision for closure.

Jute circles, however, firmly believe that there is a real shortage of fibre supplies and that, though fibre offers increase, such an increase will not relieve the position completely. Further, in the interests of the industry, closure has become imperative, as, without an adjustment in production, fibre prices will not move down to levels as required for the economic working of the industry. It is also essential that, at the beginning of the new season, fibre prices must be reasonable. Not long ago, there were rumours of the intention of the I.J.M.A. to create a buffer stock. It is suggested that this idea should be revived and, since fibre prices are expected to be normal in the beginning of the season, the opportunity should not be missed by the I.J.M.A. Normalcy in fibre supplies is very essential in order to ensure that no overseas business in goods is diverted to Pakistan mills.

It is encouraging to hear in this context that the prospects for the coming season's jute crop are good. From the information available at the recent meeting of the Central Supervisory Body for Jute held at Calcutta, an increased acreage under jute in all the jute-growing States is confirmed. Anticipations are that the final acreage will show an increase of 20 to 25 per cent over the last year. The consensus of opinion at the meeting was that the coming crop of mesta and jute would be sufficient to meet the raw material needs of mills in the next year and also provide for the normal margin of fibre stocks. Certain State representatives even apprehended a glut in supplies and urged the need for a price support scheme. The Supervisory Body, however, did not think that there would be a glut in supplies, and it was pointed out that the scheme for building up a buffer stock in jute should be pursued further in the event of supplies becoming unmanageable.

Australian Floating Fair

The Australian Trade Mission ship m.v. *Straat Banka*, which has been transformed into a floating shopwindow of Australian primary and manufactured products for exhibition at Singapore, Malacca, Port Swettenham, Penang, Colombo, Bombay and Cochin, is scheduled to arrive in Bombay on the 25th of this month. The exhibits are expected to illustrate not only the high quality

(Continued on page 1112)

EQUITIES RISE FURTHER

GOOD SUPPORT FOR TEXTILES

(From Our Own Correspondents)

BOMBAY, *8th June*

THE share market ruled buoyant during the week under review, with practically all counters continuing their upward march. Investment support for equities, particularly growth scrips, was well sustained, thanks to the encouraging outlook for industries. Wide satisfaction was expressed over the outcome of the Aid-India Consortium's meeting at Washington. The firm aid offers aggregating Rs. 1,059 crores ($2,225 million) for the first two years of the third Plan made by the Consortium members and reports indicating the possibility of other European countries also joining the Consortium and making available to India large-scale assistance would, it was felt, greatly facilitate imports of a wide range of machinery and equipment, as well as raw materials. There was also an increase in the inflow of funds into the share markets, in view of the easy money conditions. The suggestions for the mobilisation of funds of commercial banks for investment in public sector projects, for the appointment of another Taxation Inquiry Commission and for checking the so-called monopolistic tendencies in the private sector canvassed at the recent meeting of the National Development Council were no doubt taken note of, but they failed to have any effect on the market. Consequently, equities forged ahead. Although intermittent profit-taking pared the gains, today's closing rates were generally well above those prevailing a week ago.

In the steel section, Tata Steels touched a new high of Rs. 165 on Wednesday, but closed at Rs. 162.75. The net gain over the week was Re. 1.75, as against Rs. 3.50 last week. Indian Irons were well supported and advanced from Rs. 28.25 to Rs. 28.55, before finishing at Rs. 28.35. Mukand Irons jumped up from Rs. 28 on the opening day to Rs. 30.50 on Wednesday. The closing rate was, however, a little lower at Rs. 30.

Textiles attracted good attention on encouraging dividend news and continued large offtake of piecegoods. Centurys forged ahead from Rs. 675.50 to Rs. 715 on Monday. But liquidation by tired bulls took the rate down to Rs. 703 today. The net gain over the week was Rs. 27.50. Khataus were highly fancied by operators and moved up from Rs. 577.50 to Rs. 635 on Wednesday. At this stage, profit-taking set in and the scrip finished at Rs. 601.25 today. The net gain over the week was Rs. 23.75. Standards increased by Rs. 16 to Rs. 1,557. Simplex spurted by Rs. 11 to Rs. 202 before closing at Rs. 200. Swans, which were subdued last week, registered a rise of Rs. 15, today's closing rate being Rs. 590. Victorias hardened by Rs. 10 to Rs. 397.50. **Morarjees gained Rs. 8 to** Rs. 436 on bonus issue prospects. Thanks to satisfactory working results, Swadeshi Mills advanced by Rs. 7 to Rs 279.50. Mafatlals rose by Rs. 7.50 to Rs. 867.50. Laxmis. Bradburys and Shri Niwas put on Rs. 5 each to Rs. 526, Rs. 135.50 and Rs. 265, respectively. Podars gained Rs. 4.50 to Rs. 152. Bombay Dyeings began the week at Rs. 66 and reached the peak of Rs. 69.70 on Tuesday, but eased on selling pressure to Rs. 68.40, showing a net rise of Rs. 2.60 over the week.

Sugar shares received selective support. Maharashtras were bid Re. 1.50 higher at Rs. 185.50. Belapurs opened at Rs. 288 and, after easing to Rs. 286.50, recovered to Rs. 292 on Monday, but declined again to Rs. 288.50 today. Over the week the scrip gained 50 nP. Phaltans were steady at Rs. 138, as also Oudhs at Rs. 185 and Hindustans at Rs. 340. But Walchandnagars shed Re. 1.25 to Rs. 175 and Ravalgaons Rs. 2 to Rs. 69.

In the cement group, Associated Cements advanced on good support from Rs. 161 to Rs. 164. Digvijays also received inquiries and put on Rs. 2.50 to Rs. 158. Dalmia Cements gained 8 nP to Rs. 12. The working results of the Company for 1960 are encouraging and the Directors have proposed a taxable dividend of 12 per cent on ordinary shares. Jaipurs remained steady at Rs. 11.52 and Orissas at Rs. 14.56. But Ashokas lost 16 nP to Rs. 9.20. Bagalkots eased by 8 nP to Rs. 8.36.

Among shippings, Scindias opened at Rs. 14.88 and gained 56 nP to Rs. 15.44 on Wednesday. Today, however, they eased to Rs. 14.96. Over the week the rise was only 8 nP. Great Easterns gained 8 nP to Rs. 15.08. But Bharat Lines fell by Re. 1.04 to Rs. 5.24 in view of unsatisfactory working results. In the automobile section, Hindustan Motors advanced by 24 nP to Rs. 22.68. Auto Products gained an equal amount to Rs. 13. But Premier Automobiles declined by 75 nP to Rs. 171.75.

In the rayon group, National Rayons met with excellent support and scaled a fresh peak of Rs. 591 on Wednesday as against Rs. 555 last week-end. At this level there was heavy profit-taking and the scrip came down to Rs. 573.50 today. The net gain over the week was Rs. 18.50. The news of an industrial licence for South India Viscose for the manufacture of wood-pulp from blue gum and wattle lifted the shares from Rs. 166 to Rs. 172.50. Gwalior Rayons spurted by Rs. 2.80 to Rs. 55.30. Barodas, however, receded by Rs. 2 to Rs. 125. Raymonds by Re. 1 to Rs. 123 and Indian Rayons by 50 nP to Rs. 62.50.

Buying enquiries in chemicals and dyestuffs were selective in nature. Indian Dyestuffs spurted by Rs. 17.50 to Rs. 570. Amar Dyes were marked up by Rs. 5 to Rs. 415. Dhrangadhras (New), Synthetics and Adarsh Chemicals put on Rs. 2 each to Rs. 108, Rs. 173 and Rs. 103, respectively. Tata Chemo-pharmas gained Re. 1.04 to Rs. 20.40. Tata Chemicals (New) scrips were done at Rs. 19, as against Rs. 17.88 last week. Citrics, Alembics and Dharamsis were well maintained at Rs. 53.50, Rs. 267.50 and Rs. 300, respectively. But Colour Chems were pushed down by Rs. 2.50 to Rs. 372.50. Polychems lost a like amount to Rs. 235.

In the engineering section, Premier Constructions were well supported and spurted by Rs. 15.50 to Rs. 212. Teleos were keenly bid and jumped up from Rs. 365.50 to Rs. 377 on Monday. At this level, profit-taking ensued and the scrip fell to Rs. 396.50 on Wednesday. But fresh buying that emerged again lifted the price to Rs. 384.50. The closing was Rs. 377.50. Over the week, the gain was Rs. 12. Alcock Ashdowns advanced by Rs. 4 to Rs. 299. Larsen and Toubros more than recovered the ground they had lost last week and put on Rs. 2.75 to Rs. 46.25. Investas received good support and increased by Rs. 5.50 to Rs. 131. Structurals gained a rupee to Rs. 171. But New Standard Engineering shares moved down by Rs. 2 to Rs. 184, reflecting disappointment of operators over the cut in dividend (taxable) from 12 per cent for 1959 to 9 per cent for 1960. Greaves Cottons were quoted a rupee lower at Rs. 177; Jyotis lost Re. 1.50 to Rs. 184. Khandelwals eased by 50 nP to Rs. 81. Mahindras changed hands at Rs. 19.80 *ex-div.*, as against Rs. 20.40 *cum-div.*, last week. Kamanis were fully steady at Rs. 17.24.

In the miscellaneous section, Bombay Burmahs received considerable bull support and spurted by Rs. 26.50 to Rs. 666.50 on Tuesday. Thereafter, profit-taking reduced the gain and the scrip closed at Rs. 652 today. The net gain over the week was Rs. 9. Ceat Tyres rose by Rs. 2.50 to Rs. 230. Killicks. Wimcos and Bombay Oxygens registered a rise of one rupee each to Rs. 102. Rs. 259. and Rs. 58.50, respectively. Sirpurs put on 24 nP to Rs. 16.44. Tata Oils gained 20 nP to Rs. 79.20. Indian Pipes changed hands 50 nP higher at Rs. 179. Hindustan Levers were firm at Rs. 47.25.

* * * *

Calcutta Stock Exchange

CALCUTTA, *7th June*

Although there was a measure of profit-taking and gains were reduced on the Calcutta Stock Exchange during the week under review, the announcement from Washington that Aid-India-Club countries have committed loans amounting to $22.86 million in the next two years led to cheerful conditions, and this coupled with the notable improvement in money supplies led to a good deal of replacement buying at lower levels. The hope for the resolution of the Big Power problems that was generated in the Vienna meeting of the Big Two was noted with satisfaction as continuance of foreign aid to India is dependent on the continued existence of peace in the world. Despite the steadier conditions during the week, long-term commitments were yet paltry, and that explained the unimpressive volume of business. That there was no selling pressure should be attributed to optimism in regard to the future of industries.

Coals continued to meet with selected attention on expectations of help for increasing output, while jutes went to the doldrums on news that mills were to close down for a fortnight for want of raw jute. However, the keen long-term buyer found the present rates attractive considering the prospects of the rapid fall in fibre prices and good chances for a bumper fibre crop. A mixed trend was in evidence in engineerings but Indian Irons maintained the gain on expectations of an imminent announcement of steel retention prices. Miscellaneous industrials attracted buying support at lower levels but activity was marked by profit-taking.

Among coals, Bengals recorded a high of Rs. 400 earlier in the week, when profit-taking developed and the rate dropped to Rs. 385 to regain to Rs. 391. Barrakurs were fully steady at Rs. 20.81. Khatras Jherriahs were better at Rs. 48.62 as against Rs. 47.50 previously. Raneegunges after being higher at Rs. 17.97 receded to Rs. 17.50, while Pench Valleys eased from Rs. 19.75 to Rs. 19.12 and Karanpura Collieries from Rs. 208 to Rs. 190. A handsome rise was recorded in Borreas at Rs. 25 as against the previous rate of Rs. 23.37. New Beerbhooms were a few nP lower at Rs. 24.25.

An impressive feature in cotton textiles was provided by the smart score in Bharat Commerce from Rs. 24.31 to Rs. 25.87. Kesorams were marked higher at Rs. 34.25. Bowreahs, after rising to Rs. 224, receded to Rs. 222 to spurt to Rs. 226. Bengal-Nagpurs were better at Rs. 4.31. Elgin Mills were unchanged but steady at Rs. 20.00.

With very few transactions, jutes trod a dull path. Kelvins were unchanged at Rs. 140. Anglo-Indias realised Rs. 179 as against Rs. 188 previously, while Birlas after being lower at Rs. 27.31 changed hands at Rs. 28.44. Megnas were quiet at Rs. 11.12. Fort Glosters changed hands at Rs. 303 as against Rs. 317 previously.

Among engineerings, Indian Irons opened at Rs. 28.03 and steadily rose to Rs. 28.50 to close at Rs. 28.28. Texmacos after recovering to Rs. 20.70 closed at Rs. 20.35. J.K. Steels were a steady feature and rose from Rs. 26.56 to Rs. 29.75 on interested buying. Braithwaites at Rs. 33.62 recorded a fractional gain, while Calcutta Steels, for which a dividend of Re. 1.50 a share subject to tax has been announced, were unchanged at Rs. 18. At Rs. 108 Indian Standard Wagons gained Rs. 4 following a good dividend. Dalmia Irons were better at Rs. 10.37.

Replacement buying contributed to selective rises among miscellaneous industrials. Balmer Lawries, on interested attention, spurted to Rs. 275 from Rs. 263. Dunlop Rubbers at Rs. 50.81 gathered nearly a point but eased to close at Rs. 50.12. Union Carbides recorded a sharp rise of three points at Rs. 57.25. Rallis after recovering to Rs. 138 receded to Rs. 136. British Paints were difficult to be obtained but earlier realised Rs. 24.75 against Rs. 24.62 previously; a final dividend of 10 per cent totalling 12½ per cent subject to tax against 10 per cent previously has been declared.

Indian Aluminiums were at one time higher at Rs. 33.19 but eased to close at Rs. 32.87. Indian Cables were fractionally higher at Rs. 36.75 as were Hindustan Motors at Rs. 22.19. Indian Coppers were held firm at Rs. 5.52. Clive Row Investments were better at Rs. 8.86. Despite the report of good progress in construction of factory buildings and sheds, General Tyres were depressed at Rs. 6.19.

Teas were dealt with around previous levels. Banarhats were unchanged at Rs. 330 while Hantaparas at Rs. 142 scored Rs. 6. Gungarams were better at Rs. 163 against Rs. 160 previously.

* * * *

Madras Stock Exchange

MADRAS, *7th June*

There was all-round improvement in values on the Stock Exchange during the week under review. The improvement followed good buying inquiries from investors who were encouraged by the offer of substantial foreign aid by the Aid-India Club and pronounced firmness of Bombay and Calcutta markets. Textiles were in the forefront, as both investors and professional operators extended renewed support on encouraging corporate news. Sugars were well favoured, thanks to the announcement of a quota (250,000 tons) for Indian sugar in the U.S. Teas elicited larger inquiries on encouraging news from auction centres. Coffees and rubbers moved up in sympathy. Banks and electricals were also quite active. Chemicals and engineerings were particularly strong in the miscellaneous section.

Among textiles, Vasantas were marked up by Rs. 12 to Rs. 250. Tirmurti's jumped up by Rs. 11 to Rs. 119 *cum-div.*, following the announcement of a higher dividend of 15 per cent, taxable, for 1960, as against 7½ per cent distributed in 1959. Janardanas spurted by Rs. 10.50 to Rs. 73. Cannanores rose by Rs. 7 to Rs. 172. South India Viscose advanced by a like amount to Rs. 171, though the Directors of the Company have not proposed any dividend for 1960. Lakshmis came in for good attention and improved by Rs. 5 to Rs. 170. Buckinghams scored a gain of Rs. 4.25 to Rs. 217.25. Coimbatore Cottons and Coimbatore Pioneers gathered Rs. 4 each to Rs. 170, and Rs. 348 *ex-div. cum-right*, respectively. Radhakrishnas picked up Rs. 2.50 to Rs. 34. Loyals put on Rs. 2.25 to Rs. 42.75 and Dhanalakshmis Rs. 2 to Rs. 215. Following reports of encouraging working results of the Company, Travancore Rayons rose by Re. 1.85 to touch a peak of Rs. 40.60.

In the sugar group, Indias gathered 60 nP to Rs. 13.50. Deccans declined from Rs. 14 to Rs. 13.90 initially, but staged a smart recovery subsequently and closed at Rs. 14.15. East India Rs. 43.50, recovered to Rs. 43.75, a net gain of 13 nP. Cauverys were firm at Rs. 131.50, as also Mysores at Rs. 59. But United Breweries encountered selling and dropped Re. 1.95 to Rs. 108.05. Travancores eased by 15 nP to Rs. 10.10.

Among teas, Haileyburias rose by 15 nP to Rs. 14.50, *cum-div.*, following the announcement of a dividend of 15 per cent, taxable, for 1960, which compares well with 12½ per cent distributed in 1959. Periakaramalais and Parksides improved by 15 nP each to Rs. 3.95 and Rs. 29, respectively. Blue Mountains rose by 10 nP to Rs. 3.32. 2 nP to Rs. 3.05. Twyfords ruled steady at Rs. 13 *cum-div.* The Company has maintained the dividend for 1960 at the previous year's level of 10 per cent, taxable. Devasholas were fully steady at Rs. 20.75, Kil Kotagiris at Rs. 4.92, Nonsuchs at Rs. 28.10 and Peermades at Rs. 23.30.

Coffees elicited some support, after remaining subdued for the last several weeks. Consolidated Coffees hardened by 15 nP to Rs. 21.15. Ouchterlony Valleys were higher by 9 nP at Rs. 3.71. Coffee Lands picked up 3 nP to Rs. 18.65 and Mysores 2 nP to Rs. 5.45. Anaparals were fully steady at Rs. 4 and Balanoors at Rs. 16.60.

Among rubbers, Rajagiris rose by 10 nP to Rs. 18.70. Cochin Malabars put on 5 nP to Rs. 7.98. Woodlands were maintained at Rs. 8. The Company has announced a dividend of 10 per cent, taxable, for the year ended March 1961, same as for the previous year. Malankaras were fully steady at Rs. 18.75. Travancores at Rs. 11 and T.R. & Ts at Rs. 9.85.

In the miscellaneous section, Mysore Chemicals gathered 50 nP to Rs. 24.50. Metturs rose by 25 nP to Rs. 14.50. Mysore Fertilisers gathered 10 nP to Rs. 11.25. F.A.C.Ts improved by 3 nP to Rs. 10.43. Travancores were steady at Rs. 16.25. India Cements increased by 23 nP to Rs. 6.35. Andhras and Orissas were firm, the former at Rs. 10.50 and the latter at Rs. 14.55. Among others, Aluminium Industries spurted by 63 nP to Rs. 24. Indian Steel Rollings gained 10 nP to Rs. 10.20. Ashok Leylands picked up 7 nP to Rs. 9.35. McDowells were steady at Rs. 34.75 *cum-div.* The Directors of the Company have maintained the dividend for 1960 at the previous year's level of 30 per cent, taxable. Hindustan Ideals were unchanged at Rs. 23.45. The Company has declared a dividend of 6 per cent, taxable, for 1960, same as that distributed in 1959.

NEWS IN BRIEF

THE Planning Commission has accepted a production target of 900 million lbs. and an export target of 610 million lbs. of tea for the third Five-year Plan.

It is reported that the State Trading Corporation will be importing during the current licensing period 20,000 tons of caustic soda from Development Loan Fund sources and rupee-payment countries.

An Indian decanter, fashioned of solid brass and hand-carved by skilled craftsmen in the New Delhi area, has attracted favourable attention at the U.S. World Trade Fair of 1961 in New York.

A one-year Indo-North Korean trade agreement has been reached between the Governments of the two countries. Under the agreement the trade will be in terms of non-convertible rupees and on a balanced basis. It is proposed to open trade offices in both the countries.

The sales of iron and steel to or purchase thereof by re-rolling mills in Maharashtra State have been subject to full rate of sales tax or purchase tax, as the case may be, at 2 per cent, instead of the hitherto concessional rate of one per cent with effect from 1st inst.

The Government of India has decided to release 200,000 tons of sugar this month. There will be no release for free sale from the factories in Uttar Pradesh, Bihar and Punjab except a small quantity which will be released to each factory for sale at the factory gate.

The Commonwealth Development Finance Company Ltd. is contributing £600,000 in sterling debenture stock of the £2.94 million compound ammonium phosphate fertiliser plant proposed to be set up at Ennore in Madras. The plant will have an annual capacity of 51,000 tons and is expected to go into full production in June 1962.

The final draft of the third Plan provides for the establishment of a refinery in Gujarat to handle the crude oil from Cambay and Ankleshwar. The work on the refinery is scheduled to commence as soon as the decision on its location is taken. It is expected to attain a two-million-ton capacity by the end of the third Plan.

Total export (including re-exports) from India during April amounted to Rs. 53.36 crores (as against Rs. 57.36 crores in the previous month and Rs. 46.63 crores in April 1960). Imports aggregated Rs. 85.90 crores as against Rs. 81.38 crores and Rs. 98.82 crores. The adverse balance of trade in April was to the tune of Rs. 32.06 crores (as against Rs. 24.02 crores and Rs. 52.19 crores).

Per capita taxation is the highest in West Bengal, namely, Rs. 16.4, according to the latest estimates prepared by the State Government. The figures for other States are: Andhra Pradesh Rs. 11.9; Assam Rs. 14.6; Bihar Rs. 7.3; Maharashtra Rs. 15.4; Kerala Rs. 13; Madhya Pradesh Rs. 9.2; Madras Rs. 11.6; Mysore Rs. 12.5; Orissa Rs. 6.1; the Punjab Rs. 15; Rajasthan Rs. 11.5; and Uttar Pradesh Rs. 8.

The Government of India has decided to extend the procedure under Rule 191-A of the Central Excise Rules 1944 for export of articles under claim for rebate of duty on the excisable goods used in their manufacture to plastic manufacturers. It has also decided to permit the manufacture in bond of plastic manufacture for the purpose of export under Rule 191-B of the said rules. Those manufacturers of plastic goods who wish to export them under these procedures are required to contact the Collector of Central Excise, in whose jurisdiction their factory is situated, for further detailed information.

A voluntary reduction of some 7 per cent in the price of explosives has been made by the Indian Explosives Limited, the joint venture of I.C.I. and the Government of India set up only 2½ years ago to manufacture commercial blasting explosives at Gomia in Bihar. The reduction has been possible because of the cut in costs by intensive application of method study and improved plant operation by which the factory's designed output of 5,000 tons a year has been very considerably exceeded. Major extensions to the plant at Gomia are now in hand with a view to meeting the country's full requirements of explosives.

The third conference on human relations in industry will be held at Coimbatore on 24th and 25th inst. under the auspices of the South India Textile Research Association. The conference will be inaugurated by Mr. V. V. Giri, Governor of Kerala. The objects of the conference are to strengthen the existing awareness among all those connected with industry of the importance of human relations; to encourage interest in the study of particular problems of human relations from the point of view of management, labour and the community and to suggest lines of action for the promotion of better human relations in industry.

The possibilities of utilising wastes from wool, leather, lac and mahua cake as good manure have recently been investigated at the Indian Agricultural Research Institute, New Delhi. After proper [illegible] or acid treatment, these wastes have been [illegible] of sufficiently good quality manure. They take away the available nitrogen with ease into the soil and improve soil structure by inducing aggregation of soil particles. Various methods of treating these organic wastes were tried. Wool wastes were moistened with hydrochloric acid or nitric acid and then dried and powdered. Leather wastes were either steamed under pressure or steamed and moistened with ammonia, dried and powdered. Both leather and mahua cake were treated with

With the object of safeguarding the interests of consumers at large and promoting the cause of producing quality goods in the country, an organisation called the Consumers' Association of India (C.A.I.) has been set up under the Societies Registration Act of 1860, with Mrs. Raksha Saran, as Chairman. Its headquarters will be at New Delhi. The Association aims at undertaking, aiding and promoting the study and evaluation of consumer products and services; co-ordinating the efforts of consumers and producers in devising ways and means for the improvement of goods and services; undertaking consumer research to determine the needs of consumers; and promoting and popularising the use of goods according to the national and recognised standards. It will gradually build up a fund of information on the quality of various consumer products based on various laboratory tests and consumers' own reaction. The information thus collected through various sources will be made available to the public through the medium of its publications.

The use of Indian graphite for the manufacture of graphite crucibles, dry cells and pencils is now possible as a result of a process for upgrading the indigenous ore developed at the National Physical Laboratory in New Delhi. Pilot-scale beneficiation trials conducted over the last few years in the Laboratory have yielded fine, low ash graphite suitable for a wide range of applications. The characteristics of the graphite required vary according to the use to which it is put. To examine the suitability of indigenous graphite for various uses, the Laboratory has determined the desirable specifications. Beneficiated Indian graphite has been found to meet these requirements. For instance, the suitability of graphite for the dry cell or brush industry cannot be judged merely on the basis of fineness and its ash content. The factors that matter are electrical resistivity and bulk density measurements which are essentials for determining the suitability of graphite. Similarly, for crucible manufacture, a knowledge of specific surface of graphite is important, and in pencil manufacture, it is the smearing property. Suitable methods have been devised for undertaking these tests.

* * * *

From Abroad

The U.S.S.R. Government will give technical aid for the development of the nickel processing industry in Cuba. An agreement to this effect was entered into on the 1st inst.

Karachi port will have been modernised after the complete reconstruction of its 23 berths. The whole programme is estimated to entail an outlay of £11.5 million. The foreign exchange component has already been met out of a World Bank loan.

The International Shipping Federation will meet at Hamburg in West Germany on the 14th and 15th inst. The main purpose is to make preparations for the next session of the Joint Maritime Commission of the I.L.O., which is to be held at Geneva in September next.

The Swiss Government has introduced special measures to protect the domestic textile market against cheap imports from Japan. Imports from Japan will be allowed only if prices quoted in Switzerland are not more than 10 per cent below the Swiss price for cotton goods, 12 per cent for woollen goods and 20 per cent for other articles.

The Australian Government has granted subsidies aggregating £A172,000 for four more companies engaged in the search for oil in Australia. With this amount, the total subsidies granted in the last four years come to £A3.5 million. The money has been allotted to nearly 80 projects. So far, oil has been discovered at Rough Range in north-western Australia and at Cabawin in south-eastern Queensland.

The British rubber and plastics industries are to have a new joint research organisation. This represents an extension of the scope of the former Research Association of British Rubber Manufacturers. The technology of the two industries has much in common, and the new organisation has the support of the British Plastics Federation. The Department of Scientific and Industrial Research has also welcomed the move and has agreed to grant to the new organisation up to £77,000, provided that the industries themselves raise £120,000 in each of the three years 1961-63.

The Government of Pakistan has decided to experiment from October next in the field of underwriting export trade risks not covered by insurance companies. The export credit scheme is to be tried for three years and will be extended if it works well. It will cover both commercial and political risks at the buyer's end. It is proposed to run it on no-loss-no-profit basis. It will be run as a special wing of the semi-official Pakistan Insurance Corporation. There will be a Board headed by the Commerce Secretary and consisting of the representatives of other Ministries, the State Bank of Pakistan and the Pakistan Insurance Corporation.

The design office of Prozamet (the enterprise designing and building metallurgical and electrotechnical plants) began work on nine complete industrial plants worth more than 50 million currency zlotys ordered by Ghana. The plants include a steel foundry, instrument and tool factories, as well as a shipyard capable of building ships up to 6,000 d.w.t. The shipyard, the first in Ghana, will be built at Tema, a seaside town in Ghana. More than one hundred Polish engineering works will work on the machines and equipment for these plants. At the same time, Prozamet began preparations for the delivery of 40 repair shops for agricultural machinery ordered by Mongolia.

The Institute of Geology and Mineralogy of the Soviet Academy of Sciences has discovered a new mineral which has been named "Gagarinite," in honour of the first cosmonaut. Gagarinite is a mineral more than half of which is composed of rare earth elements. These elements are being widely used in all the latest branches of industry and have great prospects. They are employed in electronics and in hard alloy metallurgy. Thus, the main elements of gagarinite will probably be used to a considerable degree in making parts of future space ships. Gagarinite has been found in a number of deposits in Russia and the Soviet geologists hope to find new commercial deposits of this valuable mineral.

The new Bill controlling the activities of savings and commercial banks in Norway has now been passed by the Storting (Parliament). Under the Act, the Government will appoint one-quarter of the Board of Representatives of commercial banks with deposits of over £5 million, and local councils are given the same authority for savings banks. The Act lays down regulations to ensure the principle that banking policies are to be based on social as well as economic and financial considerations. It prescribes that annual reports on the activities of commercial banks should be submitted to the Storting and the control committee of each commercial bank is required to see that the prevailing Government principles for economic and financial policy are followed by the bank.

PERSONAL

MR. B. M. Mulgaoker, Secretary, Premier Automobiles Ltd., left for the U.K. and the Continent on Tuesday the 6th inst. on official business.

Mr. Bernard Naylor Thorpe, Pan American World Airways Airport Manager at Calcutta, left for London where he will assist the Pan American's Airport Manager to replan for the greatly increased flow of traffic through this airport.

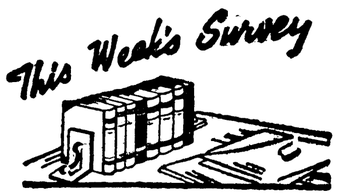
Mr. V. M. Paranjpe, Director, Division of International Finance, Reserve Bank of India, has been appointed Press Relations Officer of the Bank in place of Mr. S. D. Deshmukh who has been appointed Manager of the London Office of the Bank.

Mr. T. C. Kapur, Managing Director of the Export Risks Insurance Corporation Ltd., attended the conference of the Union of Credit Insurers held at Vienna from the 3rd to 8th inst. He is now visiting some European countries and the Middle East and is likely to return in the middle of next month.

NESTLER
HORIZONTAL 'PACKAGED' SMOKE TUBE BOILERS
For outputs from 1250 to 6000 lbs. of steam per hour at 150 lbs. p.s.i.
* High Efficiency * Quick Steaming
* Maximum Safety * Easy Transport
* Easy Installation
Distributors for Maharashtra, Gujarat, Rajasthan, Punjab, Jammu & Kashmir, Uttar Pradesh, Himachal Pradesh and Mysore:
M/S. GREAVES COTTON & CO. LTD.
1, Forbes Street, Bombay 1

NESTLER
VERTICAL STEAM BOILERS
for process Steam. Models up to 400 lb./hr. at 100 p.s.i. Exempt from Boiler Act

NESTLER BOILERS PRIVATE LIMITED Love Lane, Cross Lane, Byculla, Bombay 27



INDUSTRIAL RESEARCH

THE proposed third Plan allotment of Rs. 130 crores (as against Rs. 72 crores in the second Plan) for scientific and industrial research will be in addition to the committed expenditure of Rs. 75 crores for supporting current research activities. An aggregate outlay of about Rs. 200 crores in this field during the third Plan period is no doubt impressive, but it is modest in relation to the needs of a growing industrial economy. But expenditure, whether large or modest, cannot alone be expected to do the trick. Experience to date shows that, while research laboratories in various fields have been well staffed and equipped, they do not seem to have achieved much by way of evolving new products, processes and techniques for practical application; at least there is no authoritative account of achievements in the first and second Plan periods, whether in the field of pure research or in that of applied research. Even if it is supposed that some good work has been done in the laboratories, much of it is probably not capable of practical application or commercial exploitation.

The Council of Scientific and Industrial Research has, of course, repeatedly offered the explanation that the existing gap—very wide indeed—between the actual utilisation of a process and its laboratory success is due to certain inhibiting factors. These factors are stated to be lack of pilot plant facilities, inadequate liaison between industry and research workers, lack of knowledge about research results among those who frame licensing policies, absence of industrial consultants, and lack of design and fabrication facilities. It is presumably sought to be conveyed that the C.S.I.R. has no control over these factors. This cannot be true, for all these factors, barring the last two, would lend themselves to treatment at the Council's hands. If the Council has not provided in its research schemes for pilot plant facilities to test out the results of research on commercial scale, if it has not built up a liaison machinery between industry and the research institutions and if it has not regularly brought the new products and processes to the attention of licensing authorities in the Development Wing of the Commerce and Industry Ministry, the failure is its and not somebody else's.

This failure is, in part at least, due to greater emphasis from the very inception of the C.S.I.R. on setting up research laboratories in too many fields and on launching too many research schemes than on concentrating its resources in selected fields with an eye on practical application of laboratory results. No wonder, therefore, that very few new products and processes (probably less than 20 in all) for which the C.S.I.R. has been responsible have been taken up by industry for commercial application or exploitation. In the circumstances, it is rather a case of over-extending itself when the Council has evolved a whole range of schemes for the establishment of new research laboratories in the third Plan period. These institutes and laboratories are proposed to cover petroleum research, biology, fire research, fertiliser technology, forage and grassland research, plant virology, sheep and wool research, piggery research, livestock research for dealing with local and regional problems, switchgear testing and development, and so on. While research in these fields may be necessary, one wonders if in the existing laboratories and institutes (which are quite large in number) new divisions could not be started for these lines of research. For instance, no separate research institutes seem to be necessary for some branches of agricultural and livestock research or for fertiliser technology, for there are already national institutes of long standing which deal with agricultural, plant breeding and livestock problems. Again, there is no reason why there should be a medical research centre exclusively for developing and promoting the use of radio-isotopes in medical research, while there is an All-India Medical Research Institute.

Instances, thus, can be multiplied to show that there is avoidable duplication in research effort in different institutions. The aim must obviously be to make fuller utilisation of the research facilities already created rather than to create new facilities (except where absolutely necessary) or to duplicate them without regard to research co-ordination or expense. All the time, the scientific planners in the country seem to be taking advantage of the Prime Minister's laudable emphasis on science and scientific progress to sponsor a whole range of research laboratories, institutes and stations and an even wider range of research schemes in great hurry. Numbers alone cannot impress in the final analysis; it is the quality of research that matters. It is high time a commission of inquiry was set up to appraise the achievements of scientific and industrial research in the country so that further progress in this sector can proceed on sound and methodical lines.

JOINT SECTOR INDUSTRIES

In a fresh bid to promote the tempo of industrialisation in Maharashtra, the State Government has been considering the question of its possible participation in private industrial undertakings. A Study Group (Mr. R. G. Saraiya: Chairman) has now gone into the question and has made a study of the prospects for such joint sector undertakings in the State. The Government is now considering the report of the Study Group and its decisions on it are eagerly awaited. The group is understood to have expressed the view that there is good scope for joint sector industries in the State. Advocating, however, a very cautious approach to the issue, it has recommended the establishment of joint sector industries only in select, promising lines to begin with. If these experiments prove fruitful, it is needless to say, public confidence would be aroused making it possible for further expansion. The State Government has, no doubt, some experience in managing a few textile mills, the record of which has not altogether been discouraging. At any rate, the scope of the joint sector undertakings is far wider and the problems to be tackled are more complicated.

Of course, the proposed set-up is suitable only for certain selected industries. The Group has suggested several industries which offer distinct possibilities for joint ownership and management. These include alumina (in Colaba and Thana districts), stainless and ferro-alloys produced by electrical smelting processes, electrolytic manganese from low grade ores, and development of salt and chemicals on a large scale in the Ratnagiri area. The Group feels that joint enterprises would be set up in the case of mining of manganese and iron ore also in the areas reserved for the public sector. Another important industry suggested is the manufacture of fine and superfine cloth under export promotion schemes by the installation of modern composite spinning and weaving units with automatic looms and most advanced machinery. No less important is the suggestion relating to the manufacture of paper using sugarcane bagasse and also town gas meters—a large number of which will be in demand in Bombay once the Trombay Fertiliser Project goes into production and increases the availability of gas in the city.

The Group has not ventured to suggest any specific amount which the State Government should set apart for financing the overall projects. It feels that, to begin with, the State Government should be willing to invest about Rs. 8-10 crores in joint ventures. The joint ventures will certainly be in a position to raise capital from other sources, such as I.C.I.C.I. and also the counterpart funds of the U.S. aid under P.L. 480.

An important aspect of joint ventures is the extent of control to be maintained by the State Government. When the Government participates in the share capital of a company, a minimum of 26 per cent would appear to be imperative, under the provisions of the Company Law. The maximum limit will be 49 per cent. For any further increase will only render the Company into a Government undertaking, resulting in backdoor nationalisation. The appointment of the Chairman of the Board and auditors, according to the Group, should be subject to the prior approval and continuing consent of the Government. While such functions should rest with the Government, there is need for safeguarding the autonomy of the institution. The Group has made it clear that the joint ventures should have complete autonomy in regard to day-to-day working, purchases, sales, appointments, promotions, transfers and general managements. It remains to be seen whether the Government, the influential officials in particular, will resist the temptation of interfering with the day-to-day working of joint sector companies and establish conventions conducive to the unimpeded development of such enterprises. The report of the Study Group, although it is directly relevant to Maharashtra only, is bound to be helpful to other States which may propose to embark on similar schemes.

DEVELOPMENT OF VIDARBHA

In his presidential address at the first quarterly general meeting of the Nag-Vidarbha Chamber of Commerce, on 31st May, at Nagpur, Mr. D. C. Sutaria did well in highlighting the special needs of Nagpur and Vidarbha. Vidarbha is a relatively backward region in Maharashtra, for its irrigation facilities, roads, power, education and medical services are inadequate. In the first two Plans, meagre allotments had been made for these purposes. The Nag-Vidarbha Chamber of Commerce and Industry has, therefore, been pleading for the past many years for the industrialisation of the rural areas of Vidarbha and specifically for setting up some major manufacturing plant in the public sector in Nagpur or in its vicinity so as to create the necessary atmosphere of enterprise and confidence. But the Government of India has not responded favourably to the Chamber's plea. At least the State Government now seems to be earnest in its endeavours to encourage the establishment of some industries in Vidarbha. For instance, the Bhandara ammunition factory, the project for exploitation of coal in Kamptee and the setting up of the plates and vessels factory at Wardha do represent a good, though modest, beginning in the right direction. But if entrepreneurs are to come forward, as advised by Mr. Wankhede, Maharashtra Finance Minister, at Nagpur on the 3rd instant, to start new industries on their own initiative, they would need to be assisted by Government through the creation of basic facilities like power, roads, communications and technical institutions.

Mr. Sutaria's reference to the question of manganese mines in the Vidarbha region was quite timely. His suggestion that joint-sector principles could be applied in this field, viewed in the context of the recent creation of a joint-sector enterprise to develop the mineral resources of the Konkan region, also seemed to be practical. There should, therefore, be no difficulty in accepting Mr. Sutaria's plea for developing the mineral resources in Vidarbha on similar lines.

SHIPPING

Mr. G. L. Mehta's speech at the recent inaugural ceremony of the Eastern Shipping Corporation's new service from the West Coast of India to Japan succinctly presented the problems confronting Indian shipping. As Chairman of the National Shipping Board, Mr. Mehta was in a position to deal authoritatively with some of them. In dealing, for instance, with the problem of acquisition of new ships by Indian shipping companies, he had something critical to say about the Hindustan Shipyard of which he was himself the Chairman for some years. The cost of construction of ships at the Vizag yard was still substantially higher than what it should be. While shipbuilders in the United Kingdom were willing to sell a vessel of 10,000 to 12,000 d.w.t. at about Rs. 1.45 crore and some other foreign shipyards were in a position to offer a similar vessel at Rs. 1.35 crore, the cost of a ship at the Hindustan Shipyard was ranging between Rs. 1.8 crore and Rs. 2.0 crores. Mr. Mehta also referred to the unhappy alternative of purchasing ships on deferred payment terms which added 20 to 30 per cent to the cost, thus impairing the competitive capacity of Indian shipping.

Yet another shipping problem which has been causing serious concern for the past two years or more and which figured in Mr. Mehta's speech pertains to coastal shipping. The National Shipping Board has no doubt drawn the attention of various authorities concerned to the fact that an inadequate coastal fleet would not be able to assist the inland transportation system in periods of crisis. And it has also stressed the need for solving this problem from a broad national point of view by diverting some cargoes suitable for bulk transportation to coastal shipping. But the authorities concerned, it is distressing to note, have not paid any heed to this reasonable suggestion. In fact it would not be an exaggeration to say that the Government of India had not so far evolved any consistent long-term policy in regard to coastal shipping. Now that the crisis in coal movement has assumed serious proportions, merchant shipping is being called upon to transport another million tons per year. This means that as against only one million tons of coal cargo hitherto carried, coastal shipping would have to handle two million tons. Mr. Mehta, therefore, was on firm ground when he declared that "one could not expect coastal shipowners to keep vessels handy merely for the sake of a possible opportunity of lifting more cargo in emergencies." It is obvious that for a country like India with extensive coastline, policies would have to be framed in such a manner as to divert some cargoes to feed the ships regularly. This alone would make for economical operation.

While Mr. Mehta referred to the valuable assistance extended by the Government of India to the shipping industry in such ways as the training of merchant navy personnel, grant of substantial loans at concessional rates of interest and provision of Government cargoes to Indian ships, he also admitted that the third Plan provision of Rs. 55 crores for shipping would enable a net acquisition of only 2 lakh gross tons, as against the net addition of 5 lakh tons recommended by the National Shipping Board. His warning that the prospect was one of retardation rather than of acceleration in the pace of development of shipping was thus both timely and necessary. The Government of India, which is certainly aware of the role of Merchant Shipping as the saver and earner of foreign exchange, should give more tangible expression to this realisation by enabling the shipping companies (old, recently formed or currently proposed) to acquire ships on the most favourable terms and add the five lakh gross tons recommended by the National Shipping Board. Very few export industries, it should be remembered, can earn back the foreign exchange spent on their development as quickly as shipping can do. The recent statement of Mr. Raj Bahadur, Minister of State for Transport and Communications, that it was likely that the Planning Commission would provide additional funds when the present third Plan provision for shipping was fully utilised could certainly not be taken as a firm assurance.

MOVEMENT OF COAL

Various short-term measures have so far been improvised to remove the transport bottleneck in the movement of coal. But their impact on the coal supply situation has only been moderate. Industries located in regions far away from coal mines continue to face serious shortage of this essential fuel. Owing to inadequate transport facilities, coal accumulated at pitheads amounted to 4.8 million tons by February last as against 3.4 million tons in 1960. This is said to have resulted in the locking up of about Rs. 10 crores worth of working capital. One of the measures suggested to solve the problem is the provision of 200 additional wagons for transport of coal beyond Moghulsarai from next month onwards. While this is a step in the right direction, it will only be of marginal significance. For at present the number of wagons actually available is only 4,700, as against an estimated demand for about 6,100 wagons. A better solution would appear to lie in additional wagon-building. It is, therefore, gratifying to know that the railways have decided to manufacture a larger number of new wagons to improve the position in the third Plan. In this connection, Mr. Kripal Singh, Member, Transportation, Railway Board, also disclosed at a Press Conference last week after a meeting of the Chief Operating Superintendent of all the eight Railway Zones at Bangalore, that orders had been placed for 100,000 tons of steel for additional wagon production.

But increase in the number of wagons alone will not be sufficient. It would be necessary at the same time to give due attention to the demands of both small and large-scale manufacturers. Large-scale units favour bogie wagons, which have a capacity of about 55 tons, as against the capacity of only about 18 tons for ordinary wagons. Bigger wagons are not popular with small producers, since they do not have adequate equipments with mechanical unloading units. That is not all, for it could appear from Mr. Singh's observations that even at present, there is room for carrying some more coal in the existing ordinary wagons. Although each wagon is now loaded with 18 tons, its maximum capacity is 22 tons. It should be possible to haul at least one or two tons more of coal in each wagon. Actually the Railway Board has just issued instructions to all the railways to load one ton more in every wagon to increase transport capacity by 4 per cent. Such optimum utilisation of wagon space, accompanied by quicker wagon turn-round, is bound to ease the transport situation to some extent pending the availability of more new wagons. This is good in so far as it goes.

A new move afoot designed to solve the crisis in coal movement is the establishment of zonal coal dumps. Admittedly, this procedure entails larger expenses for unloading wagons, stocking coal in dumps, and loading it into wagons or trucks for despatch to various destinations. This will raise the landed cost of coal, with its effect on the cost structure of several industries, since coal is an important element in their expenditure budgets. This measure, too, is in the nature of a stop-gap arrangement. While additional wagon-building and fuller utilisation of wagon capacity may be expected to ease the railway transport situation, it is doubtful if the additional traffic offerings which are expected to be handled by the railways in the third Plan period can be fully cleared by them. Wherever possible and economic, alternative means of transport such as by road and by coastal shipping could, of course, be given greater encouragement than what has been proposed in the Draft Outline of the third Plan. But here, in so far as coal transport in particular is concerned, higher cost of haulage by road or by sea would have to be reckoned with. This raises the basic question whether the Government can bring about freight equalisation by some means or other. As this may be a difficult proposition, a lasting solution to the problem of coal movement would have to be sought only through the railways. Logically, therefore, the Railway Plan may have to be recast in its inner details so as to enlarge the capacity of railways to move almost all the coal required for their own use and for the use of industries in different regions.

Banking Increases National Wealth

P. N. B. Serves the Nation's Industry, Agriculture and Commerce.

BANKING SERVICE OF EVERY DESCRIPTION OFFERED.

THE PUNJAB NATIONAL BANK LTD.

Established 1895

Head Office : New Delhi.

INDUSTRIAL IBCON CONSULTANTS

The industrial consultancy services offered by the group fall under the following headings:-

IN THE PLANT:— PLANT CAPACITY AND LAY-OUTS • PRODUCTION PLANNING AND CONTROL • STORES ORGANISATION AND CONTROL
FUEL AND STEAM UTILISATION • RAW MATERIALS CONTROL • QUALITY CONTROL • TRANSPORT
MECHANICAL HANDLING • OPERATIONAL RESEARCH • VALUATION OF PLANT AND BUILDINGS

ON LABOUR:— METHOD AND WORK STUDY • JOB EVALUATION • INCENTIVES • PERFORMANCE CONTROL • WAGE STRUCTURES
TIMEKEEPING SYSTEMS • PERSONNEL RECORDS • HUMAN RELATIONS • COMMUNICATION

IN OFFICES:— MANAGEMENT CONTROLS • MANAGEMENT ORGANISATION : EXECUTIVE AND CLERICAL • WORK MEASUREMENT
INCENTIVES • BUDGETARY CONTROLS • LAYOUT, COMMUNICATIONS AND EQUIPMENT

AND:— THE SETTING UP AND TRAINING OF THE CLIENT'S OWN INDUSTRIAL ENGINEERING DEPARTMENT
MARKET RESEARCH • PLANNING FOR MODERNISATION AND EXPANSION OF INDUSTRIES
TECHNOLOGICAL STUDIES IN RAW MATERIALS, PROCESS AND PLANT PERFORMANCE

IBCON PRIVATE LIMITED

HEAD OFFICE: ADELPHI, 119, QUEEN'S ROAD, BOMBAY 1.

2, FAIRLIE PLACE, CALCUTTA 1. • BRADY'S BLDG., MAHATMA GANDHI RD., KANPUR.

GEORGE OAKES BLDG., SRI NARASIMHARAJA SQUARE, BANGALORE 2. • 85 WARD PLACE, COLOMBO 7, CEYLON

ALSO IN:

U.K., PAKISTAN, BURMA, IRAQ, CHILE, ARGENTINA, BRAZIL, MEXICO, AUSTRALIA, HONGKONG.

ajanta

ON THE ARENA

By The Archer

What Is Vulgar?

ANYTHING that is plebeian, common, customary is considered to be vulgar. In the course of man's perpetual attempt to elevate himself from the commonplace to the superior, vulgarity has acquired the connotation of being low, unrefined, coarse, debased and pretentious. According to Hazlitt (*Table Talk: On Vulgarity*) "a thing is not vulgar merely because it is common." There is also a quotation from *Punch Almanack* (1876) which says: "It's worse than wicked, my dear, it's vulgar." And so it is that when one talks of something being vulgar, one assumes the condemnatory attitude, and holds it up to ridicule as being beneath contempt, very much to be ashamed of. That seems to be what the Prime Minister said about the bright strings of twinkling bulbs and the brass bands proclaiming that a wedding is on; and he is reported to have said this in the context of the shortage of electric power in Delhi, and the large-scale illuminations which put a strain on the power supply system. I don't think this exposition of the subjective reaction of even so eminent a person as the P.M. is going to result in wedding festivities being celebrated with less pomp and ostentation than at present, but I will not be surprised if some enthusiastic social reformers are already planning to suggest a Vulgarity Prohibition Bill (*a la* Dowry Prohibition Act) making it illegal to have more than the customary lamps at weddings and just enough lighting to facilitate the ingress and egress of invitees, with, of course, the concomitant embargoes on the numbers of invitees, service of refreshments, provision of entertainments, music and loudspeakers, regulation of traffic, etcetera. Of one thing we may be sure, namely, that legal enforcement of "Vulgarity Prohibition" will be possible unlike in the case of dowry prohibition. Exhibitionism is the very basis of all vulgar display, and can be summarily brought to book by an alert enforcement force in any city in the country. For once, therefore, there will be an effectively enforceable law if and when a vulgarity prohibition Bill is passed.

What surprises me, however, is why large-scale illuminations alone have been singled out for being labelled as vulgar, when everything connected with upper class weddings in our large cities is "worse than wicked." Wedding receptions, manipulated through the issue of several thousands of invitation cards, serve the dual purpose of enhancing the prestige of the hosts in the social register, and ensuring the receipt, by "the happy couple," of a whole lot of wedding presents comprising cheques, cash, ornaments, clothes, suit cases, bags, and utility articles ranging from crockery, cutlery, table fans, lights and electrical gadgets to even bed pans and enema cans; they disrupt traffic and create noise and confusion over a wide area; the ostentatious display of wealth and plenty strikes a discordant note amidst the poverty and misery of many thousands of people in the locality; it generates class hatred. The social effects of ostentation are very disturbing in a country where extreme poverty exists side by side with considerable affluence. If ostentation goes unchecked it might lead to an upheaval in the years to come—God forbid!

As regards illuminations, some thought should also be given to toning down the celebrations of Republic Day every year, especially in a city like Bombay where electric power is available in plenty. If having illuminations is a legitimate way of celebrating festivities, what applies to Republic Day should also apply to a wedding day; if, on the other hand, they are vulgar at a wedding, they are equally vulgar at mass celebrations of Republic Day. What with competitions for achieving the last word in blazing splendour, and Government-owned buildings taking part in them, the amount of money, labour and organisation spent on illuminations during the last few years in Bombay, and the childish craze for a night of merry-go-round and noise and traffic jams, seem to have transgressed the bounds of justifiable enthusiasm even for celebrating such a day as the one on which we declared ourselves to be a Republic. Should we not cross over from adolescence to manhood and give up the enjoyment of infantile displays? Would it not be good to pump in some sobriety into our mass celebrations before we start preaching to individuals to give up vulgarity, ostentation and exhibitionism? Refinement is a way of life which begins, no doubt, with the individual and permeates into society, but when whole masses of people are encouraged to live riotously, it is difficult to eradicate the infection; it becomes endemic.

* * * *

Unfair Criticism

Mr. C. Rajagopalachari has criticised that America had gone back on its policy of giving financial aid directly to Indian industrialists and was now "more attached to the Indian Government." In an interview with the I.N.S. he is reported to have stated that American aid to the Government of India would result in leaving it to the Indian Government to fix the priorities for disbursing the aid to various enterprises, and that the new policy would mean that America would lose the freedom to help private industry in India. In his view, the new policy would muffle the enthusiasm of Indian industrialists because they would have to beg the Government for getting the aid; the freedom and initiative of the private industrialist was involved in the issue, not the money. It would also mean delay because, before an industrialist in India could finalise any deal with his American counterpart, he would have to approach the Indian Government.

I fail to see any merit or substance in these arguments, as even the so-called direct American aid to industrialists would not be possible without negotiation through the Indian Government and its concurrence on all details. It is, of course, evident that Mr. Rajagopalachari's objections are in line with his pronounced antipathy to the Government's plans, planning technique and controls. Borrowing his favourite manner of illustrating by parables, I would cite two hypothetical cases. When a Hindu undivided joint family requires a loan for capital expenses no sensible moneylender would care to lend to a junior parcener according to the latter's personal need or order of priority, and no loan would ordinarily be available except with the full consent and approval of the Kartha of the family. Again, when a family consisting of a husband and wife is short of money for expenses, no sensible or self-respecting husband will consent to his wife accepting loans or gifts from neighbours, and transactions of that type will invariably result in degrading the husband to the status of a nincompoop.

If and when Mr. Rajagopalachari meets Ambassador Galbraith at some future date, I expect he will get a lively answer to his criticism; as far as I know, it was Mr. Galbraith who was responsible for the changed policy of the U.S. Government. In an off-the-record article which he wrote before his arrival in India, Professor Galbraith criticised U.S. agencies of the previous administration in Washington for stressing that U.S. aid should be channelled more through the private sector than through the public sector. In his view, the form of Indian economic development is an internal affair and should not be influenced, directly or indirectly, through aid programmes. Having, perhaps, influenced the U.S. Government's thinking in this regard, Ambassador Galbraith is sure to be disappointed when he hears the discordant note voiced by Mr. Rajagopalachari. The latter should also bear in mind that an influential section of American opinion is not very enthusiastic about aid to India, and that section is likely to make capital of his criticism.

It is undesirable that leaders of thought in a country which is in difficulties should voice divergent views on aid projects, just as it is undesirable for a person in distress to shout with two voices. I remember a war-time story to illustrate this. A soldier who had a cracked voice fell in a trench in the dark, and unable to get out, shouted for help in a deep voice. A passing sentry responded and called back "Where are you, give me the location." The man in distress answered, "Here I am, just behind the tree," but unfortunately his voice was different this time, a hoarse whisper. The passing sentry cocked his ear at the different voice and shouted, "To hell with you fellows, you seem to be two of you there, why don't you help each other?", and walked away.

* * * *

Titanium Dioxide

In my column of 25th February last, I recounted the full (sad) story of titanium dioxide manufacture in Travancore, and pointed out how the factory, which is in an excellent position to earn valuable foreign exchange for the country, had not been expanded for the purpose although the technical merits of doing so had been unassailably established. I now see from a financial paper that British Titan Products have offered to help, but the offer is being somewhat critically examined, as it is subject to the condition that B.T.P. should be allowed to subscribe to the entire amount of new capital required for expansion. The present paid-up capital of Travancore Titanium Products Ltd. is Rs. 75 lakhs, and the proposed increase is Rs. 35 lakhs. If B.T.P. is allowed to subscribe the whole amount it would take the total of its interest to Rs. 51.55 lakhs as against the Kerala Government's holding of Rs. 38.25 lakhs, and thus B.T.P. will become the largest single shareholder. It is reported that both the Planning Commission and the Ministry of Commerce and Industry are in favour of accepting B.T.P's offer as it would obviate the necessity for the Indian factory seeking foreign exchange allocation. I hope that the State Government will agree to the proposal. It will be an act of self-immolation if the expansion scheme does not go through as a result of procedural or ideological difficulties. B.T.P. is the original foreign collaborator and knows the job of making the Indian factory pay and pay well. Its reputation is enough to make the pigment sell in foreign countries and a sizable amount of foreign exchange can be gathered if T.T.P. expands its production to, say, 15,000 tons per annum. The fact that the proportion of shareholding will be tilted in favour of B.T.P. should not stand in the way. As the proverb says, "It is good money even if it is acquired by sale of dogs, for the money will not bark."

* * * *

Bank Funds For State Ventures

The National Development Council has suggested that measures should be taken to secure for the public sector a large share of the funds of commercial banks, which are, at present, largely invested in private sector enterprises. A spokesman of the N.D.C. is reported to have stated, however, that this suggestion did not, even remotely, involve any plea for nationalisation of banks. In the absence of a clearly spelt-out resolution or record of the proceedings it is difficult to comment on this, except to mention that, what is reported is, to say the least, very screwy. As matters stand, banks are unable to fulfil their commitments to their constituents, and large-scale refusal of advance limits seems to be the order of the day. The suggestion to evolve "measures to secure a large share of funds" to public sector units implies nothing short of compulsion, unless it be that the language is pathetically inappropriate. I am sure that banks are not very anxious to make advances to public sector enterprises especially at the rates which they would ask for, and subject to the wooden procedural methods that they are reputed to employ. If the National Development Council presses for greater assistance to public sector units than for private sector enterprises, and to the detriment or acute distress of the latter, and if it is unable to think of the national economy as a whole instead of as two separate sectors, one more favoured than the other, it should have its name changed to Public Sector Development Council, dropping out the often ing word "National."

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories

For over 35 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cocoa Mills and other Industries in the country.

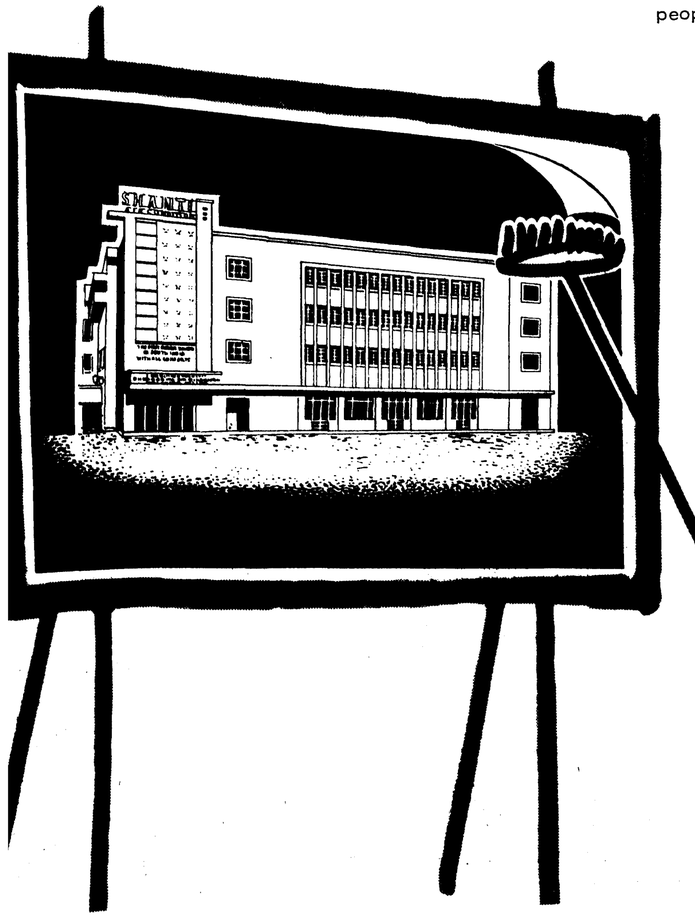
Phone: 22-5952
22-3103
Gram: "BANCO"

The BEHAR FIREBRICKS & POTTERIES LTD.
2, GRAND ROAD, CALCUTTA-1

Carrier gets star billing
at Shanti Theatre, Madras

We're star performers here and at many other leading theatres. Not exactly show people. We're not seen. Not even heard! But we're there all the same. Keeping audiences cool and comfortable throughout the year.

We're air conditioning people. Play to packed houses. Add to box office receipts. Get rave notices about our sound performance. About our dependable Carrier equipment. The way Voltas engineers install and service every project. No need for press agents! Theatre managers (nice people!) often wax eloquent about us. "Carrier and Voltas," they say, "are the people who know air conditioning best".



UNDER SECRETARY TO GOVERNMENT
12 JUN 1961
PUBLIC DEPARTMENT

Some other cinemas air conditioned by us:
Elite, Calcutta • Eros, Bombay
Filmstan, Delhi • Liberty, Bombay
Lighthouse, Calcutta • Metro, Bombay
Minerva, Madras • Naaz, Bombay
Radha, Calcutta • Relief, Ahmedabad

Carrier
the people who know air conditioning best
VOLTAS

VOLTAS LIMITED,
Head Office: Ballard Estate, Bombay 1.
CALCUTTA • MADRAS • NEW DELHI
BANGALORE • COCHIN
AHMEDABAD • LUCKNOW
KANPUR • SECUNDERABAD

ISSUES THROWN UP BY N.D.C. MEETING

HAVE PUBLIC SECTOR ENTERPRISES A HIGHER NATIONAL PRIORITY?

From Our Special Correspondent

NEW DELHI, 5th *June*

DELHI LETTER

THE National Development Council broke up rather abruptly on the second day of its session last week without going through the motions of approving in detail the final targets and outlays proposed in the various sectors. The Council readily agreed to the Prime Minister's suggestion that its endorsement of the chapter on the third Plan outline should be regarded as sufficient approval of the whole Plan: apparently this had nothing to do with the rigours of Delhi's climate at this time of the year nor with the acerbity of speech shown by State Ministers during the discussion of the resources position. It is, however, curious that some of the appeals for a passionate implementation of the Plan were not specifically directed towards agriculture and irrigation nor to the fostering of conditions for the success of a price policy on which a sub-committee was supposed to have been working for a long time. Perhaps there was disinclination to raise too many controversial issues at this stage which might hold up the finalisation of the Plan and its publication (expected some time next month); now that a face-saving formula has ended the dispute which arose at the last session between the States on the one side and the Planning Commission and the Union Finance Ministry on the other, it was on the whole a wise decision to have let matters rest there.

Unmistakable signs of impatience were in evidence at the meeting of the N.D.C. over the Centre's attitude to the States in financial matters. This is somewhat unusual because Central assistance to States for their plan outlays have been steadily enlarged during the second Plan period and, in addition, they have been getting increasing shares of certain taxes. There have been some setbacks in recent years, though they cannot be called major ones; for example, abolition of the tax on railway passenger fares and its substitution by a fixed subvention has denied to States the increasing revenue from the growing passenger traffic. The new scheme of company taxation has affected the total divisible pool of income-tax, though the Centre has been making up for it in other ways pending the recommendations of the Third Finance Commission; unless the Commission makes a generous award increasing the States' share of the income-tax to anything between 80 and 100 per cent, State Governments will have reason to feel aggrieved.

Differences Among States

There are, of course, larger differences among the various States themselves than between them and the Centre, which precludes any concerted move by all of them. For instance, repeated efforts by Dr. B. C. Roy, in the N.D.C. to secure a free hand for shaping his State's plan—with the Centre merely transferring resources on the scale required for it—have been countered by the Madras Finance Minister's objection that under such conditions national planning will cease to have meaning. Other differences will soon come to the fore in their arguments before the Finance Commission on the principles of distribution of the taxes shared with or collected by the Centre. Besides their several grievances, State Governments, naturally anxious in an election year to present big plans, have feared that the Union Finance Ministry's excessive caution may lead to dropping of projects having local appeal.

This explains the unusual challenge made to the Union Finance Minister to "dare and act" in raising resources for the larger physical plan of over Rs. 8,000 crores; unfortunately, most States had shown considerable pusillanimity earlier this year by leaving deficits in their revenue budgets uncovered and they did not show noticeable daring even during the second Plan period in spite of constant exhortations by the Planning Commission to tap certain sources of revenue. With that record, they could hardly accuse the Centre which has certainly made efforts to raise substantial additional taxation. Mr. Morarji Desai has been quick to seize this debating point but the episode, however, revealed some attitudes to the Centre which have not been much in evidence before.

A theory has been recently developed in Delhi on the basis of this and other developments connected with the language agitation in Assam, that the States have grown very powerful of late. Obviously much depends on the personal stature of individual State Chief Ministers or Union Ministers dealing with them and there is very little point in drawing parallels when their relative positions are not always the same. It is, however, significant that Mr. Nehru was anxious all the time to please the States and kept stressing the possibilities of raising larger resources on the ambitious scale indicated by the Savings Committee of the N.D.C.; the Union Finance Minister was thus isolated. The Centre alone cannot execute a very big plan and it has to carry the States along with it as much as possible in order to achieve full and wholehearted implementation, especially in matters like agriculture where energetic local efforts are needed. A stiff approach to them on the eve of the Plan was politically inadvisable and was naturally ruled out, even if it involved acquiescence in overoptimism or surrender to unrealistic demands.

Will the methods adopted in Gujarat and Maharashtra in raising small savings succeed, say, in West Bengal? Perhaps not, but even if six or seven other States can profit by them in the next five years, it would be no small gain. Most probably loans from the market of Rs. 800 crores will not materialise: the Finance Ministry has put the figure lower by Rs. 50 crores. Monetary stringency, felt at present levels of economic activity, is unlikely to ease in the coming years especially in view of the restricted deficit financing and possibly continued diversion of deposits to the non-banking sector. The Reserve Bank, it seems, would prefer a still lower borrowing target of Rs. 650 crores because of these reasons. Much of the optimism (of the Savings Committee and the Perspective Division of the Planning Commission) depended on the extravagant targets of new business which the L.I.C. had accepted for itself in a bid to prove its worth. Whether other things will remain the same to enable it to achieve these high targets is doubtful; if the savings drive is also stepped up successfully, the L.I.C. may soon discover its limits, assuming that its own efficiency does not act as a serious handicap.

Banks and Public Sector

The investments of the banking system in gilt-edged during the third Plan may not therefore be increased substantially (the Reserve Bank is reported to estimate it at Rs. 150 crores net) and apparently having this in mind, one Chief Minister is reported to have argued that the commercial banks should provide financial assistance to the public sector enterprises. There is no harm in saying so, and there is nothing to prevent the latter from approaching banks or securing assistance from them on the same terms as those applicable to other advances for industry. Instead of taking this unexceptionable line, the N.D.C. *communique* goes to the extent of declaring that "commercial banks should be *made* to contribute more for public sector enterprises which *were of a much higher national priority* than private sector enterprises." (Italics ours.) Surprisingly enough this has gone unchallenged: it appears that at one stage bankers themselves were anxious to accommodate public sector enterprises and had offered to do so at their last meeting in New Delhi. The object apparently was either to conciliate left-wing champions of nationalisation or to encourage the Government to channel more of its funds into the commercial banking system which can provide a base for its expansion of credit: it might have been a mixture of both, and due also to a desire to draw closer to the State Bank in status, now that the special deposits under P.L. 480 have also been transferred to the Reserve Bank.

Anyhow, the objects were never clearly stated in public and it is a mistake to imagine that the view expressed in the N.D.C. and quoted above was intended as a concession to the bankers' desire. An element of compulsion and a clear note of priority for the public sector as such over the private sector are indicated in it and unless it is established as a case of very bad drafting by the *rapporteurs*, it lays down a possibly dangerous rule. Could it mean that the baby car project in the public sector is automatically entitled to a higher priority than, say, cement, coal, cloth or even sugar in the private sector? If to the extent of the diversion to the public sector there is a corresponding decline in the levels of economic activity in the private sector, will the economy and the national interest gain?

Partisan Approach

These are points which were not raised or discussed by those preoccupied wholly with the public sector's outlay. As an earlier report in these columns pointed out, there is already a shortfall in the resources available for the private sector for its allotted outlay and it is extraordinary that the nation's highest body for taking planning decisions has no concern at all with about one-third of the total Plan outlay and the conditions required for making it a success. If we ignore this partisan approach to the question of the two sectors, the N.D.C. may be said to have done well on the whole; it has realised that transport and communications should have a much higher priority and that education should under no circumstances suffer through cuts in allocations. Despite all that was said in the Council the greatest uncertainty hangs over the additional taxation of States and the profits of public sector enterprises; the former, for obvious reasons, received scant mention and on the latter there is apparent unanimity on the need for issuing directives for the fulfilment of specific targets.

In spite of doubts, the third Plan has had a good start because a major uncertainty regarding foreign aid has been removed by the Washington announcement of large-scale external assistance for the first two years. Sustained American interest in aiding India has made this possible and the willing, if slightly delayed, response from other Western countries and Japan will strengthen President Kennedy's hands in steering the Aid Bill through Congress. New Delhi has shown a great deal of enthusiasm; the Prime Minister had taken the unusual step of writing personal letters to the heads of Governments concerned, proving the radical change in India's attitude to aid since planning began a decade ago. Not much is yet known about the quantum of aid that will be available for supporting the balance of payments when deficits are incurred for maintenance imports or for other development not tied to particular aid schemes. Terms will vary according to the circumstances of each lending country but on the whole they are expected to be reasonable if only West Germany will revise some of her notions about the cost of capital and period of lending.

N.P.C. PRODUCTIVITY JOURNAL

SPECIAL ISSUE ON INCENTIVES IN INDUSTRY

A COMPLETE AUTHORITATIVE DOCUMENT AND THE FIRST OF ITS KIND

Prof. Whyte's classic analysis of Money and Motivation; Conceptual Framework for Incentives Study; Systems of Payment by Results: Halsey, Rowan, Barth Variable, Bedaux, Taylor Differential, Gantt Task System, etc; the famous Scanlon Plan; the Rucker Plan; case studies in Job Evaluation and Incentives; the Bhadravati Bonus Scheme; Incentives in TISCO and in Indian Railway Workshops; the Enfield Case; Truth about Wage Incentives (Factory Editors' Survey); Albert Raymond's idea of a Fair Day's Work; Merit Rating; G. D. Somani's Analysis of Incentives and Productivity in Cotton Textiles; Taylor's own version of Scientific Management and much else.

Order your copy in advance from the

INFORMATION OFFICER, NATIONAL PRODUCTIVITY COUNCIL

38, Golf Links, New Delhi.

Subscription for a whole year is only Rs. 9.00, including postage.

DA 61/169

AMERICAN LETTER

PRESIDENT KENNEDY'S LATEST MESSAGE TO CONGRESS

CONTROVERSY OVER NEW TAX PLANS

(From Our Special Correspondent)

NEW YORK, 2nd *June*

WHILE business volume in several sectors of the United States economy has been increasing of late, there have been many disturbing influences, both economic and political.

President Kennedy's address before a joint session of the Congress, in its final analysis, was considered by the business and financial community as being full of inflationary implications. That there would be a deficit in the Federal Budget for the fiscal year beginning 1st July, instead of a surplus projected by the Eisenhower Administration, was apparent before. But Mr. Kennedy's proposals seem to suggest that the magnitude of the deficit may be far greater than had been expected heretofore.

A trip to the moon by man and his return within this decade from the U.S., as suggested by the President, was considered largely propaganda. But the revamping of Federal expenditures and proposals for the expansion of the missile programme, left no doubt that it was no idle talk altogether. The request for more funds from Congress without increasing taxes was expected.

As an aside, Mr. Kennedy placed the cost of the moon project at between $7,000 and $9,000 million and Senator Keating rose to the occasion by proposing the issuance of "space bonds," or at least he wanted the authorities to look into the feasibility of such a flotation.

The hastily arranged joint session of Congress heard for about 45 minutes what seemed like a hastily prepared outline of the new Administration's plans and proposals. Obviously, the speech was designed in part to lay the groundwork for the discussions held by the President in Europe. Otherwise, there was reason to believe that the speech was intended to take the curse of the Cuban and Laos fiascos, to mention only two items.

There have been outbursts of protests over the Administration's new tax plans. The opposition comes not only from management but from labour union quarters as well. The proposals of a withholding tax on dividends and interest was opposed by the banking fraternity. The Treasury has expressed the desire of plugging loopholes, but in so doing its proposals have included such trivial things as the elimination of the first $50 per annum received by individuals in interest or dividends. It would hit probably more than one half of the population and most of them are small savers.

Amendment to Currency Law

Prominence was also given to the desirability of keeping a stable dollar. There is now a proposal in the legislative hopper to eliminate the statutory 25 per cent gold coverage to secure outstanding Federal Reserve notes and deposits. Some bankers call such a measure an encouragement to uncontrolled inflation. Fears are also expressed that removal of the 25 per cent gold control would be interpreted abroad as weakness rather than strength and that, in the event of a real international emergency, it would accelerate the gold drain rather than alleviate it.

On the other hand, the independent Committee for Economic Development, after lengthy research, supports the abolition of the 25 per cent gold requirement. The Committee also advocated that the U.S. should draw on the International Monetary Fund, against its deposits in this institution in order to dispel doubt that this country would ever use the Fund except under the most drastic circumstances. The third point made was to stem and withstand a speculative exodus of hot money from any particular major financial centre in the Western world.

The report suggests that the monetary authorities in the leading financial countries should agree on a very simple remedial procedure. That is, when any of them should receive an inflow of currencies of any other countries, such recipient nation would hold the additional foreign funds and not convert them into gold. Ten other minor recommendations were included in the Committee's 76-page report, *The International Position of the Dollar*.

While the controversy over the 25 per cent gold requirement rambles on, in most of these arguments the fact is overlooked that the proposed tax revisions will have a direct influence on overseas spending of American business and industry. They would remove many incentives and they would have a direct bearing on the U.S. balance of international payments.

Foreign Aid

Foreign aid is another area which, according to the President's proposals, is scheduled to be overhauled. The efforts of several agencies and other organisations, now working in this field, are planned to be co-ordinated, if not merged. Also, Mr. Kennedy wants to change the present system which requires him to ask Congress every year for new appropriations for the ensuing year. The White House proposals envisage that Congress will be asked to authorise 40 to 50-year loans so that U.S. help and aid for developing countries could be placed on a "rational" basis.

Congressmen and Senators, conscious of their prerogative of holding the Government's purse-strings are naturally reluctant to agree to measures which could be and are interpreted by some as an encroachment of the Executive branch of the Government on the rights and privileges of the Legislative Branch. It will be no easy task for Mr. Kennedy to get approval for such radical changes. In order to support Mr. Kennedy's stand, Washington has been urging West Germany, other European countries, Canada and Japan as well to make long-term loans.

United Nations News

Delegates of foreign countries to the United Nations say that India, for example, is posing a critical test of the Kennedy Administration's foreign aid programme. It is being pointed out that for the next ten years India will not be able to earn sufficient funds from exports to make sizable payments on loans, but that the ability to repay will increase every year, all other factors being equal.

India's loan requirements, according to information available here, approximate $2,500 million for the next two years. The tentative U.S. pledge calls for lending $1,000 million. The President will submit this and other foreign aid requests to Congress early this month, but what the reaction of the lawmakers will be, is uncertain.

In the meantime, the International Bank for Reconstruction and Development which is a subdivision of the U.N. has been holding meetings with industrial member-countries. At these discussions, it became apparent that the offer of financial help from nations other than the U.S. would be entirely inadequate to cover world needs and requirements and they would be particularly too small to meet India's needs.

The World Bank and the International Development Association are understood to be considering additional loans of $400 million, but the initial offers of other industrialised countries fell far short of the required $1,000 million.

Another point under discussion here has been the U.S. stand which proposes to make long-term loans at relatively low interest rates instead of at commercial rates which other countries have been charging. By contrast Soviet Russia has been extremely liberal in this respect.

Low rates, it is pointed out, would reduce the interest burden particularly during the first few years of any development programme when every penny counts.—*All Rights Reserved.*

The second meeting of the consortium of countries and institutions interested in development assistance to Pakistan was held at Washington on the 5th inst. under the auspices of the World Bank. The first meeting was held in October 1960. In addition to the representatives of the Bank and the International Development Association, the meeting was attended by the spokesmen of the Governments of Canada, West Germany, Japan, the U.K. and the U.S. The International Monetary Fund and the Governments of France, Norway, Sweden and Denmark were represented by observers. The meeting reviewed Pakistan's foreign exchange requirements for the period of the second Five-year Plan of economic development, which began on 1st July 1960, and considered the amount and nature of external assistance which might be made available to meet these requirements.

LABOUR IN BRITAIN

TRADE UNIONS IN STRONG BARGAINING POSITION

(*From Our Own Correspondent*)

LONDON, 2nd *June*

LONDON LETTER

"RECORD numbers at work, less unemployment, fewer serving in the Forces and the end of call-up"—these are the words with which the Ministry of Labour reports on the year 1960. Over the year, the number in civil employment rose by about 400,000 to reach a record seasonal peak at the year-end of nearly 24 million. One-third of the labour force at that time consisted of women and girls; half of them are working wives—about one out of every three married women in the country. And the first four months of this year have accentuated the trend towards still more full employment. In May, there were only 300,000 persons registered as unemployed in Great Britain. Percentage-wise that is only 1.3 per cent of the total labour force, the lowest May figure for five years. This total is not a static one, the turnover in unemployed being high and those on the Register now get jobs and those employed temporarily fall out. The number of unfilled vacancies, one of the best indices to inflation, rose by over 16,000 in April-May to a figure in excess of 350,000. There were thus more unfilled vacancies than there were persons registered as unemployed.

With output yet to rise with the balance of payments still very precarious, this state of affairs in the labour market presents the economic planners with a real problem. How is it possible to stimulate business activity without accentuating the labour shortage and creating a true inflation? For the next two months, on the usual seasonal pattern, employment will rise still higher and the gap between the persons seeking work and the posts available will widen. The stage seems to be set for a further bout of domestic inflation, and yet there is sufficient concern about prices and profit margins to make the danger seem not important.

Pressure of Employment

In what industries is the pressure of employment highest? Agriculture, coal-mining and shipbuilding are the three industries in which the labour force is decreasing. In engineering, electrical goods and vehicles (the latter after only a temporary setback), employment rose over the whole of last year overall by some 3 per cent. Prosperity in the textile industry was reflected in increased activity in textile machinery manufacture which was increased by 2 per cent: There was much activity in the cotton industry and, although the total labour force declined somewhat after the reorganisation of the industry, demands for labour increased. In the spinning and weaving sections of cotton and in linen and man-made fibres, there was a 4 per cent decrease, but the woollen and worsted industry made considerable demands for labour and the nominal drop in the labour force was due to sheer inability to record the numbers required. In transport, in catering and in the aircraft industry, the numbers employed were stepped upwards substantially.

The trade unions are in a very strong bargaining position. In 1960, eleven million workers (nearly half the labour force) had their weekly rates of pay increased, and one-third of the labour force had their normal weekly hours reduced by an average of nearly two per week. Practically all the negotiations which took place resulted in settlement of claims peacefully and without stoppage of work. The other side of the picture was the 2,800 strikes which took place during the year—a figure appreciably higher than the average over the previous ten years.

Only a rise in productivity creating the margins out of which higher wages can be paid can avoid a batch of industrial disputes in the autumn. That same higher productivity is necessary if domestic inflation is to be avoided and the balance of payments redressed. That then is the question mark hanging over industry in this country today—can productivity rise soon enough and sharply enough to avoid the clash between an adverse balance of payments and a serious labour shortage with its concomitant internal inflation?—*All Rights Reserved.*

CO-OPERATIVE MOVEMENT IN INDIA

MARKED RISE IN MEMBERSHIP, NUMBER OF SOCIETIES AND WORKING FUNDS

THE statistical statements relating to the Co-operative Movement in India for the year ended 30th June 1960, published by the Reserve Bank of India, show that there is noteworthy improvement in certain aspects of the co-operative movement. Thus, during 1959-60, the number of co-operative societies of all types rose from 283,971 to 313,499, the percentage increase being 10.4 as against 10.1 in the previous year. All the States shared this general increase. The owned funds of all societies went up from Rs. 220.16 crores to Rs. 267.32 crores and their working capital from Rs. 879.59 crores to Rs. 1,083.47 crores.

As in earlier years, agricultural credit societies constituted numerically the most important single class of co-operative institutions in the country. At the end of 1959-60 there were 203,172 such societies with a membership of 14.4 million. This shows that they have already exceeded the second Five-year Plan target of 200,000 for such societies. The membership target was fixed at 17 million. But the membership as at 30th June 1960, of 14.4 million, is still short of the target. Within the remaining period of the second Plan for which data are not yet available, it is unlikely that the membership target would have been realised. The performance in regard to the population served by co-operative institutions is, however, quite satisfactory. As against the target of 33 per cent, the actual percentage of population receiving the benefit of co-operative institutions was 38 as at 30th June 1960. About 56 per cent of the societies were based on limited liability.

As between the different States, Uttar Pradesh had the largest number of agricultural credit societies. But this cannot be taken as an index of intensive co-operative development in that State, because the extent of its territory and the size of its population seem to be primarily responsible for the figure of 57,136 societies. Madhya Pradesh and Maharashtra were next in order with 20,629 and 17,816 societies, respectively. Of the total number of agricultural credit societies in the country as a whole, as many as 21,305 remained dormant for one year, and 22,594 for two years and more. It may be recalled incidentally that the Vaikunth L. Mehta Committee on Co-operative Credit made recommendations last year to remedy this state of affairs by reviving or rejuvenating the dormant societies as far as possible. Another disquieting feature of the movement was that 3,072 societies were brought under liquidation during 1959-60 and 1,896 were wound up, bringing the figure of societies under liquidation to 16,502 as at 30th June 1960. Perhaps these societies were in such a bad plight that they could not be rejuvenated by temporary assistance.

Profitability

The net result of the operations of all types of co-operative societies, as indicated by the profitability of their operations, shows that during the year under review the position regarding the State co-operative banks, small-sized agricultural credit societies and primary land mortgage banks had improved both in regard to the number which worked on profit and the amount of profit earned. In the case of small-sized primary agricultural credit societies, the number of such societies earning profits was 130,129 in 1959-60, as against 111,033 in 1958-59 and the amount of profit also went up from Rs. 2.26 crores to Rs. 3.26 crores. The profits of central co-operative banks had increased from Rs. 1.93 crore to Rs. 2.48 crores, but the number of such banks which worked at profit had come down from 367 to 344.

The data relating to non-credit societies reveal that among such societies, weavers' and other industrial societies constituted the most important groups numbering 11,215 and 17,896, respectively. Next in order were sugarcane supply societies, which were concentrated mostly in Bihar and Uttar Pradesh.

State Co-operative Banks

The number of State co-operative banks remained unchanged at 22 during the year under review. Each major State and each centrally administered area, with the exception of the Andaman and Nicobar Islands, had one co-operative bank each. Only Maharashtra and Andhra Pradesh have the distinction of each having two such institutions. The society and individual membership of these banks declined from 23,802 and 8,235 as on 30th June 1959 to 22,790 and 8,217 as on 30th June 1960. The decline in the number of individual and societies is because state co-operative banks are tending to confine membership to central co-operative banks; individuals are being eliminated as far as possible and societies are disaffiliating themselves from the state co-operative banks and joining central banks. The paid-up capital and statutory reserves of the banks rose from Rs. 12.21 crores at the beginning of the year to Rs. 16.79 crores at the close of 1959-60. During the year under review the working capital of the state co-operative banks rose by 18.3 per cent to Rs. 174.74 crores. The interest paid by these banks on deposits ranged between ½ of one per cent and 5 per cent and the interest received by them on advances varied from 2¼ per cent to 8 per cent.

Central Co-operative Banks

In the case of the central co-operative banks and banking unions, the declining trend witnessed in their number in previous years continued during 1959-60 also. The number of such banks fell from 402 to 400, the smaller banks merging with adjacent larger banks. But the working capital of these banks showed a welcome rising trend, having gone up from Rs. 189.62 crores in 1958-59 to Rs. 247.40 crores. The owned funds of these banks increased by 31.6 per cent. Their deposits also improved substantially. As a result, they were in a position to lend more. Loans advanced by these banks during the year amounted to Rs. 297.14 crores, representing an increase of 41.4 per cent over the previous year. But one unhappy feature of their operations was the position of overdues. These amounted to Rs. 24.21 crores as at 30th June 1960 as against Rs. 14.93 crores a year ago. The position was particularly unfavourable in the case of Bihar, West Bengal and Assam, where the overdues constituted over 40 per cent of the outstandings.

Agricultural Credit Societies

The working capital of the agricultural credit societies went up by Rs. 52.76 crores to Rs. 223.70 crores, borrowings from state or central co-operative banks accounting for Rs. 141.92 crores of the total. Loans advanced by them during 1959-60 were higher at Rs. 169.09 crores as compared with Rs. 125.50 crores in the previous year. Of these, short-term loans were as high as Rs. 154.01 crores. The loan performance of these societies cannot be considered to be unsatisfactory when it is borne in mind that the draft outline of the third Plan expects the level of advances to reach the figure of Rs. 190 crores at the end of March 1961. The position in respect of their overdues was better than that of the central co-operative banks and banking unions, for such overdues constituted 21 per cent of the outstandings on 30th June 1960.

Another noteworthy feature of the operations of agricultural credit societies was that their average membership which has been rising since 1950 stood at 71 at the end of 1959-60. There has also been a sizable increase in the average working capital and the average loan per member. This is symbolic of their increased utility to the farmer, but very slender loanable funds distributed among too many borrowers cannot prove very useful to the user of borrowed funds.

The Rural Credit Survey Report, it may be recalled, had stressed the importance of large-sized societies. The Planning Commission fixed the target of 10,400 such societies in the second Five-year Plan period. The statistical statements show that this target is not likely to be achieved. There were only 8,023 large-sized societies as at 30th June 1960, as against 8,213 a year ago. The reduction in their number is noticed prominently in the case of Punjab, Maharashtra and Gujarat States. The decrease in Punjab was more pronounced where 280 large-sized societies were converted into service co-operatives during 1959-60. Thanks to the official shift in emphasis from large-sized societies to service co-operatives, the number of such large-sized societies has not appreciably increased in the country as a whole. The membership of such societies, however, increased from 2.77 million to 3.02 million in the year under review and their working capital also improved by Rs. 11.93 crores to Rs. 73.85 crores. Their lending activities also displayed marked progress, their loans increasing by Rs. 5.27 crores to Rs. 55.15 crores. Their overdues amounted to Rs. 10.69 crores as on 30th June 1960, forming 18.8 per cent of the outstandings, as compared with 14 per cent a year ago. The rate of interest charged by large-sized and small-sized agricultural credit societies on advances to members varied from 3¼ per cent to 9¾ per cent and from 4½ per cent to 12½ per cent, respectively. It is thus obvious that large-sized societies are in a position to lend on better terms to their members.

Non-Agricultural Credit Societies

The number of non-agricultural credit societies registered only a slight improvement from 11,084 to 11,371 and their membership increased by 0.21 million to 4.23 million in 1959-60. Their working capital, reserves and loans witnessed a substantial expansion.

The primary land mortgage banks also registered satisfactory progress. During the year under review the number of such banks rose by 45 to 408 (including land mortgage banking sections of 21 central co-operative banks) and their membership by 0.11 million to 0.55 million. During the same period the paid-up capital and reserves rose from Rs. 1,25.26 lakhs and Rs. 42.83 lakhs to Rs. 1,55.11 lakhs and Rs. 46.70 lakhs respectively. Their borrowings from central land mortgage banks rose from Rs. 14.58 crores to Rs. 18.09 crores and the loans due from members stood at Rs. 19.22 crores against Rs. 15.14 crores at the end of the previous year.

The data regarding primary agricultural marketing societies indicate an all-round improvement in their working results and resources. Their number increased from 2,380 to 2,501 and membership from 968,239 to 1,183,907. Their share capital and reserves rose from Rs. 5.94 crores to Rs. 7.54 crores and loans advanced to members from Rs. 12.20 crores to Rs. 15.87 crores. The sales of these societies as both owners and agents and purchasers registered a substantial expansion during 1959-60.

Co-operative Sugar Factories

The number of co-operative sugar factories increased from 50 on 30th June 1959 to 57 at the end of June 1960, of which 26 worked during the year. Their membership and working capital stood at 149,149 and Rs. 47.39 crores respectively at the end of the year compared to 130,815 members and working capital of Rs. 35.08 crores at the beginning of the year. The borrowings of these societies at the end of 1959-60 stood at Rs. 29.30 crores, of which those from Government, State Bank of India and Industrial

(Continued on page 1112)

Net Result of the Operations of Co-operative Societies

(Amounts in lakhs of rupees)

Type of society	1958-59				1959-60			
	Profit		Loss		Profit		Loss	
	No. of societies	Amount	No. of societies	Amount	No. of societies	Amount	No. of societies	Amount
State Co-operative Banks	21	91	1	1	22	1,17	..	..
Central Co-operative Banks	367	1,93	35	2	344	2,48	36	6
Primary Agricultural Credit Societies—								
(i) Large-sized	6,833	1,13	1,184	11	6,303	1,26	1,561	17
(ii) Small-sized	1,11,033	2,26	33,765	63	1,30,129	3,26	40,894	94
(iii) Grain Banks	6,394	24	1,402	3	5,926	23	1,490	7
Central Land Mortgage Banks	14	25	2	..	13	26	3	..
Primary Land Mortgage Banks	265	9	22	3	291	12	104	3
Primary Non-Agricultural Credit Societies	7,645	2,16	1,928	14	7,633	2,44	2,128	15
Non-credit Societies	31,215	6,71	22,330	4,84	36,814	9,77	25,676	3,79
Total	1,63,887	15,67	60,738	5,82	1,86,857	20,13	71,532	5,21

TURNOVER TAXES IN EUROPE

IMPORTS SUBJECTED TO SPECIAL LEVIES IN SOME COUNTRIES

[In a recent issue of Report on Western Europe *prepared by the Economic Research Department of the Chase Manhattan Bank, New York, there is to be found an interesting, though brief, account of turnover taxes in Europe. These taxes play such an important role in the taxation systems of Western Europe in particular that they would need to be studied by Indian exporters and export organisations which have been called upon to promote exports in markets that are not free from several discouragements. The Chase Manhattan Bank's study is, therefore, reproduced here.*—ED.]

TAXES on business transactions, sales, or turnover play a much more important role in the tax structures of Western Europe than they do in the United States. In some countries they bring in more revenue than direct taxes on income, capital, and wealth.

These "indirect" taxes deserve serious study by U.S. firms planning to enter the European market. They can be especially important to a new business since, unlike a net income-tax, they are an operating expense—levied on transactions whether they are profitable or not.

Unlike sales taxes in the U.S., which generally are levied only on the customer at retail level, turnover taxes in Europe are levied on the seller, and may be assessed throughout the process of production or distribution. In several countries, a tax is collected each time the product changes hands.

In Austria and all the Common Market countries except France the turnover tax is of the "cascade" type. "Cascade" turnover taxes are levied on a product's value at each transfer of ownership. Thus a radio component may be taxed five times before it reaches the customer. In industries involving several stages of manufacture, this gives a substantial cost advantage to an integrated firm that undertakes many of the processes in the cycle of production and distribution.

In order to reduce the cumulative effect of the "cascade" turnover tax, some countries tax wholesalers or retailers at reduced rates. Most countries exempt some products from the general turnover tax, and tax them only once in the the production cycle.

The French "value-added" turnover tax is not cumulative, although it is one of the highest turnover taxes in Europe. It is levied at a rate equivalent to 25 per cent of a product's pre-tax price each time it is sold, but all turnover taxes that other businesses have paid during previous stages of production may be deducted.

Tax at One Point

Many countries levy taxes on turnover or sales at only one point as a product moves from manufacturer to consumer. The Swiss general turnover tax is levied on the wholesaler. The purchase tax on consumer goods in the United Kingdom also is paid by the wholesaler. Other countries levy general retail sales taxes or tax sales of specific products.

All European countries exempt export sales from the turnover tax. Most of them also provide for refunds of at least part of the turnover taxes paid at earlier stages in the production of exports.

In addition to tariffs, several European countries levy special taxes on imports. Germany, Italy and Austria impose an "equalisation" tax on the c.i.f. duty-paid value of most imported goods. An equalisation tax is designed to reduce the possible cost advantage of foreign manufacturers who have not had to pay the turnover taxes borne by domestic producers in early stages of manufacture. In these countries the turnover tax is applied to the value of an imported product after payment of duty and equalisation tax.

Luxembourg, whose turnover tax is the lowest in the Common Market, also applies a special tax on imports. Although there are no special taxes on imports in Belgium and the Netherlands, some imported goods are taxed at a higher turnover tax rate than similar domestic goods.

Exceptions and Changes

The actual methods of assessment and definitions of taxable transactions vary from country to country. Also, the laws and regulations governing indirect taxes contain many exceptions—some products are exempt, others are subject to special rates. Moreover, the rates are subject to change. For these reasons, interpretation of how European indirect taxes will affect a particular business should be left to a well qualified attorney. The table below outlines in general form the taxes now applicable to most transactions.

Eventually the turnover tax and other indirect taxes may be harmonised in the Common Market. That is, their rates and structure may be changed to make the burden more nearly uniform in the six countries. This project is recognised as being a difficult one, however, so the special indirect taxes of each country probably will continue in force for some time.

Turnover Taxes in Western Europe

Country	General rate Per cent.	Tax on imports Per cent.	Remarks
"Cascade" taxes			
Austria ..	5.25	5.25	Tax on wholesale sales 1.5%. Sales subsidiaries owned by foreign parent are taxed at 5.25% on sales of goods imported from the parent company. Sales to private individuals are exempt.
Belgium ..	6*	None, but turnover tax ranges up to 13% on some imports.	
Germany ..	4	4-6	Tax on wholesale sales 1%. Sales subsidiaries owned by a foreign parent are taxed at 4% on sales of goods imported from the parent company.
Italy ..	0.4 to 8	0.4 to 8	10% is added to the invoice value of imports from a foreign parent to an Italian sales subsidiary. Most retail sales are exempt.
Luxembourg	2	2	Tax on wholesale sales 0.5%. Tax on large retailers 1.5%.
Netherlands	5	None, but turnover tax ranges up to 13% on some imports.	Retail sales are exempt. Wholesale sales are taxed at 0.75%.
Tax on value added			
France ..	25	None	Nominal rate is 20%, levied on value after payment of tax. Change in nominal rate to 22.8% has been proposed. Retail sales are exempt.

* Effective early 1961.

CRISIS

Facing NEWSPAPERS in India

IT is our duty to tell the public that due to the acute shortage of newsprint in the country at the present moment, several Newspapers face the possibility of having to close down.

The Ministry of Commerce does not appear to have taken adequate steps to ensure availability of newsprint against licences issued by them to Newspapers on the Rupee Account. The Ministry has issued authorizations to Newspapers for NEPA newsprint when the mill is unable to execute orders. There has also been inordinate delay on the Ministry's part in the issue of licences for the current licensing period. The situation facing the Newspapers is grave as there are today no stocks of newsprint in the country to meet an emergency such as this.

Issued by The Indian & Eastern Newspaper Society and published by this Newspaper in the national interest.

GUJARAT STATE FINANCIAL CORPORATION

The Gujarat State Financial Corporation was established on 1st May 1960 with an authorised capital of Rs. 2 crores, divided into 200,000 fully paid up shares of Rs. 100 each. Of this, 50,000 shares of the total value of Rs. 50 lakhs were issued in the first instance. The Government of Gujarat subscribed Rs. 18 lakhs and the Reserve Bank Rs. 10 lakhs, and the balance of Rs. 22 lakhs was offered to various financial institutions and individuals.

The working results of the Corporation for the period ended 31st March 1961 shows that the Corporation has succeeded in making a nominal profit of Rs. 42,180. Out of this profit, Rs. 4,300 have been transferred to the statutory reserve fund and a sum of Rs. 19,600 has been set aside for meeting the tax liability. The remaining amount is only Rs. 18,280 which is not sufficient for the purpose of giving a guaranteed dividend of 3½ per cent under Section 6 of the State Financial Corporations Act. And so the Directors have requested the Government of Gujarat to give Rs. 69,220 by way of subvention for the period ended 31st March 1961. The Corporation had dealt with up to the end of March 1961 twenty-eight applications, of which nine involving loans of Rs. 45.60 lakhs were transferred to it by the Bombay State Financial Corporation and the remaining 19 for Rs. 58.86 lakhs were received directly. The Corporation sanctioned 13 loans with total credit limits of Rs. 37.75 lakhs, rejected two applications, otherwise disposed of one more and kept 12 applications pending for future consideration. Eight loans were extended for entirely new projects, one for the new scheme of an existing unit, two for expansion programmes and others for replenishment of resources. As many as seven loans involving credit limits of Rs. 19.85 lakhs have been sanctioned to medium-scale concerns, the small-scale concerns with capital assets upto Rs. 5 lakhs have secured only three loans amounting to Rs. 2.90 lakhs. Large-scale units have obtained three loans aggregating Rs. 15 lakhs. The industry-wise classification of loans shows that five loans amounting to Rs. 35 lakhs have been made to the vegetable oil industry and one each to cotton textile (Rs. 2.62 lakhs), glue and gelatine (Rs. 2.50 lakhs), firebricks (Rs. 1 lakh), sanitarywares (Rs. 90,000), iron and steel castings (Rs. 2.43 lakhs), power-driven pumps (Rs. 6 lakhs) and semi-manufactures (Rs. 1 lakh).

INTERNATIONAL FIBRE SITUATION

COTTON STRENGTHENS ITS POSITION

IN refreshing contrast to 1959, when cotton's share of the total market contracted in all the main textile manufacturing centres, this foremost textile fibre of the world not only held its own but even strengthened its position in 1960. This conclusion emerges from a survey of the world textile fibre consumption made by the International Cotton Advisory Committee, Washington. In 1960, according to the Committee, cotton accounted for 64.8 per cent of the world fibre consumption, the same as in 1959. Rayon's percentage, however, suffered a further decline from 18.8 in 1959 to 18.6. While it is tempting to place heavy emphasis on lower and stabler cotton prices in explaining cotton's relative gains last year, the investments which have been made in cotton research and promotion in recent years, according to the Committee, would appear to have been the main factors responsible for the encouraging trend in cotton consumption.

The following table gives the consumption figures of the principal textile fibres during 1960:

(In million bales)

Area and year	Total	Cotton	Wool	Rayon and acetate	Other man-made fibres
United States—					
1957	12.75	8.39	0.71	2.46	1.19
1958	12.32	8.05	0.71	2.36	1.20
1959	14.09	9.01	0.91	2.92	1.55
1960*	13.44	8.73	0.86	2.21	1.59
Western Europe—					
1957	14.56	7.72	2.92	3.48	0.44
1958	13.42	7.14	2.66	3.13	0.49
1959	13.99	7.23	2.88	3.23	0.65
1960*	14.98	7.75	2.94	3.42	0.87
India—					
1957	4.84	4.54	0.05	0.25	..
1958	4.59	4.33	0.05	0.21	..
1959	4.76	4.44	0.05	0.25	0.02
1960*	4.79	4.45	0.05	0.26	0.03
Japan—					
1957	5.37	2.80	0.39	1.99	0.19
1958	4.23	2.31	0.34	1.41	0.17
1959	4.88	2.62	0.47	1.67	0.22
1960*	5.70	3.10	0.56	1.75	0.29
World, excluding E. Europe, U.S.S.R. and China—					
1957	46.12	29.50	4.89	9.68	2.05
1958	43.57	28.40	4.53	8.58	2.06
1959	46.33	30.01	5.11	8.73	2.48
1960*	48.00	31.10	5.20	8.90	2.80
E. Europe, U.S.S.R. and China—					
1957	17.04	13.90	1.30	1.72	0.12
1958	18.82	15.40	1.40	1.87	0.15
1959	20.47	16.80	1.50	2.00	0.17
1960*	21.05	17.10	1.55	2.20	0.20

* Preliminary.

In absolute terms, cotton consumption in 1960 rose to a new record of 31.1 million bales, an increase of 3.6 per cent as compared with the previous year. Rayon consumption also increased but at a much slower rate, about 2 per cent, and, in contrast to cotton, was still nearly 9 per cent less than the 1957 peak. By comparison with that year, rayon's percentage of the market has fallen from 21 per cent to 18.6 per cent while cotton's percentage during this period has increased slightly.

The natural fibres and rayon continue to feel the impact of severe competition from the synthetics. The share of the total market taken by the synthetic fibres, though still small, just about doubled in the last six years. Consumption of these fibres now amounts to the equivalent of some 3 million bales and is expanding continuously.

In the U.S.

So much for the global situation. Conditions within the textile industry vary in individual countries and, in particular, there is a dichotomy between the United States and elsewhere. During most of the calendar year 1960, the textile industry in the United States was in recession and mill consumption of cotton declined by 4.6 per cent. The impact on the rayon industry, however, was far more severe. Rayon consumption fell to its lowest level in eleven years and was off by 15.7 per cent as compared with 1959. Despite a decline in total textile consumption, cotton's relative position improved perceptibly last year. Consumption of synthetic fibres in the United States continued to increase but at a much slower rate. Production of textile glass fibres also set a new high last year and is now double what it was five years ago.

Elsewhere, the trend in consumption of all fibres was higher last year. In absolute terms, cotton consumption set a new record of 22.3 million bales—an increase of 1.3 million bales or 6.3 per cent from 1959. Rayon consumption rose by only about 600,000 bales but proportionately the gain was more marked—9.5 per cent. Nevertheless, cotton's relative position improved. For Western Europe as a whole cotton gained relative to rayon, but there were exceptions to the general trend in several countries, notably in the United Kingdom, Spain, the Netherlands, and Sweden. In these countries, the share of the total market going to rayon increased significantly, apparently to the detriment of cotton.

In India, cotton consumption remained virtually unchanged during 1960 but rayon rose to a new peak. In Japan, consumption of all fibres showed a marked increase but cotton claimed a larger share of the market while rayon's percentage was lower than for many years.

Synthetic Fibres

The most revealing observation on the textile situation outside the United States last year was the spectacular rise in consumption of synthetic fibres which increased by about 30 per cent by comparison with an increase in the United States of less than 3 per cent. At this rate, therefore, it would not be surprising if in a year or two's time aggregate consumption of these fibres in the rest of the world caught up with the United States. Production of synthetic fibres outside this country is still concentrated in two regions—Western Europe and Japan—though synthetic industries have been established in many other parts of the world in recent years.

Finally, mention may be made of the inter-fibre relationship in Eastern Europe, the U.S.S.R. and China. Here, although cotton still accounts for over 80 per cent of total fibre consumption, cotton's percentage has been declining. Statistics show an acceleration in the rate of growth in consumption of rayon and other man-made fibres and apparently it is planned to use these fibres to an increasing extent in the future. Production of rayon is considerably larger in Eastern Europe than in the Soviet Union but production of synthetic fibres is almost evenly divided.

"COTTON AND TEXTILE ANNUAL"

The third issue of this well-known annual *Cotton and Textile Annual* 1960-61 (Editor: Mr. R. V. Murthy. Published by Cotton and Textile Publications, Army and Navy Buildings, Mahatma Gandhi Road, Bombay-1. Pages: 224. Price Rs. 8) maintains the high standards set by its predecessors in respect of the variety and quality of the contents. A large number of experts, both Indian and foreign, have been brought together to discuss the various aspects of the cotton trade and industry. Mr. Manilal H. Patel, Vice-President, East India Cotton Association Ltd., reviews the existing position of arbitration and survey of cotton in India and offers some suggestions for improving them. Mr. R. Doraiswamy, Chairman of the Forward Markets Commission, examines the role of futures trading in cotton. Mr. Naval H. Tata underlines the need for rationalising the textile industry. Mr. D. S. Bakhle surveys the changing pattern of textile production in India. There are quite a few articles on the various aspects of U.S. cotton and industry.

In an editorial entitled "Cotton Needs Renewed Goodwill," written more in sorrow than in anger, the Editor expresses deep regret at the manner in which things are shaping for the cotton trade in the country. Pointing out that the trade was made to suffer innumerable slights during the past year which could not be forgotten so easily, he writes: "What amazes us most is the fit of melancholia that has so seized the whole rank and file of the trade that not a single person of importance seems to be there, with the requisite courage of conviction or strength of purpose, to take up cudgels on behalf of cotton with the authorities. It is this lack of faith in its own inherent strength and in the objectives which it seeks to achieve that is largely responsible for the predicament in which the trade finds itself today."

OFFTAKE OF TEXTILES ENCOURAGING

EFFORTS TO ENSURE MOST EFFICIENT UTILISATION OF MILL OPERATIVES

From Our Special Correspondent

MANCHESTER, 30*th May*

MANCHESTER LETTER

MANCHESTER merchants have often taken advantage of the Whitsuntide holidays to make an assessment of their position before the summer months when production at the mills is inevitably curtailed by annual holidays. Two years ago, the industry had only glimpsed a view of its future shape under the reorganisation proposals which had then merely been outlined. Few people could have imagined the intensive pressure for supplies which was to arise during a summer of almost unprecedented good weather and an autumn which brought the realisation that so much machinery was to be thrown on the scrap-heap. Twelve months later, the whole situation had altered. Instead of a meagre flow of goods through the pipelines, the remaining mills had more orders than they could possibly cope with, leading to decisions by many distributors to go abroad for additional supplies.

The subsequent decline in activity needs little elaboration so that, in 1961, the outlook has once more become obscure because of numerous developments which may affect conditions before the end of the year. To the hesitation about imports from the Far East has been added the increasing speculation about Britain's possible participation in the European Common Market, which becomes more imminent every day, if the political pandits are to be believed.

Supplies on the Move

Yet the prospects need not be wholly gloomy, if only for the fact that the reports of the movement of supplies at both wholesale and retail level are eminently encouraging. The Wholesale Textile Association has indicated an increase in total sales of 8.8 per cent during the first quarter of this year as compared with 1960. The expansion ranged from 3.3 per cent for women's hose and children's socks to as much as 19.2 per cent for women's knitted outerwear, blouses and skirts.

Although stocks held at the end of March were 6.6 per cent higher than 12 months previously, this cannot be regarded as an unduly large rise, in view of the maintenance of production in the mills, together with the overwhelming imports which are such a feature of current trading conditions. In some sections, notably household textiles and women's coats, costumes, furs and raincoats, the stocks held were, in fact, lower than in 1960 and the only departments in which a marked increase in supplies was apparent were haberdashery, ribbons, wool and gloves.

On the retail side the Board of Trade has described March as an exceptionally good month. The early Easter and the particularly fine weather undoubtedly contributed to the trend, but it is noteworthy that all the main sectors showed better trading as compared with the year previously and clothing and footwear shops provided a very large increase.

Sales in March were 17 per cent above the level in the same month in 1960, as against the increases of only three per cent and seven per cent, respectively, in the two earlier months of the year. The experience was shared equally by shops catering for men's and women's wear. Prices of footwear in March, as in February, were about 1½ per cent higher than a year earlier.

Fewer Workers Again

A further reduction of 1,240 in the labour force available for spinners and weavers at the end of March brought the manpower total to its smallest for many years back. The previous low point was reached a year previously when the completion of the redundancy programmes had been affected. Then the figure stood at 183,890, but, at the beginning of April this year, the number of employees on the books was exactly 1,000 fewer.

Although every effort is being made to introduce labour-saving devices and encourage the most efficient utilisation of the operatives at the disposal of the mills, the trend of recruitment since last autumn has been most unsatisfactory. By November, the available manpower had been gradually built up until 185,560 were employed in spinning, doubling and weaving, but, in the past four months, the previous gains have been more than dissipated. Nearly 2,000 fewer operatives are now employed in single spinning, but, in contrast, the weaving branch has lost only 500 workers.

That mechanisation and re-equipment are proceeding reasonably well is borne out by the production totals themselves, which indicate no substantial fall in output. The March returns covered Good Friday and, allowing for the holiday, the average rate of yarn spun and cloth woven showed some improvement over the previous two months, when absenteeism through sickness was at its height.

It is somewhat misleading to compare the March figures with those of the same month in 1960 when the mills were having "their last fling" before the final shut-downs caused by the redundancy projects. In March, the average output of single yarn was more than one million lbs. below the same month last year. Cloth woven, however, was only 500,000 yards a week down, illustrating the way in which the maintenance of the labour force can affect the flow of supplies.

April Trade Returns

Variation in the length of calendar months and seasonal influences often cause fluctuations in such matters as production and distribution of goods. The main feature of overseas trade in cotton goods in April, for instance, was a sharp decline in the amount of cloth imported as compared with the previous month and even the same month last year.

That the same thing occurred in February after a very big rise in arrivals in the first month of the year need not necessarily suggest that the equal expansion which followed in March will be repeated in May. At all events, the April return of 56,162,000 square yards was the smallest volume of imports since July 1960. It compares with 82,936,000 square yards in January and 81,653,000 square yards in March.

Grey cloth arrivals for the first four months of the year aggregated 218,643,000 square yards, a rise of 25 million yards on the same period in 1960. Leading suppliers were India (76,241,000 square yards). Hong Kong (27,126,000 square yards) and Japan (21,288,000 square yards), although several European countries must figure prominently in the "other foreign countries" total of 65,905,000 square yards which is more than twice as much as was imported so far last year.

No marked change was discernible in the quantity of cotton fabric shipped abroad last month, the figure of 26,171,000 square yards being almost up to the average so far in 1961. To the end of April, the total was 108,449,000 square yards, nearly 10 million yards below last year's comparable volume.

In ratio, cotton yarn exports have slipped back badly this year. In four months, only 6,177,000 lbs. have been sent abroad, as against almost 8,000,000 lbs. in 1960, while in man-made fibre yarns shipments are running at a higher level than last year at 17,922,000 lbs.

Sympathetic Attitude

The trade unions in the cotton industry, no less than the employers, are fully aware of the problems raised by the impact of arrivals of foreign goods. Company chairmen are not the only ones to voice their opinions and the annual report of the Weavers' Amalgamation, signed by Mr. Ernest Thornton, M.P., as President and Mr. Lewis Wright as Secretary, is equally outspoken in its attitude to this frequently debated topic. Although the claim that the British cotton textile industry is threatened with "probable extinction" is perhaps stressing the point too hard, the leaders of the workers in the manufacturing branch are right to urge the Government to re-examine its whole attitude on imports and draft anti-dumping legislation which would really be efficient.

In sharp contrast to the clash of ideas which often rises to the surface in other industries, the trade union is fully sympathetic to the employers on this point. Quite a few Lancashire millowners, the weavers' leaders say, have re-invested their money in their own firms when they might well have got out. They have re-equipped with modern machinery and reorganised their methods of production.

Not missing the chance to belabour the Government, however, the report says that it seems inconceivable that, after spending so much of the taxpayers' money to streamline the mills, the Government should use the Cotton Industry Act, 1959, as another alibi. Although admitting that the industry for generations past has existed on slumps and booms, major or minor, it emphasises the fact that trade is now in better shape than for a long time. "Long order books are not an unmitigated blessing and the more orders that can be accepted and the fewer rejected because of commitments ahead the better it will be," add the union spokesmen. "No one employed in cotton textiles is going to complain that our industry is becoming more profitable. If it is to re-equip and keep up-to-date and if workers are to enjoy an improving standard of living, there will need to be a profitable industry."

World Textile Conference

While cotton traders in most parts of the world are still awaiting the next moves of Mr. Kennedy and his advisers in relation to the calling of a conference to discuss the whole question of international trade in cotton fabrics, further propaganda is being put out to establish the case of the different industries before any negotiations begin. Much has been heard of Hong Kong's objections to renewing the voluntary arrangements with the U.K. and the U.S. textile trade has not been slow to raise its voice about the inroads being achieved by other countries in the American home market. Stressing the vital part played by the textile industry in the nation's economy, with particular reference to security, leaders of the U.S. cotton trade can point to the fact that they employ more than nine million people plus more than one million workers in the apparel trade. Textile manufacturing plants are located in 43 States and cotton producing farms number more than 950,000.

Figures of imports mirror the experience of Lancashire and are equally disturbing. Arrivals of cotton yarn last year exceeded 14 million lbs., whereas in 1958 they were less than one million lbs. Cotton cloth imports into the U.S. reached an all-time peak in 1959 and were then doubled again last year. Foreign purchases of man-made fibres increased by over 100 per cent between 1958 and 1960 and apparel imports were 70 per cent higher in the two years.

In the circumstances, the American President's move is a logical step from his own viewpoint. Most of the other countries which are suffering in this way would be more than ready to join in discussions to try and ease their difficulties. Mr. Kennedy's enthusiasm is certainly to be commended, but the record shows that gathering such conferences together presents very big problems and those who are at present gaining from the situation will be in no hurry to cut the ground from under their own feet.—*All Rights Reserved.*

READY REFERENCER AND GUIDE TO COMPANIES ACT

1961 Edition

By

JOHN AND ROW, Advocates, Madras

CONTENTS:

A Commentary on the Companies Amendment Act 1960.

Text of the Companies Act 1956 incorporating up-to-date amendments.

Price: Rs. 12.50 (postage extra)

EXPRESS PUBLISHERS (PRIVATE) LIMITED

33, BROADWAY, MADRAS-1

MEETING OF WORLD COTTON COMMITTEE

COMPLEMENTARY ROLE OF MAN-MADE FIBRES STRESSED

[At the twentieth Plenary meeting of the International Cotton Advisory Committee, held in Tokyo, Japan, from 15th to 23rd May, Senator Dr. Ing. Kurt Dieterich, the President of the International Federation of Cotton and Allied Textile Industries, made a significant statement, outlining the viewpoint of the cotton spinning and manufacturing industries regarding current problems of raw cotton production and marketing. As the statement, here published in full, is presenting some new ideas on the competition of man-made fibres with cotton, it is bound to be read with interest in textile circles in this country.—ED.]

WE shoud like to express the point of view of the spinners and manufacturers of cotton and man-made fibres on policy matters that should be of particular interest to the member-Governments of the International Cotton Advisory Committee. As anticipated at last year's meeting, the relative prosperity of the cotton and allied textile industries has been maintained over the past twelve months. There is a strong feeling, however, that this relative prosperity should be given new and vigorous impulses if it is to be sustained. Such impulses might spring from the following three sources: (a) improved spinning and manufacturing techniques; (b) new end-use development; (c) promotion of textile consumption.

Great efforts are being made by our industries to improve current spinning, manufacturing and finishing techniques. Research in spinning and weaving has led to the development of new types of machinery which represent a radical departure from traditional methods. New finishing processes, such as the wash-and-wear finish, have been invented, and—although already widely applied—they are still far from being fully exploited from either a technical or a merchandising point of view. The development of new end-uses is also progressing. This is not only a matter of finding new applications for textiles but also of defending textiles against the products of the paper and plastics industries. It must be said, in this connection, that the advent of man-made fibres has encouraged the development of new end-uses, especially in the form of blends. As spinners and manufacturers of cotton we look upon the man-made fibres as a most welcome complementary raw material that has opened up new fields for the cotton textile industry and stimulated the consumption of textiles in general.

It is essential that cotton growers should keep pace with the industry in end-use development, in so far as they should produce those particular types of cotton for which there is a real demand, in the best possible quality and giving the highest spinning value.

Textile Consumption

The promotion of textile consumption must be carried on with all available resources. It is most encouraging to see that efforts in this field are now also being made on the domestic markets of some of the cotton producing countries themselves. This is no doubt a sign of a slowly rising standard of living. It is to be hoped that all cotton producing and exporting countries will also provide finance for the promotion of cotton textile consumption on the chief consumer markets of the world. Our Federation will follow up the initiative which it took in this direction on the occasion of last year's meeting in Mexico City. We have taken note, with great interest, of the report on prospective trends in consumption of textile fibres and feel that this is an important document which should be carefully considered. Whilst we are confident that an increase in consumption is possible, we feel that one should not be overoptimistic. We therefore, suggest that all countries concerned should comment on this report, particularly on the forecasts made therein, in the light of their own assessment of their growth potential. It should also be remembered that the increase in *per capita* consumption is usually matched by an increase in labour and machine productivity. It would therefore appear that, even if there were a substantial increase in the consumption of textiles, the equilibrium between anticipated demand and potential production would still be maintained on the basis of present capacity. With regard to extra-long staple cotton, care should be taken to avoid surplus production. This will mainly depend on a stable price policy for these varieties. Recently, the regular flow of these varieties into consumption has been disturbed by rather wide fluctuations in prices.

U.S. Cotton Policy

A few special remarks about United States cotton policy seem indicated. One satisfactory result of past U.S. cotton policy is the disappearance of the American cotton surplus. Today, the present level of U.S. stocks is so low as to justify the question whether a further reduction is advisable. The stocks held by the United States, as long as they are not excessively large and provided that their disposal is carried out in the same highly responsible manner as it has been in the past, may have a stabilising effect upon world prices, and function rather like a buffer stock. With regard to the new price policy of the United States Government, we doubt very much whether the recent change in direction will have the desired effects. We continue to believe that an early return to a one-price system will be in the best interests of all concerned. Whatever policy is eventually adopted, it should encourage a rationalisation of cotton growing and facilitate the most efficient production of the required varieties at attractive prices. We fully recognise that some degree of support for the United States cotton farmer is inevitable, but we believe that whatever measures are adopted for this purpose, they should involve the least amount of interference with the formation of prices on the world market.

Raw Material Prices

Raw material prices are another factor which may give an impulse to the prosperity of the textile industries. In this connection cotton producers should bear in mind that prices of man-made fibres have the great advantage of being relatively stable. Any sudden or unduly large increase in raw cotton prices must therefore inevitably provoke a shift from cotton to man-made fibres.

One final remark about cotton quality in general: the trend towards greater mechanisation in cotton harvesting will undoubtedly spread to most of the larger producing countries. We should like to stress that the introduction and increased use of mechanical pickers should be carried out with the utmost care, in order to achieve the high standard of results which is desirable from the spinners' point of view.

In conclusion, I should like to say that we continue to be hopeful for the cotton industry. If it proves possible to arrive at orderly conditions in the world's textile trade and avoid a disruption of markets, then we believe that our industry will be able to sustain the relative prosperity which prevailed during the past two years.

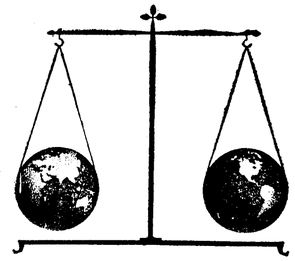
FURTHER COTTON QUOTAS TO MILLS

A Press note issued by the Textile Commissioner on 5th June says:—

"The Textile Commissioner has been receiving reports stating that due to the failure of the mills to effect purchases, stocks of unsold cotton are accumulating with farmers and co-operative societies and that the prices of some varieties have fallen to levels which do not provide sufficient incentive for the next season's sowing operations. The fast approach of the monsoon and the lack of godown facilities with the farmers and co-operative societies also create a serious problem. Mills are, therefore, advised to purchase their requirements without further delay.

"With a view to assisting the mills, the Textile Commissioner has decided to allow straightaway a further quota of Indian cotton equivalent to 20 per cent of their consumption of such cotton during the last season. Mills need not wait for a quota letter from the Textile Commissioner's office and may start making purchases to this extent. The quantities and qualities purchased may be reported to the Textile Commissioner at the end of each week. This concession is only available to those mills which have sent in their bank guarantees and have entered into firm contracts with the American shippers in respect of allocation of cotton stapling 1" and below made under P.L. 480 Purchase Authorisation No. 39-55.

"The Textile Commissioner wishes to emphasise that this concession is temporary and is likely to be withdrawn at any time without giving notice. Eligible mills, therefore, are requested to take advantage of it immediately and enter the market in a big way to effect purchases."



In both hemispheres . . .

. . . there are businessmen, and in both hemispheres there are banks. This is all very well as far as it goes, but contact between east and west is a different matter, and one of great and growing importance. That is where The Hongkong and Shanghai Banking Corporation comes in. Providing a complete banking service throughout south and east Asia, we also enable the businessman in that half of the world to contact his opposite number in the other. In both hemispheres you will receive excellent service from the biggest bank established by the Far East for the Far East.

THE
HONGKONG AND SHANGHAI
BANKING CORPORATION

HEAD OFFICE: HONG KONG
BRANCHES IN INDIA
BOMBAY CALCUTTA
Offices in Europe and the United States and throughout the Far East.

FORWARD MARKETS BULLETIN
(Monthly)
Published by Forward Markets Commission
Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription	Single copy
In India .. Rs. 24.00	In India .. Rs. 2.50
Abroad .. Rs. 40.00	Abroad .. Rs. 4.00

For further particulars please apply to:
The Secretary, Forward Markets Commission
"Everest," 100, Marine Drive, Bombay-2

TRADE PROMOTION

. . . is our business

Australia, New Zealand, and Fiji offer opportunities to exporters and importers and the International Division of the Bank of New South Wales can help those interested.

The Bank's complete banking service includes such specialized facilities as trade and industrial enquiries, economic and trade information, and a complete travel service. The Bank, through more than 1,000 branches and agencies, is closely and constantly in touch with industry, business, and agriculture in the areas it serves.

Enquiries may be made through your own bankers or direct to

BANK OF NEW SOUTH WALES
INTERNATIONAL DIVISION
John W. McEwen, Chief Manager

HEAD OFFICE: SYDNEY, AUSTRALIA

First and largest commercial bank operating in Australia, New Zealand, Fiji, Papua and New Guinea, with three branches in London.

Cadbury-Fry
in India

Finest quality walnuts in Cadbury's rich milk chocolate.

A delightful blend of selected raisins, nuts and Cadbury's milk chocolate.

An essential food for young and old. Tastes so delicious.

Delicious Roasted Hazels or Almonds in rich Milk Chocolate...each variety in attractive ½ lb. boxes.

Cadbury's PLAIN covering chocolate for a special flavour to your cakes and puddings ...MILK covering chocolate for creamy richness....in blocks of 1 lb. each and 20 lb. bulk tins.

CADBURY HOUSE, BOMBAY

CADBURY MEANS QUALITY

Special No 1 A Nourishing Tonic For HAIR, BRAIN & BLOOD
RAMTIRTH
BRAHMI OIL
(AYURVEDIC MEDICINE)
Useful for Eyes, Memory and Sound Sleep.
Ramtirth Brahmi Oil is being prepared scientifically with various precious ingredients.
Useful to everybody in all seasons.
Available everywhere
Price: Big Bottle Rs. 4.50. Small Rs. 2.25.
YOGIC ASANA CHART
is also available from here on payment of Rs. 3/- including Postage to be sent by M. O. only.
New Bottle WITH Un Breakable Seal

SHRI RAMTIRTH YOGASHRAM, DADAR, BOMBAY 14

LINKING SUGARCANE PRICE TO QUALITY

SYSTEM ADOPTED IN PHILIPPINES CAN BE FOLLOWED

By G. Ramchander

IN the context of the reference of the price linking formula to the Tariff Commission, it is worthwhile to consider whether the industry should not press for cane payment on quality basis rather than linking the cane price based on flat payment to the sugar price. The objections to the linking of cane price to sugar price are well known. It is discriminatory. This is the only industry which is required to share with the supplier of raw material the price of the final product. There is no parallel for this in any other country. In this, the higher the minimum price the higher the percentage to the grower. Even when the sugar price goes down, he has to be paid the minimum cane price. If the price of cane is to be linked to the price of sugar, naturally, when the sugar price goes down, cane price also should slide down.

As it is, in the flat system of payment, there is no incentive for growing quality sugarcane. Weight forms the important criterion for the grower. Therefore, when a higher payment is available depending upon the price of sugar, there is practically no reason for striving to attain higher yields of cane or sugar per acre. The industry is already blamed for high sugar prices. The grower will add, if nothing else, his prayers for higher sugar price so that he could have an increased share.

The following table shows the yield of cane and sugar per acre, together with recovery per cent cane in India and some other countries; it will be seen from this table that yields of both cane and sugar per acre are the lowest in our country.

Year	Yield of cane per acre (Tons)	Sugar recovery (Per cent.)	Yield of sugar per acre (Tons)
Philippines—			
1955	23.18	11.22	2.60
1956	23.41	11.02	2.58
1957	23.90	12.13	2.90
1958	21.98	12.69	2.79
Puerto Rico—			
1955	27.30	11.83	3.23
1956	29.20	11.16	3.26
1957	24.10	11.37	2.74
1958	..	..	2.85
Hawaii—			
1955	92.90	11.56	10.74
1956	92.70	11.09	10.28
1957	88.50	11.98	10.16
1958	89.80	10.13	9.09
Louisiana—			
1955	24.40	8.03	1.96
1956	23.60	9.03	2.13
1957	22.00	9.00	1.76
1958	..	..	2.02
India—			
1955-56	12.98	9.83	1.28
1956-57	13.24	9.73	1.29
1957-58	13.39	10.01	1.34
1958-59	14.66	9.84	1.44

An idea of the price of cane and the per cent cost of raw material to the total cost of sugar, including Government taxation, can be had from the table below:

Country	Price per ton of cane (Rs.)	Yield of sugar per ton of refined cane (Lbs.)	Price per ton of refined sugar inclusive of taxes (Rs.)	Amount realised per ton of refined sugar (Rs.)	Ratio of raw materials value to total refined sugar price (Per cent.)
Puerto Rico.	40.85	222.5 (224.7)	0.52	115.70	35.3
Hawaii ..	..	227.7 (230.0)	0.52	116.04	..
Louisiana ..	38.76	158.4 (160.0)	0.52	82.37	47.0
Philippines .	28.91	240.6 (243.0)	0.52	125.10	33.1
India ..	44.10	219.5 (—)	0.45	97.30	45.3

Figures in brackets relate to raw sugar.

The above table shows that the incidence of cane cost is the highest in India, barring Louisiana. What is thus required are steps to raise the agricultural productivity of the sugarcane industry. It has to be remembered that sugar has to be produced in the field for the factory to recover it. For this, incentives are absolutely necessary. But the incentive offered should be a rational one. In this context, it is evident that the higher the sugar content of sugarcane the higher the price offered should be the most logical.

In our country, the sharing of the produce between the tenant and the grower is an age-old agricultural practice. The Philippines has a similar system for sharing sugar between the grower and the miller. A modified system may suit our country while giving, at the same time, an incentive to grow quality cane. About 50 per cent of the sugar in cane may be fixed as the grower's share of sugar to be paid to him in terms of money. The average selling price of sugar for the calendar year January to December will be paid for this portion of his sugar after deducting the excise duty, selling commission at 75 nP per Rs. 100 of sugar sold, and sales tax, if any. An interim payment by way of a minimum price is paid within fourteen days of the supply of cane. The balance will be paid as final payment at the end of the year.

Sucrose in cane is determined by determining the sucrose in the first expressed juice and multiplying it by the Java ratio. The Java ratio is determined preferably daily or once in a week. The first expressed juice is collected from samples of cane crushed for a period of at least 15 minutes. When individual growers cannot bring enough cane for 15 minutes crush, they should supply under a group system or about 15 sticks per ton sampled at random could be analysed by a three-roller power-driven laboratory mill. Factors could be worked out every week connecting the laboratory-mill juice analysis with that of the first expressed juice of the factory.

The following cases are worked out to demonstrate the working of the system:

Assumptions

Fair price for sugar as worked out by the Tariff Commission (1960) for 1958-59 M. P. Region. Rs. 36 per maund or per ton (Rs.)	979.92
Excise duty per ton of sugar (Rs.) ..	291.20
Net selling price after deducting the excise duty (Rs.)..	688.72
Average all-India recovery percentage cane for the season 1958-59	9.84

The figures given below are for a supply of 100 tons of cane.

Case I.

Sugar in cane of grower 'A' as arrived at from the analysis of the first expressed juice and Java ratio (Per cent.) ..	12.5
i.e., sugar in 100 tons cane is (Tons) ..	12.5
The grower's share is 50 per cent. of 12.5 tons or (Tons)	6.25
Cost of 6.25 tons of sugar from 100 tons of cane at Rs. 688.72 per ton of sugar is 688.72×6.25 (Rs.)	4,304.5
Therefore, cost per ton of cane supplied is (Rs.)..	43.05

Case II.

Sugar in cane of grower 'B' as arrived at from the analysis of the first expressed juice and Java ratio (Per cent.) ..	13
i.e., sugar in 100 tons cane is (Tons) ..	13
The grower's share is 50 per cent. of 13 tons or (Tons)..	6.5
Cost of 6.5 tons of sugar from 100 tons of cane at Rs. 688.72 per ton of sugar is 688.72×6.5 or (Rs.)	4,476.68
Therefore, cost of one ton of cane supplied is (Rs.)	44.77

Case III.

Sugar in cane of grower 'C' as arrived from the analysis of the first expressed juice and Java ratio (Per cent.) ..	11
i.e., sugar in 100 tons of cane is (Tons) ..	11
The grower's share is 50 per cent. of 11 tons or (Tons)..	5.5
Cost of 5.5 tons of sugar from 100 tons of cane at Rs. 688.72 per ton of sugar is 688.72×5.5 or (Rs.)	3,787.96
Therefore, cost of one ton of cane is (Rs.)	37.88

When the cost of raw material is expressed as a percentage to the total cost of sugar, the following is the picture for the three cases:

	Value paid per ton of cane	*Value of cane as percentage to the total selling price of sugar*	*Value o cane as percentage to the selling price of sugar after deducting excise duty only*
	(1) Rs.	(2) Per cent.	(3) Per cent.
Case I ..	43.05	44.60	63.49
Case II ..	44.77	46.42	65.00
Case III ..	37.88	39.27	55.00

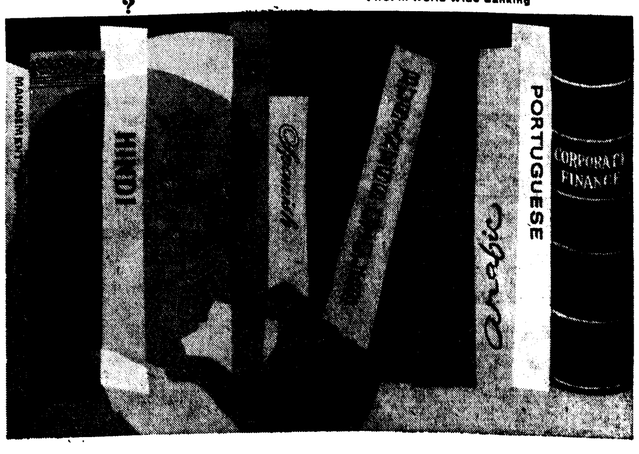
Cane cess and selling commission are not deducted for purposes of column (3) above as they are not uniform in all the States.

(*Continued on page 1103*)

How many languages should your banker speak ?

The FIRST NATIONAL CITY BANK *of New York*

First in World Wide Banking

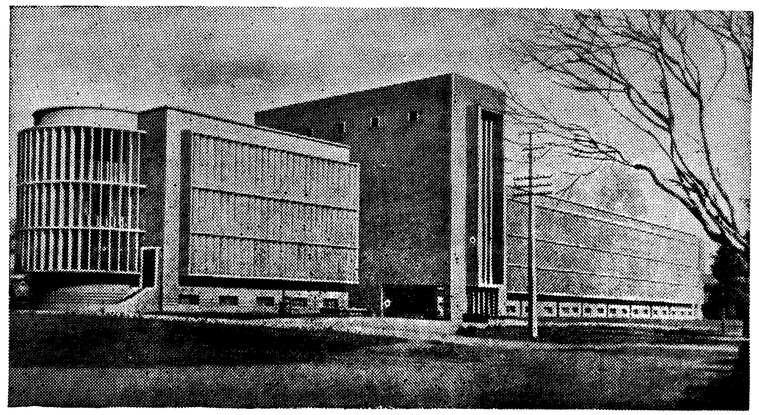


You'll enjoy a unique plus when you bring your CITIBANKER in on your financing deliberations. Naturally, your CITIBANKER is fluent in the language of your business. But also, because his everyday job has world-wide dimensions, he talks to international businessmen around the world, in THEIR OWN TONGUES about Commerce and Finance. When you plan to explore new markets or more imaginative financing, get the benefit of the broader perspective that First National City's world-wide organisation provides. Call your CITIBANKER in Bombay or Calcutta.

Over 160 Branches in 30 countries

PARTNERS IN PROGRESS AROUND THE WORLD

SIX entire buildings...air conditioned by



SINGLE 480-ton **WORTHINGTON** Centrifugal System at

Dalmianagar— the thriving township of the booming industrial complex of ROHTAS INDUSTRIES. The handsome building above—the administrative hub of this gigantic industrial combine—the two-storeyed Chemical Laboratory, the 30-room Guest House and three Directors' Bungalows have been completely air conditioned by a SINGLE 480-ton WORTHINGTON Centrifugal System...a unique installation!

The plant room houses the Centrifugal and a 30,000 gallon chilled-water storage tank, with a 600-ton forced draught cooling tower alongside. Separate air handling units in each building provide individual temperature control and flexibility of operation. Specially designed to cope with the extreme temperature variations of Dalmianagar, the WORTHINGTON System provides year round 'engineered climate' (summer cooling—winter heating.)

Here is yet another instance in which the need for high performance and economy in operation led logically to a BLUE STAR engineered WORTHINGTON installation. You too, whether your requirements are large or small, will find that BLUE STAR can serve you best in "climate control."

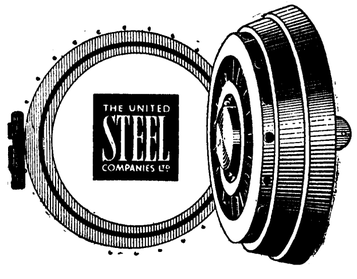
WORTHINGTON
AIR CONDITIONING & REFRIGERATION
engineered and sold in India exclusively by
BLUE STAR
Climate Engineers to Industry Business and the Home
BOMBAY · CALCUTTA · DELHI · MADRAS

BLUE STAR ENGINEERING CO. (Bombay) Private LTD.
LOTUS COURT, JAMSHEDJI TATA ROAD, BOMBAY 1

PSBS-W48/60

Bank vaults are always made of steel ... because steel is so dependable!

symbol of security!



Through the years Steel has come to be considered the symbol of security ... not merely physical security, but economic security as well! The larger the amount of steel a country produces, the higher the rung she occupies on the ladder of economically stable countries ... the greater her credit in the international market. And that is why India today is striving so hard to raise her output of steel — Steel that will endorse her claim to economic stability ... Steel that she can hold up to the world as a symbol of her security.

THE UNITED STEEL COS. (INDIA) PRIVATE LTD.

Bombay • Calcutta • Madras

ajanta US-27A

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India

(Established 1934)

FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office:

Jehangir Building

133, Mahatma Gandhi Road

Fort, BOMBAY

PROBLEMS OF PLANTATION INDUSTRY

COFFEE MARKETING LEAVES MUCH TO BE DESIRED

WHAT is wrong with the South Indian plantation industry, particularly coffee and tea? One would get a clear answer to this poser if only one were to peruse the three interesting speeches delivered by the Chairmen of the Central Travancore Planters Association (Mr. G. Annesley-Cooke), Nelliampathy Planters Association (Mr. P. J. Stephen) and Kanan Devon Planters Association (Mr. W. C. Roy) at the recent annual meetings of the respective Associations. It will be evident from these speeches that the plantation industry is groaning under crippling taxation, lack of co-ordinated policy between the Centre and the States, and burdensome labour legislation. Mr. Annesley-Cooke was at some pains to state how the industry is left with a meagre share to be distributed as dividends and to raise its working capital which is of vital necessity to augment production. The relevant facts pertaining to Kerala State for the year 1960-61 are given below:

(In Rs. per acre)

Before profit:	
To State Government (land tax, plantation tax, sales tax, *panchayat* taxes, vehicles tax and factory licence fee)	124
To Central Government (export excise duties, wealth tax and estate duty, but excluding tea cess)..	101
	225
After profit:	
To State Government (agricultural income-tax).	202
To Central Government (Central income-tax) ..	155
	357
Total to State Government	326
Total to Central Government	256
	582

Labour benefits and bonus paid during the year amounted to Rs. 211 per acre, exclusive of usual wages, medical expenses, value of rent-free accommodations, and cost of educational and recreational facilities. The net balance that is available to the investor after meeting the taxes after profit of Rs. 357 referred to above and after setting apart a reasonable amount for development purposes and rehabilitation of existing assets and for capital liabilities under the Plantations Labour Act is only Rs. 58 per acre. To put it short, the net return to a producer whose production has gone up by 164 per cent during the period of a decade was only Rs. 58 per acre, while the Government received Rs. 582 and labour Rs. 211 per acre.

Agricultural Income-tax

Mr. Annesley-Cooke also highlighted the unjustified nature of the recent Agricultural Income-tax Ordinance that disallows expenditure on the upkeep of immature areas with retrospective effect. He declared that the Ordinance, which was contrary to the Central Income-tax Act and which nullified the decision of the highest judicial authority in the country, was yet another example of the policy of collecting revenue regardless of law or accepted principles; nor was this policy in keeping with the propaganda for more production, for the older bushes had to be replaced by new ones, if production was not to fall, and it was an irony of fate that the Governments must, on one side, stress the need for more production and, on the other, be unwilling to forgo the revenue on the expenditure needed. How disquieting was the tax policy of the Governments was impressively summed up by him thus:

"There was once a goose who laid plenty of golden eggs, but, I am afraid, due to near-starvation and the wrong type of diet, she has now practically dried up not only in the number of eggs she could lay but also in their consistency. Her neck has been twisted so much she does not know whether to now look backwards or forwards, and I feel only one or two more good yanks will be sufficient to put her out of her misery, if something is not done very soon to straighten it again."

When such is the position, how can the plantation industry be expected to find money for raising production and improving quality? This aspect has to be specially stressed in the context of the sizable production targets for tea and coffee fixed to be achieved under the third Plan. Even the increase in production will not, as Mr. W. C. Roy aptly warned, be of any avail, indeed, it will be disastrous, if it is accompanied by the slightest decline in the standard of teas which are already meeting steadily increasing competition in world markets. According to Mr. Roy, India's share of the London tea market has continued to decline. He warned that, if the trend persisted, it would not be long before the hitherto unavailable position of that market was jeopardised. He, therefore, felt that adequate arrangements for promoting the sale of Indian tea would appear to be an obvious need particularly in view of the strong and effective propaganda which is conducted on behalf of Ceylon tea and the steadily increasing popularity of the new African production. As for other world markets, he said: "More is being done and there are satisfactory sales promotion arrangements in North America, Australia and the Middle East, but, important as these markets are, the U.K. must continue to absorb the great bulk of our tea for many years to come and in particular the increased production which we must sell in the immediate future. India cannot afford further complacency in regard to this market."

Coffee Prices

The problems facing the coffee growers were briefly but lucidly dealt with by Mr. P. J. Stephen. The biggest worry of these growers, as readers are aware, is the continued low level of prices. In the recent export auctions, Arabica plantations A and Robusta varieties are being sold at Rs. 75 below last year's prices. The prices are too low to cover adequately the enhanced production costs. It needs to be stressed here that the coffee growers have no control over either the export prices or internal consumer prices. Viewed thus, it is regrettable that the Chairman of the Coffee Board, Mr. H. Sitarama Reddy, should have asked the growers to be prepared for a return much lower than in 1959-60 which might be around Rs. 2.23 per point. Addressing the fifty-second meeting of the Board held at Bangalore on Monday this week, Mr. Reddy said: "We are in a buyers' market and all-round efforts must be taken to produce quality coffee. Indian coffees have hitherto stood competition in the world market on quality alone. Reports reaching from countries abroad point out that the quality of Indian coffee has considerably gone down this year. This may, to an extent, be due to the very high production. To maintain our standards in the world market, greater attention should be bestowed on the improvement of quality. Planters and curers may bear this observation in mind and adopt all measures to achieve this end."

If the quality of coffee has deteriorated, it is not because of increased production but because of the fact that the currently ruling prices do not give adequate incentive to growers to put in more efforts for improving quality. The special sub-committee, the constitution of which has been recommended by the Coffee Board's Marketing Committee, will do well to give dispassionate consideration to the entire structure of coffee prices and make suitable recommendations. It must be remembered that the coffee industry has mainly to depend on the internal market and, at the same time, the Government is insisting on an all-out export drive. As Mr. Stephen rightly pointed out, what benefit will be derived by selling a good portion of our crop in foreign markets below our cost is beyond anybody's reason. He did admit that it was definitely in the country's interest to earn foreign exchange, but made it clear that it should not be done by ruining the industry. He said:

"The Coffee Board should bring in more realism in its marketing policy, especially export. Our Arabica coffee is well known for its quality. Why should we not get better prices in our export market like Kenya coffee, which has been all along fetching a better price abroad, in spite of a falling world market? These are the problems to be studied. The growers have all along been hoping that the Coffee Board will successfully tackle them. But things are drifting from bad to worse. To add to our calamities, the excise duty on coffee has been increased by one-third. Of course, the Central

(*Continued on page* 1112)

The Bank of India Ltd.

Transacts all kinds of Banking Business including Foreign Exchange.

T. D. KANSARA—*General Manager*

OGALE GLASS WORKS LIMITED

CHAIRMAN'S SPEECH AT ANNUAL MEETING

THE Fortieth Annual General Meeting of the Ogale Glass Works Ltd. was held at Ogalevadi on Wednesday, 31st May 1961. The meeting was presided over by Sardar Jagannath Maharaj Pandit, Chairman of the Company. The following are extracts from the speech of the Chairman:

"LADIES AND GENTLEMEN,

"Our expectations in achieving the working results for the year 1960 are being fulfilled to an extent which enables us to declare a taxable dividend of 10 per cent for the year, after setting aside required amounts towards reserves and carry forward. Even though this dividend is far below the dividends declared by the modern glass factories, this has helped the Company to regain the confidence of its shareholders to a considerable extent. I am further glad to announce that the Company's shares have now regained activity on the stock exchanges.

New Glass Unit

"In the Directors' report, a reference has been made to the new glass producing unit that is being established in the industrial area at Pimpri (District Poona) and I shall dilate a bit on the proposed scheme. We shall be mostly using furnace oil for our furnaces; the cost of furnace oil is comparatively less at Pimpri than at Ogalevadi, since Pimpri is nearer to Bombay port. Moreover, there would be a saving in transport cost, since the products that we propose to make at Pimpri will be sold in areas closer to Poona and Bombay than Ogalevadi. These are some of the reasons why we have located the new unit near Poona.

"We have already acquired about 21 acres of land on 99 years' lease on a very moderate annual rent and the construction of the factory buildings is progressing satisfactorily. We are hoping to go into production by the end of the current year or latest by early next year.

Training Technicians

"One of our technical executives in-charge of production, Mr. R. V. Ogale, was deputed to Germany and other countries in Europe to study the modern processes in melting of frits and vitreous enamelling, on the invitation and co-operation of Farbenfabriken Bayers A.G. Germany, and their assistance in giving this co-operation is greatly appreciated. Mr. R. V. Ogale has returned to his duties on completion of his mission. We have deputed another technical executive, Mr. N. R. Kulkarni, to Czechoslovakia under the scholarship awarded by the Czechoslovakian Government for a period of six months to study composition and quality control of glass and this process of training of our technicians in foreign countries, whenever an opportunity occurs, is in keeping with the Company's policy.

"I am thankful to workers, staff and the executives of the Company for the good work turned out by them during the year under the able guidance of the Managing Agents."

N.B.: *This does not purport to be a report of the proceedings of the general meeting.*

DESIGN...
for finest performance

Of all aspects of industrial endeavour the most intriguing is thermodynamics, for it is this medium that provides industry with its greatest power—steam. Therefore, wherever high pressure steam-raising plant is used, there is a story...a story of experience, analysis and design.

Varying Conditions

Wherever new steam-raising plant is to be installed, either for generating power or in industry, it is essential that skilled investigation and analysis be carried out to ensure that the plant is *tailor-made* to give optimum performance under varying *local* conditions and requirements.

Fuel

Having established the purpose for which the steam power created will be required, it is necessary for the design engineer to identify the type of fuel to be used, either oil, gas or coal. Coal is by far the most widely used fuel, but its thermal content varies and it is therefore necessary to make an analysis to establish the percentage of principal heat-producing elements present. The thermal content of fuel has an important bearing on the designing of the kind of plant to be installed. Generally low-grade coal is used with anything up to 50% ash content. It should be remembered that steam must be raised as economically as possible.

Waste fuel

Particular attention has to be given to industries that wish to use waste material as fuel. For instance, the sugar industry absorbs vast quantities of waste material in the form of bagasse for fuel; again, in the pulp and paper industry it is now the practice to combine the processes of chemical recovery and steam raising by burning the 'black liquor' from the digestors in a special type of boiler unit. Of course, these industries cannot keep their steam-raising plant functioning entirely on waste materials. So, in their designing and planning, the technicians and design engineers must allow for varying fuels to be used and at the same time achieve optimum performance.

Powerful Ally

The new and powerful industrial group of ACC-Vickers-Babcock Ltd., with its vast resources of technical knowledge and the rich, wide experience of its partners, will undoubtedly prove a powerful ally in achieving the high target set by the government for the installation of boiler and thermal power plant during the third Five-Year Plan. AVB will be able to draw on the finest engineering minds to study, design and draw up plans that will *tailor-make* not only vital steam-raising plant but also heavy mining and cement-making machinery which will help meet the exigencies of industrial expansion and, in addition, ultimately contribute towards the earning of foreign exchange through export.

The AVB industrial plant at Durgapur is in the final stages of erection. Here, in Durgapur, all the advanced technical knowledge of AVB will be utilised to the fullest extent to ensure that each project is designed for the finest possible performance.

AVB

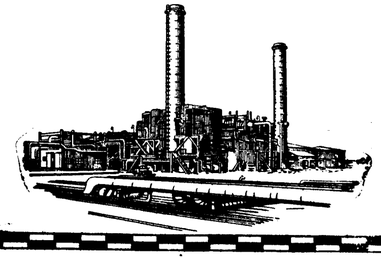
...a Powerful Partnership for Progress

ACC-VICKERS-BABCOCK LTD.

16, Queen's Road Estate, Bombay 1

Calcutta Office: Ilaco House, 1 & 3 Brabourne Road, Calcutta 1

Works: Durgapur, West Bengal



JWT-AVB.2349

WORLD ENERGY SUPPLIES

LOOKING TO YEAR 2000 A.D. AND BEYOND

IN an age in which irreplaceable fuels are being consumed rapidly, there is a responsibility to the future to know for how long such fuels are likely to be available economically, and to plan for alternative sources of power. Much light is thrown upon both the resources and the estimated consumption of fossil fuels (coal and lignite, oil and natural gas) by a recent study *Fossil Fuels in the Future** produced for the United States Atomic Energy Commission by Milton F. Searl. This report, which relates to the whole world and which covers the period up to 2,000 with some glimpses into the more distant future, thus goes far beyond the field covered by the study *Energy in the American Economy*, 1850-1975 which was discussed in the *Petroleum Press Service*, December 1960, page 439. The main purpose of the Searl report is to estimate when it will be necessary to provide nuclear power or other new sources of power on a large scale, and only the barest outline of its contents can be given here.

Forecasting the future level of demand is no easier than estimating the size of future supplies, both of which tasks the report has to attempt in order to discover when present fuel resources will become scarce and costly and when alternative sources of power will be needed. Commercial energy requirements depend on a number of factors of which the most important are economic development and population. At a compound annual rate of increase of 4.2 per cent annual world consumption is estimated to be 615 quadrillions (10^{15}) of British thermal units by the year 2000 compared with 109 in 1958. At the same time there are likely to be considerable changes in the location of demand; the share of the total taken by the United States together with the O.E.E.C. countries will fall from 58 per cent in 1958 to 40 per cent in 2000 reflecting the greatly increased share to be taken by other areas in which rapid economic development and growth of population will have taken place. Although fuel type is regarded as being of secondary importance in this report it is estimated that the share of oil fuels and natural gas will continue to increase. Oil will represent 41 per cent of the total by 2000 compared with 30.9 per cent in 1958, and natural gas 22.5 per cent compared with 12.6 per cent in 1958. For a study concerned with depletion, the most relevant figures are those showing cumulative consumption, and these are given in Table I below:

TABLE I

World Cumulative Consumption of Fossil Fuels
(In quintillions, i.e., 10^{18} of British Thermal Units)

	Coal and lignite (1)	*Crude oil natural gas liquids and shale oil* (2)	*Natural gas* (3)	*Total* (4)	*Col. (2) as % of col. (4)*
1959-1980 ..	1.51	1.60	0.64	3.75	42.7
1981-2000 ..	2.65	3.50	1.75	7.90	44.3
Total ..	4.16	5.10	2.39	11.65 (*)	43.8
Of which U.S.A...	1.23	1.70	0.88	3.81	44.6

(*) Of this 8.42 in the free world.

Fossil Fuel Reserves

The report classifies fossil fuel reserves both by type and by real cost based upon the 1958 level of availability. The reserves shown in Table II include estimates of reserves yet to be discovered which are based on the work and opinions of geological and mining experts; but they comprise only those reserves which it is estimated would actually be recovered at the cost limit shown. It is assumed that there will be unhindered access to resources.

TABLE II

World Fossil Fuel Reserves (*)
(In quintillions, i.e., 10^{18} of British Thermal Units) (†)

Available at 1958 real costs increased by:	*Coal and lignite* (1)	*Liquid hydro-carbons* (2)	*Natural gas* (3)	*Oil shale and tar sands* (4)	*Total* (5)	*Col. (2) as % of col. (5)*
Up to 25% ..	15.27	3.21	0.74		19.22	16.7
25 to 50% ..	18.49	1.57	1.07	13.92	35.05	4.5
50 to 300% ..	27.81	1.57	3.01	24.36	56.75	2.6
Total	61.57	6.35	4.82	38.28	111.02	5.7
% in free world.	*51.4*	*78.9*	*82.2*	*66.7*	*59.6*	

(*) Discovered and yet to be discovered at end 1958.
(†) B.T.U. is a convenient but imperfect unit for this purpose since B.T.U. obtainable varies, depending upon efficiency of consuming equipment, etc.

However, the author shows that about three-fifths of the total shown in Table II lies in the free world embracing four-fifths of the oil and natural gas, two-thirds of reserves in the oil shale and tar sands and rather more than half the coal and lignite.

The most immediately comforting facts to be gleaned from a comparison of the two tables is that the fossil fuel reserves are nearly ten times the size of total estimated demand to the end of this century, and that there is sufficient of each fuel to satisfy demand up to 2000. The largest reserves are of coal and lignite, whereas oil and gas are most in demand. But a noteworthy feature of Table II is the expected large availability of fuel from shale and tar sands at costs 25 per cent or more than the 1958 level. Disregarding the type of fuel, total demand for commercial energy could be satisfied at real costs of less than 25 per cent above the 1958 level, but this would involve a deflection of demand away from increased reliance on liquid hydrocarbons and natural gas in favour of coal and lignite. On the other hand, taking into account the type of fuel probably required, a large proportion would be producible at real costs of up to 50 per cent more than in 1958, the more expensive fuels being liquid hydrocarbons, natural gas and fuel derived from oil shales and tar sands compared with the cheaper solid fuels. The report considers that these increased production costs should not prove very burdensome because a large part of the cost to the consumer is in processing, transporting and marketing, real costs of which are unlikely to rise significantly.

Projections Into Future

At the rate of consumption envisaged in the report there will still be 99.37 quintillions (10^{18}) of British thermal units of fossil fuels left in 2000 of which only 11.11 quintillions of coal and lignite will then be in the relatively low cost category of 1958 costs plus up to 25 per cent. Some projections further into the future show that at a compound rate of growth of 4 per cent from 2000, assuming that all the increase in demand is supplied by fossil fuels, all fossil fuels now believed to exist and be recoverable would be consumed by 2052; while if the consumption of fossil fuels remained constant at the level reached in 2000 they would last until 2171.

The present fuel position and that of the immediate future are, on the basis of these estimates, evidently secure but a fossil fuel shortage may well become a reality during the life span of the generation now being born. Fortunately there are many other sources of energy to be exploited, ranging from simple elemental forces to complex scientific devices. Nuclear power probably has the greatest potentialities because relatively small amounts of uranium, which is in good supply, are required. Relative costs are very important; it is now thought that in high fuel cost areas of the United States nuclear power stations will be fully competitive within three to five years. Fuel cells are likely to become important for transport purposes—their use in submarines is already planned. Then there are those inexhaustible but unreliable sources of energy, the sun and the wind, which were discussed in the *Petroleum Press Service*, February 1961, page 56, while hydro-electricity and geothermal energy depend on particular geographical factors. However, even if in the future the importance of fossil fuel as sources of energy declines, they are likely to remain in demand as valuable raw materials.—(*By Special Arrangement with the Petroleum Press Service*).

*Available from the Office of Technical Services, Department of Commerce, Washington 25, D.C. Price $0.75.

ELECTRIC LOAD CONTROL

Control of electric loads by adjustable cut-out and cut-in points over a wide current range is given by equipment introduced by Elcontrol Ltd., Hitchin, Herts, England. The device consists of an electronic relay unit housed in a steel case together with a separate current transformer. Operation or trip point of both forms of relay can be set anywhere between 20 per cent and 120 per cent of full load current and the current transformers are normally rated at 100 per cent overload. The differential is adjustable between 2 per cent and 100 per cent of the trip value. In both forms of relay unit available, the relay is energised when the monitored current is within the desired limits.

EUROPE'S ENGINEERING INDUSTRIES

O.E.E.C. REPORT FOR 1960

THE Organisation for European Economic Co-operation has just published a report on the progress of engineering industries in Europe in 1960—a year of vigorous expansion. Production by the engineering industries, which employ over 8.5 million people and account for a third of total industrial production, increased substantially in all member-countries. The rise over 1959 amounted in most of them to between 6 and 10 per cent, but totalled 15 per cent in Germany and as much as 20 per cent in the Netherlands and Italy. For member-countries as a whole, the growth in output in 1960 exceeded 11 per cent, i.e. roughly twice as much as noted in 1959. By comparison, the rise in output of other industries amounted to about 9 per cent for the entire year 1960.

Between 1950 and 1960, the report continues, the volume of engineering output increased by 105 per cent, as against 80 per cent for total industrial production. In both cases, developments in the U.S. were less favourable, industrial production having risen in these ten years by only 45 per cent and output by the engineering industries by 80 per cent.

In 1960, the value of European engineering imports from non-member-countries—three-quarters of which came from North America—is likely to have been more than $1,500 million; available information on production trends suggests that deliveries by European engineering industries valued over $48,000 million, almost 20 per cent of which were exports to non-member-countries (and about one-seventh represented intra-European trade). This means that, in 1960, the European market for engineering goods totalled over $40,000 million, and extra-European exports represented almost $10,000 million.

Roughly two-thirds of extra-European engineering exports went to the less industrialised non-member-countries. Consisting mainly of capital goods, they dropped in the first half of 1959, but resumed their expansion in the latter part of that year and increased considerably in 1960. Provisional figures suggest that they represented, in 1960, almost 15 per cent more in value than the year before. By contrast, European engineering exports to industrial non-member-countries expanded definitely slower in 1960 than in the two previous years.

Prospects for Current Year

The prospects for 1961 have also been dealt with in the O.E.E.C. Report. The overall order book situation at the end of 1960 suggests for 1961 a further substantial increase in the European production of engineering products and, more particularly, of capital goods. This rise in orders booked also means, however, that production capacity in 1960 was, on the whole, exploited to a very high degree and that consequently, in the months to come, expansion in capital goods industries will probably be slower than in 1960. Short-term prospects appear less certain for durable-consumer goods. The growth in internal demand will probably be slower after several years of vigorous expansion, and export demand will not necessarily continue to be as lively as in the last three or four years.

Export demand for capital goods is expected to remain lively in the near future from both the industrialised and the non-industrialised countries. As indicated in the first survey of the structure of engineering world trade contained in this report, the latter ordered more than half their capital goods imports in Western Europe and nearly one-third in North America, while their imports from Japan (5 per cent) and Eastern Europe (8 per cent) were still comparatively small.

Competition on the less-industrialised but expanding markets is very keen, but the competitive power of European manufacturers in face of the traditional competitors, the U.S. and Japan, is not likely to deteriorate. Competition from Eastern Europe tends, however, to become a sizable factor, although, in general, deliveries by Eastern Europe to less-industrialised countries outside the Soviet bloc are not likely to increase to a degree that might prevent further expansion of European exports to these areas. The very great demand for capital goods in the Sino-Soviet bloc countries should militate in the near future against an upsurge of exports by Eastern Europe on a broad front. Due to the spectacular and concentrated efforts on certain markets (e.g. India, certain countries in the Near East and Latin America) and for the export of certain goods (e.g. machine tools, complete industrial plant, tractors, rail and road transport equipment), this new factor will, however, have to be constantly watched, concludes the report.

"You can make your factory performance optimum"

NATIONAL PRODUCTIVITY COUNCIL

Through the courtesy of T.C.M. of U.S. Government, is now in a position to provide some very useful I.C.A. publications comprising

- Series of Manuals in fields of INDUSTRIAL MANAGEMENT
- INDUSTRIAL ENGINEERING & INDUSTRIAL RELATIONS
- PLANT REQUIREMENT REPORTS ● FACTORY PERFORMANCE REPORTS
- CAPITAL REQUIREMENT & OPERATING RATIO REPORTS
- COTTAGE INDUSTRIES REPORTS ● INDUSTRIAL DEVELOPMENT GUIDES, Etc., etc.

Free price list may be obtained from: Information Officer, National Productivity Council, 38, Golf Links, New Delhi.

NEW PRODUCTS AND PROCESSES

Self-contained Plastic Dip-coating Plant

A COMPLETELY self-contained plastic dip-coating plant was shown at the recent Industrial Finishes Exhibition in London. The makers claim it gives consistently high output at low running cost because of a development of the single overhead-oven principle recently introduced by them, which eliminates separate pre-heating and curing ovens. The company—well known in the United Kingdom and overseas for their plastic coating machinery, industrial finishes and materials—have now introduced movable powder and water quench tanks below the inverted oven. All this means a higher output, at lower cost in less space than the conventional plant. The overall measurements of the machine are 9 ft. 6 ins. x 4 ft. x 10 ft. (height) (290 cm. x 139 cm. x 304 cm.). Frames loaded with uncoated jigged articles are fed from both sides of the machine. Each frame is then lifted into the oven by hydraulic lifting gear for pre-heating and then lowered directly into the fluidising powder for coating before returning to the oven for fusing. At this stage the powder tank, mounted on a movable base, is pushed to one side and the water tank takes its place. The loaded frame is then lowered into the water tank for cooling and then conveyed back to its original starting point to be unloaded. A loaded frame from the other side then moves into position ready for the process to be repeated.

Portable Welding Equipment

A new type of compact welding equipment, intended for use in handicraft and small industry, has been added to the manufacturing programme of a Swedish Company, Nohab, makers of turbines, diesel engines and locomotives. The equipment includes portable arc welding transformers weighing 35 kg. (70 lbs.) and occupying a space of only 0.25 sq. m. (2.7 sq. ft.). Suitable for both light gauge welding and heavy plate welding, it is possible to weld with normal electrodes of 1-4 mm. diam. and with basic electrodes of 1.5-3.25 mm. The air-operated spot welding tongs, weighing only about 13 kg. can weld up to 2 mm. plates when using short arms and up to 1 mm. when using long arms. They are operated either suspended from a fixture or mounted on a stand but can, owing to their light weight, also be used as a hand tool. The manually actuated double spot machine is intended for spot welding when the workpiece is only available from one side. It is claimed to be particularly useful in the repair of car bodies and in light gauge welding.

New Counting Device for Stores

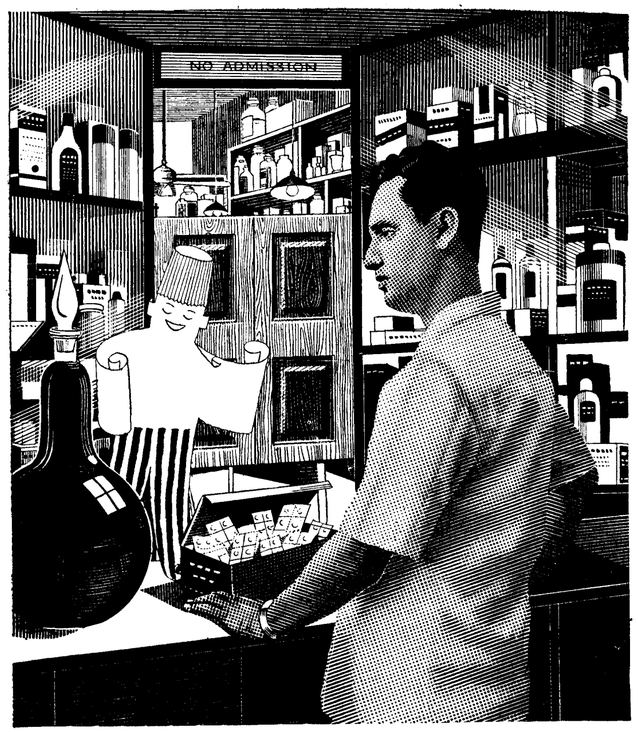
A new counting device which has been especially designed for use in store shops, so that an accurate account of stock can be kept speedily, has been developed in Britain. The device not only enables the stock to be accurately counted but it enables it to be marked rapidly in what is claimed to be a fraction of the normal time. It consists of a special tool made from steel with a chrome finish and comprises a specially designed four-digit counter unit which is attached to a felt-tipped pen. As soon as the felt tip is depressed by pressure exerted when it is placed against the stock item or bin, it not only makes a clearly visible ink mark but the counter records the number counted on a series of digit wheels. The counter weighs only seven ounces and can be produced if desired in five different colours. It is claimed that its use can reduce the marking and counting of stock to as little as one-eighth of the time normally required in some cases.

Novel Refrigerator

The first commercial thermo-electric refrigerators, which can also be used to heat as well as freeze, are being installed in a 500-room hotel in Chicago, U.S. The principles of their operation have been known for many years and many experimental devices are available in both the U.S., the U.K. and Russia. But a commercial thermo-electric refrigerator and heating device has not hitherto been put on the market for such a large-scale application as, for example, room temperature control. Using semi-conductor devices, heat or cold can be generated directly from electricity without any moving parts or any gas. As a result the system should require virtually no maintenance or repair. At least one hospital is shortly to be equipped with the new refrigerator, or temperature control unit. It is expected to be exceptionally cheap to operate.

Tube Profiling Machine

A new tube profiling machine, produced by Hancock & Co. Ltd., Progress Way, Croydon, England, is capable of producing its own templates from a drawing, and is suitable for the weld preparation of pipes from 3 in. (7.2 cm.) to 12 in. (30 cm.) in diameter. The standard machine deals with the preparation of branches, and an optional attachment is available for cutting the corresponding holes in the main pipe. All these cuts can be made for pipes to be set either at right angles to each other or at any desired angle of offtake. The machine works from templates which are made direct from drawings by a special attachment on the machine. These may be made from stock pipe, and drawings are made available by the firm to cover a complete range of standard pipe sizes and angles. A "library" of standard template drawings is supplied with the machine. The machine is provided with a multi-plying device; for example, the template for a 3 in. (7.5 cm.) pipe at 45 degrees into a 6 in. (15 cm.) pipe may also be used for a 6 in. (15 cm.) pipe into a 12 in. (30 cm.) pipe at the same angle. The drive is by fractional horse-power motor with infinitely variable speed, and the whole machine is made as a self-contained unit which may be easily transported.



MEDICINE MAN MR. AL FOIL F.G.S.P.P. ...

"... Fellow of the Grand Society for the Protection of Pills" said Mr. Foil, greatly impressing the awed Chemist who had never heard of the degree before. "That is just one of many honours conferred on me", continued Mr. Foil modestly, "by Pharmacists for having rendered valuable packaging service to the medicine manufacturing industry. Whatever the pharmaceutical product, be it pills or potions, aluminium foil wrapping safely seals in the prophylactic and curative properties for long periods and effectively protects them from contamination, moisture and dirt ... And that," finished Mr. Foil, "is just what the doctor ordered."

Long and extensive experience as Manufacturers of Aluminium Foils for packaging goods in the Cigarette, Pharmaceutical, Confectionery, Tea and many other Industries

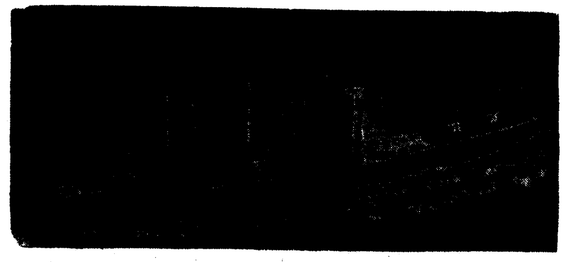
VENESTA FOILS LIMITED KAMARHATI, 24 PARGANAS, WEST BENGAL

Selling Agents:

Tea Chest Linings: WILLIAMSON, MAGOR & CO. LTD., Calcutta.

Foils and Container Sheet: INDIAN ALUMINIUM COMPANY LTD., Calcutta Bombay Madras and New Delhi.

VENESTA



Our fleet of twenty modern freighters offers fast, regular and dependable service between

INDIA—U. K. & THE CONTINENT ● INDIA/EAST PAKISTAN—SOUTH AMERICA
INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS
INDIA—POLAND. Also around the INDIAN COAST

INDIA STEAMSHIP CO., LTD.

"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1
Managing Agents: — LIONEL EDWARDS (PRIVATE) LTD.

KRISHNARAM BALDEO BANK PRIVATE LIMITED

(A SCHEDULED BANK)

Registered Office: **JAYAJEE CHOWK, LASHKAR, GWALIOR**

THIRD ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors submit to the Shareholders the Balance Sheet and Profit and Loss Account for the year ended 31st December 1960 together with the Auditors' Report.

	Rs.	nP
During the year the working of the Bank has been satisfactory and after making the necessary and usual provisions the Bank has made a profit of Rs. 3,96,447.67. To this has been added the balance of Rs. 11,750.82 brought forward from the last year, making a total sum of	4,08,198	49
The following appropriations have been made :—		
Amount provided for Taxes	2,23,000	00
Amount provided for Gratuity	12,500	00
The Directors now propose :—		
To pay dividend for the year ended 31st December 1960 at the rate of Rs. 2.50 per share subject to deduction of tax at the prescribed rates which will absorb	1,25,000	00
To carry forward to the next account	47,698	49
Total .. Rs.	4,08,198	49

Under Article 149 of the Articles of Association of the Company Directors Shri Ram Babu Vaishya a Shri Lalchand B. Sethi retire by rotation but are eligible and offer themselves for re-election.

During the year a branch office of the Bank was opened at Ujjain (M.P.) which is functioning satisfactoril

The Directors convey their thanks to all the constituents of the Bank for their support to the Institutio and place on record their appreciation of the services rendered by the Manager and staff of the Bank.

The Shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration.

By Order of the Board,

V. R. SCINDIA,

Chairma

BOMBAY, 11*th March*, 1961.

Note to the Third Annual Report of the Board of Directors Regarding Dividend Payment

The Board of Directors, in the meeting held on 17th April, 1961, "RESOLVED to amend its earlier recommendation to the shareholders regarding dividend payment and recommended that a dividend of Rs. 3.00 nP. per share on the equity shares of the Company be declared in respect of the year ended 31st December 1960 in view of the advice received by the Directors that this being a company covered by the provisions of Section 23A of the Income Tax Act it must make a statutory distribution of 65 per cen of its net profits after tax." The Board further "RESOLVED that in order to enable the payment of th above dividend aggregating to Rs. 1,95,000 an amount of Rs. 22,301.51 nP. should be drawn from th General Contingency Fund of the Bank."

BALANCE SHEET AS AT 31st DECEMBER, 1960.

Previous Year Rs.	CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
	1. Capital—				
1,00,00,000	AUTHORISED CAPITAL— 1,00,000 Ordinary Shares of Rs. 100 each ..	1,00,00,000	00		
50,00,000	ISSUED CAPITAL— 50,000 Ordinary Shares of Rs. 100 each	50,00,000	00		
	SUBSCRIBED CAPITAL—				
5,050	(a) 101 Ordinary Shares of Rs. 100 each, Rs. 10,100. Amount called up at Rs. 50 per share	5,050	00		
24,94,950	(b) 49,899 Ordinary Shares of Rs. 100 each, Rs. 49,89,900. Amount called up at Rs. 50 per share for consideration other than cash ..	24,94,950	00		
....	LESS—Calls unpaid	....			
....	ADD—Forfeited Shares	....			
25,00,000				25,00,000	00
	2. Reserve Fund and Other Reserves—				
25,75,000	(a) Reserve Fund	25,75,000	00		
15,50,000	(b) General Contingency Fund	15,50,000	00		
41,25,000				41,25,000	00
	3. Deposits and Other Accounts—				
85,71,396	Fixed Deposit and Three Years Cash Certificates ..	94,65,182	09		
64,18,415	Savings Bank Deposits	65,80,120	84		
24,77,924	Current Accounts, Call Deposits, Contingency Accounts, etc.	28,38,047	90		
1,74,67,735				1,88,83,350	83
	4. Borrowings from Other Banking Companies, Agents, etc.—				
....	(i) In India	....			
....	(ii) Outside India	....			
				....	
	PARTICULARS— Rs. (i) Secured .. .. .. Nil (ii) Unsecured .. .. .. Nil				
1,751	**5. Bills Payable**			8,149	07
	6. Bills for Collection Being Bills Receivable as per contra—				
81,028	(i) Payable in India	1,19,812	80		
....	(ii) Payable outside India	....			
81,028				1,19,812	80
	7. Other Liabilities—				
51,000	(i) Provision for Gratuity	63,500	00		
20	(ii) Unclaimed Dividend	44	50		
51,020				63,544	50
4,000	**8. Acceptances, Endorsements and Other Obligations as per contra**			24,500	00
	9. Profit and Loss Account—				
1,05,453	Balance as per Balance Sheet as at 31st December, 1959	1,86,750	82		
1,00,000	LESS—Dividend at Rs. 3.50 per Share for the period ended 31st December, 1959	1,75,000	00		
5,453		11,750	82		
5,32,298	Profit for the year ended 1960	3,96,447	67		
5,37,751		4,08,198	49		
2,67,000	LESS—Appropriations— Rs. nP (i) Amount provided for taxes .. 2,23,000 00				
9,000	(ii) Amount transferred to Staff Gratuity Fund 12,500 00				
75,000	(iii) Amount transferred to Reserve Fund				
....	(iv) Amount transferred to Contingency Reserve				
....	(v) Preliminary Expenses written off				
3,51,000		2,35,500	00		
1,86,751				1,72,698	49
	10. Contingent Liabilities— Rs. nP (i) On investments in shares of Joint Stock Companies and Banks 86,150 00				
1,36,150	(ii) Claims against the Banking Company not acknowledged as debts 14,516 63				
16,877	*Note* :—The actual amount of the Liability arising from future gratuities payable to staff has not been ascertained but is greater than the amount provided.				
2,44,17,285	Total .. Rs.			2,58,97,055	69

Previous Year Rs.	PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
	1. Cash—				
12,67,704	Cash in hand and with Reserve and State Bank of India (including Foreign Currency Notes) ..			19,32,568	53
	2. Balances with Other Banks—				
	In Current Accounts—				
4,74,367	(i) In India	12,07,345	61		
69,230	(ii) Outside India (in Pakistan)	69,389	67		
5,43,597				12,76,735	28
22,50,000	**3. Money at Call and Short Notice**			12,50,000	00
	4. Investments—(at Book Value)				
45,25,984	(i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments ..			52,52,638	19
	Face Value .. Rs. 53,07,600.00				
	Market Value .. Rs. 52,50,685.45				
20,01,877	(ii) Shares			19,25,925	02
	Fully Paid—				
	(a) Preference .. Rs. 5,99,788.65				
	(b) Ordinary .. Rs. 11,35,781.63				
	Rs. 17,35,570.28				
	Partly Paid—				
	(a) Preference ..				
	(b) Ordinary .. Rs. 1,90,404.74				
	Rs. 1,90,404.74				
	Market Value .. Rs. 20,83,884.13				
26,10,626	(iii) Debentures or Bonds ..			18,12,012	08
	Face Value .. Rs. 19,68,000.00				
	Market Value .. Rs. 17,39,719.43				
....	(iv) Other Investments			....	
....	(v) Gold			....	
91,38,487					89,90,875 29
	5. Advances—				
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)				
	(I) Loans, Cash Credits, Overdrafts, etc.— Rs. nP				
94,98,045	(i) In India .. 1,05,81,066 59				
....	(ii) Outside India				
94,98,045				1,05,81,066	59
	(II) Bills Discounted and Purchased—				
4,43,831	(i) Payable in India .. 4,97,724 51				
....	(ii) Outside India				
4,43,831				4,97,724	51
99,41,876	(Particulars as per separate Schedule attached)				1,10,78,791 10
	6. Bills Receivable Being Bills for Collection as per contra—				
81,028	(i) Payable in India	1,19,812	80		
....	(ii) Payable outside India	....			
81,028				1,19,812	80
4,000	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra			24,500	00
	8. Premises—				
9,23,208	Cost as per last Balance Sheet	8,99,227	43		
....	Additions during the year	50,000	00		
9,23,208		9,49,227	43		
23,911	LESS—Depreciation	22,966	91		
8,99,297				9,26,330	52
	9. Furniture and Fixtures—				
91,036	Balance as per last Balance Sheet	98,366	67		
12,909	ADD—Additions less Sales made during the year 1960	24,306	10		
1,03,945		1,22,672	77		
5,578	LESS—Amount written off to date for depreciation..	7,405	18		
98,367				1,15,267	59
	10. Other Assets—				
13,161	Stamps and Stationery	26,209	24		
1,76,181	Interest accrued on Investments	1,29,416	12		
3,587	Prepaid Expenses				
....	Advance Payments	2,695	82		
....	Branch Adjustment	24,053	60		
1,93,929				1,82,474	58
....	**11. Non-Banking Assets Acquired in Satisfaction of Claims**			....	
2,44,17,285	Total .. Rs.			2,58,97,055	69

KRISHNARAM BALDEO BANK PRIVATE LIMITED—*(Continued)*

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1960.

Previous Year Rs.	EXPENDITURE	Rs.	nP	Rs.	nP
4,45,827	1. Interest paid on Deposits, Borrowings, etc.			4,65,808	89
	2. Salaries and Allowances and Provident Fund—				
20,162	To Manager	21,794	22		
1,13,399	To Others	1,52,571	21		
1,33,561				1,74,365	43
	3. Directors' and Local Committee Members' Fees and Allowances			5,144	25
4,546	4. Rent, Taxes, Insurance, Lighting, etc.			17,576	88
12,027	5. Law Charges			5,261	00
5,243	6. Postage, Telegrams and Stamps			5,454	70
3,623	7. Auditors' Fees			1,500	00
1,500	8. Depreciation on and Repairs to the Banking Company's Property			30,594	64
32,047	9. Stationery, Printing, Advertisements, etc. ..			23,086	73
14,215	10. Loss from Sale of or Dealing with Non-Banking Assets				
....	11. Other Expenditure			40,186	14
26,192	12. Balance of Profit (subject to Taxation) ..			3,96,447	67
5,32,298					
12,11,079	Total .. Rs.			11,65,126	33

Previous Year Rs.	INCOME (Less provisions made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	nP	Rs.	nP
9,60,389	1. Interest and Discount			7,74,898	45
14,324	2. Commission, Exchange and Brokerage			31,032	08
....	3. Rents			....	
1,96,272	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..			3,34,437	62
....	5. Net Profit on Revaluation of Investments, Gold and Silver, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..			....	
16,327	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets			....	
23,767	7. Other Receipts			24,758	18
12,11,079	Total .. Rs.			11,65,126	33

Schedule of Particulars of Advances Required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1960.

Previous Year Rs.		Rs.	nP
93,69,000	(i) Debts considered good in respect of which the Banking Company is fully secured	1,06,99,939	44
5,71,087	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	3,56,357	41
1,789	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	22,494	25
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil	
99,41,876	Total .. Rs.	1,10,78,791	10

Previous Year Rs.		Rs.	nP
Nil	(v) Debts due by directors or officers of the Banking Company or any of them either severally or jointly with any other persons ..	Nil	
13,59,893	(vi) Debts due by companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	14,86,686	33
Nil	(vii) Maximum total amount of advances including temporary advances, made at any time during the year to directors or managers or officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	
16,31,448	(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members ..	16,68,395	38
Nil	(ix) Due from Banking Companies	Nil	

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Krishnaram Baldeo Bank Private Ltd., as at 31st December 1960 and also the Profit and Loss Account of the Bank for the year ended on that date annexed thereto.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to sub-sections (1) and (2) of Section 211 and sub-section (5) of Section 211 and Section 227 (5) of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The accounts are therefore drawn up in conformity with Forms A and B of the Third Schedule to the Banking Companies Act, 1949.

We report that :—

(*a*) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory ;

(*b*) The transactions of the Bank which have come to our notice, have been within the powers of the Bank ;

(*c*) In our opinion proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books ;

(*d*) The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns ;

(*e*) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet read along with the notes appearing thereon, gives a true and fair view of the state of the affairs of the Bank as at 31st December 1960 and the Profit and Loss Account gives a true and fair view of the Profit for the year ended upon that date.

BOMBAY, 11*th March*, 1961.

P. C. HANSOTIA & CO.,
Chartered Accountants.

M. S. BANKER,
Manager.

M. S. AGNIHOTRI,
Secretary.

V. R. SCINDIA,
BRIJRAJ NARAIN
A. N. RAGHAWACHAR
RAM BABU VAISHYA
L. B. SETHI
} *Directors.*

Chairman.

HIGH REPUTATION
for
Quality, Uniformity, Reliability

CLARETTA

THREE GOLDEN HORSES TRADE MARK

High Rayon Fabrics

#1480 Tussore
#3300 Satin
#6750 Habutae
#7200 Sheer Crepe
#0050 Tricot
#3000 Satin
#5050 Habutae
#6300 Georgette Crepe
#7500 De Chine Crepe

Rayon Yarn

Filament Yarn
Spun Yarn
Staple Fibre

Pamphlet available. Please apply to :

KURASHIKI RAYON CO., LTD.

2, Umeda, Kitaku, Osaka, Japan Cable Address: "KURARAY OSAKA"

JOINT CONSULTATION IN INDUSTRY—II

WHAT NEEDS TO BE DONE TO MAKE THE SCHEME A SUCCESS

By Prof. B. N. Mehrotra

SO far joint councils have been set up in 23 undertakings. All these units do not satisfy the criteria of selection laid down by the first seminar. There are at least half a dozen establishments which employ less than 500 workers. Strictly speaking, the scheme has better chances of success in a small concern. Nothing is known of the sub-committee's mind, but, in my opinion, the justification for prescribing the minimum number of workers is this: The scheme is being tried on an experimental basis and the experiences gained at small concerns could not provide adequate guidance for its further extension. It is unfortunate that all the three undertakings in Bombay, the biggest industrial centre of India, which have introduced the scheme, employ less than 500 workers. Similarly, in the public sector, the councils are functioning only in small establishments. The criterion that "there should be a well established trade union functioning" was very sound. Experience has shown that, where this condition was not satisfied, there has been trouble. This, to my mind, was the basic cause of the breakdown of consultation machinery at Hindustan Machine Tools Ltd. Of course, both management and the union have their own stories to tell and there are accusations and counter-accusations. But my own assessment of the situation is that the council was constituted with undue haste. The management showed overenthusiasm. In their anxiety to be the first in the public sector, the management artificially boosted up the union and went out of the way to facilitate its growth. But as the union had not firmly established itself, a rival union soon cropped up and claimed to be recognised as the representative union. If the management had waited till a genuine union sprang up, such a situation would probably have been avoided.

At the Sonabheel Tea Estate, in the beginning, the council received considerable assistance from the union, but, as rival trade union appeared on the scene and inter-union quarrels started, the support declined. At the Travancore Rubber Works, the council could not be constituted at all because of differences between two rival unions. The criterion that the undertaking should be a member of one of the leading employers' organisations has been generally satisfied. Rather their membership of the Association has played the major part in inducing these enterprises to make a trial. I inquired of a number of employers as to why they offered to try the experiment. Were they so enamoured of it? The usual reply was: "The Association had made a commitment at the tripartite conference to provide a particular number of units for the experiment and it approached us for co-operation. We being an important member of the Association could not say 'No.'"

Harmonious Relations

Harmonious relations between management and workers are a prerequisite for the success of worker participation. The council can function effectively only in an atmosphere of goodwill, mutual trust and faith. If these are lacking, nothing else can compensate. Deterioration in relations obstructs the smooth functioning of the council also. In a textile mill, the union-management relations got strained on the bonus question and this was reflected in the work of the council also. As the union leader angrily remarked: "What is the use of the council when the employers are not prepared to give a reasonable bonus to the workers, in spite of the fact that the mill has made huge profits. It is not possible to work on the joint council with an employer who is still harbouring nineteenth century concepts of labour-management relations."

With the exception of TISCO and Indian Aluminium Company, Belur, the joint councils, though varying in details, have generally followed the pattern laid down by the first seminar. The membership of the councils varies from six to twelve and the representation of labour and management is equal in all cases. The Model Agreement had provided that the workers' representatives should be nominated by the union concerned. It is desirable in the sense that it will help in mitigating the union's suspicion and the council may be assured of the union's permanent support. The union must, of course, see to it that its representatives are not the same persons who will participate in collective bargaining also with the same concern. In many cases, however, they have been elected by the workers. But the elections have either been held by the union or conducted by the management with the consent of the union. Ordinarily no qualifications have been laid down for the workers' representatives. A couple of agreements do provide a minimum of one year's service and some degree of education, but they are exceptions. The workers' representatives include one or two non-employees also. In some councils, union leaders are invited as observers. If it is the workers' turn to hold a particular office at the council, it is usually held by the non-employee member. It will not be out of place to mention that the Vice-Chairman of the H.M.T. Joint Council was a non-employee at the time the trouble started. The Belur Works do not permit non-employees on the joint committees. Some agreements give the union a right to recall its representatives on the council. This, I consider, as an unhealthy development. The council members will always be under the domination of the unions and will never be able to function freely. In consequence, the distinction between collective bargaining and joint consultation will get blurred. To begin with, the office of the Chairman was held by the management's representative, but, later on, many councils were presided over by the workers' representatives. In cases where the management representative continues to hold the office, it is by mutual consent. The managements have not shown any reluctance to have the workers' representative as Chairman. Departmental joint committees are not very common, but practically all the joint councils are assisted by sub-committees for various purposes such as welfare, canteen, safety, production, stores and waste.

Consultative Councils

At TISCO, there is a joint consultative council of management which is the apex of a comprehensive three-tier scheme of consultation. At the lowest level are 29 joint departmental councils; above them is the joint works council for the entire works and parallel to it is a joint town council for dealing with matters relating to the town, medical and health services. The council at the apex advises the management in regard to economic and financial matters. At the Belur Works, joint consultation is arranged by means of five joint committees each with defined subjects such as personnel relations, production, job evaluation, standards and canteen. It was not found necessary to draw too many formal agreements.

One of the recommendations of the first seminar was that, "where works committees are already working in units where joint councils are to be set up, the works committees shall continue." In actual practice, this has not happened. The works committees ceased functioning soon after the councils were set up. This was due to a misunderstanding of the role of works committees. The persons concerned could not make a clear distinction between the functions of the two bodies. A unit in the public sector is reported to have evaded the constitution of the council on the plea that "what is the need of the council? We already have a works committee functioning smoothly." A tripartite committee appointed by the Labour Conference in July 1959 considered this question and has drawn up guiding principles relating to the composition and functioning of committees. Illustrative list of items which a works committee should normally deal with and which it should not has also been laid down.

Mistaken Notions

The councils have performed consultative, advisory and administrative functions with varying degrees of success. The workers' representatives have generally expressed satisfaction over the information given to them and the matters on which they were consulted. Information of a confidential nature was ordinarily neither asked for nor given. Some managements 'regretted' that the workers did not always keep the confidence if such information was supplied to them. The Director-in-charge of a mill voluntarily imparted to the council some data regarding the cost structure. The workers' representatives asked for similar information next time also and the management had to seek the intervention of the union to persuade its nominees not to press for it. The right to receive information has led to serious complications in an engineering concern. The union representatives asked for some financial details which the management refused to give. The union in turn expressed its inability to participate in joint consultation. The union president explained his point of view thus: "Worker-participation seeks to give the worker the status of partner in industry. As a partner, I have a right to get whatever information I want. Nothing should be confidential from a partner. If I am treated as an inferior partner, I am not interested." This is an example of mistaken notions and exaggerated ideas about worker-participation.

In a jute mill, the workers' representative complained that the council was not consulted on the question of "sealing of looms." Such complaints have been few. The fact the workers had not much to complain about does not necessarily imply that the management was always straightforward, that it always supplied the information the council was entitled to or that it always consulted the council on matters on which it should have. It may be that the workers were not taking adequate interest and did not care whether a particular information was given to them or whether they were consulted on a particular matter or not. There has been some dissatisfaction over inadequate implementation of the council's decisions, but it was acknowledged by the workers' representatives that the reasons for delay or non-implementation were communicated to them.

Many councils have been entrusted with the administration of welfare and safety measures. Managements have, however, expressed disappointment over the meagre interest shown by the workers' representatives in this matter. There are examples where the management wanted to hand over these functions to them but they found one excuse or the other to escape it. They were not prepared to shoulder any responsibility. Their attitude was described by one management as "Do nothing and criticise others."

Suggestion Scheme

A suggestion scheme is described as an integral part of any participation plan. A large number of joint councils either have a suggestion scheme or propose to have it soon. At TISCO, an effective suggestion scheme is in operation since 1945. Till 1959-60, 473 suggestions had been accepted and Rs. 82,425 were given as rewards. In many other concerns, however, it has made no headway. The managements say that "there is no response" and attribute it to two factors: (1) the workers are not interested, (2) they have no ideas. I feel that the responsibility for the failure of the scheme largely rests on the management. We may not question their sincerity, but they are certainly making no efforts to popularise it. In a concern the suggestion box was not even opened for the first three months. No one thought of it. Only when I asked for the details of the suggestions received it was discovered that the box was not opened till then. In another enterprise, the majority of workers did not even know that there was any such scheme. They had seen the box, but did not know what it was therefor. In still another factory the management complained that the box contained workers' grievances on minor issues which clearly shows that the workers did not understand the basic idea of a suggestion scheme. Its purposes were not explained to them. Such examples can be multiplied and they clearly prove that the management will have to take more active interest if the suggestion scheme has not to remain on paper only.

One major difficulty experienced by the councils in their day-to-day functioning is that the workers' representatives are not familiar with the meeting procedures and have no knowledge of the working of the industry or its problems. Due to lack of education, their level of understanding and reasoning is also low. Both the management and the labour realise in full measure the urgent necessity of education and training for the council members. But the question is: Who should undertake that work? The best thing is for the unions to do it, but they plead their inability due to "lack of funds." The managements escape it by saying that "this is likely to be misunderstood. The unions will feel that we are indoctrinating the workers." The responsibility, therefore, rests on the Government. The Central Board of Education was asked to devote special attention to this problem and start short-term courses for the benefit of council members but nothing concrete has been done so far. It may be observed that the problem of education of management is equally important—particularly at the lower and middle levels. The Government is hoping to sponsor a scheme of training middle management.

Test Results Not Heartening

The success of the councils will be judged according to the contribution they make towards increasing productivity, improving labour-management relations and satisfying the workers' urge for self-expression. Applying these tests, we find that the results are not very heartening. In a few cases, the councils have helped in effective utilisation of material, avoidance of waste, the reduction of losses in the canteen or on transport, etc. There are no indications that there has been any perceptible improvement in productivity. There is no decline in accident rate or absenteeism either. Managements report "no change." Rather one management sarcastically remarked: "The question does not arise. The council has not bothered about production matters. The workers' representatives keep the council busy with their immediate problems." A study of the councils' proceedings confirms this impression. The councils have devoted much of their time and energy to discussing welfare measures and workers' other demands and listening to their grievances; problems relating to production or other general problems of the enterprise have figured in only infrequently. Some improvement in relations is reported but it is difficult to verify it. With the exception of one or two concerns, as, for example, Belur Works, other units had a brilliant record of industrial relations even before the introduction of the scheme. They had not experienced any major trouble. There has been no trouble since then either, but it cannot be positively stated that the council has much to do with it. Incidentally, it may be mentioned that Tatas had the worst industrial unrest in their history after the 1956 agreement which provided for joint consultation, was signed. The council's poorest performance is in relation to the third criterion. The scheme has singularly failed in developing in the workers a sense of belonging. The general body of workmen have remained untouched and unaffected. It is partly due to a weak "communication system." The workers do not know what is happening at the councils and their leaders do not take them into confidence. Moreover, even this is doubtful that the workers have the urge for self-expression. In an underdeveloped country the workers' first interest is economic well-being. All other considerations are secondary. The scheme has however satisfied the ego of union leaders. They are happy that they can talk to the top executives face to face on equal terms.

The reactions of labour and management vary from council to council. A cross-section of their views is given below:

Management views: "The scheme is premature and is serving no useful purpose. The uneducated workers have an inferiority complex and the educated ones think too much of themselves. Both these attitudes hinder the smooth running of the council. The union is asking for too much. The management is not prepared to hand over management functions to the union or share it with them. They can only be consulted. They want true participation which is not possible. Trade unions are apathetic and are providing no guidance to their nominees on the council. Workers put forward no proposals. In every matter the initiative has to be taken by the management. The workers are neither enthusiastic nor competent. They should not be consulted on major issues. They do not understand nor do they care to. They only know how to extract more. Consultation will ultimately lead to participation."

Labour views: "The council is a mere show. Management is not prepared to share responsibility with us. The council has eliminated from our minds the fear of management. The council put a check on management's favouritism and vindictiveness. The managements' motive in constituting the council is that it adds to their prestige. They are not sincere about it. The chairman (manage ment representative) adopts a very domineerin attitude. He wants to conduct the meetings in h own way. He does not allow union members eve to speak freely. *Mill ka prabandh malikno k kam, hai. Ham bina padhe likhe mazdoor ya sab kya janen.*"

In conclusion, it may be said that the pr gress of "worker-participation in management both in quantitative and qualitative terms disappointing. Much spade-work will have t be done to make the councils a success. Som important steps which must be taken before th scheme is extended further are:

Basic amenities of life should be assured to th workers. Then alone can they be expected to tak interest in it.

Trade union movement must be strengthene The trade union federations should discover com mon interests and objectives and evolve combine methods of attaining them.

A comprehensive and well planned programm of workers' education which should include trair ing courses for union leaders and council member Training of management in all aspects of huma relations is equally important.

The managements and the unions should accep the "code of discipline" as a matter of faith an implement it with all sincerity.

A satisfactory machinery acceptable to a parties for the settlement of disputes should b evolved. The possibilities of voluntary arbitratio should be fully explored.

The I.N.T.U.C. has rightly observed that "i is necessary there should be no false step take in this direction and we must allow sufficien time to prepare the ground and to create th necessary climate so that the experiment mad on even a limited scale will lead to success. The progress may be slow, but the pace must b firm and steady. The need for hastening slov is strong.

Note: The views of labour and manage ment quoted in this article are based on per sonal interviews.

(*Concluded*)

STATE BANK OF BIKANER

(Subsidiary of the State Bank of India)

Head Office: **BIKANER**

OPEN YOUR SAVINGS BANK ACCOUNT

at any of our 72 branches

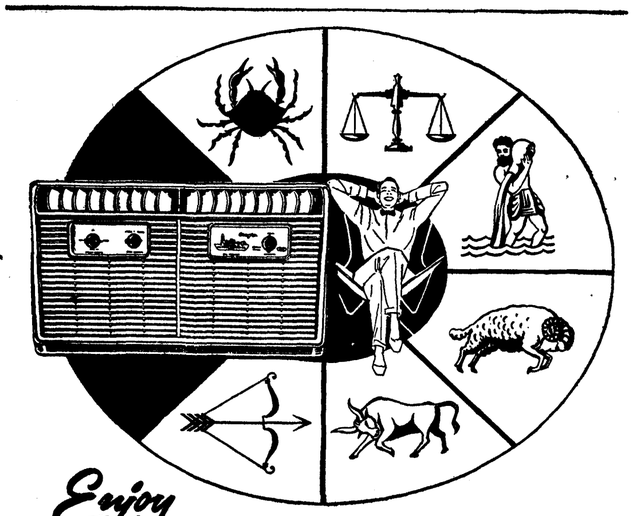
and earn interest at 3% per annum.

SAFE DEPOSIT LOCKERS

available at most branches.

Foreign Exchange Business

undertaken.



Enjoy

cool comfort throughout the year

Airtemp BY CHRYSLER

Whatever the time of the year...whatever the weather outside...*Airtemp* helps you keep an even temperature inside your home or office. Its silent working, quick cooling, well controlled distribution of air, and beautiful appearance make the *Airtemp* your best buy. All this plus a five year warranty too! Install an *Airtemp* and enjoy quiet, cool comfort all through the year.

Distributors:

BOMBAY CYCLE & MOTOR AGENCY LTD.

534 Sardar Vallabhbhai Patel Road, Bombay 7 ★ Phone: 70684 - Grams: "CYCLOSTERS Grant Road, Bombay"

DEALERS:

Messrs. Himalaya Mfg. & Sales Company, DELHI-7.
Messrs. Blue Star Engineering Company (Madras) Private Limited, MADRAS-1.
Messrs. Auto Distributors Limited, CALCUTTA-16.
Messrs. Electro Air Conditioning Corporation, AHMEDABAD-1.
Messrs. Atlas Engineering Corporation, BOMBAY-1.
Messrs. Narbheram & Company Private Limited, JAMSHEDPUR-1.
Messrs. Natural Gas Company Private Limited, POONA.

INFLUENCE OF METTUR IRRIGATION PROJECT

FINDINGS OF PILOT SURVEY IN TANJORE DISTRICT

By Professor V. G. Ramakrishna Aiyer

THE Madras State has been a pioneer in the establishment of hydro-electric and major irrigation schemes, such as the Mettur Project. In recent years after independence, there have been devlopments in this field in the Madras State as part of the general scheme of development all over India. These development projects are presumed to raise the standard of living of the farmers through intensified farming and increased production. In the case of projects which have been completed in the past, e.g. Mettur Project, it would be worthwhile to find out what developments have taken place in agriculture and agro-industries in the zone commanded by these projects. An evaluation of the economic benefits of the Mettur Project might reveal certain trends and certain facts which could act as pointers to future schemes which are being planned in India and indicate modifications which may be necessary in planning.

The pilot survey was intended for studying the influence of the Mettur Projects in the directions mentioned above. Tanjore district has generally benefited most as far as agriculture is concerned due to this project. The Pattukottai taluk in the Tanjore district was considered ideal for the pilot survey since this is the only taluk of the district which was a dry area prior to the advent of the Mettur scheme and provides now a comparison over the conditions existing prior to the project.

Out of the area of 3,738 sq. miles of Tanjore district, Pattukottai taluk embraces at present 435 sq. miles, i.e. nearly a ninth of the total area. Out of the population of 2,982,670 (29.8 lakhs) in Tanjore district, Pattukottai has a population of 246,153. Roughly one-twelfth of the population of Tanjore district is in the present Pattukottai taluk. So we can say that in size and population, Pattukottai forms an important area and is sufficiently representative of the dry taluks of Tanjore.

Irrigation

Out of the population of 246,153 in Pattukottai taluk, 90 per cent is rural in character. More than 85 per cent of the population is depending on agriculture. The total number of villages in the taluk is 269 and out of these, 231 villages are now irrigated by the Cauvery Mettur Project, and the rest are mainly rain-fed supplemented by tanks and wells. Out of these 231 villages now irrigated of the Cauvery-Mettur canal, 15 villages were selected by random sampling for the pilot survey and three other villages were also chosen from the non-irrigated areas for purposes of comparison.

Prior to the introduction of the Cauvery-Mettur Project, the people of these villages found recourse to jungle streams, wells and tanks for agricultural purposes. Even now this is the case in the non-project areas where water is difficult to obtain even by digging wells, and even if water is obtained, it has not provided a regular and continuous source. In contrast to this, in the villages in the canal-fed areas a regular supply of water is now provided through the canals from the later half of June to the end of January. Further, in the canal-fed area the water-table has increased so that it is possible to dig wells at a depth of 10 to 20 ft. for irrigating the area during the summer months with such crops as gingelly and groundnut for supplementary income.

Crop Patterns

A noteworthy feature of the pilot survey is in respect of the changes in cropping patterns as a result of the irrigation facilities now provided by the Mettur canal. The area under paddy in Pattukottai taluk has jumped from 38.3 per cent of the total cultivated area as it stood prior to the project to 80.8 per cent. Nearly 89 per cent of the holdings have been brought under wet cultivation for paddy, whereas the comparable figure is only 22.9 per cent in the non-project area. All this tends to show that the advent of the Mettur canal has made Pattukottai almost an area of monoculture of paddy whereas prior to the project, owing to lack of water facilities, the farmers raised precarious varying crops to suit the changing and uncertain seasonal conditions. In paddy cultivation itself there has been a change. Whereas in the non-project area there is no acreage where two crops of paddy are taken, it is found that in the holdings surveyed in the project area, 35.3 per cent of the acreage is under double-crop system. One of the features worthy of mention with regard to patterns is the fact that the introduction of more assured water-supply has given an incentive almost wholly to expansion and intensification of paddy cultivation.

Regarding cultivation practices, the survey indicates that there is not much change or improvement. Though there is an Agricultural Research Station in Pattukottai with its model farms using iron ploughs, Burmese Setton, green manure trampler, etc., these expensive implements have no attraction for the small farmers with slender incomes. There was only one instance where the Japanese method of cultivation was practised.

Production Costs

In the canal-fed area, the average cost of production of paddy per acre was about Rs. 121 and the average value of the net yield per acre works out to Rs. 230 and average net profit to Rs. 113. The average yield of paddy in the canal-fed area is 30 *kalams* (a *kalam* of paddy is about 64 lbs. in weight) per acre whereas that in the non-project area is about 20 and the average cost of production of paddy is Rs. 96 per acre; the average value of the net yield per acre is Rs. 125 and the average profit Rs. 3.

In the case of groundnut the value of the net yield per acre in the project area is Rs. 128 and Rs. 80 in the non-project area; and the profit per acre works out at Rs. 71 in the canal-fed area, and Rs. 33 in the non-project area. The average yield of groundnut in the canal area is 26 *kalams* per acre and in the non-project area it is 17. These figures indicate clearly the substantially increased net returns to the farmer in the project area as a result of the continuous supply of water from the Mettur canal.

Land Sales

It is not easy to collect information in this regard and both direct and indirect methods of obtaining information had to be resorted to. Out of the 597 samples surveyed, 126 have been able to purchase additional lands during the last 10 years; and in only 11 samples had any indebtedness been recorded. The average holding in the project area is still not adequate as an economic unit, and though there has been a definite increase in the net returns it is not adequate to make considerable savings with which to purchase lands.

Agro-Industries

The pilot survey of the 15 villages included investigation into the rural industries existing and the possibilities of expansion. The chief industries are rice mills, oil pressing, mat-making and cloth-weaving and all of them are in small units. In the case of the villages adjoining the sea, fishing and the manufacture of salt are significant. There is need and scope for strengthening some of these small industries like mat-weaving on account of plenty of *korai* grass available in some of the villages, bee-keeping for which there is scope in some of the villages which are replete with flowering plants suitable for bee-keeping.

Population Trends

Almost cent per cent increase in the yield of staple food, i.e. paddy in the project area, has made it possible for Pattukottai taluk to sustain a much larger population than it did prior to the new irrigation facilities as is evidenced by the changes in population pattern between 1941 and 1951. While the Madras State during this period registered an increase of 14.4 per cent, Pattukottai taluk in comparison registered an increase of 33 per cent. In the villages surveyed, there have been instances of increase of population upto 372 per cent between 1931 and 1951. The average increase for the 15 villages surveyed was 58.6 per cent. This is a clear indication that the irrigation projects of this type go a long way to sustain a greater population than was originally possible.

The percentage of population under agricultural employment has also increased as a result of the project. According to the pilot survey, 93.8 per cent of the population in the villages surveyed in the canal-fed area have taken to agriculture as against 87.9 per cent in the non-project area. The irrigated area of Pattukottai taluk has also come to the succour of the agricultural people of the non-project area of this taluk and the dry areas of the neighbouring district of Ramnathapuram in the time of distress and famine and in periods of drought when these people migrate to the project area. The irrigated area of Pattukottai has also provided regular employment every year during the harvest time to the agricultural labourers of the dry areas of the taluk.

Important Findings

The important findings which emerged out of the survey may now be brought together. First, the cent per cent increase in the yield of paddy has enabled Pattukottai taluk to sustain a much larger population than it did prior to the project. Between 1931 and 1951, while the average increase in population in Madras State was about 27 per cent, in Pattukottai it was about 44 per cent. In the villages surveyed there have been instances of increase of population upto about 370 per cent between 1931 and 1951. Secondly, one of the indirect benefits to the agriculturists as the result of the Mettur canal has been the prevention of floods and saving of fertile lands in the delta from the damages usually caused by the floods. Thirdly, one of the indirect benefits which the project has conferred on the agricultural economy of the Tanjore district is that about 3.5 lakh acres were freshly brought under irrigation, i.e. an increase of about 44 per cent over the previous area under irrigation. The area under paddy rose by about 29 per cent and in Pattukottai taluk itself by about 211 per cent and about 89 per cent of the total area, as shown by the surveyed holdings, has been brought under wet land cultivation, whereas in the non-project area it is only about 23 per cent. Another finding is that the area under cultivation itself increased as a result of the project by about 27 per cent in Pattukottai taluk. The project has made it possible that a significant proportion of the wet land area in Pattukottai taluk can grow two crops of paddy a year instead of the one prior to the project. Among the holdings surveyed, about 35 per cent of the yet land area is under double crop compared to only a single crop in all the wet land area in the non-project zone in the same taluk.

The survey reveals further that the percentage of population under agricultural employment has also increased. About 94 per cent of the population in the canal-fed areas have taken to agriculture as against 88 per cent in the non-project area. Again, the crop pattern considerably changed as a result of the project whereas prior to the project, the farmers in the taluk under stress of lack of water facilities had to have recourse to growing of varied crops to suit the changing and uncertain seasonal conditions. Pattukottai is now an area of almost monoculture of paddy and the area under paddy has gone up from about 38 per cent of total cultivated area in 1931 to about 81 per cent in 1951.

Four other important findings are: First, in the holdings surveyed, it was estimated that only about 1 per cent of the total area under paddy grew improved strains and only 8 per cent of the total area under paddy received an effective dose of ammonium sulphate. It was evident that improved agricultural practices have not been adopted in the area surveyed to any significant extent, and what increase in yield has been obtained since the advent of the project has been mainly what water-supply by itself can achieve. Secondly, from the statistical analysis of data obtained, the average net profit from paddy cultivation has been more than three times the net profit obtained before the introduction of the project. This gives an indication of the comparative economic prosperity of the farmers in the project area and the scope for better creditworthiness of the farmers. Thirdly, adequate advantage has not been taken of electricity introduced in parts of the taluk. The use of electric power for starting small agro-industries requires in the initial stages some guidance and financial assistance and so long as these things are lacking, there is no point in finding fault with the simple village people in not developing subsidiary industries. This is a matter which will require the immediate attention of local authorities. And finally, lack of proper road communication in almost all the villages surveyed seems to be mainly responsible for the unsatisfactory progress in cultivation techniques in the villages.

ALLAHABAD BANK
LIMITED
Established : 1865.
Affiliated to The Chartered Bank.

REGISTERED OFFICE: CALCUTTA,
14, India Exchange Place.

A Branch of the Bank has been opened on 29th May, 1961 at "New Portion," Grand Trunk Road, Jullundur City.

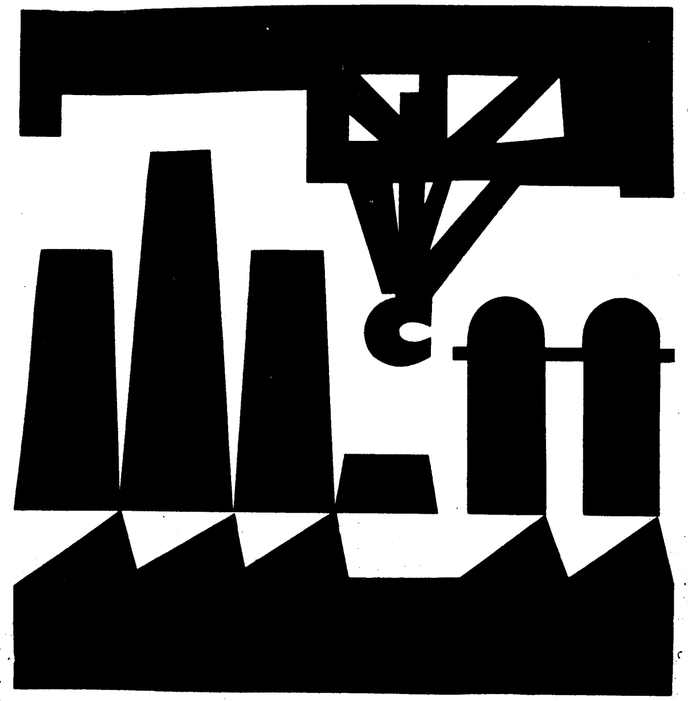
M. J. Maclaren,
GENERAL MANAGER.

Your savings earn a big
3%
per annum interest at the
CORPORATION BANK
Open your Savings Bank Account right now at any of the Bank's 62 Offices and earn interest at 3% per annum.
Branches of the Bank in Bombay City:
(1) Fort (2) Mandvi (3) Shivaji Park and (4) Kalbadevi.

THE CANARA BANKING CORPORATION LIMITED.
Estd. 1906 Regd. Office: UDIPI, S.I.
Administrative Office: MANGALORE-1

STEARIC ACID
(DOUBLE DISTILLED)
Manufactured by
THE MODI VANASPATI MFG. CO.
Maharashtra State Distributors
RAMJILAL LAKHMICHAND
333, Kalbadevi Road, Bombay-2
Phone—Office: 39361 Residence: 88436
Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

OBTAIN FREE BROCHURE ON PATENTS & TRADE MARKS
Contact;
PURUSHOTTAMDAS GOKULDAS
[Patent Attorneys
39D, People's Building, Ground Floor, Sir Pherozshah Mehta Road, Bombay-1.
Telephone: 258914—258172.



We assist you
in the industrial development
of your country
by granting and acquiring industrial licences, industrial property rights, technical documentations, and by scientific-technical aid.

LIMEX
Aussenhandelsgesellschaft m.b.H.
Berlin C 2, Schicklerstr 5-7
German Democratic Republic

BANKERS
It will pay you to consult us
FOR YOUR
★ CHEQUES ★ SHARE CERTIFICATES
★ DEMAND DRAFTS ★ LEDGERS
★ PAY-IN SLIP BOOKS ★ PASS BOOKS
★ LETTERHEADS ★ ENVELOPES
and all other printing you may require
G. CLARIDGE & CO. LTD., SECURITY PRINTERS
CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

MARKED EXPANSION IN GENERAL INSURANCE BUSINESS

NUMBER OF INSURERS, HOWEVER, DECLINES

THE *Indian Insurance Year Book*, 1960, just published, gives a comprehensive picture of general insurance in India at the end of 1959. Although the usefulness of the *Year Book* has been substantially lost through its delayed publication, considering the fact that there is no other source of reliable information about Indian insurance in the country, it is still a useful publication. We reiterate the plea voiced many a time in these columns that the Controller of Insurance should take steps to advance the publication of the *Year Book* so that the present wide gulf between the date of publication and the last accounting year covered by the *Year Book* will be reduced.

There were, at the end of 1959, according to the *Year Book*, 176 insurers registered under the Insurance Act, 1938 for transacting one or more classes of general insurance business in India. Of these, 89 were Indian insurers and 78 non-Indian insurers. While ten non-Indian insurers and one Indian insurer ceased to remain registered during the year 1960, one non-Indian insurer was registered during the year so that at the end of 1960, there were in all 166 insurers registered under the Indian Insurance Act for transacting one or more classes of general insurance. Of those, 88 were Indian and 78 non-Indian. Forty-eight of the Indian and 36 of the non-Indian insurers were registered for all three classes of general insurance business. Twelve Indian and 16 non-Indian insurers were registered for two of the three classes and the rest, namely, 28 Indian and 26 non-Indian, were registered for only one class. Of the Indian insurers, 39 having their registered office in Maharashtra State accounted for about 62 per cent of the total net premium income. About 71 per cent of the net premium income in India of the non-Indian insurers went to the 62 insurers constituted in the U.K. Tariff insurers continued to account for the bulk of the business in the country. The net premium income in India of the six Indian non-tariff insurers transacting miscellaneous insurance business was about 6.2 per cent of the premium income in India of all Indian (tariff and non-tariff) insurers.

Rate of Growth Higher

A comparison of the increase in industrial production and the growth of the general insurance business in India shows that the rate of growth of general insurance in 1959 was much higher than in the previous year. Thus the index number of general insurance business (Base 1951=100) rose by 10.5 points from 139.7 in 1958 to 151.9 in 1959, as compared with a rise of 4.6 in 1958 and 0.5 in 1957. The index of industrial production went up by 12.2 points during the year as compared with only 2.4 points in the year 1958 and 4.7 points in 1957. The following table gives a comparative study of the trend of industrial production and general insurance during the period 1954-59:

Growth of General Insurance 1954-'59

	1959	1958	1957	1956	1955	1954
Index of general insurance business in India ..	167.3	146.8	140.4	139.9	135.3	112.2
Index No. of industrial production	151.9	139.7	137.3	132.6	122.4	112.9
Gross premium written direct in India (Rs. in crores)	33.19	29.72	27.84	26.07	23.09	21.35
Net premium (Rs. in crores)	22.46	20.46	18.14	16.03	14.40	13.60

The gross premium written direct in India during 1959 in the classes of fire, marine and miscellaneous insurance business was Rs. 8.72 crores, Rs. 5.10 crores and Rs. 9.19 crores respectively, amounting in all to Rs. 23.01 crores for Indian insurers and Rs. 4.94 crores, Rs. 2.47 crores and Rs. 2.77 crores, respectively, amounting in all to Rs. 10.18 crores for non-Indian insurers. The gross premium written direct outside by Indian insurers was Rs. 1.99 crore, Rs. 1.74 crore and Rs. 3.31 crores in the classes of fire, marine and miscellaneous insurance respectively, amounting in all to Rs. 7.04 crores. The gross premium written direct in India and outside India by Indian insurers was higher than that during 1958 in all classes except for fire insurance business outside India. The non-Indian insurers wrote a larger gross premium in India during 1959, as compared with 1958. The share of Indian insurers in the total gross premium as well as net premium income rose further during 1959 in all classes of general insurance except for a slight fall in their share of the marine net premium income in India as compared with 1958.

Underwriting Experience

An analysis of the underwriting experience shows that Indian insurers spent in respect of fire insurance business during 1959 33 per cent of their total gross premium income in India as expenses, taxes and miscellaneous outgo, 14 per cent on commission and 26 per cent in claims, leaving a balance of 27 per cent. The corresponding figures for non-Indian insurers in respect of their Indian business were 36 per cent, 14 per cent and 22 per cent, leaving a balance of 28 per cent. In respect of marine insurance business Indian insurers spent in 1959 18 per cent of their gross premium income in India on expenses, taxes and miscellaneous outgo, 7 per cent on commission and 68 per cent in claims, leaving a balance of 7 per cent. The corresponding figures for non-Indian insurers in respect of their Indian business were 26 per cent, 9 per cent and 48 per cent, leaving a balance of 17 per cent.

In respect of miscellaneous insurance business, Indian insurers spent during 1959 24 per cent of their gross premium income in India on expenses, taxes and miscellaneous outgo, 13 per cent on commission and 54 per cent on claims, leaving a balance of 9 per cent. The corresponding figures for non-Indian insurers in respect of their Indian business were 31 per cent, 13 per cent and 41 per cent, leaving a balance of 15 per cent.

The total assets of Indian insurers as on 31st December 1959 amounted to Rs. 57.04 crores, as compared with Rs. 51.93 crores and Rs. 49.08 crores at the end of 1958 and 1957 respectively. Thirteen per cent of the total assets had been invested in securities of Government and public authorities, 3.1 per cent in foreign Government securities, 28.0 per cent in shares and debentures of Indian companies, 1.6 per cent in land and house property, 21.8 per cent in deposits, cash and stamps, 1.5 per cent in loans, 0.4 per cent as accrued and outstanding interest and 7.4 per cent in miscellaneous assets. The balance of 22.4 per cent was agents' balances, outstanding premiums, and amounts due from other insurers.

The assets in India of non-Indian insurers as on 31st December 1959 amounted to Rs. 11.41 crores of which 23.3 per cent were invested in securities of Government and public authorities, 20.9 per cent in shares and debentures of Indian companies, 2.7 per cent in land and house property, 32.4 per cent in deposits, cash and stamps, 0.7 per cent in loans, 0.3 per cent as accrued and outstanding interest and 9.9 per cent in miscellaneous assets. The balance of 9.8 per cent was agents' balances, outstanding premiums and amount due from other insurers.

All in all, the progress of general insurance during the year under review has been heartening. This result, partly attributable to the rise in industrial production, may be expected to have been bettered in the year 1960 when the index of industrial production had reached a record level. It is to be hoped that the next *Year Book* will unfold a still more heartening story in so far as growth of business in concerned.

The Government of India has formed an Advisory Committee for the purpose of Section 101A of the Insurance Act whose term of office will be for two years from the date of nomination. The members of the Committee are: Messrs. S. K. Vaiyapuri, Controller of Insurance (*Chairman*), T. M. Telang (Indian Trade and General Insurance Co., Ltd.), D. Hammond Gilles (Alliance Assurance Co., Ltd.), R. M. Desai (India Reinsurance Corporation Ltd.), B. R. Mody (Indian Guarantee and General Insurance Co., Ltd.). Mr. S. C. Das Gupta, Assistant Controller of Insurance, will be the Secretary of the Advisory Committee.

The Government of India has approved the India Reinsurance Corporation Ltd. and the Indian Guarantee and General Insurance Co., Ltd. as Indian reinsurers for the purposes of clause (ii) of sub-section (8) of Section 101A of the Insurance Act, as amended by the Insurance Amendment Act 1961.

Every Post...

BRINGS its many problems calling for the assistance of our bureau and every letter received is given the personal attention of widely experienced staff. This is part of the constant business of helping every industry to make better use of—

Nickel and its alloys

The collective experience of our staff is made available to you through our wide range of publications and free consultation service.

Have you a problem on—

Nickel cast iron
Nickel alloy steels
Nickel stainless steels
Nickel plating
Nickel silver
Nickel non-ferrous alloys?

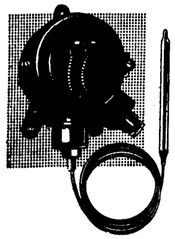
Write for information to

NICKEL INFORMATION BUREAU PRIVATE LTD. United Bank of India Building, Pherozshah Mehta Rd., Fort, Bombay 1.

INDUSTRIAL AUTOMATIC CONTROL EQUIPMENT

By

MESSRS. FR. SAUTER, SWITZERLAND



- TIME SWITCHES with/without Astronomical Dials
- IMPULSE EMITTERS
- INTERVAL TIMERS
- RELAYS
- CONTACTORS & LINESTARTERS
- THERMOSTATS OF ALL RANGES
- REFRIGERATION CONTROLS
- PRESSURE SWITCHES
- LEVEL CONTROLS, Etc.

SOLE AGENTS:

TOSHNIWAL BROTHERS (PVT.) LTD.

198, Jamshedji Tata Road, BOMBAY-1

BRANCHES:

AJMER - CALCUTTA - NEW DELHI - MADRAS

THE UNITED COMMERCIAL BANK LIMITED

Head Office: CALCUTTA

Authorised Capital	..	Rs. 8,00,00,000
Subscribed Capital	..	Rs. 4,00,00,000
Paid-up Capital	..	Rs. 2,00,00,000
Reserve Fund	..	Rs. 2,05,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.

Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.

AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, *Chairman.*
S. T. SADASIVAN, *General Manager.*

You can bank on
The Bank of Baroda
for really
first class service!

We offer complete banking service:

Current Accounts • Savings Bank and Recurring Deposit Accounts • Fixed Deposits • Loan, Overdraft and Cash Credit Accounts • Discount of Bills and Hundis • Safe Custody • Foreign Bills and Letters of Credit • Travellers Cheques and Cash Certificates • Demand Drafts • Telegraphic Transfers • Executor and Trusteeship • Safe Deposit Lockers

Offices—at home and abroad:

Over 140 offices in India...10 offices abroad...correspondent banks in the principal cities of the world.

Over 50 years' experience

Capital Authorised	Rs	3,50,00,000
Capital subscribed	Rs	3,00,00,000
Capital paid-up	Rs	1,50,00,000
Reserve Funds and other Reserves	Rs	1,61,14,860
Working Funds over	Rs	109,86,20,000

THE BANK OF BARODA LIMITED

(Estd: 1908)

Head Office: Baroda JWT-BB 1975

STYRIANSTEEL

Manufactured by

STYRIAN STEEL WORKS LTD.

VIENNA, AUSTRIA

EARLY SHIPMENT AND COMPETITIVE RATES

AGAINST YOUR LICENCE

Contact

ASSOCIATED STEEL AND TOOL CORPORATION,

8-IV, Central Bank Building, Bruce Street, BOMBAY-1

for

HIGH SPEED STEEL, HIGH CARBON HIGH CHROMESTEEL, HOT DIE STEEL, STAINLESS STEEL, NICKEL CHROME STEEL, OIL HARDENING NON-SHRINKING STEEL, ETC.

QUESTION OF U.K.'S ENTRY INTO COMMON MARKET

THREE MAJOR HURDLES IN THE WAY

WITHIN less than a month from now—on 1st July 1961 to be precise—the European Free Trade Association will reduce tariffs among themselves by another 10 per cent. The first cut of 20 per cent had been made a year ago. According to the original provisions of the Stockholm Treaty, the 10 per cent cut was planned to take place only in January 1962. The acceleration of tariff cuts has been envisaged with the obvious purpose of keeping the E.F.T.A. in step with the pace of tariff reduction within the Common Market of the Six. The Six, it may be recalled, has already reduced internal tariffs among themselves by 30 per cent—10 per cent each in January 1959, July 1960 and January 1961. Although, thus, the two trading blocs have been taking decisive steps to consolidate their respective positions, no positive programme has so far been worked out to bridge the gulf between the two blocs—a gulf that threatens to endanger the unity of Europe.

In the meantime, British public opinion has become very vociferous in demanding a 'ink with the Six, prompted mainly by the rapid industrial progress made by them in the last two years. The British Government has, of course, become responsive to the public demand. In fact, an indication of the unmistakable desire of the U.K. to join the Six was given by Mr. Edward Heath, Lord Privy Seal, in his speech at a meeting of the Western European Union (in which the U.K. and the Six are constituent members) at Paris in February last. That the U.K. Government's European policy has not undergone any change since then has been vindicated by the observation of Mr. Harold Macmillan, the U.K. Prime Minister, at the meeting of the W.E.U. in London last week. Mr. Macmillan had practically nothing new to say on the Government's policy much to the disappointment of several observers who expected a clear enunciation of the Government's policy, if not a final decision, from him at this juncture. He did in fact stress the need for maintaining unity in Europe. But he made no secret of the fact that any such move by the U.K. would depend on how far the Six would reconcile themselves to the three problems facing Britain, namely, domestic agriculture, the E.F.T.A. link and the Commonwealth preferences. This would naturally necessitate the amendment of the Rome Treaty, if the U.K. is to be admitted as full member of the Common Market. Mr. Macmillan pointed out in particular that the Commonwealth—"association of peoples of many races buttressed by its trade pattern"—was an important element of strength and stability to the whole free world, making it difficult to be overlooked in any new move.

Commonwealth Meeting

Quite irrespective of the advantages or disadvantages of Commonwealth countries (other than the U.K.) arising out of closer co-operation in Western Europe, a time has come for the Commonwealth to reconcile itself to the new European policy of the U.K. It is now clear that the U.K. has once and for all rejected its original proposal for a free trade area. At the meeting of the senior economic officials from the Commonwealth countries at London last week, the U.K. delegation left the other members in no doubt about its intentions *vis-a-vis* the Common Market, although the U.K. refused to make any commitments on the subject. The question now facing the U.K. is not whether it should join the Six or not, but only the specific terms on which it should join them. So what the non-European Commonwealth countries have to think now is not whether the U.K. would go "in," but what price it will in the last resort be prepared to pay. The African Commonwealth members made it clear at the meeting that they would welcome any move towards Europe by the U.K. since this could only benefit their exports of tropical products by opening out an expanded market. The delegations of other Commonwealth countries pointed out, however, that they attached great importance to the existing trade links with U.K. On the whole, the general attitude of the Commonwealth delegations appeared to be a recognition of the inevitable rather than a positive welcome to U.K.'s possible membership of the Six. No clear solutions for the Commonwealth problem have so far been worked out. It is, however, interesting to await the reactions of the Common Market countries to the recent proposals made by President Kennedy to the Common Market for the abolition of protective tariffs on tropical products and for the creation of an aid fund for producing countries. An indication of the present British opinion on the Commonwealth system is well brought out by the London *Financial Times* in these words:

"For the Asian Commonwealth members the most important single issue is how a united Europe would treat their exports of low-cost manufactures. Here again the Americans have now put forward an idea which could prove the long-term answer. A scheme to share the "burden" of low cost imports among the industrial nations certainly should get full British support. It must be economically more beneficial to import cheap goods than to export dear money—provided the imports do not lead to really serious disruption of markets.

"It is on the commercial policy which Europe as a whole would pursue towards India, Hong Kong and Pakistan, that these countries will judge whether they are getting a fair return for any breach in the right of free entry they enjoy in Britain. For Australia, New Zealand and Canada the whole question is complicated by emotional forces which are bound to affect political and economic judgments.... Quite understandably, all three are anxious that their sales of temperate zone foodstuffs, and in the case of Canada of manufactures, to Britain should not suffer. They point out very rightly that it would hardly be advantageous for Europe to stimulate the production of foodstuffs through higher prices. The result of such a policy would be to curtail consumption while decreasing the market share of the most economic producers. For New Zealand the matter is especially grave because dairy produce accounts for such a large share of her export proceeds."

The fact that the problem is difficult, the paper concludes, should not make anyone assume that a European settlement must turn out disastrously for the Commonwealth. If and when the U.K. gets down to hard bargaining with the Six, it adds, the Commonwealth "will obviously have to be constantly and closely consulted."

Agriculture

The problem of British agriculture, it is being gradually realised in Britain, is not an unsurmountable problem. The Rome Treaty has laid down only a general scheme for a common agricultural policy. Details are yet to be worked out. This will enable the Six to make necessary adjustments to accommodate British views on the subject. It is true that the British farmer can be protected even after the British entry into the Common Market, except perhaps for some difficulties in respect of milk, pigs and a few horticultural products. But there is reason to believe that food prices in Britain will go up, if it joins the Six. Several research studies conducted in London, including those by Mr. Colin Clark and also by the Political and Economic Planning (P.E.P.), do confirm the fear of a rise in prices. But the general impression is that this price increase will only be of marginal significance. So long as the E.F.T.A. is concerned, the U.K. would appear to feel that its entry into the Common Market will only facilitate an early negotiated settlement of the two blocs.

Meanwhile, the Common Market countries themselves have been seeking to avoid any impression that its policies would lead to discrimination against third countries. The C.M.'s offer of a 20 per cent reciprocal reduction in customs duties for all industrial products is an instance in point. The offer is now being considered at the second lap of the G.A.T.T. Conference on tariff reduction commenced at Geneva on 29th May. The Common Market's offer has been welcomed by both the U.K. and the U.S. The British delegation has indicated that it is ready to begin talks immediately with the Common Market on its 20 per cent tariff reduction. Although the American delegation is not in a position to consider an overall reduction, it has expressed its readiness to begin talks, which will cover a very long list of products. The talks now in progress in Geneva covers all-round reductions in world tariffs and embrace 79 per cent of world trade or about $105,000 million.

G.A.T.T. OFFERS TECHNICAL ADVICE

The Contracting Parties to the General Agreement on Tariffs and Trade have decided to offer to newly independent States advice and guidance in formulating their commercial and customs policies. The decision was taken at the eighteenth session of the Contracting Parties held recently at Geneva. This undertaking to stand ready to offer technical assistance, covering all matters which fall within the competence and jurisdiction of the General Agreement, is being made on the understanding that the country which needs it will take the initiative in asking for assistance. The decision to offer technical assistance received the unanimous endorsement of the Contracting Parties. In particular, it was warmly welcomed by representatives of developing countries, who spoke on behalf of newly independent States. In the implementation of this decision there will be close collaboration with other inter-governmental agencies which are active in the field of technical assistance, as well as with other inter-governmental agencies having competence in such aspects of commercial policy as customs tariffs, so as to avoid any possible duplication of effort.

Another important decision taken at the session relates to the convening of a meeting of the Ministers for trade and economic affairs of all member-countries at Geneva at the end of November next. This meeting, which will last about a week, will be held during the period of the nineteenth session. All regions of the world are represented in the membership of G.A.T.T. and it follows that the Ministers will be called upon to consider problems of major importance relating to the continuing expansion of international trade, with a view to giving directives which will ensure a further step forward in bringing down trade barriers on a world-wide front. It may, therefore, be expected that Ministers from every continent, and representing countries in various stages of development will decide to attend this meeting. The broad subject matter for discussion at the Ministerial meeting arises in the main out of the work done during the past three years in the G.A.T.T. trade expansion programme. In the field of tariffs the Ministers will be in a position to take stock of the progress made in the "Dillon" round of tariff negotiations currently taking place at Geneva and to look forward towards further tariff disarmament on a world-wide basis, through the adoption of measures that may prove effective for this purpose.

Trade in agricultural and food products presents fundamental difficulties which are today generally recognised. Countries whose greatest efficiency lies in agricultural production are faced with severe restrictions in many markets and trade is so depressed that many efficient producers cannot even cover their costs. At the same time the world has an increasing need for cheap foodstuffs. Social and political considerations in many countries, whose economies are highly developed, have led to the adoption of price and income support policies and there is the problem of finding solutions to the difficulties in trade in agricultural products, which are acceptable both to importing and to exporting countries. The search for a solution to the question of agriculture is a matter of world-wide concern.

The need to expand the markets for primary products, semi-processed and light industrial goods is of vital interest for less-developed and developing countries. A number of them face particular difficulties in expanding their exports of products grown in tropical climates. Much work has already been done in identifying the obstacles which hinder the expansion of their export trade, and light has been thrown on the situation sometimes created by certain exports from developing countries in the markets of other countries.

It is expected that, in considering the general problems thus outlined and in formulating ways and means for resolving them, the Ministerial meeting will give further impetus to the work of the Contracting Parties as a whole. In view of the significance of the meeting stress has been laid on the need for a very thorough preparation of the ground in advance. This will be undertaken in September by the Council of Representatives and the results of their work, together with the preparatory work already undertaken by the Contracting Parties in connection with the trade expansion programme, will provide the factual material to which the Ministers will address themselves.

The session, it may be noted here, took a decision to admit the newly-independent country of Sierra Leone as a Contracting Party to the G.A.T.T. With this addition, there are now 39 Contracting Parties to the G.A.T.T.

HEAVY MACHINE TOOL PLANT

An agreement has been signed between the Heavy Engineering Corporation and Messrs. Technoexport of Prague for the preparation of the detailed project report for the heavy machine tool plant, to be set up at Hatia, Ranchi. The detailed project report is expected to be ready by the first week of December this year. The agreement provides, among other things, for the visit of Indian engineers to Czechoslovakia to take part in the preparation of the project report.

The heavy machine tool plant is the third project proposed to be set up near Ranchi under the Heavy Engineering Corporation. The other two are the heavy machine building plant and the foundry forge plant. The plant is being designed to produce annually 10,000 tons of different types of heavy machine tools. For the first time in India, the plant will turn out machine tools weighing as much as 150 tons each. A 60-acre site for the plant has already been selected. The capital outlay on the plant (excluding the cost of quarters for the staff) is expected to be nearly Rs. 15 crores. When in full production, the plant's annual output will be worth Rs. 8 crores. Trial production is expected to begin by 1965-66.

As a measure of export promotion, the Government of India has decided to allow drawback of customs and Central excise duty on jute goods manufactured out of raw jute imported from countries other than Pakistan, paper products (napkins, toilet paper and drinking straw), shrimp cartons for packing sea food, low tension electrical switchgears, motor starters, cosmetic preparations, perfumery compounds and perfumery and safety razor blades. Changes have been made in the items relating to umbrellas and umbrella ribs, hydraulic brake fluid, diamonds, mild steel, paper pins and clips and paper products (playing cards, carbon paper, etc.). Item relating to hessian and sacking has been deleted from the Customs and Central Excise Duties Export Drawback (General) Rules, 1960.

FOR
MACHINE TOOLS
AND
SPECIAL
SWEDISH
STEELS

CONTACT
FK **FRANCIS KLEIN & CO., PRIVATE LTD.**
HEAD OFFICE:
1, INDIA EXCHANGE PLACE
CALCUTTA-1
SHOWROOMS:
13A, GOVT. PLACE EAST
CALCUTTA-1

★ CONSULT
FOR INTERNATIONAL AND DOMESTIC BANKING SERVICE

THE
BANK OF TOKYO
LIMITED
(Incorporated in Japan, under the special law)

32 Overseas branches and representative offices and
1 Associate Bank
1 Affiliate Bank 1 Trust Company

All information concerning foreign trade available

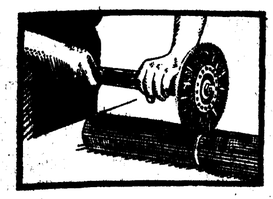
All the latest information in respect of the Japanese pattern of industry and business and the names of all the principal industrial manufacturers and manufactured commodities available for your ready reference.

K. Hashimoto
Manager
Bombay Office

★

Bombay Office:
"Jeevan Prakash", Sir Phirozshah Mehta Road
P.O. Box 1762, Bombay-1 Tel: 253857/58 & 253848
Office at Calcutta Representative at Delhi

"SCCO"

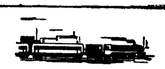


These brushes are invaluable for buffing and cleaning successfully certain casting or rust from structural work, also specially adapted for weld cleaning, and other tough scaling propositions and rough finishing. "TWISTKNOTS" may be operated at considerably higher speeds than ordinary wire wheels and a comparatively light pressure increases both the efficiency and life of the brush, in addition to lightening the work of the operator.

India Brushware
72, CANNING STREET,
CALCUTTA-1.
Phone: 24-1985

Every day in some way you use an
Exide battery
Here are some of the many battery applications served by EXIDE

ELECTRICITY SUPPLY COMPANIES
Switch Tripping & Closing
Control Bus Operation
Power Regulation
Exciter Power
Standby Power
Emergency Power
& Lighting



RAILWAY DUTIES
Train Lighting & Fans
Air Conditioning
Signalling
Diesel Locomotive Starting
Centralised Traffic Control
Railway Electrification

AIRCRAFT
Aircraft Starting, Lighting
Navigation Instrument Operation
Radio Receiving
& Transmission
Aerial Photography
Landing Gear
Emergency Power
Ground Starter Trolleys

INDUSTRIAL USES
Fork Lift Trucks
Platform Trucks
Tractors
Crane Trucks
Power Hand Trucks
Dump Trucks
Electric Mine Locomotives
Mine Shuttle Car Service
Battery Trolley Locomotives
Diesel Battery Locomotives

AUTOMOTIVE
Passenger Cars
Commercial Vehicles
Tractors, Road Rollers
Fire Engines
Ambulances
Police Patrol Cars
Taxicabs Buses &
Coaches
Earthmoving Equipment
Compressors
Special Vehicles

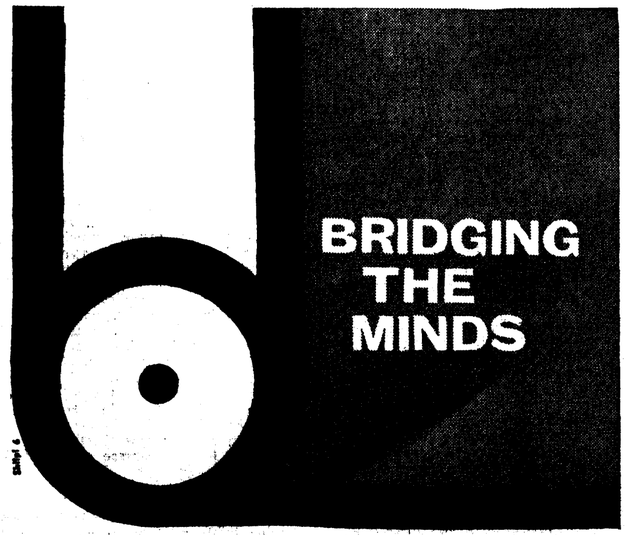
WIRELESS
Receiving
Photograph Transmission
Broadcasting Power
& Protection
Studio Emergency Lighting
Public Address Systems
Police Radio Systems

TELECOMMUNICATIONS
Telephone Exchanges
Telegraph
Telephoto Transmission
Telephone Services

MARINE
Alarm Systems
Fire Detection Systems
Radio Receiving & Transmission
Direction Finding Equipment
Emergency Lighting

MISCELLANEOUS Blasting—Laboratories—Electric Master Clocks—Electro Plating—Electric Welding—Portable Oscillographs—Portable Searchlights—Scientific Instruments—Sound Recording—Sound Production Operating Theatre Emergency Lighting—Estate Lighting

ESSC-48



Channels for communication of ideas are built on paper. Superior in texture and composition, paper comes to you for your personal use from Dandeli Plant of The West Coast Paper Mills Limited.

THE WEST COAST PAPER MILLS LTD.
Registered Office: Shreeniwas House, Waudby Road, Bombay-1. Mills: Dandeli (Mysore State)

FOREIGN SECTOR IN INDIAN INSURANCE

HOW IT PLAYS A USEFUL ROLE

From A Special Correspondent

MR. T. T. Krishnamachari probably made the best defence of the role of the foreign sector in the Indian economy though he was probably referring only to foreign manufacturers who still continued to get licences in India for the production of chocolates, etc. His statement does generally apply to quite a few sectors of the economy. Mr. Krishnamachari had mentioned that the foreign companies are more efficient, their books of accounts are clear, they pay taxes regularly, they treat their staff better and it is easier to deal with them. The insurance market in India has a very complex pattern but in view of the overwhelming share in general insurance of the foreign insurance companies it will be useful to analyse the various sections and throw some light on the methods of working.

In a recent statement in Parliament on industrial policy, it was mentioned that foreign capital will not be welcome now in banking and insurance. This would mean that future banks and insurance companies floated in India must be wholly Indian-owned but it could presumably mean that the entrance into India of branches of various banks and insurance companies is not considered necessary or desirable. In actual practice, however, under the present Insurance Act there is nothing to prevent a foreign insurance company starting a branch in this country. The legal position is that as soon as an application is sent fully supported by the details required, the Controller of Insurance is bound to register any insurance company in India irrespective of its nationality. The Banking Law is probably more restricted but it is known that quite a few foreign banks have established branches in India during the last ten years. The present overall trend so far as foreign interests are concerned is not an increase but an actual decrease in the number of foreign units operating in India.

It is possible to exaggerate the actual decrease of foreign units operated in India. For instance, on the 31st December 1958 there were 91 Indian and 93 non-Indian insurance companies registered in India but as at 31st December 1959, the number of non-Indian companies declined to 78 from 93 and the number of Indian companies declined to 89 from 91, with the result that for the first time in many years there were more Indian general insurance companies in this country than non-Indian general insurance companies. This fall in the number of foreign insurance companies operating in this country is more apparent than real because all these companies previously were working in groups through joint branches with other insurance companies who continue to do business as before. The only change is that instead of four name-plates outside the branch office there are only three name-plates now. All the companies which are withdrawing from India were subsidiaries or managed companies and the principal companies who managed or owned them are still operating here, having taken over the business of the subsidiary companies.

Historical Factors

The large number of companies operating in a relatively limited field is the result of certain historical factors. In the good old days when principal agents, chief agents and special agents were allowed there was a restriction on the number of such agencies per each company. The only way therefore to increase one's business was to evade this regulation by bringing in additional subsidiaries which would entitle one to appoint additional principal agents. The net result was that all these companies never had their individual independent branches but operated through joint branches and the total business was allocated among these jointly operating companies in any proportion they liked. Now that chief agencies, principal agencies and special agencies have been abolished by law there is no point in dealing with a large number of companies and hence ten non-Indian companies ceased to remain registered during the year 1960. One more reason why these companies are being withdrawn is the amount of deposit required to be placed with the Reserve Bank before an insurance company can operate in India. These deposits are substantial sums and these could be withdrawn only by the companies ceasing to be registered. The total deposits of all Indian companies lying with the Reserve Bank of India are Rs. 279 lakhs as against the much larger amount of Rs. 305 lakhs kept by the non-Indian insurers. The non-Indian insurers' deposits are larger even though their total number is smaller because of certain red-tapism in the office of the Controller of Insurance. The deposits cannot be withdrawn without the approval of the Department of Insurance and the Department of Insurance goes into various details to make sure that there are no liabilities left in this country so far as the withdrawing companies are concerned. This department naturally takes very long time over this and companies which withdraw in any particular year are never able to collect their deposits in the same year. As most of the policies and liabilities of the withdrawing companies are guaranteed by the principal companies, it sounds ridiculous and unrealistic on the part of the Controller of Insurance to hang on to these deposits long after the real reason for them has disappeared. There is no reason why a foreign company which is withdrawing should leave with a bad taste of the usual red-tape of our Government departments.

Coming back to the method of operating for group offices, it is necessary to emphasise that the groups and mergers have become very prominent during the last three years and this tendency has been considerably accentuated even in India. Of course, this relates much more to the foreign companies than to the Indian companies. The present 88 Indian companies operating in India are operating through 77 groups which means that 11 Indian companies do not have independent offices but the 78 foreign companies operating in India are only 52 group offices which probably means that 26 insurance companies could go away from India and collect their deposits without any transfer of business away from foreign companies to Indian companies. The large number of mergers which were initially the results of take-over bids abroad have become necessary in India for reasons of economy. An optimum size unit can operate only with a premium income of about Rs. 5 lakhs per branch. Any insurance company which has to conform with the legal limits of expenses has to join hands with another insurance company, so as to form a more economic unit with a reasonable expense ratio.

A Revealing Picture

A comparison of the various portfolios of the Indian and foreign companies gives a most revealing picture. Foreign insurance companies got started in India not as branches but as agencies operating as departments of managing agencies, or business houses. This has a permanent effect on the composition of their portfolios in the sense that most of their accounts are tied accounts very often with some connections at the head office level. These tied accounts not only provide a certain base for minimum operations but they also provide the best quality of business that is available in this country. This is evident from the statistics of the last six years' business published in the *Insurance Year Book* which show that the claims ratios of the foreign companies for fire, marine and accident business have always been lower than the corresponding claims ratios of the Indian insurance companies. This also means that apart from these tied portfolios, whatever the outside business the foreign companies do, is properly rated and underwritten and there is a sound underwriting judgment behind most of their acceptances. This is an inevitable situation where the managers of the foreign companies tend to be people with proper training and managerial experience. The managers of Indian insurance companies, however, tend to be successful salesmen whose salaries vary according to the overriding commissions due to them on their personal portfolios. The main consideration in the minds of salesmen is the need to get along with their clients and not the proper assessment of any risk. It must be mentioned that the lower claims cost of foreign companies does not always mean a higher profit ratio because foreign companies tend to spend more than Indian companies on management expenses and commission costs. This higher payment of management expenses is more than justified by their results which are consistently showing a lower claims cost.

Most foreign companies have gone by sound underwriting considerations and have not blindly pursued an increase in the gross volume of business. This is seen from the fact that they have concentrated mainly on fire business and not so much on marine or miscellaneous business like Indian companies have. Fire business is known to be more profitable all over the world than any other business. Of the 88 Indian insurance companies operating in 1960 only 62 did fire business while of the 78 foreign insurance companies operating in India as many as 65 did fire business, with or without other branches of insurance. Apart from this numerical company-wise concentration of fire portfolio, a fire rate is easier to carry with any client in view of the fact that fire rates are tariffed and tariff rates are fully effective so far as this country is concerned. Again, of the total business done in India only 30 per cent of the total gross direct premium went to foreign companies but if only the fire portfolio is taken into account 36 per cent of the Indian fire business went to non-Indian concerns.

Specialised Insurance Needs

Banks and insurance companies have tended to concentrate at the bigger centres in large numbers leaving the smaller centres relatively inadequately served. Like Indian banks, some Indian insurance companies do operate in some of the smaller centres, but they are relatively smaller, their operating costs are high and the quality of their business is low. Even in spite of this, most of the Indian and foreign companies are concentrated in Bombay, Calcutta and Madras. Of the 95 Indian insurance companies operating in India, as many as 71 had their head offices in Bombay, Calcutta and Madras. Similarly, of the 97 foreign companies operating in 1959, as many as 77 had their head offices in Commonwealth countries. Of these 77, as many as 62 had their head offices in the U.K. This shows the extent of the domination of British companies in the non-Indian sector of the Insurance market. No wonder rates and the nature of insurance covers available in this country have always been dictated from London. Specialised insurances, particularly suited to the needs and requirements of this country, with a higher element of risk have not been supported by the foreign or even Indian companies. For example, the schemes for crop insurance, cattle insurance, export risks insurance, credit insurance and banking deposits insurance have to be initiated and floated by the Government and the private sector has kept completely out of these risky projects. While it is understandable in some degree, it is not clear why the subsidiaries of the Life Insurance Corporation which do general insurance business have stuck only to the traditional branches of insurance and have not taken any interest in these specialised insurance needs of this country.

Code of Conduct

The Code of Conduct for insurance companies in India as issued by the General Insurance Council is followed more in spirit by the foreign companies than by the Indian companies. This is evident from the fact that fictitious assets such as agents' balances, outstanding premiums and dues from other insurers form 22.4 per cent of the assets of Indian companies. The corresponding percentage for non-Indian companies is only 9.8 as at the beginning of 1960. While it is expected that these percentages would come down over a course of years it cannot be disputed that any written off balance amounts to a concealed form of rebating. It must be admitted that not all foreign companies follow the same standards, e.g., the French and American companies follow easier methods than the British companies do and the non-tariff Indian companies follow lower standards of business than the tariff companies do. While such individual and original differences cannot be always remedied the fact remains that the broad outline of the Indian and foreign sectors is very clear. It is useful to have a foreign sector of insurance companies in India because they set better standards of underwriting, efficiency and business practice and it also enables us to keep in direct touch with the biggest and oldest insurance market in London.

TURNOVER OF PHILIPS INDIA CROSSES FIVE-CRORE MARK

ALL-ROUND EXPANSION PLANNED

THE working results of Philips India Limited (Chairman and Managing Director: Mr. P. C. Vink, Calcutta) for the year ended 31st December 1960 are, indeed, excellent. Thanks to the improved position of supplies arising from the progressive realisation of the Company's manufacturing programme as well as to the vigorous efforts of the management to enhance the efficiency of its selling organisation, the total sales have jumped up from Rs. 490.95 lakhs in 1959 to Rs. 555.12 lakhs in 1960, representing a rise of more than 12 per cent. Although the rise in receipts from sales has been offset to a considerable extent by the increase of Rs. 25.64 lakhs to Rs. 283.57 lakhs in the consumption of goods and of Rs. 19.81 lakhs to Rs. 183.92 lakhs in other expenses, the gross earnings have advanced from Rs. 72.59 lakhs to Rs. 91.52 lakhs, the highest on record in the history of the Company. The profit margin, that is, the ratio of gross profit to sales, has improved from 14.8 per cent to 16.4 per cent.

As the Company has made considerable addition to fixed assets during 1960, provision for depreciation has been raised from Rs. 11.17 lakhs to Rs. 19.04 lakhs. And due to higher earnings, provision for taxation has also been increased from Rs. 28.06 lakhs to Rs. 33.50 lakhs. In view of these higher provisions, the net profit shows only a modest rise of Rs. 5.62 lakhs to Rs. 38.98 lakhs. Out of this profit, the Directors have transferred Rs. 2.90 lakhs to development rebate reserve, Rs. 2.02 lakhs for providing against doubtful debts, allocated Rs. 5 lakhs (Rs. 2 lakhs in the previous year) to staff gratuity fund, and Rs. 2.50 lakhs for contingencies. The Directors have not deemed it necessary to transfer any sum to general reserve. After making these provisions, the balance left is Rs. 27.04 lakhs which is sufficient just to maintain the dividend at the previous year's level of 12 per cent subject to tax which gives a tax-free dividend of 8.4 per cent. On this basis and taking the current market value of the Company's Rs. 10 fully paid-up ordinary share as Rs. 31, the net yield works out to 2.78 per cent.

An idea as to how the Company has progressed in the last four years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	5,55.12	4,90.95	4,48.14	4,78.59
Other income	3.88	3.70	4.00	9.44
Consumption of goods	2,83.57	2,57.93	2,46.00	2,84.08
Other expenses	1,83.92	1,64.11	1,45.47	1,44.58
Gross profit	91.52	72.59	61.58	55.04
Provision for—				
Depreciation	19.04	11.17	8.02	8.64
Taxation	33.50	28.06	27.76	28.35
Net profit	38.98	33.36	25.80	18.04
Transfer from reserves	..	..	3.00	7.50
Transfer to reserves	..	1.00	8.00	13.50
To development rebate reserve	2.90	3.95	4.30	..
,, miscellaneous provisions	9.52	2.60	..	..
Dividends	26.40	26.40	21.78	4.40
	(13%)*	(12%)*	(5.5%)	(2%)
Carry forward	0.64	0.47	0.36	0.64

* Subject to deduction of tax.

A notable event of the year under review was the acquisition of the assets of a lamp factory in Bombay which was previously owned by the Osler Electric Lamp Manufacturing Company Limited (in liquidation) at a cost of Rs. 51 lakhs. As the factory has been remaining idle since 1958, it requires repairs and renovation before it can be put into commission again. Philips India is making every endeavour to commence production as early as possible. The factory has a licence capacity of 5 million lamps per annum. Besides, it is expected to produce burner for gas discharge lamps, photoflash bulbs and glow-switches for fluorescent lamp starters.

During 1960, the Company's factory at Calcutta produced a four-band transistor set, which is designed essentially for use in semi-urban and rural areas. This product is calculated to offer the owner of a battery-operated radio set many additional advantages, including low operational cost. The manufacture of polyester ballasts in the same factory is yet another step forward in the field of fluorescent lighting. Polyester filling has been used for the first time in India in the production of ballasts, and is expected to reduce the size of the ballasts as well as their life and performance. The Company has also plans to manufacture a large range of specialised electronic instruments on a phased programme.

The Company is planning a further expansion of the manufacture of radio components at the factory at Loni in order to cater to the demands of other radio manufacturers and the growing needs for replacements in addition to fulfilling its own increasing requirements for the production of radio sets. This will call for acceleration of the process of integration and the manufacture on a larger-scale than hitherto not only of the existing range of locally produced components but also of new items such as carbon tracks, loudspeakers cones, electrolytic condensers including miniature types, as well as polyester condensers and air trimmers.

The Government has given assurance of its support and has issued necessary manufacturing licences in furtherance of this scheme. Every endeavour is being made towards its speedy implementation. Once the plan is fully realised, the factory at Loni will become one of the main sources of supplies of components for the country's electronic industry. The all-out efforts made to manufacture the full range of electronic components in India on an ever-increasing scale will undoubtedly help to quicken the pace of India's industrialisation.

As for the finance required to meet the outlay on the expansion programme, Mr. J. Zantman, Director, Finance and Administration, stated at a Press conference in Bombay the other day that the Company did not intend to enter the market in the near future. He stated that the Company was making sustained efforts to raise the ratio of indigenous components in radio sets from the present level of 30-45 per cent. The largest single item imported from abroad constitutes valves. The Company, we are told, is unable to produce the valves indigenously because the manufacture of valves is reserved for the public sector and industrial licences for manufacturing them in India were not being issued to the Company.

The Company's financial position, revealed by the balance-sheet as at 31st December 1960, is quite sound. Thanks to the continued expansion in manufacturing activities and capital expenses, its gross block has risen from Rs. 148.14 lakhs to Rs. 216.95 lakhs, which has been well written down to Rs. 150.25 lakhs, the depreciation provided so far being Rs. 66.70 lakhs. Capital expenditure in progress is of the order of Rs. 4.36 lakhs. The current assets (including investment of Rs. 2.47 lakhs) aggregate Rs. 420.72 lakhs, as against which borrowings and other current liabilities and provisions add up to Rs. 298.61 lakhs. The net assets thus amount to Rs. 276.72 lakhs comprising a paid-up capital of Rs. 220 lakhs and the reserves and surplus of Rs. 56.72 lakhs; of the reserves, the share premium alone is as much as Rs. 38.67 lakhs, the balance of Rs. 18.05 lakhs being the amount set aside from the year to year earning.

K.L.M.'S OPERATIONS

The 1960 annual report of the K.L.M. Royal Dutch Airlines, shows that modernisation of the fleet—commencing with the introduction of four turbine-engined aircraft in 1959—was continued in 1960 by putting 15 more of these aircraft into service. The latter included seven DC-8 pure jet airliners. Another five planes of the DC-8 type, this time equipped with turbofan engines, are to be added to the fleet during 1961. The thirteenth DC-8 ordered at the beginning of this year is scheduled for delivery in 1962. As a result of this, the capacity increased to 642 million ton-kilometres, which is 19 per cent more than in 1959, while the traffic volume likewise rose by 19 per cent as compared with 1959 and amounted to 366 million ton-kms. The revenue was 12 per cent higher, amounting to 612 million guilders, but the operating expenses, including depreciation increased, by 14 per cent. Consequently, the profit dropped to 10.3 million guilders, as against 15.4 million guilders for 1959. It is proposed to declare a dividend of 5 per cent for the year 1960.

In the opinion of the K.L.M. management, a structural improvement of the relationship between revenues and costs must now be the principal objective of civil aviation as a whole. The prospects in this connection are considered to be favourable, now that there is a certain respite in the field of technical progress so far as airliners are concerned and some stability has been achieved in regard to air fares. The new DC-8 has exceeded the high expectations in many respects; with no other type has a utilisation of 9 to 10 commercial flying hours per day been attained so soon after placing it in service.

As in 1959 so during 1960, the traffic growth was greatest in the classes with the lowest fares and in the air freight sector. The resultant broadening of the market offers good possibilities for a further expansion of traffic in the future. The K.L.M. network now links 114 cities in 80 countries. The Company has more than 200 sales offices. The number of employees rose from 17,332 to 18,609 in the course of 1960.

ANDHRA CEMENT FARES WELL

SLIGHT RISE IN PROFIT

NOTWITHSTANDING certain restrictive fa tors operating against the full utilisation rated capacity, the Andhra Cement Compar Ltd. (Chairman: Mr. V. Ramakrishna, Madra has been able to report a further improvement in its working during the year ended 31 December 1960. Owing to higher productic and despatches, sales have gone up Rs. 37.70 lakhs to Rs. 129.03 lakhs, representir a rise of over 40 per cent. The improvement sales is especially significant considering that has been achieved despite the persistent shor age of coal. The increase in the cost of ra materials and labour due to voluntary ar statutory concessions, however, has cut sharp into the available margins. The gross prof has accordingly risen by just Rs. 5.16 lakhs Rs. 23.06 lakhs.

As a result of the termination of the mana ing agency agreement, the provision for mana ing agents' commission has been reduced Rs. 75,000, as against Rs. 95,000 in the previo year. But the provision for depreciation h claimed a higher sum of Rs. 10.86 lakhs, as cor pared with Rs. 8.39 lakhs in 1959. After a lap of about three years, the Company's profi have, once again, become liable for taxatic and, accordingly, a provision of Rs. 2.30 lakl has been made to cover this liability. The n profit shows a slight increase of Rs. 9,000 Rs. 8.65 lakhs. The profit, together with t Rs. 23,000 brought forward from the previo year and Rs. 8,000 as provisions no longer r quired, comes to Rs. 8.96 lakhs. After transfe ring Rs. 1.48 lakh to reserves, the profit avai able for distribution amounts to Rs. 7.48 lakh Pursuant to the Preference Shares (Regulatic of Dividends) Act 1960, a provision of Rs. 19,0 has been made towards the preferred dividen for the year with a further provision Rs. 5,000 as a supplementary payment of prefe ence dividends for the year 1959. The divider on ordinary shares has been maintained at t previous year's rate of 10 per cent subject tax, the total dividend absorption being Rs. 7. lakhs. The balance of Rs. 14,000 has been r commended as a carry-forward to the next a counting period.

The salient features of the Company operations during 1960, as compared with tho for the three preceding years, are given in t following table.

(In lakhs of rupees)

	For the year ended 31st Decemb			
	1960	1959	1958	1957
Sales	1,29.03	91.33	90.85	76.6
Other income	3.00	2.63	2.68	2.2
Closing stock of cement	0.24	2.64	1.88	0.4
Raw materials and stores consumed	35.92	23.45	20.71	18.1
Salaries, wages and bonus	11.07	10.38	12.02	13.5
Other expenses	59.68	48.04	46.73	38.6
Gross profit	23.06	17.90	15.51	9.6
Managing Agents' commission	0.75	0.95	0.65	0.6
Provision for—				
Depreciation	10.86	8.39	9.02	5.1
Taxation	2.30	..	0.40	0.1
Other liabilities	0.50	..	0.37	0.4
Net profit	8.65	8.66	5.07	2.1
Miscellaneous write-backs	0.08	0.04	0.01	0.1
Transfer from reserves	1.51	0.57	2.20	7.4
Transfer to reserves	2.99	1.74	2.24	2.1
Dividends—				
Additional on preference shares	0.05	..	..	..
6% preference shares	0.19	0.15	0.15	0.1
Ordinary shares	7.10	7.10	5.33	7.1
	(10%)*	(10%)*	(7½%)	(10%
Carry forward	0.14	0.23	0.06	0.1

* Subject to deduction of tax.

The balance-sheet of the Company as 31st December 1960 discloses that the financi position is moderately strong. The subscrib share capital of the Company, comprisi Rs. 2.49 lakhs in 6 per cent preference shar and the balance in ordinaries, is Rs. 73.89 lakl with a further Rs. 9.12 lakhs in reserves. Cu rent liabilities, secured loans and unsecur loans together amount to Rs. 67.56 lakhs. T gross block (inclusive of net additions duri the year) is carried in the Company's books Rs. 163.73 lakhs which, after deducting Rs. 80. lakhs as the depreciation earned to date, giv a net block worth Rs. 83.68 lakhs. The oth working assets such as investments, curre assets, and loans and advances aggrega Rs. 66.89 lakhs.

The mechanisation schemes for handli raw materials at the mines are reported to nearing completion. The Directors expect t mechanised units to go into full operation ve shortly.

The present market quotation for the Co pany's Rs. 10 fully paid ordinary shares Rs. 10.50 *cum-div.* On *ex-div.* basis, the yie works out to 7.1 per cent per annum.

MARKED RISE IN PROFIT OF F.A.C.T.

EXPANSION SCHEME WELL UNDER WAY

THERE was a substantial improvement in the sales and profit of the Fertilisers and Chemicals Travancore Ltd. (Secretary: A. Ramakrishna Iyer) during the year ended December 1960, notwithstanding the reduction in the prices of ammonium sulphate and superphosphate, the two major items of production. Thanks to the high reputation enjoyed by the Company's products as regards their quality and price, the total sales proceeds increased by as much as Rs. 69.25 lakhs to Rs. 308.83 lakhs. A large part of the increase was neutralised by enhanced operating expenses. Even so, the gross profit was at the impressively high level of Rs. 80.37 lakhs, as against Rs. 68.34 lakhs for 1959. The production results achieved in 1960 have been the best so far since the inception of the factory, and have recorded sizable improvement over their 1959 level. The actual output—in tonnes—the figures in brackets relating to 1959, is:

Ammonium sulphate 39,813 (29,412); superphosphate 39,584 (35,253); sulphuric acid 52,827 (52,199); other chemicals 27,738 (18,497).

Owing to the termination of the managing agency agreement in August last, the provision for managing agent's commission has been reduced by Rs. 1.70 lakh to Rs. 2.42 lakhs, whereas that for depreciation has been stepped up by Rs. 2.99 lakhs to Rs. 25.10 lakhs, following large additions to fixed assets made during the year and charges in the rates of depreciation introduced by the Companies (Amendment) Act 1960. In view of the extra depreciation and development rebates allowed under the Income-tax Act, the Company has still to wipe off unabsorbed depreciation brought forward from the previous years and as such, has no liability for payment of income-tax for the year under review. No provision for income-tax has, therefore, been made. After these adjustments and the provision of Rs. 2 lakhs towards retirement gratuity as compared with Rs. 1.50 lakh provided in each of the three preceding year, the net profit shows an increase of Rs. 11.52 lakhs to Rs. 50.85 lakhs. Despite higher net profit, the Directors have not proposed any increase in dividend from the previous level of 6 per cent taxable, nor have they transferred any amount to general reserves excepting for the allocation of Rs. 23.55 lakhs to the development rebate reserves (as against Rs. 3.36 lakhs in 1959 and Rs. 11.26 lakhs in 1958). The total dividend absorption comes to Rs. 20.76 lakhs and the balance of Rs. 26.13 lakhs has been carried forward to the next year. The Directors must perhaps have felt that the Company has a heavy liability amounting to Rs. 46 lakhs on account of arrears of depreciation for prior years and that, unless this amount is fully written off, payment of ordinary dividends at higher rates would be unwise.

The following table indicates the working of the Company in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sales of products	3,08.83	2,39.58	2,47.11	1,74.00
Other income	11.07	15.24	14.06	14.81
Closing stock of finished products	13.96	11.90	9.27	17.31
Raw materials, operating supplies and stores consumed ..	1,17.70	92.12	92.59	81.92
Salaries, wages and bonus	55.07	44.74	38.63	31.53
Other expenses	67.52	52.25	56.12	47.24
Gross profit	80.37	68.34	65.31	33.12
Managing Agent's remuneration	2.42	4.12	3.55	0.51
Provisions for—				
Depreciation	25.10	22.11	21.98	19.51
Wealth tax	..	1.28	1.29	1.47
Retiring gratuity ..	2.00	1.50	1.50	1.50
Net profit	50.85	39.33	37.49	9.83
Miscellaneous write-offs ..	..	..	0.93	..
Development rebate reserve ..	23.55	3.36	11.26	..
Ordinary dividends ..	20.76	20.76	19.94	..
	(6%)*	(6%)*	(4%)	
Carry forward	26.13	19.59	4.88	—7.08

* Subject to deduction of tax.

The financial position of the Company as revealed by the balance-sheet as at 31st December 1960 was quite strong. The share capital of the Company, consisting entirely of Rs. 10 fully paid equity shares, has a book value of Rs. 346.06 lakhs and is supported by Rs. 64.30 lakhs in the reserves and surplus account. Secured and unsecured loans from banks and Industrial Finance Corporation aggregate Rs. 197.45 lakhs and current liabilities are placed at Rs. 136.47 lakhs.

On the asset side, the gross block is represented by Rs. 656.29 lakhs, deducting Rs. 305.36 lakhs as the depreciation written off to date, the net block comes to Rs. 350.93 lakhs. The net block figure does not represent the correct written down value of fixed assets, as the Company has yet to provide arrears of depreciation which, as already noted, amounts to Rs. 46 lakhs and that the expenditure of Rs. 141.40 lakhs incurred on development projects is not taken into account. Inclusive of the latter sum, the net block works to Rs. 492.33 lakhs. The balance of the assets, namely, Rs. 251.95 lakhs consists of investments, current assets, cash and loans and advances.

The distribution of fertilisers that is being done on behalf of the Government of Kerala has been satisfactory. The Government has now taken steps to entrust the entire distribution of Government fertilisers in Kerala to the Company's sales organisation.

During the year under review, the Company successfully completed the first stage of its expansion programme. The electrolytic hydrogen plant was ready for start in April last but, due to want of sufficient power, had to be kept idle till August 1960. Currently the plant is working at about 70 per cent of its installed capacity. The ammonia synthesis plant, forming part of the first stage, was commissioned for trial run towards the close of 1960. The phosphoric acid and ammonium phosphate plants were also put on trial run about the same time.

The review of the progress regarding the second and third stages of expansion, as made in the Directors' report, shows that the construction and erection works connected with the second stage expansion programme involving the installation of the oil gassification plant are making rapid progress. The delivery schedules of this plant have been kept so far and it is expected that all equipment forming part of this plant will be received by the third quarter of 1961. According to present indications, the Company hopes to start trial operations of the new plants by the first quarter of 1962. Details of the third stage expansion programme have been discussed with the concerned departments of the Government and have received their general approval. Certain proposals for financing the projects are now being considered. Meanwhile, enquiries for the various plants have already been issued. If work on this stage starts as contemplated, it is expected that it will be completed by early 1964. The production capacity then achieved will be 70,000 tons in terms of fixed nitrogen (equivalent to 350,000 tons of ammonium sulphate) and 35,000 tons of phosphoric acid (equivalent to 220,000 tons of superphosphates). This stage will involve an expenditure of Rs. 8 to 10 crores.

The Rs. 10 fully paid up ordinary shares of the Company are currently quoted at Rs. 10.40 *cum-div.* The net yield on *ex-div.* basis works out to 4.2 per cent per annum.

NEW STANDARD ENGINEERING CO.

The working of the New Standard Engineering Co. Ltd. (Secretary: Mr. M. G. Mehta) during the year ended 31st March 1961 has resulted in a gross profit of Rs. 18.05 lakhs as against Rs. 11.67 lakhs in the preceding year. After providing Rs. 5.92 lakhs for depreciation (Rs. 2.23 lakhs in 1958-59), Rs. 4.50 lakhs for development rebate (Rs. 1.35 lakhs) and Rs. 3.10 lakhs (Rs. 3.90 lakhs) for taxation, the net profit is Rs. 5.45 lakhs, to which is added Rs. 92,426 being the amount carried forward from last year. Out of this total, the Directors have recommended dividends at 9 per cent subject to deduction of tax on fully paid equity shares, on new equity shares and on 6.3 per cent (tax-free) cumulative redeemable preference shares. The dividend leaves a balance of Rs. 17,933 which has been carried forward. The rise in profit has followed the increase in sales from Rs. 92.83 lakhs to Rs. 119.09 lakhs which indicates the marked progress in the operations of the Company.

The fixed assets of the Company has increased by Rs. 46.09 lakhs which include the purchase of new machinery worth Rs. 23.92 lakhs.

Polychem Ltd., Bombay, has received a revised certificate from the Income-tax Officer stating that, under Section 15C(4) of the Income-tax Act, 1922, instead of 14.18 per cent of the dividends declared for the year ended 31st March 1960 only 84.16 per cent will be exempt from income-tax and super-tax in the hands of the shareholders. It is observed that the exemption under Section 15C(4) will be available to the Company's shareholders for the years ending 31st March 1961 and 1962 also.

The Ambika Silk Mills Company, Ltd. has earned a gross profit of Rs. 9.53 lakhs for the year ended 31st December 1960, as against Rs. 6.06 lakhs for 1959. Taxation and depreciation absorb Rs. 3.20 lakhs and Rs. 2.83 lakhs respectively. The Directors have declared a higher dividend of Rs. 15 per share, subject to deduction of tax, as against Rs. 12 paid in the previous year.

RECORD SALES OF ALEMBIC CHEMICALS

DIVIDEND, HOWEVER, CUT

THE sales of the Alembic Chemical Works Company Ltd. (Managing Agents: Messrs Rayuma Services) continued to rise year after year. The actual sales during the year ended 31st December 1960 were at the record level of Rs. 261.43 lakhs, a rise of Rs. 12.90 lakhs as compared with the previous year. The cost of raw materials and stores consumed is slightly higher at Rs. 136.08 lakhs, as against Rs. 135.27 lakhs in the previous year, but expenses have gone up by Rs. 11.35 lakhs to Rs. 89.17 lakhs due to heavier wage bill and enhanced excise duty. Nevertheless, the profitability or the ratio of gross profit to sales has improved further to 17.3 per cent from 16.8 per cent in 1959, 15.7 per cent in 1958 and 14.7 per cent in 1957.

The gross profit which also is a record, has risen by Rs. 4.96 lakhs to Rs. 46.75 lakhs. Thanks to the rise in profit, a larger sum of Rs. 12.55 lakhs has been allocated to depreciation, against Rs. 9.41 lakhs for 1959, while taxation absorbs less, Rs. 10.20 lakhs, as against Rs. 10.50 lakhs and remuneration of managing agent Rs. 3.12 lakhs, as against Rs. 3.24 lakhs. The net profit is thus higher by Rs. 2.27 lakhs at Rs. 20.91 lakhs. The dividend on ordinary shares, however, has been curtailed from 16 per cent to 14 per cent subject to deduction of tax because of the full amount payable on capital increased last year from Rs. 65 lakhs to Rs. 80 lakhs.

The following comparative table for the last four years shows the progress of the Company

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	2,61.43	2,48.53	2,28.05	1,93.78
Closing stocks	80.29	50.50	40.39	36.18
Raw materials and stores consumed	1,36.08	1,35.27	1,39.26	1,18.64
Expenses	89.17	77.82	64.11	54.38
Gross profit	46.75	41.79	35.19	28.38
Managing Agents' remuneration	3.12	3.24	2.84	2.38
Provision for—				
Depreciation	12.52	9.41	6.75	4.92
Taxation	10.20	10.50	10.50	11.00
Net profit	20.91	18.64	15.10	10.12
To gratuity reserve	..	1.00	1.50	0.75
Transfer to reserves	..	1.00	2.25	6.54
Development rebate	7.16	5.80	4.75	..
Dividends—				
Preference	0.87*	0.97*	0.67	0.67
Ordinary	11.90* (14%)*	10.80*† (16%)*	5.78‡ (12%)	4.20 (12%)
Carry forward	1.17	0.20	0.58	0.31

*Subject to deduction of tax.
†On increased capital raised by issue of 20,000 shares.
‡On increased capital raised by issue of 28,000 shares.

The Company which has been steadily widening the range of its products has an expansion programme for this year also. The programme envisages a further expansion of the penicillin, yeast and superphosphate plants. Orders for capital goods are likely to be placed after the necessary foreign exchange is made available. In view of the steady expansion in activities, the gross block has been more than doubled in four years, from Rs. 110.25 lakhs to Rs. 237.88 lakhs. The net block after providing Rs. 78.29 lakhs for depreciation now amounts to Rs. 159.59 lakhs, which is just equivalent to the aggregate paid-up capital plus reserves and surplus. The total investments of Rs. 24.44 lakhs is made up of Rs. 13.76 lakhs in quoted investments and Rs. 10.68 lakhs in unquoted investments.

The paid-up capital of the Company now stands at Rs. 100 lakhs comprising mostly 85,000 equity shares of Rs. 100 each. The balance of Rs. 15 lakhs is equally divided into 6½ per cent cumulative first preference shares, 5 per cent tax-free redeemable cumulative second preference shares and 6 per cent cumulative third preference shares, all of Rs. 100 each. The total of reserves and surplus is Rs. 59.71 lakhs inclusive of Rs. 8 lakhs for share premium account. The secured and unsecured loans of the Company have increased from Rs. 43.23 lakhs to Rs. 93.15 lakhs, on account of further expansion of fixed assets as well as increased stock in trade. The balance-sheet of the Company is very sound, inasmuch as current assets exclusive of investments at Rs. 148.56 lakhs exceed current liabilities by Rs. 68.83 lakhs.

The Central Budget for 1961-62 levied a Central excise duty at 10 per cent *ad valorem* on all proprietary medicines, not containing alcohol, with effect from 1st March 1961. The Directors, however, are hopeful that the additional burden will be fully covered from the sales proceeds.

The current quotation of the Company's Rs. 100 paid-up ordinary share is Rs. 267.50 *cum-div.* On a net dividend of Rs. 9.80 per share the net yield comes to 3.66 per cent.

ALCOCK ASHDOWN EARNS MORE

DIVIDEND MAINTAINED

THE receipts from the sales proceeds of Alcock, Ashdown & Co. Ltd. (Managing Agents: Messrs. Turner, Morrison & Co. Ltd.) during the year ended 31st December 1960 as compared with the previous year have registered an appreciable rise of Rs. 32.67 lakhs or 43.1 per cent to Rs. 108.40 lakhs. The gross profit, however, has improved by only 9.2 per cent from Rs. 13.86 lakhs to Rs. 15.14 lakhs, due to markedly higher expenses. The increase in other expenses from Rs. 68.60 lakhs to Rs. 99.18 lakhs is accounted for by stores. The profitability to sales has, therefore, gone down from 18.3 per cent to 13.9 per cent.

The net profit for the year is higher by Rs. 93,000 at Rs. 9.31 lakhs, after providing Rs. 1.12 lakh for depreciation as against Rs. 1.47 lakh, Rs. 3.65 lakhs for taxation (as against Rs. 3.25 lakhs) and Rs. 1.06 lakh for commission to Managing Agents (Rs. 76,000). The dividend is proposed to be maintained at 17 per cent subject to tax, but the net dividend will be higher at Rs. 13.04 as against Rs. 11.90 in the previous year. This higher distribution is on account of payment of a part of dividend equivalent to Rs. 3.80 per share proposed to be paid out of the reserve of exempted profits under Section 15C of the Income-tax Act.

The following comparative table reveals at a glance the progress of the Company since 1957:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds and work done ..	1,08.40	75.73	1,03.22	85.54
Work-in-progress and incomplete orders at close ..	40.35	36.04	30.55	50.03
Other expenses	99.18	68.60	82.02	96.54
Gross profit	15.14	13.86	7.56	12.63
Managing Agents' commission.	1.06	0.76	0.12	0.88
Provision for—				
Depreciation	1.12	1.47	1.96	1.51
Taxation	3.65	3.25	0.50	4.75
Net profit	9.31	8.38	4.98	5.49
To pensions and gratuities	1.50	0.75	2.23	0.75
,, miscellaneous provisions	0.18	1.81	0.37	1.42
Transfer to reserves ..	3.03	0.68	..	..
Transfer from reserves ..	1.27	1.68	1.83	..
Dividends	5.68* (17%)*	5.68* (17%)*	4.18 (12½%)	4.18 (12½%)
Carry forward	0.45	0.28	0.54	0.25

* Subject to deduction of tax.

The paid-up capital of the Company as at 31st December 1960 of Rs. 33.42 lakhs consisted of 33,422 ordinary shares of Rs. 100 each. Since then, however, 9,548 equity shares of Rs. 100 each have been issued at par in the proportion of two new shares for each seven shares held. Thus, the paid-up capital now stands at Rs. 42.97 lakhs. As against the paid-up capital of Rs. 33.42 lakhs as on 31st December 1960, reserves and surplus amount to Rs. 56.64 lakhs. The gross block of the Company is Rs. 84.06 lakhs, the depreciation so far provided being Rs. 61.02 lakhs. The total current assets at Rs. 118.48 lakhs, inclusive of Rs. 3.78 lakhs of investments, are above current liabilities amounting to Rs. 32.52 lakhs.

The Company has a satisfactory order book and its activities are expanding. At the Defence Works, Bombay, ship-repair work, the mainstay for several years has been declining gradually in volume and value, due to several causes, chief amongst which is the slump in trade. Consequently, attention is concentrated on the work in other shops. This policy has been fruitful as can be observed from the figure of sales and work done during the year under review. The order book for all the shops including the galvanising shop, which was restarted at the beginning of 1960, is fairly full and the prospects can be viewed with a measure of satisfaction. This has brought the question of rehabilitation and replacement of old and out-of-date machines for urgent attention. A certain number of machines have been scheduled for replacement or reconditioning and this programme has already been commenced. It is expected that this rehabilitation programme will have to be carried out in phases and a provision of Rs. 1.50 lakh has been made in the accounts and the machinery rehabilitation and replacement reserve now stands at Rs. 8.77 lakhs.

The activity at Ramasar Works, Bhavnagar, during the year continued to be restricted to the building of barges for the Government of Gujarat. Eleven barges were launched and delivered. The Company has enough orders for barges in hand to take it into 1962, with prospects of further orders to come shortly.

The Directors of the Company had under consideration a proposal for starting a fully equipped workshop for steel fabrication and general engineering at Bhavnagar. In view of the easy supply position of steel it was decided to proceed with this project. The work of erecting the shops is now in progress and the plant and machinery, which were purchased for Bhavnagar, have now been moved to the site. It is expected that the tower shop and the galvanising plant will commence work by October this year.

The current quotation of Rs. 100 paid-up shares is Rs. 299 *cum-div.* The net yield on an *ex-div.* basis works out to 4.55 per cent.

FRESH ISSUES OF CAPITAL

The Controller of Capital Issues has granted consent to four companies for issue of capital of various categories. The companies are: United Malleable Company Private Ltd., New Shorrock Spinning and Manufacturing Company Ltd., Machinery Manufacturers Corporation Ltd., and the Commercial Ahmedabad Mills Company Ltd. The details are:

United Malleable Company: This Company, which will be converted into a public company, has been given consent to the issue of capital of Rs. 1.25 crore consisting of 100,000 equity shares of Rs. 100 each and 25,000 cumulative redeemable preference shares of Rs. 100 each, carrying a dividend of 9 per cent. The capital is required for the Company's scheme for the manufacture of iron pipe fittings, in collaboration with the Union Malleable Company of Ohio, U.S.A., which will invest in the equity capital to the extent of Rs. 40 lakhs in the form of plant and machinery. The promoters will subscribe shares to the extent of Rs. 20 lakhs and will offer Rs. 65 lakhs to the public for subscription after conversion of the Company into a public limited company.

New Shorrock Spinning and Manufacturing Company: Issue of bonus shares of the value of Rs. 28,11,250 to existing equity shareholders in proportion of two bonus shares for every five shares held on capitalisation of the Company's share premium account to a like extent.

Machinery Manufacturers Corporation: Issue of further capital of Rs. 25,07,200 divided into equity shares of Rs. 10 each for consideration other than cash. Out of this, 190,720 equity shares will be allotted to the Company's existing equity shareholders on the sub-division of the existing shares of Rs. 100 each and 60,000 equity shares to the Managing Agents in discharge of the loan of a like amount.

Commercial Ahmedabad Mills Company Capitalisation of Rs. 5,77,500 from reserves and issue 2,310 bonus shares of Rs. 250 each in the ratio of one bonus share for every five shares held. The present paid-up capital of the Company is Rs. 28.87 lakhs.

A NEW INDO-BRITISH VENTURE

The Sawhney family actively associated with the sugar industry, has secured the participation of the famous Booker Group of Companies for the establishment in India of a new company, called the Triveni Engineering Works Ltd. The Company will set up a factory at Naini, near Allahabad, for the manufacture mainly of sugar machinery. The project is estimated to entail a capital outlay of about £250,000. Arrangements have also been made to manufacture industrial process turbines and other engineering products. The sugar machinery companies of the Bookers Group will act as technical consultants for the setting up of the engineering works and will provide planning and manufacturing advice for the production of sugar machinery. The first Chairman of the Board of Directors will be Mr. Balmokand Shah Sawhney. Members of the Board include Mr. Mehr Chand Mahajan, retired Chief Justice of the Supreme Court of India, Mr. C. W. Tyrrel, a member of the Booker Board of Directors and Chairman of Bookers Engineering Holdings, Mr. C. W. Murray, Chairman and Managing Director of George Fletchers, and Chairman of Duncan Stewarts, and T. Houghton, Finance Director of Bookers Engineering Holdings.

SATARA SWADESHI COMMERCIAL BANK LTD

On the recommendation of the Reserve Bank the Government of India has granted to the Satara Swadeshi Commercial Bank Ltd., Satara City a moratorium from 6th June to 5th September 1961 (both days inclusive) under the provisions of Section 45 of the Banking Companies Act, as recently amended. The question of amalgamating the Bank with the United Western Bank Ltd., Satara City is now under the active consideration of the Reserve Bank. The moratorium has been declared in the general interest of the depositors of the Bank and with a view to facilitating its reconstruction and amalgamation. During the period of moratorium, the Bank has been permitted to make certain payments as specified in the order. The moratorium, including payments to the depositors. This has been authorised in order to minimise the inconvenience to the constituents and the general public, while the scheme in relation to the Bank is under consideration.

THE MARVEL OF THE MULTI-PURPOSE POLICY

HE PAID Rs. 288 ONCE TO LEAVE FOR HIS FAMILY Rs. 1,01,880

When a breadwinner dies, so does the family income. But when a breadwinner with a Multi-Purpose Policy dies, a new income STARTS for his family. Here is a true-life example of this amazing Policy:

- A young chemist took a Multi-Purpose Policy for Rs. 20,000 with Double Accident Benefit.

Shortly afterwards his family lost him in an accident. From his Policy they receive:

- A lump sum of Rs. 20,000 (Double Accident Benefit)
- Plus Rs. 2,000 to meet the funeral, legal and other expenses
- Plus Rs. 400 a month for 2 years
- Plus Rs. 200 a month for over 21 years
- Plus bonuses due
- Plus Rs. 18,000 at the end of the Policy term.

The young man had paid just Rs. 288 in premiums. In return, his family receive a total of Rs. 1,01,880 wisely spaced out as an income for over 23 years! Had he lived he would of course have received Rs. 20,000 plus bonuses at the end of the Policy period.

Take a Multi-Purpose Policy without delay. It means unmatched security for your family.

There is no substitute for LIFE INSURANCE

ASP/LIC-6-22

SYNOPSES OF COMPANY REPORTS

Hansqua Tea Co., Ltd.

(*Secretaries and Treasurers*: Messrs. Duncan Brothers & Co., Ltd., Calcutta)

Annual General Meeting—16th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Gross sales	7,71	7,82
Closing stock	4,85	4,62
Gross profit	3,63	3,63
Transfer to Managing Agents' remuneration ..	19	31
,, ,, Secretaries' and Treasurers' remuneration	9	Nil
,, ,, depreciation	57	57
,, ,, taxation	1,23	1,20
Net profit	1,55	1,55
Adjustments	19	6
Appropriations:		
Total available balance	1,74	1,61
Transfer to development rebate reserve ..	2	5
,, ,, other reserves	50	50
Proposed dividend (taxable)	1,00 (20%)	87 (17½%)
Carried forward	22	19

N.B.—Adjustments represent the balance brought forward from the previous year.

Extracts from the Directors' report: Tea crop was 2,61,270 kilograms as compared with 2,72,714 kilograms in 1959. The average selling price up to 30th April, 1961 was Rs. 4.79 per kg., as against Rs. 4.59 per kg. in the previous year. Planted area is now recorded at 214.45 hectares.

Estimates for 1961 provide for a crop of 2,54,010 kilograms (5,60,000 lbs.) at an outlay of Rs. 9,75,920, including inland freight and sale charges.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	5,00,000	Gross block	15,83,836
Reserves and surplus..	11,86,536	—Depreciation ..	5,60,302
Other liabilities ..	5,12,224		
		Net block	10,23,534
		Current assets ..	6,42,142
		Investments	2,23,751
		Cash	3,09,333
	Rs. 21,98,760		Rs. 21,98,760

Calcutta Steel Co., Ltd.

(*Board of Directors*: Mr. D. P. Goenka; Mr. B. P. Khaitan; Mr. G. S. Nevatia; Mr. K. N. Tapuriah and Mr. R. L. Bhartia. Registered Office: Calcutta)

Annual General Meeting—27th June.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1961	1960
Sales	4,19,19	68,26
Closing stock	37,98	34,40
Gross profit	53,43	7,56
Transfer to depreciation	5,68	96
,, ,, development rebate reserve ..	1,35	..
,, ,, taxation	20,80	3,07
Net profit	25,60	3,53
Adjustments	1,03	..
Appropriations:		
Total available balance	26,63	3,53
Transfer to reserves	10,00	..
Proposed dividend (taxable)	15,00* (15%)	2,50† (5%)
Carried forward	1,63	1,03

N.B.—Adjustments include only the balance brought forward from the previous year.

* On a paid-up capital of Rs. 1 crore.

† On a paid-up capital of Rs. 50 lakhs.

Extracts from the Directors' report: During the year under review, the supply position of raw material was generally better than before and the Company was able to produce 64,738 tons of finished bars and rods. The directors regret to report that the production of wire rods could not be started in the year under review as some part of the machinery which was expected to arrive in January 1961 had not so far arrived due to delay on the part of the manufacturers in keeping to their schedule. This, however, is expected to arrive by middle of this year and the directors expect that the production of wire rods will start by third quarter of this year.

Accounts in brief as at 31st March 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	1,00,00,000	Gross block	50,39,989
Reserves and surplus..	12,99,288	—Depreciation ..	6,63,924
Other liabilities ..	46,93,670		
		Net block	43,76,065
		Block in progress ..	6,58,585
		Current assets ..	97,62,000
		Investments	11,175
		Cash	11,85,133
	Rs. 1,59,92,958		Rs. 1,59,92,958

Highland Produce Co., Ltd.

(*Managing Agents*: Messrs. A. V. Thomas & Co., Ltd., Alleppey, Kerala)

Annual General Meeting—21st June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	27,67	25,94
Closing stock	4,62	2,45
Gross profit	10,09	9,12
Transfer to Managing Agents' remuneration ..	95	84
,, ,, depreciation	60	60
,, ,, taxation	4,25	3,75
,, ,, development rebate reserve ..	5	2
Net profit	4,24	3,91
Adjustments	25	21
Appropriations:		
Total available balance	4,49	4,12
Transfer to reserves	1,19	1,00
Proposed dividend (taxable) 6% Preference ..	23*	18
,, ,, ,, Ordinary ..	2,70 (15%)	2,70 (15%)
Carried forward	37	24

N.B.—Adjustments include the balance brought forward from the previous year.

* Includes additional dividend on preference shares for 1959 amounting to Rs. 2,280 as per Preference Shares (Regulation of Dividends) Act, 1960.

Extracts from the Directors' report:

Crop—Tea	Estimate 1960 kg.	Crop secured 1960 kg.	1959 kg.
Pasupatarai	2,04,116	2,27,620	1,99,172
Carady Goody	3,08,443	3,76,637	3,25,949
Total ..	5,12,559	6,04,257	5,25,121

The total tea crop of 6,04,257 Kg. harvested during the year against an estimate of 5,12,559 Kg. is satisfactory, and records an increase of 79,136 Kg. over the previous year's production. The f.o.b. cost for the year was Rs. 2.77 per Kg. as against an estimate of Rs. 2.67 and the all-in-cost was Rs. 3.47 per Kg. against last year's figure of Rs. 3.48. The net average sale price realised was Rs. 4.53 per Kg. as against Rs. 4.58 for the last year.

Cardamom. The quantity of cardamom harvested during the year amounted to 13,035 Kg. as against 3,804 Kg. in the previous year. The cost of production for the year was Rs. 6.40 per Kg. as against Rs. 6.19 for the last year and the average sale price realised was Rs. 18.02 per Kg. as against Rs. 17.87 for 1959. The increase of cost was mainly due to the protective measures such as *Folidol* spraying which had to be undertaken against serious attack of white fly pest in some of the fields. Fortunately this was controlled in good time and, therefore, did not affect the crop.

Crop Estimate—1961	Tea (Kg.)	Cardamom (Kg.)
Pasupatarai	2,08,653	..
Carady Goody	3,26,586	11,340
Total ..	5,35,239	11,340

The Directors are happy to report that both the Estates have been regularly visited by Visiting Agents and are reported to be in excellent condition. The policy of fine plucking has been continued and the Company has also been continuing regular direct exports of its teas to U.K. and the U.S. with satisfactory results.

Accounts in brief as at 31st December 1960 are as under:

Liabilities	Rs.	Assets	Rs.
Capital	21,00,000	Gross block	32,95,321
Reserves and surplus..	11,47,599	—Depreciation ..	7,48,403
Other liabilities ..	11,44,471		
		Net block	25,46,918
		Current assets ..	9,20,906
		Investments	3,84,978
		Cash	5,39,268
	Rs. 43,92,070		Rs. 43,92,070

New Great Eastern Spg. & Wvg. Co., Ltd.

(*Chairman*: Mr. Sahu Shriyans Prasad Jain, Bombay.)

Annual General Meeting—21st June. Dividend payable on or after 3rd July.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	2,25,30	1,94,36
Closing stock	58,26	36,73
Gross profit	12,00	(—) 16,96
Transfer to depreciation	5,89	..
,, ,, development rebate reserve ..	2,61	..
Net profit	4,00	(—) 16,96
Adjustments	1,15	6,24
Appropriations:		
Total available balance	5,15	(—) 10,72
To compensation for loss of wages in 1951-52.	1,83	..
Proposed dividend (taxable) 5½% Preference..	88†	..
,, ,, Ordinary ..	Nil	Nil
To adjustment of loss brought forward	10,72	..
Carry forward	(—) 8,27	(—) 10,72

N.B.—Adjustments include amounts transferred from development rebate reserve; provision for gratuity and welfare fund written back; transfer from rehabilitation of plant; transfer from reserve for taxation; transfer from general reserve and transfer from stores depreciation reserve.

† Preference dividends for the years 1959 and 1960.

Extracts from the Directors' report: The Company under the export promotion scheme has to receive licences for the import of dyes and chemicals. For the exports of cloth and yarn, which have been made in the year 1960, the Company is entitled to such licences. A part of the licences against the same is received in the year 1961. The Company has realised till the date of this report the profit on this account of Rs. 83,980. Could this amount be taken in the accounts of 1960, the profit to this extent would have been higher.

This better working results of the Company was the outcome of increased attention of the directors to effecting improvements in the Mills, and the number of concerted steps taken towards that end on the lines reported last year. In fact, the earning would have been still better, but for certain adverse factors confronting the mill Industry as a whole, such as difficult cotton supply position, high costs owing to wage increases, and reduction in prices of yarn and cloth in response to Government's policy of holding the price line.

Replacement and Renovation: The directors are, however, glad to report on the progress of the replacement and renovation programme of the mills. Some of the departments specially carding and frames were rearranged on proper lines for improving the operational efficiency of the mills. In the Spinning Department, out of 40 new ring frames with a complement of 19,200 spindles for which orders had been placed, 26 frames of 12,208 spindles were received, installed and put into operation. Besides this, 23 humidifier fans, 4 dyeing jiggers and one dyeing oven for Dyeing were installed and are giving satisfactory service. Further orders with the foreign manufacturers for one combing set, one raising machine, one cheese beam dyeing plant, and one bleaching range (J. Box) have since been placed. In addition, 21 more ring frames of 9,240 spindles, 4 inter frames, one hot air stenter and drying range, one H.P. Kier and some other necessary machinery for process house have been ordered from the indigenous manufacturers. The Company's Bankers have guaranteed, whenever orders have been placed on deferred payments. During the year machinery worth Rs. 15.24 lakhs was installed. In addition machinery received and in transit amounted to Rs. 3.79 lakhs. Out of this total of Rs. 19.03 lakhs, Rs. 10.87 lakhs is payable in instalments on deferred payment terms.

Current Outlook: In the current year so far, cotton supplies have been better. Production in the mills has been good. Sales too, compare favourably with those of the corresponding period last year. The future outlook for the mills seems bright. With the completion of the Renovation Programme, the chances of augmenting the earnings appear to be encouraging.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	38,00,000	Gross block	1,24,16,237
Reserves	2,91,638	—Depreciation ..	68,75,602
Other liabilities ..	1,19,26,348		
		Net block	55,40,635
		Block in progress ..	3,00,637
		Current assets ..	89,00,787
		Investments	17,345
		Cash	2,51,481
		P. L. a/c deficit ..	8,27,101
	Rs. 1,60,17,986		Rs. 1,60,17,986

Champdany Jute Co., Ltd.

(*Managing Agents*: Messrs. James Finlay & Co., Ltd., Calcutta.)

Annual General Meeting—16th June. Dividends payable on or after 16th June.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1961	1960
Sales	3,20,05	2,65,72
Closing stock	51,70	44,69
Gross profit	12,81	19,57
Transfer to Managing Agents' remuneration ..	50	50
,, ,, depreciation	9,18	7,05
,, ,, development rebate reserve ..	1,31	3,74
Net profit	3	10
Adjustments	1,79	8,18
Appropriations:	2,54*	92
Total available balance	4,33	9,10
Transfer to contingency reserve	..	1,50
,, ,, proposed dividend (taxable)	2,96 (6%)	5,92 (10%)
Carry forward	1,37	1,68

N.B.—Adjustments include the balance brought forward from the previous year.

* This includes an amount of Rs. 85,000 transferred from contingency reserve.

Extracts from the Directors' report: As mentioned in the report for the year ended March 1960, the availability in adequate quantities of raw jute during the period under review has been a cause of constant anxiety. For the larger part of the last financial year it has been impossible for this company to work profitably on the simultaneous purchase of raw material and sale of finished goods. Against this background the results of the working of the company can be viewed as not unfavourable. They are attributable in the main to the many economies effected in manufacturing costs over the past few years. Owing to increased competition from, in particular, Pakistan Mills it is more than ever necessary for the company to continue to reduce manufacturing costs and in order to achieve this the directors decided during the course of the year to concentrate the manufacturing operations of the company at Wellington Mill and to close down Champdany Mill.

The outlook for the 1961-62 jute crop is favourable and a large crop both in India and Pakistan can be expected. It is to be hoped that as a result of the fall in prices in raw jute and jute goods which can at present be forecast for later in the year the offtake of manufactured goods will revive and that in consequence some profit will be restored to simultaneous business. Failing this the outlook cannot be anything but obscure.

Accounts in brief as at 31st March 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	59,16,400	Gross block	2,14,54,087
Reserves and surplus..	83,65,512	—Depreciation ..	1,21,65,795
Other liabilities ..	55,75,318		
		Net block	92,88,292
		Block in progress ..	5,74,708
		Current assets ..	97,32,094
		Investments	2,05,000
		Cash	87,136
	Rs. 1,98,57,230		Rs. 1,98,57,230

Dunbar Mills Ltd.

(*Managing Agents*: Messrs. Kettlewell Bullen and Co., Ltd., Calcutta.)

Annual General Meeting—15th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales (includes cotton sold)	2,46,58	1,94,47
Closing stock	99,70	73,80
Gross profit	44,75	20,33
Transfer to Managing Agents' remuneration ..	2,75	90
,, ,, depreciation	9,93	10,06
,, ,, taxation	1,60	..
,, ,, development rebate reserve ..	4,10	2,00
Net profit	26,37	7,37
Adjustments	7,04	50
Appropriations:		
Total available balance	33,41	7,87
Transfer to general reserve	10,00	1,00
,, ,, bonus for 1959 and 1960	7,55	..
,, ,, depreciation (for earlier years) ..	8,00	..
Proposed dividend (taxable)	5,70 (20%)	2,85 (10%)
Carry forward	2,16	4,02

N.B.—Adjustments include the balance brought forward from the previous year; amount transferred from development reserve if any; profit on sale of fixed assets and liabilities in respect of previous years written back.

Extracts from the Directors' report: The trading conditions during the year under review remained favourable resulting in satisfactory turnover.

The supply position of cotton was affected by Government control on the quantum of purchase due to shortfall in cotton crop. Although the control on purchase is still in force, it is expected, that the industry will be able to obtain better supplies of Indian cotton during the year 1960-61 in view of the encouraging crop position.

During the year under report the Company paid a sum of Rs. 13,81,034 by way of excise duty. The directors are conscious of the continuous need to effectively meet the rising trends in the cost of production and to keep pace as far as practicable with the technological progress in the field of modernisation. Orders for new machinery have, therefore, been placed to the tune of Rs. 20 lakhs and these include one complete line of Blow Room, High Speed Drawing Frames, Ring Frames, Winding and Warping Machinery, Polymeriser and also improvements in the Drafting System both in spinning and its preparatory. A licence for the installation of 1,200 Spindles for the manufacture of waste yarn has also been obtained.

In order to provide additional working capital with the company, the directors have decided to issue a further capital of Rs. 9,50,000 divided into 95,000 ordinary shares of Rs. 10 each at par in proportion of one new ordinary share for every three ordinary shares held, subject to a special resolution to be passed in the extraordinary general meeting.

In accordance with the Companies (Amendment) Act 1960, depreciation has been provided for the year 1960 on the Book value of the fixed assets, which is approximately Rs. 3.7 lakhs in excess of what is required under the Income Tax Act.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	28,50,000	Gross block	1,57,23,142
6 per cent. debentures.	25,76,334	—Depreciation ..	98,54,887
Reserves and surplus..	42,04,589		
Other liabilities ..	1,16,79,980	Net block	58,68,255
		Block in progress ..	45,728
		Current assets ..	1,52,14,358
		Investments	57,578
		Cash	1,42,280
		Miscellaneous expenditure	42,606
	Rs. 2,13,70,803		Rs. 2,13,70,803

Travancore Rubber and Tea Co., Ltd.

(*Managing Agents*: Messrs. Aspinwall and Co. (Travancore) Ltd., Alleppey.)

Annual General Meeting—28th June. Dividends payable on or after 14th July.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	43,01	40,57
Gross profit	13,67	13,03
Transfer to Managing Agents' commission ..	1,22	1,01
,, ,, depreciation	1,43	1,35
,, ,, taxation	6,27	5,36
Net profit	4,75	5,31
Adjustments	4	92
Appropriations:		
Total available balance	4,78	6,23
Transfer to reserves	*	1,75
Proposed dividend (taxable) Preference ..	98	1,37
,, ,, Ordinary ..	3,69 (9%)	3,07 (7½%)
Carry forward	11	4

N.B.—Adjustments include the balance brought forward from the previous year and the amount transferred from dividend equalisation reserve if any.

* Only Rs. 173 for development rebate reserve.

Extracts from the Directors' report: **Rubber**: The crop harvested during the year was **5,50,862 kgs.** as against an estimate of **4,67,201 kgs.** or an increase over estimate of **83,661 kgs.**, and **67,893 kgs.** more than the crop harvested during 1959. 1960 has established a record in rubber crop, due mainly to weather favourable to the growth of rubber coupled with high level tapping introduced during the latter part of the year. As in 1959 a portion of the rubber crop was sold with advantage on the Estates as liquid latex.

Expenditure and average sale prices are compared below.

Year	Crop	All-in cost nP. per kg.	Average sale price nP. per kg.
1957	4,25,115	288.50	333.19
1958	4,80,118	292.58	334.12
1959	4,82,969	293.44	333.16
1960	5,50,962	279.98	330.62

It is conservatively estimated that a crop of **5,30,703 kgs.** of rubber will be collected during **1961** at an estimated Estate Expenditure of **179.96 nP per kg.**

Tea: During the year under review the Metric System of weights was introduced for tea. The crop harvested was **5,68,260 kgs.** which is 21,899 kgs. less than the crop in 1959 and 21,410 kgs. below estimate. The shortfall in crop is partly due to unfavourable weather conditions and partly due to an unusual attack of Blister Blight in the latter part of the year.

Comparative figures of tea crops and revenue for the year under review and the three previous years are given below:—

Year	Crop	All-in cost nP. per kg.	Average sale price nP. per kg.
1957	4,54,636	410.23	349.34
1958	5,35,088	364.23	353.47
1959	5,90,159	378.51	405.55
1960	5,68,260	411.23	436.39

The slight increase in estate expenditure reflects the short-fall in crop, whilst the increase in the all-in-cost per kilogram reflects the increased burden of taxation borne by the Company.

In 1961 it is estimated that the Tea crop will be 6,05,545 kgs. to be secured at an estate expenditure of 297.30 nP per kg.

The improvement in tea prices mentioned in the report for the year ended 31st December 1959 was maintained during the year under review. The price of rubber remains unchanged, and it is a matter of regret that the Tariff Board which enquired into the rubber price structure did not see fit to enhance rubber prices, even though costs of production have undoubtedly risen. However, the news of the greatly improved rubber rehabilitation subsidy, referred to above, has been received with satisfaction, and, as already stated, this Company is preparing to accelerate its replanting to the utmost, commensurate with at least maintaining crop.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	57,00,000	Gross block	89,22,753
Reserves and surplus..	15,18,998	—Depreciation ..	20,79,944
Other liabilities ..	19,09,826		
		Net block	68,42,809
		Current assets ..	10,59,382
		Investments	4,00,000
		Cash	8,26,633
	Rs. 91,28,824		Rs. 91,28,824

Indian Wood Products Co., Ltd.

(*Managing Agents*: Messrs. Gillanders Arbuthnot and Co., Ltd., Calcutta.)

Annual General Meeting—20th June. Dividends payable on or after 4th July.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1960	1959
Sales	52,50	43,76
Gross profit	16,62	12,88
Transfer to Managing Agents' remuneration ..	1,60	1,24
,, ,, depreciation	1,12	1,14
,, ,, taxation	5,76	5,18
,, ,, development rebate reserve ..	1	21
Net profit	8,13	5,11
Adjustments	1,16	1,05
Adjustments:		
Total available balance	9,29	6,16
Transfer to reserves	2,00	..
Proposed dividend	6,00 (30%)	5,00 (25%)
Carry forward	1,29	1,16

N.B.—Adjustments include the balance brought forward from the previous year.

Extracts from the Directors' report: As anticipated in the directors' last report, the results for the year are somewhat better than for the previous year, due mainly to the increased sales of the Company's products. The demand for both Cutch and Katha continues to be good and sales of the Company's total production present no problems at the present time. The Company has, however, now reduced production in order to conserve its reserve stock of timber which has decreased in recent years.

For the past 38 years it has been the custom to purchase trees from the U.P. Government on a lease basis. This gave the Company an assured intake of timber required to maintain full production. Since September 1960, however, no new lease has been granted to the Company and, instead, it is obliged to purchase its requirements in the auctions conducted by the Forest Department. It is not always possible by this system to obtain the full quantity of timber needed.

Accounts in brief as at 30th September 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	20,00,000	Gross block	22,69,933
Reserves and surplus..	24,27,394	—Depreciation ..	18,96,138
Other liabilities ..	23,52,948		
		Net block	3,73,795
		Current assets ..	49,89,087
		Investments	2,000
		Cash	20,15,510
	Rs. 67,80,342		Rs. 67,80,342

SUGAR

(*Concluded from page 1082*)

The system should be worked jointly by the factory and the growers. Each will have a chemist per shift in the quality payment laboratory which should be located very near the mills. The building and laboratory equipment will be provided by the factories. Cost on staff should be borne equally by the factory and the growers, but the factory will foot the bill initially. The grower's share will be deducted by the factory from the final payment from each grower in proportion to his supply of cane by weight. Or, in the alternative, the cost of working the scheme should be borne by the Government from the proceeds collected for cane cess. As far as possible, gadgets for automatic sampling of the first expressed juice should be installed by the factories. Where differences arise between the factory's and growers' chemist, the matter should be decided by the Director of the National Sugar Institute or his representative.

I have said that the average selling price of sugar should be computed for the calendar year January to December. This accounting year should be standardised for not only this particular aspect but for the industry as a whole as well as for other industries. Even the Government financial year should be a calendar year. Without some such standardisation, there is a lot of confusion. Since the calendar year is understood easily by the common man, that should be the yardstick for the accounting year too.

COMPANY MEETINGS AND DIVIDENDS

KYANG TEA SEED CO., LTD. Annual General Meeting. Calcutta, 15th June 1961. Dividend: *Nil*. Transfer books remain closed from 8th to 15th June 1961, both days inclusive.

MANEKLAL HARILAL SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Ahmedabad, 15th June 1961. Dividend: Rs. 81.00 per ordinary share, subject to deduction of tax, payable on 25th and 26th July 1961. Transfer books remain closed from 7th to 20th June 1961, both days inclusive.

RAJNAGAR TEA CO., LTD. Annual General Meeting, Calcutta, 20th June 1961. Dividend: *Nil*. Transfer books will remain closed from 13th to 20th June 1961, both days inclusive.

INDIAN WOOD PRODUCTS CO., LTD. Annual General Meeting, Calcutta, 20th June 1961. Dividend: 30 per cent or Rs. 3.00 per share (includes interim dividend of Re. 1.00 per share), subject to deduction of tax. Transfer books remain closed from 10th to 20th June 1961, both days inclusive.

WESTERN INDIA TANNERIES LTD. Annual General Meeting, Bombay, 26th June 1961. Dividend: Rs. 2.40 per share, on shares of Rs. 10 each and Re. 1.20 per share, on shares of Rs. 5 each, subject to deduction of tax, payable on and after 1st July 1961. Transfer books remain closed from 9th to 23rd June 1961, both days inclusive.

FERRO ALLOYS CORPORATION LTD. Annual General Meeting, Tumsar, Maharashtra, 26th June 1961. Dividend: 8 per cent or Rs. 8.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 20th to 26th June June 1961, both days inclusive.

PHILIPS INDIA LTD. Annual General Meeting. Calcutta, 26th June 1961. Dividend: 12 per cent or Re. 1.20 per share, subject to deduction of tax, payable on and after 17th July 1961. Transfer books remain closed from 7th to 26th June 1961, both days inclusive.

INDIAN STANDARD WAGON CO., LTD. Annual General Meeting, Calcutta. 26th June 1961. Dividend: 28.5 per cent or Rs. 7.125 per ordinary share, subject to deduction of tax, payable on or after 26th June 1961. Transfer books will remain closed from 17th to 26th June 1961, both days inclusive.

RUNGLEE RUNGLIOT TEA CO., LTD. Annual General Meeting, Calcutta, 26th June 1961. Dividend: 35 per cent or Rs. 35.00 per share, subject to deduction of tax. Transfer books will remain closed from 19th to 26th June 1961, both days inclusive.

CLEVEDON TEA CO., LTD. Annual General Meeting, Calcutta, 26th June 1961. Transfer books will remain closed from 19th to 26th June 1961, both days inclusive.

PODAR MILLS LTD. Annual General Meeting, Bombay, 27th June 1961. Dividend: Rs. 12.00 per ordinary share (includes a special bonus of Rs. 2.00 per share), subject to deduction of taxation. Transfer books will remain closed from 23rd to 30th June 1961, both days inclusive.

INDORE MALWA UNITED MILLS LTD. Annual General Meeting, Bombay, 27th June 1961. Dividend: Rs. 8.50 per share, subject to deduction of tax, payable on and after 3rd July 1961. Transfer books will remain closed from 12th to 27th June 1961, both days inclusive.

CHURULIA COAL CO., LTD. Annual General Meeting, Calcutta, 27th June 1961. Dividend: 3 per cent subject to deduction of tax, payable on or after 12th July 1961. Transfer books will remain closed from 14th to 27th June 1961, both days inclusive.

ONDAL COAL CO., LTD. Annual General Meeting, Calcutta, 27th June 1961. Dividend: 6 per cent or Re. 0.60 per ordinary share, subject to deduction of tax, payable on or after 12th July 1961. Transfer books will remain closed from 14th to 27th June 1961, both days inclusive.

MIM TEA CO., LTD. Annual General Meeting, Calcutta, 27th June 1961. Dividend: Rs. 22.50 per share, subject to deduction of tax. Transfer books will remain closed from 21st to 27th June 1961, both days inclusive.

EDWARD TEXTILES LTD. Annual General Meeting, Bombay, 28th June 1961. Dividend: Rs. 18.00 per share, subject to deduction of tax, payable on or after 14th July 1961. Transfer books remain closed from 8th to 28th June 1961, both days inclusive.

BRITISH PAINTS (INDIA) LTD. Annual General Meeting, Calcutta, 28th June 1961. Transfer books will remain closed from 22nd to 28th June 1961, both days inclusive.

RAJGARH TEA CO., LTD. Annual General Meeting, Calcutta, 28th June 1961. Dividend: Rs. 4.00 per share, subject to deduction of tax. Transfer books will remain closed from 22nd to 28th June 1961, both days inclusive.

INDIA SUGARS AND REFINERIES LTD. Annual General Meeting, Hospet (Bellary District), 29th June 1961. Dividend: 14 per cent or Re. 1.40 per share, subject to deduction of tax, payable on or after 6th July 1961. Transfer books will remain closed from 16th to 29th June 1961, both days inclusive.

TRITON INSURANCE CO., LTD. Annual General Meeting, Calcutta, 29th June 1961. Transfer books will remain closed from 15th to 29th June 1961 both days inclusive.

BARADIGHI TEA CO., LTD. Annual General Meeting, Calcutta, 29th June 1961. Dividend: 3(per cent or Rs. 3.00 per share, subject to deduction of tax. Transfer books will remain closed from 19th to 29th June 1961, both days inclusive.

DESSAI AND PARBUTTIA TEA CO., LTD. Annua General Meeting, Calcutta, 29th June 1961. Divi dend: *Nil*. Transfer books will remain close from 23rd to 29th June 1961, both days inclusive.

Notices

TRITON INSURANCE COMPANY LIMITED

NOTICE TO MEMBERS

THE BOARD OF DIRECTORS OF THE Triton Insurance Company Limited hereby give notice that the ANNUAL GENERAL MEETING OF MEMBERS will be held at the Company's Registered Office, 4, Clive Row, Calcutta, on Thursday the 29th day of June 1961, at 3.30 p.m., to receive and consider the Audited Accounts for the year ended 31st December, 1960, the Balance Sheet as at that date, and the Reports of the Board of Directors and the Auditors thereon, to declare a Dividend, to appoint Directors, to appoint Auditors and to fix their remuneration, and, as special business, to consider and, if thought fit, to pass with or without modification the following resolution which will be proposed as a Special Resolution:—

"That Article 112 of the Company's Articles of Association be deleted and the following Article substituted therefor.

112. Unless otherwise determined by the Company in General Meeting each Director shall be entitled to receive out of the funds of the Company remuneration by way of a fee of Rs. 250 for each meeting of the Board attended by him subject to a maximum in the aggregate of Rs. 1,200 each per annum. The Directors may allow and pay to any Director who for the time being is resident out of the place at which any meeting of the Directors may be held and who shall come to that place for the purpose of attending such meeting such sums as the Directors may consider fair and reasonable for his expenses and loss of time in connection with his attending at the meeting in addition to his fees as above specified."

A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy in his stead and such proxy need not be a Member of the Company.

The Share Transfer Books of the Company will be closed from 15th June to 29th June, 1961, both days inclusive.

By Order of the Board.
D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA, *27th May*, 1961.

Note:—Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, has been sent to all Members.

THE BORREA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on Wednesday the 31st May, 1961, the following dividends were recommended to be paid subject to deduction of tax.

Dividends for the year ended 31st December, 1960—

On 6½ per cent cumulative Preference Shares at 8.45 per cent per annum in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960.

On Ordinary Shares at the rate of 15 per cent.

Additional Dividend for the year ended 31st December 1959—

On 6½ per cent Cumulative Preference Shares at 1.95 per cent per annum in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Secretaries and Treasurers.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA.

TEXTILE MACHINERY CORPORATION LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Annual General Meeting of TEXTILE MACHINERY CORPORATION LIMITED will be held at the Registered Office of the Company at Belgharia, 24-Parganas, West Bengal, on Thursday, the 29th June, 1961 at 4-30 p.m., for the folowing purposes:

1. To receive and consider the Report of the Directors and to adopt the Audited Accounts of the Company for the year ended 31st December, 1960.
2. To declare dividend on Preference and Equity Shares.
3. To appoint Directors in place of Shri M. R. Jaipuria and Shri J. M. Goenka who retire by rotation and are eligible for re-election.
4. To appoint Auditors and fix their remuneration.

The Registers of Members of the Company will remain closed from the 12th June, 1961 to the 29th June, 1961 both days inclusive.

By Order of the Board,
R. S. DHOOT,
Secretary.

BELGHARIA,
23rd May, 1961

N.B.—(1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

(2) Shareholders are requested to notify any change of address failing which the dividend warrants will be posted to their addresses as registered with the Company.

(3) The dividends when declared will be paid to the registered shareholders or to their order or to their bankers on or after 25th July, 1961.

THE KARANPURA DEVELOPMENT COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of The KARANPURA DEVELOPMENT COMPANY LIMITED will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Thursday, the 29th June, 1961, at 10-50 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1960, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 17th June, 1961 to the 29th June, 1961, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Secretaries & Treasurers.

CHARTERED BANK BUILDINGS,
CALCUTTA, *31st May*, 1961.

Note:—(*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead.

A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 13th July, 1961, to those members so entitled, whose names appear in the Company's books on 29th June 1961 or to their mandatees. No application for dividend warrants will be necessary.

THE BORREA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of The Borrea Coal Company, Limited, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Thursday, the 29th June, 1961, at 10-30 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1960, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint Auditors and fix their remuneration.

As Special Business

4. To appoint a Director in place of Mr. S. B. Bose, who retires by rotation and being over 65 years of age is not eligible for re-election unless his appointment is approved by a resolution of the Company in General Meeting specifically declaring that the age limit shall not apply to him.

And in this connection to consider and, if thought fit, to pass the following resolution of which special notice as required under Section 281(2) of the Companies Act, 1956, has been received by the Company from a Shareholder which will be proposed as an Ordinary Resolution.

"That the restriction as to age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to Mr. S. B. Bose and that he be and is hereby re-elected as a Director of the Company, whose period of office as such Director would be liable to determination by retirement of Directors by rotation."

The Share Transfer Registers of the Company will be closed from the 17th to the 29th June, 1961, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Secretaries and Treasurers.

CALCUTTA, *31st May*, 1961.

Notes:—(*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(*b*) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business set out above is being sent to the shareholders.

(*c*) The Dividends, if declared, will be paid on or after 14th July, 1961, to those Shareholders so entitled whose names appear in the Company's books on the 29th June, 1961, or to their mandatees. No application for Dividend Warrants will be necessary.

SWADESHI COTTON MILLS COMPANY LIMITED

Registered Office:
Swadeshi House, Civil Lines,
KANPUR

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 40th Annual General Meeting of the Members of the Swadeshi Cotton Mills Company Limited will be held at the Registered Office of the Company at Swadeshi House, Civil Lines, Kanpur, on 28th day of June, 1961 at 2-30 p.m., to transact the following business:—

1. To receive and consider the Audited Profit and Loss Account for the year ended 31st December, 1960 and the Balance-sheet as on that date and Report of the Directors and of the Auditors thereon.
2. To sanction the declaration of Dividend.
3. To elect a Director in the place of Shri M. R. Jaipuria, who retires by rotation and is eligible for re-election.
4. To elect a Director in the place of Shri B. L. Jaipuria, who retires by rotation and is eligible for re-election.
5. To appoint Auditors in place of those retiring and to fix their remuneration.

Notice is also hereby given that the Share Transfer Books and the Register of Members of the Company will remain closed from 21st June to 28th June, both days inclusive.

Dividend Warrants will be posted to the respective members at their registered addresses or in accordance with their mandates, after 28th June, 1961. Members are requested to advise immediately change, if any, in their addresses.

By Order of the Board,
FOR SWADESHI COTTON MILLS COMPANY LIMITED,
M. L. BAGLA,
Secretary.

Dated, 29th May, 1961.

Note:—A shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

For the special attention of:—

1. Mr. Norman Hamilton, 2, Ravelston Terrace, Edinburgh 4, Scotland.
2. Dr. P. D. Kapur, 40, Lullington Gorth, Woodside Park, London, N. 12.

THE TRAVANCORE RUBBER AND TEA COMPANY LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 30th June 1961 to the registered holders as at that date half-yearly interest due on the Preference Shares at the rate of 3.0645 per cent (calculated in accordance with the Preference Shares (Regulation of Dividends) Act 1960), subject to deduction of tax.

Preference share transfer books will be closed from 26th June to 30th June 1961, both days inclusive.

By Order of the Board,
THE TRAVANCORE RUBBER & TEA CO. LTD.,
Per Pro. ASPINWALL & CO.
(TRAVANCORE) LTD.,
Managing Agents.

ALLEPPEY, *1st June*, 1961.

THE KARANPURA DEVELOPMENT COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on Wednesday the 31st May, 1961, the following Dividends were recommended to be paid for the year ended 31st December, 1960.

On Ordinary Shares—5 per cent per annum subject to deduction of Tax.

On Founders' Shares—15 per cent per annum subject to deduction of Tax.

By Order of the Board,
BIRD & CO., (PRIVATE) LIMITED,
Secretaries and Treasurers.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, *31st May*, 1961.

THE ONDAL COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE ONDAL COAL COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Tuesday, the 27th June, 1961, at 10-45 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1960, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint a Director in place of a retiring Director.

4. To appoint Auditors and fix their remuneration.

As Special Business

5. To consider, and if thought fit, to pass, with or without modification, the following resolution which will be proposed as a Special Resolution:—

"Resolved that, pursuant to Section 370 of the Companies Act, 1956, the Company doth hereby authorise the Board of Directors of the Company to grant a loan or loans of a sum or sums not exceeding in the aggregate Rs. 2,50,000 to the Firm of The Karanpura Mining Syndicate carrying on business at Chartered Bank Buildings, Calcutta, on terms that the said loan shall be secured by a promissory note or promissory notes payable on demand and shall carry interest at the rate of 6½% per annum from the date of advance until repayment."

The Share Transfer Registers of the Company will be closed from the 14th to the 27th June, 1961, both days inclusive.

By Order of the Board,
P. PRASHAD,
Chairman.

CHARTERED BANK BUILDINGS,
CALCUTTA, *29th May*, 1961.

Notes: (*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(*b*) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business set out above is being sent to the shareholders.

(*c*) The Dividends, if declared, will be paid on or after 12th July, 1961, to those shareholders so entitled whose names appear in the Company's books on the 27th June, 1961, or to their mandatees. No application for Dividend Warrants will be necessary.

THE ONDAL COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on Monday the 29th May, 1961, the following dividends were recommended to be paid subject to deduction of tax.

Dividends for the year ended 31st December, 1960—

On 6½ per cent Cumulative Preference Shares at 8.45 per cent per annum in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960.

On Ordinary Shares at the rate of 6 per cent.

Additional Dividend for the year ended 31st December, 1959—

On 6½ per cent Cumulative Preference Shares at 1.95 per cent per annum in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960.

By Order of the Board,
P. PRASHAD,
Chairman.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, *29th May*, 1961.

DUNCAN BROTHERS AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE 62nd Annual General Meeting of shareholders of DUNCAN BROTHERS & CO., LTD. will be held at the Registered Office of the Company, No. 31, Netaji Subhas Road, Calcutta, on Thursday, 29th June 1961, at 10-30 a.m., for the following purposes:—

1. To consider and adopt the audited Accounts for the year ended 31st December, 1960 and the reports of the Board of Directors and the Auditors.
2. To declare dividends on the preference and ordinary shares.
3. To elect a Director.
4. To appoint Auditors for the current year and fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification the following resolution which will be proposed as an ordinary resolution:—

"Resolved that a 'Rights' issue of 10,000 equity shares of the Company be made, to be offered to equity shareholders of the Company in the ratio of one equity share for every nine equity shares held by them, the date of such issue to be fixed by the Board of Directors of the Company."

The register of members and share transfer books of the Company will be closed from 20th to 29th June 1961, both days inclusive.

By Order of the Board,
S. K. MITRA,
Secretary.

CALCUTTA, *31st May*, 1961.

Note: A member entitled to attend and vote at the meeting may appoint a proxy to attend and, on poll, vote on his behalf. The proxy need not also be a member of the Company.

EXPLANATORY STATEMENT

This resolution is necessary under Section 94 of the Companies Act, 1956. With the continued expansion of the Company's business as referred to in the Directors' Report forwarded to each shareholder of the Company, it is desirable and necessary to increase the equity share capital of the Company. It is considered that a 'Rights' issue of equity shares in terms of resolution No. 5 above will meet the present needs of the Company for further capital. The date of the 'Rights' issue has been left at the discretion of the Directors of the Company to be determined as may be necessary.

BENGAL POTTERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE FORTY-NINTH ANNUAL GENERAL MEETING OF THE BENGAL POTTERIES LIMITED, will be held at the registered office of the Company at 45, Tangra Road, Calcutta, on Thursday the 29th June 1961 at 3-30 p.m., to transact the following items of business:—

(1) To receive and adopt the Directors' Report, the audited Balance Sheet and the Profit and Loss Account for the year ended 31st December 1960.

(2) To declare a Dividend.

(3) To elect Directors in place of those retiring.

(4) To consider and if thought fit to pass the following resolution as a special resolution:—

'RESOLVED that subject to the approval of the Central Government the Articles of Association of the Company be altered in manner following:—

(*a*) That the following words be added at the end of the proviso to Article 97, "and by The Industrial Credit and Investment Corporation of India Ltd. under Article 96C."

(*b*) In Article 102, clause (c) immediately after the words "by the Corporation" there shall be inserted the following words "or by the Industrial Credit and Investment Corporation of India Ltd."

(*c*) In Article 102 clause (*g*) immediately after the words "by the Corporation" there shall be inserted the following words "or by the Industrial Credit and

Investment Corporation of India Ltd."

(*d*) In Article 106 after "96B" there shall be inserted "and 96C."

(*e*) The following words shall be added at the end of Article 107:—"or by the Industrial Credit and Investment Corporation of India Ltd."

(*f*) In Article 110 the following words shall be added at the end of the proviso thereto "or by the Industrial Credit and Investment Corporation of India Ltd."

(*g*) In Article 111 immediately after the word "96B" there shall be inserted the following words:—"or by the Industrial Credit and Investment Corporation of India Ltd., under Article 96C."

(*h*) In Article 112 immediately after the word "Corporation" there shall be inserted the following words, viz., "or by the Industrial Credit and Investment Corporation of India Ltd."

(*i*) At the end of Article 113 there shall be added the following words "or by the Industrial Credit and Investment Corporation of India Ltd."'

The Statement of Material Facts as required under Section 173(2) of the Companies Act 1956 has been forwarded to the members of the Company.

(5) To appoint Auditors for the current year and to fix their remuneration.

The Share Transfer Register of the Company will be closed from 15th June to 10th July, 1961, both days inclusive.

A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

By Order of the Board of Directors,
BHARAT RAM BHAGAT & COMPANY,
Managing Agents.

45, TANGRA ROAD,
CALCUTTA.
Dated 2nd June 1961.

SYNTHETICS AND CHEMICALS LIMITED

Registered Office:
45/47 Apollo Street, Fort
BOMBAY No. 1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIRST ANNUAL GENERAL MEETING OF Synthetics and Chemicals Limited will be held at Walchand Hirachand Hall, 76 Vir Nariman Road, Churchgate, Bombay 1, on Monday the 3rd July 1961, at 4-30 p.m., to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Profit and Loss Account of the Company for the period 21st January 1960 to 31st March 1961, and the Audited Balance Sheet as at 31st March 1961.
2. To appoint Directors in place of Mr. Tulsidas Kilachand, Mr. Ramdas Kilachand, Mr. E. H. Schulenberg, Mr. W. D. Waugh, Mr. A. D. Shroff and Mr. B. K. Daphtary the first Directors of the Company who retire at this meeting and being eligible offer themselves for reappointment. Notices have been received from members regarding each of the retiring Directors signifying their intention to propose him as a candidate for office of Director.
3. To appoint a Directors in place of Mr. Kishore M. Premchand who was appointed an additional Director and who holds office up to the date of this meeting and in respect of whom notices have been received from members signifying their intention to propose him as a candidate for the office of Director.
4. To appoint a Director in place of Mr. R. R. Ruia who under Article 162(2) of the Articles of Association of the Company holds office up to the date of this meeting and in respect of whom notices have been received from members signifying their intention to propose him as a candidate for the office of Director.
5. To appoint Auditors for the current year and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit to pass the following resolution as an ordinary resolution:—

   RESOLVED that consent is hereby accorded under Section 293 of the Companies Act 1956, to the Board of Directors from time to time, exercising all the powers of the Company to borrow moneys and to mortgage or charge its undertaking and property or any part thereof upto a total amount for the time being remaining undischarged of Rupees Twenty Crores (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) even though the moneys to be borrowed together with the moneys already borrowed by the Company may thereby exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say reserves, not set apart for any specific purpose.

7. To consider and if thought fit to pass the following resolution as an ordinary resolution:—

   RESOLVED that the following arrangements entered into by the Company be and the same are hereby approved and confirmed.

   (*a*) the borrowing of U.S. $6,000,000 from Bank of America National Trust and Savings Association, Bankers Trust Company, The Chase Manhattan Bank and The First National City Bank of New York and to be secured by a guarantee of the State Bank of India, The Bank of Baroda Limited and the National and Grindlays Bank Limited.

   (*b*) the borrowing of Rs. 3,92,00,000 from the Export-Import Bank of Washington to be secured by a guarantee of the State Bank of India, The Bank of Baroda Limited and the National and Grindlays Bank Limited.

   (*c*) the borrowing of U.S. $3,256,579 from Firestone Tire & Rubber Company of Akron, Ohio, U.S.A.

   (*d*) the creation of security in favour of State Bank of India, The Bank of Baroda Limited and the National and Grindlays Bank Limited for any liability arising under such guarantees and in due performance of the Company's counter-indemnity dated 7-4-1961 such security being an equitable mortgage of all its immoveable property including lands, buildings and machinery and a hypothecation of all moveable assets comprising plant, machinery and accessories of every description which now or hereafter from time to time shall be brought into stores or be in the disposal of or about the Company's premises at Bareilly belonging to or in the occupation of the Company or wherever else the same may be including any such assets in course of transit or delivery or if the Bank so require a legal mortgage of the Company's lands, buildings, machinery and equipment.

8. To consider and if thought fit to pass the following resolution as an ordinary resolution:—

   RESOLVED that consent be and is hereby given that the certificates for the shares of the face value of Rs. 4,50,00,000 for the issued capital of the Company be made ready and issued by the 31st December 1961.

By Order of the Board of Directors,
K. B. DABKE,
Secretary.

Dated, 9th May 1961.

Notes: (*a*) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOT INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE MEMBER.

(*b*) The Register of Members and the Shar Transfer Books of the Company will remai closed from 15th May 1961 to 20th May 19((both days inclusive).

(*c*) Copies of the above agreements an documents, mentioned in item 7 are open fc inspection during business hours on any worl ing day till 3rd July 1961.

Explanatory statement as required by Se tion 173 of the Companies Act 1956 has bee forwarded to the members of the Company.

THE TWYFORD TEA COMPANY LIMITED
KOTTAYAM

NOTICE IS HEREBY GIVEN THAT TH Forty-sixth Annual General Meeting of th Shareholders will be held at the Registere Office of the Company at Kottayam, Kera State, on Thursday the 29th June 1961, at 11 a.r to receive the Directors' Report and Accounts f the year ended 31st December 1960, to declare Dividend, to elect a Director, to elect Audito and to fix their remuneration etc., and transact any other ordinary business of th Company.

The Transfer Books of the Company will b closed from 22nd June to 29th June, 1961, bot days inclusive.

By Order of the Board,
PARKINS (PRIVATE) LIMITED,
Managing Agent

KOTTAYAM, *3rd June*, 1961.

THE HAILEYBURIA TEA ESTATES LIMITED
KOTTAYAM

NOTICE IS HEREBY GIVEN THAT TH Thirty-eighth Annual General Meeting of th Shareholders will be held at the Registere Office of the Company at Kottayam, Kera State, on Thursday the 29th June 1961 at 2 p.r to receive the Directors' Report and Accounts f the year ended 31st December 1960, to declare Dividend, to elect a Director, to elect Audito and to fix their remuneration etc., and transact any other ordinary business of th Company.

The Transfer Books of the Company will b closed from 22nd June to 29th June, 1961, bot days inclusive.

By Order of the Board,
PARKINS (PRIVATE) LIMITED,
Managing Agent

KOTTAYAM, *3rd June*, 1961.

BALMER LAWRIE AND COMPANY LIMITED

THE BOARD OF DIRECTORS OF TH above Company has decided to recommer to the forthcoming Annual General Meeting, th payment of a Final Dividend of 18 per cent f the year ended 31st December, 1960.

BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretar

21, NETAJI SUBHAS ROAD,
CALCUTTA, *30th May*, 1961.

BRIDGE AND ROOF COMPANY (INDIA) LIMITED

THE BOARD OF DIRECTORS OF TH above Company has decided to recommer to the forthcoming Annual General Meeting, th payment of a Dividend of 30 per cent for th year ended 31st December, 1960.

BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretar
Secretari

21, NETAJI SUBHAS ROAD,
CALCUTTA, *30th May*, 1961.

2 JUN 1961 PUBLIC LIBRARY

MONEY COMFORTABLE

(From Our Own Correspondent)

BOMBAY, *7th June*

Conditions in the Bombay short-term money market were fairly comfortable during the week. As the return flow of funds from mofussil centres gathered momentum, supply was adequate to meet the requirements of borrowers. Call money rate among exchange and Indian banks stood at 4½ per cent. Stray transactions were done at 4½ per cent after clearing hours. The other rates were unchanged. For ready reference we give them below:

	Per cent
Inter-bank call money:	
Exchange and other large Indian banks	4½
Other banks	4½
Notice money:	
3 days or more	3
Term deposits:	
(i) 3 to 30 days (inclusive)	3
(ii) 31 to 60 days	3½
(iii) 61 to 90 days	3½
(iv) 91 days and more but less than 12 months	3½
(v) 12 months	4

The results of the 91 days' Treasury bills of the Government of India sold through weekly tenders show that the total amount offered was Rs. 2.03 crores as against an invitation of Rs. 2 crores. The amount actually accepted was Rs. 2 crores at the average rate of 2.750 per cent per annum, same as last week. 91 days' intermediate Treasury bills sold from 31st May to 3rd June were of the order of Rs. 10 lakhs only. Their sales are being continued from 7th June up to 10th June.

The Reserve Bank of India's Statement for the week ended 2nd June 1961 as compared with the previous week discloses a decline of Rs. 72.06 lakhs in notes in circulation. As the notes held in the Banking Department have fallen by Rs. 8.30 lakhs, the notes issued have receded by Rs. 80.36 lakhs. Foreign securities have remained unchanged but, as the balances held abroad have shrunk by Rs. 7.35 crores, the total foreign assets have come down by that amount to Rs. 128.77 crores. Deposits of banks with the Reserve Bank of India have risen by Rs. 1.67 crore to Rs. 78.69 crores. On the asset side other loans and advances have increased by Rs. 7.03 crores to Rs. 123.84 crores. Such against usance bills have gone up by Rs. 41 lakhs to Rs. 13.06 crores.

A decline of Rs. 4.77 crores in demand and an expansion of Rs. 4.44 crores in time deposits are disclosed by the Statement of the Scheduled banks for the week ended 26th May 1961. Deposits of the State Bank of India have risen by Rs. 1.08 crore. Borrowings from the Reserve Bank of India have decreased by Rs. 5.92 crores to Rs. 24.20 crores and those against usance bills from the same institution by Rs. 3.62 crores. Borrowings of demand nature from the State Bank have fallen by Rs. 21.16 lakhs but those of time variety have increased by Rs. 20.60 lakhs. The assets side shows that advances and bills discounted have receded by Rs. 6.16 crores to Rs. 1,280.06 crores. They were of the order of Rs. 1,123.76 crores a year ago. Over the week, the advances of the State Bank have gone down by Rs. 3.44 crores. The investments of scheduled banks have improved by Rs. 6.51 crores. But, as the investments of the State Bank have improved by Rs. 7.07 crores, the investments of other scheduled banks have fallen by Rs. 56 lakhs.

In the Government securities market, the subscriptions in respect of the re-issue of the 3½ per cent conversion loan of 1967 by tendering 3½ per cent 1961, 2½ per cent 1961 and 3 per cent Hyderabad loan 1951-61 aggregated about Rs. 93.57 crores, out of the total outstanding amount of Rs. 138.89 crores. Thus the response is quite satisfactory. The Reserve Bank put up its buying rate for 2½ per cent 1961 issue by 20 nP to Rs. 99.70. The gilt-edged market was on the whole sluggish. The 4 per cent loans quoted at discount were in demand. But business was restricted due to absence of sellers. In the Central loans section the 2½ per cent 1962 loan hardened by 30 nP to Rs. 98.85 and 3 per cent 1970-75 first development loan put on 10 nP to Rs. 90.90. But 3 per cent 1986 (conversion loan of 1946) shed 15 nP to Rs. 72.85 and 3½ per cent 1969 declined by 5 nP to Rs. 98.65. All other issues were unchanged.

In the foreign exchange section, the rupee weakened further in relation to the U.S. dollar. The banks' selling and buying rates for ready T.T. on New York were Rs. 479.75 and Rs. 476.25 per 100 dollars respectively, as against Rs. 479.50 and Rs. 476 in the previous week. In the New York exchanges market, the pound sterling was under pressure. The latest available rates are 279.070-279.100 cents per £ for spot and 277.740-277.770 cents per £ for three months' forward. Over the week, spot sterling lost 0.01 cent, while the forward gained 0.07 cent.

GOAT SKINS STEADY

(From Our Own Correspondent)

MADRAS, *5th June*

Arrivals of tanned hides and calves were moderate and clearance was fair-sized, at steady prices. U.K. importers seemed interested in medium weight cow hides and all averages in inferior fifths though the demand for cow calf and buff calf was negligible. It has been reported that small quantities of kips were sold to East European countries. Market for goat skins was steady and for sheep weak.

In the German auctions for tanned skins held last week, prices realised were upto c.i.f. levels but stocks cleared were small, which is a disquieting feature. Shipments during last month were 2,542 bales tanned cow hides, 221 cow calf, 30 buff hides, 440 buff calf, 540 goat skins and 438 sheep to U.K.; 113 bales cow calf, 50 buff calf, 1,041 goat skins, 433 sheep to Continent; 116 buff hides, 283 buff calf, 95 goat to U.S.A. and 50 sheep to Japan.

BULLION BUOYANT

(From Our Own Correspondent)

BOMBAY, *7th June*

There was a notable recovery in bullion prices during the week under review. The recovery followed excellent support on fears that the floating stocks in the market might be depleted in the coming weeks. The fears were based on the ground that the offtake of both gold and silver would continue to be quite large, notwithstanding the monsoon. Some Calcutta interests were also active buyers in the local market. A bear operator of North India was reported to have built up long position. The scarcity of contracts accelerated the rise in prices. Even reports indicating large inflow of contraband metals failed to have any effect. Today's closing rates for gold and silver were higher than those at the end of last week.

The daily average offtake of gold during the week was higher at 5,000 tolas, as against 4,000 tolas in the previous week, while arrivals were somewhat lower at 5,600 tolas, as against 5,670 tolas. In silver, both offtake and arrivals were smaller, the average being 5 bars and 20 bars, as against 6 bars and 28 bars respectively. The floating stocks of gold are estimated at 30,000 tolas and those of silver are reported to be around 300 bars.

Adjustment rates fixed today were Rs. 119.30 per 10 grams of gold and Rs. 202.70 per kg. of silver. The corresponding rates for last week were Rs. 118.55 and Rs. 198.50.

The *Jeth Adhik* (second) settlement in gold which stood at Rs. 118.05 on Wednesday last week rallied to touch a high of Rs. 119.60 on Thursday the 1st inst. After receding to Rs. 118.35 on Monday, the settlement recovered to Rs. 119.50 today before finishing at Rs. 119.15. The first settlement went off the board at Rs. 118.65 on the 1st inst. The rate for transferring commitments from the first to the second settlement on this day was against bears to the extent of 90 nP.

Ready gold began the week at Rs. 119.20, as against the previous close of Rs. 118.80, and rallied to Rs. 119.90 on Friday. After declining in the subsequent sessions to Rs. 119.30, it moved up again to touch Rs. 119.90 today. Towards the close, however, it was a shade easy at Rs. 119.55. The net loss over the week was 75 nP. The premium commanded by ready gold over the second settlement was 65 nP, as against 75 nP last week-end.

In silver, the *Jeth Adhik* (second) settlement attracted very good attention of operators and forged ahead from Rs. 198.50 to as high as Rs. 203.75 today. At this level, profit-taking set in and the settlement finished lower at Rs. 203. The net rise over the week was Rs. 4.50. The first settlement ran out at Rs. 200.30 on Thursday the 1st inst., as against Rs. 198.90 on the preceding day. The rate for transferring commitments from the first to the second settlement was against bears, the actual rate widening from 40 nP to Rs. 1.15, so that the bulls in the first settlement were required to pay a margin of Rs. 300 per bar.

Ready silver which was quoted on a par with the second settlement last week commanded a premium of 30 nP on Thursday the 1st inst. The premium, however, disappeared in the subsequent sessions and it was quoted at a discount; the actual discount today was 30 nP. The closing rate was Rs. 202.70, as against Rs. 198.50 last week. The highest and the lowest levels touched were Rs. 203.25 (today) and Rs. 198.70 (1st inst.).

The world price of gold in the London bullion market was a shade better at $35.07, as against $35.06½. Ready gold improved slightly from 251s. 3d. to 251s. 3¾d. Ready and forward silver were unchanged at 79¾d. and 79¾d., respectively. Silver in New York was also unaltered at 91.375 cents.

The following table shows the trend of the market during the week under review:

	7-6-1961 (closing)	High	Low	31-5-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	119.35	119.90	119.10	118.80
Forward:				
Jeth 2nd*	119.15	119.60	118.35	118.05
Sovereign	94.25	—	—	94.25
SILVER				
Ready (.996 fine)	202.70	203.25	198.70	198.50
Forward:				
Jeth 2nd†	203.70	203.75	198.90	198.50
London—	6-6-1961			30-5-1961
Silver Ready	79¾d.	—	—	79¾d.
Silver Forward	79¾d.	—	—	79¾d.
Gold	251s. 3¾d.	—	—	251s. 3d.
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 27th June settlement. † 28th June settlement.

N.B.—The quotation for gold is per 10 grams (about 0.33 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

LINSEED FIRM

(*Messrs. A. Bradley and Co.*)

CALCUTTA, *5th June*

Generally firm conditions have been maintained throughout the past week and prices have shot up to some extent. Arrivals of seeds have slackened and upcountry prices are higher; millers are showing great interest for ready and forward deliveries but sellers are reluctant to do business at current prices. Only small arrivals of ready goods are changing hands.

The oil market has firmed up, and stocks are low; buyers are showing keen interest for ready and forward deliveries in sympathy with other oil markets notably groundnut and mustard oil.

Ready/September delivery Rs. 27 per maund.

COTTON FUTURES RALLY

(From Our Own Correspondent)

BOMBAY, *7th June*

The cotton futures market depicted a distinctly firm trend during the week under review. The firmness was engendered by bull support which stemmed from the release of an additional quota of Indian cotton to mills equivalent to 20 per cent of their consumption in the last season. Rumours regarding the possible upward revision in the selling price for cotton to the extent of Rs. 30 per bale in the next season also imparted considerable strength to the market. There was, besides, speculative buying on hopes of a further export quota for short-staple cotton. Some believed that the quota would amount to as much as 100,000 bales. Consequently, cotton prices registered a sharp rally.

The I.C.C. August contract advanced from Rs. 569 last week-end to touch as high as Rs. 582.50 yesterday. Short-covering and speculative bull support lifted up the prices further to Rs. 585 today. At this level, some profit-taking set in and the contract finished at Rs. 583. The net rise over the week was Rs. 14.

The official announcement of the additional quota of Indian cotton to mills prompted active inquiries in the spot market in several varieties, particularly Kalyan, Khandesh, CO2, Vijay-Digvijay, Surti and L147. Laxmi and Zoda cotton continued to evoke attention of a few mills. The quotations—in rupees per candy of 784 lbs.—for a few important varieties of cotton are: Hubli Laxmi 975; Amravati (L147) 1,025; Moglai-Zoda 450 Samalaya Digvijay 965; Gadag Laxmi 965; Dhulia Zoda 551; Kalyan 850.

Among foreign varieties, mill's attention was focussed on American, Sudan and East African cotton. Transactions were put through today at Rs. 1,245 for American cotton, Rs. 1,290 (c.i.f. July-August shipment) for BP52 and Rs. 1,450 (c.i.f. July shipment) for Sudan XG3L. In the export section, routine business was reported in Zoda and yellow pickings. There was also stray buying in Bengal *deshi*, Moglai and Kalyan.

The Government, as already stated, has decided to issue to mills straightaway a further quota of Indian cotton equivalent to 20 per cent of their consumption of such cotton in the last season. The quota will, however, be given only to those mills which have given bank guarantees for the purchase of short-staple American cotton recently allowed under P.L. 480. It may be noted here that the quantity allowed under this programme is 300,000 bales, of which purchases covering 225,000 bales are reported to have already been made. The latest announcement of the additional quota may be expected to speed up the purchase of the remaining 75,000 bales. The quotas for Indian cotton issued to mills before this announcement aggregated 3,825,000 bales. With the latest announcement, the total quota issued would come to 4,705,000 bales. In this connection, the Textile Commissioner has warned the mills failing to send their bank guarantees in good time to the effect that such mills would run the risk of not being able to obtain popular varieties of Indian cotton in the market as these may get sold and become scarce at the end of the season with consequent effect on prices. He has made it clear that, in such an eventuality, he would not consider himself bound to requisition any cotton in the mills. The Press note issued by the Textile Commissioner on the 6th inst. says:

"It is observed that some mills which have been allocated American cotton stapling 1" and below under P.L. 480—Purchase Authorisation No. 39-55 have not sent in their bank guarantees in spite of reminders to them. These allocations are compulsory and no exemption therefrom will be considered. Mills which have taken these allocations are being given, in addition to their normal quotas of Indian cotton, extra quotas of Indian cotton to the extent of 20 per cent of their last season's consumption of such cotton as a special concession, which is withdrawable at any time without notice. Mills are, therefore, advised to send in their bank guarantees and to enter into firm contracts for import immediately, so that they may become eligible for the balance of their Indian cotton quotas as well as the extra quotas."

Cheerful conditions prevailed in the Karachi cotton market during the week under review thanks to enlarged professional interests. Operators welcomed the Government's decision to announce the provision for securing advance payment from consignees abroad for raw cotton exports, in a fresh bid to promote exports. Under a new circular issued by the State Bank of Pakistan, no such advance payment will henceforth be required and export can be made on GRP1/1 RP I forms stipulating receipt in Pakistan in an appropriate manner of the full export value of cotton exported within two months from the date of shipment or when export is made to India and within four months where the export is to any other country. July contract improved initially from Rs. 70 to Rs. 70.25 before closing at Rs. 70.10, with a net gain of 10 nP over the week.

The Alexandria cotton market displayed distinctly weak conditions during the week. Both *Karnak* and *Ashmouni* contracts came in for sustained selling with values moving down. *Ashmouni* June contract moved down from 61.66 T. (tallaris) to 66 T. per pound and August contract from 61.1 T. to 60.50 T. Karnak July contract was lower at 69.51 T., as compared with 70.35 T. last week-end.

In the Liverpool market, values moved narrowly in thin dealings. The professional interest were busy with renewed attempts to transfer commitments from near holdings to forward. The auction held by the Sudan Gazeria Board were of routine nature. The volume of business was only moderate. July position closed higher at 24d., against 23.90d. last week-end. October contract was quiet at 24d. and July contract (Sudan) at 31.75d.

After remaining subdued early in the week in sympathy with the yarn and piecegoods markets New York cotton market put on a better appearance towards the close, following some purchase

by commission houses. A fair volume of business was transferred from the near to distant contract.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	6-6-61	26-5-61	22-5-61
Spot	34.35	34.25	34.20
July	33.45	33.27	33.25
October	34.72	34.07	34.19

BEMBERG YARN CLIMBS UP

(From Our Own Correspondent)

BOMBAY, *7th June*

An important event of the week in so far as the yarn market is concerned is the announcement of the Government's decision to modify the licensing of art silk yarn export against rayon grade woodpulp under the existing export promotion scheme. According to the official Press note issued yesterday, 30 per cent of the entitlement for art silk yarn under this scheme has to be surrendered compulsorily by each manufacturer-exporter for the import of raw grade wood-pulp by the spinners of indigenous art silk yarn. The surrender of entitlement, it is stated, shall apply to art silk yarn only and not to import entitlement for dyes, chemicals, machinery and spare parts admissible under the scheme. In return for the surrender of entitlement, the manufacturer-exporter will be entitled to receive 75 lbs. of indigenous art silk yarn for every rupee worth of entitlement surrendered at the prices to be fixed by the Textile Commissioner from time to time.

It was reported that stocks of yarn were very much limited, while demand was increasing. There were complaints that the spinners were not making regular deliveries of acetate and rayon yarns. Consequently, rayon yarns scored handsome gains. Staple fibre yarns, however, were quiet. In a statement issued this week, the President of the Yarn Merchants Association and Exchange Ltd., Mr. Kantilal Nahalchand, said that the decision taken by the Association authorities to square up outstanding business did not in any way contravene the prices fixed by the Indian Cotton Federation for 40 x 2 staple fibre yarn. The President, however, stated that, though the Federation had fixed the ceilings for the various counts of staple fibre yarn, goods were not flowing into the market from the mills at these prices. The prevailing rate of ready delivery 40 x 2 staple fibre yarns ranged from Rs. 950 to Rs. 960, as against the ceiling of Rs. 971. Cotton yarns were dull. Transactions put through were limited. Traders noted that the hosiery yarn spinners had urged the Government to authorise them to sell their production in the open market at controlled rates. This plea is on the score that, as the Hosiery Industry Federation has failed to lift yarn for two successive quarters under the distribution scheme, large stocks of yarn are lying unsold with them. The present stocks are estimated at 800,000 lbs.

Cupressa Bemberg yarn (60 x 1) June delivery jumped up from Rs. 2,560 to Rs. 2,640. August contract was quoted today at Rs. 2,665. 40 x 1 J.P. June contract rallied from Rs. 2,908 to Rs. 3,050, the August position being quoted at Rs. 3,092. Spot Cupressa registered a rise of Rs. 13, today's rate being Rs. 2,645. Among imported yarns, 120 Japan was fully maintained at Rs. 1,735, 150 Japan at Rs. 1,777, and 120 Italy at Rs. 1,625. Among indigenous yarns, National Rayons 150 bright cones first grade forged ahead from Rs. 15.33 to Rs. 16.21. 120 bright cones first grade advanced from Rs. 16.21 to Rs. 17.51.

Staple fibre yarn 40 x 2 August contract was quoted today at Rs. 910, as against Rs. 911 last week-end. Spot Kohinoors were well supported, the quotation improving by 9 nP to Rs. 11.22.

In the cotton yarn section, ten counts Podars changed hands at Rs. 17.50, same as last week. Twenty counts Gokaks were unaltered at Rs. 22.50, as also New Greats at Rs. 21.25. Thirty counts Simplex were done at Rs. 27. Forty counts Maduras were done at Rs. 33 and Sixty counts Finlays at Rs. 65.39. Eighty counts Moderns lost 50 nP to Rs. 69.50. Finlays were dull at Rs. 81.75.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with those prevailing a week ago:

	7-6-1961	31-5-1961
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.)—		
June	2,640.00	2,560.00
August	2,665.00	—
Spot	2,645.00	2,632.00
40 x 1 J.P. June	3,050.00	2,908.00
August	3,092.00	—
120 Japan (per 100 kg.)	1,735.00	1,735.00
150 Japan (per 100 kg.)	1,777.00	1,777.00
Staple fibre yarn (40 x 2)—		
August (per 90.72 kg.)	910.00	911.00
Kohinoor (per kg.)	11.22	11.13
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	17.50	—
20s New Great	21.25	21.25
30s Simplex	27.00	27.00
40s Madura	33.00	33.00
60s Finlay	65.39	65.39
80s Moderns	69.50	67.00

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, *7th June*

The oilseeds market put on a cheerful appearance during the week under review. Spot groundnuts touched new highs of the season. Arrivals from upcountry centres were scarce while the support extended by *vanaspati* interests and crushers was quite large. Consequently, values registered an improvement. The firmness of oil-cakes provided further impetus. There were, of course, reports indicating a substantial increase in groundnut production in Africa during the 1961 season but the reports had no effect. The French West African output alone is estimated at about one million tons, as compared with only about 800,000 tons in the last season. Linseed was in the limelight, on persistent bull support particularly from Calcutta interests following pronounced firmness of rapeseed oil in North India. The bulls were also encouraged by the revival of Australian enquiries for Indian linseed oil. Castorseeds were generally steady, thanks mainly to reports of some business in oil with the U.K. and also to smaller offerings. The upward trend in overseas prices of castor oil as a result of a possible shortfall in output in Brazil owing to insufficient rains gave rise to hopes of revival of U.S. interest in Indian castor oil. Spot cottonseeds ruled firm while the hedge contract was subdued. Sesame was fully steady.

In the groundnut section, Khandesh quality rose by Re. 1.50 to Rs. 55. Coromandal gathered Re. 1.25 to Rs. 55. Nizam Bold improved by a rupee to Rs. 54.50. Oil ex-mill spurted from Rs. 22.10 to Rs. 23. Railway receipts put on 80 nP to Rs. 22.70.

Castorseed ready Madras rose initially from Rs. 35.12 to Rs. 35.62, but moved down to Rs. 35.50 towards the close. Ready Kanpur hardened by 47 nP to Rs. 33.62. The hedge contract (September 1961 contract) fell from Rs. 179 to Rs. 176.10 earlier in the week mainly due to technical considerations. But it rose again to Rs. 178 before closing at Rs. 177.50. Oil commercial was firm at Rs. 15.05, as against Rs. 14.80. Oil B.S.S. rose by 15 nP to Rs. 16.15.

Linseed September 1961 contract moved up from Rs. 37.75 to Rs. 38.76. It, however, closed lower at Rs. 38.62 today. Bold ready improved by 88 nP to Rs. 38. Linseed oil put on 45 nP to Rs. 16.25.

Cottonseeds non-whites, whites and Berars hardened by 50 nP to Rs. 19.50. September 1961 contract, however, fell from Rs. 96.50 to Rs. 95.

In the sesame section, bold variety was maintained at Rs. 370 (per 250 kgs.) Sesame oil put on 25 nP to Rs. 26.75. Among other seeds, *Kardi* gathered 25 nP to Rs. 27. *Niger* was steady at Rs. 42.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	7-6-1961	31-5-1961	23-5-1961
Groundnut	Rs.	Rs.	Rs.
Nizam bold	54.50	53.50	53.50
Coromandel ready	55.00	53.75	54.00
Khandesh quality	55.00	53.50	54.00
Oil ex-mill ready*	23.00	22.10	22.10
Railway receipts*	22.70	21.90	21.85
Castorseed			
September 1961	177.50	176.00	177.50
Ready Madras	35.50	35.12	35.50
Ready Kanpur	33.62	33.25	33.62
Oil B.S.S.†	16.15	16.00	16.00
Oil commercial†	15.05	14.80	15.00
Linseed			
September 1961	38.62	37.56	37.69
Bold ready	38.00	37.12	37.50
Oil ready†	16.25	15.80	15.80
Cottonseed			
September 1961	95.00	93.75	94.25
Niger seed	42.00	42.00	42.50
Kardi seed	27.00	26.75	27.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

FAIR DEMAND FOR TEA

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, *30th May*

Offerings in sale No. 22 held today amounted to 472,000 kilograms. Quality in general showed a further seasonal decline. However there were a few useful invoices from the Nilgiri district. There was strong general demand. Plain and low mediums were in keen demand and sold at around last rates. Mediums were well supported but were easier by 5 to 10 nP and so were the good mediums which sometimes declined up to 20 nP. There was good support for Nilgiris but these were irregular and tended little easier. Whole leaf grades sold well with buyers emphasising more on flowery pekoes grades. C.T.C. and legg-cut types were fully firm to dearer. Quotations were:

	1961	1960
	Rs.	Rs.
Low medium	4.40-4.55	3.55-3.65
Mediums	4.55-4.60	3.65-3.75
Good mediums	4.60-5.00	3.85-4.20
Nilgiris	Rs. 4.55-5.65	

The average price realised in sale No. 22 was Rs. 4.60 per kilo as against Rs. 4.58 a week ago and Rs. 3.90 in the corresponding sale last year.

Dust Sale No. 22: 300,000 kilograms were offered in dust sale No. 22 held on 1st June. There was fair demand at generally lower rates. Low mediums and mediums met with useful support at a decline of 5 to 15 nP. Good mediums also shared in the downward trend of the market and were easier by 10 to 15 nP and in some cases more. Highgrowns were in good demand and sold at around last rates. C.T.C., C.T.C. types and legg-cut types were well competed for and are quoted steady.

The average price realised in dust sale No. 22 was Rs. 4.28 per kilo as compared with Rs. 4.29 a week ago and Rs. 3.94 in the corresponding sale last year.

Export quota 1961-62: A small amount of business has been registered at 3 nP per kilo. At the time of writing there are sellers at 4 nP with no buyers.

Colombo: 7,641,000 pounds were offered this week. There was strong demand. Teas from Western districts were irregular and easier with quality. Mediums were easier by 5 cents. Low growns were in useful demand at slightly lower rates than last.

London:—North Indian and other growths. There was strong demand and prices were fully firm. Improved quality teas were dearer to buy.

Ceylon and South Indian: 27,054 packages were offered in Tuesday's sale. The market met with fair demand but prices were generally easier.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire as follows:

"*Sale No.* 23: 678,000 kilograms. Fair demand at lower rates. Plain and low medium 10 to 20 nP easier. Medium and good medium upto 20 nP lower. Nilgiris easier and generally lower.

TEA SLIGHTLY EASY

(From Our Own Correspondent)

CALCUTTA, *6th June*

Fair demand at firm rates was in evidence in the export sales held during last week while, at the internal sales held in the last week, prices declined.

Tea shipments were satisfactory during the week and every indication was in evidence that the way was being made for the peak as the season advanced. Note was taken of the strong demand at last week's sales held in London. African teas were reported to be a good feature there.

Trade circles were amused at the call of the Planning Commission for the tea industry's cooperation in realising the output target of 900 million lbs. and an export target of 610 million lbs. in the third Plan period. At a time when the industry is groaning under the weight of increasing costs of production and urging the Government to revise the tax structure and abolish the export duty, it is hardly appropriate on the part of the authorities to urge the industry to co-operate for raising output and exports without telling the industry how far its grievances have been considered. Excise duty together with the export duty has pushed up prices of tea, and high prices were the cause for the fall in exports of tea during last year, although Government's spokesmen would continue to take delight in believing that exports declined on account of lower production.

The trends in recent auctions in London have clearly indicated that other producing countries including Ceylon and Africa have been offering keen competition. These countries, unlike India, benefit from a lower cost of production as taxes there, if any, are more rational and take into consideration the capacity of the industry to pay the same without hurting it.

It was stated that the Government would provide loans for new planting and re-planting, and also foreign exchange for the import of fertilisers and machinery in order to achieve the raised targets.

Dusts on offer during last week's sales for internal consumption totalled 23,007 chests. Rates eased on limited demand. Orthodox teas declined by 30 nP. However, the few bright teas met with good demand. Legg-cut Dooars eased by 20 nP and medium C.T.C's by 60 nP. The quotations including excise duty were: good Assam C.T.C. dust Rs. 6.20 to Rs. 7.00 (nominal) medium Assam C.T.C. dust Rs. 5.40 to Rs. 5.90, legg-cut dust Rs. 4.20 to Rs. 5.00, medium Assam dust Rs. 4.09 to Rs. 4.60, and plain orthodox dust Rs. 3.85 to 4.20.

Leaf on offer amounting to 67 chests met with good demand.

JUTE DECLINES

(From Our Own Correspondent)

CALCUTTA, *6th June*

Following the approval accorded by the West Bengal Government to the block closure of mills for two weeks (one week each at the end of this month and July), fibre prices suffered a further marked decline of about Rs. 4 per maund during the week under review. The decline also affected the prices of goods. In other words, the decision for block closure of mills, meaning a loss of production of about 40,000 tons in the two months, did not result in a hardening trend. For, stocks are high in view of the perceptible drop in overseas business in recent months on account of the high prices. Overseas buyers did not rush to the market at the decline, and this gave momentum to the easy trend. The closure is expected to enable the mills to adjust fibre supplies. This will also bring the supply of goods to better relationship with demand. As a result of the closure, it is not expected that overseas buyers will rush to the market and accept offers to-mouth basis. The coming fibre crop is expected to ease supplies further, and overseas consumers hope that prices of goods would decline further.

From the market trends of recent weeks, it is clear that high prices of goods have done no good to the industry. Mills incur a loss of about Rs. 250 per ton of goods on simultaneous business. The forthcoming closure of mills is, therefore, welcomed as this would bring down fibre prices to reasonable levels. The fact that Pakistani mills have in recent weeks been underquoting Indian quotations and thus been able to divert business from Calcutta clearly brings to the forefront the need for pushing down prices of fibre as well as goods. Pakistani mills have been able to sell hessian constructions to overseas consumers at Rs. 3 per 100 yards below the Calcutta rate and sacking goods at about Rs. 10 per 100 bags below the Calcutta rate. The ability of the Pakistan industry to underquote Indian rates would only increase in the coming months, as the new Pakistani crop is expected to commence reaching

the mills across the border as from next month, whereas, in India, harvest is not expected to commence before August. It is, therefore, a welcome sign that fibre prices in India are now a few points below the recently reduced maximum prices of the Indian Jute Mills Association. There is every indication that fibre prices would continue to decline, as simultaneous business in goods as well as fibre being uneconomic, the mills are showing only paltry interest in fibre offers. Also the mills are in a position to continue operation with their existing stocks after taking into account the two weeks of block closure in the near future.

As stated above, overseas business in goods continued to be restricted during the week. As adequate interest was lacking, ready B. twills dropped from Rs. 161.25 to Rs. 158.50 on Tuesday and hessian 40" 10 oz. from Rs. 52.50 to Rs. 51.75. At lower levels, some business took place in the overseas market; however, this was insufficient to maintain the prices even at the low levels. Moreover, on Wednesday, the local market was affected by due-date activities, with the result that B. twills dropped to Rs. 156 and hessian 40" 10 oz. to Rs. 50.75. Advices from the New York burlap market were discouraging, as buyers there were putting off commitments in the hope that prices would decline further. However, the expectation of an announcement with regard to block closure of mills caused some recovery here, with B. twills nominally quoting higher at Rs. 157.50 and hessian 40" 10 oz. at Rs. 51.75 on Thursday. The decision for block closure was announced on Friday and, early in the day, prices tended to harden. However, selling pressure soon developed in a considerable degree and forced down B. twills to Rs. 155.50 and hessian 40" 10 oz. to Rs. 51.25. Over the week-end, prices dropped further, with B. twills being pushed down to Rs. 152 and hessian 40" 10 oz. to Rs. 48.85. The decision to re-open the hedge market, with the concurrence of the Forward Markets Commission as from 15th June, it was suggested in trade circles, should be reviewed and the reopening postponed until, say, July or August. For it was thought that the abnormal conditions prevailing in the market were hardly an appropriate time for reopening of the hedge. At lower levels during the week-end, there was some business done in goods, following which, yesterday, hessian 40" 10 oz. was quoted steady at Rs. 49.50 and B. twills at Rs. 152.50.

A welcome decline in fibre prices was recorded, as would be evident from the opening and closing quotations below. Factors contributing to the decline were poor interest shown by mills, the announcement of the decision of block closure by mills, and good reports of the growing crop coupled with the continuance of good weather:

(In Rs. per maund against June delivery)

	Opening	Closing	Decline
Daisee bottoms	53.00	49.00	4.00
Assam bottoms ...	51.00	47.00	4.00
Northern bottoms ...	50.00	46.00	4.00

METALS HARDEN

(From Our Own Correspondent)

CALCUTTA, *6th June*

The feature in the metal market during the week under review was that prices hardened further on strong demand against the background of tight supply conditions. Virgin lead also recorded a modest addition to price. It was apprehended that some of the best brands of foreign lead were on the verge of an acute shortage and in fact these commanded a modest premium against ready supplies. The premium at one time was even as high as Rs. 9 per 100 kgs., while the rise in price for the ordinary supplies was from Rs. 130.00 to Rs. 133.75 per 100 kgs. However, the quantity that changed hands was small, although the higher price was steadily maintained. It would be remembered that lead had come to be known as a traditionally quiet metal in the market in view of the price being unchanged at Rs. 130 for a considerably long time. Advices from the London Metal Exchange also contributed to the higher trend, since the price there improved from £ 64¾ per ton to £ 65-1/8. The possibility of an international price stabilisation scheme for the metal now being examined in New York under the auspices of the Lead and Zinc Study Group's Working Committee contributed to the bullish trend in London.

News of the week was that, in conformity with the higher price for copper in London at the time when the metal for current production was covered, sheet metal rollers raised the price of copper sheets by Rs. 17 to Rs. 487 per 100 kgs. and that of brass sheets by Rs. 10 to Rs. 372 per 100 kgs. Following acute shortage, copper scrap prices gained, with the berry quality rising from Rs. 479.50 per 100 kgs. to Rs. 482.25 and utensil scrap from Rs. 447.50 to Rs. 450 per 100 kgs. On the other hand, the London price eased from £ 244 per ton to £ 238¾, following the news of the settlement of the strike at Chilean ports. Also demand on London was only of a routine nature. In the local market, tin at Rs. 1,565.00 per 100 kgs. recorded a smart score of Rs. 136. However, there was consumer-resistance at the higher level. The price in Singapore hardened, and following this the London price was higher at £ 871 per ton before closing at £869. Electrolytic zinc at Rs. 332.75 per 100 kgs. recorded a ten-point rise. The supply position became tighter, but few consumers showed interest at the higher level. In London the price closed lower at £81¾ per ton after opening at £82.

FOODGRAINS FIRM

(From Our Own Correspondent)

HAPUR, *5th June*

Steady to firm conditions were witnessed in foodgrain during the past week as arrivals of new grains were still small and pressure of arrivals was not at all visible as entire arrivals were being lifted mostly by consumers and part by stockists. Wheat prices recorded fractional gains for average quality which was now quoted at Rs. 14.50 to Rs. 14.75 a maund, while farm quality prices were steady at Rs. 15.50 to Rs. 16.25 a maund. Daily arrivals at an average of 1,200 to 1,500 maunds were being lifted by consumers and local stock was poor at 16,000 maunds. Average wheat was quoted in the corresponding period last year at Rs. 15 and in 1959 at Rs. 20 a maund. The producer was retaining his produce as this was the only cause for such poor arrivals as wheat crop this year was a bumper one in this part of the country. Wheat prices were also steady, as following removal of ban on wheat purchases from open market, roller flour mills were also making purchases.

Rice prices ruled steady in line with wheat and other grain prices and better seasonal demand and week-end prices were:—*sela mainpuri* Rs. 20.50 to Rs. 21, *gainda kurcha* Rs. 20.50, *ramajwayan sela* Rs. 24, *raimunia sela* Rs. 25, *basmati sela* Rs. 28 to Rs. 30, superior Rs. 32 to Rs. 38 a maund. Gram prices registered further gains on firm Punjab advices. Daily arrivals were at an average of 1,000 maunds from the Punjab and local gram stock has swelled to 34,000 maunds. Barley prices also sought lower levels to be quoted at Rs. 11.12 and *bejhar* inferior Rs. 10.50 and *moongia* variety at Rs. 11.25 per maund. Daily arrivals were poor at an average of 100 to 150 mds. which were being lifted by consumers. *Methe* prices advanced further on good Rajasthan demand to be quoted at Rs. 25 to Rs. 26.50 a maund, while oats continued to be quoted at Rs. 13 to Rs. 14 a maund. *Jowar* and *guwar* were still in request and while prices of the former were quiet at Rs. 12 to Rs. 14.50 a maund, thanks to good stock at 10,000 maunds prices later improved to Rs. 14 to Rs. 16.50 a maund. Maize was listless at Rs. 13 with stock put at 4,000 maunds and *bajra* at Rs. 19 a maund. Gram was quoted at Rs. 13.50 and Rs. 14 for Punjab variety.

In pulses, peas was very much in request by stockists and with arrivals averaging 1,500 maunds and loading being restricted, local stock has mounted to 73,000 maunds. *Arhar* prices ruled quietly steady, arrivals being modest at an average of 500 to 600 maunds and local stock swelling to 37,000 maunds. Prices of other pulses were quietly steady during the week and week-end prices (in rupees per maund) were:—peas *dara* Rs. 11 to 11.12, farm white 12 to 13, peas *dal* 13, gram *dal* 16, *urd* 19.25 to 21, *urd dal* 24, *moong* 19.50 to 24, *moong dal* 24 to 27, *massoor* 13.25 to 14.50, *massoor dal* 16.25.

SUGAR QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, *5th June*

Sugar prices ruled quietly steady during the week at Rs. 106.75 per bag of 2 mds. 30 seers for E-29 *Simbhauli* produce and in retail sugar was quoted at 97 nP per seer. Although export prospects were bright as it was reported that the U.S. has agreed to buy 225,000 short tons of Indian sugar and 29,000 tons are to be exported to Pakistan but as these exports were far below expectations due to huge surplus, market sentiment was not influenced by these export prospects. Production in almost all factories has stopped but few factories are still drawing cane.

Sugar prices were also quiet at Rs. 106.75 per bag for dry stuff and Rs. 99.50 to Rs. 101 for last year's damaged stocks in the Muzaffarnagar market where supply position continued easy despite better demand due to hot season.

Khandsari prices ruled quietly steady although trading during the week was small and loading too continued restricted. Week-end prevailing prices were: inferior Rs. 27 to Rs. 30, superior Rs. 31 to Rs. 34.50, crystal Rs. 33 to Rs. 36.50, crystal *Boora* Rs. 40.50 a maund.

Ready *gur* prices ruled quiet during the week on poor demand, following continued loading restrictions. Daily arrivals out of stocks retained by producers were small at an average of 50 to 75 maunds which were being lifted by consumers and *Boora* manufacturers. Week-end offtake was only one wagonload to the Punjab and local stock is now put at 46,000 maunds, the corresponding figure last year being 22,000 maunds. Total arrivals of *gur* here during the current season were put at 4.7 lakh maunds, as against total arrivals at 5.87 lakh maunds last season and 660,000 maunds in 1959. Latest prevailing prices were: dry Rs. 15.62, *kotha* dry-wet Rs. 15, wet Rs. 14, *shakker* Rs. 16.50 a maund. Corresponding prevailing prices of dry *gur* last year were Rs. 14.75 and Rs. 21.37 a maund in 1959.

Gur prices ruled quiet during the week at Muzaffarnagar where daily arrivals dropped to an average of 750 to 1,000 maunds and week-end prices were: *Chaku* dry Rs. 17, *kotha* mixed Rs. 16, inferior Rs. 13 to Rs. 15, *ladu* Rs. 16 to Rs. 16.25, *rusket* Rs. 8 to Rs. 10, *shakkar* Rs. 16 to Rs. 19, *masala* Rs. 21 to Rs. 23 per maund.

Gur futures moved both ways during the week but latest trend was bearish on heavy local and Punjab selling. *Gur* Ashad is today quoted at Rs. 14.39 and *fagun* at Rs. 13.68, as against week's opening at Rs. 14.52 and Rs. 13.48, and highest touched in mid-session at Rs. 14.93 and Rs. 13.96, respectively.

Notice

BRIDGE AND ROOF COMPANY (INDIA) LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the above-named Company that the Annual General Meeting (being the seventy-seventh Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Thursday, 29th June, 1961, at noon, to consider the Accounts of the Company for the year ended 31st December, 1960, to transact other ordinary business and the undernoted special business.

SPECIAL BUSINESS

NOTICE is also hereby given of the following Resolution which will be proposed as an Ordinary Resolution:—

"That pursuant to the provisions of Section 342 of the Companies Act, 1956, the resignation of Balmer Lawrie & Co. Ltd. of its office of Managing Agents of the Company with effect from 31st December, 1960, be and is hereby accepted."

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 15th June, 1961 to 29th June, 1961, both days inclusive.

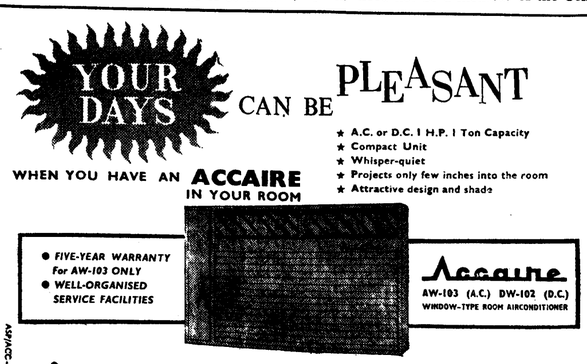
By Order of the Board,

BALMER LAWRIE & Co. LTD.,

D. MANSON,
Secretary,
Secretaries.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *3rd June*, 1961.

Note: A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.



DISTRIBUTORS

• PAB ENGINEERING CORPORATION, Zaveri House, Hughes Road, Bombay-7. Tel: 78337 • MODAK AND MODAK, Sangli Bank Building, Bank Street, Bombay-1. Tel: 252347 • BOMBAY GARAGE PRIVATE LTD., Meher Building, Chowpatty, Bombay-7. Tel: 77121 • RAKUBHAI AMBALAL PRIVATE LTD., Calico Mills Premises, Ahmedabad. Tel: 31001-2-3-4-5-6 • SETALVAD BROS., Lakhia Bros. Premises, Lal Darwaja, Ahmedabad. Tel: 2172 • BOMBAY GARAGE JABALPUR, Kingsway, Cantonment, Jabalpur. Tel: 91 • BOMBAY GARAGE PRIVATE LTD., Kanoria House, Palm Road, Nagpur-1. Tel: 2108 • BOMBAY GARAGE PRIVATE LTD., Chinoy House, Elphinstone Road, Poona-1. Tel: 3023 & 2039 • BOMBAY GARAGE PRIVATE LTD., Gondal Road, Rajkot. Tel: 63.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 2nd June, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits—	
(a) Government—	
(1) Central Government	52,23,53,000
(2) Other Governments	21,39,77,000
(b) Banks	78,69,01,000
(c) Others	124,67,40,000
Bills Payable	34,84,40,000
Other Liabilities	64,73,35,000
Rupees	506,57,46,000

Assets	Rs.
Notes	28,23,29,000
Rupee Coin	3,26,000
Subsidiary Coin	3,59,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	33,82,91,000
Balances held abroad*	15,76,43,000
Loans and Advances to Governments†	73,09,11,000
Other Loans and Advances	123,84,35,000
Investments	210,02,38,000
Other Assets	21,72,14,000
Rupees	506,57,46,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item 'Other Loans and Advances' includes Rs. 13,06,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	28,23,29,000	
Notes in circulation	1962,52,37,000	
Total Notes issued	....	1990,75,66,000
Total Liabilities	....	1990,75,66,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	113,00,89,000	
Total of A		230,76,92,000
B. Rupee Coin		118,05,04,000
Government of India Rupee Securities		1641,93,70,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1990,75,66,000

State Bank of India

Statement of Affairs for the week ended 2nd June, 1961

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		532,67,14,000
Borrowings from Other Banking Companies. Agents, etc.		17,00,000
Bills Payable		11,90,49,000
Bills for Collection being Bills receivable as per contra		2,42,43,000
Acceptances, Endorsements and Other Obligations per contra		1,14,79,000
Other Liabilities (including Inter-Office Adjustments)		8,22,68,000
Total .. Rs.		569,62,03,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		16,32,83,000
Balances with other Banks		4,08,10,000
Money at Call and Short Notice		3,00,00,000
Investments:		
Government and other Trustee Securities	226,33,90,000	
Other Authorised Investments	9,29,46,000	235,63,36,000
Advances:		
Loans, Cash, Credits, Overdrafts, etc.	252,39,55,000	
Bills Discounted and Purchased	15,25,89,000	267,65,44,000
Bills Receivable being Bills for Collection as per contra		2,42,43,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,14,79,000
Premises less Depreciation		1,79,87,000
Furniture and Fixtures less Depreciation		1,37,37,000
Other Assets (including Inter-Office Adjustments)		36,17,84,000
Total .. Rs.		569,62,03,000

State Bank of Pakistan

Statement of Affairs for the week ended 26th May, 1961

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Rural Credit Fund	1,00,00,000
Deposits :—	
(a) Central Government	3,17,97,000
(b) Provincial Governments	5,33,73,000
(c) Banks	18,38,20,000
(d) Others	119,97,79,000
Bills Payable	53,11,000
Other Liabilities	16,25,26,000
Rupees	171,81,06,000

Assets	Rs.
Notes	5,98,34,000
Rupee Coin	66,000
Subsidiary Coin	51,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	34,78,60,000
Loans and Advances to Governments	6,98,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	30,51,32,000
Investments	82,39,22,000
Other Assets	11,14,41,000
Rupees	171,81,06,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	5,98,34,000	
Notes in circulation	374,98,33,000	
Total Notes issued	....	380,96,67,000
Total Liabilities	....	380,96,67,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	24,93,90,000	
Silver Bullion	....	
Foreign Securities	81,15,52,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	149,11,06,000
B. Rupee Coin	2,76,32,000	
Government of Pakistan Securities	223,19,23,000	
Internal bills of exchange and other commercial paper	....	225,95,55,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Tatal Assets	....	380,96,67,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued : 40.61 per cent.

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1939 (pre-war)	26th May 1961	19th May 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1963.24	1985.50	1982.43	1860.99
Notes held in Banking Department	35.05	28.32	15.44	32.55	32.11
Foreign Securities	59.50	113.01	113.01	117.76	163.01
Rupee Securities	37.39	1641.94	1651.94	1661.98	1486.40
Banking Department					
Deposits of:					
Government of India	14.39	68.75	68.01	51.63	52.01
Other Governments	..	20.35	15.22	18.31	34.49
Balances held abroad	10.06	23.11	22.86	10.32	9.54
SCHEDULED BANKS					
Demand Liabilities	134.36	802.04 (36.85)†	806.81 (31.96)†	834.03 (27.47)†	787.37 (18.09)†
Time Liabilities	102.24	1099.18 (17.52)†	1094.74 (15.80)†	1082.71 (14.12)†	1198.76 (23.99)†
Borrowings from Reserve Bank	..	24.24 (12.65)‡	30.12 (16.27)‡	38.16 (21.09)‡	36.53 (12.40)‡
Borrowings from State Bank	..	11.82	11.83	14.05	13.74
Cash in India	6.70	47.25	47.99	47.69	47.15
Balance with Reserve Bank	25.17	73.94	71.08	73.89	95.63
Balances with other banks in current account in India	..	15.45	15.11	15.98	15.35
Money at call and short notice in India	..	52.54	48.54	44.10	31.65
Investments (at book value)	..	549.83	543.81	562.46	744.86
Advances and bills	105.9	1286.66	1293.81	1308.91	1123.76
STATE BANK					
Deposits	87.76	530.68	529.60	549.70	628.88
Investments	51.99	233.64	226.57	247.06	394.09
Advances	30.35	268.38	267.02	276.33	214.12
Cash	14.69	28.48	24.38	25.27	39.69

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.
† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.
‡ Borrowings against usance bills and/or promissory notes.
R—Revised Figures.

Scheduled Banks*

Statement of Affairs for the week ended 26th May, 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	46,64,96
(2) From others	702,49,99
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	36,84,78
(c) Other demand liabilities	52,88,59
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	17,52,30
(2) From others	1058,95,24
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	15,75,97
(c) Other time liabilities	22,70,61
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	8,31,73
(b) Time liabilities	3,50,60
(iv) Borrowings in India from the Reserve Bank of India (A)	24,20,45 (12,65,00)
(v) Cash in India	47,25,36
(vi) Balances with the Reserve Bank in India	73,94,10
(vii) Balances with Other Banks in Current Account in India	15,45,45
(viii) Money at call and short notice in India	52,53,56
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	549,82,62
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1091,87,57
(b) Due from Banks in India	6,60,46
(xi) Inland Bills purchased and discounted in India	141,61,38
(xii) Foreign Bills purchased and discounted in India	46,56,53
(xiii) Total of items (x), (xi) and (xii)	1286,65,94

Notes :—
* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.
(A)—The figures in brackets represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

EXCHANGE RATES

		7th June 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 $\frac{31}{32}$	1-5 $\frac{31}{32}$
Sellers T. T. D.D. upto six months	s.	3-5 $\frac{31}{32}$	3-5 $\frac{31}{32}$
Buyers T.T. spot to nine months	s.	1-6 $\frac{1}{32}$	1-6 $\frac{1}{32}$
Buyers T.T. 10 to 12 months	s.	1-6 $\frac{1}{32}$	1-6 $\frac{1}{32}$
Bombay on New York—			
Sellers T.T. D.D.	Rs.	479.75	479.50
Buyers T.T.	Rs.	476.25	476.25
London on New York	$	2.7905-2.7908	2.7911-2.791
London on Paris	Fcs.	13.6730-13.6750	13.6750-13.677
London on Berne	Sw. Fcs.	12.0810-12.0830	12.0850-12.087
New York on London	$	279.070-279.100	279.060-279.10

CLEARING HOUSE RETURNS

Centre	Week ended 2nd June 1961		Week ended 25th May 1961	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	4,05,212	108,68,47,000	3,21,070	75,53,98,0[illegible]
Calcutta	2,20,000	90,42,00,000	1,34,000	48,64,00,0[illegible]
Madras	1,06,338	14,22,09,829	79,450	10,44,21,3[illegible]
All Centres—				
1958-59	..	..	45,172,000	97,67,12,00,0[illegible]
1959-60	..	..	50,064,000	109,38,05,00,0[illegible]
1960-61	..	..	54,472,000	125,13,16,00,0[illegible]
April 1960	..	..	4,586,000	1,042,01,00,0[illegible]
Feb., 1961	..	..	4,421,000	1,022,19,00,0[illegible]
Mar., "	..	..	4,695,000	1,213,37,00,0[illegible]
April "	..	..	4,902,000	1,156,54,00,0[illegible]

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.45	3.41
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	4th May, 1961	4.50	5
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec., 1960	5.50	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.50	3

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	13th May 1961	6th May 1961	14th May 1960	March 1961	March 1960	Percentage of Increase (+) or Decrease (—) in Mar., 1961 as compared with Mar., 1960	Annual Average 1960	Annual Average 1959
Food Articles	504	117.6	117.4R	120.7	117.5	117.0	+ 0.4	120.3	118.2
Cereals	192	99.5	98.4	105.2	100.2	103.2	— 2.9	105.3	104.3
Pulses	48	87.1	86.1R	89.2	92.8	89.9	+ 3.2	92.6	99.8
Fruits and Vegetables	28	119.8	120.8	132.4	108.4	126.0	—14.0	121.0	127.6
Milk and Ghee	84	116.5	117.4	121.2	115.8	110.7	+ 4.6	115.5	113.2
Edible Oils	47	160.3	158.2R	133.4	163.8	136.6	+19.9	143.3	126.9
Fish, Eggs and Meat	17	127.2	128.6R	119.8	123.6	114.5	+ 7.9	121.1	110.4
Sugar and *Gur*	48	121.1	120.3	138.1	117.3	140.7	—16.6	138.6	143.0
Others	50	167.0	170.3R	167.8	166.8	158.8	+ 5.0	168.6	163.4
Liquor and Tobacco	21	106.4	110.3	106.9	113.4	96.4	+17.6	106.4	100.7
Tobacco	—	105.4	107.4	105.3	110.7	94.1	+17.6	104.8	90.8
Fuel, Power, Light and Lubricants	30	122.3	122.3	119.3	121.2	117.8	+ 2.9	119.0	[illegible]
Industrial Raw Materials	155	153.8	152.7	141.9	159.1	131.9	+20.6	138.8	[illegible]
Fibres	61	166.1	165.1	152.5	176.9	124.9	+41.6	139.3	[illegible]
Oilseeds	60	157.4	155.6R	139.2	159.7	140.5	+13.7	144.9	[illegible]
Minerals	2	95.2*	95.2*	98.2	95.2	96.5	— 1.3	97.5	[illegible]
Others	32	127.3*	127.3*	129.5	128.3	131.6	— 2.5	129.0	[illegible]
Manufactures	290	126.4	126.2	120.4	128.4	116.0	+10.7	120.8	[illegible]
Intermediate Products	41	136.9	136.7	129.5	137.3	121.3	+13.2	127.1	[illegible]
Finished Products	249	124.7	124.4	119.5	128.2	116.1	+10.4	119.8	[illegible]
Textiles	147	128.2	127.7	121.1	133.9	115.1	+16.3	121.2	[illegible]
Cotton	—	126.6*	126.6*	124.4*	126.6	124.7	+ 1.5	127.5	[illegible]
Jute	—	139.2	137.3	121.3	161.6	97.5	+65.7	115.2	[illegible]
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	107.6	[illegible]
Silk and Rayon	—	115.6*	115.6*	105.5*	117.1	102.8	+13.9	102.6	[illegible]
Metal Products	12	146.9	146.9	148.3	146.9	147.7	— 0.5	147.0	[illegible]
Chemicals	20	105.5	105.5	104.4	104.8	104.8	—	104.7	[illegible]
Oil Cakes	10	142.7	142.7	134.6	145.4	140.7	+ 3.3	140.2	[illegible]
Machinery and Transport Equipment	31	112.6	112.6	111.0	112.6	111.0	+ 1.4	110.7	[illegible]
Others	30	118.8	118.6	114.7	118.5	114.0	+ 3.9	115.0	[illegible]
All Commodities	1,190	125.7	125.4R	123.8	127.4	118.9	+ 7.1	123.0	[illegible]

Note :—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at the group index.
R—Revised.
* Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

[1952-53 = 100]

Group and Sub-Group	Week ended 27th May,‡ 1961	20th May, 1961	29th April, 1961	28th May, 1960
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total**	**101.0**	**101.1**	**101.1**	**101.1**
2. Government of India	100.9	101.0	101.1	100.9
3. State Government	101.9	101.9	101.9	102.7
4. Municipal, Port Trust, etc.	99.7	99.7	99.7	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total**	**100.7**	**100.7**	**100.5**	**100.9**
PREFERENCE SHARES—ALL INDIA.				
6. **Total**	**84.3**	**84.5**	**85.0**	**89.9**
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. **Total**	**181.3**	**178.9**	**178.9**	**174.8**
8. *Agriculture and Allied Activities : Total**	**173.4**	**171.6**	**174.5**	**177.2**
9. Tea Plantations	168.1	167.3	170.8	171.8
10. Coffee Plantations	179.1	179.9	187.5	211.3
11. Rubber Plantations	173.0	171.1	170.0	182.9
12. *Mining and Quarrying : Total*	**166.3**	**163.8**	**163.4**	**163.5**
13. Coal	128.9	128.7	127.9	124.0
14. Other Mining	191.9	187.9	187.8	190.5
15. *Processing and Manufacturing : Total*	**195.9**	**193.1**	**192.9**	**188.1**
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	**200.0**	**196.8**	**196.1**	**188.2**
17. Sugar	167.3	168.3	171.3	190.1
18. Cotton Textiles	165.4	163.1	163.0	150.2
19. Jute Textiles	89.4	90.2	93.4	95.6
20. Silk and Woollen	1198.7	1146.4	1103.4	1107.7
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	**208.2**	**205.0**	**204.7**	**198.4**
22. Iron and Steel	174.7	170.3	169.2	166.3
23. Transport Equipment	418.7	409.0	400.9	405.9
24. Electrical Machinery	162.2	161.6	164.2	138.6
25. Machinery other than Transport and Electrical	218.7	216.7	219.6	212.0
26. Basic Industrial Chemicals	217.0	215.3	215.6	196.1
27. *Processing and Mfg. (Others): Total**	**160.9**	**159.8**	**161.1**	**168.9**
28. Cement	143.6	142.1	142.1	146.0
29. Paper	208.7	207.9	213.3	237.3
30. *Other Industries : Total**	**109.9**	**108.5**	**108.9**	**112.1**
31. Electricity Generation and Supply	81.5	81.0	80.1	83.0
32. Trading	129.7	126.3	127.1	120.5
33. Shipping and Other Transport	101.6	99.7	100.1	114.7
34. Construction	283.5	276.7	287.0	315.8
35. *Financial : Total*	**192.1**	**190.8**	**189.4**	**168.8**
36. Banks	215.3	214.0	212.7	184.5
37. Insurance	148.1	146.0	143.3	141.9
38. Investment Trusts	91.8	92.3	91.7	94.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	189.7	185.4	183.8	177.9
40. Calcutta	166.2	165.4	166.5	162.3
41. Madras	192.5	191.9	193.0	191.9
42. Delhi	244.4	240.5	239.3	229.0

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils. ‡ Provisional.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay June (1934=100)	Ahmedabad (1949=100)	Sholapur January (1928=100)	Kanpur (1949=100)	Nagpur (1949=100)	Calcutta August (1939=100)	Madras City (1942=100)	Delhi (1949=100)	Ajmer (1949=100)	Gauhati (1949=100)	Jamshedpur (1949=100)	Jabalpur (1949=100)	Bangalore (1949=100)
1958 Average	116	395	110	313	98	120	384	124	113	105	103	123	109	131
1959 „	121	412	125	340	98	132	384	133	120	106	98	125	108	140
1960 „	124	423	120	357	99	136	397†	143	120	107	103	120	109	146
March 1960	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April „	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May „	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June „	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July „	126	423	122	362	101	137	406	145	121	109	108	119	109†	146
August „	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept. „	125	418	122	364	101	138	403	146	122	108	102	122	108	147
Oct. „	125	421	123	365	102	137	396	148	122	108	105	119	108	147
Nov. „	124	423	121	367	102	135	392	150	121	110	102	122	108	147
Dec. „	124	419	120	362	100	134	385	151	121	110	102	121	108	148
January 1961	123	419	119	358	100	131	385	146	122	111	103	120	109	148
February „	123	420	119	350	102	130	..	147	123	111	103	119	109	148
March „	124	423	119	349	101	129	..	..	124	111†	..	121†	109†	149
April „	..	428	..	348	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates: 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	Outstandings	15-Year Annuity Certificates G Receipts	Outstandings	Total Receipts	Outstandings H
1958-59	1,76	3,80	119,10	87,45	152,78	191,75	234,91	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	286,27	590,08
1959-60	1,55	3,15	98,99	83,24	221,68	210,40	260,68	19,79	—41,35	50	31	41,68	10,64	21,76	66	2,90	305,70	672,99
1960-61	1,24	2,46	81,50	82,53	287,30	228,77	297,77	18,36	—42,00	1,70	95	38,80	16,14	37,34	69	3,38	329,98	770,80
Apr. 1960	1,52	3,09	97,20	6,47	226,19	17,87	259,32	19,68	—41,41	56	35	41,58	1,63	23,16	9	2,98	26,16	675,63
May „	1,51	3,04	95,40	6,45	231,25	17,00	257,68	19,55	—41,46	64	39	41,50	1,06	24,19	5	3,01	24,67	678,16
June „	1,50	2,99	93,68	5,76	235,63	17,35	258,96	19,49	—41,51	73	43	41,41	84	25,09	5	3,04	24,13	682,95
July „	1,46	2,95	92,15	5,83	240,35	15,25	261,67	19,43	—41,55	81	48	41,32	1,11	26,09	4	3,07	22,36	689,78
Aug. „	1,44	2,88	90,74	6,78	245,88	19,75	266,75	19,37	—41,61	89	54	41,21	1,17	27,23	9	3,14	27,92	700,07
Sept. „	1,42	2,81	89,29	7,16	251,84	18,76	271,10	19,26	—41,66	98	57	41,14	1,52	28,71	6	3,18	27,64	710,30
Oct. „	1,40	2,76	87,86	7,05	257,70	16,90	272,98	19,19	—41,71	1,07	64	41,09	1,42	30,27	5	3,22	25,56	718,18
Nov. „	1,37	2,70	87,64	6,21	262,79	17,90	275,00	19,12	—41,74	1,17	68	41,02	1,49	31,73	5	3,25	25,81	726,47
Dec. „	1,33	2,63	85,25	6,75	268,27	19,04	277,86	18,97	—41,81	1,28	74	40,97	1,28	32,88	5	3,29	27,30	733,47
Jan. 1961	1,31	2,57	84,04	6,47	273,48	18,08	280,06	18,87	—41,86	1,40	80	40,90	1,04	34,15	6	3,32	25,83	740,90
Feb. „	1,28	2,52	82,71	6,43	278,70	18,05	282,82	18,44	—41,95	1,53	87	39,88	1,80	35,75	6	3,36	26,53	747,86
Mar. „	1,24	2,46	81,50	11,17	287,30	32,82	297,77	18,36	—42,00	1,70	95	38,80	1,77	37,34	4	3,38	46,05	770,80
Apr. „	..	..	..	..	..	..	..	..	..	..	..	37,46	2,28	39,42	4	3,40	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of February 1961, amount to 13.81 crores of rupees.

INDUSTRIAL DISPUTES (All-India)

Month		Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957*	..	1,630	889,371	6,429,319
1958*	..	1,524	928,566	7,797,585
1959*	..	1,523	692,514	5,605,079
Dec.	1959	128	76,754(121)	402,393(121)
Jan.	1960	123	62,075(123)	412,797(123)
Sept.	„	129	32,179(124)	242,901(126)
Oct.	„	86	40,484(83)	205,419(83)
Nov.	„	81	21,659(77)	210,982(77)
Dec.	„	95	27,363(90)	281,513(90)
Jan.	1961	96	29,502(83)	205,796(83)
Feb.	„	88	33,695(82)	270,295(82)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevant information is available.

* Figures relate to all States and centrally administered areas as after reorganisation.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300	1,106,800	786,900
Do. 31st March, 1959	1,137,500	1,149,900	884,700
Do. 31st March, 1960	1,594,000K	1,555,000K	1,237,000K
Do. 31st March, 1961	1,588,000K	1,623,000K	1,263,000K
March 1960	142,100	146,100	123,000
April „	127,700	125,200	99,900
May „	122,500	120,500	93,900
Jan. 1961	144,200K	149,300K	117,600K
Feb. „	125,900K	126,500K	94,200K
March „	141,600K	142,300K	114,900K
April „	135,700K	136,000K	106,000K
May „	142,000K	136,800K	105,800K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,938	608,205	496,217
Do. 31st March, 1960	1,053,612K	827,072K	662,118K
Do. 31st March, 1961	1,160,576K	914,159K	718,684K
May 1960	83,903	71,579	56,406
Jan. 1961	112,649K	83,787K	71,540K
Feb. „	96,791K	72,839K	70,966K
March „	106,122K	82,583K	80,790K
April „	99,381K	69,710K	51,144K
May „	100,315K	70,912K	42,165K

K—Figures in Metric Tons.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1961					
14th March	2.25	—	2.25	2.750	99.315
15th to 17th Mar.*	0.05	2.00	0.05	—	99.331
20th Mar.	2.00	—	2.00	2.750	99.310
21st to 25th Mar.*	0.70	2.00	0.70	—	99.331
27th Mar.	2.00	2.00	2.00	2.750	99.310
4th April	2.00	—	2.00	2.750	99.310
5th to 8th April*	1.60	2.65	1.60	—	99.331
11th April	2.00	—	2.00	2.750	99.315
12th to 15th April*	0.10	2.00	0.10	—	99.331
18th April	2.52	—	2.52	2.750	99.315
19th to 22nd April*	1.00	2.20	1.00	—	99.331
24th April	2.00	—	2.00	2.750	99.315
25th to 29th April*	2.55	2.00	2.55	—	99.331
2nd May	2.00	2.00	2.00	2.750	99.310
3rd to 6th May*	1.08	—	1.08	—	99.331
9th May	2.00	2.00	2.00	2.750	99.310
10th to 13th May*	0.65	—	0.65	—	99.331
16th May	2.25	2.00	2.25	2.750	99.315
17th to 20th May*	0.43	—	0.43	—	99.331
23rd May	2.00	2.00	2.00	2.750	99.310
24th to 27th May*	0.33	—	0.33	—	99.331
30th May	2.00	2.00	2.00	2.750	99.310
31st May to 3rd June*	0.10	—	0.10	—	99.331
6th June	2.00	2.03	2.00	2.750	99.315
Total amount outstanding	35.61	..	35.61	..	..

* Intermediate Treasury Bills sold.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1963-65	98.75
3 % Loan	1950	30,33,10,000	1964	98.75
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	95.80
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90.90
2½% Loan	1946	57,00,69,000	1961	99.70
2¾% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,000	1962	98.85
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.90
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.95
3½% Loan	1956	1,07,27,36,000	1962	99.90
3½% N. P. Bonds	1956	93,81,83,000	1967	99.00
3½% Loan	1956	86,63,53,000	1974	99.60
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.50
4 % Loan	1957	49,17,27,000	1972	100.45
3½% Loan	1958	58,05,92,000	1963	100.05
3½% Loan	1958	70,00,00,000	1968	98.70
3½% Loan N.P.B.	1958	84,33,90,000	1968	100.50
4 % Loan	1958	49,51,44,000	1973	100.40
3½% Loan	1959	1,87,90,93,000	1969	98.65
4 % Loan	1959	81,06,38,000	1979	100.05
4 % Loan	1960	97,64,00,000	1980	99.90
3½% Bonds	1960	82,66,00,000	1966	99.70
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	72.00
3 % Loan	1946	2,48,91,33,000	K.	72.85
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.30
4½% Andhra	1958	5,48,81,000	15th July 1970	101.00
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	97.75
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	98.40
3 % Maharastra	1949	5,29,97,000	1st Aug. 1962	98.50
3½% Maharastra	1951	2,82,97,000	17th Sept. 1962	99.80
4 % Maharastra	1953	5,00,80,000	15th July 1963	100.00
4 % Maharastra	1952	3,40,34,000	1st Aug. 1964	99.90
4 % Maharastra	1955	9,56,29,000	1st Sept. 1967	99.50
4 % Maharastra	1956	7,82,20,000	3rd Sept. 1970	99.25
4½% Maharastra	1957	6,57,28,000	16th Sept. 1969	101.20
4½% Maharastra	1958	6,58,21,000	15th July 1970	101.20
4½% Maharastra	1958	4,35,25,000	15th July 1971	101.20
4 % Maharastra	1959	6,58,13,000	19th Aug. 1971	99.00
4 % Maharastra	1960	10,00,00,000	29th Aug. 1969	99.50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.50
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	101.05
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	98.30
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	99.45
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.00
2½% Madras	1946	3,81,77,000	1st Sept. 1961	99.05
3½% Madras	1951	3,01,49,800	17th Sept. 1962	99.75
4 % Madras	1953	10,33,71,000	15th July 1963	99.90
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.90
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.60
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	101.10
4 % Madras	1959	5,72,72,000	19th Aug. 1971	98.00
4 % Madras	1960	12,00,00,000	29th Aug. 1969	98.35
4 % Mysore(f)	1938	2,95,85,200	1st Dec. 1953-63	101.40
3 % Mysore(f)	1936	5,99,73,000	30th Apr. 1956-61	99.80
4 % Mysore	1953	3,33,47,000	15th July 1963	99.80
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.40
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	101.10
4½% Mysore	1958	5,51,61,000	15th July 1970	101.10
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	98.35
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	99.50
4 % M.P.	1953	1,10,18,000	15th July 1963	99.40
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,30,000	15th July 1970	101.05
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97.50
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	98.00
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	98.85
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	98.85
4 % Kerala	1953	3,25,61,000	15th July 1963	99.00
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98.10
4½% Kerala	1958	3,27,10,000	15th July, 1970	100.50
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.20
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	96.10
2½% U.P.Z.A.	1952	44,93,89,000	..	48.70Z
3 % U.P.	1936	1,55,31,000	15th Sept. 1961-66	92.25
2¾% U.P.	1946	2,12,62,000	1st Sept. 1961	98.50
3½% U.P.	1951	1,86,22,000	17th Sept. 1962	99.70
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.90
4 % U.P.	1953	5,68,25,000	15th July 1963	99.90
4 % U.P.	1955	9,10,71,900	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,36,000	3rd Sept. 1968	98.50

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1918	1974	97.00
88,25,000	4	1914	1975	97.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
50,00,000C	3††	1921	1981	82.00
68,02,300C	6‡	1921	1981	144.00N
60,00,000	4½	1931	1991	93.00
80,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1989	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
STERLING LOANS				
£892,600	5	1923	1953-83	£63
£901,000	5	1924	1954-84	£63
£835,100	5½	1932	1962	£96½
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,68,000†f	3	1947	1977	A
3,00,000†f	3	1949	1979	
45,00,000†t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75 N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118.90
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1968	£95.50
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	91.75
50,00,000	3	1937	1962	96.00
20,00,000	3	1938	1963-68	92.00
80,00,000	4	1952	1962	100.00
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1920	1980	113.00N
8,25,00,000	3½	1947	1977	86.50
2,18,14,500	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,34,000	3½	1951	1966	98.00
1,30,00,000	4	1953	1963	99.00
92,19,00,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.00
1,57,50,000	4	1956	1968	99.00
1,74,00,000	4½	1957	1969	99.50
4,75,00,000	4½	1958	1970	99.50
3,30,00,000	4	1959	1971	98.00
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1932	1962	102.50N
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	101.10
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	98.30
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	98.45
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	101.05
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,00,00,000	29th Aug. 1969	98.00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.25
4½% Orissa	1958	3,28,58,000	15th July 1970	101.05
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.25
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97.75
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.50
4 % W. Bengal	1953	3,60,28,000	15th July 1963	99.90
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	101.10
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,00,00,000	29th Aug. 1969	99.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.00
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. ††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6¼ to 4 per cent with effect from 1st April, 1935. —Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex eight instalments but inclusive of accrued interest. M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice.

PLANTING

(*Concluded from page* 1084)

Finance Minister was kind enough to bring the duty to the old level with regard to Robusta and we are grateful for the same. But this is an indication that the Board has not succeeded in keeping the Government well informed about the crisis the coffee industry is facing."

In the considered opinion of Mr. Stephen, the Coffee Board in its present set-up where growers' representatives are elected and growers are outnumbered by non-growers can achieve very little. This journal has itself drawn attention to this aspect on more than one occasion. Unless the growers have a substantial say in running the affairs of the Board, the efficiency of the Coffee Board cannot be improved. It is to be hoped that the Government will bear this in mind when it takes up the question of reconstituting the Board after 18th September next.

It is gratifying to be told by Mr. Reddy that the Coffee Board has already agreed to the system of open auctions subject to availability of cup taster and results of his testing. He said: "We may adopt his (Mr. Gerald Schluter, a leading coffee magnate in London) suggestion and start open auctions as early as possible and thus line ourselves in time with other countries." The system of open auctions will certainly be an improvement over the present system of closed tenders and attract enterprising traders from home and abroad, besides securing better prices for coffees of high quality. But this alone will not suffice. The other features of the Board's marketing policies will also have to be thoroughly overhauled. Only last week, we emphasised again (in our Survey columns) the need for earmarking a minimum export quota, radical changes in export procedures including open auctions, auctioning some lots of individual coffees under their estate names, introduction of testing, abolition of multi-channel system in internal market and replacement of sales tax by Central excise duty. All these measures must be implemented in right earnest at the earliest, if the coffee industry is to develop on sound and secure footing.

BANKING

(*Concluded from page* 1076)

Finance Corporation amounted to Rs. 1.16 crore, Rs. 2.20 crores and Rs. 12.19 crores respectively while the remaining amount came from central financing agencies and others.

There were 120 cotton ginning and pressing societies (excluding marketing societies engaged in processing) with a membership of 49,522 and their working capital amounted to Rs. 3.40 crores at the end of June 1960. There were 1,347 societies engaged in other processing activities such as paddy husking, groundnut decorticating, coffee curing, etc. and their membership stood at 63,736 at the end of 1959-60. Their working capital amounted to Rs. 1.94 lakhs as on 30th June 1960 as against Rs. 94 lakhs on 30th June 1959.

There were 5,631 farming societies of which 968 were better farming, 1,758 joint farming, 893 collective farming, and 2,012 tenant farming societies. The membership of these societies stood at 271,971 as on 30th June 1960 as against 223,350 at the beginning of the year. The working capital of the societies increased from Rs. 4.12 crores at the end of 1958-59 to Rs. 5.79 crores at the end of 1959-60. The number of irrigation societies increased from 1,603 at the end of 1958-59 to 1,641 at the end of 1959-60 and their membership stood at 54,136. The working capital of these societies amounted to Rs. 206 lakhs as against Rs. 194 lakhs at the beginning of the year.

There were 2,111 fisheries societies at the end of 1959-60 with a membership of 220,358 compared to 1,934 societies with a membership of 200,402 at the beginning of the year. Their working capital stood at Rs. 139.98 lakhs as on 30th June 1960 as against Rs. 112.94 lakhs as on 30th June 1959. There were 21 apex weavers' societies. 108 central weavers' societies and 11,086 primary weavers' societies with a total membership of 12.89 lakhs. The working capital of these societies aggregated Rs. 25.36 crores at the end of June 1960 as against Rs. 23.92 crores at the end of June 1959.

There were 16 spinning mills in nine States, viz., Andhra Pradesh, Bihar, Gujarat, Kerala, Madras, Maharashtra, Mysore, Orissa and Punjab. Their membership comprised 4,363 societies and 4,520 individuals and others. The working capital of the mills stood at Rs. 3.77 crores as on 30th June 1960 as against Rs. 2.93 crores as on 30th June 1959. There were 17,896 "other industrial societies" whose membership stood at one million and their working capital amounted to Rs. 13.31 crores as against Rs. 10.36 crores at the end of 1958-59. Their sales during the year amounted to Rs. 14.29 crores compared to Rs. 12.52 crores during 1958-59. There were 65 wholesale and 7,168 primary consumers' stores with a total membership of 1.4 million. The working capital of the wholesale stores and primary stores aggregated Rs. 9.44 crores. The purchases and sales effected by the stores during the year amounted to Rs. 46.29 crores and Rs. 47.98 crores respectively. There were six housing societies at the state level and 5,558 societies at the primary level and their membership was 1,812 and 320,188 respectively. The working capital of these societies aggregated Rs. 55.29 crores as on 30th June 1960 as against Rs. 45.34 crores as on 30th June 1959.

MARKET GOSSIP

(*Concluded from page* 1067)

of primary goods such as wool, meat, dairy products and canned fruits for which Australia has always been renowned but would also demonstrate the dynamic growth of that country's manufacturing industry since the Second World War, and its ability to make and supply goods to the world market. Also travelling on the *Straat Banka* will be a Trade Mission of 47 members headed by Mr. A. P. Whitington, President of the Australian Chamber of Commerce Export Council, representing Australian industry, commerce and banking. One of the important tasks of this Mission is to promote goodwill and demonstrate the extent to which Australia can help South-East Asian countries speed their economic development by supplying raw materials for local industries and providing necessary articles of equipment.

The exhibits include foods and beverages from all Australian States, garments of wool, terylene, silk and various types of furs, metals, electronic devices and air-conditioning equipment. Over 200 Australian firms are represented in these displays. The floating shopwindow, we are sure, will prove useful to our industrialists and businessmen in securing firsthand information about Australian primary and manufacturing products and also help in promoting trade and goodwill between India and Australia.

J. K. SYNTHETICS LTD.

The new public issue of J. K. Synthetics Ltd., formerly known as the J. K. Investment Trust Ltd., will open for subscription on Monday the 12th inst. and will close on the 17th inst., but not before the 14th inst. The issue amounts to Rs. 52,37,500 in 523,750 equity shares of Rs. 10 each at par payable in full on application. The new shares will rank in all respects *pari passu* with existing shares except that they will be entitled to dividend out of the earnings only of the year commencing from 1st July 1961. With this issue, the whole of which has been underwritten, the paid-up capital of the Company will increase to Rs. 125 lakhs.

The object of the issue is to meet a part of additional capital requirements of Rs. 178.60 lakhs for purposes of a new synthetic yarn undertaking. This expenditure has been or will be financed partly from a loan of Rs. 30.00 lakhs from the Rajasthan Government, Rs. 80.00 lakhs deferred payment facilities and Rs. 16.23 lakhs borrowing from banks and other sources. The synthetic filament yarn plant proposed to be established at Kotah in Rajasthan will have a capacity of 480,000 lbs. per annum. Orders for the plant and machinery required for the project (local and imported) have already been placed and shipments will start shortly. Some of the machines will come duly assembled and a team of foreign erectors and engineers will be arriving to take up the erection work simultaneously. The erection of indigenous machinery is already in progress and it is expected that the plant will be commissioned for trial operations sometime in October-November 1961.

Notice

BALMER LAWRIE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the above-named Company that the Annual General Meeting will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Thursday, 29th June, 1961, at 12.15 p.m., to consider the Accounts of the Company for the year ended 31st December, 1960, and to transact other ordinary business.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 14th June, 1961 to 29th June, 1961, both days inclusive.

By Order of the Board,
D. MANSON,
Secretary.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *2nd June*, 1961.

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

WEEK'S STOCK EXCHANGE TREN

THE following quotations indicate the trend transactions on the Bombay Stock Exchan during the week ended 8th June 1961.

	Closing quotation 1-6-1961	High	Low	Closin quotatic 8-6-196
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	156.00	—	—	
Apollo (2)	1.52	1.54	1.50	155.0
Baroda Rayon (100)	127 00	127.50	124.50	1.5
Bombay Dyeing (25)	66.00	69.70	66.00	126.0
Bradbury (50)	130.50	135.50	130.50	68.6
Central India (100)	112.50	119.00	112.00	135.5
Century Mills (100)	675.50	715.00	673.00	115.0
Coorla Sp. (100)	132.50	—	—	703.0
Dawn (50)	131.00	131.50	130.50	132.5
Edward Textile (200)	303.00	—	—	131.0
Elphinstone (50)	86 50	89 50	86.00	305.0
Finlay (100)	325.00	326 00	323.00	89.5
Gokak (100)	180.00	186 00	176.00	323.0
Gold Mohur (100)	263 75	—	—	178.00
Gwalior Rayon (10)	52.50	57 00	53.50	263.7
Ind. Untd. Defd. (1)	1 88	1.92	1.86	55.3
Ind. Untd. Ord. (10)	15.28	15 30	15 16	1.8
Indian Rayon (62.50)	63 00	63 00	60.00	15 2
Indore Malwa (100)	154.00	154.00	151.00	62.5
Khatau (100)	577.50	635.00	575.00	154.0
Kohinoor (100)	324.50	326.50	314.50	601.2
Lakshmi (250)	520.00xd	525.00	520.00	316.0
Mafatlal (100)	860 00	875.00	857.50	525.0
Minerva Mills (100)	82.00	83.50	81.00	867.5
Model Nagpur (250)	85.00	—	—	82.0
Morarji (100)	428.00	455.00	430.00	86.0
Mysore (55)	74.00	77.00	75.00	436.0
National Rayons (100)	555.00	591.00	555.00	75.5
New City (100)	160.00	—	—	573.5
New Great (100)	217.50	217 50	215.00	160.0
Phoenix (100)	148.50	149 00	147.00	215.0
Podar Mills (100)	147.50	152.00	148.00	148.5
Raymond Woollen (100)	124.00	125.00	123.00	152.0
Sassoon Silk (10)	14.36	—	—	123.0
Sassoon Spg. (10)	54.50	60 00	54.50	14.3
Shrinivas (100)	260.00	267 00	258.00	59.0
Simplex (50)	191.00	202.00	190.00	265.0
Standard (100)	1,541.00	1,585.00	1,535.00	200.0
Svadeshi (100)	272.50	283 00	272.00	1,557.0
S. I. Viscose (100)	575.00	590.00	580.00	279.5
Tata Mills (25)	166.00	173.00	167.00	590.0
Vishnu (100)	59.00	63.00	58.00	172.5
Western India (1,000)	129.50	—	—	62.2
	3,725.00			129.5
				3,725.0
BANKS				
Bank of India (50)	123.25	123.50	123.00	
Do. (New) (50)	125.50	125.50	125.00	123.5
Bank of Baroda (50)	100.25	100 50	100.00	125.0
Central (25)	58.00	57 00	55.50	100 0
Central 'A' (25)	61.00	60.00	57.00	58.5
Dena Bank (50)	58.00	—	—	57.5
Punjab National (10)	21.76	21.76	21.52	58.0
Union Bank (5)	6.44	6.48	6.44	21.5
United Com. (50)	89 00	90.00	89.00	6.4
				90.0
ELECTRIC COS.				
Ahmedabad (100)	84.50	85.80	84.50	
Amalgamated (10)	10.04	—	—	85 0
Andhra Valley (1,000)	1,010.00	1,015.00	1,010.00	10.0
Bom. Sub. El. (100)	90.00	90.00	88.50	1,015.0
Surat (100)	89.00	89 30	88.50	89.3
Tata Hydro (100)	105.50	106.00	105.00	88.5
Tata Power (1,000)	1,045 00	1,065 00	1,045.00	105.5
				1,062.5
INSURANCE COS.				
British India (10)	12.16	—	—	
Indian Mercantile (20)	50.00	—	—	12.1
New India (15)	64.00	64.50	63.70	50.0
New India 'A' (15)	64.50	65.00	64.20	64.3
Vulcan (10)	15.60	15.64	15.52	65.0
				15.5
STEEL COS.				
Ind. Iron (10)	28.25	28.55	28 10	
Mukand Iron (10)	28.00	30.50	28.00	28.3
Tata Steel Ord. (75)	161.00	165.00	160.50	30.0
				62.7
SUGAR COS.				
Belapur (50)	288 00	292.00	286.50	
Bhopal (10)	26 10	—	—	288.5
Changdeo (12.50)	25.25	—	—	26.1
Phaltan (50)	138.00	—	—	25.2
Walchand Ind. (100)	176.25	177.00	175.00	138.0
				175.0
CEMENT COS.				
Associated Cts. (100)	161.00	165.00	160.50	
Digvijay(100)	155 50	159 00	155.00	164 0
Orissa (10)	14.56	14.72	14.48	158.0
				14.5
MISCELLANEOUS				
Alcock Ashdown (100)	295 00	306.00	294.00	
Bom. Burmah (125)	643.00	666.50	641.00	299.0
Do. (New) (50)	286.25	247.50	236.00	662.0
Br. B. Petrol (1½ sh.)	1.28	1.30	1.24	242.5
Br. I. Corpo. (5)	8.08	8.08	7.92	1.2
Cooper Eng. (100)	171.00	171.50	170 00	8.0
Colour Chem. (100)	375.00	410.00	365.00	171.5
Hind Cycle (100)	95.00	95.50	92.00	372.5
Hindustan Lever (10)	47.25	47.50	47.25	94.0
Hindustan Motors (10)	22.44	22.92	22.16	47.2
I. C. & Invest. Corporation (100)	85.00	—	—	22.6
Indian Dyestuff (100)	552.50	577 50	552.50	85.0
Indian Copper (2 sh.)	5.52	5.60	5.48	570.0
Ind. Inv. Tr. (100)	79 00	80.00	79.00	5.4
Killick (100)	101 00	102 00	101.00	80.0
Larsen & Toubro (10)	48.50	48.00	48.75	102.0
Mahindra & Mahindra (10)	20.76	20.24	19.80	46.2
New Central Jute (10)	20 00	—	—	19.8
Poison (100)	179.00	180.00	179.00	20.0
Pre. Automobiles (100)	172.50	175.00	171.50	180.0
Premier Con. (80)	196.50	219.50	196.50	171.7
Scindia (20)	14.88	15.48	14.72	212.0
O. S. Shipping (10)	15.00	15.08	14.96	14.9
Shivrajpur (10)	79 00	79.00	15.00	15.0
Sirpur Paper (10)	16.20	16.60	76.50	77.0
Tata Chemicals (10)	19.44	20.72	16.32	16 4
Tata Locomotive (100)	365.50	384.50	19 40	20.4
Tata Oil (25)	79.00	81.00	365.00	377.5
Texmaco (10)	20 40	21.00	76.50	79.2
Voltas (100)	291.50	319.00	20.40	20.8
W. I. Match (100)	258.00	261.00	289 50	315.0
W. Coast Paper (100)	199.00	199.00	255.00	259.0
			197 00	198 5

GOVERNMENT SECURITIES	1-6-1961 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	8-6-1961 Rs.
2½% 1961	99.75	—	4.12	99.75
2½% 1962	98.80	—	5.48	99.00
2½% 1976	83.50	—	4.28	83.50
3 % 1964	98.85	—	3.38	98.75
3 % 1965-66	98.75	—	3.80	98.75
3 % 1970-75 1st Dev.	95.85	3.53	3.84	95.90
3 % 1986 Con. Loan	90.80	3.85	3.85	90.90
3½% 1964 N. P. Loan	98.85	4.19	4.12*	99.75
3½% 1965 N. P. Bonds	99.95	—	3.55	99.85
3½% 1962	99.90	—	3.51	99.95
3½% 1967 N.P. Bonds	99.00	—	3.95	99.90
3½% 1967 N.P. Bonds	99.70	—	3.58	99.90
3½% 1969 Loan	100.10	—	3.78	99.70
3½% 1968	98.95	—	3.66	100.00
3½% 1968 N.P. Bonds	98.70	—	3.70	98.85
3½% 1968 N.P. Bonds	100.10	—	3.70	98.70
4 % 1972 Loan	100.50	—	3.46	100.10
4 % 1973 Loan	100.50	—	3.67	100.10
4 % 1979 Loan	100.45	—	3.88	100.10
3½% 1966 Bonds	100.10	—	3.96	100.10
4 % 1980 Loan	99.70	—	3.99	100.10
	99.95	—	3.87	99.95
			4.01	99.70

* Current Income. xd—Ex-dividend. N.R.—Ex-Bonus

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2619 BOMBAY, 17th JUNE 1961 PRICE Rs. 2

RURAL CREDIT FOLLOW-UP SURVEY

THE Reserve Bank of India has released this week the findings of its second Rural Credit Follow-up Survey. This Survey had as its period of reference the one year from May 1957 to April 1958, but the field investigation under it was actually conducted in the period May 1958-October 1959. It was confined to a dozen districts selected out of the original sample of 75 districts which figured in the All-India Rural Credit Survey, 1951-52. The districts selected for the follow-up inquiry are claimed to be fairly representative of the various types of agricultural economy prevailing in the different parts of the country. Two main objectives have been achieved in the latest Survey, the first being the collection of statistical data relating to changes in the "demand" side of credit, including outstanding debt and borrowings, and the second being the assessment of the performance of co-operatives on the "supply" side of credit. The general review report which has just been issued to the Press has dealt comprehensively, though not in great detail, with the various aspects of the rural credit scene. By far the greatest significance of the follow-up Survey is that it provides a broad comparison with the results of the 1951-52 Rural Credit Survey in the corresponding districts taken together.

What changes, if any, have taken place in the structure of rural credit in the identical districts over a period of six years are worthy of note. It is this comparative account that provides a picture of some advance in co-operative credit during the period. Quite impressive in this connection is the fact that the borrowings of an average family from co-operative credit agencies represented 12 per cent of all its borrowings in 1957-58, as compared with only 2 per cent in 1951-52. On the other hand, the proportion of borrowings from Government sources had come down from 5 per cent in 1951-52 to 2 per cent in 1957-58. Another striking trend revealed by the figures is that the proportion of borrowings from agriculturist moneylenders had increased from 18 per cent of all borrowings in the former year to 45 per cent in the latter. This, however, was accompanied by the opposite trend of professional moneylenders accounting for only 16 per cent of the borrowings of an average family in 1957-58, as compared with 56 per cent in 1951-52. Traders and commission agents, too, had come to account for a higher proportion (10 per cent) of borrowings in the year of the follow-up Survey, as compared with 5 per cent in the year of the original survey. Commercial banks did not contribute anything substantial to the average family's borrowings in either year; their relative contribution was only 1 per cent of all borrowings in both the years. It would appear from these comparative figures of borrowings according to sources of credit that moneylenders—agriculturist, professional and mercantile—continued to dominate the rural credit scene, although co-operative credit agencies had also made some advance.

Some other broad indicators emerging from the follow-up Survey as compared with the original Survey would also merit particular mention here. In the first place, the major indicator is the absolute outstanding debt per family in the respective years; in 1951-52, this was Rs. 434 whereas in 1957-58 it was Rs. 375. The outstanding debt over the period had decreased substantially; this decrease seems to have been due to the decrease in the total borrowings of average family from Rs. 263 in the former to Rs. 218 in the latter. A broad inference is possible from this trend is that, on of the increase in agricultural prices the period, the money returns of rural and their credit needs might have decreased to a corresponding extent. That borrowing families were also having increased money returns could be inferred from another indicator, namely, the average amount repaid during the year. It may be noted here that, in 1951-52, the amount repaid by an average family was Rs. 77, whereas in the year of the follow-up Survey it was Rs. 102. But, at the same time, increased money returns do not appear to have financed capital expenditure in agriculture to a greater extent; if anything, such expenditure was a little lower in 1957-58, being Rs. 175 per family, as compared with Rs. 188 in the year of the original survey. On the other hand, there was an increase in family expenditure from Rs. 390 in 1951-52 to Rs. 429 in the year of the follow-up Survey; this was probably due to an increase in the prices of commodities entering into rural consumption. These broad indicators show that the quantum of credit availability in the year for an average family had not increased at all. It may be that the agriculturist families might have borrowed substantially more for capital expenditure in agricultural improvement if more credit had been available. After all, the average debt per family expressed as a percentage to the value of owned land ranged only between 3 and 8 in six out of the twelve districts; this means that there was further scope for borrowing.

A disquieting trend revealed by the follow-up Survey is that, among the various purposes of borrowing, family expenditure was generally the most important. In 1957-58, borrowings for family expenditure were as high as 81 per cent of the total borrowings of an average family in Monghyr district, 80 in Deoria, 67 in Quilon, 65 in Burdwan, 61 in Bangalore, 54 in Sagar, 49 in Jaipur, 47 in Jullundur, 44 in Nizamabad, 35 in Chingleput, 25 in Sorath and 16 in Akola. On the other hand, capital expenditure and current expenditure in agriculture taken together ranged from 15 per cent in Deoria to 81 per cent in Akola. These figures show that, by and large, family expenditure accounted for a greater proportion of the total borrowings of an average family than capital and current expenditure for agricultural improvement. This should not be taken to mean that the rural families did not require more credit for purely agricultural purposes. Considering the fact that, on an average, each cultivator, according to the Indian Co-operative Union, requires Rs. 80 for short-term and Rs. 400 for medium-term loans for cultivation purposes, the average borrowings for such purposes in the 12 districts figuring in the rural credit follow-up Survey would appear to be far lower in comparison, as revealed by the indicator regarding capital expenditure (Rs. 175) in agriculture.

In the circumstances, the finding of the follow-up Survey that, in spite of numerous impediments encountered by co-operatives, the movement has made remarkable progress particularly since 1954-55, is not of any very great significance. For one thing, the pace of expansion and the level of co-operative activity was, according to the report itself, highly uneven in the various districts. For another, the absolute quantum of credit supplied by co-operatives was only Rs. 26 per family in the year of the follow-up Survey. For quite another, an integrated approach to the development of credit and marketing co-operatives was virtually absent because there were no adequate arrangements for inter-linking between credit and marketing. Obviously, such inter-linking was difficult to achieve. Even more difficult should have been the effort, wherever it had been made, to link technical aid with agricultural credit. The general review report does not, of course, reveal whether rural credit societies were at all trying to link technical aid with agricultural credit.

It is in this context that the Indian Co-operative Union's latest report, which is based on its experience of a rural development and credit project in 15 villages near Delhi, acquires a rare significance. The conclusions of the I.C.U. report are: first, its project has established the effectiveness and feasibility of combining technical advice and credit and, secondly, there is the necessity of making economic loans to farmers within a certain time limit. The I.C.U.'s finding that a small farmer—depending on a village moneylender for credit needs—is working on the most expensive capital would need to be seriously pondered. But as of today, according to the Reserve Bank's follow-up Survey, it is the moneylender who reigns supreme in financing agricultural credit. How long it will take for co-operative credit to finance almost all the requirements of agriculturists is anybody's guess, whatever be the current goals and targets in this field. With the slow but steady expansion of co-operative credit in the years to come, it may be that the lending resources of agriculturist moneylenders (who should be mostly landowners themselves and who are now far more important than professional moneylenders will be further augmented by their borrowings at cheaper rates of interest from the co-operative agencies. Such a trend will only detract from the intended significance of the co-operative credit targets and their possible achievement.

Contents

	Page
LEADING ARTICLES—	
Rural Credit Follow-up Survey ...	1113
Taxation in Asian Countries	1113
Dock Strike Averted	1114
MARKET GOSSIP	1115
ROUND THE EXCHANGES	1116
NEWS IN BRIEF	1117
PERSONAL	1117
THIS WEEK'S SURVEY	1118-1119
SPECIAL FEATURES—	
On the Arena	1120
London Financial Market	1121
Delhi Letter	1122
London Letter	1123
Deficit Financing and Economic Growth	1125-1126
Manchester Letter	1130
Income-Tax Amendment Bill—I ...	1136
Collective Bargaining	1140
CHAIRMAN'S SPEECH—	
Guest, Keen, Williams Ltd.	1138
MONEY AND BANKING	1124
TEXTILES-COTTON	1128-1129
PLANTING	1132
ENGINEERING	1134-1135
NEW PRODUCTS AND PROCESSES	1135
NEW PUBLICATIONS	1139
COMPANY MATTERS	1141-1145
MARKET REPORTS	1147-1149
MISCELLANEOUS STATISTICAL INFORMATION	1150-1152
STOCK AND SHARE QUOTATIONS	1153-1160
WEEK'S STOCK EXCHANGE TREND ...	1159

TAXATION IN ASIAN COUNTRIES

REFLECTING the increasing tempo of economic activity in underdeveloped countries, governmental incomes are rapidly moving up. The revenues of the governments now form a much higher proportion of the national incomes of these countries than in pre-war years. Further, since most governments are committed to a policy of direct intervention in the economic affairs of their countries, there is naturally a tendency to increase public saving for purposes of investment. The public sector is everywhere growing. To sustain the growth of the public sector and also to give an impetus to

development in the private sector, governments have found it necessary to impose new taxes and also to improve methods of collection. This has not necessarily turned out to be an unmixed blessing, for, in some countries at least, official enthusiasm for new fiscal measures has outrun their sense of discretion and experiments have been made at great cost to the taxpayer.

What is now necessary is not to reverse the upward trend in governmental revenue and expenditure in underdeveloped countries but to streamline fiscal administration to ensure that revenue is obtained without sacrificing the essential incentives for economic progress and to see that non-developmental expenditure is reduced to the barest minimum. On several aspects of this common problem in these countries, the *Economic Survey of Asia and the Far East* 1960, issued by the U.N. Economic Commission for Asia and the Far East (E.C.A.F.E.), throws much interesting light. The point made in the *Survey* is that the proportion of governmental revenue to gross national product has recorded a significant increase in most countries of the region. Between 1950 and 1958, this proportion increased from 17 per cent to 19 per cent in Burma, from 15 per cent to 23 per cent in Ceylon and from 9 per cent to 11 per cent in India. In Japan, however, it declined by 1 per cent to 22 per cent, whereas it remained unaltered at 11 per cent in Pakistan. The proportion is relatively smaller than in other industrially advanced countries. But it must be remembered that there are serious limitations to what underdeveloped countries can raise by way of additional revenue. Another notable feature of the fiscal trends in these countries is that the proportion of government expenditure to the gross national product has been generally higher than the similar proportion for governmental revenue. In 1958, government expenditure constituted 28 per cent of gross national product in Burma, 16 per cent in India, 26 per cent in Japan, and 15 per cent in Pakistan. Clearly, no precise conclusion can be drawn from the relative levels of governmental revenue and expenditure in different countries, for they generally reflect the different levels of economic prosperity and also the divergent attitudes towards what constitute governmental functions and responsibilities.

An analysis of the components of governmental revenue, however, reveals some striking similarities. Thus, with the exception of Japan and the free ports of Hongkong and Singapore, nearly all countries of the region depend to a substantial extent for their revenue on taxation of imports and exports. Thus, the taxes on foreign trade account for some 41 per cent of the total revenue in Burma, 53 per cent in Ceylon, 43 per cent in Indonesia, 20 per cent in Pakistan and 49 per cent in Thailand. In India, however, the tax on foreign trade accounts for only 10 per cent of the total revenue. Taxes on internal transactions including excise and sales taxes also constitute a very large proportion of the total revenue of the Governments in the E.C.A.F.E. region. The report points out that internal taxation has been increased in several countries to serve three main purposes —raising of revenue, curtailment of consumption (especially of luxuries) and saving on imports. It has also made the point that the revenue from excise taxes has increased not so much from the increased consumption or increased rates of duty on the traditional items as from getting a wide range of items in the tax net. Taxes on internal transactions constitute 21 per cent of the total revenue in Burma, 13 per cent in Ceylon, 43 per cent in India, 42 per cent in Japan, 24 per cent in Pakistan and 35 per cent in Thailand.

As is only to be expected, the governments of the developing countries have learned to attach increasing importance to personal income-tax and to tax on corporate profits. All countries except Japan have tax exemption limits, allowances, tax credits for dependents, progressive rates and differential treatment of individuals and companies. A distinguishing feature of the Japanese income-tax system is self-assessment. The taxpayer estimates his income and pays the estimated tax, and official adjustments are subsequently made on the basis of actual results. The tax on income and wealth accounts for 25 per cent of the governmental revenue in Burma, 23 per cent in Ceylon, 25 per cent in India, 47 per cent in Japan and 22 per cent in Pakistan. The tax exemption limit varies from country to country. It is, however, interesting to note that this limit is 11.5 times the per capita income in India. The relative multiple is 19 in Burma, 12.5 in Ceylon, 15.6 in the Philippines and 9.8 in Malaya. In industrially advanced countries, the multiple is much less because the per capita income itself is high. Thus, the multiple is 1.3 in the U.S., 1.9 in Canada and the U.K., 2.1 in France, 2.2 in Germany and 3.4 in Japan.

Incentives are provided in most countries in order to promote investment. There is a tax holiday for new and necessary industries in the Philippines and for approved industrial projects in Ceylon and Pakistan (as in India). There is also an allowance of higher and accelerated depreciation for fixed investment in approved channels. Again, in Burma, profits re-invested within one year are exempt from income-tax. This is obviously intended to stimulate self-financing of industrial expansion.

The report is, however, critical of land tax. It feels that, in Burma, India and Pakistan, the stagnant land tax absorbs administrative resources out of all proportion to its yield; income, excise and sales taxes, on the other hand, are only inadequately enforced. It feels that land tax is "inflexible and regressive from the point of view of fiscal development; if need be, it could be abolished altogether and the administrative resources released could be redirected to administer a simplified, more rational and flexible system of income, property and commodity taxes."

The Indian Taxation Enquiry Commission which examined the issue of land revenue reached the conclusion that it could not be abolished. It felt that, particularly in view of the financial needs of State Governments in the context of the implementation of their development schemes, a majority of which are for the benefit of the rural areas, it was difficult to envisage "any real substitute" for land revenue. It may be that, as agricultural income-tax becomes a more prominent feature of India's fiscal system, it will be possible to reduce the incidence of land revenue to a level at which it will cease to be of any practical significance. It may, however, be wondered whether such an improvement in the tax system is possible in India where substantial landholdings are being eliminated under ceilings legislation, or in other underdeveloped countries. The plain fact is that farmers understand land revenue which has been with them for generations, and they are likely to regard even a less onerous substitute for it as some new-fangled device.

The E.C.A.F.E. report makes a few eminently sensible suggestions for fiscal reform. It rightly insists that the tax structure should be simplified. For instance, it points out that, if an accessions tax on beneficiaries were introduced, it would obviate the need to have inheritance tax and gift tax. Again, if the scope of income-tax should be extended to cover lower income groups, tax forms and assessment methods should be simplified. Small traders or business men could be assessed on their gross income. Self-assessment could be made a general rule for non-wage incomes and tax tables for ready reckoning distributed as in Japan.

These suggestions are well worth examination not only in India but in other underdeveloped countries. There is need as well as scope for streamlining tax administration in these countries. If this was done and methods of taxation realistically revised, at least in respect of low-income assessees, it would not only reduce the burden on the overworked tax administrators but also increase the revenue through the exertions of officials who are relieved from the necessity to spend much time and energy over incomes which yield comparatively little revenue.

DOCK STRIKE AVERTED

WHAT would otherwise have paralysed the entire foreign trade of the country has happily been averted. The All-India Port and Dock Workers' Federation which had served notices of strike at the major ports from the 15th inst. has now withdrawn them. That wiser counsels have prevailed with the leaders of the usually militant dock workers is, indeed, commendable. Equally commendable is the role played by Mr. Raj Bahadur, Union Minister for Shipping, who conducted the negotiations with labour leaders. He was, of course, ably assisted by the Port Trust authorities, particularly by the Chairman of the Bombay Port Trust, Mr. A. L. Dias. The negotiations between the officials and the representatives of workers, we are told, were held in a cordial atmosphere, with goodwill on both sides. And the two sides have also mutually agreed to devise ways and means of avoiding strikes and lockouts at ports in the larger interests of the country. All this is certainly encouraging and it is to be hoped that labour-management disputes, if any, in other industries and trades will be amicably settled in like manner during the crucial third Plan period.

The whole nation has heaved a sigh of relief at the happy ending of talks between the port authorities and the dock workers. For, if the talks had failed and, as a result, the workers had launched a hasty and ill-advised step such as a strike, the entire cargo loading and unloading operations would have been thrown out of gear with the same disastrous consequences as were experienced during the nation-wide strike by port and dock workers three years ago. A strike for even one day would have done much harm to the country by putting up the landed cost of capital goods imported and by interrupting the supply and inflating the prices of other essential imports. It has only to be recalled here that the average daily traffic handled by the major ports is as much as 85,000-90,000 tons, imports accounting for 55,000-60,000 tons and exports for 30,000-35,000 tons.

There was absolutely no provocation for the threatened strike. The Committee constituted by the Government in August 1958 with Mr. F. Jeejeebhoy as Chairman was about to submit its report and the Government had stated that it would try to give immediate effect to its recommendations. Why, then, did the workers hold out the threat of strike? Perhaps, they thought that they might succeed in getting the report of the Jeejeebhoy Committee and/or that of the Second Pay Commission bypassed in basic matters, so that they could get greater benefits than those conferred by these bodies, as well as by the earlier Choudhury Commission. This was a wrong attitude and it is good that the workers have realised their mistake betimes.

By withdrawing the strike call, the workers have not lost anything. On the contrary, they have gained considerably. The implementation of the Jeejeebhoy Committee's award will doubtless benefit greatly the majority of dock and port workers: 60 per cent at Bombay and a slightly higher percentage at Calcutta and Madras. The pay of each worker will be fixed in the scale prescribed by the Committee at such a minimum stage in that scale as would give the incumbent an increase in pay which is not less than the last increment drawn by him. A proviso is, however, attached to the effect that no employee will get more than the maximum of the scale fixed by the Committee. If, in any case, the scale prevailing prior to the revision is higher than the one fixed by the Committee, the higher scale shall continue to apply. There will thus be no reduction in the existing scale of any post even for future incumbents. Where any scale has been prescribed by an award of a tribunal, the employees concerned will be entitled to continue in that scale, if they so desire, so long as the award remains in force.

It is thus evident that, under the Jeejeebhoy award, every worker, whatever be his emoluments, stands to gain at least one increment. Further, since the award is to be given retrospective effect from October 1957, each worker will get a lump sum of money as back pay. Maybe, some workers here and there will not get much benefit from the award. And maybe, the award has not redressed certain other grievances of workers. But it should be viewed not piecemeal but as a whole. Surely, one cannot expect from an award which is formulated on the principle of equal pay for equal work on all-India basis a necessarily equal incidence of immediate advantages in the different ports. Inasmuch as the majority of workers stand to benefit in terms of either higher pay or upgrading of their category or both, as well as from the promotion incentives offered, the port and dock workers would do well to accept the award in good faith. For their part, the authorities must take energetic action to give effect to the recommendations of the Jeejeebhoy Committee without undue delay. In any case, a strike is not the way to settle a dispute, and no happy solution can be found in an atmosphere of strike and conflict. Quite often have the port and dock workers held out threats of strike. It is high time that both the workers and the authorities made earnest efforts to ensure "peace" for a sufficiently reasonable period of time, so that the implementation of the series of development programmes under the third Plan could proceed smoothly according to schedule.

MARKET GOSSIP

Government Borrowing Programme

IT is widely anticipated that the Central Government will soon announce the second part of its borrowing programme for the current year. Only three weeks ago, the Government announced the conversion offer for three maturing loans, that is, 3½ per cent National Plan Bonds (first issue) 1961, 2½ per cent Loan 1961 and 3 per cent Hyderabad Loan 1951-61. The amount actually subscribed was Rs. 93.57 crores, as against the aggregate outstanding of Rs. 138.89 crores. The actual subscription represents no more than 40 per cent of the Rs. 235-crore target of borrowing envisaged in the Central budget for 1961-62. The balance thus comes to Rs. 141 crores. It is not known whether this entire sum will be raised by way of one single cash loan or two such loans. Indications are that two loans may be floated—a medium-dated loan of Rs. 65 crores carrying interest of 3.5 per cent and a long-dated loan of Rs. 75 crores carrying interest of a little over 4 per cent.

One of the loans is expected to come early next month, as the authorities would appear to feel that conditions in the money market will have improved significantly by then. It is true that money is today comparatively easier in the sense that borrowers are not finding it difficult to obtain their requirements. But the supply of funds has not improved so markedly as is usually the case at this time of the slack season, with the result that interest rates continue to rule pretty high. Inter-bank call money is currently quoted at 4¼ per cent. Although this rate is well below the level of 5-5½ per cent standing until recently, it is considerably higher than the rate of 3½ per cent that prevailed in the corresponding slack season last year.

So far as the banks are concerned, there has been lack of interest in the borrowing programme of the Government. This is not surprising because the surplus funds available with the banks for investment in Government loans are not as large as in the 1960 slack season, as the following statement pertaining to scheduled banks will show:

(In crores of rupees)

	2-6-1961	3-6-1960	5-6-1959
Net deposits	1,840.68	1,950.41	1,899.36
Total bank credit	1,281.33	1,134.07	1,005.88
Credit ratio %	69.61	58.15	59.10
Investments in Government Securities	550.45	755.64	634.75
Investment ratio %	29.90	38.74	37.35
Cash and balances with Reserve Bank	125.56	142.12	114.61
Cash ratio %	6.82	7.29	6.74
Borrowings from the Reserve Bank	29.27	47.10	9.52

It will be seen from these figures that, as compared with the position a year ago, the total deposits of the banks have shrunk by Rs. 110 crores, while bank credit (advances plus inland and foreign bills discounted) has risen by more than Rs. 147 crores, and the outstanding borrowings from the Reserve Bank are still large. It is doubtful whether the upward trend in the demand for bank credit will be reversed in the remaining four months of the slack season. At any rate, there is no likelihood of its reduction to any appreciable extent, thanks to the persistently rising (a) industrial capacity and production, (b) imports of raw materials and capital goods and (c) prices of commodities. In view of these factors, the response of banks to the cash loan or loans may not be very encouraging. What is more, the banks may utilise a large part of whatever additional funds they get by way of fresh deposits and repayment of seasonal advances for repaying to the Reserve Bank. The Government can, however, expect to get good support, as usual, from other institutional investors such as the L.I.C. and provident funds. It can also count on the Reserve Bank to absorb the portion of loans not taken up by the market.

Coal Movement By Sea

The Government of India has just announced the levy of an additional cess of 80 nP per ton on all coal despatched from collieries with effect from the 8th inst. for the purpose of meeting the additional expenditure which will be incurred for stepping up the movement of coal by sea. With this levy, the total cess on coal now comes to Re. 1.68 per ton. The additional levy now imposed is expected to yield an annual revenue of about Rs. 5 crores. It is not known whether this is related to the upper limit of Rs. 4 per ton by way of excise duty on coal which is authorised under the Coal Mines (Conservation and Safety) Amendment Bill which was passed by the Lok Sabha last month. Under this amended legislation, the Government has acquired powers to increase the excise duty from the previous Re. 1 per ton to a maximum of Rs. 4 per ton. The two main purposes of this measure are: first, to provide financial resources to the Coal Board to meet the cost of a central ropeway scheme in connection with stowing operations in the Jharia and Raniganj coalfields for the purpose of extracting their high quality coal with a measure of safety to life and property; and, secondly, to provide an element of subsidy in respect of coal movement by sea, in view of the higher cost of transport by coastal shipping as compared with the cost of haulage by the all-rail route.

It is calculated that the element of subsidy involved in respect of the proposed movement of an additional one million tons of coal a year by sea to the southern and western coastal States will be of the order of Rs. 4 crores. The subsidy, which is intended to make good the difference between the higher cost of transport by sea and the lower cost of transport by rail, it is feared, will have to be borne ultimately by industrial consumers. This, in its turn, may mean that the landed cost of coal supplies to Southern and Western India will be higher to some extent, although the Government says that it will not be so. Industrial units in these areas hope that transport of coal by sea would be a temporary measure and that the railways would be enabled to increase their transport capacity in the near future. It is in this context that Mr. Swaran Singh's announcement at Chandigarh the other day that the railways will increase the number of coal wagons from 1,900 to 2,100 per day northward beyond Moghalsarai for carrying coal from the Bihar and Bengal collieries which produce about 80 per cent of the country's total output of coal, and that the Government will lay stress on encouraging greater movement of coal from the coalfields in Madhya Pradesh, Andhra and Orissa to regions far away from the Bihar and Bengal coalfields, should be welcomed. But even this will only bring partial relief. Fuller relief can be had, if at all, when the wagon capacity of the railways is increased with expedition in the first one or two years of the third Plan. It would need to be added that, even in respect of coal that is to be moved by sea, the railways should be instructed to ensure prompt supply of wagons at the ports so that the steamers can discharge coal without any delay. Even in Southern and Western India, there will be need for greater availability of wagons on the railways for moving the coal discharged at the ports to different destinations in the coastal States concerned.

While the additional cess may add to general industrial costs indirectly through a rise in the price of coal in the country as a whole, it may be that its incidence on the price structure of industry will be relatively negligible. But in some industrial and commercial circles, the view is held that the ex-factory prices of certain commodities which are determined by the Government on the recommendation of the Tariff Commission might not be adequate for absorbing the increased costs resulting from the rise in the price of coal. This, obviously, is a matter for further examination.

Oils and Fats

Prices of oilseeds and oils have been steadily going up in the country, despite the generally larger output in the 1960-61 season and the none too satisfactory outlook on the export front. It is beyond doubt that the increase in domestic consumption of seeds and oils both for edible and industrial purposes constitute the major causal factor behind this rise in prices. The present prices of seeds and oils are higher by as much as about 15 per cent as compared with those a year ago. The wholesale price index (base: 1952-53=100) of oilseeds for the week ended 13th May 1961 stood at 157.4, as against 139.2 a year before and 153.5 in December 1960. The index for edible oils stood at 160.3, as against 138.4 and 154.0. While almost all seeds and oils have shared in the increase, there are wide differences in the degree of price movements. Groundnuts are in the forefront, with the prices having gone up by over 20 per cent over a year, as also groundnut oil, values of which are still higher, that is, by over 25 per cent. The following table shows the latest available prices for seeds and oils in Bombay market, as compared with those prevailing three months, six months and a year ago:

	Latest available	3 months ago	Beginning of 1961	A year ago
	Rs.	Rs.	Rs.	Rs.
Groundnut				
Nizam bold	55.00	54.12	45.00	44.10
Khandesh quality	55.00	55.00	46.75	45.80
Oil ex-mill	23.25	22.80	19.62	18.50
Castorseed				
Ready Madras	35.60	35.31	34.81	33.00
Ready Kanpur	33.75	33.37	33.62	31.80
Oil Commercial	15.10	15.00	14.97	14.10
Linseed				
Bold ready	39.00	38.75	38.75	38.00
Oil	17.05	17.00	16.80	14.80
Nigerseed (Madras)	41.50	39.75	38.00	38.00
Kardiseed	26.75	26.50	24.50	23.00

N.B.—Quotations for seeds are per 50 kgs and oils 10 kgs.

The upward trend in prices would have been arrested but for the lag in production of oilseeds. The total output of the five major oilseeds in 1960-61 is estimated (private sources) at only about 6.7 million tons, which compares unfavourably with the second Plan target (revised) of 7.6 million tons. According to private estimates, the total production of groundnuts (in shell) in 1960-61 was slightly higher at 4.4 million tons as compared with the previous year. The output of rape and mustard has risen from 1.04 million tons to 1.40 million tons. Production of linseed and sesame has been well maintained, whereas there is a decline in production in respect of castorseeds, that is, from 106,000 tons to 98,000 tons.

In the face of slow growth in domestic production, rapid increase in demand and, above all, restriction on their imports, it is not surprising that Indian prices should have been distinctly out of parity with world prices. By and large, the world supply position has been quite comfortable in respect of such commodities as groundnuts, linseed, and coconuts. It is reassuring to hear from Mr. J. C. A. Faure of Unilever that, despite short crops in China, there would be no shortage of fats and oils in 1961, thanks to improved supplies elsewhere. In his speech at the annual meeting of the International Seed Crushers' Federation held at Stockholm last week, Mr. Faure estimated the total world production of oils and fats (including animal fats, as well as edible, industrial and marine oils) at 32,595,000 tons in 1961, or a rise of over half a million tons over the previous year. As much as half of the increase is accounted for by African output. Some increase is also expected from Latin America, Russia, the U.S., India, Pakistan and the Philippines. The supplies available for export in 1961, according to Mr. Faure, would be 8,419,000 tons.

The U.S. Department of Agriculture, it may be noted in this connection, estimates the total world production of fats and oils at 32.5 million short tons, more or less close to the figure forecast by Mr. Faure. This compares with 31.5 million tons in 1960. The expansion was particularly marked in the case of edible oils, with groundnuts (fats and oil equivalent) touching 2.5 million tons (as against 2.3 million tons in 1960), soyabeans 3.9 million tons (3.8), cottonseed unchanged at 2.3 million tons and other edible vegetable oils 4.6 million tons (4.4). On the whole, the general world supply and demand position is bound to be in equilibrium, except for some regional variations. But in the case of oils in India, there is hardly any immediate prospect of a perceptible decline in values. Much will depend on the nature of monsoon conditions during the new sowing season that is in the offing, and also on whether the authorities will permit the import of a sizable quantity of relatively cheaper edible oils, such as soyabean oil, which will ease the tight supply position of fats and oils within the country.

Aid to Pakistan

As was briefly mentioned in our last issue (vide page 1075), the Consortium of Governments and institutions interested in development assistance to Pakistan met at Washington on the 5th inst. to discuss further aid for Pakistan during the second Five-year Plan which began on 11th July 1960. The meeting ended on the 7th inst. The Consortium members undertook to make additional funds aggregating $220 million available for commitment during the second year of the Plan commencing from 1st July next. Aid amounting to about $230 million has already been committed for the Plan by the members of the Consortium. These combined commitments of $550 million are expected to enable Pakistan to pay for essential imports required to maintain the economy in the coming year and to sustain the momentum of development. The country-wise commitments—in million dollars—for additional aid during 1961-62, subject as appropriate to legislative action or other necessary authorisation, the figures in brackets showing funds already committed, are: Canada 18.0 (19.8); France 10.0 (nil); West Germany 25.0 (37.5); Japan 20.0 (20.0); United Kingdom 19.6 (22.4); United States 150.0 (129.6); World Bank and I.D.A. 77.4 (nil); total 320.3 (229.3). In addition to these commitments, the U.S. has already undertaken to assist Pakistan's second Plan by making available surplus commodities; an agreement for a further amount of assistance in this category is currently being discussed between the Governments of the two countries. Pakistan is also receiving grants of wheat from Canada.

The first reaction of official and non-official circles in Pakistan to the firm aid offers announced by the Consortium has been one of great disappointment, in distinct contrast to the wide satisfaction expressed in India over the commitments promised for it. The Finance Minister of Pakistan himself has stated that he is disappointed that the Consortium has not yet met the country's need fully for the next two years. One wonders if there is any genuine cause for "disappointment" in the light of the Consortium's assurance to hold a further meeting later in the year to consider Pakistan's revised development programme and to decide on the extent and nature of assistance of the second and third years of the Plan taken together. The other criticism by Pakistan that the aid authorisations of $550 million for the first two years of the second Plan are much less than those ($2,225 million) made to India for 1961-62 and 1962-63 is wholly unfair for the simple reason that the population of India is nearly five times that of Pakistan and its foreign exchange gap is considerably more.

"Not Ordinarily Resident"

The question of defining residence for purposes of income taxation has always presented difficulties. When the 1939 income-tax legislation substituted the basis of accrual of income for the remittance basis, a special category of persons, namely, "resident but not ordinarily resident" was created on the recommendations of the Ayres Committee which had then suggested that justice would be done to all interests concerned if 'residence' was defined on the model of the British Codification Committee, with some modifications. Accordingly, Section 4B was introduced which defines persons "not ordinarily resident" as under:

"An individual is 'not ordinarily resident' in the taxable territory in any year if he has not been resident in the taxable territory in nine out of the ten years preceding that year or if he has not during the seven years preceding that year been in the taxable territory for a period or for periods amounting to more than two years." (Section 4B.)

The Indian Income-tax Amendment Bill now before the Select Committee, however, has sought to abolish the distinction between "resident and ordinarily resident," on the one hand, and "resident but not ordinarily resident" on the other. Under the present law, the first category of persons has to pay income-tax on their foreign income irrespective of whether it is brought into India or not, while

(Continued on next page)

SHARE MARKET WEAK

VALUES MOVE DOWN

(From Our Own Correspondents)

BOMBAY, 15th *June*

AFTER an initial spell of firmness, the share market developed weakness in the later sessions of the week. Early in the week, operators' interest was concentrated on many popular scrips which tended to move up and stray bull liquidation was readily absorbed. Even the rumours of official measures to check effectively the speculative activity did not have any effect. The upward trend in prices was, however, halted late on Tuesday the 13th inst. when several counters suffered a sharp setback following apprehensions that margin requirements in the "volatile" shares might be tightened. Some bulls were nervous and began to liquidate as much of their holdings as possible. In particular, steel shares were marked down on fears that the earlier expectations regarding an increase in dividend might not materialise. Textiles also ruled weak. In the miscellaneous section, too, quite a number of popular scrips such as Telco, National Rayon, Bombay Burmah and Premier Construction were subjected to selling pressure. In sympathy, cement, chemical and other shares were subdued. The bearish trend persisted practically till the close today.

In the steel section, Tata Steels which opened at Rs. 162.75 evinced good speculative interest and spurted to Rs. 164.25 on Tuesday the 13th inst. At this level selling ensued and the scrip fell to Rs. 159.50. The net loss over the week is Rs. 3.25. Indian Irons were well supported on the first three days, the value advancing from Rs. 28.35 to the peak of Rs. 28.70 on Saturday. Subsequently, they declined to Rs. 28.15. Mukand Irons receded from Rs. 30 to Rs. 29.25.

Textiles generally ruled easy. Standards slumped by Rs. 75 to Rs. 1,482 on rumours that the shareholders of the Company might not get fixed allotment in the proposed chemical venture. Morarjees dropped Rs. 20 to Rs. 413. Khataus lost Rs. 11.25 to Rs. 590. New Citys decreased by Rs. 10 to Rs. 140. Finlays receded by Rs. 8 to Rs. 315. Mysores eased by Rs. 3.50 to Rs. 72 and Azamshahis by Rs. 3 to Rs. 70. Podars and Minervas shed Rs. 2 each to Rs. 150 and Rs. 80, respectively. Kohinoors lost a rupee to Rs. 315. India Uniteds were dull at Rs. 15.28. Centurys received good support and rallied from Rs. 703 to touch the peak of Rs. 727 on Thursday but receded on persistent profit-taking to Rs. 713 today. Simplex, however, evoked special inquiries and spurted by Rs. 6 to Rs. 206. Tata Mills rose by Rs. 3.30 to Rs. 65.50. Indores and Gokaks put on Rs. 3 each to Rs. 157 and Rs. 181, respectively. Bombay Dyeings began the week at Rs. 68.60 and improved to Rs. 71.90, but eased later to close at Rs. 70.50. Sassoons advanced by Re. 1.50 to Rs. 60.50. Shree Niwas gained a rupee to Rs. 266. Swadeshis and Vishnus put on 50 nP each to Rs. 280 and Rs. 130, respectively.

Sugar shares were neglected. Walchandnagars lost as much as Rs. 7 to Rs. 168. Phaltans receded by Rs. 3 to Rs. 135. Belapurs declined by Re. 1.50 to Rs. 135. Maharashtras, however, received bull support and advanced from Rs. 185.50 to Rs. 191.50.

In the cement group, A.C.C's rose by 50 nP to Rs. 164.50 on Monday. Thereafter, profit-taking ensued and the scrip drifted down to Rs. 162.75. The net loss over the week is Re. 1.25. Digvijays shed a rupee to Rs. 157. Orissa eased by 16 nP to Rs. 14.40, Bagalkots by 12 nP to Rs. 8.48 and Jaipur Udyogs by 32 nP to Rs. 11.12. But Dalmias recorded a rise of 12 nP to Rs. 12.12.

Among shipping, Scindias were subjected to selling and receded by 68 nP to Rs. 14.28. Bharat Lines lost 12 nP to Rs. 5.12. Great Easterns, however, were fully maintained at Rs. 15.08. In the automobile section, Premier Automobiles put on Re. 1.75 to Rs. 173.50. Hindustan Motors were well fancied and gained 56 nP to Rs. 23.24. Auto Products were firm at Rs. 13.

In the rayon group, National Rayons elicited good enquiries early in the week and spurted by Rs. 12.50 to Rs. 586. In the following two sessions, however, they were hammered down to Rs. 570. Gwaliors receded by Rs. 2 to Rs. 53.30. Barodas lost a rupee to Rs. 124. Indian Rayons dropped 50 nP to Rs. 62. South India Viscose, however, hardened by a rupee to Rs. 124.

A drop of Rs. 35 to Rs. 535 in Indian Dyestuffs was the feature of trading in the chemicals section this week. Amar Dyes were hammered down from Rs. 415 to Rs. 396.25. Dharamseys receded by Rs. 11.25 to Rs. 288.75. Poly Chems fell by Rs. 5 to Rs. 230. Citrics lost Rs. 3.50 to Rs. 50. Tata Chemicals shed 20 nP to Rs. 20.28. Adarsh Chemicals were dull at Rs. 103. But Ultra Marines hardened by Rs. 3.50 to Rs. 63. Colour Chems gained Rs. 2.50 to Rs. 375. The Company has decided to issue at par new shares in the ratio of one share for every share held. Dharangadhras put on 50 nP to Rs. 131.50. Synthetics gathered 50 nP to Rs. 173.50. The working results of the Company for the year ended 31st March 1961 disclose a net profit of Rs. 3.87 lakhs after providing Rs. 6.47 lakhs for taxation and Rs. 31,717 for depreciation.

In the engineering section, Premier Constructions declined by Rs. 6.50 to Rs. 205.50. Larsen and Toubros receded by Rs. 4 to Rs. 42.25, as the gross dividend at Re. 1.80 for the year ended 31st March 1961 failed to satisfy shareholders. Cooper Engineerings eased by Rs. 2.50 to Rs. 169. Alcock Ashdowns lost a rupee to Rs. 298. Texmacos shed 44 nP to Rs. 20.20. Structural Engineers were quiet at Rs. 171. But Greaves Cottons put on Re. 1.25 to Rs. 178.25. Jyot's gained Rs. 2.50 to Rs. 186.50. New Standard Engineerings gathered Rs. 2 to Rs. 186. Telcos opened at Rs. 379 and advanced to Rs. 383.50 on Saturday the 10th inst. but fell to Rs. 376.50 today.

In the miscellaneous section, Voltas climbed down by Rs. 18.50 to Rs. 296.50. Bombay Burmahs received good support in the earlier sessions and spurted from Rs. 652 to Rs. 663 on Tuesday the 13th inst. But liquidation by tired bulls brought the value down to Rs. 644. Ceat Tyres lost as much as Rs. 22.50 to Rs. 207.50. Wimcos shed Rs. 2 to Rs. 257. Sirpur Papers eased by 88 nP to Rs. 15.56. Tata Oils receded by Rs. 5.20 to Rs. 74 and Chemicals by 20 nP to Rs. 20.28. Bombay Oxygens dropped Rs. 3 to Rs. 55.50. Killicks decreased by Re. 1.50 to Rs. 100.50. Indian Hume Pipes were neglected at Rs. 179.

* * * *

Madras Stock Exchange

MADRAS, 14th *June*

Equities on the Stock Exchange ruled fully steady during the week under review, barring sugars and a few miscellaneous scrips, which encountered persistent selling. Textiles continued to attract attention of investors, with values of several shares moving up. Teas were quite strong on reports of encouraging offtake. There was an all-round improvement in the coffee group, despite the prolonged uncertainty regarding marketing. Rubbers were more or less maintained at last week's levels. Banks and electricals were well fancied. Investors, however, were reluctant to enter into new commitments in sugars, notwithstanding the grant of a quota for Indian sugar by the U.S. and prospects of sizable purchases by Pakistan and Iran. Miscellaneous industrials were generally easy in the absence of fresh incentives, except chemicals which met with fair demand and tended to rise.

Among textiles, Dhanalakshmis jumped up by Rs. 20 to Rs. 235 owing to scarcity of floating stocks and enlarged support. Premiers spurted by Rs. 9.50 to Rs. 269.50. Buckinghams advanced by Rs. 3.75 to Rs. 221. Lakshmis rose from Rs. 170 to Rs. 175 before finishing at Rs. 173. Janardanas scored a gain of Rs. 2, today's closing being Rs. 75.50. Anglo-Frenchs put on Rs. 2 to Rs. 135 on expectations of higher dividend. South Indias improved by a rupee to Rs. 172. Coimbatore Cottons gathered a like amount to Rs. 171.

Teas, as already stated, were strong. Haileyburias improved by 75 nP to Rs. 15.25. Peermades hardened by 13 nP to Rs. 23.43. Parksides and Waterfalls picked up 10 nP each to Rs. 29.10 and Rs. 3.15 respectively. Chembras were better by 5 nP at Rs. 3.88. Blue Mountains and Periakaramalais were fully steady, the former at Rs. 3.32 and the latter at Rs. 3.95. In the coffee group, Consolidated Coffees increased by 35 nP to Rs. 21.50. Ouchterlony Valleys rose by 14 nP to Rs. 3.85. Coffee Lands were higher by 10 nP at Rs. 18.75. But Anaparais eased by 10 nP to Rs. 3.90. As for rubbers, Mercaras hardened by 10 nP to Rs. 8. T.R. & Ts strengthened by 5 nP to Rs. 9.90. Midlands were maintained at Rs. 11.80, as also Travancores at Rs. 11. Cochin Malabars rose from Rs. 7.98 to Rs. 8.03 before closing at Rs. 7.85.

Sugars were easy. Cauverys suffered a loss of 50 nP to Rs. 131. East India Distilleries declined by 25 nP to Rs. 43.50. Deccans dropped 10 nP to Rs. 14.05 and United Breweries 5 nP to Rs. 108.

In the miscellaneous section, Tube Investments receded by Rs. 15 to Rs. 265. Western India Plywoods fell by Rs. 10 to Rs. 230. India Cements shed 5 nP to Rs. 6.30 and Dalmias 4 nP to Rs. 12.06. But Andhra Cements gathered 10 nP to Rs. 10.60. Among others, Aluminium Industries lost 10 nP to Rs. 23.90 and Ashok Leylands 5 nP to Rs. 9.30. Jeewanlals were quiet at Rs. 8.08, despite the announcement of an interim dividend of 5 per cent, taxable, for 1961. Chemicals were somewhat active. Metturs and Mysore Fertilisers hardened by 10 nP each to Rs. 14.60 and Rs. 11.35, respectively. F.A.C.Ts picked up 2 nP to Rs. 10.45.

Notice

LARSEN & TOUBRO LIMITED

I.C. House, Dougall Road, Ballard Estate, BOMBAY

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Share Transfer Books of the Company will be closed from Monday the 26th June, 1961 to Saturday the 22nd July, 1961, both days inclusive, for the purpose of payment of dividend.

The Dividend when declared for the year ended 31st March, 1961 will be made payable on or after the 5th August, 1961 to those Shareholders whose names stand on the Share Registers of the Company on 22nd July, 1961.

Shareholders are requested to notify to the Company any change in their present registered address as early as possible.

By Order of the Board of Directors,

FOR LARSEN & TOUBRO LIMITED,

L. & T. (MANAGEMENT) PRIVATE LIMITED,

N. M. DESAI,

Director,

Managing Agents.

Dated 15th June 1961.

(Concluded from previous page)

persons in the second category are not liable to pay Indian income-tax on their foreign income if the same is not received in India by them or on their behalf. As the abolition of the distinction is likely to cause hardship to certain sections, it is quite understandable that the Porbander Chamber of Commerce has submitted a comprehensive memorandum on this subject to the Select Committee dealing at length with the repercussions of the proposed alteration in the provisions concerned.

The memorandum points out that Indians living abroad, thanks to Section 4B, are able to visit India and to maintain their business, social and other relations with this country without inviting any heavy tax liability. Their visits prove advantageous to this country, inasmuch as these affluent persons contribute lavishly to charitable purposes, and also substantially to the tourist traffic which in its wake brings valuable foreign exchange. During their casual or occasional visits, they also explore business possibilities in India—possibilities which may be beneficial to this country from the point of view of its economic development. The effect of the proposed Bill, the memorandum adds, would be that these persons would not prefer to visit India if complicated questions of tax liability arise as a result of such visits.

It may, however, be recalled here that the question of having a special category of "resident but not ordinarily resident" was considered by the Income-tax Investigation Commission of 1949 (Chairman: Sir S. Varadachariar). The Commission had recommended that this category be abolished. In this connection, it observed as follows:

"Whatever might have then been the need or justification for special treatment of these groups (European officials and Indian traders having ancestral homes in India), it seems to us no longer necessary or right to continue to recognise them as special cases. Under the conditions existing today, the class of officers who mainly constituted the first group has ceased to exist. As regards the rest of the two groups, it is difficult to understand why their residence in India should have been minimised in importance by calling it technical residence. No one is going to be taxed on the ground merely of casual or occasional residence. The tests prescribed in Section 4A are in many cases sufficient to exclude hardship; and if any still remain, they may be dealt with by appropriate changes in Section 4A (*a*) (ii). It is not easy for the income-tax authorities to determine on the kind of evidence that will be available after the lapse of seven years how many days a person has been present in India during that period. Most of the replies to our questionnaire agree that this special category of 'not ordinary resident' may be omitted. We recommend accordingly."

It would be quite clear from the Commission's views that the present Bill which seeks to abolish the distinction has not done so out of oversight or caprice as is thought by some critics. However, the question has certainly two sides and the Select Committee would, therefore, do well to examine it thoroughly.

INDIAN RUBBER REGENERATING COMPANY

The Indian Rubber Regenerating Company Ltd., sponsored by the House of Kamanis (Chairman: Mr. Kandathil Mammen Philip), has announced the public issue amounting to Rs. 17.15 lakhs. The issue, which will open for subscription on the 26th inst., consists of 17,150 equity shares of Rs. 100 each. The balance of the total subscribed capital of Rs. 35 lakhs has already been taken up by promoters, directors, and their friends and associates. The subscribed capital of Rs. 35 lakhs is expected to meet the major portion of the total capital outlay of Rs. 52 lakhs. The remaining Rs. 17 lakhs, which represent the cost of plant and machinery imported, are proposed to be raised by way of a loan from the Industrial Credit and Investment Corporation.

The Company, it will be recalled, was incorporated in December last with the object of setting up a plant at Thana in Greater Bombay to undertake the manufacture of various grades and types of reclaim rubber. The entire requirement of reclaim rubber, which is used mainly by battery containers, as also by tyre manufacturers, etc., is now being exclusively met from imports. The proposed plant, when it goes into full production, is expected to result in the saving of foreign exchange to the tune of Rs. 50 lakhs annually. The consumption of reclaim rubber in 1960 aggregated 4,800 tons, as against 4,500 tons in 1959 and 4,051 tons in 1958, and is expected to go up further to 10,000 tons in the near future. The major raw material is scrap rubber which is also available in adequate quantities indigenously. Viewed thus, the prospects for the Company are, indeed, bright.

ACME PIG IRON AND CENTRIFUGAL PIPE WORKS

The public issue of the Acme Pig Iron and Centrifugal Pipe Works Ltd., Bombay, will open for subscription on Monday next. The issue amounts to Rs. 10 lakhs, divided into 20,000 equity shares of Rs. 100 each at par. This represents half the aggregate issued capital of Rs. 20 lakhs, the other half having already been subscribed by Directors and their friends.

The Company proposes to put up a plant with an annual capacity of 30,000 tons, for the manufacture of special and refined grades of low [illegible] phor and low sulphur pig iron which are [illegible] the production of high grade quality [illegible] automobile, machine tool industries, etc. [illegible] is to be located at Khopoli near Poona. [illegible] pany proposes to undertake later the [illegible] of 15,000 tons of steel castings and [illegible] composition annually. The Company [illegible] into an agreement with the Belgian [illegible] Compagnie General Des Condultes [illegible] the designers and manufacturers of [illegible] providing the required technical know[illegible] erection and commissioning of the [illegible] duction of pig iron.

NEWS IN BRIEF

THE Southern Zonal Council is expected to meet in the third week of July at Bangalore, according to Mr. Lal Bahadur Shastri, Union Home Minister.

The allocation for the third Plan for education has been fixed at Rs. 410.37 crores, of which the States outlay will be Rs. 338.37 crores and that of the Centre Rs. 72 crores.

The State Bank of Travancore has taken over the Kottayam Orient Bank and the Bank of New India, which have been under moratorium for the past six months, with effect from 17th inst.

A new oilfield has been discovered by the Oil and Natural Gas Commission at Kalol, a *taluka* town, 17 miles from Ahmedabad, Gujarat, according to Mr. K. D. Malaviya, Union Minister for Mines and Oil. The production from this field is expected to start within two or three years.

The Government of Bihar has set up a 13-man Wage Committee for the mica industry with Mr. S. N. Pande, Labour Commissioner, as Chairman. The Committee consists of five representatives—one each of the management and trade unions and three independent members.

India has decided to join the International Sugar Agreement. The instrument of accession will be deposited in the London headquarters of the International Sugar Council. India is the twenty-sixth exporting country to become a member. Eighteen importing countries are also its members.

It is reported that the Oil and Natural Gas Commission has offered to sell 1,500 tons of oil a day from its Ankleshwar oilfield to the Burmah-Shell (900 tons) and Stanvac (600 tons) refineries from September next. The price at which the refineries are to buy this crude oil is under discussion.

The Punjab-Himachal Pradesh Soil Conservation Board has approved schemes of soil conservation, costing more than Rs. 4.21 crores. The Board will spend Rs. 2.69 crores in Himachal Pradesh and Rs. 1.52 crore in Punjab for checking silt going down the Sutlej and the Beas. This will prolong the lives of Bhakra and Pong dams.

A team of geologists of the Mysore State Mining and Geology Department has discovered the existence of 110 million tons of workable iron ore reserves in the western parts of Mysore State. These reserves are valued at about Rs. 500 crores. The estimates of the ore reserves are provisional and a quantity of 16,000 tons of iron ore prospected by the team are now made over to the Board of Mineral Development for export.

An agreement between the Governments of India and Czechoslovakia relating to air services was signed at Prague on 19th September 1960, and thereafter it was approved by each country in compliance with Article XIV(1) of the Agreement. The agreement came into force with effect from 15th inst., as a result of the exchange of instruments of ratification/note of approval indicating the approval of the agreement by each country in accordance with its legal procedures.

The Railway Board has sanctioned a preliminary engineering and traffic survey for a broad-gauge railway line to provide connection from the Singrauli coalfields in Madhya Pradesh to a suitable point on the Anuppur-Katni section of the South-Eastern Railway covering a distance of about 170 miles. The survey which is estimated to cost over Rs. 8 lakhs will be carried out by the Northern Railway Administration. The new line will help in exploiting the hitherto undeveloped Singrauli coalfields.

The All-India Plastics Manufacturers' Association, Bombay, has sponsored an official delegation consisting of sixteen members to visit the U.K. and Continental countries. The delegation is expected to leave India sometime in the third week of June 1961 so as to synchronise its visit with the International Plastics Exhibition and Convention scheduled to be held in London from 21st June to 1st July 1961. The duration of tour of the delegation will be about three weeks. It will also visit important processing units in the U.K. and other European countries with the object of studying the latest methods of production techniques, quality control and the end-use of plastics for industrial and other applications.

The Government of Madras is taking steps to set up an Industrial Co-operative Central Bank, first of its kind in India, to finance small-scale industries and industrial co-operatives. The authorised share capital of the proposed Bank will be Rs. 30 lakhs divided into 30,000 shares. The Madras Government proposes to take up 51 per cent of the shares. The scheme has been forwarded to the Central Government for its concurrence and financial assistance. The Madras Government has suggested that any loss arising in respect of loans sanctioned by the Bank should be shared by the Bank, the State Government and the Central Government in the ratio of 10 : 22.50 and 67.50. The Handloom Weavers' Co-operative Societies will not come under the new scheme.

* * * *

From Abroad

West German private and commercial banks will introduce a five-day week from 1st July next, according to the Salaried Employees' Trade Union.

The central gold and convertible currency reserves of the sterling area fell by £16 million during May and stood at £1,037 million on 31st May 1961.

An agreement has been entered into between the Governments of Yugoslavia and Pakistan under which the former has given a loan of $10 million for utilisation by the latter for development purposes.

World production of typewriters was about 4.2 million in 1960, as compared with 3.8 million in 1959. West Germany has maintained its position as the second largest producer and remained the largest exporter of typewriters.

Canadian pulp and paper production will have doubled by 1980 to keep up with world demand, according to the President of the Pulp and Paper Research Institute of Canada. Present Canadian production accounted for 12 million tons per year.

A trade pact between the U.S.S.R. and Italy for 1962-65 has been signed in Rome on 7th inst. This agreement provides for an 80-per cent expansion of trade between the two countries over the next four-year period as compared to 1958-61.

The total membership of the International Labour Organisation (I.L.O.) during 1960 was 97, as compared with 96 in 1959. Expenditure on technical assistance amounted to $2.89 million during 1960, as against $3.09 million in the previous year, while the money spent on social and economic assistance reached $237,856—more than double the sum allotted in 1959.

The establishment of a $355-million World Trade Centre in the port of New York has been recommended by the Port of New York Authority. A principal function of the Centre would be to bring together into efficient working relationships Government customs agencies, importers, exporters, foreign and American trade associations and the many other organisations involved in world trade.

Pakistan is to have a 58-million Institute of Nuclear Science and Engineering at Islamabad, according to Dr. I. Usmani, Chairman of the Pakistan Atomic Energy Commission. It is expected to be completed by the middle of 1963, and will be built by American Machine and Foundry Company's Atomic Division. The Institute will have a five-megawatt central research reactor.

The population of the U.K. and Northern Ireland has increased by 2.44 million during the past decade, according to the preliminary reports on the census taken on 23rd April 1961. The total population is now 52.68 million. These preliminary results show that the population of England alone has increased since 1951 by 2.27 million to 43.43 million.

Russia has placed a £7.50-million contract for the design and supply of all plants for two beet-sugar factories with the firm of Vickers and Bookers, London, through Techmashimport of Moscow. Accordingly, two silos will be built at a factory in the Caucasus, and two on the Black Sea coast. Construction work is likely to begin towards the end of the year. Each silo will have a capacity of 20,000 metric tons of sugar.

PERSONAL

MR. James Riddleberger has been appointed President of the Development Assistance Group (D.A.G.).

Mr. E. H. Van der Beugel has been appointed President of K.L.M.-Royal Dutch Airlines, with effect from the 1st inst.

Mr. C. Subramaniam, Finance Minister of Madras, left New Delhi in the second week of this month for Moscow on the first lap of his seven-week foreign tour.

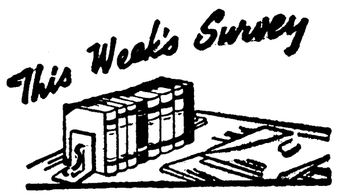
Mr. K. R. Damle, Secretary, Central Department of Agriculture, will represent India in the 35th session of the F.A.O. Council to be held in Rome from 19th to 30th inst.

Mr. N. G. Gokhale of the Tocklai Experimental Station of the Indian Tea Association at Cinamara, has taken over as Director of the station with effect from 1st inst. He succeeds Mr. H. Ferguson.

Mr. M. A. Raschid, Burmese Minister of Industries, Mines and Labour, has been unanimously elected Chairman of the 45th Session of the International Labour Conference, which opened at Geneva on 7th inst.

Mr. R. A. P. Misra, Managing Director, Indian Furnace Company (Private) Ltd., has been selected Secretary of the Indian Productivity Team on machine building industry which is scheduled to visit U.S.S.R. and Czechoslovakia during June-July 1961.

Mr. William Gunn, Chairman of the Australian Wool Bureau, has been elected Chairman of the International Wool Secretariat. Dr. J. G. van der Wath and Mr. J. Acland, Chairmen of the South African and New Zealand Wool Boards, respectively, have been elected Vice-Presidents.



EXPORT PROMOTION

PLANNERS and policy-makers, on the one hand, and industry and trade, on the other, are virtually at their wit's end in their efforts to promote exports. They have had to face the fact that the scope of their efforts are limited by several crucial factors, including increasing requirements of domestic consumption as well as the inelasticity of overseas markets for India's staple export commodities. The larger tempo of industrial development envisaged in the third Plan, already launched, will step up the demand for both maintenance and development imports. Besides, India has to repay about Rs. 500 crores of loan and bear interest charges of about Rs. 20 crores during the third Plan period. The foreign exchange resources being at a low ebb, these obligations will, strictly speaking, have to be met out of proceeds from current exports. Viewed against this background, there is certainly much force in the plea for an increase in the export target of the third Plan, made by Mr. S. L. Kirloskar, in his presidential address at the annual meeting of the Mahratta Chamber of Commerce and Industries held at Poona last Sunday. The provisional annual export target is laid down at Rs. 690 crores a year, as against Rs. 650 crores in the second Plan period. The Government itself, of course, is considering the question of raising this target by Rs. 50 crores to Rs. 740 crores. Even this will not make much difference to the balance of payments situation, considering the need for Rs. 500 crores for repayment of loans during the third Plan period and for maintenance imports at an estimated annual level of Rs. 714 crores.

The readjustment of the export target, of course, will only be of academic significance unless positive measures are implemented side by side to step up the exports of Indian products. The recent trends in exports certainly leave much to be desired. While imports have risen from Rs. 821 crores in 1956 to Rs. 1,000 crores in 1960, or an increase of Rs. 179 crores, exports were higher by just Rs. 21 crores at Rs. 635 crores. In general, India's major export products have tended to lag behind. Nor have the non-traditional goods made any significant headway, due obviously to the fact that, with rare exceptions, they have not been sufficiently competitive in world markets in terms of price, quality and salesmanship. There are, however, certain factors which lie within India's reach and can be utilised to its best advantage. Mr. Kirloskar regretted that under the present export promotion schemes, although disincentives were sought to be removed, no positive attempts to provide real incentives to the exporters were made. He called for a reorientation of the Government's policy with a view to granting adequate export incentives.

Mr. Satish Chandra, Union Deputy Minister of Commerce and Industry, in his reply at the meeting did not conceal his dislike for export incentives. It would not be a correct approach, he added, to claim incentives as a matter of right, as if the trade and industry had to be "compensated for undertaking an extraneous obligation on behalf of the Government." Mr. Satish Chandra's inference regarding the motive behind the industry's claim may be rather farfetched. But, at the same time, there is no denying the fact that palliatives such as export incentives will not enable India's industry and trade to develop on sound lines. As Mr. Satish Chandra himself pointed out, the more enduring way to increase exports is to devote far greater attention to improving productivity and efficiency of industrial apparatus and reducing cost of production. It is, however, open to doubt whether the Government's policy itself, particularly in respect of industries like textiles, is designed to attain the above-mentioned goals.

The increase in productivity and the bringing down of the cost structure are objectives to be attained "in the long run," that is, probably at a time, to quote Lord Keynes, "when we are all dead." In view of India's immediate vital necessity to secure more foreign exchange, there is a strong case for granting some help to selected sectors of industry and trade of a promising nature. An important suggestion made by Mr. Kirloskar is that the Government should introduce a system of remission of taxes on exporters' profits or turnover as was prevalent in West Germany, Japan and Ireland. He added that if a percentage of export proceeds was allowed to be deducted from taxable income, this indirectly would mean a subsidy to exports to a certain extent, without involving any international complications relating to subsidies. It may be recalled in this connection that the Export Promotion Committee (1957) too had advocated a measure of relief in direct taxation in the case of a variety of non-quota exports like textiles, as also engineering products and pharmaceuticals.

Mr. Kirloskar made many more suggestions to promote exports, most of them being no more than what we have been hearing all along *ad nauseum*. His suggestion to insist on exports of a certain percentage of production before granting licences for expansion of industries is not always practicable. It will probably encourage exports of sub-standard goods, as feared by Mr. Satish Chandra. This would only damage the reputation of Indian industry abroad. Instead of introducing an element of compulsion, exports must be undertaken by serious-minded people, who really mean business and are willing to give due attention to quality and after-sale services. Mr. Kirloskar's other suggestions, such as incentive import licences and foreign exchange retention, have already been implemented in the case of certain commodities with partial success. His plea for allowing the exporter to charge high prices in the domestic market to compensate for the loss in exports is apparently useful. But it is grossly unfair to ask the consuming class in this country, which is already hard-pressed in the face of inflation and several Government levies, to share the burden of exports. Still, some of Mr. Kirloskar's other suggestions, including promotion of overseas market research and consumer studies, as also reduction of premium rates charged by Export Risk Insurance Corporation, merit the serious consideration of the authorities concerned. The Government has already given some or other export incentives to a few industries. These are based mainly on considerations of expediency rather than on any strict principle. It will not be too much to ask the Mudaliar Committee, now investigating the question of export promotion measures, to devise a suitable formula for granting the already well-known measures of export incentives to various types of exports, depending on their specific handicaps.

HINDUSTAN MACHINE TOOLS

The news that the Hindustan Machine Tools Ltd., Bangalore, a Government of India enterprise, has just declared a maiden dividend of 10 per cent should not be taken to mean that this industrial concern in the public sector has not fared well during all these years of its operation. In fact, it has been doing fairly well since 1956-57 when it made a net profit which represented a return of just 1.02 per cent. In 1960-61, however, its net profit of about Rs. 74 lakhs represented a return of 13.9 per cent. If this enterprise has declared its first dividend only in the year 1960-61, it is because it has so far utilised its internal resources for the expansion project under which the capacity of the factory has been raised to 2,000 machines valued at Rs. 7 crores per annum. This expansion project has just been completed ten months ahead of schedule and in a record time of fourteen months and, that too, without any financial contribution from the Government or the shareholders. What is even more significant, it has been completed without any foreign technical collaboration. A foundry has also been recently completed and this will go into production during the current month. An industrial estate as an adjunct of the Hindustan Machine Tools Ltd. has just been established in respect of its first phase of 32 units. The Company has also undertaken the establishment of a watch industry with an initial capacity of 360,000 watches per annum in collaboration with the Citizen Watch Company of Japan. It would thus appear that the Hindustan Machine Tools Ltd. has expanded its operations in a number of lines in the last one year and reached a stage of development at which its confident proposal for the construction of two more machine tool factories, each of 1,000 machines per annum capacity, in other parts of the country during the third Plan, has found favour with the Government. That the Company, with its experience to date, will be able to construct the proposed two other factories economically and operate them efficiently, may be reasonably foreseen.

In the main line of production in the Hindustan Machine Tools Ltd. there has been a spectacular increase in the number and variety of machines produced during the year 1960-61. A total production of 1,002 machines in the year, representing an increase of 250 per cent over the second Plan target of 400 machines, was an outstanding feature of the Company's operations. Even more notable is the further diversification in production which has taken place with the addition of 16 types of cylindrical grinding machines in collaboration with an Italian firm. Recently, the Company has also entered into a technical collaboration agreement with a French firm for the production of special purpose machines in India. Thanks to these collaboration agreements, it may be expected that the Hindustan Machine Tools will be producing in the years to come a still wider range of machines than the 162 types which it is producing now and which include the heavy duty turret lathes that have recently come off the production lines of the factory. It is not surprising that the Company has now a bookful of pending orders for more than 500 machines which have been carried forward to the year 1961-62. That its Bangalore factory has been working at full capacity is clear enough. The credit for this happy state of affairs goes to Mr. M. K. Mathulla who has been the Managing Director of the Company.

JUTE TRADE

What is wrong with the jute trade in India? This was the question which Mr. A. I. Murison, Chairman of the East India Jute and Hessian Exchange Ltd. (E.I.J.H.E.), sought to answer when he addressed the annual general meeting of the Exchange held at Calcutta on Thursday the 8th inst. Mr. Murison not merely pinpointed some of the recent disquieting developments but also indicated how the jute market could be made to function smoothly, without violent fluctuations in prices. Admitting that a great many mistakes had been made by all, including the authorities, he said: "I think the time has come when we must make a clear and simple reappraisal of all our past stupidities and, by accepting the lessons learned from our past experiences, lay the foundations for a much better and happier future for the Association."

A pertinent, though well-worn, point stressed by Mr. Murison was that the simple factors of supply and demand dictated the prices of jute manufactures and raw jute. If only the authorities had recognised this point in time and arranged for adequate imports of raw jute, the jute industry would not have been in such a miserable plight as it is today. Instead of doing so, the authorities tried to interfere with the market mechanism. Any attempt to control prices without taking into account the demand-supply position has failed in the past and will continue to fail in the future. Mr. Murison did well to highlight this aspect. After explaining the working of forward market in jute, he urged that the powers of the Exchange and the authorities must be designed in such a way that immediate regulatory measures could be taken only against those undesirable elements who were clearly manipulating prices to their own advantage against the true trend of prices as determined by supply and demand. To quote him: "With the regulations as they now are, the actions of a few anti-social elements have led to regulatory measures being imposed on all members, guilty and innocent alike, much to the [illegible] advantage and at times loss to the innocent. This should not be allowed to happen again." Mr. Murison criticised the way in which the Forward Markets Commission had handled the jute market.

Whatever be the validity of the criticism of F.M.C., it cannot be disputed that the intervention of the F.M.C. has succeeded to some extent in checking undue speculation in the jute markets. The success would have been greater still if the Jute and Hessian Exchange had been functioning more efficiently. Mr. Murison was in the right where he said that the management of the Exchange should be placed in the hands of a smaller Board of Directors

the members of which were pledged to submerge their own parochial interests for the general good. The four other suggestions which he put forward are also quite pertinent. In the first place, the Exchange cannot control prices and any attempt to do so will always fail. The remedy here is to control the sources of supply and demand. Secondly, a parity must always be retained between the primary markets and the hedge markets; to fail here is to invite disaster. Thirdly, the Board and, of course, the Forward Markets Commission, must have power to take immediate and effective steps to control individual price manipulators, that is, those who engineer corners, bear raids and the like; people must be made to realise that the ordinary individual who backs his own judgment is a valuable speculating asset to any market and that the real rogue is not a speculator as such but a manipulator. And lastly, members, particularly those who have the privilege to be elected or appointed to the Board, must remember that the Exchange is a market as a whole, serving several interests. They must learn to suppress to a still greater degree their own personal and, perhaps, parochial interests for the general good.

MANAGERIAL REMUNERATION

A highlight of the Seminar on Company Law organised by the Bombay Chartered Accountants' Society in Bombay on the 10th and 11th inst., was the comprehensive discussion on the problem of managerial remuneration. Mr. C. C. Chokshi dealt at length with the question of the definition of "managerial remuneration." In this connection, the learned speaker referred to the decision of the Bombay High Court in the case of Ramaben Thanawalla *vs.* Jyoti Ltd. and concluded that, according to the judgment, managerial remuneration meant remuneration payable to certain categories of persons (managing agent, managing director, treasurers and secretaries, and manager) for performing only managerial functions. If any of them were performing other functions, say, those of technician or legal adviser, then the remuneration paid for such work would not be included in the term "managerial remuneration." The Government, too, has accepted this interpretation and made it quite clear in Section 198 that the overall upper limit laid down in that section is only with reference to the remuneration paid for managerial functions. This is done by adding the word 'managerial' between the words 'total' and 'remuneration' in Section 198.

The speaker then went on to point out how some of the other provisions of the Company Law intending to control the maximum remuneration payable to managing agents not only for managerial functions but for all the services rendered by them had created a lot of complications in the working of the Companies Act. For instance, the amendment of Section 348, according to Mr. Chokshi, has raised two issues for consideration by the Government as well as the legal and accountancy professions. The two questions are: (1) In view of the amended provisions of Section 348 and the aforesaid decision of the Bombay High Court, is it possible to pay a minimum remuneration to a managing agent under Section 198 without recourse to Section 352, particularly because the saving words have been deleted both from Sections 198 and 348? A doubt is also raised whether Section 352 can at all be invoked to pay a minimum remuneration to managing agents. (2) If the managing agency agreement lays down a provision for payment of remuneration to managing agents on a slab scale, then it is possible to pay the managing agents such remuneration plus director fees to partners or directors or managing agent of company so as to conform with the overall limit of 10 per cent laid down in Section 348 (1)?

Another subsidiary question is whether the director fees paid to managing agents' partners or directors should be deducted in computing the net profits under Section 349. Similar difficulties arise in case of remuneration payable to directors, especially because the full implications of Sections 309, 310 and 311 are not clear. The Bombay High Court decided that a technical director could draw remuneration for technical services without complying with the restrictions laid down in Section 309. But Mr. Chokshi doubts whether that decision would be good law after the amendment in 1960. Reading the provisions of Sections 197A, 198 and 309 together, Mr. Chokshi asks whether it is the intention of the Legislature to restrict the total remuneration of managerial personnel in whatever capacity they work to 11 per cent. However, in his view, it is difficult to understand why there is an undue discrimination against the managing agent and secretaries and treasurers whose remuneration in any capacity is restricted to 10 per cent or 7½ per cent as the case may be. His conclusion that "the apparently discriminatory restrictions on the managing agent and secretaries and treasurers may prove a boon in course of time" to the institution of managing agency itself is interesting indeed, although it is somewhat difficult to say whether it will in fact come true.

MANAGEMENT EDUCATION

It is rightly said that Management Education begins when other systems of education and that a man is best fitted to assimilate and appreciate management instruction only after he has been 'on the job.' This, indeed, has been the guiding principle for the activities of the Indian Institute of Social Welfare and Business Management, Calcutta, which held its annual general meeting recently. Founded by Dr. B. C. Roy, this Institute is claimed to have been the pioneer in the field of management education. It has been running a university post-graduate diploma course in business management and has been selected by the Central Government for the training of

(*Continued on page* 1122)

THIS IS ONLY AN ANNOUNCEMENT FOR INFORMATION AND NOT A PROSPECTUS AND APPLICATIONS ARE INVITED ON THE BASIS OF THE PROSPECTUS.

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

An Industrial Licence has been obtained from the Central Government bearing No. L/1-A(1)/N-6/59 dated 25th September 1959 for the establishment of a new industrial undertaking of which a copy and other documents mentioned in the Prospectus can be inspected at any time during usual business hours at the Registered Office of the Company until the Subscription List has been closed.

A copy of the Prospectus having attached to it the documents required by Section 60 of the Companies Act, 1956, has been delivered for registration to the Registrar of Companies, Bombay.

ACME PIG IRON & CENTRIFUGAL PIPE WORKS LTD.

(INCORPORATED UNDER THE COMPANIES ACT I OF 1956)

	Rs.
Authorised Capital	50,00,000
Divided into :	
30,000 Equity Shares of Rs. 100 each	30,00,000
20,000 Shares of unspecified class of Rs. 100 each	20,00,000
	50,00,000

ISSUED AND SUBSCRIBED SHARE CAPITAL

	Rs.
Issued Share Capital:	
20,000 Equity Shares of Rs. 100 each	20,00,000
Subscribed Share Capital :	
7,500 Equity Shares of Rs. 100 each, subscribed and fully paid up by the Directors, their friends, associates and Signatories to the Memorandum	7,50,000
2,500 Equity Shares of Rs. 100 each, subscribed by Directors, their friends and associates on which Rs. 25 per share are paid up	2,50,000
	10,00,000

NOW OFFERED AT PAR FOR PUBLIC SUBSCRIPTION :	Rs.
10,000 Equity Shares of Rs. 100 each	10,00,000
	20,00,000

Terms of Payment of the above Shares :

(a) On Application .. Rs. 25 per share

(b) On Allotment .. Rs. 25 per share

(c) The balance of Rs. 50 per share in such calls as may be determined by the Board of Directors provided that no call shall exceed Rs. 25 per share and that there will be an interval of at least two months between any two calls. Failure to pay moneys on allotment or on any call will render the share and the previous payments made liable to forfeiture.

BOARD OF DIRECTORS :

SHRI RASIKLAL J. CHINAI
SIR JAMSETJEE JEJEEBHOY, Bart.
SHRI PRANLAL J. PATEL
SHRI SORABJI H. COMMISSARIAT
SHRI KANTILAL J. SHAH
SHRI VISHNU NIMBKAR
SHRI SULTAN A. NATHANI
SHRI SHANISCHANDRA C. SHETH
SHRI MANILAL P. KAPADIA

MANAGING AGENTS :

ACME STEEL PRIVATE LIMITED

(*Subject to the approval of the Government of India*)

Registered Office : 8, Hamam Street, Fort, Bombay.

Bankers : The Bank of Baroda Ltd., Bank of Baroda Bldg., Apollo Street, Fort, Bombay 1.

Auditors : 1. Messrs. Nanubhai & Co., Fort, Bombay.
2. Messrs. B. D. Jokhakar & Co., 8, Hamam Street, Fort, Bombay.

Solicitors : Messrs. Dikshit Manaklal & Co., Fort, Bombay.

Legal Adviser : Shri Indrajit Mehta, B.A., LL.B., Pathar's New Blocks, Bandra, Bombay.

BROKERS TO THE ISSUE :

Messrs. Dhirajlal Maganlal Purshotamdas, Share Bazar, Dalal Street, Fort, Bombay 1.
Messrs. Jashwantlal V. Bhagat, Hamam Street, Fort, Bombay.
Messrs. Lewis & Jones, Bank of Baroda Bldg., Apollo Street, Bombay.
Messrs. D. S. Maden & Sons, 5, Hamam Street, Fort, Bombay.
Messrs. R. R. Nahar & Co., 31, Dalal Street, Fort, Bombay.
Messrs. Chunilal T. Mehta, 8, Lyons Range, Calcutta 1.
Messrs. Harbans Singh Mehta & Co., 33, Regal Building, Parliament Street, New Delhi.
Messrs. Kothari & Sons, Oriental Buildings, Armenian Street, Madras.
Messrs. Lalbhai Ambalal & Co., Manek Chowk, Ahmedabad.
Messrs. M. Nanjappaiah Jahgirdar, 181, Cavalry Road, Bangalore 1.

OBJECTS

The Company was incorporated on the 7th day of October 1960 as a Private Limited Company and was converted into a Public Limited Company by a special resolution passed in the General Meeting of the Company held on 22nd September 1960.

The project further covers in the second stage the manufacture of Steel Castings and Billets of special composition, subject to the necessary Industrial Licence being obtained from the Central Government.

PROSPECTS AND TECHNICAL ASPECTS

The scheme is proposed to be divided into two stages :—
(1) The Manufacture of refined grades of Pig Iron.
(2) The Manufacture of Steel Castings and Steel Billets by the Duplex process.

An agreement has been entered into with Messrs. Compagnie Generale Des Conduites D'Eau, Belgium, the designers and manufacturers of the Plant to provide the required Technical know-how for the erection and starting up of the Plant at Khopoli in the State of Maharashtra.

The Plant has already arrived and the erection work of the structure and the Plant is well in hand and the Plant is expected to be commissioned for production by the end of the current year.

The refined grades of Pig Iron which are intended to be manufactured are at present not produced in the country. All the integrated Iron and Steel Plants in the Public Sector as well as the Private Sector do not commercially produce Pig Iron of a low sulphur and low phosphor content and the industries which require this type of raw materials have to resort to costly methods of hot metal production or to imports, thereby involving a high capital outlay for their limited needs.

The Company's Products have export Potentialities.

In the second stage, it is proposed to manufacture 15,000 tons of Medium and Heavy Steel Castings and Steel Billets utilising the hot metal available from the present Plant.

Raw materials required are available in the country in sufficient quantities.

PROFITS

In normal circumstances the Company should be able to pay reasonable dividends on issue of Equity Shares.

CAPITAL OUTLAY

The estimated requirements of the company are as follows :—

	Rs.
(i) Land, Factory Building, Office, etc.	3,50,000
(ii) M.B.O. Hot Blast Cupola Plant including duty, transport, erection, etc.	8,00,000
(iii) Power House, Transformers, Weigh Bridge, etc.	1,50,000
(iv) Laboratory equipment	50,000
(v) Preliminary Expenses and other expenses (inclusive of brokerage and expenses of this issue)	75,000
(vi) Working Capital	5,75,000
	20,00,000

APPLICATION FOR SHARES AND ALLOTMENT

Application of Shares by members of the public must be for a minimum of Five Shares or multiple of five shares but allotments may be made for less than five shares.

Subscription List will open at the commencement of Banking Hours on 19-6-1961 and will close at the discretion of the Directors but not earlier than the closing of Banking Hours on 24-6-1961.

Application will be made to the Stock Exchanges, Bombay and/or Ahmedabad for listing of the equity shares of the Company on its cash list.

ON THE ARENA

By The Archer

Technical Training In Industrial Enterprises

DURING the last one week two ministers have struck the right note on the subject of providing facilities for technical training in industries, but what they said being words of conventional wisdom stressing the need for investment in personal development as a guarantee of economic power, it may be a long time before they are accepted as basis for positive action. I shall therefore attempt to make a few practical suggestions for the direction of investment and profits in the application of trained intelligence, at all levels, to our industrial enterprises, bearing in mind the accepted theory, reiterated by Professor J. K. Galbraith in his book, *The Liberal Hour*, that "most technological advance is now the result, not of the accident of inspiration or genius, but of highly purposeful effort. Once we had to wait for the accidental appearance of Edisons and Wrights. Now through education and organised effort in a laboratory or experimental shop we get something approaching the same results from much more common clay."

Mr. Lal Bahadur Shastri is reported to have suggested to the promoters of the new Madras Aluminium Company to have a special research laboratory and to take steps for training technical personnel. He gave out that the Government of India had been laying stress that every public sector unit should have its own training institute which should be opened before the factory came up as was done in the case of the Heavy Electricals Project in Bhopal. In his view, the private sector projects should adopt the same course.

Mr. C. Subramaniam, Finance Minister in Madras State, announced at a conference of industrialists in Madras that two committees would be set up this month to assess existing facilities in industrial establishments in the State for giving practical training to engineering graduates and licentiates. To quote Mr. Subramaniam, "our difficulties in the past have been more in the field of finding the necessary personnel rather than the material and financial resources for the implementation of the Plan projects. It is bound to be so during the third Plan period also because, in my view, we have not taken special precautions to prepare the necessary men during the first and second Plan periods. It should be possible for us to say that so far as technical personnel are concerned, they will be available in sufficient number and quality for the various purposes during the third and fourth Plan periods."

The merit in Mr. Subramaniam's move to appoint committees for assessing existing facilities is that it will provide the requisite basic material for the formulation of long-term schemes for purposeful effort. However, it falls short of our essential requirements in that the terms of reference embrace only "practical training for engineering graduates and licentiates"; it does not cover trainee workshop facilities for workers, raw, semi-skilled and skilled. In my view, it is as important to have trainee workshops in each factory, equipped and maintained on the same technological standard as the factory itself, as it is to have technical training establishments for engineering graduates and licentiates who will constitute the supervisory and semi-supervisory staff. If what Mr. Lal Bahadur Shastri referred to is such trainee shops, I am all for the compulsory requirement that such shops should be established even before the start of production in each factory. When granting licences it should be stipulated that such facilities should form an item of basic requirement, subject to prior and periodical inspection by the Technical Wing of the Ministry of Commerce and Industry for adequacy of equipment and maintenance.

Quoting again from Professor Galbraith's *The Liberal Hour*: "Corporations are now at great pains to explain that their prices must include provision for earnings sufficient to replace and expand their physical capital. This, they regularly assure the public, means that production will continue and be more efficient in the future. But as the National Bureau figures show, we have more to gain from the quality of the people. So a levy for this purpose, would be an even better gain." "Man has not retreated before the machine; rather the machine has become desperately dependent on the improvement of man. And our economy is still arranged to supply machines rather than to improve men." These observations have been made in relation to the U.S.A., but they are true of most capitalist countries and very true of current trends in India. In the first prospectus relating to any flotation, the entrepreneur who has secured foreign collaboration for a project boasts more of his perspicacity in finalising his deal with his foreign counterpart, than of the steps which he has taken or proposes to take for the establishment of training facilities in his enterprise. The recital of his achievements in later years relates largely to his success with his machines, and the acquisition of more automatic machinery, than what he has made of his workers. The break-down of his working expenses deal only with such tripe as rates and taxes, motor car running expenses, repairs and maintenance, Directors' fees, legal charges, advertising and publicity, donations, etc. and nothing about the investment or expenditure on technological improvement of the men for whom employment opportunities have been provided by him.

It would be fairly accurate to state that the question of technical improvement of workers has not been given the importance that it deserves. The Industrial Policy Statement of the Government of India dated 6th April 1948 (paragraph 9) emphasises only the need for continuing co-operation between industry and labour, and for that purpose, spells out the permissible content of fair profits and the need for sharing the residue with labour, but does not make it incumbent on industries to impart sufficient training to labourers with a view to improve their skill and application. It has become the fashion for industries in India to claim extra elements in profits for renovation, rehabilitation, obsolescence and even expansion, whereas it would be more in consonance with the philosophy of the socialist pattern of development if the consumer was asked to bear the expense of maintaining trainee establishments for improving the technical competence of workers. Whatever be the philosophy underlying our development plans, even enlightened self-interest should dictate that every unit in industry should have its own trainee shop for all apprentice workers where they will receive training not merely in the use of the several machines in the unit, but also all-round instruction in the technique of manufacture relating to the enterprise. This would eliminate the vicious habit indulged in by some managements of classifying certain categories of workers as unskilled or semi-skilled for long years, and provide for a better deal all round. Those units that conform to recognised standards in the maintenance of trainee shops may be given the incentive of wholesale writing off of the plant and machinery employed for the purpose, and, in any scheme of price fixation for the product of manufacture, all expenses incurred in training may be conceded as a *legitimate item*.

Industrial enterprises in India are victims of environment and circumstance. The persistent agitation for improved amenities for labour has resulted in the provision of medical, educational, recreational and housing facilities for workers, but not proportionally commendable trainee shops for raw, unskilled and semi-skilled workers. I have gone round several mills and factories where the managements have taken great pride in showing an assembly hall or theatre, or playground or modern canteen, but not a training establishment. On the other hand, in most enterprises in Europe, Germany in particular, almost the first thing that the visitor is taken to is the apprentice trainee shop, and it is almost staggering to see the versatility of the equipment there, and the care and attention given by first rate technical experts to the improvement of the young lads who receive their training in them. It is no doubt true that the average Indian worker seeks biological happiness more than his counterpart elsewhere, perhaps due to suffering under imposed austerity to which he had been tied for almost a century or more, but that is not to say that he will be unresponsive to the call for improving himself in technical competence. And therefore, in this regard, a great responsibility is cast on our neo-entrepreneurial class of the third and fourth Plans.

* * * *

All India Radio

Akash Vani has an impressive record of quantitative development during the last twenty-five years. Beginning with three stations in 1936 it now has 28 of them working on 6(transmitters in 17 languages, 51 dialects and 8: tribal tongues for over 120,000 hours every year. Fifty-seven more transmitters are expected to come into being. As for the quality of its achievement in giving "expression to the various cultural and artistic forms of the country," I would content myself with saying that "This is All India Radio. Here is the news, read by Bla-bla-bla" is the least intolerable regular feature.

There are many little men with pompous notions of their own knowledgeability who are responsible for formulating the programmes broadcast by *Akash Vani*, and the programmes are popular neither with the cultured few nor with the uncultured many. Through hidebound insistence on conformity to a lot of annoying rules and regulations, A.I.R. officials have made it impossible for sensitive artistes among amateur musicians of both sexes to give of their best in broadcasts, while their pontific choice of puerile subjects for talks attracts only those talkers whose imagination has dried up through years of callisthenic kowtowing. And, of course, the scale of remuneration that has been standardised is so utterly unrealistic and beggarly that it is a waste of time spending so much effort for so little payment. Dr. Keskar, the Minister in charge of Broadcasting, is reported to have said that "in a developed country where all the needs of society had been met, it was possible to take a different decision about the role of the radio but in a country like India where everything had to be built up, it should not simply cater for entertainment." This mystic *obiter dictum* may make a lot of sense to those who are engaged in the difficult task of "building up everything in this country," but, by and large, what one sees is a lot of demolition and plenty of rubble to clear. A.I.R. may sniff its nose at providing mere entertainment, but most people who are fed up with its broadcasts feel much like the handsome young man who got married to a terribly ugly girl in a mad rush on admiration for her musical talent, and the very next morning of his honeymoon, threw up his hands at the sight of her uncouth form and wailed, "Oh! Sing, for God's sake, Sing!"

* * * *

Are You Going To Uttar Pradesh?

If you are, then I hope your visit is *must*, and cannot be postponed; if on pleasur or for sightseeing, then, my advice is 'postpone until after the next elections. The U.P. Congress Committee has decided to issue coupon of rupee one, rupees five and rupees ten denc minations to boost the Congress election func While you are waiting for a tonga or tax someone looking highly respectable may ta you on the shoulder and ask you to cough u what you have for acquiring some of thes coupons; you will be gently deprived of whs you have in your pocket for the day's ex penses. You may have to walk long distance or go without a meal. You won't be able t say anything about it; the goodness of th cause will redeem the forthright manner i which you are being parted from your cas resources. And this might happen to yo every day, and many times too, at every stree corner, unless you are going to stick you coupons on your front and back, same as yo display your automobile taxation receipt. YO HAVE BEEN WARNED.

OBTAIN **FREE BROCHURE** ON **PATENTS & TRADE MARKS**

Contact:

PURUSHOTTAMDAS GOKULDAS

Patent Attorneys

39D, People's Building, Ground Floor, Sir Pherozshah Mehta Road, Bombay-1.

Telephone: 258014—255172.

1121 PUBLIC DEPARTMENT

LONDON FINANCIAL MARKETS

CONFLICTING TRENDS IN RECENT WEEKS

By W. T. C. King

SOME rather conflicting trends have marked the London financial markets in the past month or so—partly it seems as a result of differences of view about the implications of current and prospective strains on sterling. The equity share markets, which had been strong before the Budget, mounted still further in the ensuing month in spite of the evidently sharply increasing pressures now being exerted upon profit margins, and in spite of the quite widespread market view that the general effects of the budgetary measures would be disinflationary. The industrial share index of the *Financial Times*, which towards the end of 1960 had dipped to under 295 (its lowest since the election boom in 1959), had by Budget day reached a new peak at over 353—but then climbed another 12 points to touch 365.7 in mid-May, making a gain of nearly 25 per cent in six months. After so rapid an advance, a pause for consolidation was due in any case, but the shake-out has proved to be rather sharper than some observers had expected. In the second half of May, the index has been driven down by over 14 points, to 351.5, or a little under its pre-budget level. The gain by comparison with the level 12 months previously has now been narrowed to 10 per cent.

In the gilt-edged market, the recent experience has been hardly less dramatic—but a good deal more disappointing. After the downward drift of the market during 1959 and most of 1960, there had been hopes last autumn that the long-awaited turn might be coming at last. But the rally stages then, at the prospect of a decline in short-money rates, soon petered out—notably after it was realised that, as in 1958, short rates could ease without exerting any perceptible downward pressure on medium and long rates. Early this year, gilt-edged prices sagged to their lowest since the 1957 crisis; and by mid-April, they were still only a little above the worst.

The Budget

Then came the Budget which at first sight seemed to offer, for three distinct reasons, a better augury for fixed interest securities. There was, first, the indication that the Government was adopting a new and more realistic approach to the recurrent problem of inflation—notably by equipping itself with more flexible and quicker acting weapons in the shape of the new style fiscal regulators which I discussed in some detail in my last letter. Secondly, there was the consideration that the availability of these between the Budget's tax weapons would reduce the Government's dependence on monetary weapons, thus reducing the risk that resistance to inflation would involve action that directly impinged on the gilt-edged market. Thirdly, as I also explained last month, the Budget estimates implied that the domestic cash requirements of the Central Government would be substantially less than it could expect to borrow more or less automatically from non-market sources. For all these reasons, many city observers looked for a healthier undertone in the gilt-edged market, in spite of the looming threat from the new legislation which should come into force in a few weeks' time—that increases the scope for trustee investment in equities.

These hopes, however, have so far proved wide of the mark. The improvement that followed the Budget was very brief, and by early May the market was sagging away again. The Government securities index of the *Financial Times*, which on Budget day had stood at 78.20, rose within a few days to 78.98, and has since dipped to only 77.55. This is not only a new low point for recent years, it is also only a fraction above the all-time low of 77.45, momentarily touched after the rise in the Bank rate to 7 per cent in 1957. At the crest of the market's recovery from that period of extraordinary strain, the index reached 87.74—in November 1959. Over the past 18 months, therefore, the general level of the market has dropped by over 11 per cent. And in the past month, the two leading "undated" stocks (stocks redeemable only at the option of the Government) have touched their lowest points ever. The 3½ per cent war loan has dipped to 55-3/8, at which it offered a flat yield of fully 6-5/16 per cent, and the 2½ per cent consols dipped to 41, with a flat yield approaching 6⅛ per cent. One other undated British Government stock, the 4 per cent consols, yields almost 6½ per cent.

These are very high yields by any standards. Until quite recent times, it would have seemed to most London observers almost unthinkable that British Government stocks could ever offer any such return. It should perhaps be pointed out, therefore, that a substantial part of the rise in interest rates to these very high points is the direct outcome of deliberate measures of monetary policy. The high rates have become an integral part of the country's defences against inflation. As the Radcliffe Committee observed, the notion that the market yields on a Government's bonds might be a measure of its "creditworthiness" was simply a "hangover" from the past.

Spasm of Weakness

However that may be, it remains true that the most recent spasm of weakness in the gilt-edged market seems to be much less a reflection of current monetary policy than of the strains that have lately become visible in the foreign exchange market. The only direct influence from the monetary side came from the clear effort of the authorities a few weeks ago to discourage hopes of any early reduction of the Bank rate from its present level of 5 per cent (reduced in two steps from 6 per cent towards the end of 1961). These hopes had stemmed mainly from the Budget arguments already noted, and so had intensified the competition for weekly offerings of Treasury bills, forcing the discount houses to raise their bids in an effort to prevent further depletion of their already low bill portfolios. The Treasury bill rate thus fell perceptibly at each of the three tenders from the end of April, reducing it from just under 4½ per cent to 4-5/16 per cent by 12th May. Throughout this period, however, the authorities were offering resistance by seizing opportunities to tighten credit supplies in the short loan market, thus forcing the discount houses repeatedly to borrow from the Bank of England in its capacity of lender as a last resort—i.e., forcing them to take seven-day loans at the Bank rate. These tactics led eventually to a reversal of the trend of bill rates. At mid-May the tender rate recovered to fully 4-13/32 per cent, and by the end of the month there was actually some market gossip about the possibility of an increase in the Bank rate.

Pressure on Sterling

This change in the market sentiment towards short-term rates has, of course, like the new strains on gilt-edged prices, been associated with the evidences of pressure on sterling. Shortly before the Budget, the sterling-dollar quotation had briefly recovered to its parity of 2.80 dollars for the first time since the major strains flung upon the market by the sudden revaluation of the D-mark in early March. But in the second half of April—partly, it seems, as a consequence of the series of international political uncertainties that became prominent at that stage—a new pressure carried the rate back to about 2.79-9/16 dollars, and during May it has eased further, touching only 2.79⅛ dollars on 30th May, its lowest since the crisis of 1957.

Unfortunately, it is now more than ever difficult for unofficial observers to gauge the true extent of any pressure. The movement of the rate is not in itself a sure guide to the state of the market, since much must depend on the particular tactics the authorities choose to adopt in their efforts to forestall or resist any speculative attack. Until recently, however, the underlying trend might be expected to become reasonably apparent from the course of the end-month figures of the reserves of gold and convertible currencies. But now even this source of light has become unreliable. Since the conclusion of the Basle agreement between the principal European central banks, it has become impossible for the outside observer to ascertain how far, for example, any given withdrawal of privately-owned overseas funds in London has been matched and offset by an increase in the sterling holdings of overseas

(*Continued on page* 1146)

RAMTIRTH (HINDI MONTHLY)

Editor: **Yogiraj Shri Umeshchandraji**

Published every month by Shri Ramtirth Yogashram — Bombay

MORE THAN 160 PAGES PER ISSUE

THE MAIN IDEA BEHIND THIS MAGAZINE IS TO DEVELOP THE PHYSICAL, MENTAL AND MORAL ASPECT OF THE COMMON MAN

Annual Subscription Rs. 5/- only. Single Copy 65 nP. only.

UMESH YOGA DARSHAN

(First Part)

In Four Languages: English, Hindi, Gujarati and Marathi

(Author: **Shri Yogiraj Umeshchandraji**)

An excellent and highly readable book written by Shri Yogiraj Umeshchandraji is one of the best known treatises on the true meaning of Yoga. A best guide to methods of intestinal exercise and control, the book contains over 108 descriptive photographs of various Asanas explained according to the Age, Season, Country and Time.

It is one of the excellent volumes published so far depicting different aspects of Yoga, and containing different photographs of Asanas and *Neti Dhoti Functions*. It also contains Yoga Therapy, Diet Therapy, Chromopathy, Psycho Therapy and many other Therapies. It also contains many an important remedy for various diseases. The book is best of its kind and useful for all men and women, healthy and unhealthy, and hence should be preserved in all libraries and homes.

Price: Rs. 15/- Plus Postage Rs. 2/- extra.

YOGASANA CHART

A Chart printed on art-glazed papers and fully illustrated with attractive pictures is also available from here. You can perform Asanas shown therein at your home, which will keep you fit and healthy.

Price: Rs. 3/- including Postage to be sent by M.O. only.

YOGIC CLASSES

are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Yogic and natural treatment are given for diseases. Diseases are also remedied.

RAMTIRTH BRAHMI OIL Special No. 1 Registered

An invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cool brain, improve system, and let sleep sound. Most ideal for body massage. It is useful to every one in all seasons.

Price: Rs. 4.50 for big bottle and Rs. 2.25 for small. Available everywhere.

SHRI RAMTIRTH YOGASHRAM

Dadar, Central Railway, Bombay-14

Telephone: **62899**

LIKELY TERMS OF WESTERN AID

LOANS TO PRIVATE BORROWERS TOO MAY BE AVAILABLE

From Our Special Correspondent

DELHI LETTER

NEW DELHI, *13th June*

SOME further indications of the terms of Western aid for India's third Plan, which are now available, show that the Government of India will have to reckon with a wide variety of conditions in the bilateral negotiations and agreements for the utilisation of the aid assured at the Washington meeting of the Aid India Consortium. Though the object of the Consortium as a whole was to reduce interest rates on credits because some of the investments will be on infrastructure projects, there is a world of difference between the American terms on loans, which will be modelled on those of the International Development Association, and the West German. At present, the Bonn authorities do not wish to extend credits beyond 20 years; it is reported that the interest rate will be lowered from 5½ per cent to 3 per cent for a third of the payments in the first two years and the interest-free period of grace will be extended from five to seven years. Unlike American loans, however, German credits will not be tied to purchases in that country, but this will hardly make any difference since India has been in deficit in her trade with most of the West European countries and difficulty, if any, will arise only if aid from any country exceeds the net import surplus, after allowing for much larger imports than what is possible under the present restrictions. All the countries of the Consortium happen to be regular exporters of capital goods and machinery to India but since American prices have not been sufficiently competitive there has been a marked preference for using dollars for importing from other countries.

West German terms indicated above are more unfavourable than the two British credits granted for the third Plan (at the beginning of May) to the extent of £40 million—in both of which repayments can be spread over 25 years and the grace period in one is seven years and in the other (a credit for supporting the balance of payments), five years. Though the average rate of interest on these credits was not specifically indicated, it is unlikely that it would be more unfavourable than Germany's; these terms will apparently apply also to the balance of the British commitment of $250 million for the first two years of the third Plan. Considering Britain's current difficulties with her balance of payments (which have even revived talk of devaluation of the pound sterling), these must be regarded as far more generous terms than those West Germany has been willing and ready to give. The condition that purchases should be made in Britain is not an onerous one.

"Buy American" Policy

India has been getting used to making more purchases from the U.S.A. since the Development Loan Fund introduced the "Buy American" policy in October 1959 (relaxed only in certain special cases) and in the case of Eximbank credits. But the slow rate of utilisation, especially of the latter, may warrant doubts about the consequences of the new stipulation that 80 per cent of foreign aid should be used for purchases in the U.S.A; however, in the present position of the dollar and the American balance of payments, more liberal conditions cannot be expected from the Administration or Congress.

Estimates of the difference in prices of U.S. equipment and machinery vary (between 10 and 25 per cent) and in many cases the higher price may be offset or justified by the superior quality of the product; but the almost nominal interest rates charged and the longer period of repayments are decisive advantages to be counted against any possible increase in cost of projects due to this factor. The problem mainly is one of Indian project planners getting used to placing large-scale orders with relatively less familiar manufacturers.

Compensations for any slight disadvantage arising from this condition about purchases --- many. In his testimony before the Senate Foreign Relations Committee, Mr. Douglas Dillon has made it clear that development loans under President Kennedy's aid programme will generally follow the terms and conditions laid down for the International Development Association (and determined by the World Bank). If the latter's first development credit is regarded as a precedent for dealing with future applications, the prospects are indeed hopeful. I.D.A's credit to Honduras is for a term of 50 years; after a 10-year period of grace, repayments will start at the annual rate of 1 per cent of the principal for the first 10 years and at 3 per cent for the next 30 years. There will be no interest except for a service charge of ¾ of 1 per cent on the amounts withdrawn and outstanding; this is intended only to meet I.D.A's administrative costs. That an independent body like the World Bank has considered these easy terms necessary for development loans should be a convincing argument before Congress and Mr. Dillon has stated that almost similar terms will be necessary for U.S. loans. Developing countries which have been disappointed by the inadequate resources of less than $1,000 million placed at the disposal of I.D.A. may now have cause for optimism; if President Kennedy's aid programme goes through, a sum larger than this by a half will be available annually in the next five years.

A Possible Obstacle

A possible obstacle is the reluctance of Congress to grant authority to the President to borrow from the Treasury on the ground that it would weaken its scrutiny of appropriations. Since the object is to give firm commitments for aid some curtailment of the freedom of dealing with appropriations may have to be accepted. There are, on the other hand, two strong arguments for Congress accepting President Kennedy's proposals eventually. One is the renewed urgency for outbidding the Soviet Union in offering aid to developing countries in order to disprove Mr. Khrushchev's deep conviction that world events will work out in favour of his system; the next is the agreement which has been secured from other Western partners that their aid will match the American in its volume if not in respect of all other terms. Any substantial cuts may have the effect of reducing the total pool available to the recipient countries. Mr. Khrushchev's offers of credits at low interest rates of 2 per cent to 2½ per cent for 12-year periods have so far enjoyed a considerable propaganda advantage over the aid given by the West and the World Bank at very high rates of interest; it is obviously now difficult for the Soviet Premier to match the new pattern of American aid in its scale or in its commercial terms.

In one respect, however, there has been a decisive change of policy. Repayments have to be made in dollars and not in local currency as the Development Loan Fund had permitted before. At one stage, I.D.A. was also expected to introduce this additional facility to borrowing countries but it did not eventually do so, presumably because it would be accumulating a large volume of local currencies which may be unusable for re-lending. The reason may be slightly different for the change in American policy; U.S. authorities have already acquired a large stock of these currencies as a result of the sale of agricultural surpluses under P.L. 480 and have found the resulting situation a very delicate one—unusability of the currencies being only a minor embarrassment.

Mr. Douglas Dillon has stated that there is a danger of such large accruals of local currency becoming "a source of friction and misunderstanding" in relations with the countries concerned as the U.S. Government will be holding a large proportion of the outstanding money supply in a foreign country without deriving any advantage from them. There has been a good deal of controversy in India, for example, about the effects of the use of P.L. 480 funds; it has also been found necessary to transfer deposits of these funds from the State Bank to the Reserve Bank. Speculation was also started on the possibility of these funds being permitted by the U.S. authorities to be diverted for the development of Calcutta, if the Union Government was agreeable, thereby throwin the responsibility for refusal on the latte This change of policy should therefore be we come in this country as in others where th operations of foreign Governments in the loca currency will be viewed with disapproval an possibly also mistrust.

Dollar repayments over long periods an on the reduced scale which the new terms wi permit need not necessarily prove onerous c disadvantageous. They may even act as a spu to greater economic efficiency and promotion c exports for earning foreign exchange, once th developing country is well on the road to sel sustaining growth.

Loans to Private Borrowers?

Another special feature of U.S. aid, which there is only a bare hint now, is th possibility of loans to private borrowers al on appropriate terms. Whether this will b an improvement on the existing Cook Amendment provisions—which restrict loa for private enterprises connected with disposa of agricultural surpluses or for collaboration U.S. firms with Indian—is not known.

The steady enlargement of the concept aid from assistance to particular projects general economic development under an int grated plan, with emphasis on fostering soci conditions favouring the distribution of th benefits of growth, is an important achiev ment. It is now made clear that in certa cases, aid will also be available to promote th conditions necessary for economic plannin The World Bank will necessarily set the stan ards of judgment in these matters and pr vide the economic appraisal on the basis which assistance will be given. The two co *muniques* recently issued by the Consortium India and Pakistan bear out the importance the distinctions to be observed. While it w "encouraged by the economic progress ma by India" and felt that the third Plan was w conceived and that India had demonstrated capacity to make effective use of foreign a the Consortium noted the successful efforts Pakistan "to create conditions in the count favourable to economic development" and c cided to await the revised development p gramme to decide the extent and nature assistance on the basis of the detailed engine ing and cost studies. Planning on the rig lines obviously determined the difference approach.

SURVEY

(*Concluded from page 1119*)

labour welfare officers employed by the Uni Ministries and State Governments and also the Hindustan Steel Ltd. for organising junior executive development programme f their newly recruited young executives. T Institute, since its inception in 1954 under t ægis of the University of Calcutta, has prov ed in-service training to 1,395 labour welfa officers, 260 business executives and 111 soc workers in all.

It is noteworthy that the Institu which first started the system of service training in India, is still adhering to and it is equally noteworthy that the comm cial and industrial establishments in a around Calcutta, apart from sponsoring can dates for the Institute courses, are taking keener interest in its activities by enrolli themselves as collective members. Such coll tive members of the Institute numbered 43 the close of 1960-61. One of the privileges e joyed by these collective members is that t training facilities of the Institute are availal to candidates sponsored by them. The creasing realisation on the part of industr enterprises that management education is crucial importance in the conditions of in tutional management as distinct from own management, augurs well for the continu success of the Institute.

A sum of Rs. 17 crores have been alloca under the third Five-year Plan for Air-India Int national's projects. Construction of a new engine overhaul base at Bombay has already b taken up and will be completed during the th Plan period. At the beginning of the third Fi year Plan, the operating fleet of Air-India c sisted of four Boeing 707 Inter-continental Jets a nine Super-Constellations. Air-India has plans acquire two more Boeing 707 Inter-continen Jets, for delivery by April 1962. It will then h a fleet of six giant jets and expects to oper daily flights to London and New York, two flig a week each to Nairobi and Tokyo and one fligh week each to Moscow and Sydney. Air-In International completed 13 years of internatio operations on 8th June 1961. During 1959-60, operated 59.518 million capacity ton-miles 34.618 million revenue ton-miles, carried passengers, 1.981 million pounds of mail and million pounds of cargo.

U.K. AND OVERSEAS AID

GOLD LOSS PERSISTS

(*From Our Own Correspondent*)

LONDON LETTER

LONDON, *9th June*

THE Consortium of Western countries, plus the U.S., Canada and Japan, which for several months past have been considering aid to India, has unexpectedly publicised its latest decision, though, as far as the U.K. is concerned, there is a good deal of ignorance as to what it all means. For one thing, the Government have to ratify the decision of the Consortium and, in doing this, they will no doubt have to know from where the money is coming.

The grand total of aid for the first two years of India's third Five-year Plan is understood to be about £800 million and, of this, the U.K. is contributing about £90 million—over two-thirds in the current year and under one-third in the year following. The U.S. share of a little under a half the total will be tied to purchases inside the U.S., but the U.K. will have no such strings on its loan. The money, following well-established Treasury principles, will be spendable anywhere in the Commonwealth or in no matter what currency.

This difference in approach between the U.S.—which, in addition to its share of the main loan, will offer an even larger sum in the form of surplus commodities—and the U.K. is that the U.K.'s approach to these matters of lending is fundamentally that of a banker. It will lend what it has not got in the expectation that, in the sum total of its international transactions, it will receive the where-with-all. That is why no surprise has been expressed that the news of this proposed British commitment should come on the same day as the news of a still further fall in British gold reserves.

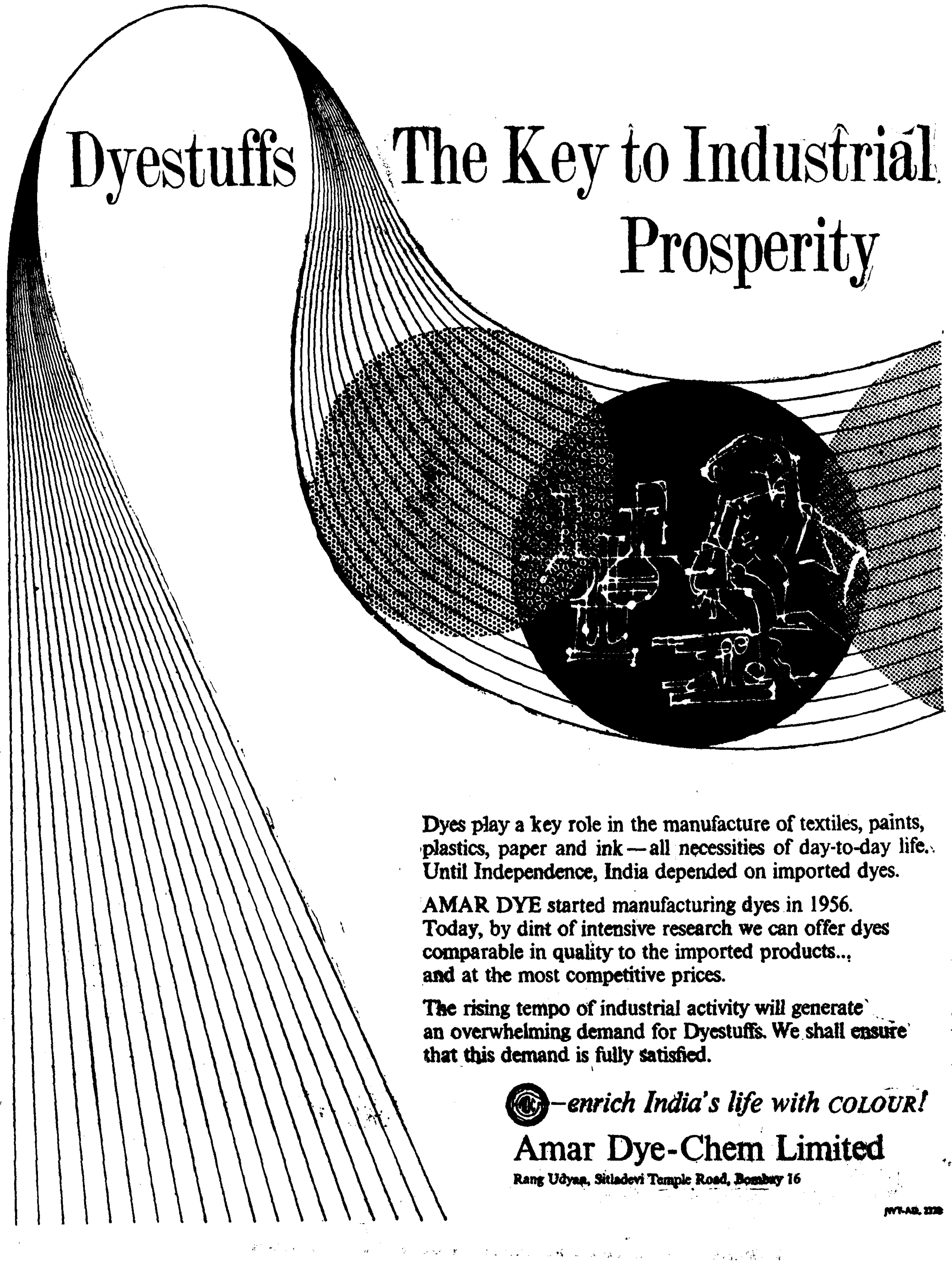
Although the heavy rate of fall in March (about £15 million per week) was more than halved in April, it has not been significantly slowed down. To that extent the published drop of only £16 million in May is deceptive. This is because the sterling area has benefited from Australia's drawings from the International Monetary Fund which have been partly used in a roundabout way to meet other U.K. commitments to European Central Banks. The true assessment of the position is probably that the U.K. is still losing gold at the rate of nearly £1 million per day. The loss in May is the first for this month for ten years, but is easily explained by the continued outward trickle of that hot money that came galloping in last year.

There is no reason to suppose that the outflow is due to an aggravation of the deficit on the current balance of payments. Indeed, the trend has been all the other way since the beginning of this year, and it is expected here that the forthcoming announcement by the Treasury of the balance of payments for the first quarter will be reassuring—if by reassurance is meant that the condition of the patient is a little better. It is not yet good enough to give any prospect that, in the current year, the balance of payments will show a surplus—which brings us back to the opening question of from where come the funds for overseas aid?—*All Rights Reserved.*

COMMONWEALTH DEVELOPMENT FINANCE COMPANY

The Commonwealth Development Finance Company has had its most active year since its inception eight years ago, according to its annual report just published in London. The report outlines the increased activity by the Company which has led to a greater volume of investment. As a result, commitments aggregating £3,68 million have been accepted involving participation in nine new schemes with a total capital cost of £20.00 million. Current commitments, including some from earlier years, are spread widely over the Commonwealth, with emphasis on Africa and Asia. Investments in India include those in East India Distilleries and Sugar Factories, the Industrial Credit and Investment Corporation of India, and Indian Oxygen Ltd.

The Company was formed in 1953 as a channel for investment of private funds in the Commonwealth, its purpose being to foster sound industrial development. Of its original authorized capital of £15.00 million, £8.250 million were subscribed for by industrial, financial, and commercial concerns in Britain and £6.75 million by the Bank of England.



INFLOW OF FOREIGN PRIVATE CAPITAL

RESERVE BANK'S REVIEW OF PRELIMINARY TRENDS IN 1960

THE net inflow of foreign investment in the private sector in India in 1960 can be expected to be somewhat higher than in 1959. This is the conclusion of an article on "Foreign Investments in India : 1959 and 1960 (Preliminary Trends)" prepared in the Division of International Finance of the Economic Department of the Reserve Bank of India and published in the May 1961 issue of the Bank's *Bulletin*. The above conclusion is based on an overall assessment of various factors affecting the inflow of foreign capital, such as approvals given for issues of shares to rupee companies and allotments by them, drawings on credits from official sources, the probable trends in capital repatriation, etc. During 1960, approvals for issue of shares of rupee companies to non-residents were maintained at the preceding year's high level of around Rs. 19 crores. But as the utilisation of approvals in 1959 was rather slow, the fresh inflow of capital into foreign controlled rupee companies is likely to be higher in 1960. Retained earnings may be as large as in 1959 since corporate profits are expected to be around the 1959 levels. Further, the gross petroleum capital outflow which was of unusual magnitude in 1958 might have fallen to more normal levels during 1960.

It is true that receipts of official capital during 1960 were at about the same level as in 1959, that is about Rs. 27 crores, but a decline in World Bank loan drawings have been counterbalanced by receipts of credits from the Eximbank and the D.L.F. The conclusion, therefore, seems warranted that the flow of foreign investment in the private sector would turn out to be larger in 1960 as compared with 1959. How much higher ? The article in the Reserve Bank of India *Bulletin* has given the following answer : "During the four years ended 1959, net inflow of foreign capital amounted to Rs. 153 crores allowing for appreciation in the value of investments in some industries. If, as is assumed, net foreign investment flows at a higher rate in 1960 than in 1959, the total net inflow of foreign capital into the private sector in the five-year period 1956-60, which would roughly correspond with the second Five-year Plan period, may be somewhere around Rs. 200 crores."

Official Measures

A number of official measures adopted recently might have improved further the climate for foreign investment in the country, though it is too early to judge their precise impact. These steps, besides streamlining the institutional machinery for processing applications for foreign collaboration in new ventures and for clarifying the Government's industrial policy, have been mainly directed towards making suitable adjustments in the tax structure. The Indian Investment Centre, set up in June 1960 with T.C.M. aid and charged with the promotion of foreign private investment inflow, would disseminate information on economic, financial and industrial policies of Government, survey foreign investment possibilities, advise Indian businessmen on attracting foreign capital as well as assist potential foreign investors interested in investment in India. As regards taxation, with a view to enabling Indian industry to secure technical collaboration on more favourable terms, the rate inclusive of income-tax and super-tax, on royalties received from Indian enterprises by foreign companies has been reduced from 63 per cent to 50 per cent. Further, the tax exemptions already given to foreign technicians have been enlarged. There has also been a modification in the tax payable by companies in respect of dividends received by them, as a result of which the rate of super-tax on dividends paid on inter-corporate investment, whether Indian or foreign, and whether on a majority or minority basis, has been fixed at a uniform level. Prior to this, there was a concessional rate of super-tax on dividends received by a parent company from its subsidiary, while inter-corporate investment on a minority basis was taxed at a higher rate. Also the tax on a minority share-holding by a foreign company was substantially higher than on an Indian company with a minority holding.

Besides noting the preliminary trends in 1960, the article has furnished a detailed review of the trends in foreign investments in the private sector during the year 1959 on the basis of the fuller data which have now become available. Net foreign investment in the private sector, that is, after allowing for repatriation of capital, aggregated Rs. 38 crores in 1959, which was Rs. 10 crores higher than in the preceding year. Inflow of both foreign private capital and long-term funds lent by official institutions to the private sector were higher in 1959 than in 1958. Apart from the World Bank, the private sector received loans from other official agencies such as the U.S. Export-Import Bank and the D.L.F. The loans from these two latter agencies exceeded those from the World Bank. Besides, there were drawings of Rs. 1 crore each from the British loan for the Nahorkotiya oilfields pipeline project and the Japanese yen credit, making up a total receipt of Rs. 27 crores, of official capital during 1959.

Industry-wise Utilisation

The industry-wise utilisation shows that while the World Bank loan was employed mainly in the iron and steel industry (Rs. 7.2 crores) and power projects (Rs. 1.5 crores), the loans from the U.S. Eximbank and D.L.F. as well as from Japan were spread over a large number of manufacturing industries, such as textiles, machinery and machine tools, electrical goods, transport equipment, chemicals and allied products, cement, and several miscellaneous products.

The table below shows the trend of inflow of foreign investment into the private sector (excluding the banking system) during the four years 1956, 1957, 1958 and 1959 :

(In crores of rupees)

	1956	1957	1958	1959
Inflow of private foreign capital (net)	24.9	17.9	2.4	10.8
Gross inflow	31.2	26.9	26.8	25.6
Of which :				
(i) Retained earnings	19.5	9.5	9.8	15.1
(ii) Cash inflow	3.1	5.9	4.8	3.3
(iii) Non-cash inflow	8.5	11.4	12.3	7.2
Outflow	—6.3	—9.1	—24.4	—14.8
I.B.R.D. capital	12.1	32.1	25.3	27.8
Gross inflow	43.3	59.0	52.1	53.9
Net inflow	37.0	50.0	27.7	38.1

It will be observed from the table that fresh capital receipts from abroad, as distinguished from retained earnings, for the establishment of new units as well as for expansion of existing undertakings, were lower in 1959 at Rs. 10.5 crores as against Rs. 17.1 crores in 1958. In this connection, approvals given for issue of shares to non-residents would appear to be a better guide to the foreign investor's response to the changing investment climate in the country, since there is usually a time-lag between the grant of approvals for issue of shares and the actual allotment of these shares. Approvals for allotment of shares to non-residents in 1959 were, in fact, significantly higher at over Rs. 19 crores as against Rs. 13 crores in the preceding year. The rate at which shares were actually allotted was, however, rather slow in 1959, with the result that the allotment of shares amounted to Rs. 6.3 crores in that year as against Rs. 7.5 crores in 1958. The decline in the rate of actual allotments is reflected in the reduced inflow of fresh capital.

Rise in Retained Profits

In fact, a notable feature of the foreign investment pattern in 1959 was the sharp rise in retained earnings. Unlike in the preceding two years, in 1959 there was a substantial rise in profits ploughed back in business which rose to Rs. 15.1 crores from Rs. 9.8 crores in 1958 and Rs. 9.5 crores in 1957. They were, however, lower as compared to the high of Rs. 19.5 crores reached in 1956. Total earnings of foreign controlled enterprises accruing to non-residents amounted to Rs. 38.4 crores in 1959 as against Rs. 35.2 crores in the preceding year. It is significant that during 1959 the increase in retained earnings exceeded the rise in aggregate earnings, since distribution out of earnings were reduced. The rise in earnings was accounted for mostly by the manufacturing group. For the second year in succession, the manufacturing group earned more and provided for a larger amount of reserves ; total proportionate earnings of these companies increased from Rs. 13 crores in 1958 to Rs. 16 crores in 1959 while the reinvested profits went up from Rs. 5 crores to Rs. 7 crores. The overall expansion in investment activity and improved business conditions have had, in general, a favourable effect on earnings, particularly of the manufacturing companies. As could be expected, because of the Government's restrictive import policy, these industries have of late enjoyed a sheltered market in India for their products. The plantations group which comprised mostly tea companies, presented an encouraging position, unlike in the preceding two years. These companies had to draw sizably upon their accumulated earnings in 1957 and 1958 with a continuous fall in their earnings. In 1959, however, they earned more and retained a still larger share of these earnings by reducing their distribution of dividends, etc. In the case of petroleum group, retained earnings were higher despite a reduction in total earnings. Of the aggregate earnings retained in 1959, manufacturing and petroleum groups together accounted for over 85 per cent.

The improvement in *net* foreign investment was almost entirely due to a substantial decline in the level of capital repatriation in 1959 to Rs. 14.8 crores from Rs. 24.4 crores in 1958. The bulk of the outflow in 1959 was in respect of the petroleum industry which fell sharply from Rs. 21.9 crores to Rs. 12.9 crores.

During 1959 the U.S.A. continued to be the principal investing country as was the case in the preceding two years. The net inflow of capital from that country aggregated as much as Rs. 22 crores in 1959, that is, about three-fifths of the total net inflow during that year. This was substantially higher than that from the U.K. The sharp rise in the flow of capital from the U.S. was accounted for mainly by the share of capital from official sources. The low figure of net investment of capital from the U.K. was attributed to the continued repatriation of sizable amounts of capital, which amounted to Rs. 15 crores in 1959. A large part of the capital repatriation to the U.K. in 1959 was accounted for by petroleum capital.

An idea of the country-wise analysis of foreign capital can be had from the following comparative table :

(In crores of rupees)

Country	1957		1958		1959	
	Gross	Net	Gross	Net	Gross	Net
U.K.	15.2	6.3	20.1	—2.0	14.6	—0.2
U.S.	10.5	10.5	4.5	2.6	7.6	7.6
Others	1.3	1.1	2.1	1.8	3.4	3.4
Total private capital	27.0	17.9	26.8	2.4	25.6	10.8

The U.K. continued to account for the predominant share of the total outstanding foreign investment in the country. Of the aggregate foreign investments of Rs. 610.7 crores, as at the end of 1959, nearly two-thirds, that is, Rs. 400.1 crores was from the U.K. Outstanding investment from the U.S. at Rs. 82 crores, although nearly double the level at the end of 1955, formed less than 15 per cent of the total. Outstanding investment from West Germany have not yet assumed a significant level.

The outstanding position of total business investment at the end of this last four years, as also at the close of June 1948, on industry-wise and country-wise basis is given in the following tables :

(In crores of rupees)

	June, 1948	1956	1957	1958	1959
Petroleum	22.3	116.4	134.1	118.4	120.7
Manufacturing	70.7	147.6	184.0	218.6	250.7
Trading	43.0	29.3	27.4	30.0	28.4
Utilities and transport	31.5	48.9	52.6	50.0	52.6
Mining	11.5	10.8	9.8	12.4	13.0
Financial	6.9	27.7	34.5	22.9	25.1
Plantations	52.2	87.9	86.6	96.0	95.1
Miscellaneous	17.7	24.6	24.4	24.3	25.1
Grand Total	255.8	493.0	543.0	572.6	610.7

(In crores of rupees)

	As at the end of				
	June, 1948	1956	1957	1958	1959
United Kingdom	206.02	392.5	398.8	398.8	400.1
United States	11.17	47.0	57.5	60.0	82.0
W. Germany	0.08	2.3	3.5	3.8	5.4
Japan	0.17	0.2	0.6	0.6	1.4
Switzerland	5.35	3.2	6.7	6.8	7.6
Pakistan	8.41	4.2	4.2	4.2	4.2
I.B.R.D.	..	14.8	46.9	72.2	82.0
Other countries	24.63	23.2	24.8	26.2	27.0
Total	255.83	493.0	543.0	572.6	610.7

The article further throws light on the movement in the assets and liabilities of the banking system. The net inflow of funds from abroad during 1960 was higher at Rs. 8 crores, as against Rs. 2 crores in 1959. The net inflow during 1960 was mainly through higher borrowings from abroad and slightly through drawing down of foreign assets. The higher draft of foreign resources in 1960 is explained to some extent by the more stringent monetary conditions that prevailed in 1960, relatively to the preceding year.

DEFICIT FINANCING AND ECONOMIC DEVELOPMENT

NEED FOR CONTROLLING INFLATIONARY POTENTIAL URGENT

By S. M. Veeraraghavachar

Department of Post-Graduate Studies and Research, University of Mysore

THE term "Deficit Finance" is generally used to denote the excess of expenditure over the normal revenues of a Government, whether on capital or revenue account. The normal revenues consist of what it receives by way of taxes, earnings of State enterprises, loans from the public, deposits and other miscellaneous sources. The Government may very often be forced to spend more than its revenue and the deficit in the budget can be covered either by drawing upon the accumulated cash balances or by borrowing from the banking system. Deficit financing, therefore, implies an addition to the gross national expenditure through budgetary deficits. If the Government borrows from the central bank to cover its budgetary deficits, the bank directly issues additional currency notes and deficit financing is clear and can readily be recognised. Deficit financing can also take place when commercial banks subscribe to the loans of the Government. When individual and non-banking institutions subscribe to Government loans, there is a transfer of resources from the private sector to the Government, so that there is no net addition to the gross expenditure of the Government. When the banks subscribe to Government loans, initially there may be a reduction in the cash reserves, but they can replenish it by borrowing from the central bank on the security of the Government bonds purchased by them. When this happens, there would be a net increase in the purchasing power. It is thus clear that, when the Government borrows from banks, it amounts to deficit financing just as in the case of its borrowing directly from the central bank.

One of the most important precepts of the classical school was that the budget should be balanced. This falls to the ground when we realise that the assumption of full employment is not correct and, in reality, we have an underemployment equilibrium and existence of unused resources in the economy. So long as a State can raise the level of its business activity by using the factors that are not employed, an outlay beyond its revenue would be justifiable and an unbalanced budget would be theoretically sound. The world-wide depression of the thirties and the Keynesian revolution brought about a change in the field of fiscal policy. No Government could look with indifference on the colossal waste of human and material resources involved in the depression. Thus Governments were compelled to resort to unbalanced budgets. But deficit finance was to be only of a temporary character till private enterprises could revive and come back to prosperity. It is seen that deficit spending was not accepted in normal times. Only in an emergency like war or depression deficit spending was to be thought of.

Inflationary Potential

In recent years deficit financing has come into prominence as a method of financing economic development in underdeveloped countries. The underdeveloped countries with low capital formation are unable to carry on rapid economic development. The vicious circle of poverty, low income, low savings and low capital formation can be broken only by rapid economic development. In the absence of large-scale foreign capital, the temptation for deficit spending would be very strong. Deficit spending for economic development has its advantages as well as inevitable dangers.

Deficit spending essentially increases the money supply, leading to increased aggregate national expenditure—directly by the Government and ultimately by the public. This increase in expenditure, unless it is accompanied by a corresponding increase in output, would bring about a rise in prices. Deficit spending is potentially inflationary in character. The crux of the problem would be to see that deficit spending does not become inflationary leading to soaring prices, which would ultimately defeat the very purpose for which it was undertaken. When deficit spending is made during war periods to finance expenditure of an unproductive character on a large scale, inflation is inevitable. But there is no need to argue that deficit financing should always result in inflation. As Dr. V. K. R. V. Rao rightly observes, "it is this illegitimate identification of deficit financing with inflation that is at the root of most of the current objections to the use of deficit finance for economic development." It is not deficit finance as such which would lead to inflation but the unproductive character of the outlay that would mainly explain the emergence of inflationary pressures. The central question is how far one can resort to deficit financing and the answer is that deficit spending should not be resorted to beyond the point at which it becomes inflationary. Some rise in prices is inevitable in a developing economy, but the rise in prices will become dangerous if it becomes spiral in character.

The limit for deficit financing depends on various factors. Broadly, these are (*a*) the state of the economy, (*b*) the purpose for which deficit financing is used, (*c*) the extent to which increase in investments results in an increasing flow of consumer goods, (*d*) the rigidity in the money rate of wages, and (*e*) the success with which additional incomes could be mopped up. If there is depression in the economy, even large-scale deficit spending may not result in inflation until stability is restored to the economy. On the other hand, if there is already inflation in the economy, further deficit spending would make the position worse. Deficit spending for unproductive or destructive purposes would be inflationary, whereas for productive purposes it may not be inflationary. Even with regard to productive investment, the time-lag between investment and the appearance of finished goods is of great importance. If the projects could add quickly to the flow of consumer goods, there would be little danger of inflation. But when investments are in heavy capital goods industries, it has greater inflationary potentialities. Finally, if the Government is able, by means of taxation or borrowing, to mop off the extra purchasing power generated and if the money rates of wages are rigid, the dangers of inflation would be less. It would, however, be very difficult to lay down any limit as safe, since it would depend on various factors. One has to proceed cautiously and must always watch possible danger signals pointing to inflation.

Under the Two Plans

The first Five-year Plan had an original outlay of Rs. 2,069 crores. Out of this, normal resources were estimated at Rs. 1,258 crores. External assistance was placed at Rs. 156 crores. Sterling releases were expected to give Rs. 290 crores. This would leave a gap of Rs. 365 crores which was to be met from further external assistance or by means of internal taxation, borrowing and deficit financing." Deficit financing was visualised to the extent of Rs. 290 crores. Taking the first four years of the Plan, the deficit spending amounted to Rs. 241 crores. For the last year of the Plan, the actual budgetary deficit was about Rs. 180 crores. For the five-year period, the total amount of deficit financing was to the tune of Rs. 420 crores. It should be noted here that the overall deficits during the last two years of the first Plan was more than Rs. 270 crores, thus causing a large dose of deficit spending in the last two years. The effect of this was not immediately felt and, in fact, we could see the effect only during the second Plan period. Definite spending during the first Plan did not generate any inflationary pressure. Prices at the end of the first Plan were lower by 13 per cent than when the Plan started. The all-India cost of living index in 1955 was at an average

level of 96, as compared with 100 in 1949. Money supply in the hands of the public at the close of the fiscal year 1955-56 was about Rs. 208 crores above the level in 1951, an increase of a little over 10 per cent as compared with the estimated increase of some 18 per cent in national income. It must be observed that, against this picture of stability, there were certain important factors helping such stability during the first Plan period. There were good harvests and most of the deficit spending was in the last two years of the Plan. These two factors, along with the increase in industrial production, contributed more or less to a stable price level during the first Plan period.

The second Five-year Plan was much more ambitious than the first. The total outlay was to be Rs. 4,800 crores in the public sector, Rs. 1,200 crores, or 25 per cent of the total, were to be financed through budgetary deficits. It must be emphasised here that one of the major objectives of the second Plan was rapid industrialisation with particular emphasis on the development of basic and heavy industries. This aspect is important because these industries do not bring about an increasing flow of consumer goods without a time-lag, so that inflationary pressure is bound to be generated in the time-interval before the appearance of the finished consumer goods. It was stated in the Report on the second Five-year Plan that "no amount of prudence in financial management can by itself eliminate completely the risk of inflation in an economy attempting to develop rapidly." But a risk has to be taken with sufficient safeguards. The most effective insurance against such risk would be the ability of the Government to control the prices of food and cloth which occupy a strategic position in the Indian economy. This was to be achieved by building up of buffer stocks of foodgrains by imports and also increasing food production within the country. A further defence against inflation was the prompt use of the instrument of taxation to mop off the extra purchasing power that deficit financing might generate. The Reserve Bank also could use its wide powers for quantitative as well as qualitative control of credit. Finally, even physical controls, including rationing and allocations, were suggested, though past experience of their working inevitably leading to black-marketing and corruption did not make them attractive.

'Consumption Goods

In discussing the inflationary potential of deficit financing, the important point is that the income generated through deficit financing tends to be almost wholly spent on consumption. If the supply of consumer goods does not expand immediately and adequately, there will be a rise in prices and cost of living. An inflationary spiral may be unleashed with the rise in prices, rise in cost of living, rise in wages and a serious imbalance in the balance of payments. The second Five-year Plan recognised the need for augmenting the supply of consumer goods, but the small-scale industry was assigned the impossible task of increasing the production of consumer goods and meeting the huge money demand generated by the total planned expenditure. While it is no doubt important to create more employment, it is wrong to give less weight to the production of consumption goods in the pattern of industrialisation envisaged under the Plan.

During the second Plan period, there had been a continuous uptrend in commodity prices. Over the year 1960, the general index of wholesale prices (1952-53=100) recorded a rise of 6 per cent. The industrial raw materials with 16.6 per cent and manufactures with 9 per cent showed the largest increases. The rise in the general price index is largely attributable to excessive monetary expansion. Money supply rose by Rs. 219 crores during 1960 and scheduled bank credit recorded the sharpest expansion in recent years, namely, Rs. 216 crores or 22.5 per cent, as compared with Rs. 99 crores or 11.3 per cent in 1959. The capital market was buoyant during the year. There was also a fall in the foreign exchange reserves. The continuous rise in prices, large expansion in money supply and decline in foreign exchange reserves clearly indicate the pressure of excessive demand. These are clear signs of inflationary pressure. No doubt the Reserve Bank has used both qualitative and quantitative control of credit in order to have a "controlled expansion" of money supply. The instrument of variable cash reserves, fixation of a basic quota for each bank's borrowing above which a penal rate is to be charged, directive to banks to raise their lending rate, and stipulation of a minimum margin with regard to shares and certain essential commodities—all these measures have been used to control the expansion of money supply. But we cannot say that they have succeeded in controlling the inflationary pressure. It is a well-known fact that monetary weapons alone cannot control the inflationary potential. Fiscal measures like additional taxation have also been resorted to control the inflationary potential. But it is clear that we have not succeeded. It is very often argued that, because there is an increase in production, deficit spending is not inflationary. But so long as expansion of money supply is in excess of the expansion in output, inflation is inevitable.

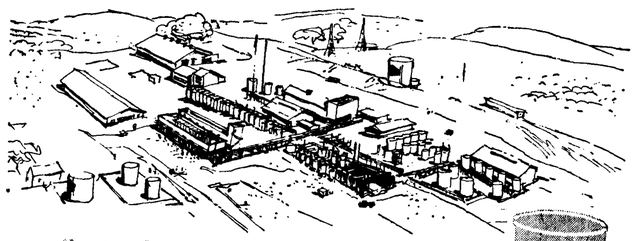
The rise in prices over the second Plan period has been more than 25 per cent. It is also clearly recognised that, in view of the present price trends, the scope for deficit financing is very limited in the third Five-year Plan. According to the Draft Outline on the Third Plan, it is assumed that money supply could increase by about 33 per cent in the third Plan period without causing excessive pressure on prices. It is estimated that the additional money creation permissible might be of the order of Rs. 950 crores. Allowing for the increase in the money supply by the banking system, the amount of budgetary deficits during the third Plan is taken as Rs. 550 crores.

Conclusion

In a total outlay of Rs. 12,000 crores with a physical target of Rs. 8,000 crores and a financial target of Rs. 7,500 crores in the public sector, deficit spending of Rs. 550 crores may not be much. But it is possible that, with a shortfall in other domestic resources, the temptation to increase deficit spending would always be present. It must be realised that, besides the monetary factor, there are other factors also contributing to rise in prices, such as increase in population, shortages of essential raw materials, uncertainty with regard to food production and unsocial practices of creating artificial scarcity. But when the second Plan is coming to a close with a rise in prices of more than 25 per cent, the primary need at present is to achieve economic growth during the third Plan along with price stability. In a developing economy, some rise in price is inevitable. A rise in price of about 2 per cent per annum may not be dangerous, but, beyond that, it would be really risky. Achieving progress along with price stability would very much depend upon our ability to hold the price-line with regard to foodgrains and industrial raw materials which occupy a strategic position in our economy. Increased production and building up of buffer stocks would help us to a great extent. It is also equally necessary to restrain consumption and encourage savings. Additional taxation must restrain consumption without affecting a minimum standard of consumption and also give all inducements to encourage savings. The existing capacities in industries should be fully utilised. In short, the primary aim of the third Plan should be progress with price stability.

A rise in prices leading to a rise in cost of production will have an unfavourable effect on our balance of payments position. When there is reduction in the cost and prices and lower rates of interest in other countries, we cannot compete in an international market on a competitive basis with our high cost and high prices. The plight of the sugar industry clearly illustrates the position. With a surplus of sugar, we are unable to find an export market, because prices are very much higher than international prices. Moreover, one cannot expect people to be enthusiastic about savings and lending to the Government, if the rupee goes on depreciating in value. One might criticise the Indian people for investing in precious metals and real property, but, when the rupee is depreciating, it would certainly be more profitable to invest in precious metals or real property, as they automatically appreciate in value, than invest in Government loans. Rising prices not only limit the ability to save but discourage such efforts, as people feel that they would get less goods and services in future for the money saved. It is very essential that, both from the internal and external aspects of our economy, the rupee should not be allowed to depreciate little by little. The monetary and fiscal policies should have the common aim of securing stability of prices and the value of the rupee. Deficit financing should be kept to the barest minimum and, hereafter, the aim of planning should be "economic development with price stability" and not at the expense of price stability.

UNION CARBIDE INDIA
now offers from its Trombay plant



These four synthetic organic chemicals now being produced at Union Carbide India's Trombay Plant serve as raw materials and intermediates in the processing and manufacture of a whole host of products for industry and the home—from dyes, textiles and drugs to automobiles, leather cloth, foodstuffs and photographic films,

For your requirements of these organic chemicals write to your nearest Union Carbide India Office.

UNION CARBIDE
INDUSTRIAL PRODUCTS SALES DIVISION
UNION CARBIDE INDIA LIMITED
BOMBAY • CALCUTTA • DELHI • MADRAS

JWTUC 290A

now in effect

3%
Interest on savings bank account

4%
Interest on deposits fixed for 12 months and over but less than 24 months.

5%
Interest will be paid to you for your deposit for a fixed period of 5 years or more

THE INDIAN BANK LIMITED
REGD. OFFICE: INDIAN CHAMBER BUILDINGS, MADRAS-1
G. S. SUNDARAM
Secretary

VSK-15

STEARIC ACID
(DOUBLE DISTILLED)
Manufactured by
THE MODI VANASPATI MFG. CO.
Maharashtra State Distributors
RAMJILAL LAKHMICHAND
333, Kalbadevi Road, Bombay-2
Phone—Office: 39361 Residence: 88436
Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

Where on earth is Mogadiscio?

Frankly, till somebody in Mogadiscio ordered BINNY'S cloth, we too didn't know that it was the capital of Somalia in East Africa.

Today BINNY'S cloth is imported by 50 countries-superb fabrics made from cotton of the best quality and dyed with the fastest colours or so carefully bleached that the full strength of the cloth is preserved.

Rigid Quality Control* ensures maximum durability and perfect finish.

Quality Control:

Modern machines process yarn and cloth so fast that often defects, invisible to the naked eye, creep into the cloth. Quality Control is laboratory testing to eliminate defects at every stage of production. That's why BINNY'S fabrics stay smart so long.

*Testing cloth for defects
Every yard of cloth from the looms is examined thoroughly for defects before it is passed for dyeing or bleaching and finishing.

BINNY'S manufacture nearly 90 million yards of cloth every year. Here are some of the varieties they make:

Shirtings . Khaki Drills . Bleached & Dyed Drills . Towels . Anticrease Suitings . Tussores Union Fabrics . Silk Sarees etc. etc.

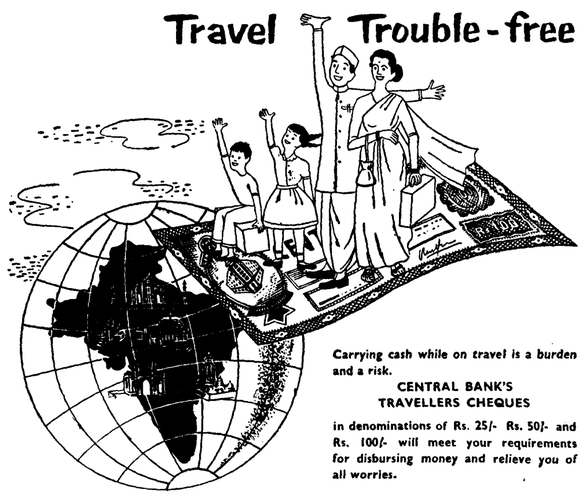
JWT/BY/1/1387a

Buy your requirements of BINNY'S fabrics at controlled rates from authorised BINNY Stockists who display this sign board.

BINNY-a great name in textiles

The Buckingham & Carnatic Company Limited
The Bangalore Woollen, Cotton & Silk Mills Company Limited
Subsidiaries of Binny & Co. (Madras) Ltd.

Travel Trouble-free



Carrying cash while on travel is a burden and a risk.

CENTRAL BANK'S TRAVELLERS CHEQUES

in denominations of Rs. 25/- Rs. 50/- and Rs. 100/- will meet your requirements for disbursing money and relieve you of all worries.

THE CENTRAL BANK OF INDIA LTD.
HEAD OFFICE: MAHATMA GANDHI ROAD, BOMBAY-1

AUGMENTING USES OF RAW WOOL

WORLD BODY TO INTENSIFY ITS ACTIVITIES

A DECISION to make renewed efforts to develop new processes and finishes in wool industry in all parts of the world was taken at the 10-day conference of the International Wool Secretariat held recently at Sydney. The need was also stressed for more regular exchange of information on technical advances between the Commonwealth Scientific and Industrial Research Organisation and the I.W.S., as well as for facilitating interchange of personnel between the two organisations. The conference, which was mainly concerned with promotional activities, further decided to continue and intensify work to discover the best method of allocating and using the available funds, suitable methods for measuring the effectiveness of promotional work, detailed surveys of consumer attitudes, and study of short and long term trends in demand for wool products.

Mr. McEwen, Australian Minister for Trade, who spoke at the conference, observed that "we have no doubt the best fibre but we must also realise that we cannot rest our case there; we have to go out now, and promote wool on a scale never before contemplated." The I.W.S. has already been engaged in the task of promoting the cause of wool, in order mainly to enable it to withstand competition from substitutable fibres. As pointed out by Mr. R. G. Lund, Regional Director for Europe, the I.W.S., in its programme for popularising wool, has applied two principles, namely, choice and concentration, keeping in view the fact that it cannot compete in every field with "rival fibre organisations which have greater resources." Its publicity measures have been concentrated in consumer advertising linked with merchandise and also in technical liaison and product development.

It is gratifying that, apart from the reaffirmation of faith in wool's competency as a fibre, the representatives of wool industry and trade have tried to chalk out positive measures to step up the tempo of publicity drive and explore new scientific processes. This has come not a day too soon. For the industrial demand for wool, it would appear, has not so far picked up in several major consuming countries, such as the U.K. and the U.S., since the 1958 recession. The latest trends in production, too, give no room for complacency.

Output Declines

The total world output of wool is expected to have suffered a small setback in the current season (1960-61). According to provisional figures released by the Australian Bureau of Agricultural Economics, world production of wool in 1960-61 would be of the order of 5,519 million lbs., greasy basis, a decline of 1.5 per cent as compared with the previous year. The decline in production is mainly the result of the lower level of clippings in Australia, which account for about 30 per cent of total world wool production. In South Africa and Argentina, too, there was a perceptible decline in output. The net decline in world output would have been much more pronounced but for the expected increase in output in some other countries, such as the U.S., New Zealand and Uruguay. The output in the Soviet bloc is also provisionally placed higher than in the previous year. Group-wise, the reduction in output is accounted for mainly by merino wools, thanks mainly to the setback in Australia. The production of crossbred and carpet wools show little change.

The following table shows at a glance the trend of world wool output during the last 25 years:

(Million lbs., greasy basis)

	1934-38 (average)	1958-59	1959-60	1960-61†
Australia	995	1,591	1,690	1,600
New Zealand	290	540	585	595
Rest of Commonwealth	230	254	265	N.A.
South Africa	581	314	319	297
Argentina	376	421	434	409
Uruguay	114	175	180	175
U.S.	470	289	316	320
Soviet bloc	435	1,010	1,098	1,106
Others	608	749	767	1,017*
World Total	3,788	5,347	5,599	5,519
(Clean equivalent)				
Merino	742	1,187	1,252	1,189
Crossbred	810	1,253	1,308	1,327
Others	472	697	627	617
Total	2,024	3,087	3,181	3,143

† Preliminary.
* Including Commonwealth countries other than Australia and Poland.
Source: Australian Bureau of Agricultural Economics.

The decline in Australian wool production (by about 5 per cent) was the result of dry conditions in all its important wool-producing areas in the beginning of the 1960-61 season. Although heavy rains fell in the south and west, Queensland was suffering from widespread drought until the end of December. Had it not been for the unfavourable climate, Australia would have maintained the tempo of the previous year's growth in output. In fact, during the current season, slaughterings are expected to continue at last year's high rate. The number of sheep in Australia, it may be recalled, set an all-time high at 155 million in March 1960, reflecting an increase of 2 per cent over a year. This increase reflected a record lamb marking which was more than sufficient to offset deaths and slaughterings. Almost all areas had participated in the increase in that season, except South Australia, where drought conditions reduced the number of sheep to 10 per cent below the previous year's level.

In Argentina

Another country which registered a decline in output was Argentina. Its production is expected to be lower by about 25 million lbs. at 409 million lbs. in 1960-61. This brings the country's output to the somewhat disappointing figure of 409 million lbs., or just the same attained as early as in 1957-58. The main reason behind this season's downward trend was the indirect impact of unfavourable weather conditions in the country, particularly in the Patagonian region, during the two previous years. The domestic wool industry suffered severely from floods during 1959 and from prolonged dry spells later in the season. Nevertheless, total production was running at a higher level, as is shown in the table in column one.

The unfavourable weather conditions have also affected adversely the South African wool industry. The Cape Province, in particular, has been worst hit by continuous drought in recent years. In the current season, there have been large-scale attempts to move sheep out of the most severely affected areas to regions where feed is more plentiful. This measure did not prove much of a success, and the domestic output fell below the 1957-58 level of 299 million lbs.

In Uruguay

The production in Uruguay was also damaged to some extent on account of bad weather conditions in recent years. Heavy flooding of grazing areas resulted in a 9 per cent fall in the number of sheep in the country between 1958 and 1959. These conditions improved slightly in 1960 and, therefore, production in the current season is expected to recover to the level of 1958-59, that is, 175 million lbs., or 10 per cent above that in the 1959-60 season.

In New Zealand, the upward trend in production witnessed in 1959-60 is expected to be maintained during the current season. According to the New Zealand Wool Commission, production in the current season is likely to go up to 595 million lbs., as against 565 million lbs. in 1959-60. The lambing rate in the last season was only slightly lower than in the previous season, and, in spite of a considerable increase in the number of sheep and lambs slaughtered, it is estimated that the number of sheep had risen to 48 million by June 1960, representing an increase of 30 per cent over 1954.

The production of wool in the U.S. is expected to rise by just 3 per cent to 320 million lbs. in 1960-61. The rate of growth, however, is smaller as compared with an increase of 8 per cent in 1959-60. The U.S. is, by the way, the only major producing country which showed a decline from the 1934-38 level of production. Its average annual output of wool in 1934-38 period, it may be recalled, was as much as 470 million lbs. It may be mentioned here that in 1959-60, for which final estimates are now available, three countries, Australia, New Zealand and South Africa, produced 46 per cent of the world's wool, from about 25 per cent of the world's sheep. They accounted for no less than 70 per cent of the wool entering world trade. If the other two important southern hemisphere producers, Argentina and Uruguay, are added, the five countries taken together accounted for over 90 per cent of the wool entering world trade. South America specialises in the production of crossbreds and carpet wools, and in 1959-60 contributed 23 per cent and 30 per cent, respectively, of these wools. The other large wool producers are the U.S. and the Soviet Union; in 1959-60, they produced 6 per cent and 19 per cent of world output, respectively.

Soviet Bloc

In respect of Soviet wool production, data are not readily available as in the case of other major producers in the non-communist countries. A rough idea about the Russian wool output is given in an article (by Mr. W. Black) in the latest issue of *The Times Review of Industry*. Analysing the trend of production in that country, Mr. Black observes as follows:

"The Russian wool industry has shown a very high rate of expansion in recent years. The number of sheep increased from 108 million in 1957 to 136 million at the beginning of 1960. Over the same period wool production increased by almost 30 per cent. During the last year, however, there have been reports that severe winter conditions have caused sheep losses, and, on the basis of these reports, the Commonwealth Economic Commission estimated that production was unlikely to increase by more than 1 per cent in 1960-61. Since that estimate, however, more information has been made available. The Central Statistical Board of the U.S.S.R. Council of Ministers, reporting in January on the fulfilment of the 1960 State Plan, puts the number of sheep at the end of 1960 at 132 million. This represents a 2.5 per cent decline on the peak figure reached at the beginning of 1960, and the first reduction recorded since the end of the last war. Mr. Khrushchev has recently made specific reference to the sheep-breeding industry, pointing out that last year's results lagged far behind the seven-year Plan targets. He still seemed to think, however, that the final targets could be achieved and urged a faster rate of expansion during the next five years."

As is mentioned above, it is likely that Russian output of wool will be smaller than that in the last season. The table on the previous page, no doubt, indicates an upward trend, but these figures are based on the Commonwealth Economic Committee's first estimate and is, therefore, possibly a little higher than the latest estimates.

Consumption

The data on the trend in consumption is not available for the period beyond 1960. It is, however, reasonable to assume that the recession that engulfed the wool industry in 1958 blew off by early 1959, but the recovery did not seem to have any lasting effect, with the demand from major consuming countries such as the U.S. and the U.K. slackening from the end of 1959 onwards. World consumption of virgin wool in 1959 was 3,157 million lbs. on a clean basis. This was 11 per cent higher than in 1958 and 7 per cent above the previous record level in 1957.

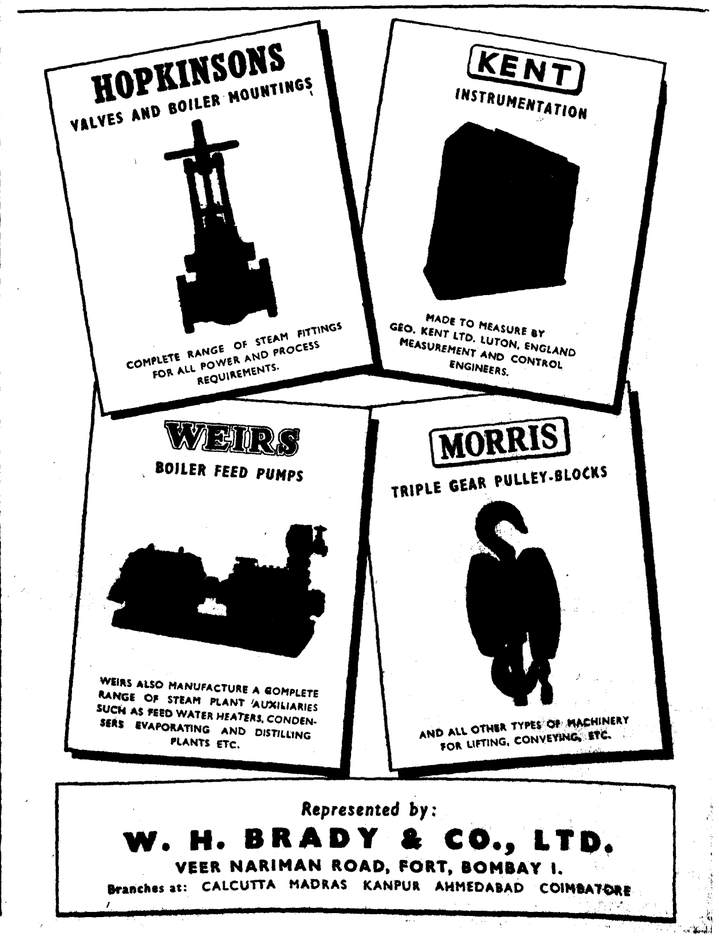
In 1960, the aggregate world consumption of virgin wool, it is estimated, was about 2 per cent above the 1959 level. The following table shows the provisional estimates of consumption of wool in the important countries during the last four years:

(Million lbs.—clean basis)

	1957	1958	1959	1960*
U.K.	481	444	509	481
U.S.	389	389	437	412
France	310	266	267	280
Japan	188	161	226	267
Italy	161	156	178	214
W. Germany	161	152	157	150
Soviet bloc	614	673	716	..
Others	670	689	667	..
Total	2,953	2,830	3,157	..

* Provisional.
Source: Commonwealth Economic Committee.

It was actually the relatively smaller consuming countries which absorbed an increasing volume of wool in 1960. The increase was particularly marked in the case of Japan and Italy. Japan consumed 18 per cent more wool in 1960 than in the previous year. This country has now become the world's fifth largest consumer of wool after the U.K., Russia, the U.S. and France. Italian consumption rose at a still higher rate, that is, by 20 per cent. In the case of France, too, there was some increase in wool consumption. In contrast, the U.K., by far the largest consumer of wool (excluding the Soviet bloc), and the U.S. consumed less last year than in 1959. In the U.K. consumption for 1960 is placed lower by 6 per cent and production of tops by 8 per cent, as compared with the previous year. The U.S. consumption is also estimated to have gone down by 6 per cent, the finer merino apparel wools registering the greatest fall. While there are no indications at present of any sizable improvement in the consumption pattern in these countries, there are equally ominous signs in countries like Japan, Italy and France, where the demand for wool was gradually slowing down at the end of 1960 and in the early part of 1961. In the light of this uncertainty in demand prospects, it may be that lower production during the current season is a blessing in disguise.



EXTRA-LONG STAPLE COTTON

An interesting report on extra-long staple cotton was submitted by a committee to the twentieth plenary meeting of the International Cotton Advisory Committee which met at Tokyo recently. The findings of the report reveal that, with a reduced carryover and smaller crop, supply in the two major producing countries, the United Arab Republic and the Sudan, has declined in the current season. The demand situation so far has not been as favourable as in 1959-60. The exports of extra-long staples from Egypt and the Sudan are sharply reduced but are higher in the case of Peru. The Committee thought that the main contributing factors in the reduction in demand were that mills had covered their requirements for some time ahead and had replenished their stocks during the last two years, that there has been a slackening in demand for fine yarns, and that apprehension concerning the future price trend might have led to some postponement of demand by importing countries. Demand for extra-long staples might also have been affected by cyclical factors.

Despite the reduction in demand, prices showed a rising trend during the early months of the season, but declined subsequently, though still commanding a premium over other cottons. Accordingly, the carryover on 1st August 1961 is expected to be higher than a year before. Based on the provisional estimates of acreage and assuming a return to more normal yields in the Sudan, the total production of extra-long staple may increase somewhat during the 1961-62 season. In view of such an increase, together with the larger carryover, a noticeable increase in supply is expected. The consumption outlook is enigmatic and the situation in the extra-long staples, therefore, warrants the closest attention of the I.C.A.C. during the coming season.

In the past, the problems in extra-long staple cotton have been related to the tendency for production to exceed offtake. The Committee, however, observed that the acreage restrictions continued in force in the U.A.R. and the United States, while any further expansion of acreage in the Sudan over the foreseeable future was likely to be limited. No expansion is contemplated in Peru. On the demand side, the Committee took note of the encouraging progress made in producing countries in the field of research and promotion and urged the continuance and acceleration of such programme to increase the consumption of extra-long staple cotton. The Committee endorsed a policy of collaboration and co-operation among all countries in achieving an expansion in consumption, though views were not unanimous at this time concerning any joint action under a formal agreement in the field of promotion as was advocated by the Sudan delegation.

In the opinion of the Committee, although production research should remain the prerogative of individual countries, a move should be made to initiate a joint research programme on utilisation of extra-long staples and the following course of action was recommended:

"The authorities in each of the four countries producing extra-long staples are requested to prepare a report on how such a programme might be implemented on a co-operative basis. These reports should be in the hands of the Secretariat by 1st November 1962 and would then be distributed immediately by the Secretariat to the respective Governments for comment and analysis. The reports and comments thereon should be re-forwarded to the Sub-Committee on extra-long staples in Washington for appropriate action."

The Committee noted with approval and satisfaction the impending visit by Mr. Santley to certain countries to evaluate the possibility of undertaking a comprehensive study of the extra-long staple cotton situation.

Twenty-four big textile mills are to be built by the end of the seven-year Plan period (1965) in Siberia, the Urals and the Far East. Over one billion metres of various fabrics, almost five times as much as planned for the current year, are to be manufactured in 1965 in these vast expanses of the Asian part of the U.S.S.R., which virtually has no textile industry today. This zone accounts for about four per cent, of all fabrics manufactured in the Russian Federation, while in 1965 it will manufacture more than 10 per cent of the total. The long-term programme provides for an annual output of upto 2,500 million metres by 1975.

TEXTILE TALKS WITH HONG KONG

GOVERNMENT URGED TO ENSURE CONTINUANCE OF CEILING PACT

From Our Special Correspondent

MANCHESTER, *6th June*

MANCHESTER LETTER

EVERYTHING points to a long delay in reaching any form of settlement with Hong Kong on the vexed question of a renewal of the pact curtailing shipments from the Colony for retention in Britain's home market. The whole problem is now additionally complicated by suggestions made by other countries, including the United States and Canada, that similar restrictions should be imposed, while the possible entry of the United Kingdom into closer association with the major European countries, provides the most baffling feature of all.

Internal squabbles between sectional interests in the Colony have persisted throughout the lifetime of the current arrangements and the gains made by the garment manufacturers at the expense of spinners and weavers have undoubtedly caused bitterness. A crisis now seems to have arisen, resulting in the refusal of the major parties to the pact to enter into discussions with their local Government advisers who have recently been in touch with the Colonial Office and Board of Trade administrators in London. For the moment, therefore, any idea of direct consultations between Hong Kong and the Cotton Board, representing Lancashire's viewpoint, seems unlikely, yet as the weeks go by the time for discussion is automatically reduced.

Basic alterations in the circumstances which have arisen since the original scheme was drawn up make the whole project far more complicated than it was in the past. Piecemeal arrangements separately fixed with different countries are themselves an unsatisfactory way of dealing with an admittedly complex problem. From this angle the viewpoint of Hong Kong can be understood. Political aspects, however, now play such an important part in reaching agreements of this nature that, however much the negotiators wish to carry on discussions purely at industry level, they can hardly expect to ignore the influence of Governmental attitudes.

Action Urged Over Hong Kong

A recommendation that the Government should "act with all speed" to leave no doubts in the minds of producers in Hong Kong that a continuance of the voluntary agreement limiting the supply of cotton goods to the United Kingdom must be negotiated "in the interests of everyone concerned" is contained in the quarterly Report of the Amalgamated Association of Operative Cotton Spinners and Twiners. "In certain sections order books have reached a position which is affecting efficient working; there are, we understand, evidences of price cutting and a feeling of disquiet by those contemplating appreciable re-equipment," the report adds.

Import figures for the first quarter of 1961, including the duty-free imports from Hong Kong, India and Pakistan, indicate an annual import rate running at 1,000 million square yards or about 70 per cent of domestic production. These figures, the report states, are "almost unbelievable" and two years ago would have been considered "impossible." "The Government must answer this question and it must do it boldly first with Hong Kong and next by duty protection against low grade productions and export subsidies."

Confidence in the future of the industry must be established, the report adds, if re-equipment is to be justified and if younger workers are to be recruited. "The situation which is developing can only be viewed in the light of our past experience. The degree of surplus capacity is mainly determined by the amount of foreign cheap imports and the shadow of the 1930's and the 1950's still envelops the minds of many of those employed in the trade."

New Wealth to Lancashire

Disused mills closed under the cotton reorganisation scheme are now bringing a new wealth to Lancashire, leaders of industry were told in Manchester. Empty cotton mills, snapped up by new employers, have been a major aid in bringing new industry to the Lancashire area, Mr. Tom Eccles, the Chairman, told the annual meeting of the Lancashire and Merseyside Industrial Development Association. "The past year has been an extremely good one for Lancashire and Merseyside," he told the conference. "Few areas have been so completely transformed in so short a time. It is not without justification that the area is now considered one of Britain's most prosperous." But, he said, there was still room for more industry in many parts of the area.

They hoped that the many jobs now available would coax back to Lancashire people who had switched their homes and jobs to the South and Midlands. Mr. Eccles said that one of the biggest headaches for industry chiefs was the Furness area of Lancashire. Its inaccessability, dependence on one industry and the migration of population, coupled with high unemployment, justified special consideration, but no form of Government policy was available. Bright spot was the number of workers available, particularly women. And, he said, the Association was centring its efforts on bringing new jobs to Furness.

As a footnote to the employment of empty cotton mills, Alderman T. E. Gallagher urged the Association to approach the Government for financial aid to remove those mills which could not be sold. "They are eyesores," he declared, "and should be pulled down."

A warning of a "terrific shake-up" for some industries if the United Kingdom joins the European Common Market was given by Mr. L. F. Cockcroft, the Chairman, at the annual meeting of the Ticking Group. Referring to Britain's possible entry into the Common Market, he said: "The odds seem to be that before long H.M. Government will announce its intention to take the plunge."

If we do go in, continued Mr. Cockcroft, we shall be "hard put to it" to find export outlets which will balance the increases to be expected in imports. On the other hand, imports from Asian countries had given "considerable concern" during recent months, said Mr. Cockcroft, and "the wider the Common Market is in its scope the more difficult dumping will become."

Mechanising Manpower

Scientists at the newly integrated research station working on behalf of the non-wool textile industries are, understandably enough, devoting a large part of their energies to the provision of machines and equipment capable of turning out suitable products with the smallest labour force possible. Although there were fears that the redundancy schemes in spinning and weaving would result in considerable unemployment, this nervousness was soon allayed when the subsequent buying spree took hold of the market. Latterly, the shortage of adequate workpeople has been a major factor in restraining output.

Although the immediate situation no longer causes quite so much alarm due to the reduction in demand, the necessity of making the most economical use of manpower is widely recognised. For this reason, revolutionary techniques are the subject of experiments which could transform the current methods of producing yarn and cloth.

Mr. R. H. Taylor, Chairman of Hayeshaw Ltd., the spinning group, has pointed out that more scientific discoveries leading to technological improvements in spinning machinery have taken place recently than for many years. Textile men from Lancashire have been to many other countries to discuss such developments, most of which are taking place in North America and Western Europe. The traditional centres of spinning and weaving realise that their main hope of survival against low cost competitors lies in being well ahead in technical processing.

Reducing Labour Costs

Britain and the other older-established textile nations face the necessity of reducing the ratio of labour cost to total cost to make shift-working pay. "In endeavouring to compete with countries that have a lower standard of living and at the same time overcome the shortage of labour, we must develop every means of mechanisation," is Mr. Taylor's comment. "We have to accept the fact that the textile industry is subject to trade cycles and some years are more profitable than others." Competition has become much keener, he adds, during the destocking movement which has been taking place during the current year. The challenge of competition from Western Europe must be met and it is hoped that the West in general will unite against cheap competition from the East.—*All Rights Reserved.*

BANKERS

It will pay you to consult us

FOR YOUR

★ CHEQUES ★ SHARE CERTIFICATES

★ DEMAND DRAFTS ★ LEDGERS

★ PAY-IN SLIP BOOKS ★ PASS BOOKS

★ LETTERHEADS ★ ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

STATE BANK OF TRAVANCORE

(Subsidiary of the State Bank of India)

Head Office: TRIVANDRUM

OFFERS INCREASED INTEREST RATES ON DEPOSITS

as under with effect from 1st April 1961:

SAVINGS BANK DEPOSITS .. 3% p.a.

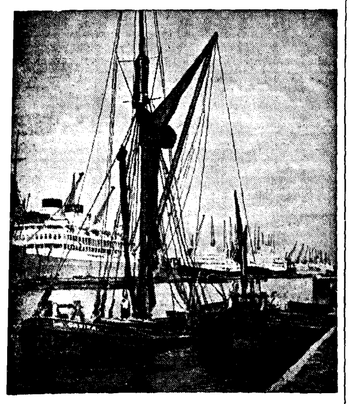
FIXED DEPOSITS .. .. from 4% to 5%

Full particulars can be obtained from Head Office or the nearest Branch.

As a subsidiary of the State Bank of India we have agency and drawing arrangements with all branches of the State Bank of India and their seven subsidiaries.

ALL TYPES OF INTERNAL AND INTERNATIONAL BANKING BUSINESS TRANSACTED.

T. R. KRISHNASWAMI, *General Manager*



Ship via London

BRITAIN'S PREMIER PORT

EQUIPPED FOR ALL TYPES OF SHIPS AND CARGOES

The PORT OF LONDON AUTHORITY

A Self-governing Public Trust for Public Service

For full particulars apply

The General Manager

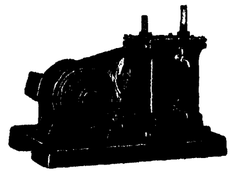
PORT OF LONDON AUTHORITY, LONDON, E.C.3

LABORATORY AND INDUSTRIAL VACUUM EQUIPMENT AND MEASURING INSTRUMENTS

by

M/s. ARTHUR PFEIFFER, GERMANY

Manufacturers of High Vacuum Equipment like Vacuum Pumps, Diffusion Pumps, Electric and Mercury Vacuum Gauges, High Vacuum Evapor Plants for Metal Coating, Etc.



Sole Agents:

TOSHNIWAL BROTHERS (PVT.) LTD.

198, Jamshedji Tata Road, Bombay 1

Branches:

AJMER CALCUTTA DELHI MADRAS

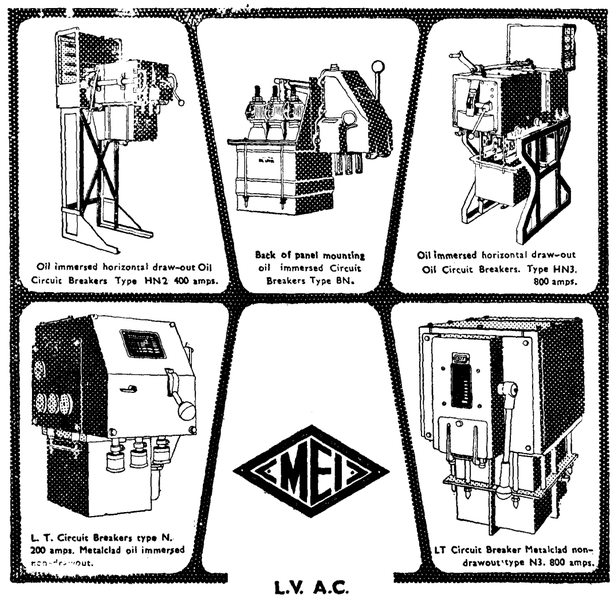
YOU CAN ALWAYS TRUST WHEN IT'S Shanks

Approved by the Malaria Institute of India

SHANKS single-pull "MOMOS" Cisterns are mosquito-proof and work on the valveless syphon principle. They last long and outdo other varieties in working efficiency.

J. B. NORTON & SONS LTD.

STEPHEN HOUSE, CALCUTTA.



L.V. A.C.

OIL CIRCUIT BREAKERS

FOR VOLTAGES UPTO 600V.

Made in India under licence from J. G. Statter & Co. Ltd., England, by:

THE MYSORE ELECTRICAL INDUSTRIES LIMITED

Bangalore.

Sales & Service: I.A.E.C. (BOMBAY) PRIVATE LTD.

43, Forbes Street, Bombay 1.

Branch at: "K" Block, Chawdhary Bldg., Connaught Circus, New Delhi.

Associated Offices at: Calcutta • Madras • Bangalore • Hyderabad.

NEPAL BANK LIMITED

(Incorporated under Nepal Bank Act of 1994 (Sambat))

Central Office: KATHMANDU, NEPAL

Authorised Capital .. .. ..N.C. Rs. 1 crore

Paid-up Capital .. .. ..N.C. Rs. 25 lacs

Reserves and Exchange Fluctuation Fund .. .. ..N.C. Rs. 44 lacs

(N.C. Rs. 160=I.C. Rs. 100)

23 Branches and Sub-Offices in Nepal

Enquiries are invited from Banks, Commercial Concerns and Tourists for information regarding Prospects, Procedure and Regulations in Nepal.

THE HINDUSTAN COMMERCIAL BANK LTD.

Head Office at Birhana Road, Kanpur

and

38 BRANCHES AT IMPORTANT CENTRES

All types of banking business transacted. Locker facilities available at Agra, Calcutta (Netaji Subhas Road), Hardoi, Kanpur (Birhana Road), Kanpur (Aryanagar), Lucknow (Aminabad), Meerut Cantt., New Delhi and Varanasi Branches.

Attractive rates offered for deposits and reasonable rates charged on advances

Loans against Post Office Savings Certificates and Treasury Savings Certificates granted at low rates of interest.

EFFICIENT SERVICE

Sir Padampat Singhania, Kt., *Chairman.* S. S. Rachhpal, *General Manager.*

PROSPECTS FOR INDIAN TEA INDUSTRY

INTERNAL OFFTAKE EXPANDING RAPIDLY

THE production target for tea fixed to be achieved by the last year of the third Plan (that is, 1965-66) is 408 million kg. (1 kg.=2.2 lbs.), which represents a rise of 88 million kg. as compared with the actual output of about 320 million kg. in 1960-61. Although the target is by no means ambitious, it is difficult to say categorically that the target will be successfully fulfilled, because much will depend on the attitude of Governments, Central and State, towards the industry. There is urgent need not merely for sizable tax relief but active encouragement and assistance to enable the industry to put in more effort to raise production and improve quality. This aspect has to be specially stressed because tea is the largest earner of foreign exchange for the country, not to speak of its employment potential and the valuable contribution it makes to the exchequers in the form of taxes and cesses.

While the long-term prospects for the industry are thus somewhat uncertain, it is, indeed, encouraging to be told that the outlook in so far as the 1961-62 season is concerned is quite favourable. This at any rate is the view expressed by Messrs. J. Thomas and Co. Private Ltd., of Calcutta, in their latest annual report. If the North Indian crop were to increase and if, as a consequence, prices were to recede, as is likely, this, it is pointed out, should have its compensations by way of reduced cost of production for producers and increased exports of Indian tea. Assessing the immediate outlook, the report observes: "The strong demand in the closing sales of season 1960 should provide an encouraging outlook for producers in the first few months of the new season, and there is every expectation that the market will open on a note stronger than for several years past. At present, the overall statistical position indicates that there is little, if any, surplus of tea in the world and, in all probability, there may be a slight shortage. In India itself, the consumption of tea is expanding more rapidly than in any other country and is possibly increasing at a rate of 7 to 9 million kg. per year and the immediate prospects would appear to be fair."

The Handicaps

In order to assess the future of the industry, Messrs. Thomas and Co. consider it necessary to examine the actual progress made in the past ten years. Their review of the progress reveals that the crops from Ceylon, Africa and other tea-producing countries have increased over the last decade from approximately 218 million kg. to 305 million kg., representing an increase of nearly 40 per cent while those from North and South India have only advanced by 20 per cent from approximately 265 million kg. in 1948-50 to 320 million kg. during 1958-60. The world shipments for the same period have also expanded by nearly 30 per cent, but the proportionate increase in the case of India amounts to less than 8 per cent indicating not only that India has fallen far behind its main competitors in production as well as exports but also that it has been unable to enlarge its exports in proportion to the increase in its own outturn. A great many factors are responsible for the present situation, but among the numerous handicaps from which the North Indian tea industry suffers are the seasonal nature of its manufacture, the large distances over which teas have to be transported to arrive at Calcutta, dearth of freight opportunities to various destinations and a shortage of fertilisers, all of which impose tremendous strains on the cost structure of the industry.

It is against this background that the imperative need for India raising its tea production as rapidly as possible has been emphasised. Otherwise, it is warned, with internal consumption forging ahead and prices tending to rise, not only will this country's tea be priced out of world markets but there will be less and less tea for export. If the third Plan production target is to be achieved, heavy expenditure will naturally have to be incurred, but the industry is currently facing the difficult problem of finding the required finance. Messrs. Thomas and Co. have done well impressively to highlight this point. They say:

"Despite the satisfactory market conditions which have been experienced since 1958, there is little surplus available to the producers to finance programmes of development both in the field and factory. While the need for revenue in the context of the present economic development programme which India is pursuing is fully understandable, it is mainly the taxation policy followed by the Central as well as the State Governments which has clearly served as disincentive to the Indian tea industry. In this connection, the new budget proposals are an additional burden on producers which will make it more difficult for them to achieve their target. If the long-term future is to be made secure, it is of the greatest importance that replanting of old areas and replacement of worn-out machinery are made economic and profitable, so that Indian production rises during the third Five-year Plan, both in quality as well as in quantity, to ensure India's competitive position in the export markets and to satisfy the requirements of the Indian consumers. Although, therefore, the satisfactory price levels in recent years may have fostered a sense of complacency in certain quarters, the future of the Indian tea industry in general and of exports in particular is clearly in the balance and the danger of a further decline in Indian shipments to overseas markets cannot be overemphasised. The vital necessity to earn foreign exchange as India launches its third Five-year Plan lends particular urgency to this problem."

In view of the vital role played by it in India's economy, the tea industry has a legitimate right to claim fair treatment at the hands of the authorities. How can the tea industry be expected to strive for a quantitative and qualitative improvement in production unless it is assured of a reasonable return? Such a return can be derived only if the burden of taxation on the industry is reduced and if steps are taken to ensure adequate supplies of fertilisers for tea gardens, improved transport and communications facilities and peaceful labour conditions.

Production

The latest annual report of Messrs. Thomas and Co. gives an interesting account of the developments in the tea industry and trade during the past season (1960-61). It will be seen from this review that weather, the most unpredictable element in a plantation industry, proved to be the major factor which influenced the industry's economy. The drought conditions which prevailed in the various tea-growing districts of North-East India during the first six months of 1960 were such that a shortfall in supplies during the rest of the season seemed inevitable, although it was hoped that the output would make up the necessary leeway before the season ended. This, however, did not happen and the season closed with a North Indian crop deficit of nearly 13 million kg. which was to have a considerable effect on the sales in Calcutta.

The weather during the year under review made the plantation of quality teas a harder task than is normally the case. Most of Assam, the Dooars, Terai and Cachar suffered during the early part of the year from a most severe drought which reduced the size of the crop harvested and, later in the year, many gardens, particularly those in the affected districts, in an effort to make up their loss of crop in the earlier months, produced teas of an indifferent quality. In Darjeeling, on the other hand, heavy rain and good growing conditions generally produced a much larger first flush but as is usual with free growth, very little quality was apparent. In view of the handicaps under which most of the tea was produced, the quality can be considered satisfactory.

Consumption

The internal operators bought the bulk of their requirements of leaf teas from export sales, since the quantities offered in the internal catalogues were as usual negligible and the quality very poor. It was the strong demand of buyers of tea for consumption in India that was mostly responsible for raising the level of plain teas to above world market prices for similar qualities, there being very few teas available below Rs. 4.40 nP per kg. throughout the season. The season 1960-61 was extremely satisfactory to producers from the point of view of dust prices as the up-to-date average has shown an increase of 49 nP to Rs. 5.19 nP per kg. from Rs. 4.70 nP per kg. for the same period in season 1959-60, whereas the average price for export teas showed an increase of only 29 nP per kg. As for the 1961-62 season, the report observes:

"The price levels on the dust market will partly depend on how much the U.A.R. buys in the Calcutta auctions; if the U.A.R. continues to make part of its purchases in Ceylon in the coming season, this would undoubtedly influence orthodox dust prices adversely on this market. The internal consumption which has been showing trends towards rapid expansion may, however, counteract this. Considering the unexpectedly large increase in population in India according to the latest census, it is unlikely that the *per capita* consumption has shown an increase during the last decade. However, this increase in population as well as the growing tea habit in this country should be sufficient reason to ensure a steady expansion in Indian consumption. The dust market may, therefore, be expected to continue on a healthy note especially for the strong liquoring types."

Exports

North India exports to the U.K. which had been at one time during the season lagging considerably behind, have since caught up to a great extent although closing behind last year's levels. The Calcutta export market once again received consistent support from the U.A.R. by its purchases of black fannings and grainy dusts. With the mutual trade agreement between the U.S.S.R. and India continuing, the former's offtake of North Indian teas was well maintained at about previous year's levels. The Irish Republic which has the highest *per capita* consumption after the U.K. was once again an active buyer. North Indian exports to Turkey have shown a shortfall of nearly 40 per cent during the season. Indian export figures to West European countries and to North America provide discouraging reading. In regard to the West European countries, West Germany has been the most prominent in the group but its offtake of Indian teas has shown a decline of approximately 300,000 kg.

Virtually the entire North Indian production was packed in indigenous chests and the standard of assembly was quite satisfactory. Cases of chesty and cheesy taints, however, continued to be numerous and many complaints were received, particularly from overseas buyers. The use of unseasoned shooks and battens in the construction of chests and storage under humid conditions in the godowns were some of the factors responsible for these taints and it is of the utmost importance that precautionary measures are taken by all concerned in this matter. During the year under review, transport of teas from the gardens to Calcutta was fully satisfactory, being rapid and uninterrupted except in July when the political disturbances in Assam caused some dislocation. The railway strike in May did not adversely affect the movement of teas as the season had only just begun and there was a negligible quantity available for carriage.

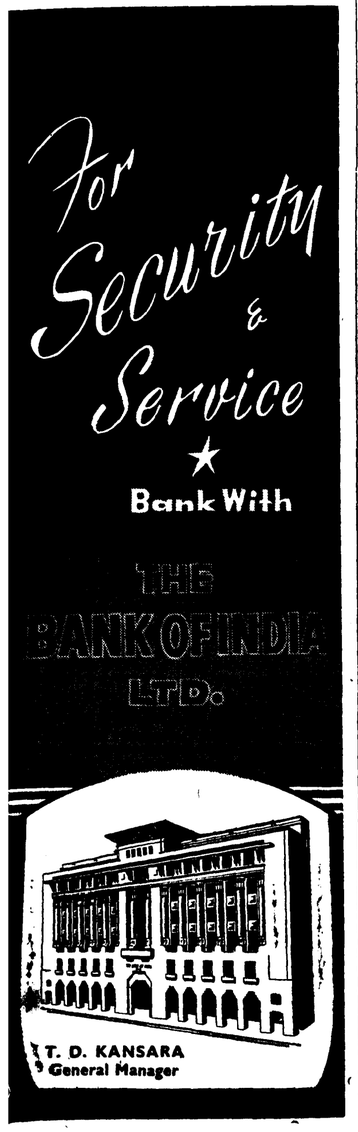
Prices

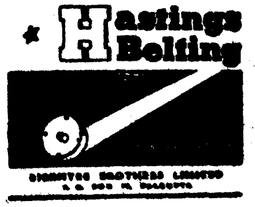
Prices ruling in the Calcutta market during the 1960 season were fully satisfactory and proved particularly beneficial to producers of lower quality teas. Although all districts registered higher averages this did not necessarily mean a better year financially for all gardens. To those estates which were severely affected by the drought this only helped to offset to a certain extent the loss they had suffered in crop. Given below is a table showing the percentage increase or decrease in production and prices in 1960-61 as compared with 1959-60:

	Percentage rise or fall in production	*Percentage rise in price*
Assam	— 6	7.0
Cachar	—21	7.0
Darjeeling	+11	0.3
Dooars	+ 1	7.0
Terai	— 3	6.0

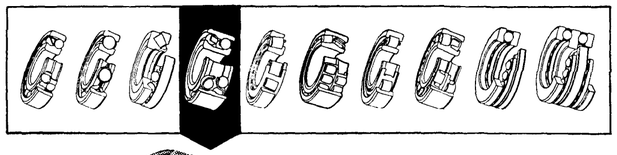
The overall Calcutta export prices in the first two months of the season compared unfavourably with 1959, mainly due to the lower level of prices realised by the Darjeeling offerings. The price averages during July, however, showed a significant improvement and this month's figure in fact touched the peak for 1960. Thereafter, although the monthly averages steadily declined as the season progressed, figures for August-November and February-March ruled at substantially higher levels than during 1959. The final consolidated Calcutta average showed an appreciation of 29 nP over 1959 and 60 nP per kg. over 1958.

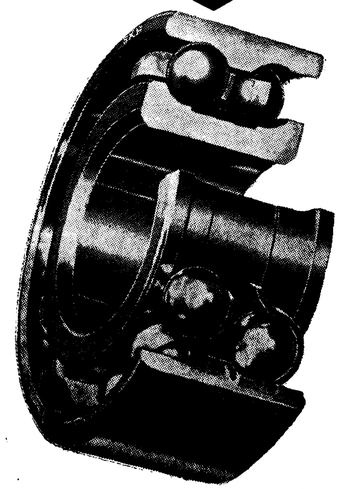
Price fluctuations for the different categories of teas in 1960 were on the whole narrower than in 1959. A notable feature of the market was that plain and lower medium teas enjoyed extremely satisfactory sales and, except on occasions during the early months of the season, virtually no teas in these categories were available below Rs. 4.40 per kg., a trend equalled only during the December and January sales of the previous season. This was one of the best seasons in recent years for whole leaf grades and the level of prices was nearly always maintained above Rs. 5 per kg.





SKF offer the widest selection of bearings





Illustrated here is the SKF DOUBLE-ROW ANGULAR CONTACT BALL BEARING in which the ball tracks are disposed so that the load paths through the balls intersect the shaft centre line outside the bearing. This type of bearing is useful where the displacement of a shaft subject to axial loads must be kept within very narrow limits.

SKF

THE SKF BALL BEARING CO. PRIVATE LTD.
P.O. Box 71, Sir Pherozeshah Mehta Road, Bombay. P.O. Box 588, Netaji Subhas Road, Calcutta.

FERRO-MANGANESE Vital alloy for steel
FACOR manufactures high carbon standard grade ferro-manganese, enough to feed every plant and foundry in India . . . and for export that will earn vital foreign exchange
Local and export enquiries solicited
FACOR laboratory ensures quality

FERRO ALLOYS CORPORATION LTD. Shreeram Bhavan, TUMSAR (Bombay State), India. Tel: FACOR Phone: 29

READY REFERENCER AND GUIDE TO COMPANIES ACT
1961 EDITION
By JOHN and ROW, Advocates, Madras
Contents: A commentary on the Companies Amendment Act 1960.
Text of the Companies Act 1956 incorporating up-to-date amendments.
Price: Rs. 12.50 (*postage extra*)
EXPRESS PUBLISHERS (PRIVATE) LIMITED
33, BROADWAY, MADRAS-1

INDUSTRIAL AIR SERVICES FOR INDIA

A PRACTICAL PLAN OUTLINED

By Wing Commander R. Vaughan-Fowler, R.A.F. (Retd.)

A COUNTRY of the size of India requires an elaborate pattern of domestic air services, if it is to enjoy the maximum benefits from industrialisation. The planning of the pattern requires more than a casual drawing of lines on the map to connect the cities and towns with the largest dots. The air service planner must take into account the growing transportation needs of an expanding industry. Also, the level of the economic life of the nation including the standard of living, as these two factors dictate the class of air service that is most suitable to the country's need.

The airline operators of the world through their public relations organisations, have so forcefully impressed upon the public mind the luxury and speed of air travel that the average individual has given up all hope of ever travelling by air because it is too costly. There are a few airlines who know from their own practical approach to air transport that, given the right treatment and management, air services can be offered at remarkably low air fares and cargo rates.

However, few operators are willing to admit this, in fact they will go out of their way to prove that air travel is a costly business, so air fare increases are justified. The anxiety to increase speed is pathetic, when on one bit of paper they prove it is cheaper if you fly faster, whilst on another bit of paper—the balance-sheet—they show the ever-mounting costs with rapidly vanishing margins of profit. In fact, some operators who in the past made profits are already in the red after one year of high speed operations.

The catch in the whole thing is that on paper it is easy to show what can be done, how much can be earned and how much it will all cost. The moment dislocation of the operation creeps in, as it invariably does in real life airline operation, profit margins are swallowed up in fabulous extra costs. To ensure profitable airline operation jet aircraft should be utilised for a minimum of ten hours per day or 3,560 hours per annum, also all services must operate according to the time-table. Minutes added to the flight time, when added together for the year's operations, add millions of rupees to the cost of aircraft operation.

Even assuming that high aircraft utilisation is achieved and also time-tables are adhered to, it is necessary to fill the aircraft at present-day air fares to 70 per cent of the payload factor if a reasonable profit is to be made. With seat capacity far in excess of public demand this high revenue load factor is unlikely to be achieved. Although these points mostly refer to international air transport it is desirable to explain them here so that the very real difficulties of achieving cheaper air travel through increasing speed are properly understood. Theoretically it should be cheaper to fly faster. In practice, this is not, so far, proving to be the case.

Domestic Air Services

With industrialisation growing apace, the need for really industrialised air transport has become a matter of urgency. In the past, the country has accepted such air services as its nationalised airline Corporation has seen fit to offer, and the cost of these services has not been questioned. Not seriously.

The time has come to ask ourselves—"Exactly what class of air service is going to serve the national need best?" Is it correct to model our domestic air services on the pattern adopted in Europe or some other countries? It is strongly contended that India is such a vast country, and having its own complex system of national life at a lower standard than that existing in most other countries, it is neither practical nor useful to superimpose some foreign air service pattern on this country. India's needs are entirely different from those obtaining in Europe and yet, the Indian Airlines Corporation, if its announcements are to be taken seriously, plans to follow the European pattern to the latter. Why?

The only plausible explanation is that the management of the I.A.C. has yet to make a real study of the country, its industry and its national life. Economy of operation is the first and foremost necessity so that air fares can be reduced instead of increased. This may call for revising our ideas of air travel, the luxury will have to go, there can be no frills. High density seating will be common on all services. In addition, each service should carry a quota of cargo, as income from this source has got to be built up till it contributes a substantial percentage of the direct operating costs, if not actually covering them.

The type of aircraft to be used must be carefully considered. The routes may be divided into two classes: (*a*) major routes over which traffic flow is considerable demanding the use of large-size aircraft, and (*b*) the secondary routes that can be served by a medium-sized twin-engine aircraft. Both types must be suitable for carrying mixed loads of passengers and cargo, with the bulkhead easily adjustable so that when necessary the passenger cabin can be enlarged or alternatively the cargo hold can be increased in cubic capacity. Flexibility in handling mixed loads is vitally important.

The main objective is to create more traffic by offering air travel at fares lower than those ruling in India today. The fares are already low by comparison with air fares in other countries, but they could be still lower if the I.A.C. selects the most suitable aircraft and goes out of its way to earn as much as possible from cargo.

Cargo Traffic

There appears to be a distinct disinclination to fight for a share of the domestic cargo traffic, which is now carried almost entirely by the railways and the road transport organisations. It is understood that the I.A.C. regards it as hopeless to even try to compete with the railways and the road transport. Why is it hopeless? How did this defeatist attitude come about? Has the I.A.C. ever discussed the possibilities of air cargo with the chambers of commerce or the various industrialists' associations? According to my information, bulk shipment of air cargo by I.A.C. ex-Bombay is not accepted, so all cargo by air has to be sent at express parcel rates! Of course, it is very nice charging this high rate but it is not helping the industrial development of the country nor serving the public need. It might not be out of place to point out that I.A.C. is supposed to be a public utility service.

Having adopted such a policy of virtually shutting out cargo, on what grounds does the I.A.C. adopt the attitude that it is hopeless to try to compete with the railways and the road transport? The whole approach seems illogical. What is certain, in spite of the high rates charged an incredible amount of goods are still sent by air. On this I base my claim that if the cargo rates were reduced to some reasonable figure there would be a flood of cargo for movement by air.

In other words, by lowering the air fares and fighting hard to attract cargo I.A.C. could double its income within a twelve-month period. I do not believe that is an optimistic estimate. But, to carry the loads it is necessary to have the right aircraft and at the moment these are not with the I.A.C., although they are available and are obtainable. The air services visualised would be: strict economy, find your own way to the airport, carry your own luggage and not more than 20 lbs. per passenger allowed. All luggage in excess would be charged extra—through a shop cash register system. Tickets would be sold at the airport, special reservations would only be made on payment of Rs. 5 booking fee, and no refund if seat not occupied. Cancellations acceptable up to 48 hours before departure time, with 25 per cent penalty deduction from refund. "First-come-first-served" would be the rule. Those unable to get on the first service would be sold the first unreserved seats on the next service. There would be no passenger lists or named tickets as there are today. Incidentally, all these have to be studied for audit purposes—just imagine the horde of accounts clerks doing unnecessary work.

This is India, I.A.C. is a monopoly airline, there is nothing to stop the Corporation operating services in the way suggested. This is the only way in which the I.A.C. can truly serve the country and the people of this country.

At present the I.A.C. services are nothing but a copy of European services, except that the fares are lower. According to the official I.A.C. announcements, the plan is to introduce jet air services over the main routes. There is no particular objection to this provided that the cheap industrialised air services are operated for the good of the country. The wealthy business executives who can afford first class travel can use the jet services, also all international travellers, and foreign tourists, but they should pay fares on the same level as those charged in Europe. They can well afford to pay these high charges, but India's small businessman is unable to, likewise the average-income household. Boiling it down, the present I.A.C. plan is to serve foreigners and people in the higher income brackets.

Simplification

The ideal situation in any country in respect of air transport is to select aircraft that can be used by both the civil and military operators. India selected for the Air Force a medium air transport known as the Avro 748 which is to be built under licence at Kanpur, under the jurisdiction of the I.A.F. Maintenance Command. The aircraft is suitable for both civil and military use. Numerous reports have appeared in the Press, also statements have been made in the Lok Sabha, that the Avro 748 is unlikely to receive its Certificate of Airworthiness, also that major modifications have got to be carried out. There is no truth in these attacks.

The all-up weight has gone up by 3,000 lbs. which is perfectly normal in the period of aircraft testing and development. The important fact is that the guaranteed performance is maintained and will in fact exceed the original promises. With this aircraft to be built in India it seems logical that it could be the most economical type of aircraft for the secondary air routes. One very important point that must not be overlooked is that the Avro 748 is powered by two Rolls-Royce 'Dart' engines, and these engines are to be manufactured at Hindustan Aircraft Limited, Bangalore.

For large-scale operations on the major routes, it would be possible to procure a four-engine type fitted with Rolls-Royce 'Darts.' This would mean that I.A.C. would be able to meet its operational requirements for industrialised cheap air services with two types of aircraft and one type of engine—tremendous technical economy which would contribute materially to reducing the air fares and the cargo rates.

The aircraft in mind is already in operation, sold by Britain to America and is also ordered in quantity by the Royal Air Force and the British European Airways, so it should be a very suitable type for heavy airlift in the Indian Air Force and the I.A.C. Again, the engines are 'Darts'. Is it possible to conceive a more economical aircraft teaming up, serving both civil and military? I think not.

Operationally such simplification of equipment is tremendously important, in fact it is the dream of aircraft operators to reduce the number of types to the fewest possible; naturally this also applies to engines. This cuts down holdings of spares, makes work easier, and another advantage is a substantial saving in capital outlay. Admittedly, for the I.A.C. to meet the luxury air service demand it would have to use another type of aircraft. For some time to come this could be the 'Viscount' with first class seating and luxury service on board, again using the Rolls-Royce 'Dart'. On the other hand, a pure jet may be preferred, in which case it can also have R-R powerplants as facilities for overhaul exist in India. Apart from equipment simplification and operational economy, the advantage reflects itself in air and ground crew training. Daily maintenance is quicker and easier, also it is comparatively simple to transfer technicians from one unit to another. Any airline operator seeking the most economical way to handle his business would be delighted if such simplification could be introduced.

Unification

All aviation in the country is part of the national Air Power. The logical way in which to control aviation is through a Minister for Air who unites the various efforts and projects and ensures that whenever possible and practical the Air Force and the Civil co-operate. At present there is no sign of any willing co-operation. In fact, in respect of some things, there is almost open conflict between the two sides of our aviation.

This is unhealthy and should be eliminated. In my opinion it is essential that it is eliminated and that, too, quickly. The country is faced with the grave possibility of trouble over the Northern Frontiers, so it is imperative that our air transport and its control are strengthened without delay. This proposal is directly intended to strengthen the I.A.C. Also, if fully implemented, it would be certain that I.A.C. would become a substantial profit-earner instead of being a drain on the national income.

If benefits such as these are not worth striving for, then there must be something seriously wrong with our aviation thinking. I believe that much could be done if chambers of commerce would take an interest in aviation. It would repay them to study the possibilities of air transport. If industrialists and business houses start to demand better air transport, then the Government is almost certain to take steps to improve our domestic air services. The situation really calls for general co-operation all round; the I.A.F., the I.A.C and, of course, Air-India International for the international traffic, the D.G.C.A. and the business side through chambers of commerce, finally the Government, let everybody sit in and talk it over. Then there might be a solid interest that would grow into a practical plan.

Air transport is an important national industry and should not be allowed to drift planless and rudderless into the future. Mistakes made now will be with us ten and twenty years hence. A well-planned policy at this time will guarantee prosperity for domestic air services all over India, which would serve the average citizen and businessman, instead of just a handful of visitors and rich travellers.

There are many good reasons why as a nation we should use air transport to the maximum extent, but this can never be brought about so long as the domestic Corporation refuses to apply its planning to the country's real requirement, and persists in spending its time and energy in trying to copy others, setting speed as its main objective. If this policy is carried through, fares must go up to the level of those in Europe, and that will close the door of air transport in the face of the very people who have every right to expect it to serve them and their growing industry.

JAPAN MACHINERY CENTRE

The third anniversary of the opening of the Japan Machinery Centre in Bombay was celebrated on 12th June 1961. An exhibition of Japanese small-scale machinery was inaugurated on that day.

At the exhibition are on display machines carefully selected with India's requirements for small-scale and ancillary industries in view. Among them are precision machine tools, industrial sewing machines, lathes, agricultural implements, hoists, crushers, welding machines, etc.

The Japan Machinery Centre is the Indian Wing of the Japan External Trade Organisation, popularly known as JETRO, the official trade promotion organisation working under the Ministry of International Trade and Industry, Government of Japan. It has representatives in 39 cities covering 34 countries, has trade centres in the major cities of the world and machinery centres in Bombay and Mexico. The Bombay Centre was opened on the 12th June 1958 with the object of giving industrialists in this country a close-up view of the latest type of Japanese machinery and a comprehensive picture of industrial developments in Japan today.

There are expert engineers on the staff of the Centre, generally available for consultations about operation, repairs, and after-sales service. They also provide advice on planning and running new factories. The Centre also helps facilitate business contracts where necessary.

During the last three years the Centre has been able to help many Indian industrialists obtain various types of machinery and equipment from Japan. One of the principal items has been textile machinery. A large number of R.T. winders, doublers, and pirn winders, made in Japan, are in operation today in various textile mills in India. In the field of machine tools, however, success does not seem to have been so great partly because of the existing import restrictions. Nevertheless, certain types of precision machines, automatic screwing machines and thread rolling machines are stated to have been introduced in a large number of Indian factories. The technical assistance service from the Centre has helped quite a few industrialists improve their production methods. Effective after-sales service on machines imported from Japan has also been provided.

Apart from these activities of the Centre, exhibitions in different parts of the country have played an important part. A successful exhibition was held in Bangalore in 1959. An exhibition of measuring instruments was held in February this year in Bombay and all the items, numbering over 100, displayed were presented to the Maharashtra State. India was thus the first country to receive such a gift from Japan. This exhibition was followed by the recent one in Ahmedabad. These exhibitions actually helped to take the services of the Centre from Bombay to different parts of the country.

The present exhibition in Bombay, apart from celebrating the third anniversary of the opening of the Japan Machinery Centre, also serves to introduce the industrialists of Maharashtra to the wide range of Japanese machinery available for small-scale and ancillary industries, the development of which is part of the State's industrial expansion programme.

19 JUN 1961 PUBLIC DEPARTMENT

NEW PRODUCTS AND PROCESSES

Washing Raw Wool

GRITTY, oily raw wool and other heavily stained fibrous materials, may be gently but efficiently cleansed, it is said, by means of equipment now available in Sweden. The system used is reported to be different from that of a conventional washing machine in that the liquid is continuously recirculating. The vessel itself is rectangular in shape and fitted with valves so that the flow of fluid can be regulated as required. The dirty fibre is dropped into the water or organic solvent which is continuously agitated by a jet placed below the surface. Splashing, it is claimed, is avoided and the material cannot be harmed in any way since it is not beaten or brushed.

Self-adhesive Fabrics

A technique for coating fabrics with a pressure-sensitive adhesive has been developed by Leonard Stace of Cheltenham, U.K. A pilot plant is now in operation. It is stated that the process is suitable for both man-made and natural fibres such as nylon, rayon, silk, wool and cotton. It is also said not to affect the natural flexibility of the materials or to cause "strike-through"—a problem which may arise when conventional glueing methods are used on fabrics. The adhesive-coated cloth has a paper backing which strips easily to leave the cloth ready for fixing by finger pressure. First uses for the material are likely to be for the lining of jewellery and cutlery boxes.

Reinforced Concrete Piles

Reinforced concrete piles, such as might be used, for example, in the foundations of buildings, but having an increased strength and greater uniformity of texture, may be produced, it is claimed, using a new, simple, economic technique developed by a Yorkshire engineer in the U.K. The usual method of forming such piles is to bore out a hole in the earth, line it with metal by the insertion of a tube, and then to place, within this tube, a long vertical, steel reinforcing cradle around which and within which the fluid concrete can nestle. After the hole has initially been filled with concrete the metal sleeve is withdrawn. More concrete is then forced into the hole around the steel cradle so that the concrete already in position can be wedged tightly against the sides of the hole and, in some places, actually keyed into the soft earth. The steel reinforcement must, of course, remain vertical and to ensure that this happens it is customary to place upon the outside of the cradle several triangular-shaped, reinforced, pre-cast concrete arms or spacers. Unfortunately these can be a nuisance: they take a lot of time to fit into position although they can easily become dislodged by the incoming concrete, there is no real assurance that the pre-cast material will adhere well to the new concrete, and, worst of all, perhaps, the latter trends to arch over the arms forming voids that can seriously weaken the pile. The proposed method of overcoming these difficulties, is, in essence, very simple. The triangular-shaped elements are removed completely and are replaced by thin flat blades or wedges positioned vertically one beneath the other and welded onto the inner side of the metal sheath. When the tube is withdrawn these come out with it and hence, it is claimed, a high degree of uniformity is obtained.

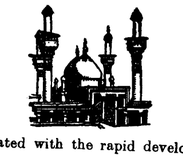
Plastic Pump

Associated Electrical Industries, U.K., is now producing a pump with working parts made entirely of P.T.F.E. plastics (polytetrafluorethylene). A coupler for joining tubing made of the same material so that only P.T.F.E. comes into contact with liquids flowing through is also being made. Chemical inertness and imperviousness to corrosive action are important properties of P.T.F.E. and the pump is expected to be particularly useful for pumping corrosive fluids or liquids which must be protected from impurities. The pump is of the diaphragm type and is self-priming. Delivery is stated to be two litres per minute with a one-foot working head and at the maximum head of 15-foot 1.25 litres per minute can be handled. The diaphragm and all other P.T.F.E. parts are housed in a cast aluminium body which is bolted to a geared electric motor. Both the pump and the coupler (the latter is a spring-loaded telescopic unit which expands to grip the tubing inserted at each of its ends) are being marketed by A.E.I. Radio and Electronic Components Division.

Reducing Blood Clots

A new enzyme has been discovered in the U.K. which is said by the scientists responsible for developing it to dissolve human blood clots. The enzyme itself exists in human blood and is called fibrinolysin. Tests carried out are said to have shown that 45 men and women suffering from critical heart ailments were treated and 39 survived. The remaining six were in a state of shock, or hopeless heart conditions before appearing for treatment. At present the compound is in very short supply and would only be usually given in an emergency. On the other hand research carried out with it indicates that it may be useful for other types of illness than heart conditions which involve blood clots as, for example, phlebitis, an inflammation of the vein, and so on.

A tale of Twenty-two Cities



From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them—in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to 1889 and closely associated with the rapid development taking place today.

India; Aden; Dubai; Sharjah and Abu Dhabi, Muscat; Qatar; Bahrain; Kuwait; Saudi Arabia; Jordan; Iraq; The United Arab Republic (Syrian Region); Lebanon; Libya, and Tunisia: these are territories where The British Bank of the Middle East operates. It has intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

THE BRITISH BANK OF THE MIDDLE EAST

Incorporated in England by Royal Charter 1889 *with Limited Liability.*
HEAD OFFICE: 7 King William Street, London E.C. 4.
BOMBAY OFFICE: 314 Dr. Dadabhai Navroji Road, Fort, Bombay.
Tel. Add.: BACTRIA. Telephone: 25-2267
Capital and published reserves £4,473,000
ASSOCIATED WITH
THE BANK OF IRAN AND THE MIDDLE EAST
Capital Rials 250,000,000
HEAD OFFICE: TEHERAN, IRAN (PERSIA). (P.O. BOX 1680)

INCOME-TAX AMENDMENT BILL—I

SOME CHANGES SUGGESTED

By A. C. Sampath Iyengar

THE Income-tax Amendment Bill 1961 is now under the consideration of a Select Committee of Parliament. Comments are made in this article on some sections of the Bill and suggestions offered, where necessary, for alterations or modifications in the hope that the Select Committee might consider them.

Sections 10(14), 37, 48 and 57(iii)

In the Income-tax Act as it at present stands, the following provisions occur:

In the context of non-inclusion in the total income, Section 4(3) (vi)—Section 10(14) of the new Bill—states: "any special allowance or benefits granted to meet expenses *wholly* and *necessarily* incurred ..." will not be included in the total income.

In the matter of deduction of expenditure incurred in business to ascertain profit, Section 10(2) (xv)—Section 37 of the new Bill—grants allowance for expenditure "laid out or expended *wholly* and *exclusively* for the purpose of such business...".

In relation to deduction of expenditure in calculating income from "other sources," Section 12(2)—Section 57(iii) of the new Bill—runs that "income ... shall be computed after making allowance for any expenditure ... incurred *solely* for the purposes of making or earning such income ...".

In the matter of calculating the amount of a capital gain, Section 12B(2)—Section 48 of the new Bill—directs the deduction of "expenditure incured *wholly* in connection with such sale, exchange ...".

So, from a perusal of the above quotations, it would be seen that the word "*necessarily*" occurs only in the context of Section 4(3) (vi) and nowhere else.

The notes on the clauses in the Bill naively suggest that "to secure uniformity of language" the expression "wholly, necessarily and exclusively" may be employed throughout. See page 241 of the printed Bill, notes on clause 57, item (iii). There is here something more than mere form. A matter of principle is really involved. This expression "wholly, necessarily and exclusively" comes from Schedule E, Rule 9, of the English Income-tax Act. The English Courts have commented upon the stringency of this expression under which it is almost impossible for the taxpayer to get any relief. Vaisey, J. in *Lomax* vs. *Newton*, 34 T.C. 508 at 561, said this:

"Before coming to the particular items, I would observe that the provisions of that rule are notoriously rigid, narrow and restricted in their operation. In order to satisfy the terms of the rule, it must be shown that the expenditure incurred was not only necessarily but wholly and exclusively incurred in the performance of the relevant official duties. And it is certainly not enough merely to assert that a particular payment satisfies the requirements of the rule, without specifying the detailed facts upon which the finding is based. An expenditure may be 'necessary' for the holder of an office without being necessary to him in the performance of the duties of that office; it may be necessary in the performance of those duties without being exclusively referable to those duties; it may perhaps be both necessarily and exclusively, but still not wholly so referable. The words are indeed stringent and exacting; compliance with each and every one of them is obligatory if the benefit of the rule is to be claimed successfully. *They are, to my mind, deceptive words in the sense that when examined they are found to come to nearly nothing at all.*"

Again, at the conclusion of this judgment, the learned Judge stated this:

"I must allow this appeal, except as to £6 (item No. 5), calling attention not for the first time *to the extreme and possibly unintentional narrowness of the rule.*"

Next, in *Sanderson* vs. *Durbidge*, 36 T.C. 239, Wynn-Parry, J., remarked:

"The Courts from time to time have commented on the strictness and the limited nature of that rule in the various forms in which it has appeared in various Taxing Acts for over a century. I do not think that I can do better as regards this than quote the observations of Vaisey, J. in the recent case of *Lomax* vs. *Newton*,"

and then the learned Judge extracted the observations of Vaisey, J., above quoted.

That the word "*necessarily*" has an independent force and an important significance in a combination of "wholly, necessarily and exclusively" is well brought out in the decision in a recent case of *Bentleys, Stokes and Lowless* vs. *Beeson*, 33 T.C. 491. The English Act, viz., Section 137(*a*) of the Income-tax Act, 1952, in relation to the allowance of business expenditure, allowed expenses "wholly and exclusively laid out or expended for the purposes of the trade, profession or vocation." The Special Commissioners nevertheless disallowed certain expenditure claimed, on the ground that the expenditure had not been proved to be *necessary* for the carrying on of a firm's business. Roxburgh, J., reversed the decision of the Special Commissioners on the ground that they had introduced a test which was not to be found in Section 137 (*a*), which used the words "wholly and exclusively" alone. The Court of Appeal confirmed the decision of Roxburgh, J., holding that the Special Commissioners had misdirected themselves by importing a foreign element of necessity. See at page 506 per Romer, L.J.

Legislative History

The legislative history in India in this context is informing. Clause (ix) of Section 10(2) of the Income-tax Act as it stood before the amendment of 1939, granted allowance of "any expenditure incurred solely for the purpose of earning such profits or gains." The Select Committee on the Income-tax Amendment Bill of 1938 recommended that this clause should be worded after the manner of the English Act granting allowances for expenses "wholly and exclusively" incurred. The Select Committee substituted Section 10 (2)(xii) which ran in the following terms:

> "any expenditure ... laid out or expended wholly and exclusively for the purposes of such business, profession or vocation."

and the said language has continued till today. The Bill as submitted to Parliament attempts to put the hands of the clock back.

If neither in the English scheme nor in the Indian scheme hitherto, "*necessity*" has figured as a test, it is because of the well-settled principle of law that "a sum of money expended not of necessity ... but voluntarily and on the grounds of commercial expediency ... may yet be extended wholly and exclusively for the purposes of the trade." See *Atherton's Case*, 10 T.C. 155, at page 191, per Viscount Cave, L.C., and also the remarks of the Supreme Court in *Eastern Investments Ltd.* vs. *C.I.T.*, 1951 20 I.T.R. 1, at page 4. The introduction of the word "necessarily" in relation to the allowance for business expenditure would conflict with the fundamental notions of expenditures properly debitable to revenue and would set at naught the whole series of case-law built up in India ever since the introduction of the Act of 1939.

It was for these reasons that the Law Commission in its Draft Bill recommended the dropping out of the word "necessarily" in the only place in which it occurs in the Indian Income-tax Act, namely, in Section 4(3) (vi) and the replacing thereof by the word "exclusively." There is no reason to depart from the recommendation of the Law Commission.

Finally, the following words of Danckwerts, J., in *Roskams* vs. *Bennett*, 32 T.C. 129, at page 132, in this context have a special appeal to the Select Committee sitting on the Draft Bill:

"Rule 9 of Schedule E, to which I have referred, is a very narrow and strict rule and it is one which undoubtedly causes a considerable amount of hardship when applied to particular cases. Judges dealing with particular cases have said so again and again. Their suggestions and their observations, however, have either fallen upon deaf ears or perhaps have not reached the ears which are relevant to an alteration of the law, that is to say, the ears of persons who through the legislature decide these matters for other people."

Section 13: Charity

This section is inconsistent with clause (b) of Section 11(1) (i). The latter clause recognises property held under trust in part for charity and permits non-inclusion of income to the extent to which the property is held in trust for charity. The proviso to clause (*b*) also runs in that sense. Clause (*a*) of Section 13, however, is in direct conflict with the above scheme. It runs that if *any part* of the income enures for the benefit of any relative of the author or founder of the trust, the entire income shall be includible in the total income. Here is an inconsistency which requires correction.

It is open to a person at law to devote some out of his several properties to charity and the rest as a gift to his relations. If two separate documents therefor be executed, the relief under Section 11 cannot be denied in respect of the charity document. The circumstance that the two dispositions are in one and the same document should not make a difference. Likewise, it is open to a person at law to devote a portion of the income from a certain property for charity and the remainder of the income from the same property as a gift to be enjoyed by his relations.

It is stated in the Notes on the Clauses to the Bill (see page 230 of the Income-tax Bill, 1961) that the "changes are made pursuant to certain recommendations of the Direct Taxes Administration Enquiry Committee, as contained in para 7.81(2) of its Report." If one turns to that Report, it would be found that what the said Committee was commenting upon was the case where under a guise to charity, "the *entire* income of the trust is spent *only* on the relations of the donor." See the Report of the said Committee, page 180, lines 12 to 14. That has nothing to do with a partial allocation of income for non-charitable purposes.

The Income-tax Act does not at all supersede the concept of a trust for charity. It has been consistently laid down by the Supreme Court, recently, that a trust for charity does not lose its character as such merely because there are minor benefits conferred upon the relations of the donor. See the decisions of the Supreme Court in *Menakaru Dasaratharama Reddy* vs. *Duddukuru Subba Rao*, 1957 A.I.R. S.C. 797; *Trustees of the Charity Fund* vs. *C.I.T., Bombay*, 1959 36 I.T.R. 513, 520; see also the decision of the Bombay High Court in *C.I.T., Bombay City* vs. *Trustees of Seth Meghji Mathuradas Charity Trust*, 1959 37 I.T.R. 419.

What all may be done under the Income-tax Act is merely to disqualify for exemption such portion of the charity income as is applied for non-charitable purposes. Hence, either clause (*a*) of Section 13 should be deleted, or, if desired to be retained for any reason, it should be amended so as to enable exemption for partial charity, by insertion of the words "that part of" at the commencement of clause (*a*) and by the substitution of the words "such part of" in line 3 in place of "any part of such." The section as revised would then read as follows:

"*That part of* the income of any trust or charitable or religious institution, if ... *such part of* income enures directly or indirectly for the benefit of any relative..."

Section 16(ii): Entertainment Allowance

Under sub-clause (*a*) of clause (ii) of Section 16, a Government servant is entitled to deduct towards entertainment allowance either a sum equal to one-fifth of his salary or Rs. 5,000, whichever is less. This allowance for expenditure is granted to the Government servant "in respect of any allowance... specifically granted to him by the Government." The phrase "in respect of *any* allowance" stands unqualified, and therefore, it would be permissible for the Government servant to claim the specified deduction, though the Government itself might have granted him towards such expenditure something less or far less. The Government might have granted, for instance, only Rs. 1,000 as allowance, but under sub-clause (*a*), even Rs. 5,000 could be claimed. The language in clause (ii) ("in respect of *any* allowance") is imprecise.

Again, sub-clause (*a*) applies only to a case where the Government servant "is in receipt of a salary from the Government..." Does this imply that there are Government servants who work honorarily without salary? If there are such, and presumably there are, their case would be governed by the residuary sub-clause (*b*). The result of applying that sub-clause to an honorary Government servant would be to tax him on his entire entertainment allowance, since one-fifth of his salary is *nil* under sub-clause (*b*) also.

In order to remedy the above defects, sub-clause (*a*) should be worded so as to refer to

(Continued on page 1138)

THIS IS AN ANNOUNCEMENT AND NOT A PROSPECTUS

Consent of the Central Government has been obtained to this issue, by an order of which a complete copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

Licence from the Central Government has been obtained for the establishment of this New Industrial Undertaking of which a copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting this licence the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

A copy of the Prospectus having been attached thereto the documents mentioned below have been duly delivered for registration to the Registrar of Companies, Maharashtra, as required by Section 60 of the Companies Act, 1956.

Application will be made to the Bombay Stock Exchange for admission of the Company's shares to dealings on the Exchange and for an official quotation.

THE SUBSCRIPTION LIST WILL OPEN AT COMMENCEMENT OF BANKING HOURS ON 26th JUNE, 1961 AND WILL CLOSE AT THE DISCRETION OF THE DIRECTORS BUT NOT EARLIER THAN THE CLOSING OF THE BANKING HOURS ON 28th JUNE, 1961.

INDIAN RUBBER REGENERATING COMPANY LIMITED

(INCORPORATED ON 20TH DECEMBER, 1960, UNDER THE COMPANIES ACT, 1956)

AUTHORISED CAPITAL

1,00,000 Equity (Ordinary) Shares of Rs. 100 each ... Rs. 1,00,00,000

ISSUED CAPITAL

35,000 Equity (Ordinary) Shares of the aggregate value of .. Rs. 35,00,000

(i) **ALREADY SUBSCRIBED**

The Promoters, Directors, their Friends and Associates have subscribed 17,850 Equity (Ordinary) Shares of Rs. 100 each of the aggregate nominal value of .. .. .. Rs. 17,85,000

(ii) **NOW OFFERED FOR PUBLIC SUBSCRIPTION**

The balance of 17,150 Equity (Ordinary) Shares of the nominal value of Rs. 100 each is now offered at par for public subscription in terms of this prospectus .. .. Rs. 17,15,000

Payable as follows:—

1. Rs. 25 per share with application.
2. Rs. 25 per share on allotment.
3. Balance of Rs. 50 per share in two calls of Rs. 25 each, the first call to be made not earlier than 3 months after the date of allotment and the second call to be made not earlier than 3 months from the date of payment of the first call.

DIRECTORS

(1) MR. KANDATHIL MAMMEN PHILIP (*Chairman*), Industrialist, 11-A, Cuffe Parade, Colaba, Bombay-5.
(2) LT.-COM. H.H. IQBAL MOHAMMED KHAN, NAWAB OF PALANPUR, Businessman, 'Windmere', Cuffe Parade, Colaba, Bombay-5.
(3) MR. MAHOMED-AKBAR A. FAZALBHOY, Industrialist. Glamis Villa, Westfield Estate, Bhulabhai Desai Road, Bombay-26.
(4) MR. POONAMCHAND RAMJI KAMANI, Industrialist, Kamani House, Peddar Road, Bombay-26.
(5) MR. S. M. RAMAKRISHNA RAO, Industrialist, 399, Avenue Road, Bangalore.
(6) MR. RASIK RAMJI KAMANI, Industrialist, Ruia Park, Juhu, Bombay.
(7) MR. HASMUKH RAMJI KAMANI, Industrialist, Kamani House, Peddar Road, Bombay-26.
(8) MR. PRABHAKAR BALWANTRAI MEHTA, Business Executive, Morarji Mansion, Darabshaw Road, Bombay-26.
(9) MR. NAVNIT RAMJI KAMANI, Industrialist, Kamani House, Peddar Road, Bombay-26.
(10) MR. C. A. WILLNER, Consulting Engineer and Industrial Planner, 15, Richmond Road, Bangalore-1.

REGISTERED OFFICE

KAMANI CHAMBERS, NICOL ROAD, BALLARD ESTATE, BOMBAY-1

BANKERS

(1) THE CHARTERED BANK, Mahatma Gandhi Road, Bombay-1.
(2) THE DEVKARAN NANJEE BANKING CO. LTD., Horniman Circle, Fort, Bombay-1.
(3) THE BANK OF BARODA LTD., Apollo Street, Bombay-1.

LEGAL ADVISER

TANUBHAI D. DESAI, Solicitor, High Court, Supreme Court Advocate and Notary Public of M/s. Motichand and Devidas, Solicitors, 19, Nanabhai Lane, Fort, Bombay-1.

AUDITORS

MESSRS. DALAL & SHAH, 34 Apollo Street, Bombay-1.

BROKERS FOR THE ISSUE

Managing Brokers

MESSRS. DHIRAJLAL MAGANLAL PURSHOTAMDAS, Stock Exchange New Building, Dalal Street, Fort, Bombay-1.

Brokers

1. MESSRS. HARKISONDAS LUKHMIDASS, 5, Hamam Street, Fort, Bombay-1.
2. MESSRS. JASHWANTLAL V. BHAGAT, 5, Hamam Street, Fort, Bombay-1.
3. MESSRS. CHIMANLAL J. DALAL & CO., 107 Stock Exchange New Building, Dalal Street, Fort, Bombay-1.
4. MESSRS. J. R. MOTISHAW & CO., 32, Apollo Street, Fort, Bombay-1.
5. MESSRS. KHIMJI POONJA & SONS, 19/21 Dalal Street, Fort, Bombay-1.
6. MESSRS. HARISH CHANDRA GUTT & SONS, 45-47, Apollo Street, Fort, Bombay-1.
7. MESSRS. K. RAMDUTT, 43, Stock Exchange Bldg., Apollo Street, Bombay-1.
8. MESSRS. HARBANS SINGH MEHTA & CO., 33, Regal Building, Parliament Street, New Delhi.
9. MESSRS. KOTHARI & SONS, Oriental Buildings, Armenian Street, Madras.
10. MESSRS. CHUNILAL T. MEHTA, 8, Lyons Range, Calcutta-1.
11. MESSRS. CHINUBHAI CHIMANLAL DALAL, Fatehbai's Haveli, Ratanpole, Ahmedabad.
12. MESSRS. N. NANJAPPAIAH JAHGIRDAR, 181 Cavalry Road, Bangalore-1.

OBJECTS OF THE COMPANY

The Company was incorporated on 20th December, 1960 with the main object of undertaking manufacture of various grades and types of Reclaim Rubber and for the other objects particularly mentioned in the Memorandum of Association of the Company.

PROSPECTS OF RECLAIM RUBBER

The present consumption of raw rubber by the existing tyre factories alone is about 35,000 tons per annum, out of which about 15,000 tons of scrap rubber will normally be available. However, with the enormous increase in the production of Tyres, the consumption of raw rubber by Tyre factories is expected to go upto 60,000 tons per annum before the end of the Third Plan period. This will increase the availability of scrap rubber to about 25,000 tons per annum. As such the necessary scrap rubber required by the industry will be sufficiently available within the country.

At present almost the entire requirement of the country for reclaim rubber is being imported. The consumption figures of the reclaim rubber for the past three years are as under:

1958	4,051 tons
1959	4,500 "
1960	4,800 "

The main users of the reclaim rubber are Battery containers. Tyre manufacturers and all other rubber factories also use reclaim rubber to certain extent. Some rubber articles can wholly be made from reclaim rubber in more economical way and it is a good filler for many other articles. The Development Wing (Rubber) of the Government of India estimates that the consumption of reclaim rubber will rise to about 10,000 tons per annum in the near future. The policy of the Government of India is to encourage the indigenous industry particularly if it is going to save foreign exchange. The Company hopes to save foreign exchange of about Rs. 50 lacs every year as soon as its maximum production is reached. Moreover, there is no fear of any wasteful competition because there is still a wide gap between the country's requirement and the Company's proposed production.

It is, therefore, clear that the industry has bright future.

LAND FOR FACTORY

Keeping in view the availability of power, water, raw materials, skilled labour, transport facilities, etc. it is proposed to acquire by way of purchase a site approximating 6 acres round about Thana in Greater Bombay for erection of the Company's factory. Negotiations for the purchase of the said land are in progress and the Company does not at present anticipate any difficulty in acquiring the same.

PAYMENT TO PROMOTERS—PRELIMINARY EXPENSES

No payment is made or proposed to be made to the promoters of the Company, Messrs. Kamani Brothers Private Limited, except for reimbursement of actual preliminary expenses incurred by them and no profits or benefits have been given or are proposed to be given to any other person as promoter of the Company.

Preliminary expenses will amount to Rs. 1,00,000.

PROFITS

On the basis of the existing prices and after allowing costs, overheads, depreciation and other foreseeable contingencies, in so far as these items can be at present estimated, the Directors are of the opinion, that in the absence of any unforeseen circumstances the Company should be in a position to pay reasonable dividend on the issued equity shares.

COMMENCEMENT OF BUSINESS

The Company has obtained the Certificate of Commencement of Business dated the 9th March, 1961 from the Registrar of Companies, Maharashtra.

MINIMUM SUBSCRIPTION

The minimum amount which in the opinion of the Directors must be raised by the issue of shares in order to provide the sums required to be provided as per paragraph 5 of the Schedule II to the Companies Act, 1956 and upon which the Directors will proceed to allot shares in respect of the public issue, is Rs. 17,15,000.

RESOURCES AND DISBURSEMENTS

The total funds available with the Company will be as follows:

	Rs.
Share capital subscribed by the Directors, Promoters, their friends and associates..	17,85,000
Capital to be raised by this issue ..	17,15,000
Foreign Exchange: Loan to be obtained from the Industrial Credit and Investment Corporation of India Ltd. ..	17,00,000
	Rs. 52,00,000

(The Industrial Credit and Investment Corporation of India Ltd. have agreed in principle to grant this loan to the Company.)

This amount of Rs. 52,00,000 will be utilised approximately as under:

	Rs.
(i) Cost of land, site development, construction of roads, etc.	4,75,000
(ii) Construction of Factory Building ..	2,50,000
(iii) Cost of imported plant and machinery	17,00,000
(iv) Insurance, import duty, clearing charges, etc., on imported plants ..	3,30,000
(v) Cost of indigenous plant and equipments including erection charges, electrical installation	4,00,000
(vi) Cost of laboratory equipments, furniture, fixtures and vehicles, workshop equipments, etc.	1,50,000
(vii) Preliminary expenses, brokerage, advertising charges, etc.	1,00,000
(viii) Pre-operating expenses	3,50,000
(ix) Working Capital	12,45,000
(x) Contingencies	2,00,000
	Rs. 52,00,000

Additional finance, if any, required for working capital when the factory goes into production, will be obtained by way of loans from the Bank and other sources.

EXPENSES OF THE ISSUE

The preliminary expenses and expenses of the issue which are payable by the Company out of the capital now being issued are:

	Rs.
(*a*) Preliminary expenses and expenses of the issue.	74,275
(b) Brokerage and commission	25,725

No payment is to be made to promoters of the Company except for reimbursement of actual preliminary expenses which are payable to Kamani Brothers Private Ltd., the promoters of the Company.

BROKERAGE AND COMMISSION

Brokerage at the rate of 1 per cent will be paid by the Company on all allotments made in respect of applications bearing stamps of banks or certified brokers.

Commission at the rate of 0.5 per cent will be paid to the Managing Brokers, Messrs. Dhirajlal Maganlal Purshotamdas on 17,150 shares offered for public subscription.

APPLICATION AND ALLOTMENTS

Application must be for 5 shares or a multiple thereof.

All applications must be in the Form accompanying the Prospectus which can be obtained from the Company's Office and the Company's Bankers and Brokers. All application forms properly completed must be lodged together with the amount payable on application with the Company's following Bankers, namely:—

1. THE CHARTERED BANK, Mahatma Gandhi Road, Bombay-1
2. THE DEVKARAN NANJEE BANKING CO. LTD., Horniman Circle, Fort, Bombay-1
3. THE BANK OF BARODA LTD., Apollo Street, Bombay-1

or with any of the Branches of the said Bankers at Ahmedabad, Bangalore, Baroda, Bombay, Calcutta, Delhi, New Delhi, Madras, Rajkot and Surat.

All cheques and drafts drawn on Banks situated at places other than mentioned above should include a sum at the rate of 25 nP per cent (minimum 62 nP) of the amount remitted to cover all commission and Bank charges; otherwise the application is liable to be rejected.

The cheques or drafts should be made payable either to "The Chartered Bank A/c Indian Rubber Regenerating Co. Ltd.," "The Devkaran Nanjee Banking Co. Ltd. A/c Indian Rubber Regenerating Co. Ltd" or "The Bank of Baroda Ltd. A/c Indian Rubber Regenerating Co. Ltd." and should for the applicants' protection be crossed "A/c Payee only." A separate cheque or draft must accompany each application form.

The allotment will be indicated by the despatch of an allotment letter, but the Directors reserve the full uncontrolled right of accepting or rejecting any application in whole or part without assigning any reason. Where the application is rejected or not accepted in full, the whole or any balance of the application money received, as the case may be, will be refunded without any interest to the applicant (in which event, the Bank's commission, if any, will be payable by the applicant) within 2 months from the date of closing the subscription list.

ISSUE OF SHARE CERTIFICATES

Share certificates will be available for issue in exchange for letters of allotment within 4 months of allotment.

GUEST, KEEN, WILLIAMS LIMITED

MR. H. M. L. WILLIAMS CONFIDENT ABOUT COMPANY'S FUTURE

DEMAND FOR PRODUCTS CONTINUES TO GROW

A NOTE of optimism that, given sufficient power and adequate supplies of proper steel, Guest, Keen, Williams Limited has a good future and that it will be able to justify the confidence placed in the Company by shareholders was struck by Mr. H. M. L. Williams, Managing Director of the Company, in his statement to the shareholders read, in his absence on leave, by Mr. W. Morrice at the Thirty-first Annual General Meeting of the Company held at Calcutta on Tuesday, 6th June 1961. Mr. Williams stated that the demand for the Company's products continued to grow and that there was an increasing call from customers, particularly in the newer precision engineering industries for a greater varieties of specialised manufactures to good quality standards. The Directors, he said, were aware that the Company could only retain sales for such items by being more efficient, and this meant increasing output and reducing manufacturing costs. He pointed out that the efforts to increase efficiency and the various development projects were consolidating the position of the Company.

The following is the full text of Mr. Williams' statement:

"Mr. R. Catlow, the Chairman of the Board of Directors since 1953, has tendered his resignation of this appointment to take effect from the close of this meeting, but I am pleased to inform you that he will remain a member of the Board. Mr. Catlow has been at the helm of your Company all through a most intensive period of expansion; to all employees, and especially to me personally, his guidance and assistance have been a great encouragement. The Company has been most fortunate in having him to represent its problems to our associates in Britain, and this service I am happy to tell you he will continue to perform. Sir Raghavan Pillai, at present an additional Director, I am pleased to tell you, is willing to accept the chairmanship of the Board in place of Mr. R. Catlow; his appointment as a Director is a matter of a resolution later at today's meeting. Sir Raghavan Pillai has a vast fund of administrative experience and I consider the Company is most fortunate in securing his services.

"It is with regret that I report the retirement of Mr. E. J. Evans, a former Director, from the post of London Office Manager, who, by his loyal service and keen interest, has contributed much to your Company's development for many years.

Increased Competition

"The year 1960 as regards trading followed very much along the trend of its predecessor. Increased competition was encountered in a number of what have been your Company's traditional lines of manufacture; items which this Company has pioneered and developed to international standards of quality are increasingly being marketed by competitors at unremunerative prices and of a quality which leaves a great deal to be desired. In many of the production departments, the output suffered due to an insufficiency of proper quality raw materials. In particular, the supply position to your Company's Works of tested specification steel billets has been very difficult throughout the year, as also has the supply of steel crossing sleeper bar. The final stage of the rolling mill development project, to which I referred in my report last year, was completed only towards the end of 1960 when commissioning commenced; this project has not, therefore, been able to influence the past year's earnings.

"Turning now to the accounts themselves, the total sales for the 52 weeks ended 31st December 1960 amounted to Rs. 9,66,62,652 which showed an increase of Rs. 5,66,836 for the same period on the previous year. The total income is Rs. 9,95,36,373 and includes this year an amount of Rs. 15,60,000 received as dividend from Sankey Electrical Stampings Limited, which became a subsidiary of your Company during 1960 when Guest, Keen and Nettlefolds, Limited, the principal shareholders in your Company, subscribed for part of their rights entitlement by transferring their shareholding in Sankey Electrical Stampings Limited (formerly Sankey Electrical Stampings Private Limited). The surplus after taxation for the period under review is Rs. 61,66,715, as compared with Rs. 82,17,623 for the previous period, but, in comparing these figures, I must point out to you that, during 1960, the depreciation charge at Rs. 45,43,022 (1959—Rs. 30,62,135) was substantially higher as a result of the completion of capital projects. You will appreciate as with all major expansions and new developments a certain time has to elapse before revenue-earning momentum can be attained sufficient to absorb the initial heavy depreciation and the relatively high costs of the early operating stages. Mention must also be made of the statutory amount of Rs. 24,57,232 (1959—Rs. 33,01,000) which had to be provided in 1960 for development rebate reserve. These substantial transfers during the last two years all go towards strengthening the reserves of your Company.

"During the year, by reason of the rights share issue of 20,00,000 equity shares of Rs. 10 each at a premium of Rs. 18.50 per share, the issued capital has been raised from Rs. 2 crores to Rs. 4 crores and there has been a net increase of Rs. 3,68,11,728 to the share premium account which now stands at Rs. 4,27,05,728.

"For the 52 weeks ended 31st December 1960, an interim dividend of 80 nP per share has already been paid out on the former issued capital of Rs. 2 crores. Your Directors now recommend a final dividend for the same period of 80 nP per share on the currently issued capital of Rs. 4 crores, transferring from general reserve an amount of Rs. 6,03,673 which transfer they consider appropriate taking into consideration the very substantial statutory transfer to development rebate reserve I have already mentioned.

Capital Projects

"Capital projects completed during the year and reflected in the additions to fixed assets amounted to Rs. 1,55,24,647. During the years 1959 and 1960, no less than Rs. 3,86,47,026 worth of new buildings, plant and machinery was added, which will undoubtedly improve the future revenue-earning capacity of your Company. The cash intake from the rights share issue has enabled the Bank borrowings to be substantially reduced, at the same time to utilise liquid resources to best advantage a loan of Rs. 1 crore was given to Sankey Electrical Stampings Limited; since the end of the year, Rs. 30 lakhs of this loan has been repaid.

"Generally, the past year has for your Company developed very much on the lines I indicated in my report to you a year ago. The greatest difficulty has undoubtedly been an insufficiency of specification and quality steel billets which has prevented most of the Calcutta Works production sections from satisfying their customers' needs. The position started to improve in the early months of 1961, but it is most unfortunate, and indeed embarrassing, that, in spite of unflagging efforts of your employees, we are not yet in a position to satisfy our customers' needs with the efficient service to which we consider they are entitled. The difficulty arises due to steel-making capacity and quality even in the mild steel ranges from the country's steel works not yet being able to satisfy the demand of the more selective users who are manufacturing their products to specification. Last year, I said, except for a limited quantity of special steels, the Company's raw material problem would be substantially solved. I regret that I cannot yet report that this position has been reached, but it is now recovering from its setback and we are receiving more steel than we were a year ago.

Demand For Company's Products

"As regards the demand for your Company's products, this continues to grow and there is an increasing call from customers particularly in the newer precision engineering industries for a greater variety of specialised manufactures to good quality standards. This I consider is a most welcome development for industry in India and is a sure sign that the country's industry is expanding properly and is prepared to take the extra trouble associated with quality manufacture to internationally acceptable standards. I mentioned earlier increasing competition was being experienced in traditional lines of manufacture, this will no doubt continue to grow as others gain manufacturing knowledge. Your Directors are well aware that the Company can only retain sales for such items by being more efficient, and this means increasing output and reducing manufacturing costs. During the past year, careful study continued to be given by the management to increasing efficiencies and the benefit of this work (which is a continual process) together with the various development projects are, I am pleased to say, consolidating the Company's position.

Exports

"On the export front, both Calcutta Works and Bhandup Works have now made sizable contributions, but, although they have been able to supply overseas customers with fastenings and railway fittings fully up to standards of international quality, the prices have to be heavily subsidised and this will continue to be necessary until steel prices can be very substantially reduced. Your Company's experience of the actual working of the Government's subsidy drawback schemes has been excellent, claims being expeditiously and efficiently handled, which is, of course, essential to create confidence in the minds of potential exporters of engineering goods.

"The medical benefit schemes, which were introduced over a year ago so that all employees enjoy free medical aid, have been operating satisfactorily and the expansion of improved preventive treatment is now being studied both at Calcutta and Bhandup. An additional canteen building at Calcutta Works has been erected during the past twelve months and at Bhandup recreational facilities and further improvements to the sports ground have been made. Relations with labour have on the whole been satisfactory throughout 1960, and have generally followed constitutional methods of conduct and negotiation. However, there is still room for improvement whereby the trades unions and the Company management work in closer unison for the best interests of the Company, and its employees.

"The Company's consultants and associates, Guest, Keen and Nettlefolds, Limited, continue to render a great deal of technical assistance which is of immense benefit to our development and indeed without which the very rapid expansion of the past few years would not have been possible. Guest, Keen and Nettlefolds, Limited, besides injecting a large foreign exchange element for the rights issue, have in the past year brought to your Company the business of Sankey Electrical Stampings Limited, which diversifies and broadens the base of your investment with an interest in the country's growing electrical industry.

Bonus Issue

"In my report to you last year, I mentioned the subject of a bonus share issue, saying that, in view of the high rate of taxation on such issues and the need to conserve liquid resources, the Directors did not consider such an issue at that time to be in the best interests of the Company. Since then, there has been a reduction in taxation on bonus share issues which is to be welcomed, although an issue even from the share premium account which the shareholders themselves have subscribed still requires 12½ per cent to be paid as additional taxation. Your Directors, therefore, consider that, before incurring additional taxation liabilities which can otherwise be avoided, it is in the best interests of the Company that the recent expansion projects be allowed to reach a stage where they become greater revenue earners to service the currently issued capital of Rs. 4 crores which is now double the figure it was in the previous year's accounts. The commissioning of the various development projects has generally proceeded satisfactorily and, with the rod train of the Calcutta Works new rolling mills now in operation, we are now in a position subject to a sufficiency of steel billets to supply both the woodscrew works and the bolt works with the smaller sizes of their raw material which previously had to be imported. The wheel plant continues to increase its variety of trailer and car wheels. The bright bar plant at present under installation is expected to be in production well before the end of 1961.

"It would I think be only right for me to sound a word of warning concerning the present inadequacy of electric power supplies to

(*Continued on next page*)

NEW PUBLICATIONS

A Decade of Planned Economy: A Critical Examination of Indian Plans. By S. Kesava Iyengar, with an Introduction by Dr. C. P. Ramaswami Aiyar. Published by the Indian Academy of Economics, Mysore-2. Price: Rs. 15.

THIS is a critical study of Indian plans against the background of international developments. The author has examined the problem from various angles and carefully analysed the various factors that have influenced development in the country hitherto and are likely to shape the trends in the coming years. It is obvious that the author has taken great pains to emphasise the tremendous leeway that exists between the planned objectives and the actual achievements due to the impracticable approach and the unsuitable methods adopted.

The publication deals with all the important aspects of the economy, such as agriculture and community development, food supply, land reforms, co-operation and rural reconstruction, labour, industry and trade, finance and banking, social security and planning. A critical analysis of international plan problems has also been made and the plan progress in some of the leading countries, such as U.K., U.S.A. and U.S.S.R. examined.

The need for economic surveys, at least once in every five years, rather than *ad hoc* surveys, has been emphasised in order that the problems of a fast changing economy may be properly assessed. Useful suggestions for meeting the difficulties usually arising in these surveys have also been made.

An outstanding feature of this publication is the fact that not only have problems been analysed and studied critically but practical suggestions for improving the existing conditions have also been made. Keeping in view the fact that Prof. Iyengar has many years of experience in conducting economic surveys and in studying the various problems affecting our economy, his suggestions deserve careful consideration.

The author has rightly emphasised that the three major problems of planning in this country are to foster rapid economic growth without inflation, to choose carefully between expansion programmes in the domestic and foreign markets and to handle cautiously the problem of foreign aid.

In the light of the critical study made by the learned author, many of the existing beliefs regarding the Indian economy may have to be re-examined. The complacency that seems to be growing with regard to the progress achieved hitherto, when studied against the background of actual achievements during these ten years and the increasing requirements of the third Plan, requires careful attention. Mr. Kesava Iyengar's thoughtful analysis of economic events will be useful in any re-appraisal of the economic situation.

Industrial Entrepreneurship in Madras State. By Dr. James J. Berna, S.J., Asia Publishing House, Bombay, 1960. Pages: 238. Price: Rs. 18.

The complementary role of small-scale industries in the industrial progress of the country has been well recognised and the third Plan makes a substantial provision. In this context one is familiar with questions such as the possibility of co-existence of both large and small units in modern production, the appropriate field for the latter category to operate, how the developmental effort of these units could be furthered and in the process of growth what mistakes they have made and what lessons they hold forth. The research programme carried out by Dr. Berna bears on a number of these questions.

Dr. James Berna, S. J., was Assistant Professor in Georgetown University, Washington, D.C. and since 1959 holds the post of Economist at the Indian Social Institute, Poona. Dr. Berna for his studies had chosen a specialised topic, of entrepreneurship in Madras State. The study project was sponsored by the International Industrial Development Centre of the Stanford Research Institute as part of a programme of research and publication on small industry particularly as related to the problems of newly industrialising countries.

The scope of the study, though restricted, has enabled the author to proceed about it in a thorough fashion. He selected 52 firms for the study and investigated the background of the entrepreneurs, the ways in which they have made the transition to industry and the problems they have faced in establishing and building up their enterprises. The author has made good use of case studies to illustrate the points. The first two chapters provide a brief narration of basic concepts and the theoretical framework which have guided the author's approach and the economic environment of the case studies he made. The third chapter dealing with the entrepreneurs' background and the origins of firms studied reveals that the entrepreneurs have sprung from extremely varied economic and social backgrounds, such as persons with trading background (28.8 per cent), trained engineers (23 per cent), etc. These entrepreneurs had to face a variety of operational problems such as shortage of raw materials, establishing employer-employee relations and other labour problems such as shortage of skilled workers, training, etc. and more important, the problems connected with working capital. These institutions had to struggle throughout most of their existence and the new institutional schemes for finance, such as the pilot scheme of the State Bank of India have given much relief. In the sixth chapter he concludes that the entrepreneurs' mobility has perhaps been excessive, though these have come not on the basis of "fly-by-night" but out of sound decisions aimed at strengthening firms and improving their competitive position. In the last chapter a set of useful recommendations for future policy is included.

Madras City and Coimbatore present a cross-section where efforts are made to establish industries. Through the case studies the processes and problems that these small-scale and medium-scale industries have to face are brought out. The handicaps with these entrepreneurs continue to be shortages of material, inadequate technical knowledge and lack of technical counsel, inadequate capital and credit, inadequate distribution systems, lack of market analysis, etc. The recommendations of the study are broadly: (1) light engineering industries have great scope as small or medium-scale enterprises; (2) medium and long-term loans should be made available through the banking system with rediscount facilities with the State Finance Corporation; (3) re-examination of the definition of small-scale industries with a view to base the criterion on the size of capital rather than number of working men employed; (4) greater emphasis in technical assistance and training and (5) co-operative approach for technological improvement, on the part of Government and industrialists.

As Dr. Eugene Staley points out in the foreword, this is a good job of analysis and interpretation. This will be a useful addition to the library of both the research scholar and the administrator.

Agricultural Marketing in India and Abroad. By R. S. Srivastava. Vora & Co. Publishers Private Ltd., Bombay, 1960. Pages: 243. Price: Rs. 12.50.

The framers of the third Plan have well recognised that in the first two Plans agricultural production was not well cared for and that, if substantial improvements in the living standards are to materialise, this omission should be made good in the third Plan, stating further that the crux of the whole food and agricultural problem is the process of marketing. We are now familiar with the experiment in intensive agricultural production being tried out in selected districts and in this integrated scheme much faith has been pinned on marketing. In recent years several steps have been taken in this country with a view to improve marketing such as the linking of co-operative credit with marketing, facilities for storage—in villages, *mandis* and big distribution centres—efforts to popularise warehouse receipts along with the provision of banking facilities to rural areas, spaced introduction of uniform metric weights all over the country and steps to modify legislation intended to regulate marketing activity. It is, therefore, necessary that attention should be paid to the intensive study of methods and objects of reform in the marketing system.

The original thesis of the book *Agricultural Marketing in India and Abroad* by R. S. Srivastava was finalised in 1948 as a thesis for the University of Oxford. The author is now connected with the Programme Evaluation Organisation of the Planning Commission and, therefore, has had good opportunity to revise the earlier thesis with the developments of over a decade. In this publication the author has attempted to combine the presentation of the principles and economics of marketing with a comparison of policies and programmes. The author has tried to draw on foreign experiences but has not burdened the reader with large details where not necessary.

The eleven chapters can be conveniently grouped. The first three chapters introduce the subject dealing with aspects such as the socio-economic structure of India, the economics, important functions and problems of marketing and the ramifications of the structure of marketing. The next five chapters deal with the various aspects which determine as well as reflect the efficiency of marketing. A whole chapter is devoted to discuss the role of co-operation. He points out the several operational problems of marketing co-operatives and broadly divides the measures for development under two main heads—numerical expansion and qualitative improvements. He advocates the practice of binding the members to sell their produce through their co-operatives and feels there is not much derogatory in compulsory co-operation in this regard. A useful chapter on legislation and policy is added at the end.

Kothari's Investors' Encyclopædia 1960. Compiled by Messrs. Kothari and Sons, Oriental Buildings, Armenian Street, Madras 1. Pages: 2,361. Price: Rs. 30.

The *Investors' Encyclopædia*, brought out every year, has entered its 23rd edition. This edition, running to about 3,000 pages, is a virtual treasure house of information on the various aspects of Indian industries. Facts and figures bearing on almost all important industries, transport, banking and insurance are presented in the volume, along with graphs, charts and maps wherever found necessary. The *Encyclopædia* is divided into several sections, each containing a general review of the industry concerned, followed by an analysis of the working of the various joint-stock companies falling within the relevant section. Apart from the up-to-date write-up of companies, data on a number of companies recently floated have been added to the present edition. The other features of the edition include a summary of the draft third Plan, a list of companies for which licences have been granted since 1959 under the Industries (Development and Regulation) Act 1951, procedures involved in applying for industrial licences both at the Central and the State Government levels, etc.

INCOME-TAX AMENDMENT BILL—I

(*Concluded from page* 1136)

terms to a Government servant *simpliciter* and sub-clause (*b*) to an assessee *in terms* not being Government servant.

Next, sub-clause (b) in specifying the least of the three quantities for allowance, mentions as one of them "such entertainment allowance ... received ... in *any* previous year ending before 1st of April 1955." This is too vague. What is intended is "in *the* previous year *immediately* ending before 1st of April 1955."

In clause (ii), there is no language requiring proof of expenditure for claiming the allowance as there is in clause (i).

Finally, sub-clause (b) has not made any provision in respect of a servant not at all employed before the 1st day of April 1955 or not under the same master. Here is a *casus omissus*.

(*To be continued*)

(*Concluded from previous page*)

your Company. Plant at Calcutta Works has had for some months now to be operated on a load shedding and staggered hours basis and, whilst in some departments it has been possible to maintain production on different working hour schedules, the electric steel making furnaces had to accept a cut of approximately 35 per cent, and previously being on a 24-hour schedule, there is no chance of recouping this lost output; however, this is not a difficulty peculiar to this Company. Given sufficient power, and as I have mentioned earlier an adequacy of proper steel supplies, I feel certain that this Company has a good future and will be able to justify the confidence you as shareholders have placed in it.

"Finally, I would like to thank on your behalf the staff and all employees who have during the past year worked loyally and keenly in your interests, they have encountered most of the problems associated with industry today but with resolution and determination have done their best to overcome them."

Note: *This does not purport to be a record of the proceedings of the annual general meeting.*

COLLECTIVE BARGAINING

PROGRESS MADE IN INDIA SLOW

By Dr. J. L. Rastogi

LABOUR participation in management and collective bargaining are two important aspects of labour-management co-operation. While the first seeks to promote common objectives in industry, the latter helps in resolving conflicting interests. Thus, each contributes in its own way towards industrial peace, and success and prosperity of the enterprise/industry. However, in India, while an increasing attention is being paid to labour participation, collective bargaining remains a neglected aspect.

Collective bargaining is a process and/or philosophy which is used for continuous adjustment of interests of labour and capital in a peaceful and equitable manner. The decisions of such joint negotiations are generally reduced in black and white or in what are known as collective agreements. Collective bargaining is, thus, a relationship between organisations—trade union, on the one side, and a concern or an employers' organisation, on the other. It is not merely conclusion of collective agreements around the table. It also implies interpretation, application and enforcement of these agreements. Thus, collective bargaining enables groups with conflicting interests and outlook to come closer and resolve their differences in an atmosphere of goodwill and mutual respect and to the best interest of the enterprise and/or industry. The utility and benefits of collective bargaining in establishing harmonious industrial relations have been beautifully summed up by the I.L.O. as:

"In the first place, collective bargaining permits the parties to work out their own affairs without dictation from above. This implies a recognition of the dignity of workers as an equal and responsible partner in a common enterprise. As a means for determination of wages and other working conditions, it is much more flexible and adaptable than statutory provisions, since the parties are closest to the actual situation in the economy and hence have the greatest understanding of economic possibilities and of their mutual needs. Collective bargaining is also a means of improving on statutory minimum standards. Furthermore, every collective agreement is an instrument of industrial peace, inasmuch as its very nature implies a substitution of reason and common accord for arbitrariness and anarchy in the regulation of the employment relationship. Finally, collective bargaining reduces the influence of external political considerations on the fixing of working conditions and on the regulation of labour-management relations."

Western Experience

With the growing recognition of advantages of collective bargaining in regulating industrial relations, it has become the basis of labour-management relations in Western countries. In Canada, there were over 1.6 million workers covered by such agreements in 1956, representing 38.7 per cent of all non-agricultural workers. In the United States, it was estimated that, in 1958, the number of agreements exceeded 150,000 covering 18.2 million workers. Collective agreements in both countries cover virtually all branches of industry, transport services and commerce. Similarly, in Great Britain, some 25 per cent of workpeople belonging to six great industries, coal, iron and steel, engineering and shipbuilding, building and civil engineering, cotton and railways, have evolved distinctive collective bargaining machinery of their own.

The nature and scope of collective bargaining vary from country to country according to the growth and strength of trade unions, enlightenment of the employers and method of its introduction. Collective bargaining is voluntary in some countries, like Canada, Great Britain and the United States, and has been a result of an evolutionary process over a long period of time. However, in some countries, it has been enforced through legislative compulsion as in Germany. Levels of collective bargaining in different countries have been adopted to suit their particular needs and circumstances. While in the United States and Canada plant-wide collective bargaining is more common, in West European countries it is generally conducted on industry/national level.

So far as subjects of collective bargaining are concerned, wages and working conditions have been the most important. These are used in their widest sense. Other matters of collective bargaining are hours of work, overtime, lay-offs and dismissals, discipline, holidays, leave, paid vacations, transfers, promotions, health and safety, etc. Additionally, relatively recent developments in collective bargaining have made for the introduction into Canadian and United States collective agreements of so-called fringe benefit provisions regarding pensions, profit-sharing, health, accident and life insurance, severance pay and supplemental unemployment benefits.

Employers in India have been late in recognising the contribution collective bargaining can make in improving relations. It is only since the Second World War that there has been a growing awareness of its benefits for establishing industrial peace. Efforts have succeeded in introducing some sort of tripartite negotiations at the national and State levels for which a number of tripartite bodies have been established. A few bipartite agreements have also been concluded between management and workers' representatives at national, industry and undertaking levels. Negotiating machinery at the Centre and the States is more concerned with matters of policy and subjects of national importance. However, it has to depend on the Government for implementation of its decisions. Recently, it has, of course, been decided to give immediate effect to unanimous decisions of these bodies.

Causes of Slow Growth

Bipartite agreements at the national level deal with matters like standardisation, rationalisation and bonus. Collective agreements at the industry and undertaking levels regulate respectively particular situations in industry and service and working conditions in each plant. Thus, collective bargaining in India is in its infancy and covers only a small fraction of the working class. Still we have to march a long distance to match Western standards in this direction.

The net result of apathy of management and labour to bargain collectively and peacefully resolve their differences has been that, in our country, service and working conditions, industrial relations and wages, etc., are largely regulated by legislation. Industrial disputes are very frequent and labour and management are suspicious about the intentions of each other.

Numerous causes can be attributed to slow growth of collective bargaining in India. They are listed below:

1. The most important cause has been the lack of proper appreciation of the philosophy, objectives and benefits of collective bargaining by management and workers and/or unions.

2. Attitude of employers in India has been hostile towards collective bargaining and trade unions. Workers' unions are still regarded as groups of conspirators and not as constructive and responsible organisations. Similarly, collective bargaining is considered against the interest of the employers and the industry which would curtail management's prerogatives and interfere in the functioning of the industry.

3. Absence of representative workers' unions or multiplicity of unions is yet another factor retarding the progress of collective bargaining in India. Trade unionism in our country is still not mature and a large proportion of the work-force is outside its scope. Very often, more than one union has been formed in one establishment making the question of union recognition difficult.

4. Outside union leadership and its political allegiance have also been responsible for the slow progress of collective bargaining. More weight is attached to personal and political objectives than larger interests of workers and industry. Instead of negotiating around the table, outside leaders want to dictate their own decisions. Collective bargaining is generally opposed as it would undermine their own authority and following.

5. State interference in regulation of industrial relations, and service and working conditions itself has been a great obstacle in the development of collective bargaining. Workers have failed to develop an independent and self-reliant attitude. They still look towards the Government for amelioration of their conditions and protection of their rights and dignity.

Important Prerequisites

Success of collective bargaining, depends to a large extent, on mutual confidence and sincere desire of the parties to settle their difference peacefully. Therefore, it should be voluntary and a result of self-realisation on the part of employers and workers of its utility. However, until sound traditions are developed and adequate experience accumulated, the Indian Labour Conference should lay down broad principles and procedure for guidance. To speed up the movement in the country, the Governments at the Centre and the States should have their own advisory services to aid and advise the parties to bargain and settle their differences around the table.

Collective bargaining calls for a change in the outlook of labour and management. Each should recognise the true contribution of the other in industrial venture. Both contribute towards the prosperity of the firm. While management takes initiative, organises work and issues directions, workers provide efforts and co-operation to make the venture a success. Management is also the trustee of workers' interest and welfare; similarly, trade unions are co-operative and responsible agencies of workers. Collective bargaining should be considered in its true perspective. It is neither against the interest of employers nor would it undermine the strength of trade unions. In fact, if conducted in an atmosphere of good faith, it would create a stake of workers in the enterprise and would enhance the prestige of union leaders.

For successful collective bargaining are needed strong workers' and employers' organisations. Efforts should be made to consolidate trade union movement and to grant it a structure above politics. At the plant level, principle of one union in each establishment irrespective of the aims, ideology and allegiance of leadership should be pursued. These would make the unions strong, independent and self-reliant. Similarly, employers should be encouraged to form their own associations to meet organised labour and settle their opposite interests to the best interests of the industry as a whole.

Proper education of workers, their immediate bosses, junior executives and top management in concept purposes and benefits of collective bargaining is also essential. It should form part of a factory induction course. Frequent refresher courses should also be organised to keep them informed of the latest developments. Besides, those who are to negotiate around the table should be specially trained in principles, techniques and procedures of bargaining. Last but not the least important is the proper communication system within the undertaking so that all concerned should know the progress of collective deliberations and how far the results are being implemented from time to time.

Set-up Recommended

Collective bargaining at national/industrial State level would set the broader pattern of industrial relations and bring about greater uniformity in service and working conditions. It would thus protect even those workers who are unable to do so at the unit level. Moreover, it would get as an incentive to employers, particularly small- and medium-sized, to form their own organisations to bargain collectively with organised workers. At the plant level, collective bargaining would be still beneficial, as it would enable the parties to settle themselves matters to suit specific needs and circumstances. Thus, mutual decisions would replace arbitrary actions and discretionary dictates in labour-management relations. However, collective bargaining, being a comparatively new experiment in India, should be introduced gradually and in stages. Initially it should be encouraged in concerns (a) employing more than a certain number of workers, (b) having peaceful industrial relations, and (c) with a strong and responsible trade unionism.

In order to avoid confusion, the jurisdiction of collective bargaining should be clearly defined. It should be distinguished from matters to be covered by labour participation schemes and which are the sole prerogatives of the management. The scope of collective bargaining should extend to all such matters, differences over which are likely to prejudicially affect the interests of the concern/industry. A collective agreement should thus lay down rights and obligations of the management and workers/unions, conditions of employment like recruitment, selection and training, transfers and promotions, lay-offs and retrenchment, etc., acts constituting misconduct and procedure and action to be taken for indiscipline including censure and warning notice, suspension and dismissal, standards of working conditions like health safety, sanitation, lighting, heating and ventilation and also matters like working hours, shift working, rest pauses, speed of work and introduction of modernisation and rationalisation. Besides, it should also lay down wage schedules, mode of payment, job evaluation and method of settlement of wage rates for a new job, a scientific grievance procedure and method of settlement of disputes, including conciliation and arbitration and a no strike/lockout clause.

Initially, however, collective bargaining should cover only rights and obligations of the parties, working conditions and grievance procedure and should extend to other matters gradually with the accumulation of adequate knowledge and experience in its working.

INDUSTRIAL ESTATES IN ANDHRA

THEIR EMPLOYMENT POTENTIAL YET TO BE ASSESSED

By Sripati Ranganadha

LIKE most of the States in India, Andhra Pradesh is predominantly an agricultural one. Indian agriculture is generally understood as that which breeds seasonal and disguised unemployment. The rural population is usually said to be home-loving, hence they are unwilling to leave their traditional calling and abode. The urban life is by no means presented with a plethora of jobs. Already there are many unemployed in the city. The present large-scale industrialisation that has made rapid strides in the past decade is mostly capital-intensive and tends towards automation and labour-saving devices; very little scope is, therefore, being extended to the unskilled population. As a result, it will take a pretty long time to generate "multiplier effect."

According to a summary report on the Thirteenth Census* of Indian Manufactures of the Central Statistical Organisation of the Government of India, the total number of persons employed between 1948-58 in the registered manufacturing industries was from 1,704,087 to 1,707,978. In fact, the percentage increase remained almost stagnant, that is .02 per cent. In view of the whole nation's statistics, the infinitesimal increase in the employed in Andhra Pradesh during that period could be easily imagined. Now what must be done? In the fitness of things the small-scale and medium-sized industries should offer much employment potential possibilities.

The present essay does not spell out how best the small and medium-sized industries could resist the current and onward march of unemployment, but it attempts to explain the all-out efforts of the Government to chalk out plans in setting up the industrial estates to meet the exigencies of the economy. It is not the present results that matter but the overall measure to plan and execute the formidable undertakings that really count.

The idea of industrial estates was mooted in 1955 by the recommendations of the Small-scale Industries Board to help the small-scale industrial entrepreneurs in terms of their basic necessities such as requisite capital, acquisition of factory location, adequate power and communication facilities. The Government has decided to lay out a network of industrial estates ranging in size from 15 to 60 acres all over India. The Government would initially choose the location of the industrial colony, develop the acquired estate with all the modern conveniences such as laying out roads, providing power, communication, water-supply, drainage and sanitary facilities. Factories and common service workshops would then be set up. Quarters would be provided nearby to industrial workers. These industrial units could be bought either straightaway, or in terms of hire-purchase or let out on rent depending upon the financial status of the entrepreneur. Provisions would be made for capital expenditure, equipment and working capital on easy terms. In order to encourage industrial co-operatives even loans could be extended at the rate of 2½ per cent.

The second Five-year Plan had envisaged 72 industrial estates and it had earmarked a sum of Rs. 10 crores for this venture. These undertakings by the Union and State Governments are praiseworthy and they are spoken of as the "highways to industrialisation" of our nation.

Andhra in the Vanguard

As a matter of fact, Andhra Pradesh is in the vanguard of this programme of industrial estates. It has already set up seven industrial colonies at Sanatnagar (Rs. 51.60 lakhs), Visakhapatnam (Rs. 29.71 lakhs), Vijayawada (Rs. 22.33 lakhs), Samalkot (Rs. 7 lakhs), Nandyal (Rs. 3.22 lakhs), Warrangal (Rs. 11.26 lakhs) and Cuddapah (Rs. 10 lakhs). The total cost of the above seven schemes has come to be Rs. 135.14 lakhs. The first five industrial estates were set up in 1957 and the one at Warrangal in 1959 and the last one at Cuddapah in 1960. Recently in 1961, another industrial unit has sprung up in Chandulal Baradari (Hyderabad). All the above undertakings are sponsored, of course, by the Government.

These estates have been provided with administrative buildings and common service centres which include tool room, electroplating and heat treatment. Normally, the small units cannot afford to have these amenities on their own. The bigger estates have been facilitated with bank and post office facilities within their premises. In addition to these services, raw material depots have been set up in every estate to provide the industrial units with a proper and regular supply of raw materials.

Now they are in a position to manufacture certain essential goods which include, among many, razor blades, steel furniture, cycles, car batteries, radios, microphones, tape recorders and so on. In certain items, production has been either slowed down or deferred owing to the shortage of both indigeneous and foreign steel and non-ferrous metals. In this connection, it must be pointed out, however, that the planners have given considerable thought over the development of aluminium, the only non-ferrous metal which can be indigenously produced at present in large quantities. The draft outline of the third Five-year Plan (1961-66) has set the target for this metal as 87,500 tons. Out of this, 52,500 tons have already been either pressed into production or under way. The remaining 35,000 tons are to be worked out during the Plan period. The present consumption of this metal which, in fact, is much less than our real requirement is around 44,000 tons. Because of the limited resources, the Government could not extend further industrial colonies to other centres. Instead, the Industries Department has evolved a modified similar scheme known as the Assisted Private Industrial Estate. According to this scheme, the prospective entrepreneur is expected to construct the factory, install machinery and equipment on his own with Government approved designs. The Government will look into other common conveniences such as the acquisition of fully developed factory sites for long-term lease, construction of roads, water-supply, electricity, drainage, sanitary facilities, common service and raw material depots. The prospective industrialists could make it convenient to borrow 70 per cent towards the cost of building and 75 per cent towards the cost of machinery from the Department of Industries and/or the Andhra Pradesh Finance Corporation. The salutary feature of the Corporation is that the enterprising industrialists could be permitted to repay the amount in 15 years in gradual instalments.

Technical Assistance

Technical assistance in terms of selection of machinery and raw material, layout and installation, preparation of blueprints, designs of tools, jigs and fixtures has been provided for the needy entrepreneurs by the Small Industries Service Institute which was set up by the Union Government for Andhra Pradesh in 1956. This Institute will also render service in the form of repairing and removing manufacturing defects, economising in fuel and raw material, and so on. Further, the Institute offers courses in business management which include factory laws, labour laws, contract laws, sources of raising finances, cost accounting and such other courses for the interested entrepreneurs. Classes are also conducted in blueprint reading for the workers who are employed in small-scale industries. The Institute has registered so far 284 small-scale units all over the State.

There is another wing for the Institute—the Economic Investigation Section—which looks after the supply and demand position of the industry in question and transmits this useful information to the prospective industrialists. This section is also engaged in conducting surveys in terms of market testing, market potentialities, total resources available, etc. Area surveys for six districts have already been completed so far.

Provisions have been extended to the economically backward districts, where spot advice is given by technical officers of different fields to persons who are interested in the industries. These technical officers stay for about two months in a particular district and try to help the new industrialists with details such as the form of machinery, equipment, raw material, the process of manufacture, total investment required and so on. This technical staff will also help the entrepreneurs to procure machines through the National Small Industries Corporation on hire-purchase scheme and through the Andhra Pradesh Finance Corporation and the State Bank of India. The former has already helped various sections of the industries of the State by supplying 280 machines worth about Rs. 2,118,306.

Extension Centres

Two extension centres are attached to this Institute and they are situated both at Vijayawada and Sanathnagar industrial estates. These extension centres make precision instruments such as auto parts, die, jigs and fixtures on behalf of the small-scale units on "no-loss-no-profit-basis" for a nominal sum. Further, these centres provide training to persons who are sponsored by small-scale industrialists for six months in machine shops, welding and electroplating.

Three mobile vans are attached to the Hyderabad Institute. They tour all over the State and demonstrate the use of modern machines and train the artisans who evince interest in them. By the end of 1960, it was reported that these vans covered 105 centres in four districts. There were 322 demonstrations which were witnessed by 3,81,880 persons and about 322 artisans had actually taken training from them.

Guntur has the significant honour of having a private Industrial Estate which was inaugurated on 29th April 1961. It is the first of its kind in the country. Eight such estates will follow suit in due course of time. The State Government has prepared to extend all the possible facilities including granting loans at a low rate of interest, provided the private sponsors do not misuse the privileges that the Government has given them. There are certain instances, according to the State Minister for Small-scale Industries, where they have misused the Government loans. Rumours have it that certain businessmen "who have had their business elsewhere, in their own or rented places, and had been carrying on on a large-scale, are said to have gone to the estates in large number." These industrial estates, in fact, are meant for small entrepreneurs who have been having production centres either at their own homes or rented buildings and who are unable to seek a market for their goods and services all by themselves. It is rather unfortunate that these privileges are exploited by big industrialists who could command large investments of their own. Experience tells us that most of our necessary industrial prerogatives are abused by a minority sometime or other but it does not, however, mean that these abused privileges are arguments against the privileges themselves.

In the Third Plan

It is indeed praiseworthy that the third Five-year Plan has proposed to set up at least an industrial estate in each district in addition to the 18 rural industrial estates. A sum of Rs. 83.57 lakhs has been allotted for this scheme. The State Government has made provision for Rs. 3.5 crores in the third Five-year Plan towards the development of small-scale industries. Further, the State Government is proposing to set up a unit for manufacturing the improved agricultural implements at an estimated investment of Rs. 56 lakhs. The proposed capacity of this unit would be approximately 3,600 tons per annum and its employment potential would be 576.

It is rather too early to assess the success of the present scheme in terms of employment potential and the volume of goods turnover. Despite certain limitations, the allout efforts of the Government shall never go in vain. The small and medium-sized industries which derive the necessary modern amenities and instruments of production cannot but grow. We can hope that the current and proposed schemes of industrial estates sponsored by the public and private undertakings will open new vistas for industrial expansion and employment opportunities in the years to come.

The Government of Bihar has decided to establish a development authority for helping industries in the private sector at a cost of Rs. 50 lakhs during the third Plan period. The need for such an authority has been felt in view of the great scope for development of ancillary industries in Barauni-Mokameh, Ramgarn-Barkhana, Bokaro and Adityapur areas of the State. The allotment of Rs. 50 lakhs is in addition to the working funds of the different departments of the State Government. The proposed development authority will help industrialist in acquiring and developing sites for new units, apart from providing them with water and power facilities, road and railway communications.

*The above census does not represent the real picture of the entire manufacturing industries of India. In 1948, for instance, 93 per cent of registered factories submitted their returns while in 1958, 78 per cent alone responded to the census. So 22 per cent of the registered factories did not submit returns to the Statistical Organisation. Despite the deflated figure, the overall percentage of the increase in the employed during that period does not constitute a spectacular difference.

TEXMACO SUFFERS DISTINCT SETBACK

PROFIT DECLINES—DIVIDEND HALVED

CONSTANT labour troubles, raw materials shortage and enhanced production cost have adversely affected the working results of the Textile Machinery Corporation Ltd. (Managing Agents: Messrs. Birla Brothers Private Limited) for the year ended 31st December 1960. The labour troubles were particularly acute in the earlier part of the year and again later in the year in connection with the demand for bonus. The labour resorted to go-slow tactics which led to a marked deterioration in efficiency. There was a virtual strike for about a month. The sales proceeds in 1960 dropped to Rs. 573.81 lakhs, the lowest figure since 1958, as against Rs. 614.06 lakhs in the previous year and Rs. 583.84 lakhs in 1958. As against the drop of 7 per cent in sales, the closing stocks show a rise of 42.9 per cent from Rs. 138.01 lakhs to Rs. 197.30 lakhs. The receipts from other income have increased from Rs. 8.69 lakhs to Rs. 20.37 lakhs mostly on account of the considerable increase in miscellaneous receipts and income from Rs. 3.64 lakhs to Rs. 14.40 lakhs, as well as in agency commission from Rs. 19,000 to Rs. 1.14 lakh.

It is, however, gratifying to note that, despite the aforesaid handicaps the production of the Company was more or less maintained at Rs. 633.10 lakhs, as against Rs. 636.08 lakhs in the previous year. The total cost of raw materials consumed has risen from Rs. 141.02 lakhs to Rs. 186.36 lakhs, practically the entire increase is offset by the decline in the cost of stores and spare parts from Rs. 233.78 lakhs to Rs. 209.75 lakhs and other expenses from Rs. 155 lakhs to Rs. 137.27 lakhs in spite of the increase in wage bill of Rs. 13.43 lakhs. Even so, there has been a sharp drop in gross profit from Rs. 92.95 lakhs to Rs. 60.80 lakhs, thus bringing down the ratio of profitability to sales from 15.1 per cent for 1959 to 10.5 per cent for 1960. As a result of lower profit, the provisions for depreciation, taxation and managing agents' commission have been reduced to Rs. 21.84 lakhs, Rs. 9.35 lakhs and Rs. 2.59 lakhs, respectively, as against Rs. 25.05 lakhs, Rs. 25.44 lakhs and Rs. 6.05 lakhs for the previous year. The net profit is, therefore, lower at Rs. 27.02 lakhs, as against Rs. 36.41 lakhs. In view of the setback to profit and the commitment on account of the full year's payment of dividend on preference shares issued in 1959, the dividend on ordinary shares has been halved from 20 per cent to 10 per cent subject to tax.

The following comparative table shows at a glance the progress made by the Company during the last four years.

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sales and internal consumption	5,73.81	6,14.06	5,83.84	4,53.36
Other income	20.37	8.69	6.65	10.77
Closing stocks	1,97.30	1,38.01	1,15.99	82.23
Raw materials, stores and spares consumed	3,96.11	3,74.80	3,71.18	2,65.67
Other expenses	1,37.27	1,55.00	1,09.97	94.85
Gross profit	60.80	92.95	1,09.34	1,10.61
Managing Agents' remuneration	2.59	6.05	8.48	8.09
Provision for—				
Depreciation	21.84	25.05	24.50	26.28
Taxation	9.35	25.44	41.00	30.51
Net profit	27.02	36.41	35.41	33.73
To reserves and provisions	3.75	3.50	11.40	12.00
Transfer from reserves	2.50	..	..	..
Dividends—				
Preference	10.56*	2.90*	1.68	1.68
Ordinary	15.00* (10%)*	30.00* (20%)*	22.50 (15%)	22.50 (15%)
Carry forward	0.59	0.37	0.87	0.84

* Subject to deduction of tax.

The paid-up capital of the Company as at 31st December 1960 stands at Rs. 289.94 lakhs as against Rs. 241.60 lakhs a year before. The rise in capital is on account of the full amount being realised on 6.25 per cent preference shares issued in 1959. The paid-up capital consists of Rs. 150 lakhs in ordinary shares of Rs. 10 each, the balance of Rs. 149.94 lakhs being represented by 7.857 per cent, 5.50 per cent and 8.928 per cent preference shares of Rs. 100 each subject to deduction of tax. Reserves and surplus aggregate Rs. 56.16 lakhs. The gross block of Rs. 486.97 lakhs stands depreciated to Rs. 268.76 lakhs, after providing Rs. 218.21 lakhs for depreciation. The total of secured and unsecured loans has increased considerably from Rs. 156.79 lakhs to Rs. 303.33 lakhs, mostly in loans from banks which have gone up from Rs. 115.41 lakhs to Rs. 290.33 lakhs. The total of current assets at Rs. 823.20 lakhs are well above current liabilities at Rs. 451.73 lakhs, showing a margin of Rs. 371.47 lakhs.

The shortage of raw materials both imported and indigenous continued to cause a problem for the Company during the year. The steel required for wagons was in short supply and so the wagon production suffered a distinct setback. The supply of boiler plates which are imported from abroad, could not be maintained by foreign suppliers according to schedule. The considerable quantities of boiler plates were rejected here, even though they had been inspected and approved before shipment by Lloyds, the world-famous firm of surveyors. Thus the production of boilers also suffered. The other causes which affected production was the strike by Central Government employees in July. The Company lies on the Sealdah section of the railways which was the worst affected area. Railway transport in this section was completely paralysed and the attendance of workers was markedly affected. The alternative arrangement made by management for the transport of workers could serve the purpose only partially. The labour situation in the current year has improved, though even now there are occasional cases of go-slow. The raw material position has improved somewhat but it is not yet completely normal. The programme of manufacture this year was completely upset for more than two months due to the unprecedented shortage of power in Calcutta. The Directors however are hopeful that the Company will be able to show better results in the current year provided, of course, no further unforeseen difficulties crop up.

The trend of production in the various divisions of the Company as given in the Directors' report is indicated below:

"During the year under review, the production in the textile division was satisfactory. Orders in hand are also adequate. The work on the development of drawing frame has been completed and the frames will be in the market shortly. The development of the Simplex frames is proceeding well. The working of the carding engine division could not be satisfactory during the year under review due to restriction on imports of parts. Now the Company is producing most of the parts in its works, and it is hoped that the working of the division will improve in the current year. The production of capstan lathes for which licence has been granted by the Government of India is expected to start shortly. The necessary import licence has already been received. On account of the paucity of orders for just spinning frames, the jute machinery division had very little work during the year under review. The Company has, therefore, switched over the machines to other items of production. The working of steel foundry division was not satisfactory mainly owing to labour trouble. In the heavy engineering division, the Company has secured sufficient orders for wagons from the railways. The production of B.O.X. wagon was taken in hand during the year. The output of wagons, however, was not satisfactory, due to shortage of raw materials and labour trouble. The production in the sugar mill machinery and water tube boiler divisions made some progress. The Company has in hand orders for two complete sugar plants as well as for a sufficient number of boilers. The manufacture of gates for the Rihand Dam was taken in hand during the year and a number of gates have already been supplied."

The current market quotation for the Rs. 10 paid up share is Rs. 20.50 *cum-div.* On *ex-div.* basis and taking the net dividend of 70 nP per share, the net yield comes to 3.4 per cent.

FRESH CAPITAL ISSUES

The Controller of Capital Issues has granted consent for issue of capital of Rs. 20 crores to the Heavy Engineering Corporation, Rs. 40 lakhs to Uttar Pradesh Hotels and Restaurants Ltd., and Rs. 22 lakhs to Wellman India (Private) Ltd. The following are the details:

Heavy Engineering Corporation: Issue of further capital of Rs. 20 crores. The issue will be in equity shares of Rs. 1,000 each for cash at par to be subscribed by the Central Government. At present, the Corporation has a paid-up capital of Rs. 8.14 crores, all in equity shares.

Uttar Pradesh Hotels and Restaurants: Issue of Rs. 40 lakhs divided into Rs. 32.5 lakhs in equity and Rs. 7.5 lakhs in preference for cash at par, in addition to a capital of Rs. 7.5 lakhs in preference for cash at par, in addition to a capital of Rs. 7.5 lakhs in equity and Rs. 2.5 lakhs in preference already issued under the exemption order. This is a public limited company registered on 13th February 1961 to carry on the business of running hotels and restaurants.

Wellman India: Issue of Rs. 22 lakhs in ordinary shares of Rs. 10 each at par. Of this, shares to the extent of Rs. 10.78 lakhs (49 per cent) will be offered to Mr. Arthur G. Wellman of U.S.A. for consideration other than cash against supply of machinery, and the balance of shares of the value of Rs. 11.22 lakhs (51 per cent) to Indian nationals for cash. The proceeds of the issue will be utilised for the manufacture of synthetic fibre tops.

PODAR MILLS' SALES AT RECORD LEVEL

HANDSOME RISE IN PROFIT

THE working results of the Podar Mills Limited (Managing Agents: Messrs. Podar Sons Private Limited, Bombay), for the year ended 31st December 1960 are quite encouraging. The sales were at the record level of Rs. 191.13 lakhs, representing an increase of Rs. 34.03 lakhs or 21.6 per cent as compared with 1959. The gross profit has more than doubled from Rs. 11.42 lakhs to Rs. 24.95 lakhs, thus raising the ratio of profitability to sales from 7.2 per cent to 13 per cent. The profit would have been higher but for the increase in the prices of raw cotton and stores, as well as enhanced wage bill consequent on the implementation of the Central Wage Board's award, on the one side, and lower prices of finished goods, on the other. The cost of cotton consumed went up by Rs. 15.24 lakhs to Rs. 105.48 lakhs and wage payment by Rs. 1.05 lakh to Rs. 39.90 lakhs. The prices of cloth and yarn produced by the Company were reduced in accordance with the Price Regulation Scheme of the Indian Cotton Mills' Federation. These prices have been reduced further with effect from 1st January 1961.

Out of the gross profit of Rs. 24.95 lakhs, a sum of Rs. 6.68 lakhs has been provided for depreciation as against Rs. 5.75 lakhs in 1959, and Rs. 6.50 lakhs for taxation (*nil* in the previous year). The managing agents' commission has risen from Rs. 49,000 to Rs. 1.80 lakh. Despite all these provisions, the net profit for 1960 is higher at Rs. 9.97 lakhs, as against Rs. 5.18 lakhs for 1959. The improvement in profit has enabled the Directors to maintain the dividend on increased capital without drawing on the reserves at 12 per cent (including a bonus of 2 per cent) subject to deduction of tax. The Company's paid-up ordinary capital, it will be recalled, was raised from Rs. 40 lakhs to Rs. 45 lakhs during the year 1959.

The following comparative table shows at a glance the working of the Company in the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	1,91.13	1,57.10	1,44.58	1,37.07
Closing stocks	38.58	17.31	88.07	47.44
Other income	0.78	1.86	2.90	0.45
Cotton import quota premium	4.16	4.98	..	..
Cotton consumed	1,05.48	90.24	84.77	1,18.41
Expenses	65.54	62.22	57.35	66.22
Gross profit	24.95	11.42	5.36	5.69
Managing Agents' commission	1.80	0.49	0.24	0.24
Provision for—				
Depreciation	6.68	5.75	3.80	1.84
Taxation	6.50	..	..	..
Net profit	9.97	5.18	1.32	1.61
To reserves	1.75	2.70	2.75	..
Transfer from reserves	..	3.00	7.00	..
Dividends—				
Preference	0.57*	0.57*	0.40	0.40
Ordinary	5.40* (D. 10% + B. 2%)*	4.95* (D. 10% + B. 2%)*	7.20 (18%)	4.00 (10%)
Carry forward	3.41	0.16	0.20	1.64

* Subject to deduction of tax.

The net block of the Company stands at Rs. 49.50 lakhs after providing Rs. 38.38 lakhs for depreciation. The additions to the gross block account during the year amounted to Rs. 7.22 lakhs, indicating satisfactory progress in the modernisation and rehabilitation of plant and machinery. The total investments of Rs. 39.39 lakhs are in subsidiaries which account for Rs. 37.93 lakhs. The quoted investments of the Company amount to Rs. 10.52 lakhs, the market value of which is higher at Rs. 11.11 lakhs. As against the total paid-up capital of Rs. 55 lakhs, consisting of Rs. 45 lakhs in ordinary shares of Rs. 100 each and Rs. 10 lakhs in preference shares of Rs. 100 each, the reserves and surplus amount to Rs. 47.47 lakhs. The financial position of the Company is good inasmuch as current assets, at Rs. 63.64 lakhs, cover current liabilities at Rs. 27.63 lakhs by more than two and a quarter times.

The Preference Shares (Regulation of Dividends) Act 1960, has led the Company to change 4 per cent tax-free preference shares to 5.75 per cent subject to tax. Thus, the net dividend will amount to Rs. 3.57 per share.

In order to increase production, the Company has started the partial working of the third shift with effect from 8th March 1961.

The Rs. 100 paid-up ordinary shares of the Company are currently quoted at Rs. 182. Taking the dividend as Rs. 3.40 per share, the net yield comes to 5.5 per cent.

EARNINGS OF STANDARD WAGON RECEDE FURTHER

DIVIDEND, HOWEVER, MAINTAINED

A FURTHER sharp drop in turnover owing to certain extraneous factors which restricted output has been disclosed by the accounts of the Indian Standard Wagon Company Ltd. (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) for the year ended 31st March 1961. The actual drop was Rs. 74.78 lakhs, the total sales proceeds for 1960 being Rs. 475.72 lakhs as against Rs. 550.50 lakhs for 1959. Notwithstanding this setback and the increase of Rs. 17.60 lakhs to Rs. 125.41 lakhs in salaries, wages and bonus, the gross profit of the Company has gone down only slightly by about Rs. 85,000 to Rs. 63.63 lakhs. The results for 1960-61 may appear to be less favourable than those for the year preceding it. But considering that, during 1959-60, a sum of Rs. 10.92 lakhs had been credited to the profit and loss account being the difference between the provisional prices booked for orders completed in the previous years and the actual prices realised thereon, the results for the year 1960-61 must be said to be quite satisfactory.

Pursuant to the modifications introduced in the manner of computing the net profit on which managing agents and directors receive commission, the provision for the managing agents' commission has been reduced by Rs. 1.14 lakh to Rs. 4.09 lakhs. The provision for depreciation has been stepped up to Rs. 7.38 lakhs, as against Rs. 4.66 lakhs for 1959-60, and that for taxation to Rs. 24.50 lakhs, as against Rs. 22.88 lakhs. The apparent anomaly of the increase in tax provision despite lower taxable profits must be attributed to the fact that the profit-sharing bonus in the case of the Company is allowed only on a payment basis. Unfortunately, during the year under review, the labour union refused to accept the bonus offered and, though a provision of Rs. 5.75 lakhs was made in the accounts to this effect, the income-tax authorities did not allow it as an allowable item of expenditure while assessing the Company's overall tax liability.

After making the aforesaid essential provisions, the net profit shows a decline of Rs. 4.05 lakhs to Rs. 27.66 lakhs. Out of this profit, the Directors have set aside Rs. 23,252 to the statutory development rebate reserve and Rs. 30,990 to the general development reserve as against Rs. 2.41 lakhs and Rs. 2.68 lakhs, respectively, in the previous year. Besides these transfers from the profit and loss account, the general development reserve has been credited, in accordance with the provisions of the Finance Act 1958 with Rs. 1.24 lakh, being the sum utilised for the Company's business. The additions to general and plant replacement reserves have been maintained at their previous year's levels, namely, Rs. 1 lakh and Rs. 5 lakhs respectively.

It will be recalled that, during 1959-60, the Directors had experienced a certain amount of confusion as regards the correct interpretation of the provisions of the Finance Act, 1959, so far as they were applicable to preferred dividends and had, unlike most other companies, proposed the payment of preference dividends at the stipulated rate of 7 per cent without a gross up. The complications regarding the calculation of dividend on preference shares were settled by the Preference Shares (Regulation of Dividends) Act 1960 and accordingly there has become payable an amount of Rs. 41,297 as additional dividends on preference shares for that year. Preference dividends for the year under review have been declared in accordance with the Act and have claimed Rs. 1.79 lakh, as against Rs. 1.38 lakh. Ordinary dividends, however, have been maintained at 28.5 per cent subject to deduction of tax or equivalent to 19.95 per cent net. After the payment of the recommended dividends, there remains a balance of Rs. 53,466 which has been carried forward.

The decline in the Company's output in the past two years was due to the persistent shortage of steel, particularly "matching" steel. The Directors had anticipated that, by 1961, there would be a marked improvement in the situation, but, unfortunately, this did not turn out to be the case, and the provision remained unchanged. It is true that considerable quantities of steel were supplied at times and these were lying in the factories, but work could not commence for want of the matching steel. The continuation over several years of this vexatious situation had forced the Directors to doubt the efficacy of the system of Governmental control of steel.

The following table provides a comparative study of the salient feature of the Company's profit and loss accounts for the past four years:

(In lakhs of rupees)

	For the year ended 31st March			
	1961	1960	1959	1958
Sale proceeds	4,75.72	5,50.50	5,80.41	6,31.67
Departmental orders and items used in works	25.05	24.33	80.85	28.23
Other income	3.27	13.61	4.73	3.23
Work-in-progress	1,38.78	1,57.89	1,02.69	2,89.72
Raw materials, stores and spares consumed	2,51.03	3,65.58	2,85.72	3,86.62
Salaries, wages and bonus	1,25.41	1,07.81	95.21	94.78
Other expenses	44.86	45.77	48.67	43.46
Gross profit	63.63	64.48	59.34	64.68
Managing Agents' remuneration	4.09	5.23	4.98	5.55
Provision for—				
Depreciation	7.38	4.66	3.38	3.18
Taxation	24.50	22.88	24.64	26.00
Net profit	27.66	31.71	26.34	29.95
Transfer to reserves	0.54	11.08	10.61	7.58
Provision for profit-sharing bonus, retiring gratuity, etc.	7.76	8.02	6.61	11.99
Tax contingencies	..	..	..	1.00
Additional preferred dividends	0.41	..	..	..
Dividends—				
7 per cent. preference	1.79†	1.38†	1.38*	1.38*
Ordinary	11.11 (28.5%)†	11.11 (28.5%)†	7.80 (20%)	7.80 (20%)
Carry forward	0.53	0.49	0.57	0.43

* Tax-free. † Subject to deduction of tax.

The balance-sheet of the Company as at 31st March 1961 discloses a highly satisfactory financial position. The subscribed capital has remained unchanged at Rs. 59.34 lakhs, with a supplement of Rs. 83.41 lakhs in various reserves. Current liabilities amount to Rs. 329.42 lakhs and are more than balanced by current assets, investments, and loans and advances together amounting to Rs. 423.02 lakhs. The fixed assets have a written-down value of Rs. 49.16 lakhs, as against the book value of Rs. 121.15 lakhs.

The current market quotation for the Company's Rs. 25 fully paid ordinary shares is Rs. 107.50 *cum-div.* On *ex-div.* basis, the net return on investment works out to 4.8 per cent.

The State-owned Hindustan Machine Tools has announced a maiden dividend of 10 per cent for the year ended 31st March 1961. The rate of dividend is claimed to be the highest ever proposed by any public sector unit in India so far. The net profit of the enterprise for the year is Rs. 74.02 lakhs, as against Rs. 37.07 lakhs for 1959-60.

(*Concluded from next column*)

Rs. 27.85 lakhs as the depreciation earned to date, yields a net block worth Rs. 97.64 lakhs. Current assets, inclusive of loans, advances and investments amount to Rs. 185.15 lakhs.

On a perusal of the profit and loss account, it will be seen that, during the year, the Company paid interest of Rs. 18.26 lakhs. The large interest payment by the Company was necessitated on account of inadequate capital of its own. Further, the Company had to keep huge stocks of various raw materials and stores to enable it to keep all its three furnaces in operation. Besides, the Company has to hold large stocks of ferro-manganese for a considerable period during the year. Therefore, the Directors have increased the share capital by issuing equal number of right shares to the existing equity shareholders and the same have been duly subscribed. As a result of increase in capital, the Company expects relief in payment of interest in the years to follow.

As for the future, the Directors expect that trading conditions will continue to be favourable. Under the Indo-U.S. barter deal to which a reference has been made earlier, the Company has already delivered approximately 18,100 tons of ferro-manganese. Besides, another barter deal involving export of ferro-manganese from India is also under negotiation, and, according to the Directors, the chances of the deal going through are fair. At the Company's pilot plant at Garividi, successful experiments have been carried out to manufacture electrolytic manganese and manganese sulphate. The Company is considering a proposal for the installation of plant and machinery to manufacture these products which offer excellent trading prospects.

The Rs. 100 fully paid ordinary shares of the Company are quoted at present at Rs. 181.25 *cum-div.* The net yield on *ex-div.* basis works out to 3.2 per cent.

FERRO ALLOYS DECLARES MAIDEN DIVIDEND

CAPITAL RAISED

A SIGNIFCANT expansion in sales and an appreciable rise in profit are the main features of operations of the Ferro Alloys Corporation Ltd. (Managing Agents: Messrs. Saraf Mor and Company Private Ltd., Tumsar) for the year ended 31st December 1960. The actual realisations from the sales of the Company's goods during 1960 aggregated as much as Rs. 326.40 lakhs, as against Rs. 42.43 lakhs in 1959. Following such a rise in sales, the gross profit of the Company amounts to Rs. 40.86 lakhs, that for the previous year being no more than Rs. 7.78 lakhs. Thanks to the Indo-U.S. barter deal under which the Company has to supply 50,000 tons of ferro-manganese to the U.S. and a better offtake by the steel plants belonging to Hindustan Steels Ltd., the Company has been able to overcome the difficulties on account of the huge accumulations of the finished product stocks experienced in the earlier years. The closing inventories have declined perceptibly to Rs. 119.47 lakhs from their all-time high of Rs. 158.72 lakhs a year ago.

Although the Company had incurred losses in the earlier years, it had provided for development rebate reserve. In view of the opinion held in some quarters that, under the Indian Income-tax Act, claim in respect of development rebate is tenable only in year the Company makes profits, to the extent such profits can absorb the rebate, the Company has been advised that it would be safe to transfer the development rebate reserve already created back to the profit and loss account and to create afresh the entire reserve up to 31st December 1960 out of the current year's profits. Accordingly, an amount of Rs. 14.20 lakhs has been transferred to the profit and loss account from the reserves, while a fresh allocation of Rs. 14.50 lakhs has been made from available profits towards the development rebate reserve earned upto the end of the year under review. The net transfer to reserve thus amounts to Rs. 30,000 only.

After making the aforesaid provisions and writing off preliminary expenses to the tune of Rs. 70,836, an aggregate sum of Rs. 9.99 lakhs has been provided for the payment of dividends to preference and equity shareholders. The entire accumulated liability, amounting to Rs. 6.81 lakhs, in respect of the dividends on preference shares upto the year 1960 has been provided for. The stipulated rate of dividends on preference shares has been increased from 6 per cent to 7.8 per cent subject to taxation in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act 1960. For the first time, a dividend on ordinary shares has been proposed at 8 per cent subject to deduction of tax. The surplus of Rs. 20.11 lakhs left over from the current year's profit has been adjusted against the accumulated losses of Rs. 25.65 lakhs upto the year ended 31st December 1959. The balance of Rs. 5.54 lakhs that remains to the debit of the profit and loss account has been carried forward to the next year's account.

The progress made by the Company since it went into production early in 1958 is presented in the following comparative table.

(In lakhs of rupees)

	For the year ended 31st December		
	1960	1959	1958
Sales	3,26.40	42.43	8.62
Other income	0.14	0.05	0.09
Closing stock of finished products	1,19.47	1,58.72	90.91
Raw materials, stores and spares consumed	1,40.73	56.14	53.18
Salaries, wages and bonus	7.21	5.52	6.26
Other expenses	98.49	41.45	31.73
Gross profit	40.86	7.78	2.91
Managing Agents' commission	0.82	0.10	0.10
Provision for depreciation	2.12	2.02	0.76
Net profit	31.12	—1.34	—5.94
Transfer from reserves	14.20	..	..
Transfer to reserves	14.50	0.43	15.76
Miscellaneous write offs	0.71	..	..
Preference dividends for prior years	5.25	..	..
Dividends—			
6 per cent. preference	1.56	..	..
Ordinary	8.19 (8%)*	..	..
Carry forward	—5.54	—25.65	—23 88.

* Subject to deduction of tax.

The Company's balance-sheet as at 31st December 1960 shows that its share capital of Rs. 59.87 lakhs is supported by Rs. 14.50 lakhs to the credit of the development rebate reserve. Loans both secured and unsecured amount to Rs. 178.93 lakhs, in addition to current liabilities aggregating Rs. 35.03 lakhs. The depreciable block as at the date of the balance-sheet is valued at Rs. 125.49 lakhs, which, on deducting

(*Continued in previous column*)

RESULTS OF DIGVIJAY CEMENT

HIGH PRODUCTION COST AFFECTS EARNINGS

THE year 1960 witnessed a marked improvement in the production and sales of the Shree Digvijay Cement Company Ltd. (Managing Agents: Shree Laxmi Agents Ltd.). The actual production of clinker amounted to 406,000 tons and that of cement 442,000 tons, as against 353,000 tons and 391,000 tons, respectively, in the previous year. The higher output was rendered possible by better supply of raw materials. The increase in production was accompanied by a corresponding rise in the sale proceeds from Rs. 277.23 lakhs to Rs. 326.23 lakhs, the highest level touched so far. The record level of sales, however, is not reflected in increased profitability because of the heavy incidence of manufacturing cost. The cost of raw materials, stores, power, etc., consumed increased from Rs. 174.43 lakhs to Rs. 217.88 lakhs, and other expenses, too, rose from Rs. 51.91 lakhs to Rs. 59.60 lakhs. The ratio of raw materials, stores, power, etc., consumed to the total sales proceeds during 1960 was as high as 66.7 per cent, the share of other expenses being 18.2 per cent. Consequently, the gross profit has come down to Rs. 43.93 lakhs, as against Rs. 48.09 lakhs, reducing the profitability to sales from 17.3 per cent. in 1959 to 13.4 per cent. in 1960.

The net profit of the Company for 1960 after providing Rs. 18.08 lakhs for depreciation, Rs. 10.25 lakhs for taxation and Rs. 1.64 lakh for managing agents' commission, amounts to Rs. 13.96 lakhs as against Rs. 16.22 lakhs for 1959. The net profit, together with the carry forward amount of Rs. 49,000, gives a total sum of Rs. 14.45 lakhs available for distribution. Since this sum is insufficient to pay the dividend on ordinary and preference shares at the previous year's rate of Rs. 6.50 and Rs. 9, respectively, the Directors have once again drawn from reserves Rs. 4.07 lakhs, bringing the total drawings for the past three years to Rs. 16.57 lakhs.

The following comparative table shows the working results of the Company for the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds (gross)	3,26.23	2,77.23	2,41.90	2,46.47
Closing stocks	6.03	12.69	20.70	9.72
Raw materials, stores, power, etc., consumed	2,17.88	1,74.43	1,62.89	1,55.64
Other expenses	59.60	51.91	50.98	47.35
Gross profit	43.93	48.09	42.65	49.91
Managing Agents' commission	1.64	2.06	1.62	2.41
Provision for—				
Depreciation	18.08	19.41	20.43	26.85
Taxation	10.25	10.40	6.90	3.25
Net profit	13.96	16.22	13.70	17.40
Excess provision written back	..	..	..	0.04
To reserves	1.21	3.00	6.90	3.00
Transfer from reserves	4.07	4.50	3.00	..
Dividends—				
Preference	5.20*	5.71*	4.00	3.48
Ordinary	12.10* (9%)	12.10* (9%)	12.10 (9%)	12.10 (9%)
Carry forward	0.02	0.49	0.58	2.24

* Subject to deduction of tax.

The paid-up capital of the Company is Rs. 214.35 lakhs, consisting of Rs. 79.94 lakhs in preference shares and of Rs. 134.41 lakhs in ordinary shares. The total of reserves and surplus stand at Rs. 52.08 lakhs. The gross block of the Company at Rs. 424.37 lakhs stands depreciated to Rs. 238.68 lakhs, after providing Rs. 185.69 lakhs for depreciation. The fixed assets under or awaiting erection aggregate Rs. 23.84 lakhs. Of the total investments of the Company amounting to Rs. 88.52 lakhs, the investment in the subsidiary, that is, the West Coast Paper Mills Ltd., alone accounts for Rs. 85.05 lakhs. The market value of the investments is substantially higher at Rs. 142.96 lakhs. The total of current assets at Rs. 107.48 lakhs more than covers the current liabilities at Rs. 53.51 lakhs. The secured and unsecured loans are of the order of Rs. 138.72 lakhs, as against Rs. 155.40 lakhs in the previous year.

The clinker grinding plant in Bombay, which is nearing completion, is expected to go into production soon. As a result of the working of this plant, the Company's earnings may be expected to rise. In order to complete the expansion programme, the Directors have decided to erect another kiln and other accessories for increasing the installed capacity of the plant from 430,000 tons to 630,000 tons.

The current market quotation of Rs. 100 paid-up shares is Rs. 159 *cum-div.* On an *ex-div.* basis, the net yield works out to 4.1 per cent, on a net dividend of Rs. 6.30 per share.

VICTORIA MILLS FARES WELL

RESERVES QUITE LARGE

THE performance of the Victoria Mills Ltd. (Managing Agents: Messrs. Mangaldas Mehta and Co., Bombay) continues to be impressive. Thanks to satisfactory trading conditions, the sales of cloth, yarn and wastes have gone up from Rs. 219.31 lakhs in 1959 to Rs. 227.67 lakhs in 1960. The gross earnings (before payment of Rs. 6.25 lakhs as bonus to workers) have recorded a sharper rise of Rs. 12.66 lakhs to Rs. 29.90 lakhs. Consequently, the margin of profit, that is, the ratio of gross profit to sales, has risen from 7.8 per cent to 13.1 per cent.

Out of the substantially larger profit of Rs. 29.90 lakhs, taxation has absorbed as much as Rs. 6 lakhs, as against Rs. 3.65 lakhs in the previous year, depreciation Rs. 5.97 lakhs as against Rs. 5.53 lakhs in 1959 and remuneration to managing agents Rs. 1.42 lakh, as against Rs. 1.19 lakh. Despite these higher provisions the net profit has more than doubled, from Rs. 6.87 lakhs in 1959 to Rs. 16.51 lakhs in 1960. This is supplemented by a sum of Rs. 1.23 lakh, representing (1) premium under the export incentive scheme for the previous year, (2) excess provision for bonus no longer required, and (3) refunds of taxes and insurance premium as well as by the previous year's carry forward of Rs. 77,000. The total amount available for distribution is thus Rs. 18.51 lakhs, of which bonus to staff absorbs Rs. 6.25 lakhs and a sum of Rs. 1.12 lakh is provided for payment of bonus in excess of the provision for 1958. The Directors have also allocated Rs. 1.60 lakh to wages for short working in 1951 and 1952, Rs. 43,424 for adjustment of depreciation for 1959 and Rs. 37,000 for rebate on the sales of the previous year. The balance left is Rs. 8.74 lakhs. The Directors have stepped up the dividend on ordinary shares from 20 per cent to 25 per cent (taxable).

The following comparative table shows at a glance the progress of the Company in the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	2,27.67	2,19.31	2,10.97	2,02.92
Closing stocks	47.99	30.03	33.04	31.96
Cotton consumed	90.29	82.85	84.66	89.93
Expenses	1,30.42	1,19.95	1,16.67	1,04.45
Gross profit	29.90	17.24	14.17	10.49
Managing Agents' commission	1.42	1.19	0.91	0.50
Provision for—				
Depreciation	5.97	5.53	5.03	7.29
Taxation	6.00	3.65	3.60	0.43
Net profit	16.51	6.87	4.64	2.24
Refunds and express provisions of previous years	1.23	..	..	3.52
Transfer from reserves	..	..	..	..
Adjustments of previous years	3.52	..	..	..
To reserves	1.91	2.04	0.43	1.74
„ development rebate reserve	1.18	0.68	1.28	..
„ bonus	6.25	..	..	..
Dividends—				
4 per cent. preference	0.46	0.46	0.32	0.32
Ordinary	4.40 (25%)*	3.20 (20%)*	3.20 (20%)	3.20 (20%)
Carry forward	0.79	0.77	0.28	0.87

* Subject to deduction of taxation.

The management of the Victoria Mills has always attached great importance to modernisation of plant and equipment. Blow room, cards, deliveries of drawing, can fed inters, doubling frames, winding and warping units have already been modernised in the past six years. During 1960, one Whitin's set of four combers, one pre-combing drawing frame, 15-M.M.C. flat revolving cards and one Benninger Maneklal automatic jigger were added. One complete rubber belt compressive shrinkage range sanforising machine which was ordered in 1959 is expected to be received and erected next month. The total outlay on various units of machinery during the current year is estimated at Rs. 20 lakhs.

The financial position of the Company as disclosed by its balance-sheet as on 31st December 1960 is quite sound. The paid-up capital of Rs. 25.60 lakhs is supplemented by reserves aggregating Rs. 66.80 lakhs. In view of the large reserves, there is great scope for capitalising reserves. The gross block of Rs. 116.62 lakhs stands depreciated to Rs. 45.40 lakhs, after providing Rs. 71.22 lakhs for depreciation. Secured and unsecured loans have increased from Rs. 29 lakhs to Rs. 51.49 lakhs. The total of current assets at Rs. 137.33 lakhs are well above the current liabilities at Rs. 90.32 lakhs.

The Rs. 100 fully paid-up ordinary shares of the Company are quoted at Rs. 450 *cum-div.* On *ex-div.* basis and taking the dividend at the rate of 25 per cent (taxable), the net yield works out to 4.04 per cent.

KAMANI ENGINEERING FORGES AHEAD

MARKED RISE IN OUTPUT AND SALES

THANKS to large orders for fabricated structures and transmission line erection, the production and sales of the Kamani Engineering Corporation Ltd. (Managing Agents: Messrs. Kamani Brothers Private Ltd., Bombay) have both registered a marked expansion. The actual output of galvanised and painted steel structures during the year ended 30th September 1960 reached the impressive level of 13,485 metric tons, as against 10,190 tons in 1959, breaking all previous records. The rise in output was accompanied by a corresponding increase in sales proceeds (including earnings from erection work undertaken) from Rs. 167.61 lakhs in 1958-59 to Rs. 236.90 lakhs in 1959-60, representing a rise of more than 41 per cent. They are, however, still below the peak of Rs. 284.76 lakhs touched in 1957-58. During 1959-60, the Company secured new orders for fabricated structures of about 11,272 tons and transmission line erection for about 417 kilometres. A peculiar feature of the Company's financial results for the year under review is that the gross profit has not risen notwithstanding the expansion in sales, on the one hand, and the reduction in the cost of raw materials consumed (from Rs. 90.73 lakhs to Rs. 69.79 lakhs), on the other; it has gone up by just Rs. 1.40 lakh to Rs. 20.89 lakhs. This is largely the result of the sharp increase of Rs. 29.35 lakhs to Rs. 132.50 lakhs in other expenses, expenditure on purchases rising from Rs. 30.92 lakhs to Rs. 46.35 lakhs and salaries, wages and other payments to staff from Rs. 40.18 lakhs to Rs. 42.71 lakhs.

In view of the modest rise in gross profit, as also of larger provisions for taxation (Rs. 6.70 lakhs, as against Rs. 4.85 lakhs in the previous year) and depreciation (Rs. 4.89 lakhs, as against Rs. 4.40 lakhs), the net profit shows a decline from Rs. 8.59 lakhs for 1958-59 to Rs. 7.68 lakhs for 1959-60, while the remuneration to managing agents is lower at Rs. 1.62 lakh (Rs. 1.65 lakh in 1958-59). The decline in net profit is, however, made good to some extent by the excess provisions of previous years no longer required (Rs. 74,000). The total amount available for distribution is Rs. 8.44 lakhs out of which the Directors have utilised Rs. 2.88 lakhs for writing off the assets at the Lahore factory and Rs. 90,000 for meeting the expenses of previous years. They have also set aside Rs. 23,000 for development rebate reserve (Rs. 92,000 in 1958-59) and provided Rs. 80,000 for the dividend on preference shares. The dividend on ordinary shares has been raised slightly from 7.75 per cent (taxable) to 8 per cent (taxable) which gives a net dividend of 5.6 per cent. The dividend absorption amounts to Rs. 3.60 lakhs, leaving a sum of Rs. 3,000 which has been carried forward to the next year.

The synoptic view of the Company's progress since 1956-57 can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 30th September			
	1960	1959	1958	1957
Sale proceeds	2,36.90	1,67.61	2,84.76	1,66.19
Other income	5.20	16.79	7.44	13.43
Closing stocks	27.99	46.00	17.03	23.66
Raw materials consumed	69.79	90.73	90.88	40.42
Gross profit	1,32.50	1,03.15	1,70.16	1,40.04
Managing Agents' remuneration	20.89	10.49	15.52	6.74
Provision for—	1.62	1.65	1.20	0.50
Depreciation	4.89	4.40	7.01	3.49
Taxation	6.70	4.85	4.05	0.25
Net profit	7.68	8.59	3.26	2.50
Excess provisions and items relating to previous years	0.74	1.04	0.80	..
Expenses in respect of previous years	..	..	..	..
To Lahore assets written off	0.90	..	..	..
„ general reserve	2.88	4.64	..	..
„ development rebate reserve	..	..	0.80	..
Dividends—	0.23	0.92	0.50	..
5½ per cent. preference	..	..	..	..
Ordinary	0.80	0.66	0.56	1.65*
	3.60 (8%)†	3.48 (7¾%)†	2.25 (5%)	..
Carry forward	0.03	0.02	0.11	0.56

* For the years 1955-56 and 1956-57.
† Subject to deduction of tax.

One of the noteworthy features of the Company's working during the year 1959-60 was the establishment of a new department for participating in the railways' electrification work on the South-East Railway for 130 kilometres of railway track between Tatanagar and Kharagpur. The overhead equipment to be supplied, erected and commissioned was for 25 K.V. 50 cycles single-phase A.C. railway electrification. The Company carried on vigor-

(Continued on page 1146)

SYNOPSES OF COMPANY REPORTS

Hooghly Docking and Engineering Co., Ltd.

(*Managing Agents*: Messrs. Martin Burn Ltd., Calcutta.)

Annual General Meeting—29th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	60,17	98,18
Gross profit	1,68	6,36
Transfer to Managing Agents' remuneration	..	58
„ „ depreciation	91	1,34
„ „ taxation	..	1,93
„ „ taxation (in respect of previous years)	4	1,50
„ „ development rebate reserve	6	3
Net profit	67	98
Adjustments	13	59
Appropriations:		
Total available balance	80	1,57
Transfer to wages (for previous years)	80	..
Proposed dividend (taxable)	Nil	1,50 (12%)
Carry forward	..	7

N.B.—Adjustments include the balance brought forward from the previous year.

Extracts from the Directors' report: The Company had a full order book over most of the year, the decline in profits as compared with the previous year being due to a combination of several factors, of which the paucity of ship repair work and the shortage in supply of ship building quality steel over which the Company has no control, are the principal factors. Nevertheless, the Company had to maintain the labour strength at normal levels permitting no effective reduction in the charge against profits. The Company is experiencing keen competition from foreign shipyards. due to the favourable cost of labour and of raw materials prevailing in their countries, and from Garden Reach Workshop, Calcutta, and Mazagon Dock. Bombay, the shipyards recently acquired by the Central Government. These Government shipyards, having the resources of the Government behind them. can quote prices unremunerative for private sector shipyards, but what is more disquietening, is that Government has given their newly acquired yards work for which the Company's tender was not only the lowest but also involved the minimum amount of foreign exchange. The directors are making representations to Government for redress.

Further Outlook: Work-in-progress on the 31st December 1960, was valued at Rs. 1,09,39,395 as compared with Rs. 81,10,175 at the end of the previous year; your Company has currently orders for five vessels for the Calcutta Port Trust and a similar number of dredgers for various Government and Local authorities. In addition, orders for two large dredgers and a survey launch are in the final stages of negotiation for which formal orders are expected to be placed with this Company.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	12,50,000	Gross block	61,38,062
Reserves and surplus	23,59,648	—Depreciation	41,37,127
Other liabilities	77,47,318		
		Net block	20,01,835
		Current assets	93,28,336
		Cash	26,795
	Rs. 1,13,56,966		Rs. 1,13,56,966

Investa Machine Tools & Engineering Co., Ltd.

(*Secretaries & Treasurers*: Messrs. Investa Industrial Corporation Ltd., Bombay.)

Annual General Meeting—26th June. Preference dividends payable on or after 3rd July.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sale of products	44,65	37,04
Gross profit	9,28	9,47
Transfer to Secretaries' and Treasurers' remuneration	75	90
„ „ depreciation	5,58	2,22
„ „ taxation	96	..
„ „ development rebate reserve	55	18
Net profit	1,44	6,17
Adjustments	5	(—) 6,12
Appropriations:		
Total available balance	1,49	5
Proposed dividend (gross) Preference	81†	..
„ „ Ordinary	Nil	Nil
Carry forward	68	5*

N.B.—Adjustments include the balance brought forward from the previous year.

† This represents the dividend on 4½ per cent. tax-free cumulative preference shares for the years ended 31st December 1944 and 1945. The dividend for 1944 is at Rs. 3.70 per share gross and for 1945 at Rs. 4.39 per share gross. The net dividends will work out at Rs. 2.59 and Rs. 3.07 respectively.

* Balance carried forward after deducting the loss of Rs. 6,12,290 brought forward from the previous year.

Extracts from the Directors' report: Both net sales and production recorded increases during the year being Rs. 39.23 and Rs. 36.90 lakhs respectively, as compared with Rs. 33.10 and Rs. 36.58 lakhs respectively during the previous year.

Machine Tools: The year's deliveries of machine tools also improved: 291 machine tools valued at Rs. 33.11 lakhs were delivered as compared with 250 machine tools valued at Rs. 27.85 lakhs during the previous year. Satisfactory progress was maintained on the development of two types of *Radial Drilling* Machines. The first batch of a heavier type of *Pillar Drill* (*Model PD-50*) is at present under production. A new *Lathe* (*Model L-200*) with improved features, has been successfully marketed. The work on the development of a high speed *L-160 Lathe* has been completed and it will be put into production in the Company's factory at Chinchwad. The value of general engineering orders executed during the year was Rs. 5.59 lakhs as compared with Rs. 5.45 lakhs during the previous year.

As mentioned in the last year's report, the Company has embarked upon a programme of shifting and expansion. The award in respect of about 100 acres of land under acquisition at Chinchwad (near Poona) has been declared and the Company is in possession of the land. The construction of the factory buildings has progressed satisfactorily. The bulk of the new plant and machinery we require has been ordered and some machinery has already been received. The Company has obtained a licence under the Industries (Development and Regulation) Act, 1951 for substantial expansion and diversification of its activities. This will enable the Company to undertake the manufacture of a wider range of modern and more advanced types of machine tools. Subject to contingencies beyond the Company's control, the new factory at Chinchwad is expected to go into production by the beginning of 1962.

The Company made the first call of Rs. 25 per share on the 15,000 new ordinary shares payable by 29th March 1961. The second and final call of Rs. 25 per share on these shares has also been made and is payable by 15th June 1961.

The Company has made a provisional arrangement, subject to the approval of the Government of India, with a reputable foreign machine tool manufacturer, whereby the Company will purchase outright the designs, plans and manufacturing rights and know-how of a big lathe and a heavy shaper. The Company has placed further orders for the purchase of machinery and equipment aggregating to Rs. 4.75 lakhs approximately. Considerable progress has been made during the current year in the shifting and expansion programme of the factory. A sum of Rs. 9.14 lakhs approximately has been expended on land and buildings and Rs. 2.47 lakhs approximately for additions to machinery and plant.

The Company will require additional finance to meet the complete expenses of shifting, development and expansion as also for the manufacture of heavy shapers and lathes of foreign design. The directors are, therefore, applying for a loan from the National Industrial Development Corporation and may seek further equity capital by the end of 1961 or the beginning of next year.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	29,32,050	Gross block	28,16,789
Reserves and surplus	1,50,536	—Depreciation	11,01,766
Other liabilities	30,07,680		
		Net block	16,25,023
		Block in progress	11,35,681
		Current assets	33,18,467
		Cash	11,045
	Rs. 60,90,216		Rs. 60,90,216

Swadeshi Cotton Mills Co., Ltd.

(*Chairman*: Mungturam Jaipuria, Esq., Kanpur.)

Annual General Meeting—28th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	10,85,78	10,54,23
Closing stock	2,76,21	2,19,06
Gross profit	1,09,84	27,41
Transfer to depreciation	33,64	..
„ „ depreciation (previous years)	16,50	..
„ „ taxation	25,00	6*
„ „ development rebate reserve	9,55	19,00
Net profit	25,15	8,35
Adjustments	9,81	13,96†
Appropriations:		
Total available balance	34,96	22,31
Transfer to expenses for previous years	2,17	1,27
„ „ general reserve	12,00	..
Proposed dividend (taxable) Preference	3,00 (7.8%)	3,00 (8.57%)
„ „ „ Ordinary	87 (5%)	..
„ „ „ Pref. Ordinary	16,87 (10.71%)	9,00 (5.71%)
Carry forward	5	9,04

N.B.—Adjustments include the balance brought forward from the previous year; income relating to previous years written back and the amount transferred from general reserve if any.

* For wealth tax only.

† This includes an amount of Rs. 12 lakhs transferred from general reserve for the purpose of paying dividends.

Extracts from the Directors' report: The directors take pleasure in reporting that in keeping with their policy of modernising the capital equipment of the Company they have made additions to the fixed assets of the Company of total value of Rs. 56,39,699 out of which a sum of Rs. 53,78,689 represents additions to plant and machinery alone. This policy is being continued in the current year as well.

The Vanaspati Factory of the Company at Shegaon has, in accordance with the shareholders' decision in the meeting of the 13th January 1961 been sold and delivered to Messrs Bachhraj Factories (Private) Ltd., for a sum of Rs. 20,75,000.

The working of the various units of the Company has generally shown better results. The working of the Mills at Kanpur has, as usual, been upto the requisite standard of efficiency. The Company's mills at Pondicherry is also showing positive signs of improvement and is expected to show a profit in the current year. The Naini Mills continues to work efficiently. The Kanpur Mills of the Company has had lately to suffer a lock-out of more than three weeks duration consequent on the illegal strikes and go-slow activities of the workmen. The directors are, however, confident that if nothing untoward happens between now and the closing of the year 1961, the Company's working for the current year also will show satisfactory results. The construction of the Spinning Mills at Udaipur has nearly completed and the Mills are likely to go into production at an early date. But for the unexpected failure of the suppliers to supply the *Ring Frames* in accordance with the delivery schedule and the delay on the part of the Electricity Supply Company to supply power required for the Mill this unit would have been in operation much earlier.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	2,10,00,000	Gross block	6,95,70,628
Reserves and surplus	2,63,88,115	—Depreciation	2,46,91,277
Other liabilities	6,95,55,507		
		Net block	4,48,79,351
		Expenditure in progress	19,08,113
		Current assets	4,85,74,969
		Investments	1,00,23,853
		Cash	19,57,336
	Rs. 11,69,43,622		Rs. 11,69,43,622

Bridge and Roof Co. (India) Ltd.

(*Secretaries*: Messrs. Balmer Lawrie and Co., Ltd., Calcutta.)

Annual General Meeting—29th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	2,29,28	1,95,15
Closing stock (raw materials)	25,60	34,21
Gross profit	29,94	28,71
Transfer to Managing Agents' remuneration	2,70	2,35
„ „ depreciation	9,91	8,72
„ „ taxation	9,97	8,75
„ development rebate reserve	61	55
Net profit	6,75	6,34
Adjustments	1,73	1,48
Appropriations:		
Total available balance	8,48	7,82
Transfer to general reserve	3,00	2,50
Proposed dividend (taxable)	3,60 (30%)	3,60 (30%)
Carry forward	1,88	1,72

N.B.—Adjustments include only the balance brought forward from the previous year.

Extracts from the Directors' report: *Operations.*—The results for the year were again satisfactory. The reorganisation of the Company's Works is proceeding according to programme.

Balmer Lawrie & Co. Ltd. resigned its office of managing agents of the Company with effect from 31st December 1960 and with effect from 1st January, 1961 was appointed Secretaries of the Company.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	12,00,000	Gross block	88,27,611
Reserves and surplus	37,40,753	—Depreciation	54,73,093
Other liabilities	1,37,30,289		
		Net block	28,53,918
		Block-in-progress	6,83,332
		Current assets	1,33,39,783
		Investments	1,74,400
		Cash	2,094
			16,19,559
	Rs. 1,86,71,042		Rs. 1,86,71,042

Mim Tea Co., Ltd.

(*Secretaries and Treasurers*: Messrs. Andrew Yule and Co., Ltd., Calcutta.)

Annual General Meeting—27th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	5,51	7,05
Closing stock	1,48	1,70
Gross profit	1,19	44
Transfer to Managing Agents' remuneration	6	5
„ „ Secretaries' and Treasurers' remuneration	2	..
„ „ depreciation	16	16
„ „ taxation	32	..
Net profit	61	23
Adjustments	6	6
Appropriations:		
Total available balance	73	29
Transfer to reserves	21	*
Proposed dividend (taxable)	36 (22½%)	16 (10%)
Carry forward	16	12

N.B.—Adjustments include only the balance brought forward from the previous year.

* Only Rs. 372.

Extracts from the Directors' report: A record crop of 994 quintals (2,739 maunds) was secured, which compares with a crop of 905 quintals (2,494 maunds) for 1959. The market for Darjeeling tea was satisfactory and the crop sold at an average price of Rs. 8.33 per kg. compared with an average price of Rs. 7.63 per kg. for the 1959 crop.

Labour costs showed a substantial increase over the previous year mainly due to the increase in the Minimum Wage which came into force in the latter half of 1959. Capital expenditure during the year amounting to Rs. 49,032 largely represents the cost of implementing statutory welfare requirements in regard to labour houses and the purchase of garden transport vehicles.

Estimates for the current season have been framed for a crop of 900 quintals.

Messrs. Andrew Yule & Co., Ltd. ceased to act as Managing Agents of the Company on 15th August 1960 and at an Extraordinary General Meeting of the Company held on 29th June 1960, they were appointed as Secretaries & Treasurers of the Company with effect from 15th August 1960.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	1,50,000	Gross block	5,81,607
Reserves and surplus	3,97,806	—Depreciation	2,42,540
Other liabilities	2,07,577		
		Net block	3,39,067
		Current assets	3,02,934
		Investments	2,094
		Cash	1,10,288
	Rs. 7,54,383		Rs. 7,54,383

Notices

SELECTED SATGRAM COLLIERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixteenth Annual General Meeting of the Selected Satgram Collieries Limited will be held on Wednesday, the 28th June, 1961 at 3-30 p.m. at its registered office, F-2, Gillander House, 8, Netaji Subhas Road, Calcutta, to transact the following business:—

1. To receive and adopt the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1960 together with the reports of the Auditors and Directors.
2. To declare dividends.
3. To appoint a Director in place of Shri M. D. Shethia, who retires by rotation, but being eligible and offers himself for re-election.
4. To appoint a Director in place of Shri D. V. Parkhani, who retires by rotation, but being eligible and offers himself for re-election.
5. To appoint Auditors and fix their remuneration for the year ended 31st December, 1961.

To consider, and if thought fit, to pass the following resolutions with or without modifications, as ordinary resolutions:—

6. "RESOLVED that Shri Mahesh R. Chinai whose term of office expires under Section 260 of the Companies Act, 1956 be and he is hereby appointed a Director of the Company".
7. "RESOLVED that one bigha 18 kottahs 9½ chattaks land be demised to Dishergarh Coal Company Limited for construction of tenements for housing persons employed in Colliery, which is worked by the Company as Raising Contractor, for forty years at an annual rent of rupee one and on terms and conditions stipulated in the draft Lease Deed and subscribed by the Chairman of this meeting also for identification and the same be executed according to the provisions of Articles of Association of the Company".

The Share Transfer Books of the Company will remain closed from 13th June to 28th June, 1961, both days inclusive.

By Order of the Board,
For and on behalf of
SELECTED SATGRAM COLLIERIES LIMITED,
For S. D. SHETHIA & Co., PRIVATE LTD.,
B. S. SHETHIA,
Director,
Managing Agents.

CALCUTTA, *19th May*, 1961.

Notes:—(*a*) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

(*b*) Payment of any dividends declared will be made only to those members whose names are registered in the Books of the Company on the 12th June, 1961. No application for warrants will be necessary. Claims on behalf of holders of shares held on blank transfer will not be entertained.

(*c*) Necessary explanatory statement pursuant to Section 173 of the Companies Act, 1956 has been posted along with the notice of meeting to the shareholders.

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

(Incorporated in England)

NOTICE IS HEREBY GIVEN THAT THE Preference Shares Transfer Books will be closed from the 17th to 30th June, 1961 (both days inclusive) for the preparation of Dividend Warrants in respect of the Interim Dividend of 2½ per cent, less Income-tax, payable on the 1st July, 1961, on account of the profits for the year ending 31st December, 1961.

By Order of the Board,
R. W. TURNBULL,
Agent.

P4, MISSION ROW EXTENSION,
CALCUTTA-1.
6th June, 1961.

STATE BANK OF INDIA

NOTICE

WITH REFERENCE TO THE NOTICE OF the 26th April 1961 issued in terms of Regulation 29(2) of the State Bank of India General Regulations regarding the holding of a Local Meeting of the shareholders of the State Bank of India on the Branch Register of Shareholders at the Bombay Local Head Office of the Bank for the sole purpose of electing a person to be a Member of the Local Board at Bombay in pursuance of Regulation 48 of the State Bank of India General Regulations, 1955, in place of Shri Jehangir P. Patel, a Member of the Local Board, whose term of office will expire on the 30th June 1961, NOTICE IS HEREBY GIVEN that I have accepted as valid the nomination proposing the name of Shri Jehangir P. Patel of 6 Veer Nariman Road, Fort, Bombay, as a candidate for election as a Member of the Local Board of the State Bank of India at Bombay. The said nomination being the only valid nomination received, Shri Jehangir P. Patel shall be deemed to be elected a Member of the Local Board of the Bank at the said Local Meeting of the shareholders proposed to be held on the 21st June 1961, which Meeting in terms of Regulation 40(1) of the said General Regulations now stands cancelled.

N. A. KRISHNAN,
Secretary & Treasurer,
State Bank of India,
Bombay.

8th June, 1961.

THE MEGNA MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held at its Registered Office on Friday the 7th day of July, 1961, at 3 o'clock in the afternoon, to consider and if thought fit to pass either with or without modification the following resolution which will be proposed as a special resolution, namely:

"That the Articles of Association of the Company be altered in manner following:—

The following new Article shall be added and numbered Article No. 122A.

"The Company shall not, so long as any money remains due and owing by the Company to the National Industrial Development Corporation Ltd. under or by virtue of the mortgage dated the 16th day of January, 1958, and/or any further charge or mortgage to be executed by the Company in favour of the said Corporation, lend monies without security to any person or persons without the consent in writing of the said Corporation first had and obtained. Such consent in writing may be of a general or special nature."

By Order of the Board,
A. D. A. ALEXANDER,
Secretary.

16, STRAND ROAD,
CALCUTTA,
Dated, 9th June, 1961.

NOTE:—1. A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.

2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, has been sent to all shareholders alongwith the Notice convening the Meeting.

LONDON FINANCIAL MARKETS

(Concluded from page 1121)

central banks. It is generally understood that cushioning operations of this kind occurred to a large extent in March at the peak of the stresses caused by the revaluations and were continued on balance in April. In the absence of such aid, the losses from Britain's exchange reserves would certainly have been substantially greater than the £62,000,000 actually revealed for March and the £26,000,000 revealed for April, and the same sort of comment presumably holds for the loss of £16,000,000 announced for May (reducing the total "first line" reserve to £1,037 million).

The only reasonably reliable guide to the extent of any such operations will be that afforded by the detailed quarterly analysis available only after a substantial time-lag of the overseas sterling balance in London. These operations, as already noted, do not alter the absolute size of London's short-term liabilities: they merely cause a shift from private to official holdings. Such a shift is not disclosed by the normal first series of quarterly statistics (which show geographical distribution only), but only in the series now published in the Bank of England's new quarterly bulletin.

The latest figures of sterling balances yet available, those just released for end-March, thus throw little light on the matter—partly because they do not reveal the essential subdivision, and partly because they were made up soon after the Basle agreement. They do however show two interesting trends. Aggregate overseas holdings of sterling fell during the quarter by £164,000,000 to £4,272 million. But £131,000,000 of this decline represented the transfer of the funds temporarily held as "balance," pending their use in the purchase by Ford Detroit of the remaining outside holdings in Ford England. The true decline thus amounted to only £33,000,000. But this was the resultant of several sharply contrasting trends. The balances held by sterling-area countries continued to fall, but at a much slower rate than in the last quarter of 1960, when they dropped by £97,000,000. In the ensuing quarter, the decline was only £37,000,000. On the other hand, the trend of dollar-area balances was reversed; instead of an increase of £39,000,000 (excluding the Ford funds) there was a decline of £29,000,000. Similarly, the balances of other Western hemisphere countries dropped by £17,000,000. The fall in the balances of these two groups was neatly offset by the rise of £48,000,000 shown by the O.E.E.C. group—which suggests, but, of course, does not prove, that the strain was being met by operations under the Basle agreement.

Though one must regret the concealment of facts that these operations involve, it is fair to note that such concealment is the very essence of this particular effort to protect currencies against speculative assault or sudden irrational fear. It is true, of course, that if the strains on reserves that are neutralised by central bank co-operation are strains caused not by fundamental weakness of the currency in question, but simply by movements of mobile short-term funds, the concealment does not really cause any distortion of the facts. The true position is given not by the state of the reserves alone but by the balance between the reserves and short-term liabilities. What the central bank co-operation does is to prevent a withdrawal of private funds from reducing both the reserves and the liabilities (which it would otherwise affect equally) by confining the effect to a redistribution of the liabilities.

COMPANY AFFAIRS

(Concluded from page 1142)

ously the export drive which was launched in 1959. It obtained an export order for radio communication from the Irrigation Department of Thailand. Negotiation with regard to the offer for the supply of 1,100 tons of transmission line towers with the New Zealand Electricity Department were brought to a successful conclusion and the Company has secured the order. The Company also obtained a direct order of substantial value from the Neyveli Lignite Corporation. Another order amounting to Rs. 87 lakhs was obtained from the Barauni Thermal Power Station.

The paid-up capital of the Company amounts to Rs. 59.98 lakhs, consisting of Rs. 15 lakhs in 15,000 5½ per cent cumulative preference shares of Rs. 100 each and Rs. 44.96 lakhs in 449,625 ordinary shares of Rs. 10 each. As against this capital, the reserves aggregate no more than Rs. 3.71 lakhs. The current liabilities and provisions (including borrowings from banks) are of the order of Rs. 144.05 lakhs, which are more than adequately covered by current assets of Rs. 171.37 lakhs, including investments of Rs. 2.13 lakhs. This sum represents only the value of assets in India, as the Company's assets at the Lahore factory have been completely written off. The gross block of the Company has increased from Rs. 62.46 lakhs to Rs. 68.03 lakhs and it has been well written down to Rs. 36.37 lakhs, the depreciation provided so far being Rs. 31.66 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are currently quoted at Rs. 17.24 *cum-div.* On *ex-div.* basis and at the proposed rate of dividend, the net return on shares comes to 3.35 per cent per annum.

MONEY EASY

(From Our Own Correspondent)

BOMBAY, 14*th June*

Thanks to comfortable money supply position, following the further return of funds from inland centres, the borrowers could easily obtain their requirements. The call money rate among Exchange and Indian banks came down from 4½ per cent to 4¼ per cent. It was felt that the rate might decline further in view of the excess of loanable funds over demand. The other rates continued to remain at their previous levels. For purposes of record, they are given below:

	Per cent
Inter-bank call money:	
Exchange and other large Indian banks	4¼
Other banks	4½
Notice money:	
3 days or more	3
Term deposits:	
(i) 3 to 30 days (inclusive)	3
(ii) 31 to 60 days	3½
(iii) 61 to 90 days	3½
(iv) 91 days and more but less than 12 months	3¾
(v) 12 months	4

The results of the 91 days' Treasury bills of the Government of India sold through weekly tenders shows that, as against an invitation of Rs. 2 crores, an equivalent amount was offered and accepted. The average rate of accepted tenders was unchanged at 2.750 per cent per annum. The 91 days intermediate Treasury bills sold from the 7th to 10th inst. aggregated Rs. 1.97 crore, as against just Rs. 10 lakhs in the previous week. Their sales will be resumed from the 14th to 17th inst.

An expansion of Rs. 20.77 crores in notes in circulation is disclosed by the Reserve Bank of India's statement for the week ended 9th June 1961 as compared with the previous week. As the notes held in the Banking Department have declined by Rs. 17.16 crores, the total notes issued have risen by Rs. 3.61 crores. Foreign securities have receded by Rs. 5 crores to Rs. 108.01 crores but, since the balances held abroad have improved by Rs. 1.70 crore, the total foreign assets have shrunk by Rs. 3.3 crores to Rs. 125.48 crores. Deposits of banks with the Reserve Bank of India show an expansion of Rs. 4.64 crores to Rs. 83.33 crores. On the assets side, other loans and advances have contracted by Rs. 5.34 crores to Rs. 118.50 crores, while those against usance bills are higher by Rs. 97 lakhs at Rs. 14.03 crores.

The Statement of the Scheduled banks for the week ended 2nd June 1961 shows a fall of Rs. 1.16 crore in demand deposits and an expansion of Rs. 5.88 crores in time deposits. The deposits of the State Bank of India have gone up by Rs. 1.99 crore. The Scheduled banks borrowed Rs. 5.07 crores more from the Reserve Bank and those against usance bills rose by Rs. 41 lakhs. Borrowings (demand and time) from the State Bank registered a rise, the former by Rs. 55.44 lakhs and the latter by Rs. 94.40 lakhs. Advances and bills discounted which together comprise bank credit showed a modest rise of Rs. 1.27 crore to Rs. 1,281.33 crores, as against Rs. 1,134.07 crores a year ago. But as the advances of the State Bank have gone up by Rs. 4.27 crores, it is clear that the advances of other Scheduled banks have actually contracted by Rs. 3 crores.

The gilt-edged market continued to remain sluggish. The 3 per cent Conversion Loan is quoted at Rs. 72.45. The Reserve Bank is reported to have started selling 3½ per cent issue 1967 at Rs. 99. Induced by some enquiry, 3 per cent 1966-68 funding loan hardened by 20 nP to Rs. 96. 2½ per cent 1962 issue was maintained at Rs. 99. 3½ per cent 1968 and 4 per cent 1973 loans changed hands at Rs. 98.75 and Rs. 100.45, respectively. All other issues were unchanged.

In the foreign exchange section, the rupee improved slightly in relation to the U.S. dollar. The banks' selling and buying rates for ready T.T. on New York were Rs. 479.50 and Rs. 476.00 per 100 dollars, respectively, as against Rs. 479.75 and Rs. 476.25 in the previous week. In the New York exchange market, the pound sterling strengthened to some extent. The latest available rates are 279.200-279.230 cents per £ for spot and 277.620-277.650 cents per £ for three months' forward. As compared with last week, the pound gained 0.13 cent in the spot market and 0.12 cent in the forward.

TEA RECEDES

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.)

COCHIN, 6*th June*

A total of 678,000 kilograms was offered in Sale No. 23 held today. Quality generally showed deterioration and this was particularly noticeable from the lower elevations which had a few invoices of rush teas on offer. There was fair demand at much easier rates. Highgrowns although well supported, were irregular and generally easier following quality. Good mediums and mediums received fair enquiry at a decline of upto 20 nP per kilo. Low mediums and plainest sorts were a weak feature registering declines of 10-20 nP per kilo and sometimes more. Whole leaf grades came to an irregular market with O.Ps. selling well. The few lines of C.T.C. and legg-cut sorts sold readily. Quotations were:

	1961	1960
	Rs.	Rs.
Low mediums	4.25-4.40	3.48-3.64
Mediums	4.40-4.55	3.53-3.76
Good mediums	4.55-4.85	3.86-4.08
Nilgiri B.O.P.	Rs. 4.50-5.65	

The average price realised in sale No. 23 was Rs. 4.43 per kilo as against Rs. 4.60 a week ago and Rs. 3.85 in the corresponding sale last year.

Dust Sale No. 23: Approximately 310,000 kilograms were offered in dust sale No. 23 held on Friday, 9th inst. There was fair demand at lower rates. The clean-leafed highgrowns received good support and sold at around last rates whilst the more stalky kinds generally eased. Support was forthcoming for the mediums but at a decline of 15-30 nP per kilo. The powdery sorts sold poorly. Residuals were readily absorbed but shared in the general decline. C.T.C. and leggcut types realised rates which were 10-15 nP below last.

The average price realised in dust sale No. 23 was Rs. 4.06 per kilo as compared with Rs. 4.28 a week ago and Rs. 3.99 in the corresponding sale last year.

Export Quota: There has been no activity for new season's quota and sellers are still nominally quoted at 4 nP per kilo.

Colombo: Just over 7 million pounds were offered in the export sale. The market opened to good general demand. Best highgrowns were firm whilst the lesser sorts were slightly easier. Mediums and Uvas sold at fully firm prices. Lowgrowns followed a slightly lower trend.

London—North Indian and other growths: In Monday's auction there was good general demand with plain liquoring types and the better mediums selling at steady rates. Others were irregular. Plain broken pekoe is quoted at 3*s.* 8½*d.*

Ceylon and South Indians: In Tuesday's sale the offerings amounted to 27,517 packages of which 7,367 packages were from South India. There was rather a selective demand.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale No. 24*: 700,000 kilograms. Active demand. Plain and low medium 5 to 10 nP lower. Medium and good medium about 10 nP easier. Nilgiris irregular following quality."

BULLION FIRM AGAIN

(From Our Own Correspondent)

BOMBAY, 14*th June*

The firm trend of the bullion market noted last week gathered considerable momentum during the week under review, with values continuing to march upward. Silver made a strident advance, thanks to large-scale buying by some North Indian operators. The spot rate touched at one time yesterday as high as Rs. 203.95, the *Jeth Adhik* settlement being quoted still higher at Rs. 204.45. Since the rise in the quotation for the *Jeth* second settlement was more than Rs. 5 over the last clearing rate, the Board of the Bullion Exchange had to impose a special clearing yesterday under clause 104(2). In sympathy with silver and following enlarged offtake as well as seizure of large parcels of contraband metal in Bombay and other centres, gold also recorded an improvement. Even the reported sale of a large quantity of gold (estimated at about 20,000 tolas) by a leading bank on behalf of some parties had no effect.

The daily average offtake of gold and silver during the week was higher than in the previous week: 6,400 tolas and 7 bars, as against 5,500 tolas and 5 bars, respectively. Actual arrivals were also larger being 6,400 tolas (as against 5,600 tolas) and 26 bars (as against 20 bars). The floating stocks are estimated at 40,000 tolas of gold and 400 bars of silver.

Adjustment rates fixed today were Rs. 121.20 per 10 grams of gold and Rs. 203.95 per kg. of silver. The corresponding rates for last week were Rs. 119.30 and Rs. 202.70.

The *Jeth* second settlement in gold met with excellent support and climbed up from Rs. 119.15 to Rs. 120.75 today, or a net rise of Re. 1.60. Ready gold commanded a premium over the forward throughout the week, the premium actually increasing from 20 nP on Wednesday last week to 90 nP today. The closing rate was Rs. 121.65, representing a rise of Rs. 2.30 as compared with the rate prevailing a week ago.

In silver, *Jeth* second settlement began the week at Rs. 203.10, as against the previous close of Rs. 203.70, and rallied to touch Rs. 204.50 today. It, however, finished a shade easy at Rs. 204.45. Ready silver continued to be quoted at a discount under the forward though the actual discount today was lower at 50 nP, as against Re. 1. The rate which stood at Rs. 202.70 last week-end advanced steadily and touched Rs. 204 today before closing at Rs. 203.95. The net rise over the week was Re. 1.25.

The world price of gold in the London bullion market eased from $35.07 to $35.06½. Ready gold also declined by 1½*d.* to 251*s.* 2*d.* Ready and forward silver, however, continued unaltered at 79¾*d.* and 79¾*d.*, respectively, as also silver in New York at 91.375 cents.

The following table shows the trend of the market during the week under review:

	14-6-1961 (closing)	High	Low	7-6-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	121.65	121.65	119.05	119.35
Forward:				
Jeth 2nd*	120.75	120.75	118.55	119.15
Sovereign	94.50	94.50	94.25	94.25
SILVER				
Ready (.996 fine)	203.95	204.00	202.10	202.70
Forward:				
Jeth 2nd†	204.45	204.50	201.70	203.70
London—	13-6-1961			6-6-1961
Silver Ready ..	79¾*d.*	—	—	79¾*d.*
Silver Forward ..	79¾*d.*	—	—	79¾*d.*
Gold	251*s.* 2*d.*	251*s.* 4½*d.*	251*s.* 2*d.*	251*s.* 3½*d.*
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 27th June settlement. † 28th June settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES IRREGULAR

(From Our Own Correspondent)

BOMBAY, 14*th June*

The cotton futures market moved rather irregularly during the week, though the general tendency of prices was upward. For operators preferred to await the official announcement of measures regarding the accumulated cotton stocks in Gujarat. There was also the continued uncertainty regarding the release of a further export quota for short-staple cotton. In view of the conflicting rumours about these, cotton futures were subjected to alternate bouts of buying and selling. Consequently, prices moved erratically.

The I.C.C. August contract began the week firm at Rs. 586.50, as against the previous close of Rs. 583, thanks to the Gujarat Chief Minister's statement that the Centre was taking steps to solve the problem of cotton stock accumulations. But soon there was some liquidation by tired bulls which took the contract down to Rs. 582.50 the same day. At this level, support ensued again and the rate improved to Rs. 583.75 and further to Rs. 586.50 on the following day (Friday). The recovery gathered momentum in the two subsequent sessions, the contract touching as high as Rs. 587.75 at one time on Monday. After declining to Rs. 583.75 yesterday, the contract rallied to Rs. 589.75 today, on short-covering and renewed support induced by encouraging advices from the spot market. At this level, some profit-taking set in and the contract finished at Rs. 588.75.

The Government of India is reported to be considering several measures designed to help the co-operative societies in Gujarat to get over the difficulty arising from heavy accumulations of cotton stocks estimated at 175,000 bales. Among them, three stand out prominently. They are: (1) permission to traders to export freely the unsold stocks of Bengal *Deshi* lying in Bombay and elsewhere (estimated at about 80,000 bales), provided they buy equivalent stocks of Gujarat cotton lying with co-operative societies; (2) provision of facilities to those traditional consumers of Broach, Vijay and Surti cottons who increase their purchases from the societies to store the incoming American cotton which they have contracted under P.L. 480 with merchants on their own account subject to payment of a small carrying charge; and (3) fixation of prices at levels sufficiently below the present market rates so as to induce the mills and traders to make more purchases of Gujarat cotton. The Textile Commissioner held discussions on these matters with the cotton interests on Monday the 12th inst., as well as today. The final outcome of the discussions is anxiously awaited.

The spot market ruled active on hopes of favourable official action regarding Gujarat cotton. Mills evinced keen interest in varieties like Surti, Vijay, L. 147, CO2 and Digvijay. Some mills also bought Laxmi and Kalagin-Wagad. Among exportable styles, Bengal *Deshi* and Kalyan cottons evoked good support in anticipation of an early export quota announcement. In the import section, African and Sudan varieties attracted the attention of spinners. American short-staple cotton, however, was dull. Some of the transactions put through were: Busoga (UNUG) Rs. 1,315 and B.P. 52 Rs. 1,305 (both prompt shipment c.i.f.); American good middling 1" Rs. 1,238; and Jinja Rs. 1,210 (August shipment).

The quotations—in rupees per candy of 784 lbs.—for a few important varieties of cotton are: Hubli Laxmi 985; Amravati L. 147 1,045; Moglai Zoda 470; Samalaya Digvijay 980; Gadag Laxmi 985; Dhulia Zoda 560; Kalyan 860.

Price movements in the Karachi cotton market were confined to a narrow groove. There was some support for futures, whereas spot cotton ruled quiet, owing to lack of overseas enquiries and dull demand from local mills. The estimates of the U.S. Department of Agriculture indicating a decline in Pakistan's cotton output from 1,365,000 bales in 1959-60 to 1,325,000 bales in 1960-61 did not have any effect on the market. July contract rose by 10 nP to Rs. 70.20. Trading in the January new crop contract is due to commence on the 15th inst. The following are the latest available quotations—in rupees per maund of 92 lbs—for a few popular varieties of Pakistan cotton prevailing at Karachi, the figures in brackets being last week's rates:

Sind *Deshi* 91(93); Punjab *Deshi* 88(90); 4F Punjab Roller 85.55 (85.35); S.G. 90.05 (90.35); L.S.S.R. 88.05 (88.35); S.G. 92.55 (92.85); N.R. Roller 92.55 (92.85); S.G. 97.05 (97.35).

Easy conditions prevailed in the Liverpool cotton market. July position declined from 24*d.* to 23.90*d.* October and July (Sudan) position were quiet at 24*d.* and 31.75*d.* respectively.

The Alexandria cotton futures market was quite active notwithstanding the lull on export front, the non-communist countries still awaiting a possible decrease in prices. It is estimated by the U.S. Department of Agriculture that the production of Egyptian cotton would go up from 2.1 million bales in 1959-60 to about 2.2 million bales in the current season and that of Syrian cotton from 446,000 bales to 482,000 bales. Another source estimates the acreage under cotton cultivation in Syria during the 1961-62 season at 15 per cent more than in the previous season. The area under cultivation in Egypt is considered to be same as in the last season. The *Karnak* July contract rose from 69.51 T. (tallaris) to 69.60 T. per pound. The *Ashmouni* June contract closed higher at 60.08 T., as against 60 T. last week-end. August contract, however, declined from 60.50 T. to 60.27 T., after rising earlier to 60.75 T.

The steady trend noted in the New York cotton market towards the close of last week gathered further momentum during the week under review, thanks to fair volume of purchases

by commission houses and pronounced firmness in the spot section. Offerings were scarce. The U.S. Department of Agriculture has reported that purchases in the 14 spot cotton markets during the week ended 8th June amounted to 79,000 bales, as against 115,700 bales in the week preceding it and 49,500 bales in the corresponding week a year ago. The total exports for the season upto the first week of this month aggregated 6,389,851 bales, as compared with 6,028,156 bales in the same period a year ago. The Commodity Credit Corporation entry into 1960 Cotton Loan till the week ended 2nd June aggregated 540,273 bales (adjusted). The total repossession is placed at 427,186 bales, leaving a balance of stock of 113,087 bales.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	13-6-61	6-6-61	26-5-61
Spot	34.40	34.35	34.25
July	33.43	33.45	33.27
October	34.24	34.12	34.07

ART SILK YARN RALLIES

(From Our Own Correspondent)

BOMBAY, 14th *June*

There was a sharp rally in art silk yarn prices during the week under review. The rally followed a buying spree which stemmed from fears of a possible cut in import quota. The reports that the floating stocks were very low and that upcountry demand continued to be quite large also imparted strength. The rise in prices would, indeed, have been more appreciable but for the reported decision of the Government to issue to the State Trading Corporation licences worth Rs. 1 crore for import of art silk yarn against exports. The Committee set up by the Government to advise the Corporation about the imports and distribution of yarn, it is said, has decided to purchase nylon as well as viscose yarns at suitably reduced prices. If viscose yarns are not available, the Committee is likely to consider favourably the purchase of Cupressa Bemberg yarns. The S.T.C. is believed to have already concluded the barter deals with Germany, France and Hungary. The yarns covered under these deals are expected to arrive in the country shortly. Meanwhile, the export procedure is being streamlined and expectations are that the issue of licences as incentives against exports will be speeded up. Staple fibre yarns also ruled firm. Cotton yarns, however, continued to be dull in the absence of fresh support. Coarse and medium counts actually tended to move down. It was felt that prices would decline further, in view of the sluggish demand during the monsoon and increased arrivals from Coimbatore side following restoration of power cut to mills in that region.

Among imported art silk yarns, 120 Japan forged ahead from Rs. 1,735 to Rs. 1,847 and 150 Japan from Rs. 1,777 to Rs. 1,874. 120 Italy was quoted at as high as Rs. 1,847 today, as against Rs. 1,625 on Wednesday last week. 150 Italy were firm at Rs. 1,805. Among indigenous yarns, National Rayons 120 bright cones first grade jumped up by Re. 1.39 to Rs. 18.90. 150 bright cones first grade rallied from Rs. 16.21 to Rs. 17.03. Cupressa Bemberg yarn (60 x 1) August contract was well favoured, the quotation advancing by Rs. 25 to Rs. 2.690. June settlement put on Rs. 5 to Rs. 2,645. Spot Cupressa was done at Rs. 2,633, as against Rs. 2,645. 40 x 1 J.P. August delivery gathered Rs. 2 to Rs. 3,094, while June contract declined by Rs. 12 to Rs. 3,038.

In the staple fibre yarn section, 44 x 2 August contract evoked good buying enquiries and improved from Rs. 910 to Rs. 923. Spot Centurys picked up 4 nP to Rs. 11.26. Kohinoors were firm at Rs. 10.87.

Among cotton yarns, ten counts Podars were quiet at Rs. 17.50, as also twenty counts Gokaks at Rs. 22.50 and New Greats at Rs. 21.25. Thirty counts Simplex changed hands at Rs. 27, same as last week. Forty counts Maduras dropped 63 nP to Rs. 32.37. Sixty counts Finlays were unaltered at Rs. 65.39. Eighty counts Finlays were also unchanged at Rs. 81.75 and Moderns at Rs. 69.50.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with those prevailing a week ago:

	14-6-1961	7-6-1961
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.)—		
June	2,645.00	2,640.00
August	2,690.00	2,665.00
Spot	2,633.00	2,645.00
40 x 1 JP June	3,038.00	3,050.00
August	3,094.00	3,092.00
120 Japan (per 100 kg.)	1,847.00	1,735.00
150 Japan (per 100 kg.)	1,874.00	1,777.00
Staple fibre yarn (40 x 2)—		
August (per 90.72 kg.)	923.00	910.00
Kohinoor (per kg.)	11.26	11.22
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	17.50	17.50
20s New Great	21.25	21.25
30s Simplex	27.00	27.00
40s Madura	32.37	33.00
60s Finlay	65.39	65.39
80s Moderns	69.50	69.50

LINSEED ADVANCES

(From Our Own Correspondent)

BOMBAY, 14th *June*

The oilseeds market ruled distinctly steady during the week under review under stimulus of fresh speculative demand. Further, in view of the paucity of selling by upcountry interests, local stocks were said to be poor. Naturally the crushers and other buyers were eager to enlarge their holdings as much as possible even at higher levels. Linseeds were particularly in the limelight on account of continuing firmness of rapeseed in North India and persistent manipulations by Calcutta interests. Rumours of Australian enquiries also imparted strength. Fresh offerings were scarce and the spot section ruled firm. Castorseeds which were quiet early in the week staged a smart rally towards the close, following news of substantial business in commercial oil having been put through with U.K. interests and on hopes of securing contracts for castor oil from some communist countries. There was a steady increase in the prices of groundnuts as well. This was due mainly to scarcity of supplies in the wake of keen demand for groundnut oil and oilcakes. The *vanaspati* manufacturers were eager buyers with the purpose of replenishing their stocks. Cottonseeds were well maintained in sympathy with other seeds. Sesame too ruled steady on good demand from South India.

Traders in oilseeds took note of the observation of Mr. J. C. A. Faure of Unilevers at the International Seed Crushers' Federation at Stockholm that there would be no shortage of fats and oils in 1961. He estimated the total world production of oils and fats at about 32.6 million tons in 1961, on an increase of ½ million tons over 1960.

In the linseed section, September 1961 contract improved by 13 nP to Rs. 39.75. Bold ready put on a rupee to Rs. 39. Linseed oil rose by 80 nP to Rs. 17.05.

Among castorseed, September contract spurted by Rs. 2.12 to Rs. 179.62. Ready Kanpur hardened by 13 nP to Rs. 33.75. Oil Commercial was higher by 5 nP at Rs. 15.10. Oil B.S.S. too improved by a like amount to Rs. 16.20.

Among groundnuts, Nizam bold rose by 50 nP to Rs. 55. Coromandels improved by 25 nP to Rs. 55.25. Oil railway receipts scored a gain of 40 nP to Rs. 23.10. Oil ex-mill was higher by 25 nP at Rs. 23.25.

Cottonseeds September 1961 contract was fully maintained at Rs. 95. Berars whites and non-whites were all quoted at Rs. 19.50.

In the sesame section, sesame oil picked up a rupee to Rs. 27.75. Sesame bold was well fancied at Rs. 370.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	14-6-1961	7-6-1961	31-5-1961
	Rs.	Rs.	Rs.
Groundnut			
Nizam bold	55.00	54.50	53.50
Coromandel ready	55.25	55.00	53.75
Khandesh quality	55.00	55.00	53.50
Oil ex-mill ready*	23.25	23.00	22.10
Railway receipts*	23.10	22.70	21.90
Castorseed			
September 1961	179.62	177.50	176.00
Ready Madras	35.50	35.50	35.12
Ready Kanpur	33.75	33.62	33.25
Oil B.S.S.†	16.20	16.15	16.00
Oil commercial†	15.10	15.05	14.80
Linseed			
September 1961	39.75	38.62	37.56
Bold ready	39.00	38.00	37.12
Oil ready†	17.05	16.25	15.80
Cottonseed			
September 1961	95.00	95.00	93.75
Niger seed	41.50	42.00	43.00
Kardi seed	26.75	27.00	26.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

FAIR DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, 13th *June*

Fair demand for tea was in evidence at the export sales held yesterday. Prices were about steady. At the internal sale held last week, general demand was good, but prices were irregular.

A further increase in tea shipments was reported during the week. However, fresh crop arrivals are yet small, and that accounts for the export auction taking place once a fortnight instead of every week. It may be remembered that the export auctions this year began much earlier than usual and, including the sales that took place yesterday, three export auctions have so far taken place. The recent language controversy in Cachar has also affected tea movements. It is, however, expected that, within the next two to three weeks, arrivals would be more substantial to justify an auction taking place every week.

There is no doubt among tea trade circles that production this year would show a substantial increase over 1960. In April, the North Indian production was higher at 19.1 million lbs., as against 16.6 million lbs. in April 1960. In May also, a substantial rise is believed to have taken place, as most gardens in the areas of Assam, Cachar, Dooars, Darjeeling and Terai reported favourable weather conditions and good output prospects.

It was noted with satisfaction that, in view of the fact that production rose substantially in the last two months, the proportion of superior teas to plains and commons would be more encouraging than last year. For it is in this period that quality teas are produced and production at this time last year was affected by prolonged drought.

While the immediate outlook for marketing was considered to be good by the trade, the long-term outlook was by no means considered certain. For, later in the year, the weight of the bigger crop would be felt. There are firm indications that this year more tea will be offered in world markets than last year. Pakistan has fixed an export target of 5 million lbs. for the year, and production in that country is expected to reach the higher figure of 57 million lbs. The Pakistan crop in April was as high as 4 million lbs., as against 1.6 million lbs. in April 1960.

Keener competition in world markets f Ceylon, Africa, Indonesia and China is alre being felt. According to Messrs. J. Thomas Co. Private Ltd., India's share in the market pansion in the last decade has been much than of other producing countries. It is sta that, in the last ten years, India's production gone up by only 20 per cent, as against nearly per cent in the production of Ceylon, Africa other tea growing countries. In this per world shipments increased by 30 per cent, w the increase in shipments from India was c about 8 per cent. These figures reveal the perative need for India to increase exports capturing more markets.

In the internal sales held last week, dusts offer amounting to 23,052 packages met w good general demand. Generally, an irregu trend prevailed. Among orthodox teas, the cl leaf varieties met with good support and pr gained, while the fibrous teas were bid at lo rates. Legg-cut teas evoked good inquiries, prices were lower. Among C.T.Cs, good sorts corded a liberal decline and fibrous teas w about steady. The clean leaf teas were changed. The quotations per 1 kg. inclusive excise duty were: Good Assam C.T.C. d Rs. 6.20 to Rs. 6.80 (nominal); medium Ass C.T.C. dust Rs. 5.40 to Rs. 5.90 (nominal); legg- dust Rs. 4.10 to Rs. 4.80 (nominal); medi Assam dust Rs. 4.05 to Rs. 4.50 (nominal); plain orthodox dust Rs. 3.80 to Rs. 4.20 (nomin

Leaf teas on offer amounted to only 55 che Prices were firm.

Overseas buyers paid more attention yesterday's export sales. Internal buyers w also active. As a result, there was good dema and prices improved. But demand for Darjeelin was lower, leading to a number of withdraw without a bid. Offerings aggregated 98,673 che The quality of Darjeelings was poor and uni pressive, and flavourings were extremely limit Flavourings were about steady, but others eas Keen attention was paid to C.T.C. teas, with t better descriptions being much in the forefro Medium C.T.Cs recorded an irregular trend, wh the poorer and lower priced teas hardened. The was good demand for orthodox teas. Fannin were fully steady on more interest, and medi and plainer teas were firm. Whole leaf grac eased. The quotations per 1 kg. inclusive of exc duty were: plain fannings Rs. 4.55 to Rs. 4. plain B.P. Rs. 4.70 to Rs. 4.75; and clean pl pekoe Rs. 5.05.

JUTES SLUMP

(From Our Own Correspondent)

CALCUTTA, 13th Ju

The most remarkable development in the ju markets during the week under review was t marked fall in prices of goods. The decline in flb prices, was also substantial, but this caused surprise, as it had been anticipated since the pr posal for block closure of mills was first moote And so, when the proposal was finalised after t Government accorded approval, the way for t decline in fibre prices was made all the cleare This was not so in the case of goods, as, in fac with the finalisation of the decision to close dow mills for a fortnight, at least initially prices goods were expected to move up. Prices move up for a day or two, but, since then, a gradu decline had set in. This was so because, at th rise, no worthwhile support was accorded t overseas buyers. As a result, the declining pha set in, but, even then, support from overse buyers had not been measurable. It was at th stage that details of finished goods in stock wit mills as at the end of May were announced. Fo the total at 92,100 tons shows an increase of 1,20 tons. Hessian rose by 6,600 tons, while heav goods and miscellaneous constructions fell b 6,600 tons and 1,000 tons to 44,400 and 13,20 tons, respectively. It was expected that, with ir creased stocks, no difficulty would be felt to mee the day-to-day demand having regard to the los of production of about 40,000 tons which would b entailed in the closure of mills for two weeks.

Lower advices from the New York burla market caused disappointment and were one o the factors which led to this week's declin From 12.60 cents per yard, the 40" 10 oz. heav hessian fell to 11.90 cents in New York. Th lighter construction, 40" 7½ oz. hessian, fell from 9.60 cents a yard to 9.05 cents. Buyers in New York were holding off entering into commitments as, taking the cue from Calcutta, they believe that prices would decline further in the course o the next two months. Inventories of bag manu facturers had become so low as to necessitat forceful than lower New York advices, whic pulled down prices here in Calcutta was tha Pakistan sellers were making all-out efforts to sel from that date, the export bonus scheme would be reduced to 10 per cent from 20 per cent fo marketing purposes. Thus, even if current Paki stan sales entailed losses, the bonus awards from higher sales would be more than fair compensa tion. Also, a further decline in prices of old crop was reported from the Narayanganj market. Ex port firsts fell from Rs. 370 to Rs. 350 a bale lightnings from Rs. 360 to Rs. 340, and hearth from Rs. 340 to Rs. 320. Cuttings were quiet a Rs. 300 per bale. However, overseas buyers o old crop were reserved. New crop arrivals were reported for the first time. But the quantity hitherto has been too low and, because arrivals consisted mostly of weedings and not long enough for baling, they were only acceptable for local consumption. Overseas buyers showed interest for new crop at £155 for July shipment, as against £160 previously. August shipments were quoted at £150. These levels should be compared

with the E.P.C. rates of £185 for the old crop and £167 for the new crop, revised early last week.

Weather conditions in the jute-growing districts of India continued to be extremely good. Moderate to heavy rains have occurred in many areas in the last week. Plants in many districts have already attained good heights, but some damage has been reported by isolated pest attacks. New crop is expected to begin arriving as from July, but the quantity would not become significant before August. As announced earlier, forward trading is expected to be resumed from 15th June; but there is opinion that it would be better to postpone forward trading by a few weeks more. Prices have now started to decline, but it remains to be seen if the decline would continue after forward trading commences. Experience had shown that prices tended to be subjected to violent fluctuations. It is to be hoped that, with very strict vigilance by the East India Jute and Hessian Exchange, prices would be kept within reasonable limits. Judging from the presidential address made at last week's meeting of the Exchange by Mr. A. I. Murison, there is every hope that the Board would take all measures in order that parity would be maintained between primary markets and the hedge markets.

On Tuesday last, the goods market opened under selling pressure from bear operators. Mills were anxious to sell moderately against near deliveries in both hessian and sacking constructions. As a result of this, a five-point decline occurred in the price of B. twills. Hessian also fell. At lower levels, fair business was reported and prices recovered. Ready B. twills closed at Rs. 151.50, as against the overnight quotation of Rs. 152.50, and ready hessian 40" 10 oz. at Rs. 49, as against Rs. 49.50. At this stage, bears became active once again and, following selling pressure on Wednesday, B. twills lost to as low as Rs. 144 and hessian 40" 10 oz. to Rs. 46.50. On Thursday, details of the stock figures of mills as at the end of May were announced, and an overall increase was reported. At lower levels, overseas buyers became active and, despite weaker New York advices, ready hessian 40" 10 oz. recovered to Rs. 47.50. In sympathy, B. twills steadied around Rs. 146. Fair covering business was the feature on Friday. B. twills recovered to Rs. 148 and hessian 40" 10 oz. to Rs. 48. Mills sold some quantities at the higher levels; any possible decline was nullified by short-covering over the week-end, although overseas buyers were inactive. B. twills were better at Rs. 148.50 and hessian 40" 10 oz. at Rs. 48.75. There was good demand yesterday and a good quantity was involved in covering business against ready and near delivery. This caused ready B. twills to recover to Rs. 150.00 and ready hessian 40" 10 oz. to Rs. 48.50.

In sympathy with the trend in goods market, fibre prices fell. Also, buyers were reserved. Moreover, the mills were not inclined to buy, since the stocks of fibre with them are expected to see them through up to the beginning of August, when the new crop is expected to begin to reach mills in adequate quantities. The closure of two weeks by mills is expected to result in a fibre saving of 200,000 maunds. Mills have fibre in their godowns sufficient for limited operations for about 2½ months. The opening and closing rates of the principal varieties of the old crop offering are as follows:

(In Rs. per maund against ready delivery)

	Opening	*Closing*	*Decline*
Assam bottoms ...	46.50	45.50	—1.00
Northern bottoms ...	45.50	44.50	—1.00
Daisee bottoms ...	48.50	47.50	—1.00

BASE METALS RISE FURTHER

(From Our Own Correspondent)

CALCUTTA, 13th *June*

Following higher advices from overseas markets, base metals recorded further additions to values during the week under review. With expansion of electricity and the setting up of a number of cable manufacturing industries in the country, consumption of copper has gone up in the last few years. The difficult foreign exchange position, however, has been restricting imports of copper, and it is understood that the Government of India wants the cable industries to cut down consumption of copper by half and proportionately increase the consumption of aluminium, the production of which within the country has impressively increased. Trade circles noted that, while laying the foundation-stone of the Indo-Italian aluminium venture a couple of days ago, Mr. Morarji Desai said that the Government would even have to impose a ban, as in France, to restrict consumption of copper. The Government's appeal to cable manufacturers to increase consumption of aluminium at the cost of copper, coupled with the Finance Minister's loud thinking at Mettur, trade circles thought, was a prelude to cutting down imports of copper in the forthcoming licensing period.

During the week, tin reached a high of Rs. 1,626.00 per 100 kgs., after opening at Rs. 1,525, while, in Bombay, a 150-point increase to Rs. 1,750 was recorded. The Bombay Metal Exchange took immediate steps to curb speculation by raising the margin to Rs. 2,500 per 50 kgs. In case the price was greater than Rs. 1,700 per 100 kgs. The exemption limit was reduced to 20 units from 50 units. In London, the price moved up from £867 to £879¼ per ton. Demand was good. Electrolytic zinc opened here at Rs. 330.75 and hardened to Rs. 338.50, following improved demand. However, the price on the London Metal Exchange declined from £81 to £79½, as stocks were increasing. Virgin lead, after touching a high of Rs. 145.75 per 100 kgs., dropped to Rs. 141.75.

GRAINS AND PULSES WEAK

(From Our Own Correspondent)

HAPUR, 12th *June*

Barring superior quality wheat, the prices of which further advanced on good consumers demand, prices of other grains and pulses ruled quiet during the week under review. Arrivals of new *rabi* grains were still modest and here in U.P., despite good *rabi* crop, pressure of arrivals has not all been felt in markets as cultivators were retaining their produce. Wheat average quality prices were stationary at Rs. 14.25 to Rs. 14.75 a maund, while farm quality was quoted fractionally higher at Rs. 15.75 to Rs. 17 a maund. Daily arrivals of wheat here were poor at about 1,000 to 1,200 maunds average which were mostly lifted by consumers and local stock is put at 20,000 maunds. Rice prices also sought higher levels as consumers demand was better and week-end prices were: *mainouri sela* Rs. 21.50, *gainda kutcha* Rs. 21, *ramajwayan sela* Rs. 24, *raimuni sela* Rs. 25.50, *basmati sela* Rs. 28 to Rs. 30, superior Rs. 33 to Rs. 39 a maund.

After ruling firm for major part of the week, gram prices ruled quiet in week-end, following slack demand at higher levels. Daily arrivals mostly from the Punjab were at an average of 1,000 maunds and local stock has swelled to 45,000 maunds. Barley prices were stationary around Rs. 11 to Rs. 11.25 a maund and *bejhar* too continued to be quoted at Rs. 11 a maund for inferior quality and Rs. 11.75 for moongia variety. *Juwar* and *guwar* were very much in request for sowing purposes and large-scale sowings of these crops and that of maize is being done these days here. *Methi* continued to attract good demand from Rajasthan and Bengal and week-end prices (in rupees per maund) were:—*juwar* 13 to 15.50, *guwar* 16.50 to 17.50, *methi* 26.25 to 27.50, oats 12, maize old 13, *bajra* 19 to 20; local stocks rice 8,000, *juwar* 10,000, maize 4,000 maunds.

In pulses after continued bullish conditions in peas prices during the major part of the week, prices drifted to lower levels in week-end as loading by rail is not at all available and with arrivals averaging 1,500 mds., local peas stock has mounted to 80,000 mds. *Arhar* too was quoted fractionally lower as grinders for *dal* were purchasers only at lower levels. Daily arrivals averaged 700 to 800 maunds and local stock is now put at 42,000 maunds. Corresponding stocks of peas last year was 85 *khattis* and that of *arhar* 22 *khattis* of about 800 mds. each. Prices of other pulses ruled quiet and week-end prices were (in rupees per maund): peas dara 10.87 to 11.25, farm 12 to 13, peas *dal* 12.75, gram *dal* 16.25, *arhar* 12.75 to 13.50, *arhar dal* 16.50, *urd* 19.25 to 21, *urd dal* 24, *moong* 20 to 25, *moong dal* 25 to 27, *massor* 13 to 15, *massor dal* 16.50.

SUGAR QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 12th *June*

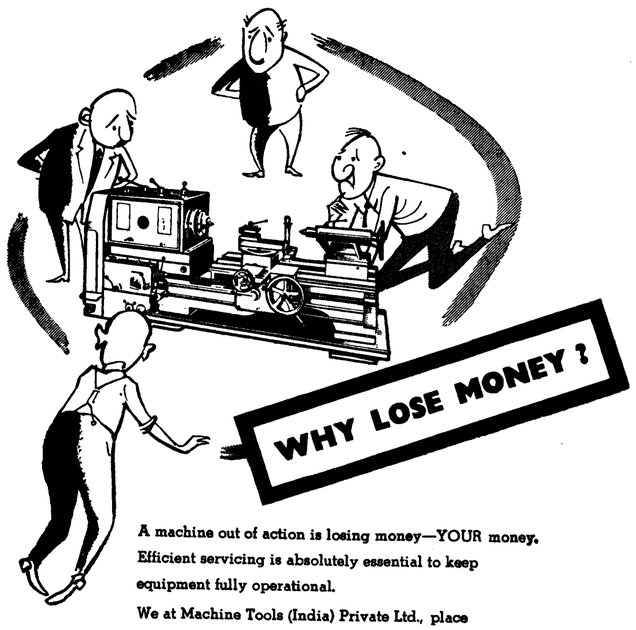
Sugar prices ruled quietly steady during the week at Rs. 106.75 per bag of 2 mds. and 30 seers of E-29 *Simbhauli* quality and in retail at 97 nP per seer in open market. Export announcements to the U.S. and Pakistan, however, failed to check the market as exports were far below expectations but efforts were being continued to get export quota enhanced. Further, monthly release of 200,000 tons has been made and despite good summer season, demand supply position is reported satisfactory. Production has nearly stopped in all factories; one or two factories, however, are still crushing, and total production in the country is reported a little over 3 million tons.

Sugar prices ruled steady in the Muzaffarnagar market due to good seasonal demand and while prices of damaged sugar of 1959-60 season advanced 50 nP to Re. 1.50 per bag at Rs. 100 to Rs. 103, dry sugar rose by 75 nP per bag to Rs. 107.25 per bag.

Khandsari prices were steady, following brisk demand from Rajasthan, North Gujarat, the Punjab and east U.P. and prices moved up by 50 nP to Re. 1.50 a maund. Stocks in the Muzaffarnagar market were reported to be 100,000 maunds and week-end prices were:—*khandsari* inferior Rs. 28 to Rs. 31, superior Rs. 32 to Rs. 35, crystal Rs. 33 to Rs. 37, *boora* Rs. 40 a maund.

Ready *gur* prices ruled quietly steady during the week and although railway loading was not available, following good demand from consuming areas, despatches were being done by road and local stock has run down to 36,000 maunds. There were reports that cane crop has been damaged due to *Salai* pest here and also in Bihar and rains too were now needed. Week-end prices of *gur* here were:—dry best Rs. 15.62, dry *kotha* Rs. 15.50, *kotha* dry-wet Rs. 15, *kotha* wet Rs. 14, *shakker* Rs. 16 to Rs. 16.25 a maund.

Gur futures registered a firm trend in week-end on Punjab and Delhi support. Local bulls were also main buyers. *Gur Ashad* is now quoted at Rs. 14.62 and *fagun* Rs. 13.86, as against week's opening at Rs. 14.38 and Rs. 13.69.



A machine out of action is losing money—YOUR money.
Efficient servicing is absolutely essential to keep equipment fully operational.
We at Machine Tools (India) Private Ltd., place particular emphasis on our 'AFTER-SALES-SERVICE'.
Our staff of factory trained engineers are constantly on the move throughout India, ensuring that *equipment sold by us will never let you down.*

MACHINE TOOLS INDIA PRIVATE LTD.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 9th June, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits—	
(a) Government—	
(1) Central Government	50,08,71,000
(2) Other Governments	11,07,42,000
(b) Banks	83,33,43,000
(c) Others	124,28,09,000
Bills Payable	32,01,00,000
Other Liabilities	62,87,06,000
Rupees	493,65,71,000

ASSETS	Rs.
Notes	11,06,98,000
Rupee Coin	1,75,000
Subsidiary Coin	2,62,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	43,95,23,000
Balances held abroad*	17,46,84,000
Loans and Advances to Governments†	77,00,54,000
Other Loans and Advances	118,50,44,000
Investments	203,85,08,000
Other Assets	21,76,23,000
Rupees	493,65,71,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item 'Other Loans and Advances' includes Rs. 14,03,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,06,98,000	
Notes in circulation	1983,30,06,000	
Total Notes issued	....	1994,37,04,000
Total Liabilities	....	1994,37,04,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	108,00,89,000	
Total of A		225,76,92,000
B. Rupee Coin		116,69,85,000
Government of India Rupee Securities		1651,90,27,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1994,37,04,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1939 (pre-war)	2nd June 1961	26th May 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1962.52	1963.24	2002.38	1867.88
Notes held in Banking Department	35.05	28.23	28.32	9.38	23.87
Foreign Securities	59.50	113.01	113.01	113.01	158.01
Rupee Securities	37.39	1641.94	1641.94	1661.97	1491.40
Banking Department					
Deposits of:					
Government of India	14.39	52.24	68.75	53.12	66.70
Other Governments	..	21.40	20.35	15.07	16.79
Balances held abroad	10.06	15.76	23.11	17.68	10.51
SCHEDULED BANKS					
Demand Liabilities	134.36	800.88 (26.22)†	802.04 (36.85)†	829.00 (30.19)†	790.66 (15.29)†
Time Liabilities	102.24	1105.06 (15.55)†	1099.18 (17.52)†	1062.93 (14.75)†	1198.78 (23.75)†
Borrowings from Reserve Bank	..	29.27 (13.06)‡	24.24 (12.65)‡	39.09 (21.40)‡	47.10 (11.31)‡
Borrowings from State Bank	..	13.32	11.82	14.38	14.53
Cash in India	6.70	46.60	47.25	48.74	47.48
Balance with Reserve Bank	25.17	78.96	73.94	75.85	94.70
Balances with other banks in current account in India	..	14.83	15.45	13.45	15.51
Money at call and short notice in India	..	42.49	52.54	47.69	28.48
Investments (at book value)	..	550.45	549.83	547.14	755.64
Advances and bills	105.9	1288.56	1286.66	1310.29	1134.07
STATE BANK					
Deposits	87.76	532.67	530.68	542.80	683.84
Investments	51.99	235.63	233.64	234.46	408.88
Advances	30.85	267.65	263.38	275.58	215.60
Cash	14.69	20.41	28.48	24.18	25.99

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.
† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.
‡ Borrowings against usance bills and/or promissory notes.
R—Revised Figures.

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.39	3.30
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	4th May, 1961	4.50	5
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec., 1960	5.50	5
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.50	3

†Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 9th June, 1961

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		531,94,60,000
Borrowings from Other Banking Companies, Agents, etc.		17,00,000
Bills Payable		10,99,43,000
Bills for Collection being Bills receivable as per contra		2,57,85,000
Acceptances, Endorsements and Other Obligations per contra		1,10,38,000
Other Liabilities (including Inter-Office Adjustments)		8,45,36,000
Total .. Rs.		568,32,12,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		21,81,55,000
Balances with other Banks		3,01,37,000
Money at Call and Short Notice		4,20,00,000
INVESTMENTS:		
Government and other Trustee Securities	212,52,40,000	
Other Authorised Investments	9,29,46,000	221,81,86,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	255,58,51,000	
Bills Discounted and Purchased	15,10,03,000	270,68,54,000
Bills Receivable being Bills for Collection as per contra		2,57,85,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,10,38,000
Premises less Depreciation		1,79,95,000
Furniture and Fixtures less Depreciation		1,38,42,000
Other Assets (including Inter-Office Adjustments)		39,92,20,000
Total .. Rs.		568,32,12,000

Scheduled Banks*

Statement of Affairs for the week ended 2nd June, 1961

	Rs. (Thousands)
(i) Demand Liabilities in India	
(a) Demand Deposits—	
(1) From banks	47,94,32
(2) From others	700,50,27
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	26,21,60
(c) Other demand liabilities	52,43,02
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	17,31,70
(2) From others	1065,04,87
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	15,54,97
(c) Other time liabilities	22,69,43
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	8,87,17
(b) Time liabilities	4,45,00
(iv) Borrowings in India from the Reserve Bank of India (A)	29,27,20 (13,06,00)
(v) Cash in India	46,60,46
(vi) Balances with the Reserve Bank in India	78,95,86
(vii) Balances with Other Banks in Current Account in India	14,83,02
(viii) Money at call and short notice in India	42,48,60
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	550,44,73
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1094,16,51
(b) Due from Banks in India	7,22,93
(xi) Inland Bills purchased and discounted in India	141,22,69
(xii) Foreign Bills purchased and discounted in India	45,93,49
(xiii) Total of items (x), (xi) and (xii)	1288,55,62

Notes :—
* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.
(A)—The figures in brackets represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 2nd June, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Rural Credit Fund	1,00,00,000
Deposits :—	
(a) Central Government	2,74,14,000
(b) Provincial Governments	4,26,04,000
(c) Banks	17,70,07,000
(d) Others	122,63,41,000
Bills Payable	34,18,000
Other Liabilities	17,88,47,000
Rupees	173,71,31,000

ASSETS	Rs.
Notes	13,15,38,000
Rupee Coin	67,000
Subsidiary Coin	54,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	32,58,94,000
Loans and Advances to Governments	5,39,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	34,04,72,000
Investments	77,39,22,000
Other Assets	11,12,84,000
Rupees	173,71,31,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,15,38,000	
Notes in circulation	372,75,17,000	
Total Notes issued	....	385,90,55,000
Total Liabilities	....	385,90,55,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,93,90,000	
Silver Bullion	....	
Foreign Securities	81,15,52,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
B. Rupee Coin	2,70,20,000	149,11,06,000
Government of Pakistan Securities	228,19,23,000	
Internal bills of exchange and other commercial paper	....	230,89,43,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	385,90,55,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued : 40.09 per cent.

EXCHANGE RATES

		14th June 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 [illegible]	1-5 [illegible]
Sellers T. T. D.D. upto six months	s.	3-5 [illegible]	3-5 [illegible]
Buyers T.T. spot to nine months	s.	1-6 [illegible]	1-6 [illegible]
Buyers T.T. 10 to 12 months	s.	1-6 [illegible]	1-6 [illegible]
Bombay on New York—			
Sellers T.T. D.D.	Rs.	479.50	479.75
Buyers T.T.	Rs.	476.00	476.25
London on New York	s.	2.7920-2.7923	2.7905-2.7908
London on Paris	Fcs.	13.6790-13.6810	13.6730-13.6750
London on Berne	Sw. Fcs.	12.0765-12.0785	12.0810-12.0830
New York on London	s.	279.200-279.230	279.070-279.100

CLEARING HOUSE RETURNS

Centre	Week ended 9th June 1961		Week ended 2nd June 1961	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,73,809	100,75,16,000	4,05,212	108,68,47,000
Calcutta	2,11,000	72,19,00,000	2,20,000	90,42,00,000
Madras	1,02,089	13,41,86,912	1,06,333	14,22,09,329
All Centres—				
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
1960-61	..	..	54,472,000	125,13,16,00,000
April 1960	..	..	4,536,000	1,042,01,00,000
Feb., 1961	..	..	4,421,000	1,022,19,00,000
Mar., "	..	..	4,695,000	1,212,37,00,000
April "	..	..	4,902,000	1,155,54,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	13th May 1961	6th May 1961	14th May 1960	March 1961	March 1960	Percentage of Increase (+) or Decrease (—) in Mar., 1961 as compared with Mar., 1960	Annual Average 1960	Annual Average 1959
Food Articles	504	117.6	117.4R	120.7	117.5	117.0	+ 0.4	120.3	118.2
Cereals	192	99.5	98.4	105.2	100.2	103.2	— 2.9	105.8	104.3
Pulses	43	87.1	86.1R	89.2	92.8	89.9	+ 3.2	98.6	99.8
Fruits and Vegetables	23	119.8	120.8	132.4	108.4	126.0	—14.0	121.0	127.6
Milk and Ghee	84	116.5	117.4	121.2	115.8	110.7	+ 4.6	115.5	112.2
Edible Oils	47	160.3	158.2R	138.4	163.8	136.6	+19.9	140.9	129.9
Fish, Eggs and Meat	17	127.2	128.6R	119.8	128.6	114.5	+ 7.9	121.1	110.4
Sugar and *Gur*	48	121.1	120.8	138.1	117.3	140.7	—16.6	[illegible]	[illegible]
Others	56	167.0	170.3R	167.8	166.8	158.8	+ 5.0	[illegible]	[illegible]
Liquor and Tobacco	21	108.4	110.3	105.9	113.4	96.4	+17.6	[illegible]	[illegible]
Tobacco	—	105.4	107.4	105.3	110.7	94.1	+17.6	104.8	99.3
Fuel, Power, Light and Lubricants	30	122.3	122.3	119.3	121.2	117.0	+ 2.0	119.0	112.1R
Industrial Raw Materials	155	153.8	152.7	141.9	159.1	131.0	+26.6	130.3	115.7
Fibres	61	166.1	165.1	152.6	176.0	124.0	+41.6	130.3	110.2
Oilseeds	60	157.4	155.6R	139.2	159.7	140.5	+13.7	144.9	330.0
Minerals	2	95.2*	95.2*	98.2	95.2	96.5	— 1.3	97.5	100.0
Others	32	127.8*	127.3*	129.5	128.3	131.6	— 2.5	120.0	117.3
Manufacture	290	128.4	128.2	129.4	129.4	110.0	+19.7	[illegible]	100.7
Intermediate Products	41	136.9	136.7	135.5	127.3	121.3	+12.2	127.1	111.1R
Finished Products	249	124.7	124.4	119.5	122.2	119.1	+10.4	119.3	100.5
Textiles	147	128.2	127.7	121.1	128.9	115.1	+16.8	121.2	104.6
Cotton	—	126.6*	126.6*	124.4*	126.6	124.7	+ 1.3	127.5	113.5
Jute	—	139.2	137.3	121.8	161.6	97.5	+65.7	115.2	87.2
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	107.6	104.6
Silk and Rayon	—	115.6*	115.6*	105.5*	117.1	108.5	+12.9	102.6	96.7R
Metal Products	12	146.9	146.9	148.3	146.9	147.7	— 0.5	147.0	146.7
Chemicals	20	105.5	105.5	104.4	104.8	104.2	—	104.7	108.2
Oil Cakes	10	142.7	142.7	134.6	145.4	140.7	+ 3.3	140.2	142.7
Machinery and Transport Equipment	31	112.6	112.6	111.0	132.6	111.0	+ 1.4	110.7	105.9R
Others	30	118.8	118.6	114.7	118.5	114.0	+ 3.9	115.0	113.6R
All Commodities	1.100	125.7	125.4R	123.6	127.4	118.9	+ 7.1	123.0	115.3

Note :—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.
R—Revised.
* Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Contd.*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	1958-59	(In thousand tons) 1959-60	1958-59
Cereals—					
Rice	final	81,343	81,437	29,338	30,354
Wheat	final	31,508	31,141	9,734	9,772
Jowar	final	41,602	42,584	7,866	8,714
Bajra	final	26,699	27,999	3,484	3,789
Barley	final	8,220	8,243	2,605	2,672
Maize	final	10,457	10,457	3,615	3,381
Ragi	final	6,211	6,192	1,860	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,380	220,470	60,514	62,631
Pulses—					
Gram	final	25,046	24,865	5,390	6,881
Tur	final	5,843	5,931	1,589	1.671
Other Kharif pulses§	final	16,075	15,597	1,567	1,559
Rabi pulses‡	final	12,788	12,992	2,690	2,761
Total pulses	final	59,752	59,385	11,236	12,872
Total foodgrains		278,132	279,855	71,750	75,503
Oilseeds—					
Groundnut	final	15,305	14,575	4,390	4,812
Castorseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	final	3,921	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6,907
Fibres—					
Cotton*	final	19,252	19,926	3,835	4,686
Jute A.	final	1,707	1 811	4,548	5,158
Mesta A.	final	706	825	1,096	1,488
Sannhemp	final	813	807	80	81
Other crops—					
Potato	final	885	858	2,719	2,327
Sugarcane	final	5,178	4,803	75,038	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	232	230	25	26
Chillies (Dry)	final	1,499	1,471	339	326
Tobacco	final	934	897	281	261

Source : Ministry of Food and Agriculture. § Excluding Tur
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur
A.—In thousand bales of 400 lbs. each. R.—Revised
†Final estimate of 1958-59.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April 1961	79.2
	Corresponding month, 1960	91.0
	Ten months ended April, 1961	854.8
	Corresponding period, 1960	893.4
Stocks	At the end of May, 1961	92.1
	Corresponding month, 1960	81.7
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1958-1959	854.9
	July-June, 1959-1960	838.5
	July-Mar., 1960-1961	566.0
	March 1960	65.0
	March 1961	54.9
For Internal Consumption	July-June, 1958-1959	220.0
	July-June, 1959-1960	248.3
	July-Mar., 1960-1961	207.5
	Mar., 1960	27.0
	Mar., 1961	18.1
	RAW JUTE	(In 000 bales)
Consumption by Mills	April 1961	459
	Corresponding month, 1960	528
	Ten months ended April, 1961	5,012
	Corresponding period, 1960	5,233
	1957-58	6,184
	1958-59	6,014
	1959-60	6,291R

R=Revised

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'59-'60	424.74	..	12,840	302.3
Pakistan	'58-'59	86.80	..	2,084	240
Burma	1959	20.4	Kyats 4,687	465	228
Ceylon	1959	9.6	..	538	560
Japan	1959	92.7	Y. 9,991,000	13,217	1,426
Philippines	1959	24.7	Ps. 9,768	2,337	946
New Zealand	1959	2.38	£(N.Z.) 1,045	1,392	5,974
Australia	1960	10.2	£(A.) 5,368	5,964	5,847
U.K.	1959	51.9	£ 18,980	25,240	4,868
U.S.A.	1960	180.5	$ 419,400	200,688	11,118
Canada	1959	17.4	$ 26,230	12,785	7,319
France	1959	45.0	F. Fr. 193,400	18,936	4,208
W. Germany	1959	52.8	Dm. 191,400	21,962	4,159
Italy	1959	49.0	Lr. 18,914,000	10,724	2,189
Norway	1959	3.5	Kr. 23,260	1,557	4,448
Sweden	1959	7.4	Kr. 58,580	5,424	7,329
Netherlands	1959	11.3	Grs. 31,860	4,038	3,569
Denmark	1959	4.5	Kr. 31,170	2,158	4,795
Switzerland	1959	5.2	Sw. Fr. 29,800	3,296	6,338

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.

Source : *International Financial Statistics* 31st March, 1961

† Based on the eighth issue of the Annual Paper on National Income (at current price) prepared by the Central Statistical Organisation. Figures are based on the 1941, 1951 and 1961 population census.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1955-56	715	8,865.8	7,185.8
1956-57	769	9,877.8	8,192.1
1957-58	834	11,176.9	9,611.1
1958-59	818	12,837.0	10,360.7
1959-60	850	15,029.2	12,130.8
January 1960	815	1,297.4	1,055.5
February "	850	1,252.1	1,022.5
March "	850	1,324.4	1,071.0
April "	850	1,325.3	1,081.7
May "	850	1,387.9	1,119.4
June "	850	1,379.8	1,113.9
July "	850	1,360.5	1,106.0
August "	1,012	1,404.2	1,140.9
December "	1,018	1,508.0	1,214.5
January 1961	1,013	1,482.8	1,216.1

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities. § At the end of period. *Source*:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1957-58	8,856	1,319	811	148	67	31	145	17	138	315	25	259	35	108
1958-59	8,835	1,468	850	143	58	21	146	16	129	206	21	279	33	66
1959-60	9,388	1,433	874	136	53	19	149	16	129	369	44	284	36	77
January 1960	7,650	1,191	726	113	44	17	129	14	110	304	34	232	35	63
February "	8,497	1,308	800	125	49	18	139	15	119	335	40	256	35	70
December "	7,117	1,169	643	94	33	12	82	10	94	295	40	283	31	61
January 1961	8,018	1,314	709	107	40	13	97	12	104	331	45	254	32	66
February "	8,850	1,450	771	117	46	14	108	13	114	364	50	283	32	72

Note.—The figures relate to Government Railways. Figures include Broad and Metre Gauges. The monthly figures are progressive from April and incorporate revision in respect of earlier months. *Source* :—Ministry of Railways.

INDUSTRIAL PRODUCTION *

Industries.		1959	1960	September 1960	October 1960	November 1960	December 1960	December 1959
Major Industries—								
Coal	million metric tons	47.78	52.61	4.21	4.34	4.64	5.09	4.30
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,287	283	306	308	330	250
Yarn	million lbs.	1,723	1,737	146	142	150	160	155
Cloth	million yds.	4,925	5,048	425	409	427	451	435
Cement	thousand tons	6,826	7,840K	595K	689K	643K	733K	666
Jute	thousand metric tons	1,068	1,085	91	86	87	92	94
Paper and paper boards	thousand tons	294	345K	28 K	30 K	29K	30K	30
Matches§	thousand cases	649	663	54	50	58	62	59
Sugar	thousand metric tons	2,117	2,325	16	39	239	487	431
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	600	59	58	58	64	44
Electric lamps	millions	34.84	41.38	3.19	3.66	4.06	4.02	3.20
Dry cells	millions	187.3	207.4	17.4	16.5	21.06	26.2	19.4
Power transformers	k.v.a.	1,016,400	1,248,000	120,300	130,100	132,800	137,600	101,900
Electric Motors	thousand H.P.	576	680	63	62	66	67	52
Electric fans	Nos.	726,000	990,000	77,900	76,500	95,400	100,800	71,200
Radio receivers	Nos.	213,864	262,879	24,177	23,800	27,800	27,056	21,878
Storage batteries	Nos.	442,800	509,500	36,900	38,300	44,600	44,600	41,700
Copper conductors	tons	6,624	9,972K	934 K	846 K	958K	988K	8,39
Winding wires	tons	2,832	4,188K	334 K	346 K	390K	370K	227
Rubber and plastic Ins. cables and flexibles	million yds.	166.08	208.00J	17.4J	17.5 J	21.6J	19.4J	14.3
Insulators—H.T.	Nos.	982,800	2,277,600K	197,000K	183,000K	193,000K	176,000K	100,600
Insulators—L.T.	million Nos.	6.25	3,538,800K	262,000K	275,000K	223,000K	251,000K	1.07
Diesel engines—Vehicular	Nos.	8,712	3.44	858	897	10,46	1,074	00
Diesel engines—Stationary	Nos.	30,336	98,148	3,795	3,734	3,604	3,221	2,716
Chemical Industries—								
Salt	million metric tons	3.18	145,920	0.13	0.13	0.13	0.17	0.05
Caustic soda	metric tons	69,876	31,656	7,803	8,123	8,002	8.861	7,904
Soda ash	metric tons	95,328	5,928	13,252	12,183	12,746	15,439	8,344
Chlorine liquid	metric tons	24,780	5,556	2,537	2,768	2,695	2,812	2,623
Bleaching powder	metric tons	5,184	5,928	430	397	540	642	
Bichromates	metric tons	4,404	5,556	457	457	508	508	40
Sulphuric acid	tons	292,164	355,740	28,965	23,753	28,766	31,000	31,198
Superphosphate	metric tons	251,652	322,320	23,856	19,512	24,657	26,416	24,361
Non-ferrous Metals—								
Aluminium	metric tons	17,526	18,428	1,547	1,507	1,464K	1,546	1,578
Antimony	tons	664	809K	71K	50 K	75K	68K	50
Copper (virgin metal)	metric tons	7,776	7,754	747	780	730	750	377
Lead (virgin metal)	metric tons	3,958	3,775	276	315	375K	435	310
Gold	ozs.	165,312	4,992Kgs	428Kgs.	407Kgs.	465Kgs.	427Kgs.	14,146ozs.
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	252,612	295,788	21,778	21,506	28,320	28,652	26,856
Bicycles	Nos.	990,744	1,050,744	77,305	85,043	103,236	101,140	104,254
Automobiles	Nos.	36,468	51,660	4,181	4,167	4,831	5,073	4,387
Cycle tyres and tubes	million Nos.	19.57	23.52	1.82	1.56	2.28	0.30	1.41
Motor tyres and tubes	million Nos.	2.26	2.64	0.21	0.19	0.26	0.25	0.21
Cigarettes	million Nos.	32,166	38,351	3,120	3,100	3,509	3,586	3,199
Plywood—Tea chests	million sq. ft.	98.68	9,672S	657S	72S	683S	724S	8.80
Plywood—Commercial	million sq. ft.	54.06	4,824S	176S	63S	376S	266S	4.09
Sheet glass	million sq. ft.	80.57	81.19	7.01	8.53	8.04	7.53	6.06
§Woollen manufactures—Worsted Fabrics	million yds.	15.04	15.25	1.22	1.36	1.37	1.36	1.77
§Woollen manufactures—Worsted Yarn	million lbs.	29.59	27.80	2.62	2.28	2.10	2.23	2.10
Footwear—Western type (Leather)	million pairs	4.14	5.31	0.45	0.32	0.49	0.49	0.49
Footwear—Indigenous type (Leather)	million pairs	4.10	3.48	0.33	0.23	0.40	0.35	1.37
Alcohol—Industrial	million Bulk galls.	12.72	58.88M	5.15 M	5.14M	3.62M	3.96M	0.86
Alcohol—Power Absolute	million Bulk galls.	8.07	48.42M	2.79 M	2.65 M	2.97M	3.84M	701
Railway Wagons	Nos.	10,044	7,320	318	645	984	937	—
General Index—(Base 1951=100 Revised)		151.9	170.3	168.9	174.9	186.2	183.5	164.5

* Figures are subject to revision month to month. § Includes figures for Jammu and Kashmir. —Not Available.
K—Figures in metric tons. Kgs=Kilograms. J=In million metres. S=In thousand square metres. M.=In million litres.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base : 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
1960-61	108	90	122	130	87	206	118	127	186	111	112	210	146	128	141	131	128	147
April 1960	108	91	121	122	76	184	119	127	147	102	113	154	144	130	140	108	125	148
May "	113	87	123	126	78	194†	123	127	145	108	113	198	139	129	140	117	125	148
June "	114	87	127	128	80	187	125	127	144	111	112*	187	146	128	140	113	126†	148
July "	115	92	130	132	89	207	126	127	148	111	112	155	150	130	140	107	129	148
August "	115	90	127	129	86	212	121	127	148	107	112	166	140	130	140	115	131	148
Sept. "	114	90	129	132	90	215	127	127	146	104	112	181	140	130	141	116	132	147
October "	111	90	125	137	91	216	117	127	142	116	114	225†	142	129	141	136	130	147
November "	106	90	126	135	92	218	111	127	141	120	111	232	139	130	141	142	129	147
December "	102	89	119	131	93	210	111	127	127	114	110	226	143	126	141	143	129	147
January 1961	99	91	114	132	94	208	108	127	120	113	111	248	151	125	141	155	128	147
February "	100	91	110	130	92	212	108	127	116	113	110	280	153	124	141	168	126	147
March "	101	91	110	128	90	208	119	127	112	114	111	271	159	122	141	162	127	147
April "	101	88	110	130	79	216	120	127	114	111	110	243	162	123	141	142	127	147

† Estimated.

RAW COTTON STATISTICS

Particulars	Details of Period	In Quintals of 100 kilograms
Bombay Island—		
Cotton Receipts	Week ended 8th June, 1961	47,529(J)
	Corresponding week, 1960	47,581(J)
	1st Sept. to 8th June, 1960-61	8,248,294*
	Corresponding period, 1959-60	2,272,882*
Cotton Exports	Week ended 8th June, 1961	22,790
	Corresponding week, 1960	11,264
	1st Sept., to 8th June, 1960-61	487,725
	Corresponding period, 1959-60	358,785
Mill Consumption (Estimated)	1st Sept. to 8th June, 1960-61	1,738,464 A.
	Corresponding period, 1959-60	1,696,815
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 8th June, 1961	1,176,258
	Corresponding date, 1960	924,045
		In Bales of 392 lbs. nett.
Consumption of Cotton—		
Indian	January, 1961	863,598
Foreign	January, 1961	86,027
Indian	Five months ended Jan., 1961	1,640,198
Foreign	Five months ended Jan., 1961	544,674
Indian	Same Period, 1960	1,976,236
Foreign	Same Period, 1960	202,584
Stocks (Mills and Elsewhere)—		
Indian	As on 31st January, 1961	987,795
Foreign	As on 31st January, 1961	327,811
Indian	As on 31st January, 1960	993,322
Foreign	As on 31st January, 1960	168,288

Particulars	From 1st Sept. to 5th June, 1960-61 In quintals of 100 kilograms	From 1st Sept. to 5th June, 1959-60 In quintals of 100 kilograms
From Bombay Cotton Shipments to—		
United Kingdom	4,610	2,783
Continent	26,138	16,738
Hongkong	20,927	8,978
China		—
Japan	278,554	229,452
U.S.A.	7,526	12,369
Other countries	420	2,265
Total to all foreign countries	338,175	274,585
Coastal Ports	117,090 (a)	82,867(b)
Total	455,265	357,452

Particulars	Period	
		(Bales of 180 Kgs.)
Cotton Exports from Bombay (by sea)	During Jan., 1961	20,560
	During Jan., 1960	16,051
	1st Sept., to 31st Jan., 1961	55,891
	1st Sept., to 31st Jan., 1960	73,946
		(Bales of 392 lbs.)
Cotton Pressed in India † (In running bales)	Week ended 19th May, 1961	—
	Corresponding week, 1960	84,128
	1st Sept., to 19th May, 1960-61	2,533,116
	Corresponding period, 1959-60	2,668,984
Karachi (Pakistan)— Receipts	1st Sept. to 18th May, 1960-61	834,627
	Corresponding period, 1959-60	923,958
Exports	1st Sept. to 18th May, 1960-61	449,293
	Corresponding period, 1959-60	506,504

(J) By Rail and Sea. —Not Received. † Incomplete. A-Adjusted. * By Rail, Sea and Road. (a) From 1st Sept. to 31st March, 1961. (b) From 1st Sept. to 31st May, 1960

MISCELLANEOUS STATISTICAL INFORMATION—Continued

INDEX NUMBERS OF SECURITY PRICES

[1952-53 = 100]

Group and Sub-Group	Week ended 3rd June, 1961	27th May, 1961	6th May, 1961	4th June, 1960
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. **Total**	**101.0**	**101.0**	**101.1**	**101.1**
2. Government of India	101.0	100.9	101.1	100.9
3. State Government	102.0	101.9	101.9	102.7
4. Municipal, Port Trust, etc.	99.7	99.7	99.7	100.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. **Total**	**101.0**	**100.7**	**100.5**	**101.1**
PREFERENCE SHARES—ALL INDIA.				
6. **Total**	**84.3**	**84.3**	**84.7**	**89.8**
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. **Total**	**182.1**	**181.3**	**179.1**	**175.9**
8. *Agriculture and Allied Activities : Total**	**173.1**	**173.4**	**172.9**	**179.2**
9. Tea Plantations	167.7	168.1	168.8	174.1
10. Coffee Plantations	176.4	179.1	185.0	209.0
11. Rubber Plantations	174.2	173.0	170.2	183.0
12. *Mining and Quarrying : Total*	**167.4**	**166.2**	**165.7**	**163.2**
13. Coal	131.7	128.9	129.4	124.1
14. Other Mining	191.9	191.8	190.6	190.0
15. *Processing and Manufacturing : Total*	**196.9**	**195.9**	**193.0**	**189.6**
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	**200.4**	**200.0**	**195.9**	**190.5**
17. Sugar	164.4	167.3	170.7	194.7
18. Cotton Textiles	166.9	165.4	162.9	151.3
19. Jute Textiles	88.9	89.4	92.2	96.4
20. Silk and Woollen	1205.7	1198.7	1103.3	1138.9
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	**210.4**	**208.2**	**206.1**	**199.5**
22. Iron and Steel	177.6	174.7	171.6	167.3
23. Transport Equipment	424.9	418.7	401.3	412.4
24. Electrical Machinery	162.7	162.2	164.9	138.1
25. Machinery other than Transport and Electrical	219.0	218.7	219.7	214.3
26. Basic Industrial Chemicals	219.8	217.0	215.9	197.6
27. *Processing and Mfg. (Others): Total**	**161.1**	**160.9**	**160.0**	**168.4**
28. Cement	143.8	143.6	141.0	146.4
29. Paper	209.0	208.7	211.9	236.2
30. *Other Industries : Total**	**110.0**	**109.9**	**108.5**	**112.5**
31. Electricity Generation and Supply	81.4	81.5	80.3	82.3
32. Trading	131.5	129.7	125.6	121.5
33. Shipping and Other Transport	100.9	101.6	99.7	114.4
34. Construction	286.4	283.5	284.0	329.7
35. *Financial : Total*	**193.7**	**192.1**	**192.1**	**168.1**
36. Banks	216.3	215.3	216.1	184.2
37. Insurance	153.0	148.1	144.7	140.1
38. Investment Trusts	91.3	91.8	91.6	93.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	190.5	189.7	184.2	180.8
40. Calcutta	167.0	166.2	167.1	161.9
41. Madras	192.8	192.5	192.2	190.9
42. Delhi	247.3	244.3	241.4	230.2

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

INDUSTRIAL DISPUTES (All-India)

Month		Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957*		1,630	890,371	6,429,319
1958*		1,524	928,566	7,797,585
1959*		1,523	692,514	5,605,079
Dec.	1959	128	76,754(121)	402,393(121)
Jan.	1960	123	62,075(123)	412,797(123)
Sept.	"	129	32,179(124)	242,901(126)
Oct.	"	86	40,484(88)	205,419(83)
Nov.	"	81	21,659(77)	210,982(77)
Dec.	"	95	27,363(90)	281,513(90)
Jan.	1961	96	29,502(83)	205,796(83)
Feb.	"	88	33,695(82)	270,295(82)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevant information is available.
* Figures relate to all States and centrally administered areas as after reorganisation.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300	1,106,800	786,900
Do. 31st March, 1959	1,137,500	1,149,900	884,700
Do. 31st March, 1960	1,594,000K	1,555,000K	1,237,000K
Do. 31st March, 1961	1,588,000K	1,623,000K	1,263,000K
March 1960	142,100	146,100	123,000
April "	127,700	125,200	99,900
May "	122,500	120,500	93,900
Jan. 1961	144,200K	149,300K	117,600K
Feb. "	125,900K	126,500K	94,200K
March "	141,600K	142,300K	114,900K
April "	135,700K	136,000K	106,000K
May "	142,000K	136,800K	105,800K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	608,205	496,217
Do. 31st March, 1960	1,053,612K	827,072K	662,113K
Do. 31st March, 1961	1,160,576K	914,159K	718,684K
May 1960	83,903	71,579	56,406
Jan. 1961	112,649K	83,787K	71,540K
Feb. "	96,791K	72,839K	70,966K
March "	106,122K	82,583K	80,790K
April "	99,381K	69,710K	51,144K
May "	100,815K	70,912K	42,165K

K—Figures in Metric Tons.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1961					
20th Mar.	2.00	—	2.00	2.750	99.310
21st to 25th Mar.*	0.70	2.00	0.70	—	99.331
27th Mar.	2.00	2.00	2.00	2.750	99.310
4th April	2.00	—	2.00	2.750	99.310
5th to 8th April*	1.60	2.65	1.60	—	99.331
11th April	2.00	—	2.00	2.750	99.315
12th to 15th April*	0.10	2.00	0.10	—	99.331
18th April	2.52	—	2.52	2.750	99.315
19th to 22nd April*	1.00	2.20	1.00	—	99.331
25th April	2.00	—	2.00	2.750	99.315
26th to 29th April*	2.55	2.00	2.55	—	99.331
2nd May	2.00	2.00	2.00	2.750	99.310
3rd to 6th May*	1.08	—	1.08	—	99.331
9th May	2.00	2.00	2.00	2.750	99.310
10th to 13th May*	0.65	—	0.65	—	99.331
16th May	2.25	2.00	2.25	2.750	99.315
17th to 20th May*	0.43	—	0.43	—	99.331
23rd May	2.00	2.00	2.00	2.750	99.310
24th to 27th May*	0.33	—	0.33	—	99.331
30th May	2.00	2.00	2.00	2.750	99.310
31st May to 3rd June*	0.10	—	0.10	—	99.331
6th June	2.00	2.03	2.00	2.750	99.315
7th to 10th June*	1.97	—	1.97	—	99.331
13th June	2.00	2.00	2.00	2.750	99.310
Total amount outstanding	..	..	37.28	..	..

* Intermediate Treasury Bills

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949 = 100)	Bombay June (1934 = 100)	Ahmedabad (1949 = 100)	Sholapur January (1928 = 100)	Kanpur (1949 = 100)	Nagpur (1949 = 100)	Calcutta August (1939 = 100)	Madras City (1942 = 100)	Delhi (1949 = 100)	Ajmer (1949 = 100)	Gauhati (1949 = 100)	Jamshedpur (1949 = 100)	Jabalpur (1949 = 100)	Bangalore (1949 = 100)
1958 Average	116	395	110	313	98	120	384	124	113	105	108	123	109	131
1959 "	121	412	125	340	98	132	384	133	120	106	98	125	108	140
1960 "	124	423	120	357	99	136	397†	143	120	107	103	120	109	146
March 1960	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April "	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May "	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June "	124	422	121	360	96	135	399	143	117	107	107	119	109	145
July "	126	423	122	362	101	137	406	145	121	109	108	119	109	146
August "	126	421	123	359	101	137	410	146	121	109	102	122	109†	146
Sept. "	125	418	122	364	101	138	403	146	122	108	102	122	108	148
Oct. "	125	421	123	365	102	137	396	148	122	108	105	119	108	147
Nov. "	124	423	121	367	102	135	392	150	121	110	102	122	108	147
Dec. "	124	419	120	362	100	134	385	151	121	110	102	121	108	147
January 1961	123	419	119	358	100	131	385	146	122	111	103	120	108	148
February "	123	420	119	350	102	130	..	147	123	111	103	119	109	148
March "	124	423	119	349	101	129	..	..	124	111†	..	121†	109	148
April "	..	428	..	348	..	..	..	..	..	..	..	..	109†	149

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	Outstandings	15-Year Annuity Certificates G Receipts	Outstandings	Total Receipts	Outstandings H
1958-59	1,76	3,80	119,10	87,45	152,78	191,75	234,91	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	286,27	590,08
1959-60	1,55	3,15	98,99	83,24	221,68	210,40	260,68	19,79	—41,35	50	31	41,68	10,64	21,76	66	2,90	305,70	672,9[illegible]
1960-61	1,24	2,46	81,50	82,53	287,30	228,77	297,77	18,36	—42,00	1,70	95	38,80	16,14	37,34	69	3,38	329,98	770,8[illegible]
Apr. 1960	1,52	3,09	97,20	6,47	226,19	17,87	259,32	19,68	—41,41	56	35	41,58	1,63	23,16	9	2,98	26,16	675,6[illegible]
May "	1,51	3,04	95,40	6,45	231,25	17,00	257,68	19,55	—41,46	64	39	41,50	1,06	24,19	5	3,01	24,67	678,1[illegible]
June "	1,50	2,99	93,68	5,76	235,63	17,35	258,96	19,49	—41,51	73	43	41,41	84	25,09	5	3,04	24,13	682,9[illegible]
July "	1,46	2,95	92,15	5,83	240,35	15,25	261,67	19,43	—41,55	81	48	41,32	1,11	26,09	4	3,07	22,36	689,7[illegible]
Aug. "	1,44	2,88	90,74	6,78	245,88	19,75	266,75	19,37	—41,61	89	54	41,21	1,17	27,23	9	3,14	27,92	700,0[illegible]
Sept. "	1,42	2,81	89,29	7,16	251,84	18,76	271,10	19,26	—41,66	98	57	41,14	1,52	28,71	6	3,18	27,64	710,8[illegible]
Oct. "	1,40	2,76	87,86	7,05	257,70	16,90	272,98	19,19	—41,71	1,07	64	41,09	1,42	30,27	5	3,22	25,56	718,1[illegible]
Nov. "	1,37	2,70	87,64	6,21	262,79	17,90	275,00	19,12	—41,74	1,17	68	41,02	1,49	31,73	5	3,25	25,81	726,4[illegible]
Dec. "	1,33	2,63	85,25	6,75	268,27	19,04	277,86	18,97	—41,81	1,28	74	40,97	1,28	32,88	5	3,29	27,30	733,4[illegible]
Jan. 1961	1,31	2,57	84,04	6,47	273,48	18,08	280,06	18,87	—41,86	1,40	80	40,90	1,04	34,15	6	3,32	25,83	740,9[illegible]
Feb. "	1,28	2,52	82,71	6,43	278,70	18,05	282,82	18,44	—41,95	1,53	87	39,88	1,80	35,75	5	3,36	26,53	747,8[illegible]
Mar. "	1,24	2,46	81,50	11,17	287,30	32,82	297,77	18,36	—42,00	1,70	95	38,80	1,77	37,34	4	3,38	46,05	770,8[illegible]
Apr. "	..	..	..	..	..	..	..	..	..	..	..	37,46	2,28	39,42	4	3,40	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of February 196[illegible] amount to 13.81 crores of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1963-65	98.75
3 % Loan	1950	30,33,10,000	1964	98.75
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	96.00
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	90.90
2¾% Loan	1946	57,00,69,000	1961	99.70
2¾% Loan	1946	14,77,48,000	1976	83.50
2¾% Loan	1947	75,86,72,000	1962	98.85
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.90
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.95
3½% Loan	1956	1,07,27,36,000	1962	99.90
3½% N. P. Bonds	1956	93,81,83,000	1967	99.00
3¾% Loan	1956	86,63,53,000	1974	99.65
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.50
4 % Loan	1957	49,17,27,000	1972	100.45
3½% Loan	1958	58,05,92,000	1963	100.05
3½% Loan	1958	70,00,00,000	1968	98.70
3½% Loan N.P.B.	1958	34,83,90,000	1968	100.50
4 % Loan	1958	49,51,44,000	1973	100.40
3½% Loan	1959	1,37,90,93,000	1969	98.65
4 % Loan	1959	81,06,38,000	1979	100.05
4 % Loan	1960	97,64,00,000	1980	99.90
3½% Bonds	1960	82,66,00,000	1966	99.70
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	72.00
3 % Loan	1946	2,48,91,33,000	K.	72.45
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	98.30
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	98.30
4½% Andhra	1958	5,48,81,000	15th July 1970	101.00
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	97.75
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	98.40
3 % Maharastra	1949	5,29,97,000	1st Aug. 1962	98.50
3½% Maharastra	1951	2,82,97,000	17th Sept. 1962	99.80
4 % Maharastra	1953	5,00,80,000	15th July 1963	100.00
4 % Maharastra	1952	3,40,34,000	1st Aug. 1964	99.90
4 % Maharastra	1955	9,56,29,000	1st Sept. 1967	99.50
4 % Maharastra	1956	7,82,20,000	3rd Sept. 1970	99.25
4½% Maharastra	1957	6,57,23,000	16th Sept. 1969	101.20
4½% Maharastra	1958	6,58,21,000	15th July 1970	101.20
4½% Maharastra	1958	4,35,25,000	15th July 1971	101.20
4 % Maharastra	1959	6,58,13,000	19th Aug. 1971	99.00
4 % Maharastra	1960	10,00,00,000	29th Aug. 1969	99.50
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	98.50
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	98.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	101.05
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	98.30
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	99.45
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	98.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	98.00
2¾% Madras	1946	3,81,77,000	1st Sept. 1961	99.05
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.75
4 % Madras	1953	10,33,71,000	15th July 1963	99.90
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.90
4 % Madras	1955	10,47,17,000	1st Sept. 1967	98.60
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	98.50
4½% Madras	1958	5,55,57,000	15th July 1970	101.10
4 % Madras	1959	5,72,72,000	19th Aug. 1971	98.00
4 % Madras	1960	12,00,00,000	29th Aug. 1969	98.35
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	101.40
3 % Mysore(f)	1936	5,99,73,000	30th Apr. 1956-61	99.80
4 % Mysore	1953	3,33,47,000	15th July 1963	99.80
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	98.40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	98.40
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	101.10
4½% Mysore	1958	5,51,61,000	15th July 1970	101.10
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.75
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	98.35
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	96.60
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	99.50
4 % M.P.	1953	1,10,18,000	15th July 1963	99.40
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	98.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	98.00
4½% M.P.	1958	2,21,30,000	15th July 1970	101.05
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97.50
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	98.00
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	98.85
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	98.85
4 % Kerala	1953	3,25,61,000	15th July 1963	99.00
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	98.10
4½% Kerala	1958	3,27,10,000	15th July, 1970	100.50
4 % Kerala	1959	4,47,05,000	19th Aug., 1971	97.20
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	98.10
2½% U.P.Z.A.	1952	44,93,89,000	..	48.70Z
3 % U.P.	1936	1,55,81,000	15th Sept. 1961-66	92.25
2½% U.P.	1946	2,12,62,000	1st Sept. 1961	98.50
3½% U.P.	1951	1,86,22,000	17th Sept. 1962	99.70
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.90
4 % U.P.	1953	5,58,25,000	15th July 1963	99.90
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	98.50

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,85,876	4	1913*	1960	D
80,00,000	4	1913	1974	97.00
88,25,000	4	1914	1975	97.00
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
46,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
Rs.		**CALCUTTA**		Rs.
90,24,800	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
50,00,000C	3††	1921	1981	82.00
68,02,300C	6¼	1921	1981	144.00N
60,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	98.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	2006	84.75
50,00,000	3	1946	1976	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1961	99.75
50,00,000	4	1958	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
		STERLING LOANS		
£892,600	5	1923	1953-83	£68
£901,000	5	1924	1954-84	£68
£835,100	5½	1932	1962	£96½
Rs.		**MADRAS**		Rs.
28,48,275	3½	1947	1977	
9,88,000If	3	1947	1977	A
3,00,000If	3	1949	1979	
45,00,000It	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.7[illegible] N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	97.5[illegible] N
40,00,000	5	1919	1957-79	
66,00,000	6	1920	1955-80	118.9[illegible]
25,00,000	5	1926	1956-86	115.00
25,00,000	4	1927	1961-70	98.00
10,00,000	3	1936	1966	
		STERLING LOANS		
£566,600		1909	1968	£95.5[illegible]
£388,000		1910	1970	£95.50
Rs.		**CALCUTTA**		Rs.
50,00,000	4	1934	1964	99.2[illegible]
35,00,000	3½	1935	1965	96.0[illegible]
30,00,000	3	1936	1966	91.7[illegible]
50,00,000	3	1937	1962	96.0[illegible]
20,00,000	3	1938	1963-68	92.0[illegible]
80,00,000	4	1952	1962	100.0[illegible]
1,02,00,000	4	1956	1968	99.2[illegible]
75,00,000	4½	1958	1968	101.0[illegible]
65,00,000	4½	1959	1974	99.7[illegible]

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
20,00,000	4	1918-18	1974	97.0[illegible]
10,00,000	5	1920	1980	113.00
8,25,00,000	3½	1947	1977	86.5[illegible]
2,13,14,500	3½	1949	1979	86.50
4,00,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	99.00
2,00,34,000	3½	1951	1966	99.00
1,30,00,000	4	1953	1963	98.00
2,19,00,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	99.00
1,57,50,000	4	1956	1969	99.00
1,74,00,000	4½	1957	1968	99.50
4,75,00,000	4½	1958	1970	99.50
3,30,00,000	4	1959	1971	98.00
Rs.		**CALCUTTA**		Rs.
10,00,000	5½	1932	1962	102.50
33,91,000	5	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,82,000	4½	1958	1970	101.00N
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	101.10
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	98.30
4 % U.P.	1960	7,00,00,000	29th Aug. 1969	98.45
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	98.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	101.05
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	98.00
4 % Rajasthan	1960	5,00,00,000	29th Aug. 1969	98.00
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	98.25
4½% Orissa	1958	3,28,58,000	15th July 1970	101.05
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.75
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	98.25
4 % M. Bharat	1953	1,04,77,000	15th July 1963	99.00
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	97.75
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.50
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	99.50
4 % W. Bengal	1953	3,60,23,000	15th July 1963	99.90
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	99.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	99.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	101.10
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	98.50
4 % W. Bengal	1960	7,00,00,000	29th Aug. 1969	99.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	98.00
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. † Bombay State Transport. ††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6¼ to 4 per cent with effect [illegible] —Interest free for first 12 years. ‡—Interest free for first 7 years. Z—Ex eight instalments but [illegible] D—Domestic Loan not marketable. [illegible] the Government after three months' notice. K—On September 1956 or later at [illegible]

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. I.—Interim Dividend. f—Dividend for first half of the year.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.'

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
					BOMBAY CITY AND ISLAND											
17,33,200	9,88,622	40,70,472	25,34,396	2,383	Maganlal Bhagwandas & Co.	..	..	Ambika Silk Mills Co., Ltd.	149.00	100	15.00	12.00	12.00	15.00	12	Y.
50,00,000	....	1,14,24,372	44,03,340	—46,65,476	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.50	2	Nil	Nil	Nil		12	Y.
40,00,000	10,99,481	1,18,20,968	77,24,952	—13,00,519	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	39.00	100	Nil	Nil	Nil		3	Y.P.
2,50,98,000	3,56,27,968	11,03,32,121	5,45,36,135	65,826	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Z	70.70	25	2.50	2.50	3.50	3.50	12	Y.
10,00,000	30,76,210	86,14,262	52,94,709	64,016	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	136.50	50	15.00	7.50	5.00	5.00	3	Y.P.
2,03,91,500	4,09,76,495	10,53,72,338	4,62,73,738	2,31,912	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	711.00	100	22.00	22.00	31.50	30.00	12	Y.P.
26,00,000	29,15,005	1,21,99,369	78,24,358	75,815	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	135.00	100	12.50*	12.50*	7.50	11.00	3	Y.
28,00,000	26,12,714	97,68,522	63,68,559	3,64,674	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	131.50	50	7.50F	5.00	10.00	15.00	3	Y.
34,00,000	35,28,313	98,61,168	67,85,681	2,29,973	Puranmal Bubna Sons	47,356	928	Edward Textiles	310.00	200	15.00	15.00(c)	18.00	18.00	12	Y.P.
29,98,050	41,95,692	1,61,80,826	87,15,263	1,06,104	B. L. Jalan, Esq. (Chairman)	46,700	886	Elphinstone Spg. & Wvg.	88.00	50	Nil	Nil	7.00	9.00	12	Y.
50,00,000	71,12,338	2,03,17,243	1,18,41,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	320.00	100	20.00	16.00	23.00	23.00	12	Y.
50,00,000	60,44,319	1,05,48,015	72,22,481	10,233	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	260.00	100	15.00	15.00	21.50	21.50	12	Y.
11,84,000 / 16,000	1,19,31,192	2,16,82,316	1,42,90,523	....	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	4,750.00xd / 992.50	1,000 / 250	350.00* / 87.50*	350.00 / 87.50	350.00(c) / 87.50(c)	500.00 / 125.00	3	Y.P.
O. 2,00,00,000 / D. 50,00,000	3,38,578	5,10,28,798	3,68,18,422	—19,79,270	Agarwal & Co.	2,47,092	5,984	India United Mills	15.16 / 1.86	0 100. / 0 1D.	Nil / Nil	Nil / Nil	Nil / Nil		12	Y.
18,30,000 / D. 70,000	91,23,291	1,84,94,644	1,39,55,204	10,633	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	2,150.00 / 1,050.00N	1,000 / 500	325.00* / 162.50*	325.00 / 162.50	200.00(c) / 100.00(c)	232.00 / 116.00	3	Y.P.
59,85,000	82,79,165	3,76,13,105	2,68,91,560	38,751	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	588.75	100	10.00(c)	10.00	16.00	32.00	6	Y.P.
1,00,00,000	1,02,16,719	4,18,29,168	3,03,39,130	20,794	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	315.50	100	18.00	10.00	9.50	15.00	12	Y.
46,47,350	43,32,220	1,51,49,443	75,23,486	32,765	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	82.50	50	5.00'C'	3.00	5.00	6.00	10	Y.
51,75,000	50,69,550	3,02,81,993	2,16,99,596	42,652	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	400.00	100	14.00(c)	15.00	21.50	21.50	6	Y.P.
2,41,11,320	1,83,27,010	12,92,52,259	6,02,53,132	4,41,151	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	567.00	100	14.00	14.00	22.00	22.00	12	Y.P.T.
24,00,000	11,16,837	83,71,883	48,70,077	—11,98,634	M.	45,944	480	New City of Bombay Mfg.	150.00	100	5.00	Nil	Nil		12	Y.
30,00,000	2,91,638	1,24,16,237	68,75,602	—8,27,101	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	220.00	100	Nil	Nil	Nil	Nil	12	Y.P.
48,00,000	54,85,829	1,81,28,534	1,22,58,132	2,82,604	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	145.50	100	12.50F	10.00	10.00	15.00	3	Y.
45,00,000	45,06,152	87,88,076	38,37,952	2,40,742	Podar Sons Private Ltd.	32,600	930	Podar Mills	150.00	100	10.00	18.00*(c)	12.00*	12.00*	12	Y.P.
75,00,000	26,95,000	1,84,04,714	93,31,773	1,11,811	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	124.00	100	..	8.00	11.50	12.00	12	Y.P.
10,00,000	....	29,94,246	16,74,307	—1,52,005	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.48	10	0.25	Nil	Nil		12	Y.
75,29,780	1,29,08,292	3,17,23,074	1,82,17,621	24,984	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	60.50	10	2.00	2.00	2.50	1.70	12	Y.
90,00,000	64,91,229	1,90,85,953	83,85,241	56,379	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	267.00	100	8.00	10.00	15.00	18.00	12	Y.P.
50,40,000	15,53,956	2,27,78,338	1,00,86,574	—3,49,633	M.	49,840	1,114	Simplex Mills	205.00	50	8.50	8.50	5.00(c)	7.50	3	Y.T.
1,09,75,000	2,81,20,905	4,60,68,465	2,50,81,920	1,37,718	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	1,482.00	100	22.50*	20.00	29.00*	30.00	12	Y.P.
1,00,00,000	96,94,067	3,16,61,974	1,74,64,096	1,506	Tata Industries Private Ltd.	75,036	2,000	Svadeshi Mills	281.00	100	9.00	10.00	14.00		12	Y.P.
36,00,000	85,68,509	2,11,42,441	1,21,58,892	26,062	James Finlay & Co., Ltd.	40,328	550	Swan Mills	600.00	100	25.00	25.00	36.00	36.00	12	Y.
65,57,875	50,22,987	2,58,77,176	1,04,22,689	17,925	Tata Industries Private Ltd.	61,572	1,775	Tata Mills	65.50	25	2.00	1.50	2.50		12	Y.T.
17,60,000	66,01,539	1,16,62,138	71,22,479	78,725	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	480.00	100	23.00*	20.00*	20.00	25.00	12	Y.P.
12,00,000	98,16,000	1,93,55,000	1,24,96,000	....	K. M. D. Thackersey, Esq. (Chairman)	54,664	1,262	Western India Spg. & Mfg.	3,725.00	1,000	325.00	325.00	325.00(c)	324.80	12	Y.P.
					AHMEDABAD											
40,00,000	37,96,894	2,09,06,549	90,57,515	12,482	Tata Industries Private Ltd.	49,168	1,016	Ahmedabad Advance Mills	190.00	100	5.00	5.00	4.90(c)	10.00	6	Y.P.T.
20,00,000	97,23,117	1,52,08,567	87,79,332	....	Hutheesing Sons & Co.	44,220	920	Aruna Mills	530.00	100	25.00	25.00	25.00'C'		12	Y.P.
60,00,000	3,12,05,390	3,51,43,105	1,57,88,063	81,832	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,783.00	100	35.00*	28.00'C'	40.00	45.00	12	Y.P.
26,40,000	45,04,840	1,24,95,613	83,06,442	58,595	Mangaldas & Brother (Pvt.) Ltd.	35,908	892	Aryodaya Ginning & Mfg.	501.25	200	Nil	25.00'C'			12	Y.P.
20,00,000	1,27,06,477	1,51,11,023	78,11,050	....	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	605.00	100	30.00	20.00'C'	25.00		12	Y.P.
2,06,25,000	2,91,51,534	7,72,08,320	3,30,53,664	21,88,804	Karamchand Premchand Pvt. Ltd	1,39,120	2,380	Calico	1,169.00	125	30.00	25.00	22.00	31.00	3	Y.P.
63,00,000	27,76,707	1,57,37,865	1,12,77,222	6,366	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	611.25	250	25.00*	27.00*	36.00		12	Y.P.
70,28,125	2,73,28,620	2,77,73,126	1,39,35,503	2,25,726	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	2,135.00	125	30.00	35.00*	55.00*	60.00	12	Y.
15,00,000	69,09,860	1,00,72,121	49,89,766	32,277	Jagabhai Bhogilal Nanavaty & Co.	25,560	572	Nutan Mills	425.00	100	20.00	20.00	25.00	30.00	12	Y.P.
30,00,000	97,70,729	1,39,39,924	83,54,600	40,614	Lalbhai Dalpatbhai & Co.	32,828	660	Raipur Mfg.	1,072.50	100	35.00*	25.00'C'	35.00	40.00	12	Y.P.
48,75,000	23,78,557	1,49,91,313	85,09,730	14,294	Rohitbhai Chinubhai, Esq. (Chairman)	33,156	648	Rohit Mills	211.25	100	8.00*	8.00*	10.00		12	Y.P.
68,75,900	3,20,28,997	2,64,83,630	1,60,59,340	2,86,897	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,351.00	100	25.00	30.00*	45.00	50.00	12	Y.P.
85,00,000	89,43,859	1,84,94,632	92,66,120	25,810	Haridas Ashratlal & Co., Ltd.	41,056	780	Vijaya Mills	700.00	500	40.00*	40.00*			12	Y.P.
					WEST BENGAL											
15,00,000	2,39,480	40,13,953	26,20,603	....	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	7.87	10	0.60	0.50	Nil		12	Y.P.T.
7,11,280 / 1,30,620 / 1,70,000	2,44,733	89,51,451	62,49,897	—3,26,098	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	Nil	Nil	Nil	3	Y.P.
24,00,000	14,14,700	1,52,28,678	67,86,920	1,13,595	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	229.00	100	Nil	Nil	Nil	10.00	12	Y.P.T.
28,50,000	4,10,000	1,57,23,142	98,54,887	2,16,475	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	31.25	10	Nil	Nil	1.00	2.00	12	Y.T.
50,08,000	14,21,548	96,46,603	46,96,603	21,280	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	16.56	10	0.50	0.65	0.80	1.00	12	Y.T.
1,60,00,000	2,89,99,248	5,96,98,481	1,42,09,599	67,607	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills	35.25	10	0.75	0.25	0.25	0.50	3	Y.P.
O. 19,47,750 / D. 5,00,000	78,492	50,99,822	32,33,579	—5,21,450	Hazareemul Heeralal	23,036	795	Rampooria Cotton Mills	10.12N / 2.37N	10 / 1D	1.00 / 0.15	0.50 / Nil	Nil / Nil		6	Y.
					SOUTH INDIA AND OTHER CENTRES											
29,92,692	6,52,869	79,93,474	16,45,263	59,147	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	11.00	10	Nil	Nil	Nil	0.80	12	Y.P.T.
80,00,000	2,25,000	85,23,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	134.00	100	6.00	6.00	11.00		12	Y.P.
11,98,600	4,50,000	49,07,709	26,15,654	3,044	Setna & Co.	25,984	..	Asher Textiles Ltd.	204.05	100	12.50	6.00	6.00	12.50	6	Y.
72,00,000	20,55,192	2,04,53,847	68,19,240	2,951	The Industries (I.F.) Department, Government of Andhra Pradesh	36,136	725	Azam Jahi Mills	73.00	100	3.50	Nil	4.00	4.00	9	Y.
1,21,50,000	1,64,86,667	3,98,24,324	8,21,04,350	2,49,477	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	202.00	100	10.00'C'	10.00	10.00	10.00	12	Y.P.
3,23,25,000	....	....	....	....		..	..	Baroda Rayon Corporation	125.00	100	..	..	..	..	12	Y.
35,00,000	78,10,478	1,66,23,840	1,20,16,290	83,509	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	20.00	10	1.50	0.75	Nil	1.00	3	Y.
1,78,47,800	3,51,04,379	8,62,84,184	5,14,76,331	2,17,300	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	221.00	100	10.00	10.00	10.00	10.00	12	Y.P.T.
20,00,000	18,500	51,23,580	26,05,678	—2,79,050	G. Sam & Co.	37,536	4	Cambodia Mills	10.40	10	0.50(c)	Nil	Nil		12	Y.P.
15,00,000	5,29,316	53,92,782	33,76,104	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	172.00	100	20.00	12.50	15.00	17.00	3	Y.
30,00,000	41,96,806	85,69,419	69,13,685	56,518	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	8.62	5	0.25	Nil	Nil	0.36	12	Y.
9,41,068	6,61,000	68,26,050	33,32,807	15,034	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	13.25	10	0.90	0.90	0.90	1.30	3	Y.P.
35,99,600	31,66,212	1,21,98,355	51,67,340	....	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	169.75	100	9.00'C'	6.00	6.00	12.00	12	Y.
17,65,300	4,06,710	49,14,591	26,55,487	....	T. A. R. Chettiar Sons & Co.	25,340	100	Coimbatore Murugan Mills	115.00cd	100	7.50	Nil	7.50		12	Y.P.
20,00,000	22,73,372	1,05,80,523	59,63,225	14,352	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills	348.80xd	100	20.00	20.00	25.00	16.00	12	Y.P.
20,76,900	5,076	1,85,77,639	89,09,035	—12,57,670	A. V. Srinivasalu Naidu, Esq. (Ch.)	70,268	807	Coimbatore Spg. & Wvg.	51.00	50	Nil	Nil	Nil		12	Y.
46,87,500	10,75,722	4,64,86,662	1,50,60,898	—90,16,850	Tata Industries Private Ltd.	1,15,188	2,064	Central India	113.50	100	Nil	Nil	Nil	Nil	6	Y.P.
29,66,711	28,72,302	1,21,27,978	57,71,091	9,000	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	116.50	100	9.00	9.00	9.00	12.00	3	Y.
3,88,36,225 / 1,00,563	4,64,48,622	14,46,03,946	8,37,58,780	2,72,401	B. R. Charat Ram & Co. Private Ltd.	1,16,636	2,333	Delhi Cloth & General Mills	45.87	25 / 2½	2.00 / 0.10	2.00 / 0.16	2.50† / 0.25†	2.50 / 0.30	6	Y.P.T.
48,60,000	28,68,832	1,37,35,118	68,42,301	....	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	220.00	100	10.00'C'	10.00	17.50	17.50	12	Y.
63,00,000	1,40,58,814	2,13,31,287	1,58,72,559	88,973	The British India Corporation Ltd.	48,452	1,194	Elgin Mills	19.87	10	1.00	0.75	1.15	1.15	9	Y.P.
48,81,000	45,23,948	2,21,45,453	1,07,14,102	21,125	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	180.00	100	8.00	8.00	6.00	14.00	12	Y.
40,00,000	56,44,510	1,28,49,778	85,83,203	24,751	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	220.00	100	10.00	10.00	16.00		12	Y.
2,50,00,000	2,39,47,000	6,42,53,523	4,12,24,000	20,81,106	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	53.00	10	Nil	Nil	1.00	2.00	3	Y.P.
78,86,500	....	7,35,878	....	—76,663	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	62.00	62.50	..	..	..	Nil	3	Y.P.
50,00,000	14,88,806	1,67,80,355	1,31,23,037	16,103	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	157.00	100	6.00	5.00(c)	7.00	8.50	12	Y.
8,90,000	6,18,770	36,26,185	22,28,141	—5,61,231	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	75.50	50	3.00	Nil	Nil		12	Y.
15,54,000	11,26,682	66,77,134	35,48,365	....	Bhairuratan Damani, Esq. (Managing Director)	21,176	512	Jam Shri Ranjitsinghji	1,500.00	1,000	40.00	Nil	Nil	60.00	6	Y.
1,25,00,000	56,34,321	5,18,51,527	1,69,53,953	1,22,795	Padampat Singhania, Esq.	45,000	1,000	J. K. Cotton Spg. & Wvg.	20.76	10	..	..	0.90	1.25	12	Y.P.
16,91,930	14,18,017	85,21,320	45,31,221	....	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	12.09xd	5	1.25	0.75	0.75	0.75	12	Y.
4,65,65,300	3,07,35,097	4,65,60,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd.	56,184	1,685	Jiyajeerao Cotton	12.00	10	0.35	0.25	0.07		3	Y.P.
67,20,000	27,51,985	1,84,63,402	65,64,246	44,107	Kothari & Sons	67,192	300	Kothari Textiles	12.50	10	1.00	Nil	1.00	1.00	12	Y.P.
32,00,000	54,54,132	2,00,14,262	1,54,85,274	41,503	Pratapsinh Mathuradas, Esq. (Ch.)	51,908	1,243	Lakshmi Cotton Mfg.	525.00	250	15.00	15.00	25.00	25.00	12	Y.P.
71,00,000 / A. 35,50,000	83,80,960	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	175.00 / 81.25	50 / 25	10.00 / 5.00	6.00 / 3.00	6.00 / 3.00	10.00 / 5.00	8	Y.
58,00,000	1,56,62,460	2,47,84,641	1,56,95,403	5,916	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	900.00	100	15.00	18.00	29.00*	30.00	12	Y.P.
1,75,02,480	4,63,35,125	6,70,44,167	4,43,21,834	7,21,441	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	38.55	15	2.25	Nil	1.875	2.25	12	Y.
60,00,000	29,61,175	68,95,492	53,17,777	1,53,265	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	400.00	100	20.00	20.00	25.00	30.00	8	Y.
29,80,864	5,71,940	1,05,10,931	50,74,411	....	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	80.00	100	Nil	Nil	Nil		12	Y.P.T.
94,91,850	21,56,148	1,71,94,769	78,81,528	1,85,008	M.	52,408	952	Model Mills (Nagpur)	85.00	250					6	Y.
29,78,100	44,97,618	1,17,73,699	69,34,817	24,962	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	78.75	50	9.00*	5.00	5.00	7.00	2	Y.P.
31,50,000	48,76,391	66,34,980	44,19,186	1,368	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	216.25	100	12.00	12.00	12.00		12	Y.P.
48,00,100	....	2,37,94,145	1,20,34,420	—37,45,965	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.40	10	Nil	Nil	Nil		8	Y.P.
87,24,100	20,43,825	1,77,71,191	74,08,261	951	Bansilal Bisesardas Pvt. Ltd.	37,788	902	Osmanshahi Mills	63.00	100	Nil	Nil	Nil	Nil	9	Y.
A. 4,00,000 / B. 6,00,000	18,77,729	78,57,485	40,84,073	1,210	R. Doraiswami, Esq. (Chairman)	47,600	..	Palani Andavar Mills	250.00 / 300.00	50A / 75B	9.00 / 13.50	10.00 / 15.00	15.00 / 22.50	25.00 / 37.50	12	Y.P.
15,00,000	....	37,30,105	19,70,043	—21,28,862	....	27,980	..	Pankaja Mills Ltd.	58.00	100	Nil	Nil			12	Y.
68,13,120	30,30,326	1,13,78,116	71,37,565	2,429	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	33.75	25.00	3.00	1.50	2.25	3.00	12	Y.
28,21,000	27,92,326	1,33,43,969	64,52,254	600	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	105.00	100	Nil	Nil	Nil	7.00	12	Y.
29,96,977	36,16,655	99,75,652	48,91,786	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	88.50	50	4.50	3.00'C'	8.75	6.00	12	Y.P.
16,14,300	17,87,061	63,86,578	27,79,402	....	Ramco Agencies Private Ltd.	36,036	..	Rajapalayam Mills	141.00	100	12.00	8.00	6.00(c)	9.00	3	Y.
15,36,890	2,69,111	83,59,281	50,04,126	....	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	224.00	100	16.00	10.00	16.00	23.00	3	Y.
22,38,300	13,62,109	56,78,717	31,08,738	7,071	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	123.50	100	10.00	10.00	10.00	15.00	12	Y.
10,00,000	21,88,774	68,97,324	36,20,367	5,311	S. R. P. Ponnuswamy Chetty & Sons.	33,024	..	Sivanandha Mills Ltd.	28.25cd	10	1.20	1.50	2.20	2.20	12	Y.
3,50,00,000	....	....	....	....	M.	..	..	South India Viscose Ltd.	174.00	100	..	..	..	..	12	Y.
13,17,124	6,47,786	45,36,078	12,34,844	....	K. Ramchandran, Esq. (Mg. Director)	16,516	..	Sri Kannapiran Mills Ltd.	10.00	10	1.00	0.60	1.00	..	12	Y.
36,69,700	23,00,037	1,01,95,864	72,28,021	30,822	D. B. Viswambhariah, Esq. (Mg. Director)	42,924	340	Sri Krishnarajendra Mills	72.00	50	7.00	4.50	4.00	5.50	3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,868	88	Sri Rangavilas Ginning	47.50cd	50	2.00	Nil	2.50	3.00	12	Y.
15,00,000	3,99,30,629	1,17,10,444	91,93,176	3,97,888	Birla Brothers Private Ltd.	86,212	1,344	Sutlej Cotton Mills	104.00	10	6.00	6.00	6.00	8.57	3	Y.
O. 17,50,000 / P.O.1,57,50,000	2,63,83,071	6,95,70,628	2,46,91,277	5,044	M.	1,12,916	2,000	Swadeshi Cotton (Kanpur)	10.00 / 9.25	100. / 10P.O.	0.75 / 1.15	Nil / 0.40	Nil / 0.571	0.50 / 1.071	12	Y.P.
12,78,210	1,20,000	46,55,675	7,75,459	22,842	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	11.25	10	..	Nil	Nil	0.80	3	Y.P.
1,00,08,005	96,61,584	5,41,72,787	3,06,58,563	2,60,784	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	41.00cd	10	1.00	1.25	2.00	2.00	12	Y.P.T.
15,98,780	9,05,000	22,95,738	15,76,070	2,397	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	12.10	10	0.90	0.75	1.25	1.35*	12	Y.
21,00,000	43,50,000	1,06,38,923	62,53,593	91,696	R. K. S. Chetty & Brothers	44,424	270	Vasanta Mills	250.00	100	12.00	12.00	16.00	20.00	12	Y.P.
15,10,984	2,10,420	25,04,872	14,58,877	....	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	47.50xd	50	2.25	3.00	5.00	5.00	12	Y.P.
32,00,000	10,67,831	1,94,58,806	1,41,27,622	—10,24,524	Pratapsinh Mathuradas, Esq. (Ch.)	49,880	1,369	Vishnu Cotton	129.50	100	Nil	Nil	Nil	5.71	12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.
Z—Bombay Dyeing & Mfg. Co., shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable. 'O'—On increased Capital. ‡ On Old Capital.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	64,31,970	1,47,43,249	50,81,902	36,065	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.12	10	0.25	0.25	0.50	1.00	3	Y.P.T.
6,00,000	13,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	198.00	100	10.00	10.00	15.00		12	Y.P.T.
30,00,000	5,43,950	1,41,02,373	1,01,60,589	1,16,925	McLeod & Co., Ltd.	1,264	Alliance	89.00	100	*Nil*	*Nil*	*Nil*	6.00	5	Y.P.
49,20,700	85,41,000	2,63,90,624	1,74,73,587	2,26,168	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	179.00	100	7.00	10.00	12.50	20.00	3	Y.P.
40,00,000	21,83,168	1,36,05,736	76,49,894	34,111	Bird & Co. Private Ltd.	810	Auckland	156.00	100	*Nil*	5.00	20.00	27.00	3	Y.P.T.
20,00,000	34,53,528	1,46,13,222	77,61,622	28,486	Birla Brothers Private Ltd.	959	Bally	230.00	100	2.00	6.00	10.00	25.00	3	Y.P.
£275,000	£803,923	£1,601,226	£1,065,825	—£92,399	Sir John H. Burder (Chairman)	1,889	Barnagore	128.00	£5	*Nil*	*Nil*	10sh.	£1.10sh	3	Y.P.
28,00,000	30,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	161.00	100	2.50	7.50	13.50		12	Y.P.
45,00,000	26,91,700	70,48,057	40,86,203	1,33,355	Soorajmull Nagarmull	600	Bengal	10.00	10	*Nil*	0.50	0.50	0.50	6	Y.P.T.
91,26,000	2,82,25,130	7,34,86,439	2,26,35,926	93,079	Birla Brothers Private Ltd.	1,373	Birla	28.50	10	1.00	1.00	1.00	1.50	3	Y.P.
36,00,000	27,72,236	1,36,96,070	70,34,735	34,192	Andrew Yule & Co., Ltd.	991	Budge-Budge	122.00	100	*Nil*	5.00	15.00	10.00	10	Y.P.
7,43,380	4,000	45,02,280	35,10,243	—1,47,560	Dayaram & Sons	502	Calcutta Jute Mfg.	7.25	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
18,00,000	29,05,059	92,72,655	5,10,612	6,22,941	M.	616	Caledonian	138.00xd	100	*Nil*	15.00	12.00	12.00	11	Y.P.
59,16,400	82,28,226	2,14,54,087	1,21,65,795	1,37,286	James Finlay & Co., Ltd.	600	Champdany	106.00	100	*Nil*	*Nil*	7.00	10.00	3	Y.
15,95,000	23,19,096	86,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	16.25	10	*Nil*	5.00	12.50‡	7.50	11	Y.P.
30,15,000	39,53,900	1,20,98,261	66,66,975	39,326	McLeod & Co., Ltd.	500	Chitavalsah	11.12	10	1.10	1.25	1.50	0.50	7	Y.P.T.
24,00,000	9,00,000	82,12,030	61,31,208	—3,09,256	M.	969	Clive	9.00	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
31,49,200	13,05,418	1,06,95,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	121.00	100	*Nil*	*Nil*	*Nil*	1.00	3	Y.P.T.
28,00,000	41,85,474	97,98,897	51,23,570	15,632	Andrew Yule & Co., Ltd.	779	Delta	165.50xd	100	*Nil*	6.00	14.00		11	Y.P.
15,00,000	38,62,000	1,14,03,496	74,72,740	70,285	McLeod & Co., Ltd.	500	Empire	18.79xd	10	0.75	1.00	1.25	1.25	7	Y.P.T.
63,00,000	83,65,324	3,41,69,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	293.00	100 Old	10.00	20.00	20.00	25.00		Y.P.T
21,00,000	19,81,948	1,32,23,393	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	25.00	10	1.50	1.50	1.50	2.25	3	Y.P.T
84,32,100	5,16,898	2,24,66,716	1,48,00,382	56,359	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	10.37	10	*Nil*	*Nil*	*Nil*	1.00	3	Y.P.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd.	40.00	10	2.00	2.00	4.00		12	Y.T.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	380.00	100	2.50	20.00	25.00	30.00	3	Y.P.
40,00,000	81,69,633	1,33,64,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	119.00N	100	5.00	5.00	6.00	6.00	3	Y.P.
16,80,000	25,26,234	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	19.25	10	*Nil*	*Nil*	0.60	1.00	3	Y.P.
65,62,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	20.87	10	*Nil*	*Nil*	1.00	1.25	3	Y.P.T
52,50,000	38,25,000	3,18,43,014	1,77,68,014	1,63,175	Ramdutt Ramkissendas	2,272	Hukumchand	19.50	7.50	1.50	1.50	1.50	2.15	3	Y.P.
87,30,000	21,78,965	1,74,80,629	1,00,24,542	4,94,235	M.	790	India	15.81	12.50	9.37	15.62‡	1.24	1.75	3	Y.
24,00,000 'B'19,20,000	27,20,329	2,00,48,588	1,40,57,698	39,774	Jardine Henderson Ltd.	1,797	Kamarhatty	133.00 133.00	100 'B'100	*Nil* *Nil*	5.00 5.00	20.00 20.00	5.00 5.00	12	Y.P.T
30,00,000 'B'24,00,000	....	1,78,03,394	1,19,38,288	—14,78,469	Jardine Henderson Ltd.	1,527	Kanknarrah	68.00 68.00	100 'B' 100	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*	12	Y.P.T
28,00,000	52,06,000	1,51,65,797	1,03,30,320	1,21,384	McLeod & Co., Ltd.	703	Kelvin	138.00	100	9.00	12.50	14.00'C'	15.00	5	Y.P.
54,00,000	23,62,520	2,16,94,951	1,32,38,732	74,405	Anderson Wright Ltd.	1,530	Khardah	17.19	10	0.80	0.80	2.00	2.00	3	Y.P.
59,80,150	42,30,583	1,99,43,494	1,24,97,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	150.00	100	*Nil*	5.00	10.00	20.00	3	Y.P.T
24,48,000	10,76,201	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	117.00	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	11,08,592	69,04,728	41,03,722	10,530	Bird & Co. Private Ltd.	840	Lawrence	168.00	100	*Nil*	*Nil*	2.00	15.00	3	Y.P.
81,65,200	34,63,931	2,70,91,429	1,55,68,005	56,999	M.	1,294	Megna	11.81	10	0.50	1.75	1.00	1.20	3	Y.
29,98,900	34,36,392	1,64,53,185	94,33,205	—11,60,635	M.	315	Naihati	82.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T
20,00,000	11,70,743	36,49,563	26,69,250	8,646	Howrah Trading Co. Private Ltd.	425	Naskarpara	12.13	10	0.25	0.25	0.375		10	Y.T.
35,00,000	43,02,820	58,05,156	17,63,180	20,257	M.	852	National	19.44	10	0.75	0.75	1.00		10	Y.P
26,25,000	82,36,172	68,66,663	32,12,580	43,020	McLeod & Co., Ltd.	316	Nellimarla Jute	10.39xd	10	0.90	1.00	1.40	0.30	7	Y.P.T
1,70,82,810	2,27,33,274	9,30,93,375	1,36,54,171	....	Sahu Jain Ltd.	1,765	New Central	19.81	10	..	1.50	1.50'C'	1.50	3	Y.P.T
16,79,880	38,39,763	1,21,83,607	71,21,536	27,631	Bird & Co. Private Ltd.	567	Northbrook	27.12	10	*Nil*	*Nil*	1.25	3.00	3	Y.P.T
66,79,500	38,53,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	43.25	50	*Nil*	2.50	3.00	4.00	3	Y.
25,00,000	11,41,170	1,06,08,683	75,93,215	23,417	McLeod & Co., Ltd.	400	Presidency	4.87	5	0.30	0.37½	0.50	0.40	7	Y.T
20,00,000	42,629	33,96,467	12,06,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.87	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P
49,50,000	14,07,546	1,24,96,816	66,97,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	5.62	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T
£600,000	£488,130	£1,484,376	£840,162	£98,848	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnaggur	9.50N	£1	*Nil*	5%†	10%†		12	Y.P
30,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	24.37	10	0.50	0.50	0.60		3	Y.P
14,00,000	13,85,050	75,14,520	54,32,384	21,730	Hindustan Investment Corpn. Ltd.	401	Soorah	20.00	10	1.50	1.50	2.50	2.50	12	Y.P
£600,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	*Nil*	3%†	10%†		12	Y.P
35,98,600	37,29,990	89,38,439	50,59,464	35,993	Bird & Co. Private Ltd.	1,326	Union	155.00	100	*Nil*	15.00	20.00	25.00	3	Y.P.T
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	3%†	5%†	10%†		12	Y.P
2,50,000	6,70,000	82,62,805	45,58,966	1,94,094	McLeod & Co., Ltd.	447	Waverley	4.75	1	*Nil*	*Nil*	0.25	0.30	5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
10,96,990	4,16,126	17,25,120	3,38,787	3,842	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	16.60	10	1.75*	1.75	1.50	1.50	3	
18,00,000	18,91,207	79,01,776	13,65,987	2,83,908	Kothari & Sons (Ags.) Pvt. Ltd.	1,329	Blue Mountain	3.36	2	0.25	0.25	0.25	0.25	6	
5,50,000	5,09,091	16,46,405	3,40,184	18,637	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.73	2	0.30	0.24	0.24	0.20	6	
14,00,100	11,19,898	26,32,979	8,15,911	1,38,960	Peirce, Leslie & Co., Ltd.	1,836	Chembra Peak Estates	3.88	2	0.40	0.20	0.30	0.40	3	
5,66,420	12,20,975	23,20,475	1,95,657	32,388	Matheson Bosanquet & Co. Pvt. Ltd.	392	Coonoor Tea	28.12	10	2.00	2.00	2.00	1.75	9	
4,80,000	4,76,798	12,48,672	2,12,224	2,580	Srinivas Agencies	441	Coorg Tea	5.70cd	2	0.40	0.40	0.40	0.40	3	
6,00,000	4,81,315	12,81,928	3,69,201	656	P. G. Krishna Iyer, Esq. (Mg. Director)	352	Devashola (Nilgiri) Tea	30.75	10	1.75	2.50	2.50	2.00	12	
6,74,630	3,25,933	10,81,247	2,29,577	4,812	Young India Agencies Private Ltd.	465	Devon Tea	14.87	10	1.75	1.75	1.50	1.50	3	
5,00,000	1,26,500	4,04,217	65,265	2,027	Parkins Private Ltd.	198	Emerald Valley Estates	6.00XR	5	0.30	0.30	0.40		12	
25,00,000	18,55,500	56,71,656	10,31,863	77,135	Parkins Private Ltd.	1,506	Halleyburia	15.10cd	10	1.50'C'	2.00	1.25'C'	1.50	12	
6,00,000	7,65,696	14,87,744	3,33,844	48,233	Peirce, Leslie & Co., Ltd.	466	Kalasa Tea	4.73	2	0.30	0.25	0.30		3	
17,17,076	12,12,245	33,15,743	5,71,179	15,600	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4.92	2	0.30	0.30	0.70	0.50	10	
3,45,000	5,10,000	11,44,396	98,799	306	Ipe Oommen & Co. Pvt. Ltd.	800	Kurchermala Plant, Ltd.	4.27	10	0.75	0.625	0.80	*Nil*	3	
5,00,000	1,20,556	9,61,424	78,039	37,130	Matheson Bosanquet & Co. Pvt. Ltd.	267	Lucky Valley	12.55xd	10	1.00	1.00	1.00	1.00	12	
3,50,000	26,500	3,21,318	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.70	2	0.18	0.24	0.10		3	
3,00,000	6,23,100	12,48,190	2,88,717	1,418	Eapen Thomas, Esq. (Mg. Director)	524	Mlamallay	38.25	25	4.50	3.75	5.00		3	
36,00,000	21,32,880	81,96,144	14,03,832	5,225	A. V. Thomas & Co. (India) Ltd.	2,039	Neelamalai	4.30	5	0.37	0.37	0.37	0.37	3	
12,00,000	6,37,638	27,51,637	5,74,549	5,656	A. V. Thomas & Co., Ltd.	1,648	Nelliampathy	2.45	2	0.40	0.30	0.20	0.26	6	
14,06,250	7,45,346	39,87,155	6,33,351	26,790	A. V. George & Co., Ltd.	1,628	Nilgiri Tea	8.45	10	0.75	0.60	0.50	0.50	3	
28,10,000	9,22,309	32,15,349	3,63,585	35,375	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	28.10	10	2.00	3.50	2.00		6	
14,88,960	17,53,325	32,40,997	5,53,242	47,411	Mr. P. S. M. Molyneux (Chairman)	579	Parkside	29.00	10	1.75	2.50	2.75	2.75	6	
6,00,000	3,06,284	8,47,698	63,188	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninsular Plantations Ltd.	21.35	10	2.50	1.50	2.00		2	
17,00,000	11,57,787	48,52,475	15,91,846	37,065	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	23.48cd	10	2.50	1.62½	2.25	2.25	12	
57,94,880	28,17,245	1,10,00,168	34,84,598	80,253	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	3.95	2	0.70	0.20'C'	0.25		3	
18,50,000	3,06,500	11,40,782	1,24,998	907	A. V. Thomas & Co. (India) Ltd.	865	Sheveroy Estates Ltd.	1.68	2	0.15	0.15	0.125	0.18	6	
9,00,000	12,06,478	27,35,093	7,62,652	3,656	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	15.50	10	1.40V	0.80	9.60		6	
1,25,000	15,000	1,98,241	7,968	4,289	M.	216	Swinton Estates	3.12	2	..	0.15	0.15	0.25	3	
12,50,000	10,87,328	36,51,137	3,53,187	997	Srinivas Agencies	1,787	Talayar Tea	1.95	2	0.20	0.12	0.10	0.16	3	
15,75,000	16,00,500	27,37,319	3,29,820	565	Parkins Private Ltd.	1,214	Twyford	13.00cd	10	1.50'C'	1.50	1.00'C'		12	
21,93,280	12,29,630	44,14,672	15,67,621	1,02,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	24.75	10	1.77	1.60	1.95	2.10	3	
47,25,000	12,42,245	63,68,910	8,97,362	1,94,353	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	3.15	2	0.25	0.25	0.25	0.25	6	
1,00,000	53,757	3,51,001	89,991	689	Goodall & Co.	93	Woodcote Estates Ltd.	1.65		0.09	0.06	*Nil*	*Nil*	6	

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,435	16,68,612	4,21,741	8,855	Ramani & Co. Pvt. Ltd.	878	Alagieswar Estates Ltd.	2.88	2	0.20	0.20	0.15	0.15Z	3	
6,75,000	1,60,527	19,03,351	2,97,284	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	12.50	10	0.40	0.60	0.75	1.00	2	
2,50,000	5,78,758	13,39,783	1,24,787	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14.37cd	10	1.50	1.00	1.50	..	12	
12,07,888	2,28,040	20,59,620	2,38,207	34,872	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	3.90	2	0.80	0.70	0.50	0.40	6	
4,25,000	4,00,000	8,56,375	92,884	25,796	Young India Agencies Pvt. Ltd.	554	Badra Coffee Estates Ltd.	3.60	2	0.35	0.35	0.35	..	5	
4,00,000	1,63,748	7,34,867	1,10,833	2,438	A. V. Thomas & Co. (Mysore)	570	Bababudin Coffee & Produce	8.10	5	1.25	1.25	0.625	0.40	6	
3,00,000	2,35,000	4,24,393	50,457	588	Planting Agencies (Private) Ltd.	319	Balmadies Plantations	2.48	2	0.25	0.25	0.15	0.15	5	
3,66,115	3,36,253	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)	1,185	Be Be Rubber Estates Ltd.	2.80	5	0.25	0.25	0.25		3	
26,91,279	18,00,000	52,49,279	8,16,788	21,669	Peirce, Leslie & Co., Ltd.	7,093	Cochin Malabar	7.95	3	0.45	0.30'C'	0.45	0.525	2	
22,50,000	31,10,963	53,64,399	13,19,804	92,379	Cons. Coffee Estates (Secretaries)	2,799	Coffee Lands and Industries	18.75	10	4.00	2.00	2.50	0.60	6	
71,55,000	66,04,294	5,58,60,009	40,89,751	60,720	C. I. Machia, Esq. (Mg. Director)	8,160	Consolidated Coffee	21.40	10	4.00	2.00	2.50	2.00	6	
6,00,000	5,32,423	13,68,760	74,628	1,482	Associated Planters Private Ltd.	1,439	Cottanad Plantations	11.00	10	1.75	1.50	1.50	1.00	3	
4,08,560	2,00,000	3,12,568	76,968	27,670	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffee)	5.10	2	1.00	1.30	0.50	0.50	3	
18,00,000	11,10,000	32,95,321	7,48,403	37,599	A. V. Thomas & Co., Ltd.	1,281	Highland Produce	15.55cd	10	0.75	1.50	1.50	1.60	12	
1,20,000	49,000	1,64,450	5,148	2,033	Young India Agencies Pvt. Ltd.	220	Kadur Coffee Estates Ltd.	2.85	2	0.15	0.15	0.15	0.15	5	
11,85,700	10,77,705	30,90,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kailas Rubber Co., Ltd.	5.10	2	0.60	0.50	0.50	0.40	2	
3,00,000	8,36,553	17,97,748	3,49,814	1,380	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	12.25	10	2.00	1.00'C'	1.25	1.25	4	
4,00,000	3,75,000	9,82,417	1,85,014	14,690	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.60	2	0.80	0.40'C'	0.40	0.40	10	
13,50,000	4,85,241	25,89,476	4,08,190	9,942	K. T. Thomas Kathanar, Esq.	1,663	Malankara Rubber	18.75	10	2.25	1.70'C'	1.60	1.50	3	
3,25,000	2,50,000	7,67,594	9,954	10,168	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.00	5	0.75	1.00	1.00	1.00	6	
40,50,000	14,21,444	90,79,614	11,84,844	66,364	A. V. Thomas & Co., Ltd.	4,682	Midland Rubber	11.80	10	2.00	1.00'C'	1.00	1.25	3	
3,35,000	4,18,450	16,31,926	2,76,266	46,475	A. V. George & Co., Ltd.	1,229	Nenmeny Rubber	20.65cd	10	0.75	1.50	1.50		12	
2,00,000	4,74,548	8,94,232	55,672	2,314	Associated Planters Private Ltd.	1,056	Nilambur Rubber Co.	16.25	10	1.50	2.00	1.50	1.50	12	
19,45,920	23,89,219	52,58,400	18,70,387	7,007	Peirce, Leslie & Co., Ltd.	4,395	Ouchterlony Valley Estates	3.85	2	0.60	0.30	0.30	0.26	10	
6,50,000	5,71,464	7,75,580	67,589	42,437	Peirce, Leslie & Co., Ltd.	546	Ossoor Estates Ltd.	3.03	2	0.80	0.26	0.30	0.30	3	
16,50,000	2,29,315	22,68,070	6,46,200	17,195	Aspinwall & Co., Ltd.	2,017	Pullangode Rubber	1.90	2	0.10	0.08	0.10	0.10	3	
13,50,000	8,87,644	48,91,065	4,79,542	19,045	A. V. Thomas & Co., Ltd.	2,988	Rajagiri Rubber	18.70	10	2.00	2.00	2.00	2.00	6	
2,00,900	1,14,968	8,70,845	43,569	774	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	12.00	5	1.25	2.00	2.50	1.25	3	
5,50,170	3,25,000	9,35,902	1,44,033	21,604	Peirce, Leslie & Co., Ltd.	500	Savamalai Estates Ltd.	3.20xd	2	0.80	0.25'C'	0.30	0.28	11	
12,00,000	1,85,000	18,80,245	1,09,564	10,753	Patco Agencies	1,162	Sangameshwar Coffee Estates	2.08	2	..	0.18	0.18	0.12	3	
10,00,000	2,03,130	22,50,906	1,88,357	4,584	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.00	10	0.60	0.60	0.60	*Nil*	3	
2,50,000	2,75,000	6,18,718	47,038	28,480	A. V. George & Co., Ltd.	467	Thamarapally Rubber	28.00cd	10	3.00	3.00	3.00		12	
9,15,300	6,05,000	24,54,542	2,19,470	14,329	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.63	1	0.05	0.10	0.07	0.07	9	
6,00,000	66,742	11,54,891	5,03,490	2,248	Eapen Thomas, Esq. (Mg. Director)	1,203	Travancore Rubber	11.00cd	10	1.50	1.00	1.00		12	
41,00,000	15,07,458	86,18,006	18,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.	4,671	Travancore Rubber & Tea	9.90cd	10	0.40	0.50	0.75		12	
20,00,000	1,91,000	38,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	20.35cd	25	1.00	1.50	2.00	2.00	12	
6,00,000	4,96,000	17,68,416	1,27,428	10,652	P. I. J. Joseph, Esq. (Chairman)	1,360	Velimalai Rubber & Co.	5.70	5	0.62½	0.50	0.50	0.66	2	
2,20,000	4,29,600	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd.	458	Udayagiri Rubber Co., Ltd.	21.25	10	0.60	0.75	1.50		12	
3,80,010	4,13,451	9,68,441	46,238	908	M.	738	Vaikundam Rubber Co., Ltd.	31.25	10	3.50J	3.00	2.50	3.00	12	
12,00,000	11,90,982	15,34,580	1,19,640	1,15,483	Peirce, Leslie & Co., Ltd.	1,027	Wartyhully Estates Ltd.	3.03	2	0.15	0.30	0.30	0.30	3	
6,95,000	6,33,233	13,55,991	91,382	2,962	M.	844	Woodland Estates	8.00	10	1.00	0.50	0.50	1.00	3	

J—Final dividend of Re. 1.50 is on the increased capital. V—Includes 60 nP for 30-6-1954. 'C'—On increased capital. Z—Dividend for nine months ended 31st March 1960. ‡ On old capital.

* Includes bonus. M—Managed by Board of Directors. † Less Income-tax. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
							ASSAM								
4,45,700	13,84,978	22,94,476	8,53,312	....	McLeod & Co., Ltd.	325	Amluckie	27.00	10	1.00	1.50	1.50		12	Y.P.
2,76,500	5,50,000	14,17,949	5,23,091	9,512	M.	456	Ananda (Assam) Tea	28.00	10	1.00	2.00	2.50		12	Y.
7,03,250	7,55,753	16,41,189	5,01,215	54,204	Gillanders Arbuthnot & Co., Ltd.	481	Ananda Bag	30.00	10	0.50	1.00	1.75		12	Y.
5,50,000	14,38,941	26,06,181	10,04,021	19,953	McLeod & Co., Ltd.	573	Baghmari	22.62	10	1.50	1.50	1.50		12	Y.
5,10,000	11,57,780	18,49,824	6,86,011	43,644	Andrew Yule & Co., Ltd.	377	Basmatia	36.00	10	1.75	2.00	3.00		12	Y.
4,95,900	3,14,700	17,10,901	10,50,829	56,445	National Tea Corporation	624	Bateli	21.75	5	1.50	1.50	1.50		12	Y.
6,40,000	10,74,426	15,66,305	5,60,306	37,706	Gillanders Arbuthnot & Co., Ltd.	612	Betjan	35.25	10	1.50	1.50	2.50		12	Y.
33,00,000	18,32,500	73,96,221	31,20,921	3,83,877	Williamson Magor & Co., Ltd.	3,425	Bishnauth	26.12	10	1.00	Nil	1.30		12	Y.
6,00,000	2,00,000	14,02,675	3,52,303	38,457	Octavius Steel & Co., Ltd.	479	Bokakhat	14.00	10	Nil	0.50	0.80		12	Y.
7,50,000	9,06,475	14,41,597	4,34,307	70,351	McLeod & Co., Ltd.	450	Bormah Jan Tea	18.50	10	Nil	0.75	1.25		12	Y.P.
35,00,000	17,26,071	94,38,743	34,17,209	2,53,984	M	2,834	Brooke Bond B.	16.50	10	1.75	1.00	1.25	1.50	6	Y.
1,20,000	8,09,581	11,64,943	3,93,553	35,405	McLeod & Co., Ltd.	282	Dejoo Valley	54.00	10	2.00	3.00	4.00		12	Y.
8,40,000	5,49,948	33,10,828	20,05,150	—2,40,732	Jardine Henderson Ltd.	1,332	Dessal & Parbuttia	151.00	100	Nil	Nil	Nil		12	Y.
17,53,440	10,53,350	31,54,422	92,50,98	17,329	James Warren & Co., Ltd.	770	Dhelakhat	22.44	10	2.50	2.50	2.00		12	Y.P.
7,00,000	6,85,000	24,04,227	6,47,434	10,086	H. P. Dhanuka, Esq. (Chairman)	1,349	Dhunseri	16.31	10	2.00	2.00	2.30		12	Y.
4,50,000	12,09,644	18,71,655	3,98,875	68,960	McLeod & Co., Ltd.	458	Dibrugarh	38.00	10	2.50	3.00	3.00		12	Y.P.
4,73,400	7,15,000	17,09,184	7,61,684	1,56,884	Williamson Magor & Co., Ltd.	632	Dimakusi	26.81xd	10	3.00	2.50	3.00		12	Y.P.
7,00,620	11,66,000	27,54,322	14,69,122	3,83,571	Williamson Magor & Co., Ltd.	635	Dufflaghur	35.00xd	10	3.00	4.50	3.50		12	Y.
10,00,000	9,57,600	38,05,749	12,68,049	1,31,213	Williamson Magor & Co., Ltd.	1,166	East India Tea	19.50	10	0.50	0.50	1.00		12	Y.
5,03,760	6,42,879	17,74,219	6,37,020	8,855	M.	465	Gillapukri	26.25	10	2.50	2.50	2.50		12	Y.
6,76,000	4,90,000	22,56,199	10,31,899	1,31,256	Williamson Magor & Co., Ltd.	552	Gohpur	17.00	10	2.00	0.50	1.00		12	Y.
23 29,085	36,34,739	67,36,725	20,38,780	61,970	Octavius Steel & Co., Ltd.	2,494	Grob	11.69	5	1.25	1.50	0.70		12	Y.
5,00,000	6,86,998	11,97,176	4,67,668	14,369	M.	488	Hoograjuli	25.25	10	1.00	0.50i	2.50		12	Y.
8,70,000	13,90,841	32,83,007	14,80,249	75,669	Andrew Yule & Co., Ltd.	1,340	Hoolangooree	172.00	100	12.50	17.50	20.00		12	Y.
69,97,120	78,24,518	2,04,25,435	76,25,435	88,479	Birla Brothers Private Ltd.	4,900	Jay Shree Tea & Industries	23.00	10	1.00	1.00	1.40	1.40	12	Y.P.
9,00,000	8,62,200	20,23,965	5,82,195	51,110	Gillanders Arbuthnot & Co., Ltd.	876	Jutlibari	38.75	10	1.75	1.00	1.00		12	Y.
3,60,000	15,02,635	16,52,939	7,79,490	77,886	M.	1,226	Kingsley-Golaghat (Assam)	229.00	100	25.00	25.00	35.00		12	Y.P.
1,80,000	7,000	20,18,041	8,18,798	—2,30,952	Duncan Bros. & Co., Ltd.	1,201	Kotamullai Tea	11.50	5	Nil	Nil	Nil		12	Y.P.
6,50,000	6,53,734	14,09,076	4,30,863	22,109	Duncan Bros. & Co., Ltd.	634	Ledo	17.06	10	Nil	Nil	Nil		12	Y.
10,00,000	13,00,000	23,04,190	7,64,508	70,164	Octavius Steel & Co., Ltd.	643	Methoni	19.25	10	1.50	2.20	1.50		12	Y.
4,80,000	30,980	9,31,623	....	3,331	Duncan Bros. & Co., Ltd.	701	Moheema	12.00	10	Nil	Nil	1.00		12	Y.P.
1,50,000	13,65,825	1,16,088	10,450	30,504	Kettlewell Bullen & Co., Ltd.	410	Mothola	530.00	100	40.00	40.00	25.00		12	Y.
1,75,000 P.O. 2,00,000	8,36,947	16,59,105	6,59,981	37,858	Andrew Yule & Co., Ltd.	373	Murphulani	25.00 25.50	O. 10 P.O. 10	1.75 2.25	2.00 2.50	2.00 2.50		12	Y.
5,35,000	1,75,000	13,81,374	5,76,315	12,180	M.	830	Namburnadi	14.25	10	1.50	1.60	1.60		12	Y.
5,00,000	20,000	7,66,315	3,69,599	35,282	Duncan Bros. & Co., Ltd.	728	New Cinnatolliah	103.00	100	Nil	Nil	Nil		12	Y.
2,00,000	8,46,039	13,39,252	5,27,546	45,190	Andrew Yule & Co., Ltd.	390	Rajgarh	58.00C.R.	10	2.50	2.50	3.50		12	Y.
9,00,000	2,56,006	32,81,411	13,29,355	20,383	M.	958	Sapoi	20.81	10	1.50	1.50	2.00		12	Y.
2,49,000	4,30,000	12,83,249	6,96,549	91,288	Williamson Magor & Co., Ltd.	501	Seajuli	26.50	10	2.25	2.25	1.75		12	Y.
5,98,000	13,64,556	19,34,492	6,32,207	7,126	McLeod & Co., Ltd.	495	Teloijan	33.00	10	3.00	2.50	2.50		12	Y.
8,00,000	5,97,055	14,42,247	5,27,787	64,646	Gillanders Arbuthnot & Co., Ltd.	521	Tengpani	38.00N	10	1.50	1.50	1.75		12	Y.P.T.
19,82,880	15,86,078	51,14,115	22,83,115	53,844	Shaw Wallace & Co., Ltd.	2,347	Tezpore	16.75	10	Nil	1.25	2.00		12	Y.
5,20,000	25,00,315	50,60,323	16,66,525	1,05,020	McLeod & Co., Ltd.	1,050	Tyroon	39.00	10	3.00	1.50	3.00		12	Y.P.
							CACHAR								
3,00,000	5,000	5,43,677	2,03,160	41,902	M.	862	Arcuttipore	7.00	10	Nil	Nil	Nil		12	Y.
7,00,000	....	7,01,210	....	—5,83,651	M.	696	Eastern Cachar	2.50	10	Nil	Nil	Nil		12	Y.
12,60,000	13,00,000	31,05,555	13,86,347	60,217	Octavius Steel & Co., Ltd.	2,208	Hattikhira	9.81	10	Nil	0.50	0.50		12	Y.
3,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	7.50	10	Nil	Nil	1.00		12	Y.
7,00,000	8,73,960	21,37,538	3,96,015	1,37,903	Assam Trading Co.	2,205	North-Western Cachar	179.00N	100	15.00	20.00	30.00		12	Y.
2,60,000	3,32,179	12,84,475	3,70,957	—76,418	McLeod & Co., Ltd.	638	Roopacherra	14.50	10	Nil	Nil	Nil		12	Y.
5,25,000	10,97,014	14,64,650	4,68,459	41,094	Duncan Bros. & Co., Ltd.	720	Rungamattee	55.00	50	3.75	1.25	3.75		12	Y.
4,00,000	1,04,567	10,68,284	3,68,708	41,399	M.	686	Sonai River	8.25	10	Nil	Nil	Nil		12	Y.P.T.
							DARJEELING								
2,79,900	1,05,000	4,30,792	92,592	18,735	Williamson Magor & Co., Ltd.	408	Chamong	9.00	10	Nil	Nil	Nil		12	Y.
2,00,000	1,72,521	3,78,761	1,78,817	139	M.	488	Dilaram	84.00N	100	Nil	7.50	5.00		12	Y.
2,00,000	2,18,765	8,67,216	3,48,216	—82,998	Davenport & Co., Ltd.	507	Gielle	10.75	10	Nil	Nil	Nil		12	Y.P.
1,59,000	3,72,229	5,81,607	2,42,540	15,577	Andrew Yule & Co., Ltd.	463	Mim	220.00	100	Nil	Nil	10.00	22.50	12	Y.
2,99,900	4,48,000	7,80,361	2,14,761	1,29,955	Williamson Magor & Co., Ltd.	690	Nagari Farm	26.00	10	2.50	3.00	2.00		12	Y.
1.00,000	1,11,500	4,70,736	2,49,237	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	500.00	100	Nil	32.50	32.50i		12	Y.P.
3,00,000	....	5,92,848	2,47,405	4,140	Duncan Bros. & Co., Ltd.	478	Poobong	7.50	10	Nil	Nil	Nil	Nil	12	Y.
2,05,000	2,07,208	5,18,360	79,860	—87,137	Davenport & Co., Ltd.	570	Pussimbing	8.00	10	Nil	Nil	Nil		12	Y.P.
1,40,000	5,02,500	4,63,378	2,11,668	30,085	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	400.00	100	25.00	30.00	10.00		12	Y.
3,00,000	3,48,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	12.25	10	1.00	1.50	1.50		12	Y.
9,00,000	18,275	11,65,787	2,38,715	1,928	Goenka & Co.	582	Singtom	5.75	10	0.50	0.75	0.50		12	Y.P.
3,00,000	4,45,000	7,56,966	3,49,266	1,75,267	Williamson Magor & Co., Ltd.	554	Soom	42.00	10	4.00	5.00	3.00		12	Y.
6,25,009	9,54,667	17,84,118	5,20,111	58,721	McLeod & Co., Ltd.	745	Sungma	15.25	10	0.75	1.50	1.00		12	Y.
3,20,000	7,28,815	14,29,114	3,98,614	—80,294	Davenport & Co., Ltd.	718	Teesta Valley	15.75	10	1.00	Nil	Nil		12	Y.
3,01,350	2,50,000	....	....	89,574	Williamson Magor & Co. Ltd.	1,656	Tukvar	7.50	10	Nil	Nil			12	Y.
							DOOARS								
27,00,000	29,62,946	68,67,156	26,80,596	93,115	Andrew Yule & Co., Ltd.	2,540	Banarhat	330.00	100	20.00	20.00	32.50		12	Y.P.
12,00,000	18,39,305	47,37,495	26,67,822	68,917	Jardine Henderson Ltd.	948	Baradighi	28.75	10	1.50	1.50	2.50		12	Y.
9,00,000	17,95,074	27,34,742	13,24,580	6,018	McLeod & Co., Ltd.	1,112	Bhatkawa	22.50	10	1.50	Nil	1.00		12	Y.
9,00,000	17,47,500	28,48,801	9,90,295	40,081	Duncan Bros. & Co., Ltd.	1,348	Birpara	172.00	100	7.50	12.50	22.50		12	Y.P.
6,00,000	8,36,000	14,66,180	5,09,072	21,500	Duncan Bros. & Co., Ltd.	602	Carron	171.00	100	5.00	Nil	15.00		12	Y.
9,00,000	13,87,365	25,34,091	10,16,841	96,628	Andrew Yule & Co., Ltd.	903	Choonabhutti	271.00	100	20.00	22.50	30.00		12	Y.P.
3,00,000	4,36,000	9,76,473	4,70,948	22,238	Duncan Bros. & Co., Ltd.	478	Ellenbarrie	180.00	100	Nil	Nil	5.00		12	Y.
1,20,000	2,04,475	4,99,213	2,85,581	—59,525	Andrew Yule & Co., Ltd.	265	Engo	176.00	100	Nil	Nil			12	Y.
4,90,000	61,299	10,37,477	3,14,730	—85,008	M.	447	Ethelbarrie	8.50	10	0.75	Nil	Nil		12	Y.
7,50,000	6,75,164	18,98,292	11,88,007	39,367	Gillanders Arbuthnot & Co., Ltd.	1,129	Gairkhata	190.00	100	Nil	Nil	12.50		12	Y.
36,00,000	38,35,750	71,46,533	33,70,874	80,061	Duncan Bros. & Co., Ltd.	2,528	Hantapara	141.00	100	Nil	Nil	12.50		12	Y.P.
32,00,000	60,61,255	1,15,51,655	58,85,226	2,60,071	Davenport & Co., Ltd.	4,235	Hasimara Industries Ltd.	27.50	10	0.75	0.75	1.25		12	Y.P.
8,25,000	21,63,678	29,07,639	12,14,639	86,987	Davenport & Co., Ltd.	1,452	Huldibari	28.00	10	1.25	1.50	2.25		12	Y.
7,00,000	5,12,873	11,09,391	5,83,855	16,262	Andrew Yule & Co., Ltd.	607	Jaybirpara (Dooars)	17.00	10	Nil	Nil	0.50		12	Y.
9,00,000	19,71,000	26,79,061	8,40,541	58,929	Duncan Bros. & Co., Ltd.	937	Killcott	21.56	10	1.50	0.75	1.75	2.50	12	Y.
2,00,009	5,72,564	10,14,554	3,56,190	3,318	M.	578	Manabarrie	59.00N	10	1.50	0.50	0.50		12	Y.
9,60,000	19,87,000	26,78,567	9,58,041	28,611	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	211.00	100	7.50	5.00	17.50		12	Y.
14,00,000	20,80,530	34,00,529	12,84,687	52,126	Andrew Yule & Co., Ltd.	1,163	New Dooars	329.00	100	20.00	25.00	32.05		12	Y.P.
2,50,000	3,80,000	6,00,820	2,23,728	17,432	Duncan Bros. & Co., Ltd.	348	Phaskowa	140.00	100	Nil	Nil	Nil	Nil	12	Y.
6,00,000	9,10,472	16,36,533	7,19,903	—1,06,926	McLeod & Co., Ltd.	764	Rajabhat	16.00	10	Nil	Nil	Nil		12	Y.
7,65,000	15,51,570	30,18,558	15,15,626	48,739	McLeod & Co., Ltd.	1,085	Ranicherra	18.00	10	0.50	0.75	1.00		12	Y.
14,92,800	29,39,216	61,42,087	35,18,973	42,452	Jardine Henderson Ltd.	1,763	Rydak	30.87	10	2.00	2.50	3.00		12	Y.
							SYLHET								
5,00,000	17,95,000	10,31,478	3,36,965	1,17,672	Octavius Steel & Co., Ltd.	622	Chundeecherra	20.12	10	Nil	Nil			12	Y.
6,00,000	11,04,551	9,36,429	2,61,464	45,770	Duncan Bros. & Co., Ltd.	610	Dauracherra	8.12	10	0.75	0.50	1.50		12	Y.
4,00,000	12,06,200	13,63,395	7,18,394	2,77,118	Shaw Wallace & Co., Ltd.	985	New Samanbag	22.00	10	3.00	Nil	Nil		12	Y.P.
36,00,000	66,24,901	65,50,542	27,50,049	2,25,758	Duncan Bros. & Co., Ltd.	4,151	Patrakola P.	158.00	100	10.00	20.00	40.00		12	Y.P.
9,00,000	22,94,827	21,07,338	7,06,843	31,974	Duncan Bros. & Co., Ltd.	1,190	Teliapara	118.00	100	6.00	12.50	17.50		12	Y.
							TERAI								
4,50,000	65,000	4,45,710	3,67,923	8,509	Goenka & Co.	667	Atal	8.50	10	0.50	0.25			12	Y.P.T.
5,00,000	3,25,000	....	....	30,855	National Tea Corporation	522	Belgachi	24.00	10	2.00	2.50	2.00		12	Y.
12,44,000	22,46,000	27,80,130	11,43,606	29,724	Duncan Bros. & Co., Ltd.	1,611	Gungaram	177.00	100	7.50	Nil	15.00		12	Y.
5,00,000	11,64,204	15,83,836	5,60,302	22,242	Duncan Bros. & Co., Ltd.	680	Hansqua	18.25	10	1.00	Nil	1.75	2.00	12	Y.
2,80,000	3,07,709	10,27,925	4,27,249	62,299	Davenport & Co., Ltd.	514	New Chumta	33.00	10	1.25	1.00	1.50		12	Y.
2,30,000	3,75,350	13,61,474	5,52,735	33,691	McLeod & Co. Ltd.	549	Tirrihannah	60.00	10	3.00	4.00i			12	Y.P.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
						CEMENT								
[illegible]	8,97,761	1,63,73,175	80,05,128	13,916	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.60cd	B. 10	1.00	0.75	1.00	1.00	12	Y.P.
[illegible]	6,05,000	1,74 94,366	13,63,509	4,434	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	9.31	10	Nil	Nil	0.45	0.70	3	Y.T.
[illegible] [illegible] D.	12,14,582	1,51,44,736	81,04,633	....	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.87 0.87	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil	..	3	Y.T.
[illegible]	10,73,46,227	42,05,40,586	16,70,69,557	42,021	Cement Agencies (Private) Ltd.	Associated Cement Companies	163.25	100	9.00	8.50'C'	11.00	12.00	7	Y.T.
[illegible]	66,000	2,26,19,899	81,86,694	1,658	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd.	8.46	10	0.60	0.70	0.80		12	Y.
[illegible] D. [illegible]	62,83,462	2,85,75,145	86,33,672	96,576	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	12.06cd 2.43cd	O. 10 D. 1	1.20 0.12	1.00 0.10	1.20 0.12	1.20 0.12	12	Y.P.T.
[illegible]	50,93,450	4,42,25,287	1,03,39,730	76,466	Basen Private Ltd.	India Cements Ltd.	6.40	5	0.41	0.45	0.45	0.55	3	Y.P.
[illegible]	49,62,184	7,98,62,040	1,92,90,939	1,44,804	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.24	10	1.25	1.25	Nil	0.60	3	Y.P.T.
[illegible]	63,61,275	5,39,55,507	1,36,50,770	6,77,321	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.40	10	1.50	1.50	1.10		12	Y.P.
[illegible]	52,06,301	4,24,27,465	1,35,62,919	1,550	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	157.00	100	9.00	9.00	9.00	9.00	12	Y.P.
[illegible]	12,30,000	2,25,10,112	[illegible]	62,048	M.	Sone Valley Portland Cement	4.88	5	0.30	0.30	Nil		12	Y.
[illegible]	11,77,360	1,37,83,654	67,29,062	29,966	Bajaj (Private) Ltd.	Travancore Cements Ltd.	8.35cd	10	0.60	0.60	0.60		12	Y.

* Including bonus. M—Managed by the Board of Directors. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. cR—Cum-Right.

N.B.—Dividends paid since 31st March, 1959 are shown as taxable. "P"—Patrakola Tea—Dividends for 1958 and 1959 are payable only when funds are available from Pakistan.

MISCELLANEOUS COMPANIES—*Continued.*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
62,50,000	2,03,52,495	3,95,14,452	1,19,43,880	1,13,745	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	18.25	O. 10	0.90	0.90	1.00	1.20	3	Y.P
80,00,000	89,83,750	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.95	10	1.25	1.25	1.25	1.80	3	Y
80,00,000	37,04,326	37,09,127	26,34,530	2,22,752	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	24.00	10	1.80*	1.50	2.00	2.50*	8	Y
3,02,87,870	36,35,471	2,86,28,267	85,85,256	12,525	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	9.33cd	5	0.30	0.30	0.40	0.40	12	Y
30,00,000	27,88,863	41,63,859	23,39,465	1,42,995	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	21.00	10	1.25*	1.25*	1.80	1.80	12	Y
1,18,00,000	80,75,137	93,46,580	48,96,447	8,73,110	A. W. Browne, Esq., (Mg. Director)	Associated Battery	34.25	10	1.50	2.40	4.00	2.50	8	Y
20,00,000	39,46,521	1,09,70,996	44,86,334	1,55,433	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	5.00N	10	0.60	0.60	Nil	Nil	8	Y.P
80,01,400	96,40,909	79,91,396	41,74,564	5,75,403	G. D. Wilson, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	280.00	100	12.50	20.00	25.00	25.00	12	Y
12,00,000	25,38,976	37,24,157	31,81,357	1,88,199	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	44.87	10	2.50	2.50	4.50	4.00	12	Y
50,00,000	4,70,250	82,31,326	19,64,326	94,375	H. R. Sugla, Esq. (Mg. Director)	Bharat Commerce & Industries Ltd.	26.87	10	Nil	Nil	Nil	0.50	12	Y.
20,00,000	7,81,688	64,37,324§§	....	56,711	Lovelock & Lewis	Birds Investment Ltd.	13.56	10	0.50	0.70	1.10	0.95	9	Y.
45,97,020	55,50,348	1,22,49,277	53,59,733	2,13,638	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	51.50	10	1.00	1.20	1.40	2.50	2	Y.P
3,25,00,000	1,95,44,212	3,00,84,669	2,33,94,496	3,34,066	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	7.84	5	Nil	Nil	Nil	0.20	12	Y.
1,38,80,000	14,44,228	1,90,82,924§§	....	2,16,378	Andrew Yule & Co., Ltd.	Clive Row Investment	8.19	10	0.75	0.75	0.83H		12	Y
5,60,000	10,00,000	39,74,202	27,53,992	51,170	M.	Delhi Flour Mills, Co., Ltd.	15.00	10	1.00	1.00	1.00		10	Y.P
8,00,00,000	5,08,87,509	10,39,79,436	4,01,20,270	25,12,555	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	50.12	10	1.62	1.62	2.15	2.15	12	Y.P
27,27,165	1,20,49,803	59,73,067	23,80,820	26,402	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	31.62	5	0.60	0.75	0.80	1.25	3	Y
51,26,000	59,19,702	1,63,50,496§§	....	3,49,092	Bird & Co. Private Ltd.	Eastern Investment Ltd.	134.00	100	9.00	9.00	14.00	14.00	12	Y.P
24,99,000	3,52,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	13.00	10	Nil	Nil	0.50		12	Y.P
48,90,187	77,72,310	95,23,776	52,86,250	4,07,338	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	16.75	12.50	1.50	1.50	1.60		9	Y.P
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	232.00	100	12.00	15.00	17.00	17.50	3	
7,50,000	4,20,000	1,21,085	48,631	5,551	Gany & Co.	General Papers Ltd.	10.40	10	0.80	1.25	1.25		3	Y
66,00,000	36,24,200	80,57,755	15,91,667	1,71,222	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	14.12	10	1.00	1.00	1.00	1.00	3	Y.P
40,00,000	5,08,500	78,33,840	44,34,526	13,37,710	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	25.50N	10	1.50	2.00	2.60	4.00	12	Y.P
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	240.00	250	15.00	15.00	15.00	22.50	3	Y
4,96,13,275	49,51,450	7,36,56,187	3,25,48,254	3,63,217	Birla Brothers Private Ltd.	Hindustan Motors	23.16	10	Nil	Nil	0.50	0.90	2	Y.P
30,00,000	16,64,523	99,48,437	33,67,174	1,31,125	Lalukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	28.75	10	0.60	0.60	1.20		10	Y.
15,16,00,000	9,64,76,893	11,81,66,117	2,88,76,995	24,77,765	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	11.00	10	0.70	0.70	0.60	0.80	2	Y.
8,98,59,480	2,49,73,620	9,79,93,586	3,53,95,735	49,90,524	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co.. Ltd.	32.87	10	0.60	0.70	1.20	1.50	12	Y.P.
2,36,77,700	2,02,99,648	2,95,48,176	1,37,19,570	45,64,364	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	36.62	10	1.50*	1.50*	1.50*	2.25	3	Y.P.
2,00,00,000	1,28,81,493	5,99,68,652	2,48,66,248	13,78,431	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	35.50	10	1.00	1.00	1.50	1.50	9	Y.
29,88,250	70,550	51,92,992	17,57,026	33,618	M.	Indian Plastics Ltd.	10.62	10	0.37	Nil	Nil	Nil	3	Y.P
3,27,970	7,54,870	19,61,878	11,61,643	1,32,665	M.	Indian Rubber Manufacturers	17.00	10	0.62	1.00	1.50	2.00	3	Y.P
2,00,00,000	78,10,723	42,66,244	15,92,103	5,21,494	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	66.50	100	2.50	2.50	5.00	7.00	3	Y.P
15,00,000	12,02,095	18,79,279	18,27,977	17,262	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	11.69	10	2.00	3.50	2.00	1.00	3	Y.P
1,46,96,250	1,19,32,546	82,41,470	18,18,524	2,60,369	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26.87	10	2.12*	2.12*	2.75	2.75	9	Y.P
6,00,000	4,20,000	14,85,526	6,66,994	1,49,226	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	34.75	10	2.40	2.00	3.00	..	12	Y.
40,00,000O. / 5,00,000D.	74,10,730	31,01,156	12,70,257	2,42,718	M.	McLeod & Co.,	213.00 / —	O. 100 / D.O.10	12.50 / 0.75	12.50 / 0.75	15.00 / 1.00		12	Y.P
1,80,00,000	1,64,75,151	3,36,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	49.25	10	1.75	1.75	1.75	2.50'C'	8	Y.P
14,05,000	5,79,891	13,30,194	6,28,269	4,324	N. G. Ayyangar Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	219.00	100	8.00	11.00	15.00	24.00	8	Y.
6,56,250	6,92,500	11,29,680	5,97,362	3,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	27.00	10	1.25	1.50	1.60		8	Y.P
10,00,000	3,16,884	17,88,367	10,32,038	622	M. Mallaraj Urs, (Mg. Director)	Mysore Tobacco	10.40	10	1.50	1.25	1.25	1.00	8	Y.
90,00,000	1,37,56,692	1,31,19,135	51,35,368	86,389	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	37.25	10	2.00	2.00	2.00	2.50'C'	8	Y.P
30,00,000	23,51,660	50,44,201	26,96,232	42,880	Do.	National Pipes & Tubes Co., Ltd.	24.62	10	2.00	1.25	1.50	2.00	9	Y.P
40,00,000	80,19,000	83,22,477	35,76,949	1,81,185	Do.	National Rolling & Steel Ropes	21.50	10	0.60	1.00	1.00	1.30	6	Y.
49,99,057	12,28,074	1,05,93,558	39,58,256	46,685	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.62	10	1.00	0.60'C'	0.85	Nil	12	Y.
78,97,000	1,02,10,381	1,86,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	21.50	10	0.90	1.10	1.60		12	Y.P.
28,32,100	11,02,391	40,65,244§§	....	45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	48.00N	75	2.50	8.75	6.50		12	Y.
10,00,000	5,52,000	12,55,063	6,00,215	1,51,607	Parry & Co., Ltd.	Parrys Confectionery Ltd.	5.05	1	0.20	0.20	0.20	0.30	8	Y.
2,20,00,000	56,08,956	2,16,94,776	66,69,501	63,622	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	31.25	10	0.34	0.85	1.20	1.20	12	Y.
62,50,000	..	..	..	..	Duncan Brothers & Co., Ltd.	Phillips Carbon..	19.25	5	..	..	..		12	Y.
15,00,000	1,09,431	3,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.00	5	0.45	0.375	..		12	Y.
24,39,344	2,28,127	33,81,124	18,21,778	42,739	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	20.75cd	10	1.20	1.00	1.60		8	Y.
2,25,00,000	6,09,614	70,38,972	33,98,189	4,49,497	Badridas Goenka, Esq., (Chairman)	Rallis India Ltd.	144.00	100	Nil	Nil	Nil	4.00	8	Y.
2,50,80,000	2,49,55,000	14,76,38,674	6,18,95,237	1,93,085	Sahu Jain Ltd.	Rohtas Industries	19.87	10	....	2.00	1.50	2.00	8	Y.P
70,00,000	55,67,726	2,76,12,629	72,19,861	1,17,247	K. D. Ganguli, Esq.	Sen-Raleigh Industries	25.45xd	10	0.60	0.60	0.80	0.80	9	Y.P.
75,00,000	45,78,890	1,17,50,536	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	24.95	10	1.00	1.00	1.50		12	Y.P
40,00,000	91,26,201	1,53,82,019	78,19,485	7,55,863	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	23.25	10	1.50	1.50	1.80	1.80	6	Y.P
47,00,000	24,40,000	1,35,84,029	89,78,773	2,974	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.75cd	10	0.75	0.75	0.90	0.90	12	Y.P
15,00,000	95,24,802	1,18,49,116	28,52,132	58,431	J. K. Agents Private Ltd.	Straw Products Ltd. S	9.25	10	1.25	1.25	1.50		12	Y.P
22,89,276	16,82,008	14,78,458	8,93,694	14,18,847	M.N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	39.25	10	2.00	2.25	3.00	3.00	6	Y.
9,98,980	30,000	16,98,410	7,47,136	3,288	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.20cd	10	Nil	0.40	0.60	0.60	12	Y.
11,56,300	15,37,168	18,62,490	7,38,592	40,519	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	32.50	10	2.00	2.00	2.75	3.25*	9	Y.P
2,49,98,600	1,26,10,316	3,46,95,651	65,94,797	3,04,545	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	265.00	100	10.00	10.00	10.00	10.00	7	Y.
80,53,950	29,686	68,68,938	17,68,838	56,308	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	8.00	10	Nil	Nil	Nil		9	Y.P
2,80,00,000	1,67,65,505	6,04,41,004	1,15,63,837	..	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	56.50	10	1.40	1.40	1.80	1.80	12	Y.T
30,00,000	47,50,000	59,48,867	18,86,024	1,24,443	Vital Mallya, Esq. (Chairman)	United Breweries	108.00	10	2.00	6.00	6.00	6.00	2	Y.
5,00,000	6,60,191	8,85,222	5,93,831	28,594	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	33.00N	10	4.00	3.75	5.25	3.50	11	Y.
81,29,500	25,29,264	98,81,836	25,54,513	5,401	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	240.00	100	10.00	10.00	10.00	10.00'C'	8	Y.P

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
20,00,000	95,17,850	1,23,16,309	21,49,792	23,023	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	5.00	6.00	3.00	7.50	10	Y.P
1,00,00,000	61,32,793	4,35,99,781	2,33,57,012	—38,10,589	Dinshaw (Private) Ltd.	Bharat Line	5.12	10	1.20*	1.20*	Nil	Nil	12	Y.
60,00,000 / 25,00,000	2,17,74,568	8,51,80,151	2,15,53,555	1,32,018	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	15.08 / 8.24	10 / 5(New)	1.50 / —	1.80 / 0.90	1.50 / 0.525	1.00 / 0.50	6	Y.P.
£455,580	£1,242,443	£5,811,271	£2,538,891	—£3,866	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	72.50	£10	Nil	Nil	Nil		12	Y.P
2,47,50,000	2,89,74,088	22,68,81,851	4,96,14,634	..	Lionel Edwards (Private) Ltd.	India Steamship Co.	8.56	10	1.00	1.06	1.60	1.00	3	Y.P
11,28,19,293	11,32,52,989	35,02,81,320	9,83,12,870	—16,18,456	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	14.20	20	1.25	1.25	1.30	0.60	6	Y.T.
O.8,40,800 / P.O.2,10,200	24,07,422	13,85,807	9,51,870	1,60,969	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.53 / 2.25	O. 1 / P.O. 1	0.14 / 0.12	0.14 / 0.12	0.20 / 0.15	0.30 / 0.20	12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	35,44,700	1,23,77,423	80,99,853	11,999	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	24.87	10	1.25	1.25	1.50	1.00	3	Y.
12,00,000	2,96,858	28,08,529	34,12,329	—5,53,582	Jardine Henderson Ltd.	Barraree Coke	14.31	10	0.37	0.50	Nil	Nil	3	Y.
4,49,350	1,30,182	11,60,136	6,76,035	4,967	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48N	10	0.90	0.25	Nil		12	Y.
1,00,00,000	2,06,23,467	7,45,29,664	4,86,40,636	10,50,529	Andrew Yule & Co., Ltd.	Bengal Coal	385.00	100	17.50	17.50	25.00	25.00	10	Y.P.
2,25,000	4,90,671	23,57,602	21,45,467	—24,902	M.	Bengal-Nagpur	20.00	10	Nil	Nil	Nil		12	Y.
40,00,000	61,200	1,46,74,215	80,25,554	2,30,479	Sahu Jain Ltd.	Bharat Collieries	3.94	10	0.60	0.60	Nil	Nil	6	Y.P.T.
7,16,000	14,93,844	57,66,346	36,78,757	—6,96,032	M.	Bhulanbararee	5.00N	10	Nil	Nil	Nil		12	Y.T.
7,50,000	21,72,444	48,42,643	29,83,008	31,361	F. W. Heilgers & Co. (Private) Ltd.	Borrea	25.00	10	0.75	0.75	1.00	1.50	12	Y.P.
90,92,480	1,40,21,423	4,32,66,766	2,28,76,540	1,49,292	Bird & Co. Private Ltd.	Burrakur	20.56	10	0.75	0.875	1.30	1.80	6	Y.P.T.
49,97,000	4,62,979	74,82,076	25,32,605	27,542	Hindustan Investment Corpn. Ltd.	Central India	12.94	10	0.50	0.50	0.50	0.80	3	Y.
8,00,000	12,99,490	53,54,287	34,91,864	7,605	Jain Industries	Central Kurkend	7.00N	10	0.70	0.50	Nil		12	Y.
6,00,000	1,55,159	5,98,750(k)	....	7,043	F.W. Heilgers & Co. (Private) Ltd.	Churlia	3.00	4	0.20	0.20	0.12	0.12	12	Y.
16,00,000	....	57,61,927	33,65,625	—1,06,301	M.	Dhemo Main	7.19	10	Nil	Nil	Nil		12	Y.
£240,000	£3,52,069	£1,124,710	£812,966	£7,006	Jardine Henderson Ltd.	East Indian	36.00	£1	1.50	1.00	1.25	1.00	4	Y.
29,63,760	1,16,22,107	4,94,12,596	3,48,60,839	1,10,574	Macneill & Barry Ltd.	Equitable	33.12	10	1.50	1.50	0.75	1.50	12	Y.P.T.
10,00,000	40,000	24,58,595	8,45,200	—5,80,078	Bhatter's Agency Ltd.	Ghusick and Muslia	16.00	10	Nil	Nil	Nil	Nil	3	Y.
12,00,000	1,27,964	43,44,376	27,68,441	—1,87,129	Killick Industries Ltd.	Hingir-Rampur	23.00	50	Nil	Nil	Nil	Nil	6	Y.P.
3,00,000	....	24,79,228	20,12,306	—3,47,957	M.	Hurriladih	14.37N	10	Nil	Nil	....		12	Y.
20,00,000	5,37,841	40,32,438	10,76,764	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	190.00	100	Nil	5.00	5.00	7.50	2	Y.P.
5,00,000	21,06,090	56,77,095	40,80,864	1,31,658	Andrew Yule & Co., Ltd.	Katras Jherriah	48.62	10	6.50	6.50	6.50	9.50	1	Y.
11,00,240	68,248	7,07,900	....	—3,39,717	M.	Kuardi	8.75N	10	Nil	Nil	Nil		6	Y.
9,00,000	10,22,762	6,16,670	....	39,080	H. V. Low & Co. (Private) Ltd.	Lakurka	14.00N	10	0.12	1.00	0.75		4	Y.
7,48,240	2,50,000	13,59,878	10,13,353	17,140	Tantia Brothers Private Ltd.	Nazira	8.00	10	0.75	0.75	1.00		12	Y.
31,97,210	27,39,886	1,62,48,573	1,06,28,096	79,798	Andrew Yule & Co., Ltd.	New Beerbhoom	24.06	10	0.75	1.00	1.50	1.60	10	Y.P.
6,00,000	2,88,645	28,54,261	19,70,084	56,603	Octavius Steel & Co., Ltd.	New Manbhoom	15.75	10	0.50	0.50	0.50	0.75	3	Y.
1,15,000 / 1,57,500	3,84,525	12,96,398	9,60,464	23,053	M.	North West	21.09N / 19.00N	10 / 7.50	1.50 / 1.12	1.50 / 1.12	1.50 / 1.12	2.00 / 1.50	3	Y.
7,50,000	16,65,465	2,62,538	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman)	Ondal	16.75	10	0.50	0.50	0.70		12	Y.P.
8,34,000	1,82,527	28,59,307	12,11,228	1,026	Deepchand Kishenlall	Parasea	18.00	10	0.50	0.50	0.62		12	Y.P.T.
15,75,000	22,83,200	76,91,776	47,81,408	14,547	Shaw Wallace & Co., Ltd.	Pench Valley	19.56	10	2.00	2.00	1.00	1.00	3	Y.
23,99,500	34,89,802	1,52,74,203	1,05,98,171	8,664	M.	Raneegunge	17.81	10	0.75	1.00	1.00	1.50	3	Y.
13,50,000	11,31,590	52,62,257	35,97,256	29,537	Shaw Wallace & Co., Ltd.	Rewa	31.00	10	1.00	1.00	1.00	0.75‡	12	Y.
37,50,000	38,60,570	1,12,26,841	38,46,379	26,993	M.	Samla Collieries	9.75	10	0.90	0.50	0.70	1.00	12	Y.
13,00,000	2,83,010	22,73,864	7,51,427	2,609	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	129.00	100	9.25	12.50	16.00		12	Y.
2,80,000	11,14,420	31,03,158	20,96,227	57,532	Andrew Yule & Co., Ltd.	Seebpore	88.75	7	1.75	1.75	3.00	3.00	12	Y.P.
8,00,000	4,69,848	35,740	18,04,563(k)	1,111	F. W. Heilgers & Co. (Private) Ltd.	Sendra	7.94xd	10	0.25	Nil	0.35	0.50	12	Y.
68,21,450	1,24,58,755	7,11,84,187	3,19,11,681	90,858	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	11.75	10	1.50	0.75	0.75		12	Y.T.
17,50,000	9,09,230	44,92,231	20,81,911	20,181	Bird & Co., Private Ltd.	South Karanpura	10.56	10	0.75	0.75	0.90	0.25	3	Y.
8,00,000	15,49,019	1,53,707	26,68,239(k)	20,718	F. W. Heilgers & Co. (Private) Ltd.	Standard	12.50	10	1.00	1.25	1.50	1.50	12	Y.
3,50,000	2,81,000	20,49,970	15,40,057	28,484	B. M. Varma, Esq. (Mg. Director).	Union	12.00	10	0.37	0.25	Nil		12	Y.
49,98,000	3,56,533	86,93,251	32,75,682	12,536	Hindustan Investment Corpn. Ltd.	Western Bengal	9.50	10	0.50	0.40	0.40	0.60	3	Y.
7,00,000	....	60,41,420	30,68,310	—2,48,408	M.	West Jamuria	7.00	10	Nil	Nil	Nil		12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. 'C'—On increased Capital.

§§ Investment at cost. * Includes bonus.

MISCELLANEOUS COMPANIES—*Continued*

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
£562,500	£212,932	£745,697§§	....	£1,003	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	1.26	Sh. 1½	Nil	2%	Nil	6%	3	Y.
35,90,000	86,35,342	39,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0.60	Nil	0.60		12	Y.P.
1,00,00,000	2,53,57,786	1,06,60,341	55,36,777	4,64,807	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	27.50	10	2.00	2.00	2.50	2.50	12	Y.P.
70,07,476	49,40,556	2,47,94,315	1,56,70,928	46,303	Tata Industries Private Ltd.	Tata Oil Mills	75.20	25	2.50	2.50	3.25	5.75	3	Y.P.T.
6,00,000	9,39,137	2,46,248	1,72,531	1,24,540	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	20.25	10	1.25	1.50	2.20	3.00	10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
57,43,031	37,55,249	2,76,44,249	2,15,86,003	3,30,769	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	37.75	25	Nil	Nil	2.50	3.575	6	Y.P.
46,00,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	85.00	25	3.12	5.50	3.00		12	Y.P.T.
86,20,000	80,25,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	19.37	10	1.40	1.00	1.00	1.50 'C'	3	Y.
12,50,000	....	....	....	....	M.	Jayant Paper Mills Ltd.	66.00	75	....	....	....	....	3	Y.
1,40,00,000	....	1,04,58,852	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.24	10					6	Y.P.
25,00,000	37,42,800	1,54,04,003	1,03,95,960	51,968	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	22.00	10	1.00*	1.00	1.25*	1.50	3	Y.
1,46,82,500	3,21,50,238	10,01,40,260	3,07,78,182	4,22,620	Birla Brothers Private Ltd.	Orient Paper	35.20	10	1.50	1.50	1.50	2.25	3	Y.P.T.
1,75,00,000	....	....	....	....	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	6.45	7.50	....	....	....	....	3	Y.
1,36,51,428	1,09,54,433	3,40,18,914	1,26,74,532	1,36,712	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	26.12	10	1.25	1.25	1.78		12	Y.P.T.
30,00,000 / A. 10,00,000	3,39,123	77,35,854	43,04,384	6,122	Bajoria & Co.	Star Paper Mills	13.37 / 13.37	O. 10 / A. 10	0.60 / 0.60	0.60 / 0.60	0.30 / 0.30		9	Y.P.
2,16,55,240	62,55,990	6,57,32,220	1,87,32,220	34,582	Birla Brothers Private Ltd.	Sirpur Paper Mills	15.80	10	0.50	0.65	0.65	0.65	6	Y.P.
A. 56,00,000 / B. 56,04,800 / P.O. 4,37,500	3,51,39,745	8,81,10,708	4,28,97,712	2,48,642	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	34.12 / 34.12 / 3.69	A. 10 / B. 10 / P.O 2½	2.38* / 2.38* / 0.24	2.38* / 2.38* / 0.24	2.50* / 2.50* / 0.25*	2.50 / 2.50 / 0.295	3	Y.P.T.
1,49,55,400	45,00,000	5,41,73,787	35,40,616	53,348	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	197.25	100	Nil	Nil	Nil	6.00	6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
13,99,996	19,59,360	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.59	3	Nil	Nil	....	....	9	Y.
39,25,000 / 42,00,000	3,46,95,997	5,74,47,341	2,67,52,541	1,47,502	Wallace & Co.	Bombay-Burmah Trading Corpn.	648.00 / 235.00	Old125 / New50	47.50K / 19.00K	22.50 / 9.00	23.75 / 9.50	37.50 / 15.00	5	Y.
20,00,000	22,98,143	22,69,933	18,96,138	1,29,251	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	33.00	10	2.75	2.50	2.50	3.00	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
15,00,905	9,93,823	31,10,427	19.27,489	48,466	M.	Bairampur Sugar	2.66	2.50	0.25	0.25	0.40†	0.20	6	Y.
12,00,000A. / 3,00,000B.	36,05,704	66,14,329	42,19,339	10,00,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	125.00 / 11.60N	A.100 / B. 10	10.00 / 1.00	10.00 / 1.00	10.00 / 1.00		4	Y.T.
29,23,562	10,14,682	48,44,096	29,60,298	1,234	Bangur Bros., Ltd.	Belsund Sugar	11.25	7½	1.00	1.00	1.40	1.40	9	Y.
16,00,000	14,08,556	23,95,027	15,95,890	4,173	Cotton Agents Private Ltd.	Bharat Sugar	16.50	10	1.50	1.00	1.50	1.50	6	Y.P.
22,00,000	32,26,224	1,51,27,711	1,08,91,665	2,75,591	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.56	10	Nil	0.25	Nil	Nil	6	Y.P.T.
30,00,000	77,17,253	1,76,06,330	1,00,31,364	—1,17,923	British India Corporation Ltd.	Cawnpore Sugar	12.56	10	Nil	Nil	Nil	Nil	10	Y.P.
18,00,000	45,46,234	84,73,277	64,52,904	27,968	British India Corporation, Ltd.	Champaran Sugar	17.06	10	Nil	1.00	1.50	1.50	6	Y.
9,58,252	6,10,632	32,39,842	20,22,495	6,101	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	8.71xd	10	0.50	0.50	1.25		8	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	14.37	10	2.00	1.50	2.00	0.40	3	Y.
60,00,000	78,32,000	2,29,19,973	1,18,95,886	52,021	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	340.00	100	15.00	15.00	15.00	29.00*	6	Y.P.
22,50,000	20,51,626	95,42,332	57,58,319	1,03,797	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	210.00	50	7.00	4.00	4.20	9.00	7	Y.P.
7,89,100	30,31,969	57,67,867	33,25,497	34,691	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	2.50	2.50	3.65	3.65	6	Y.P.
11,00,000	4,58,234	49,29,289	29,86,570	10,502	K. C. Thapar & Bros. Private Ltd.	New Savan	5.69	10	0.37	0.25	0.37		5	Y.
13,59,375	63,73,211	83,62,456	32,23,024	20,512	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	326.00	100	20.00	20.00	29.00	29.00	6	Y.
77,52,210	89,76,949	2,77,58,474	1,49,52,234	24,386	Cotton Agents Private Ltd.	Oudh Sugar	190.00	100	12.50	12.50	18.25	20.00	7	Y.P.
12,00,000	13,65,315	37,56,130	22,83,412	1,62,250	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	120.00	100	Nil	6.00	15.00		10	Y.
9,00,000	23,01,870	51,19,941	35,72,535	4,006	M.	Purtabpore Co.	12.25	10	Nil	Nil	Nil		10	Y.P.
20,00,000	2,92,000	25,30,109	14.67,024	2,192	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	6.25	10	0.30	0.30	0.30	0.40	3	Y.
65,00,000	27,38,845	85,30,103	39,46,664	65,217	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar	11.87	10	1.50	1.25	1.20	1.25	10	Y.
8,00,000	6,80,752	29,27,567	23,93,295	4,779	M.	Ryam Sugar	12.50	10	1.50	1.50	0.50		6	Y.P.
11,99,950	16,90,877	48,13,634	26,03,230	20,614	M.	Samastipur Central Sugar	11.19	10	Nil	0.25			6	Y.
29,99,000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	11.78	10	1.00	1.00	1.50	1.50	7	Y.P.T.
10,02,115	24,660	36,18,156	17,25,281	5,174	H. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	5.94	10	Nil	Nil	Nil	4.40	6	Y.
15,89,962	16,10,752	39,27,180	22,85,030	21,350	M.	Shri Sitaram Sugar	12.00	10	0.50	0.50	0.90		8	Y.
7,00,035	10,42,602	28,89,88[illegible]	15,99,355	19,286	M.	Tulsipur Sugar	5.06	5	....	....	....	0.62	6	Y.
3,00,000	43,66,992	1,33,27,976	97,43,200	44,439	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	5.00	5.00	7.25		6	Y.P.
16,00,000	18,15,652	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	17.00	10	0.75	1.00	1.50	1.50	9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
30,00,000	28,05,000	1,13,99,115	33,48,654	25,153	Rangarao & Co.	Andhra Sugars Ltd.	26.85xd	10	1.25	1.50	2.00	2.00	9	Y.
40,00,000	14,50,038	95,55,530	9,60,276	73,721	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	131.50	100	100	Nil	Nil	6.00	9	Y.P.
70,49,650	1,52,02,875	1,63,95,390	1,10,68,264	82,986	W. H. Brady & Co., Ltd.	Belapur Company	288.00	50	15.00	20.00*	21.00	29.00	9	Y.
17,50,000	16,67,724	47,71,723	29,36,495	93,383	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	26.10	10	2.00	2.00	2.50	2.25	9	Y.P.
37,50,000	19,13,467	88,31,982	61,54,483	61,719		Shree Changdeo Sugar	25.25	12.50	2.25	2.25	2.90	2.50	9	Y.
39,84,000	58,53,634	1,45,32,270	78,22,738	1,29,253	Parry & Co., Ltd.	Deccan Sugar & Abkhari	14.05	5	0.72½'C'	0.90	0.90	1.28	5	Y.P.
£1,300,000	£1,948,862	£1,990,779	£1,188,091	£126,694	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	43.60	£1	15%	20%	28 4/7%	21 3/7%	6	Y.P.T.
15,92,960	13,26,242	48,72,029	31,28,903	12,594	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	90.00N	100	10.00	10.00	10.00	12.50	6	Y.P.
63,97,650	15,21,358	84,67,312	33,55,723	3,10,947	India Sugar Agencies Private Ltd.	India Sugar and Refineries	13.25	10	1.00	1.00	1.25	1.40	9	Y.P.
32,43,250	15,18,785	1,56,55,795	27,43,633	182	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	16.50	10	0.60	0.60	1.00	1.25	6	Y.P.
58,57,410	96,15,290	4,17,59,138	78,54,583	23,450	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	23.57	10	0.75	0.75	1.00	1.50	6	Y.P.
17,00,000	6,24,776	76,33,554	34,96,271	40,774	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	76.50	100	Nil	Nil	Nil	Nil	6	Y.P.T.
67,50,000	59,72,055	1,56,07,253	70,66,935	54,969	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	192.00	50	20.00	17.00	21.00	21.00	9	Y.P.
21,79,280	1,04,39,034	1,63,27,085	1,07,39,878	1,15,228	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	56.90	10	2.00	3.00*	3.00	3.00	6	Y.
1,10,06,835	1,13,33,279	3,20,25,300	1,92,92,230	3,527	Industries (I.F.) Dept., Govt. of Andhra Pradesh	Nizam Sugar Factory Ltd.	62.00	25	4.50	4.50	5.40	5.75	6	Y.P.
50,00,000	54,16,691	1,38,37,313	77,64,979	21,809	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	137.00	50	12.00*	10.00	13.50	12.00	9	Y.
16,59,820	47,47,789	80,79,204	42,50,099	13,908	Anderson Wright Ltd.	Ramnuggur Cane and Sugar	30.00	10	1.30	1.50	2.14	3.00	8	Y.P.T.
29,95,750 / D-4,00,000	44,47,953	1,58,38,095	66,84,343	12,211	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	69.00 / 30.00	O. 50 / D. 50	12.00 / 3.50	12.00 / 3.50	8.50 / 3.50	5.00 / 3.50	9	Y.P.T.
30,00,000	31,96,500	69,10,952	33,56,498	1,44,735	Parry & Co., Ltd.	Travancore Sugars	10.15	10	1.00	1.00	1.00	1.00	7	Y.P.
1,01,00,000	1,31,26,320	4,26,89,605	1,46,10,876	1,61,484	Walchand & Co. Private Ltd.	Walchandnagar Industries	170.00	100	21.00	21.00	20.00	15.00	9	Y.P.T

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	References
30,00,000	16,83,754	80,65,990	12,43,589	966	Jolly Ind. Agencies Private Ltd.	Anil Hardboards Ltd.	270.00	100	..	Nil	Nil	6.00‡	3	Y.P.
49,04,125	....	1,87,535	....	11,765	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	108.00	100	..	..	Nil	..	12	Y.
39,50,000	....	1,10,78,000	19,68,000	....		Automobile Products	13.00	10	..	..	..	..	7	Y.
7,50,000	4,01,560	31,11,382	10,82,148	5,157	The Associated Agencies (Pvt.) Ltd.	Associated Rubber Industries Ltd.	105.00	100	7.00	7.00	10.00	10.00	12	Y.P.T.
25,00,000 / 6,25,000	1,50,000	17,32,985	5,64,037	6,664	Jamnalal Sons Private Ltd.	Bajaj Electricals	109.00 / 56.00	100 / 50 New	7.50 / ..	9.00 / ..	5.00 / ..	8.10 / 2.70	3	Y.P.
14,98,340	5,27,709	37,56,956	23,15,699	17,694	Cheonilal Manilal Private Ltd.	Estrela Batteries	64.00	50	3.50*	3.00	3.50*	4.50	3	Y.P.
16,00,000	9,40,683	10,20,495	4,90,761	31,694	Aero-Auto Private Ltd.	Bombay Cycle & Motor	26.25	20	1.75	1.00	2.00	2.50	3	Y.
1,14,90,000	13,000	1,06,24,000	15,000	27,205	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	207.50	100	..	..	Nil		12	Y.
1,35,00,000	50,12,115	21,25,643	7,05,848	44,119	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	173.00	100	7.50	10.00	7.50	11.00	3	Y.P.
4,00,000 / 51,66,500	....	9,14,417	11,195	39,813	P. H. Serine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N / 50.00N	100 / 50	..	..	..	..	10	Y.
31,07,000	3,75,592	1,23,44,460	76,81,774	—9,49,324	Birla Brothers Private Ltd.	Hind Cycles	92.50	100	12.50	7.00	Nil	Nil	3	Y.P.
15,00,000	....	3,17,049	....	....	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	13.12	10.00	..	..	..	..	12	Y.
5,57,00,000	4,24,48,754	6,18,54,846	2,32,69,768	24,38,955	S. H. Turner, Esq. (Chairman)	Hindustan Lever	47.75	10	1.40	1.50	2.40	2.60	12	Y.
21,17,500	7,73,396	27,73,828	21,27,149	4,342	Forbes Forbes Campbell & Co., Pvt. Ltd.	Indian Vegetable Products Ltd.	135.50	100	10.00	10.00	15.00	17.00	9	Y.
5,00,00,000	72,79,946	6,77,45,143§§	....	77,237	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	85.00	100	4.00	4.00	5.00	5.75	12	Y.
99,99,250	20,07,884	1,49,29,463§§	....	3,840	Premchand Roychand & Sons	Industrial Investment Trust	80.50	100	5.50	6.90	6.00	6.20	12	Y.
1,70,22,100	1,04,80,782	4,62,31,978§§	....	16,810	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	115.00	100	9.25	6.50	9.25	8.50	6	Y.P.
19,55,900	8,40,945	48,67,187	19,20,438	7,498	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	5.00	6.00	8.50		12	Y.P.T.
20,00,000	1,30,912	83,42,718	49,35,398	5,912	Kamani Brothers Private Ltd.	Kamani Metals & Alloys Ltd.	10.00N	10	..	0.50	0.75		6	Y.P.T.
1,24,95,450	26,84,260	49,67,050	18,86,011	10,125	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	100.25	100	11.00	13.00	9.00	8.00	11	Y.
12,50,000	2,13,870	19,92,555	15,00,469	85,265	Bhogilal H. P. Patel, Esq.	Laxmi Starch Factory Ltd.	190.00	100	5.00	6.00	9.00	13.00	3	Y.
11,25,100	30,000	13,42,154	4,06,142	2,85,198	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	105.00	100	3.00	7.00	6.00	10.00	3	Y.P.
27,60,000	41,84,317	87,81,909	47,39,264	1,17,952	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	393.75	100	15.00	18.00	25.00	25.00	12	Y.
26,99,400	18,09,276	66,37,217	26,51,409	67,953	Polson Agencies Private Ltd.	Polson Ltd.	180.00	10	10.00	10.00	15.00	15.00	12	Y.P.
4,73,28,625	1,17,81,972	5,94,80,033	2,64,36,782	3,23,922	Aero-Auto Private Ltd.	Premier Automobiles	174.00	100	6.00	4.00	9.00	9.00	6	Y.T.
4,73,200 / 5,13,400	1,71,915	30,66,967	9,60,029	29,056	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N / 50.00N	100 / 50	6.00 / 3.00	6.00 / 3.00	6.00 / 3.00	9.00 / 4.50	3	Y.P.
70,78,500	....	22,82,068	11,962	1,03,299	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	101.00	75.00	..	..	Nil		12	Y.
37,50,000	18,80,743	67,28,501	34,94,295	15,405	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	221.00	100	3.00	3.00	14.00'C'	15.00	6	Y.
13,41,750	1,97,040	27,39,350	3,08,392	10,526	N. D. Sirur, Esq. (Mg. Director)	Sundatta Foods & Fibres Ltd.	50.00	50	..	..	Nil	Nil	3	Y.P.
3,38,180	2,73,159	8,45,582	2.39.183	2,859	Modi & Co.	Supreme Industries Ltd.	155.00	100	6.00	7.50	9.00	12.00	3	Y.P.
1,75,00,000	1,00,84,590	4,80,29,367	2,10,07,541	4,53,615	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co. Ltd.	258.00	100	11.00*	11.00*	16.00*	16.00	12	Y.
17,00,000	2,86,719	29,42,902	15,42,187	20,690	Hashem Premji	Western India Vegetable Products Ltd.	117.00	100	7.00	8.00	8.00		3	Y.
45,00,000	70,71,045	12,17,595	5,09,166	2,85,173	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	450.00	150	25.00	25.00	25.00	50.00	12	Y.

M.—Managed by Board of Directors. On old capital. * Includes bonus. † Subject to taxation. K.—Includes an additional dividend of Rs. 7.00 per old share and Rs. 2.00 per new share.

Exempt from tax. Investments at cost.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
						UNCLASSIFIED (Other Centres)								
62,50,000	2,03,52,495	3,95,14,452	1,19,43,880	1,13,745	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	18.25	O. 10	0.90	0.90	1.00	1.20	3	Y.P.T.
80,00,000	39,83,750	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.95	10	1.25	1.25	1.25	1.80	3	Y.
80,00,000	37,04,326	37,09,127	26,34,530	2,22,752	Turner Morrison & Co. Private Ltd.	Angelo Bros., Ltd.	24.00	10	1.80*	1.50	2.00	2.50*	8	Y.
3,02,87,870	36,35,471	2,86,28,267	85,85,256	12,525	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	9.33cd	5	0.30	0.30	0.40	0.40	12	Y.
30,00,000	27,88,863	41,63,859	23,39,465	1,42,995	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	21.00	10	1.25*	1.25*	1.80	1.80	12	Y.
1,18,00,000	80,75,137	93,46,580	48,96,447	8,73,110	A. W. Browne, Esq., (Mg. Director)	Associated Battery	34.25	10	1.50	2.40	4.00	2.50	8	Y.
20,00,000	39,46,521	1,09,70,996	44,86,334	1,55,433	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	5.00N	10	0.60	0.60	Nil	Nil	3	Y.P.T.
80,01,400	96,40,909	79,91,396	41,74,564	5,75,403	G. D. Wilson, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	280.00	100	12.50	20.00	25.00	25.00	12	Y.
12,00,000	25,38,976	37,24,157	31,81,357	1,88,199	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	44.87	10	2.50	2.50	4.50	4.00	12	Y.
50,00,000	4,70,250	82,31,326	19,64,326	94,375	H. R. Sugla, Esq. (Mg. Director)	Bharat Commerce & Industries Ltd.	26.87	10	Nil	Nil	Nil	0.50	12	Y.P.
20,00,000	7,81,688	64,37,324§§	....	56,711	Lovelock & Lewis	Birds Investment Ltd.	13.56	10	0.50	0.70	1.10	0.95	9	Y.P.
45,97,020	55,50,348	1,22,49,277	53,59,733	2,13,638	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	51.50	10	1.00	1.20	1.40	2.50	3	Y.P.T.
3,25,00,000	1,95,44,212	3,00,84,669	2,33,94,496	3,34,066	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	7.84	5	Nil	Nil	Nil	0.20	12	Y.P.
1,38,80,000	14,44,223	1,90,82,924§§	....	2,16,378	Andrew Yule & Co., Ltd.	Clive Row Investment	8.19	10	0.75	0.75	0.88H		12	Y.
5,00,000	10,00,000	39,74,202	27,53,992	51,170	M.	Delhi Flour Mills, Co., Ltd.	15.00	10	1.00	1.00	1.00		10	Y.P.T.
3,00,00,000	5,08,87,509	10,39,79,436	4,01,20,270	25,12,555	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	50.12	10	1.62	1.62	2.15	2.15	12	Y.P.T.
27,27,165	1,20,49,803	59,73,067	23,80,820	26,402	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	31.62	5	0.60	0.75	0.80	1.25	3	Y.
51,26,000	59,19,702	1,63,50,496§§	....	3,49,092	Bird & Co. Private Ltd.	Eastern Investment Ltd.	134.00	100	9.00	9.00	14.00	14.00	12	Y.P.
24,99,000	8,52,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	13.00	10	Nil	Nil	0.50		12	Y.P.
46,90,187	77,72,310	95,23,776	52,86,250	4,07,338	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	16.75	12.50	1.50	1.50	1.60		9	Y.P.
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	232.00	100	12.00	15.00	17.00	17.50	3	..
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	10.40	10	0.80	1.25	1.25		3	Y.
65,00,000	36,24,200	30,57,755	15,91,667	1,71,222	P. E. G. Woodbine Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	14.12	10	1.00	1.00	1.00	1.00	3	Y.P.
40,00,000	5,08,500	78,33,840	44,54,526	13,37,710	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	25.50N	10	1.50	2.00	2.60	4.00	12	Y.P.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	240.00	250	15.00	15.00	15.00	22.50	3	Y.
4,96,13,275	49,51,450	7,36,56,187	3,25,48,254	3,63,217	Birla Brothers Private Ltd.	Hindustan Motors	23.16	10	Nil	Nil	0.50	0.90	3	Y.P.
30,00,000	16,64,523	99,48,437	33,67,174	1,31,125	Lalukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	28.75	10	0.60	0.60	1.20		10	Y.
15,16,00,000	9,64,76,893	11,81,66,117	2,88,76,995	24,77,765	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	11.00	10	0.70	0.70	0.60	0.80	3	Y.
3,98,59,480	2,49,73,620	9,79,93,586	3,53,95,735	49,90,524	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co. Ltd.	32.87	10	0.60	0.70	1.20	1.50	12	Y.P.T.
2,36,77,700	2,02,99,648	2,95,48,176	1,37,19,570	45,64,364	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	36.62	10	1.50*	1.50*	1.50*	2.25	3	Y.P.T.
2,00,00,000	1,28,81,493	5,99,68,652	2,48,66,248	13,78,431	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	35.50	10	1.00	1.00	1.50	1.50	9	Y.
20,88,250	70,550	51,92,992	17,57,026	33,618	M.	Indian Plastics Ltd.	10.62	10	0.37	Nil	Nil	Nil	3	Y.P.
3,27,970	7,54,870	19,61,878	11,61,643	1,32,665	M.	Indian Rubber Manufacturers	17.00	10	0.62	1.00	1.50	2.00	3	Y.P.
2,00,00,000	78,10,723	42,66,244	15,92,103	5,21,494	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	66.50	100	2.50	2.50	5.00	7.00	3	Y.P.
15,00,000	12,02,095	18,79,279	18,27,977	17,262	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	11.69	10	2.00	3.50	2.00	1.00	3	Y.P.
1,46,96,250	1,19,32,546	82,41,470	18,18,524	2,60,369	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26.87	10	2.12*	2.12*	2.75	2.75	9	Y.P.
6,00,000	4,20,000	14,85,526	6,06,994	1,49,226	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	34.75	10	2.40	2.00	3.00	..	12	Y.
40,00,000O. 5,00,000D.	74,10,730	31,01,156	12,70,257	2,42,718	M.	McLeod & Co.	213.00 —	O. 100 D.O.10	12.50 0.75	12.50 0.75	15.00 1.00		12	Y.P.
1,60,00,000	1,64,75,151	3,86,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	49.25	10	1.75	1.75	1.75	2.50'C'	3	Y.P.
14,05,000	5,79,891	13,30,194	6,28,269	4,324	N. G. Ayyangar Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	219.00	100	8.00	11.00	15.00	24.00	3	Y.
6,86,250	6,92,500	11,29,680	5,97,362	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	27.00	10	1.25	1.50	1.60		3	Y.P.
10,00,000	8,16,884	17,88,367	10,32,038	622	M. Mallaraj Urs. (Mg. Director)	Mysore Tobacco	10.40	10	1.50	1.25	1.25	1.00	3	Y.
90,00,000	1,37,56,692	1,31,19,135	51,35,368	86,389	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	37.25	10	2.00	2.00	2.00	2.50'C'	3	Y.P.
30,00,000	23,51,660	50,44,201	26,96,232	42,880	Do.	National Pipes & Tubes Co., Ltd.	24.62	10	2.00	1.25	1.50	2.00	9	Y.P.
40,00,000	30,19,000	83,22,477	35,76,949	1,31,135	Do.	National Rolling & Steel Ropes	21.50	10	0.60	1.00	1.00	1.30	6	Y.
49,99,057	12,28,074	1,05,93,558	39,58,256	46,685	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.62	10	1.00	0.60'C'	0.85	Nil	12	Y.
79,97,000	1,02,10,381	1,36,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	21.50	10	0.90	1.10	1.60		12	Y.P.T.
23,32,100	11,02,391	40,65,244§§	....	45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	48.00N	75	2.50	3.75	6.50		12	Y.
10,00,000	5,52,000	12,55,063	6,00,215	1,51,607	Parry & Co., Ltd.	Parrys Confectionery Ltd.	5.05	1	0.20	0.20	0.20	0.30	3	Y.
2,20,00,000	56,08,956	2,16,94,776	66,69,501	63,622	P. C. Vink, Esq. (Mg. Director)	Phillips India Ltd.	31.25	10	0.34	0.35	1.20	1.20	12	Y.
62,50,000	..	..	..	..	Duncan Brothers & Co., Ltd.	Phillips Carbon	19.25	5			..		12	Y.
15,00,000	1,09,431	8,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	3.00	5	0.45	0.375			12	Y.
24,89,344	2,28,127	33,81,124	18,21,778	42,739	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	20.75cd	10	1.80	1.60	1.60		3	Y.
2,25,00,000	6,09,614	70,38,972	33,98,189	4,49,497	Badridas Goenka, Esq., (Chairman)	Rallis India Ltd.	144.00	100	Nil	Nil	Nil	4.00	8	Y.P.
2,50,80,000	2,49,55,000	14,76,38,674	6,18,95,237	1,93,085	Sahu Jain Ltd.	Rohtas Industries	19.87	10	....	2.00	1.50	2.00	3	Y.P.T.
70,00,000	55,67,726	2,76,12,629	72,19,861	1,17,247	K. D. Ganguli, Esq.	Sen-Raleigh Industries	25.45xd	10	0.60	0.60	0.80	0.80	9	Y.P.
75,00,000	45,78,890	1,17,50,536	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	24.95	10	1.00	1.00	1.50		12	Y.P.
40,00,000	91,26,201	1,53,82,019	78,19,485	7,55,863	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	23.25	10	1.50	1.50	1.80	1.80	6	Y.P.
47,00,000	24,40,000	1,35,84,029	39,73,773	2,974	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.75cd	10	0.75	0.75	0.90	0.90	12	Y.P.
15,00,000	95,24,802	1,18,49,116	28,52,132	53,431	J. K. Agents Private Ltd.	Straw Products Ltd. S	9.25	10	1.25	1.25	1.50		12	Y.
22,89,270	16,32,008	14,78,453	8,93,694	14,13,847	M.N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	39.25	10	2.00	2.25	3.00	3.00	6	Y.
9,98,980	30,000	16,98,410	7,47,136	3,288	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.20cd	10	Nil	0.40	0.60	0.60	12	Y.
11,56,300	15,37,168	13,62,490	7,38,592	40,519	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	32.50	10	3.00	3.00	2.75	3.25*	9	Y.P.
2,49,98,600	1,26,10,316	3,46,95,651	65,94,797	3,04,545	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	265.00	100	10.00	10.00	10.00	10.00	7	Y.
30,58,950	29,686	68,68,938	17,68,838	56,308	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	8.00	10	Nil	Nil	Nil		9	Y.T.
2,80,00,000	1,67,65,505	6,04,41,004	1,15,63,837	..	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	56.50	10	1.40	1.40	1.80	1.80	12	Y.T.
20,00,000	47,50,000	59,48,867	18,86,024	1,24,443	Vital Mallya, Esq. (Chairman)	United Breweries	108.00	10	2.00	6.00	6.00	6.00	2	Y.
5,00,000	6,60,191	8,85,222	5,93,831	28,594	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	33.00N	10	4.00	3.75	5.25	3.50	11	Y.
31,29,500	25,29,264	98,81,836	25,54,513	5,401	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	240.00	100	10.00	19.00	10.00	10.00'C'	3	Y.P.
						TRANSPORT								
20,00,000	95,17,850	1,23,16,309	21,49,792	23,023	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	102.00	100	5.00	6.00	3.00	7.50	10	Y.P.
1,00,00,000	61,32,793	4,35,99,781	2,33,57,012	—38,10,589	Dinshaw (Private) Ltd.	Bharat Line	5.12	10	1.20*	1.20*	Nil	Nil	12	Y.
60,00,000 25,00,000	2,17,74,568	8,51,80,151	2,15,53,555	1,32,013	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	15.08 8.24	10 5(New)	1.50	1.50 0.90	1.50 0.525	1.00 0.50	6	Y.P.
£655,580	£1,242,443	£5,811,271	£3,538,891	—£3,866	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	72.50	£10	Nil	Nil	Nil		12	Y.P.
2,47,50,000	2,89,74,088	22,68,81,851	4,96,14,634	..	Lionel Edwards (Private) Ltd.	India Steamship Co.	8.56	10	1.00	1.06	1.60	1.00	3	Y.P.
11,28,19,293	11,32,52,989	35,02,81,320	9,83,12,870	—16,13,456	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	14.20	20	1.25	1.25	1.80	0.60	6	Y.T.
O.8,40,800 P.O.2,10,200	24,07,422	13,85,807	9,51,870	1,60,969	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.53 2.25	O. 1 P.O. 1	0.14 0.12	0.14 0.12	0.20 0.15	0.30 0.20	12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	35,44,700	1,23,77,423	80,99,858	11,999	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	24.87	10	1.25	1.25	1.50	1.00	3	Y.
12,00,000	2,96,858	38,08,529	34,12,329	—5,53,532	Jardine Henderson Ltd.	Barraree Coke	14.31	10	0.37	0.50	Nil	Nil	3	Y.
4,49,350	1,30,132	11,60,136	6,76,035	4,967	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48N	10	0.90	0.25	Nil		12	Y.
1,00,00,000	2,06,23,467	7,45,29,664	4,86,40,636	10,50,529	Andrew Yule & Co., Ltd.	Bengal Coal	385.00	100	17.50	17.50	25.00	25.00	10	Y.P.
2,25,000	4,90,671	23,57,602	21,45,467	—24,902	M.	Bengal-Nagpur	20.00	10	Nil	Nil	Nil		12	Y.
40,00,000	61,200	1,46,74,215	80,25,554	2,30,479	Sahu Jain Ltd.	Bharat Collieries	3.94	10	0.60	0.60	Nil	Nil	6	Y.P.T.
7,15,000	14,93,844	57,66,346	36,78,757	—6,96,032	M.	Bhulanbararee	5.00N	10	Nil	Nil	Nil		12	Y.T.
7,50,000	21,72,444	48,42,643	29,83,008	31,361	F. W. Heilgers & Co. (Private) Ltd.	Borrea	25.00	10	0.75	0.75	1.00	1.50	12	Y.P.
90,92,480	1,40,21,423	4,32,66,766	2,28,76,540	1,49,292	Bird & Co. Private Ltd.	Burrakur	20.56	10	0.75	0.875	1.30	1.30	6	Y.P.T.
49,97,000	4,62,079	74,82,076	25,32,605	27,542	Hindustan Investment Corpn. Ltd.	Central India	12.94	10	0.50	0.50	0.50	0.80	3	Y.
8,00,000	12,99,490	53,54,287	34,91,864	7,605	Jain Industries	Central Kurkend	7.00N	10	0.70	0.50	Nil		12	Y.
6,00,000	1,55,159	5,98,750(k)	....	7,043	F.W. Heilgers & Co. (Private) Ltd.	Churlia	3.00	4	0.20	0.20	0.12	0.12	12	Y.
16,00,000	....	57,61,927	33,65,625	—1,06,301	M.	Dhemo Main	7.19	10	Nil	Nil	Nil		12	Y.
£240,000	£3,52,069	£1,124,710	£812,966	£7,006	Jardine Henderson Ltd.	East Indian	36.00	£1	1.50	1.00	1.25	1.00	4	Y.
29,63,760	1,16,22,107	4,94,12,596	3,48,60,839	1,10,574	Macneill & Barry Ltd.	Equitable	33.12	10	1.50	1.50	0.75	1.50	12	Y.P.T.
10,00,000	40,000	24,58,595	8,45,200	—5,80,078	Bhatter's Agency Ltd.	Ghusick and Muslia	16.00	10	Nil	Nil	Nil	Nil	3	Y.
12,00,000	1,27,964	43,44,376	27,68,441	—1,87,129	Killick Industries Ltd.	Hingir-Rampur	23.00	50	Nil	Nil	Nil	Nil	6	Y.P.
8,00,000	.. ..	24,79,228	20,12,306	—3,47,957	M.	Hurriladih	14.37N	10	Nil	Nil	....		12	Y.
20,00,000	5,37,341	40,32,438	10,76,764	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	190.00	100	Nil	5.00	5.00	7.50	2	Y.P.
5,00,000	21,66,090	56,77,095	40,80,864	1,31,658	Andrew Yule & Co., Ltd.	Katras Jherriah	48.62	10	6.50	6.50	6.50	9.50	1	Y.
11,00,240	68,243	7,07,900	....	—3,39,717	M.	Kuardi	8.75N	10	Nil	Nil	Nil		6	Y.
9,00,000	10,22,762	6,16,670	....	39,080	H. V. Low & Co. (Private) Ltd.	Lakurka	14.00N	10	0.12	1.00	0.75		4	Y.
7,48,240	2,50,000	13,59,878	10,13,353	17,140	Tantia Brothers Private Ltd.	Nazira	8.00	10	0.75	0.75	1.00		12	Y.
31,97,210	27,39,886	1,62,48,573	1,06,23,096	79,798	Andrew Yule & Co., Ltd.	New Beerbhoom	24.06	10	0.75	1.00	1.50	1.60	10	Y.P.
6,00,000	2,88,645	28,54,261	19,79,034	56,603	Octavius Steel & Co., Ltd.	New Manbhoom	15.75	10	0.50	0.50	0.50	0.75	3	Y.
1,15,000 1,57,500	3,84,525	12,96,398	9,60,464	23,053	M.	North West	21.09N 19.00N	10 7.50	1.50 1.12	1.50 1.12	1.50 1.12	2.00 1.50	3	Y.
7,50,000	16,65,465	2,62,538	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman)	Ondal	16.75	10	0.50	0.50	0.70		12	Y.P.
8,34,000	1,82,527	28,59,307	12,11,228	1,026	Deepchand Kishenlall	Parasea	18.00	10	0.50	0.50	0.62		12	Y.P.T.
15,75,000	22,83,200	76,91,776	47,81,408	14,547	Shaw Wallace & Co., Ltd.	Pench Valley	19.56	10	2.00	2.00	1.00	1.00	3	Y.
23,99,500	34.89.802	1,52,74.203	1 05.98.171	8,664	M.	Raneegunge	17.81	10	0.75	1.00	1.00	1.50	3	Y.
18,50,000	11,81,590	52,62,257	35,97,256	29,537	Shaw Wallace & Co., Ltd.	Rewa	31.00	10	1.00	1.00	1.00	0.75‡	12	Y.
37,50,000	38,60,570	1,12,26,341	38,46,379	26,993	M.	Samla Collieries	9.75	10	0.90	0.50	0.70	1.00	12	Y.
13,00,000	2,83,010	22,73,864	7,51,427	2,609	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	129.00	100	9.25	12.50	16.00		12	Y.
2,80,000	11,14,420	31,03,158	20,96,227	57,532	Andrew Yule & Co., Ltd.	Seebpore	38.75	7	1.75	1.75	3.00	3.00	12	Y.P.
8,00,000	4,69,848	35,740	18,04,563(k)	1,111	F. W. Heilgers & Co. (Private) Ltd.	Sendra	7.94xd	10	0.25	Nil	0.35	0.50	12	Y.
68,21,450	1,24,58,755	7,11,84,167	3,19,11,631	90,858	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	11.75	10	1.50	0.75	0.75		12	Y.T.
17,50,000	9,09,230	44,92,231	20,81,911	20,181	Bird & Co., Private Ltd.	South Karanpura	10.56	10	0.75	0.75	0.90	0.25	3	Y.
8,00,000	15,49,019	1,53,707	26,68,239(k)	20,718	F. W. Heilgers & Co. (Private) Ltd.	Standard	12.50	10	1.00	1.25	1.50	1.50	12	Y.
3,50,000	2,81,000	20,49,970	15,40,057	23,484	B. M. Varma, Esq. (Mg. Director)	Union	12.00	10	0.37	0.25	Nil		12	Y.
49,98,000	3,56,533	86,93,251	32,75,682	12,536	Hindustan Investment Corpn. Ltd.	Western Bengal	9.50	10	0.50	0.40	0.40	0.60	3	Y.
7,00,000	....	60,41,420	30,68,310	—2,48,408	M.	West Jamuria	7.00	10	Nil	Nil	Nil		12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955. §§ Investment at cost.
H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.
M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. 'C'—On increased Capital.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
16,00,000 14,50,000	1,08,00,000	5,03,569	Allahabad Bank	329.00 163.00	100 50	18.00‡ 9.00‡	18.00‡ 9.00‡	18.00‡ 9.00‡	18.00‡ 9.00‡	12	Y.P.
1,01,000 40,56,600	23,08,220	4,923	Andhra Bank	92.07 83.97	100 85	6.00 5.10	6.00 5.10	8.00 6.80	8.00 6.80	6,12	H.
1,50,00,000	1,61,14,860	1,09,358	Bank of Baroda	100.50	50	7.00	6.00	7.00	8.50	12	Y.
2,50,00,000 50,00,000 'A'	3,10,00,000	12,84,842	Bank of India	123.50 125.50	50 50'A'	8.00 8.00	8.00 8.00	8.00 8.00	10.00 10.00	6,12	R.L.Y.
80,71,820 67,08,155	13,22,881	27,745	Bharat Nidhi Ltd.	8.78 —	10 2.50	0.50 ..	0.60 ..	‡‡	..	12	
36,00,000	56,30,000	45,109	Canara Bank Ltd.	85.00	50	5.00	5.00	7.50	7.50	12	Y.P.
12,50,000	19,35,000	11,250	Canara Banking Corporation Ltd.	74.75	50	5.00‡	5.00	7.50	7.50	12	Y.P.
'A' 5,99,620 'B' 16,00,000 'C' 2,00,000	42,50,471	27,708	Canara Ind. & Bkg. Syndicate Ltd.	174.00 17.10 1.74	100 'A' 10 'B' 1 'C'	15.00 .. 0.15	15.00‡ .. 0.15‡	20.00‡ 2.00‡ 0.20‡	20.00 2.00 0.20	12	Y.
2,62,50,000 A.52,50,000	3,68,08,635	18,61,471	Central Bank of India Ltd.	57.00 57.00	25 25	3.50 3.50	3.50 3.50	4.30 4.30	5.10‡ 5.10‡	12	R.L.Y.
50,00,000	60,00,000	7,86,033	Devkaran Nanjee Banking Co.	58.00	50	3.00	3.50	2.52	4.38	12	Y.
3,00,00,000	2,00,00,000	10,88,760	Habib Bank Ltd. P.	21.85	5	17.5%	15%	14.6%	17.5%	12	Y
1,25,00,000	10,00,000	2,212	Hindustan Commercial Bank	15.50	50	Nil	Nil	Nil	Nil	12	Y.
50,00,000	2,50,000	3,758	Hindustan Merchantile Bank	15.75	50	Nil	Nil	Nil	Nil	12	Y.
60,60,000 22,39,435	88,32,000	1,36,000	Indian Bank	171.00 142.00	100 80	15.00‡ 12.00‡	13.00‡ 10.40‡	15.00‡ 12.00‡	15.00‡ 12.00‡	12	R.L.Y.
74,53,000	68,86,660	1,92,435	Indian Overseas Bank	175.00	100	10.00	10.00	12.00	14.00	12	Y.
15,00,000	12,00,000	28,839	Pandyan Bank Ltd.	29.00	25	1.87	2.50	3.56	2.50	12	Y.
1,25,00,000	1,58,50,000	4,23,142	Punjab National Bank—K	21.52	10	5.00	2.00	2.00	2.00	12	Y.
5,62,50,000	7,45,00,000	56,20,525	State Bank India	328.75	100	16.00	16.00	20.00	22.75	12	Y.
60,00,000	53,50,000	92,704	Union Bank of India	6.48	5	0.44	0.44	0.57	0.57	12	Y.
2,00,00,000	2,05,00,000	1,46,871	United Commercial Bank	90.00	50	3.75	3.75	5.50	6.00	12	H.
2,68,53,718	86,63,000	2,07,685	United Bank of India	5.00	10	0.30	0.30	0.43	0.43	12	R.L.Y
			PRINCIPAL EXCHANGE BANKS			Dividend (per cent.)					
£5,500,000	£5,700,000	£506,254	Chartered Bank	£2-19-6	£1	15†	15†	15†	15½†	12	Y.
H.K.$.79,046,125	£15,000,000	£137,886	Hongkong and Shanghai Banking CorporationZ	£18½	H.K. $25	3½*	3*	3*	3½*	12	Y.
£34,809,506	£24,950,000	£569,125	Lloyds Bank	£3-12-9	£1	13†	12½'C'	12†	6†l	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£1-15-0	sh.15	15†	15†	12½†	13½†	12	Y.

‡ Includes bonus. P.—Figures in Pak rupees. † Less tax. (l) Interim. xr—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital. C—On increased Capital. • £ per share free of tax.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each.
‡‡ Bharat Nidhi Ltd. One Punjab National Bank share for 20 fully paid up ordinary shares or 80 partly paid up ordinary shares of the company for the year 1959 as a specie dividend. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
17,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1968
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	99.75	1st August .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November .. 1959-64
			COAL			
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	100.00	14th December .. 1968 (a)‡
			COTTON			
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (b)
64,66,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	99.75	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
30,00,000	6½	1st January and 1st July	Shree Nivas	1958	99.60	31st December .. 1970
65,27,900	6½	1st April and 1st October	Simplex	1959	98.50	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Vishnu	1955	94.50	1st June .. 1966-70
39,51,000	5	1st June	Tata Mills	1951	92.00	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	97.75	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co	1940	99.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
2,00,000	5½T	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	100.00	1st July .. 1970
2,50,00,000	4	1st January and 1st July	Tata Power	1949	86.60	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	104.50	1st January .. 1971
29,18,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer)	1942	98.25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.50	1st October .. 1960-65
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st Decembe .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1974
30,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	82.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
10,00,000	6½	31st January and 31st July	Waverley	1925	80.00	31st August .. 1972
			RAILWAYS; STEAMSHIP AND TRAMWAYS			
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
£139 051	5	1st April and 1st October		1933	£74.10N	
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£64N	Any time on six months' notice (a)
3,54,76,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	97.00	1st December .. 1963
			PLANTING			
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
3,75,000	6T.F.	1st January and 1st July	Kallas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee	..	99.00	1st April .. 1960-67
			MISCELLANEOUS			
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	99.75	1st September .. 1964-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	99.75	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	82.00	30th September .. 1970
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	106.00	1st January .. 1973 (a)‡
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.50	30th June .. 1969 (a)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	103.00	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
6,07,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	500.00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100.00	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	94.00	31st March .. 1961 (a)
7,43,350	6½	1st January and 1st July	Premier Automobile	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96.00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
30,00,000	6	16th Feb. and 16th August	Shree Gopal Paper Mills Ltd.	1955	96.00	16th February .. 1961 (a)
80,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1958	99.50	1st April .. 1964-68 (a)‡‡
5,31,000	5	31st January and 31st July	Tata Chemicals Ltd.	1945	97.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co., Ltd.	1959	100.00N	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent. on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice on or after 1st January 1961. T—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 15th June 1961.

	Closing quotations 8-6-1961	High	Low	Closing quotations 15-6-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	155.00	190.00	155.00	190.00
Apollo (2)	1.52	1.54	1.48	1.50
Baroda Rayon (100)	126.00	126.00	124.00	124.00
Bombay Dyeing (25)	68.60	71.90	68.50	70.50
Bradbury (50)	135.50	136.50	135.00	136.50
Central India (100)	115.00	116.00	112.00	114.00
Century Mills (100)	703.00	727.00	703.00	713.00
Coorla Sp. (100)	132.50	—	—	135.00
Dawn (50)	131.00	132.00	130.50	132.00
Edward Textile (200)	305.00	—	—	310.00
Elphinstone (50)	89.50	89.50	86.00	87.00
Finlay (100)	323.00	325.00	315.00	315.00
Gokak (100)	178.00xd	184.00	177.00	181.00
Gold Mohur (100)	263.75	—	—	263.75
Gwalior Rayon (10)	55.30	55.80	53.00	53.30
Ind. Untd. Defd. (1)	1.88	1.90	1.84	1.86
Ind. Untd. Ord. (10)	15.28	15.48	15.08	15.28
Indian Rayon (62.50)	62.50	62.50	60.00	62.00
Indore Malwa (100)	154.00	157.00	151.00	157.00
Khatau (100)	601.25	612.50	577.50	590.00
Kohinoor (100)	316.00xd	322.00	311.00	315.00
Lakshmi (250)	525.00	526.25	525.00	525.00
Mafatlal (100)	867.50	950.00	865.00	930.00
Minerva Mills (100)	82.00	82.00	80.00	80.00
Model Nagpur (250)	35.00	—	—	35.00
Morarji (100)	436.00	437.00	395.00	413.00
Mysore (50)	75.50	76.00	72.00	72.00
National Rayons (100)	573.50	586.00	562.50	570.00
New City (100)	150.00	150.00	140.00	140.00
New Great (100)	215.00	220.00	215.00	220.00
Phœnix (100)	148.50	149.00	144.50	146.00
Podar Mills (100)	152.00	152.00	150.00	150.00
Raymond Woollen (100)	123.00	124.00	123.00	124.00
Sassoon Silk (10)	14.36	—	—	14.36
Sassoon Spg. (10)	59.00	61.00	59.00	60.50
Shrinivas (100)	265.00	269.00	264.00	266.00
Simplex (50)	200.00	212.00	201.00	206.00
Standard (100)	1,557.00	1,559.00	1,458.00	1,482.00
Svadeshi (100)	279.50	287.50	279.00	280.00
Swan (100)	590.00	600.00	590.00	600.00
S. I. Viscose (100)	172.50	176.00	172.00	173.00
Tata Mills (25)	62.20	67.50	62.50	65.50
Vishnu (100)	129.50	130.00	129.50	130.00
Western India (1,000)	3,725.00	—	—	3,725.00
BANKS				
Bank of India (50)	123.50	123.50	123.00	123.50
Do. (New) (50)	125.00	125.50	125.00	125.50
Bank of Baroda (50)	100.00	100.50	100.00	100.50
Central (25)	56.50	57.00	56.50	57.00
Central 'A' (25)	57.50	57.50	57.00	57.50
Dena Bank (50)	58.00	58.00	57.50	57.80
Punjab National (10)	21.52	22.24	21.52	22.24
Union Bank (5)	6.48	6.52	6.44	6.48
United Com. (50)	90.00	90.50	90.00	90.50
ELECTRIC COS.				
Ahmedabad (100)	85.00	85.20	84.70	85.00
Amalgamated (10)	10.04	10.08	10.04	10.08
Andhra Valley (1,000)	1,015.00	1,030.00	1,015.00	1,020.00
Bom. Sub. El. (100)	89.30	89.00	84.50	85.00
Surat (100)	88.50	89.00	88.50	89.00
Tata Hydro (100)	105.50	108.50	105.00	108.50
Tata Power (1,000)	1,062.50	1,110.00	1,065.00	1,077.50
INSURANCE COS.				
British India (10)	12.16	—	—	12.16
Indian Mercantile (20)	50.00	—	—	50.00
New India (15)	64.30	64.20	63.20	63.50
New India 'A' (15)	65.00	65.00	64.00	65.00
Vulcan (10)	15.52	—	—	15.52
STEEL COS.				
Ind. Iron (10)	28.35	28.70	27.95	28.15
Mukand Iron (10)	30.00	30.25	29.00	29.25
Tata Steel Ord. (75)	162.75	164.25	159.25	159.50
SUGAR COS.				
Belapur (50)	288.50	291.00	286.00	287.00
Bhopal (10)	26.10	—	—	26.10
Changdeo (12.50)	25.25	—	—	25.25
Phaltan (50)	138.00	139.00	135.00	135.00
Walchand Ind. (100)	175.00	173.75	168.00	168.00
CEMENT COS.				
Associated Cts. (100)	164.00	164.75	162.25	162.75
Digvijayi (100)	158.00	159.00	157.00	157.00
Orissa (10)	14.56	14.56	14.40	14.40
MISCELLANEOUS				
Alcock Ashdown (100)	299.00	306.00	297.00	298.00
Bom. Burmah (125)	652.00	663.00	642.00	644.00
Do. (New) (50)	242.50	242.50	233.75	235.00
Br. B. Petrol (1½ sh.)	1.26	1.28	1.20	1.22
Br. I. Corpo. (5)	8.08	8.08	7.80	7.84
Cooper Eng. (100)	171.50	171.50	169.00	169.00
Colour Chem. (100)	372.50	395.00	372.50	375.00
Hind Cycle (100)	94.00	95.50	92.00	95.50
Hindustan Lever (10)	47.25	47.75	47.25	47.25
Hindustan Motors (10)	22.68	23.68	22.68	23.24
I. C. & Invest. Corporation (100)	85.00	—	—	85.00
Indian Dyestuff (100)	570.00	570.00	525.00	535.00
Indian Copper (2 sh.)	5.48	5.52	5.40	5.44
Ind. Inv. Tr. (100)	80.00	80.50	79.00	80.50
Killicks (100)	102.00	100.50	100.00	100.50
Larsen & Toubro (10)	46.25	46.50	41.50	42.25
Mahindra & Mahindra (10)	19.80xd	20.00	19.24	19.24
New Central Jute (10)	20.00	—	—	20.00
Polson (100)	180.00	180.00	178.50	180.00
Pre. Automobiles (100)	171.75	178.00	171.50	173.50
Premier Con. (80)	212.00	215.00	204.00	205.50
Scindia (20)	14.96	14.84	14.16	14.28
G. E. Shipping (10)	15.08	—	—	15.08
Shivrajpur (10)	77.00	79.00	76.50	78.00
Sirpur Paper (10)	16.44	16.32	15.56	15.56
Tata Chemicals (10)	20.48	20.60	19.96	20.28
Tata Locomotive (100)	377.50	382.50	366.50	376.50
Tata Oil (25)	79.20	79.50	73.00	74.00
Texmaco (10)	20.64	20.28	20.20	20.20
Voltas (100)	315.00	315.00	295.00	296.50
W. I. Match (100)	259.00	259.00	257.00	257.00
W. Coast Paper (100)	198.50	200.00	193.50	194.00

GOVERNMENT SECURITIES	8-6-1961 Rs.	Gross Yield: Earlier Redemption	Later Redemption	15-6-1961 Rs.
2¾% 1961	99.75	—	4.00	99.7
2¾% 1962	99.00	—	3.48	99.0
2½% 1976	83.50	—	4.23	83.5
3% 1964	98.75	—	3.38	98.7
3% 1963-65	98.75	3.53	3.30	98.7
3% 1966-68	95.90	3.85	3.62	96.0
3% 1970-75 1st Dev.	90.90	4.19	3.84	90.9
3% 1986 Con. Loan	72.75	—	4.12*	72.6
3½% 1964 N. P. Loan	99.85	—	3.53	99.9
3½% 1965 N. P. Bonds	99.95	—	3.51	99.9
3½% 1962	99.90	—	3.25	100.0
3½% 1967 N.P. Bonds	99.00	—	3.58	99.0
3½% 1974	99.70	—	3.78	99.7
3½% 1967 N.P. Bonds	100.50	—	3.67	100.5
3½% 1969 Loan	98.65	—	3.70	98.6
3½% 1968	98.70	—	3.70	98.7
3½% 1963 N.P. Bonds	100.10	—	3.46	100.1
3½% 1968 N.P. Bonds	100.50	—	3.67	100.5
4% 1972 Loan	100.50	—	3.93	100.5
4% 1973 Loan	100.45	—	3.96	100.4
4% 1979 Loan	100.10	—	3.99	100.1
3½% 1966 Bonds	99.70	—	3.57	99.7
4% 1980 Loan	99.95	—	4.01	99.9

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	96.50	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	5,00,000	1875	6.00	Mar.	Sep.	90.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-24	8.00	Feb.	Aug.	118.00	100
Dessan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7.00	July	Apr.	5.50	5
East India Distilleries T.F.C. ..	£300,000	1897	7.00	Jan.	July	18.20	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec.	..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	62.00	100
Parbatpore Co. C.	6,00,000	1922	10.00	Oct.	..	12.00	10
Rampoggar Cane T.F.C.	4,00,000	1932-36	6.00	Aug.	..	84.00	100
Revalgaon Sugar C.	20,00,000	1942	5.50	Oct.	Apr.	61.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	7.30xd	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. G.B.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	2,50,000	....	10.00	April	May	117.50	100
COAL							
Barrea T.F.C.	14,00,000	1894-97	6.50	Oct.	Apr.	79.00	100
Barrakur (1st) T.F.C.	22,99,200	1901-19	7.50	Apr.	Oct.	99.00	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	7.56	10
Equitable T.F.	4,00,000	1905	6.00	Mar.	Sept.	56.00	100‡
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	56.00	75p.
††Khas Kajora C.	1,93,000	1921	5.00	Mar.	Sept.	7.50	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	11.00	10
Ondal T.F.C.	2,00,000	1908-20	6.00	Apr.	Oct.	85.00	100
COTTON							
Ahmedabad Advance T.F.C.	10,00,000	1920	6.00	Apr.	Oct.	70.50	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	111.64xd	100
Basanti Cotton T.F.	5,00,000	1888	6.25	Nov.	..	8.25	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	160.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	53.50	50
Buckingham & Carnatic C.T.F. ..	21,30,200	1920	7.50	Jan.	July	120.00xd	100
Cambodias C.T.F.	1,00,000	1920	7.00	Apr.	..	108.00	100
Central India T.F.	50,00,000	1912	8.00	Apr.	Oct.	375.00	495
Century Spg. & Mfg. Co. T.F.R.C.	1,25,00,000	1886	6.00	Dec.	..	108.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1925	6.50	June	..	85.00xd	100
Elgin T.F.C.	11,00,000	1912	6.00	May	..	114.00xd	100
Elgin 'B' T.F.C.	4,20,000	1948	5.00	July	..	7.00xd	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	66.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June	Dec.	102.00	100
Khatao Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	72.80	10
Kothari C.T.F.	18,00,000	1927	6.00	Dec.	..	8.65xd	5
Kothari 'B' (Pref.) T.F.C.	6,00,000	..	6.00	..	..	10.00N	250
Lakshmi Cotton (Bombay) C.	16,00,000	1866	5.00	..	..	157.50	100
Morarjee Goculdas Spg. & Wvg.T.F.C.	17,25,000	1947	4.50	Jan.	..	64.00	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	22.76	50
National Rayon C.	1,74,64,700	1947	5.00	..	..	69.50	100
New Great	8,00,000	1912	6.50	Mar.	..	105.00	250
Podar Mills T.F.C.	10,00,000	1943	4.00	Feb.	..	63.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr.	..	47.00xd	55
Shree Niwas Cotton T.F.C.R. ..	4,80,000	1944	4.00	..	..	68.00	100
Sholapoor T.F.C.R.	32,00,000	1942	3.00	..	..	78.25	100
Swadeshi T.F.C.	15,00,000	1925	5.00	Apr.	Oct.	88.00	100
Swadeshi (Kanpur) T.F.C.	35,00,000	1927	6.00	June	..	71.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.56xd	10
Vasanta (1st) C.T.F.	3,00,000	1921	6.50	Apr.	Oct.	93.75	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	94.02	100
Vishnu C.	15,56,500	1906	7.00	Apr.	..	410.00	500
ELECTRICS							
Andhra Valley Power Supply C. ..	49,24,000	1917	7.00	May	Nov.	1,065.00	1,000
Amalgamated Electric T.F.C. ..	24,15,000	....	5.50	..	..	60.00	100
Calcutta Electric T.F.C.	10,00,000	1909-11	5.00(s)	June	Dec.	8.94xd	51
Poona Electric C.	4,00,000	1925	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	8.10	100
Do. (2nd) C.T.F.	5,00,000	1940	5.50			8.25	10
Surat Electric Co. C.T.F.	5,00,000	1920	6.50	Apr.	..	107.00	100
Tata Hydro Electric Power C. ..	80,28,000	1927	7.00	May	Nov.	102.00	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,110.00	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	6.28	10
ENGINEERING							
Arthur Butler (Muzaffarpore) T.F.C. ..	1,20,000	1919	7.00	Mar.	..	11.00	10
Burn & Co. Ltd. (1st) T.F.C. ..	15,00,000	1896-98	7.00	Feb.	Aug.	117.00	100
Do. (2nd) T.F.C.	15,00,000	1906	6.00	Feb.	Aug.	108.00	100
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	87.00	100
Indian Standard Wagon T.F.C. ..	19,66,500	1918	7.00	June	..	115.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	80.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	57.00	100
†††Kumardhubi Engineering T.F.C. .	13,00,000	1918	4.00	June	Dec.	88.00N	100
Larsen and Toubro Ltd. T.F.R. ..	13,00,000	1946-47-51	6.00	..	..	98.00	100
Mahindra & Mahindra T.F.R.C. ..	25,00,000	1945	6.00	May	..	98.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	86.00	100
Premier-Construction (1st) C. ..	10,00,000	....	6.25	..	..	77.00	100
Do. do. (2nd) C. ..	15,00,000	1956	6.25	..	..	72.00	100
Do. do. (3rd) C. ..	56,25,000	1947	4.50	..	..	5.00	10
Tata Iron and Steel (1st) C. ..	75,00,000	1906	7.50	Nov.	..	142.00	100
Do. do. (2nd) C. ..	6,98,81,900	1908	7.50	May	..	105.25	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	90.00	100
Alexandra T.F.C.	9,00,000	1925	7.00	Feb.	Aug.	85.00	100
Alliance T.F.C.	15,00,000	1885	6.00	Mar.	Sept.	64.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	92.00	100
Angleland C.	10,00,000	1909	5.50	May	Nov.	72.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	60.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	93.00	100
Barnagore C.	£200,000	1856	5.00	May	Nov.	24.00	£5
Belvedere T.F.C.	7,00,000	1906	7.00	Jan.	July	90.00	100
Birla C.	23,64,200	1919	7.50	June	Dec.	90.00	100
Budge-Budge T.F.C.	9,00,000	1884	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1884	6.50	Jan.	July	50.50	100
Caledonian T.F.C.	10,00,000	1918	7.00	June	Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1922	6.00	Mar.	Sept.	58.00	100
Clive (1st Pref.) T.F.C.	5,00,000	1906	6.00	May	Nov.	67.00	100
Do. (A) (2nd Pref.) T.F.C. ..	5,00,000	1906	7.00	May	Nov.	77.00	100
Dalhousie T.F.C.	15,00,000	1908-18	7.00	May	Nov.	91.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	72.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	85.00	100
Fort Gloster T.F.C.	14,00,000	1920-26	7.00	May	Nov.	110.00	100
Do. (2nd Pref.) T.F.C. ..	7,00,000	1948	5.00	..	..	70.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	110.00	100
Ganges T.F.C.	9,00,000	1916	6.00	June	Dec.	90.00	100
Gourepore T.F.C.	26,50,000	1896-04	6.00	May	Nov.	80.00	100
Hastings T.F.C.	25,00,000	1885	6.00	Mar.	Sept.	82.00	100
Hooghly T.F.	11,75,000	1918	10.00	May	Nov.	10.12	10
Howrah T.F.C.	3,75,000	1890	7.00	May	Nov.	90.00	100
Do. T.F.C. (f)	17,50,000	1908-6	7.00	May	Nov.	93.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	89.00	100
Kamarhatty T.F.C.	16,00,000	1896-04	6.00	Feb.	Aug.	75.00	100
Kankinarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	90.50	100

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	77.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	89.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	94.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	90.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	62.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	110.00	100
Do. (2nd) (j) T.F.C.R. ..	10,00,000	1945	4.50	June	Dec.	78.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	88.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	79.50	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	85.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	72.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	82.25	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	5h. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	98.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	82.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	5h. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	90.00	100
Victoria C.	£250,000	1898	6.00	Feb.	Aug.	5h. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	5.00	Mar.	Sept.	89.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	50.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.75	£1
Great Eastern Shipping T.F.R.C. ..	25,00,000	1948	5.50	Dec.	..	91.00	100
Indian General Nav. & Rly. C. ..	£244,030	1899	6.00	Mar.	Nov.	77.00	£10
India Steamship (w) T.F.C.R. ..	25,00,000	1928	5.00	..	..	82.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May	Nov.	31.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	102.00	100
Birpara T.F.C.	1,00,000	1900	8.00	Jan.	..	102.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	102.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	75.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	105.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	98.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec.	..	89.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	8.00	10
New Dooars T.F.C.	2,00,000	1907	8.50	Jan.	July	102.00	100
New Samanbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	91.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	94.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	98.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	92.00	100
***Tezpore C.	2,05,000	1932	8.00	Jan.	..	10.50	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May	Nov.	18.25	100
PLANTING							
Be Be Rubber C.	1,48,005	1944	6.25	..	..	2.43	5
Do. R.C.	2,85,570	1944	6.25	..	..	5.71	10
Cochin Malabar C.T.F.	1,18,800	1932	7.00	June	..	51.25	60
Coffee Lands C.T.F.	10,40,600	..	5.00	..	..	74.78	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	88.14	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	10.12	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	95.00	100
Highland Produce C.T.F.	5,00,000	..	6.00	July	Jan.	7.96xd	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	6.10	10
Nilgiri Tea C.T.F.	2,81,250	1943	6.50	July	..	3.80	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar.	..	8.00xd	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	6.80	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	9.10xd	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Now	..	8.40	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	81.00	100
Do. do. (2nd) T.F.R.C. ..	5,00,000	..	5.00	June	..	86.00	100
Alkali & Chemicals T.F.C.	21,00,000	1937	6.00	Apr.	..	92.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(c)	..	..	94.00	100
Andhra Cement C.T.F.	2,48,800	1937	6.00	Feb.	June	100.00xd	100
Associated Hotels of India C. ..	21,67,000	1916	7.00	Mar.	Sept.	48.00xd	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	12.50	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	81.00	50
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	104.00	100
Do. "B" T.F.R.C.	20,00,000	1946	6.00	..	..	65.00	100
Bengal Timber Trading T.F.C. ..	8,00,000	1896	8.00	Aug.	..	7.75	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	14.50xd	10
British Ceylon Corporation C. ..	17,50,000	1913	6.00	Feb.	Aug.	8.00N	5
British India Corporation T.F.C. ..	81,00,000	1920	8.00	Feb.	..	112.50	100
Dalmia Cement (Bharat) C.T.F. ..	61,58,310	1937	6.00(f)	Sept.	..	8.00xd	10
Dharangadhra Chemicals T.F.C.R. ..	21,91,900	1956	6.00	..	..	78.00	100
Shree Digvijay Cement T.F.R.C. ..	79,93,875	1944	6.00	Dec.	..	82.00	100
Dunlop Rubber Co. (1st) T.F.C. ..	80,00,000	1928	6.00§	June	Dec.	112.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	6.00	Apr.	..	78.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	58.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	49.00	100
Gillanders Arbuthnot(f) R.C.	25,00,000	..	5.00	Apr.	Oct.	88.00	100
Hindustan Motors T.F.R.C.	1,80,87,250	1956	6.00	Mar.	..	218.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	7.00	10
India Cement C.	39,85,000	1946	7.00	Oct.	..	81.00	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	71.00	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	88.00xd	33
Indian Cable (m) C.	12,87,750	1952	6.00	June	Dec.	84.00	10
India Rubber Mfrs. (n) T.F.C.R. ..	8,28,000	..	5.00	Apr.	..	60.25	100
Jardine Henderson C.	80,00,000	1946	5.50	Dec.	..	56.00	100
Kettlewell and Bullen (1st) C. ..	20,00,000	..	5.50	May	..	57.50	100
Do. do. (2nd) T.F.C. ..	10,00,000	..	4.00	May	..	54.00	100
Kumardhubi Fireclay & Silica C.R. ..	2,00,000	1916	7.00	June	Dec.	88.00N	100
Martin Burn (k) T.F.C.R.	20,00,000	1946	5.00	Apr.	Oct.	84.50	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	81.50	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	60.25	100
Metal Box Co. C.S.	20,00,000	..	6.00	..	..	86.00	100
Mettur Chemicals (Old) C.T.F. ..	20,00,000	1908-16	6.00	Feb.	Sept.	9.70	10
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6.00	June	..	8.50	10
Mysore Lamps R.C.T.F.	2,50,000	..	5.00	Aug.	..	5.95	10
National Tobacco (Old) (p) T.F.C.R. ..	25,00,000	..	5.00	Mar.	Sept.	75.00	100
Do. do. (New) (q) T.F.C.R. ..	10,98,000	..	4.50	Mar.	Sept.	68.50	100
Orient Paper T.F.C.R.	20,00,000	1936	5.00	Jan.	..	81.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	63.50	100
Rohtas Industries (Old) T.F.C. ..	20,00,000	1936	7.00–2.00	Apr.	..	117.00	100
Do. do. (New) T.F.C. ..	85,04,700	..	4.25	Apr.	..	57.00	100
†Smith Stanistreet & Co. T.F. ..	5,00,000	1920	10.00	Feb.	Aug.	67.00	50
Spencer & Co. "A" C.	23,20,000	1896	6.50	Jan.	July	7.50	10
Do. "B" C.	26,80,000	1923	8.50	Jan.	July	10.10	10
Standard-Vacuum C.	75,00,000	1965	6.00	June	Dec.	98.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	74.00	100
Tata Chemicals T.F.C.	59,97,000	..	5.00	June	..	84.00	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	60.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	113.50	100
Do. do. (2nd) T.F.C. ..	15,00,000	1934	4.50	Jan.	July	77.50	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.C.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1956 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1953 on 6 months' notice. (m) Rank pari passu with ordinary shares after ordinary shares receive 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 as. in the £. (u) Redeemable at par on 3 months' notice. (v) Participating on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (y)—Partly paid.

COMMERCE

"For Commerce, though the child of Agriculture, fosters his parent
Who else must sweat and toil and gain but scanty fare."
William Blake.

VOL. CII. No. 2620 **BOMBAY, 24th JUNE 1961** **PRICE Rs. 1**

PRESCRIPTION FOR BANKS

THERE is nothing new or novel about the suggestions of the Reserve Bank, in its annual statutory publication on the *Trend and Progress of Banking in India* during 1960, for expanding banking habit and banking services during the third Plan period. They have been advocated before, as long as a year ago by this journal, and by the Governor of the Bank himself on some occasion or other. But they are not less valuable for that reason. On the contrary, their reiteration in the Report serves to enhance their importance and underlines the urgency for implementing them. There is no exaggeration in the Reserve Bank's conclusion that "the volume of work to be handled by the banking system might well be nearly doubled in the third Plan period." Since there is no suggestion that new banks should be established, the existing banks should equip themselves "to meet the challenge of the third Plan," as the publication puts it. How are the banks to do it? First and foremost, says the Reserve Bank's report, the banks must intensify their efforts for gathering more deposits. This is stating the obvious. The question is how to get more deposits. The Reserve Bank's answers are: (1) open more branches, (2) create greater confidence among depositors, and (3) expand the service to customers by catering to the varying needs of business and individuals. Each one of these proposals has various aspects and it would have been more helpful if the authors of the report had discussed them at length and offered their conclusive comments.

There is undoubtedly considerable scope for expanding branch banking. Now that small banks are increasingly going out of favour, the big banks have to open more branches in areas which need the services of modern banking and where the provision of such services could become an economically viable proposition within a reasonable period of time. Alternatively, the small and medium-sized banks have to strive hard to become bigger units. There are even now 1,400 townships without any banking facility and this number may increase as economic development gathers pace. But these conditions alone are not sufficient to speed up the pace of branch banking. It has been suggested on more than one occasion that banks should be offered some fiscal incentives to open branches in places which are not immediately promising but have potentialities for the future. It is true that losses suffered by a new branch reduce the profit of the bank concerned and to that extent the bank pays less taxation. In other words, nearly half the cost of expanding banking, either area-wise or variety-wise, is borne by the Exchequer. But not all banks are making such large profits as to feel encouraged to branch out by this negative advantage. Some scheme of positive assistance is required, if progress is to be rapid and if branch banking is not to be the privilege of only the very big banks and/or the small banks that are prepared to take excessive risks as was the case with two of the scheduled banks that failed last year. It is high time the Reserve Bank made its stand clear on this demand.

Lack of trained and adequately qualified staff, especially for supervisory and more responsible tasks, is a big handicap that tends to slow down the progress of branch banking. The banks themselves are to be blamed for the persistence of this problem, because the vast majority of them have taken no effective steps to organise and provide training courses for their staffs. The Reserve Bank is, indeed, mild in its criticism when it says that "with the exception of a few, many big banks do not seem to be devoting the requisite attention to the training of their staff." It would be in their own interest if they accepted and implemented the Bank's advice that they should "accord high priority to the establishment of their own institutions for imparting training to members of different categories of staff so as to combine their plans for expansion with steps to improve their staff efficiency" and that "the possibility of having joint training arrangements for a group of banks might also be usefully explored." This advice implies that banks should recruit, for the administrative posts at least, promising young men, but, unfortunately, most of them offer such low salaries that they do not attract the best talent from the universities for being trained and posted as officers. It would be a good thing if the Reserve Bank were to appoint a small committee of competent men to examine the present situation and put forward some constructive proposals for improvement. The bank managements need not construe this attempt as one more interference by the bureaucracy. On the contrary, they should extend their full co-operation to the Reserve Bank for implementing this suggestion which is meant solely for their benefit. It would, of course, be a good thing if the Indian Banks Association itself could undertake this study, but it is such a conservative body that one wonders whether it is receptive to any new ideas, especially those that involve searching of hearts and self-examination.

Another feature of the present situation that discourages a bank from opening more branches is trade union activity among employees. Indiscipline and adoption of dubious means for getting overtime pay are said to be rampant. Consequently, the task of officers of banks is said to have become exasperating—a state of affairs not conducive to efficiency. This is essentially a human problem, but its solution could be made easier if the trade union leaders decide not to encourage lethargy and inefficiency among their followers.

Confidence among depositors in the soundness of banks is the first requisite for retaining deposits already obtained and attracting fresh deposits. By and large, Indian banks have been enjoying the confidence of the public. This is eloquently borne out by their immense progress in the past decade when their total deposits rose from about Rs. 870 crores to Rs. 1,950 crores. From time to time there have, of course, been some shocks and 1960 witnessed a few painful ones. Even these could have been avoided had the Reserve Bank been less lenient towards the erring banks in the middle of the fifties. Anyway, such weaknesses as were clearly discernible last year "are dimensionally of little significance," to quote from the report. Further, the Reserve Bank seems to have learned from its earlier mistakes and is taking steps to eradicate the weaknesses in the banking system. There is, however, a limit to what even a conscientious policeman can do, for no amount of control and inspection can be a substitute for honesty and sound judgment. With a view to inspiring still greater confidence among depositors, the Government has agreed to introduce insurance of deposits. But the beginning made in this direction is so modest that it is doubtful whether it will be of any significant help. Nevertheless, something is better than nothing and it is to be hoped that this facility will be quickly extended to cover a larger amount of deposit than a mere thousand rupees as now proposed.

As investments under the third Plan gather momentum, the present slow growth of deposits is sure to yield place to a vigorous expansion. It may be that the expansion will not be at the same pace as in 1958 and 1959, for deficit financing is unlikely to be of the magnitude witnessed in those years. But it is bound to be quite substantial, as the rate of economic development is scheduled to be heavier than in the second half of the second Plan period. Nevertheless, the banks will have to be more earnest than they have been in their attempts to attract deposits. Their theory that higher interest rates have no effect as incentive for drawing more funds into their custody has been disproved by recent events. The mere fact that today time deposits are far in excess of demand deposits, which is the reverse of the position ten years ago, is proof of the importance attached by depositors to the rates of interest they get. There is some recognition of this point in the Reserve Bank's report under reference. One, however, wishes the Bank were a little more explicit on it.

The current pattern of interest rates for time deposits is still on the low side. Expansion of branch banking will be of no avail if the branches cannot quote for deposits rates of interest that are reasonably attractive as compared with those offered by other users of funds. Since inter-bank agreement on interest rates has come to stay and competition for deposits by offering a higher price is regarded as unhealthy for banking business, the agreement must be modified on more rational lines, if it is to serve as an effective instrument for mobilisation of deposits. Further, the agreement must be enforced by the Reserve Bank rather than by the Indian Banks Association, as the latter has not been successful in getting the consent of all the banks to the agreement. Perhaps, the consequences of the failure of the Palai Bank would not have been so severe as they were had the ceilings on interest rates been fixed and enforced by the Reserve Bank. It is common knowledge now that even some high officers of Government and Ministers maintained large fixed deposits with the Palai Bank merely because it offered rates of interest which were substantially above the very low ceilings fixed under the inter-bank agreement negotiated by the Indian Banks Association.

The suggestion for a higher capital base for banks is also a part of the plan for strengthening depositors' confidence in banks. The proportion of owned resources to total deposit liability has steadily fallen from 7 per cent in 1950 to 4 per cent in 1960, chiefly because of the rapid increase in deposits in the past few years. The inability of banks to augment their reserves owing to low profit margins is another reason. Incidentally, the statement in this year's report that "the profits of commercial banks have increased substantially in the last decade" is likely to be

Contents

	Page
LEADING ARTICLES—	
Prescription for Banks	1161
Machine Building in Third Plan ...	1162
MARKET GOSSIP	1163
ROUND THE EXCHANGES	1164
NEWS IN BRIEF	1165
PERSONAL	1165
THIS WEEK'S SURVEY	1166-1167
SPECIAL FEATURES—	
On the Arena	1168
Delhi Letter	1170
American Letter	1171
London Letter	1171
Manchester Letter	1175
Phasing a Development Plan	1184-1185
Income-Tax Amendment Bill—II ...	1186
Problems of Productivity	1188
CHAIRMEN'S SPEECHES—	
Ashok Leyland Ltd.	1176
National Rayon Corporation Ltd. ...	1182
Travancore Ogale Glass Mfg. Co., Ltd.	1198
Atul Products Ltd.	1199
MONEY AND BANKING	1172
TEXTILES	1174
SUGAR	1178
ENGINEERING	1180
NEW PRODUCTS AND PROCESSES	1181
COMPANY MATTERS	1190-1196
MARKET REPORTS	1200-1202
MISCELLANEOUS STATISTICAL INFORMATION	1203
WEEK'S STOCK EXCHANGE TREND	1204

contested by banks, as it is contrary to their contention all along. The Reserve Bank will have to publish some concrete data to prove its point. Its own actions and statements in more recent years suggested that it shared the banks' point of view on the level of profits. It was only in last year's publication on the trend and progress of banking, for instance, that the Bank advocated a series of measures designed to improve the profit-margin of banks. Again, it did not oppose the banks' decision first to place a ceiling on interest rates on deposits and then to lower the ceiling. The object of the inter-bank agreement on deposit rates, as is well known, is to raise the profit-margin of banks. It was for the same purpose that the banks were allowed to enhance their rate of interest on advances. But all this does not mean that the Reserve Bank's remarks on the need for strengthening the reserves of banks are not pertinent. This need is imperative and all banks must set apart a portion of their profits to reserves every year, even if their existing reserves are well above the statutory requirement and even if it means a cut in the rate of dividend. Since not all banks have cared to follow this sound policy, the law must be changed in a suitable manner.

The case for increasing the paid-up capital of banks is also a strong one in the present circumstances. Only, the Reserve Bank must indicate the minimum ratio of capital funds to deposits which it thinks is ideal. As this is a ticklish problem, it is desirable not to make the maintenance of such ratio a statutory obligation. It must be left to each bank to attain that ideal as early as possible by its own voluntary effort. There is reason to believe that banks themselves will readily comply with this requirement if the authorities do not try to complicate the issue by wanting to prevent further concentration of shares in a few hands and by insisting that the new shares be offered at a premium. Bank shares have not appreciated unduly; in fact, they are not generally fancied by investors. Further, if a part of the net profit is to be compulsorily transferred to reserves, as mentioned above, it is only fair that shareholders should not be asked to take up additional capital at a premium.

While banks should undoubtedly widen the range of their services to their customers, the suggestion in the report that they "may consider the scope for a credit transfer scheme, even on a limited basis, on the lines of that introduced in the U.K. recently" is premature, for neither the country as a whole nor the banking system has advanced to such an extent as to permit the smooth working of this modern service. Even a simple credit instrument as a rupee travellers' cheque is not easily negotiable in this country. It would, therefore, be more useful, if the Reserve Bank could persuade the banks to collect upcountry and suburban cheques expeditiously and credit the accounts of their customers promptly. Notwithstanding the introduction of night airmail service, banks still take eight to ten days to collect a cheque even on such easily accessible cities as Calcutta, Delhi and Madras. There is plenty of room for improving the efficiency of essential services which banks are expected to render to their customers. They must attend to this task first before they take up new lines of activity.

MACHINE BUILDING IN THIRD PLAN

A DEVELOPMENT Council for Machine-building Industry—the sixteenth Council to be set up under the Industries Act—has been inaugurated this week at New Delhi. Considered to be the most important in the chain of Development Councils set up by Government, the latest Council, with its six sub-committees for six different groups of machinery manufacturing industries, will recommend targets of production for industrial machinery and co-ordinate production programmes in the third Plan. It will, in particular, review the capacity and production targets laid down for the machinery industries and also explore the possibilities of producing other important machinery items not specifically mentioned in the Plan. The Council may thus be expected to play a key role, for machine-building programmes, in the words of the Draft Outline, will have to occupy a key position in the third Plan to enable industrial growth to become self-sustaining as early as possible. This vital phase of development may reasonably be expected to be easily initiated in the third Plan period, as plentiful supplies of steel will become available in its first few years and the foundry/forge capacity, which is crucial for machinery projects, is due to be firmly established in the public sector.

In fact, it is the expected availability of castings and forgings that may be reckoned as the most hopeful factor. The public sector's programmes in this connection offer the prospect of 135,000 tons of grey iron castings, 73,000 tons of steel castings and 76,700 tons of steel forgings being available in the third Plan period. Here, the foundries attached to the three steel plants at Durgapur, Bhilai and Rourkela alone will account for more than 50 per cent of the output of grey iron castings and for a fifth of the output of steel castings, while the Foundry/Forge Project, Ranchi (III stage), will produce three-fifths of the steel castings and nearly all the steel forgings. But the larger part of this output of castings and forgings in the public sector may be absorbed by the machinery projects in the public sector itself. It is still not clear whether castings and forgings will be available in adequate quantities for the machinery projects in the private sector which is expected to start or step up the manufacture of a wide range of industrial machinery items. One of the first tasks to which the Development Council for Machine-building Industry will have to address itself pertains, therefore, to the establishment of further capacity for castings and forgings. The Council may have to assess these castings and forgings requirements at an early date and evolve the best arrangements for meeting them, that is, whether through captive foundry/forges or through independent units, or a combination of both. That some of the members of the Council have already laid emphasis on the need for establishing more foundries for producing high-quality castings is a hopeful sign.

There is yet another hopeful factor which Mr. Manubhai Shah, Minister for Industry, himself has indicated in his inaugural speech at the Council's meeting. Since the Government attaches the greatest importance to the rapid progress of machine-building industry, it is prepared, according to the Minister, to give the highest priority to the industry's requirements, including capital goods and essential raw materials. Mr. Manubhai Shah has also given the assurance that applications for licences and those relating to foreign technical collaboration would be speedily processed and disposed of and that there would be a more flexible licensing procedure providing for bulk tonnage of goods to allow scope for diversification and maximum utilisation of capacity. The Commerce and Industry Ministry may be depended upon to fulfil this assurance in the light of its licensing performance to-date. A fact which may be relevantly recalled here is that, in the recent past, there has been a steady increase in the number of applications for licences under the Industries (Development and Regulation) Act for setting up capacity for industrial machinery of all kinds as well as for providing the basic needs of machine-building industries. Already two Standing Committees—one for machinery manufacture for ferrous and non-ferrous metals and metallurgical industries and the other for machinery manufacture for chemicals, fertilisers and plastics industries—have submitted their final reports to the Ministry. And three other Standing Committees studying several aspects of the manufacture of machinery required for machine tools, transport and communications and consumer goods industries have also submitted their interim reports. The reports of these Standing Committees, which are to become so many sub-committees of the Development Council for Machine-building Industry, should greatly help the Commerce and Industry Ministry in licensing expeditiously an adequate number of fresh schemes for machinery manufacture and for the production of new machinery items in existing units or for the substantial expansion of such units. The prospects of liberal licensing are thus distinctly rosy for the machinery manufacturing industries.

But there will be one major handicap which may slow down the growth of these industries, unless, of course, it is removed in time by prior planning. This is the current inadequacy of designing facilities which represent a vital basic requirement in the field of machine-building. The Draft Outline itself admits that, in the beginning, the fabrication of plant and equipment will necessarily be based predominantly on 'bought out' designs. But it also lays down that the object should be to manufacture in the not distant future industrial machinery on the basis of indigenous designs. It is, therefore, to be hoped that energetic steps will be taken, on a high priority basis, in the earlier years of the third Plan, for a widespread diffusion of designing facilities in major individual establishments as well as for the establishment of designs organisations for groups of industries. A programme for training competent designers should also form an organic part of any plan for the creation of indigenous designing facilities.

Even if all these requirements are fulfilled there will still remain two important problems. One of them is how to provide adequate working finances for the machine-building industry through the banks and the other is whether import duties on foreign industrial machinery can be increased in order to encourage indigenous units. These issues, raised at the Development Council's inaugural meeting by the representatives of industry, should certainly compel consideration. The importance of the first issue can be easily understood from the phenomenal expansion of machinery manufacturing industries envisaged over the third Plan period. What is visualised is a fivefold expansion as compared with 1960—in which year the estimated production of major machinery manufacturing industries (machinery items for paper, tea, cement, sugar, mining, construction, jute, printing, chemical, oil, dairy and rice milling industries, solvent extraction plant, weighing machinery, machine tools, electric transformers, electric motors, diesel engines, power-driven pumps, boiler industry, heavy electrical equipment and heavy machinery) is valued at about Rs. 4 crores, as will be seen from the table in this article. If these industries are to achieve an aggregate production of the value of Rs. 22 crores by the last year of the third Plan, their requirements of working capital alone are bound to be enormous. The industry's expectations of assistance in this regard are certainly reasonable.

But not so reasonable is the expectation that import duties on foreign industrial machinery should be increased in order to encourage indigenous units. Already the Budget for 1961-62 has increased the duties on some machinery imports, and this has been rightly criticised on the ground that industrial costs will be increased as a consequence. So long as machinery items are in short supply, indigenous manufacturers can easily sell their wares. Again, since machinery and plant for most industries will be made to order, it may be expected as a matter of course that the authorities who have licensed the capacity for manufacturing such plant and machinery will certainly not license their imports, unless they are absolutely necessary. There is, therefore, no case for increasing the import duties on foreign industrial machinery items which will have to be imported until such time as their indigenous manufacture is established.

Production of Machinery

Name of industry	Estimated production in 1960 in terms of value (Rs. lakhs)*
Agricultural machinery	1,90
Boilers (industrial)	40
Cement machinery	55
Chemical and pharmaceutical machinery	1,20
Constructional machinery	1,00
Dairy machinery	20
Drilling machinery	10
Industrial machinery (unclassified)	30
Jute mill machinery	2,20
Mining machinery	20
Oil mill machinery	50
Printing machinery	5
Reduction gears	10
Rice, dal and flour mill machinery	45
Sugar mill machinery	3,25
Tea processing machinery	1,20
Weighing machinery	60
Solvent extraction plant	50
Machine tools (including small tools)	10,00
Electric transformers	7,00
Electric motors	6,00
Diesel engines	6,80
Power-driven pumps	2,40
Heavy electrical equipment	..
Heavy machinery	..
Total	46,40

* Based on actual production in the first nine months and estimated production in the last three months of 1960.

MARKET GOSSIP

New Fetters For Speculators?

THERE are signs of hesitancy on the part of investors to support equities at current level of prices. Here and there some cautious purchases are being made, but they are based on merits of individual scrips. It is mostly speculators who have been pushing up one popular scrip or another to spectacular levels. Even their grip is not firm, as the Government appears to be keen on placing new fetters. Obviously, it would like to do so with the consent of the governing boards of stock exchanges. All available reports go to show that these boards are disputing the Government's contention. The Bombay Stock Exchange, in particular, is said to differ from the Government rather keenly. That is unfortunate. The measures which it has adopted so far to prevent a runaway market are of a half-hearted nature, full of loopholes. It is high time its authorities realised the need for introducing a system of margin which will be simple, effective, operate automatically, and force every buying order to be accompanied by some cash down payment. One does not also understand the opposition to the Government's insistence on minimum brokerage being charged, a measure which should actually be welcomed by all the brokers. Apparently, the majority of them in Bombay feel that even a reasonable minimum level of brokerage will reduce the volume of orders from their clients who speculate on a large scale.

Knowledgeable circles aver that the authorities in New Delhi have formed the impression that equity values have reached unduly high levels. Even their anxiety to see that new capital issues do not suffer as a result of steps taken to curb the enthusiasm of bulls is unlikely to deter them now from enforcing measures to keep the boom within limits. Some of the operators who had boosted the leading scrips in recent weeks are said to be aware of the Government's intentions. They have, therefore, been steadily unloading their purchases in the past few days, though it is hard to say to what extent they have liquidated.

President Kennedy On Long-term Aid

Last week-end, President Kennedy delivered a keynote speech on foreign aid at the National Conference on International Economic and Social Development in Washington. Of course, the speech was largely a reiteration of the new principles enunciated by his administration for "a bold, new long-range programme, designed to play a sound and decisive role in improving the climate for freedom." But this reiteration by President Kennedy is certainly necessary, because it is by no means clear that, as of today, the U.S. Congress has been fully persuaded to accord its approval to aid projects on the basis of long-term planning and financing. The Kennedy administration has recently requested the authority necessary for such long-term financing—the capacity, as the President said, to make orderly, prudent long-range commitments, instead of appropriating and obligating new funds every year for a series of unrelated projects. It is his emphatic view that long-range needs of developing countries cannot be met evenly and economically by a series of one-year programmes. Probably, in the hope that the U.S. Congress might be more easily persuaded to grant the necessary authority for long-term financing, President Kennedy has laid renewed emphasis on the new principle that development loans should be repayable in dollars. This, of course, is only an inference which may or may not be valid.

One important consideration that seems to weigh with the Kennedy administration in its plans for long-term financing is that the Russians have already emphasised the importance of credits on a long-term basis. According to the U.S President, the aid given by the Communist bloc to less developed countries has been sharply rising in recent years. Some 8,000 technicians have also been sent by the Communist bloc countries to these areas. All this they are able to do without subjecting the recipient country to the perils of an annual legislative renewal. If President Kennedy has drawn pointed attention to this feature of Communist economic aid to less-developed countries, it seems to be for the purpose, again, of persuading the U.S. Congress to grant his administration the necessary authority for providing aid on a long-term basis. It certainly does not convey that American aid is being thought of as something that will be given in response to Communist initiative. The positive aspect of aid as something that is required for improving the climate for freedom rather than as an alternative to Communism, it is worthy of note, has again been emphasised by President Kennedy in no uncertain terms.

World Textile Conference

A conference of textile exporting and importing countries will be held in the second half of next month under the aegis of the G.A.T.T. at Geneva. The move, recommended by the G.A.T.T. Council of Representatives at their meeting at Geneva last week, followed the U.S. plea for a world conference of textile interests. The purpose of the meeting, it is said, is to give a platform for multilateral discussions designed to secure such arrangement of world trade in textiles which, while not seeking to restrict the exports of underdeveloped countries and Japan, will, at the same time, avoid the disruption of textile industries in the more industrialised nations.

While the present move reflects President Kennedy's anxiety to secure for the developing countries enlarged markets for their manufactures in developed countries, these multilateral talks cannot be expected to lead to any immediate positive solution to the world textile problem. It is now known that the proposed conference will be preceded by a meeting in Washington of the main cotton textile importing countries including the U.K., other West European countries and Canada. The precise object of this meeting is not known. It is, however, a safe guess that importing countries will try to forge a united front, so that they could speak with one voice at the G.A.T.T. meeting. Their argument will be based on disruption of their economies by imports from "cheap labour" countries. It is, however, to be hoped that, instead of harping on the problem of market disruption, which is more imaginary than real, the importing countries will appreciate the needs of developing countries for expanding their export trade in manufactured goods. As their economies become more and more industrial, they will find it necessary to export such goods. If they are not allowed to do so, how will they repay the loans which they are now getting from the developed countries?

The attitude of several textile importing countries has so far not been quite helpful to the developing countries. As the G.A.T.T. itself has realised, several of them have already taken discriminatory action against textile exporting countries on the ground of market disruption "either outside the framework of the G.A.T.T. or contrary to the G.A.T.T. provisions." These restrictions are undoubtedly impeding the tempo of economic development and industrial diversification envisaged in the less-developed countries. As pointed out in the latest annual report of the U.N. Economic Commission in the course of a cogent plea to developed countries for a re-orientation of their commercial policies, the major task of the developed countries "cannot be the defence of domestic production against 'mounting pressure' of imports.... for such pressure hardly exists in most industrial branches." What is needed is a courageous attempt on the part of developed countries to modify their commercial and industrial policies to enable the less-developed countries to exploit fully those industrial and export lines in which they enjoy comparative advantages. This will certainly be in the interests of highly developed countries, too, in that larger earnings of the developing countries will enable them to buy more capital goods without asking for grants and gifts. The world conference on textiles, it is to be hoped, will enable these problems to be seen in proper perspective.

I. D. A. Loans to Sudan and India

The International Development Association (I.D.A.), an affiliate of the World Bank, has just agreed to provide two new credits—one to the Republic of Sudan of $13 million for the construction of Roseires Dam on the Blue Nile and the other to our country of $60 million for highway development. These are the second and third credits, respectively, from that organisation which, as our readers are aware, was specially created by member-countries of the World Bank to grant loans on terms more flexible and strikingly different from those of the World Bank. The first country to receive the development loan (of $9 million) from the I.D.A. was Honduras.

The credit extended to Sudan is a joint loan of the aggregate value of $32.5 million, the balance of $19.5 million being made available by the World Bank. It is learnt that the West German Government is also likely to contribute $19 million towards the foreign exchange cost of the Dam. The construction of the Dam, with a reservoir having a net storage capacity of 2,700 million cubic metres, will immensely benefit Sudan's agriculture. The water stored by the Dam will more than double the supplies available for irrigation in that country during periods of seasonal shortage. It will enable 900,000 acres of land to be brought under irrigation, and also greatly increase crop yields. While the Dam is under construction, the Sudanese Government will intensify the programme of agricultural research to determine the new crops which could be grown with the help of the additional water made available through the Dam.

The development loan to our own country is for an amount of $60 million for financing 660 miles of national highways and 19 major bridges in the four States of Maharashtra, West Bengal, Bihar and Orissa. The loan is expected to provide approximately half the cost of the Rs. 60 crores road development programme, which includes a 13½-mile four-lane Eastern Expressway from Bombay to Thana, a four-lane carriageway from Calcutta across the river forking into two double-lane highways—one running to Saptgram and the other to Jamshedpur, a double-lane highway on Baharagora-Jamshedpur-Ranchi section in Bihar, and all the eight missing bridges on the Calcutta-Madras highway near Cuttack. Of the remaining 11 major bridges, five will be in Maharashtra, four in Bihar and two in West Bengal.

The terms and conditions of the loans to Sudan and India are exactly similar to those which governed the loan granted to Honduras. The loans are interest-free, and are repayable after a ten-year period of grace. Thereafter one per cent of the principal will be repayable annually for ten years and three per cent per annum over the next 30 years. The loans will bear a service charge of ¾ per cent on the outstanding amount. Repayment is, of course, to be made in foreign exchange and not in local currency, but this need not prove unduly burdensome particularly to India which will be required to pay only $600,000 annually from August 1971 upto August 1981 and $1.8 million per year for 30 years after the latter date. It is noteworthy that the loan to India will be for an 'infrastructure' project which, though not immediately remunerative, is a necessary underpinning for industrial development.

Export Promotion Council for Oilseeds

A plea to set up an export promotion council for vegetable oils, oilseeds and oilcakes was made by Mr. M. Nopany, President of the East India Oil Millers' Association, while speaking at the annual meeting of the Association, held at Calcutta last week. A permanent body like the proposed Council would be able to devise measures designed to expand the existing markets for these commodities and explore new ones abroad. Mr. Nopany's suggestion is apparently sound, but it would not be right to assume that the recent debacle on the export front in respect of some of the major oils, such as groundnut oil and linseed oil, has been due to the absence of a separate export promotion council. The crucial factor which has adversely affected India's exports of oils has been the persistent upward trend in their domestic prices, consequent upon the rapid growth of domestic demand and the halting expansion of output of oilseeds. To take an instance, the price of groundnut oil in Bombay has risen from barely Rs. 2,000 per ton in June 1960 to about Rs. 2,400 now. In contrast to this trend, the current price for groundnut oil (B.W.A.3/5 per cent) in the London market is lower at £120 per ton, as compared with £121 a year ago; in fact, it was still lower at £112 earlier during the current year. The major problem, therefore, is to bring down domestic prices. Although an export promotion council may be useful to some extent, the basic solution lies in stepping up oilseeds production.

Of course, Mr. Nopany was not unaware of the need for expanding production of oilseeds. He put the blame for the slow growth of oilseeds output squarely on State Governments which had so far not given adequate attention to the problem. He, therefore, appealed to these Governments and cultivators to devote particular attention to the raising of per-acre yields in oilseeds. It is, indeed, disquieting that the yields have been steadily declining in India, instead of improving. The acre-yield of groundnuts, for instance, fell from 740 lbs. in 1958-59 to 642 lbs. in 1959-60. This may be compared with as much as 1,500 lbs. in China, 1,435 lbs. in Argentina, 1,306 lbs. in Mexico, and over 1,000 lbs. in the U.S. Apart from increasing the production of major oilseeds, the supply position could be improved, Mr. Nopany added, by exploiting the potential resources of non-edible minor oilseeds of forest origin as well. This, again, is a suggestion presumably addressed to State Governments which control and administer forests.

In this connection, Mr. Nopany regretted that only six per cent of the total of two million tons of cottonseeds produced annually in the country was being crushed, the rest being used as cattlefeed. He commended the American practice of using only about 20 per cent for planting and as fertiliser as well as animal food, the major part being processed as edible oils, protein meal feeds and industrial cellulose. Proper utilisation of cottonseeds in this country will depend on how far the Government is prepared to encourage the cottonseed crushing industry, particularly by giving incentives to export cottonseed cake. The present Government policy in this regard leaves much to be desired. For instance, the link scheme (announced a few days ago) seeking to permit import of one ton of copra against every nine tons of expeller cake is quite an insufficient incentive. At the current world prices, export of every one ton of cake will entail a loss of about Rs. 125. But the link scheme will make up for only 50 per cent of this disadvantage.

Ashok Leyland's Progress

Dr. A. Ramaswami Mudaliar's speech at the twelfth annual general meeting of the shareholders of Ashok Leyland Limited (Ennore, Madras) is notable for the light it throws on the expansion plans of the Company. This enterprise, which supplies the renowned "Leyland" chassis and diesel engines, has now got its authorised capital raised to Rs. 10 crores in pursuance of a programme to produce 5,000 "Comet" chassis per annum and also to tool up for an annual production of 1,000 "600"-type engines for use in chassis heavier than the "Comet." The expansion programme will involve the raising of Leyland Motors' shareholding in Ashok Leyland Limited to 60 per cent of the total issued capital of about Rs. 5 crores. Such an increase in the British collaborator's shareholding will mean that the necessary foreign exchange for the purchase of plant and machinery for the expansion project is assured. Leyland Motors will also hold 75 per cent of the share capital of another project of Ashok Leyland Limited, namely, the foundry project. The latter project, under the name of Ennore Foundries Limited, is expected to meet all the castings requirements of Ashok Leyland by the end of this year. When, thus, castings are completely eliminated from the materials to be imported, Ashok Leyland will have registered further progress in the deletion of imported components and materials. Even other manufacturers can look forward to supplies of iron castings from the Ennore Foundries which will have surplus capacity from 1962 onwards.

A very heartening piece of news that Dr. Ramaswami Mudaliar has given pertains to the possibilities of exporting "Comet" chassis to neighbouring countries. Already the Company has made a modest beginning in this field with its sale of 24 chassis to the Ceylon Transport Board in 1960. The Company, it is gratifying to hear, will redouble its efforts to secure export business.

BOMBAY STOCKS IRREGULAR

TEXTILES, HOWEVER, FIRM

(From Our Own Correspondents)

BOMBAY, 22*nd June*

EQUITIES on the Bombay Stock Exchange displayed a mixed trend. In the early part of the week, the volume of business was restricted, as operators were chary of extending their commitments on account of rumours regarding the tightening up of the special deposit *havala* rates. The possibility of governmental restriction on speculative activity in certain scrips also weighed heavily on bulls. The new account on Monday the 19th inst. began, therefore, on a subdued note. Even the decision of the Board of Directors of the Bombay Stock Exchange to maintain the *status quo* regarding margin requirements failed to restore confidence. The textile section, however, registered gains on a wide front, due to good speculative support. Steels and sugars remained subdued. Chemicals and engineerings showed a two-way movement. In the miscellaneous section, some popular scrips attracted sustained inquiries. Cement shares ruled quiet.

In the steel section, Tata Steels which opened at Rs. 160.75 received good support and advanced to Rs. 164.25 on Monday the 19th inst. At this level some selling pressure was in evidence and the share fell to Rs. 162.25. The net gain over the week is Rs. 2.75. Indian Irons elicited some inquiry on the opening days and put on 20 nP at Rs. 28.45 on Monday. Thereafter, they were neglected and receded sharply to close at Rs. 27.80, showing a loss of 35 nP during the week. Mukund Irons were still well fancied and gained Rs. 2.50 to Rs. 31.75.

Textiles showed a mixed trend. On the whole, gains over a wide front outnumbered losses. Morarjees were a bright feature of the market and spurted by Rs. 45 to Rs. 458. Models gained Rs. 40 to close at Rs. 75. Finlays advanced by Rs. 11 to Rs. 326. Khataus put on Rs. 8.75 to Rs. 598.75. Shree Niwas hardened by Rs. 8 to Rs. 274. Laxmis rose by Rs. 6.25 to Rs. 531.25. Swans gathered Rs. 5 to Rs. 605. Gokaks went up by Rs. 3.50 to Rs. 184.50. Kohinoors opened at Rs. 315 and spurted to Rs. 324. On Wednesday, thereafter, due to bull liquidation the scrip fell to Rs. 318. Over the week, the gain was Rs. 3. Simplex too gained an equivalent amount to close at Rs. 209. Gold Mohurs advanced from Rs. 260 to Rs. 262.50. Other textile shares which made minor gains were Elphinstones, Tatas, Bradburys and New Great. Swadeshis remained firm at Rs. 280, the mill has shown encouraging results and the dividend is proposed to be raised from Rs. 14 to Rs. 17 per share, subject to tax. Dawns and J.K. Cottons also were quiet at Rs. 132 and Rs. 20.24, respectively. A few shares in the textile group registered losses. Prominent among them was Standards which slumped by Rs. 27 to Rs. 1,455, Mafatlals were hammered down by Rs. 10 to Rs. 920. Centurys lost ground due to rumours that bulls were losing grip over the scrip. On Friday the 16th inst., the final day of the last settlement, the scrip met with good support and spurted to Rs. 740 from the opening quotations of Rs. 720. On the following days, however, lack of speculative support brought down the rate to Rs. 707.50. Over the week, the loss was Rs. 5.50. Bombay Dyeings also lost Re. 1.20 to close at Rs. 69.30. Apollos and India Uniteds (Def.) suffered minor setback.

Sugar shares were depressed. Belapurs opened at Rs. 288.50 and climbed down steadily throughout the week to close at Rs. 274. The loss during the week amounted to Rs. 13. Maharashtras were also neglected and dropped by Rs. 6.50 to Rs. 185. Walchandnagars receded by Rs. 5 to Rs. 163 and Phaltans lost Rs. 2 to Rs. 133. The market was greatly disappointed when it heard that the President of the Indian Union had given his assent to the highly controversial Maharashtra and Ceiling Bill as adopted by the State Legislature.

In the cement group, speculative support was confined to Associated Cements which gained Re. 1.50 to Rs. 164.25. Orissas, Digvijays and Ramias remained quietly steady at Rs. 14.40, Rs. 157 and Rs. 12.12 respectively. But Ashoks and Jaipurs made minor losses of 12 nP each to close at Rs. 8.88 and Rs. 11.00 respectively.

In the shipping section, Scindias received some support and gained 20 nP on the opening day. Later, however, the lack of support for the scrip brought down the value to Rs. 14.32. Over the week, the gain was only 4 nP. Bharat Lines were quiet at Rs. 5.12. Great Easterns eased by 1 nP to Rs. 14.12.

In the automobile section, Premier Automobiles were subdued and lost one rupee to Rs. 172.50. Hindustan Motors also receded by 1 nP to Rs. 22.72. Auto Products, however, gained 1 nP to Rs. 13.20.

In the rayon group, National Rayons which opened at Rs. 570 *cum-div.* were well favoured and spurted to Rs. 572 on Monday the 19th inst. Later on that day, they were marked *ex-div.* and were quoted at Rs. 561.50. On reports that the Company's expansion plans were making good progress, the scrip went up to Rs. 575 only to slip back to Rs. 565. Baroda Rayons also hardened by Rs. 2 to Rs. 126. South India Viscoses gained one rupee to close firm at Rs. 175. Sassoon Mills also put on 88 nP to Rs. 15.24. But Gwaliors were marked down from Rs. 55.50 to Rs. 52 and Indian Rayons by a rupee to Rs. 61.

The chemical section showed a mixed trend. A gain of as much as Rs. 16 to Rs. 79 in Ultra Marines was the major highlight of the trading in this section. Polychems were also in fair demand and rose by Rs. 13.75 to Rs. 243.75. Citrics too, gained Rs. 2 to Rs. 52 and Alembics gathered Re. 1.25 to Rs. 266.25. But Colour Chems and Indian Dyestuffs lost Rs. 7.50 each to Rs. 367.50 and Rs. 527.50, respectively. Amar Dyes also receded by Rs. 6.25 to Rs. 390. Adarsh and Dhrangadhras lost a rupee each to Rs. 102 and Rs. 130.50. Synthetics lost 50 nP to Rs. 173.

In the engineering section, too, the trend was mixed. Premier Constructions were neglected and lost Rs. 6.50 to close at Rs. 199. Larsen and Toubros, despite the better working results, failed to elicit buying inquiry and eased by 75 nP to Rs. 41.50. Cooper Engineerings fell by Rs. 6 to Rs. 163. Khandelwals were brought down by Rs. 2 to Rs. 78 and Jost Engineerings by a rupee to Rs. 94. Jyotis, Mahendras, Chase Brights and Indian Steels also sustained losses ranging from 20 nP to 86 nP. But New Standard Engineerings met with inspired buying and gained Rs. 15 to Rs. 201. T. Manekalals spurted even more by Rs. 80 to Rs. 580. Telcos, which opened at Rs. 381.50, moved up to Rs. 390 on Monday, but eased later to close at Rs. 378. The gain over the week was just Re. 1.50. Fit Tights were well fancied and put on Rs. 2 to Rs. 60. Madras Aluminiums and Hindustan Aluminiums also reported minor gains.

In the miscellaneous section, Bombay Burmahs received good speculative support in the early part of the week and spurted to Rs. 653 after opening at Rs. 646, but met with bull liquidation, as the operators were disappointed with the (taxable) interim dividend of Rs. 12 per share as against Rs. 11 per share last year. The small increase in dividend fell short of their earlier expectations. The scrip declined to Rs. 622.50 showing a loss of Rs. 21.50 over the week. Voltas also lost Rs. 2 to Rs. 294.50. Sirpur Papers receded by 28 nP to Rs. 15.28. Killicks dropped 25 nP to Rs. 100.25. But Wimcos gained a rupee to Rs. 258. Bombay Oxygens put on Rs. 2 to Rs. 57.50. Ceat Tyres were keenly bid and spurted by Rs. 5 to Rs. 212.50.

* * * *

Madras Stock Exchange

MADRAS, 21*st June*

Under pressure of bearish advices from Bombay, the Madras Stock Exchange turned easy towards the close of the week, after remaining quite active during the major part of the week. The earlier firmness was induced by better inquiries from both investors and professional operators. Sugars ruled quiet, since operators preferred to await the final outcome of India's efforts to secure a sugar export quota from Iran and also quotas from the U.S. on a permanent basis. While India's decision to join the International Sugar Agreement was welcomed, a section of the trade felt that mills themselves would have to share a sizable part of the loss incurred in exports. Teas ruled easy, in the absence of any fresh incentives and on reports that the relatively newcomers in the field of world tea trade, such as Argentina, Peru and Brazil, would double their supplies in world markets during this year. Rubbers were dull, while coffees met with selective buying. Textiles shed much of their earlier gains during the latter part of the week, but some of the shares were ruling still higher, as compared with the last week-end. Banks and electricals were neglected. Among miscellaneous industrials, chemicals and cements encountered stale liquidation.

Among sugars, Cauverys came in for selling, with the quotation declining by 50 nP to Rs. 130.50. Deccans moved in a narrow range to close lower today by 5 nP at Rs. 14. East India Distilleries fell initially from Rs. 42.50 to Rs. 43.40, but recovered to the last week's closing level today. United Breweries were quiet at Rs. 108. Mysores, however, rose by 85 nP to Rs. 57.75. Indias put on 50 nP to Rs. 13.75 and Travancores 10 nP to Rs. 10.25.

Among teas, Kil Kotagiris drifted lower by 10 nP to Rs. 4.80. Periakaramalais fell initially from Rs. 3.95 to Rs. 3.83 before closing at Rs. 3.88. Neelamalais moved down by 5 nP to Rs. 4.25. Waterfalls were lower by 3 nP at Rs. 3.12. Blue Mountains shed 2 nP to Rs. 3.30. Haileyburias were dull at Rs. 15.25. Parksides at Rs. 29.10 and Devasholas at Rs. 30.75. But Chembras picked up 7 nP to Rs. 3.95 and Nonsuchs 5 nP to Rs. 28.15.

Mixed trends were in evidence in the coffee group. Ouchterlony Valleys lost 7 nP to Rs. 3.78. Sangameshwars, dropped 3 nP to Rs. 2.08. Coffee Lands were neglected at Rs. 18.75, as also Cowcoodys at Rs. 5 and Balanoors at Rs. 16.60. Mysore Coffees changed hands at Rs. 5.45. Consolidated Coffees, however, elicited good support and moved up by 75 nP to Rs. 22.25. Rajendras scored a gain of 12 nP to Rs. 12.12. Anaparais gathered 10 nP to Rs. 4.

In the rubber section, Thirumbadis declined by 5 nP to Re. 1.60. T.R. and Ts reacted by a like amount to Rs. 9.85. Pullangodes too dropped 5 nP to Re. 1.85, notwithstanding the announcement of a higher dividend of 6 per cent, taxable, for the year ended March 1961, as compared with 5 per cent for the previous year. Cochin Malabars closed 2 nP lower at Rs. 7.83, after fluctuating between Rs. 7.80 and Rs. 7.90 over the week. Malankaras were fancied at Rs. 18.70. But Travancore Rubbers hardened by 39 nP to Rs. 10.09 *ex-div.* Midlands gathered 5 nP to Rs. 11.85.

Among textiles, Lakshmis met with profit-taking at higher levels and were hammered down by Rs. 3 to Rs. 170. Cannanores eased by a rupee to Rs. 166. Premiers moved down by 50 nP to Rs. 289. Loyals too lost a like amount to Rs. 43.50. Janardanas shed 10 nP to Rs. 75.25. Bangalore Woollens were quiet at Rs. 202, as also Metturs at Rs. 400, Vasantas at Rs. 250 and Venkateshas at Rs. 197. Anglo-Frenchs were maintained at Rs. 135, following the announcement of a dividend of 15 per cent, taxable, for 1960, which compares favourably with that of 11 per cent distributed in 1959. Buckinghams were marked up by Rs. 3 to Rs. 224. Coimbatore Cottons rose by Re. 1.50 to Rs. 172.50. South Indias gathered a similar amount to Rs. 173.50. Maduras improved by a rupee to Rs. 39.50. Travancore Rayons rose Rs. 40.20 to Rs. 40.75, before finishing at Rs. 40.60.

In the miscellaneous section, Mettur Chemicals lost 14 nP to Rs. 14.46. F.A.C.Ts were lower by 10 nP at Rs. 10.35. Among other chemicals, Travancores were subdued at Rs. 15.87, Mysores at Rs. 24 and Mysore Fertilisers at Rs. 11.35. Among cements, Travancores shed 10 nP to Rs. 8.20, Dalmias and Orissas were dull at Rs. 12.06 and Rs. 14.44, respectively. Indias, however, picked up 20 nP to Rs. 6.50. The rise followed the announcement by the Directors of the Company for a final dividend of 6 per cent, taxable, making a total of 12 per cent for the year ended March 1961, which compares with 11 per cent, taxable, paid in the previous year. Among others, Aluminium Industries shed 30 nP to Rs. 23.60. Ashok Leylands dropped 2 nP to Rs. 9.28. Tube Investments were unaltered at Rs. 265. But Western India Plywoods rose by Re. 1.50 to Rs. 231.50.

Now earn .....

3% p.a.

Increased Interest Rate

Special Savings Deposit Scheme

New attractive facilities

- Every Rupee deposited in this Bank counts in the industrialization of the State.
- All sorts of banking business as well as foreign exchange business transacted.

71 Branches

THE BANK OF MAHARASHTRA LTD.

Regd. Office : 1177, Budhwar Peth, Poona 2.

NEWS IN BRIEF

THE Dowry Prohibition Act, which received the President's assent, will come into effect from 1st July next.

The Australian Government has donated 9,845 tons of wheat to India and Pakistan under the Colombo Plan.

The Kerala Government has passed a Bill seeking to empower the State Government to take over any industrial undertaking on its closure and run it as a measure of unemployment relief.

The Union Government has passed an order of moratorium in respect of the Cuttack Bank Ltd., Cuttack, and the Tezpur Industrial Bank Ltd., Tezpur, for the period 8th June to 7th September 1961.

The issue of bonus to U.P. sugar workers during the season of 1960-61 has been referred to a committee by the Sugar Tripartite Conference which met at Naini Tal on the 13th inst.

An increase of 10 per cent in the existing fare for Viscounts and 5 per cent for Dakotas will be introduced by the Indian Airlines Corporation with effect from October next, when the new winter schedule will come into force.

The National Textile Workers' Union (affiliated to the I.N.T.U.C.) has served notices on 70 textile mills in Coimbatore district for non-payment of 2 nP increase per point in dearness allowance from 1st June 1961 as per the Madras agreement arrived at on 30th June 1960.

The State-owned Hindustan Machine Tools has evolved a rationalised wage structure for its employees. Its main feature is the merging of a substantial portion of the dearness allowance in the basic salary and the enhancement of the minimum wage to Rs. 80.

The revenue realised from items on which duties are levied and collected by the Central Government during April 1961 amounted to Rs. 57.66 crores, as compared with Rs. 50.30 crores in the corresponding month last year. The increase was mostly accounted for by customs and Union excise duties.

The National Metallurgical Laboratory, Jamshedpur, has undertaken investigations for the manufacture of cryolite which is one of the essential minerals required by the steel, ceramic and aluminium industries. Cryolite is not found in India and is imported at present from Denmark and Greenland. The annual imports total about 7,500 tons.

An agreement to introduce the incentive schemes for Calcutta port workers with retrospective effect from 15th June has been reached between the Port Trust authorities and the employees' union. This will result in increased earnings for workers to the tune of Rs. 30 lakhs a year. It will be recalled that the incentive schemes are already in operation in Bombay and Madras ports.

An agreement for the manufacture of high quality tape recorders at the State-owned Bharat Electronics, in collaboration with the Nippon Electronic Company of Japan, has been signed on 20th inst. Under the pact, the Japanese firm will provide technical know-how and other facilities. Three kinds of tape recorders, namely, console, portable and playback will be produced.

India will take part in the *Jashan* Exhibition to be held in the Afghan capital, Kabul, from 23rd August 1961. The Indian trade pavilion at the exhibition will display a wide range of goods which India can supply to the Afghan market, including machinery, engineering and electrical stores, cotton and woollen textiles, silk and rayon goods, handloom textiles, coir manufactures and sports, leather and rubber goods.

The last date for submission of applications for import of garage tools under the U.S. Development Loan Fund Credit has been extended to 10th July 1961. Applications can be sent by established importers of garage tools, State transport authorities and other fleet owners and automobile manufacturers. Licences issued under this loan will be available for import of garage tools of U.S. origin and from U.S. only.

The fourth public sector steel plant to be set up at Bokaro is expected to cost about Rs. 200 crores, of which the foreign exchange component will be Rs. 100 crores. It will have an initial capacity of one million tons. An Indian firm of consulting engineers, Dastur & Co., has been asked to prepare a detailed project report. The foreign exchange requirements will be made available under the Aid-India Consortium programme.

* * * *

From Abroad

The Government of Cuba has nationalised without compensation 97 bus companies, with effect from 17th inst.

The National Economic Council of Pakistan has raised the second Plan outlay from Rs. 1,900 crores to Rs. 2,300 crores.

Burma is planning to double its present population of 20 million in the next 16 years and has made laws to achieve this end, according to Mr. Tmakin Tin, National Planning Minister.

The U.S., West Germany and the Inter-American Development Bank are to lend Bolivia a sum of $11.35 million for the State-owned mining company COMIBOL.

U.K. exports aggregated £312.5 million (including re-exports) and imports £394.6 million in May 1961. The trade gap was higher at £82.1 million as against the figure of £23.9 million.

The U.S. Development Loan Fund has granted a $5-million loan to the Central Savings and Loan Bank of Chile to help the institution to support a nation-wide system of new private savings and loan associations.

The Pakistan Industrial Development Corporation is exploring the feasibility of starting a new venture for the production of insecticides in East Pakistan with Japanese collaboration. The capital outlay is expected to be Rs. 60 lakhs and the plant will have an annual capacity of 3,600 tons of insecticides.

The Congress of International Architects is to take place in London early next month. The architects will discuss about new materials and techniques and their impact on architecture, in general, and the way steel and concrete, aluminium and glass, asbestos and plastics can transform buildings today, in particular. As a result of the meeting, more prefabricated homes are expected to be introduced.

Nigeria proposes entering into bilateral agreements with several countries to establish scheduled international air services. At present, Nigerian Airways operate only between Nigeria and Ghana. Agreements are expected to be concluded with members of the International Civil Aviation Organisation, and subscribers to the Convention organisation in the U.S.

A trade pact has been concluded between the U.S.S.R. and the Republic of Togo, for the first time, at Lome on 12th inst. Under the agreement, the Soviet Union will export different machines and equipment, building materials, cotton fabrics and other textiles as well as other household and cultural goods. Togo will deliver coffee, cocoa beans, cotton, oil-bearing seeds and other traditional exports.

An International Silk Congress opened at London on the 12th inst. Over 200 delegates from 18 countries, including India, attended the Congress. Chief topics discussed were, *inter alia*, the problems of adapting cocoon and raw silk production to the growing world demand for silk, silk prices, revision of raw-silk classification, new packaging for silk, finishing techniques for silk and misuse of the term "silk".

Civil employment in the U.K. increased by 54,000 to a total of 23.76 million during April, according to estimates published by the Ministry of Labour. Two-thirds of the increase was accounted for by the rise in the number of women in employment. A significant aspect of the latest increase is that employment in the manufacturing industries has increased by 22,000—over half of this increase occurring in the metal, engineering and vehicles group of industries.

PERSONAL

MR. K. D. Malaviya, Union Minister for Oil, Mines and Fuel, left on the 18th inst., on a tour to Italy, France and the U.K.

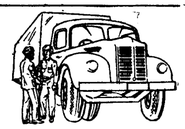
Mr. Subimal Dutt, the new Ambassador to the U.S.S.R., presented, on the 20th inst., his credentials to the President of the Soviet Union.

Mr. M. C. Setalvad, Attorney-General, returned to Bombay on the 18th inst., from Geneva after a six-week tour of Russia and other East European countries.

Major-General Tara Singh Bal, Ambassador of India to Argentina, has been appointed concurrently as Minister of India to Uruguay, with residence in Buenos Aires.

Mr. Pratapsingh S. Vallabhadas, nominee of the Indian National Steamship Owners' Association, and Mr. H. M. Trivedi, General Secretary, Indian National Dock Workers' Federation, have been elected members of the reconstituted National Harbour Board.

My choice of a truck? DODGE of course



Bhaiya, I have been a truck operator long enough to know that there can be no two opinions about the superiority of *Dodge trucks.* For instance take Axles. A Dodge vehicle is fitted with Timken axles now known as Rockwell-Standard which have a world-wide reputation. These axles have great load carrying capacity and are absolutely dependable-which means a great deal to us truck operators.

There are several other superior features besides. Taken together they lead to only one conclusion, namely, that the *Dodge is a great truck.* It is great in hauling power, great in endurance, great in earning capacity. You'll make *Dodge your truck,* too, I am sure.

DODGE

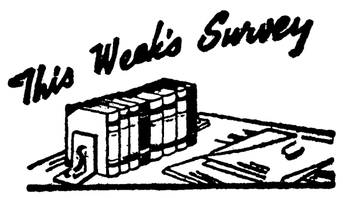
DIESEL TRUCK

Manufactured by

THE PREMIER AUTOMOBILES LIMITED, BOMBAY.

CONTACT YOUR NEAREST DEALERS

VISTA'S PAL-369



CEILINGS AND SUGAR FACTORY FARMS

THE Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961, under which ceilings are to be imposed on land holdings including the cane farms owned and operated by sugar factories, has just received the Union President's assent. This news from Delhi has thus belied the hope entertained in Deccan sugar factory circles that the President might withhold his assent to this legislation on the ground that it did not provide for exemption to the cane farms of sugar factories from the operation of ceilings in terms of the second Plan's land reform policy. It would appear that neither the Government of India nor the President has been persuaded by arguments recently put forward by the Land Reform Panel's Ceiling Sub-Committee itself, let alone the sugar industry in Maharashtra or elsewhere. This is, indeed, unfortunate, all the more so because the issue is thereby taken to a still higher level of controversy.

The President's action is most surprising, not to say painful. It is tantamount to discrimination against joint-stock sugar companies in Maharashtra *vis-a-vis* their confreres in other States of the Indian Union where sugarcane plantations owned and cultivated by such companies are exempted from the ceiling on land. Such discrimination, as readers are aware, is not permissible under the Indian Constitution. The Andhra land ceiling legislation, for instance, specifically exempts sugarcane plantations. There is also a similar provision in the Mysore Land Ceiling Bill already adopted by the State Legislature and awaiting the President's assent.

It may also be recalled here that the President sent back to the Kerala State Legislature the Land Ceilings Bill sponsored by the then Communist Ministry on the ground that it had not provided for exemption to plantations. A similar reasoning could well have been applied to the Maharashtra Land Ceilings Bill. It passes our comprehension as to how the President chose to follow a different course in the case of Maharashtra. Does it not mean that a measure considered unjust when promoted by Communists becomes just when it is put forward by the Congress Party?

CLOSURE OF COLLIERIES

Several industrial establishments in the country have already curtailed their production programmes because of inadequate supplies of coal. This is not all, for the coal situation is now forging a new link in its vicious circle, with the accumulation of large stocks at the pitheads. This has forced a number of collieries to close down, throwing out of employment a large number of workers. The paradox of relative scarcity of coal in the midst of its apparent abundance must be wholly attributed to the transport bottleneck. The blame for this must rest on the Railway Board which has failed to allot the required minimum number of wagons.

Already, about two dozen collieries in the Jharia and Raniganj areas have stopped working and several others are expected to follow suit. Coal stocks at pitheads are expanding at the rate of half-a-million tons a month, resulting in the virtual freezing of a large amount of capital. A delegation of the coal industry is meeting this week the representatives of the Government of India at New Delhi to apprise them of the present critical situation of the industry and to suggest suitable remedial measures. According to the estimate of the Indian Mining Association and the Indian Mining Federation, the stocks at the pitheads now are of the order of 6 million tons which have blocked nearly Rs. 10 crores of the industry's working capital.

Industries in general and the coal industry in particular look forward to some concrete result from the delegation's representations to the Government of India. Otherwise, at the present rate of wagon movement, the pithead stocks of about 6 million tons cannot be cleared in the foreseeable future. In the month of May, for instance, the average daily availability of wagons was lower at 4,625, which compared unfavourably with 4,804 in April, and the minimum allotment fixed by the Government at 5,030. The number of wagons actually required is at least 6,000 per day. The frequent changes in the system of wagon allotment has only aggravated the situation. The new system, introduced in November last, was once again modified in the beginning of this month. These periodical revisions in allotment procedures, which were introduced without taking the industry into full confidence, have created more difficulties in wagon movement instead of easing the position. It is, however, gratifying to hear from Mr. Kripal Singh, Member, Railway Board, that the authorities were already considering this issue in order to modify the present system consistent with the industry's demand. This move is quite welcome. The effective solution to coal movement cannot, however, be found unless the Government presses into service a larger number of wagons to meet the emergency created by the accumulation of stocks. Otherwise, there will be a downtrend in coal output, causing an overall physical shortage which will do nobody any good. Such a setback will be all the more unfortunate at the very commencement of the third Plan.

FINANCE FOR SMALL INDUSTRIES

The Reserve Bank's latest report on the *Trend and Progress of Banking* has referred to the 'insignificant' financial assistance provided by commercial banks to small-scale industrial units. As on 28th October 1960, the scheduled banks' advances to small-scale units (with assets below Rs. 5 lakhs) amounted to Rs. 35.02 crores or barely 6 per cent of their total advances to industries. The non-scheduled banks provided no more than Rs. 1.73 crores. Of the total credit extended by scheduled banks to small-scale industries, the largest share went to light engineering goods industry, which accounted for Rs. 7.32 crores or about a fifth of the total. Other important recipients were textiles, cotton, woollen, silk and rayon, and vegetable oil crushing and refining industries. According to the latest progress report, issued this week, of the State Bank of India, its scheme of credit facilities to small-scale industries in the country has been responsible for loans aggregating Rs. 8.8 crores to 2,633 units upto the end of March this year. Under the State Bank's scheme, small-scale industrial units enjoying limits up to Rs. 50,000 constituted 84 per cent of the total number of units so assisted.

The Government of India has, of course, been striving to enlarge the supply of institutional credit to small-scale industrial units by granting a degree of protection to the lending institutions against possible losses on such advances. It may be recalled that, for this purpose, the Government, in consultation with the Reserve Bank, formulated a guarantee scheme for bank advances to small-scale industries and brought it into operation last year. Under this scheme, which is meant to encourage commercial banks to lend more freely to small-scale units, losses, if any, arising out of advances granted to small-scale industries, are shared in a predetermined ratio by the Reserve Bank and the lending institution. The administration of the scheme, which came into force on 1st July 1960, has been entrusted to the Reserve Bank and the Bank acts as an agent of the Government of India and, for this purpose, is designated as "Guarantee Organisation." The losses are shared subject to the condition that the maximum amount recoverable against the guarantee in respect of any one advance will not exceed Rs. 1 lakh.

The scheme has been initially introduced in 22 approved districts which were selected on the basis of the relative importance of outstanding advances to small-scale industries and the potentiality for further expansion of such loans in these areas. The geographical coverage of the scheme obviously needs to be extended. But the fact that so far the State Bank of India and its subsidiaries, 49 other scheduled banks, all the State co-operative banks, the State Financial Corporations and the Madras Industrial Investment Corporation Ltd. have been specified as eligible institutions for the grant of facilities under the scheme would show that quite a large sector of the banking structure has been brought within the purview of the guarantee scheme. Even non-specified institutions will be in a position to avail themselves of the facilities, provided a specified credit institution participates in such advances for not less than 25 per cent of the amounts thereof. The extent of assistance provided under the scheme is not substantial, for the Reserve Bank has issued upto March 1961, guarantee certificates in respect of applications covering Rs. 172 lakhs only. Obviously, financing under the scheme, which is less than a year old, has yet to gain momentum.

A DECADE OF COLOMBO PLAN

The last one decade has been of momentous significance in the economic history of the Asian continent. For it was in this period that Asia began its valiant bid to fight the morass of poverty and pestilence in a concerted and organised manner and on a scale never before seen in the recorded history of this region. Today, all countries of the region have long-term development programmes of one kind or another. Ten years ago, the idea seemed novel, unorthodox and beyond the comprehension of the general public in several countries. These countries have now launched development programmes for the exploitation of their rich potential resources which have been lying dormant for centuries. They are virtually on the threshold of an industrial revolution. The Colombo Plan, the decennary of which will be celebrated on 1st July 1961, in all the 21 member-countries, including India, stands out as no mean contributory factor in expediting this economic transformation. The balance-sheet of the Colombo Plan for the last ten years may not show results as spectacular or as impressive as those of the Marshall Plan in the post-war decade in Western Europe. It must, however, be admitted that, but for the economic stimuli which the Colombo Plan sought to provide in this region, at least some of the countries would have probably continued to be left out from the main stream of industrialisation.

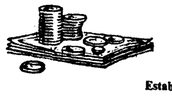
It was at the Commonwealth Prime Ministers' Conference held at Colombo in January 1950 that the suggestion for the creation of Colombo Plan was made for the first time. Subsequently, the Foreign Ministers gathered at Sydney called on the Asian countries to prepare six-year development programmes, beginning from July 1951, to provide a framework within which capital and technical assistance could be facilitated. This heralded the eventual evolution of the Colombo Plan for co-operative economic development in South and South-East Asia. Although the primary responsibility for development under the Colombo Plan has rested with the local peoples themselves, the assistance has come largely from member-countries situated outside South and South-East Asia—the U.K., the U.S., Australia, Canada, Japan and New Zealand. Since the inception of the Plan, it is estimated that all the countries in the region have spent about £9,500 million for development. Of this, the capital assistance given by the donor countries aggregated £2,250 million, or about 25 per cent of the total investment.

Banking Increases National Wealth

P. N. B. Serves the Nation's Industry, Agriculture and Commerce.

BANKING SERVICE OF EVERY DESCRIPTION OFFERED.

THE PUNJAB NATIONAL BANK LTD.



Established 1895

Head Office : New Delhi.

No less significant has been the technical assistance, without which development programmes would not have easily got under way. Since 1950, over 25,000 Asians have been trained and the services of nearly 12,000 experts have been provided to countries of the region, jointly by the members of the Colombo Plan and the agencies of the United Nations. The total expenditure borne by countries providing training or supplying experts under the Colombo Plan amounted to £46.4 million upto the end of June 1960. Apart from the developed countries, the members of the region also provided training facilities to foreigners. India, for instance, trained 1,279 persons from neighbouring countries. Of the eleven countries which provided training facilities to the Colombo Plan partners in 1959-60, India ranks fifth, after the U.S., the U.K., Australia and Canada. Of course, the contribution of the Colombo Plan defies precise calculation, since its intangible benefits to this region in terms of stimulating the economic growth have had a catalytic significance. Surely the statistics do not tell the whole story.

RAYON INDUSTRY

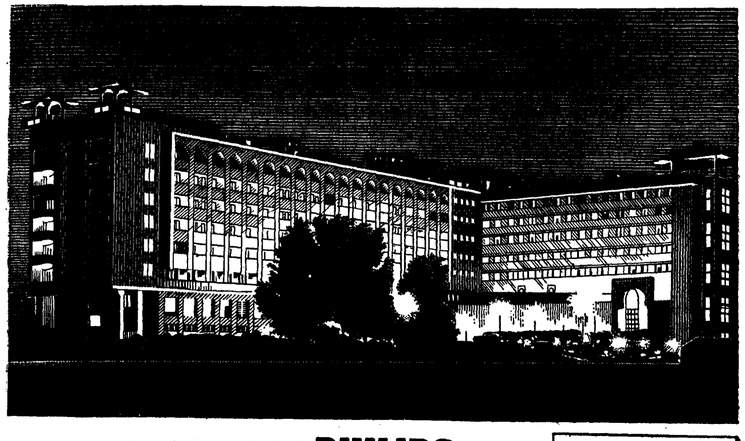
The progress of the rayon industry since its establishment in India about a decade ago has been remarkably impressive, notwithstanding the competition from substitutable fibres and also the increasing burden of Government levies. Although in the initial stages the industry was the preserve of a few pioneers such as the Travancore Rayons, National Rayons and Gwalior Rayons, a number of new units have come into this field of late. Consequently, the output of rayon yarn spun, which stood at about 15 million lbs. in 1955 and only 5 million lbs. in 1951, rose to nearly 46 million lbs. in 1960. Practically the whole of the increase is accounted for by viscose yarn, which touched a peak of 41 million lbs. in 1960, as compared with 13 million lbs. in 1955 and 5 million lbs. in 1951. The increase in the output of acetate yarn so far has, however, been relatively moderate. Thanks to the increase in rayon yarn production, the output of rayon fabrics in the country also rose from 176 million yards in 1951 to 243 million yards in 1955 and further to 414 million yards in 1960. Several schemes for the development and expansion of the rayon industry are under way. It is expected that the rayon and staple fibre industries will have an installed capacity of 140 million lbs. by 1962-63. The installed capacity is proposed to be stepped up to 215 million lbs. by the end of the third Plan. Also, considerable attention is to be devoted to the phasing of investments in the industry, preference being given to the expansion of wood-pulp manufacture over additional expansion in the output of synthetic filament.

The emphasis on the development of domestic sources of pulp has been laid not a day too soon. The industry has now reached a stage at which further dependence on import of this essential raw material will only hamper its progress, particularly in view of the present restrictive import policy. It is, therefore, gratifying to learn that the National Rayon Corporation is finalising the arrangements for putting up a rayon grade pulp plant, with a daily capacity of 100 tons at Nanjangud, Mysore. Mr. Kasturbhai Lalbhai, Chairman of the N.R.C., disclosed at the annual meeting of the Company in Bombay last week that efforts were being made to explore possibilities of raising a dollar loan to cover the foreign exchange needs of the plant on deferred payment terms and to obtain technical know-how from the U.S. Mr. R. J. Chinai, a Director of the Company, had already gone to the U.S. for expediting the matter. The proposed plant will utilise bamboo and other soft-woods in the adjoining forests in Nanjangud. In the meantime, Travancore Rayons, too, is going ahead with another scheme to manufacture rayon grade pulp out of cotton linters and blowroom cotton waste. Its plant, which will produce about 10 tons of linter pulp per day, is scheduled to go into production during the latter part of 1962. Gwalior Rayons are also in the field with a larger scheme for producing pulp from bamboo (150 tons a day) in Kerala State. When all these schemes are executed, the rayon industry is bound to become self-reliant, thereby stepping up its output uninterruptedly, improving the quality and also reducing the cost of production.

FERROUS SCRAP PROBLEMS

In a communication just addressed to the Union Ministry of Steel, Mines and Fuel (Department of Iron and Steel), the Indian Merchants' Chamber has welcomed the recent appointment of a committee to consider the various problems connected with iron and steel scrap in the country. The constitution of this Committee, in the opinion of the Chamber, is a step in the right direction. The need has been keenly felt for some time past for a thorough inquiry into the various aspects of the scrap trade and industry and the Chamber itself has all along pleaded for the appointment of a committee with representatives thereon of both trade and industry. But the composition of the Scrap Committee shows that it consists only of officials and there are in it no representatives of trade and industry. The Chamber's plea that some representatives of the scrap trade and industry should be included in the Committee seems to be reasonable in view of certain complications in the barter scrap export policy and of current proposals to encourage greater utilisation of scrap within the country itself. There is, for instance, the issue whether newcomers to the scrap export trade should receive encouragement or not. As things stand, only a meagre quantity of 10,000 tons has been set apart for absolute newcomers under the 1961-62 scrap barters. There is also the issue whether in the case of established exporters the distribution of allotments under the barter export scheme should not be based in the first instance on the actual export performance of the past year. In view of these complex issues, the Government would do well to appoint representatives of the scrap trade and industry on the Scrap Committee. It would not be difficult to do so, for the resolution constituting the Committee has itself provided for the appointment of additional members on the Committee.

The Ashoka Hotel AT NEW DELHI



LIGHTING BY PHILIPS

Occupying an area of 20 acres, the Ashoka Hotel—the largest project of its kind in India—stands out as another shining example of Philips specialised lighting.

The lighting is so essentially a part of the whole conception that it presents an architectural masterpiece which belies the fact that it is achieved by artificial means.

Philips exclusive lighting consisting of lamps, fittings and accessories ensures ultimate economy through maximum illumination level at lowest running cost and gives longer, trouble-free performance. Philips' scientifically designed equipment is the result of experience, research and development to meet the ever-growing demands of better lighting. And hand-in-hand with Philips' unrivalled quality goes the invisible *plus* of Philips' international experience and know-how.

FREE: *For planned lighting, designed economically to suit your specific need —whether it is industrial, commercial or any other specialised application— consult Philips Lighting Service Bureau.*

PHILIPS quality lighting for ultimate economy

TP 4439

PHILIPS INDIA LIMITED

ON THE ARENA

By The Archer

A Versatile Minister

NOT to get deflated by failure in persuasion requires lots of guts, and the indefatigable Mr. S. K. Patil has plenty of them. He is reported to have gone to the U.S.A. to sell five lakh tons of sugar but could not get an agreement in Washington. He does not seem to be downhearted nor reticent in his public utterances. He has had talks with Messrs. Dean Rusk, Luther Hodges and Orville Freeman, and "been encouraged by them for the future." He praised the U.S. for the help given to India for the third Plan, and believes that the officials there who heard him speak of the Indian agricultural situation were particularly interested. (Why not? I am sure all of them were seasoned public officials steeped in the polite traditions of conventional conversation.) He gave assurances of a Congress victory in India in the 1962 elections and was certain that not a single seat in Parliament would be given up by Congress to the Communists. (That is the kind of pep talk that cheers people in the U.S.) He thought that Mr. Dean Rusk was keener than himself that Mr. Nehru should meet Mr. Kennedy. On his own initiative and without any instructions from the Indian Government, he had told Mr. Rusk that, if these two great men met, it would be good for everybody. (A hypothetical statement of this type need not have the approval of the Indian Government; it is almost too benedictory to provoke comment.)

Who said that Mr. Patil went to the U.S. to talk only about sugar? It looks as though he was sugary about everything of mutual interest to India and the U.S.

* * * *

Selection Committees For Admission To Professional Colleges

June and July each year are the months when thousands of brilliant teen-agers are disillusioned and driven to frustration by being denied the facility of pursuing their education for fruitful careers for which they are eligible by aptitude, performance and inclination. The beginnings of a sour and anti-social outlook on life are generated in them when they find that, in spite of academic excellence, they are subjected to a fresh evaluation by a selection committee on the basis of, as appears to their young minds, thoroughly irrelevant considerations which are included under the grandiose name of "personality test." The result has been that the young aspirants and their parents spend days and weeks in discovering diverse ways of exerting backdoor pressure on the selectors, and whether they succeed or not, the human effort in terms of calorific content is colossal. All this is due to the fact that (*a*) while aspirants number thousands, the available seats are only a few hundreds, and (*b*) it was found necessary to reserve seats on grounds of backwardness, both communal and regional. It would have saved enormous time, effort, frayed nerves and recriminations if a percentage of the available seats had been reserved for distribution to backward groups, and the rest had been given away on the basis of marks. But, in the attempt to have wider scope for patronage and preferment, the shibboleth of emphasis of extra-curricular activity such as excellence in sports, N.C.C. activity, etc. has gained importance and the selection committees have been allowed to give free play to their subjective prejudices, allergies and antipathies. Brilliant academic performance can be completely neutralised by poor marking in personality tests.

From the figures disclosed by the Madras Minister of Education last year, 62 per cent of candidates admitted to the Engineering Colleges in the State had not secured marks of distinction (75 per cent and more) in the relevant subjects, while 124 candidates who had obtained distinction had been rejected. It has to be so, for, if many mediocre boys have to be provided for, many brilliant ones have to be pushed out. The selection committee might assert that academic brilliance is not all that is needed, but the answer to this is that the marks obtained in examinations are in recognised test conducted on an organised scale, where subjective impressions are not brought into play, and indicate the quality of the candidate's application, hard work, understanding and analysis. On the other hand, in an interview of ten minutes, a brilliant youngster may appear repellent to a member of the selection committee, because he has a close crop or a thick lip or is short and stumpy or has not played hockey or football or cricket; the latter failings may be due to extreme poverty. Yet, he might make an excellent engineer or a first class medical man. He might, and, indeed, in most cases bright youngsters do, develop a distinctively agreeable personality after going through the professional course by the very humility of approach which is imposed on him by the deficiencies in his make-up. There are far fewer cases of a mistake being made on the basis of subjective assessments in "personality tests," and it is wicked and sinful to deny opportunities to bright and hopeful teen-agers by not recognising their academic merit.

The Andhra Government is reported to have given an admirable lead to other States by abolishing the system of selection committees for admission to the various professional colleges. The Government of India has scaled down the exaggerated importance attached by the U.P.S.C. to interviews of candidates to the administrative services and reduced the total of marks allotted for the personality test, as well as abolished the special minimum. The Madras Government appears to be continuing its preference to selection by committees, and will, perhaps, wake up to a realisation of its baneful effects after maximum harm has been done. It seems to have far greater faith in its selection committee members than in its teachers, lecturers, professors and examiners. Indeed, it even kept out the Deans of Medical Colleges from the selection committees formed last year for dealing with admissions to those colleges.

* * * *

Disturbance To Tranquillity—The Transistor Menace

The Transistor Radio is a lovable little piece and easily portable; it does not pin the listener to a particular spot in his residence and can be switched on in a corner of the garden, in the open terrace, on the dining table or even in the kitchen. But its very versatility has made it a menace to tranquillity, an evil in the hands of inconsiderate users. A few days ago, I had to suffer patiently, for over an hour at the passenger lounge of an airport, the broadcast of raucous film songs played through a transistor radio by the young lady who owned it. She was apparently escaping from boredom in this manner, completely impervious to her surroundings, as though she was in Robinson Crusoe's island. No airport official took notice of this insufferable nuisance, probably due to preoccupation with other matters, or the lady was a person of some importance in the locality. However, it served as an unction to my tormented sensitivity when the lady was told by the air hostess just before emplaning that it was against aircraft rules to keep the transistor alive inside the plane, and the set went inside its case. While on a visit to Ootacamund last month I found a number of these sets being switched on during evenings at the gardens adjoining Raj Bhavan much to the disturbance of the peacefulness of the locality. I was also eye-witness to a very regrettable incident involving an old gentleman who was enjoying a quiet walk on a lonely road late one evening. A vulgar-looking youngster with a transistor radio whose tone control had been set at its highest, suddenly switched it on behind the old man and the loud shouts that came through being part of a radio play, the victim was nearly thrown off his feet in panic, and had to be held by a passer-by to prevent his collapsing.

A transistor radio set is covered by the same kind of wireless receiving licence as is applicable to an electric mains set. I see from the one in my possession that "the premises" where it is permissible to install it is precisely named. Further, the first condition on the reverse of the licence is that "the licence permits the use of the wireless receiving apparatus for private and domestic purposes only and not at any public place." It is obvious, therefore, that persons carrying their transistor sets to places of public resort and switching them on anywhere they please are guilty of breach of the terms of the licence and are liable to be prosecuted. I believe that during the last cricket test matches quite a few among young enthusiasts opened ou their transistor sets inside the pavilions an listened to the commentator as an aid to thei own following of the game in progress. All thi should be stopped, for there is no doubt that th very portability and versatility which is th great virtue of the transistor radio will result i its becoming a veritable menace to peacefu existence in places of public resort, relaxatio and recreation. As a first step, I suggest tha the Postal administration should issue a *com munique* drawing the attention of all owner of radio sets to the precise terms of the licence covering them, and warn them that th transgression of the conditions will result i prosecutions being launched. Thereafter, ther should be a ruthless drive against offenders an the maximum fines imposed. For noise in th modern world is a slow killer, and sudden nois is a quick and sure killer. The transistor radi can be a deadly instrument of destruction, if i is not kept under control.

* * * *

What Is Wrong With Underwriting?

Brief reports in some papers indicate tha Government does not view with favour th practice of institutions like the L.I.C. under writing blocks of shares in new issues. It i surmised that the objection stems from the be lief that these shares are held in the portfolio of the institutions at a discount, after deducting the underwriting commission from the purchas price. So what? How is it wrong for an insti tution to show the value of securities at the actual price paid, even granting that the price has been slightly depressed by taking into account the small amount of underwriting com mission earned?

The main business of the L.I.C. is to in sure lives, and it takes calculated risks of many types in carrying out this business. Is it not competent to take one such calculated risk (comparatively minor in degree) in regard to the investment of its funds after proper scientific assessment of the probabilities and possible trends, by underwriting the shares of a new flotation? Indeed, there can be no alarming imponderables in taking up this responsibility of underwriting, especially in a planned economy such as ours, where considerable examination has already been made by various Government departments for assurance of economic viability and avoidance of dissipation of scarce resources. If, as the Controller of Insurance is reported to have stated underwriting by the L.I.C. is not permissible under the Insurance Act (with which opinion the solicitors of the Corporation have not agreed) the remedy is to change the Act and not to estop the L.I.C. What seems to be going on is the usual L.D.C. technique of finding a difficulty for every possible or desirable solution.

If the L.I.C. takes pains and care, as it avers it does, to examine every new project, and is prepared to hold most of what it underwrites (if it is left holding the baby)—which might happen only in cases of extreme miscalculation—underwriting would appear to be a wise way of going about the business; the commission which it earns is almost money for jam. From the point of view of entrepreneurs who require some assurance of success in flotations, and of investors who attach some importance to the existence of reliable underwriters, also as an indication that the flotation will not be a flop, the L.I.C. and other financial institutions should continue the good work of providing underwriting cover. Let us hope that some theoretical objection will not be brought up against the practice; and, if it is necessary to satisfy accounting proprieties (or income-tax law) by showing the underwriting commission separately as an income, instead of as a deduction from purchase price, the question may be dealt with as a separate issue and a satisfactory solution found.

The International Monetary Fund has entered into a stand-by arrangement that authorises the Government of Ecuador to draw up to $10 million in currencies held by the Fund during the next twelve months. The Ecuadoran Government which has experienced a decline in its foreign reserves during recent months, has adopted a comprehensive programme to improve its international payments position. Governmental activities are to be financed by non-inflationary means, and the volume of bank credit is to be confined to a level compatible with internal and external stability. The role of the free market in Ecuador's exchange system has been reduced with the substitution of official rates of exchange for all trade transactions which formerly took place in that market. The Government plans an early elimination of the bilateral payments arrangements.

Why they chose BOAC Jets

Comet's intimate atmosphere

Seven-oh-Seven's spaciousness

Stopovers on every continent

Looked after like a lady

RIDE IN ROLLS ROYCE COMFORT EAST OR WEST AROUND THE WORLD IN BOAC COMET AND 707 JETLINERS

Take advantage of BOAC's Ticket Instalment Plan. FLY NOW—PAY LATER!

Your local BOAC Appointed Travel Agent and BOAC offices everywhere are at your service.

ALL OVER THE WORLD

B·O·A·C

TAKES GOOD CARE OF YOU

BRITISH OVERSEAS AIRWAYS CORPORATION IN ASSOCIATION WITH AIR-INDIA AND QANTAS

REGIONAL DISPARITIES IN ECONOMIC DEVELOPMENT

MEASURES FOR REDUCING THEM

From Our Special Correspondent

NEW DELHI, *20th June*

DELHI LETTER

REDUCTION in regional disparities and special attention to the backward areas of the country are two aspects of the problem of balanced development of different parts of the country which has been emphasised in successive Five-year Plans. The Draft Outline enumerated the principal measures adopted for giving effect to the main objective; presumably these have been kept in view in the final version of the Plan, though it is not easy to determine whether the various considerations would easily fit into the framework of general priorities. Generally, there has been a tendency to identify regional balance with an equitable dispersal of the big industrial projects, preferably of steel manufacture: and criticisms of the Centre and the Planning Commission have been based on the apparent concentration of some of the heavy industrial projects in certain areas. The Centre in reply has scored the debating point that a State itself is not necessarily a region and that State Governments should be in a position to prepare plans in such a way as to provide for the improvement in living standards of the backward and less developed areas and peoples through community development, irrigation, power, small industries and social services.

Tests

Not much progress has been made in evolving satisfactory tests of balanced growth or even in discovering the proper indicators of disparities which can be remedied. These disparities are an aspect of the wider problem of inequality which is being studied by the Mahalanobis Committee and perhaps it will be able to find acceptable standards of comparison between States and regions in respect of their rates of growth. There is always a danger that differences in social patterns, which accelerate or retard economic growth, will be ignored in an attempt to make out that the relative backwardness of an area is attributable solely to inadequate investment; even if this were true, it would not follow that investment could or should be diverted from an area where it matures quickly to another where the effects would be slow.

"Balanced economic development," stated the Draft Outline, "implies that the pattern of investment is so devised that the potential of each region for development is fully utilised and that disparities in levels of living, particularly in respect of services like education, water-supply and roads are progressively reduced. In an underdeveloped economy, advance towards this objective may be somewhat slow in the early stages of development, because of the urgent need to secure the maximum increase possible in national income in relation to the resources available. However, as resources increase and development programmes are enlarged and diversified, stimuli to growth will begin to operate over a wider area and levels of living will improve in all regions. In this phase of rapid growth of the economy, the question of balanced development has to be viewed from the angle of the relative rate of advance realised in different parts of the country. It must be realised, however, that such a policy can yield results only over a fairly long period."

This represents current thinking on the subject. Preliminary studies on the basis of States' outlay on plans have indicated wide disparities in investment *per capita* and per square mile; Central assistance as a percentage of State outlay seemed to favour certain States (besides Jammu and Kashmir) like Madhya Pradesh, Punjab, Orissa and Assam. (See Table below.) This is not, however, the whole story, since the Centre's own outlay is also spent in one State or another and cannot be excluded in any consideration of the total investment affecting regional balance in growth; nor can investment in the private sector and its geographical distribution be ignored, as is generally done in a purely political approach to the problem by pressure groups seeking to influence the Centre.

Effect on Costs

A new factor in the situation so far as new industries are concerned is the possible effect of a wide dispersal in their location on the cost structure and hence on future exports of manufactures. Two factors which have favoured a wide dispersal are (1) the disapproval of industrial empires and concentration of wealth and means of production in big business houses as part of Socialist policy; and (ii) the desire to avoid excessive urbanisation and overcrowding which give rise to social tensions. On the other hand, the need to economise capital on new investment, especially on the foreign exchange portion of it, has increasingly compelled a preference for expansion of existing units before new units are set up and for fuller utilisation of existing industrial capacity before expansions are sanctioned. Thus there will be a very limited field for manœuvre in the third Plan in the matter of industrial location; industries using large quantities of coal may continue to be located in the coal belt, because of the transport shortage, owing to the limited allocation for railways in the third Plan.

There is better realisation now that electric power should be developed in areas lacking coal before industry can be attracted on a large-scale. Even hydel sources are not always readily available, as in Madras. An additional allocation of Rs. 25 crores for new railway lines in the South is a belated recognition of existing deficiencies in the transport system in that region; judged by the delays in electrification schemes in the past, it may be doubted whether anything will be heard again about these new lines until the approach of the general election of 1967.

Role of States

State Governments usually throw the entire blame for regional disparities on the Centre and do not realise the extent to which their own sins of omission and commission have contributed to lower rates of growth. It is possible to overcome the deficiencies of railway transport by permitting unfettered development of road transport for which the initiative rests entirely with States. Even in the case of power, the Government of the Punjab has realised and Madras seems to be waking up to the fact that factory owners may be encouraged and assisted to have their own schemes for power generation to supplement those of the public sector. Finally, the spectacular growth of small industries in the Punjab and Madras has opened the eyes of other State Governments to the employment possibilities if technical training institutes and industrial estates can be set up instead of grandiose projects which take long to build and several years to commence production.

For these reasons, the outlook for a balanced development may be considered encouraging in spite of the emphasis on expansion of existing units, large-scale and multishift production and location on the basis of minimum demands on transport. It is now accepted as the Central Government's policy that where the advantages of two sites are nearly equal, the choice for locating an industry will be in favour of the more backward area. Mr. Gulzarilal Nanda, Minister for Planning, claimed some time ago that the allocations to States of their total outlay under the third Plan (and of Central assistance) had in fact taken into account various criteria of disparities in income, agricultural production and industry, employment, availability of facilities like roads, schools and hospitals. The States had been weighted and ranked according to these aspects of development and special factors like the percentage of scheduled castes and tribes had also been taken into consideration.

Although there have been suggestions for earmarking special funds for backward areas—on the example of the provision for the Southern regions of Italy—a practical difficulty arises as to who should administer them, the Centre or the States. Even if the latter are entrusted with the responsibility, they have been reluctant to accept the condition that, once earmarked, the funds should not be diverted for other purposes.

Private Sector Projects

Diversion is also being prevented in the private sector of licensed project from one State to another. A committee set up by the Union Ministry of Industry and Commerce has recommended against change of location after a licence is granted. It is now reported that the reallocation of spindle capacity which has remained unutilised, will be within the State to which it was originally sanctioned, unless the State Government permits the contrary. This may not always be conducive to speedy development but the rule recognises the validity of State boundaries (more than either national or regional considerations) when licences are issued on the basis of correcting regional disparities or of industrialising a backward region. Where a change of location is permitted in such cases, the Committee recommends that the State Government or any other party whose application is refused may revive an application.

These are the safeguards provided in the interests of maintaining the industrial balance in the Plan, but, as events have proved, the more crucial factors in developing backward areas may be power, transport and small industry, besides agricultural development.

A point considered in this context of regional balance is the possibility of transfers of population to sparsely populated areas. Mr. Nanda, however, recently said that "the worst enemy of movement was the politician"; if the problems of language that arise as a result of such movement are dealt with in Assamese fashion, tensions may increase. Even now the big public sector industrial projects are attracting a composite population and local politicians have been busy setting mischief afoot. But that is not a ground for stopping the process of bringing together various linguistic groups and paving the way for unity.

There is a conflict between the short- and the long-term considerations in tackling this problem of balanced development and, as in other matters, immediate advantages are likely to prove decisive.

State Plan Allocations and Central Assistance

	Per capita investment (Rs.)		Investment per sq. mile (Rs.)		Percentage of Central aid to State outlay	
	Second Plan	Third Plan	Second Plan	Third Plan	Second Plan	Third Plan
Andhra Pradesh	53	78	16,954	27,333	52	69
Assam	53	109	6,125	14,134	60	72
Bihar	40	75	24,582	50,148	50	65
Gujarat*	66	116	18,353	31,900	34	47
Jammu and Kashmir	52	141	2,905	8,715	80	83
Kerala	51	99	51,328	113,322	45	66
Madhya Pradesh	57	100	9,211	17,523	62	69
Madras	56	81	36,327	58,283	50	66
Mysore	57	104	16,593	33,725	55	56
Maharashtra*	66	91	18,353	30,278	34	40
Orissa	55	97	14,119	26,576	78	82
Punjab	84	116	31,845	48,829	61	54
Rajasthan	60	120	7,912	17,851	52	66
U.P.	35	63	20,660	41,324	54	71
West Bengal	57	84	46,650	73,725	47	64
Union Territories	162	282	31,941	62,491	..	..
Total	54	91	16,917	31,272	51	63

* *Note :—Per capita* figures are based on earlier figures of population. (For Gujarat and Maharashtra, second Plan figures relate to composite State.)

Japan's overseas investments as at the end of 1960 amounted to $790 million, according to the Finance Ministry's announcement. Of this $202 million was by way of investment in International financing organs, $248 million represented direct investments and $340 million deferred payment credits.

AMERICAN LETTER

HEAVY DEFICIT FINANCING EXPECTED

TEN PER CENT OF POPULATION LIVES IN DEPRESSED AREAS

From Our Special Correspondent

NEW YORK, *17th June*

THE economic news is better. Business activity has been moving up on a broader front than expected. But there is gloominess in informed quarters about two major factors.

While President Kennedy's talks with President Charles de Gaulle of France, Chairman Khrushchev of the Soviet Union and Prime Minister Macmillan of Great Britain has had no noticeable effect on business developments, there is a feeling that the West is on the defensive. That is one source of misgiving.

The second is President Kennedy's spending programme. His blueprints call for expenditures of $18,000 million more than under the previous Administration and Budget officials now predict a Federal deficit of $5,600 million. In other words, the Eisenhower Budget submitted to Congress in January envisaging a Budget surplus has been offset completely and overturned.

Inflation Ahead?

This, of course, means deficit financing. Even though there are now official promises that this will be done without increasing the money supply to a dangerous extent, anyone in his or her right mind must conclude that inflation—unpredictable in magnitude at this time—is unavoidable.

Also, the President's tax revision proposals have come under severe criticism. Opposition stems from thoughts that, under the guise of plugging loopholes, some of Mr. Kennedy's suggestions will not create incentives for expansion; on the contrary, they would tend to stifle them. This is held to be true particularly by the request that income from U.S. subsidiaries abroad, whether or not remitted and distributed, be taxed.

The deterioration in international balance of payments position has been stemmed somewhat. It was achieved by close co-operation among the major central banks. West Germany reduced its interest rates and Holland reopened its capital markets to limited foreign issues.

Since the revaluation of some European currencies, sterling has been under heavy pressure and Britain is seeking more flexible fiscal policies. Foreign investment in U.S. corporate securities has been increasing. It reflects renewed confidence in the dollar following the President's statement that there would be no increase in the price of gold. The U.S. monetary position was also helped by prepayments of foreign central banks on post-war debts to the United States.

Gold Stocks Steady

Thus, U.S. gold stocks have remained relatively unchanged in the last four months. They now stand at about $17,400 million, off nearly $2,000 million from a year ago.

Professional forecasters of the Treasury and the Federal Reserve Board say now that the total national output of goods and services would reach an annual rate of more than $530,000 million in the first quarter. Individual estimates ranged from $525,000 to $540,000 million. This estimate compares with a first quarter annual rate of just under $500.000 million and the corresponding rate for the current quarter is expected to be $510,000 million.

Hopes for substantially higher outlays for business modernisation and expansion did not materialise. Capital spending for the year, as a whole, is now estimated at $34,600 million, off $110 million from earlier expectations three months ago. This would be about 3 per cent lower than the 1960 figure of nearly $35,700 million. Personal income is now about $410,300 million, as against an annual rate of $401.900 million 12 months previously.

The increases in the gross national product, in incomes and so on, were buttressed by a boost in Government spending. In accordance with the President's proposals in his special message to Congress, Washington expenditures are expected to rise soon to even higher levels than foreseen previously. The chain reaction should include stimulation of consumer buying, owing to rising personal incomes.

Heretofore, and with a few local exceptions, there are no indications of a strong upsurge in consumer demand. This is borne out by both the Federal Reserve survey of consumer buying intentions and by a National Industrial Conference Board poll.

Building and construction activity was higher in the first five months than in 1960. In analysing these figures, it turns out, however, that public building rose 12 per cent, while private outlays declined 3 per cent. It was the Governments on the various levels which provided the stimulus, not private enterprise.

Seven Per Cent Jobless

By the same token, the only area of non-farm employment which has shown steady gains in the last six months was the State and Local Government sector. Unemployment continues to be of concern. Despite improvement, the jobless figure has stayed consistently at about 7 per cent of the labour force with no change in sight.

The Committee for Economic Development, in an independent study, says that 17 million Americans, or nearly 10 per cent of the population, now live in areas of chronic unemployment. Retraining and relocation measures are now under consideration at Washington which would be designed to aid workers laid off when industries left their communities, or when workers were replaced by automation, spurred by excessive demands by organised labour. It means greater Government spending and a further step toward socialisation.

United Nations News

Word from Washington that International Bank for Reconstruction and Development, through a consortium of Governments and institutions, have agreed to undertake commitments of aid to India was well received at the U.N. The World Bank, which is an affiliate of the U.N., reported the consortium was encouraged by the economic progress made by India and aid of more than $2,000 million was subscribed for the third Five-year Plan.

The four largest contributors were the U.S., the World Bank and the International Development Association, West Germany and the U.K. in that order. In addition, the U.S. has agreed to make available surplus commodities worth about $1,300 million. Canada will also send grants of wheat.

Another meeting of the consortium is scheduled for the autumn of this year. Members will then consider India's financial requirements for the last three years of the current plan.

There is a good deal of discussion, too, at the U.N. over President Kennedy's brain-child, the U.S. Peace Corps. It is headed by his brother-in-law, Mr. Robert Sargent Shriver, Jr. Many regard it as wholly superfluous, adding just another overseas agency to those already existing. That feeling is held by many within and without the U.N. Since mostly young people have applied for two-year-hitches abroad, the Corps has been hurt by the assumption it is a sort of children's brigade. There was a U.N. debate scheduled on the Peace Corps but it has not yet come to pass.

So far, nearly 10.000 questionnaires have been received from hopeful applicants. More than 60 volunteers will be picked for work in Colombia and 30 for assignments in Tanganyika. They will arrive some time in September. Contracts with other countries are being negotiated.—*All Rights Reserved.*

(*Concluded from next column*)

"is not whether to agree to some arrangements immediately, but whether to enter a negotiation."

All this, on the part of the Prime Minister, is very clear. Why then the sharp divisions within the parties which must in the end crystallise out into a Conservative Government wanting unity with Europe and a Labour Government opposed to it? The immediate arguments as they are now emerging will be considered in Your Correspondent's letter next week.—*All Rights Reserved.*

U.K. AND COMMON MARKET

TIME TO DECIDE

(*From Our Own Correspondent*)

LONDON, *16th June*

LONDON LETTER

BECAUSE both parties in the House of Commons have for some time felt that the Government had made up its mind on the matter of joining the European Community, the Prime Minister's statement earlier this week on the procedures he intended has been generally ignored in favour of a partisan battle on the desirability or not of joining.

The confusion is understandable, in the first place, because of the Government's earlier resistance towards the Common Market culminating in its setting up of the rival European Free Trade Association. Only last week the Minister of State, Board of Trade, spoke to the International E.F.T.A. Action Committee outlining the work of the Association in its first year, and indicating the Government's attitude towards its relations with the E.F.T.A. countries. There was an inevitable picture of the Government bolstering up the E.F.T.A., on the one hand, and edging its way into the Common Market, on the other.

The E.F.T.A. does mean something in the eyes of the Government. In the first year, tariffs between the member-countries had been reduced by one-fifth, and on 1st July there will be a further 10 per cent reduction, making a total reduction of 30 per cent to date. The Association is not intended to develop closer political ties between the countries, but a Consultative Committee of it has been set up "to provide contacts with personalities representative of opinion in the main sectors of economic life, including labour, in the member-States." . . . the "Committee will constitute a valuable forum for periodical exchanges of views between the spokesmen of the governmental Council and the spokesmen of business and trade union circles assembled from all the seven E.F.T.A. countries."

The Minister then declared that the Government regarded the question of economic division or unity one of the most serious issues facing Western Europe. But he went on to say that the bilateral exploratory talks which have been held recently with individual countries of the Common Market are intended to seek a basis for negotiation to remove the danger of a divided Europe. The solution sought would not have to jeopardise the interests of any country or group of countries—surely a difficult enough objective! The Minister was understating the problem when he said: "Such a solution is bound to be complicated." For what it is worth, the Minister's summary of the Government's objective was stated as "a multilateral European system which will strengthen both the economic and political unity of Western Europe." What this is or what this means is anyone's guess.

Mr. Macmillan's Statement

But, when the Prime Minister made his statement this week, his words were transformed in the ears of the hearers into a declaration of intent to join the Common Market. All he was trying to do was to set down a plan of approach to the problem. But tempers are now so high on both sides of the House—and both sides are divided—that his statement has been done less than justice. Indeed, the unfortunate Premier had to say three times in the course of the discussion what he was trying to do. His own words are these: "All I am trying to do is to get the right machinery to consider the position with our partners in the Commonwealth, in Europe and in E.F.T.A., and then, having regard to the interests of British agriculture and industry, to decide whether or not it was in Britain's interests to see whether we could find a basis on which to have this unity with Europe."

Three senior Ministers are, in the near future, visiting Commonwealth capitals to consult. Economic and Finance Ministers will necessarily attend the meeting of the International Bank for Reconstruction and Development and this will provide a forum for a further exchange of views between the Commonwealth countries.

Finally, at the end of this month, there will be a meeting with the E.F.T.A. Ministers. The Premier sees all these discussions as a preliminary to any further discussions with the Six. "What we are really discussing," he said,

(*Continued in previous column*)

TREND AND PROGRESS OF BANKING

RESERVE BANK STRESSES THE NEED TO STRENGTHEN CAPITAL STRUCTURE

DURING the next quinquennium, the banking system will be called upon to meet the challenge posed by the third Plan, the investment target of which is about 50 per cent higher than that of the second Plan. The volume of work to be handled by the banking system, according to all available indications, might well be doubled in the third Plan period. In view of the impending increase in responsibilities, the Reserve Bank of India has, in its latest report on *Trend and Progress of Banking in India during* 1960, rightly stressed the need for expanding and strengthening the banking structure without in any way impairing its quality. First and foremost, banks will have to intensify their efforts to gather more deposits which would involve the acceleration of the expansion of branches. But, as the developments in the latter part of 1960 indicated some loss of confidence among depositors, the report emphasises that it is important to take all possible steps to ensure the fullest confidence of depositors in the soundness of the banking system.

Concrete Suggestions

For purposes of imparting strength to the banking structure, the Reserve Bank has made a number of concrete suggestions. The report points out that, during the last decade, the capital funds (paid-up capital and reserves) of commercial banks have not increased though there has been an expansion in their profits. The ratio of scheduled banks' own funds to deposits has steadily declined from 9 per cent in 1950 to 4 per cent in 1960. The Reserve Bank is, therefore, of the view that banks should take steps to build up their capital funds and inner reserves from their current net profits, besides raising funds whenever possible through fresh issues of capital. Other concrete steps recommended by the report for securing a sound growth of the banking system are: (1) prevention of a further decline in the liquidity ratio and in appropriate cases strengthening their liquidity and (2) extension of banking facilities to over 1,400 townships which are today without such facilities. The Reserve Bank is confident that, as economic development proceeds there will be immense scope for branch banking.

Besides these steps, the Reserve Bank has called upon the banks to extend their functions to cater to the varying needs of the business community. It has welcomed the new trend among banks, namely, underwriting of new issues, especially preference shares and debentures, but has cautioned them to adhere to certain safeguards and limits in the discharge of this function. It has also approved of the banks being "instrumental in the conclusion of deferred payments agreements" between industrial houses in India and foreign firms. It is of the view that banks can render a variety of profitable services to the community which they are not doing at present. Giving some specific instances, it says:

"The small man in the country does not enjoy adequate facilities for remittance and payments at reasonable cost. Banks may, therefore, consider the scope for a credit transfer scheme, even on a limited basis, on the lines of that introduced in the United Kingdom recently. Such a scheme, apart from ensuring facilities of remittance at low cost to the public, would also open up avenues of contacts between the banks on the one hand and the members of the public who have no bank accounts on the other."

Training of Personnel

The Reserve Bank envisages that in order to cope with the large increase in banking business in the third Plan period, a variety of problems will have to be tackled by banks, especially in the spheres of management, personnel, accommodation, mechanisation, etc. The inevitable growth in the scale of operations, its report states, renders necessary the adoption of modern techniques of management such as further specialisation of functions, their effective co-ordination, and some decentralisation of power among the bigger branch units. Regarding the training of personnel, the report admits that the assistance provided by the Reserve Bank through its Bankers' Training College is inadequate. Consequently, it has emphasised the need for the banks themselves to undertake the responsibilities in this behalf and observes:

"With the exception of a few, many big banks do not seem to be devoting the requisite attention to the training of their staff. Banks would have to accord high priority to the establishment of their own institutions for imparting training to members of different categories of staff so as to combine their plans for expansion with steps to improve their staff efficiency. The possibility of having joint training arrangements for a group of banks might also usefully be explored."

Trends in 1960

Reviewing the trends in 1960 which broadly corresponds to the last year of the second Plan, the report states that the year was eventful for Indian banking. It was characterised by a record expansion of bank credit, reflecting the rapid expansion of industrial and agricultural output. The past year, as readers are aware, witnessed a notable acceleration in the pace of industrial growth. Agricultural production, too, recorded a substantial improvement in the latter half of the year. Thanks to the larger overall investment in the economy, the pressure of aggregate demand for goods and services was more intense, causing a further rise in the wholesale price index, mainly in the non-food groups. The stock markets were in a buoyant mood. But the balance of payments position showed deterioration, involving a loss of exchange reserves, as against an accretion in 1959. Consequently, monetary policy was saddled with heavier responsibilities than usual.

The aforesaid trends in the economy were clearly reflected in the sphere of banking. While there was some setback to the rate of growth of bank deposits, there was an exceptionally large rise in bank credit. In fact, the most important single factor contributing to the rise in money supply during the year was credit expansion to the private sector which accounted for Rs. 246 crores, or more than one-third of the increase during the second Plan period as a whole. The rise in bank credit to Government was much less important, accounting as it did for Rs. 43 crores. "This was in marked contrast to the position in the previous years when Government demands on the banking sector exceeded those of the private sector. In 1959, the expansion of bank credit to Government was Rs. 247 crores, as compared with the rise of Rs. 129 crores in bank credit to the private sector. Monetary expansion was to some extent restrained by the fall of Rs. 68 crores in foreign exchange reserve to Rs. 319 crores at the end of 1960. In 1959, the rise in foreign exchange reserves had been a contributory factor to the increase in money supply. In 1960 there was also a slight rise in the rate of turnover of bank money. The annual overall rate of turnover of bank money increased from 17.4 in 1959 to 17.8 in 1960."

The table in column I bottom gives an idea of the changes in the assets and liabilities of all Scheduled banks during the last five years. It will be evident from it that the rate of growth of deposits in 1960 was significantly smaller whereas credit expansion was substantially heavier than in 1959. Consequently, the banks had to reduce their investments to a considerable extent. Reliance on the Reserve Bank was also comparatively greater than in the previous year.

Slow Growth of Deposits

The tempo of the growth of deposits was clearly slow during 1960. The aggregate deposits of commercial banks recorded a rise of only Rs. 39 crores (2.2 per cent) as Rs. 1,855 crores as compared with a rise of Rs. 253 crores (16.2 per cent) and Rs. 216 crores (16 per cent) in 1959 and 1958, respectively. The Reserve Bank authorities are aware that comparison with the earlier years would not be valid because of the change in procedure for banking the P.L. 480 funds. A factor responsible for the slow growth of deposits, according to the report, was the small order of deficit financing in 1960 than in the previous year. Another was the widening of the balance of payments gap and the net sale of sterling during 1960 as compared with net purchases in 1959. A third factor was the setback to public confidence following the closure of two scheduled banks which led to a short-lived run on some banks. It is quite likely that a part of such withdrawals found their way to postal savings deposit accounts, which showed a marked rise during the period. A fourth factor responsible for the slow growth of deposits was the high rates of interest outside the banking sector which had induced some persons with surplus balances to resort to direct financing, on a contractual basis of some transactions in city markets. Finally, a few industrial companies offered high rates of interest to attract deposits directly from the public. The Reserve Bank analysis shows that the number of new deposit accounts, however, increased by 400,000 or about 7 per cent to 5,800,000. The largest absolute increase in deposits by type of ownership was recorded in personal deposits. Business deposits of time and demand nature declined and so also Government and quasi-Government deposits.

On the subject of the growth of banking habit, the Reserve Bank asserts that a good deal yet remains to be done from the point of view of raising resources for the banking system and the inculcation of the banking habit among larger section of the people. The report observes:

"In the last year of the second Five-year Plan credit demands on the banking system outstripped the rate of deposit growth. With the possibility of a sharper rise in the credit requirements of industry and trade and other sectors during the third Plan period, the paramount need for a large and more intensive national effort at deposit mobilisation cannot be overemphasised."

Reliance on Reserve Bank

The strain on the resources of the banks was reflected in the larger borrowings of scheduled

(*Continued on page* 1204)

Liabilities and Assets of Scheduled Banks

(In crores of rupees)

	As on the last Friday of				
	1956	1957	1958	1959	1960
Demand deposits	6,08.4	6,58.9	6,49.8	6,68.9	7,21.0
Time Deposits	4,49.1	6,38.7	8,66.4	10,97.9	10,86.4
Total deposits	10,52.5	12,97.6	15,16.2	17,66.8	18,07.4
Borrowings from the Reserve Bank	79.1	23.6	11.0	11.8	61.5
Cash in hand and balances with the Reserve Bank	90.5	1,07.6	1,19.4	1,18.9	1,62.0
Total advances	7,44.9	8,19.5	8,80.6	9,81.9	11,30.0
Investments in Government securities	2,64.2	4,32.9	6,37.0	7,97.4	6,80.3
Other investments	30.6	50.8	54.9	67.6	68.4
Total investments	2,94.8	4,83.7	6,91.9	8,65.0	6,98.7
Percentage to deposits of—	%	%	%	%	%
Cash	8.6	8.3	7.9	6.4	9.0
Advances	70.8	63.2	58.8	55.8	62.5
Investments	27.9	37.3	45.6	49.4	38.6

THE ANDHRA BANK LTD.

Head Office: MASULIPATNAM

Statement of Position as on 31-12-1960

LIABILITIES	Rs.	ASSETS	Rs.
Paid-up Capital	41,44,945	Cash and others	2,34,55,07[illegible]
Reserve Fund	23,08,220	Investments	5,25,73,[illegible]
Deposits and other Accounts	14,78,63,141	Advances	8,69,43,[illegible]
Bills, etc. as per contra	1,39,11,883	Bills, etc. as per contra	1,39,11,[illegible]
Others	1,74,13,301	Other Assets	71,57,49[illegible]
Total	18,56,61,490	Total	18,56,61,[illegible]

A VERSATILE SYNTHETIC FIBRE

GROWING INDUSTRIAL USES OF NYLON

NYLON, which is made basically from coal, air and water and which has no counterpart in nature, has established its reputation as one of the most remarkable and versatile synthetic fibres produced by man. World production of nylon yarn last year, according to one estimate, was as much as 800 million lbs., equivalent to nearly half of India's output of cotton yarn. The greater part of the output of nylon yarn was consumed by the world's clothing industries for articles ranging from women's stockings to lingerie, shirts, socks, knitwear and household textiles. The rest of the output was used for a variety of industrial purposes such as ropes, tyre cord, coated fabrics, nets, and conveyor belting. These industrial uses of nylon have been rendered possible by the special characteristics that this synthetic fibre possesses. The peculiar properties of nylon are strength and elasticity (which give it very great powers of energy absorption), high flex strength, outstanding abrasion resistance, good wet strength, complete immunity to rotting, good resistance to chemical attack, and so on.

It is these properties which have enabled the manufacturers to use nylon for producing articles which reduce operating costs, improve efficiency and increase production. For instance, tensile strength and energy absorption have been utilised to produce drop forge belting which lasts upwards of three times as long as other types altogether the cost is no greater. Apart from the direct saving, efficiency is improved because drop forges are put out of commission less frequently for belt changes.

Great strength is also a vital asset for conveyor belting. Belting containing nylon is now used extensively in British coal mines. Apart from lasting longer, it is so strong that it is sometimes possible to reduce the number of transfer points so that capital expenditure on new installations is less.

Besides being useful for making things stronger and more durable, nylon's great strength can also be used in other ways. For example, it can reduce weight, bulk and thickness without sacrificing strength. Nylon rope weighs only half as much as manila rope of equivalent strength. This is useful in many ways and makes handling much easier.

Nylon gill nets provide a striking example of the sometimes surprising advantages to be gained by reducing thickness. Because the twine is so fine it offers little resistance and is almost invisible in water with the result that a nylon net catches two to three times as many fish as a natural fibre net. This is the main reason why nylon is now used for these nets almost everywhere in the world.

Nylon fabrics with waterproof coatings of plastic or synthetic rubber are another example of the things that can be achieved by saving weight and bulk. Fabrics of this type are used for a huge variety of purposes from protective clothing to inflatable draft and protective sheets. Some of them are completely new uses for textiles.

Various Types of Products

In Britain, the use of nylon for various types of industrial products is so widespread that there is scarcely any industry which does not make use of nylon in one form or another. Edible oil refineries use it for filter cloths; food manufacturing industries use it for a variety of articles from protective clothing to dough provers; papermakers use it for the huge felts which carry the "web" through the machines; the textile industry itself uses for articles such as rim and scroll bands. It goes into fire hose, parachutes, safety harness, ventilation ducting, lifting nets, tyres salvage sheets, inflatable dinghies, cure wrapping tape, diaphragms, vee-belts, press covers, laundry bags, aircraft fuel tanks and a host of other things. By lasting longer, improving efficiency and reducing maintenance costs it saves industry many thousands of pounds.

It is stated that there are more than a hundred industrial uses for nylon such as the ones narrated above. Many of these uses are to be exhibited by British Nylon Spinners Ltd., at the Indian Industries Fair which is to be held at Delhi in November next. It is expected that this display will illustrate graphically not only the tremendous scope of nylon but also its special attractions under increasingly competitive world conditions. British Nylon Spinners Ltd., incidentally, is stated to be the world's largest nylon yarn producing firm outside the U.S. It produces only nylon yarn and does not manufacture any of the products using nylon.

Besides the industrial uses for nylon there are also many uses for it in ships and shipping. For instance, today nylon ropes are used extensively not only for ocean towing but also for mooring purposes. Very large quantities of nylon are also used for whaling foregoers, the lines attached to the harpoons fired from the fast, sturdy little whale-catchers. It is stated that nylon lines are so strong that they enable whales to be brought in more rapidly.

The properties which make nylon such a suitable material for ropes make it equally attractive for many other purposes at sea. Among them will be various types of fishing nets. Nylon has already revolutionised the gill net section of the industry because nylon nets catch more fish—the twine is so fine that the fish cannot see it until it is too late—and now it is starting to revolutionise the purse seine section.

Fishing Nets

Very large numbers of British nylon purse seines—they weigh about a ton each—are already being used off Norway. They are proving outstandingly successful because they are so strong that they enable much greater weights of fish to be held safely. Furthermore, the nets are rotproof, so they do not require frequent preservative treatment.

Meanwhile, work is going ahead steadily with the development of various other types of nylon fishing net. Encouraging results are now being achieved with continuous filament nylon herring drift nets despite earlier predictions that it would be unsuitable because it would decapitate the fish. Development work is also going on with nylon trawl nets. Nylon is already used extensively for cod ends because of its long life.

Vessels themselves are now being made from nylon. The most remarkable of these is the "Dracone," a flexible oil-carrying barge which gets its name from the Greek word for "serpent." First conceived at the time of the Suez crisis, it is now being used commercially on a small scale and a new company was formed recently to exploit it throughout the world. Built from immensely tough coated nylon fabric, proofed on the inside with special oil-resistant synthetic rubber, a Dracone is exceeding strongly. During trials one was towed over a single beach and across fishing stakes without damage. Hundred-footers now in use hold about 35 tons; bigger ones, holding nearly 10 times as much, are beginning to go into service.

A craft of a very different nature is an inflatable catamaran made from a strong but lightweight coated nylon fabric. It collapses into a bundle small enough to stow on the roof of an ordinary saloon car and can be made ready for sailing in only 15 minutes. Two sizes are produced. A small one, 9 ft. 6 ins. long, carries three people; a bigger one, 16 ft. long, carries six.

Warships used nylon in several ways. On modern ships there is a mass of complicated equipment that requires protection and on an average frigate, for example, somewhere around 1,800 to 2,000 square yards of fabric is used for protective purposes. Proofed nylon is used extensively for weather screens and protective covers for articles such as boats, liferafts, funnels, hatches, guns, reels and winches. All the bunting aboard a modern warship is now made largely from nylon.

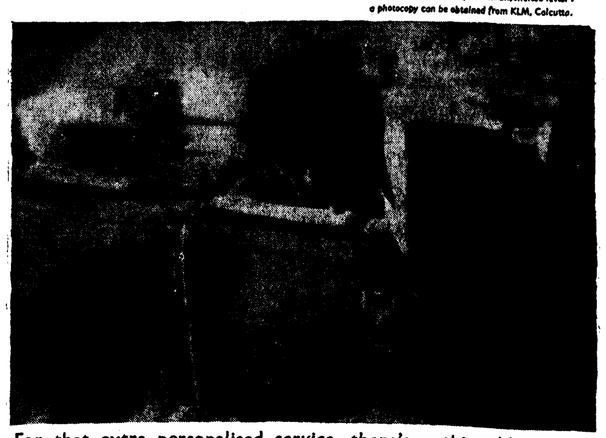
Aboard yachts, nylon is used extensively for spinnakers. As nylon is so strong it is possible to use a very lightweight fabric so that the huge sails catch the merest breath of breeze. They have the further advantage of being completely rotproof.

One of the most unexpected uses for nylon at sea is for sheathing the hulls of wooden boats. The process, which consists basically of bonding nylon fabric to the barewood of the boat, makes the vessel completely watertight and adds years to its life. It is particularly valuable in tropical waters since it protects the boat's hull from attack by shipworm which annually causes damage amounting to thousands of pounds.

A PASSENGER FROM CALCUTTA WRITES:

. . . Just a line to thank you and KLM for looking after us so well prior to our departure from Dum Dum, and during the flight to London. The service on the plane was excellent and the hostess charming . . .

This extract is from an unsolicited letter: a photocopy can be obtained from KLM, Calcutta.



For that extra personalised service, there's nothing like flying KLM. Next time you visit EUROPE fly there

by **KLM DC-8 JET**

DEPARTURE: Calcutta Saturday 17.45 hrs. DEPARTURE: New Delhi Thursday 22.20 hrs.

Excellent Prop-Jet connections from Amsterdam to the U.K.

ARRIVAL: London Sunday 09.55 hrs. ARRIVAL: London Friday 13.10 hrs.

For further information, contact your Travel Agent.

Sincerely yours

KLM

COMMON MARKET AND TEXTILES

INDUSTRY WELL EQUIPPED TO MEET CHALLENGE

From Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 13*th June*

SO many vague and often unsubstantiated statements are at present being made about the effect of Britain's possible participation in the Common Market project that anything direct and to the point is to be welcomed—and, if this refers to the likely trend of textiles in such an eventuality, so much the better. On this basis, the statement presented to the North-West Regional Board for Industry by Mr. Donald B. Moore, General Secretary of the Textile Institute, was a contribution of some magnitude to this controversy.

Working on the premise that the Common Market is undoubtedly coming, Mr. Moore declared that Britain's textile industry was as well-equipped technologically as any trade in the country to meet the challenge. Clearly an integrated market in Europe would be a two-way traffic, but, in both high-quality goods and all the ranges of mass-produced clothing, Britain ought to be able to meet the challenge, he maintained. "We are strong on know-how, we are strong on quality, we are strong on clothing production and style, we are strong on retail distribution, we are strong on industrial textiles," he said, and added: "Let us not, therefore, be in the slightest bit hesitant in attacking the new markets that are going to open to us."

As the standard of living continued to rise throughout Europe, so the quantity of clothing sold would also rise and that could only bring good to the textile industry. There should be no hesitation in admitting to our colleges European students who could be sent back to their own countries imbued with Britain's outlook, willing and able to use our materials and to work on our machinery.

Out Into the World

Mr. Moore mentioned that he had been surprised how many leaders of the industry had been unable to attend a recent Textile Institute conference because they were abroad. Absentees from a recent meeting of the Association of Heads of Textile Departments of Technical Colleges were in Spain, Switzerland, Italy and Egypt. "All this seems to me to point to a very complete breaking down of the parochialism with which from time to time we have been accused," he commented. Taking the broader aspects of the proposals, the prospect of a home market of 260 million people, which the European Continent would provide, offered far more scope than the present home market of some 52 million people. A united Europe ought to be an enticing prospect, both from the viewpoint of increased productivity and increased trade, Mr. Moore added.

Perhaps the most revolutionary aspect of this project is only gradually impinging on the conscience of those concerned. It establishes far wider boundaries than any modern inhabitant of this country has visualised. Mr. Moore continued: "We shall have to become accustomed to the idea that the boundaries of the land in which we live will now be set somewhere on a line just a little west of Berlin, somewhere upon the borders of Finland and Russia, somewhere on the Adriatic, where Italy faces the Communist state of Albania, or out on the peninsulas of Greece. We must not be afraid to put our money there, if that appears to be the best place to build our factory or to get our raw materials. All we need call upon is the same spirit of adventure that gave us, at one time, the wealth of India, Australia and Africa."

The Chairman's Voice

Company chairmen usually have at least one opportunity during the year of expressing their views in public about trade conditions and prospects. The welter of words lately appearing in print in annual reports on behalf of textile interests provides a good cross-section of opinions and as such is worthy of repetition. The following extracts from such documents perhaps indicate the varying aspects of the outlook and individual reactions to what the future may hold:

"Our great difficulty is in the shortage of weavers. In these days of small families not nearly so many girls are coming into weaving mills. Many occupations are more attractive to girls than weaving, even though the wages are not so high as are paid to weavers. It is important that we use all the labour-saving machinery we can. The cost of automatic looms is anywhere between £500 and £1,000 and to replace 100 looms with automatic may cost in the region of £75,000. We can get a much better return by investing in other industries." (*Mr. Joseph Hollas, Chairman, Hollas Textile Holdings.*)

Plant for Russia

Factories at Oldham, Leeds, Accrington and Keighley will make the spinning machinery, valued at £1,750,000 involved in the £3-million contract for textile plant won in Russia by the Stone-Platt group, it was announced in Manchester. The order—which brings the group's business with Russia over the last seven or eight years to £16 million—is for two complete worsted spinning plants totalling 42,000 spindles, with dyeing and finishing machinery.

A spokesman for the group disclosed that the finishing plant would be made by Mather and Platt, of Manchester. The Stone-Platt group, who had one of the biggest textile stands at the Moscow Trade Fair, have been doing business with Russia for more than 100 years.

President of New Cotton Organisation

Col. J. B. Whitehead, Managing Director of the Lancashire Cotton Corporation, has been elected President of the newly-formed British Spinners' and Doublers' Association, which is to take over, from 1st July, all the functions, with the exception of accident insurance, now performed by the Federation of Master Cotton Spinners' Association Ltd., the Yarn Spinners' Association, the Yarn Doublers' Association and the Rayon Staple Spinners' and Doublers' Association. Mr. Fred Dunkerly and Mr. R. W. Greenhalgh have been elected Vice-Presidents of the Association. Mr. C. Henniker-Heaton has been appointed Director and Mr. W. R. Hanks, Secretary of the new organisation. Trustees will be Viscount Rochdale, Mr. O. L. Jacks, Mr. Philip Lees and Mr. Alan J. Stott. The headquarters and registered office of the Association will be on the fifth floor of the Manchester Royal Exchange.

Sustained Productivity

Despite the gradual reduction in the labour force, which continues to dwindle, the output of the mills in Lancashire and surrounding counties is being well maintained. The April figures, which are reasonable comparable with the previous month because both included part of the Easter holiday, showed no fundamental change from the rate recorded since the beginning of the year. Single yarn output, in particular, has been very constant, the weekly average being 14,210,000 lbs. in January; 14,470,000 lbs. in February; 14,280,000 lbs. in March and 14,330,000 lbs. in April.

The latest returns show an increase of some 30,000 lbs. weekly on the April 1960 level, but Easter intervened in that month last year. A similar trend is apparent in the weaving branch, although the April 1961 average of 37,760,000 yards was the highest output so far this year. This compared with 36,450,000 yards in the same month in 1960. Manpower in spinning and weaving by the end of April had fallen to 182,200, a drop of 2,600 since the end of last year. The comparable figure twelve months previously was 184,910.—*All Rights Reserved.*

The seventh Commonwealth Defence Conference on Clothing and General Stores will be held in London from 23rd June to 12th July 1961. India will be represented at the conference. The object of the conference is to consider and review the progress, in the Commonwealth countries, of the research development, design and inspection of clothing and general stores for all three Services. The conference also provides opportunities for both formal and informal collaboration between the staff engaged on the development and design of clothing and equipment.

SHORTER FLAME HARDENING PROCESS

THE THINGS WE MAKE...

ROLLING STOCK & COMPONENTS
POINTS & CROSSINGS, STRUCTURAL STEELWORK
PRESSED STEEL TANKS
STEEL, SPHEROIDAL GRAPHITE & GREY IRON CASTINGS
MACHINE PARTS, COMPONENTS & GEARS
FORGINGS, STAMPINGS & PRESSINGS
SLUICE VALVES & TWIST DRILLS
CRANES & PULLEY BLOCKS

BURN & CO. LTD.
HOWRAH WORKS

Managing Agents
MARTIN BURN LIMITED
MARTIN BURN HOUSE
12 Mission Row, Calcutta 1

Branches
New Delhi Bombay Kanpur

Agents in British India: The South Indian Export Co. Ltd., Madras 2

ASHOK LEYLAND LIMITED

PROFITABLE USE OF INCREASED CAPITAL

CHAIRMAN, DR. A. RAMASWAMI MUDALIAR, REVIEWS PROGRESS OF EXPANSION PROGRAMME

ADDRESSING the shareholders of Ashok Leyland Limited, at its Twelfth Annual General Meeting held at Madras on 15th June 1961, Dr. A. Ramaswami Mudaliar, Chairman, expressed the confident view that in retrospect 1960 would have proved to be a memorable year for the Company. He gave details of the steps which were taken during the year to ensure that the Company's output would keep pace with the demand for its products. Commenting on the prospects of the Company in the current year, Dr. Ramaswami Mudaliar anticipated that 1961 was likely to be a year of transition from a lower level of production to a higher one.

The following is the full text of Dr. Ramaswami Mudaliar's speech:

"GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to the twelfth annual general meeting of your Company.

"The Directors' report, audited balance-sheet and profit and loss account for the year ended 31st December 1960 have been circulated to you, and with your permission, I shall take them as read.

"As the balance-sheet and profit and loss account have disclosed to you, 1960 may be considered to have been a reasonably satisfactory year. The ouput of Comet chassis for the year was 43 per cent in excess of that for 1959 and it has, therefore, been possible for your Directors to recommend the same dividend as previously. That is, the increased capital has been as profitably employed as has been the case for some years.

Expansion Programme

"It is probable that in retrospect 1960 will have proved to be a memorable year. Not only has the factory maintained progress with the manufacturing programme while increasing production and sales by an appreciable percentage, but also the foundations have been laid for the expansion of output to which I referred in speeches at the last annual general meeting and at subsequent extraordinary general meetings. It will be appropriate for me to give a brief history of the steps which have been taken during the year to ensure that our output will keep pace with the sales demand. In February, Messrs. S. Markland and D. G. Stokes, Directors of Leyland Motors Ltd., visited the factory and had discussions with your Directors regarding the proposed expansion programme; and arising from these discussions, decisions were taken in the same month to ask your approval to an increase in the authorised capital to Rs. 10 crores. In February also, following representations made at an earlier date to it, the Government of India approved Leyland Motors' share of the Company's capital being increased to 60 per cent. In April, you approved at an extraordinary general meeting the proposal to increase the Company's authorised capital to Rs. 10 crores as a preliminary step towards the ultimate financing of the proposed expansion programme. In this month, your Directors also decided to apply to the Government of India for their approval of a programme to increase the production of Comet chassis to 5,000 per annum and in addition to tool up for an annual production of 1,000 '600' type engines which are used in chassis heavier than the Comet. It was also proposed to add 20 per cent extra productive capacity to provide for the maintenance of vehicles in service. In July, an application was made to the Controller of Capital Issues for consent to the issue of Rs. 172.25 lakhs capital for the provision of buildings and plant and equipment to cover the first phase of the expansion scheme. Following a resolution taken at a Board meeting held in October and the receipt of a Consent Order regarding the proposed new capital issue early in November, you approved at an extraordinary general meeting held at the end of November the issue of Rs. 172.25 lakhs capital of which Rs. 139.10 lakhs was offered to Leyland Motors to bring their shareholding to 60 per cent of the total issued capital of Rs. 497.25 lakhs. Messrs. Leyland Motors took up this offer and this decision will provide the necessary foreign exchange for the purchase of plant and equipment.

"Coincident with the successive steps taken to provide the necessary capital for your Company's expansion, planning commenced in regard to the design and layout of buildings and of machine tools and other equipment to be accommodated in them. A contract was let in April for the steel work for the main building extension which will add 125,000 sq. ft. floor area for additional machine shops, assembly shops, etc. This addition with other building works, including the extension to the canteen, a new training centre and improvements to office accommodation will bring the total covered area to 12.65 acres. A contract for the builder's work for all these new buildings was let in August. The precaution of placing early orders for steel work and other building construction resulted in erection of the new buildings commencing before the year-end. I am pleased to be able to report to you today that such good progress has been made that it will be possible for the installation of plant and machinery in the new shops to commence in the second half of 1961. This fits in with the promised deliveries for machine tools and other equipment which will be shipped progressively from July 1961 onwards.

"At your last annual general meeting, I reported to you that the establishment of a foundry in collaboration with Messrs. Leyland Motors Ltd., in which this Company would have 25 per cent of the capital and Leyland Motors 75 per cent, had been approved by Government and at that time I anticipated full-scale production of castings might commence in the first half of 1961. Certain unavoidable delays occurred and actual delivery dates of major items of equipment have been later than was originally promised. I am pleased to be able to inform you, however, that by the end of this year, Ennore Foundries Ltd. will be in a position to meet all your Company's requirements of iron castings; and progressively from that time onwards, surplus capacity will become available which will be utilised for the production of castings for other manufacturers. Mr. West, Vice-Chairman of Leyland Motors and Chairman of West Yorkshire Foundries Ltd., accompanied by Mr. F. Grimshaw, Leyland Motors Ltd.'s General Works Engineer, visited your factory in November, the principal object of their visit being to acquaint themselves at firsthand with the progress being made with the erection of the foundry. I am sure you will agree with me that we are fortunate to be able to depend on the advice of Mr. West who is acknowledged to be one of the leading authorities on foundry practice.

Excise Duty

"In my speech at the last annual general meeting, I referred to a levy of excise duties which occurred on the 1st March 1960; and I expressed the hope that the incidence of such duties on the development of road transport would be carefully studied and that such a study might lead to the abolition or at least the lowering of these duties. It can only, therefore, be considered most unfortunate that far from lowering excise duties, they have since been increased. The 1961 Finance Bill provided for additional import duties and excise duties which will still further increase the price of materials used in the manufacture of motor vehicles; and will probably necessitate a corresponding increase in the retail price of the Comet chassis. The Finance Minister met a deputation from the Association of Indian Automobile Manufacturers when the latter represented to the Minister the seriousness from the point of view of the industry's welfare of the latest levies. The Minister could not give hope of any reduction in duties.

"During 1960, the Company commenced the marketing of industrial engines. To enter the market for industrial engines entails producing Comet engines additional to those required for use in the Comet chassis. With tooling available, it was not practicable to achieve a very high output and the total sales of industrial engines amounted to 162. Our incursion into this market, however, has demonstrated that there is a good demand for industrial engines with the performance characteristics of the Comet; and that there will be a similar demand for the heavier engines which are about to come into production. It is possible, therefore, to anticipate that as soon as it is practicable to increase the output of engines additional to those required for the Company's own chassis, there will be considerable revenue from the sale of industrial engines.

"For some time now, your Directors have had in mind the importance of export and attempts have been made to secure an entry into overseas markets. These efforts have been to some degree successful and your Company's export business commenced with the sale of 24 Comet chassis to the Ceylon Transport Board during the 1960 year. Efforts to secure export business will be continued because it is not only advantageous from the country's point of view but also from the Company's, as the Government of India provides additional foreign exchange to manufacturers who secure overseas business which can be utilised for the import of materials which are not available from indigenous sources.

Outlook for Future

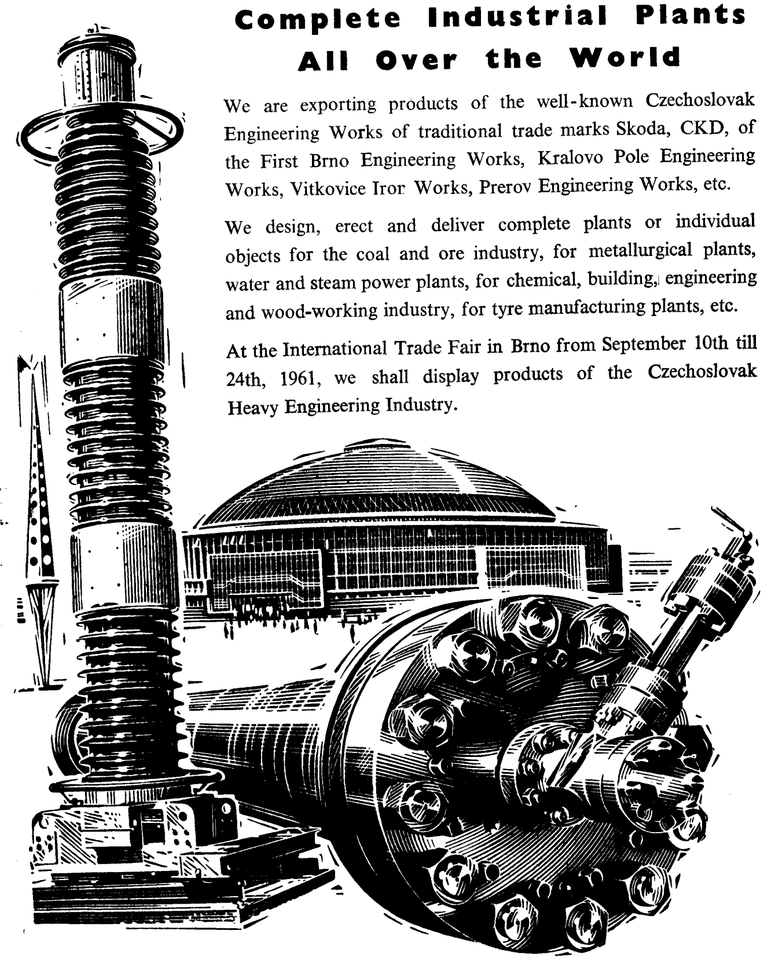
"It is my custom at your annual general meetings to attempt to give some idea of what the future holds as well as to review the results of the previous year. I do not think that apart from one particular issue to which I will refer a little later, 1961 will be a very different to previous years. It will undoubtedly be a difficult year because there will be a high level of expenditure on new buildings and new plant which will not immediately give rise to a corresponding increase in output. Nevertheless, it is hoped that production will again show a substantial increase on the previous year. In addition, I can anticipate with confidence that further progress will be made in the deletion of imported components and materials and, as I have already stated earlier in this speech, castings will be eliminated from materials to be imported. Towards the end of the year, new machine tools and equipment will be received in increasing volume and buildings being ready for its immediate installation, it will come into use without delay. Production, therefore, will be on a rising curve as the 1961 year approaches its end, but the new plant and machinery will not have any really appreciable impact on the output of chassis until 1962. 1961, therefore, is likely to be a period of transition from low level production, with the exclusive use of standard machine tools to higher volume production with an increasing use of special purpose machine tools; and the installation of the latter will commence during the current year.

"I have referred to one difference which will distinguish 1961 from other years. This is the change in the financial year-end from 31st December to 30th September. This decision was made by your Directors in order that the Company might fall in line with our associates, Messrs. Leyland Motors Ltd., whose financial year is from 1st October to 30th September. The current year, therefore, will be of nine months duration from 1st January to 30th September when a balance-sheet and profit and loss account will be prepared for the year ended 30th September 1961. Thereafter, the financial years will run from 1st October to 30th September inclusive.

"I have already referred to visits from Directors of Leyland Motors and I must once again place on record the invaluable advice both with regard to the work of the factory and its expansion which we receive from them. I am sure you will desire me to convey to them and above all to Sir Henry Spurrier our thanks for all the help and guidance received.

"I must also take this opportunity to recognise the enthusiastic help and co-operation that has been extended to your Directors by the officers, staff and workpeople both on the factory side and on the administrative office side I should like to convey our thanks to all of them."

Note: *This does not purport to be a record of the proceedings of the annual general meeting*



Complete Industrial Plants All Over the World

We are exporting products of the well-known Czechoslovak Engineering Works of traditional trade marks Skoda, CKD, of the First Brno Engineering Works, Kralovo Pole Engineering Works, Vitkovice Iror Works, Prerov Engineering Works, etc.

We design, erect and deliver complete plants or individual objects for the coal and ore industry, for metallurgical plants, water and steam power plants, for chemical, building, engineering and wood-working industry, for tyre manufacturing plants, etc.

At the International Trade Fair in Brno from September 10th till 24th, 1961, we shall display products of the Czechoslovak Heavy Engineering Industry.

TECHNOEXPORT Foreign Trade Corporation for Export of Complete Industrial Plants

PRAHA — THE CZECHOSLOVAK SOCIALIST REPUBLIC

Authorised Representative and Sole Importers for India:

SKODA (INDIA) PRIVATE LIMITED

VULCAN INSURANCE BUILDING, VIR NARIMAN ROAD

P. O. BOX 1963, BOMBAY-1

BRANCH OFFICES AT:

NEW DELHI
National Insurance Building
Parliament Street

CALCUTTA
P-38, Mission Row Extension

MADRAS
35, Mount Road

SUGAR INDUSTRY IN MAHARASHTRA

MR. EDWARDS URGES EXEMPTION OF CANE FARMS FROM LAND CEILING

THE one aspect of sugar industry which this journal has been repeatedly stressing for quite sometime now is that the prices paid by sugar consumers are unconscionably high. The continued high prices must be attributed to a great extent to the heavy incidence of taxes. The various taxes levied by Central and State Governments together account for as much as 35 per cent of the total price of sugar. Even with a substantial reduction in taxes—this is, of course, very doubtful—the prices of sugar cannot be lowered to any significant extent, for the cost of making sugar itself is pretty high, thanks to the high cost of cane and high wages. When such is the position and when the world prices of sugar are considerably lower than in India, how can the country be expected to succeed in its attempts to build up an export market for sugar? Mr. F. Edwards, the retiring President of the Deccan Sugar Factories Association, therefore, did well to warn, in the course of his speech at the twenty-second annual meeting of the Association held at Bombay on Friday last week, that, unless and until steps were taken to bring down the present high cost of sugar production in India by increasing the cane yields per acre and by producing better quality cane with higher sucrose content, the losses on exports would continue to be "gigantic."

In this connection, Mr. Edwards touched on the excellent performance of joint-stock sugar mills in the Deccan region. He was not exaggerating in the least when he declared that, of all the sugar factories in India, the joint-stock units in Maharashtra State alone had succeeded in producing quality sugar at a much lower price than factories which did not grow their own cane. For the following comparative figures relating to cane yields per acre, sugar recovery and tonnage of sugar produced per acre themselves fully substantiate the claim of Mr. Edwards.

	Yield of cane per acre (Tons)	Average percentage recovery of sugar from cane (Per cent.)	Average output of sugar per acre of land (Tons)
Average yield of cane farms held by sugar factories in Maharashtra	54.70	11.46	6.27
Average for the whole of Maharashtra	25.48*	11.46*	2.92
Average for Madras	24.35*	9.01*	2.19
Average for U.P.	11.20*	9.60*	1.08
Average for All India	14.66*	9.84*	1.44

Note:—The table relates to the season 1958-59.
* Figures taken from *Sugar Manual* for 1959 published by the Sugar Technologists' Association of India.

It will be seen from the foregoing statement that the average yield of cane per acre of farms held by sugar factories in Maharashtra is more than twice the average cane yield in the State and nearly four times the average for the whole of India and bears favourable comparison with the results obtained in several other leading sugar producing countries. These impressive results have been achieved only because, as Mr. Edwards rightly pointed out, the joint-stock mills in Maharashtra have under their control large compact cane-growing farms which they have managed very efficiently on the most modern scientific lines. Instead of appreciating this aspect, it is highly deplorable that the State Government should have obstinately included the cane farms attached to sugar mills under the purview of its ideological land ceiling legislation. Mr. Edwards was at pains to highlight, once again, the disquieting consequences of the Maharashtra Government's move to take away from the joint-stock mills their efficiently managed and scientifically cultivated cane farms. The interesting observations he made bear reproduction:

"The facts conclusively prove that, if the cost of growing cane and manufacturing sugar is to be reduced to a minimum, with a view to cutting the losses involved in the export of Indian sugar or reducing the price to the consumer to induce him to use more sugar, the cane farms operated by sugar factories must be exempted from the purview of the land ceiling legislation. But if these cane farms are taken away from sugar factories and handed over to some other agency such as co-operative farming societies, as provided in the Act, it would do irretrievable harm not only to the sugar industry in the State but to the economy of the country as a whole. At present, because the sugar factories have extensive cane farms under their full control, they are able to regulate the planting of the correct varieties of cane so carefully as to time them for cutting when fully ripe, according to their daily requirements throughout the crushing season without loss of sucrose content of the cane. They are able to adjust the planting, cultivating, cutting, and crushing processes to achieve the maximum sugar production at minimum cost.

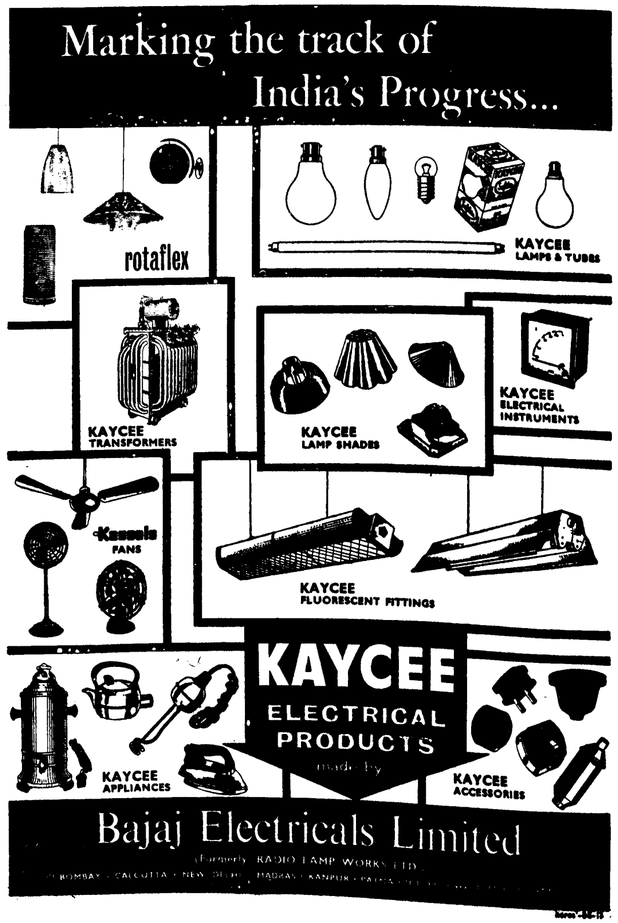
"The handing over of these cane farms which are being managed very efficiently on the most modern scientific lines to joint farming societies, consisting of a multitude of small cultivators and landless labour, must have a detrimental effect on the productivity of the cane farms, the quality of cane produced, the timely and regular supplies of ripe cane in adequate quantities to the factories, and will inevitably lead to a lower production and higher cost of sugar. It is, therefore, in the national interest that the full control of the farms must be left in the hands of the factories. In fact, this is an absolute necessity, if production and efficiency are to be maintained."

There is no exaggeration whatever in these observations. But it is unfortunate that the hope expressed by Mr. Edwards that the Union President might withhold his assent unless the Act was modified to exempt the cane farms of sugar factories from its purview has been belied within four days of his speech.

The Deccan Sugar Factories Association President also alluded to the report of the Central Wage Board for the sugar industry. The Board, it will be recalled, has fixed wage scales for sugar mill workers after dividing the country into four regions, Central, North, Maharashtra and South. While recommending uniform basic wage scales for the Central, Northern and Southern regions, the Board has prescribed higher basic wage scales for the sugar factories in Maharashtra region. Different rates of dearness allowance have been recommended for the four regions, the rates prescribed for Maharashtra factories being the highest. The main consideration for recommending the highest wages for the Maharashtra region, as stated in the report, is the capacity to pay of the sugar industry in the State. The recommendations of the Board have been accepted by the Government of India and the industry has been asked to implement them.

Mr. Edwards laid particular emphasis on the fact that the situation in so far as the sugar factories in Maharashtra are concerned has radically changed since the Wage Board report was published, as a result of the land ceiling legislation which deprives the mills of their extensive cane farms. In fact, he said, the paying capacity of the sugar factories without their cane farms would be little or no better than that of the mills in the Northern and Central regions. Few would disagree with him when he averred that there was thus no justification for burdening the sugar factories in the State with higher rates of wages than those prescribed for other regions. Despite all this, it is commendable that the Committee of the Association has decided to ask the member-factories to implement the Wage Board's recommendations in deference to the appeal made by the Union Food Minister.

A brief reference to the sugar distribution scheme of the Maharashtra Government was made by Mr. Edwards. Although he admitted that the scheme had worked satisfactorily during the year, he pointed out that, in one or two instances, while releasing the full quota allotted to co-operative factories, the State Government released only a part of the quota to the joint-stock factories keeping the balance in reserve which was released later. The heavy accumulated stocks are already putting a great strain on the financial resources of the joint-stock factories and the State Government's discriminatory treatment in the matter of releases aggravated the situation. Fortunately, however, when the matter was brought to the notice of the State Government, the stocks which were directed to be kept in reserve were released. Surely, there should, as Mr. Edwards urged, be no repetition of such discrimination in future between joint-stock factories and co-operative units when releasing the monthly quotas of sugar.



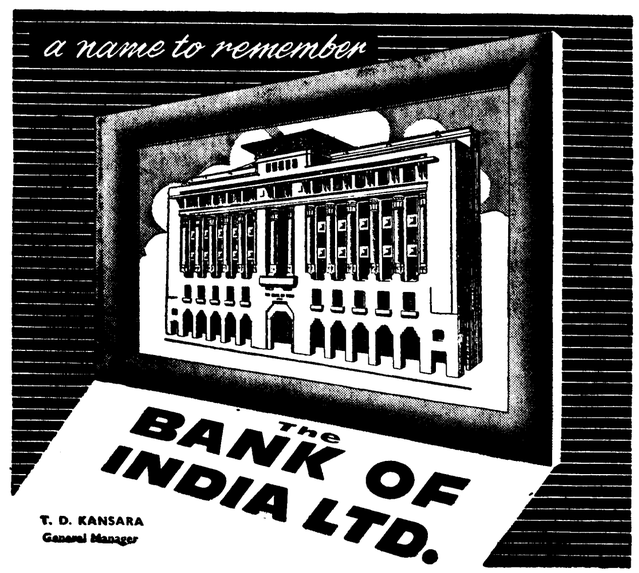
The Union Bank of India Limited.
(ESTD: 1919)
Head Office:
Union Bank Building
Apollo Street
BOMBAY-1
★
WITH WORLD-WIDE CONNECTIONS WE ARE FULLY EQUIPPED TO HANDLE EVERY KIND OF FOREIGN EXCHANGE BUSINESS
F. K. F. Nariman, *General Manager*

THE SOUTH INDIA INSURANCE CO., LTD.
Incorporated in India
(Established 1934)
FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS
Head Office:
Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

STEARIC ACID
(DOUBLE DISTILLED)
Manufactured by
THE MODI VANASPATI MFG. CO.
Maharashtra State Distributors
RAMJILAL LAKHMICHAND
333, Kalbadevi Road, Bombay-2
Phone—Office: 39361 Residence: 88436
Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

OBTAIN FREE BROCHURE ON PATENTS & TRADE MARKS
Contact:
PURUSHOTTAMDAS GOKULDAS
Patent Attorneys
39D, People's Building, Ground Floor,
Sir Pherozshah Mehta Road, Bombay-1.
Telephone: 268814—258172.

INDUSTRIAL IBCON CONSULTANTS
The industrial consultancy services offered by the group fall under the following headings:—
IN THE PLANT—
PLANT CAPACITY AND LAY-OUTS • PRODUCTION PLANNING AND CONTROL
STORES ORGANISATION • CONSUMABLE STORES CONTROL
RAW MATERIALS CONTROL • FUEL AND STEAM UTILISATION
TRANSPORTATION METHODS • MECHANICAL HANDLING
PRODUCT QUALITY CONTROL • OPERATIONAL RESEARCH
WORK STUDY • BUDGETARY CONTROLS
VALUATION OF PLANT & BUILDINGS
DESIGN AND ESTIMATES OF EXTENSIONS
ON LABOUR—
METHOD AND WORK STUDY • PRODUCTIVITY INDICES
TIMEKEEPING SYSTEMS • WAGE PAYMENT SYSTEMS
JOB EVALUATION • WAGE STRUCTURES
PERSONNEL RECORDS • LABOUR POLICIES
HUMAN RELATIONS • COMMUNICATION
REORIENTATION LECTURES • FOR LABOUR AND SUPERVISION
IN OFFICES—
MANAGEMENT ORGANISATION • EXECUTIVE LEVEL WORK
CLERICAL PROCEDURE • MANAGEMENT CONTROLS
WORK MEASUREMENT • BUDGET FORECASTS
LAYOUT, COMMUNICATIONS AND EQUIPMENT
AND
THE SETTING UP AND TRAINING OF THE CLIENT'S OWN INDUSTRIAL ENGINEERING DEPARTMENT
MARKET RESEARCH
PLANNING FOR MODERNISATION AND EXPANSION OF INDUSTRIES
TECHNOLOGICAL STUDIES IN RAW MATERIALS, PROCESS AND PLANT PERFORMANCE
IBCON PRIVATE LIMITED
2, FAIRLIE PLACE, CALCUTTA 1. HEAD OFFICE: ADELPHI, 119, QUEENS RD., BOMBAY 1. BRADY'S BLDG., M. GANDHI RD., KANPUR
GEORGE OAKES BUILDING, SRI NARASIMHARAJA SQUARE, BANGALORE 2.
85 WARD PLACE, COLOMBO 7, CEYLON
ALSO IN:
U.K., PAKISTAN, BURMA, IRAQ, CHILE, ARGENTINA, BRAZIL, MEXICO, AUSTRALIA, HONG KONG.



DEVELOPMENT OF ATOMIC ENERGY IN JAPAN

MANY-SIDED RESEARCH UNDER WAY

WITH the receipt of a small amount of enriched uranium and a reactor through the U.S. Government's "Atoms for Peace" programme in 1954, Japan began the development of atomic energy for peaceful purposes. In order to ensure that atomic energy would always be used for peaceful purposes, a Basic Atomic Energy Law was also instituted. Under this law, atomic reactors in Japan cannot, for any reason, be used for military research. According to *Asahi Evening News*, Japan's true intentions are to follow the policy of atomic development for peaceful uses only.

Great emphasis has been laid in the last few years on the development of atomic energy in various directions. The plans in this connection have particularly emphasised research on different types of reactors. The reason for Japan rushing through her plans in the field of atomic energy is stated to be a certain awareness in that country of the poor condition of conventional energy sources and the relatively high cost of fuel. The expectation of the Japanese Government is that the rapid development of nuclear power will solve the problem of energy sources. That the development of nuclear power on a substantial scale is one of the goals of the Japanese Government could be seen from the details of the long-range programme in this field. The present plans call for nuclear power generation to the tune of 7 million kw. to 9 million kw. in 1980. In the first stage, covering about 10 years from 1960 to 1970, it is planned to generate a million kw. of nuclear power.

It looks as though Japan's goals in respect of atomic energy are not confined to the generation of nuclear power as a supplemental source of energy. In fact, on a wide front, research into practical applications of atomic energy is at present under way in Japan. A number of commercial firms are also in the picture, developing new types of power reactors. This trend is attributed to the realisation that the manufacture of reactors and the processing of fuel elements are inseparable from each other. At least five major industrial groups are, therefore, engaged in the construction of power reactors in Japan. Under the long-range plan, besides the projects for atomic power generation in two stages, there are schemes for building atomic-powered ships. It is estimated that in about 10 years such ships will be developed to the level where they can successfully compete with conventional ships. The first atomic-powered ship, it is expected, will be placed in service by 1967. The experience gained from this undertaking is to be used as the basis for the construction of five to ten atomic-powered commercial vessels by 1970.

Currently Japan has also come to apply radioisotopes in a wide variety of ways in chemistry, engineering, medicine, agriculture and other fields. It is said that the most notable progress has been made in the field of industrial uses of radioisotopes. When domestic production of these isotopes by Japanese reactors—there are at present two reactors in operation, seven under construction and two more under contemplation—gets into full swing, it may be expected that the scope of utilisation of isotopes in industries will become even wider. Practical uses of these isotopes now include non-destructive testing and analyses in manufacturing processes. It is said that isotopes which are employed in thickness and liquid level gauges have revolutionised certain aspects of industry.

First, the penetrating capacity of radioisotope's radioactive rays is being utilised for the checking of the internal non-destructivity of various industrial materials, notably metals. Here the commonest method is to employ some suitable radioisotopes for radiography, that is, radiological detection of the internal conditions of different materials in a way similar to the fluorescent X-ray check on human bodies. It is stated that radioisotope-type radiographical checking costs only one-tenth of the highest powered X-ray examination without the least difference in efficiency. Moreover, radioisotopes have solved the longstanding problem of X-rays being unable to penetrate objects which are too complex in structure or too thick.

The second most important type of utilisation of radioisotopes is in respect of removing static electric charging of various equipment or materials in factories, laboratories and hospitals. This impediment to industrial operations is now being removed through the utilisation of the ionising actions of the radioisotope's radioactive beams. Also, an atomic electric battery, one of the most attractive nuclear innovations for laymen, has been developed on the basis of the principle of conversion of the energy of radioactive rays into electrical energy through the use of some radioisotopes. But it is stated that this innovation is still inadequate for general use because electricity generated by this device is small in wattage.

Thirdly, the chemical actions of radioisotope's radioactive rays have also come to be utilised in a number of ways. So far such utilisation as been confined to the synthetising of plastics. Plastic goods made through this radiation process are credited with numerous marked advantages. For instance, they do not soften in heat, are resistant to chemicals and do not lose elasticity even when exposed to high temperature. In the chemical field, radioisotopes are also used for explaining the structure of chemical reactions and chemical processes.

In view of the wide scope for practical industrial applications of atomic energy, private enterprises in Japan have come to place greater emphasis on further atomic research. As of 1959, the amount invested by them in atomic energy research is 5,000 million yen as compared with only 800 million yen in 1956. This amount is equivalent to about one-sixth of the total amount of funds invested each year by private enterprises for various researches.

It may be relevant to mention in conclusion that during the past six years, Japan has spent as much as 39,000 million yen for the development of atomic energy. Of this amount, the Japanese Government has supplied 24,000 million yen while the various private companies have contributed a total of 15,000 million yen. It would appear from these figures of expenditure on the development of atomic energy and on research in that field that private enterprises in Japan have been very enterprising and resourceful. Obviously private industries in that country do not want to be left behind in the latest processes of technology. Although the development of atomic energy in its early stage is not a profitable undertaking, Japan's industrial enterprises have taken particular interest in this field because their aim is to raise their technical level and to be in the forefront of technical innovation. Such technical innovation is becoming increasingly possible in Japan in view of the wide scope for practical applications of atomic energy in industry.

HALDEN BOILING HEAVY WATER REACTOR

The O.E.E.C. European Nuclear Energy Agency has just published the Second Report to its Steering Committee of the Halden (Norway) Boiling Heavy Water Reactor Project. The reactor, which first went critical in June 1959 and achieved boiling for the first time in October 1960, is at present the only one of its type to have reached this stage. The Report now published covers not only the technical progress achieved during the period under review (1st November 1959 to 31st December 1960) but also gives a full detailed description of the reactor installation and the general administration of the Project, which is one of the European joint undertakings in the field of nuclear energy organised by the O.E.E.C. European Nuclear Energy Agency.

The principal objectives of the Halden Project are to obtain experience in the operation of a boiling heavy water reactor, to gain an understanding of the physics and dynamics which govern its performance, and to develop means of accurate measurement within the reactor core.

The ultimate design specification of the Halden boiling heavy water reactor is 20 MW of heat produced in the primary circuit at a reactor outlet temperature of 250°C., corresponding approximately to 40 kg/cm² pressure. This specification is being approached in two stages, using different reactor cores for each stage.

The fuel charge for the first core consists of 7 tons of natural uranium, in the form of one-inch diameter cylindrical rods canned in aluminium. In addition, enriched uranium oxide "spikes," clad in stainless steel, are used to increase the reactivity. The fuel charge is assembled in the reactor core in the form of a hexagonal lattice.

The fuel charge for the second core, which is to be installed at the end of 1961, will consist of 1.5 per cent enriched uranium oxide in zircaloy cladding.

The core is contained in a mild steel pressure vessel lined with stainless steel. The tank has a curved bottom and a thick flat top lid, made of mild steel. There is access to each individual fuel rod through openings in the top lid.

Sixteen tons of heavy water act as both moderator and coolant. Shrouds around the fuel rods confine the boiling to the annulus between the shrouds and the fuel rod, and improve the general flow pattern in the core. Steam/water mixture passes upwards inside the shroud by natural convection and leaves the shroud at the top. The heavy water steam is taken from the reactor through the lid into a header ring. A steam line connects the header ring to the main heat exchanger and another line returns condensate to the reactor tank by gravity.

The total cost of the plant, including heavy water and the first uranium fuel load, was $3.5 million. The second fuel charge will cost approximately $500,000.

SURVEY OF FOUNDRY MOULDING SANDS

The Council of Scientific and Industrial Research has just published a monograph containing the preliminary results of an extensive survey of foundry moulding sands carried out by the National Metallurgical Laboratory of India. In this publication technical data on the properties of moulding sands, bonding clays and other bonding materials have been made available to the foundry industry in India for the first time.

The monograph gives the chemical, physical and moulding characteristics of more than forty samples of foundry sands taken from all over the country. Recommendations for the utilisation of these sands in moulding for different metals and alloys have also been made, for a significant contemporary development in foundry technology is the realisation of the importance of proper selection and use of foundry sands and moulding materials.

At present, about 80,000 tons of steel castings are made in approximately 1,500 established foundries. More and more heavy quality castings of 100 tons and above are being moulded in the country.

The Canadian House of Commons has announced a series of revisions in the regulations covering the far northern oil and natural gas exploration and development. The revisions provide for lower royalties on production, larger production leases and a reduction in the work requirement to hold leases. The announcement is a sequel to the preparations which are being completed by the oil companies for an active drilling programme in Arctic Islands and Northern territories.

BANKERS

It will pay you to consult us

FOR YOUR

★ CHEQUES ★ SHARE CERTIFICATES

★ DEMAND DRAFTS ★ LEDGERS

★ PAY-IN SLIP BOOKS ★ PASS BOOKS

★ LETTERHEADS ★ ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON WORKS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

NEW PRODUCTS AND PROCESSES

Pectin From Tamarind Fruit Pulp

THE Central Food Technological Research Institute, Mysore, has developed a process for recovering pectin and tartarates from tamarind fruit pulp. The tamarind pulp is extracted with hot water and the extract obtained by centrifuging the boiled slurry. The extract is concentrated in an evaporator. Pectin is precipitated by adding alcohol to the extract from which tartarates have been previously removed. Major raw material required for the process, namely, tama ind fruit pulp and other raw materials, such as alcohol, potassium carbonate, hydrochloric acid and sulphuric acid are available in India. Plant and machinery required for the process consists of centrifuges, double effect evaporator, filter press, drier, ball mill, vibrating screen, distillation column boiler, wooden vats and storage tanks. Total capital outlay for a plant producing 310 lbs. of Rochelle salt and 50 lbs. of pectin per day is estimated at about Rs. 5 lakhs. Tartaric acid and its salts like potassium sodium tartarate are extensively in use in various food, pharmaceutical and chemical industries. Pectin is used for the manufacture of fruit products like jams, jellies, preserves and marmalades. Indigenous manufacture of tartaric acid, its salts and pectin is expected to effect considerable saving in foreign exchange.

Malted Milk Powder

An improved process for the production of nutritive and palatable malted milk powder and allied products has been developed at the Central Food Technological Research Institute in Mysore. The new process makes use of solid powder such as malt extract and milk powder as base material instead of fresh milk and malt liquor. Production is thus facilitated since the amount of water to be evaporated for preparing the product is reduced. The base materials required in the new process are *ragi*, *jowar*, barley, wheat and milk which are readily available in the country. The total capital outlay for a 300-ton annual capacity plant is estimated at about Rs. 6.85 lakhs. In recent years, a considerable market has been developed for malt products in India. But the demand has been largely met from imports.

Renewable Carbon Paper

A new type of carbon paper that, it is claimed, regenerates itself immediately after it has been used, has now been developed for commercial applications in the U.K. The operation of the carbon paper depends on the fact that it has a porous surface and when the typewriter key is raised after striking a letter, ink from other areas of the sheet flows through the pores and refills the space where the key struck. Its action thus differs from standard types of carbon paper which act by transferring carbon from themselves to the second sheet of paper. Calculations are said to have shown that enough ink can be stored in the sheet for it to automatically regenerate itself for several hundred operations, and in many cases for even longer periods. This is because the actual impact of the keys of the typewriter strike only a relative limited area of surface yet the whole surface of the carbon paper can be filled with ink. At the same time the new paper is said to be competitive in price with current carbon papers while it is expected to be far cheaper to use.

Flaw Testing

A flaw-detection equipment which is designed to detect surface cracks or flaws in ferrous materials has been developed in the U.K. The new system is said to have considerably greater efficiency than previous systems. Its operation depends on the fact that in such materials a magnetic field will be distorted in the neighbourhood of the fault or crack. Although it was originally designed for testing—on a production basis—gas turbine aero engine discs of up to 42 inches diameter with, or without, blading it can also be used to test shafts of up to six inches in diameter and 84 inches long used in other types of plant. It can therefore be used widely in the mechanical engineering industry where ferrous metals are used. The system uses a combination of alternating current and direct current methods of magnetisation and a special "multiple adjustable hole system" which, it is claimed, enables all types of surface cracks to be revealed whatever their direction.

Automatic Coal Handling System

A model piece of automation—a working, fully automatic system for the surface handling of coal—has been designed and built by apprentices of the English Electric Company. The unit recently toured the coal mining areas of South Wales ending at the mining department of the University College of South Wales in Cardiff. The mobile display is in a special demonstration van, fitted out by the mining division of the company, and is making a six months tour of the mining areas in Britain. At each centre experts in the application of electronic equipment to mining problems are demonstrating how mine cars can be removed from a cage, emptied and returned completely automatically. The new system will not displace men, but has the essential point that electronic equipment is more reliable than conventional electro-mechanical gear and needs less maintenance. The operator can also take manual control to interrupt the sequence of operations such as sending mine cars down containing materials.

COLOUR

Nature's Beauty Aid!

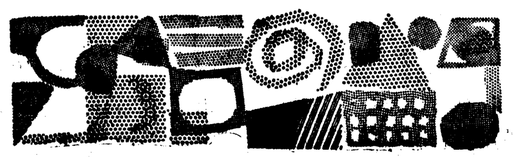
MAN has taken his lesson from Nature... has employed many and varied processes from the brewing of dyes from herbs and leaves to the most modern scientific methods—to make his own life as colourful and gay as the variegated hues of Nature. Judging from the frescoes of Ajanta, 'colour-chemistry' in India has been an advanced science since ancient times.

Today, AMAR DYE are leaders in the indigenous manufacture of dyes—having established a name for the excellent quality of their Amarthols & Fast Bases. Intensive research and a rapid expansion programme will soon make India totally self-supporting in the requirements of coal tar dyes.

—enrich India's life with COLOUR!

Amar Dye-Chem Limited

Rang Udyan, Sitladevi Temple Road, Bombay 16



NATIONAL RAYON CORPORATION LIMITED

MR. KASTURBHAI LALBHAI'S SPEECH AT ANNUAL MEETING

EARLY STEPS TO ENSURE ADEQUATE POWER SUPPLY FOR INDUSTRIES URGED

THE difficulty experienced by industries in getting additional power supply in Maharashtra State was explained by Mr. Kasturbhai Lalbhai, Chaiman of the National Rayon Corporation Ltd., in the course of his speech at the Fourteenth Annual General Meeting held at Bombay on Thursday, 15th June 1961. Mr. Kasturbhai Lalbhai warned that, with the growth of industries in the Bombay region, the power shortage might perhaps become more acute till the Koyna project went into regular operation at its rated capacity. He was sure that the Maharashtra Government was conscious of this problem and that necessary steps would be taken to see that industrial growth was not delayed for want of power. Incidentally, he suggested the staggering of working hours in industries, so that adequate supply of power would be available to industries in the Bombay area immediately. A notable announcement made by the Chairman was that the Company's rayon grade pulp project had made some progress with the selection of a site in Mysore State for the location of the pulp plant.

The following is the full text of Mr. Kasturbhai Lalbhai's speech:

"GENTLEMEN,

"I have great pleasure in welcoming you this afternoon and placing before you for adoption the fourteenth annual report of the Directors and the statements of accounts for the year ended 31st December 1960. These were circulated to all the shareholders and so must have been in your hands for quite some time now, and, I believe, I have your permission to take them as read.

"The statements of accounts have been drawn up in conformity with the provisions of the Companies (Amendment) Act, 1960. The figures for the preceding year, which are also published alongside, have been suitably recast to bring them in line with the new provisions.

Preference Dividend

"Before I proceed to deal with a few items in the accounts which, in my opinion, require some elucidation, I wish to say that your Board of Directors have decided to recommend this year and hereafter payment of dividend on preference shares at Rs. 5.55 per share, free of Company's tax, with a view to placing them in the same position as they were before the enactment of the Preference Shares (Regulation of Dividends) Act, 1960, and amendment to Section 18(3D) of the Indian Income-tax Act. With this objective in mind, we considered the following two alternatives:

"(i) To increase the dividend to Rs. 6.25 per share instead of Rs. 5.55 as required under the Preference Shares (Regulation of Dividends) Act, which would, after deduction of Company's tax at 20 per cent, leave Rs. 5.00 per share; and

"(ii) to fix up dividend at 5 per cent free of tax.

"The second alternative could not be considered as the Preference Shares (Regulation of Dividends) Act requires that the dividend should be increased in the case of our Company by 11 per cent. If the first alternative is adopted, the return on preference shares will vary with the Company's tax rate, whenever such a variation is decided upon by the Government, and, in the event of the Company's profits not being taxable in any year, for any reason, the Company will, nevertheless, have to pay a dividend at 6.25 per cent. Your Directors have, therefore, decided to recommend the fixing of the dividend at Rs. 5.55 per share without the deduction of Company's tax, but subject to the statutory deduction at source of tax under the Income-tax Act.

Sales

"Coming to the statements of accounts, the reasons for lesser sales turnover in rayon yarn and waste have already been given in the Directors' report. The total sales of chemicals and other miscellaneous materials have increased from Rs. 37.00 lakhs to Rs. 46.11 lakhs. This is due to the increased production of caustic soda and chlorine at the Company's ancillary plants which made available a larger quantity of these two chemicals for sale. Apart from this, the consignment of caustic soda, which was imported earlier and remained unused for some time, was sold off on a 'no-loss, no-profit' basis with the necessary sanction of the Government.

"The amount of excise duty paid during the report year was Rs. 68.59 lakhs, about Rs. 4.70 lakhs more than that paid in the preceding year. This duty was paid at the lower rate for the first two months of the year 1959 and at the enhanced rate in the subsequent ten months, whereas duty was paid at the enhanced rate for all the twelve months of 1960 on the entire production.

"The Managing Agents' commission has been computed on the sliding rate of commission approved last year by the Central Government and stood substantially lower at Rs. 9.80 lakhs, as against Rs. 18.96 lakhs paid in the preceding year. The amount of depreciation deducted under Section 349(4)(*k*) of the Companies (Amendment) Act, 1960, was arrived at by applying the rates prescribed in the Income-tax Rules to the written-down value of the assets as shown in the books of the Company at the close of 1959.

Raw Materials

"The inventory for raw materials is comparatively lower and stood at Rs. 30.59 lakhs, as against Rs. 60.25 lakhs at the end of the preceding year; this may be attributed in the main to the stricter import control policy of the Government arising from the difficult foreign exchange position. Nevertheless, special provision has been made for the necessary raw materials sufficient for the trial runs as well as for uninterrupted operations of the additional spinning frames which will be pressed into commission shortly and of the tire cord plant which is expected to go into production later in the year.

Excise Duty

"In the Finance Act of 1961, excise duty on rayon yarn has once again been raised, from 90 nP to 150 nP per kilogramme for 120 and 150 denier, and from 130 nP to 225 nP per kilogramme for 100 denier. Excise duty has been imposed on caustic soda to the extent of Rs. 40 per metric ton, while the duty on sulphur has been raised from 5 per cent to 10 per cent *ad valorem*. Having decided to levy these duties, the Government seem also to be anxious to hold the price line and, with this end in view, the Textile Commissioner held a series of conferences with the rayon spinning and weaving units to see how much and by whom the increased levy has to be absorbed. Representations were made at these conferences that the rayon spinning industry was unable to bear the additional burden because the cost of production had already gone up consequent upon the revision and upgrading of scales of pay to the workers, imposition of excise duty on caustic soda and raising of the import duty on sulphur. The Textile Commissioner, after going fully into the matter, however, decided that 60 per cent of the increased excise duty on rayon yarn has to be absorbed by the rayon spinning units and 40 per cent has to be passed on to the rayon weaving units.

"The Textile Commissioner has also fixed the prices for rayon yarn to be charged to the consumers and the price differentials between the different grades in each of the deniers at 15 nP per kilogramme at each stage, so that the difference in price between the first grade and the reject is not less than 60 nP per kilogramme. The distribution of the indigenous yarn continues to be done as hitherto through a Distribution Committee appointed by the Textile Commissioner. About 83 per cent of our production is being reserved to the powerloom sector to whom allocation cards are being issued every quarter and the balance is to be made available to the handloom sector, ancillary industries, doublers and twisters to whom it is also proposed to issue allocation cards in the near future. About 88 per cent of our production is being directly sold to the consumers and 12 per cent through established dealers based on their previous purchases from us.

Power Supply

"With the present rate of growth of industries in Maharashtra State, the demand for power is increasing rather rapidly. It now appears that it has become somewhat more difficult to get additional power both for the existing industries as well as for the new industries which are coming up in Maharashtra State, and in particular, in the Bombay area. With the growth of industries in this region, perhaps the power shortage may become more acute till the Koyna project goes into regular operation at its rated capacity. I am sure, Maharashtra Government is conscious of this problem and necessary steps will be taken by them to see that the industrial growth in this region is not delayed for want of electric power. In the past, to meet power shortage, Maharashtra Government very wisely implemented a decision to staggering the holidays and working hours of the industry. Among other measures for making power available to the expanding industry in Bombay region, perhaps staggering of working hours may be considered. If this is done, then large quantity of power will be available to the industry in this area immediately.

Rayon Grade Pulp

"I am pleased to inform you that some progress has been made with regard to the Company's Rayon Grade Pulp Project. A suitable site at Nanjangud (Mysore State) has been selected for the location of the pulp plant. The Mysore Government have under their consideration a proposal to reserve Coorg, Kollegal and Mysore forest areas for the exclusive exploitation by us of the bamboo and other softwood resources in those areas suitable for the manufacture of pulp. The Mysore Government are of the opinion that there is adequate supply of water in the neighbourhood which they will consider making available at concessional rates for the first five years, and that the electric power required for the operation of our plant could also be made available. One of your Directors, Shri R. J. Chinai, is now in the United States exploring possibilities of raising a dollar loan to cover the foreign exchange needs on deferred payment terms acceptable to the Government and for obtaining technical know-how, and engineering and other related services. I am also pleased to inform you that we have obtained an industrial licence for the expansion of our tire cord plant, and necessary steps will be taken for its early implementation.

Labour

"The relations with the labour continues to be satisfactory. In the month of March 1961, bonus equivalent to ¼th of the total earnings during the year 1960 was declared and paid, but the Labour Union has made a demand for payment of bonus equivalent to 5/12th of the total earnings. This matter is now pending before the Assistant Commissioner for Labour.

"I must say a word in conclusion about the workers and the staff who by their efficient work have contributed in a large measure to the smooth running of the plant and the satisfactory working of the organisation.

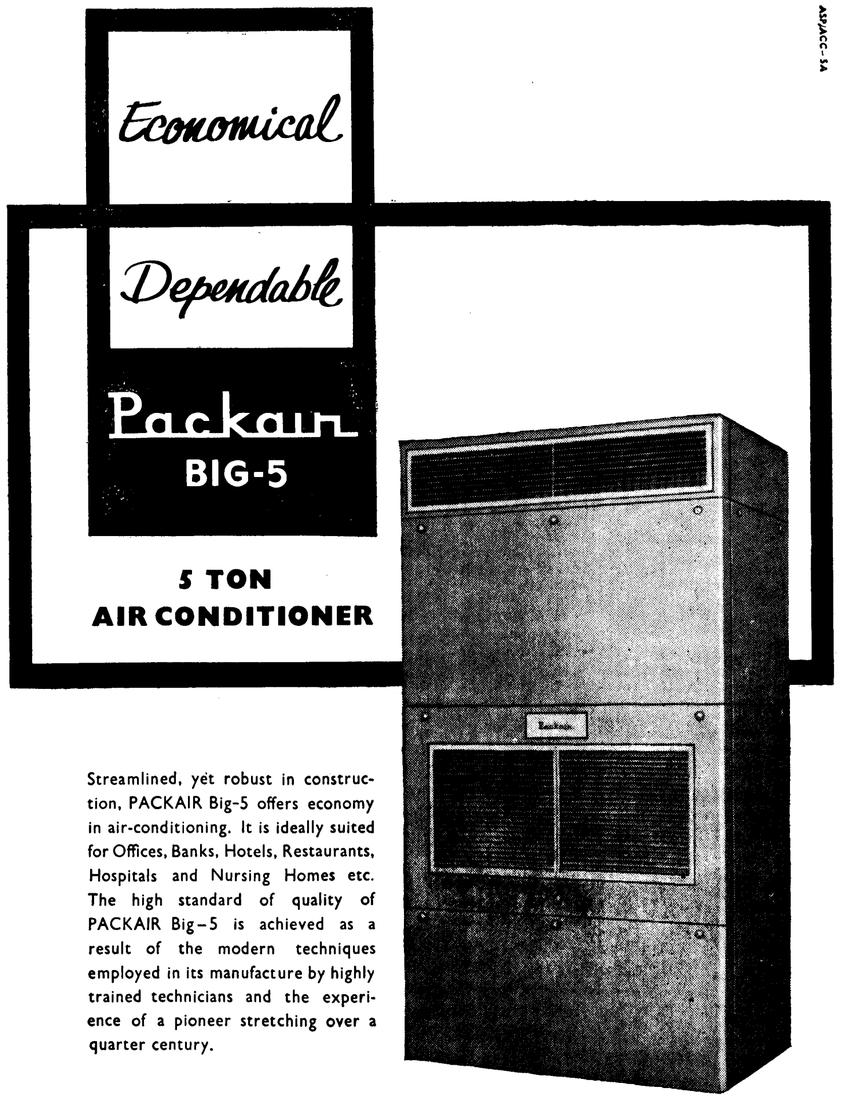
"With these observations, I commend the report and the statements of accounts for adoption, and propose the following resolution:

Resolution

'The fourteenth annual report and the statements of accounts for the year ended the 31st December 1960, be and they are hereby adopted.'

"Thank you, gentlemen."

N.B.—*This does not purport to be the report of the proceedings of the annual general meeting.*



READY REFERENCER AND GUIDE TO COMPANIES ACT
1961 EDITION
By JOHN and ROW, Advocates, Madras
Contents: A commentary on the Companies Amendment Act 1960.
Text of the Companies Act 1956 incorporating up-to-date amendments.
Price: Rs. 12.50 (*postage extra*)
EXPRESS PUBLISHERS (PRIVATE) LIMITED
33, BROADWAY, MADRAS-1

PHASING A DEVELOPMENT PLAN

IS IT A PRACTICABLE PROPOSITION?

By Dr. T. N. Dhar

A DISTINCTION is sometimes made between growth and development. The former is supposed to be a natural or normal process requiring no special efforts on the part of the community. Development, on the other hand, involves *structural* changes without which the "inertia of the social system" cannot be overcome and a decisive break with the past achieved. The economic advance of the United States in the nineteenth century is, thus, referred to as economic growth whereas that of the U.S.S.R. and of countries in Asia and Africa in the twentieth century—based as it is on conscious endeavour—is more aptly described as belonging to the latter category.

Translated into economic terms, the above distinction seems to imply that while, in the one case, demand and supply have managed to remain in fair consonance with each other, in the second case there is but little likelihood of any such conformity. In other words, the inherent strength of the early American economy was sufficient to ensure a supply of goods and services as and when they were needed, or to create a demand for them when supply was forthcoming. In an underdeveloped country, on the contrary, either supply is so inflexible as to fall short of demand, or demand is deficient for even such goods as can be easily supplied. This is the familiar "vicious circle" of low income—low saving—low investment (leading to low income) which has been made the *raison d'etre* of planning during the last few years.

To break this vicious circle it has been suggested that pressure should be exerted at a number of points simultaneously so that the operation of Say's Law (i.e. supply creating its own demand) may become possible, and in this way increase in supply may be matched by a corresponding increase in demand. For example, the workers of a factory producing shoes cannot 'consume' their output of shoes, those of a textile factory their output of cloth and so on. But simultaneous production of a number of goods will enable sufficient demand to be created for the products of each industry as the workers jointly increase the range of their purchases.

Obvious Difficulties

The logic is impeccable; but once we try to put these principles into practice, we run up against obvious difficulties. The resources required to be marshalled for an all-out attack on the problem of poverty puts a strain upon the economy which may turn out to be a source of weakness rather than of strength. The early years of the second Plan provide a case in point. From wisdom born of bitter experience, comment, during the preparation of the third Plan, has increasingly turned on the possibility of "phasing" in order that the likelihood of strain may be reduced to the minimum. There is talk of balanced growth, of avoidance of bottlenecks, of investment commensurate with available resources, of annual plans, and other such concepts—all aimed at avoiding a crisis similar to that of 1957. All this is good theory, but theory must also recognise the difficulties which are likely to arise in the course of implementation of the Plan. It is one thing to look at difficulties of a practical nature in a detached way and another to try to make allowances for them *in advance*. Of course, some of the problems may not suggest themselves until after they have arisen. Even so, if the foreign exchange crisis, for example, had been dimly foreseen, aid would have been canvassed in sufficient time to avoid serious trouble. That is to say, if the limitations of planning (or rather of execution) are made to stand out in sufficient relief, theoretical concepts must be appropriately revised. This may also be true of "phasing." Currently, the idea which tends to be conveyed by this term is that, through proper planning, some sort of smoothness can be imparted to the course of development. This belief, it must be pointed out, is subject to a number of qualifications.

In the first place, there is an element of paradox in the use of the phrase "balanced growth." When structural changes are taking place, it is too much to expect that supply and demand can be kept in close conformity to each other. The *discontinuity* inherent in structural change precludes the estimation of demand with any degree of accuracy, while the indivisibility of certain factors of production necessarily results in over- or under-fulfilment of targets set on the basis of anticipated demand. In short, the process of development proceeds, as hinted in the opening paragraph, by demand sometimes sharply exceeding and, at others, conspicuously falling short of supply. Far from there being balanced growth, there will be a continuous series of sudden spurts of output—in different sectors at different times—before the take-off stage is reached.

The second concept to be examined is the matching of resources with investment. Ultimately, all resources and output have to be measured in physical terms, but discussion of monetary resources is essential in the first instance in the case of an economy which is not of the communist type. Now, financial resources may be either external or domestic. To the extent that national income increases every year —and the proportion of savings may also rise at the same time—it follows that domestic savings will be steadily increasing over time. As a corollary of this, investible funds from this source should be progressively higher as the Plan proceeds. For example, it has been estimated that the yield from taxation may rise by about Rs. 100 crores per year even without any increase in the level of taxation.

Export Earnings

Similarly, it may be expected that our export earnings will rise—though the rise may not be substantial. But granted that the position will steadily improve, it does not follow that the pattern of expenditure can be adjusted so as to keep within the limits of the available resources. Since the import of plant and machinery will be necessary for a number of schemes with fairly long periods of gestation, the probabilities are that the greatest strain on the foreign exchange reserves will be felt during the second (or third) year of a Five-year Plan. The point is whether this should be accepted as inevitable or attempts made to smoothen out the hump in foreign exchange expenditure. Evidently, if some foreign credits have already been arranged, the problem is simplified (or rather postponed). But while such aid can be forthcoming for a few large projects, the vast majority of schemes will have to take their chance on, more or less, an *ad hoc* basis.

There is, of course, the possibility (as advocated by Prof. Reddaway) of keeping in readiness a number of project reports—to be produced at the right time (like rabbits from a magician's hat?). But to be really effective these projects should have varying gestation periods, differing foreign exchange implications, be suited to regional requirements, etc., in order to cover all eventualities. By the time one finishes the list of permutations and combinations, the task becomes truly stupendous. Nor is it necessarily more convenient to think of "expansions" as being more amenable than new enterprises. When questions of diversification arise, or demand for particular products only of an undertaking increase, the advantages of such "flexibility" disappear. As an illustration, it may be cited that two out of the three new steel plants cannot be expanded to their full potential during the third Plan because the demand for their products is not likely to be sufficiently great. This has necessitated the inclusion of the new scheme at Bokaro.

Admitting, for the sake of argument, that investment in a particular activity can be properly spread out over the Plan period, it does not follow that the same can be said for all activities as a whole, or even for groups of activities. We have had the unfortunate spectacle of seeing irrigation facilities wasted by non-construction of field channels. Again, most dams also have power generation plants installed at the same time and industries which will use this power should be established simultaneously with the power plants. Transport and communications may also have to be substantially increased. In short, there is no possibility of phasing the investment on dams, field channels, power houses, industrial establishments and transport facilities if waste through non-utilisation of the new resources is to be avoided. Hence, one comes to the conclusion that *effective planning involves a number of "package deals"* which may permit of phasing as between each other but not in relation to the constituents of each such package.

However, even this may turn out to be a little optimistic if attention is paid towards the avoidance of possible bottlenecks. Steel and cement, power and fuel, and transport facilities are such basic necessities of present-day development that any shortfall in their supply is likely to be fatal. Commonsense, therefore, suggests that it might be better to err on the side of excess rather than risk failure by trying to merely keep up with the anticipated demand. Even though this may involve some "waste" of scarce resources in the rather doctrinaire sense that there may be some non-utilisation of capacity, the creation of excess capacity in these sectors is, fortunately, not necessarily an economic loss if it paves the way for greater progress. E.g., new railway lines which currently appear uneconomic may open up fresh areas for exploitation, while an excess of steel may encourage machine-building at a faster rate than originally envisaged. One can legitimately claim that such outcomes, though unplanned, are as much part of the developmental process as the fulfilment of targets fixed on a more (?) rational basis. Indeed, the notion of development, as opposed to growth, outlined above, *favours* such lack of balance as being the essence of structural change.

From the above analysis, it will be clear that the so-called availability of resources cannot be used as a criterion for phasing a plan. For if we have a five-year plan which is so drawn up that the physical targets to be achieved at the end of the plan period are mutually consistent, one cannot rely on "phasing" to ensure that there will be smooth progress towards the goal. Either the plan must comprise targets which are not consistent with one another or we must give up the attempt to match efforts with resources. Within limits, of course, negotiated foreign loans and deficit financing aim at reducing the strain on current resources but these are, after all, a draft on the future and will create difficulties later on. Thus, all that can be said at the moment is that while some of the "bottleneck items" must be targetted in physical terms *irrespective of financial considerations*, the rest of the economy will have to be left subject to monetary ceilings of investment only. Within this framework it will, however, be necessary to operate a system of priorities; but how does one proceed to do so? For example, considering the question of foreign exchange only, how does one solve the following problem?

The demand for petroleum products is likely to be 14 million tons by 1966 whereas the refining capacity, according to present indications, is likely to be only 8.75 million tons. Setting up the additional capacity would require foreign exchange to the tune of Rs. 60 crores within a year or two, but if this expenditure is not undertaken, the drain on foreign exchange by 1966 would be Rs. 75 crores *per year*. If, on the other hand, refining capacity is expanded, a net benefit of Rs. 25 crores a year may be expected after paying for the crude oil which must be imported. (The saving in foreign exchange would obviously be larger.)

A Difficult Choice

Here is a choice—a very difficult choice—between the present and the future. The balance of advantage necessarily lies in the creation of the additional capacity—provided that this is an isolated case. Unfortunately, most of the industries striving to manufacture commodities at present imported will also be able to make similar claims and, in these conditions, any system of priorities is likely to be subject to pulls from different directions. (The fact that each department claims "top priority" for its own activities will amply bear this out!)

But, once again, let us assume that it is possible to separately phase the output of each industry. This, however, it is apparent, will be a formidable task. Prof. Reddaway has been graceful enough to admit that "it is not easy for an academic outsider who does not know what *has* been done, nor yet what *can* be done, to say much about... (the possibility that)... the mere publication by the Government of its estimates of phased output requirements and the extent to which they might be met from existing capacity may help to stimulate the necessary applications for licences."* But a consideration of the various steps involved in the process will show up the difficulties of the task.

The first requirement is a fairly accurate estimate of demand at the end of each year of the plan, for if the working hypotheses are not correct the licensing policy will itself be governed by the exigencies of the situation. Secondly, there must be a sufficient number of entrepreneurs *willing, and able*, to come forward and in a position to deliver the goods. Mere licensing is no guarantee of ultimate fruition of schemes for even experienced businessmen may not be able, for a variety of reasons, to make headway; yet this will not deter them from applying for licences. (E.g., the Jha Committee mentions that the existing automobile manufacturers were prepared to bid for the "small car" even though they had not fulfilled their obligations in respect of earlier commitments.)

In the third place, it becomes essential that all applications relating to a particular project or industry should be processed at the same time. Otherwise a sound scheme may be rejected at some stage and a dubious one accepted shortly after if circumstances have changed in the meantime. This requirement will, however, itself present a challenge to the licensing authority which will have to choose between schemes with varying implications.

Fourthly, the potential investor must be satisfied about the timely availability of "bottleneck" items without which his efforts may be of little avail. How can one expect a factory to be established when the requisite power is not (even potentially) in existence? What is the assurance that an import licence for plant and machinery will be forthcoming at the right time?

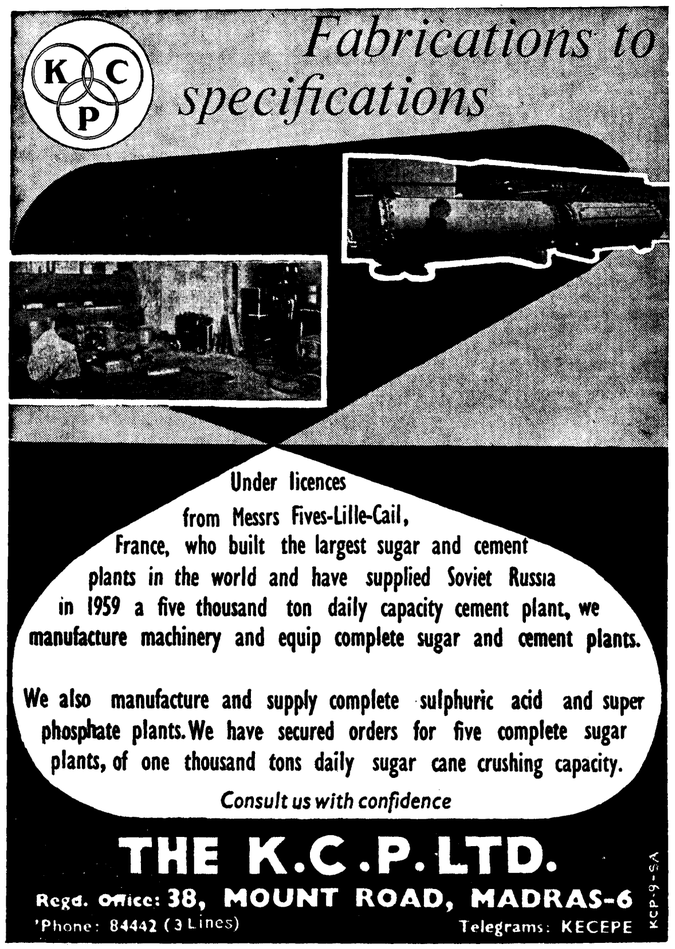
And even if these problems can be successfully tackled, there are others which may interfere with the phasing which has been decided upon. Capacity required to be installed has to be distributed among a number of units some of which at least will have to be newly established. It is commonly believed that expansion of an existing unit is cheaper than establishing a new one, but this is not universally true. In particular, the foreign exchange requirement may be the same for an expansion as for a new undertaking. Moreover, it is possible that the foreign exchange requirement per unit of capacity may be low initially (i.e. for small units) but may rise for medium capacities and decline thereafter. In such circumstances, an attempt to conserve foreign exchange may result either in falling short of or overshooting the mark. If, however, one has to choose schemes in the light of their gestation periods, it is not possible to take into account the availability or otherwise of financial resources, be they domestic savings or foreign currency.

Conclusion

The picture which now unfolds itself is that the problem of "phasing" involves the balancing of four types of resources—domestic savings, foreign exchange, physical outputs, and time (i.e. time-lags in execution). Hence, it must be reiterated that if the targets to be achieved at the end of a plan period are broadly consistent with one another, there is little hope of smooth progress towards the goal. Certain adjustments may, nevertheless, be possible—if the political atmosphere admits of this. The expenditure on imported plant and machinery will necessitate matching investment from domestic sources, which means that both foreign exchange and domestic savings will be in short supply in the earlier years of the plan. Later, the drain on domestic resources on this account will fall while the quantum of resources will increase. If schemes covering housing, general education, health, etc. are largely taken up during the latter half of the plan period the strain on internal finances should be reduced. The foreign exchange earnings of these later years will be used mainly for imports of essential raw materials and, in this way, a balance in their use will be introduced.

Apart from broad generalisations of this type, the complexities of the problem of phasing would seem to indicate that a pragmatic approach would best meet the needs of the situation. After all, other countries (e.g. Poland and Yugoslavia) have found that it does not pay to plan in too much detail. So far as we are concerned, perhaps at the end of the third Plan, when machine-building has reached a fairly high level, and the question of imports of plant and machinery is no longer acute, talk of phasing may be given a more practical shape. But if, by that time, the take-off stage has been reached the need of phasing will, in all probability, have disappeared!

*Economic Weekly, Special Number, June 1959



Reducing
MATERIALS & INVENTORY COSTS
Adds Directly to Profits

Do You Know that	Do You Know that	Do You Know that
60nP Represents the Average Purchase Price of Materials for all Industries per Rupee of Production Cost in India?	2% Saving in Materials Cost EQUALS 17% Extra Sales?	All Progressive Industrialists Can Reduce Purchasing & Inventory Costs by at least 5%?

We have highly qualified specialists under the guidance of Mr. A. R. Palit who has had twenty years' purchasing experience in India and the U.S.A.

Our Consulting Service offers you

- Complete advice regarding setting up an efficient materials and purchase management department including store-keeping and stores inventory-control; or the modernising of your existing operations.
- Analysis of your particular purchasing and inventory-control problems for specific recommendations for greater efficiency including ways and means for cost-reduction.
- Detailed advice on store-keeping and stores inventory-control.
- Introducing application of modern methods in your organisation under our supervision.
- Tailor-made instructional courses.

A. R. Palit & Company Private Ltd.
Industrial & Materials Management Consultants
P. O. BOX 671, NEW DELHI

INCOME-TAX AMENDMENT BILL—II

CHANGES REQUIRED IN SOME SECTIONS

By A. C. Sampath Iyengar

Section 23 (1)—First Proviso and the Explanation thereto and the Proviso to the Explanation

THE Law Commission, with a view to a logical treatment throughout the various topics, set to itself the task of first defining the "gross income" under the different heads of "income" in the opening sections relating to each head, and then, listing in separate sections the deductions to be allowed or to be not allowed in computing the net chargeable income under each head (see page 9, para 30 of the Law Commission's Report). In keeping with the said basic scheme, when it came to the third head of income—"Income from house property"—the Law Commission first set out in two independent sections (namely, Sections 22 and 23 of its draft) the method of calculating the annual value; in Section 24, the deductions which could be made out of the annual value; and in Section 25, the deductions that could not be made out of the annual value.

In the matter of deduction for municipal taxes paid, the Law Commission remarked that whatever quantum was intended to be permitted as a deduction, the same could be directly expressed—irrespective of whether it was the tenant's liability or the owner's liability. In the words of the Law Commission:

"The existing provision is defective in form, because it brings about in a roundabout way a result which can be stated directly. The gist of the clause (9(2), 3rd proviso) is that in the case of a tenanted property, one half of the municipal taxes should be deducted. This need not be expressed in the form of a "deeming" provision (as Section 9(2), 3rd proviso, clause (*a*) appears to do) regarding the tenant's liability, followed by a provision (clause (*b*) of the proviso) for deduction if the tenant's liability is borne by the owner.

"The draft seeks to remove this defect. The provision has also been made simpler by removing the reference to the law authorising the levy of tax, etc., as unnecessary. It may be added here that as a general rule, such laws make the tax payable wholly by the owner and not by the tenant."

The Law Commission had earlier stated that in relation to treatment of "house property": "the main drafting changes are the omission of provisos and re-arranging the section on a more logical basis" (see page 343 top).

The present Draft Bill has departed from the Law Commission's treatment in every one of the above respects. It has interwoven the deductibility of the municipal tax into the sections relating to ascertainment of the gross annual value; it has reintroduced the allowance for municipal tax in terms of the tenant's liability on a "deeming" basis; and it has in its Section 23(1), first inserted a proviso then, an explanation thereto and then, another proviso to the said explanation.

To adhere to logical treatment, the subject of deduction for municipal taxes should be removed from clause 23 of the Bill to clause 24; secondly, the deduction, in the interest of simplicity, should be expressed straight at one-half of the tax levied by any local authority in respect of the property, reproducing clause (i) of Section 24(1) of the Law Commission's draft. This would be the general rule of deduction.

The explanation inserted by the Bill grants as a deduction the full amount of the taxes paid in respect of properties whose construction is completed before 1st April 1950. The proviso to the said explanation grants another kind of deduction in respect of residential units whose erection is begun and completed after 1st April 1961. The deductions in respect of these two different matters can form either separate clauses under sub-section (1) of Section 24, or can form separate sub-sections to Section 24.

The Law Commission further, as a guide to the determination of the annual value, incorporated in its draft (in its Section 23(2)) the relevant factors which should weigh in arriving at the annual value. The Bill of 1961 has completely omitted the same. No reasons are mentioned. The said sub-section (2) no more than reduces into legislation the result of the case-law on the subject, a helpful guide.

Section 23(2), Proviso (Old Section 9(2), Proviso)

Even house property in the occupation of the owner for the purposes of his own residence, falls to be taxed on its "annual value." But the policy of the Income-tax Act has always been to fix a ceiling for its annual value.

This ceiling (gross) was expressed at ten per cent of the "total income" of the assessee, which entailed ascertainment of an unknown quantity by reference to a figure which comprised the unknown quantity itself. For, the "total income" of the owner would include the "annual value" of the owner-occupied residence too. Further, in computing the total income from the property occupied by the owner, deduction has to be made in respect of repairs, insurance premia, land revenue, interest, etc. Since this formula would involve a large mathematical calculation, the Law Commission, in order to simplify the calculation, fixed the ceiling by reference to a known quantity, viz., the total income of the owner from all other properties and from all other sources. Eleven per cent thereof was fixed as the ceiling. This eleven per cent was roughly the percentage calculated on the basis of ten per cent of the "total income." See pages 343 and 344 of the Law Commission's 12th Report.

The Bill as presented to Parliament, however, reverts to the old formula of expressing the ceiling by reference to the "total income" as before. The purpose of the Bill is statedly to simplify, but, on the other hand, the simplification suggested by the Law Commission is thrown overboard by the Bill.

In passing, it may be mentioned that the Departmental practice in view of the complicated formula has been to fix the ceiling by reference to the self-same known quantity mentioned by the Law Commission. The difference between the Departmental practice and the Law Commission is this: whereas the Departmental practice adopts 1/11th of the known quantity, or, in other words, 9.09 per cent of the known quantity, the Law Commission adopts 11 per cent. The formula at 10 per cent of the "total income" works out to 10.9 per cent of the other income, not 9.09 per cent. See page 344 of the Law Commission's 12th Report. So, the Departmental practice is not in keeping with the correct percentage as calculated by reference to the "total income" formula.

The Departmental practice is correct only if in the computation of the total income, the deduction for repairs alone is taken into account and not the other deductions that are permissible under Section 24(1). Where the Department itself, in order to avoid the complicated mathematical formula, is in practice fixing the ceiling with reference to the known quantity, one feels that there is all the more reason for adopting the recommendation made by the Law Commission.

Section 27, Clauses (iv) and (vi)

Clause (iv) uses the word "imposed" in referring to tax imposed by a local authority. Clause (vi) refers to taxes "*levied*" by a local authority. The same expression, either "imposed" or "levied," should be used in both places.

Section 30

Clause (i) of Section 30(*a*) permits the allowance for repairs, while clause (ii) thereof permits the allowance of current repairs. The difference between a "repair" *simpliciter* and a "current repair" has been the subject-matter of divergent and conflicting views in courts of law. See the decisions in (1) *Ramkishan Sunderlal* vs. *C.I.T., U.P.*, 1951 19 I.T.R. 324, in which current repair was understood as petty repair as contrasted with heavy repair; (2) *C.I.T. & E.P.T., Madras* vs. *Sri Rama Sugar Mills Ltd.*, 1952 21 I.T.R. 191, *C.I.T., Delhi* vs. *S. B. Ranjit Singh*, 1955 28 I.T.R. 14, *R. B. Bansilal Abirchand Spg. & Wvg. Mills* vs. *C.I.T., M.P.*, 1957 31 I.T.R. 427, in all of which current repairs were understood as contrasted with repairs resulting in new capital assets; (3) *C.I.T., B. & O.* vs. *Darbhanga Sugar Co., Ltd.*, 1956 29 I.T.R. 21, in which current repair was understood as contrasted with past repair or arrear repair; and (4) *New Shorrock Spg. & Mfg. Co., Ltd.* vs. *C.I.T., Bombay North*, 1956 30 I.T.R. 338, in which current repair was understood as contrasted with accumulated repair over a period of time.

There is also the other view that current repairs are ordinary repairs arising in the ordinary course of the running of plant and machinery, and not extraordinary repairs arising from accidents or breakages or other extraordinary events.

Recently, the Calcutta High Court in *Humayun Properties Ltd.* vs. *C.I.T., West Bengal* (Income-tax Reference Application No. 8 of 1956) observed that this was a fit subject matter for the Legislature to clear up. Either the word "current" should be removed from the statute book, or a statutory definition should be inserted so as to avoid litigation.

Section 45

This section enacts that the income arising from the transfer of a capital asset "shall be deemed to be the income of the previous year in which the transfer took place." This language has been interpreted authoritatively to mean that the relevant previous year is the year in which title passed from the transferor to the transferee. See the decision of the Supreme Court in *C.I.T.* vs. *Bhurangya Coal Co.*, 1958 33 I.T.R. 802, and also the decision of the Calcutta High Court in *C.I.T., West Bengal* vs. *A. J. Elde and another*, 1954 25 I.T.R. 150. In the case of transfer of immovable property worth over Rs. 100, title passes only upon execution of a conveyance and upon registration thereof under the Indian Registration Act. In cases involving big consideration of several lakhs parties in order to save stamp fees and registration charges avoid the execution of a conveyance in writing. The vendor is paid the full consideration money and he is satisfied. The vendee is put in possession of the immovable properties and he is satisfied. No title passes in such a case and so no Capital Gains tax would be attracted. To remedy this situation, specific legislation is necessary. It has been well decided that part-performance of contract in relation to a sale of immovable properties does not transfer the title from the vendor to the vendee.

Sections 47 and 49

Sub-clause (b) of clause (iii) of Section 47 refers to "any distribution of assets on the dissolution of a firm, body of individuals or other association of persons," whereas clause (ii) of Section 47(1) refers only to "any distribution of capital assets on the dissolution of a firm." The reason for the omission of "body of individuals or other association of persons" in clause (ii) of Section 47(1) is not clear. As the clauses stand at present, the implication would be that any distribution of assets on the dissolution of a body of individuals or other association of persons would be chargeable to Capital Gains tax to support which there is no logical reason.

Section 53

The relief by way of exemption from Capital Gains tax provided by this section is illusory. The exemption applies only where the market value of all the house property assets owned by the assessee (before sale of any portion thereof) is Rs. 50,000 or less and the sale price of the house property sold does not exceed Rs. 25,000. This means that the clause comes into play where the assessee has at least two house properties, one of which is below the value of Rs. 25,000. Having regard to the present economic conditions, very few house properties would correspond to the specifications mentioned in this section. In order to give meaning and substance to these provisions, the limit of the market value should have to be increased or the relief itself should be scratched.

Section 54

This relates to grant of relief from Capital Gains tax where an assessee sells his residential house property in order to purchase a new residence. According to the section, the purchase of the new house may be made first in earlier accounting year and the existing house may be sold in the next accounting year; or, alternatively, the existing house may be sold first and the new house may be purchased in the subsequent accounting year. In the former event there is a possible difficulty, on the section as it stands, for obtaining the relief. If the assessment to Capital Gains tax is completed during the corresponding assessment year, before the purchase is made of the new property in the next accounting year, there is no provision for reopening Capital Gains assessment already completed. Hence, a power to so reopen should be provided in the section.

Section 60: Transfers of Income

This section is meaningless and requires to be deleted. When there is no transfer of an asset, the income from the asset can accrue only

(*Continued on page* 1204)

THE HONGKONG AND SHANGHAI BANKING CORPORATION

(Incorporated in Hong Kong with Limited Liability)

Capital Authorised .. .. **HK. $100,000,000 (Rs. 8,33,33,333)**

Capital Issued and Fully Paid .. .. .. **HK. $ 79,046,125 (Rs. 6,58,71,771)**

Reserve Fund (including Share Premium Account) .. .. **Stg. £ 15,000,000 (Rs. 20,00,00,000)**

Head Office: **HONG KONG**

THE HON. MICHAEL W. TURNER, C.B.E.
Chairman and Chief Manager

BRANCHES

BORNEO — *Colony of North Borneo*: Beaufort, Jesselton, Labuan, Sandakan, Tawau; *State of Brunei*: Brunei Town, Kuala Belait, Seria; *Colony of Sarawak*: Kuching, Sibu

BURMA — Rangoon

CAMBODIA — Phnom-Penh

CEYLON — Colombo

CHINA — Shanghai

FRANCE — Paris

GERMANY — Hamburg

HONG KONG — Aberdeen, Hong Kong, Kowloon, Mongkok, North Point, Sai Ying Pun, San Hui, Sham Shui Po, Sheung Shui, Taipo, Tsuen Wan, Wanchai, Yuen Long

INDIA — Bombay, Calcutta

INDONESIA — Djakarta

JAPAN — Kobe, Osaka, Tokyo, Yokohama

FEDERATION OF MALAYA — Bukit Terendak, Cameron Highlands, Ipoh, Johore Bahru, Kuala Lumpur, Malacca, Muar, Penang, Petaling Jaya, Sungei Patani, Teluk Anson

PHILIPPINES — Iloilo, Manila

SINGAPORE — Collyer Quay, Orchard Road, Tanglin

THAILAND — Bangkok, Suapah Road, Bangkok

U.K. — London

U.S.A. — New York, San Francisco

VIETNAM — Saigon

Correspondents Throughout the World
Banking Business of Every Kind Transacted

A COMPREHENSIVE SERVICE AS TRUSTEES AND EXECUTORS IS ALSO UNDERTAKEN BY THE BANK'S TRUSTEE COMPANIES IN HONG KONG, LONDON AND SINGAPORE

LONDON OFFICE: **9, Gracechurch Street, E.C. 3**

NEW YORK OFFICE: **72, Wall Street**

CALCUTTA OFFICE: **31, Dalhousie Square S. F. T. B. LEVER,** *Manager.*

BOMBAY OFFICE: **16, Veer Nariman Road B. O'D. PATERSON,** *Manager.*

Affiliated Company:
THE HONGKONG AND SHANGHAI BANKING CORPORATION OF CALIFORNIA
Offices in San Francisco and Los Angeles

FORWARD MARKETS BULLETIN

(Monthly)

Published by Forward Markets Commission
Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspect of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown ¼ size
- Attractive get-up

Annual subscription — In India .. Rs. 24.00; Abroad .. Rs. 40.00
Single copy — In India .. Rs. 2.50; Abroad .. Rs. 4.00

For further particulars please apply to:

The Secretary, Forward Markets Commission
"Everest," 100, Marine Drive, Bombay-2

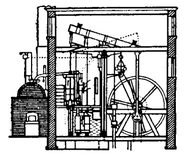
"SCCO"

For removing heavy scale from large metal surfaces, such as rust, old paint, and incrustations giving the metal renewed surface for painting, etc. These cup brushes are used on high speed flexible shafts electric or pneumatic tools and can be driven at higher speeds being of sturdier construction than the lighter crimped wire types. A good friend for Foundry man.

India Brushware
72, CANNING STREET.
CALCUTTA-1.
Phone : 34-1985

Steam...

Industry's greatest power

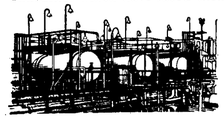


SINCE 1782, when the first Rotative Steam Engine enabled the use of steam power to motivate machinery, steam has played an ever increasing part in industry throughout the world.

Not only is steam today's most important source of power for the civilised world, but it must remain so for many years to come. Even atomic power is yet in its infancy and can only be applied as an alternative source of heat. Steam is indeed the real power of industry.

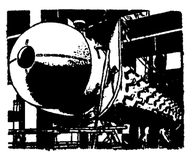
While this is but an outline of the extensive and continually growing part that steam plays in power generation and industry throughout the world, it indicates quite clearly the unparalleled importance of steam power in the industrial growth of India... and, therefore, the urgent need to manufacture vital steam-raising plant in this country to meet the demands of expanding industry.

This is one of the needs which has led to the formation of a new and powerful industrial group, ACC-Vickers-Babcock Limited (AVB). The vast technical knowledge and extensive practical experience available to it will enable the new company to make an important contribution to Indian industry—and help Indian engineers overcome some of the difficulties which have faced them for so long.



The new AVB plant is nearing completion on a 700-acre site at Durgapur. The workshops, designed on modern lines, will have built into the structure electric overhead travelling cranes with 70 tons lifting capacity. All workshops have been designed to allow for progressive expansion so that it will be possible to lift 200 tons without making structural alterations. Up-to-date machine tools are being installed. When completed, they will include a 3000 ton hydraulic press capable of bending steel plates up to 5" thick for use in the manufacture of high pressure boiler drums, and pressure vessels required for the fertiliser, chemicals and oil refining industries. The new plant will make it possible to manufacture steam-raising equipment in the high pressure range—for the first time in India.

ACC-VICKERS-BABCOCK LTD. offers the industrialist his best chance to ensure a fully *integrated* installation comprising the boiler plant itself and a wide range of equipment from the fuel handling and preparation plant to the ash plant and dust disposal installation.



Besides, the industrialist has the confidence that he will get after-sales service of the highest quality from AVB!

AVB

...a Powerful Partnership for Progress

ACC-VICKERS-BABCOCK LTD.
16, Queen's Road Estate, Bombay 1
CALCUTTA OFFICE:
Ilaco House, 1 & 3 Brabourne Road, CALCUTTA 1
WORKS: Durgapur, WEST BENGAL

JWT-AVB. 2248.

PROBLEMS OF PRODUCTIVITY

CERTAIN MISCONCEPTIONS EXAMINED

By Dr. K. C. Bhandari, Gwalior

FEW slogans in recent times have assumed greater importance than has the slogan "Produce or perish." There are two recognised ways of increasing production: one is by employing greater resources towards intensifying production and the other is by the introduction of productivity, that is, by producing more from the available resources by bringing about some technological and other improvements. In view of the country's limited capacity to increase the resources to a very great extent, more emphasis has necessarily to be laid on the latter.

There are a number of misconceptions about productivity. Most of them are general, while a few of them are specific only to Indian environment. A clear understanding about the same is a prerequisite to any further advancement in the sphere of providing further stimulus to the movement of productivity in India.

The first and foremost misconception about productivity is that it is considered synonymous with rationalisation. It is also remarked in the same context that it is merely "old wine in new bottles"! There is some truth in this conception in so far as the objectives to be attained by both (productivity and rationalisation) are concerned, namely, increase in overall production. Except for this, the conception of treating rationalisation as identical with productivity is totally misleading. Rationalisation literally means putting reason into industry, while productivity implies an economisation of means in relation to given ends. While there is an emphasis on the reduction of waste in rationalisation, there is a greater emphasis on improvement of management under productivity. The movement of productivity is a multi-pronged attack on waste, job-drudgery, unwholesome labour relations, inhuman conditions of work and all that is wrong in industry and impedes production. It seeks to establish easier and better way of doing things.

Another misconception, widely prevalent in this country, is that increase in productivity will increase only the profits of capitalists. It is obvious that such a misconception can be harboured in a capitalistic economic society. However, if there is a proper understanding about mutual rights, duties and responsibilities among the various constituents of industry, such a result is not likely. The idea of increasing productivity is to give the benefits of the same to each of the participants in industry. Even the consumers who are not directly concerned with the production aspect of industry are going to be benefited by the increase in productivity. But, it is essential that there must be some watch-dog (may be the Government machinery) to see that the returns are equitably shared among workers, employers and consumers.

Effects on Employment

Again, it is a common belief that the productivity drive will bring about reduction in employment potentialities resulting in immediate retrenchment of a vast labour force and thereby worsen the employment situation in the country. The employment situation in the country is indeed awful, and any measure which further deteriorates it cannot be accepted without reservations. We have now to consider as to whether the fear of unemployment is a genuine one. Productivity drive will certainly reduce cost of production. The reduced cost of production will in turn, result in the fall of prices. Reduction in prices will mean rise in overall demand and the extension of the markets for the commodity beyond local, regional and national frontiers. This will induce the producers to work at their maximum capacity, and to establish more units for similar production which is sure to result in creating more and fresh demand for labour. Moreover, when the increased productivity results in higher wages to the labourers, it will also act as an impetus to greater demand for goods and services. This, too, will increase employment. It is just possible that there may be some partial and temporary dislocation in the employment position and consequently, there may be some hapazard retrenchment and unemployment. The fear can be greatly minimised if the industry as well as the State are alive to the situation and take early steps to correct the position.

Apart from this, we are experiencing a great shortage of consumers', producers' and capital goods. It can hardly be imagined that those who will be discharged on account of introduction of productivity measures will not be absorbed immediately in a developing economy like that of ours in the context of our economic planning. To dispel any natural apprehension on the part of labour, there should, however, be a sort of commitment on the part of the State that those discharged owing to the productivity drive will be employed alternately and thus will not be allowed to swell the number of already unemployed. A regular periodic labour census can be a useful guide in counteracting any tendency towards unemployment.

Another mistaken notion that has occupied the minds of some of us is that productivity will entail greater strain on human nerves by requiring the labourers to work harder. Though, there is nothing wrong in working harder and though our labourers as well as all others in the country must work harder to realise our 'dreams,' it may be stated that productivity never implies harder work on the part of the labourers. On the contrary, it strives to reduce fatigue, monotony and strain. By a scientific and systematic planning of work, it attempts to reduce strain on human nerves rather than increase it.

It is also sometimes remarked that productivity is specifically concerned with industry. Nothing is far from the truth. Though the beginning of productivity drive has been made in the sphere of industry only, it has to be introduced ultimately in all spheres of national economy. The movement has still to be launched in the spheres of trade, transport, agriculture and office management, etc. Productivity is, as a matter of fact, "everybody's business."

Only about 60 per cent of the world's school age children are actually in school, according to the United Nations Educational, Scientific and Cultural Organisation (U.N.E.S.C.O.). Although there has been an increase in school enrolment since the end of World War II, the progress falls far short of the goal prescribed in the U.N. Universal Declaration of Human Rights. The U.N.E.S.C.O. report shows that in mid-1957, out of a total world population of 2¾ billion, 341.45 million or 12.4 per cent, were enrolled in schools at all levels. In 1957-58, the latest period for which figures are available, out of 551.0 million children throughout the world in the school-age range 5-14, about 341.50 million were in classrooms.

'ENGLISH ELECTRIC'

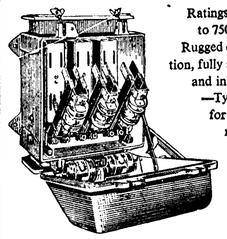
HIGH RUPTURING CAPACITY HEAVY DUTY

FUSEGEAR

H. R. C. CARTRIDGE FUSE-LINKS

Hermetically sealed construction— Non-deteriorating— ASTA certified for 35 MVA rupturing capacity— Visible indication of operation— Ratings up to 300 amps.

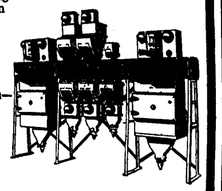
COMBINATION FUSE-SWITCHES



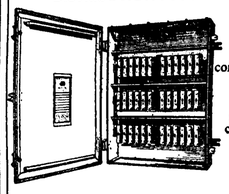
Ratings from 30 to 750 amps— Rugged construction, fully shrouded and interlocked —Type tested for 35 MVA rupturing capacity.

COMBINATION FUSE-SWITCHBOARDS

Incorporating Combination Fuse-Switches upto 750 amps— Robust and compact construction— Readily modified and extended— Type tested for 35 MVA rupturing capacity.



DISTRIBUTION FUSE-BOARDS



Robust, dust and moisture proof construction —Type tested for 35 MVA rupturing capacity— Ratings from 15 to 100 amps.

Flexibility of power distribution— Can be installed without disturbing existing layout or production— Avoids chasing of floors for ducting— Approved by Fire Insurance Authorities.

OVERHEAD BUSBAR EQUIPMENT

A complete range of distribution equipment manufactured at the Madras Works of The English Electric Company of India (Private) Ltd.

DISTRIBUTORS

THE ENGLISH ELECTRIC COMPANY LIMITED

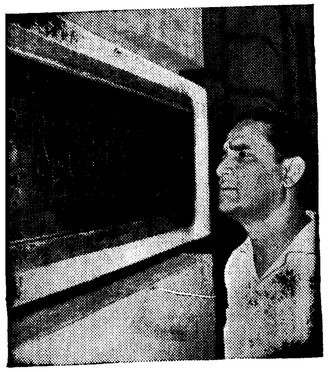
(Incorporated in England. Liability of Members Limited)

Post Box 207, NEW DELHI, 'Phone 45801 — Post Box 2224, CALCUTTA, 'Phone 223991 — Post Box 752, BOMBAY, 'Phone 242061 — Post Box 117, LUCKNOW, 'Phone 4901

Agents for South India: BINNY & COMPANY (MADRAS) LTD., MADRAS, Post Box 66, 'Phone : 21271

EEC-79

TURNING AWAY A PROSPECTIVE CLIENT?



That tarnished name plate outside your office may spoil a good chance.

Keep it shining with Brasso. A regular rub with Brasso will keep all your brass articles and fittings gleaming like new. It's so easy and economical.

polish your brassware with

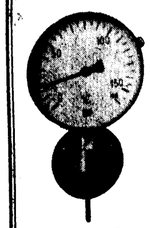
BRASSO

once a week, every week

FBA 4236 ATLANTIC (EAST) LIMITED (Incorporated in England)

INDUSTRIAL INSTRUMENTS

EX : M/S. DREYER ROSENKRANZ & DROOP, GERMANY



For

1. Industrial Pneumatic Controls.
2. Indicating or Recording Thermometers.
3. Indicating or Recording Vacuum or Pressure Gauges.
4. Combined Gauges.
5. Engine Indicators, etc.

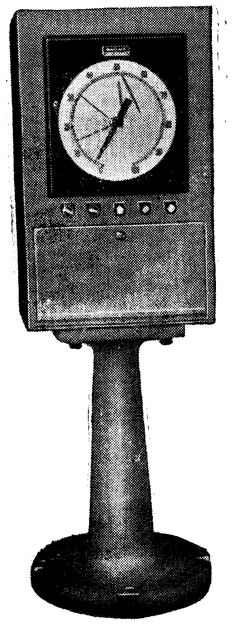
Contact Sole Agents

TOSHNIWAL BROTHERS PRIVATE LIMITED

198, Jamshedji Tata Road, Bombay-1

Branches :

AJMER CALCUTTA NEW DELHI MADRAS



Now you can control WARP REGAIN easier, more accurately than ever before

Improved MOIST-O-GRAPH measures regain... controls automatically

The electronic Moist-O-Graph takes the guesswork out of regain control. In addition to measuring regain for fibres and filament, regardless of blends or sizes, it provides automatic control that helps speed up production and improve quality in the slasher room; increase efficiency in the weaving room.

Honeywell is the recognized world's leader in the design and manufacture of automatic control equipment. An organization of more than 30,000 persons, with factories in the United States, Canada, France, Germany, Holland, Japan and the United Kingdom, Honeywell products are used in scores of widely diversified fields.

Honeywell products—more than 13,000 of them—fall into these three principal categories:

Heating and air conditioning controls and control systems for residences and industrial, commercial, public and educational buildings.

Instruments and instrumentation systems, process controls and control systems, valves, precision switches and data processing systems for business and industry.

Precision electronic instruments and control systems for aircraft and missiles.

For information on any control or instrumentation problem, contact

Exclusive Distributors

BLUE STAR

BLUE STAR ENGINEERING CO. (Bombay) Private LTD. LOTUS COURT JAMSHEDJI TATA ROAD, BOMBAY 4 Also at CALCUTTA · DELHI · MADRAS

Honeywell

First in Control

P585-98/1-3

INVESTORS' GUIDE

The 1961 Edition of the Calcutta Stock Exchange Official Year Book is just now out. It is India's most up-to-date and comprehensive work of reference on investments. Contains detailed information relating to the securities of all companies quoted on the Calcutta and Bombay Stock Exchanges. Also contains information on economic matters, tax rules and rates, names and addresses of Liquidators of Companies wound up since 1944, preference dividends in arrears. Special features of this Edition : (1) Information relating to all Bombay Companies and (2) List of Companies which accept vernacular signatures on transfer deed.

Copies available from the Stock Exchange, 7, Lyons Range, Calcutta, at a price of Rs. 12.50 nP per copy. Postage Rs. 2 extra.

FREE with each copy "Trading in Cleared Securities."

BRITAIN MOVES CLOSER TO COMMON MARKET

CONSULTATIONS WITH COMMONWEALTH IMMINENT

THE U.K. is gradually moving towards the orbit of the Common Market of the Six, not so much out of its clear conviction that the Common Market alone is the be-all and end-all of European unity, as by a certain concatenation of adverse circumstances. Britain has fared badly on the economic front of late, with a serious threat of inflation taking shape and its exports lagging behind. On the contrary, the Common Market has solid achievements both in the industrial and commercial fields to substantiate its competency. The U.K., it is now reported, has entered into a confidential agreement with the three constituent members of the Common Market, namely, France, West Germany and Italy, to ward off a domestic financial crisis. Under the agreement, the three Common Market countries are reported to have pledged support against any "run on the pound." While there was a selling of sterling lately, the agreement came into force, with the three countries buying sterling through the Central Bank of the Common Market. The U.K., of course, has accepted the obligation to buy francs, marks and liras in case of any threat to their stability; but this condition is easy to honour, since there is hardly any possibility of such a threat to their currencies; in view of the prosperous conditions within the community of the Six.

It is open to doubt whether the three Common Market countries will extend their continued support to sterling unless the U.K. arrives at a categorical decision to come into the Common Market. It is said that the U.K. has given assurances to the other signatories of the agreement that a firm decision will be taken by early August next. The U.K. has naturally to make up its mind, and that too without any delay, notwithstanding its anxiety to safeguard its agricultural, the E.F.T.A., and Commonwealth interests. In the meantime, arrangements are being completed in the U.K. for embarking on detailed consultations with the Commonwealth.

In order to have talks with the Government of India on the question of the possible British entry into the European Common Market, the U.K. Government will send a "fact-finding" mission to New Delhi, led by a senior Cabinet Minister, shortly. These talks are part of the Commonwealth-wide talks proposed by Mr. Harold Macmillan, the British Prime Minister, in his speech at the House of Commons last week. Allaying fears abroad that the U.K. had already decided to join the Common Market, the Prime Minister observed that no decision "to start negotiations" with the Six would be taken before the conclusion of full Commonwealth consultation. The decision to be taken, he stressed, was "not whether we join the Common Market, but whether we enter into negotiations." He reiterated the well-known British view that the commencement of negotiations should be preceded by "Commonwealth consultations, talks already arranged with the E.F.T.A. and the securing of protection for U.K. agriculture."

British Anxiety

There does not seem to be any real possibility of the convening of a Special Commonwealth Prime Ministers' Conference immediately for considering the issue. In fact, Mr. John Diefenbaker, Prime Minister of Canada, called for a meeting of the Commonwealth Ministers. Mr. Macmillan, however, doubted whether a special conference would be fruitful at this stage. There is much to be said in favour of his stand. The interests and circumstances of the various Commonwealth countries differ much from one another and from those of the countries of Europe. So it will be useful to have bilateral talks at the Ministerial level which makes possible detailed commodity-wise examination of the commercial policies. This should admittedly be followed by considerations of broad policies at a Prime Ministers' Conference. Mr. Macmillan was not against a Prime Ministers' Conference as such. Probably he wanted details to be worked out prior to any such conference.

The British anxiety to join the Common Market has to be understood in the light of the need for effecting such a merger before the Common Market itself reaches a point of no return. The U.K. realises that it is already too late. Further delay will only cause confusion and uncertainty in the sphere of commerce and industry, with no compensating advantages. It is fairly well known that the Common Market is taking various steps to speed up integration among themselves. Apart from tariff cuts, which have been referred to in these columns previously, the Six are beginning to close in on some of the really tough problems of their ambitious programme of integration. Efforts are under way to draft an agricultural policy for the Six, which had been left out in the Rome Treaty, apart from finding out agreed solutions to anti-trust policy and methods of taxation. It is true that all these measures have failed to secure the unanimous consent of all the members. In the course of an interesting article, entitled *Report on Western Europe*, appearing in the bimonthly publication of the Research Department of the Chase Manhatten Bank, New York, it is pointed out that the C.M. Commission's draft proposals for a common anti-trust policy—strictly European standards—ran into stiff opposition in the Common Market's Economic and Social Committee, where many representatives of the business community voted against those proposals, which require that most inter-company agreements be registered in advance with the Commission. Anti-trust is the first field in which the Commission has run into the opposition of the business community. The European view of cartels is not nearly so restrictive as the American. A cartel may be "good" or "bad," depending on its economic effect. The Rome Treaty condones cartel agreements as long as they promote economic progress and as long as consumers receive a fair share of the benefits. In practice, this may well mean that cartels will be outlawed in the Common Market only if they result in artificially high prices. The C.M. Commission will work out an anti-trust policy in accordance with its mandate in the treaty, but the chances are that the Commission will move cautiously in pressing its proposals and in their subsequent enforcement, as pointed out in the abovementioned article.

Agricultural Policy

Another important problem relates to the evolution of an agricultural policy for the Common Market. To live up to their Rome Treaty obligations, the Six must agree to a common agricultural policy; and there are still wide differences of opinion as to what that policy should be. The basic issue here is the extent to which agricultural trade among the Six should be freed of restrictions—and how soon. The Commission, with substantial Dutch and French support, favours a policy that would remove most barriers to the free flow of farm products inside the Common Market. Farmers retain much political power in each member-country, and national governments are under pressure to maintain systems of farm protection that have existed for nearly a century. There is more to the problem than votes, however. The Germans, for example, have made a good start at reforming the structure of agriculture by consolidating land holdings and making rural development loans. Rapid industrial growth has helped to reduce the number of farms in the past seven years. West German agriculture is gradually becoming more efficient and better able to compete with other European agriculture in a free market. Opening the door now to farm goods from France and Holland, some Germans feel, would expose German agriculture to too much competition too soon. While recognising that national potection is on the way out, they feel that delay will enable the German farmer to compete successfully when it has been eliminated.

Nor have the Six come anywhere near to an agreement on the question of a common energy policy. This is obstructed by disagreement between the French who are anxious to maintain a prefential position for Saharan oil, and the Dutch, who want refined products from the Netherlands to get the same advantage.

Since the Six have been earnestly striving to make a success of the Common Market, these differences of opinion on details represent only a passing phase. That the move towards integration is gaining steady momentum within the Six is vindicated by the trend of their trade in 1960. Flow of trade among the Six rose by 25 per cent in 1960 over 1959. This gain followed a 19 per cent rise in 1959. Finished manufactures accounted for much of the increase. Imports from outside the Common Market also rose by 22 per cent in 1960, with manufactured goods again accounting for a large part of the increase. Trade gains of the E.F.T.A. were large but by no means so impressive as those of the E.E.C. Trade among the Seven was higher by just 15 per cent. It must, however, be remembered that until July 1960, there was no tariff cuts at all within the Seven.

Bridging the Gulf

The problem of what is now styled as bridging the gulf between the two trade blocs continues to be as elusive as it ever was. The Chase Manhattan Bank's article rightly says that the most important obstacle to a commercial agreement between the Six and the Seven is their "difference of approach" towards the question of European unity. Although both groups are seeking a kind of unity in Europe, they are going about it differently. The Six have laid down a fairly detailed master plan in advance, including the guideline for solving such delicate problems of integration as anti-trust regulation, tax policy and Government subsidies, under the guidance of community institutions. The E.F.T.A. has started with a much less detailed plan, with a minimum of institutions, and counts on the member-governments to work out the details co-operatively as they are ready. One way of putting it is that the Common Market has started with a written constitution, requiring the member-countries to co-operate, "while E.F.T.A. has started with a general statement of intention, and prefers to let its constitution grow naturally—as did the British constitution—to fit the needs of member-countries as they evolve."

It is precisely because of their difference in approach that some people continue to favour a customs union for all the members of Western European community. Dr. Wilhelm Beutler, Executive Director of the Federation of West German Industries, has recently observed that the establishment of an all-European customs union still seems to offer the best short-term solution. Setting up of such a customs union, which would comprise the members of the Common Market as well as the members of the European Free Trade Area, offers the important advantage that a workable system of European economic co-operation can be established within the shortest possible time, while it would in no way exclude Britain's future membership in the Common Market which remained the optimal long-term aim, according to him. Britain's membership in the Common Market requires some amending of the Treaty of Rome and it may take quite some time to go through the necessary diplomatic, legislative and administrative procedures. What is needed at present, however, is quick action.

Mr. Beutler feels that the proposed customs union which would not involve any of the political obligations the Common Market members have taken upon themselves, would meet this requirement, and, at the same time, represent a suitable "transitory stage" on the way towards full European economic integration. It is doubtful whether the proposal for the customs union finds favour with the Common Market Commission. The dominant opinion in the Common Market is that a plan to extend tariff preferences to the Seven would be acceptable only if the Seven are willing to join the difficult projects of integration as well, including the political obligations, which are inevitable concomitants of the Rome Treaty.

The Raw Materials Sub-Committee appointed by the Government of India under the chairmanship of Mr. G. L. Bansal, met the officials of the Directorate of Industries, Maharashtra, the State Trading Corporation, the Small Industries Service Institute, the Iron and Steel Controller and the Chief Controller of Imports and Exports in Bombay last week. The Raw Materials Sub-Committee also discussed with the State Government officials the memorandum submitted by the Directorate of Industries on the problem of supply of raw material to the small-scale industries in the State. The number of small-scale units in the State is about 6,375, in addition to 3,000 units which are not registered under the Factories Act. Among the suggestions made by the officials of the State Department of Industries for relieving the shortage of raw materials as well as for the long-term measures including the use of substitutes were:—planning of indents of the small-scale industries for controlled materials on high priority basis, opening of raw material depots at suitable centres, prompt assistance to private industrial units in a position to import raw materials that involve foreign exchange, and speedy disposal of licences or any assistance to those manufacturing units which have definite prospects of exporting their products and earning sufficient foreign exchange.

FOR
MACHINE TOOLS
AND
SPECIAL
SWEDISH
STEELS

CONTACT
FK FRANCIS KLEIN & CO., PRIVATE LTD.
HEAD OFFICE:
1, INDIA EXCHANGE PLACE
CALCUTTA-1
SHOWROOMS:
13A, GOVT. PLACE EAST
CALCUTTA-1

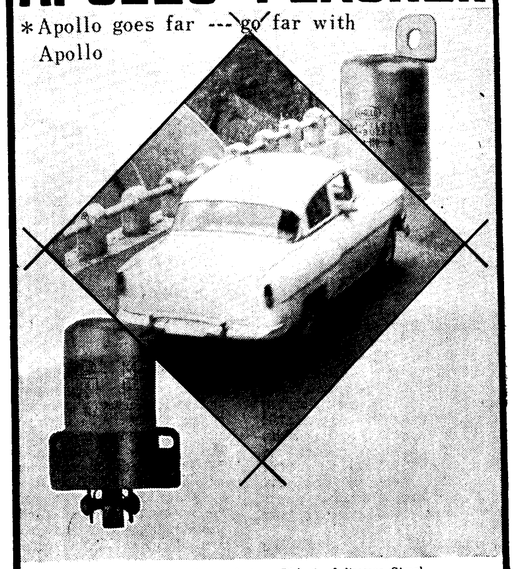
ALLAHABAD BANK
LIMITED
Established: 1865.
Affiliated to The Chartered Bank.

REGISTERED OFFICE: CALCUTTA,
14, India Exchange Place.

A Branch of the Bank has been opened on 29th May, 1961 at "Civil Lines," Grand Trunk Road, Jullundur City.

M. J. Maclaren,
GENERAL MANAGER.

STATE BANK OF TRAVANCORE
(Subsidiary of the State Bank of India)
Head Office: TRIVANDRUM
OFFERS INCREASED INTEREST RATES ON DEPOSITS
as under with effect from 1st April 1961:
SAVINGS BANK DEPOSITS .. 3% p.a.
FIXED DEPOSITS .. .. from 4% to 5%
Full particulars can be obtained from Head Office or the nearest Branch.
As a subsidiary of the State Bank of India we have agency and drawing arrangements with all branches of the State Bank of India and their seven subsidiaries.
ALL TYPES OF INTERNAL AND INTERNATIONAL BANKING BUSINESS TRANSACTED.
T. R. KRISHNASWAMI,
General Manager.

APOLLO FLASHER
*Apollo goes far --- go far with Apollo

*Apollo manufactures Direction Indicators, Signal Flashers, Lamps, Switches, Automatic Headlights, and Controllers, all in various styles.
If you wish to market the finest quality safety devices, send today for our brochures.
SOLE DISTRIBUTOR: SUN-WAVE INDUSTRIAL CO., LTD
Head Office: # 5, 4-Chome, Yaesu, Chuo-ku, Tokyo
Tel. (281) 5311 – 8
Sales Section: # 18, 2-Chome, Marunouchi, Chiyoda-Ku, Tokyo Tel. (281) 4917 – 8
APOLLO MFGR: APOLLO INDUSTRIES CO., LTD.
Head Office: # 18, 2-Chome, Marunouchi, Chiyoda-Ku, Tokyo (Kishimoto Bldg.)

National and Grindlays Bank Ltd.
(Amalgamating National Bank of India Limited, Grindlays Bank Limited, and the Eastern Branches of Lloyds Bank Limited).
Registered in London under the Companies Act of 1862 on the 23rd March 1866. The liability of members is limited.
Bankers to the Government in Aden, Kenya Colony, Zanzibar and Uganda
Authorised Capital £5,702,925
Subscribed and Paid-up Capital . . £4,562,400
Reserve Funds £3,050,000
Head Office: 26 BISHOPSGATE, LONDON, E.C.2,
London Branches:
54 Parliament Street, S.W. 1: 13 St. James' Square, S.W. 1.
BRANCHES throughout India, Pakistan, Ceylon, Burma, Aden, Somali, Zanzibar Island, Kenya, Uganda, Tanganyika Territory and Northern and Southern Rhodesia.
The Bank conducts all classes of Banking and Exchange Business throughout the world. Trusteeships and Executorships are undertaken.
Bombay Branches: 90, Mahatma Gandhi Road; Mint Road (Corner of Mint Road and Sir P. M. Road); 270/272 Dr. Dadabhoy Naoroji Road (Lloyds Branch); 21/29 Princess Street (Lloyds Branch).

YEAR OF MARKED PROGRESS FOR TRAYONS

STEADY IMPROVEMENT IN FINANCIAL POSITION

WITH an increase of 11.3 per cent in its sales in the year ended 31st December 1960, as compared with the previous year, the Travancore Rayons Limited (Managing Agents: Emcete and Sons Travancore Private Ltd.) has registered further significant progress. The receipts from sales of rayon yarn, cellulose, film and other products increased steadily to Rs. 376.88 lakhs as against Rs. 338.51 lakhs in 1959 and Rs. 328.29 lakhs in 1958. The selling prices were maintained at uniform levels despite an all-round increase in the cost of manufacture. The consumption of raw materials and stores was more or less maintained at Rs. 119.78 lakhs as against Rs. 115.97 lakhs in the previous year. The other expenses increased from Rs. 92.52 lakhs to Rs. 100.57 lakhs mostly on account of an increase in wages to the tune of Rs. 4.92 lakhs. Due to the increase in expenses, gross profit has improved by only 4.2 per cent from Rs. 118.82 lakhs to Rs. 123.92 lakhs, thus bringing down the ratio of profitability to sales from 35.1 per cent to 32.8 per cent. The net profit for the year, however, shows a striking improvement from Rs. 29.57 lakhs to Rs. 52.81 lakhs. This is due to lower provisions for depreciation, taxation and managing agents' commission, at Rs. 36.47 lakhs, Rs. 27.30 lakhs and Rs. 7.34 lakhs, respectively, as against Rs. 40.36 lakhs, Rs. 39.04 lakhs and Rs. 8.56 lakhs, respectively, in the previous year. The Directors have decided to maintain the dividend of 20 per cent, subject to deduction of tax, on ordinary shares in view of the ambitious expansion programmes in hand.

The steady improvement in the working results of the Company is clearly evident from the following comparative table since 1957:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	3,76.88	3,38.51	3,28.29	2,55.50
Closing stocks	18.57	27.37	18.23	18.09
Raw materials and stores consumed	1,19.78	1,15.97	1,20.39	79.23
Excise duty	23.95	22.95	14.70	9.07
Other expenses	1,00.57	92.52	95.86	64.07
Gross profit	1,23.92	1,18.82	98.64	60.22
Managing Agents' remuneration	7.34	8.56	6.66	3.01
Provision for—				
Depreciation	36.47	40.36	37.39	34.55
Taxation	27.30	39.04	1.08*	1.05*
Net profit	52.81	29.57	53.51	21.64
To reserves	25.70	5.05	35.80	10.00
,, gratuity reserve ..	1.50	1.50	1.00	...
,, donation	0.28	1.50	1.50	...
Dividends—				
Preference	4.00†	2.50†	2.50	2.50
Ordinary	20.00† (20%)†	20.00† (20%)†	12.50 (12½%)	10.00 (10%)
Carry forward	2.61	2.39	1.98	1.78

* Wealth tax only. † Subject to deduction of tax.

The paid-up capital of Rs. 50.00 lakhs in preference shares of Rs. 10 each and Rs. 100 lakhs in equity shares of Rs. 10 each remains constant at Rs. 150 lakhs. The reserves and surplus, however, have improved from Rs. 73.21 lakhs to Rs. 99.22 lakhs. The gradual expansion in the block account has taken the figure for gross block to Rs. 541.72 lakhs, which is more than three and a half times the paid-up capital. After providing for a total depreciation of Rs. 306.58 lakhs, the net block stands at Rs. 235.14 lakhs, which is nearly equal to the paid-up capital plus reserves. The expansion in the fixed assets is financed from the Company's own resources as is evident from the secured and unsecured loans standing at a low figure of Rs. 18.38 lakhs, as against Rs. 26.99 lakhs in the previous year. The current assets at Rs. 163.57 lakhs show an excess of Rs. 31.21 lakhs over the current liabilities of Rs. 132.36 lakhs.

The manufacturing operations of the Company during the year were very satisfactory. The production of plain and moisture-proof cellulose film was according to anticipation, and the level of production showed an upward trend. With the commissioning of the third cellulose film plant, the Company's capacity for cellulose film has been raised to 10 tons per day. The production in rayon plant fell short of full capacity due to unexpected problems encountered in production and also to difficulties and delays in obtaining the necessary spare parts in view of the stringent foreign exchange position. The sulphuric acid plant which started production a little over a year ago has enabled the Company to become self-sufficient in its requirements and leave a surplus for sale outside.

The Company which has been a pioneer in the rayon industry in India continues to expand its activities and capacity. The production of cellulose film is likely to reach 12 tons per day before the end of this year, when the modifications in No. 1 cellulose film plant are carried out shortly.

The cotton linter plant is likely to go into production in the latter half of 1962, with the production of 10 tons per day. Provision has also been made to double its output. The working of this plant will lessen the Company's dependence on imports and enable production of superior quality pulp, yarn and film.

The Company has been permitted to install six more Butterworth rayon spinning machines at an estimated cost of Rs. 35 lakhs, which will enable it to maintain the installed capacity at about 8.6 tons per day in terms of 120 deniers. Orders for the machineries will be finalised as soon as the financial arrangements for the necessary foreign exchange are completed.

In an accompanying letter to the Directors' report, the Chairman reveals that the Company has been granted licence for the manufacture of rayon grade pulp from cotton linters and blowroom cotton waste. With the launching of this scheme, the Company will also become a pioneer in the manufacture of rayon grade pulp in the country. The factory is expected to go into production in the latter half of next year. The Company has also received sanction from the Government for expansion of its rayon yarn section by about 2,000 tons per year. The latest budget of the Central Government raised the excise duty on rayon steeply by 66-2/3 per cent and also imposed a high excise duty of 20 per cent *ad valorem* on cellulose film. The actual repercussions of this on the finances of the Company, though not likely to be favourable, are yet to be assessed fully.

With all its expansion schemes on hand, Trayons, it may be confidently hoped, will have a proud position on the industrial map of India. This hope justifies the current quotation of Rs. 10 paid-up shares at Rs. 40.20. At this rate, on a net dividend of Re. 1.40 per share, the net yield works out to 3.4 per cent.

FRESH CAPITAL ISSUES

The Controller of Capital Issues has granted consent for issue of capital of Rs. 120 lakhs to the Southern Cable Corporation, Rs. 60 lakhs to Titaghur Paper Mills Company Ltd., Rs. 30 lakhs to Western Bengal Coalfields Ltd., Rs. 20 lakhs to Richhold Chemicals (India) Private Ltd. and Rs. 15 lakhs to Utrilon (India) Private Ltd. The details are given below:

Southern Cable Corporation

This is a new Company, and consent has been given to the issue of capital of Rs. 120 lakhs, consisting of one million equity shares of Rs. 10 each and 9 per cent 20,000 cumulative redeemable preference shares of Rs. 100 each. The capital is required for the Company's scheme of manufacture of P.V.C. wires and cables in collaboration with Messrs. Hackethal-Draht-und Kabel-Werke, Germany, who have agreed to invest Rs. 20 lakhs in the equity capital. The International Finance Corporation, Washington, will also invest an equivalent sum, besides, granting a loan of Rs. 45 lakhs.

Titaghur Paper Mills

Issue of Rs. 60 lakhs in 5½ per cent debentures bonds of Rs. 1,000 each repayable at par on 31st December 1970 with the option to redeem wholly or in part after 31st December 1966 at a premium of 1 per cent. The existing subscribed and paid-up capital of the Company is Rs. 142.92 lakhs. Capital is required for expansion of capacity to 1,000 tons of paper per month at the Company's third mill at Choudwar (Orissa).

Western Bengal Coalfields

Issue of 30,000 debentures of Rs. 100 each for cash at par, bearing interest at a rate not exceeding 7 per cent per annum and redeemable after 10 years from the date of issue. The proceeds are required for developing existing collieries and for sinking a new pit. The Company's existing capital is Rs. 49.98 lakhs.

Reichholds Chemicals

Issue of capital of Rs. 20 lakhs in equity shares of Rs. 100 each for manufacture of synthetic resins. Out of this issue, shares not exceeding Rs. 9 lakhs in value will be offered to the American collaborators, Reichholds Chemicals Co., New York, and the balance will be subscribed by Simpson & Co. Ltd., Madras.

Utrilon India

Issue of Rs. 15 lakhs divided into equity shares of Rs. 100 each in connection with their scheme for the manufacture of P.V.C. footwear and allied articles in technical collaboration with Industrial Synthetics Ltd., U.K. Out of Rs. 15 lakhs, Rs. 9 lakhs will be subscribed in India and the remaining Rs. 6 lakhs may be offered to Indian nationals resident abroad.

IMPROVED TURNOVER OF BRITISH PAINTS

DIVIDEND STEPPED UP

THANKS to a rise of over Rs. 5 lakhs in the sale of paints, and of over Rs. 14 lakhs in that of synthetic resin products, the gross turnover of British Paints (India) Ltd. has increased by Rs. 20.83 lakhs to Rs. 187.74 lakhs in the year ended 31st December 1960, as compared with Rs. 166.91 lakhs in the previous year. This achievement is all the more gratifying, considering the fact that there was during the year a general fall in demand, resulting in more severe competition. The Company's products, nevertheless, continued to attract an increased demand which unfortunately could not be fully met owing to inadequacy of working capital.

A large portion of this increase in turnover has, however, been neutralised by the rise in the costs of raw materials and packages with the result that the gross profit shows a nominal rise of about Rs. 82,000 to Rs. 16.67 lakhs. Consequent on higher provisions for depreciation (Rs. 3.09 lakhs as compared with Rs. 2.56 lakhs in 1959) and for taxation (Rs. 6.82 lakhs as against Rs. 6.57 lakhs during 1959), this difference has been further narrowed down. The net profit which stand at Rs. 6.76 lakhs, thus shows an improvement of only Rs. 4,191. The transfer to reserves has been slightly reduced from Rs. 4.10 lakhs in 1959 to Rs. 3.63 lakhs in the year under review, while an amount of Rs. 42,667 has been credited back as provision in excess of anticipated liabilities. The balance to the credit of the profit and loss account, therefore, amounts to Rs. 3.76 lakhs inclusive of the carry-forward from the previous accounting period. With a larger amount available for distribution, the rate of ordinary dividend has been increased to 12½ per cent, subject to taxation, from the 10 per cent subject to taxation, declared a year ago.

The progress made by the Company during the past three years for which full operating particulars are available, is contained in the table below:

(In lakhs of rupees)

	For the year ended 31st December		
	1960	1959	1958
Sales	1,87.74	1,66.91	1,34.04
Other income	1.13	0.45	0.54
Closing stocks of finished goods ..	20.48	15.82	16.08
Raw materials and stores consumed	1,01.78	85.43	69.88
Finished goods purchased ..	0.41	0.60	0.41
Salaries, wages and bonus ..	35.22	31.07	26.77
Other expenses	40.00	33.70	29.40
Gross profit	16.67	15.85	10.98
Provision for—			
Depreciation	3.09	2.56	1.97
Taxation	6.82	6.57	5.68
Net profit	6.76	6.72	3.33
Provisions no longer required ..	0.42	0.24	0.18
Transfer to reserves ..	3.63	4.10	1.75
Sundry provisions ..	..	0.02	..
Ordinary dividend ..	2.55 (12½%)*	2.84 (10%)*	1.94 (10%)
Carry forward	0.21	0.25	0.20

* Subject to deduction of tax.

The financial position of the Company, as disclosed by its balance-sheet as at 31st December 1960, is strong. The issued and subscribed share capital consisting entirely of Rs. 10 fully-paid ordinary shares is Rs. 28.36 lakhs and is backed by Rs. 30.60 lakhs in the reserves. Current liabilities and provisions amount to Rs. 59.55 lakhs in addition to bank loans totalling Rs. 19.49 lakhs. The fixed assets, comprising a paint factory and the newly constructed synthetic resin factory, are carried in the books at a cost of Rs. 42.15 lakhs. After deducting from this amount Rs. 21.90 lakhs as the depreciation earned to-date, the net block works out to Rs. 20.25 lakhs. Current assets are placed at Rs. 117.76 lakhs in all.

Towards the close of 1960 the Company issued a prospectus offering 2.16 lakhs ordinary shares of Rs. 10 each at a premium of Rs. 5 per share. The issue was well received and brought to the Company an additional Rs. 35.38 lakhs after meeting the expenses of the issue. This amount is to be principally utilised to finance a substantial expansion in business.

The Company has made further satisfactory progress in its negotiations with a foreign company for a collaboration arrangement in regard to the manufacture in India of a special type of protective coating, which is currently not manufactured in the country, but which is imported in large quantities. If these negotiations are fruitfully concluded, it is proposed to form a new company in conjunction with the foreign collaborators. The Company's share in this new venture will be to the extent of 51 per cent of the total issued capital.

The current market quotation for the Company's Rs. 10 fully-paid ordinary share is Rs. 24.81 *cum-div.* The net yield on an *ex-div.* basis works out to 3.7 per cent.

RECORD SALES OF INDIA SUGARS

SHAREHOLDERS GET MORE

THE sales of India Sugars and Refineries Ltd. (Managing Agents: The India Sugar Agencies Private Ltd.) touched the record level of Rs. 204.53 lakhs during the year ended 30th September 1960. The record sales were achieved, though the quantity of sugar actually produced was lower at 16,006 tons, as against 17,647 tons in the previous season. The decline might perhaps have been more marked but for the improvement in average sugar recovery from 9.53 per cent in 1958-59 to 10.42 per cent. in 1959-60. The total of cane crushed was substantially lower at 153,133 tons, as compared with 185,172 tons in the previous year. Owing to higher sugar recovery and larger realisations from sugar sales, the Company gave a bonus of Rs. 8.055 per ton of sugarcane to the cane suppliers under the SISMA Formula. The production in the distillery increased substantially from 57,036 gallons to 86,740 gallons. The sale of spirit was also better.

Despite the record level of sales, the profit of the Company is slightly lower at Rs. 22.50 lakhs, as against Rs. 23.15 lakhs for 1959-60, reducing the ratio of profitability to sales from 11.8 per cent to 11 per cent. This is because expenses have increased, albeit slightly, from Rs. 175.98 lakhs to Rs. 176.81 lakhs. Out of the expenses, nearly 50 per cent—Rs. 88.95 lakhs to be precise—is accounted for by sugarcane, nearly 30 per cent or Rs. 51.87 lakhs by excise duty and gallonage fees, and nearly 9 per cent or Rs. 15.62 lakhs by wages. Larger provisions have been made for depreciation and taxation: Rs. 5.70 lakhs and Rs. 2.92 lakhs as against Rs. 4.65 lakhs and Rs. 50,000, respectively, in the previous year. The dividend to ordinary shareholders has been raised from 12½ per cent to 14 per cent subject to deduction of tax, after transferring to reserves Rs. 5.42 lakhs, as against Rs. 70,000 in 1958-59. The amount of dividend distributed on preference shares is lower at Rs. 73,000, as against Rs. 82,000, in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960.

The following comparative table shows at a glance the progress of the Company in the last four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1960	1959	1958	1957
Sale proceeds	2,04.53	1,96.18	1,33.33	83.23
Other income	4.18	5.57	4.53	3.78
Closing stocks of finished goods	10.53	19.93	22.65	25.03
Expenses	1,76.81	1,75.98	1,23.97	87.00
Gross profit (+) or loss (—)	+23.50	+23.15	+10.88	—8.55
Managing Agents' remuneration	1.51	1.68	0.63	0.80
Provision for—				
Depreciation	5.70	4.65	4.94	..
Taxation	2.92	0.50	0.85	..
Net profit (+) or loss (—)	+13.37	+16.32	+4.95	—8.88
Transfer from reserves	..	..	6.75	8.88
To reserves	5.42	0.70	4.95	..
Bonus to staff	..	1.42	..	..
Dividends—				
Preference	0.73†	0.82†	0.56*	0.31*
Ordinary	8.96* (14%)†	8.00* (12½%)†	6.40 (10%)	6.00 (10%)
	3.11	5.68	0.35	0.48
Carry forward	168,133	185,172	136,817	120,654
Cane crushed (Tons)	16,006	17,647	13,332	7,956
Sugar produced (Tons)				

* Less tax. † Subject to deduction of tax.

The paid-up capital of the Company as at 30th September 1960 stands at Rs. 74.98 lakhs, consisting of Rs. 11 lakhs in preference shares of Rs. 100 each and Rs. 63.98 lakhs in equity shares of Rs. 10 each. The reserves and surplus aggregate Rs. 18.32 lakhs. The secured loans of the Company have been reduced from Rs. 27.37 lakhs to Rs. 10.09 lakhs. The gross block of the Company at Rs. 84.67 lakhs stands depreciated at Rs. 51.11 lakhs, after providing Rs. 33.56 lakhs for depreciation. The total investments of the Company amounting to Rs. 35.12 lakhs are higher by Rs. 3.25 lakhs as compared with the position a year before. The total of current assets is Rs. 79.27 lakhs, as against which current liabilities are of the order of Rs. 62.11 lakhs.

With regard to the subsidiary companies, the working of the Salar Jung Sugar Mills has shown a noticeable improvement. In spite of the reduction in the quantity of cane crushed as compared with the previous year, the sugar produced remains almost the same. The total quantity of sugar produced during the year ended 30th June 1960 was 7,004 tons, as against 7,012 tons in the previous year. The Company has made a net profit of Rs. 1,61,877 after providing for some of the liabilities pertaining to the previous year amounting to approximately Rs. 2,80,399, as against a profit of Rs. 1,11,996 in the previous year, and paid an additional cane price of Rs. 3.5 per ton to the cane suppliers in the season 1959-60. Subsequent to the publication of the accounts of this subsidiary, the Company has subscribed for 319,836 shares out of the fresh issue of 320,000 ordinary equity shares. Out of the above, 205.276 shares have been allotted and the balance of 114,560 shares is expected to be allotted soon. Consequently the loan outstanding against this Company will be completely adjusted and the Company will hold 435,304 equity shares in all in this subsidiary company out of 500,000 shares which works out to approximately 87 per cent. There has been an improvement in the working of another subsidiary—Manjula Confectionary Private Ltd. The loss shown in the profit and loss account on manufactured products is lower than that of the previous year. The Company has reorganised the sales organisation and has appointed more salesmen and distributors all over the Andhra, Kerala and Mysore areas. By virtue of Section 43(A)(2) of the Companies Act I of 1956 as amended by the Companies (Amendment) Act 1960, the Manjula Confectionery Private Ltd. has become a public limited company with effect from 28th March 1961.

The appeal filed in the Supreme Court with reference to the demand for cess on sugarcane has been decided in favour of the Company and so the Company expects to get a substantial refund from the Government.

As regards the current season, the total crushing of cane and total production of sugar are likely to be more than last year. The crushing operations are expected to continue till the middle of June 1961, the total estimated quantity of cane crushed being more than 200.000 tons.

The wage bill is likely to increase in the current year, in view of the award of the Central Wage Board for Sugar Industry which has recommended a basic minimum wage throughout the country. The actual increase in the wage bill of this Company will, of course, be known only after the award has been fully implemented.

The Directors' report for the year does not throw any light on the application made by the Company to the Central Government for expanding the productive capacity of the factory still further, a reference to which was made in the Chairman's speech last year.

The current quotation for the Rs. 10 paid-up ordinary shares of the Company is Rs. 13.25 *cum-div.* which gives a net yield of 7.4 per cent or a net dividend of 98 nP per share.

PAPER PRODUCTS LTD.

The financial results of Paper Products Limited, one of the leading manufacturers of flexible packing material, for the year ended 31st July 1960, are, indeed, encouraging. Thus, thanks to a handsome increase in sales of 25 per cent over the previous year's levels, the net profit (after providing Rs. 2.01 lakhs for depreciation, Rs. 67,655 for development rebate and Rs. 5.40 lakhs for taxation) amounted to Rs. 11.71 lakhs, as against Rs. 10.72 lakhs in 1958-59. The Company had declared a (taxable) dividend of 26 per cent, representing a net dividend of 18.2 per cent. The Company's reserve fund as on 31st July 1960 stands at Rs. 10 lakhs.

(Concluded from next column)

position is extremely sound. As against the paid-up capital of Rs. 33.64 lakhs comprising Rs. 29.64 lakhs in ordinary shares of Rs. 10 paid up and Rs. 4 lakhs in preference shares of Rs. 100 each, the reserves and surplus stand at Rs. 117.33 lakhs. The secured and unsecured loans of the Company, though they are still very large being Rs. 139.56 lakhs, are lower by Rs. 11.72 lakhs as compared with the previous year. The total current liabilities and provisions amount to Rs. 108.38 lakhs which are more than adequately covered by current assets aggregating Rs. 250.89 lakhs, inclusive of investments worth Rs. 16.07 lakhs. The net block of the Company stands at Rs. 145.52 lakhs, after providing Rs. 348.61 lakhs for depreciation.

The Rs. 10 paid-up ordinary shares of the Company are currently quoted at Rs. 32.75 *cum-div.* On an *ex-div.* basis and taking the net dividend of Re. 1.05 per share, the net yield works out to about 3.3 per cent.

EQUITABLE COAL EARNS MORE

DIVIDEND CUT RESTORED

THE increase in production and the grant of larger assistance for sandstowing operations have resulted in higher earnings for the Equitable Coal Company Ltd. (Managing Agents: Macneill and Barry Ltd.) for the year ended 31st December 1960. The actual coal output was higher at 1,892,344 metric tons, as compared with 1,837,340 tons in the previous year and 1,790,817 tons in 1958. But despatches in 1960 were less at 1,837,838 tons, as against 1,864,051 tons in 1959. Consequently, the closing stocks at the end of 1960 are higher at 93,576 tons as against 39,071 tons a year before. The improvement in production was possible because the rainfall, which was relatively light and dispersed, did not have any adverse effect on colliery working as was the case in 1959. The Company also benefited from the increased quantum of assistance for sandstowing operations, following the upward revision in the ceiling limit for assistance from Rs. 2 to Rs. 2.50 per ton with effect from 1st February 1960.

The receipts from sales of coal increased for the second year in succession to Rs. 392.56 lakhs as against Rs. 383.02 lakhs in the previous year, and Rs. 365.61 lakhs in 1958. The gross profit for the year under review has gone up by 92.6 per cent, from Rs. 17.04 lakhs to Rs. 32.83 lakhs. The increase in profit is in distinct contrast to the setback suffered in 1959 which had forced the Directors to cut the dividend by 50 per cent. The ratio of profitability to sales has jumped up from 4.4 per cent to 8.3 per cent. The rise in profits during the year under review has enabled the Directors to restore the cut in dividend. Even after providing larger amounts for depreciation, (Rs. 16.81 lakhs as against Rs. 12.42 lakhs for 1959), taxation (Rs. 85,000 as against nil), and managing agents' commission (Rs. 1.39 lakhs, as against Rs. 77,000), the net profit stands as high as Rs. 13.78 lakhs, that for 1959 being just Rs. 3.85 lakhs. Besides restoring the cut in dividend to 15 per cent subject to deduction of tax, the Directors have transferred Rs. 6.80 lakhs (as against Rs. 4.64 lakhs in the previous year) to the debenture redemption sinking fund, development rebate reserve and development reserve.

The salient features of the Company's working results for the past four years are given in the following statement:

(In lakhs of rupees)

	For the year ended 31st December			
	1960	1959	1958	1957
Sale proceeds	3,92.56	3,83.02	3,65.61	4,00.60
Other income	2.88	4.03	2.56	3.22
Stocks of coal	13.66	7.13	13.52	11.39
Expenses	3,69.01	3,70.02	3,48.95	3,81.24
Gross profit	32.83	17.04	19.24	22.57
Managing Agents' remuneration	1.39	0.77	1.58	1.36
Provision for—				
Depreciation	16.81	12.42	11.01	11.34
Taxation	0.85	..	0.80	1.13
Net profit	13.78	3.85	6.65	8.74
Adjustments in respect of previous years and excess provisions written back	..	4.09	7.92	2.45
To reserves and provisions	6.80	4.64	9.50	6.32
Dividends—				
Preference	0.38*	0.24*	0.24	0.24
Ordinary	4.45* (15%)*	3.22* (7½%)*	4.44 (15%)	4.44 (15%)
Carry forward	1.11	1.20	0.38	0.60
Raisings of coal (Tons)	1,892,344†	1,837,340†	1,790,817†	1,800,651
Despatches (Tons)	1,837,838†	1,864,051†	1,781,228†	1,810,986
Closing stocks (Tons)	93,576†	39,071†	64,744	56,106

* Subject to deduction of tax. † In metric tonnes.

The wagon supply position over the South Eastern Railway was far from satisfactory upto September 1960. The consequent heavy accumulation of stocks had an adverse effect on production generally and, at several collieries, raisings had to be restricted quite drastically for varying periods of time. The improved wagon supply position between September and the end of the year was most welcome. The Government imposed a cess of 25 nP per ton on coal consumers with effect from 1st February 1960, following the recommendations contained in the reports of the Coal Price Revision Committee. This cess, it is felt, will provide funds to subsidise collieries working under adverse conditions. The working of the Company in the current year, however, has suffered due to deterioration in transport position and the consequent additional accumulations of coal stocks at pitheads.

The balance-sheet of the Company as at 31st December 1960 reveals that the financia

(Continued in previous column)

SYNOPSES OF COMPANY REPORTS

Synthetics and Chemicals Ltd.

(*Chairman*: Mr. Tulsidas Kilachand, Bombay.)

First Annual General Meeting—3rd July.

Working Results:

	For the period from 21st January 1960 to 31st March 1961 (In thousand rupees)
	1960
Gross income	14,43
Expenses	3,77
Transfer to taxation	6,47
,, ,, depreciation	32
Net profit	3,87
Appropriations	Nil
Carried forward	3,87

Extracts from the Directors' report: The Company has acquired land of about 1,381 acres at Bareilly. For the purpose of the Company's plants the railway siding has been completed and is open for traffic. Orders for the principal plant and machinery have been placed. Some of the machineries valued about Rs. 1 crore have been received at site, and other machinery is being shipped. The construction of the housing colony is progressing satisfactorily. The overall progress of the project is satisfactory. The directors are glad to place on record the wholehearted co-operation that has been extended by the Government of India, the U.P. Government and by Firestone Tire & Rubber Company.

Accounts in brief as at 31st March 1961 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	3,66,91,250	Gross block	1,41,20,622
Reserves and surplus	3,87,250	—Depreciation	31,717
Other liabilities	29,35,414	Net block	1,40,88,905
		Expenditure during construction period	8,92,784
		Disclosure fee	14,26,500
		Current assets	88,95,006
		Cash	1,24,71,581
		Miscellaneous expenditure	22,39,138
	Rs. 4,00,13,914		Rs. 4,00,13,914

Duncan Brothers & Co., Ltd.

(*Chairman*: Mr. K. P. Goenka, Calcutta.)

Annual General Meeting—29th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	1,70,42	1,79,78
Commission and Agency income	49,52	43,86
Closing stock	3,54	5,47
Gross profit	41,52	39,30
Transfer to depreciation	65	1,19
,, ,, taxation	17,50	15,50
Net profit	23,37	18,61
Adjustments	5,47	3,90
Appropriations:		
Total available balance	28,84	21,82*
Transfer to reserves	9,10	4,34
Proposed dividends (taxable) 4% Preference	2,88†	1,80
,, ,, ,, Ordinary	12,00	12,60
	(14%)	(14%)
Carry forward	4,26	3,08

N.B.—Adjustments include the balance brought forward from the previous year; and the amount transferred from contingency reserve.

* After writing off Rs. 69,747 being loss on sale of investments.

† Includes additional dividend at Re. 1.20 per share, on preference shares for the year 1959 (Rs. 54,000).

Extracts from the Directors' report: The directors are pleased to record an increase of Rs. 9,05,208 in the net profit as compared with the preceding year, reflecting in particular improved trading conditions in the Tea and Jute industries. The year has however been marked also by further expansion of the Company's other interests.

Tea (India): The majority of the companies in this Company's Agency have again enjoyed a successful year, as the higher average prices have in most cases offset some reductions of crop occasioned by the severe early season drought which affected certain areas, particularly in Assam and Cachar, and the total income from this source was appreciably higher than in 1959. During recent months however there has been a decline in the price of common teas and if the lower level is maintained the income for 1961 is likely to be affected. The total crop harvested by estates in the Agency in India was 20,766 metric tonnes as compared with 20,433 metric tonnes in 1959.

Tea (Pakistan): The year 1960 was unfortunately marked by a drought of almost unprecedented severity, and although Chittagong prices were well maintained the loss of crop inevitably resulted in a reduced return from these interests. On the other hand with far more favourable conditions at the start of the current season a good start has been made on manufacturing the 1961 crop and an improvement may reasonably be expected. The total crop harvested by Agency estates in Pakistan was 4,017 metric tonnes compared with 5,470 metric tonnes in 1959.

Jute Mills. The year ended 31st March 1960, was a particularly successful one for the Anglo-India Jute Mills Co., Ltd., managed by this Company, and income from this source showed a considerable advance over the preceding year. The process of modernisation carried out during the past few year's is continuing and the Company's mills remain in the forefront of the industry's progress.

Carbon Black. Mention was made in last year's report of the Company's collaboration with Phillips Petroleum Company in the promotion of Phillips Carbon Black Ltd. which has been incorporated with the object of setting up the first carbon black plant to be established in India. The public issue of shares by the new company, over twenty times subscribed, was handled during the course of the year by Duncan Brothers & Co. Ltd. Considerable progress has meantime been made on the design and construction of the new plant at Durgapur, planned for a capacity of 30 million pounds per annum, and it is expected that production will commence towards the middle of 1962.

Woolcombing: The directors' last report referred to the promotion of Isaac Holdens (India) Ltd. in order to set up the first commission woolcombing plant in India, and they are glad to report that part of this plant was brought into operation in January this year. The next phase of the installation is expected to be ready this autumn, while application has been made for import licences in respect of the remaining machinery required to bring the plant up to its full licensed capacity of 10 million pounds per annum.

Schrader-Scovill Duncan Ltd. Since the close of the year the Company has been associated with the Scovil Manufacturing Co. of Waterbury, U.S.A. in the promotion of Schrader-Scovill Duncan Ltd. which was incorporated in India on 29th March 1961. The first object of this new undertaking is to establish a plant in Bombay for the manufacture of tyre tube valves for motor cars, and the necessary Government licence has been obtained for this purpose. Application is being made for Government consent to the appointment of Duncan Brothers & Co., Ltd., as Secretaries and Treasurers.

New Ventures. The directors continue to explore suitable methods of further extending the Company's activities and interests, and negotiations are proceeding with Government and with various overseas collaborators.

Share Capital. With the continued expansion of the Company's business the directors consider it desirable to increase the equity capital and it is proposed to make a 'Rights' issue of 10,000 ordinary shares later this year, to be offered to equity shareholders in the ratio of one share for every nine shares held by them.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	1,35,00,000	Gross block	31,00,870
Reserves and surplus	1,17,05,723	—Depreciation	12,17,019
Other liabilities	1,12,62,599	Net block	18,83,851
		Current assets	87,32,267
		Investments	2,02,62,110
		Cash	55,90,092
	Rs. 3,64,68,320		Rs. 3,64,68,320

Seebpore Coal Co., Ltd.

(*Secretaries and Treasurers*: Messrs. Andrew Yule and Co., Ltd., Calcutta.)

Annual General Meeting—29th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	24,50	20,82
Closing stock	41	21
Gross profit	4,74	5,59
Transfer to Managing Agents' commission	26	51
,, ,, Secretaries' and Treasurers' commission	12	Nil
,, ,, depreciation	51	49
,, ,, taxation	1,83	2,18
,, ,, development rebate reserve	11	15
Net profit	1,91	2,26
Adjustments	02	44
Appropriations:		
Total available balance	2,53	2,70
Transfer to general reserve	50	75
Proposed dividends (taxable) 5% Preference	28*	29
,, ,, ,, Ordinary	1,20	1,20
	(42 6/7%)	(42 6/7%)
Carried forward	57	46

N.B.—Adjustments include the balance brought forward from the previous year and unclaimed dividends if any.

* Calculated at 6.5 per cent. in accordance with Preference Shares (Regulation of Dividends) Act, 1960.

Extracts from the Directors' report: Raisings for the year were 92,250 tonnes compared with 92,059 tonnes in the previous year, whilst despatches totalled 91,255 tonnes as against 92,364 tonnes.

With the commencement of raisings from the Sonachora Seam, to which the existing shafts were sunk, it was decided to obtain a combined grading for the raisings of this seam together with the very much larger output of the Lower Kajora Seam, in order that these coals may be handled together. The Coal Board have now sanctioned Grade I classification for the entire output of Lachipur Colliery.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	6,80,000	Gross block	31,08,158
Reserves and surplus	11,71,952	—Depreciation	20,96,227
Other liabilities	6,34,438	Net block	10,06,931
		Current assets	5,26,651
		Investments	1,32,269
		Cash	8,80,539
	Rs. 24,86,390		Rs. 24,86,390

Borrea Coal Co., Ltd.

[*Secretaries and Treasurers*: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta.]

Annual General Meeting—29th June. Dividend payable on or after 14th July.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	46,71	36,45
Gross profit	69	52
Transfer to Managing Agents' commission	6,52	3,79
,, ,, Secretaries' and Treasurers' commission	35	28
,, ,, depreciation	16	Nil
,, ,, taxation	80	80
,, ,, development rebate reserve	2,01	99
Net profit	45	13
Adjustments	2,66	1,59
Appropriations:	20	20
Total available balance	2,86	1,79
Transfer to general reserve	1,00	58
Proposed dividends (taxable) 6½% Preference.	31*	26
Additional dividend on preference shares for 1959	8	...
Proposed dividend (taxable) Ordinary	1,13	75
	(15%)	(10%)
Carried forward	31	20

N.B.—Adjustments include only the balance brought forward from the previous year.

* Calculated in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960.

Extracts from the Directors' report: *Raisings and Despatches*.—2,01,253 tonnes of coal were raised and 2,00,239 tonnes despatched during the year compared with 1,68,490 tonnes raised and 1,66,715 tonnes despatched during 1959. The increase in raisings, is accounted for by the illegal strike that this colliery suffered during the previous accounting period in March 1959.

During this year, it was hoped to drive new surface inclines to 18 seam in Aralgoria but this was not possible due to the extreme difficulties experienced over land acquisition.

Transport.—Wagon supplies were again irregular and in addition the number of covered wagon supplies prevented full use being made of the mechanical screening arrangements at this colliery. Stocks increased by 1,014 tonnes during this period.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	11,50,000	Gross block	48,42,643
Reserves and surplus	22,03,805	—Depreciation	29,88,008
Other liabilities	11,40,828	Net block	18,59,635
		Block in progress	1,00,573
		Current assets	13,95,013
		Investments	7,92,946
		Cash	3,37,466
	Rs. 44,94,633		Rs. 44,94,633

National Rubber Manufacturers Ltd.

(*Managing Director*: Mr. K. N. Mookerjee, Calcutta.)

Annual General Meeting—14th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	2,48,01	2,00,03
Closing stock {Finished goods	52,96	39,22
Closing stock {Work-in-progress	5,46	4,75
Gross profit	8,53	10,14
Transfer to depreciation	5,91	2,67
,, ,, development rebate reserve	Nil	1,80
Net profit	2,62	1,44
Adjustments	...	4,28
Appropriations:	1,75	1,50
Total available balance	1,75	5,73
Transfer to reserves	50	50
Proposed dividends (taxable) 6% Preference.	78	84
,, ,, Ordinary	Nil	4,25
Carried forward	(Nil)	(84⅔%)
	47	14

N.B.—Adjustments include the balance brought forward from the previous year and excess provision of income-tax written back.

Extracts from the Directors' report: *Programme of Expansion Scheme*: The expansion programme undertaken by the Company was completed during the latter part of the year under review. The production out of these machines also started coming out during that year. The full effect of the entire expansion scheme will, it is hoped, be reflected in the working of the year 1961. Production of all items recorded an increase during the year under review.

Working Results: The annual turnover of the Company increased to Rs. 2,43,00,612 against the previous year's figure of Rs. 2,00,03,247. This represents an increase of 21 per cent. Inspite of larger turnover, the profit during the year has gone down, particularly due to the increase in the cost of some of the major raw materials like raw rubber and textiles.

It is expected that during the year 1961, the working of the Company will yield satisfactory results, provided other conditions remain satisfactory, particularly because larger production out of the new expansion scheme will be forthcoming.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	59,94,952	Gross block	1,05,93,558
Reserves and surplus	12,74,759	—Depreciation	39,58,256
Other liabilities	1,38,86,276	Net block	66,35,302
		Current assets	1,38,08,766
		Investments	2,450
		Cash	5,67,129
		Miscellaneous expenditure	1,51,841
	Rs. 2,11,55,987		Rs. 2,11,55,987

Sivanandha Mills Ltd.

(*Managing Agents*: Messrs. S. R. P. Ponnuswamy Chetty & Sons, Coimbatore.)

Annual General Meeting—7th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	63,06	68,41
Closing stock	22,35	15,22
Gross profit	15,02	17,36
Transfer to Managing Agents' remuneration	1,21	1,43
,, ,, depreciation	2,49	7,73
,, ,, taxation	3,00	5,50
,, ,, development rebate	2,95	50
Net profit	4,77	2,20
Adjustments	22	3
Appropriations:		
Total available balance	5,00	2,23
Transfer to reserves	2,75	Nil
Proposed dividend (taxable)	2,20	2,20
	(22%)	(22%)
Carried forward	5	3

N.B.—Adjustments include the balance brought forward from the previous year and other credit items relating to previous years written back.

Extracts from the Directors' report: The mill was running on three shifts and the average spindles worked during the year was 21,351. There was an addition of 6,272 spindles during the year and the installed capacity of the mill was 21,360 ring spindles and 1,664 doubling spindles at the end of the year. The spinning department was completely humidified during the year. The humidification plant for the preparatory department and one set of four high speed combers will be installed during the current year.

The working of the mill during the year continued to be satisfactory but the working expenses were on the increase due to the Central Wage Board Award involving in the payment of enhanced wages and dearness allowance.

Further the Company's mills being a traditional spinner of fine counts was forced to pay huge amounts as premium to the extent of Rs. 5,08,000 for the consumption of imported cotton during the year. Besides the prices of imported cotton increased gradually and there was no corresponding increase in the selling rates of higher counts of yarn. In spite of all these the year's working resulted in a net profit of Rs. 4.77 lakhs.

Accounts in brief as at 31st December 1960 were as under:—

Liabilities	Rs.	Assets	Rs.
Capital	10,00,000	Gross block	68,97,324
Reserves and surplus	21,94,085	—Depreciation	36,20,367
Other liabilities	50,95,447	Net block	32,76,957
		Current assets	32,27,235
		Investments	7,24,550
		Cash	60,790
	Rs. 72,89,532		Rs. 72,89,532

Siothola Co., Ltd.

(*Managing Agents*: Messrs. Kettlewell Bullen and Co., Ltd., Calcutta.)

Annual General Meeting—28th June.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales (tea)	5,80	3,11
Sales (shares)	...	23
Closing stock of tea	1,31	55
Gross profit	25	25
Transfer to Managing Agents' remuneration	*	†
,, ,, depreciation	45	11
,, ,, taxation	61	19
Net profit	31	50
Adjustments	...	...
Appropriations:	92	69
Total available balance	45	38
Proposed dividend (taxable)	(30%)	(25%)
Carried forward	47	31

N.B.—Adjustments include the balance brought forward from the previous year.

* Represents depreciation which amounted to only Rs. 86.

† Represents depreciation amounting to only Rs. 109.

Extracts from the Directors' report: *Season 1960*: The directors have pleasure in informing the shareholders that Shree Ganga Tea Estate of the Company for the first time started giving yield and the Green Leaves collected therefrom during the year amounted to 68,951 kgs. which were sold to the Joonktollee Tea Estate.

The company has recently secured a further permission of 48.94 acres to extend plantation on virgin soil in addition to the permission previously received for 122.35 acres. Since the publication of last report, a further area was put under plantation and the total acreage so far planted now stands at 125 acres approximately. Seed nursery as well as shade nursery were also put up. Necessary steps are being taken to cultivate the remaining 46 acres.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	1,50,000	Gross block*	2,08,956
Reserves and surplus	14,12,492	—Depreciation	10,536
Other liabilities	4,20,309	Net block	1,98,420
		Current assets	7,90,078
		Investments	85,000
		Cash	9,89,308
	Rs. 19,82,801		Rs. 19,82,801

* This includes an amount of Rs. 1,98,076 being the value of new Plantation Development (at cost).

Balmer Lawrie & Co., Ltd.

(*Chairman and Managing Director*: Mr. G. D. Wilson Calcutta.)

Annual General Meeting—29th June.

Working results:

	For the year ended 31st December (In thousand rupees)	
	1960	1959
Sales	10,20,92	11,67,69
Closing stock	54,00	56,27
Gross profit	42,02	44,74
Transfer to depreciation	1,85	3,08
,, ,, taxation	13,04	16,12
,, ,, development rebate reserve	42	42
Net profit	27,61	23,12
Adjustments	5,14	5,03
Appropriations:		
Total available balance	32,75	30,15
Transfer to general reserve	7,00	5,00
Proposed dividend (taxable)	20,00	20,00
	(25%)	(25%)
Carried forward	5,75	5,15

N.B.—Adjustments include only the balance brought forward from the previous year.

Extracts from the Directors' report: *Operations*.—Adverse conditions affecting the Company's tea interests contributed to a reduction in the trading profit for the year. This reduction was offset largely by the profit on the sale of investments which has enabled the Board to recommend a dividend distribution at the same level as last year.

Subsidiary Companies—The Bengal Flour Mills Co. Ltd.—Despite a reduction in the profits of this company, its results for the year were satisfactory.

Bridge & Roof Co. (India) Ltd.—This company had a successful year, an increase in its profits being recorded. The Company resigned its office of Managing Agents of Bridge & Roof Co. (India) Ltd. with effect from 31st December 1960 and has been appointed its Secretaries with effect from 1st January 1961.

British India Electric Construction Co. Ltd.—The results of this company showed a marked improvement over those of the previous year.

The Indian Galvanizing Co. (1926) Ltd.—This company is being wound up by a members' voluntary liquidation with effect from 30th December 1960. In consequence, the Company ceased to be its Managing Agents on that date.

Balmer Lawrie & Co. (Pakistan) Ltd.—The liquidation proceedings of this company continue. Its accounts have been prepared up to 1st April 1960, the date on which the liquidation commenced.

Associated Company—Assam Pulp Mills Ltd.—There has been some further delay in the establishment of a pulp-manufacturing mill for this company. Negotiations for the finalisation of the project are continuing. The Company continues to bear the major part of the preliminary expenses in connection with Assam Pulp Mills Ltd. During the year the Company has taken up a further 11,250 of its ordinary shares.

Accounts in brief as at 31st December 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	80,01,400	Gross block	79,91,396
Reserves and surplus	1,02,16,312	—Depreciation	41,74,564
Other liabilities	1,91,55,380	Net block	38,16,832
		Current assets	2,49,94,674
		Investments	79,49,328
		Cash	6,12,258
	Rs. 3,73,73,092		Rs. 3,73,73,092

United Provinces Sugar Co., Ltd.

(*Board of Directors*: Mr. N. L. Kanoria; Mr. J. H. H. Ross; Mr. R. L. Nopany; Mr. B. P. Khaitan and Mr. B. M. Singh. Registered office: India Exchange, Calcutta.)

Annual General Meeting—29th June.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1960	1959
Sales (sugar and molasses)	1,36,11	1,47,53
Closing stock of sugar and molasses	47,65	17,96
Excise duty	39,12	41,47
Gross profit	9,82	13,31
Transfer to depreciation	2,16	92
,, ,, taxation	2,18	4,60
,, ,, development rebate reserve	76	80
Net profit	4,72	6,99
Adjustments	1,09	50
Appropriations:		
Total available balance	5,81	7,49
Transfer to reserves	2,87	4,00
Proposed dividend (taxable)	2,40	2,40
	(15%)	(15%)
Carried forward	54	1,09

N.B.—Adjustments include only the balance brought forward from the previous year.

Extracts from the Directors' report: *Season 1959-60 Production*: The crushing during the year started on 9th November 1959 and finished on 30th May 1960, with a total crush of 48,74,283 (40,21,387 for 1959) maunds of cane at recovery being 9.45 (10.26) per cent which is considered satisfactory.

Cane price was increased from Re. 1.44 per maund to Rs. 1.62 per maund at the factory gate and from Re. 1.31 to Re. 1.50 at outstations. Cane cess and Cane Co-operative Societies' Commission remained at 19 nP and 5 nP per maund respectively.

Estates: There was a profit of Rs. 1,61,263.81 in the Estate profit and loss account for the year 1959-60 after providing for the large landholding tax. There was no capital expenditure during the year.

Season 1960-61 Prospects: The season's crush is expected to be in the region of 47,00,000 maunds of cane with an average recovery of 9.55 per cent which is considered fair.

Accounts in brief as at 30th September 1960 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	16,00,000	Gross block	43,55,965
Reserves and surplus	18,69,217	—Depreciation	30,16,621
Other liabilities	62,00,458	Net block	13,39,344
		Block-in-progress	4,99,397
		Current assets	74,44,475
		Investments	1,06,067
		Cash	2,80,392
	Rs. 96,69,675		Rs. 96,69,675

COMPANY MEETINGS AND DIVIDENDS

GUNGARAM TEA CO., LTD. Annual General Meeting, Calcutta, 28th June 1961. Dividend: 20 per cent or Rs. 20.00 per share, subject to deduction of tax. Transfer books remain closed from 20th to 28th June 1961, both days inclusive.

JOONKTOLLEE TEA CO., LTD. Annual General Meeting, Calcutta, 28th June 1961. Dividend: 40 per cent or Rs. 4.00 per ordinary share (includes interim dividend of Re. 1.00 per share), subject to deduction of tax. Transfer books remain closed from 15th to 28th June 1961, both days inclusive.

DAURACHERRA TEA CO., LTD. Annual General Meeting, Calcutta, 28th June 1961. Dividend: 22½ per cent or Rs. 2.25 per share, subject to deduction of tax. This dividend will be payable only when funds are available in India. Transfer books remain closed from 20th to 28th June 1961, both days inclusive.

DALMIA CEMENT (BHARAT) LTD. Annual General Meeting, Dalmiapuram (Dist. Tiruchirapalli, Madras State), 29th June 1961. Dividend: Re. 1.20 per ordinary share and Re. 0.12 per deferred share, both subject to deduction of tax. Transfer books remain closed from 5th to 29th June 1961, both days inclusive.

BORREA COAL CO., LTD. Annual General Meeting, Calcutta, 29th June 1961. Dividend: 15 per cent or Re. 1.50 per ordinary share, subject to deduction of tax, payable on or after 14th July 1961. Transfer books remain closed from 17th to 29th June 1961, both days inclusive.

KARANPURA DEVELOPMENT CO., LTD. Annual General Meeting, Calcutta, 29th June 1961. Dividend: 5 per cent or Re. 0.50 per ordinary share and 15 per cent or Re. 1.50 per share, on founders' shares, both subject to deduction of tax, payable on or after 13th July 1961. Transfer books remain closed from 17th to 29th June 1961, both days inclusive.

BALMER LAWRIE AND CO., LTD. Annual General Meeting, Calcutta, 29th June 1961. Dividend: 25 per cent or Rs. 25.00 per share, (includes interim dividend of 7 per cent or Rs. 7.00 per share), subject to deduction of tax. Transfer books remain closed from 14th to 29th June 1961, both days inclusive.

ANDERSON WRIGHT LTD. Annual General Meeting, Calcutta. 29th June 1961. Dividend: 11.25 per cent or Re. 1.125 per ordinary share, subject to deduction of tax. Transfer books remain closed from 19th to 29th June 1961. both days inclusive.

RAYMOND WOOLLEN MILLS LTD. Annual General Meeting, Bombay, 29th June 1961. Dividend: Rs. 12.00 per ordinary share, subject to deduction of tax. payable on and from 31st July 1961. Transfer books remain closed from 19th to 29th June 1961. both days inclusive.

EQUITABLE COAL CO., LTD. Annual General Meeting, Calcutta, 29th June 1961. Dividend: 15 per cent or Re. 1.50 per ordinary share, subject to deduction of tax. Transfer books remain closed from 23rd to 29th June 1961. both days inclusive.

KUMARDHUBI FIRECLAY AND SILICA WORKS LTD. Annual General Meeting, Calcutta, 29th June 1961. Dividend: 18 per cent or Re. 1.80 per ordinary share, subject to deduction of tax, payable on or after 5th July 1961. Transfer books remain closed from 15th to 29th June 1961, both days inclusive.

RUNGAMATTEE TEA CO., LTD. Annual General Meeting, Calcutta, 29th June 1961. Dividend: 5 per cent or Rs. 2.50 per share, subject to deduction of tax. Transfer books remain closed from 21st to 29th June 1961, both days inclusive.

DEVASHOLA (NILGIRI) TEA ESTATES CO., LTD. Annual General Meeting, Coonoor R.S., Nilgiris, 29th June 1961. Dividend: 20 per cent or Rs. 2.00 per share (includes interim dividend of 10 per cent or Re. 1.00 per share), subject to deduction of tax. Transfer books remain closed from 20th to 29th June 1961, both days inclusive.

HAILEYBURIA TEA ESTATES LTD. Annual General Meeting, Kottayam, Kerala State, 29th June 1961. Dividend: 15 per cent or Re. 1.50 per ordinary share, subject to deduction of tax, payable on 29th July 1961. Transfer books remain closed from 22nd to 29th June 1961, both days inclusive.

BINOD MILLS CO., LTD. Annual General Meeting, Ujjain, Madhya Pradesh, 29th June 1961. Dividend: Rs. 12.50 per share, subject to deduction of tax. Transfer books remain closed from 22nd June to 6th July 1961, both days inclusive.

ELLENBARRIE TEA CO., LTD. Annual General Meeting, Calcutta, 29th June 1961. Dividend: 5 per cent or Rs. 5.00 per share, subject to deduction of tax. Transfer books remain closed from 21st to 29th June 1961, both days inclusive.

WALFORD TRANSPORT LTD. Annual General Meeting, Calcutta, 29th June 1961. Dividend: 20 per cent or Re. 0.20 per share, on preferred ordinary shares, and 30 per cent or Re. 0.30 per share, on ordinary shares, both subject to deduction of tax. Transfer books remain closed from 16th to 29th June 1961, both days inclusive.

NILAMBUR RUBBER CO., LTD. Annual General Meeting, Tamaracherry, Pudupadi, 30th June 1961. Dividend: 15 per cent or Re. 1.50 per ordinary share, subject to deduction of tax. Transfer books remain closed from 24th to 30th June 1961, both days inclusive.

lotices

THE MANDYA NATIONAL PAPER MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of The andya National Paper Mills Limited, will be ld at the Registered Office of the Company at Palace Road, Bangalore-1, on Friday the h July 1961, at 3 p.m. to consider, and if ought fit, to pass the following resolutions th or without modifications:

I. *As Special Resolution*: RESOLVED that the Resolution passed by the Members at the Second Annual General Meeting of the Company held on the 4th November 1960, authorising the Board to issue 5 lakhs New Equity Shares of Rs. 10 each and 10,000—6½ per cent Redeemable Cumulative Preference Shares of Rs. 100 each, be and is hereby withdrawn and the following Resolution is substituted therefor:—

"RESOLVED that the Company hereby authorise the Board to issue 8 lakh New Equity Shares of Rs. 10 each and offer them for subscription on the following terms and conditions:—

(i) The New Equity Shares shall be offered for subscription at par to the existing holders of equity shares of the Company whose names appear in the Company's Register of Members on the 28th July 1961, in the proportion of 8 New Equity Shares for every 14 Equity Shares held by each such member on the said date, the shares to be allotted to be suitably adjusted to the nearest multiple of five.

(ii) The Board of Directors may offer shares to the existing Members in excess of above mentioned proportion after taking into consideration renunciations which may be advised to the Company before the date of offer.

(iii) The holders of Equity Shares may also apply for a larger number of Equity Shares than they are offered by the Board but their applications for additional shares will be considered by the Board after the shares have been allotted in the proportions as determined by the Board.

(iv) The Board of Directors may also entertain applications from the public and the holders of Preference Shares, but the allotment to the public and the holders of Preference Shares will be considered by the Board after the existing holders of Equity Shares have been allotted the shares applied for.

(v) The New Equity Shares shall rank *pari passu* with the existing Equity Shares of the Company in all respects.

(vi) The offer aforesaid shall be made by the Board by a Notice specifying the number of shares offered and limiting the time not being less than one month from the date of the offer within which the offer if not accepted will be deemed to have been declined.

(vii) The offer aforesaid shall include a right exercisable by the Members concerned to renounce the shares offered to him or any of them in favour of any other person.

(viii) After the expiry of the time specified in the Notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think fit.

(ix) The issue, offer and allotment of the New Equity Shares shall be made in such manner and on such terms consistent with this resolution as the Board may in its absolute discretion determine and without prejudice to the generality of its powers given in this resolution, the Board is hereby explicitly authorised to decide and settle all questions relating to the issue and allotment to non-resident members of the Company.

(x) A sum of Rs. 5 per share shall be payable along with the application and the balance of Rs. 5 per share shall be payable in such calls as may be determined by the Board of Directors.

(xi) The Certificates in respect of New Equity Shares shall be completed and ready for delivery within 6 months after the date of last allotment thereof.

(xii) The Underwriting arrangement for the new issue may be made by the Directors as they think fit, but the underwriting commission shall not exceed 2½ per cent of the nominal value of the shares which the Board may decide to have underwritten.

(xiii) Aforesaid issue shall be made by the Directors subject to the sanction of the Controller of Capital Issues and on such terms and conditions as the Controller of Capital Issues may prescribe."

II. *As Ordinary Resolution*: "RESOLVED that the Board of Directors be and are hereby authorised to borrow moneys up to a limit of Rs. 4 crores (inclusive of borrowings already made) notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of paid-up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose."

III. *As a Special Resolution*: "RESOLVED that the Contract between the Company and the Neturia Coal Company Private Limited, an associate (As defined by Section 2(3)(c) of the Companies Act 1956) of Bedi and Company Management Limited, the Company's Managing Agents, a draft whereof has for the purpose of identification been subscribed by the Chairman of this Meeting, for the sale of coal by the Neturia Coal Company Private Limited, to the Company up to 80,000 tons annually at the Government Controlled Rate plus incidental charges not exceeding Re. 1 per ton for a period of 10 years, commencing from 1st July 1961, be and is hereby approved."

The share transfer Registers of the Company will be closed from the 12th July to the 28th July, 1961, both days inclusive.

By Order of the Board,
BEDI & Co. MANAGEMENT LIMITED,
Managing Agents,
ANUP SINGH BEDI,
Managing Director.

BANGALORE-1,
9th June 1961.

Note:—(1) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

(2) Explanatory Statement has been annexed to the copies of this Notice posted to the members.

TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED

OFFERS ARE INVITED FOR THE PURchase of used Machine Tools such as Cold Flanging Press, Butt Welding Machine, Hollow Block Manufacturing Plant and Dolomite Plant, etc.

Copies of tender with details can be had from the Office of the Stores Controller, M/s. Telco Ltd., Jamshedpur-4, on request.

Last date of submission of tender 2-30 p.m. on 10th July, 1961.

THE BOMBAY FIRE AND GENERAL INSURANCE COMPANY LIMITED

NOTICE TO THE MEMBERS

NOTICE IS HEREBY GIVEN THAT THE Twenty-Sixth ORDINARY GENERAL MEETING of the Members of THE BOMBAY FIRE & GENERAL INSURANCE COMPANY LIMITED, will be held at Henley House, Graham Road, Ballard Estate, Bombay, on THURSDAY, the 20th July 1961, at 3 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Revenue Accounts, Profit and Loss Account, Profit and Loss Appropriation Account and Balance Sheet for the year ended 31st December 1960.
2. To sanction the declaration of a Dividend.
3. To elect Directors in place of Mr. M. A. Fazalbhoy, Mr. S. Ramanathan and Mr. B. D. Goenka, who retire under Article 145 of the Articles of Association of the Company and offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.
5. To consider and if thought fit, to pass with or without modification the following Resolution for audit of the Accounts of the Company's Branch Offices by persons qualified to act as Auditors.

"RESOLVED that the Board of Directors be and is hereby authorised to appoint such persons qualified to act as Auditors in consultation with the Company's Auditors on such terms and conditions, for audit of the accounts for the year ending 31st December 1961, of the Branch Offices of the Company, whether existing or new Branches to be opened hereafter as the Board of Directors may decide upon from time to time."

The Transfer Books of the Company will remain closed from the 14th July 1961 to the 20th July 1961 (both days inclusive).

A Member entitled to attend and vote at the General Meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself. The proxy need not be a Member of the Company.

By Order of the Board,
K. K. DASTUR,
Manager.

BOMBAY, *15th June* 1961.

N.B.—The Dividend when sanctioned at the General Meeting will be paid on or after the 25th July 1961 to those Members whose names stand on the Company's Registers on the 20th July 1961.

Note:—Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, is being sent to all the Members.

THE BENGAL PAPER MILL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on Saturday the 10th June 1961, the following dividends were recommended to be paid subject to deduction of tax for the year ended 31st December, 1960.

On Cumulative Preference Shares—Final dividend at 4.1 per cent per annum.

On "A" Cumulative Preference Shares—Final dividend at 4.1 per cent per annum.

On "B" Cumulative Redeemable Preference Shares—Final dividend 2.528 per Share (being the dividend at the rate of Rs. 3.16 nP per Share less Income Tax at the Company's rate of 20 per cent).

On Ordinary Shares—Rs. 32 per cent per annum (Rs. 8 per Share).

By Order of the Board,
H. P. DHANUKA,
Director.

Registered Office:
14, NETAJI SUBHAS ROAD,
CALCUTTA, 10th June, 1961.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

HE SEVENTY-FIFTH ANNUAL GENERAL MEETING of THE SVADESHI MILLS MPANY, LIMITED, will be held at the gistered Office of the Company, Bombay use, Bruce Street, Fort, Bombay, on Monday, 17th July, 1961, at 4-30 p.m., to transact the lowing business:—

1. To adopt the Directors' Report and the audited Profit and Loss Account of the Company for the year ended 31st December, 1960, and the audited Balance Sheet as at 31st December, 1960.
2. To declare dividends on Preference and Ordinary shares.
3. To appoint a Director in place of H.H. Maharaja Fatesinghrao Gaekwad who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Sir Fazal Rahimtoola, Kt., C.I.E., who retires by rotation and is eligible for reappointment and to consider and, if thought fit, to pass the following resolution in respect of which a special notice, as required by Section 281 of the Companies Act, 1956, has been received by the Company:—

   "RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions, if any, of the Companies Act, 1956, Sir Fazal Rahimtoola, Kt., C.I.E., who has attained the age of 65 years and retires by rotation be and is hereby reappointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."
5. To consider and, if thought fit, to pass the following resolution:—

   "RESOLVED that pursuant to the provisions of Section 294 and other applicable provisions (if any) of the Companies Act, 1956, the Company hereby approves and consents to the appointment of Messrs. Nathuram Ramnarayan Private Limited and Messrs. Patel Ghanshyamdas & Co. Private Limited as the Company's sole Selling Agents for the Company's products for a period of five years commencing from the 1st day of January 1962 for the whole of India except the States of Mysore, Andhra Pradesh, Madras and Kerala, at the remuneration and on the terms, provisions and conditions contained in the Agreement made between the Company and the said sole Selling Agents, a copy whereof is placed before this meeting and for the purpose of identification subscribed by the Chairman thereof."
6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

   "RESOLVED that the Articles of Association of the Company be altered in the following manner:—

   (i) For Article 27(*a*) substitute the following Article:—

   "27(*a*). The certificates of title to shares shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and (ii) the Secretary or some other person appointed by the Board for the purpose; Provided that at least one of the aforesaid two Directors shall be a person other than the Director appointed by the Managing Agents under Article 132 or a Director to whom Article 137 applies. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography.

   Provided always that, notwithstanding anything contained in this Article, the certificates of title to shares may be executed and issued in accordance with such other the provisions of the Act or the Rules made thereunder, as may be in force for the time being and from time to time."

   (ii) In Article 131 delete the words "and he shall also be ex-Officio Chairman of Directors."

   (iii) After Article 168 insert the following new Article as Article 169:—

   "169. The Directors may elect one of their number to be the Chairman of the Board of Directors and determine the period for which he is to hold office and unless otherwise determined the Chairman shall be elected annually."

   Existing Article 169 shall be renumbered "169(A)."

   (iv) In Article 170 delete the words "Ex-officio."

   (v) In Article 184 for the existing proviso the following proviso shall be substituted:—

   "Provided nevertheless that certificates of debentures may be signed by one Director only or by an Attorney of the Company duly authorised in this behalf and countersigned by the Managing Agents and certificates of shares shall be signed as provided in Article 27(*a*)."

   (vi) In Article 186 for clause (1) the following clause shall be substituted:—

   "(1) Subject to the provisions of the Act, Tata Industries Private Ltd., their successors in business and assigns shall be the Managing Agents of the Company from the 16th day of August 1960 for the period and upon the terms, provisions and conditions set out in the Managing Agency Agreement dated the 1st day of November 1960 and which were approved by the Company by a Special Resolution at the Annual General Meeting of the Company held on the 15th day of May 1959 and by the Central Government with certain modifications agreed to by the Board. The said Agreement may (subject to the provisions of the Act) be further modified from time to time in such manner as may be mutually agreed upon between the Company and the Managing Agents."

   (vii) In Article 187 for clause (1) the following clause shall be substituted:—

   "(1) The Managing Agents, subject to the provisions of the Act and these Articles, shall be entitled to the management of the whole of the affairs of the Company and they shall exercise their powers as such Managing Agents including the powers conferred on them by the Managing Agency Agreement dated the 1st day of November 1960, subject to the superintendence, control and direction of the Board of Directors of the Company and subject also to the restrictions contained in Schedule VII of the Act and Article 189"."
7. To appoint Auditors and to fix their remuneration.

Notes:—(*a*) The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under item Nos. 4 to 6 set out above, are being posted to all members.

(*b*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(*c*) The Transfer Books of the Company were closed from Friday, the 10th March, 1961, to Wednesday, the 5th April, 1961, both days inclusive.

(*d*) If dividends on shares, as recommended by the Directors, are passed at the meeting, payment will be made on and after Tuesday, the 18th July, 1961, to those members whose names were on the Register of the Company on the 5th April, 1961.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
D. R. D. TATA,
Director.

Registered Office:
BOMBAY HOUSE,
BRUCE STREET, FORT,
BOMBAY, 16*th June*, 1961.

THE TATA MILLS LIMITED

NOTICE

THE FORTY-NINTH ANNUAL GENERAL MEETING of THE TATA MILLS LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Thursday, the 20th July 1961, at 4-30 p.m., to transact the following business:—

1. To adopt the Directors' Report and the audited Profit and Loss Account of the Company for the year ended 31st December 1960, and the audited Balance Sheet as at 31st December 1960.
2. To declare a dividend.
3. To apoint a Director in place of Mr. B. M. Ghia who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. Kantilal Nahalchand who retires by rotation and is eligible for reappointment.
5. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

   "RESOLVED that the Articles of Association of the Company be altered in the following manner:—

   (i) For Article 27(*a*) substitute the following Article:—

   "27(*a*). The certificates of title to shares shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and (ii) the Secretary or some other person appointed by the Board for the purpose; Provided that at least one of the aforesaid two Directors shall be a person other than the Director appointed by the Managing Agents under Article 132 or a Director to whom Article 137 applies. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography.

   Provided always that, notwithstanding anything contained in this Article, the certificates of title to shares may be executed and issued in accordance with such other the provisions of the Act or the Rules made thereunder, as may be in force for the time being and from time to time."

(ii) In Article 132 delete the words "One of the Special Directors shall be ex-officio the Chairman of Directors."

(iii) After Article 168 insert the following new Article as Article 169:—

"169. The Directors may elect one of their number to be the Chairman of the Board of Directors and determine the period for which he is to hold office and unless otherwise determined the Chairman shall be elected annually."

Existing Article 169 shall be renumbered "169(A)."

(iv) In Article 170 delete the words "Ex-officio."

(v) In Article 184 for the existing proviso the following proviso shall be substituted:—

"Provided nevertheless that certificates of debentures may be signed by one Director only or by an Attorney of the Company duly authorised in this behalf and countersigned by the Managing Agents and certificates of shares shall be signed as provided in Article 27(a)."

(vi) In Article 186 for clause (1) the following clause shall be substituted:—

"(1) Subject to the provisions of the Act, Tata Industries Private Ltd., their successors in business and assigns shall be the Managing Agents of the Company from the 16th day of August 1960 for the period and upon the terms provisions and conditions set out in the Managing Agency Agreement dated the 1st day of November 1960 and which were approved by the Company by a Special Resolution at the Annual General Meeting of the Company held on the 14th day of May 1959 and by the Central Government with certain modifications agreed to by the Board. The said Agreement may (subject to the provisions of the Act) be further modified from time to time in such manner as may be mutually agreed upon between the Company and the Managing Agents."

(vii) In Article 187 for clause (1) the following clause shall be substituted:—

"(1) The Managing Agents, subject to the provisions of the Act and these Articles, shall be entitled to the management of the whole of the affairs of the Company and they shall exercise their powers as such Managing Agents including the powers conferred on them by the Managing Agency Agreement dated the 1st day of November 1960, subject to the superintendence, control and direction of the Board of Directors of the Company and subject also to the restrictions contained in Schedule VII of the Act and Article 189."

6. To consider and, if thought fit, to pass the following resolution:—

"RESOLVED that pursuant to the provisions of Section 294 and other applicable provisions (if any) of the Companies Act, 1956, the Company hereby approves and consents to the appointment of Messrs. Nathuram Ramnarayan Private Limited and Messrs. Patel Ghanshyamdas & Co. Private Limited as the Company's sole Selling Agents for the Company's products for a period of five years commencing from the 1st day of January 1962 for the whole of India except the States of Mysore, Andhra Pradesh, Madras and Kerala, at the remuneration and on the terms, provisions and conditions contained in the Agreement made between the Company and the said sole Selling Agents, a copy whereof is placed before this meeting and for the purpose of identification subscribed by the Chairman thereof."

7. To appoint Auditors and to fix their remuneration.

Notes:—(a) The relative Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items 5 and 6 set out above, is being posted to all members.

(b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(c) The Transfer Books of the Company were closed from Friday, the 10th March 1961 to Wednesday, the 5th April 1961, both days inclusive.

(d) If the dividend on shares, as recommended by the Directors, is passed at the meeting, payment will be made on and after Friday, the 21st July 1961, to those members whose names were on the Register of the Company on the 5th April 1961.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
D. R. D. TATA,
Director.

Registered Office:
BOMBAY HOUSE,
BRUCE STREET, FORT,
BOMBAY, 16*th June*, 1961.

THE BOMBAY BURMAH TRADING CORPORATION LIMITED

Registered Office:
9, Wallace Street, Fort, Bombay-1

INTERIM DIVIDEND

NOTICE IS HEREBY GIVEN THAT THE following Interim Dividends (subject to deduction of Income-tax) have been declared for the year ending 31st May 1961, namely:—

Rs. 240 per share on 100 Original Shares of Rs. 2,500 each.

Rs. 12 per share on 71,400 Shares of Rs. 125 each.

Rs. 4.8 per share on 84,000 Shares of Rs. 125 each (Rs. 50 paid up).

The above Interim Dividends are payable on and after the 10th July 1961 to those shareholders whose names stood on the Share Registers of the Corporation at the close of business on Saturday, the 10th June 1961, and to holders of Fractional Certificates after such Fractional Certificates have been exchanged for Bonus Shares in accordance with the prescribed procedure.

Dated at Bombay this 20th day of June 1961.

By Order of the Board of Directors,
WALLACE & COMPANY,
Secretaries & Treasurers.

TRAVANCORE OGALE GLASS MFG. CO., LTD.

MR. CHATTANATHA KARAYALAR'S SPEECH

THE Annual General Meeting of the Travancore Ogale Glass Manufacturing Company Ltd. was held at Alwaye on 9th June 1961. The following are extracts from the speech of Mr. S. Chattanatha Karayalar, M.P., Chairman of the Company, which was read in his absence by Mr. K. V. Mathew, Director:

"At the last meeting, I said that new equipment had been installed and with the co-operation of the workers and their leaders, we might be able to achieve better results in the years to come. I feel that our expectation in this direction is being realised. You will have observed from the profit and loss account that the production has increased. The profits also are higher.

"The two-year agreement with labour ended on 31st December 1960 and we have now entered into a fresh three-year agreement under which we have been assured of efficient and increased production and in turn the workers were granted wage increments for the next three years. I trust that the agreement will be implemented in the spirit in which it has been entered into.

"In my speech last year, I referred to the atmosphere of suspense and uncertainty prevailing during the period when the issue of the annual bonus was being discussed. The union leadership also felt the same way and I am glad to announce that by the new agreement a fixed share in the yearly profit of the Company has been assured to labour. I trust this will go a long way towards enthusing them to put in their best efforts to improve production and earn more and more.

Workers Thanked

"I wish to take this opportunity to thank the workers in general and their enlightened leaders in particular, for the lead they have given to the industrial labour in Kerala in settling matters amicably by direct negotiations.

"I would like now to refer to the recent excise duties levied on glass and glassware from March 1961. The excise duties are as high as 10 per cent. on chimneyware and 15 per cent on bottles, tumblers and other ware. The levy is unreasonably high when it is remembered that the glass industry is hardly making a profit of 5 to 8 per cent on its turnover. The industry has made suitable representation to the Central Government for introducing specific duties instead of *ad valorem* duties."

ELECTRONIC BALANCING MACHINE

An engineering firm at Zuidlaren in Holland has recently developed an electronic balancing machine for the dynamic balancing of car wheels. Removal of the wheels is avoided as they can be balanced both statically and dynamically on the vehicle. The machine is of sturdy construction and mobile, so that it can easily be wheeled to the car under test. All that is required is to jack up the car and arrange the pick-up of the machine under the swivel pin or brake drum. A white strip is stuck at any desired point on the wheel to be tested which is then set spinning by an electric motor with a driving roller. As soon as the wheel has reached the required speed the driving roller is disconnected. A wheel position at which the point of imbalance can be determined after the wheel has been stopped can be found by means of a stroboscope lamp which receives its current impulses from the pick-up and by the white strip. The degree of imbalance can be read on a meter fitted to the stroboscope lamp. The balancing machine can be used for passenger cars as well as motor trucks by reversing a simple switch. If any failure should occur in the electrical installations despite the sturdy construction, the user can easily remedy the defect by replacing any faulty section.

ATUL PRODUCTS LIMITED

IMPROVEMENT IN SUPPLY OF COAL URGED BY CHAIRMAN, MR. KASTURBHAI LALBHAI

ADDRESSING the shareholders of the Atul Products Ltd., at their Thirteenth Annual General Meeting held at Ahmedabad on Monday, 19th June 1961, Mr. Kasturbhai Lalbhai, Chairman of the Company, urged the Government of Gujarat to work out a satisfactory solution to the problem of coal shortage in the State. In an obvious reference to the rumours that Cambay oil could be used in place of coal as a fuel, Mr. Kasturbhai called upon the State Government to furnish authoritative information to the industry regarding the economics and other particulars of oil consumption in good time to render the switch-over easy.

The following is the full text of Mr. Kasturbhai's speech:

"GENTLEMEN,

"The Directors' report, the statement of accounts and other papers relating to the working of the Company during the year 1960 have been circulated to you and they have been in your hands for some time. If you will, therefore, kindly agree, we will take them as read for the purpose of this meeting.

"It will be seen from the accounts that the Company has made a profit of Rs. 1,17,86,783 and that this figure includes Rs. 14,28,800 as dividends received from the Atic Industries Limited and the Ameer Trading Corporation Limited out of their profits for the year 1959. Provision for Rs. 19,94,092 has been made for depreciation and Rs. 11,16,656 for Managing Agents' remuneration; also other suitable appropriations have been made as shown in the report. This leaves a sum of Rs. 26,94,306 to be utilised for paying dividend, at the rate of 12 per cent per annum, subject to deduction of tax, on the equity shares of the Company. I hope you will be satisfied with the working of the Company and the results for the year.

Shortage of Coal

"It has been mentioned in the report that the Company lost 15 days' production due to the shortage of coal. We had a similar loss in the previous year, and I am afraid of having a similar experience in the year 1961 also. The question of the shortage of coal all over the country has been so much in the forefront recently, that I do not know whether I need say anything more about it, except perhaps to say that we should be prepared for it even in the future. Particularly so, because we, in Gujarat, are at such a distance from the coalfields and also because the total requirements of Gujarat are sure to increase at a rate faster than elsewhere in the near future. It is perhaps no exaggeration to say that the whole immediate industrial future of Gujarat is closely dependent on the supplies of coal and the allied supply of power and I will request the State of Gujarat to do everything in its power to solve these two problems satisfactorily, as early as possible.

"In this connection, it is heartening to learn that we might be able to use Gujarat oil as fuel instead of coal. However, if this be really so, the State of Gujarat should come out with some authoritative statement to that effect, so that those who intend to use oil may perhaps themselves prepare for the same, because the switch-over from one to the other is not easy. It is not known, for instance, as to when and in what form and where oil, as fuel, will be available. There are rumours that the crude oil at Cambay is so thick that it is only fit to be burnt in special furnaces; that large supplies of gas are also available which can be used as fuel, but that neither of these products will be transportable over long distances. Then, there is the question of the comparative cost of coal and oil. It is well known that, as things are today, it will not be economical to use oil as against coal. I feel that the State of Gujarat should take care that advantage is not taken of the present coal situation and Gujarat is saddled with a fuel which is costlier. I request the State of Gujarat to settle all these issues as soon as possible and give authoritative information to the public.

Imported Raw Materials

"The report also mentions that, this year, we have lost some production due to the shortage of raw materials. The exact position is that we have lost production equivalent to about Rs. 17 lakhs during the year. The Company's position in the matter of raw material stocks and supplies has been one of hand to mouth for quite some time. In the present case, the Company could realise by November 1960 that, unless it had the October 1960-March 1961 period import licences in hand soon after the normal date of issue, it would be so short of materials that it would have to close the plants one after another in the period following February 1961. Although this was brought to the notice of the appropriate authorities, the Company did not get the import licences in hand till the middle of February 1961 with the consequence mentioned above.

"Such an unfortunate delay will perhaps not occur in the future; but I should invite your attention to the fact that, owing to the shortage of foreign exchange in general, an inadequate supply of raw materials will have to be considered as a constant phenomenon. In common with cuts introduced elsewhere, the value of the import licences granted to the Company has been cut down by about 20 per cent. The Company is trying to make good this shortfall by purchasing raw materials from certain countries which accept payment in rupees. But the range of materials is not sufficiently wide and selection in the matter of quality and price is not always easy. Ultimately, therefore, the Company will have to carry on as best it can for the time being and, in the meanwhile, make arrangements for local manufacture of these materials.

Manufacture of Intermediates

"As you are aware, your Board has been conscious of this problem for quite some time. I had last year referred to the various schemes which the Company had in mind or in hand for the manufacture of various intermediates. I am sorry that for various reasons the progress in realising these aims has been rather slow. The sulphuric acid plant has been working since July 1960 and a plant for a few individual intermediates is also nearly ready. But, while a large part of the equipment for the BON acid plant is on the site, the building is still under construction. This plant will now, therefore, get into production only by the first quarter of 1962. The position in respect of the caustic soda plant is also similar, and it may get into production by June 1962. Again, mainly on account of the difficulties in securing adequate foreign exchange, the combined scheme for intermediates and fast colour bases has been delayed longer than anticipated. Now, however, all the problems connected with these schemes have been satisfactorily settled. All the same, these schemes will not be completed before the end of 1963. I am, therefore, afraid that till all these schemes get into proper working order, we will continue to face the shortage of raw materials and we will not be in a position to get the best out of our dyes plants.

"A company, known as Cibatul Limited, has been registered on the 7th December 1960 with an authorised capital of Rs. 5 crores, out of which capital has been issued for Rs. 1 crore. Atul, as a company, is holding 65 per cent shares in this company and the remaining 35 per cent is held by Ciba Limited, Basle, and Ciba of India Limited. As mentioned in the report, the Company will make some urea formaldehyde plastic products and also intermediates for the sulfadrugs. The factory of this Company will be located on Atul's site. The designing and engineering of the plants of this Company is nearly ready but the question of foreign exchange is not yet settled to satisfaction. Therefore, it will be difficult to put the plants of the Company into operation till about the end of June 1963.

"As I stated earlier, we would not be able to complete all the schemes we have in hand till the beginning of 1964. By that time the Company would have invested Rs. 7 crores more for the various plants. I am afraid the result of this investment will not be reflected in a corresponding scale of increase in the final sales of the Company. However, by the time we have made these investments, we will ourselves be manufacturing most of the raw materials we require and will thus be self-dependent. The Company will also be so broadbased that we would be well equipped to get into the manufacture of products other than dyes, if we so desire."

Note: This does not purport to be a record of the proceedings of the annual general meeting.

Notice

THE METAL BOX COMPANY OF INDIA LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Twenty-eighth Annual General Meeting of the Company will be held at the Registered Office, 59C, Chowringhee Road, Calcutta, on Wednesday, the 19th day of July 1961, at 12-30 p.m., for the following purposes:

1. To receive and consider the Statement of Accounts for the year ended 31st March 1961 and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To elect Directors.
4. To apoint and fix the remuneration of the Auditors.
5. To transact any other ordinary business of the Company.

SPECIAL BUSINESS

The approval of the appointment by the Board of Sole Selling Agents in Burma.

EXPLANATORY STATEMENT AND NOTE

The approval of the Company is necessary to the Board's appointment of a Sole Selling Agent.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.

NOTICE is hereby given that the Ordinary Share Register of the Company will be closed from 1st to 19th July 1961, both days inclusive.

By Order of the Board,
F. P. GILBERT,
Secretary.

59C, CHOWRINGHEE ROAD,
CALCUTTA, 20*th June* 1961.

MARKET REPORTS

SHEEP SKINS WEAK

(*From Our Own Correspondent*)

MADRAS, 19*th June*

Arrivals of tanned cow hides were of moderate volume and clearance was halting. There was steady call for buffalo hides but no demand for buff calf or cow calf. Though prices ruled nominally unchanged in all sections, the undertone was weak. Market for tanned goat skins was quiet and for sheep weak.

In view of the ensuing August holidays in Europe, Madras tanners do not expect revival of serious export trading during the next few weeks. The next tanned skins London public sales commence on the 26th June when 80,000 goat and 120,000 sheep skins will be offered for sale.

LINSEED FIRM

(*Messrs. A Bradley & Co.*)

CALCUTTA, 19*th June*

A very firm tendency prevails and a further rise has been recorded in all sections. The main reasons have been shortage of supplies and firmness in mustard and groundnut markets; movement of new crop seeds have been very slow in the centres and local offerings are very meagre, whilst ready supplies are negligible. The oil market has advanced also in sympathy with seeds, but business is negligible as millers are reluctant to do any forward business at current rates. Local ready stocks are very small. The oilcake market is keeping steady, there is good local demand but the turnover has been small as stocks are running low in the mills.

The latest quotation is as follows: Ready, June delivery Rs. 29.50 per maund.

The U.S. Government has given its approval for a loan of Rs. 4 crores ($8.1 million) to Air-India International Corporation towards meeting a part of the cost of two Boeing 707 inter-continental jet aircraft. The credit has been channelled through the U.S. Export-Import Bank. Air-India at present has four jet aircraft. The addition of two more planes will go a long way towards meeting Air-India's goal of operating an all-jet air fleet. As the operation of piston-engined aircraft is becoming increasingly non-competitive, the Corporation is planning to retire its Super-Constellation planes and replace them with jet airliners. Three of the jet aircraft in service were bought with credits extended by the World Bank and certain commercial banks in the U.S. The fourth plane, which entered service in April last, was financed in part by a loan of $4.1 million extended by the U.S. Export-Import Bank.

MONEY SLIGHTLY EASY

(From Our Own Correspondent)

BOMBAY, 21*st June*

Conditions in the short-term money market turned distinctly comfortable during the week. Thanks to the return of funds from mofussil centres, combined with the inflow of funds from Calcutta, where call money rates are lower than in Bombay, supply improved further. Consequently, the inter-bank call rate among Exchange and Indian banks came down to 4½ per cent from 4¾ per cent last week. The other rates were unchanged. For reference, the rates are given below:

	Per cent
Inter-bank call money:	
Exchange and other large Indian banks	4½
Other banks	4¾
Notice money:	
3 days or more	3
Term deposits:	
(i) 3 to 30 days (inclusive)	3
(ii) 31 to 60 days	3½
(iii) 61 to 90 days	3½
(iv) 91 days and more but less than 12 months	3½
(v) 12 months	4

The results of the 91-days' Treasury Bills of the Government of India sold through weekly tenders showed that the easy money conditions were beginning to have some impact on the demand for Treasury Bills. Against an invitation of Rs. 2 crores, an equivalent amount was offered and accepted, which was the same as last week. But the average rate of accepted tender declined from 2.750 to 2.650 per cent per annum. The 91-day intermediate Treasury Bills sold from 14th to 17th inst., amounted to only Rs. 30 lakhs. Their sales are being continued.

The Reserve Bank of India's statement for the week ended 16th June 1961 discloses a contraction of Rs. 14.32 crores in notes in circulation, as compared with the previous week. As the notes held in the Banking Department have gone up by Rs. 15.56 crores, the total notes issued show a rise of Rs. 1.24 crore only. Foreign securities are unchanged at Rs. 108.01 crores, but, as the balance held abroad have declined by Rs. 1.69 crore, the total foreign assets are lower by that amount at Rs. 123.79 crores. Deposits of banks with the Reserve Bank of India have further improved by Rs. 2.92 crores to Rs. 86.25 crores.

A decline of Rs. 3.82 crores in demand deposits and an expansion of Rs. 8.14 crores in time deposits are disclosed by the statement of the Scheduled Banks for the week ended 9th June 1961. The deposits of the State Bank of India have declined by Rs. 72 lakhs. Borrowings from the Reserve Bank of India have fallen by Rs. 7.92 crores, but those against usance bills from the same institution registered a rise of Rs. 97 lakhs. Borrowings from the State Bank of demand nature also declined by Rs. 1.27 crore, while borrowings of time variety remained unchanged. Advances and bills discounted (bank credit) show a contraction of Rs. 36 lakhs to Rs. 1,280.97 crores. A year ago, this portfolio stood at Rs. 1,134.01 crores. The advances of the State Bank recorded a rise of Rs. 3.04 crores. This means that credit given by other scheduled banks must have declined by Rs. 3.40 crores. Investments of the scheduled banks as a whole fell by Rs. 13.33 crores, but as the State Bank's investment are marked down by Rs. 13.81 crores, the investment of other scheduled banks must have actually improved by Rs. 48 lakhs.

The gilt-edged market was dull. Inquiries were confined only to the short-dated securities in the Central loans section. Medium and long-dated loans were neglected. 3 per cent 1986 (Conversion loan of 1946) was particularly weak; its quotation declined further by 45 nP to Rs. 72 in the absence of support. 2½ per cent 1962 put on 5 nP to Rs. 98.90 and 3 per cent 1970-75 first development loan advanced by 10 nP to Rs. 91. The prices of all other Central loans were unchanged. In the State loans section, demand on account of sinking funds caused a spurt in prices of a large number of short and medium-dated issues. For example, 3 per cent 1962 Maharashtra loan gained 50 nP to Rs. 99, 4 per cent 1969 and 1971 Maharashtra loans were marked up by 10 nP and 25 nP to Rs. 99.60 and Rs. 99.25, respectively. 4 per cent 1969 loans of Gujarat, Madras, Andhra, U.P., Madhya Pradesh and Mysore showed rises of 5 nP, 15 nP, 10 nP, 15 nP, 40 nP and 15 nP respectively.

In the foreign exchange section, the rupee showed some weakness in relation to the U.S. dollar in sympathy with sterling. The banks' selling and buying rates for ready T.T. on New York were Rs. 480.00 and Rs. 476.50 per 100 dollars, respectively, as against Rs. 479.50 and Rs. 476.00 in the previous week. In the New York exchange market, the pound sterling was under pressure on account of the rumours of possible devaluation. Its exchange value climbed down from 279.200 cents as on 14th inst. to 278.700 cents as on 19th inst., in the spot market. Later, however, the statement of Dr. Per Jacobsson to the Basle Economic Society that the rumours of further currency changes were baseless imparted some strength to the pound sterling and the latest available rates show some improvement over the lowest levels reached on the 19th inst. The rates as on the 21st inst. are 278.870-278.900 cents per £ for spot and 277.010-277.040 per £ for three months' forward. As compared with last week, however, the pound lost 0.33 cent in the spot and 0.61 cent in the forward.

BULLION LISTLESS

(From Our Own Correspondent)

BOMBAY, 21*st June*

There have been no outstanding developments in the bullion market this week. An irregular trend prevailed during most of the week. A slightly easier trend was noticeable in the initial sessions due to profit-taking induced by reports of heavier arrivals. Later, the lost ground was recovered on the promising beginning made by the monsoon, prospect of early commencement of trading in the new three-monthly futures contract and professional buying by Calcutta and Rajasthan operators. Of the two metals, silver showed better signs of holding its ground than gold. Over the week, however, neither of them showed any significant variation, as will be seen from our customary comparative table given at the end of the report. Silver arrived at the rate of 37 bars per day on an average, while the offtake was no more than 8 bars. In the case of gold, the average arrivals were 7,000 tolas and offtake 3,500 tolas per day.

In the London bullion market, the price of gold tended to be higher, because of the weakness of the pound sterling, but there was no change in the price of silver. In New York, too, silver remained unchanged.

The following table shows the trend of the market during the week under review:

	21-6-1961 (closing)	High	Low	14-6-1961 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	121.75	122.50	120.80	121.65
Forward:				
Jeth 2nd*	120.70	121.25	120.10	120.75
Sovereign	94.50	—	—	94.50
SILVER				
Ready[(.996 fine)	203.00	204.05	202.75	203.95
Forward:				
Jeth[2nd†	203.50	204.55	203.25	204.45
London—	20-6-1961			13-6-1961
Silver Ready	79½d.	—	—	79½d.
Silver Forward	79½d.	—	—	79½d.
Gold	251s. 5½d.	251s. 5½d.	251s. 0½d.	251s. 2d.
New York—				
Silver	91.375 cents	—	—	91.375 cents

* 27th June settlement. † 28th June settlement.

N.B.—The quotation for gold is per 10 grams (about 0.35 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, 19*th June*

Sugar prices ruled quietly steady during the week at Rs. 106.75 per bag and retail at 97 nP per seer and although supply position continued easy, following monthly releases earlier this month of 2 lakh tons, good export prospects to U.S.A. and Pakistan and other countries checked further fall in sugar prices. Demand, too, was quoted better due to summer season. Production has finished and, in order to lessen pressure of stocks in factories, the Government is increasing the quantity of sales for delivery at factory gates at controlled prices.

Sugar recorded modest gains in Muzaffarnagar market during the week following brisk demand owing to summer season. It was reported that sugar factories had still not been able to lessen the burden of stocks they had been carrying. Some of the mills could not dispose of their balance stocks of 1959-60 season even at a handsome amount of rebate.

Khandsari attracted good demand from Punjab and east U.P. and inquiries were also received from Rajasthan, North Gujarat and M.P. and prices improved fractionally during the week. Sharp gains, however, were registered in prices of old *khandsari*. Stocks of *khandsari* in week-end at Muzaffarnagar were poor at about 25,000 maunds, the corresponding figure last year being 80,000 maunds. Week-end prices were: *inferior* Rs. 30 to Rs. 32, *superior* Rs. 33 to Rs. 35.50, *crystal* Rs. 34 to Rs. 37, *boora* Rs. 40, *khandsari old* Rs. 27 to Rs. 32 per maund.

Ready *gur* prices ruled quiet in week-end following bullish trend in mid-session as loading was made free for some days when week's offtake aggregated eight wagonloads and further despatches were hampered for want of empties. Loading was now again stopped and small offtake is being arranged by road. Daily arrivals are now poor and local stock is put at 33,000 maunds with latest prevailing prices being: *gur dry* Rs. 15.50, *kotha selected* Rs. 15.75, *kotha dry-wet* Rs. 15, *wet* Rs. 14.12, *shakker* Rs. 16.25 a maund.

Gur prices registered sharp gains of 50 nP to Re. 1 per maund during the week in Muzaffarnagar market on brisk demand from Punjab, Gujarat and M.P. Stockists were reluctant to dispose of stocks anticipating better prices later. *Gur* stocks there were put at 1.3 lakh maunds as against 2 lakh maunds on corresponding date last year and prevailing prices were: *Chaku kotha dry* Rs. 18.25 to Rs. 19.25, *medium* Rs. 18, *wet* Rs. 15, *rusket Chaku* Rs. 12.50, *shakker* Rs. 17 to Rs. 19, *masala* Rs. 21 to Rs. 24 per maund.

After early gains *gur* futures ran down sharply during the week on active bear pressure. Fluctuations were as follows: (opened 12th June, highest, lowest, on 19th June) *Gur ashad* Rs. 14.62, Rs. 14.73, Rs. 14.52, Rs. 14.57; *gur fagun* Rs. 13.86, Rs. 14.13, Rs. 13.82, Rs. 13.83.

COTTON EASY

(From Our Own Correspondent)

BOMBAY, 21*st Ju*

A distinctly easy trend has come to prevail the cotton market. Early in the week, the tre was fully steady, with I.C.C. Jarilla August sta ing in the neighbourhood of Rs. 587. This v due to reports of delay in the arrival of monso and the possibility of a satisfactory arrangem being made by the Textile Commissioner with Indian Cotton Mills Federation for disposal stocks of cotton held by co-operatives in Guja This has actually materialised as we shall p sently show. Nevertheless, there has been a of Rs. 10 in the futures contract since Saturd last. The chief reason for this drop is report good rainfall in almost all the cotton-grow tracts in Maharashtra, Gujarat, Madhya Prad and Andhra. As usual, speculators have star spreading the view that the crop in the 1961 season will be a bumper one, much better t the large crop harvested in 1960-61. After dec ing to a low of Rs. 575 on Tuesday the 20th i from a high of Rs. 588 touched on Thursday 15th inst., Jarilla August finished today at Rs. the rise over the lowest level being attribut to profit-taking.

The Textile Commissioner's discussions v the representatives of trade and industry on difficulties of Gujarat cotton co-operatives h been fruitful, as will be seen from the follow quotation from the official Press note:

"As a result of these discussions, it has b agreed by the trade and the mills to speed their purchases of cotton, provided stocks w offered by the co-operative societies at ma prices in keeping with the quality of the co and that unrealistic prices were not demanded cottons of mixed or deteriorated quality. The operative societies also expressed their willingn to dispose of their stocks at market prices stated that, while a part of the cotton might mixed or have deteriorated in quality, such st were not large.

"It was felt that, while buyers and sel might continue to transact business in the nor manner at a mutually agreed price, occas might arise where it might not be easy to ne ate an agreed price. In order to assist the chase and sale of stocks on such occasions, it been agreed that samples should be refe jointly by the buyer and the seller to a small t nical committee consisting of three persons, representative of the mills or the trade, one re sentative of the co-operative societies of the concerned, and one of the Textile Commissio The Committee, after examining the sample, s determine the fair price for the lots in ques which shall be binding on both parties.

"The Textile Commissioner hopes that mills will now come forward and effect purch against their quotas as quickly as possible. mills have already been granted an additi concessional quota of Indian cotton to the tent of 20 per cent of their last year's consu tion. In addition, any mill which wishes to n purchases beyond its quotas may do so and mate such purchases to the Commissioner. guarantees in regard to American cotton now been received from most of the mills, there is no factor whatsoever which need back mill demand. The trade also should come forward to discharge fully its traditi function of holding stocks in anticipation of n purchases.

"The Textile Commissioner also hopes co-operative societies would adopt a realistic tude and dispose of their stocks as early as sible at prices appropriate to the quality of stocks offered by them for sale, and would res utilise the machinery of the technical comm whenever there was any disagreement in re to prices."

The mills have already started implemen their assurances to the Textile Commissio During the last two days at the Sewri spot ket, Gujarat varieties received greater atten than others. Good business was put through Vijay and Digvijay held by the co-operatives. staples from other areas were relatively negle with the result that they lost quite a few ru Laxmi, for instance, was down by 10 to 15 po Amaravati and Kalyan lost no less than Rs.

The quotations—in rupees per candy of lbs.—for a few principal varieties of cotton ar

Hubli Laxmi 970 (985); Amravati L 147 (1,045); Moglai Zoda 490 (470); Digvijay 975 (Gadag Laxmi 965 (985); Dhulia Zoda 500 (Kalyan 840 (860).

N.B.—The figures in brackets relate to rates a week before.

An important development of the week the enhancement of the floor prices for cotton the 1961-62 season. The floor for Jarilla 25 has been stepped up from Rs. 495 to Rs. 600 candy, that is, from Rs. 139 to Rs. 168.57 quintal (100 kilogrammes). The floor prices other varieties, says the Government, will be creased correspondingly. There will, however no change in the ceiling prices of any of varieties of cotton.

The official announcement to the afore effect has had no particular effect on the ma Operators, however, were disappointed that ceilings were not raised.

The Karachi cotton market suffered a ma setback during the week under review. futures and spots came in for persistent selling account of the lack of encouraging export quiries and the low level of demand from do tic mills. Operators took note of the Governm proposal to use colonisation plans to step up duction of raw cotton and to enforce shortly trols on ginning to avoid malpractices. Tra

in January (1962) contract commenced on the 15th inst. Opening at Rs. 81, the contract quietly declined to Rs. 77.65. July contract lost Rs. 4.05 to Rs. 66.05 over the week. Among spots, L.S.S.R. lost Rs. 4 to Rs. 85.90. 4F Punjab Roller eased by Re. 1.65 to Rs. 83.90 and S.G. by Rs. 2.15. The following are the latest available quotations—in rupees per maund of 92 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi, the figures in brackets being last week's rates:

Sind *Deshi* 91 (91); Punjab *Deshi* 88 (88); 4F Punjab Roller 83.90 (85.55); S.G. 87.90 (90.05); L.S.S.R. 85.90 (88.05); S.G. 90.40 (92.55).

The Alexandria cotton market displayed distinctly weak conditions during the week under review, thanks to dull conditions on the export front and the low level of domestic offtake. It may be noted here that, in accordance with the recent decision of the Government to control cotton export trade for participating in the share capital of cotton exporting firms, the Misr organisation—a Government body—is reported to have already acquired 35 per cent of the share capital of such leading companies as Messrs. Farghally Coton Co., Loutfi Mansour, Huri and Co., H. Kupper, Bibawi Cotton and Choremi Benachi Cotton. The other companies are also reported to be negotiating with the Misr organisation. It is also learned that small firms, such as the Giza cotton, the Egyptian Continental, and Messrs. Mohammed Ismail may amalgamate to form a new company. The object of this step is to avoid unduly large fluctuations in the prices of cotton and prevent hiding foreign exchange earnings. The Ashmouni August contract gave way from 60.27 T. (tallaris) to 57.15 T. per pound. June contract was lower by 2.92 T. at 57 T. Karnak July contract declined from 69.65 T. to 69.35 T.

Easy conditions continued to prevail in the Liverpool cotton market in the absence of any fresh incentives. The commission houses were sellers particularly in near positions. July position drifted lower from 23.90*d.* to 23.70*d.* per pound. July position (Sudan) was quiet at 31.75*d.* October position, however, elicited some support, the quotation having gone up from 24*d.* to 24.15*d.*

In distinct contrast to the trend in the previous week, cotton futures in the New York market ruled easy during the week under review, following reports of favourable weather conditions in major cotton tracts. There was some pause in the mills' purchases too. The spot section, however, was well maintained. Exports for the season upto the end of May were slightly higher at about 6.4 million bales, as compared with 6.0 million bales last season.

The following are the latest available quotations from New York, as compared with those a week and a fortnight ago:

(In cents per lb.)

	20-6-61	13-6-61	26-5-61
Spot	34.50	34.40	34.35
July	33.25	33.43	33.45
October	34.08	34.24	34.12

OILSEEDS ADVANCE FURTHER

(From Our Own Correspondent)

BOMBAY, 21*st June*

The oilseeds market continued to rule firm during the week under review, thanks mainly to sustained speculative buying. The local demand from crushers too was quite large. Linseed was in the forefront, with its quotations moving up to touch peak levels. The firmness in linseed was engendered by the sizable support from Calcutta interests, following the pronounced strength in North Indian rapeseed markets. Arrivals also were smaller. Castorseeds rose to the season's peak level, mainly as a result of the revival of export enquiries of castor oil from the U.K. and some of the East European countries. The upward trend in castor oil prices in London, following the tapering off of Brazilian supplies, opened out hopes of further U.K. enquiries for Indian oil. Arrivals of castorseed from upcountry centres were substantially lower than the corresponding period last year. For values ruling in upcountry centres were still higher than that prevailing in the local market. Groundnuts were well maintained in view of the tight statistical position and steady offtake by local crushers and *vanaspati* manufacturers. The total volume of business in groundnuts was, however, not very large, particularly towards the close, since buyers were awaiting some decline in values owing to favourable monsoon conditions in producing areas. The decision of the Government of India to allow export of H.P.S. groundnut-in-shell to East European countries, in addition to the U.K. and Netherlands, against the quota of 2,000 tons already released, did not have any perceptible effect on the market. The sesame section was steady in sympathy with other major seeds and oils.

Cottonseeds, too, ruled distinctly firm, following the announcement of an export incentive scheme for its cakes. The scheme seeks to grant import quota of one ton of copra against every nine tons of decorticated cottonseed expeller cake. Crushers and exporters welcomed the scheme. Nevertheless, the incentive fell short of their expectations. It is said that the profit derived from the import of copra will compensate for only half of the loss suffered in exporting the cake.

Among linseeds, September 1961 contract rose initially from Rs. 39.75 to Rs. 40.62, before closing at Rs. 40.31, with a net gain of 56 nP. Bold ready improved from Rs. 39 to Rs. 40.12; it had earlier touched Rs. 40.75. Linseed oil improved from Rs. 17.06 to Rs. 17.30 by Monday. Subsequently, it lost some ground and closed today at Rs. 17.10.

Among castorseeds, September contract made headway from Rs. 179.62 to Rs. 180.87 by mid-week. Subsequently, it fluctuated both ways to finish at Rs. 180. Madras small closed today higher at Rs. 35.62, as against Rs. 35.50 last week-end. Oil commercial hardened from Rs. 15.10 to Rs. 15.20, before winding up the week at Rs. 15.10. Oil B.S.S. was steady at Rs. 16.20.

In the groundnut section, Khandesh quality moved up by 50 nP to Rs. 55.50. Coromandels picked up 25 nP to Rs. 55.50. Nizam Bold was fully maintained in the beginning but closed rather subdued at Rs. 54.75, with net loss of 25 nP. Towards the close, oils, too, lost their earlier gains. Oil ex-mill rose from Rs. 23.25 to Rs. 23.60 by Saturday. But it fell to Rs. 23.05 later on. Railway receipts closed lower at Rs. 22.80, as against Rs. 23.10.

Among cottonseeds, September 1961 contract rallied from Rs. 95 to Rs. 96.50 by Saturday. But it gave way subsequently to close at Rs. 95.50. Berars, whites and non-whites, put on 10 nP each to Rs. 19.60.

In the sesame section, bold ready was held firm at Rs. 370, so also oil at Rs. 27.75. Among other seeds, Kardi put on Re. 1.25 to Rs. 28 and Niger 75 nP to Rs. 42.25.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	21-6-1961	14-6-1961	7-6-1961
Groundnut	Rs.	Rs.	Rs.
Nizam bold	54.75	55.00	54.50
Coromandel ready	55.50	55.25	55.00
Khandesh quality	55.50	55.00	55.00
Oil ex-mill ready*	23.05	23.25	23.00
Railway receipts*	22.80	23.10	22.70
Castorseed			
September 1961	180.00	179.62	177.50
Ready Madras	35.62	35.50	35.50
Ready Kanpur	33.87	33.75	33.62
Oil B.S.S.†	16.20	16.20	16.15
Oil commercial†	15.10	15.10	15.05
Linseed			
September 1961	40.31	39.75	38.62
Bold ready	40.12	39.00	38.00
Oil ready†	17.10	17.05	16.25
Cottonseed			
September 1961	95.50	95.00	95.00
Niger seed	42.25	41.50	42.00
Kardi seed	28.00	26.75	27.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

BEMBERG YARN RALLIES

(From Our Own Correspondent)

BOMBAY, 21*st June*

A feature of trading in the yarn market was the pronounced firmness in the art silk yarn section, thanks mainly to the scarcity of floating supplies and fears of reduction in import quota. Besides, upcountry enquiries were quite encouraging. J/P and Cupressa Bemberg yarns were in the forefront, following the marked increase in the premia on the import licences. During May, imports of rayon yarn into Bombay aggregated 1,083,000 kgs., which compares with only 2,700,000 kgs. in April and 9,240,000 kgs. in March. Japan was the leading supplier accounting for 25 per cent of these imports. The staple fibre yarns also ruled distinctly steady. Operators took note of reports that the Government of India is considering the question of imposing control on the distribution of staple fibre yarn with a view of eliminating the existing alleged malpractices. Cotton yarns, however, were listless.

Among imported art silk yarns, 120 Japan was quoted higher by Rs. 27 at Rs. 1,874. 150 Japan was fully maintained at Rs. 1,874. 120 Italy, however, was marked down by Rs. 84 to Rs. 1,763. Among indigenous yarns, National Rayons 120 bright cones first grade gathered 22 nP to Rs. 19.12, while 150 bright cones first grade dropped 49 nP to Rs. 16.54. Cupressa Bemberg yarn (60 x 1) August contract staged a smart rally to touch Rs. 2,710, a net rise of Rs. 20 over the week. June settlement forged ahead by Rs. 10 to Rs. 2,655. Spot Cupressa was marked up by Rs. 26 to Rs. 2,659. (40 x 1) J. P. August delivery advanced by Rs. 89 to touch a peak of Rs. 3,183. June contract spurted by Rs. 85 to Rs. 3,123. This rally led to the imposition of special clearing rates for J.P. Bemberg yarns today.

In the staple fibre yarn section (40 x 2) August contract rose by Rs. 17 to Rs. 940. Spot Kohinoors put on 16 nP to Rs. 11.42. Spot Citys stood higher by 2 nP at Rs. 10.89.

Among cotton yarns, ten counts Podars eased by 13 nP to Rs. 17.37. Twenty counts Gokaks were quiet at Rs. 22.50, as also New Greats at Rs. 21.25. Thirty counts Simplex changed hands at Rs. 27. Forty counts Maduras rose by 50 nP to Rs. 32.87. Sixty counts Finlays, however, drifted lower by 39 nP to Rs. 65.

The following table gives the prices of rayon, staple fibre and cotton yarns today, as compared with those prevailing a week ago:

	21-6-1961	14-6-1961
Art silk yarn—	Rs.	Rs.
60/1 Cupressa Bemberg (100 kg.)—		
June	2,655.00	2,645.00
August	2,710.00	2,690.00
Spot	2,659.00	2,633.00
40 x 1 J/P June	3,123.00	3,038.00
August	3,183.00	3,094.00
120 Japan (per 100 kg.)	1,874.00	1,847.00
150 Japan (per 100 kg.)	1,874.00	1,874.00
Staple fibre yarn (40 x 2)—		
August (per 90.72 kg.) ..	940.00	923.00
Kohinoor (per kg.)	11.42	11.26
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	17.37	17.50
20s New Great	21.25	21.25
30s Simplex	27.00	27.00
40s Madura	32.87	32.37
60s Finlay	65.00	65.39
80s Moderns	69.50	69.50

GOOD DEMAND FOR TEA

[*Messrs. Forbes, Ewart and Figgis Private Ltd.*]

COCHIN, 13*th June*

700,000 kilograms were offered in Sale No. 24 held today. Quality particularly of low mediums and mediums showed a further decline. The market met with an active demand. Low mediums and mediums met with good support at a decline of 5 to 10 nP per kilo, but towards the end of the sale these eased further and were easier by 15 nP and sometimes more. Good mediums were well supported but were easier by 10 to 15 nP. There was useful inquiry for highgrowns but these were irregular with quality. Whole leaf grades were better supported than last week and are quoted steady. A small selection of C.T.C. types and legg cut sold well and were often dearer. The quotations were:

	1961	1960
	Rs.	Rs.
Low mediums	4.15-4.30	3.30-3.50
Mediums	4.30-4.45	3.50-3.75
Good mediums	4.45-4.70	3.75-4.05
Nilgiri B.O.Ps.	Rs. 4.50-5.15	

The average price realised in sale No. 24 was Rs. 4.37 per kilo as against Rs. 4.43 a week ago and Rs. 3.81 in the corresponding sale last year.

Dust Sale No. 24: 290,000 kilograms were offered in dust sale No. 24 held on 15th inst. There was good general demand but prices were irregular for all descriptions. Low mediums and mediums were well supported and sold around last rates. Good mediums were firm whilst Calicut descriptions were generally lower. Highgrowns met with good support and were firm. There was good inquiry for C.T.C. types and legg cut types which tended a little easier.

The average price realised in dust sale No. 24 was Rs. 4.01 per kilo as compared with Rs. 4.06 in the previous week and Rs. 3.90 in the corresponding sale last year.

Export Quota: Market remained rather quiet and at present there are large sellers at ½ nP per kilo.

Colombo: Just over seven and a half million pounds were offered in the export sale. There was strong demand. Good mediums were firm to dearer. Teas from Uva sold at dearer rates following quality. Lowgrowns were well supported and were steady.

London: North Indian and other growths: 24,916 packages were offered on Monday. There was a good general demand and prices were fully firm for most descriptions.

Ceylon and South Indians: 29,014 packages were offered of which 9,286 packages were from South India. The market met with fair general demand. Low mediums declined by 1d.

As we go to Press, Messrs. Forbes, Ewart and Figgis Private Ltd., wire:—

"*Sale No.* 25: 6,37,000 kilograms. Strong general demand. Low mediums and mediums fully firm. Good mediums about steady. Nilgiris irregular following quality."

TEAS STEADY

(From Our Own Correspondent)

CALCUTTA, 20*th June*

Owing to poor arrivals of tea, no sales took place during this week, and the next export and internal sales are scheduled for the 26th and 28th inst., respectively. However, increased shipments of tea took place during the week. These, in loaders for the United Kingdom, increased notably. The climax is not expected until a few weeks hence. Last week's sales for internal consumption took place as scheduled and, with exporters being active, good demand for new season's teas was a feature.

It is evident that foreign buyers have increased their offtake. In the first two auctions, interest was not developed but in the third export auctions held in the last week more interest was in evidence, with Russia and Turkey dominating among foreign buyers.

As expected, the output in North East India in May showed a marked increase. At 30.69 million lbs. the increase was 9.74 million lbs., as compared with May 1960. With last month's figure, output in the 1961-62 season has now aggregated 49.77 million lbs., representing a total increase of 12.25 million lbs. Comparison of output with last year does not disclose a useful analysis since in the last year production was much lower than an average year in view of drought. Production in 1959-60 represented an average and, as compared with that, the output in the last two months has been much lower. Such an analysis has led to the belief that production in the current year is not expected to lead to a glut in supplies. The improved demand in the export auctions springs from such a belief.

Trade circles here hoped that the U.S. would consume more tea this year than last year, but that how much of this increase would account for Indian teas remains to be seen. Both India and Ceylon have been paying good attention to propaganda in the U.S. However, in other countries such as West Germany, Switzerland, East Germany, Czechoslovakia, etc. Indian propaganda is often conspicuous by its absence and visitors from India to some of these countries have reported the complete lack of "tea-sense" among several people who take to other beverages, including coffee, very liberally. The Tea Board would have to be more active in propaganda in foreign countries if the Planning Commission's increased production and export targets are to be realised. If activities of Government departments are not co-

ordinated, there is every danger that other producing countries would score over India in foreign markets.

Pakistan has announced that the present rate of excise duty of Re. 0.62 a lb. and export duty of Re. 0.37 a lb. would continue.

Dusts on offer during last week's internal sales amounted to 25,079 packages. New season's teas included in the total offerings amounted to 12,277 packages. These met with good demand but some quantity of the non-wither legg-cut teas, the price of which was much lower than brokers' valuations, had to be withdrawn. On the other hand, keen competition was offered to Darjeelings, prices of which rose impressively. Orthodox teas were firm at lower rates. Medium C.T.Cs. eased up to 30 nP. Old season's teas were in good demand, but C.T.Cs. eased and orthodox teas recorded an irregular trend. No quotations were given since representative teas were limited.

Leaf offerings amounting to 126 chests were irregular.

BASE METALS SUBDUED

(From Our Own Correspondent)

CALCUTTA, 20*th June*

Prices of base metals eased during the week under review, as support at higher levels became restricted. Further, prices in overseas markets declined. The news of the week has been the announcement of the Government of India's decision to revive, with immediate effect, the quota licences at 12½ per cent to established importers in respect of copper wrought in the form of rods, sections, pipes, tubes and sheets covered under Section 41(ii)/I of the Import Schedule as well as copper alloys in similar shapes covered under Section 46(c)/I. These quota licences were a feature of the import policy in the April-September 1960 period, but remained suspended in the following six months. Licences will be valid for 12 months in respect of copper wrought, and nine months in respect of wrought brass, bronze and other alloys.

The virtual ban imposed on imports of these semis in the past nine months has led to acute scarcity, and cottage industries have been hit hard in particular. Two new units have been set up to produce non-ferrous semis in Bombay, but it will take time before these units can reach capacity. In the meanwhile, the capacity of the pioneer unit in Calcutta has been increased considerably, and this unit has still plans for further expansion. As and when indigenous production increases further, it is to be hoped that the quota to established importers in respect of semis would be reduced progressively, if not withdrawn at a time.

If indigenous production of non-ferrous semis, such as copper and brass tubes, sections and rods, and brass and copper sheets, and zinc and lead pipes and sheets cannot be increased to capacity, the blame should be squarely placed on Government's shoulders. Paucity of raw materials such as copper, zinc, tin and lead, is stated to be the case why the pioneer manufacturer through extrusion process in Calcutta has had to slow down the pace towards the realisation of increased capacity. According to the annual report of this firm for the last accounting year, production had to be curtailed for lack of adequate raw materials, mainly copper and zinc. In this connection, market circles have praised Dr. B. C. Roy for his forthright appraisal to the Government of India of the position facing West Bengal. About 100 small-scale industries in and around the industrial belt of Calcutta have reached a point of crisis in view of acute shortage of copper, zinc, and tin and brass sheets. West Bengal's requirements have been estimated at 3,100 tons, whereas the import quota is only 450 tons. This being the true state of affairs, it is a pity that sometimes the existing shortage of semis is attributed to inadequate indigenous capacity. The extrusion plant in the private sector situated in Calcutta has enough, if not more, capacity to meet India's increased requirements, and production can be speeded up if only the Government of India can consider granting increased quotas of copper and zinc commensurate with the capacity of the plant. From all points of view, the country stands to benefit by increasing indigenous production of semis. The Government has recently imposed excise duty on copper and brass pipes and tubes, and copper and brass flats and squares and sheets. Government stands to lose this duty if imports are made at the cost of indigenous production.

In the local market, tin eased from Rs. 1,604.25 per 100 kgs. to Rs. 1,521.50. Demand was just fair and that explained the declining trend. On the London Metal Exchange, tin was maintained firm at £879¼ a ton. In New York, the ready metal was unchanged, but in forward positions a contango was developing. In London, electrolytic copper eased from £237⅛ a ton to £233¼. Copper scrap prices in Calcutta were about steady. Electrolytic zinc here at Rs. 336.50 per 100 kgs. declined to close at Rs. 330.75, and virgin lead at Rs. 139.75 was a couple of points lower.

JUTES RECORD RECOVERY

(From Our Own Correspondent)

CALCUTTA, 20*th June*

Following greater support, steadier conditions were in evidence in the jute markets during the week under review, and prices of both goods and fibre recorded a handsome recovery. Prices of goods improved on covering demand at lower levels, although overseas buyers continued to be inactive. The better statistical position in regard to sacking goods has been due to the transfer of looms from sacking to hessian. Output of sacking in May declined by 2,200 tons to 38,200 tons, but that of hessian and miscellaneous constructions rose by 1,000 and 300 tons respectively to 28,500 and 11,600 tons, leading to an overall fall in the total output by 900 tons to 78,300 tons. Stocks at the end of April were 90,900 tons and thus the total availability of goods in May was 169,200 tons. May-end stocks being 92,100 tons, demand in the month was of the order of 77,100 tons, i.e. 1,200 tons more than output. This general improvement in the statistical position revived covering demand during the week. The improvement in the statistical position of sacking alone has been more satisfactory than hessian. Sacking stocks at the end of April were 48,800 tons and production was lower at 38,200 tons. The total availability, therefore, was 87,000 tons. Stocks at the end of May being only 44,400 tons, sales in the month should have aggregated 42,600 tons, i.e. 4,400 tons more than production. This lent greater rhyme and reason for the recovery in sacking prices.

Further, market circles had reason to believe that as from July onwards foreign buying of sacking goods would be accelerated. Feeler-inquiries were already in evidence from importers in Indonesia and West Africa. Cuba was believed to be awaiting proper timing to enter the market, and this timing would not be farther than July, when that country was expected to lift approximately 90,000 bales in the next three months. Australian buying was expected to total about 100,000 bales a month in the July-September period. With a good agricultural crop within the country and increased industrial activity, domestic buying is also expected to improve in the coming months. In addition, there would be the usual tenders from the Government of India. All these would indicate that in the new season mills would have to increase the proportion of production of sacking in relation to hessian. As regards the U.S.A., judging from current indications, that country would as well delay purchasing. In view of higher prices, the U.S. has not only reduced consumption, and apart from small purchases here and there, that country is consuming more from stocks. Current stocks there including those on the high seas would be sufficient to meet about three to four months' requirements. As such, the U.S. can well wait for prices to decline. Interest from Argentina is yet paltry, and no indications are yet available that that country would be soon lifting hessian in greater quantities.

As announced earlier, forward trading against November delivery jute goods was resumed on 15th June. The improvement in prices of goods in the ready market was also due to the commencement of forward trading. It is felt that, since several restrictions have been removed, strict vigilance is essential to put down excessive speculation. Special margins on purchases of raw jute and certain standard constructions of jute goods on transferable specific delivery contracts have been removed by the Forward Markets Commission in an attempt to bring about normal trading conditions in the jute markets. The restrictions imposed during last year on the number of transfer of *pucca* delivery orders issued against transferable specific delivery contracts in certain standard constructions of jute goods have also been withdrawn. It would be remembered that these restrictions were imposed one after another in order to check the rising trend in prices. Despite these restrictions and the imposition of heavy special margins, prices of raw jute and jute goods moved up, and the rising trend received considerable impetus from the shortage of fibre, the seriousness of which grew as the season advanced. Although several restrictions have now been removed as a precautionary measure and aimed to minimise speculation, the East India Jute and Hessian Exchange has taken certain steps to limit the volume of business to the capacity of individual members. The procedure of registration of transferable specific delivery contracts and the submission of trading returns in these returns by members of the Exchange would be continued.

With the approach of the new season, the question of what ought to be a fair price to fibre has become important. With the chances of a bumper crop, it is felt that if cultivators should be able to succeed in marketing the entire crop they would gain in cost of production being spread over a larger harvest. As such, if growers receive about Rs. 25 a maund, basis Assam bottoms, that would be a fair price, according to market circles. This would mean that the price in Calcutta would have to be around Rs. 30 a maund. However, opinion is not unanimous as to the fair price for the grower. It is reported that the Bihar Government strongly feels that the grower should not get anything less than Rs. 35 a maund. Officials connected with jute development in West Bengal have felt that cultivators in this State should get about Rs. 30 a maund. Since opinion in this regard is not unanimous and the Government, with country-wide elections in the offing, may err, if at all it errs, for the benefit of cultivators only, jute mills will soon represent to the Government of India their own position and state what price they can pay if their production is to be economic and they should be able to offer competition in foreign markets. That the jute mills are always eager to pay fair and reasonable prices to the grower is evident in the desire of mills recently expressed by the Indian Jute Mills' Association favouring a price support scheme. The Association has pointed out that a scheme of this type would prevent prices from being forced down to uneconomic levels. When the full weight of the forthcoming bumper crop begins to be felt on the market, prices are likely to react. It would be remembered that in 1958-59 fibre prices following a very good crop declined to very low levels and the result was that in the following year farmers reduced the acreage on jute. It is felt that, encouraged by higher crop, the Government of India should not plunge itself into an export programme as in the past. Industry circles said that had only the Government thought realistically and prevented resumption of export early last year, the present shortage could have been averted. Instead of exports, the State Trading Corporation should be asked to buy early in the next few months and thus create a buffer stock.

Pakistani mills would appear to have stopped under-quoting Indian rates. This was one more reason why prices in Calcutta steadied. On Tuesday last, prices of goods eased as mills offered liberally and subsequently business was done for near deliveries. Ready B. twills declined from Rs. 150.00 to Rs. 147.00 and ready hessian 40″ 10 oz. from Rs. 48.50 to Rs. 47.25. Advices from the New York burlap market were discouraging. The 40″ 10 oz. hessian in New York eased from 12.05 cents a yard to 11.80 cents and the 7½ oz. hessian from 9.15 cents to 9.00 cents. This caused disappointment among stockists here and this was reflected in B. twills moving down to Rs. 146.50 and hessian 40″ 10 oz. to Rs. 46.50 on Wednesday. On Thursday, trading in futures market for November delivery jute goods reopened. This caused prices for ready and near delivery goods to move up. At one time, ready B. twills were as high as Rs. 151.50 but soon receded to Rs. 149.50. Hessian 40″ 10 oz. after being higher at Rs. 48 closed at Rs. 47.25. On Friday, good covering business was done, ready and near delivery goods receiving greater attention. B. twills spurted to Rs. 154 and hessian 40″ 10 oz. to Rs. 48.50. Over the week-end, more covering business was done as a result of which B. twills, though unchanged, were steady at Rs. 154 and hessian 40″ 10 oz. was better at Rs. 49.25. Following a decline in interest during yesterday, B. twills eased to Rs. 152 and hessian 40″ 10 oz. to Rs. 48.00.

In sympathy with goods, fibre prices also improved. Mills bought a little more than last week. Generally, sellers were anxious for business. Better advices in regard to the new crop from the Narayanganj market also contributed to the hardening trend in Calcutta and mofussil markets. Heavy rains in Pakistan districts have slowed down early arrivals and this, in turn, brought the remainder of the old crop to the forefront. However, the old crop interested only those who were having guaranteed shipment commitments. This explained the further fall in prices of the old crop. Export firsts at Rs. 335 per bale recorded a fall of Rs. 35. Export lightnings eased from Rs. 360 to Rs. 320 and hearts from Rs. 340 to Rs. 300. Local opening and closing quotations for the old crop are given below:

(In Rs. per maund against ready delivery)

	Opening	*Closing*	*Gain*
Daissee bottoms ...	47.50	50.00	2.50
Assam bottoms ...	45.50	48.00	2.50
Northern bottoms ...	44.50	47.00	2.50

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 19*th June*

Quietly easy conditions were witnessed in foodgrain prices during the past week due to slack demand in the face of increasing stock positions. Arrivals, however, were small as cultivators were retaining their produce here although pressure of wheat arrivals was reported in other producing areas of Punjab and Madhya Pradesh. Wheat prices at Hapur eased fractionally during the week to be quoted on Monday at Rs. 14 to Rs. 14.50 a maund for average quality and Rs. 15.25 to Rs. 16.25 for better farm produce. Daily arrivals here were now poor at an average of 750 to 1,000 maunds and local stock is now put at 20,000 maunds. Although wheat prices were much lower in the States of Punjab and M.P., loading bottleneck has hampered despatches from those areas. Rice prices, however, ruled quietly steady on good consumers' demand and with local stock put at 8,000 maunds, rice prices here now were: *mainpuri sela* Rs. 22.50, *ramajwayan sela* Rs. 24.50, *raimunia sela* Rs. 25.50, *basmati sela* Rs. 28 to Rs. 30, superior Rs. 33 to Rs. 39, *gaindakutcha* Rs. 21.50 per maund.

Gram prices sought lower levels on easy Punjab advices and with daily arrivals at an average of 1,000 maunds from Punjab, local grain stock mounted to 45,000 maunds. Demand, too, is now reported slack. Barley prices ruled quiet at Rs. 11 to Rs. 11.25 a maund and *bejhar* at Rs. 11 to Rs. 11.75 and arrivals of these coarse grains were small at an average of 100 maunds daily each. *Jowar* prices improved fractionally to Rs. 13 to Rs. 13.50 and *guwar*, too, was quoted higher at Rs. 16.50 to Rs. 17.50 a maund thanks to good demand for seed purposes. Large-scale sowings of these fodder crop and maize are being done these days. *Methi* continued to attract good buying support from Rajasthan and Bengal and prices improved to Rs. 26 to Rs. 27 a maund. Prices of other coarse grains were quiet at: oats Rs. 12 old, maize Rs. 14 *bajra* Rs. 19 to Rs. 20; local stocks: *juwar* 10,000, gram 45,000, maize 4,000, rice 8,000 maunds.

In pulses, peas prices ruled quietly steady as loading facilities were easy in mid-session and week's offtake aggregated seven wagonloads to consuming areas of Madras and Bombay side. Daily arrivals averaged 1,000 maunds and local peas stock is put at 85,000 maunds. Prices of *arhar* and *urd* sought higher levels following better demand. *Arhar* arrivals declined to about 400 maunds daily and stock is put at 43,000 maunds. Prices in other sections were quiet during the week and week-end prices were: *Peas* dara Rs. 10.50 to Rs. 10.75, *farm white* Rs. 11.50 to Rs. 12.50, *peas dal* Rs. 12.50, *gram dal* Rs. 16 *arhar* Rs. 12.75 to Rs. 13.50, *arhar dal* Rs. 16.25, *urd* Rs. 20 to Rs. 22, *urd dal* Rs. 25, *moong* Rs. 20 to Rs. 25, *moong dal* Rs. 24 to Rs. 27, *masoor* Rs. 13 to Rs. 15, *masoor dal* Rs. 16.50 a maund.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 16th June, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits—	
(a) Government—	
(1) Central Government	80,72,84,000
(2) Other Governments	5,44,28,000
(b) Banks	88,25,09,000
(c) Others	126,58,65,000
Bills Payable	32,98,32,000
Other Liabilities	62,75,80,000
Rupees	524,74,98,000

ASSETS	Rs.
Notes	26,63,13,000
Rupee Coin	1,45,000
Subsidiary Coin	2,70,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	44,57,69,000
Balances held abroad*	15,78,25,000
Loans and Advances to Governments†	83,01,66,000
Other Loans and Advances	118,24,40,000
Investments	214,65,74,000
Other Assets	21,79,96,000
Rupees	524,74,98,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments. The item 'Other Loans and Advances' includes Rs. 13,78,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	26,63,13,000	
Notes in circulation	1968,98,52,000	
Total Notes issued		1995,61,65,000
Total Liabilities		1995,61,65,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	108,00,89,000	
Foreign Securities		
Total of A		225,76,92,000
B. Rupee Coin		117,94,46,000
Government of India Rupee Securities		1651,90,27,000
Internal bills of Exchange and other commercial paper		....
Total Assets		1995,61,65,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1939 (pre-war)	9th June 1961	2nd June 1961	A month ago*	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1983.30	1962.52	2007.26	1880.72
Notes held in Banking Department	35.05	11.07	28.23	13.38	10.29
Foreign Securities	59.50	108.01	113.01	113.01	148.01
Rupee Securities	37.39	1051.90	1041.94	1671.94	1501.40
Banking Department					
Deposits of:					
Government of India	14.39	50.09	52.24	56.53	71.07
Other Governments	10.06	11.07	21.40	14.20	8.75
Balances held abroad		17.47	15.76	21.94	15.55
SCHEDULED BANKS					
Demand Liabilities	134.86	797.05 (25.82)†	800.88 (26.22)‡	815.41 (28.82)†	792.75 (16.49)†
Time Liabilities	102.84	1113.20 (17.59)†	1105.06 (15.55)†	1094.29 (15.30)†	1198.46 (24.41)†
Borrowings from Reserve Bank	..	21.35 (14.03)‡	29.27 (13.06)‡	42.78 (23.64)‡	51.22 (13.21)‡
Borrowings from State Bank	..	12.06	13.32	14.02	13.98
Cash in India	6.70	47.37	46.60	49.73	47.93
Balance with Reserve Bank	25.17	76.76	78.96	72.15	106.72
Balances with other banks in current account in India	..	15.09	14.83	15.97	15.43
Money at call and short notice in India	..	45.99	42.49	44.64	28.89
Investments (at book value)	..	537.11	550.45	552.65	740.52
Advances and bills	105.9	1288.49	1288.56	1306.89	1134.01
STATE BANK					
Deposits	87.76	531.95	532.67	543.00	631.61
Investments	51.99	221.82	235.63	236.90	388.88
Advances	30.35	270.69	287.65	270.41	217.59
Cash	14.69	24.83	20.41	24.73	39.21

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.
† Borrowings from Banks excluding the Reserve Bank and the State Bank, Refinance Corporation for Industry (Private) Ltd., and/or notified banks.
‡ Borrowings against usance bills and/or promissory notes.
R—Revised Figures.

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	3	3
Canada †	..	3.80	2.85
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	5.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	12th Jan., 1944	..	2
South Africa	4th May, 1961	4.50	5
Spain	11th April, 1960	6.25	5.75
Sweden	16th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec., 1960	5	5.50
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.50	3

* Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 16th June, 1961

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,45,00,000
Deposits and Other Accounts		520,17,45,000
Borrowings from Other Banking Companies, Agents, etc.		17,00,000
Bills Payable		11,19,14,000
Bills for Collection being Bills receivable as per contra		2,56,73,000
Acceptances, Endorsements and Other Obligations per contra		1,05,41,000
Other Liabilities (including Inter-Office Adjustments)		8,67,29,000
Total Rs.		556,90,52,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		29,28,97,000
Balances with other Banks		3,17,89,000
Money at Call and Short Notice		4,66,67,000
INVESTMENTS:		
Government and other Trustee Securities	202,62,24,000	
Other Authorised Investments	9,29,52,000	
		211,91,76,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	252,61,89,000	
Bills Discounted and Purchased	14,52,93,000	267,14,82,000
Bills Receivable being Bills for Collection as per contra		2,56,73,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,05,41,000
Premises less Depreciation		1,30,21,000
Furniture and Fixtures less Depreciation		1,38,76,000
Other Assets (including Inter-Office Adjustments)		33,89,30,000
Total Rs.		556,90,52,000

Scheduled Banks*

Statement of Affairs for the week ended 9th June, 1961

	Rs.
(i) Demand Liabilities in India	(Thousands)
(a) Demand Deposits—	
(1) From banks	48,04,94
(2) From others	697,86,94
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	25,82,43
(c) Other demand liabilities	51,13,41
(ii) Time Liabilities in India	
(a) Time Deposits—	
(1) From banks	17,58,90
(2) From others	1072,94,03
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	14,50,15
(c) Other time liabilities	22,67,00
(iii) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	7,60,53
(b) Time liabilities	4,45,00
(iv) Borrowings in India from the Reserve Bank of India (A)	21,35,20 (14,03,00)
(v) Cash in India	46,37,48
(vi) Balances with the Reserve Bank in India	76,76,07
(vii) Balances with Other Banks in Current Account in India	15,09,14
(viii) Money at call and short notice in India	45,98,65
(ix) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	537,11,21
(x) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	1095,35,57
(b) Due from Banks in India	7,52,44
(xi) Inland Bills purchased and discounted in India	140,85,59
(xii) Foreign Bills purchased and discounted in India	44,74,99
(xiii) Total of items (x), (xi) and (xii)	1288,48,59

Notes :—
* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.
(A)—The figures in brackets represent borrowing from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 2nd June, 1961

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Rural Credit Fund	1,00,00,000
Deposits :—	
(a) Central Government	2,74,14,000
(b) Provincial Governments	4,26,04,000
(c) Banks	17,70,07,000
(d) Others	122,63,41,000
Bills Payable	34,18,000
Other Liabilities	17,88,47,000
Rupees	173,71,31,000

ASSETS	Rs.
Notes	13,15,38,000
Rupee Coin	67,000
Subsidiary Coin	54,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	32,58,94,000
Balances held outside Pakistan*	5,39,90,000
Loans and Advances to Governments	
Provincial Governments' Debtor Balances	
Other Loans and Advances	34,04,72,000
Investments	77,39,22,000
Other Assets	11,12,84,000
Rupees	173,71,31,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,15,38,000	
Notes in circulation	372,75,17,000	
Total Notes issued		385,90,55,000
Total Liabilities	....	385,90,55,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,93,90,000	
Silver Bullion		
Foreign Securities	81,15,52,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,54,000	149,11,06,000
B. Rupee Coin	2,70,20,000	
Government of Pakistan Securities	228,19,23,000	
Internal bills of exchange and other commercial paper	....	230,89,43,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	385,90,55,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued : 40.09 per cent.

EXCHANGE RATES

		21st June 1961	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	₹.	1-5⅜	1-5⅜
Sellers T. T. D.D. upto six months	₹.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	₹.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	₹.	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D.D.	Rs.	480.00	479.50
Buyers T.T.	Rs.	476.50	476.00
London on New York	₹.	2.7838-2.7891	2.7920-2.7921
London on Paris	Frs.	13.6640-13.6660	13.6790-13.6810
London on Berne	Sw. Frs.	12.0540-12.0560	12.0765-12.0785
New York on London	₹.	278.870-278.900	279.200-279.230

CLEARING HOUSE RETURNS

Centre	Week ended 16th June 1961		Week ended 9th June 1961	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,85,387	94,96,30,000	3,73,809	100,75,16,00
Calcutta	2,17,000	80,11,00,000	2,11,000	72,19,00,00
Madras	1,03,076	13,26,09,171	1,02,089	13,41,86,91
All Centres—				
1958-59	..	..	45,172,000	97,67,12,00,00
1959-60	..	..	50,064,000	109,98,05,00,00
1960-61	..	..	54,472,000	125,13,16,00,00
April 1960	..	..	4,586,000	1,042,01,00,0
Feb., 1961	..	..	4,421,000	1,022,19,00,0
Mar., ,,	..	..	4,695,000	1,218,87,00,0
April ,,	..	..	4,902,000	1,155,54,00,0

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	13th May 1961	6th May 1961	14th May 1960	March 1961	March 1960	Percentage of Increase (+) or Decrease(—) in Mar., 1961 as compared with Mar., 1960	Annual Average 1960	Annual Average 1959
Food Articles	504	117.8	117.4R	120.7	117.5	117.0	+ 0.4	120.3	118.2
Cereals	192	99.5	98.4	105.2	100.2	103.2	— 2.9	105.3	104.3
Pulses	43	87.1	86.1R	89.2	92.8	89.9	+ 3.2	92.6	99.8
Fruits and Vegetables	23	119.8	120.8	132.4	108.4	126.0	—14.0	121.0	127.6
Milk and Ghee	84	116.5	117.4	121.2	115.8	110 7	+ 4.6	115.5	112.2
Edible Oils	47	160.3	158.2R	138.4	163.8	136.6	+19.9	143.8	126.9
Fish, Eggs and Meat	17	127.2	128.3R	123.6	114.5	140.7	+ 7.9	121.1	110.4
Sugar and *Gur*	50	121.1	120.8	138.1	117.3	140.7	—16.6	138.6	143.0
Others	50	167.0	170.3R	167.8	166.8	158.8	+ 5.0	168.6	163.4
Liquor and Tobacco	21	108.4	110.3	106.8	113.4	96.4	+17.6	106.4	100.7
Tobacco	..	108.4	107.4	105.3	110.7	94.1	+17.6	104.8	99.8
Fuel, Power, Light and Lubricants	30	122.3	122.3	119.3	121.2	117.8	+ 2.9	119.0	118.1
Industrial Raw Materials	185	153.8	152.7	141.9	154.1	131.8	+20.6	138.8	119.7
Fibres	61	166.1	165.1	152.5	176.9	124.9	+41.6	139.3	110.2
Oilseeds	60	157.4	155.6R	139.2	159.7	140.5	+13.7	144.9	130.0
Minerals	2	95.2*	95.2*	98.2	95.2	96.5	— 1.3	97.5	100.0
Others	32	127.3*	127.3*	129.5	128.3	131.6	— 2.5	129.0	117.3
Manufactures	220	126.4	126.2	120.6	119.4	118.9	+10.7	120.8	109.7
Intermediate Products	41	135.9	135.7	125.5	137.3	121.3	+13.2	127.1	111.1
Finished Products	240	124.7	124.4	119.5	128.2	118.1	+10.4	119.8	109.8
Textiles	147	128.2	127.7	121.1	133.9	115.1	+16.3	121.5	104.4
Cotton	—	126.6*	126.6*	124.4*	134.7	124.7	+ 1.6	127.5	113.5
Jute	—	139.2	137.3	121.8	161.6	97.5	+65.7	115.2	87.5
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	107.5	104.0
Silk and Rayon	—	115.6*	115.6*	105.2*	117.1	102.8	+13.9	102.6	93.1
Metal Products	12	148.3	148.9	146.9	147.7	— 0.5		147.0	143.7
Chemicals	20	105.5	105 5	104.4	104.8	104.8		104.7	108.5
Oil Cakes	10	148.7	145.7	134.6	145.4	140.7	+ 3.3	140.2	148.1
Machinery and Transport Equipment	31	113.6	113.6	111.0	139.6	111.0	+ 1.4	110.7	105.1
Others	30	118.8	118.6	114.7	118.5	114.0	+ 2.9	115.0	113.6
All Commodities	1.100	125.7	125.4R	123.8	127.4	118.9	+ 7.1	123.0	115.1

Note :—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

* Estimated. R—Revised.

INCOME-TAX AMENDMENT BILL—II

(*Concluded from page 1186*)

to the owner and would *eo instanti* be chargeable in the hands of the owner of the asset. The way in which the owner subsequently chooses to apply his income by transferring it to others is wholly immaterial to the Revenue. See the decisions in *Procat Kumar Mitter* vs. *C.I.T., West Bengal*, 1961 41 I.T.R. 624, S.C. and *K. A. Ramachar* vs. *C.I.T., Madras*, 1961 42 I.T.R. 25, S.C.

(*To be continued*)

BANKING

(*Concluded from page 1172*)

duled banks from the Reserve Bank. Over the year 1960, outstanding borrowings increased by Rs. 50 crores, as compared with Rs. 1 crore only in 1959. The absence of the normal slack-season contraction in bank credit led to smaller repayments by the banks. During the period May-October, the conventional slack season, the average outstanding borrowings from the Reserve Bank remained much higher at Rs. 38 crores than Rs. 10 crores in the corresponding period of 1959. This was largely the result of the persistence of a strong demand for credit from industry, which considerably offset the normal seasonal reduction in credit. The additional reserve requirements imposed by the Reserve Bank also induced banks to have a larger recourse to borrowings. The average rate of interest on borrowings by banks worked out to 5 per cent. As in the previous year, borrowings against securities predominated over those against bills.

Investments

Another notable feature of the banking situation in 1960 was the substantial sales of Government securities by scheduled banks in contrast to a continuous acquisition in the previous three years. This was caused by the slow growth of deposits, the heavy demand for bank credit and the imposition of additional reserve requirements. Investment in Government securities declined by Rs. 157 crores or by 20 per cent to Rs. 630 crores in 1960, as against a rise of Rs. 150 crores or 24 per cent in 1959. Consequently, the investment-deposit ratio came down from 48.4 per cent to 38.4 per cent. Treasury bill holdings also declined by Rs. 23 crores to Rs. 48 crores in 1960 in contrast to a rise of Rs. 50 crores in 1959. The changes in the investment pattern are, however, considerably exaggerated by the change in the banking of P.L. 480 funds.

Bank Credit

An analysis of advances of scheduled banks according to purpose shows that industrial credit rose by Rs. 144 crores in the year ended 31st October 1960 as compared with Rs. 20 crores and Rs. 41 crores in 1959 and 1958, respectively. The sharp spurt in industrial advances was occasioned by the coming into production of new industrial units (particularly in engineering, sugar and chemicals) set up in the earlier phase of the second Plan, as well as by the significant growth in the scale of production, following the larger availability of iron and steel. The expansion also represented partly the impact of the rise in prices of raw materials and partly the build-up of stocks in certain industries. The restrictive measures applied to credit against certain commodities in the previous year and the blanket control on clean advances during the year might have also diverted bank credit to industry to a greater extent. Credit extended to commerce rose from Rs. 374 crores to Rs. 395 crores, though as a proportion of total scheduled bank credit it declined from 40 per cent to 36 per cent. Of the total increase in bank advances to commerce about 75 per cent was absorbed by the wholesale trade. Some decline was registered in bank advances to the financial sector which stood at Rs. 70 crores for the year ended October 1960 as against Rs. 77 crores in the corresponding period of 1959 and their proportion to the total came down to 6.3 per cent from 8.3 per cent.

The importance of bank credit in meeting the requirements of industries is evidenced by the large volume of credit made available by the banks to industries. During the five-year period 1956-60, the increase in scheduled bank credit was of the order of Rs. 455 crores. Of this industrial credit amounted to Rs. 342 crores or 75 per cent. The corresponding figures for the quinquennium 1951-55 were Rs. 169 crores and Rs. 69 crores, or 41 per cent.

Security-wise Advances

The security-wise breakdown of advances discloses that advances to mills against cotton textiles rose by Rs. 14 crores in 1960, in contrast to a decline of Rs. 17 crores in 1959. Advances to sugar mills increased by Rs. 24 crores, as against Rs. 1 crore in the previous year. Advances against iron and steel and engineering products expanded by Rs. 50 crores (Rs. 17 crores in 1959). The two items against which there was an excessive rise in bank advances were shares and debentures of joint-stock companies and jute goods. The reasons for the larger advances are explained as follows:

"The marked increase in the expansion of credit was to an important extent explained by the substantial rise in the rate of growth of industrial output and the increase in investment activity in the economy. The further rise in the general index of wholesale prices was also a factor though it is hard to separate the two aspects of bank credit expansion, namely, a result of a rise in commodity prices and a cause thereof. Also, in some commodities, such as raw jute and jute goods, the rise in prices seemed to be rather disproportionate to the fall in output. Again, in the case of sugar, larger output was not matched by releases of stocks for consumption. Thus, the larger expansion was accounted for by general as well as special factors affecting particular commodities. As generally happens in a situation of continuous rise in prices, excess speculative building-up of inventories would no doubt have taken place during the year."

Credit Policy

In the first quarter of 1960, bank credit went up by Rs. 160 crores and appeared to the Reserve Bank to be larger than was warranted by the genuine requirements of trade and industry. The situation demanded, the report states, some corrective action. But main reliance could not be placed on selective credit controls. The Bank therefore decided to make use of quantitative instrument, such as varying the cash reserves of scheduled banks maintained with the Reserve Bank. But, as no significant impact was felt on the level of bank credit, the Bank announced a new set of credit measures in September 1960, which introduced a system of penal rates—a three-tier rate structure according to the extent of borrowing. The report states that following these measures the general trend appeared to be towards some easing of the pressure of monetary demand. Scheduled bank credit declined by Rs. 29 crores, between 30th September and 25th November 1960, in contrast to a rise of Rs. 3 crores in the corresponding period of the previous year.

SHREE VALLABH GLASS WORKS LTD.

Shree Vallabh Glass Works Ltd., sponsored by the House of Taktawalas (Chairman: Mr. Ratilal Nathalal, Ahmedabad), has announced the public issue of its capital. The offer amounts to Rs. 37.255 lakhs in 37.255 equity shares of Rs. 100 each and the list opens on 5th July. Of the balance of subscribed capital of Rs. 72 lakhs, Rs. 27.745 lakhs will be taken up by the promoters, directors and their friends and Rs. 7 lakhs by the Industrial Credit and Investment Corporation Ltd.

The subscribed capital of Rs. 72 lakhs is expected to meet a major portion of the total capital outlay of Rs. 1.15 crore required for the Company's project of manufacturing sheet and wired glass. The Industrial Credit and Investment Corporation has also agreed to grant a loan of Rs. 37.19 lakhs to meet the cost of imported machinery and capital equipment.

The Company has taken over the Andheri "Tufex" glass plant which is already in production for the last three years and has been making good profits. The Company's new plant will be set up near Anand in Gujarat State. The Andheri plant has already secured two licences of the value of Rs. 1.95 lakh and Rs. 1.96 lakh for importing the machinery required for manufacturing laminated safety glass and bent toughened glass. The Company has also finalised arrangements with Messrs. Industrieofen and Maschinen, the world-famous manufacturers of West Germany, for the supply of machinery and equipment as well as the technical know-how for the new project. The services of Dr. Eckert, who has designed several glass plants all over the world, have been secured for setting up the new factory which is expected to go into production by the end of 1962.

The Board of Directors includes several notable industrialists of Gujarat, including Mr. Arvind Narottam Lalbhai, a Director of Kasturbhai group of mills.

The Tariff Commission, it may be noted here, has estimated the total demand of sheet glass in the country at about 110 million sq. ft. in 1960. Present production is placed at nearly 85 million sq. ft. With the growth of construction industry, both demand and production of sheet glass have increased. At present, plants similar to that of the Company are situated near Calcutta. The Company's plant will be the first in Western India which is one of the most important consuming markets of the Company's products. The Company's Andheri plant alone will consume a substantial part of the sheet glass production of the Anand plant.

During the second Plan, demand for glass has increased at a rate much faster than that envisaged either by the Tariff Commission or the Planning Commission. Demand will rise further during the third Plan period. The market for the Company's [illegible] manufactured. Being [illegible] country, the [illegible] has the [illegible]

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 22nd June 1961

	Closing quotations 15-6-1961	High	Low	Closing quotations 22-6-1961
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	190.00	190.00	180.00	190.00
Apollo (2)	1.50	1.52	1.46	1.48
Baroda Rayon (100)	124.00	128.00	122.00	126.00
Bombay Dyeing (25)	70.50	71.30	69.30	69.30
Bradbury (50)	136.50	138.00	136.50	138.00
Central India (100)	114.00	115.00	113.00	113.00
Coorla Sp. (100)	713.00	740.00	704.00	707.50
Dawn (50)	135.00	—	—	135.00
Edward Textile (200)	132.00	132.00	131.00	132.00
Elphinstone (50)	310.00	310.00	306.00	308.00
Finlay (100)	87.00	89.00	87.00	88.50
Gokak (100)	181.00	928.00	818.00	820.00
Gold Mohur (100)	200.00	186.00	181.00	184.50
Gwalior Rayon (10)	53.30	262.50	260.00	262.50
Ind. Untd. Defd. (1)	1.86	55.50	52.00	52.00
Ind. Untd. Ord. (10)	15.28	1.88	1.80	1.82
Indian Rayon (62.50)	62.00	16.16	15.04	15.12
Indore Malwa (100)	157.00	62.00	58.00	61.00
Khatau (100)	500.00	160.00	155.00	160.00
Kohinoor (100)	615.00	610.00	591.25	595.75
Lakshmi (250)	525.00	324.00	313.00	318.00
Mafatlal (100)	930.00	531.25	525.00	531.25
Minerva Mills (100)	80.00	950.00	920.00	930.00
Model Nagpur (250)	35.00	—	—	86.00
Morarji (100)	413.00	75.00	35.00	75.00
Mysore (50)	75.00	468.00	418.00	468.00
National Rayons (100)	570.00	—	—	68.00
New City (100)	140.00	580.50	559.00	565.00
New Great (100)	220.00	137.50	136.25	136.25
Phoenix (100)	140.00	222.00	221.00	221.00
Podar Mills (100)	150.00	146.00	145.25	145.25
Raymond Woollen (100)	124.00	161.00	150.00	156.00
Sassoon Silk (10)	14.36	126.00	122.50	125.00
Sassoon Spg. (10)	60.50	15.24	14.36	15.24
Shrinivas (100)	266.00	66.00	60.50	64.50
Simplex (50)	296.00	279.00	267.00	274.00
Standard (100)	1,482.00	216.00	208.00	209.00
Svadeshi (100)	280.00	1,498.00	1,430.00	1,455.00
Swan (100)	600.00	284.00	278.00	280.00
S. I. Viscose (100)	173.00	695.00	600.00	608.00
Tata Mills (25)	65.50	176.00	173.00	174.00
Vishnu (100)	130.00	68.00	65.50	66.80
Western India (1,000)	3,725.00	130.00	128.00	128.00
			—	3,725.00
BANKS				
Bank of India (50)	128.50	124.00	128.00	128.50
Do. (New) (50)	125.50	—	—	125.50
Bank of Baroda (50)	100.50	101.00	100.25	101.00
Central (25)	57.00	57.80	56.50	57.50
Central 'A' (25)	57.50	58.00	57.00	58.00
Dena Bank (50)	57.80	58.00	57.20	58.00
Punjab National (10)	22.24	22.24	22.13	22.24
Union Bank (5)	6.48	—	—	6.48
United Com. (50)	90.50	90.50	90.00	90.00
ELECTRIC COS.				
Ahmedabad (100)	85.00	85.70	84.70	85.00
Amalgamated (10)	10.08	—	—	10.08
Andhra Valley (1,000)	1,020.00	1,020.00	1,010.00	1,010.00
Bom. Sub. El. (100)	89.00	89.50	89.00	89.00
Surat (100)	89.00	89.30	89.00	89.30
Tata Hydro (100)	108.50	108.50	106.50	107.00
Tata Power (1,000)	1,077.50	1,080.00	1,030.00	1,062.50
INSURANCE COS.				
British India (10)	12.16	—	—	12.16
Indian Mercantile (20)	50.00	—	—	50.00
New India (15)	63.50	62.50	61.70	61.70
Vulcan (10)	65.00	65.00	63.00	63.00
	15.52	16.52	15.52	16.52
STEEL COS.				
Ind. Iron (10)	28.15	28.45	27.75	27.80
Mukand Iron (10)	29.25	32.00	29.50	31.75
Tata Steel Ord. (75)	159.50	164.25	160.75	162.25
SUGAR COS.				
Belapur (50)	287.00	288.50	266.00	274.00
Bhopal (10)	26.10	—	—	26.10
Changdeo (12.50)	25.25	—	—	25.25
Phaltan (50)	135.00	136.00	131.50	132.00
Walchand Ind. (100)	168.00	160.00	162.00	162.00
CEMENT COS.				
Associated Cts. (100)	162.75	164.50	162.50	164.00
Digvijay (100)	157.00	157.25	156.50	157.00
Orissa (10)	14.40	14.48	14.28	14.40
MISCELLANEOUS				
Alcock Ashdown (100)	298.00	304.00	290.00	302.00
Bom. Burmah (125)	644.00	668.00	621.00	628.50
Do. (New) (50)	235.00	238.75	234.50	235.75
Br. B. Petrol (1s sh.)	1.22	1.25	1.18	1.18
Br. I. Corpn. (5)	7.84	7.80	7.56	7.58
Cooper Eng. (100)	169.00	169.00	162.00	163.00
Colour Chem. (100)	375.00	380.00	365.00	367.50
Hind Cycle (100)	95.50	378.75	95.50	95.00
Hindustan Lever (10)	47.25	95.50	47.00	47.25
Hindustan Motors (10)	23.24	47.50	23.64	23.72
I. C. & Invest. Corporation (100)	85.00	23.48	—	85.00
Indian Dyestuff (100)	535.00	547.50	522.50	527.50
Indian Copper (2 sh.)	5.44	5.48	5.40	5.44
Ind. Inv. Tr. (100)	80.50	79.50	74.00	75.00
Killicks (100)	100.50	101.00	99.50	100.25
Larsen & Toubro (10)	42.25	43.50	40.75	41.50
Mahindra & Mahindra (10)	19.24	19.24	18.88	19.08
New Central Jute (10)	20.00	—	—	19.92
Poison (100)	180.00	180.00	168.00	169.00
Pre. Automobiles (100)	173.50	176.00	172.00	173.50
Scindia (20)	205.50	210.00	196.00	196.00
G. I. Shipping (10)	14.28	14.48	14.20	14.28
Shirvalpur (10)	15.08	15.08	14.12	14.12
Sirpur Paper (10)	78.00	78.50	79.00	71.00
Tata Chemicals (10)	15.56	15.76	15.08	15.12
Tata Locomotive (100)	20.28	20.88	20.12	20.50
Tata Oil (25)	376.50	390.00	376.00	376.00
Texmaco (10)	74.00	74.80	78.00	74.00
Voltas (100)	20.20	20.20	19.96	19.96
W. I. Match (100)	296.50	304.50	288.00	294.00
W. Coast Paper (100)	257.00	258.50	250.00	254.00
	104.00	104.00	100.00	100.00

GOVERNMENT SECURITIES	15-6-1961	Higher Redemption	Lower Redemption	22-6-1961
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MAFATLAL GROUP MILLS REPORT BETTER RESULTS

STANDARD TO ISSUE BONUS SHARES

THE cotton mill industry, as readers are by now aware, had a fairly satisfactory year in 1960, even though in the second half of the year the cloth market was in a disorganised state of affairs, following the Government's persistent effort to bring down cloth and yarn prices. Larger sales and higher profit have been the experience of *most* mills, especially in the Bombay region. It would have been surprising, therefore, if the Mafatlal group of mills, which not only make high quality fabrics but has also a high-powered marketing section, were to report results contrary to the general trend. Actually, all the three mills of the group, namely, the Standard Mills Company Ltd., the Mafatlal Fine Spinning and Manufacturing Company Ltd., and the Sassoon Spinning and Weaving Company Ltd., have fared much better than most of the purely cotton mills during the year ended 31st December 1960. Thus, the sales of Standard increased by Rs. 76.03 lakhs to Rs. 697.06 lakhs, of the Mafatlal Fine by Rs. 27.79 lakhs to Rs. 272.10 lakhs and of the Sassoon Spinning by Rs. 44.17 lakhs to Rs. 576.15 lakhs. Their gross profits also have gone up as will be seen from the account of each company given below.

Standard Mills

The ordinary shares of the Standard Mills have been receiving considerable speculative support in the past one year or more on rumours that the Company was contemplating a rights issue to finance some new profitable undertaking for which it had received a licence. Speaking at the annual meeting of the Company's members last year, the Chairman referred to this rumour and conceded that the management was, in fact, considering such a project. He, however, pleaded his inability to give further details as the plans were still in a nebulous stage. Despite the uncertainty about a rights issue, the shares continued to command a high price which was given a further boost a few weeks ago on reports of a bonus issue. Those who had purchased the shares in this anticipation will now feel highly gratified to know that the Directors have decided to recommend the issue of bonus equity shares, in the proportion of two new shares for every five existing shares, by capitalising an amount of Rs. 43.90 lakhs out of Rs. 96.82 lakhs standing to the credit of the share premium account.

It will be recalled that a similar issue was recommended two years ago when one new share was issued for every five old held and that an amount of Rs. 29.95 lakhs was transferred from the share premium account to the share capital account. Thus the present bonus issue will be the second to be declared within the span of two years, a fact that speaks highly of the farsighted financial policy followed by the management.

It will however be realised that the above issue will not involve any change in the amount of capital funds invested in the business. But there will be an addition of 4.39 lakhs of ordinary shares to the number that is already outstanding and these will be eligible for a proportionate dividend next year.

Gross profit of the Company has shown a remarkable uptrend during the past four years as will be evident from the table below.

(Value in lakhs of rupees)

	1960	1959	1958	1957
Sale proceeds	6,97.06	6,21.03	6,01.31	5,79.25
Other income	18.37	16.61	15.25	14.12
Stocks of finished goods	76.46	53.44	68.07	60.59
Raw materials and stores consumed	3,42.22	3,02.39	3,17.48	3,08.77
Salaries, wages and bonus	1,87.82	1,66.26	1,60.80	1,49.53
Other expenses	63.03	52.51	51.92	42.87
Gross profit	1,43.19	1,01.84	93.84	89.15
Mg. Agents' commission	9.88	7.95	7.43	6.78
Provision for—				
Depreciation	28.09	21.02	17.13	27.01
Taxation	44.80	29.00	41.80	31.75
Net profit	60.92	43.87	27.48	23.61
Transfer from reserves	..	..	5.00	6.00
Refund of tax	0.51	0.07	..	..
Development rebate reserve	11.86	10.53	11.59	4.75
General reserve	6.00	..	..	..
Additional provision for tax	..	..	..	6.00
Dividend equalisation reserve	10.00	..	..	..
Dividends:				
Preference	0.65*	0.65*	0.48	0.48
Ordinary	32.92 (30%)*	31.53 (25% +B. 4%)*	21.96 (20%)†	19.75 (20% +B. 2½%)
Carry forward	1.38	0.91	0.02	1.56

* Subject to deduction of tax.

† On increased capital of Rs. 109.75 lakhs raised by the capitalisation of Rs. 21.95 lakhs.

It will be seen that the gross profit has increased from Rs. 89.15 lakhs in 1957 to Rs. 143.19 lakhs in 1960 or more than 60 per cent. The increase during the year under review alone is quite marked, being well over Rs. 40 lakhs or 40 per cent. Despite heavier provisions for depreciation and taxation as compared with the previous year, net profit for 1960 has reached the all-time high of Rs. 60.92 lakhs. Allocations to reserves have been stepped up from Rs. 10.53 lakhs to Rs. 27.36 lakhs. Thus, against the proposed transfer of Rs. 43.90 lakhs from reserves to the share capital account, the reserves have been strengthened by Rs. 27.36 lakhs. It is important to note that the bonus issue recommended is in addition to a cash dividend of Rs. 30 per share subject to deduction of tax, which incidentally is the highest declared so far.

The Rs. 100 paid-up ordinary shares of the Company are now being quoted at Rs. 588 *ex-div.* and *ex-rights* and fetch a yield of about 3.5 per cent net.

Sassoon Spinning

The profits of the Sassoon Spinning and Weaving Company Ltd. for the year ended 31st December 1960 have shown sizable improvement, despite the fact that the revenue from other sources had declined sharply by Rs. 11.14 lakhs as evidenced by the comparative table given below.

(Value in lakhs of rupees)

	1960	1959	1958	1957
Sales	5,76.15	5,31.98	4,96.69	5,43.63
Other income	38.35	49.49	27.92	4.18
Stocks of finished goods	49.85	36.20	43.26	34.16
Raw materials and stores consumed	3,42.99	3,26.24	3,24.89	3,40.19
Salaries, wages and bonus	1,77.31	1,61.11	1,42.74	1,38.70
Other expenses	57.77	52.98	46.84	34.29
Gross profit	49.70	33.57	17.78	38.05
Mg. Agents' commission	3.01	1.80	0.50	2.33
Provision for—				
Depreciation	18.40	15.23	13.71†	18.45
Taxation	10.55	5.14	0.82†	9.97
Net profit	17.74	11.40	2.70†	7.30
Transfer from reserves	3.00	5.25	7.40†	3.25
Development rebate reserve	7.68	7.28	2.63	3.24
Additional provision for taxation	..	..	..	1.31
Ordinary dividends	13.82 17½) *†	9.42 (25%)*	7.54 (20%)	7.54 (20%)
Carry forward	0.25	..	0.05	0.12

* Subject to deduction of tax.

† On increased capital of Rs. 75.80 lakhs.

This somewhat paradoxical situation can be attributed to higher production during 1960 as disclosed by improved sales and increased closing stocks of process and finished goods. That the Company's products experienced good demand from overseas markets is evidenced by the fact that its premiums under export incentive scheme have increased by Rs. 1.66 lakh to Rs. 13.44 lakhs. Higher production and better sales have thus contributed to increased gross profits.

Net profit, too, has recorded an impressive rise of Rs. 6.34 lakhs to Rs. 17.74 lakhs even after heavier provisions for depreciation and taxation. It will be observed that the tax provision for the year is more than double that for the previous year. With the statutory development rebate reserve claiming Rs. 7.68 lakhs, the Directors have supplemented the profits available by a withdrawal of Rs. 3 lakhs from the general reserves to declare a dividend of Rs. 1.70 per share subject to deduction of tax which has absorbed Rs. 12.82 lakhs. The dividend at 17 per cent is decidedly low as compared with 25 per cent recommended last year, but it must be noted that it is on an increased share capital of Rs. 75.30 lakhs as compared with Rs. 37.70 lakhs in 1959.

The Company's ordinary shares of Rs. 10 each are currently quoted at Rs. 51.80 to give a net yield of about 2.3 per cent.

Mafatlal Fine

In spite of a fairly high rise of Rs. 27.79 lakhs in sale proceeds, gross profit of the Mafatlal Fine Spinning and Manufacturing Company Ltd. has increased only moderately by Rs. 6.70 lakhs to Rs. 69.47 lakhs for the year ended 31st December 1960.

In trying to find an answer to this situation one comes across the two items that loom the largest in the cost of production, namely, raw materials and stores consumed and salaries, wages and bonus. Although the former shows an increase of Rs. 12.35 lakhs over the corresponding figures for 1959, it is observed that there has been no material change in the percentage to sales of the cost of raw materials and stores consumed for the two years. One has, therefore, to come to the conclusion that the decline in gross profit has been brought about chiefly by the increase of Rs. 8.92 lakhs in salaries, wages and bonus as is disclosed by the following table:

(Value in lakhs of rupees)

	1960	1959	1958	1957
Sales	2,72.70	2,44.91	2,23.60	2,10.25
Other income	7.35	10.11	8.81	8.28
Stocks of finished goods	21.93	20.25	25.05	21.20
Raw materials and stores consumed	1,18.04	1,05.69	1,14.74	1,18.51
Salaries, wages and bonus	67.63	58.71	58.62	50.97
Other expenses	26.38	23.04	21.29	19.79
Gross profit	69.47	62.77	46.61	30.12
Mg. Agents' commission	6.01	5.32	3.74	2.12
Provision for—				
Depreciation	11.77	8.58	8.37	10.88
Taxation	20.05	19.65	17.21	7.63
Net profit	31.64	29.22	17.29	9.54
Transfer from reserves	..	..	..	4.25
Development rebate reserve	7.55	8.42	2.62	5.06
General reserve	2.00	4.00	3.00	..
Dividend equalisation reserve	3.00	3.00	..	..
Investment fund reserve	..	0.22	..	..
Dividends:				
Preference	1.70*	1.86*	1.30	1.30
Ordinary	17.40 (30%)*	14.50 (25% +B. 4%)*	10.44 (15% +B. 3%)	8.70 (15%)
Carry forward	0.06	0.07	0.17	0.25

* Subject to deduction of tax at appropriate levels.

After providing Rs. 11.77 lakhs for depreciati and Rs. 20.05 lakhs for tax contingencies, the n profit has increased marginally by Rs. 2.42 lakl to Rs. 31.64 lakhs. In view of the larger transf of Rs. 7.55 lakhs to development rebate reserv as against Rs. 3.42 lakhs in 1959, transfer to gen ral reserve has been cut down from Rs. 4 lakl to Rs. 2 lakhs. Transfer to dividend equalisatic reserve has, however, been maintained at Rs. lakhs.

The slight increase in net profit has made possible to declare ordinary dividends at a some what higher rate of Rs. 30 per share subject t deduction of tax which compares favourably wit Rs. 29 (Rs. 25 + a bonus of Rs. 4) subject to ta declared in 1959.

Considerable progress has been made durin the year in the reorganisation and renovation prc gramme of the mills. A sum of Rs. 2.10 lakhs wa spent on extension of buildings and of Rs. 30.1 lakhs on additions to machinery and equipmen Most of the machines have been installed and ar reported to be working satisfactorily. In additio machinery worth Rs. 7.31 lakhs is in transit.

The Company's financial position is sounc Against the paid-up share capital of Rs. 87 lakh reserves amounts to Rs. 156.68 lakhs or nearl twice as much. One wonders in this situation wh the Company did not follow suit with the Standar Mills and declared a bonus issue.

An interesting feature of the balance-sheet i that assets other than fixed assets have beer maintained in a highly liquid form. The total o investments, debtors, cash and loans and advance is Rs. 136.33 lakhs which is about twice the cur rent liabilities including bank loans.

The Rs. 100 paid-up shares of the Company are being done around Rs. 865. At this price, the net yield works out to 2.4 per cent.

ESCORTS LIMITED

The Directors of Escorts Limited, New Delhi have recommended a gross dividend of 16 per cent for the year 1960. The shareholders, under Section 15C, will enjoy the benefit of tax-free dividend upto the extent of about 25 per cent of the dividend. The total profits of the Company for the year are Rs. 24,28,456. After providing Rs. 7,80,000 for income-tax (Rs. 6,30,000 in 1959), and Rs. 3,32,761 for depreciation (Rs. 1,24,300 in 1959), there remains a net profit of Rs. 13,15,980, out of which the Directors have set apart Rs. 3,04,652 for development rebate reserve and Rs. 2,70,000 for general reserve (Rs. 1,90,000 in 1959).

The Company has made satisfactory progress in setting up the factory for X-Ray equipment under Westinghouse Licence and expects to be in production before the end of the year. Pistons manufacture has progressed according to plan. It is putting up a factory for the manufacture of motor cycles and scooters, for which an industrial licence has been issued, and 23 acres of land has been acquired in Faridabad (near Delhi). The Company has negotiated the purchase of plant and machinery under long deferred terms of payment to the extent of Rs. One Crore. All payments for these projects are payable in rupees and no foreign exchange is involved. The Company has further decided to increase the production capacity of pis- tons from 300,000 to 500,000 per year. Similarly, the subsidiary companies, Goetze (India) Private Ltd. and Sharpedge Private Ltd., have planned to expand their production.

The Company has also been given industrial and import licences for manufacture of railway shock absorbers and heating elements. To meet the capital requirements for all the new projects, the Directors have decided, subject to the permission of the Controller of Capital Issues, to issue new rights shares on the basis of one for one equity shares at a premium of Rs. 3 per share. They have also decided to issue 9 per cent preference shares to the extent of Rs. 8 lakhs, most of which is expected to be allotted to foreign collaborators against technical 'know-how' and supply of plant and machinery.

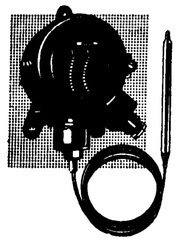
The equity shares of the Company are currently quoted at Rs. 23.

ALCAN MALAYAN COMPANY

The first aluminium rolling mill in the Federation of Malaya will be built by Alcan Malayan Aluminium Company Ltd. This new Malayan industrial development which has been granted a pioneer certificate is being established by Aluminium Ltd. of Canada which will finance the enterprise and furnish technology. Construction is expected to start immediately on a 15-acre plant site at Petaling Jaya, near Kuala Lumpur. The new plant will cost approximately M$4 million. The rolling mills will have a capacity of 2,000 tons per year of flat aluminium sheet, circles and building sheet, using aluminium ingot as raw material imported from Canada. The production from the mill will provide aluminium end product manufactures in the Federation and Singapore with these rolled products for further fabrication and uses. Aluminium household utensils are made from circles and there is an established Malayan market for aluminium sheet for rubber estate equipment building products and transportation applications. The new Alcan plant will have a modern four-stand two high rolling mill train with furnaces for melting and annealing as well as semi-fabricating equipment. Corrugated aluminium building sheet will be one of the materials produced.

FOR
MACHINE TOOLS
AND
SPECIAL
SWEDISH
STEELS

CONTACT
FK FRANCIS KLEIN & CO., PRIVATE LTD.
HEAD OFFICE:
1, INDIA EXCHANGE PLACE
CALCUTTA-1
SHOWROOMS:
13A, GOVT. PLACE EAST
CALCUTTA-1

INDUSTRIAL AUTOMATIC CONTROL EQUIPMENT
By
MESSRS. FR. SAUTER, SWITZERLAND
★

- TIME SWITCHES with/without Astronomical Dials
- IMPULSE EMITTERS
- INTERVAL TIMERS
- RELAYS
- CONTACTORS & LINESTARTERS
- THERMOSTATS OF ALL RANGES
- REFRIGERATION CONTROLS
- PRESSURE SWITCHES
- LEVEL CONTROLS, Etc.

SOLE AGENTS:
TOSHNIWAL BROTHERS (PVT.) LTD.
198, Jamshedji Tata Road, BOMBAY-1
★
BRANCHES:
AJMER - CALCUTTA - NEW DELHI - MADRAS

TRADE PROMOTION

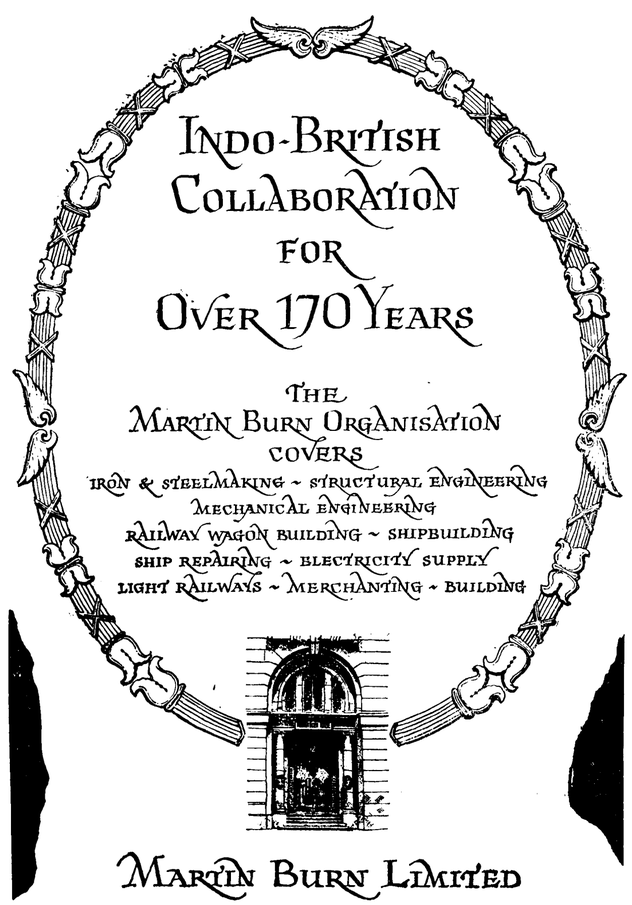
...is our business

Australia, New Zealand, and Fiji offer opportunities to exporters and importers and the International Division of the Bank of New South Wales can help those interested.

The Bank's complete banking service includes such specialized facilities as trade and industrial enquiries, economic and trade information, and a complete travel service. The Bank, through more than 1,000 branches and agencies, is closely and constantly in touch with industry, business, and agriculture in the areas it serves.

Enquiries may be made through your own bankers or direct to

BANK OF NEW SOUTH WALES
INTERNATIONAL DIVISION
John W. McEwen, Chief Manager
HEAD OFFICE: SYDNEY, AUSTRALIA
First and largest commercial bank operating in Australia, New Zealand, Fiji, Papua and New Guinea, with three branches in London.
IP6001b

MBGC 13
INDO-BRITISH COLLABORATION FOR OVER 170 YEARS
THE MARTIN BURN ORGANISATION COVERS
IRON & STEELMAKING ~ STRUCTURAL ENGINEERING
MECHANICAL ENGINEERING
RAILWAY WAGON BUILDING ~ SHIPBUILDING
SHIP REPAIRING ~ ELECTRICITY SUPPLY
LIGHT RAILWAYS ~ MERCHANTING ~ BUILDING

MARTIN BURN LIMITED
MANAGING AGENTS, SECRETARIES AND TREASURERS
Head Office: MARTIN BURN HOUSE 12, Mission Row, Calcutta 1
Branches: New Delhi, Bombay, Kanpur
London Office: MARTIN BURN HOUSE 12, Austin Friars, London, E.C. 2.

Excellent cutting performance
SAP HACKSAWS
HACKSAW BLADES

Manufactured from high quality steel. They can be used for cutting all types of steel, brass, copper, aluminium, plastics etc.
STEEL & ALLIED PRODUCTS LTD.
17, BRABOURNE ROAD, CALCUTTA-1
Sole Selling Agents:
VULCAN TRADING COMPANY (PRIVATE) LTD.
CALCUTTA • BOMBAY • MADRAS • NEW DELHI